

# FPO Monthly Thai Regional Economic Report

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“The Thai regional economy in April 2017 continually expanded. This increase was led by the South, the East and the Northeast. Private consumption, especially durable goods consumption, remained strong. In addition, there was a continual growth in tourism and agriculture sectors. Meanwhile, internal stability remained favorable.”

Mr. Krisada Chinavicharana, Director-general of the Fiscal Policy Office, Spokesperson of the Ministry of Finance stated that “The Thai regional economy in April 2017 continually expanded. This increase was led by the South, the East and the Northeast. Private consumption, especially durable goods consumption, remained strong. In addition, there was a continual growth in tourism and agriculture sectors. Meanwhile, internal stability remained favorable.” The details were summarized as follows:

**The South:** The economy showed a significant expansion, especially in private consumption, agriculture, and tourism. Real VAT collection expended by 3.4 percent per year. Furthermore, the durable goods consumption strongly rose as the number of car and motorcycle registrations grew by 11.4 and 40.7 percent per year respectively, resulting from an expansion in most provinces. These positive trends were due to increasing in agricultural product price and consumer’s confidence index. While, there was a positive sign in private investment on equipment and machinery as the number of pick-up registration dramatically expanded by 23.9 percent per year. On the supply side, the number of visitors and income from visitors continually expanded by 10.9 and 7.7 percent per year, respectively, on account of expansions of Thai and foreign visitors. Furthermore, agriculture sector continued to expand. Farming products and prices, such as rubber and shrimp, showed an accelerated growth. Meanwhile, internal stability remained favorable as inflation rate was stable at 1.8 percent in April 2017 and unemployment rate (as of March 2017) was 1.6 percent of the Southern region’s workforce.

**The East:** The economy continually grew, particularly in private consumption, investment agriculture, and tourism. Real VAT collection rose by 3.4 percent per year. Moreover, the durable goods consumption continued to expand as the number of motorcycle registration ascent by 10.9 percent per year as a result of higher agricultural product price level. Whereas, private investment showed a recovery, especially in equipment and machinery section, as the number of truck registration and the number of permit for factory operation went up by 2.7 and 5.5 percent per year, respectively. On the supply-side, tourism sector was strong as the number of

visitors and income from visitors surged by 14.4 and 25.3 percent per year, respectively. These were supported by expansions of Thai and foreign visitors. Likewise, agriculture sector also expanded due to higher farming products and price levels. Furthermore, manufacturing sector indicators illustrated an improvement as Industrial Confidence Index rose to 105.0 in April. Meanwhile, internal stability remained in a good pace as inflation rate in April 2017 was stable at 0.7 percent and unemployment rate (as of March 2017) was 0.9 percent of the Eastern region's workforce.

**The Northeast: The economy grew, particularly in private consumption, investment, and tourism.** The durable goods consumption continued to expand as the number of car and motorcycle registrations moderately rose by 7.9 and 12.3 percent per year, respectively. Similarly, private investment on equipment and machinery showed an improvement as the number of pick up registrations and the number of permit for factory operation soared by 10.8 and 375.5 percent per year, respectively. On the supply-side, tourism indicators showed satisfactory rates. The number of visitors and income from visitors grew by 10.1 and 11.8 percent per year, respectively. These rises were due to expansions of Thai and foreign visitors. Meanwhile, internal stability was favorable. Inflation rate of April 2017 and unemployment rate (as of March 2017) were stable at 0.6 percent and 1.5 percent of the Northeastern workforce, respectively.

**The North: The economy remained on a path of recovery, especially in private consumption, agriculture, and tourism.** Real VAT collection grew by 5.2 percent per year. In addition, the figure of durable goods consumption showed upward signs as the number of motorcycle registration considerably increased by 12.8 and 22.2 percent per year, respectively, as all provinces recorded growth. These positive trends were supported by higher farmer's income level. Likewise, private investment on equipment and machinery showed clear positive signs as the number of pick-up registration increased by 6.1 percent per year. On the supply side, agriculture sector continued to expand. Farming products, such as rice, corn, sugarcane, and pig, showed an accelerated growth. Whereas, the number of Thai visitors and income from Thai visitors continued to grow. However, foreign tourism sector remained stable. Meanwhile, internal stability continued to stay at desirable level as inflation rate of April 2017 and unemployment rate (as of March 2017) were stable at 0.4 percent and 1.1 percent of the Northern region's workforce, respectively.

**Bangkok and vicinities: The economy recovered, particularly in private consumption, investment, agriculture, and tourism.** The durable goods consumption showed an improvement as the number of motorcycle registration grew by 8.5 percent per year, supported by an expansion in most provinces. These increases were a result of rising in farmer's income level and consumer's confidence index. Whereas, private investment showed improving signs. These were reflected by an increase of 4.3 and 7.4 percent per year in the number of pick-up and truck registrations, respectively. On the supply side, tourism sector remained strong as the number of Thai visitors rose by 2.6 percent per year. In addition, there was an increase in agricultural sector. Farming products, including paddy and seafood, continued to rise. Meanwhile, internal stability remained favorable. Inflation rate was stable at 0.2 percent in April 2017 and unemployment rate (as of March 2017) was 1.0 percent of the Bangkok and vicinities region's workforce.

**The Central:** The economy showed an improvement, driven by private consumption and tourism. Consumption on durable goods was pronounced as the number of car and motorcycle registrations indicated accelerated growths by 10.3 and 18.5 percent per year, respectively, these were supported by higher farm income level and Consumer Confidence Index. Also, private investment showed a positive sign as the number of truck registration strongly expanded by 11.5 percent per year. On the supply-side, tourism sector remained strong. The number of visitors and income from visitors contributed to expand by 2.5 and 3.2 percent per year, respectively, resulting from expansions of Thai and foreign visitors. Meanwhile, internal stability remained desirable as inflation rate was stable at 0.3 percent in April 2017 and unemployment rate (as of March 2017) was 1.5 percent of the Central region's workforce.

**The West:** The economy improved, as private consumption and tourism were the key drivers. Real VAT collection expanded by 1.2 percent per year. In addition, private consumption on durable goods grew as the number of motorcycle registration moderately inclined by 16.4 and 11.2 percent per year, respectively, due to rising in most provinces. These increases were supported by improving in agricultural product price and Consumer Confidence Index. At the same time, the supply-side indicators remained strong, particularly in tourism sector. the number of visitors and income from visitors substantially rose by 11.1 and 21.7 percent per year, respectively. These growths were owing to higher number and income level of Thai and foreign visitors. Meanwhile, internal stability remained satisfactory level as inflation rate was stable at 0.6 percent in April 2017 and Unemployment rate (as of March 2017) was 0.7 percent of the Western region's workforce.