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## Thailand's Economic Projections for 2019

“Thai economy in 2019 is expected to grow at 3.0 percent, decelerating from the previous year, due to the slowdown in exports of goods.”

Mr. Lavaron Sangsnit, Director General, the Fiscal Policy Office (FPO), and acting Spokesman of Ministry of Finance, stated that “the FPO anticipate the Thai economy in 2019 to grow by 3.0 (with a forecast range of 2.8 – 3.2 percent), slowing down from the previous year which expanded by 4.1 percent due to the slowdown in exports of goods, which is the result of the slowdown of trading partners’ economies, and the impact of trade policies between the United States and China, as well as retaliation from various countries. As a result, the export of goods tends to decline. However, the number of tourists increases from the previous year. As well as being supported by the extension of the length of the cancellation fee for immigration check-up (Visa on Arrival: VOA). Private consumption is expected to continue to expand, supported by income from non-agricultural households and low-income people which is improved from the higher employment and social welfare policy, respectively.

The stability of the Thai economy is exceptional. For internal economic stability, headline inflation in 2019 is expected to be 1.0 percent (with a forecast range of 0.8 - 1.2 percent), decreasing from the previous year due to the falling of crude oil prices in the world market. For external economic stability, current account will be in a surplus of 33.3 billion US dollars or 6.1 percent of GDP (with a range of 5.9 - 6.3 percent of GDP)

The spokesperson also added, “From the economic situation that is likely to slow down, the Ministry of Finance, therefore, preparing the economic stimulus packages to support economic growth for the rest of the year and to support the uncertainty of the global economy. These stimulus packages, which aim to stimulate domestic consumption and investment, including the relief of living costs for low income people, drought-affected farmers, and small farmers, has been approved by the economic cabinet on 16 August 2019 and proposed to the Cabinet for approval today. It is expected that the money will be injected into the economy immediately in August.

### Major Assumptions and Economic Projections for 2019

	2017	2018	2019f	
			Avg	Range
<b>Projections</b>				
1) GDP Growth Rate (percent y-o-y)	4.0	4.1	3.0	2.8 to 3.2
2) Real Consumption Growth (percent y-o-y)				
- Real Private Consumption (percent y-o-y)	3.0	4.6	4.1	3.9 to 4.3
- Real Public Consumption (percent y-o-y)	0.1	1.8	2.2	2.0 to 2.4
3) Real Investment Growth (percent y-o-y)				
- Real Private Investment (percent y-o-y)	2.9	3.9	3.6	3.4 to 3.8
- Real Public Investment (percent y-o-y)	-1.2	3.3	2.6	2.4 to 2.8
4) Export Volume of Goods and Services (percent y-o-y)	5.4	4.2	-0.9	-1.1 to -0.7
5) Import Volume of Goods and Services (percent y-o-y)	6.2	8.6	-0.4	-0.6 to -0.2
6) Trade Balance (USD billion)	34.2	22.3	23.0	22.8 to 23.2
- Export Value of Goods in USD (percent y-o-y)	9.8	7.2	-0.9	-1.1 to -0.7
- Import Value of Goods in USD (percent y-o-y)	13.2	14.3	-1.2	-1.4 to -1.0
7) Current Account (billion U.S.)	50.2	35.2	33.3	33.1 to 33.5
- Percentage of GDP	11.0	7.0	6.1	5.9 to 6.3
8) Headline Inflation (percent y-o-y)	0.7	1.1	1.0	0.8 to 1.2
Core Inflation (percent y-o-y)	0.6	0.7	0.7	0.5 to 0.9
<b>Major Assumptions</b>				
<u>Exogenous Variables</u>				
1) Average Economic Growth Rate of Major Trading	4.0	3.9	3.5	3.3 to 3.8
2) Dubai Crude Oil Price (U.S. dollar per Barrel)	53.1	69.4	65.5	62.5 to 68.5
<u>Policy Variables</u>				
3) Exchange Rate (Baht per U.S. dollar)	33.9	32.3	31.5	31.0 to 32.0
4) Public Expenditure (Trillion Baht)	3.46	3.60	3.77	3.75 to 3.79
5) Number of foreign tourists (Million)	35.6	38.3	40.0	39.5 to 40.5