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## Thailand's Economic Projections for 2022 and 2023

**“The Thai economy is expected to expand by 3.0 percent in 2022  
and increase by 3.8 percent in 2023**

**mainly driven by the recovery of the tourism sector and lower inflation pressure.**

**Nevertheless, economic slowdown of major trading partners  
should be closely monitored.”**

Mr. Pornchai Thiraveja, Director General of the Fiscal Policy Office, and Spokesperson of Ministry of Finance (MOF), stated that **“ Thai economy is anticipated to expand by 3.0 percent (within the range of 2.8 to 3.3 percent) in 2022”**. Export volume of goods and services is projected to grow 8.2 percent (within the range of 8.0 to 8.5 percent), while import volume of goods and services rise 7.1 percent (within the range of 6.9 to 7.4 percent). Moreover, the relaxation of international travel measures in various countries and the improvement of Thailand's COVID-19 situation are expected to drive both Thai domestic and international tourism forward. Private consumption is forecasted to increase 6.9 percent (within the range of 6.7 to 7.2 percent) and private investment grow 4.2 percent (within the range of 4.0 to 4.5 percent).

**For 2023, the Ministry of Finance expects Thai economy would grow at 3.8 percent (within the range of 3.3 to 4.3 percent)** with the main supports from the recovery of domestic demand and tourism sector, particularly from the increasing of Asian tourists. International tourists is forecasted to be 27.5 million tourists (147 percent) which will lead to increased income from the tourism sector and related service businesses. Meanwhile, export value of goods in USD is expected to slightly rise 0.4 percent (within the range of -0.1 to 0.9 percent) due to the demand reduction of major trading partners.

Private consumption is expected to expand 3.5 percent (within the range of 3.0 to 4.0 percent) in line with rising of household income. In addition, the role of fiscal policy will continue to help alleviating the from economic drawbacks and support the expansion of the Thai economy collectively and inclusively in every sector. Private investment is forecasted to grow 3.6 percent (within the range of 3.1 to 4.1 percent) as confidence in the domestic economy begins to improve.

In terms of the internal stability, the headline inflation rate is expected at 2.8 percent (within the range of 2.3 to 3.3 percent) adjusted within the inflation target of 1.0 - 3.0 percent due to lower global energy prices. For external stability, the current account balance is expected to return to a surplus of 3.1 billion USD for 0.5 percent of GDP (within the range of 0.0 to 1.0 percent of GDP)

Moreover, the Ministry of Finance Spokesperson also highlighted, “Thailand’s economic outlook could be affected by several factors. MOF gives special attention to both the pro and con considerations. Examples of supporting factors are higher-than-expected foreign tourist arrivals, especially Chinese tourists from the early opening border and lessening tourism restriction policy. On the other hand, examples of opposing factors are 1) global economic slowdown and global financial market volatility from the strict monetary policy of Thailand’s major trading partners especially in the United States and the European Union 2) the geopolitical conflicts across the world which may affect international security and production factors and 3) the recovery of China economy under the pressure of COVID-19 situation.”

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## Major Economic Assumptions and Thailand's Economic Projections for 2022 and 2023

	2021	2022f		2023f	
		as of Jan 2023			
		Avg	Range	Avg	Range
<b>Projections</b>					
1) GDP Growth Rate (percent y-o-y)	1.5	3.0	2.8 to 3.3	3.8	3.3 to 4.3
2) Real Consumption Growth (percent y-o-y)					
- Real Private Consumption (percent y-o-y)	0.3	6.9	6.7 to 7.2	3.5	3.0 to 4.0
- Real Public Consumption (percent y-o-y)	3.2	0.3	0.1 to 0.6	-1.2	-1.7 to -0.7
3) Real Investment Growth (percent y-o-y)					
- Real Private Investment (percent y-o-y)	3.3	4.2	4.0 to 4.5	3.6	3.1 to 4.1
- Real Public Investment (percent y-o-y)	3.8	-0.8	-1.1 to -0.6	1.8	1.3 to 2.3
4) Export Volume of Goods and Services (percent y-o-y)	10.4	8.2	8.0 to 8.5	5.3	4.8 to 5.8
5) Import Volume of Goods and Services (percent y-o-y)	17.9	7.1	6.9 to 7.4	2.3	1.8 to 2.8
6) Trade Balance (USD billion)	32.4	11.0	1.1 to 20.9	12.4	0.9 to 23.9
- Export Value of Goods in USD (percent y-o-y)	19.2	5.3	5.1 to 5.6	0.4	-0.1 to 0.9
- Import Value of Goods in USD (percent y-o-y)	27.7	15.0	14.8 to 15.3	-0.1	-0.6 to 0.4
7) Current Account (billion U.S.)	-10.6	-19.8	-21.0 to -18.6	3.1	0.2 to 6.0
- Percentage of GDP	-2.0	-4.0	-4.3 to -3.8	0.5	0.0 to 1.0
8) Headline Inflation (percent y-o-y)	1.2	6.1	5.9 to 6.4	2.8	2.3 to 3.3
Core Inflation (percent y-o-y)	0.2	2.5	2.3 to 2.8	2.3	1.8 to 2.8
<b>Major Assumptions</b>					
<u>Exogenous Variables</u>					
1) Average Economic Growth Rate of Major Trading Partners (percent y-o-y)	5.3	3.3	3.1 to 3.6	2.7	2.2 to 3.2
2) Dubai Crude Oil Price (U.S. dollar per Barrel)	69.2	95.4	95.2 to 95.7	85.0	80.0 to 90.0
<u>Policy Variables</u>					
3) Exchange Rate (Baht per U.S. dollar)	32.0	35.1	34.9 to 35.4	32.5	32.0 to 33.0
4) Public Expenditure (Trillion Baht)	4.00	4.14	4.11 to 4.16	4.19	4.14 to 4.24
5) Number of foreign tourists (Million)	0.4	11.2	11.0 to 11.5	27.5	27.0 to 28.0

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As of January 2023  
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