

FPO Monthly Thai Regional Economic Report

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Mr. Krisada Chinavicharana, Director-general of the Fiscal Policy Office, Spokesperson of the Ministry of Finance stated that “The Thai regional economy in January 2017 expanded at satisfactory rate. This was led by the central, the South and the east of Thailand. Strong expansion in tourism and agriculture sectors were the main key factors to support the regional economy. Likewise, private investment showed an improving sign in many regions. Meanwhile, internal stability remained favorable.” **The details were summarized as follows:**

The Central Region: The economy showed strong growth, specifically in private consumption, government investment and tourism. Real VAT collection on domestic consumption expended by 6.6 percent per year, improving from higher consumer’s confidence index which reached to 61.0. However, the figure of durable goods consumption remained stable in the previous month. Similarly, private investment showed continually positive sign as the number of permit for factory operation significantly ascent by 160.9 percent per year due to high investment level in Phra Nakhon Si Ayutthaya. Likewise, government investment of the central also continued to grow by 24.4 percent per year. On the supply side, the number of visitors and income from visitors in December continually expanded by 0.8 and 3.6 percent per year, respectively. Meanwhile, internal stability continued to stay at desirable level as inflation rate of January and unemployment rate (as of December 2016) were stable at 1.5 percent and 1.6 percent of the Central region’s workforce, respectively.

The Southern Region: The economy continued to grow, especially in investment and tourism. There is a positive sign in private investment on equipment and machinery as the number of pick-up registration slightly expanded by 0.7 percent per year, resulting from expansion in many provinces such as Surat Thani , Trang and Yala. In addition, the number of

permit for factory operation surged by 226.7 percent per year as a result of new investment in Songkhla. Likewise, government investment of this region was the key factor to support the economy as capital expenditure ascent by 8.9 percent per year. However, private consumption was stable, comparing to the previous month. On the supply side, the number of visitors and income from visitors moderately increased by 2.3 and 9.4 percent per year, respectively. Meanwhile, internal stability remained favorable as inflation rate was stable at 2.0 percent in January and unemployment rate (as of December 2016) was 1.4 percent of the Southern region's workforce.

The Eastern Region: The economy indicated an expansion, particularly in agriculture, manufacture and tourism. A positive sign of government investment was reflected by an increase of 11.0 percent per year in capital expenditure, while private consumption remained largely unchanged. On the supply-side, tourism sector was strong as the number of visitors continually increased by 15.1 percent per year as the number of Thai and foreign visitors rose by 15.1 and 15.3 percent per year, respectively. In addition, income from visitors also grow by 23.2 percent per year, since income from Thai and foreign visitors expanded by 10.1 and 31.8 percent per year, respectively. Moreover, agriculture sector showed an improving sign as industrial's consumer index reached a 40-month peak of 102.4. Meanwhile, internal stability remained in a good pace as inflation rate in January was stable at 1.9 percent and unemployment rate (as of December 2016) was 0.7 percent of the Eastern region's workforce.

Bangkok and vicinities: The economy gradually improved, particularly in investment and tourism. Private investment on equipment and machinery showed an improvement as the number of permit for factory operation substantially ascent by 62.4 percent per year owing to higher level of factory investment in Samut Prakan and Nakhon Pathom. Likewise, capital expenditure expanded by 1.6 percent per year, while private consumption remained steady. On the supply-side, tourism sector indicated an expansion as the number of visitors increased by 4.6 percent per year. This was mainly due to higher number of Thai and foreign visitors (grew by 11.2 and 0.1 percent per year, respectively). Meanwhile, internal stability was favorable. Inflation rate of January and unemployment rate (as of December 2016) were stable at 1.6 percent and 1.0 percent of the Bangkok and vicinities workforce, respectively.

The Northeastern Region: The economy gradually recovered, particularly in private investment, government investment, and tourism. Private investment on equipment and machinery continued to grow as the number of permit for factory operation soared by 59.5 percent per year on account of higher level of investment in Nakhon Ratchasima and Amnat Charoen. Likewise, government investment grew at favorable rate as capital expenditure dramatically ascent 31.2 percent per year. However, private consumption was still stable. On the supply side, tourism sector remained strong as the number of visitors continually increased for 8 months. The number of Thai and foreign visitors considerably rose by 25.4 and 30.0 percent per year, respectively. Moreover, income from visitors also significantly increased by 30.5 percent per year. Whereas, internal stability remained

favorable. Inflation rate was stable at 1.9 percent in January and unemployment rate (as of December 2016) was 0.8 percent of the Northeastern region's workforce.

The North Region: The economy remained steady, while government investment and tourism were the key drivers. Government investment showed positive sign as capital expenditure strongly inclined by 16.0 percent per year. Moreover, investment on equipment and machinery showed an improving sign as the number of pick-up registration strongly grew by 6.3 percent per year due to expansion in Chiang Mai, Phetchabun and Phichit. However, private consumption remained stable. On supply-side, tourism sector indicated an expansion as the number of visitors and income from visitors moderately ascent by 4.7 and 9.0 percent per year, respectively. This increase was a result of growth of Thai and foreign visitors. Meanwhile, internal stability remained desirable as inflation rate was stable at 2.2 percent in January and unemployment rate (as of December 2016) was 0.9 percent of the Northern region's workforce.

The Western Region: The economy was stable, whereas tourism continued to grow. The supply-side indicators remained strong. The number of visitors contributed to expand by 6.6 percent per year as the number of Thai and foreign visitors ascent by 7.0 and 3.8 percent per year, respectively. Furthermore, income from visitors indicated an accelerated growth by 16.7 percent per year, resulting from higher income level from Thai and foreign visitors (rose by 18.5 and 11.8 percent per year, respectively.) At the same time, the demand-side indicators showed steady, comparing with the previous month, due to unchanging in private consumption and private investment as well as government investment, which was significantly spent in the previous month. Meanwhile, internal stability remained satisfactory level as inflation rate was stable at 2.6 percent in January and Unemployment rate (as of December 2016) was 0.6 percent of the Western region's workforce.