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Monthly Economic Report (February 2020)

“The Thai economy in February 2020 has been slowing down as COVID-19 pandemic continued to affect all economic sectors especially tourism as shown by dramatic decrease in the number of foreign tourists. Industrial and agricultural sectors have also shown sign of slowdown from economic uncertainty and drought. Despite economic slowdown, domestic consumption still expanded as VAT

Mr. Wuttipong Jittungsakul, Deputy Director of Fiscal Policy Office, Acting Fiscal Policy Advisor, and Deputy Spokesperson of the Fiscal Policy Office, and Mr. Pisit Puapan, Executive Director of the Macroeconomic Policy Bureau, revealed the economic report in February 2020 that “The Thai economy in February 2020 has been slowing down as COVID-19 pandemic continued to affect all economic sectors especially tourism as shown by dramatic decrease in the number of foreign tourists. Industrial and agricultural sectors have also shown sign of slowdown from economic uncertainty and drought. Despite economic slowdown, domestic consumption still expanded as VAT collection continues to expand as well this month.”

Economic indicators on private consumption expenditures in general has been stable.

Private Consumption Indicators	2018	2019	2019				2020		
			Q1	Q2	Q3	Q4	Jan	Feb	YTD
Real VAT collection (%YoY)	5.6%	-1.7%	1.7%	0.4%	-5.7%	-3.1%	-2.2%	4.6%	0.9%
%qoq_SA / %mom_SA			-1.7%	0.4%	-3.4%	1.7%	-0.5%	3.8%	
Import volume of consumption goods (%YoY)	8.4%	2.8%	1.0%	-1.2%	8.1%	3.6%	7.0%	-8.6%	0.1%
%qoq_SA / %mom_SA			-5.4%	2.3%	6.0%	1.0%	0.2%	-19.8%	
Passenger car sales (%YoY)	15.4%	-0.3%	13.9%	3.7%	-1.7%	-14.6%	0.4%	-15.4%	-7.8%
%qoq_SA / %mom_SA			3.1%	-1.2%	-4.1%	-12.3%	37.2%	-19.9%	
Registration of new motorcycles (%YoY)	-2.9%	-3.4%	-0.1%	-7.1%	0.9%	-7.3%	-2.0%	-3.7%	-2.8%
%qoq_SA / %mom_SA			-3.1%	-7.1%	7.4%	-4.3%	9.3%	-1.2%	
Consumer confidence index (level)	67.8	62.6	68.1	64.8	60.8	56.8	54.9	52.5	53.7
Farmers' real incomes (FPO) (%YoY)	2.2%	0.5%	0.7%	0.3%	2.6%	-0.9%	3.1%	2.3%	2.7%

## Economic indicators on private investment continued to slowdown

Private Investment	2018	2019	2019				2020		
Indicators			Q1	Q2	Q3	Q4	Jan	Feb	YTD
Machinery and equipment sector									
Import volume of capital goods (%YoY)	3.4%	-5.3%	-9.6%	-6.4%	-1.0%	-4.2%	3.8%	-10.2%	-2.4%
%qoq_SA / %mom_SA			-5.9%	2.5%	1.4%	-2.0%	5.1%	-18.6%	
Commercial car sales (%YoY)	22.2%	-5.1%	9.5%	2.9%	-11.3%	-	-13.6%	-18.1%	-15.9%
%qoq_SA / %mom_SA			-4.4%	2.2%	-10.7%	-5.7%	11.0%	-6.6%	
18.0%									
Construction sector									
Real estate tax collection (%YoY)	13.2%	-5.5%	4.9%	-15.6%	-2.3%	-7.4%	-17.4%	-18.8%	-18.2%
%qoq_SA / %mom_SA			-0.3%	-14.5%	14.0%	-4.2%	-10.6%	-0.8%	
Cement sales (%YoY)	4.3%	-5.8%	-5.2%	-3.9%	-9.2%	-4.9%	-5.0%	-1.9%	-3.5%
%qoq_SA / %mom_SA			-4.4%	-0.8%	-0.8%	1.0%	-0.4%	1.2%	
Construction material price index (%YoY)	2.6%	-1.3%	0.0%	0.0%	-2.4%	-2.8%	-1.7%	-2.0%	-1.9%

On the fiscal sector, total government expenditure in February 2020 was 168.7 billion Baht where the current expenditure was 161.8 billion Baht and the carry-over was 17.7 billion Baht.

Fiscal Sector	FY2018	FY2019	FY2019				FY2020		
Indicators			Q1	Q2	Q3	Q4	Jan	Feb	FYTD
Budget Expenditure (Billion baht)	2,792.1	2,788.3	893.0	669.2	590.2	635.9	192.1	168.7	1,090.3
%YoY	3.9%	-0.1%	-0.5%	16.8%	-15.1%	1.6%	-32.9%	-7.3%	-19.9%
Current Expenditure (Billion baht)	2,411.8	2,401.1	817.7	569.0	497.5	516.8	184.1	161.8	1,049.4
%YoY	4.6%	-0.4%	0.9%	18.8%	-17.6%	-0.3%	-28.2%	6.0%	-14.5%
Capital Expenditure (Billion baht)	380.3	387.2	75.2	100.2	92.7	119.0	8.0	6.9	40.9
%YoY	-0.1%	1.8%	-13.7%	7.0%	0.8%	10.6%	-73.4%	-76.5%	-69.6%
Carry-Over (Last Year)	215.1	254.9	70.8	61.0	71.3	51.8	24.9	17.7	123.2
%YoY	5.5%	18.5%	1.5%	5.3%	66.6%	16.0%	35.4%	-2.4%	14.8%
Government Expenditure (Billion baht)	3,007.2	3,043.2	963.7	730.2	661.5	687.7	217.0	186.4	1,213.5
%YoY	4.0%	1.2%	-0.4%	15.8%	-10.4%	2.5%	-28.8%	-6.9%	-17.4%

External demand has also slowed down as there was more contraction compared to the previous month.

Export	Share	2018	2019	2019				2020		
				Q1	Q2	Q3	Q4	Jan	Feb	YTD
Total Export	100.0%	6.9%	-2.7%	-1.9%	-3.8%	-0.5%	-4.5%	3.3%	-4.5%	-0.8%
China	11.8%	2.7%	-3.8%	-10.3%	-9.0%	2.8%	1.6%	5.2%	-2.0%	1.4%
U.S.A	12.7%	5.5%	11.8%	32.0%	3.3%	7.7%	5.4%	9.9%	-37.0%	-19.9%
Japan	10.0%	13.0%	-1.5%	-1.4%	-2.3%	2.9%	-5.0%	-2.5%	-11.1%	-7.0%
EU	8.6%	5.1%	-6.6%	-7.1%	-7.3%	-5.6%	-6.4%	0.6%	1.7%	1.1%
Australia	5.0%	2.9%	-4.2%	-9.3%	-7.5%	12.1%	-12.6%	-16.0%	-6.2%	-11.2%
Vietnam	4.9%	11.9%	-6.5%	6.1%	2.8%	-14.1%	-17.1%	-7.9%	-6.6%	-7.2%
Hong Kong	4.8%	1.8%	-6.5%	-13.6%	-5.1%	-5.4%	-1.1%	-14.3%	-3.0%	-7.7%
Malaysia	4.2%	12.6%	-10.2%	-3.4%	-8.5%	-17.8%	-10.1%	-18.8%	-14.6%	-16.8%
Indonesia	3.7%	15.9%	-11.2%	-8.9%	-18.9%	-13.0%	-3.2%	-4.5%	7.8%	1.8%
Singapore	3.6%	13.6%	-6.1%	-10.9%	10.7%	-5.8%	-17.0%	65.7%	26.5%	42.8%
Middle East	3.4%	-5.1%	-1.9%	-7.3%	-8.3%	2.4%	6.9%	2.0%	16.4%	9.6%
Philippines	2.8%	13.9%	-12.5%	-8.4%	-17.4%	-15.1%	-8.6%	-7.9%	7.1%	-0.7%
Africa	2.8%	10.8%	-10.9%	-4.7%	-11.0%	-12.8%	-15.2%	-14.2%	-18.1%	-16.1%
India	3.0%	17.8%	-3.9%	1.3%	4.3%	-8.1%	-14.3%	-5.7%	-0.3%	-3.0%
South Korea	1.9%	6.0%	-4.3%	-5.9%	-0.3%	-10.3%	-0.9%	-4.0%	-1.5%	-2.7%
Taiwan	1.6%	-0.9%	0.8%	-14.4%	-5.3%	10.0%	15.3%	13.1%	21.2%	17.2%
PS. ASEAN-9	25.5%	14.9%	-8.2%	-4.4%	-5.9%	-13.9%	-8.2%	1.8%	6.1%	4.0%
PS. ASEAN-5	14.4%	13.6%	-9.6%	-7.7%	-8.7%	-12.1%	-9.8%	3.8%	6.3%	5.1%
PS. Indochina-4	11.2%	16.7%	-6.3%	0.1%	-2.0%	-16.2%	-6.2%	-0.7%	5.8%	2.5%

Supply-side indicators were supported by the number of inbound foreign tourists.

Supply Side Indicators	2018	2019	2019				2020		
			Q1	Q2	Q3	Q4	Jan	Feb	YTD
Agricultural Production Index (%YoY)	8.5%	-0.7%	1.8%	-0.7%	1.3%	-3.7%	-3.9%	-4.5%	-4.2%
%qoq_SA / %mom_SA			2.9%	1.7%	2.2%	-7.2%	1.1%	-1.6%	
Manufacturing Production Index (%YoY)	3.7%	-3.6%	-1.2%	-2.4%	-4.2%	-6.8%	-4.0%	-5.2%	-4.6%
%qoq_SA / %mom_SA			-2.0%	-0.8%	-2.1%	-2.1%	13.1%	-9.7%	
Capacity Utilization (%)	69.8%	66.3%	71.3%	65.6%	65.0%	63.4%	66.5%	65.3%	65.9%
Thai Industries Sentiment Index (TISI) (level)	91.6	93.7	95.2	95.1	92.8	91.7	92.2	90.2	91.2
Number of Inbound Foreign Tourists (%YoY)	7.3%	4.2%	2.1%	1.4%	7.2%	6.4%	2.5%	-42.8%	-19.8%
%qoq_SA / %mom_SA			0.6%	-0.3%	3.3%	2.7%	0.6%	-44.3%	

Internal economic stabilities remained favourable and external economic stability remained robust.

Macroeconomic Stability Indicators	2018	2019	2019				2020		
			Q1	Q2	Q3	Q4	ม.ค.	ก.พ.	YTD
<b>Internal Stability</b>									
Unemployment rate (%)	1.1%	1.0%	0.9%	1.0%	1.0%	1.0%	1.1%	1.1%	1.1%
Headline inflation (%YoY)	1.1%	0.7%	0.7%	1.1%	0.6%	0.4%	1.1%	0.7%	0.9%
Core inflation (%YoY)	0.7%	0.5%	0.6%	0.5%	0.4%	0.5%	0.5%	0.6%	0.5%
Public debt (% of GDP)	41.9%	41.2%	41.8%	41.4%	41.2%	41.2%	41.3%	41.4%	41.4%
<b>External Stability</b>									
Current Account Balance (Billion USD)	28.5	37.9	12.4	5.5	9.7	10.3	3.4	5.4	8.8
International Reserves Position (Billion USD)	205.6	224.3	212.2	215.8	220.5	224.3	230.3	229.5	229.5
Net Forward (Billion USD)	33.7	34.7	32.6	34.5	33.1	34.7	33.1	31.8	31.8
International reserves to short term external debt (times)	3.30	3.80	3.4	3.5	3.8	3.8	3.8	3.9	3.9

**Table 1: Quarterly Economic Indicators**

Monthly Economic Indicators	2018	2019	2019				2020		
			Q1	Q2	Q3	Q4	Jan	Feb	YTD
<b>External sector</b>									
Dubai crude oil price (US\$/Barrel) /7	69.42	63.54	63.52	67.39	61.16	62.08	64.29	54.24	59.26
Fed funds rate (%) /7	2.25- 2.50	1.50- 1.75	2.25- 2.50	2.25- 2.50	1.75- 2.00	1.50- 1.75	1.50- 1.75	0.00- 0.25	0.00- 0.25
<b>Fiscal sector</b>									
Government expenditure (Billion baht) /1	2,792.1	2,788.3	893.0	669.2	590.2	635.9	192.1	168.7	1,090.3
(%YoY) /1	3.9%	-0.1%	-0.5%	16.8%	- 15.1%	1.6%	-32.9%	-7.3%	-19.9%
Budget expenditure (Billion baht) /1	2,411.8	2,401.1	817.7	569.0	497.5	516.8	184.1	161.8	1,049.4
(%YoY) /1	4.6%	-0.4%	0.9%	18.8%	- 17.6%	-0.3%	-28.2%	6.0%	-14.5%
Current expenditure (Billion baht) /1	380.3	387.2	75.2	100.2	92.7	119.0	8.0	6.9	40.9
(%YoY) /1	-0.1%	1.8%	-13.7%	7.0%	0.8%	10.6%	-73.4%	-76.5%	-69.6%

Monthly Economic Indicators	2018	2019	2019				2020		
			Q1	Q2	Q3	Q4	Jan	Feb	YTD
Capital expenditure (Billion baht) /1	215.1	254.9	70.8	61.0	71.3	51.8	24.9	17.7	123.2
(%YoY) /1	5.5%	18.5%	1.5%	5.3%	66.6%	16.0%	35.4%	-2.4%	14.8%
Carry-over budget (Billion baht) /1	3,007.2	3,043.2	963.7	730.2	661.5	687.7	217.0	186.4	1,213.5
(%YoY) /1	4.0%	1.2%	-0.4%	15.8%	-10.4%	2.5%	-28.8%	-6.9%	-17.4%
Supply-side indicators									
Agricultural sector									
Agricultural Production Index (%YoY) /6	8.5%	-0.7%	1.8%	-0.7%	1.3%	-3.7%	-3.9%	-4.5%	-4.2%
Agricultural Price Index (%YoY) /6	-5.4%	1.9%	-0.7%	2.4%	2.3%	3.5%	9.2%	8.7%	8.9%
Real farm income (%YoY) /14	2.2%	0.5%	0.7%	0.3%	2.6%	-0.9%	3.1%	2.3%	2.7%
New employment in agricultural sector(%YoY) /3	3.1%	-3.2%	-3.7%	-3.6%	-4.2%	-1.4%	-4.8%	-0.6%	-2.7%
Industrial sector									
Manufacturing Production Index (%YoY) /10	3.7%	-3.6%	-1.2%	-2.4%	-4.2%	-6.8%	-4.0%	-5.2%	-4.6%
Import value of raw materials in USD (%YoY) /1	9.7%	-7.6%	-8.2%	-2.9%	-13.2%	-5.4%	-10.2%	-5.5%	-8.1%
Import volume of raw materials in USD (%YoY) /1	11.1%	-6.4%	-7.1%	-0.3%	-10.8%	-6.9%	-11.4%	-6.5%	-9.3%
Capacity utilization (%) /10	69.8%	66.3%	71.3%	65.6%	65.0%	63.4%	66.5%	65.3%	65.9%
New employment in industrial sector (%YoY) /3	1.1%	-0.2%	2.4%	0.8%	-2.2%	-2.0%	4.2%	-2.9%	0.5%
Thai Industrial Sentiment Index (Index) /9	91.6	93.7	95.2	95.1	92.8	91.7	92.2	90.2	91.2
Service sector									
No. of foreign tourists (Million persons) /11	38.2	39.8	10.8	9.0	9.7	10.3	3.8	2.1	5.9
(%YoY)/14	7.3%	4.2%	2.1%	1.4%	7.2%	6.4%	2.5%	-42.8%	-19.8%
New employment in service sector(%YoY) /3	-0.2%	1.0%	3.3%	1.6%	-0.4%	-0.6%	-0.9%	1.0%	0.0%
Demand-side indicators									
Private consumption indicators									
Value added tax at constant price (%YoY) /1	5.6%	-1.7%	1.7%	0.4%	-5.7%	-3.1%	-2.2%	4.6%	0.9%
Import volume of consumer goods in USD (%YoY) /1	8.4%	2.8%	1.0%	-1.2%	8.1%	3.6%	7.0%	-8.6%	0.1%
Sales of passenger cars (%YoY)/14	15.4%	-0.3%	13.9%	3.7%	-1.7%	-14.6%	0.4%	-15.4%	-7.8%
Sales of motorcycles (%YoY)/13	-2.9%	-3.4%	-0.1%	-7.1%	0.9%	-7.3%	-2.0%	-3.7%	-2.8%
Consumer Confidence Index	67.8	62.6	68.1	64.8	60.8	56.8	54.9	52.5	53.7

Monthly Economic Indicators	2018	2019	2019				2020		
			Q1	Q2	Q3	Q4	Jan	Feb	YTD
(Index) /5									
Private investment indicators									
Import volume of capital goods in USD (%YoY) /1	3.4%	-5.3%	-9.6%	-6.4%	-1.0%	-4.2%	3.8%	-10.2%	-2.4%
Sales of commercial cars (%YoY)/14	22.2%	-5.1%	9.5%	2.9%	-	-	-13.6%	-18.1%	-15.9%
					11.3%	18.0%			
Total taxes collected from real estate transaction (%YoY) /1	13.2%	-5.5%	4.9%	-15.6%	-2.3%	-7.4%	-17.4%	-18.8%	-18.2%
Domestic cement sales (%YoY) /2	4.3%	-5.8%	-5.2%	-3.9%	-9.2%	-4.9%	-5.0%	-1.9%	-3.5%
Construction material price index (%YoY) /14	2.6%	-1.3%	0.0%	0.0%	-2.4%	-2.8%	-1.7%	-2.0%	-1.9%
International trade indicators									
Exports (Billion USD): custom basis	253.0	246.2	62.1	61.0	63.6	59.6	19.6	20.6	40.3
(%YoY)/4	6.9%	-2.7%	-1.9%	-3.8%	-0.5%	-4.5%	3.3%	-4.5%	-0.8%
Export price (%YoY)/4	3.4%	0.3%	0.4%	0.2%	0.4%	0.4%	0.7%	-0.2%	0.2%
Export volume (%YoY)/14	4.0%	-3.5%	-3.2%	-6.0%	0.1%	-4.9%	2.6%	-4.3%	-1.0%
Imports (Billion USD): custom basis	248.2	236.6	59.9	58.7	60.2	57.9	21.2	16.7	37.9
(%YoY)/4	12.0%	-4.7%	-1.4%	-4.2%	-6.1%	-6.8%	-7.9%	-4.3%	-6.3%
Import price (%YoY)/4	5.6%	0.2%	0.1%	-0.1%	-0.2%	0.8%	2.1%	-0.6%	0.7%
Import volume (%YoY) /14	6.1%	-4.8%	-1.5%	-4.1%	-5.9%	-7.5%	-9.7%	-3.7%	-7.1%
Trade balance (Billion USD): custom basis/4	4.8	9.6	2.2	2.3	3.4	1.7	-1.6	3.9	2.3
External economic stability									
Average exchange rate (Baht/USD) /2	32.3	31.0	31.5	31.5	30.7	30.2	31.1	31.6	31.4
Current account (Billion USD)/2	28.5	37.9	12.4	5.5	9.7	10.3	3.4	5.4	8.8
International reserves (Billion USD)/2	205.6	224.3	212.2	215.8	220.5	224.3	230.3	229.5	229.5
Net Forward Position (Billion USD)/2	33.7	34.7	32.6	34.5	33.1	34.7	33.1	31.8	31.8
International reserves to short term external debt (times) /2	3.3	3.8	3.4	3.5	3.8	3.8	3.8	3.9	3.9
Internal economic stability									
Unemployment rate (%) /3	1.1%	1.0%	0.9%	1.0%	1.0%	1.0%	1.1%	1.1%	1.1%
Producer Price Index (%YoY)/4	0.4%	-1.0%	-0.4%	-0.1%	-1.6%	-1.7%	0.8%	0.1%	0.4%
Headline inflation (%YoY)/4	1.1%	0.7%	0.7%	1.1%	0.6%	0.4%	1.1%	0.7%	0.9%
Core inflation (%YoY)/4	0.7%	0.5%	0.6%	0.5%	0.4%	0.5%	0.5%	0.6%	0.5%
Public debt to GDP (%) /1	41.9%	41.2%	41.8%	41.4%	41.2%	41.2%	41.3%	41.4%	41.4%