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Monthly Economic Report (As of November 2020)

“The Thai economy in November of 2020 improved from previous month, particularly manufacturing, export of goods, and private consumption. In addition, economic confidence indexes also continued to increase due to contribution of the economic stimulus packages before the end of the year.”

Mr. Wuttipong Jittungsakul, Fiscal Policy Advisor, and Mr. Pisit Puapan, Executive Director of Macroeconomic Policy Bureau revealed the economic report in **November 2020** that The Thai economy in November of 2020 improved from previous month, particularly manufacturing, export of goods, and private consumption. In addition, economic confidence indexes also continued to increase due to contribution of the economic stimulus packages before the end of the year.” **The details were summarized as follows:**

Economic indicators on private consumption expenditures in November 2020 shown the signs of increase from previous month as shown by **real VAT collection** expanded by 2.5 percent per month after seasonal adjustment and slowly contracted by -6.5 percent per year. In addition, durable goods consumptions also recovered. **Passenger car sales** increased by 8.7 percent per month after seasonal adjustment and slowly contracted by -7.2 percent per year. Meanwhile, consumer confidence index jumped from 50.9 to 52.4 points, the second consecutive month's increase and the highest level in 9 months as a result of contribution of the economic stimulus packages, including the co-payment scheme, the We Travel Together campaign, the Shop Dee Mee Khuen project, before the end of the year. Moreover, farmer income in November 2020 increased by 13.6 percent per year due to the improvements of agricultural prices. This was the main supporter of consumption in each province. However, the number of new motorcycles registrations remained decrease.

Economic indicators on private investment in November 2020 remained stable from previous month. The investment on equipment and machinery sector, indicated by **commercial car sales** expanded by 8.2 percent per year, continued to grow for 3 months, and import volume of raw materials increased 6.2 percent per year after seasonal adjustment and slowly decline by -1.5 percent per year. **Private investment in construction sector**, reflected by **domestic cement sales** also increased by 10.8 percent per month after seasonal adjustment and slowly decreased -1.5 percent per year. However, **Real estate tax collection** decreased by -11.4 percent per year.

International trade improved from previous month as shown by the year to year contraction of **export values (USD term)** which slowed down to -3.7 percent as results of world economic recovery. There was expansion on many export goods as follows: 1) The export values of foods show expansion. For example, animal feed and cassava product showed the high growth of 23.6 and 14.0 percent per year, respectively, as well as condiments, frozen pork, vegetables, and fruits. 2) The export values of the devices for working from home, such as fax, phone, and home appliances (furniture, air condition, microwave, refrigerator, and freezer), also expanded. 3) The export on the goods for COVID-19 protection, such as medical equipment and rubber glove, continued to grow. However, the exports of oil, jewelry, gems, computer, and electronic equipment were slow down. Moving onto the export markets focus, the export values to United States rose by 15.4 percent per year, the sixth consecutive month's increase. In addition, the export values to Australia and Japan expanded by 23.7 and 5.4 percent per year, respectively.

Supply-side indicators improved from previous month, supported by **Thai Industries Sentiment Index (TISI)** which continually increased for 7 months to 87.4 points as results of increasing in purchase orders, sales, and domestic and foreign production capacity. Domestic consumption was supported by economic stimulus packages, such as the co-payment scheme, the We Travel Together campaign, the Shop Dee Mee Khuen project, and the welfare card programme for low-income earners. Whereas, there were more purchasing orders from global market, particularly foods, medical goods, and New Year's Gift (shoes and clothing). Moving onto farm sector, **Agricultural Product Index (API)** expanded by 3.6 percent per year due to the decline in paddy, oil palm, and cassava. Moving onto tourism sector, there were 3,065 foreign tourists in November 2020, including the Special Tourist Visa, the Thailand Privilege Card, and the business travelers. To focus on nationality, the majority of tourists in this month were Chinese, Cambodian, others from Southeast Asia countries, European (Germany, United Kingdom, and Switzerland). Meanwhile, domestic tourism gradually recovered as the number of Thai visitors slowly contracted down from -34.7 to -23.4 percent per year.

Internal economic stabilities remained favourable. Headline and core inflation in November 2020 were at -0.4 and 0.2 percent per year, respectively. Meanwhile, **public debt to GDP at the end of October 2020** stood at 49.5 percent to GDP, lower than the Fiscal Sustainability Framework 2018. **External economic stability** remained robust reflecting the resilient ability to risk from the volatilities in global economy as **the international reserves at the end of November 2020** were high at 253.5 billion USD.

Table 1 Quarterly and Monthly Economic Indicators in November 2020

| Economic Indicators | 2019 | 2019 | | | | 2020 | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Oct | Nov | YTD |
| External sector | | | | | | | | | | | |
| Dubai crude oil price (US\$/Barrel) /7 | 63.54 | 63.52 | 67.39 | 61.16 | 62.08 | 50.73 | 30.57 | 42.92 | 40.67 | 43.40 | 41.52 |
| Fed funds rate (%) /7 | 1.50-1.75 | 2.25-2.50 | 2.25-2.50 | 1.75-2.00 | 1.50-1.75 | 0.00-0.25 | 0.00-0.25 | 0.00-0.25 | 0.00-0.25 | 0.00-0.25 | 0.00-0.25 |
| Demand-side indicators | | | | | | | | | | | |
| Private consumption indicators | | | | | | | | | | | |
| Value added tax at constant price (%YoY) /1 | -1.7 | 1.7 | 0.4 | -5.7 | -3.1 | -0.0 | -15.1 | -5.2 | -9.4 | -6.5 | -7.0 |
| Sales of passenger cars (%YoY)/14 | -0.9 | 13.9 | 3.7 | -1.7 | -16.6 | -23.6 | -60.2 | -30.4 | -25.9 | -7.2 | -34.9 |
| The number of new motorcycles registrations (%YoY)/13 | -3.4 | -0.1 | -7.1 | 0.9 | -7.3 | -5.9 | -28.1 | -2.9 | -11.0 | -10.6 | -11.9 |
| Import volume of consumer goods in USD (%YoY) /1 | 2.8 | 1.0 | -1.2 | 8.2 | 3.6 | -2.1 | -16.6 | -11.2 | -22.8 | -9.3 | -11.1 |
| Consumer Confidence Index (Index) /5 | 75.5 | 81.1 | 77.8 | 73.6 | 69.4 | 60.8 | 48.2 | 50.4 | 50.9 | 52.4 | 52.9 |
| Private investment indicators | | | | | | | | | | | |
| Import volume of capital goods in USD (%YoY) /1 | -5.4 | -9.6 | -6.4 | -1.2 | -4.2 | -3.9 | -17.1 | -15.4 | -17.0 | -3.2 | -11.8 |
| Sales of commercial cars (%YoY)/14 | -5.1 | 9.5 | 2.9 | -11.3 | -18.0 | -24.4 | -44.2 | -1.3 | 10.4 | 8.2 | -18.3 |
| Total taxes collected from real estate transaction (%YoY) /1 | -4.7 | 4.9 | -15.6 | -1.1 | -6.0 | -17.8 | -12.3 | -10.4 | -3.2 | -11.4 | -12.4 |
| Domestic cement sales (%YoY) /2 | -5.7 | -5.2 | -3.5 | -9.2 | -4.9 | -4.3 | 4.0 | 1.6 | -9.1 | -1.5 | -0.7 |
| Construction material price index (%YoY) /14 | -1.2 | 0.0 | 0.0 | -2.4 | -2.8 | -2.1 | -3.6 | -1.7 | 0.2 | 0.4 | -2.0 |
| International trade indicators | | | | | | | | | | | |
| Exports (Billion USD): custom basis (%YoY)/4 | 246.3 | 62.1 | 61.0 | 63.6 | 59.6 | 62.7 | 51.7 | 58.7 | 19.4 | 18.9 | 211.4 |
| Export price (%YoY)/4 | -2.6 | -1.9 | -3.8 | -0.5 | -4.4 | 1.0 | -15.2 | -7.8 | -6.7 | -3.7 | -6.9 |
| Export volume (%YoY)/14 | 0.3 | -0.4 | 0.2 | 0.4 | 0.4 | -0.4 | -2.0 | -0.7 | -0.1 | 0.2 | -0.8 |
| Imports (Billion USD): custom basis (%YoY) /4 | -3.0 | -1.3 | -3.9 | -0.9 | -4.9 | 1.4 | -13.4 | -7.2 | -6.6 | -3.8 | -6.2 |
| Import price (%YoY)/4 | 236.3 | 59.9 | 58.7 | 59.9 | 57.7 | 58.2 | 44.8 | 48.7 | 17.3 | 18.9 | 187.9 |
| Import volume (%YoY) /14 | -4.8 | -1.4 | -4.1 | -6.5 | -7.1 | -1.9 | -23.5 | -18.6 | -14.3 | -1.0 | -13.4 |
| Trade balance (Billion USD): custom basis/4 | 0.2 | 0.1 | -0.1 | -0.2 | 0.8 | -0.9 | -5.1 | -1.5 | -1.3 | 1.0 | -2.3 |
| Trade balance (Billion USD): custom basis/4 | -4.9 | -1.4 | -4.1 | -6.4 | -7.8 | -1.0 | -19.3 | -17.4 | -13.2 | 0.0 | -11.8 |
| Trade balance (Billion USD): custom basis/4 | 10.0 | 2.2 | 2.3 | 3.7 | 1.9 | 3.9 | 6.8 | 9.9 | 2.0 | 0.05 | 23.5 |
| Supply-side indicators | | | | | | | | | | | |
| Agricultural sector | | | | | | | | | | | |
| Agricultural Production Index (%YoY) /6 | -0.7 | 1.2 | -0.2 | 0.9 | -3.5 | -14.4 | -5.0 | -0.7 | -0.3 | 3.6 | -4.7 |
| Agricultural Price Index (%YoY) /6 | 1.9 | -0.9 | 2.0 | 2.6 | 3.8 | 8.7 | -1.4 | 6.4 | 12.4 | 9.7 | 5.6 |
| Real farm income (%YoY) /14 | 0.4 | -0.2 | 0.4 | 2.4 | -0.4 | -8.0 | -4.0 | 6.5 | 12.4 | 13.6 | 1.9 |
| New employment in agricultural sector(%YoY) /3 | -2.5 | -4.2 | -4.0 | -1.8 | -1.6 | -3.7 | -0.3 | -0.1 | 4.1 | 1.2 | 1.2 |
| Industrial sector | | | | | | | | | | | |
| Manufacturing Production Index (%YoY) /10 | -3.6 | -1.2 | -2.4 | -4.2 | -6.8 | -6.4 | -20.0 | -8.4 | -0.5 | N/A | -9.9 |
| Import value of raw materials in USD (%YoY) /1 | -7.5 | -8.1 | -2.6 | -13.1 | -5.4 | -1.6 | -20.1 | -19.2 | -8.1 | 5.9 | -11.5 |

| Economic Indicators | 2019 | 2019 | | | | 2020 | | | | | |
|---|---------|---------|-------|-------|-------|-------|--------|--------|--------|---------|---------|
| | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Oct | Nov | YTD |
| Import volume of raw materials in USD (%YoY) /1 | -7.5 | -4.8 | -2.5 | -14.7 | -6.9 | -2.8 | -21.4 | -21.0 | -10.9 | 2.0 | -13.2 |
| Capacity utilization (%) /10 | 66.0 | 70.8 | 65.0 | 64.8 | 63.3 | 66.9 | 52.9 | 60.5 | 63.2 | N/A | 60.4 |
| New employment in industrial sector (%YoY) /3 | -0.2 | 1.2 | -0.1 | -4.8 | -3.2 | -1.3 | -4.2 | -1.7 | 8.0 | -2.3 | -2.3 |
| Thai Industrial Sentiment Index (Index) /9 | 93.7 | 95.2 | 95.1 | 92.8 | 91.7 | 90.1 | 78.1 | 83.9 | 86.0 | 87.4 | 84.5 |
| Service sector | | | | | | | | | | | |
| No. of foreign tourists (Million persons) /11 | 39.9 | 10.8 | 9.0 | 9.7 | 10.3 | 6.7 | 0.0 | 0.0 | 0.0 | 0.0 | 6.7 |
| (%YoY) /14 | 4.5 | 2.1 | 1.4 | 7.2 | 6.4 | -38.0 | -100.0 | -100.0 | -100.0 | -99.9 | -81.4 |
| No. of Thai tourists (%YoY) | 0.4 | 3.3 | 0.8 | -1.3 | -1.1 | -30.3 | -90.6 | -38.0 | -34.7 | -23.4 | -47.9 |
| New employment in service sector(%YoY) /3 | 13.0 | 4.0 | 2.1 | -1.5 | -0.2 | 1.1 | -1.8 | 3.2 | -0.4 | 3.0 | 3.0 |
| External economic stability | | | | | | | | | | | |
| Average exchange rate (Baht/USD) /2 | 31.0 | 31.5 | 31.5 | 30.7 | 30.2 | 31.8 | 31.7 | 31.3 | 31.2 | 30.5 | 31.5 |
| Current account (Billion USD)/2 | 37.3 | 12.2 | 2.4 | 9.1 | 10.4 | 9.3 | 1.1 | 6.3 | 1.0 | N/A | 17.6 |
| International reserves (Billion USD)/2 | 224.3 | 212.2 | 215.9 | 220.5 | 224.3 | 226.5 | 241.6 | 251.0 | 248.5 | 253.5 | 253.5 |
| Net Forward Position (Billion USD)/2 | 34.3 | 32.6 | 34.5 | 33.1 | 34.3 | 34.4 | 24.9 | 22.9 | 24.9 | 27.0 | 27.0 |
| International reserves to short term external debt (times) /2 | | | | | | | | | | | |
| Internal economic stability | 1.0 | 0.9 | 1.0 | 1.0 | 1.0 | 1.0 | 2.0 | 1.9 | 2.1 | 2.0 | 2.0 |
| Unemployment rate (%) /3 | -1.0 | -0.4 | -0.1 | -1.6 | -1.7 | -0.4 | -4.1 | -1.7 | -0.9 | -0.9 | -1.9 |
| Producer Price Index (%YoY)/4 | 0.7 | 0.7 | 1.1 | 0.6 | 0.4 | 0.4 | -2.7 | -0.7 | -0.5 | -0.4 | -0.9 |
| Headline inflation (%YoY)/4 | 0.5 | 0.6 | 0.5 | 0.5 | 0.5 | 0.5 | 0.1 | 0.3 | 0.2 | 0.2 | 0.3 |
| Core inflation (%YoY)/4 | 41.2 | 41.8 | 41.3 | 41.1 | 41.2 | 41.7 | 45.8 | 47.9 | 49.5 | N/A | 49.5 |
| Public debt to GDP (%) /1 | -3.6 | -1.2 | -2.4 | -4.2 | -6.8 | -6.4 | -20.0 | -8.4 | -0.5 | N/A | -9.9 |
| Fiscal sector | | | | | | | | | | | |
| Budget expenditure (Billion baht) /1 | 2,788.3 | 2,943.9 | 729.5 | 813.6 | 710.4 | 690.4 | 355.3 | 336.1 | 691.4 | 2,788.3 | 2,943.9 |
| (%YoY) /1 | -0.1 | 5.6 | -18.3 | 21.6 | 20.4 | 8.6 | 2.2 | 117.4 | 37.7 | -0.1 | 5.6 |
| Current expenditure (Billion baht) /1 | 2,401.1 | 2,575.9 | 703.5 | 750.4 | 602.8 | 519.3 | 342.1 | 300.5 | 642.6 | 2,401.1 | 2,575.9 |
| (%YoY) /1 | -0.4 | 7.3 | -14.0 | 31.9 | 21.1 | 0.5 | 1.5 | 101.8 | 32.2 | -0.4 | 7.3 |
| Capital expenditure (Billion baht) /1 | 387.2 | 367.9 | 26.0 | 63.3 | 107.6 | 171.1 | 13.2 | 35.6 | 48.8 | 387.2 | 367.9 |
| (%YoY) /1 | 1.8 | -5.0 | -65.4 | -36.9 | 16.1 | 43.7 | 25.0 | 525.6 | 200.4 | 1.8 | -5.0 |
| Carry-over budget (Billion baht) /1 | 254.9 | 224.9 | 80.6 | 62.8 | 32.8 | 48.7 | 19.3 | 27.7 | 47.0 | 254.9 | 224.9 |
| (%YoY) /1 | 18.5 | -11.8 | 13.9 | 2.9 | -54.0 | -6.0 | -6.6 | 3.7 | -0.8 | 18.5 | -11.8 |
| Government expenditure (Billion baht) /1 | 3,043.2 | 3,168.7 | 810.1 | 876.4 | 743.2 | 739.0 | 374.6 | 363.8 | 738.3 | 3,043.2 | 3,168.7 |
| (%YoY) /1 | 1.2 | 4.1 | -15.9 | 20.0 | 12.3 | 7.5 | 1.7 | 100.6 | 34.4 | 1.2 | 4.1 |

Source: 1/Ministry of Finance 2/Bank of Thailand 3/National Statistical Office 4/ Ministry of Commerce 5/ The University of the Thai Chamber of Commerce 6/ Office of Agricultural Economics 7/Reuters 8/ The Federation of Thai Industries 9/ The Office of Industrial Economics 10/ Ministry of Tourism & Sports 11/ The Revenue Department, the Excise Department, and the Thai Customs 12/ Department of Land Transport 13/Fiscal Policy Office 14/calculated by the authors