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Monthly Economic Report (As of April 2022)

“The Thai economy in April 2022 was supported by continued expansion of the export sector, the tourism sector as well as the agriculture sector. However, the conflict between Russia and Ukraine must be closely monitored, which affects energy prices, production costs, and cost of living.”

Mr. Wuttipong Jittungsakul, Fiscal Policy Advisor, and Mr. Pisit Puapan, Executive Director of Macroeconomic Policy Bureau revealed the economic report in April 2022 that “The Thai economy in April 2022 was supported by continued expansion of the export sector and the improving tourism sector as well as the agriculture sector. However, the conflict between Russia and Ukraine must be closely monitored, which affects energy prices, production costs, and cost of living.” The details were summarized as follows:

Economic indicators on private consumption represented slightly improved signs from previous month. Real VAT collection in April 2022 expanded by 1.6 percent per year and increased by 0.9 percent from the previous month after a seasonal adjustment. Meanwhile, durable goods consumption was reflected by passenger car sales, increasing by 20.6 but decreasing -9.2 percent from the previous month after a seasonal adjustment. Motorcycle registration decreased by -7.6 percent per year but increased by 6.4 percent from the previous month after a seasonal adjustment. Real farm income in April 2022 expanded by 8 percent per year. However, the Consumer Confidence Index (CCI) fell to 40.7 in April 2022 since consumers were concerned about the epidemic situation of COVID-19 and the Russia-Ukraine conflict caused the global price of oil to increase. Production costs and commodity prices rose, resulting in a decline in consumer confidence.

Economic indicators on private investment indicated a small rising trend from previous month. Machinery and equipment investment was reflected by the import volume of capital goods in April 2022, expanding 6.3 percent per year and increasing by 2.7 percent from the previous month after a seasonal adjustment. Commercial car sales increased by 4.4 percent per year but decreased by -6.0 percent from the previous month after a seasonal adjustment. For investments on the construction category, cement sales in April 2022 decreased by -7.4 percent per year and decreased by -1.4 percent from the previous month after a seasonal adjustment. Meanwhile, real estate tax collection decreased by -6.5 percent year but increase 7.3 percent from the previous month after a seasonal adjustment.

Thai exports continued to grow from the same period last year. Thai exports maintained growth momentum for 14 consecutive months, reaching 23,521.4 million USD with a growth rate of 9.9 percent in April 2022. Moreover, the exports of the real sector (excluding gold, oil-related products, and weaponry) expanded by 6.9 percent per year. There was an expansion on many export goods as follows: 1) Commodities benefiting from higher prices of energy and commodities, including iron, steel and steel products, crude oil, refined oil, chemicals, plastic resins, vehicle tires; 2) Agricultural and food products, particularly sugar, cassava product, rice and animal feed expanded by 87.9, 49.5, 44.0, and 24.7 percent per year, respectively; 3) Electronic products and durable goods such as microwave ovens, heating devices, telephones and parts 4) Medical related products such as medical devices, pharmaceutical products, were continually ordered. Considering the value of export goods classified by Thailand's main trading partners, it was found that the export to the main trading partners continued to improve in almost every market. In particular, the export values to India, ASEAN-5, Middle East and the United States expanded by 43.4, 26.9, 25.4, and 13.6 percent per year, respectively.

Supply-side indicators showed signs of improvement from the same period last year. The agricultural sector was reflected by Agricultural Product Index (API) in April 2022, expanding by 2.7 percent per year and increasing by 4.6 percent from the previous month after a seasonal adjustment. due to an increase in paddy, rubber, eggs, and fishing products. In the tourism sector, there were 293,350 foreign tourists in April 2022, increasing by 3,339.4 percent per year and increasing by 66.3 percent from the previous month after a seasonal adjustment. The majority of tourists this month were from the United Kingdom, India, and Germany. Singapore and Australia respectively. Likewise, the number of Thai visitors in April 2022 reached 16.7 million people, increasing by 138.9 percent per year and increasing by 6.3 percent from the previous month after a seasonal adjustment. Meanwhile, the manufacturing sector is reflected by the Thai Industries Sentiment Index (TISI), decreasing from 89.2 in March 2022 to 86.2 in April 2022. However, industries are still worried about the Russia-Ukraine conflict, which pushed up the price of energy and materials and disturbed people's consumption.

Internal economic stabilities remained favorable, although there was pressure on the increase in the price level. Headline and core inflation in April 2022 were at 4.65 and 2.0 percent per year, respectively. Meanwhile, public debt to GDP at the end of April 2022 stood at 60.6 percent to GDP, lower than the Fiscal Sustainability Framework 2018. Moreover, the new unemployment beneficiary rate is 0.3 percent of the whole registered labour force. External economic stability remained robust reflecting the resilient ability to risk from the volatilities in the global economy as the international reserves at the end of April 2022 were high at 228.6 billion USD.

Table 1 Quarterly and Monthly Economic Indicators in April 2022

Economic Indicators	2020	2021	2021				2022			
			Q1	Q2	Q3	Q4	Q1	Mar	Apr	YTD
External sector										
Dubai crude oil price (US\$/Barrel) /7	42.21	69.27	60.01	67.00	71.42	78.65	95.40	110.83	102.39	97.15
Fed funds rate (%) /7	0.00–0.25	0.00–0.25	0.00–0.25	0.00–0.25	0.00–0.25	0.00–0.25	0.25–0.50	0.25–0.50	0.25–0.50	0.25–0.50
Demand-side indicators										
Private consumption indicators										
Value added tax at constant price (%YoY) /1	-6.6	11.9	-3.9	22.0	14.2	17.4	14.0	1.1	1.6	10.5
Sales of passenger cars (%YoY)/14	-30.6	-10.1	-16.7	33.2	-19.2	-17.7	16.0	-1.4	20.6	17.0
The number of new motorcycles registrations (%YoY)/13	-10.4	4.8	1.2	40.5	-21.4	9.1	3.2	-8.6	-7.6	0.7
Import volume of consumer goods in USD (%YoY) /1	-10.1	16.2	8.8	26.0	15.6	15.9	5.9	3.5	-4.9	3.2
Consumer Confidence Index (Index) /5	52.6	44.7	48.6	44.6	40.6	45.0	43.4	42.0	40.7	42.7
Private investment indicators										
Import volume of capital goods in USD (%YoY) /1	-10.3	15.1	5.1	25.0	22.2	10.0	8.1	1.5	6.3	7.6
Sales of commercial cars (%YoY)/14	-15.1	-1.9	5.9	42.1	-24.9	-11.6	20.6	15.4	4.4	16.7
Total taxes collected from real estate transaction (%YoY) /1	-12.5	3.4	5.8	14.3	-8.5	3.9	-1.8	-14.6	-6.5	-2.9
Domestic cement sales (%YoY) /2	-0.5	-1.0	4.7	1.3	-9.4	-1.0	0.0	-2.7	-7.4	-1.7
Construction material price index (%YoY) /14	-1.8	8.0	4.4	9.7	8.4	9.8	7.2	8.6	8.8	7.6
International trade indicators										
Exports (Billion USD): custom basis	231.6	271.2	64.0	68.2	67.7	71.3	73.6	28.9	23.5	97.1
(%YoY)/4	-5.9	17.1	1.9	31.8	15.3	22.1	14.9	19.5	9.9	13.7
Export price (%YoY)/4	-0.8	3.3	2.1	4.0	3.1	3.8	3.9	4.5	5.1	4.2
Export volume (%YoY)/14	-5.2	13.4	-0.3	26.7	11.8	17.7	10.5	14.4	4.6	9.0
Imports (Billion USD): custom basis	206.2	267.6	63.0	65.5	68.1	71.0	74.5	27.4	25.4	100.0
(%YoY) /4	-12.7	29.8	8.2	46.3	41.0	29.4	18.4	18.0	21.5	19.2
Import price (%YoY)/4	-2.0	10.4	6.1	12.3	10.5	12.6	12.6	14.5	14.3	13.1
Import volume (%YoY) /14	-11.0	17.6	1.8	30.1	27.6	14.9	5.1	3.0	6.3	5.4
Trade balance (Billion USD): custom basis/4	25.5	3.6	1.1	2.6	-0.4	0.3	-0.9	1.5	-1.9	-2.9
Supply-side indicators										
Agricultural sector										
Agricultural Production Index (%YoY) /6	-1.7	0.9	0.0	2.3	4.1	-1.1	4.8	5.3	2.7	4.3
Agricultural Price Index (%YoY) /6	6.0	3.0	8.9	12.5	-4.5	-4.3	4.7	8.8	10.1	6.0
Real farm income (%YoY)/14	5.5	0.7	9.0	11.8	-1.9	-8.7	4.0	8.0	8.0	4.8
New employment in agricultural sector(%YoY) /3	-0.1	1.8	2.8	2.4	1.0	1.3	2.5	n.a.	n.a.	2.5

Economic Indicators	2020	2021	2021				2022			
			Q1	Q2	Q3	Q4	Q1	Mar	Apr	YTD
Industrial sector										
Manufacturing Production Index (%YoY) /10	-9.5	5.8	0.7	21.0	-0.3	4.7	1.4%	-0.1%	n.a.	1.4
Import value of raw materials in USD (%YoY) /1	-9.8	39.1	26.3	53.0	53.6	27.8	7.3	-2.8	11.8	8.4
Import volume of raw materials in USD (%YoY) /1	-11.8	31.4	20.4	44.0	45.3	19.9	0.2	-9.6	3.8	1.1
Capacity utilization (%) /10	60.1	63.0	66.3	62.7	58.5	64.5	66.3	68.8	n.a.	66.3
New employment in industrial sector (%YoY) /3	-1.0	-1.3	-0.4	-0.2	-0.4	-4.0	2.8	n.a.	n.a.	2.8
Thai Industrial Sentiment Index (Index) /9	84.6	82.7	85.3	82.4	78.2	84.8	88.0	89.2	86.2	87.5
Service sector										
No. of foreign tourists (Million persons) /11	6.70	0.43	0.02	0.02	0.05	0.34	0.50	0.21	0.29	0.79
(%YoY) /14	-83.2	-93.6	-99.7	100.0	100.0	3,060.5	2,367.2	3,029.5	3,339.4	2,656.2
No. of Thai tourists (%YoY)	-47.9	-41.7	-34.4	88.3	-87.8	-29.7	74.1	42.4	138.9	87.6
New employment in service sector (%YoY) /3	1.1	-0.2	-0.6	3.2	-1.5	-0.8	0.2	n.a.	n.a.	0.2

Economic Indicators	2020	2021	2021				2022			
			Q1	Q2	Q3	Q4	Q1	Feb	Mar	YTD
External economic stability										
Average exchange rate (Baht/USD)/2	31.4	32.0	30.3	31.4	33.0	33.4	33.1	33.3	33.8	33.2
Current account (Billion USD) /2	21.2	-10.9	-1.2	-2.5	-5.2	-1.7	-1.6	1.2	n.a.	-1.6
International reserves (Billion USD) /2	258.1	246.0	245.5	246.5	244.7	246.0	242.4	242.4	228.6	228.6
Net Forward Position (Billion USD)/2	28.3	33.2	32.7	33.3	32.7	33.2	30.5	30.5	32.1	32.1
Internal economic stability										
Unemployment rate (%) /3	1.6	1.9	2.0	1.9	2.3	1.6	1.5	n.a.	n.a.	1.5
Initial Jobless Claims (% of the total number of social security insurance person under article 33) /15	0.89	0.70	0.77	0.71	0.70	0.60	0.82	0.68	0.30	0.53
Producer Price Index (%YoY) /4	-1.6	4.7	0.7	5.4	5.1	7.7	9.8	11.4	12.8	10.6
Headline inflation (%YoY) /4	-0.8	1.23	-0.53	2.36	0.70	2.42	4.74	5.73	4.65	4.71
Core inflation (%YoY) /4	0.3	0.23	0.11	0.44	0.13	0.12	1.43	2.00	2.00	1.58
Public debt to GDP (%) /1	52.0	59.6	54.5	55.4	58.4	59.6	60.6	60.6	n.a.	60.6

Fiscal sector	FY2564	FY2564 Q1	FY2564 Q2	FY2564 Q3	FY2564 Q4	FY2565 Q1	FY2565 Q2	FY2565 Mar 2022	FY2565 Apr 2022	FYTD
Budget expenditure (Billion baht) /1	3,012.1	938.5	612.9	677.0	783.7	983.6	606.3	272.3	193.9	1,783.9
(%YoY) /1	2.3	28.7	-24.7	-4.7	13.5	4.8	-1.1	5.3	-12.9	0.5
Current expenditure (Billion baht) /1	2,583.7	865.5	526.2	553.4	638.7	886.6	515.2	231.3	162.3	1,564.2
(%YoY) /1	0.3	23.0	-29.9	-8.2	23.0	2.4	-2.1	9.2	-13.1	-0.9
Capital expenditure (Billion baht) /1	428.3	73.0	86.7	123.6	144.7	97.0	91.0	41.0	31.6	219.7
(%YoY) /1	16.4	180.9	37.1	14.9	-15.2	32.8	5.0	-12.0	-12.2	12.2
Carry-over budget (Billion baht) /1	196.4	79.8	54.2	26.8	35.8	75.5	57.6	21.6	9.5	142.6
(%YoY) /1	-12.6	-1.0	-13.7	-18.3	-26.5	-5.3	6.4	7.7	14.8	0.3

Fiscal sector	FY2564	FY2564 Q1	FY2564 Q2	FY2564 Q3	FY2564 Q4	FY2565 Q1	FY2565 Q2	FY2565 Mar 2022	FY2565 Apr 2022	FYTD
Government expenditure (Billion baht) /1	3,208.6	1,018.3	667.0	703.8	819.4	1,059.1	663.9	293.9	203.5	1,926.5
(%YoY) /1	1.3	25.7	-23.9	-5.3	10.9	4.0	-0.5	5.5%	-12.0%	57.8%

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/Toyota Motor Thailand Co.,Ltd.14 /Fiscal Policy Office 15/ Social Security Office