

# Economic Update For April 2023



## *Highlight:*

*In April 2023, the Thai economy continued to recover as economic activities expanded, particularly in the tourism sector, in line with the increasing number of Thai and foreign tourists. Consequently, domestic consumption could continue to grow, although spending on durable goods declined due to declining sales of cars and motorcycles. The value of exports continued to decrease from the previous month in line with the decline in manufacturing production and private investment indicators. Headline inflation declined due to the fall in fresh food prices.*

Business Research

7 June 2023

## Private Consumption

The private consumption after seasonal adjustment rose slightly from the previous month. This was due to an increase in spending on services, particularly in the hotels and restaurants category. Meanwhile, spending on durable goods fell in line with sales of cars and motorcycles. Spending on semi-durable goods fell following the import of clothing.



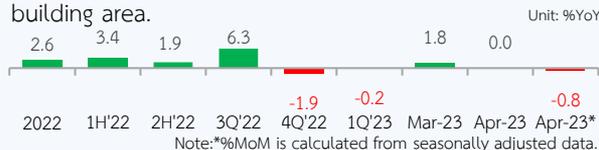
## Farm Income

Farm income improved in April mainly due to increased production such as rice, sugar, rubber and durian. Prices fell due to the high base effect and supply increased.

Item (%YoY)	Farm Income		Agricultural Price		Agricultural Production	
	Mar-23	Apr-23	Mar-23	Apr-23	Mar-23	Apr-23
	<b>Agriculture</b>	1.3	3.8	-8.7	-7.3	10.9
Paddy	36.9	31.6	17.6	16.9	20.4	10.8
Sugarcane	47.7	104.6	8.3	8.3	36.4	89.0
Rubber	-20.6	-17.7	-26.0	-29.3	7.2	16.4
Durian	198.8	31.3	-41.7	-40.8	412.4	122.0
Palm kernel	-40.7	-45.0	-42.8	-42.3	3.62	-4.53

## Private Investment

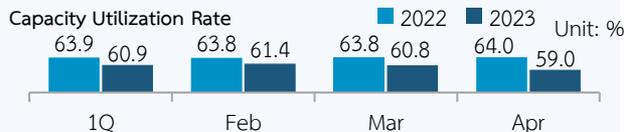
Private investment indicators after seasonal adjustment decreased from the previous month, due to a decrease in investment in machinery and equipment, in line with the decline in manufacturing output. However, investment in construction increased slightly, in line with an increase in the permitted building area.



## MPI and Capacity Utilization (Cap-U)

April MPI contracted by 8.1%YoY, due to declining production in most industries, particularly in automobiles, as high inventories resulted from accelerating production in the previous period. In addition, financial institutions have tightened lending for commercial vehicles.

MPI (%YoY)	2022	1Q'23	Mar-23	Apr-23	%MoM
<b>Overall MPI</b>	0.4	-3.7	-3.9	-8.1	-3.3
Automotive	11.5	7.0	9.1	-3.5	-4.7
Food	2.2	-0.5	-5.3	-4.9	-3.0
Electrical appliances	-0.6	-4.3	-0.9	-3.6	-3.7



## Exports

- In April 2023, exports continued to fell by 7.6%YoY to USD 21,723 mn. Exports to most of Thailand's major markets still marked a contraction, reflecting a fragile global economy, except exports to China that saw a double-digit growth rate.
- However, some categories of export goods were outperformed, including fruits, unwrought gold, and electronics.

Market	Share (%) Jan-Apr 23	Jan-Apr 2023		Apr-23	
		USD Mn	%YoY	USD Mn	%YoY
<b>Total</b>	100.0	92,003	-5.2	21,723	-7.6
ASEAN	23.2	22,212	-7.3	5,037	-17.4
U.S.A.	14.9	14,679	-5.2	3,230	-9.6
China	17.1	11,436	0.7	3,711	23.0
EU	9.4	8,851	-1.1	2,032	-0.0
Japan	8.1	8,226	-2.0	1,758	-8.1
Switzerland	2.3	1,718	-35.0	496	77.9

Commodity Price & Exchange Rate	Jan-Apr 2023		Apr-23	
	Price	%YoY	Price	%YoY
Dubai oil price (USD/bbl)	80.6	-17.7	83.8	-18.4
Gold price (USD/troy oz)	1,916.2	1.4	1,999.8	3.2
Exchange rate (THB/USD)	34.0	2.3	34.3	1.4
NEER index	120.1	3.0	119.5	2.7

## Domestic vehicle sales

New vehicle sales dropped by 6.1%YoY to 59,530 units in April, partly due to tighter lending by financial institutions, especially for pickup 1 ton, due to concerns about high household debt. Together with the rising interest rate situation, some consumers are postponing the purchase of new cars for the time being. As a result, car sales in the first four months of 2023 fell 6.1%YoY to 276,603 units.

### Domestic vehicle sales, 4M2023

#### Total Vehicle Sales

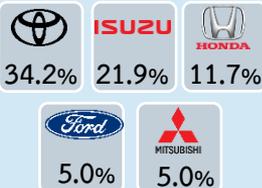


276,603

Units

-6.1%YoY

#### Market Share By Brand



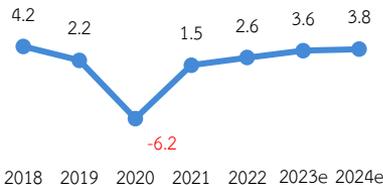
#### By Model

- 1 Isuzu D-Max 20.3%
- 2 Toyota Hilux 16.3%
- 3 Toyota Yaris 7.7%
- 4 Honda City 6.5%
- 5 Ford Ranger 4.4%

By body type, Passenger car sales fell by 1.4%YoY to 20,203 units and commercial car sales fell by 8.4%YoY to 39,327 units. This was followed by sales of 1-ton pickup, which fell by 22.5%YoY to 21,874 units. Although the commercial vehicle market is sluggish, the best-selling models with more than 36% market share are still pickup trucks: Isuzu D-Max and Toyota Hilux.

Domestic Vehicle Sales by Body Type	Jan-Apr 2023		Apr-23	
	Unit	%YoY	Unit	%YoY
Passenger car	97,769	1.6	20,203	-1.4
Commercial car	178,834	-9.9	39,327	-8.4
Pickup 1 ton	105,119	-22.5	21,874	-24.8
SUV	37,079	35.0	9,175	57.2
Other	36,636	3.7	8,278	3.1
<b>Overall</b>	<b>276,603</b>	<b>-6.1</b>	<b>59,530</b>	<b>-6.1</b>

## Thai GDP Forecast by BOT (%YoY)



%YoY	2021	2022	2023e	2024e
Private Consumption	0.3	6.3	4.4	2.9
Government Consumption	3.2	0.0	-2.8	1.1
Private Investment	3.3	5.1	1.7	4.9
Public Investment	3.8	-4.9	2.5	6.8
Value of Merchandise Exports	18.8	5.5	-0.1	3.6
Headline Inflation (%)	1.2	6.1	2.5	2.4

## Tourism

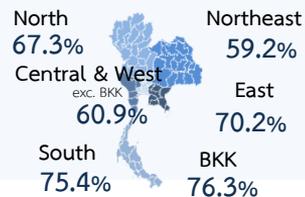
Foreign tourist arrivals in April continued to accelerate by 644% to 2.18 mn persons, driven by higher demand from Asian markets, particularly China and Malaysia. As a result, Thailand received a total of 8.70 mn foreign tourists in the first four months of 2023, an increase of 995.3%YoY. However, while the number of Chinese tourists has returned to rapid growth, averaging about 300,000 persons per month, it is still significantly lower than before the outbreak of the COVID-19 virus, when Chinese tourist arrivals averaged about 1 mn persons per month.

### International tourist arrivals, 4M2023



The average hotel occupancy rate nationwide was 70.2% in the first four months of 2023, driven by the increase in both Thai and foreign tourists. In April, the region with the highest occupancy rates is the Southern part as the sea is a very popular attraction, especially during summer.

### อัตราการเข้าพัก, 4M2023



# Export of Goods

## For Apr 2023

Major products	Share Jan-Apr 2023 (%)	Jan-Apr 23		Apr-23	
		USD million	%YoY	USD million	%YoY
<b>Total exports</b>	<b>100.0</b>	<b>92,003</b>	<b>-5.2</b>	<b>21,723</b>	<b>-7.6</b>
<b>Agriculture</b>	<b>9.8</b>	<b>8,997</b>	<b>7.3</b>	<b>3,105</b>	<b>23.8</b>
- Rice	1.6	1,436	19.4	311	3.5
- Rubber	1.3	1,212	-38.3	259	-40.2
- Tapioca	1.6	1,467	-12.3	282	-44.1
- Fruits	2.7	2,507	104.8	1,682	142.8
- Fishery	0.5	470	-10.8	129	-5.6
<b>Agro-industrial</b>	<b>8.3</b>	<b>7,658</b>	<b>-0.3</b>	<b>1,715</b>	<b>-12.0</b>
- Prepared or preserved seafood	1.2	1,099	-9.7	245	-17.1
- Cane sugar and molasses	1.6	1,473	24.2	269	-0.6
- Wheat products and other food preparations	0.8	776	-5.2	172	-9.9
- Beverages	0.7	672	3.2	160	2.4
<b>Manufacturing</b>	<b>78.1</b>	<b>71,860</b>	<b>-7.1</b>	<b>15,949</b>	<b>-11.2</b>
- Automotive	13.5	12,464	2.7	2,561	-0.8
- Electronics	15.3	14,074	0.9	3,107	5.7
- Electrical appliances	10.8	9,965	-0.6	2,196	-3.0
- Precious stones and jewelry	6.0	5,540	-16.2	1,288	16.8
- Unwrought gold	3.0	2,724	-32.6	815	79.2
- Rubber products	4.8	4,438	-6.5	1,005	-12.4
- Petro-chemical products	3.2	2,956	-26.0	723	-24.3
- Chemicals	2.9	2,691	-22.0	635	-30.4
- Machinery & equipment	2.9	2,703	-7.4	572	-11.5
- Apparels & Textile	2.2	1,983	-14.8	469	-14.0
- Metal & steel	2.3	2,091	-13.2	463	-27.1
<b>Mining &amp; Fuel</b>	<b>3.8</b>	<b>3,489</b>	<b>-5.3</b>	<b>954</b>	<b>-13.7</b>

Products	Apr-23	
	USD million	%YoY
<b>Automotive</b>	<b>2,561</b>	<b>-0.8</b>
- Passenger car	732	-2.1
- Pick up and trucks	504	47.3
- Motorcycle	264	-5.4
- Spark-ignition reciprocating internal combustion	268	-18.5
- Parts & accessories	679	-11.0

Products	Apr-23	
	USD million	%YoY
<b>Electronics</b>	<b>3,107</b>	<b>5.7</b>
- Computer parts	990	-19.0
- HDD	316	-49.7
- Electronic integrated circuits	723	-1.6
- Telecommunication	488	55.0
- Semi-conductor devices, transistors, diodes	437	107.8

# End of Presentation

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## Disclaimer

ข้อมูล บทวิเคราะห์ และการแสดงความคิดเห็นต่างๆที่ปรากฏอยู่ในรายงานฉบับนี้ ได้จัดทำขึ้นบนพื้นฐานของแหล่งข้อมูลที่ได้รับมาจากแหล่งข้อมูลที่เชื่อถือได้ เพื่อใช้ประกอบการวิเคราะห์ภาวะเศรษฐกิจและอุตสาหกรรมซึ่งเป็นเอกสารภายในของธนาคารแลนด์ แอนด์ เฮาส์ จำกัด (มหาชน) เท่านั้น ทั้งนี้ธนาคารฯ จะไม่รับผิดชอบความเสียหายใดๆทั้งปวงที่เกิดขึ้นจากการนำข้อมูล บทวิเคราะห์ การคาดหมาย และความคิดเห็นต่างๆ ที่ปรากฏในรายงานฉบับนี้ไปใช้ โดยผู้ที่ประสงค์จะนำไปใช้ต้องยอมรับความเสี่ยง และความเสียหายที่อาจเกิดขึ้นเองโดยลำพัง