

Economic Update for July 2021



Business Research Office

Data Governance and Analytics Group

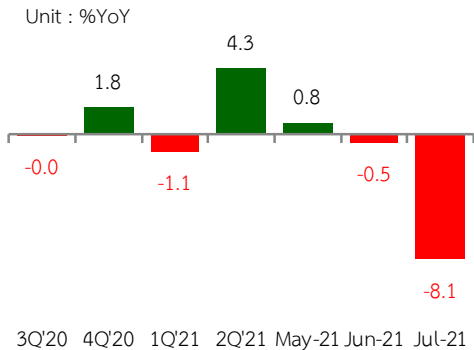
September 3, 2021

Highlight in July 2021

The latest Covid-19 wave with rising daily infections and prolonged outbreak deeply affected the economic conditions in July. Private consumption contracted as the stricter containment measures that started mid-July dealt a greater blow to household purchasing power, while private investment and the merchandise exports were affected by tepid demand. Regarding the tourism sector, the government put their efforts to restore the confidence of tourists under the Phuket Sandbox scheme.

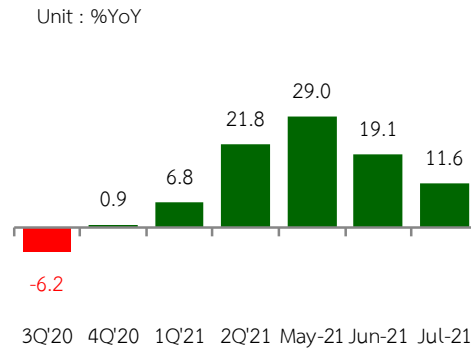
Private consumption

Private consumption indicators recorded a further contraction of 8.1%YoY in July. After seasonal adjustment, the indicators also dropped from the previous month in all spending categories.



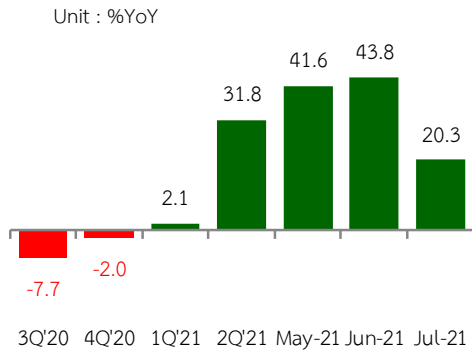
Private investment

Private investment grew at a slower rate. However, after seasonal adjustment, the indicators declined from June-21 due to a decline in both investment in the machinery and equipment, and construction..



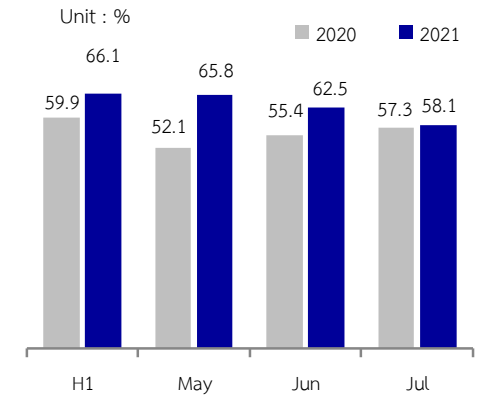
Export of goods

The value of merchandise exports kept rising. But the rate was lower than June-21 as trading partner's demand softened from a severe outbreak and there was a supply disruption in some industries.



Capacity utilization

Capacity utilization rate increased to 58.1% from 57.3% in July-20. After seasonal adjustment, utilization rate declined from the previous month as a result of lower demand and supply disruption.



Farm income

The decline in agricultural prices put downward pressure on farm income, resulting in a slowdown in farm income growth rate in July.

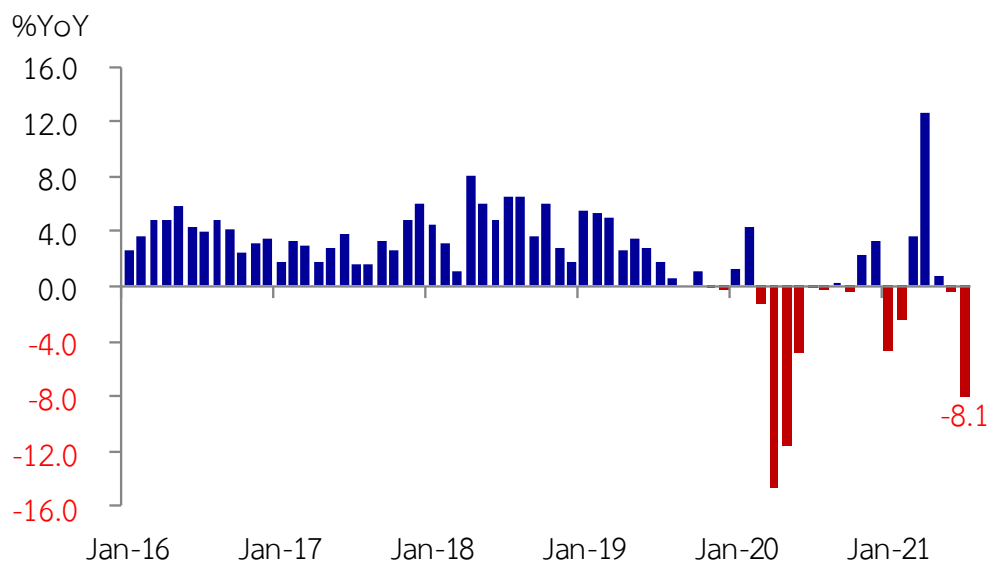
Tourism sector

Phuket, one of Thailand's key tourist destinations, reopened for foreign tourists from July 1 under the Phuket Sandbox scheme to help local tourism-related operators maintain their businesses. Thanks to the scheme, foreign tourist arrivals in July were higher than in June.

Private consumption

- Private consumption index continued to fall with a contraction of 8.1%YoY in July. After seasonal adjustment, the index also went down to 5.3%MoM, reflected by a decline in all spending categories.
- During the period, the government's stricter containment measures due to the worsening outbreak situation threatened economic activities, household income, and consumer confidence. Meanwhile, the government's stimulus measures like the schemes so-called Khon La Krung and Ying Chai Ying Dai could partially support purchasing power.

Growth rate of private consumption index



Private consumption indicators

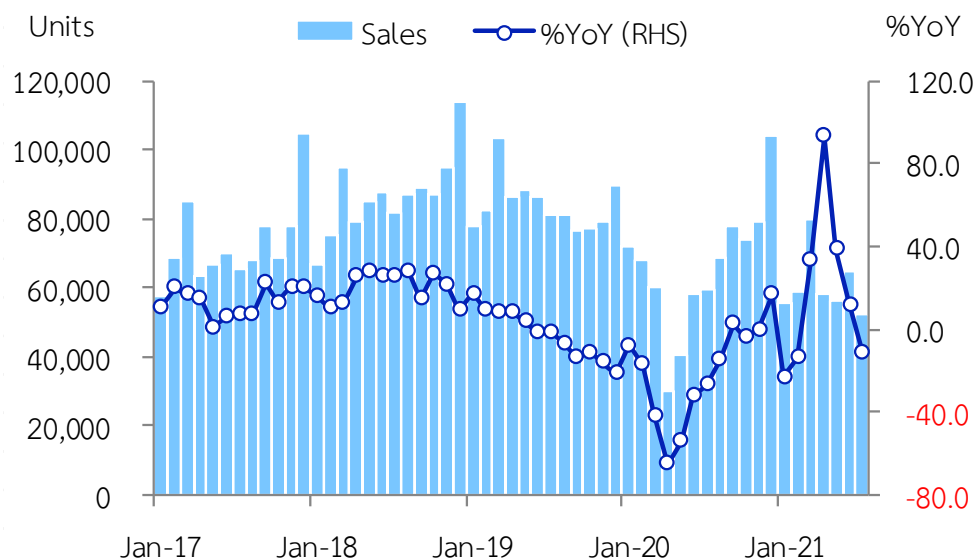
%YoY	2020		2021					%MoM
	H1	H2	H1	Q1	Q2	Jun	Jul	
Non-durable index	-2.6	-0.8	-2.4	-4.2	-0.3	-2.5	-10.2	-5.1
Semi-durable index	-3.7	-3.3	4.1	1.9	6.5	5.0	3.4	-1.3
Durable index	-21.3	-4.3	11.1	-1.9	27.9	12.0	-8.0	-5.9
Services index	-18.9	-23.7	-7.9	-17.3	4.0	-2.4	-8.1	-6.3
(Less) Net tourism spending	-59.6	-91.5	-84.0	-91.0	-35.2	-28.0	-12.7	-9.3
Private consumption index	-4.7	0.9	1.5	-1.1	4.3	-0.5	-8.1	-5.3

Note: %MoM is calculated from seasonally adjusted data

Domestic vehicle sales

- Domestic car sales in July were hit hard by the government's lockdown measures reinstated in mid-July to contain the spread of the virus. Besides the drastic lockdowns, tighter auto loans and delayed production of some car models resulted from a semiconductor shortage also dragged down the new car market. Consequently, sales during the period fell 11.6%YoY to 52,442 units, the lowest record in seven months.
- For the first seven months of 2021, overall car sales grew by 9.7%YoY to 425,633 units, with Toyota holding a largest share of 31.5% in the market.

Domestic new vehicle sales



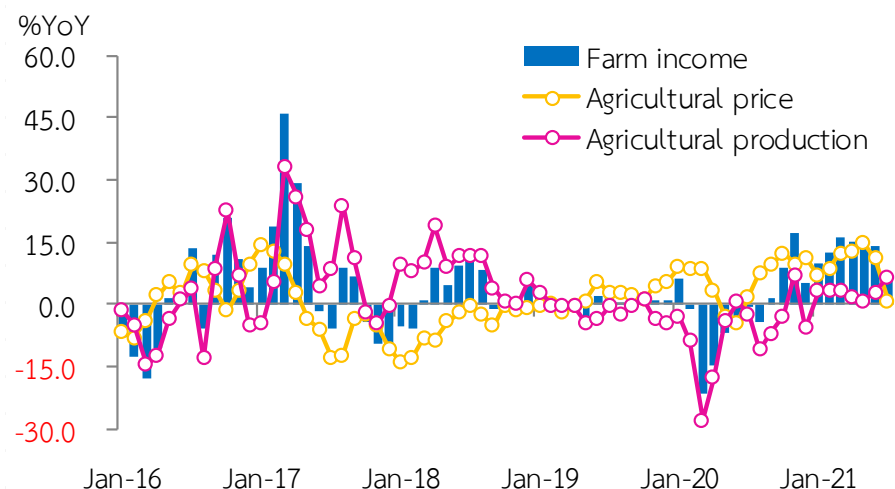
Top 10 new vehicle sales by brand in 2021

Brand	Share (%) Jan-Jul	Sales (units)		Change (%YoY)	
		Jan-Jul	Jul	Jan-Jul	Jul
Toyota	31.5	133,959	17,040	20.1	-2.7
Isuzu	25.1	106,845	13,680	16.7	-11.6
Honda	11.7	49,673	6,958	4.9	15.3
Mitsubishi	6.3	26,733	3,205	-12.9	-34.9
Mazda	4.9	21,020	2,112	13.9	-30.5
Ford	4.3	18,454	2,124	33.2	-8.6
Nissan	4.2	17,778	1,751	-30.3	-56.2
MG	3.9	16,649	2,246	26.0	-2.9
Suzuki	2.8	12,047	1,402	-8.4	-32.1
Hino	1.8	7,528	1,045	50.4	28.5
Others	3.5	14,947	879	-15.4	4.3
Total	100.0	425,633	52,442	9.7	-11.6

Farm income

- Farm income stood at 7.3%YoY in July, lower than 14.1%YoY in June. The slowdown in farm income during the period was in accordance with the agricultural price momentum, especially the subdued growth in rubber prices because of rising output and lower demand in Malaysia caused by tighter restrictions on movement and businesses.

Farm income and components



Farm income and components in 2021

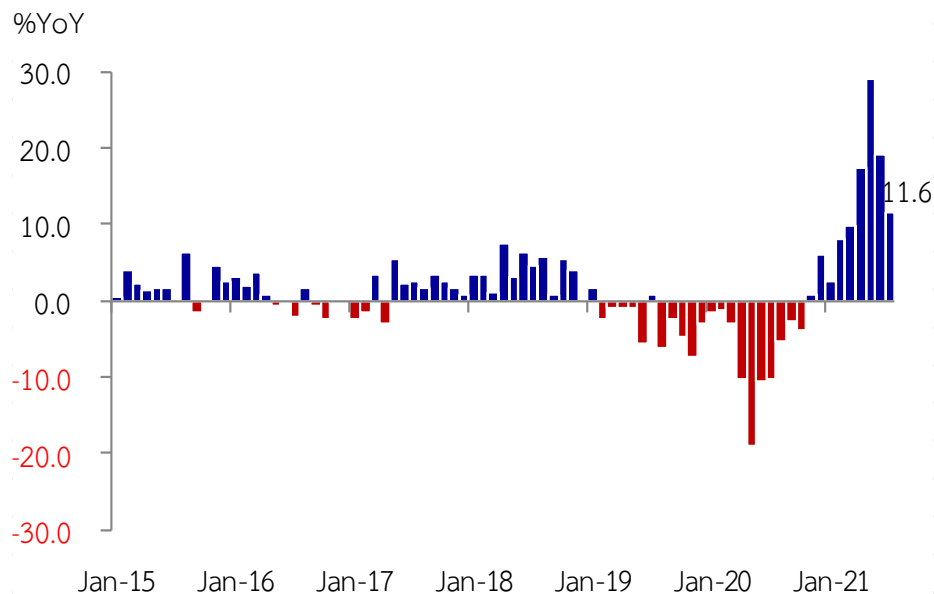
Item	Farm Income		Agricultural price		Agricultural production	
	Jun	Jul	Jun	Jul	Jun	Jul
Agriculture	14.1	7.3	10.9	0.8	2.9	6.5
Paddy	-4.7	-5.1	-21.1	-22.7	20.8	22.7
Sugarcane	N.A.	N.A.	30.3	30.3	N.A.	N.A.
Cassava	34.6	35.2	17.8	20.1	14.3	12.6
Maize	-45.7	-37.0	2.0	2.0	-46.8	-38.3
Rubber, uss3	57.8	33.7	50.7	27.3	4.7	5.0
Durian	42.3	11.9	44.4	9.0	-1.4	2.7
Palm kernel (weight over 15 kg.)	79.2	95.8	84.6	94.2	-2.9	0.8
Coconut	-4.1	16.8	-19.9	-23.7	19.7	53.2
Swine (weight over 100 kg.)	8.8	-1.0	6.2	-3.4	2.5	2.5
Fowl	6.2	1.7	1.9	-0.4	4.3	2.1
Egg, chicken	8.7	4.4	8.3	3.6	0.3	0.8
Shrimp, Vannamei	-5.4	-21.9	-3.9	-7.0	-1.6	-16.0

Source : OAE

Private investment

- Private investment index in July grew at a lower rate of 11.6%YoY when compared to 19.1%YoY in June.
- After seasonal adjustment, the index recorded a 3.8% shrinkage from the previous month due mainly to a decrease in investment in the machinery, equipment, and construction categories. The impact of the pandemic weighed down demand and business sentiment. In addition, the restrictions at construction sites also put pressure on private investment during the period.

Growth rate of private investment index



Private investment indicators

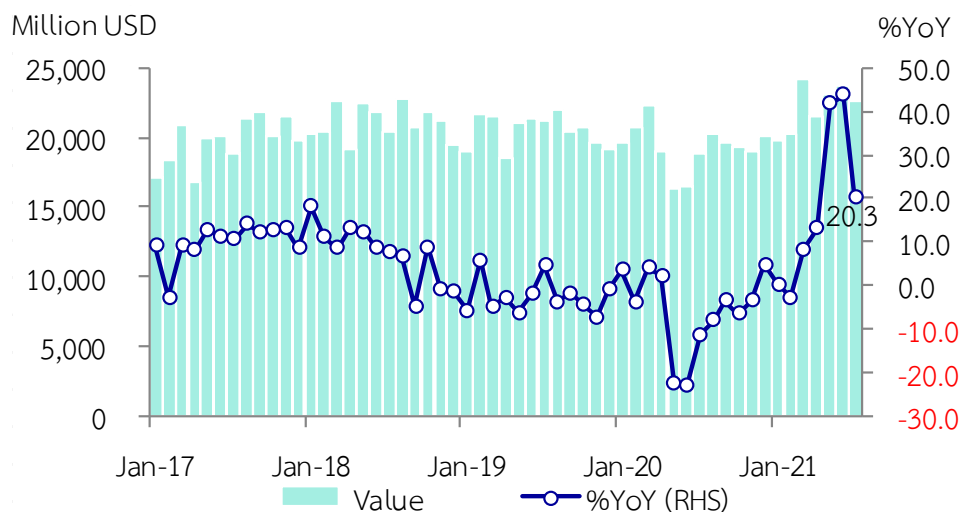
%YoY	2020		2021					%MoM
	H1	H2	H1	Q1	Q2	Jun	Jul	
Permitted construction area	-0.6	-4.6	-10.0	-10.6	-9.4	-8.7	-6.9	0.9
Construction material sales index	-2.1	-4.9	2.2	3.9	0.5	0.5	-11.8	-9.5
Real imports of capital goods	-14.2	-8.7	20.2	16.3	24.5	26.4	24.9	0.8
Real domestic machinery sales	-9.5	1.0	25.1	9.4	45.4	37.4	25.3	-0.9
Number of newly registered motor vehicles for investment	-17.8	-2.6	9.0	0.1	20.3	11.2	-10.8	-18.4
Private investment index	-7.7	-2.4	13.8	6.8	21.8	19.1	11.6	-3.8

Note: %MoM is calculated from seasonally adjusted data

Export of goods

- The growth rate of the merchandise exports decreased to 20.3%YoY in July from 43.8%YoY in June as demand softened in some trading partner countries that grappled with spikes in Covid-19 cases, virus mutations, and vaccine supply constraints.
- There were the closures of some food processing factories for exports during the period because of the outbreak that was serious and prolonged.

Export value and growth



Export value to key markets in 2021

Market	Share Jan-Jul (%)	Jan-Jul		Jul	
		Million USD	%YoY	Million USD	%YoY
Total	100.0	154,985	16.2	22,651	20.3
ASEAN	23.8	36,881	12.6	5,229	22.1
U.S.A.	15.1	23,443	21.2	3,569	22.2
China	14.0	21,760	27.2	3,471	41.0
EU	9.5	14,663	24.7	2,005	20.4
Japan	9.5	14,652	14.0	2,087	23.3
Hong Kong	4.3	6,708	0.5	1,036	20.9
Australia	4.1	6,406	17.4	808	-12.3
Middle East	3.2	5,012	13.4	711	20.4
India	2.9	4,486	57.4	655	75.3
South Korea	2.2	3,392	37.6	484	44.4

Commodity price & Exchange rate	Jan-Jul		Jul	
	Price	%YoY	Price	%YoY
Dubai oil price (USD/bbl)	64.4	55.6	73.0	71.2
Gold price (USD/troy oz)	1,806.6	7.8	1,807.8	-2.1
Exchange rate (THB/USD)	31.1	-1.7	32.6	3.8
NEER index	120.3	-2.1	115.8	-5.5

Source : MOC, BOT, World Bank

Export of goods in 2021

Major product	Share Jan-Jul (%)	Jan-Jul		Jul	
		Million USD	%YoY	Million USD	%YoY
Total exports	100.0	154,985	16.2	22,651	20.3
Agriculture	9.9	15,399	23.6	2,348	46.4
- Rice	1.0	1,608	-28.2	239	-8.0
- Rubber	2.0	3,149	67.0	421	121.2
- Tapioca	1.5	2,334	48.1	321	62.0
- Fruits	2.6	4,009	53.6	795	122.8
- Fishery	0.6	936	3.8	146	10.5
Agro-industrial	7.0	10,870	1.8	1,496	0.4
- Prepared or preserved seafood	1.3	1,978	-11.9	280	-17.9
- Cane sugar and molasses	0.6	856	-38.7	112	-29.0
- Wheat products and other food	0.9	1,325	4.2	188	8.4
- Beverages	0.8	1,220	8.3	157	3.8
Manufacturing	79.6	123,337	16.2	17,960	18.0
- Automotive	14.6	22,593	35.4	3,022	36.1
- Electronics	15.6	24,192	19.8	3,584	20.9
- Electrical appliances	10.6	16,465	28.4	2,256	21.9
- Precious stones and jewelry	3.6	5,548	-54.0	1,051	-47.2
- Unwrought gold	1.5	2,285	-75.9	545	-66.8
- Rubber products	5.7	8,797	36.0	1,193	16.0
- Petro-chemical products	4.1	6,311	43.1	967	57.8
- Chemicals	3.5	5,404	41.7	850	54.0
- Machinery & equipment	2.9	4,546	26.0	650	26.0
- Apparels & textile	2.4	3,702	11.6	540	18.1
- Metal & steel	2.4	3,774	38.4	577	59.4
Mining & Fuel	3.5	5,380	32.1	848	62.6

Product	Jul	
	Million USD	%YoY
Automotive	3,022	36.1
- Passenger car	923	43.8
- Pick up and trucks	483	-5.2
- Motorcycle	291	78.8
- Spark-ignition reciprocating internal combustion	362	-4.0
- Parts & accessories	857	80.7

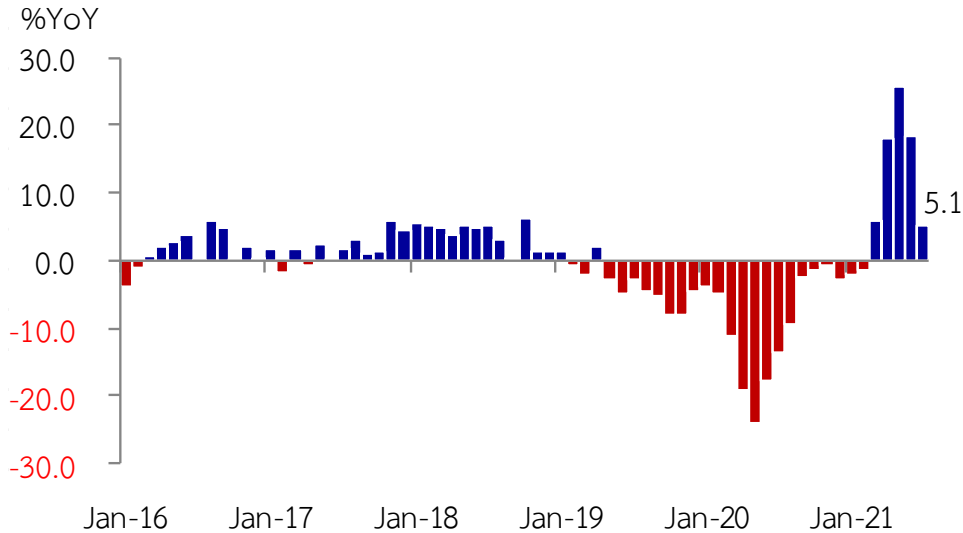
Product	Jul	
	Million USD	%YoY
Electronics	3,584	20.9
- Computer parts	1,806	19.3
- HDD	1,104	31.1
- Printed circuits	704	25.9
- Telecommunication	288	23.8
- Semi-conductor devices, transistors, diodes	231	0.8

Source : MOC

Manufacturing production

- Manufacturing Production Index grew by 5.1%YoY in July, lower pace than 18.3%YoY in June. The slowdown of MPI was mainly attributed to the supply disruption in some factories including the automotive, hard disk drive, food and beverage sectors. Besides, weaker demand both at home and abroad due to severe outbreaks was another issue affecting the manufacturing production.

Growth rate of manufacturing production index



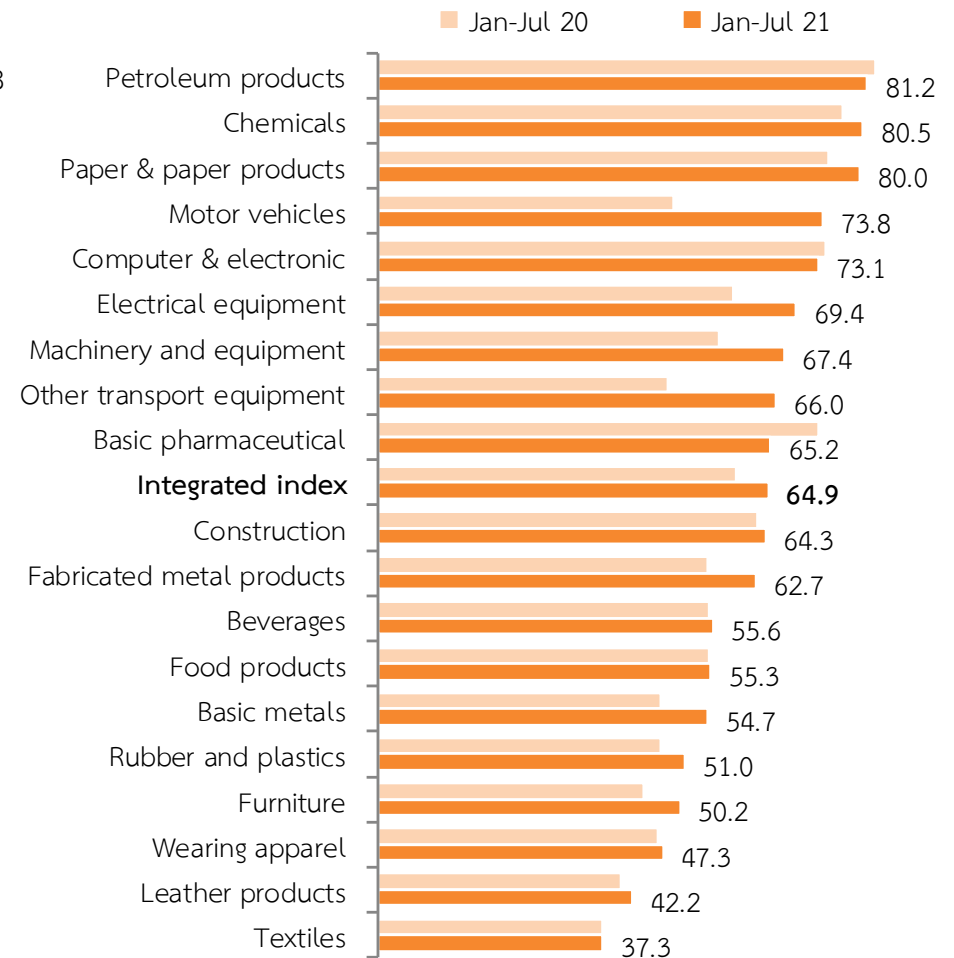
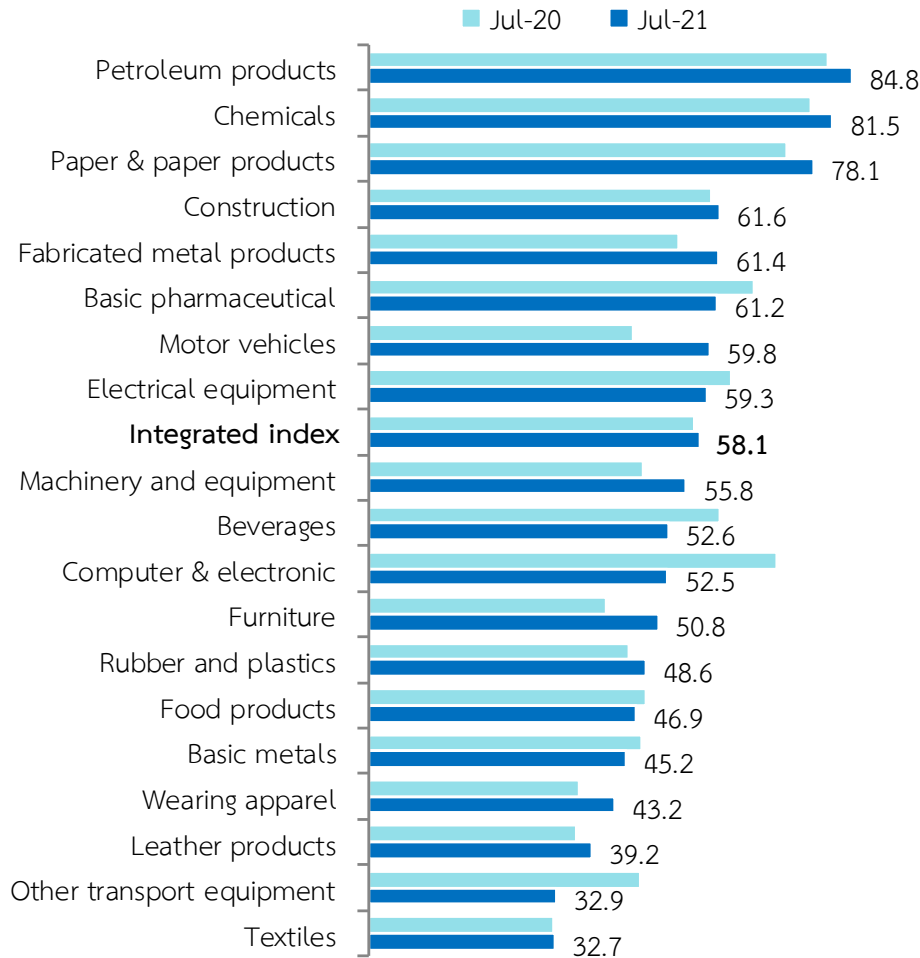
Manufacturing Production Index (MPI)

%YoY	2020	2020		2021				
		H1	H2	H1	Q1	Q2	Jun	Jul
Overall MPI	-9.3	-13.2	-5.1	8.9	0.8	20.6	18.3	5.1
Automotive	-28.9	-42.5	-13.8	39.6	3.3	147.6	91.8	32.8
IC and semiconductors	1.9	-0.4	4.1	16.0	12.3	19.7	21.7	16.5
Fabricated metal products	-3.3	-10.4	4.0	14.1	4.4	24.9	26.1	14.1
Rubbers and plastics	-7.8	-11.4	-4.1	7.7	-0.8	17.7	25.6	10.5
Chemicals	-3.2	-3.2	-3.3	5.0	5.7	2.9	5.0	9.4
Wearing apparels	-20.7	-9.0	-32.7	-14.7	-21.9	-11.6	-1.1	8.5
Papers	-0.1	-0.6	0.5	5.2	-0.3	11.0	14.2	6.2
Basic metal	-7.1	-12.9	-0.8	21.3	15.5	33.7	30.2	5.3
Textiles	-22.5	-24.7	-20.0	-1.6	-16.6	20.9	15.1	0.9
Basic pharmaceutical	1.3	5.6	-2.8	-8.0	-5.4	-12.6	-3.5	-0.8
Food	-6.1	-8.0	-3.8	2.6	3.1	3.4	2.7	-1.6
Cements and construction	-5.0	-3.7	-6.3	1.1	-2.4	6.0	8.8	-1.8
Petroleum	-7.0	-9.9	-3.8	-6.2	-13.9	2.3	-2.4	-5.0
Electrical appliances	5.5	-5.2	16.8	16.1	12.6	29.0	11.9	-5.1
Hard disk drive	-2.8	3.1	-7.6	6.7	3.9	15.6	14.3	-9.9
Beverage	-6.2	-11.3	-1.1	4.2	-5.7	24.1	8.2	-12.3

Source : OIE

Capacity utilization rate of major industries

- The capacity utilization rate in July increased to 58.1% from 57.3% in the same period last year. In the first seven months of 2021, the rate also edged up to 64.9% from 59.5% in the same period last year. The surge in these results was partly due to the motor vehicles that kept their operations under control, reflecting a robust recovery in production at this period.

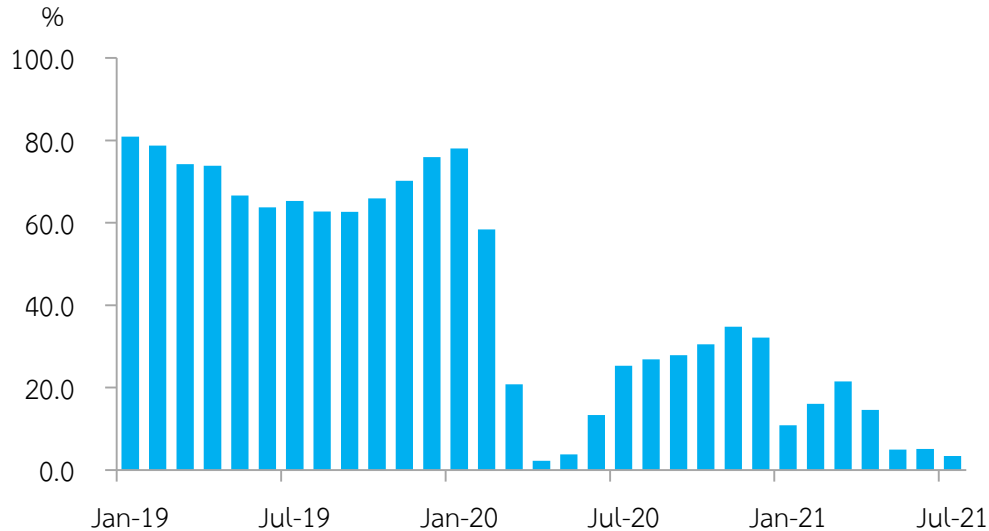


Source : OIE

Tourism sector

- July was the first month of the Phuket Sandbox scheme aimed to help support the tourism sector, one of the key drivers of the economic growth in Thailand. Thanks to the scheme, the number of international tourist arrivals was 18,056, higher than 5,694 arrivals in the previous month. However, the figure was far from the pre-pandemic level as a result of the ongoing international travel restrictions.
- The occupancy rate of hotels nationwide in July dropped to 3.5%, the lowest level during the seven-month period. This was not only due to limited foreign tourists but also a sharp decline in domestic travelers resulted from the severe impact of the third Covid-19 wave.

Average occupancy rate



Average occupancy rate classified by area

%	2020		2021				
	H1	H2	H1	Q1	Q2	Jun	Jul
North	29.9	47.4	16.7	24.1	9.3	6.8	6.1
Bangkok	34.8	21.6	10.2	10.8	9.6	9.3	4.5
Northeast	26.0	42.8	19.1	30.0	8.2	5.5	4.0
West	30.0	49.2	19.8	27.5	12.1	6.3	2.7
East	28.6	31.2	9.4	10.3	8.5	4.0	2.6
Central exc. Bangkok	23.8	30.8	11.8	18.1	5.4	3.2	2.1
South	27.7	15.7	8.4	10.6	6.1	2.0	1.9
Overall	29.4	29.6	12.2	16.2	8.2	5.2	3.5

End of Presentation

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