



THAI ECONOMIC AND FINANCIAL UPDATE

for February 2024

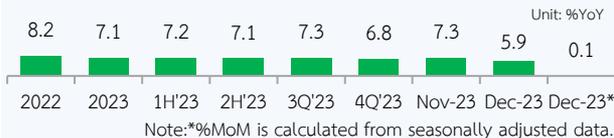
Highlight:

Thailand's economy expanded at a slower pace, as tourist expenditures and export value softened due to the slow recovery in global demand. This is partly the result of the Chinese economy becoming more self-sufficient. This is affecting manufacturing and private investment are moving in a slower direction. Government spending contracted due to investment by both the central government and state-owned enterprises. However, private consumption and the service sector are expected to continue to expand as important drivers of the Thai economy.



Private Consumption

Private consumption indicators, after seasonal adjustment, were stable from the previous month. This follows an increase in the consumption of non-durable goods and services, in line with a further improvement in consumer confidence. This is partly the result of government measures to reduce the cost of living. Meanwhile, spending on durable goods fell, particularly in the sales of passenger cars.



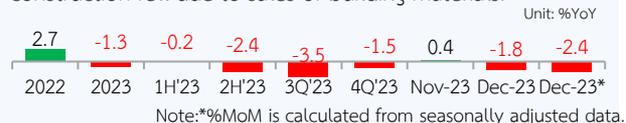
Farm Income

Farm income declined from the same period last year due to lower production, particularly in oil palm and rice, which were affected by the drought. In the case of durian, it fell because production was faster than last year. While agricultural prices remained stable, prices of rice, rubber and palm continued to increase.

Item (%YoY)	Farm Income		Agricultural Price		Agricultural Production	
	Nov-23	Dec-23	Nov-23	Dec-23	Nov-23	Dec-23
	Agriculture	-3.8	-2.2	-1.0	0.2	-2.8
Paddy	7.1	5.9	10.8	10.7	-3.4	-4.3
Rubber	14.9	14.3	15.7	14.9	-0.7	-0.6
Durian	-62.0	-67.1	-14.7	-14.7	-55.4	-61.4
Palm kernel	-7.8	-21.6	3.9	8.3	-11.2	-27.7
Swine	-26.4	-20.5	-38.3	-35.3	19.3	22.9

Private Investment

Private investment indicators, after seasonal adjustment, declined from previous month. This was in line with industrial production and exports of goods, after accelerating in the previous period. Investment in machinery and equipment fell due to imports of capital goods and registrations of commercial vehicles. Meanwhile, domestic sales of machinery and equipment increased. Investment in construction fell due to sales of building materials.

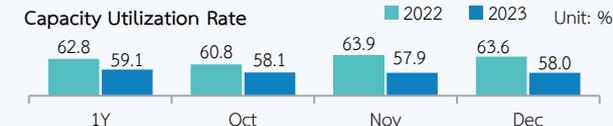


MPI and Capacity Utilization (Cap-U)

Manufacturing production index, after seasonal adjustment, continued to fall from the previous month. This is in line with the decline in capacity utilization. Production fell in many major product categories. In particular, the automotive category was affected by the production of pick-up trucks.

MPI (%YoY)	2023	2H23	Nov-23	Dec-23	%MoM
Overall MPI	-5.1	-5.7	-4.6	-6.3	-1.0*
Automotive	-2.6	-10.3	-15.0	-20.9	-22.7
Petroleum	6.4	9.0	29.5	7.2	5.4
Hard disk drive	-29.8	-24.2	-1.1	-19.9	15.7

Note: *%MoM Overall MPI is calculated from seasonally adjusted data.



Note: MPI stands for Manufacturing Production Index

Exports

- In December, Thai exports expanded for the 5th consecutive month by 4.7%YoY, driven by exports to key markets that are still expanding, such as China and Hong Kong in the electronics category, especially hard disk drives. The Australian market expanded due to car exports and the ASEAN market expanded due to diesel exports.
- Overall, exports contracted by 1.0%YoY in 2023, mainly due to exports to major trading partners that continued to contract, such as ASEAN, China and the EU. Major products that declined include rubber, cassava, preserved seafood, electrical appliances, jewelry, chemicals and textiles, etc..

Market	Share (%) Jan-Dec 23	Jan-Dec 2023		Dec-23	
		USD Mn	%YoY	USD Mn	%YoY
Total	100.0	284,562	-1.0	22,792	4.7
ASEAN	23.2	66,847	-7.1	5,278	5.4
U.S.A.	17.4	48,865	2.8	3,969	0.3
China	11.5	34,164	-0.8	2,611	2.0
EU	8.9	25,912	-3.4	2,038	-8.3
Japan	7.6	24,670	0.1	1,730	-3.7
Hong Kong	4.3	11,096	10.0	970	35.0
Commodity Price & Exchange Rate	Jan-Dec 2023		Dec-23		
	USD Mn	%YoY	USD Mn	%YoY	
Dubai oil price (USD/bbl)	82.0	-15.5	77.2	0.6	
Gold price (USD/troy oz)	1,942.7	7.9	2,026.2	12.7	
Exchange rate (THB/USD)	34.8	-0.7	35.0	0.5	
NEER index	119.8	3.7	120.1	1.4	

Domestic Vehicle Sales

Car sales in December fell by 8.7%YoY due to a decline in sales of commercial car in the 1-tonne pickup as the domestic economy has yet to fully recover. This is due to a slowdown in purchasing power caused by high household debt and awaiting clarity on government measures that have a direct impact on the commercial vehicle market, including high interest rates, while financial institutions remain restrictive in lending. However, passenger car sales continue to grow. This has been supported by growing sales of electric cars.

Domestic vehicle sales, 12M2023

Total Vehicle Sales



775,780

Units

-8.7%YoY

Market Share By Brand



4.7%



4.2%

By Model

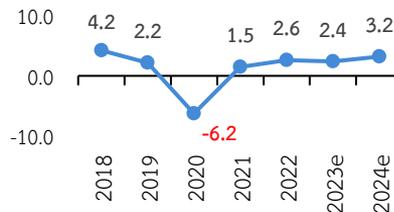
- 1 Isuzu D-Max 16.4%
- 2 Toyota Hilux 14.8%
- 3 Toyota Yaris ATIV 7.2%
- 4 Honda City 5.6%
- 5 Ford Ranger 3.7%

Domestic car sales in 2023 were 775,780 units, down 8.7%YoY, mainly due to a decline in sales of commercial vehicles in the 1-tonne pickup, while sales of passenger cars increased. Toyota remains the market leader, followed by Isuzu and Honda. However, in terms of car models, the Isuzu D-Max pick-up remains the best-selling vehicle. It has a market share of 16.4%, followed by the Toyota Hilux with 14.8% and the Toyota Yaris ATIV with 7.2%.

Domestic Vehicle Sales by Body Type	Jan-Dec 2023		Dec-23	
	Unit	%YoY	Unit	%YoY
Passenger car	292,506	10.3	26,141	5.8
Commercial car	483,274	-17.3	42,185	-27.4
Pickup 1 ton	264,738	-31.8	19,543	-44.9
SUV	114,177	37.7	13,359	34.0
Other	104,359	-7.7	9,283	-26.6
Overall	775,780	-8.7	68,326	-17.5

Sources: NESDC, Toyota, FTI, and MOTS

Thai GDP Forecast by BOT (%YoY)



	%YoY	2021	2022	2023e	2024e
Private Consumption		0.3	6.3	7.1	3.2
Government Consumption		3.2	0.2	-4.0	1.1
Private Investment		3.3	5.1	2.4	3.6
Public Investment		3.8	-4.9	-0.5	2.7
Value of Merchandise Exports		18.8	5.4	-1.5	4.3
Headline Inflation (%)		1.2	6.1	1.3	2.0

Note: Data as of Nov 2023

Tourism

Foreign tourist arrivals grew by 45.5%YoY and 23.7%MoM in December, with increases in the number of tourists from all groups of countries. In particular, Chinese tourists, who continue to recover from the visa exemption scheme, are the second largest group after Malaysia. This is followed by South Korea, while European and American tourists slowed down slightly after accelerating last month. In 2023, a total of 28.15 million foreign tourists traveled to Thailand, an increase of 154.4%YoY, with the main tourists coming from Malaysia, China, South Korea, India and Russia respectively.

International tourist arrivals, 12M2023



The average hotel occupancy rate nationwide rose from the previous month to 82.8% in December, bringing the average occupancy rate for the year to 69.3%, up from 47.9% last year. The occupancy rate is highest in Bangkok, followed by the eastern and southern regions. The occupancy rate in December increased in line with foreign tourists travelling during the New Year and winter holidays in the European region.

Occupancy Rate, 12M2023



Export of Goods

For Feb 2024

Major products	Share Jan-Dec 2023 (%)	Jan-Dec 23		Dec-23	
		USD million	%YoY	USD million	%YoY
Total exports	100.0	284,562	-1.0	22,792	4.7
Agriculture	9.4	26,802	0.2	1,872	-8.3
- Rice	1.8	5,144	29.3	532	27.4
- Rubber	1.3	3,649	-29.2	307	13.2
- Tapioca	1.3	3,704	-16.4	186	-51.2
- Fruits	2.4	6,942	22.8	289	-27.9
- Fishery	0.5	1,525	-8.4	120	0.9
Agro-industrial	7.9	22,401	-1.7	1,613	3.6
- Prepared or preserved seafood	1.2	3,478	-9.6	282	-13.3
- Cane sugar and molasses	1.2	3,477	9.8	124	43.0
- Wheat products and other food preparations	0.9	2,432	-3.3	199	-3.7
- Beverages	0.7	2,046	2.6	169	6.2
Manufacturing	78.6	223,692	-1.0	18,205	5.0
- Automotive	14.4	41,117	8.5	3,440	2.1
- Electronics	16.3	46,267	2.6	4,195	0.5
- Electrical appliances	10.1	28,667	-2.4	2,108	-6.0
- Precious stones and jewelry	5.2	14,787	-2.2	972	71.1
- Unwrought gold	2.1	5,979	-15.5	416	787.6
- Rubber products	4.7	13,248	-4.4	1,089	3.9
- Petro-chemical products	3.1	8,877	-16.9	652	0.0
- Chemicals	2.8	8,055	-16.0	586	-6.5
- Machinery & equipment	3.1	8,784	0.3	695	3.0
- Apparels & Textile	2.1	6,034	-11.9	483	-1.7
- Metal & steel	2.4	6,955	-0.7	644	25.3
Mining & Fuel	4.1	11,667	-1.9	1,101	32.4

Products	Dec-23	
	USD million	%YoY
Automotive	3,440	2.1
- Passenger car	1,074	-2.2
- Pick up and trucks	781	11.1
- Motorcycle	249	-27.2
- Spark-ignition reciprocating internal combustion	407	20.3
- Parts & accessories	831	7.4

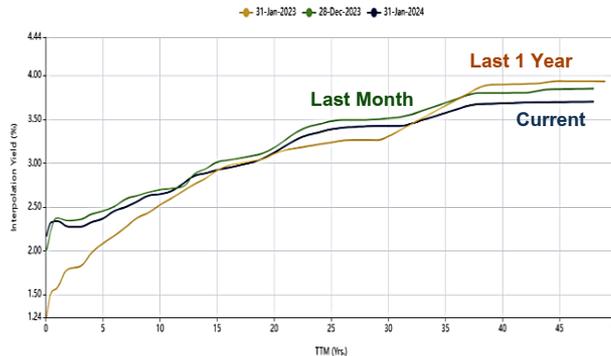
Products	Dec-23	
	USD million	%YoY
Electronics	4,195	0.5
- Computer parts	1,838	2.5
- HDD	1,003	1.9
- Electronic integrated circuits	770	3.1
- Telecommunication	570	3.4
- Semi-conductor devices, transistors, diodes	455	-0.4

Fixed Income Market

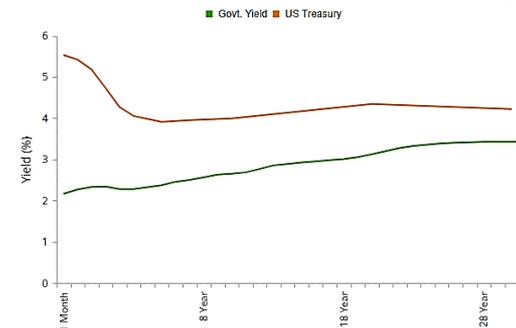
1 Year Movement of Thai Government Bond Yield (%)



Shift in Thai Government Yield Curve Current vs Last Month vs Last 1 Year

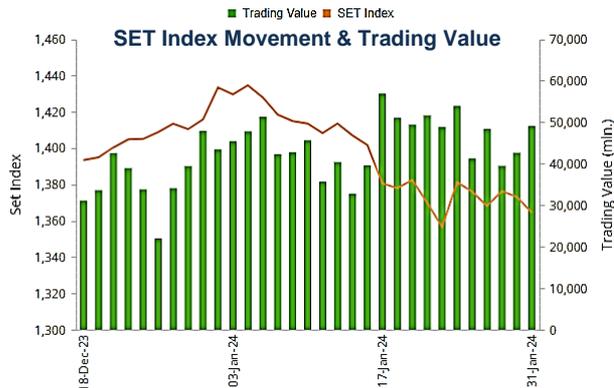


Thai Government Yield Curve versus US Treasury Yield Curve

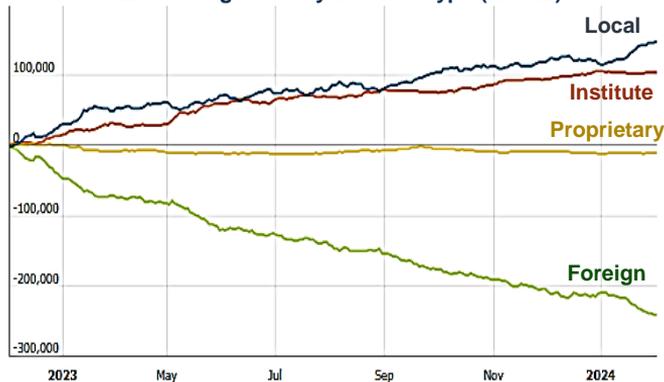


Equity Market

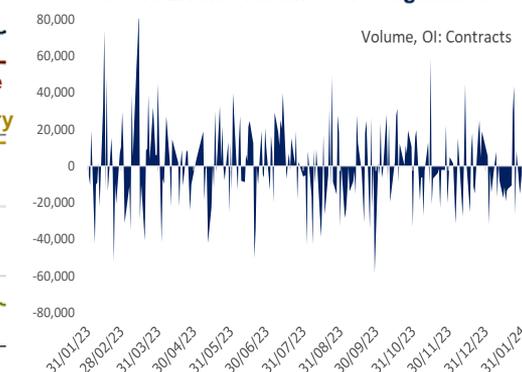
SET Index Movement & Trading Value



1 Year - SET Trading Value by Investor Type (M.THB)

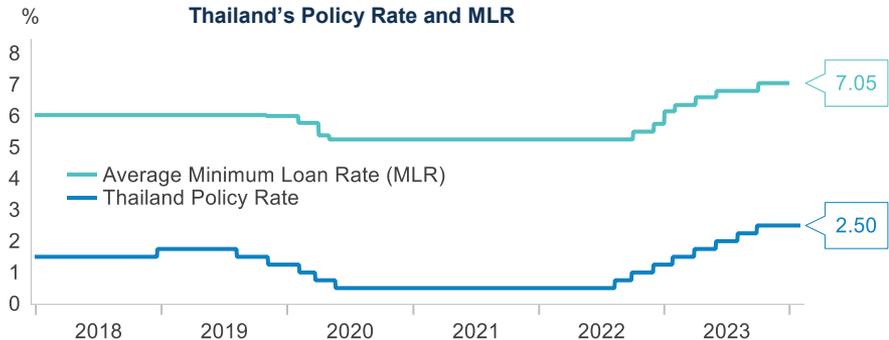


1 Year - TFXE Net Volume of Foreign Investor



Policy Rate and Inflation

Thailand's Policy Rate and MLR

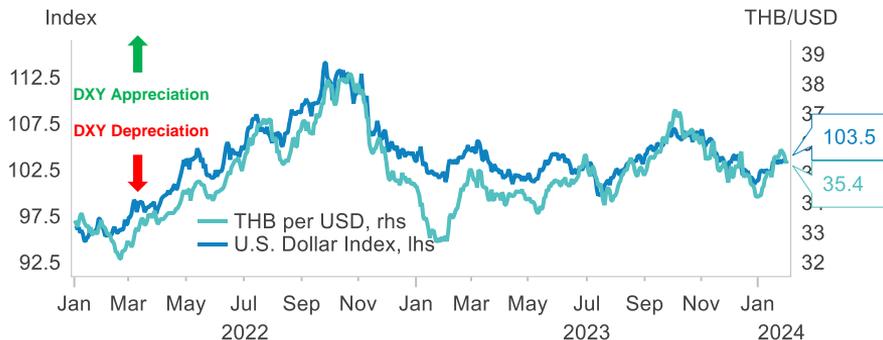


Thailand's Consumer Price Index

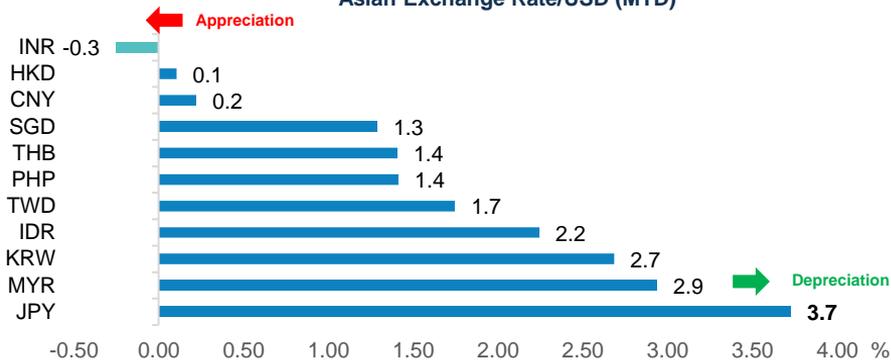


Exchange Rate

US Dollar Index and THB per USD



Asian Exchange Rate/USD (MTD)



End of Presentation

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