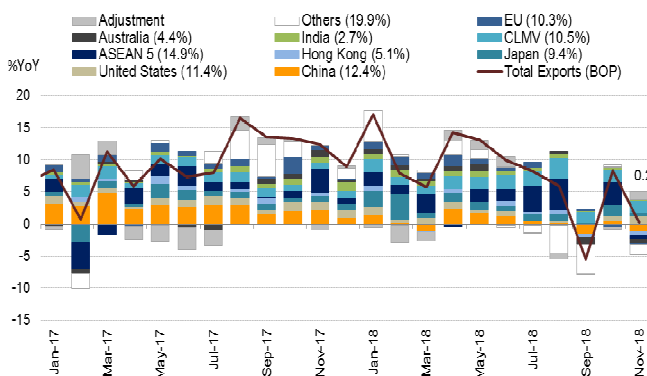
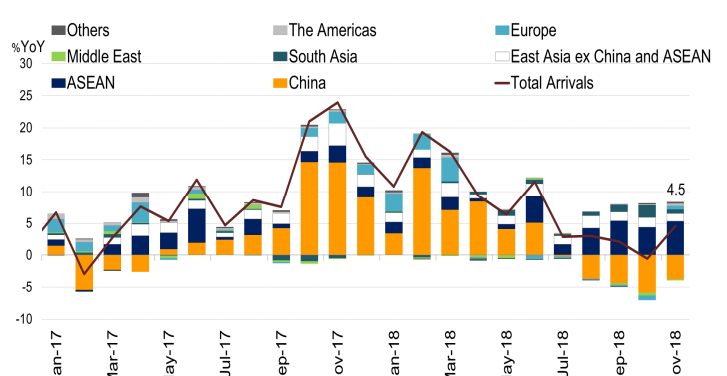


# Thailand's Economic Indicators (November): Flattish exports, but domestic activity mostly held firm

- Exports weakened after rebounding in October.** Following an export value rebound of 8.4% YoY in Oct, merchandise exports in Nov came in at US\$21.3bn, inching up only 0.2% YoY primarily due to lower exports to China, ASEAN-5, Hong Kong, and Australia. Meanwhile, exports to the US continued to rise (Figure 1), partly reflecting greater exports of computers & parts, which are potential substitutes for similar Chinese products subject to the Trump tariff.
- The tariff's impact via China's supply chain and slower Chinese demand contributed to lower exports to China.** The fall in exports of computers & parts and integrated circuits to China is attributable in part to the effects of the US tariffs on China's supply chain, as China's exports of goods subject to the tariff also declined. Concurrently, a drop in exports of automotive parts to China is in line with a tumble in auto sales in China.
- This, together with a 16.2% YoY increase in imports, resulted in further narrowing of the trade surplus from \$1.3bn in Oct to \$0.7bn in Nov.
- Tourist arrivals rebounded, with signs of an improvement in Chinese arrivals.** Tourist arrivals in Nov totaled 3.18m, up 4.5% YoY after 0.5% YoY slippage in Oct (Figure 2). Chinese tourist arrivals came in at 0.67m, inching up 4.5% MoM (but still down 14.6% YoY). Nevertheless, the rebound did not fully offset the effect of a narrowing trade surplus, causing the current account surplus to decline from \$1.9bn in October to \$1.6bn in Nov.
- Private consumption and investment largely held up, whereas public investment fell short.** The Private Consumption Index (PCI) rose 4.4% YoY, slowing somewhat from 6.8% YoY in Oct, as car sales growth softened. Meanwhile, the Private Investment Index (PII) increased 3.1% YoY. Notably, the capacity utilization rate rose to 70.8%, its highest level since Aug 2013, with production expansion in automotive and petroleum-related sectors, for which there is strong domestic demand. However, public investment came in at Bt27.8bn, down by 3.7% MoM and 10.5% YoY, due to a high Nov 2017 base tied to an aircraft purchase (Figure 3).
- External risks are tilted toward downside; policy continuity vital to the domestic economy.** Further escalation of Sino-US trade tensions present headwinds for Thai exports, particularly if the conflict exacerbates China's already-slowing domestic demand. On the Thai domestic front, public policy continuity after the election—including infrastructure project implementation—will be key to shoring up investor confidence and, thus, private investment going forward.

**Figure 1: Contribution to export growth, by export market**


Source: Bank of Thailand

**Figure 2: Contribution to tourist arrivals, by country of origin**


Source: Bank of Thailand

**Anuk Serechetapongse**

Economist

[anuk.serechetapongse@bangkokbank.com](mailto:anuk.serechetapongse@bangkokbank.com) / +66 2 626 3372

**Figure 3: Monthly Economic Indicators**

	2017	2017				2018				
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	October	November
<b>Private Consumption</b>										
Private Consumption Index (PCI)	120.3	117.3	120.2	120.8	122.8	121.5	125.4	127.5	119.9	139.2
PCI (% YoY)	2.2	1.9	2.3	1.3	3.2	3.6	4.3	5.6	6.8	4.4
Imports of consumer goods (% YoY)	7.5	1.7	7.7	7.5	12.9	20.3	12.7	7.1	16.2	9.1
Motorcycle sales (% YoY)	5.2	4.4	8.2	0.2	8.2	0.7	-3.7	-2.2	2.7	-4.9
Passenger car sales (% YoY)	18.1	19.1	11.3	9.5	32.1	14.8	25.1	27.0	18.7	15.3
Non-durable index (% YoY)	1.2	0.7	1.0	2.4	0.7	1.2	0.9	-0.1	2.9	2.6
Semi-durable index (% YoY)	0.7	0.6	0.6	1.0	0.6	2.4	2.5	2.5	5.9	3.4
Durable index (% YoY)	8.0	8.3	5.4	4.9	12.8	6.3	10.4	10.6	10.8	7.7
Service index (% YoY)	7.1	5.0	6.3	5.5	11.7	7.2	6.6	4.4	4.5	3.6
Net tourist spending (% YoY)	17.6	9.2	13.7	19.7	29.2	8.9	4.8	-10.3	-8.8	-1.3
<b>Private Investment</b>										
Private Investment Index (% YoY)	1.3	0.1	1.5	2.0	1.7	2.3	5.4	2.7	3.2	3.1
One-ton pickup sales (% YoY)	7.7	7.8	0.8	13.2	8.7	10.5	26.8	20.5	34.6	27.5
Commercial car sales (% YoY)	9.6	13.7	1.9	17.5	6.1	11.8	29.1	16.6	38.7	30.2
Permitted construction area (9mma) (% YoY)	-0.8	-4.1	0.6	0.4	0.2	1.3	0.2	-3.7	-6.9	-8.9
Construction materials index (% YoY)	-0.9	-3.3	0.0	2.2	-2.3	-1.8	0.5	4.7	13.9	8.3
Newly registered motor vehicle for investment (% YoY)	5.7	-3.4	10.3	6.5	11.8	3.0	6.8	6.3	7.5	2.6
Import of capital goods (% YoY)	2.2	-2.1	5.2	4.1	1.8	4.0	6.6	-0.6	2.4	6.5
Import of raw materials (% YoY)	15.7	19.7	14.5	12.4	16.6	19.5	21.2	21.3	16.4	25.8
Capacity utilisation (%)	67.1	69.6	64.5	67.1	67.4	72.5	66.6	66.5	68.9	69.4
Capacity utilisation (%) (SA)	-	65.6	66.7	68.5	67.4	68.2	69.2	68.7	70.1	70.8
MPI (% YoY)	2.5	0.1	0.8	5.0	4.4	4.1	3.7	0.9	5.8	1.0
<b>Government Expenditure</b>										
Current expenditure ex. subsidies/grants and other (billion baht)	1547.9	376.4	361.7	382.3	427.5	382.9	379.9	410.3	159.9	133.0
Current expenditure ex. subsidies/grants and other (% YoY)	1.7	0.9	0.2	4.2	1.7	1.7	5.0	7.3	-4.4	0.5
Capital expenditure ex. subsidies/grants and other (billion baht)	397.7	111.7	84.5	100.2	101.2	111.6	91.0	104.6	28.9	27.8
Capital expenditure ex. subsidies/grants and other (% YoY)	-5.0	7.6	-21.7	3.0	-7.6	0.0	7.7	4.4	6.2	-10.5
<b>External Sector</b>										
Exports of goods (BoP, billion USD)	235.3	56.2	56.1	61.8	61.1	61.8	63.0	63.4	21.7	21.3
Exports (% YoY)	9.8	6.8	7.9	12.8	11.6	9.9	12.3	2.6	8.4	0.2
Export vol (% YoY)	6.0	2.9	5.0	8.9	10.9	5.0	7.5	-0.4	5.7	-1.2
Imports of goods (BoP, billion USD)	201.1	46.8	49.0	51.2	54.1	55.2	57.2	60.0	20.4	20.7
Imports (% YoY)	13.2	14.3	12.6	12.4	13.4	17.9	16.8	17.0	13.3	16.2
Import vol (% YoY)	7.2	5.8	7.8	8.3	7.2	10.6	8.9	10.2	7.4	13.5
Tourist arrivals (million arrivals)	35.6	9.2	8.1	8.8	9.3	10.6	8.9	9.0	2.7	3.2
Tourist arrivals (% YoY)	9.4	2.1	8.3	6.9	19.5	15.5	8.4	1.9	-0.5	4.5
Tourist revenue (billion baht)	1823.9	401.0	481.7	395.0	456.1	491.2	573.3	442.6	141.1	167.4
Tourist revenue (% YoY)	11.7	5.7	9.8	9.4	22.5	19.0	12.1	4.1	0.7	5.2
Trade balance (billion USD)	34.2	9.5	7.1	10.6	7.0	6.6	5.8	3.4	1.3	0.7
Net services, income and transfers (billion USD)	16.1	5.8	0.7	4.3	5.3	8.4	0.7	0.8	0.6	1.0
Current account (billion USD)	50.2	15.2	7.8	14.9	12.4	15.1	6.5	4.2	1.9	1.6
Capital account (billion USD)	-0.1	0.0	0.0	0.0	-0.1	-0.6	0.0	0.0	0.0	...
Financial account (billion USD)	-12.4	-5.1	-4.8	2.7	-5.3	-3.7	-9.5	-4.2	-1.9	...
Overall balance (billion USD)	26.0	8.2	2.0	12.6	3.2	12.0	-4.3	0.3	-0.9	0.4
International reserves (billion USD)	194.0	172.7	177.3	190.9	194.0	206.9	198.4	196.4	193.6	194.9
Net forward position (billion USD)	36.7	26.6	31.3	31.2	36.7	35.8	33.0	31.9	32.6	32.2
<b>Labor Market</b>										
Unemployment (%)	1.2	1.2	1.2	1.2	1.1	1.2	1.1	1.0	1.0	1.0
Farm income (% YoY)	2005.0	19.2	13.2	-3.1	-7.1	-1.3	6.2	0.0	5.5	-5.0
Non farm income (% YoY)	3.2	-0.6	0.4	1.1	0.0	3.5	1.5	1.3	2.6	0.6
Wage chg (% YoY)	-0.1	-0.6	-0.2	0.5	0.1	2.3	1.2	1.4	1.7	0.3
<b>Interest Rate and Currency</b>										
CPI (%)	0.7	1.3	0.1	0.4	0.9	0.6	1.3	1.5	1.2	0.9
CPI, core (%)	0.6	0.7	0.5	0.5	0.6	0.6	0.8	0.8	0.7	0.7
Repo rate (%)	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
MLR : max (%)	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6
3M deposit rate (%)	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
10Y govt bond yield (%)	2.6	2.81	2.57	2.41	2.58	2.56	2.8	2.8	2.9	2.8
THB/USD (avg)	33.92	35.10	34.30	33.36	32.91	31.19	33.12	32.34	32.76	32.95

Source: Bank of Thailand

## Bangkok Bank Public Company Limited

## DISCLAIMER

The information contained in this report has been obtained from sources believed to be reliable. All reasonable effort has been made to ensure the facts stated herein are accurate and that the opinions contained herein are fair and reasonable. Where any information and statistics are quoted from any external source, such information or statistics should not be interpreted as having been adopted or endorsed by Bangkok Bank as being accurate. Neither Bangkok Bank nor any of its directors, officers, employees, and advisors nor any other person shall have any liability whatsoever for loss or damage howsoever arising, directly or indirectly, from any use of this information. The facts and information contained herein are as up to date as are reasonably possible and may be subject to revision in the future. Any opinions presented herein represent our subjective view and our current estimates and judgments which are based on various assumptions that may be subject to change without notice, and may not prove to be correct.

This report is for the recipient's information only. It does not represent or constitute an advice, offer, recommendation, or solicitation by Bangkok Bank and should not be relied as such. Neither Bangkok Bank nor any of its directors, officers, employees or advisors nor any other person makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this report. Neither Bangkok Bank nor any of its directors, officers, employees and advisors nor any other person shall have any liability whatsoever for loss or damage howsoever arising, directly or indirectly, from any use of this report.