



THAI ECONOMIC AND FINANCIAL UPDATE

for September 2024

Highlight:

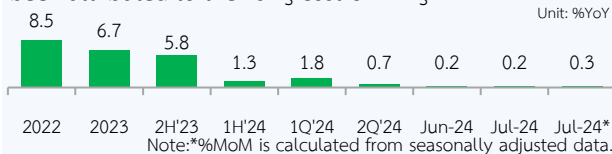
The Thai economy has shown overall improvement, driven by the expansion of external demand. Both merchandise exports and receipts from international tourists have increased, leading to growth in industrial production and related services. Private investment has expanded, while private consumption has remained stable. However, business and consumer confidence continue to decline, partly due to concerns about low economic growth rates. Government spending has increased in both current and capital categories.



Private Consumption

The seasonally adjusted private consumption indicator showed a slight increase from the previous month.

Consumption increased in most categories, with the exception of non-durable consumer goods, which declined mainly due to a drop in fuel sales. This trend is in line with the ongoing decline in consumer confidence, which has been attributed to the rising cost of living.



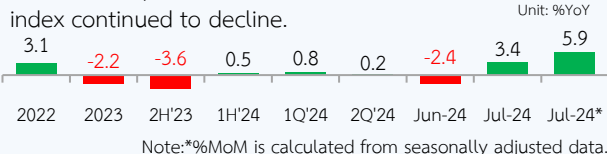
Farm Income

Agricultural income increased mainly due to price factors. In particular, prices of rubber, durian and paddy rice increased due to the impact of El Niño conditions on crop yields. The production of major agricultural products, including durian, paddy rice and white shrimp, has continued to decline.

Item (%YoY)	Farm Income		Agricultural Price		Agricultural Production	
	Jun-24	Jul-24	Jun-24	Jul-24	Jun-24	Jul-24
	Agriculture	5.5	6.2	13.4	7.7	-7.0
Paddy	-18.7	-6.8	10.5	6.5	-26.4	-12.5
Rubber	70.4	46.9	71.0	47.5	-0.3	-0.4
Durian	-24.9	2.5	46.3	20.2	-48.7	-14.7
Mangosteen	-32.7	43.2	23.7	47.5	-45.6	-2.9
Vannamei	-23.0	-1.3	-0.3	8.9	-22.7	-9.4

Private Investment

The seasonally adjusted private investment indicator expanded from the previous month, with increases in both machinery and equipment investment and construction investment. This growth was particularly evident in capital goods imports, commercial vehicle registrations, domestic machinery sales and residential construction permits. However, the business sentiment index continued to decline.



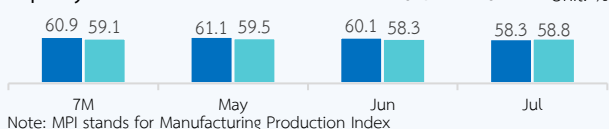
MPI and Capacity Utilization (Cap-U)

The seasonally adjusted manufacturing production index rose from the previous month, reflecting higher output in several key sectors. In particular, the automotive sector and the rubber and plastics sector increased production in response to growing foreign demand.

MPI (%YoY)	2023	2Q24	Jun-24	Jul-24	%MoM
Overall MPI	-3.8	-0.2	-1.6	1.8	2.5*
Automotive	0.8	-13.4	-18.0	-10.8	8.5
Rubbers and Plastics	-2.4	-0.2	-2.1	7.1	6.0
Petroleum	8.6	1.9	3.5	1.0	8.3

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

Capacity Utilization Rate



Exports

- Exports continued to expand in July, grew by 15.2%YoY. This growth was attributed to robust export performance in almost all major markets except Japan, which contracted by 2.5%YoY. The increase in exports was partly due to the acceleration of shipments to mitigate risks associated with potential delays in sea transport.
- In 7M24, Thailand's total exports grew by 3.8%YoY. Major products that experienced growth in exports included rice, natural rubber, processed foods, and electronics. Meanwhile, key products that saw a decline in exports were automobiles, electrical appliances, rubber products and petrochemicals.

Market	Share (%) Jan-Jul 2024	Jan-Jul 2024		Jul-24	
		USD Mn	%YoY**	USD Mn	%YoY**
Total	100.0	171,011	3.8	25,721	15.2
ASEAN	23.5	40,266	3.5	6,694	18.6
U.S.A.	17.9	30,563	13.3	4,521	26.3
China	12.0	20,549	0.3	3,095	9.9
EU	9.4	16,083	3.3	2,591	16.5
Japan	7.9	13,443	-6.9	2,508	-2.5
Australia	4.2	7,234	10.1	939.5	0.4

Commodity Price & Exchange Rate	Jan-Jul 2024		Jul-24	
	Price	%YoY	Price	%YoY
Dubai oil price (USD/bbl)	83.4	5.6	83.9	4.3
Gold price (USD/troy oz)	2,231.8	15.3	2,398.2	22.9
Exchange rate (THB/USD)	36.2	5.7	36.3	4.8
NEER index	118.1	-1.7	118.8	-1.2

Domestic Vehicle Sale

In July, car sales fell by 20.6%YoY, with declines recorded in both the passenger and commercial vehicle segments. This decline was mainly attributed to the cautious lending policy of financial institutions due to concerns over credit quality, coupled with high interest rates and household debt issues, which affected consumers' purchasing power. In addition, the slowdown in private investment negatively affected commercial vehicle sales. However, the SUV segment continued to perform well, reflecting increased consumer preference for versatile vehicles.

Domestic vehicle sales, 7M2024

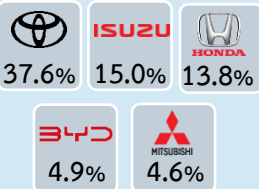
Total Vehicle Sales



354,421 Units

-23.7%YoY

Market Share By Brand



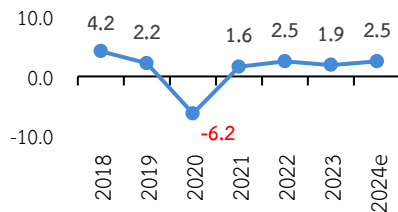
By Model

- 1 Toyota Hilux 14.4%
- 2 Isuzu D-Max 13.2%
- 3 Toyota Yaris ATIV 8.6%
- 4 Yaris Cross 6.4%
- 5 Honda City 6.3%

Domestic car sales in 7M24 reached 354,421 units, representing a 23.7%YoY decline. This contraction was mainly due to lower sales in the commercial vehicle segment, particularly in the 1-ton pickup truck category. Toyota remained the market leader in terms of market share, followed by Isuzu and Honda. In terms of sales by model, the Toyota Hilux pickup was the best-selling vehicle, accounting for 14.4% of market share, followed by the Isuzu D-Max with 13.2% and the Toyota Yaris ATIV with 8.6%.

Domestic Vehicle Sales by Body Type	Jan-Jul 2024		Jul-24	
	Unit	%YoY	Unit	%YoY
Passenger car	135,897	-20.3	16,571	-26.4
Commercial car	218,524	-25.7	29,823	-16.9
Pickup 1 ton	102,748	-39.6	13,167	-35.2
SUV	76,320	24.0	11,165	52.5
Other	39,456	-53.5	5,491	-33.7
Overall	354,421	-23.7	46,394	-20.6

Thai GDP Forecast by NESDC (%YoY)



	%YoY	2021	2022	2023	2024e
Private Consumption		0.6	6.2	7.1	4.5
Government Consumption		3.7	0.1	-4.6	1.7
Private Investment		2.9	4.7	3.2	0.3
Public Investment		3.5	-3.9	-4.6	-0.7
Value of Merchandise Exports*		19.2	5.4	-1.5	2.0
Headline Inflation (%)		1.2	6.1	1.2	0.7

*BOP Basis
Note: Data as of August 2024

Tourism

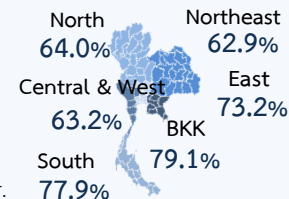
Seasonally adjusted international tourist arrivals in July remained stable compared to the previous month. While the number of tourists from the Middle East and India declined after a significant increase in the previous period, arrivals from certain nationalities increased, particularly from Malaysia, China, Russia and Germany. Seasonally adjusted tourism receipts increased from the previous month due to a rise in the average expenditure per visitor, particularly among Russian and German tourists.

International tourist arrivals, 7M2024



In July, the nationwide average hotel occupancy rate rose to 69.8% from the previous month. Bangkok recorded the highest occupancy rate, followed by the southern and eastern regions. Regions with coastal tourist destinations have consistently maintained higher average occupancy rates compared to other areas. This is partly due to the popularity of these destinations among international visitors, coupled with higher average temperatures in Thailand this year.

Occupancy Rate, 7M2024



Export of Goods

For September 2024

Major products	Share Jan-Jul 2024 (%)	Jan-Jul 24		Jul-24	
		USD million	%YoY*	USD million	%YoY*
Total exports	100.0	171,011	3.8	25,721	15.2
Agriculture	10.1	17,218	7.1	2,246	3.7
- Rice	2.2	3,703	43.7	399	15.6
- Rubber	1.6	2,736	34.2	456	55.4
- Tapioca	1.2	1,972	-15.3	254	-6.5
- Fruits	2.6	4,454	-8.7	498	-25.9
- Fishery	0.5	870	-1.0	112	-5.4
Agro-industrial	8.0	13,665	0.4	2,118	14.6
- Prepared or preserved seafood	1.2	2,112	6.7	342	20.4
- Cane sugar and molasses	1.0	1,657	-37.5	187	-38.9
- Wheat products and other food preparations	0.9	1,520	10.0	230	18.6
- Beverages	0.7	1,254	0.7	160	-10.4
Manufacturing	78.2	133,791	3.8	20,254	15.6
- Automotive	13.4	22,901	-4.8	3,199	-12.5
- Electronics	17.2	29,351	14.4	4,516	31.8
- Electrical appliances	9.9	16,953	-2.4	2,467	9.7
- Precious stones and jewelry	5.4	9,304	11.8	1,729	114.3
- Unwrought gold	2.5	4,198	24.1	1,181	434.1
- Rubber products	4.5	7,711	-1.6	1,211	13.8
- Petro-chemical products	3.0	5,094	-2.6	783	6.9
- Chemicals	2.8	4,738	-1.2	791	38.2
- Machinery & equipment	3.2	5,557	12.0	794	10.0
- Apparels & Textile	2.1	3,564	1.1	527	8.0
- Metal & steel	2.6	4,373	11.6	559	-2.4
Mining & Fuel	3.7	6,336	3.3	1,102	39.5

Products	Jul-24	
	USD million	%YoY*
Automotive	3,199	-12.5
- Passenger car	984	-19.6
- Pick up and trucks	688	-16.4
- Motorcycle	238	-12.5
- Spark-ignition reciprocating internal combustion	313	-15.0
- Parts & accessories	867	0.1

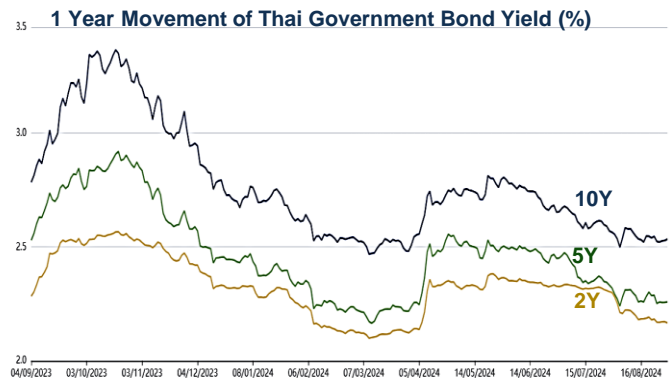
Products	Jul-24	
	USD million	%YoY*
Electronics	4,516	31.8
- Computer parts	2,002	82.6
- HDD	656	84.6
- Electronic integrated circuits	690	-8.7
- Telecommunication	728	34.1
- Semi-conductor devices, transistors, diodes	371	-16.6

Source: MOC (*Custom Basis)

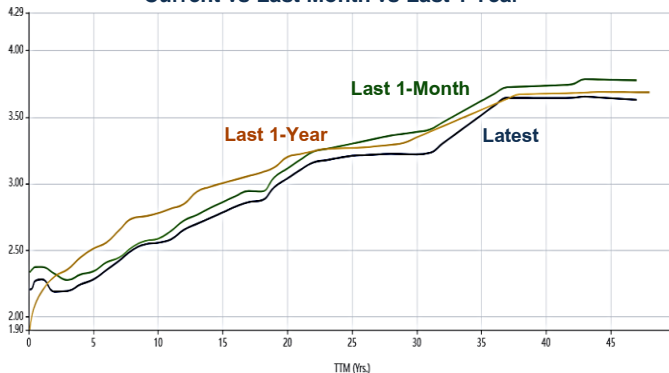
Thai Financial Market Data (1/2)

Data as of : 30 Aug 2024

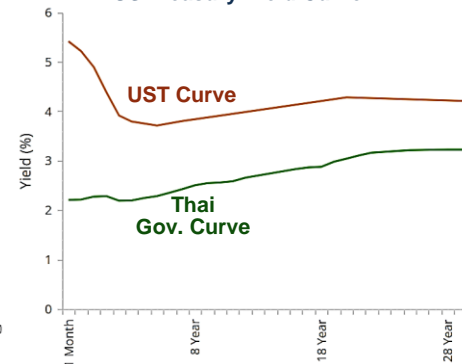
Fixed Income Market



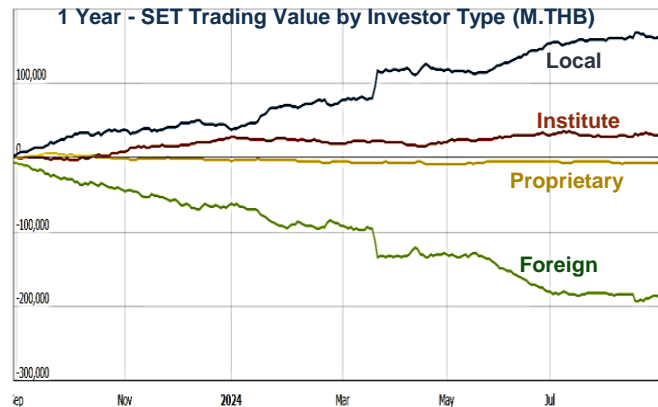
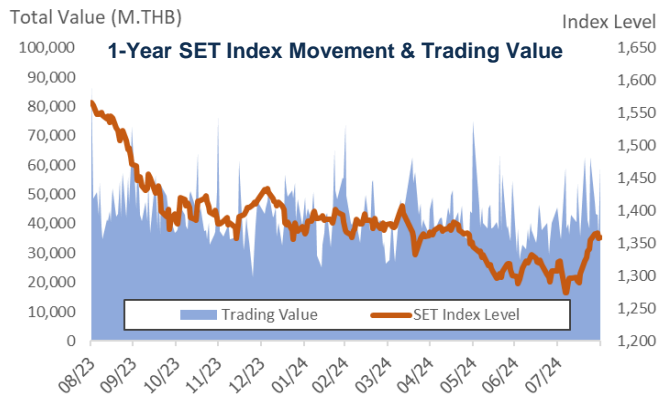
Shift in Thai Government Yield Curve Current vs Last Month vs Last 1 Year



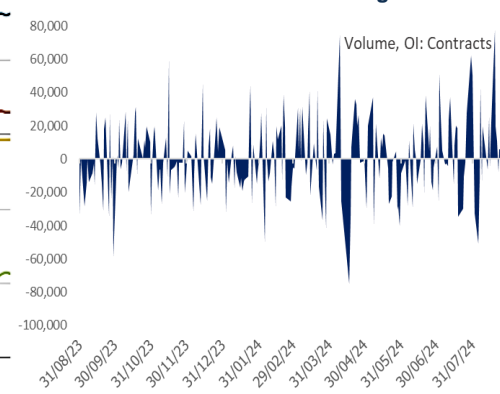
Thai Government Yield Curve versus US Treasury Yield Curve



Equity Market

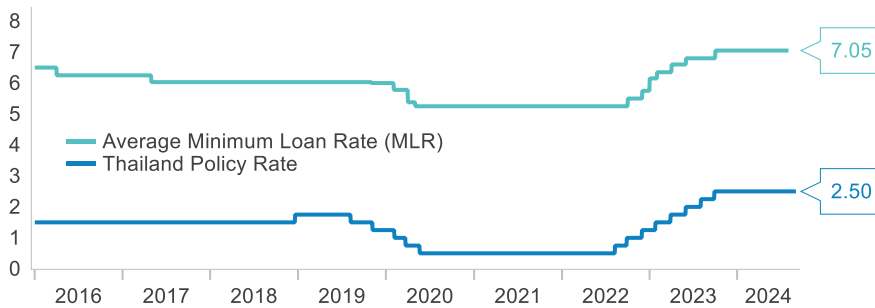


1 Year - TFEX Net Volume of Foreign Investor

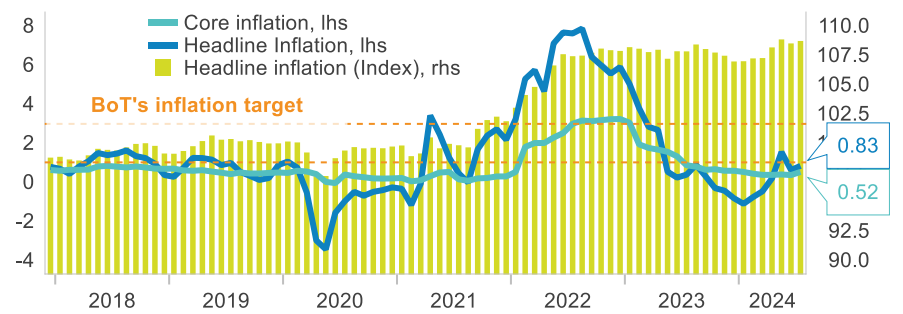


Policy Rate and Inflation

Thailand's Policy Rate and MLR

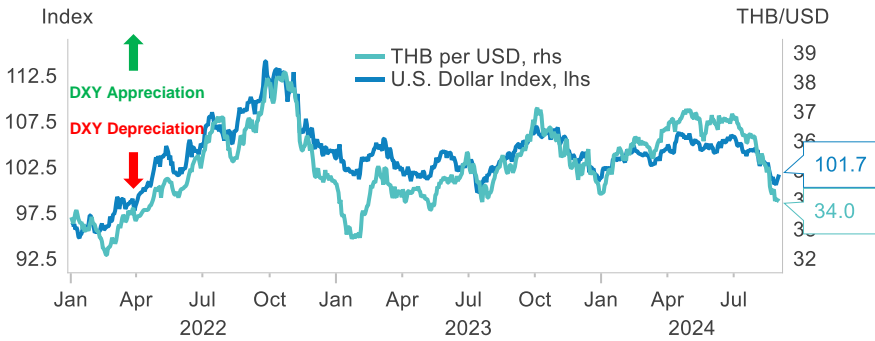


Thailand's Consumer Price Index

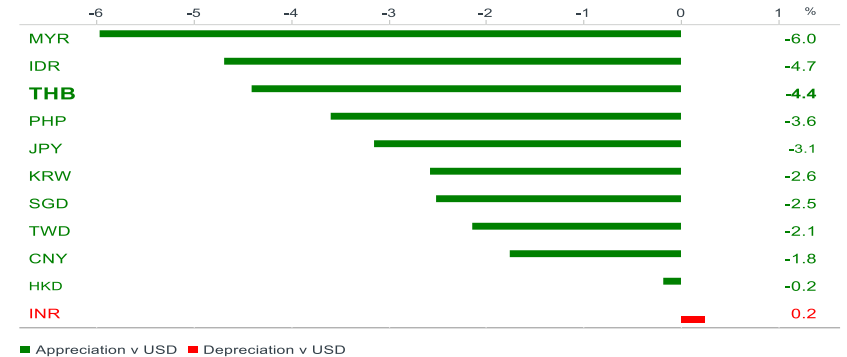


Exchange Rate

US Dollar Index and THB per USD



Asian Exchange Rate/USD (MTD)



End of Presentation

Disclaimer

ข้อมูล บทวิเคราะห์ และการแสดงความคิดเห็นต่างๆ ที่ปรากฏอยู่ในรายงานฉบับนี้ ได้จัดทำขึ้นบนพื้นฐานของแหล่งข้อมูลที่ได้รับมาจากแหล่งข้อมูลที่เชื่อถือได้ เพื่อใช้ประกอบการวิเคราะห์ภาวะเศรษฐกิจและอุตสาหกรรมซึ่งเป็นเอกสารภายในของธนาคารแลนด์ แอนด์ เฮาส์ จำกัด (มหาชน) เท่านั้น ทั้งนี้ธนาคารฯ จะไม่รับผิดชอบความเสียหายใดๆ ทั้งปวงที่เกิดขึ้นจากการนำข้อมูล บทวิเคราะห์ การคาดหมาย และความคิดเห็นต่างๆ ที่ปรากฏในรายงานฉบับนี้ไปใช้ โดยผู้ที่ประสงค์จะนำไปใช้ต้องยอมรับความเสี่ยง และความเสียหายที่อาจเกิดขึ้นเองโดยลำพัง

LH BANK BUSINESS RESEARCH



Thanapol Srithanpong, Ph.D.
Head of Business Research



Nuttachat Viroonhausava
Senior Industrial Specialist



Cheawchan Srichaiya
Senior Industrial Specialist



Watcharapan Niyom
Senior Industrial Specialist



Sri-Ampai Ingkhakitti
Senior Industrial Specialist



Taratnon Sritongterm
Senior Economist



Wilanda Disorntetiawat
Senior Economist



Nawatch Hansuvech
Senior Thematic Specialist

LH Bank Business Research

ACTIVE

INCLUSIVE

DECISIVE



Scan Here

For More Articles

<https://www.lhbank.co.th/economic-analysis/>