

Economic Update for June 2021



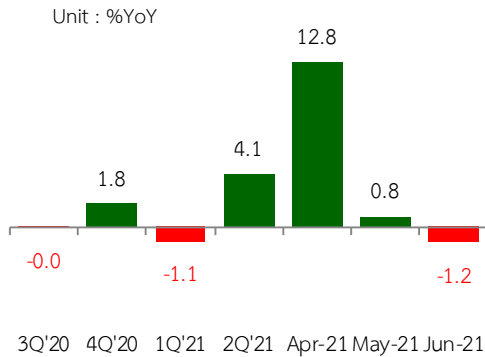
Business Research Office
Data Governance and Analytics Group
August 4, 2021

Highlight in June 2021

The 3rd wave of the pandemic, the worst outbreak so far, continued to weigh on the Thai economy. In June 2021, private consumption remained weak, while the tourism sector had yet to recover due to the ongoing international travel restrictions. However, the strong growth in merchandise exports had supported manufacturing production and private investment.

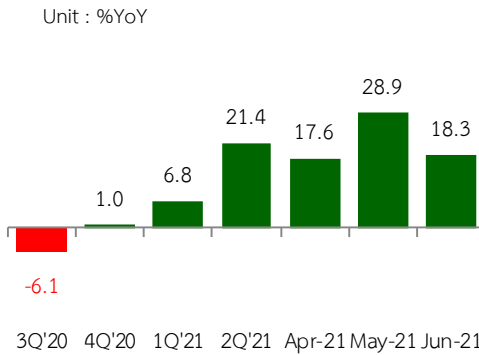
Private consumption

In June 2021, private consumption indicators dropped 1.2%YoY, while the index after seasonal adjustment increased slightly from the previous month following the relaxation of containment measures since the mid of May 2021.



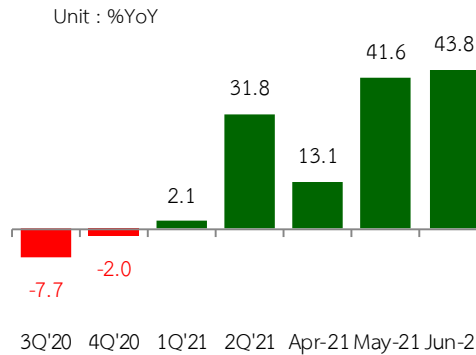
Private investment

Private investment indicators grew by 18.3%YoY in June, slower than 28.9%YoY in May. However, after seasonal adjustment, the level of private investment indicators was close to the previous month.



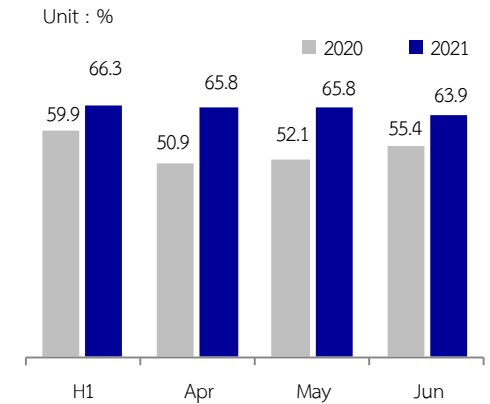
Export of goods

The value of merchandise exports reached at the highest growth level in 11 years of 43.8%YoY, boosted by the recovery in trading partners' demand and the upward trend of the global electronics cycle.



Capacity utilization

Capacity utilization rate rose to 63.9% in June from 55.4% in the same period last year. During the period, utilization rate improved in almost all categories, thanks to the recovering global demand.



Farm income

Farm income kept expanding on the back of agricultural price movements.

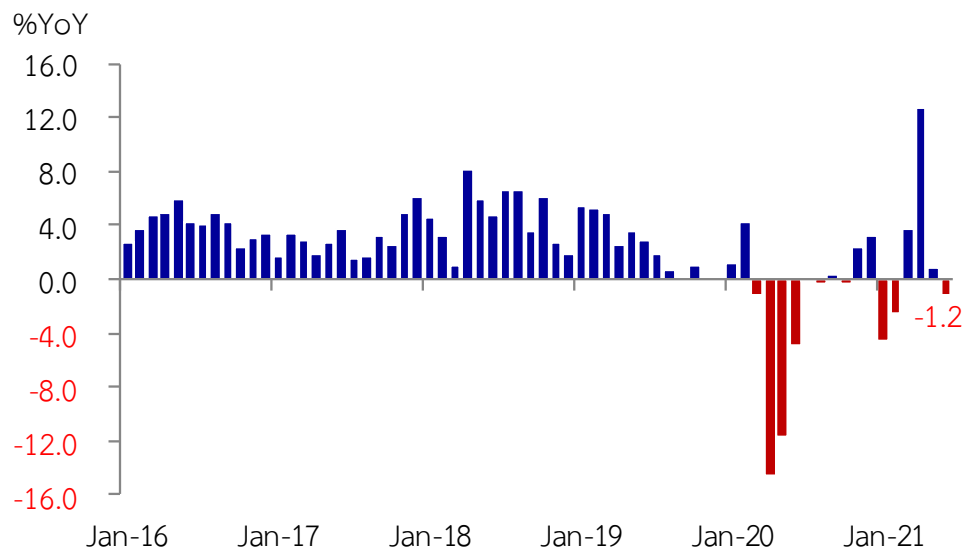
Tourism sector

The tourism sector was on track to experience its worst year as the latest outbreak situation was more severe and more prolonged than expected.

Private consumption

- Private consumption index posted a 1.2%YoY contraction in June with all spending categories showing contraction or slower growth rate.
- Considering private consumption indicators after seasonal adjustment, the overall index slightly increased to 1.2%MoM due to a gradual relaxation of the government's containment measures since mid-May 2021. However, overall private consumption remained weak as the COVID-19 outbreak sapped household income and consumer confidence.

Growth rate of private consumption index



Private consumption indicators

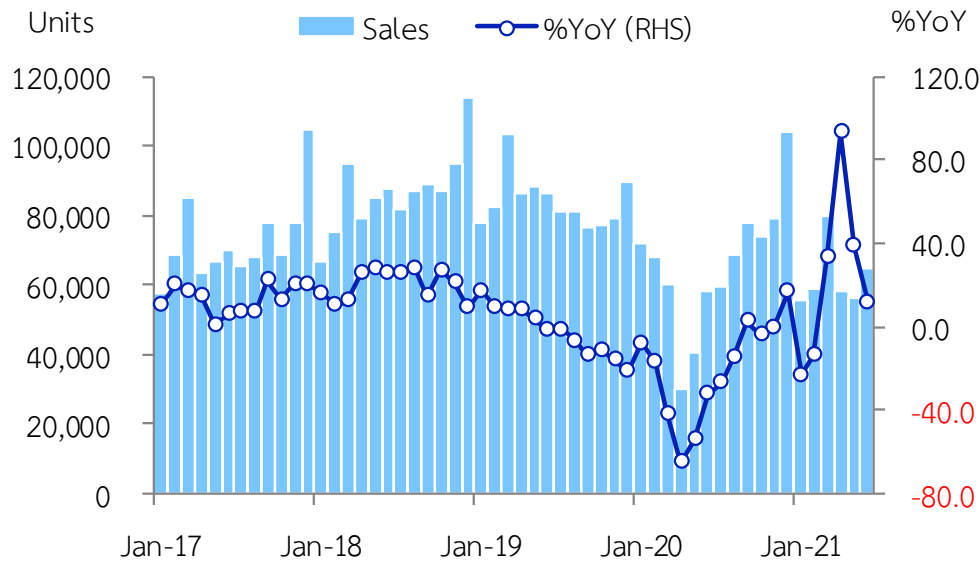
%YoY	2020		2021					%MoM
	H1	H2	H1	Q1	Q2	May	Jun	
Non-durable index	-2.6	-0.8	-2.5	-4.2	-0.6	-3.9	-3.4	2.7
Semi-durable index	-3.7	-3.3	4.1	1.9	6.5	8.8	5.0	-0.3
Durable index	-21.3	-4.3	11.1	-1.9	27.9	24.3	12.0	3.9
Services index	-18.9	-23.7	-8.1	-17.3	3.7	-0.6	-3.3	-0.2
(Less) Net tourism spending	-59.6	-91.5	-84.5	-91.0	-39.7	-48.5	-33.0	5.8
Private consumption index	-4.7	0.9	1.4	-1.1	4.1	0.8	-1.2	1.2

Note: %MoM is calculated from seasonally adjusted data

Domestic vehicle sales

- Domestic vehicle sales in June recoded 64,974 units, increasing 11.9% from a low base effect last year. During the first half period, overall domestic vehicle sales rose 13.6%YoY to 373,191 units. Of that amount, passenger car sales grew slightly by 0.5%YoY to 120,351 units, while commercial car sales jumped 21.0%YoY to 252,840 units.
- Regarding sales by brand in the first half of 2021, the highest selling brand was Toyota, which held market share of 31.3%, following Isuzu and Honda, respectively.

Domestic new vehicle sales



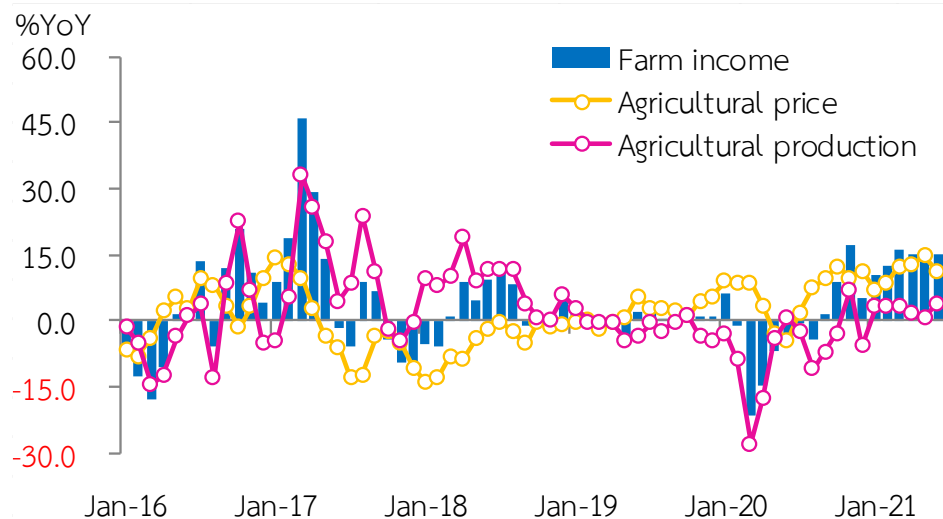
Top 10 new vehicle sales by brand in 2021

Brand	Share (%) H1	Sales (units)		Change (%YoY)	
		H1	Jun	H1	Jun
Toyota	31.3	116,919	22,337	24.3	67.4
Isuzu	25.0	93,165	14,098	22.5	-15.4
Honda	11.4	42,715	7,339	3.4	26.1
Mitsubishi	6.3	23,528	3,944	-8.7	-1.4
Mazda	5.1	18,908	3,005	22.7	13.7
Ford	4.4	16,330	2,723	41.6	57.6
Nissan	4.3	16,027	2,270	-25.5	-35.6
MG	3.9	14,403	2,374	32.1	7.2
Suzuki	2.9	10,645	1,955	-4.0	-3.3
Hino	1.7	6,483	1,216	54.6	29.4
Others	3.8	14,068	3,713	-16.4	-27.9
Total	100.0	373,191	64,974	13.6	11.9

Farm income

- Farm income continued to expand by 15.2%YoY in June. This was in line with the favorable agricultural prices especially in terms of rubber, durian, and palm kernel. Rising demand for these agricultural products helped support agricultural prices during the period.

Farm income and components



Farm income and components in 2021

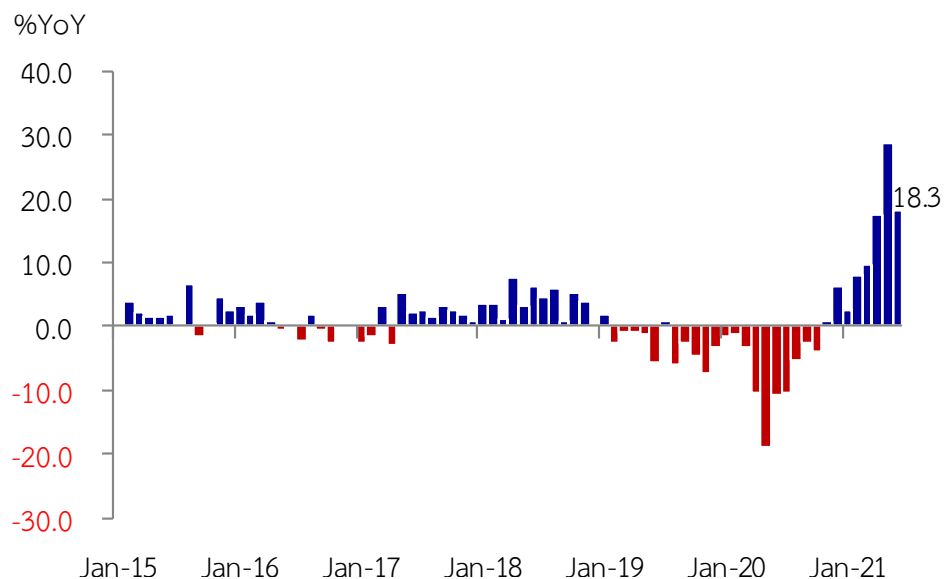
Item	Farm Income		Agricultural price		Agricultural production	
	May	Jun	May	Jun	May	Jun
Agriculture	15.4	15.2	14.6	10.9	0.7	3.9
Paddy	-14.5	-4.7	-19.8	-21.1	6.6	20.8
Sugarcane	22.7	N.A.	30.3	30.3	-5.9	N.A.
Cassava	24.7	34.6	15.2	17.8	8.2	14.3
Maize	12.5	-45.7	-0.3	2.0	12.9	-46.8
Rubber, uss3	72.7	57.8	65.5	50.7	4.3	4.7
Durian	61.4	41.7	27.5	44.4	26.6	-1.8
Palm kernel (weight over 15 kg.)	92.4	89.5	87.2	84.6	2.8	2.6
Coconut	12.5	-4.1	-6.9	-19.9	20.8	19.7
Swine (weight over 100 kg.)	14.8	8.8	12.0	6.2	2.5	2.5
Fowl	9.4	6.2	6.0	1.9	3.3	4.3
Egg, chicken	1.0	8.7	0.3	8.3	0.7	0.3
Shrimp, Vannamei	0.0	-10.8	1.3	-3.9	-1.3	-7.2

Source : OAE

Private investment

- Private investment index continued to expand by 18.3%YoY in June. However, the index after seasonal adjustment recorded a 0.2% slight increase from the previous month as investment in the machinery and equipment category increased gradually in accordance with the recovery in export sector. Meanwhile, investment in the construction category kept decreasing due to weak domestic demand as well as the impact of COVID-19 containment measures on workers at construction sites.

Growth rate of private investment index



Private investment indicators

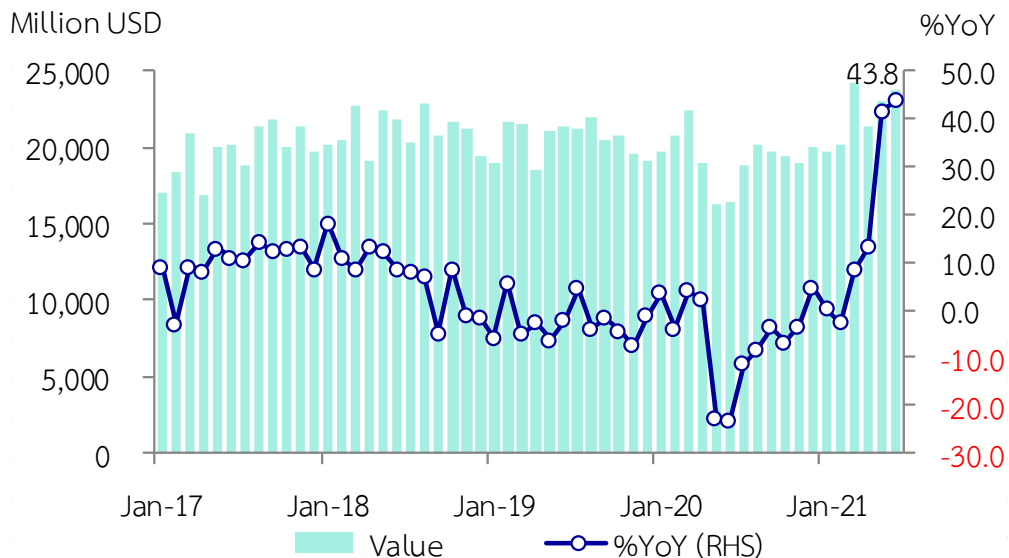
%YoY	2020		2021					%MoM
	H1	H2	H1	Q1	Q2	May	Jun	
Permitted construction area	-1.3	-4.2	-9.2	-9.2	-9.3	-8.8	-9.6	-0.5
Construction material sales index	-2.1	-4.9	2.7	3.9	1.5	6.9	3.4	-2.1
Real imports of capital goods	-14.2	-8.7	20.2	16.3	24.5	26.5	26.5	5.2
Real domestic machinery sales	-9.5	1.0	24.5	9.4	44.1	61.3	34.5	-8.1
Number of newly registered motor vehicles for investment	-17.8	-2.6	9.0	0.1	20.3	35.4	11.2	4.2
Private investment index	-7.8	-2.4	13.7	6.8	21.4	28.9	18.3	0.2

Note: %MoM is calculated from seasonally adjusted data

Export of goods

- The value of merchandise exports in June 2021 reached 23,699 million USD with the highest growth rate in 11 years of 43.8%YoY as a result of the robust global economic recovery, especially in manufacturing sector.
- In the first half of 2021, Thai export value expanded by 15.5%YoY to 132,335 million USD, supported by high demand in both agriculture products and manufacturing products.

Export value and growth



Export value to key markets in 2021

Market	Share H1 (%)	H1		Jun	
		Million USD	%YoY	Million USD	%YoY
Total	100.0	132,335	15.5	23,699	43.8
ASEAN	23.9	31,652	11.2	5,427	42.8
U.S.A.	15.0	19,874	21.0	3,953	41.2
China	13.8	18,289	24.9	3,371	42.0
EU	9.6	12,658	25.4	2,191	44.7
Japan	9.5	12,565	12.6	2,169	32.3
Hong Kong	4.3	5,672	-2.5	1,125	36.6
Australia	4.2	5,598	23.4	940	30.3
Middle East	3.2	4,301	12.4	758	25.3
India	2.9	3,831	54.8	550	123.9
South Korea	2.2	2,907	36.5	532	49.6

Commodity price & Exchange rate	H1		Jun	
	Price	%YoY	Price	%YoY
Dubai oil price (USD/bbl)	63.0	53.0	71.0	76.8
Gold price (USD/troy oz)	1,806.4	9.7	1,834.6	5.9
Exchange rate (THB/USD)	30.8	-2.6	31.4	0.9
NEER index	121.0	-1.5	118.9	-4.3

Source : MOC, BOT, World Bank

Export of goods in 2021

Major product	Share H1 (%)	H1		Jun	
		Million USD	%YoY	Million USD	%YoY
Total exports	100.0	132,335	15.5	23,699	43.8
Agriculture	9.9	13,051	20.3	2,269	59.8
- Rice	1.0	1,370	-30.9	228	-7.4
- Rubber	2.1	2,728	60.9	395	111.9
- Tapioca	1.5	2,012	46.1	308	81.5
- Fruits	2.4	3,215	42.6	678	185.1
- Fishery	0.6	789	2.6	168	30.1
Agro-industrial	7.1	9,374	2.0	1,714	13.5
- Prepared or preserved seafood	1.3	1,698	-10.8	298	-16.0
- Cane sugar and molasses	0.6	745	-39.9	156	8.1
- Wheat products and other food	0.9	1,138	3.5	199	12.8
- Beverages	0.8	1,063	9.0	192	12.3
Manufacturing	79.6	105,378	15.9	18,960	44.7
- Automotive	14.8	19,571	35.3	3,278	79.2
- Electronics	15.6	20,608	19.6	3,867	24.0
- Electrical appliances	10.7	14,209	29.5	2,432	42.3
- Precious stones and jewelry	3.4	4,497	-55.4	948	90.5
- Unwrought gold	1.3	1,740	-77.8	432	68.2
- Rubber products	5.7	7,604	39.8	1,308	38.1
- Petro-chemical products	4.0	5,344	40.7	944	50.0
- Chemicals	3.4	4,554	39.7	889	59.8
- Machinery & equipment	2.9	3,896	26.0	722	73.1
- Apparels & textile	2.4	3,161	10.6	562	24.3
- Metal & steel	2.4	3,197	35.2	610	83.1
Mining & Fuel	3.4	4,532	27.6	757	69.6

Product	Jun	
	Million USD	%YoY
Automotive	3,278	79.2
- Passenger car	965	54.1
- Pick up and trucks	624	62.8
- Motorcycle	365	107.0
- Spark-ignition reciprocating internal combustion	342	56.1
- Parts & accessories	880	135.5

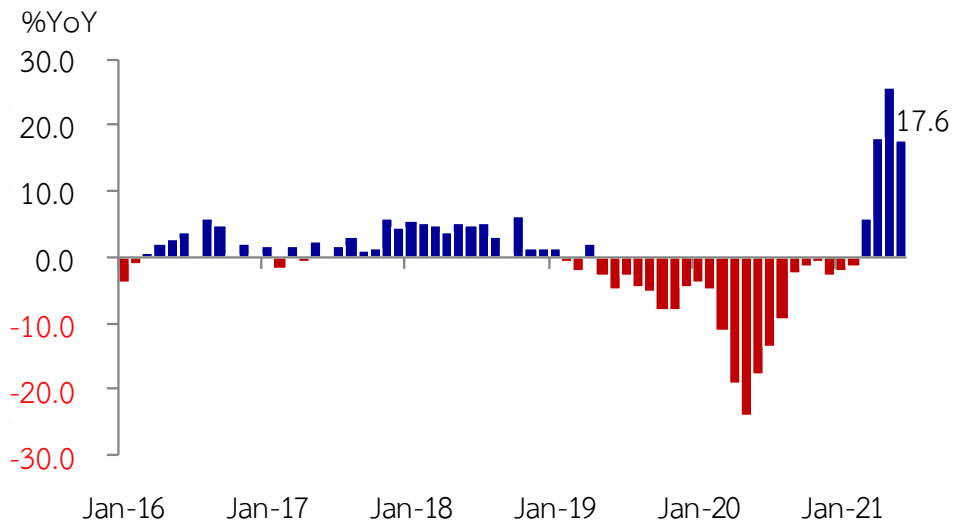
Product	Jun	
	Million USD	%YoY
Electronics	3,867	24.0
- Computer parts	1,976	21.6
- HDD	1,298	33.5
- Printed circuits	771	32.8
- Telecommunication	278	-1.9
- Semi-conductor devices, transistors, diodes	251	5.0

Source : MOC

Manufacturing production

- Manufacturing Production Index in June rose for the fourth straight month, up 17.6%YoY. The positive results were due partly to the fact that recent restrictions to curb the spread of COVID-19 had not affected the operations of manufacturers yet. In addition, an uptrend in exports thanks to global economic recovery also supported manufacturing production during the period.

Growth rate of manufacturing production index



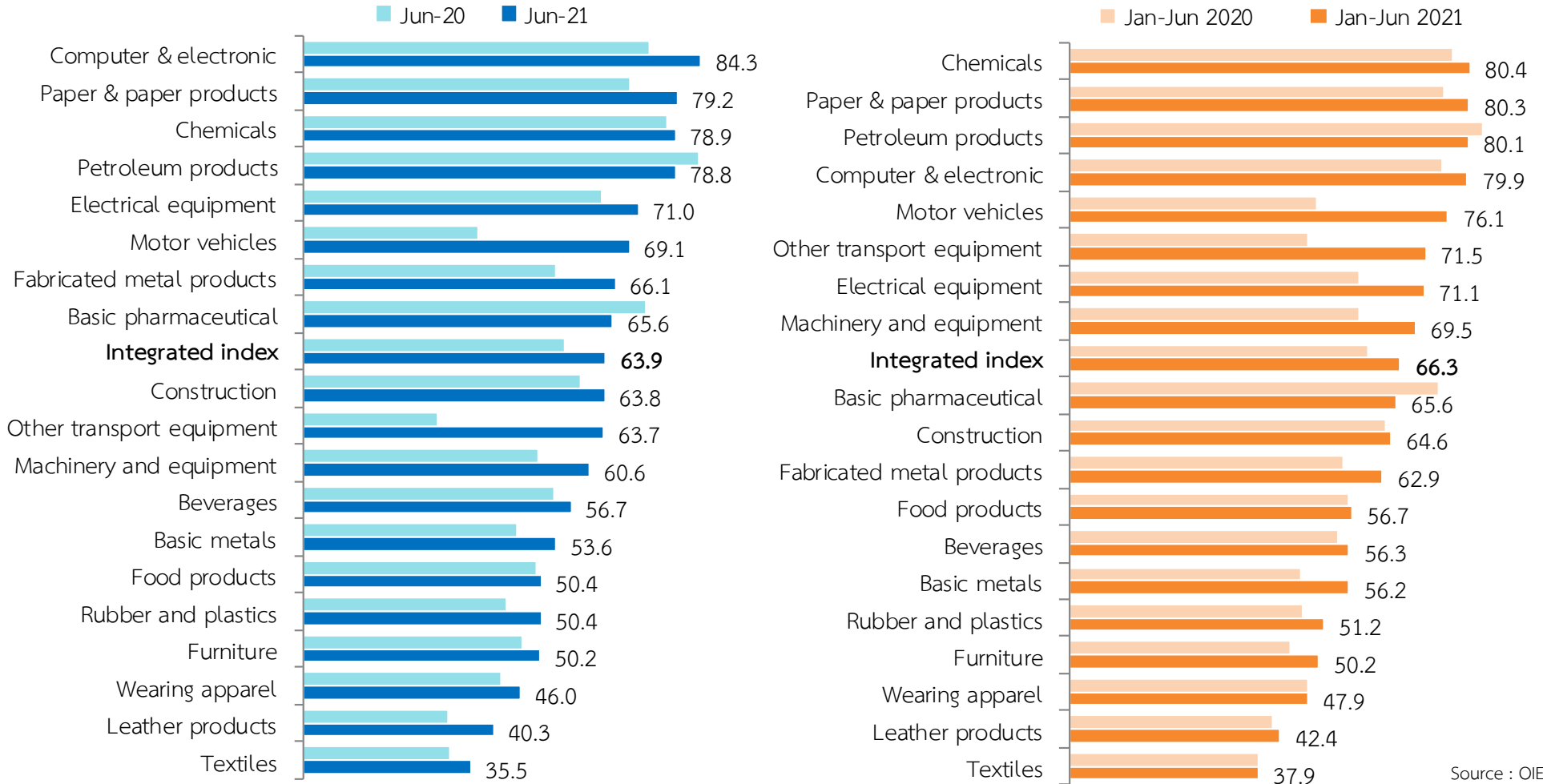
Manufacturing Production Index (MPI)

%YoY	2020	2020		2021				
		H1	H2	H1	Q1	Q2	May	Jun
Overall MPI	-9.3	-13.2	-5.1	9.4	0.8	20.4	25.7	17.6
Automotive	-28.9	-42.5	-13.8	40.3	3.3	146.6	154.9	89.6
Basic metal	-7.1	-12.9	-0.8	23.8	15.5	33.3	41.9	28.9
Fabricated metal products	-3.3	-10.4	4.0	14.2	4.4	25.2	34.7	27.0
Rubbers and plastics	-7.8	-11.4	-4.1	7.0	-0.8	17.1	24.0	23.8
IC and semiconductors	1.9	-0.4	4.1	16.2	12.3	20.1	27.0	23.0
Papers	-0.1	-0.6	0.5	5.0	-0.3	10.9	18.1	13.9
Electrical appliances	5.5	-5.2	16.8	20.3	12.6	29.3	49.9	12.9
Textiles	-22.5	-24.7	-20.0	-2.3	-16.6	20.1	30.7	12.9
Beverage	-6.2	-11.3	-1.1	7.5	-5.7	24.5	13.6	9.2
Hard disk drive	-2.8	3.1	-7.6	8.2	3.9	12.9	13.1	7.7
Cements and construction	-5.0	-3.7	-6.3	1.3	-2.4	5.4	11.1	7.1
Chemicals	-3.2	-3.2	-3.3	4.3	5.7	2.9	4.9	5.2
Food	-6.1	-8.0	-3.8	3.3	3.1	3.5	6.6	3.1
Petroleum	-7.0	-9.9	-3.8	-6.3	-13.9	2.3	2.8	-2.3
Basic pharmaceutical	1.3	5.6	-2.8	-9.1	-5.4	-12.7	-2.3	-3.8
Wearing apparels	-20.7	-9.0	-32.7	-18.7	-21.9	-14.6	-24.8	-10.2

Source : OIE

Capacity utilization rate of major industries

- The capacity utilization rate in June reached at 63.9%, rising from 55.4% in June last year, driven mainly by a robust recovery in production of other transport equipment, motor vehicles, and computer and electronic products. In the first half of 2021, the average capacity utilization rate rose to 66.3% from 59.9% in the same period last year.

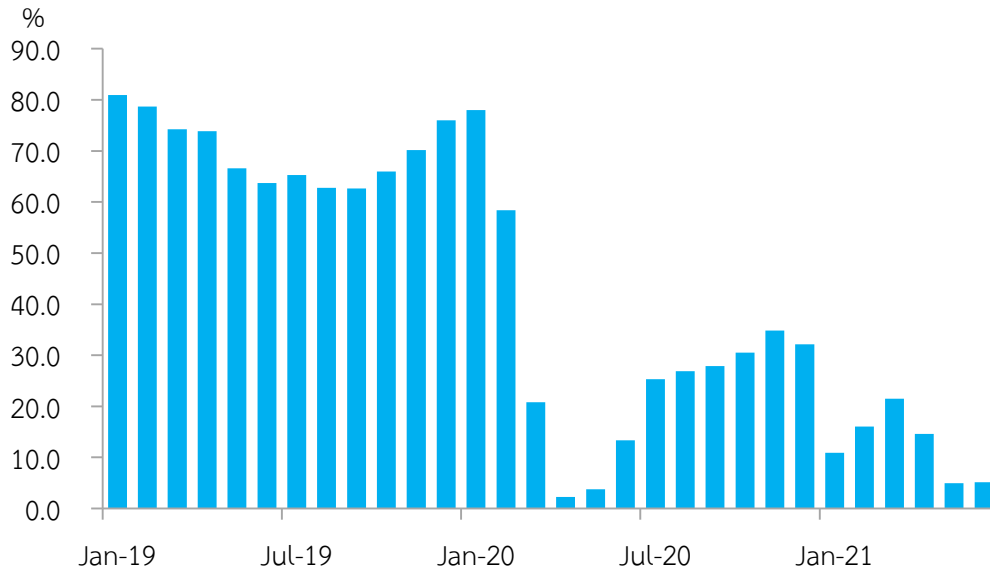


Source : OIE

Tourism sector

- Tourism has been among the sectors hit hardest by the COVID-19 outbreak. The tourism sector earned 134,030 million baht in the first half of 2021, a decline of 73.6%YoY, due to the ongoing international travel restrictions and a fast-surgingly third wave of COVID-19 pandemic. There were 40,447 foreign tourist arrivals during that time, representing a huge drop of 99.4%YoY, while domestic travelers fell by 20.7%YoY to 36.08 million people.
- In June, the third COVID-19 wave knocked the occupancy rate down to below 10% for the second straight month. This indicated that many hotels faced weakening financial conditions. They might need alternative sources of funds to cope with liquidity problems.

Average occupancy rate



Average occupancy rate classified by area

%	2020		2021				
	H1	H2	H1	Q1	Q2	May	Jun
Bangkok	34.8	21.6	10.2	10.8	9.6	9.4	9.3
North	29.9	47.4	16.7	24.1	9.3	7.6	6.8
West	30.0	49.2	19.8	27.5	12.1	5.5	6.3
Northeast	26.0	42.8	19.1	30.0	8.2	4.3	5.5
East	28.6	31.2	9.4	10.3	8.5	4.2	4.0
Central exc. Bangkok	23.8	30.8	11.8	18.1	5.4	3.1	3.2
South	27.7	15.7	8.4	10.6	6.1	1.3	2.0
Overall	29.4	29.6	12.2	16.2	8.2	5.0	5.2

Source : MOTs

End of Presentation

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