

# Economic Update For July 2022



## *Highlight:*

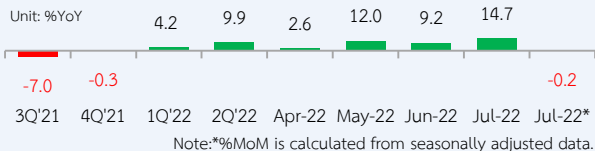
*The economic recovery in July recovered at a slower pace from last month due to several risk factors including the volatile global economy, the ongoing Russia-Ukraine war, and the high cost of living. However, the recovering tourism sector remained a key engine driving the economic growth during the period.*

Business Research

6 September 2022

## Private Consumption

Private consumption indicators (PCI) in July after seasonal adjustment slightly declined by **0.2%MoM**, noting that PCI remained in recovery mode supported by improving household consumption in line with employment, income, and consumer confidence.



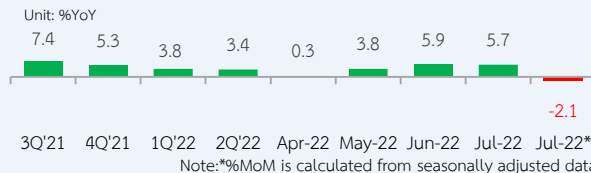
## Farm Income

July farm income kept rising by **19.3%YoY**, thanks mainly to the acceleration of agricultural prices, especially in livestock and rubber prices.

Item (%YoY)	Farm Income		Agricultural Price		Agricultural Production	
	Jun-22	Jul-22	Jun-22	Jul-22	Jun-22	Jul-22
<b>Agriculture</b>	<b>18.3</b>	<b>19.3</b>	<b>11.1</b>	<b>18.0</b>	<b>6.5</b>	<b>1.1</b>
Paddy	98.2	179.1	9.8	12.7	80.5	147.5
Cassava	7.6	73.5	34.5	37.8	-20.0	25.9
Maize	91.6	30.0	30.3	25.1	47.1	3.9
Palm kernel	59.7	12.6	62.3	9.9	-1.6	2.4
Rubber, RSS3	10.8	17.1	9.9	15.6	0.8	1.3
Swine	28.3	36.8	40.6	44.6	-8.8	-5.4

## Private Investment

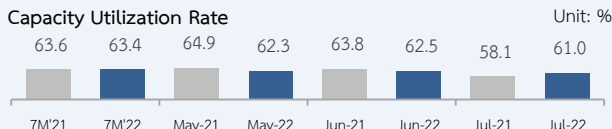
Private investment indicators in July after seasonal adjustment decreased from the previous month in **machinery and equipment**. However, investment in construction gradually improved as reflected by the increase in permitted areas for construction.



## MPI and Capacity Utilization (Cap-U)

July MPI went up by **6.4%YoY**, with Cap-U standing at **61%**, as producers received more electronic parts from overseas suppliers, attributing the increase mainly to the commercial vehicle, IC and semiconductor production.

MPI (%YoY)	1H'22	Jun-22	Jul-22	%MoM
<b>Overall MPI</b>	<b>0.5</b>	<b>-0.2</b>	<b>6.4</b>	<b>-0.2</b>
Automotive	2.6	3.2	22.1	3.2
IC and semiconductors	6.6	1.8	10.4	4.1
Petroleum	14.5	18.4	12.7	18.4



## Exports

- In July, exports grew at a slower pace in accordance with the slowdown in trading partners' demand. This was seen particularly in exports of metals after demand from China's real estate sector softened.
- Thai exports in 7M2022 rose by **11.5%YoY**. A major contribution was the export of agricultural, agro-industrial products, electronics and electrical appliances.

Market	Share (%)	Jan-Jul 2022		Jul-22	
		USD Mn	%YoY	USD Mn	%YoY
<b>Total</b>	<b>100.0</b>	<b>172,814</b>	<b>11.5</b>	<b>23,629</b>	<b>4.3</b>
ASEAN	25.3	43,699	18.7	6,404	22.6
U.S.A.	16.1	27,746	18.1	3,742	4.7
China	12.3	21,208	-2.6	2,755	-20.6
EU	9.0	15,639	6.5	2,188	9.3
Japan	8.5	14,695	0.5	1,980	-4.7
Australia	3.7	6,408	0.1	969	19.9

Commodity Price & Exchange Rate	Jan-Jul 2022		Jul-22	
	Price	%YoY	Price	%YoY
Dubai oil price (USD/bbl)	103.2	60.3	106.5	45.9
Gold price (USD/troy oz)	1,853.5	2.6	1,732.7	-4.2
Exchange rate (THB/USD)	34.1	9.8	36.3	1.1
NEER index	115.8	-3.7	112.7	-2.7

## Domestic vehicle sales

July new car sales jumped 22.1%YoY to 64,033 units, thanks to further easing Covid-19 restrictions and last year's low base. In 7M2022, new car sales surged 15.4%YoY to 491,329 units. However, high cost of living and high level of household debt pose threats to the medium-term outlook.

### Domestic vehicle sales, 7M2022

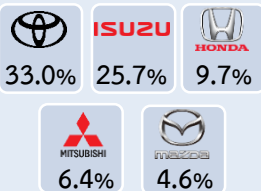
#### Total Vehicle Sales



491,329 Units

+15.4%YoY

#### Market Share By Brand



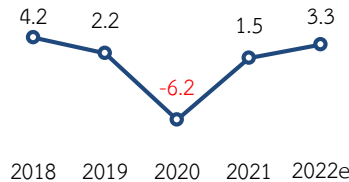
#### By Model

- 1 Isuzu D-Max 22.3%
- 2 Toyota Hilux 18.4%
- 3 Honda City 6.2%
- 4 Toyota Yaris 4.0%
- 5 Ford Ranger 3.6%

Sales of all vehicle segments increased with double-digit growth rate even in the middle of rainy season, which was recognized as the low season. By body type, commercial car sales grew at a faster pace than that of passenger cars. This was attributed to the acceleration of farm income.

Domestic Vehicle Sales by Body Type	Jan-Jul 2022		Jul-22	
	Unit	%YoY	Unit	%YoY
Passenger car	155,117	13.2	19,224	15.2
Commercial car	336,212	16.5	44,809	25.3
Pick up 1 ton	228,070	13.3	29,814	18.7
SUV	48,414	20.2	7,144	57.1
Other	59,728	27.1	7,851	29.0
<b>Overall</b>	<b>491,329</b>	<b>15.4</b>	<b>64,033</b>	<b>22.1</b>

## Thai GDP Forecast by BoT (%YoY)



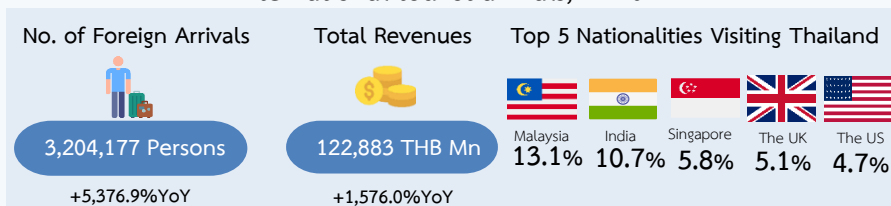
## %YoY

	2021	2022e
Private Consumption	0.3	4.9
Government Consumption	3.2	-1.9
Private Investment	3.3	5.4
Public Investment	3.8	3.5
Value of Merchandise Exports	18.8	7.9
Headline Inflation (%)	1.2	6.2

## Tourism

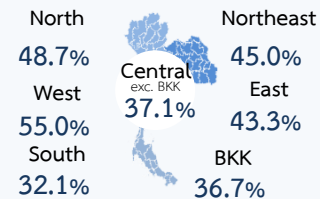
In 7M2022, the number of foreign arrivals tallied 3.2 million people, up 5,377%YoY, generating THB 122.9 billion in revenues. The tourism business saw further improvement from the new flow of tourists following the country's full reopening on July 1 including the abolishment of the Thailand Pass entry scheme as well as less cross-border restrictions.

### International tourist arrivals, 7M2022



The average occupancy rate of hotels nationwide in 7M2022 reached 40.3%, mostly driven by rising demand from the Indian and ASEAN markets, as well as the recovery of domestic tourism still playing a vital role in supporting the hotel business.

### Occupancy rate, 7M2022



# Export of Goods

## For July 2022

Major products	Share 7M'22 (%)	Jan-Jul 22		Jul-22	
		USD million	%YoY	USD million	%YoY
<b>Total exports</b>	<b>100.0</b>	<b>172,814</b>	<b>11.5</b>	<b>23,629</b>	<b>4.3</b>
<b>Agriculture</b>	<b>9.6</b>	<b>16,662</b>	<b>7.8</b>	<b>2,340</b>	<b>-0.3</b>
- Rice	1.2	2,127	29.2	290	21.5
- Rubber	1.9	3,328	5.7	471	12.0
- Tapioca	1.6	2,789	18.9	289	-10.1
- Fruits	2.4	4,173	4.1	638	-19.7
- Fishery	0.6	954	1.9	141	-3.3
<b>Agro-industrial</b>	<b>8.1</b>	<b>14,066</b>	<b>29.3</b>	<b>2,067</b>	<b>38.1</b>
- Prepared or preserved seafood	1.3	2,222	12.4	326	16.4
- Cane sugar and molasses	1.3	2,187	152.2	403	258.9
- Wheat products and other food	0.8	1,461	10.2	211	12.5
- Beverages	0.7	1,180	-3.3	167	6.4
<b>Manufacturing</b>	<b>77.8</b>	<b>134,371</b>	<b>9.0</b>	<b>17,981</b>	<b>0.1</b>
- Automotive	12.3	21,256	-5.9	2,929	-3.0
- Electronics	14.6	25,262	4.4	3,343	-6.6
- Electrical appliances	10.1	17,401	5.7	2,365	5.0
- Precious stones and jewelry	5.7	9,826	77.2	1,080	2.8
- Unwrought gold	3.1	5,339	133.6	477	-12.4
- Rubber products	4.9	8,398	-4.4	1,140	-4.4
- Petro-chemical products	4.0	6,840	8.4	870	-10.0
- Chemicals	3.5	5,977	10.6	823	-3.0
- Machinery & equipment	3.0	5,178	14.1	682	5.4
- Apparels & textile	2.4	4,128	11.5	575	6.5
- Metal & steel	2.5	4,304	11.4	558	-6.5
<b>Mining &amp; Fuel</b>	<b>4.5</b>	<b>7,715</b>	<b>44.0</b>	<b>1,242</b>	<b>47.2</b>

Products	Jul-22	
	USD million	%YoY
<b>Automotive</b>	<b>2,929</b>	<b>-3.0</b>
- Passenger car	818	-11.3
- Pick up and trucks	594	22.9
- Motorcycle	245	-15.8
- Spark-ignition reciprocating internal combustion	373	3.2
- Parts & accessories	782	-8.5

Products	Jul-22	
	USD million	%YoY
<b>Electronics</b>	<b>3,343</b>	<b>-6.6</b>
- Computer parts	1,446	-19.8
- HDD	661	-39.9
- Electronic integrated circuits	733	4.2
- Telecommunication	387	34.6
- Semi-conductor devices, transistors, diodes	243	5.2

# End of Presentation

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## Disclaimer

ข้อมูล บทวิเคราะห์ และการแสดงความคิดเห็นต่างๆที่ปรากฏอยู่ในรายงานฉบับนี้ ได้จัดทำขึ้นบนพื้นฐานของแหล่งข้อมูลที่ได้รับมาจากแหล่งข้อมูลที่เชื่อถือได้ เพื่อใช้ประกอบการวิเคราะห์ภาวะเศรษฐกิจและอุตสาหกรรมซึ่งเป็นเอกสารภายในของธนาคารแลนด์ แอนด์ เฮาส์ จำกัด (มหาชน) เท่านั้น ทั้งนี้ธนาคารฯ จะไม่รับผิดชอบความเสียหายใดๆทั้งปวงที่เกิดขึ้นจากการนำข้อมูล บทวิเคราะห์ การคาดหมาย และความคิดเห็นต่างๆ ที่ปรากฏในรายงานฉบับนี้ไปใช้ โดยผู้ที่ประสงค์จะนำไปใช้ต้องยอมรับความเสี่ยง และความเสียหายที่อาจเกิดขึ้นเองโดยลำพัง