



# THAI ECONOMIC AND FINANCIAL UPDATE

for July 2024

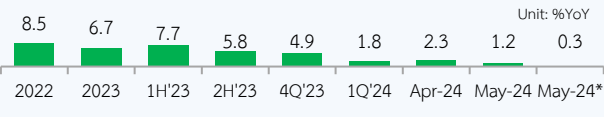
## Highlight:

The Thai economy continues to slow, with declines in exports, manufacturing and private investment. However, the tourism-related services sector remains a bright spot, expanding in line with rising private consumption driven by tourist spending. In terms of economic stability, headline inflation has picked up, partly due to the low base effect of last year's government-subsidized electricity costs and the gradual phasing out of energy price subsidies, which has led to higher diesel prices.



## Private Consumption

Seasonally adjusted private consumption indicators rose slightly from the previous month, mainly due to spending on services, in line with the expansion of activities in the tourism sector. The durable goods category remained stable following the slowdown in car sales. Consumer confidence declined amid concerns about the cost of living and the slow pace of economic recovery.



Note: %MoM is calculated from seasonally adjusted data.

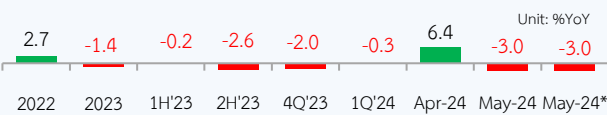
## Farm Income

Farm income increased compared to the same period last year due to the increase in both production and prices. Agricultural production expanded due to durian and palm oil production. In terms of prices, the expansion was mainly due to the increase in rubber and paddy rice prices.

Item (%YoY)	Farm Income		Agricultural Price		Agricultural Production	
	Apr-24	May-24	Apr-24	May-24	Apr-24	May-24
	<b>Agriculture</b>	2.4	13.2	14.1	5.4	-10.2
Paddy	-1.9	-13.7	5.9	8.7	-7.4	-20.5
Sugarcane	10.7	-15.9	28.6	28.6	-13.9	-34.6
Rubber	67.3	61.4	71.8	63.1	-2.6	-1.0
Durian	-33.7	154.5	109.5	0.1	-68.4	154.2
Palm kernel	-0.6	-13.5	-16.3	-25.1	18.8	15.4

## Private Investment

Seasonally adjusted private investment contracted from the previous month due to declines in both the machinery and equipment and the construction categories. In particular, domestic sales of machinery and imports of computers slowed, coupled with a slowdown in the area permitted for construction, mainly due to a deceleration in the area permitted for industrial and factory purposes.



Note: %MoM is calculated from seasonally adjusted data.

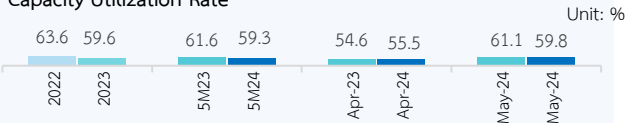
## MPI and Capacity Utilization (Cap-U)

Seasonally adjusted manufacturing production index declined due to lower production in several key categories, including petroleum, automotive, and electronics. Petroleum production declined due to refinery maintenance. However, food and beverage production showed an upward trend.

MPI (%YoY)	2023	1Q24	Apr-24	May-24	%MoM
<b>Overall MPI</b>	-3.8	-3.6	2.7	-1.5	-0.6*
Automotive	0.8	-16.3	-6.7	-14.2	-2.2
Petroleum	8.6	2.1	4.8	-2.8	-6.6
Electrical appliances	-7.5	-2.2	19.9	3.6	-3.5

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

### Capacity Utilization Rate



Note: MPI stands for Manufacturing Production Index

## Exports

- In May, Thailand's exports grew by 7.2%YoY, driven by growth in some major export markets such as ASEAN, the US and China. In particular, the Chinese market returned to high growth due to exports of durian and chemical products. Other major products that showed export growth were rubber, electronics and machinery.
- Overall, exports in 5M2024 expanded slightly by 2.6%YOY due to expansion in almost all major markets except Japan. Major products that expanded well included rice, rubber, electronics, etc.

Market	Share (%)	Jan-May 2024		May-24	
		Jan-May 2024	USD Mn	%YoY**	USD Mn
<b>Total</b>	100.0	120,493	2.6	26,219	7.2
ASEAN	23.7	28,611	1.2	6,061	3.5
U.S.A.	17.7	21,318	12.5	4,626	9.1
China	12.1	14,596	1.5	3,807	31.2
EU	9.4	11,379	0.8	2,261	-4.8
Japan	8.0	9,679	-6.5	2,113	-1.0
Australia	4.3	5,158	16.9	983	-2.4

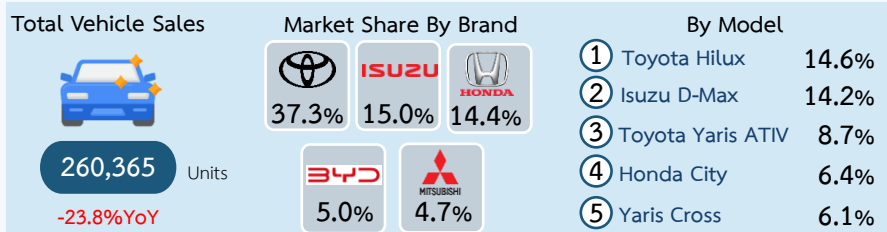
  

Commodity Price & Exchange Rate	Jan-May 2024		May-24	
	USD Mn	%YoY	USD Mn	%YoY
Dubai oil price (USD/bbl)	83.5	5.0	83.5	11.3
Gold price (USD/troy oz)	2,179.6	12.9	2,351.1	18.0
Exchange rate (THB/USD)	36.1	6.0	36.6	7.0
NEER index	118.1	-1.8	117.2	-2.8

## Domestic Vehicle Sale

In May, car sales fell 23.4%YoY due to falling sales of both passenger cars and commercial vehicles. The main factor is the cautious lending by financial institutions due to loan quality concerns, coupled with high interest rates and household debt problems, which are affecting consumers' purchasing power. This includes private investment slowdown, which has affected sales of commercial vehicles. However, the SUV segment can still expand well due to increasing demand for vehicle versatility.

### Domestic vehicle sales, 5M2024

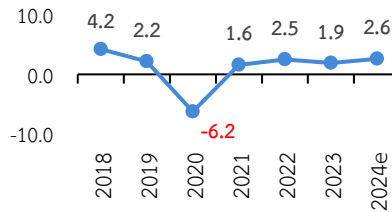


Domestic car sales in 5M2024 totaled 260,365 units, down 23.8%YoY. This was due to the decline in sales of all vehicle types, especially 1-ton pickup trucks. In terms of brands with the highest market share, Toyota continues to lead, followed by Isuzu and Honda. By vehicle model, the Toyota Hilux pickup was the best-selling model with a market share of 14.6%, followed by the Isuzu D-Max with 14.2% and the Toyota Yaris ATIV with 8.7%.

Domestic Vehicle Sales by Body Type	Jan-May 2024		May-24	
	Unit	%YoY	Unit	%YoY
Passenger car	101,589	-17.9	18,686	-28.1
Commercial car	158,776	-27.1	31,185	-20.2
Pickup 1 ton	75,510	-40.8	14,832	-33.9
SUV	54,797	20.5	10,993	30.7
Other	28,469	-36.6	5,360	-35.2
<b>Overall</b>	<b>260,365</b>	<b>-23.8</b>	<b>49,871</b>	<b>-23.4</b>

Sources: NESDC, Toyota, FTI, and MOTs

## Thai GDP Forecast by BOT (%YoY)



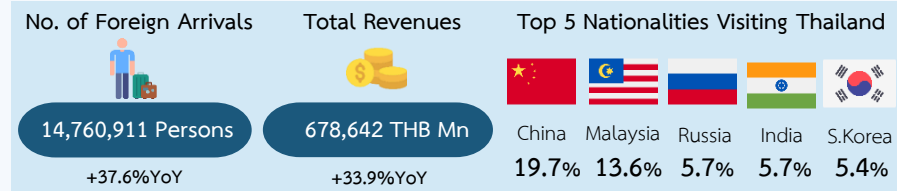
	%YoY	2021	2022	2023	2024e
Private Consumption		0.6	6.2	7.1	4.2
Government Consumption		3.7	0.1	-4.6	1.8
Private Investment		2.9	4.7	3.2	3.3
Public Investment		3.5	-3.9	-4.6	3.6
Value of Merchandise Exports*		19.2	5.4	-1.7	1.8
Headline Inflation (%)		1.2	6.1	1.2	0.6

\*BOP Basis  
Note: Data as of June 2024

## Tourism

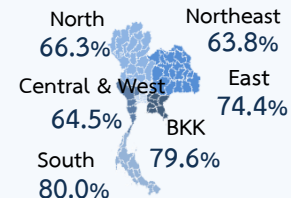
The number of foreign tourist arrivals in May continued to rise from the previous month, driven by an increase in the number of short-haul tourists, particularly those from Malaysia and China. This was partly due to the positive impact of tourism promotion measures such as visa exemptions and the waiving of document requirements at land border checkpoints. However, the number of Indian tourists declined as a result of the spike in the previous month, which had a long holiday period.

### International tourist arrivals, 5M2024



The average hotel occupancy rate nationwide in May declined from the previous month to 68.8%, partly due to the start of the rainy season and the start of the school semester after the summer break. The region with the highest occupancy rate was the South, followed by Bangkok and the East. The South still maintained a good occupancy rate, partly due to the presence of many world-renowned tourist attractions, coupled with still being the high season for marine tourism.

### Occupancy Rate, 5M2024



# Export of Goods

## For July 2024

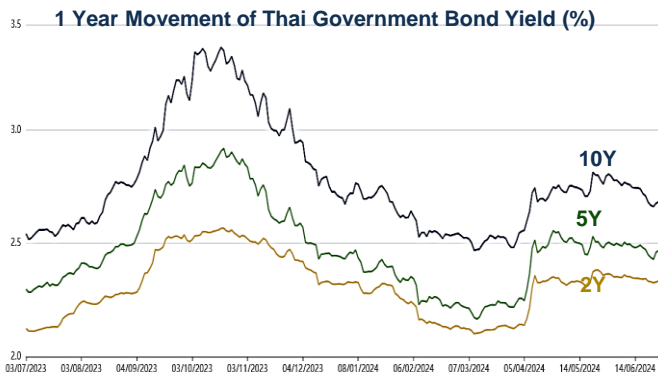
Major products	Share Jan-May 2024 (%)	Jan-May 24		May-24	
		USD million	%YoY*	USD million	%YoY*
<b>Total exports</b>	<b>100.0</b>	<b>120,493</b>	<b>2.6</b>	<b>26,219</b>	<b>7.2</b>
<b>Agriculture</b>	<b>10.3</b>	<b>12,461</b>	<b>9.9</b>	<b>3,156</b>	<b>36.5</b>
- Rice	2.2	2,660	39.7	440	-4.5
- Rubber	1.6	1,944	30.9	401	46.6
- Tapioca	1.2	1,457	-18.2	247	-16.2
- Fruits	2.7	3,285	5.0	1,409	128.0
- Fishery	0.5	645	4.1	126	-15.7
<b>Agro-industrial</b>	<b>8.0</b>	<b>9,671</b>	<b>-1.3</b>	<b>2,149</b>	<b>0.8</b>
- Prepared or preserved seafood	1.2	1,484	5.3	309	-0.6
- Cane sugar and molasses	1.1	1,278	-34.3	262	-44.3
- Wheat products and other food preparations	0.9	1,079	9.5	234	11.0
- Beverages	0.8	921	5.1	201	-1.5
<b>Manufacturing</b>	<b>78.1</b>	<b>94,095</b>	<b>2.4</b>	<b>19,984</b>	<b>4.6</b>
- Automotive	13.5	16,231	-3.3	3,213	-6.0
- Electronics	16.7	20,063	12.5	4,613	22.9
- Electrical appliances	10.1	12,164	-3.3	2,501	-4.6
- Precious stones and jewelry	5.2	6,325	-3.9	1,408	35.1
- Unwrought gold	2.1	2,472	-16.8	582	135.4
- Rubber products	4.5	5,437	-3.3	1,079	-8.8
- Petro-chemical products	3.0	3,592	-3.7	775	-0.4
- Chemicals	2.7	3,243	-6.8	763	-3.2
- Machinery & equipment	3.2	3,881	13.6	796	12.4
- Apparels & Textile	2.1	2,551	0.8	531	-3.3
- Metal & steel	2.8	3,321	23.2	517	-14.1
<b>Mining &amp; Fuel</b>	<b>3.5</b>	<b>4,267</b>	<b>-2.8</b>	<b>930</b>	<b>2.6</b>

Products	May-24	
	USD million	%YoY*
<b>Automotive</b>	<b>3,213</b>	<b>-6.0</b>
- Passenger car	1,022	1.2
- Pick up and trucks	700	-4.3
- Motorcycle	255	-23.6
- Spark-ignition reciprocating internal combustion	266	-18.0
- Parts & accessories	857	-3.9

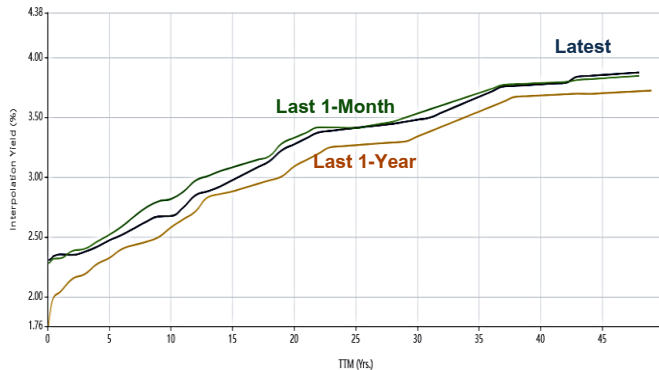
Products	May-24	
	USD million	%YoY*
<b>Electronics</b>	<b>4,613</b>	<b>22.9</b>
- Computer parts	2,102	44.4
- HDD	816	30.9
- Electronic integrated circuits	720	-11.9
- Telecommunication	850	110.7
- Semi-conductor devices, transistors, diodes	339	-27.6

Source: MOC (\*Custom Basis)

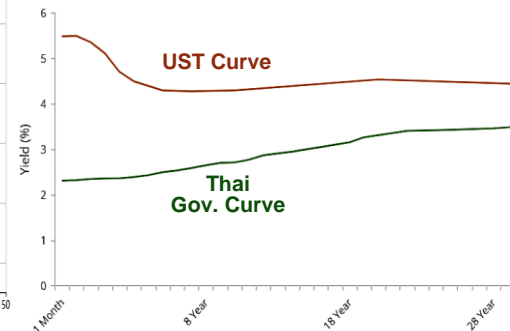
## Fixed Income Market



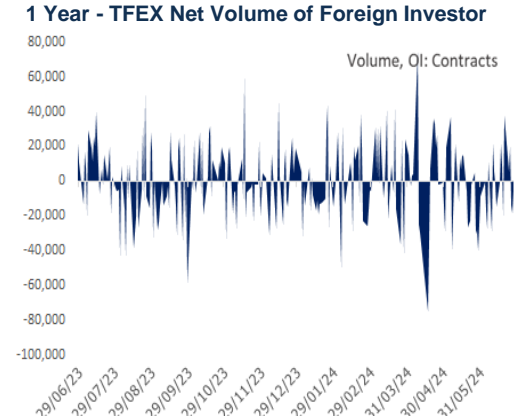
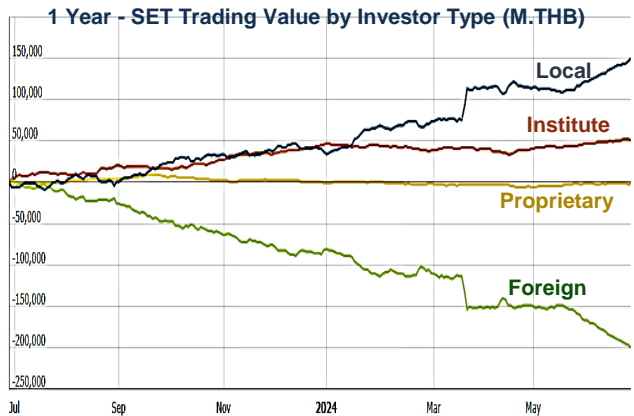
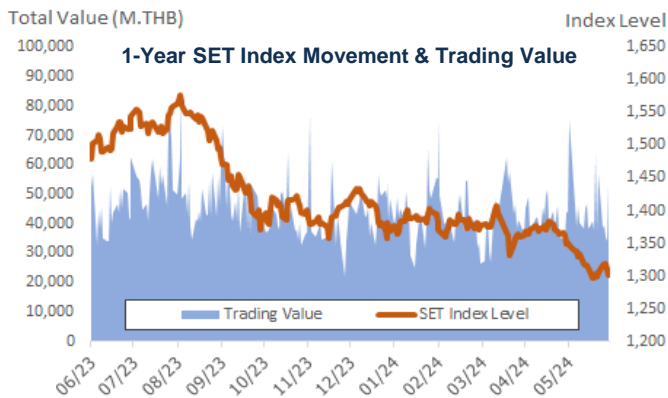
## Shift in Thai Government Yield Curve Current vs Last Month vs Last 1 Year



## Thai Government Yield Curve versus US Treasury Yield Curve

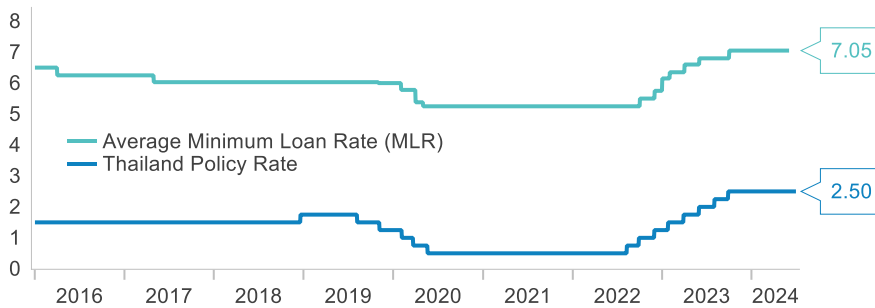


## Equity Market

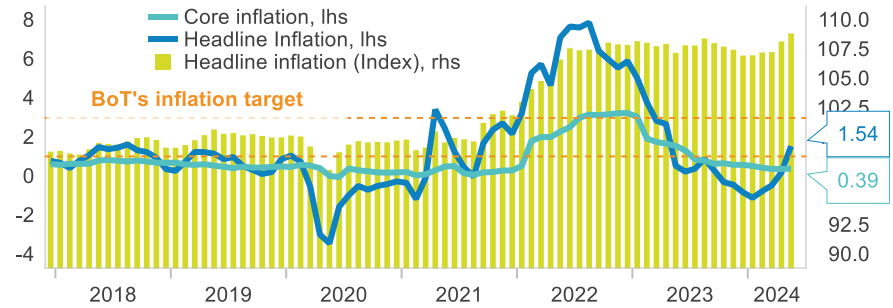


## Policy Rate and Inflation

### Thailand's Policy Rate and MLR

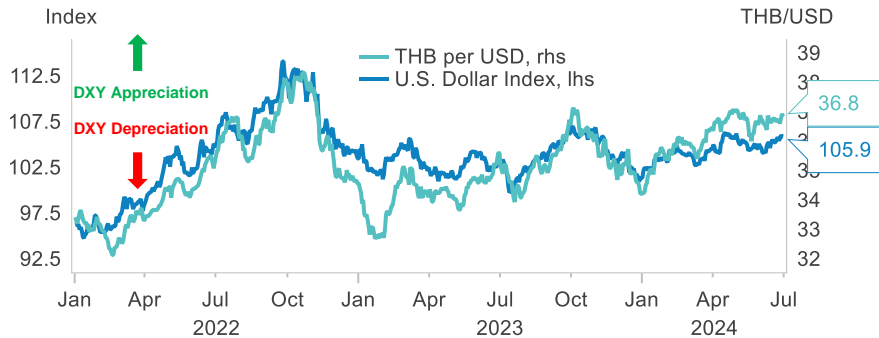


### Thailand's Consumer Price Index

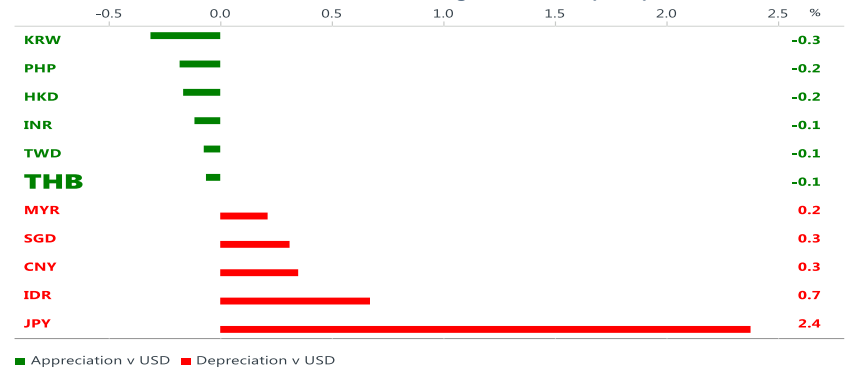


## Exchange Rate

### US Dollar Index and THB per USD



### Asian Exchange Rate/USD (MTD)



# End of Presentation

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