

Economic Update For March 2023



Highlight:

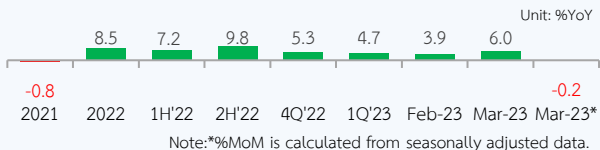
The Thai economy slowed down in March 2023 compared to the previous month. The value of exports, excluding gold, declined from the previous month in correspondence with lower manufacturing production and private investment. Private consumption, meanwhile, remained stable as spending on durable goods declined due to a slowdown in passenger car sales while spending in the service sector continued to increase on the back of the tourism recovery.

Business Research

8 May 2023

Private Consumption

Private consumption indicators after seasonal adjustment were stable from the previous month. Spending in the service sector continued to increase in line with rising numbers of domestic and foreign tourists, while spending on durable goods declined due to a slowdown in passenger car sales.



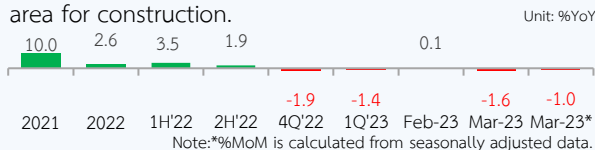
Farm Income

March farm income kept rising but at a lower pace of 0.4%YoY due to no bounce in prices plagued by oversupply. Key products facing downward price movement were durian, rubber, and palm kernel.

Item (%YoY)	Farm Income		Agricultural Price		Agricultural Production	
	Feb-23	Mar-23	Feb-23	Mar-23	Feb-23	Mar-23
	Agriculture	13.2	0.4	4.2	-8.7	8.7
Paddy	94.3	38.5	19.4	17.6	62.6	17.8
Sugarcane	28.3	47.7	7.1	8.3	19.8	36.4
Rubber	-20.9	-20.6	-22.3	-26.0	1.8	7.2
Durian	889.7	190.8	51.5	-41.7	553.2	398.8
Palm kernel	-17.8	-46.0	-43.6	-42.8	45.7	-5.7

Private Investment

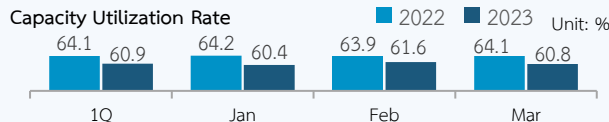
Private investment indicators after seasonal adjustment decreased from the previous month. Investment in machinery and equipment declined due to lower sales of domestic machinery and a drop in registered commercial cars. Investment in construction also decreased following a lower outturn of permitted area for construction.



MPI and Capacity Utilization (Cap-U)

March MPI contracted by 4.6%YoY as a global economic slowdown put pressure on exports. Low production in hard disk drive and electronic part industries decreased MPI. Capacity utilization also dropped to 60.8% in March from 61.6% in February.

MPI (%YoY)	2022	1Q'23	Feb-23	Mar-23	%MoM
Overall MPI	0.4	-3.9	-2.4	-4.6	5.5
Automotive	11.5	6.2	5.3	6.7	6.1
Food	2.2	0.7	7.1	-5.6	-10.9
Electrical appliances	-5.9	-10.4	-9.5	-12.2	9.6



Exports

- In March 2023, exports declined for the sixth consecutive month, falling by 4.2%YoY to USD 27,654 mn. Exports to almost all markets remained in negative territory due to a global economic slowdown, except the US and Japan which saw some improvement.
- However, there were some key items, which witnessed a strong growth, including fruit products, cane sugar and molasses, and beverages.

Market	Share (%) Jan-Mar 23	Jan-Mar 2023		Mar-23	
		USD Mn	%YoY	USD Mn	%YoY
Total	100.0	70,280	-4.5	27,654	-4.2
ASEAN	23.9	17,175	-3.9	6,615	-2.6
U.S.A.	16.3	11,449	-3.9	4,520	1.7
China	11.1	7,726	-7.4	3,080	-3.8
EU	9.3	6,819	-1.4	2,571	-5.3
Japan	9.1	6,467	-0.2	2,508	10.2
Switzerland	3.9	1,222	-48.3	1,082	-43.5

Commodity Price & Exchange Rate	Jan-Mar 2023		Mar-23	
	Price	%YoY	Price	%YoY
Dubai oil price (USD/bbl)	79.6	-17.5	77.5	-31.5
Gold price (USD/troy oz)	1,888.3	0.8	1,912.7	-1.8
Exchange rate (THB/USD)	33.9	2.6	34.5	3.8
NEER index	120.3	3.1	119.2	1.8

Domestic vehicle sales

New vehicle sales dropped by 8.4%YoY to 79,943 units in March with consumers delaying their purchasing decisions caused by rising interest rates. In the first quarter of 2023, overall new vehicle sales were down 6.1%YoY to 217,073 units. The domestic decline was mainly attributed to tighter loans for 1-tonne pickups with sales of 1-tonne pickups recording 21.8%YoY contraction during the period.

Domestic vehicle sales, 3M2023

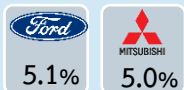
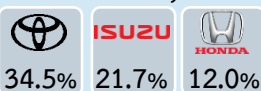
Total Vehicle Sales



217,073 Units

-6.1%YoY

Market Share By Brand



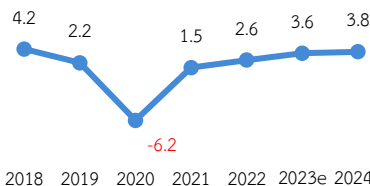
By Model

- 1 Isuzu D-Max 21.0%
- 2 Toyota Hilux 16.7%
- 3 Toyota Yaris 7.5%
- 4 Honda City 6.7%
- 5 Ford Ranger 4.5%

By body type, sales of passenger cars in March edged up slightly 0.2%YoY to 29,835 units, while sales of commercial vehicles plummeted 12.8%YoY to 50,108 units, and sales of 1-tonne pickups fell accordingly 27%YoY to 29,622 units. Although the commercial vehicle market remained in doldrums, the best-selling models holding over 15% share of the market were still 1-tonne pickup models; Isuzu D-Max and Toyota Hilux.

Domestic Vehicle Sales by Body Type	Jan-Mar 2023		Mar-23	
	Unit	%YoY	Unit	%YoY
Passenger car	77,566	2.4	29,835	0.2
Commercial car	139,507	-10.3	50,108	-12.8
Pick up 1 ton	83,245	-21.8	29,622	-27.0
SUV	27,904	29.0	10,131	43.5
Other	28,358	3.8	10,355	5.4
Overall	217,073	-6.1	79,943	-8.4

Thai GDP Forecast by BOT (%YoY)

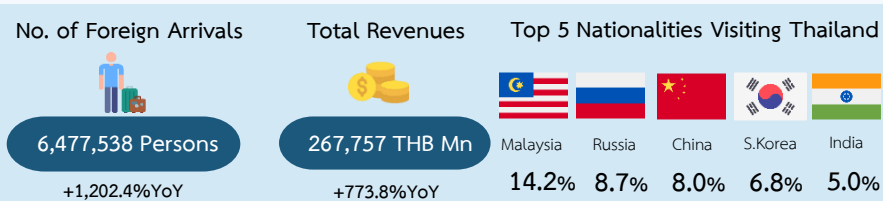


%YoY	2021	2022	2023e	2024e
Private Consumption	0.3	6.3	4.0	3.1
Government Consumption	3.2	0.0	-2.2	1.1
Private Investment	3.3	5.1	2.1	4.8
Public Investment	3.8	-4.9	3.7	7.8
Value of Merchandise Exports	18.8	5.5	-0.7	4.3
Headline Inflation (%)	1.2	6.1	2.9	2.4

Tourism

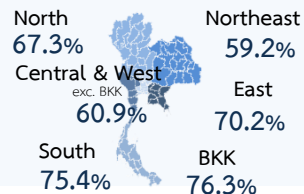
The number of foreign tourist arrivals skyrocketed by 953%YoY to 2.22 mn people in March, boosted by higher demand from the Malaysia and China markets. During the first quarter of 2023, Thailand has seen the recovery of tourism inflows, with 6.48 mn foreign tourist arrivals. After China allowed group tours to travel to Thailand, roughly 500,000 Chinese visited Thailand in Q1, surging from 13,738 in the same quarter of 2022 but remaining well below the pre-pandemic level (of more than 3 mn Chinese arrivals).

International tourist arrivals, 3M2023



The average hotel occupancy rate nationwide was 70.2% in the first quarter of 2023, supported by the increase in both Thai and foreign tourists. In March, the province with the highest occupancy rate of 87.4% was Phuket which is located in the southern part of the country.

Occupancy rate, 3M2023



Export of Goods

For Mar 2023

Major products	Share Jan-Mar 2023 (%)	Jan-Mar 23		Mar-23	
		USD million	%YoY	USD million	%YoY
Total exports	100.0	70,280	-4.5	27,654	-4.2
Agriculture	8.4	5,892	0.2	2,194	1.2
- Rice	1.6	1,125	24.7	371	7.2
- Rubber	1.4	953	-37.7	325	-41.1
- Tapioca	1.7	1,186	1.4	460	5.7
- Fruits	1.2	825	55.2	367	94.5
- Fishery	0.5	341	-12.6	139	-8.8
Agro-industrial	8.5	5,943	3.7	2,333	7.1
- Prepared or preserved seafood	1.2	854	-7.3	309	-7.6
- Cane sugar and molasses	1.7	1,204	31.5	516	71.6
- Wheat products and other food preparations	0.9	605	-3.8	222	-2.5
- Beverages	0.7	512	3.5	198	13.2
Manufacturing	79.6	55,911	-5.8	22,236	-5.9
- Automotive	14.1	9,904	3.6	3,651	-1.2
- Electronics	15.6	10,967	-0.4	4,593	5.0
- Electrical appliances	11.1	7,769	0.1	2,938	4.8
- Precious stones and jewelry	6.0	4,252	-22.8	2,283	-33.1
- Unwrought gold	2.7	1,909	-46.8	1,569	-41.2
- Rubber products	4.9	3,433	-4.6	1,262	-2.4
- Petro-chemical products	3.2	2,233	-26.5	841	-20.7
- Chemicals	2.9	2,057	-18.9	757	-19.3
- Machinery & equipment	3.0	2,131	-6.2	758	-13.7
- Apparels & Textile	2.2	1,513	-15.0	556	-14.1
- Metal & steel	2.3	1,628	-8.2	606	-5.7
Mining & Fuel	3.6	2,535	-1.7	892	0.1

Products	Mar-23	
	USD million	%YoY
Automotive	3,651	-1.2
- Passenger car	1,120	8.7
- Pick up and trucks	720	-1.9
- Motorcycle	395	5.0
- Spark-ignition reciprocating internal combustion	348	-27.4
- Parts & accessories	912	-4.0

Products	Mar-23	
	USD million	%YoY
Electronics	4,593	5.0
- Computer parts	2,257	-6.0
- HDD	1,411	-13.8
- Electronic integrated circuits	811	-1.3
- Telecommunication	434	27.4
- Semi-conductor devices, transistors, diodes	466	66.4

End of Presentation

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