

# Economic Update for August 2021



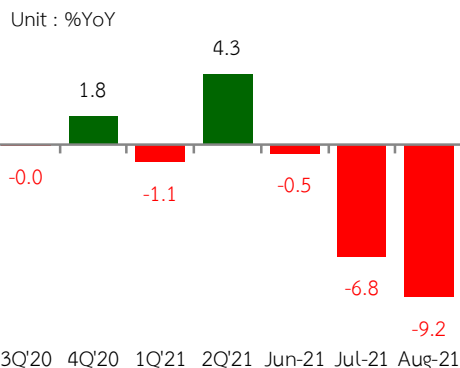
Business Research Office  
Data Governance and Analytics Group  
October 7, 2021

# Highlight in August 2021

More severe outbreak situations both in Thailand and overseas put an adverse impact on Thai economy in August 2021. Private consumption indicators contracted sharply given weaker household purchasing power, while private investment indicators and merchandise exports slowed down from decreasing demand as well as the impact of supply disruptions. As for the tourism sector, the ongoing international travel restrictions and rapidly spreading outbreak during the period made it harder to push large numbers of foreign tourists.

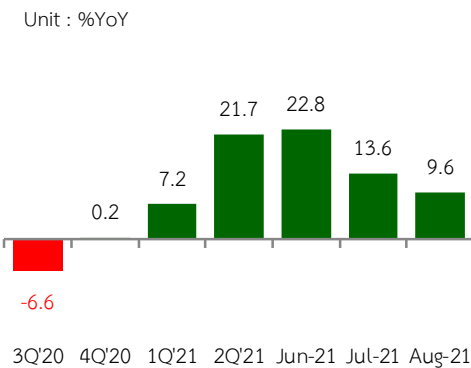
## Private consumption

Private consumption indicators declined further to 9.2%YoY. After seasonal adjustment, the indicators also recorded a contraction in all spending categories over the previous month despite stimulus measures from the government.



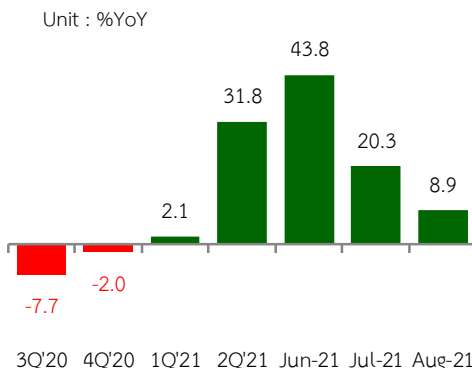
## Private investment

Private investment indicators grew at a slower rate in August. After seasonal adjustment, the indicators also plunged from July as reflected by the decreased investment in machinery and equipment.



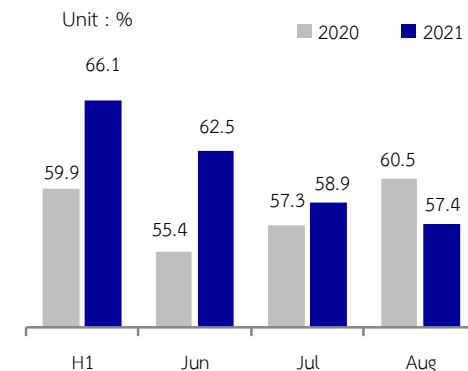
## Export of goods

The growth of merchandise exports recorded at 8.9%YoY, lower than 20.3%YoY in July. The downward direction was because of weaker demand from trading partners and supply disruption caused by the ongoing outbreak worldwide.



## Capacity utilization

Capacity utilization rate edged down to 57.4% in August 2021 from 60.5% in August 2020 as a result of the outbreak's impact on the manufacturing production, especially in the motor vehicle sector.



## Farm income

Farm income grew by 6.5%YoY in August, lower than 9.3%YoY in the previous month, due mainly to the significant plunge in agricultural prices.

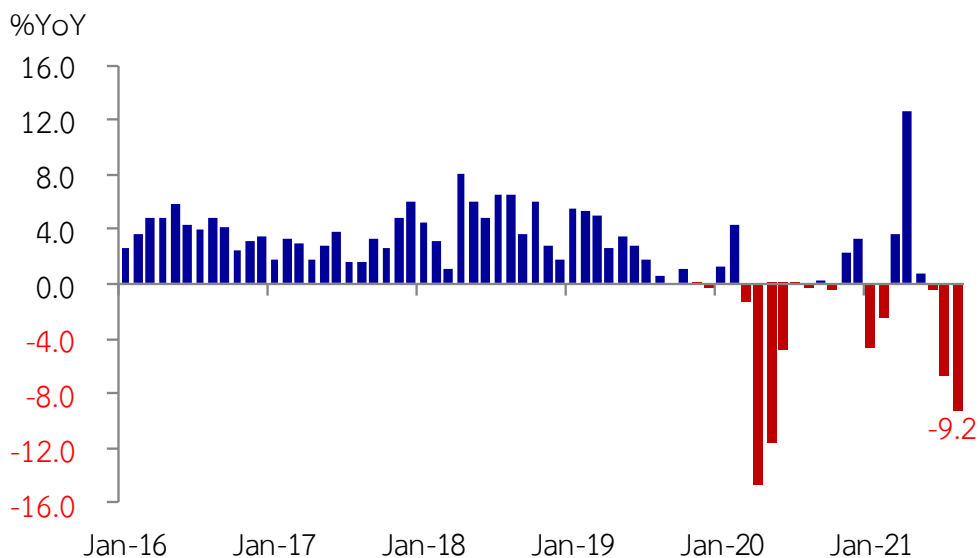
## Tourism sector

Despite reopening Phuket under the Phuket Sandbox scheme, the tourism sector still faced the risk of low numbers of foreign tourists as a result of the ongoing international travel restrictions and the rapid spread of the Delta variant globally.

# Private consumption

- Private consumption index shrank at a larger pace of 9.2%YoY in August. Meanwhile, the index after seasonal adjustment also moved in the same direction with a 2.6%MoM contraction on the back of a drop in all spending categories.
- The country's severe outbreak so far had seen a spike in cases and deaths, prompting tougher containment measures. As a consequence, overall economic activities, household income, and consumer confidence during the period weakened despite the government's stimulus measures.

Growth rate of private consumption index



Private consumption indicators

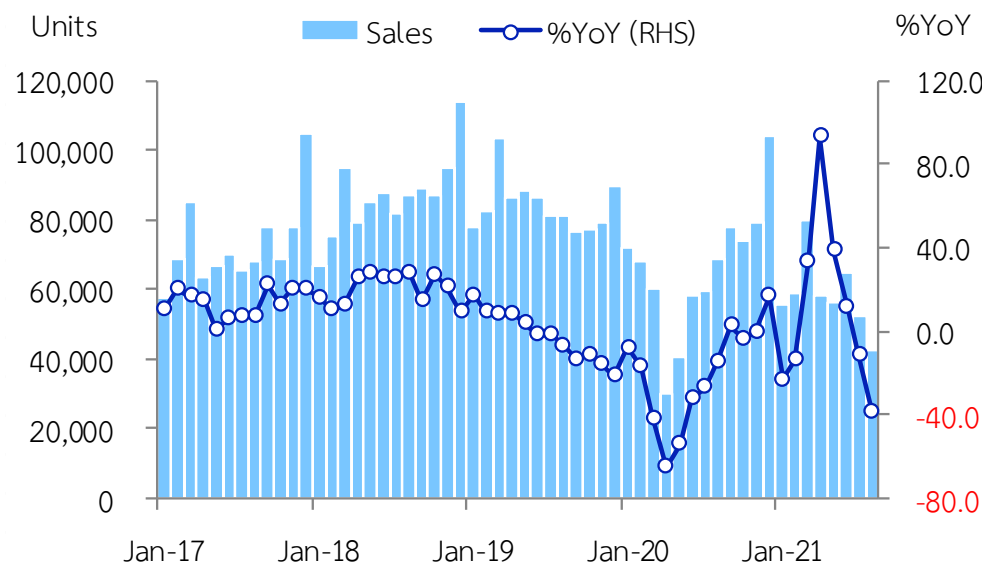
%YoY	2020		2021			
	H1	H2	H1	Jul	Aug	%MoM
Non-durable index	-2.6	-0.8	-2.3	-10.4	-11.1	-1.2
Semi-durable index	-3.7	-3.3	4.0	2.1	1.9	-0.3
Durable index	-21.3	-4.3	11.1	-8.0	-22.3	-11.7
Services index	-18.9	-23.7	-7.9	-4.8	-7.7	-2.9
(Less) Net tourism spending	-59.6	-91.5	-84.0	-12.7	-8.9	-0.2
<b>Private consumption index</b>	<b>-4.7</b>	<b>0.9</b>	<b>1.5</b>	<b>-6.8</b>	<b>-9.2</b>	<b>-2.6</b>

Note: %MoM is calculated from seasonally adjusted data

# Domestic vehicle sales

- Domestic vehicle sales in August plummeted 38.8%YoY to 42,176 units, the lowest record in 15 months. The unfavorable result was attributed to the government's containment measures and weaker purchasing power. Consumers were more worried about the uncertain economic situation amid a worsening outbreak of the Delta-variant.
- However, overall new vehicle sales for the first eight months of 2021 rose 2.4%YoY to 467,809 units, of which 31.3% were from Toyota, 25.2% from Isuzu, and 11.8% from Honda.

Domestic new vehicle sales



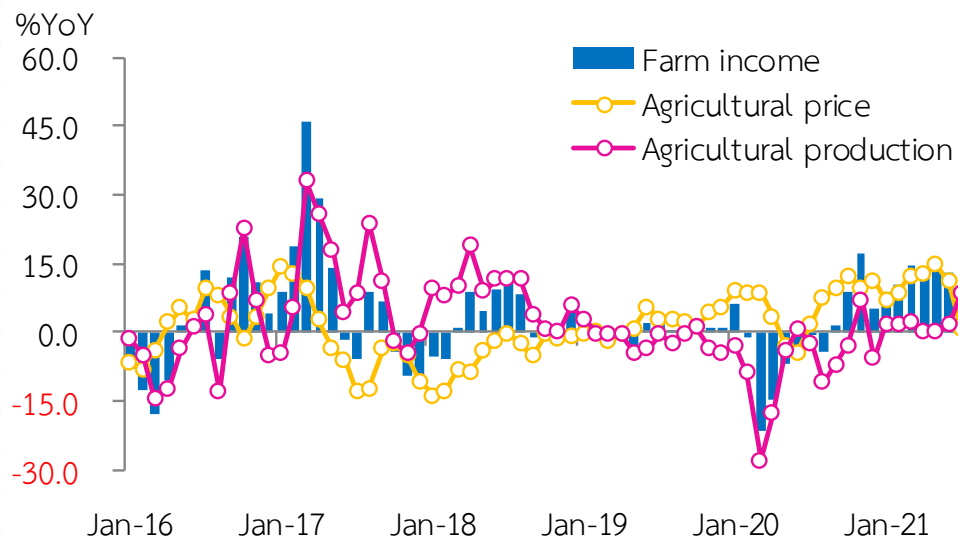
Top 10 new vehicle sales by brand in 2021

Brand	Share (%) Jan-Aug	Sales (units)		Change (%YoY)	
		Jan-Aug	Aug	Jan-Aug	Aug
Toyota	31.3	146,323	12,364	9.9	-42.6
Isuzu	25.2	117,880	11,035	9.1	-33.4
Honda	11.8	55,018	5,345	-1.7	-37.9
Mitsubishi	6.3	29,417	2,684	-17.5	-46.1
Mazda	4.9	22,833	1,813	3.1	-51.1
Ford	4.4	20,467	2,013	24.2	-23.4
Nissan	4.1	19,301	1,523	-34.8	-63.0
MG	4.0	18,836	2,187	18.0	-20.3
Suzuki	2.8	13,256	1,209	-13.4	-43.8
Hino	1.8	8,576	1,048	47.4	28.7
Others	3.4	15,902	955	-15.0	-6.6
<b>Total</b>	<b>100.0</b>	<b>467,809</b>	<b>42,176</b>	<b>2.4</b>	<b>-38.8</b>

# Farm income

- In August, the shrinkage in agriculture prices, especially paddy and fruits caused by rising output, was the main factor dragging down farm income. As a result, farm income during the period grew at a slower pace of 6.5%YoY when compared to 9.3%YoY in the previous month.

Farm income and components



Farm income and components in 2021

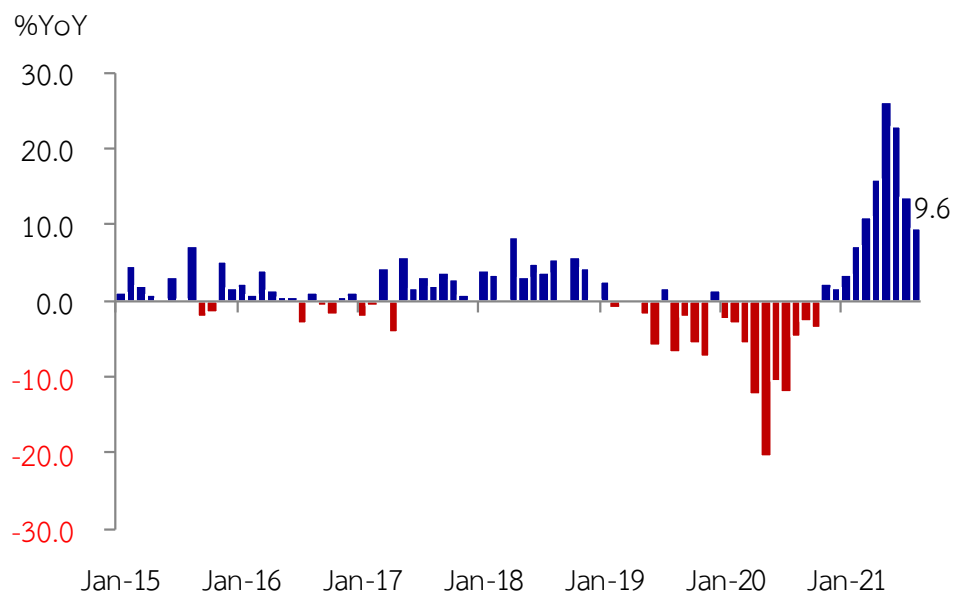
Item	Farm Income		Agricultural price		Agricultural production	
	Jul	Aug	Jul	Aug	Jul	Aug
<b>Agriculture</b>	<b>9.3</b>	<b>6.5</b>	<b>0.8</b>	<b>-6.4</b>	<b>8.4</b>	<b>13.8</b>
Paddy	-5.1	-14.7	-22.7	-29.4	22.7	20.8
Sugarcane	N.A.	N.A.	30.3	30.3	N.A.	N.A.
Cassava	35.2	30.4	20.1	16.6	12.6	11.8
Maize	-37.0	13.3	2.0	3.1	-38.3	9.8
Rubber, uss3	38.4	27.8	27.3	16.6	8.7	9.7
Durian	11.9	-3.1	9.0	-28.1	2.7	34.8
Palm kernel (weight over 15 kg.)	95.8	93.3	94.2	90.8	0.8	1.3
Coconut	16.8	-20.4	-23.7	-33.4	53.2	19.5
Swine (weight over 100 kg.)	-1.0	-8.7	-3.4	-11.0	2.5	2.5
Fowl	1.7	4.5	-0.4	-1.3	2.1	5.8
Egg, chicken	4.4	2.7	3.6	2.2	0.8	0.6
Shrimp, Vannamei	-11.1	-22.3	-7.0	-10.1	-4.4	-13.6

Source : OAE

# Private investment

- Private investment index continued to expand by 9.6%YoY in August. But the rate was lower than a 13.6% increase in July.
- After seasonal adjustment, the index revealed a 1.6% decline from the previous month as investment in machinery and equipment dropped in line with decreasing demand and weaker business sentiment. Nonetheless, looking at the optimistic side, investment in construction gradually improved after the relaxation of containment measures in construction sites, resulting in the expansion in permitted construction areas, particularly in the Industrial Estate zones, coupled with rising sales of construction materials including concrete products and cement.

Growth rate of private investment index



Private investment indicators

%YoY	2020		2021			%MoM
	H1	H2	H1	Jul	Aug	
Permitted construction area	-0.6	-4.6	-10.0	-7.5	-4.4	2.1
Construction material sales index	-0.1	-4.9	0.1	-17.6	-10.4	6.7
Real imports of capital goods	-14.2	-8.7	20.2	24.9	23.1	1.1
Real domestic machinery sales	-13.2	-0.2	26.2	35.5	19.5	-1.1
Number of newly registered motor vehicles for investment	-17.8	-2.6	9.0	-10.8	-16.0	-3.1
<b>Private investment index</b>	<b>-9.1</b>	<b>-2.9</b>	<b>13.9</b>	<b>13.6</b>	<b>9.6</b>	<b>-1.6</b>

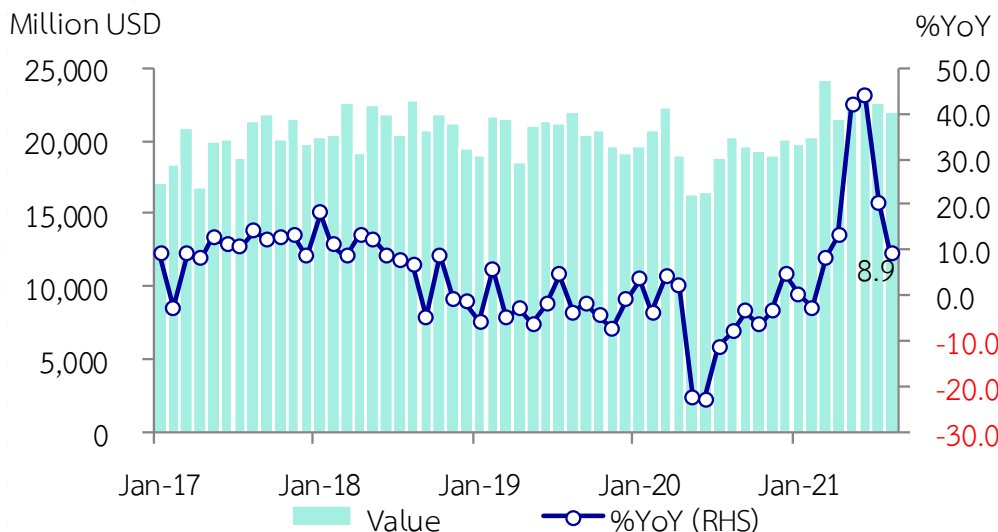
Note: %MoM is calculated from seasonally adjusted data

Source : BOT

# Export of goods

- The merchandise exports increased by 8.9%YoY to 21,976 million USD in August. The rate was lower than a 20.3%YoY expansion in July, reflecting weaker global demand amid the coronavirus crisis.
- In addition, there were many issues that put pressures on the export growth including the supply disruption caused by the temporary shut down of factories based on the government's containment measures, the management problem related to logistics, and the global semiconductor shortage.

### Export value and growth



### Export value to key markets in 2021

Market	Share Jan-Aug (%)	Jan-Aug		Aug	
		Million USD	%YoY	Million USD	%YoY
<b>Total</b>	<b>100.0</b>	<b>176,962</b>	<b>15.2</b>	<b>21,976</b>	<b>8.9</b>
ASEAN	23.7	42,025	12.9	5,144	15.2
U.S.A.	15.2	26,884	20.6	3,441	16.2
China	14.2	25,169	27.9	3,409	32.3
Japan	9.4	16,560	13.5	1,909	10.0
EU	9.4	16,565	23.3	1,901	13.3
Hong Kong	4.3	7,622	-0.8	914	-9.5
Australia	4.1	7,183	11.0	777	-23.1
India	2.9	5,168	55.6	682	44.2
Middle East	3.2	5,679	14.8	666	26.2
South Korea	2.2	3,943	41.6	551	72.6

Commodity price & Exchange rate	Jan-Aug		Aug	
	Price	%YoY	Price	%YoY
Dubai oil price (USD/bbl)	65.0	55.9	68.9	57.5
Gold price (USD/troy oz)	1,803.9	5.4	1,785.3	-9.3
Exchange rate (THB/USD)	31.3	-0.7	33.1	6.1
NEER index	119.5	-2.6	114.3	-6.5

Source : MOC, BOT, World Bank

# Export of goods in 2021

Major product	Share Jan-Aug (%)	Jan-Aug		Aug	
		Million USD	%YoY	Million USD	%YoY
<b>Total exports</b>	<b>100.0</b>	<b>176,962</b>	<b>15.2</b>	<b>21,976</b>	<b>8.9</b>
<b>Agriculture</b>	<b>10.0</b>	<b>17,758</b>	<b>26.2</b>	<b>2,359</b>	<b>45.5</b>
- Rice	1.1	1,907	-23.1	298	25.4
- Rubber	2.0	3,612	70.5	463	98.8
- Tapioca	1.5	2,654	48.2	321	48.4
- Fruits	2.7	4,834	62.4	825	125.0
- Fishery	0.6	1,072	4.6	137	10.8
<b>Agro-industrial</b>	<b>7.0</b>	<b>12,394</b>	<b>1.6</b>	<b>1,524</b>	<b>0.2</b>
- Prepared or preserved seafood	1.3	2,255	-12.7	278	-18.2
- Cane sugar and molasses	0.6	978	-35.5	122	1.4
- Wheat products and other food	0.9	1,520	4.4	195	5.9
- Beverages	0.8	1,359	5.6	139	-13.6
<b>Manufacturing</b>	<b>79.4</b>	<b>140,438</b>	<b>14.4</b>	<b>17,101</b>	<b>3.3</b>
- Automotive	14.3	25,291	34.0	2,698	23.5
- Electronics	15.6	27,555	18.9	3,363	12.7
- Electrical appliances	10.5	18,558	25.4	2,093	6.3
- Precious stones and jewelry	3.6	6,428	-57.7	881	-71.9
- Unwrought gold	1.5	2,680	-78.2	395	-85.8
- Rubber products	5.6	9,962	31.7	1,164	6.5
- Petro-chemical products	4.1	7,337	44.7	1,027	55.7
- Chemicals	3.5	6,219	42.2	815	45.1
- Machinery & equipment	2.9	5,192	25.5	645	21.8
- Apparels & textile	2.4	4,218	11.3	517	9.2
- Metal & steel	2.5	4,379	41.1	605	60.3
<b>Mining &amp; Fuel</b>	<b>3.6</b>	<b>6,372</b>	<b>40.3</b>	<b>992</b>	<b>111.2</b>

Product	Aug	
	Million USD	%YoY
<b>Automotive</b>	<b>2,698</b>	<b>23.5</b>
- Passenger car	575	-16.5
- Pick up and trucks	643	64.9
- Motorcycle	269	44.3
- Spark-ignition reciprocating internal combustion	309	35.8
- Parts & accessories	786	26.3

Product	Aug	
	Million USD	%YoY
<b>Electronics</b>	<b>3,363</b>	<b>12.7</b>
- Computer parts	1,707	10.5
- HDD	1,046	25.7
- Printed circuits	649	16.5
- Telecommunication	279	4.2
- Semi-conductor devices, transistors, diodes	227	22.2

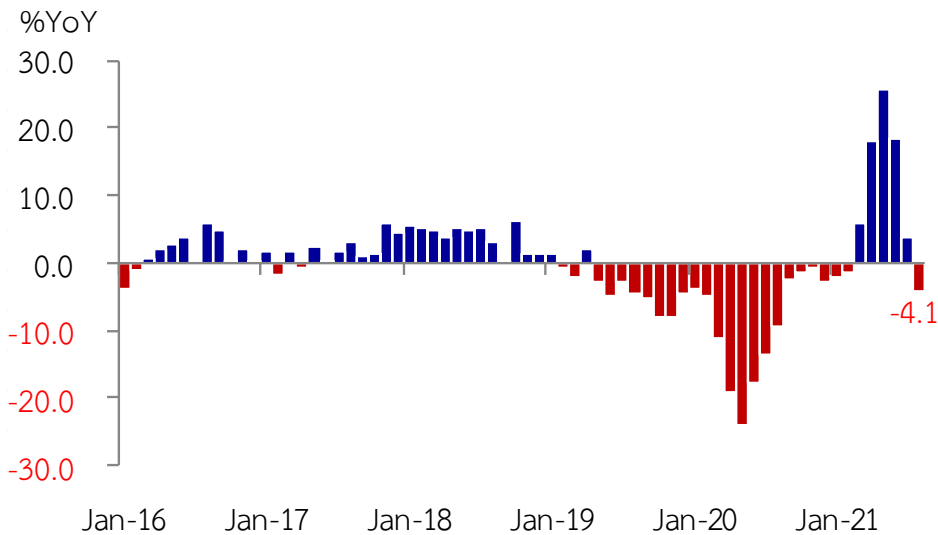
Source : MOC



# Manufacturing production

- Manufacturing Production Index in August dropped by 4.1%YoY, the first month of contraction in the manufacturing sector after facing signs of slowdown over the past two months. This was mainly attributed to the widespread outbreak both in Thailand and abroad. The hardest-hit industries included beverage, electrical appliances, and automobile.

Growth rate of manufacturing production index



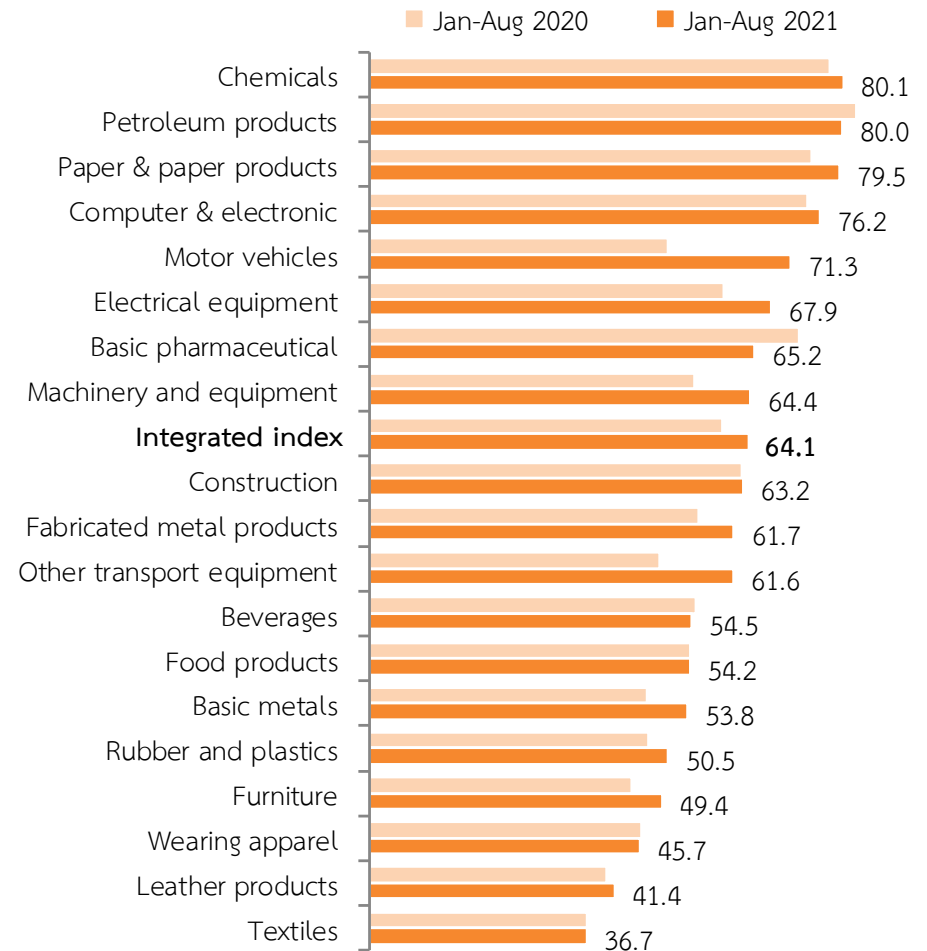
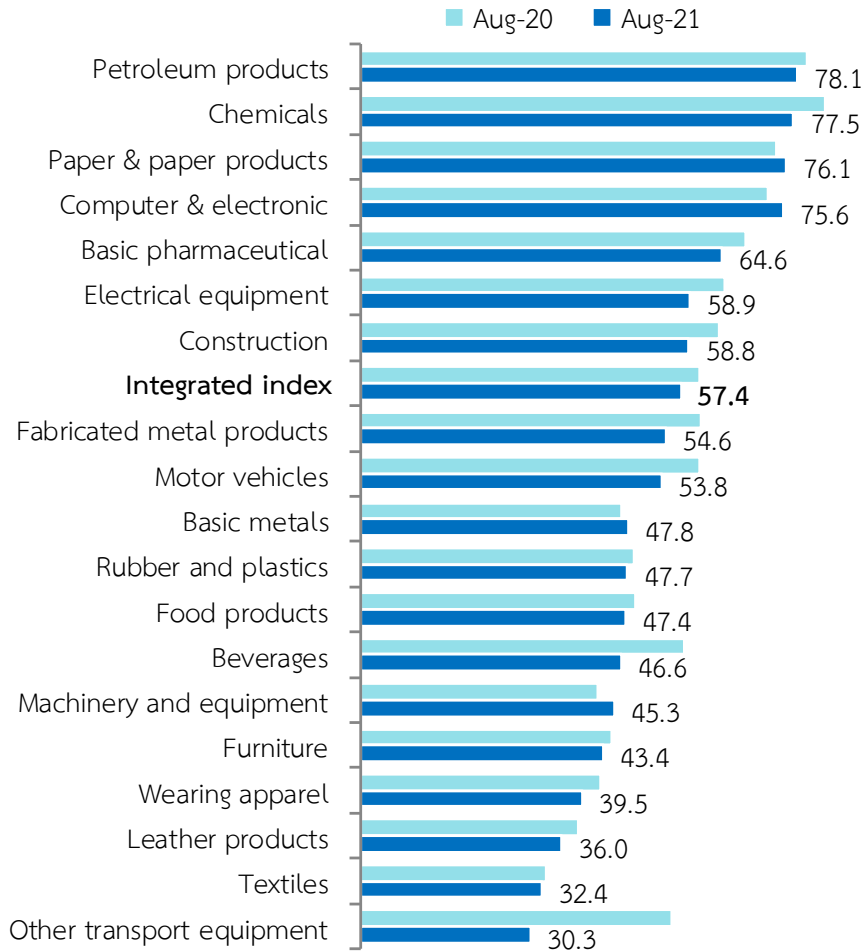
Manufacturing Production Index (MPI)

%YoY	2020	2020		2021				
	2020	H1	H2	H1	Q1	Q2	Jul	Aug
<b>Overall MPI</b>	-9.3	-13.2	-5.1	7.1	0.8	20.6	3.9	-4.1
Basic metal	-7.1	-12.9	-0.8	19.9	15.5	33.7	3.7	11.9
IC and semiconductors	1.9	-0.4	4.1	15.2	12.3	19.7	16.6	9.3
Wearing apparels	-20.7	-9.0	-32.7	-13.5	-21.9	-11.6	1.6	3.3
Papers	-0.1	-0.6	0.5	4.8	-0.3	11.0	5.8	2.5
Rubbers and plastics	-7.8	-11.4	-4.1	6.8	-0.8	17.7	10.0	1.6
Hard disk drive	-2.8	3.1	-7.6	5.8	3.9	15.6	-11.0	0.0
Food	-6.1	-8.0	-3.8	1.9	3.1	3.4	-3.6	-2.4
Basic pharmaceutical	1.3	5.6	-2.8	-7.6	-5.4	-12.6	-1.6	-3.5
Textiles	-22.5	-24.7	-20.0	-2.2	-16.6	20.9	0.4	-5.6
Chemicals	-3.2	-3.2	-3.3	3.5	5.7	2.9	9.2	-5.7
Petroleum	-7.0	-9.9	-3.8	-6.2	-13.9	2.3	-5.0	-6.8
Cements and construction	-5.0	-3.7	-6.3	-0.8	-2.4	6.0	-8.2	-7.8
Fabricated metal products	-3.3	-10.4	4.0	10.8	4.4	24.9	14.3	-9.7
Automotive	-28.9	-42.5	-13.8	32.4	3.3	147.6	32.4	-9.8
Electrical appliances	5.5	-5.2	16.8	11.9	12.6	29.0	-8.2	-11.4
Beverage	-6.2	-11.3	-1.1	1.0	-5.7	24.1	-12.3	-20.0

Source : OIE

# Capacity utilization rate of major industries

- The capacity utilization rate of 57.4% in August 2021 was lower than 60.5% in August 2020. However, the rate for the first eight months of 2021 with recording a 64.1% performed better than the same period last year. Capital utilization rate of many industries remained high such as chemicals, petroleum products, paper and paper products, and computer and electronic.

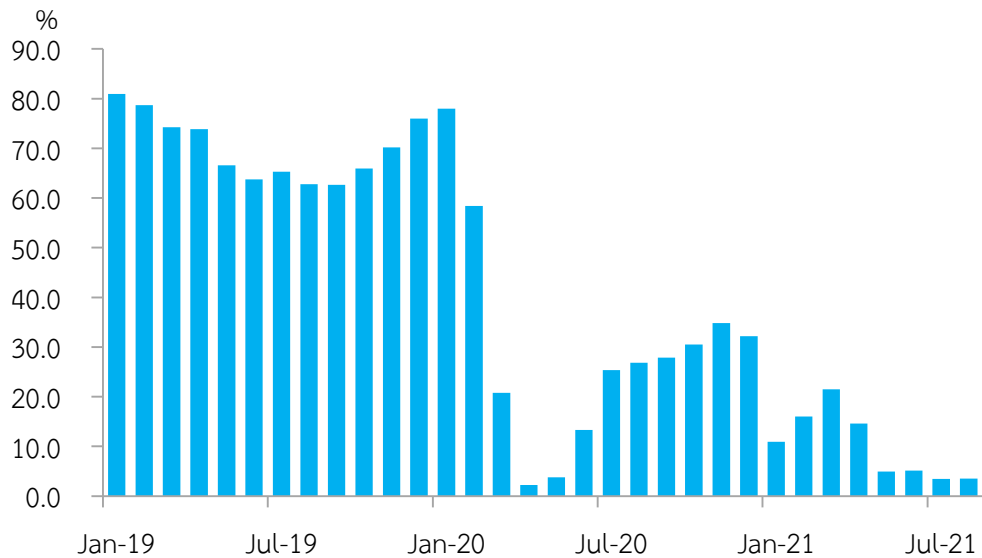


Source : OIE

# Tourism sector

- Even though the government helped support the tourism sector through reopening of Phuket, one of the attractive tourist destinations in Thailand, under the Phuket Sandbox scheme from July onwards, the number of international tourist arrivals remained low with recording 15,105 in August, noting that the tourism sector had been devastated by the impact of the widespread outbreak all over the world. Besides, the ongoing international travel restrictions also directly obstructed the tourism growth.
- The occupancy rate of hotels nationwide in August remained very low because domestic travelers were less confident about travelling safely without risking infection amid worsening outbreak in the country.

Average occupancy rate



Average occupancy rate classified by area

%	2020		2021				
	H1	H2	H1	Q1	Q2	Jul	Aug
North	29.9	47.4	16.7	24.1	9.3	6.1	6.1
Bangkok	34.8	21.6	10.2	10.8	9.6	4.5	4.9
Northeast	26.0	42.8	19.1	30.0	8.2	4.0	4.1
East	28.6	31.2	9.4	10.3	8.5	2.6	2.7
Central exc. Bangkok	23.8	30.8	11.8	18.1	5.4	2.1	2.4
South	27.7	15.7	8.4	10.6	6.1	1.9	2.1
West	30.0	49.2	19.8	27.5	12.1	2.7	1.8
<b>Overall</b>	<b>29.4</b>	<b>29.6</b>	<b>12.2</b>	<b>16.2</b>	<b>8.2</b>	<b>3.5</b>	<b>3.5</b>

# End of Presentation

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## Disclaimer

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