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Monthly Economic Report (As of January 2021)

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Mr. Wuttipong Jittungsakul, Fiscal Policy Advisor, and Mr. Pisit Puapan, Executive Director of Macroeconomic Policy Bureau revealed the economic report in January 2021 that “The Thai economy in January 2021 decreased from the previous month, due to declining in domestic consumption and tourism, as a result of the situation of the new wave of coronavirus outbreak that started in mid-December 2020. However, the exports continued to expand from the previous month.” **The details were summarized as follows:**

Economic indicators on private consumption in January 2021 shown the signs of slowdown from previous month as shown by durable goods consumptions. **passenger car sales and motorcycles registrations** declined by -46.9 and -6.6 percent per year, respectively. Moreover, **real VAT collection** decreased by -7.8 percent per year and **consumer confidence index** decreased from 50.1 points in December 2020 to 47.8 points in January 2020 as a result of the new wave of coronavirus outbreak. There were many concerns about negative impacts on economy and employment. However, **real farm income** continued to expand at 8.0 percent per year.

Economic indicators on private investment in January 2021 shown the signs of slowdown from previous month, Machinery and equipment investment reflected by **commercial car sales** declining by -5.4 percent per year due to the slowdown in the domestic economy. For **private investment in construction sector**, **domestic cement sales** increased by 1.6 percent per year. However **real estate tax collection** decreased by -9.9 percent per year.

International trade continued to grow from previous month as shown by **export values (USD term)**, which expand by 0.4 percent per year, due to the recovery of world economy and economic stimulus measures in many countries. There was expansion on many export goods as follows: 1) The export values of foods showed expansion. Palm oil and Cassava products expanded by 345.1 and 50.5 percent per year, respectively, as well as

fresh fruits/vegetables and pet food. 2) The export values of the devices for working from home. For example, fax machine, phone, and home appliances (furniture, air condition, microwave, electrical appliances that provide heat, refrigerator, and freezer), also expanded. 3) The export on the goods for COVID-19 protection, such as medical equipment, pharmaceutical products and rubber glove, continued to grow. Furthermore, the exports of vehicle, equipment and components, computers and components, circuit board, chemical and plastic improved. However, the exports of gold, oil, radio, television and components decreased. Moving onto the export markets focus, the export values to United States expands by 12.4 percent per year, the eighth consecutive month's increase. In addition, the export values to Australia and China continue to growth by 30.3 and 9.9 percent per year, respectively. Moreover, the export values to CLMV recovered and increased by 3.8 percent per year, the first expansion in 10 months.

Supply-side indicators decreased from previous month, supported by **Thai Industries Sentiment Index (TISI)** decreased to 83.5 points as results of the situation of the new wave of coronavirus outbreak in several provinces. This led to negative impacts on economic activities. Moreover, the exporters were facing container shortage crisis. This led to high shipping costs. Moving onto tourism sector, there were 7,649 foreign tourists in January 2021, including the Special Tourist Visa, the Thailand Privilege Card, and the business travelers. To focus on nationality, the majority of tourists in this month were Europe, Finland, Switzerland, Denmark, Singapore, and Indonesia. Meanwhile, agricultural sector reflected by **Agricultural Product Index (API)** increased slightly by 0.9 percent per year due to increasing in paddy, cassava, and maize.

Internal economic stabilities remained favourable. Headline and core inflation in January 2021 were at -0.3 and 0.2 percent per year, respectively. Meanwhile, **public debt to GDP at the end of December 2020** stood at 52.1 percent to GDP, lower than the Fiscal Sustainability Framework 2018. **External economic stability** remained robust reflecting the resilient ability to risk from the volatilities in global economy as **the international reserves at the end of January 2021** were high at 256.8 billion USD.

Table 1 Quarterly and Monthly Economic Indicators in January 2021

Economic Indicators	2019	2020	2020						2021
			Q1	Q2	Q3	Q4	Nov	Dec	Jan
External sector									
Dubai crude oil price (US\$/Barrel) /7	63.54	42.21	50.73	30.57	42.92	44.62	43.40	49.80	54.77
Fed funds rate (%) /7	1.50-1.75	0.00-0.25	0.00-0.25	0.00-0.25	0.00-0.25	0.00-0.25	0.00-0.25	0.00-0.25	0.00-0.25
Demand-side indicators									
Private consumption indicators									
Value added tax at constant price (%YoY) /1	0.4	-6.8	-0.0	-15.1	-5.1	-6.7	-6.5	-4.3	-7.8
Sales of passenger cars (%YoY)/14	-0.9	-30.6	-23.6	-60.2	-30.3	-5.0	-7.2	16.4	-46.9
The number of new motorcycles registrations (%YoY)/13	-3.4	-10.4	-5.9	-28.1	-2.9	-4.6	-10.6	10.6	-6.6
Import volume of consumer goods in USD (%YoY) /1	2.8	-10.1	-2.2	-16.6	-11.2	-10.6	-9.3	0.4	-4.6
Consumer Confidence Index (Index) /5	75.5	52.6	60.8	48.2	50.4	51.1	52.4	50.1	47.8
Private investment indicators									
Import volume of capital goods in USD (%YoY) /1	-5.4	-10.3	-3.9	-17.0	-15.4	-4.9	-3.2	7.3	-11.9
Sales of commercial cars (%YoY)/14	-5.1	-15.2	-24.4	-44.2	-1.3	11.7	8.2	15.8	-5.4
Total taxes collected from real estate transaction (%YoY) /1	-4.7	-12.9	-17.8	-12.3	-10.4	-11.3	-11.6	-15.9	-9.9
Domestic cement sales (%YoY) /2	-5.7	-0.5	-4.3	4.0	1.6	-3.1	-1.5	1.3	1.6
Construction material price index (%YoY) /14	-1.3	-1.8	-2.2	-3.6	-1.7	0.4	0.4	0.8	3.7
International trade indicators									
Exports (Billion USD): custom basis	246.3	231.5	62.7	51.7	58.7	58.4	18.9	20.1	19.7
(%YoY)/4	-2.6	-6.0	1.0	-15.2	-7.8	-2.0	-3.6	4.7	0.4
Export price (%YoY)/4	0.3	-0.8	-0.4	-2.0	-0.7	0.1	0.2	0.1	0.9
Export volume (%YoY)/14	-3.0	-5.3	1.4	-13.4	-7.2	-2.1	-3.8	4.6	-0.5
Imports (Billion USD): custom basis	236.3	207.0	58.2	44.8	48.7	55.3	18.9	19.1	19.9
(%YoY) /4	-4.8	-12.4	-2.9	-23.8	-18.6	-4.2	-1.0	3.6	-5.2
Import price (%YoY)/4	0.2	-2.0	-0.9	-5.1	-1.5	-0.5	-1.0	0.9	2.2
Import volume (%YoY) /14	-4.9	-10.7	-1.9	-19.6	-17.4	-3.8	-0.0	2.7	-7.3
Trade balance (Billion USD): custom basis/4	10.0	24.5	4.5	6.9	9.9	2.2	0.1	0.1	-0.2
Supply-side indicators									
Agricultural sector									
Agricultural Production Index (%YoY) /6	-1.0	-4.1	-13.3	-4.3	-1.3	1.2	2.8	-0.6	0.9
Agricultural Price Index (%YoY) /6	1.8	6.1	8.6	-1.4	6.3	11.1	9.6	11.2	7.1
Real farm income (%YoY) /14	0.1	2.9	-6.9	-3.3	5.8	12.1	12.7	10.4	8.0
New employment in agricultural sector(%YoY) /3	-2.5	1.2	-3.6	—	0.4	3.9	1.2	6.2	n.a.
Industrial sector									
Manufacturing Production Index (%YoY) /10	-3.4	-9.3	-6.7	-20.4	-8.5	-1.6	-0.6	-2.8	-2.8
Import value of raw materials in USD	-7.5	-9.9	-1.5	-20.1	-19.2	2.5	5.9	11.2	10.0

Economic Indicators	2019	2020	2020						2021
			Q1	Q2	Q3	Q4	Nov	Dec	Jan
(%YoY) /1									
Import volume of raw materials in USD (%YoY) /1	-7.5	-11.8	-2.7	-21.4	-21.0	-1.2	2.0	6.7	5.5
Capacity utilization (%) /10	66.3	61.0	66.9	52.8	60.4	63.8	64.8	63.2	66.4
New employment in industrial sector (%YoY) /3	-25.7	4.7	-1.6	—	-2.6	20.3	30.2	22.6	n.a.
Thai Industrial Sentiment Index (Index) /9	93.7	84.6	90.1	78.1	83.9	86.4	87.4	85.8	83.5
Service sector									
No. of foreign tourists (Million persons) /11	39.9	6.7	6.7	0.0	0.0	0.0	0.0	0.0	0.0
(%YoY) /14	4.6	-83.2	-38.0	-100.0	-100.0	-99.9	-99.9	-99.8	-99.8
No. of Thai tourists (%YoY)	0.5	-43.8	-33.2	-90.8	-36.7	-18.6	-23.4	-31.9	n.a.
New employment in service sector(%YoY) /3	13.0	-0.8	1.0	—	3.1	-4.6	-7.8	-5.7	n.a.
External economic stability									
Average exchange rate (Baht/USD) /2	31.0	31.4	31.8	31.7	31.3	30.6	30.5	30.1	30.0
Current account (Billion USD)/2	38.2	16.5	9.8	1.3	6.6	-1.2	-1.5	-0.7	n.a.
International reserves (Billion USD)/2	224.3	258.1	226.5	241.6	251.1	258.1	253.5	258.1	256.8
Net Forward Position (Billion USD)/2	34.7	28.3	34.4	24.5	24.2	28.3	27.0	28.3	29.8
Internal economic stability									
Unemployment rate (%) /3	1.0	1.6	1.1	2.0	1.3	1.9	2.0	1.5	n.a.
Producer Price Index (%YoY)/4	-1.0	-1.8	-0.4	-4.1	-1.7	-0.9	-0.9	-0.9	-0.6
Headline inflation (%YoY)/4	0.7	-0.8	0.4	-2.7	-0.7	-0.4	-0.4	-0.3	-0.3
Core inflation (%YoY)/4	0.5	0.3	0.5	0.1	0.3	0.2	0.2	0.2	0.2
Public debt to GDP (%) /1	41.2	52.1	41.7	45.8	49.4	52.1	50.5	52.1	n.a.

Fiscal sector	FY2563	FY2563 Q1	FY2563 Q2	FY2563 Q3	FY2563 Q4	FY2564 Q1	FY2564 Dec	FY2564 Jan	FYTD
Fiscal sector									
Budget expenditure (Billion baht) /1	2,943.9	729.5	813.6	710.4	690.4	938.5	247.2	189.1	1,127.6
(%YoY) /1	5.6	-18.3	21.6	20.4	8.6	28.7	8.7	-1.6	22.4
Current expenditure (Billion baht) /1	2,575.9	703.5	750.4	602.8	519.3	865.5	223.0	172.4	1,038.0
(%YoY) /1	7.3	-14.0	31.9	21.1	0.5	23.0	2.5	-6.3	16.9
Capital expenditure (Billion baht) /1	367.9	26.0	63.3	107.6	171.1	73.0	24.2	16.6	89.6
(%YoY) /1	-5.0	-65.4	-36.9	16.1	43.7	180.9	148.2	107.8	163.7
Carry-over budget (Billion baht) /1	224.9	80.6	62.8	32.8	48.7	79.8	32.8	18.0	97.8
(%YoY) /1	-11.8	13.9	2.9	-54.0	-6.0	-1.0	-1.4	-27.7	-7.3
Government expenditure (Billion baht) /1	3,168.7	810.1	876.4	743.2	739.0	1,018.3	280.0	207.1	1,225.4
(%YoY) /1	4.1	-15.9	20.0	12.3	7.5	25.7	7.4	-4.6	19.3

Source: 1/Ministry of Finance 2/Bank of Thailand 3/National Statistical Office 4/ Ministry of Commerce 5/ The University of the Thai Chamber of Commerce 6/ Office of Agricultural Economics 7/Reuters 8/ The Federation of Thai Industries 9/ The Office of Industrial Economics 10/ Ministry of Tourism & Sports 11/ The Revenue Department, the Excise Department, and the Thai Customs 12/ Department of Land Transport 13/Fiscal Policy Office 14/calculated by the authors