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Monthly Economic Report (As of March 2021)

“The Thai economy in March 2021 showed an improving sign from the previous month due to the exports and private consumption. In addition, Industrial Production Index was back to grow. However, the impact of the new coronavirus outbreak that occurred in April 2021 must be monitored.”

Ms. Kulaya Tantitemit, Director General of the Fiscal Policy Office and Spokesperson of the Ministry of Finance, Mr. Wuttipong Jittungsakul, Fiscal Policy Advisor, and Mr. Pisit Puapan, Executive Director of Macroeconomic Policy Bureau revealed the economic report in March 2021 that “The Thai economy in March 2021 showed an improving sign from the previous month due to the exports and private consumption. In addition, Industrial Production Index was back to grow. However, the impact of the new coronavirus outbreak that occurred in April 2021 must be monitored.” The details were summarized as follows:

Economic indicators on private consumption in March 2021 showed an improving sign from the previous month shown by real VAT collection increased by 15.2 percent per year, as well as durable goods consumption. Passenger car sales and motorcycle registration increased by 18.4 and 15.6 percent per year, respectively, compared to the previous month after a seasonal adjustment increases of 8.1 and 8.6, respectively. Furthermore, farm income continued to expand at 12.8 percent per year. Meanwhile, the consumer confidence index decreased to 48.5 from 49.4 in the previous month as the government announced the suspension of activities during the Songkran festival and consumers are also concerned about the coronavirus disease 2019. However, government spending stimulus measures continue to support the purchasing power of consumers.

Economic indicators on private investment in March 2021 showed an improving sign from the previous month. Machinery and equipment investment reflected by import value of capital goods that increased by 14.8 percent per year and 5.4 percent per month after a seasonal adjustment. Commercial car sales increased by 26.3 percent per year and 0.6 percent per month after a seasonal adjustment. Meanwhile, investment on construction expanded. Cement sale showed accelerated growth at 11.4 percent per year due to investment on large infrastructure. Moreover, real estate tax collection increased by 17.8 percent per year.

International trade continued to grow from the previous month. Export values (USD term), at 24,222 million US dollars. which increased by 8.5 percent per year. Furthermore, the export value, excluding gold, oil, and weapons, increased by 12.0 percent per year. There was an expansion on many export goods as follows: 1) The export values of automotive/equipment/components and rubber products expanded by 43.1 and 50.6 percent per year, respectively, as well as plastics, steels and chemicals. 2) The export values of agriculture and food such as rubber, cassava products, and pet food increased by 109.2, 59.2 and 41.4 percent per year, respectively. 3) The export of the devices for working from home, such as computers, equipment and components, phones and accessories, and home appliances (refrigerators and freezers air conditioners and components, etc.), also expanded. 4) The export of the goods for COVID-19 protection and epidemic reduction. For example, medical equipment and rubber gloves continued to be ordered. Focusing on the export main markets, the export values to China continuously for the fourth consecutive month at 35.4 percent per year. Similarly, the export values Europe, South Asia, and Australia continue to grow by 32.0, 24.3, and 16.9 percent per year, respectively. However, the export values to 9 ASEAN countries slowly decreased by -0.4 percent per year.

Supply-side indicators improved from the previous month reflected by Manufacturing Production Index increased by 4.1 percent per year due to the expansion in automotive, sugar, and instant food industries. Moreover, Thai Industries Sentiment Index (TISI) increased to 87.3 from 85.1 points in February 2021 as a result of expansion of internal and external demands, particularly an increase of orders on automotive and components, electrical appliances, computers and components, chemicals, and refined fuels. Moving onto the tourism sector, there were 6,737 foreign tourists in March 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 United States, Germany, United Kingdom, and China. Meanwhile, Thai tourists increased by 71.5 percent per year. Meanwhile, the agricultural sector reflected by Agricultural Product Index (API) that slowly increased by 0.6 percent per year due to increasing in paddy, rubber, and livestock products, such as pigs and chickens.

Internal economic stabilities remained favourable. Headline and core inflation in March 2021 were at -0.1 and 0.1 percent per year, respectively. Meanwhile, public debt to GDP at the end of January 2020 stood at 53.2 percent to GDP, which was below Fiscal Sustainability Framework under the State Fiscal and Fiscal Discipline Act, B.E.2561 (2018). External economic stability remained robust reflecting the resilient ability to risk from the volatilities in the global economy as the international reserves at the end of March 2021 were high at 245.5 billion USD.

Table 1 Quarterly and Monthly Economic Indicators in March 2021

Economic Indicators	2020	2020				2021			
		Q1	Q2	Q3	Q4	Q1	Feb	Mar	YTD
External sector									
Dubai crude oil price (US\$/Barrel) /7	42.21	50.73	30.57	42.92	44.62	60.01	60.85	64.42	60.01
Fed funds rate (%) /7	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	0.00-0.25
Demand-side indicators									
Private consumption indicators									
Value added tax at constant price (%YoY) /1	-6.8	-0.0	-15.1	-5.1	-6.7	-3.9	-18.1	15.2	-3.9
Sales of passenger cars (%YoY)/14	-30.6	-23.6	-60.2	-30.3	-5.0	-24.0	-30.7	18.4	-24.0
The number of new motorcycles registrations (%YoY)/13	-10.4	-5.9	-28.1	-2.9	-4.6	1.2	-5.9	15.6	1.2
Import volume of consumer goods in USD (%YoY) /1	-10.1	-2.2	-16.6	-11.2	-10.6	8.8	17.8	17.8	8.8
Consumer Confidence Index (Index) /5	52.6	60.8	48.2	50.4	51.1	48.6	49.4	48.5	48.6
Private investment indicators									
Import volume of capital goods in USD (%YoY) /1	-10.3	-3.9	-17.0	-15.4	-4.9	5.4	18.6	14.8	5.4
Sales of commercial cars (%YoY)/14	-15.2	-24.4	-44.2	-1.3	11.7	5.9	-2.3	26.3	5.9
Total taxes collected from real estate transaction (%YoY) /1	-12.9	-17.8	-12.3	-10.4	-11.3	5.0	2.9	17.8	5.0
Domestic cement sales (%YoY) /2	-0.5	-4.3	4.0	1.6	-3.1	4.7	0.9	11.4	4.7
Construction material price index (%YoY) /14	-1.8	-2.2	-3.6	-1.7	0.4	4.4	4.3	5.4	4.4
International trade indicators									
Exports (Billion USD): custom basis	231.5	62.7	51.7	58.7	58.4	64.1	20.2	24.2	64.1
(%YoY)/4	-6.0	1.0	-15.2	-7.8	-2.0	2.3	-2.6	8.5	2.3

Economic Indicators	2020	2020				2021			
		Q1	Q2	Q3	Q4	Q1	Feb	Mar	YTD
Export price (%YoY)/4	-0.8	-0.4	-2.0	-0.7	0.1	2.1	2.0	3.5	2.1
Export volume (%YoY)/14	-5.3	1.4	-13.4	-7.2	-2.1	0.1	-4.5	4.8	0.1
Imports (Billion USD): custom basis	207.0	58.2	44.8	48.7	55.3	63.6	20.2	23.5	63.6
(%YoY) /4	-12.4	-2.9	-23.8	-18.6	-4.2	9.4	22.0	14.1	9.4
Import price (%YoY)/4	-2.0	-0.9	-5.1	-1.5	-0.5	6.1	5.7	10.7	6.1
Import volume (%YoY) /14	-10.7	-1.9	-19.6	-17.4	-3.8	2.9	15.4	3.1	2.9
Trade balance (Billion USD): custom basis/4	24.5	4.5	6.9	9.9	3.1	0.5	0.0	0.7	0.5
Supply-side indicators									
Agricultural sector									
Agricultural Production Index (%YoY) /6	-4.0	-13.1	-4.0	-0.6	0.9	1.3	2.1	0.6	1.3
Agricultural Price Index (%YoY) /6	6.1	8.6	-1.4	6.3	11.0	9.7	9.1	12.8	9.7
Real farm income (%YoY) /14	2.1	-6.8	-4.2	4.7	11.0	10.9	12.1	12.8	10.9
New employment in agricultural sector(%YoY) /3	1.2	-3.6	—	0.4	3.9	Na.	Na.	Na.	Na.
Industrial sector									
Manufacturing Production Index (%YoY) /10	-9.3	-6.7	-20.4	-8.5	-1.6	0.3	-1.3	4.1	0.3
Import value of raw materials in USD (%YoY) /1	-9.9	-1.5	-20.1	-19.2	2.5	26.3	41.9	29.6	26.3
Import volume of raw materials in USD (%YoY) /1	-11.8	-2.7	-21.4	-21.0	-1.2	20.5	35.3	23.0	20.5
Capacity utilization (%) /10	61.0	66.9	52.8	60.4	63.8	67.0	65.1	69.7	67.0
New employment in industrial sector (%YoY) /3	4.7	-1.6	—	-2.6	20.3	Na.	Na.	Na.	Na.
Thai Industrial Sentiment Index (Index) /9	84.6	90.1	78.1	83.9	86.4	85.3	85.1	87.3	85.3
Service sector									
No. of foreign tourists (Million persons) /11	6.7	6.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(%YoY) /14	-83.2	-38.0	-100.0	-100.0	-99.9	-99.7	-99.7	-99.2	-99.7
No. of Thai tourists (%YoY)	-47.9	-30.3	-90.6	-38.0	-29.9	-34.5	-37.4	71.5	-34.5
New employment in service sector(%YoY) /3	-0.8	1.0	—	3.1	-4.6	Na.	Na.	Na.	Na.
External economic stability									
Average exchange rate (Baht/USD) /2	31.4	31.8	31.7	31.3	30.6	30.3	30.0	30.8	30.3
Current account (Billion USD)/2	16.5	9.8	1.3	6.6	-1.2	-1.7	-1.1	Na.	-1.7
International reserves (Billion USD)/2	258.1	226.5	241.6	251.1	258.1	253.9	253.9	245.5	245.5
Net Forward Position (Billion USD)/2	28.3	34.4	24.5	24.2	28.3	30.6	30.6	32.7	32.7
Internal economic stability									
Unemployment rate (%) /3	1.6	1.1	2.0	1.3	1.9	Na.	Na.	Na.	Na.
Producer Price Index (%YoY)/4	-1.9	-0.4	-4.1	-1.7	-1.5	-1.4	-1.9	0.5	-1.4
Headline inflation (%YoY)/4	-0.9	0.3	-2.7	-0.7	-0.4	-0.5	-1.2	-0.1	-0.5
Core inflation (%YoY)/4	0.3	0.6	0.1	0.3	0.2	0.1	0.0	0.1	0.1
Public debt to GDP (%) /1	51.8	41.7	45.8	49.4	51.8	53.2	53.2	Na.	53.2

Fiscal sector	FY2563	FY2563 Q2	FY2563 Q3	FY2563 Q4	FY2564 Q1	FY2564 Q2	FY2564 Feb	FY2564 Mar	FYTD
Fiscal sector									
Budget expenditure (Billion baht) /1	2,943.9	813.6	710.4	690.4	938.5	612.9	165.3	258.5	1,551.4
(%YoY) /1	5.6	21.6	20.4	8.6	28.7	-24.7	-2.0	-42.9	0.5
Current expenditure (Billion baht) /1	2,575.9	750.4	602.8	519.3	865.5	526.2	141.8	211.9	1,391.7
(%YoY) /1	7.3	31.9	21.1	0.5	23.0	-29.9	-12.4	-47.6	-4.3
Capital expenditure (Billion baht) /1	367.9	63.3	107.6	171.1	73.0	86.7	23.5	46.6	159.7
(%YoY) /1	-5.0	-36.9	16.1	43.7	180.9	37.1	241.0	-3.7	78.9
Carry-over budget (Billion baht) /1	224.9	62.8	32.8	48.7	79.8	54.2	16.2	20.0	133.9
(%YoY) /1	-11.8	2.9	-54.0	-6.0	-1.0	-13.7	-8.7	-0.9	-6.6
Government expenditure (Billion baht) /1	3,168.7	876.4	743.2	739.0	1,018.3	667.0	181.4	278.5	1,685.3
(%YoY) /1	4.1	20.0	12.3	7.5	25.7	-23.9	-2.7	-41.1	-0.1

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/Toyota Motor Thailand Co.,Ltd.14 /Fiscal Policy Office