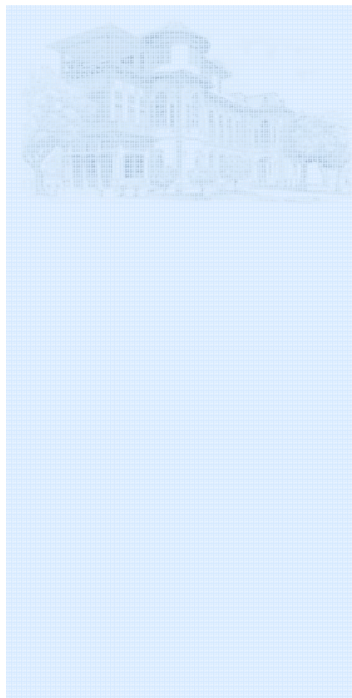


1. The Thai Economy in 2009 Q4 and 2010 Q1

2. Forecasts for 2010-2011



1. The Thai Economy in 2009 Q4 and 2010 Q1

2. Forecasts for 2010-2011



The Thai economy continued to show robust signs of recovery 4

- The global recovery, improved private sentiments, and accommodative monetary and fiscal policies contributed to the recent expansion of the Thai economy.
 - [2009 Q4](#) The economy grew by 5.8 per cent from the same period last year, or 3.6 per cent from the previous quarter, the highest rate over the past decade.
 - [2010 Q1](#) The economy continued to expand strongly, as reflect in both demand- and supply-side indicators* in the first 2 months of this quarter.

%YoY	2008	2009				2010	
		Q1	Q2	Q3	Q4	Jan	Feb
Private Consumption Index	3.6	-5.3	-4.3	-2.5	2.3	4.8	9.7
Private Investment Index	2.9	-15.8	-15.4	-11.2	-1.7	5.9	11.4
Export volume of goods	4.9	-19.6	-23.8	-15.6	4.4	18.2	10.2
Import volume of goods	12.3	-34.3	-28.1	-24.9	-4.8	35.8	62.6
Manufacturing Production Index	5.3	-18.5	-9.2	-5.0	14.2	29.1	30.3
Number of tourists	0.8	-15.7	-16.5	-2.9	27.7	26.8	40.6

*The data used in the MPC meeting

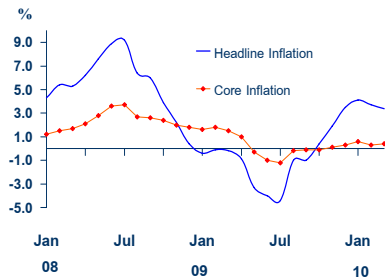


Financial stability remained sound

5

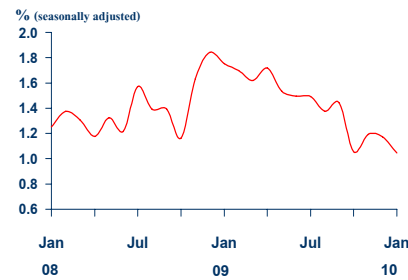
- Inflation remained low.
- The economic recovery has led to improvements in corporate sector's profitability and in lower risks to household's income and employment.

Inflation



Source: The Bank of Thailand

Unemployment



Source: National Statistical Office of Thailand, calculated by BOT

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1. The Thai Economy in 2009 Q4 and 2010 Q1

2. Forecasts for 2010-2011



Forecast Summary

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	2010	2011
GDP Growth <i>(Jan 10)</i>	4.3 – 5.8 <i>(3.3 – 5.3)</i>	3.0 - 5.0 <i>(2.8 – 4.8)</i>
Core Inflation <i>(Jan 10)</i>	1.0 – 2.0 <i>(1.3 – 2.3)</i>	2.0 – 3.0 <i>(1.8 – 2.8)</i>
Headline Inflation <i>(Jan 10)</i>	3.3 – 4.8 <i>(3.0 – 5.0)</i>	2.3 – 4.3 <i>(2.0 – 4.0)</i>

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Economic Outlook

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- The economic growth in 2010 is revised upwards from the previous projection (Jan 10).
 - The Thai economy rebounded in 2009 Q4 and 2010 Q1 more firmly than previously assessed.
 - The robust global recovery implies a stronger prospect for goods exports over the next 8 quarters.
 - Accommodative monetary and fiscal policies continue to support the recovery.
 - Political turmoil will have adverse impacts on tourism and private domestic demand, moderating growth momentum for the rest of 2010.
- The economic growth in 2011 is higher than previously projected as well.
 - Solid foundations of the economy will allow most economic activities to return to normal.

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Hypothesis on the impact of domestic political conditions (Baseline)

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The impact on the economy will be most severe in 2010 Q2, before gradually dissipating during the rest of 2010 and normal economic conditions are restored in 2011.

Tourism

- The number of tourists in the last three quarters of 2010 will **contract** by about 7 per cent from the same period last year, compared to the **expansion** of 4 per cent in the absence of political unrest.

Private Consumption

- Still expanding but at a slower pace, as certain economic activities cannot carry on normally and consumers with dented sentiments will delay part of their spending.
- The growth rate in the last three quarters of 2010 will average 2.5 per cent (qoq, annualized), compared to 5.3 per cent when political factors not taken into account.

Private Investment

- Despite some lost in momentum, continued growth reflects the need to expand or maintain production capacity, especially within the export sector.
- The expansion rate in the last three quarters of 2010 will average 5.1 per cent (qoq, annualized), compared to 8.9 per cent in the absence of political unrest.

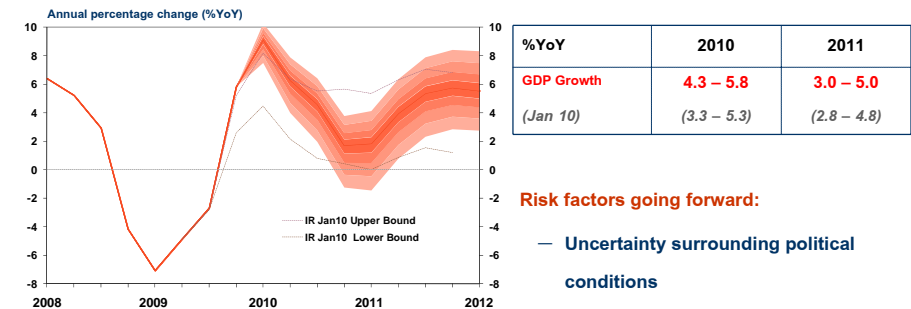
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GDP Growth Forecast

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GDP Growth Forecast



Remark: The fan chart covers 90 per cent of the probability distribution.

Risk factors going forward:

- Uncertainty surrounding political conditions
- Recovery of the global economy
- Resolution to the Map Ta Phut dispute

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Inflation Outlook

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For 2010:

- Core inflation will be **lower** than projected in the previous *Report* (Jan 10), mainly from the extension of the government's cost-of-living reduction measures for 3 more months to end-June 2010.
- Headline inflation will remain close to the previous projection, as suppressed core inflation will be offset by rising domestic farm prices.

For 2011:

- Both core and headline inflation forecast ranges are revised up slightly from the previous projection, in line with the stronger-than-assessed economic recovery.

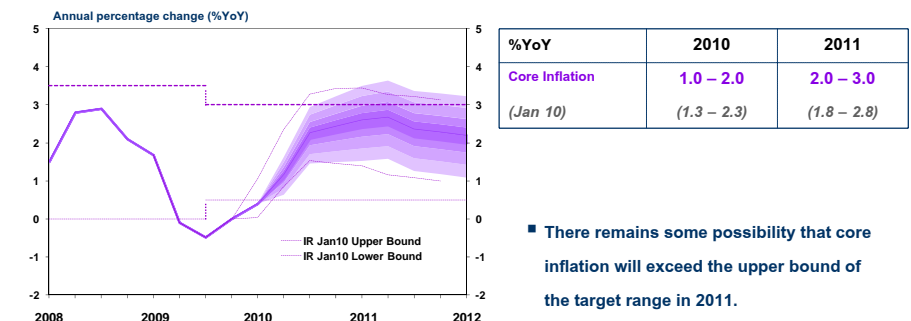
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Core Inflation Forecast

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Core Inflation Forecast



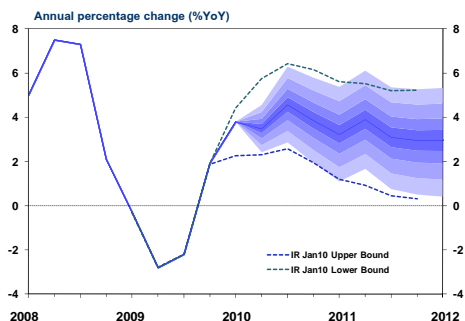
Remark: The fan chart covers 90 per cent of the probability distribution.

- There remains some possibility that core inflation will exceed the upper bound of the target range in 2011.

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Headline Inflation Forecast



%YoY	2010	2011
Headline Inflation	3.3 – 4.8	2.3 – 4.3
(Jan 10)	(3.0 – 5.0)	(2.0 – 4.0)

- Risk factors going forward:
 - Oil prices in the global market
 - Rising domestic farm prices due to the drought
 - Extension of the government’s cost-of-living reduction measures

Remark: The fan chart covers 90 per cent of the probability distribution.



10 March and 21 April 2010

The MPC decided to maintain the policy rate at 1.25 per cent per annum at both meetings.

- The Thai economy continued to recover, driven by momentum in both domestic and external demands. Going forward, inflation will trend upwards in tandem with the economic expansion and rising cost of raw materials.
- However, there remain downside risks to growth, mainly from domestic political conditions affecting tourism, consumption, and investment. The MPC will continue to closely monitor their impact on the economy.



(%YoY)	2009	2010 ^E	2011 ^E
GDP Growth	- 2.3	4.3 – 5.8	3.0 – 5.0
- Private Consumption	-1.1	3.3 – 5.3	3.3 – 5.3
- Private Investment	-12.8	9.5 – 11.5	10.5 – 12.5
- Public Consumption	5.8	2.5 – 4.0	2.5 – 4.5
- Public Investment	2.7	(-2.5) – (-0.5)	(-1.0) – 1.0
- Exports of Goods and Services	-12.7	12.0 – 15.0	10.5 – 13.5
- Imports of Goods and Services	-21.8	21.5 – 24.5	14.0 – 17.0
- Value of Exports (F.O.B.)	-13.9	25.0 – 28.0	9.0 – 12.0
- Value of Imports (C.I.F.)	-24.9	32.0 – 35.0	12.5 -15.5
- Trade Balance (Billion USD)	19.4	8.0 – 11.0	6.0 – 9.0
- Current Account (Billion USD)	20.3	8.5 -11.5	7.5 – 10.5

Note: E = Expected