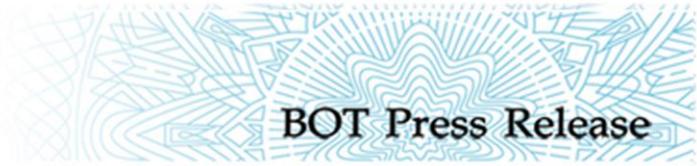




BANK OF THAILAND



**BOT Press Release**

Communications and Relations Office, Corporate Communications Department  
Tel. +66 2283 5016-7 Fax. +66 2283 6969 www.bot.or.th

No. 20/2021

Press Release on the Economic and Monetary Conditions for February 2021

In February 2021, the Thai economy gradually improved as the spread of the COVID-19 subsided. Private consumption indicators recovered in all spending categories thanks to improvement in economic activities and stimulus measures from the government. Private investment indicators expanded at a higher rate on the back of higher imports of capital goods. Meanwhile, merchandise exports value, excluding gold, continued to expand consistent with the trading partners' demand. Public spending maintained its expansion partly due to the low base from last year. However, contraction in the tourism sector remained high due to travel restrictions on foreign tourist arrivals.

**On the economic stability front**, headline inflation rate became more negative primarily due to measures from the government aimed at reducing costs of living. Labor market remained vulnerable. The current account registered a higher deficit compared to the previous month.

Details of the economic conditions are as follows:

**Private consumption indicators** contracted at a smaller rate from the same period last year due to improvement in all spending categories, especially non-durables good, thanks to the relaxation of the containment measures as the outbreak situation improved, and the government stimulus measures, all of which helped support the recovery of household consumption and the overall economic activities.

**Private investment indicators** expanded at a faster pace from the same period last year, following a rapid growth in machinery and equipment category as imports of capital goods accelerated. The improvement was in line with business sentiment and the recovery path of exports. Nevertheless, investment in constructions contracted at a higher rate from contraction in the sales of construction material, reflecting subdued activities in the construction sector.

**The value of merchandise exports** maintained its level close to the same period last year. Excluding gold, which displayed a large negative growth due to high base last year, exports value continued to expand at 7.0 percent. Several export categories continued to improve in tandem with the trading partners' demand. Moreover, exports of electronic products continued to benefit from the upward trend of global electronics cycle, while exports of petroleum-related products rebounded both in terms of prices and volumes. **Manufacturing production** contracted at a smaller rate from improvement in the production of integrated circuits and semiconductors as well as food and beverage, while the production growth of automotive and parts rebounded from the low base last year.

**The value of merchandise imports** expanded remarkably by 23.9 percent from the same period last year, compared with the contraction rate of 6.9 percent in the previous month. The sharp expansion was observed in all categories due to 1) the low base last year as imports collapsed after the lockdown measures in China, and 2) increases in imports from the previous month, especially in the raw materials and intermediate goods category.

**Public spending**, excluding transfers, continued to expand from the same period last year, from both current and capital expenditures. In particular, capital expenditures of the central government expanded sharply due to low base effect from the delayed enforcement of the FY2020 budget last year. Meanwhile, current expenditure slightly expanded from purchases of goods and services.

**The number of foreign tourist arrivals** continued to contract sharply from the same period last year as travel restrictions remained which resulted in a small number of foreign tourist arrivals.

**On the stability front**, headline inflation rate became more negative following a decline in price level of all major categories, mainly owing to government measures that reduced costs of living by subsidizing electricity and water bill. Labor market remained vulnerable as reflected by an increase in the ratio of jobless claims to total contributors in the social security system. The current account registered a higher deficit compared to the previous month.

Bank of Thailand

31 March 2021

For further information, please contact: Macroeconomic Team 1-2

Tel: +66 (0) 2283 5639, +66 (0) 2283 5647

E-mail: EPD-MacroEconomicsTeam1-2@bot.or.th