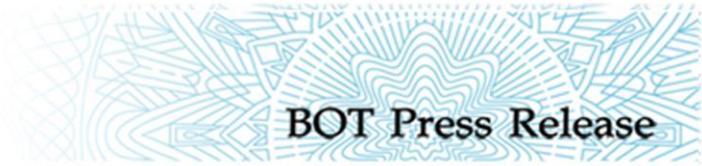




BANK OF THAILAND



BOT Press Release

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

No. 10/2022

Press Release on the Economic and Monetary Conditions for January 2022

In January 2022, the Thai economy slowed down moderately due to various factors. Private consumption and investment softened after the domestic outbreak of Omicron. Foreign tourist figures also declined due to the temporary suspension of the Test and Go program. Meanwhile, merchandise exports decreased after being accelerated in the previous month. In addition, public spending contracted from the same period last year mainly due to lower current expenditures of the central government on goods and services.

On the economic stability front, headline inflation increased due to higher energy and fresh food prices. Core inflation also increased from the previous month. Labor market gradually improved but remained vulnerable, while the current account displayed a larger deficit.

Details of the economic conditions are as follows:

The number of foreign tourist arrivals, after seasonal adjustment, declined due to suspension of the Test and Go program from 21 December 2021 to 31 January 2022 in conjunction with the Omicron outbreaks in many countries.

Private consumption indicators*, after seasonal adjustment, slightly decreased from the previous month in almost all categories. This was due to the worsening situation of the COVID-19 outbreak and the stricter containment measures, which slightly deteriorated the overall economic activities and consumer confidence.

Private investment indicators*, after seasonal adjustment, slightly declined due to lower investment in construction as a result of subdued sales in construction material. Meanwhile, the investment in machinery and equipment was stable from the previous month.

The value of seasonally adjusted merchandise exports declined from the previous month in line with lower activities in the manufacturing sector. Manufacturing production fell particularly in the automotive sector which accelerated last month to accommodate pending purchasing orders. In addition, the chemical products declined from the temporary reduction in outputs of chemical fertilizer amidst high costs of raw material.

Public spending, excluding transfer payment, contracted from the same period last year. Current expenditures contracted slightly due to lower purchases of goods and services. Nevertheless, capital expenditures expanded from the disbursement in the water resource management projects and the road construction projects.

* January-2022 private consumption and investment indicators are constructed by estimated imports data because data of the international trade statistics are being amended to the new harmonization code, causing a postponement in the official release of the data.

On the stability front, headline inflation increased from higher energy and fresh food prices, while core inflation increased from higher instant food prices due to increasing costs of food ingredient. Meanwhile, labor market gradually improved but remained vulnerable and the current account displayed a larger deficit. On exchange rates, the baht against the US dollar, on average, appreciated as a result of better confidence in the recovery of Thailand's economy after the government announced in mid-January to resume the Test and Go program from 1 February 2022 onwards.

Bank of Thailand
28 February 2022

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