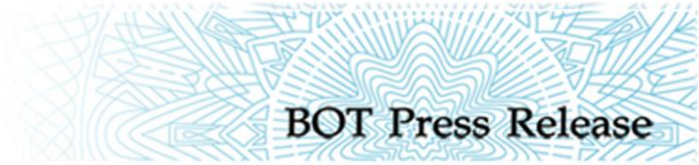




BANK OF THAILAND



BOT Press Release

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Press Release on the Economic and Monetary Conditions for October 2021

In October 2021, the Thai economy improved from the previous month. Private consumption indicators increased following the relaxation of the containment measures as well as having supportive stimulus measures from the government. Meanwhile, merchandise exports increased in several categories and foreign tourist figures, despite remaining low, began to edge up. Manufacturing production showed signs of improvement as demand recovered while the supply disruption problem began to ease somewhat. Public spending continued to support the economy, while private investment indicators declined moderately after accelerating in the previous month.

**On the economic stability front**, headline inflation increased as fresh food price was temporarily affected by floods, together with domestic retail oil prices which increased following the rising global crude oil prices. Labor market slightly improved in line with the economic activities but remained vulnerable. Current account registered a smaller deficit compared to the previous month due to a lower deficit in the net service, income, and transfers.

Details of the economic conditions are as follows:

**Private consumption indicators**, after seasonal adjustment, improved from the previous month. This was due to the gradual relaxation of the containment measures and a good progress on vaccination which bolstered the overall economic activities, household income, and consumer confidence. In addition, government stimulus measures continued to be a supportive factor to household purchasing power.

**The value of merchandise exports**, after seasonal adjustment, increased from the previous month thanks to the recovery of trading partners' demand which led exports of several categories to increase, especially automotive, electrical appliances, and petroleum-related products. However, some export categories declined after accelerating in the previous month, such as electronic products, and machinery and equipment.

**Manufacturing production**, after seasonal adjustment, rose from the previous month in several categories as 1) domestic and foreign demand recovered, 2) the outbreak situation in factories in Thailand continued to improve, and 3) the semiconductor shortages eased somewhat.

**The value of merchandise imports**, after seasonal adjustment, increased from the previous month. The increases were apparent in imports of fuel, both in terms of price and volume as well as imports of capital goods mainly from imports of newly released mobile phones. Meanwhile, imports in other categories were overall stable from the previous month.

**The number of foreign tourist arrivals**, after seasonal adjustment, increased from the previous month in many nationalities but remained low as international travel restrictions in many countries remained in place.

**Public spending** expanded compared to the same period last year from both current and capital expenditures, owing to the low base effect of the delayed enforcement of FY2021 budget last year as well as a good disbursement rate of various state agencies this year.

**Private investment indicators**, after seasonal adjustment, decreased from the previous month following a decline of investment in the machinery and equipment, especially the number of newly registered motor vehicles that had accelerated in the previous month. Meanwhile, investment in the construction slightly decreased primarily due to lower construction material sales.

**On the stability front**, headline inflation increased as fresh food price was temporarily affected by floods, together with domestic retail oil prices which increased following the rising global crude oil prices. Core inflation slightly edged up. Labor market remained vulnerable but showed signs of improvement in line with the economic activities. This was reflected by the decline in the number of new jobless claims in social security system and the improvement in sentiment of the self-employed group. The current account registered a smaller deficit compared to the previous month mainly due to a lower deficit in the net service, income, and transfers. On exchange rates, the baht against the US dollar, on average, depreciated from the previous month following the appreciation of the US dollar.

Bank of Thailand  
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