



BANK OF THAILAND

BOT Press Release

Northern Region Office
Tel. 0-5393-1216 Fax. 0-5322-4171 www.bot.or.th

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Press Release on Northern Region's Economic Conditions in April 2013

The overall economy in April 2013 expanded following an increase in private consumption and investment, government disbursement, exports and tourism. Meanwhile, manufacturing and agricultural production continued to contract. With regard to economic stability, inflation decelerated, coupled with low unemployment rate. For banking sector, commercial bank deposits slowed down while credits continued growth very well.

Details of the economic conditions are as follows:

Demand side expanded well. **Private consumption index** increased by 6.7 percent year-on-year (yoy), owing to sales boost in department stores during Songkran Festival and rising numbers of tourists. In addition, sales of automobiles kept growing in both cars and motorcycles in response to ongoing marketing activities as well as deliveries of backlog order. **Private investment index** also rose by 7.4 percent (yoy), due mainly to the growth of real estate and construction sectors, particularly the permitted construction area in municipalities, sales of construction materials and land registration fees, in line with the rising number of registered commercial cars. In addition, an approval of investment promotion was reported the total value of 621.5 million baht for manufacturing of agricultural, electronics and electrical appliances products. Meanwhile, **government disbursements** through provincial treasury offices in the Northern region, amounting to 18,826.2 million baht, improved by 37.9 percent (yoy) in both current expenditure, for disbursement of local subsidiaries, and investment expenditure, for drawdown of ongoing construction projects from the previous year.

Export Value, amounting to 349.5 million USD, grew by 18.1 percent (yoy), following cross-border exports of fuels and consumer products as well as exports of electronic components through the Northern Customs House. Concurrently, **import value**, amounting to 113.4 million USD, continued to decline by 12.0 percent (yoy) from the previous month as imports of raw materials and intermediate goods, particularly glass lenses and electronic components, decreased. However, cross-border imports of agriculture products increased.

Supply side exhibited continual contraction. **Manufacturing Production Index** shrank by 20.7 percent (yoy), resulting from lesser production of rice and sugar in response to shrinkage of supplies. Meanwhile, the processed agricultural products seemed in trouble with competition. The beverage

production was in a decline after a period of acceleration. Likely, production of camera lenses and hard disk drives dropped following faltered demand. Nonetheless, production of construction materials remained growth in accordance with robust construction activities. Meanwhile, **major crop production** decreased by 4.9 percent (yoy), owing to lesser output of second crop rice caused by drought. Consequently, **farm income** contracted by 3.8 percent (yoy). Nevertheless, **major crop price** rose slightly following prices of cassava and livestock resulted from demand increased while supplies dropped. In the meantime, **tourism sector** remained sound as benefited from Songkran Festival activities and unabated trend of travelling to the North of Thailand, particularly among Chinese tourists.

Regarding **internal stability, inflation** moderated to 2.2 percent (yoy) on the back of declined fuel prices. Meanwhile, **unemployment rate** in March 2013 remained at a low level of 0.5 percent (yoy) and numbers of registered person under social security system in April 2013 continued to increase.

Banking sector expanded. **Commercial bank credits** as of March 2013, amounting to 512,975.0 million baht, expanded significantly at 23.4 percent (yoy), due partly to an adjustment of a transfer of credit accounts from its head office to be registered in the Northern region. Exclusive of the transfer, a 20.1 percent (yoy) growth would be reported. Nevertheless, credits still expanded well across the board, particularly consumer loan. **Deposits**, amounting to 559,213.0 million baht, continued to increase, albeit moderated to 16.7 percent (yoy), following deposits mobilization of commercial banks as well as deposits of public entities.

Bank of Thailand, Northern Region Office

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Contact person: Janya Tananuchittikul

Tel: +66 (0) 5393-1167

E-mail: Jarnyat@bot.or.th