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

In November 2013, the overall economy continued to decline from the preceding month following decreases in private consumption and investment as well as farm income. Nonetheless, tourism and export kept growing while government disbursement resumed an expansion path. In the meantime, manufacturing production grew at a slower pace. With regard to economic stability, inflation and unemployment rate went up. For banking sector, commercial bank deposits stabilized while credits slowed down.

Details of the economic conditions are as follows:

Demand side subsided further. **Private consumption index** declined by 4.9 percent year-on-year (yoy) owing to concern over political unrest and faltered economy as well as a drop of farm income, which in turn tamed consumer confidence and caution in their spending. **Private investment index** contracted by 11.2 percent (yoy) following a fall in major indicators particularly permitted construction area, numbers of registered commercial cars and imports of machinery and equipment. Nevertheless, sales of construction materials increased from the start-up of highway network development project. **Government disbursements** through provincial treasury offices in the Northern region, amounting to 20,408.7 million baht, increased by 12.3 percent (yoy) after a deceleration for the sixth consecutive month, in response to an increase in category of subsidies to government agencies and local administrative organizations coupled with an operating expenditure.

Export value through the Northern Customs House was recorded historical-high at 434.6 million USD, ramped up by 9.4 percent (yoy) from the same period last year, following a rise in exports of electronic and hard disk drive components along with an acceleration of cross-border exports of consumer goods and fuel to Myanmar, arisen from increased demand. **Import value**, amounting to 148.7 million USD, rose by 6.8 percent (yoy) from increased imports of raw materials and intermediate goods, specifically electronic components parts and rough diamond, in tandem with imports of cattle and wooden products.

Supply side expanded. **Tourism** continued to thrive as benefited from a great number of Chinese tourists, together with domestic excursions of Thai travelers during Loy Krathong festival. **Manufacturing production index** edged up at a slower pace to 2.1 percent (yoy) following not only ascended beverages production, to fulfill greater demand but also a growth in high-tech based production for electronic components, as a result of plant relocation from abroad. Meanwhile, **major crop production** rose slightly by 0.5 percent (yoy) following increased production of major crop rice, maize and sugar cane, resulting from higher yield and plantation expansion. **Major crop price** fell by 8.0 percent (yoy), as abundant supply resulted in lower prices of paddy and maize in line with decreased price of sugar cane due to a downward adjustment in preliminary price, all of which led **farm income** dropped by 7.5 percent (yoy).

Regarding **internal stability**, inflation was up to 2.42 percent (yoy) following increases in vegetables, fruit and fuel prices while **unemployment rate** rose from the same period of preceding year at 0.3 percent (yoy) to 0.6 percent (yoy). Correspondingly, **the number of registered persons** under social security system continued on an upward trend.

Banking sector; Commercial bank deposits as of October 2013 amounting to 563,681 million baht, picked up by 6.0 percent (yoy). Concurrently, **credits**, amounting to 556,721 million baht, rising by 20.5 percent (yoy), due to demand for working capital in wholesale and retail trade, constructions, logistics and financial businesses while consumer loans, particularly housing and hire purchases were dampened by slowdown market.

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