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[Press Release on Northern Region's Economic Conditions in October 2013](#)

The overall economy in the Northern Region in October 2013 continued declining due mainly to weakened demand as private consumption and investment as well as government disbursement contracted. Nevertheless, tourism, exports and production in both manufacturing and agricultural sector remained in an expansion. Economic stability was favorable with moderated inflation and low unemployment rate. For banking sector, commercial bank credits and deposits grew in a slower pace.

Details of the economic conditions are as follows:

Demand side shrank. **Government disbursements** through provincial treasury offices in the Northern region in October 2013, amounting to 15,268.4 million baht, decreased by 33.1 percent year-on-year (yoy) owing mainly to a delayed enactment of 2014 fiscal year budget. **Private Investment Index** fell by 12.7 percent (yoy) as imports of machinery and equipment declined by 56.5 percent (yoy). In addition, sales of construction materials lessened by 14.4 percent (yoy); coupled with a 10.4 percent (yoy) drop in numbers of commercial car registrations as a result of the previous year's high-base effect. Moreover, construction remained sluggish. Regarding investment promotion approvals, a total of 4 projects with value totaled 1,503.5 million baht was reported this month, mostly for manufacturing of biomass fuel and electronic components. **Private Consumption Index** was subdued further as shrank by 2.7 percent (yoy) compared with 0.6 percent (yoy) in the previous month. This was attributable to rising households' cautiousness about their spending, in response to not only a drop of farm income but also higher concern over current economic conditions, political unrest and increased indebtedness.

Export Value, amounting to 400.8 million USD, grew by 3.5 percent (yoy) mainly from cross-border exports of consumer goods and fuel. In addition, exports of electronic components including those of hard disk drive also increased. Concurrently, **import value**, amounting to 134.3 million USD, decreased by 2.4 percent (yoy) following imports of raw materials and intermediate goods, particularly optical lens, integrated circuits and rough diamond.

Supply side remained unabated. **Tourism sector** performed well as benefited from persistent visits of Chinese tourist, in tandem with domestic excursions of Thai travelers during an interim closing period of most schools in Thailand. **Manufacturing Production Index** grew by

14.1 percent (yoy) on the back of expedited beverages production, after previously moderated, and inventory build-up. Likewise, components production, for telecommunication and automobile manufacturing, to fulfill market demand was also contributed to the increase, besides a beneficiary of plant relocation from abroad. Meanwhile, **major crop production index** rose by 1.5 percent (yoy). This was attributable to higher output of major crop rice and maize in particular as a result of favorable weather condition and increased plantation area. In the meantime, **major crop price** fell by 6.9 percent (yoy) resulted mainly from declined prices of paddy and maize which was in line with the world prices as supply remain abundant coupled with new output launched. Therefore, **farm income** decreased by 5.5 percent (yoy).

Economic stability remained satisfactorily, **inflation** eased to 2.08 percent (yoy) on the back of retreated prices of fuel. **Unemployment rate** remained low at 0.7 percent (yoy) while numbers of registered person under social security system continued rising.

Banking sector moderated. **Commercial bank deposits** as of September 2013 amounting to 561,176 million baht increased by 6.0 percent (yoy), albeit declined from 8.8 percent (yoy) in the previous month. This was due mainly to deposits mobilization of either commercial banks or specialized financial institutions. Concurrently, **credits** amounting to 550,985 million baht, rose by 21.3 percent (yoy), following an increase in consumer loans, particularly for housing and hire purchases, and corporate loans, specifically for constructions, agriculture and financial businesses.

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