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[Press Release on Northern Region's Economic Conditions in November 2017](#)

In November 2017, economic conditions of the northern region slightly improved from the previous month. Farm income increased mainly from the increasing price of rice. Manufacturing production improved, milled rice and agricultural-processed foods, due to abundant raw materials. Beverage production returned to its normal level. Tourism sector continued to accelerate. Private investment in export-oriented businesses picked up, whereas real estate sector remained muted. Government spending expanded from both capital and current expenditures. However, private consumption was not broad-based. Cross-border exports declined.

General economic stability remained sound. Unemployment rate and headline inflation stayed low.

Details of the economic conditions are as follows:

Farm income increased by 16.7 percent on the year-on-year basis, as agricultural production increased 13.2 percent largely from the abundant rice output. Agricultural price also picked up by 3.1 percent due to high demand for export.

Tourism continued to accelerate from both foreign and Thai visitors. Chinese and South Korea visitors continued to expand, partly due to the inbound of Chinese incentive travelers, while Thai visitors especially those participating conferences and seminars picked up this month. All tourism indicators performed well, namely the number of immigrant entries at Chiang Mai International Airport, the numbers of air passengers in major airports, the number of direct flight, VAT collected from hotels and restaurants and hotel occupancy rate.

Manufacturing production improved, though the growth rate was in negative territory at minus 4.4 percent on the year-on-year basis. Milled rice and agricultural-processed food increased due to the abundance of raw materials. Alcoholic beverage production returned to its normal level with smaller negative growth. Production of electronic component for export slowed down, but the export order was still observed. In contrast, production of ceramic, wooden product and lens declined.

Government expenditure expanded continuously by 14.5 percent on the year-on-year basis, with both capital and current expenditures increasing. Capital expenditure was made largely by the Office of the Basic Education Commission, Royal Irrigation Department, Department of Highways, Department of Rural Roads and provincial cluster projects.

Private Investment picked up from the capital investment particularly in export-oriented product, electronic component and agricultural-processed food. Imports of equipment and machinery increased. Meanwhile, construction investment remained sluggish. All indicators of construction investment dropped, namely real estate loan outstanding, the number of permitted land allocation, sales of construction raw materials and the number of construction areas permitted.

Private consumption remained unchanged. Private consumption index grew by 2.7 percent, but the spending was not broad-based. The number of registered passenger cars, which indicated passenger car sales, continued to increase due to sales promotion. However, consumer purchasing power remained weak, especially in agricultural household due to high level of debt and low discretionary income, reflected by negative growth of daily items sales.

Export value deteriorated by 6.8 percent on the year-on-year basis, contributed to a fall in cross-border export to Myanmar, including agricultural machinery, mobile phone and consumption good, and a decrease in cross-border exports to Lao PDR and southern China, including rice, swine, frozen meat and sugar. Export of electronic components to Japan, Hong Kong and Singapore decreased as well. **Import value** grew by 19.8 percent due to an increase in imports of raw materials and intermediate goods used in the production of electronic components as well as a rise in imports of electricity from Lao PDR.

General economic stability of the northern region remained sound. **Unemployment rate** stayed low at 1.13 percent. Employment in agricultural sector fell, whereas employment in non-agricultural sectors, hotel and restaurant in particular, improved. **Headline inflation rate** increased to 0.88 percent, resulted from the increasing of gasoline price, while the food price declined.

In banking sector, at the end of November 2017, **commercial banks' loan outstanding** was 589,848 million baht, increasing by 1.3 percent. Most of the increase was seen in wholesales and retails and manufacturing businesses. **Commercial banks' deposit outstanding** continued to grow, rising by 3.8 percent to 659,133 million baht, due partly to government deposits for the subsidy for educational institutions. Loan to deposit ratio was at 89.5 percent, closed to the previous month.

Bank of Thailand, Northern Region Office

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Contact person: Regional Economy Division

Tel: +66 (0) 5393-1141

E-mail: Wiryad@bot.or.th