



BANK OF THAILAND

**BOT Press Release**

Southern Region Office  
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### Press Release on Southern Region's Economic Conditions in February 2013

The overall economy of the Southern region in February 2013 continued to expand, but at slower pace, due to a decrease of major agriculture prices, particularly rubber and palm, therefore, led to decreased farm income and export value. Manufacturing production increased continually but decelerated from preceding month which mainly due to deteriorating exports in major export markets and decreasing raw materials. According to the expiration of fiscal stimulus, private consumption increased at slower pace comparing to previous month. Conversely, tourism expanded robustly due mainly to an increase of Chinese tourists in Chinese New Year.

Details of the economic conditions are as follows:

**Agricultural prices** contracted by 21.5 percent year-on-year (YoY), particularly rubber and palm prices. This was due to the decreasing demand in major markets and the high level of domestic and oversea agricultural stocks. Consequently, **farm income** and **export value** contracted by 24.3 and 28.2 percent (YoY) respectively. **Manufacturing production** expanded in decreasing rate following the decreased productions of major industries as a result of decreasing exports and raw material. This was consistent with **agricultural production** which decreased by 3.6 percent (YoY), particularly a decrease of shrimp productions mainly because of the shrimp disease. Nevertheless, canned seafood industry expanded robustly to fulfill the demand of Middle East markets.

**Private investment** and **private consumption** grew by 15.5 and 3.0 percent (YoY) respectively which decelerated from previous month by comparing an increase of 25.3 and 8.0 percent (YoY) respectively. This was attributable to the various factors including a decreased farm income, labor shortage, increasing costs and the expiration of government stimulus, exhibited by the substantially contracted automobile sales.

**Government disbursements** in the Southern region declined by 10.6 percent (YoY), following a decreased disbursement of current expenditures. Meanwhile, **revenue**

**collection** grew by 6.4 percent (YoY) which decelerated from preceding month and caused by a decreased collection of value-added taxes. Nevertheless, **commercial bank deposits and credit** continued to expand.

**Tourism** grew robustly by 32.4 percent (YoY) which supported by an increase of tourists and occupancy rate in southern border provinces, Gulf of Thailand coasts and Andaman coasts. Chinese tourists continually increased, particularly in Phuket province. Therefore, the international and domestic flights at Phuket international airport increased continually.

**Inflation** was at 3.25 percent (YoY) which increased at slower pace by comparing to an increase of 3.13 percent (YoY) in previous month. This was attributable to increasing prices of food and beverage sector which partly driven by increased food prices in ritual of Chinese New Year. Consequently, the prices of meat, swine and seafood increased by 3.62 percent (YoY), which picked up from an increase of 1.73 percent (YoY) in previous month. Coherently, **core inflation** was at 1.50 percent (YoY) which increased by 1.36 percent from preceding month.

Bank of Thailand, Southern Region Office

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Contact: Regional Economy Division

Tel: +66 (0) 7427 2000 ext. 4717

e-mail: [Jularatk@bot.or.th](mailto:Jularatk@bot.or.th)

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Table Attached to Press Release on Southern Region's Economic Conditions in February 2013

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Tel. 0-7427-2000 ext. 4710,4716 Fax 0-7423-8765 <http://www.bot.or.th>

	2012				2013	
	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.
<b>The Real Sector (Δ% Year-on-Year)</b>						
Farm Income Index	-24.3	-15.0	-4.4	-1.3	-13.0	-24.3
Agricultural Production Index	4.0	3.0	8.8	11.3	-1.2	-3.6
Crop Price Index	-27.2	-17.4	-12.1	-11.3	-11.9	-21.5
- Rubber (RSS3)	-34.1	-22.6	-13.1	-7.9	-13.0	-23.9
- Palm oil (FFB)	-12.6	-1.8	-17.9	-34.5	-26.0	-32.8
- Shrimp (70 pc/kg)	12.8	9.6	0.7	-2.5	12.7	12.1
<b>Fishery Production</b>						
- Fishery production loaded at ports	18.5	-0.5	29.5	21.4	-0.7	0.1
- Shrimp production	-31.7	6.4	16.5	21.4	4.3	-30.1
<b>Number of Foreign Tourists</b>	2.7	14.2	22.6	18.5	0.8	32.4
<b>Manufacturing Production Index (MPI) <sup>f</sup></b>	11.6	5.3	10.1	-0.8	19.5	4.9
<b>Private Consumption Expenditures</b>						
- Private Consumption Index	2.0	2.0	0.1	1.6	8.0	3.0
- Passenger car sales	66.9	117.9	191.9	559.1	135.2	53.9
- Commercial car sales	-8.2	4.7	58.7	342.6	83.5	0.0
- Motorcycle sales	-14.6	-17.7	1.5	14.2	19.7	-8.6
- Real VAT <sup>1/</sup> at 2000 prices	5.0	1.4	-5.7	-5.2	19.4	14.5
<b>Private Investment</b>						
- Private Investment Index	7.2	6.5	12.8	18.9	25.3	15.5
- Promotional privileges from Board of Investment (Δ% of total investment)	1,707.4	40.3	29.1	-56.0	-28.1	-47.8
- Capital investment of business registered at Ministry of Commerce (Δ% capital)	-25.1	17.3	13.7	-10.4	-22.6	39.8
- Construction area permitted in municipal zone (12-month moving average)	25.0	27.3	28.6	26.1	32.9	6.4
<b>Fiscal Sector</b>						
- Tax revenue	31.0	12.8	3.5	-0.3	22.6	6.4
- Total disbursement	6.6	-6.5	57.5	6.2	14.6	-10.6
<b>Consumer Price Index</b>	3.90	3.80	3.00	3.70	3.13	3.25
- Food and beverages	4.69	4.26	2.48	3.93	3.50	3.94
- Non food and beverages	3.29	3.39	3.40	3.60	2.85	2.72
<b>Core Consumer Price Index (excluding raw food and energy)</b>	1.90	1.90	1.80	1.60	1.36	1.50
<b>International Trade(million USD)</b>						
- Exports	1,434.1	1,538.6	1,396.7	1,255.5	1,381.4	1,165.1
Δ% year-on-year	-20.3	-14.7	-6.2	-16.7	27.7	-28.2
- Imports	1,013.5	1,126.2	789.4	950.3	812.3	759.9
Δ% year-on-year	26.4	41.7	44.7	48.1	94.6	3.6
<b>Financial Sector (at the end of period) (Billions baht)</b>						
- Deposits	590.7	588.4	599.9	599.2	602.1	606.9 <sup>E</sup>
Δ% year-on-year	13.2	12.1	13.8	13.1	12.2	11.2 <sup>E</sup>
- Loans	569.2	579.4	590.3	602.2	609.6	620.1 <sup>E</sup>
Δ% year-on-year	16.4	16.9	19.3	20.4	20.7	21.1 <sup>E</sup>
Remark : 1/ excluding VAT from customs duty. e = estimated r = revised						
Source : Bank of Thailand, Southern Region Office						