



BANK OF THAILAND

**BOT Press Release**

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

The overall economy of the Southern region in March 2013 continued to expand from strongly expanding in tourism sector as well as improving in agricultural and manufacturing production. Private spending and investment which represented domestic demand remained the key drivers of an economic growth, while exports also picked up. Conversely, major agriculture prices continued to contract, particularly rubber and palm prices. Regarding internal stability, inflation was low.

Details of the economic conditions are as follows:

**Tourism** continued to grow robustly by 19.6 percent year-on-year (YoY) but at slower pace comparing to previous month which was Chinese New Year. This was supported by various factors including the 2 international exhibitions in Phuket, the holiday of Malaysian schools and the road show of Tourism Authority of Thailand in Indonesia which has attracted Indonesian visitors. In addition, Chinese tourists continually increased by 118.3 percent (YoY), while the occupancy rate was 69.1 percent (YoY) which increased from 65.0 percent (YoY) of preceding month.

**Agricultural production** increased by 3.1 percent (YoY) following increased productions of rubber and oil palm. According to the high level of domestic and overseas agricultural stocks, particularly rubber and oil palm, **agricultural prices** contracted by 22.4 percent (YoY). Consequently, **farm income** decreased by 20.0 percent (YoY). Conversely, shrimp prices considerably increased by 35.0 percent (YoY) due to supply shortage from shrimp diseases.

**Manufacturing production** improved by 5.4 percent (YoY) following an increased raw materials and exports, particularly rubber industry. The exports of rubber products to China increased to fulfill the demand of automobile industries and to increase stocks. Meanwhile, freeze and frozen seafood industry significantly dropped due to supply shortage in the damage of shrimp diseases.

**Private consumption** expanded by 3.9 percent (YoY), supported by the increased income in tourism and manufacturing sectors, as well as an increasing minimum wage. Concurrently, the value-added taxes of retail-wholesale and hotel and restaurant sectors grew by 18.2 and 12.7 percent (YoY) respectively. Conversely, the automobile consumption increased at slower pace. Meanwhile, **Private Investment** in construction sector increased by 8.3 percent (YoY).

**Government disbursements** declined by 17.0 percent (YoY), following a decreased disbursement of current expenditures in most Southern provinces. In the meantime, **revenue collection** declined by 2.7 percent (YoY) as the decreased tax collection of the revenue department. This was due to the decreased collection of personal and corporate income taxes which caused by an increased personal tax deduction, decreased tax revenues in rubber businesses and restructured corporate income tax rate from 30 percent to 23 percent.

**Commercial bank deposits** increased at slower pace. This was due to investors tending to invest in capital market which gain higher returns, reflecting from increasing market volume of the Stock Exchange of Thailand. Conversely, **commercial bank credits** continued to expand robustly, particularly mortgage loans and consumer loans, due to low interest rate.

**Inflation** was 2.76 percent (YoY) which increased in slower pace by comparing to previous month of 3.25 percent (YoY) and was the lowest level since past 29 months. This was due to the decreased consumer price index, particularly automobile, transportation and communication sectors which mainly caused by decreased fuel prices. Besides, core inflation was 1.32 percent which decelerated from previous month.

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

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	2012			2013		
	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
<b>The Real Sector (Δ% Year-on-Year )</b>						
<b>Farm Income Index</b>	-15.0	-4.4	-1.3	-13.0	-24.3	-20.0
<b>Agricultural Production Index</b>	3.0	8.8	11.3	-1.2	-3.6	3.1
<b>Agricultural Price Index</b>	-17.4	-12.1	-11.3	-11.9	-21.5	-22.4
- Rubber (RSS3)	-22.6	-13.1	-7.9	-13.0	-23.9	-27.5
- Oil palm (FFB)	-1.8	-17.9	-34.5	-26.0	-32.8	-34.8
- Shrimp (70 pc/kg)	9.6	0.7	-2.5	12.7	12.1	35.0
<b>Fishery Production</b>						
- Fishery production loaded at ports	-0.5	29.5	21.4	-0.7	0.1	-9.8
- Shrimp production	6.4	16.5	21.4	4.3	-30.1	-46.0
<b>Number of Foreign Tourists</b>	14.2	22.6	18.5	0.8	32.4	19.6
<b>Manufacturing Production Index (MPI)</b>	5.3	10.1	-0.8	19.3	4.9	5.4
<b>Private Consumption Expenditures</b>						
- Private Consumption Index	2.0	0.1	1.6	9.0	3.2	3.9
- Passenger car sales	117.9	191.9	559.1	135.2	53.9	47.2
- Commercial car sales	4.7	58.7	342.6	83.5	0.0	-14.0
- Motorcycle sales	-17.7	1.5	14.2	19.7	-8.6	-17.5
- Real VAT1/ at 2000 prices	1.4	-5.7	-5.2	19.4	7.9	7.7
<b>Private Investment</b>						
- Private Investment Index	6.5	12.8	18.9	25.3	15.5	5.0
- Promotional privileges from Board of Investment (Δ% of total investment)	40.3	29.1	-56.0	-28.1	-47.8	744.6
- Capital investment of business registered at Ministry of Commerce (Δ% capital)	17.3	13.7	-10.4	-22.6	39.8	12.5
- Construction area permitted in municipal zone (12-month moving average)	27.3	28.6	26.1	32.9	6.4	8.3
<b>Fiscal Sector</b>						
- Tax revenue	12.8	3.5	-0.3	22.6	6.4	-2.7
- Total disbursement	-6.5	57.5	6.2	14.6	-10.6	-17.0
<b>Consumer Price Index</b>	3.80	3.00	3.70	3.13	3.25	2.76
- Food and beverages	4.26	2.48	3.93	3.50	3.94	3.75
- Non food and beverages	3.39	3.40	3.60	2.85	2.72	2.07
<b>Core Consumer Price Index (excluding raw food and energy)</b>	1.90	1.80	1.60	1.36	1.50	1.32
<b>International Trade(million USD)</b>						
- Exports	1,538.6	1,396.7	1,255.5	1,381.4	1,165.1	1,544.7
Δ% year-on-year	-14.7	-6.2	-16.7	27.7	-28.2	0.4
- Imports	1,126.2	789.4	950.3	812.3	759.9	1,282.1
Δ% year-on-year	41.7	44.7	48.1	94.6	3.6	5.2
<b>Financial Sector (at the end of period) (Billions baht)</b>						
- Deposits	588.4	599.9	599.2	602.1	602.8	604.0 <sup>E</sup>
Δ% year-on-year	12.1	13.8	13.1	12.2	10.4	7.1 <sup>E</sup>
- Loans	579.4	590.3	602.2	609.6	618.4	645.1
Δ% year-on-year	16.9	19.3	20.4	20.7	20.7	25.0
Remark : 1/ excluding VAT from customs duty. E = estimated    r = revised						
Source : Bank of Thailand, Southern Region Office						