

No.1/2019Press Release on Southern Region's Economic Conditions in December 2018

The overall economic activities in the Southern region in December 2018 expanded at a slower pace from the same period last year. Declining of agricultural and manufacturing production caused the value of merchandise exports to decrease. However, tourism sector continued to strengthen from mainly international tourist arrivals of Asians (excluding Chinese), Europeans, and Russians. While the number of Chinese tourists still weakened from the same period last year, yet increased from last month. Private consumption boosted due to tourism growth and government measures to help low-income group. Private investment continued to improve as well. **On the stability front**, headline inflation slightly dropped from last month due to primarily of falling of food and energy prices, whereas seasonally-adjusted unemployment rate was lower than preceding month.

Details of the economic conditions are as follows;

The value of **merchandise exports** declined 12.8 percent from the same period last year in all major categories due to the downtrend in agricultural price and weak external demand. Corresponding to **manufacturing production** which reduced 5.5 percent from the same period last year. Trade tensions between China and the U.S. and slower growth of China were the main drive of declining processed rubber production. Processed rubberwood production remained low. The production of frozen and processed seafood fell continually as a trouble of insufficient raw materials, as well as a loss of competitiveness. However, rubber glove and canned seafood production were the only products that remained growth.

**Agricultural production** slightly dropped 2.8 percent from the same period last year. Rubber production declined due to fewer tapping days after the more rainfall than last year. Likewise, oil palm production was contracted by adverse weather. On the other hand, Vannamei shrimp production was higher than last year, according to low base effect since flooding happened last year. The **agricultural prices** fell 12.8 percent due to significance of constantly decreasing rubber price; considering of Shanghai rubber stock remained at the high level and weak demand from China. Oil palm price continually declined due to high stock level in Thailand and Malaysia. Moreover, Vannamei shrimp price prolonged to decline because of the global oversupply. Accordingly, **farm income** reduced 15.2 percent.

**International tourist arrivals** expanded 15.7 percent from the same period last year from mainly Malaysian and Asian (excluding Chinese). Highly growth of Indian tourists notably captured by the launch of new routes to Phuket. Nevertheless, the amount of Chinese tourists still decreased from the same period last year, yet gradually picked up from last month, partly due to Thailand Visa on Arrival fee exemption. Totally, the tourist arrivals in southern border and Andaman coast areas expanded, while the Gulf of Thailand coast area stayed at low level.

**Private consumption indicators** increased 1.1 percent from the same period last year majored by expansion of consumer goods expenditures on food and beverages that was beneficial from

advancing tourism growth which enhanced household income in that areas, along with government measures to help low-income group. However, private consumption was subtracted by low income level in both agricultural and non-agricultural sectors.

**Private investment indicators** rose 2.7 percent from the same period last year due mainly to the development in construction as reflected by more permitted construction areas for housing and hotel, additionally the increased cement sales. Consistent with higher growth of investment in **real estate** investment. Moreover, the investment in machinery and equipment for construction works rose.

**Public spending** grew 1.9 percent from the same period last year due to leading of current spending which increased 19.3 percent. The spending rose from public university disbursement which was a month-overlapped to last year. However, the capital spending fell 16.2 percent as the decreasing of disbursement on land, construction, and durable goods.

On the stability front, **headline inflation** was 0.01 percent, declining from 0.88 percent last month, as a result of falling price of food and energy. Whereas, the **seasonally-adjusted unemployment** rate declined from last month to 1.4 percent, complied with increasing of seasonally-adjusted agricultural employment.

At the end of November 2018, the overall **deposit** expanded 3.9 percent from the same period last year. The deposits of Specialised Financial Institutions (SFIs) increased continually, whereas commercial banks deposits increased at a slower pace since new government bonds have issued. The overall loan rose 2.3 percent, mainly on SFIs' long-term credit loan that gave to farmers, specifically. Moreover, the loan of commercial banks slightly picked up.

Bank of Thailand  
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Table Attached to Press Release on Southern Region's Economic Conditions in December 2018



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	2018					
	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
<b>The Real Sector (<math>\Delta\%</math> year-on-year, unless otherwise stated)</b>						
Farm Income Index <sup>r</sup>	-5.4	-11.3	-22.1	-17.9	-18.5	-15.2
Agricultural Production Index	6.1	6.0	0.0	-0.3	-0.3	-2.8
Agricultural Price Index	-10.9	-16.4	-22.1	-17.7	-18.3	-12.8
- Rubber (RSS3)	-15.4	-19.3	-22.9	-14.9	-12.4	-9.2
- Oil palm (FFB)	-8.3	-16.3	-21.9	-24.0	-30.7	-16.3
- Shrimp (70 pc/kg)	-7.6	-10.5	-18.2	-20.1	-24.0	-15.8
Fishery Production						
- Fishery production loaded at ports	15.1	26.4	25.5	26.4	83.6	31.3
- Shrimp production	-21.3	5.4	2.8	6.7	20.4	1.1
Number of Foreign Tourists	10.4	8.2	16.8	0.8	21.0	15.7
Manufacturing Production Index (MPI)	-1.7	-0.9	-6.3	-0.3	-6.6	-5.5
Private Consumption Index (PCI) <sup>r</sup>	1.0	0.8	-0.1	0.7	0.0	1.1
- Car Index	2.1	-2.0	-1.7	-0.8	-16.0	-11.7
- Fuel Index	-2.5	1.2	-5.3	-0.5	3.1	3.3
- Household Electricity Index	2.6	2.9	-0.4	1.6	1.1	0.8
- Non-durable goods Index	1.6	0.4	-2.2	1.9	-0.2	3.8
- Semi-durable goods Index	6.0	4.1	4.2	-2.9	-8.9	-6.5
- Services Index	9.8	10.1	8.6	9.4	12.1	12.9
Private Investment						
- Private Investment Index (PII) <sup>1/</sup>	2.0	1.8	1.7	2.0	2.7	2.7
- Registration of Business Entity (total registration)	1.4	-43.4	-6.8	16.4	-39.9	-72.5
- Construction area permitted in municipal zone (12-month moving average)	13.6	11.2	13.4	16.2	12.9	16.3
<b>Fiscal Sector</b>						
- Tax revenue	4.8	-0.8	13.9	9.3	4.5	-4.8
- Total disbursement	-23.3	5.6	26.0	-2.6	-6.1	1.9
<b>Consumer Price Index (Base Year = 2015)</b>	1.55	1.60	1.37	1.39	0.88	0.01
- Food and beverages	-0.27	0.22	-0.16	0.12	0.56	-0.08
- Non food and beverages	2.60	2.40	2.26	2.13	1.06	0.06
<b>Core Consumer Price Index (excluding raw food and energy)</b>	0.48	0.50	0.47	0.35	0.31	0.31
<b>Seasonally-adjusted Unemployment Rate *</b>	1.4	1.2	1.4	1.1	1.6	1.4
<b>International Trade(million USD)</b>						
- Exports	1,268.4	1,692.4	1,104.6	1,392.5	1,162.2	1,068.5
$\Delta\%$ year-on-year	-8.0	26.1	-11.3	10.9	-23.8	-12.8
- Imports	938.4	862.5	911.7	963.6	1,025.2	846.5
$\Delta\%$ year-on-year	10.0	6.5	17.6	-26.3	23.2	16.8
<b>Financial Sector (at the end of period) (Billions baht)</b>						
<b>Overall deposits</b>	<b>1,096.4</b>	<b>1,096.0</b>	<b>1,094.5</b>	<b>1,105.8</b>	<b>1,109.8</b>	<b>0.0</b>
$\Delta\%$ year-on-year	<b>4.7</b>	<b>4.5</b>	<b>4.3</b>	<b>5.2</b>	<b>3.9</b>	<b>-100.0</b>
- Deposits of commercial banks	677.3	676.2	673.4	682.4	681.8	0.0
$\Delta\%$ year-on-year	3.8	3.5	3.3	4.6	2.6	-100.0
- Deposits of Specialised Financial Institutions (SFIs)	419.0	419.9	421.0	423.4	427.9	0.0
$\Delta\%$ year-on-year	6.1	6.1	6.1	6.2	6.0	-100.0
<b>Overall loans</b>	<b>1,227.8</b>	<b>1,228.7</b>	<b>1,235.9</b>	<b>1,235.4</b>	<b>1,238.8</b>	<b>0.0</b>
$\Delta\%$ year-on-year	<b>2.1</b>	<b>1.7</b>	<b>2.1</b>	<b>2.2</b>	<b>2.3</b>	<b>-100.0</b>
- Loans of commercial banks	685.5	684.6	689.5	691.6	692.3	0.0
$\Delta\%$ year-on-year	-0.9	-1.5	-0.8	0.0	0.1	-100.0
- Loans of Specialised Financial Institutions (SFIs)	542.3	544.1	546.5	543.8	546.5	0.0
$\Delta\%$ year-on-year	6.1	6.1	6.0	5.3	5.2	-100.0

Remark : e = estimated r = revised n.a. = not available \* Seasonally-adjusted by BOT

<sup>1/</sup> The index has been revised since March 2018.

Source : Bank of Thailand, Southern Region Office