

**No. 22/2017****Press Release on Southern Region's Economic Conditions in November 2017**

The overall economic activities in the Southern region in November 2017 expanded both from the same period last year and the previous month. Manufacturing production and exports expanded well following the continued robust foreign demand. Meanwhile, tourism continually grew which was reflected by an increase in the number of tourists especially Chinese and Russian. In addition, the spending on both durable and non-durable goods rose which led private consumption to increase in this month as a partial result of government measure. However, the factors supporting the overall consumption was not sufficiently strong, reflected by a small contraction of farm income. Government spending decreased mainly from a reduction in current spending whereas capital spending rose. **On the stability front**, inflation picked up from the preceding month on account of retail petroleum price. Meanwhile, the unemployment rate dropped from the previous month which was consistent with an increase in the employment.

Details of the economic conditions are as follows;

**Exports value** accelerated with a growth of 51.0 percent from the same period last year following the continued expansion in foreign demand which was in accordance with the high growth of manufacturing production at 20.7 percent. The production and exports of processed rubber performed well, driven primarily by demand from China, Malaysia, and Europe. Nevertheless, the production and exports of processed rubberwood slowed down by excess stock in China. Regarding canned tuna, the production and exports surged as a result of a decline in tuna price inducing high demand from the Middle East. However, the production and exports of processed and frozen seafood reduced as Vannamei shrimp and squid exports dropped. Meanwhile, Crude Palm Oil (CPO) production continued to grow following a large amount of raw material, caused lower price than the Malaysia's market price which generated higher export.

**The number of foreign tourists** posted a positive growth of 11.9 percent from the same period last year following the remarkable increase in the number of Chinese and Russia tourists, owing to tourism campaigns and the launch of new airline routes at Krabi province, e.g. Shenzhen – Krabi and Russia – Beijing – Krabi. Nevertheless, the Malaysian tourists in southern border provinces continued to decline.

**Agricultural production** soared 23.3 percent annual growth from the same period last year, on the grounds that rubber and oil palm outputs grew following an increase in tapping areas together with the favourable weather condition. Meanwhile, Vannamei shrimp output rose as an increase of shrimp farming along with an early harvest to avoid the risk from flooding. The

agricultural prices contracted as a result of the lower rubber and oil palm prices, attributable to a slight decline in farm income by 0.8 percent.

**Private consumption indicators** expanded by 1.3 percent compared to the same period last year from the higher spending on durable goods, indicated by a rise of car registration following demand for new car models launched in the earlier periods. Moreover, spending on non-durable goods increased, including personal care products, snacks, and beverages, partially supported by government stimulus measures. However, spending on services involving tourism and transportation slowed down from the previous month.

**Public spending** contracted by 24.0 percent compared to the same period last year. However, it exhibited a negative annual growth of 10.5 percent when excluding salary payment. The contraction was accounted for current spending reduction considerably as the disbursement of Internal Security Operations Command decreased. Nevertheless, capital spending grew from the land and construction budget of Department of Rural Roads together with the disbursement of educational institutions.

**Private investment indicators** contracted by 1.7 percent compared to the same period last year following the decrease of investment in construction and real estate sectors, reflected by the decreasing cement sales and permitted construction areas for housing as demand stayed flat which affected developers to delay new project investment. Moreover, import of capital goods dropped, particularly in the rubber glove, rubberwood, and palm oil industries.

On the stability front, **headline inflation** was at 1.16 percent, picked up from the previous month which was at 0.94 percent. The rise was attributed to an increase in retail petroleum price following the increase in global crude oil price. Fresh food prices dropped in this month as vegetable and fruit prices decreased following increased supply. The **unemployment rate** was at 1.4 percent which declined from the preceding month. The decrease was in line with a growth in the employment in the non-agricultural sector.

At the end of October 2017, overall **deposits** expanded by 3.4 percent compared to the same period last year for both deposits of commercial banks and Specialised Financial Institutions (SFIs) due mainly to the expansion of current and savings accounts. Regarding overall loan, it increased by 4.2 percent and was mainly attributed to long-term loan for business expansion. Meanwhile, SFIs' loan continued to expand from the agricultural loan.

Bank of Thailand, Southern Region Office  
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Table Attached to Press Release on Southern Region's Economic Conditions in November 2017



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	2017					
	June	July	Aug	Sep	Oct	Nov
<b>The Real Sector (<math>\Delta\%</math> year-on-year, unless otherwise stated)</b>						
Farm Income Index <sup>r</sup>	-0.2	-14.1	-5.6	5.4	-0.1	-0.8
Agricultural Production Index	6.2	3.5	3.9	4.5	9.5	23.3
Agricultural Price Index	-6.0	-17.0	-9.1	0.9	-8.7	-19.5
- Rubber (RSS5)	2.4	-8.7	-1.6	4.6	-10.9	-26.9
- Oil palm (FFB)	-26.9	-39.6	-33.1	-27.8	-30.8	-32.0
- Shrimp (70 pc/kg)	-3.4	-4.6	-1.2	-2.7	5.5	2.1
<b>Fishery Production</b>						
- Fishery production loaded at ports	10.3	-10.5	-5.1	-16.6	-11.7	n.a.
- Shrimp production	10.0	-10.1	-8.1	6.9	3.8	18.1
<b>Number of Foreign Tourists</b>	15.3	-5.7	9.0	-8.2	10.1	11.9
<b>Manufacturing Production Index (MPI)</b>	0.5	9.8	16.2	10.3	9.8	20.7
<b>Private Consumption Index (PCI) <sup>r</sup></b>	0.2	0.5	1.4	1.5	1.5 <sup>r</sup>	1.3 <sup>e</sup>
- Car Index	17.5	27.0	18.2	19.7	42.8	49.4
- Fuel Index	6.9	6.7	0.6	0.8	-0.2 <sup>r</sup>	2.3 <sup>e</sup>
- Household Electricity Index	6.5	2.8	5.2	5.9	4.2 <sup>r</sup>	5.1 <sup>e</sup>
- Non-durable goods Index	-3.5	-3.6	-1.3	1.3	0.3	2.7
- Semi-durable goods Index	-2.3	1.0	10.3	-1.0	-2.2 <sup>r</sup>	-7.0 <sup>e</sup>
- Services Index	11.8	17.9	26.5	24.8	21.8 <sup>r</sup>	11.2 <sup>e</sup>
<b>Private Investment</b>						
- Private Investment Index (PII)	0.1	1.4	1.3	0.0	-1.1	-1.7
- Promotional privileges from Board of Investment (total investment)	-58.0	108.5	186.6	326.7	-85.3	170.9
- Registration of Business Entity (total registration)	-2.5	83.8	19.5	82.2	10.8	77.1
- Construction area permitted in municipal zone (12-month moving average)	-1.7	2.3	2.7	-8.4	-16.8	-17.0
<b>Fiscal Sector</b>						
- Tax revenue	1.2	9.1	7.9	-0.7	3.2	1.2
- Total disbursement <sup>1/</sup>	-24.3	6.8	-13.1	-27.8	29.8	-24.0
<b>Consumer Price Index <sup>2/</sup></b>	0.13	0.28	0.41	0.87	0.94	1.16
- Food and beverages	-0.13	-0.28	-0.83	0.03	0.52	0.26
- Non food and beverages	0.34	0.67	1.22	1.41	1.20	1.74
<b>Core Consumer Price Index (excluding raw food and energy)</b>	0.77	0.63	0.58	0.60	0.68	0.74
<b>Unemployment Rate</b>	1.2	1.7	1.7	1.3	2.2	1.4
<b>International Trade(million USD)</b>						
- Exports	1,471.4	1,378.7	1,343.5	1,245.7	1,256.1	1,525.2
$\Delta\%$ year-on-year	54.2	31.7	29.6	1.4	23.3	51.0
- Imports	770.7	853.7	809.9	775.5	1,307.8	832.2
$\Delta\%$ year-on-year	9.7	-6.5	7.7	-2.1	33.0	6.5
<b>Financial Sector (at the end of period) (Billions baht)</b>						
<b>Overall deposits</b>	1,047.2	1,047.5	1,049.2	1,049.1	1,051.1	n.a.
$\Delta\%$ year-on-year	4.3	5.0	5.4	4.9	3.4	n.a.
- Deposits of commercial banks	654.8	652.6	653.4	652.1	652.5	n.a.
$\Delta\%$ year-on-year	1.9	2.4	3.1	2.6	1.4	n.a.
- Deposits of Specialised Financial Institutions (SFIs)	392.4	394.9	395.8	397.0	398.6	n.a.
$\Delta\%$ year-on-year	8.6	9.6	9.5	8.7	6.9	n.a.
<b>Overall loans</b>	1,198.3	1,202.5	1,207.9	1,210.7	1,208.4	n.a.
$\Delta\%$ year-on-year	3.9	4.5	4.7	4.8	4.2	n.a.
- Loans of commercial banks	689.5	691.4	695.1	695.1	691.9	n.a.
$\Delta\%$ year-on-year	2.8	3.5	3.8	3.7	2.8	n.a.
- Loans of Specialised Financial Institutions (SFIs)	508.8	511.1	512.8	515.5	516.5	n.a.
$\Delta\%$ year-on-year	5.5	5.8	6.0	6.2	6.1	n.a.
Remark : e = estimated r = revised indices n.a. = not available						
<sup>1/</sup> Changing in payment system of the Office of the Basic Education Commission to directly transfer to the officers without passing through Southern Comptroller						
<sup>2/</sup> changing base year from 2011 to 2015						
Source : Bank of Thailand, Southern Region Office						