



No.15/2019

Press Release on Southern Region's Economic Conditions in September 2019

The overall economic activities in the Southern region in September 2019 expanded at a slower pace from the previous month. Agricultural production decelerated mainly from oil palm output. Meanwhile, manufacturing production registered higher contraction, in particular rubber-related products and frozen seafood. The number of foreign tourists further declined due to a decline in the number of Malaysian tourists. For domestic demand, although the expenditure of Thai tourists firmly grew, the expenditure on consumer goods soften, resulting in a similar growth in private consumption as the previous month. However, private investment weakened from domestic sales of machinery and equipment, whereas public spending remained contracted, despite at a slower pace.

On the stability front, the inflation rate slipped further due to falling domestic retail petroleum price. The seasonally-adjusted unemployment rate edged up from last month as the employment in agricultural sector declined.

Details of the economic conditions are as follows;

**Agricultural production** expanded at a slower pace as oil palm output decelerated following the seasonal pattern, together with the high- based effect last year due to seasonal volatility. Agricultural price continued to fall from all of the major agricultural outputs, including rubber, oil palm, and Vannemei shrimp. This was due to increasing output, softening in trading partners' demand, and high oil palm stockpiles which altogether caused **farm income** to slow down.

The value of **merchandise exports** remained subdued, corresponding with **manufacturing production** which further declined than the previous month. The production of processed rubber, processed rubberwood exporting to China continued to be weighed by slowing global economic growth. The production of frozen seafood stagnated in all major products. Meanwhile, the production of crude palm oil decelerated following the output slowdown. Nevertheless, the rebounded growth was observed in canned seafood and rubber glove production.

**The number of foreign tourist arrivals** remained in contraction, contributed from the lower number of Malaysian tourists due mainly to weaker Malaysian Ringgit. On the contrary, the number of Chinese tourists continually increased owing to the low-based effect last year after the the tour boat incident in Phuket. Meanwhile, Indian tourists grew robustly.

**Private consumption** increased at the similar pace as the previous month. The expenditure of Thai tourists on tourism-related services showed a steady growth, whereas the expenditure on consumer goods declined in various categories. Moreover, the expenditure on vehicles turned around to register a negative growth since the number of newly registred passenger cars and motorcycles declined, reflecting weak households' purchasing power.

**Private investment** softened, following the domestic sales of machinery and equipment, particularly the machinery used in rubber industry and electric generator. In addition, the imports value further decreased due mainly to the decreasing imports of machinery and equipment in rubber glove and processed rubberwood industries, in consistent with the manufacturing production.

**Public spending** remained low, despite at a slower pace due to the rebound of the spending on investment disbursed by Department of Local Administration. The current spending contracted but slightly improved, following the improvement in the disbursement on other expenses and general subsidy.

On the stability front, **headline inflation** was at -0.36 percent, slipping further from preceding month, largely due to a decline in the price of domestic retail petroleum. The seasonally-adjusted **unemployment rate** was at 1.9 percent, rose from the previous month and was in line with decreased employment in agricultural sector.

At the end of August 2019, total **deposit** further gained from the increase in both time deposit and savings accounts from the Specialized Financial Institutions (SFIs). The overall **loan** expanded at a slower pace on the back of lower Commercial's bank overdraft and bills, together with falling in SFIs' loan.

Bank of Thailand

31 October 2019

Contact: Southern Regional Economic Division Tel: +66 (0) 7427 2000 ext. 4712  
e-mail: SRO-EconDiv@bot.or.th



	2019					
	Apr	May	Jun	Jul	Aug	Sep
<b>The Real Sector (<math>\Delta\%</math> year-on-year, unless otherwise stated)</b>						
<b>Farm Income Index</b>	16.3	7.3	20.5	14.2	7.5	2.5
<b>Agricultural Production Index</b>	18.0	17.4	12.6	10.7	19.6	9.0
<b>Agricultural Price Index</b>	-1.5	-8.6	6.9	3.1	-10.1	-5.9
- Rubber (RSS3)	7.9	6.1	22.2	11.8	-8.6	-3.9
- Oil palm (FFB)	-30.4	-33.9	-24.0	-20.6	-19.2	-15.2
- Shrimp (70 pc/kg)	-0.9	12.4	-1.0	-10.1	-9.8	-11.3
<b>Tourism</b>						
- Number of foreign tourists	-5.0	-5.7	-14.1	-3.0	-3.0	-7.1
- Occupancy rate (%)	82.6	69.8	68.8	64.6	60.2	62.5
<b>Manufacturing Production Index (MPI) <sup>1/</sup></b>						
- Level	110.6	116.0	102.1	109.0	109.6	95.4
- $\Delta\%$ year-on-year	-10.4	4.3	-3.5	2.5	-2.6	-9.2
<b>Private Consumption Index (PCI)</b>	2.7	2.9	-0.7	3.7	2.0	2.2
- Car Index	6.4	0.6	-14.4	15.2	6.3	-2.4
- Fuel Index	-5.8	-9.3	-15.0	-13.0	-18.4	-11.0
- Household Electricity Index	7.9	8.8	4.8	6.6	3.1	5.2
- Non-durable goods Index	-0.4	1.2	-1.8	1.6	0.4	-1.8
- Semi-durable goods Index	2.4	-2.6	-0.8	4.2	-4.8	-2.4
- Services Index	7.7	9.6	7.8	5.5	9.0	9.0
<b>Private Investment</b>						
- Private Investment Index (PII) <sup>2/</sup>	0.7	0.7	0.8	0.5	-0.4	-0.9
- Registration of Business Entity (total registration)	-15.8	-3.6	-28.3	3.2	9.8	-31.4
- Construction area permitted in municipal zone (12-month moving average)	7.6	7.4	3.0	-0.4	4.3	6.6
<b>Fiscal Sector</b>						
- Total disbursement	16.6	-21.3	-13.8	-2.0	-15.7	-8.2
- Current expenditure	34.9	-34.2	-10.9	-11.9	-16.9	-13.8
- Capital expenditure	-1.0	-4.0	-16.5	12.0	-14.0	0.2
<b>Consumer Price Index (Base Year = 2015)</b>	0.92	0.62	0.32	0.41	-0.16	-0.36
- Food and beverages	1.20	1.52	2.00	2.31	1.39	1.32
- Non food and beverages	0.75	0.11	-0.64	-0.67	-1.03	-1.30
<b>Seasonally-adjusted Unemployment Rate *</b>	1.1	1.3	1.3	1.2	1.7	1.9
<b>International Trade(million USD)</b>						
- Exports	1,146.5	1,197.0	975.5	1,173.0	986.5	1,067.4
$\Delta\%$ year-on-year	-9.2	-0.6	-22.6	1.7	-41.7	-3.5
- Imports	991.8	953.9	751.8	1,087.6	780.0	699.1
$\Delta\%$ year-on-year	-2.7	8.6	-1.9	15.9	-9.6	-23.3
<b>Financial Sector (at the end of period) (Billions baht)</b>						
<b>Overall deposits</b>	<b>1,145.2</b>	<b>1,131.7</b>	<b>1,135.4</b>	<b>1,135.8</b>	<b>1,141.8</b>	<b>n.a.</b>
$\Delta\%$ year-on-year	<b>4.4</b>	<b>3.5</b>	<b>3.4</b>	<b>3.6</b>	<b>4.2</b>	<b>n.a.</b>
- Deposits of commercial banks	702.0	689.5	689.0	690.0	692.7	n.a.
$\Delta\%$ year-on-year	2.8	1.3	1.5	1.9	2.4	n.a.
- Deposits of Specialised Financial Institutions (SFIs)	443.1	442.2	446.5	445.9	449.1	n.a.
$\Delta\%$ year-on-year	7.0	7.1	6.5	6.4	7.0	n.a.
<b>Overall loans</b>	<b>1,281.3</b>	<b>1,283.1</b>	<b>1,289.3</b>	<b>1,290.6</b>	<b>1,289.1</b>	<b>n.a.</b>
$\Delta\%$ year-on-year	<b>5.3</b>	<b>5.1</b>	<b>5.1</b>	<b>5.1</b>	<b>4.9</b>	<b>n.a.</b>
- Loans of commercial banks	723.9	725.4	727.1	728.7	726.5	n.a.
$\Delta\%$ year-on-year	6.1	6.1	6.1	6.3	6.1	n.a.
- Loans of Specialised Financial Institutions (SFIs)	557.4	557.7	562.2	561.9	562.6	n.a.
$\Delta\%$ year-on-year	4.2	3.8	3.8	3.6	3.4	n.a.

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

<sup>1/</sup> The index has been revised since January 2014. <sup>2/</sup> The index has been revised since

Source : Bank of Thailand, Southern Region Office