



BANK OF THAILAND

BOT Press Release

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

The **overall economy** of the Southern region in January 2013 continued to expand, reflecting from both manufacturing production and trade activities. Private spending and investment remained the key drivers of growth, while merchandise exports also picked up due to the gradually recovered of global economy. This is consistent with credits of banking sector which increased continuously. Meanwhile, agricultural production and crop prices contracted which led to the decreased farm income.

Details of the economic conditions are as follows:

Manufacturing Production Index (MPI) expanded 19.5 percent year-on-year (YoY) due to the rising of crude palm oil production as an increasing of raw materials, fresh fruit bunches, in palm oil mills. In addition, the rubber industry, canned seafood industry and freeze and frozen seafood industry expanded to fulfill demand of major export market, all of which led to the **increase of export value** by 27.7 percent (YoY). Concurrently, **import value** increased by 94.6 percent (YoY), mainly from increased imports of machineries and construction materials.

In the meantime, the private investment continuously expanded. **Private Investment Index (PII)** rose by 25.3 percent (YoY) due to the expansion of real estate investment, as well as the sales of cement for construction. In spite of the slightly decreasing of farm incomes comparing to the previous year, the **Private Consumption Index (PCI)** considerably expanded by 7.9 percent (YoY) in response to an increasing of minimum wage and government intervention on rubber and palm oil prices. PCI also constantly expanded particularly from the first-car tax rebate program which is currently in the process of car delivery after the program expiration at the end of previous year.

Coherently, **Commercial bank credit** robustly grew by 21.5 percent (YoY) from consumer loans, especially car leasing on the first-car tax rebate program and personal loan.

Tourism slightly improved by 0.8 percent (YoY) which decelerated from previous month. This was attributable to the decreasing of Malaysian tourists in southern border provinces by comparing to high number of Malaysian tourists during Chinese New Year in previous year. Nevertheless, the tourism along Gulf of Thailand and Andaman coasts continually expanded which were mainly supported by Chinese and Russian tourists.

Agricultural production decreased by 1.2 percent (YoY) thanks to decreased production of rubber. According to the high level of domestic and oversea agricultural stocks, **agricultural prices** contracted by 11.9 percent (YoY) in accordance with lower world prices. Consequently, **farm income** reduced by 13.0 percent (YoY). Likewise, the shrimp production decreased seasonally. These were partly due to the harvesting in the early crop and the damage of shrimp diseases. As a result, shrimp price increased by 12.8 percent (YoY).

Government disbursements in the Southern region increased 14.6 percent (YoY), mainly from the accelerated disbursements of public constructions and investments. Meanwhile, **revenue collection** grew by 22.6 percent (YoY), owing to increasing value-added taxes of retail, wholesale and industry sectors.

Inflation was at 3.13 percent (YoY) which decelerated from previous month, 3.70 percent (YoY). This was due to lower-pace of increasing prices of food and beverages sector, particularly the increased outputs of vegetable and fruit, while meat prices decreased as well. As to the non-food prices, it increased in a slower pace following decline in the prices of construction material and fuel.

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	2012					2013
	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.
Real Sector (Δ% Year-on-Year)						
Farm Income Index	-25.0	-24.3	-15.0	-4.4	-1.3	-13.0
Agricultural Production Index	4.8	4.0	3.0	8.8	11.3	-1.2
Crop Price Index	-28.4	-27.2	-17.4	-12.1	-11.3	-11.9
- Rubber (RSS3)	-36.5	-34.1	-22.6	-13.1	-7.9	-13.0
- Palm oil (FFB)	-2.9	-12.6	-1.8	-17.9	-34.5	-26.0
- Shrimp (70 pc/kg)	6.0	12.8	9.6	0.7	-2.5	12.8
Fishery Production						
- Fishery production loaded at ports	2.9	18.5	-0.5	29.5	21.4	-0.7
- Shrimp production	-17.6	-31.7	6.4	16.5	21.4	4.3
Number of Foreign Tourists	12.9	2.7	14.2	22.6	18.5	0.8
Manufacturing Production Index (MPI) ^r	-2.3	11.6	5.3	10.1	-0.8	19.5
Private Consumption Expenditures						
- Private Consumption Index (PCI)	1.0	1.8	1.6	-0.4	0.7	7.9
- Passenger car sales	89.4	66.9	117.9	191.9	559.1	135.2
- Commercial Car Sales	-5.0	-8.2	4.7	58.7	342.6	83.5
- Motorcycle Sales	-15.8	-14.6	-17.7	1.5	14.2	19.7
- Real VAT at 2000 prices ^{1/}	0.2	5.0	1.4	-5.7	-5.2	19.4
Private Investment						
- Private Investment Index (PII)	4.4	7.2	6.5	12.8	18.9	25.3
- Promotional privileges from Board of Investment (Δ% of total investment)	1,284.9	1,707.4	40.3	29.1	-56.0	n.a.
- Capital investment of business registered at Ministry of Commerce (Δ% capital)	17.3	-25.1	17.3	13.7	-10.4	-22.6
- Construction Area Permitted in Municipal Zone (12-month moving average)	15.8	25.0	27.3	28.6	26.1	32.9
Fiscal Sector						
- Tax Revenue	-23.2	31.0	12.8	3.5	-0.3	22.6
- Total Disbursement	15.0	6.6	-6.5	57.5	6.2	14.6
Consumer Price Index	3.30	3.90	3.80	3.00	3.70	3.13
- Food and Beverages	5.39	4.69	4.26	2.48	3.93	3.50
- Non Food and Beverages	1.76	3.29	3.39	3.40	3.60	2.85
Core Consumer Price Index (excluding raw food and energy)	1.60	1.90	1.90	1.80	1.60	1.36
International Trade(million USD)						
- Exports	1,300.8	1,434.1	1,538.6	1,396.7	1,255.5	1,381.4
Δ% Year-on-Year	-35.6	-20.3	-14.7	-6.2	-16.7	27.7
- Imports	1,233.4	1,013.5	1,126.2	789.4	950.3	812.3
Δ% Year-on-Year	-29.7	26.4	41.7	44.7	48.1	94.6
Financial Sector (at the end of period) (Billions of baht)						
- Deposits	581.8	590.7	588.4	599.9	599.2	602.2 ^E
Δ% Year-on-Year	11.8	13.2	12.1	13.8	13.1	12.2 ^E
- Loans	563.7	569.2	579.4	590.3	602.2	613.5 ^E
Δ% Year-on-Year	17.7	16.4	16.9	19.3	20.4	21.5 ^E
Remark : 1/ excluding VAT from customs duty. e = estimated r = revised						
Source : Bank of Thailand, Southern Region Office						