



BANK OF THAILAND

**BOT Press Release**

Southern Region Office  
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**Press Release on Southern Region's Economic Conditions in March 2015**

The overall economy of the Southern region in March 2015 improved from previous month. This was following the robustly expanded tourism sector and the expedited government spending on investment projects. Manufacturing sector also picked up. However private consumption continued to flatten as the low farm income. In term of economic stability, inflation dropped continually following decrease in raw food and fuel prices, while unemployment rate improved from preceding month.

Details of the economic conditions are as follows;

Overall economic activities improved from prior month following the robust expansion of **tourism sector**. This was supported by a robust growth of Asian tourists, particularly from China and Malaysia, which was consistent with increases in international flights and occupancy rate.

Additionally, the economy was boosted by the expedited **government spending** and the improved efficiency on disbursement in fiscal year 2015. This was reflected by the expedited disbursement of capital expenditure, particularly for land and equipment. Concurrently, **revenue collection** rose following the increased income taxes, excise taxes and customs. Apparently, liquor tax increased robustly because of the expedited production before increase tax rate by 2.0 percent.

**Manufacturing production** in export-oriented industries improved following the increased productions of rubber products and woods comparing to previous month which was Chinese New Year. The output of palm oil also picked up following the increased raw materials- fresh fruit bunches. The output of canned seafood and fresh-and-frozen seafood moderated following the softened global demand, the expiration of Thailand's benefit from the Generalized Scheme of Preferences (GSP) and the decrease in raw materials.

Coherently, **export value** improved from prior month following the increased export of rubber woods. The contracted exports of rubber products and gloves also lessened.

**Private consumption** was pressured by low agricultural price. Apparently, rubber price dropped after the temporary stop of Rubber Estate Organization's purchasing plan since 9th March 2015, the softened purchasing order from China owing to sufficient rubber stockpile,

together with the moderated tire industry in China following easing demand from trading partners. **Private investment** reduced in both permitted construction areas and registered commercial cars. This was due to entrepreneurs remained to wait a clearer sign of economy.

In term of economic stability, **inflation** dropped by 0.72 percent (yoy) following the decreased price and raw food. The falling fuel price was due to low global oil price. **Unemployment rate** was 0.93 percent which improve from 1.20 percent in prior month. Employment mainly increased in manufacturing, agricultural and service sectors.

**Commercial bank credits** as of March 2015 declined by 6.6 percent (yoy) following the decreased consumer loans. This was also due to change in bookkeeping system of certain banks by recording credits in head office instead of branches. However, corporate loans picked up.

Bank of Thailand, Southern Region Office  
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Table Attached to Press Release on Southern Region's Economic Conditions in March 2015

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	2014			2015		
	Oct	Nov	Dec	Jan	Feb	Mar
<b>The Real Sector (<math>\Delta\%</math> year-on-year )</b>						
<b>Farm Income Index</b>	-38.9	-31.6	-37.1	-18.5	-15.2	-34.9
<b>Agricultural Production Index</b>	-13.4	-6.4	-14.3	-7.6	-9.1	-17.9
<b>Agricultural Price Index</b>	-29.4	-26.9	-26.6	-11.9	-6.7	-20.7
- Rubber (US\$3)	-34.9	-32.7	-31.7	-14.8	-6.6	-23.7
- Oil palm (FFB)	11.4	9.1	6.1	7.9	3.6	-4.2
- Shrimp (70 pc/kg)	-30.7	-28.8	-35.2	-30.4	-25.5	-31.4
<b>Fishery Production</b>						
- Fishery production loaded at ports	5.3	-12.4	-8.3	2.1	-18.8	-9.0
- Shrimp production	-2.0	19.6	34.4	3.6	-2.5	13.7
<b>Number of Foreign Tourists</b>	15.4	5.3	20.0	30.7	28.6	21.0
<b>Manufacturing Production Index (MPI)</b>	0.3	0.8	-3.9	-1.7	-6.5	-2.9
<b>Private Consumption Index (PCI)</b>	-0.3	-1.0	2.3	3.0	1.8	1.8
- Car Index	-39.0	-45.7	-34.3	-18.3	-33.1	-23.0
- Fuel Index	-3.3	-6.5	4.3	6.3	6.1	5.8
- Household Electricity	1.4	0.8	4.1	1.2	2.5	-0.7
- VAT (real terms) 1/	1.9	1.3	6.6	7.7	4.9	4.9
<b>Private Investment</b>						
- Private Investment Index (PII)	-10.4	-11.4	-12.2	-11.2	-9.8	-8.0
- Promotional privileges from Board of Investment ( $\Delta\%$ of total investment)	-71.7	437.2	-62.9	190.5	1,151.0	479.4
- Construction area permitted in municipal zone (12-month moving average)	-16.3	-17.1	-15.5	-18.1	-17.5	-18.3
<b>Fiscal Sector</b>						
- Tax revenue	4.7	14.4	6.1	10.2	2.5	12.0
- Total disbursement	38.6	-31.6	6.6	-8.8	-24.0	21.2
<b>Consumer Price Index</b>	1.77	1.79	0.71	-0.53	-0.45	-0.72
- Food and beverages	3.94	4.83	4.08	3.13	3.04	2.02
- Non food and beverages	0.46	-0.04	-1.33	-2.74	-2.56	-2.40
<b>Core Consumer Price Index (excluding raw food and energy)</b>	2.24	2.57	2.51	2.44	2.32	1.87
<b>International Trade(million USD)</b>						
- Exports	1,343.3	1,419.5	1,071.2	921.6	903.1	1,090.9
$\Delta\%$ year-on-year	-15.6	11.2	-21.1	-26.6	-25.1	-8.7
- Imports	930.7	791.7	758.0	757.0	990.2	753.4
$\Delta\%$ year-on-year	-13.1	-0.8	1.4	-9.0	6.6	-11.8
<b>Financial Sector (at the end of period) (Billions baht)</b>						
- Deposits	616.2	624.5	628.4	631.2	630.8	633.9
$\Delta\%$ year-on-year	1.4	1.6	0.8	-0.2	-3.1	-1.5
- Loans	702.0	705.5	709.4	649.4	656.6	654.8
$\Delta\%$ year-on-year	2.0	1.8	1.0	-7.4	-6.4	-6.6
Remark : 1/ excluding VAT from customs duty. e = estimated    r = revised    n.a. = not available						
Source : Bank of Thailand, Southern Region Office						