



Forecast Summary as of June 2016

	2015*	2016	2017
GDP Growth	2.8	3.1	3.2
		(3.1)	(3.3)
Headline Inflation	-0.9	0.6	2.2
		(0.6)	(2.2)
Core Inflation	1.1	0.8	1.0
		(0.8)	(1.1)
* Outturn () Monetary Policy Report, March 2016			

- The Thai economic growth in 2016 is expected to expand at the same rate as previously assessed. Overall, the economic momentum from domestic demand and the tourism sector offset the impact from contraction in merchandise exports. While, the growth in 2017 is slightly revised down due to weaker merchandise exports.
- Headline inflation forecast remains unchanged from the last assessment and is expected to gradually return to the inflation target in 2016H2, while core inflation is projected to edge slightly lower in 2017 in line with slower growth.
- Risks to growth and inflation forecasts remain skewed toward the downside due to slower-than-expected growth of trading partners and fragile private sector's confidence. However, concerns pertaining to the impact of the drought have subsided and prices of certain agricultural commodities have shown some sign of recovery.



Forecasts in Monetary Policy Report as of June 2016

%YoY	2016		2017	
	Mar 16	Jun 16	Mar 16	Jun 16
GDP Growth	3.1	3.1	3.3	3.2
- Private Consumption	1.8	1.8	2.4	2.1
- Private investment	2.4	3.1	4.0	2.3
- Government Consumption	3.3	3.5	2.8	2.8
- Public Investment	10.7	10.1	4.5	5.2
- Exports of Goods and Services	1.0	2.2	1.7	0.9
- Imports of Goods and Services	0.6	-1.9	1.5	2.4
Current Account (Billion USD)	34.8	37.8	32.7	32.3
- Value of Merchandise Exports	-2.0	-2.5	0.1	0.0
- Value of Merchandise Imports	-6.1	-6.0	3.6	5.3
Dubai Oil Price (USD/Barrel)	37.3	43.1	47.0	53.0
No. of Tourists (Million persons)	32.4	34.0	34.4	36.7

- **Private consumption** growth in 2016 is expected to expand at the same rate, while the expansion in 2017 is slower due to weaker merchandise exports.
- **Private investment** growth in 2016 is higher than previously forecasted owing to the impact of stimulus measures.
- **Public investment** in 2016 continues to expand, while the projection in 2017 is expected to be higher than the last projection in line with acceleration of disbursement rate.
- **Merchandise exports** is revised down due to slower-than-expected trading partner's economic growth resulting in lower growth of export value, although export price is higher in line with commodity prices.
- Higher-than-expected **number of tourists** compensates the weaker-than-expected merchandise exports, leading to higher growth of overall exports.
- **Oil price** is higher than the previous assessment due to supply disruption in oil-exporting countries, and is likely to continue to increase as a result of demand recovery.