



ธนาคารแห่งประเทศไทย  
BANK OF THAILAND

Quarter 4/2021



# รายงานแนวโน้มธุรกิจ

## BUSINESS OUTLOOK REPORT



## About this Report

Recognizing the importance of real business insights from all stakeholders, the Bank of Thailand (BOT) established the Business Liaison Program in 2004. Under this program, the BOT delegates from its Headquarters as well as its Offices of the Northern, Northeastern, and Southern regions conduct phone interviews and regular visits to businesses, associations, and government agencies to exchange information on current and long-term issues relevant to each participant. With over 800 visits each year, the program provides a channel for BOT to exchange views and gain first-hand perspectives meaningful to assessing the health of the aggregate economy and particular business sectors.

In this program, our business contacts range from small to large enterprises, as well as spanning across various regions and industries. The BOT delegates collect anecdotal evidence from participants. Then the information is used by BOT staff to supplement the quantitative data for evaluating economic conditions, making our analysis more comprehensive and well-rounded, supporting Monetary Policy Committee (MPC) and other BOT policy formulations.

With the information obtained, the "Business Outlook Report" is published on a quarterly basis at the BOT website. BOT hopes that this report would communicate business views and also promote the understanding of current and future business conditions in Thailand as well as relay policy suggestions from participants back to BOT or any relevant government agencies.

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(Survey result of businesses across Thailand during 1 October – 31 December 2021,  
In the period of the loosening of containment measures to control COVID-19 outbreak and the re-opening of Thailand)

**The business sectors revealed that Thai economy contracted slightly from the same period last year, but gradually recovered from the previous quarter due to the relaxation of the COVID-19 control measures and the re-opening of Thailand.**

Balance of opinion



### Retail Income\*

**-11%**

**contracted** from the same period last year, but recovered from the previous quarter owing to the relaxation of the COVID-19 control measures, the re-opening of Thailand and government's consumption stimulus measures which resulted in better consumer confidence.



### Manufacturing Income\*

**12%**

**expanded** from the same period last year and the previous quarter due to growing demand from trading partners and unraveling situation of the infected industrial workers from COVID-19. However, businesses still faced challenges from the global shortage of shipping containers and semiconductors.



### Real Estate and Construction Income\*

**-8%**

**contracted** from the same period last year, but was quite stable from the previous quarter because of weakened purchasing power and the financial institutions' tightening credit standards.



### Services Income \*

**-15%**

**contracted** continuously from the last year, but recovered from the previous quarter due to increasing vaccination rates, relaxation of the COVID-19 control measures, re-opening of Thailand and high season in tourism.

\*Calculated from survey responses as the percentage difference between respondents saying "income increase" and respondents saying "income decrease" as compared with the previous year (balance of opinion)

Percentage of respondents



### Confidence in the Economy

**58%**

of businesses believed that the economic conditions would improve in the next 12 months driven by increasing COVID-19 vaccination rates.



### Cost of Doing Business

**60%**

of businesses cited the cost of doing business increased mainly from factors of production, high transportation cost as well as the expenses related to controlling of COVID-19 pandemic.



### Challenges Faced by Business

**34%**

of businesses mentioned that weakened domestic demand was the main obstacle in doing business.



### Labor Market

**60%**

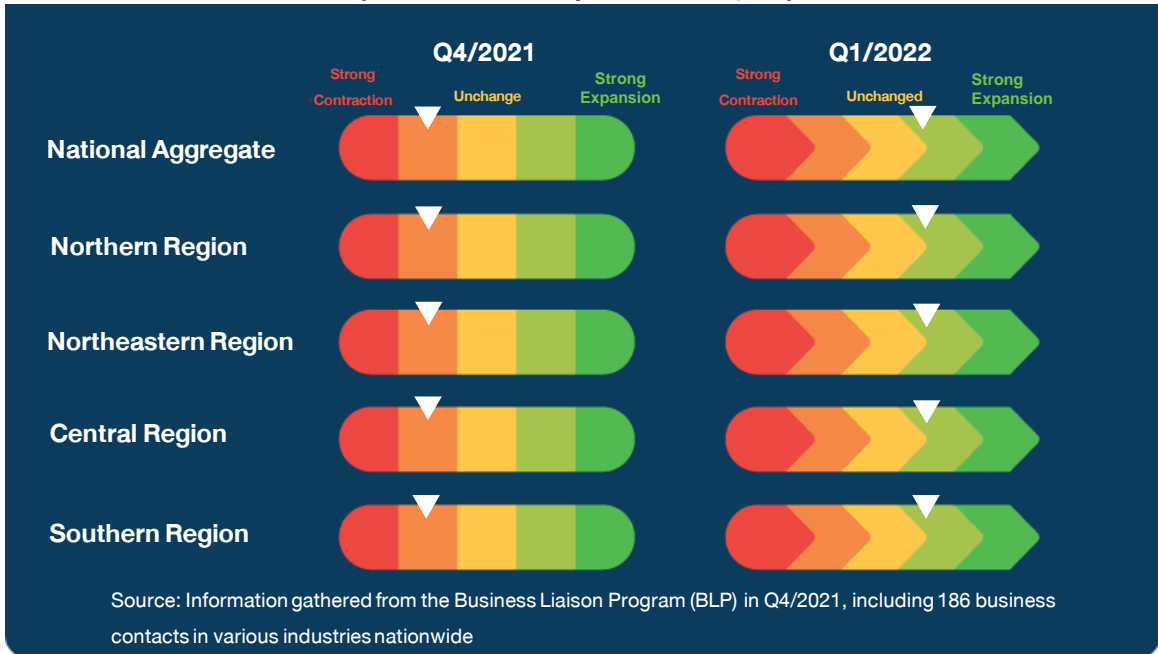
of businesses would not employ more workers owing to the sufficient number of workers. Some businesses decided to pay overtime instead of hiring additional employees.

Note: The light-colored bar shows data as of Q3/ 2021, while the dark-colored bar and the percentage show data as of Q4/ 2021



## Business views on economic conditions and outlook

(% from the same period of last year)



## Regional Highlights in Quarter 4/2021

### Northern Region

Overall business conditions contracted from the same period last year, but gradually recovered from the previous quarter due to the relaxation of the COVID-19 control measures and government's consumption stimulus measures, specifically in retail and service sectors. In addition, export-oriented businesses expanded according to higher foreign demand. However, businesses still faced challenges from the global shortage of shipping containers and semiconductors.

### Northeastern Region

Overall business conditions contracted from the same period last year, but gradually recovered from the previous quarter caused by the relaxation of the COVID-19 control measures, the re-opening of Thailand and government's consumption stimulus measures which led to better consumer confidence. Accordingly, the export-oriented manufacturing sector benefited from the recovery of trading partners' economies and the shift of orders to Thailand.

### Central Region

Overall business conditions contracted slightly from the same period last year, but gradually recovered from the last quarter according to the relaxation of the COVID-19 control measures in many areas and the re-opening of Thailand. As a result, economic activities gradually recovered, especially the tourism and retail sectors. Additionally, the manufacturing sector resumed normal operations, but still faced challenges from the global shortage of shipping containers and semiconductors as well as higher raw material costs. At the end of the quarter, the tourism sector started to be impacted by the outbreak of Omicron variant.

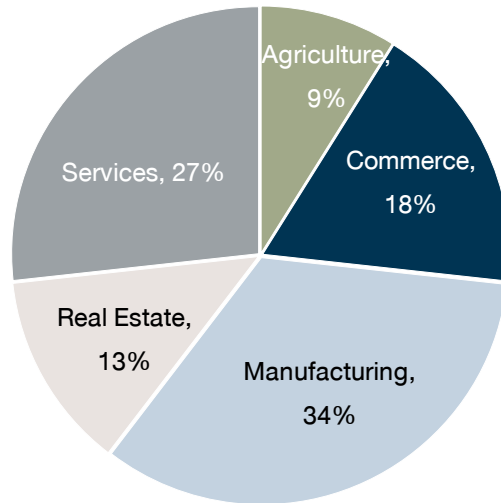
### Southern Region

Overall business conditions contracted slightly from the same period last year, but gradually recovered from the previous quarter owing to the relaxation of the COVID-19 control measures, the re-opening of Thailand and government's tourism stimulus measures that help tourism businesses to recover moderately. Thus, businesses started to hire some more workers and to renovate their accommodations & hotels. These also benefited the retail sector. However, there were still uneven recoveries.



## Appendix

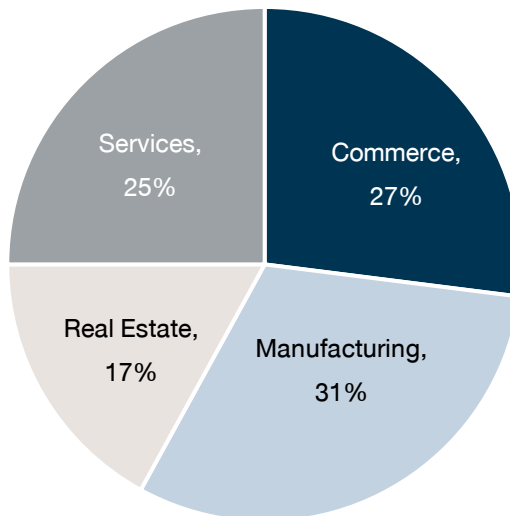
Thailand's Economic Structure



■ Agriculture ■ Commerce ■ Manufacturing ■ Real Estate ■ Services

Source: NESDB, calculated by BOT

Composition of businesses among BLP participants in Q4/2021



\*Survey result of 186 business contacts from all regions of Thailand from 1 October – 31 December 2021

Note: Sample emphasizes the business sector, while views of agriculture stakeholders is in part reflected in the manufacturing sector, for example through the agro-manufacturing sector.



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By

Structural Economic Policy Department

Monetary Policy Group

***Disclaimer:*** This report assesses the views of surveyed businesses and organizations in Quarter 4/2021, which reflects real economic activity that occurred and certain economic indicators. Views in this report reflect overall business views, may not necessarily align with macroeconomic indicators, and do not necessarily reflect the views of Bank of Thailand.