



ธนาคารแห่งประเทศไทย
BANK OF THAILAND

Quarter 4/2022



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 on 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 business across Thailand during 1 October – 31 December 2022)

Businesses viewed that the Thai economy expanded from the same period last year due to the activities generated from country's reopening policy, and government stimulus packages. High cost of doing business remain prevalent.

Balance of opinion

Retail Income*

33%

expanded from the same period last year, due to the economic recovery, the festive season, and a growing number of visitors. Nevertheless, there was a restraining factor from weakening purchasing power.

Manufacturing Income*

36%

expanded from the same period last year, particularly the domestic-oriented businesses following the slight economic recovery. However, overall export-oriented business decelerated due to the trading partner's economic slowdown.

Real Estate and Construction Income*

46%

expanded from the same period last year, owing to an upturn in economic recovery with rising construction businesses' sentiment.

Services Income*

88%

expanded from the same period last year due to an increasing number of tourists from the country's reopening policy and government stimulus packages.

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

Percentage of respondents

Confidence in the Economy

62%

of businesses believed that the economic conditions would improve in the next 12 months driven by economic recovery.

Cost of Doing Business

75%

of businesses cited the cost of doing business increased mainly from factors of production and transportation.

Challenges Faced by Business

25%

of businesses mentioned that increased competition within the domestic market was the main obstacle to doing business.

Labor Market

54%

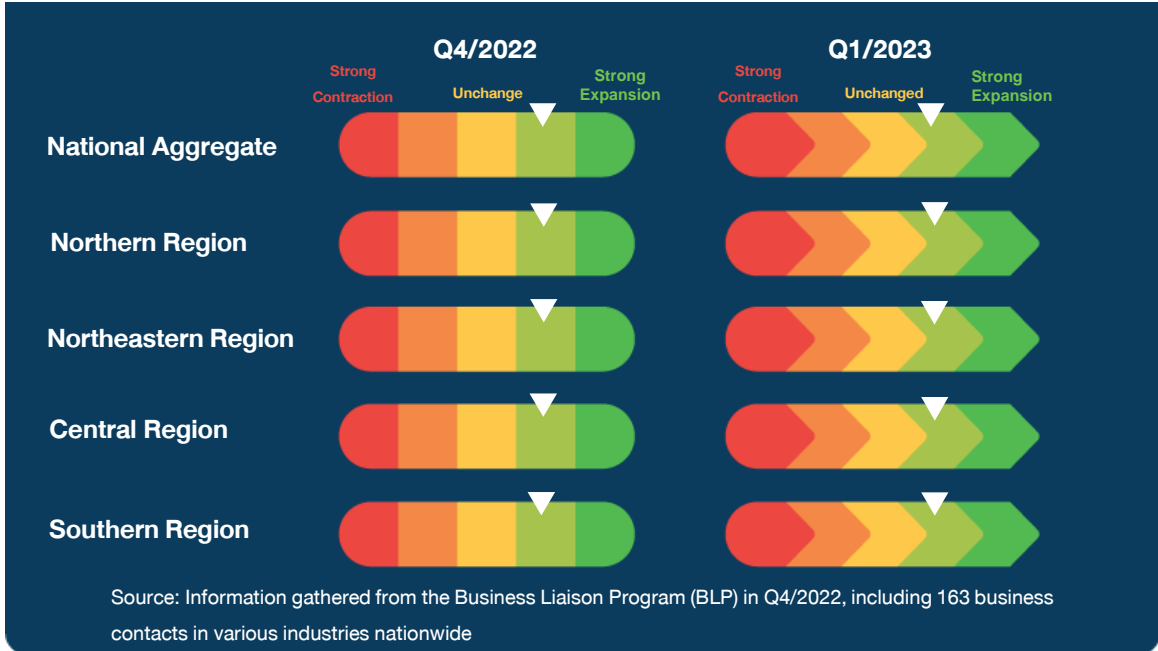
of businesses would not hire more workers. However, tourism and service businesses would like to employ more labors to support the tourism recovery.

Note: The light-colored bar shows data as of Q3/ 2022, while the dark-colored bar and the percentage show data as of Q4/ 2022



Business views on economic conditions and outlook

(% from the same period last year)



Regional Highlights in Quarter 4/2022

Northern Region

Overall business conditions continued to recover, owing to increasing economic activities in many areas. Moreover, special national holidays and direct international flights helped boost tourism, service, and trading businesses.

Northeastern Region

Overall business conditions improved, owing to the full reopening of the country and rising economic confidence. However, businesses are pressured by rising production costs, weakening purchasing power and high level of competition.

Central Region

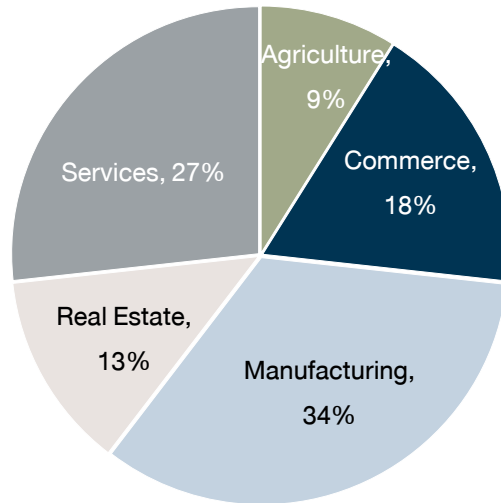
Overall business conditions expanded from the same period last year. Tourism, service and trading businesses earned benefits from the high season as the country's reopening led to a growing number of visitors. Similarly, the manufacturing sector slightly expanded following the recovering economic activities. Despite high production cost, the pass-through of price was limited. As a result, business profits decreased.

Southern Region

Overall business conditions expanded from the same period last year due to the tourism recovery with a high season in tourism, foreign visitors revived, resulting in rising service spending. Export-oriented business contracted according to trading partner's economic slowdown. However, a high production cost remained pressure on business performance.

Appendix

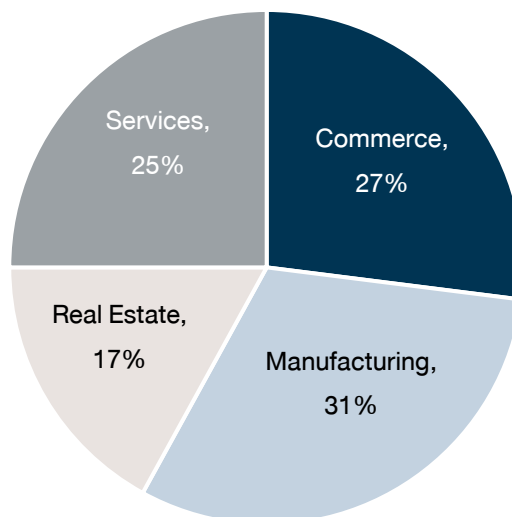
Thailand's Economic Structure



■ Agriculture ■ Commerce ■ Manufacturing ■ Real Estate ■ Services

Source: NESDB, calculated by BOT

Composition of businesses among BLP participants in Q4/2022



*Survey result of 163 business contacts from all regions of Thailand from 1 October – 31 December 2022

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

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Disclaimer: This report assesses the views of surveyed businesses and organizations in Quarter 4/2022, 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.