



ธนาคารแห่งประเทศไทย  
BANK OF THAILAND

Quarter 3/2024



# 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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# National Summary of Business Conditions

(Survey result of business across Thailand during 1 July – 30 September 2024)

The Thai economy slightly expanded from the same period last year, driven by tourism sector and export-oriented manufacturing sector.

However, sluggish consumer purchasing power and market competition posed challenges for businesses.

Balance of opinion



## Service Income\*

**43%**

**expanded** from the same period last year, due to an increased number of both foreign and Thai tourists. However, more cautious spending was observed, particularly among Thais.



## Manufacturing Income\*

**29%**

**expanded slightly** from the same period last year, following increased demand from trading partners in export-oriented manufacturing businesses. However, challenges remained, including a slow recovery in domestic consumer purchasing power and high competition from Chinese products.



## Retail Income\*

**-45%**

**contracted** from the same period last year, primarily in trade businesses outside the central region. This was associated with a slow recovery in consumer purchasing power and high household debt, which resulted in more cautious spending, particularly among low- and middle-income households.



## Real Estate and Construction Income\*

**-38%**

**contracted** from the same period last year, particularly in residential properties valued below 3 million baht, due to concerns from financial institutions about lending to this segment, given persistent high household debt. However, concerns about residential properties valued between 3-5 million baht was also observed.

Balance of opinion is calculated from survey responses as percentage differences between respondents stating "income increased" and "income decreased" compared with the same period last year.

Percentage of respondents



## Economic Confidence

**44%**

Of businesses anticipated a favorable improvement in performance over the next 12 months, driven by service and tourism sectors. However, feeble consumer purchasing power due to high living costs and household debt remained a concern.



## Cost of Doing Business

**71%**

Of businesses mentioned an increase in the costs of doing business, particularly in raw material, labor and electricity. Meanwhile, cost pass-through remained limited due to a slow recovery in consumer purchasing power and high competition.



## Business Challenges

**43%**

Of businesses indicated that low domestic demand was a major challenge for their operations.



## Labor Market

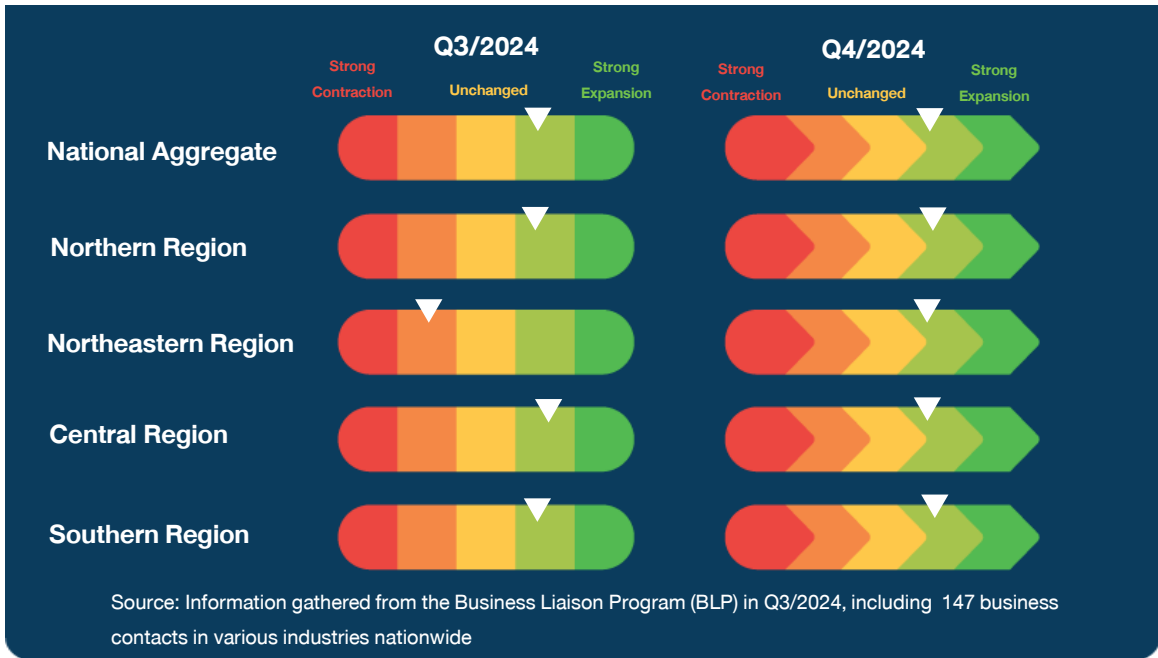
**62%**

Of businesses pointed out that employment levels remained unchanged. However, some tourism businesses in certain areas experienced labor shortages, encouraging them to assign multiple tasks to employees.



## Business views on economic conditions and outlook

(% from the same period of last year)



## Regional Highlights in Quarter 3/2024

### Northern Region

Overall businesses expanded slightly from the same period last year. Tourism activities increased, mainly from the number of foreign tourists. Additionally, the manufacturing business expanded slightly, driven by export-oriented manufacturing businesses, particularly in EV-related equipment and smartphone's camera lenses. Meanwhile, trade and real estate businesses contracted following a slow recovery in consumer purchasing power and concerns from financial institutions about lending to low-income borrowers as well as freelancers. However, the negative impact from floods at the end of the quarter was still limited.

### Northeastern Region

Overall businesses contracted from the same period last year due mostly to subdued trade and real estate sector as sales and consumer purchasing power were dampened by high costs of living and household debt as well as concerns from financial institutions about lending. Meanwhile, service and tourism sectors were stable, given the tourism promotion campaign and seminars of government entities in major provinces. Moreover, more cautious on spending of tourist was observed. However, export-oriented manufacturing businesses expanded.

### Central Region

Overall businesses expanded from the same period last year, driven by a recovery in tourism-related businesses and spending from high-income consumers. However, middle-income consumers were more cautious with their spending. Export-oriented manufacturing businesses expanded due to improved demand from trading partners. Real estate and construction businesses contracted due to a decrease in residential sales. Meanwhile, government construction benefited from disbursement of budget.

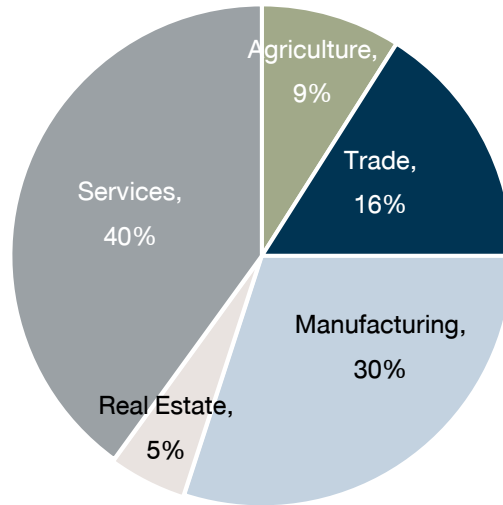
### Southern Region

Overall businesses expanded slightly from the same period last year in accordance with a growth in service and tourism businesses. An increased number of foreign and Thai tourists positively impacted both investment and employment particularly in tourist destinations. Export-oriented manufacturing businesses improved, mostly from increased demand of trading partners. However, trade and real estate sectors contracted slightly due to high household debt and concerns from financial institutions about lending.



## Appendix

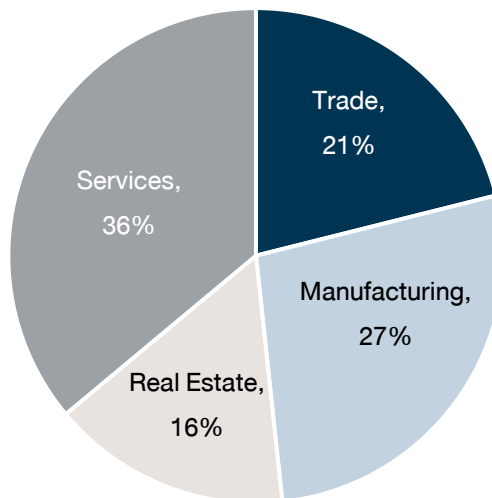
### Thailand's Economic Structure



■ Agriculture ■ Trade ■ Manufacturing ■ Real Estate ■ Services

Source: NESDB, calculated by BOT

### Composition of businesses among BLP participants in Q3/2024



\*Survey results of 147 business contacts from all regions of Thailand from 1 July – 30 September 2024

Note: Sample emphasizes the business sector, while views of agriculture stakeholders are 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 3/2024, 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.