



ธนาคารแห่งประเทศไทย
BANK OF THAILAND

Quarter 4/2024



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 sectors. 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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National Summary of Business Conditions

(Survey result of business across Thailand during 1 October – 31 December 2024)

The Thai economy slightly expanded from the same period last year, driven by tourism sector and export-oriented manufacturing sector. Domestic trade benefited from government's stimulus programs. However, sluggish consumer purchasing power and market competition posed challenges for businesses.

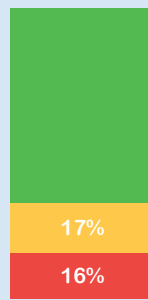
Percentage of respondents



Services Income

85%

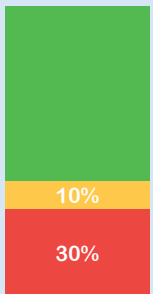
expanded from the same period last year, due to an increased number of both foreign and Thai tourists. Nevertheless, more cautious spending was observed, particularly among Thais.



Manufacturing Income

67%

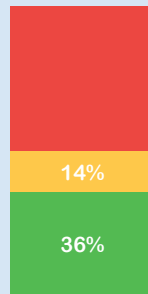
expanded from the same period last year, driven by increased demand from trading partners in the export-oriented manufacturing sector. Despite this, it is expected that challenges will remain, such as high competition from Chinese products and the slow recovery of domestic consumer purchasing power.



Retail Income

60%

expanded from the same period last year, mainly in regional trade sector. This growth was driven by increased farmer incomes, continued tourism growth, and 10,000-baht cash handout, which boosted short-term spending at the beginning of the quarter.



Real Estate and Construction Income

Income

50%

contracted from the same period last year, with decreased sales extending to higher-priced residential properties. Conversely, in potential provinces, there was some growth driven by demand from high-income earners and foreign buyers.

■ Expansion ■ Unchanged ■ Contraction
(compared to the same period last year)

Percentage of respondents



Confidence in the Economy

46%

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



Business Expenses

69%

of businesses mentioned that there was 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 Constraints

32%

of businesses mentioned that low domestic demand was a major challenge for their operations.



Labor Market

71%

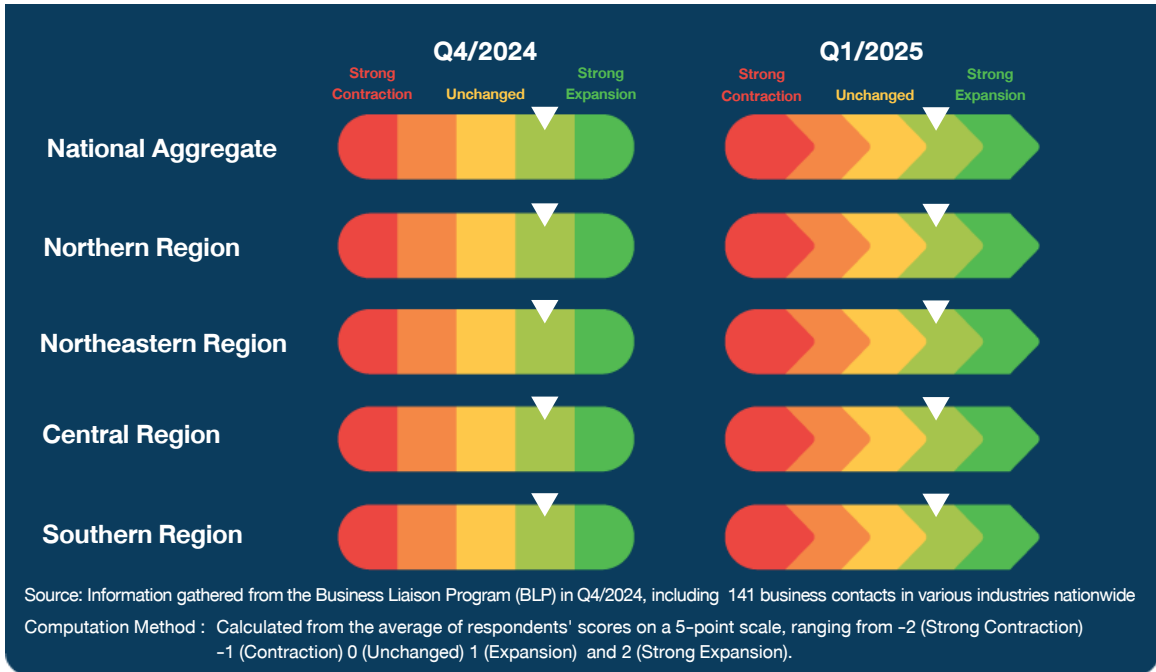
of businesses reported that employment levels stay about the same. Nonetheless, most businesses maintained their employment levels and motivated employees to take on a broader range of responsibilities.



Regional Conditions and Outlook

Business views on economic conditions and outlook*

(compared with the same period last year)



Regional Highlights in Quarter 4/2024

Northern Region

Overall, businesses expanded slightly from the same period last year despite the impact of floods at the beginning of the quarter. Tourism activities increased due to the rise in the number of flights and local events, positively affecting the trade sector. Export-oriented manufacturing sector continued to expand, particularly in food processing and electronic components.

Northeastern Region

Overall, businesses expanded from the same period last year, particularly in the trade sector, which benefited from the 10,000-baht cash handout. This temporarily boosted purchasing power, especially among low-income earners. Meanwhile, the real estate sector contracted across all categories, this is due to the continued lack of purchasing power.

Central Region

Overall, businesses expanded from the same period last year, driven by the export-oriented manufacturing sector, fueled by demand from trading partners and the service and tourism sector, which benefited from an increase in foreign tourist arrivals. However, it is necessary to monitor the development of contracting sectors such as automotive, real estate, construction, and trade, as they may impact the overall economy and future employment.

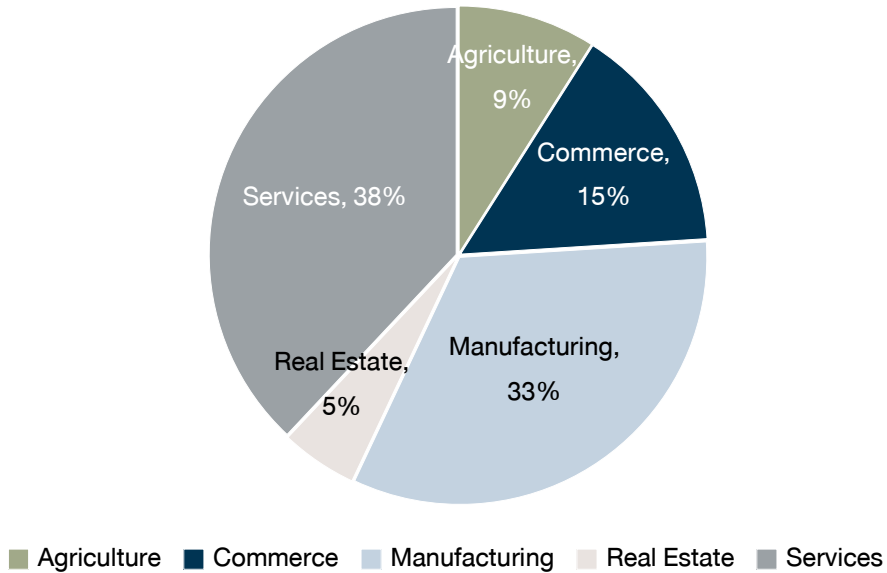
Southern Region

Overall, businesses expanded slightly from the same period last year, with the increase in foreign tourists positively impacting the service and tourism sectors, as well as retail businesses in certain areas. Nevertheless, the real estate sector continued to face challenges due to financial institutions' cautious lending practices, which are attributed to deteriorating borrower profiles and high household debt levels.



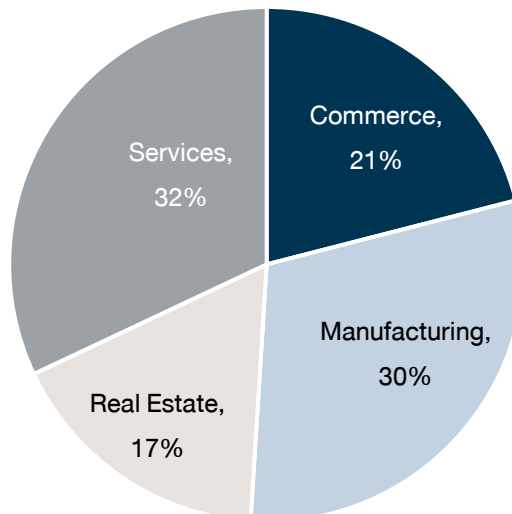
Appendix

Thailand's Economic Structure



Source: NESDB, calculated by BOT

Composition of businesses among BLP participants in Q4/2024



*Survey result of 141 business contacts from all regions of Thailand from 1 October – 31 December 2024

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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Disclaimer: This report assesses the views of surveyed businesses and organizations in Quarter 4/2024, 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.