



BANK OF THAILAND

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Economic and Monetary Conditions

August 2023

Monetary Policy Group
September 2023

Note: This report and other related document can also be accessed at...

<https://www.bot.or.th/en/thai-economy.html>

Content

1	Executive Summary	1
2	The Thai Economy	3
2.1	Supply	3
	Agricultural sector	
	Manufacturing sector	
	Service sector	
2.2	Domestic Demand	5
	Private consumption	
	Private investment	
	Fiscal position and public expenditure	
2.3	The Global Economy and External Sector	8
	The global economy	
	External sector	
	Balance of payments	
	Foreign tourist arrivals	
2.4	Monetary and Financial Conditions	10
	Interest rates	
	Corporate financing	
	Exchange rates	
2.5	Financial Stability	12
	Inflation	
	Labor market	
	External stability	
	Stability and financial condition of corporate sector	
3	Link to related statistics and contents	15

1. Executive Summary

In August 2023, the Thai economy continued to recover on the back of tourist expenditures. Domestic demands, both private consumption and investment, slightly softened after a good expansion in the preceding period. The value of merchandise exports, excluding gold, also declined partly due to the slowdown in trading partners' demands. Manufacturing production remained at a similar level, while public spending expanded from higher current expenditures.

On the economic stability front, headline inflation increased from energy inflation, following an increase in domestic benzene prices. Core inflation and fresh food prices decreased due to lower prepared food and meat prices as supply in the market increased. The labor market condition continued to improve, while the current account registered a surplus from an improvement in the trade balance.

Details of the economic conditions are as follows:

Private consumption indicators, after seasonal adjustment, declined from the previous month mainly from non-durable goods in fuel consumption, after expanding well in the preceding period. Service consumption, however, continued to increase, notably in the hotel and restaurant categories, following an increase in tourist spending from both Thai and foreign tourists. Factors supporting household spending continued to improve as reflected by higher non-agricultural employment as well as improving consumer confidence since the forming of the government coalition became apparent.

Private investment indicators, after seasonal adjustment, decreased from the previous month due to lower investment in machinery and equipment on the back of lower import of capital goods. Nevertheless, investment in construction increased from higher sales of construction materials, while the permitted area for construction declined after expanding well in the previous month.

The value of merchandise exports, excluding gold and after seasonal adjustment, declined from the previous month from lower exports of both agro-manufacturing products and agricultural products. The former was affected by weak trading partner demands, while the latter was due to lower Durian export to China as cultivation period has ended. Nevertheless, export of some categories improved, including petroleum-related products as well as electric appliances.

The value of merchandise imports, excluding gold and after seasonal adjustment, declined from the previous month, following lower imports of raw materials, intermediate goods, and fuel, especially for electronic parts and crude oil. Imports of consumer goods, however, increased from higher import of electric vehicle (EV) from China.

Manufacturing production, after seasonal adjustment, remained at a similar level. Sectors that exhibited improvement were 1) food and beverages, thanks to higher sugar production, 2) hard disk drives, which was in line with the delivery cycle, and 3) chemical products, from higher fertilizer production. However, production of automobiles became lower in both passenger and commercial cars after being accelerated in the preceding period.

The number of foreign tourist arrivals, after seasonal adjustment, decreased from the previous month mainly due to lower number of Chinese tourists. Nevertheless, tourist arrivals from several nationalities continued to increase, including tourists from Japan, Malaysia, Germany, and Australia. **Tourist expenditure** continued to increase despite lower number of tourist headcount this month, possibly due to higher length of stay of foreign tourists.

Public spending, excluding transfer payments, expanded from the same period last year from higher current expenditures on compensation, pension, and medical expenses for public servants. Capital expenditures, however, contracted due to lower spending from transportation agency, as their disbursement was front-loaded in the preceding period. Investments by state-owned enterprises also contracted due to the high base last year with respect to disbursement of infrastructure and utility projects.

On the stability front, headline inflation increased from energy inflation, following an increase in domestic benzene prices. Core inflation and fresh food prices decreased due to lower prepared food and pork meat prices as supply in the market increased. The labor market condition continued to improve, especially in the service sector, as reflected by increases in the number of insured people in the social security system. The current account registered a surplus as trade balance improved, while the deficits in the services, income, and transfers balance remained similar to the previous month. As for exchange rates, the baht against the US dollar, on average, depreciated due to 1) the market expectations of an additional interest rate hike from the US Federal Reserve, 2) depreciation of the Chinese Yuan, following a lower-than-expected of the Chinese economic performance, and 3) lower-than-expected of the Thai economic growth.

2.1 Supply

Farm income contracted from the same period last year due to lower agricultural prices. Manufacturing production remained at a similar level from the previous month. Economic activities in the service sector continued to increase in both tourism-related and trade sector.

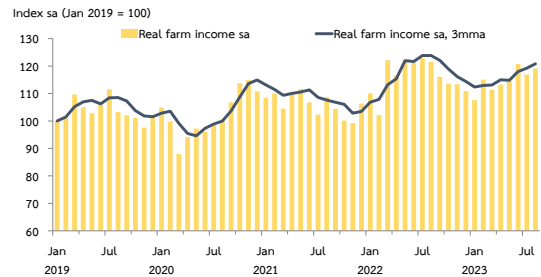
Agricultural sector

Nominal Farm Income

(%YoY)	2022	2022		2023				
		H1	H2	H1	Q1	Q2	Jul	Aug
Nominal farm income ^P	13.6	11.2	16.8	0.1	3.8	-3.7	-3.5	-1.0
Agricultural production ^P	1.8	3.8	0.3	3.6	5.1	1.7	0.2	2.1
Agricultural price	11.6	7.2	16.4	-3.4	-1.3	-5.4	-3.7	-3.0

Note: Farm income does not include government subsidies and transfers. P = Preliminary data
Source: Office of Agricultural Economics and calculated by Bank of Thailand

Real Farm Income



Source: Office of Agricultural Economics and calculated by Bank of Thailand

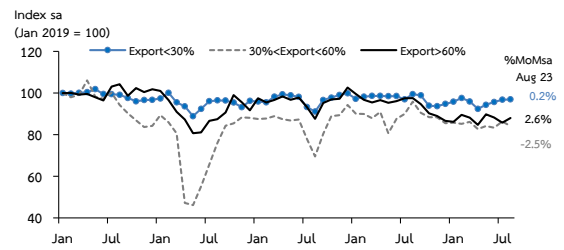
Manufacturing sector

Manufacturing Production Index

(%YoY)	Share 2016 ^R	2022	2023							%MoM sa
			H1	H2	H1	Q1	Q2	Jul	Aug ^P	
Food & Beverages	20.3	2.1	0.9	3.5	-1.9	-0.5	-3.6	-1.3	-3.3	3.5
Automotives	13.8	11.5	2.7	20.3	6.2	7.0	5.3	4.4	-12.3	-4.9
- Passenger Cars	4.7	0.7	-13.8	14.8	33.1	39.0	26.4	18.0	1.6	-3.9
- Commercial Vehicles	7.2	18.1	10.9	25.6	-3.1	-3.3	-2.8	-0.2	-18.8	-5.1
- Engine	1.3	11.9	11.2	12.6	-0.1	-2.3	2.6	0.4	-6.9	-4.0
Petroleum	9.5	8.7	14.5	3.4	3.9	7.4	0.5	4.5	1.5	-0.7
Chemicals	9.1	-4.4	-0.9	-7.9	-6.5	-8.6	-4.4	-2.4	2.1	0.8
Rubbers & Plastics	8.8	-1.1	1.1	-3.3	-7.1	-4.7	-9.6	-8.7	-12.7	-3.8
Cement & Construction	5.5	3.0	0.0	6.3	-2.3	-0.1	-4.6	-3.2	-0.4	1.4
IC & Semiconductors	5.5	1.3	0.8	1.8	-3.7	-4.5	-2.8	-9.7	-13.6	-1.7
Electrical Appliances	3.8	-0.6	-2.0	1.0	-2.8	-4.3	-1.3	-13.7	-12.8	1.2
Textiles & Apparels	3.5	-1.5	-0.1	-3.0	-24.6	-24.9	-24.2	-27.6	-20.2	2.5
Hard Disk Drive	3.4	-29.1	-21.4	-37.5	-34.0	-37.6	-29.4	-39.1	-32.4	7.0
Others	16.7	-5.3	-4.3	-6.4	-12.5	-11.4	-13.7	-9.7	-10.8	1.4
MPI	100.0	0.4	0.2	0.5	-4.6	-3.7	-5.5	-4.7	-7.5	0.1
MPI sa Δ% from last period	100.0	-	2.6	-1.7	-3.3	0.5	-1.9	0.6	0.1	-
Capacity Utilization (sa)	100.0	-	63.4	62.1	60.1	60.8	59.4	60.4	59.5	-

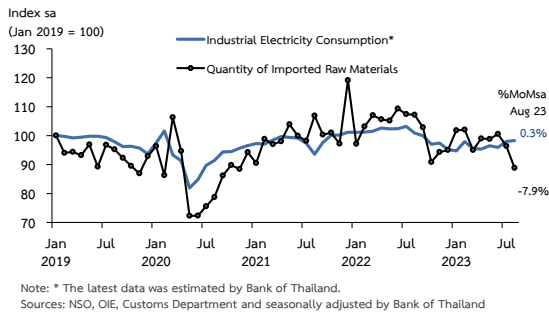
Note: The new MPI series are adjusted by the OIE (coverage and base year at 2016).
Production index of petroleum does not include the production of diesel B10 and B20.
R = 2021 Revision P = Preliminary data
Source: Office of Industrial Economics and seasonally adjusted by Bank of Thailand

MPI Classified by Export Share



Sources: Office of Industrial Economics, calculated by Bank of Thailand

Other Indicators of Manufacturing Production



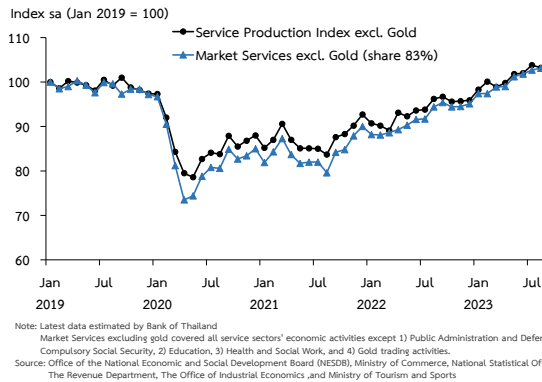
Capacity Utilization (sa)

(%)	Share 2016 ^a	2022	2022				2023			
			Q1	Q2	Q3	Q4	Q1	Q2	Jul	Aug ^b
Food & Beverages	20.3	54.4	54.4	54.3	54.7	54.1	53.5	51.9	53.6	53.7
Automotives	13.8	75.2	73.1	70.9	79.1	77.8	76.4	73.3	77.4	71.7
Petroleum	9.5	82.0	83.5	84.8	86.8	73.1	85.7	83.3	85.2	85.8
Chemicals	9.1	70.3	74.6	71.6	70.0	64.7	67.4	68.8	70.2	70.3
Rubbers & Plastics	8.8	49.9	50.9	52.3	50.4	46.2	46.7	46.1	46.2	45.1
Construction & Non-metal	5.5	61.6	61.4	61.8	61.5	61.5	60.3	59.1	60.3	60.2
IC & Semiconductors	5.5	77.5	77.7	76.2	80.1	75.6	69.3	68.8	69.2	68.0
Electrical Appliances	3.8	64.1	63.8	63.7	68.7	61.0	60.8	61.8	56.7	57.4
Textiles & Apparels	3.5	40.1	41.2	41.7	41.2	36.5	33.7	32.0	32.2	31.7
Hard Disk Drive	3.4	61.0	72.3	63.3	58.4	50.6	51.7	48.3	44.1	44.4
Others	16.7	54.4	56.6	56.0	54.9	51.5	51.2	49.7	49.9	49.6
CAPI sa	100.0	62.8	63.8	63.0	64.1	60.1	60.8	59.4	60.4	59.5

Note: The new Capacity Utilization series are adjusted by the OIE (coverage and base year at 2016).
R = 2021 Revision P = Preliminary data
Source: Office of Industrial Economics, calculated by Bank of Thailand

Service sector

Service Production Index (SPI)



Service Production Index (SPI) by Sectors

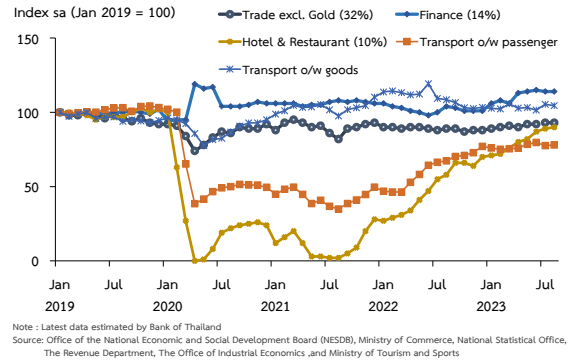


Table of Service Production Index (SPI) by Sector

(%YoY)	Share (2016)	2022	2022				2023				%MoM sa
			H1	H2	H1	Q1	Q2	Jul	Aug		
Trade excl. Gold	32.2	-1.6	-2.3	-0.8	1.0	0.6	1.4	5.4	4.6	0.6	
Transportation	7.7	19.8	12.7	26.9	13.7	19.9	8.0	4.5	4.4	0.0	
o/w Goods	2.5	6.6	10.9	2.4	-9.6	-8.9	-10.4	-3.6	-3.7	-0.8	
o/w Passenger	5.2	38.7	16.5	61.7	42.4	59.2	28.5	11.9	11.9	0.5	
Hotel & Restaurant	10.3	321.0	218.8	414.5	123.5	156.3	97.7	61.3	58.9	2.0	
Finance	14.0	-4.3	-3.2	-5.4	8.3	2.4	14.3	14.3	10.3	-0.2	
Non-Market Services	17.0	-0.6	-0.3	-0.9	2.4	7.0	-1.9	5.0	-1.0	-5.2	
SPI	100.0	12.8	11.2	14.4	11.4	13.4	9.5	9.9	7.8	0.0	
SPI excl. Gold	100.0	13.0	9.8	16.0	15.9	17.7	14.1	14.7	11.3	-0.6	
Market Services excl. Gold	83.0	16.0	12.0	19.9	18.6	19.7	17.5	16.7	13.8	0.4	

Note: Share to total service in GDP
Source: Bank of Thailand

2.2 Domestic Demand

Domestic demand softened in both private consumption and investment after a good expansion in the previous month. Indicators of private consumption decreased from spending in both durable and non-durable goods. Meanwhile, private investment decreased from lower investment in the machinery and equipment category. Public spending, excluding transfer payments, expanded from the same period last year from higher current expenditures.

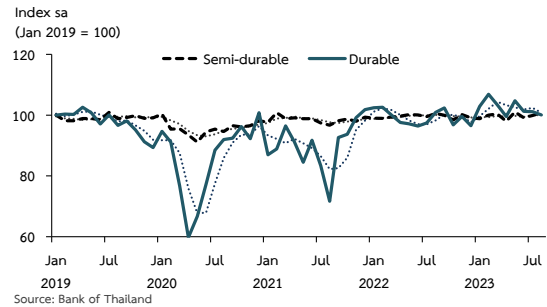
Private Consumption

Private Consumption Indicators (PCI)

%YoY	2022	2022		2023					%MoMsa
		H1	H2	H1	Q1	Q2	Jul	Aug ^P	
Non-durables index	2.1	0.0	4.4	2.6	2.5	1.9	2.2	-0.3	
Semi-durables index	1.1	0.6	1.6	0.1	0.7	-0.5	0.4	0.1	
Durables index	7.5	6.7	8.2	3.5	2.6	4.5	2.9	-1.8	
Services index	22.9	18.4	27.2	22.6	25.1	20.3	17.8	16.6	
(less) Net tourist expenditure	1065.6	495.8	1528.0	339.5	400.9	282.6	37.2	40.6	
PCI	8.4	7.2	9.7	6.8	7.0	6.7	7.3	6.9	

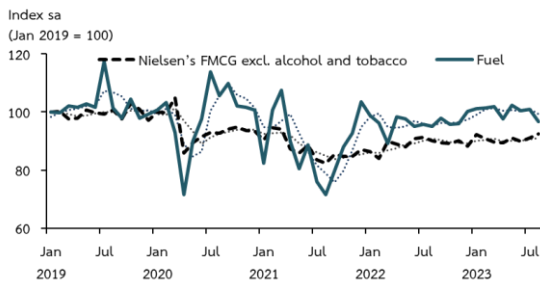
Note: %MoM is calculated from seasonally adjusted data P = Preliminary Data
Source: Bank of Thailand

Durable and Semi-durable Indices



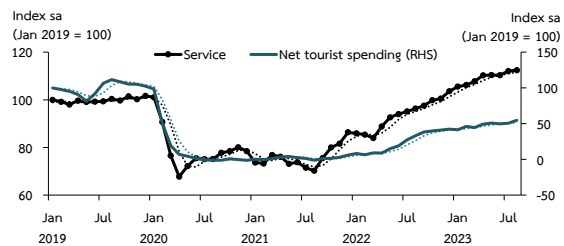
Source: Bank of Thailand

Nielsen's FMCG Index & Fuel Index



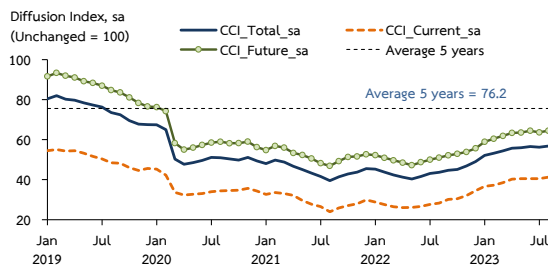
Source: The Nielsen company and Department of Energy Business, calculated by Bank of Thailand

Service Index* & Net Tourist Spending Index**



Note: * Comprises of the VAT on hotel and restaurant sector and the sale of transportation sector
** Expenditure of non-resident in Thailand subtracted by expenditure of resident abroad
Source: Bank of Thailand

Consumer Confidence Index



Source: The University of the Thai Chamber of Commerce, calculated by Bank of Thailand

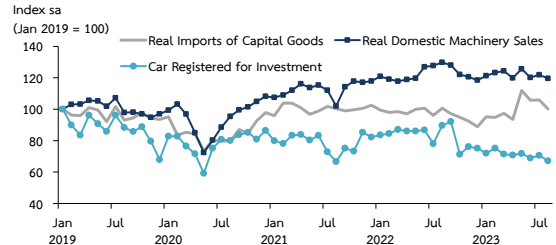
Private Investment

Private Investment Indicators

% YoY	2022	2022		2023					Aug ^P	%MoMsa
		H1	H2	H1	Q1	Q2	Jul			
Permitted Construction Area (4mma)	6.3	9.6	2.9	-6.3	-6.8	-5.7	12.8	8.1	-3.9	
Construction Materials Index	3.4	-0.3	7.5	-0.7	0.4	-1.9	1.0	2.5	3.6	
Real Imports of Capital Goods	-3.3	-0.9	-5.6	1.0	-2.7	4.7	10.1	-1.7	-4.5	
Real Domestic Machinery Sales	8.4	7.3	9.6	1.8	3.3	0.1	-5.5	-8.0	-1.4	
Newly Registered Motor Vehicles for Investment	5.9	5.3	6.7	-16.3	-14.6	-18.1	-10.5	-27.5	-3.3	
Private Investment Index	2.5	3.3	1.8	-0.3	-0.2	-0.4	1.3	-3.5	-1.9	

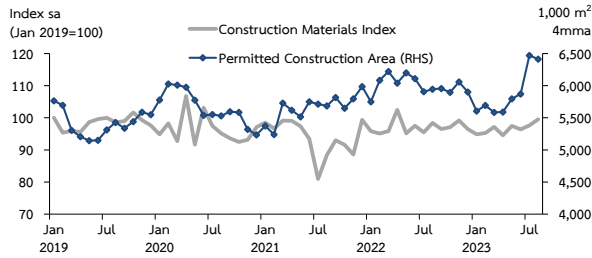
Note: %MoMsa is calculated from seasonally adjusted data P = Preliminary Data
Source: Bank of Thailand

Investment in Machinery and Equipment



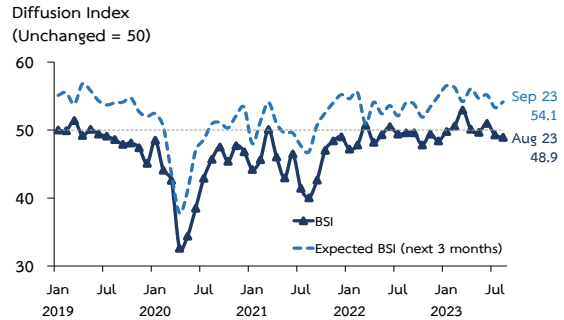
Note: All data is in real terms.
Source: Department of Land Transport, Customs Department, Revenue Department, calculated by Bank of Thailand

Investment in Construction



Note: All data is in real terms.
Source: NSO, Department of Public Works and Town & Country Planning, calculated by Bank of Thailand

Business Sentiment Index



Source: Bank of Thailand

Fiscal position and public expenditure

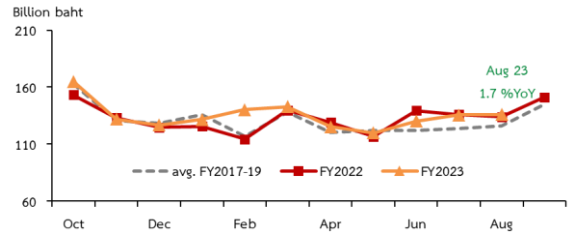
Fiscal Position (Cash Basis)

Billion baht	FY22	FY22				FY23			FY23	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Jul	Aug ¹
Revenue	2,551	533	572	787	660	640	518	799	181	202
(%YoY)	(4.2)	(-13.8)	(16.6)	(22.6)	(-5.6)	(20.1)	(-9.4)	(1.6)	(22.3)	(-0.2)
Expenditure ^{2/}	3,056	974	663	712	706	988	752	767	234	209
(%YoY)	(-2.4)	(2.3)	(-0.3)	(1.8)	(-13.2)	(1.4)	(13.5)	(7.7)	(-8.8)	(3.9)
Budgetary B/L	-504	-441	-91	75	-47	-348	-234	33	-54	-7
Non-Budgetary B/L	-449	-168	-163	-22	-95	-33	2	141	-60	-36
Cash B/L (CG)	-953	-610	-254	53	-142	-381	-232	174	-113	-44
Primary balance ^{2/}	-702	-474	-235	134	-127	-243	-215	259	-109	-41
Net Financing	988	358	278	175	178	130	54	-15	59	62
Treasury B/L	624	337	361	588	624	372	194	353	299	317

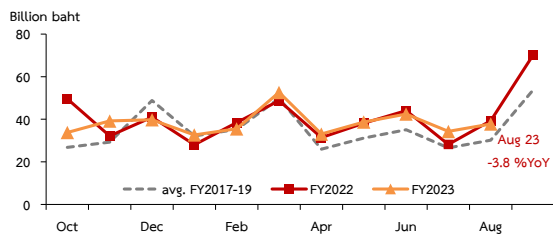
Note: P = Preliminary data

^{1/} Includes cash payments for operating and purchase of non-financial assets, except loan repayments
^{2/} Excludes loan principal and interest payment

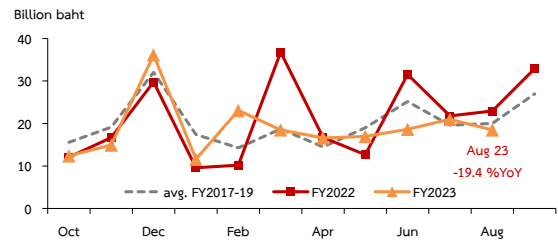
Central Government Current Expenditure
(Excl. Subsidies/Grants and Other)



Central Government Capital Expenditure
(Excl. Subsidies/Grants and Other)



State Owned Enterprises Capital Expenditure

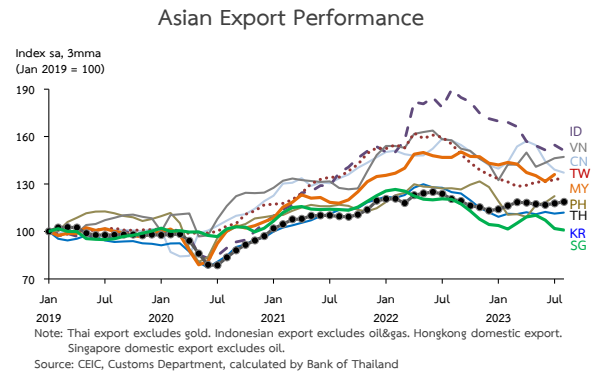
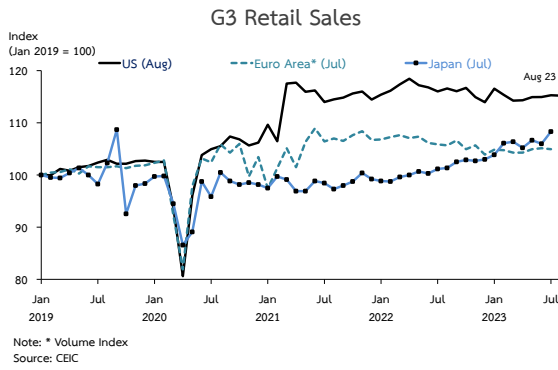


Source: Comptroller General's Department, Fiscal Policy Office and Bank of Thailand

2.3 The Global Economy and External Sector

The value of merchandise exports, excluding gold and after seasonal adjustment, decreased from the previous month, especially in agro-manufacturing as well as agricultural products. Foreign tourist figures decreased mainly from Chinese tourists. The current account registered a surplus as trade balance improved while the deficits in the net services, income and transfer balance was close to previous month.

The global economy



External sector

Export Value

Jul 2023 = 22 Bn USD (-5.5%YoY) Aug 2023 = 23.2 Bn USD (-1.8%YoY)
Excl. Gold = 21.8 Bn USD (-4.5%YoY) Excl. Gold = 23 Bn USD (-0.8%YoY)

%YoY	Share 2022	2022		2023					%MoM sa	
		H1	H2	H1	Q1	Q2	July	Aug		
Agriculture	6.9	1.0	9.9	-8.2	-0.0	5.6	-3.5	-6.0	11.6	-0.3
Fishery	0.6	-2.1	2.8	-6.3	-6.6	-13.2	-0.6	-15.7	-11.7	-1.1
Manufacturing	88.9	4.8	10.4	-0.5	-4.9	-3.3	-6.5	-5.2	3.0	2.4
Agro-manufacturing	13.7	6.5	10.3	2.8	-3.7	0.9	-8.1	-11.2	-9.3	-4.3
Electronics	11.9	3.7	9.3	-1.2	-7.1	-8.1	-6.1	-5.0	2.1	7.4
Electrical Appliances	9.2	2.7	3.3	2.1	6.9	4.6	9.5	4.7	5.8	0.9
Automotive	14.3	-1.0	-4.8	2.9	2.9	2.1	3.8	17.1	23.1	6.4
Machinery & Equipment	8.3	6.3	7.2	5.4	-1.2	-1.0	-1.5	-1.3	2.8	1.1
Petroleum Related	12.2	1.5	19.8	-14.1	-19.7	-15.7	-23.2	-27.0	0.7	9.0
Total (BOP Basis)	100.0	5.4	11.8	-0.7	-5.1	-4.5	-5.6	-5.5	-1.8	-1.5
Excl. Gold		4.3	9.6	-0.8	-4.0	-2.3	-5.7	-4.5	-0.8	-1.6
Excl. Gold & Petroleum Related		4.7	8.1	1.3	-1.6	-0.4	-2.8	-0.8	-1.0	-2.8

Note: Data above are recorded by custom basis, except total export value which is recorded by BOP basis.
Custom basis considers recording as goods pass through Customs, while BOP basis considers changes in ownership between residents and non-residents.
%MoMsa calculated from seasonally adjusted data, using data since 2007 (subject to revision). P = Preliminary data.
Source: Compiled from Customs Department's data

Import Value

Jul 2023 = 21.7 Bn USD (-12%YoY) Aug 2023 = 22 Bn USD (-11.9%YoY)
Excl. Gold = 21.1 Bn USD (-8.2%YoY) Excl. Gold = 20.9 Bn USD (-12.3%YoY)

%YoY	Share 2022	2022		2023					%MoM sa	
		H1	H2	H1	Q1	Q2	Jul	Aug		
Consumer	11.9	6.5	8.0	5.1	8.7	11.0	6.4	10.7	5.7	0.7
Raw material & Intermediate	66.5	16.4	27.2	6.7	-6.9	-1.2	-12.1	-15.3	-19.7	-6.7
o/w Fuel	19.2	55.5	83.3	34.7	-4.1	6.9	-13.0	-24.9	-35.7	-11.4
o/w Raw mat & Intern excl. Fuel	47.3	5.7	13.7	-1.9	-8.0	-4.1	-11.7	-11.3	-12.8	-5.0
Capital	16.7	2.1	7.9	-3.2	4.1	0.7	7.5	17.8	-0.3	-13.3
Others	5.0	21.4	-14.4	70.9	-13.1	-12.8	-13.3	-56.6	-2.5	22.9
Total (BOP Basis)	100.0	14.0	19.1	9.3	-1.7	2.0	-5.0	-12.0	-11.9	-2.5
Excl. Gold		13.4	20.7	6.7	-1.2	2.7	-4.7	-8.2	-12.3	-4.6
Excl. Gold & Fuel		5.9	10.9	1.1	-0.4	1.7	-2.4	-3.6	-5.8	-3.1

Note: Data above are recorded by custom basis, except total import value which is recorded by BOP basis.
Custom basis considers recording as goods pass through Customs, while BOP basis considers changes in ownership between residents and non-residents.
%MoMsa calculated from seasonally adjusted data, using data since 2007 (subject to revision). P = Preliminary data.
Source: Compiled from Customs Department's data

Balance of payments

Net Financial Flows

Million USD	2021	2022 ^P	2022		2023 ^P				
			H1 ^P	H2 ^P	H1 ^P	Q1 ^P	Q2 ^P	Jul ^E	Aug ^E
1. Assets	-26,436	-11,410	-9,840	-1,570	4,853	26	4,826		
TDI	-19,139	-7,515	-4,871	-2,644	-5,256	-2,813	-2,444		
- Equity	-7,594	-8,975	-3,838	-5,137	-2,046	-769	-1,277	-1,059	-667
- Reinvestment of earnings	-3,435	-1,953	-1,226	-727	-744	-406	-338		
Thai portfolio investment	-16,831	-2,430	-291	-2,139	-1,285	-2,979	1,694	-130	-1,010
- Equity sec. investment	-16,591	1,662	1,122	540	-2,671	-3,402	732	69	-89
- Debt sec. investment	-240	-4,092	-1,413	-2,679	1,386	423	963	-200	-921
Loans	-613	-6,675	-3,067	-3,609	700	112	588		
Other investments	10,147	5,210	-1,611	6,821	10,694	5,706	4,987		
- Trade credits	468	-476	-2,240	1,764	-654	-2,238	1,584		
- Deposits abroad	4,960	-1,729	-2,745	1,016	7,363	5,183	2,180	-1,169	1,137
2. Liabilities	21,476	17,985	12,985	5,000	-7,975	-694	-7,281		
FDI	15,159	11,232	6,931	4,301	3,075	2,795	280		
- Equity	5,784	5,186	3,325	1,861	3,157	2,003	1,154	712	185
- Reinvestment of earnings	6,714	6,065	3,007	3,059	-554	694	-1,248		
Foreign portfolio investment	4,865	8,197	4,769	3,427	-5,871	-2,824	-3,048	-753	-2,029
- Equity sec. investment	-1,963	6,421	4,186	2,235	-3,384	-1,929	-1,456	-430	-252
- Debt sec. investment	6,827	1,775	583	1,192	-2,487	-895	-1,592	-323	-1,777
Loans	1,868	-90	-340	250	-706	1,301	-2,007	764	492
Other investments	-415	-1,353	1,625	-2,978	-4,473	-1,967	-2,506		
- Trade credits	1,852	3,985	3,583	402	-138	424	-563		
- Deposits	-112	1,119	1,040	79	-345	11	-356		
Total financial flows (1+2)	-4,960	6,576	3,146	3,430	-3,123	-667	-2,455		

Note: P = preliminary data E = estimated data Source: Bank of Thailand

Balance of Payments

Billion USD	2021	2022 ^P	2022		2023				
			H1 ^P	H2 ^P	H1 ^P	Q1 ^P	Q2 ^P	Jul ^P	Aug ^P
Trade Balance	32.4	13.5	10.3	3.3	5.1	2.9	2.2	0.4	1.2
Exports (f.o.b.)	270.6	285.2	147.5	137.6	140.1	69.8	70.3	22.0	23.2
%YoY	19.2	5.4	11.8	-0.7	-5.1	-4.5	-5.6	-5.5	-1.8
Imports (f.o.b.)	238.2	271.6	137.2	134.4	135.0	66.9	68.1	21.7	22.0
%YoY	27.7	14.0	19.1	9.3	-1.7	2.0	-5.0	-12.0	-11.9
Net Services, Income & Transfers	-42.6	-29.3	-19.5	-9.8	-5.6	-0.9	-4.7	-0.9	-0.8
Current Account	-10.3	-15.7	-9.2	-6.6	-0.5	2.0	-2.5	-0.5	0.4
Capital and Financial Account	-5.0	7.1	3.2	3.9	-2.3	-0.4	-1.9		
Overall Balance	-7.1	-10.2	-7.4	-2.9	-0.6	2.7	-3.3	0.3	0.3

Note: P = preliminary data Source: Bank of Thailand

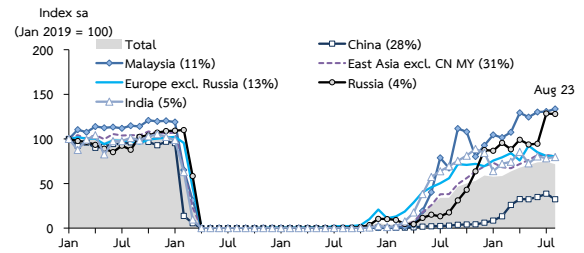
Foreign tourist arrivals

Inbound Tourists by Country of Origin

Thousand persons* (Share in 2019)	2019 (Pre-COVID)	2022 ^P	2022 ^P		2023 ^P					
			H1	H2	H1	Q1	Q2	Jul	Aug	
China (27.9%)	11,138.7	268.7	56.4	212.4	1,443.1	517.3	925.8	410.3	355.1	
Malaysia (10.7%)	4,274.5	1,956.2	202.6	1,753.7	2,104.7	921.0	1,183.7	371.2	438.6	
East Asia ex. China & Malaysia (30.7%)	12,256.8	3,736.7	555.4	3,181.3	4,195.2	1,996.0	2,199.2	867.6	901.5	
Russia (3.7%)	1,481.8	434.1	71.2	362.9	791.6	566.7	224.9	64.9	66.6	
Europe ex. Russia (12.6%)	5,243.5	2,246.4	585.1	1,661.3	2,190.5	1,438.6	751.8	321.8	311.2	
India (4.9%)	1,965.9	976.4	206.6	769.8	749.0	351.1	397.9	130.6	132.8	
US (2.8%)	1,134.6	450.1	106.4	343.6	448.9	226.4	222.5	79.7	74.1	
Others (6.6%)	2,420.5	1,109.4	297.1	812.2	991.8	460.5	531.3	244.5	188.1	
Total (non sa)	39,916.3	11,178.1	2,080.9	9,097.3	12,914.7	6,477.5	6,437.2	2,490.6	2,468.0	
%YoY		4.6	2,512.5	5,044.7	2,248.2	520.6	1,202.4	306.5	119.5	107.7
%QoQsa, MoMsa						10.8	18.1	0.9	-3.7	

Note: * Non seasonally adjusted data P = Preliminary data
Source: Ministry of Tourism and Sports

Tourists Classified by Nationality



Note: () denotes share of total tourist arrivals in 2019 P = Preliminary data
Source: Ministry of Tourism and Sports, calculated by Bank of Thailand

2.4 Monetary and Financial Conditions

Total corporate financing increased from the previous month mainly due to higher corporate financing in business credits and equity markets, while debt financing in the bond market declined. Net loans extended to the household sector also increased. On exchange rates, the baht against the US dollar, on average, depreciated from the previous month while the NEER remained stable.

Interest rates

Commercial Bank Interest Rates*

% p.a	2020	2021				2022				2023		
		H1	H2	Q1	Q2	Q3	Q4	Q1	Q2	July	Aug	25 Sep
12-month deposit rate												
Average of 6 largest Thai banks**	0.49	0.42	0.45	0.45	0.5	0.98	1.15	1.40	1.40	1.45	1.45	
Average of other Thai banks	0.89	0.81	0.89	0.84	0.84	0.93	1.04	1.26	1.48	1.50	1.62	1.68
Average of foreign branches and subsidiary***	0.56	0.54	0.53	0.53	0.56	0.57	0.72	0.80	1.03	1.03	1.03	1.03
MLR												
Average of 6 largest Thai banks	5.36	5.36	5.49	5.49	5.49	5.55	6.00	6.56	7.00	7.00	7.00	7.00
Average of other Thai banks	6.69	6.59	6.71	6.71	6.71	6.71	7.19	7.67	7.97	7.97	8.00	8.00
Average of foreign branches and subsidiary	6.84	6.79	6.79	6.79	6.79	6.79	6.76	6.89	7.13	7.19	7.21	7.21
MRR												
Average of 6 largest Thai banks	6	6.04	6.08	6.08	6.08	6.13	6.30	6.81	7.20	7.20	7.20	7.20
Average of other Thai banks	7.09	7.09	7.32	7.32	7.32	7.32	7.74	8.11	8.46	8.46	8.49	8.49
Average of foreign branches and subsidiary	7.93	7.91	7.91	7.91	7.91	7.91	8.00	8.15	8.15	8.15	8.15	8.15

* End of Period
 ** Bangkok Bank, Krung Thai Bank, Kasikorn Bank, Siam Commercial Bank, Bank of Ayudhya and TM8Thaichart Bank since July 2021
 *** Excludes Citibank since June 2023
 Source: Bank of Thailand

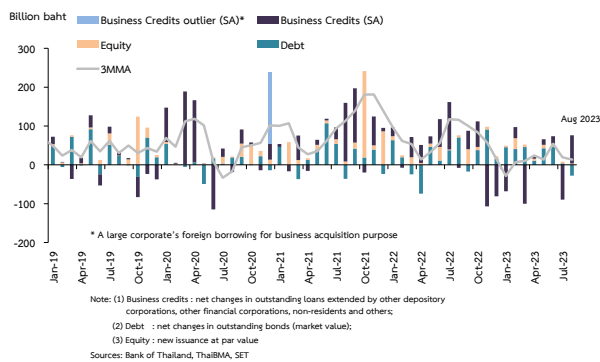
Government Bond Yields



Sources: Bank of Thailand and ThaiBMA

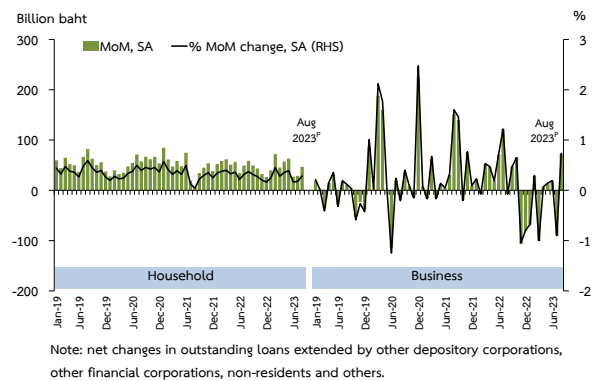
Corporate financing

Changes in Total Corporate Financing



Note: (1) Business credits : net changes in outstanding loans extended by other depository corporations, other financial corporations, non-residents and others
 (2) Debt : net changes in outstanding bonds (market value);
 (3) Equity : new issuance at par value
 Sources: Bank of Thailand, ThaiBMA, SET

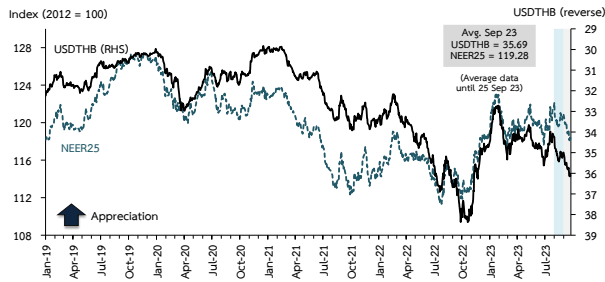
Net Changes in Outstanding Loans



Note: net changes in outstanding loans extended by other depository corporations, other financial corporations, non-residents and others.

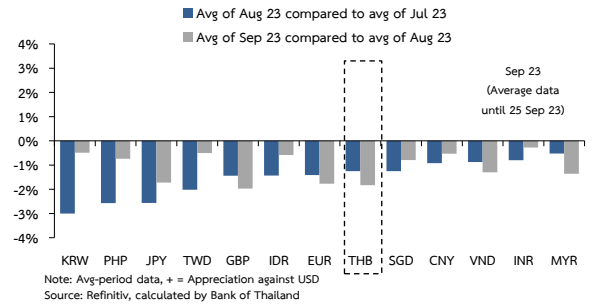
Exchange rates

Exchange Rates



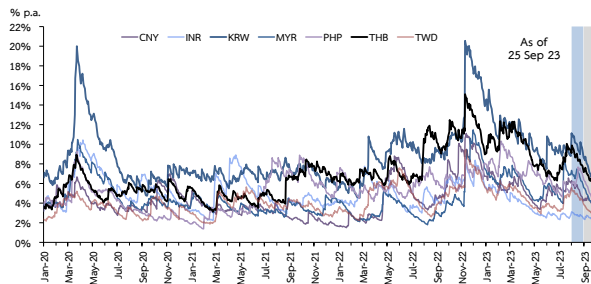
Note: Monthly average rate
Source: Refinitiv, calculated by Bank of Thailand

Exchange Rate Movement



Note: Avg-period data, + = Appreciation against USD
Source: Refinitiv, calculated by Bank of Thailand

Regional Exchange Rate Volatility

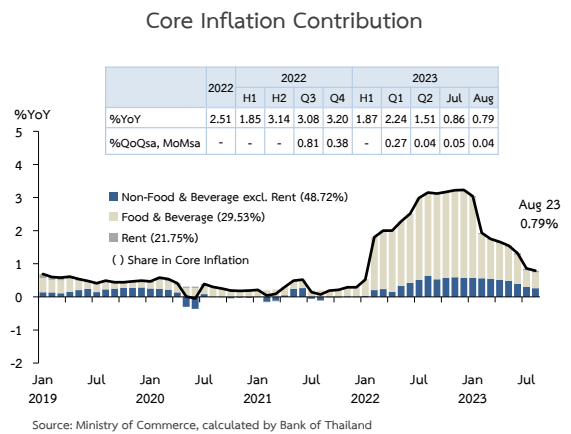
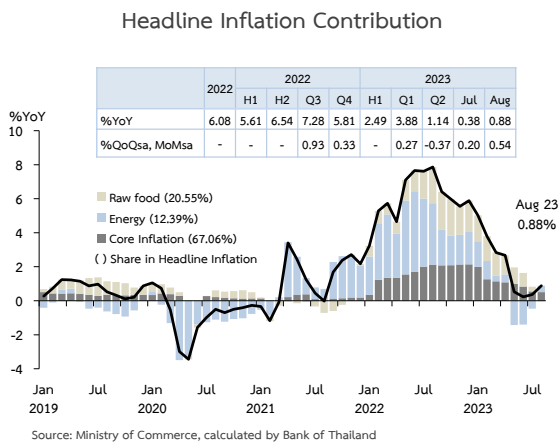


Source: Refinitiv, Bank of Thailand

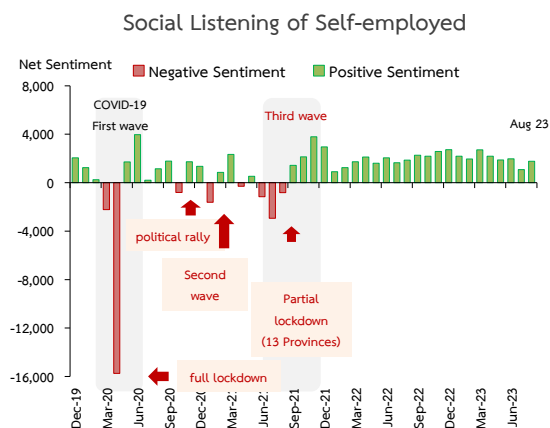
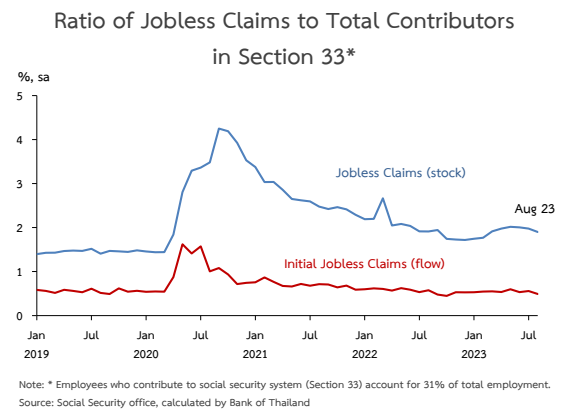
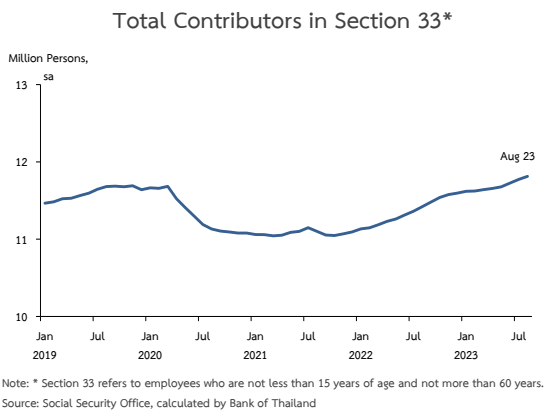
2.5 Financial Stability

Headline inflation increased from energy inflation, following an increase in domestic benzene prices. Core inflation and fresh food prices decreased due to lower prepared food and pork meat prices as supply in the market increased. The labor market condition continued to improve, especially in the service sector, as reflected by increases in the number of insured people in the social security system. External stability at the end of the 2nd quarter of 2023 remained resilient. The performance of listed companies in the 2nd quarter of 2023 had slightly decreased mainly from trade and service, real estate, and construction sectors.

Inflation



Labor market



External stability

External Debt Outstanding

Billion USD	2021 ^P	2022 ^P	2022 ^P				2023 ^P		Change Q2 2023- Q1 2023
			Q1	Q2	Q3	Q4	Q1	Q2	
1. General government	33.6	33.6	33.9	30.2	28.2	33.6	33.3	30.3	-3.0
2. Central Bank*	7.9	7.6	7.4	7.0	6.2	7.6	7.4	6.9	-0.5
3. Other Depository Corporations (ODC)	40.7	39.3	38.8	39.3	39.8	39.3	39.7	37.0	-2.7
4. Other Sectors	114.0	119.8	117.7	117.5	113.6	119.8	121.4	118.6	-2.8
- Other Financial Corporations (OFC)	23.5	28.2	23.4	23.1	23.5	28.2	28.9	27.3	-1.6
- Non Financial Corporations (NFC)	90.5	91.6	94.3	94.4	90.1	91.6	92.6	91.4	-1.2
O/W Foreign Trade Credit	27.8	31.0	29.7	31.4	29.2	31.0	31.9	31.2	-0.7
5. Total	196.2	200.3	197.9	194.0	187.9	200.3	201.8	192.8	-9.0
Short-term (%)	38.1	40.0	38.1	39.5	40.7	40.0	39.7	40.1	0.4
Long-term (%)	61.9	60.0	61.9	60.5	59.3	60.0	60.3	59.9	-0.4

Note: Total may not equal sum of components due to independent roundings.
Data have been revised in accordance with the Sixth Edition of the Balance of Payments Manual.
* including BOT bonds held by non-residents and SDRs allocations by IMF.
Source: Bank of Thailand

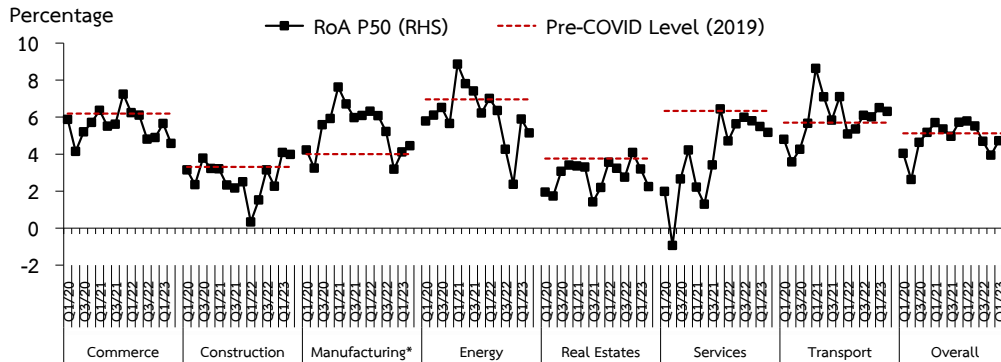
External Stability Indicators

	Criteria	2021 ^P	2022 ^P	2022 ^P				2023 ^P	
				Q1	Q2	Q3	Q4	Q1	Q2
Solvency Indicators									
Current Account / GDP (%)	> -2	-2.0	-3.2	-1.6	-5.8	-6.1	0.6	1.6	-2.0
Debt / GDP (%)	< 80 ^{1/}	37.9	40.0	38.4	37.8	37.0	40.0	40.3	38.1
Debt / XGS ^{1/} (%)	< 220 ^{2/}	67.1	68.4	67.6	65.9	63.9	68.4	68.3	63.2
Debt Service Ratio (%)	< 20	6.1	7.0	6.4	5.7	8.1	7.7	6.2	8.6
Liquidity Indicators									
Gross Reserves / ST Debt	> 1 time	2.7	2.3	2.7	2.4	2.2	2.3	2.3	2.4
Gross Reserves / Imports ^{2/}	> 3 times	10.0	7.8	9.5	8.3	7.1	7.8	8.0	7.9
ST Debt / Total Debt (%)		38.1	40.0	38.1	39.5	40.7	40.0	39.7	40.1

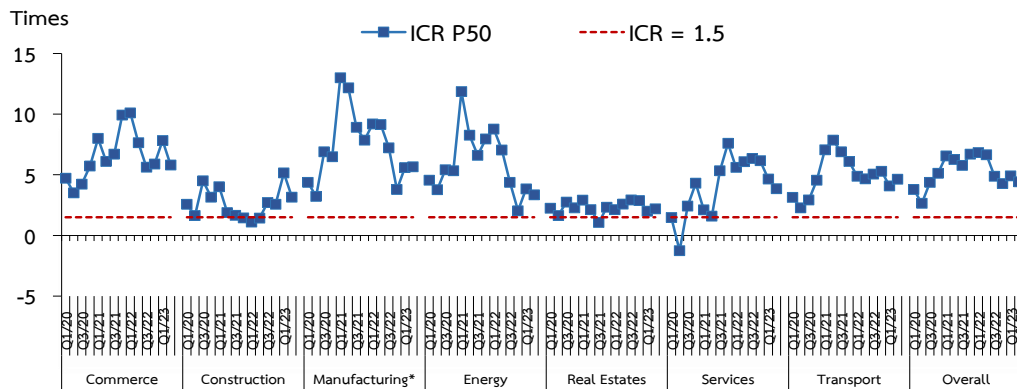
Note: ^{1/} XGS – Export of Goods and Services (3-year average)
^{2/} Monthly Import of Goods and Services (1-year average)
^{3/} Severely indebted countries
P = Preliminary data
Source: Bank of Thailand

Stability and financial condition of corporate sector (2Q 2023)

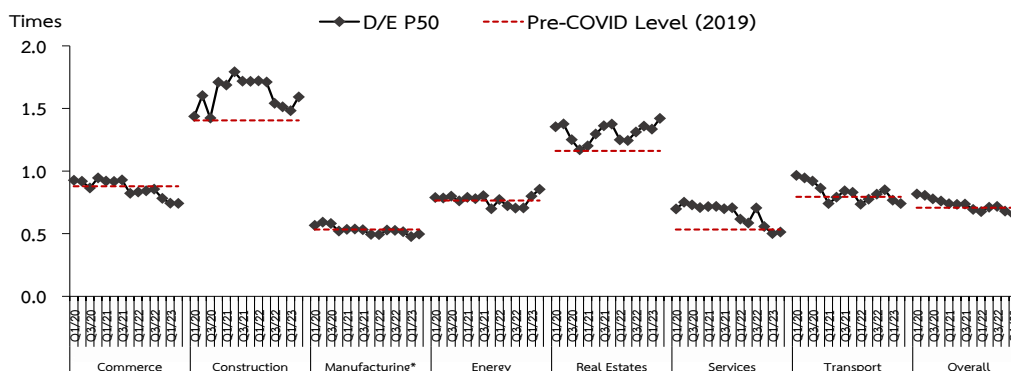
Return on assets by Sectors



Interest Coverage Ratio by Sectors



Debt to Equity Ratio by Sectors



Note: 50th percentile, *Manufacturing excludes petroleum and petrochemical, Services include Hotel, Education and Hospital, Energy includes petroleum and related products, and power.,

$$ROA_t = \left(\frac{EBIT}{(Total\ asset_{t-1} + Total\ asset_t)/2} \right) \times 100 \times 4$$

Source: Stock Exchange of Thailand; calculation by Bank of Thailand

3. Link to related statistics and contents

■ Agricultural sector

Agricultural prices: [Agricultural prices](#)

Agricultural production: [Agricultural products](#)

More information: Office Of Agricultural Economics www.oae.go.th

■ Manufacturing sector

Manufacturing production: [Manufacturing production index \(MPI\)](#)

Capacity utilization rate: [Capacity utilization rate](#)

More information: Office of Industrial Economics <http://www.oie.go.th/view/1/Home/EN-US>

■ Real estate sector

Property Indicators: [Property Indicators \(EC_EI_009_S2\)](#)

More information: Real Estate Information Center www.reic.or.th/

■ Public finance

Central government revenue: [Government revenue](#)

Central government expenditure (GFSM2001): [Government expenditure \(EC_PF_011\)](#)

Fiscal Position (GFSM2001): [Fiscal position in cash basis \(EC_PF_009\)](#)

More information: Fiscal Policy Office www.fpo.go.th

■ Labor market

Labor force survey: [Labor force survey \(EC_RL_009_S4\)](#)

Employment: [Number of employed persons classified by occupation \(EC_RL_012\)](#)

Average wage: [Average wage classified by industry \(EC_RL_014_S2\)](#)

More information: National Statistical Office www.nso.go.th

■ Inflation

Inflation: [Consumer price index \(CPI\)](#)

More information: Bureau of Trade and Economic Indices www.price.moc.go.th

■ Other reports of Monetary Policy Group, Bank of Thailand

Monthly report on Business Sentiment Index: [Business Sentiment Index](#)

Quarterly report on Business Outlook: [Business Outlook Report](#)

Quarterly report on Credit Condition: [Senior Loan Officer Survey](#)

Contact

Agricultural sector	Sectoral Analysis Division	0 2283 6637
Manufacturing sector	Sectoral Analysis Division	0 2283 5650
Service sector	Sectoral Analysis Division	0 2356 7300
Real estate sector	Macro Surveillance Team 1-2	0 2356 7096
Private consumption	Macroeconomics Team 1-2	0 2283 5647
Private investment	Macroeconomics Team 1-2	0 2283 5639
Public finance	Public Finance Team	0 2356 7877
The global economy	International Economics Division	0 2283 5147
External sector and balance of payments	Balance of Payment Division	0 2283 6726
Monetary and financial conditions	Monetary Policy Strategy Division	0 2283 6186
Inflation	Macro Surveillance Team 1-2	0 2283 7090
Labor market	Sectoral Analysis Division	0 2283 5645
Financial Stability	Macro Surveillance Team 1-2	0 2356 7098
Financial Position	Macro Surveillance Team 1-2	0 2356 7098
External stability	Balance of Payment Division	0 2283 5636