



## KEY HIGHLIGHT

- **The Thai economy improved from the previous month** from both the domestic and external demands.
- **Government measures**, such as the exemption of fares in public transport in Bangkok for a week, the Easy E-Receipt campaign, and the second phase of cash transfer measures, have bolstered activities in transportation as well as spending on consumer goods and semi-durable goods.
- **Production in the automotive sector showed signs of improvement**, particularly passenger cars but subdued external demand suppressed exports of automotives, especially pickup trucks and passenger cars to Australia.
- **Labor market remained stable** but warrant a close monitoring in the construction and manufacturing sector.

### Economic Stability

Headline Inflation

**1.32%**

Section 33 Contributors

**-0.1%**

from previous month

Current Account Balance

**2.7**

Billion Dollars



Private Consumption

**1.1%**

from previous month



Private Investment

**0.5%**

from previous month



Government Expenditure (excl. Transfer)

**15.7%**

from previous month



Export Value (excl. gold)

**1.5%**

from previous month



Import Value (excl. Gold)

**-0.7%**

from previous month



Number of Tourist Arrivals

**6.2%**

from previous month

**The Thai economy improved from the previous month**, supported by increasing activities in the tourism sectors, following higher numbers of foreign tourist and revenue. Private consumption increased and was partly benefited from the government stimulus measure in line with activities in the trade sector, manufacturing production, and private investment. Merchandise exports also increased from the previous month but remained concentrated in certain categories. Government spending continued to expand from both current and capital expenditures.

**On the economic stability front**, headline inflation increased from the previous month, mainly due to higher inflation in fresh food, following a low base last year together with rising vegetable prices. Core inflation slightly increased from higher prepared food prices. The current account registered a smaller surplus as trade surplus diminished, while the services, income, and transfers displayed a larger surplus. Overall, the labor market remained stable compared to the previous month.

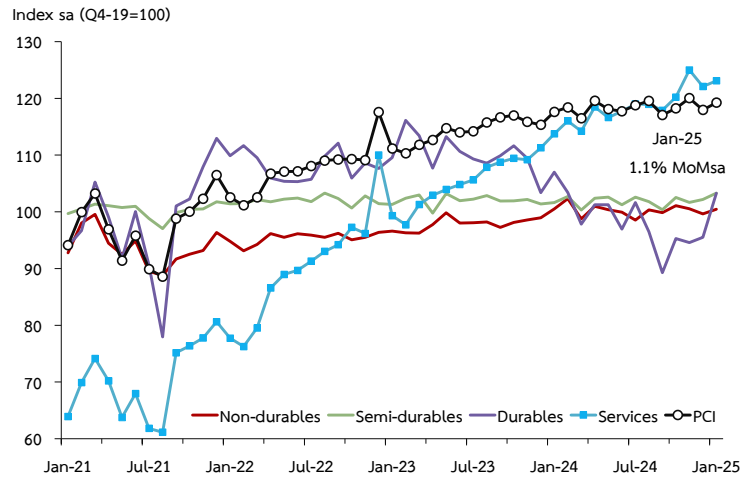
# Thai Economic Conditions

## Private consumption

**Private consumption indicators, after seasonal adjustment, increased across all major categories.**

Spending in services increased, particularly in transportation, which benefited from fares exemption measures in electric trains and public transport, while activities in hotel and restaurant improved in line with higher numbers of foreign tourists and revenue. Consumption in durable goods also increased, especially in passenger cars sales, thanks partly to a higher delivery after the Motor Expo. Spending in non-durable goods increased with higher sales of consumer goods and beverages. Spending in semi-durable goods also increased due to higher imports of textiles and apparel, which was supported by the Easy E-Receipt tax rebate program. The consumer confidence index continued to improve, thanks to government stimulus programs and improved tourism sector.

PCI by Major Categories



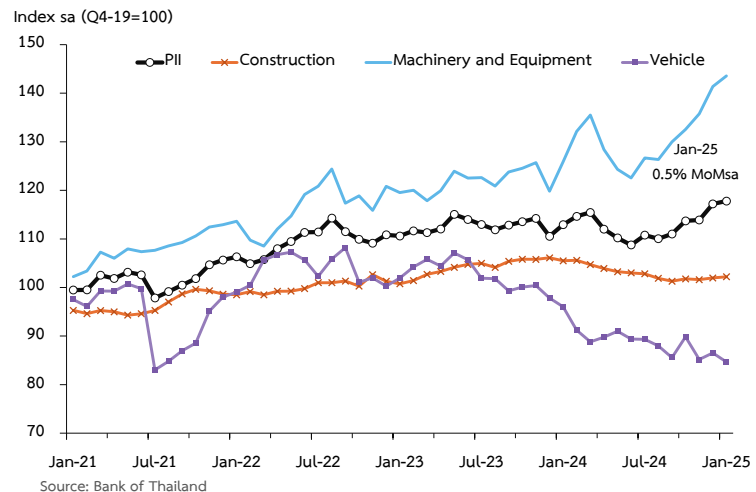
Note: PCI by category reflects domestic expenditures, including those by foreign tourists. However, the aggregate PCI excludes foreign tourist expenditures and includes Thai tourist expenditures abroad to accurately reflect Thai private consumption.  
Source: Bank of Thailand

## Private investment

**Private investment indicators, after seasonal adjustment, increased from the previous month.**

Investment in machinery and equipment increased due to higher domestic sales and imports of capital goods. Investment in construction remained stable in line with investment in residential areas with increased construction in townhouse being offset by lower construction in single and semi-detached houses. Meanwhile, investment in non-residential construction increased slightly. However, investment in vehicles declined, due to lower imports of aircraft, ships, and locomotives, after these imports being surge in the previous periods.

PII by Major Categories

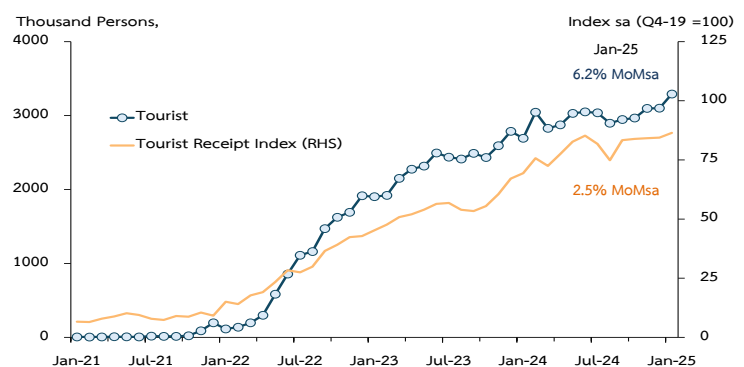


Source: Bank of Thailand

## Foreign tourist arrivals and receipt

**The number and revenue from foreign tourists, after seasonal adjustment, increased from the previous month, driven by an increase in tourists from Malaysia and long-haul tourists with high spending per trip, such as tourists from France and the United Kingdom.**

Number of Tourists and Tourism Receipt

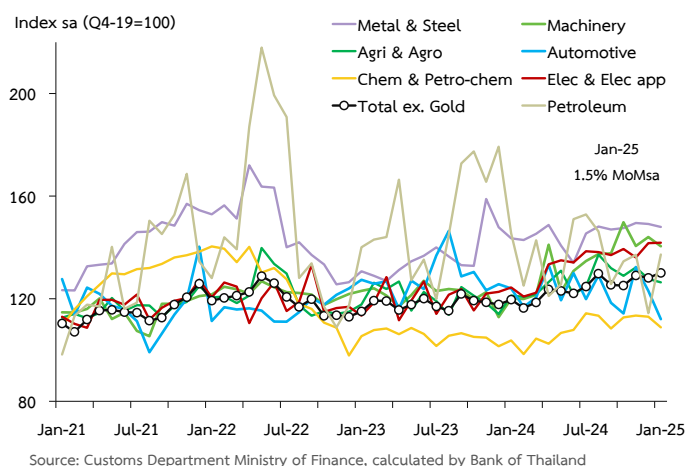


Note: Tourism receipt excludes health, education, excursionist and acquisition of goods and services by short-term workers and is subject to revision due to unstable seasonal adjustment.  
Source: Ministry of Tourism and Sports, calculated by Bank of Thailand

## Export Value

The value of merchandise exports, excluding gold and after seasonal adjustment, increased from the previous month. This was driven by a surge in platinum exports to India which benefited from India's import tax cut on precious metals. Exports in other categories also improved, including exports of petroleum to ASEAN and electrical appliances to the United States. However, exports in some categories declined. This included automotive exports in both pickup trucks and passenger cars to Australia as well as exports in electronics, particularly in telecommunication equipment and computers, after expanding well in the previous periods.

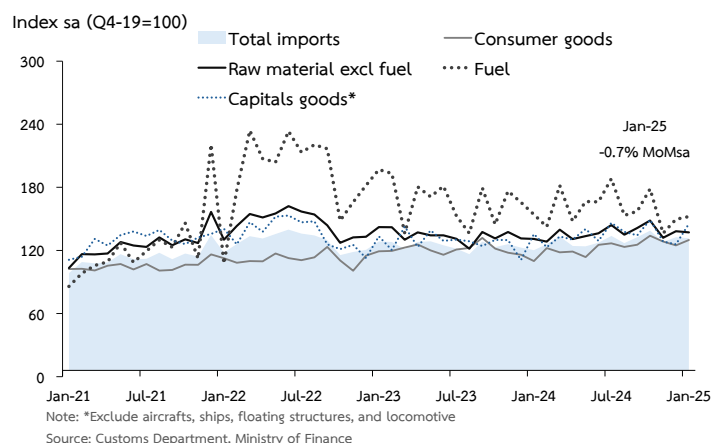
Thai Export Classified by Products



## Import Value

The value of merchandise imports, excluding gold and after seasonal adjustment, slightly decreased from the previous month from lower imports of raw material and intermediate goods, particularly in electronic parts from China. Nevertheless, imports in several categories increased, including 1) fuel, driven by higher imports of crude oil, 2) consumer goods, which increased from both durable and non-durable goods such as cell-phones, pharmaceuticals, and cosmetics, and 3) capital goods excluding aircraft, mainly due to higher imports of machinery and electrical equipment from China.

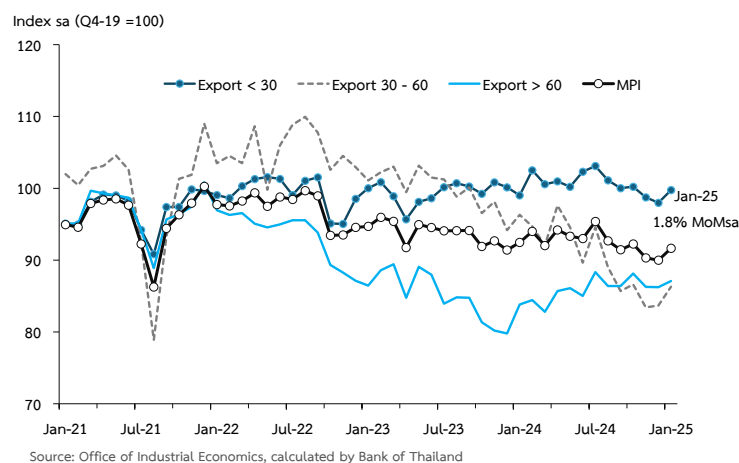
Import Value Index



## Manufacturing sector

The manufacturing production index, after seasonal adjustment, increased from the previous month in several categories. This included (1) automotives, driven by the production of passenger cars, especially hybrid cars, (2) petroleum, which increased for inventory buildup, (3) food and beverages, especially dairy products as well as chilled and frozen seafood products and (4) chemicals, following an inventory buildup of chemical fertilizers in preparation for the agricultural planting season.

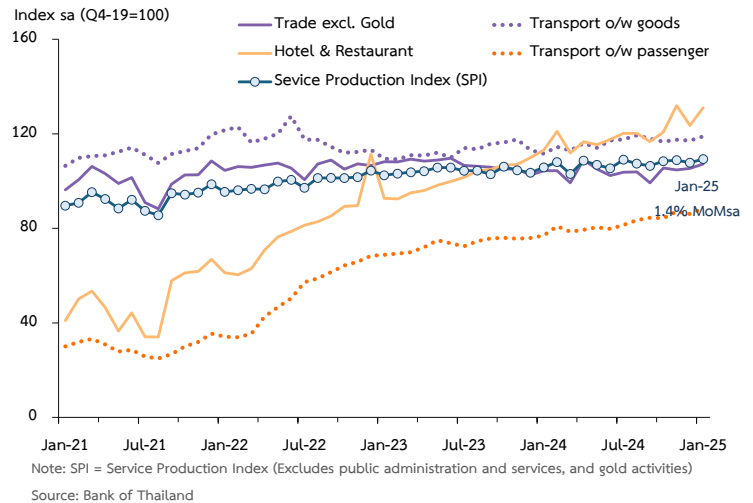
MPI Classified by Export Share



## Service sector

Service sector indicators, excluding gold trading and after seasonal adjustment, increased from the previous month, driven by tourism-related activities, including hotels and restaurants as well as passenger transportation. This was in line with higher number and revenue of foreign tourists and was further supported by the exemption of fares in public transport in Bangkok for a week. Service sectors related to manufacturing production, such as trade and freight transportation, also improved.

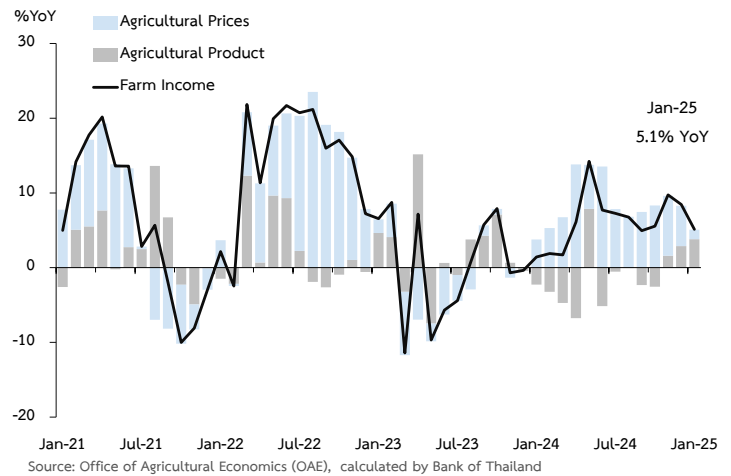
Service Production Index (SPI) by Sector



## Agricultural sector

Farmers' income expanded from the same period last year, driven by both production and prices. Agricultural production increased, particularly for sugarcane and fruits such as longan and mango, due to favorable weather conditions as well as a delay in off-season mango output which was affected by last year's weather fluctuations. Agricultural prices increased in rubber and palm oil, following a contraction in both global and domestic production since last year.

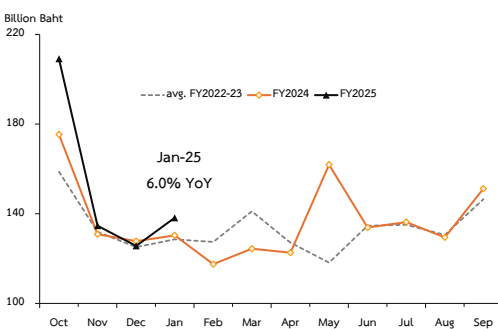
Nominal Farm Income



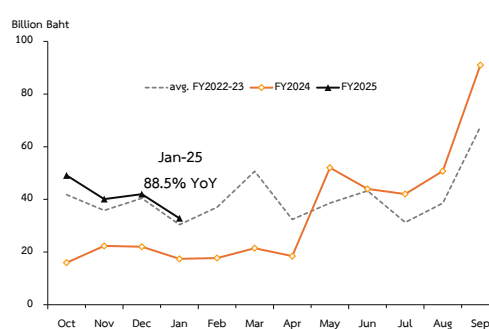
## Fiscal position and public expenditure

Government spending, excluding transfers, expanded from the same period last year, driven by both current and investment expenditures. Current expenditures rose with disbursements for pensions, salaries, and medical expenses for government officials. Investment spending increased with disbursements from public utilities and transportation agencies, while state enterprises' investment expanded in public utilities and rail transport projects.

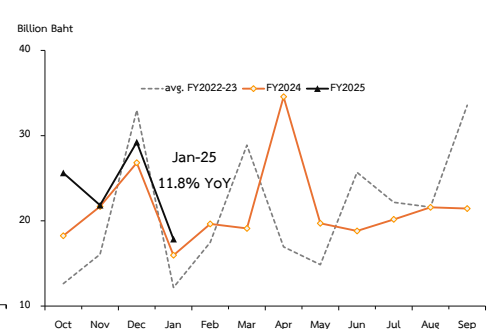
Central Government Current Expenditure (Excl. Subsidies/Grants and other)



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



State Owned Enterprises Capital Expenditure



Note: \* Excluded expenditure from 1 trillion and 500 billion Baht Emergency Decree loans

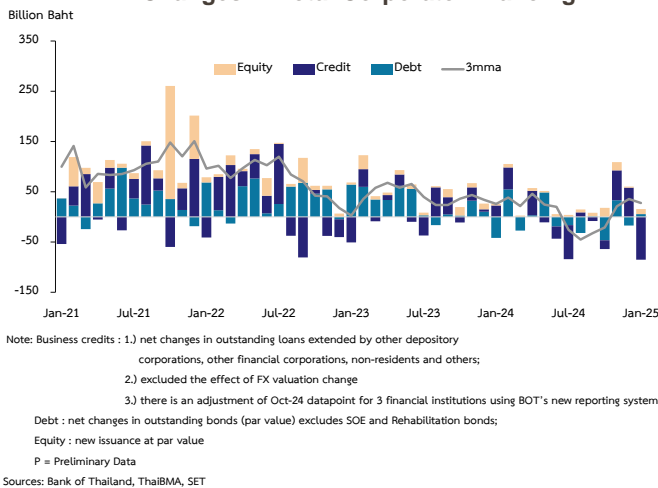
Source: Comptroller General's Department, Fiscal Policy Office, GFMS-SOEs and Bank of Thailand

# Monetary Conditions and Economic Stability

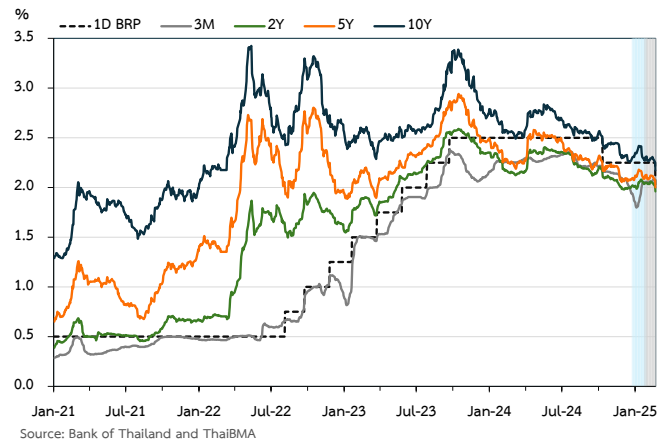
## Corporate financing, interest rates and exchange rates

**Overall business funding decreased from the previous month**, following a decline of net business loans in the manufacturing, transportation sectors and holding companies, despite an increase in the real estate sector. However, bond market funding increased, primarily driven by the service sector, and equity market funding also rose in the energy sector. As of the end of January 2025, **yields on short-term and long-term Thai government bonds** remained stable as demand from insurance companies and provident funds aligned more closely with the supply of bonds. As of February 26, 2025, short-term Thai government bond yields decreased in line with the direction of domestic monetary policy, while long-term yields fell in line with the U.S. Treasury yields, following weaker-than-expected U.S. economic data and increased domestic investor demand.

**Changes in Total Corporate Financing**

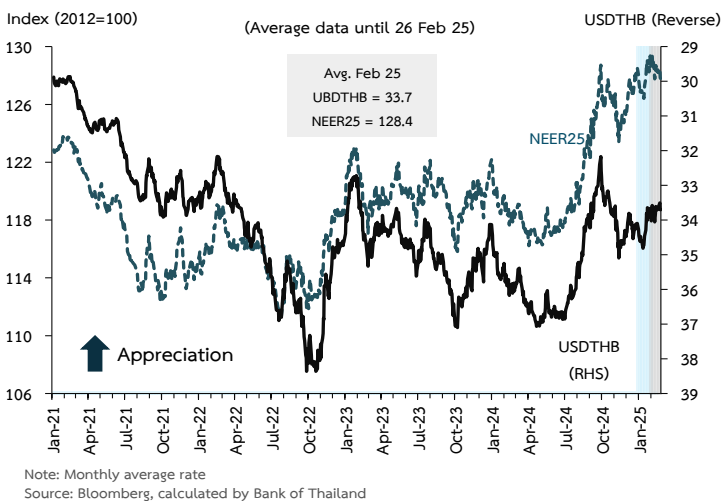


**Government Bond Yields**

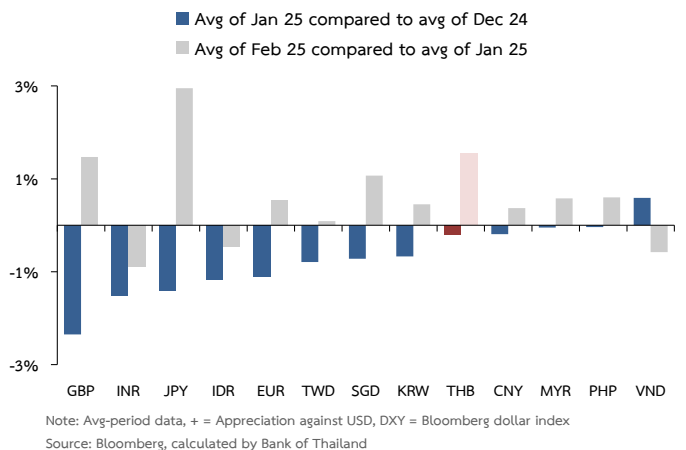


**The Thai baht, on average, depreciated against the U.S. dollar in January 2025**, influenced by global factors following the inauguration of the U.S. President, which raised concerns about future global trade. However, in February 2025 (data up to February 26), the baht as well as the nominal effective exchange rate (NEER), on average, appreciated and outperformed regional peers after the market perceived U.S. trade protection policies might not be as severe as expected and positive negotiations between the U.S. and China, along with additional appreciation factors from the seasonal tourism sector.

**THB and NEER movements**



**Exchange rate movements compared with peers**

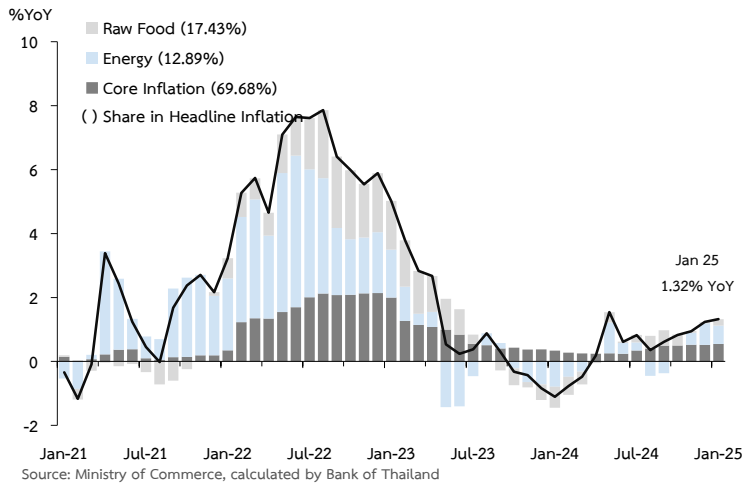




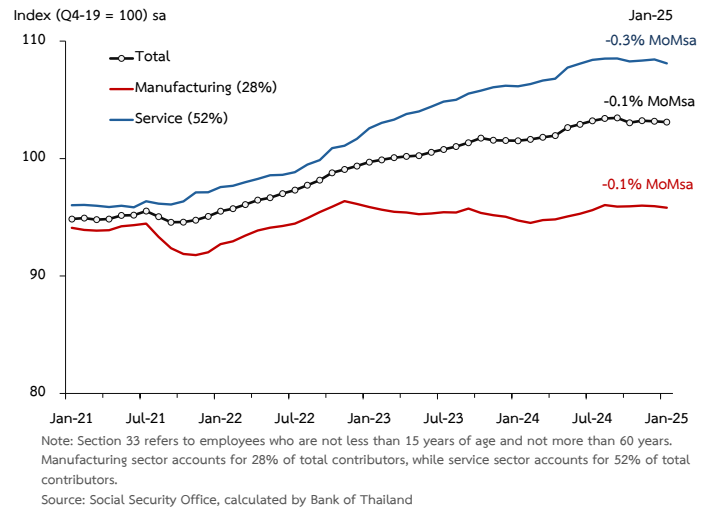
# Economic Stability

**Headline inflation increased from the previous month**, mainly from higher fresh food inflation, following a low base last year together with rising vegetable prices. Meanwhile, energy inflation decreased from lower gasoline prices. Core inflation slightly increased, primarily due to higher prices of prepared food. **The overall labor market remained stable from the previous month**. However, a close monitoring is warranted for the construction and manufacturing sector, especially automotive sector. **The current account surplus decreased from the previous month**, primarily due to a lower trade surplus, following higher imports, while the surplus in services, income, and transfers increased, driven mainly by higher foreign tourism revenue.

**Headline Inflation**



**Total Contributors in Section 33**



## Balance of Payments

Billion USD	2023 <sup>P</sup>	2024 <sup>E</sup>	2024 <sup>E</sup>					2025 <sup>E</sup>	
			Q1 <sup>P</sup>	Q2 <sup>P</sup>	Q3 <sup>E</sup>	Q4 <sup>E</sup>	Dec <sup>E</sup>	Jan <sup>E</sup>	YTD <sup>E</sup>
Trade Balance	19.4	19.3	2.5	5.7	5.8	5.4	1.9	0.4	0.4
Exports (f.o.b.)	280.7	297.0	70.0	73.2	77.2	76.7	24.3	25.0	25.0
%YoY	-1.5	5.8	-0.5	4.3	8.9	10.6	8.4	12.9	12.9
Imports (f.o.b.)	261.4	277.8	67.5	67.5	71.4	71.3	22.4	24.6	24.6
%YoY	-3.8	6.3	2.6	0.8	11.3	10.7	13.4	7.5	7.5
Net Services, Income & Transfers	-12.0	-6.9	0.9	-4.5	-3.6	0.3	1.0	2.3	2.3
Current Account	7.4	12.3	3.4	1.1	2.2	5.6	2.9	2.7	2.7
Capital and Financial Account	-9.9		-4.7	-2.3	-0.7				
<b>Overall Balance</b>	<b>2.6</b>	<b>12.4</b>	<b>1.8</b>	<b>2.1</b>	<b>7.0</b>	<b>1.5</b>	<b>1.8</b>	<b>4.2</b>	<b>4.2</b>

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