



KEY HIGHLIGHT

- **The Thai economic activities slowed down** in the service sector, private consumption and private investment, while manufacturing production improved.
- **The tourism sector slowed down** mainly due to a decline in the number of Muslim tourists since the Ramadan period started earlier this year, while Chinese tourists continued to decline but at a slower pace.
- **Production and exports of electronic products improved**, following the recovery of the electronics cycle and an acceleration in exports before the announcement of U.S. import tariff.
- **The overall labor market slightly improved** as the ratios of total and new unemployment claims to total insured persons declined. However, the impact of U.S. trade policies and the tourism slowdown on the labor market warrants a close monitoring.

Economic Stability

Headline Inflation

0.84%

Section 33 Contributors
(Employed Persons)

0.3%

from previous month

Current Account Balance

2.3

Billion U.S. Dollars



Private
Consumption

-0.5%

from previous month



Private
Investment

-1.0%

from previous month



Government
Expenditure
(excl. Transfer)

45.8%

from previous month



Export Value
(excl. gold)

-2.0%

from previous month



Import Value
(excl. Gold)

8.1%

from previous month



Number of
Tourist Arrivals

-9.0%

from previous month

The Thai economic activities softened from the previous month, due to lower in the tourism-related activities, following a lower number of foreign tourists. Private consumption slowed down, particularly in services and non-durable goods, while exports declined mainly in precious metal but overall remained high due to accelerated exports to the U.S. Private investment also declined mainly from lower investment in machinery and equipment. However, manufacturing production increased in automotive and hard disk drive categories. Government spending continued to expand from both current and capital expenditures.

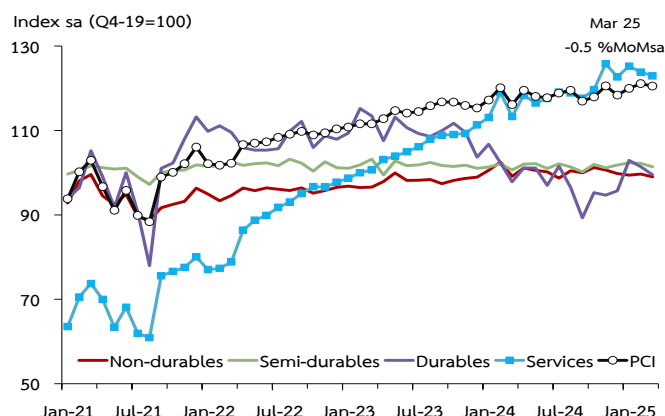
On the economic stability front, headline inflation decreased compared to the previous month mainly from lower energy inflation. This was driven by falling retail gasoline prices in line with the global oil prices as well as lower electricity prices due to government subsidies on vulnerable groups. Core inflation also decreased, following lower prices of prepared food, personal care products, and cleaning supplies. The current account registered a smaller surplus as services, income, and transfers became deficit. The overall labor market improved slightly from both manufacturing and service sectors.

Thai Economic Conditions

Private consumption

Private consumption indicators, after seasonal adjustment, decreased from the previous month, mainly in services, particularly hotels and restaurants, in line with lower number of tourists. Consumption of non-durables and durable goods decreased, especially passenger cars. Consumption of semi-durables also declined due to lower imports of textiles and apparel as well as sales of semi-durables. Consumer confidence weakened amid concerns over U.S. trade policies, geopolitical tensions, and high living costs.

PCI by Major Categories

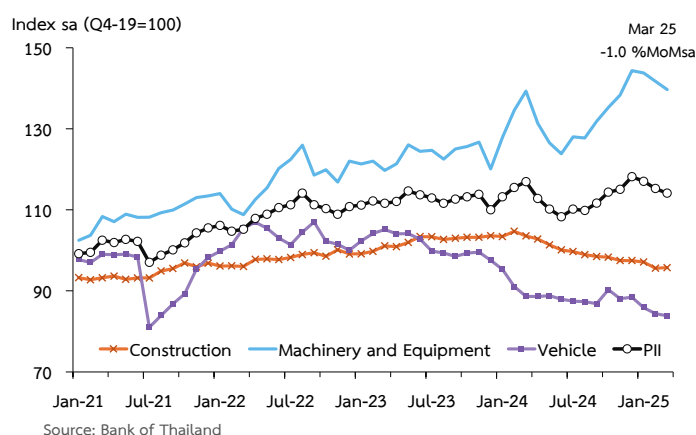


Note: PCI by category reflects domestic expenditures, including those by foreign tourists. However, the aggregate PCI excludes foreign tourist expenditures and includes Thai tourist expenditures abroad to accurately reflect Thai private consumption. Source: Bank of Thailand

Private investment

Private investment indicators, after seasonal adjustment, declined from the previous month, mainly from lower machinery and equipment investment, reflected in reduced net imports of capital goods, while domestic machinery sales remained stable. Vehicle investment also declined, reflected by lower registrations of passenger cars and pickup trucks. Construction investment remained stable, with increased non-residential construction area permits, while residential construction, particularly single houses and townhouses, decreased in line with the subdued real estate market.

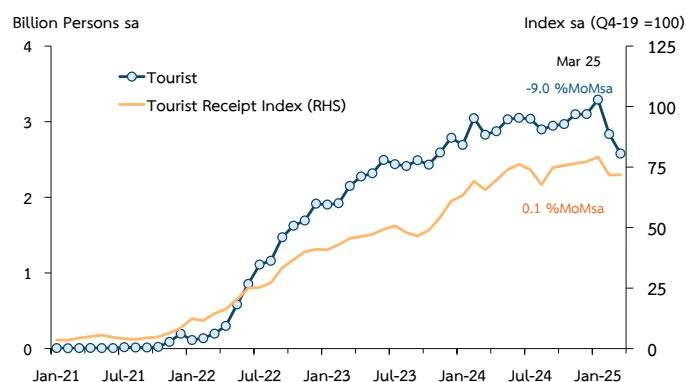
PII by Major Categories



Foreign tourist arrivals and receipt

The number of foreign tourists, after seasonal adjustment, decreased from the previous month, primarily driven by lower tourists from Malaysia and the Middle East as the Ramadan period started earlier this year. Chinese tourists also declined, but at a slower pace. **Tourist revenue remained stable,** supported by higher spending per trip from long-haul tourists, especially Russia and Australia.

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, decreased from the previous month. The decline was driven by exports of 1) the precious metals, particularly platinum to India, due to tighten import conditions by Indian customs, 2) processed agricultural products, especially sugar to Indonesia, and 3) electrical appliances, especially air conditioners to the U.S. and Australia. However, exports of electronics increased, particularly in telecommunication equipment, computers, and hard disk drives, due to front-loaded exports to the U.S. amid concerns over import tariffs. Exports of metals to Norway also increased.

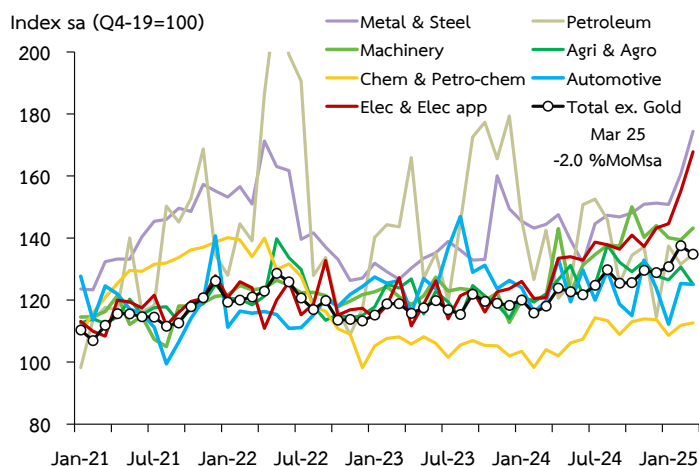
Import Value

The value of merchandise imports, excluding gold and after seasonal adjustment, increased from the previous month, due to higher imports of 1) fuel, especially crude oil and natural gas, 2) capital goods, excluding aircraft such as machinery and electrical equipment, and 3) raw materials and intermediate goods, excluding fuel such as electronic parts from ASEAN, aligning with increased production and exports of electronics. However, consumer goods imports declined, particularly jewelry, after a spike in the previous month due to an international jewelry exhibition.

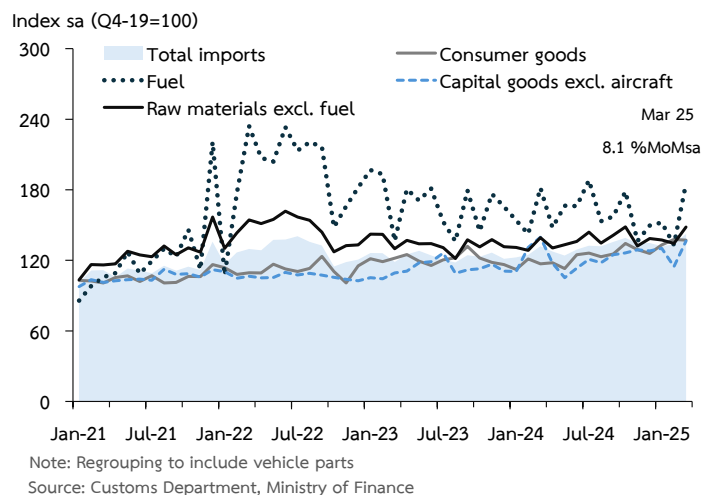
Manufacturing sector

The manufacturing production index, after seasonal adjustment, increased from the previous month, driven by higher production in sectors where exports accounted for 30-60%, especially electric vehicles. Sectors where exports accounted for more than 60% also improved, especially hard disk drives and electronic circuits and parts. Production in sectors where exports accounted for less than 30% improved slightly, mainly in basic chemicals. However, production in some categories declined, such as textiles and apparels, due to lower exports, and construction materials, due to subdued real estate demand.

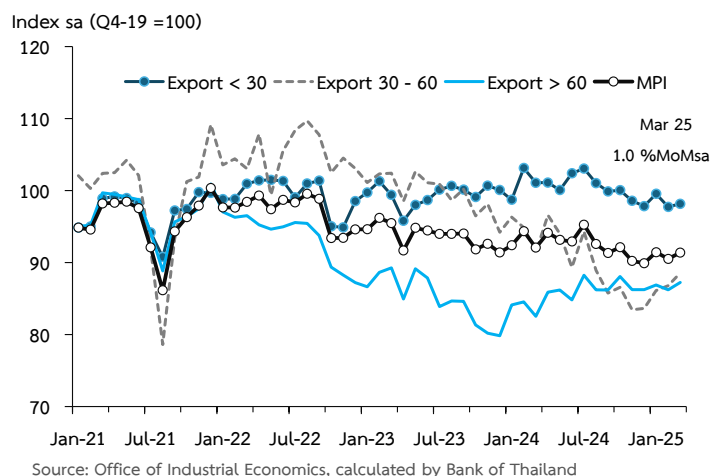
Thai Export Classified by Products



Import Value Index



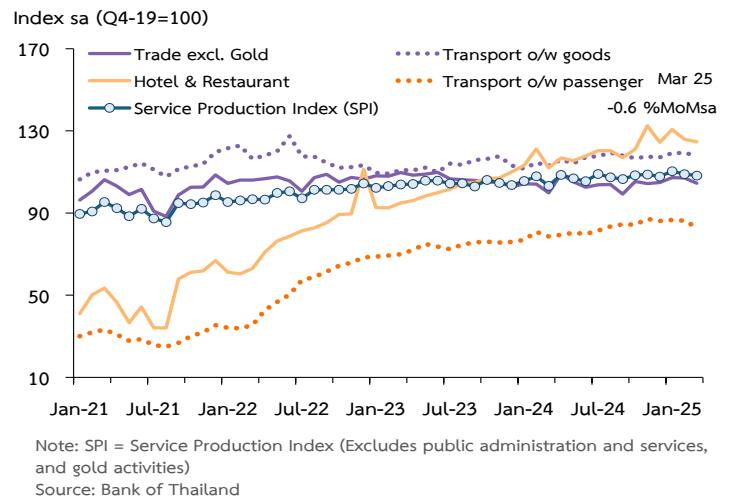
MPI Classified by Export Share



Service sector

Service sector indicators, excluding gold trading and after seasonal adjustment, decreased from the previous month due to lower tourism-related activities, including hotels and restaurants as well as passenger transportation. This was in line with lower number of Thai and foreign tourists. Trade and freight transportation also declined, following lower domestic sales of consumer and industrial goods after the end of government stimulus measures.

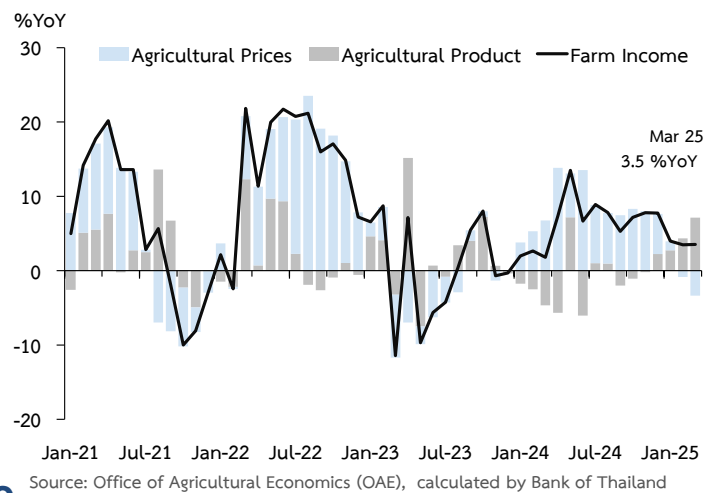
Service Production Index (SPI) by Sector



Agricultural sector

Farmers' income increased from the same period last year, mainly from higher production of rice, sugarcane, and rubber increased due to favorable weather conditions. However, agricultural prices contracted, particularly for prices of white rice and rubber due to higher output and India's resumption of rice exports. Additionally, prices of cassava declined due to lower demand from China.

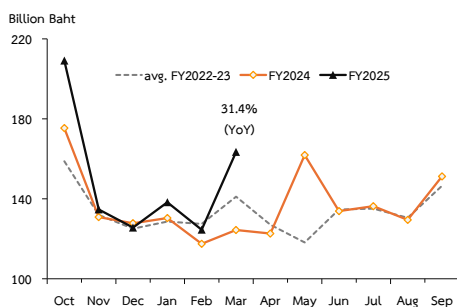
Nominal Farm Income



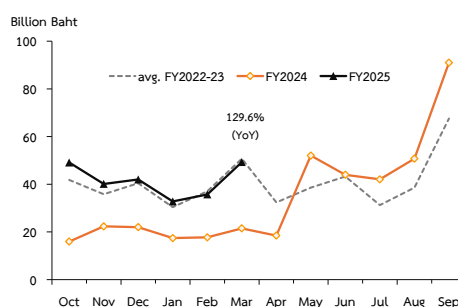
Fiscal position and public expenditure

Government spending, excluding transfers, expanded compared to the same period last year, driven by increased current and capital expenditures of the central government. Current expenditures increased due to accelerated disbursements by educational agencies that were carried over to this month, pensions, employee compensation, and medical expenses of government officials. Capital expenditures increased due to higher disbursements by public utility and transportation agencies. However, capital expenditures by state enterprises contracted from the rail transport and public utility projects.

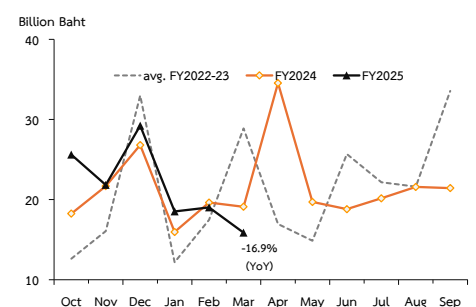
Central Government
Current Expenditure
(Excl. Subsidies/Grants and other)



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



State Owned Enterprises
Capital Expenditure



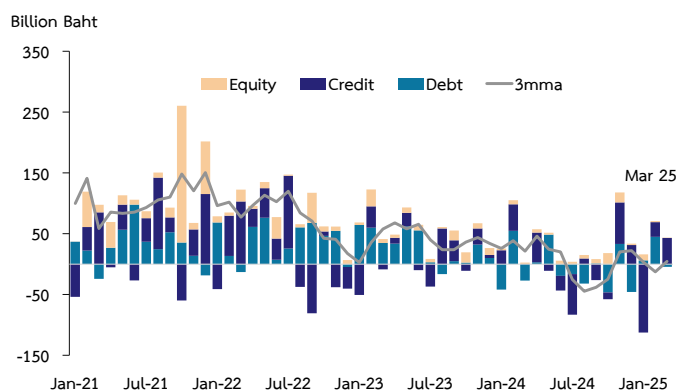
Note: * Excluded expenditure from 1 trillion and 500 billion Baht Emergency Decree loans
Source: Comptroller General's Department, Fiscal Policy Office, GFMS-SOEs and Bank of Thailand

Monetary Conditions and Economic Stability

Corporate financing, interest rates and exchange rates

Overall business funding improved from the previous month, primarily through credit. Net credit financing increased, driven by holding companies and the food and beverage sector. Bond market financing also increased, particularly in the energy, real estate, and financial sectors mainly for rolling over maturing debentures. As for the cost of finance in the bond market, short-term and long-term Thai government bond yields decreased by the end of March 2025, due to investors' anticipation of lower policy rate in the future

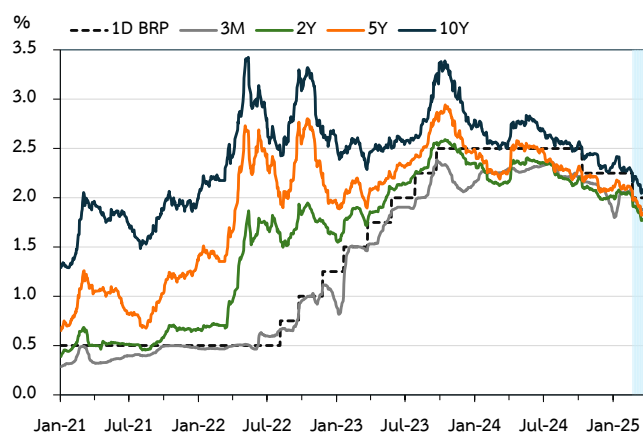
Changes in Total Corporate Financing



Note: Business credits : 1.) net changes in outstanding loans extended by other depository corporations, other financial corporations, non-residents and others;
2.) excluded the effect of FX valuation change
3.) there is an adjustment of Oct-24 datapoint for 3 financial institutions using BOT's new reporting system
Debt : net changes in outstanding bonds (par value) excludes SOE and Rehabilitation bonds;
Equity : new issuance at par value
P = Preliminary Data

Sources: Bank of Thailand, ThaiBMA, SET

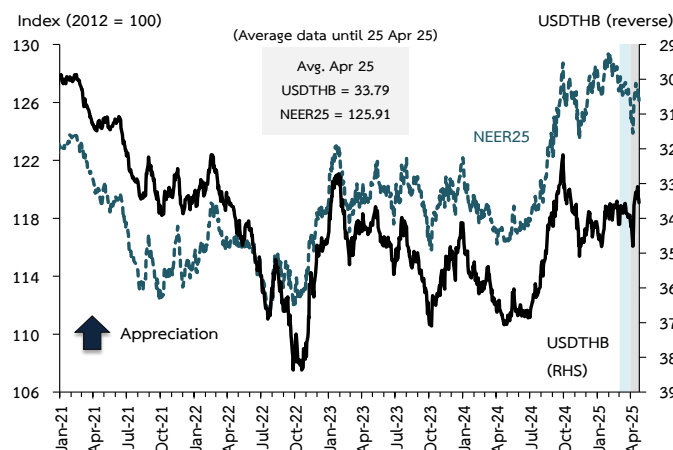
Government Bond Yields



Source: Bank of Thailand and ThaiBMA

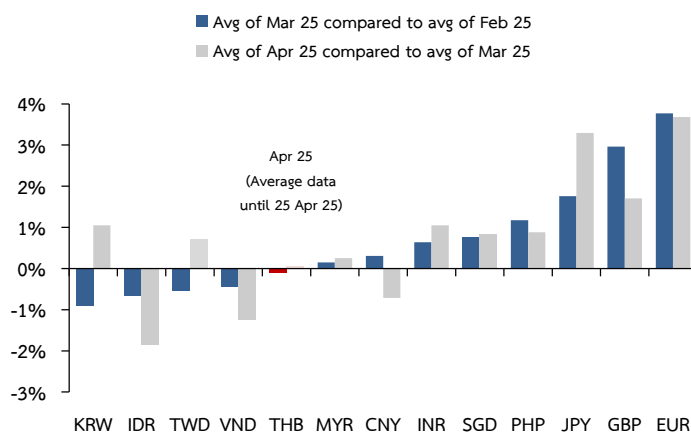
The exchange rate of the Thai baht against the U.S. dollar remained stable on average in March 2025 as the U.S. Federal Reserve's decision in maintaining its policy rate and the outturn of the U.S. trade policies met the market expectations. However, in April 2025 (data up to April 25, 2025), the baht fluctuated with a depreciation at the beginning as the U.S. announced higher-than-expected import tariffs on various countries and later appreciated after the U.S. postponed the import tariffs for 90 days. The nominal effective exchange rate (NEER) of the baht decreased on average as the baht depreciated more than regional currencies, partly reflecting market's views that Thailand is more exposed to the U.S. reciprocal tariffs compared to its peers.

THB and NEER movements



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

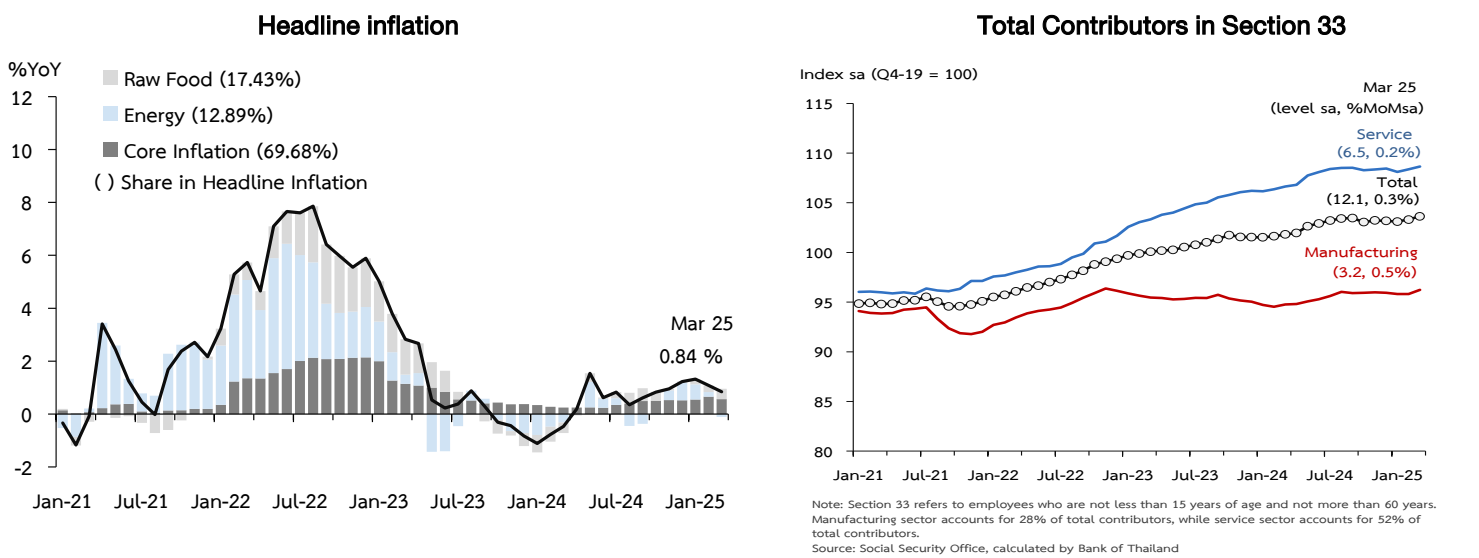
Exchange rate movements compared with peers



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

Economic Stability

Headline inflation decreased compared to the previous month mainly from lower energy inflation. This was driven by falling retail gasoline prices in line with the global oil prices as well as lower electricity prices due to government subsidies on vulnerable groups. Core inflation also decreased, following lower prices of prepared food, personal care products, and cleaning supplies, while prices of seasonings and condiments and non-alcoholic beverages increased due to high raw material costs. **The labor market improved slightly** as reflected by a modest increase in the number of insured persons in the social security system in both manufacturing and services. Additionally, the ratio of total and new flow of unemployment claims to total insured persons decreased. **The current account displayed a lower surplus** as services, income, and transfers became deficit, owing to higher profit repatriation and a lower trade surplus.



Source: Ministry of Commerce, calculated by Bank of Thailand

Note: Section 33 refers to employees who are not less than 15 years of age and not more than 60 years. Manufacturing sector accounts for 28% of total contributors, while service sector accounts for 52% of total contributors.
Source: Social Security Office, calculated by Bank of Thailand

Balance of Payments

Billion USD	2024	2024				2025			
		Q1	Q2	Q3	Q4	Q1 ^P	Feb	Mar ^P	YTD
Trade Balance	19.3	2.5	5.7	5.8	5.4	8.2	4.4	3.4	8.2
Exports (f.o.b.)	297.0	70.0	73.2	77.2	76.7	80.4	26.4	29.0	80.4
%YoY	5.8	-0.5	4.3	8.9	10.6	15.0	13.9	17.7	15.0
Imports (f.o.b.)	277.8	67.5	67.5	71.4	71.3	72.3	22.0	25.6	72.3
%YoY	6.3	2.6	0.8	11.3	10.7	7.1	4.1	9.4	7.1
Net Services, Income & Transfers	-8.2	0.9	-4.5	-3.4	-1.1	2.3	1.1	-1.1	2.3
Current Account	11.1	3.4	1.1	2.3	4.2	10.5	5.5	2.3	10.5
Capital and Financial Account	-15.4	-4.7	-2.3	0.3	-8.8				
Overall Balance	12.4	1.8	2.1	7.0	1.5	3.4	0.2	-1.0	3.4

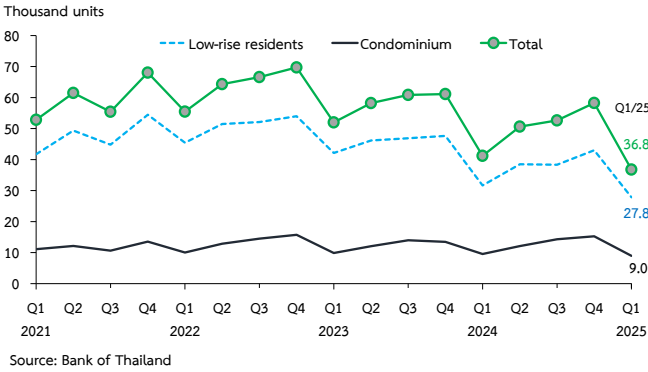
Note: P = preliminary data

Source: Bank of Thailand

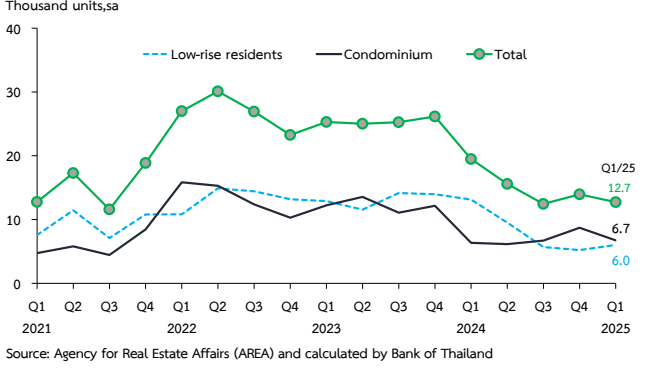
Real estate sector (Q1/2025)

The overall real estate market slowed down from the previous quarter with a decline in residential demand for both low-rise housing and condominiums, as shown by the continued drop in new loan approvals. Residential supply also decreased, particularly in newly launched condominium units. Meanwhile, housing prices increased, especially for low-rise housing, partly due to higher construction material costs.

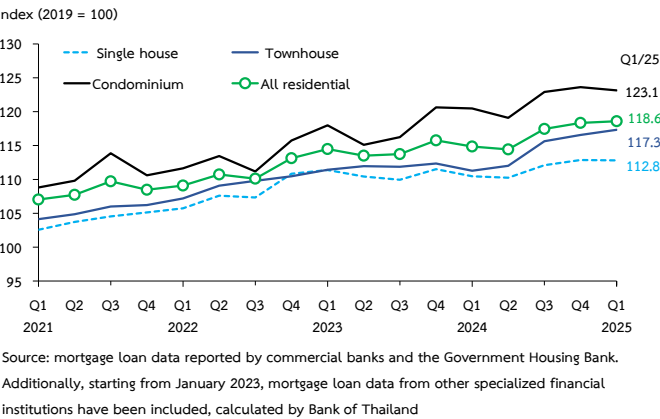
New Mortgage Loans from Commercial Banks and SFIs



Newly Launched Properties in Bangkok and Vicinity



Housing Price Index



Quarterly Review of the Thai Economy

First Quarter of 2025

The Thai economy expanded from the previous quarter, driven by accelerated exports and increased manufacturing production due to concerns over the U.S. trade policy measures. While private consumption continued to see improvement, tourism activities, however, deteriorated, following a lower number of foreign tourists and revenue, particularly from Chinese tourists who were concerned about safety issue. Private investment also declined. Meanwhile, government spending continued to expand, supported by both current and capital expenditures.

Economic stability. Headline inflation increased slightly compared to the previous quarter from higher fresh food prices as well as higher core inflation, following higher prices in seasonings and condiments as well as prepared food. Energy inflation, however, declined in line with global crude oil prices. The overall labor market improved slightly, driven by employment in the service sector, while employment in the manufacturing sector decreased. The current account surplus increased from the previous quarter, driven by a surplus in services, income, and transfers, supported by higher tourism revenue and an increased trade surplus from accelerated exports.

Bank of Thailand

30 April 2025

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