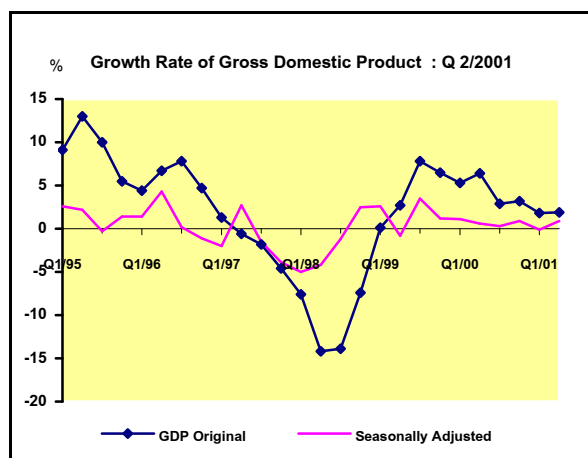
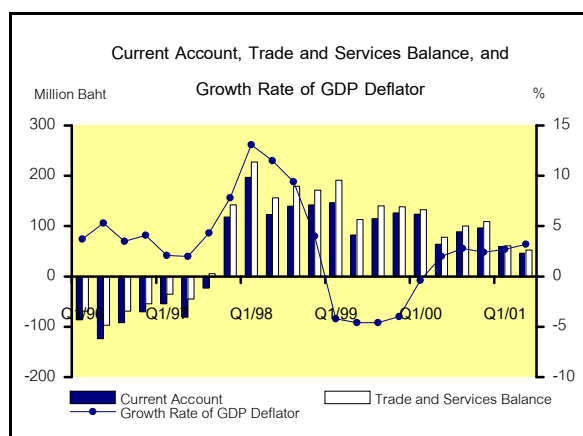
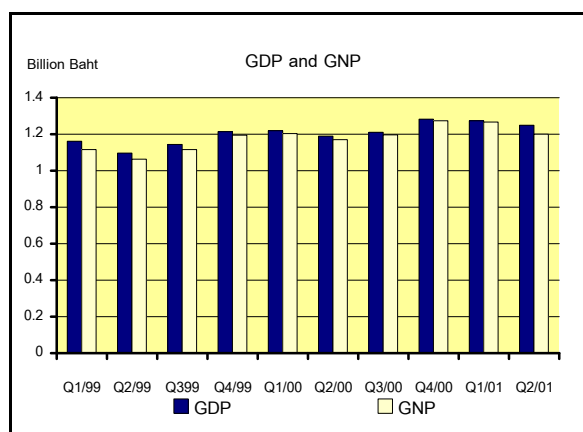


GROSS DOMESTIC PRODUCT (GDP) : Q2/2001



Growth Rate of Gross Domestic Product : Q2/2001

(%)	2000				2001	
	Q1	Q2	Q3	Q4	Q1	Q2
Agriculture	-2.2	5.7	4.6	3.5	1.7	2.0
Non-agriculture	6.2	6.4	2.8	3.1	1.8	1.9
GDP	5.3	6.4	2.9	3.2	1.8	1.9
GDP(Seasonally Adjusted, Q/Q)	1.1	0.6	0.3	0.9	-0.1	0.9



Overview

The Thai economy in the second quarter of 2001 measured by Gross Domestic Product (GDP) expanded by 1.9 percent, slightly increase as compared to 1.8 percent in the first quarter. The engine of growth mainly came from 3.5 and 5.3 percent increase in private consumption expenditure and gross fixed capital formation, respectively. The decline of 6.9 percent in imports of goods and services played an important role to stimulate expansion of import-substituted production for higher consumption and investment demands. The exports of goods and services declined 1.4 percent and government consumption expenditure contracted 0.3 percent in real term in accordance with the decrease number of civil servants in early retirement program and final disbursement of the 1999's stimulus package.

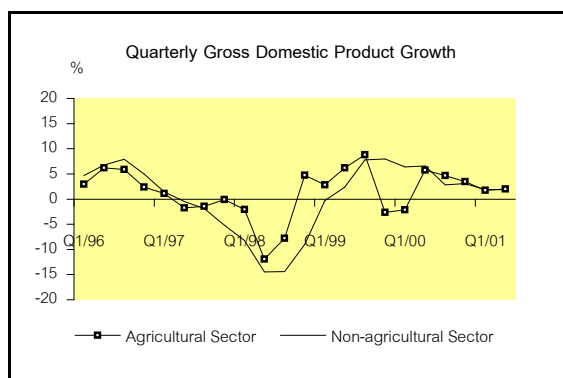
Change of the demand side especially in transports, communication and other services such as public health or personal services made a significant contribution to the agricultural and non-agricultural sectors to grow at 2.0 and 1.9 percent, respectively. However the manufacturing sector grew only 1.5 percent, the same rate as in the previous quarter while the construction sector was the only sector that continued to contract at 10.9 percent.

The seasonally adjusted Gross Domestic Product in the second quarter increased 0.9 percent as compared to 0.1 percent decrease in the previous quarter.

Gross Domestic Product in this quarter valued at Baht 1,249.8 billion and after deducted by net factor income payment from the rest of the world, the value of Gross National Product was Baht 13.2 billion with an expansion of 2.6 percent, in real term.

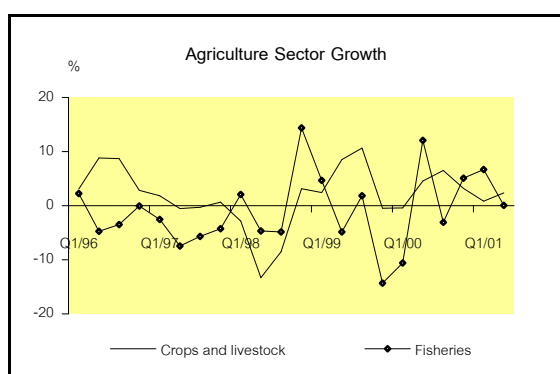
Although trade balance had a surplus by Baht 52.6 billion, it had a deficit by Baht 6.3 billion from deficit in net factor income and transfer from abroad. Nevertheless, the current account was Baht 46.3 billion surplus or 3.7 percent of total GDP, lower from 4.7 percent in the previous quarter.

The GDP implicit deflator increased 3.2 percent, higher than 2.7 percent in the previous quarter. The consumer price index (CPI) and producer price index (PPI) rose 2.5 and 4.2 percent, respectively.



Production

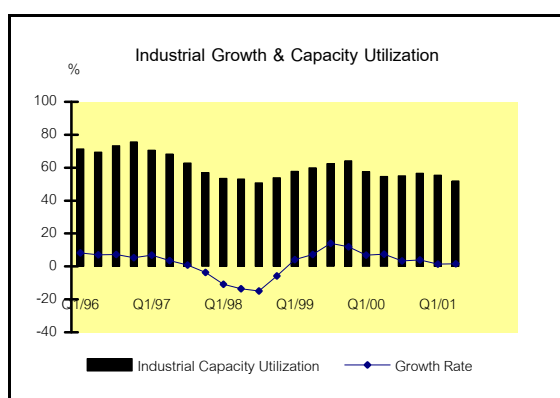
The production expansion slightly changed from the previous quarter, it increased at 1.9 percent. The agriculture expanded 2.0 percent, higher than 1.7 percent in the previous quarter due to the expansion of crops and livestock. The non-agriculture sector expanded 1.9 percent, compared with 1.8 percent in the previous quarter.



Agricultural sector

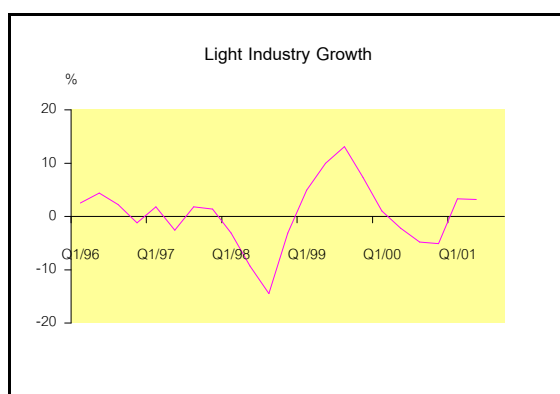
Crops and livestock increased 2.4 percent. Crops rose by 1.4 percent as a result of the expansion of rubber, soy beans, coffee beans and fruits. Livestock production in this quarter grew by 6.6 percent, in line with the increase of chicken production because the export of frozen chicken to Europe expanded continuously from the previous quarter.

Fisheries expanded only 0.1 percent due to the decrease of caught fish quantity. Nevertheless, export of frozen and processed shrimps were still good.



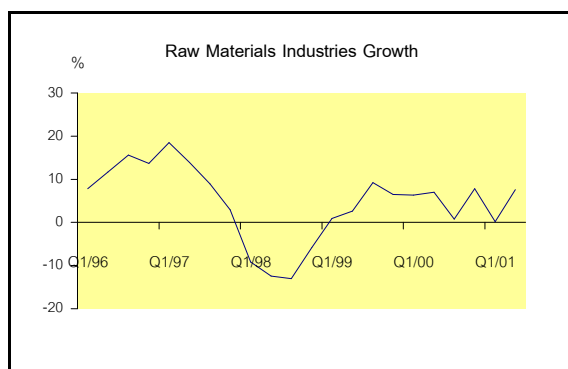
Manufacturing

This sector grew at 1.5 percent, the same as previous quarter. Raw materials industries and light industries expanded 7.6 and 3.2 percent, respectively, while capital goods industries contracted 5.6 percent. The increased industries were leather and leather products, jewelry and ornaments, chemicals and chemical products, petroleum, non-metallic mineral products, and motor vehicles.



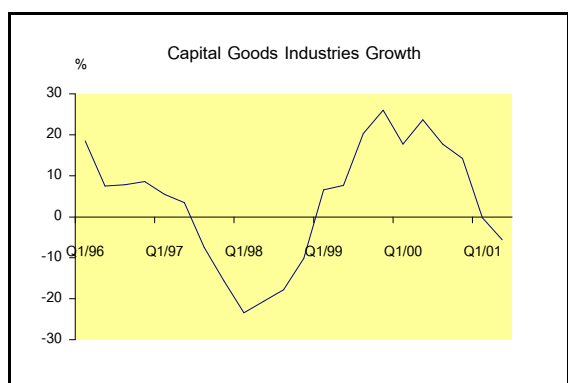
Light Industry

- Wearing apparel expanded by 4.3 percent due to demand for export.
- Leather and leather products expanded by 11.4 percent in line with the higher 60 percent of exports.
- Other manufactures expanded by 7.4 percent, led by jewelry and ornaments industry with 26.4 percent of exports expansion.



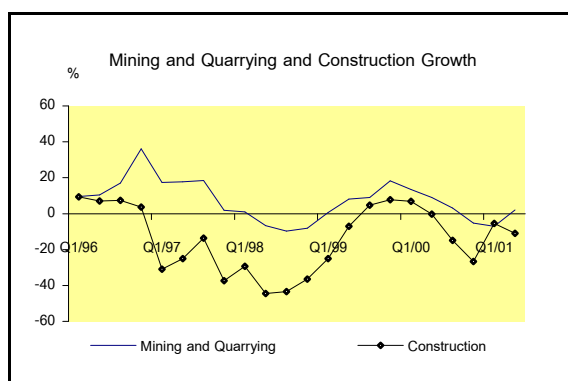
Raw materials industries

- Chemicals and chemical products expanded by 14.4 percent due to an expansion of petrochemical industry.
- Petroleum products expanded by 7.7 percent in line with the increase of refined oil exports at 56.5 percent, even though domestic consumption was declined.
- Non-metallic mineral products expanded by 8.4 percent in line with the increase of cement and ceramic exports.



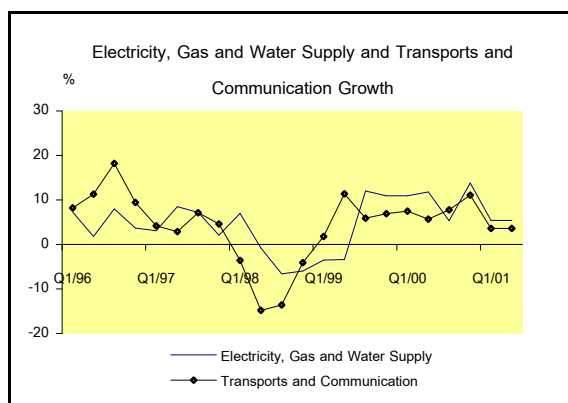
Capital goods Industries

- Machinery and office equipments declined 20.6 percent, owing to lower demand from the counterpart countries which faced with economic recession. These products were computer and components.
- Electrical appliances, especially radio and television, declined 19.3 percent due to the decrease of exports.
- Motor vehicles expanded 31.7 percent due to the high sales of passenger car.



Mining and Quarrying. This sector expanded 2.1 percent mainly from the increase of mineral products at 3.2 percent. Nevertheless, the natural gas, condensate and crude oil production grew up only 1.6 percent.

Construction. It dropped 0.9 percent due to the decrease of the government construction at 21.5 percent. Despite this, the private construction continued to expand by 7.6 percent because of residential and commercial buildings construction.



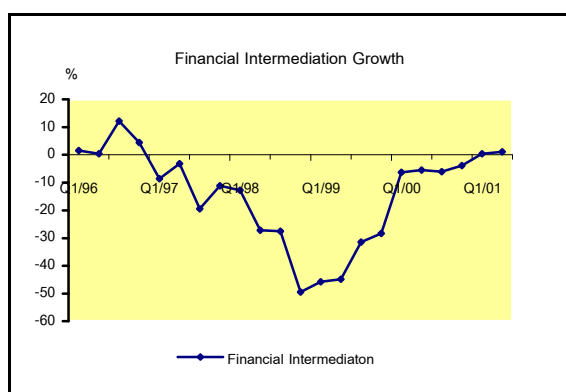
Electricity, Gas and Water supply. This sector increased by 5.5 percent as a consequence of the production of electricity and water supply productions at 5.6 and 6.7 percent, respectively. While the gas refinery expanded only 1.7 percent in accordance with the quantity of natural gas production.

Transports and Communication. It grew up by 4.4 percent in line with the expansion of the telecommunication services, which mainly came from higher revenue of the Telephone Organization of Thailand. Truck transportation services increased only 2.5 percent, slowdown from previous quarter

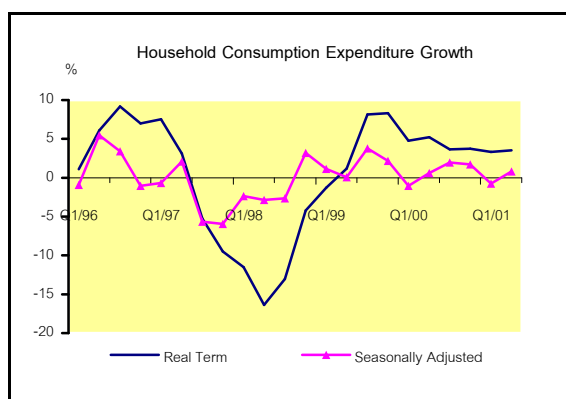


Wholesale and Retail Trade. This sector expanded at a slow pace, 2.2 percent, according to a slowdown in retail trade and lower imports of goods in real term.

Hotel and Restaurant. This sector expanded by 4.7 percent, lower than the previous quarter. The restaurant services and hotel services increased by 3.5 and 7.5 percent, respectively, along with the slow down expansion of foreign tourists.



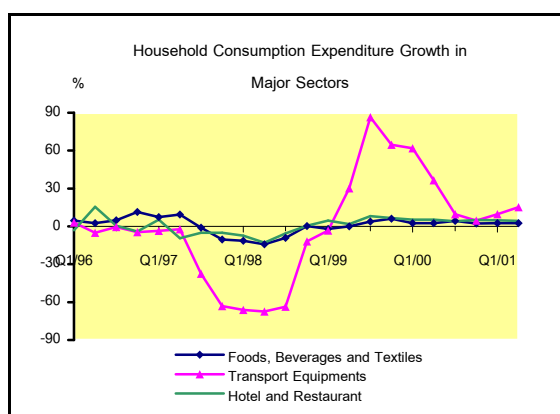
Financial intermediation. This sector expanded by 1.0 percent because the commercial banks got a higher net revenue from interest and dividend due to the deposit interest rate dropped down more than the lending interest rate and the debt of Bangkok Metropolitan Bank and Siam City Bank had been transferred to the Petchburi Asset Management Co.,Ltd. These factors resulted in better bank performance. Life and non-life insurance expanded 3.1 and 16.9 percent, respectively



Expenditure

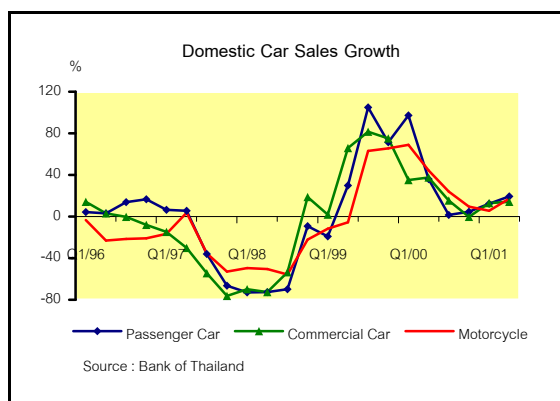
Household Consumption Expenditure

In this quarter, household consumption expenditure increased by 3.5 percent and the seasonally adjusted value was still on an increase at the rate of 0.8 percent as a result of higher farm income, increasing of civil servants salary started from April 1, 2001, and low interest rate. However, oil price volatility and uncertainty of income still affected consumer's decision



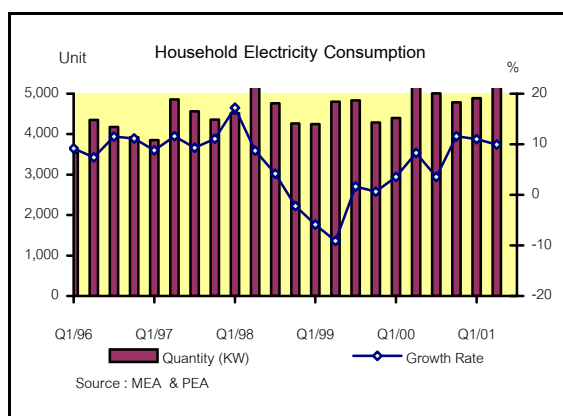
Agriculture: It slightly expanded by 0.7 percent compared to 2.7 percent in the previous quarter due to the normal low output period of vegetable products.

Foods, beverages and textiles: The expansion of 2.5 percent came from the increase of beverages by 8.2 percent. While meat and meat products, and textiles declined 0.6 and 0.3 percent, respectively

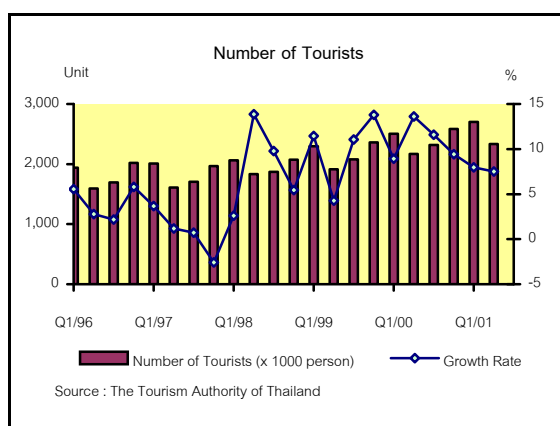


Transport equipments : There was an increase by 15.2 percent due to the expansion of motor vehicles and motorcycles sold as a stimulation from the motor shows exhibition, sales promotion and the low interest rate.

Electricity, gas and water supply: This sector expanded by 9.7 percent, lower than 10.2 percent in the previous year. The consumption of electricity and water increased by 10.0 and 7.6 percent, respectively

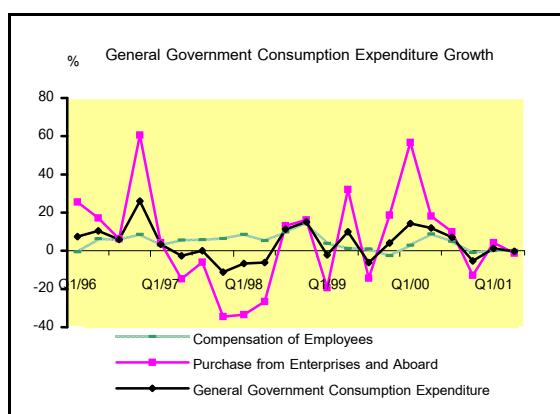


Transports and communication services: There was a continuing expansion at the rate of 6.0 percent. The expansion of transport and communication service consumption was 4.0 and 10.2 percent, respectively due to sales promotion of telephone and mobile phone business, for example no fee of telephone installation, per second charging and flat rate for all over the country



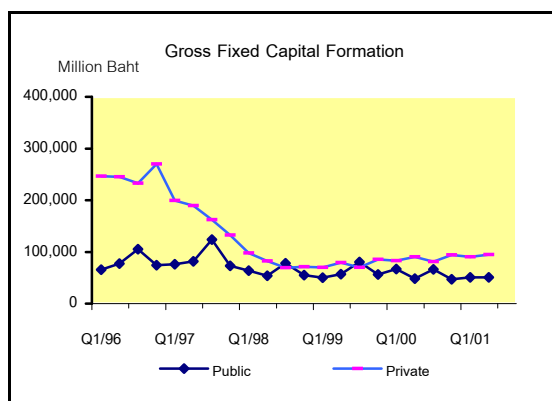
Hotel and restaurant

It expanded by 4.4 percent in accordance with the slowdown of both domestic and foreign tourists' expenditure. In this quarter, the number of foreign tourists expanded only 7.5 percent, less than 8.0 percent in the previous quarter. However, it declined very slightly due to offensive marketing strategy on tourism.



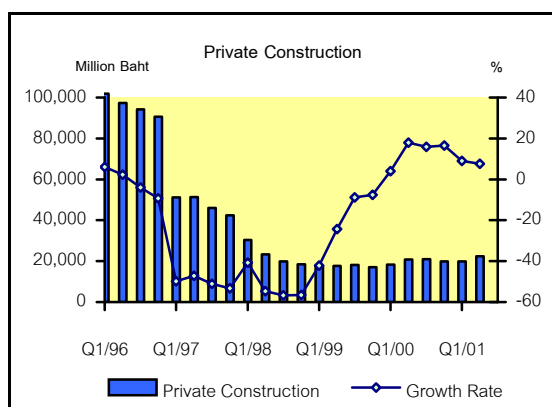
Government Consumption Expenditure (GCE).

GCE at current price was recorded at Baht 145,565 million, with the growth rate of 5.2 percent mainly due to the increase of civil servants salary twice a year. However, GCE decreased by 0.3 percent in real term. This was a result of a slowly increased in compensation of employees by 0.2 percent. Moreover, purchase from enterprises and aboard decreased by 1.3 percent. The declining of GCE additionally came from the reduced number of civil servants in the early retirement program and the disbursement from economic stimulus loans was finalized.



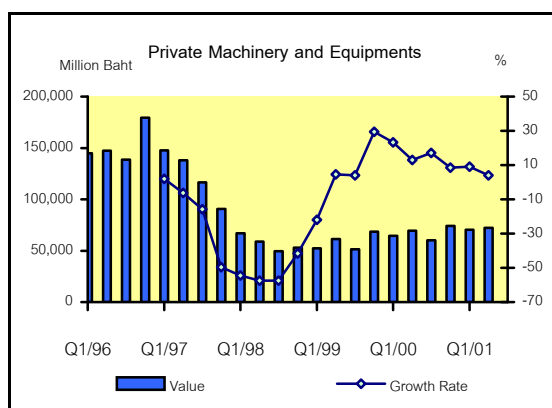
Gross Fixed Capital Formation (GFCF)

GFCF increased by 5.3 percent as a result of expansion in private investment, with a share of 65.0 percent, by 4.8 percent. Public investment, its share at 35.0 percent, increased by 6.3 percent due to imports of two commercial airplanes. However, the public investment would drop by 10.9 percent if the investment in airplanes was excluded



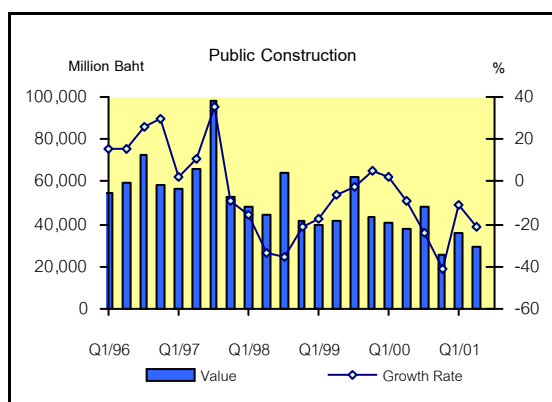
Private Construction

Private construction with a share of 23.6 percent increased by 7.6 percent. The construction of residential and commercial buildings in the local areas especially in the southern part of Thailand were still increased.



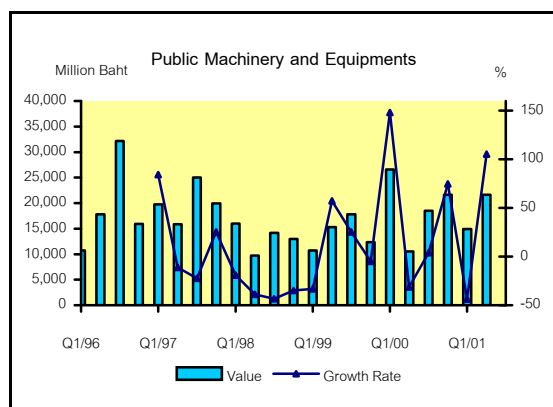
Private Machinery and Equipments

Private machinery and equipments increased by 4.0 percent, with a share of 76.4 percent of total private investment, as a result of expansion in capital good products, machinery, office equipments and motor vehicles.



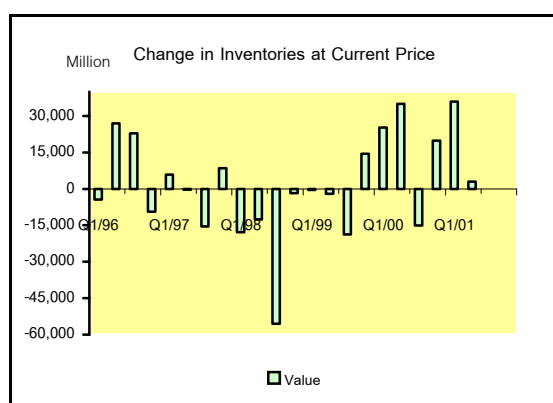
Public Construction

Public construction decreased by 21.5 percent as a result of construction in general government, with a share of 69.0 percent, declined by 15.7 percent. State enterprises construction, with a share of 31.0 percent, dropped by 34.8 percent. This was a result of the government policy of reducing and delaying the unnecessary investment projects such as The National Housing Authority and Suwannaphoom International Airport



Public Machinery and Equipments

Public machinery and equipments increased by 105.4 percent mainly due to the state enterprise investment which increased by 157.4 percent. Central and local government investment decreased by 9.2 percent as a major result from declining in office equipments



Change in Inventories

The change in inventories in this quarter was Baht 3,009 million, down from Baht 35,694 million in the previous quarter due to stabilization of production while domestic demand slightly increased. Nevertheless, the inventories of some goods were accumulated such as radios, televisions, electrical machinery, computers and components, textile, and secondary crop paddy in the market in this quarter

Trade and Services Balance at Current Price

	2000				2001	
	Q1	Q2	Q3	Q4	Q1	Q2
1.Export goods						
Millions of Baht	610,040	607,642	737,296	778,356	692,012	709,000
Growth rate	30.0	20.0	31.3	28.0	13.4	16.7
Millions of US\$	16,223	15,734	18,012	17,974	16,019	15,635
Growth rate	27.8	15.0	22.5	14.4	(1.3)	(0.6)
2.Import goods						
Millions of Baht	537,860	571,705	675,548	728,354	689,201	690,834
Growth rate	45.3	33.6	43.4	38.5	28.1	20.8
Millions of US\$	14,299	14,801	16,502	16,820	15,954	15,233
Growth rate	42.7	28.0	33.8	23.6	11.6	2.9
3.Trade balance						
Millions of Baht	72,180	35,937	61,748	50,002	2,811	18,166
Millions of US\$	1,924	933	1,510	1,154	65	402
Ratio per GDP (%)	5.9	3.0	5.1	3.9	0.2	1.5
4.Services receipts						
Millions of Baht	136,953	126,936	138,125	154,327	144,538	128,887
Growth rate	(13.9)	8.0	6.2	5.3	5.5	1.5
Millions of US\$	4,971	4,550	4,676	4,857	4,717	4,003
Growth rate	(5.4)	11.0	7.9	(0.1)	(5.1)	(12.0)
5.Services payments						
Millions of Baht ^{1/}	76,213	84,659	99,887	95,357	86,810	94,407
Growth rate	13.9	1.5	24.8	6.1	13.9	11.5
Millions of US\$ ^{2/}	3,588	3,820	4,005	3,779	3,406	3,382
Growth rate	(9.4)	(4.5)	8.8	1.7	(5.1)	(11.5)
6.Services Balance						
Millions of Baht	60,740	42,277	38,238	58,970	57,728	34,480
Millions of US\$	1,383	730	671	1,078	1,311	621
Ratio per GDP (%)	5.0	3.6	3.2	4.6	4.5	2.8
7.Trade and Services Balance						
Millions of Baht	132,920	78,214	99,986	108,972	60,539	52,646
Millions of US\$	3,307	1,663	2,181	2,232	1,376	1,023
8.Exchange rate						
(Baht / U.S. Dollar)	37.65	38.66	40.99	43.34	43.22	45.39
Growth rate	1.6	4.0	7.0	11.7	14.8	17.4
9.GDP						
(Millions of Baht)	1,218,708	1,188,753	1,210,670	1,282,199	1,274,297	1,249,861

^{1/} Excluding compensation of employees.

^{2/} Including compensation of employees.

External Sectors

Export of goods and services

The export of goods was Baht 709,000 million with growth rate of 16.7 percent. In term of U.S. dollar, it was 15,635 million U.S. dollar which decreased by 0.6 percent. It implied that the exporter still received benefit from the depreciation of Baht. Nevertheless, in real term, the export of goods declined 1.6 percent.

The services receipts were Baht 128,887 million which slightly increased by 1.5 percent. In term of U.S. dollar, it was 4,003 million U.S.dollar which decreased by 12.0 percent. Therefore, the service revenue had quite decreased.

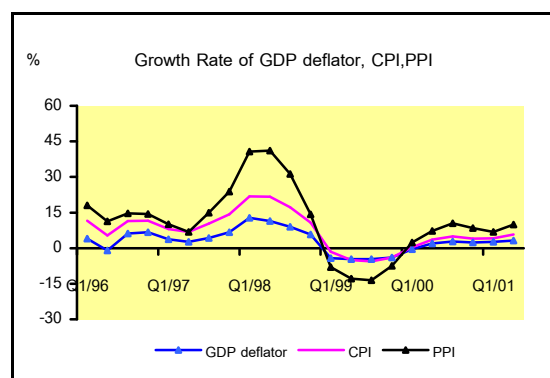
Import of goods and services

The Import of goods was Baht 690,834 million which rose by 20.8 percent. While, in term of U.S. dollar, it was 15,233 million U.S. dollar which increased by 2.9 percent. It implied that the importer took burden from the depreciation of Baht. In real term, the import of goods declined 10.0 percent.

The services payments were Baht 94,407 million which slightly increased by 11.5 compare with at the same quarter of last year, increased by 13.9 percent. This was a result of Thai tourist payment abroad and transport expenditure decreased.

Trade and Services balance

There was a surplus on the trade balance by Baht 18,166 million less than Baht 35,937 million surplus at the same quarter of last year because of the decrease of international trade. While the service balance, there was surplus of Baht 309,985 million less than Baht 39,356 million in the same quarter of last year because of the decreased of services receipts. Finally, the total trade and services balance was Baht 52,646 million surplus, contracted from the Baht 78,214 million surplus in the same quarter last year.



The GDP implicit deflator increased 3.2 percent, higher than 2.7 percent in the previous quarter. The consumer price index (CPI) and producer price index (PPI) rose 2.5 and 4.2 percent, slightly increasing from 1.4 and 2.8 percent in the previous quarter, respectively.