

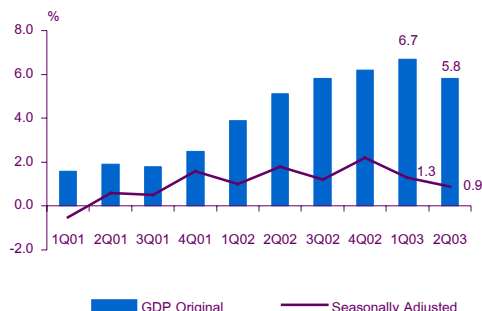


# ผลิตภัณฑ์มวลรวมในประเทศ ไตรมาสที่ 2/2546

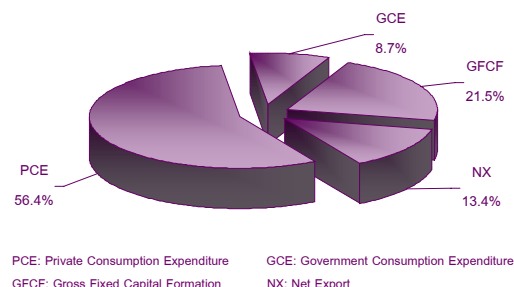
## GROSS DOMESTIC PRODUCT: Q2/2003

# GDP QUARTERLY REPORT

Growth Rate of GDP

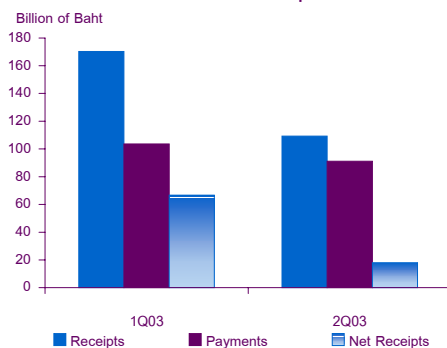


Demand Composition

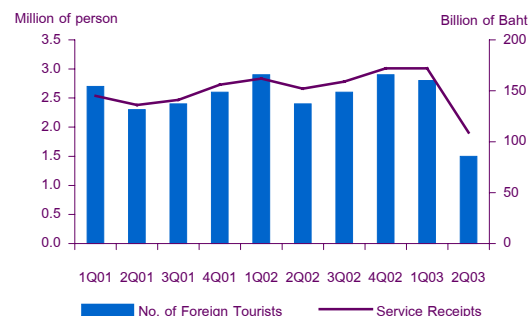


- GDP in Q2 slowed down with the growth of 5.8% y-o-y as compared to 6.7% in Q1 due mainly to the impact of SARS outbreak. First half expanded by 6.2%
- Seasonally adjusted GDP expanded by 0.9%.
- Stronger growth of manufacturing in domestic consumer durable and exported goods, and agriculture attributed to overall growth, while financial sector increased sharply by 11.8% due to high net interest receipts.
- Major sectors affected by SARS were limited to hotel and restaurant businesses and air transport, which dropped by 13.9% and 32.4% respectively.

Net Service Receipts



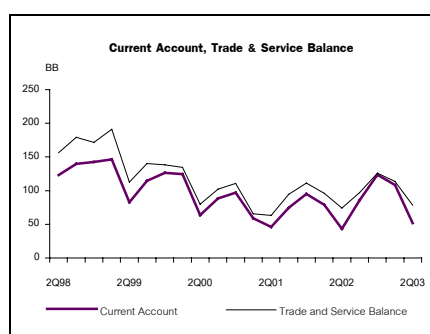
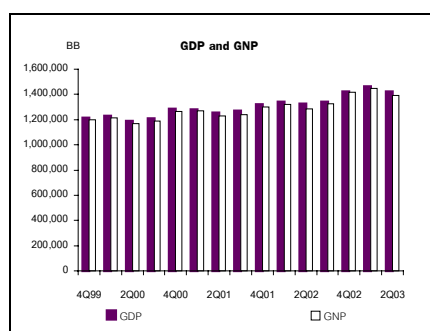
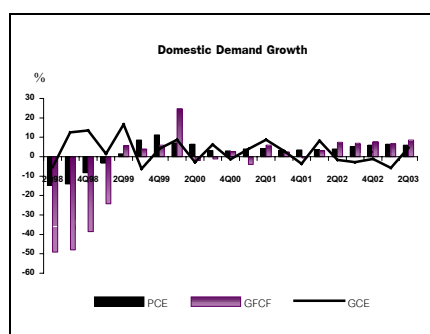
Service Receipts and No. of Tourists



- Domestic demand remained strong particularly in private consumption and investment with the growth of 6.0% and 8.6% respectively.
- Government's current spending rose by 5.3% as a result of higher disbursement for purchases of goods and services and compensation of employees.
- Net exports of goods remained strong while net services receipts dropped by 62.8% as a result of 40.4% decrease in number of foreign tourists.

## GROSS DOMESTIC PRODUCT (GDP) : Q2/2003

*Gross Domestic Product in 2Q03 expanded by 5.8%, decelerating from 6.7% in 1Q03*



### Outlook : GDP 2Q03 growth decelerated owing to the outbreak of Severe Acute Respiratory Syndrome (SARS).

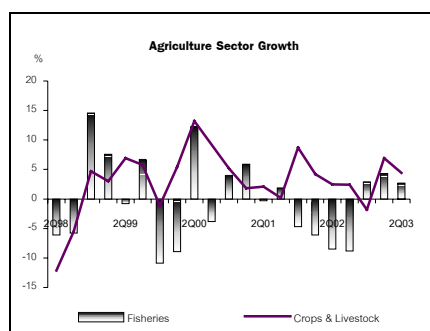
- The Thai economy in the second quarter of 2003, measured by Gross Domestic Product (GDP), expanded by 5.8%, decelerating from the growth rate of 6.7% in the first quarter of 2003. It was slightly affected from the SARS outbreak. However, the overall Thai economy continually expanded by both domestic and external demand. The private consumption expenditure decelerated by 6.0% compared to 6.5% in 1Q03. Investment rose by 8.6% and government consumption grew by 4.6%. For external sector, net exports of goods and services rose by 7.2%, markedly decreasing from the 11.3% growth rate in 1Q03, especially net services decreasing by 68.4% owing to the SARS outbreak. Even though the net exports of goods, on the other hand, significantly increased by 37.0%.
- The expansion of production growth was mainly resulted from non-agricultural sector, led by manufacturing rising by 11.0%, slightly decreasing from 11.2% in 1Q03. Agricultural sector expanded by 4.1%, decelerating from 6.5% in 1Q03.
- The seasonally adjusted GDP increased by 0.9%, decreasing from the growth rate of 1.3% in 1Q03.

Growth Rate of Gross Domestic Product: Q2/2003		(%)					
	2002	2002				2003	
		Q1	Q2	Q3	Q4	Q1	Q2
Agriculture	0.5	2.6	0.7	0.2	-1.2	6.5	4.1
Non -agriculture	5.8	4.0	5.6	6.2	7.4	6.7	5.9
<b>GDP</b>	<b>5.3</b>	<b>3.9</b>	<b>5.1</b>	<b>5.8</b>	<b>6.2</b>	<b>6.7</b>	<b>5.8</b>
<b>GDP (Q/Q)</b> <b>(Seasonally Adjusted)</b>	<b>5.3</b>	<b>1.0</b>	<b>1.8</b>	<b>1.2</b>	<b>2.2</b>	<b>1.3</b>	<b>0.9</b>

- GDP in 2Q03 at current market prices valued at Baht 1,424.6 billion, and after deducted by net factor income from the rest of the world, Baht 35.1 billion, the Gross National Product (GNP) valued at Baht 1,389.5 billion, with an increase of 6.2%.
- Trade and services balance was in surplus, Baht 78.5 billion. After included net factor income and transfer from the rest of the world, recorded a deficit of Baht 26.9 billion, the current account was in surplus, equivalent to Baht 51.6 billion, 3.6% of GDP compared to 7.4% in 1Q03.
- The GDP implicit price deflator increased by 1.7%, compared to 2.0% in 1Q03. The producer price index and consumer price index rose by 4.1% and 1.7%, respectively.

*Production expanded by 5.8%. Service sector was partly affected by the outbreak of SARS while manufacturing, and finance, banking sectors' growth boosted.*

*Agriculture's growth was 4.1% due to a slowdown in crops and fishery production whereas livestock production favorably expanded. Implicit agricultural prices remained higher.*



*Manufacturing production expanded by 11.0% mainly due to continual favorable growth of the domestic demand and the exports.*

## Production

The production expanded by 5.8%, decelerating from the 6.7% growth rate in 1Q03 mainly due to the outbreak of SARS, severely affecting some sectors, especially in service sector such as hotel and restaurant services, and some of transport sector. Moreover, agriculture sector grew by 4.1%, decelerating from the growth rate of 6.5% in 1Q03. Whereas non-agriculture sector, especially manufacturing sector, significantly grew up. However, the SARS outbreak positively contributed to higher exports. Furthermore, financial intermediation and banking sector showed a significant pace of growth due to robust performance of commercial banks.

## Agriculture

Agricultural production expanded by 4.1%, decelerating from the 6.5% growth rate in 1Q03, owing to a slowdown in crops and fishery production while livestock production increased.

- **Crops** decelerated by 4.6%, owing to a major decrease in paddy and maize output whereas sugarcane output increased in line with favorable weather condition as well as a favorable increase in rubber output according to higher export demand. Many other crops production also expanded namely cassava, mung bean, ground nut, coffee bean, vegetables and palm nut.
- **Livestock** expanded by 5.2%, increasing from the growth rate of 4.1% in 1Q03, owing to higher production of poultry in response to a major increase in export demand.
- **Fisheries** grew by 2.7%, decelerating from the 4.3% growth rate in 1Q03 mainly due to a decrease in external demand of shrimp.
- **Implicit price deflator of agricultural sector** increased by 5.4% according to higher prices of various major crops such as rubber, coffee bean, ground nut and palm nut. All of livestock prices also increased except the cattle.

## Manufacturing

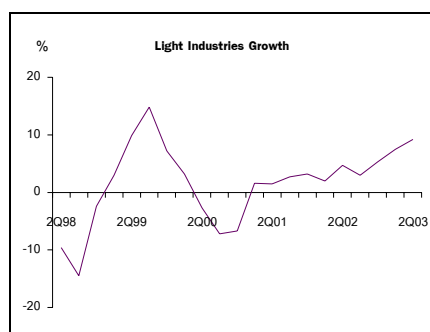
The manufacturing production continued to expand by 11.0%, decelerating from the 11.2% growth rate in 1Q03 owing to higher export demand as well as continual robust domestic demand. However, the exported goods needed rather high import contents, about 44.6% especially electrical machinery which was the major export item, consumed 63.1% import content. The industries with strong expansion were food and beverages, pulp and paper products, electrical machinery and apparatus, and transport equipments.

# **Manufacturing Sector Growth**

(%)

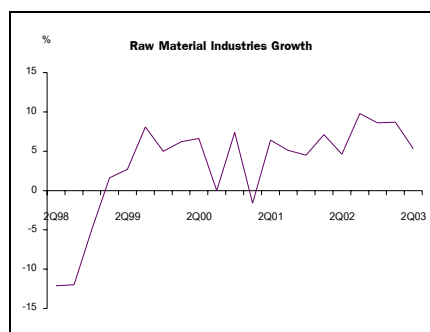
Industrial types	2002	2002				2003	
		Q1	Q2	Q3	Q4	Q1	Q2
Light Industries	3.7	2.0	4.7	3.0	5.3	7.5	9.2
Raw material	7.5	7.1	4.6	9.8	8.6	8.7	5.3
Capital goods and high tech.	12.9	5.0	11.6	15.8	18.4	18.9	18.1
<b>Total</b>	<b>7.6</b>	<b>4.2</b>	<b>6.8</b>	<b>9.1</b>	<b>10.5</b>	<b>11.2</b>	<b>11.0</b>

**Light industries:** expanded by 9.2%, accelerating from the 7.5% growth rate in 1Q03 due to strong expansion in food and beverages production.

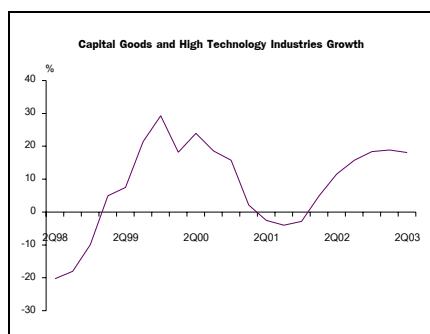


- **Food** increased by 21.3% particularly a strong expansion in food production, 23.3% of growth rate, due to higher demand for the exports of processed seafood as a result of some countries importing from Thailand instead of SARS-affected countries. Furthermore, the raw material prices decreased thus it induced a strong expansion of production. Moreover, the production of sugar industries grew sharply due to robust increase in sugarcane output.
- **Beverages** rose by 18.4% owing to higher production of beer industries. It was resulted from the market expansion of beer producers as well as an increase in production to replenish their depleted stock of previous year.

**Raw material industries** grew by 5.3%, decelerating from the growth rate of 8.7% in 1Q03 due to the decrease in metallic products as a result of the continual strong expansion of its inventories. Petroleum industry grew by 3.3%, decelerating from the 8.3% growth rate in 1Q03 owing to the end of Iraq war and the refinery factories reducing the level of reserved fuel to the normal level. Growth industries were:



- **Pulp and paper products** increased by 13.6% owing to the strong recovery of printing industry and higher exports of paper products.
- **Rubber and plastic** rose by 10.0% according to the expansion of other rubber products, particularly the block rubber expanding by 15.2% in line with the 21.5% growth rate of exports.
- **Non-metallic products** grew by 8.4% in line with an increase in glass industry according to robust demand of linkage industries such as motor vehicles as well as its favorable exports.



**Capital goods and high technology industries** experienced the favorable rising sign of production at 18.1%, particularly in both of domestic-oriented industries and export-oriented industries. High growth sectors were:

- **Electrical machinery and apparatus** continually expanded by 31.6%, accelerating from the 23.3% growth rate in 1Q03 owing to a strong increase in integrated circuits production, particularly for wireless products, in response to the 49.1% strong growth of exports.
- **Machinery and equipment** expanded by 17.7% owing to higher export demand for household equipment; air conditioners and refrigerators by 28.8% and 38.9%, respectively.
- **Motor vehicles** significantly expanded by 44.5%, mainly due to the increase in domestic demand of passenger cars and commercial cars as well as the 65.3% robust growth of exports.
- **Other transport equipments** expanded by 38.9% mainly from the 48.5% increase in motorcycles production according to higher domestic demand due to higher farm income and attractive sales promotion. Moreover, the export demand of motorcycles increased by 28.0%.

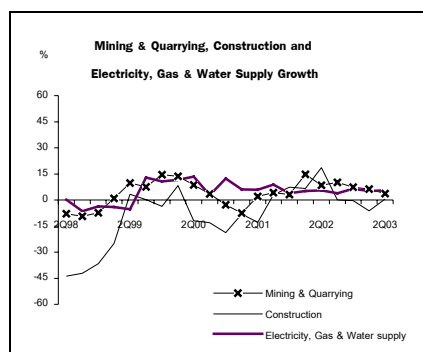
**Mining and quarrying** grew by 3.7%, decelerating from the growth rate of 6.2% in 1Q03 owing to the 3.7% increase in crude oil and natural gas production. Crude oil production rose by 39.9% mainly due to the production from Benjamas, Yala, Plathong, Kapong, and Surat fields. Mining production declined by 6.3%, particularly lignite production decreasing by 9.8%, tin, gold and silver production dropping by 14.9%. However, quarrying of lime stone for manufacturing industry expanded by 2.4%, and that of non-metallic mineral expanded by 4.1% in line with an expansion of construction industry.

**Construction** expanded by 0.6%, accelerating from the 6.3% contracted growth rate in 1Q03 due to the 15.2% increase in private construction, slightly dropped by a slowdown in some private construction projects. The public construction contracted merely by 8.8%. The government's housing programme, Baan Ua Athon phase 1, could successfully hand over 112 units of single house construction located at Rangsit in August.

*The production of natural gas, crude oil, and non-metallic mineral expanded, but other minerals production contracted.*

*The recovery of overall construction showed a rising sign of expansion.*

*Electricity consumption, particularly household continued to expand.*



*Air transport's growth contracted due to the effect of Iraq War and SARS, whereas telecommunication services' growth markedly increased.*

**Electricity, gas and water supply** continued to expand by 5.6%. Electricity expanded by 5.7% in line with strong demand of household. Water supply grew by 7.4%. Gas refinery merely rose by 0.7% following natural gas production.

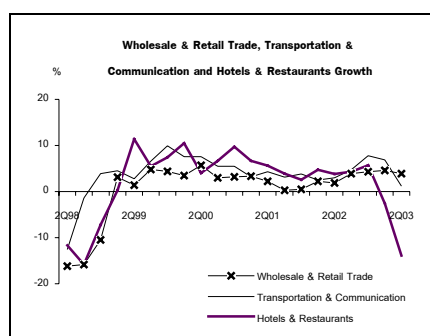
Electricity Consumption Growth		(%)					
(user types)	2002	2002				2003	
		Q1	Q2	Q3	Q4	Q1	Q2
Residential	3.7	1.6	4.2	1.0	8.4	6.7	7.0
Ratio	22.6	22.0	23.7	22.4	22.0	21.6	23.8
Small Ent.	5.3	2.1	5.5	3.1	10.6	7.4	6.1
Ratio	10.0	9.9	10.4	9.9	9.9	9.8	10.3
Medium Ent.	4.0	2.1	3.7	4.0	6.1	4.8	2.8
Ratio	19.6	19.9	19.5	19.6	19.4	19.2	18.8
Large Ent.	7.7	4.4	7.1	9.4	9.8	9.5	8.1
Ratio	39.0	39.8	37.7	39.3	39.4	40.1	38.2
Special Ent.	6.5	2.4	6.2	5.2	12.8	5.8	-1.3
Ratio	3.3	3.3	3.3	3.2	3.2	3.2	3.1
Public Sector	5.2	1.8	6.1	4.6	8.2	3.3	1.9
Ratio	3.7	3.6	3.7	3.9	3.7	3.4	3.5
Others	183.7	75.5	175.5	182.3	353.4	97.6	37.8
Ratio	1.8	1.4	1.7	1.7	2.3	2.6	2.2
<b>Total</b>	<b>6.8</b>	<b>3.5</b>	<b>6.6</b>	<b>6.5</b>	<b>10.8</b>	<b>8.7</b>	<b>6.6</b>

Sources : MEA and PEA

**Transport and communication** decelerated from 6.9% in 1Q03 to 1.2% in 2Q03 owing to the 32.4% contracted growth rate of air transport mainly due to a decrease in the number of foreign passengers in line with the effect of Iraq war situation and SARS. Nevertheless, telecommunication services continually increased by 20.7% as a result of the increased revenue of service providers.

Selected Transport and Communication Items Growth		(%)					
	2002	2002				2003	
		Q1	Q2	Q3	Q4	Q1	Q2
<b>Transport</b>	3.6	2.5	3.0	4.7	4.0	2.3	-8.1
Land Transport	4.6	6.5	4.5	7.3	-0.2	5.3	7.7
Passenger	2.3	-1.2	2.7	3.1	4.4	4.7	2.5
Cargo	2.0	-1.2	0.4	2.6	7.2	-1.4	-32.4
<b>Telecommunication</b>							
Local Calls	-2.3	-11.5	-4.8	3.3	5.7	7.6	8.6
Long Distance Calls	20.6	23.2	22.2	18.2	19.0	16.8	13.1

Sources: TOT Corporation PCL, and CAT Telecom Public Co., Ltd



**Wholesale and retail trade** grew by 3.9%, decelerating from the growth rate of 4.6% in 1Q03 as a result of a slowdown of imported goods trade from the growth rate of 13.7% in 1Q03 to 3.3% in 2Q03. Moreover, domestic goods trade slightly declined according to lower production in manufacturing and agriculture sectors.

**Hotels and restaurants** significantly contracted by 13.9%. In detailed, restaurant services and hotel services decreased by 2.0% and 40.1%, respectively, due to Iraq War situation and the SARS outbreak. They caused a decrease in expenditure of both foreign and Thai tourists. The number of foreign tourists markedly dropped by 40.4%, especially tourists from Asian countries, America and Europe declining by 48.8%, 31.2% and 20.1% respectively.

Number of Foreign Tourists		(1000 Persons)					
	2002	2002				2003	
		Q1	Q2	Q3	Q4	Q1	Q2
Asian	6,398	1,539	1,492	1,537	1,614	1,549	764
European	2,604	837	492	541	781	849	393
American	687	201	166	153	210	205	114
Others	1,110	266	279	338	300	247	178
<b>Total</b>	<b>10,799</b>	<b>2,897</b>	<b>2,429</b>	<b>2,569</b>	<b>2,905</b>	<b>2,850</b>	<b>1,449</b>
Growth (YoY)	7.3	7.9	4.8	5.3	10.9	-1.6	-40.4
Occupancy Rate	60.6	67.5	55.3	57.2	62.6	65.4	41.1

Sources : Tourism Authority of Thailand and Bank of Thailand

*Commercial banks' growth favorably increased due to satisfactory performance.*

**Financial intermediation** markedly grew by 11.8%, accelerating from the growth rate of 6.9% in 1Q03, the highest expansion after the economic crisis, owing to a very favorable increase in net interest receipts of commercial banks, whereas earning from service charges and fees decreased. Furthermore, life and non-life insurance companies showed satisfactory performance.

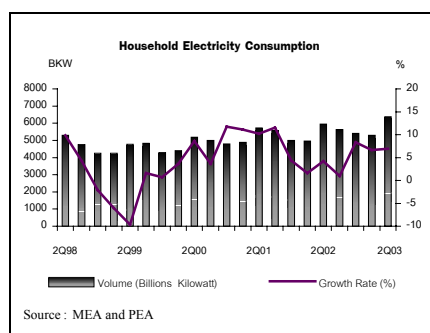
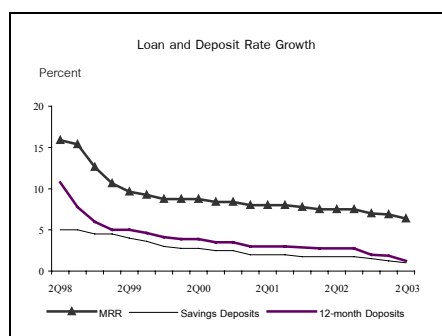
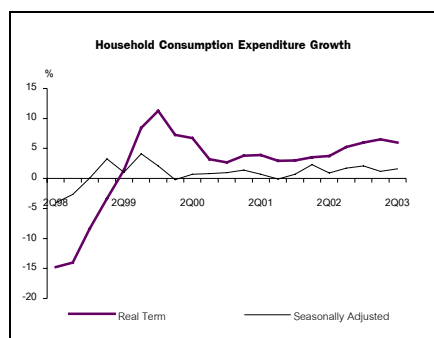
**Other services** rose by 3.6%, increasing from the growth rate of 2.3% in 1Q03 due to high growth of both public administration services and private services. Television service grew sharply by 10.4% owing to higher advertising revenues.

Advertising Revenues		(million baht)					
	2002	2002				2003	
		Q1	Q2	Q3	Q4	Q1	Q2
Television	41,597	9,302	10,765	10,305	11,225	10,781	12,183
Radio	5,106	1,145	1,292	1,277	1,392	1,172	1,353
Others	14,661	3,279	3,568	3,661	4,129	3,728	3,971
<b>Total</b>	<b>61,364</b>	<b>13,726</b>	<b>15,625</b>	<b>15,243</b>	<b>16,746</b>	<b>15,681</b>	<b>17,507</b>
Growth Y-o-Y	18.4	13.7	19.8	15.9	23.2	14.1	11.7

Source : Media Data Resources Co., Ltd.



*Even though Iraq war was over, the negative sentiment on the outbreak of SARS caused household consumption expenditure decelerating by 6.0%*



## Expenditure

### Household consumption expenditure

- Household consumption expenditure decelerated by 6.0% compared to 6.5% in 1Q03 and the seasonally adjusted value accelerated by 1.6%.
- Even though various supporting factors to consumption; government's measures to stimulate domestic demand, low interest rate, commercial banks' consumer loans expansion, higher farm income and the end of Iraq war; were still active, but the SARS outbreak since March 2003 caused a slowdown household consumption in most items, especially hotel and restaurant.

**Agriculture** decelerated by 1.0%, consistent with lower supply of crops and fishery in the market.

**Food, beverages, tobacco and textiles** decelerated by 1.1%. Meat and processed agricultural products increased by 1.6%. Beverages and tobacco also rose by 2.6% and 2.0%, respectively. In contrast, apparel decreased by 1.1% compared to an increase of 2.9% in 1Q03.

**Electricity, gas and water supply** continually grew by 6.5%. It was from an increase of electricity consumption by 6.8% and water consumption by 4.9%.

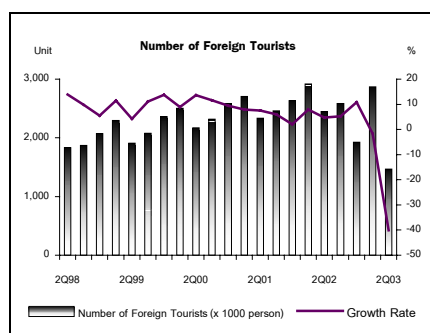
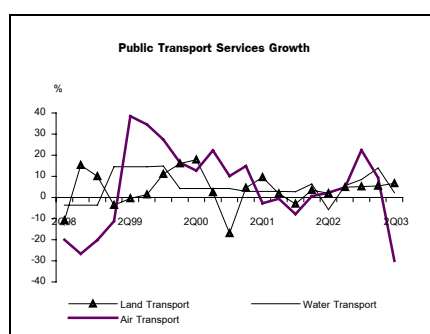
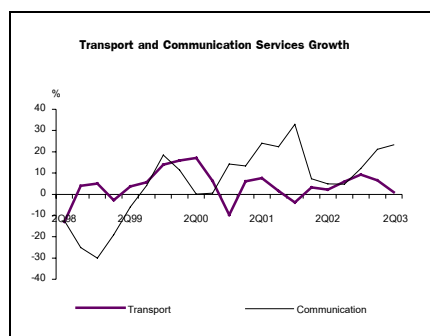
**Transport equipments** grew by 36.7%, decelerating from the 52.4% of growth rate in 1Q03. It was resulted from the ordered cars in the Motor Expo and Motor Show exhibitions having been delivered to the customers. Automobile sales and new registered motor cycles increased by 27.2% and 52.6%, respectively.

### Transport Equipment Sales

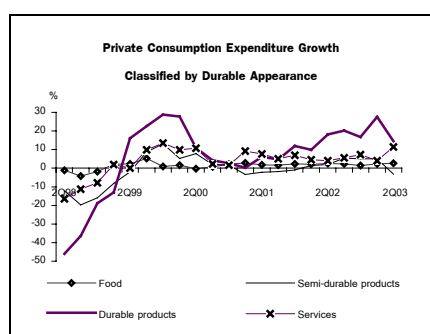
	2002	2002				2003	
		Q1	Q2	Q3	Q4	Q1	Q2
Personal car (units)	126,330	24,446	33,296	34,092	34,496	44,010	42,365
Percentage change	20.8	17.4	28.4	29.0	9.9	80.0	27.2
Commercial car (units)	283,073	59,212	64,703	72,637	86,521	75,181	84,952
Percentage change	47.0	44.6	23.6	70.0	53.0	27.0	31.3
Motorcycle (thousand units)	1,316	287	282	339	408	449	433
Percentage change	42.0	25.9	20.0	51.4	70.8	56.4	53.3

Sources :Toyota Motor Thailand Co.,Ltd., Thailand Automotive Institute and the Bank of Thailand





Source: Tourism Authority of Thailand



**Transport and communication services** expanded by 8.0%, decreasing from the 10.9% in 1Q03. The SARS outbreak caused the deceleration in public transport services by 1.0%, and tour and sight seeing by 13.4%. The land transport and water transport still increased by 6.6% and 2.3%, respectively. The telecommunication service consumption accelerated by 23.3%, rising from the 21.2% in 1Q03, due to high competition in the mobile phone market by launching various new modern products to the market such as high pixel color screen, ready digital camera and stereo radio installed, etc. Price promotion and more choices of services also supported the higher sale volume.

#### Subscribers of Telephone Numbers

	2002	2002				2003	
		Q1	Q2	Q3	Q4	Q1	Q2
<b>Basic telephone (thousand units)</b>	6,241	6,045	6,154	6,237	6,241	6,564	6,555
<b>Population to registered number</b>	10.2	10.5	10.3	10.2	10.2	9.7	9.8
<b>Mobile phone (thousand units)</b>	17,436	9,971	12,678	15,737	17,436	18,883	19,668
Prepaid System	13,029	5,055	7,802	11,022	13,029	14,744	15,835
Postpaid System	4,406	4,916	4,876	4,715	4,406	4,139	3,832
<b>Structure</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Prepaid System	74.7	50.7	61.5	70.0	74.7	78.1	80.5
Postpaid System	25.3	49.3	38.5	30.0	25.3	21.9	19.5
<b>Population to registered number</b>	<b>3.7</b>	<b>6.3</b>	<b>5.0</b>	<b>4.0</b>	<b>3.7</b>	<b>3.4</b>	<b>3.3</b>

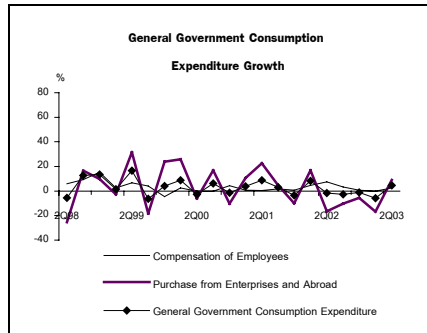
Sources : TOT Corporation PCL, and CAT Telecom Public Co., Ltd.

**Hotels and restaurants** decreased by 13.0% compared to 2.8% decrease in 1Q03. Expenditure for hotel services dropped by 39.9% due to a decrease in number of foreign tourists by 40.4% which was affected from the outbreak of SARS. Room occupancy rate decreased by 25.5%. Thailand's publication, both by government and private sector, could not stop this downward situation even though various campaigns had been launched such as price reductions in room rates, transportation, and tourist guides. The unseen in Thailand, to promote domestic tourism, was also launched.

When the durability is considered, the household consumed more food by 2.6%. Service consumption; hotel, restaurant, entertainment, education and health; increased by 11.4%. Non-durable products; beverages, electricity and water supply, medicines and household equipments; decelerated by 5.1%. Semi-durable products; clothes, foot wares, utensils and textiles; dropped by 3.2%. For durable goods; transport equipments, furniture, huge electrical appliances, computers, radio and television; decelerated by 14.5%.

#### Private Consumption Expenditure Growth Classified by Durable Appearance (%)

	2002	2002				2003	
		Q1	Q2	Q3	Q4	Q1	Q2
<b>Private Consumption Expenditure</b>	<b>4.7</b>	<b>3.7</b>	<b>3.9</b>	<b>5.2</b>	<b>6.0</b>	<b>6.5</b>	<b>6.0</b>
Food	2.1	2.2	2.4	2.3	1.5	2.3	2.6
Non-durable products (excluding food)	2.8	3.2	1.1	1.8	4.9	5.2	5.1
Semi-durable products	3.5	1.4	2.0	5.3	5.0	5.0	-3.2
Durable products	16.3	9.8	18.1	20.2	16.8	27.7	14.5
Services	5.3	4.5	4.0	5.5	7.2	4.0	11.4

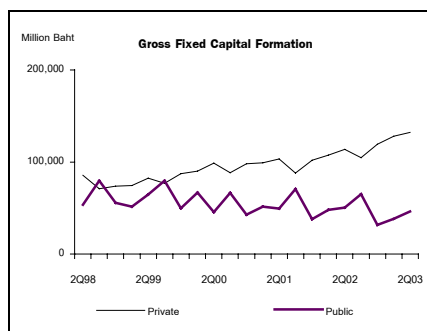


DISBURSEMENT (Baht in Billion)

Objects of Expenditure	Since the 2 <sup>nd</sup> Quarter of FY			Apr – Jun		
	FY 2002	FY 2003	%	2002	2003	%
Wages and Salaries	207.2	218.6	5.5	69.9	74.2	6.1
Remuneration and Utilities	42.6	41.0	-3.8	16.9	17.8	5.6
Equipment and Construction	58.2	43.0	-26.2	28.2	21.0	-25.6
Subsidies	108.1	85.7	-20.8	28.1	34.4	22.5
Others	106.5	116.1	9.0	37.8	41.4	9.5
Funds and Revolving Funds	54.3	59.1	9.0	0.4	29.7	7,816.4
Central Funded	96.0	86.3	-10.0	29.4	25.0	-14.9
<b>Total</b>	<b>672.9</b>	<b>649.9</b>	<b>-3.4</b>	<b>210.6</b>	<b>243.5</b>	<b>15.6</b>
<b>Disbursement</b>	<b>65.8</b>	<b>65.0</b>		<b>20.6</b>	<b>24.4</b>	

Source: Ministry of Finance

*Investment expanded by 8.6% led by private investment rising by 16.2% while public investment shrank by 8.5%.*



## Government consumption expenditure (GCE)

- According to 15.6% increasing of the disbursement after declining for the last 2 quarters due to the first stage of government restructuring, the government consumption expenditure was recorded at Baht 155,389 million, increased by 5.3%. Compensation of employees was recorded at Baht 115,005 million, increased by 3.9% whereas net purchases from enterprises and abroad was recorded at Baht 40,384 million, increased by 9.6%.
- Nevertheless, GCE increased by 4.6% in real term. This was a result of an increase in compensation of employees and purchase from enterprises and abroad by 2.5% and 9.0%, respectively.

## Gross fixed capital formation (GFCF)

GFCF increased by 8.6% higher than 6.7% in 1Q03.

- Private investment** increased by 16.2% lower than 18.7% in 1Q03 due to the government housing projects (Baan Ua Athon phase I) that allow low-income people to purchase house easier. Thus, it directly lowered private construction especially residential construction. While private machinery and equipments increased by 16.6% lower than 19.5% in 1Q03.
- Public investment** decreased by 8.5% better than previous quarter due to higher disbursement in equipment and construction. Public construction contracted by 8.8% better than 18.9% in 1Q03. While public machinery and equipments dropped by 7.9% better than 23.7% in 1Q03.

## Gross Fixed Capital Formation Growth (%)

	2002	2002				2003	
		Q1	Q2	Q3	Q4	Q1	Q2
<b>Construction</b>	<b>4.4</b>	<b>5.2</b>	<b>17.0</b>	<b>-1.5</b>	<b>-1.4</b>	<b>-4.0</b>	<b>1.7</b>
Private	20.1	22.1	18.4	20.8	19.2	16.3	15.2
Public	-5.5	-4.4	15.9	-11.8	-19.6	-18.9	-8.8
<b>Equipments</b>	<b>7.6</b>	<b>1.9</b>	<b>2.3</b>	<b>14.5</b>	<b>12.9</b>	<b>13.8</b>	<b>13.0</b>
Private	11.2	4.6	7.5	18.0	16.1	19.5	16.6
Public	-9.8	-13.0	-20.2	2.6	-9.4	-23.7	-7.9
<b>Total GFCF</b>	<b>6.3</b>	<b>3.2</b>	<b>7.5</b>	<b>6.9</b>	<b>7.8</b>	<b>6.7</b>	<b>8.6</b>
Private	13.3	8.3	9.9	18.8	16.8	18.7	16.2
Public	-6.8	-6.8	2.5	-8.0	-16.6	-20.1	-8.5

## Private construction

Private construction, grew by 15.2% lower than 16.3% in 1Q03 as a result of residential construction expanded by 17.2% lower than 21.3% in 1Q03 due to the decelerated investment in residential construction especially single house less than Baht 900,000 per unit. Nevertheless, commercial buildings and industrial factories continually increased by 26.5% and 4.4% respectively.

## Public construction

Public construction contracted by 8.8% better than 1Q03 due to construction in central and local authority contracted by only 13.9%. Whereas state enterprises construction increased by 1.4% due to the construction of Suwannaphoom International Airport, cable settlement of the Electricity Generating Authority of Thailand, the Metropolitan Electricity Authority and Provincial Electricity Authority, and some constructions of “Baan Ua Athon” phase I (112 units) that have to be delivered in August.

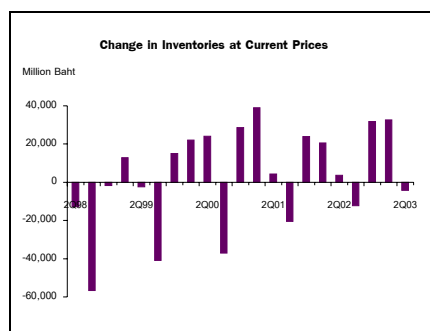
Gross Fixed Capital Formation Growth		(%)					
	2002	2002				2003	
		Q1	Q2	Q3	Q4	Q1	Q2
<b>Construction</b>	<b>4.4</b>	<b>5.2</b>	<b>17.0</b>	<b>-1.5</b>	<b>-1.4</b>	<b>-4.0</b>	<b>1.7</b>
Private	20.1	22.1	18.4	20.8	19.2	16.3	15.2
Public	-5.5	-4.4	15.9	-11.8	-19.6	-18.9	-8.8
<b>Equipments</b>	<b>7.6</b>	<b>1.9</b>	<b>2.3</b>	<b>14.5</b>	<b>12.9</b>	<b>13.8</b>	<b>13.0</b>
Private	11.2	4.6	7.5	18.0	16.1	19.5	16.6
Public	-9.8	-13.0	-20.2	2.6	-9.4	-23.7	-7.9
<b>Total GFCF</b>	<b>6.3</b>	<b>3.2</b>	<b>7.5</b>	<b>6.9</b>	<b>7.8</b>	<b>6.7</b>	<b>8.6</b>
Private	13.3	8.3	9.9	18.8	16.8	18.7	16.2
Public	-6.8	-6.8	2.5	-8.0	-16.6	-20.1	-8.5

## Private machinery and equipments

Private machinery and equipments increased by 16.6% lower than 19.5% in 1Q03 as a result of increasing in machinery and office equipments by 9.3% and 5.2%, respectively. While, motor vehicle was continued to increase by 37.5% due to the expansion of commercial cars, trucks, and public buses. In term of the expansion of machinery, some entrepreneurs have to increase their productions for a coming demands after an economy have shown a positive sign. Also, new machinery was installed to replace the expired and obsoleted.

## Public machinery and equipments

Public machinery and equipments dropped by 7.9% as a result of an investment in the state enterprises contracted by 13.0%. However, general government investment increased by 11.2% as a major result of an increase in office equipments due to the bureaucratic reform.



## Change in Inventories

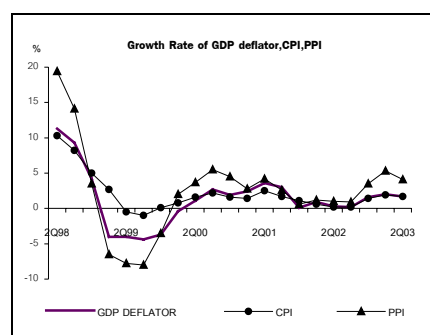
**Change in inventories** in 2Q03 valued at Baht 4,248 million decrease, declined from the previous quarter, as a result of the expansion in exports, although decrease in consumption. This was mainly due to a decrease in export products such as canned seafood and garments that had positive effect from SARS. Importer countries turned to order from Thailand, instead of from SARS-affected countries. In addition, there was higher sugar export to Russia. Moreover, rubber products export was still high.

*SARS outbreak caused travel-related service slowdown, while robust growth in trade surplus.*

Exports and Imports		(Unit : Billions of Baht)					
		2002				2003	
		2002	Q1	Q2	Q3	Q4	Q1 Q2
<b>At current Market Prices</b>							
1. Export Goods		2,871	656	690	749	776	777 796
Growth Rate		2.3	-5.2	-2.6	4.2	12.8	18.4 15.2
2. Import Goods		2,723	626	664	712	721	730 735
Growth Rate		1.0	-9.2	-3.8	5.6	12.4	16.6 10.6
3. Trade Balance		149	30	26	38	55	47 60
<b>At 1988 Prices</b>							
4. Export Goods		1,670	378	406	439	447	432 444
Growth Rate		11.3	3.9	12.9	14.7	13.2	14.3 9.4
5. Import Goods		1,324	300	332	355	337	340 343
Growth Rate		11.1	-0.9	12.9	18.2	14.6	13.7 3.3
6. Exchange Rate (Baht/US\$)		43.0	43.7	42.8	42.1	43.4	42.8 42.2

Source: Bank of Thailand

Current Account Balance		(at current market prices)					
		2002				2003	
		2002	Q1	Q2	Q3	Q4	Q1 Q2
Value (Billion US\$)		7.7	1.8	1.0	2.0	2.9	2.5 1.2
Value (Billion Baht)		331.3	78.6	43.2	85.6	123.8	108.2 51.6
Percentage to GDP		6.1	5.9	3.3	6.4	8.7	7.4 3.6



## External Sectors

### Exports

In the second quarter of 2003, robust export growth remained strong momentum in the economy with 15.2% increase, boosted up for Baht 795,517 million. This was chiefly attributable to the expansion of intra-regional trade among Asian countries, especially 71.7% growth of exports to China. The most dynamic export commodity included rubber, vehicles, integrated circuits and base metal products.

The negative sentiment on the outbreak of SARS caused service receipts bottomed out in the second quarter. Tourist arrival dropped down by 40.4%, occupancy rate slipped by 41.1% and tourism revenue reduced by 46.6%. The services receipt remained only Baht 109,234 million, dropped by 28.1%.

### Imports

For the second quarter of 2003, import growth decelerated by 10.6% due to a decrease of crude oil stock after the Iraq war. Meanwhile, intermediate products and capital goods surged significantly by 18.7% and 9.4%, respectively in line with the expansion of private investment.

The services payments descended by 11.8% especially the fall in outbound tourism spending by Thai residents.

### Current account balance and exchange rate

Trade balance posted the highest level of 132.9% growth with Baht 60,492 million. The services balance was in surplus at Baht 18,003 million, decreased by 62.8%. However, current account balance shrunk by 19.6%. In this quarter, the Baht appreciated against the US Dollar with 42.2 Baht per dollar, compared to 42.8 Baht in the previous quarter.

### GDP implicit price deflator

The GDP implicit price deflator increased by 1.7% compared to 2.0% in 1Q03. The producer price index and consumer price index rose by 4.1% and 1.7%, respectively.

**Table 1 Gross Domestic Product (GDP) and Gross National Product (GNP)**

**Unit : Billions of Baht**

	2002p1	2002p1						2003p1		
		Q1	Q2	H1	Q3	Q4	H2	Q1	Q2	H1
GDP Nominal Prices	5,433.3	1,341.8	1,323.8	2,665.6	1,343.4	1,424.3	2,767.7	1,460.6	1,424.6	2,885.2
GDP 1988 Prices	3,224.6	806.6	778.6	1,585.2	786.1	853.3	1,639.4	860.6	823.6	1,684.2
Growth Rate of Real GDP (% y.o.y.)	5.3	3.9	5.1	4.5	5.8	6.2	6.0	6.7	5.8	6.2
GNP Nominal Prices	5,343.8	1,318.2	1,285.9	2,604.2	1,324.7	1,414.9	2,739.6	1,446.9	1,389.5	2,836.4
GNP 1988 Prices	3,192.9	797.2	761.4	1,558.6	780.5	853.7	1,634.2	857.4	808.8	1,666.1
Growth Rate of Real GNP	5.1	2.7	3.9	3.3	6.4	7.3	6.9	7.5	6.2	6.9

p = preliminary based on annual figure

p1 = without annual figure

**Table 2 Growth Rate of Real GDP Classified by ISIC (year on year basis)**

**Unit: Percent**

	2002p1	2002p1						2003p1		
		Q1	Q2	H1	Q3	Q4	H2	Q1	Q2	H1
<b>Agriculture</b>	<b>0.5</b>	<b>2.6</b>	<b>0.7</b>	<b>1.7</b>	<b>0.2</b>	<b>-1.2</b>	<b>-0.7</b>	<b>6.5</b>	<b>4.1</b>	<b>5.4</b>
Agriculture, Hunting & Forestry	1.4	4.2	2.5	3.4	2.4	-1.8	-0.4	6.9	4.4	5.8
Fishing	-4.8	-6.1	-8.5	-7.2	-8.8	2.9	-2.5	4.3	2.7	3.5
<b>Non-Agriculture</b>	<b>5.8</b>	<b>4.0</b>	<b>5.6</b>	<b>4.8</b>	<b>6.2</b>	<b>7.4</b>	<b>6.8</b>	<b>6.7</b>	<b>5.9</b>	<b>6.3</b>
Mining & Quarrying	10.4	16.0	8.7	12.1	10.1	7.3	8.8	6.2	3.7	4.9
Manufacturing	7.7	4.2	6.8	5.5	9.1	10.5	9.8	11.2	11.0	11.1
Electricity, Gas & Water supply	5.7	5.9	6.6	6.3	3.8	6.5	5.2	5.2	5.6	5.4
Construction	6.0	6.3	20.0	12.8	0.0	-0.4	-0.2	-6.3	0.6	-2.8
Wholesale & Retail Trade, Repairs	2.8	1.5	1.9	1.7	3.9	4.3	4.1	4.6	3.9	4.3
Hotel & Restaurants	4.8	5.2	3.8	4.5	4.3	5.7	5.1	-2.6	-13.9	-7.9
Transport, Storage & Communication	4.8	3.4	3.0	3.2	4.7	7.8	6.3	6.9	1.2	4.1
Financial Intermediation	4.7	2.5	2.7	2.6	4.6	9.6	6.9	6.9	11.8	9.4
Real Estate, Renting & Business Activities	4.8	3.9	5.1	4.5	5.4	4.9	5.1	4.9	5.1	5.0
Public Administration & Defense etc.	6.7	7.9	9.8	8.8	4.8	4.5	4.6	0.5	2.9	1.6
Education	2.1	0.8	5.0	2.9	1.8	1.1	1.4	2.5	5.3	3.9
Health & Social Work	0.2	2.6	2.2	2.4	2.6	-6.0	-1.8	-5.1	-4.1	-4.6
Other Community, Social & Personal Services	8.3	5.9	8.5	7.2	9.5	9.2	9.3	5.2	4.9	5.0
Private Household with Employed Persons	0.3	1.4	-1.5	0.0	-0.9	2.5	0.7	0.4	3.2	1.8
<b>GDP</b>	<b>5.3</b>	<b>3.9</b>	<b>5.1</b>	<b>4.5</b>	<b>5.8</b>	<b>6.2</b>	<b>6.0</b>	<b>6.7</b>	<b>5.8</b>	<b>6.2</b>

**Table 3 Growth Rate of Real Gross Domestic Expenditure (year on year basis)**

**Unit: Percent**

	2002p1	2002p1						2003p1		
		Q1	Q2	H1	Q3	Q4	H2	Q1	Q2	H1
Private Consumption Expenditure	4.7	3.7	3.9	3.8	5.2	6.0	5.7	6.5	6.0	6.3
Government Consumption Expenditure	0.5	8.3	-1.6	3.2	-2.8	-1.1	-2.0	-5.8	4.6	-0.7
Gross Capital Formation	5.1	-4.3	6.8	0.9	10.6	9.0	9.8	10.1	5.5	7.8
Gross Fixed Capital Formation	6.3	3.2	7.5	5.4	6.9	7.8	7.3	6.7	8.6	7.7
Private	13.3	8.3	9.9	9.2	18.8	16.8	17.7	18.7	16.2	17.4
Public	-6.8	-6.8	2.5	-2.2	-8.0	-16.6	-11.0	-20.1	-8.5	-14.1
Change in Inventories	-18.6	-50.0	-34.4	-48.4	36.0	20.1	289.4	53.1	-285.5	10.1
Exports of Goods and Services	10.9	5.1	12.2	8.6	13.8	12.2	13.0	12.0	2.0	6.9
Goods	11.3	3.9	12.9	8.4	14.7	13.2	13.9	14.3	9.4	11.8
Services	9.4	9.7	9.4	9.6	10.3	8.2	9.2	3.4	-29.9	-12.7
Imports of Goods and Services	11.3	1.8	13.3	7.5	16.6	13.6	15.1	12.2	0.7	6.2
Goods	11.1	-0.9	12.9	5.9	18.2	14.6	16.4	13.7	3.3	8.2
Services	12.2	17.0	15.5	16.2	8.3	8.6	8.5	5.1	-12.7	-4.0
<b>Gross Domestic Expenditure</b>	<b>5.1</b>	<b>4.0</b>	<b>4.6</b>	<b>4.3</b>	<b>5.4</b>	<b>6.5</b>	<b>6.0</b>	<b>6.9</b>	<b>5.9</b>	<b>6.4</b>

**Table 4 Exports, Imports and Current Accounts (at current market prices)**

**Unit: Billions of Baht**

	2002p1	2002p1						2003p1		
		Q1	Q2	H1	Q3	Q4	H2	Q1	Q2	H1
Exports of Goods and Services	3,516.9	818.1	842.3	1,660.4	908.3	948.2	1,856.5	946.9	904.8	1,851.7
Rate of Growth ( % y.o.y.)	3.9	-2.3	-0.3	-1.3	5.6	12.3	8.9	15.7	7.4	11.5
Imports of Goods and Services	3,123.7	722.1	768.0	1,490.1	811.2	822.4	1,633.6	833.3	826.3	1,659.6
Rate of Growth ( % y.o.y.)	2.4	-6.4	-1.7	-4.1	6.0	12.2	9.0	15.4	7.6	11.4
<b>Trade and Services Balance</b>	<b>393.2</b>	<b>96.0</b>	<b>74.3</b>	<b>170.3</b>	<b>97.1</b>	<b>125.8</b>	<b>222.9</b>	<b>113.6</b>	<b>78.5</b>	<b>192.1</b>
<b>Percentage to GDP (%)</b>	<b>7.2</b>	<b>7.2</b>	<b>5.6</b>	<b>6.4</b>	<b>7.2</b>	<b>8.8</b>	<b>8.1</b>	<b>7.8</b>	<b>5.5</b>	<b>6.7</b>
Factor Income From Abroad , Net	-89.5	-23.6	-37.8	-61.4	-18.7	-9.4	-28.1	-13.8	-35.1	-48.9
Current Transfers From Abroad , Net	27.5	6.2	6.7	12.9	7.2	7.4	14.6	8.4	8.2	16.6
<b>Current Account Balance</b>	<b>331.2</b>	<b>78.6</b>	<b>43.2</b>	<b>121.8</b>	<b>85.6</b>	<b>123.8</b>	<b>209.4</b>	<b>108.2</b>	<b>51.6</b>	<b>159.8</b>
<b>Percentage to GDP (%)</b>	<b>6.1</b>	<b>5.9</b>	<b>3.3</b>	<b>4.6</b>	<b>6.4</b>	<b>8.7</b>	<b>7.6</b>	<b>7.4</b>	<b>3.6</b>	<b>5.5</b>

**Table 5 Growth Rate of GDP Deflator, Consumer Price Index and Producer Price Index (1988 = 100) (year on year basis)**

**Unit: Percent**

	2002p1	2002p1						2003p1		
		Q1	Q2	H1	Q3	Q4	H2	Q1	Q2	H1
GDP Implicit Price Deflator	0.8	0.9	0.3	0.6	0.2	1.6	0.9	2.0	1.7	1.9
Consumer Price Index	0.6	0.6	0.2	0.4	0.2	1.4	0.8	1.9	1.7	1.8
Producer Price Index	1.7	1.2	1.0	1.1	0.9	3.5	2.2	5.3	4.1	4.7

**Table 6 Contribution to Growth of Real GDP (1988 = 100)**

**Unit: Percent**

	2002p1	2002p1						2003p1		
		Q1	Q2	H1	Q3	Q4	H2	Q1	Q2	H1
<b>Demand Side (Expenditure)</b>	<b>5.1</b>	<b>4.0</b>	<b>4.6</b>	<b>4.3</b>	<b>5.4</b>	<b>6.5</b>	<b>6.0</b>	<b>6.9</b>	<b>5.9</b>	<b>6.4</b>
Domestic Demand	3.9	3.3	3.6	3.5	4.1	4.5	4.3	4.3	5.6	4.9
Private Consumption Expenditure	2.6	2.0	2.2	2.1	2.9	3.2	3.1	3.5	3.4	3.4
Government Consumption Expenditure	0.0	0.7	-0.2	0.3	-0.3	-0.1	-0.2	-0.5	0.4	-0.1
Gross Fixed Capital Formation	1.2	0.6	1.6	1.1	1.5	1.4	1.4	1.3	1.8	1.6
Net Exports	1.4	2.2	1.1	1.6	0.8	1.6	1.2	1.7	0.9	1.3
Exports of Goods and Services	6.6	3.0	7.4	5.1	8.8	7.5	8.1	7.1	1.3	4.3
Imports of Goods and Services	5.2	0.8	6.3	3.5	8.0	6.0	6.9	5.5	0.3	3.0
Change in Inventories	-0.2	-1.6	-0.1	-0.9	0.6	0.4	0.5	0.8	-0.7	0.1
<b>Supply Side (Production)</b>	<b>5.3</b>	<b>3.9</b>	<b>5.1</b>	<b>4.5</b>	<b>5.8</b>	<b>6.2</b>	<b>6.0</b>	<b>6.7</b>	<b>5.8</b>	<b>6.2</b>
Agriculture	0.0	0.3	0.1	0.2	0.0	-0.2	-0.1	0.7	0.4	0.5
Manufacturing	2.8	1.5	2.5	2.0	3.3	3.7	3.5	4.1	4.1	4.1
Construction	0.1	0.2	0.5	0.3	0.0	0.0	0.0	-0.2	0.0	-0.1
Services and Others	2.3	1.9	2.1	2.0	2.4	2.7	2.5	2.1	1.3	1.7

Note: Total in demand side does not be equal to supply side due to statistical discrepancy

**Table 7 Growth Rate of Major Items of Real GDP and GDE, Quarter on Quarter Basis (1988 = 100)**  
**(Seasonally Adjusted Figures)**

**Unit: Percent**

	2002p1	2002p1						2003p1		
		Q1	Q2	H1	Q3	Q4	H2	Q1	Q2	H1
<b>Demand Side (Expenditure)</b>										
Private Consumption Expenditure	4.7	0.9	1.4	2.2	1.7	2.1	3.4	1.2	1.6	3.0
Government Consumption Expenditure	1.1	13.6	-8.2	6.8	-1.9	-3.3	-7.6	6.6	3.2	6.5
Gross Fixed Capital Formation	6.4	4.8	1.0	6.0	2.0	-1.4	1.8	4.7	2.5	5.3
<b>Supply Side (Production)</b>										
Agriculture	0.6	-3.0	0.7	-0.9	-0.6	1.9	0.7	4.4	-1.6	4.5
Manufacturing	7.7	1.4	3.0	3.9	2.5	3.0	5.6	2.3	2.6	5.2
Construction	5.9	6.6	0.2	6.9	-6.6	0.5	-6.3	-0.2	6.7	3.4
Services and Others	4.5	1.3	1.3	2.5	1.0	1.7	2.5	0.0	-0.2	0.8
Gross Domestic Product	<b>5.3</b>	<b>1.0</b>	<b>1.8</b>	<b>2.8</b>	<b>1.2</b>	<b>2.2</b>	<b>3.2</b>	<b>1.3</b>	<b>0.9</b>	<b>2.9</b>