



ผลิตภัณฑ์มวลรวมในประเทศ ไตรมาสที่ 2/2548

GROSS DOMESTIC PRODUCT: Q2/2005

GDP QUARTERLY REPORT



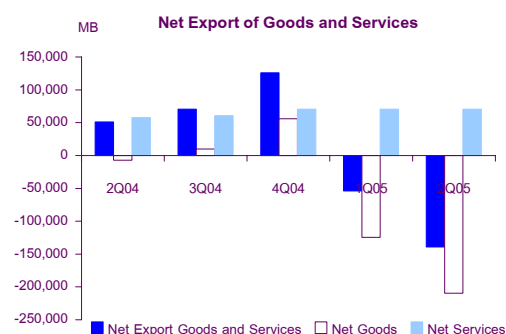
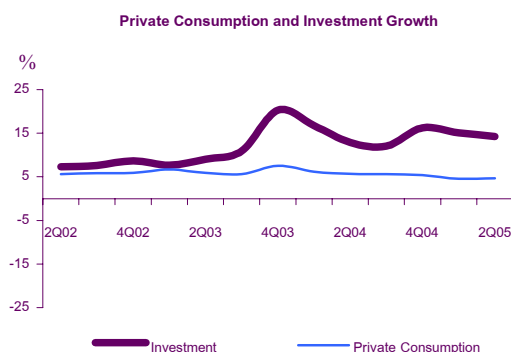
HIGHLIGHT OF Q2

GDP GROWTH BY SECTOR (YoY)

	2004E	1H04	2H04	1Q05	2Q05	1H05
Agriculture	-3.9	-3.7	-4.0	-7.9	-2.3	-5.4
Non-agriculture	7.2	7.7	6.8	4.6	5.0	4.8
GDP	6.1	6.6	5.7	3.3	4.4	3.9

GDP in 2Q05 strengthen up by 4.4% as a result of expansion of production and household consumption expenditure, despite continued creeping oil prices.

- GDP in 2Q05 grew at 4.4%, considerably higher than 3.3% in previous quarter. This was a result of expansion of production, which remarkably improved from 1Q05, albeit continual contraction of agricultural sector.
- Growth in agricultural sector remained negative with a fall of 2.3% compared with a 7.9% reduction in previous quarter. Rice production continued to be affected by drought while rubber, chicken and shrimp productions rose in response to higher external demand. Prices of agricultural products maintained an upward trend.
- Non-agricultural sector increased by 5.0% compared with 4.6% in 1Q05 as all industries in manufacturing sector expanded, particularly capital goods and high technology, food and beverages and basic metals.

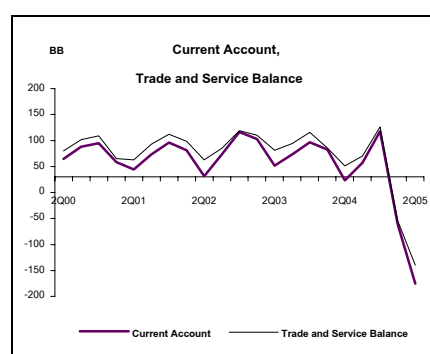
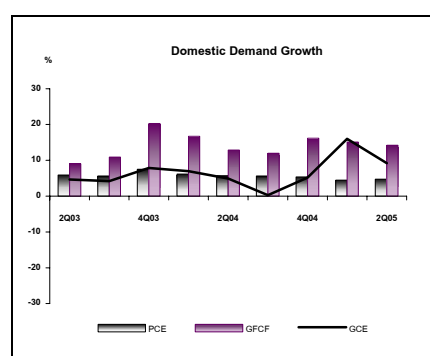
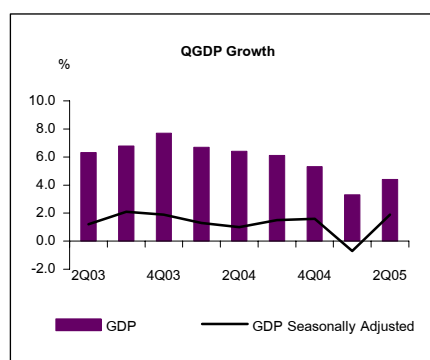


Domestic demand hasten up despite further weaken net external demand.

- Household consumption expanded by 4.7%, slightly improved from 4.5% in 1Q05 due to higher farm income, higher employment rate and increasing consumer loans although hiking oil prices had posted an adverse effect.
- Investment grew by 14.2%, slightly dampen from a growth of 15.1% in the previous quarter. Investment in private sector expanded by 12.3% from investment in machinery and office equipments. However, private construction slowed down in response to higher raw material cost. Investment in public sector decelerated by 20.2% as mega projects, especially Suvarnabhumi International Airport had come almost to the completion.
- Net external demand posted a sluggish trend owing to falling net export by 60.7%. This result was contributed by 0.3% increase in export quantity while import quantity rose by 15.1%, specifically imports of oil, steel and capital goods. Services balance, on the other hand, grew by 19.5%, reflecting a recovery of tourism after the tsunami disaster.
- The higher production level in Q1 while slight improved in domestic demand and higher imports of raw materials led to a rise in holding up inventories, approximately 60% of total inventories, of 5.6% of GDP mainly in crude oil, basic metal, gold and etc.

GROSS DOMESTIC PRODUCT (GDP) : Q2/2005

GDP 2Q05 picked up the faster pace at a rate of 4.4%.



OUTLOOK: GDP 2Q05 grew at a higher rate of 4.4% despite continued rising oil prices.

The overall Thai economy accelerated to 4.4% in 2Q05, an upward trend from the previous quarter with domestic demand expanded by 4.3%. This is a result of 4.7% rise in household consumption expenditure and 14.2% growth of investment, only slightly lower than 1Q05. In addition, net export of services swung back into a positive, growing by 19.5% as tourism started to recover. On the other hand, net external demand contracted by 60.7% in response to a 0.3% growth in export while import shot up by 15.1%.

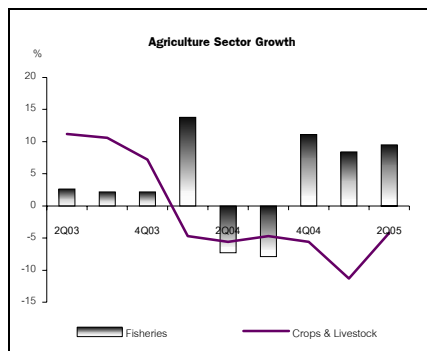
The overall production rose by 4.4%, contributed by 5.0% growth in non-agriculture sector. This owed mainly to acceleration of all industries in manufacturing sector, particularly food and beverages, basic metal, and capital goods and high-technology industries. Agriculture, on the contrary, remained sluggish, contracting by 2.3% as drought continued to affect agriculture production. Nevertheless, high external demand raised rubber production while chicken and shrimp production rose up with expansion in export.

Growth Rate of Gross Domestic Product: Q2/2005						2005 (%)	
	2004	2004				2005	
		Q1	Q2	Q3	Q4	Q1	Q2
Agriculture	-3.9	-2.0	-5.8	-5.2	-3.3	-7.9	-2.3
Non agriculture	7.2	7.7	7.7	7.1	6.5	4.6	5.0
GDP	6.1	6.7	6.4	6.1	5.3	3.3	4.4
GDP (Q/Q)							
(Seasonally Adjusted)		1.3	1.0	1.5	1.6	-0.7	1.9

- Seasonally adjusted GDP grew by 1.9%, compared with a contraction of 0.7% in the previous quarter.
- GDP in 2Q05 at current market prices stood at Baht 1,717.8 billion. After deducting Baht 62.1 billion of net factor income from the rest of the world, the Gross National Product (GNP) recorded at Baht 1,655.7 billion, an expansion of 3.7% in real terms.
- Trade and services balance registered a deficit of Baht 139.4 billion at current market prices. After adding net factor income and transfer from the rest of the world, a deficit of Baht 36.2 billion, the current account registered a deficit of Baht 175.6 billion, equivalent to 10.2% of GDP, a continuation from a deficit of 3.5% from 1Q05.
- The GDP implicit price deflator increased by 3.0% decelerating from 4.4% in 1Q05. The producer price index and consumer price index grew by 9.5% and 3.7%, respectively.

Production growth grew 4.4% due to 5.0% accelerate in non-agriculture but 2.3% drop in agriculture.

Crops production shrank and fishery decelerated, whereas livestock increased.



Manufacturing production growth markedly increased.

Production

The production increased from 3.3% in 1Q05 to 4.4% in 2Q05, due to 5.0% increase in non-agriculture production, especially from manufacturing sector. Moreover, hotels and restaurants sector showed better pace of growth due to an increase in a number of tourists. Construction and financial intermediation showed favorable growth but slightly dropping from 1Q05. However, agriculture production contracted by 2.3% due to the drought.

Agriculture

Agricultural production dropped by 2.3% from 7.9% drop in 1Q05. While livestock and fisheries production rose by 9.9% and 9.2% respectively.

- **Crops** dropped by 6.0, compared with a decrease of 16.4% in 1Q05 due to a long drought. This caused the decrease in second crop paddy yields as well as sugarcane and cassava.
- **Livestock** rose by 9.9% owing to the increase in prepared or preserved chicken production in line with higher export demand. Moreover, swine production showed favorable growth due to high domestic consumption demand.
- **Fishing** rose by 9.2%, compared to 8.4% in 1Q05 due to an increase in exports of shrimp in line with less production in shrimp in 2Q04 because of awaiting final decision on anti-dumping duty from the United States.
- **Implicit price deflator of agricultural sector** increased by 4.7% mainly due to less supply of major crops, such as paddy, sugarcane and cassava which resulted in raising in their prices. Livestock prices increased, especially in hen's eggs. Moreover, fishery prices increased due to higher production cost.

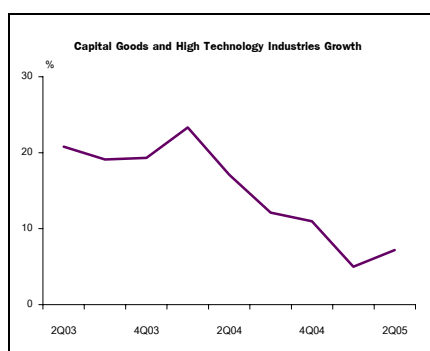
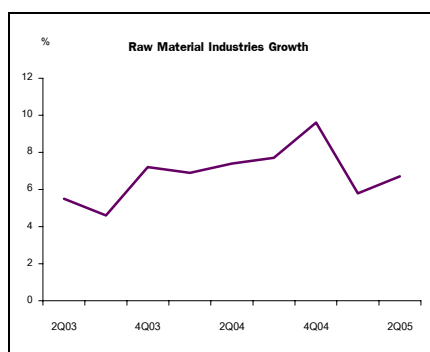
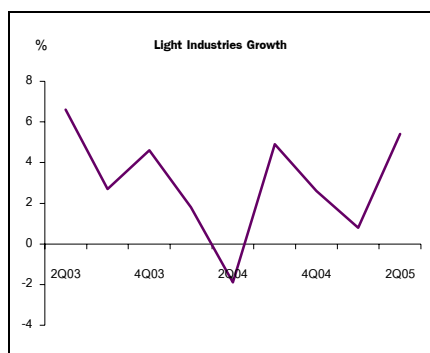
Manufacturing

Manufacturing accelerated from 3.5% in 1Q05 to 6.4% in 2Q05 mainly due to favorable pace of growth in all major industries, namely light, raw material, and capital goods and high technology. The industries with high growth were food and beverages; wearing apparel; non-metallic mineral products; basic metals; electrical machinery; and office and accounting and computing machinery.

Manufacturing Sector Growth

(%)

Industrial types	2004	2004				2005	
		Q1	Q2	Q3	Q4	Q1	Q2
Light Industries	1.6	1.8	-1.9	4.9	2.6	0.8	5.4
Raw material	7.9	6.9	7.4	7.7	9.6	5.8	6.7
Capital goods and high tech.	15.5	23.3	17.1	12.1	11.0	5.0	7.2
Total	8.3	10.2	7.3	8.4	7.6	3.5	6.4



Light industries: increased from 0.8% in 1Q05 to 5.4% in 2Q05, due to an increase in food and beverages, and wearing apparel production. Major industries were:

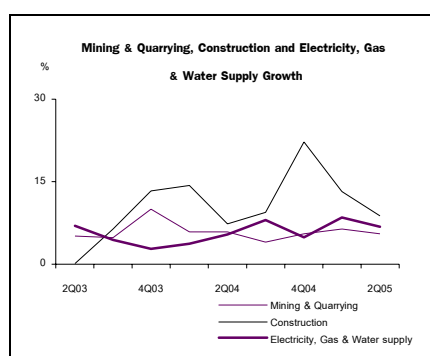
- **Food and beverages** markedly increased by 10.2%, compared to 4.6% drop in 1Q05. Food production rose by 9.1% especially in processed seafood production, as well as an increase in processed chicken production owing to high export demand. Beverage production increased by 11.6% mainly due to an increase in liquor production. Moreover, beer production increased in order to pile up its inventory before the tax raising in the next few months.
- **Wearing apparel** grew by 7.7%, due to higher export demand, especially from the United States. This was resulted from the United States imposing safeguard measure on imports from China which gave advantage to competitive countries such as Thailand.

Raw material industries rose from 5.8% in 1Q05 to 6.7% in 2Q05 resulting from the following industries:

- **Printing and publishing** rose by 12.5% due to better performance of printing industries.
- **Non-metallic mineral products** rose by 12.4% due to an increase in production of ceramic products and concrete products related to construction.
- **Metallic products** accelerated by 24.1%, compared to 3.2% drop in 1Q05 due to less production in 1Q05 according to the cancellation of anti dumping measure. Moreover, some producers, having stopped their businesses in economic crisis, began to re-run their business.

Capital goods and high technology industries increased from 5.0% in 1Q05 to 7.2% in 2Q05 due to higher production in line with higher export demand. Industries with high growth were air conditioners, hard disk drives and commercial cars. Major industries were:

High electricity consumption in household; small and medium industries, but slowdown in large scale industries.



- **Machinery and equipment** rose by 14.5% owing to higher production of household electrical appliances, namely air conditioners and refrigerators, in line with higher export demand.
- **Office, accounting and computing machinery** continued to increase by 20.9% led by computers and apparatus production, especially hard disk drive, in line with higher demand for exports by 31.9%.
- **Motor vehicles** rose from 1.9% in 1Q05 to 5.9% in 2Q05 due to higher production in commercial cars owing to higher export demand but passenger cars production continued to decrease.

Electricity, gas and water supply increased by 6.8%, compared to 8.5% in 1Q05. Electricity, accounting for 87.2%, expanded by 7.5%. It was in line with 7.4% increase in electricity demand; particularly household; small, medium, and special enterprises consumption. However, large scale industries, accounting for 40.5% of total electricity demand, grew by 8.8%, slowdown from 9.2% in 1Q05. Moreover, the electricity demand of public sector decelerated due to energy saving measure. Gas refinery rose by 5.9% compared to 6.8% in 1Q05 in line with slowdown in natural gas production. Water supply grew by 2.0% lower than 4.5% in 1Q05.

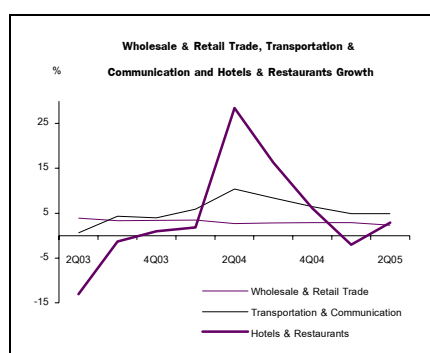
Electricity Consumption Growth		(%)					
	2004	2004				2005	
		Q1	Q2	Q3	Q4	Q1	Q2
Residential	5.2	5.1	5.7	6.0	3.8	4.8	6.0
Ratio	21.9	21.1	23.4	21.9	21.1	20.8	23.1
Small Ent.	6.7	5.1	5.4	7.4	8.8	10.5	10.9
Ratio	9.8	9.6	10.1	9.8	9.9	9.9	10.4
Medium Ent.	0.5	3.1	2.3	0.2	-3.3	1.1	4.3
Ratio	17.9	18.4	17.8	18.0	17.6	17.4	17.3
Large Ent.	13.0	12.6	12.7	14.2	12.6	9.2	8.8
Ratio	41.5	42.0	40.0	41.7	42.4	42.9	40.5
Special Ent.	7.2	4.1	9.2	8.8	6.5	0.7	5.2
Ratio	3.1	3.1	3.1	3.1	3.0	3.0	3.1
Public Sector	3.1	4.3	5.4	0.4	2.5	3.9	2.4
Ratio	3.4	3.3	3.4	3.6	3.3	3.2	3.3
Others	10.3	2.9	2.7	7.1	29.9	19.9	18.6
Ratio	2.3	2.5	2.1	2.1	2.6	2.8	2.4
Total	7.6	7.6	7.7	8.1	7.0	6.7	7.4

Sources : MEA and PEA

Natural gas, crude oil and quarrying of stone and sand production decelerated but lignite production increased.

The construction grow only by 8.8%.

Transportation and communication growth remained unchanged.



Mining and quarrying increased by 5.5%, due to 7.4% increase in natural gas and crude oil production. This resulted from 17.9% increase in crude oil production from Yala and Surat fields. Natural gas and liquid natural gas production increased merely by 6.0% and 2.3% respectively. Meanwhile, stone and sand quarrying production grew merely by 8.5% in line with the deceleration in construction. Lignite production rose by 8.9%, higher than 3.3% in 1Q05. Other mineral production decreased by 6.3%, namely limestone, marble, gypsum, potassium and sodium as well as silver and gold.

Construction decelerated by 8.8%, from 13.2% in 1Q05 due to the deceleration in public construction by 9.0%, compared to 15.9% in 1Q05. Private construction grew by 8.7%, slightly decreasing from 1Q05 due to the deceleration in residential, commercial building and factory construction.

Transportation and communication exhibited growth at 4.9%, due to 1.7% increase in transport services. This was resulted from the contraction in passenger transport services owing to higher transport fare. However, cargo and air transports increased by 5.1% and 4.6% respectively. Telecommunication services decelerated by 10.6% compared to 14.8% in 1Q05 due to lower revenue of postal and communication enterprises.

Selected Transport and Communication Items Growth (%)

	2004	2004				2005	
		Q1	Q2	Q3	Q4	Q1	Q2
Transport	6.7	4.0	10.1	6.5	6.6	-0.3	1.7
Land Transport	0.4	0.2	-4.6	1.4	5.2	-0.1	-0.4
Passenger	3.7	3.9	4.4	-1.0	7.3	5.7	-5.6
Cargo	-2.6	-2.9	-12.5	3.7	2.9	-5.5	5.1
Telecommunication							
Local Calls	-2.1	3.4	-2.6	-4.8	-4.5	-4.5	n.a.
Long Distance Calls	8.6	9.0	8.8	11.6	5.4	5.4	n.a.

Sources: TOT Corporation PCL

The growth of hotels rose up according to an increase in a number of foreign tourists.

Wholesale and retail trade grew by 2.3%, lower than 2.9% in 1Q05. This was resulted from lessening in trade margin due to traders unable to adjust their selling price to catch up with hiking prices of fuel as well as fix selling prices on major consumption goods policy.

Hotels and restaurants rose by 2.9% compared to 2.0% drop in 1Q05, due to 3.9% increase in restaurant services. Hotel business rose by 0.2%, compared to 9.1% drop in 1Q05. This was resulted from 0.9% decline in a number of foreign tourists, compared to 10.0% drop in 1Q05. The hotel occupancy rates in 2Q05 stayed at 56.1%, compared to 56.5% in the same period of previous year. The traveling in the South showed a little bit of better sign according to continual campaign of public and private sectors.

Number of Foreign Tourists		(1,000 Persons)					
	2004	2004				2005	
		Q1	Q2	Q3	Q4	Q1	Q2
Asian	6,635	1,572	1,549	1,768	1,746	1,402	1,523
European	2,850	902	498	590	860	805	490
American	824	220	183	184	237	196	180
Others	1,343	281	306	403	352	280	321
Total	1,1651	2,975	2,536	2,945	3,195	2,673	2,514
Included Thais	11,737	2,995	2,558	2,966	3,218	2,695	2,534
Growth Rate (YoY)	16.4	4.4	74.4	14.0	2.3	-10.0	-0.9

Sources : Tourism Authority of Thailand

Remark: 2Q05 estimated by NESDB

Commercial banks growth decelerated due to less credit lending but an increase in non-life insurance.

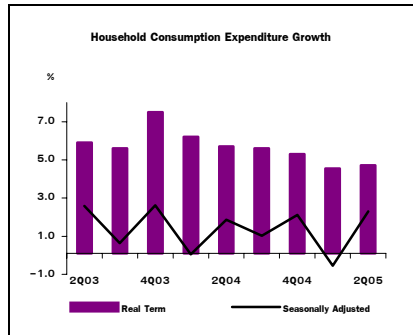
Financial intermediation grew by 7.3%, compared to 17.7% in 1Q05. Credit lending of commercial banks showed slower pace of growth. Moreover, life insurance growth slightly increased. However, non-life insurance growth continued to increase.

Other services

Other services' growth expanded led by 3 and 2-end digit lottery.

Overall other services decelerated from 5.1% in 1Q05 to 2.7% in 2Q05 owing to public administration and defence rising by 2.2%. Other community, social and personal service activities sector decelerated by 3.6% due to radio and television growth dropping by 6.1% as well as beauty treatment by 1.9%. However, government lottery, special lottery, and 3 and 2-end digit lottery grew by 10.6%. The former two lotteries' growth slightly increased, while the latter one's net receipt increased by 75.6%, compared to the same period of previous year. Sports services and other services increased by 12.2%, and 7.4%, respectively.

Continuously rising oil prices led to an upward adjustment in prices of goods and services, affecting consumers' confidence that household consumption grew by 4.7%.



Consumer Confidence Index (CCI)

	2004				2005	
	Q1	Q2	Q3	Q4	Q1	Q2
CCI	99.9	107.5	102.4	96.1	93.7	91.2
Growth Rate	1.2	16.5	11.1	-4.3	-14.8	-15.2

Source : The Center of Economic and Business Forecasting, UTCC

Credit Card Data billion Baht

	2004				2005	
	Q1	Q2	Q3	Q4	Q1	Q2
Domestic Usage	392	93	91	97	110	101
Abroad Usage	23	5	6	6	6	5
Cash Advance	121	25	31	27	38	36
Total	536	122	128	131	155	143
Growth (YoY)	27.7	20.6	33.8	25.2	31.1	16.8

Source: Bank of Thailand

Expenditure

Household consumption expenditure

- Household consumption expenditure grew by 4.7%, compared with 4.5% in 1Q05. After seasonal adjustment, the value increased by 2.3% from the previous quarter.
- Contributing factors included continuously increasing farm income, although at a slower pace than 1Q05, falling unemployment rate, and several government policies to stimulate economic growth. Low interest rates had been maintained, encouraging consumer loans to expand, though at a slower rate as consumers increased their payment through credit cards. Prices of basic-need products had also been controlled as part of the policy.
- However, continuously rising oil prices especially on diesel prices since March 23, 2005 had adversely affected consumers' confidence as they became more careful on their spending—particularly durable goods which had continued to fall since the previous quarter. In addition, bombs exploded at department store and Hat Yai International Airport in Songkhla on March 3, 2005 moderately affected tourism in the short run. In response, the government has launched campaigns to boost visitor arrivals to southern provinces, targeting especially to domestic visitors.
- Excluding expenditure of residents abroad and non-residents in the country, household consumption expenditure decelerated by 4.8%.

Household Consumption Expenditure Growth						(%)	
	2004	2004				2005	
		Q1	Q2	Q3	Q4	Q1	Q2
PCE in domestic market	6.5	5.7	8.9	6.9	4.8	3.3	4.5
less : expenditure of non-residents in the country	16.0	4.4	64.0	14.9	2.4	-5.8	1.3
PCE excluding expenditure of non-residents in the country	5.6	5.8	5.4	6.1	5.1	4.4	4.8
plus : expenditure of residents abroad	9.3	19.4	14.2	-9.1	15.4	10.0	3.0
PCE	5.7	6.2	5.7	5.6	5.4	4.5	4.7

Fuel Quantity and retail prices

	2004	2004				2005	
		Q1	Q2	Q3	Q4	Q1	Q2
Quantity (Billion litre)							
Diesel HSD	19,535	4,833	4,717	4,705	5,281	5,260	5,241
(%YoY)	11.9	12.3	7.5	11.9	15.9	8.9	11.1
Diesel LSD	105	26	29	27	22	22	21
(%YoY)	5.1	6.1	23.5	1.1	-9.1	-17.6	-27.3
Benzine 91	4,631	1,158	1,190	1,141	1,143	1,108	1,120
(%YoY)	1.8	3.1	4.5	2.0	-2.4	-4.3	-5.9
Benzine 95	2,979	805	797	695	683	670	631
(%YoY)	-3.4	7.0	4.0	-8.6	-15.3	-16.7	-20.8
Gasohal	60	9.6	14.9	16.3	18.7	46.6	109.7
(%YoY)	2,188.5	1,376.9	2,192.3	2,407.7	2,776.9	385.4	636.2
Price (Baht/litre)							
Diesel HSD	14.6	14.6	14.6	14.6	14.6	16.1	18.6
(%YoY)	4.6	-1.3	5.4	8.7	6.0	10.2	27.4
Diesel LSD	14.4	14.4	14.4	14.4	14.4	16.1	18.3
(%YoY)	5.1	-0.2	5.6	9.1	6.4	12.0	27.4
Benzine 91	18.2	16.2	16.8	19.5	20.4	21.1	22.0
(%YoY)	17.3	1.8	10.5	24.9	32.2	30.1	31.0
Benzine 95	19.0	17.0	17.6	20.3	21.1	21.9	22.8
(%YoY)	15.0	0.5	8.6	21.7	29.7	28.6	29.6
Gasohal	18.5	16.5	17.1	20.0	20.5	19.4	21.3
(%YoY)	16.4	2.3	10.8	25.6	26.9	17.1	24.6
Crude Oil Price (US\$/BBL)							
Crude Oil	27.4	31.3	34.8	39.6	39.8	44.9	50.5
(%YoY)	-2.3	4.7	36.8	42.9	37.2	43.5	45.0

Source : PTT PCL., EPPO

Expenditure classified by section

Agriculture grew by 3.2% owing to 2.7% rise in consumption of vegetable and fruit, together with 6.8% increase in consumption of fishery products. On the other hand, consumption of hen's eggs and duck's eggs slowed to 0.8% due to high-base effect from 2Q04 as consumption level adjusted back to normal after a significant fall earlier in response to the outbreak of the Avian Influenza.

Food, beverages, tobacco and textiles accelerated by 4.6% in response to rise in consumption of dairy products by 10.9%, beverages by 4.3% and tobacco by 3.9%. While consumption of meat and simple agricultural processing products posted a slower growth at 7.3% owing to high base in 2Q04 as Avian Influenza epidemic eased. Consumption of apparel and other textiles rose by 4.0%.

Electricity, gas and water supply grew at the rate of 6.5%, up from 5.5% of the previous quarter, contributed by higher growth of water consumption at 9.9% and of the electricity consumption at 5.7%.

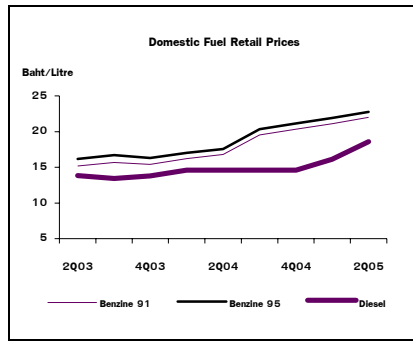
Transport equipments continued to fall by 6.2%. This is partly due to high base of 2Q04, added with continuously hikes in gasoline prices, which adversely affected consumers' purchasing power. As a result, they became more careful on their spending, especially on durable goods such as passenger cars, motorcycles. Moreover, 2Q05 is considered off-sale season for automobile market. Sales volume of passenger cars fell by 5.6%, registration of new pick-up trucks shrunk by 3.0% and of motorcycle by 11.1%. Registration of new vans, nevertheless, rose by 9.1%.

Transport Equipment Sales

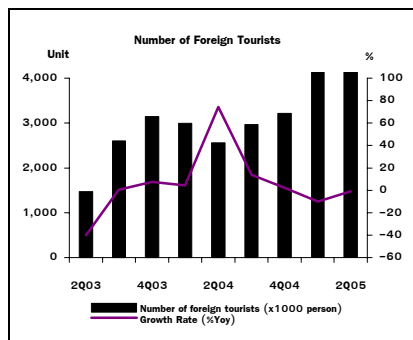
	2004	2004				2005	
		Q1	Q2	Q3	Q4	Q1	Q2
Personal car (units)	209,114	52,512	50,125	50,193	56,284	42,260	47,315
Percentage change	16.6	19.3	18.3	19.1	10.6	-19.5	-5.6
Commercial car (units)	416,764	95,073	100,941	89,890	130,860	124,245	132,096
Percentage change	17.7	26.5	18.8	-1.0	27.0	30.7	30.9
Motorcycle (thousand units)	1,943	507	494	431	510	519	499
Percentage change	15.2	13.0	14.2	11.7	21.7	1.2	-0.2

Sources : Thailand Automotive Institute and the Bank of Thailand

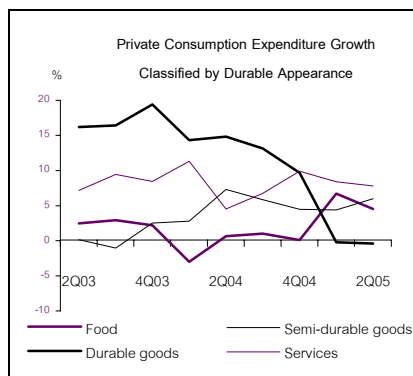
Transport and communication services expanded by 8.1% from 7.5% in the previous quarter. Transportation services fell by 2.0% as water and land transportation declined although railway and air transportation went up. Postal and telecommunication services kept on rising by 24.1%. Registration of basic telephone and mobile phone grew by 2.8% and 18.4%, respectively as price competition in mobile phones continued from 1Q05, particularly the pre-paid systems which accounted for 80% of market share in order to expand customer base targeting especially on students.



Source : EPPO



Sources : TOT Corporation PCL, and the Communications Authority of Thailand



Sources : Tourism Authority of Thailand

Subscribers of Telephone Numbers

(End of period)	2004	2004				2005	
		Q1	Q2	Q3	Q4	Q1	Q2
Basic telephone (thousand units)	6,466	6,352	6,387	6,412	6,466	6,538	6,551
Population to registered number	10.0	10.1	10.1	10.0	10.0	9.9	9.9
Mobile phone (thousand units)	27,206	23,729	25,058	25,952	27,206	29,293	29,672
Prepaid System	22,382	19,089	20,393	21,240	22,382	24,121	24,410
Postpaid System	4,824	4,640	4,665	4,712	4,824	5,171	5,262
Structure	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Prepaid System	79.1	80.4	81.4	81.8	79.1	82.3	82.3
Postpaid System	17.6	19.6	18.6	18.2	17.6	17.7	17.7
Population to registered number	2.4	2.7	2.6	2.5	2.4	2.2	2.2

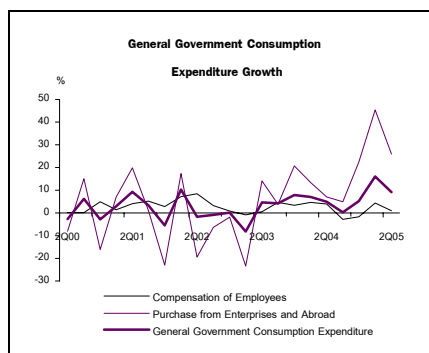
Sources : TOT Corporation PCL, and the Communications Authority of Thailand

Hotels and restaurants swung back to a positive growth of 2.9% compared with a fall by 1.9% in 1Q05 due to 0.2% rise in hotel services in accordance with both domestic and foreign tourists expenditure. Although foreign tourist arrivals still declined by 0.9%, it was considered an improvement from 7.1% fall in 1Q05 as the Andaman tourism recovery strategy had been implemented. An expenditure for restaurant services increased only by 3.9%.

Private Consumption Expenditure Growth Classified by Durable Appearance (%)

	2004	2004				2005	
		Q1	Q2	Q3	Q4	Q1	Q2
Private Consumption Expenditure	5.7	6.2	5.7	5.6	5.4	4.5	4.7
Food	-0.3	-3.0	0.7	1.0	0.1	6.7	4.5
Other than food	7.3	8.8	7.0	6.9	6.7	4.0	4.8
Non-durable products (excluding food)	5.2	7.1	6.0	4.6	3.1	1.3	3.4
Semi-durable products	5.0	2.8	7.3	5.9	4.3	4.4	6.0
Durable products	12.9	14.3	14.8	13.1	9.7	-0.2	-0.4
Services	8.2	11.3	4.5	6.7	10.3	8.4	7.8

Disaggregation of consumers' expenditure into durable and non-durable goods, the expenditure on food rose by 4.5% slowing down from 6.7% of previous quarter, while other goods and services grew by 4.8% a rise from 4.0% in 1Q05. Growth of non-durable goods (excluding food) such as beverage, electricity and water supply, medicine and household utensils was posted at 3.4%; of semi-durable goods consisting of clothing, footwear and household equipments was 6.0%, and of expenditure on services consisting of hotels and restaurants, recreation and entertainment, education, remedy and net tourists expenditure was 7.8%. The durable goods such as vehicles, furniture, electrical appliances, computers, radios and televisions, on the other hand, declined by 0.4%, especially vehicles which fell continuously by 6.9%.



Government consumption expenditure (GCE)

- In 2Q05, the disbursement increased by 8.8% compared to 26.1% in the previous quarter. Since fiscal year of 2005, disbursement rate stood at 69.1% higher than 65.4% in the same period last year.
- The government consumption expenditure at current market prices was recorded at Baht 202,055 million, increased by 10.1%. Compensation of employees was Baht 147,018 million, increased by 4.1%. Whereas net purchases from enterprises and abroad was Baht 55,037 million, increased by 30.3%.
- Nevertheless, GCE grew by 9.2% in real term. This was a result of an increase in compensation of employees by 1.0%. Whereas, net purchase from enterprises and abroad increased by 25.9%.

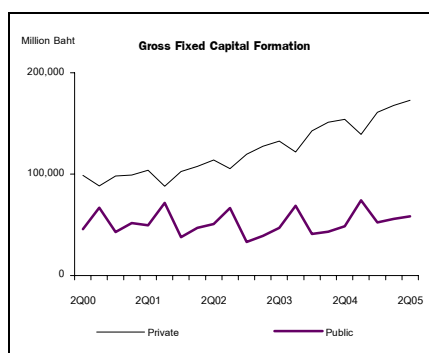
Disburse of government budget

(Baht in Billion)

Objects of Expenditures (Baht in Billion)	Since the 1 st Quarter of FY			Apr. – Jun.		
	2004	2005	%Δ	2004	2005	%Δ
Wages and Salaries	233.1	262.2	12.5	82.5	85.6	3.7
Remuneration and Utilities	41.7	40.7	-2.4	16.3	16.8	2.7
Equipment and Construction	40.6	41.4	1.9	22.3	19.9	-10.8
Subsidies	105.9	181.8	71.7	34.1	51.6	51.2
Others	127.6	195.5	53.2	45.2	81.8	81.1
Funds and Revolving Funds	62.0	2.4	-96.2	13.7	0.9	-93.1
Central Funded	150.0	105.5	-29.7	51.3	32.1	-37.4
Total	760.8	829.4	9.0	265.4	288.7	8.8
Disbursement rate (%)	65.4	69.1		22.8	24.1	

Source: Ministry of Finance, compiled from GFMIS

Investment expanded by 14.2%.



Gross fixed capital formation (GFCF)

GFCF increased by 14.2% compared to 15.1% in 1Q05.

- **Private investment**, increased by 12.3% higher than 11.1% in 1Q05 due to an increase in private investment equipments, while decelerating in private construction.
- **Public investment**, increased by rate of 20.2% compared to 29.2% in 1Q05. This was a result of growth rate of public construction, which recorded at 9.8% compared to 18.5% in 1Q05. Whereas, public equipments increased by rate of 40.5% compared to 58.6% in 1Q05.

Gross Fixed Capital Formation Growth						(%)	
	2004	2004				2005	
		Q1	Q2	Q3	Q4	Q1	Q2
Construction	13.0	14.1	7.8	10.1	21.7	14.2	9.1
Private	15.4	19.1	17.8	13.9	11.2	10.3	8.5
Public	10.7	8.8	-1.9	7.2	35.8	18.5	9.8
Equipments	15.1	18.1	15.7	13.5	13.6	15.6	16.9
Private	15.3	18.5	15.5	14.4	13.2	11.3	13.6
Public	14.0	14.6	17.0	9.9	16.3	58.6	40.5
Total GFCF	14.4	16.7	12.9	12.0	16.2	15.1	14.2
Private	15.3	18.6	16.1	14.2	12.7	11.1	12.3
Public	11.7	10.3	3.8	8.1	28.2	29.2	20.2

Private construction

Private construction decelerated by 8.5% owing to the deceleration in residential, commercial and factory construction at the rate of 13.6%, 20.2% and 9.2%, respectively. Premium housing had shown a decelerate sign after meet the maturity. While, other constructions decreased by 9.4% compared to 11.3% drop in 1Q05.

Public construction

Public construction expanded by a lower rate of 9.8% than 18.5% in 1Q05. This was a result of a slowdown in government construction in both central and local authorities by 2.7%. In addition, state enterprises construction only increased by 20.8% lower than 39.3% in 1Q05 due to lower disbursement in mega projects which were close to the final especially Suvarnabhumi International Airport.

Private machinery and equipments

Private machinery and equipments continued to increase by 13.6%, higher than 11.3% in 1Q05. This was a result of a continual increase in machinery and office equipments by 25.1% and 7.0% respectively such as automotive, producing rubber and plastic products, electrical machinery, printing and construction industries. However, transports industry decelerated by 8.8%.

Public machinery and equipments

Public machinery and equipments increased by a rate of 40.5% compared to 58.6% in 1Q05. This was as a result of an increase in state enterprise investment, which increased by 48.4% partially as a result of import of three aircrafts at Baht 14,485 million. Additionally, central and local authority equipments increased by 27.0% as disbursement in automotive and office equipment rose. Public machinery and equipments would increase by 13.3% if three imported aircrafts were excluded.

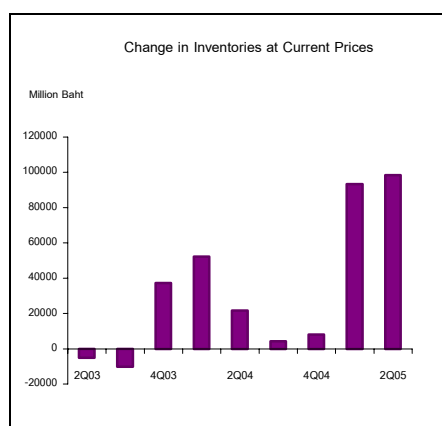
Private Construction Growth

(%)	2004	2004				2005	
		Q1	Q2	Q3	Q4	Q1	Q2
Residential	22.3	26.5	24.0	21.4	17.6	16.6	13.6
Factory	-10.1	-2.6	-5.6	-14.9	-16.2	10.4	9.2
Commercial	28.4	23.3	25.5	32.4	31.9	26.1	20.2
Others	11.7	15.4	15.1	8.3	8.6	-11.3	-9.4
Total	15.4	19.1	17.8	13.9	11.2	10.3	8.5

Imported commercial aircraft

	2000	2001	2002	2003	2004	2005
Unit	8	2	-	2	6	3
Value (MB)	45,455	15,868	-	11,222	12,877	14,485

Source: Thai Airways International Public Company Limited



Trade deficit surged up to Baht 209,876 million in line with the boosted growth of import.

Exports and Imports		(Unit : Billions of Baht)					
	2004	2004				2005	
		Q1	Q2	Q3	Q4	Q1	Q2
At current Market Prices							
1. Export Goods	3,869	860	942	1,020	1,047	952	1,054
Growth Rate	19.7	11.7	19.0	25.4	21.9	10.7	11.9
2. Import Goods	3,801	851	949	1,010	991	1,076	1,264
Growth Rate	23.5	16.0	28.9	29.4	19.8	26.5	33.2
3. Trade Balance	68	9	-7	10	56	-125	-210
At 1988 Prices							
4. Export Goods	1,967	463	480	508	515	461	482
Growth Rate	7.0	6.3	6.7	9.2	5.9	-0.5	0.3
5. Import Goods	1,657	399	422	428	409	445	485
Growth Rate	12.1	14.3	19.8	13.3	2.3	11.7	15.1
6. Exchange Rate (Baht / US \$)	40.3	39.2	40.3	41.3	40.3	38.6	40.1

Source: Bank of Thailand

Current Account Balance		(at current market price)					
	2004	2004				2005	
		Q1	Q2	Q3	Q4	Q1	Q2
Current Account							
Billions of US \$	7.0	2.1	0.6	1.4	2.9	-1.6	-4.4
Current Account							
Billions of Baht	280.8	82.7	23.1	57.4	117.7	-61.2	-175.6
Percentage to GDP							
	4.3	5.1	1.4	3.5	6.8	-3.5	-10.2

Source: Bank of Thailand

Change in inventories

Change in inventories in 2Q05 registered in nominal term at Baht 98,410 million, upward adjustment in two consecutive quarters, as high import of raw material, especially crude oil, metal and basic metal, gold, computer components and electrical components. It was a result of the Baht depreciation from 38.61 Baht/USD in 1Q05 to 40.16 Baht/USD in 2Q05 and the expected high demand for export in electrical appliance, electrical circuits, computer and parts and precious stone and jewelry.

On the other hand, the stock in some production sector declined such as food products and sugarcane product, which dropped due to lack of raw material from severe drought, likewise motor vehicle and parts and commercial cars also decreased owing to higher export.

External Sectors

Exports

Merchandise exports at current market prices posted at Baht 1,053,666 million, rising by 11.9%. The export items that remarkably contributed to growth still were the high-tech products such as computer and parts, motor vehicle and parts, plastic products and electrical appliance. Nevertheless, the export quantity grew merely by 0.3% principally owing to the decline of the agricultural products and integrated circuits as a result of the drought and down cycle in the global electronics industry, respectively.

Services receipts at current market prices registered at Baht 192,541 million, expanding by 8.9%. The travel receipts rose by 4.0% and the hotel occupancy rates recorded at 56.1% in 2Q05, near by 56.5% in 2Q04. Although the tourism in the southern part still were effected by tsunami disaster, public policies to promote tourism resulted in the better travel revenue.

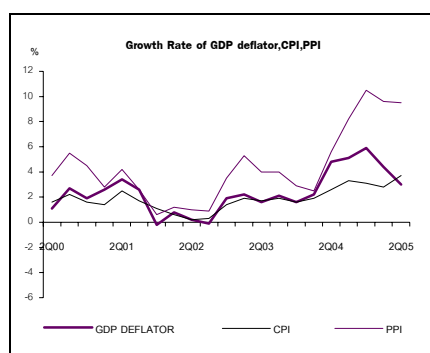
Imports

Merchandise imports at current market prices was at Baht 1,263,542 million, considerably growing by 33.2%. While import quantity rose by 15.1%, especially fuel and lubricants still markedly expanding from the increase in both quantity and price. Moreover, the import categories with a significant growth were steel, electrical and non-electrical machinery and parts, and chemicals. In addition, there was import of three aircrafts worth Baht 14,485 million.

Services payments at current market prices registered at Baht 122,104 million, rising by 2.6% compared to 5.8% in 1Q05. This was a result of outbound travel payments decelerating by 6.8%, lower than 13.1% in 1Q05.

Current account balance and exchange rate

Trade balance recorded a deficit of Baht 209,876 million in accordance with the boosted growth of import. Services balance registered a surplus of Baht 70,437 million due chiefly to the better travel receipts and the decelerated travel payments. Nevertheless, current account deficit surged up to Baht 175,613 million. For currency position, the Baht depreciated against the US Dollar with 40.16 Baht per US Dollar on average, a decline of 3.8% compared to the previous quarter.



GDP implicit price deflator

The GDP implicit price deflator increased by 3.0% decelerating from 4.4% in 1Q05. Consumer price index and producer price index rose by 3.7% and 9.5%, respectively.

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

Unit : Billions of Baht

	2004p1	2004p1						2005p1		
		Q1	Q2	H1	Q3	Q4	H2	Q1	Q2	H1
GDP Nominal Prices (Billions of Baht)	6,576.8	1,607.3	1,597.7	3,204.9	1,632.6	1,739.2	3,371.9	1,733.9	1,717.8	3,451.7
GDP 1988 Prices (Billions of Baht)	3,671.7	923.6	885.2	1,808.8	894.9	968.0	1,862.9	954.5	924.3	1,878.8
Growth Rate of Real GDP (% y.o.y.)	6.1	6.7	6.4	6.6	6.1	5.3	5.7	3.3	4.4	3.9
GNP Nominal Prices (Billions of Baht)	6,449.0	1,593.8	1,551.4	3,145.1	1,597.8	1,706.1	3,303.9	1,703.0	1,655.7	3,358.7
GNP 1988 Prices (Billions of Baht)	3,618.8	920.5	864.4	1,784.9	880.0	953.9	1,833.9	941.5	896.5	1,838.1
Growth Rate of Real GNP (% y.o.y.)	6.0	6.9	6.0	6.5	5.9	5.2	5.5	2.3	3.7	3.0

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

	2004p1	2004p1						2005p1		
		Q1	Q2	H1	Q3	Q4	H2	Q1	Q2	H1
Agriculture	-3.9	-2.0	-5.8	-3.7	-5.2	-3.3	-4.0	-7.9	-2.3	-5.4
Agriculture, Hunting & Forestry	-5.2	-4.7	-5.6	-5.1	-4.7	-5.6	-5.2	-11.3	-4.2	-8.0
Fishing	3.6	13.8	-7.3	4.3	-7.9	11.1	3.0	8.4	9.2	8.7
Non-Agriculture	7.2	7.7	7.7	7.7	7.1	6.5	6.8	4.6	5.0	4.8
Mining & Quarrying	5.3	5.9	5.9	5.9	4.0	5.5	4.7	6.4	5.5	6.0
Manufacturing	8.4	10.2	7.3	8.8	8.4	7.6	8.0	3.5	6.4	5.0
Electricity, Gas & Water supply	5.5	3.7	5.4	4.6	8.0	4.9	6.4	8.5	6.8	7.6
Construction	12.7	14.3	7.3	10.6	9.4	22.2	14.6	13.2	8.8	11.0
Wholesale & Retail Trade, Repairs	3.0	3.5	2.7	3.1	2.8	2.9	2.9	2.9	2.3	2.6
Hotel & Restaurants	12.2	1.8	28.4	13.6	16.3	6.1	10.9	-2.0	2.9	0.5
Transport, Storage & Communication	7.7	5.9	10.4	8.1	8.4	6.5	7.4	4.9	4.9	4.9
Financial Intermediation	14.2	12.9	16.7	14.9	11.6	15.7	13.5	17.7	7.3	12.3
Real Estate, Renting & Business Activities	7.5	5.9	7.8	6.9	8.6	7.7	8.2	7.1	4.3	5.7
Public Administration & Defense etc.	0.2	4.1	1.8	3.0	-3.3	-1.6	-2.5	3.9	2.2	3.1
Education	1.5	3.1	4.5	3.8	-0.1	-1.4	-0.8	3.0	0.7	1.8
Health & Social Work	2.8	6.4	6.5	6.4	-1.9	1.2	-0.3	8.6	1.3	5.0
Other Community, Social & Personal Services	13.5	23.7	15.4	19.5	10.5	6.3	8.3	4.0	3.6	3.8
Private Household with Employed Persons	3.7	3.3	4.1	3.7	3.7	3.6	3.6	2.5	-1.9	0.3
GDP	6.1	6.7	6.4	6.6	6.1	5.3	5.7	3.3	4.4	3.9

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

Unit: Percent

	2004p1	2004p1						2005p1		
		Q1	Q2	H1	Q3	Q4	H2	Q1	Q2	H1
Private Consumption Expenditure	5.7	6.2	5.7	5.9	5.6	5.4	5.5	4.5	4.7	4.6
Government Consumption Expenditure	4.1	7.0	4.9	6.0	0.3	5.2	2.5	16.0	9.2	12.5
Gross Capital Formation	15.9	23.7	23.7	23.7	18.5	0.4	8.6	18.6	29.0	23.6
Gross Fixed Capital Formation	14.4	16.7	12.9	14.7	12.0	16.2	14.0	15.1	14.2	14.7
Private	15.3	18.6	16.1	17.3	14.2	12.7	13.4	11.1	12.3	11.7
Public	11.7	10.3	3.8	6.8	8.1	28.2	15.6	29.2	20.2	24.4
Change in Inventories	39.9	72.5	554.3	173.0	130.4	-87.9	-73.6	34.8	226.0	85.8
Exports of Goods and Services	7.8	6.2	11.8	9.0	8.4	5.2	6.7	-0.7	1.3	0.3
Goods	7.0	6.3	6.7	6.5	9.2	5.9	7.5	-0.5	0.3	-0.1
Services	11.4	5.8	43.3	21.0	4.5	2.1	3.2	-1.5	5.8	2.0
Imports of Goods and Services	12.2	13.5	20.1	16.8	12.5	3.9	8.1	10.3	12.8	11.6
Goods	12.1	14.3	19.8	17.1	13.3	2.3	7.7	11.7	15.1	13.4
Services	12.8	9.5	21.8	15.4	7.4	13.3	10.4	2.2	-0.5	0.8
Gross Domestic Expenditure	5.9	6.6	6.2	6.4	6.1	4.9	5.5	2.8	4.3	3.5

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

Unit: Billions of Baht

	2004p1	2004p1						2005p1		
		Q1	Q2	H1	Q3	Q4	H2	Q1	Q2	H1
Exports of Goods and Services	4,604.5	1,049.9	1,118.8	2,168.7	1,195.4	1,240.3	2,435.7	1,142.4	1,246.2	2,388.6
Rate of Growth (% y.o.y.)	18.5	11.0	22.5	16.6	22.0	18.4	20.2	8.8	11.4	10.1
Imports of Goods and Services	4,271.9	964.5	1,067.9	2,032.4	1,125.1	1,114.3	2,239.4	1,196.3	1,385.6	2,582.0
Rate of Growth (% y.o.y.)	22.6	15.4	28.3	21.8	27.0	19.6	23.2	24.0	29.8	27.0
Trade and Services Balance	332.6	85.4	50.9	136.3	70.4	126.0	196.3	-53.9	-139.4	-193.4
Percentage to GDP (%)	5.1	5.3	3.2	4.3	4.3	7.2	5.8	-3.1	-8.1	-5.6
Factor Income From Abroad , Net	-127.8	-13.5	-46.3	-59.8	-34.9	-33.1	-68.0	-30.9	-62.1	-93.0
Current Transfers From Abroad , Net	76.0	10.8	18.5	29.3	21.9	24.8	46.7	23.7	26.0	49.6
Current Account Balance	280.8	82.7	23.1	105.8	57.4	117.7	175.1	-61.2	-175.6	-236.8
Percentage to GDP (%)	4.3	5.1	1.4	3.3	3.5	6.8	5.2	-3.5	-10.2	-6.9

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

Unit: Percent

	2004p1	2004p1						2005p1		
		Q1	Q2	H1	Q3	Q4	H2	Q1	Q2	H1
GDP Implicit Price Deflator	4.5	2.2	4.8	3.5	5.1	5.9	5.5	4.4	3.0	3.7
Consumer Price Index	2.7	1.9	2.6	2.2	3.3	3.1	3.2	2.8	3.7	3.3
Producer Price Index	6.7	2.5	5.6	4.1	8.2	10.5	9.3	9.6	9.5	9.5

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

Unit: Percent

	2004p1	2004p1						2005p1		
		Q1	Q2	H1	Q3	Q4	H2	Q1	Q2	H1
Demand Side (Expenditure)	5.9	6.5	6.2	6.4	6.2	4.8	5.5	2.8	4.3	3.5
Domestic Demand	6.5	7.0	6.5	6.8	5.8	6.5	6.2	6.8	6.7	6.8
Private Consumption Expenditure	3.1	3.3	3.2	3.3	3.1	2.9	3.0	2.4	2.7	2.5
Government Consumption Expenditure	0.4	0.5	0.4	0.5	0.0	0.4	0.2	1.3	0.8	1.0
Gross Fixed Capital Formation	3.0	3.2	2.8	3.0	2.7	3.2	3.0	3.2	3.3	3.2
Net Exports	-1.1	-2.6	-2.5	-2.5	-0.9	1.5	0.3	-5.6	-6.3	-6.0
Exports of Goods and Services	5.0	3.9	7.5	5.6	5.6	3.4	4.5	-0.4	0.8	0.2
Imports of Goods and Services	6.1	6.5	9.9	8.2	6.5	2.0	4.1	5.2	7.2	6.2
Change in Inventories	0.5	2.0	2.2	2.1	1.3	-3.1	-1.0	1.6	3.9	2.7
Supply Side (Production)	6.1	6.7	6.4	6.6	6.1	5.3	5.7	3.3	4.4	3.9
Agriculture	-0.4	-0.2	-0.5	-0.4	-0.4	-0.4	-0.4	-0.8	-0.2	-0.5
Manufacturing	3.2	3.8	2.8	3.3	3.2	2.9	3.0	1.4	2.5	1.9
Construction	0.3	0.3	0.2	0.2	0.3	0.4	0.4	0.3	0.2	0.3
Services and Others	3.0	2.8	4.0	3.4	3.0	2.4	2.7	2.5	1.9	2.2

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

	2004p1	2004p1						2005p1		
		Q1	Q2	H1	Q3	Q4	H2	Q1	Q2	H1
Demand Side (Expenditure)										
Private Consumption Expenditure	5.6	0.3	1.8	2.4	1.0	2.1	3.0	-0.5	2.3	1.7
Government Consumption Expenditure	4.5	-0.5	1.7	1.1	-2.9	8.7	2.2	9.4	-5.4	10.9
Gross Fixed Capital Formation	14.6	2.1	1.5	5.0	3.9	8.6	9.1	0.3	1.4	5.1
Supply Side (Production)										
Agriculture	-4.1	-0.3	-2.6	-3.2	0.8	-0.9	-1.0	-5.7	3.9	-4.3
Manufacturing	8.4	2.3	0.4	4.1	2.4	2.3	3.8	-1.5	3.1	1.2
Construction	13.2	2.5	0.3	3.9	4.7	12.4	11.4	-4.1	-3.2	-0.1
Services and Others	6.2	0.8	2.2	2.9	0.8	1.0	2.4	1.0	0.9	1.9
Gross Domestic Product	6.1	1.3	1.0	2.8	1.5	1.6	2.8	-0.7	1.9	1.0