



ผลิตภัณฑ์มวลรวมในประเทศ ไตรมาสที่ 1/2548

GROSS DOMESTIC PRODUCT: Q1/2005

GDP QUARTERLY REPORT



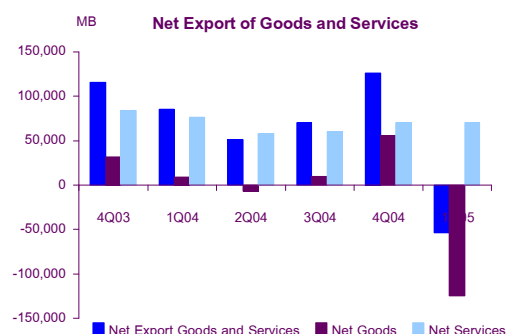
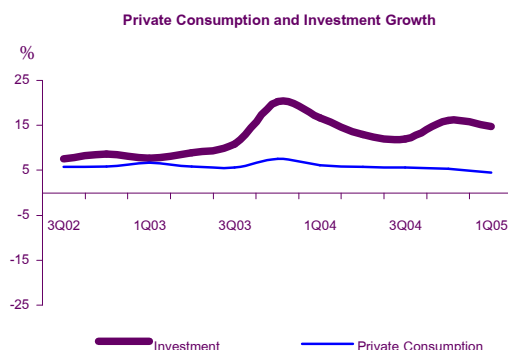
HIGHLIGHT OF Q1/2005

GDP GROWTH BY SECTOR (YoY)

	2004E	1Q04	2Q04	3Q04	4Q04	1Q05
Agriculture	-3.9	-2.0	-5.8	-5.2	-3.3	-8.2
Non-agriculture	7.2	7.7	7.7	7.1	6.5	4.5
GDP	6.1	6.7	6.4	6.1	5.3	3.3

GDP recorded a slow growth of 3.3% resulting from weaken domestic consumption and net exports, combined with drought, oil price surge and the Tsunami disaster.

- GDP in Q1 grew at 3.3% lower than 5.3% in 4Q04, underpinned by severe drought, creeping up of oil price, and the catastrophic Tsunami disaster.
- Prolonged drought had caused growth in agricultural sector to remain negative for 5 consecutive quarters, with this period posting a fall of 8.2%. Production of major crops i.e. paddy, sugarcane and cassava contracted while livestock production rebounded.
- Non-agricultural sector expanded only by 4.5% in response to a slowdown in major production sectors, particularly manufacturing and transportation. Hotels and restaurants shrunk while financial intermediation kept on expanding.

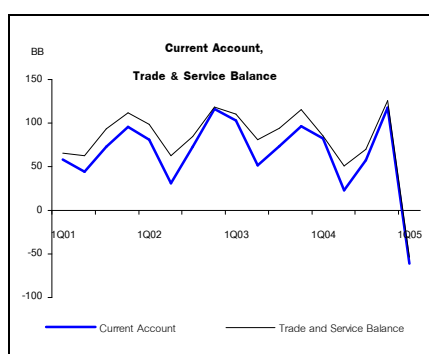
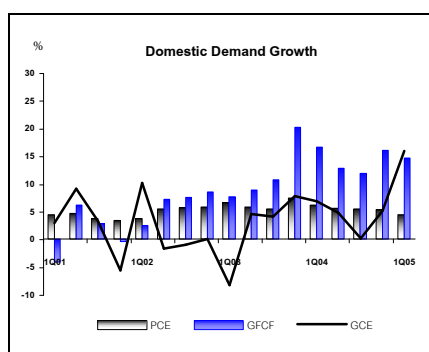
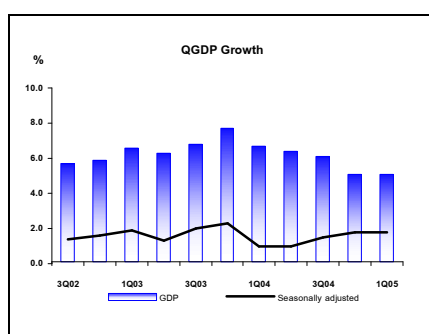


Trade and services balance, in nominal term, posted a highest deficit since the Asian Crisis while household consumption and capital formation showed slow growth.

- Trade balance at current market prices registered a highest deficit since the Asian Financial Crisis of Baht 124.5 billion as import growth outweighed export. On the other hand, services balance remained in surplus at Baht 70.4 billion.
- Household consumption continued with the slow trend of 4.5% brought about by continuous hikes in oil prices, drought, and Tsunami disaster.
- Investment grew by 14.8%, dampen from a growth of 16.2% in the previous quarter. Investment by public sector accelerated from 28.2% in 4Q04 to 29.2% while private sector slowed from 12.7% to 10.6%.

GROSS DOMESTIC PRODUCT (GDP) : Q1/2005

GDP 1Q05 grew by 3.3% with a slump in net external demand.



OUTLOOK: GDP 1Q05 slowed at 3.3% underpinned by severe drought, the tsunami disaster, unrest in the South and oil price surge.

The overall Thai economy registered a growth rate of 3.3% in 1Q05 with both domestic and external factors attributed to such a result. The major contributor was net external demand, which contracted by 47.3% in response to a 0.5% fall in export while import shot up by 11.7%. In addition, net export of services continued downward for the third consecutive quarter, falling by 6.1% in this period. At the same time, the domestic demand kept on expanding as government consumption expenditure rose by 16.0%. The private consumption, however, grew at a slower rate by 4.5% due to severe drought, hikes in oil prices, the violence in the 3 southern provinces and the catastrophic Tsunami disaster at the end of 2004. Investment also slowdown by 14.8%.

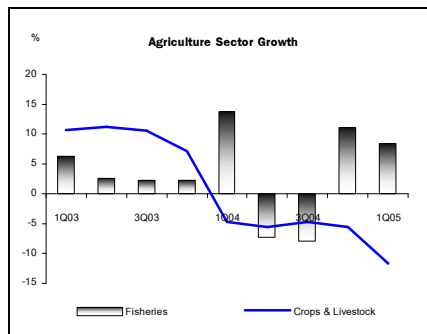
The overall production grew at a 5.1% rate with agricultural sector shrinking by 8.2% as drought prolonged from the previous year causing a slump in production of major crops e.g. rice, sugarcane and cassava. Growth of non-agriculture at 4.5% brought about by slow growth in main production sectors including manufacturing, construction, trade and transportation. In addition, hotels and restaurants plummeted in this period. Conversely, construction and financial intermediation continued its robust growth.

Growth Rate of Gross Domestic Product: Q1/2005		(%)				
	2004	2004				2005
		Q1	Q2	Q3	Q4	Q1
Agriculture	-3.9	-2.0	-5.8	-5.2	-3.3	-8.2
Non agriculture	7.2	7.7	7.7	7.1	6.5	4.5
GDP	6.1	6.7	6.4	6.1	5.3	3.3
GDP (Q/Q) (Seasonally adj.)	6.1	1.4	0.8	1.7	1.5	-0.6

- Seasonally adjusted GDP shrank by 0.6%, compared with a rise of 1.5% in the previous quarter. GDP in 1Q05 at current market prices stood at Baht 1,733.5 billion. After deducting Baht 31.0 billion of net factor income from the rest of the world, the Gross National Product (GNP) recorded at Baht 1,702.5 billion, an expansion of 2.2% in real terms.
- Trade and services balance swung into a deficit of Baht 54.1 billion at current market prices. After adding net factor income and transfer from the rest of the world, a deficit of Baht 7.3 billion, the current account registered a deficit of Baht 61.5 billion, equivalent to 3.5% of GDP compared to a surplus of 6.8% in 4Q05.
- The GDP implicit price deflator increased by 4.4% compared to 5.9% in 4Q04. The producer price index and consumer price index grew by 9.6% and 2.8% respectively.

Production decelerated by 3.3% due to a drop in agriculture, while a slowdown in non-agriculture.

Crops production shrank, fishery decelerated but livestock increased.



Manufacturing production decelerated by 3.6% in all major industries.

Production

The production decelerated from 5.3% in 4Q04 to 3.3% in 1Q05, due to 8.2% drop in agricultural production caused from a drought. Moreover, non-agricultural production slowed down from 6.5% in 4Q04 to 4.5% in 1Q05 according to a decrease in hotels and restaurants sector in line with a drop in a number of tourists. Major production sectors with decelerated growth were manufacturing; construction; and transportation and communication; while financial intermediation showed favorable growth.

Agriculture

Agricultural production dropped by 8.2% due to the drought which caused the production in crops dropping by 16.7%. While livestock and fisheries production rose by 24.0% and 8.4% respectively.

- **Crops** dropped by 16.7%, continual drop from the previous quarter due to a long drought. This caused the decrease in first crop paddy and second crop paddy yields as well as sugarcane.
- **Livestock** markedly rose by 24.0% owing to the increase in broiler and eggs production in line with higher consumption demand. However, swine production slightly decelerated.
- **Fishery** rose by 8.4%, compared to 11.1% in 4Q04 due to a decrease in exports of shrimp.
- **Implicit price deflator of agricultural sector** increased by 10.5% 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 broilers and hen eggs.

Manufacturing

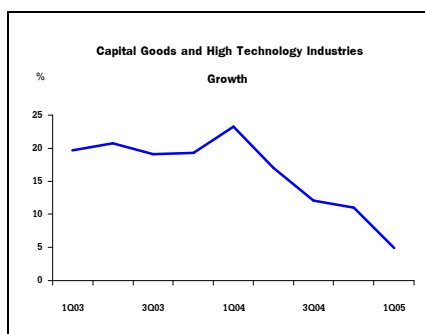
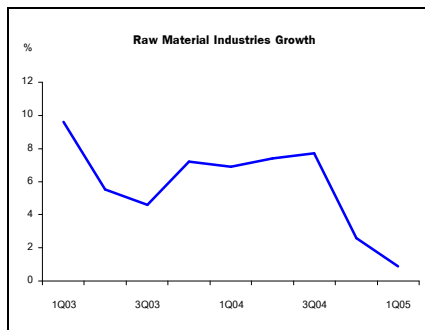
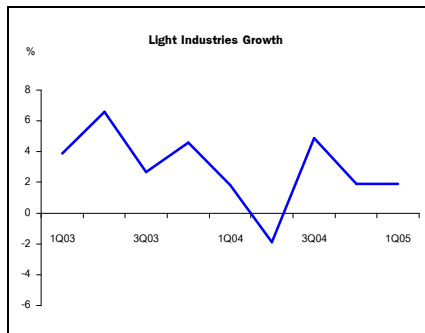
Manufacturing decelerated from 7.6% in 4Q04 to 3.6% in 1Q05 mainly due to a slowdown production in all major industries, namely light, raw material, and capital goods and high technology. This resulted from a decrease in domestic demand, lessening of agricultural raw materials, as well as temporary shutting down factories of major industries for maintenance. The industries with shrank growth were food and beverages, basic metals, electrical machinery and apparatus. The slowdown industries were petroleum refineries, and motor vehicles. However, the industries with favorable growth were industries related to construction; and office, accounting and computing machinery.

Manufacturing Sector Growth

Industrial Types	2004	2004				(%)
						2005
		Q1	Q2	Q3	Q4	Q1
Light Industries	1.6	1.8	-1.9	4.9	2.6	0.9
Raw material	7.9	6.9	7.4	7.7	9.6	5.7
Capital goods	15.5	23.3	17.1	12.1	11.0	4.9
Total	8.3	10.2	7.3	8.4	7.6	3.6

Light industries: continued to decelerate from 2.6% in 4Q04 to 0.9% in 1Q05, due to a major decrease in food and beverages industries. Major industries were:

- **Food and beverages** dropped by 4.0%, compared to 0.9% drop in 4Q04. Food production dropped by 5.5% owing to less production, particularly in sugar industry and canned pineapple industry. This resulted from the shortage of agricultural raw materials as a result of a drought. Moreover, the production of processed seafood industry also dropped due to less export demand in shrimp. Beverage production was also decelerated by 1.3% mainly due to a decrease in liquor industry. However, beer production slightly grew due to lessening in distribution and having piled up its inventory since 4Q04.
- **Wood and wood products** grew by 14.5%, in line with higher construction.
- **Other industries** increased by 8.0% due to high growth of jewelry and precious stones production in line with higher exports with 31.1% growth in 1Q05.



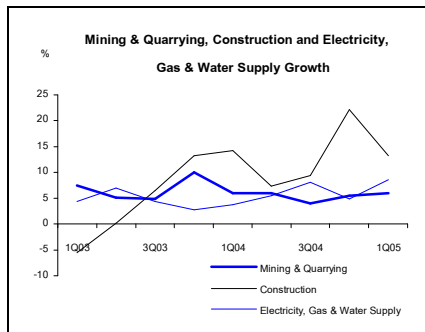
Raw material industries slowed down from 9.6% in 4Q04 to 5.7% in 1Q05 resulting from the drop and slowdown in the following industries:

- **Petroleum refineries** decelerated by 1.8% due to shutdown for maintenance in February.
- **Metallic products** decreased by 3.1% due to shutdown for maintenance and installation of new machine during January and February.

Capital goods and high technology industries decreased from 11.0% in 4Q04 to 4.4% in 1Q05. Industries with dropped and decelerated growth were electrical machinery and apparatus; radio, television and communication equipment; and motor vehicles. While office, accounting and computing machinery production increased. Major sectors were:

- **Electrical machinery and apparatus** dropped by 1.5% due to a continual decrease in integrated circuits production in line with 12.1% drop in exports.
- **Machinery and equipment** decelerated by 6.7% owing to less production of air conditioners and washing machines whereas the production in refrigerators decelerated.

High electricity consumption in nearly all type of industries except large scale industries.



- **Motor vehicles** markedly decelerated by 1.7%, from 21.5% in 4Q04 due to less production in passenger cars in line with less demand affected by higher fuel prices. However, commercial cars production increased owing to higher domestic demand.
- **Office, accounting and computing machinery** increased by 18.3% led by computers and apparatus production in line with higher demand for exports by 19.1%.

Electricity, gas and water supply increased by 8.5%, compared to 4.9% in 4Q04. Electricity, accounting for 86.5%, expanded by 9.2%. It was in line with 6.7% increase of electricity demand; particularly household, public sector, small and medium enterprises consumption. However, large scale industries, accounting for 42.9% of total electricity demand, grew by 9.2%, slowdown from 12.6% in 4Q04. Moreover, special enterprises and others also decelerated. Water supply grew by 4.5% as well as gas refinery rose by 6.8% in line with an increase in natural gas production.

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

Sources: MEA and PEA

Natural gas and crude oil production increased.

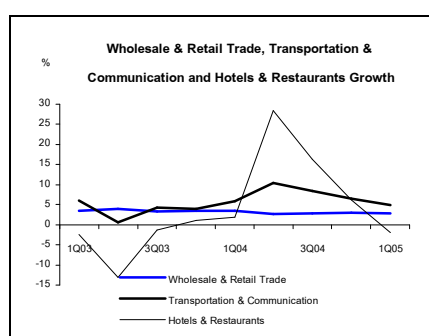
Mining and quarrying increased by 6.0%, higher than 5.5% in 4Q04 due to 8.4% increase in natural gas and crude oil production. This resulted from 16.9% increase in crude oil production from Benjamas, with 19.9% growth, as well as Kapong, Surat and Yala fields. Moreover, natural gas and liquid natural gas production increased by 6.8% and 5.9% respectively. Meanwhile, lignite mining slowed down by 4.5%. Other mineral production decreased by 5.6% led by limestone for cement industry, granite and gypsum whereas limestone for construction increased. Stone quarrying production grew by 9.1% in line with continual increase in construction.

The construction decelerated by 13.3%.

Construction decelerated by 13.3%, from 22.2% in 4Q04 due to the deceleration in public construction by 16.0%. compared to 35% in 4Q04. Private construction grew by 10.3%, slightly dropping from 4Q04 due to the deceleration in residential construction and commercial building construction.

Transport services dropped while telecommunication services favorably increased.

Transportation and communication rose by 4.9%, compared to 6.5% in 4Q04. This was mainly from 0.3% contracted in transport services owing to 5.5% and 2.3% contracted in land and air transports, respectively. This resulted from less production in goods and a decrease in a number of tourists. Telecommunication services increased by 14.9% due to higher revenue of private companies.



The growth of hotels and restaurants dropped by 2.0% according to a decrease in a number of tourists.

	2004	2004				2005
		Q1	Q2	Q3	Q4	Q1
Transport	6.7	4.0	10.1	6.5	6.6	-0.3
Land Transport	0.4	0.2	-4.6	1.4	5.2	-0.1
Passenger	3.7	3.9	4.4	-1.0	7.3	5.7
Cargo	-2.6	-2.9	-12.5	3.7	2.9	-5.5
Telecommunication						
Local Calls	-2.1	3.4	-2.6	-4.8	-4.5	-6.0
Long Distance Calls	8.6	9.0	8.8	11.6	5.4	1.1

Sources: TOT Corporation PCL

Wholesale and retail trade increased by 2.8%, slightly dropping from 2.9% in 4Q04 as a result of less agriculture and industrial products due to a long drought, and high fuel prices. Repairing rose by 6.8%, compared to 8.2% in 4Q04.

Hotels and restaurants contracted by 2.0% compared to 6.1% increase in 4Q04, due to 7.4% drop in hotel business according to 7.1% decline in a number of foreign tourists affected by Tsunami impact and the unrest in 3 provinces in the South. This resulted in 26.9% decrease in a number of tourists in January. However, a number of tourists increased in two months later. Restaurants services rose by 0.9%, decelerating from 7.7% in 4Q04, due to continual decrease in domestic consumption.

Number of Foreign Tourists		(1,000 Persons)				
	2004	2004				2005
		Q1	Q2	Q3	Q4	Q1
Asian	6,635	1,572	1,549	1,768	1,746	1,447
European	2,850	902	498	590	860	831
American	824	220	183	184	237	202
Others	1,343	281	306	403	352	280
Total	11,651	2,975	2,536	2,945	3,195	2,760
Included Thais	11,737	2,995	2,558	2,966	3,218	2,782
Growth Rate (YoY)	16.4	4.4	74.4	14.0	2.3	-7.1

Sources: Tourism Authority of Thailand, Bank of Thailand

Commercial banks showed good performance.

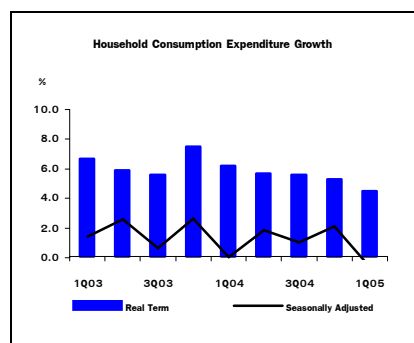
Financial intermediation grew by 17.2%, compared to 15.7% in 4Q04. Commercial banks exhibited sound performance attributed to an increase in net interest receipt, which continued to expand as well as service charges and fees. However, the Government Saving Bank; Bank for Agriculture and Agricultural Co-operatives; Government Housing Bank and life insurance companies showed slower pace of growth.

Other services

Other services' growth expanded.

- Overall other services increased by 5.1% compared 2.9% in 4Q04 owing to public administration and defence; education; and health and social work sectors increasing by 3.9%, 3.0% and 8.6%, respectively.
- Other community, social and personal service activities sector decelerated by 3.7% due to radio and television growth remaining unchanged at 2.7%, government lottery and special lottery growing by 3.5%, less than 6.2% in 4Q04. Laundering and beauty treatment dropped by 3.0% and 4.6%, respectively but other services increased by 9.7%.

Oil price fluctuation, prolonged drought upward trend of commodity prices and interest rates had restrained private consumption expenditure to decelerate by 4.5%.



Consumer Confidence Index (CCI)

	2004	2004					2005
		Q1	Q2	Q3	Q4	Q1	
CCI	99.8	107.5	102.4	96.1	93.4	91.2	
Growth Rate	1.2	16.5	11.1	-4.3	-15.0	-15.2	

Source: The Center of Economic and Business Forecasting, UTCC

Credit Card Data

	2004	2004					2005
		Q1	Q2	Q3	Q4	Q1	
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	

Expenditure

Household consumption expenditure

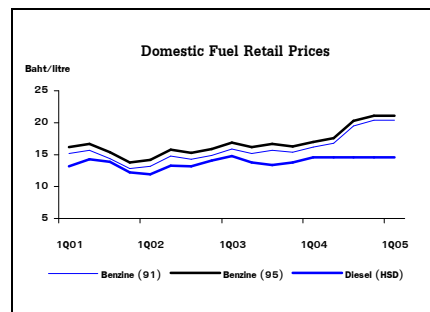
- Household consumption expenditure grew by 4.5%, slowing from 5.4% in 4Q04. After seasonal adjustment, the value decreased by 2.2% from the previous quarter.
- Several factors had contributed to stimulate expenditure during this period. This includes rising farm income, although at a slower pace from 4Q04 resulting from higher prices, monetary policy to maintain low domestic interest rates, and improved situation of Avian Influenza in the country. As concern over the epidemic eased, poultry consumption had increased relative to a low base of the same quarter of the previous year, which marked the outbreak of the flu.
- However, consumers' confidence had been suppressed by numerous domestic as well as external risks. Continuous hikes in fuel and retail oil prices, especially after the adjustment of diesel price caps following a long peg since January 2004, had raised the cost of production and consequently put an upward pressure on commodity prices. A combination of severe drought, expectation that commercial banks would raise their interest rates following an upward adjustment of 14-day repurchase rate, adversely affected consumers' confidence to spend. This is especially true for products that are sensitive to prices, income and interest rates. In addition, the catastrophic Tsunami disaster that hit 6 southern provinces on December 26, 2004 and its aftermath earthquakes had lowered tourist arrivals to the Andaman coastal areas despite coordination between public and private sectors to resolve the situation
- Excluding expenditure of residents abroad and non-residents in the country, household consumption expenditure decelerated by 3.6%.

Household Consumption Expenditure Growth (%)						
	2004	2004				2005
		Q1	Q2	Q3	Q4	Q1
PCE in domestic market	6.5	5.7	8.9	6.9	4.8	3.4
less : expenditure of non-residents in the country	16.0	4.4	64.0	14.9	2.4	2.0
PCE excluding expenditure of non-residents in the country	5.6	5.8	5.4	6.1	5.1	3.6
plus : expenditure of residents abroad	9.3	19.4	14.2	-9.1	15.4	35.0
PCE	5.7	6.2	5.7	5.6	5.4	4.5

Fuel Quantity and Retail Prices

	2004	2004				2005
		Q1	Q2	Q3	Q4	Q1
Quantity (Billion litre)						
Diesel HSD	19,535	4,833	4,717	4,705	5,281	5,260
(% YoY)	11.9	12.3	7.5	11.9	15.9	8.9
Diesel LSD	105	26	29	27	22	22
(% YoY)	5.1	6.1	23.5	1.1	-9.1	-17.6
Benzine 91	4,631	1,158	1,190	1,141	1,143	1,108
(% YoY)	1.8	3.1	4.5	2.0	-2.4	-4.3
Benzine 95	2,979	805	797	695	683	670
(% YoY)	-3.4	7.0	4.0	-8.6	-15.3	-16.7
Price (Baht/litre)						
Diesel HSD	14.6	14.6	14.6	14.6	14.6	16.1
(% YoY)	4.6	-1.3	5.4	8.7	6.0	10.2
Diesel LSD	14.4	14.4	14.4	14.4	14.4	16.1
(% YoY)	5.1	-0.2	5.6	9.1	6.4	12.0
Benzine 91	18.2	16.2	16.8	19.5	20.4	21.1
(% YoY)	17.3	1.8	10.5	24.9	32.2	30.1
Benzine 95	19.0	17.0	17.6	20.3	21.1	21.9
(% YoY)	15.0	0.5	8.6	21.7	29.7	28.6
Crude Oil Price (US\$/BBL)						
Crude oil	27.4	31.3	34.8	39.6	39.8	44.9
(% YoY)	-2.3	4.7	36.8	42.9	37.2	43.5

Source: PTT PCL, EPPO



Source: EPPO

Expenditure classified by section

Agriculture grew by 6.3% owing mainly to 46.2% increase in consumption of hen's egg and duck's egg as consumers eased their concerns about the Avian Influenza, together with the low base effect from 1Q04, when the epidemic severely hit the country. Consumption of vegetable and fruit increased by 2.5% and fishery products rose by 1.9%.

Food, beverages, tobacco and textiles accelerated by 2.9% in response to 13.8% expansion in consumption of meat and simple agricultural processing product in line with higher confidence to consume poultry and its products. While consumption of dairy products, tobacco and apparel rose by 8.5%, 2.7%, and 2.0% respectively, beverage consumption swung down by 1.1% as Tsunami disaster at the end of 2004 resulted in cancellation of celebrations and traveling during New Year holidays.

Electricity, gas and water supply grew at the rate of 5.5%, up from 4.6% of the previous quarter, contributed by higher growth of water consumption at 9.5% and of the electricity consumption at 4.4%.

Transport equipments fell for the first time after continuous expansion since the first quarter of 2000. Private expenditure on transport equipment contracted by 5.6% in this period, attributed by the high base effect from the same quarter of the previous year, together with hikes in gasoline prices, especially after adjustment of diesel price ceilings that had been fixed since January 2004. Sales volume of passenger cars fell by 19.5% compared with 10.6% growth in 4Q04. Registration of new vans also shrunk by 39.7% while of pickup rose by 6.2% and of motorcycle by 3.8%.

Transport Equipment Sales

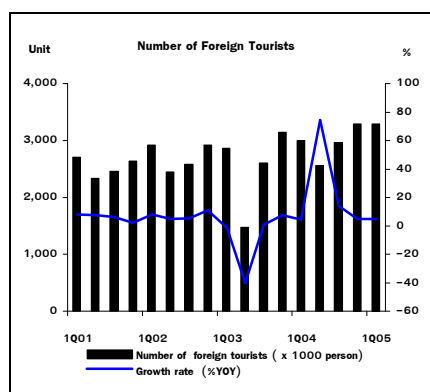
	2004	2004				2005
		Q1	Q2	Q3	Q4	Q1
Personal car (units)	209,114	52,512	50,125	50,193	56,284	42,260
Percentage change	16.6	19.3	18.3	19.1	10.6	-19.5
Commercial car (units)	416,764	95,073	100,941	89,890	130,860	124,245
Percentage change	17.7	26.5	18.8	-1.0	27.0	30.7
Motorcycle (thousand units)	1943	507	494	431	510	519
Percentage change	15.2	13.0	14.2	11.7	21.7	1.2

Sources: Thailand Automotive Institute and the Bank of Thailand

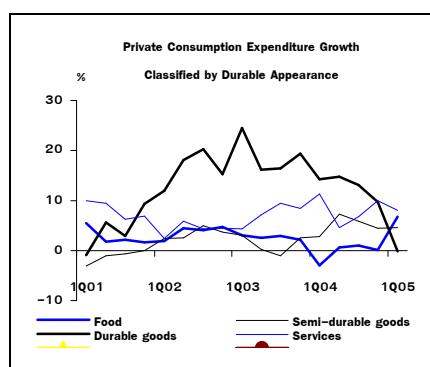
Transport and communication services posted a slower growth at 7.6%, compared to 9.4% in 4Q04. Despite only 1.7% deceleration in transportation services, postal and telecommunication services expanded by 17.2% with registration of basic telephone and mobile phone grew by 2.9% and 17.9%, respectively. This resulted from aggressive price competition in mobile phones in order to expand

customer base and quantity of the phone usage, with companies offering price reductions for both pre-paid and post-paid systems as well as more alternatives to meet more specific customers' needs.

Subscribers of Telephone Numbers



Sources: Tourism Authority of Thailand



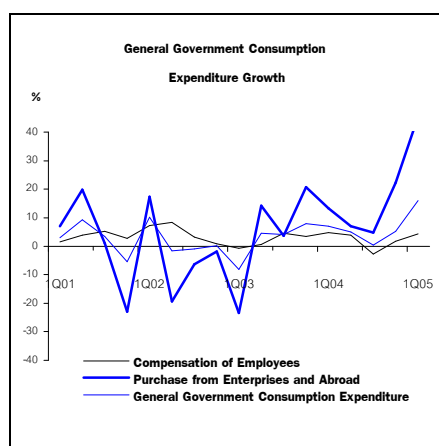
	2004	2004				2005
		Q1	Q2	Q3	Q4	Q1
Basic telephone (thousand units)	6,466	6,352	6,387	6,412	6,466	6,538
Population to registered number	10.0	10.1	10.1	10.0	10.0	9.9
Mobile phone (thousand units)	27,206	23,729	25,058	25,952	27,206	28,633
Prepaid system	22,382	19,089	20,393	21,240	22,382	23,468
Postpaid system	4,824	4,640	4,665	4,712	4,824	5,165
Structure	100.0	100.0	100.0	100.0	100.0	100.0
Prepaid system	79.1	80.4	81.4	81.8	79.1	82.0
Postpaid system	17.6	19.6	18.6	18.2	17.6	18.0
Population to registered number	2.4	2.7	2.6	2.5	2.4	2.3

Sources : TOT Corporation PCL, and CAT Telecom PCL

Hotels and restaurants plunged by 1.9% from an increase of 5.9% in 4Q04, contributed by 7.4% drop in hotel services in accordance with both domestic and foreign tourists expenditure. The fall in tourist arrivals by 7.1% was a result brought by the Tsunami disaster and its aftershocks. This shook off the tourists' confidence by slowing down number of tourists coming to the Andaman coast despite public and private sectors coordination projects to boost tourism, particularly the restoration strategies of Andaman tourism. An expenditure for restaurant services increased only by 0.7%.

Private Consumption Expenditure Growth Classified by Durable Appearance						(%)
	2004	2004				2005
		Q1	Q2	Q3	Q4	Q1
Private Consumption Expenditure	5.7	6.2	5.7	5.6	5.4	4.5
Food	-0.3	-3.0	0.7	1.0	0.1	6.8
Other than food	7.3	8.8	7.0	6.9	6.7	4.0
Non-durable products (excluding food)	5.2	7.1	6.0	4.6	3.1	1.5
Semi-durable products	5.0	2.8	7.3	5.9	4.3	4.6
Durable products	12.9	14.3	14.8	13.1	9.7	-0.2
Services	8.2	11.3	4.5	6.7	10.3	8.0

Disaggregation of consumers' expenditure by durability, the expenditure on food rose by 6.8% and other goods and services went up by 4.0%, decelerating from 6.7% in 4Q04. Growth of non-durable goods (excluding food) such as beverage, electricity and water supply, medicine and household utensils was posted at 1.5%; of semi-durable goods consisting of clothing, footwear and household equipments was 4.6%; and the durable goods such as vehicles, furniture, electrical appliances, computers, radios and televisions, on the other hand, declined by 0.2%. Expenditure on services consisting of hotels and restaurants, recreation and entertainment, education, remedy and net tourists expenditure was 8.0%.



Government consumption expenditure (GCE)

- In 1Q05, the disbursement increased by 26.1% compared to 1.0% decreasing in the previous quarter. This was a result of technical problem, switching to an electronic budget disbursement system known as the Government Fiscal Management Information System (GFMIS). Since no one have been familiar with the system, some amounts of delay disbursement were pay in 1Q05. Nevertheless, in the first half of fiscal year, disbursement rate stood at 46.0% higher than 42.6% in the same period last year.
- The government consumption expenditure at current market prices was recorded at Baht 199,346 million, increased by 26.2%. Compensation of employees was Baht 148,040 million, increased by 20.0%. Whereas net purchases from enterprises and abroad was Baht 51,306 million, increased by 48.1%. These massive increments resulted from the unusual disbursement.
- Nevertheless, GCE grew by 16.0% in real term. This was a result of an increase in compensation of employees by 4.3% due to a sharp rise in salary index from an increase of salaries and remunerations since 2Q04. Whereas, net purchase from enterprises and abroad increased by 45.4%.

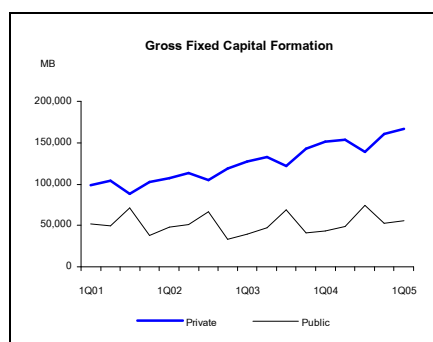
Disburse of Government Budget

(Baht in Million)

Objects of Expenditures	2004				2005
	Q1	Q2	Q3	Q4	Q1
Wages and Salaries	76,249	82,492	84,850	83,964	94,536
Remuneration and Utilities	15,315	16,335	25,298	8,946	15,429
Equipment and Construction	13,156	22,309	28,488	5,589	15,942
Subsidies	36,947	34,126	37,126	72,095	46,896
Others	37,227	45,151	54,233	61,154	72,640
Funds and Revolving Funds	15,552	13,674	514	0	1,437
Central Funded	34,270	51,265	61,560	32,205	41,462
Total	228,715	265,351	292,068	263,953	288,342

Source: Ministry of Finance

Investment grew by 14.8%.



Gross fixed capital formation (GFCF)

GFCF increased by 14.8% compared to 16.2% in 4Q04.

- *Private investment*, increased by 10.6% lower than 12.7% in 4Q04 due to a decrease in private investment of both construction and equipments.
- *Public investment*, increased by higher rate of 29.2% than 28.2% in 4Q04. This was a result of growth rate of public construction, which recorded at 18.5% compared to 35.8% in 4Q04. Whereas, public equipments continued to increase by higher rate of 58.6% than 16.3% in 4Q04.

Gross Fixed Capital Formation Growth						(%)
	2004	2004				2005
		Q1	Q2	Q3	Q4	Q1
Construction	13.0	14.1	7.8	10.1	21.7	14.2
Private	15.4	19.1	17.8	13.9	11.2	10.3
Public	10.7	8.8	-1.9	7.2	35.8	18.5
Equipments	15.1	18.1	15.7	13.5	13.6	15.1
Private	15.3	18.5	15.5	14.4	13.2	10.7
Public	14.0	14.6	17.0	9.9	16.3	58.6
Total GFCF	14.4	16.7	12.9	12.0	16.2	14.8
Private	15.3	18.6	16.1	14.2	12.7	10.6
Public	11.7	10.3	3.8	8.1	28.2	29.2

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

Private construction

Private construction grew by 10.3%. owing to an increased of residential and commercial construction at the rate of 16.6% and 26.1%, respectively. While, factory construction expanded by 10.4% compared to 16.9% drop in 4Q04.

Public construction

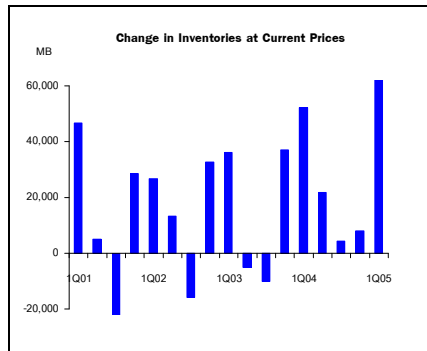
Public construction expanded by a lower rate of 18.5% than 35.8% in 4Q04. This was a result of a slowdown in government construction in both central and local authorities by 6.3%. In addition, state enterprises construction increased by only 39.3% lower than 76.6% in 4Q04 due to smaller disbursement in mega projects especially Suvarnnabhumi International Airport.

Private machinery and equipments

Private machinery and equipments increased by 10.7%, lower than 13.2% in 4Q04. This was a result of a continual increase in machinery such as machineries for producing rubber and plastic products, electrical machinery, and automotive industries. However, transport and office equipments decelerated by 12.9% and 2.0% respectively.

Public machinery and equipments

Public machinery and equipments continued to increase by a higher rate of 58.6% than 16.3% in 4Q04. This was as a result of an increase in state enterprise investment, which increased by 73.2% due to an investment in PTT Public Company Limited, TOT Corporation Public Company Limited, and CAT Telecom Public Company Limited. Additionally, central and local authority equipments increased by 39.7% as disbursement in office equipment rose.



Trade balance recorded at the highest deficit after economic crisis.

Exports and Imports (Unit: Billions of Baht)

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

Source: Bank of Thailand

Current Account Balance (at current market prices)

	2004	2004				2005
		Q1	Q2	Q3	Q4	Q1
Current Account						
Billions of US \$	7.0	2.1	0.6	1.4	2.9	-1.6
Current Account						
Billions of Baht	280.9	82.7	23.1	57.4	117.7	61.5
Percentage to GDP						
	4.3	5.1	1.4	3.5	6.8	-3.5

Source: Bank of Thailand

Change in Inventories

Change in inventories in 1Q05 increased significantly from previous quarter, current prices valued at Baht 93,361 million. The increased voluntary inventories consist of imported raw material such as crude oil, basic metal, which was resulted from plant closing for maintenance as well as the entrepreneur expectation on Baht depreciation. The stock of non-monetary gold grew up owing to demand from the jewelry industry for export was in an upward trend. Beverage inventories also rose because of the expectation of rising excise tax.

The involuntary inventories surged up especially electronic products and parts due to lower demand from external market as a result of downturn of business cycle.

On the other hand, the rubber stock declined because of lower supply in the market and higher demand from China. Moreover, automobiles and parts inventories decreased due to continual increase in demand as well as the Bangkok International Motor Show held in March attributed to high sales volume.

External Sectors

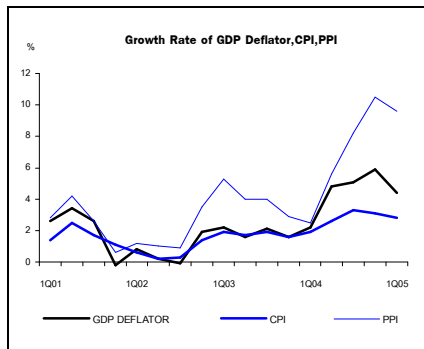
Exports

Merchandise exports at current market prices registered at Baht 951,937 million, diminishing by 10.7% in line with the lower demand from the principal export markets especially Japan, ASEAN and European markets that decelerating by 13.0%, 10.8% and 7.7%, respectively. The export products that contributed considerably to export growth still were the high-tech items such as computer and parts, plastic products, vehicle and parts and base metal products. Nevertheless, the export quantity declined by 0.5% largely due to the contraction in the integrated circuits and agricultural products as a result of the down cycle in the global electronics industry and drought, respectively.

Services receipts at current market prices recorded at Baht 195,976 million, rising by 3.3%. The travel receipts still expanded by 3.1%. When considered at constant prices, the travel receipts decelerated by 1.5%. The hotel occupancy rates posted at 64.7% in 1Q05, lower than 68.3% in 1Q04 owing to the tourism in January affected by the natural disaster, Tsunami, in the six southern provinces. However, the tourism revenue in the southern part gradually expanded in this quarter.

Imports

Merchandise imports at current market prices surged up to Baht 1,076,437 million especially fuel and lubricant which remained high both price and quantity. The import categories with a boosted growth were intermediate products, raw materials and capital goods especially steel and machinery that imported for domestic production and investment.



Besides, non-monetary gold markedly expanded due to a decrease in global gold price. The real term imports grew by 11.7%.

Services payments at current market prices recorded at Baht 125,604 million at the growth rate of 10.8% while services payment at constant prices rose by 6.1%, lower than 13.3% in 4Q04. However, outbound travel payment expanded at a robust rate of 35.8%.

Current account balance and exchange rate

Trade deficit, the highest level after the economic crisis, registered in nominal term at Baht 124,500 million as imports remarkably accelerated. Services balance at current market prices remained at a surplus of Baht 70,372 million as a result of the recovery of tourism after the Tsunami disaster. Nevertheless, trade deficit caused a deficit in current account at Baht 61,496 million. For currency position, the Baht appreciated against the US Dollar with 38.6 Baht per US Dollar on average, a increase of 4.2% compared to the previous quarter.

GDP implicit price deflator

The GDP implicit price deflator increased by 4.4% in 1Q05, compared to 5.9% in 4Q04. Consumer price index rose by 2.8% in 1Q05, decelerating from 3.1% in 4Q05 and producer price index grew by 9.6%.

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

Unit : Billions of Baht

	2004	2003				2004				2005
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
GDP Nominal Prices (Billions of Baht)	6,576.8	1,473.8	1,432.2	1,464.2	1,560.1	1,607.3	1,597.7	1,632.6	1,739.2	1,733.5
GDP 1988 Prices (Billions of Baht)	3,671.7	865.6	831.7	843.5	919.3	923.6	885.2	894.9	968.0	953.9
Growth Rate of Real GDP (% y.o.y.)	6.1	6.6	6.3	6.8	7.7	6.7	6.4	6.1	5.3	3.3
GNP Nominal Prices (Billions of Baht)	6,449.0	1,458.4	1,394.8	1,435.0	1,531.1	1,593.8	1,551.4	1,597.8	1,706.1	1,702.5
GNP 1988 Prices (Billions of Baht)	3,618.8	861.2	815.5	830.9	906.8	920.5	864.4	880.0	953.9	940.9
Growth Rate of Real GNP (% y.o.y.)	6.0	7.3	6.6	5.9	6.1	6.9	6.0	5.9	5.2	2.2

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

	2004	2003				2004				2005
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Agriculture	-3.9	10.1	9.9	9.2	6.5	-2.0	-5.8	-5.2	-3.3	-8.2
Agriculture, Hunting & Forestry	-5.2	10.7	11.2	10.6	7.2	-4.7	-5.6	-4.7	-5.6	-11.7
Fishing	3.6	6.3	2.6	2.2	2.2	13.8	-7.3	-7.9	11.1	8.4
Non-Agriculture	7.2	6.2	6.0	6.6	7.8	7.7	7.7	7.1	6.5	4.5
Mining & Quarrying	5.3	7.5	5.1	4.8	10.0	5.9	5.9	4.0	5.5	6.0
Manufacturing	8.4	10.2	11.2	9.3	10.8	10.2	7.3	8.4	7.6	3.6
Electricity, Gas & Water supply	5.5	4.3	7.0	4.4	2.8	3.7	5.4	8.0	4.9	8.5
Construction	12.7	-5.5	0.1	6.4	13.3	14.3	7.3	9.4	22.2	13.3
Wholesale & Retail Trade, Repairs	3.0	3.5	3.9	3.3	3.4	3.5	2.7	2.8	2.9	2.8
Hotel & Restaurants	12.2	-2.5	-13.1	-1.3	1.0	1.8	28.4	16.3	6.1	-2.0
Transport, Storage & Communication	7.7	6.0	0.6	4.3	4.0	5.9	10.4	8.4	6.5	4.9
Financial Intermediation	14.2	14.3	15.0	15.2	20.2	12.9	16.7	11.6	15.7	17.2
Real Estate, Renting & Business Activities	7.5	4.9	4.7	4.5	6.4	5.9	7.8	8.6	7.7	7.0
Public Administration & Defense etc.	0.2	-0.3	1.1	8.6	6.2	4.1	1.8	-3.3	-1.6	3.9
Education	1.5	2.6	3.5	0.9	0.6	3.1	4.5	-0.1	-1.4	3.0
Health & Social Work	2.8	-7.4	-6.8	0.0	0.8	6.4	6.5	-1.9	1.2	8.6
Other Community, Social & Personal Services	13.5	5.6	4.7	12.1	21.8	23.7	15.4	10.5	6.3	3.7
Private Household with Employed Persons	3.7	0.3	3.2	4.5	4.0	3.3	4.1	3.7	3.6	2.5
GDP	6.1	6.6	6.3	6.8	7.7	6.7	6.4	6.1	5.3	3.3

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

Unit: Percent

	2004	2003				2004				2005
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Private Consumption Expenditure	5.7	6.7	5.9	5.6	7.5	6.2	5.7	5.6	5.4	4.5
Government Consumption Expenditure	4.1	-8.1	4.6	4.2	7.9	7.0	4.9	0.3	5.2	16.0
Gross Capital Formation	15.9	10.3	2.3	14.2	23.4	23.7	23.7	18.5	0.4	18.3
Gross Fixed Capital Formation	14.4	7.7	9.0	10.9	20.3	16.7	12.9	12.0	16.2	14.8
Private	15.3	18.3	16.4	15.8	19.4	18.6	16.1	14.2	12.7	10.6
Public	11.7	-16.6	-7.6	3.3	23.7	10.3	3.8	8.1	28.2	29.2
Change in Inventories	39.9	32.2	-144.8	31.9	44.6	72.5	554.3	130.4	-87.9	34.8
Exports of Goods and Services	7.8	12.6	4.7	4.2	7.1	6.2	11.8	8.4	5.2	-0.1
Goods	7.0	14.9	10.1	5.1	8.6	6.3	6.7	9.2	5.9	-0.5
Services	11.4	4.1	-19.5	0.2	1.4	5.8	43.3	4.5	2.1	1.3
Imports of Goods and Services	12.2	12.6	1.5	3.8	13.4	13.5	20.1	12.5	3.9	10.8
Goods	12.1	14.2	3.8	4.6	17.1	14.3	19.8	13.3	2.3	11.7
Services	12.8	4.5	-10.6	-0.5	-4.8	9.5	21.8	7.4	13.3	6.1
Gross Domestic Expenditure	5.9	6.9	6.5	7.2	7.7	6.6	6.2	6.1	4.9	2.8

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

Unit: Billions of Baht

	2004	2003				2004				2005
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Exports of Goods and Services	4,604.5	946.3	913.3	979.8	1,047.2	1,049.9	1,118.8	1,195.4	1,240.3	1,147.9
Rate of Growth (% y.o.y.)	18.5	15.4	9.6	9.0	10.6	11.0	22.5	22.0	18.4	9.3
Imports of Goods and Services	4,271.9	836.1	832.1	885.6	931.5	964.5	1,067.9	1,125.1	1,114.3	1,202.0
Rate of Growth (% y.o.y.)	22.6	15.9	8.0	8.8	12.5	15.4	28.3	27.0	19.6	24.6
Trade and Services Balance	332.6	110.2	81.1	94.3	115.7	85.4	50.9	70.4	126.0	-54.1
Percentage to GDP (%)	5.1	7.5	5.7	6.4	7.4	5.3	3.2	4.3	7.2	-3.1
Factor Income From Abroad , Net	-127.8	-15.4	-37.4	-29.1	-29.1	-13.5	-46.3	-34.9	-33.1	-31.0
Current Transfers From Abroad , Net	76.0	8.1	7.8	8.2	9.8	10.8	18.5	21.9	24.8	23.7
Current Account Balance	280.8	102.9	51.5	73.4	96.4	82.7	23.1	57.4	117.7	-61.5
Percentage to GDP (%)	4.3	7.0	3.6	5.0	6.2	5.1	1.4	3.5	6.8	-3.5

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

Unit: Percent

	2004	2003				2004				2005
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
GDP Implicit Price Deflator	4.6	2.2	1.6	2.1	1.6	2.2	4.8	5.1	5.9	4.4
Consumer Price Index	2.7	1.9	1.7	1.9	1.6	1.9	2.6	3.3	3.1	2.8
Producer Price Index	6.7	5.3	4.0	4.0	2.9	2.5	5.6	8.2	10.5	9.6

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

Unit: Percent

	2004	2003				2004				2005
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Demand Side (Expenditure)	5.9	6.8	6.5	7.3	7.7	6.5	6.2	6.2	4.8	2.8
Domestic Demand	6.5	4.3	5.7	6.0	8.2	7.0	6.5	5.8	6.5	6.8
Private Consumption Expenditure	3.1	3.6	3.4	3.2	4.0	3.3	3.2	3.1	2.9	2.4
Government Consumption Expenditure	0.4	-0.7	0.4	0.4	0.6	0.5	0.4	0.0	0.4	1.3
Gross Fixed Capital Formation	3.0	1.5	1.9	2.4	3.6	3.2	2.8	2.7	3.2	3.1
Net Exports	-1.1	1.8	2.2	0.8	-1.8	-2.6	-2.5	-0.9	1.5	-5.6
Exports of Goods and Services	5.0	7.5	3.0	2.9	4.7	3.9	7.5	5.6	3.4	-0.1
Imports of Goods and Services	6.1	5.7	0.8	2.0	6.4	6.5	9.9	6.5	2.0	5.5
Change in Inventories	0.5	0.7	-1.4	0.5	1.2	2.0	2.2	1.3	-3.1	1.6
Supply Side (Production)	6.1	6.6	6.3	6.8	7.7	6.7	6.4	6.1	5.3	3.3
Agriculture	-0.4	1.0	0.9	0.7	0.8	-0.2	-0.5	-0.4	-0.4	-0.8
Manufacturing	3.2	3.7	4.1	3.5	4.0	3.8	2.8	3.2	2.9	1.4
Construction	0.3	-0.1	0.0	0.2	0.2	0.3	0.2	0.3	0.4	0.3
Services and Others	3.0	2.0	1.3	2.4	2.7	2.8	4.0	3.0	2.4	2.4

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

	2004	2003				2004				2005
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Demand Side (Expenditure)	9.6	1.8	2.3	0.7	2.5	0.5	5.3	1.7	4.5	-2.2
Private Consumption Expenditure	4.5	2.5	2.9	2.4	1.5	0.1	0.5	-2.2	8.7	10.2
Government Consumption Expenditure	14.7	4.6	3.4	5.4	4.6	2.2	0.2	5.0	8.8	0.1
Gross Fixed Capital Formation	7.9	3.1	-1.7	2.7	3.0	2.2	3.4	-0.4	0.1	-3.2
Supply Side (Production)	12.2	1.3	-1.8	5.1	8.5	1.1	4.1	-1.3	0.1	7.5
Agriculture										
Manufacturing	-4.1	9.1	1.1	0.1	-3.5	0.5	-3.1	0.9	-1.2	-5.1
Construction	8.4	2.7	3.0	1.5	3.1	2.2	0.4	2.6	2.1	-1.5
Services and Others	13.3	0.8	5.4	3.3	2.2	3.2	-2.0	6.7	12.0	-2.9
Gross Domestic Product	6.2	0.5	-0.3	3.0	2.0	0.8	2.1	0.9	1.0	1.0
Demand Side (Expenditure)	6.1	2.2	1.2	2.1	1.9	1.4	0.8	1.7	1.5	-0.6

FORTHCOMING RELEASES

2005

JULY

31 Capital Stock of Thailand 2004
(publication)

AUGUST

SEPTEMBER

5 GDP : Q2/2005
(press release, publication, internet)
(09.30 local time)

30 Flow-of-Funds Accounts of Thailand 2003
(statistical tables on internet)

OCTOBER

29 Input-Output Table of Thailand 2000
(statistical tables on internet)

NOVEMBER

30 National Income of Thailand 2004
(statistical tables on internet)

DECEMBER

6 GDP : Q3/2005
(press release, publication, internet)
(09.30 local time)

30 Flow-of-Funds Accounts of Thailand 2003
(publication)

2006

JANUARY

31 National Income of Thailand 2004
(publication)

FEBRUARY

28 Gross Regional and Provincial Products
2005 (Sub region)
(publication)

MARCH

6 GDP : Q4/2005
(press release, publication, internet)
(09.30 local time)

APRIL

28 Flow-of-Funds Accounts of Thailand 2004
(statistical tables on internet)

MAY

31 Capital Stock of Thailand 2005
(statistical tables on internet)

JUNE

5 GDP : Q1/2006
(press release, publication, internet)
(09.30 local time)

30 Gross Regional and Provincial Products
2005 (statistical tables on internet)

JULY

31 Capital Stock of Thailand 2005
(publication)

AUGUST

31 Flow-of-Funds Accounts of Thailand 2004
(publication)

SEPTEMBER

4 GDP : Q2/2006
(press release, publication, internet)
(09.30 local time)