

Gross Domestic Product THIRD QUARTER 2007

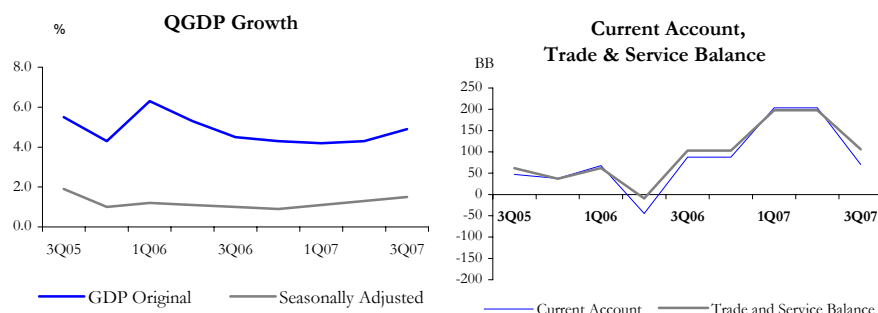
GDP 3Q07 expanded by 4.9% driven by both domestic and external factors.

The overall Thai economy in 3Q07 grew by 4.9%, improving from 4.3% in 2Q07. Major growth contributors included household consumption expenditure—rising by 1.9% from expenditure on durable goods, government consumption and total investment which expanded by 9.8% and 2.6%, respectively. Net exports of goods and services increased by 7.4%, compared to a 36.4% rise in previous quarter. This was due to acceleration in imports of goods and services while export of goods and services slowed down.

Overall production in 3Q07 went up by 4.9%, with non-agricultural sector increasing by 5.0%. This was a result of expansion in production of manufacturing; financial intermediation; electricity, gas and water supply; and transport and communication by 5.8%, 8.5%, 6.1% and 8.3%, respectively. However, agricultural sector slowed down to 4.0% from 7.5% in 2Q07 as production in crops and fishing grew less rapidly while livestock expanded.

Growth Rate of Gross Domestic Product: Q3/2007 (%)

	2006	2006				2007		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3
Agriculture	3.8	6.0	7.0	2.2	1.4	3.8	7.5	4.0
Non agriculture	5.2	6.4	5.2	4.7	4.7	4.2	4.0	5.0
GDP	5.1	6.3	5.3	4.5	4.3	4.2	4.3	4.9
GDP								
Seasonally adjusted(Q-o-Q)	5.1	1.2	1.1	1.0	0.9	1.1	1.3	1.5



- **Seasonally adjusted GDP** rose by 1.5% compared to 1.3% in 2Q07.
- **GDP in 3Q07 at current market prices** was Baht 2,068.2 billion. After deducting Baht 74.9 billion of net factor income from the rest of the world, the Gross National Product (GNP) was recorded at Baht 1,993.4 billion, a 6.0% growth in real terms.
- **Trade and services balance** at current market prices registered a surplus of Baht 144.3 billion. After adding net factor income and transfer from the rest of the world, the current account continued to show a surplus of Baht 128.9 billion.
- **The GDP implicit price deflator** slowed down from 2.7% in previous quarter to 1.7%. Likewise, the producer price index and consumer price index rose by 1.5% and 1.6%, smaller growth rates from 1.8% and 1.9%, respectively, in 2Q07.

PRODUCTION APPROACH

GDP growth in 3Q07 grew by 4.9%, led by non-agricultural production.

Production growth in 3Q07 increased by 4.9% compared to 4.3% of 2Q07. This resulted from non-agricultural production increasing by 5.0%, compared to 4.0% in 2Q07, led by manufacturing; financial intermediation; electricity, gas and water supply; and transport and communications. However, agricultural production slowed down by 4.0%, from 7.5% in 2Q07.

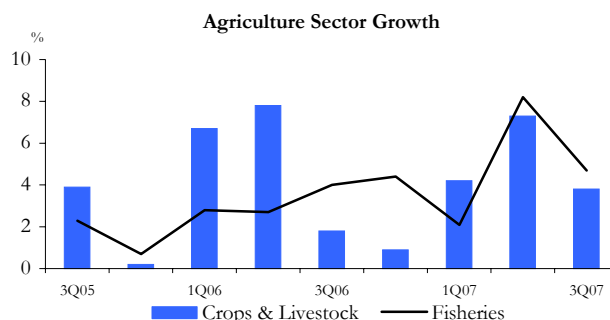
Agriculture

Agricultural production slowed down by 4.0%, compared to 7.5% in 2Q07 due to the slowdown in crops, and fishing production, while livestock production growth increased.

Slowdown growth of crops and fishing, while livestock growth increased.

- **Crops** slowed down by 4.2%, compared to 8.4% in 2Q07. This resulted from lower yields of rubber due to unfavorable weather conditions, as well as maize yields, however first and second crop paddy yields slowed down. As a result of government policy on encouraging energy plants growing, the production of oil palm and cassava increased.
- **Livestock** grew by 3.7%, from 3.4% in 2Q07. This resulted from higher production of chicken due to higher domestic and external demand in line with stringent bird flu prevention measures which boosted up consumer's confidence, as well as larger import quotas on processed chicken from Thailand to EU which is effective on 1 July, 2007. Moreover, swine production increased due to higher consumption demand.
- **Fishing** slowed down by 4.7%, compared to 8.2% in 2Q07, due to lower production of shrimp as weather condition was unfavorable.

Implicit price deflator of agricultural sector increased by 7.2%, down from 13.4% in 2Q07, due to the prices of major crops slowing down, led by rubber, and that of livestock, particularly swine, decreasing continuously.



Non-agriculture

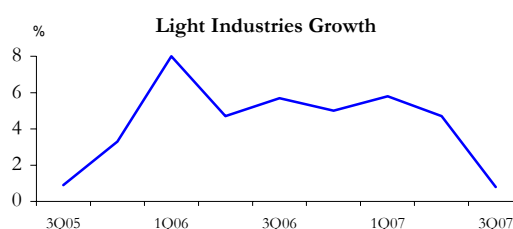
Growth of manufacturing increased led by raw material, and capital goods and high technology industries.

Manufacturing grew by 5.8%, compared to 4.5% in 2Q07. This resulted from an increase in raw material industries, and capital goods and high technology industries which grew by 2.2% and 11.8% respectively, whereas light industries growth slowed down to 0.8%.

Manufacturing Sector Growth		(%)						
Industrial Types	2006	2006				2007		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3
Light industries	5.9	8.0	4.7	5.7	5.0	5.8	4.7	0.8
Raw material	0.1	0.5	0.3	-1.2	0.9	0.5	1.3	2.2
Capital goods	9.0	12.3	9.5	8.0	6.8	6.0	6.3	11.8
Total	5.9	8.1	5.7	5.0	4.8	4.7	4.5	5.8

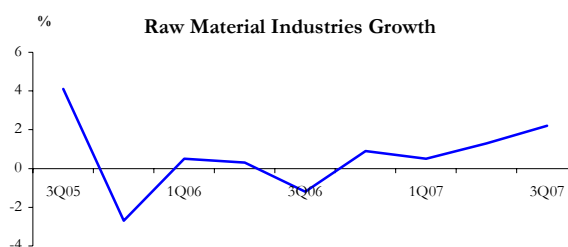
Light industries slowed down to 0.8%. Changes of major components were:

- **Food and beverages** increased by 3.1%, lower than 7.8% in 2Q07. This resulted from the slowdown in beverages production by 1.5%, mainly due to less production of liquor, as well as food production slowing down by 4.6%.
- **Tobacco** increased by 15.8%, as the producers accelerated the production to pile up their stock before the increase of excise tax for cigarettes by the end of August.



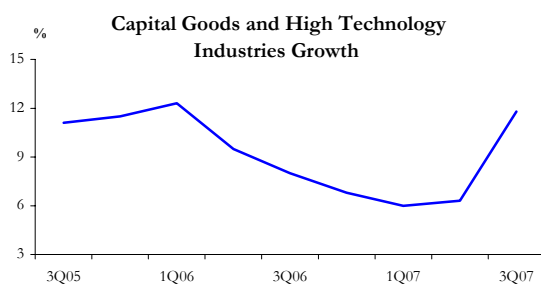
Raw material industries grew by 2.2%, higher than 2Q07. Changes of major components were:

- **Rubber and rubber product** increased by 3.6%, compared to 3.1% in 2Q07, owing to an increase in block rubber production in response to higher external demand.
- **Chemicals and chemical products** grew by 7.1%, compared to 2.1% in 2Q07, due to higher production of petrochemical industry in line with higher external and domestic demand.
- **Paper and paper product** increased by 6.8%, owing to higher domestic demand.



Capital goods and high technology industries increased by 11.8%, compared to 6.3% in 2Q07. Major components were:

- **Office machinery** grew by 30.6% due to higher production of computer and accessories, particularly hard disk drives.
- **Machinery and apparatus** grew by 18.8%, led by the production of air conditioner, fans, and other domestic appliances in line with higher export demand.
- **Motor vehicles** increased by 13.3%, compared to 3.8% in 2Q07, due to higher production in passenger and commercial cars in line with higher domestic and external demand.



Electricity consumption of all types of users increased.

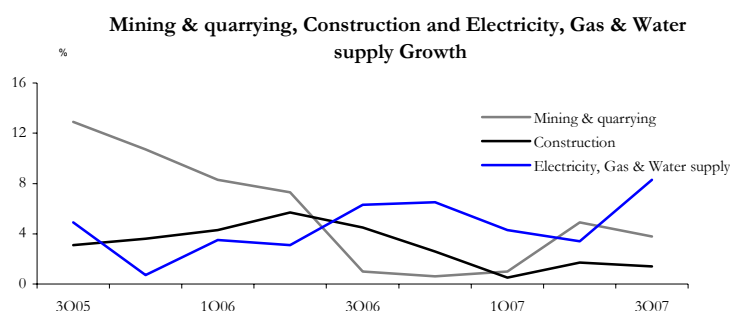
Electricity, gas and water supply grew by 8.3%, compared to 3.4% in 2Q07. Electricity, which accounted for 86.3% of total value of the sector, increased by 9.2%, higher than 2.7% in 2Q07. Electricity consumption of large scale enterprises, which accounted for the highest share, increased by 5.0%, and that of special enterprises grew by 7.1%, whereas that of small scale enterprises and residence slowed down by 6.0% and 4.8% respectively. Natural gas refinery grew by 9.3%. Water supply increased only by 0.7%, less than 5.8% in 2Q07.

Electricity Consumption Growth		(%)						
	2006	2006				2007		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3
Residential	5.2	5.8	0.3	5.8	9.7	2.2	5.2	4.8
<i>Ratio</i>	21.6	20.9	22.5	21.4	21.5	20.6	22.7	21.5
Small ent.	5.6	5.6	0.9	6.5	10.0	4.0	6.9	6.0
<i>Ratio</i>	10.1	9.9	10.2	10.1	10.2	10.0	10.5	10.2
Medium ent.	6.6	8.5	4.5	6.9	6.5	3.7	4.3	0.1
<i>Ratio</i>	17.6	18.0	17.6	17.9	18.0	18.0	17.6	17.1
Large ent.	4.9	3.1	4.1	7.4	4.9	4.5	3.5	5.0
<i>Ratio</i>	41.7	42.1	41.0	41.9	41.8	42.5	40.6	42.2
Special ent.	7.4	11.5	3.3	5.7	9.7	4.4	6.6	7.1
<i>Ratio</i>	3.1	3.1	3.1	3.0	3.0	3.2	3.1	3.1
Public Sector	3.5	0.3	-2.9	5.4	11.7	4.6	9.1	8.8
<i>Ratio</i>	3.2	3.0	3.1	3.4	3.2	3.1	3.2	3.5
Others	5.0	7.0	9.3	5.3	-1.6	-7.2	-7.8	2.5
<i>Ratio</i>	2.5	2.8	2.5	2.4	2.3	2.6	2.2	2.3
Total	5.4	5.1	2.8	6.7	6.9	3.5	4.3	4.3

Sources: MEA and PEA

Slowdown growth in natural gas and crude oil production.

Mining and quarrying increased by 3.8%, compared to 4.9% in 2Q07. This resulted from natural gas, liquid natural gas and crude oil production, which accounted for 64.8% of total production, increasing by 7.2%. Natural gas increased by 9.3% in line with higher production from Benchamas, North Pailin, Funan and Phu Hom fields, new production fields, which are used for generating electricity at Nam Pong Power Plant of EGAT. Liquid natural gas, crude oil, lignite, salt production grew by 6.1%, 2.0%, 2.2%, and 7.1%, respectively. Other mineral production decreased by 2.4% due to a decrease in lime production for cement industries, as well as gypsum production, whereas marble production increased.



Construction growth slowed by 1.4%.

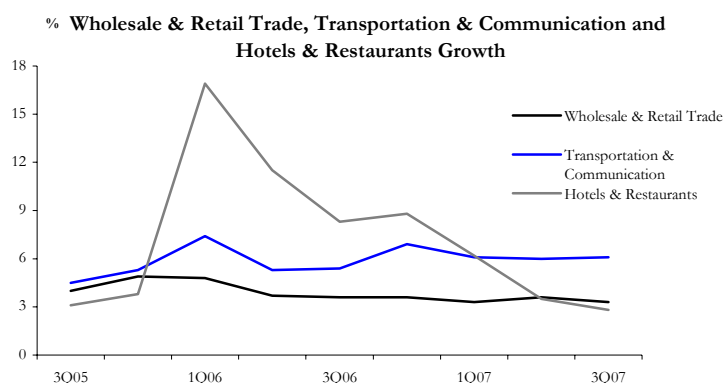
Construction increased by 1.4%, compared to 1.7% in 2Q07. This resulted from a decrease in the construction of the state enterprises by 3.3%, while mega project investment has not yet started particularly the petrochemical project phase 3 and logistic project. Moreover, the construction of central and local government slowed down compared with the previous quarter although they accelerated their disbursement. However, private construction showed favorable growth. This resulted from the growth of residential and condominium construction in Bangkok metropolitan along MRT construction line. The commercial building construction continued to increase from 2Q07, while factory building construction decreased by 7.9%, compared to 16.2% decrease in 2Q07.

High favorable growth of telecommunication services but transport growth remained unchanged.

Transportation and communication increased slightly by 6.1%, from 6.0% in 2Q07. This resulted from an increase of telecommunication services by 8.6%, higher than 8.1% in 2Q07 due to their favorable performance. Transport services growth stayed at 4.5%, same as previous quarter, led by air transport growth which continued to increase, whereas land transport growth, particularly passenger transport services, decreased, due to higher transport fee, while goods transport services continued to increase.

Selected Transport and Communication Items Growth								(%)
	2006	2006				2007		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3
Transport	6.4	6.3	6.1	4.6	8.5	7.5	4.5	4.5
Land transport	-0.5	0.0	-2.1	-1.5	1.6	4.2	-0.9	-1.8
Air transport	13.5	11.8	15.8	10.3	16.1	14.0	9.8	12.8
Water transport	10.1	9.9	7.4	9.6	13.3	4.0	5.4	3.7

Wholesale and retail trade grew by 3.3%, due to a 2.8% slowdown in trade as a result of lower production in agricultural products. Repair of motor vehicles, motorcycles, personal and household goods increased by 6.0%.



Slowdown growth in restaurant businesses, while hotel growth increased.

Hotels and restaurants grew by 2.8%, compared to 3.5% in 2Q07. Restaurants services grew by 2.0%, down from 3.0% in 2Q07, in line with slowdown in consumption expenditures. Hotel services grew by 4.1%, up from 3.9% in 2Q07 due to a 2.7% increase in the number of foreign tourists. As they have reduced their anxiety and increased their confidence in traveling in Thailand. The hotel occupancy rate stayed at 58.0%, compared to 54.2% of 2Q07.

Number of Foreign Tourists						(1,000 Persons)		
	2006	2006				2007		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3
Asian	7,622	1,932	1,822	1,940	1,928	1,854	1,752	1,930
European	3,490	1,061	646	716	1,067	1,279	676	756
American	923	252	209	199	263	253	202	195
Others	1,788	377	435	505	471	445	493	570
Total	13,823	3,622	3,112	3,360	3,729	3,831	3,123	3,451
Growth Rate (YoY)	20.0	35.5	24.1	11.8	12.0	5.8	0.4	2.7

Sources: Tourism Authority of Thailand

Favorable growth in commercial banks.

Financial intermediation grew by 8.5%, compared to 4.7% in 2Q07. The commercial banks' favorable growth came from an increase in net interest receipt, banks' fees and service charges, including hire purchase and financing lease. Moreover, Government Saving Bank, Government Housing Bank, and life insurance businesses also showed increasing growth.

Other services growth increased.

Other services increased by 3.7%, compared to 1.8% in 2Q07. Public administration and defence growth grew by 4.4%, compared to 0.1% in 2Q07.

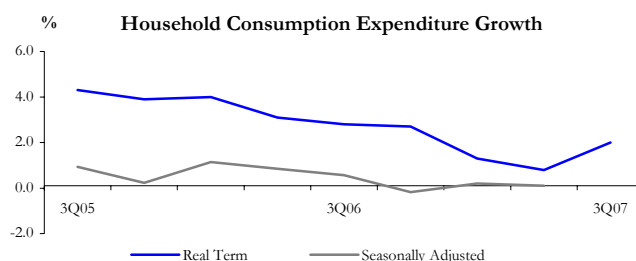
Education growth increased by 8.6% compared to 4.3% in 2Q07. The public education, which accounted for 90.0% of total sector, increased by 9.0%, compared to 4.2% in 2Q07. The private education grew by 6.4%.

Other community services decreased by 3.3%, continuously decreasing from 2Q07. This resulted from government lottery, special lottery, and 2 and 3-end digit lottery, which accounted for the highest of this sector, decreased by 12.9%. The latter one stopped operating since the end of November, 2006, while government lottery's sale remained unchanged. Beauty treatment; laundry services; motion projection growth also decreased. However, other entertainment activities increased by 7.1%. Sport services, zoological gardens and motion production also increased.

EXPENDITURE APPROACH

Household consumption expenditure

Household consumption expenditure grew by 1.9%, increasing from 0.8% in 2Q07. After seasonal adjustment, it rose by 1.7% from the previous quarter.



Clearer political direction raised household consumption expenditure by 1.9%.

Stimulating factors included clearer political condition as government had set the election date, continuously rising farm income, and lower inflation. In addition, it was also due to low-base effect from 3Q06 when political uncertainty adversely affected consumers' confidence. Expenditure expanded significantly in durable goods, particularly automobiles, furniture and electrical machinery. This was consistent with residential construction, namely condominium. Likewise, credit card usage continued to increase.

Credit Card Data (unit: BB) and Consumer Confidence Index (CCI)

	2006	2006				2007		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3
Domestic usage	540	131	128	133	148	149	142	147
Abroad usage	27	6	8	7	7	6	8	8
Cash advance	184	46	44	44	50	53	49	48
Total	752	183	179	184	205	209	199	203
Growth (YoY)	19.6	28.6	19.5	15.2	16.3	14.2	11.2	10.4
CCI	82.5	85.3	81.2	80.4	83.0	79.1	77.1	75.8
Growth Rate	-5.9	-6.5	-6.5	-5.3	-5.5	-7.3	-5.0	-5.7

Source: Bank of Thailand and the UTCC

Excluding expenditure of residents abroad and non-residents in the country, household consumption expenditure grew by 2.0%.

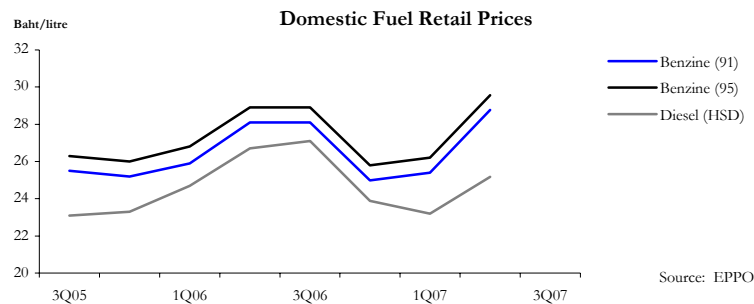
Household Consumption Expenditure Growth		(%)						
	2006	2006				2007		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3
PCE in domestic market	4.2	6.5	4.6	3.0	2.6	2.0	1.5	2.0
less: expenditure of non-residents in the country	16.3	34.3	25.8	6.3	4.3	7.9	9.3	2.3
PCE excluding expenditure of non-residents in the country	3.0	3.9	3.1	2.7	2.4	1.3	0.8	2.0
plus: expenditure of residents abroad	7.7	7.5	4.8	5.5	12.1	0.2	2.0	0.4
PCE	3.2	4.0	3.1	2.8	2.7	1.3	0.8	1.9

Expenditure classified
by section

Agriculture slowed by 2.4% as expansion in vegetable and fruit consumption went up slightly by 0.3%. Nevertheless, fishery products consumption went up—consistently with supply—by 7.9%.

Food, beverages, tobacco and textiles grew by 1.9% due to 2.8% growth in consumption of meat and simple agricultural processing product, 2.3% in consumption of apparel and other textiles and 1.5% in consumption of beverage.

Electricity, gas and water supply went up by 5.4%, a slower pace from 6.0% in the previous quarter. This was resulted from slowdowns in both electricity consumption by 5.6% and water consumption by 4.7%.



Transport equipments fell by 6.4%, improving from a 9.6% fall in the previous quarter. This reflected a 2.1% increase in sales volume of passenger cars, and a 3.8% rise in that of pickup trucks while the registration of motorcycles continued downward by 20.4%.

Transport Equipment Sales

	2006	2006				2007		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3
Personal car (units)	191,405	44,783	49,344	44,676	52,602	37,522	45,567	45,633
Percentage change	3.0	6.0	4.3	11.0	-6.0	-16.2	-7.7	2.1
Commercial car (units)	490,603	125,068	115,424	109,000	141,111	100,748	108,677	113,178
Percentage change	-5.2	0.7	-12.6	-8.1	-1.2	-19.4	-5.8	3.8
Motorcycle (thousand units)	1,921	512	502	478	429	393	397	366
Percentage change	-6.4	-1.3	0.6	0.0	-23.0	-23.3	-20.9	-23.3

Sources: Thailand Automotive Institute and the Bank of Thailand

Hotels and restaurants rose by 2.5%, owing to expansion in hotel services by 3.7%—consistent with Thai and foreign tourists' expenditure. Another contributing factor includes the hosting of 24th Universiade or "Bangkok 2007," during August 8-18, 2007. Restaurant services also grew by 2.0%.

Transport and communication services went up by 4.1%, less rapidly as compared to 4.7% in 2Q07 with transport services growing slightly by 0.8% while postal and telecommunication services continued to expand by 8.4%. This was in response to continuously increasing mobile phone usage. The registered numbers went up considerably by 32.7%. Basic telephone registration also rose by 0.4%.

Subscribers of Telephone Numbers

(End of Period)	2006	2006				2007		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3
Basic telephone (thousand units)	6,708	6,794	6,694	6,707	6,708	6,719	6,696	6,732
Population to registered number	9.8	9.6	9.7	9.7	9.8	9.8	9.8	9.8
Mobile phone (thousand units)	41,046	32,222	34,197	36,796	41,046	43,383	47,104	48,816
Prepaid system	35,853	27,750	29,558	31,937	35,853	37,426	41,122	43,168
Postpaid system	5,193	4,473	4,639	4,859	5,193	5,957	5,982	5,648
Structure	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Prepaid system	87.3	86.1	86.4	86.8	87.3	86.3	87.3	88.4
Postpaid system	12.7	13.9	13.6	13.2	12.7	13.7	12.7	11.6
Population to registered number	1.6	2.0	1.9	1.8	1.6	1.5	1.4	1.3

Sources : TOT Corporation PCL, and CAT Telecom PCL

Disaggregation of consumers' expenditure by durability, the expenditure on food grew by 2.2%, a slower rate than 3.8% in 2Q07 while other goods and services increased by 1.9%. This comprises a 3.3% growth of non-durable goods (excluding food) such as beverage, electricity and water supply, medicine and household utensils; and a 0.9% growth in semi-durable goods consisting of clothing, footwear and household equipments. Expenditure on durable goods such as vehicles, furniture, electrical appliances, computers, radios and televisions went up by 0.4% after continuously falling for 4 consecutive quarters. Expenditure on services consisting of hotels and restaurants, recreation and entertainment, education, remedy and net tourist expenditure grew by 1.5%.

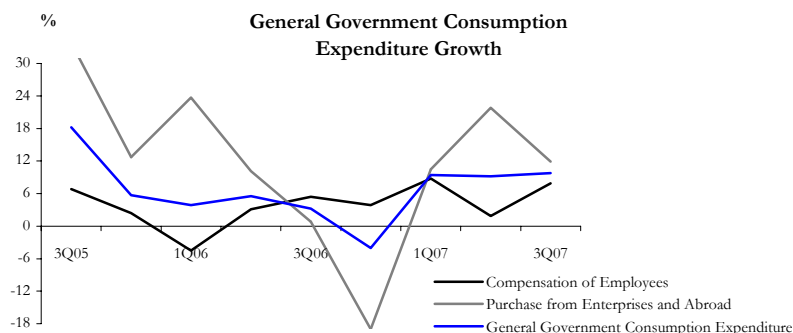
Private Consumption Expenditure Growth Classified by Durable Appearance

(%)

	2006	2006				2007		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3
Private Consumption Expenditure	3.1	4.0	3.1	2.8	2.7	1.3	0.8	1.9
Food	3.3	6.3	4.9	-0.7	2.9	3.8	3.8	2.2
Other than food	3.1	3.4	2.7	3.7	2.7	0.6	0.1	1.9
Non-durable products (excluding food)	6.8	7.3	5.9	7.0	7.0	5.2	2.0	3.3
Semi-durable products	2.0	3.8	2.9	2.9	-1.1	-0.2	-0.2	0.9
Durable products	-2.6	2.3	1.9	-4.5	-9.6	-7.5	-7.4	0.4
Services	2.5	-0.5	-0.1	4.6	5.8	-0.6	1.4	1.5

Government consumption expenditure (GCE)

- Since the 1st quarter of fiscal year 2007 (4Q06), the disbursement was recorded at Baht 1,470,839 million, or 93.9% of the 2007 budget expenditure. In 3Q07, the disbursement increased by 16.2%.
- The government consumption expenditure at current market prices was recorded at Baht 297,292 million, increased by 11.9%. Compensation of employees was Baht 191,874 million, increased by 11.5%. Whereas net purchases from enterprises and abroad was Baht 105,418 million, increased by 12.6 %.
- GCE increased by 9.8% in real term. This was a result of an increase in compensation of employees by 7.9%. Whereas net purchase from enterprises and abroad increased by 11.9%.



	Disbursement of government budget			(Baht in Billion)		
	Since the 1 st Quarter of FY			Jan.-Sep.		
	2006	2007	%Δ	2006	2007	%Δ
Total	1,270.7	1,470.8	15.7	349.1	405.6	16.2
Disbursement Rate (%)	93.4	93.9		25.7	25.9	

Source : GFMS

Gross fixed capital formation (GFCF)

GFCF increased by 2.6% higher than 0.2% in 2Q07.

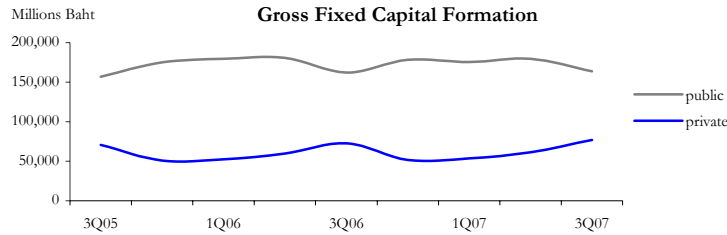
- **Private investment**, increased by 1.1% higher than in 2Q07 due to an increase in both construction and equipment. Construction increased by 0.7% whereas equipments increased by 1.3%. This was the result of investors increasing their confidence on political situation for this moment.
- **Public investment**, increased by rate of 5.8% compared to 2.7% in 2Q07. This was a result of growth rate of central and local government construction, which moderately increased by 8.2%. Whereas state enterprise investment increased by 1.9% compared to 3.6% decrease in 2Q07 owing to an increase in equipments. However, the state enterprise construction declined due to the lack of mega project investment for this period.

GFCF Growth									(%)
	2006	2006				2007			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	
Construction	4.0	4.0	5.4	4.1	2.4	0.4	1.8	1.5	
Private	2.3	3.1	2.8	2.3	1.0	-0.6	-1.2	0.7	
Public	5.9	5.1	8.3	5.5	4.4	1.5	5.0	2.1	
Equipment	3.6	7.5	3.0	2.5	1.7	-2.1	-0.6	3.3	
Private	4.2	7.9	3.2	3.5	2.1	-2.8	-0.5	1.3	
Public	0.1	4.3	1.2	-2.7	-1.2	3.9	-1.5	15.0	
Total GFCF	3.8	6.3	3.8	3.1	1.9	-1.3	0.2	2.6	
Private	3.7	6.8	3.1	3.2	1.9	-2.3	-0.7	1.1	
Public	3.9	4.8	5.7	3.0	2.0	2.2	2.7	5.8	

Private construction

Private construction increased by 0.7% better than 1.2% decrease in 2Q07 owing to an increase of residential construction which increased by 2.3%. Especially, the real estate and condominium construction in Bangkok area have showed a positive sign according to Mass Rapid Transit (MRT) route construction. Additionally, commercial building construction continued to increase by 5.1% whereas factory construction decreased at the rate of 7.9% better than 16.2% decrease in 2Q07.

Private Construction Growth		(%)						
	2006	2006				2007		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3
Residential	3.3	4.5	3.9	2.8	2.0	0.8	-1.0	2.3
Factory	2.7	7.8	5.6	1.3	-3.9	-15.7	-16.2	-7.9
Commercial	9.2	12.8	8.9	4.6	11.3	6.8	2.4	5.1
Others	-4.7	-9.1	-6.0	0.1	-3.8	2.5	6.7	-1.8
Total	2.3	3.1	2.8	2.3	1.0	-0.6	-1.2	0.7



Public construction

Public construction increased by 2.1% lower than 5.0% in 2Q07. This was a result of a decrease in state enterprises construction by 3.3% since the mega project investment has not yet started. However, central and local government construction increased by 4.4% mainly owing to a road construction.

Private machinery and equipment

Private machinery and equipments increased by 1.3% better than 0.5% decrease in 2Q07. This was a result of an increase in machinery by 10.9% higher than 7.8% in 2Q07, which partially came from the appreciation of Thai Baht. Political situation have also showed a positive sign so that investors started to import machinery again. Additionally, office equipments increased by 12.7%. While transport equipment investment decreased by 11.7% compared to a 12.2% decrease in 2Q07 especially trucks and commercial buses decreased by 26.5% and 25.8% respectively.

Public machinery and equipment

Public machinery and equipment increased by 15.0%. This was a result of an increase in central and local government investment by the rate of 23.8% compared to 5.6% decrease in 2Q07 which mostly came from the investment in equipment and office equipment. Additionally, state enterprise investment increased by 8.6% owing to importing a commercial aircraft of Thai Airways Public Company Limited, recorded at Baht 5,235 million.

Change in Inventories

Change in inventories in 3Q07 continuously decreasing from the previous quarter, valued at current market prices at Baht -19,282 million. The stock of manufacturing goods such as computer and parts, garments and sugarcane declined due to higher export. On the other hand, the stock of television, radio, and leather increased due to decreasing domestic consumption and lower export, compared to the previous quarter.

External Sectors

EXPORTS

Merchandise exports growth slowed down from 8.4% in 2Q07 to 4.1% in 3Q07 due to a contraction of some export commodities, namely integrated circuits, base metal products, textile and petroleum products. In addition, there was a downward tendency of export demand in vehicles and electrical appliances. Sluggish exports were also caused by a declining demand in various major markets, including ASEAN, the US and Japan. Exports to emerging market, especially East Asia, Eastern Europe, the Middle East and India still expanded noticeably.

Services receipts decelerated from 4.4% in 2Q07 to 0.5% in 3Q07 as a consequence of lower receipts in communication service and insurance.

IMPORTS

Merchandise imports increased from 0.9% in 2Q07 to 1.9% in 3Q07 as the demand for raw materials and intermediate goods increased. Likewise, imports of some particular capital goods, especially electrical machinery, increased in line with the raising in private investment and manufacturing production.

Services payments slowed down from 9.4% in 2Q07 to 4.7% in 3Q07 due to tightening payments in construction service, insurance, royalty and license fee.

Exports and Imports		(Unit: Billions of Baht)						
	2006	2006				2007		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3
At Current Market Prices								
1. Export Goods	4,838	1,138	1,159	1,296	1,245	1,224	1,253	1,320
Growth Rate	10.0	19.4	9.7	5.7	7.0	7.5	8.1	1.8
2. Import Goods	4,804	1,145	1,230	1,245	1,184	1,097	1,202	1,219
Growth Rate	1.4	6.8	-1.8	2.2	-0.9	-4.2	-2.3	-2.1
3. Trade Balance	34	-7	-70	51	61	127	51	101
At 1988 Prices								
4. Export Goods	2,250	535	536	593	587	582	581	617
Growth Rate	8.3	13.1	8.3	4.2	8.6	8.9	8.4	4.1
5. Import Goods	1,819	437	464	464	454	437	469	473
Growth Rate	0.2	-3.2	-3.4	4.2	3.5	0.1	0.9	1.9
6. Exchange Rate (Baht/US\$)	37.9	39.3	38.1	37.7	36.6	35.6	34.7	34.1

Source: Bank of Thailand

GDP implicit price deflator

The GDP implicit price deflator increased by 1.7%, lower rate than a 2.7% increase in the previous quarter. This was due to a considerably slowdown in prices of agricultural products. The consumer price index rose slightly by 1.6% while producer price index went up by 1.5%.

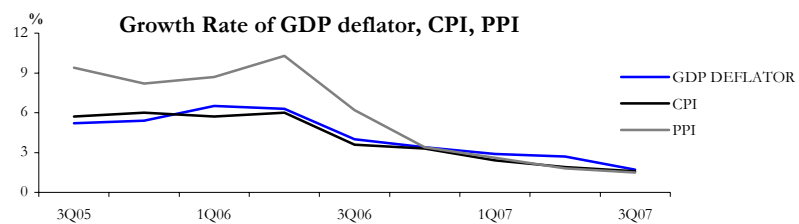


Table 1 Gross Domestic Product (GDP) and Gross National Product (GNP)

Unit : Billions of Baht

	2006p	2006p				2007p1			Jan.-Sep.	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	2006p	2007p1
GDP Nominal Prices (Billions of Baht)	7,830.3	1,943.2	1,894.5	1,938.3	2,054.4	2,082.7	2,027.9	2,068.2	5,775.9	6,178.8
GDP 1988 Prices (Billions of Baht)	4,052.0	1,020.6	977.6	987.4	1,066.4	1,063.0	1,019.2	1,036.2	2,985.6	3,118.5
Growth Rate of Real GDP (% y.o.y.)	5.1	6.3	5.3	4.5	4.3	4.2	4.3	4.9	5.4	4.5
GNP Nominal Prices (Billions of Baht)	7,508.2	1,875.7	1,783.6	1,850.0	1,998.8	2,027.7	1,936.6	1,993.4	5,509.3	5,957.6
GNP 1988 Prices (Billions of Baht)	3,918.7	999.8	941.4	961.2	1,016.3	1,051.7	994.3	1,019.1	2,902.4	3,065.1
Growth Rate of Real GNP (% y.o.y.)	6.0	7.1	5.7	5.0	6.1	5.2	5.6	6.0	5.9	5.6

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

	2006p	2006p				2007p1			Jan.-Sep.	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	2006p	2007p1
Agriculture	3.8	6.0	7.0	2.2	1.4	3.8	7.5	4.0	5.1	5.0
Agriculture, Hunting & Forestry	3.9	6.7	7.8	1.8	0.9	4.2	7.3	3.8	5.5	5.1
Fishing	3.5	2.8	2.7	4.0	4.4	2.1	8.2	4.7	3.1	4.6
Non-Agriculture	5.2	6.4	5.2	4.7	4.7	4.2	4.0	5.0	5.4	4.4
Mining & Quarrying	4.2	8.3	7.3	1.0	0.6	1.0	4.9	3.8	5.3	3.3
Manufacturing	5.9	8.1	5.7	5.0	4.8	4.6	4.5	5.8	6.3	5.0
Electricity, Gas & Water supply	4.8	3.5	3.1	6.3	6.5	4.3	3.4	8.3	4.3	5.3
Construction	4.3	4.3	5.7	4.5	2.6	0.5	1.7	1.4	4.8	1.2
Wholesale & Retail Trade, Repairs	3.9	4.8	3.7	3.6	3.6	3.3	3.6	3.3	4.0	3.4
Hotel & Restaurants	11.2	16.9	11.5	8.3	8.8	6.2	3.5	2.8	12.1	4.1
Transport, Storage & Communication	6.3	7.4	5.3	5.4	6.9	6.1	6.0	6.1	6.0	6.0
Financial Intermediation	3.3	4.8	3.7	2.7	1.9	0.6	4.7	8.5	3.7	4.7
Real Estate, Renting & Business Activities	5.5	5.6	5.3	5.4	5.5	3.6	3.9	1.6	5.4	3.0
Public Administration & Defense etc.	0.0	-2.0	-0.5	2.6	0.0	3.4	0.1	4.4	0.0	2.7
Education	3.0	-6.1	4.8	6.6	7.5	11.2	4.3	8.6	1.6	8.0
Health & Social Work	5.6	-0.4	7.9	6.4	8.6	11.2	2.2	10.9	4.5	8.1
Other Community, Social & Personal Services	2.8	5.5	4.0	2.2	-0.2	-5.9	-2.9	-3.3	3.9	-4.0
Private Household with Employed Persons	-2.3	-3.5	-5.1	-4.1	4.5	2.4	2.3	3.2	-4.2	2.6
GDP	5.1	6.3	5.3	4.5	4.3	4.2	4.3	4.9	5.4	4.5

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

Unit: Percent

	2006p	2006p				2007p1			Jan.-Sep.	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	2006p	2007p1
Private Consumption Expenditure	3.2	4.0	3.1	2.8	2.7	1.3	0.8	1.9	3.3	1.3
Government Consumption Expenditure	2.3	3.9	5.5	3.2	-4.0	9.4	9.2	9.8	4.1	9.5
Gross Capital Formation	-3.2	-12.8	-10.8	13.6	3.2	-8.6	-3.2	7.7	-5.3	-1.7
Gross Fixed Capital Formation	3.8	6.3	3.8	3.1	1.9	-1.3	0.2	2.6	4.4	0.5
Private	3.7	6.8	3.1	3.2	1.9	-2.3	-0.7	1.1	4.4	-0.7
Public	3.9	4.8	5.7	3.0	2.0	2.2	2.7	5.8	4.4	3.8
Change in Inventories	-84.8	-84.3	-94.2	48.3	21.2	-193.9	-354.7	53.2	-114.0	-182.1
Exports of Goods and Services	8.5	14.2	8.8	4.7	7.2	8.2	7.6	3.5	9.0	6.4
Goods	8.3	13.1	8.3	4.2	8.6	8.9	8.4	4.1	8.3	7.0
Services	9.2	18.8	11.0	7.3	1.2	5.7	4.4	0.5	12.3	3.6
Imports of Goods and Services	2.6	2.2	-1.3	5.4	4.4	1.6	2.3	2.4	2.1	2.1
Goods	0.2	-3.2	-3.4	4.2	3.5	0.1	0.9	1.9	-0.9	1.0
Services	15.9	34.9	11.6	12.0	8.6	8.6	9.4	4.7	18.9	7.5
Gross Domestic Expenditure	5.3	6.4	5.6	4.9	4.4	4.1	4.3	4.8	5.6	4.4

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

Unit: Billions of Baht

	2006p	2006p				2007p1			Jan.-Sep.	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	2006p	2007p1
Exports of Goods and Services	5,752	1,374	1,375	1,519	1,483	1,479	1,483	1,544	4,268	4,506
Rate of Growth (% y.o.y.)	11.0	20.0	10.5	6.4	6.4	7.6	7.9	1.6	11.8	5.6
Imports of Goods and Services	5,478	1,312	1,384	1,416	1,366	1,281	1,377	1,399	4,112	4,058
Rate of Growth (% y.o.y.)	4.3	10.0	-0.1	3.6	0.6	-2.4	-0.5	-1.2	4.2	-1.3
Trade and Services Balance	273.8	62.2	-9.2	103.0	117.7	197.7	105.9	144.3	156.1	447.9
Percentage to GDP (%)	3.3	3.2	-0.5	5.3	5.7	9.5	5.2	7.0	2.7	7.2
Factor Income From Abroad , Net	-187	-27.7	-67.6	-45.8	-32.2	-27.7	-67.6	-45.8	-141.1	-145.6
Current Transfers From Abroad , Net	126	33.4	32.3	30.3	33.0	33.4	32.3	30.3	96.1	95.6
Current Account Balance	198.5	67.9	-44.5	87.6	118.5	203.5	70.5	128.9	111.0	398.0
Percentage to GDP (%)	2.5	3.5	-2.3	4.5	5.8	9.8	3.5	6.2	1.9	6.4

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

Unit: Percent

	2006p	2006p				2007p1			Jan.-Sep.	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	2006p	2007p1
GDP Implicit Price Deflator	5.0	6.5	6.3	4.0	4.0	2.9	2.7	1.7	5.6	2.4
Consumer Price Index	4.7	5.7	6.0	3.6	3.6	2.4	1.9	1.6	5.1	1.0
Producer Price Index	7.1	8.7	10.3	6.2	6.2	2.6	1.8	1.5	8.3	0.1

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

Unit: Percent

	2006p	2006p				2007p1			Jan.-Sep.	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	2006p	2007p1
Demand Side (Expenditure)	5.3	6.3	5.6	4.9	4.3	4.0	4.3	4.9	5.6	4.4
Domestic Demand	2.8	3.9	3.2	2.6	1.6	1.1	1.3	2.7	3.3	1.7
Private Consumption Expenditure	1.7	2.2	1.8	1.5	1.4	0.7	0.5	1.0	1.8	0.7
Government Consumption Expenditure	0.2	0.3	0.5	0.3	-0.3	0.8	0.8	1.0	0.4	0.9
Gross Fixed Capital Formation	0.9	1.4	0.9	0.8	0.4	-0.3	0.0	0.6	1.0	0.1
Net Exports	4.1	7.5	6.5	0.4	2.4	4.5	3.9	1.2	4.8	3.2
Exports of Goods and Services	5.6	8.7	5.7	3.4	4.7	5.4	5.1	2.5	5.9	4.4
Imports of Goods and Services	1.5	1.2	-0.8	3.1	2.3	0.9	1.3	1.4	1.2	1.2
Change in Inventories	-1.7	-5.1	-4.1	2.0	0.3	-1.7	-0.8	1.1	-2.4	-0.5
Supply Side (Production)	5.1	6.3	5.3	4.5	4.3	4.2	4.3	4.9	5.4	4.5
Agriculture	0.3	0.5	0.5	0.2	0.2	0.3	0.6	0.3	0.4	0.4
Manufacturing	2.3	3.1	2.3	2.0	1.9	1.8	1.8	2.3	2.5	2.0
Construction	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.1	0.0
Services and Others	2.4	2.6	2.4	2.3	2.3	2.0	1.9	2.3	2.4	2.1

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

	2006p	2006p				2007p1			Jan.-Sep.	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	2006p	2007p1
Demand Side (Expenditure)										
Private Consumption Expenditure	3.2	1.4	0.8	0.6	0.0	0.1	0.1	1.7	3.3	1.3
Government Consumption Expenditure	2.2	0.7	0.9	1.8	-8.3	16.1	1.2	1.4	4.7	9.4
Gross Fixed Capital Formation	3.9	1.1	-0.5	-0.3	1.9	-2.8	1.4	2.3	4.4	0.4
Supply Side (Production)										
Agriculture	4.1	0.3	1.1	1.8	-1.9	3.3	4.3	-1.9	5.2	5.2
Manufacturing	5.9	1.1	1.3	0.9	1.4	1.0	1.1	2.1	6.3	5.0
Construction	4.2	-1.6	0.5	0.0	3.2	-3.0	1.5	0.0	5.0	1.3
Services and Others	4.7	1.7	1.0	0.9	1.0	1.0	0.8	1.8	4.8	4.1
Gross Domestic Product	5.1	1.2	1.1	1.0	0.9	1.1	1.3	1.5	5.4	4.5