Office of the National Economic and Social Development Council

Macroeconomic Strategy and Planning Division

Q3/2024 NESDC ECONOMIC REPORT

Thai Economic Performance in Q3 and Outlook for 2024 - 2025

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Thai Economic Performance in Q3 and the Outlook for 2024 - 2025

The Thai Economy in the third quarter of 2024 expanded by 3.0 percent (%YoY), accelerating from 2.2 percent in the previous quarter. After seasonally adjusted, the economy increased by 1.2 percent from the second quarter (%QoQ sa).

On the expenditure side: Public investment expanded for the first time in six quarters. Export of goods and services and government consumption showed favorable growth. Nonetheless, private consumption decelerated and private investments contracted.

On the production side: Manufacturing, accommodation and food service, wholesale and retail trade; repair of motor vehicles, and transportation and storage sectors continued to expand. Meanwhile, construction sector rebounded for the first time in four quarters. Nevertheless, the agricultural sector continued to declined.

Economic Projection for 2024 - 2025

(%YoY)	2023	2024			Projection	
	Year	Q1	Q2	Q3	2024	2025
GDP (CVM)	1.9	1.6	2.2	3.0	2.6	2.3 - 3.3
Investment[1/]	1.2	-4.2	-6.1	5.2	0.2	3.9
Private	3.2	4.6	-6.8	-2.5	-0.5	2.8
Public	-4.6	-27.7	-4.0	25.9	2.4	6.5
Private Consumption	7.1	6.9	4.9	3.4	4.8	3.0
Government Consumption	-4.6	-2.1	0.3	6.3	1.7	2.1
Export of Goods[2/]	-1.5	-1.1	4.5	8.9	3.8	2.6
Volume[2/]	-2.7	-2.4	2.7	7.5	2.5	2.3
Import of Goods[2/]	-3.8	3.3	1.2	11.3	4.4	3.3
Volume[2/]	-4.1	4.6	-0.9	9.7	3.6	3.0
Current Account to GDP (%)	1.5	1.9	0.7	1.5	2.5	2.6
Inflation	1.2	-0.8	0.8	0.6	0.5	0.3 - 1.3

Note: [1/] Investment means Gross Fixed Capital Formation
[2/] base on the Bank of Thailand's data

Thai Economic Outlook for 2024

The Thai economy in 2024 is projected to expand by 2.6 percent, improving from 1.9 percent in the previous quarter. Headline inflation is estimated to be at 0.5 percent and the current account is projected to record a surplus of 2.5 percent of GDP.

Thai Economic Outlook for 2025

The Thai economy in 2025 is projected to expand in the range of 2.3 – 3.3 percent. Key supporting factors include the increase in government expenditure, the growth of domestic private demand, the continual recovery of tourism sector; and the continual expansion of export. Private consumption and investment are expected to increase by 3.0 percent and 2.8 percent, respectively. Export value of goods in US dollar term is expected to grow by 2.6 percent. Headline inflation is estimated to be in the range of 0.3 – 1.3 percent and the current account is projected to record a surplus of 2.6 percent of GDP.

Supporting Factors

- Increased support from government expenditure
- Expansion in private demand expenditure driven by recovery of private investment and continued growth in private consumption
- Continued recovery of the tourism sector
- Continued expansion of goods exports

Risk Factors

- Risks from lower-than-expected global economic and trade volume growth amid uncertainty from the new U.S. economic policies, prolonged geopolitical tensions, and China's economic slowdown
- High levels of household and corporate debts
- Risks from volatility in agricultural output and prices

Economic management for 2025 should prioritize on:

1. **Driving export to obtain stronger expansion while preparing to mitigate the possible impacts of escalating trade barrier measures by** (1) Promoting the export of high-potential and globally demanded products (2) Closely monitoring and evaluating the implementation of trade barriers that could impact Thailand's exports (3) Adhering to global trade frameworks and the regulations and guidelines of trading partner countries, while promoting the increased utilization of tariff benefits (4) Enhancing the competitiveness of export-oriented production and (5) Encouraging the business sector to mitigate risks from exchange rate fluctuations.

2. **Protecting the manufacturing sector from dumping and unfair trade practices by** (1) Improving the quality inspection process of imported products (2) Improving the regulation and inspection of foreign digital platform businesses (3) Implementing a strict inspection and monitoring of market dumping and unfair trade measures from major exporting countries and (4) Strengthening enforcement against illegal importation.

3. **Stimulating private investment** by (1) Enhancing foreign investor confidence (2) Expediting the implementation of projects with investment promotion certificates (3) Accelerating infrastructure investment projects and the development of specialized economic zones (4) Developing a conducive ecosystem for targeted industries and services and (5) Boosting productivity through innovation and cutting-edge technology.

4. **Assisting farmers in adapting their agricultural production** by (1) Expediting the assessment of damages to ensure timely delivery of relief (2) Preparing for the impacts of climate volatility (3) Driving the continued growth of agricultural and processed agricultural product exports and (4) Enhancing knowledge and promoting the cultivation of crops suited to local conditions, along with transitioning to high-value agricultural production.

5. **Providing support to SMEs** experiencing financial difficulties due to a continuous decline in credit quality.

1. The Thai Economy in Q3/2024

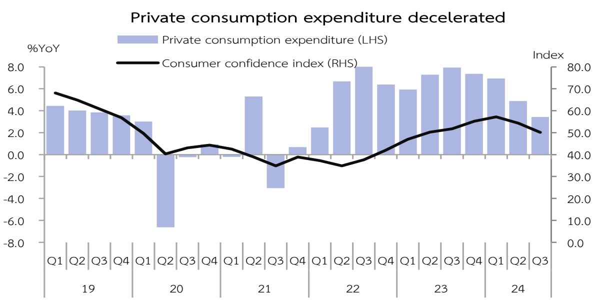
Expenditure Side:

In the third quarter of 2024, private consumption expenditures decelerated, while private investment continued to fell. However, exports of goods accelerated.

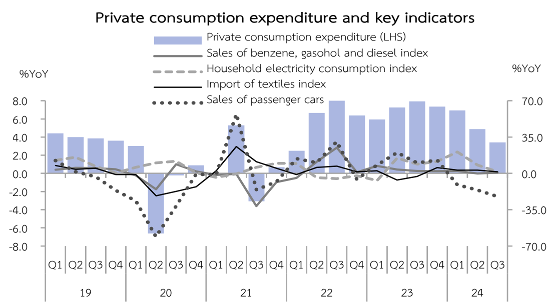
Private consumption expenditures expanded by 3.4 percent, decelerating from a 4.9-percent increase in the previous quarter, following a slowdown in spending across all categories and a continued decline in durable goods expenditures. **Service expenditures** rose by 6.5 percent, decelerated from an 8.4-percent expansion in the pervious quarter, reflecting slower growth of spending on restaurants and hotels, health services, transportation services, and other recreational and entertainment activities. **Non-durable goods expenditures** increased by 2.4 percent, slowing from a 3.6-percent rise in the previous quarter, primarily due to a deceleration in spending on food and non-alcoholic beverages, as well as electricity, gas and other fuels. Furthermore, **expenditures on semi-durable goods** grew by 3.5 percent, down from a 4.3-percent growth in the previous quarter, driven by slightly reduced spending on furnishings and household equipment, clothing and footwear. Meanwhile, **expenditures on durable goods** contracted by 9.9 percent, following a 7.7-percent decline in the previous quarter, reflecting a decrease in vehicle purchases. This drop was partly attributed to the cautious lending practices amid declining credit quality. Additionally, delays in purchases due to intensified price competition, particularly in the electric vehicles, contributed to the downturn. Nevertheless, registration of new hybrid vehicles saw an upward trend. The consumer confidence index fell to 50.1, down from 54.3 in the previous quarter, marking its lowest point in six quarters since the second quarter of 2023.

Private consumption rose by 3.4 percent, slowing from a 4.9-percent growth in the previous quarter, driven by a deceleration in spending on services, non-durable goods, and semi-durable goods, as well as a decline in expenditure on durable goods.

In the first nine months of 2024, private consumption expenditures grew by 5.0 percent, slowing down from a 7.1-percent expansion during the same period last year.



Source: NESDC, and University of the Thai Chamber of Commerce

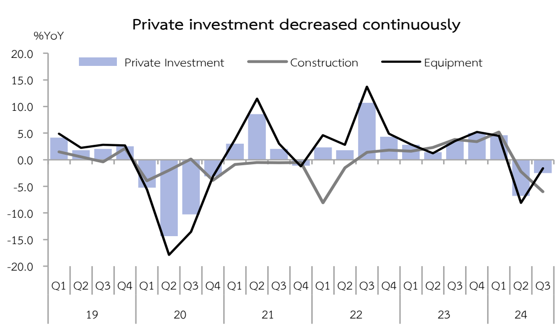


Source: NESDC, BOT, and Department of Energy

Private investment continually declined for two consecutive quarters by 2.5 percent, compared with a 6.8-percent growth in the previous quarter. This decrease was primarily due to a decline in **investment in machinery and equipment**, which dropped by 1.6 percent, continuing from an 8.1-percent decrease in the previous quarter. The decline in machinery investment was mainly attributed to reduced spending on vehicles, particularly trucks and other types of vehicles, as part of tighter lending standards from financial institutions. Furthermore, **investment in construction** decreased by 6.0 percent, compared with a 2.2-percent drop in the previous quarter. This was associated with a slowdown in household and business loans due to tighter lending standards and the rise of lower-quality loans. Residential construction continued to fall for the second consecutive quarter, dropping by 9.5 percent, while non-dwelling construction decreased for the first time in six quarters by 2.0 percent, following commercial building construction which continued to decrease by 9.0 percent, compared with a 10.2-percent decrease in the previous quarter. Meanwhile, factory construction expanded by 9.2 percent, slowing down from a 21.0-percent increase in the previous quarter, and other types of construction fell for the fifth consecutive quarter by 1.6 percent. The decline in private investment in this quarter was in line with the drop in the Business Sentiment Index (BSI) which fell to 46.6 from 48.0 in the previous quarter, the lowest level in 12 quarters, and remaining below 50 for the fifth consecutive quarter.

Private investment continued to decrease by 2.5 percent, following a decline of investments in both machinery and equipment, and construction.

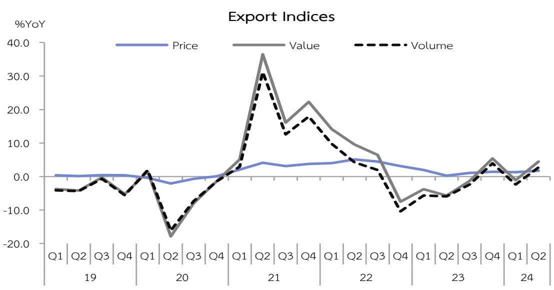
In the first nine months of 2024, private investment decreased by 1.4 percent, compared with a 2.6-percent rise in the same period last year. the **investment in machinery and equipment**, and **investment in construction** fell by 1.4 percent and 1.5 percent respectively.



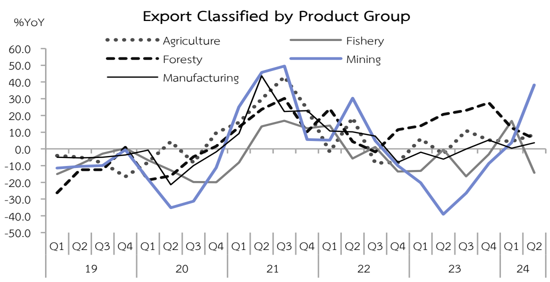
Exports in US dollar terms, in the third quarter of 2024, were recorded at 77.2 billion US dollars grew by 8.9 percent, increasing by 8.9 percent, followed by an acceleration of the export volume index. **The export volume index** increased by 7.5 percent compared with a 2.7-percent rise in the previous quarter, driven by continuous revivals in the export volumes of manufacturing products and agricultural products. **The export price index** continued to rise for the 16th consecutive quarter, by 1.3 percent, with agricultural and manufacturing product prices increasing by 5.9 percent and 0.7 percent, respectively. **Excluding unwrought gold**, export value rose by 7.5 percent. **In Baht terms**, export value was recorded at 2,688 billion Baht, an increase of 7.7 percent.

***Exports in US dollar terms surged by 8.9 percent** due to an accelerated growth in the export volume of manufacturing products and agricultural products.*

In the first nine months of 2024, export value stood at 220.1 billion US dollars**,** increasing by 4.1 percent, compared with a 3.6-percent decline in the same period of last year, followed by a revival of the export volume index, which rose by 2.6 percent compared with a 4.6-percent drop in the first nine months of last year. The export price index expanded by 1.4 percent. **In Baht terms,** export value was recorded at 7,861 billion Baht, increasing by 7.6 percent, compared with a 3.8-percent decrease in the same period of 2023.



Source: Bank of Thailand



Source: Bank of Thailand

The export value of agricultural commodities increased for five consecutive quarters by 8.3 percent. This growth was driven by expansion in the export volumn and export price indices which increased by 2.2 percent and 5.9 percent, respectively, associated with high global market demand. Notably, the export value of **rice** increased by 25.2 percent, due to the growth in the export volumn and export price by 15.6 percent and 8.2 percent, respectively, in line with major markets, including Iraq, the US, Senegal, and Benin. The export value of **rubber** skyrocketed by 55.9 percent, driven by the rises of export volumn and export price which grew by 9.9 percent and 41.9 percent, respectively, in line with major markets including China, Japan, the US, and India. Conversely, the export value of **durian** decreased by 18.1 percent, due to a decline in the export volumn and export price by 15.6 percent and 3.0 percent respectively, as exports to China continued to slow due to sluggish demand. **The export value of manufacturing products** expanded for the fourth consecutive quarter by 5.9 percent, accelerating from a 3.7-percent increase in the previous quarter. This was driven by an acceleration in export volumes by 5.1 percent, compared with a 2.6-percent growth in the previous quarter while export prices continued to rise by 0.7 percent.

Exports with increased value included computers (146.5 percent), computer parts & accessories (46.5 percent), telecommunications equipment (33.2 percent), and food (10.2 percent). In contrast, exports with decreased value included automotive (-10.6 percent) petroleum products (-1.5 percent), and electrical appliances (-1.2 percent). **The export value of fishery products** recovered by 0.1 percent.

Export Value of Major Product in US Dollar Term

%YoY	2023					2024			Share Q3/24 (%)
	Year	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
Agriculture	3.9	6.0	-3.0	10.8	5.3	4.5	8.5	8.3	7.1
Rice	29.4	24.4	18.3	27.3	43.8	43.2	53.0	25.2	2.0
Rubber	-29.2	-37.7	-40.2	-33.8	6.5	24.9	37.3	55.9	1.8
Durian	28.1	218.9	19.6	87.8	-51.7	-53.2	-1.0	-18.1	1.0
Other Fruits	15.8	12.7	-7.3	42.3	18.6	11.6	-12.7	-13.5	1.1
Manufacturing	-0.9	-2.0	-6.1	-0.1	5.3	0.4	3.7	5.9	88.1
Food	-2.6	3.4	-8.8	-5.7	1.7	-7.2	1.5	10.2	7.6
- Sugar	21.8	32.4	35.4	-0.4	16.1	-29.1	-26.3	-8.0	1.2
- Fish, canned, prepared, or preserved	-7.2	-2.3	-10.8	-11.6	-3.7	9.0	8.2	27.0	1.1
- Meat of poultry, canned, prepared, or preserved	-6.3	-5.6	-6.2	-11.2	-1.7	2.2	9.0	6.1	1.0
Beverages	1.9	-1.5	3.9	-1.2	6.9	11.5	4.3	11.1	1.0
Rubber products	-13.1	0.3	-12.3	-22.4	-18.9	-19.2	-10.5	27.4	2.1
Animal food	-13.6	-20.9	-24.6	-10.3	4.0	20.3	33.8	24.3	1.0
Electronics	-3.6	-8.1	-6.1	-5.1	5.0	6.6	27.4	26.5	13.8
- Computer parts & accessories	97.6	19.2	205.5	51.6	184.0	172.5	147.9	146.5	1.4
- Integrated circuits & parts	-24.2	-24.9	-29.6	-32.7	-5.0	-6.9	22.5	46.5	4.7
- Printed circuits	4.3	-0.2	2.9	16.4	-2.0	-11.3	-14.5	-15.8	2.9
- Telecommunication equipment	12.9	17.6	14.0	11.7	9.9	24.3	58.5	33.2	4.3

Export Value of Major Product in US Dollar Term

%YoY	2023 Year	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	Share Q3/24 (%)
Electrical appliances	4.0	4.6	9.3	2.0	-0.0	-4.4	-5.3	-1.2	8.5
- Air conditioning machines	-11.9	12.5	-5.1	-33.0	-28.8	-15.4	1.4	28.8	1.7
- Refrigerators	-6.7	-18.8	-19.1	-0.4	23.3	7.0	3.0	5.9	0.7
- Parts of electrical appliances	31.4	27.2	44.8	40.3	16.3	-0.7	-12.8	-17.4	2.5
Metal & steel	-7.1	-14.4	-19.1	-4.2	14.6	21.8	4.6	8.0	5.2
Automotive	10.4	10.5	7.0	19.4	4.9	-5.3	3.3	-10.6	14.2
- Passenger car	26.2	52.7	21.4	41.9	1.0	-3.8	23.7	45.8	3.9
- Pick up and trucks	25.4	37.1	27.8	29.3	10.5	-15.8	15.2	-17.8	2.7
- Vehicle parts & accessories	0.9	-8.3	-3.4	6.2	10.6	4.1	-0.6	3.6	6.7
Machinery & equipment	-0.8	-0.6	-1.5	0.8	-1.9	-1.4	7.5	10.8	8.9
Aircrafts, ships, floating structures, and locomotive	4.4	9.8	-29.8	2.3	91.0	25.8	-34.3	6.5	1.1
Jewellery	10.8	22.0	3.7	11.5	6.4	13.6	4.0	1.4	3.1
Petro-chemical products	-15.1	-21.8	-19.9	-13.6	-2.0	-4.8	-1.4	8.1	7.3
Petroleum products	0.1	3.1	-29.4	-3.0	51.6	-3.9	-6.9	-1.5	3.4
Fishery	-8.4	-13.2	-0.4	-16.4	-3.3	16.8	-14.2	0.1	0.5
Crustaceans	-7.7	-11.2	8.7	-19.6	-7.4	17.3	-27.2	-4.9	0.2
Fish	-12.8	-24.3	-16.1	-13.6	4.8	27.8	8.5	-0.2	0.1
Other Exports	-11.5	-37.3	-8.0	-8.6	95.0	-25.2	15.7	75.4	3.2
Non-monetary gold (excl. articles of goldsmiths)	-15.6	-46.9	-1.3	-9.9	98.0	-16.0	11.8	79.4	3.1
Total Exports (Customs basis)	-0.8	-3.3	-5.8	0.3	6.4	-0.3	4.3	7.5	100.0
Exports, f.o.b. (BOP basis)	-1.5	-3.8	-5.7	-1.3	5.4	-1.1	4.5	8.9	99.1
Export Value (exclude gold)	-1.2	-1.6	-5.8	-1.1	4.3	-0.6	4.3	7.5	96.1

Source: Bank of Thailand

However, **the export value of other products** surged by 75.4 percent, primarily due to an increase in unwrought gold by 79.4 percent. and rubber products (-10.5 percent). **The export value of fishery products** turned to decrease by 14.2 percent, with a decline in crustaceans (-27.2 percent). However, **the export value of other products** grew by 15.7 percent, primarily due to an increase in unwrought gold by 11.8 percent.

Exports to most major markets continually increased, particularly to the US, China, CLMV, and the EU (27) excluding the UK. Additionally, exports to the UK, South Korea, and Taiwan have recovered. Exports to the US increased for five consecutive quarters by 14.8 percent, driven by exports of computers, equipment, and components, telephone sets and parts, and rubber products. **Exports to China** rose by 2.5 percent, mainly due to an increase in exports of computers, equipment, and components, rubber products, and rubber. **Exports to ASEAN (9)** increased by 8.1 percent, supported by growth in exports to Malaysia, Viet Nam, and Cambodia. **Exports to the EU (27) excluding the UK,** continued to increase for three consecutive quarters by 15.4 percent, attributed to higher exports of computers, equipment, and components, precious stones and jewelry, and rubber products. **Exports to the UK** revived for the first time in five quarters by 14.7 percent, driven by a rise in exports of prepared poultry, machinery and parts, and rubber products. **Exports to South Korea** recovered for the first time in three quarters by 4.8 percent led by an increase in exports of rubber products, sugar, and rubber.

Exports to most major markets increased,

particularly to the US, China, CLMV, and the EU (27) excluding the UK.

Export Value to Key Markets in US Dollar Term

%YOY	2023 Year	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	Share Q3/24 (%)
Total Exports (Mil US$) (Customs basis)	285,074	71,182	71,202	72,476	70,214	70,995	74,295	77,886	100.0
(%YoY)	-0.8	-3.3	-5.8	0.3	6.4	-0.3	4.3	7.5	
United States	1.7	-3.7	-3.1	3.9	10.3	9.9	12.5	14.8	19.1
China	-0.7	-7.2	-0.5	4.4	0.4	-5.1	1.9	2.5	11.3
Japan	-0.3	-0.3	-2.4	1.8	-0.15	-9.0	-5.9	-6.7	7.5
ASEAN (9)	-6.8	-2.9	-15.0	-12.0	5.0	-0.6	3.1	8.1	22.8
- ASEAN (5)*	-1.1	-1.0	-11.9	-4.2	16.1	-5.3	0.0	4.3	13.4
- CLMV**	-14.3	-5.6	-19.2	-21.8	-8.8	6.5	7.5	13.7	9.4
EU (27) excluding UK	-3.7	-1.2	-2.2	-8.0	-3.2	2.4	6.5	15.4	8.1
United Kingdom (UK)	1.0	2.8	20.4	-0.4	-16.8	-10.5	-19.9	14.7	1.5
Middle East (15)***	-0.4	14.5	-7.3	-5.2	-2.5	-3.7	8.4	15.0	3.9
- Saudi Arabia	32.4	47.8	25.2	40.7	19.3	4.3	19.9	-1.8	0.9
- United Arab Emirates	-3.8	17.2	-14.4	-14.9	0.3	0.0	11.8	14.2	1.2
Australia	9.2	-9.0	15.4	11.8	19.4	24.8	0.2	-4.7	4.0
Hong Kong	10.0	-3.3	-9.5	34.8	25.8	23.5	5.1	-14.1	3.5
India	-4.0	3.9	-19.4	1.6	1.3	-3.4	15.4	19.5	4.0
South Korea	-5.2	-0.7	-10.1	-11.4	3.8	-7.5	-5.4	4.8	2.0
Taiwan	2.0	-2.5	-7.3	5.4	15.1	-2.5	-1.4	3.4	1.6

Note: * ASEAN (5) consist of Brunei, Indonesia, Malaysia, Philippines, and Singapore
** CLMV consist of Cambodia, Laos, Myanmar, and Vietnam
*** Middle East (15) consist of United Arab Emirates, Bahrain, Egypt, Israel, Iraq, Iran, Jordan, Kuwait, Lebanon, Libya, Oman, Qatar, Saudi Arabia, Syria, Yemen

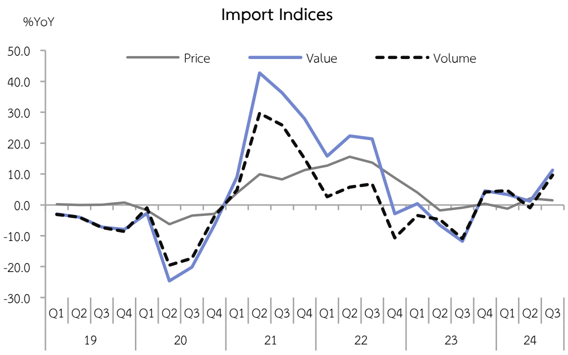
Source: Bank of Thailand

Exports to Taiwan increased for the first time in six quarters by 3.4 percent, driven by an increase in exports of computers, equipment, and components, electrical transformers and parts, and air conditioning machine and parts. In contrast, **exports to Japan** declined for four consecutive quarters by 6.7 percent, driven by a fall in exports of prepared poultry, electronic integrated circuits, and telephone sets and parts. However, exports of computers, equipment, and components; beauty preparations; soap and skin care preparations; and air conditioning machines and parts showed growth.

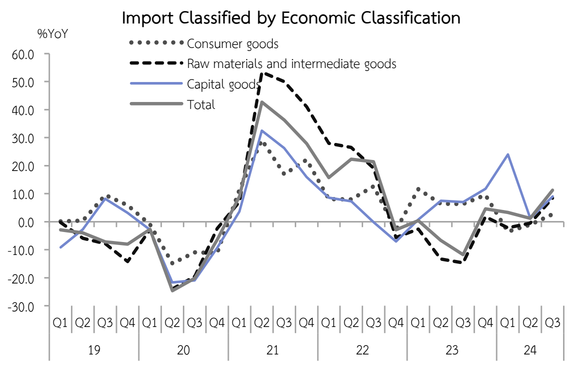
The import value in US dollar terms was recorded at 71.4 billion US dollars, expanded at a high rate by 11.3 percent, accelerating from a 1.2-percent growth in the previous quarter, following the growth of imports in all categories. This growth was in line with an acceleration of exports and a growth of industrial production. The import volume of capital goods also expanded at a high rate of 7.2 percent. However, the import price increased by 1.5 percent, slowing down from a 2.1-percent in the previous quarter. Excluding non-monetary gold (except for articles of goldsmiths), import value expanded by 8.1 percent, compared with a 1.6-percent decrease in the previous quarter. **In Thai Baht terms,** the import value stood at 2,489 billion baht, an increase of 10.2 percent, accelerating from 7.8 percent in the previous quarter.

Import value in US dollar terms increased by 11.3 percent, accelerating from the previous quarter

In the first nine months of 2024, import value was recorded at 207.2 billion US dollars, an increase of 5.2 percent. Import volume increased by 4.3 percent, while import price increased by 0.8 percent. In Thai Baht terms, imports value were stood at 7,401 billion Baht, an increase of 8.9 percent.



Source: Bank of Thailand



Source: Bank of Thailand

By category, the import value of raw materials and intermediate goods expanded for the first time in three quarters by 8.4 percent, compared with a 0.5-percent decrease in the previous quarter. This improvement aligned with the import volume returned to grow by 9.1 percent. Meanwhile, import prices decreased by 0.6 percent. Import items with increased values included parts of electronics and electrical appliances, crude oil, chemicals & petrochemical products and materials of base metal. **The import value of capital goods** increased by 9.1 percent, continuing from a 1.2-percent growth in the previous quarter. Import volume and price expanded by 7.2 percent and 1.8 percent, respectively. Import items with increased values included other machinery and mechanical appliances & parts, Computer and Transformers, generators, motors and accumulators. **The import value of consumer goods** resumed expansion for the first time in three quarters by 2.6 percent, compared with a 1.1-percent decrease in the previous quarter. Import volume contracted by 1.1 percent, while import prices rose by 3.8 percent. Import items with increased

Import Value of Major Product in US Dollar Term

%YoY	2023					2024			Share Q3/24 (%)
	Year	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
Consumer goods	**8.5**	**11.6**	**6.4**	**6.3**	**9.6**	**-3.6**	**-1.1**	**2.6**	**12.5**
- Exclude vehicles	1.1	3.8	-1.9	-0.8	3.2	-0.4	4.3	10.7	11.8
Food, beverage & dairy products	2.0	0.9	0.8	0.2	5.9	3.7	5.6	17.6	2.9
Cellphones	-5.1	-4.8	-25.0	-3.6	11.7	-0.0	24.2	-2.1	1.3
Medicinal and pharmaceutical products	-10.0	-19.2	-9.7	0.8	-8.1	-7.5	-15.1	4.3	1.1
Animal & fishery products	-7.4	1.8	-0.6	-12.9	-16.7	-13.6	-7.4	-3.1	1.0
Textiles	2.8	6.5	-3.6	0.3	8.3	5.7	6.3	4.9	1.0
Raw materials and intermediate goods	**-7.8**	**-2.6**	**-13.3**	**-14.7**	**1.8**	**-2.1**	**-0.5**	**8.4**	**62.2**
- Exclude fuel	-5.7	-4.1	-11.6	-8.8	3.2	-1.4	2.1	9.1	46.3
Parts of electronics and electrical appliances	4.5	-0.8	-3.5	3.3	20.3	11.0	16.5	10.5	16.9
Crude oil	-10.6	3.8	-23.9	-21.8	6.7	3.5	-0.4	17.1	10.9
Chemicals & Petro-chemical products	-15.5	-10.5	-21.5	-20.6	-7.0	-4.1	0.1	11.8	8.8
Materials of base metal	-16.6	-14.5	-26.7	-18.1	-2.5	-11.5	-1.3	16.7	8.1
Natural gas	-9.1	-1.1	21.9	-41.0	7.4	-15.9	-32.8	-12.6	2.8
Capital goods	**6.7**	**0.8**	**7.5**	**7.0**	**11.8**	**24.0**	**1.2**	**9.1**	**18.6**
- Exclude computer	3.9	1.8	2.3	6.3	5.2	2.5	1.8	6.0	16.8
Other machinery and mechanical appliances & parts	-1.2	-4.1	1.3	-1.3	-0.7	-5.3	-3.9	8.2	7.6
Computer	2.1	6.0	3.0	-0.2	-0.5	-0.4	9.3	16.8	2.0
Transformers, generators, motors and accumulators	56.1	-16.3	111.9	17.3	142.1	444.5	-4.6	50.0	1.8

Import Value of Major Product in US Dollar Term

%YoY	2023 Year	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	Share Q3/24 (%)
Aircrafts, ships, floating structures, and locomotive	19.1	18.5	-5.4	15.2	55.9	74.4	53.1	81.0	1.5
Measuring, checking and precision instruments	1.3	6.2	0.2	-1.6	0.7	-8.4	-9.2	0.7	1.2
Other Imports	-22.5	-13.2	-13.3	-47.7	3.8	45.4	62.5	78.2	6.6
Non-monetary gold (excl. articles of goldsmiths)	-29.4	-24.2	-15.2	-55.5	2.5	95.5	90.2	107.0	5.4
Other imports, n.i.e.	-1.4	8.6	-8.2	-12.4	7.5	-23.5	-6.4	12.1	1.3
Total Imports (Customs basis)	-4.2	-0.7	-7.8	-11.2	4.7	3.9	2.2	10.6	100.0
Imports, f.o.b. (BOP basis)	-3.8	0.4	-6.6	-11.8	4.6	3.3	1.2	11.3	90.9
Imports, f.o.b. (excl. gold)	-2.7	1.1	-6.3	-8.8	4.7	1.3	-1.6	8.1	85.5

Source: Bank of Thailand

Import Volume Indices by Economic Classification

Volume indices %YoY	2023 Year	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3
Consumer goods	5.7	7.0	4.0	4.1	7.6	-4.7	-3.1	-1.1
Raw materials and intermediate goods	-5.2	-3.7	-8.0	-11.4	3.9	0.6	-1.9	9.1
Capital goods	6.3	-0.2	7.0	7.0	11.6	24.6	0.4	7.2
Total Imports	-4.1	-3.6	-4.9	-10.9	4.2	4.6	-0.9	9.7

Source: Bank of Thailand

Import Price Indices by Economic Classification

Price indices %YoY	2023 Year	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3
Consumer goods	2.6	4.3	2.3	2.1	1.9	1.2	2.1	3.8
Raw materials and intermediate goods	-2.6	1.2	-5.8	-3.7	-2.1	-2.7	1.5	-0.6
Capital goods	0.4	1.0	0.4	0.0	0.2	-0.5	0.8	1.8
Total Imports	0.4	4.1	-1.8	-1.0	0.4	-1.2	2.1	1.5

Source: Bank of Thailand

values included food, beverage & dairy products, medical & pharmaceutical products and textiles. Meanwhile, **the import value in other goods** increased by 78.2 percent, continuing from a 62.5-percent increase in the previous quarter. This growth was driven by increases in imports of non-monetary gold (excluding articles of goldsmiths) and miscellaneous products which rose by 107.0 percent and 12.1 percent, respectively.

Term of trade continued to decrease for two consecutive quarters

The term of trade continually decreased for two consecutive quarters by 0.4 percent. This decline was due to import prices increasing by 1.5 percent, faster than a 1.3-percent increase in export prices. Consequently, the term of trade stood at 97.8, down from 98.0 in the same quarter last year and 97.6 in the previous quarter, and remained below 100 for eleven consecutive quarters

In the first nine months of 2024, the term of trade was recorded at 98.1, compared with 97.5 in the same period last year. Export prices increased by 1.4 percent, faster than an increase in import prices by 0.8 percent.

Trade balance was recorded a surplus of 5.8 billion US dollars, higher than the surplus in the previous quarter but lower than the same period last year.

Trade balance was recorded at a surplus of 5.8 billion US dollars, higher than the surplus of 5.5 billion US dollars in the previous quarter but lower than the surplus of 6.7 billion US dollars in the same quarter last year. **In Thai Baht terms**, the trade balance recorded a surplus of 198.5 billion baht, lower than a surplus of 203.1 billion Baht in the previous quarter, and a surplus of 238.0 billion Baht in the same quarter last year.

In the first nine months of 2024, the trade balance was recorded at a surplus of 12.9 billion US dollars, lower than the surplus of 14.5 billion US dollars in the same period last year. In Thai Baht terms, the trade surplus stood at 460.2 billion baht, lower than the surplus of 508.8 billion baht in the same period last year.

Term of trade

%YoY	2023 Year	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3
Term of trade*	97.6	96.5	98.0	98.0	98.0	99.0	97.6	97.8
%YOY	0.8	-2.0	2.1	2.1	1.0	2.6	-0.4	-0.2

Note : *Term of trade : TOT represents the ratio between a country's export prices and its import prices. When Term of trade improves, it refers to a country that gains benefit from international trade due to export prices higher than import prices.

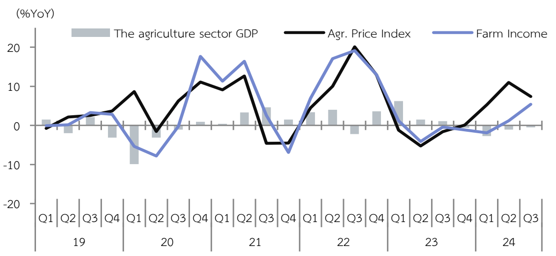
Source: Bank of Thailand

Production Side:

Agriculture, forestry, and fishing sectors declined by 0.5 percent, continuing a decrease from a 1.9-percent decrease in the previous quarter, owing to floods in many areas and the fluctuations in weather conditions during the transition from El Niño to La Niña. In this quarter, some major agricultural products declined, particularly paddy, rubber, and maize. In contrast, the livestock sector continued to expand for the ninth consecutive quarter, following the increase in cattle, poultry, and swine production. Meanwhile, the fishery sector rebounded. The production contraction included: (i) **paddy** (-4.7 percent); (ii) **rubber** (-0.4 percent), and (iii) **maize** (-0.6 percent). Conversely, there was production expansion in major agricultural products such as palm oil (4.1 percent), cattle (7.8 percent), poultry (6.5 percent), swine (33.9 percent), cassava (2.5 percent), and white shrimp (0.3 percent). Meanwhile, **the Agricultural Price Index** continued to rise for the third consecutive quarter by 7.4 percent, compared to an 11.0-percent increase in the previous quarter. This increase was driven by rising prices of major agricultural products, including (i) rubber (56.4 percent); (ii) fruits (4.0 percent), following an increase in the price of key agricultural products, especially pineapple (43.2 percent); (iii) palm oil (8.7 percent); (iv) white shrimp (19.8 percent), and (v) mixed chicken eggs (4.0 percent). However, prices for some major agricultural products declined, including cassava (-31.9 percent), poultry (-6.1 percent), and paddy (-2.1 percent). The increase in the agricultural price index led to the expansion of the Farm Income for the third consecutive quarter by 7.7 percent.

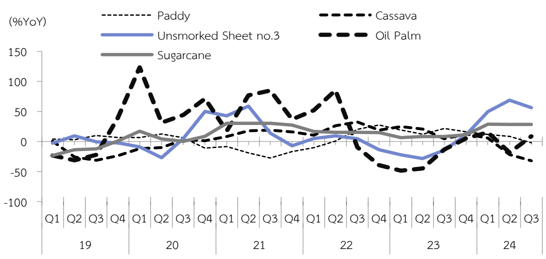
In the first nine months of 2024, the agriculture, forestry, and fishing sector decreased by 1.8 percent, compared with a 3.2-percent growth in the same period last year, the Agricultural Price Index increased by 7.4 percent, and Farm Income increased by 5.2 percent.

The agriculture sector GDP has continued to decline percent while Agricultural price index increased for the third consecutive quarter, resulting in continued growth of Farmer Income



Source: Office of Agricultural Economics

The prices of agricultural products have increased for three items: rubber, sugarcane, and palm oil, while cassava and paddy prices have decreased



Source: Office of Agricultural Economics

Manufacturing, accommodation and food service, wholesale and retail trade; repair of motor vehicles, and transportation and storage sectors continued expanding from the previous quarter, while the construction sector rebounded for the first time in four quarters. Meanwhile, the agriculture sector declined.

Agriculture, forestry, and fishing sector declined for the fourth consecutive quarter, contracting by 0.5 percent due to a decrease in major agricultural products. Meanwhile, the Agricultural Price Index continued rising for the third consecutive quarter.

The increase in the agricultural price index led to the continued expansion of Farm Income.

The Impact of the 2024 Flood on the Agricultural Sector

In the third quarter of 2024, Thailand faced erratic climate volatility influenced by the monsoon and Typhoon Yagi, which caused heavy rainfall and led to flooding in the northern and northeastern regions of the country. Additionally, accumulated rainfall nationwide since August 2024 resulted in higher-than-normal water levels. According to aerial satellite imagery collected by the Geo-Informatics and Space Technology Development Agency (GISTDA) as of November 11, 2024[1] , an area of 3.54 million rai (approximately 1.10% of Thailand's total area[2]) was affected by the flooding, covering 52 provinces[3].

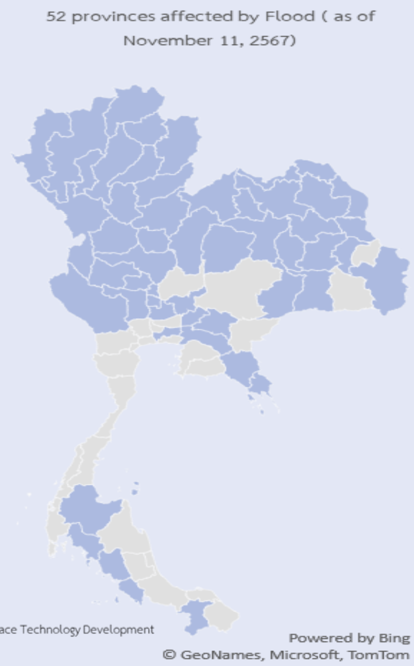
1 This information is based on aerial satellite imagery that passes over Thailand, including satellites such as Sentinel-1A, TDX1, Theos-2, Radasat-2, TanDEM-X, ALOS-2, Pleiades-1A, and Gaofen-3

2 According to data from the Land Development Department, Ministry of Agriculture and Cooperatives, the Royal Forestry Department, Ministry of Natural Resources and Environment, and Royal Thai Survey Department under Royal Thai Armed Forces, Thailand has a total land area of 320.67 million rai, divided into forest areas of 102.14 million rai (31.85%), agricultural areas of 147.73 million rai (46.06%), and non-agricultural areas of 70.83 million rai (22.09%).

3 The 52 affected provinces include Kamphaeng Phet, Chiang Rai, Chiang Mai, Tak, Nakhon Sawan, Nan, Phayao, Phichit, Phitsanulok, Phetchabun, Phrae, Mae Hong Son, Lampang, Lamphun, Sukhothai, Uttaradit, Uthai Thani, Kalasin, Khon Kaen, Chaiyaphum, Nakhon Phanom, Bueng Kan, Buriram, Maha Sarakham, Mukdahan, Yasothon, Roi Et, Loei, Sakon Nakhon, Surin, Nong Khai, Nong Bua Lamphu, Udon Thani, Ubon Ratchathani, Chanthaburi, Chachoengsao, Trat, Nakhon Nayok, Prachinburi, Bangkok, Kanchanaburi, Chai Nat, Phra Nakhon Si Ayutthaya, Suphanburi, Saraburi, Singburi, Ang Thong, Krabi, Trang, Yala, Satun, and Surat Thani.

The Impact of the 2024 Flood on the Agricultural Sector (Cont.)

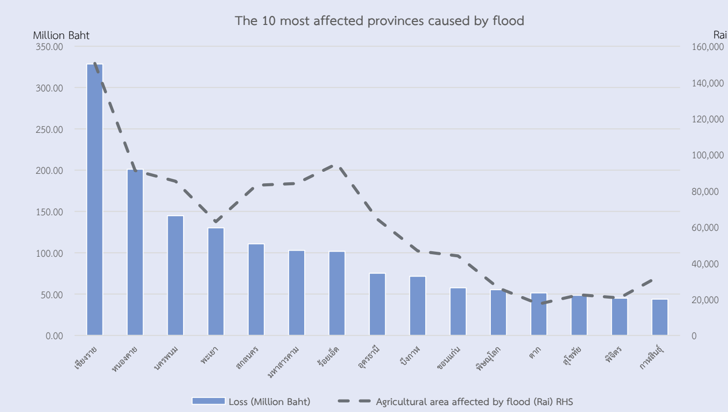
Summary of Loss and Damage from flood	2011	2022	2024 (as of Nov 11)
Affected Area (Provinces)	77	66	52
Flooded Area from Satellite Data (GISTDA)	15,996,151	5,331,739	3,540,178
Percentage of Flooded Area to the total area	4.99	1.66	1.10
Crops Sector			
Farmers (persons)	1,299,668	649,807	130,420
Total Affected Area (Rai)	12,751,937	5,510,061	982,170
Rice Fields (Rai)	10,079,708	3,611,514	878,195
Other Crops and Vegetables (Rai)	1,876,310	1,809,822	93,055
Fruit Trees, Perennial Plants, and Others (Rai)	795,919	88,725	10,920
Fisheries			
Fisherman (person)	132,726	30,350	8,874
Total Affected Area (Rai)	272,052	45,988	8,740
Fish Ponds / Cement Pits (sqm)	300,739	54,580	8,261
Livestock			
Farmers (persons)	254,670	90,432	1,416
Total Animals (heads)	30,317,232	8,595,491	120,796
Poultry (heads)	29,541,550	8,212,554	120,064
Swine (heads)	337,723	60,422	607
Goats, Sheep (heads)	43,505	29,147	45
Cattle, Buffalo (heads)	394,454	293,368	125



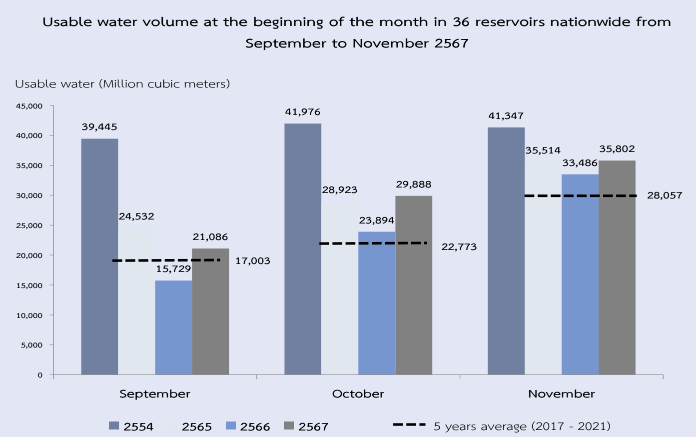
Source : Office of of agricultural economics, Ministry of Argriculture and Cooperatives and Geo-Informatics and Space Technology Development Agency Ministry of Higher Education, Science, Research and Innovation

Based on data from the Disaster Monitoring and Mitigation Center, Ministry of Agriculture and Cooperatives, as of November 11, 2024, the impacts of the flood that caused damage to the agricultural sector, in the third quarter of 2024 are as follows: In the crop sector, 130,420 farmers were affected, with 0.98 million rai of land impacted. In the fisheries sector, 8,874 farmers were affected, with 8,740 rai of aquaculture areas impacted and 8,261 square meters of fish pens affected. In the livestock sector, 1,416 farmers were affected, with 120,796 animals impacted. As of November 11, 2024, the total affected area from flooding in 2024 is 3.54 million rai, which is less than the affected area of 15.96 million rai in 2011 by 77.9% and the affected area of 5.33 million rai in 2022 by 33.6%.

When considering the value of the impact of the flood on the agricultural sector (accounting for 8.65% of GDP), it is estimated that the damage to this sector amounts to approximately 2,061 million baht. The five provinces with the highest levels of damage are Chiang Rai (328.59 million baht), Nong Khai (201.17 million baht), Nakhon Phanom (144.90 million baht), Phayao (130.21 million baht), and Sakon Nakhon (110.85 million baht). The crops affected include rice, cassava, maize, oil palm, rubber, and longan[4].



Sources: the Agricultural Disaster Monitoring and Resolution Center, Ministry of Agriculture and Cooperatives and and Geo-Informatics and Space Technology Development Agency Ministry of Higher Education, Science, Research and Innovation. Complied by NESDC.



Sources Hydro - Informatics Institute, compiled by NESDC

Meanwhile, as of November 11, 2023, the water storage volume in reservoirs stood at 59,341 million cubic meters, accounting for 83.66% of total reservoir capacity, which is lower than the 91.88% recorded in 2011. Nationwide accumulated precipitation was 1,478.0 mm, also lower than the 1,947.9 mm recorded in 2011. However, the ENSO phenomenon is expected to sustain a La Niña phase through February 2025, likely resulting in above-average accumulated precipitation for the remainder of 2024, before conditions return to normal around March 2025.

Therefore, the government should prepare strategies to address climate change issues for the remainder of 2024 and early 2025. Emphasis should be placed on water resource management, enhancing the efficiency of infrastructure, and improving early warning systems to adapt to rapid climate changes. Measures should include upgrading levees, dams, and flood barriers to ensure adequate drainage capacity in both irrigated and non-irrigated areas. Additionally, educating farmers to raise awareness about climate variability and promote proper water usage in cultivation. These initiatives should be complemented by strengthening farmers' resilience through the promotion and development of crop insurance systems to mitigate risks associated with climate change.

4 Calculated and compiled from data published by the Agricultural Disaster Monitoring and Resolution Center, Ministry of Agriculture and Cooperatives, as of November 13, 2024

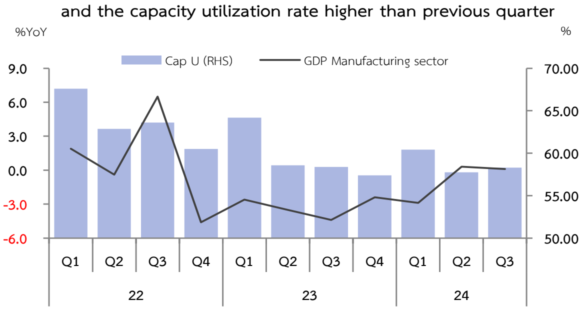
Manufacturing sector increased by 0.1 percent, continuing from a 0.3-percent increase in the previous quarter, following the expansion of the export-oriented industries and the domestic-oriented industries. In this quarter, **The Manufacturing Production Index of the industries of the export-oriented industries (with an export share more than 60% of total production)** expanded for the first time in eight quarters. The increase was mainly attributed to the manufacture of electronic components and boards (1.7 percent), which expanded in line with the demand for integrated circuits from major trading partners; the manufacture of computers and peripheral equipment (10.9 percent), which was a result of the demand for Hard Disk Drive (HDD) for data storage in data centers; the manufacture of other general-purpose machinery (12.4 percent), especially air conditioners; and the production of canned seafood (37.4 percent). However, the processing and preserving of fish and fish products, fresh, chilled or frozen decreased by 6.8 percent. **The Manufacturing Production Index of the domestic-oriented industries (with an export share less than 30% of total production)** continued to expand for the second consecutive quarter. The main industries with increased production were the manufacture of refined petroleum products (6.1 percent) and the manufacture of palm oil (12.9 percent), following the higher-than-normal volume of palm oil entering the crude palm oil mill. Nonetheless, the manufacture of articles of concrete, cement, and plaster, and the manufacture of basic iron and steel decreased by 11.5 percent and 7.4 percent, respectively. Meanwhile, **the Manufacturing Production Index of the industries (with 30–60 percent export share of total production)** continued to decrease for the sixth consecutive quarter. The decrease was mainly attributed to the manufacture of motor vehicles (decreased by 16.4 percent), following a decrease in the production of commercial and personal passenger cars by 25.0 percent and 10.3 percent, respectively, and the manufacture of motorcycles (decreased by 12.7 percent). Nevertheless, the manufacture of prepared animal feeds and the manufacture of electric motors, generators, transformers, and electricity distribution and control apparatus grew by 8.7 percent and 29.6 percent, respectively.

Manufacturing sector continued expanding for the second consecutive quarter, mainly due to the recovery of export-oriented industries, while domestic-oriented industries also continued to expand. However, manufacturing production of the industries with a 30–60 percent export share of total production continued declining. The average capacity utilization rate was 58.29 percent, higher than 57.75 percent in the previous quarter but lower than 58.37 percent in the same quarter last year.

The average capacity utilization rate in this quarter was 58.29 percent, higher than 57.79 percent in the previous quarter but lower than 58.37 percent in the same quarter of the previous year. Of the 30 important industries, three industries had capacity utilization higher than 80.00 percent: the manufacture of refined petroleum products (87.98 percent), the manufacture of plastics and synthetic rubber in primary forms (84.09 percent), and the slaughtering and packing of poultry (81.92 percent). Meanwhile, 12 industries had capacity utilization lower than 50.00 percent, such as the manufacture of computers and peripheral equipment (49.15 percent), the manufacture of basic iron and steel (43.34 percent), and the manufacture of plastic articles for the packaging of goods (48.88 percent).

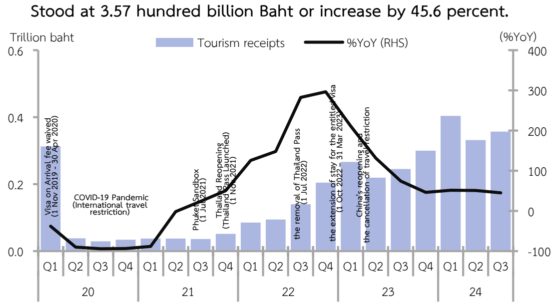
In the first nine months of 2024, the manufacturing sector fell by 0.9 percent, compared to a 3.5-percent decline in the same period last year, and the average capacity utilization rate was 58.82 percent, compared to a 60.3-percent decline in the same period last year.

GDP Manufacturing sector continued increased
and the capacity utilization rate higher than previous quarter



Source : Office of Industrial Economics

Services receipts of Tourism for Q3/2024
Stood at 3.57 hundred billion Baht or increase by 45.6 percent.



Source: Bank of Thailand

Accommodation and food service activities sector maintained a continuous expansion of 8.4 percent, continuing from a 7.8-percent increase in the previous quarter. This growth was driven by the continued increase in international tourist arrivals and a surge in domestic tourism (Thai Teaw Thai). In this quarter, **the number of foreign tourists reached 8.588 million people** (shared of 93.22 percent of the pre-COVID-19 outbreak period), which **increased by 21.1 percent,** an increase of 21.1 percent, following a 26.3-percent expansion in the previous quarter. The top five international arrivals were from China 1.815 million people (shared of 21.14 percent), Malaysia 1.307 million people (shared of 15.21 percent), India 0.496 million people (shared of 5.78 percent), Korea 0.448 million people (shared of 5.21 percent), and Japan 0.292 million people (shared of 3.40 percent). This growth resulted from the government's proactive measures to facilitate international arrivals, such as to Thailand (Ease of Traveling), such as the visa-on-arrival program, and long holidays in many countries. **International tourism receipts[1] stood at 3.57 hundred billion Baht** (shared of 78.76 percent of pre-COVID-19 outbreak period), **increased by 45.6 percent,** an increase of 45.6 percent, following a 51.1-percent expansion in the previous quarter. **The domestic tourism by Thai travelers (Thai Teaw Thai) reached 63.337 million domestic trips, expanded by 6.6 percent,** compared to an expansion of 13.0 percent in the previous quarter. This growth was driven by numerous extended holidays, tourism-promoting campaigns such as the "Quick Win" measures to stimulate domestic tourism, and provincial festivals and events. The top five provinces (excluding Bangkok) by the number of Thai visitors were: Chonburi 3.874 million people-times (shared of 6.12 percent), Kanchanaburi 3.678 million people-times (shared of 5.81 percent), Prachuap Khiri Khan 2.503 million people-times (shared of 3.95 percent), Phetchaburi 2.404 million people-times (shared of 3.79 percent), and Phra Nakhon Si Ayutthaya 2.100 million people-times (shared of 3.32 percent). **Thai tourism receipts[2] stood at 225 billion Baht**, increased by 10.8 percent, compared to an expansion of 16.9 percent in the previous quarter. The top five provinces (excluding Bangkok) by Thai tourism receipts were Chonburi (shared of 12.33 percent), Chiang Mai (shared of 5.23 percent), Prachuap Khiri Khan (shared of 4.09 percent), Surat Thani (shared of 3.60 percent) and Kanchanaburi (shared of 3.58 percent), respectively. The combined increase in international and domestic tourism receipts brought **the total tourism revenue[3] to 582 billion Baht, rising by 2.98 percent**, compared to an expansion of 34.4 percent in the previous quarter. **The average occupancy rate stood at 68.60 percent**, lower than 69.92 percent in the previous quarter, but higher than 66.16 percent in the same period last year.

Accommodation and food service activities sector has expanded for the tenth Accommodation and food service activities sector expanded for the eleventh consecutive quarter by 8.4 percent, driven by continuous growth in foreign tourist arrivals and an expansion in domestic tourism (Thai Teaw Thai).

The total tourism revenue in this quarter reached 582 billion Baht, an increase of 29.8 percent.

The average occupancy rate was 68.60 percent, lower than 69.92 percent in the previous quarter but higher than 66.16 percent in the same period last year.

In the first nine months of 2024, accommodation and food service activities sector expanded by 9.3 percent, compared with an increase of 21.2 percent in the same period last year. The number of foreign tourists reached 26.089 million, an increase of 30.1 percent, and international tourism receipts were 1.093 trillion Baht, an increase of 49.5 percent while Thai tourism receipts stood at 0.703 trillion Baht, growing by 12.6 percent. As a result, the total amount of tourism revenue was 1.796 trillion Baht, marking an increase of 32.5 percent. The average occupancy rate was 71.26 percent, higher than 67.78 in the same period last year.

Wholesale and retail trade, repair of motor vehicle and motorcycle sector increased by 3.5 percent, accelerating from a 3.0-percent expansion in the previous quarter. This was reflected in the acceleration in the Wholesale and Retail Sales, and Repair of Motor Vehicles Composite Index, driven by the following factors: (i) **Retail Sales Index (except motor vehicles and motorcycles)** expanded by 26.3 percent, accelerated from a 17.2-percent expansion in the previous quarter. This growth was supported by increases in other retail stores, particularly jewelry stores, electrical appliances and electronics stores, and pets and related equipment stores as well as retail sales via stalls and markets; (ii) **Wholesale Index (except motor vehicles and motorcycles)** increased by 14.3 percent, accelerating from a 12.7-percent expansion in the previous quarter. Key contributors were growth in categories such as domestic appliances and machinery, equipment and supplies; Meanwhile, (iii) **Wholesale and Retail Sales, and Repair of Motor Vehicles Index** continued to decrease for the eighth consecutive quarter by 11.1 percent, compared with a 10.7-percent decrease in the previous quarter. This decrease reflected reductions across all categories, including the sale of motor vehicles, sale of motor vehicle parts and accessories, sale of motorcycles, and repair of motorcycles and related parts and accessories.

Wholesale and retail trade, repair of motor vehicle and motorcycle sector continued to increase for the fourteenth consecutive quarter, expanding by 3.5 percent, accelerated from the previous quarter.

In the first nine months of 2024, the wholesale and retail trade; repair of motor vehicles and motorcycles sector increased by 3.7 percent, compared with an increase of 3.4 percent in the same period last year.

1 International tourism receipts refer to service receipts of tourism from the balance of payments table. (source: Bank of Thailand)

2 Thai tourism receipts refer to Domestic Tourism Statistic. (source: Ministry of Tourism & Sports)

3 The total amount of tourism revenue refers to an aggregation of the international tourism receipts and Thai tourism receipts.

Transportation and storage sector increased by 9.0 percent, continuing from an 8.1-percent expansion in the previous quarter, following the surge in air transport services and the continual expansion of land transport and transport via pipelines. This was in line with the accelerated expansion of all categories of Transport Service Index, attributed to: (i) Air transport services surged by 28.9 percent, accelerating from a 22.3-percent growth in the previous quarter, driven by higher passenger and air cargo volumes; (ii) Land transport and transport via pipelines expanded by 5.7 percent, continuing from a 5.2-percent increase, supported by a rise in public transport passengers, higher fuel consumption (diesel and LPG), increased metropolitan train usage (BTS/MRT), and a growth in registered trucks and gasoline consumption; and (iii) Water transport services also grew by 3.2 percent, an improvement from 2.6 percent, due to the expansion in the container volume index and the volume of international shipping on Thai waterways. Additionally, warehousing and support activities for transportation rose by 10.2 percent, compared to an expansion of 12.6 percent in the previous quarter, and postal and courier activities increased by 8.0 percent, compared to an expansion of 9.7 percent in the previous quarter.

Transportation and storage sector continued to increase for the twelfth consecutive quarter by 9.0 percent, accelerating from the previous quarter. This growth was driven by the expansion of all modes of transportation services, including, air transportation services, land transport and transport via pipelines and Water Transport Services.

In the first nine months of 2024, transportation and storage sector increased by 9.0 percent, continuing from an expansion of 9.1 percent in the same period last year. Transport services rose by 8.8 percent, attributed to a 26.2-percent increase in air transport services, a 5.6-percent increase in land transport and transport via pipelines services, and a 3.7-percent increase in water transport services. Additionally, warehousing and support activities for transportation rose by 10.9 percent and postal and courier activities expanded by 10.8 percent.

Construction sector expanded by a high rate of 15.5 percent, compared to a 5.5 percent decrease in the previous quarter, following an increase in public construction, while private construction continued to decline. In this quarter, **public construction** expanded by a high rate of 33.0 percent compared to a 7.5-percent decrease in the previous quarter. Government construction expanded for the first time in six quarters by 49.4 percent, driven by an increase in construction of important projects such as the national highway network project and the rural highway network and bridge development project, which support transportation and logistics. State enterprise construction continued to increase for the tenth quarter by 2.5 percent, due to higher investment disbursement for key infrastructure development, such as the second phase of the transmission and distribution system development project (PEA) and the Purple Line electric train project, Tao Poon-Rat Burana section (MRTA), respectively. Meanwhile, **private construction** continued to decline for the second consecutive quarter by 5.4 percent, compared to a 1.9-percent decrease in the previous quarter, following a continuous decline in all types of residential construction, including non-residential construction, especially commercial buildings and other construction. This decline was in line with the decline in the sales volume of construction materials index and permitted construction areas. **Construction material price index (CMI)** increased for the first time in six quarters by 0.6 percent, following the increase in prices of other construction materials (4.1 percent), electrical and plumbing equipment (3.4 percent), wood and wood products (4.6 percent), and concrete products (1.2 percent). Meanwhile, prices of important construction materials that decreased included steel (decreased by 2.1 percent) and sanitary ware (decreased by 3.4 percent).

Construction sector expanded for the first time in four quarters by 15.5 percent, following an increase in public construction, especially government construction, while private construction continued to decline.

Construction Material Price Index (CMI) increased for the first time in six quarters by 0.6 percent, driving mainly by an increase in prices of other construction materials and electrical and plumbing equipment.

In the first nine months of 2024, the construction sector decreased by 2.5 percent, compared to an increase of 1.5 percent in the same period of the previous year. Public construction decreased by 2.3 percent (government construction decreased by 5.5 percent, while state enterprise construction increased by 4.4 percent) and private construction decreased by 1.4 percent.

Employment declined for the third consecutive quarter, following a decline in agricultural employment. Meanwhile, non-agricultural employment continued to increase for the tenth consecutive quarter. The unemployment rate was lower than the previous quarter but higher than the same quarter last year. In the third quarter of 2024, there were 40.04 million employed persons in total, a 0.1-percent decrease compared to a 0.4-percent decrease in the previous quarter. This total included 36.69 million Thai employed persons (91.62 percent share) which decreased 1.8 percent, compared to a 2.1-percent decrease in the previous quarter, and 3.35 million foreign employed persons (8.38 percent share), a 22.2-percent increase, compared to a 21.3-percent increase in the previous quarter. **Agricultural employment** (30.50 percent) continued to decrease for the third consecutive quarter by 3.4 percent, in line with the decrease in the production of some important agricultural products, such as paddy rice, fruit trees, white shrimp, cassava, and rubber, etc. **Non-agricultural employment** (69.50 percent) continued to increase for the tenth consecutive quarter by 1.4 percent. This increase was mainly driven by higher employment in accommodation and food service activities and the construction sector. Nonetheless, manufacturing, wholesale and retail trade, and repair of motor vehicles and motorcycles decreased.

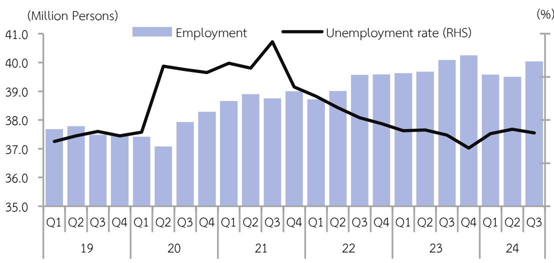
Employment declined for the third consecutive quarter, mainly due to the continuous decrease in agricultural employment, while non-agricultural employment has continued to increase for the tenth consecutive quarter.

The unemployment rate stood at 1.02 percent, lower than the previous quarter but higher than the same quarter last year.

The unemployment rate in this quarter stood at 1.02 percent, lower than 1.07 percent in the previous quarter, but higher than 0.99 percent in in the same quarter last year. **The average number of unemployed people** was 413,915 unemployed persons, lower than the 429,080 unemployed persons in the previous quarter but higher than the 401,200 unemployed persons in the same quarter last year.

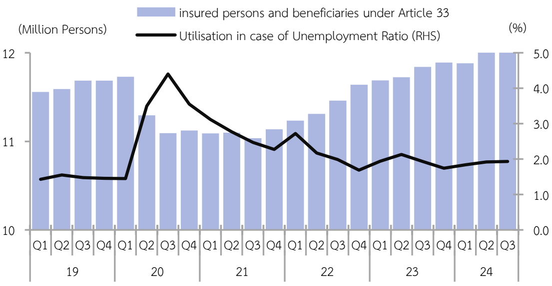
For the first nine months of 2024, employment decreased by 0.2 percent, following a decline in agricultural employment. The unemployment rate stood at 1.03 percent.

Employment decreased by 0.1 percent following a decreased in agricultural sector employment
Unemployment rate was low at 1.02 percent.



Source: National Statistical Office

There are 12.1 million insured persons and beneficiaries under Article 33 and 1.93 percent of them are receiving unemployment benefits



Source: The Social Security Office ,Ministry of labour

Employed Persons by Industry

%YOY	Share Q3/24	2023 Year	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3
Employed	100.00	1.8	2.4	1.7	1.3	1.7	-0.1	-0.4	-0.1
- Agricultural	30.50	1.2	1.6	-0.2	2.0	1.0	-5.7	-5.0	-3.4
- Non-Agricultural	69.50	2.0	2.7	2.5	1.0	2.0	2.2	1.5	1.4
Manufacturing	15.45	0.1	0.4	0.3	0.6	-2.3	0.7	2.2	-1.4
Construction	5.39	2.1	-1.8	6.0	2.9	3.1	5.0	1.5	0.7
Wholesale and retail trade; repair of motor vehicles and motorcycles	16.75	1.8	4.4	0.5	-0.2	3.8	-0.4	0.2	-0.8
Accommodation and food service activities	8.42	9.3	8.2	11.7	8.3	8.0	10.6	4.9	6.1
Total labor force (Million persons)		40.45	40.28	40.31	40.53	40.67	40.23	40.18	40.48
Employed (Million persons)		39.92	39.63	39.68	40.09	40.25	39.58	39.50	40.04
Unemployment (Million persons)		0.40	0.42	0.43	0.40	0.33	0.41	0.43	0.41
Unemployment Rate (%)		0.98	1.05	1.06	0.99	0.81	1.01	1.07	1.02

Source : National Statistical Office (NSO)

Labor in the Social Security Fund: The number of insured people in the social security system continued to increase for the fourteenth consecutive quarter. The unemployment rate among insured persons under Article 33 was higher than in the previous quarter and equal the same quarter last year. In the third quarter of 2024, the total number of social security beneficiaries increased by 0.8 percent, compared to a 0.9-percent increase in the previous quarter. In detail, compulsory insurers under Article 33 increased by 2.1 percent, compared to a 2.4-percent increase in the previous quarter, and voluntarily insured persons under Article 40 increased by 0.4 percent, compared to a 0.6-percent increase in the previous quarter. Meanwhile, voluntarily insured persons under Article 39 illustrated the ninth consecutive quarter of contraction by 6.0 percent, continuing from a 5.9-percent decrease in the previous quarter. **The unemployment rate among insured persons under Article 33** was at 1.93 percent in the third quarter, higher than 1.92 percent in the previous quarter and equal to 1.93 percent in the same quarter last year. **The average number of unemployed** was 230,095 persons, higher than 230,629 persons in the previous quarter and higher than 229,070 persons in the same quarter last year.

The number of insured persons in the social security system continued to increase for the fourteenth consecutive quarter by 0.8 percent.

This was in line with an increase in the compulsory insured persons under Article 33 and the voluntary insured persons under Article 40. On the contrary, the voluntary insured persons under Article 39 continued to decline for the ninth consecutive quarter.

The unemployment rate among insured persons under Article 33 in this quarter was 1.93 percent, higher than 1.92 percent in the previous quarter and equal to 1.93 percent in the same quarter last year.

Number of social security beneficiaries

Registered Applicants (Thousand persons)	2023					2024		
	Year	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Insured Persons (article 33)1/	11,891	11,689	11,725	11,842	11,891	11,883	12,006	12,096
Insured Persons (article 39)2/	1,798	1,866	1,850	1,826	1,798	1,770	1,740	1,716
Insured Persons (article 40)3/	10,958	10,911	10,935	10,957	10,958	10,980	10,996	11,004
Total Insured Persons	**24,647**	**24,466**	**24,511**	**24,625**	**24,647**	**24,634**	**24,742**	**24,816**
Utilisation in case of Unemployment	207	227	250	229	207	218	231	233
Utilisation in case of Unemployment Ratio (%)	1.74	1.94	2.13	1.93	1.74	1.84	1.92	1.93

Source : Social Security Office (SSO) , Ministry of labour

Note: 1/ Insured Persons (article 33) are employees of private enterprises that employ at least 1 employee. Those Insured Persons must be over 15 years of age, but under 60 years of age

2/ Insured Persons (article 39) are individuals who resigned from private enterprises (previously insured persons under article 33) but wants to maintain social security rights. Therefore, they voluntarily applied for social security rights under article 39

3/ Insured Persons (article 40) are neither persons who are currently employed by private enterprises (article 33) nor has never applied to be an insured person under article 39. Insured persons under article 40 must be an self-employed person or informal workers age who must be over 15 years of age, but under 60 years of age.

Fiscal Conditions:

On the revenue side, in the fourth quarter of the fiscal year 2024 (July - September 2024), the net government revenue collection stood at 782.4 billion Baht, increasing by 10.0 percent compared with the same quarter of the previous year. This growth was contributed by the following factors: **(i) A 129.2-percent rise in revenue submissions from state-owned enterprises,** primarily due to remittances from PTT Public Company Limited has advanced the submission of its interim dividend for 2024, a payment that is typically scheduled for October 2024. **(ii) A 8.0-percent increase in VAT**, reflecting the expansion of imports and domestic consumption. **(iii) A 22.6-percent increase in the remittances from other government agencies**, due to the submission of license fee for frequency usage in telecommunications services in the 900 MHz band to the National Broadcasting and Telecommunications Commission (NBTC). **(iv) A 20.9-percent rise in revenue from oil and oil products excise tax** and **(v) a 2.6-percent increase in corporate income tax,** attributed to the performance of the business.

In Q4/FY2024, the net government revenue collection increased by 10.0 percent *due to increases in Value added tax, corporate income tax, and remittances from state-owned enterprises and other government agencies.*

For the fiscal year 2024, the net government revenue collection amounted to 2,792.9 billion Baht, representing a 4.7 percent increase from the same period last year but was 0.1 percent lower than the revenue estimation stated in the 2024 annual budget expenditures. Major contributors to the lower-than-estimated revenue included: **(i) The automobile excise tax fell short of estimates by 35.8 percent,** primarily due to a decline in sales of pickup trucks and pickup passenger vehicles (PPVs). Additionally, the implementation of measures to reduce the excise tax rate on electric vehicles by 80 percent aims to position Thailand as a hub for electric vehicle manufacturing. **(ii) Corporate income tax was 3.4 percent below estimates**, due to the revenue collection from Half-year Corporate income tax (P.N.D. 51) and the Withholding Income Tax Return (P.N.D.53) **(iii) Petroleum and petroleum products tax was 11.7 percent below estimates** due to the implementation of measures to reduce the excise tax rate on diesel and gasoline fuels[4]. Meanwhile, the higher-than-estimated revenue included: **(i) state-owned enterprises' revenue remittance, which exceeded estimates by 25.4 percent,** and **(ii) other government agencies' revenue remittance, which also exceeded estimates by 25.4 percent**, was due to the remittance of surplus loans under the Emergency Decree Authorizing the Ministry of Finance to Raise Loans to Solve Raise Loans to Solve Problems, to Remedy and Restore the Economy and Society as Affected by the Coronavirus Disease Pandemic, B.E. 2564 (2021), as well as excess proceeds from the sale of debentures issued to compensate for budget deficits.

For the FY2024, *the net government revenue collection amounted to 2,792.9 billion Baht, was lower than the estimation stated in the 2024 annual budget by 0.1*

On the expenditure side, in the fourth quarter of fiscal year 2024, the government had a total budget disbursement of 849.0 billion Baht[5], reflecting a 9.0 percent increase compared to the same quarter of the previous year in which total budget disbursement consisted of:

In Q4/FY2024, *total budget disbursement increased by 9.0 percent due to the increasing of the measures to expedite the 2024 annual budget disbursement.*

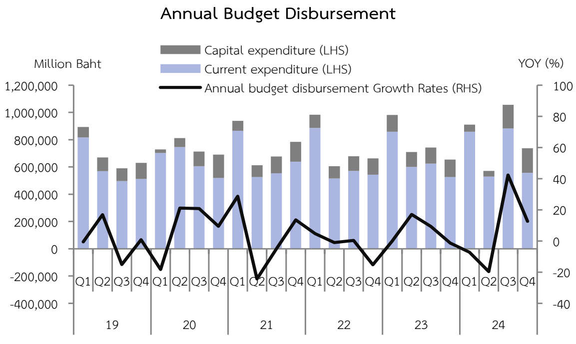
(i) The 2024 annual budget disbursement, amounting to 736.9 billion Baht[6], an increase of 12.6 percent

4 The diesel tax rate reduction by 2.50 baht per liter on 20 September - 31 December 2023.
The gasoline tax rate reduction by 1 baht per liter on 7 November 2023 - 31 January 2024.
The diesel tax rate reduction by 1 baht per liter on 20 January - 19 April 2024.

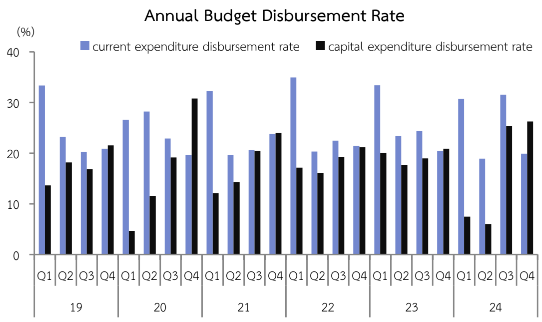
5 The total budget disbursement includes the disbursement of (i) the grand total of annual budget, (ii) the carry-over budget, (iii) the State-owned enterprises' capital expenditure budget allocated by the State Enterprise Policy Office including PTT and affiliated companies' domestic investment and the State-owned enterprise's capital expenditure allocated from the annual budget and the carry-over budget, and (iv) the COVID-19 loan.

6 Excluding the central fund, Expenditures for Stimulating the Economy and Strengthening the Economic System totaling 122 billion baht.

compared to the same quarter last year. The disbursement rate was 21.2 percent, higher than the 20.5 percent in the same quarter last year. **The current expenditure disbursement** totaled to 557.6 billion Baht, representing a 6.1 percent increase from the same quarter last year. The disbursement rate was 19.9 percent, lower than the 20.5 percent in the same quarter last year. **The capital expenditure disbursement** was marked at 179.3 billion Baht, increasing from the same quarter last year by 39.3 percent. This increase was primarily due to the measures to expedite disbursement. The disbursement rate was 26.3 percent, higher than the 20.9 percent in the same quarter last year.



Source: GFMIS at 28th October 2024



Source: GFMIS at 28th October 2024

(ii) The carry-over budget disbursement stood at 34.2 billion Baht, decreasing from the same quarter last year by 19.6 percent. The disbursement rate was 21.4 percent, lower than the 22.3 percent in the same quarter last year.

(iii) The State-owned enterprises' capital expenditure budget was disbursed for 87.5 billion Baht[7], reflecting an 8.2 percent decrease from the same quarter last year.

(iv) The COVID-19 loan was disbursed by 8.0 million Baht

For the fiscal year 2024, total budget disbursement stood at 3,764.4 billion Baht, increasing by 4.1 percent from the same period last year, with the allowing details.

For the FY2024, the total budget disbursement increasing by 4.1 percent.

(i) The 2024 annual budget disbursement amounted to 3,274.0 billion Baht, with a disbursement rate of 94.1 percent, lower than 97.0 percent in the same period last year. This includes 2,829.3 billion Baht in current expenditure disbursement (with a disbursement rate of 101.1 percent, lower than 101.6 percent in the same period of last year), and 444.6 billion Baht in capital expenditure disbursement (with a disbursement rate of 65.2 percent, lower than 77.7 percent in the same period last year).

(ii) The disbursement of the carry-over budget stood at 146.4 billion Baht, with a disbursement rate of 91.4 percent.

(iii) State-owned enterprises' (SOEs) capital expenditure budget was disbursed by 379.7 billion Baht[8] in which the top five SOEs with the highest capital expenditure disbursements included the PTT Public Company Limited and its affiliated companies, the Electricity Generating Authority of Thailand (EGAT), the Provincial Electricity Authority (PEA), the State Railway of Thailand (SRT), and the Mass Rapid Transit Authority of Thailand (MRTA).

(iv) The COVID-19 loan was disbursed by 19.5 million Baht

Public Debt: As of the end of September 2024, public debt was accumulated to 11.6 trillion Baht, equivalent to 63.3 percent of GDP, and remained under the fiscal disciplinary framework. The total public debt comprised 11.5 trillion Baht of domestic loans (99.0 percent of Public Debt) and 122.1 billion Baht of foreign loans (1.0 percent of Public Debt).

*At the end of September 2024, the **public debt was equivalent to 63.3 percent of GDP**, remained under the fiscal disciplinary framework.*

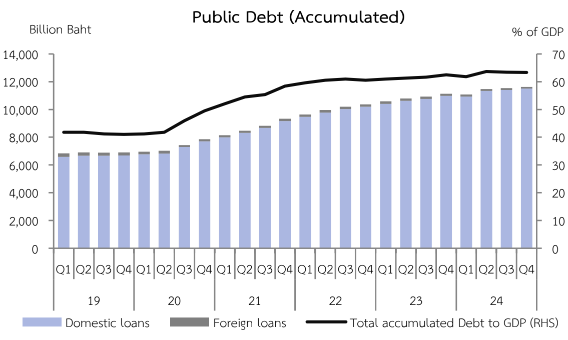
Fiscal Balance: In the fourth quarter of fiscal year 2024, the budgetary balance recorded a deficit of 105.7 billion Baht, combined with a surplus of 14.9 billion Baht on the non-budgetary balance. In addition, the government conducted a cash balance management through the borrowing of 154.8 billion Baht. As a result, the cash balance after debt financing recorded a net surplus of 64.1 billion Baht. The treasury reserve at the end of the third quarter of fiscal year 2024 stood at 450.0 billion Baht, resulting in a fiscal balance of 514.1 billion Baht at the end of September 2024.

At the end of September 2024, the government's fiscal statement remained at a strong level where the fiscal balance stood at 514.1 billion Baht.

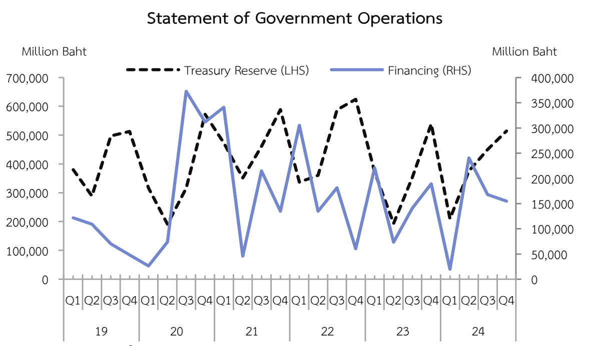
For the fiscal year 2024, the budgetary balance recorded a deficit of 750.7 billion Baht, combined with a surplus of 142.7 billion Baht on the non-budgetary balance. In addition, the government conducted a cash balance management through the borrowing of 583.0 billion Baht. As a result, the cash balance after debt financing recorded a net deficit of 25.0 billion Baht.

[7] The number was included the 9.6 billion Baht of the capital spending allocated from the annual budget and the carry-over budget.

[8] The number was included the 35.7 billion Baht of the capital spending allocated from the annual budget and the carry-over budget.

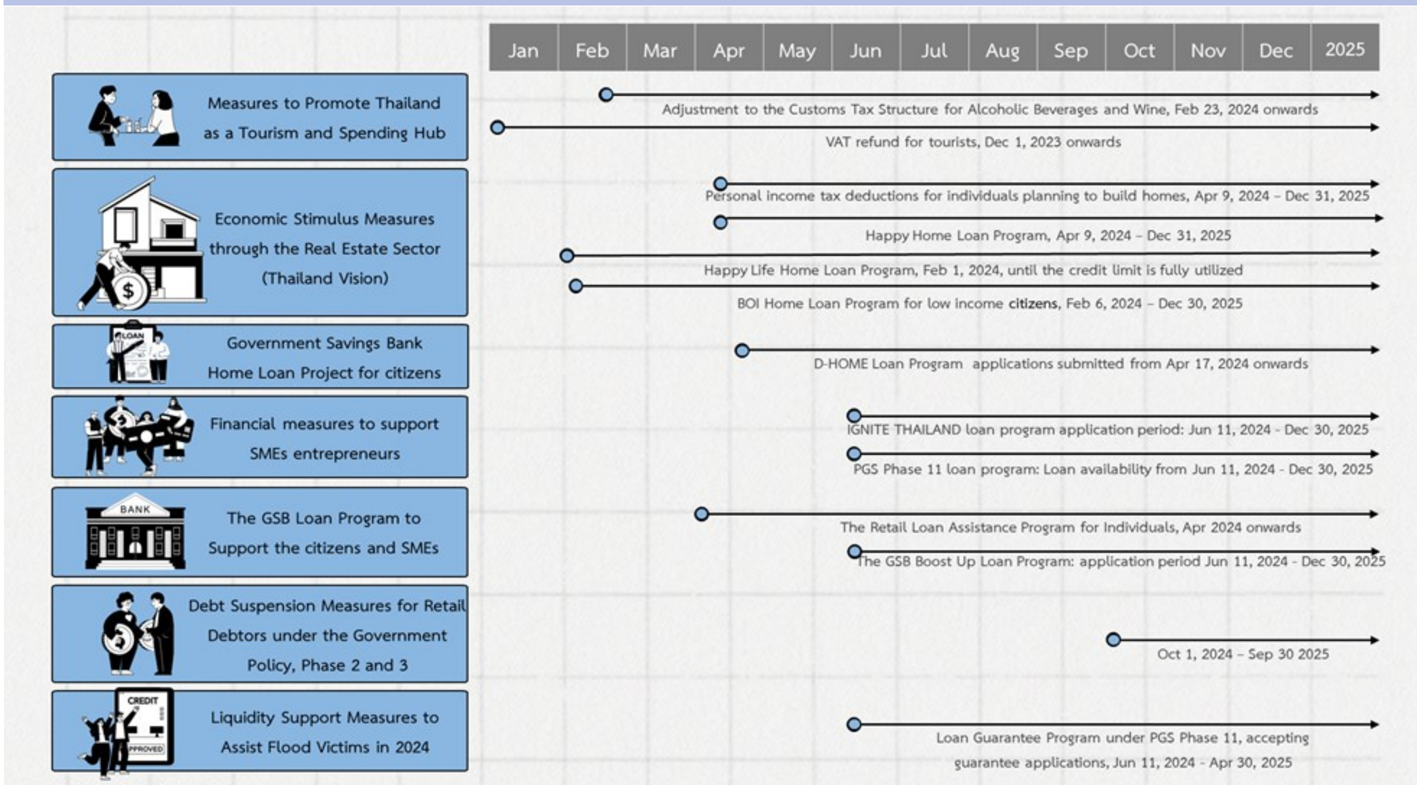


Source: Public Debt Management Office



Source: Ministry of Finance

Fiscal and Monetary Measures for 2024 - 2025



Source: Compiled by NESDC

Financial Conditions:

The policy interest rate was kept unchanged at 2.50 percent per annum. During the third quarter of 2024, the Monetary Policy Committee (MPC) voted 6 to 1 to maintain the policy interest rate at 2.50 percent per annum in the meeting on 21st August 2024. This decision was based on the MPC's assessment that the current policy rate is consistent with the economy converging to its potential and preserving macro-financial stability. **In addition, Thailand's monetary policy stance aligned with regional central banks**. For instance, the central banks of South Korea, India, Vietnam, and Malaysia, decided to keep their rates unchanged. Meanwhile, the central banks of Indonesia and the Philippines cut their policy interest rates by 25 basis points to support economic growth. Similarly, The People's Bank of China (PBOC) maintained its policy interest rate but reduced the reserve requirement ratio (RRR), the Medium-Term Lending Facility (MLF), and the reverse repo rate to increase liquidity. **Furthermore**, **most major central banks,** such as the Federal Reserve (Fed) of the United States, the European Central Bank, the Bank of England, and the Bank of Canada, decided to accommodate their monetary policies by reducing their policy rates since their inflation has returned to target. In contrast, the Bank of Japan raised its policy interest rate by 25 basis points to cope with inflation.

The policy rate was kept unchanged in line with most regional countries. Meanwhile, major central banks decided to accommodate their monetary policy.

In October 2024, the MPC voted 5 to 2 to reduce the policy interest rate by 25 basis points in the meeting on 16th October 2024. This was the first rate cut in 53 months, since 20th May 2020. The policy rate reduction aims to alleviate debt-servicing burden for household borrowers while not impeding the process of debt deleveraging. The MPC also signaled that the lower policy rate would remain neutral and consistent with economic potential. This accommodative monetary policy was consistent with major and regional countries, such as the European Union, Canada, China, the Philippines, and South Korea.

Policy Interest Rate

(%) At the end of	2022					2023					2024					
	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Q1	Q2	Jul.	Aug.	Sep.	Oct.
USA	4.25-4.50	0.25-0.50	1.50-1.75	3.00-3.25	4.25-4.50	5.25-5.50	4.75-5.00	5.00-5.25	5.25-5.50	5.25-5.50	5.25-5.50	5.25-5.50	5.25-5.50	5.25-5.50	5.25-5.50	5.25-5.50
EU	2.50	0.00	0.00	1.25	2.50	4.50	3.50	4.00	4.50	4.50	4.50	4.25	4.50	4.50	4.25	4.25
England	3.50	0.75	1.25	2.25	3.50	5.25	4.25	5.00	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25
Canada	4.25	0.50	1.50	3.25	4.25	5.00	4.50	4.75	5.00	5.00	5.00	4.75	5.00	5.00	4.75	4.50
Thailand	1.25	0.50	0.50	1.00	1.25	2.50	1.75	2.00	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Russia	7.50	20.00	9.50	7.50	7.50	16.00	7.50	7.50	13.00	16.00	16.00	18.00	16.00	16.00	16.00	18.00
Indonesia	5.50	3.50	3.50	4.25	5.50	6.00	5.75	5.75	5.75	6.00	6.00	6.25	6.25	6.25	6.25	6.25
China	3.65	3.70	3.70	3.65	3.65	3.45	3.65	3.55	3.45	3.45	3.45	3.35	3.45	3.45	3.45	3.35
Brazil	13.75	11.75	13.25	13.75	13.75	11.75	13.75	13.75	12.75	11.75	10.75	10.50	10.75	10.50	10.50	10.50
Japan	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	0.10	0.10	0.10	0.10	0.10	0.25
Philippines	6.00	2.50	3.00	4.25	6.00	7.00	6.75	6.75	6.75	7.00	7.00	6.5	7.00	6.5	6.5	6.5
Korea, South	3.25	1.25	1.75	2.50	3.25	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
India	6.25	4.00	4.90	5.90	6.25	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
Australia	3.10	0.10	0.85	2.35	3.10	4.35	3.60	4.10	4.10	4.35	4.35	4.35	4.35	4.35	4.35	4.35
New Zealand	4.25	1.00	2.00	3.00	4.25	5.50	4.75	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Vietnam	4.50	2.50	2.50	3.50	4.50	3.00	3.50	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Malaysia	2.75	1.75	2.00	2.50	2.75	3.00	2.75	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00

Source: Collected by NESDC

Large and medium-size commercial banks as well as specialized financial institutions (SFIs) kept their deposit and lending rates unchanged. In the third quarter of 2024, large and medium-size commercial banks as well as SFIs maintained their 12-month fixed deposit rates at 1.65, 1.58, and 1.73 percent per year, respectively. Similarly, their Minimum Loan Rates (MLR) remained unchanged at 7.25, 8.30, and 6.79 percent per year, respectively. In addition, real deposit and lending rates increased from the previous quarter following a slowdown in inflation.

Commercial banks and SFIs maintained their deposit and lending rates at the same level as in the previous quarter.

In October 2024, commercial banks reduced their 12-month fixed deposit rates from 1.65 to 1.63 percent per year and lowered their MLR from 7.25 to 7.21 percent per year, respectively. This was in line with the policy rate reduction by the Monetary Policy Committee (MPC).

At the end of the third quarter of 2024, the private credit outstanding of depository institutions expanded by 0.20 percent, decelerating from 1.00 percent expansion in the previous quarter. This was due to a contraction in private credit from commercial banks and a slowdown growth in private credit from specialized financial institutions (SFIs)

Private credit outstanding of depository institutions decelerated following a contraction in private credit from commercial banks and a slowdown growth in private credit from specialized financial institutions (SFIs).

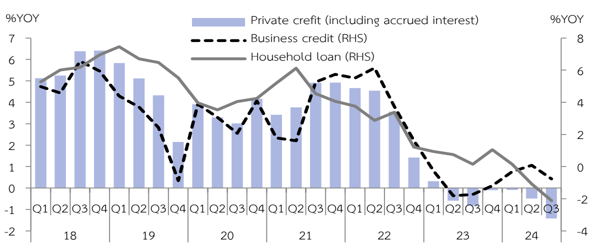
Private credit outstanding of commercial banks contracted by 1.42 percent, continuing from a 0.48-percent decline in the previous quarter, which was a continuous decline since the second quarter of 2023 Business credit fell by 0.77 percent, contrasting with a 0.08-percent expansion in the previous quarter. This decline was driven by a contraction in loans to large enterprises and loans to small medium enterprises (SMEs). In particular, SME loans contracted by 3.28 percent, following a 4.78-percent decrease in the previous quarter, especially loans for wholesale and retail trade, repair of motor vehicles and motorcycles, loans for manufacturing, and loans for real estate. Similarly, loans to large enterprises contracted by 1.63 percent, compared to a 0.79-percent expansion in the previous quarter, particularly loans for finance and insurance, loans for manufacturing, and loans for wholesale and retail trade, repair of motor vehicles and motorcycles. **In the third quarter of 2024, credit standards** for large enterprises and SMEs has been tightened for high-risk borrowers due to concerns over risks to economic outlook and particular business sectors, as well as risk from collateral value. As a result, some financial institutions tightened their loan conditions by requiring more collateral and higher margin for risky business sector.

Household credit contracted by 2.11 percent, compared to a 1.08 percent contraction in the previous quarter. This is mainly due to a decline in loans for purchase or hire purchase cars and motorcycles and loans for other personal consumption. The loan contraction was a result of household debt burden, loan quality deterioration, and tightened credit standards for high-risk borrowers in all loan categories. This was because financial institutions concerned over economic outlook and borrowers' creditworthiness. Thus, they increase minimum income requirements for auto loans and other consumer loans.

Private credit outstanding of specialized financial institutions (SFIs) expanded by 2.64 percent, decelerating from a 3.54-percent expansion in the previous quarter. This slowdown was in line with a deceleration in both business and household credit, particularly household credit, which decelerated for third consecutive quarter. This was partly due to high household debt and deteriorating credit quality.

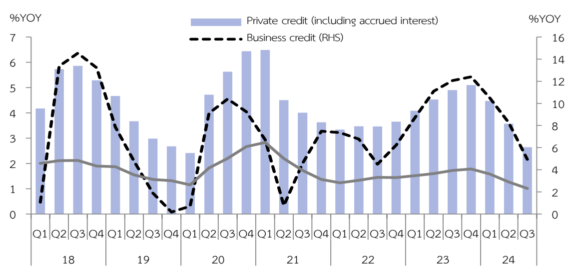
Financial performance of commercial banks. In the third quarter of 2024, commercial banks' income increased by 9.32 percent, comparing to a 10.49-percent increase in the previous quarter. Similarly, their expenses rose by 9.88 percent, compared to a 11.08-percent increase in the previous quarter. As a result, the Net Interest Margin (NIM) stood at 3.32 percent; slightly increased from 3.28 percent in the previous quarter, and 3.18 percent in the same quarter of previous year.

Private credit (including accrued interest) of commercial banks contracted



Source: Bank of Thailand

Private credit (including accrued interest) of specialized financial institutions decelerated

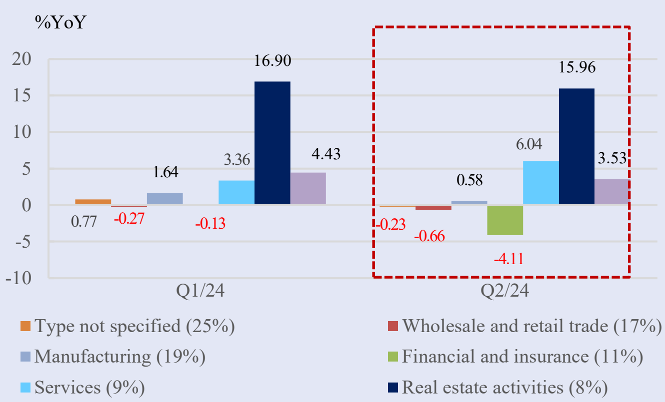


Source: Bank of Thailand

Credit condition and credit quality of juristic persons (Data from Thailand's National Credit Bureau)

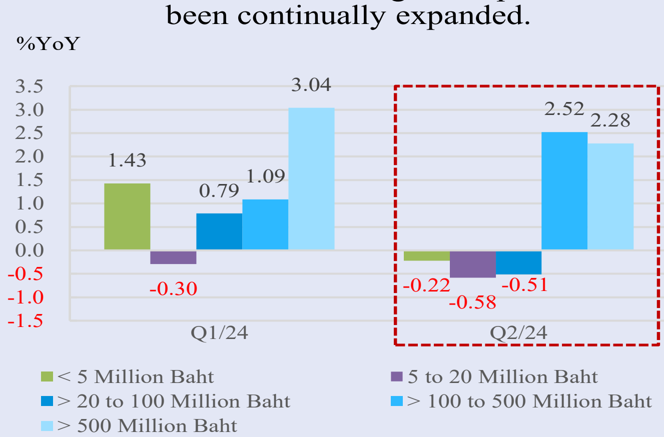
According to data from Thailand's National Credit Bureau, at the end of the second quarter of 2024, loans to juristic persons grew by 1.45 percent, decelerating from 2.53 percent expansion in the previous quarter. In terms of loans by Business Type (TSIC), loans in most major sectors decelerated, except for the services sector, including information and communication services, and health and social welfare services, which accelerated from the previous quarter. Meanwhile, loans to accommodation and food services saw a continued decline. In addition, loans to real estate sector expanded at a high rate. In terms of loan amount, loans to small and micro enterprises (loan amount not exceeding 100 million baht), contracted from the previous quarter. Meanwhile, loans to medium and large enterprises (loan amount exceeding 100 million baht) has been continually expanded.

loans in major sectors decelerated, except for the services sector.



Source: Thailand's National Credit Bureau (NCB)

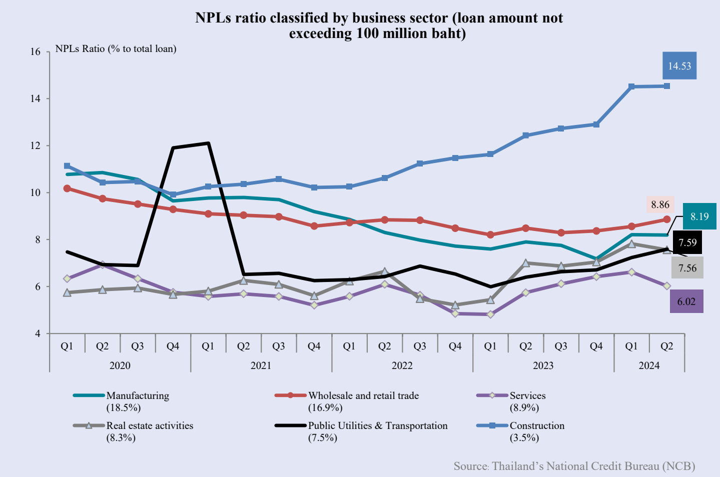
loans to medium and large enterprises has been continually expanded.

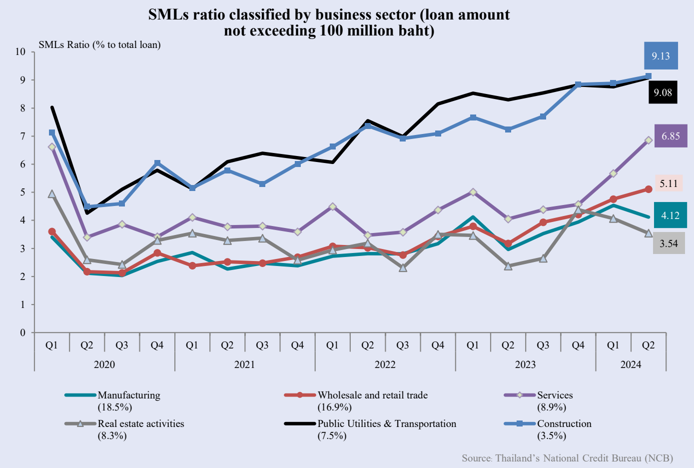


Source: Thailand's National Credit Bureau (NCB)

Credit condition and credit quality of juristic persons (Data from Thailand's National Credit Bureau) (cont.)

In the second quarter of 2024, the loan quality of juristic persons deteriorated from the previous quarter, as the ratio of Non-Performing Loans (NPLs)[1] to total outstanding loans rose from 3.71 percent to 3.74 percent. However, credit quality outlook would improve, as the ratio of Special Mention Loans (SMLs)[2] to total outstanding loans declined from 2.07 in the previous quarter to 1.97 percent in the second quarter of 2024. Specifically, the NPL ratio for small and micro enterprises (loan amount not exceeding 100 million baht) remained high, particularly in the construction sector, which increased from 12.43 percent in second quarter of 2023 to 14.53 percent in the second quarter of 2024. Similarly, the SML ratio for small and micro enterprises remained elevated, especially in the construction, utilities, and services sectors (such as accommodation and food services), which SML ratios was 9.13 percent, 9.08 percent, and 6.85 percent, respectively. These sectors should be closely monitored to prevent limitations on future business growth.



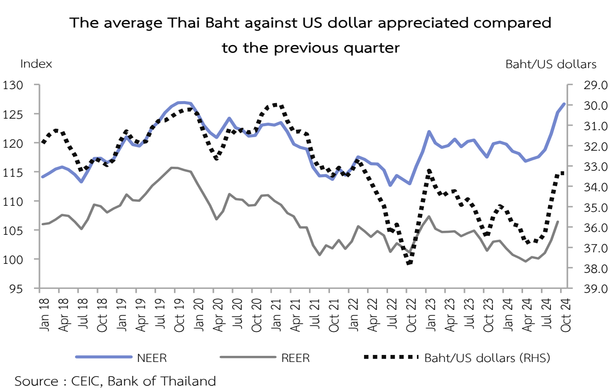


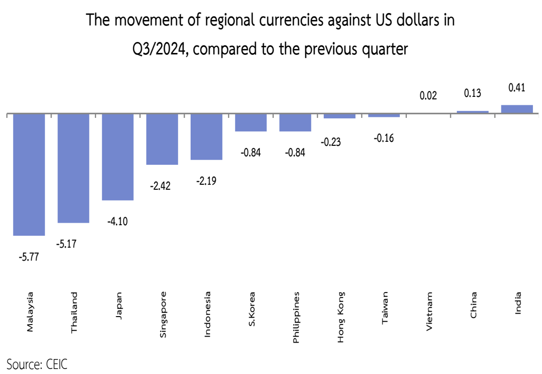
[1] Loans with a delinquency status of 90 days or more.
[2] Loans with a delinquency status of 1 - 90 days.

Thai Baht appreciated against US dollar, in line with currency appreciation in most regional countries.

Thai Baht appreciated against US dollar. In the third quarter of 2024, the exchange rate was average at 34.81 Baht per US dollar, appreciating by 5.17 percent from the previous quarter. This was in line with the 2.37 percent depreciation of the U.S. dollar index as a consequence of the Federal Reserve (Fed) rate cut by 50 basis points, the first time in four years. Additionally, the Thai Baht was supported by; (i) debt and equity inflows as the Fed's rate cut influence investment in risky assets; (ii) improved domestic political conditions in Thailand after the cabinet was appointed; and (iii) the anticipated local stock purchasing by the Vayupak Fund. In addition, the appreciation of the Thai Baht aligned with regional currencies, such as Malaysia (5.77 percent), Japan (4.10 percent), Singapore (2.42 percent), Indonesia (2.19 percent), South Korea (0.84 percent), the Philippines (0.84 percent), Hong Kong (0.23 percent), and Taiwan (0.16 percent). Furthermore, when comparing with trading partners/competitors, the Thai Baht also appreciated as the Nominal Effective Exchange Rate (NEER) was averaged at 121.84, increased by 3.97 percent from the previous quarter.

In October 2024, the Thai Baht was averaged at 33.36 Baht per US dollar, appreciating from the third quarter average of 34.81 Baht per US dollar. However, the Thai Baht weakened throughout the month as the U.S. dollar strengthened, driven by U.S. political uncertainty and the conflict in the Middle East. Consequently, the 10-month average exchange rate was at 35.49 Baht per US dollar, depreciating by 1.84 percent from the average of 34.81 Baht per US dollar in 2023.

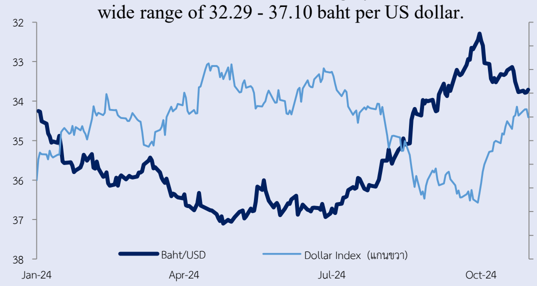




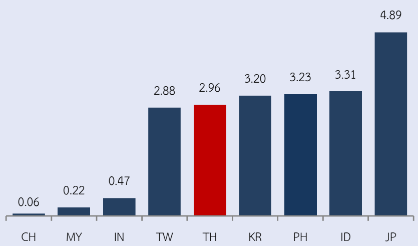
The Thai Baht has been highly fluctuated

During the first 10 months of 2024, the Thai Baht has been highly fluctuated, as seen from its movement between 32.29 - 37.10 Baht per US dollar. In the second quarter of 2024, the Thai Baht was averaged at 36.71 Baht per US dollar, depreciating by 2.96 percent from the previous quarter. However, in the third quarter of 2024, the Thai Baht appreciated after the U.S. Federal Reserve cut its policy rate by 50 basis points for the first time in 4 years. As a result, the average Thai Baht in the third quarter was at 34.81 Baht per US dollar, appreciating by 5.17 percent from the previous quarter. This appreciation was the second-highest among regional countries, following Malaysia, which had 5.77 percent currency appreciation. In October to November 15, 2024, the Thai Baht returned to depreciate, driven by the appreciation of the U.S. dollar.

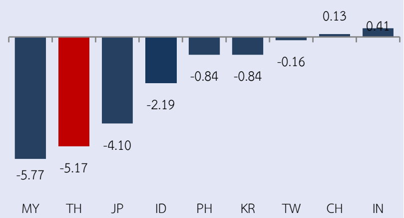
In 2024, the Thai Baht has been highly volatile with a wide range of 32.29 - 37.10 baht per US dollar.



In Q2/2024, the Thai Baht depreciated by 2.96 percent from the previous quarter.



In Q3/2024, the Thai Baht appreciated by 5.17 percent from the previous quarter.

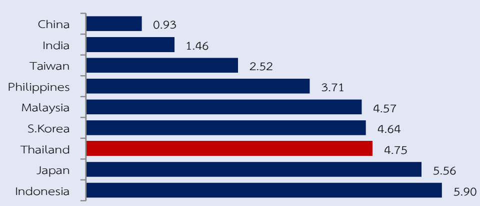


Source: CEIC

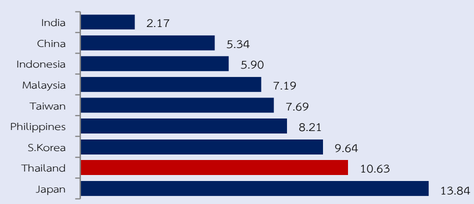
That movement of the Thai Baht was in line with other regional countries. However, the Thai Baht in 2024 has been highly volatile, as seen from its movement range different of 14.89 percent, comparing with 13.62 percent in 2023 and 13.59 percent in 2021. In addition, according to the implied volatility[1] calculated by Bloomberg, the Thai Baht volatility stood at 4.75, 10.63, and 10.35 at the end of June, September, and October, respectively. These volatility levels were higher than those of most regional currencies, following Japan, Korea, and Indonesia. Furthermore, the volatility level increased significantly in September 2024, when there were substantial inflows to Thai capital market after the Thai government was appointed and Vayupak Mutual Fund was opened for initial public offering.

For the remainder of 2024, the Thai Baht is prone to remain highly volatile since there were several uncertainties including U.S. economic policies—particularly trade policies—that could influence its monetary policy, as well as Thailand's economic policies. In order to prepare for exchange rate volatility and strengthen exchange rate management, relevant agencies should promote access to financial instruments and investment options for businesses, especially SMEs, to hedge against exchange rate risks. This will enable SMEs to manage financial risks effectively and plan their production appropriately.

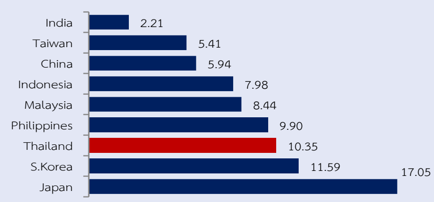
Implied volatility as of end-June 2024



Implied volatility as of end-September 2024

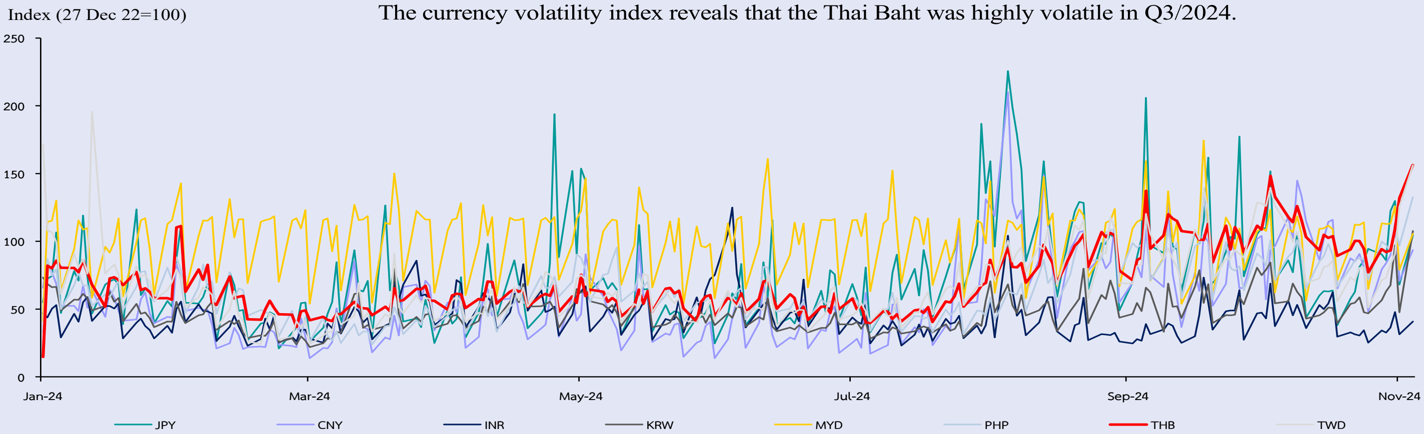


Implied volatility as of end-October 2024



Index (27 Dec 22=100)

The currency volatility index reveals that the Thai Baht was highly volatile in Q3/2024.



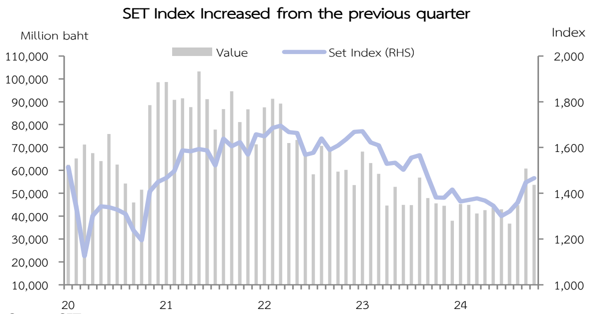
Source: Bloomberg calculated by NESDC

[1] Implied volatility, calculated by Bloomberg, represents the market's expected future exchange rate fluctuations from the present until the expiration of an options contract. It is determined using the Black-Scholes model.

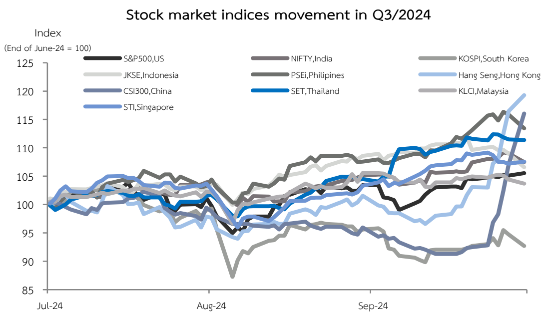
SET Index increased from the previous quarter, in line with major and regional stock markets, due to the Fed's policy rate cut.

SET Index Increased from the previous quarter. At the end of the third quarter of 2024, The Stock Exchange of Thailand (SET) index closed at 1,448.8 points, increased by 11.4 percent from the previous quarter. This increase was consistent with stock market in both major and regional countries, which was driven by; (i) the Federal reserve's (Fed) policy rate cut of 0.5 percent, which lower the rate to a range of 4.75-5.00 percent. this marked the beginning of a monetary easing cycle, influencing investors to increase their holdings of risk assets; (ii) China large-scale economic stimulus; (iii) improved domestic political condition in Thailand, which boosted investor confidence; (iv) the implementation of measures by SET to regulate short selling and programs trading, which enhanced local investor confidence; and (v) the expected local stock purchasing of Vayupak Fund which was opened for initial public offering in this quarter. **In addition, Foreign investors had a net buy position of 21.5 billion Baht,** in contrast to a net sell of 47.7 billion Baht in the previous quarter. Additionally, the index increase was observed in these all industry groups; technology (23.7 percent), financials (13.8 percent), property and construction (11.1 percent) and services (9.3 percent). The increase of SET index was consistent with other regional stock markets, such as Hong Kong (19.3 percent), China (16.1 percent), Philippines (13.4 percent), Singapore (7.6 percent), India (6.7 percent), Indonesia (6.6 percent), Malaysia (3.7 percent) and Vietnam (3.4 percent). In contrast, the stock market indices of these regional countries declined this quarter; South Korea (-7.3 percent), Japan (-4.2 percent) and Taiwan (-3.5 percent).

In October 2024, the SET index closed at 1,466.0 points, increased by 1.2 percent from the previous month, despite declines in major and regional stock markets. This was mainly supported by; (i) a stock purchases by the Vayupak Fund; and (ii) the Monetary Policy Committee (MPC) decision to cut the policy rate by 0.25 percent to address household debt.



Source: SET



Source : Bloomberg compiled by NESDC

Short-term and long-term government bond yields decreased, consistent with the decline in US treasury yields.

Government bond yield curve shifted downward. In the third quarter of 2024, short-term and long-term government bond yields decreased from the previous quarter. This decline was consistent with the movement in US government bonds, driven by the Fed's policy rate cut. As a result, at the end of the third quarter of 2024, 2-year and 10-year government bond yields were 2.14 and 2.35 percent per year respectively, decreased from 2.35 and 2.68 percent per year at the end of the previous quarter. Foreign investors recorded a net buy of 58.9 billion Baht in this quarter, compare to a net sell of 30.7 billion Baht in the previous quarter. Total new registered corporate bonds accounted for 398.9 billion Baht. The issuers were mostly in the finance and securities sector, the energy sector, and the property development sector

In October 2024, short-term and long-term government bond yields generally declined from the previous month. The 2-year and 10-year government bond yields fell to 2.10 percent per year and 2.44 percent per year, respectively. This was mainly caused by the MPC rate cut.

The impact of U.S. presidential election on financial markets

After Mr. Donald Trump was elected President of the United States on November 6, 2024, the Dollar Index (DXY) appreciated by 1.6 percent, while the 10-Year U.S. treasury yield rose by 3.8 percent. Similarly, asset prices including Dow Jones Index, S&P 500 Index, NASDAQ Index, Russell 2000 Index, and Bitcoin, increased rapidly. This was because investors anticipated that these assets would benefit from Trump's policies, such as a reduction in the corporate tax rate, an extension of individual tax cuts, a tax levy on imported goods, deregulation of the U.S. financial sector, and support for digital currencies. However, these policies are likely to pull inflation, which could delay the Federal Reserve (FED) rate cuts. Additionally, Trump's tariffs have put pressure on asset prices in regional countries as well as emerging countries, particularly those considered risky assets and net exporters to the U.S.

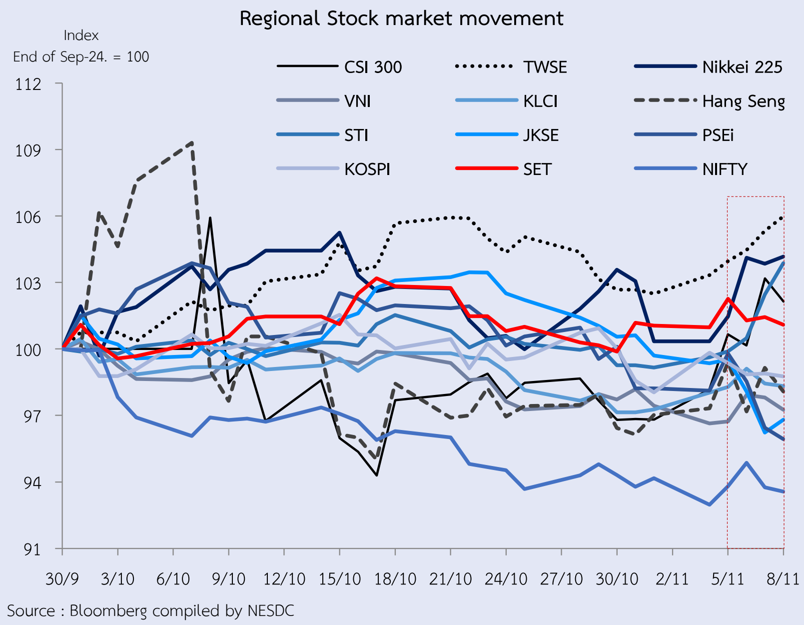
As of November 8, 2024, two days after Trump's win, the currencies of several regional countries, such as South Korea, Philippines, China, and Taiwan, depreciated from November 5, 2024 (before the election). Similarly, the Thai baht weakened by 1.1 percent. In addition, several stock markets in the region, including Philippines, Indonesia, Hongkong and South Korea, declined from November 5, 2024. The SET Index also dropped by 1.2 percent. In contrast, stock markets indices in Singapore, Japan, Taiwan, China[1] and Malaysia increased from November 5, 2024.

Those impacts on financial markets were the result of asset reallocation in response to Trump's policies during the pre-election period. Thus, it will be necessary to monitor the future policy implementation, including their enforcement and timeline, as they could cause global market volatility, especially in currencies and stock markets in regional countries.

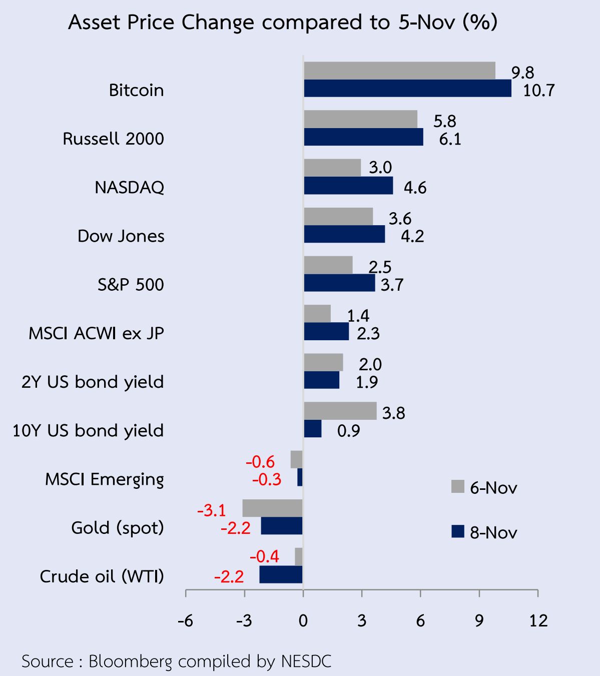
The movement of regional currencies

Currency Against USD	5 Nov 2024	8 Nov 2024	% Chg.
U.S. Dollar Index (DXY)	103.42	105.00	1.53
Korean Won (KRX)	1,371.3	1,399.1	2.03
Thai Baht (THB)	33.71	34.07	1.06
Philippine Peso (PHP)	58.24	58.75	0.87
Chinese Yuan (RMB)	7.10	7.14	0.59
New Taiwan Dollar (NTD)	31.97	32.12	0.46
Indian Rupee (IND)	84.12	84.38	0.30
Malaysian Ringgit (MYR)	4.37	4.38	0.27
Japanese Yen (JPY)	152.28	152.64	0.24
Singapore Dollar (SGD)	1.319	1.322	0.22
Vietnamese Dong (VND)	24,248	24,278	0.12
Indonesian Rupiah (IDR)	15,751	15,767	0.10

Source: CEIC



Source : Bloomberg compiled by NESDC



Source : Bloomberg compiled by NESDC

[1] CSI300 index declined by 0.5 percent on 7 Nov 2024, but increased 1.47 percent on 8 Nov 2024 compare to 5 Nov 2024. This was driven by China's export figures, which higher than expected, and the anticipation on economic stimulus measures following the National People's Congress (NPC) meeting.

In the third quarter of 2024, the current account registered a surplus of 2.0 billion US dollars (198.5 billion Baht), compared with a surplus of 3.1 billion US dollars (238.0 billion Baht) in the same quarter of the previous year and a surplus of 0.8 billion US dollars (203.1 billion Baht) in the previous quarter. This result was primarily attributed to a trade surplus of 5.8 billion US dollars (compared with a surplus of 6.7 billion US dollars in the same quarter of the last year but higher than a surplus of 5.5 billion US dollars in the previous quarter), while the services, primary, and secondary income recorded a deficit of 3.7 billion US dollars (higher than the 3.6 billion US dollars deficit in the same quarter of the previous year but lower than the 4.7 billion US dollars deficit in the previous quarter).

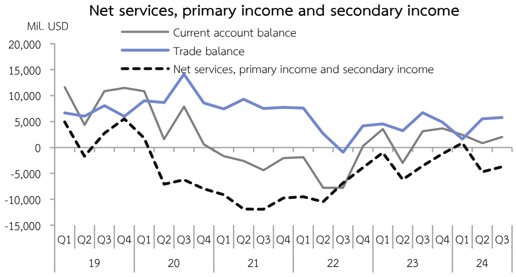
The current account registered a surplus for the five consecutive quarters.

In the first nine months of 2024, the current account registered a surplus of 5.3 billion US dollars (188.8 billion Baht), compared with a surplus of 3.7 billion US dollars (136.2 billion Baht) in the same period last year.

At the end of September 2024, international reserves stood at 243.0 billion US dollars, an increase from 211.8 billion US dollars at the end of September 2023. In Thai Baht terms, international reserves at the end of September 2024 were recorded as 7,839.2 billion Baht, higher than the 7,736.5 billion Baht recorded at the end of September 2023

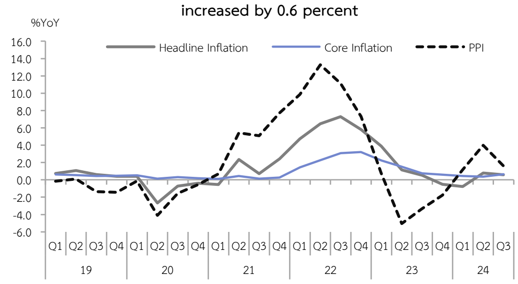
The international reserve at the end of September 2024 stood at 243.0 billion US dollars, increased from the same period last year.

Current account balance, Trade balance, and Net services, primary income and secondary income



Source: Bank of Thailand

Headline inflation in the third quarter of 2024 increased by 0.6 percent



Source: Ministry of Commerce

Headline Inflation, in the third quarter of 2024, was averaged at 0.6 percent, decelerating from 0.8 percent in the previous quarter. This aligned with a 1.8-percent rise in the **food and non-alcoholic beverage** price index, mainly driven by price growth in vegetables and fruits (6.2 percent), rice and cereal (2.6 percent), and egg and dairy products (2.0 percent). These increases were due to a decrease in supply, particularly of vegetables and fruits, significantly affected by flooding across many areas of Thailand. The **non-food and beverage** price index declined by 0.2 percent, due to a 1.3-percent decrease in energy prices following lower global crude oil prices. Meanwhile, **core inflation** rose by 0.6 percent, accelerating from a 0.4-percent in the previous quarter, primarily driven by a rise in prices of prepared food and non-alcoholic beverages.

***Headline inflation was averaged at 0.6 percent,** following an increase in food and beverage prices. Meanwhile, non-food and beverage prices declined.*

In the first nine months of 2024, headline inflation was averaged at 0.2 percent, declining from 1.8 percent during the same period last year, while core inflation averaged at 0.5 percent, compared with 1.5 percent in the first nine months of 2023.

In October 2024, headline inflation increased by 0.8 percent, primarily due to rising food prices, notably vegetables and fruits, prepared food, egg and dairy products, as well as higher electricity price following a lower price base last year. Core inflation also averaged at 0.8 percent.

Producer Price Index (PPI), in the third quarter of 2024, grew by 1.6 percent, slowing from a 4.0-percent increase in the previous quarter. This growth was primarily driven by a 0.8-percent rise in the **price of manufactured products**, with significant increases in rubber and plastic products (8.5 percent), machinery and equipments (4.6 percent), and chemical and products (3.0 percent). The **price of agricultural and fishery products** also grew by 10.2 percent. Conversely, the **price of mining products** declined for six consecutive quarters, dropping by 2.5 percent, primarily due to a 2.9-percent contraction in the price of petroleum and natural gas.

***The Producer Price Index (PPI) continued to rise,** driven by an increase in the prices of manufactured products, along with agricultural and fishery products.*

In the first nine months of 2024, the Producer Price Index rose by 2.3 percent, in contrast to a 2.6-percent decrease during the same period last year. This increase was largely attributed to higher prices for manufactured products and agricultural and fishery products.

In October 2024, the Producer Price Index declined by 1.4 percent, driven by lower prices for manufactured products, particularly petroleum products, aligning with the decline in global crude oil prices. Prices of computer and electronic products, as well as chemical products, also fell due to a drop in material costs. Additionally, mining products prices continued to decrease, while agricultural and fishery product prices maintained an upward trend.

2. Crude Oil price in Q3 of 2024

The global crude oil prices declined, compared to the same period last year and the previous quarter.

The global crude oil price decreased, compared to both the same period last year and the previous quarter. In the third quarter of 2024, the average crude oil price across four major markets (WTI, Brent, Dubai, and Oman) stood at 77.7 US dollars per barrel, reflecting an 8.9-percent decline from 85.3 US dollars per barrel during the same period last year, and a 7.4-percent drop from 83.9 US dollars per barrel in the previous quarter.

These changes were influenced by a slowdown in global crude oil demand, particularly in China. China's petroleum oil imports during the third quarter of 2024 totaled 80,882.0 million US dollars, marking a 3.0-percent decrease compared to 83,379.4 million US dollars in the same period last year. Additionally, OPEC+ reduced its oils demand growth forecast to 1.8 percent for 2024, and 1.5 percent for 2025.

In the first nine months of 2024, the average crude oil price in the four key markets stood at 80.5 US dollars per barrel, a slight increase of 0.2 percent compared to 80.3 US dollars per barrel recorded during the same period last year.

In October 2024, the average crude oil price stood at 74.0 US dollars per barrel, representing a 16.2-percent decrease from 88.3 US dollars per barrel recorded in October 2023. However, it rose by 2.2 percent from 72.4 US dollars per barrel in the previous month, largely due to concerns over escalating conflict in the Middle East, particularly between Israel and Iran, which could impact crude oil supply in the region.

Crude oil price

Year		USD per Barrel					(%YoY)				
		OMAN	DUBAI	BRENT	WTI	Average	OMAN	DUBAI	BRENT	WTI	Average
2021	Year	68.1	70.9	69.5	69.3	69.4	72.1	63.4	63.8	65.5	65.4
2022	Year	94.2	98.8	96.2	96.5	96.5	38.4	39.4	38.4	39.4	38.9
2023	Year	77.4	82.1	81.8	81.9	80.8	-17.8	-16.9	-15.0	-15.2	-16.2
	Q1	76.0	82.1	80.2	80.4	79.7	-19.7	-16.1	-16.5	-16.6	-17.2
	Q2	73.1	77.3	76.9	76.9	76.0	-33.0	-31.2	-29.1	-27.0	-30.1
	Q3	82.1	86.0	86.6	86.6	85.3	-10.2	-11.8	-10.3	-14.0	-11.6
	Q4	78.8	83.0	83.8	83.8	82.4	-4.6	-6.2	-1.0	-1.1	-3.2
2024	Q1	76.9	81.8	81.1	81.0	80.3	1.2	-0.4	1.2	0.8	0.7
	Q2	80.5	84.8	85.1	85.2	83.9	10.1	9.7	10.6	10.8	10.4
	Q3	75.1	78.6	78.3	78.5	77.7	-8.5	-8.6	-9.6	-9.4	-8.9
	Jul.	80.7	84.1	84.0	84.1	83.3	7.3	5.5	5.2	5.2	5.9
	Aug.	75.4	78.8	77.4	77.8	77.4	-7.2	-7.3	-10.3	-10.0	-8.7
	Sep.	69.4	72.9	73.4	73.7	72.4	-22.3	-21.3	-21.0	-20.7	-21.2
	9M	77.4	81.6	81.3	81.4	80.5	0.4	-0.3	0.1	0.2	0.2
	Oct.	71.3	75.2	74.7	74.9	74.0	-16.5	-15.2	-16.6	-16.4	-16.2
	10M	76.7	80.9	80.6	80.7	79.8	-1.5	-1.9	-1.7	-1.6	-1.6

Source: Thaioil Plc and EPPO.

3. The World Economy in the Third Quarter of 2024

The world economy experienced a slowdown in the third quarter of 2024 compared to the previous quarter, driven primarily by weaker growth in major economies, notably the US and China, as well as in Newly Industrialized Economies (NIEs), which posted their slowest growth in several quarters[9]. This decline aligned with a deceleration of industrial production, reflected by the manufacturing Purchasing Managers' Index (PMI), which fell below 50 to its lowest level in recent quarters. However, the global economy was supported by the robust expansion of the service sector and steady growth in emerging and developing economies, aligning with the upward cycle of electronic goods production. Meanwhile, inflationary pressures ease further[10], driven by declining food and energy prices and a softening labor market. These conditions prompted central banks in major economies including the US Federal Reserve, the European Central Bank, and the Bank of England, to lower policy interest rates.

The U.S. economy expanded by 2.7 percent (Advance Estimate), slowing from 3.0 percent in the previous quarter. This deceleration was mainly due to the slowdown in private investment, particularly in the residential investment sector. However, private consumption remained strong, in line with continued growth in consumer confidence and retail sales indices. Meanwhile, the unemployment rate rose to 4.2 percent, the highest in 11 quarters. A decline in new job openings fell to 7.4 million in September 2024, the lowest figure since January 2021. The decline was in accordance with a slow wage growth, which then contributed to easing inflationary pressures. The headline inflation rate (PCE) declined to 2.3 percent, down from 2.6 percent in the previous quarter, marking its lowest level in 14 quarters. Amid signs of slowing economic growth and reduced inflation pressures, the US Federal Reserve's Monetary Policy Committee (FOMC) decided to cut the policy rate for the first time since 2020 during its September 2024 meeting[11].

The Eurozone economy demonstrated a notable expansion of 0.9 percent, an improvement from 0.5 percent in the previous quarter, marking the highest growth rate in six quarters. This expansion was primarily driven by sustained growth in private consumption and the services sector, facilitated in part by easing inflationary pressures and a robust labor market. This economic momentum was reflected in the rise of the Services Purchasing Managers’ Index (PMI) to 52.1, remaining above the 50.0 threshold for the third consecutive quarter, alongside an improvement in the Consumer Confidence Index, which increased for the fourth consecutive quarter. Conversely, the industrial production sector continued its downward trajectory, as indicated by the Industrial PMI, which stood at 45.5, below the 50.0 mark for the ninth consecutive quarter. This decline was partly attributed to elevated energy and transportation costs arising from ongoing geopolitical conflicts, as well as increased operational costs resulting from the implementation of stricter environmental regulations. Inflation in the Eurozone declined to 2.2 percent from 2.5 percent, representing the lowest rate in 13 quarters. This reduction was largely driven by an 8.7 percent decline in energy prices, marking the fourth consecutive quarter of energy price decreases. In response, the European Central Bank has continued to lower its policy interest rate to support the region's economic recovery[12].

The Japanese economy expanded by 0.5 percent in the third quarter, rebounding from a 0.9-percent contraction in the previous quarter. This recovery was driven by robust domestic demand, supported by substantial wage increases following spring wage negotiations, an income tax cut measure[13], and a surge in foreign tourist arrivals, which bolstered related service sectors. The Services Purchasing Managers’ Index (Service PMI) remained strong at 53.5, marking its 10th consecutive quarter above 50.0. Meanwhile, exports of goods grew by 1.4 percent, the first expansion in 10 quarters, driven by the growth in semiconductor export. However, the manufacturing sector continued to decelerate, with the manufacturing PMI averaging at 49.5 in the third quarter, down from 50.0 in the previous quarter. Headline inflation was at 2.8 percent in the third quarter, slightly up from 2.7 percent in the second quarter, and remaining above the Bank of Japan’s 2.0 percent target. The surge was primarily driven by rising energy prices following the termination of energy subsidies in May 2024 and sustained wage growth. In response, the Bank of Japan adopted tighter monetary policies[14], which contributed to the strengthening of the yen. The Japanese yen averaged at 149.2 per US dollar in the third quarter, appreciating from an average of 155.8 yen per US dollar in the second quarter.

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[9] The economies of South Korea, Taiwan, and Indonesia expanded at their lowest rates in four quarters, while the Philippines economy recorded its slowest growth in five quarters.

[10] In the third quarter of 2024, the inflation rates in the US, the Eurozone, Australia, South Korea, Singapore, and Indonesia stood at 2.6 percent, 2.2 percent, 2.8 percent, 2.1 percent, 2.2 percent, and 2.0 percent, respectively, decelerated from 3.2 percent, 2.5 percent, 3.8 percent, 2.7 percent, 2.8 percent, and 2.8 percent in the previous quarter.

[11] According to the FOMC meeting on 17th-18th September 2024, the committee decided to reduce the policy interest rate by 0.5 percent, bringing the rate to a range of 4.75 - 5.00 percent. This marked the first rate cut since 2020. The FOMC expressed increased confidence that inflation was likely to stabilize around the 2.0-percent target, along with reduced risks associated with policy measures aimed at maintaining employment levels and managing inflationary pressures.

[12] At its meeting on September 12, 2024, the European Central Bank decided to reduce its policy interest rate by 0.25 percent, resulting in the Refinancing Operations Rate, Marginal Lending Facility Rate, and deposit rate that commercial banks of each country deposit with the Central Bank to 3.65 percent, 3.90 percent, and 3.50 percent, respectively.

[13] Since June 2024, the government has reduced income taxes by 30,000 Yen and resident taxes by 10,000 Yen per person. Low-income households exempt from resident taxes received a subsidy of approximately 70,000 Yen.

[14] On July 31, 2024, the Bank of Japan raised its policy interest rate from 0.10 percent to 0.25 percent, marking the second-rate hike of the year. Additionally, the central bank decided to reduce the volume of long-term government bond purchases under the "Nimble" program by 400 billion Yen per quarter. As a result, the program's monthly purchase volume will be adjusted to 2.9 trillion Yen by the first quarter of 2026.

The Chinese economy expanded by 4.6 percent, decelerating from 4.7 percent in the previous quarter, marking the lowest growth in six quarters. The economic slowdown was attributed to the prolonged liquidity crisis and indebtedness of the property sector, which restrained domestic demand at low levels. Real estate investment continued to decline by 9.8 percent, marking the tenth consecutive quarter of contraction, in line with the consumer confidence index remaining at a historically low level. Nevertheless, the Chinese economy was bolstered by solid growth in the export sector, stemming from the acceleration of merchandise exports before the implementation of tariff barriers by major economies[15], resulting in a 6.0-percent expansion in export value, representing the highest growth in eight quarters. In contrast, the manufacturing PMI was at 49.4, remaining below 50 for the seventh consecutive quarter, and the lowest level in three quarters. Amidst sluggish domestic demand, the Chinese government implemented key economic stimulus measures[16], while the People's Bank of China (PBOC) maintained its expansionary monetary policy to enhance liquidity for households and businesses.

The Indian economy experienced a slowdown, influenced by a deceleration in industrial production and the high growth base from the previous year. For the manufacturing sector, the Purchasing Managers' Index (PMI) decreased to 57.4 from 58.2 in the previous quarter. This aligns with the industrial production index, which declined by 1.0 percent in August 2024, following a 4.4 percent growth in the prior month – the first drop in 42 months. Similarly, merchandise exports fell by 3.9 percent, contrasting with a 5.9 percent growth in the previous quarter, marking the first decline in four quarters. This downturn was due to reduced exports of petroleum products and sugar – affected by export control measures. Concurrently, the Services PMI stood at 59.6 in the third quarter, down from 60.5 in the previous quarter, reflected by the Consumer Confidence Index that went below 100[17]. Headline inflation averaged 4.2 percent in the third quarter, continuing its decline from 4.9 percent in the prior quarter, remaining within the medium-term monetary policy target range of 2.0 percent to 6.0 percent. Consequently, the Monetary Policy Committee decided to maintain the policy rate at 6.5 percent during the meeting on August 6^{th}-8^{th}.

The Newly Industrialized Economies (NIEs) illustrated positive growth in the third quarter. The expansion was primarily driven by robust growth in exports and the manufacturing sector, particularly in electronics. Meanwhile, domestic demand slowed down[18]. South Korea, Taiwan, and Hong Kong's economies grew by 1.5 percent, 4.2 percent, and 1.8 percent, down from 2.3 percent, 4.9 percent, and 3.2 percent in the preceding quarter, respectively. Singapore's economy expanded by 5.4 percent, up from 3.0 percent in the prior quarter, mainly supported by a rebound in the manufacturing sector. Nonetheless, inflationary pressures continued to decline due to a decrease in food and energy prices, but remained above monetary policy targets[19]. Consequently, most central banks continued to maintain their policy interest rates at high levels, except for Hong Kong, which lowered its policy rate in September to 5.25 percent from 5.75 percent in the previous month to maintain exchange rate stability after the U.S. Federal Reserve cut began to cut its interest rates.

The ASEAN economies continued to expand, driven by private consumption and merchandise exports. In the third quarter, the economies of Indonesia, Malaysia, and Vietnam grew by 4.9 percent, 5.3 percent, and 7.4 percent, compared to 5.0 percent, 5.9 percent, and 6.9 percent in the previous quarter, respectively. This growth aligns with significant increases in merchandise exports of Indonesia, Malaysia, and Vietnam at 6.5 percent, 12.1 percent, and 15.3 percent, accelerating from 1.9 percent, 1.2 percent, and 13.9 percent in the prior quarter, respectively. The upturn is attributed to the recovery in global trade and the upward cycle in electronics products. However, the Philippines' economy grew by 5.2 percent, slowing from 6.4 percent in the previous quarter, due to a 2.5 percent decline in merchandise exports, following a 0.1 percent growth in the prior quarter. This decline was mainly due to reduced exports of copper and electronic products. Inflation rates in most countries decreased to within monetary policy targets[20], allowing central banks to lower policy interest rates. The central bank of Indonesia and the Philippines both cut the rates by 25 basis points in September and August 2024, respectively.

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15 Major economies have raised tariffs on imported goods from China. For instance, the United States has increased the import tariff on electric vehicles (EVs) from 25 percent to 100 percent, effective from September 27^{th}, 2024. Similarly, the European Commission has decided to raise the import tariff on electric vehicles from China from 10 percent to 35.3 percent for a period of five years, starting from October 31^{st}, 2024. Meanwhile, Canada has raised the import tariff on electric vehicles, and steel and aluminum products from China to 100 percent and 25 percent, respectively, with the new rates taking effect from October 1^{st} and October 15^{th}, 2024.

16 More details in Box: The key economic stimulus measures of China.

17 The Consumer Confidence Index (CCI) regarding the economic situation decreased to 93.9 in July and 94.7 in September, down from 97.2 in May. This bi-monthly index, compiled by the Reserve Bank of India, indicates that a value of 100 represents a neutral economic sentiment, while values below 100 reflect declining confidence in the overall economy.

18 Retail sales in the third quarter of 2024 in South Korea, Taiwan, Hong Kong, and Singapore were at (-0.3) percent, 0.4 percent, (-9.6) percent, and 1.2 percent, compared with (-0.0) percent, 0.8 percent, (-11.9) percent, and 0.2, respectively, in the prior quarter.

19 Inflation rates in the third quarter of 2024 in South Korea, Taiwan, and Singapore were at 2.1 percent, 2.2 percent, and 2.2 percent, compared with 2.7 percent, 2.2 percent, and 2.8 percent in the previous quarters, respectively. Whereas, inflation rates in Hong Kong stood at 2.4 percent, up from 1.3 percent in the previous quarter.

20 The average headline inflation rates in the third quarter of 2024 for Indonesia, Malaysia, the Philippines, and Vietnam were 2.0 percent, 1.9 percent, 3.2 percent, and 3.5 percent, compared with 2.8 percent, 1.9 percent, 3.8 percent, and 4.4 percent in the previous quarter, respectively.

Real GDP and Exports of Key Economies

(%YoY)	GDP							Exports of Goods (USD)									
	2021	2022	2023		2024			2021	2022	2023		2024					
	Year	Year	Q4	Year	Q1	Q2	Q3	Year	Year	Q4	Year	Q1	Q2	Q3	Aug.	Sep.	Oct.
US	6.1	2.5	3.2	2.9	2.9	3.0	2.7	23.0	18.7	-1.4	-2.1	0.0	3.7	2.7	3.9	-0.4	-0.8
Eurozone	6.3	3.6	0.1	0.5	0.4	0.5	0.9	18.1	5.1	0.3	2.1	-1.5	0.6	3.4	-1.8	4.7	
United Kingdom	8.6	4.8	-0.2	0.3	0.8	0.2		14.4	13.7	-3.3	2.7	1.8	-0.4	2.2	5.1	5.3	
Australia	5.4	4.1	1.2	2.0	1.2	1.1	0.9	37.0	19.9	-10.2	-9.9	-12.9	-8.6	-4.3	-5.4	-3.7	-3.8
Japan	2.7	0.9	0.7	1.5	-0.9	-0.9	0.5	17.9	-1.2	-0.7	-4.0	-3.0	-4.2	1.4	4.4	1.6	2.9
China	8.4	3.0	5.2	5.2	5.3	4.7	4.6	29.6	5.6	-1.3	-4.7	1.1	5.6	6.0	8.7	2.4	12.7
India	9.4	6.5	8.6	7.7	7.8	6.7	5.4	43.0	14.6	1.0	-4.8	4.9	5.9	-3.9	-9.6	0.5	17.3
South Korea	4.6	2.7	2.1	1.4	3.3	2.3	1.5	25.7	6.1	5.7	-7.5	8.0	10.1	10.5	10.9	7.1	4.6
Taiwan	6.7	2.7	4.7	1.1	6.6	4.9	4.2	29.3	7.4	3.3	-9.8	12.9	9.9	8.0	16.8	4.5	8.4
Hong Kong	6.5	-3.7	4.3	3.3	2.8	3.2	1.8	26.0	-9.3	6.6	-7.8	12.2	12.8	8.3	6.8	5.2	4.2
Singapore	9.7	3.8	2.2	1.1	3.0	3.0	5.4	22.1	12.7	3.0	-7.7	3.8	6.4	8.2	7.2	5.3	1.2
Indonesia	3.7	5.3	5.0	5.0	5.1	5.0	4.9	41.9	26.0	-8.3	-11.3	-7.1	1.9	6.5	6.6	6.3	10.3
Malaysia	3.3	8.9	2.9	3.6	4.2	5.9	5.3	27.5	17.6	-9.4	-11.1	-5.2	1.2	12.1	17.0	9.3	12.1
Philippines	5.7	7.6	5.5	5.5	5.8	6.4	5.2	14.5	6.5	-10.6	-7.5	4.8	0.1	-2.5	0.3	-7.6	-5.5
Vietnam	2.6	8.1	6.7	5.0	5.9	6.9	7.4	18.9	10.6	7.1	-4.6	16.8	13.9	15.3	15.2	10.8	10.2

Source: CEIC, compiled by Office of the National Economic and Social Development Council (December 12, 2024)

4. The World Economic Outlook for 2025

The world economy is expected to sustain its expansion in 2025, reflecting resilient growth across many countries despite a backdrop of recent tight monetary policies. This momentum is anticipated to be supported by recoveries in the Eurozone, the UK, Australia, and Japan, where economic growth is expected to rebound from subdued growth as domestic demand strengthens. In contrast, the U.S. economy is projected to decelerate, following a slowdown in industrial production and a reduction in private investment. Likewise, China's growth trajectory is expected to remain modest despite government stimulus efforts, as persistent challenges in the real estate sector continue to constrain broader economic progress. As inflationary pressures ease across many regions, major central banks are expected to further reduce their policy interest rates in 2025. Meanwhile, central banks in developing and emerging markets may contend with heightened volatility in exchange rates and cross-border investments, driven by shifting monetary policies in advanced economies.

However, downside risks remain substantial for 2025. Uncertainty surrounding the trade and economic policies of major economies, particularly the U.S. and China, could have a profound impact on global trade volumes. Financial markets may also remain volatile amid economic uncertainty and central bank policy adjustments. Additionally, prolonged geopolitical tensions in the Middle East and the conflict between Russia and Ukraine continue to pose major risks, particularly to energy prices. The baseline forecast does not account for potential impacts from economic and trade policies under the new U.S. administration, given uncertainties around timing and details. Overall, under the base case, the world economic growth and global trade volume are both expected to expand by 3.0 percent in 2025, maintaining the same pace as in the previous year. Prospects on key economies are as follows:

The US economy is projected to grow by 2.2 percent, slowing from 2.6 percent in 2024, in accordance with weakened domestic demand due to the continuous cooling labor market. This is evident from nonfarm payrolls in October 2024 increasing by 12,000 positions[21], compared to 223,000 positions in the previous month, marking the lowest level in 46 months. Similarly, the unemployment rate rose to 4.1 percent in October 2024, up from 3.8 percent in the same period last year. Meanwhile, residential investment is expected to decelerate, consistent with the ongoing slowdown in construction value. Nevertheless, private investment receives support from the anticipated policy rate reductions by the US Federal Reserve[22], following the continued decline in inflation. Fiscal policy, however, is expected to be tightened, providing less support for economic growth. This occurs amidst a high public debt ratio, amounting to 123.0 percent to GDP in FY2024, and a fiscal deficit exceeding 1.83 trillion US dollars, the highest level in three years.

[21] Part of this is due to workforce reductions in areas affected by hurricanes and the Boeing employee strikes.

[22] According to the FOMC meeting on 6th-7th November 2024, the committee decided to reduce the policy rate by 0.25 percent, bringing it down to a range of 4.50 - 4.75 percent. This marks the second consecutive reduction since September 2024. In the baseline scenario, it is expected that there will be an additional reduction of 0.25 percent in the remainder of 2024 and a further reduction of 1.0 percent during 2025.

The Eurozone economy is projected to expand by 1.1 percent in 2025, reflecting a recovery from the lower growth rate of 0.6 percent recorded in 2024. This anticipated improvement is underpinned by a resurgence in domestic demand, bolstered by a strong labor market, rising wages, and the European Central Bank's accommodative monetary policy[23]. Additionally, consumer sentiment has shown a significant improvement, with the Consumer Confidence Index rising to (-12.5) in October, the highest level since February 2022. Similarly, the ZEW Economic Sentiment Index increased to 20.1, up from 9.3 in the previous month, representing the highest value in three months. Despite these positive trends, industrial production is expected to continue decelerating, particularly within the automotive and parts sectors, as well as energy-intensive industries such as chemicals. These sectors remain constrained by persistently high energy costs, which continue to exert pressure on production.

The Japanese economy is projected to grow by 1.0 percent in 2025, recovering from 0.0 percent in 2024, mainly driven by the recovery of domestic demand, particularly private consumption, which will benefit from a broader income base due to wage adjustments. Moreover, there's also additional support from an increase in foreign tourist arrivals in the related service sector. The private investment and manufacturing sector are expected to recover as difficulties in the automobile manufacturing sector has been resolved, alongside the rebound of the semiconductor industry, driven by the upward cycle in electronic products. Meanwhile, the Bank of Japan is likely to tighten its monetary policy to tackle inflationary pressures that remain above the monetary policy target. As a result, the yen is expected to appreciate from the recent largest depreciation since 1986[24].

The Chinese economy is expected to grow by 4.5 percent in 2025, slowing from 4.7 percent in 2024. The deceleration is attributed to the protracted indebtedness of the property sector, which has undermined financial stability and dampened consumer and business confidence, resulting in a continued moderation in private consumption and investment. The delayed recovery in domestic demand has caused the manufacturing sector to grapple with overcapacity, exerting deflationary pressures and hampering private investment, in line with the rising inventory in the manufacturing sector. Nevertheless, the Chinese economy remains supported by the People's Bank of China's expansionary monetary policy, in tandem with additional fiscal measures implemented by the government to stimulate economic growth[25].

The Indian economy is projected to grow by 6.5 percent in 2024, compared to 6.8 percent in 2023. This growth is supported by robust household consumption, particularly in rural areas, driven by high agricultural income and a strong labor market. The labor market remains resilient, underpinned by government employment support measures. The manufacturing sector is also expected to perform well. However, public expenditure is anticipated to decelerate in the coming periods due to fiscal deficit reduction policies. This will result in a decline in the fiscal stimulus following the election-related spending in the fiscal year 2024. Besides, inflation is expected to remain elevated, particularly food prices, limiting the Reserve Bank of India's ability to ease monetary policy to support economic recovery[26].

The Newly Industrialized Economies (NIEs) are expected to improve from moderate growth in the previous year. This upward trajectory is attributed to the improvement in domestic demand, influenced by an increase in real wages and the easing of monetary policies due to decreasing inflationary pressures approaching the monetary policy target range[27]. Additionally, the export sector continues to benefit from advancements in high-tech industries, particularly artificial intelligence-related technologies, which have significantly increased demand for high-tech products manufactured in the region. In 2025, **the economies of South Korea, Hong Kong, and Singapore** are projected to expand by 2.2 percent, 3.0 percent, and 2.5 percent, continuing from growth rates of 2.4 percent, 2.8 percent, and 2.5 percent in 2024, respectively, Meanwhile, **Taiwan's economy** is anticipated to increase by 2.7 percent in 2025, down from a high growth rate of 3.7 percent in the previous year, as its growth base returns to a normal level.

ASEAN economies are projected to continue expanding, driven by growth in domestic demand, which aligns with trends of monetary policy easing by central banks and the recovery of merchandise exports. However, risks remain from escalating trade wars, which could adversely affect the export sector, and from exchange rate volatility caused by uncertainties in the global economic and political landscape. In 2025, **the economies of Indonesia, Malaysia[28], the Philippines[29], and Vietnam** are expected to grow by 5.0 percent, 4.4 percent, 6.1 percent, and 5.8 percent, compared to 5.0 percent, 4.6 percent, 5.8 percent, and 6.0 percent in 2024, respectively.

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23 The European Central Bank cut its policy interest rate by 0.25 percentage point at its October 2024 meeting, the third cut since June 2024. Although headline inflation fell to 1.7 percent in October 2024, core inflation remained at 2.7 percent, leading the ECB to keep interest rates high until inflation is likely to decline towards its medium-term inflation target of 2.0 percent.

24 The average value of the Japanese yen in October was 149.6 yen per US dollar, depreciating 3.9 percent from the end of the previous year.

25 More details in Box: The key economic stimulus measures of China.

26 The inflation rate in October stood at 6.2 percent, exceeding the monetary policy target range of 2.0 to 6.0 percent. As a result, the Reserve Bank of India has maintained the policy interest rate at 6.5 percent consistently since February 2023.

27 Inflation rates in October 2024 in South Korea and Taiwan were at 1.25 percent and 1.69 percent, down from 1.60 percent and 18.2 percent, in the previous months, respectively. Meanwhile, the central banks of South Korea and Hong Kong decided to lower their policy rates from 3.50 percent and 5.25 percent to 3.25 percent and 5.00 percent, respectively.

28 Malaysia's economy is expected to gain support from the GEAR-uP program during 2025-2029, which focuses on promoting domestic investment through Government-Linked Investment Companies. This initiative is projected to generate a total domestic investment of approximately 27.3 billion USD (1.4 percent of GDP) and an additional 100 billion USD (5.1 percent of GDP) in public sector investment aimed at developing capital markets.

29 The Philippine economy is anticipated to benefit from the Build-Better-More program during 2025-2028, which focuses on constructing and developing the country's infrastructure. The program is estimated to involve investments equivalent to 5-6 percent of GDP.

Key measures of President Donald Trump during the first term in office (2017 - 2020)

Year	Measure	Policy	Status
2017	EO 13767	Constructed the U.S.-Mexico border wall.	Canceled and shifted toward a more comprehensive immigration strategy
	EO 13769	Imposed the initial travel ban on several Muslim-majority countries.	Canceled
	EO 13788	Promoted "Buy American, Hire American" and limit H-1B visas.	Implemented a more inclusive approach to job creation, without restricting foreign worker visas
	EO 13796	Initiated a Section 301 of the Trade Act of 1974 investigation into China's trade practices.	Remain in effect and issue additional EO
	EO 13765	Minimized provisions of the Affordable Care Act (Obamacare), such as reduce the economic and regulatory burden of the ACA on individuals,	Repealed and issued a new EO
	EO 13783	Promoted energy independence by rolling back regulations on fossil fuels.	Repealed and issued a new EO
	EO 13800	Strengthened U.S. cybersecurity through IT modernization	Remain in effect
2018	EO 13815	Resumed the U.S. Refugee Admissions Program and heightened screening for refugee admissions	Repealed and issued a new EO
	Section 232	Imposed tariffs on steel and aluminum imports under Section 232 of the Trade Expansion Act that allow the President to impose import restrictions based on an investigation that certain imports threaten U.S. national security.	Not fully repealed but adjusted the policy
	EO 13807	Streamlined the environmental review process for infrastructure projects.	Repealed and issued a new EO
2019	EO 13888	Allowed states and localities to opt out of refugee resettlements.	Repealed and issued a new EO
	EO 13873	Securing the information and communications technology and services supply chain under the International Emergency Economic Powers Act (IEEPA), such as restricted foreign telecommunications companies, especially Huawei, TikTok and WeChat.	Not fully repealed but adjusted the policy and issued a new EO
	EO 13868	Reduced restrictions on fossil fuel projects	Repealed and issued a new EO
2020	EO 13936	Removed Hong Kong's preferential trade status after China imposed new security laws	Remain in effect
	EO 13959	Prohibited American investments in companies related to the Chinese military.	Not fully repealed but adjusted the policy and issued a new EO
	Trade Negotiations	The U.S.-Mexico-Canada Agreement (USMCA) was replacing the North American Free Trade Agreement (NAFTA) with emphasizing on labor rights, rules of origin, intellectual property protections and digital trade, and agricultural products.	Remain in effect

Source: The White House, Reuters

Economic data during Trump's first term in office (2017 - 2020)

%YoY		2015	2016	2017	2018	2019	2020
World	GDP	3.4	3.3	3.8	3.6	2.9	-2.7
	Trade volume	2.9	2.2	5.5	4.0	1.2	-8.5
USA	GDP	2.9	1.8	2.5	3.0	2.6	-2.2
	Export value of goods	-5.6	-2.2	7.6	9.7	-1.2	-4.1
	Import value of goods	-7.0	-4.1	7.7	8.9	-2.4	-13.5
China	GDP	7.0	6.8	6.9	6.7	6.0	2.2
	Export value of goods	-12.5	-3.9	19.9	13.0	-4.0	-0.1
Thailand	GDP	3.1	3.4	4.2	4.2	2.1	-6.1
	Export value of goods	-9.5	-5.9	14.4	11.9	-5.9	-11.2

Source: IMF and CEIC
Note: The decline in global economic growth and trade volume in 2020 was mainly due to the COVID-19 pandemic.

Policy Directions Under a Potential Second Trump Administration

Policy	Detail	Impact on the U.S. Economy	Impact on the Global Economy
International Trade	• Imposing tariffs on all imported goods, with rates of up to 60 percent for Chinese products and 10–20 percent for other countries, alongside the termination of Most-Favoured Nation Treatment (MFN), particularly targeting China. • Withdrawing from the Indo-Pacific Economic Framework (IPEF).	• Rising import prices are increasing inflation, possibly delaying the Federal Reserve's rate cuts. • Domestic demand would weaken due to rising prices. • Some production bases might shift back to the United States.	• Global trade has slowed due to economic downturns in the U.S. and China, along with countries affected by higher U.S. import tariffs. • Financial markets would tighten if the Federal Reserve delays rate cuts. • Trade partners are likely to impose retaliatory measures, worsening the global economy and trade volume.
Immigration and Labor	• Stricter employment regulations for foreign workers under H-1B visas, and requiring legal status verification of employees by employers. • Birthright citizenship would no longer apply to children born in the U.S. to undocumented parents. • Stringent enforcement of illegal employment.	• Labor shortages may tighten the domestic market, affecting production and raising wages. • The shortage of skilled labor and innovation is driven by the H-1B visa's focus on skilled workers. • Illegal migration and undocumented residency would decline.	• The global economy is expected to slow down in line with the U.S. economy. • The competition for skilled labor across countries will intensify. • Decline in remittance flows to countries like India, Mexico, and the Philippines.
Taxation	• Permanently enacting the Tax Cuts and Jobs Act (TCJA) of 2017, set to expire in 2025. • Reducing the corporate tax rate from 20–21 percent to 15 percent for domestic producers.	• Stimulating private consumption and investment could boost growth but raise inflationary pressures. • Lower government revenue would lead to larger fiscal deficits. • Benefits would disproportionately favor high-income groups, potentially worsening income inequality.	• Boosting U.S. competitiveness in tax costs for entrepreneurs. • Attracting international investment into U.S. financial markets, supported by anticipated strong corporate performance.
Environment and Clean Energy	• Promoting fossil fuel usage, reducing investments under the Inflation Reduction Act, eliminating carbon tax credits and cutting funding for environmentally friendly projects. • Relaxing environmental regulations. • Withdrawing from the Paris Agreement.	• The green transition would lose momentum, particularly in building supply chains for electric vehicles, solar panels, and renewable energy systems. • The oil and gas sectors would favorably expand.	• Actions to mitigate the impacts of global climate change are increasingly delayed. • Increasing oil and natural gas supplies. • Advancements in green and renewable energy technology and innovation would slow.
International Relations	• Limiting involvement in international conflicts and maintaining a stance of non-support for NATO. • Ending aid to Ukraine while continuing support for Israel, and tightening Iran sanctions.	• Lowering public expenditure, particularly in national security. • altering global geopolitical dynamics.	• Heightening political polarization. • Intensified conflict in the Middle East could disrupt energy supplies.

Source: Compiled by NESDC

Remark: The proposed policy directions are based on statements made during the election campaign and may change after the formal inauguration of President Trump. The projected impacts of these measures are preliminary and dependent on the specifics and timeline of implementation, which remain uncertain pending official policy announcements.

Mechanisms for Implementing US Trade Barrier Measures

The implementation of the United States' new trade barrier measures is expected to proceed through four primary mechanisms: (1) Section 201 of the Trade Act of 1974 (Global Safeguard Investigations) on Temporarily safeguard domestic industries by imposing measures such as import tariffs when significant import volumes cause severe harm to domestic industries, with oversight by the United States International Trade Commission (ITC), an independent federal agency; (2) Section 301 of the Trade Act of 1974 on addressing violations of trade agreements or unfair trade practices by foreign governments or entities, administered by the United States Trade Representative (USTR); (3) Section 232 of the Trade Expansion Act of 1962 on addressing trade policies or violations that threaten national security, responsible by the U.S. Department of Commerce, with both Sections 301 and 232 directly falling under executive authority; and (4) the legislative revocation of Most-Favoured Nation Treatment (MFN), which involves enacting laws to revoke MFN status and challenges the foundational principles of the global trading system, falls under the jurisdiction of the legislative branch. As a base case, the implementation of increased tariffs on imports from China and other countries under any of these mechanisms is generally expected to require a minimum of six months before taking effect.

Process of Implementing US Trade Barriers

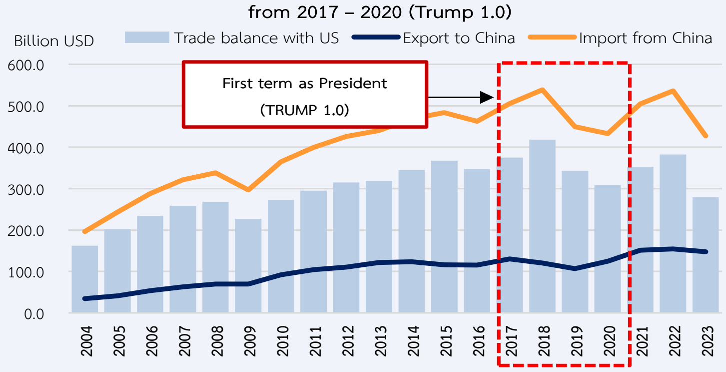
Section 201		Section 301	
Process	Timeframe	Process	Timeframe
1. Submission of Petition	No specific timeframe	1. Initiate Investigation	45 days
2. Investigation Initiation	21 days	2. Public Hearings	30 - 60 days
3. Investigation & Review	120 days	3. Analysis & Reporting	365 days
4. ITC Decision	180 days	4. Decision & Countermeasures	30 days
5. Presidential Decision	60 days	5. Implementation	Immediate
Responsible agency: United States International		Responsible agency: United States Trade Representative (USTR)	
Section 232		**MFN Revocation**	
Process	Timeframe	Process	Timeframe
1. Submission of Petition	No specific timeframe	1. Draft Legislation	No specific timeframe
2. Data Collection & Public Hearings	30 - 60 days	2. Committee Review	At least 30 days
3. Analysis & Reporting	270 days	3. House Debate & Vote	Varies based on
4. Report to President	15 days	4. Senate Review	Varies based on
5. Presidential Decision	90 days	5. Finalization & Vote	No specific timeframe
6. Implementation	15 days	6. Presidential Signing	10 days to sign or veto
Responsible agency: Department of Commerce		Responsible agency: Congress	

Source: Section 201 of the Trade Act of 1974 (Global Safeguard Investigations)
Section 301 of the Trade Act of 1974
Section 232 of the Trade Expansion Act of 1962
The Legislative Process by the US Congress

US Trade Barrier Policy: The Impact on Thailand's International Trade

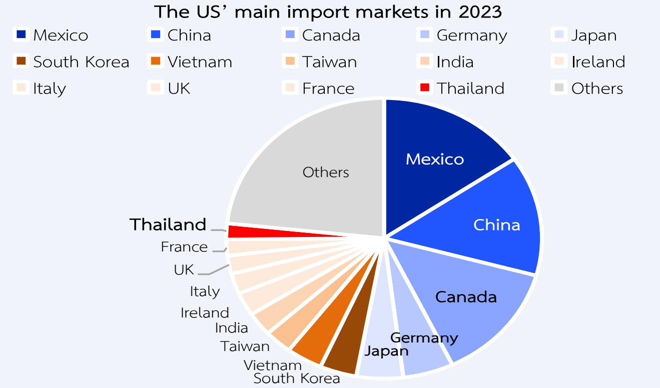
Considering the effects of the US trade barrier policies during the administration of President Donald Trump (Trump 1.0) from 2017 to 2020 on China's international trade, it was observed that China's exports to the US declined, resulting in a reduction in its trade surplus with the US. During the period, China's trade surplus dropped from 418.2 billion USD in 2018 to 308.0 billion USD in 2020, and further to 279.1 billion USD in 2023. This trend aligns with a shift in the structure of US import markets in 2023, where Mexico became the largest import market for the US, surpassing China for the first time in 21 years. Also, Mexico's import value exceeded China's, accounting for 15.4 percent of total US imports, while China's share fell significantly to 13.9 percent, down from 21.6 percent in 2017. Meanwhile, the share of US imports from Thailand rose to 1.8 percent in 2023, up from 1.3 percent in 2017.

China's trade surplus with the US decreased during the period from 2017 – 2020 (Trump 1.0)



Source: Global Trade Atlas, compiled by the NESDC

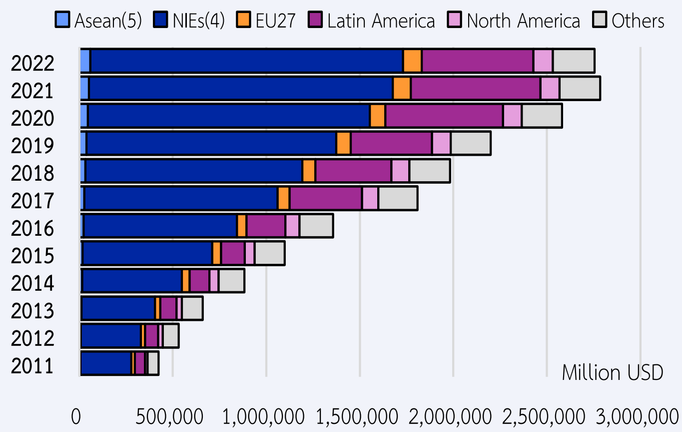
The US' main import markets in 2023



Source: Global Trade Atlas

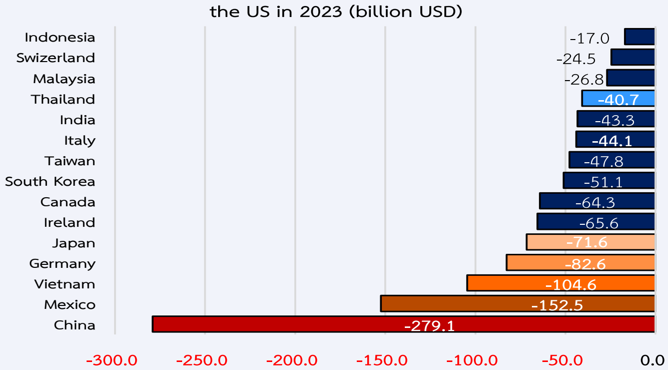
Trade Balance of Countries with Deficits to China and Surpluses with the US in 2023. At the same time, considering the impact on international investment, it was found that since the implementation of trade barrier measures in 2018, Latin America and Asian countries have benefited from the relocation of manufacturing operations out of China. This is reflected in the increasing outward stock of foreign direct investment (FDI) from China since 2018, particularly in the Newly Industrialized Economies (NIEs-4) such as South Korea, Singapore, Taiwan, and Hong Kong, as well as ASEAN countries (ASEAN-5) such as Indonesia, Malaysia, Vietnam, the Philippines, and Thailand. The cumulative FDI from China to the NIEs in 2022 reached 1.67 trillion USD, an increase of 61.7 percent from 1.03 trillion USD in 2017 (accounting for 61.7 percent of total accumulated FDI in 2022). Meanwhile, FDI from China to ASEAN countries amounted to 60.1 billion USD, up by 126.0 percent from 26.6 billion USD in 2017 (representing 2.2 percent of total accumulated FDI in 2022).

China outward FDI stock classified by region

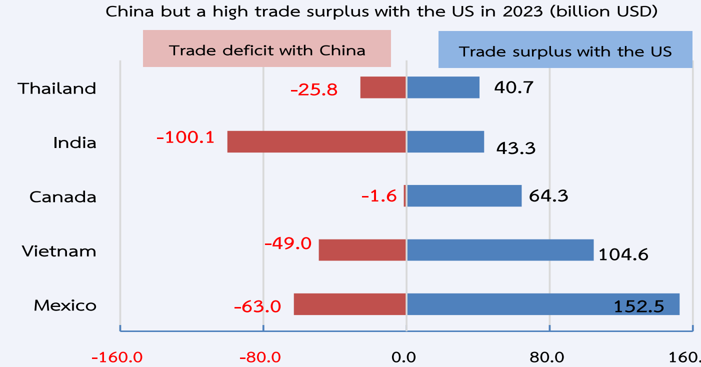


Source: China's Ministry of Commerce

Top 15 countries with the largest trade surplus with the US in 2023 (billion USD)



The trade balance of selected countries with a trade deficit with China but a high trade surplus with the US in 2023 (billion USD)



Source: Global Trade Atlas, compiled by the NESDC;
Note: The US trade balance data is reported from the perspective of the US (Reporter) with its trade partners, similar to China's trade balance which is reported from China's perspective with its trade partners.

The implementation of trade barrier measures between the US and China has also resulted in an increase in their exports to the US, leading to trade surpluses with the US, especially for Mexico and Vietnam. Nevertheless, these countries have also expanded their imports from China which has caused a continuous rise in their trade deficits with China, including Thailand. In 2023, Thailand had a trade surplus with the US amounting to 40.7 billion USD, while Thailand had a trade deficit with China of 25.8 billion USD.

US Trade Barrier Policy: The Impact on Thailand's International Trade (cont.)

When considering the product categories in which the US relies heavily on imports from China and experiences a substantial trade deficit with China, between the period before the implementation of US trade barrier measures against China (2016–2017) and after the measures began in 2018 (2018–2023) can be divided into two groups; (1) Products where U.S. trade deficit with China has decreased, but deficit with Thailand has increased. This group presents opportunities for Thai exports to the US market, as the US decreases its imports from China and redirects some of those imports to Thailand, including items like telephone sets and parts (HS 8517), Automatic data processing machines (HS 8471), television receivers (HS 8528), office machines and parts (HS 8473), electric water heaters and parts (HS 8516), and furniture and parts (HS 9403); and (2) Products where the US trade deficit with both China and Thailand has increased. For example, electric storage batteries (HS 8507), motor vehicle parts and accessories (HS 8708), microphones and parts (HS 8518), and air conditioning machines and parts (HS 8415). Thailand has benefited from the reduction in US imports from China. However, many of these products still rely on imports from China, meaning Thailand may only serve as a rerouting destination for products moving from China to the US. For instance, the import share of telephone sets and parts (HS 8517) from China increased from 63.7% (before Trade War 1.0) to 70.6% (after COVID-19), while automatic data processing machines (HS 8471) saw their import share from China rise from 54.3% to 64.4%.

Table: U.S.'s Trade balance with CN and TH, Classified by U.S. high deficit products (million USD)

HS Code: Product	U.S. import share from CN (Year 23)	U.S. Trade balance with CN				U.S. Trade balance with TH				TH import share from CN (16-17)	TH import share from CN (22-23)
		Before TW 1.0 (16-17)	TW 1.0 (18-19)	COVID-19 (20-21)	After COVID-19 (22-23)	Before TW 1.0 (16-17)	TW 1.0 (18-19)	COVID-19 (20-21)	After COVID-19 (22-23)		
8517: Telephone sets and parts	12.8	-128,341	-127,607	-110,886	-116,129	-5,779	-4,458	-5,850	-9,869	63.7	70.6
8471: Automatic data processing machines	9.2	-94,517	-93,606	-111,747	-91,699	-8,125	-8,760	-13,704	-13,812	54.3	64.4
8528: Television receivers	1.5	-21,307	-23,662	-17,374	-15,723	-809	-886	-798	-823	29.3	55.5
8473: Office machines and parts	1.5	-24,657	-21,257	-11,544	-12,104	-230	-327	-109	-890	23.1	23.0
8516: Electric water heaters and parts	1.4	-10,269	-11,782	-13,262	-12,689	-484	-558	-988	-1,291	48.7	60.0
9403: Furniture and parts	1.3	-21,322	-21,115	-14,992	-13,388	-300	-313	-973	-1,142	55.6	73.6
8504: Electrical transformers and parts	1.0	-10,441	-10,228	-7,990	-8,351	-534	-778	-1,554	-3,394	51.4	61.1
9405: Luminaires and parts	0.8	-13,824	-13,293	-10,775	-8,414	-15	-31	-154	-467	80.7	89.7
8525: Transmission apparatus	0.5	-10,299	-10,564	-8,285	-5,472	-1,416	-1,227	-1,646	-2,497	49.4	56.2
8418: Refrigerators and parts	0.5	-3,663	-3,952	-5,463	-4,974	-116	-342	-845	-1,204	51.3	71.1
8443: Printing machinery and parts	0.4	-12,210	-9,963	-4,218	-3,851	-1,896	-1,971	-1,917	-2,524	36.2	35.7
4011: New pneumatic tires	0.2	-3,804	-3,356	-2,021	-1,996	-3,248	-4,959	-5,754	-6,792	26.7	35.5
8541: Semiconductors and parts	0.2	-3,934	-724	-135	-96	238	384	-2,052	-5,034	23.6	53.4
8507: Electric storage batteries	3.7	-2,970	-4,206	-7,423	-26,133	3	-22	-34	-46	28.6	55.6
8708: Motor vehicle parts and accessories	2.2	-14,144	-15,941	-13,051	-16,654	10	-98	-683	-1,025	12.4	21.2
8518: Microphones and parts	1.2	-6,033	-7,280	-9,748	-11,070	-189	-154	-321	-585	63.2	70.9
8415: Air conditioning machines and parts	0.6	-4,915	-5,585	-5,180	-5,842	-611	-772	-1,695	-3,080	37.5	66.2

Source: Global Trade Atlas, note: TW = Trade War, CN = China, TH = Thailand

U.S. deficit with CN decreased while deficit with TH increased

U.S. deficit with CN and TH increased

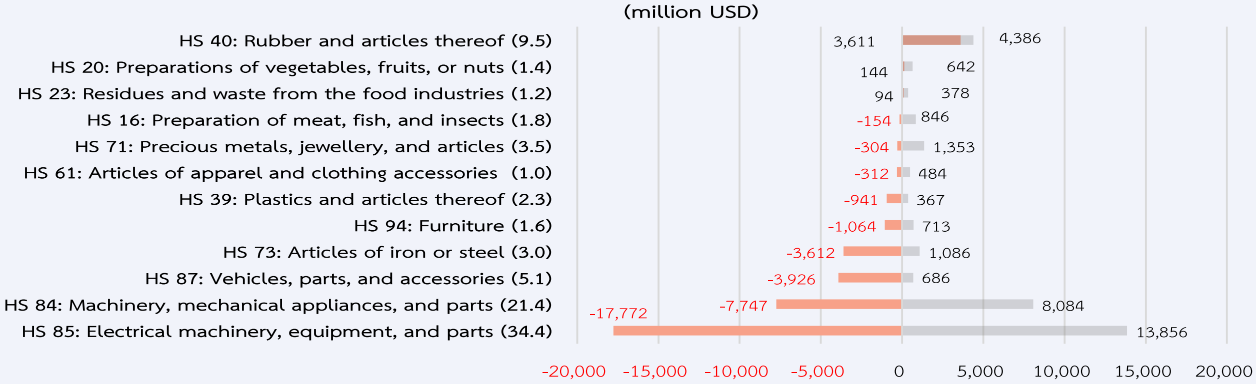
TH import share from CN increased (share > 50)

TH import share from CN increased (share < 50)

TH import share from CN decreased

When considering the key product categories where Thailand has a trade surplus with the US but a trade deficit with China, it was observed that, in 2023, the products contributing to Thailand's largest trade deficit with China were electrical machinery, machinery and appliances, vehicle parts and accessories, iron and steel products, furniture, and plastics and articles. This shows that while the US has overtaken China as Thailand's largest export market over the past five years (2019–2023), it still accounts for 17.1% of Thailand's total exports. However, Thailand's reliance on imports from China continues to grow. In 2023, China made up 24.3% of Thailand's total imports, particularly in product categories that are in high demand in the global market, such as electrical appliances and electronics, electrical machinery, and vehicles—key export products for Thailand in recent years. Nonetheless, there are also product categories where Thailand maintains a trade surplus with both the US and China, such as rubber and rubber products, and preparations of vegetables and fruits.

Thailand's key export products to U.S. , comparing Thailand's trade balance with U.S. and China (million USD)



Source: Global Trade Atlas, compiled by the NESDC

Remark: Trade balance with China Trade balance with the US ( ) = Thailand's export share to the US in 2023

The key economic stimulus measures of China

The continual slowdown of the Chinese economy, coupled with the indebtedness and liquidity crisis in the property sector, has prompted the Chinese government to implement economic stimulus measures through both monetary and fiscal policies. These measures place emphasis on enhancing liquidity in financial and capital markets by reducing borrowing costs to stimulate purchasing power in the sluggish real estate sector and among domestic households. Additionally, the measures strive to ease fiscal constraints on local governments, potentiating them to facilitate debt-laden real estate developers.

	Details
24 September 2024	
Financial Measures	**The People's Bank of China (PBOC)** has cut key benchmark interest rates to inject liquidity into commercial banks and maintain household and business spending, including: 1) The reduction of the 7-day reverse repo rate, a short-term policy interest rate, from 1.70 percent to 1.50 percent, and the 14-day short-term interest rate from 1.85 percent to 1.65 percent. 2) The cut of the required reserve ratio from 7.00 percent to 6.00 percent, the lowest rate on record. This reduction is expected to increase long-term liquidity by approximately 1 trillion yuan for commercial banks. 3) The decrease in the 1-year medium-term lending facility rate from 2.30 percent to 2.00 percent, which will provide short-term liquidity of up to 2.91 billion yuan to commercial banks, is intended to sustain household and business spending by lowering borrowing costs. 4) The lowering of the 1-year loan prime rate from 3.35 percent to 3.10 percent, and the 5-year rate from 3.85 percent to 3.60 percent, aims to consistently increase liquidity in the economy.
Measures to boost capital market	**The People's Bank of China (PBOC)** announced funding schemes to boost liquidity in the capital market and strengthen investor sentiment. - The 500-billion-yuan Swap Facility (SFISF) scheme allows eligible fund companies, securities firms, and insurers to more easily access financing by using their assets as collateral in exchange for highly liquid assets to buy shares. - The 300-billion-yuan Special Re-lending scheme aims to provide soft loans to listed companies and major shareholders to facilitate buybacks and increase shareholdings.
Measures to support the real estate sector	**The People's Bank of China (PBOC) and the National Financial Regulatory Administration (NFRA)** have reduced the minimum down payment ratio and mortgage rates for existing home loans to revitalize the real estate sector. - The reduction of the minimum down payment ratio for second-home buyers from 25 percent to 15 percent, the same rate as for first-home purchases. - The reduction of mortgage rates for existing home loans by an average of 0.5 percent is aimed at alleviating the debt burdens of 50 million households. - The extension of the borrowing ratio for the local governments under the re-lending facility scheme from 60 percent to 100 percent is aimed at fostering the purchase of unsold housing and reutilizing it into affordable housing projects for low-income individuals.
Fiscal Measures	**The Ministry of Finance and the Ministry of Civil Affairs of China** launched one-off cash handouts for approximately 4.74 million people in extreme poverty and unemployment, with a budget of 154.7 billion yuan, to invigorate household consumption.
8 November 2024	
Fiscal Measures	**According to the National People's Congress (NPC) meeting** held from November 4–8, 2024, the Chinese government rolled out a 10-trillion-yuan debt swap program to refinance local government debt. This program is expected to save local governments 600 billion yuan in interest, thereby enhancing liquidity for ailing local authorities. The program comprises the following measures: 1) The increase in the local government debt ceiling from 29.52 trillion yuan to 35.52 trillion yuan enables local governments to issue an additional 6 trillion yuan in special-purpose bonds over three years. This aims to rekindle the economy and facilitate local governments in tackling off-balance sheet debt risks. 2) The issuance of 4 trillion yuan in special-purpose bonds over five years grants local governments the ability to purchase and develop real estate.

Source: Compiled by NESDC as of 12 November 2024

5. The Thai Economic Outlook 2024

The Thai economy is projected to achieve a growth rate of 2.6 percent in 2024, marking an improvement from the 1.9 percent growth recorded in 2023. Headline inflation is anticipated to remain subdued at approximately 0.5 percent, while the current account balance is expected to register a surplus equivalent to 2.5 percent of GDP.

In the November 18th, 2024, press release, the NESDC estimated that the Thai economy in 2024 is projected to expand in the range of 2.3 – 3.3 percent (with a midpoint estimate of 2.6 percent). This projection incorporates adjustments made during an earlier press conference on August 19th, 2024, to align economic growth components with actual data from the first three quarters of the year and revised key assumptions, as detailed below:

1) **Private Consumption:** The estimate for private consumption growth has been revised upward to 4.8 percent from the previous projection of 4.5 percent. This adjustment is mainly due to the economic stimulus program targeting state welfare cardholders and persons with disabilities, with a total budget allocation of 145.5 billion baht which is anticipated to support household spending in the fourth quarter of 2024.

2) **Total Investment:** The total investment growth estimate has been adjusted to 0.2 percent, up from the previous 0.1 percent. Government investment is expected to expand by 2.4 percent, reversing a previously estimated contraction of 0.7 percent. This upward revision corresponds to a higher-than-expected capital budget disbursement rate of 65.2 percent of the FY2024, exceeding the earlier assumption of 60.0 percent. Additionally, the state-owned enterprises investment budget is forecasted to be disbursed at 358 billion baht, revised upward from 336 billion baht in the prior projection. However, private investment is expected to contract by 0.5 percent, compared to a 0.3-percent growth in previous anticipation, consistent with a 1.4-percent decline in private investment during the first three quarters of 2024.

3) **Net Exports:** The projections for the value of exports and imports of goods have been revised upwards to 3.8 percent and 4.4 percent growth, respectively, from the earlier estimates of 2.0 percent and 3.6 percent. These adjustments reflect a stronger-than-expected recovery in the international trade sector, as evidenced by notable export and import value growth of 8.9 percent and 11.3 percent, respectively, in the third quarter of 2024.

6. The Thai Economic Outlook for 2025

The Thai economy is projected to experience gradual improvement in 2025, driven by several key drivers. These include increased government expenditure, sustained growth in domestic private demand for both consumption and investment, a continued recovery in the tourism sector aligned with the anticipated normalization of foreign tourist arrivals, and ongoing expansion in exports supported by growth in the global economy and merchandised trade. Nevertheless, the economic recovery remains subject to significant risks and constraints that could result in lower-than-expected growth under the baseline scenario. Key downside risks include the potential underperformance of the global economic outlook, heightened uncertainty surrounding U.S. economic policy, the prolonged geopolitical conflicts, and a slowdown in China's economy. Additionally, structural challenges, such as elevated levels of household and corporate debt and volatility in the agricultural sector, pose additional challenges to the Thai.

Supporting factors for the economic growth:

1) **The increased support from government expenditure, particularly capital expenditures,** aligns with the expansion of the annual and carry-over budget framework for FY2025. (1) The FY2025 annual budget amounts to 3.75 trillion baht, reflecting a 7.8 percent increase compared to the previous fiscal year. This includes 2.79 trillion baht allocated for current expenditures, which slightly declined by 0.3 percent, and 964 billion baht designated for capital expenditures, marking a 41.2 percent expansion. Based on baseline assumptions, the total budget disbursement rate is projected to reach 92.1 percent, comprising 98.0 percent for current expenditures and 75.0 percent for capital expenditures, resulting in an estimated injection of 3.46 trillion baht into the economy, an increase of 5.6 percent from the prior year. This consists of 2.73 trillion baht for current expenditures, a contraction of 3.4 percent, and 723 billion baht for capital expenditures, which expanded significantly by 62.5 percent. (2) Additionally, the carry-over budget for FY2025 totals 275 billion baht, marking the highest level since FY2020 and reflecting a growth of 71.9 percent compared to the previous fiscal year. This comprises 41.8 billion baht for current expenditures, an increase of 50.0 percent, and 233 billion baht for capital expenditures, which surged by 76.5 percent. The significant growth in the carry-over budget is primarily attributed to delays in the budget preparation process for FY2024.

2) **The expansion of domestic private demand aligns with the improving trend in private investment and sustained growth in private consumption. Private investment** is anticipated to grow in tandem with the recovery of industrial production and exports, underpinned by the following key factors: (1) The expansion of imports, particularly in the third quarter of 2024, reflects a rise in the volume of capital goods, raw materials, and intermediate goods, indicating heightened investment activity and industrial recovery; (2) Growth in investment promotion where the number of applications, approvals, and issuances of investment promotion certificates during the first nine months of 2024 rose by 46.2 percent, 33.3 percent, and 58.9 percent, respectively, compared to the same period in the previous year. This surge is primarily driven by investments in the electrical appliances and electronics industries, the digital industry, the automotive and parts sector, and the agricultural and food processing industries. These developments align with a notable increase in foreign direct investment inflows, which totaled 7.2 trillion baht in the first nine months of 2024, representing a 41.8 percent increase year-on-year; and (3) industrial estate area expansion where the continuous expansion of industrial estate areas has further supported private investment. Between October 2023 and July 2024, 6,174 rai of industrial estate land was sold or leased, marking the largest expansion of industrial estates in history. Meanwhile, **private consumption** continues to play a critical role in supporting economic growth, although it has begun to decelerate, returning to a more normalized trend, supported by a robust labor market, reflected in a low unemployment rate and increasing non-agricultural employment. Inflationary pressures, while gradually rising, are expected to remain below the monetary policy target, further sustaining private consumption as a key driver of economic expansion.

3) **The continual recovery of the tourism sector** is in line with **(1) the number of foreign tourists is expected to gradually return to pre-pandemic levels,** as reflected by the number of tourists from most countries of origin reaching the pre-pandemic levels[30]. This upward trend is accompanied by a similar increase in foreign tourist spending. Key supporting factors include the recovery of global travel, the surge in international flights[31], which has led to an increase in seat capacity to Thailand, and the government's ongoing measures to attract foreign tourists through visa exemption measures targeted at promoting tourism and stimulating the Thai economy[32], and tourism stimulus schemes under the "Amazing Thailand Grand Tourism Year 2025" scheme; and **(2) Domestic tourism** continues to grow, supported by quick-win measures to stimulate tourism during low season, as well as measures to promote regional tourism. Consequently, the recovery of the tourism sector has facilitated a favorable expansion in related service industries, including transportation, and retail and wholesale trade sectors.

4) **The continual growth in goods exports** aligns with the recovery of the global economy and merchandised trade. This momentum is supported by rising new orders in major industrialized economies and an upward cycle in electronic products, indicate potential growth in industrial goods sales, particularly in the electronics and electrical appliance sectors. Meanwhile, key competitive export goods, such as processed agricultural products and food, are expected to maintain robust growth, driven by strong global demand. The ongoing expansion of the export sector is likely to accelerate the recovery in manufacturing production and private investment. However, the outlook for goods exports remains highly sensitive to uncertainties surrounding U.S. economic policies.

[30] The figure of tourists during the first nine months of 2024 from Malaysia, India, and Russia stood at 3.74 million, 1.54 million, and 1.16 million, accounting for 126.4 percent, 104.4 percent, and 119.5 percent, respectively, compared to the same period in 2019, which was before the outbreak of COVID-19.

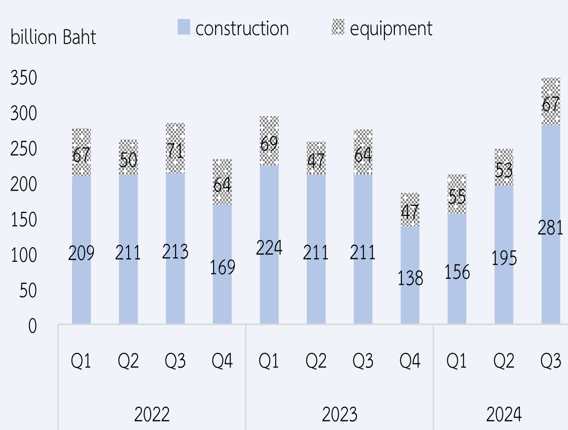
[31] The number of international inbound flights in the first nine months of 2024 at Suvarnabhumi Airport, Don Mueang Airport, Phuket Airport, and Chiang Mai Airport was 100,393 flights, 31,812 flights, 20,744 flights, and 6,063 flights, respectively, representing an increase of 27.0 percent, 19.2 percent, 32.4 percent, and 21.1 percent from the same quarter last year, respectively.

[32] Key Measures comprise: (1) Visa Exemption: The list of countries/territories entitled to visa exemption for tourism, business engagements, urgent work, or ad-hoc work lasting no more than 60 days has been expanded to 93 countries/territories, up from the previous list of 57 countries/territories, including major countries such as India, China, Taiwan and Russia. (2) Visa On Arrival (VOA): The list of countries/territories eligible to apply for a visa-on-arrival at immigration checkpoints for tourism lasting no more than 15 days has been expanded to 31 countries/territories, up from the previous list of 19 countries/territories. (3) Destination Thailand Visa (DTV): The special permission for foreigners to reside in the Kingdom for tourism and remote work aims to facilitate foreigners, particularly high-skilled professionals and freelancers, who wish to spend time in Thailand engaging in various activities such as Muay Thai, cooking classes, or medical treatments. They will be allowed to stay in Thailand for up to 180 days per visit on a multiple-entry basis within a five-year period. and (4) Non-Ed Plus Visa: The special permission for foreigners to reside in the Kingdom for education and work aims to attract high-skilled workers into the labor market. They will be allowed to extend their stay in Thailand for one year to seek employment after graduation. This measure will take effect on July 15th, 2024.

Public investment will be a key driver of economic growth for the remainder of 2024 and throughout 2025

Public investment in the second half of 2024 is expected to grow significantly, driven by accelerated budget disbursement, government spending, and an increased public capital expenditure budget framework for the fiscal year 2025. This includes the annual budget's capital expenditure, carry-over budget's capital expenditure, and state-owned enterprises' capital expenditure budget. In the third quarter of 2024, total public investment amounted to 347.8 billion Baht, an increase of 26.6 percent. This is divided into public construction investment of 280.8 billion Baht, a 33.0 percent increase, and investment in public equipment of 67.0 billion Baht, a 5.3 percent increase. **In the first nine months of 2024,** total public investment reached 806.8 billion Baht, a decrease of 2.3 percent compared to the same period of the previous year. This included public construction investment of 631.8 billion Baht, a decline of 2.2 percent, and investment in public equipment of 175.0 billion Baht, a decrease of 2.7 percent. **For the fourth quarter of 2024 (October - December 2024),** the capital expenditure disbursement is projected to total approximately 294.4 billion Baht, showing a significant growth of 59.5 percent. For the entire year of 2024, public investment is expected to reach approximately 1.1 trillion Baht, an expansion of 8.9 percent.

Public investment



Source: NESDC

The capital expenditure framework for the fiscal year 2025 is set at a total of 1.4 trillion Baht, an increase of 16.1 percent compared to the previous year. This is divided into the annual budget capital expenditure of 775.8 billion Baht (up by 13.7 percent), the carry-over budget capital expenditure of 233.4 billion Baht (up by 76.5 percent), and the state enterprises' capital expenditure budgets of 378.3 billion Baht (down by 0.5 percent).

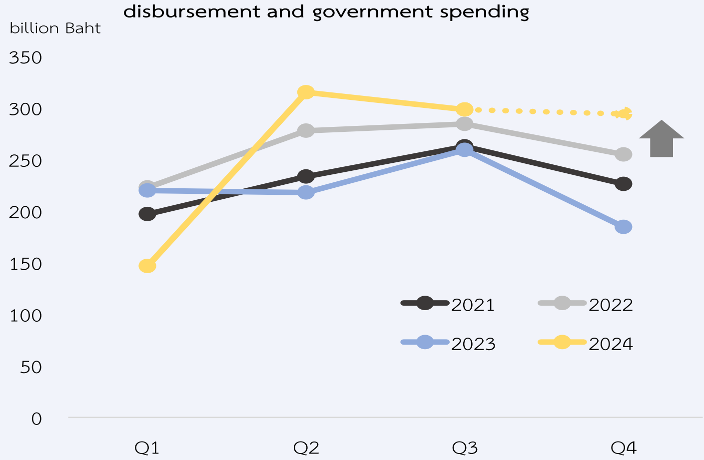
The continuation of measures to expedite budget disbursement and government spending from 2024, including accelerating the disbursement of carry-over funds and finalizing commitments for capital expenditures from the annual budget within the first quarter of the fiscal year 2025, is expected to ensure that capital expenditure disbursements play a key role in driving Thailand's economic growth for the remainder of 2024 and throughout 2025.

The capital expenditure budget framework

(Unit: billion Baht)	FY2024	FY2025	% YoY
Annual budget	682.4	775.8	13.7
Carry-over budget	132.3	233.4	76.5
State-owned enterprises' capital expenditure budget	380.1	378.3	-0.5
Total capital budget	**1,194.8**	**1,387.5**	**16.1**

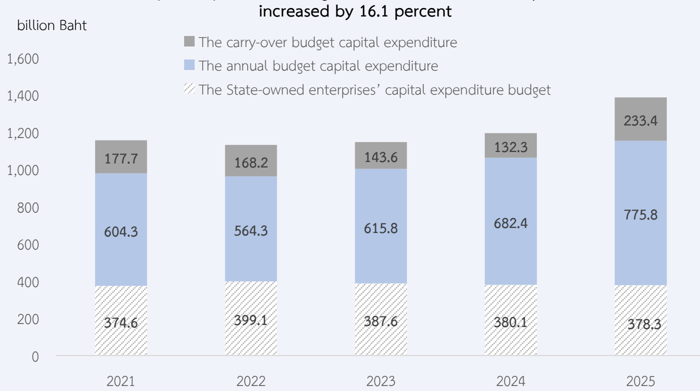
Source: GFMIS, the state enterprise investment budget framework for 2024, and calculated by NESDC

The disbursement of capital expenditure budget increased due to the acceleration of budget disbursement and government spending



Source: GFMIS, State Enterprise Policy Office (SEPO), and NESDC

The capital expenditure budget framework for the fiscal year 2025 increased by 16.1 percent



Source: Annual Budget, the state enterprise investment budget framework for 2024, and calculated by NESDC

Note: 1. The state enterprises' capital expenditure budget includes investments of state enterprises in the form of public limited companies and subsidiaries (excluding the foreign investment budget of PTT Public Company Limited).

2. The 2024 - 2025 annual budget's capital expenditure excluding the central fund, Expenditures for Stimulating the Economy and Strengthening the Economic System

3. The accelerated budget disbursement measures for 2024 have led to purchase orders (PO) disbursing the budget in Q1 and Q2 of the fiscal year 2025.

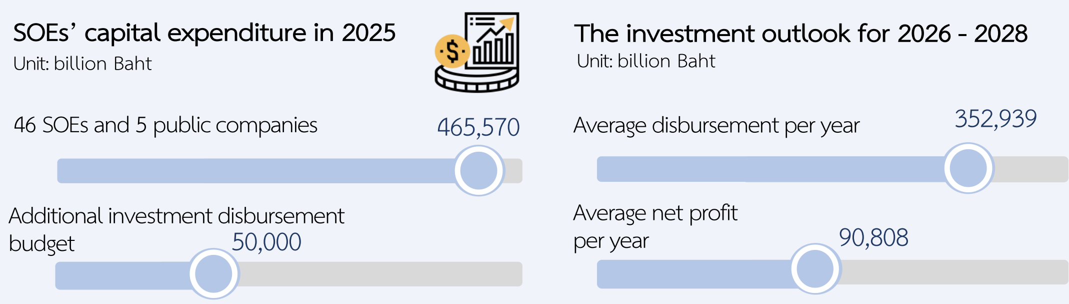
Public investment will be a key driver of economic growth for the remainder of 2024 and throughout 2025 (cont.)

The disbursement of investment budgets for 14 major state enterprise projects is progressing well, with total disbursements amounting to 69.0 billion Baht, accounting for 82.5 percent of the disbursement plan. Notably, the first phase of the Thai-Chinese high-speed rail project (Bangkok - Nong Khai) and the Laem Chabang Port Development Project (Phase 3) **have achieved disbursements higher than the planned amounts.** The MRT Purple Line (Tao Pun - Rat Burana) **has disbursed funds in accordance with the disbursement plan.**

Eight projects with disbursement rates of at least 50 percent include the 9th Waterworks Improvement Master Plan, the Transmission System and Distribution System Development Project (Phase 2), the Transmission System Expansion Project (Phase 12), the Transmission System Improvement Project in the Northeastern Region Lower Northern, Central, and Bangkok for System Security Enhancement, The Rama III - Dao Khanong - Western Bangkok Outer Ring Road Expressway Project, the National Government Complex Extension Zone C, the 12th Power Distribution System Improvement and Expansion Plan, and the Rangsit Drug Manufacturing Factory Construction Project (Phase 2). Additionally, **five state-owned enterprises investment projects operating on a calendar year basis** are expected to disburse an additional 8.3 billion Baht in investment funds during the fourth quarter of 2024 (October - December 2024).

For key state enterprise investment projects in 2025, disbursements are expected to total 90.3 billion Baht, accounting for 23.9 percent of the 2025 state enterprise investment budget framework. Notable projects include the Thai-Chinese high-speed rail project (Bangkok - Nong Khai), The MRT Purple Line (Tao Pun - Rat Burana), the MRT Orange Line (Bang Khun Non - Thailand Cultural Centre), the 9th Waterworks Improvement Master Plan, and the Transmission System and Distribution System Development Project (Phase 2).

Considering **the investment outlook for 46 state enterprises during 2026 - 2028,** the average annual investment is projected to be approximately 352.9 billion Baht, an increase of 64.8 percent compared to the 2025 investment disbursement of 214.1 billion Baht.



Source: NESDC

Risks and limitations to economic growth:

1) **The lower-than-expected world economic growth and global financial market** with certain risks need to be closely monitored and assessed including: **(i) Uncertainty in U.S. economic policy** under the Donald Trump Presidency which could present significant risks, particularly in the areas of trade and investment. Potential escalation of trade barriers against China and other trading partners could lead to retaliatory tariffs, particularly from China, disrupting global supply chains and redirecting investment flows. Additionally, key policy proposals from the new U.S. administration, such as tax policy and labor market measures, could directly impact the U.S. economy while creating volatility in financial markets and the broader global economy; **(ii) Prolonged geopolitical tensions in many regions** such as the Middle East pose significant risks. Any escalation could destabilize key economic sectors and pose severe threats to global energy markets, commodity prices, and transportation costs. This includes the prolonged conflict between Russia and Ukraine that could pressure the economic activity in the region; **(iii) Monetary policy adjustments by major central banks** which expect to remain accommodative amidst subdued inflation. Nonetheless, geopolitical risks and unpredictable economic policies could reignite inflationary pressures. This could limit the ability of central banks to cut interest rates, increasing financial market volatility and restraining global growth; and **(iv) The Chinese economy remains vulnerable** due to weak domestic investment, particularly in the real estate sector, which is grappling with liquidity constraints and high debt levels. A sluggish recovery in consumer confidence, a stagnant labor market, and uncertainty over U.S. trade barriers further exacerbate these challenges. Moreover, persistent industrial overcapacity, especially in electronics, computers, and automobiles, has resulted in inventory buildups. This intensifies global price competition and impacts exporters in other countries, who face difficulties competing with Chinese products.
2) **Household and business debt remain high amid tighter credit standards.** As of the second quarter of 2024, the household debt-to-GDP ratio stood at 89.6 percent, down slightly from 90.9 percent in the same period last year but still significantly higher than the pre-pandemic level of 82.7 percent in the same period in 2019. Meanwhile, loan quality continues to deteriorate, as reflected in rising non-performing loans (NPLs) and special mention loans (SMLs) to total loan of personal consumption loan. In the second

quarter, NPLs reached 3.2 percent of total loans, while SMLs rose to 7.3 percent, the highest in four years. In terms of loan types, the NPLs to total loan of housing, car hire-purchase, credit cards, and personal loans were at 3.7 percent, 2.3 percent, 4.4 percent, and 2.6 percent, respectively. Business loans, particularly for SMEs, exhibit even higher distress levels, with NPLs to total loan at 7.6 percent and SMLs at 11.8 percent in the second quarter, significantly above the same period in 2019 of 4.5 percent and 3.2 percent, respectively. Consequently, Financial institutions have implemented stricter loan approval criteria in response to rising risks. Minimum income thresholds for loan applicants, particularly for car hire-purchase and other consumption loans, have been raised. For SMEs, stricter loan approval standards include increased collateral requirements and higher collateral values (margins) for higher-risk borrowers.

3) **The agricultural sector is expected to experience volatility in both production and prices for major crops.** Agricultural production in 2025 is anticipated to benefit from more favorable weather conditions compared to 2024, which was heavily impacted by droughts and floods. However, this increase in production is expected to exert downward pressure on agricultural product prices, aligning with global trends. In particular, rice prices in the world market are expected to decline as production levels normalize in major exporting countries like India and Vietnam. This downward pressure is further exacerbated by economic slowdowns in in major agricultural export markets, particularly the U.S. and China. Nevertheless, despite improved baseline weather conditions, high volatility persists, necessitating close monitoring. Unexpected adverse weather events in 2025 could disrupt agricultural production and prices, deviating from current baseline projections.

Key assumptions for 2024 and 2025 economic projection:

World Economic Projection and Other Key Assumptions

	Actual Data		Projection		
			2024		2025
	2022	2023	Aug 19, 2024	Nov 18, 2024	Nov 18, 2024
World Economic Growth (%)[1/]	3.5	3.2	2.9	3.0	3.0
US	1.9	2.9	2.4	2.6	2.2
Eurozone	3.5	0.5	0.6	0.6	1.1
Japan	1.0	1.7	0.4	0.0	1.0
China	3.0	5.2	4.7	4.7	4.5
Global Trade Volume (%)	5.6	0.3	2.8	3.0	3.0
Exchange Rate (Baht/US Dollar)	35.1	34.8	35.5 - 36.5	35.4	34.5 - 35.5
Dubai Crude Oil (US Dollar/Barrel)	97.0	82.0	80.0 - 90.0	80.0	75.0 - 85.0
Export Price (US Dollar) (%)	4.2	1.2	0.3 - 1.3	0.8	(-0.3) - 0.8
Import Price (US Dollar) (%)	12.7	0.6	0.5 - 1.5	1.3	(-0.3) - 0.8
Income from Tourism (Trillion Baht)[2/]	0.53	1.03	1.48	1.50	1.63

Source: NESDC as of November 18, 2024
Notes: [1/] World economic growth is a trade-weighted average of key economic partners in 2019 (15 economies)
[2/] based on the Bank of Thailand's balance of payment data and forecasted by the NESDC

1) **The world economy and trade volume are projected to expand by 3.0 percent in 2025,** sustaining the momentum observed in 2024. This expansion is primarily attributed to robust domestic spending, underpinned by decreasing inflationary pressure and resilient labor markets. Thus, most central banks are expected to continue lowering policy interest rates, fostering improvements in major economies such as the Eurozone, the UK, Australia, and Japan, which are recovering from subdued growth in the previous year. However, major economies, like the U.S. and China, are anticipated to experience slower growth compared to 2024, constrained by ongoing challenges in industrial production and private investment. Additionally, prolonged geopolitical conflicts, including those in the Middle East and the ongoing war between Russia and Ukraine, pose further threats to global stability and growth prospects.

2) **The average of the Thai Baht in 2025 is expected to be within the range of 34.5 - 35.5 Baht per US dollar,** consistent with the 2024 average of 35.4 Baht per US dollar. This aligns with data of the average of the Thai Baht from the beginning of 2024 through November 14 which was at 35.4 Baht per US dollar and is expected to remain at this level for the remainder of the year. Despite this stability, the Thai Baht is anticipated to exhibit significant volatility in 2025 due to external uncertainties, particularly the direction of US economic policies and their impact on Federal Reserve monetary, as well as domestic factors related to the Thai economic policies. The Thai Baht is expected to appreciate gradually in 2025, driven by a policy interest rate reduction by the U.S. Federal Reserve and a continued surplus in Thailand's current account, supported by growth in export and tourism revenues. However, certain factors may limit the baht's appreciation and may lead to depreciation. These include potential shifts in US economic policy that could increase inflationary pressures, prompting the Federal Reserve to delay its rate cuts, thereby strengthening the US dollar. Additionally, a weakening Chinese yuan due to a slowdown in domestic investment in China could exert downward pressure on the baht.

3) **The average price of Dubai crude oil in 2025 is expected to be in the range of 75.0 - 85.0 dollars per barrel, consistent with the average of 80.0 dollars per barrel in 2024.** Several factors may contribute to upward pressure on oil prices, including: (1) the prolonged conflict in the Middle East region, particularly the tensions between Israel and Iran, which could significantly disrupt global crude oil supply, and (2) the continued decline in the number of crude oil rigs in the United States[33], leading to a potential reduction in overall crude oil production. However, there are factors that exert downward pressure on oil prices in 2025, including: (1) the anticipated slowdown in global oil demand[34] in line with the deceleration of economic growth in the United States and China amidst heightened trade tensions, (2) the potential for increased production capacity among the OPEC+ members starting in 2025[35], and (3) declining demand for crude oil in several countries due to technological shifts towards environmentally sustainable energy sources.

4) **Export and import prices in US dollars in 2025** increased by (-0.3) - 0.8 percent and (-0.3) - 0.8 percent, respectively, decelerating from the 1.3 percent and 0.8 percent expansions in 2024, in line with the stable trend of crude oil prices, the decline in freight rates for international shipping, and the slowdown in major economies.

5) **Revenue from foreign tourists in 2025** is expected to reach 1.63 trillion baht, an increase from 1.50 trillion baht in 2024. This growth is largely driven by an influx of foreign tourists to a total of 38.0 million, continuing from 36.0 million in 2024. Moreover, the spending per capita of foreign tourists is anticipated to rise gradually, propelled by a surge of high-spending tourists, particularly from China, Japan, South Korea, and Russia.

6) **The budget disbursement in 2025** is expected to proceed as follows: (i) the FY2025 annual budget disbursement rate is projected at 92.1 percent of the total budget of 3.75 trillion baht, compared with 94.1 percent in FY2024. Specifically, the current budget is expected to be disbursed at 98.0 percent, compared with 101.1 percent in the previous fiscal year, while the capital budget disbursement rate is anticipated to reach 75.0 percent, an improvement from 65.2 percent; (ii) the carry-over budget disbursement rate for FY2025 is estimated at 90.8 percent, slightly lower than 91.4 percent in FY2024, including the disbursement of the current budget at 95.0 percent and the capital budget at 90.0 percent; and (iii) the state-owned enterprises' capital budget disbursement over the 15-month period from October 2024 to December 2025 is expected to reach 80.0 percent, amounting to approximately 302 billion baht, marking a 17.0 percent decline compared to the previous year.

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33 The number of crude oil rigs in the United States in October 2024 stood at 480, a decrease from 504 rigs during the same period in the previous year. This aligns with the downward revision of crude oil production estimated by the US Energy Information Administration (EIA).

34 The EIA forecasts that global oil demand will grow by only 1.3 percent in 2025, compared to 0.9 percent in 2024 and 2.0 percent in 2023.

35 The OPEC+ members have agreed to extend the crude oil production cut of 2.2 million barrels per day until December 2024, extending the original deadline from November 2024. Starting in January 2025, production levels are expected to gradually return to normal.

The Thai Economic Projection 2025

In the November 18th, 2024, press release, the NESDC estimated that the Thai economy in 2025 is projected to expand in the range of 2.3 – 3.3 percent (with a midpoint estimate of 2.8 percent), continuing from 2.6 percent in 2024. Headline inflation is estimated to be in the range of 0.3-1.3 percent, compared with 0.5 percent in 2024, and the current account is projected to record a surplus of 2.6 percent of GDP, compared with a surplus of 2.5 percent of GDP in 2024.

Key components of Economic growth;

1) **Total consumption: (1) Private consumption expenditure** is expected to increase by 3.0 percent, continuing from a growth of 4.8 percent in 2024. This growth is supported by favorable labor market conditions, low inflationary pressure, and rising income levels in both the agricultural and non-agricultural sectors. **(2) Government consumption expenditure** is projected to grow by 2.1 percent, continuing from a 1.7-percent expansion in 2024. This was in accordance with an increase in the current budget framework under the FY2025 annual budget and the FY2025 carry-over budget.
2) **Total investment** is expected to increase by 3.9 percent, accelerating from a 0.2-percent in 2024. **(1) Private investment** is estimated to increase by 2.8 percent, improving from a 0.5-percent contraction in 2024. This was in accordance with the recovery of manufacturing productions and exports, supported by the strong growth in investment promotion activities. **(2) Public investment** is anticipated to drop by 6.5 percent, accelerating from a 2.4-percent increase in 2024. This was in accordance with an increase in the capital budget framework under the FY2025 annual budget and the FY2025 carry-over budget by 27.5 percent and 73.8 percent, respectively.
3) **Export value of goods** in US dollar term is anticipated to increase by 2.6 percent, continuing from a 3.8-percent increase in 2024, in line with the continual recovery of global trade volume. Together with the improving outlook of services exports, it is expected that the export quantity of goods and services will continue to increase by 4.2 percent, compared with a 6.1-percent in 2024.
4) **Import value of goods** in US dollar terms is expected to expand by 3.3 percent, compared with a 4.4-percent growth in 2024. This is in line with the improvement of investment and good exports. Together with the import of services, thus, in 2025, the import of goods and services is estimated to increase by 3.2 percent, compared with a 5.0-percent increase in 2024.
5) **Trade balance** is anticipated to register a surplus of 17.0 billion US dollars, compared with a surplus of 18.4 billion US dollars in 2024. Together with the service account, thus, in 2025, the current account is expected to register a surplus of 14.3 billion US dollars (2.6 percent of GDP) in 2025, compared with a surplus of 13.0 billion US dollars (2.5 percent of GDP) in 2024.
6) **Economic stability,** headline inflation in 2025 is estimated to be in the range of 0.3 – 1.3 percent (with the midpoint projection of 0.8 percent), compared with 0.5 percent in 2024.

7. Economic Management for 2025

The economic management for 2025 should prioritize on;

1) **Driving export to obtain stronger expansion while preparing to mitigate the possible impacts of escalating trade barrier measures** by; **(1) promoting the export of high-potential and globally demanded products**, such as health-related and eco-friendly products, while maintaining momentum in key export categories with strong potential growth, including processed food and agricultural products, electronics, and telecommunications equipment. Efforts should focus on expanding exports to high-growth and emerging markets, particularly in Middle East, South Asia, and ASEAN, while prioritizing the resolution of cross-border trade issues to strengthen connectivity with CLMV countries.; **(2) closely monitoring and evaluating the implementation of trade barriers that could impact Thailand's exports,** particularly products likely to be affected in order to prepare support measures for businesses, especially SMEs, that may face direct or indirect consequences. Additionally, promoting the export of products anticipated to benefit from trade barriers should be prioritized.; **(3) Adhering to global trade frameworks and the regulations and guidelines of trading partner countries,** while promoting the increased utilization of tariff benefits under existing Free Trade Agreements (FTAs), along with accelerating negotiations for ongoing FTAs, conducting studies to initiate negotiations with new key trading partners, and maximizing the benefits of the Generalized System of Preferences (GSP) and the Regional Comprehensive Economic Partnership (RCEP); **(4) Enhancing the competitiveness of export-oriented production by boosting productivity through innovation and cutting-edge technology** to support high-value goods, enabling to compete in the key markets and meet with the standards of major importers, thereby avoiding price-based competition. Moreover, domestic industries related to raw materials and intermediate goods should be developed to support Thailand's targeted industries and enhance its readiness and ability to integrate with the global value chain. In addition, businesses experiencing declining global demand or persistently low production utilization rates should review and adjust their production and export strategies accordingly; and **(5) Encouraging the business sector to mitigate risks from exchange rate fluctuations, while facilitating and reducing export-related costs for businesses.**

2) **Protecting the manufacturing sector from dumping and unfair trade practices** by **(1) improving the quality inspection process of imported products** to ensure greater rigor and thoroughness. This includes expediting the issuance of product standard protocols to cover imported products including fostering collaboration to establish agreements on the mutual recognition of international standards and increasing penalties for those importing substandard products; **(2) Improving the regulation and inspection of foreign digital platform businesses** by expediting the requirement for foreign online operators to register as legal entities and establish offices in Thailand, enabling the government to supervise their operations. This includes expanding the list of controlled products under mandatory standards to cover additional items, ensuring no adverse impact on domestic businesses, as well as accelerating the revision of tax laws for foreign-entity online sellers and e-commerce platforms operating in Thailand. **(3) Implementing a strict inspection and monitoring of market dumping and unfair trade measures from major exporting countries** and facilitating business operators in accessing anti-dumping, countervailing-duty, and anti-circumvention (AD/CVD/AC) measures; and **(4) strengthening enforcement against illegal importation, tax evasion, or exploitation of legal loopholes** to benefit their businesses, along with enhancing Thai entrepreneurs and product standards.

3) **Stimulating private investment** by; **(1) enhancing foreign investor confidence** by leveraging the strengths of being a regional hub and advanced infrastructure connectivity to attract foreign direct investment, particularly by encouraging businesses affected by trade barriers to relocate their investment bases to Thailand; **(2) expediting the implementation of projects with investment promotion certificates** during 2022 – 2024 to initiate actual investments, driving the expansion of key potential manufacturing and service sectors; **(3) accelerating infrastructure investment projects and the development of specialized economic zones** in accordance with the established plans; **(4) developing a conducive ecosystem for targeted industries and services to invest in Thailand**, especially reducing barriers in related procedures, regulations, and laws, addressing labor shortages in the manufacturing sector, and enhancing labor productivity to brace for new targeted industries and services; and **(5) boosting productivity through innovation and cutting-edge technology** to promote high-value goods production that transcend price competition and meet the standards of major importers.

4) **Assisting farmers in adapting their agricultural production** by;**(1) expediting the assessment of damages to ensure timely delivery relief.** This includes providing compensation and accelerating recovery effort for farmers affected by flood; **(2) preparing for the impacts of climate volatility,** particularly during the La Niña phenomenon, which may impact the growth of the agricultural sector, by prioritizing on water resource management, enhancing infrastructure efficiency and improving warning systems to ensure readiness for rapid climate changes and various disasters; **(3) driving the continued growth of agricultural and processed agricultural product exports** to elevate domestic agricultural prices, particularly in situations where production is expected to increase; and **(4) Enhancing knowledge and promoting the cultivation of crops and production** methods suited to local conditions. This includes adopting advanced technologies in production, marketing, and management.

5) **Providing support to SMEs experiencing financial difficulties due to a continuous decline in credit quality** by prioritizing income generation and enhancing their production capacity and competitiveness. In addition, leveraging technological advancements to improve business efficiency facilitating better access to funding sources, while expediting the implementation of debt restructuring measures for households and businesses, with a particular focus on vulnerable borrowers with low credit limits, who represent a significant proportion of non-performing loans.

Projection for 2024 and 2025[1/]

	Actual Data		Projection		
			2024		2025
	2022	2023	May 21, 2024	Aug 19, 2024	Nov 18, 2024
GDP (at current prices: Bil. Bht)	17,378.0	17,922.0	18,567.2	18,603.1	19,272.8
GDP per capita (Bht per year)	248,788.6	255,879.5	264,441.2	264,951.8	273,893.4
GDP (at current prices: Bil. USD)	495.1	514.8	515.8	525.5	550.7
GDP per capita (USD per year)	7,094.1	7,349.9	7,345.6	7,484.5	7,825.5
GDP Growth (CVM, %)	2.5	1.9	2.3 - 2.8	2.6	2.3 - 3.3
Investment (CVM, %)[2/]	2.3	1.2	0.1	0.2	3.9
Private (CVM, %)	4.7	3.2	0.3	-0.5	2.8
Public (CVM, %)	-3.9	-4.6	-0.7	2.4	6.5
Private Consumption (CVM, %)	6.2	7.1	4.5	4.8	3.0
Government Consumption (CVM, %)	0.1	-4.6	1.7	1.7	2.1
Export volume of goods & services (%)	6.1	2.1	4.9	6.1	4.2
Export value of goods (Bil. USD)	285.2	280.7	286.2	291.4	299.0
Growth rate (%)[3/]	5.4	-1.5	2.0	3.8	2.6
Growth rate (Volume, %)[3/]	1.2	-2.7	1.2	2.5	2.3
Import volume of goods & services (%)	3.6	-2.3	3.6	5.0	3.2
Import value of goods (Bil. USD)	271.6	261.4	270.7	273.0	282.0
Growth rate (%)[3/]	14.0	-3.8	3.6	4.4	3.3
Growth rate (Volume, %)[3/]	1.2	-4.1	2.6	3.6	3.0
Trade balance (Bil. USD)	13.5	19.4	15.5	18.4	17.0
Current account balance (Bil. USD)	-17.2	7.4	12.1	13.0	14.3
Current account to GDP (%)	-3.5	1.5	2.3	2.5	2.6
Inflation (%)					
CPI	6.1	1.2	0.4 - 0.9	0.5	0.3 - 1.3
GDP Deflator	4.8	1.2	0.9 - 1.4	1.2	0.3 - 1.3

Source: Office of the National Economic and Social Development Council, 18th November 2024

Note: [1/] Data was calculated based on new National Accounts Office's Series, published on www.nesdc.go.th

[2/] Investment means Gross Fixed Capital Formation

[3/] Export and import base on the Bank of Thailand's data.

www.nesdc.go.th