



## Thai Economic Performance in Q2 of 2024 and the Outlook for 2024

The Office of the National Economic and Social Development Council (NESDC) announced the Thai Gross Domestic Product (GDP) in the second quarter of 2024 and the economic projection for 2024 as follows:

### The Thai Economy in Q2/2024

**The Thai Economy in the second quarter of 2024** expanded by 2.3 percent (% YoY), accelerating from 1.6 percent in the first quarter. After seasonally adjusted, the economy increased by 0.8 percent from the first quarter of 2024 (%QoQ sa). **In the first half of 2024**, the economy grew by 1.9 percent.

**On the expenditure side:** The economy was mainly driven by the improvement of government consumption expenditure and export of goods and services, coupled with the continual growth of private consumption. Nonetheless, public and private investments contracted.

**Private consumption expenditures** increased by 4.0 percent, decelerating from a 6.9-percent expansion in the previous quarter. **The expenditure on services** increased by 6.0 percent, slowing down from a 13.7 percent in the previous quarter due to the deceleration of spending on hotels and restaurants, financial and healthcare services, education and arts, entertainment and recreation. **The expenditure on non-durable goods** grew by 3.6 percent, decelerating from 4.7 percent in the previous quarter in line with the slowdown of spending on food and non-alcoholic beverages and alcoholic beverages. **The expenditure on durable goods** decreased by 6.5 percent, continuing from a 6.7-percent contraction in the previous quarter, mainly due to a decrease in vehicles purchase, which aligns with the wait-and-see perspective of consumers on the policies regarding electrical vehicles amid the market price adjustment. **The expenditure on semi-durable goods** grew by 4.3 percent, following the expansions in the spending on furnishings and households' equipment and clothing and footwear. The consumer confidence index towards the economic situation was at 54.3 in this quarter, dropping from 57.2 in the previous quarter. **Government consumption expenditure** increased by 0.3 percent, improving from a 2.1-percent contraction in the previous quarter. Particularly, social transfers in kind for goods and services increased by 6.9 percent, compared with a 10.7-percent contraction in the previous quarter, while compensation of employees (wage and salary) grew by 0.8 percent. Nevertheless, expenditure on goods and services decreased by 3.8 percent. The disbursement rate of the current budget stood at 27.7 percent of total budget, (higher than 19.2 percent in the previous quarter and 24.3 percent in the same quarter of last year). **In the first half of 2024**, private consumption expenditures expanded by 5.4 percent while government consumption expenditure decreased by 0.9 percent.

**Total investment** contracted for the third consecutive quarter by 6.2 percent. **Private investment** declined by 6.8 percent, following a decrease in the machinery and equipment investment by 8.1 percent. This was in line with a decrease in vehicle investment by 22.5 percent and a deceleration of capital goods' import. Meanwhile, construction investment dropped by 2.2 percent due to decreases in both residential and commercial building constructions. In contrast, factory building construction continued to expand. **Public investment** decreased by 4.3 percent, compared with a 27.7-percent contraction in the previous quarter. The investment of general government dropped by 12.8 percent, while investment of State-Owned Enterprises (SOEs) expanded by 10.1 percent. The disbursement rate of capital budget in this quarter was 24.0 percent of total budget, (higher than 5.7 percent in the previous quarter and 19.0 percent in the same quarter of last year). **In the first half of 2024**, total investment decreased by 5.1 percent, in which private investment contracted by 0.9 percent and public investment decreased by 16.7 percent.

### Real GDP Growth, and Exports of Goods Growth of Key Economies

YoY%	GDP							Exports of Goods (USD)					
	2021	2022	2023		2024		2022	2023		2024			
	Year	Year	Year	Q3	Q4	Q1	Q2	Year	Year	Q4	Q1	Q2	Jul
US	5.8	1.9	2.5	2.9	3.1	2.9	3.1	18.7	-2.1	-1.4	-0.2	3.8	
Eurozone	6.0	3.5	0.5	0.1	0.2	0.5	0.6	5.1	2.0	0.4	-1.9	0.4	
United Kingdom	8.7	4.3	0.1	0.2	-0.2	0.3	0.9	10.8	4.4	-1.7	2.0	-0.3	
Australia	5.5	3.9	2.0	2.3	1.4	1.2		19.9	-9.8	-10.1	-12.9	-8.2	
Japan	2.7	1.2	1.7	1.3	0.9	-0.9	-0.8	-1.2	-4.0	-0.7	-3.0	-4.2	
China	8.4	3.0	5.2	4.9	5.2	5.3	4.7	5.6	-4.7	-1.3	1.3	5.8	7.0
India	9.4	6.5	7.7	8.1	8.6	7.8		14.6	-4.8	1.0	4.9	6.0	-1.5
South Korea	4.6	2.7	1.4	1.4	2.1	3.3	2.3	6.1	-7.5	5.7	8.1	10.1	13.9
Taiwan	6.6	2.6	1.3	2.1	4.8	6.6	5.1	7.4	-9.8	3.3	12.9	9.9	3.1
Hong Kong	6.5	-3.7	3.3	4.2	4.3	2.8	3.3	-9.3	-7.8	6.6	12.2	12.8	
Singapore	9.7	3.8	1.1	1.0	2.2	3.0	2.9	12.7	-7.7	3.0	3.9	6.5	12.4
Indonesia	3.7	5.3	5.0	4.9	5.0	5.1	5.0	26.0	-11.3	-8.3	-7.1	1.9	6.5
Malaysia	3.3	8.9	3.6	3.1	2.9	4.2	5.9	17.6	-11.1	-9.4	-5.2	1.2	
Philippines	5.7	7.6	5.5	6.0	5.5	5.8	6.3	6.5	-7.5	-10.6	6.2	0.0	
Vietnam	2.6	8.1	5.0	5.5	6.7	5.9	6.9	10.6	-4.6	7.1	16.7	12.2	20.2
Thailand	1.6	2.5	1.9	1.4	1.7	1.6	2.3	5.4	-1.5	5.4	-1.1	4.5	

Source: CEIC, compiled by Office of the National Economic and Social Development Council

Regarding foreign trade, **export value** was recorded at 73.315 billion US dollars, increasing by 4.5 percent and improving from a 1.1-percent decrease in the previous quarter. Exports volume expanded by 2.7 percent due to the increase in agricultural commodities and manufacturing products, although export price expanded by 1.7 percent. **Export items with increased value** included rice (53.0 percent), rubber (37.3 percent), computer (147.9 percent) telecommunication equipment (58.5 percent), motor vehicles (3.3 percent), and computer parts & accessories (22.5 percent). On the other hand, **export items with decreased value** included

durian (-1.0 percent), sugar (-26.3 percent), rubber products (-10.5 percent), integrated circuits & parts (-14.5 percent), vehicle parts (-0.6 percent), and part of electrical appliance (-12.8 percent). In the meantime, **import value** was recorded at 67.777 billion US dollars, increasing by 1.2 percent yet slowing from 3.3 percent in the preceding quarter. Import volume returned to decrease by 0.9 percent, in tandem with a contraction of raw materials and intermediate goods and consumer goods imports, although import prices expanded by 2.1 percent. Consequently, **trade balance** recorded a surplus of 5.5 billion US dollars (or 203.1 billion Baht), compared with a surplus of 1.6 billion US dollars (or 58.6 billion Baht) in the previous quarter.

**On the production side:** Manufacturing returned to growth. Meanwhile accommodation and food service activities sector; wholesale and retail trade; transportation and storage sector continually expanded. Nonetheless, construction and agriculture contracted.

**Agriculture, forestry, and fishing sector** declined by 1.1 percent, continuing from a 2.7-percent decrease in the previous quarter. **Major crop production** declined by 1.7 percent, continuing from a 2.9-percent decrease in the previous quarter. Major agricultural products with production contraction included paddy (-13.0 percent), fruits (-8.0 percent), cassava (-8.4 percent), white shrimp (-17.6 percent), and rubber (-0.6 percent). On the contrary, major agricultural products with production expansion included sugarcane (41.9 percent), oil palm (40.8 percent), maize (11.1 percent), cattle (4.8 percent), and poultry (1.1 percent). **Agricultural Price Index** expanded by 10.7 percent, accelerating from 5.5 percent, following increased price index of major agricultural products e.g., rubber (68.6 percent), fruits (22.6 percent), paddy (8.4 percent), sugarcane (28.6 percent), and mixed chicken eggs (3.5 percent). Nevertheless, some major agricultural products with decreased prices included swine (-16.9 percent), cassava (-21.9 percent), and oil palm (-18.4 percent). Consequently, the expansion in agricultural price index has led to **an increase in farmer income index** for the third consecutive quarter by 8.9 percent. **For the first half of 2024**, agriculture, forestry, and fishing sector decreased by 1.9 percent.

**Manufacturing sector** expanded by 0.2 percent, improving from a 2.9-percent decrease in the previous quarter. This was in tandem with a 2.5 percent expansion in domestic-oriented industries, while export-oriented industries contracted by 1.5 percent, and industries with an export share of 30-60 percent of total production declined by 4.5 percent. **Manufacturing production index with positive growth** included oil palm (25.5 percent), animal food (13.5 percent), machinery (8.7 percent), starch and starch product (30.1 percent), and refined petroleum products (1.9 percent). **On the other hand, manufacturing production index with negative growth** included motor vehicles (-13.4 percent), electronic components and circuits (-18.3 percent), articles of concrete, cement and plaster (-9.7 percent), motorcycle (-14.9 percent), and outer and inner tires, retreading, and tire rebuilding (-7.2 percent). Meanwhile, the average capacity utilization rate for this quarter was at 57.79 percent, lower than 60.43 percent in the previous quarter and 58.56 percent in the same quarter of the previous year. **For the first half of 2024**, the manufacturing sector decreased by 1.4 percent.

**Accommodation and food service activities sector** continued to increase by 7.8 percent, following a 11.8-percent expansion in the previous quarter. **The number of international tourist arrivals** stood at 8.131 million (accounting for 93.67 percent of the pre-pandemic figure). This led to **international tourism receipts** of about 332 billion baht, increasing for the twelfth consecutive quarter by 38.6 percent. For domestic tourism, the number of **domestic tourists**

increased for the tenth consecutive quarter by 13.0 percent. **The domestic tourism receipts** reached 245 billion baht, a 16.9-percent increase. Overall, **total tourism receipts** amounted to 577 billion baht, a 28.5 percent increase. **The average occupancy rate** was at 69.92 percent, seasonally decreasing from an average of 75.27 percent in the previous quarter, but higher than 66.93 percent in the same period of the previous year. **For the first half of 2024**, accommodation and food service activities sector expanded by 9.8 percent.

**Wholesale and retail trade; repair of motor vehicles and motorcycles sector** grew by 3.0 percent, compared with a 4.3-percent rise in the previous quarter, in tandem with a continual expansion of domestic consumption and tourism recovery. **For the first half of 2024**, wholesale and retail trade expanded by 3.7 percent. **Construction sector** declined by 5.5 percent, continuing from a 17.3-percent contraction in the preceding quarter. Public construction decreased by 7.8 percent, compared with a 30.1-percent contraction in the previous quarter mainly due to a drop in government construction. In the meantime, private construction decreased by 2.2 percent. **For the first half of 2024**, construction sector decreased by 11.2 percent.

**On economic stability**, the unemployment rate stood at 1.07 percent, higher than 1.01 percent in the preceding quarter and 1.06 percent in the same quarter of 2023. The headline and core inflations were averaged at 0.7 percent and 0.4 percent, respectively. Meanwhile, the current account recorded a surplus of 2.6 billion US dollars (93.7 billion baht). At the end of June 2024, the international reserves stood at 224.3 billion US dollars and the public debt was at 11.54 trillion baht, accounted for 63.5 percent of GDP.

### **Thai Economic Outlook for 2024**

**The Thai economy in 2024 is projected to expand in the range of 2.3 – 2.8 percent (with the midpoint projection of 2.5 percent).** Key supporting factors include: (1) the continual recovery of tourism sector; (2) the favorable growth of domestic private consumption; (3) the high momentum from government consumption and public investment; and (4) the gradual return to an expansion of goods exports in line with the global trade recovery. Private consumption and investment are expected to increase by 4.5 percent and 0.3 percent, respectively. Export value of goods in US dollar term is expected to grow by 2.0 percent. Headline inflation is estimated to be in the range of 0.4 – 0.9 percent and the current account is projected to record a surplus of 2.3 percent of GDP.

Key growth components are as follows:

**1. Total consumption:** (1) **Private consumption expenditure** is expected to increase by 4.5 percent, continuing from a strong growth of 7.1 percent in 2023 and unchanged from the previous estimation. (2) **Government consumption expenditure** is projected to grow by 1.7 percent, improving from a 4.6-percent contraction in 2023 and an equivalent from the previous estimation. This was in accordance with an increase in the current budget framework under the FY2024 and FY2025 annual budget by 7.3 percent and 4.7 percent, respectively.

**2. Total investment** is expected to increase by 0.1 percent, slowing down from a 1.2-percent in 2023. (1) **Private investment** is estimated to increase by 0.3 percent, a downward

revision from a 3.2-percent growth in the previous estimation and slowing down from a 3.2-percent growth in 2023. This was in accordance with the decline in investment in the second quarter by 6.8 percent, contributing to a 0.9-percent contraction during the first half of the year.

**(2) Public investment** is anticipated to drop by 0.7 percent, compared with a 1.8-percent decrease in the previous estimation. This was in accordance with the higher-than-expected disbursement rate of the State-Owned Enterprises' budget.

**3. Export value of goods** in US dollar term is anticipated to increase by 2.0 percent, compared with a 1.5- percent contraction in 2023, and unchanged from the previous estimation. Together with the better-than-expected outlook of services exports due to the upward revision of revenue from inbound tourists, it is expected that the export quantity of goods and services will continue to increase by 4.9 percent, accelerating from 2.1 percent in 2023 and upwardly revised from a 4.7-percent in previous estimation.

### **Economic management for the remainder of 2024**

Economic management for the remainder of 2024 should prioritize on;

**1) Maintaining domestic economic and political stability**, particularly to ensure the continuation of the budget process in order to sustain government expenditure and investment momentum to be able to support the economy over the remaining of the year, as well as not to impact investor confidence.

**2) Stimulating private investment** by; **(1) enhancing foreign investor confidence** through utilizing benefits on investment base relocations, together with expediting the implementation of projects with investment promotion certificates during 2022 – 2024 to start their actual investments in order to drive the expansion of the production sector and the export sector of key potential and high demand products, such as high-value food products, health-related and eco-friendly products, as well as those strategically positioned to benefit from geopolitical conflicts and trade protections; **(2) 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; **(3) accelerating infrastructure investment projects and the development of specialized economic zones** in accordance with the established plans; and **(4) boosting productivity through the utilization of innovation and cutting-edge technology** to promote high-value goods production that surpasses price competition and aligns with major importers' standard, along with developing domestic industries related to raw materials and intermediate goods to enhance their readiness and ability to integrate with global value chain.

**3) Monitoring and addressing unfair trade practices by (1) implementing a strict inspection and monitoring market dumping and unfair trade measures** from major exporting countries and facilitate business operators in accessing anti-dumping, countervailing-duty, and anti-circumvention (AD/CVD/AC) measures; **(2) improving the quality inspection process of imported products** to be more rigorous and thorough, and expediting the issuance of product standard protocol 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; and **(3) strengthening enforcement**

**against illegal importation, tax evasion, or exploitation of legal loopholes** to advantage the business.

**4) Ensuring adequate liquidity for the business sector, especially providing access to formal credit for high-potential SMEs experiencing financial difficulties**, along with leveraging technological advancement to increase business efficiency which could help support better access to funding sources. In addition, measures should be taken to address persistent debtors at risk of defaulting, particularly vulnerable groups.

**5) Expediting budget disbursement to enable government expenditure to support the economy promptly** by prioritizing the disbursement of capital expenditure budgets to support local economic growth, especially through investment projects by local governments, while concurrently accelerating the budget preparation process for FY2025 to be as scheduled.

**6) Preparing for the impacts of climate change**, particularly the La Niña phenomenon which may increase the risk of flooding later in this year and the El Niño phenomenon that may lead to the risk of drought during next year, by prioritizing water resource management, upgrading the efficiency of infrastructure and warning systems as well as educating farmers on the effects of climate change and the principles of proper water usage in cultivation, along with bolstering farmers' resilience by promoting and developing crop insurance systems to protect against climate risk.

**7) Expediting efforts to address air pollution issues (PM2.5) and preparing key ecosystem to support tourism**, such as airport and inbound flight availability, immigration procedure, infrastructure and facilitation, spatial and environmental management, as well as sustaining high standard of safety for tourists to be ready for tourists return during the upcoming high season in order to enhance the tourism sector's potential, quality, and sustainability, while simultaneously prioritizing air pollution control to prevent long-term negative impacts on public health and the overall economy.

**8) Preparing for mitigating the impacts as well as seizing opportunities arising from global economic and trade volatility** including intensified geopolitical conflicts, trade barriers, climate change, and fluctuations in global financial markets.

**Office of the National Economic and Social Development Council**

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**Table 1 GDP on Production Side**

%YoY	2023							2024		
	Year	H1	H2	Q1	Q2	Q3	Q4	H1	Q1	Q2
<b>Agriculture</b>	2.0	3.9	0.1	6.2	1.5	1.1	-0.6	-1.9	-2.7	-1.1
<b>Non-Agriculture</b>	1.9	2.0	1.7	2.3	1.8	1.5	2.0	2.3	2.1	2.6
Manufacturing	-3.2	-3.1	-3.4	-2.6	-3.5	-4.4	-2.4	-1.4	-2.9	0.2
<b>Service</b>	4.3	4.6	3.9	5.2	4.0	4.0	3.9	3.3	3.6	3.1
Construction	-0.6	2.0	-3.6	3.8	0.3	0.5	-8.8	-11.2	-17.3	-5.5
Wholesale and Retail Trade	3.8	3.4	4.3	3.3	3.4	3.3	5.1	3.7	4.3	3.0
Transportation and Storage	8.5	10.2	7.0	12.5	7.4	7.1	7.0	9.0	9.7	8.1
Accommodation and Food Service Activities	18.0	24.1	12.2	34.4	15.3	15.0	9.8	9.8	11.8	7.8
Information and Communication	3.3	3.6	3.0	3.5	3.7	3.1	2.8	5.8	6.6	5.1
Financial and Insurance Activities	3.1	1.7	4.4	0.9	2.4	4.2	4.7	2.4	2.8	1.9
<b>GDP</b>	1.9	2.2	1.6	2.6	1.8	1.4	1.7	1.9	1.6	2.3
<b>GDP_SA (QoQ)</b>				1.4	0.1	0.7	-0.4		1.2	0.8

Source: Office of the National Economic and Social Development Council

**Table 2 GDP on Expenditure Side**

%YoY	2023							2024		
	Year	H1	Year	H1	Year	H1	Year	H1	Year	H1
<b>Private Consumption</b>	7.1	6.6	7.6	5.9	7.3	7.9	7.4	5.4	6.9	4.0
<b>Government Consumption</b>	-4.6	-5.1	-4.0	-6.0	-4.3	-5.0	-3.0	-0.9	-2.1	0.3
<b>Investment*</b>	1.2	1.8	0.6	3.1	0.4	1.5	-0.4	-5.1	-4.2	-6.2
Private	3.2	2.1	4.3	2.8	1.4	3.5	5.0	-0.9	4.6	-6.8
Public	-4.6	1.2	-10.7	4.2	-2.1	-3.4	-20.1	-16.7	-27.7	-4.3
<b>Exports</b>	2.1	1.4	3.0	1.9	0.9	1.1	4.9	3.6	2.5	4.8
Goods	-2.8	-5.4	0.1	-5.6	-5.3	-3.0	3.4	0.0	-2.0	1.9
Services	38.3	60.2	21.9	66.9	53.7	30.6	14.9	22.3	24.7	19.8
<b>Imports</b>	-2.3	-1.4	-3.1	-0.2	-2.6	-9.4	3.9	2.8	5.2	0.5
Goods	-3.8	-4.2	-3.3	-3.6	-4.8	-10.4	5.0	1.6	4.3	-1.0
Services	4.2	10.3	-1.5	14.5	6.4	-5.2	2.1	7.9	9.1	6.6
<b>GDP</b>	1.9	2.2	1.6	2.6	1.8	1.4	1.7	1.9	1.6	2.3

Source: Office of the National Economic and Social Development Council

Note: \* Investment means Gross Fixed Capital Formation

**Table 3 Economic Projection for 2024<sup>1/</sup>**

	Actual Data			Projection for 2024	
	2021	2022	2023	20 <sup>th</sup> May 2024	19 <sup>th</sup> Aug 2024
GDP (at current prices: Bil. Baht)	16,188.6	17,378.0	17,922.0	18,513.5	18,567.2
GDP per capita (Baht per year)	231,986.1	248,788.6	255,879.5	263,675.5	264,441.2
GDP (at current prices: Bil. USD)	505.9	495.1	514.8	514.3	515.8
GDP per capita (USD per year)	7,249.6	7,094.1	7,349.9	7,324.3	7,345.6
GDP Growth (CVM, %)	1.6	2.5	1.9	2.0 - 3.0	2.3 - 2.8
Investment (CVM, %) <sup>2/</sup>	3.1	2.3	1.2	1.9	0.1
Private (CVM, %)	2.9	4.7	3.2	3.2	0.3
Public (CVM, %)	3.5	-3.9	-4.6	-1.8	-0.7
Private Consumption (CVM, %)	0.6	6.2	7.1	4.5	4.5
Government Consumption (CVM, %)	3.7	0.1	-4.6	1.7	1.7
Export volume of goods & services (%)	11.1	6.1	2.1	4.7	4.9
Export value of goods (Bil. USD)	270.6	285.2	280.7	285.7	286.2
Growth rate (%) <sup>3/</sup>	19.2	5.4	-1.5	2.0	2.0
Growth rate (Volume, %) <sup>3/</sup>	15.5	1.2	-2.7	1.5	1.2
Import volume of goods & services (%)	17.8	3.6	-2.3	4.4	3.6
Import value of goods (Bil. USD)	238.2	271.6	261.4	275.3	270.7
Growth rate (%) <sup>3/</sup>	27.7	14.0	-3.8	4.6	3.6
Growth rate (Volume, %) <sup>3/</sup>	17.9	1.2	-4.1	3.6	2.6
Trade balance (Bil. USD)	32.4	13.5	19.4	10.5	15.5
Current account balance (Bil. USD)	-10.3	-15.7	9.6	6.0	12.1
Current account to GDP (%)	-2.0	-3.2	1.9	1.2	2.3
Inflation (%)					
CPI	1.2	6.1	1.2	0.1 – 1.1	0.4 – 0.9
GDP Deflator	1.8	4.8	1.2	0.3 – 1.3	0.9 – 1.4

Source: Office of the National Economic and Social Development Council, 19<sup>th</sup> August 2024

Note: <sup>1/</sup> Data were calculated based on new National Accounts Office's series, published on [www.nesdc.go.th](http://www.nesdc.go.th).

<sup>2/</sup> Investment means Gross Fixed Capital Formation.

<sup>3/</sup> Export and import are based on the Bank of Thailand's data, which follows the Balance of Payment system.