

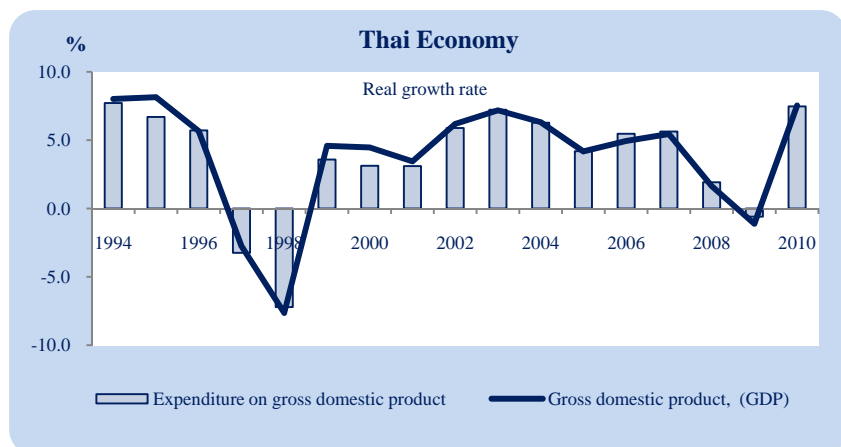
Thai Economy in 2010 National Accounts Perspectives

Overview

GDP expanded by 7.5%, recovery from a 1.1% reduction in previous year.

The Thai economy in 2010 from the gross domestic product (GDP) perspectives rose by 7.5% compared to a 1.1% contraction in 2009, resulting from a recovery of global economy especially on export oriented production and tourism. Non-agricultural sector – the largest proportion of 89.1% of total production – rose by 8.6% as a result of an expansion of manufacturing products which increased by 11.7% compared to a 2.9% contraction in previous year. Manufacturing products increased in almost all categories such as computers, electronic appliances, electrical machinery, and vehicles. Such an expansion was attributed mainly to both external and domestic demands. Besides, ASEAN Free Trade Agreement which began effective this year encouraged to the Thai economy. In addition, other sectors showed a favorable growth such as construction; wholesale and retail trade; transport, storage and communications; hotels and restaurants; and real estate with the expansion rate of 9.6%, 12.0%, 8.4%, 5.9%, and 7.7%, respectively. On the contrary, the agricultural production continually dropped by 2.5% due to a reduction of crops and forestry.

Gross domestic product (GDP) in 2010 at current market prices was Baht 10,807,473 millions. After deducting Baht 444,494 million of net factor income from the rest of the world, gross national product (GNP) registered at value of Baht 10,362,979 million, rose by 12.2%. After further deduction of net indirect taxes and depreciation, national income (NI) in 2010 was Baht 7,703,351 million. Meanwhile, the per capita GNP was 153,952 Baht and per capita NI was 114,441 Baht, improving from 102,285 Baht in previous year or increased by 11.9%.



Domestic demand recovered in response to global economic recovery along with the continuity of government stimulus policy and rising in farm income encouraging consumer's confidence and purchasing power. As a result, private final consumption expenditure increased by 5.2% significantly improving from a 1.4% decrease in previous year. Gross fixed capital formation rose noticeably by 10.2% recovering from a 9.3% contraction in previous year. Expansion was mainly from a remarkable increase in private investments by 14.3% compared to a 15.8% contraction in previous year whereas public investment decelerated by 0.2%. On the other hand, government final consumption expenditure slightly slowed down by 7.4% compared to a 9.0% rise in previous year, covering an expansion of the compensation of employees, net purchase of goods and services, and social benefit in-kind by 2.6%, 14.2%, and 23.0%, respectively.

Both exports and imports increased significantly.

External sector, both exports and imports of goods and services drastically increased. Exports of goods and services at current market prices rose by 16.5% compared to a 10.7% contraction in previous year, resulting from an expansion of both merchandized exports (18.8%) and service receipts (5.2%). At the same time, imports of goods and services at current market prices increased by 23.5% compared to a 21.1% contraction in previous year, originating from a rise of both merchandized imports (26.6%) and service payments (13.5%). Such an increase of imports of goods was found from all categories including consumer goods, capital goods, raw materials, and fuel and lubricants.

Trade and services balance at current market prices registered a surplus with the value of Baht 681,989 million lower than a surplus of Baht 902,232 million in previous year due to the lower expansion of exports than of imports. In the mean time, trade balance showed a surplus of Baht 1,014,999 million whereas services balance showed a deficit of Baht 333,010 million. After incorporating a deficit of factor income and transfer balance, current accounts posted a surplus of Baht 428,017 million significantly lower than a surplus of Baht 754,691 million in previous year.

National income increased by 12.6%.

National income (NI) or income from factors of production in 2010 posted the value of Baht 7,703,351 million, increased by 12.6% recovering from a 2.4% fall in previous year. Compensation of employees – accounting for 40.3% of NI – registered the value of Baht 3,106,490 million or a 6.5% expansion. Returns from capital, land and firms – accounting for 59.7% of NI – valued at Baht 4,596,861 million or a 17.1% rise. This resulted from a consecutive increase in net property income receivable (16.6%) and operating income (17.1%).

Domestic savings in 2010 registered the value of Baht 3,123,060 million or increased by 14.4% improving from a 2.7% fall in previous year. Overall net savings rose by 31.7%, resulting from a 21.6% increase of private sector and a 107.8% expansion of public sector.

Overall economic stability in 2010 maintained a positive sign. Savings rose by 14.4% lower than a 36.4% expansion of investment, but savings-investment gap or current account still posted a surplus with the value of Baht 428,017 million and accounted for 4.0% of GDP. Saving-investment gap however was lower than a surplus of Baht 754,691 million in previous year which accounted for 7.9% of GDP.

GDP implicit price deflator rose by 5.0% accelerating from 0.2% in previous year. Agricultural price index jumped by 25.4% due to a significant rise of prices of major crops, compared to a 1.0% fall in previous year. Meanwhile, non-agricultural price index expanded by 3.0% compared to a 0.4% increase in previous year. In 2010, consumer prices index (CPI) and producer prices index (PPI) grew by 3.3% and 9.4% respectively.

Gross Domestic Product

GDP in 2010 rose by 7.5%.

Gross domestic product in 2010 grew by 7.5% recovering from a contraction of 1.1% in 2009, resulting from an expansion of non-agricultural sector which rose by 8.6% compared to a drop of 1.1% in previous year. However, agricultural sector contracted by 2.5%, consecutively dropped from 0.9% in 2009.

Agricultural production decreased by 2.5% as a result of a decline on crop and forestry production. Meanwhile livestock, agricultural services, and fishery increased.

Non-agricultural production rose by 8.6% from a 1.1% contraction in previous year as a result of global economy recovery. So exports, tourism, manufacturing and related industries such as wholesale and retail trade; hotels and restaurant; transports; electricity and water supply; and other business services showed a high expansion.

GDP growth and structure classified by ISIC

(%)

ISIC	Growth rate			Structure		
	2008	2009	2010	2008	2009	2010
Agriculture	2.9	-0.9	-2.5	10.1	10.0	10.9
Agriculture, hunting and forestry	2.6	-0.8	-3.0	9.1	8.8	9.7
Fishing	5.5	-1.9	1.8	1.0	1.2	1.2
Non-agriculture	1.5	-1.1	8.6	89.9	90.0	89.1
Mining and quarrying	4.5	0.1	5.4	3.3	3.2	3.2
Manufacturing	2.2	-2.9	11.7	30.8	29.8	31.5
Electricity, gas and water supply	5.3	3.8	7.0	2.7	3.0	2.8
Construction	-5.5	3.7	9.6	2.8	2.7	2.7
Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	-0.2	-4.8	12.0	14.3	14.7	14.6
Hotels and restaurants	4.0	-1.4	8.4	3.1	3.0	2.9
Transport, storage and communications	1.4	-0.2	5.9	7.3	7.4	6.9
Financial intermediation	1.2	6.6	3.6	5.5	5.6	5.2
Real estate, renting and business activities	0.9	-4.4	7.7	6.9	6.7	6.5
Public administration and defense; compulsory social security	3.2	5.0	2.6	6.0	6.4	6.0
Education	0.6	2.7	4.2	3.9	4.1	3.8
Health and social work	1.5	0.6	-0.1	1.6	1.6	1.4
Other community, social and personal service activities	-0.2	-3.7	7.4	1.7	1.7	1.6
Private households with employed persons	1.8	1.9	-1.2	0.1	0.1	0.1
GDP	1.6	-1.1	7.5	100.0	100.0	100.0

Agricultural sector

Production of agriculture decreased by 2.5% as a result of a decline of crops and forestry production with the rate of 4.1% and 5.7% respectively. However livestock grew by 4.0% whereas agricultural services expanded by 5.2% and fishing grew by 1.8%.

Growth rate and Implicit price deflator growth

(%)

Sector	2008	2009	2010
Agricultural sector: growth	2.9	-0.9	-2.5
Agriculture, hunting and forestry	2.6	-0.8	-3.0
<i>Crops</i>	2.5	-1.4	-4.1
<i>Livestock</i>	7.6	3.9	4.0
<i>Agricultural services</i>	-2.2	3.2	5.2
<i>Forestry</i>	-14.8	0.8	-5.7
Fishery	5.5	-1.9	1.8
Implicit price deflator growth	12.0	-1.0	25.4

Agricultural contracted by 2.5% kept dropping from 0.9% in previous year.

Agriculture, hunting and forestry

Total production decreased by 3.0% kept contracting from 0.8% in previous year.

- **Crops** fell by 4.1% as a result of climate change such as a severe drought from the *El Nino* phenomenon and flooding from the *La Nina* effect. In addition, cassava faced to pesticides outbreak especially aphid along with epidemic. As a result, production dropped drastically. Major crops production namely cassava, maize, sugarcane, and palm-oil decreased by 39.6%, 36.0%, 19.8%, and 0.6%, respectively. However, paddy and rubber rose slightly. Implicit price deflator of crops rose by 30.6% recovering from a contraction of 5.3% in previous year.
- **Livestock** increased by 4.0%. Expansion was primarily from production of swine and chicken with the rate of 4.1% and 4.2% respectively as a consequence of higher export demand. Production of raw milk expanded by 8.4% as results of rising in related industry production. Implicit price deflator of livestock rose by 15.6% continually growing from 10.3% in previous year, resulting partly from higher prices of chicken, meat, and eggs.
- **Agricultural services** rose by 5.2% accelerating from 3.2% in previous year due to an increase in planting area such as rice and rubber.
- **Forestry** decreased by 5.7% contrasting to a 0.8% rise in previous year as a result of a declined production of firewood and charcoal, and forestry products.

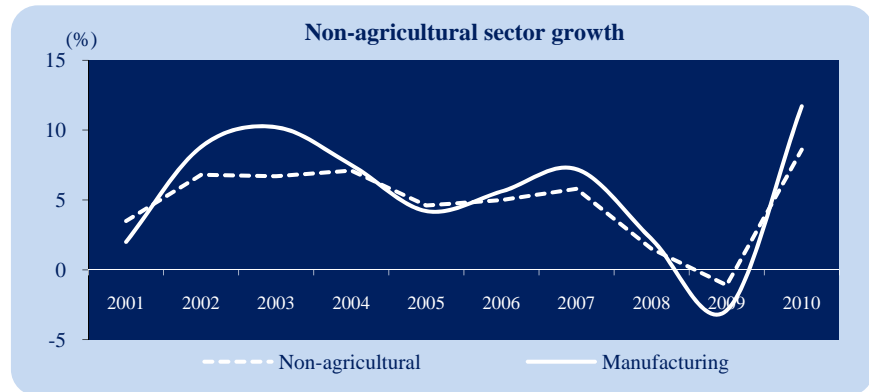
Fishery

Fishery rose by 1.8% from a contraction of 1.9% in previous year as a result of marine fishery expanded by 2.5% due partly to shrimp production in response to export demand. While freshwater fishery decreased by 2.6%. Total implicit price deflator rose by 7.7% as a consequence of an expansion of marine fishery by the rate of 9.3% while fishery fell by 2.4%.

Non-agricultural sector

Non-agricultural sector expanded by 8.6% compared to a drop of 1.1% in previous year, resulting from exports and tourism expansion.

Non-agricultural expanded by 8.6%.



Mining and quarrying

Mining and quarrying increased by 5.4% rising from 0.1% in previous year as a result of production of natural gas with an expansion of 11.5% originating mainly from the largest existing oil fields – *Pailin*, *Bongkot*, *Erawan* and *Arthith*. Liquefied natural gas expanded by 5.8% due largely to existing oil fields in *Bongkot* and *North-Pailin*. Metal ores grew by 56.7% in response to domestic demand. However, crude oil fell by 1.5% compared to an expansion of 7.3% in previous year, resulting from production of *Benjamart* oil field. In addition, other minerals dropped by 0.6% dampening from a rise of 3.1% in previous year.

Manufacturing

Manufacturing expanded by 11.7% recuperating from a contraction of 2.9% in previous year due to rising in export-oriented industries in response to recovering export demand, especially those industries being beneficial from ASEAN Free Trade Agreement. In addition, key industries namely computers, electronic appliances, motor vehicles, and accessories grew up in response to domestic demand improvement.

Industries with a favorable expansion

- **Foods and beverages** expanded by 3.7% contrasting to a 2.5% fall in previous year, resulting from an increase of seafood processing and preserving, animal foods, dairy products, spirits and non-alcoholic beverages in response to higher export and domestic demand.
- **Tobacco** products rose by 11.5%, due partly to an irregular low production in previous year in response to higher excise tax.
- **Textile and wearing apparel** increased by 9.7% and 4.5%, respectively due to higher demand from both domestic and external market.
- **Wood and wood products** expanded by 17.7%, mainly from higher demand of sawmill and wood products being used for related industries and business namely furniture industry and construction services, etc.

Manufacturing sector growth and structure

(%)

Industry	Growth rate			Structure		
	2008	2009	2010	2008	2009	2010
Foods products and beverages	2.2	-2.5	3.7	19.2	21.1	19.8
Tobacco	-1.1	-8.5	11.5	1.5	1.7	1.7
Textiles	-1.9	-6.2	9.7	4.3	4.2	4.0
Wearing apparel	-0.2	-8.1	4.5	3.3	2.9	2.9
Leather products and footwear	-5.0	0.5	0.5	1.4	1.4	1.2
Wood and wood products	-4.9	-3.3	17.7	1.0	1.0	0.9
Paper and paper products	-5.8	0.5	5.5	1.6	1.6	1.6
Printing and publishing	3.7	-7.5	3.7	0.8	0.8	0.7
Petroleum refinery	-5.8	8.3	3.7	6.2	6.9	7.3
Chemicals and chemical products	-6.8	17.4	9.7	7.9	7.5	7.9
Rubber and plastic products	0.5	-6.0	17.0	6.9	6.1	7.1
Other non-metallic mineral products	-4.2	-4.7	9.5	4.1	4.2	3.8
Basic metals	-9.8	-10.1	10.0	2.6	2.2	2.0
Fabricated metal products	-4.0	-16.4	12.8	3.5	2.9	2.7
Machinery and equipment	10.4	-11.1	20.6	5.6	5.2	5.2
Office, accounting and computing machinery	21.0	1.9	14.2	9.3	9.9	9.5
Electrical machinery and apparatus	6.6	2.0	21.4	2.6	2.8	2.9
Radio, television and communication equipment and apparatus	-1.7	-3.2	16.3	3.3	3.5	3.6
Medical, precision and optical instruments, watches and clocks	14.8	2.0	16.0	1.4	1.5	1.5
Motor vehicles	14.5	-24.0	42.9	6.7	5.4	6.6
Other transport equipment	18.5	-15.4	24.5	2.5	2.1	2.3
Furniture; manufacturing n.e.c.	-3.2	6.6	4.0	4.3	5.0	4.7
Recycle	8.4	19.0	6.5	0.1	0.1	0.1
Total	2.2	-2.9	11.7	100.0	100.0	100.0

- **Paper and paper products** increased by 5.5% originating from manufacturing of paper board and paper products in response to higher demand from downstream industries which was correspondingly a high expansion.
- **Printing and publishing** rose by 3.7% recovering from a 7.5% contraction in previous year as a result of an expansion of publication items and reproduction of recording media in response to economic recovery. In particular, demand for digital contents remarkably expanded.
- **Rubber and plastic products** expanded by 17.0% as a result of higher production of tires and inners for motor vehicles in response to demand from auto industries. Meanwhile, plastic products grew in response to an expansion of downstream industries.
- **Other non-metallic products** increased by 9.5% due mainly to higher demand of ceramic, cement and concrete products in response to rising in construction services.
- **Basic metals** grew by 10.0% as a result of domestic demand expansion on metal products used in construction and other related industries.

- ***Fabricated metal products*** rose by 12.8% as a result of coating industry and structural metal products in response to higher demand from related industries.
- ***Machinery and equipments*** expanded by 20.6% originating from industrial machinery products and household appliances, especially air conditioner which was higher domestic demand as a result of policy on zero excise tax rates along with higher external demand affected by ASEAN free trade agreement.
- ***Office, accounting and computing machineries*** increased by 14.2% as a result of exported computers and components to external market which kept expanding.
- ***Electrical machinery and apparatus*** expanded by 21.4% due to production of electric motors and batteries in response to higher demand from downstream industries in both domestic and external markets.
- ***Radio, television and communications equipment*** grew by 16.3% originating from an expansion of manufacturing of electronic equipments such as integrate circuit boards in accordance with the external market.
- ***Medical, precision and optical instruments, watches and clocks*** rose by 16.0% as a result of an increase in manufacturing of optical and photographic equipments in response to external demand.
- ***Motor vehicles*** expanded by 42.9%, primarily from passenger cars and commercial vehicles due to rising in domestic and external demand, especially in the ASEAN's market after ASEAN free trade agreement became effective.
- ***Other transport equipments*** expanded by 24.5%, mainly from manufacturing of motorcycles in response to rising domestic demand.

Industries with a slowdown expansion

- ***Leather products and footwear*** slowed down by 0.5% due mainly to a decline of footwear production. Meanwhile, other leather products such as leather bags and other items expanded in accordance with export demand.
- ***Petroleum refinery*** decelerated by 3.7% compared to a 8.3% expansion in previous year, primarily from rising in crude oil prices. As a result, domestic demand slowed down from previous year, especially gasoline items.
- ***Chemicals and chemical products*** slowed down to 9.7% from a rise of 17.4% in previous year originating from petrochemical industry which faced to rising of material price.
- ***Furniture and other manufacturing industries*** decelerated to 4.0% from a 6.6% increase in previous year due partly to a consecutive fall of jewelry items since last year. However, furniture items constantly increased in response to an expansion of both domestic and external demand.

Electricity, gas and water supply

Electricity, gas and water supply grew by 7.0% accelerating from 3.8% in previous year. Such a rise was originated from both generation and distribution of electricity with an increase of 8.2% from 3.7% in previous year and found from all types of users. Besides, water supply production and distribution rose to 6.1% from 0.6% in previous year, whereas natural gas fell by 7.7% contrasting to an 8.7% rise in previous year.

Electricity, gas and water supply growth

(%)

Items	2008	2009	2010
Electricity	5.6	3.7	8.2
Gas separate plant	5.5	8.7	-7.7
Water supply	2.9	0.6	6.1
Total	5.3	3.8	7.0

Electricity consumption growth and consumption structure

(%)

Items	2008	2009	2010
Consumption growth	2.7	5.4	9.8
Residential	3.0	4.4	8.8
Small enterprises	0.4	-1.9	6.6
Medium enterprises	1.2	-3.7	14.0
Large enterprises	5.1	3.4	8.5
Special enterprises	-0.1	2.0	6.4
Others	1.6	0.0	10.6
Consumption structure	100.0	100.0	100.0
Residential	21.8	23.0	22.8
Small enterprises	10.4	10.9	10.7
Medium enterprises	17.3	16.9	16.3
Large enterprises	41.8	40.2	41.5
Special enterprises	3.2	3.3	3.3
Others	5.5	5.6	5.4

Construction

Construction service increased by 9.6%, accelerating from a 3.7% rise in previous year registered the value of Baht 286,897 million in current market price in 2010. Such an expansion was mainly from an improvement of private construction, especially for residential and business buildings namely commercial buildings and factories at where the large project was continued developing from previous year. In addition, residential and commercial buildings along with condominium were built and surrounded to the mass transit routes in Bangkok and vicinity areas. However, government construction slightly fell from last year as a result of fatiguing project under the Thai-Khem-Khaeng 2010 – 2012 stimulus package (SP2), found from both central government and local administrative namely water supply and management project, irrigation area expansion project, highway development project, and dust free highway project.

Wholesale and retail trade, repair of motor vehicles, motorcycles and personal and household goods.

This sector increased by 12.0%, found from both wholesale and retail trade with an increase of 12.4% attributed mainly from an acceleration of both imports and domestic products, especially motor vehicles, motorcycles, air conditioners and electrical appliances. Meanwhile, repairing of motor vehicles and personal household goods increased by 6.9% from 0.6% in previous year due partly to repairing of other household goods with a rise of 11.3% contrasting to a 3.1% drop in previous year. Repairing of household appliances increased by 6.5%, reversing from a 7.7% decrease in previous year. In addition, repairing of motor vehicles increased by 6.0% from 5.4% in previous year.

Hotels and restaurants

Hotels and restaurants grew by 8.4% considerably improving from a contraction of 1.4% in previous year. Restaurants service increased by 6.5% from a 1.8% decrease in previous year due mainly from a rise of household consumption. Hotel services grew by 12.1% from a 0.9% decrease in previous year, owing to the number of inbound tourists which rose by 12.6%. An increase of inbound tourists was mostly from East Asian and Europe. In contrast, tourist from the United States declined. Revenues from tourism item grew by 16.2% whereas the occupied rate slightly grew to 50.2% increasing from 49.2% in previous year. However, the room rate rose by 0.6% compared to a decline in previous year.

Transport, storage and communication

Transport, storage and communication rose by 5.9% from a contraction of 0.2% in previous year due to an increase of air transport service by 16.7% recovering from a 1.9% drop in previous year in response to rising in inbound tourists. Telecommunication continued to expand by 2.8% as well as land transport with an expansion of 0.5% compared to a decline of 0.8% in previous year. Meanwhile, water transport slowed down to 3.4% compared to a 5.1% rise in previous year.

Financial intermediation

Financial service in 2010 series had been revised and compiled in line with new methodology, the financial intermediation services indirectly measured (FISIM). In 2010, financial services grew by 3.6% slowed down from 6.6% in previous year, resulting from that net reference interest rate of financial institutions declined whereas prices of commercial goods rose from previous year although total of loans and deposits kept rising. Insurance businesses slightly grew originating mainly from total net insurance. Besides, other financial auxiliary services rose in a great extent.

Real estate, renting and business activities

This sector grew by 7.7% from a contraction of 4.4% in previous year as a result of economic recovery. Real estate services rose by 3.5% from a 1.3% decline in previous year. Other business services increased by 11.6% improving from a decline of 8.9% in previous year. Such a fall was originated from business consultant, employment, advertising, and imaging services. However, renting of the machinery and equipments, computer services, and research and development increased by 4.3%, 15.1%, and 18.8%, respectively.

Education

Education increased by 4.2% continued rising from 2.7% in previous year due mainly to public education with an expansion of 3.8% compared to 2.8% in previous year. Meanwhile, private education expanded by 7.2% from a contraction of 2.1% in previous year attributed mainly by private universities. However, private vocational education fell.

Health and social work

Health and social work slightly declined by 0.1% compared to a 0.6% increase in previous year due partly to public health service with a slowdown by 1.0% compared to a 4.2% rise in previous year. Besides, private health service decreased by 1.6% recovering from a 3.7% contraction in previous year, mainly attributed by private clinic whereas private hospital decreased.

Other community, social and personal service activities.

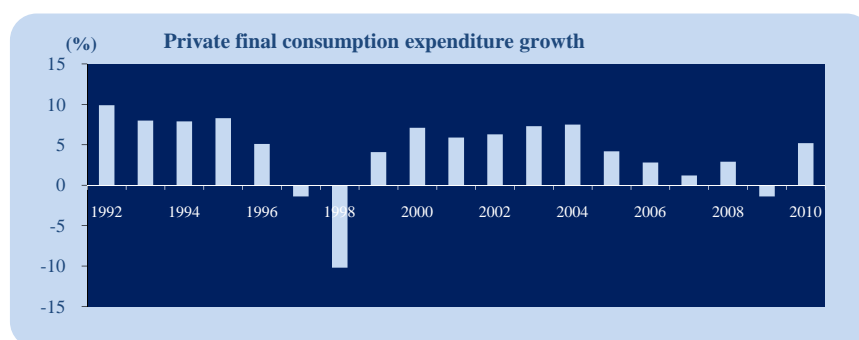
Other services grew by 7.4% recovering from a drop of 3.7% in previous year. Such a recovery was attributed by culture, recreation and sports activities with an increase of 17.6% compared to a 0.2% drop in previous year. In addition, lottery, sports, and radio and television broadcasting services grew by 31.3%, 14.9% and 9.5% respectively. Besides, other service activities rose by 7.3% from a 12.8% decline in previous year whereas non-profit organization services fell by 7.1% compared to a rise of 4.6% in previous year.

Gross Domestic Expenditure

Private final consumption expenditure rose by 5.2%.

Composition of private final consumption expenditure

Private consumption expenditure in 2010 grew by 5.2% compared to a drop of 1.4% in 2009. Supporting factors were from high farm income due to rising in prices of major crops such as rubber, oil palm, and cassava. In addition, continual decrease in unemployment rate and government stimulus measures boosted up consumer confidence especially on an extension of government's living cost alleviation measures. Thus, the credit card expenses together with personal loans increased. However, there were concerns on inflation pressure and political uncertainty in 2010 along with flooding nationwide in the last quarter.



Private final consumption expenditure in the domestic market excluding non-residents increased by 5.3%.

Private final consumption expenditure growth

	2006	2007	2008	2009	2010
PCE in domestic market	4.2	2.1	3.0	-1.4	5.1
<i>less: expenditure of non-residents in the country</i>	<i>21.9</i>	<i>11.6</i>	<i>0.6</i>	<i>-2.5</i>	<i>3.0</i>
PCE excluding expenditure of non-residents in the country	2.8	1.2	3.3	-1.3	5.3
<i>plus: expenditure of residents abroad</i>	<i>5.1</i>	<i>0.4</i>	<i>-10.1</i>	<i>-4.8</i>	<i>-0.1</i>
PCE	2.8	1.2	2.9	-1.4	5.2

Private final consumption expenditure covered final consumption expenditure of individual households and non-profit institutions serving households. Household final consumption expenditure increased almost all items especially on durable goods such as vehicles and furniture, along with semi-durable goods, non-durable goods, and services namely recreation and culture, and hotels and restaurants. Meanwhile, consumption of non-profit institutions serving households slowed down.

Household consumption expenditure classified by goods and services items

PCE

Classified by goods and services items

Food and non-alcoholic beverages increased by 0.7% compared to a drop of 1.3% in previous year as a result of a slight decrease of 0.7% on expenditure on food items attributed by meat (-0.1%), fruit (-3.4%), vegetable (-5.8%), and other foods (-2.9%). In contrast, rice and cereals, fishery products, dairy and eggs, oil and fat, and sugar and dessert increased by 2.1%, 0.3%, 1.6%, 9.7%, and 4.1%, respectively in response to domestic supply. However, non-alcoholic beverages increased by 9.7%.

Alcoholic beverages and tobacco decreased by 1.6% compared to a fall of 11.3% in previous year. Such a reduction was from alcoholic beverages and breweries by the rate of 0.8% and 6.2% respectively whereas liquor rose by 4.3%. Tobacco products decreased by 3.5% due to imposing ministerial regulation for alcohol promotion in 2009 and limiting time range on alcohol selling.

Clothing and footwear rose by 1.6% improving from a drop of 5.2% in previous year whereas expenditure on clothing and footwear increased by 1.4% and 4.6% respectively.

Housing, water, electricity, gas and other fuels grew by 5.4% accelerating from 0.8% in previous year attributed by and expansion of housing rent and water with the rate of 3.2%. Besides, expenditure on electricity, gas and other fuels kept expanding by 11.4%.

Furnishing, household equipments and routine maintenance of the house expanded by 10.7% as a result of expenditure on furnishing, and household equipment and maintenances with an increase of 2.4% and 11.8% respectively. In addition, private residential construction maintained expanding in response to economic recovery.

Health decreased by 4.0% compared to a drop of 2.1% in previous year. Such a fall was found from medicine expenses and medical services by the rate of 1.0% and 9.8% respectively. Meanwhile, out-patient services were expanded by 3.1%.

Transport increased by 13.5% recovering from a fall of 1.2% in previous year as a result of expenditure on vehicles with the rise of 39.2%. In addition, sales of passenger vehicles expanded by 54.3%. Meanwhile, motorcycles rose by 20.0% in response to a low interest rate in addition to launching a new promotion and unveiling a new model to the market. For transport services, private and public transport expenses rose by 1.7% and 7.8% respectively.

Vehicle sales

	2006	2007	2008	2009	2010
Passenger car (units)	191,405	169,559	225,751	235,169	362,968
Growth rate (%)	3.0	-11.4	33.1	4.2	54.3
Motorcycle (thousand units)	1,921	1,558	1,748	1,521	1,825
Growth rate (%)	-6.4	-18.9	12.1	-13.0	20.0

Remark : Thailand Automotive Institute

Communication contracted by 0.4% deepening from a fall of 0.3% in previous year as a result of a drop of both postal and telephone services. Number of mobile phone subscribers increased by 8.6% whereas fixed line subscribers kept decreasing by 3.1%.

Education increased by 4.6% decelerating from 6.7% in previous year due to a fall of private school students, particularly on vocational level.

Restaurants and hotels expanded by 9.0% improving from a drop of 1.0% in previous year. Restaurants and hotels rose by 7.6% and 11.9% respectively, resulting from prevailing tourism promotion from both government and private sector. In addition, the airline companies expanded international direct flights from other regions to Thailand. Meanwhile, number of inbound tourists rose by 12.6%.

Miscellaneous goods and services increased by 4.6% accelerating from 3.0% in previous year whereas personal care services grew by 1.8%. Personal effect services and other services increased by 6.6% and 3.4% respectively. However, financial services slowed down by 5.5%.

Nonprofit institutions serving households consumption expenditure

Consisted of education, health, social protection, and other services grew by 3.5% decelerating from a rise of 8.4% in previous year. Such a slowdown was mainly from higher cost of living.

Private final consumption expenditure classified by purpose (COICOP) and by durable appearance, growth and structure

(%)

	Growth rate			Structure		
	2008	2009	2010	2008	2009	2010
By purpose (COICOP)						
Food and non-alcoholic beverages	2.3	-1.3	0.7	27.0	27.2	27.5
Alcoholic beverages, tobacco and narcotics	3.6	-11.3	-1.6	4.7	4.5	4.2
Clothing and footwear	2.1	-5.2	1.6	6.2	5.9	5.5
Housing, water, electricity, gas and other fuels	0.2	0.8	5.4	9.7	9.9	9.6
Furnishings, household equipment and routine maintenance of the house	7.4	-8.6	10.7	4.5	4.2	4.3
Health	3.4	-2.1	-4.0	4.4	4.4	3.9
Transport	1.5	-1.2	13.5	16.2	15.6	17.0
Communications	6.6	-0.3	-0.4	2.7	2.7	2.5
Recreation and culture	3.8	-2.3	11.1	5.3	5.3	5.3
Education	3.5	6.7	4.6	1.6	1.7	1.6
Restaurants and hotels	5.6	-1.0	9.0	12.7	12.7	12.8
Miscellaneous goods and services	2.7	3.0	4.6	10.4	10.8	10.5
Individual consumption expenditure of Non-profit institutions serving households (NPISHs)	7.7	8.4	3.5	1.7	1.9	1.8
<i>plus: Expenditure of residents abroad</i>	-10.1	-4.8	-0.1	2.5	2.4	2.2
<i>less: Expenditure of non-residents in the country</i>	0.6	-2.5	3.0	9.6	9.2	8.8
Private consumption expenditure	2.9	-1.4	5.2	100.0	100.0	100.0
By durable appearance						
<i>Durable goods</i>	10.1	-5.0	22.8	8.3	8.1	9.1
<i>Semi-durable goods</i>	4.2	-5.8	5.9	10.0	9.5	9.3
<i>Non-durable goods</i>	0.9	-1.8	1.6	44.3	44.2	44.5
<i>Services</i>	3.2	1.2	5.5	37.3	38.2	37.1

Private consumption expenditure classified by durability

PCE by durability
consist of 4 factors

Durable goods consisting of vehicles, furniture, large electronic equipments, computers, radio, and televisions, accounted for 9.1% of total private consumption expenditure, considerably increased by 22.8% recovering from a drop of 5.0% in previous year, especially on transport equipments namely passenger cars, commercial cars, and motorcycles.

Semi-durable goods including clothing, footwear, kitchenware, and textiles, accounted for 9.3% of total private consumption expenditure, rose by 5.9% improving from a decrease of 5.8% in previous year, especially on clothing, footwear, kitchenware, and textiles.

Non-durable goods comprising foods and beverages, medicines, household products, water supply, and electricity, accounted for 44.5% of total private consumption expenditure, slightly grew by 1.6% improving from drop of 1.8% in previous year, especially on foods and beverages, water supply, electricity, and entertainment equipments and culture.

Services accounted for 37.1% of total private consumption expenditure, covering education, health, hotels and restaurants, entertainment and recreation, net tourist receipts, and other services, increased by 5.5% accelerating from 1.2% in previous year. Such a rise was found from transport, hotels and restaurants, real estate, repairing, recreation and cultural, and community services. Meanwhile, decrease in service items consisted of health and communications services.

Composition of general government final consumption expenditure

General government final consumption expenditure at current market prices registered at the value of Baht 1,664,293 million with an increase of 9.9%. Government compensation of employees rose by 5.7% whereas net purchase of goods and services with the value of Baht 371,862 million rose by 15.9% as a result of disbursing stimulation under the Thai-Khem-Khaeng project since the first quarter of 2010. In the meantime, consumption of fixed capital registered at the value of Baht 188,394 million with an increase of 5.5%. For the rest of items, social benefit in-kind with the value of 198,844 million surged by 25.1%.

The volume of government final consumption expenditure grew by 7.4% attributed by a 2.6% increase in compensation of employees, 14.2% for net purchase of goods and services, 4.5% for consumption of fixed capital, and 23.0% for social benefit in-kind.

Gross capital formation

Gross capital formation comprised gross fixed capital formation and change in inventories. Gross capital formation or investment at current market prices registered at the value of Baht 2,695,043 million, consisting of gross fixed capital formation and change in inventories with the value of Baht 2,551,850 million and Baht 143,193 million respectively.

The volume of gross fixed capital formation rose by 10.2% drastically improving from a 9.3% drop in previous year as a result of an expansion of private investment in both of construction, and machinery and equipments, which increased by 14.3% compared to a 15.8% drop in previous year. Meanwhile, public investment slowed down by the rate of 0.2% compared to an increase of 10.1% in previous year.

Investment (by type of institutions)

	Value at current market prices (Millions of Baht)			Growth rate (%)		
	2008	2009	2010	2008	2009	2010
Construction	826,930	801,108	894,065	-6.3	4.1	10.3
<i>Private</i>	391,871	349,155	408,377	2.2	-7.3	14.3
<i>Public</i>	435,059	451,953	485,688	-13.0	14.5	7.2
Equipment	1,740,332	1,436,355	1,657,785	6.8	-15.7	10.2
<i>Private</i>	1,536,333	1,238,660	1,484,198	7.4	-17.9	14.4
<i>Public</i>	203,999	197,695	173,587	2.9	0.7	-15.9
Investment	2,567,262	2,237,463	2,551,850	2.3	-9.3	10.2
<i>Private</i>	1,928,204	1,587,815	1,892,575	6.3	-15.8	14.3
<i>Public</i>	639,058	649,648	659,275	-8.3	10.1	0.2

Private investment

Private investment

Private investment at current market prices registered at the value of Baht 1,892,575 million, comprising private construction and private machinery and equipments with the value of Baht 408,377 million and Baht 1,484,198 million respectively. The volume of private investment increased by 14.3% to reversed from a 15.8% drop in previous year.

Private investment

	Value at current market prices (Millions of Baht)			Growth rate (%)		
	2008	2009	2010	2008	2009	2010
Construction	391,871	349,156	408,377	2.2	-7.3	14.3
Residential	235,766	199,226	223,775	2.2	-11.7	8.9
Non-residential	114,781	109,595	127,452	9.8	-4.0	14.1
Others	28,294	30,139	45,009	-3.1	19.8	50.0
Cost of ownership transfer	13,030	10,196	12,141	-31.5	-15.5	15.3
Machinery and equipment	1,536,333	1,238,660	1,484,198	7.4	-17.9	14.4
Private investment	1,928,204	1,587,815	1,892,575	6.3	-15.8	14.3

Private construction at current market prices posted at the value of Baht 408,377 million comprising residential, non-residential and other constructions with the value of Baht 223,775 million, Baht 127,452 million, and Baht 45,009 million respectively. The volume of private construction increased considerably by 14.3% compared to a 7.3% drop in previous year, attributed by an expansion in both of residential (8.9%) and non-residential construction such as commercial and factory construction (14.1%). Such an increase was particularly from a large construction project which continued constructing from previous period especially on housing, commercial building, and condominium along the subway route.

Private investment on equipments and machineries at current price had the value of Baht 1,484,198 million and the volume increased by 14.4% considerably recovering from a 17.9% drop in previous year. An expansion was found from the items of industrial machineries and transport equipments such as trucks and buses in response to a recovery of capacity utilization.

Public investment

Public investment

Public investment at current market prices posted at the value of Baht 659,275 million, consisting of public construction, and public machineries and equipments with the value of Baht 485,688 million and Baht 173,587 million respectively. The volume of public investment increased slightly by 0.2% decelerating from a 10.1% rise in previous year.

Public construction at current market prices registered at the value of Baht 485,688 million comprising residential, non-residential and other constructions with the value of Baht 44,023 million, Baht 77,640 million, and Baht 364,025 million respectively. The volume of public construction slowed down by 7.2%, from a 14.5% rise in previous year. This resulted mainly from continual projects under the Thai-Khem-Khaeng 2010-2012 (SP2) scheme. Deceleration was found from the projects belonging to both central government and local administrative, such as water supply and management project, irrigation area expansion project, highway development project, and dust free highway project. Meanwhile, there were continual projects of state enterprise construction namely the subway extension project (Purple Line) Bang Yai-Rat Burana (Bang Yai-Bang Sue section), “Baan Ua Athon” phase 2-3-4 and 5 projects, new broadband IP expansion project, and expressway network Phase 3 Bang Phli-Suk Sawadi and Industrial By-Pass Highway.

Public investment

	Value at current market prices (Millions of Baht)			Growth rate (%)		
	2008	2009	2010	2008	2009	2010
Construction	435,059	451,952	485,688	-13.0	14.5	7.2
<i>Residential</i>	49,660	30,665	44,023	-19.2	-35.5	39.2
<i>Non-residential</i>	65,299	66,067	77,640	9.2	1.7	15.3
<i>Others</i>	320,100	355,220	364,025	-15.6	24.8	2.9
Public investment	203,999	197,695	173,587	2.9	0.7	-15.9
Construction	639,058	649,648	659,275	-8.3	10.1	0.2

Public machinery and equipments at current market prices valued at Baht 173,587 million. The volume of public machinery and equipments noticeably dropped by 15.9% worsening from an increase of 0.7% in previous year. This resulted partly from state enterprise investment, which imported two commercial aircrafts with the value of Baht 7,826.8 million compared to importing three commercial aircrafts with the value of 11,682 million in previous year.

Investment (by type of assets)

Investment
(by type of assets)

Investment (by type of assets)

	Value at current market prices (Millions of Baht)			Growth rate (%)		
	2008	2009	2010	2009	2008	2010
Tangible fixed assets	2,523,280	2,192,832	2,492,144	2.5	-9.6	9.8
<i>Residential</i>	285,426	229,892	267,797	-2.3	-15.9	13.0
<i>Non-residential</i>	522,331	555,478	595,746	-8.2	15.7	6.9
<i>Machinery and equipment</i>	1,711,306	1,400,456	1,616,855	7.1	-16.4	10.2
<i>Cultivated assets</i>	4,216	7,006	11,746	-20.5	55.6	70.8
Intangible fixed assets	30,952	34,435	47,565	11.7	12.8	34.7
<i>Mineral exploration</i>	4,963	4,838	16,760	332.1	1.6	242.4
<i>Software</i>	25,989	29,597	30,805	-1.7	14.9	0.7
Cost of ownership transfer	13,030	10,196	12,141	-31.5	-15.5	15.3
Total investment	2,567,262	2,237,463	2,551,850	2.3	-9.3	10.2

Tangible fixed assets at current market prices registered at the value of Baht 2,492,144 million, comprising residential construction, non-residential construction, machinery and equipments, and cultivated assets with the value of Baht 267,797 million, Baht 595,746 million, Baht 1,616,855 million, and Baht 11,746 million respectively. The volume of tangible fixed assets rose by 9.8% improving from a 9.6% drop in previous year, attributed by residential construction with an increase of 13.0% compared to a 15.9% drop in previous year. Meanwhile, machinery and equipment increased by 10.2% recovering from a 16.4% drop in previous year.

Intangible fixed assets at current market prices posted at the value of Baht 47,565 million, comprising mineral exploration and computer software with the value of Baht 16,760 million and Baht 30,805 million respectively. The volume of intangible fixed assets increased by 34.7%, resulting mainly from mineral exploration with a rise of 242.4%.

Cost of ownership transfer at current market prices valued at Baht 12,141 million and the volume increased by 15.3% significantly improving from a drop of 15.5% in previous year. Such a rise was from economic recovery and stimulus package from government driving investor's confidence especially on real estate sector. As a result, demand for real estate switched to purchasing of dwellings instead of renting.

Change in inventories

Change in inventories increased from the reduction

The change in inventories at current market prices registered at Baht 143,193 million, remarkably increasing from the reduction in previous year.

In 2010, the stock of manufacturing products increased whereas agricultural products decreased. The overall production rose from previous year due to a recovery of global economy, This led to an increase in external demand of goods especially in the key markets such as USA, Japan, China, India and ASEAN . As a result, manufacturing products expanded almost all categories. Increasing stock of manufacturing products was found from petro-chemical products, iron and steel, computers and parts, and integrated circuits especially hard disk drive. Meanwhile, inventory holding of raw materials rose owing to an expansion of imports of raw materials and intermediate goods.

However, the stock of some manufacturing products declined such as textiles and garments as a result of rising in customer's orders. In addition, Thailand had become the center for the production and export of textiles under the ASEAN Free Trade Agreement which simply distributed to intra region and the world market. For agricultural products, stock of paddy fell especially on the first crops as a result of a drought at the beginning of the year along with a severe flooding during the end of the year. This led to a reduction of paddy stock. At the same time, domestic demand and exports of rice tended to rise, resulting from an increasing production of rice mill in order to continue fulfilling the markets regularly.

External sectors

Exports of goods and services

Exports of goods and services at current market prices valued at Baht 7,207,765 million expanded by 16.5%. An increase was found from both merchandise exports and service receipts.

Merchandise exports at current market prices recorded at the Baht 6,123,265 million with a rise of 18.8%. Total export volume rose by 17.3% compared to a 13.6% decrease in previous year, resulting from an increase from most categories both agricultural and manufacturing products. In particular, manufacturing products - the largest share of exports - increased by 21.0% accelerating from a decline of 14.2% in previous year. An expansion was mainly from major products namely textiles, computers, machineries, electrical appliances and vehicles. However, exports of agricultural products decreased by 2.9% whereas exports of fishery products increased.

Service receipts at current market prices registered at the value of Baht 1,084,500 million with an increase of 5.2% compared to a 6.2% decrease in previous year. Receipts from tourism items expanded by 15.7% improving from a 9.0% reduction in previous year due to a recovery of tourism industry. In addition, freight receipts rose by 14.7% in response to international trade improvement.

Imports of goods and services

Imports of goods and services at current market prices amounted to Baht 6,525,776 million with an expansion of 23.5% recovering from a drop of 21.1% in previous year, attributed by both imports of goods and service receipts.

Merchandise imports at current market prices registered at the value of Baht 5,108,266 million with a rise of 26.6% reversing from a 23.2% contraction in previous year. Such an increase was from economic recovery accompanied with production expansion driving from both domestic and external demands along with higher imported materials for production and final consumption. As a result, all import categories comprising consumer goods, capital goods, raw material goods, as well as fuel and lubricants expanded by 25.9%.

Service payments at current market prices posted the value of Baht 1,417,510 million with an increase of 13.5% recovering from a 13.4% reduction in previous year. An expansion was largely dominated by the items of tourism and freight payments in response to rising in international trade volume. Transport payments – the key item of service payments – grew up by 22.0%, especially for freight with a rise of 25.6% whereas other transport payments slightly increased. Besides, Thai travel aboard payments grew by 15.0% compared to a 9.0% fall in previous year.

Trade and services balance and current account

Trade and services balance at current market prices registered a surplus with the value of Baht 681,989 million lower than a surplus of 902,232 million in previous year. However, an expansion of imports was larger than of exports. As a result, trade balance slowed down to a surplus of Baht 1,014,999 million, slightly falling from previous year. Meanwhile, service balance became deficit with the value of Baht 333,010 million. In addition, a sharp deficit in net factor income and net current transfer from aboard dampened surplus of the country. As a result, current account slowed down with a surplus of Baht 428,017 million compared to a surplus of Baht 754,691 million in previous year.

Items	Value at current market prices (Millions of Baht)			Growth rate (%)		
	2008	2009	2010	2008	2009	2010
Exports	6,929,973	6,185,622	7,207,765	10.9	-10.7	16.5
• Goods	5,831,086	5,155,054	6,123,265	11.9	-11.6	18.8
• Services	1,098,887	1,030,568	1,084,500	5.9	-6.2	5.2
Imports	6,697,227	5,283,390	6,525,776	21.0	-21.1	23.5
• Goods	5,255,545	4,034,648	5,108,266	22.4	-23.2	26.6
• Services	1,441,682	1,248,742	1,417,510	16.3	-13.4	13.5
Trade and services balance	232,746	902,232	681,989	-67.5	287.6	-24.4
Percentage to GDP (%)	2.4	9.4	6.3			
Net factor income from aboard	-313,144	-331,321	-444,494	-2.5	-5.8	-34.2
Net current transfer from aboard	147,779	183,780	190,522	13.6	24.4	3.7
Current account balance	67,381	754,691	428,017	-87.5	1,020.0	-43.3
Percentage to GDP (%)	0.7	7.9	4.0			

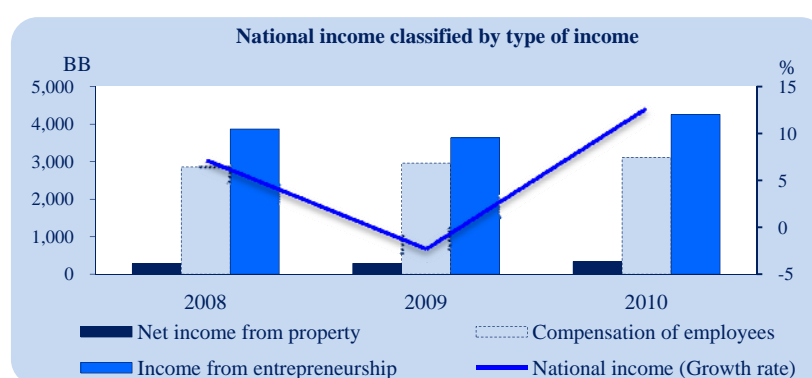
Exchange rate

The value of Thai Baht average in 2010 posted at 31.73 Baht per US dollar appreciating from 34.34 Baht per US dollar in previous year.

National income and savings

National income

National income on income approach described returns on factors of production comprising labor, land, capital, and entrepreneurs. National income in 2010 valued at Baht 7,703,351 million with an increase of 12.6 % rising from a 2.4 % contraction in previous year. Compensation of employees, the largest share of national income, expanded by 6.5%. Meanwhile, returns on land, capital and entrepreneurs grew by 17.1 % improving from a 5.5 % shrink in previous year. Net income from property rose by 16.6 % consecutively increasing from 2.9 % in previous year. Besides, income from entrepreneurship increased by 17.1% higher than a 6.1 % contraction in previous year.



Type of income	Vale at current market prices (Millions of Baht)			Growth rate (%)		
	2008	2009	2010	2008	2009	2010
Compensation of employees	2,859,440	2,916,730	3,106,490	6.6	2.0	6.5
Income from property and entrepreneurship	4,153,676	3,926,460	4,596,861	7.5	-5.5	17.1
Income from property (Net)	281,332	289,421	337,557	-16.7	2.9	16.6
• Households & Non-profit institutions	306,220	301,628	352,990	-8.6	-1.5	17.0
• Government	-24,888	-12,207	-15,433	-953.8	51.0	-26.4
Income from entrepreneurship	3,872,344	3,637,039	4,259,304	9.8	-6.1	17.1
• Households & Non-profit institutions	2,661,796	2,506,190	2,996,070	9.8	-5.8	19.5
• Corporations	1,210,548	1,130,849	1,263,234	9.9	-6.6	11.7
National income	7,013,116	6,843,190	7,703,351	7.1	-2.4	12.6
Population (1,000 persons)	66,482	66,903	67,313	0.67	0.63	0.61
National income per capita (Baht)	105,489	102,285	114,441	6.4	-3.0	11.9

Compensation of employees

Compensation of employees in 2010 amounted to Baht 3,106,490 million and accounted for 40.3 % of national income. Employees' wage and fringe benefit expanded by 6.5 % increasing from 2.0 % in previous year due to economic recovery. Employment grew as results of economic recovery and government stimulus measure. Form the labor force survey, unemployment rate declined to 1.04% falling from 1.5% in previous year. Employment in trade and service sectors increased by 3.1% and 2.9% respectively whereas employment in manufacturing sector contracted slightly by 0.5%.

Private and public compensation of employees

Private compensation of employees recorded the value of Baht 1,975,606 million or 63.6% share of total compensation of employees with an increase of 5.4% compared to 0.4% in previous year. Rising of compensation of employees was from both agricultural and non-agricultural sectors. Compensation of employees in agriculture increased in line with higher crop prices. In service sector, the number of tourist showed remarkable expansion although facing political unrest from April to May 2010 along with rising on crop prices. As a result, employment in agricultural and service sector grew up drastically. For public sector, compensation of government officials comprising public servants, government officials, state enterprise employees, public permanent employees, and public temporary employees recorded the value of Baht 1,132,224 million rising from the rate of 5.7 % in 2009 to 6.3 % in 2010 with the share of 36.4% to total compensation of employees.

Compensation of employees by sector

Sector	Value at current price (Millions of Baht)			Growth rate (%)		
	2008	2009	2010	2008	2009	2010
Agricultural sector	95,131	97,693	102,950	5.8	2.7	5.4
Agriculture, hunting and forestry	70,047	71,034	74,612	7.5	1.4	5.0
Fishing	25,084	26,659	28,338	1.5	6.3	6.3
Non-agricultural sector	2,779,308	2,842,124	3,004,880	6.9	2.3	5.7
Manufacturing	869,564	851,475	897,511	2.2	-2.1	5.4
Construction	145,779	152,441	163,280	6.3	4.6	7.1
Hotel and restaurants	57,793	64,467	70,254	16.3	11.5	9.0
Financial intermediation	172,380	183,894	197,121	11.7	6.7	7.2
Other	1,533,792	1,589,847	1,676,714	8.9	3.7	5.5
Net compensation of employees from abroad	-14,999	-23,087	-1,340	-62.7	-53.9	94.2
Total	2,859,440	2,916,730	3,106,490	6.6	2.0	6.5

Compensation of employees by sector

Compensation of employees in agricultural and non-agricultural sector increased by 5.4% and 4.7%, respectively.

Compensation of employees in agricultural sector with the value of Baht 102,950 million and accounted of 3.3% to total compensation of employees expanded by 5.4% compared to an increasing of 2.7% in previous year. Wages and fringe benefit in agriculture, hunting and forestry grew up from 1.4% in 2009 to 5.0% in 2010 due mainly to a rising in planting areas especially rice, rubber and oil palm along with an attractive price. Meanwhile, wage and benefit in fishery rose by 6.3%.

For non-agricultural sector, compensation of employees with the value of Baht 3,004,880 million and accounting for 96.7% to total compensation of employees increased by 5.7% decelerating from 2.3% in previous year. Rising was mainly from manufacturing sector which accounted of 28.9% to total compensation of employees increased by 5.4% in contrast to a contraction of 2.1% in previous year due to higher both domestic and external demand. In addition, an effective of Asian free trade agreement induced higher production in particular manufacturing sector. Compensation of employees in real estate sector expanded by 7.1% increasing from 0.4% in previous year in line with government stimulus measure and higher consumer confidence. Wages and fringe benefit in financial and construction sector rose by 7.2% and 7.1% respectively. Compensation of employees in hotels and restaurants decelerated by 9.0% due partly to domestic political concerns which dampened tourism industry. However, the numbers of inbound tourists remarkably recovered after political conflict lessened. In 2010 the major tourism structure switched from the United States and United Kingdom to Russia, Middle East, and South Asia. Compensation of employees in public sector decelerated by 6.2%. Moreover, wages and fringe benefits in other community sector contracted by 4.8%.

Returns on land, capital, and entrepreneurs

Net return on land, capital, and entrepreneurship with the value of Baht 4,596,861 million accounting for 59.7% to total national income expanded by 17.1% from a contraction of 5.5% in previous year. Such a rise was categorized by type of income as follows:

Income from farms and unincorporated enterprises was Baht 2,996,070 million and accounting for 38.9% to total national income which increased by 19.5% recovering from a contraction of 5.8% in previous. Farm income expanded by 22.1% as a result of higher price in response to an increase of global demand, rising demand for energy crops as well as supply disruption from natural disaster.

Income from entrepreneurship or profit of corporations posted the value of Baht 1,263,234 million and accounting for 16.4% to total national income which grew by 11.7% from a contraction of 6.6% in previous year as a result from overall economic recovery.

Households and private non-profit institutions income from property

Posted the value of Baht 595,001 million with an increase of 16.2%. An expansion was mainly from dividend received by households expanded by 31.2% due to rising of operating surplus. Income from interest grew by 1.2% in line with higher interest rate caused from rising in policy rate. However, income from provident funds, government pension fund and insurance decelerated by 4.5%, thus overall income from property received by households expanded from previous year.

Households and private non-profit institutions income from property

(%)

Item	Growth rate			Structure		
	2008	2009	2010	2008	2009	2010
Rent	12.0	4.0	7.4	12.7	13.2	12.2
Interest received	-10.5	-26.1	1.2	29.3	21.7	18.9
• <i>Banks</i>	-13.0	-30.4	9.6	-13.0	-30.4	9.6
• <i>Others</i>	-3.9	-6.6	-29.8	-2.4	-6.6	-29.8
Dividends	5.7	12.0	31.2	40.3	45.3	51.1
Others	10.7	11.6	4.5	17.7	19.8	17.8
Total	1.8	-0.2	16.2	100.0	100.0	100.0

General government income from property

Income from property, Households and private non-profit institutions increased, while general government decelerated.

General government income from property consisting of income from rent, interest, and dividends decelerated by 8.4% compared to an increase of 14.6% in previous year. A slowdown was mainly from dividend income which decelerated by 7.7% attributed chiefly by a deceleration of dividend from Provincial Electricity Authority, Provincial Waterworks Authority and Government Savings Bank. However, income from rent and interest surged by 17.4% and 6.5% respectively.

General government income from property

(%)

Item	Growth rate			Structure		
	2008	2009	2010	2009	2008	2010
Rent	-3.0	10.5	17.4	8.4	8.2	8.7
Interest received	-4.6	6.5	6.5	22.4	21.0	20.4
• <i>Banks</i>	-1.7	-8.4	17.8	21.4	17.3	18.6
• <i>Others</i>	-42.2	333.3	-46.2	1.0	3.7	1.8
Dividends	-20.9	18.9	7.7	51.3	53.7	52.9
Investment income on pension entitlements.	20.2	8.0	15.0	17.9	17.1	18.0
Total	-10.6	13.4	9.5	100.0	100.0	100.0

Savings and saving-investment gap

Gross savings with the value of Baht 3,123,060 million increased by 14.4% improving from a drop of 2.7% in previous year. Meanwhile, gross capital formation posted the value of Baht 2,695,043 million, and remarkably grew by 36.4%. Thus, saving and investment gap surplus at the value of Baht 428,017 million decreased from a surplus of Baht 754,691 million in previous year.

Net savings

Net savings in 2010 posted the value of Baht 1,689,706 million and expanded by 31.7%. Such a rise was found from both private and public savings with an increase of 21.6% and 107.8%, respectively.

Private net savings consisting of households and non-profit institutions, corporation and cooperative savings with the value of Baht 1,378,300 million and accounting for 51.1% of total net savings increased by 21.6% compared to an expansion of 2.6% in previous year.

Savings and gross capital formation

Item	Value (Millions of Baht)			Growth rate (%)		
	2008	2009	2010	2008	2009	2010
Gross capital formation	2,739,921	1,976,148	2,695,043	18.4	-27.9	36.4
• Private sector	1,928,204	1,587,815	1,892,575	14.5	-17.7	19.2
• Public sector	639,058	649,648	659,275	2.1	1.7	1.5
• Change in inventories	172,659	-261,315	143,193	4,684.1	-251.3	154.8
Gross savings	2,807,302	2,730,839	3,123,060	-1.6	-2.7	14.4
• Net savings	1,442,456	1,283,278	1,689,706	-7.1	-11.0	31.7
• Depreciation	1,463,103	1,471,666	1,567,080	13.4	0.6	6.5
• Discrepancy	-98,257	-24,105	-133,726	-940.4	75.5	-454.8
Saving-investment gap	67,381	754,691	428,017	-87.5	1,020.0	-43.3
<i>Gap to GDP</i>	<i>0.7</i>	<i>7.9</i>	<i>4.0</i>			

1) Households and non-profit institute savings

Registered at the value of Baht 844,588 million and expanded by 26.1%. Personal disposable income posted the value of Baht 6,391,285 million or rose by 11.2% compared to a decelerating rate of 0.2% expansion in previous year. An increase was primarily from compensation of employees with the rate of 6.5% and income from farm and unincorporated with an expansion rate of 19.5%. After deduction of income tax, interest consumer debt and other transfer households, disposable income increased by 11.2%, compared to a 0.2% rise in previous year. An average disposable income per capita valued at 94,949 Baht with the rise of 10.5% compared to a contraction of 0.4% in previous year. Meanwhile, average personal outlay registered the value of 83,675 Baht with an expansion of 8.6%. After incorporating household income from pension entitlements on social security plan, resulting that average personal households savings posted the value of 12,547 Baht improving from 10,009 Baht in previous year.

2) Corporations and cooperatives savings

Corporations and cooperatives saving with the value of Baht 533,712 million increased by 15.1%. An expansion was mainly from private corporation savings with a rise of 15.2% due to an improvement of net profit of corporation compared to previous year. Net profit of corporation and financial institute remarkably increased whereas net profit of corporation listed in stock market decelerated from previous year. However, after adjustment of holding gains (losses) in compliance with national account concept, savings showed favorable performance in line with the economic recovery.

Net savings

Item	Value (Millions of Baht)			Growth rate (%)		
	2008	2009	2010	2008	2009	2010
Net savings	1,442,456	1,283,278	1,689,706	-7.1	-11.0	31.7
Private sector	1,104,274	1,133,416	1,378,300	-0.3	2.6	21.6
• Households	614,391	669,609	844,588	-5.9	9.0	26.1
• Corporations & cooperatives	489,883	463,807	533,712	7.8	-5.3	15.1
Public sector	338,182	149,862	311,406	-24.0	-55.7	107.8
• Government	151,951	-33,870	126,611	-41.6	-122.3	473.8
• Enterprises	186,231	183,732	184,795	0.7	-1.3	0.6
Gross savings	2,807,302	2,730,839	3,123,060	-1.6	-2.7	14.4
Percentage to GDP	29.1	28.5	28.9			

Personal income, expenditure and savings

Item	Value (Millions of Baht)			Growth rate (%)		
	2008	2009	2010	2008	2009	2010
<i>Personal income</i>	6,478,266	6,486,641	7,247,953	7.9	0.1	11.7
<i>Personal outlay</i>	740,955	737,140	856,668	12.5	-0.5	16.2
Disposable personal income	5,737,311	5,749,502	6,391,285	7.4	0.2	11.2
<i>Less: Private consumption expenditure</i>	5,199,802	5,154,299	5,632,422	9.2	-0.9	9.3
<i>Plus: adjusting with benefit from funds^{1/}</i>	76,882	74,407	85,725	9.1	-3.2	15.2
Personal savings	614,391	669,609	844,588	-5.9	9.0	26.1
Disposable personal income per capita (Baht)	86,299	85,938	94,949	6.7	-0.4	10.5
Personal outlay per capita (Baht)	78,214	77,041	83,675	8.5	-1.5	8.6
Personal savings per capita (Baht)	9,241	10,009	12,547	-6.5	8.3	25.4

Remark 1/ only government funds such as social security fund (subsidies and elderly plan), government pension fund, Bangkok government pension fund, and Local government pension fund

Public net savings

Comprising savings of general government, public corporations, and government enterprises posted the value of Baht 311,406 million which accounted for 11.6% of total net saving. Public net saving in 2010 amazingly increased by 107.8% improving from a drop of 55.7% in previous year. An expansion was from savings of both general government and government enterprises with the rise of 473.8% and 0.6%, respectively.

General government income, expenditure and savings

Item	Value (Million of baht)			Growth rate (%)		
	2008	2009	2010	2008	2009	2010
General government income	2,800,903	2,642,515	3,134,110	-0.9	-5.7	18.6
General government expenditure	1,006,041	908,738	1,069,087	-6.8	-9.7	17.7
Disposable general government income	1,794,862	1,733,777	2,065,023	2.7	-3.4	19.1
<i>Less Final consumption expenditure</i>	<i>1,388,014</i>	<i>1,514,620</i>	<i>1,664,293</i>	<i>10.2</i>	<i>9.1</i>	<i>9.9</i>
<i>Less Adjustment for the change in pension entitlements 1/</i>	<i>76,882</i>	<i>74,407</i>	<i>85,725</i>	<i>9.1</i>	<i>-3.2</i>	<i>15.2</i>
<i>Less Consumption of fixed capital</i>	<i>178,015</i>	<i>178,620</i>	<i>188,394</i>	<i>13.3</i>	<i>0.3</i>	<i>5.5</i>
Net general government saving	151,951	-33,870	126,611	-41.6	-122.3	473.8

Remark 1/ only government funds such as social security fund (subsidies and elderly plan), government pension fund, Bangkok government pension fund, and Local government pension fund

1) General government net savings

General government net saving recorded the value of Baht 126,611 million which accounted for 40.7% to total public savings or equivalent to 1.2% of GDP. Revenues of general government expanded by 18.6% with the value of Baht 3,134,110 million. Meanwhile, government expenditure in non-investment items posted at Baht 2,733,380 million or increased by 12.8%. Such a rise was from income from taxes which accounted for 60.2% of total general government and grew by 15.0% compared to previous year. Higher income from taxes was mainly from economic recovery and political conflict lessening.

An increase in general government income was mainly from production and import taxes, income taxes and government property income which enabled to categorize as follows:

Production and import taxes regarded as the main sources of revenues in 2010 with the proportion of 37.0% and increased by 18.3%. Rising was from an increase of excise tax on oil, liquor, brewery, tobacco and other taxes which was categorized from (1) Value-Added Tax (VAT); the largest VAT revenue was from expansion of import value in both dollars and Baht terms especially on raw materials and intermediate goods, productions of basic metal, chemical and plastics, electronics and parts, and capital goods, in addition to expansion of domestic consumption. (2) Specific business taxes expanded in line with the end tax reduction period from 3% to 0.1% for transaction transfer of real estate ending March 2010. (3) Tax on vehicles (4) Petroleum royalties (5) Non-alcoholic taxes (6) Import excise tax and (7) Import duty. Meanwhile, decrease in tax revenue was found from electrical appliance tax, surcharge on export and income from Thailand Tobacco Monopoly.

Income from property and income from government pension fund with the share of 4.3% to total government revenue decelerated by 9.5%. Such a slowdown was from dividend with the rate of 7.7% and accounted for 52.9% of total government income from property which attributed mainly from Provincial Electricity Authority, Provincial Waterworks Authority, and Government Savings Bank. Meanwhile, other property income such as interest, rent, and income from government pension funds increased by 6.5%, 17.4% and 15.0%, respectively.

Tax from income and property ownership with the share of 23.3% to total government revenue grew by 10.1% as a result of increasing taxes as follows; (1) Direct taxes on corporations remarkably expanded by 19.1% owing to economic recovery which led to better performance of corporation entrepreneurship covering wholesale and retail trade, financial institutions, insurance and life insurances, vehicle and parts, refining industrial and gas separation plants, electrical appliances, drug and chemical, and plastics products (2) Direct taxes on households rose by 6.2% due mainly to an increase in salary base, economic recovery leading to higher employment, rising of income taxes on real estate from transferring transaction. However, income taxes on interest decreased in line with deceleration of deposits in conjunction with deposit interest rate reduction. Moreover, income taxes from petroleum dropped by 22.8% due to a decline of Dubai oil prices which led to petroleum operating slowdown.

Contribution to social security with the proportion of 9.8% to government revenue increased by 9.2% as a result of an expansion of contribution rate to social security fund affected to both employers and employees. Such a rise was originated from base effect in which the government stipulated ministerial regulation in 2009 in rising contribution rate. The rising rate was effective from 1st July 2009 to 31st December 2009. The regulation forced employers and insured persons from normal rate (1) In case of injury or sickness, maternity, disability, and death rose to 1.5% contribution rate compared to 0.5% in previous year. (2) For the case of child dependence and senior persons, both government and employer contribution rose to 3.0% compared to 2.0% in previous year.

Other transfers with the 1.9% share of total government income astonishingly increased by 553.6% due to a high forfeiture property in 2010 with the value of Baht 49,016 million.

Interest paid with the 4.6% share of total government revenue rose by 10.3%. An expansion was from domestic interest on public debt which expanded by 11.2% as a result of interest from government bonds with an increase of 12.6%. Meanwhile, middle and long term of government bonds return rate tended to decrease. However, short term government bonds return rate became falling in the second half of year. An increase of interest paid was caused from higher interest. Moreover, middle and long term of government bonds return rate tended to be rising in the 4th quarter of 2010. On the other hand, interest on foreign debt decreased by 13.6%.

Subsidies with the share of 2.4% to total government expenditure expanded by 22.2% as a result of an increase in subsidy on LPG prices.

Other social welfares benefit with the share of 8.8% to total government expenditure decreased by 3.3%. Such a fall was from contribution of government support on child dependents and senior persons which dropped to Baht 2,496 million due mainly to a decline of government contribution from 2% to 1% in 2010.

Other transfers register with the share of 2.0 to total government expenditure declined by 10.8% as a result of a decrease of subsidies on other business unit operation and expenditure on natural disaster compensation.

2) **Public corporations and government enterprises savings**

Net saving public corporations and government enterprises valued at Baht 184,795 million and grew by 0.6% compared to 1.3% in previous year. Such an increase was from overall net profit of public corporations and government enterprises with the value of Baht 56,466 million and decreased by 75.9% consecutively declining from 21.8% in previous year. However, after adjustment to the national accounts concept with the value of Baht 240,835 million, the overall operating performance before appropriation of income of state enterprises posted the value of Baht 297,301 million and increased by 9.1% from previous year. However, overall operating performance after deduction of appropriation of income registered at Baht 112,505 million. Thus net enterprises saving increased in 2010.

Public corporations savings increased by 17.5% compared to a decrease of 11.8% in previous year owing to a rise of overall operating surplus of public corporations. Net profit of public corporations valued at Baht 170,615 million and expanded by 26.9% compared to a rise of 3.8% in previous year. Meanwhile, overall government enterprise operating became deficit with the value of Baht 114,149 million caused mainly from government enterprise savings which decreased by 14.2%.

Saving-investment gap

Saving
investment
gap

Saving-investment gap or current account in 2010 registered a surplus of Baht 428,017 million or equivalent to 4.0% of GDP, attributed by an expansion of both savings and investment. However, increase in investment was larger than saving, leading to lower surplus on savings-investment gap compared to previous year.

GDP Implicit Price Deflator

Overall price level lifted up by 5.0%.

GDP Implicit Price Deflator

GDP Implicit Price Deflator grew by 5.0% higher than a 0.2% increase in previous year. Agricultural price deflator remarkably increased by 25.4% compared to a fall of 1.0% in previous year, resulting from an increase of prices of agricultural, hunting and forestry by the rate of 28.0% owing to an increase of major crops prices such as rubber, oil palm, and cassava. However, prices of fishery products slowed down by 7.7% compared to a rise of 22.4% in previous year. Non-agricultural price deflator rose by 3.0% higher than 0.4% in previous year as a result of a rise of price level in several items such as mining and quarrying, construction, manufacturing, real estate, and government services. Nonetheless, prices of wholesale and retail trade slowed down whereas hotels and restaurants remained the same as previous year and prices level of electricity and water supply, and transportation declined.

On the expenditure side, overall price deflator rose by 4.0% due to an increase of price of all expenditure components. Private consumption expenditure price deflator increased by 3.9% compared to a slowdown of 0.5% in previous year. Price of government consumption expenditure grew by 2.3% compared to a slowdown of 0.1% in previous year. Investment price rose by 3.5% compared to a drop of 3.9% in previous year. Moreover, exports and imports price deflator increased by 1.8% and 0.8% respectively.

Consumer price index (CPI) and producer price index (PPI) raised by 3.3% and 9.4% correspondingly accelerating from a decline of 0.8% and 3.8% in previous year respectively.

Growth rate of implicit price deflator

(%)

Implicit price deflator	2006	2007	2008	2009	2010
Gross domestic product, (GDP)	5.1	2.5	5.1	0.2	5.0
Agriculture	8.6	5.4	12.0	-1.0	25.4
Non-agriculture	4.7	2.2	4.4	0.4	3.0
Expenditure on gross domestic product	4.0	4.0	3.7	0.5	4.0
Private final consumption expenditure	4.7	3.0	6.2	0.5	3.9
General government final consumption expenditure	6.7	2.7	5.0	0.1	2.3
Gross fixed capital formation	4.2	0.7	8.6	-3.9	3.5
Exports of goods and services	0.0	-0.5	4.4	1.8	1.8
Imports of goods and services	0.9	-3.3	8.6	-0.2	0.8
Consumer prices index (CPI)	4.7	2.2	5.5	-0.8	3.3
Producer prices index (PPI)	7.1	3.2	12.4	-3.8	9.4