



Thai Economic Performance in Q1 of 2022 and the Outlook for 2022

The Office of the National Economic and Social Development Council (NESDC) announced the Thai Gross Domestic Product (GDP) in the first quarter of 2022 and the economic projection for 2022 as follows:

The Thai Economy in Q1/2022

The Thai Economy in the first quarter of 2022 expanded by 2.2 percent (%YoY), accelerating from a 1.8-percent growth in the previous quarter. Seasonally adjusted, the economy increased by 1.1 percent from the last quarter of 2021 (%QoQ sa).

On expenditure side: private consumption and export of services accelerated. Private investment returned to expansion. Export of goods decelerated, while public investment declined. **Private consumption expenditures** increased by 3.9 percent, accelerating from with a 0.4-percent growth in the previous quarter, thanks to the easing of the COVID-19 control measures which enables economic activities to start normalizing, together with improved household and business incomes and continual government measures. Classified by spending composition, it appears that all components of private consumption expenditures expanded. Firstly, **the expenditure in services** increased by 4.4 percent, recovering from a 1.6-percent drop in the last quarter of 2021, driven by spending in hotels and restaurants, and in recreational and cultural activities. **The expenditure in non-durable goods** grew by 4.1 percent, accelerating from a 3.7-percent growth in the preceding quarter, in line with the expansion of spending in electricity, and gas and other fuels, food & non-alcoholic beverages, and alcoholic beverages and tobacco. **The expenditure in semi-durable goods** grew by 0.4 percent, improving from a 0.8-percent drop in the previous quarter, driven by spending on clothing & footwear. Moreover, **the expenditure on durable goods** grew by 3.8 percent, recovering from a 5.4-percent drop in the previous quarter, owing to the favorable growth of vehicles purchases. However, the consumer confidence index on the economic situation decreased to 37.3, from 38.9 in the previous quarter, due to concerns over higher costs of living amid the continued uncertainty over the Russia-Ukraine conflict. **Government consumption expenditure** increased by 4.6 percent, decelerating from an 8.1-percent growth in the previous quarter. Social transfers in kind notably expanded by 74.5 percent, following an increase in medical treatment spending for COVID-19. On the contrary, compensation of employees (wage and salary) and purchases of goods and services declined by 2.6 percent and 3.8 percent, respectively. Meanwhile, the disbursement rate of the current budget stood at 20.6 percent of the total budget framework, lower than 35.5 percent in the previous quarter but higher than 19.6 percent in the first quarter of last year. **Total investment** grew by 0.8 percent from the previous quarter's 0.2-percent decline. **Private investment** expanded by 2.9 percent, recovering from a 0.8-percent drop in the previous quarter, contributed by a 5.4-percent growth in the investment in machinery and equipment, compared with the previous quarter's

0.9-percent decline. On the other hand, the investment in construction declined by 8.0 percent, continually from the previous 0.7-percent decline. **Public investment** declined by 4.7 percent, compared with an expansion of 1.7 percent in the previous quarter. This follows the decline in the investments of both the government and state-owned enterprises (SOEs), of 6.5 percent and 2.1 percent, respectively. The disbursement rate of capital budget in this quarter was 15.1 percent of the total budget framework, lower than 16.0 percent in the previous quarter but higher than 14.3 percent in the first quarter of 2021.

On foreign trade, **export value** was recorded at 73.3 billion US dollars, increasing by 14.6 percent continuing from the previous 21.3 percent. The exports volume and price indices expanded by 10.2 percent and 4.0 percent, compared with the previous quarter's expansions of 16.9 percent and 3.7 percent, respectively. **Export items with increased value** included chemicals & petrochemical products (18.7 percent), machinery & equipment (5.7 percent), vehicle parts & accessories (3.5 percent), computer parts & accessories (15.1 percent), air conditions (5.6 percent), animal food (26.3 percent), rice (19.3 percent), rubber (6.2 percent), and sugar (180.9 percent). On the other hand, **export items with decreased value** included passenger car (49.1 percent), pick up and trucks (28.9 percent), rubber products (25.0 percent), and durian (48.2 percent). Exports to the main markets continued to grow but at decelerated paces, while exports to Australia declined. Excluding unwrought gold, export value expanded by 9.7 percent, and in Baht terms, export value grew by 25.1 percent in this quarter. **Import value** was recorded at 64.1 billion US dollars, with 16.5 percent growth, compared with 20.6 percent in the preceding quarter. Import volume and price indices rose by 11.3 percent and 4.6 percent, respectively. Consequently, trade balance in the first quarter recorded a surplus of 9.2 billion US dollars (or 302.4 billion Baht).

Real GDP Growth, Exports of Goods Growth, and Inflation rates of Key Economies

(%YoY)	GDP			Exports of Goods				Headline Inflation					Highest in (Months)	
	2020	2021	2022	2020	2021	2022	2021	2022						
	Year	Q4	Year	Q1	Year	Q4	Year	Q1	Year	Q1	Feb	Mar		Apr
US	-3.4	5.5	5.7	3.6	-13.5	23.1	23.3	18.8	4.7	6.3	7.9	8.5	8.3	483 ^{1/}
Eurozone	-6.4	4.7	5.4	5.0	-7.1	7.5	17.9	10.4 ^{2/}	3.9	6.1	5.9	7.4	7.5	303
United Kingdom	-9.3	6.6	7.4	8.7	-12.2	10.1	9.8	9.3	2.6	6.2	6.2	7.0	-	360 ^{1/}
Australia ^{3/}	-2.2	4.2	4.7	-	-7.4	27.0	37.3	22.3	2.6	5.1	-	-	-	-
Japan	-4.5	0.4	1.6	-	-9.1	6.4	17.9	4.4	2.9	0.9	0.9	1.2	-	41 ^{1/}
China	2.2	4.0	8.1	4.8	4.0	22.7	29.7	15.6	-0.2	1.1	0.9	1.5	2.1	5
India	-6.6	5.4	8.3	-	-14.8	41.0	43.1	23.8	0.9	6.3	6.1	7.0	-	17 ^{1/}
South Korea	-0.9	4.2	4.0	3.1	-5.5	24.5	25.7	18.3	5.1	3.8	3.7	4.1	4.8	162
Taiwan	3.4	4.9	6.4	3.1	4.9	26.0	29.3	23.5	2.5	2.8	2.3	3.3	3.4	116
Hong Kong	-6.5	4.7	6.3	-4.0	-0.5	23.2	26.0	2.8	2.0	1.5	1.6	1.7	-	3 ^{1/}
Singapore	-4.1	6.1	7.6	3.4	-4.1	25.9	22.1	17.1	1.6	4.6	4.3	5.4	-	123 ^{1/}
Indonesia	-2.1	5.0	3.7	5.0	-2.7	45.6	41.9	35.3	2.3	2.3	2.1	2.6	3.5	52
Malaysia	-5.5	3.6	3.1	5.0	-2.3	26.5	27.4	18.6	1.6	2.2	2.2	2.2	-	-
Philippines	-9.5	7.8	5.7	8.3	-8.1	5.2	14.5	9.8	2.5	3.4	3.0	4.0	4.9	40
Vietnam	2.9	5.2	2.6	5.0	6.9	19.0	18.9	13.3	3.9	1.9	1.4	2.4	2.6	8

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

Notes: ^{1/} March 2022 data ^{2/} Data up to February 2022 ^{3/} Australian inflation was reported in quarterly basis.

On the production side, accommodation and food service activities sector, and agricultural sector returned to growth while the transportation and storage sector accelerated. On the contrary, the wholesale and retail trades sector, and the electricity, gas, steam, and air conditioning supply sector decelerated while the construction sector continued to decrease. **Agriculture, forestry, and fishing sector** rebounded to 4.1 percent, improving from a 0.6-percent contraction in the previous quarter, following increases in key agricultural productions. Major agricultural products with production expansion included paddy (19.3 percent), sugarcane (21.1 percent), fruits (4.1 percent), oil palm (15.3 percent), and rubber (1.2 percent). Major agricultural products with production contraction included maize (-5.5 percent), and cassava (-1.6 percent). Fishery products returned to growth for the first time in nine quarters by 2.5 percent while livestock production decreased for five consecutive quarters by 2.3 percent. **Agricultural Price Index** rose by 4.7 percent, bouncing from a 4.3-percent decline in the previous quarter, following the increase of main agricultural products such as swine (23.6 percent), oil palm (52.1 percent), poultry (16.2 percent), sugarcane (16.6 percent), and rubber (5.0 percent). Rising in both agricultural production index and agricultural price index, thus, led farm income index to increase for the first time in three quarters by 9.3 percent. **Manufacturing sector** increased by 1.9 percent, decelerating from a 3.8-percent expansion in the previous quarter. Manufacturing Production Index of the domestic-oriented industries (with export share of less than 30 percent to total production) increased by 1.9 percent, decelerating from a 4.0 percent expansion in the previous quarter and Manufacturing Production Index of the industries (with 30 - 60 percent) which increased by 2.1 percent, decelerating from a 3.8-percent expansion in the previous quarter. Nonetheless, Manufacturing Production Index of the industries of the export-oriented industries (with export share of more than 60 percent) declined for the first time in five quarters by 0.2 percent, compared to a 6.6-percent growth in the previous quarter. The average capacity utilization rate stood at 66.35 percent for this quarter, higher than 64.51 percent in the previous quarter and 66.32 percent in the same quarter of the previous year. Manufacturing production index with positive growth included refined petroleum product (14.1 percent), motor vehicles (3.0 percent), electronic components and boards (7.3 percent), sugar (10.4), and malt and malt liquors (22.8 percent). Manufacturing production index with negative growth included computer and peripheral equipment (-13.0 percent), basic iron and steel (-9.4 percent), articles of concrete, cement, and plaster (-4.7 percent), other general-purpose machinery (-6.7 percent), and prepared animal feeds (decrease 4.9 percent). **Accommodation and food service activities sector** showed the first expansion in three quarters by 34.1 percent, improving from a 4.9-percent contraction in the previous quarter, following an improvement in domestic tourism and the significant increase in number of international tourist arrivals. In the first quarter of 2022, **Thai tourism receipts** stood at 0.144 trillion Baht, expanding for the first time in eleven quarters by 63.8 percent due to the relaxation of COVID 19 containment measures, the progress of vaccine distribution, and the government's tourism stimulus. Besides, **the number of foreign tourists** stood at 497,693 persons, compared with 20,172 persons in the same period of last year due to the success of the Test & Go program for international travelers, and the easing of international travel restrictions in several countries. **The average occupancy rate** was 36.15 percent, increasing from 26.25 percent in the previous quarter, and was higher than 16.15 percent in the same period last year. **Wholesale and retail trade, repair of motor vehicles and motorcycles sector** continued to increase for

the fourth consecutive quarter by 2.9 percent, compared with a 3.0-percent growth in the previous quarter, following the improving household spending, the increasing number of foreign tourists, and the continual expansions of production and export. **Transportation and storage sector** continued to grow for the second consecutive quarter by 4.6 percent, accelerating from a 3.2-percent expansion in the previous quarter, following the continued expansion of air transport while land transport and transport via pipelines returned to growth for the first time in three quarters. Likewise, postal and courier activities continued to increase. **Electricity, gas, steam, and air conditioning supply sector** continued to increase for the second consecutive quarter by 2.0 percent, compared with a 2.1-percent growth in the previous quarter. This was due to the acceleration of power generation activities following higher consumption in household and industrial sectors, while the gas separation plant activities continued to decline for the third consecutive quarter.

On economic stability, the unemployment rate stood at 1.53 percent, declining from a 1.64-percent in the preceding quarter and a 1.96-percent in the first quarter of 2021. The headline and core inflations were 4.7 percent and 1.4 percent, respectively. The current account recorded a deficit of 1.6 billion US dollars (53 billion Baht), accounted for 1.2 percent of GDP. At the end of March 2022, the international reserves stood at 242 billion US dollars and the public debts were 9.95 trillion Baht, accounted for 60.6 percent of GDP.

The Thai Economic Outlook for 2022

The Thai economy in 2022 is projected to expand in the range of 2.5 – 3.5 percent, mainly supported by; (i) the improvement in domestic demand; (ii) the recovery of domestic tourism; and (iii) the continual expansion of export of goods. Export value of goods in US dollar terms is anticipated to expand by 7.3 percent. Meanwhile, private consumption expenditure and private investment are expected to increase by 3.9 percent and 3.5 percent, respectively. Public investment is projected to increase by 3.4 percent. Headline inflation is estimated to be in the range of 4.2 – 5.2 percent and the current account is projected to record a deficit of 1.5 percent of GDP.

Key growth components are as follows:

1. Total consumption: (1) Private consumption expenditure is expected to increase by 3.9 percent, accelerating from a 0.3-percent growth in 2021, in line with recovered household and business income together with normalized economic activities after the COVID-19 outbreak has subsided. However, this was a downward revision from a 4.5-percent growth in the previous estimation due to higher inflationary pressures which tends to undermine households' purchasing power; and **(2) Government consumption expenditure** is projected to decline by 0.2 percent, compared with a 3.2-percent growth in 2021 and unchanged from the previous estimation. This was in accordance with the unchanged assumption on the current budget disbursement under the FY2022 annual budget framework expected to remain at 98 percent, as well as the disbursement of approved projects under the additional 500-billion loan decree budget.

2. Total investment is expected to grow by 3.5 percent in 2022, improving from 3.4 percent in 2021, but was a downward revision from the previous 4.0-percent estimation: **(1) Private investment** is estimated to increase by 3.5 percent, accelerating from a 3.3-percent growth in 2021 but a downward revision from 3.8 percent in the previous estimation; and **(2) Public investment** is expected to grow by 3.4 percent, compared with the 3.8-percent increase in the previous year. The growth forecast was revised downwardly from a 4.6-percent growth in the previous projection in line with the downward revision of the capital budget disbursement rate under the FY2022 annual budget.

3. Export value of goods in US dollar term is anticipated to increase by 7.3 percent, comparing with an 18.8-percent expansion in 2021 and upwardly revised from 4.9 percent in the previous estimation. The revision was due to the increased export price assumption to be in line with the upwardly revised assumptions on oil and commodity prices. On the other hand, export volume is expected to increase by 3.5 percent, down from the previous forecast of a 3.9-percent growth, following the expected slowdown in world economy and merchandize trade growths in 2022. Meanwhile, the export of services is projected to exhibit stronger growth than the previous estimation, in tandem with the upwardly revised assumption on inbound tourists. Thus, in 2022, the export of goods and services is estimated to increase by 8.3 percent, compared with an 8.9-percent expansion in previous estimation and a 10.4-percent growth in 2021.

Economic management for the year 2022

The economic management for the year 2022 needs to prioritize on following issues: **(1) Maintaining momentum from household expenditure**, by (i) monitoring, preventing, and controlling the pandemic situation; (ii) resolving household debt; (iii) accommodating the market mechanism to allow price to move in line with production cost; and (iv) providing assistance for those who are vulnerable to rising inflation. **(2) Catalyzing the recovery in tourism and related service sector**, by: (i) supporting domestic tourism; (ii) organizing the promotion events to attract long stay tourists especially those with high purchasing power; (iii) accommodating loan and subsidize measure to support business sector to resume their operation; and (iv) uplifting tourism potential and recovering tourism on sustainable basis. **(3) Maintaining momentum from export sector**, by (i) boosting exports to major markets coupled with expanding to new markets with potential products; (ii) improving quality of agricultural, food, and manufacturing products to meet international standard; (iii) utilizing benefits from Regional Comprehensive Economic Partnership (RCEP), along with expediting the ongoing Free Trade Agreement negotiations and preparing for future negotiations with new potential trading partners; and (iv) cushioning the effects of exchange rate fluctuations and rising input costs. **(4) Stimulating private investment**, by: (i) speeding up projects already approved and obtained investment promotion certificates to start their actual investments, especially those in the targeted industries; (ii) solving difficulties and obstacles hindering investors and entrepreneurs from investing and conducting businesses; (iii) implementing proactive investment promotions and facilitating investors in targeted industries to invest in Thailand; (iv) stimulating investments in Eastern Economic Corridor (EEC), other special economic zones, as well as the regional economic corridors; (v) supporting investment in the key economic areas and transport infrastructure to be in accordance with the prospected plan; and (vi) developing high-skilled labors to brace the

growth of technology-and-innovation-intensive industries. **(5) Maintaining growth momentum from government expenditure and public investment. (6) Supporting agricultural production and farmers' income**, by: (i) monitoring and providing appropriate water management to be ready for the new cropping season along with preventing and mitigating the impact from natural disaster; and (ii) cushioning impacts from raising input cost; and **(7) Monitoring, scrutinizing, and preparing for the volatilities from global economy and financial market.**

Office of the National Economic and Social Development Council

17 May 2022

Table 1 GDP, Production Side

%YoY	2020	2021	2020				2021				2022
	Year	Year	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Agriculture	-3.5	1.0	-8.3	-3.5	-1.6	-0.2	1.0	2.1	2.2	-0.6	4.1
Non-Agriculture	-6.4	1.6	-1.7	-13.0	-6.7	-4.7	-2.6	8.3	-0.3	2.0	2.0
Manufacturing	-5.6	4.9	-2.7	-14.5	-5.0	-0.4	1.1	17.0	-0.9	3.8	1.9
Service	-6.7	0.7	-1.5	-12.5	-7.2	-5.9	-3.8	5.3	0.3	1.7	2.9
Construction	1.3	2.7	-10.4	6.8	9.4	-0.9	13.5	3.1	-4.2	-0.8	-5.5
Wholesale and Retail Trade	-3.2	1.7	4.5	-10.1	-5.7	-3.1	-2.4	5.0	2.7	3.0	2.9
Transportation and Storage	-22.9	-2.9	-9.4	-38.8	-23.9	-21.0	-16.9	10.3	-1.4	3.2	4.6
Accommodation and Food Service Activities	-37.5	-14.4	-24.4	-53.3	-39.8	-34.0	-36.8	16.4	-19.0	-4.9	34.1
Information and Communication	1.1	5.6	1.4	0.4	0.6	1.8	4.5	5.6	6.8	5.3	5.9
Financial and Insurance Activities	5.1	5.7	6.9	3.8	3.7	6.3	6.4	5.9	6.1	4.4	1.5
GDP	-6.2	1.5	-2.2	-12.3	-6.4	-4.2	-2.4	7.7	-0.2	1.8	2.2
GDP SA (%QoQ)			-1.6	-9.3	7.1	0.02	0.5	0.1	-0.9	1.8	1.1

Source: Office of the National Economic and Social Development Council

Table 2 GDP, Expenditure Side

%YoY	2020	2021	2020				2021				2022
	Year	Year	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Private Consumption	-1.0	0.3	2.7	-6.6	-0.6	0.8	-0.3	4.7	-3.2	0.4	3.9
Government Consumption	1.4	3.2	-2.4	1.5	3.7	2.4	2.2	1.0	1.5	8.1	4.6
Investment*	-4.8	3.4	-6.4	-7.7	-2.6	-2.5	7.3	7.4	-0.4	-0.2	0.8
Private	-8.2	3.3	-5.2	-14.4	-10.4	-3.2	3.1	9.2	2.6	-0.8	2.9
Public	5.1	3.8	-9.6	12.0	17.0	0.0	19.8	3.4	-6.2	1.7	-4.7
Exports	-19.7	10.4	-5.9	-28.0	-23.5	-21.7	-10.3	28.4	12.3	17.6	12.0
Goods	-5.8	14.9	1.9	-16.0	-7.4	-1.4	2.9	30.8	12.0	16.6	10.2
Services	-61.3	-23.1	-27.7	-69.4	-74.4	-76.2	-62.3	4.8	14.7	28.8	30.7
Imports	-14.1	17.9	-3.4	-23.6	-20.8	-8.4	1.0	28.7	29.5	16.4	6.7
Goods	-10.6	18.3	-1.0	-19.7	-17.4	-3.8	4.6	29.9	28.0	14.0	4.4
Services	-27.8	16.0	-12.4	-38.2	-34.6	-26.4	-13.4	23.6	37.1	28.1	15.4
GDP	-6.2	1.5	-2.2	-12.3	-6.4	-4.2	-2.4	7.7	-0.2	1.8	2.2
GDP SA (%QoQ)			-1.6	-9.3	7.1	0.02	0.5	0.1	-0.9	1.8	1.1

Source: Office of the National Economic and Social Development Council

Note: * Investment means Gross Fixed Capital Formation

Economic Projection for 2022^{1/}

	Actual Data			Projection for 2022	
	2019	2020	2021	Feb 21 st , 2022	May 17 th , 2022
GDP (at current prices: Bil. Baht)	16,892.4	15,636.9	16,178.7	17,102.1	17,355.6
GDP per capita (Baht per year)	243,705.2	224,962.4	232,160.1	244,838.2	248,468.1
GDP (at current prices: Bil. USD)	544.1	499.7	505.5	523.0	513.5
GDP per capita (USD per year)	7,849.6	7,188.4	7,254.3	7,487.4	7,351.1
GDP Growth (CVM, %)	2.2	-6.2	1.5	3.5 - 4.5	2.5 - 3.5
Investment (CVM, %) ^{2/}	2.0	-4.8	3.4	4.0	3.5
Private (CVM, %)	2.6	-8.2	3.3	3.8	3.5
Public (CVM, %)	0.1	5.1	3.8	4.6	3.4
Private Consumption (CVM, %)	4.0	-1.0	0.3	4.5	3.9
Government Consumption (CVM, %)	1.6	1.4	3.2	-0.2	-0.2
Export volume of goods & services (%)	-3.0	-19.7	10.4	8.9	8.3
Export value of goods (Bil. USD) ^{3/}	242.7	227.0	269.6	282.9	289.2
Growth rate (%) ^{3/}	-3.3	-6.5	18.8	4.9	7.3
Growth rate (Volume, %) ^{3/}	-3.7	-5.8	15.1	3.9	3.5
Import volume of goods & services (%)	-5.2	-14.1	17.9	4.0	5.1
Import value of goods (Bil. USD) ^{3/}	216.0	186.1	229.6	243.2	254.6
Growth rate (%) ^{3/}	-5.6	-13.8	23.4	5.9	10.9
Growth rate (Volume, %) ^{3/}	-5.8	-10.5	18.3	4.4	3.4
Trade balance (Bil. USD)	26.7	40.9	40.0	39.7	34.6
Current account balance (Bil. USD)	38.0	21.2	-10.6	7.7	-7.6
Current account to GDP (%)	7.0	4.2	-2.1	1.5	-1.5
Inflation (%)					
CPI	0.7	-0.8	1.2	1.5 - 2.5	4.2 - 5.2
GDP Deflator	1.0	-1.3	1.9	1.2 - 2.2	3.8 - 4.8

Source: Office of the National Economic and Social Development Council, 17th May 2022

Notes: ^{1/} Data were calculated based on new National Accounts Office's series, published on www.nesdc.go.th.

^{2/} Investment means Gross Fixed Capital Formation.

^{3/} Exports and imports are based on the Bank of Thailand's data, which follow the Balance of Payment system.