Thailand's Economy in December 2013

1. Overview Lack of consumer confidence and the private sector taking precautionary measures have led to lower output from the industrial sector, resulting in slow growth in December 2013. Manufacturing Production Index (MPI) dropped by 6.1 per cent y-o-y, mainly due to 1) 2012's high production base and lack of foreign demand to make up for lower domestic demand, 2) alcoholic beverages esp. beer production has been lowered due to the rising excise taxes and lower domestic demand, and 3) the prolonged effects of the shrimp early mortality syndrome (EMS) affecting Thailand's shrimp industry.

Private Expenditure contracted 8.1 per cent y-y, due to 1) high investment base in 2012 and 2) many entrepreneurs delaying large investments until the economic repercussions of the political situation phases out and economic conditions stabilise. Private Consumption Index (PCI) also contracted by 0.2 per cent.

Imports for December 2013 were valued at 16,280 mil. USD, a 9.3 per cent decrease y-y, whereas exports grew by 1.8 per cent, valued at 18,277 mil. USD.

2. Tourism Thailand is seeing slower-than-expected growth in the tourism industry as China's – Thailand's No. 1 tourist by number – first tourism came into effect on 1 October 2013. This, in addition to the political instability in Thailand, has resulted in 2.6 million tourists in December 2013, a 6.7 per cent increase y-y, but an 11.9 per cent decrease compared to the prior month.

3. Key Economic Indicators

Inflation	1.93% (as of 1/2014)
Unemployment	0.6% (as of 10/2013)
Trade Balance	1,997 mil. USD
Current Account	2,527 mil. USD
Capital and Financial Account	2,254 mil. USD
Business Sentiment	45.0 (expected 52.7)
Policy Interest Rate	2.25% (as of 01/2014)

๓/๕

As of 7 February 2014

Thailand's Economic Fact Sheet

Economic Projections	2012	2013F	2014F
GDP (billion US$)	366	391	399
Real GDP growth (%)	6.5	3.0	4.0-5.0
GDP per capita (US$)	5,390	5,727	5,816
Exports (billion US$)	226.2	225.8	241
Export growth (%)	3.2	0.0	7.0
Import (billion US$)	217.8	221.2	236
Import growth (%)	7.8	0.6	6.7
Trade balance (billion US$)	8.3	4.7	5.8
Current account balance (billion US$)	2.7	-3.6	-2.5
Current account balance to GDP (%)	0.8	-0.9	-0.6
Inflation – CPI (%)	3.0	2.4	2.1-3.1
Number of Foreign Tourists (million people)	22.3	26.2	28.0
Growth in Number of Foreign Tourists (%)	16.1	17.5	6.9

Source: NESDB (August 2013) / Bank of Thailand (August 2013) / Ministry of Commerce

GDP Growth Forecasts	2014F	Time of forecast
Bank of Thailand	4.8%	October 2013
Fiscal Policy Office	3.1%	January 2014
IMF	5.2%	October 2013
World Bank	4.0%	October 2013
ADB	4.9%	October 2013
SCB	2.4 – 3.0%	January 2014
Kasikorn Bank	0.5 – 4.5 %	December 2013

Economic Conditions[/1]

Percentage Change (y-o-y)	Q3/12	Q4/12	Q1/13	Q2/13	Q3/13
Manufacturing Production Index	-11.1	43.4	2.9	-4.9	-3.6
Private Consumption	6.7	12.4	4.4	2.4	-1.2
Private Investment	11.6	20.9	2.9	1.9	-3.3
Capacity Utilization (level)	66.6	66.6	67.4	64.1	65.6

Net FDI flows[P] (Q3/2013): 4.04 bil. USD; **Net TDI* flows**[P] (Q3/2013): -1.43 bil. USD

Government revenue[P] (Q4/2013): 17.07 bil. USD, -1.2% (y-o-y) (using Q3 Exchange Rate)

Government expenditure[P] (Q4/2013): 21.68 bil. USD, -7.8% (y-o-y) (using Q3 Exchange Rate)

Farm Income (Q3/2013): -1.4% (y-o-y)

Economic Stability (Monthly Info)

Headline Inflation[/2] (as of 1/2014): 1.93%

External debt[/2] (end of 12/2013): 140.3 bil. USD

Public debt[/1] (end of 12/2013): 20.2 bil. USD

Unemployment rate[/2] (10/2013): 0.6%

Official foreign reserves[/2] (end of 12/2013): 167.2 bil. USD

Tourism Statistics

Popular Cities 2012 (Forbes): World's #3 (Bangkok)

Country Brand Index '12 - '13 (FutureBrand): #26

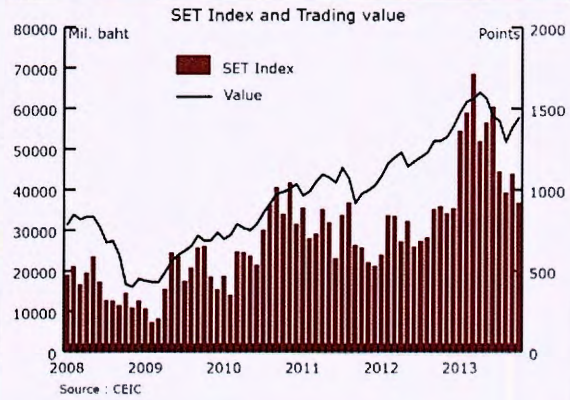
Future Fifteen's (FutureBrand): #11

World's Best Awards (Travel & Leisure): #1

Tourists (Q3/2013): #1 China (+82.9% y-o-y), #2 Malaysia (+22.8% y-o-y), #3 Japan (+11.2% y-o-y), #4 Korea (+9.3% y-o-y), #5 Laos (+32.3% y-o-y)

Number of Tourists (Q3/2013): 6.7 mil (26.1% y-o-y)

SET Index Forecast[1]



External Sector (Q3/2013)[/2]

Doing Business 2013[/6]: World's #18; East Asia's #5

Exports: 57.9 bil. USD -1.8% (y-o-y)

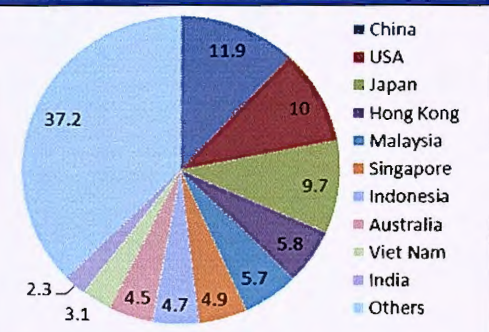
Imports: 52.9 bil. USD -2.9% (y-o-y)

Current account balance: Deficit by 888 mil. USD

Exchange rate (avg. 3Q2013): 31.48 THB/USD

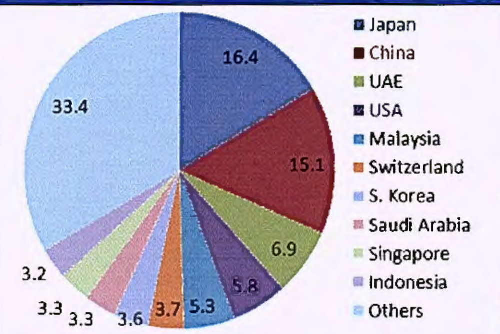
THB depreciated by 5.2% (compared to 2Q2013)

Top Export Destinations (Jan - Dec 2013)[/5]



Top 10 Exports (Jan-Dec 2013)	Share (%)
Auto. Parts & Accessories	10.7
Computers, Equipment, & Parts	7.8
Refined Fuels	5.6
Precious Stones & Accessories	4.4
Chemical Products	4.0
Plastic Pellets	3.9
Rubber Products	3.7
Rubber	3.6
Electrical Circuit Boards	3.2
Machinery and Parts	3.0

Top Import Origins (Jan - Dec 2013)[/5]



Top 10 Imports (Jan- Dec 2013)	Share (%)
Crude Oil	15.5
Machinery & Parts	9.3
Precious Stones, Jewelry, Gold	7.0
Electrical Machinery & Parts	6.1
Iron, Steel, & Products	5.9
Chemical Products	5.7
Auto. Parts & Accessories	4.7
Electrical Circuit Boards	3.7
Computer, Equipment, Parts	3.4
Other Metal Ores	3.2

Financial data

Interest rates[/2] :

Policy interest rate: 2.25% (1/2014)

MLR (12/2013): 6.84%

12-m deposit rate (12/2013): 2.23%

Stock market (Q3/2013)[/1]

SET index closed at 1,382.3 points, decreased by 4.7% from Q2

Rating of Sovereign bonds :

S&P: BBB+ stable / **Fitch**: BBB+ stable / **Moody's**: Baa1 stable

Tax Rates[/4]

Corporate Income Tax: 20% in 2013 – 2014 for small companies with net profit > 1 mil. baht

Withholding tax: 1 - 10% **VAT**: 7%

Source: [/1] NESDB; [/2] Bank of Thailand; [/3] Stock Market Exchange of Thailand; [/4] Ministry of Finance; [/5] Ministry of Commerce; [/6] World Bank

Note: Green = increase; **Red** = decrease from previous Fact Sheet unless stated as y-o-y; [F] = forecast; *TDI = Thai Direct Investment (outward FDI) **NUMBERING** is in American Eng.

กองสนเทศเศรษฐกิจ กรมเศรษฐกิจระหว่างประเทศ
ลลนา ศรีสอน (ต่อ ๑๔๒๔๐) / กุลวรรธน์ ชิตรัตน์ (ต่อ ๑๔๒๔๒)

As of 7 February 2014

Thailand's Key Economic Indicators – 3rd Quarter 2013

2013 (Q3)
GDP Growth: 2.7%

2012
GDP Growth: 6.5%
GDP: 366 bil. USD
GDP per capita/year: 5,389 USD

2013F
GDP Growth: 3.0%
GDP: 391 bil. USD
GDP per capita/year: 5,727 USD

2014F
GDP Growth: 4.0-5.0%
GDP: 399 bil USD
GDP per capita/year: 5,816 USD

Exports (Q3)
57.9 bil. USD; -1.8%

Imports (Q3)
52.9 bil. USD; -2.9%

Doing Business (2013)
#18 in the world
#5 in Asia

Current Account Balance (Q3)
Deficit 888 mil. USD

Private Consumption (Q3)
- 1.2% (y-o-y)

Private Investment (Q3)
- 3.3 % (y-o-y)

Headline Inflation (Q3)
+ 1.7% (y-o-y)

Policy Interest Rate
2.25%

Official Foreign Reserves
172.29 bil. USD
(2.7 times short-term foreign debt; 9.8 months of import value)

Public Debt (Q3)
45.5% of GDP

Unemployment Rate (Q3)
0.8%

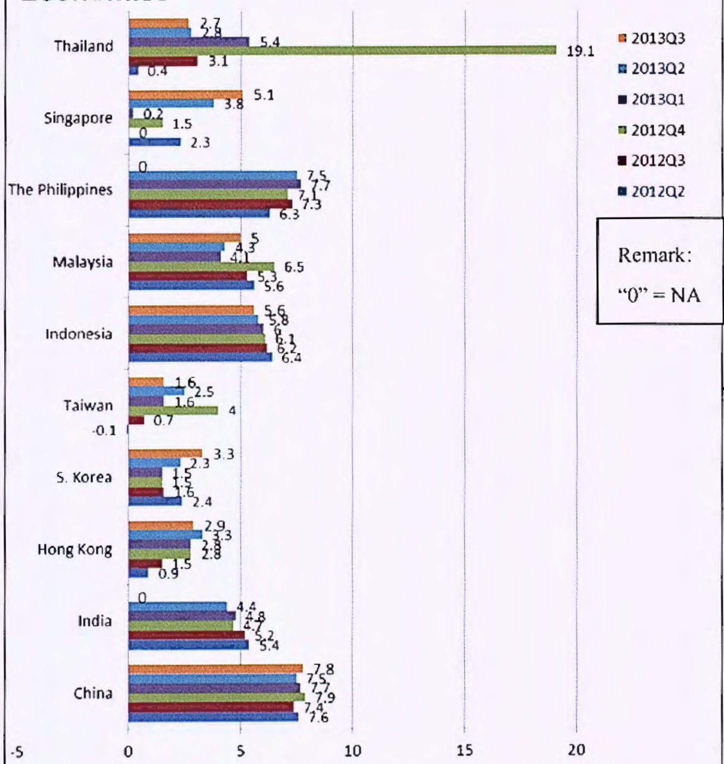
Number of Tourists (Q3)
6.7 mil.
+ 26.1% (y-o-y)

ଌ/ଌ

As of 7 February 2014

Key Economic Trends

Quarterly GDP Growth (y-o-y) of Selected Economies



Trade Figures and Share of Thai Trade (2012)

	Amt. (mil. USD)	Share (%)
Trade with World	474,743	100
ASEM	296,788	63
APEC	319,918	67
GMS-EC	88,263	19
ASEAN	95,808	20
NAFTA	39,700	8
Japan	72,521	15
China	63,434	13
EU	41,590	9

Conversion Rate 1USD : 31.376THB

Thailand Rankings

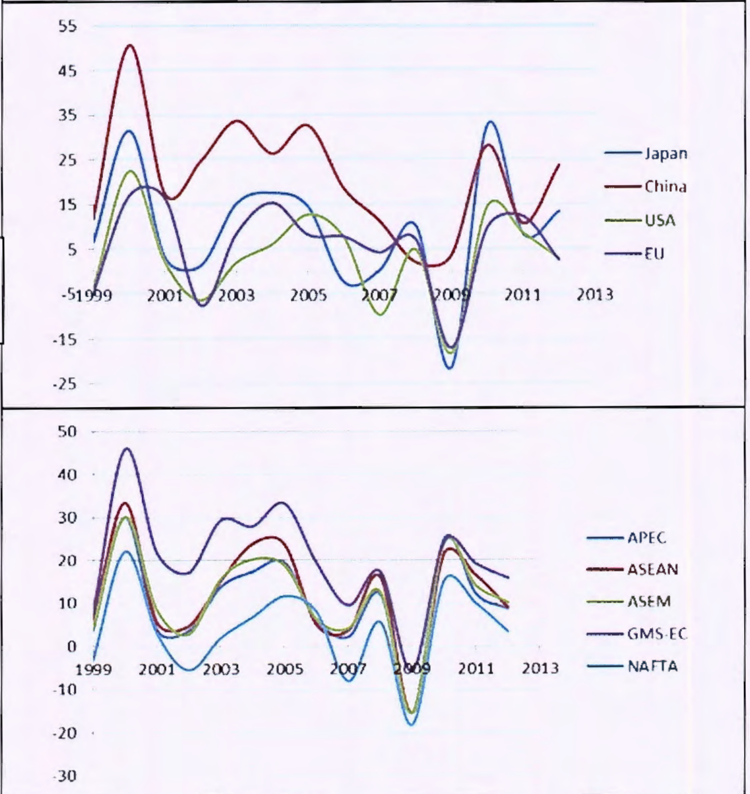
Rankings (WEF)

44/122 Income Level: Upper Middle Income
79/122 Education
40/122 Health and Wellness
48/122 Enabling working environment

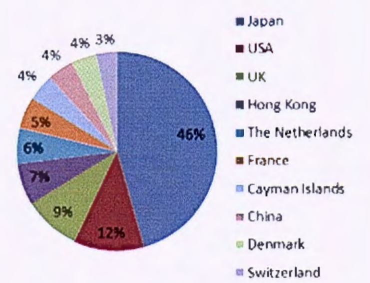
Other Rankings (BOI/WB)

Largest producer of Hard Disk Drives
2nd Largest natural and synthetic rubber producer
2nd largest exporter of sugar **6th** largest sugar producer
6th largest rice producer
12th largest exporter of total food
12th largest foreign reserves
15th largest producer of automotive (2011)
30th largest gold reserve
38th for competitiveness
38th Logistics Performance Index (LPI)

Thailand Trade Growth (1999-2012)



Thailand FDI Breakdown



Thailand FDI in 2012