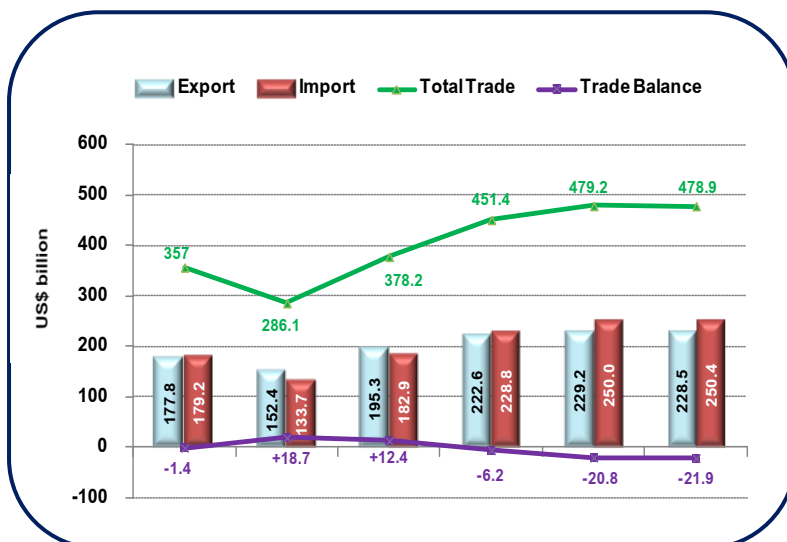


A Snapshot of Thai Economy

Domestic Economy & Macroeconomic Overview

- ❖ Thailand's real GDP growth decreased to 2.9% in 2013, compared to 6.5% in 2012, hindered by the slowdown of exports and domestic demand.
- ❖ In absolute terms GDP stood at US\$ 387 billion in 2013.
- ❖ Annual average inflation fell to 2.2% in 2013, compared to 3.0% in 2012, owing to deceleration in domestic demand, crude oil price, and major agricultural product prices such as rice and rubber.
- ❖ Service sector, which dominates Thai economy accounted for 45.5% of GDP, followed by industry (42.5%) and agriculture (12.0%) in 2013.
- ❖ In 2014, Thai economy is forecasted to grow at a slower pace than the previous year to merely around 1.5-2.0% according to the National Economic and Social Development Board's report (as of August 18, 2014). This is caused mainly by prolonged political uncertainties in the first 5 months of 2014, deteriorating main components of GDP, especially domestic demand and government expenditure. Furthermore, the export sector, the key driving factor for Thai economy, which accounted for 59% of GDP, has slower-than-expected recovery.
- ❖ However, after the improvement of political situation in the second half of 2014, Thailand's economy is expected to grow at a faster pace, bolstered by improvement in consumer, investor and foreign tourist confidences, This paves the way for the appointment of the interim government as a tool to accelerate fiscal budget disbursement. Besides, the export is predicted to pick up, supported by the recovery of US, China and emerging economies, especially Indochina market.
- ❖ Thai economy still has to confront with many uncertain factors that could obstruct the recovery as follows: (1) constraints on export expansion due to the slower-than-expected recovery of the global economy (2) constraints on investment growth due to low capacity utilization, slow progress in investment promotion approval in the first half of 2014 and hesitation of investors to build up their ventures (3) constraints on private consumption growth because of high level of household debt. However, economic stability has remained sound with suitable level of inflation, low unemployment rate and strong international reserves position.

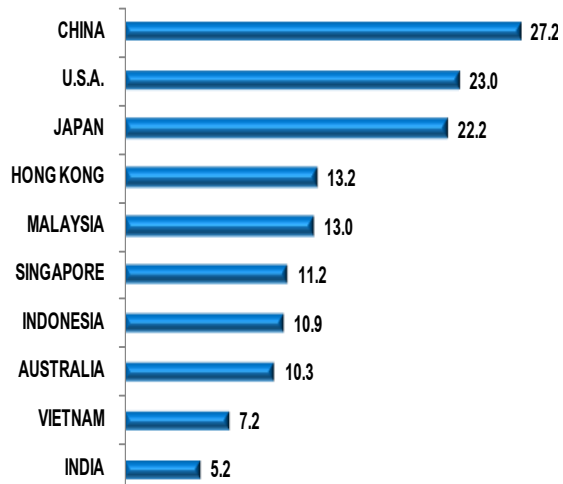
Trade and External Sector



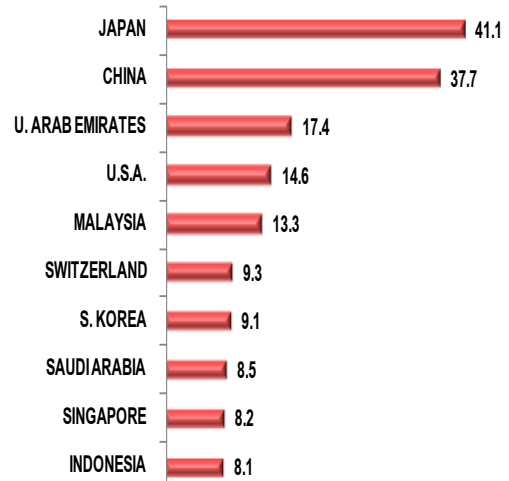
Source: Ministry of Commerce

- ❖ Thailand's merchandise trade dropped from US\$ 229.2 bn in 2012 to US\$ 228.5 bn in 2013.
- ❖ Trade deficit increased from US\$ 20.8 bn in 2012 to US\$ 21.9 bn in 2013.
- ❖ Export to GDP ratio fell from 62% in 2012 to 59% in 2013.
- ❖ Thailand's share of world merchandise export accounted for 1.2%, ranking 24th (down from 21st in 2012)
- ❖ Ministry of Commerce set the target for export growth in 2014 at 3.5%

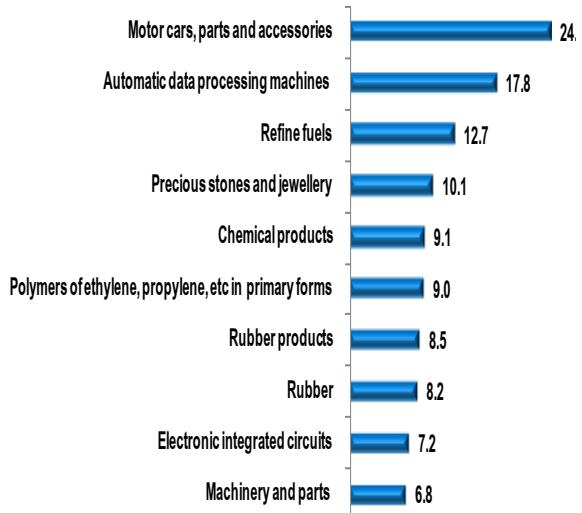
Top Export Destinations in 2013 (US\$ bn)



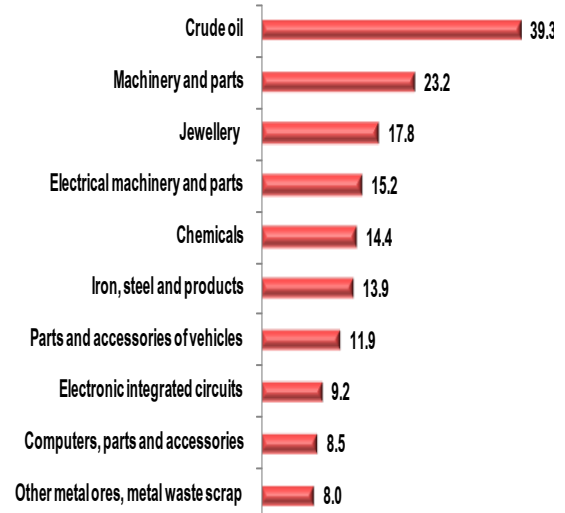
Top Import Sources in 2013 (US\$ bn)



Top Export Items in 2013 (US\$ bn)



Top Import Items in 2013 (US\$ bn)



Source: Ministry of Commerce

Thailand: Macroeconomic Structure

INDICATORS	2008	2009	2010	2011	2012	2013
GDP (at current prices, US\$ bn)	272.2	263.3	318.8	346.0	366.0	387.0
GDP Per capita (US\$)	4,094	3,936	4,736	5,113	5,389	5,673
Real GDP Growth (%)	2.5	-2.3	7.8	0.1	6.5	-2.9
Population (mn)	66.5	66.9	67.3	67.6	67.9	68.2
Inflation (CPI, annual avg. %)	5.5	-0.9	3.3	3.8	3.0	2.2
Gross Fiscal Deficit (% of GDP)	0.1	-3.2	-0.8	-0.6	-1.8	-0.2
Exchange Rate (Baht/US\$, avg.)	33.36	34.34	31.70	30.46	31.08	30.75
Exports (US\$ bn)	177.8	152.4	195.3	222.6	229.2	228.5
Imports (US\$ bn)	179.2	133.7	182.9	228.8	250.0	250.4
Trade Balance (US\$ bn)	-1.4	18.7	12.4	-6.2	-20.8	-21.9
Services Exports (US\$ bn)	33.3	29.8	34.1	40.4	48.2	59.2
Services Imports (US\$ bn)	25.9	21.6	24.4	26.7	28.1	30.8
Services Balance (US\$ bn)	7.4	8.2	9.7	13.7	20.1	28.4
Current Account Balance (US\$ bn)	2.2	21.9	10.0	8.9	-1.5	-2.5
<i>- Percentage of GDP (%)</i>	0.8	8.3	3.1	2.6	-0.4	-0.6
Forex Reserve (US\$ bn)	111.0	138.4	172.1	175.1	181.6	167.3
External Debt (US\$ bn)	76.1	75.3	100.6	104.3	130.7	139.8
<i>External Debt to GDP Ratio (%)</i>	31.4	28.8	35.2	33.7	38.0	38.1
<i>Total Debt Services Ratio (%)</i>	8.2	7.6	4.7	3.4	4.2	4.0
FDI Inflows (US\$ bn)	8.5	4.9	9.1	3.9	10.7	12.8
FDI Outflows (US\$ bn) <i>(incl. Equity, Loan & Guarantee Issued)</i>	4.1	4.2	4.6	6.6	12.9	6.7

Source: Ministry of Commerce, Bank of Thailand and the National Economic and Social Development Board (NESDB), IMF