



**Quarterly Economic Report**  
**Q3-2017**

Deloitte Thailand





Dear our valued clients,

We are very pleased to release Quarterly Economic Report Q3|2017 to you. It is a part of our constant endeavors to provide valuable insights to our clients. This high level update and summary of the market conditions will hopefully be beneficial in helping you to understand the business environment so as to support you in your decision making process and further development of your business strategies.

After the long period of struggling to escape from a slow-growth path, the Global economy is now getting back on track. While high-income economies appear to be gathering momentum owing to the prolonged accommodative monetary policies and the improvement of economic fundamentals, other emerging markets and developing economies continue their recovering pace, aided by an increase in trade volume and commodity prices. It is forecasted that global GDP growth will grow 3.6% in 2017, compared to 3.2% in 2016. Asian economy is forecasted to expand 5.5% in 2017. A revival of global trade and strong momentum of Chinese economy will help sustain the region's prosperity as risks to the outlook have been balanced. Economic growth in ASEAN economies is projected to be broadly stable driven by the increasing integration of the region's economies. Some member states, however, will fail to fulfil their growth potential. Headline GDP growth in Thailand is forecasted at 3.5% in 2017. Strong private consumption, supported by the still-strong tourism sector and the retention of an accommodative monetary policy stance remains the key contribution to economic growth in Thailand.

On behalf of Deloitte Thailand, we very much look forward to supporting you in the dynamic and changing business environment. If you have any questions or inputs, please do not hesitate to contact us at Deloitte.

Best Regards,

**Subhasakdi Krishnamra**  
Country Managing Partner



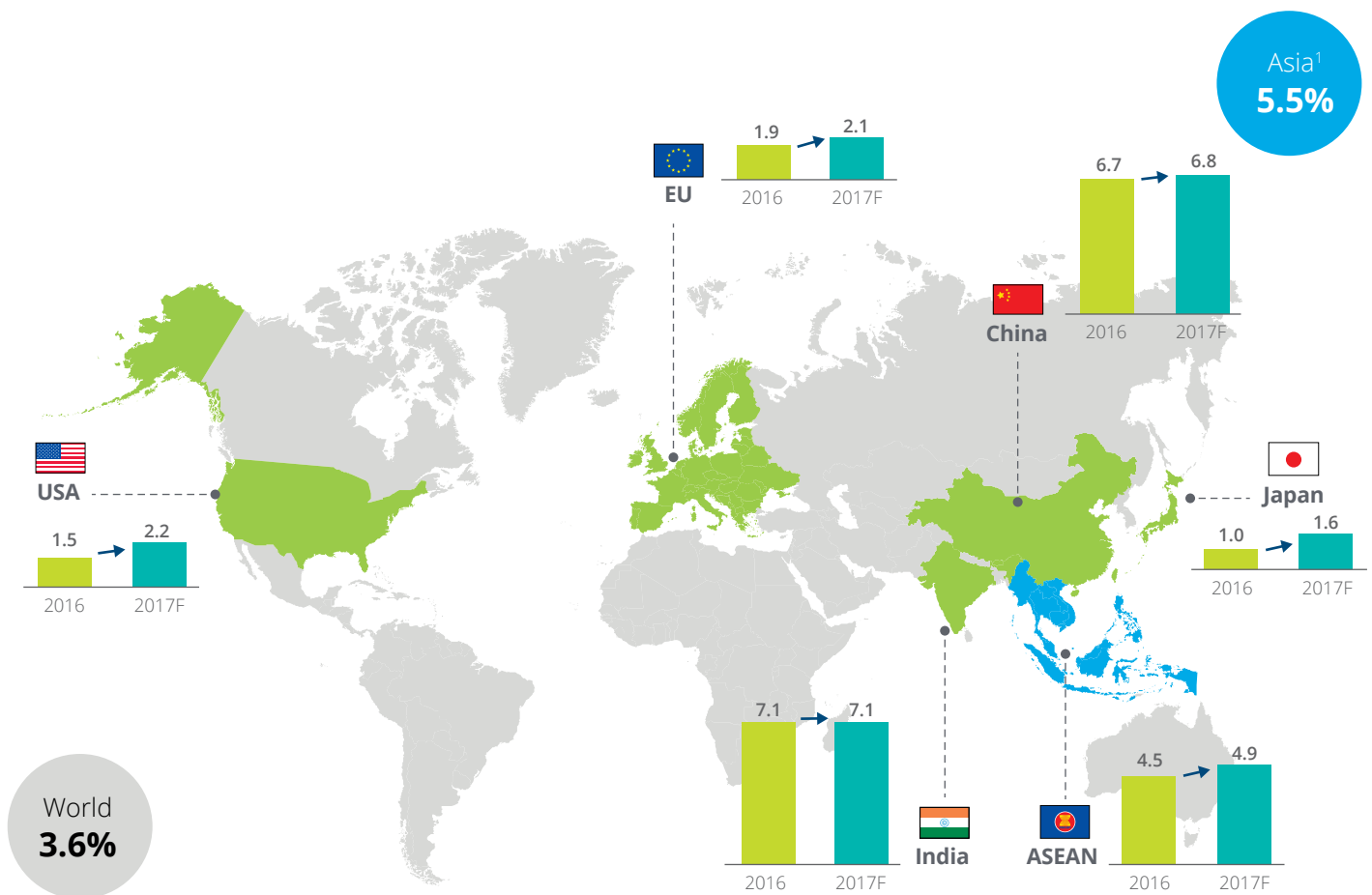


# **Executive summary**



# A sign of global economic revival is shown but may not last as the recovery is still vulnerable to serious risks

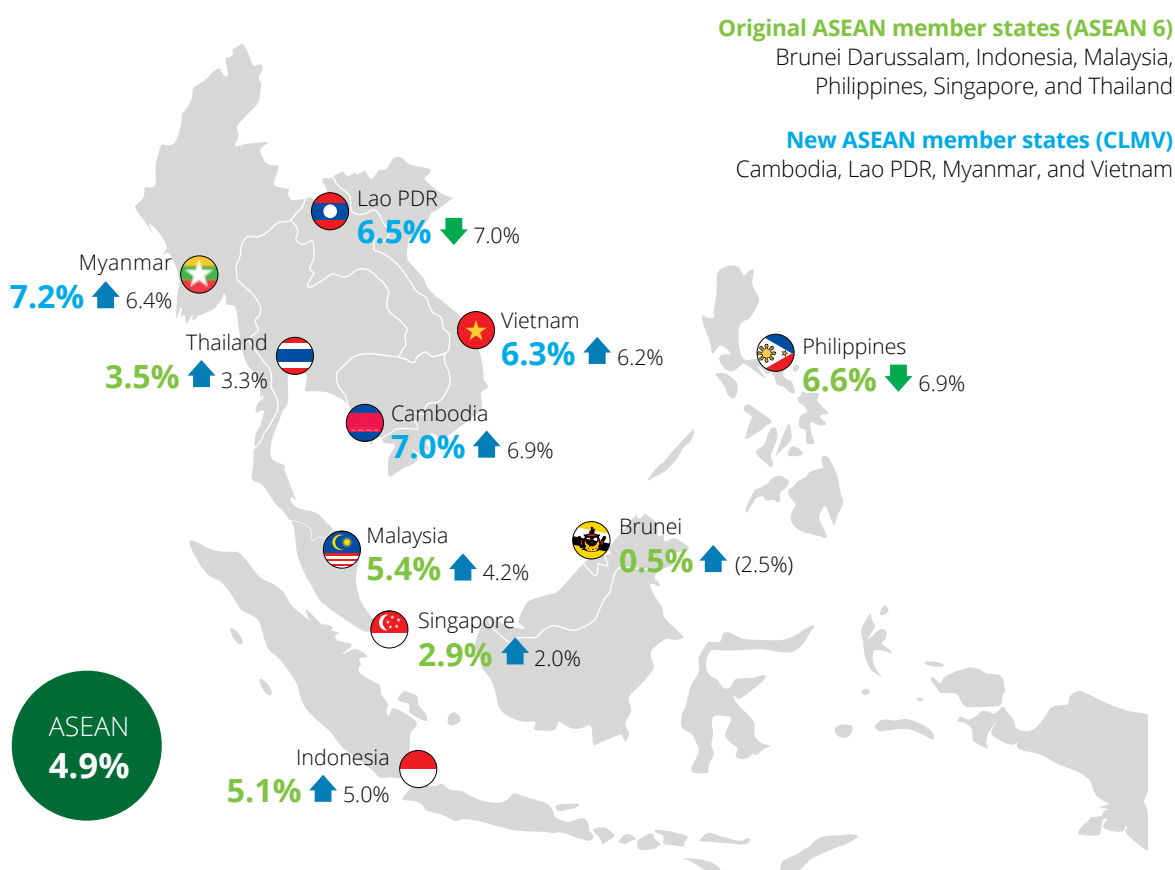
Global and major economies' GDP growth in 2017



Source: IMF and EIU.  
Note: 1 excl Japan

# ASEAN economies will fairly expand at a respectable pace amid external downside risks

## ASEAN GDP growth in 2017



Sources: ADB, EIU, & IMF

# Executive summary

- After the long period of struggling to escape from a slow-growth path, the Global economy is now getting back on track. While high-income economies appear to be gathering momentum owing to the prolonged accommodative monetary policies and the improvement of economic fundamentals, other emerging markets and developing economies continue their recovering pace, aided by an increase in trade volume and commodity prices. It is forecasted that global GDP growth will grow 3.6% in 2017, compared to 3.2% in 2016.
- A recovery in developed economies continues. The US economy is regaining momentum and is expected to gradually grow supported by rising household spending. Meanwhile, the monetary stance will remain across much of the Euro area. Economic reform has continued to progress in many countries but some challenges such as a political fragmentation still lie ahead.
- Asian economy is forecasted to expand 5.5% in 2017. A revival of global trade and strong momentum of Chinese economy will help sustain the region's prosperity as risks to the outlook have been balanced. Both private consumption and spending continue to make a strong contribution to Japanese economic growth. Meanwhile, strong domestic demand, rising public infrastructure spending, and the expansion of formal economy enable India to continue its strong growth path.
- Economic growth in ASEAN economies is projected to be broadly stable driven by the increasing integration of the region's economies. Some member states, however, will fail to fulfil their growth potential.
- Headline GDP growth in Thailand is forecasted at 3.5% in 2017. Strong private consumption, supported by the still-strong tourism sector and the retention of an accommodative monetary policy stance remains the key contribution to economic growth in Thailand.



Sources: Compiled from various research houses & agencies (e.g. IMF, ADB, EIU, NESDB) & DTTJ Analysis  
 Remark : Asia's GDP growth excl Japan



**Global &  
Asian  
economic  
review**



# The strengthening in global demand after the long period of weakness will get the global economy back on track

After a lacklustre economic growth in 2016, global economy will be driven by a pick-up growth in major economies which revive global trade activities and the economic recovery of the developing countries.

## World Economy

- After the long period of struggling to escape from a slow-growth path, the Global economy is now getting back on track. While high-income economies appear to be gathering momentum owing to the prolonged accommodative monetary policies and the improvement of economic fundamentals, other emerging markets and developing economies continue their recovering pace, aided by an increase in trade volume and the commodity prices. It is forecasted that global GDP growth will grow 3.6% in 2017, compared to 3.2% in 2016.

## Euro Area

- The overall economy is estimated to expand by 2.1% in 2017, mainly contributed by healthier fiscal condition, the improvement of domestic demand and a rise in trade among member countries.
- The monetary stance will remain across much of the region. Meanwhile, economic reform has continued to progress in many countries but some challenges such as a political fragmentation still lie ahead.

## Asia (Excl Japan)

- A resurgence in external demand and healthy growth in both developed and developing economies will help promote the region's real GDP growth. Asia will continue to grow at a steady pace in 2017. However, annual growth rate is forecasted at 4.7% on average in 2018-21 due to the continuation of structural reforms in China and global downside risks.

## United States

- The US economy is regaining momentum and is expected to gradually grow as the rising real wage growth, improved labour market and access to cheap credit continue to support household spending. Headline GDP growth is projected to accelerate from 1.5% in 2016 to 2.2% in 2017.
- Private consumption growth is forecasted to grow slowly but it will be offset by the faster growth in investment due to improved sentiment and economic environment. However, the sluggishness of passing fiscal law and raising debt ceiling could pose a challenge on the overall economy. On the other hand, the monetary tightening policy from the Fed is likely to offset the government's attempt to increase consumer spending and public spending on infrastructure.



Sources: ADB, EIU, European Economic forecast, & IMF

# The region is benefiting from a rebound in global economy but the headline growth remains clouded with risks and uncertainties

A revival of global trade and strong momentum of Chinese economy will help sustain the region's prosperity as risks to the outlook have been balanced. Asian economy is forecasted to expand 5.5% in 2017.

## Japan

- The upward revision of real GDP growth to 1.5% in 2017, compared to 1.0% previously stems from a rebound in external sector. Exports of goods and services will grow robustly due to stronger demand for manufactured products and stronger growth in tourism sector. Both private consumption and spending continue to make a strong contribution to growth.
- Demographic factors remain the key constraint on real GDP growth of Japanese economy. The population will gradually decline in 2017-21 and negatively affect both consumption and investor sentiment. Another concern is the anticipated economic slowdown in China in 2018 which will dampen the Japan's export volumes.

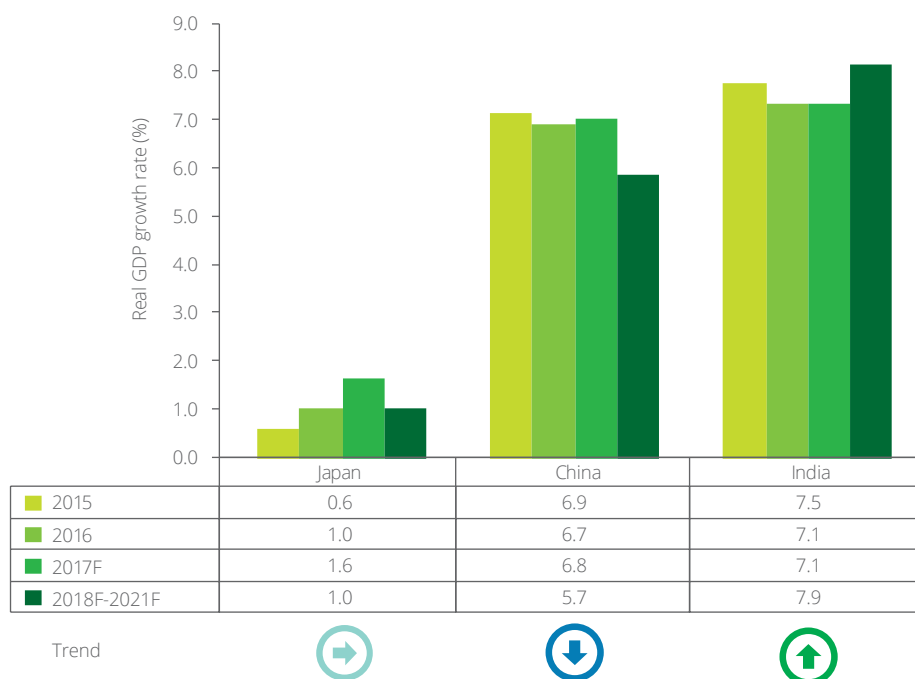
## India

- Strong domestic demand, rising public infrastructure spending, and the expansion of formal economy will help bolster India's economy. On the production side, growth in services sector will continue. Meanwhile, the manufacturing sector will benefit from a healthier business environment.
- Rural economy remains volatile and the contribution to GDP from agricultural sector is expected to slightly shrink as the seasonal monsoon rainfalls are not in line with the historical average.

## China

- A stronger-than-expected growth in China at 6.6% is forecasted owing to the elevated infrastructure spending and higher global demand for exports. It is also expected that both private and government consumption will play important roles in boosting the economy over the forecasted period. Meanwhile, export growth will contribute little to the economic expansion.

- A weakening in economic activities is foreseen due to slower pace of monetary policy tightening, a shrinking workforce and a lack of progress on economic reform. Therefore, a risk of a sharp economic slowdown persists. It is anticipated that the rate of economic expansion will decline at 5.7% on average in 2018-21.



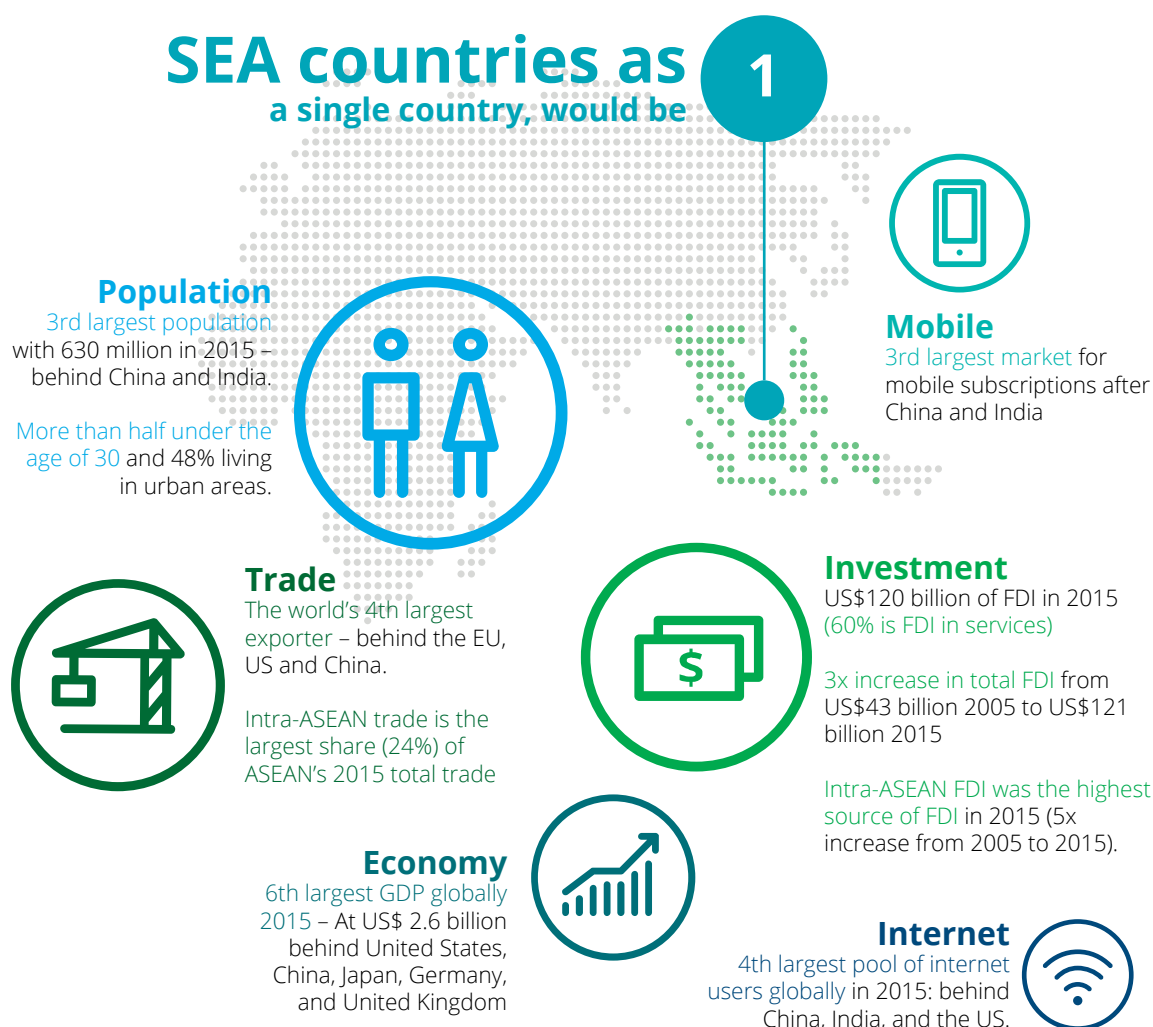
Sources: ADB, EIU, European Economic forecast, & IMF



A close-up, angled view of a thick stack of books. The spines of the books are visible, showing a variety of colors including blue, orange, red, yellow, and white. The pages are numerous and layered, creating a textured, fan-like appearance. The books are set against a dark, solid background.

# **AEC economic review**

# ASEAN in the global economy

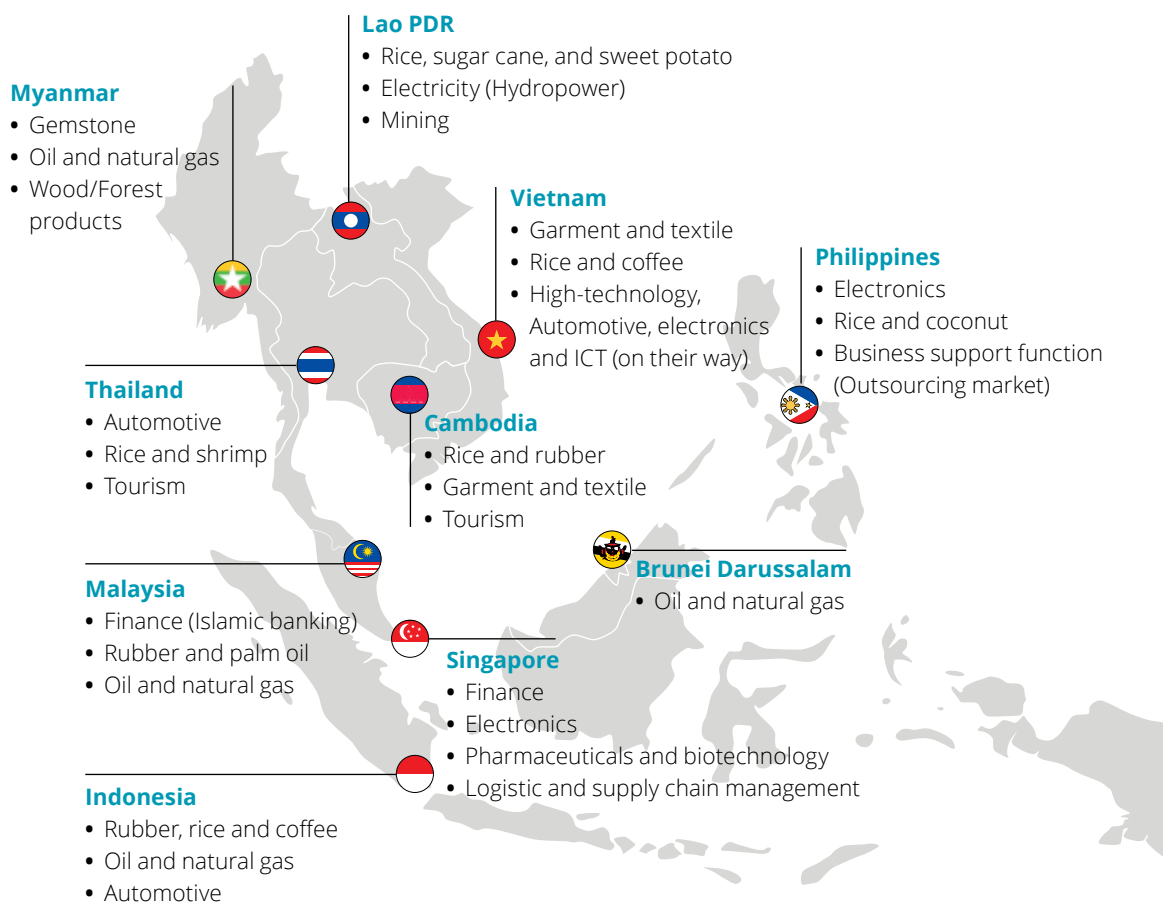


Source: ASEAN Secretariats, IMF, WorldBank, Internet Live Stats (<http://www.internetlivestats.com/>), and Simon Kemp. (2016). Digital in 2016. We Are Social.



# ASEAN is a single bloc but SEA is not

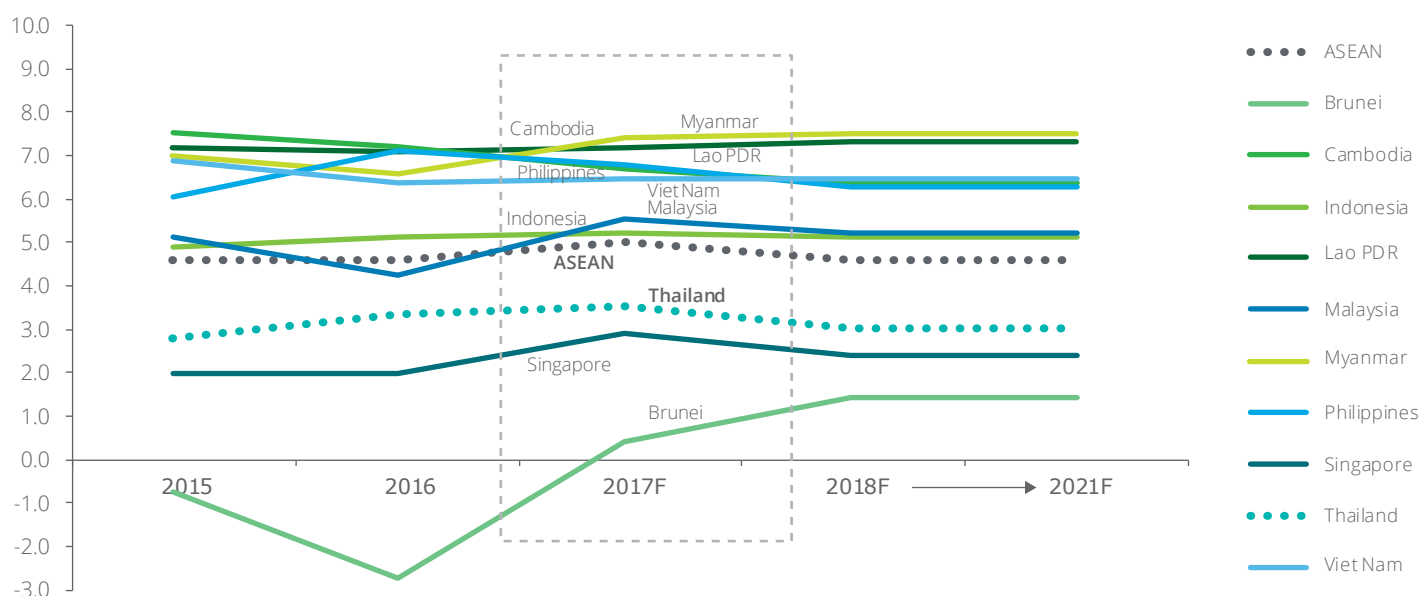
## Industrial diversity among ASEAN member states



# Despite a mixed external outlook, the region remains resilient in 2017-21

Economic growth in ASEAN economies is projected to be broadly stable driven by the increasing integration of the region's economies.

## Real GDP growth rate of ASEAN economies from 2015 – 2021F



Real GDP growth rate	ASEAN	Brunei Darussalam	Cambodia	Indonesia	Lao PDR	Malaysia	Myanmar	Philippines	Singapore	Thailand	Viet Nam
2015	4.5	(0.6)	7.0	4.8	7.3	5.0	6.8	5.9	2.0	2.8	6.7
2016	4.5	(2.5)	6.9	5.0	7.0	4.2	6.4	6.9	2.0	3.3	6.2
2017F	4.9	0.5	7.0	5.1	6.5	5.4	7.2	6.6	2.9	3.5	6.3
2018F-2021F	4.5	1.5	7.1	5.0	6.2	5.1	7.3	6.1	2.4	3.0	6.3
Trend	→	↑	↑	→	↓	↑	↑	↓	↑	↓	→

Sources: ADB, EIU, IMF, NESDB, & Research Houses



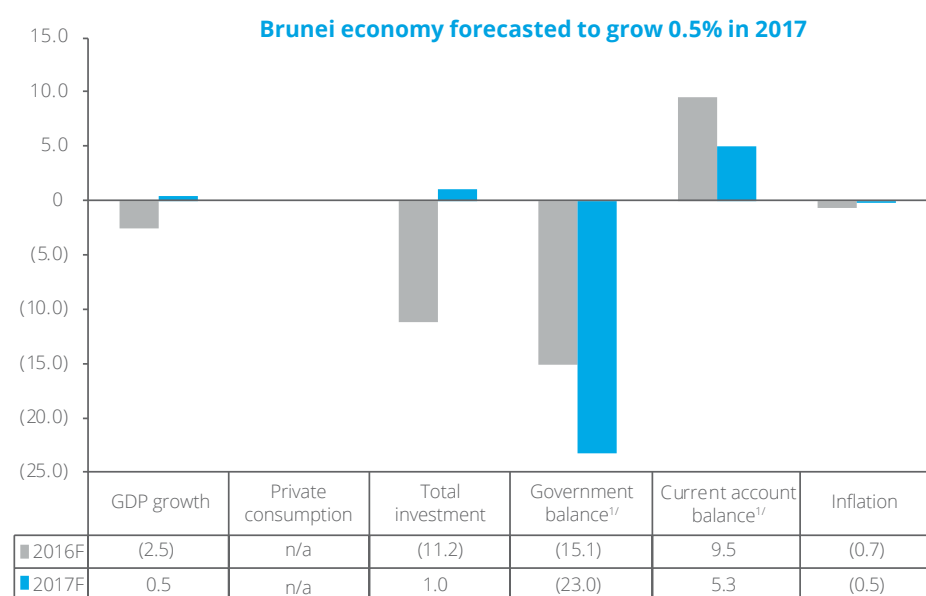


# Brunei

A slight recovery in energy prices has benefited the hydrocarbon-dependent economy. Meanwhile, the subdued global demand for oil and gas is likely to fail to support GDP growth in 2017 and 2018.

- The economy is likely to post a positive growth in 2017 due to the modest recovery in global energy prices. However, the growth of the hydrocarbon-dependent economy remains fragile because the subdued global demand for oil and gas continues.
- Another challenge to the economic growth in 2017 is the maintenance works of aging facilities. However, it is believed that a country will manage to leave behind 4 years of contraction and will grow 0.5% in 2017 and remain positive in 2018.
- The government budget will continue to reduce as a persistent slump in global oil and gas market and cause the higher fiscal deficit in 2017. Besides, it is more likely that this year will end up showing modest deflation, with positive inflation forecasted for next year.

## Real expenditure on GDP (% change)



Sources: ADB, EIU, and IMF  
1/ % of GDP

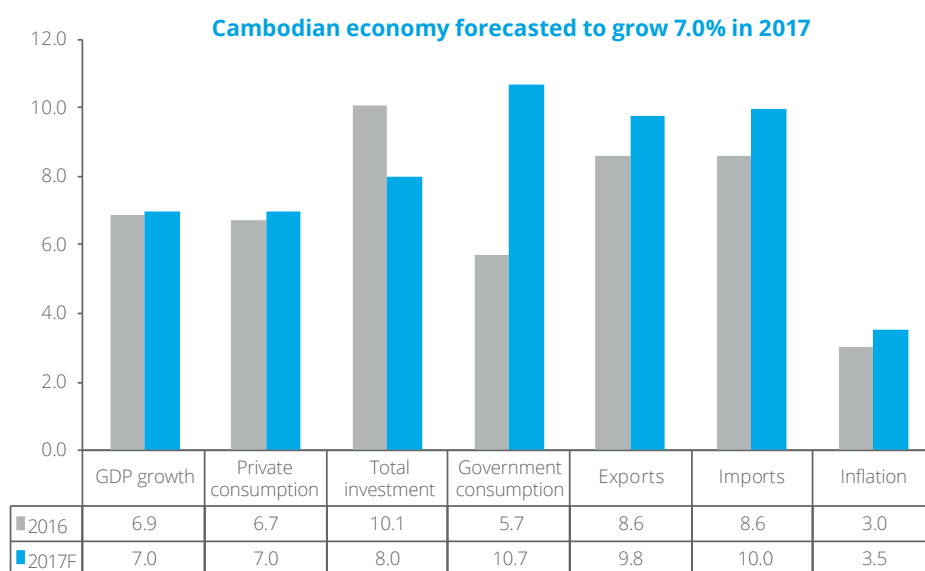


# Cambodia

Economic growth in 2017 will continue to accelerate to 7.0% driven mainly by improved private consumption due to rising income from a low base and positive investment growth.

- Cambodian economy will remain on positive track to perform robustly and grow 7.0% in 2017. The strong GDP growth is mainly supported by the growth in private consumption due to rising income from a low base and positive investment growth.
- Some challenges, however, to the investment activities lie ahead owing to overstretched banks, a volatile political climate and the tighter US monetary policy. Hence, the investment growth is expected to grow 8.0% in 2017.
- The improvement of the relationship with China provides the economy with the access of capital for infrastructure project under the One Belt and One Road initiative even though the sharply economic slowdown in China is projected in 2018-19.

**Real expenditure on GDP (% change)**



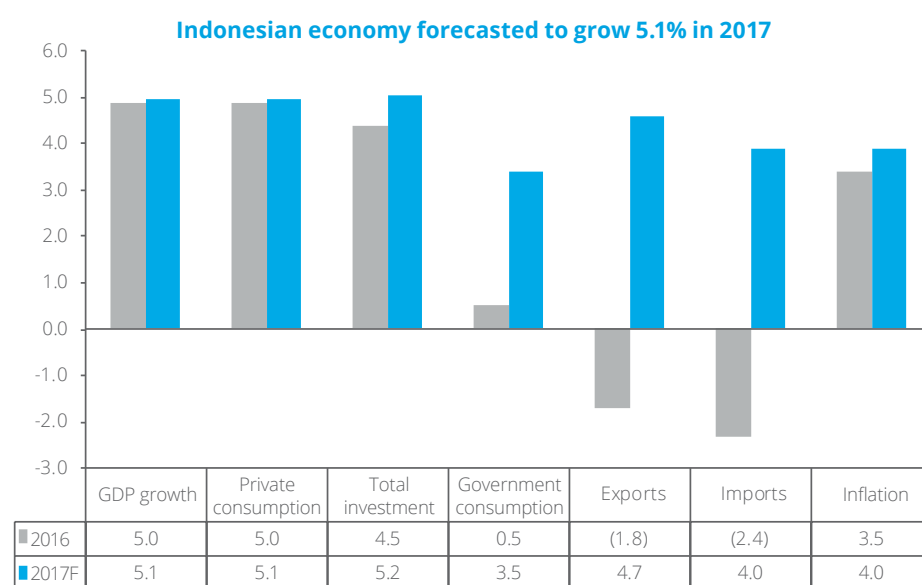
Sources: ADB, EIU, & IMF

# Indonesia

A number of large infrastructure and investment projects, together with rising exports will enable the economy to expand robustly in 2017.

- A number of large infrastructure and investment projects, including new roads, ports, railway links, power stations, and the creation of tourism destinations, so called “10 new Balis” will continue to spur the investment activities and attract more investors.
- Meanwhile, a strong growth in exports, partly aided by higher commodity prices will also help underpin economic growth. The economy is projected to grow 5.1% in 2017, compared to 5.0% in 2016.
- Some risks from external sectors such as weakening global commodity prices, volatility of financial market, geopolitical fragility in East Asia, and policy uncertainty in advanced economies could potentially hurt the economy's trade. Downside from domestic market includes shortfalls in tax revenue and slow implementation of structural reform and policy uncertainty due to the upcoming elections.

## Real expenditure on GDP (% change)



Sources: ADB, EIU, & IMF

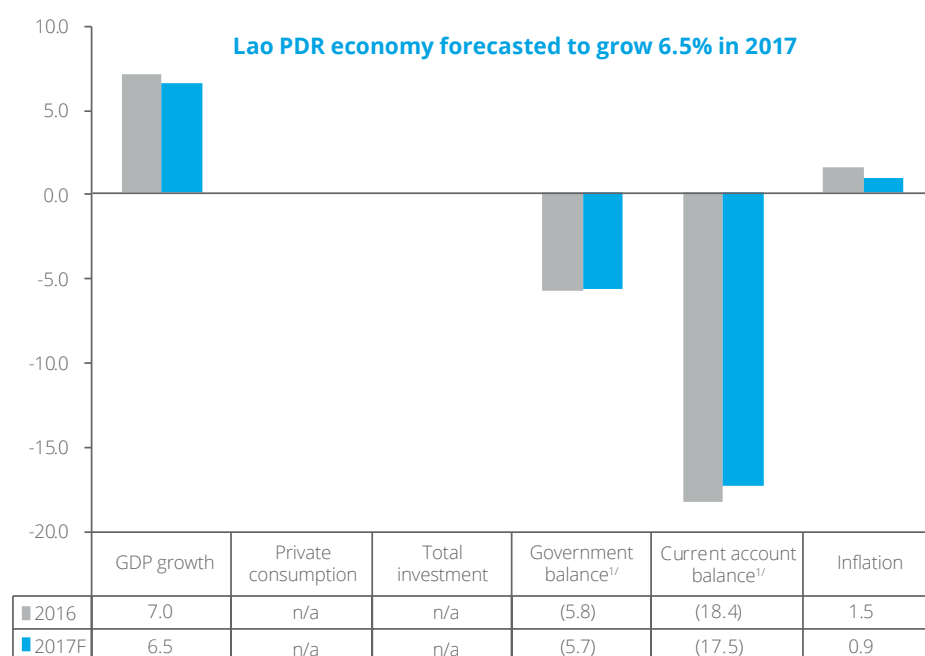


# Lao PDR

The economy still fairly grows driven by strong investment in hydroelectric power production and electricity, coupled with low inflationary pressure and a surge in cash crop production and exports.

- A numbers of ongoing construction of large infrastructure projects such as hydropower projects, a railway to the Chinese border, will stimulate investment spending and demand for imported capital goods over the forecast period. Meanwhile, rice continues to prosper due to favorable weather and the moderate rise in global commodity prices will help support a shipment of agricultural products.
- Growth in tourism sectors will slightly decline due to the government's stricter control over illegal migrants. However, close economic ties with Thailand will have a positive impact on Laos, particularly on food processing and retail trade.
- Downside risks to the economic outlook are the continuous worsening of the international market for mining products, unpredicted weather, and an economic downturn of neighbor countries, especially Thailand.

**Real expenditure on GDP (% change)**



Sources: ADB, EIU, and IMF  
1/ % of GDP

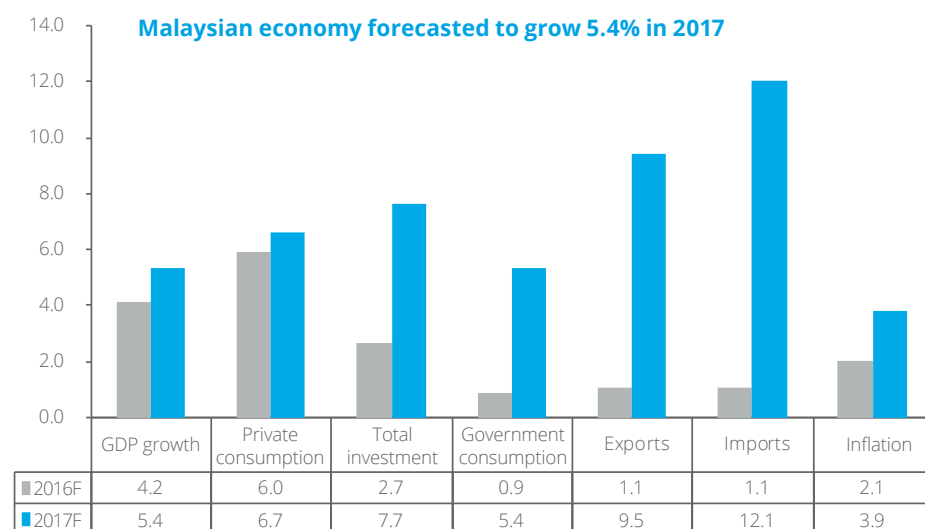


# Malaysia

A low unemployment rate and the rising real wages will help stimulate consumption. Meanwhile, an expansion of the several large-scale projects in manufacturing and energy sectors continue to spur the overall economy.

- Malaysian economy continue to grow robustly driven mainly by stronger private consumption due to rising household spending. In addition to, an expansion of the several large-scale projects in manufacturing and energy sectors will promote GDP in 2017. It is estimated that the economy will expand by 5.4% in 2017.
- The economic expansion will be broad across sectors. A solid recovery of agriculture stems from rising production of palm oil and rubber. Positive growth in service sector is predicted as higher exports and domestic production continue to lift transportation and storage, finance and real estate, and retail trade.
- However, it is expected that the economic growth in 2018-20 will be less robust as global markets for petroleum products remain weak and the demand for Malaysia's largest export category, electronic and electrical goods, the bulk of which goes to China and the US will continue to shrink during the forecasted period.

## Real expenditure on GDP (% change)



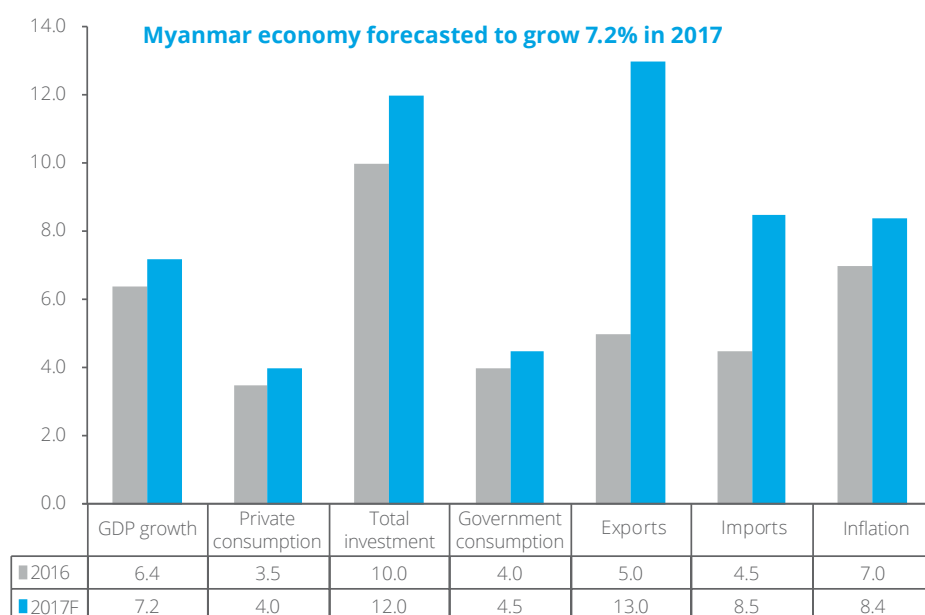
Sources: ADB, EIU, & IMF

# Myanmar

Overall economy remains in a good shape. Higher inflows of external assistance for infrastructure, an investment in garments and other light manufacturing, together with strong private consumption will accelerate the headline GDP growth.

- Large projects in many industries, particularly infrastructure, assisted by foreign investors will boost the economic growth in Myanmar. Real GDP growth is projected to robustly expand 7.2% in 2017, and 7.3% on average from 2018-21.
- Both public and private Investment in garments and other light manufacturing will continue to grow. Agriculture sector will benefit from the return of normal weather, higher demand from aboard and stronger agricultural commodity prices. Meanwhile, the expansion of telecommunication industry and buoyant tourism will promote growth in service sector.
- Private consumption will remain strong, driven mainly by rising incomes. Exports are benefiting from the slightly stronger global demand. Imports, however, will significantly grow to meet the demand for imported goods for the fast-moving economy and later slightly affect the headline growth.

**Real expenditure on GDP (% change)**



Sources: ADB, EIU, & IMF



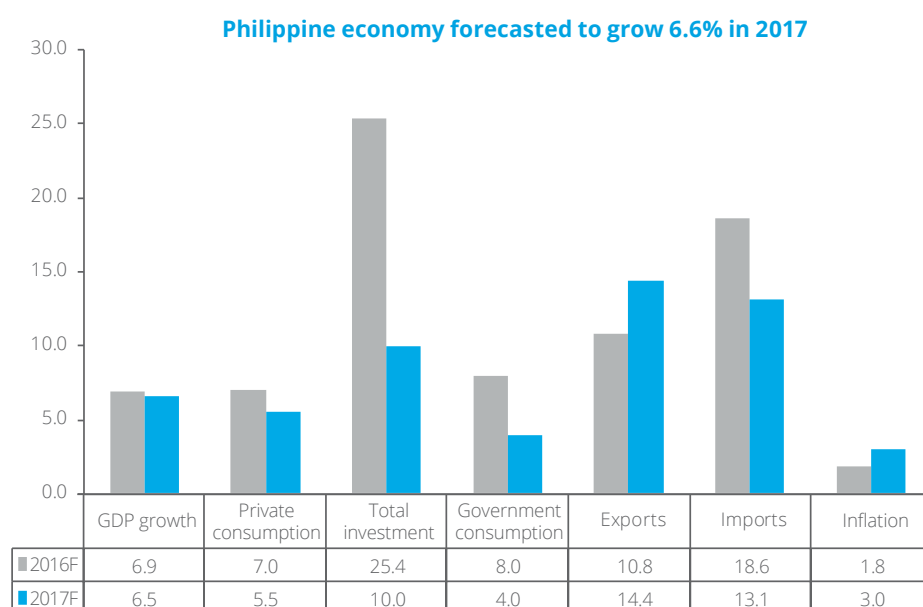


# Philippines

High households spending due to the broad-based expansion in domestic demand remains the key contribution to the economy's prosperity. The business process outsourcing sector continues to grow amid Chinese economic slowdown.

- Headline growth in 2017 is projected to be relatively moderate at 6.6% compared to 6.9% in 2016. High households spending due to the broad-based expansion in domestic demand will be the major driving factor to underpin economic growth.
- Strong remittance inflows and steady growth in employment will also encourage the private consumption. The business process outsourcing (BPO) sector will continue to grow amid Chinese economic slowdown. Growth in exports of goods and services, as a result, will continue to rise at a healthy rate of 7.8% a year on average in 2017-21.
- Investment in construction and large capital spending, especially on machinery and transport equipment will promote private investment. Public investment in construction projects also continue to expand to support investment growth.

## Real expenditure on GDP (% change)



Sources: ADB, EIU, & IMF

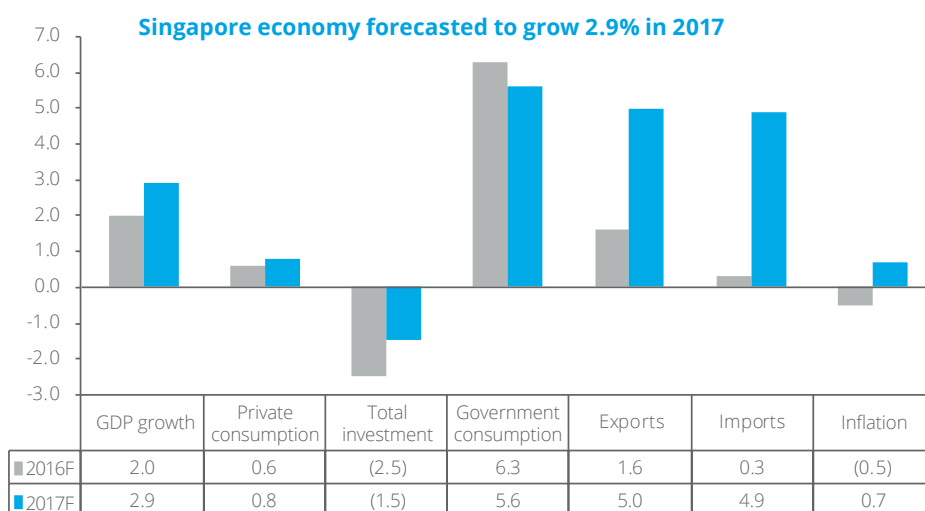


# Singapore

The economy continues to show a sign of recovery driven by strong growth in exports and manufacturing sector. Meanwhile, declines in both private and public investment will weigh down gross fixed investment in 2017.

- Singapore will continue to benefit from entrepôt trade due to the slight improvement of external demand and a recovery in the global commodity prices, especially in electronic sector. A significant increase in exports of goods and services is likely to offset the pick-up in imports and results in a current account surplus in 2017.
- Domestic demand will continue to grow, driven mainly by modest fiscal stimulus. Nevertheless, declines in both private and public investment will weigh down gross fixed investment in 2017.
- Although the GDP headline growth is projected to reach 2.9% in 2017, compared to 2.0% previously, the pick-up in growth momentum is not expected to last beyond 2017. A slowdown in Chinese economy, its largest trade partner, in 2018 will undermine a trade-reliant economy before an improvement in the global trade helps promote growth in the upcoming years.

## Real expenditure on GDP (% change)



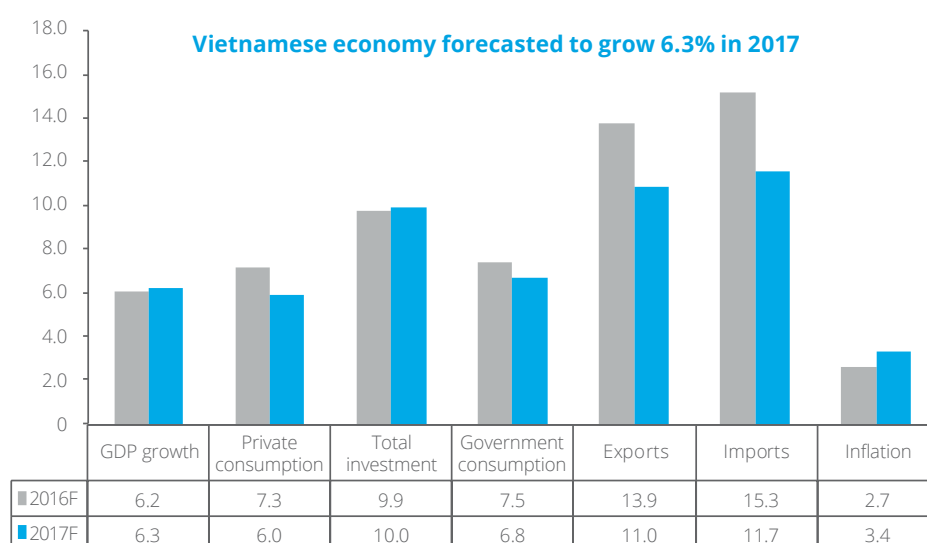
Sources: ADB, EIU, & IMF

# Viet Nam

Healthy growth in private consumption and foreign investment, especially in the export-oriented electronic sector will continue to underpin the economic growth amid external downside risks.

- Buoyant private investment by foreign investors, especially in the export-oriented electronic sector coupled with robust private consumption aided by rapid wage growth and structural gains in access to credit will accelerate economic growth. Real GDP growth is projected at 6.3% in 2017, slightly improved from 6.2% in 2016.
- Spending activity will also be supported by the expansion in tourism sector. Meanwhile, the size of spending by government will be reduced as the government is making progress on reforming SOEs.
- The economy is expected to encounter the slowdown in GDP growth as monetary policy is gradually tightened and the major export markets, such as China and the US will face an economic downturn in 2018-20.

**Real expenditure on GDP (% change)**



Sources: ADB, EIU, & IMF



# Thailand economic review

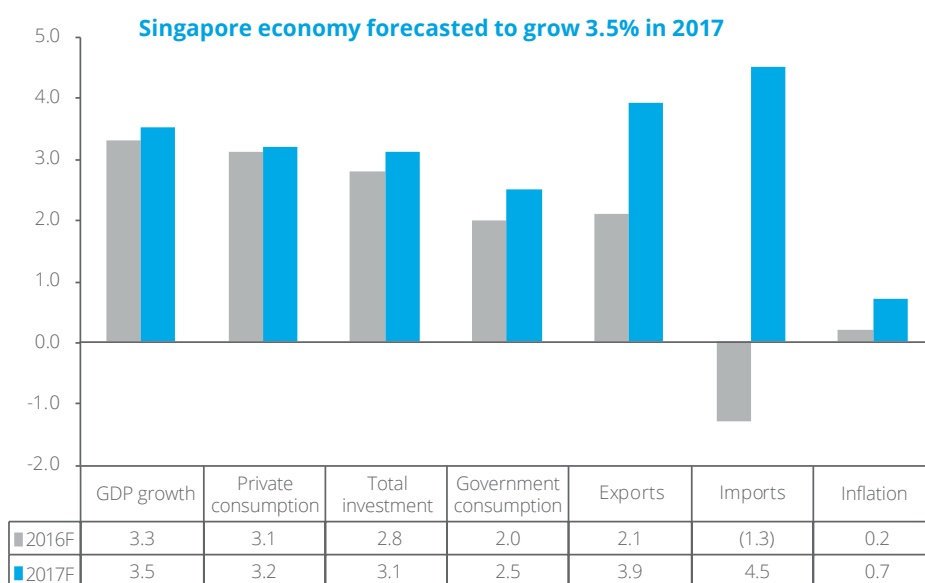


# Thailand

Strong private consumption, supported by the still-strong tourism sector and the retention of an accommodative monetary policy stance remains the key contribution to economic growth in Thailand.

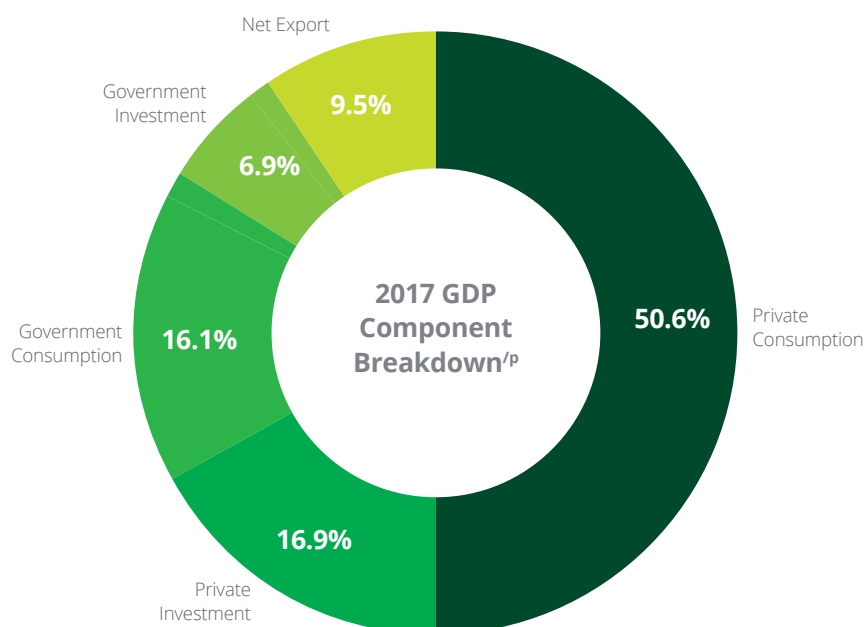
- Real GDP growth is forecasted at 3.5% in 2017 and will grow modestly depending on the progress of public infrastructure investments and calm the political climate and good business confidence.
- Private consumption will continue to account for a significant share of GDP in 2017, supported by the still-strong tourism sector and the retention of an accommodative monetary policy stance. A weaker baht, moreover, will help support growth in the tourism sector.
- Both private domestic and foreign investments, particularly in machinery and equipment, and construction, are expected to grow robustly in 2017-18. This is in line with the growth in imports of capital goods.

## Real expenditure on GDP (% change)



Sources: ADB, EIU, & IMF

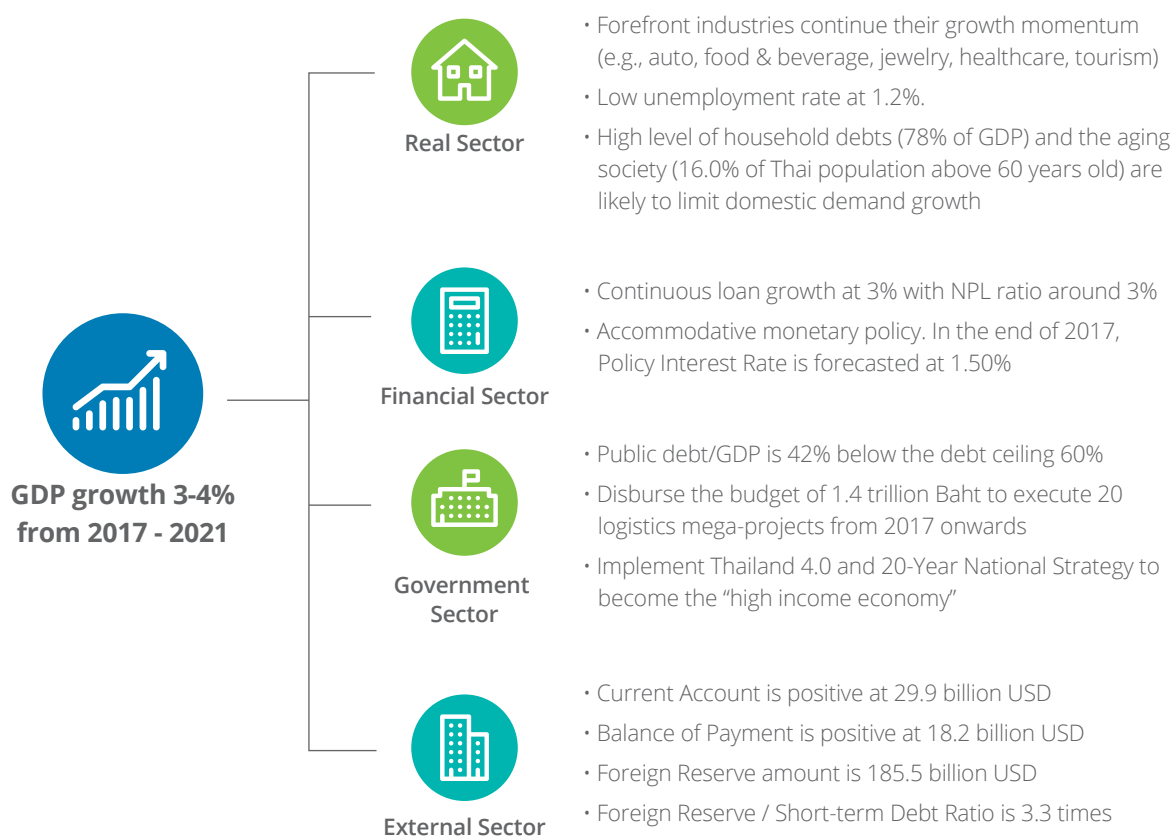
- A sign of a stronger expansion of public investment is shown in the second half of the year due to the increased number of new real estate projects and a clear expansion of residential and factory permitted construction areas.
- A stronger performance in the agricultural sector due to favourable weather, coupled with a slight improvement in global commodity prices will result in household income expansion and improve overall consumption, especially in the rural area.
- The external sector continue to grow thanks to a recovery in global demand. Merchandise exports of both agricultural and industrial products will gradually increase; however net contribution from the overall growth is forecasted to be negative as imports of goods and services rise faster than exports.
- Some risk factors to growth include the direction of the US economic policies, the foreign exchange rate of major currencies, natural disasters and flooding condition. Under these circumstances, the growth projection in 2017-18 will rely on how the macroeconomic policies can be implemented to mitigate or to protect the economy from these situations.



Sources: BOT, NESDB, & DTTJ Estimates  
/p preliminary data



# Overall economic fundamentals remain strong with positive outlook over the medium- and long-term



Sources: BOT, NESDB, PDMO, & The Royal Thai Government

Note: Latest data from the above agencies with cut-off date of April 4, 2017.

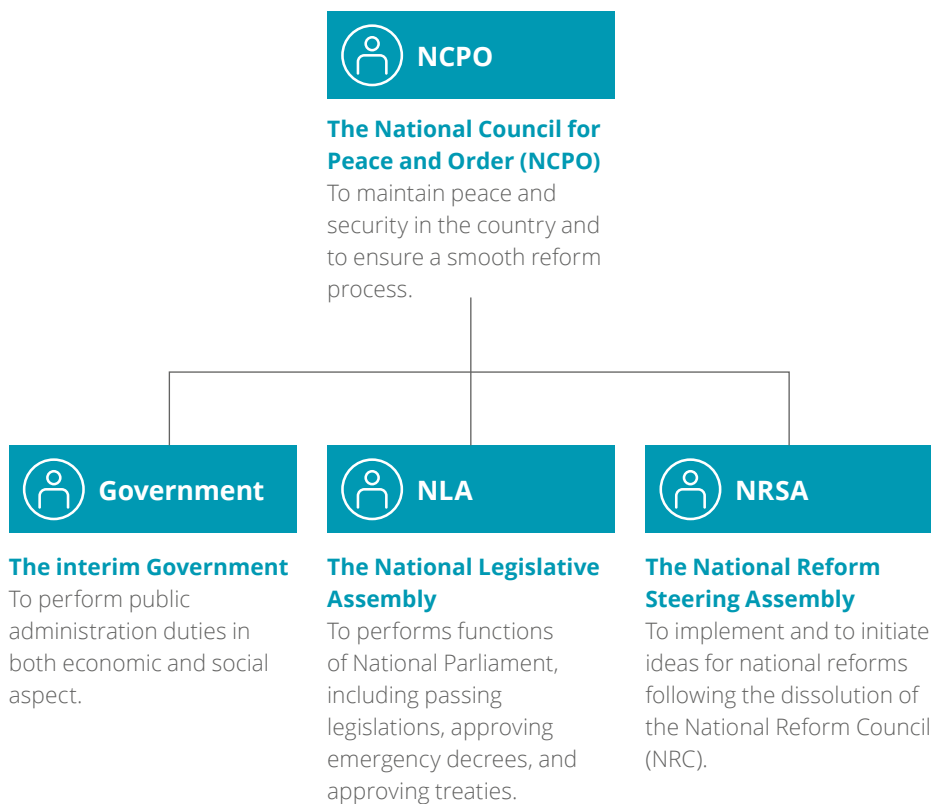




**Thailand  
reform  
review**



# Thailand's current politics and administration system



Note: *The National Reform Council (NRC)* was for undertaking a comprehensive reform of the country and drawing up recommendations for the Constitution Drafting Committee (CDC).

*The Constitution Drafting Committee (CDC)*, which consists of legal experts, academics, former senators, judges, civil servants, representatives from NGOs and the media, is nominated to ensure a truly democratic constitutional monarchy.



# NCPO's roadmap to reform Thailand in Stage 2

The National Council for Peace and Order (NCPO) proposed three stages of national administration during the transition period.



**Oct 2015 – Mar 2017**

- A new 21-person Constitutional Drafting Committee to propose the new draft of 20th Constitution of Thailand.
- The National Reform Steering Assembly (NRSA) was established, consisting of 200 members to carry out the national reform blueprint proposed by the dissolved NRC.
- Conducted a nationwide referendum of the drafted 20th Constitution of Thailand on August 7, 2016. the majority of the voters (61%) accepted the drafted 20th Constitution of Thailand and also 58% of them allowed the Senate to take part in electing the Prime Minister during the five-year transition period.
- Amended the drafted 20th Constitution in line with the referendum result.

**Apr 2017 – Apr 2018 (Approximately)**

- Launched the 20th Constitution of Thailand on April 6, 2017.
- Draft, deliberate, and launch the Organic Laws of the 20th Constitution of Thailand.

**Stage Three****An election will be held to restore democracy and execute Thailand's reform agenda****May 2018 – Q2/2023 (Approximately)**

- Execute general elections – the Senate and the House of Representatives.
- Parliament in action.
- Form a new civilian government.
- Execute Thailand's reform agenda during the 5-year transition-period (2019 – 2023).

Sources: compiled from NCPO, the Royal Thai Government, National News Bureau of Thailand & Thai Local Media and Newspapers

# The Interim Government to perform public administration

The Interim Government established under Thailand's Constitution 2017 consists of the Prime Minister (General Prayuth Chan-ocha) and 34 other ministers appointed by the King to perform public administration.

Government priorities	Highlights
<ul style="list-style-type: none"> <li>• Accelerating Thai economic growth</li> <li>• Agricultural reform</li> <li>• Anti-human trafficking</li> <li>• Energy and environment sustainability</li> <li>• Social affairs</li> <li>• Thailand and the world</li> </ul>	<ul style="list-style-type: none"> <li>• The Prime Minister has signed the Kingdom on to four agreements with China as part of his attendance of the 9th BRICS Summit. Upon arrival, The Thai Premier paid a visit to Chinese President Xi Jinping where he affirmed Thailand's intention to strengthen strategic partnerships with China and to drive the development of relations covering both the One Belt One Road (OBOR) and the Eastern Economic Corridor (EEC).</li> <li>• Prime Minister Prayut Chan-o-cha held talk with Russian President Vladimir Putin on bilateral trade and investment issues during the 9th BRICS Summit in Xiamen, China. Also, the Thai Premier has invited for an official visit by the Russian President to Thailand in 2018. Both leaders have set the goal for trade expansion to grow by 5 times over the next 5 years, and more support for bilateral trade and the free trade agreement with the Eurasian Economic Union (EAEU) as well as encouraging the Russian private sector to invest in the Eastern Economic Corridor project.</li> <li>• Russian Foreign Affairs Minister Sergey Lavrov met with The Prime Minister during his official visit to Thailand to celebrate the 120th anniversary of Thailand-Russia relations at Government House.</li> <li>• The Prime Minister held talk with US Secretary of State Rex W. Tillerson during his visit to Thailand and assured of progress which Thailand has made in the handling of the human trafficking issues.</li> </ul>

Sources: The Royal Thai Government, Thailand's Constitution 2017, National News Bureau of Thailand & Thai local newspapers (The Nation & Bangkok Post)

# The National Legislative Assembly (NLA) to take the Parliament duties

NLA established under Thailand's Constitution 2017 NLA consists of 220 members appointed by the King in accordance with NCPO's recommendation.

NLA's key duties	Highlights
<ul style="list-style-type: none"> <li>• Priority role is to act as the House of Representatives, the Senate, and the National Assembly during the transition period.</li> <li>• NLA has the power to:               <ul style="list-style-type: none"> <li>– Issue the rule on election and perform duties of the NLA President, the NLA Vice-Presidents, and its Committees and meetings.</li> <li>– Introduction and deliberation of Bills and Organic Law Bills (i.e. Constitution Related Bills).</li> <li>– Monitor and control the Interim Government by making the submission of motions, discussion, making resolutions, and interpellation.</li> <li>– Peace keeping and other related matters for the performance of its duties.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• NLA continues to read, deliberate, and passed draft organic laws after the promulgation of the 20th Constitution of Thailand on April 6, 2017 such as:               <ul style="list-style-type: none"> <li>– Political Party Act</li> <li>– Election Commission Act</li> <li>– the Constitutional Court Procedure Act</li> <li>– National Human Rights Commission Act</li> <li>– Criminal Procedure for Political Office Holders Act</li> <li>– The Ombudsman Thailand Act</li> <li>– National Anti-Corruption Commission (NACC) Act</li> <li>– State Auditing Act</li> </ul> </li> <li>• NLA read, deliberated, and passed several high impact drafted bills during Q3-2017 such as:               <ul style="list-style-type: none"> <li>– The 2018 Budget Bill (total amount of 2.9 trillion Baht)</li> <li>– The Eastern Economic Corridor (EEC) Act</li> <li>– SME Promotion Bill</li> <li>– Auditor General Bill</li> <li>– Entertainment Place Bill</li> <li>– Executive Decree on Management of Migrant Workers</li> <li>– Executive Decree on Anti-Illegal Fishing</li> <li>– Land and Building Tax Bill (pending)</li> </ul> </li> </ul>

Sources: The Royal Thai Government, Thailand's Constitution 2017, National News Bureau of Thailand & Thai local newspapers (The Nation & Bangkok Post)



# The National Reform Steering Assembly (NRSA) to implement the national reform blueprints

NRSA established under Thailand's Constitution 2017 consists of 200 members appointed by the King in accordance with NCPO's recommendation.

NRSA's key duties	Highlights
<ul style="list-style-type: none"><li>• Implement the national reform blueprints proposed by the dissolved National Reform Council (NRC).</li><li>• Give advices and recommendations to the Constitution Drafting Committee (CDC) for the purpose of Constitution drafting.</li></ul>	<ul style="list-style-type: none"><li>• NRSA Deputy Speaker assured the public that the Committee in charge of the Promotion of National Reconciliation will seek people's participation before completing the social contract.</li><li>• NSRA read and proposed 15 more reports before handing over its work to the government on July 31st.</li><li>• NRSA handed over its work to Prime Minister Gen Prayut Chan-o-cha on July 31 with the ceremony held at Parliament House. NRSA Speaker Captain Tinnapan presented a report to the Prime Minister, who then gave a speech on national strategies, reform, and development.</li><li>• NRSA's term ended and was dissolved on the 3rd August 2017 in accordance with the 2017 constitution.</li></ul>

Sources: The Royal Thai Government, Thailand's Constitution 2017, National News Bureau of Thailand & Thai local newspapers (The Nation & Bangkok Post)





# Industry sector update



# Thailand key industries are expected to continue their moderate growth path in 2017



Sources: Compiled from various research houses & agencies (e.g. BOT, EIU, MOC, NESDB, OIE, OIC) & DTTJ Analysis

# Thailand key industries are expected to continue their moderate growth path in 2017



Sources: Compiled from various research houses & agencies (e.g. BOT, EIU, MOC, NESDB, OPPO, OIE, OIC) & DTTJ Analysis



# Consumer and industrial products





## Automotive

Thai automotive industry in 2017 is forecasted to grow 4% due to rebounded domestic market. Over the long-term, Thailand automotive industry is projected to have an upward moderate growth path driven by the production of new automobile generation.

### Situation in 2016

Thai automotive industry in 2016 benefited from export growth, while domestic market remained in a negative mode. Total car production was 1.94 million units or grew by 2% compared to 2015s'. Car export volume was 1.2 million units or increased 6% YoY. However, domestic sales during 2016 was 0.78 million units or 4% lower than 0.8 million units sold in 2015 due to the impact of adverse economic factors.

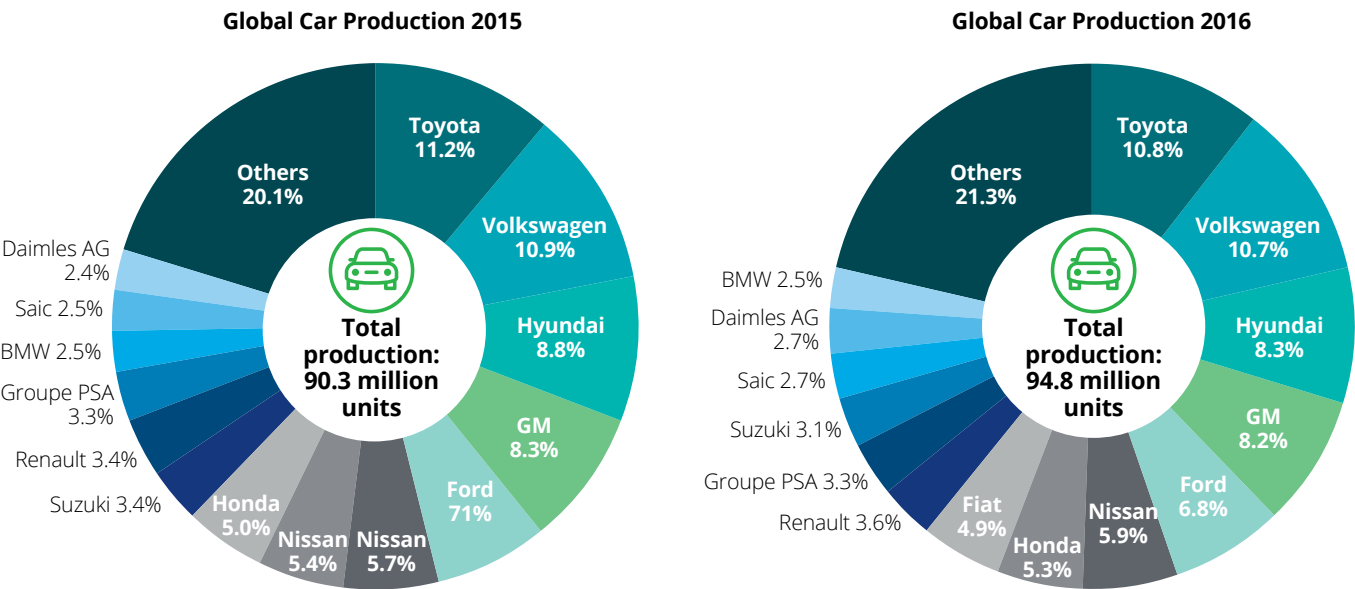
### Forecast 2017

Car production is projected at 2.0 million units, growing 4% from 2016. Domestic car sales is forecasted at 0.8 million units or increase 4%YoY due to improved domestic conditions, whilst car export is likely to maintain the growth rate at 3%YoY due to sustained demands in major export markets. Domestic car sales during Q1-2017 grew by 15.9% compared to 2016s' thanks to the unlock of the First-Car Tax Rebate Scheme and heavy promotion campaigns.

### Long-term trend

As Thailand remains an attractive investment destination in the coming years with a support from the BOI's new investment incentive schemes for electric and automated vehicle (EV/AV) production and mega-project investments to enhance Thailand's competitiveness, major car producers will continue to deploy their production and supply chain capacity to great effects. As analysts expect that overall global economy will gradually capture an upward growth trend in the coming years, Thailand's car industry is projected to grow 4% over the long-term. However, digital disruption have become major threats, which could significantly shift competitive landscape of automotive industry in the long-term.

Global car production in 2016 grew by 5% compared to 2015s' due to the recovery of car demands in major economies across the world.

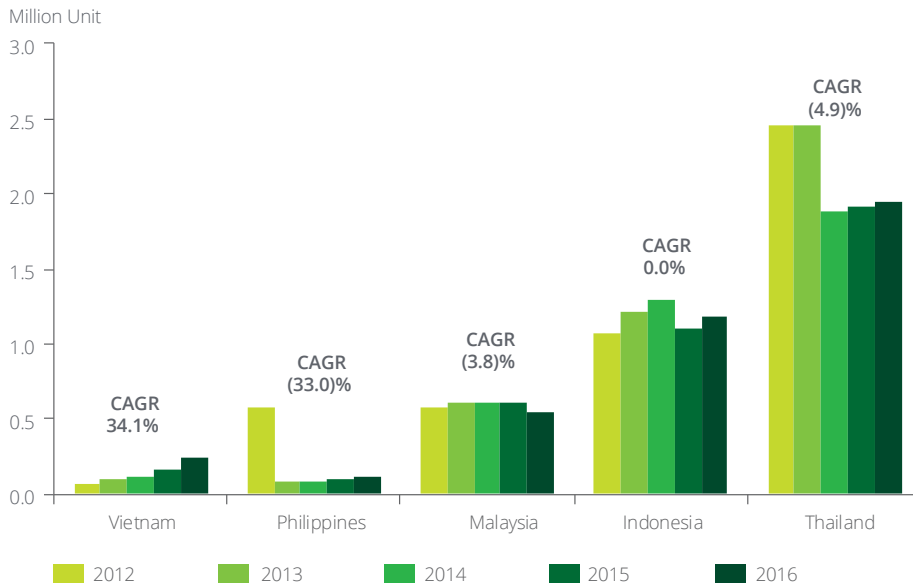


Source: OICA

Major car players have planned to make strategic moves towards selling hybrid and electric cars in the coming decades to maintain their competitive edges, but also respond to new emerging players' aggressive moves.

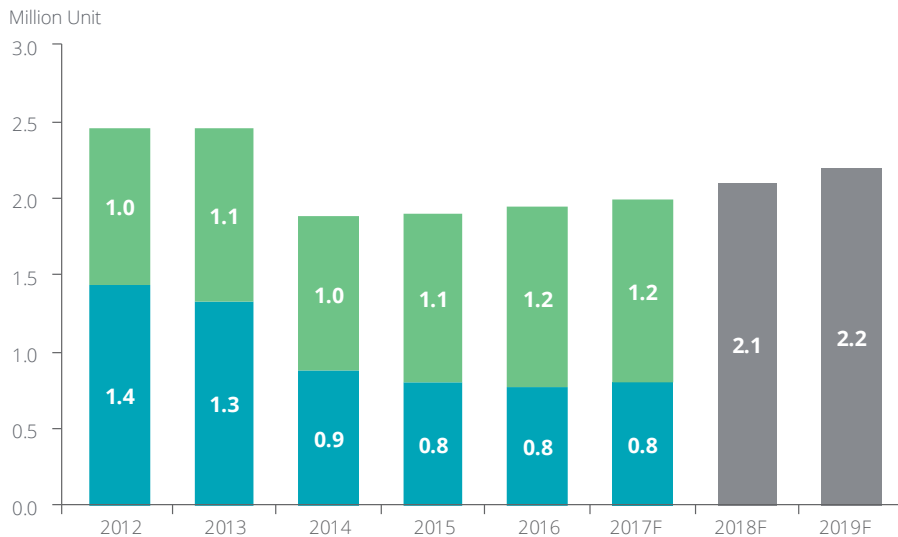
Thailand remains the ASEAN's automotive industry leader in the coming years underpinned by a solid supply chain and a large pool of established facilities.

#### ASEAN car production volume (2012 – 2016)



- Although CAGR displays negative production growth, Thailand remains the leading car producer of ASEAN with 48% market share.
- Overall, ASEAN car industry in 2016 grew 4% compared to 2015s'. Car export from ASEAN is expected to grow while domestic demand remains in a contraction mode.

#### Thailand domestic car sales and export (2012 – 2019F)



- During 2016, Thailand produced 1.94 million cars growing by 2% from 2015. Domestic sales volume was 0.77 million units contracted by 4%YoY.
- Despite the slowdown of both global and domestic car demands, automotive players in Thailand can outperform other regions as a result of an established solid supply chains and a large pool of skilled labours in Thailand. In 2017, Thailand is forecasted to produce 2.0 million car units growing by 3%YoY.

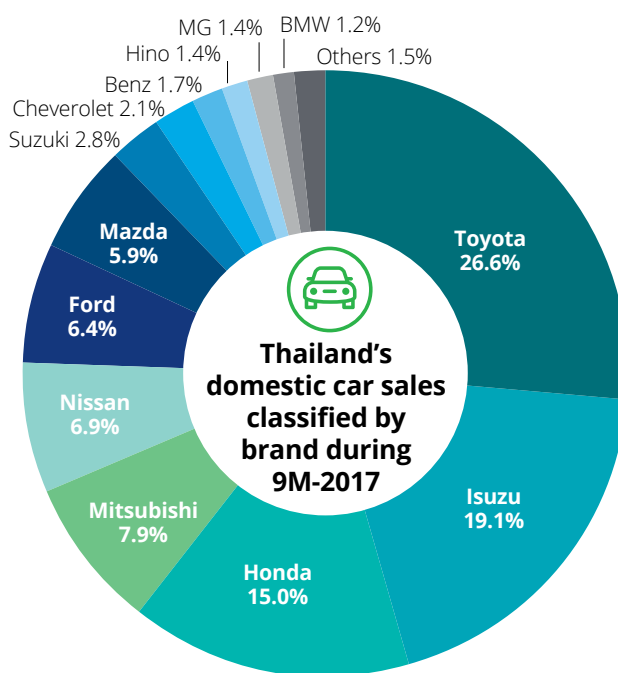
Sources: AAF, FTI, OIE, OICA, & SAT



Domestic car sales during 9M-2017 expanded by 11.5% compared to the same period of 2016.

#### Update Thailand car market for Q1-2017

- The total number of domestic cars sales during 9M-2017 was **0.62 million units risen by 11.5% YoY** due to the unlock of the First-Car Tax Rebate Scheme and heavy promotion campaigns from auto players.
- Major Japanese car manufacturers (Toyota, Isuzu, Honda, Mitsubishi, Nissan, Mazda, and Suzuki) together remain market leaders in the Thailand car industry accounting for approx. 85% of domestic market share.
- Luxury car players (e.g. Mercedes-Benz, BMW) obtained impressive growth rates compared to 2016s' reflecting the rebound of luxury car demands.
- Downside risks such as high level of household debt, sluggish grass-root economy, and the like may create growth friction in the next period. However, it is expected that the sales volume in Q4-2017 is likely to accelerate thanks to heavy promotions in the year-end motor show event.



Source: Toyota (Thailand) Co. Ltd.

#### Sales volume summary during Q1-2017

	Sales Volume 9M-2016	Sales Volume 9M-2017	Sales Growth (%) YoY	Market Share 9M-2016 (%)	Market Share 9M-2017 (%)
<b>Toyota</b>	171,993	165,286	(3.9)%	30.9%	26.6%
<b>Isuzu</b>	104,348	118,804	13.9%	18.7%	19.1%
<b>Honda</b>	81,499	93,271	14.4%	14.6%	15.0%
<b>Mitsubishi</b>	40,330	48,775	20.9%	7.2%	7.9%
<b>Nissan</b>	30,832	42,604	38.2%	5.5%	6.9%
<b>Ford</b>	28,903	39,508	36.7%	5.2%	6.4%
<b>Mazda</b>	31,800	36,621	15.2%	5.7%	5.9%
<b>Suzuki</b>	16,313	17,515	7.4%	2.9%	2.8%
<b>Chevrolet</b>	10,368	13,020	25.6%	1.9%	2.1%
<b>Mercedes-Benz</b>	9,101	10,660	17.1%	1.6%	1.7%
<b>Hino</b>	8,898	8,907	0.1%	1.6%	1.4%
<b>MG</b>	5,959	8,466	42.1%	1.1%	1.4%
<b>BMW</b>	5,911	7,702	30.3%	1.1%	1.2%
<b>Others</b>	10,270	9,573	(6.8)%	1.8%	1.5%
<b>Total</b>	<b>556,525</b>	<b>620,712</b>	<b>11.5%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Toyota (Thailand) Co. Ltd.



## 🍴 Food & beverage

In 2017, both production and consumption of food and beverage will continue their slowing growth path amid downside risks.

### Situation in 2016

Food production volume was 29.8 million tons dropped by 3% from 2015. Export value grew 940.7 billion Baht or grew by 2.9% YoY due to raising demand from key export markets. For key beverages, total production volume grew by 0.2% YoY, while total sales volume dropped by 0.4% YoY mainly due to a slowdown of domestic demand.

### Forecast 2017

Food and beverage production growth are projected at 2% and 1.5% YoY respectively. For the sales side, food and beverage sales volume are forecasted to grow by 2% and 2% YoY respectively. Major growth drivers include higher public and private consumption. However, several adverse factors are likely to shrink the production and sales volume of the F&B sector.

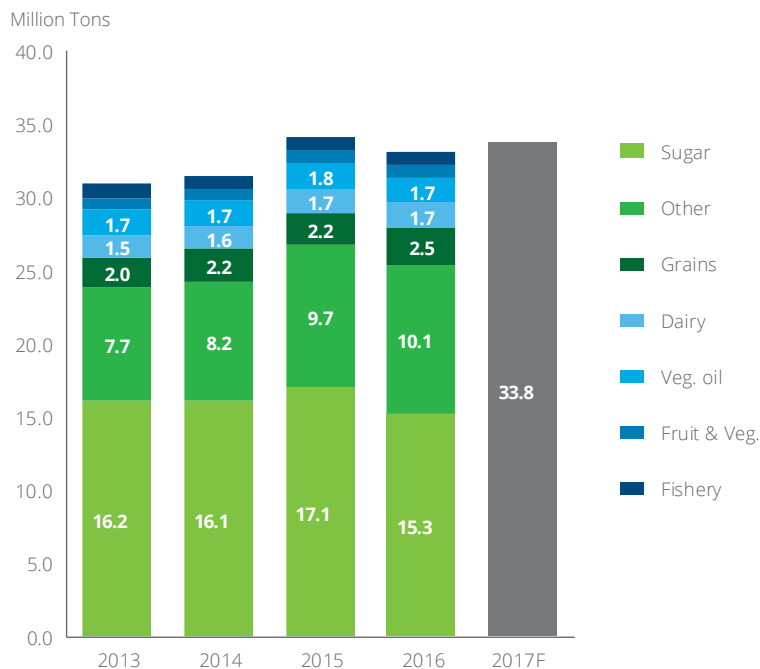
### Long-term trend

A stable outlook for food production and export is anticipated in the coming years as a result of global demand slowdown, domestic market saturation and emerging trade barriers in the key export markets, especially the US and EU market. For the beverage segment, long-term growth momentum is expected for both alcohol and non-alcohol segment due to the rebound of domestic demands over the coming years. Competition among major beer producers continues to intensify. The local Boonrawd Brewery is expected to maintain its leadership in sales by volume. Likewise, ThaiBev, a leading producer of beer and spirit, continues to perform well and aggressively expands its footprints across ASEAN market.

# Food

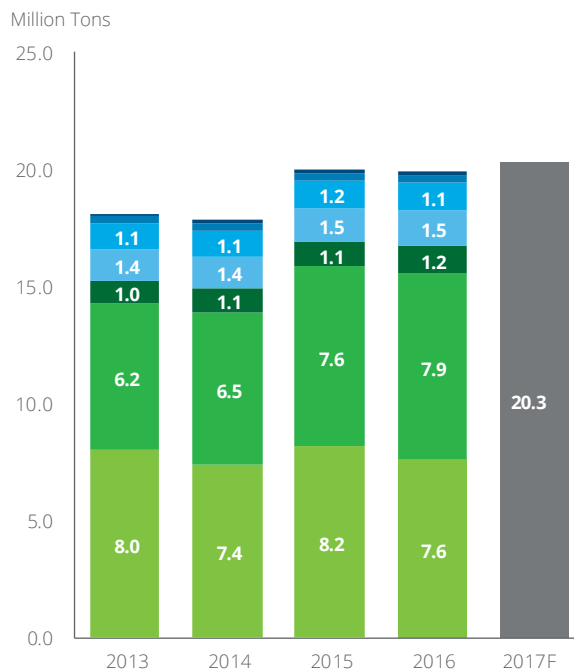
Thailand's food industry in 2017 is projected to have a moderate growth trend amid threats from external adverse conditions.

**Food Production Volume\***



In 2016, food production volume was contracted by 4.9% YoY affected by lower agricultural commodity prices and trade barriers. Total production volume for 2017 is forecasted at 33.8 million tons growing by 2.0% YoY.

**Domestic Sales Volume\***



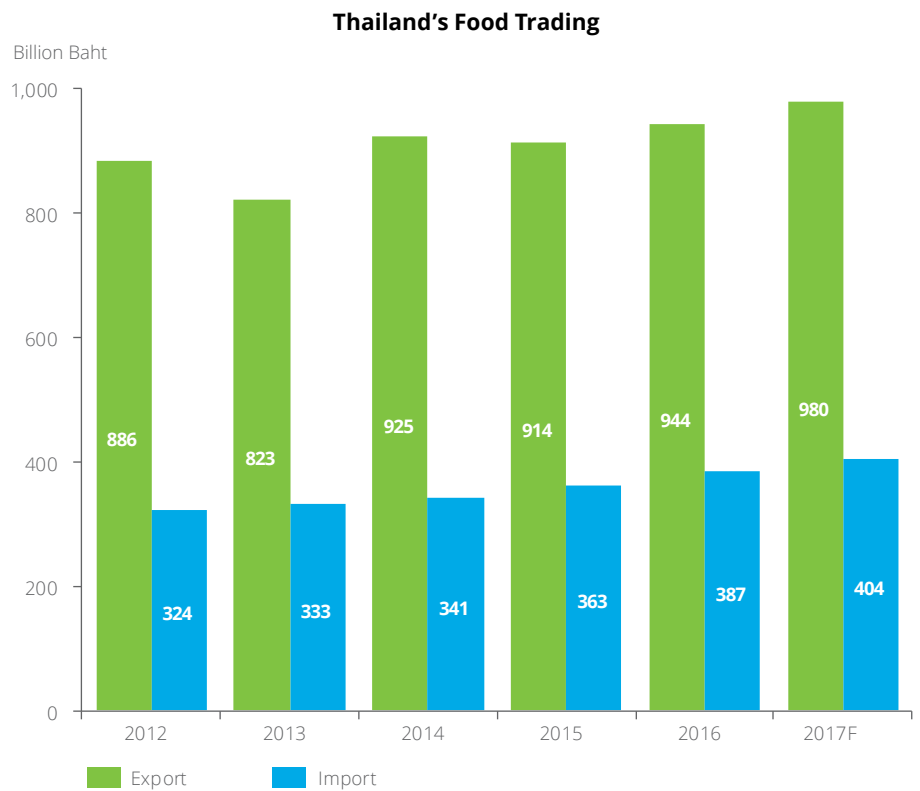
In 2016, domestic food sales was 19.9 million tons contracted by 0.4% YoY. In 2017, it is forecasted that domestic food sales is estimated at 20.3 million tons or increase by 2% compared to 2016s'.

Sources: BOT, OIE, & DTTJ Analysis (Data as of June 2017)

\* Data were updated by OIE in Q2/2017

In 2017, Thailand's food export position is expected to grow by 4.0% due to improved global demand and agricultural prices.

- During 2016, Thailand's food export value was 944 billion Baht growing by 3.4% YoY, while food import value was 387 billion Baht or raising by 7.0% YoY.
- As a consequence of several existing and new downside risks, an estimated growth of Thailand's food export in 2017 is around 0% compared to 2016s'.
- Thailand's food import is forecasted to grow by 4.0-5.0% compared to 2016s' partly due to raising foreign food demands.
- Over the coming years, it is expected that Thailand's key players in food industry (e.g. CPF, Thai Union Group) will continue to expand their footprints using both organic and inorganic growth strategy across the world.

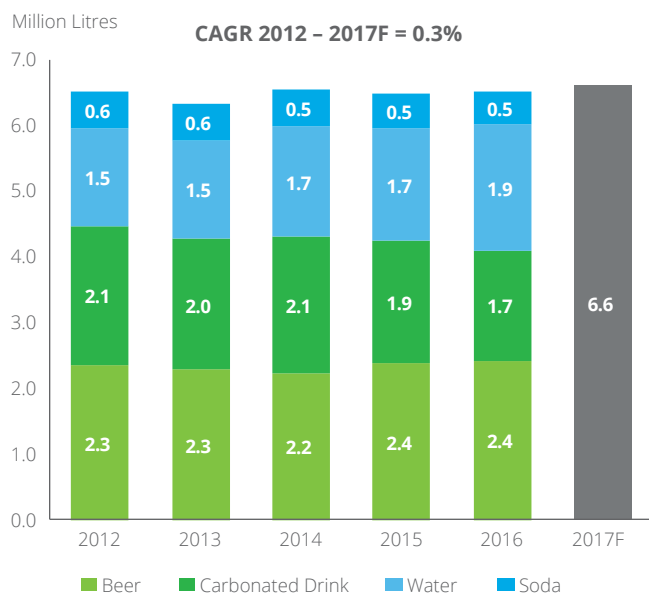




# Beverage

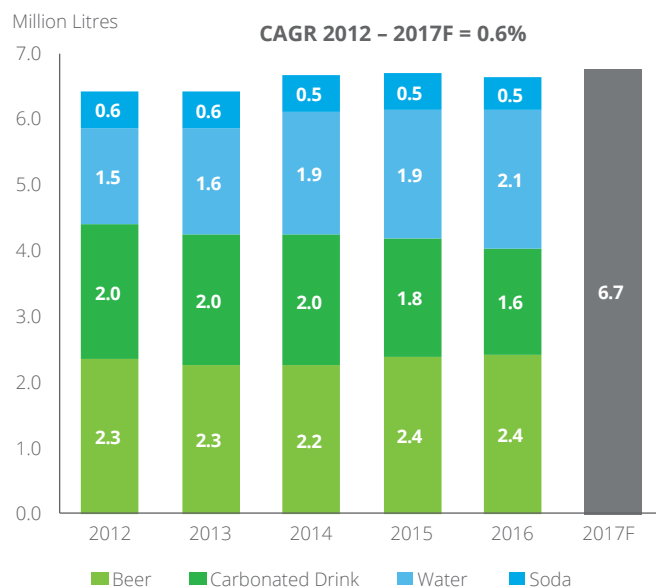
Thanks to private and public spending growth, Thailand's beverage production and sales in 2017 are projected to grow around 1.5% and 2.0% respectively.

Key Beverage Production Volume



In 2016, key beverage production volume was 6.5 billion litres growing by 0.2% YoY due to drought and unfavourable domestic economic factors. However, it is expected that total production volume for 2017 can reach 6.6 billion litres or grows by 1.5% YoY.

Key Beverage Sales Volume



In 2016, key beverage sales volume was 6.6 billion litres contracted by 1% YoY. In 2017, it is forecasted at 6.7 billion litres growing by 2% YoY compared to 2016s'. Growth of Thailand's beverage market is likely to be modest in the coming years due to slowdown domestic consumption and market saturation.

Sources: EIU, OIE, & DTTJ Estimates  
Note: data as of December 2016



## Paper and packaging

Paper and packaging industry is expected grow steadily as the growth in demand for packaging paper is in a bigger proportion than the decrease in demand for printing and writing paper.

### Situation in 2016

Overall, the production volume of pulp and paper increased by 5% in 2016 and production capacity was 4.36 million tonnes which expanded by 2.3% YoY. The production volume of cardboard, Kraft paper, and printing and writing paper increased by 11.2%, 3.6% and 1.2% respectively in line with growing domestic demand. In contrast, corrugated paper and pulp were contracted as a consequence of declined export goods such as clothing, shoes, and electronic parts.

### Forecast 2017

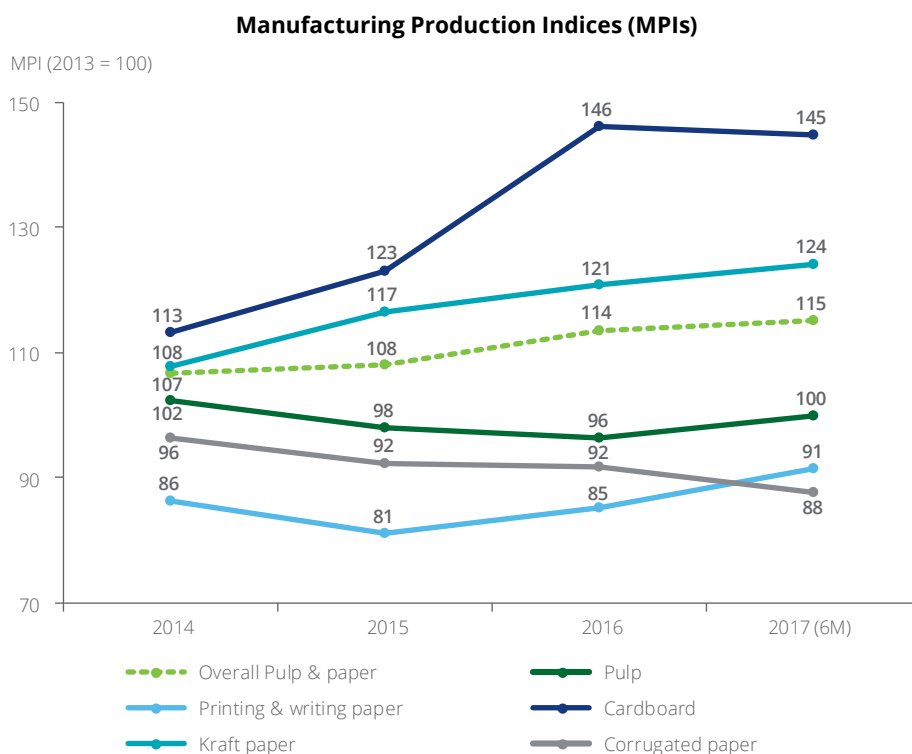
Packaging paper demand is expected to grow steadily thanks to both the trend of environmental concern and new technology of manufacturing that allows paper packaging to be more durable. However, printing and writing paper consumption is predicted to decline since digitalization is becoming more impactful in many aspects which directly affects the demand in the market. It is expected, thus, that oval production volume of pulp and paper will rise around 0.5-1% in 2017 compared to 2016s'.

### Long-term trend

Paper and packaging is one of the leading indicators, which depends on and reflects an economic situation. In emerging markets like ASEAN countries, packaging paper has a potential to grow according to their economic fundamentals partly because paper and packaging industry supports other manufacturing industries as well as exporting activities. As a large number of investment projects will be commenced in various emerging economies in coming years and, thus, stimulate demands for packaging paper in the long term. By contrast, the demand for printing and writing paper is expected to have a slowing or negative growth affected by digitalization trend.

In 2017, the production volume of cardboard, Kraft paper, and printing and writing paper grew, while pulp and corrugated paper declined.

- Printing and writing paper production volume drastically grew during 2017 period as a consequence of the King Rama 9 cremation, which required a large volume of these papers to produce souvenirs and artworks. However, it tends to decline in the long term since the trend of digitalization is becoming more popular.
- For the second half of 2017, the production volume of cardboard, pulp, and corrugated paper declined as a result of increasing production volume in the previous quarter along with the decline in demand for these products.
- The production volume of Kraft paper is expected to increase as the domestic demand to use Kraft paper as a packaging for exported goods is expected to rise.



Source: Office of Industrial Economics (OIE)

In 2017, the export value of paper related products will remain constant since there will be no significant change in demand overseas.

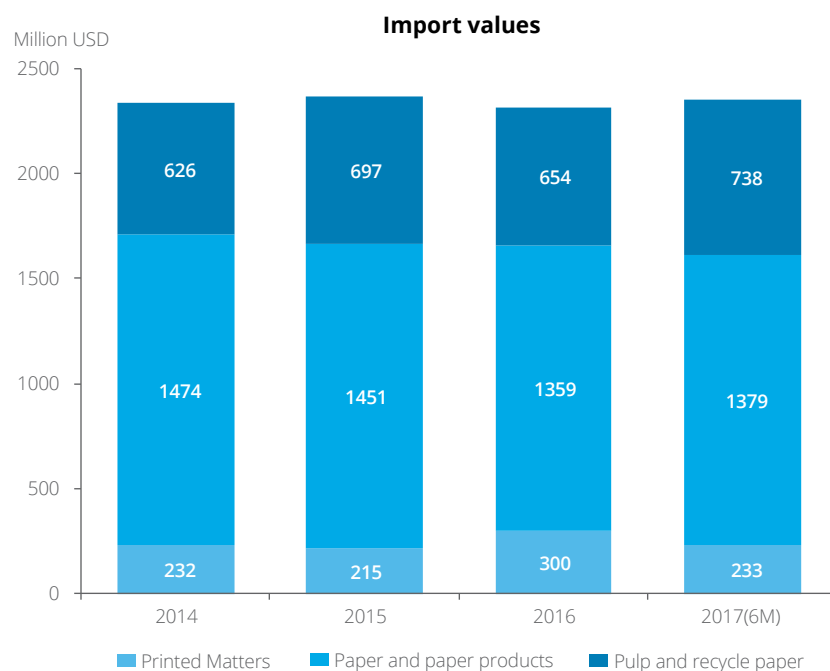
- Exporting value of pulp is forecasted to increase from 2016 as China is likely to import more pulp from Thailand.
- As for paper products, the exporting value will slightly increase comparing to 2016. Asia-Pacific region remains the major import market of Thailand's paper and paper product.
- The demand for publications and printed matters is declining globally as a consequence of digitalization.



Source: Office of Industrial Economics (OIE)

In 2017, the import value of raw materials which used for supporting the manufacturing will increase to meet the increase in domestic demands, while paper finished goods will experience a downward trend.

- Import value of pulp and recycled paper is forecasted to increase by 12.8% in order to support the manufacturing of paper related goods which will be highly demanded during the year end festival.
- As for paper and paper products, the importing value will remain constant as the domestic manufacturing capacity is still insufficient to serve all demands.
- As a result of digitalization, import value for printed matters will continue to decline especially for merchandising, advertisement and physical books.



Source: Office of Industrial Economics (OIE)



# Financial services industry





## Finance & banking

Total loan in Thailand during 2017 is expected to grow by 6% YoY with good support from accommodative monetary policy and expansionary fiscal policy.

### Situation in 2016

As a result of slowing domestic economy and weaker global trade as well as investment sentiment, loan outstanding in the banking system finished at 13.6 trillion Baht, growing by 3% from 2015. NPL proportion was 2.8% of total loan outstanding or 0.4 trillion Baht, which is relatively low. However, Gross NPL loan volume in 2016 increased by 14.2% compared to the previous year.

### Forecast 2017

During Q2-2017, Thailand total loan outstanding was 14.1 trillion Baht growing by 2.6% YoY, while NPL proportion reached 0.42 trillion Baht or 3.0% of total loan outstanding or increased by 11.5%YoY. Overall, Thailand loan outstanding in the end of 2017 is projected at 14.4 trillion Baht or grow by 6% YoY. Gross NPL in banking industry in the end of 2017 can reach 0.43 trillion Baht or 3.0% of total loan outstanding growing by 11% YoY.

### Long-term trend

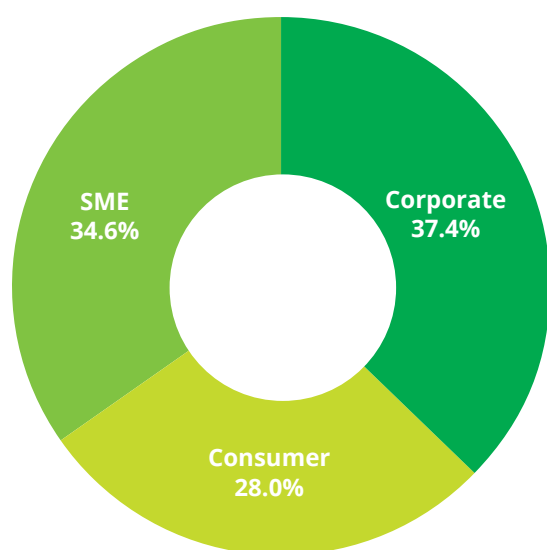
Total loan outstanding is expected to grow over the next few years with CAGR of 7% although some external and domestic downside risks remain evident. Likewise, a series of Thai government's economic stimulus schemes (e.g. BOI incentives, start-up incentives, Eastern Economic Corridor (EEC), transportation infrastructure investments), which will stimulate both Bangkok and upcountry economic expansion, boost loan demands across Thailand, and also, provoke capital markets to raise investment funds.

Sources: EIU, K-Research, & SCB EIC



Total loan outstanding during Q2/2017 was 14.1 trillion Baht. Corporate, SME and Consumer loan proportion were 37.4%, 34.6% and 28.0% respectively. Interbank loan accounted for 13.8% of total loan outstanding.

#### Loan proportion in Q2/2017



#### Loan growth comparisons

Unit: Trillion baht

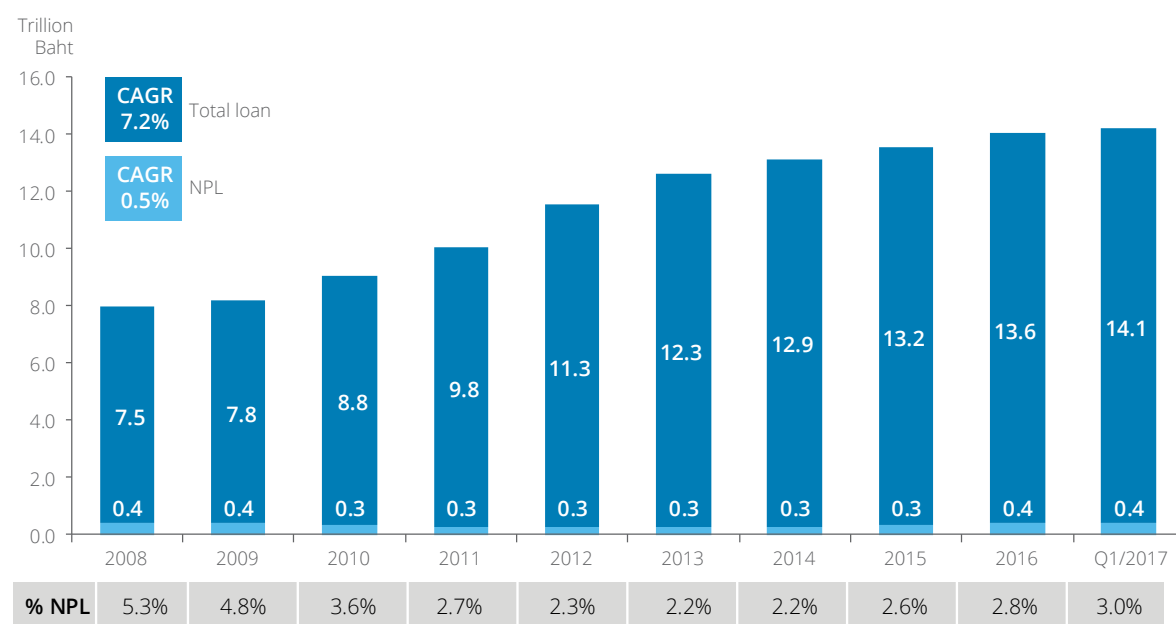
	Q1/2016	Q1/2017	Q2/2017	%Δ QoQ	%Δ YoY
Corporate	5.2	5.1	5.3	4.0%	0.9%
SME	4.7	4.8	4.9	2.3%	3.0%
Consumer	3.8	3.9	3.9	1.4%	4.4%
<b>Total</b>	<b>13.8</b>	<b>13.6</b>	<b>14.1</b>	<b>2.7%</b>	<b>2.6%</b>

Source: Bank of Thailand

Thailand's total loan outstanding during Q2-2017 was 14.1 trillion Baht growing by 2.6% YoY or 2.7% QoQ. During the same period, NPL proportion was at 0.42 trillion Baht or 3.0% of total loan increasing by 11.5% YoY or 2.9% QoQ.

Both corporate and SME loan continue their growth path thanks to Thai Government's economic stimulus packages, which in turn stimulate private investment and consumption. For consumer loan segment, private consumption demands in conjunction with attractive marketing campaigns will underpin its growth. NPL proportion in 2017 is forecasted at 3.0% compared to 2.8% in 2016 due to a slowing economy. Financial technology (FinTech) in several operational platforms is expected to largely disrupt Thailand's financial service industry in the coming years.

#### Thailand's total Loan vs. NPL 2008 – Q2/2017



Sources: BOT, EIU, SCB EIC, K-Research, TMB Analytics, & DTTJ Estimates

Note: (1) Total Loan includes both Thai banks' and foreign banks' loan outstanding as of Q2-2017.

(2) NPL includes both Thai banks' and foreign banks' gross NPL outstanding as of Q2-2017.

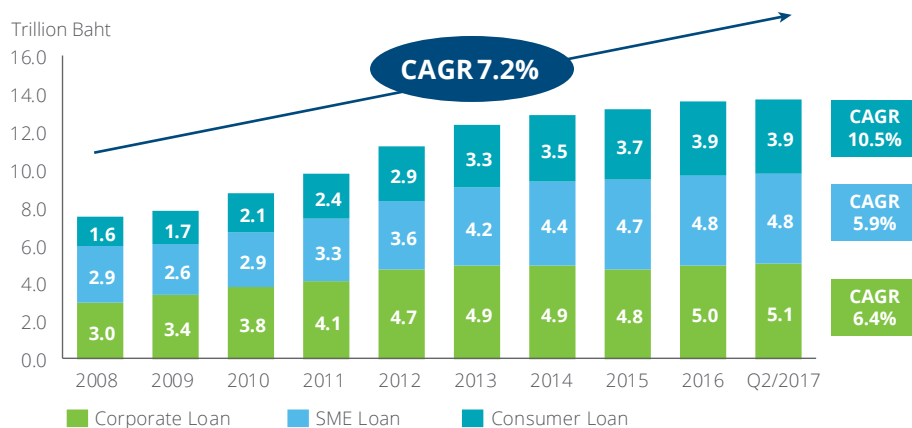


Thailand's total loan in Q2/2017 was 14.1 trillion Baht growing by 2.6% YoY.

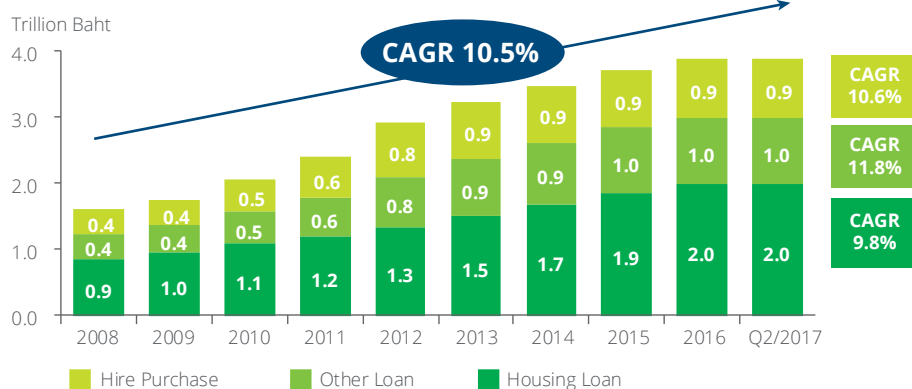
### Selected financial statistics

Number of	Total
Thai Commercial Bank	15
Foreign Bank Subsidiary & Branch	15
Specialized Financial Institution	8
Foreign Representative	48
Asset Management Company (AMC)	46
Credit Card Company	8
Personal Loan Company	34
Nano Finance Company	23
Credit Card	19.8 M
Debit Card	51.0 M
ATM Card	10.2 M
Personal Loan Account	12.5 M
Nano Finance Account	0.0 M
E-Money Card/Account	40.4 M
Internet Banking Account*	15.1 M
Mobile Banking Account*	20.9 M

### Commercial bank loan 2008 – Q2/2017



### Consumer loan 2008 – Q2/2017

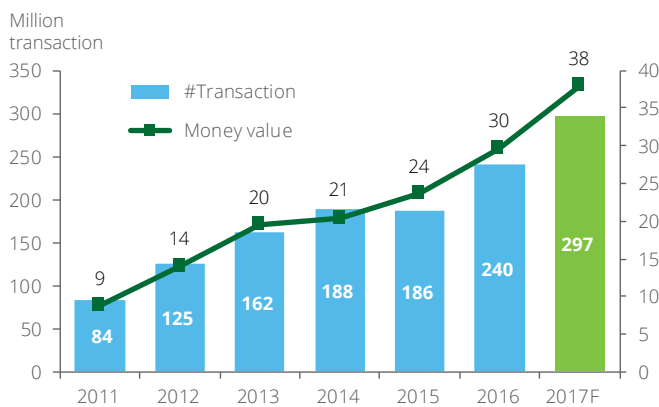


Sources: BOT & DTTJ Estimates

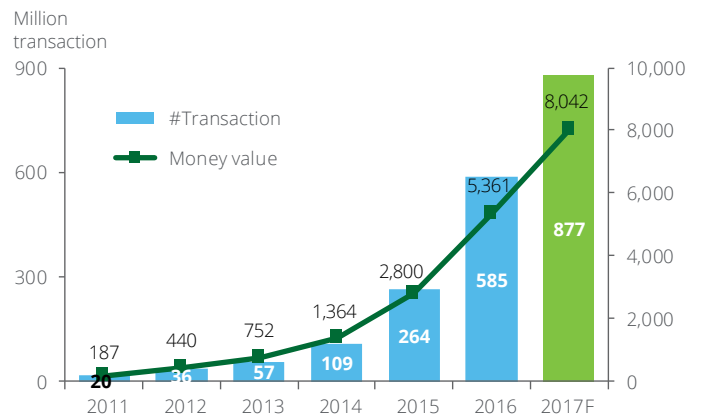
Note: \* Data have been revised by Bank of Thailand.

Internet and mobile banking activities continue their accelerated growth trend in the recent years.

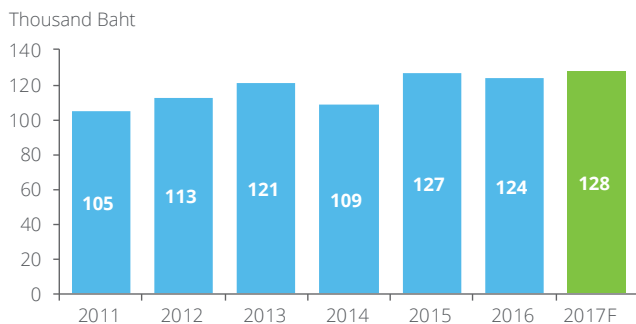
### Internet Banking Statistics



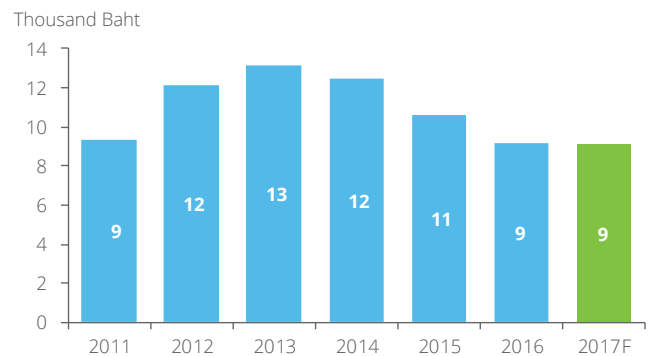
### Mobile Banking Statistics



### Internet Banking: Ave. Amount / Transaction (CAGR = 3.4%)

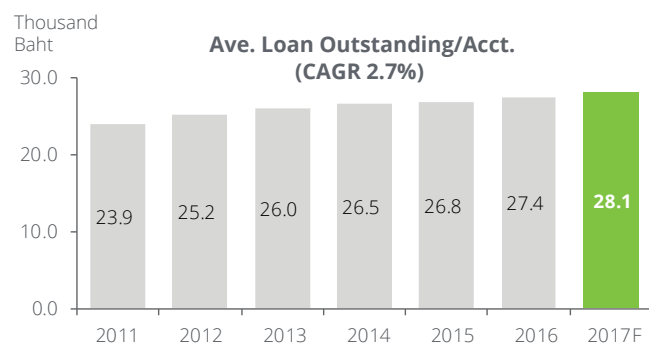
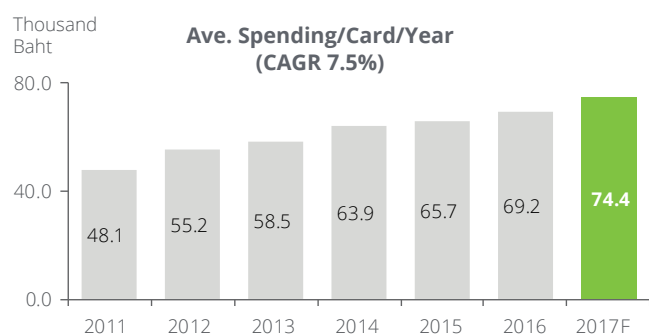
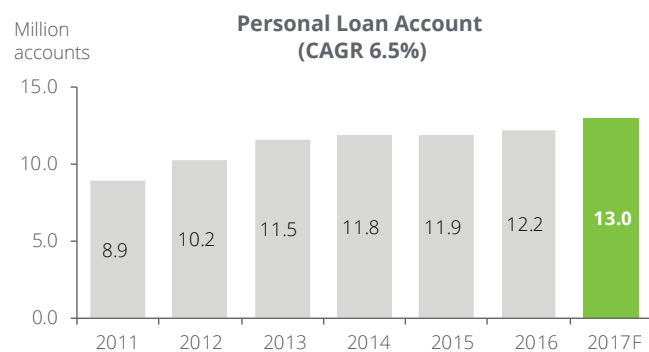
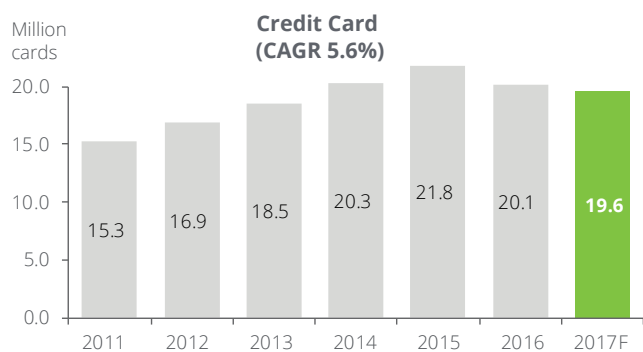


### Mobile Banking: Ave. Amount / Transaction (CAGR = (0.5)%)



Sources: BOT (as of Q2-2017) & DTTJ Analysis.

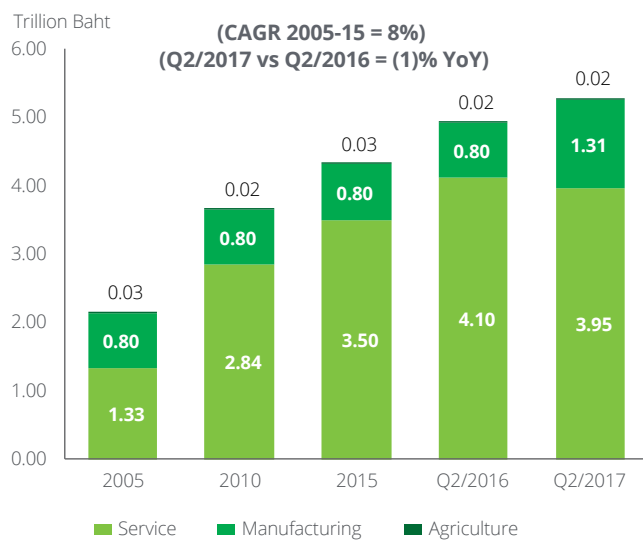
Credit card and personal loan gain growth momentums in the recent years.



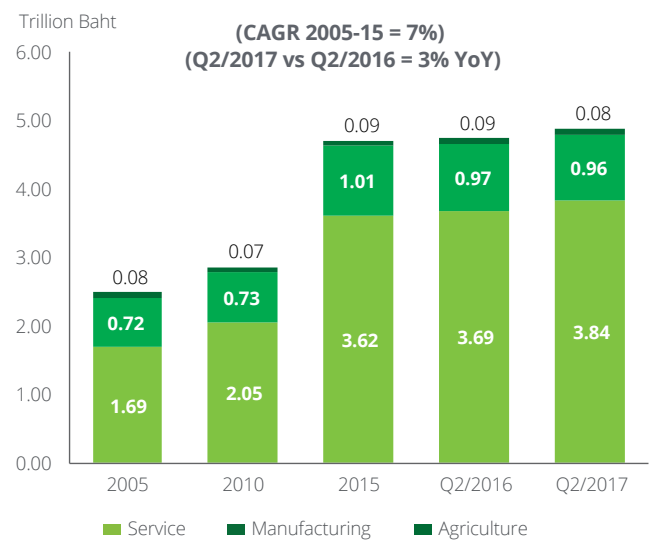
Sources: BOT (As of Q2-2017), & DTTJ Estimates

Corporate and SME loan have continued their upside momentum in line with Thai economic long-term growth path.

#### Corporate loan by sector



#### Sme loan by sector



- Overall, the long-term growth path of corporate and SME loan (CAGR) were 8% and 7% respectively.
- Recently, it was evident that both corporate and SME loan faced a diminishing growth trend affected by a slowing economy in both domestic and global scale. However, government and export sector are expected to drive growth in coming years.



# Energy and resources





## Energy: electricity

Electricity industry is expected to grow by 3-4% over the long term in line with Thai economic growth path.

### Situation in 2016

Electricity consumption grew by 3.5%YoY despite the Thai slowing economy. The country's gross energy generation and purchase was shifted from 177.8 billion kilowatt-hours (kWh) in 2015 to 184.1 billion kWh in 2016.

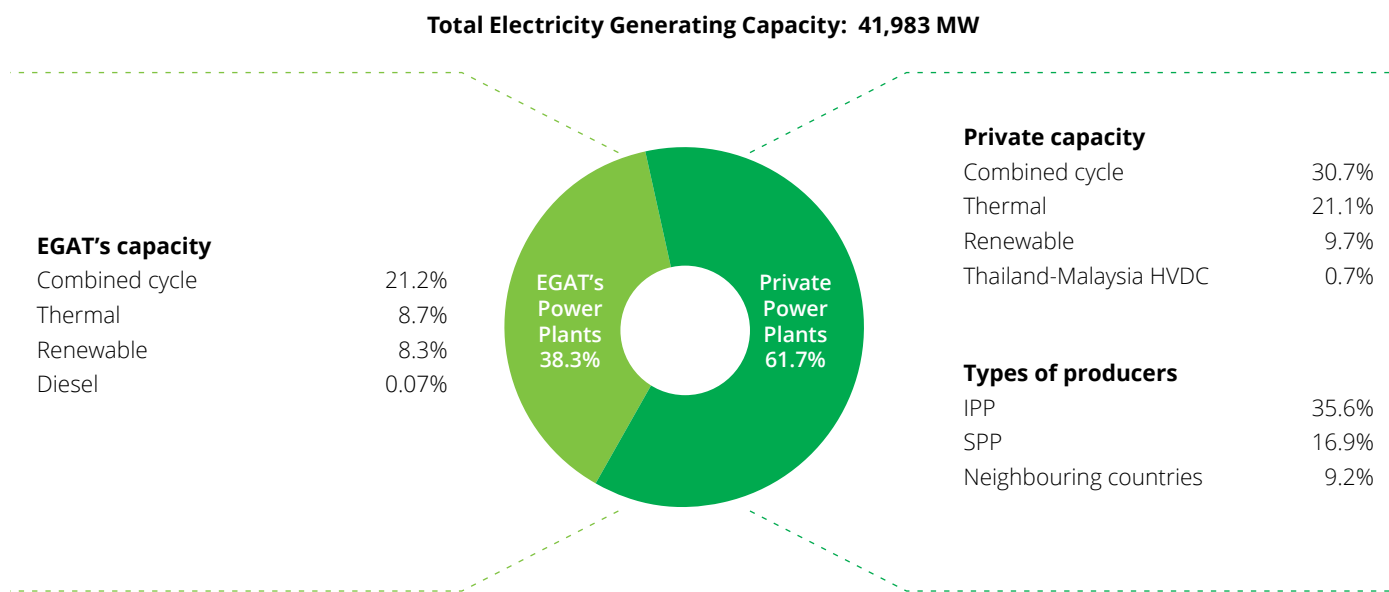
### Forecast 2017

Electricity consumption level is predicted to reach 191.4 billion kWh or grow 4% YoY thanks to both public and private investment as well as the popularity of tourism industry. Large-scale business and household are the major electricity buyer accounting for 65% of total electricity consumption in Thailand.

### Long-term trend

Thailand's electricity consumption is forecasted to rise by an average of 4.0% in the long-term in line with Thailand's real GDP growth projection. Fossil fuels remain the major source of electricity generation in the coming years. Nevertheless, the approved Thailand's new Power Development Plan 2015 (PDP2015) will ensure that various sources of power such as renewable energy, clean coal and nuclear power will be used to secure Thailand's power supply from the rising demand in the future.

Private power plants serve approx. 62% of total electricity capacity in September 2017 with the rising proportion of renewable inputs.



Sources: EGAT & Electricity Generating Company Websites  
Note:  
(1) Thai government has privatized electricity generating industry  
(2) data as of September 2017  
(3) MW = megawatt. 1 MW = 1 million watts

The majority of electricity consumption in Thailand stems from both large-scale business and household sector with an average long-term growth rate around 3%.

- During 2016, total electricity consumption was 184.1 billion kilo-watt hour rising by 4% compared to 2015s'.
- For 2017, the growth of electricity consumption is forecasted at 4.0% YoY in line with the projected real GDP growth rate of Thailand.
- Regarding PDP2015, fossil fuels remains the major input of electricity generating in Thailand during 2015 - 2020 accounting for around 80%.
- But in 2036, the final year of PDP2015, the proportion of fossil fuel input is projected at 60%, while the use of renewable and other inputs will reach 40%.

#### Thailand Electricity Consumption



Sources: BOT, EGAT, Energy Regulatory Commission (ERC), Ministry of Energy & DTTJ Estimate  
 Note: kw hour = kilo-watt hour



# Public Sector





## Public Sector

Thai government is likely to adopt fiscal deficit to pursue strategic public investment projects, and thus, gear up economic growth and competitiveness over the long-term.

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### Situation in 2016

Thai government's expenditure during 2016 was 2.8 trillion Baht rising by 16.7% from the previous fiscal year with a fiscal deficit of 0.4 trillion Baht. However, public debt per GDP was 41.2% dropped from 43.9% in 2015. New competitive incentives by BOI were deployed to attract foreign investors and rejuvenate investments during the transition period.

### Forecast 2017

During 2017 fiscal year from October 2016 till September 2017, Thai government has planned to spend around 2.7 trillion Baht, while the expected government revenue is projected at 2.3 trillion Baht with -0.4 trillion Baht deficit accounting for 2.6% of GDP. The level of public debt per GDP as of September 2017 was 42.3%. Since the first quarter 2017, Thai government has focused its efforts and made commitment to executing Eastern Economic Corridor project (i.e. the EEC), which is a strategic investment to strengthen the existing "Eastern Seaboard" to become the world-class economic zone and accelerate the implementation of Thailand 4.0.

### Long-term trend

Thai government is expected to deploy fiscal deficit in coming years partly because the needs to continue investment in public infrastructure projects such as airport, deep seaport, high speed train, commuter train, motorway, and the like. The EEC project is in the priority list of execution and will play a significant role in executing Thailand 4.0 strategy. The EEC, in addition, encourages the so-called "public private partnerships (PPPs)" to reduce government investment burden and attract foreign investors to Thailand. However, the larger proportion of aging population in Thailand over the next decades will put high pressure on both public and private sector.

Sources: BOT, Ministry of Finance, Thailand Board of Investment (BOI), and College of Population Studies

Fiscal deficit has been evident and will continue in the future thanks to increasing needs for public investment and administration

#### Government Revenue and Expenditure for 2010 – 2017(8M)



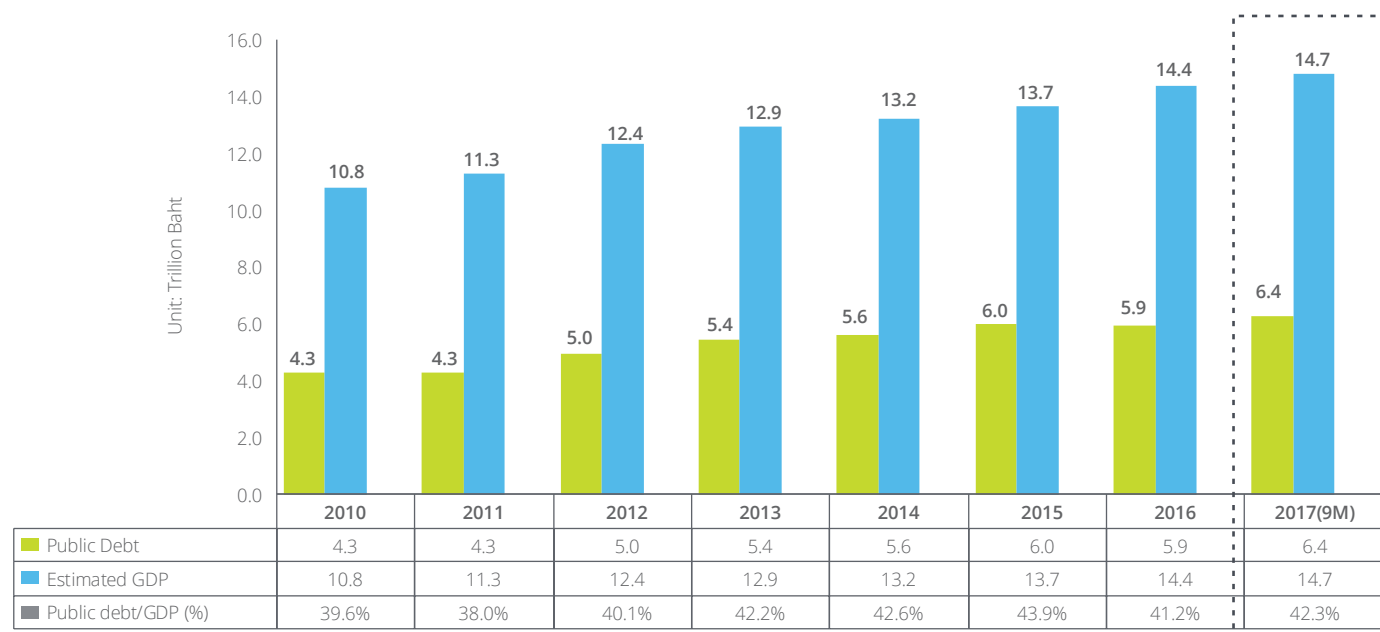
As the expenditure of Thai government is greater than its revenue. Thus, fiscal deficit has become the major tool in financing to meet the spending needs.

Source: Ministry of Finance – The Royal Thai Government

Note: The Royal Thai Government's fiscal year starts from 1 October this year till 30 September next year.

Public debt to GDP ratio during September was 42.3% slightly higher than the previous period, but still in the safe zone.

#### Public Debt Level Against GDP during 2010 - 2017(9M)



Statistical data have reflected that Thai government can deploy fiscal deficit to boost GDP growth and public investment projects in the coming years, but can also maintain public debt to GDP ratio around 43%, below the ceiling level 60%.

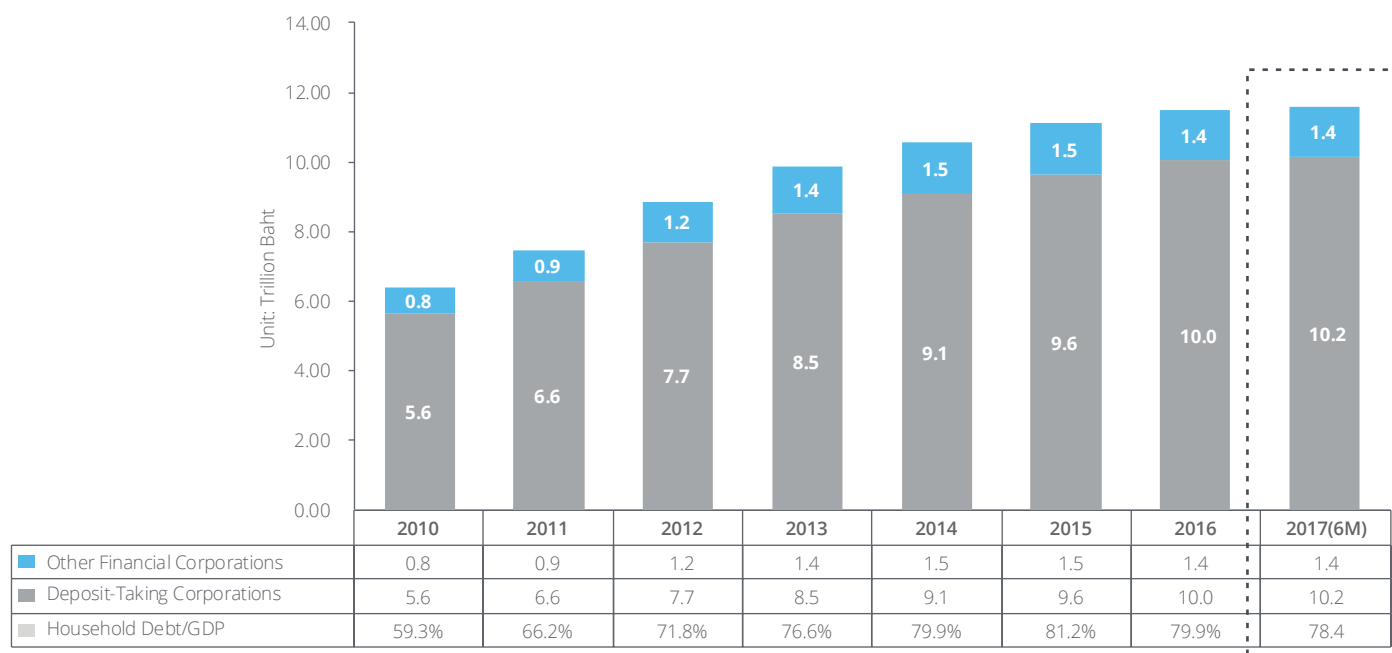
Source: Ministry of Finance – The Royal Thai Government

Note: The Royal Thai Government's fiscal year starts from 1 October this year till 30 September next year.



High level of household debt is a major challenge that Thai government needs to overcome to achieve sustainable growth.

#### Household Debt from 2010 – 2017(6M)



Thai household debt during Q2-2017 was 11.6 trillion Baht around 78% of GDP growing by 3.1% YoY. From 2010 to Q2-2017 period, the cumulative growth of household debt is around 10% and more than 85% of such debt stemmed from Deposit-Taking Corporations (i.e. commercial banks, government specialised banks, and saving cooperatives).

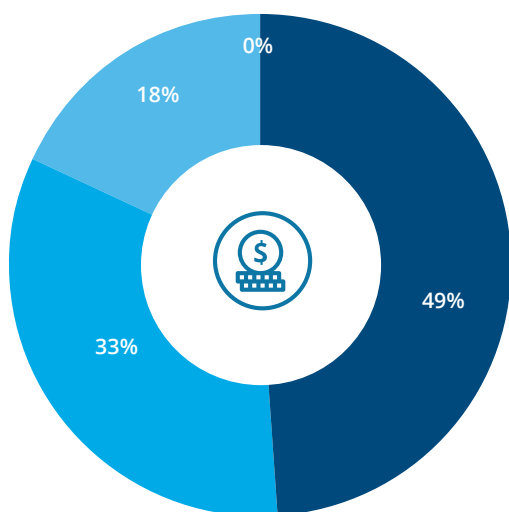
Sources: Bank of Thailand and NESDB

\* Note: data as of June 2017

Total household debt outstanding in Thailand during Q2-2017 was 11.6 trillion Baht growing around 3%YoY.

### Debt from deposit taking corporations

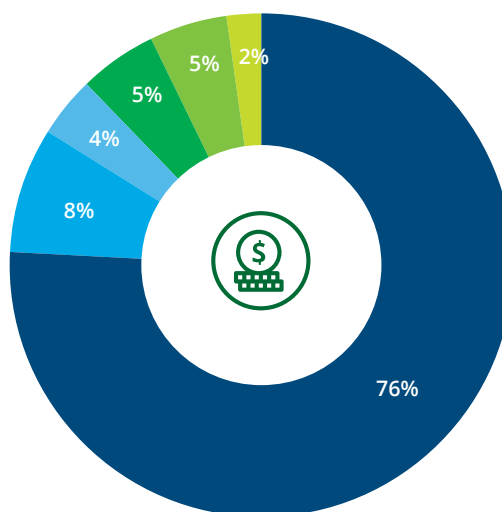
Debt outstanding: 10.2 trillion Baht (as of Q2-2017)



- Commercial Banks
- Government Specialized Banks
- Saving Cooperatives
- Finance & Credit Foncier Companies

### Debt from other financial corporations

Debt outstanding: 1.4 trillion Baht (as of Q2-2017)



- Credit Card, Leasing and Personal Loan Companies
- Insurance Companies
- Securities Companies
- Asset Management Corporations
- Pawnshops
- Others (e.g. FIDF, Government Pension Fund)

Sources: Bank of Thailand and NESDB

\* Note: data as of June 2017



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