

Thailand Economics

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News Update

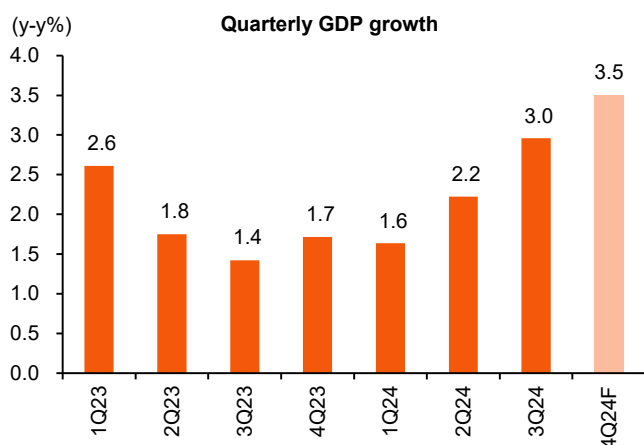
3Q24 GDP a beat

- Real GDP grew 3.0% y-y in 3Q24 vs. our estimate of 2.8%
- Most items beat except for tourism
- Fiscal spending was strong along with exports
- We expect stronger growth in 4Q24F

Real GDP growth came in at 3.0% y-y and 1.2% q-q in 3Q24. That was better than our estimate of 2.8% y-y growth despite a large contraction in inventory. The beats were on most major items except for tourism. GDP growth was trending up as expected from 1.6/2.2% y-y in 1Q-2Q24. We expect the rising trend to continue into 4Q24F at 3.5% y-y, driven by exports, tourism, government spending and a low base effect. Our full-year forecasts are 2.6/3.3/3.5% in 2024-26F.

- The beats were in the areas of exports (8.9% vs. 7.2% estimate), import (11.3% vs. 13.0%), private consumption (3.4% vs. 2.7%), government consumption (6.3% vs. 1.5%), government investment (25.9% vs. 5.0%), and private investment (-2.5% vs. -6.0%). The areas below expectations were exports of services, of which mainly are tourism, (25.3% vs. 30.0%).
- The decent GDP growth was despite a large inventory adjustment of -Bt161bn in real terms against our estimate in the quarter of only -Bt50bn.
- In the context of growth drivers, key driving factors were exports, government consumption and investment, and tourism (via export of services). The negative growth items or the drags were private investment and investment adjustment.
- In the big picture, the reported GDP confirms our view of economic recovery in Thailand with strong tourism and unlocking fiscal policy. We expect improving private investment next year from strong FDI with auto and housing markets having reached their troughs. We expect resilient exports but not a growth during a global slowdown next year.
- Despite 3Q24 is a beat, we maintain our GDP growth forecast at this stage given the Trump's strong mandate win is adding to uncertainties to the global growth.

Ex 1: Quarterly GDP Growth



Sources: NESDC; Thanachart estimates

Ex 2: Most Items Beat Except Tourism

(y-y%)	Actual	Forecasts
US\$ export	8.9	7.2
US\$ import	11.3	13.0
Private consumption	3.4	2.7
Government consumption	6.3	1.5
Government investment	25.9	5.0
Private investment	(2.5)	(6.0)
Exports of services*	25.3	30.0

Sources: NESDC; Thanachart estimates

Note: *The major item in exports of services is tourism

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