

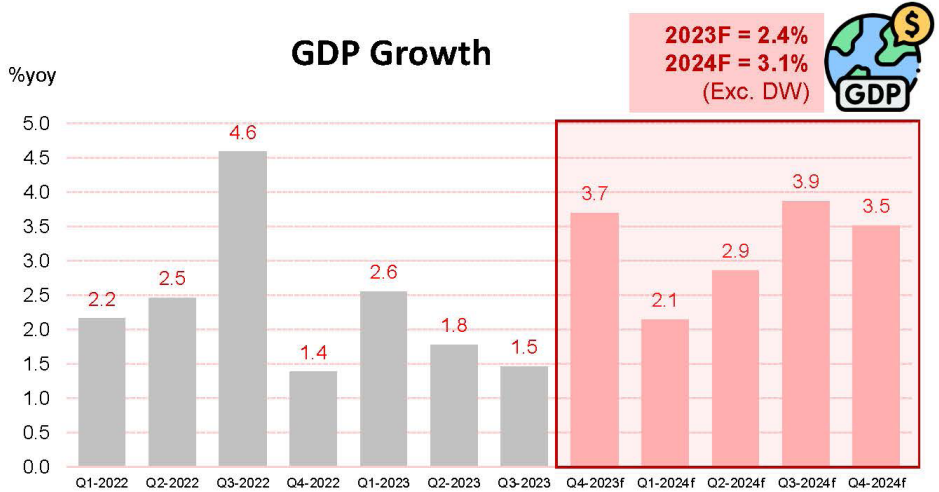


**1st Thai CPA Committee Meeting and Economic Outlook 2024
Sharing by CIMB on January 24, 2024 at Nansin Meeting Room,
Ramada Plaza by Wyndham Bangkok Menam Riverside Hotel**

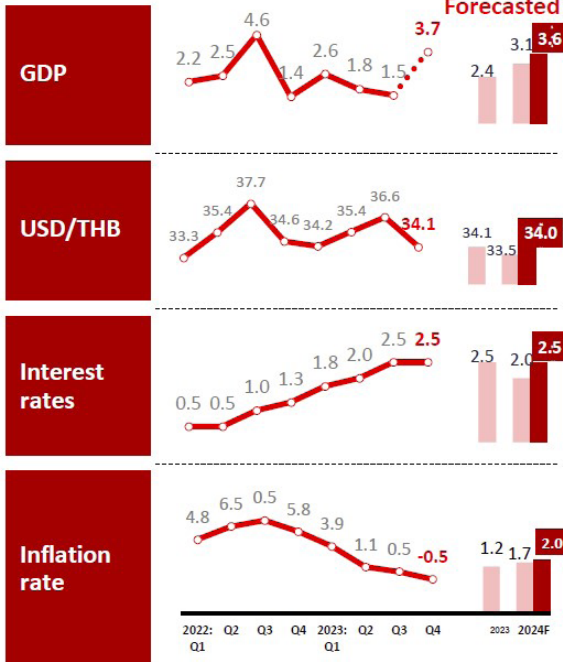


2024 – Thailand 's economic

Revising Thailand's economic forecast, we anticipate slower growth than previously estimated, with a projection of 2.4% in 2023 and 3.1% in 2024. This adjustment reflects the impact of China's economic deceleration on Thai exports. Nonetheless, growth is expected to be supported by the strength of tourism-related services and the robust purchasing power of the upper-middle class, with a government stimulus anticipated in the second quarter of 2024.



Source: NESDC and forecasted by CIMB Thai Research as of Dec 2023

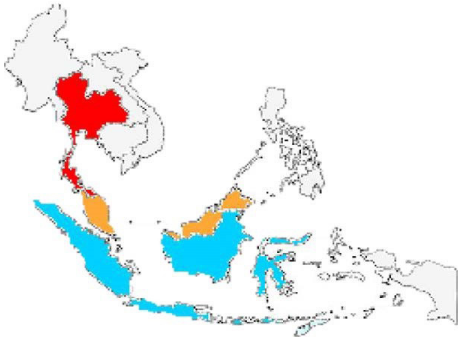


■ Include Digital Wallet
 ■ Exclude Digital Wallet

Source : Economic Outlook 2024 by Amonthep Chawla, Ph.D : CIMB Thai Bank Public Company Limited

2024 – Thailand 's economic

- ASEAN: Inflation appeared softening but not low enough to persuade regional central banks to cut rate during 1H24; regional currencies to gain strength against the US dollar, following signs of US rate cuts and falling bond yields; recovering exports could be a growth driver in 1Q24.
- Recovering exports in MY and SG; watch out for politics in ID and TH.
- Foreign tourists from major countries in 2024 are expected to continue their upward trend, surpassing pre-COVID levels, except for Chinese tourists. Although Chinese tourists are an increasing trend, the number is anticipated to remain lower than pre-COVID levels due to the slow recovery of China's economy and purchasing power, along with the government's measures to stimulate domestic tourism.
- Looking ahead to 2024, the Research Office expects that the number of foreign tourists traveling to Thailand will reach 34.0 million, representing an increase of 21.4% compared to the previous year and a significant recovery of 85% compared to the pre-COVID period. This is particularly notable in the fourth quarter, which is the peak tourism season in Thailand. A recovery is also anticipated in high-spending markets such as Europe and the US; however, the pace of recovery for Chinese tourism remains a significant variable to monitor.



- SMEs are also likely to be affected by the minimum wage increase due to a higher share of workers with minimum wage and low pricing power compared to large firms.
- Agriculture sector 's income remains weak at least to mid-2024 amid drought situation.
- Investment coming from China is expanding rapidly, driven by foreign investors projects in the electronic, appliance, auto and related parts sector.

Recovering Sectors in 2024



I. Confidence from political stability



Industrial Estate in EEC



Warehouse in EEC



Commercial Building



Office Building



Energy & Utilities



Contractors (government/state enterprise projects)-



Apartment in near industrial estate



Packaging (large size)



Land transportation (large enterprises)



Machinery and parts

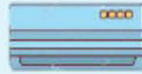


Event



Wires and Cables

II. Rebounding real estate



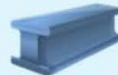
Air & Parts



Construction (Private)



Cements



Steel Products



Construction Material Shops



Furniture



Condominium (in Bangkok and its vicinity, only leading brands, near mass transit line or near under construction mass transit line)



Detached house



Townhouse



Home Appliance

Recovering Sectors in 2024

III. Recovering tourism-related sectors

 ≥ 4 stars Hotel in major tourist destinations	 Spas (leading brand/large operators)	 Food Flavoring and Sauces (leading brands)
 Department Store	 Telecommunication	 Car Rental
 Hospital (with chain and high- end and medium market)	 Oil station	 Restaurant & Bar
 Transportation	 Tourist Agency	 Airline
 Taxi Service	 Movie theaters	 Used car
 Food & beverage products		

IV. Remaining high purchasing power among upper-middle class

 Restaurant & Bar	 Food Products	 Convenience stores
 Community Mall	 Department Store	 E-Commerce
 Car dealer (Leading brands)	 Hire Purchase /Leasing	 Detached house > 5MB
 Fitness/Sport Activities	 Condominium > 3 MB	 Advertising
 Jewelry	 Hypermarket (Leading brands such as Big C, Lotus, Makro)	 IT product

Challenging Sectors in 2024

I. Drought

	
Agricultural Machinery and parts	Motorcycle dealers (non leading brands)
	
Agricultural services	Fertilizers
	
Rice mills	Slaughter house industry
	
Electrical appliance/mobile phone sellers	Furniture shop (Low end market)
	
Food & Beverage products	

II. Increasing Minimum Wage

		
Fishery	Canned and Processed Food	
		
Furniture and parts (wood furniture)	Jewelry (low-end market)	
		
Footwear	Processed Wood	Garments (low-end market)
		
Leather products	Artificial Flowers	
		
Toys (wood)	Auto parts (Tier3)	

Challenging Sectors in 2024



III. High Interest



Hire Purchase /Leasing



Amusement Park



Department Store (small size)



Car dealer (non leading brands)



Condominium in other provinces such as Chon Buri, Chiang Mai and Hua Hin.



Horizontal Housing in other provinces such as Chon Buri, Chiang Mai and Hua Hin



Detached Houses, Condominiums and Townhouse (in Bangkok and its vicinity area ,non-leading brands)



<= 3 stars Hotel (Non - leading brand)



Spas (Non - leading brand)

IV. The purchasing power of the lower middle class is still weak.



Restaurant & Bar (non-major destination and outside the commercial area)



Furniture (Low end market)



Community Mall (non-major destination and outside the commercial area)



Department Store (small size or non-major destination and outside the commercial area)



Home Appliance (Low end market)



Packaging (small operators)



Land Transportation (Small size)



Industry movement in packaging sector

Air Conditioning : Domestic sales tend to grow slightly due to new technology and innovations in electrical appliances and automobiles. However, they may still face risks stemming from the global economic slowdown and supply chain disruptions, making the competition remain fierce.

Electronic Products : Foreign investment in the electronics industry has surged, promising a bright outlook for the growth of Thai exports in electronic products and components.

Auto Parts : Domestic demand for auto parts tend to increase due to rising car production. However, small manufacturers continue to face business challenges.