

The Consumer Price Index for December 2024

Mr. Poonpong Naiyanapakorn, the Director General of the Trade Policy and Strategy Office (TPSO), Ministry of Commerce, revealed that **the Consumer Price Index (CPI) in December 2024 was 108.28**. Comparing to December 2023 (106.96), **the headline inflation increased by 1.23% (YoY)**. The main factor came from the rise in fuel prices, resulting from the low base price in the previous year. Additionally, the prices of food and beverage items also increased, notably from fresh fruits, food components, and non-alcoholic beverages. Other goods and services did not have a significant impact on inflation.

Thailand's inflation rate in November 2024 increased by 0.95% (YoY) compared to other countries, still remaining in the low inflation rate group. That is, Thailand positioned at the 19th out of 129 economies that reported figures, and the second lowest rate in ASEAN among 8 countries (Brunei, Indonesia, Singapore, Malaysia, the Philippines, Vietnam, and Lao PDR).

The headline inflation rate in December 2024, which increased by 1.23% (YoY), was contributed by prices of goods and services as follows:

Food and non-alcoholic beverages category increased by 1.28% (YoY), primarily driven by rising prices of fresh fruits (rambutan, mango, sugar banana, durian, watermelon, pineapple, banana), non-alcoholic beverages (instant coffee powder, soft drink, coffee (hot/cold)), food components (coconut (dried/shredded), oyster sauce, chili paste), the rice, flour, and flour-based product category (rice, glutinous rice, pastry), ready-to-eat meals (rice and curry, prepared food, breakfast), and the meat, duck, chicken, and aquatic animal category (tilapia, white shrimp, steamed short mackerel). Meanwhile, there were many items with price reduction such as fresh vegetables (fresh chili, tomato, lime, Chinese broccoli, cabbage, Chinese cabbage, cilantro), chicken egg, pork, grilled chicken, drinking yogurt, vegetable oil, and delivered food.

Non - food and beverages category increased by 1.21% (YoY), primarily due to the increasing prices of fuel (diesel, gasohol, benzene), electricity, housing rent, airfare, student transportation fee, and men's and women's hairdressing services. However, there were many necessary items with price reduction such as personal items (shampoo, body soap), cleaning products (powder detergent, dry cleaning detergent, bathroom cleaner), and clothes (men's and women's t-shirts, men's and women's shirts, men's and women's trousers).

For the core inflation (the headline inflation excluding fresh food and energy), it **increased by 0.79% (YoY)**, slightly deaccelerating from 0.80% (YoY) in November 2024.

The Consumer Price Index in December 2024, when compared to November 2024, decreased by 0.18% (MoM), following a decrease of food and non-alcoholic beverages category by 0.51%. This mainly resulted from falling prices of fresh vegetables (green onion, fresh chili, Chinese cabbage, cilantro, cabbage, Chinese broccoli, tomato) due to the increased yield from the favorable weather conditions. In addition, prices of fresh fruits (tangerine, watermelon, grapes, sugar banana, banana), and chicken egg also increased. Meanwhile, there were many items with price rise such as rice, vegetable oil, short mackerel, tilapia, and oyster sauce. **For non - food and beverages category, there was a 0.07% increase**, influenced by rising prices of gasohol, benzene fuel, housing rent, and personal items (shampoo, face powder, hair conditioner). Meanwhile, there were some items with price reduction such as diesel fuel, tollway fee, cleaning products (dry cleaning detergent, dish soap), and men's shirts and t-shirts.

The annual average consumer price index of 2024 increased by 0.40% (AoA) compared to the same period in 2023. The main factor came from the rise in food and beverage prices, especially ready-to-eat meals, fresh fruits, and non-alcoholic beverages. However, there were some items with price reduction due to government cost-of-living-support measures such as electricity and diesel fuel. For the fourth quarter of 2024, the consumer price index increased by 1.00% (YoY) compared to the same quarter of 2023, and decreased by 0.26% (QoQ) compared to the previous quarter.

As for 2025, the headline inflation is forecasted to be between 0.3% and 1.3% (midpoint of 0.8%). There are two key factors accelerating the inflation. First, Thailand's economy is projected to improve in 2025 compared to 2024, influenced by growth in both private investment and consumption. Furthermore, the continuous increase in the number of tourists is expected to boost demand for goods and services. Second, the price ceiling of diesel at 33.00 baht per liter is higher than the average price of the first and second quarter of 2024. On the other hand, **there are three major factors possibly decelerating the inflation.** First, the government is likely to continue implementing measures to ease the burden of living expenses, particularly by reducing electricity and LPG prices. Second, the base price of fresh fruits and vegetables in 2024 was at a high level due to the El Niño and La Niña phenomena. As for 2025, these situations are anticipated to be less severe, and have a minimal impact on prices. Third, the slowdown in the real estate and domestic automobile sectors will result in limited growth in housing rents and car prices.

Nonetheless, if there are significant changes in the circumstances, there will be a reconsideration for the headline inflation.

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