

The Consumer Price Index for January 2025

Mr. Poonpong Naiyanapakorn, the Director General of the Trade Policy and Strategy Office (TPSO) and the Spokesman of the Ministry of Commerce, revealed that **the Consumer Price Index (CPI) in January 2025 was 100.57**. Comparing to January 2024 (99.26), **the headline inflation increased by 1.32% (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 December 2024 increased by 1.23% (YoY) compared to other countries, still remaining in the low inflation rate group. That is, Thailand positioned at the 24th out of 135 economies that reported figures, and the second lowest rate in ASEAN among 8 countries (Brunei, Indonesia, Singapore, Malaysia, the Philippines, Vietnam, and Lao PDR). For the average of 2024, Thailand's inflation rate increased by 0.40% (AoA), positioning at the 6th out of 135 economies that reported figures.

The headline inflation rate in January 2025, which increased by 1.32% (YoY), was contributed by prices of goods and services as follows:

Food and non-alcoholic beverages category increased by 1.78% (YoY), primarily driven by rising prices of fresh fruits (guava, mango, pineapple), ready-to-eat meals (rice and curry, prepared food, fried rice), food components (coconut (dried/shredded), vegetable oil, oyster sauce), non-alcoholic beverages (instant coffee powder, soft drink, coffee (hot/cold)), rice, flour, and flour-based products (rice, glutinous rice, pastry), and meat, duck, chicken, and aquatic animals (tilapia, steamed short mackerel, short mackerel, white shrimp), sugar products (dessert, granulated sugar), and fresh vegetables (cucumber, water spinach, long bean, mushroom). Meanwhile, there were many items with price reduction such as grilled chicken, fresh chili, lime, shallot, garlic, Chinese cabbage, and cabbage.

Non - food and beverages category increased by 1.00% (YoY), primarily due to the increasing prices of fuel (diesel, gasohol, benzene), electricity, housing rent, and airfare. However, there were many necessary items with price reduction such as personal items (skincare products, body soap, deodorant), cleaning products (detergent, dish soap, bathroom cleaner), and clothes (men's and women's t-shirts, men's and women's shirts, men's trousers).

For the core inflation (the headline inflation excluding fresh food and energy), it **increased by 0.83% (YoY)**, accelerating from 0.79% (YoY) in December 2024.

The Consumer Price Index in January 2025, when compared to December 2024, increased by 0.10% (MoM), following an increase of food and non-alcoholic beverages category by 0.18% (MoM). This mainly resulted from rising prices of fresh vegetables (water spinach, cucumber, fresh chili, basil leaf, long bean), ready-to-eat meals (rice and curry, prepared food), meat, duck, chicken, and aquatic animals (tilapia, short mackerel, fresh chicken), food components (vegetable oil, soy sauce, instant coconut milk), and fresh fruits (guava, dragon fruit, young coconut). Concurrently, there were many items with price reduction such as shallot, cilantro, rice, and glutinous rice. **For non - food and beverages category, there was a 0.06% (MoM) increase**, influenced by rising prices of electricity, housing rent, and personal items (body soap, hair conditioner, perfume). Meanwhile, there were some items with price reduction such as gasohol, benzene fuel, and cleaning products (detergent, ironing spray, bathroom cleaner). The public transportation fares, such as bus, skytrain, and subway, also decreased due to the free-skytrain-and-bus measures.

As for February 2025, the headline inflation is expected to be at a similar level as January 2025. There are three key factors accelerating the inflation. First, the price ceiling of diesel at 33.00 baht per liter is higher than the same period last year. Second, the continued recovery of the tourism sector has led to an increase in the prices of related goods and services, particularly airfare. Third, the prices of some agricultural products remain high as production yield has not yet returned to normal levels after being impacted by the prolonged drought, particularly for horticultural crops such as coconut. 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 cost of living, particularly the household electricity rate reduction and LPG price control. Second, the base price of fresh vegetables in 2024 was at a high level due to the impacts of natural disasters. In 2025, the weather conditions are more favorable for cultivation, resulting in an increased supply. Third, large-scale businesses have organized marketing promotion activities to align with the government's economic stimulus measures.

Thus, the Ministry of Commerce predicts that the headline inflation for 2025 will be between 0.3% and 1.3% (midpoint of 0.8%). This rate aligns with the current economic situation. If there are significant changes in the circumstances, there will be a reconsideration.

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