

**As a result of government measures,
inflation decreases for the first time in 25 months.**

Mr. Poonpong Naiyanapakorn, the Director of Trade Policy and Strategy Office, revealed that the Consumer Price Index (CPI) in October 2023 was 107.72. Comparing to October 2022 (108.06), The headline inflation decreased by 0.31% (YoY) for the first time in 25 months. This resulted from a decrease in the prices of energy and several products due to the government measures. Moreover, the prices of pork and fresh vegetables dropped from the previous year. For the core inflation, excluding fresh food and energy, it increased by 0.66% (YoY).

Thailand's inflation rate in September 2023 which increased by 0.30% (YoY) compared to other countries showed that Thailand remained in the low inflation rate group, positioned at 8th out of 130 economies that reported figures, and continued to have the lowest rate in ASEAN among 7 countries (Laos, the Philippines, Singapore, Indonesia, Vietnam, Malaysia). In several countries worldwide, inflation rates tended to decrease and moved within a narrow range.

The headline inflation rate in October 2023, which decreased by 0.31% (YoY), was contributed by the prices of goods and services as follows:

Food and non-alcoholic beverages category decreased by 0.65% (YoY), primarily due to lower meat prices, especially pork and chicken, fresh vegetables (coriander, Chinese kale, cucumber) influenced by favorable weather conditions over the past year. Additionally, prices of vegetable oil, dried coconuts, and tamarind paste decreased continuously based on raw material costs. However, the products with price rise included chicken eggs, soy milk, fresh fruits (watermelon, papaya, banana), instant coffee, prepared foods, and lunch.

Non - food and beverages category decreased by 0.09% (YoY), driven by falling prices of products due to government measures in the energy group (electricity and diesel), cleaning-related items (laundry detergent, dishwashing liquid, fabric softener), Electrical appliances (fans, air conditioners, washing machines). There are several items with price rise such as airfare, gasoline, and personal care items (body powder, toothpaste, toilet paper). Additionally, hairdressing for both men and women, medication (cold and fever remedies, pain relievers), cigarettes, alcohol, and wine saw a slight increase in prices.

The Consumer Price Index in October 2023, when compared to September 2023, decreased by 0.28% (MoM). For non - food and beverages category, there was an 0.61% decrease in prices, primarily driven by price changes in energy (electricity and all types of fuel), electric train fares, men's and women's clothing, dishwashing liquid, toilet cleaner, facial foam, shampoo, and conditioner. However, the products such as body powder, toothpaste, deodorant, cigarettes, alcohol, and wine, there was a slight increase in price. For food and non-alcoholic beverages category, there was an 0.18% increase in prices, due to the rising prices of fresh vegetables (Chinese kale, water spinach, Chinese Cabbage) because of a vegetarian festival and flood in some agricultural areas, and food delivery. There are some items with price reduction such as pork, chicken, fish and

aquatic animals (mackerel, white shrimp, seabass), chicken eggs, yogurt drink, soy milk, fresh fruits (tangerine, longkong, guava), vegetable oil, oyster sauce, and fish sauce.

For the average consumer price index over 10 months (January - October 2023) compared to the same period in 2022, it increased by 1.60 (AoA), moving within the inflation target set by the Minister of Finance and the Monetary Policy Committee at 1.0 - 3.0%.

The headline inflation in November 2023 is expected to decrease slightly compared to November 2022, mainly due to price changes in the food category (meat, seasonings) and the energy category (electricity, fuel). Additionally, other essential products for livelihood and production costs have seen a decrease due to government measures. Moreover, the high-price base in the same period in 2022 are relatively high, contributing to the downward trend in the headline inflation. However, increasing domestic demand driven by tourism, exports, and rising prices of important agricultural products such as rice, cassava, and rubber, a tight energy supply, caused by the restrictions of major global oil producers, along with the ongoing geopolitical tensions, could potentially disrupt inflation expectations.

For the reason above, The Ministry of Commerce predicts that the headline inflation for 2023 will be between 1.0% and 1.7%, with an average of 1.35%.

The overall consumer confidence index for October 2023 slightly increased from 55.7 in September 2023 to 55.8. This marks a continuous increase for 3 consecutive months and has been above the confidence level for the 11th consecutive month (since December 2022). The increase resulted from an ongoing economic recovery, driven by both tourism and exports, which have continued to expand for 2 consecutive months. Additionally, government measures and a slowdown of crude oil prices have contributed to the increase in consumer confidence. While the geopolitical tensions may intensify and have limited impact within a narrow range than previously anticipated.

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