

Trade and economic indicators continued to improve as inflation decelerated for 2 consecutive months due to the collaboration from all sectors to control costs of living.

Mr. Poonpong Naiyanapakorn, the Director-General of TPSO reveals that the Consumer Price Index (CPI) was at 108.06 in October 2022 and at 101.96 in October 2021. **The headline inflation in October 2022 decelerated for 2 consecutive months from a 6.41-percent expansion in September 2022 to 5.98 percent (YoY)** owing to the fall in energy and food prices. The deceleration was contributed by the collaboration between public and private sectors to control costs of living and the government's measures on price reduction and control by Ministry of Commerce. While the inflation in many countries has increased continuously (the latest data in September 2022) such as Laos, Singapore, Philippines, United Kingdom, Italy, Germany, India and USA. Details are as follows.

Food and non-alcoholic beverages had a 9.58-percent growth (YoY) following a deceleration of fresh food from 10.97 percent to 10.48 percent this month. Decelerated prices include meats (pork, fresh chicken) fresh vegetables and fruits (spring onion, morning glory, tangerine, watermelon), and seasonings (vegetable oil, soy sauce, chili paste). However, prices of some items dropped such as rice flour, Chinese cabbage, Chinese kale, coriander, celery, banana, grated coconut, and tamarind sauce.

Non-food and alcoholic beverages had a 3.56-percent growth (YoY) owing to a fall in energy prices from 16.10 percent to 13.07 percent this month, especially fuel prices. In addition, prices of drugs and medical supplies, tobacco and alcoholic beverages decelerated from the previous month. Meanwhile, prices of some items decreased such as herbal/ traditional medicine, surgical mask, face powder, television, air conditioner, and washing machine.

Core inflation was at 3.17 percent (YoY) and the **CPI slightly rose by 0.33 percent (MoM)** following rising prices of fresh vegetables due to flood in many crop areas. While prices of meats (pork, fresh chicken), fruits (tangerine, longan), seasonings (vegetable oil, oyster sauce, fish sauce), delivered food, and cleaning supplies dropped. **For a 10-month average, CPI rose by 6.15 (AoA).**

The Producer Price Index (PPI) in October 2022 continued to decelerate for 4 consecutive months by 9.9 percent (YoY) following decelerated prices of manufacturing products and agricultural and fishery products while prices of mining products rose following prices of petroleum and natural gas. An expansion of PPI was contributed by high costs of production and logistics, and Thai Baht depreciation. **The Construction Materials Price Index (CMI) decelerated by 3.6 percent (YoY)** from 5.2 percent in the previous month following decelerated prices of steel and iron products,

cement, concrete, and other construction materials. The main contribution was rising costs of raw materials following climate change, floods, and high energy prices.

The overall Consumer Confidence Index (CCI) has improved for 4 consecutive months to 47.7 compared with 46.4 in the previous month and the highest figure in 3 years. The future CCI stayed above the confidence level for 12 consecutive months and rose to 53.7. The main reasons are the government's stimulus measures and decreasing oil prices. However, global economic recession may affect the Thai economy and was an adverse factor to the CCI.

Inflation in November 2022 tends to decelerate following decreasing prices of several consumer goods while some remained stable even their costs increased. The deceleration was contributed by the government's measure on costs of living and easing flood situation that led to a higher supply of agricultural products. However, rising prices of energy due to supply constraints, growing domestic demands for tourism and exports, high prices of important agricultural products, and Thai Baht depreciation are risk factors that could limit the deceleration of inflation and should be closely monitored.

The headline inflation in 2022 is still projected to range between 5.5 – 6.5 percent (6.0 percent mid-range) which is in line with the current economic situation and projections released by other government agencies.

Trade Policy and Strategy Office

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