+357 96 030922
info@marketpublishers.com

Thailand Business Forecast Report Q1 2015

https://marketpublishers.com/r/TDC2DDEE19FEN.html
Date: December 2014
Pages: 51
Price: US$ 1,195.00 (Single User License)
ID: TDC2DDEE19FEN

Abstracts

Core Views

While Thailand's military leaders have taken tentative steps to restore civilian rule, a return to a well-functioning democracy is far from assured. The political divide will remain unresolved, and the potential for renewed instability will continue to undermine the country's long-term economic growth potential.

Still soft domestic demand and weakness in external performance continue to keep the Thai economy sluggish. Consequently, we are downgrading our 2014 real GDP growth forecast to 0.7%, from 1.6% previously. That said, we expect growth to rebound to 4.1% in 2015 on the back of ongoing efforts by the junta to revive the economy amid renewed political stability.

We forecast Thailand's budget deficit to narrow from an estimated 2.6% of GDP in 2014 to 2.0% in 2015, as we expect an economic rebound to shore up fiscal revenue, while the removal of the rice subsidy scheme and the fall in oil prices should keep expenditure in check. That said, should the junta pursue populist measures, this will pose downside risk to our forecast.

An economic recovery and interest rate normalisation in the US that will likely occur in H215 would spur the BoT to raise its benchmark interest rates by 25 basis points (bps) to 2.25% in 2015. While a stronger US dollar will weigh on the Thai baht, a likely economic rebound in Thailand in 2015 and continued strong foreign direct investment (FDI) inflows will provide support for the unit. On balance, we hold a neutral outlook for the Thai baht, and are forecasting the currency to average THB32.75/USD in 2015 and end 2015 at about THB33.00/USD.

Major Forecast Changes

+357 96 030922
info@marketpublishers.com

We have downgraded our 2014 growth forecast to 0.7% from 1.6% previously. We have pared back our expectations for a total of 50 basis points (bps) interest rate hike in 2015 owing to global deflationary forces at play, and are now calling for just one 25 bps worth of hike. We forecast the Thai baht to average THB32.75/USD (from THB31.75/ USD previously) in 2015 and end 2015 at about THB 33.00/USD (from THB31.00 previously).

+357 96 030922
info@marketpublishers.com

Contents

Executive Summary
Core Views
Major Forecast Changes
Key Risks To Outlook

CHAPTER 1: POLITICAL OUTLOOK

SWOT Analysis
BMI Political Risk Index
Domestic Politics
Risk Of Renewed Political Instability Remains
While Thailand's military leaders have taken tentative steps to restore civilian rule, a return to a well-functioning democracy is far from assured. The political divide will remain unresolved and the potential for renewed instability will continue to undermine the country's long-term economic growth potential.
  Table: Political Outlook
Long-Term Political Outlook
Political Woes To Persist
Thailand's political situation will remain highly volatile, and it is difficult to envision political stability over the next few years. Following the military coup in May 2014, the roadmap to a return to civilian government remains unclear.

CHAPTER 2: ECONOMIC OUTLOOK

SWOT Analysis
BMI Economic Risk Index
Economic Activity
Growth Recovery To Continue On A Gradual Trajectory
Still soft domestic demand and weakness in external performance continue to keep the Thai economy sluggish. Consequently, we are downgrading our 2014 real GDP growth forecast to 0.7%, from 1.6% previously. That said, we expect growth to rebound to 4.1% in 2015 on the back of ongoing efforts by the junta to revive the economy amid renewed political stability.
  Table: Ec onomic Acti vit y
Fiscal Policy
Fiscal Performance To Improve In 2015
We forecast Thailand's budget deficit to narrow from an estimated 2.6% of GDP in 2014

+357 96 030922
info@marketpublishers.com

to 2.0% in 2015, as we expect an economic rebound to shore up fiscal revenue, while the removal of the rice subsidy scheme and the fall in oil prices should keep expenditure in check. That said, should the junta pursue populist measures, this will pose downside risk to our forecast.

Table: Fiscal Policy

Monetary Policy

Accommodative Rates To Support Growth Recovery

We expect the Bank of Thailand (BoT) to keep its benchmark interest rate unchanged at 2.00% for the remainder of 2014 and into H115 to facilitate an economic rebound. A likely growth recovery and potential interest rate normalisation in the US in 2015 would spur the BoT to normalise its benchmark interest rate. We forecast the BoT to raise rates by 25 basis points (bps) to 2.25 % in 2015.

Table: Monetary Polic y

Balance Of Payments

Neutral Outlook For The Thai Baht

While a stronger US dollar will weigh on the Thai baht, a likely economic rebound in Thailand in 2015 and continued strong foreign direct investment (FDI) inflows will provide support for the unit. On balance, we hold a neutral outlook for the Thai baht, and are forecasting the currency to average THB32.75/USD in 2015 and end 2015 at about THB33.00/USD.

Table: Current Account

Table: CURENCY FORECAST

CHAPTER 3: 10-YEAR FORECAST

The Thai Economy To 2023

Politics A Headwind, But Won’t Prevent Solid Growth

Ongoing political uncertainty, deteriorating demographic trends, and a lack of reform momentum are likely to undermine Thailand's real GDP growth over the next decade, although we still believe that solid growth rates are achievable assuming no major deterioration on the political front. We project real GDP growth to average 3.9% annually (from 4.1% previously) over the next decade, versus the annual average growth rate of 4.5% over the past decade.

Table: Long-Term Macroeconomic Forecasts

CHAPTER 4: OPERATIONAL RISK

Operational Risk Index

Operational Risk

+357 96 030922
info@marketpublishers.com

Table: Operational Risk
Transport Network
Table: Transport Network
Economic Openness
Table: Ec onomic Op enness
Table: Top 5 Trade Partners & Product Exports (USDmn unless oth erwis e st ated)
Table: Top 5 Product Imp orts (USDmn unless oth erwis e st ated)

CHAPTER 5: KEY SECTORS

Infrastructure
Table: Construction And Infrastructure Industry Data, 2012-2017
Table: Construction And Infrastructure Industry Data, 2013-2023
Oil & Gas
Table: Oil Production, 2012-2017
Table: Oil Production, 2013-2023
Table: Gas Production, 2012-2017
Table: Gas Production, 2013-2023
Other Key Sectors
Table: Pharma Sect or Key Indic ators
Table: Telecoms Sect or Key Indic ators
Table: Defence and Security Sector Key Indicators
Table: Food and Drink Sector Key Indicators
Table: Autos Sector Key Indicators
Table: Freight Key Indicators

CHAPTER 6: BMI GLOBAL ASSUMPTIONS

Global Outlook
Warning Signs Growing
Table: Global Asumpti ons
Table: Developed States, Real GDP Growt H, %
Table: BMI VER SUS BLO MBER G CON SEN SUS REAL GDP GRO WTH FORE CASTS, %
Table: Em ergi ng Markets , Real GDP Growth , %

+357 96 030922
info@marketpublishers.com

I would like to order

Product name: Thailand Business Forecast Report Q1 2015

Product link: https://marketpublishers.com/r/TDC2DDEE19FEN.html

Price: US$ 1,195.00 (Single User License / Electronic Delivery)

If you want to order Corporate License or Hard Copy, please, contact our Customer Service:

info@marketpublishers.com

Payment

To pay by Credit Card (Visa, MasterCard, American Express, PayPal), please, click button on product page https://marketpublishers.com/r/TDC2DDEE19FEN.html