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Consumer Confidence in Thailand Reaches 35-Month High

On 3 January, 2018, the University of the Thai Chamber of Commerce (UTCC) published its December Consumer Confidence Index (CCI) survey results. In this latest edition, the CCI showed an increase for the fifth consecutive month, rising from 78.0 in November to 79.2 in December to take CCI to its highest level since February 2015. The CCI is composed of 3 components, namely confidence in the economic outlook, job prospects and future income. The score for each component ranges from 0 to 200. A score of 100 indicates a stable outlook, whereas a score of less than 100 indicates a negative outlook, and a positive outlook is indicated by a score of more than 100.

Confidence in future income showed the most significant increase, rising from 90.03 to 97.5 in December of 2016, to near the normal level at 100. Job prospects and economic outlook, the lowest-scored section, rose within the same timeframe from 68.2 and 62.5 to 74.0 and 66.2, respectively. Looking at the figures in more detail, the score for economic outlook is derived from two sub-components: confidence in the current economic outlook and in the 6 months ahead. There are 3 possible scoring options: good, average and bad. In this respect, only 5.7 percent of the survey respondents viewed the present economic outlook as 'good', but this figure increases markedly to 14.2 percent for the next 6 months. Moreover, only 30.5 percent of the respondents viewed the 6-month-forward economic outlook as 'bad', while over 56.9 percent expressed that sentiment for the current period. These findings shed some light onto how the populace contrasts the current and foreseeable situations. In this case, it seems clear that the majority expect the overall economic performance to improve in the next 6 months.

Despite the improvement, it should also be noted that the CCI remains well below the figure of 100, which implies an overall poor perception of the Thai economy.

Furthermore, Dr. Thanavath Phonvichai, the Vice President of Research at the UTCC, also cautioned that this increase in overall confidence is attributed mainly to the middle-income group, who experienced increased purchasing power in 2017 due to the strong economic recovery, and less to low-income earners. Nonetheless, he expects several upcoming policies, including the state welfare card scheme and local economic empowerment strategy, to benefit the low-income group and boost employment in the rural areas.

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