

“เศรษฐกิจและอุตสาหกรรมไทย ... ปัจจัยบวก-ลบ  
ภายใต้ฉากทัศน์ปี 2568”

**Amonthep Chawla, Ph.D.**

Date: 10 January 2025

ณ ห้อง PTT GROUP (1012) ชั้น 10

สภาอุตสาหกรรมแห่งประเทศไทย



# Slithering on Thailand's Economic Road 2025





# Economic and Financial Market Outlook 2025



## Trump 2.0

Make America Great Once Again

- Tax cuts, tariff and fair trade measures, deregulation, reshoring, etc.
- Mass deportation of illegal immigrants (tightening labor market and inflation)
- Shale oil and shale gas will be exploited, leading to fall of commodity prices
- USD to strengthen (but Trump doesn't like it!)
- Rate cuts will continue to at least 3Q25 but rate could go up if inflation kicks it (independence of the Fed will be tested)



## Thailand's Economic Outlook

Uneven recovery to continue

- GDP growth of 2.6% in 2024 and 2.7% in 2025
- Key growth drivers are tourism-related consumption and public cash transfers
- Drags are private construction, weak manufacturing and slower-than-expected exports
- SMEs and low-income households (high debt) could still be trouble
- Car sales to be stagnant in 1H25; real estate to drag to early 2026 (<3MB/unit)
- Rate cuts and weakening THB



## Industry Outlook 2025

Positive trend in 2025

- Businesses related to the tourism sector, following the expansion of the number of tourists, Healthcare, infrastructure
- Businesses to benefit from the Trade War, the relocation of production base, and the electronics bull cycle
- Electricity Generating, Modern Warehouses Rental (in Eastern Bangkok and Suvarnabhumi-Bangpakong), Industrial Estate in the Eastern area, and HDD.

Negative trend in 2025

- Commodity-related products
- SME products that are affected by the influx of Chinese goods and capital, such as the automotive group, the real estate group, and the textile group

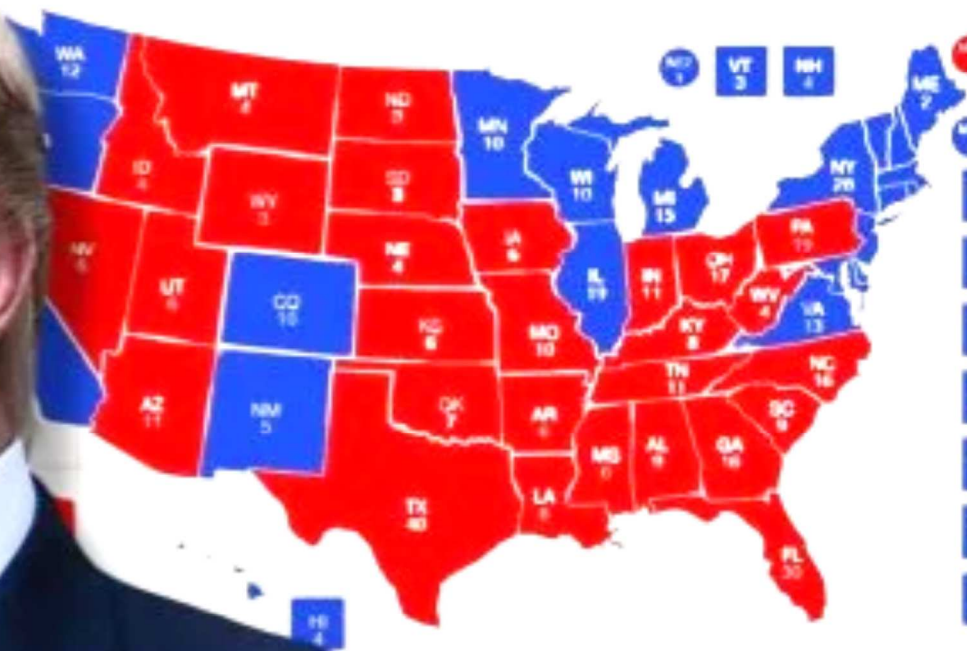


LARGER TARIFFS

MORE TRADE WAR ?

CHINA TRADE SANCTIONS

Trump 2.0



287 Trump

HOW

**PUMP 2.0**

IMPORT-EXPORT TRADE

GLOBAL MARKET



## What could happen in 2025 under President Trump

**US+GLOBAL**

1.

USD to strengthen

2.

Gold price to decline

3.

Oil prices to fall

4.

Gov't bond yields to spike

5.

US stocks to temporarily rise

6.

Chinese stocks to temporarily fall

7.

Fed to continue cutting rates

8.

Russia to end the war with Ukraine

9.

Mass deportation of illegal immigrants

10.

US economy to grow over 2%



## What could happen in 2025 under President Trump

## Thailand

1.

Exports to stagnate

2.

MPI to remain sluggish

3.

Construction to take long time for recovery

4.

Farm income to remain weak

5.

Tourism revenue to expand

6.

Thailand's government to stimulate low-income HH

7.

Industry relocation to speed up

8.

BOT to cut rates

9.

THB to weaken to test the 35-36 level

10.

Thailand's econ to grow 2.5-3.0%



# Trump 2.0 could change the gear of global economy

**P** – Pause Globalization

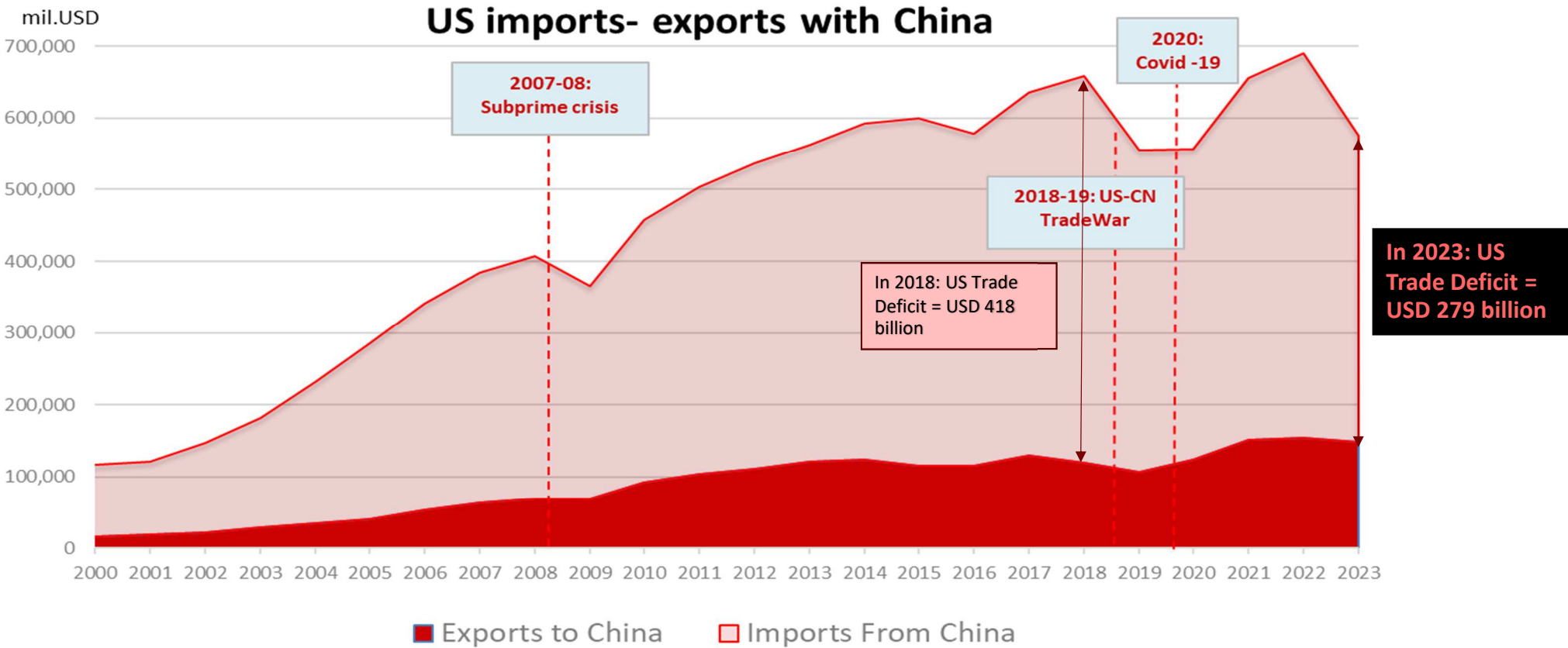
**R** – Reverse Reshoring

**N** – No Neutral  
Stance on Spending

**D** – Drive for Dollar  
Devaluation



U.S. Trade Deficit with China: The once substantial trade deficit between the United States and China is now narrowing



Source: U.S. Census Bureau

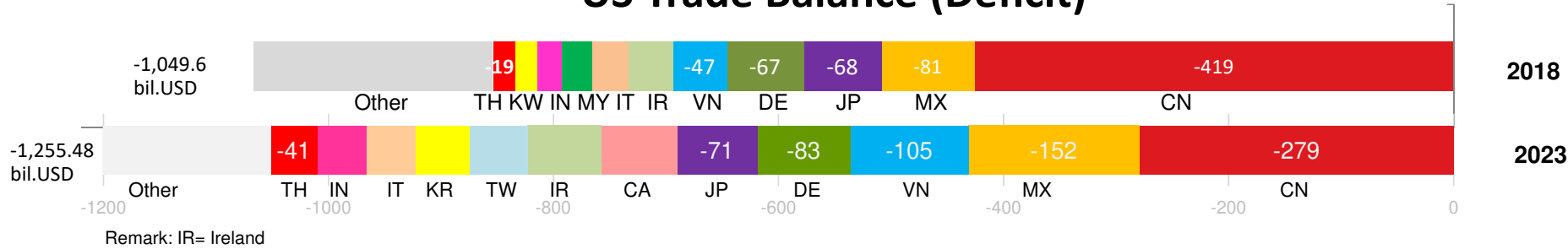
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Since the trade war began, the U.S. trade deficit with China has been steadily shrinking



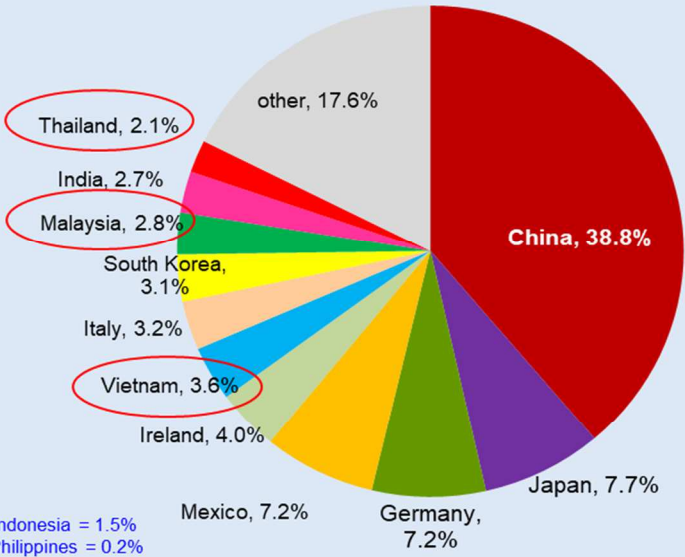
# US Trade Balance (Deficit)



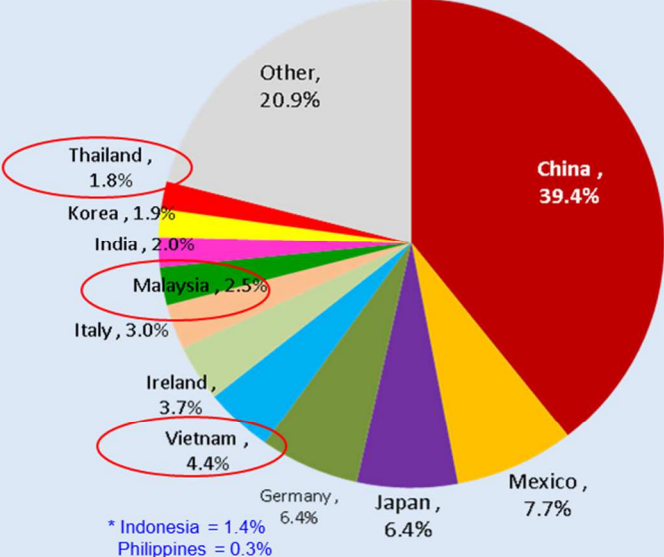
2018: Trade deficit = USD 890.4 billion

2023: Trade Deficit = USD 1,061.7 billion

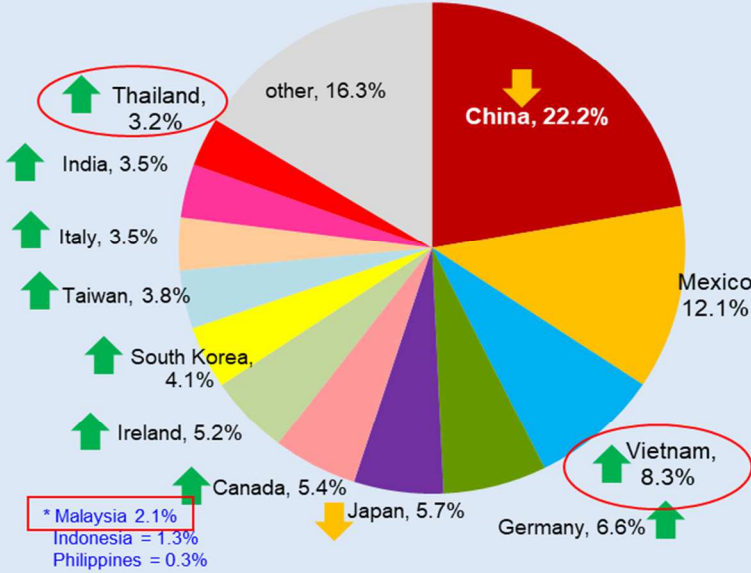
2016 Percentage Share of US Trade Deficit



2018 Percentage Share of US Trade Deficit



2023 Percentage Share of US Trade Deficit



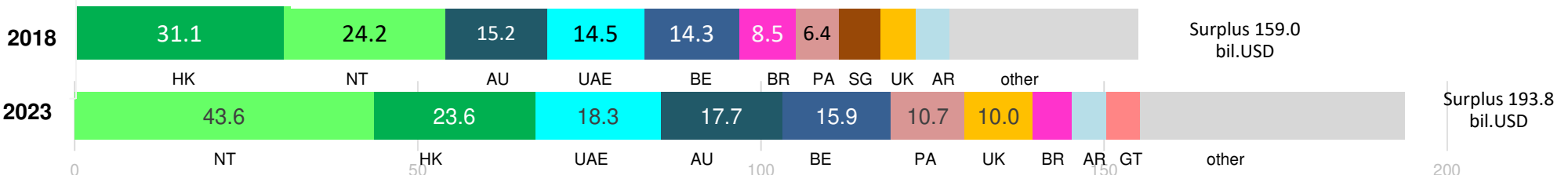
Source: CEIC data

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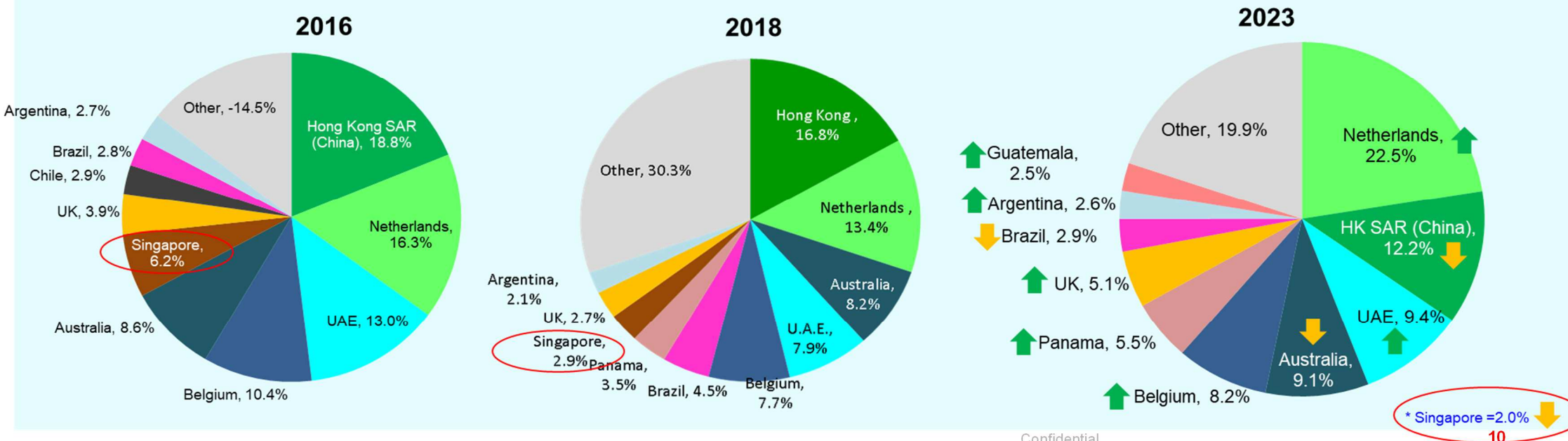


# The U.S. trade surplus remains much smaller than its trade deficit, and the composition of the surplus has shifted somewhat

## US Trade Balance (Surplus)



Remark: IR= Ireland, GT= Guatemala, AR=Argentina, BR=Brazil, PA=Panama, BE= Belgium



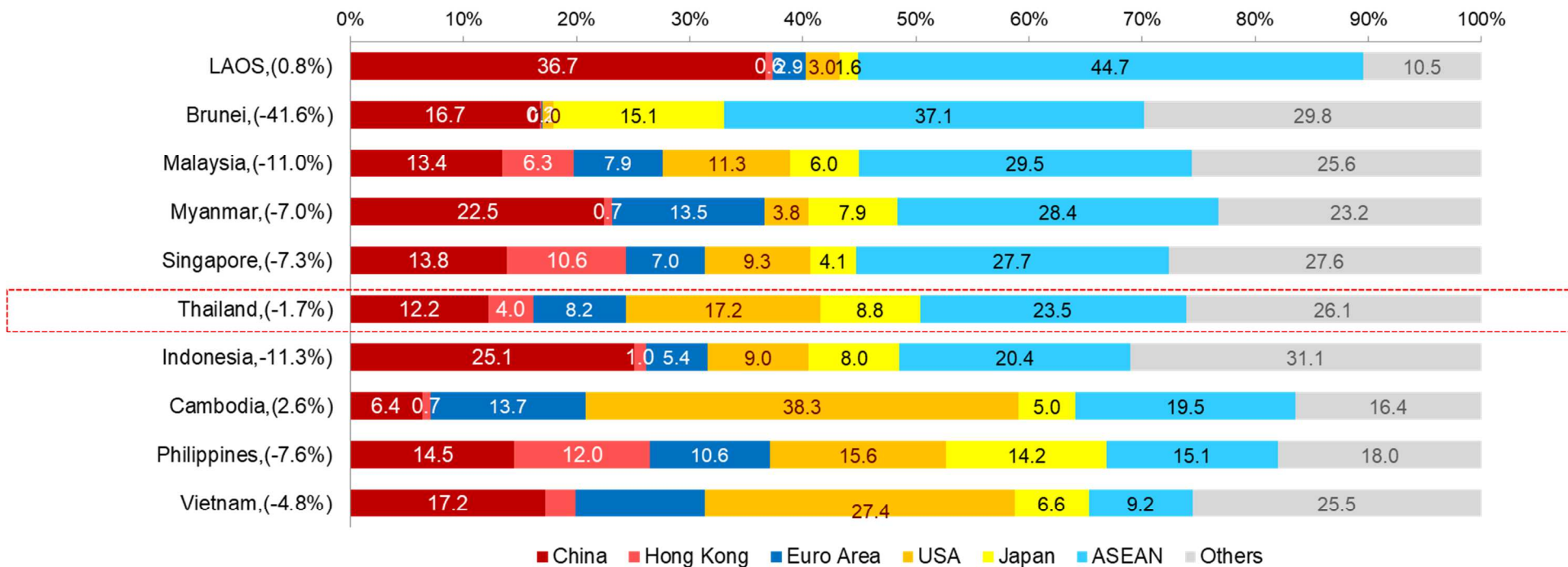
Source: CEIC data

\* Singapore =2.0%  
10

# ASEAN trade has largely depended on the U.S. and China markets, with intra-ASEAN trade playing a smaller role



## 2023: Share of ASEAN Exports to USA, China, EU, Japan and ASEAN (USD term)



Sources: CEICdata, IMF and Bank of Thailand

Remark: in blanket ( ) is percentage change (y-o-y)



# Outlook 2025



## • Economic Outlook

- Thailand's economy could continue to grow with support from tourism-related sectors and rising budget disbursement
- Key challenges are on poorer outlook on private investment and exports
- We adjusted our growth target at 2.6% in 2024 and 2.7% in 2025
- Key challenges are from uncertainty of Chinese economic growth, geo-politics and inflation



## • Rate Outlook

- The BOT could cut rate in 2025 to 1.50%
  - Soft Inflation due to falling commodity and oil prices has lower of cost of living
  - Low farm income and weak purchasing power among low-income households
- However, rising global financial uncertainties and growing Thai public debt which put pressure on Thailand's sovereign credit rating may cause long-term Thai bond yields to increase.



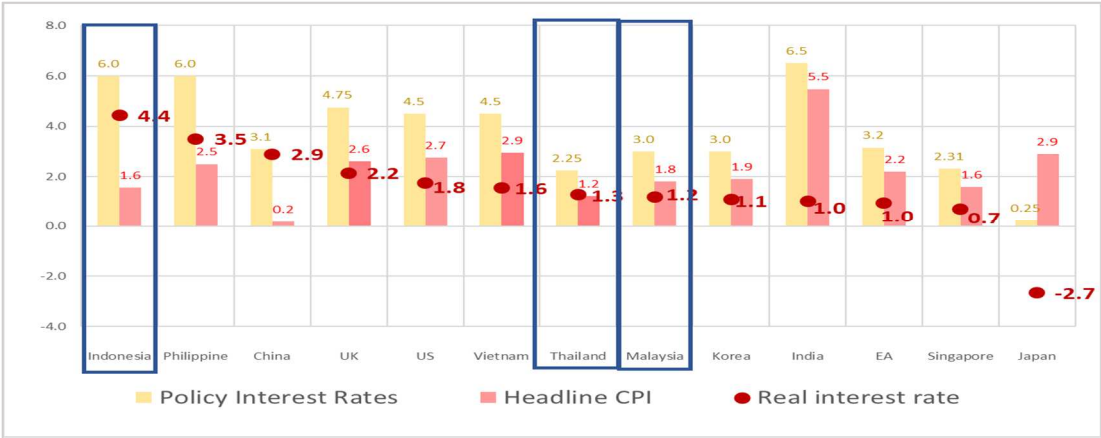
## • FX Outlook

- Weakening THB is from stronger-than-expected US economic report, lower-than-expected US rate cut
- Stronger THB is from weak US data confirming more aggressive US rate cuts while Thai economy could rebound attracting foreign capital flows
- The THB target to 35.00 baht per US dollar by YE 2025

The THB gained strength against the USD in December in contrast to weakening regional currencies for fear of less-than-expected US rate cuts and rising US bond yields



Real Interest Rates(%)



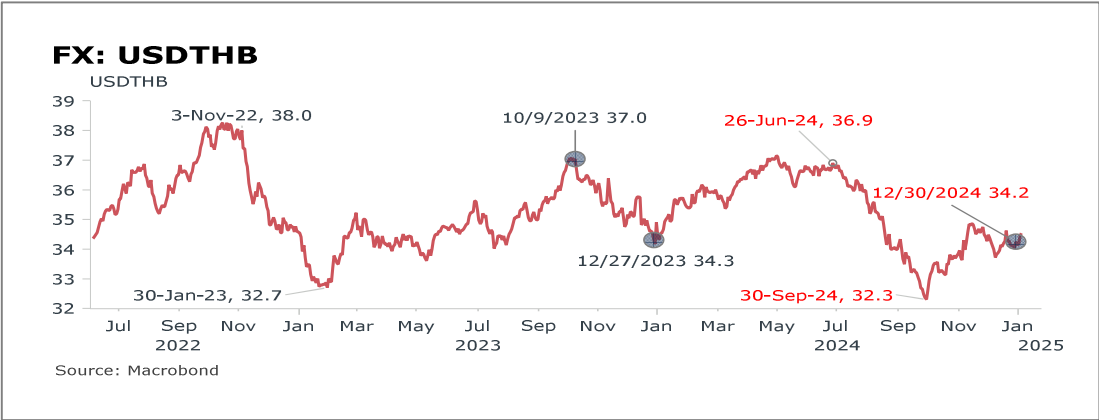
\*\*Policy rates = Latest data as of 5 January 2025, CPI as of Nov 2024 excl. ID,KR,TH,VD as of Dec 2024  
Remark: China = The one-year loan prime rate (LPR); PH= Overnight Lending Facility rate; Singapore = 3 months SIBOR (SGD); USA=Upper bound; EA=Refinancing rate

2024 FX (as of 31 December 2024)

Country Spot		%YTD		%MTD	
Japanese Yen	JPY		-10.38		-4.83
South Korean Won	KRW		-12.49		-4.61
Australian Dollar	AUD		-9.17		-4.43
Swiss Franc	CHF		-7.35		-2.30
Singapore Dollar	SGD		-3.32		-1.52
Euro	EUR		-6.26		-1.37
Indonesian Rupiah	IDR		-4.38		-1.25
British Pound	GBP		-1.66		-1.10
Indian Rupee	INR		-2.77		-1.06
Offshore Chinese Renminbi	CNH		-2.89		-0.70
Taiwanese Dollar	TWD		-6.35		-0.55
Vietnamese Dong	VND		-4.78		-0.44
Chinese Renminbi	CNY		-2.73		-0.34
Malaysian Ringgit	MYR		2.72		-0.28
Hong Kong Dollar	HKD		0.55		0.17
Thai Baht	THB		0.13		1.16
Philippine Peso	PHP		-4.25		1.43

Source: Bloomberg

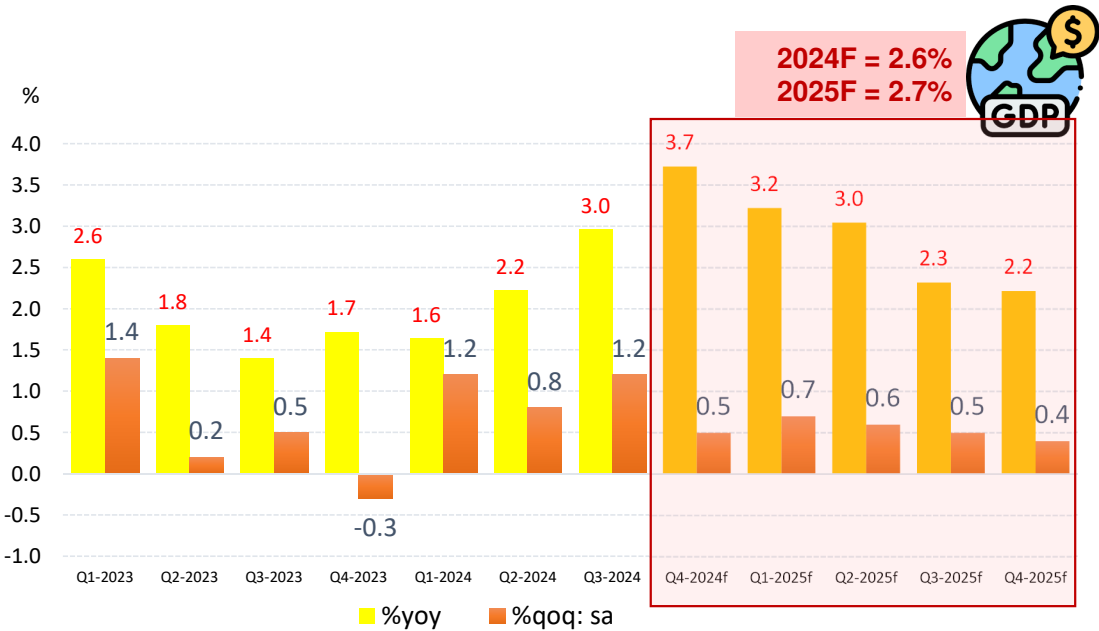
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Thailand's economic outlook – we are projecting growth at 2.6% in 2024 and 2.7% in 2025

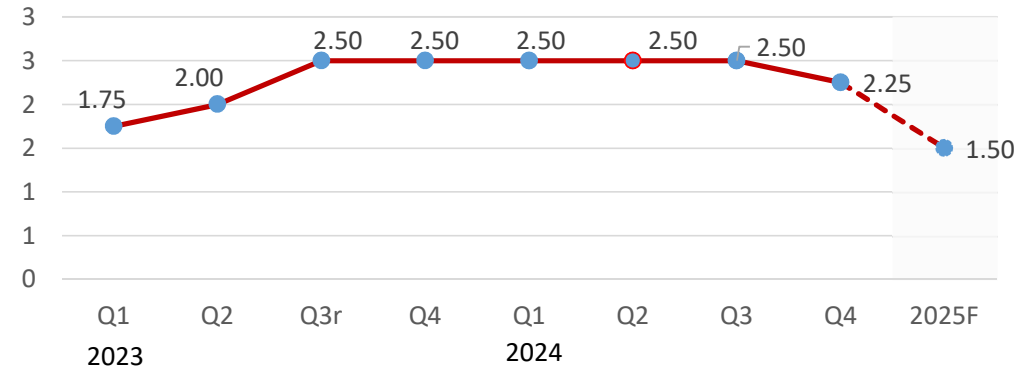


GDP Growth

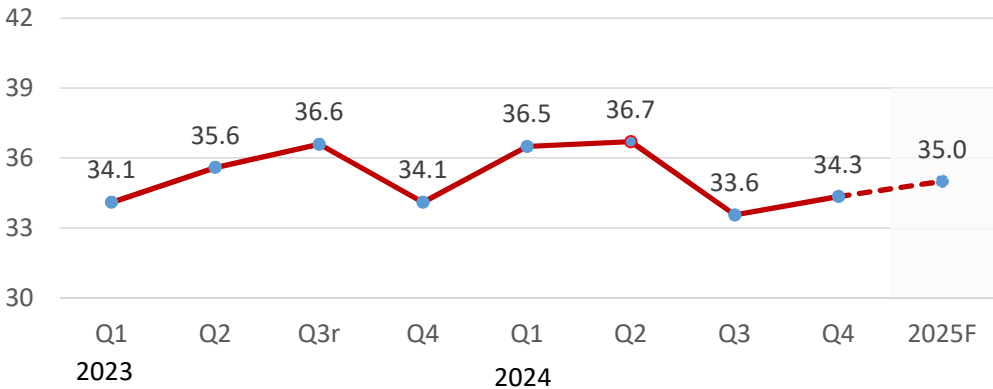


Source: NESDC and forecasted by CIMB Thai Research as of Dec 2023

Policy Rate



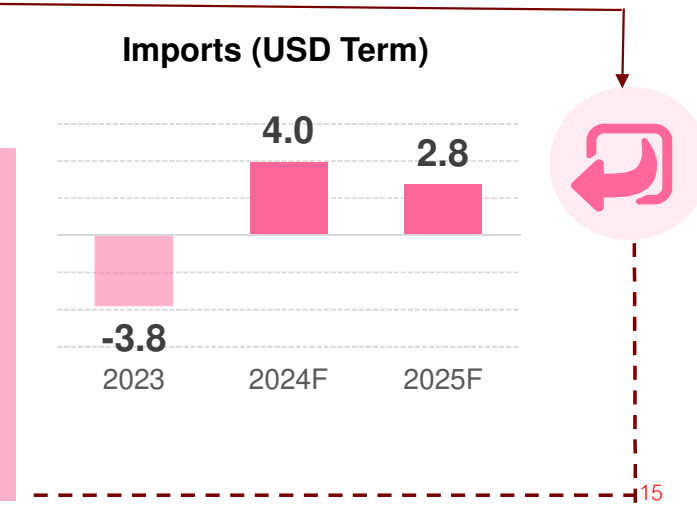
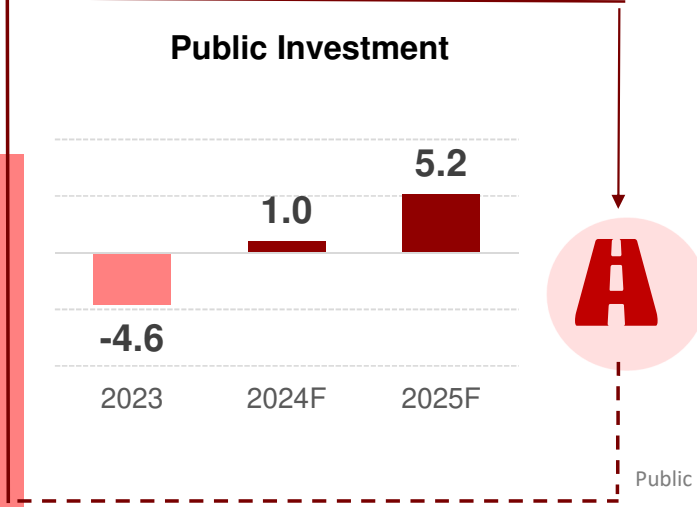
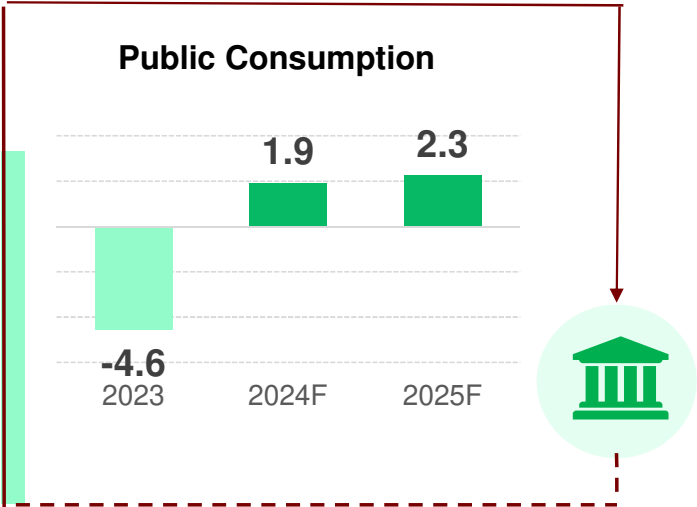
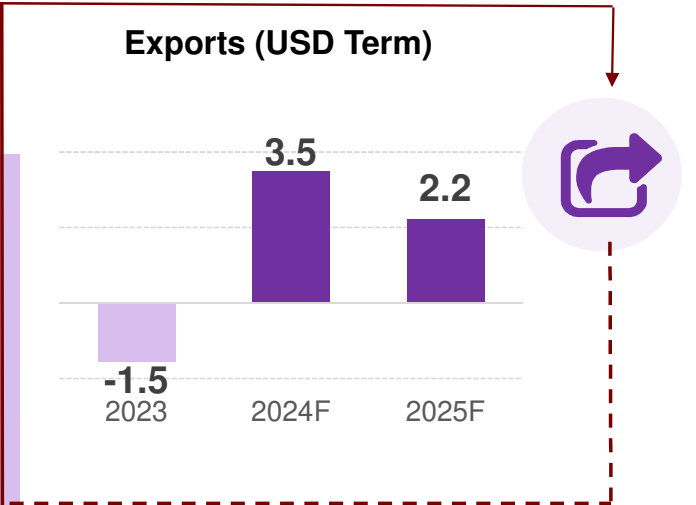
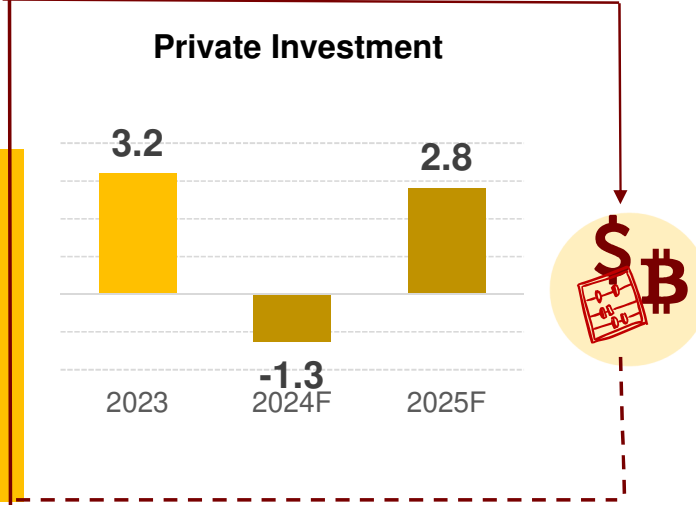
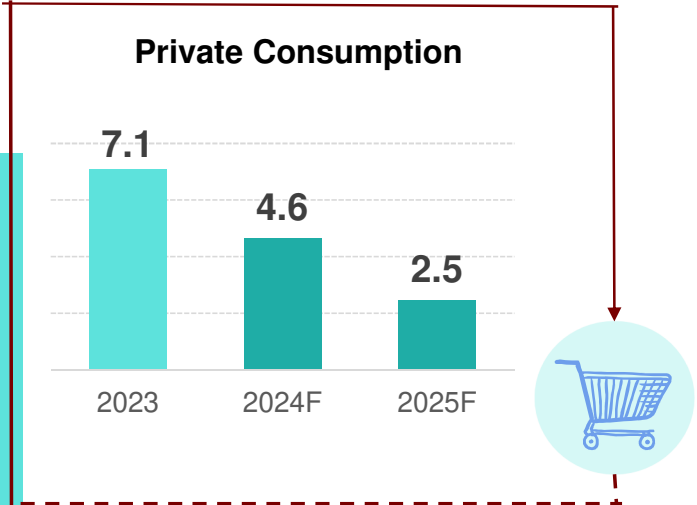
FX (USD:THB)



Remark: Forecasted by CIMBThai's Research  
Source: Data from Bloomberg as of Nov 19 2024



The growth drivers for Thailand's economy include tourism-related consumption, recovering exports, and an acceleration in budget disbursement



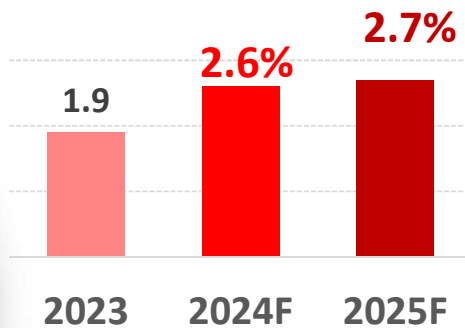
# GDP growth projections



	2023	2024				2024F				2025F			
		Q1	Q2	Q3	Q4F	CIMBThai		BOT	NESDC	CIMBThai		BOT	NESDC
						Jun-24	Dec-24	Oct-24	Nov-24	Jun-24	Dec-24	Oct-24	Nov-24
<b>Economic growth - % YoY</b>	<b>1.9</b>	<b>1.6</b>	<b>2.2</b>	<b>3.0</b>	<b>3.5</b>	<b>2.3</b>	<b>2.6</b>	<b>2.7</b>	<b>2.6</b>	<b>3.2</b>	<b>2.7</b>	<b>2.9</b>	<b>2.8</b>
Public consumption	-4.6	-2.1	0.3	6.3	2.8	1.7	1.9	2.0	1.7	3.3	2.1	2.6	2.1
Private consumption	7.1	6.9	4.9	3.4	3.5	4.0	4.6	4.2	4.8	3.2	2.5	2.5	3.0
Public investment	-4.6	-27.7	-4.0	25.9	16.4	-1.9	1.0	1.1	2.4	2.3	5.2	4.5	6.5
Private investment	3.2	4.6	-6.8	-2.5	-0.9	2.0	-1.3	-2.8	-0.5	3.4	2.8	2.9	2.8
Exports – THB	2.1	2.5	4.7	10.5	5.3	3.6	5.7	4.8	6.1	3.7	3.5	2.8	4.2
Imports – THB	-2.3	5.2	1.3	9.6	4.5	4.5	5.1	4.4	5.0	4.3	3.4	1.4	3.2
Exports (USD term); fob	-1.5	-1.1	4.5	8.9	0.3	1.6	3.5	2.8	3.8	2.7	2.2	2.0	2.6
Imports (USD term); fob	-3.8	3.3	1.2	11.3	0.2	3.3	4.0	5.1	4.4	1.8	2.8	0.4	3.3
Policy rate - %	2.5	2.5	2.5	2.5	2.25	2.25	2.25	n.a.	n.a.	1.50	1.50	n.a.	n.a.
Exchange rate: USD/THB (eop)	34.1	36.5	36.7	33.6	34.3	37.0	34.5	n.a.	35.4	36.2	35.0	n.a.	34.5 - 35.5
Headline inflation	1.2	-0.8	0.8	0.6	1.3	0.8	0.5	0.5	0.5	1.3	1.0	1.2	0.3-1.3
No. of tourists – mil persons	28.2	9.4	8.1	8.6	9.4	35.6	35.6	36.0	36.0	39.1	39.1	39.5	38.0
Current account balance – USD bil	7.4	2.5	0.8	2.0	4.7	12.5	11.0	10.0	13.0	20.6	14.1	16.0	14.3
(% to GDP)	1.5	1.9	0.7	1.5	3.3	1.8	2.0	n.a.	2.5	2.8	2.5	n.a.	2.6
Oil prices BRENT spot – USD/barrel)	82.5	83.0	84.6	79.5	73.9	82.1	80.4	80.0	80.0*	77.9	70.0	80.0*	75 - 85*

Source: National Economics and Social Development Council - NESDC, Bank of Thailand – BOT, Ministry of Commerce – MOC, Bloomberg, Oxford Economic Model(OEM), Ministry of Tourism and Sports (MoTS)

# Higher uncertainty in global trade is expected in 2025 which could derail Thailand's economic growth



## 2025

3.0%

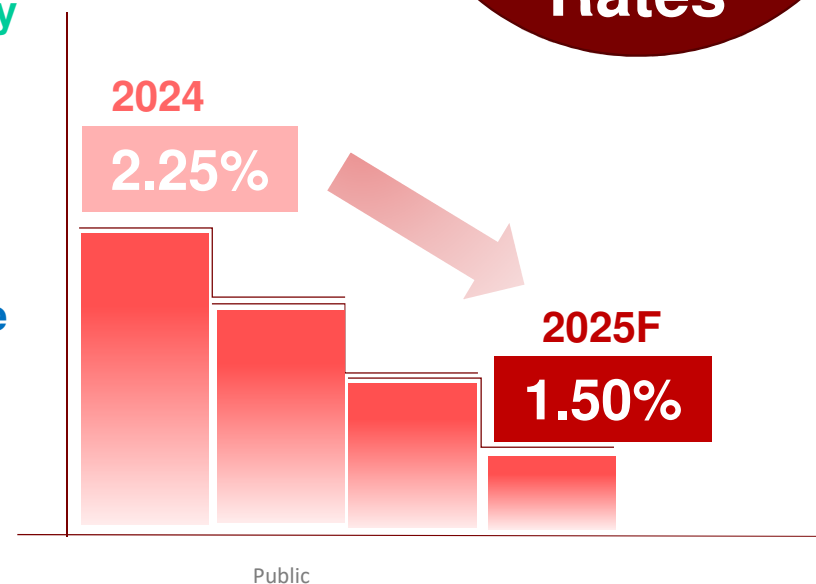
- Tariff is delayed
- Rate cuts to increase liquidity
- Falling oil prices help lower imports and cost of living
- Fiscal stimulus is prominent
- Exports recovery is intact

2.5%

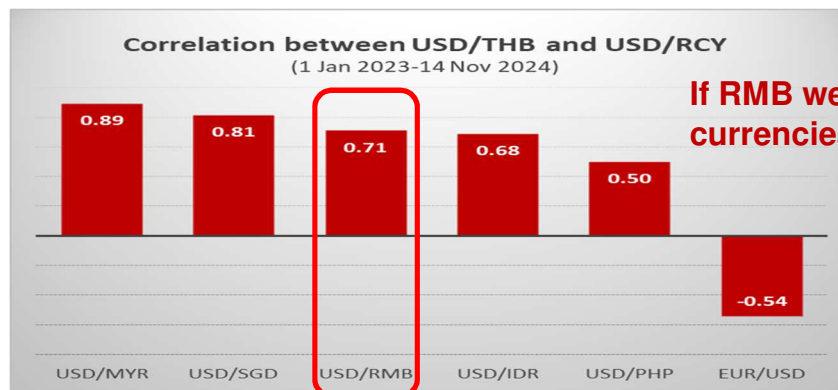
- Tariff is raised
- Rate cuts are limited due to inflation
- Oil prices to remain stable
- Fiscal stimulus is limited
- Exports recovery is hard hit by tariff



# Interest Rates Outlook



# FX Outlook



If RMB weakens, regional currencies could follow

Source: CEIC Data, Federal Reserve Board (FRB) calculated by CIMBThai Research



USD/THB

2025F

35.00

2024

34.35

\*end of period



- USD surged after Trump's win; investors fear inflation from import tariffs, inducing the Fed to cut rates less than expected.
- U.S. bond yields surged amid public debt concerns, pressuring risky assets and prompting a shift to USD.
- Corporate tax cuts are expected to boost U.S. equity values via higher net profits, driving capital flow back to the U.S.



- The impact from China's economic slowdown due to various issues, including the trade war could require weakening RMB
- To offset impacts from tariff, RMB could weaken so as to gain competitiveness



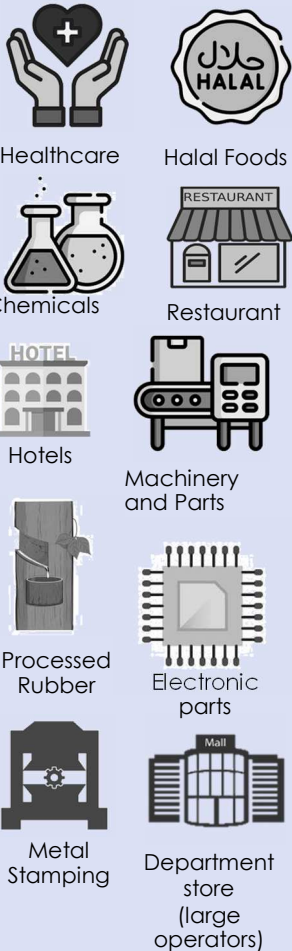
- Gold prices dipped, prompting buying for profit-taking when prices rebound.
- The drop was driven by investors shifting to USD after selling other assets, as higher U.S. bond yields increased the cost of holding non-yielding assets like gold.

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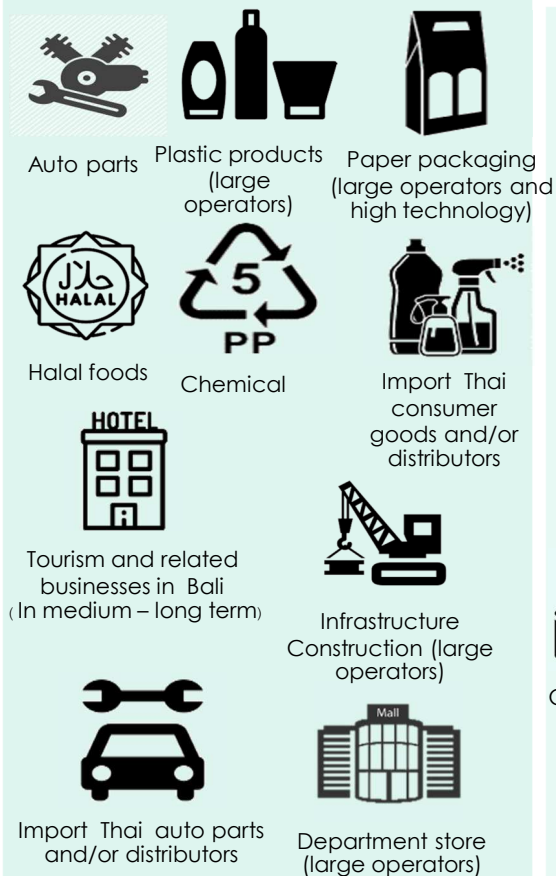
# Doing Industries/Businesses in ASEAN



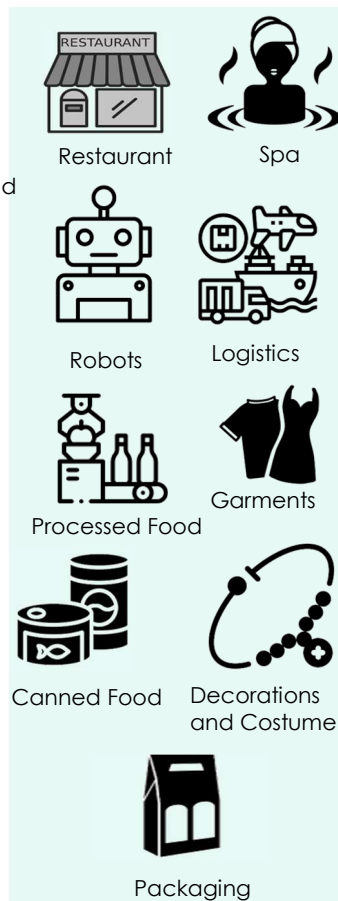
## Malaysia



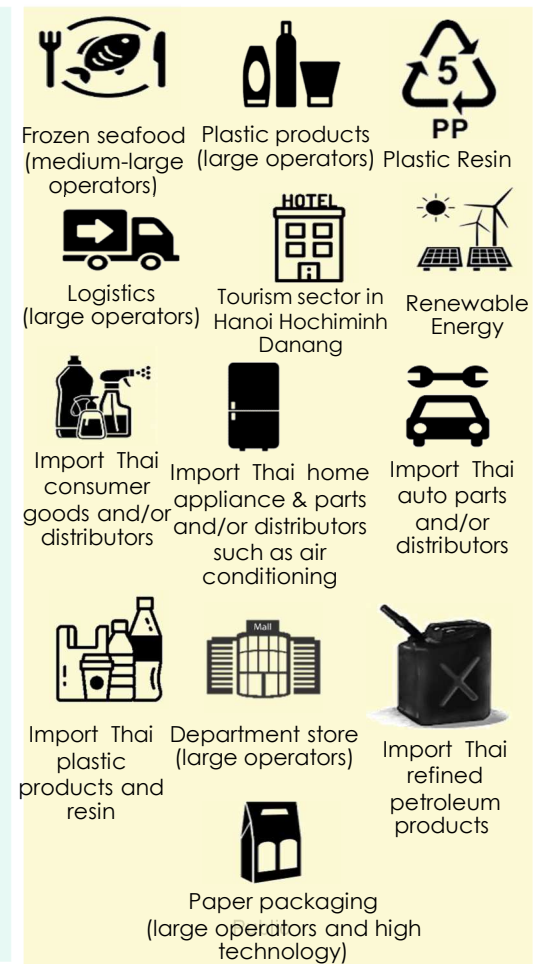
## Indonesia



## Singapore



## Vietnam



## Cambodia







Thank you



# ASEAN Economy and Key Drivers



## The key drivers for ASEAN's economy 2025



### Malaysia

- Malaysia's 2025 National Budget of RM 421 billion
- Boosted GDP growth through infrastructure (the ECRL and MRT3)
- Promoting the digital economy with funding for startups, 5G infrastructure, and fintech



### Indonesia

- Rolls Out \$51.65 Billion Stimulus Package for 2025
- Massive Infrastructure Development :Nusantara
- Strong production of coal, palm oil, and nickel, with increasing demand for electric vehicle (EV) batteries.



### Singapore

- A global hub for banking, trade, and logistics
- Heavy investments in AI, quantum computing, and biotech
- Preferred location for MNCs and startups to manage ASEAN operations



### Cambodia

- China-Backed Infrastructure
- Tourism: Angkor Wat and cultural tourism
- Cambodia's political stability by its strong centralized governance under the ruling Cambodian People's Party (CPP)



### Laos

- A major exporter of hydropower to neighbors like Thailand and Vietnam
- China-Laos railway boosts trade and connectivity,



### Vietnam

- Strong FDI inflows driven by trade agreements (e.g., CPTPP, EVFTA)
- Increasing relocation of supply chains from China to Vietnam
- Government support for startups and innovation



Source: Compiled by Research CIMB Thai

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# Opportunities, Challenges and Risk in ASEAN members

## Opportunities

- **Growing Economic Power:** ASEAN's combined GDP is approximately \$3 trillion USD, contributing 3.5% of global GDP.
- **Cost-Competitive Workforce:** Some countries offer low labor costs, attracting manufacturing and outsourcing investments.
- **Young and Growing Populations:** Many ASEAN nations have large youth populations, driving future economic growth.
- **Natural Resource Abundance:** Countries have diverse resources, such as energy, minerals, and agriculture.
- **Strategic Location:** Positioned between China and India, ASEAN benefits from increasing international trade and investments.

## Challenges

- **Economic Disparities:** Uneven development among member countries hinders cohesive growth.
- **Overdependence on External Markets:** Vulnerability to global demand fluctuations and geopolitical tensions.
- **Digital Divide:** Lagging digital infrastructure and technology adoption in less-developed nations.

Source: Compiled by Research, CIMB Thai

## Risks

- **Global Economic Volatility:** Vulnerability to trade wars, inflation, and external financial shocks.
- **Geopolitical Competition:** ASEAN's location invites influence from major powers, risking political instability.
- **Aging Population:** Countries like Thailand and Singapore face labor shortages and rising dependency ratios.
- **Climate Risks:** Vulnerability to natural disasters (e.g., typhoons, floods) and rising sea levels threatening infrastructure and economies

## Specific Case

- **Myanmar Crisis;** Prolonged instability in Myanmar could lead to regional spillovers
- **Laos Kip Depreciation** against major currencies, exacerbated by high external debt and weak reserves. Rising inflation leads to higher import costs, reducing purchasing power.
- **South China Sea Disputes** Ongoing maritime disputes strain relations between ASEAN members (e.g., Philippines, Vietnam) and external powers like China.



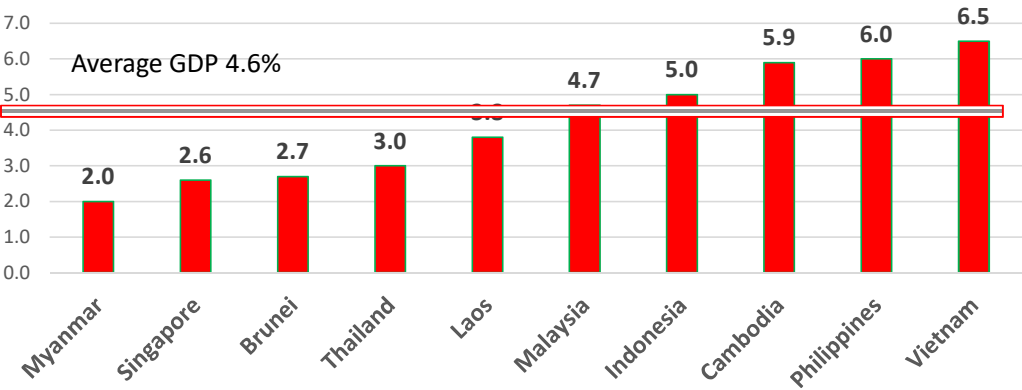
## ASEAN Economic Outlook for 2025; The economic outlook for ASEAN remains optimistic over the 2024-2025 period, reflecting steady growth, moderate inflation, and relatively stable external and fiscal balances.

	GDP (%)				Inflation rate (%)				Current Account (% of GDP)				Fiscal Balance (% of GDP)			
	2023	2024F	2025F	2026F	2023	2024F	2025F	2026F	2023	2024F	2025F	2026F	2023	2024F	2025F	2026F
<b>ASEAN</b>	<b>3.9</b>	<b>4.6</b>	<b>4.6</b>	<b>4.6</b>	<b>4.1</b>	<b>2.8</b>	<b>2.8</b>	<b>2.7</b>	<b>3.3</b>	<b>2.9</b>	<b>2.8</b>	<b>2.7</b>	<b>-2.9</b>	<b>-2.9</b>	<b>-2.9</b>	<b>-2.8</b>
Malaysia	3.6	5.1	4.7	4.5	2.5	2.1	2.6	2.3	1.5	2.0	2.2	2.4	-5.1	-4.3	-3.8	-3.4
Indonesia	5.0	5.0	5.0	5.1	3.7	2.4	2.4	2.7	-0.2	-0.8	-1.0	-1.2	-1.6	-2.6	-2.7	-2.7
Singapore	1.1	3.2	2.6	2.4	4.8	2.5	1.9	1.8	19.8	18.7	17.9	18.1	-1.0	0.2	0.1	0.4
Thailand	1.9	2.6	3.0	2.9	1.2	0.6	1.3	1.5	1.4	2.1	2.9	3.1	-3.3	-3.5	-4.0	-3.8
Philippines	5.5	5.7	6.0	6.1	6.0	3.3	2.9	3.1	-2.7	-2.4	-2.2	-1.9	-6.2	-5.7	-5.3	-4.9
Cambodia	5.4	5.7	5.9	6.0	2.1	1.1	2.5	2.8	1.5	-0.7	-1.3	-3.2	-2.8	-3.0	-2.9	-2.6
Lao PDR	3.7	4.1	3.8	3.8	31.2	23.9	19.0	17.0	2.6	-1.9	-2.6	-2.2	0.7	-0.7	-0.5	-0.7
Myanmar	2.6	0.9	2.0	3.6	25.9	22.0	18.6	8.4	-3.4	-2.7	-1.6	-1.1	-6.6	-6.4	-6.1	-5.7
Vietnam	5.0	6.5	6.5	6.4	3.3	3.7	3.4	3.6	5.9	3.9	3.4	3.0	-3.1	-2.6	-2.4	-2.2
Brunei	1.4	3.6	2.7	3.0	0.4	0.4	0.8	2.2	12.9	18.5	17.9	21.0	-10.8	-8.6	-7.3	-6.6

Source: Focus Economics, January 2025 Remark: Focus Economics is a global survey of analyst views

The ASEAN region’s economic outlook for 2025 highlights a period of steady growth and stability. Policymakers will need to remain vigilant in addressing external risks, such as global economic uncertainties and geopolitical tensions, while capitalizing on opportunities to drive inclusive and sustainable development. With continued regional cooperation and reform efforts, ASEAN is well-positioned to strengthen its role as a dynamic and resilient hub in the global economy.

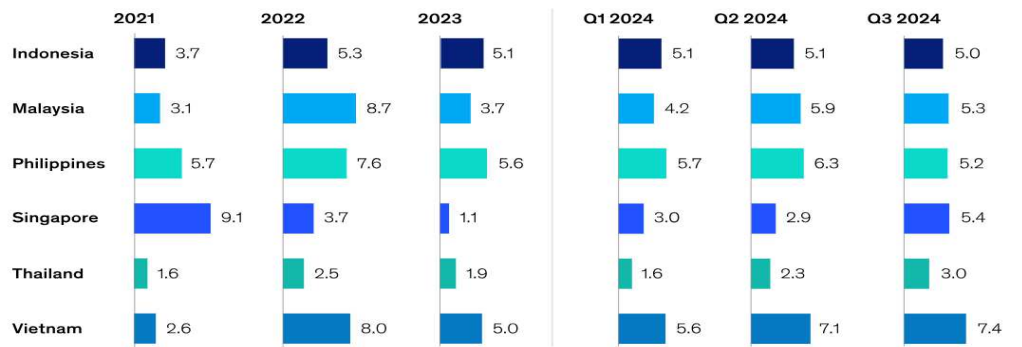
ASEAN GDP Growth 2025 (%)



Source: Focus Economics, January 2025 Remark: Focus Economics is a global survey of analyst views

Southeast Asian economies experienced mixed top-line growth in the third quarter of 2024.

Real GDP growth rate vs previous period, %



Source: Countries’ national statistics offices; Oxford Economics

**Economic Growth** ASEAN’s GDP is projected to grow at a robust rate of **4.6%** in both 2024 and 2025. This growth is underpinned by strong domestic demand, continued investment in infrastructure, and the region’s resilience in adapting to global economic challenges. Member states are expected to benefit from improving trade dynamics, digitalization, and efforts to enhance regional economic integration under the ASEAN Economic Community blueprint.

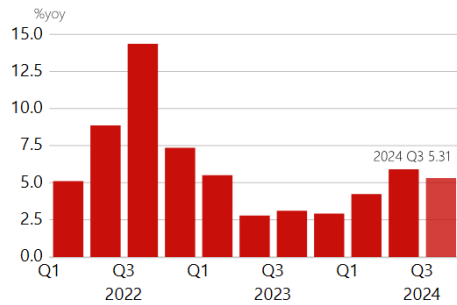
**Inflation** across the region is expected to remain manageable, with the average inflation rate forecasted at **2.8%** for both 2024 and 2025. This stability reflects effective monetary policies and measures to mitigate supply-side pressures. Efforts to ensure food and energy security will play a critical role in maintaining price stability.

**Current Account Balance** is projected to remain positive, albeit with a slight decline from **2.9% of GDP** in 2024 to **2.8% of GDP** in 2025. This reflects sustained export performance and healthy remittance inflows, alongside moderate import growth driven by rising consumption and investment demands.

**Fiscal Balance** is forecasted to register a deficit of **-2.9% of GDP** in both 2024 and 2025. Governments across the region are expected to maintain fiscal prudence while supporting growth through strategic investments in infrastructure, education, and healthcare. Efforts to enhance revenue collection and improve the efficiency of public expenditure will be pivotal in maintaining fiscal sustainability.

# Malaysia – Malaysia's economic growth beats estimates in Q3 2024

Malaysia – GDP Growth, Advanced Estimates, %yoy



Source: Macrobond, CIMB Group Economic & Market Analysis

Real GDP | variation in %



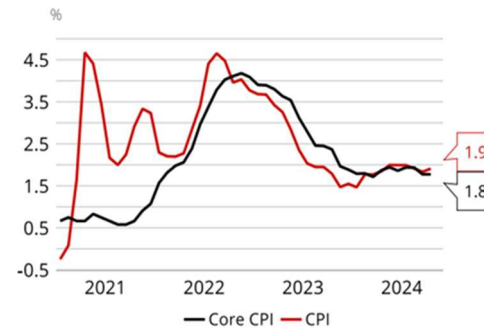
Note: Year-on-year and seasonally adjusted quarter-on-quarter variation of real GDP in %.

Source: Department of Statistics Malaysia (DOSM).

Source : Focus Economics as January 2025

- Malaysia's economy expanded faster than expected in the third quarter of 2024 on gains in the services and manufacturing sectors, putting the nation on track to meet the government's revised annual growth forecast.
- A second release confirmed that GDP growth moderated to 5.3% year on year in the third quarter from 5.9% in the second quarter. On a seasonally adjusted quarter-on-quarter basis, GDP rose 1.8% in Q3, following the previous period's 2.9% growth. On the domestic side, household consumption growth slowed to 4.8% year on year in Q3 compared to 6.0% in Q2. More positively, government consumption strengthened to a 4.9% rise in the third quarter (Q2: +3.6% yoy). Moreover, fixed investment surged by 15.3% in Q3, following the 11.5% increase recorded in the prior quarter. On the external side, net trade detracted 0.4 percentage points from the overall expansion. Growth in exports of goods and services reached 11.8% on an annual basis in the third quarter, which was above the second quarter's 8.4% expansion, while imports of goods and services accelerated to 13.5% in Q3 (Q2: +8.7% yoy).
- The central bank maintained its earlier full-year GDP growth forecast of 4 to 5% for 2024, following 3.7% growth in 2023.
- For 2024, growth is expected to be driven by resilient domestic expenditure and an improvement in external demand. The IMF projects a rebound in global trade growth, which, along with the tech upcycle and improvement in the tourism sector, will support Malaysia's exports. Household spending will benefit from ongoing employment and wage growth, while investment activity is expected to continue advancing.

CPI and Core CPI (%yoy)

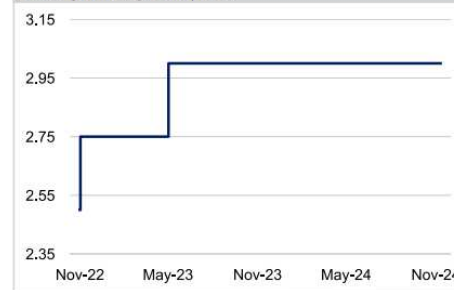


- Inflation:** Headline inflation rose slightly to 1.9% yoy in October 2024, with core inflation steady at 1.8%. The 2024 inflation forecast is 2.0%, and the 2025 forecast is 2.6% due to Budget 2025 measures, including RON95 petrol subsidy rationalization, labour cost increases from minimum wage hikes, multi-tier foreign worker levies, and mandatory EPF contributions.

Key drivers for the uptick included food & beverages inflation (2.3% yoy) and personal care & miscellaneous (3.4% yoy). Housing-related inflation remained steady at 3.1% yoy, influenced by elevated water supply costs (20.3% yoy). Transport inflation eased to 0.7% yoy from 1.1% yoy.

- The full-year inflation rate for 2024 is projected at 2.0% (year-to-date: 1.9%), with 2025 expected to rise to 2.6%, aligning with Budget 2025's forecast range of 2.0%-3.5%. Key factors include RON95 subsidy rationalization, a minimum wage increase, multi-tier foreign worker levies, and mandatory EPF contributions for foreign workers..

Overnight Policy Rate | in %



Note: Overnight policy rate in %

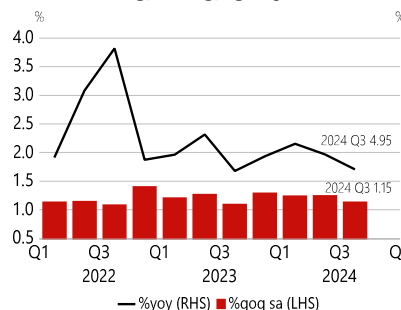
Source: Bank Negara Malaysia (BNM)

Source : Focus Economics as December 2024

- Latest BNM decision:** On 5–6 November, Bank Negara Malaysia (BNM) left the overnight policy rate (OPR) at 3.00% as had been widely anticipated due to mounting depreciatory pressure on the ringgit. Looking forward for the OPR to end 2025 virtually unchanged, though financial-market volatility and protectionist trade policies due to Trump's presidency are upside risks.

# Indonesia – weakening IDR amid rising inflationary pressure could discourage BI from cutting the rate in the near term

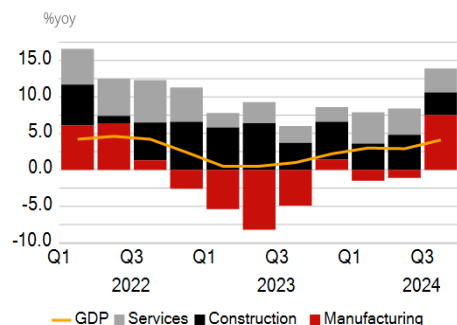
**GDP Growth**



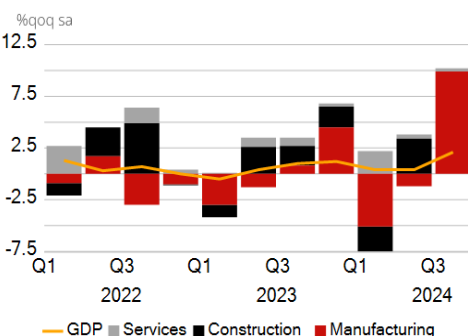


# Singapore – Singapore's growth in 2024 could improve from stronger investment and fiscal stimulus but inflation could remain high

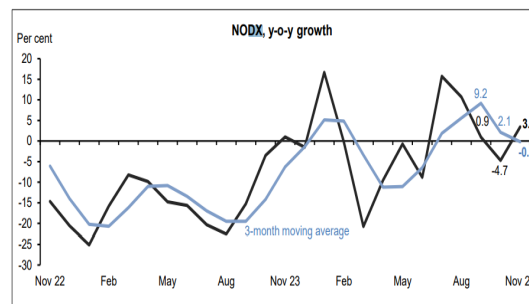
Singapore – GDP and Industry (%yoy)



Singapore – GDP and Industry (%qoq sa)



- Singapore's final 3Q2024 GDP was revised up to 5.4% yoy and 3.2% qoq seasonally adjusted, exceeding advance estimates of 4.1% yoy and 2.1% qoq. The upward revision was driven by stronger-than-expected performances in manufacturing (11.0% yoy, from 7.5% previously), services (4.0% yoy, from 3.3%), and construction (3.7% yoy, from 3.1%), supported by robust September industrial production.
- Singapore's 3Q2024 services activity was bolstered by trade-related sectors, driven by the electronics and goods trade cycle upturn. Wholesale trade growth improved to 4.9% yoy (2Q24: 4.8%), supported by foreign wholesale trade in petroleum, metals, timber, construction materials, and telecommunications products.
- Singapore's strong 3Q2024 GDP growth was driven by robust private consumption (+6.9% yoy, 2Q24: +6.2%) amid a tight labor market and easing inflation, alongside higher public consumption (+4.5% yoy, 2Q24: +2.8%). Net exports rebounded (+1.1% yoy, 2Q24: -10.7%), while growth in gross fixed capital formation slowed (+2.5% yoy, 2Q24: +2.7%) due to declines in construction (-4.1% yoy). Trade-related sectors are expected to remain strong into early 2025, supported by the electronics cycle and preemptive exports ahead of potential U.S. tariffs.
- GDP growth for 2024 is projected at 3.5%, with 2025 expected at 2.9%.
- **Key Risk:** Uncertainties for 2025 include geopolitical risks, tariffs, and a potential peak in the electronics cycle, though lower policy rates may support investment and consumption. Tourism-related sectors could face headwinds as demand normalizes.



Source: Singstat

## Inflation

KEY INDICATORS				
Indicator	Weight (%)	% Change		
		Nov 2024 Nov 2023 (Y-O-Y)	Nov 2024 Oct 2024 (M-O-M)	Jan – Nov 2024 Jan – Nov 2023 (Cumulative)
ALL ITEMS	100.0	▲1.6%	0.0%	▲2.4%
All Items less Imputed Rentals on Owner-Occupied Accommodation <sup>A</sup>	82.5	▲1.5%	0.0%	▲2.3%
All Items less Accommodation <sup>A</sup>	78.0	▲1.4%	▼0.5%	▲2.3%
MAS Core Inflation Measure <sup>A</sup>	65.8	▲1.9%	0.0%	▲2.8%

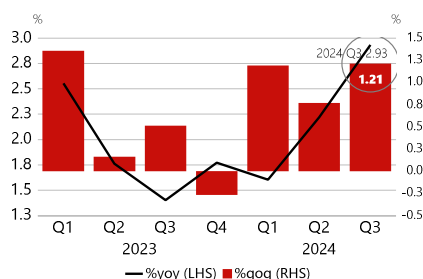
Source: Singstat

- Singapore's non-oil domestic exports (NODX) unexpectedly grew 3.4% yoy in November 2024, recovering from an upwardly revised 4.7% drop in October and beating estimates of a 1.7% fall. It marked the fastest pace in NODX since August, mainly due to a jump in electronic product sales. On a monthly basis, NODX jumped 14.7%, the first increase in four months, rebounding sharply from the steepest decline in seven months of an upwardly revised 7.5% plunge in October.
- Singapore's consumer price inflation increased slightly in November after easing to more than a three-and-a-half year low in the previous month. The consumer price index rose 1.6% on a yearly basis in November, faster than the 1.4% increase in October. The expected inflation rate was 1.8 %. Meanwhile, core inflation softened further to 1.9% in November from 2.1% in October due to a moderation in food and services inflation. The increase in overall inflation was driven by a more gradual decline in private transport costs, which outweighed the fall in core inflation. The annual decline in private transport costs eased to 0.7% in November from 2.5% a month ago. Meanwhile, food inflation slowed to 2.4% from 2.6%. Data showed that prices for retail and other goods increased at a stable rate of 0.1 %. Similarly, electricity and gas inflation held steady at 2.5 %.

**Monetary policy:** On 26 July, the MAS maintained the prevailing rate of appreciation of the Singapore dollar's nominal effective exchange rate (S\$NEER) for a fifth straight meeting to keep the Singaporean dollar on an appreciating path and curb imported price pressures. Policy easing will likely begin at the MAS' October meeting as inflation cools and the U.S. Fed cuts interest rates.

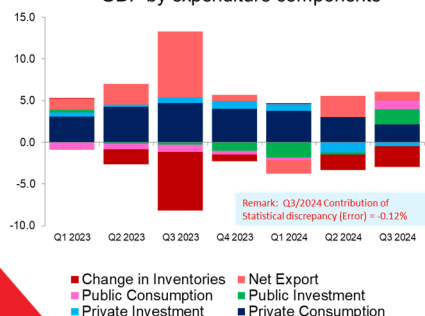
# Thailand – Thai Economy Gains Momentum in 3Q2024 Amid Mixed Sectoral Trends: Private Consumption and Public Investment Lead the Way

GDP (%yoy and %qoq)



Source: NESDC

Contribution to GDP Growth (yoy)  
GDP by expenditure components



Sources :NESDC

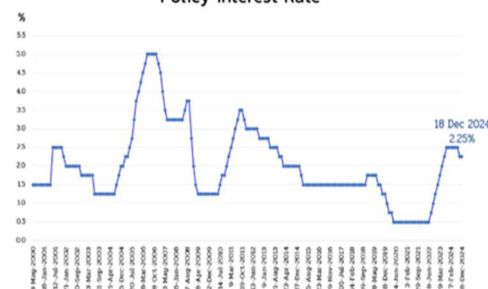
- The Thai economy expanded by 3.0% yoy in Q3 2024, up from 2.2% in Q2 2024, exceeding market expectations of 2.4-2.7%.** The growth accelerated from 2.2% in Q2 2024, driven primarily by stronger growth in the non-agricultural sector, particularly in the services group, such as the construction sector. Tourism-related industries, including accommodation and food services, transportation, and wholesale and retail trade, also continued to expand. However, the manufacturing sector slowed, and the agricultural sector continued to decline. In terms of expenditure, public investment grew for the first time in six quarters, surging by 25.9%. Exports of goods and services and government consumption showed robust growth. However, private consumption decelerated, and private investment contracted.
- Seasonally adjusted, the Thai economy grew by 1.2% qoq in Q3 2024. For the first nine months of 2024, the economy expanded by 2.3%.
- GDP outlook:** The Research maintains a cautiously optimistic view of Thailand's economic trajectory, expecting a gradual recovery. Key drivers include: 1) Increased budget allocation under the FY2025 annual and carryover budgets. 2) Growth in the number and income of international tourists. However, challenges remain: Private Consumption expected to slow, particularly in vehicle purchases. And the uncertainty in global trade due to potential policy changes under the newly elected U.S. administration led by Donald Trump. Yet, we see that the impacts of Trump's Trade Policies, including a 60% tariff on Chinese goods and other protectionist measures, could affect Thailand both directly and indirectly. In Indirect impact: Higher costs in supply chains reliant on Chinese raw materials and components, especially in electronics and electrical appliances. And direct impact: Stricter scrutiny on the origin of Thai exports to the U.S. to prevent tariff circumvention by Chinese exporters could raise production costs and affect competitiveness.
- Key Risk:** The acceleration may be constrained by cooling consumer spending growth. Monitoring China's economy will be crucial, as it is a key factor influencing global economic trends.

Thailand - CPI & Core CPI



Source: Macrobond, CIMB Group Economic & Market Analysis

Policy Interest Rate

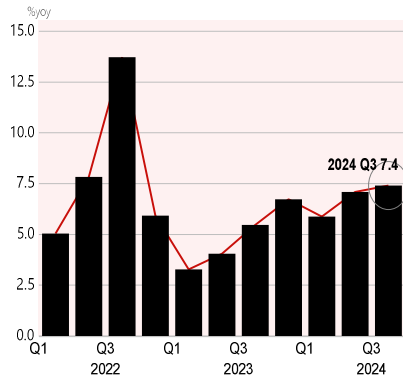


Source: Bank of Thailand

**Interest rates outlook:** We views that the MPC maintains a positive outlook on the Thai economy and expects medium-term inflation to align with the target range, it also acknowledges long-term downside risks, particularly in the latter half of next year. The BOT observes that economic growth varies across sectors and has signaled the need to monitor credit growth trends and their implications for economic activities. This may hint at the possibility of a policy rate cut in 2025 if the economy shows signs of a significant slowdown. Research also believes that the potential rate cut is viewed as an effort to recalibrate the Thai economy to align with its growth potential, which is estimated to be below 3% per year. However, such a move carries risks, including potential capital outflows, which could lead to a depreciation of the baht beyond current levels.

## Vietnam: GDP growth to accelerate in 2024 , the fastest growth in ASEAN. An improvement in fixed investment growth, paired with healthy expansions in both private and public consumption, will underpin momentum.

GDP Growth



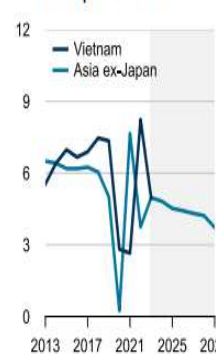
Source: Macrobond, CIMBThai Research

- Vietnam's GDP grew by 7.4% yoy in Q3, the second-highest growth in the past five years, according to the General Statistics Office. For the first nine months, the economy expanded by 6.82%, surpassing the Covid-19-impacted years of 2020 and 2021 but falling short of the 2022 growth rate.
- The industrial, construction, and services sectors continued to dominate the economy, growing 8.34% compared to the same period last year. Services saw a 6.95% increase, driven by steady growth in trade and tourism. The manufacturing and processing industry posted a 9.76% rise. However, the agriculture, forestry, and fisheries sectors were hit hard by Typhoon Yagi in September, recording their slowest combined growth in four years at just 3.2%.

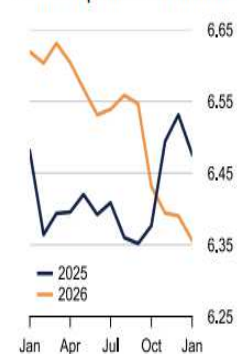
**GDP outlook:** GDP growth to broadly match 2024's projected figure in 2025. Accelerating fixed investment and private spending growth will sustain momentum, while exports are set to lose some steam. Higher U.S. import tariffs under President-elect Trump, extreme weather events and weaker-than-expected Chinese growth are downside risks.

FocusEconomics panelists see GDP expanding 6.5% in 2025, which is unchanged from one month ago, and expanding 6.4% in 2026.

Real GDP | ann. var. %

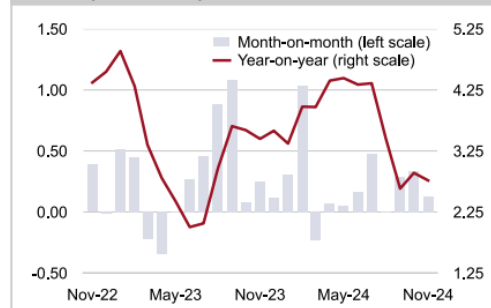


Real GDP | Forecast Evolution



Sources : Focus Economics (January 2025)

Inflation | Price Index | variation in %

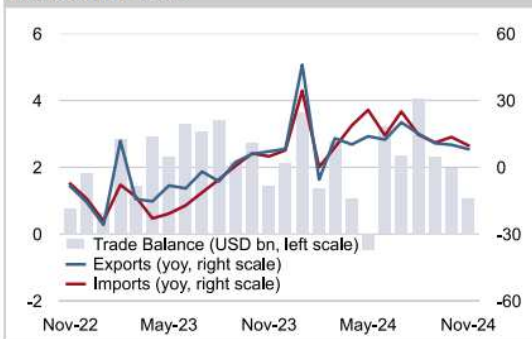


Note: Year-on-year and month-on-month variation of consumer price index (CPI) in %.

Source: Vietnamese General Statistics Office.

- In November, inflation inched down to 2.8% from October's 2.9%, chiefly driven by easing price pressures for food. Looking at the details of the release, reduced price pressures for food outweighed rising inflation for housing and utilities.
- Annual average inflation remained at October's 3.7% in November. Lastly, consumer prices rose 0.13% in November over the previous month, below October's 0.33% increase. November's result marked the weakest reading since August.
- Our forecasts inflation to average below 2024's level next year amid declining global agricultural prices. Adverse weather and rising trade tensions with the U.S. are upside risks.

Merchandise Trade



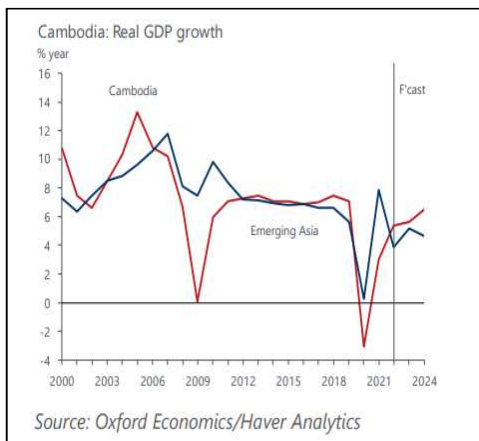
Note: Merchandise trade balance in USD billion and annual variation of merchandise exports and imports in %.

Source: Vietnamese General Statistics Office.

Sources : Focus Economics (January 2025)

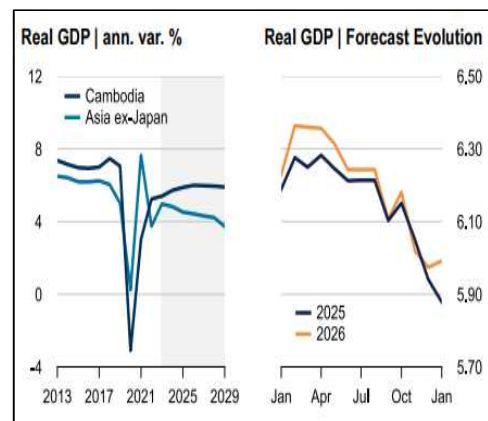
- Merchandise exports growth cooled to 8.2% in annual terms in November (October: +10.1% yoy), marking the softest increase since February and surprising markets on the downside. Meanwhile, merchandise imports expanded 9.8% in annual terms in November (October: +13.6% yoy), marking the weakest reading since March.
- As a result, the merchandise trade balance deteriorated from the previous month, recording a USD 1.1 billion surplus in November (October 2024: USD 2.0 billion surplus; November 2023: USD 1.4 billion surplus). Lastly, the trend pointed down, with the 12-month trailing merchandise trade balance recording a USD 25.5 billion surplus in November, compared to the USD 25.9 billion surplus in October.

## Cambodia's GDP growth is set to rise this year, driven by faster export growth, increasing tourism, and ongoing investment. However, key risks include high private sector debt, a slowing Chinese economy, and weak farm income

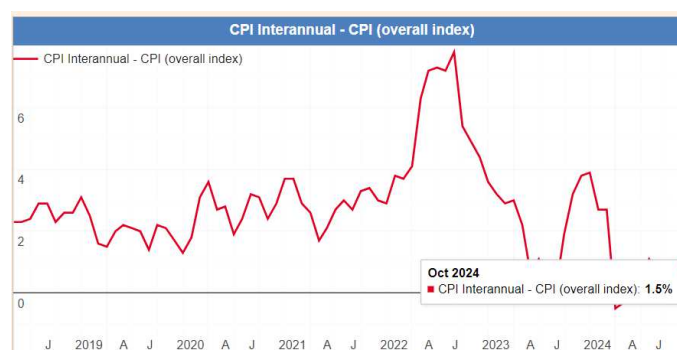


- Annual GDP growth sped up to 5.4% in 2023 from the 5.2% logged in 2022. Public consumption was the main driver of the improvement. In contrast, private consumption fell at the fastest pace on record. Turning to 2024, economic indicators point to stronger momentum
- During 1H24, tourist arrivals increased moderately, boosting services exports.

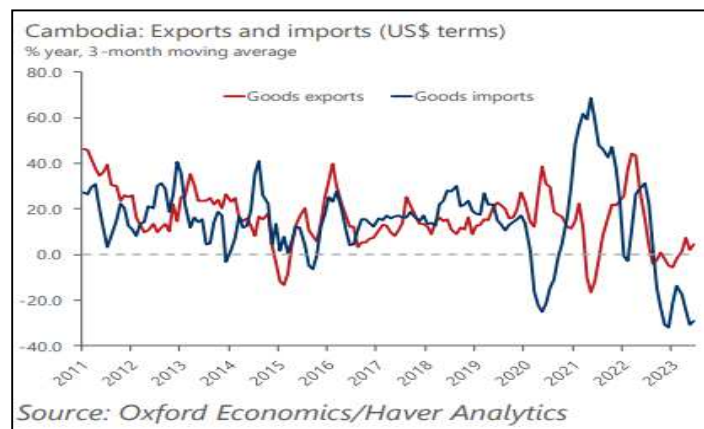
- GDP outlook:** GDP growth is projected to be at 6.0% for 2024 and in 2025, GDP growth will hover near 2024's projection: Stronger growth in private consumption and exports will lead the expansion. Less positively, decelerating public spending and fixed investment growth will weigh on the overall performance. U.S. trade policy under President-elect Trump is a key factor to watch. FocusEconomics panelists see GDP expanding 5.9% in 2025, which is unchanged from one month ago, and expanding 6.0% in 2026



Sources : Focus Economics (January 2025)



- The annual variation rate of the CPI in Cambodia in October of 2024 was 1.5%, 7 tenths higher than the month before. The monthly variation rate of the CPI (Consumer Price Index) has been 0.9%, and thus the accumulated inflation in 2024 is 2.5%
- The highlight was increase of 2.6% in the prices of Health, until its interannual rate reached 3.6%, which is in contrast to the decrease in the prices of Recreation and culture of -0.1%, and an interannual variation of 0.6%.



- Cambodia exported products worth 19.83 billion U.S. dollars in the first nine months of 2024, up 17% from 16.94 billion dollars over the same period last year.
- Key exported items included garments, footwear, and travel goods, bicycles, car tires, and potential agricultural produce such as rice, rubber, cassava, bananas, mangoes, and longans.
- The top five export destinations for the Southeast Asian nation are the United States, Vietnam, China, Japan, and Canada.
- Meanwhile, the kingdom recorded a total import of 21.1 billion dollars during the January-September period this year, up 15.9 percent from 18.2 billion dollars over the same period last year

- Monetary policy:** The monetary policy framework is determined by the national currency's USD exchange rate anchor. The National Bank of Cambodia (NBC) sets the reserve requirement rate and intervenes in the foreign exchange market to accommodate demand for the riel and maintain exchange rate stability.



# ASEAN Economic Outlook 2025 classified by country

ASEAN GDP growth will broadly match 2024's level in 2025. Investment and exports will benefit from the global tech sector upturn and export frontloading in anticipation of higher U.S. tariffs. Easing inflation and interest rates in most economies plus public stimulus should provide further tailwinds. Downside risks include geopolitical turmoil and U.S. protectionism. We see ASEAN GDP expanding 4.6% in 2025, unchanged from one month ago, and expanding 4.6% in 2026.

## Short Summary in ASEAN Countries in 2025

### Indonesia's Economy:

GDP growth will stabilize near 2023's level through 2025, GDP growth should remain near 2024's level in 2025, buoyed by robust rises in private spending and exports plus stronger fixed investment growth. That said, public consumption will lose steam. Stronger-than-expected fiscal stimulus is an upside risk, while protectionist U.S. trade policy under President Trump is a downside risk.

### Malaysia's Economy:

The economy will grow faster than the prior 10-year average of 4.1% in 2025 on strong tourist inflows and the global electronics sector upcycle. That said, GDP growth will fall short of 2024's level as domestic demand and exports decelerate. Higher U.S. tariffs under President-elect Trump and weaker-than-expected Chinese growth are downside risks.

### Singapore's Economy:

GDP growth is expected to lose momentum from 2024's projected figure in 2025, as significant decelerations in private and public spending will cap growth. Moreover, U.S. import tariffs will hamper exports. That said, the electronics upcycle and accelerating fixed investment will provide impetus. U.S. trade policy under the Trump administration is key to watch.

### Thailand's Economy:

The economy will grow faster in 2025 than this year, buoyed by accelerating public spending and rebounding fixed investment. That said, GDP growth will be among the lowest in ASEAN, capped by weaker rises in private spending and exports. Downside risks stem from domestic political instability and protectionist U.S. policies under President-elect Trump.

### Philippines' Economy:

Economic growth will outpace both 2024's projection and the ASEAN average in 2025. Private spending and fixed investment will accelerate on lower inflation and interest rates. Moreover, the tech-sector upturn plus import frontloading ahead of likely higher U.S. tariffs later in the year will boost exports. U.S. protectionism and mounting tensions with China are downside risks.

### Brunei's Economy:

Economic growth, expected to surge in 2024, should lose some steam in 2025 on reduced impetus in private spending and fixed investment. Moreover, goods and services exports will grow at a milder rate amid a fading base effect from the Salman oilfield. Lower-than-anticipated oil and natural gas prices are a downside risk.

### Cambodia's Economy:

In 2025, GDP growth will hover near 2024's projection: Stronger growth in private consumption and exports will lead the expansion. Less positively, decelerating public spending and fixed investment growth will weigh on the overall performance. U.S. trade policy under President-elect Trump is a key factor to watch.

### Lao's Economy:

The economy is expected to maintain a muted GDP growth trajectory next year due to still-high inflation, outward migration, plus tight fiscal and monetary policy. However, the tourism and energy sectors should provide support. Extreme weather events are a downside risk, and the health of the Chinese and Thai economies are two-sided risks.

### Myanmar's Economy:

Economic growth is forecast to soften in FY 2024 relative to FY 2023. The civil war will remain a critical drag on momentum, hampering private spending, workforce numbers and investment activity. Elevated inflation and international sanctions will add further downward pressure. The evolution of the war remains the main factor to monitor.

### Vietnam's Economy:

GDP Growth is expected to broadly match 2024's projected figure in 2025. Accelerating fixed investment and private spending growth will sustain momentum, while exports are set to lose some steam. Higher U.S. import tariffs under President-elect Trump, extreme weather events and weaker-than-expected Chinese growth are downside risks.

## ASEAN Economic Outlook 2025 (cont.) classified by country

In October, inflation rose in Malaysia, the Philippines, Thailand and Vietnam but cooled in Indonesia and Singapore. Going forward, ASEAN inflation should average near 2024's expected level in 2025 as past interest rate hikes largely offset upside pressures due to extreme weather. A severe La Niña weather event and weaker regional currencies are upside risks. We see ASEAN consumer prices rising 2.8% on average in 2025, unchanged from one month ago, and rising 2.7% on average in 2026. For monetary policy, In the past month, central banks across the region largely left interest rates unchanged. Monetary conditions across ASEAN should loosen further in 2025 from end-2024 levels, in line with the U.S. Fed's interest rate cuts. Weaker currencies and smaller-than-expected rate cuts in the U.S. are upside risks.

Inflation | Consumer Price Index | %, aop

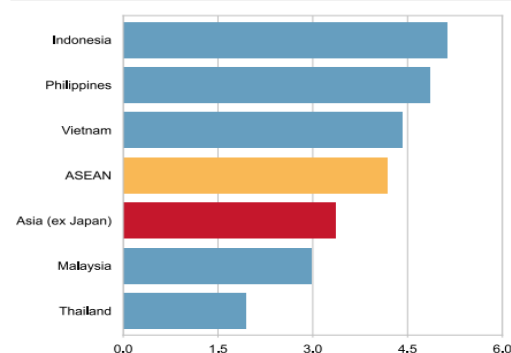
	2023	2024	2025	2026	2027	2028	2029
Asia (ex Japan)	2.2	1.8	2.0	2.2	2.3	2.3	2.0
<b>Asean</b>	<b>4.1</b>	<b>2.8</b>	<b>2.8</b>	<b>2.7</b>	<b>2.7</b>	<b>2.7</b>	<b>2.6</b>
Brunei	0.4	0.4	0.8	2.2	1.3	1.3	1.3
Cambodia	2.1	1.1	2.5	2.8	2.9	3.0	3.0
Indonesia	3.7	2.4	2.4	2.7	2.8	2.8	2.7
Laos	31.2	23.9	19.0	17.0	13.6	13.7	13.2
Malaysia	2.5	2.1	2.6	2.3	2.1	2.2	2.1
Myanmar	25.9	22.0	18.6	8.4	7.4	6.8	-
Philippines	6.0	3.3	2.9	3.1	3.1	3.0	3.0
Singapore	4.8	2.5	1.9	1.8	1.8	1.8	1.8
Thailand	1.2	0.6	1.3	1.5	1.5	1.6	1.6
Vietnam	3.3	3.7	3.4	3.6	3.4	3.5	3.4

Source : Focus Economics (January 2025)

Policy Interest Rate | %, eop

	2023	2024	2025	2026	2027	2028	2029
Asia (ex Japan)	4.22	3.77	3.36	3.14	3.13	-	-
<b>Asean</b>	<b>4.91</b>	<b>4.66</b>	<b>4.18</b>	<b>4.11</b>	<b>3.97</b>	<b>3.93</b>	<b>3.98</b>
Indonesia	6.00	5.78	5.12	4.94	4.73	4.54	4.67
Malaysia	3.00	3.00	2.98	3.00	2.96	2.95	2.90
Philippines	6.50	5.79	4.84	4.61	4.29	4.40	4.40
Thailand	2.50	2.22	1.93	1.89	1.83	1.85	1.85
Vietnam	4.50	4.44	4.42	4.63	4.63	4.69	4.73

Policy Interest Rate | %, eop | 2025



### Notes and sources

Note: Nominal end-of-year interest rates in %.  
 Indonesia: BI-Rate.  
 Malaysia: Overnight policy rate.  
 Myanmar: Discount rate.  
 Philippines: Target reverse repurchase (RRP) rate.  
 Thailand: 1-day repurchase rate.  
 Vietnam: Refinancing rate.  
 Sources: National central banks.

Proprietary/Inte Source : Focus Economics (January 2025)

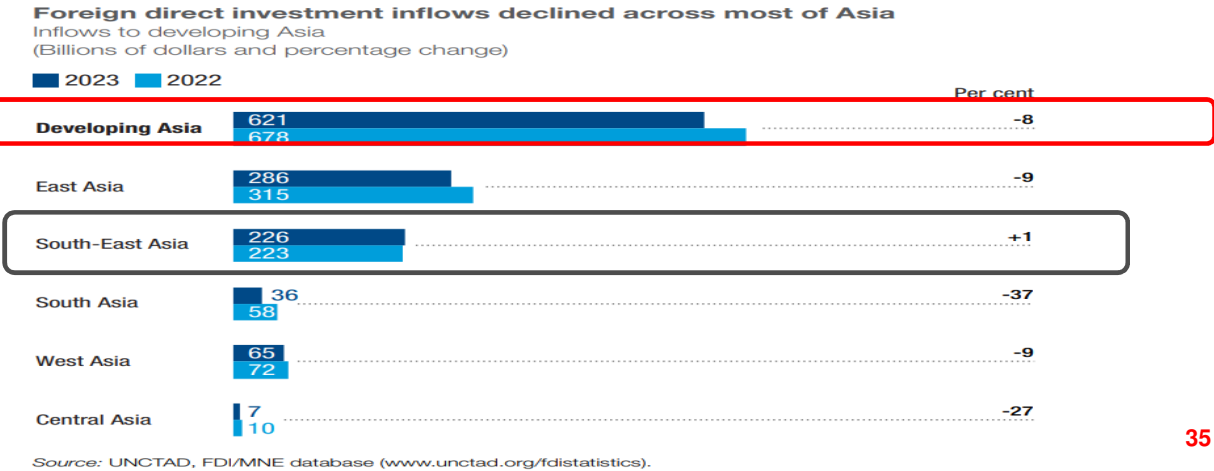
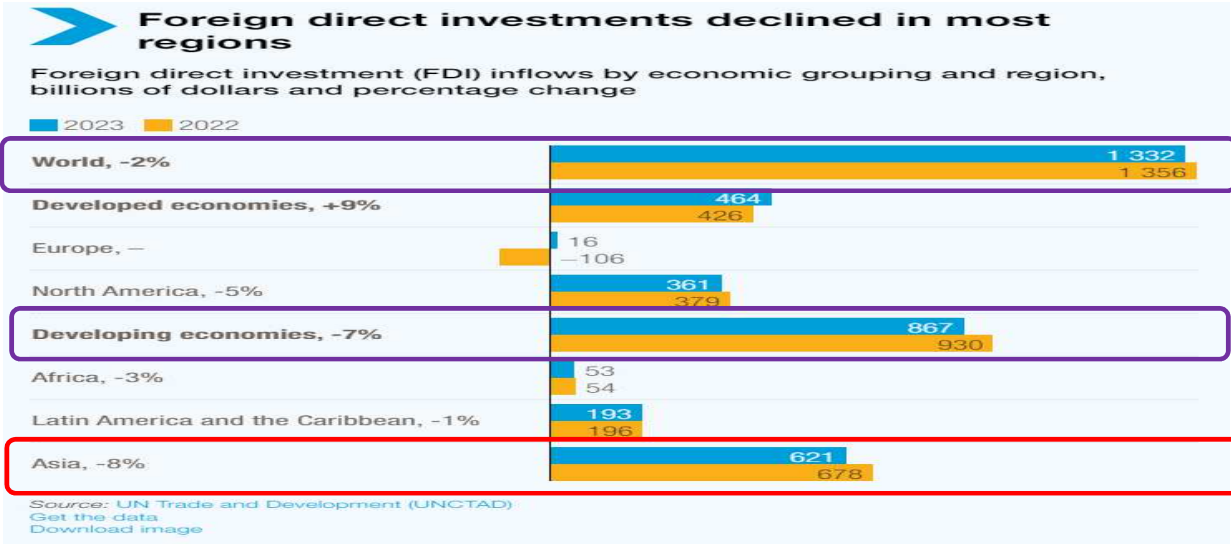
Overview : Global FDI fell by 2% to \$1.3 trillion in 2023 amid an economic slowdown and rising geopolitical tensions, according to the World Investment Report 2024 by UNCTAD. FDI flows to developing countries dropped 7% to \$867 billion, but the decrease varied significantly across regions.



FDI Inflows in 2023	Million USD	Proportion
World	1,331,814	100%
Developed economies	464,397 (+9%yoy)	34.9%
Developing economies	867,417 (-7%yoy)	65.1%

Source: World Investment Report 2024

<https://unctad.org/publication/world-investment-report-2024>



FDI in ASEAN member states increased by 1% to reach \$226.3 billion. Singapore was the largest recipient of FDI in Southeast Asia region, followed by Indonesia, Vietnam, Malaysia, Philippines and Thailand according to World Investment Report 2024 by UNCTAD.

## FDI flows, by region and economy, 2018–2023

(Millions of dollars)

FDI inflows

Region/economy	2018	2019	2020	2021	2022	2023
World <sup>a</sup>	1 376 139	1 729 239	984 578	1 621 808	1 355 749	1 331 813
South-East Asia	146 479	164 848	119 310	208 447	223 134	226 317
Brunei Darussalam	517	375	577	205	-292	-51
Cambodia	3 213	3 663	3 625	3 483	3 579	3 959
Indonesia	20 563	23 883	18 591	21 131	25 390	21 628
Lao People's Democratic Republic	1 358	756	968	1 072	636	1 668 <sup>c</sup>
Malaysia	7 618	7 813	3 160	12 173	16 940	8 653
Myanmar	2 892	2 509	1 907	2 067	1 239	1 520
Philippines	9 949 <sup>b</sup>	8 671 <sup>b</sup>	6 822 <sup>b</sup>	11 983 <sup>b</sup>	5 939 <sup>d</sup>	6 210 <sup>d</sup>
Singapore	73 115	97 533	74 857	126 674	141 118	159 670
Thailand	11 705	3 765	-6 284	14 417	11 082	4 548
Timor-Leste	48	-239	-713	-419	-395	13
Viet Nam	15 500	16 120	15 800 <sup>b</sup>	15 660 <sup>b</sup>	17 900 <sup>b</sup>	18 500 <sup>b</sup>

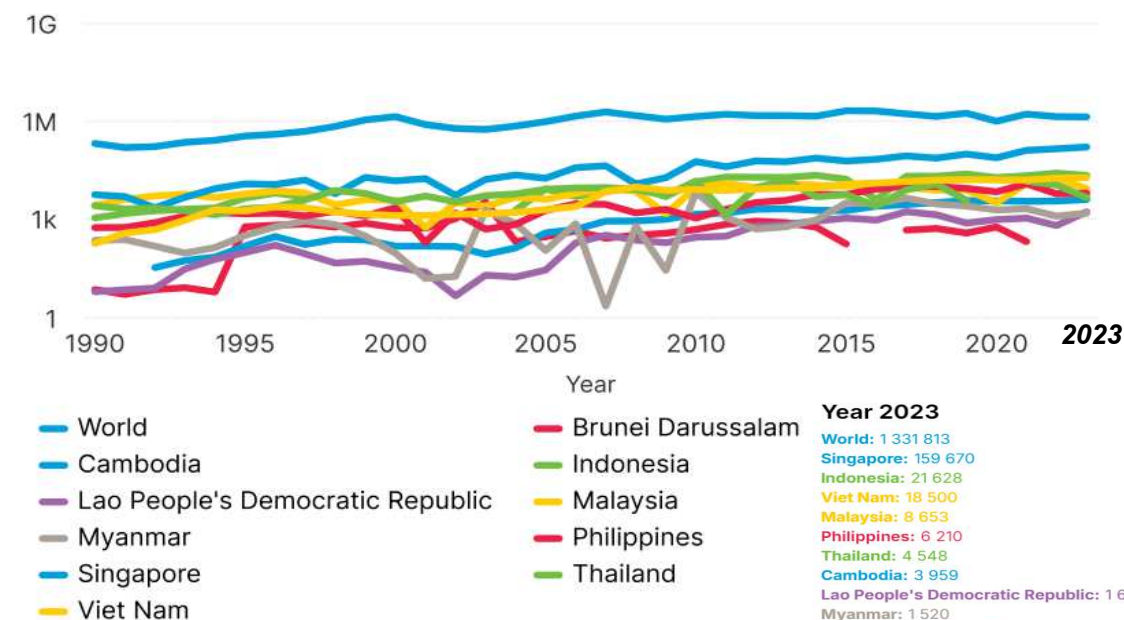
Source: World Investment Report 2024

<https://unctad.org/publication/world-investment-report-2024>

## Foreign direct investment flows

By selected region or economy in selected time period

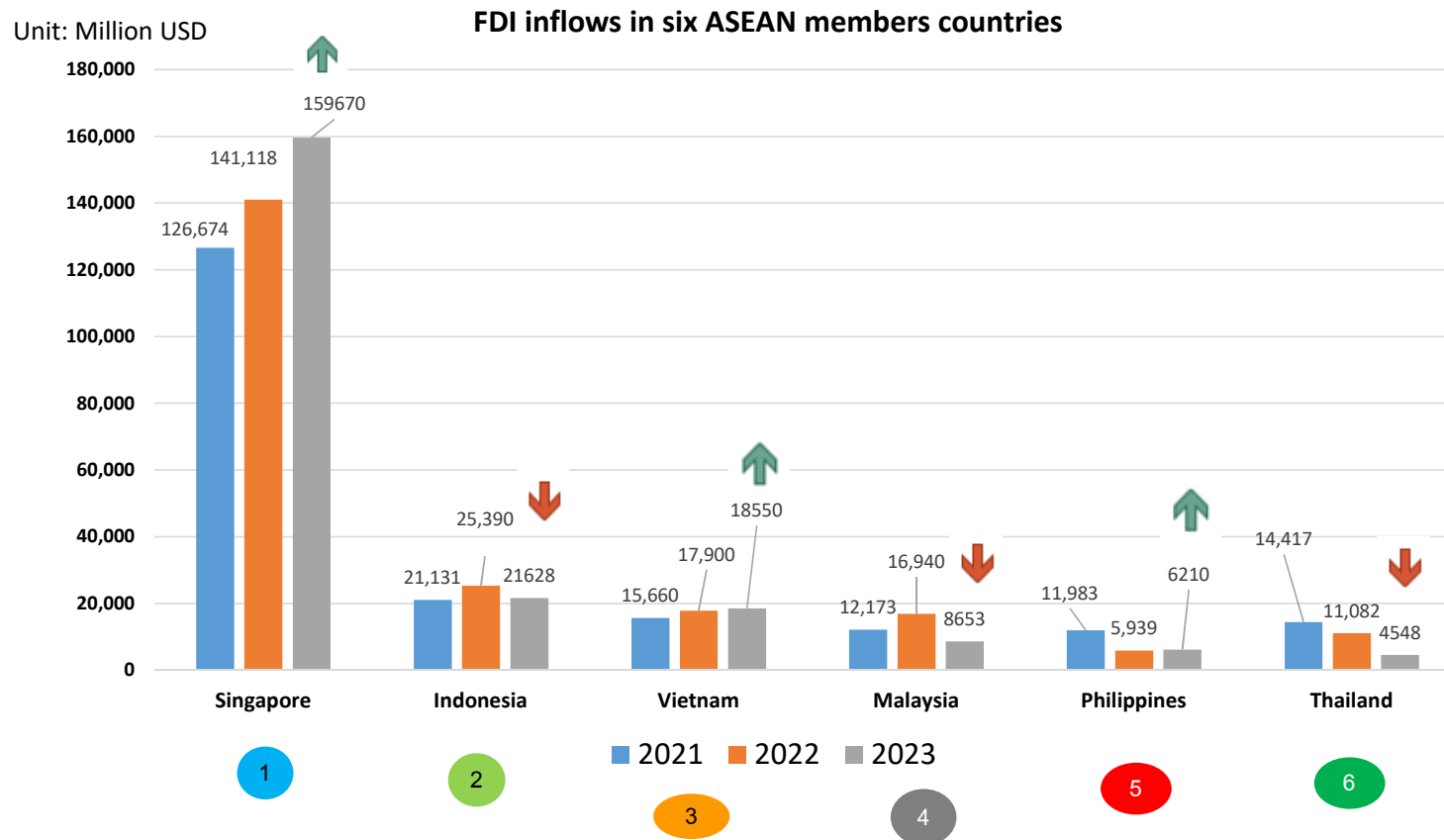
Millions of dollars



Source: UN Trade and Development (UNCTAD), World investment report 2024



Thailand is prepared to handle geopolitical conflicts under "Trump 2.0". The BOI assesses that "Geopolitical conflicts are accelerating the relocation of production bases to ASEAN, and Thailand benefiting." This is seen as an opportunity for Thailand in five key industries: the electric vehicle (EV), the semiconductor and advanced electronics, the digital industry, future food, and renewable energy.



Thailand has significant potential to capitalize on shifts under a "Trump 2.0" in the following five key industries

**1. Electric Vehicle (EV) Industry** The gov't aims for EVs to make up 30% of total production by 2030, with plans to attract foreign investment.

**2. Semiconductor and Advanced Electronics Industry** Thailand has a strong foundation in electronics manufacturing with clusters in EEC

**3. Digital Industry** Thailand has made significant strides in digital transformation, especially "Thailand 4.0" economic model

**4. Future Food Industry** Thailand has positioned itself as a hub for innovative food technology, with a strong foundation in agriculture and food.

**5. Renewable Energy** Thailand's aims to increase renewable energy's share to 30% by 2037, focusing on solar, wind, and biomass.