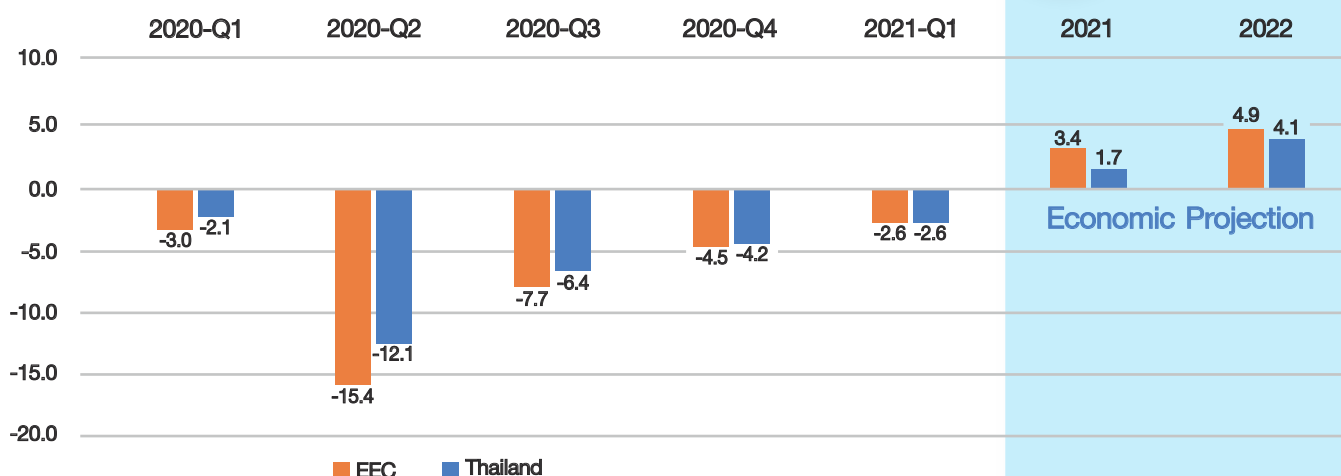


Quarter 1 / 2021

Economic Growth Rate



Positive Factors

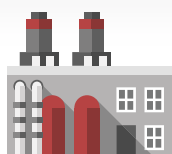


- Continuing increases in exports following the global recovery
- Continuing economic recovery from on-going stimulus measures and funding from government

Negative Factors



- Widespread Effects from the Second Wave of Covid-19 toward the end of 2020 has slowed economic activity and consumer confidence



The Thai Economy in Q1/2021

In this year's Q1, the Thai economy experienced a contraction of 2.6 percent relative to the first quarter of the previous year. Factoring out seasonal effects, Q1 of this year has experienced an expansion of 0.2 percent compared to the quarter before.

- As a result of the second Covid-19 wave, private consumption has once again decreased.
- "Due to the weakened" tourism industry, service sector income has continued to experience substantial contractions.
- The export sector has experienced an expansion due to improved global economic circumstances. This has enabled private investment in Thailand to continue growing.
- Government expenditure has increased continuously.



The EEC Economy in Q1/2021

According to estimates, the EEC economy contracted by 2.6 percent in Q1

- The service sector experienced a contraction due to a shortage of international visitors and the weakened tourism sector from the second Covid-19 wave.
- The industrial sector also experienced a contraction, primarily due to the large electric power industry in the EEC. This is a result of the reduced demand for electricity by households and small and medium enterprises.
- The agricultural sector grew due to the increase in fresh fruit and Tapioca production.



The Economic Outlook in the future

Economic growth in the Thai economy, and the EEC economy is expected to slow down in the short-run.

- The third Covid-19 outbreak in the Thailand that started in April 2021 has resulted in much higher cases than the previous two outbreaks. As such, it is expected that private consumption will slow down in accordance with reduced income.
- Nonetheless, the export sector is expected to expand due to the improving global economic environment.
- The effect of the low economic output, during the same period last year, was a direct result of the lock down measures during the Songkran festival.

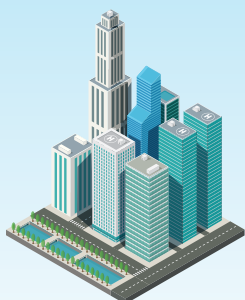
Quarter 1 / 2021

EEC Focus – Positive Economic Factors & signs for Year 2021



The Export Sector

The export sector is expected to recover in accordance with the growth of trading partner economies, a rebound in international trade, and, increasing demand for electronic products. Thus, it is expected that this will have a positive impact on the EEC exports, since the EEC contains a large number of industrial estates associated with the production of electronics.



Private Consumption

Private consumption is expected to slow down in the first half-year due to the substantial impact from the second and third Covid-19 waves. The two outbreaks have resulted in the government prioritizing strict measures to contain the spread of the virus. From this, people have reduced travel outside of their own homes and shopping has declined. These changes have occurred in accordance with reduced consumer confidence and household incomes.



Private Investment

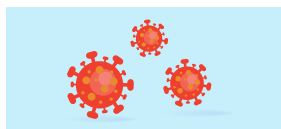
Private investment is expected to increase in line with the increased export demand and investment within the EEC zone. Thus, future expansions will be based on investment in 5G and investments in large-scale investment projects. Altogether, foreign investors are increasingly interested in moving their production base from China and Taiwan into the EEC zone.



Number of foreign visitors

It is expected that the number of foreign visitors will continue to remain contracted. However, it is expected that the number of visitors will gradually increase towards the end of the year. If Thailand is able to administer the vaccine such that a herd-immunity threshold is reached by the end of the year, then Thailand will be open again. This would benefit Chonburi Province, particularly, Pattaya which is a major tourism hub.

Handling and coping with Negative factors



The prolonged third Covid-19 outbreak



Possible mutations of the virus and the effectiveness of the vaccine and the distribution of the vaccine in the country.

The inability to administer the vaccine in accordance with set targets will result in a slower recovery in the tourism sector.



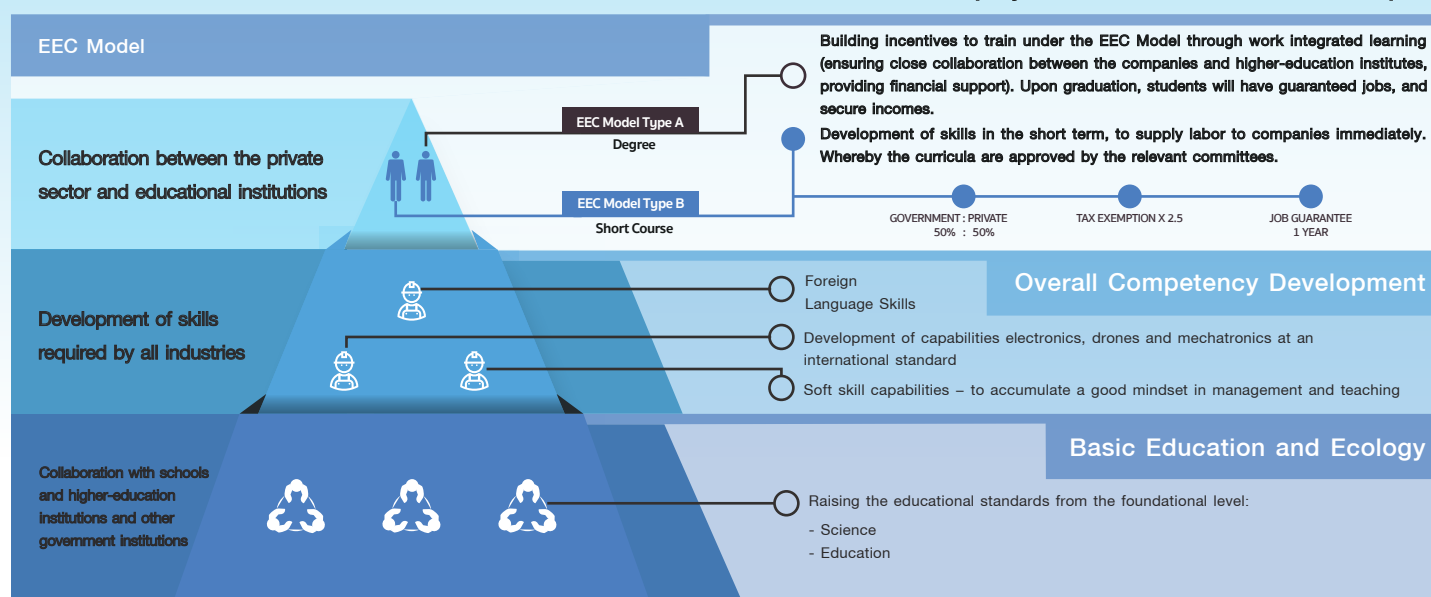
The continuity of the government's economic stimulus measures.



Trade wars and geopolitical factors that will give rise to instability in global financial markets and the global economy.

Special issue : Understanding human capital development under the **EEC Model** – a demand-driven approach aimed at raising employment rates and income

The Covid-19 outbreak has had negative implications on the Thai economy in the short-run. And to raise Thai economic potential and competitiveness, innovation-facilitating technologies will be utilized in conjunction with extensive human capital and skills development under the EEC Model. This initiative will take a **demand-driven** approach to training and education, where skills will be developed in accordance with the labor-demand stemming from our 10 target industries. This initiative will be conducted through partnerships with educational institutions, the private sector and related government and non-government institutions. Altogether, the objective is to **raise employment, incomes and human capital**.



Thus far, the EEC has already made progress in its demand-driven approach to matching competencies available with those required. This has been achieved through extensive coordination with other agencies under a combined budget. Altogether, there are three important components to this success:



- 1). **High level training to support target industries.** This includes formal education and training with educational institutions (EEC Model Type A) to vocational short courses (EEC Model type B)



- 2). **Developing capabilities and skills of people from the EEC area.** Particularly, skills that are lacking, such as foreign languages and other various soft skills.



- 3). **Developing capabilities and skills from a foundational level.** Previously, the EEC has focused on enhancing primary and secondary education with a particular emphasis on connecting curricula with the development of the EEC's target industries.

Throughout 2018-2020, the EEC has been able to provide extensive high-level training to support the target industries. Altogether, 8,392 people participated in the program. In total 93 curricula have been approved. Looking ahead, the EEC will continue to focus on administering training and educational programs through collaborations with educational institutes, private sector partners and other government institutions. Whether designing curricula, education, teaching and training, to designing measures that will directly and indirectly improve human capital in the EEC, the EEC committed to combining **"TOGETHER: thinking, implementation, and investment."**

Quarter 1 / 2021



Gross Domestic Product (Thai and EEC)

%YoY	2019		2020		2021f		2022f	
	Country	EEC	Country	EEC	Country	EEC	Country	EEC
Real GDP growth rate	2.4	1.6	-6.1	-7.8	1.7	3.4	4.1	4.9
Agriculture	-0.2	-2.8	-3.6	-2.0	2.7	2.6	2.7	5.5
Industry	0.3	-1.0	-5.9	-7.6	3.7	3.4	3.4	4.5
Services	3.9	5.2	-6.5	-8.0	0.6	1.7	4.6	6.6

Factory (in monetary value) requesting for permissions to operate in EEC (quarterly figure)

	2562	2563	Q1-63	Q2-63	Q3-63	Q4-63	Q1-64
EEC (Million Baht)	56,779	45,817	8,934	11,893	13,985	11,005	9,872
(%YoY)		-19.3	-72.7	212.6	133.7	-23.1	10.5
Rayong (Million Baht)	27,143	9,947	3,585	3,585	1,836	1,737	3,163
(%YoY)		-63.4	-74.8	259.6	-30.0	-81.3	-11.8
Chon Buri (Million Baht)	25,501	19,076	1,958	1,958	8,513	4,368	3,597
(%YoY)		-25.2	-89.0	3.9	301.3	16.8	83.7
Chachoengsao (Million Baht)	4,135	16,795	3,390	1,544	7,880	3,980	3,112
(%YoY)		306.2	375.4	67.3	536.1	215.8	-8.2
% of EEC to country	18.9	26.5	27.3	30.3	30.9	19.7	28.0

Source : Department of Industrial Works

Value of requested investment promotion in EEC

	2562	2563	Q1-63	Q2-63	Q3-63	Q4-63	Q1-64
EEC (Million Baht)	382,140	208,720	47,580	85,480	109,430	208,720	64,410
(%YoY)		-45.4	-36.3	-3.0	-15.0	-45.4	35.4
Rayong (Million Baht)	271,900	115,870	19,500	33,320	48,370	115,870	29,430
(%YoY)		-57.4	9.6	-12.6	-10.3	-57.4	50.9
Chon Buri (Million Baht)	82,910	67,190	25,790	39,990	46,860	67,190	24,970
(%YoY)		-19.0	-50.6	-1.6	-23.3	-19.0	-3.2
Chachoengsao (Million Baht)	27,330	25,660	2,200	12,170	14,200	25,660	10,010
(%YoY)		-6.1	-53.9	30.9	4.0	-6.1	355.0
% of EEC to country	55.3	43.4	66.7	53.8	48.9	43.4	52.2

Source : BOI

Remarks: Quarterly data cannot be deducted as there are data updates during the quarter
Remarks 2: Each Q1 2021 data is from https://www.boi.go.th/upload/content/No.38_2564.pdf