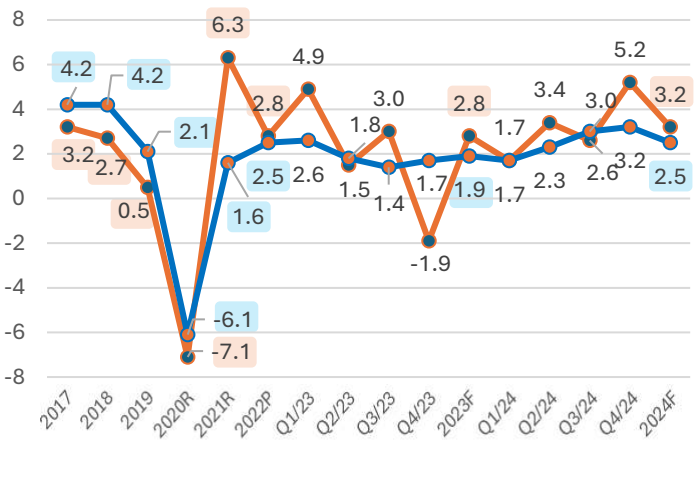
EEC Economic Performance in Q4/2024 and the outlook for 2025

Overview of EEC's economic situation

The EEC's economy grew by approximately 5.2% in Q4, compared to the same period last year.

Economic growth was primarily driven by the expansion of the service sector, particularly the rise in visitor numbers and tourism revenue. This growth was supported in part by the government's tourism promotion efforts, including the visa-free policy and various tourism activities in the region. These initiatives had a positive impact on employment in the service industry and stimulated other trade and service sectors in the area. Private investment improved as businesses ramped up production to meet year-end festive season orders. This aligned with an expansion in exports, fueled by global demand—particularly for computers, equipment, and components—as well as increased investment in capital goods, raw materials, and electronic appliances. Additionally, changes in U.S. trade policy influenced foreign investors' decisions to relocate their production bases. Agricultural investment also accelerated, driven by rising domestic and international consumption demand, which led to higher production volumes and improved livestock prices. Meanwhile, government spending increased following the enactment of the 2025 Budget Expenditure Act, enabling faster disbursement of both investment and routine expenditures. Although real estate investment slowed due to weaker purchasing power and stricter lending conditions, the EEC economy in 2024 still achieved approximately 3.2% growth compared to the previous year.

Gross Product Growth Rate (% YoY)



R : Revised
P : Preliminary
F : Forecasted



The EEC economic outlook for 2025 is expected to continue to expand.

Economic growth is expected to be driven by the tourism sector, supported by the implementation of visa-free measures and the facilitation of electronic entry into the country. Additionally, industrial production is projected to improve, bolstered by the expansion of free trade agreements with major trading partners. Agricultural production is also anticipated to grow, driven by increasing domestic and international consumption demand. As a result, the EEC economy in 2025 is forecasted to expand within a range of 3.0% to 3.7%, aligning with the projected national GDP growth of 2.3% to 3.3%. This outlook is further reinforced by rising Eastern Industries Sentiment Index, supported by the following key factors:

Positive factors

1. The tourism sector continues to expand, driven by ongoing government stimulus measures.
2. Private sector investment has shown steady growth, as reflected in the rising number of Investment Promotion Certificate Issuance by BOI.
3. China's production base in the EEC is expected to expand further in response to heightened U.S. trade restrictions.
4. Export momentum remains positive, supported by a steady increase in advance orders since the second half of 2024.

Risk factors

1. President Donald Trump's executive orders impact the global economy, potentially leading to a contraction in global trade and posing risks to Thailand's export sector.
2. The appreciation of the Thai baht remains a concern, as Thailand maintains its policy interest rate while the U.S. Federal Reserve (Fed) continues to cut rates. This divergence affects the competitiveness of Thai exports in the global market.
3. Rising global crude oil prices (WTI) have increased industrial production costs, putting pressure on businesses.
4. Climate change has caused significant disruptions to economic activities, particularly affecting agricultural production.
5. High household debt continues to weigh on consumer spending, investment, and overall economic growth.

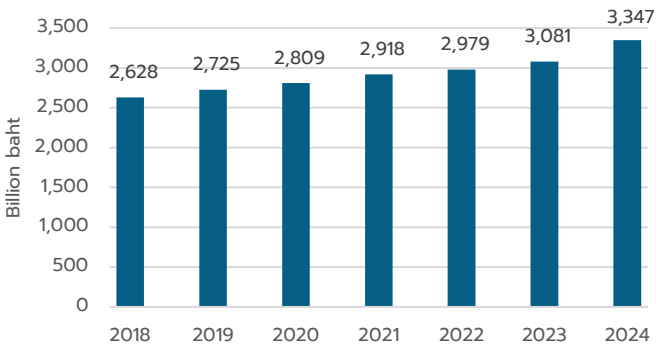


Industrial Investment

"The investment outlook in the EEC is on an upward trend, driven by the expansion of the export sector."

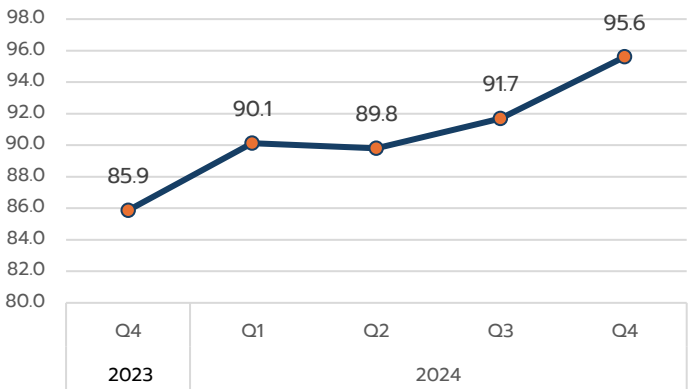
Industrial investment in the EEC during the fourth quarter of 2024 demonstrates a positive trend, driven by entrepreneurs ramping up production to meet rising domestic and international demand. This growth is further bolstered by the expanding export sector, fueled by increased global demand, particularly for computers, equipment, and components—key industries in the EEC. Consequently, there has been a surge in investment in capital goods, raw materials, and components, such as electrical appliances and electronics, to meet the growing demand for innovative products driven by technological advancements. This positive trend is reflected in the increase in investment value across industries in the EEC and the rise in the Eastern Industries Sentiment Index compared to the same period last year. Entrepreneurial confidence has strengthened, supported by a rise in foreign direct investment during the first nine months of 2024 and the disbursement of the fiscal year 2025 budget, which has injected additional funds into the economy.

Cumulative investment value of industries in the EEC



Source: Department of Industrial Works

Eastern Industries Sentiment Index

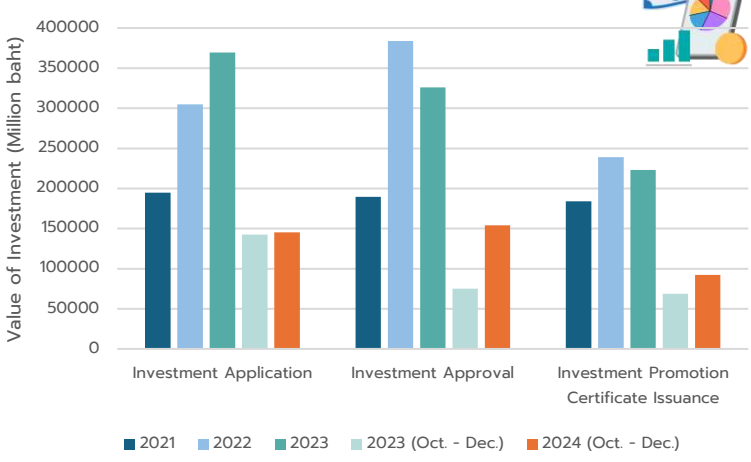


Source: The Federation of Thai Industries

Industrial production in 2025 is expected to show continued growth

Supporting factors for growth include Thailand's expanding international trade with major trading partners, as evidenced by ongoing advance purchase orders and the establishment of free trade agreements with key partners such as the European Union and South Korea. Additionally, private sector investment is expected to rise, as reflected in the increasing number of Investment Promotion Certificate Issuance, particularly in the automotive and parts industries, as well as the electrical and electronics sectors. Most of these investments are concentrated in Chonburi and Rayong, while Chachoengsao attracts investments in the automotive and parts industries, biotechnology, and agricultural and food processing sectors.

Value of Investment Application, Investment Approval, and Investment Promotion Certificate Issuance in the EEC



Source: Investment promotion information, BOI

Tourism Sector

"The tourism sector in the EEC has been experiencing a steady recovery since the COVID-19 outbreak."

The tourism sector continues to expand, driven by the growing global demand for international travel and the full resumption of airline operations worldwide. To attract foreign visitors, the government has implemented various measures, including visa-free entry for tourists from China and Russia, along with organized tourism activities in the region. Additionally, the "Moo Deng Fever" phenomenon has significantly boosted tourism in Chonburi Province. In Q4 2024, the region welcomed 11 million visitors, a 24.24% increase from the same period last year, accounting for 11.97% of the national total. Tourism revenue reached 96.91 billion baht, reflecting a 26.09% year-over-year growth and contributing 12.87% of the country's total revenue, with Chonburi Province leading at 72.87%. In 2024, tourism revenue in the region rebounded to pre-pandemic levels, reaching 331 billion baht—surpassing the 318 billion baht recorded in 2019.

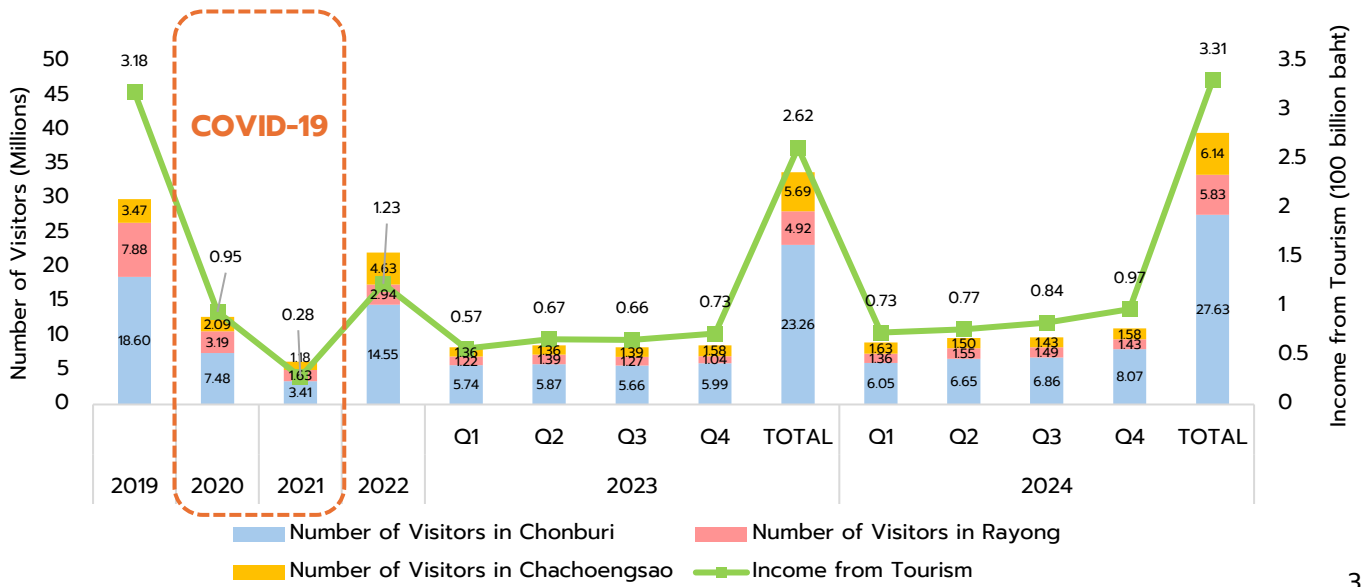
Month	Number of EEC visitors (million people)			EEC tourism income (million baht)		
	2023	2024	Change (%)	2023	2024	Change (%)
Oct.	2.55	3.47	36.12	21,066	29,835	41.63
Nov.	2.85	3.63	27.40	24,069	31,503	30.89
Dec.	3.51	3.97	13.11	31,721	35,568	12.13
TOTAL	8.91	11.07	24.24	76,856	96,906	26.09

Source: Ministry of Tourism and Sports

Tourism in the EEC is projected to continue its strong growth trajectory in 2025.

Tourism in the EEC is expected to continue expanding, driven by the extension of visa-free measures and the planned introduction of the Electronic Travel Authorization (ETA) system to streamline entry for eligible travelers. To further stimulate domestic tourism, the government is expanding initiatives such as the "We Travel Together" program to attract visitors during the low season, along with tax incentives to promote tourism in key destinations. Additionally, the EEC is actively enhancing its tourism appeal through targeted promotional activities, including efforts to boost travel trends in secondary destinations such as Sattahip, Bang Saray, and Sriracha. A significant development for the region is the expansion of the Michelin Guide Thailand to Chonburi Province, which is expected to positively impact the local restaurant industry and further enhance the area's tourism appeal.

Number of visitors and income from tourism in the EEC

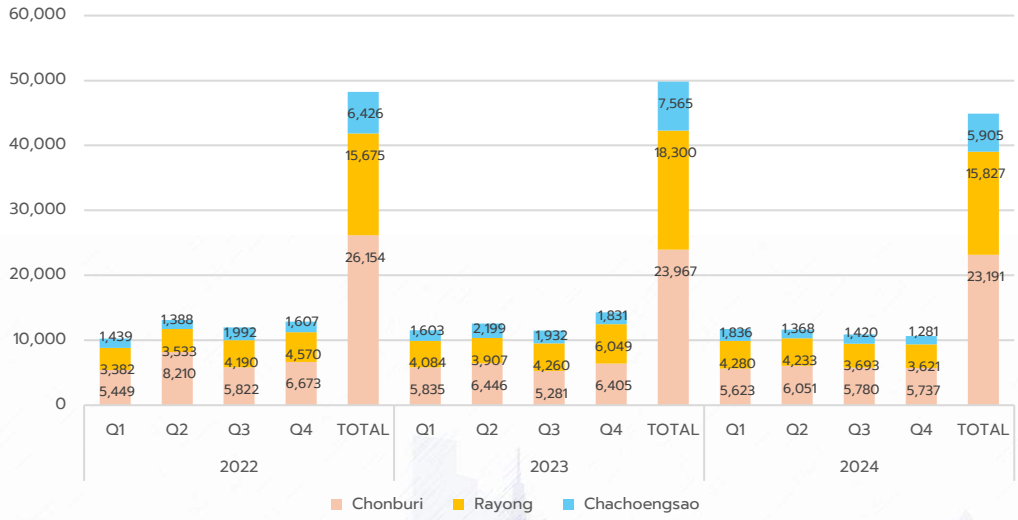


Real Estate Investment

> **Real estate investment activity has slowed compared to the previous year.**

In the latest quarter, 10,639 new residential units were registered, reflecting a 25.52% decline compared to the same period last year. Meanwhile, residential transfers totaled 13,365 units, a slight decrease of 0.82% year-over-year. The slowdown in real estate activity is primarily attributed to rising household debt, prompting financial institutions to enforce stricter lending policies, including tighter loan-to-value (LTV) ratio controls. As a result, real estate investment has declined. Chonburi Province continued to record the highest number of property transfers at 8,927 units, followed by Rayong with 3,421 units and Chachoengsao with 1,017 units.

Real estate activity is expected to remain sluggish in 2025, as purchasing power has yet to recover due to the Bank of Thailand's stricter housing loan regulations designed to address persistently high household debt, compounded by the prospect of rising interest rates. However, the situation may improve with the government's economic stimulus measures, including the reduction in transfer fees for properties priced below 7 million baht, which has been in effect since 2024. Additional supportive policies, such as low-interest loans for affordable housing, tax incentives for homebuyers, and deductions on land and building taxes, along with the potential relaxation of LTV measures by the Bank of Thailand, could help stimulate the real estate market and make housing more accessible to the public.

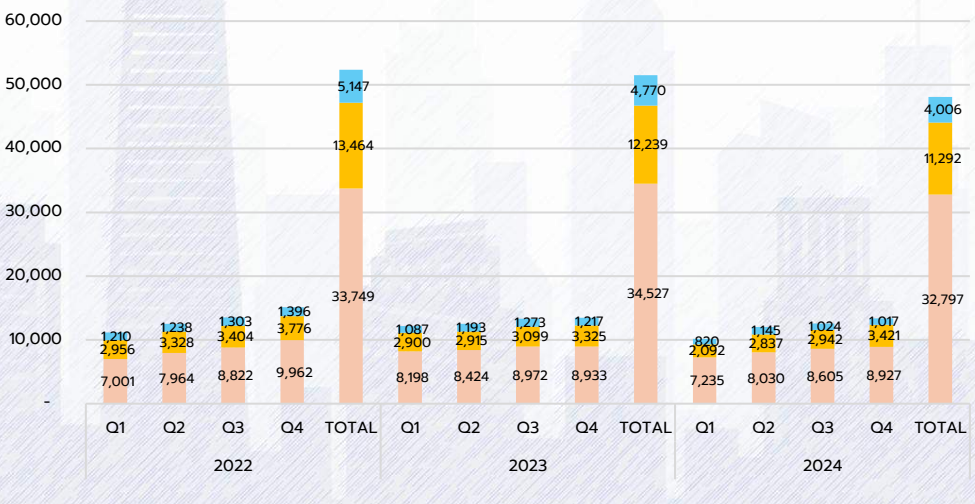


Number of newly registered residential units

Source: Real Estate Information Center, Government Housing Bank

Number of housing ownership transfers in the EEC

Source: Real Estate Information Center, Government Housing Bank



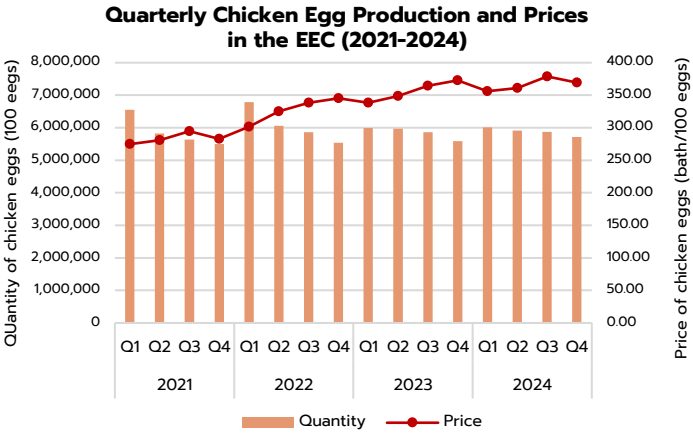


Agricultural Production

Agricultural production in the EEC has been growing positively, with both the field crop and livestock sectors benefiting from strong domestic demand and expanding exports to trading partners. In 2025, this positive trend is expected to continue, driven by rising consumption both locally and internationally.

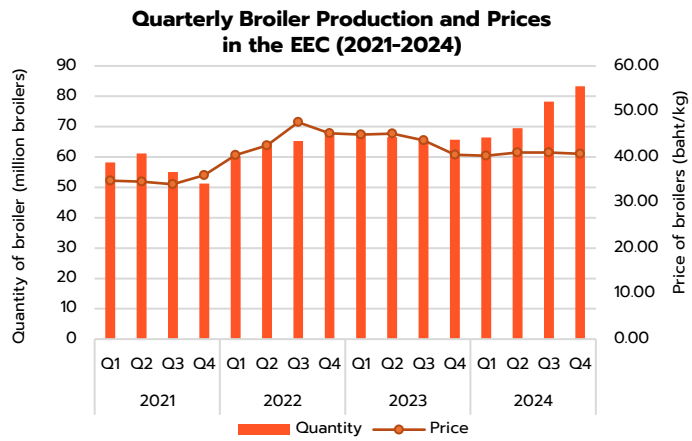
Chicken Egg

Laying chickens in the EEC are primarily raised in Chachoengsao Province, a key production area for the country. In this region, chicken egg production reached 572 million eggs, marking a 2.34% increase from the previous year's 559 million eggs. The cooler weather at the end of the year has contributed to improved hen health and better feeding conditions. However, the price of chicken eggs remains volatile due to the high cost of animal feed raw materials and increased demand during major festivals. Looking ahead to 2025, production is expected to rise as farmers extend the lifespan of hens in cages to boost egg supply and meet growing consumer demand.



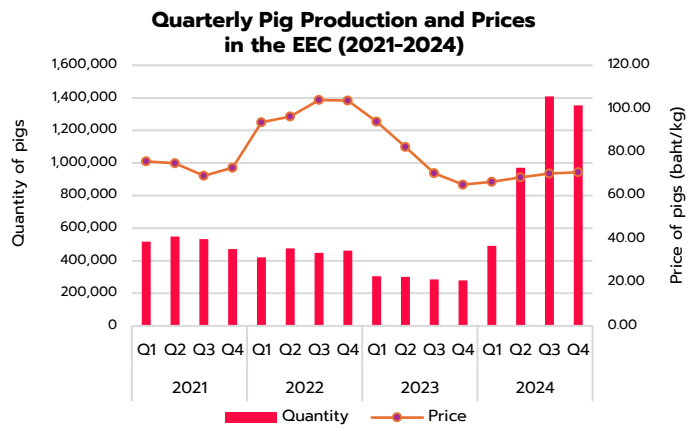
Broiler

Broiler farming in the EEC is predominantly concentrated in Chonburi Province, which ranks third in the country for production. Total broiler production has exceeded 83.3 million broilers, marking a 26.72% increase from the previous year's 65.7 million. This growth is driven by the need to meet strong domestic demand, as well as the continued expansion of exports of fresh, chilled, and frozen chicken to trading partners. Looking ahead to 2025, both broiler production and selling prices are expected to rise in response to the recovery of the service and tourism sectors. Additionally, more farmers are likely to enter the broiler farming sector, as broiler chickens require a shorter raising period compared to other livestock, making them an attractive option for investment.



Pig

Pig production in the EEC is primarily concentrated in Chonburi, Chachoengsao, and Rayong provinces. Production has surged by 385.50% compared to the previous year, driven by the recovery from African swine fever and farmers' swift improvements to their farms in preparation for new rounds of pig farming. However, the price of pigs that farmers can sell has slightly decreased due to the large volume of pigs entering the market. Looking ahead to 2025, both pig production and prices are expected to rise, supported by the economic recovery in Thailand and its trading partners, which has boosted consumption demand. Additionally, government policies aimed at promoting pork exports are expected to further strengthen market conditions.





Key factors affecting the EEC's economy

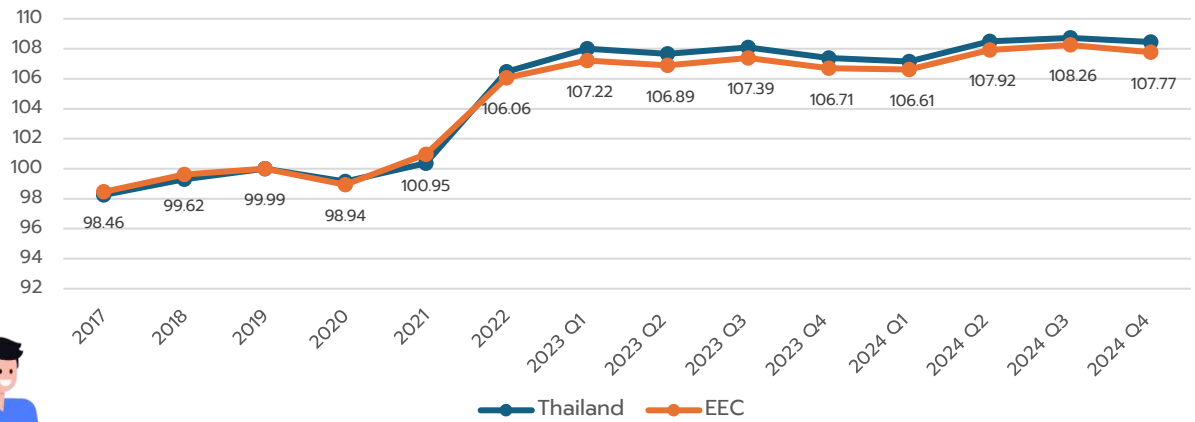
Consumption

The consumption situation showed a slight improvement compared to the previous year.

Despite fluctuations in commodity and energy prices affecting purchasing power, the Consumer Price Index (CPI) in the EEC averaged 107.77, up from 106.71 in the same period last year. This resulted in a 0.99% year-over-year inflation rate, driven primarily by rising fuel prices, along with increases in food and beverage costs, particularly in fresh fruit, food ingredients, and non-alcoholic beverages. At the same time, the Eastern Consumer Confidence Index continued its upward trend in the fourth quarter of 2024, reaching 59.43, an improvement from the previous quarter. Looking ahead to 2025, consumption in the EEC is expected to further improve, both in terms of the price index and consumer confidence. This optimistic outlook is driven by the recovery of the tourism and service sectors, events surrounding the New Year and Chinese New Year festivals, and the government's economic stimulus measures, all of which are anticipated to stimulate spending and boost income generation in the region.



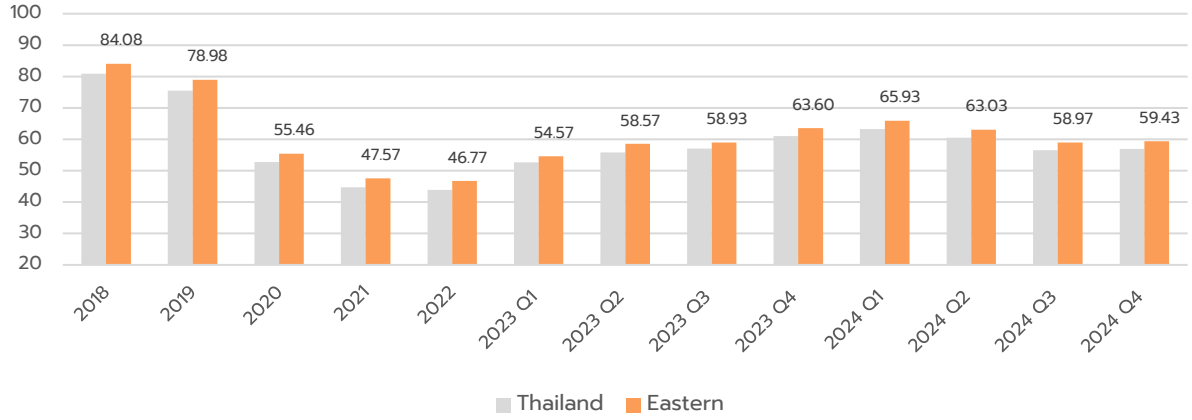
Consumer Price Index of the EEC



Source: Ministry of Commerce



Eastern Consumer Confidence Index



Source: Center for Economic and Business Forecasting, University of the Thai Chamber of Commerce

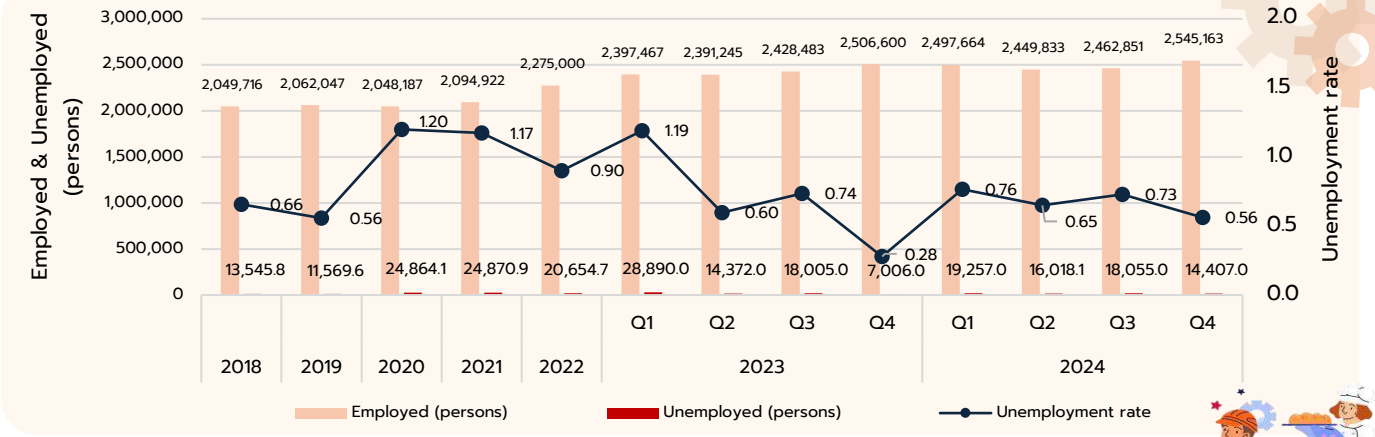
Labor market

"The labor market in the EEC is exhibiting positive signs of recovery."

Employment in the EEC is recovering, primarily driven by the service sector, while high-skilled workers continue to face challenges. There are 2.55 million employed individuals, with the workforce concentrated in five key sectors: manufacturing (33.5%), wholesale and retail (17.3%), hotel and food services (12.6%), agriculture and fisheries (8.7%), and construction (7%). The total number of employed people has increased by 1.5% compared to the same period last year, largely due to a 6.6% rise in the service sector, particularly within the hotel and food services sector, in line with the recovery of tourism and the service industry. Conversely, employment in the industrial and agricultural sectors has declined, driven by reduced activity in manufacturing, weather variability, and rising agricultural production costs, which have collectively affected overall employment. This has contributed to an unemployment rate of 0.56%, a slight increase compared to the same period last year.

Additionally, the increase in employment was primarily seen among workers with primary education, those with less than primary education, and those with no formal education, totaling over 121,000 individuals. In contrast, the number of workers with higher education, vocational education, and secondary education decreased by more than 83,000 individuals. This trend reflects the growing demand for labor in labor-intensive industries, a decline in highly skilled labor due to layoffs, and a mismatch between the skills produced by the education system and the demands of the local labor market.

Employment, unemployment, and unemployment rate in the EEC



Source: National Statistical Office



The labor market in the EEC is expected to experience growth in 2025, driven by positive trends in the service sector and private investment, particularly in target industries such as automotive and parts, electrical appliances and electronics, petrochemicals and chemicals, biotechnology, and agriculture and food processing. Additionally, the increase in industrial plants receiving business licenses will play a crucial role in driving employment, especially among high-skilled workers. Furthermore, the global economic recovery and the growth of Thailand's export sector are expected to further support the expansion of the labor market in the region.

However, the labor market in the EEC may be affected by the upcoming minimum wage increase, as outlined in the Wage Committee's Notice of Minimum Wage Rates (No. 13), set to take effect on January 1, 2025. Under this new policy, Chachoengsao, Chonburi, and Rayong provinces will see the minimum wage rise to 400 baht per day, the highest in the country. This increase is expected to boost workers' income, stimulate household consumption, and enhance the quality of life for residents in the region. However, it will also drive up labor costs, particularly for SMEs and labor-intensive businesses, which may face challenges in adapting to the higher wage structure.

EEC as a driving force for the Thai economy

EEC is a key economic area for the country, contributing an average of 14-15% to the national GDP annually.

This growth is driven by the industrial sector's expansion, supported by the ongoing investment demand from the private sector in the EEC. Additionally, the U.S. trade barrier policy may prompt China to relocate its production base to the EEC, particularly in industries where the region has strong potential, such as electrical appliances and electronics. This shift is expected to positively impact Thailand's investment, exports, and employment, while also increasing the circulation of money within the economy.



EEC accounts for one-third of the country's industrial production, making it a crucial driver of national growth, contributing over 10% to GDP. The service sector in the EEC represents 7.1% of the country's total service sector and has a significant impact on GDP, contributing more than 4.2%. Notably, tourism plays a key role, accounting for 12.7% of the nation's total tourism income.