

Committee forecasts at least 3% GDP uptick



A tourist tries to avoid the water at Tha Tien pier as the Chao Phraya River continues to swell, threatening to flood riverside communities in Bangkok. The JSCCIB is monitoring the flooding situation. APICHAART JINAKUL

Growth driven by recovery of tourism

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The Joint Standing Committee on Commerce, Industry and Banking (JSCCIB) has inched up its 2022 GDP forecast, expecting the economy to grow by at least 3%, driven by the gradual recovery of the tourism industry.

The new projection ranges from 3-3.5%, compared with a 2.75-3.5% estimate made last month, as the economy continues to grow.

"The tourism sector is a key driver of the economy and can help boost

people's purchasing power, so we raised the economic growth prediction," said Sanan Angubolkul, chairman of the Thai Chamber of Commerce, a key JSCCIB member.

Since the government reopened the country late last year and greatly relaxed Covid travel restrictions, the number of foreign tourists has been steadily increasing.

In August alone, tourist arrivals tallied 1.17 million. The full-year total is expected to reach 9-10 million, according to industry analysts.

"Tourism will help boost employment and workers' income, even as high inflation and the impact of ongoing flooding are weakening consumer purchasing power," said Mr Sanan.

The JSCCIB estimated the floods,

triggered by strong monsoon rains and typhoon Noru, have already caused up to 10 billion baht in damage as many provinces countrywide are inundated.

The business sector is monitoring the flooding situation as it can severely affect the economy.

The JSCCIB expects inflation to stand at 6-6.5% this year, up from a range of 5.5-7% predicted earlier, partly because of the impact of the weaker baht.

The export sector is anticipated to grow by 7-8%, up from an earlier estimate of 6-8%.

High energy prices, which are also blamed for driving up inflation, will continue to affect businesses while Russia and Ukraine battle, said Kriengkrai Thiennukul, chairman of

the Federation of Thai Industries.

One recent obstacle is leaks were found at two major gas pipelines from Russia to Europe, he said.

Russia shut down Nord Stream 1 in September, citing the need for maintenance, while Nord Stream 2 was abandoned when Russia invaded Ukraine, according to media reports.

Global crude oil prices are below US\$100 per barrel, but inflation in Thailand remains high because of baht depreciation, said Mr Kriengkrai. This causes the country to pay more to import raw materials.