

Thai GDP Growth Falls Further Behind Neighbors: Chart of the Day

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(Bloomberg) -- Thailand's economy in the fourth quarter beat expectations by expanding 2.3 percent from a year earlier. At that pace, it's extending a two-year streak of lagging behind its neighbors in Southeast Asia.

The CHART OF THE DAY tracks quarterly economic growth of Thailand, Indonesia, Malaysia and the Philippines since 2010. Thailand's gross domestic product expansion has been about half that of its neighbors through much of the period amid political turmoil, including a coup last May and martial law since, plus record flooding in 2011 that triggered a recession as hundreds of factories and some hotels in Bangkok and neighboring provinces were shut for months. The lower panel compares the total annual GDPs of Thailand, Malaysia and Philippines, based on International Monetary Fund data.

Thai GDP increased 0.7 percent overall in 2014, the slowest in three years as political unrest curbed local consumption and tourism, while lower agricultural prices and cooling global demand hurt exports. Although fourth-quarter growth of 2.3 percent beat the consensus forecast of 2 percent, it paled versus the Philippines' 6.9 percent, Malaysia's 5.8 percent and Indonesia's 5 percent, data compiled by Bloomberg show.

"The last few years have been somewhat challenging for Thailand," said Rahul Bajoria, a Singapore-based economist at Barclays Plc. "Domestic demand has slowed down as household debt remains high and export growth remains muted. Countries like Malaysia, Philippines and, to a certain extent Indonesia, have done a little bit better in getting domestic investment high, and that's a missing area in Thailand at this point."

The World Bank last month projected Thailand's GDP will rise 3.5 percent this year, the weakest compared with estimates for the Philippines, Indonesia and Malaysia. Thai exports fell 0.3 percent in 2014, compared with a 9 percent gain for the Philippines and 7 percent for Malaysia, Bloomberg data show.

Thailand for much of the late 1980s and early 1990s was among the world's fastest-growing economies, as tourists flocked to Phuket, Bangkok and Pattaya, and companies such as Toyota Motor Corp., General Motors Co. and

Ford Motor Co. poured in billions of dollars to make it Southeast Asia's automotive hub.

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