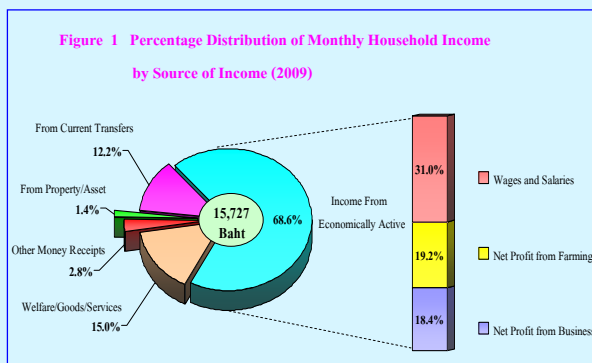


## EXECUTIVE SUMMARY

The National Statistical Office has carried out the 2009 Household Socio-economic Survey from January to December 2009. The survey covered household samples in both municipal and non-municipal area in every province. The sample size for this survey was approximately 52,000 households, of this 12,100 households were in the Northern region. The survey collected detailed information on income, expenditure, debt and asset of households as well as their housing characteristics. In the survey, expenditure data referred to expenditure for necessary items for daily life, which excluded saving and capital formation expenditures such as purchase or hire-purchase of house and land. The result of the 2009 SES is as following.

### 1. Household Income (2009)

The result of the 2009 survey showed that households in this region earned on average 15,727 baht per month. The major source of earnings (68.6%) was from economically activities such as wages and salaries (31.0%), followed by net profit from farming (19.2%), and net profit from non-farm business (18.4%). Income from economically inactive was mainly from assistance from other persons outside the household or from the government (12.2%), followed by income from asset and property rental such as interest receipt (1.4%). The other source of earning was from assistance in term of welfare/ goods and services (15.0%).

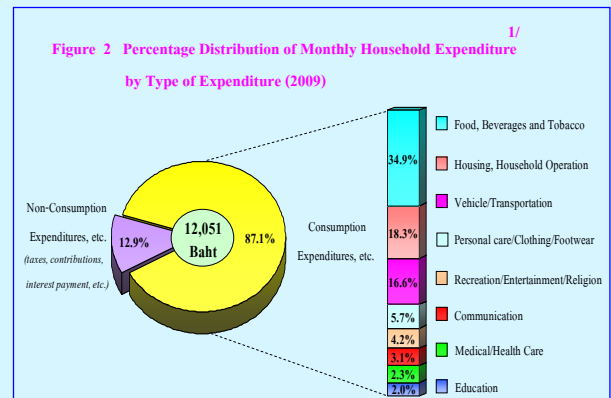


<sup>1/</sup> expenditure for necessary items for daily life, which excluded saving and capital formation expenditures such as purchase or hire-purchase of house and land, etc.

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### 2. Household Expenditure (2009)

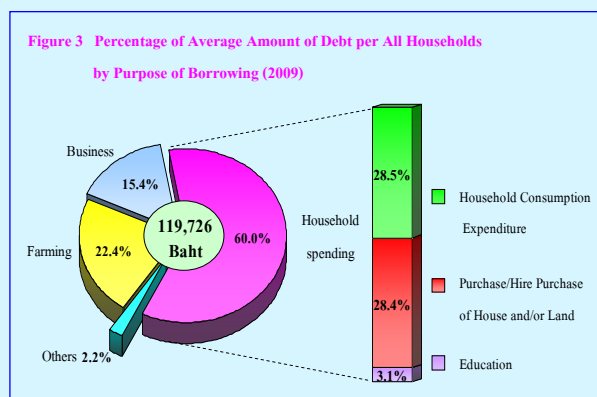
During the 2009 survey, household in the Northern region spent on average 12,051 baht per month, or approximately 76.6 percent of their income. By this amount, 87.1 percent was spent on household consumption, 34.9 percent of household consumption was spent on food, beverages and tobacco, of which 1.5 percent and 0.6 percent were respectively spent on alcoholic beverages and tobacco. The following were the expense on housing and household operation (18.3%), vehicle and transportation(16.6%), personal care/ clothing/ footwear(5.7%), recreation and entertainment/ religion(4.2%), communication(3.1%), medical and health care(2.3%), education(2.0%). Finally, the rest of 12.9 percent was spent on non-consumption expenditure such as taxes, gift, insurances, lottery and gambling, and interest payment.



### 3. Household Debt (2009)

During the 2009 survey, over a half of households in the Northern region (62.7%) were indebted, which was 119,726 baht per household or approximately 7.6 times household income. Most of the household debt (60.0%) was for household spending, of this amount 28.5 percent was for the purpose of household consumption,

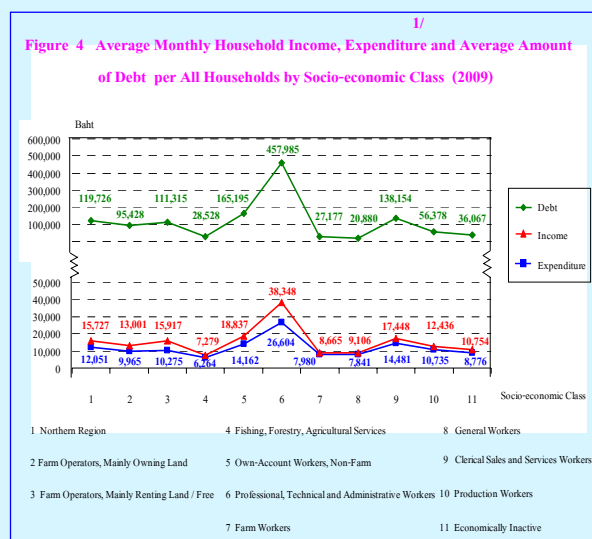
followed by the purpose of purchase/hire purchase of house and land(28.4%), and for education purpose(3.1%). The rest were for agricultural operation and for operation in non-farm business (22.4% and 15.4%, respectively).



#### 4. Comparing Household Income, Household Expenditure, and Household Debt by Household Socio-economic Class (by type of occupation) (2009)

Concerning by type of occupation, it was found that households of employed professional, technical and executive workers earned the most income about 38,348 baht per month, followed by households of operators in non-farm business and households of clerical, sale and services workers (18,837 and 17,448 baht, respectively). The lowest earning approximately 7,279 baht per month was of households of fishing, forestry, and hunting. The result also showed that by type of occupation, most of households with high income spent more and had high debt.

Furthermore, it was noticed that households of farm workers had the ratio of expenditure to income approximately 92.1 percent, resulting in the lowest proportion of their remained money for saving and debt payment comparing to other occupational groups (which were around 69% - 87%).



#### 5. Comparing Changes of Household Income, Household Expenditure and Household Debt (2007 to 2009)

By comparing the annual change rates of household income, household expenditure, and household debt, the survey result suggested that household income and expenditure increased. By this, the increasing rate of household income (7.7%) was higher than that of household expenditure (4.7%). As a result, the proportion of expenditure per income declined from 81.0 percent in 2007 to 76.6 percent in 2009. Concerning household debt, the result showed that while the number of indebted households and the ratio of debt to income decreased (3.0% and 3.7%, respectively), the amount of debt increased from 110,702 to 119,726 baht.

Table 1 Changes of Income, Expenditure, and Debt (2007 to 2009)

Items	2007	2009	Annual percentage changes
			2009/07
Income (Baht)	13,568	15,727	7.7
Expenditure <sup>1/</sup> (Baht)	10,990	12,051	4.7
Proportion of Expenditure per Income (Percent)	81.0	76.6	-2.8
Average amount of debt per household (Baht)	110,702	119,726	4.0
Indebted Households (Percent)	66.7	62.7	-3.0
Ratio of Debt to Income (Times)	8.2	7.6	-3.7

<sup>1/</sup> expenditure for necessary items for daily life, which excluded saving and capital formation expenditures such as purchase or hire-purchase of house and land, etc.

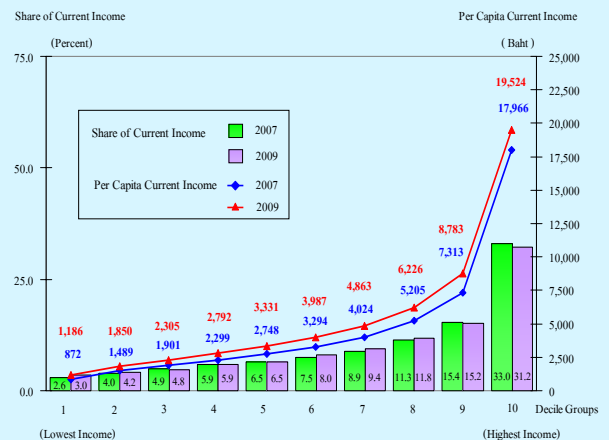
## 6. Comparing Distribution of Household Income (2007 to 2009)

In the analysis of income distribution, households were equally divided into 10 groups, from those with the lowest to the highest of their monthly income per capita (the first group earned the lowest income, while the tenth group earned the highest income). The result showed that the percentage share of income of the tenth group was 31.2 percent, whereas that of the first group was 3.0 percent. Furthermore, it was found that income inequality had decreased. That is, the percentage share of income of the highest income group fell from 33.0 percent to 31.2 percent. In addition, the result of the Gini Coefficient analysis had declined from 0.396 in 2007 to 0.378 in 2009. However, the welfare of the lowest group was improved since the share of income increased from 2.6 percent in 2007 to 3.0 percent in 2009.

Considering an average monthly income per capita, it was found the increase figure averagely from 4,210 baht in 2007 to 4,977 baht in 2009. For instance, income per capita of the lowest income group rose from 872 baht in 2007 to 1,186 baht in 2009, while that of the highest income group

Increased from 17,966 baht in 2007 to 19,524 baht in 2009 or approximately 16.5 times the first group. As a result, the gap between the poor (the first group) and the rich (the tenth group) in 2009 was narrowed comparing to the year 2007 (in the 2007 survey, income per capita of the tenth group was 20.6 times greater than those of the first group).

Figure 5 Share of Household Current Income by Decile Groups (2007 to 2009)



	2007	2009
Gini Coefficient (Decile Groups)	0.396	0.378
Per Capita Current Income	4,210	4,977