

## Thailand International Trade – November 2020

In November 2020, overview of Thai international trade signals a steady recovery. Despite of the persistent pandemic, the global economy has continued its recovery. The Global Manufacturing PMI has improved continuously and stood above 50 for the fifth consecutive month with the highest record in 24 months, in line with many international organizations' recent optimistic forecast revisions resulting from government stimulus packages in many countries, which could strengthen purchasing power of Thailand trading partners, as well as the latest developments of COVID-19 vaccines, which leads to greater confidence in the manufacturing sectors and consumption. As a result, many export items have shown better adjustment in this month.

Products with strong expansion in November 2020 are classified into 3 groups: 1) Food products such as fresh, frozen, canned, and processed fruits and vegetables, cassava products, pet food, fresh, chilled, and frozen pork, and food seasoning 2) Products related to work at home and home appliances such as furniture and parts, microwave oven and heating appliances, refrigerators and freezers, washing machine and parts, air conditioner and parts, and cellphone and parts and 3) Covid-19 related products such as rubber gloves, medical equipment and parts.

To sum up, Thai exports in November 2020 declined 3.65 percent to 18.93 billion USD while imports declined 0.99 percent to 18.88 billion USD, resulting in **trade surplus** of 52.59 million USD. For the first eleven months of 2020, Thai exports contracted 6.92 percent to 211.36 billion USD while imports dropped 13.74 percent to 187.87 billion USD, resulting in **trade surplus** of 23,512.96 million USD.

### Export Products

In November 2020, agricultural and agro-industrial products decreased 2.4 percent. Some products still expanded favorably, for example, rubber (+32.5%), pet food (+23.6%), rice (+16.7%), cassava products (+14.0%), food seasoning (+7.8%) fresh, frozen, canned, and processed fruits and vegetables (+2.0%). On the contrary, exports of some products decreased, namely, sugar (-74.1%), canned, and processed seafood (-10.4%), beverages (-8.7%), frozen and processed chicken (-6.6%). For the first eleven months of 2020, exports of agricultural and agro-industrial products dropped 4.0 percent.

Industrial products decreased 2.9 percent in November 2020. Some products expanded favorably, for example, automobile, equipment and parts (+10.3%), rubber products (+13.3%), microwave oven and heating appliances (+41.3%), cellphone and parts (+35.5%), washing machine and parts (+22.2%), air conditioner and parts (+17.0%), furniture and parts (+10.8%). Meanwhile, exports of some products declined, namely, golds (-42.7%), related oil products (-11.4%), computer, equipment and parts (-7.4%), gem and jewelry excluding golds (-28.4%), cosmetic, soap, and skin care products (-11.0%). For the first eleven months of 2020, exports of industrial products declined 6.6 percent.

### Export Markets

Exports to major markets continued to recover gradually despite the spread of COVID-19 increases in many countries. The export growth in some markets picked up this month. This reflects a gradual demand recovery of trading partners after injecting economic stimulus packages. This also aligns with the global economic momentum which began to show further signs of recovery.

- Exports to the main markets expanded by 5.9%. Exports to US and Japan markets expanded by 15.4% and 5.4% respectively, while exports to EU contracted by 8.5%.



- **Exports to high potential markets dropped 11.0%.** Exports to China, ASEAN (5), and CLMV market contracted by 8.9%, 15.0%, and 13.0% respectively, while exports to South Asia market declined 1.7%
- **Exports to emerging markets expanded by 4.2%.** Exports to Australia, Africa, and Russia and CIS market increased 23.7%, 4.9%, and 20.8% respectively, while exports to Middle East, and Latin America markets contracted by 12.1%, and 6.6% respectively.

### 2020-2021 Export Prospects and Promotion Strategies

Steady signs of recovery and the improving confidence level in global recovery have positively supported Thai exports in the next phase as recent developments of an effective vaccine could build up confidence and raise output growth. Moreover, another positive factors for export prospects in 2021 are the re-operation of the trade logistics to normal traffic and the rising of global oil demand. Accordingly, this would support exports of oil-related products, which account for approximately 10 percent of total export. However, there are remaining risks particularly a resurgence of COVID-19 cases might prolong the pandemic and reverse global economic recovery. In case of Thailand, rising cases in SamutSakhon and provincial control measures might disrupt seafood supply chain as well as exports of related products. Furthermore, structural reform in Thai manufacturing industry should be addressed to improve its productivity and adaptability to fast-evolving technologies in order to maintain country competitiveness and investment attractiveness which are crucial to export prospects in the long run.

For the rest of 2020, Deputy Prime Minister and Minister of Commerce (Mr. Jurin Laksanawisit) discussed with relating private and government agencies and aimed to tackle container shortage problem in response to exporters' demand along with the discussion to reduce of freights and other charges to facilitate international trade. For trade negotiations, the ministry plans to expedite its Free Trade Agreement (FTA) negotiations with key trading partners such as Thai-UK, Thai-EAEU, Thai-EFTA as well as ASEAN-Canada. Moreover, worldwide offices of international trade promotion are required to explore export opportunities to leverage Thailand's export advantages in 2021.



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Unit: Million USD	Nov 2020	Jan-Nov 2020
Export value	18,932.66 -3.65 %	211,385.69 -6.92 %
Import value	18,880.07 -0.99 %	187,872.73 -13.74 %
Trade Balance	+52.59	+23,512.96

### Top 10 Export Products

