

## Thailand International Trade – September 2020

In September 2020, overview of Thai international trade has improved for the third consecutive month in line with gradual recovery of the global economy, which is supported by the easing of COVID-19 control measures both in Thailand and abroad. The Global Manufacturing PMI, which stood above 50 for the third consecutive month, suggests sign of better recovery in near term. Considering the deceleration of negative export growths, this represents businesses' resilience both in export and import sides in challenging period and shows a good signal for the Thai economy compared to the past.

Products with strong expansion in September 2020 are classified into 3 groups: 1) Food products such as cassava products, palm oil, fresh, chilled and frozen pork, beverages, food seasoning, and pet food 2) Products related to work at home and home appliances such as computer and parts, furniture and parts, refrigerators and freezers, washing machine, and solar cells 3) Covid-19 related products such as rubber gloves especially in areas with high epidemic rates such as the United States and the United Kingdom. Also, pharmaceutical products have become a commodity in high demand for those countries with high levels of outbreaks in Asia, especially Myanmar.

To sum up, Thai exports in September 2020 dropped 3.86 percent to 19.62 billion USD while imports dropped 9.08 percent to 17.39 billion USD, resulting in **trade surplus** of 2,230.12 million USD. For the first nine months of 2020, Thai exports contracted 7.33 percent to 173.00 billion USD while imports dropped 14.64 percent to 152.37 billion USD, resulting in **trade surplus** of 20,623.69 million USD.

### Export Products

In September 2020, agricultural and agro-industrial products rebounded at 3.1 percent. Some products still expanded favorably, for example, palm oils (+435.3%), fresh, chilled, frozen, canned, and processed fruits and vegetables (+50.3%), cassava products (+29.5%), food seasoning (+17.7%), pet food (+16.7%). On the contrary, exports of some products decreased, namely, sugar (-59.9%), rice (-22.7%), rubber (-12.2%), chilled and frozen chicken (-3.78%). For the first nine months of 2020, exports of agricultural and agro-industrial products dropped 3.8 percent.

Industrial products decreased 3.9 percent in September 2020. Some products expanded favorably, for example, semiconductors, transistors and diodes (+34.1%), refrigerators, freezers and parts (+29.7%), fax machines, telephones, equipment and parts (+27.2%), washing machines and dry cleaning machines (+26.3%), furniture and parts (+25.2%), rubber products (+21.2%), computer, equipment and parts (+14.6%), rubber gloves (+154.9%). Meanwhile, exports of some products declined, namely, jewelry and gems (excluding gold) (-58.9%), radio receiver Television and parts (-23.7%), automobile, equipment and parts (-15.3%), oil related products (-13.6%), golds (-9.2%). For the first nine months of 2020, exports of industrial products declined 7.3 percent.

### Export Markets

Exports to major markets tend to recover in broader areas. The export value in many markets improved from last month. This reflects a gradual demand recovery of trading partners after relaxing pandemic control measures and injecting economic stimulus packages earlier. This aligns with the global economic momentum which began to show further signs of recovery.



- **Exports to the main markets expanded by 6.3%.** Exports to US markets expanded by 19.7%, while exports to Japan and EU contracted by 1.9% and 4.4% respectively.
- **Exports to high potential markets dropped 8.1%.** Exports to China markets rebounded at 6.9%, while exports to ASEAN (5), CLMV and South Asia markets contracted by 15.6%, 4.8%, and 6.3% respectively.
- **Exports to emerging markets dropped by 10.1%.** Exports to Australia markets expanded by 2.1%, while exports to Middle East, Latin America, Russia and CIS and Africa markets contracted by 26.1%, 14.5%, 31.5%, and 15.3% respectively.

## 2020 Export Prospects and Promotion Strategies

Thailand exports have continued the recovery trend. Exports to many key markets rebounded in line with global trend while exports to other markets suggest nascent recovery reflected by the smaller contraction sizes. Looking forward, **the continued expansion of food products and new normal products** related to COVID-19 together with rebound of important industrial products such as computers and parts, rubber products and electrical appliances will strengthen export prospects for the rest the year.

There are downside risks affecting Thai exports which are the US election, risks of COVID-19 second wave in many countries especially Europe and neighboring countries like Myanmar. However, Thailand's efficiency to control the pandemic has encouraged the supply chain of goods and manufacturing production to operate normally. Moreover, government measures both of Thailand and trading partners will stimulate and restore the economies in medium term.

For the rest of the year 2020, **the Ministry of Commerce has accelerated the promotion of Thai products through Cross Border E-commerce and organized business matching activities using online channels** such as Facebook Live, Webinar, and Zoom. This will **enable entrepreneurs to access knowledge quickly and adapt to new lifestyle** after COVID-19. Moreover, the ministry has promoted a cooperation in food industry to conform COVID-19 Prevention Best Practice in order to ensure food safety and **strengthen confidence** of foreign food importers. This will empower exports of Thai food products and possibility to penetrate into new markets in the near future.



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Unit: Million USD	Sep 2020	Jan-Sep 2020
Export value	19,621.3 <b>-3.86 %</b>	172,996.1 <b>-7.33 %</b>
Import value	17,391.2 <b>-9.08 %</b>	152,372.4 <b>-14.64 %</b>
Trade Balance	<b>+2,230.1</b>	<b>+20,623.7</b>

### Top 10 Export Products

