

## Thai International Trade – December 2020

In December 2020, Thai international trade ended a seven-month decline, with a positive growth of 4.71 percent. Despite the second wave of COVID-19 outbreaks, manufacturing and transportation sector have continued to recover, supported by better COVID-19 management. Additionally, continued monetary and fiscal support and widespread vaccination have helped restore confidence and strengthen foreign demand.

Products with strong expansion in December 2020 are classified into 3 groups: 1) Food products such as fresh, frozen, canned, and processed fruits and vegetables, cassava products, palm oil, pet food, fresh, chilled, and frozen pork, and food seasoning 2) Work-from-home products 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 protection products such as rubber gloves, medical equipment and parts.

In addition, major industrial products - such as plastic pellets, chemicals, electronic integrated circuits, computers, equipment, and parts, automobile and parts - expanded in December 2020, reflecting the recovery of global manufacturing sector.

To sum up, Thai exports in December 2020 increased 4.71 percent to 20.08 billion USD while imports increased 3.62 percent to 19.12 billion USD, resulting in trade surplus of 963.58 million USD. For the year 2020, Thai exports contracted by 6.01 percent to 231.47 billion USD while imports dropped 12.39 percent to 206.99 billion USD, resulting in trade surplus of 24.48 billion USD.

### Export Products

Agricultural and agro-industrial products exports rebounded in December 2020 to 2.1 percent growth (YoY). Products that still expanded favourably include cassava products (+63.6%), rubber (+30.0%), pet food (+25.7%), food seasoning (+15.5%), fresh, frozen, canned, and processed fruits and vegetables (+4.4%). On the contrary, exports of some products decreased, namely, sugar (-75.4%), beverages (-11.5%), fresh, frozen, and processed chicken (-7.6%), canned tuna (-7.0%), rice (-0.1%). For the year 2020, agricultural and agro-industrial products contracted by 3.5 percent.

Industrial product exports rebounded in December 2020 to 6.7 percent growth (YoY). Products that expanded favorably include rubber gloves (+220.3%), cell phone and parts (+33.9%), medical equipment and parts (+18.3%), furniture and parts (+15.5%), computers, equipment, and parts (+15.1%), electrical appliances (+13.2%), chemicals (+12.2%), plastic pellets (+8.6%), electronic integrated circuits (+7.3%), automobile, equipment, and parts (+3.2%). Meanwhile, exports of some products declined such as gold (-21.7%), refined oil (-16.6%), gems and jewelry excluding gold (-5.8%), vehicle tires (-2.8%). For the year 2020, industrial products contracted by 5.6 percent.

## Export Markets

Exports have continued to recover gradually in many markets. The export growth rate in some markets picked up in December 2020, signaling a gradual demand recovery of trading partners after injecting economic stimulus packages and the success of COVID-19 vaccine development. This also aligned with the global economic momentum which began to show further signs of recovery.

- **Exports to the main markets expanded by 10.4%.** Exports to US and Japan markets expanded by 15.7% and 14.8% respectively, while exports to EU contracted by 2.4%.
- **Exports to high potential markets expanded by 2.6%.** Exports to China, South Asia, and ASEAN (5) market grew 7.2%, 14.9% and 0.8% respectively, while exports to CLMV market declined 6.3%.
- **Exports to emerging markets expanded by 1.5%.** Exports to Australia and Middle East markets increased 13.5% and 0.1% respectively, while exports to Latin America, Africa, and Russia and CIS markets contracted by 8.8%, 3.2% and 16.9% respectively.

## Export Prospects and Promotion Strategies in 2021

The Ministry of Commerce estimated that Thailand's exports will recover to a growth of 4 percent in 2021, following signs of better global trade, COVID-19 vaccines, and economic stimulus in many countries. Moreover, Thailand's exports would also benefit from the Regional Comprehensive Economic Partnership (RCEP) which is in the ratification process, together with the United States policy under Joe Biden's presidency which will shift back to rule-based framework. However, there are some factors that might put downward pressure on Thai exports, including the uncertainty of COVID-19 outbreaks, the appreciation of Thai Baht and the shortage of shipping containers.

The Ministry of Commerce has announced strategies to promote Thai commerce and exports in 2021. These include pro-actively marketing Thai products in key markets under the “market-led, demand-driven strategy”, expanding free-trade agreements (FTAs), accelerating efforts to create mini-FTAs, and improving exporter access to supporting services. Additionally, the ministry will continue to promote the image of Thai products in order to build customer confidence under the “Trust Thailand” campaign, ensuring that Thai products are of a high standard and quality and free from COVID-19.



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Unit: Million USD	Dec 2020	Jan-Dec 2020
Export value	20,082.74 4.71 %	231,468.44 -6.01 %
Import value	19,119.16 3.62 %	206,991.89 -12.39 %
Trade Balance	+963.58	+24,476.55

