

Thai International Trade – February 2021

Thai international trade has improved in line with the gradual recovery of the global economy. Thai export value rose to above 20 billion USD in February 2021. Although the overall exports declined by 2.59 percent (YoY), the export of real sector continued to soar, reflected by the 2.87 percent expansion of export value excluding gold, oil, and weaponry. In addition, major industrial products - such as automobile, equipment, and parts, computers, equipment, and parts, electronic integrated circuits, steel and products, chemicals, and plastic resin - showed signs of robust recovery in line with the revival of global manufacturing sector.

The pace of export recovery coincides with the latest upward revision of global economic outlook by the Organization for Economic Cooperation and Development (OCED) to 5.6 percent growth in 2021 which is better than the previous estimation of 4.2 percent. Moreover, purchasing managers in many countries have more optimistic view about the world economy, reflected by Global Manufacturing PMI stood above 50 (53.9) for the eighth consecutive months and rose to a three-year high.

To sum up, Thai exports in February 2021 decreased by 2.59 percent to 20.22 billion USD while imports increased by 21.99 percent to 20.21 billion USD, resulting in trade surplus of 7.25 million USD. For the first two months of 2021, Thai exports contracted by 1.16 percent to 39.93 billion USD while imports rose by 6.77 percent to 40.12 billion USD, resulting in trade deficit of 195.15 million USD.

Products with strong expansion in February 2021 are classified into 3 groups: 1) Agricultural and food products such as rubber, vegetables and fruits, cassava products, pet food and food seasonings 2) Products related to ‘work at home’ and home appliances such as furniture and parts, microwave ovens, heating appliances, refrigerators and freezers, washing machines and parts, air conditioners and parts, and cellphones and parts 3) COVID-19 related products such as rubber gloves, medical equipment and parts.

Export Products

Agricultural and agro-industrial product exports rose by 7.0% (YoY). Products that still expanded favourably include cassava products (+46.6%), fresh, frozen, canned, and processed vegetables and fruits (+42.9%), rubber (+22.9%), pet food (+20.7%), food seasoning (+3.4%). On the contrary, exports of some products decreased, namely, sugar (-35.5%), frozen, canned, and processed seafood (-10.9%), fresh, frozen, and processed chicken (-7.6%), rice (-4.9%). For the first two months, Thai agricultural and agro-industrial products exports increased by 5.4% (YoY).

Industrial product exports decreased by 4.0% (YoY). Products that expanded favorably include furniture and parts (+20.2%), oil-related products (+14.8%), computer, equipment, and parts (+12.7%), electrical appliances (+12.3%), electronic integrated circuits (+9.5%), automobile, equipment, and parts (+3.6%), rubber products (+24.8%). Meanwhile, exports of some products declined such as gold (-93.0%), hard disk drive (-7.2%), textiles (-12.5%), semiconductors, transistors, and diodes (-6.6%). For the first two months, Thai industrial product exports declined by 1.7% (YoY).



Export Markets

Exports has continued to recover in many markets in line with the economic recovery of major trading partners.

- **Exports to the main markets expanded by 10.1%.** Exports to the US, EU (15), and Japan expanded by 19.7%, 0.2%, and 6.5% respectively.
- **Exports to high potential markets declined by 5.2%.** Exports to China, and South Asia grew by 15.7%, and 13.9% respectively, while exports to ASEAN (5) and CLMV declined by 17.3% and 4.2% respectively.
- **Exports to emerging markets expanded by 7.3%.** Exports to Australia (25), Latin America, and Africa increased by 18.3%, 14.0%, and 16.3% respectively, while exports to Middle East (15), and Russia and CIS contracted by 9.9% and 11.8% respectively.

Export Prospects and Promotion Strategies in 2021

Ministry of Commerce expects that Thai exports will benefit from 4 factors, namely (1) the rollout of COVID-19 vaccines in many countries which will help restore consumer confidence; (2) the 1.9 trillion USD stimulus package of the US which will support the global economic recovery; (3) crude oil prices rose to above 60 USD/BBL which will contribute to the exports of oil-related products; (4) Thai Baht depreciation in the first quarter which will support the exporter in highly price sensitive sectors, especially agriculture and some industrial sectors.

For 2021 export promotion plans, Ministry of Commerce sets the working targets in 3 areas which are (1) achieving 4 percent export growth in 2021; (2) increasing number of entrepreneurs participating in the Department of International Trade Promotion's activities (e.g. trade fairs, business matching) in various sectors, including agricultural and food products (+6.6%), 'new normal' products (+6.8%), heavy industrial products (+3.8%), fashion products (+2.4%); and (3) increasing number of activities cooperated with foreign E-Commerce platforms of the US, ASEAN, China, and India in line with the "Demand-Driven Agricultural Production and Marketing Strategy" that aims for Thailand to become the center of quality agricultural and food products of the world.



Trade Policy and Strategy Office
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Thai International Trade Value in February 2021

Unit: Million USD

	Feb 2021	Jan-Feb 2021
Export value	20,219.01 -2.59 %	39,925.58 -1.16 %
Import value	20,211.76 21.99 %	40,120.73 6.77 %
Trade Balance	+7.25	-195.15

