

Thailand International Trade – June 2020

In June 2020, Thai agricultural especially food products are still in high demand and able to maintain positive momentum amid the outbreak of the COVID-19, which has yet resolved in most countries and remains a pressing issue globally. This emphasizes the reputation of Thai food products in terms of high quality, standard, and safety. Moreover, some major industrial products such as computer and parts and rubber products show sign of recovery.

In terms of markets, **exports to China stood out and registered positive growth for third consecutive month** in line with the economic recovery trend after succeeding epidemic containment within the country. **Exports to the US market** also expanded after accelerating to reopen the economy. However, exports to most major markets dropped due to the effects of the outbreak of the COVID-19.

In terms of products, **Thai exports of food products continued favorable expansion corresponding with growing demand during COVID-19**. High performance products are canned and processed seafood products, chilled, frozen, and processed chicken, food seasonings, non-alcoholic beverages and pet food.

In June 2020, **Thai exports** dropped 23.2 percent to 16.4 billionUSD while **imports** dropped 18.1 percent to 14.8 billion USD, **resulting in trade surplus** of 1,610 millionUSD. For **the first half of 2020**, Thai exports contracted 7.1 percent to 114.3 billionUSD while **imports** dropped 12.6 percent to 103.6 billion USD, **resulting in trade surplus** of 10,701 millionUSD.

Export Products

In June 2020, agricultural and agro-industrial products decreased 9.9 percent. Some products still expanded favorably, for example, frozen, and processed fruits and vegetables (+8.8%), canned and processed seafood (+21.4%), chilled, frozen, and processed chicken (+4.6%), pet food (+21.2%). On the contrary, exports of some products decreased, namely, rice (-25.6%), rubber (-55.6%), cassava products (-5.8%), sugar (-57.1%). For the first half of 2020, exports of agricultural and agro-industrial products dropped 2.1 percent.

Industrial products decreased 25.1 percent in June 2020. Some products expanded favorably, for example, semi-conductor devices, transistors and diodes (+44.9%), computer and parts (+4.6%), rubber products (+10.5%), Furnitures and parts thereof (+6.8%). Meanwhile, exports of some products declined, namely, precious stones and jewelry (excluding gold) (-70.1%), automobiles and parts (-43.2%), oil-related products (-18.0%), golds (-86.0%). For the first half of 2020, exports of industrial products declined 7.5 percent.

Export Markets

Exports to the Chinese market grew for the third consecutive month and **exports to the US market** also expanded favorably. However, **exports to other destinations dropped this month**, in line with the global economic trend due to the effects of the outbreak of the COVID-19 which have subdued demand of trading partners.



- Exports to the main markets dropped by **7.9%**. Exports to US markets expanded by **14.5%**, while exports to Japan and EU contracted by **21.6%** and **22.7%** respectively.
- Exports to high potential markets dropped **23.6%**. Exports to China markets expanded by **12.0%**, while exports to ASEAN (5), CLMV and South Asia markets contracted by **38.8%**, **17.8%** and **59.5%** respectively.
- Exports to emerging markets dropped by **25.8%**, namely, Middle East (**-10.4%**), Africa (**-37.7%**), Latin America (**-41.8%**), Russia and CIS (**-27.4%**), and exports to Australia declined **22.7%**

2020 Export Prospects and Promotion Strategies

The outbreak of the COVID-19 remains pressing challenge and will suppressed Thai exports in the latter half of 2020. Although many Asian countries have shown subsequent recovery from the outbreak, the second wave of COVID-19 could pose a downside risk to the economies. Moreover, geopolitics between major powers cause policy uncertainty and exacerbate global economic slowdown. Lastly, Baht appreciation can weaken Thailand's price competitiveness and reduce export revenue in baht terms

Looking forward, Thai exports in the second half of 2020 will likely improve supported by

- 1) a partial recovery of international logistics both in air cargo and container port. Also, Thailand and neighboring countries have begun to reopen major border checkpoints and nearly return to full operation.
- 2) a number of government policy and stimulus responses to COVID-19 in many countries raise hope for gradual demand recovery.
- 3) oil demand recovery after easing lockdown restrictions, however, concerns over a second wave of COVID-19 would soften oil demand, resulting in declining oil prices. Lastly, exports to the Chinese market have expanded according to the economic recovery trend after successful pandemic containment. At the same time, the acceleration of reopening the US economy also supports Thai exports to this market.

For the export promotion in the second half of 2020, the Department of International Trade Promotion will expedite supportive measures for SMEs affected by the COVID-19 under the SMEs' Pro-active program, namely, financial support to attend the international trade fairs and activities to strengthen business opportunities and networking.



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Unit: Million USD	Jun 2020	Jan-Jun 2020
Export value	16,444.3 -23.17 %	114,343.0 -7.09 %
Import value	14,833.9 -18.05 %	103,642.0 -12.62 %
Trade Balance	+1,610.4	+10,701.0