

Thailand International Trade – December and overall for 2019

Exports and Imports

Thai exports in December 2019 picked up from the previous month. Noticeably, the impacts of the trade war on Thai exports have stabilized and begun to decline in recent months owing to substitution effects both in US and China and supply chain adjustment. Exports of electronics rebounded in sixteen months and exports of computers registered growth across major markets. Moreover, US – China phase-1 trade deal has raised optimism for positive global economic outlook and helped business confidence in near- to medium- term. In December 2019, Thai exports, at decreasing rate, declined 1.3 percent.

In terms of products, achievements of MOU signing led by Deputy Prime Minister and Minister of Commerce Jurin Laksanawisit bore fruits and successfully boosted exports of rubber, rubber products, rice, prepared foods in Turkey as well as exports of rubber, rubber products, wood and its products in India. Aside from that, some agricultural and agro-industrial products made historic export values amid challenging period of strong baht, for example, fresh, frozen, and processed fruits, fresh and frozen chicken, beverages, wheat products and other food preparations, sauces and preparations. Exports of rising industrial products, namely, motorcycle and parts, furnitures, and cosmetics, soaps, and skincare products steadily increased and maintained positive trend this month.

Another development to highlight this month is that Thai exports to two major trading partners – US and China, recorded positive growth at 15.6 and 7.3 percent. Also, exports to Taiwan and Middle East strengthened upward trend and increased at 16.2 and 11.4 percent.

Export Products

In December, growth of agricultural and agro-industrial products decreased 2.7 percent. Some products still expanded favorably, for example, sugar (+33.3%), beverages (+26.2%), fresh, frozen, and processed fruits (+9.7%), fresh and frozen chicken (+11.6%). On the contrary, exports of some products decreased, namely, rice (-41.1%), cassava products (-24.0%), frozen and processed shrimps (-20.1%) and rubber (-2.7%). The total exports of agricultural and agro-industrial products value in 2019 contracted -2.4 percent.

Industrial products contracted 0.9 percent in December 2019. Some products still expanded favorably, for example, motorcycles and parts (+49.3%), furniture and parts (+24.0%), cosmetics, soaps, and skincare products (+12.6%) and computer and parts (+12.2%), and. Meanwhile, exports of some products declined, namely, golds (-40.8%), automobiles and parts (-14.6%), oil-related products (-11.8%) and radio, television, and parts (-10.6%). The total exports of industrial products in 2019 contracted -1.8 percent.

Export Markets

Overall, Thai exports to most trading partners showed a bit recovery. Exports to US expanded 15.6 percent and exports to Taiwan recorded positive growth for the sixth consecutive month by 16.2 percent. Additionally, exports to China and South Korea rose 7.3 and 9.8 percent. On the contrary, exports to other markets dropped, namely, Japan (-4.4%), EU (15) (-1.9%), ASEAN (5) (-9.5%), Latin America (-9.7%), India (-11.6%), and Australia (-8.3%).

Overall exports of 2019

The total export in 2019 contracted 2.65 percent. The important factors suppressing Thai exports are 1) the global economic slowdown primarily due to the uncertainty of trade situation, 2) low global oil prices, 3) decreasing exports of major industrial products such as automobiles and parts due to higher competition in the primary markets, challenges in adaptation to technological technology transition, and tighten production or export standards, lastly 4) low prices of agricultural products affected by the global market prices and supply shortage in some products.

2020 Export Prospects

Thai exports are likely to improve in the future reflected by decreasing contraction rate, impacts from external factors started to neutralize, adjustment of important product groups related to trade war, and greater distribution of export markets. However, other challenging factors remain, namely, oil refinery shut down, and industrial factors in automobile and agricultural sectors.

Moreover, US-China phase 1 deal and clearer direction of Brexit strengthen the trading atmosphere in the short- to medium- term. Although, economies of major trading partners such as China and the European Union seem sluggish in 2020, strong consumption will be an opportunity for Thai exports especially consumer and related products.

The targeted export products in 2020 include Agricultural and Food products such as fresh, frozen, and processed fruits, wheat products and other food preparations, beverages, pet food, fresh and frozen chicken; Industrial products such as rubber products, motorcycles and parts, cosmetics, soaps, and skincare products, textiles and furniture and parts.

Strengthening partnership and outgoing missions are key to maintain market diversification and leverage negative impacts from external factors especially those which exports have rebounded in recent months, for example, Middle East (Saudi Arabia and UAE), EU (Turkey, Belgium, and Netherlands), Asia (South Korea, Taiwan, Sri Lanka, and Myanmar), and South America (Argentina). Lastly, FTA negotiations are among top priorities that the ministry aims not only to complete ongoing FTAs but also to prepare for potential FTA negotiations in order to capitalize trade opportunities from greater comprehensive partnership.



Export Value and Growth

Unit: Million USD	Dec 2019	Jan-Dec 2019
Export value	19,154.2 -1.28 %	246,244.5 -2.65 %
Import value	18,558.5 2.54 %	236,639.9 -4.66 %
Trade Balance	+595.7	+9,604.6

Export by Products

