

## Thailand International Trade – November 2019

### Exports and Imports

Global economy and Thai exports in November 2019 are clouded by a variety of global challenging factors, namely, trade disputes, geopolitics, and low global oil prices. Aligned with global trend, Thai exports performed relatively better than other Asian countries such as South Korea, Indonesia, and Singapore and the value still recorded at favorable level. However, other temporary factors also dominated Thai exports this month. Some oil refineries scheduled to shut down production at the end of the year. Exports of oil and related products, which account for more than 11 percent in total exports, significantly declined at 27 percent. It is expected that the oil refineries will resume their normal production in early 2020. Another development to highlight this month is that impacts of US-China trade war to Thai exports seem stable. Despite being caught in crossfire tariffs, exports of electronic products in major markets such as China, Taiwan, and Hong Kong picked up, reflecting an adjustment of supply chain in this challenging period. Additionally, exports of internal combustion engines and wood and wood products bounced back to positive growth this month. **In the first eleven months of 2019, Thai exports contracted 2.8 percent.**

### Export Markets

Overall, Thai Exports to most trading partners declined. However, exports to US (excluding aircrafts) expanded 1.4 percent and exports to Taiwan recorded positive growth for the fifth consecutive month by 6.5 percent. Additionally, exports to China and Hong Kong rose 2.3 and 2.6 percent. On the contrary, exports to other markets dropped, namely, Japan (-10.9%), EU (15) (-8.2%), ASEAN (5) (-11.1%), Latin America (-10.9%), India (-14.1%), and Australia (-22.0%).

### Export Products

Growth of agricultural and agro-industrial products decreased 3.6 percent. Some products still expanded favorably, for example, sugar (+105.3%), fresh and frozen chicken (+10.4%), fresh, frozen, and processed fruits (+7.0%), beverages (+3.8%). On the contrary, exports of some products decreased, namely, cassava products (-37.3%), rice (-31.4%), rubber (-18.4%), and frozen and processed shrimps (-9.1%). In the first eleven months of 2019, agricultural and agro-industrial products contracted -2.4 percent.

Industrial products contracted 6.4 percent. Some products still expanded favorably, for example, furniture and parts (+26.4%), motorcycles and parts (+25.9%), jewelry and accessories (excluding golds) (+10.4%), and cosmetics, soaps, and skincare products (+8.8%). Meanwhile, exports of some products declined, namely, oil-related products (-27.2%), automobiles and parts (-15.6%), radio, television, and parts (-14.8%), golds (-8.5%) In the first eleven months of 2019, industrial products contracted -1.9 percent.

### Export Prospects

Thai exports are in line with global trend which is subdued by trade tensions and other challenging factors. However, Thai exports has high degree of product diversification and globally recognized for high quality products. These key strengths will help Thai exports to maintain current market position as well as to expand to potential markets in early 2020. Moreover, it is expected that the oil refineries will resume their normal production in early 2020. This will accordingly support exports of oil and related products.

Phase-1 Deal between US and China slightly improves global trade and business confidence in the short term, similarly to clearer direction of Brexit after election in Mid-December. Still, global economic outlook encounters downside risks, namely, price volatility of oil and commodity products. This will inevitably suppress prospects of Thai exports in short and medium term.

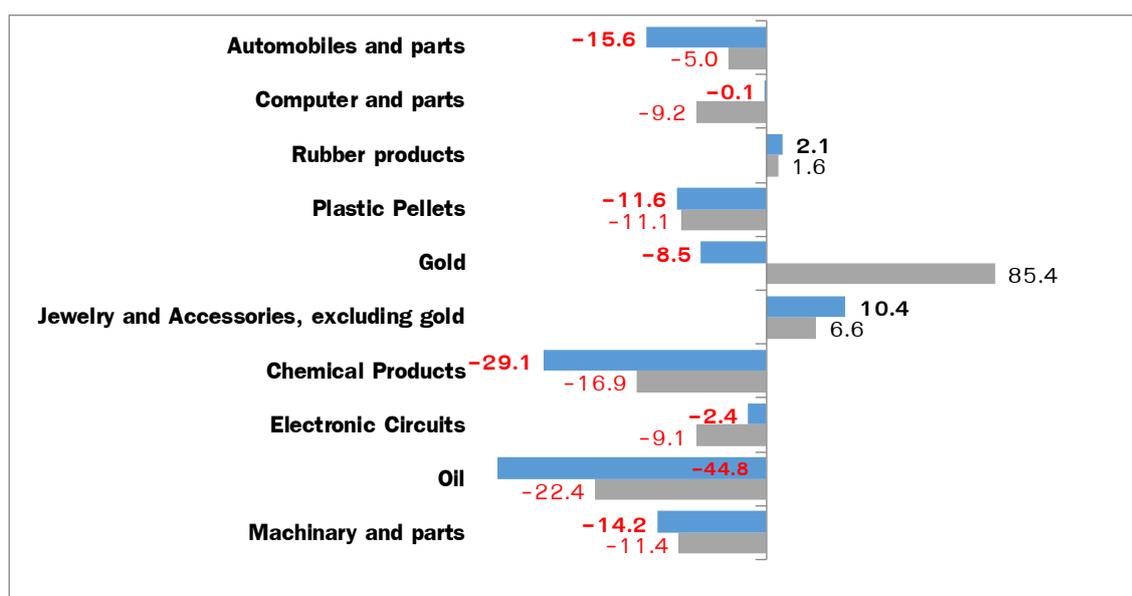
Despite overall decrease, exports of some products show continuous expansion, for example, *Agricultural products*: sugar, fresh, frozen, and processed fruits and vegetables, wheat products and other prepared foods, beverages, pet foods, and fresh. frozen and processed chicken; *Industrial goods*: rubber products, motorcycles and parts, cosmetics, soaps, and skincare products, switchboards and circuit breakers, and furniture and parts. To highlight, some major agricultural products are diversified to new markets such as **rice** in Iraq, Cameroon, and Kenya; **rubber** in Turkey; and **sugar** in Sudan.

In December 2019 – first quarter of 2020, the Ministry of Commerce, in collaboration with related public and private agencies, has determined to expedite exports of major products such as rubber, rice, cassava products, fresh and processed chicken, and tyres according to 35 MOUs worth of 1,500 million dollars. Moreover, the ministry aims to complete ongoing FTAs as well as to prepare for potential FTA negotiations in order to capitalize trade opportunities from greater comprehensive partnership.

### Export Value and Growth

| Unit:<br>Million USD | Nov 2019            | Jan-Nov 2019        |
|----------------------|---------------------|---------------------|
| Export value         | 19,656.9<br>-7.39%  | 227,090.3<br>-2.77% |
| Import value         | 19,108.1<br>-13.78% | 218,081.4<br>-5.22% |
| Trade Balance        | +548.8              | +9,008.9            |

### Export by Products



Nov 2019 Jan - Nov 2019