

Thailand International Trade – October 2019

Exports and Imports

Thai exports in October 2019 dropped 4.5 percent with the value of 20.8 billion USD in line with global trend and major trading partners' demand, which are subdued by trade restrictions. **To highlight, 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, frozen and processed chicken; *Industrial goods*: rubber products, motorcycles and parts, apparel, cosmetics, soaps, and skincare products, switchboards and circuit breakers, furniture and parts, and watch and parts. Moreover, **exports of computer and parts bounced back in 13 months** and nearly recorded the value before US-China tariff measures became fully effective in September 2018. Exports of electric circuits have also expanded consecutively in last two months. In terms of market, **exports to US, Japan, and Taiwan maintain positive momentum. In the first ten months of 2019, Thai exports contracted 2.4 percent.**

Export Markets

Thai Exports to some major trading partners expanded well, for example, US (+4.8%), Japan (+0.5%) Taiwan (+23.4%), Middle East (+3.7%). On the contrary, exports to other markets contracted, namely, EU(15) (-8.8%), China (-4.2%), , ASEAN (5) (-8.9%), and Latin America (-13.2%) CLMV (-9.9%), India (-17.2%), and Australia (-7.1%).

Export Products

Growth of agricultural and agro-industrial products decreased 4.3 percent. Some products still expanded favorably, for example, sugar (+28.7%), beverages (+14.4%), fresh and frozen chicken (+2.3%), fresh, frozen, and processed fruits (+4.6%). On the contrary, exports of some products decreased, namely, rice (-26.6%), cassava products (-25.2%), and rubber (-22.9%), frozen and processed shrimps (-6.6%). In the first ten months of 2019, agricultural and agro-industrial products contracted -2.4 percent.

Industrial products contracted and registered at 2.6 percent. Some products still expanded favorably, for example, watch and parts (+72.0%), motorcycles and parts (+34.9%), furniture and parts (+18.7%), cosmetics, soaps, and skincare products (+14.3%), While exports of some products contracted, namely, oil-related products (-25.8%), golds (-22.2%) steel, iron, and products (-13.5%), radio, television, and parts (-6.3%). In the first ten months of 2019, industrial products contracted 1.4 percent.

Export Prospects

Global economy and Thai exports are clouded by a variety of global challenging factors, namely, Geopolitics, specific risk factors by region/country, low global oil prices. Thai Baht appreciation **are still downside risks to Thai export prospects in short and medium term**, however, The Bank of Thailand's decision to relax exchange control regulations to stimulate capital outflows to support capital flow balance and lessen pressure on the Thai Baht would minimize currency effects encounters by exporters.

In last 10 months of 2019, many new rising-star products have grown constantly, for example, motorcycles and parts, furniture and parts, kitchenwares and household appliances. This resonates that Thai exports are resilient to external shocks and performed well in terms of product diversification so that Thailand has maintained its export position in global market and slightly improves its export shares in some markets. Moreover, Ministry of Commerce aims to expedite exports of major agricultural products which will benefit to local farmers in many areas. MOU signing ceremony between

Thai and Turkish companies, chaired by Deputy Prime Minister and Commerce Minister Jurin Laksanawisit during trade promotion trip to Turkey last week, will add another 15 billion baht to Thai exports of rubber, rice, cassava and food products in the near future. Additionally, Thailand's achievement in the completion of RCEP will potentially leverage Thai's exports especially those of automobiles and parts, textiles, apparel, and cassava products.

Last but not least, it should be emphasized that **strengthening partnership with existing importers are also great importance to exporters in parallel with expanding market share for new potential products.** The ministry aims to complete FTA Thailand-Turkey by early 2020 as well as to prepare for other FTA negotiations such as FTA Thailand – EU.

Export Value and Growth

Unit: Million USD	Oct 2019	Jan-Oct 2019
Export value	20,757.8 -4.54%	207,329.7 -2.35%
Import value	20,251.3 -7.57%	199,441.8 -4.09%
Trade Balance	+506.5	+7,887.9

Export by Products

