

Thai International Trade in July 2023

Thai exports in July 2023 amounted to 22,143.2 million USD (764,444 million Baht), a 6.2 percent contraction, while Thai exports of real sector (excluding gold, oil-related products, and weaponry) decreased by 2.0 percent. The sharp decline of global commodity prices, primarily resulting from the conflicts in Ukraine in the preceding year, led to a significant slowdown in the related export values. This was further compounded by tightening monetary policy and heightened stringency in financial institutions' lending practices, causing a deceleration in consumer spending. Additionally, China, a major global economy, experienced a sluggish recovery due to decreased domestic consumption resulting from diminished business confidence. Nonetheless, amid concerns about the global food security, exports of food products performed well. Notably, products like rice; fresh, chilled, frozen, and dried fruits; as well as fresh, chilled, and frozen pork, have experienced significant growth in exports. Meanwhile, Thailand's industrial products demonstrated positive signs with increased orders, particularly in automobiles, equipment, and parts; motorcycle and parts; circuit boards; solar cells; steel and related products; tires; and machinery. For the first seven months of 2023, Thai exports decreased by 5.5 percent while Thai exports of real sector (excluding gold, oil-related products, and weaponry) decreased by 2.3 percent.

Thai exports in July 2023 decreased by 6.2 percent to 22,143.2 million USD while imports decreased by 11.1 percent to 24,121.0 million USD, resulting in a **trade deficit** of 1,977.8 million USD. For the first seven months of 2023, Thai exports decreased by 5.5 percent to 163,313.5 million USD while imports decreased by 4.7 percent to 171,598.9 million USD, resulting in a **trade deficit** of 8,285.3 million USD.

Export Products

Thai exports of agricultural and agro-industrial products contracted by **9.6 percent** (YoY), continued to shrink for three consecutive months. The agricultural products decreased by **7.7 percent**, while the agro-industrial products declined by **11.8 percent**. However, there were still significant products that expanded, including fresh, chilled, frozen, and dried fruits (+5.3%), rice (+18.8%), sauces and preparations (+17.8%), canned and processed vegetable (+17.2%), milk and dairy products (+27.9%), and fresh eggs (+92.9%). On the contrary, exports of some products decreased, namely, rubber (-37.8%), canned and processed seafood (-12.9%), sugar (-30.3%), cassava products (-7.7%), processed chicken (-11.4%), and animal and vegetable fats and oils (-62.8%). For the first seven months of 2023, the exports of agricultural and agro-industrial products decreased by **3.7 percent**.

Industrial product exports declined for two consecutive months with the rate of **3.4 percent** (YoY). Products that expanded were automobiles, equipment, and parts (+24.6%), telephone, equipment, and parts (+40.5%), semiconductors, transistors, and diodes (+82.9%), electrical transformers and parts (+29.4%), motorcycles and components (+10.8%), and wood and wood products (+15.9%). Meanwhile, exports of some products declined, such as oil-related products (-28.8%), computers, equipment, and parts (-24.2%), rubber products (-6.2%), and aluminum products (-24.0%). For the first seven months of 2023, the exports of industrial products decreased by **5.0 percent**.

Export Markets

- Exports to primary markets decreased by **9.6 percent**. Exports to China and Japan returned to shrink by **3.2%** and **1.7%** respectively. Exports to ASEAN (5), CLMV, and EU (27) decreased by **18.3%**, **26.5%**, and **6.6%**, while exports to the US grew by **0.9%**.
- Exports to secondary markets increased by **0.8 percent** by expanding in almost every market, including Australia and Oceania **2.4%**, Middle East **8.2%**, Africa **3.1%**, Latin America **14.8%**, Russia and CIS **39.2%**, and the UK **5.8%**. Exports to South Asia continued to contract by **5.6%**
- Exports to other markets increased by **66.8 percent** as exports to Switzerland grew by **64.9%**.

Promotion Strategies and Export Prospects

The Ministry of Commerce has been proactive in promoting and facilitating Thai exports through various initiatives. In the past month, significant activities have included: **(1) Trade Delegation to Latin America:** Representatives from the private sector in the automotive parts, construction materials, and processed foods sectors visited Argentina, Chile, and Brazil. The aim was to expand export markets based on regional and cluster-based strategies; **(2) Monitoring and tracking drought situations:** A war room was established to closely monitored the drought situation and assess its impact on Thailand's agricultural production. This was particularly important given India's announcement of restrictions on white rice exports. The goal was to evaluate the situation and ensure sufficient domestic food consumption while maintaining ample supply for exports; **(3) Ministry of Commerce Delegation Visit to Laos:** Representatives from the Ministry of Commerce visited Laos to meet with the executives of the Tha-Bok and Thanaleng project. Discussions focused on strategies for optimizing the utilization of the railway route, advocating for the utilization of Free Trade Agreements (FTA) to facilitate exports. Additionally, talks with Thai private sector representatives explored trade expansion opportunities, particularly in Thai fruits and the coffee industry in Laos. Notably, Laos ranks as the third-largest coffee producer in ASEAN.

Regarding the export outlook, the Ministry of Commerce projects that in the coming months, there will be a gradual recovery despite the impact of trading partner slowdowns, reduced production and consumption, geopolitical challenges affecting production costs, and currency fluctuations. However, the relatively low base towards the end of the year is expected to aid in this recovery. Moreover, amid these challenges, positive signs such as the resurgence of the service sector in trading partners and the increasing import of electronic products from Thailand by some trading partners as an alternative to Chinese manufacturing, in the wake of the US-China trade tensions, are expected. Simultaneously, the export of essential food products is anticipated to continue its steady expansion trend. Several countries have increased imports to ensure food security. The more efficient transportation facilitated by the new Thailand-Laos-China railway route is likely to contribute to enhanced export opportunities in the latter half of 2023.



Trade Policy and Strategy Office
Ministry of Commerce
25 August 2023

Thai International Trade Value in July 2023

Unit: Million USD

	Jul 2023	Jan – Jul 2023
Trade Value	46,264.2 -8.8%	334,912.4 -5.1%
Export value	22,143.2 -6.2%	163,313.5 -5.5%
Exports of real sector	19,901.0 -2.0%	144,098.5 -2.3%
Import value	24,121.0 -11.1%	171,598.9 -4.7%
Trade Balance	-1,977.8	-8,285.3

Source: Information and Communication Technology Center, Office of the Permanent Secretary, Ministry of Commerce

Top 10 Thai Export Products – July 2023

