

Thai International Trade in May 2023

Thai exports in May 2023 amounted to 24,340.9 million USD (830,448 million Baht), a 4.6 percent contraction, while Thai exports of real sector (excluding gold, oil-related products, and weaponry) decreased by 1.4 percent. The decline was affected by the uncertain economic conditions of trading partners. Although the global manufacturing sector has shown signs of recovery from production chain disruptions, new export orders have not significantly increased. This was due to the strict monetary policies that have led to increased control over spending by businesses and consumers. Nevertheless, Thailand's exports contracted less compared to the previous month and had a higher value than the 5-month average (21,658.8 million USD), supported by the expansion of the industrial products, particularly electronics (such as semiconductor devices and electrical transformers), automobiles and parts, and electrical appliances (such as air conditioners). Moreover, Thailand's exports to key markets such as the United States, ASEAN, and the European Union experienced a renewed expansion. In the first five months of 2023, Thai exports decreased by 5.1 percent while Thai exports of real sector (excluding gold, oil-related products, and weaponry) decreased by 2.1 percent.

Thai exports in May 2023 decreased by 4.6 percent to 24,340.9 million USD while imports decreased by 3.4 percent to 26,190.2 million USD, resulting in a **trade deficit** of 1,849.3 million USD. In the first five months of 2023, Thai exports decreased by 5.1 percent to 116,344.2 million USD while imports decreased by 2.5 percent to 122,709.5 million USD, resulting in a **trade deficit** of 6,365.3 million USD.

Export Products

Thai exports of agricultural and agro-industrial products contracted by **16.3 percent** (YoY) for the first time in four months. The agricultural products decreased by **27.0 percent**, while the agro-industrial products declined consistently for two consecutive months by **0.6 percent**. Products that greatly expanded were **sugar (+44.3%)**, **rice (+84.6%)**, **drinks (+10.3%)**, **fresh, chilled, and frozen chicken (+55.5%)**, and **canned and processed vegetable (+28.9%)**. On the contrary, exports of some products decreased, namely, **fresh, chilled, frozen, and dried fruits (-54.8%)**, **cassava products (-41.7%)**, **rubber (-37.2%)**, **pet food (-23.8%)**, and **animal and vegetable fats and oils (-63.0%)**. In the first five months of 2023, the exports of agricultural and agro-industrial products decreased by **1.3 percent**.

Industrial product exports grew **1.5 percent** (YoY), returned to expand in 8 months. Products that expanded were **automobiles, equipment, and parts (+8.3%)**, **air conditioners and components (+10.2%)**, **semiconductors, transistors and diodes (+87.7%)**, **electrical transformers and parts (+53.7%)**, and **motorcycles and components (+22.9%)**. Meanwhile, exports of some products declined, such as **oil-related products (-26.8%)**, **computers, equipment, and parts (-4.8%)**, **rubber products (-6.0%)**, **telephones and equipment (-34.7%)**, and **copper and products (-21.2%)**. In the first five months of 2023, the exports of industrial products decreased by **5.4 percent**.

Export Markets

- **Exports to primary markets decreased by 6.0 percent.** Exports to China, Japan, and CLMV decreased by **24.0%**, **1.8%**, and **17.3%** respectively, while exports to the US, ASEAN (5), and EU (27) grew by **4.2%**, **0.1%**, and **9.5%**.
- **Exports to secondary markets decreased by 4.5 percent.** Exports to South Asia, and Latin America decreased by **25.2%**, and **7.0%** respectively, while exports to Australia, Middle East, Africa, Russia and CIS, and the UK grew by **11.4%**, **11.2%**, **7.9%**, **97.7%**, and **5.9%**.
- **Exports to other markets increased by 226.0 percent** as exports to Switzerland grew by **330.2%**.

Promotion Strategies and Export Prospects

The Ministry of Commerce has been proactive in promoting and facilitating Thai exports. Key activities in the past month included: **(1) Implementation of the “Thai Food, the World’s Food” policy** to support the increasing global food demand due to the increasing population. This policy adopts a “Private Sector-led policy with Government Supporting” approach to minimize export obstacles and promote soft power, making Thai cuisine widely recognized and appreciated worldwide. This was emphasized through the THAIFEX-ANUGA ASIA 2023 exhibition held during 23 – 27 May 2023, showcasing Thailand's potential as the global food production hub. As a result, Thai entrepreneurs have been able to negotiate trade agreements and generate purchase orders worth 119,706.60 million baht. Additionally, this initiative has facilitated the establishment of business partnerships with importers from various countries, expanding export market opportunities; and **(2) Promotion of Thai fruit in foreign markets**, including: 1) joint sales promotion with Yonghui Superstores in Chongqing, 2) joint sales promotion with department stores and importers in the Fujian Province, and 3) promotion of retail sales of Thai food and fruits through modern retail channels in Taiwan.

With regard to the export outlook, the Ministry of Commerce assesses that Thailand is currently facing potential risks that could adversely affect its exports. These risks include: (1) economic slowdown in trading partner countries, particularly in the European Union, which poses a potential risk of economic downturn; (2) volatile weather conditions, which could impact the quantity of agricultural products produced in a given year; (3) pressure from interest rates and exchange rates, which could have an impact on consumer spending and the production sector; and (4) the trade policy directions of key trading partners, particularly China's self-reliance policy, might create uncertainties and challenges for Thailand's exports. On the other hand, there are positive factors contributing to Thailand's export prospects: (1) proactive and comprehensive policies implemented by the Ministry of Commerce, aimed at maintaining existing markets and exploring new markets, providing opportunities for Thai exporters; (2) the trend of lower interest rates set by The US Federal Reserve, which could help alleviate pressure on consumer spending and investment; and (3) drought conditions in several countries, which might create favorable opportunities for Thailand's agricultural exports.



Trade Policy and Strategy Office
Ministry of Commerce
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Thai International Trade Value in May 2023

Unit: Million USD

	May 2023	Jan – May 2023
Trade Value	50,531.1 -4.0%	239,053.8 -3.8%
Export value	24,340.9 -4.6%	116,344.2 -5.1%
Exports of real sector	21,756.3 -1.4%	101,953.3 -2.1%
Import value	26,190.2 -3.4%	122,709.5 -2.5%
Trade Balance	-1,849.3	-6,365.3

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

Top 10 Thai Export Products – May 2023

