

## Thailand International Trade – April 2020

Thai exports in April 2020 rose for a second month despite the Covid-19 pandemic and registered at 2.12 percent growth with the value of 18.9 billion USD. Exports of agricultural and agro-industrial products expanded 4.03 percent, corresponding to rising global food demand during lockdown period. Rice exports bounced back in 18 months and increased 23.1 percent. Exports of Industrial products also grew 4.05 percent, led by golds, aircrafts, electric circuits, and medical supplies.

In terms of markets, **exports to major trading partners, namely, US and Japan continued to grow significantly. Furthermore, exports to Hong Kong and Taiwan maintained positive growth** for the second and tenth consecutive month respectively, of which exports of electronic circuits rose remarkably at 2-digit level. However, the severe spread of the novel coronavirus in Europe, especially in Italy, France, Germany, and Netherlands, suppressed Thai exports to EU (15) this month.

The spike in gold exports highlights the risk aversion effects arising from Covid-19 and global economic slowdown, resulting in rising golds prices and large exports to Switzerland, Singapore, and Hong Kong. In addition, global oil prices have suppressed exports of oil-related products, in particular, to ASEAN and CLMV markets. Excluding golds, oil, and weaponry, Thai exports in April 2020 contracted 7.53 percent.

**For the first four months of 2020**, Thai exports expanded 1.19 percent. Excluding golds, oil, and weaponry, Thai exports contracted 0.96 percent.

### Export Products

In April 2020, agricultural and agro-industrial products rose 4.0%. Some products still expanded favorably, for example, rice (+23.1%), fresh, frozen, and processed fruits and vegetables (+5.7%), fresh, frozen, and processed chicken (+9.6%), pet food (+34.3%), seasonings and condiments (+18.9%) On the contrary, exports of some products decreased, namely, rubber (-20.7%), sugar (-8.3%), cassava products (-6.7%) and beverages (-14.4%). For the first four months of 2020, exports of agricultural and agro-industrial products dropped 1.4 percent.

Industrial products expanded 4.0% in April 2020. Some products expanded favorably, for example, golds (+1102.8%), Parts of aircraft and accessories (+584.7%), other vehicles and parts (+1,423.1%), Semi-conductor devices, transistors and diodes (+56.1%), electric circuits (+1.8%). Meanwhile, exports of some products declined, namely, automobiles and parts (-53.8%), oil-related products (-31.3%), Precious stones and jewelry (excluding gold) (-49.3%), computer and parts (-2.1%), air-conditioners (-30.2%). For the first four months of 2020, exports of industrial products declined 2.4 percent.

### Export Markets

Exports to major trading partners stood out this month especially those to China and Japan, which rebounded to 9.0 percent and 9.8 percent growth. Exports to US and ASEAN (5) grew continually. Nevertheless, exports to EU(15), Middle East (15), and South Asia dropped this month, constrained by the widespread of COVID-19 and in part lockdown measures to curb the pandemic.

- Exports to the main markets expanded by 7.7%. Exports to US and Japan expanded by 34.6% and 9.8%. On the contrary, exports to the EU (15) contracted by 28.7% .



- Exports to high potential markets dropped **4.0%**. Exports to China and the ASEAN (5) markets expanded by **9.0%** and **13.0%**, while exports to CLMV and South Asian markets contracted by **31.0%** and **56.1%** respectively.
- Exports to other markets dropped by **28.5%**, namely, Middle East (**-25.3%**), Africa (**-31.8%**), Latin America (**-33.7%**), Russia and CIS (**-33.5%**), and exports to Australia declined **29.5%**

## 2020 Export Prospects and Promotion Strategies

The spread of the Coronavirus has highlighted the growing demand for agricultural products and processed foods and brightened the window of opportunity for Thailand to broaden market share of these products.

Although existing lockdowns in many countries have caused traffic congestion in ports and disrupted air logistics in general, the outbreak recovery and lift of lockdowns in some countries, for example, China, Germany, Italy, and New Zealand, would allow economic activities and facilitate international trade flows gradually. This signals positive momentum to Thai exports in medium term.

For the export promotion in 2020, the Ministry of Commerce has swiftly adjusted export promotion and used television commercials to reach out consumers more effectively. This strategy was recently applied for 9 fruit products in Japan. Moreover, the Ministry has actively discussed with private sectors in order to resolve export issues of potential products, including FTA negotiations, export assistance for SMEs. Lastly, the Ministry has initiated online platform, aiming to broaden market channel for agricultural products and generate greater income for farmers.

Unit: Million USD	Apr 2020	Jan-Apr 2020
Export value	18,948 <b>2.12 %</b>	81,620 <b>1.19 %</b>
Import value	16,486 <b>-17.13 %</b>	75,224 <b>-5.72 %</b>
Trade Balance	<b>+2,462.3</b>	<b>+6,396.0</b>



Trade Policy and Strategy Office  
22 May 2020

