

## Thailand International Trade – May 2020

Thai exports in May 2020 declined due to the global economic slowdown led by the Covid-19 pandemic. Moreover, logistics challenges and rising transportation costs delayed import orders despite of high demand. However, lockdown easing and government stimulus measures in many countries could support demand recovery, in particular, for Thai exports in the future.

In terms of markets, **exports to China stood out and registered positive growth for second consecutive month.** Export values bounced back to pre-COVID19 figures. It is noticed that **Thai exports to China rebound in various products, ranging from consumer goods to industrial-used products.**

In terms of products, **Thai exports of food products continued favorable expansion corresponding with growing demand during COVID-19.** High performance products are fruits and vegetables led by Chinese markets, canned and processed seafood products, pet food. Notably, cassava products rebounded for the first time in ten months.

**In May 2020, Thai exports** dropped 22.5 percent to 16.3 billionUSD while **imports** dropped 34.4 percent to 13.6 billion USD, **resulting in trade surplus** of 2,695 millionUSD in May. For **the first five months of 2020**, Thai exports contracted 3.7 percent to 97.9 billionUSD while **imports** dropped 11.6 percent to 88.0 billion USD, **resulting in trade surplus** of 9,091 millionUSD.

### Export Products

In May 2020, agricultural and agro-industrial products rose 2.5 percent. Some products still expanded favorably, for example, frozen, and processed fruits and vegetables (+83.5%), cassava products (+8.0%), canned and processed seafood (+5.6%), pet food (+17.0%). On the contrary, exports of some products decreased, namely, rubber (-42.0%), sugar (-25.4%), rice (-4.0%). **For the first five months of 2020**, exports of agricultural and agro-industrial products dropped 0.6 percent.

Industrial products decreased 27.0 percent in May 2020. Some products expanded favorably, for example, golds (+735.1%), semi-conductor devices, transistors and diodes (+29.1%), Teleprinters, telephone sets and parts thereof (+5.0%). Meanwhile, exports of some products declined, namely, automobiles and parts (-62.6%), oil-related products (-33.2%), precious stones and jewelry (excluding gold) (-68.6%), computer and parts (-21.3%), rubber products (-22.2%), air-conditioners and parts (-39.5%). **For the first five months of 2020**, exports of industrial products declined 3.7 percent.

### Export Markets

Exports to China stood out and expanded 15.3 percent growth. However, exports to other destinations dropped this month constrained by the widespread of COVID-19 and, in part, lockdown measures to curb the pandemic.

- Exports to the main markets dropped by **25.9%**. Exports to US, Japan and EU contracted by **17.3%**, **24.2%**, and **40.0%** respectively.
- Exports to high potential markets dropped **21.3%**. Exports to China markets expanded by **15.3%**, while exports to ASEAN (5), CLMV and South Asian markets contracted by **27.9%**, **28.0%** and **71.0%** respectively.



- Exports to emerging markets dropped by **36.3%**, namely, Middle East (-30.6%), Africa (-47.9%), Latin America (-59.4%), Russia and CIS (-49.9%), and exports to Australia declined **18.0%**

### 2020 Export Prospects and Promotion Strategies

Despite China economy gradually emerges after 2-month pandemic containment, pressing COVID-19 situation in US and EU has still subdued Thai exports. However, the recovery of exports to China signals positive momentum for the rest of Asia whose total new cases seem stabilized.

Income effects and concerns of economic instability discourage consumer spending, leading to decreasing purchase of luxury and durable goods since March 2020. However, **a number of government policy and stimulus responses to COVID-19 raise hope for gradual demand recovery.** Moreover, growing oil demand after COVID-19 and OPEC plus agreement to cut oil output would support increase in oil prices later in Quarter 3 and 4 this year and eventually stimulate exports of oil-related products.

**For the export promotion in 2020**, the Ministry of Commerce has promptly prepared proactive offline and online promotion activities. **Regarding offline activities**, the Commerce ministry and the Ministry of Agriculture and Cooperatives jointly negotiated with China and marked a huge success in facilitating exports of agricultural products to China (via Laos and Vietnam). Moreover, the ministry **has launched “Thai Fruits Golden Months”** activity to promote fruit exports in China during May – July, 2020. **Regarding online activities**, the ministry **boosts Thai exports through online trading platform** in China, India, ASEAN, South Korea, Japan, Middle East, EU, US, and Africa as well as **sets up online business matching** between Thai exporters and foreign importers. The number of promotion activities aim to strengthen readiness for Thai exporters in order to cash in trade opportunities once COVID-19 is globally submerged.



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Unit: Million USD	May 2020	Jan-May 2020
Export value	16,278 -22.5 %	97,899 -3.71 %
Import value	13,584 -34.41 %	88,808 -11.64 %
Trade Balance	+2,694.6	+9,090.6

### Top 10 export products

