

## Thailand International Trade – April 2019

### Exports and Imports

The Thai exports in April 2019 dropped 2.6 percent with the value of 18.6 billion USD. A contraction is largely influenced by recent global trade and economic slowdown, ongoing trade tensions between US and China, and specific factors varying by trading partners, for example, political uncertainty in EU, downside risks on Chinese financial market. However, Thai exports still expanded in various markets such as US, Vietnam, India, Cambodia, Malaysia, Hong Kong, and Russia and CIS. On import side, its value in April 2019 decreased 0.7 percent to 20 billion USD, resulting in a trade deficit of 1,457 million USD. For the first 4 months of 2019, Thailand exports declined 1.9 percent growth rate.

**Supporting Factors for Thailand exports in April 2019** are positive brand image - especially fresh and processed foods and personal care products, proactive export strategies customized to existing and new potential markets, and upward trend of global oil prices.

**Challenging Factors for Thailand exports in 2019** are unresolved trade disputes between US and China, exchange rate volatility, trade policy uncertainty and new FTAs which will enter into force this year. These might affect Thailand's trade competitiveness.

### Export Markets

Despite the fact that ongoing US-China trade disputes still cloud over global trade and economic momentum, Thailand exports grew in US, Vietnam, and India. Also, we see market diversification and registered positive growth this month such as Malaysia, Hong Kong, Russia and CIS as well as Canada. Meanwhile, exports to South Korea which are highly related to Chinese supply chain, declined continuously resulting from both direct and indirect impacts.

### Export Products

Growth of agricultural and agro-industrial products expanded for second consecutive month and registered growth of 3.9 percent. Top performers of Agricultural and Agro-industrial products are fresh, frozen and processed fruits and vegetables (+62.3%), fresh, frozen and processed chicken (+14.0%), beverages (+14.3%), canned tuna (+4.7%). Although, overall industrial products contracted 4.2 percent compared to the same period last year, some are rising in recent months and see more market opportunity such as radios, televisions and parts (+17.5%), motorcycle and parts (+23.9%), and watches (+57.6%)

### Export Prospects

Thailand export trend has aligned with global sentiment and other Asian countries. Some sectors, for example, electronics and parts and automobiles, underperformed recently because they are among trade war-focused sectors as well as extensively engage in

global supply chain. However, some exporters of electronic products are responsive and swiftly adjust their supply chain production to alternative countries such as Hong Kong and Taiwan. In this time of volatile exchange rate, exporter should manage risks and make long term contract to secure transactions and minimize trade-war induced uncertainty.

The Ministry of Commerce has urged all departments to tackle this issue in harmonization with one another such as trade promotion in new markets (Africa, Latin America, Eastern Europe), in-depth customized strategies to existing markets, online distribution channels through leading e-market places, preparation of non-tariff measures information for future trade negotiations and defensive measures to prevent influx and circumvention along border lines as well as preparation of short- and medium-term trade strategies. The ministry also aims to continuously promote agricultural products and foods, beverages, and personal care products, whose export growths outperformed constantly in various market. Since those products are mostly related to farmers and SMEs, it reflects that they somehow benefit from exports in this challenging time. Lastly, the Ministry of Commerce has placed its priority on strategic partnership and international business network to capitalize and diversify Thailand's export opportunities for the long-run sustainable growth.

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Trade Policy and Strategy Office

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## Export Value and Growth

| Unit:<br>Million USD | April 2019         | Jan-April 2019     |
|----------------------|--------------------|--------------------|
| Export value         | 18,555.6<br>-2.57% | 80,543.4<br>-1.86% |
| Import value         | 20,012.9<br>-0.72% | 79,993.9<br>-1.08% |
| Trade Balance        | -1,457.2           | +549.5             |

## Export by Products

