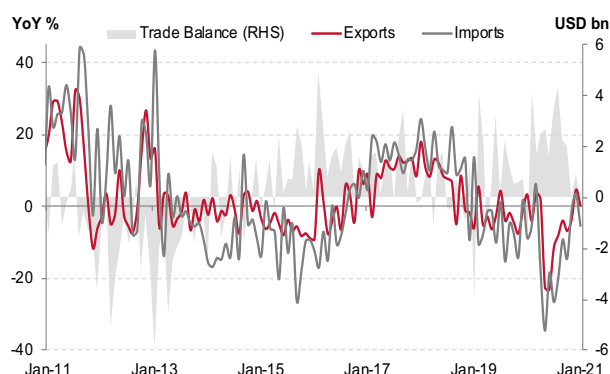


# Thailand External Trade

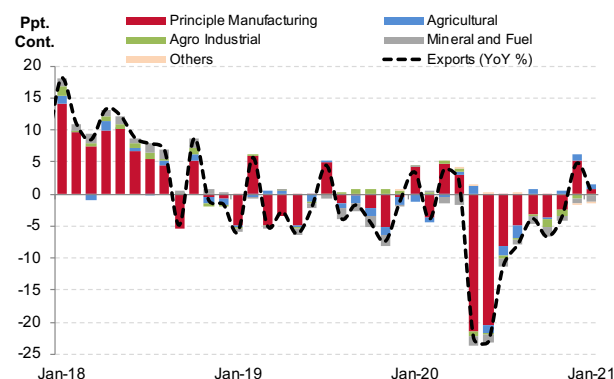
Export growth eased on a drop in gold shipments, trade balance turned to deficit

- **Exports moderated in January (0.3% YoY; consensus: 1.9%; Dec: 4.7%), but remained in the positive territory for two straight months.**
- **By product, the softer growth was attributed to the shipments of manufacturing and agricultural goods**
  - Manufacturing (0.9%; Dec: 6.7%): expansion slowed, reflecting a high base in the unwrought gold segment (-90.3%; Dec: -21.7%). Meanwhile, electronic exports continued to chart a double-digit growth (13.0%) buoyed by the technology upcycle.
  - Agricultural (9.6%; Dec: 10.7%): growth eased marginally on a moderation in rubber (1.5%; Dec: 30.0%) and rice exports (-15.9%; Dec: -0.1%).
- **By destination, the slowdown was due to lower demand growth from major advanced economies and regional peers**
  - This was led by the ASEAN-5 (-10.7%; Dec: 0.6%), Japan (7.3%; Dec: 14.8%) and the EU (-6.9%; Dec: -1.5%).
- **Imports reverted into a contraction (-5.2%; consensus: -8.3%; Dec: 3.6%) partly due to a higher base in the preceding year**
  - Excluding arms & munitions, the worsened performance was broadly based, steered by imports of capital goods (-10.6%; Dec: 8.9%) and fuel lubricants (-30.1%; Dec: -17.3%) as demand and sentiment were weighed by the tightened lockdown measures in January.
- **Trade balance switched to a deficit for the first time in 12 months (-USD0.2b; Dec: USD1.0b), as exports declined (-1.9%) while imports expanded (4.1%) on a MoM basis.**
- **We reiterate our expectation of a rebound in exports this year (4.0-6.0%; 2020: -6.0%)**
  - Underscored by continued economic recovery at the global front, amid tapering COVID-19 infections and mass rollout of COVID-19 vaccine, as well as the global technology upcycle in line with the 5G deployment and the prolonged work-from-home trend.
  - Policy-wise, we expect the BoT to keep the policy rate unchanged (0.50%), amid the prospect of a recovery in economic activity following the relaxation of COVID-19 curbing measures locally beginning early February.

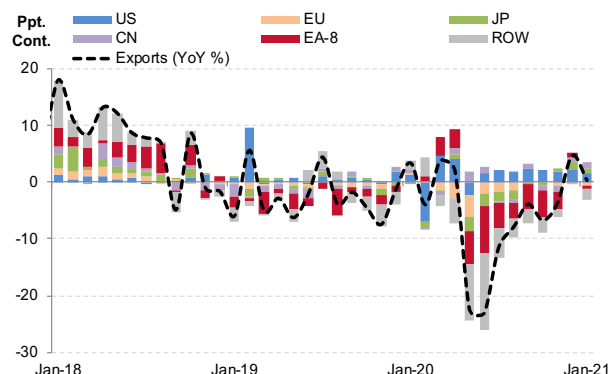
Graph 1: External Trade Growth



Graph 2: Exports by Product

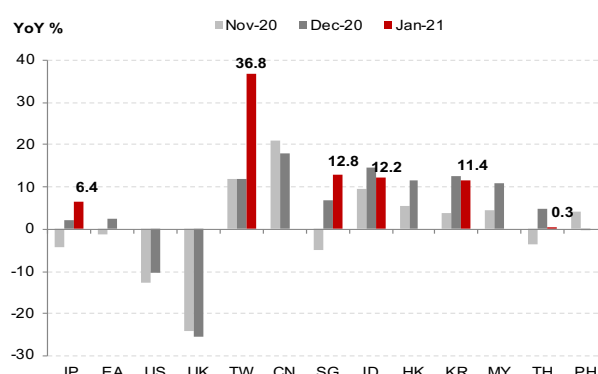


Graph 3: Exports by Destination



Source: Ministry of Commerce, Kenanga Research

Graph 4: Export Growth of Selected Countries



Source: Ministry of Commerce, Kenanga Research

24 February 2021

Table 1: Thailand External Trade Growth Trend

		2019	2020	Jan -20	Jul -20	Aug -20	Sep -20	Oct -20	Nov -20	Dec -20	Jan -21
Total Trade	YoY %	-3.7	-9.1	-3.2	-18.8	-13.5	-6.4	-10.5	-2.3	4.2	-2.5
Trade Balance	USD bn	10.0	24.5	-1.4	3.3	4.3	2.2	2.0	0.1	1.0	-0.2
Exports	YoY %	-2.6	-6.0	3.4	-11.4	-7.9	-3.9	-6.7	-3.6	4.7	0.3
Manufacturing	YoY %	-1.8	-5.6	5.2	-10.3	-6.2	-3.9	-4.7	-2.9	6.7	0.9
	Share	79.8	80.1	80.4	80.8	82.1	80.9	81.6	80.4	80.7	80.8
Agricultural	YoY %	-6.2	-3.2	-12.2	-15.4	-19.4	9.8	-3.3	6.9	10.7	9.6
	Share	8.9	9.2	8.3	8.5	8.0	8.9	8.4	9.6	9.2	9.1
Imports	YoY %	-4.8	-12.4	-8.6	-26.4	-19.7	-9.1	-14.3	-1.0	3.6	-5.2
Raw Materials & Intermediates	YoY %	-7.5	-9.9	-10.0	-24.1	-20.5	-12.6	-8.1	5.9	11.2	10.0
	Share	39.2	40.5	36.9	40.6	38.8	38.8	42.2	43.0	39.1	42.8
Capital Goods	YoY %	-4.0	-9.3	5.8	-25.1	-10.8	-6.7	-16.3	-2.5	8.9	-10.6
	Share	26.0	27.0	26.9	27.5	28.4	27.5	27.5	26.9	27.7	25.4
Consumer Goods	YoY %	3.5	-8.5	9.6	-9.7	-7.7	-11.7	-21.2	-7.7	2.1	-2.8
	Share	12.1	12.7	13.3	14.1	13.3	11.8	11.6	13.3	13.5	13.6

Source: Ministry of Commerce, CEIC, Kenanga Research

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