



Flash by EIC

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 Thailand's exports rose by 3.4% in September. EIC forecasts a drop of only 0.5%YOY in 2016

Key point

- Thailand's exports continued expanding in September, at the rate of 3.4% YOY. Almost all major export sectors are doing well.
- Key positive factors include the continual expansion of the electrical equipment and electronic machines, as well as positive growth in the agricultural sector. The latter expanded for the first time in 7 months thanks to the recovery of commodities prices, which were lifted by oil price recovery.
- Imports grew by 5.6%YOY, the highest in 2 years. Fuel imports, which turned positive thanks to the higher oil prices, led the turn-around.

Implication

- September's exports numbers signal a recovery, as growths were observed in many sectors. These included products which benefited from a clearer sign of oil price recovery in recent months. Export of industrial goods expanded two months in a row, especially electrical appliances and electronics. EIC expects this sector to continue its upward trend.
- EIC forecasts a drop of only 0.5%YOY in Thailand's 2016 export value. Although Thailand's trade partners are experiencing a fragile economic recovery and a number of global risk factors continue to dampen global trade's recovery, Thai exports should continue to be lifted by the higher prices of oil and agricultural products in the remaining months.
- EIC expects Thailand's 2016 import value to drop by 6.2%YOY. The recovery of oil prices is a major positive factor. However, domestic investment continues to be slow, especially private investment, which has yet to show signs of a recovery. Furthermore, public investment in mega-projects is also likely to be delayed, therefore stifling the import of capital goods.

By: Pimnipa Boosang (pimnipa.boosang@scb.co.th)
Economic Intelligence Center (EIC)
Siam Commercial Bank Public Company Limited
EIC Online: www.scbeic.com