



Flash by EIC

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 Thai exports jumped 10.2% in November, the biggest improvement in 9 months.

Key point

- The value of exports expanded by 10.2%YOY in November, growing in almost every market.
- Oil price recovery prompted exports of oil-related products to grow for the first time in over 25 months.
- Leading by imports of fuels following oil price recovery, the value of imports also rose for the third consecutive month by 3.0%YOY.

Implication

- Although exports of major manufacturing sectors, such as electronics and electrical appliances, posted positive growth in November, but given the fragile recovery of Thailand's major trading partners, EIC believes that the recovery of such exports will not be sustained going forward.
- EIC assesses that Thailand's export value will contract by 0.5%YOY in 2016, but expand by 1.5%YOY in 2017. In the final month of 2016 and throughout 2017, exports of major manufacturing products will still be weighed down by subdued global trade and various global risk factors. However, the oil price rebound will support positive growth in both prices and values of oil-related commodities exports. Moreover, the improvement in income and purchasing power among countries that rely on oil exports will help spur demand for Thai products, especially automobile and parts.
- EIC expects import value to decline by 6.3%YOY in 2016, and then grow by 4.5%YOY in 2017, as imports of fuels rise with oil price and demand for consumer products improves on the back of stronger household consumption. Nevertheless, imports of capital goods will remain subdued, as investment by major manufacturing sectors is expected to stall throughout 2017

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