Flash by EIC

SCB Economic Intelligence Center

23 August 2017

Thai exports growth leaps 10.5% in July

Key point

- The value of Thai exports expanded by 10.5%YOY in July, with gains were seen in almost all product groups and major markets, but with lesser growth in oil-related exports as oil prices grew slower. Main manufacturing exports such as electronics and electrical appliances increased by 8.7%YOY and 6.1%YOY, respectively, thanks to continued recovery of the global economy supporting a pickup in demand for Thailand's main manufacturing exports. Meanwhile, exports of cars and car parts returned to positive growth with a 22.3%YOY increase. Overall, Thai exports expanded by 8.2%YOY during the first 7 months of this year.
- The value of Thai imports continued to expand by 18.5%YOY owing to 19.6%YOY growth in imports of fuel and 26.4%YOY growth of imports of computer products and parts, following improvements in exports of related products. The continued recovery of imports of capital goods (excluding airplanes and ships), which grew by 9.1%YOY, also reflects a pick-up in domestic investment. On the whole, Thai imports grew by 15.5%YOY during the first 7 months of the year.

Implication

- EIC adjusted 2017 exports value growth forecast to 5.5% from 3.5%, previously, owing to continued recovery of main trade partner economies such as the U.S., Eurozone, Japan and China and reduction in political risks in Europe, which will boost trade and investment confidence and in turn raise demand for Thailand's main manufacturing exports for the remainder of this year. Nevertheless, declining oil and commodities prices may put pressure on exports of related products to grow lesser than the first 7 months. Furthermore, the baht strengthening relative to export competitors in the region may weaken price advantage of Thai exports, commodities especially. Whilst, trade protectionism policies from the U.S. remains to be another key risk to global trade that needs to be closely watched.
- EIC increased its imports value growth forecast for 2017 to 11.3%YOY from previous estimate of 7.2%YOY due to rise in demand for raw material and capital goods following expected recovery in domestic investment during the rest of this year. Regardless, the rise in value of fuel imports may level off, given weak outlook on oil prices.

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

Disclaimer : The information contained in this report has been obtained from sources believed to be reliable. However, neither we nor any of our respective affiliates, employees or representatives make any representation or warranty, express or implied, as to the accuracy or completeness of any of the information contained in this report, and we and our respective affiliates, employees or representatives expressly disclaim any and all liability relating to or resulting from the use of this report or such information by the recipient or other persons in whatever manner. Any opinions presented herein represent our subjective views and our current estimates and judgments based on various assumptions that may be subject to change without notice, and may not prove to be correct. This report is for the recipient's information only. It does not represent or constitute any advice, offer, recommendation, or solicitation by us and should not be relied upon as such. We, or any of our associates, may also have an interest in the companies mentioned herein.