



## Manufactured goods contributed to export recovery in February

### Event

- The Ministry of Commerce reported that Thailand's export value for February was at USD 18.4 billion, an increased by 2.4%YOY (compared to the same month in the year earlier). The import value declined by 16.6%YOY to the value of USD 16.6 billion, resulting in a trade surplus of USD 1,767 million.

### Analysis

- **Exports to Europe constantly improved.** Export value to the European Union (EU) in February expanded by 6.4%, extending its improvement streak since October 2013, as the European economy continued to revive. Furthermore, exports to Japan increased for two consecutive months, after a lengthy period of declines. However, exports to the U.S. remained lackluster, largely resulting from a drop in processed and frozen seafood exports.
- **Automotive exports significantly expanded, though agricultural exports still disappointed.** Automotive exports which severely dropped during the previous 2 months have recovered and significantly grew by 21.0% in February, thanks to a high growth of pickup truck exports to Australia, which grew by as high as 63.5%. Moreover, exports of computer and parts and electrical appliances continuously improved, especially those of computer and parts which consecutively expanded for 6 months. However, exports of major agricultural commodities were contracting. Rubber exports declined due to depressed pricing, while shrimp exports dropped due to slumped export volume from infections.
- **Imports plummeted due to investment slowdown.** Political instability in Thailand caused companies to delay their investment and wait for a clearer government policy direction. Hence, imports of capital goods and raw materials, namely machinery and parts and steel, significantly dropped by 13.4% and 23.4% respectively. Furthermore, automotive parts imports also dropped due to high base of imports during early 2013.
- **The trade surplus was at USD 1,767 million.** The first trade surplus in 5 months was witnessed in February 2014, due to a significant import decline.

## Implication

■ **Watch for the continuity of export recovery.** In the big picture, Thailand's exports improved from significant expansions in exports of automotive and parts, electrical appliances, and computer and parts, which together account for approximately 33% of total exports. Going forward, global economic recovery will help support exports of these products.

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