

Thai Trade Notes 2005-2009 & the Dutch position

Compiled by the Economic Department of the Embassy of the Kingdom of the Netherlands
Embassy in Bangkok, from statistical data published by the Bank of Thailand

Thailand's total international trade in 2009

Although the worldwide financial crisis had only a minimal effect on Thai financial institutions, its impact on Thailand's international trade in 2009 was significant. A sharp drop in demand from Thailand's main export destinations resulted in a 14.2 percent contraction of Thai exports in 2009. This quite sudden drop in Thai exports resulted in an immediate but unexpected overcapacity of the Thai manufacturing sector. This in turn created the need to urgently reduce inventory of raw materials and intermediate products and to delay import of new machinery and equipment. As a result Thai imports contracted by 25.1 percent, although this figure is partly distorted by the sharp drop in value of oil imports from the Middle East.

Total export and export to main trading blocks (Million US\$)						change
	2005	2006	2007	2008	2009	08->09
Total exports	110,936.42	129,721.71	153,867.49	177,777.63	152,498.32	-14.2%
ASEAN	24,390.15	27,021.95	32,791.67	40,151.95	32,490.35	-19.1%
NAFTA	18,499.63	21,324.27	21,635.75	22,589.23	18,701.45	-17.2%
EU (27)	15,099.89	18,006.41	21,688.53	23,392.37	18,153.97	-22.4%
China	9,167.44	11,728.09	14,846.99	16,190.82	16,123.49	-0.4%
Japan	15,089.69	16,386.04	18,119.37	20,093.93	15,731.56	-21.7%
Others	28,689.62	35,254.95	44,785.18	55,359.33	51,297.50	-7.3%

Total import and import from main trading blocks (Million US\$)						change
	2005	2006	2007	2008	2009	08->09
Total imports	118,177.58	128,773.17	139,965.68	178,746.11	133,800.73	-25.1%
Japan	26,033.27	25,667.74	28,382.91	33,534.49	25,024.43	-25.4%
ASEAN	21,624.11	23,598.89	25,068.10	29,661.54	24,700.74	-16.7%
China	11,158.23	13,604.11	16,225.67	20,156.47	17,029.56	-15.5%
Middle East	15,248.90	18,143.26	18,448.29	28,070.87	16,539.38	-41.1%
EU (27)	10,802.99	11,242.64	11,952.75	14,332.68	12,151.33	-15.2%
NAFTA	9,408.17	10,323.20	10,411.51	12,690.20	9,259.35	-27.0%
Others	23,901.91	26,193.33	29,476.45	40,299.86	29,095.94	-27.8%

Import Classified by main economic classification (Million US\$)					change
	2006	2007	2008	2009	08->09
Consumer Goods	9,656.25	10,985.87	13,817.77	12,850.16	-7.0%
Raw Materials and Intermediate Goods	52,183.12	60,028.38	73,484.02	51,682.08	-29.7%
Capital Goods	34,560.45	35,811.97	42,478.47	35,727.43	-15.9%
Crude Oil	19,846.36	19,488.72	28,931.28	18,061.10	-37.6%
Natural Gas	2,001.91	2,701.26	4,159.14	3,488.87	-16.1%
Petroleum Gas	0.94	1.17	401.66	489.04	21.8%
Total Imports	128,773.17	139,965.68	178,746.11	133,800.74	-25.1%

Thailand's trade balance in 2009

Thailand registered its highest positive trade balance ever in 2009, putting upwards pressure on an already strong Thai Baht and on the international competitiveness of its export sectors.

Trade balance with main trading blocks (Million US\$)					
	2005	2006	2007	2008	2009
Total	-7,241.16	948.54	13,901.81	-968.48	18,697.59
ASEAN	2,766.04	3,423.06	7,723.57	10,490.41	7,789.61
NAFTA	9,091.46	11,001.07	11,224.24	9,899.03	9,442.10
EU (27)	4,296.90	6,763.77	9,735.78	9,059.69	6,002.64
China	-1,990.79	-1,876.02	-1,378.68	-3,965.65	-906.07
Japan	-10,943.58	-9,281.70	-10,263.54	-13,440.56	-9,292.87

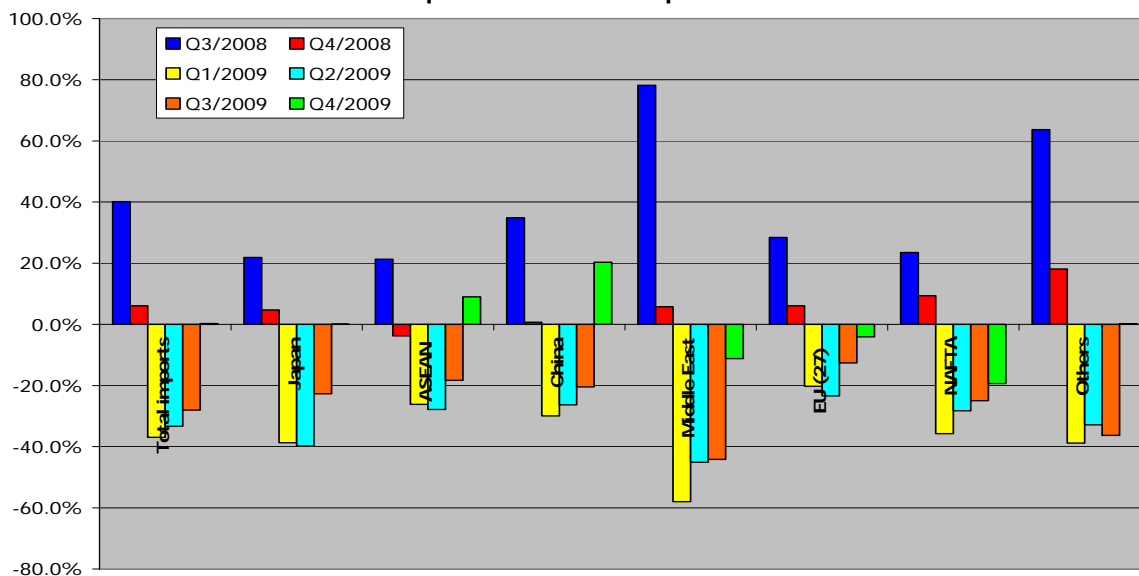
Thai imports in 2009

Thai imports from all main trading partners grew steadily until the 3rd quarter of 2008 and contracted severely in the 4th quarter on 2008 (although still registering a small year-on-year growth in that quarter) and the 1st quarter of 2009. Japan lost its position as top exporter to Thailand in 1st quarter of 2009 to ASEAN, but regained this position during the second half of 2009. NAFTA and the European Union are losing market share in Thailand in favour of China and its regional trading partners in ASEAN.

Total import and import from main trading blocks (Million US\$)								
	Q1/2008	Q2/2008	Q3/2008	Q4/2008	Q1/2009	Q2/2009	Q3/2009	Q4/2009
Total imports	42,385.35	45,723.00	50,483.89	40,153.85	26,732.26	30,479.80	36,331.10	40,257.56
Japan	8,162.14	8,425.18	8,835.80	8,111.35	5,003.13	5,077.97	6,826.35	8,116.97
ASEAN	7,198.74	7,900.13	8,019.39	6,543.27	5,314.90	5,699.77	6,554.07	7,131.98
China	4,816.23	5,212.64	5,820.58	4,307.00	3,375.63	3,842.18	4,629.90	5,181.84
Middle East	6,749.49	7,119.05	8,559.38	5,642.93	2,836.98	3,910.17	4,782.36	5,009.85
EU (27)	3,467.87	3,662.24	3,845.59	3,356.96	2,765.20	2,805.56	3,360.22	3,220.33
NAFTA	3,178.26	3,075.40	3,246.01	3,190.52	2,042.99	2,207.60	2,434.82	2,573.92
Others	8,812.62	10,328.36	12,157.14	9,001.82	5,393.43	6,936.55	7,743.38	9,022.67

Thai imports in the 4th quarter of 2009 only just returned to the level of the same quarter in 2008, but are still around 20 percent lower than the level of imports registered in the 3rd quarter of 2008.

Year-on-year quarterly growth of Thai imports
3rd quarter 2008 - 4th quarter 2009



Thai imports from the European Union in 2009

Thai imports from the European Union followed a similar trend to overall Thai imports. Imports grew steadily until the 3rd quarter of 2008 and contracted severely in the 4th quarter on 2008 (although still registering a small year-on-year growth in that quarter) and in the 1st and 2nd quarter of 2009. However, recovery appears slow and Thai imports from the European Union in 2009 remain well below the level of imports in 2008.

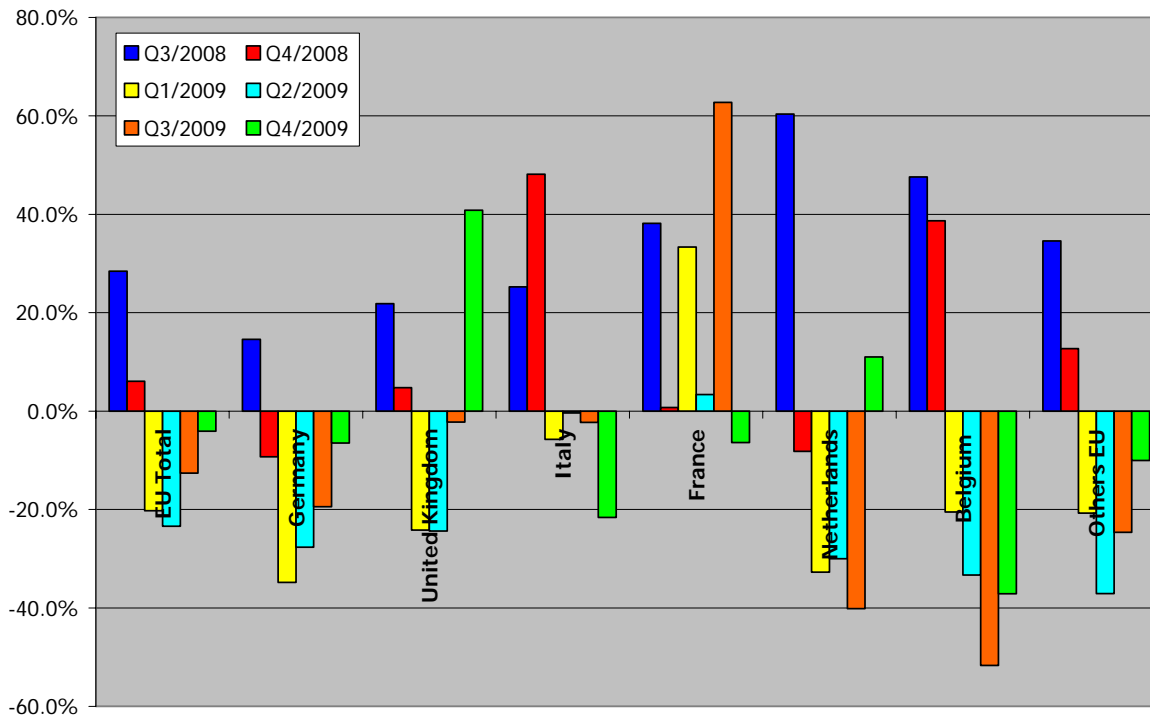
Import from the European Union (Million US\$)								
	Q1/2008	Q2/2008	Q3/2008	Q4/2008	Q1/2009	Q2/2009	Q3/2009	Q4/2009
EU Total	3,467.87	3,662.24	3,845.59	3,356.96	2,765.20	2,805.56	3,360.22	3,220.33
Germany	1,275.46	1,124.20	1,134.90	978.76	831.18	813.39	914.34	915.29
United Kingdom	424.72	469.51	481.71	440.02	321.92	355.06	470.83	619.59
Italy	343.85	409.79	405.05	453.74	324.17	408.34	395.86	355.66
France	353.20	390.13	394.90	358.49	470.95	403.27	642.68	335.60
Netherlands	267.73	273.87	351.86	218.83	180.18	191.64	210.58	242.93
Belgium	198.60	213.21	317.76	240.04	157.84	142.12	153.49	150.91
Others EU	604.31	781.53	759.41	667.08	478.96	491.74	572.44	600.35

Strong year-on-year quarterly growth of European Union exports to Thailand is followed by a sharp contraction in the 1st and 2nd quarter of 2009. Recovery of European Union exports to Thailand remains sluggish throughout 2009.

The unusual high level of imports from France in the 3rd quarter of 2009 can be attributed to the delivery of aircraft worth almost 300 million US dollars.

The unusual high level of imports from the United Kingdom in the 4th quarter of 2009 can be attributed to the delivery of large machinery worth almost 200 million US dollars.

**Year-on-year quarterly growth of Thai imports from the European Union
3rd quarter 2008 - 4th quarter 2009**



Thai imports from the Netherlands in 2009

Although 2009 saw a contraction in most product group imports from the Netherlands, there are some notable exceptions. Most affected in 2009 are electrical machinery and raw materials used by the main exporting sectors of Thailand.

Thai imports from the Netherlands (top 15 by Harmonised System (HS) code) (in Thai Baht) source: Thai Customs Department							
HS	Description	2006	2007	2008	2009	% of total	08->09 change
85	Electrical machinery, equipment	7,813,385,101	8,478,661,999	10,714,029,590	7,413,473,932	26.1%	-30.8%
8542	of which IC's, microassemblies	6,640,990,104	6,942,897,090	6,314,543,846	6,092,308,036	21.4%	-3.5%
84	Non electrical machinery	3,764,008,188	3,982,026,050	3,551,371,325	3,408,320,706	12.0%	-4.0%
39	Plastic and articles thereof	2,363,292,112	2,422,085,809	3,011,051,080	1,702,902,780	6.0%	-43.4%
72	Iron and steel	526,240,763	1,896,550,923	4,281,243,989	1,662,113,162	5.8%	-61.2%
90	Optical equipment	998,581,276	1,100,608,816	1,079,598,258	1,266,957,839	4.5%	17.4%
48	Paper & paperboard	171,388,760	160,332,602	570,456,962	1,255,462,802	4.4%	120.1%
21	Food ingredients	955,341,935	1,191,532,439	1,293,745,014	1,194,109,566	4.2%	-7.7%
30	Pharmaceuticls	1,125,711,490	889,442,485	1,280,840,755	1,158,677,469	4.1%	-9.5%
29	Organic Chemical	1,275,670,016	1,573,825,289	1,531,298,714	1,012,954,582	3.6%	-33.8%
41	Raw hide skin and leather	668,612,526	768,006,481	744,199,784	981,364,593	3.5%	31.9%
23	Waste from food industry	844,814,107	758,237,281	671,247,329	761,828,829	2.7%	13.5%
73	Articles of iron and steel	600,050,445	887,029,766	801,949,071	667,127,591	2.3%	-16.8%
04	Dairy produce, egg, honey	679,736,610	767,865,923	825,753,604	653,040,173	2.3%	-20.9%
38	Misc chemical product	570,716,131	611,196,128	872,278,818	612,486,825	2.2%	-29.8%
Other imports from the Netherlands		5,999,918,634	5,035,952,481	5,735,652,823	4,692,521,678	16.5%	-18.2%
Total in Thai Baht		28,357,468,094	30,523,354,472	36,964,717,116	28,443,342,527	100.0%	-23.1%
Average exchange rates (mid-rate)		37.882	34.5182	33.3133	34.2858		
Total in US Dollars (Customs Department)		748,573,679	884,268,429	1,109,608,388	829,595,416		-25.2%
Total in US Dollars (Bank of Thailand)		738.07	877.62	1,112.30	825.35		-25.8%

Thai exports in 2009

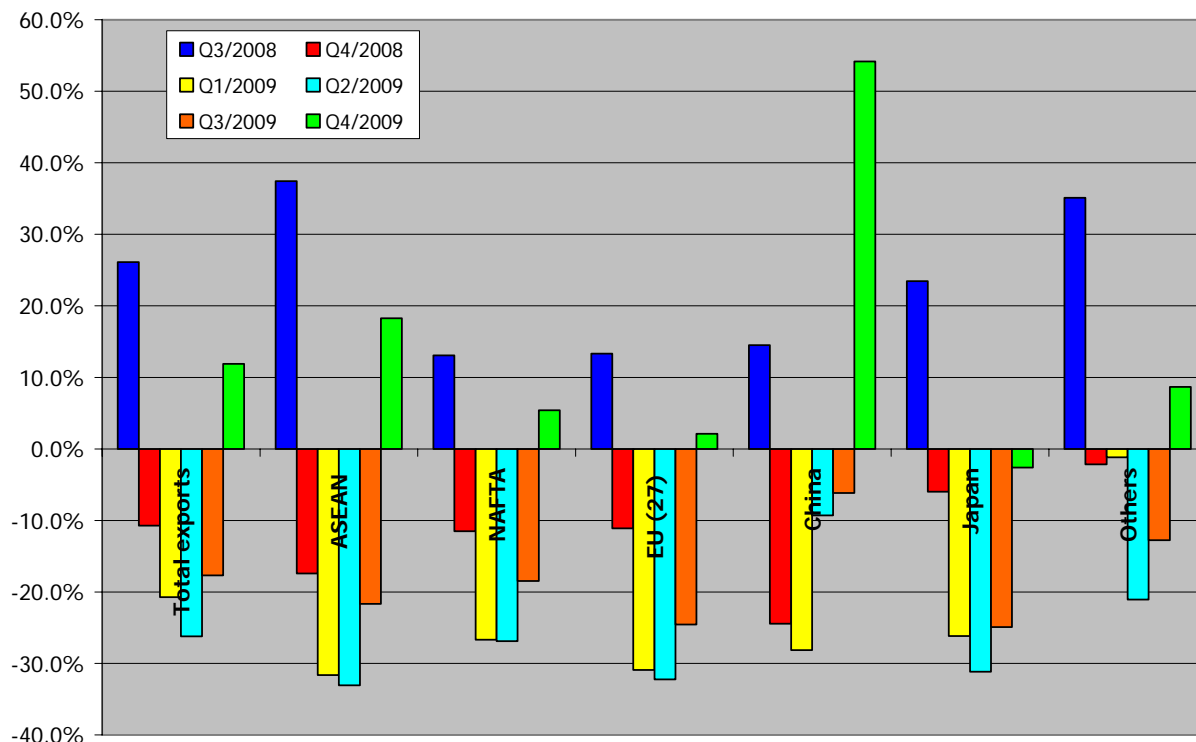
Thai exports to all main trading partners grew steadily until the 3rd quarter of 2008, contracted severely in the 4th quarter of 2008 and the 1st and 2nd quarters of 2009, but registered a promising recovery in the 3rd and 4th quarters of 2009. Remarkable is the strong recovery of exports to China, which should surpass exports to the European Union and NAFTA during the first quarter of 2010.

Total export and export to main trading blocks (Million US\$)								
	Q1/2008	Q2/2008	Q3/2008	Q4/2008	Q1/2009	Q2/2009	Q3/2009	Q4/2009
Total exports	42,524.56	46,641.00	49,933.04	38,679.02	33,717.71	34,403.63	41,093.27	43,283.70
ASEAN	9,200.14	11,475.20	11,307.63	8,168.97	6,289.07	7,680.43	8,858.77	9,662.07
NAFTA	5,478.06	5,740.16	6,269.91	5,101.09	4,015.32	4,197.23	5,112.40	5,376.48
EU (27)	6,040.93	6,049.62	6,217.55	5,084.25	4,173.13	4,099.54	4,689.96	5,191.34
China	4,135.49	4,260.49	4,525.03	3,269.79	2,971.79	3,864.97	4,245.99	5,040.72
Japan	4,775.30	5,216.15	5,491.58	4,610.88	3,525.59	3,591.02	4,123.83	4,491.12
Others	12,894.64	13,899.38	16,121.34	12,444.04	12,742.81	10,970.44	14,062.32	13,521.97

ASEAN strengthened its position as the most important destination for Thai exports, despite a sharp decline in the 4th quarter of 2008 and the 1st half of 2009. China is expected to overtake the European Union and NAFTA in 2010 as the second most important destination for Thai exports.

The year-on-year growth figures for the 4th quarter of 2009 are somewhat misleading as, with the exception of exports to China, Thai exports in that quarter remain well below the level seen in 3rd quarters of 2008.

**Year-on-year quarterly growth of Thai exports
From 3rd Quarter 2008 to 4th Quarter 2009**



Thai exports to the European Union in 2009

Export to the European Union (Million US\$)								
	Q1/2008	Q2/2008	Q3/2008	Q4/2008	Q1/2009	Q2/2009	Q3/2009	Q4/2009
EU (27)	6,040.93	6,049.62	6,217.55	5,084.25	4,173.13	4,099.54	4,689.96	5,191.34
United Kingdom	939.47	945.82	1,136.37	947.97	661.92	755.26	922.09	897.74
Netherlands	1,145.47	1,061.21	1,074.64	894.62	704.14	744.33	803.33	871.87
Germany	788.27	850.27	855.39	704.54	600.05	609.32	641.39	776.03
France	479.04	491.61	489.62	426.73	392.77	351.51	358.79	443.34
Belgium	439.78	455.11	422.19	379.17	322.42	298.09	341.93	386.62
Italy	557.41	546.53	483.89	391.54	331.56	315.36	303.34	364.29
Others EU	1,691.49	1,699.07	1,755.45	1,339.68	1,160.27	1,025.67	1,319.09	1,451.45

Thai exports to the European Union, contracted severely from the 4th quarter of 2008 to the 2nd quarter of 2009, but registered a promising recovery in the 3rd and 4th quarters of 2009. The Netherlands remains one of the most important destinations for Thai exports to the European Union

Thai trade with other ASEAN member states.

With Thai exports at 32.5 billion US dollars and Thai imports at 24.7 billion US dollars, The ASEAN member states combined are the largest trading partner of Thailand. Thailand maintains a positive trade balance with most ASEAN member states.

Import from ASEAN member countries (Million US\$)						change
	2005	2006	2007	2008	2009	08->09
Malaysia	8,097.20	8,477.06	8,617.48	9,726.07	8,575.88	-11.8%
Singapore	5,378.01	5,677.45	6,280.99	7,106.26	5,724.22	-19.4%
Indonesia	3,130.58	3,435.24	3,986.12	4,930.96	3,800.59	-22.9%
Myanmar	1,786.96	2,321.09	2,301.51	3,376.24	2,781.67	-17.6%
Philippines	1,881.49	2,114.29	2,140.11	2,277.05	1,783.23	-21.7%
Vietnam	889.72	895.55	1,111.96	1,450.45	1,385.47	-4.5%
Laos	224.35	515.77	470.06	616.84	462.72	-25.0%
Brunei	204.35	127.75	111.07	87.42	109.19	24.9%
Cambodia	31.40	34.66	48.75	90.22	77.73	-13.8%

Export to ASEAN member countries (Million US\$)						change
	2005	2006	2007	2008	2009	08->09
Malaysia	5,821.86	6,613.67	7,819.32	9,910.67	7,663.52	-22.7%
Singapore	7,689.06	8,357.29	9,619.87	10,114.81	7,574.06	-25.1%
Vietnam	2,363.77	3,074.99	3,804.17	5,017.87	4,678.35	-6.8%
Indonesia	3,982.81	3,313.21	4,818.62	6,324.64	4,667.23	-26.2%
Philippines	2,056.94	2,571.79	3,011.90	3,512.56	3,021.98	-14.0%
Laos	775.02	1,016.55	1,311.11	1,776.20	1,642.58	-7.5%
Cambodia	920.19	1,235.48	1,355.40	2,040.11	1,580.56	-22.5%
Myanmar	711.97	756.34	957.88	1,331.34	1,544.66	16.0%
Brunei	68.48	82.58	93.36	123.72	117.38	-5.1%

Notable Thai imports from ASEAN member states are:

- Indonesia: Mineral fuel constitutes some 30 percent of Thai imports
- Laos: Copper constitutes some 50 percent of Thai imports
- Malaysia: Machinery and electronics constitutes some 50 percent of Thai imports
- Myanmar: Natural gas constitutes some 90 percent of Thai imports
- Vietnam: Mineral fuel constitutes some 30 percent of Thai imports