
CURRENT ISSUES:

IMPACTS OF GLOBAL ECONOMY ON THAI ECONOMY

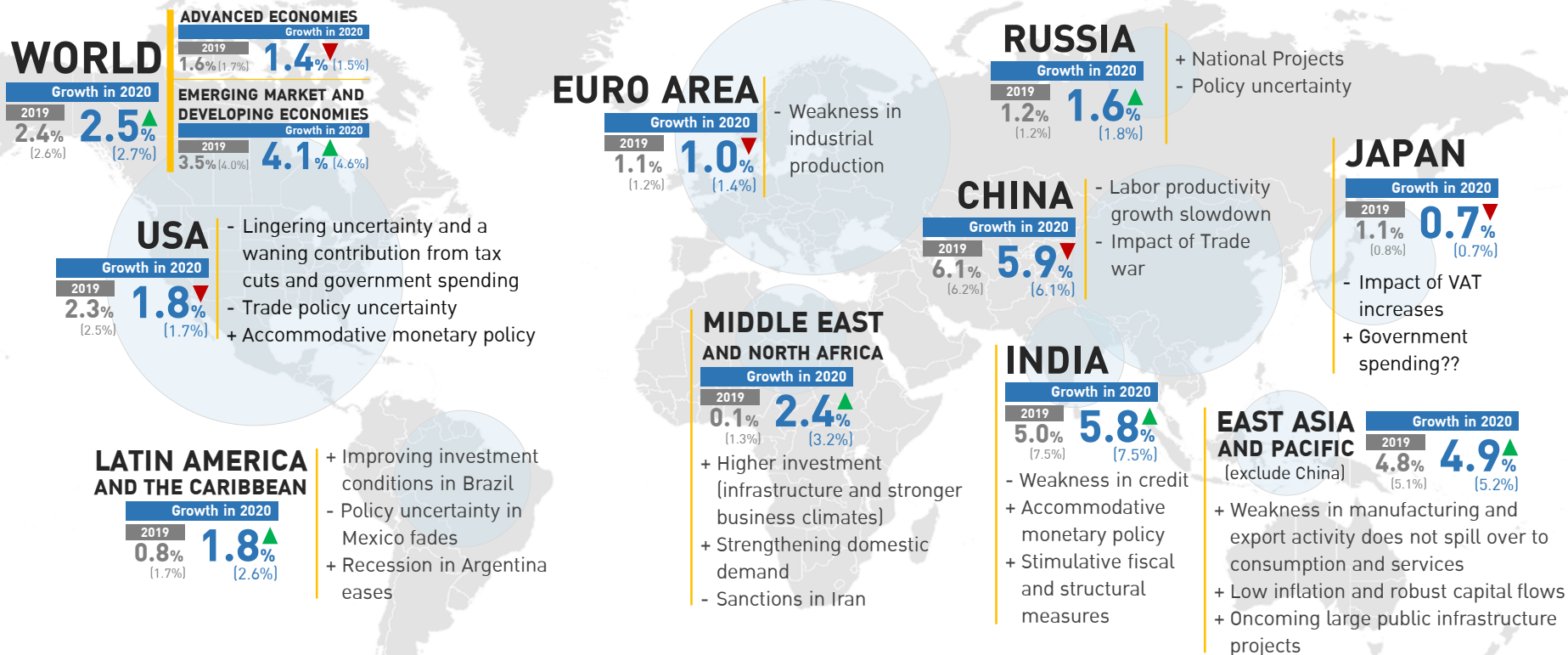
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Bhaopichitr

19 Feb 2020

GLOBAL GROWTH WILL BE NO MORE THAN LAST YEAR'S DUE TO CORONA OUTBREAK

- Corona virus outbreak will reduce global growth this year by 0.1-0.2 percentage-points (pp) from previous forecasts to 2.3-2.4% with China's GDP growth declining by 0.4pp to 5.5% (assuming outbreak ends in April); Japan, S.Korea, and ASEAN's growth will also be affected as trade and tourism are affected.
- However, no recession is forecasted with major economies including the US, still expanding this year.

Pre-Corona Outbreak GDP Growth Forecasts by World Bank Group (as of 20 Dec 2019)



Note: ▲▼ shows increase/decrease compared to 2019; Number in bracket is forecast in June 2019; Size of circle is the size of economy

Source: Global Economic Prospects (January 2020), World Bank and TDRI calculation

GLOBAL IMPACTS OF CORONA OUTBREAK LARGER THAN SARS'

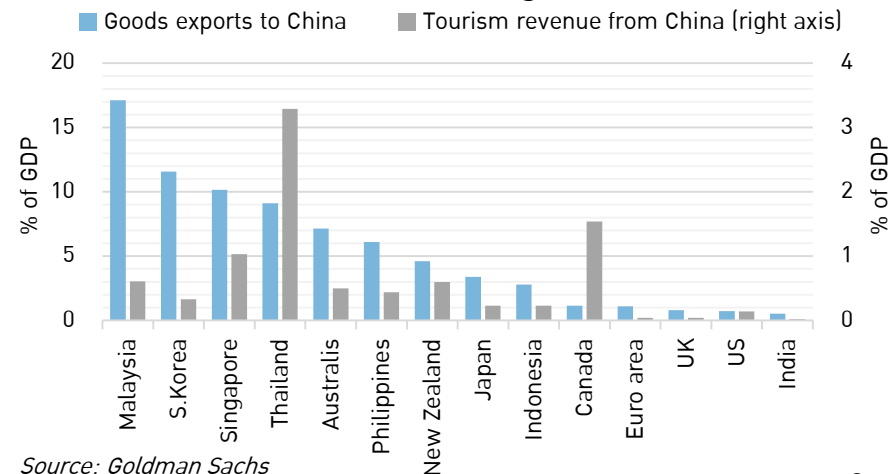
- Global impacts from the 2019 Corona outbreak should be much higher than in the case of SARS (0.1% drop in global GDP) as China plays a larger role in the international economy today.
- Corona outbreak could last for 4 months (from Jan-Apr 2020) with major impacts starting in end-Jan.
- Economic damages comes from disruptions to production, consumption, trade and travel with preventive and quarantine measures installed by governments, sick workers, fears of travel and being in crowded spaces, and slowing demand from China.
- Economies that will be affected most are China and those with high trade & tourism linkages to it e.g. Japan, S. Korea, Singapore, Thailand, Taiwan, Hong Kong.
- Current estimated impacts reduces the Chinese GDP growth this year to 5.5% (from 5.9%) and the reduces global growth by -0.1% to -0.2% from previous forecasts.

Comparing Impacts of SARS and Corona on Global Economy through China

	SARS (2003)	2019-nCov
Outbreaks	26 economies with majority of the cases in China, Hong Kong, Taiwan, Canada and Vietnam.	23 economies with majority of the cases in China.
Chinese Share of World GDP	5.4%	13.1%
Chinese Share of World Trade	4.8%	10.6%
Number of Chinese outbound tourists	17 million (2002)	162 million (2018)
Impacts on Global GDP	-0.1%	-0.1% to -0.2%

Source: WHO, World bank, Ministry of Culture and Tourism (China), TDRI estimates

Trade and tourism linkages with China

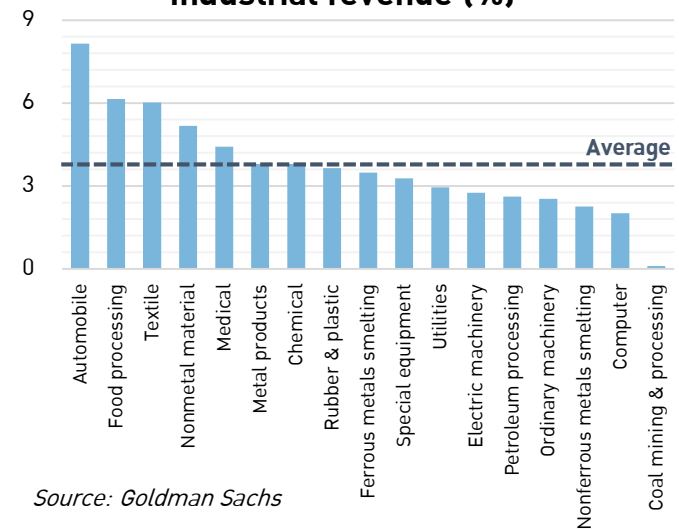


Source: Goldman Sachs

WILL REDUCE CHINA'S GDP GROWTH TO 5.5%

- Chinese economy is expected to grow by only 4.4% yoy in 2020Q1 (from 6% pre-Corona) before normalizing in subsequent quarters and expand by 5.5% in 2020 (from 5.9% pre-Corona), assuming that the outbreak is contained by April.
- Corona outbreak affects China's production, consumption, tourism and travel businesses.
- To mitigate the impacts, Chinese government issued liquidity support
 - PBOC cut reverse repo on Feb 3, releasing RMB1.2 trillion into financial system.
 - Finance ministries have issued RMB27.3 billion in subsidies for the prevention and control of the Corona outbreak.
 - Quota for net local government special bonds raised to RMB3.4 trillion in 2020 from RMB2.15 trillion last year.
 - Market expects the interest rate, LPR1Y and MLF1Y to be cut again this year as PBOC still have policy space.
- Rising defaults among corporate bond issuers, especially from POE bonds:
 - Fitch forecasts 60 new defaulters in 2020 from various sectors, up from 51 in the first 11 months of 2019, as the policymakers aimed to reduce support for private enterprises which are indebted and suffer from oversupply.
- Yuan has depreciated by almost 2% from 17 Jan to 11 Feb 2020 (from RMB6.86 to RMB6.98/USD).

Hubei's share of national industrial revenue (%)



Exchange rate (RMB/USD)



CORONA OUTBREAK CAN REDUCE THAILAND'S 2020 GDP GROWTH BY 0.5PP

IMPACTS ON THAILAND

- Impacts on Thailand comes both directly and indirectly from China; sectors that will be affected most are tourism, travel, exports, certain manufacturing that relies on Chinese parts, retail, and property.
- Sectors that could benefit from the outbreak are healthcare, e-commerce, delivery services and production of goods that prevent the spread of virus (masks, rubber gloves, anti-bacterial solutions and soap, air purifier, etc.).

CASE STUDIES

TOURISM



- Chiang Mai: Many Chinese tourists have already cancelled flights and hotel reservations up to the end of March. Tourism information center of Chiang Mai reports the number of unemployed Chinese tour guide up to 2,000.
- Phuket: A bus tour business has reported a mass cancellation of bookings, resulted in 1,200 tour buses not in operation.

AVIATION



- The CEO of Air Asia expects a drop around 300,000 customers in the first quarter and a full recovery around May to June.

EXPORTS



- There are several reports of closed trading market affecting products such as tapioca flour, durian, mangosteen, and fresh longan.

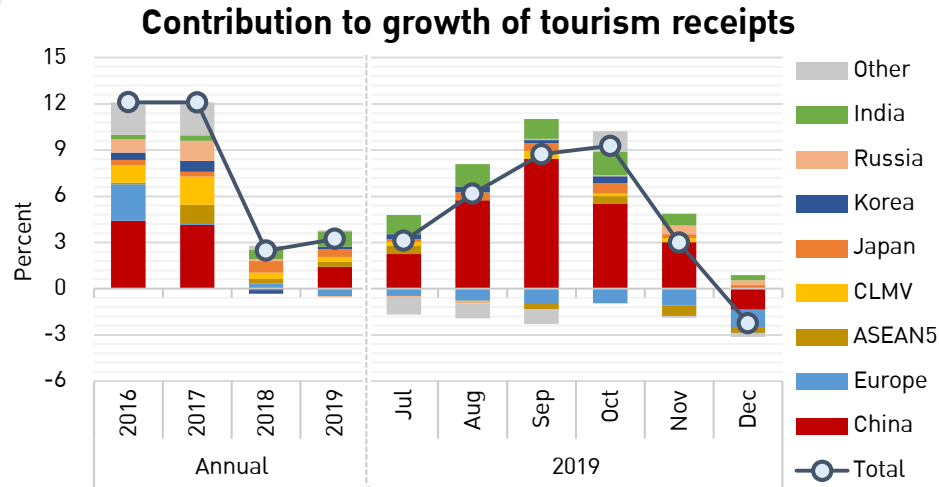
IMPORTS



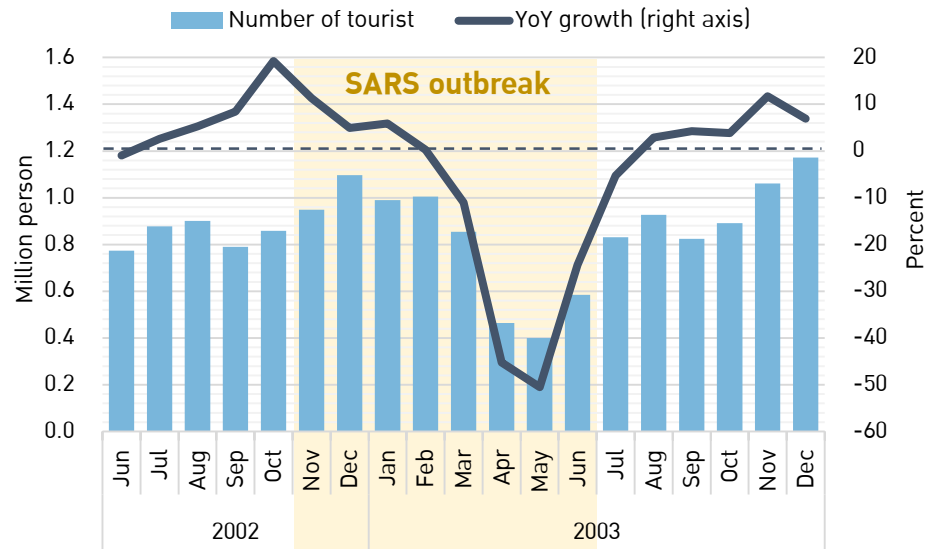
- Raw materials: Sica New Materials (Thailand) Co., Ltd., a silicon metal & carbide producer & exporter, has ceased its operation until further notice due to an inability to obtain the required production raw materials from China.
- Parts: Some automotive companies in Thailand require certain parts from China and the production will be stalled if the trade does not resume before the inventory run out. (KTB analysis)

TOURISM COULD DROP BY 8% THIS YEAR

- In 2019, there were 39.8 million tourist arrivals, of which 11 million were Chinese; tourism receipts accounts for around 13% of real GDP.
- This year, Corona outbreak will dampen tourism arrivals from Feb to Jun, resulting in 3.0 million or 8% fewer tourists than that in 2019, reducing GDP growth by 1pp.
- Like SARS, it will take 1-2 months after the outbreak ends before tourist arrival recovers.
- Chinese tourists could fall on an average of 50% from Feb-Jun, while other tourists falls by 20%, resulting in a fall of 4.6 million tourists to 15 million in 2020H1.
- Recovery in 2020H2 will see tourist arrival expansion of 8% yoy or 1.6 million tourists more than that in 2019H2, resulting in 21 million tourists in 2020H2.



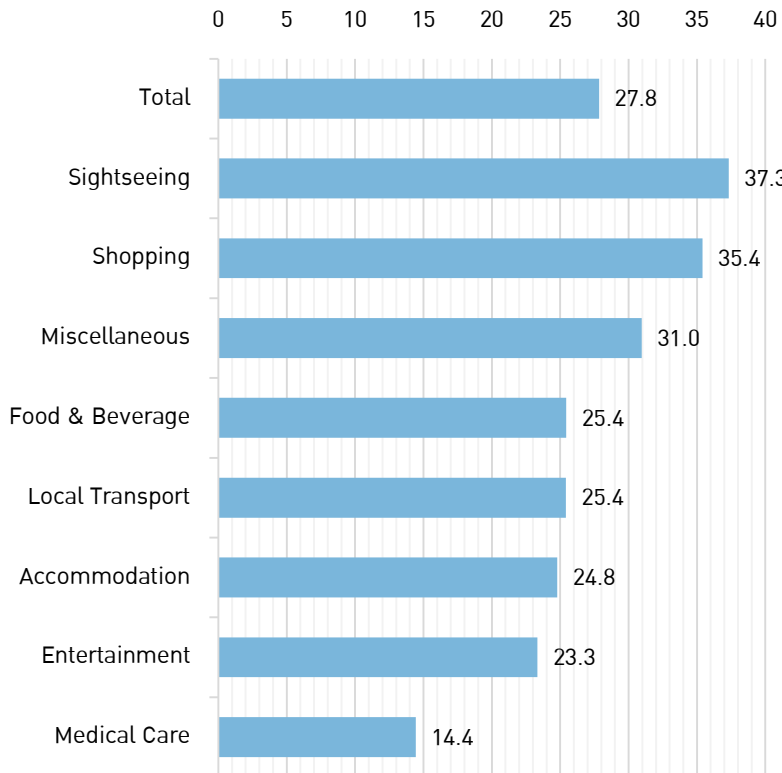
Foreign tourists in Thailand during SARS outbreak



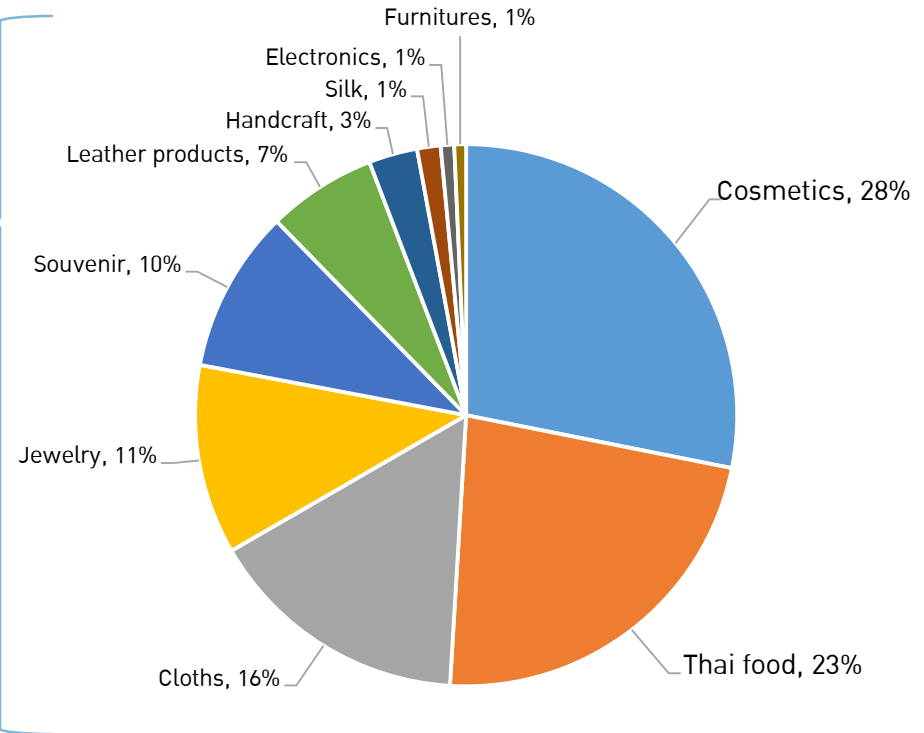
CHINESE TOURIST DECLINE AFFECTS WHICH SECTORS?

- Decline in Chinese tourist will affect tourism-related and retail business, especially accommodations, food & beverage, and cosmetics.

Share of Chinese Tourists' Expenditures in Total Expenditures of Foreign Tourist by item in 2018



Share of Chinese Tourists' Shopping Expenditures by Product in 2018

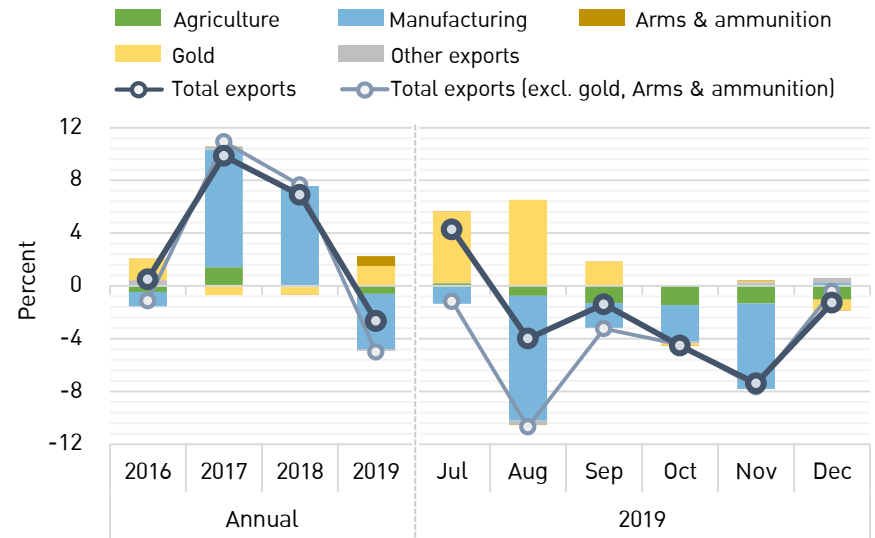


Source: Tourism Authority of Thailand by with TDRI calculation

EXPORTS COULD CONTRACT BY 1%

- In 2019 exports contracted by -2.7% (-5% excl. gold and ammunitions), the largest contraction in 4 years.
- This year, Corona outbreak will dampen exports, particularly to China and ASEAN, reducing overall export growth from 0% to -1%.
- China's and ASEAN's slower growth this year will reduce their demand for Thai imports
- Supply chain disruptions from Feb-Apr could limit production and exports

Growth of Thai export value by Major Products



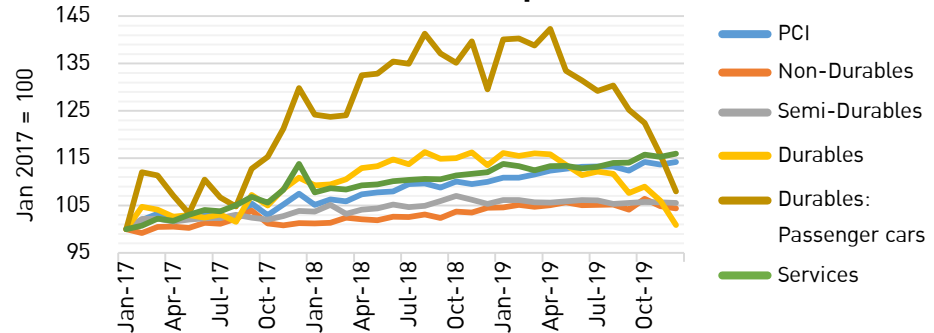
Destination	%YoY Growth										%Share 2019
	Q1-19	Q2-19	Q3-19	Q4-19	Oct-19	Nov-19	Dec-19	2017	2018	2019	
Japan	-1.8	-2.3	2.9	-5.0	0.5	-10.9	-4.4	7.7	13.0	-1.6	10.0
EU 28	-6.0	-6.2	-5.2	-6.0	-7.5	-8.6	-1.7	8.0	5.2	-5.9	9.6
ASEAN	-4.5	-5.9	-13.9	-8.2	-9.3	-10.3	-4.6	8.9	14.9	-8.3	25.5
ASEAN-5	-7.8	-8.7	-12.1	-9.8	-8.9	-11.1	-9.5	6.1	13.6	-9.7	14.4
CLMV	0.0	-2.0	-16.2	-6.2	-9.9	-9.3	1.1	12.9	16.7	-6.4	11.2
USA	32.1	3.3	7.7	5.4	4.8	-2.6	15.6	8.5	5.5	11.8	12.7
Middle East	-0.3	-5.6	0.9	5.4	5.2	2.1	9.1	-5.0	-0.1	0.1	3.4
Australia	-12.3	-9.5	14.0	-14.8	-8.7	-24.5	-10.7	1.9	2.6	-5.6	4.1
China	-10.4	-9.1	2.8	1.6	-4.2	2.3	7.3	24.0	2.7	-3.8	11.8
Total exports	-2.1	-3.8	-0.5	-4.5	-4.5	-7.4	-1.3	9.9	6.9	-2.7	100.0

Source: Bank of Thailand with TDRI calculation

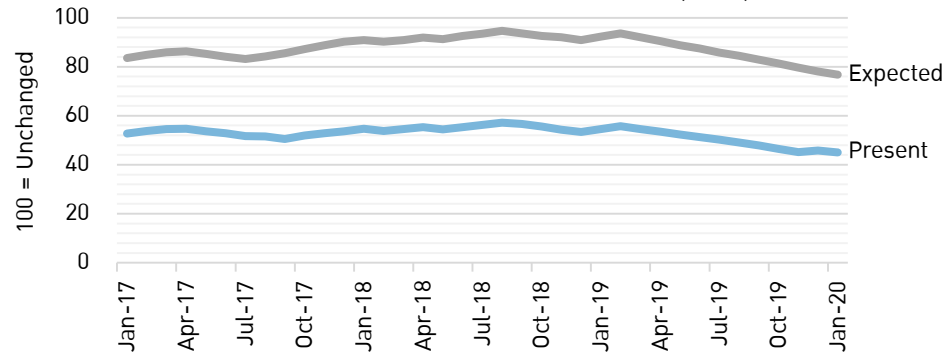
FEAR OF CORONA OUTBREAK DAMPENS HOUSEHOLD CONSUMPTION

- In 2019, household consumption expanded by 4.6% yoy and was expected to slow to 3% this year, pre Corona outbreak.
- The outbreak will reduce household consumption growth to less than 3% this year with the impact largely in Q1, particularly on travel, shopping, restaurant dining and entertainment, which is somewhat mitigated by e-commerce.
- CCI in Jan at its lowest level in 69 months due to fears about the coronavirus, delayed budget and on-going drought
- Domestic sales of automobiles in 2020 are also forecasted to be slightly less than 1 million units or 4.7% fewer than last year, while credit standards for auto-leasing will likely be tightened following deteriorating credit quality.

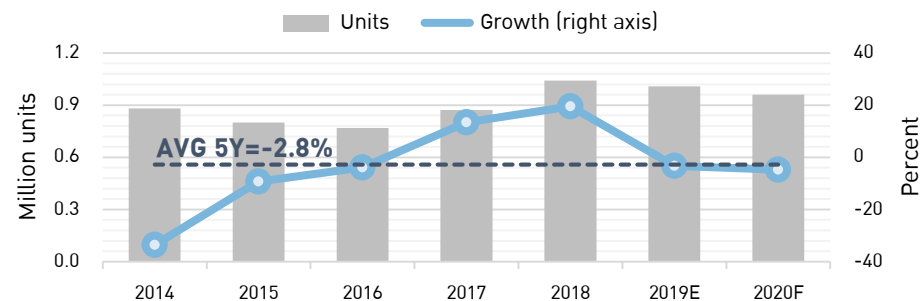
Private Consumption Index



Consumer Confidence Index (CCI)



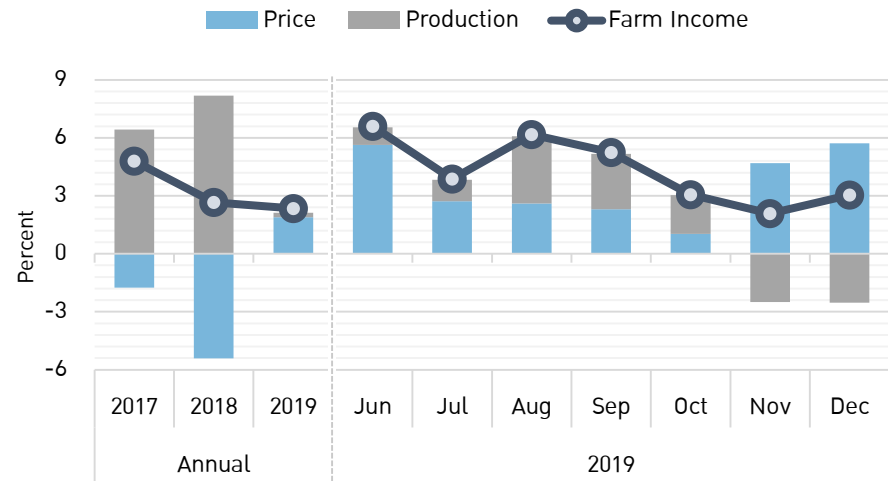
Automotive domestic sales



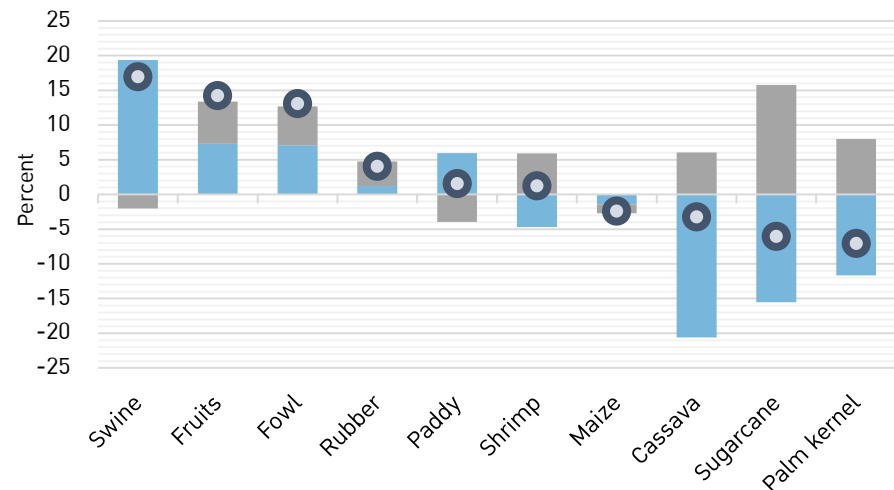
LIKE LAST YEAR, FARM INCOMES THIS YEAR WILL BE SUPPORTED BY PRICE INCREASE

- Farm incomes last year grew by 2.3%, mostly from increase in price (1.9%) while production increased by a mere 0.4%
- This year, production of dry-season paddy (10% of total paddy production) and sugarcane are forecasted by the Ministry of Agriculture to fall, while production of other major crops are forecasted to rise.
- Major crop prices this year will be supported by the Government’s price guarantees with limited amounts per farming household (see slide 21). For most crops, price guarantees are higher than current market prices and are 10-60% higher than last year’s market prices.
- Overall farm incomes will be no less than last year; however, households whose crop production falls by more than the rise in price such as those in the NE will see a drop in their incomes.

YoY Growth of Thai Farm Income



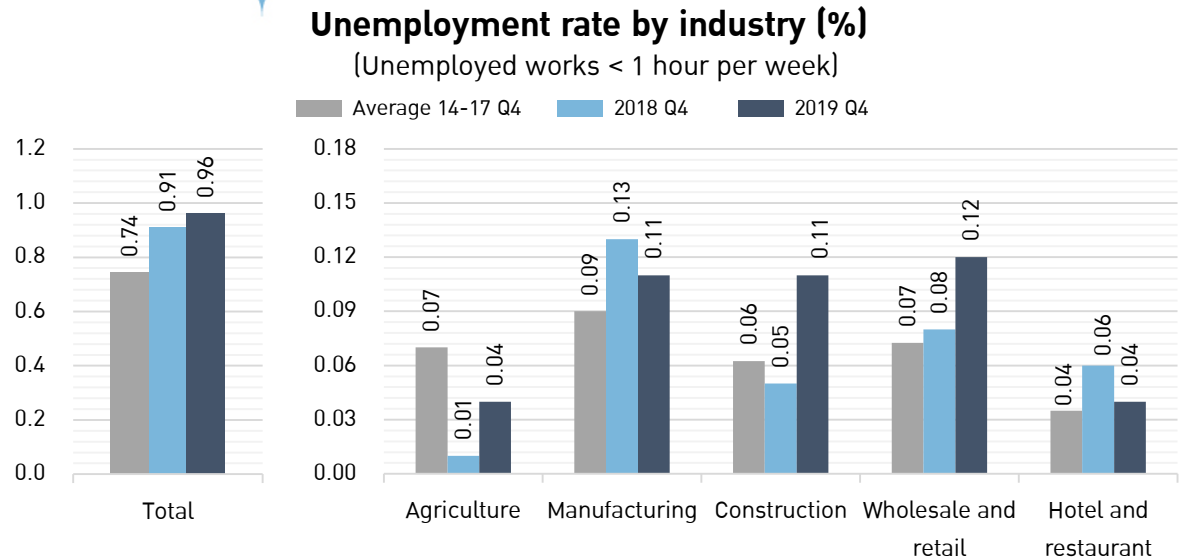
Growth of Farm income by Crops (2019)



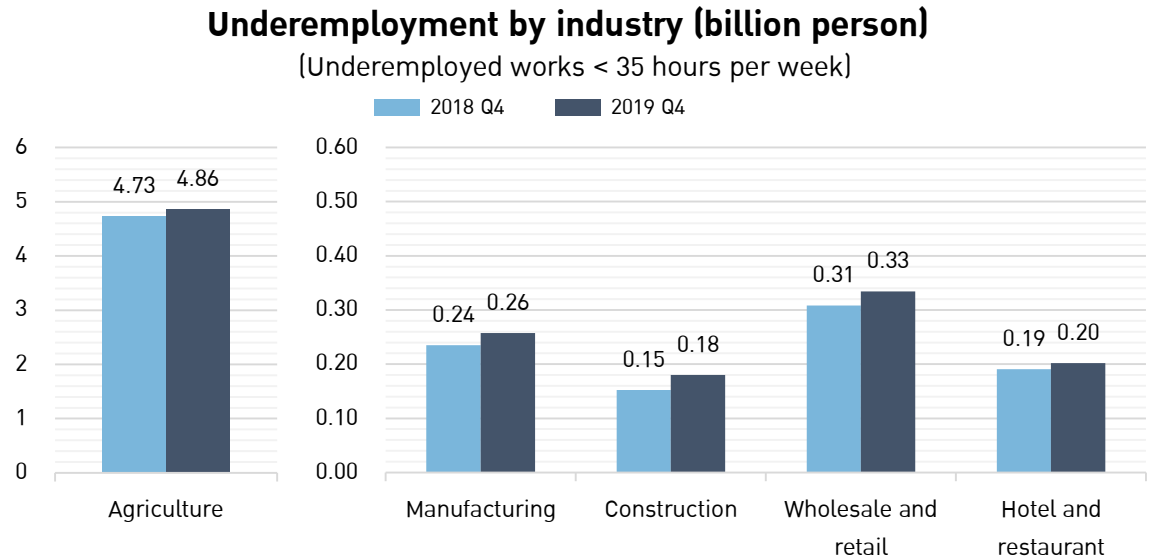
Source: Office of Agricultural Economics with TDRI calculation

EMPLOYMENT CONTINUED TO DECLINE (1)

- Unemployment rate increased from average 0.7% during 2014-17 to 1% in 2019Q4; unemployment has risen especially in manufacturing, construction and trading sectors.



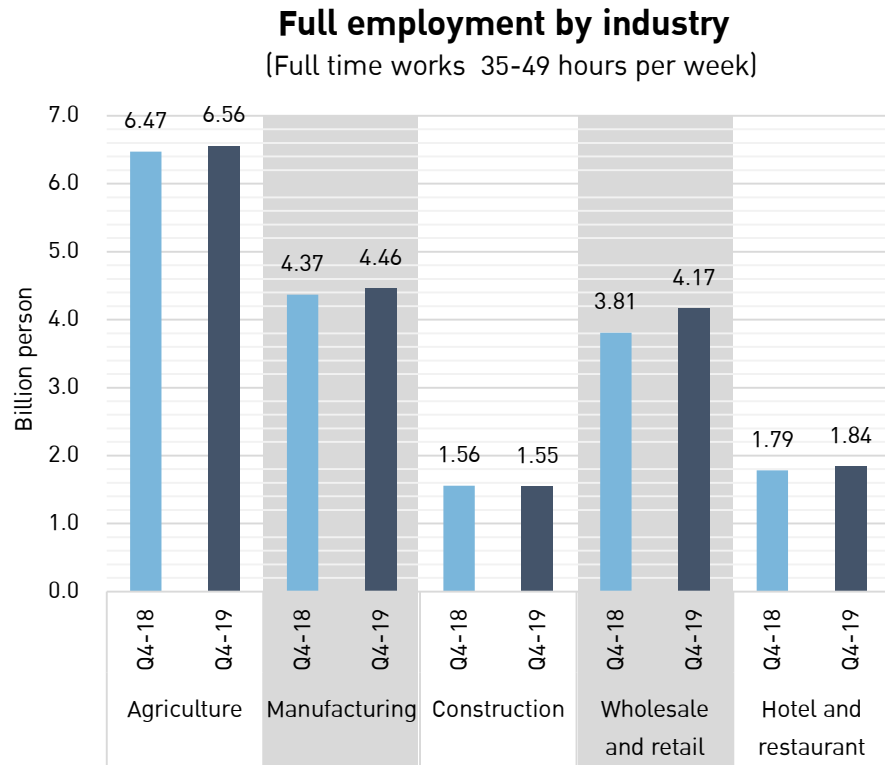
- Underemployment or part time workers (those working < 35 hours per week) have increased in all sectors in 2019Q4



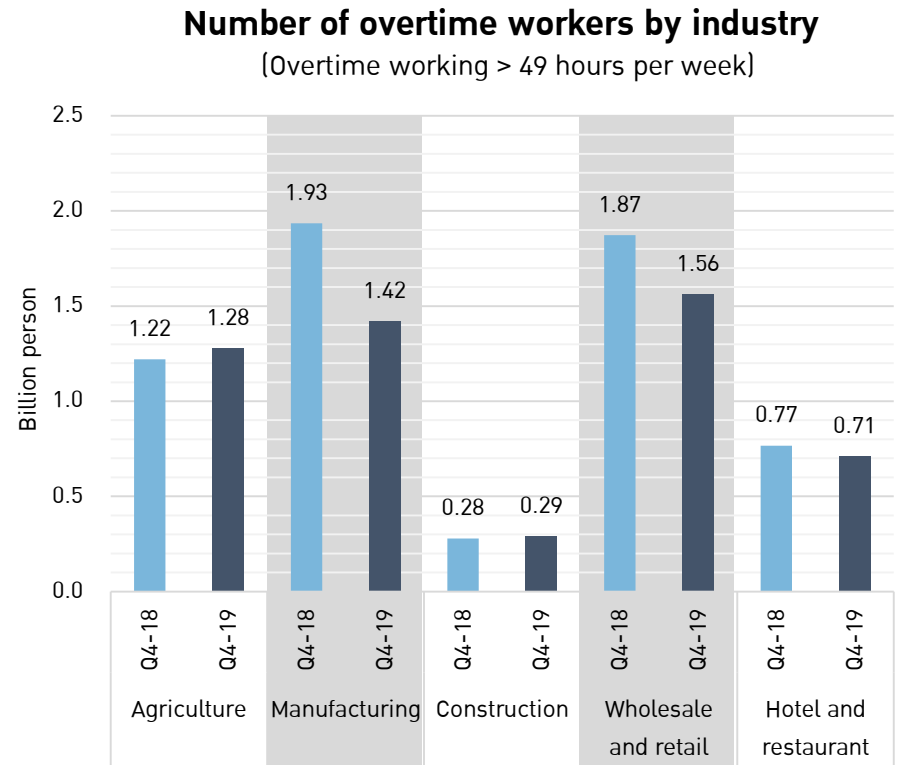
Source: BOT, Labor Force Survey with TDRI calculation

EMPLOYMENT CONTINUED TO DECLINE (2)

- Full-time workers increased for most sectors in 2019Q4 (except construction) as firms reduced working hours of overtime employees to full time.
- Working hours are likely continue to fall this year as workers are affected by tourism slump; tourism sector employs around 4 million workers of which 400,000 are outsourced workers who are likely to be let go in the period of Corona outbreak.



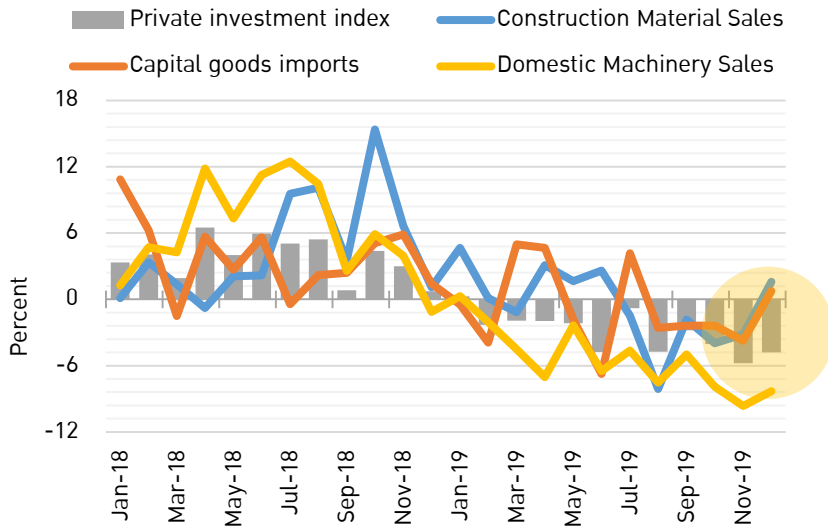
Source: BOT, Labor Force Survey with TDRI calculation



Source: BOT, Labor Force Survey with TDRI calculation

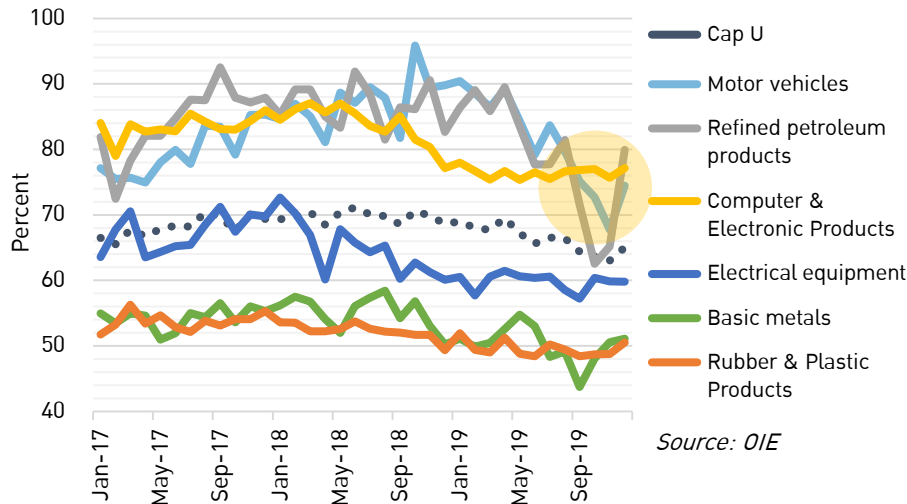
PRIVATE INVESTMENT COULD SLOW DOWN FROM LAST YEAR'S

YoY growth of private investment index (SA)



Source: Bank of Thailand

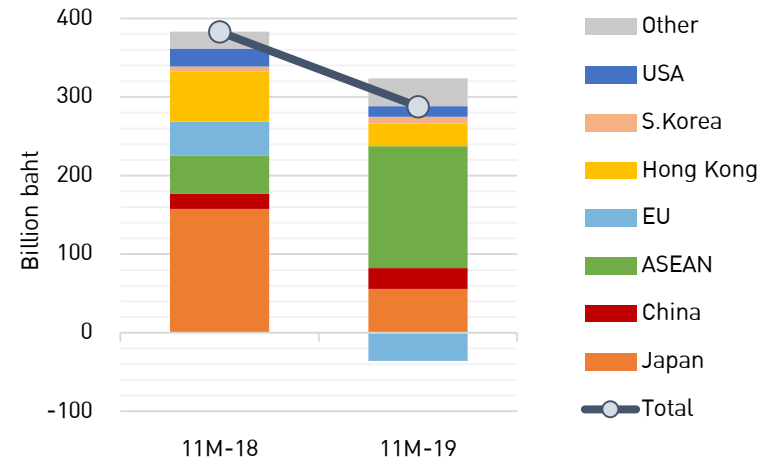
Capital utilization rate (Seasonally adjusted)



Source: OIE

- Private investment could slow down from last year's 2.5% growth.
- Capacity utilization remains low at 65% at the end of 2019 and is not expected to rise rapidly this year as Corona outbreak dampen demand and, hence, production this year.
- Foreign investments could be delayed to post Corona outbreak.

Net Foreign Direct Investment

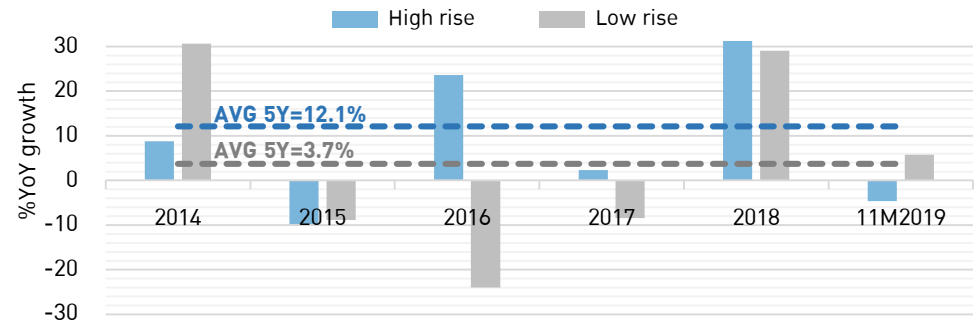


Source: Bank of Thailand

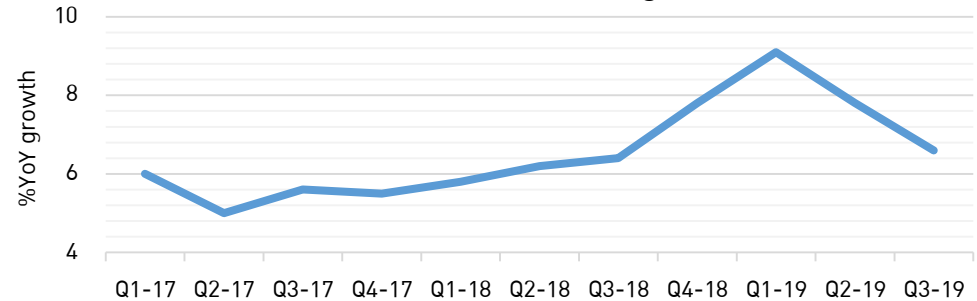
REAL ESTATE SECTOR CONTINUES TO BE SOFT THIS YEAR

- Property market continues to slow down with a forecasted decline in housing property transferred by 2.2-4.8% in 2020.
- Market predicts that the unsold stocks will be more than 150,000 units in 2020H1 hence construction of housing property will be quite dampened this year.
- Delayed Chinese purchases (14% of total condominium demand) from Corona outbreak will impact condominium sales in 2020H1.
- Loan-to-value (LTV) relaxation, low interest rate, property transfer fee cut from 2% to 0.01% (for less than Bt3 million) and Baan Dee Mee Down, a Bt50,000 cash rebate program, will help support domestic demand somewhat.

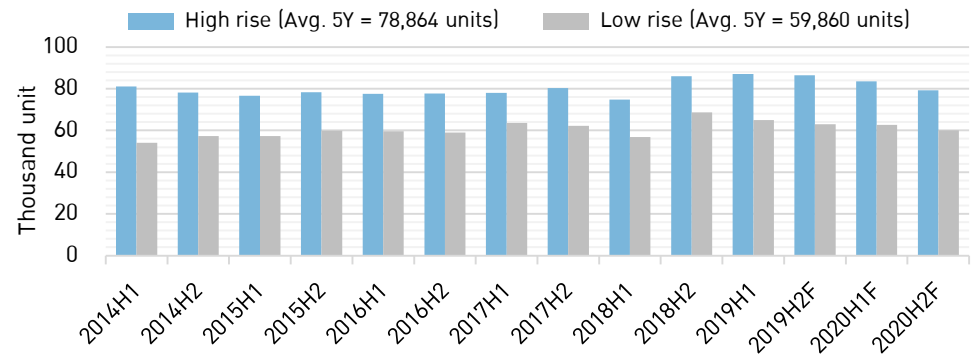
Housing Transferred Value in Bangkok Metropolitan Region



Expansion of housing loan



Unsold Units

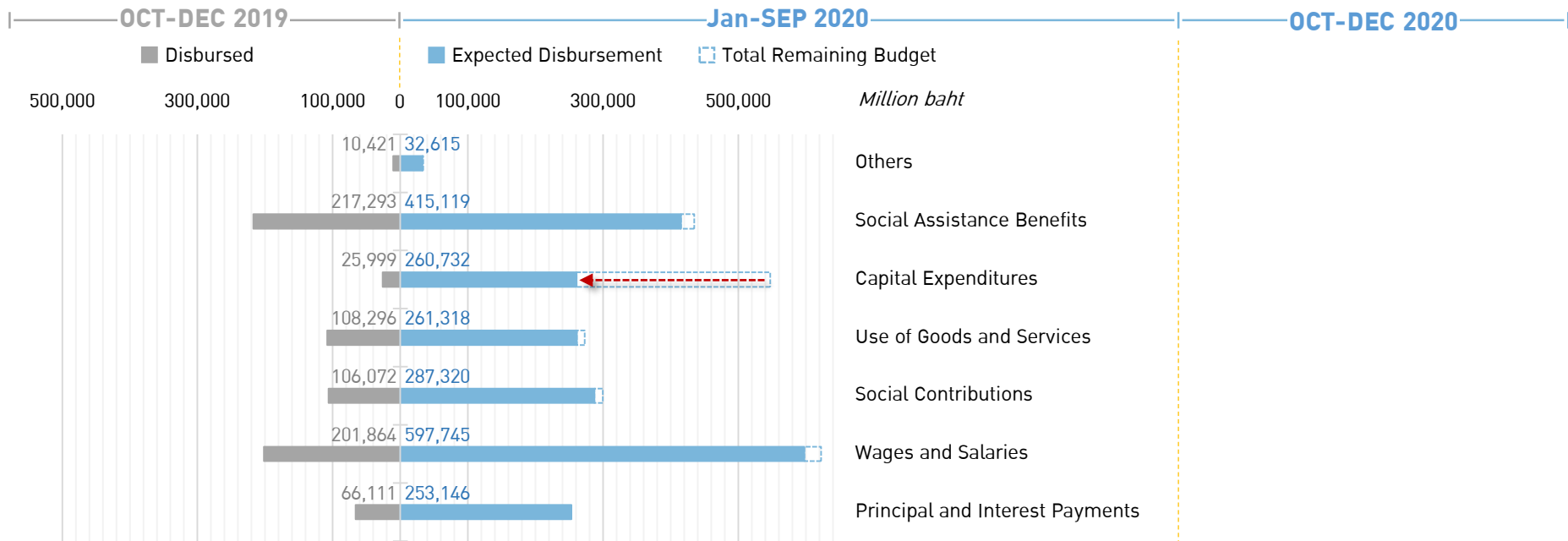


Source: REIC, BOT

DELAYED FY2020 BUDGET RESULTS IN 2020 PUBLIC SPENDING RISING BY ONLY 0.8% (1)

- Public spending this year from the Government's FY2020 & FY2021 budgets will rise by 3.1% yoy, mainly from current spending; but other public spending will decline by 5.4%.

Central Government Spending



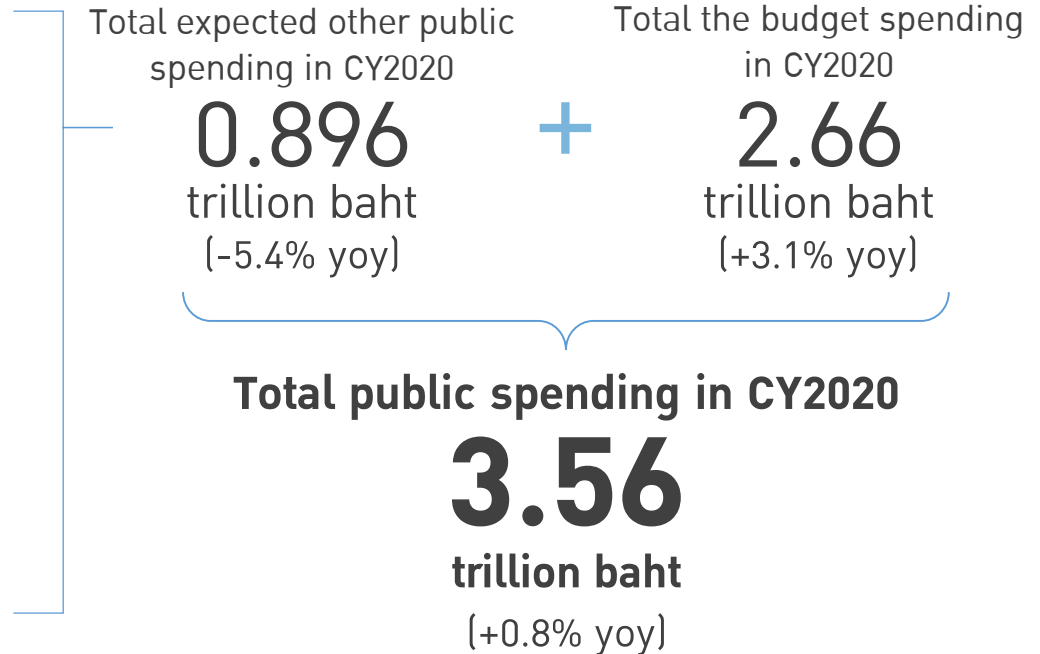
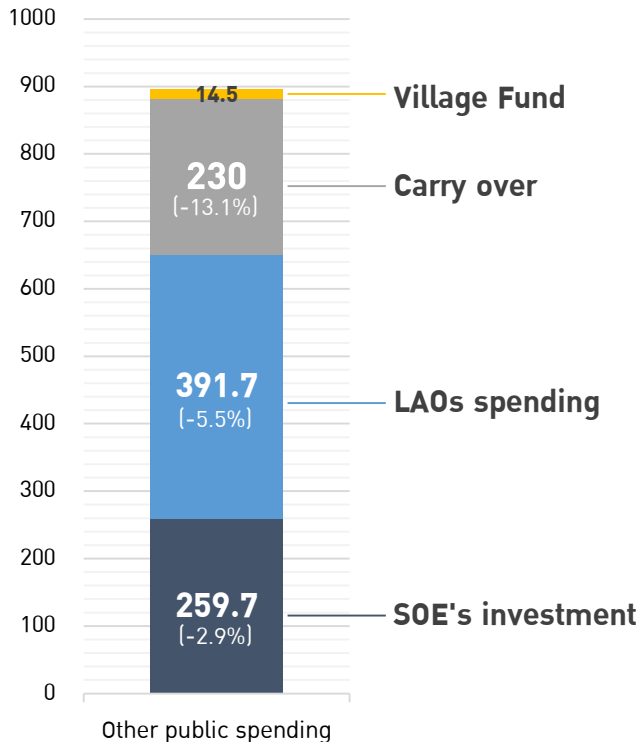
FY2020 Budget spending in CY2020 Q1-Q3
(excl. Principal & interest payments)
 Bt1.855 trillion

FY2020 Budget spending in CY2020 Q4
 Current spending Bt725 billion
 Capital spending Bt80 billion

Total the Budget spending in CY2020 = Bt2.66 trillion (+3.1% yoy)
 of which Current expenditures excl. Principal & interest payments Bt2.32 trillion (+3.5% yoy)
 Capital expenditures Bt0.34 trillion (+0.8% yoy)

DELAYED FY2020 BUDGET RESULTS IN 2020 PUBLIC SPENDING RISING BY ONLY 0.8% (2)

Other public spending in 2020 (billion baht)



Note: Figures in () are changes from CY2019
 LAO = Local government organizations
 SOE= State-owned enterprise

RECENT GOVERNMENT MEASURES ARE MOSTLY SHORT-RUN (1)

SERVICE SECTOR

(62.3% of RGDP and 49.9% of employment)

“Tourism affected by the Corona virus outbreak”

Measures: Stimulate domestic tourism by reducing cost and increasing liquidity

- Tax measures
 - Tax deduction for 2 times of domestic training and seminar expenses and for 1.5 times hotel renovation expenses
 - Tax rate reduction for domestic jet fuel tax
- Financial measures
 - Extend debt repayment and reduce fees
 - Various loan totaling 123,000 million Baht

Our effectiveness assessment: The tax measures could stimulate demand for hotel occupancy post-Corona outbreak; jet fuel tax reduction could help support tourism in the provinces; financial measures could help small tourism-related operators with liquidity issues during outbreak months.

AGRICULTURAL SECTOR

(6.2% of RGDP and 33.5% of employment)

“Agriculture incomes affected by drought”

Measures: Price support

- Agricultural price guarantee budget: Bt69.700 billion*
 - Rice Bt21,495.71 m. (Bt10-15K/ton)
 - Palm oil Bt13,378.99 m. (Bt4/kg)
 - Rubber Bt24,278.63 m. (Bt23-60/kg)
 - Cassava Bt9,670.00 m. (Bt2.50/kg)
 - Maize Bt923.33 m. (Bt8.50/kg)

*Note: * Limited to certain amount or size of growing areas for each crop*

(BAAC will pay farmers first, after which the government will payback to BAAC by the annual budget later)

Our effectiveness assessment: At aggregate level, these will help raise farm incomes as price guarantees of all crops are much higher than overall production declines compared to 2019. But farmers with production relying mainly on irrigation, particularly in the NE, could suffer big production losses and income decline this year.

RECENT GOVERNMENT MEASURES ARE MOSTLY SHORT-RUN (2)

MANUFACTURING SECTOR

(32.6% of RGDP and 16.3% of employment)

“Private investments declined from the decrease in domestic and foreign purchasing power”

Measures: Reduce cost of investment and increase liquidity

- Measures to support domestic investment:
 - Corporate income tax deduction 2.5 times of machinery expenses
 - Exemption of import duty for machineries that have not been exempted
 - Various loans totaling over Bt100,000 million
(The Government expects to stimulate investment of Bt110 billion or 0.7% of GDP)

Our effectiveness assessment: Overall impact on stimulating investment will be small as capacity utilization in many sectors are low and demand conditions both domestic and global remain uncertain.

FY2020 Budget for emergency measures

- Bt96 billion of Contingency Fund for emergencies or immediate needs (0.6% of GDP)
- Bt3 billion for reimbursement of emergency financial assistance to disaster victims (0.2% of GDP)

Our effectiveness assessment: The Government could use these funds to further alleviate impacts of Corona outbreak and drought.

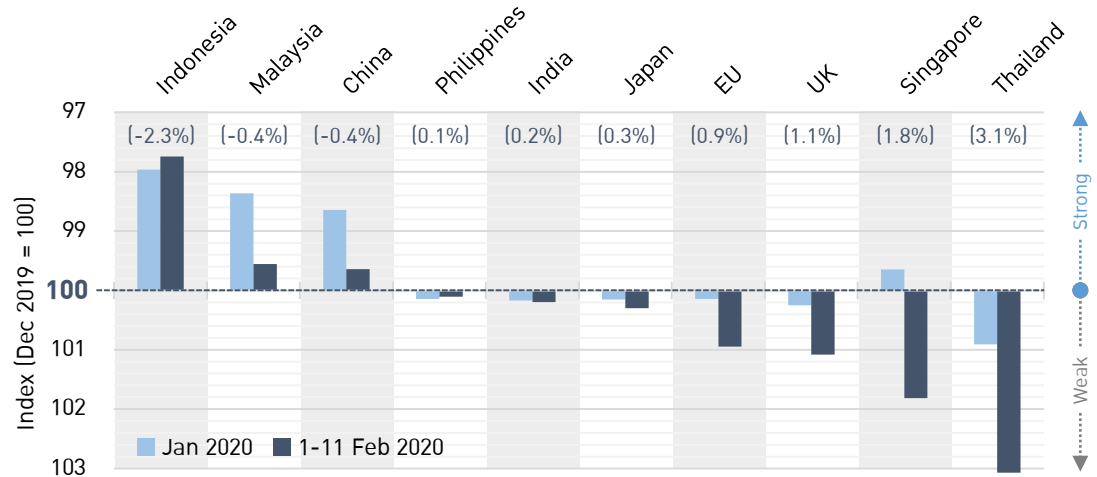
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**SOME POSSIBLE
GOOD NEWS**

BAHT WILL AVERAGE AROUND BT31/USD, WHILE INTEREST RATE REMAINS LOW

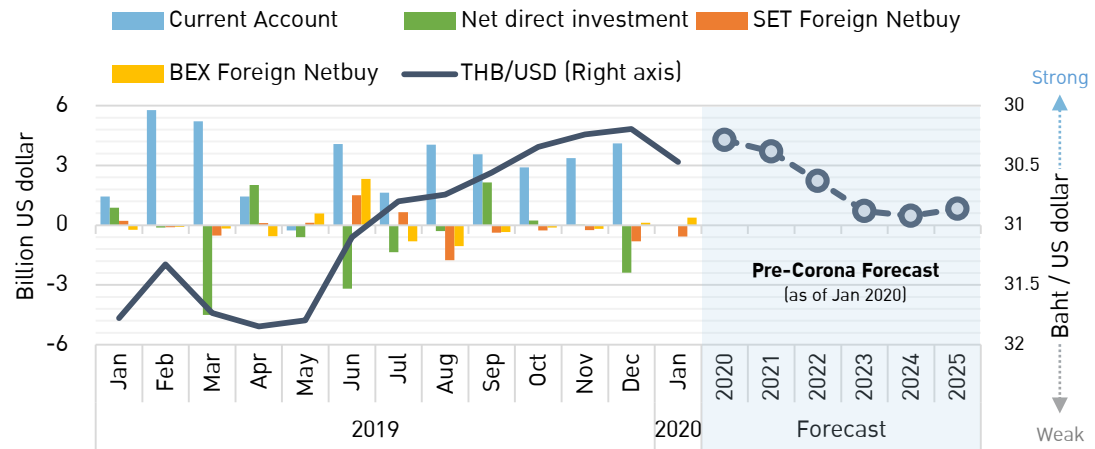
- Baht weakened from Bt30.2/USD in Dec 2019 to Bt30.5/USD in Jan 2020 (+0.9%) and Bt31.1/USD during Feb 1-11 (+3.1% from Dec 2019).
- In 2020H1 the Baht could be above Bt31/USD as Corona outbreak reduces exports and tourism receipts, before rebounding to below Bt31/USD in 2020H2 once outbreak is contained.
- Interest rates will remain low in line with low global interest rates; however, another reduction in Q3 is possible should Corona outbreak or drought pro-long, reducing growth further.

Index of Local Currencies to US dollar (compared to Dec 2019)



Note: Number in brackets are %changes in exchange rate in 1-11 Feb 2020 from Dec 2019; - = appreciate (strong), + = depreciate (weak)

Thai Baht Movement Drivers

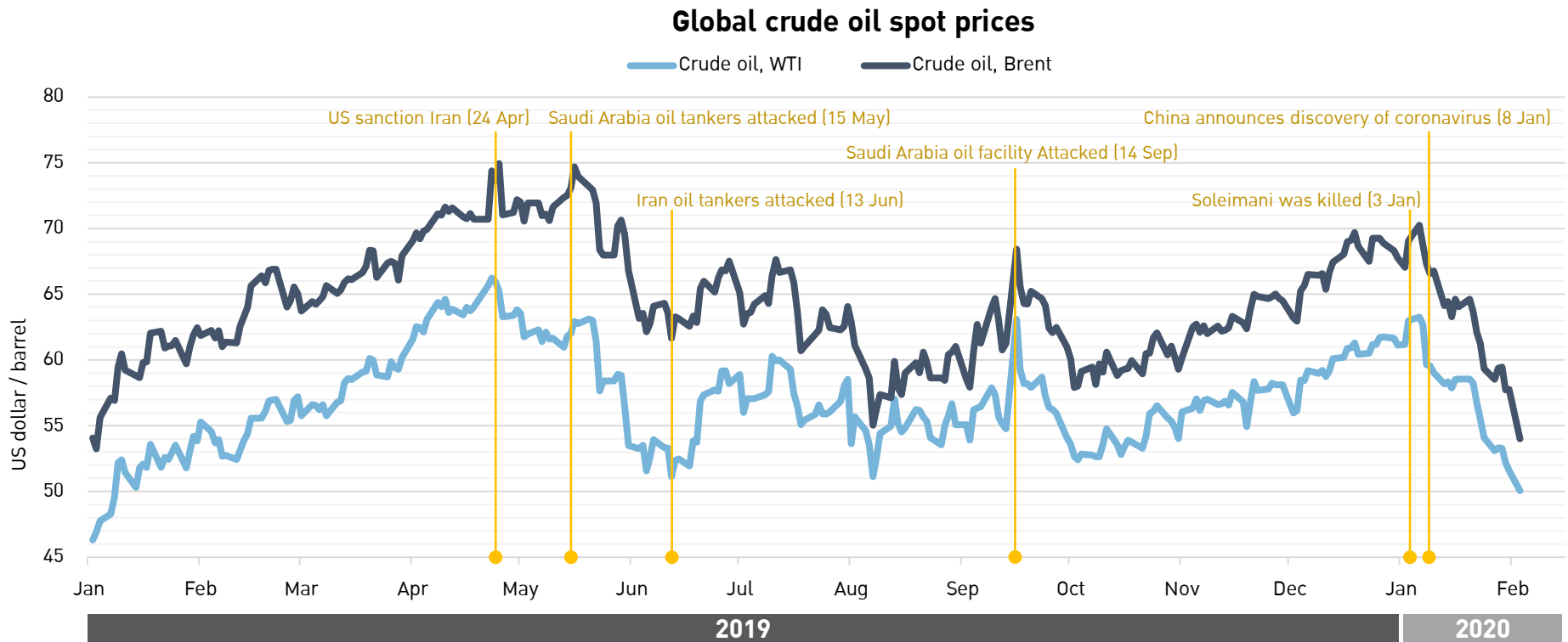


Source: SET, ThaiBMA, BOT, CEIC and Consensus Economics Inc. (as of Jan 2020)

Note: Current account and Net direct investment data for Jan 2020 are not yet released

CRUDE OIL PRICES WILL BE LOWER THAN LAST YEAR'S

- Decline in oil demand from China (14% of world consumption) this year will lower oil prices below last year's US\$64.3/barrel.
- EIA expects world inventory to be high in 2020H1, pushing oil prices below US\$63/barrel before rebounding to above that in 2020H2 when inventory falls and demand recovers post Corona outbreak containment.

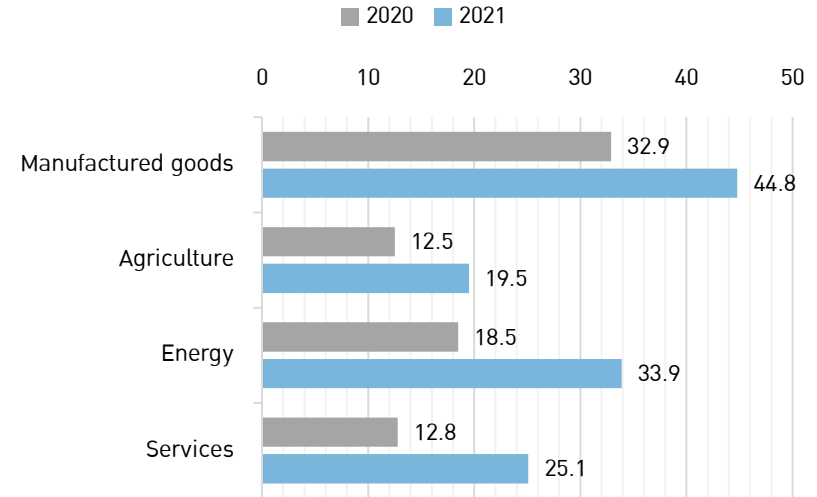


Source: EIA

US-CHINA PHASE ONE DEAL EASED TRADE WAR TENSIONS SOMEWHAT

- US agreed to cut tariffs on US\$120 billion in Chinese goods by half, to 7.5%, within about 30 days as condition for China to sign the deal (Not included in the text). However, US tariffs on about US\$370 billion in Chinese goods are still in place.
- China agreed to
 - cut tariffs on \$75 billion by half effective Feb 14, 2020
 - increase purchase of US goods and services by US\$200 billion from 2017 level over two years
 - allow more market access for US dairy products, poultry, beef, fish, rice and pet food
 - further open Chinese markets to foreign firms, especially in financial services
 - provide strong new protections for trade secrets and intellectual property
 - prohibit forcing of technology transfer
 - refrain from competitive devaluations and the targeting of exchange rates for competitive purposes

Additional US exports to China on Top of 2017 base line (billion US dollar)



Source: USTR

TECH WAR ARE ALSO EASING

Tech war easing

- The technology issue is not addressed in US-China phase one deal
- In November 2019, the Commerce Department for the third time extended a temporary license that allows US companies do business with Huawei until mid February 2020.
- The Commerce Department pulled back a proposed rule that would have further limited what US companies can sell to Huawei from overseas without an export license after the Department of Defense opposed the proposed rules
- Despite the US lobbying ally for the ban, UK finally approved some 5G technology from Huawei

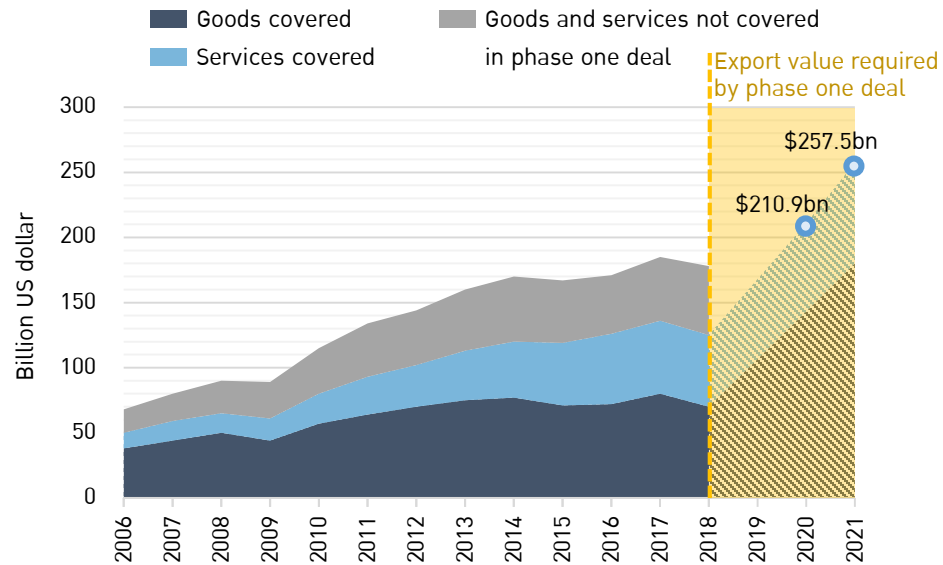
China is aiming for more technology self-reliance. Some measures undertaken include

- Orders by the Government for government offices and public institutions to remove foreign computer equipments and software within 3 years
- Accelerating technology development efforts with other countries in order to reduce its reliance on the U.S. e.g. improving cooperation with other countries and regions including Thailand, MOU on Huawei Academy

BUT CHINA MAY NOT BE ABLE TO MEET PURCHASE DEAL OR MUST DIVERT TRADE

- The purchase deal is somewhat unrealistic.
 - China imported US\$186 billion of US products in 2017. The deal covers only 72% of those products valued at US\$134.2 billion and the deal is targeted this to reach US\$257.5 billion in 2021 (92% increase)
- Corona virus outbreak will make it difficult for China to fulfill its end of the bargain in US-China phase one deal; China may use it to ask for a re-negotiation with the US per Article 7.6.
- To fulfill the deal, China may possibly divert trade from other trading partners, including Thailand.
 - Products that China may import less from Thailand include cereal flour, prepared fish, dextrin and modified starches, chemical products, wood products

Total US goods and services exports to China



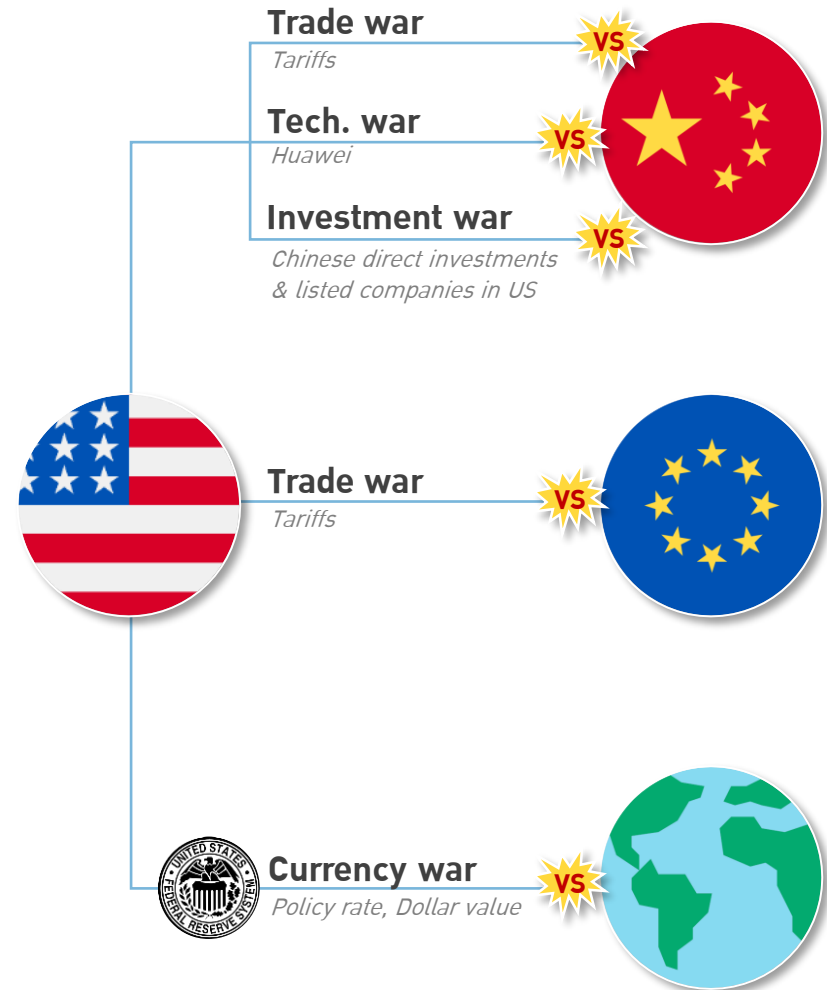
Source: Peterson Institute for International Economics

Article 7.6, paragraph 2

In the event that a natural disaster or other unforeseeable event outside the control of the Parties delays a Party from timely complying with its obligations under this Agreement, the Parties shall consult with each other.

TRADE WAR IS EXPECTED TO LAST VERY LONG

- Upcoming US president election will be held in November 2020. To gain votes, Pres. Trump unlikely to reduce confrontation with other nations
- Impeachment is unlikely as the 'guilty' dictation requires two-thirds majority of the senators.
- Fears of threats from China's rise – politics, economics, and technology – run deep in both Republican and Democrat upcoming presidential candidates.
- Multiple wars are likely to continue next year: Trade, Tech, Investment, and Currency wars.
- In Nikei's survey in September 2019 of 1,000 Japanese companies involved in business with China, half of respondents said trade war is likely to last for over 10 years.



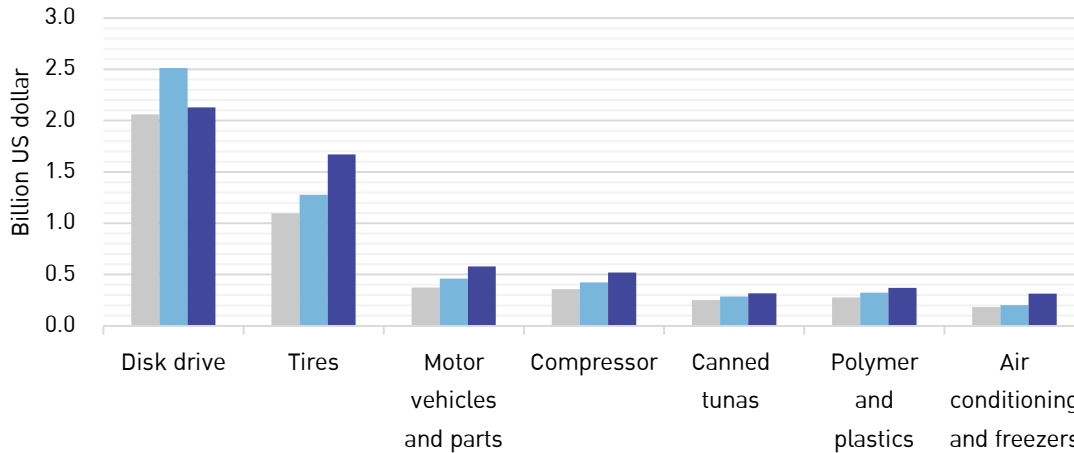
SEVERAL EXPORTS BENEFITED FROM TRADE DIVERSION

THAI EXPORT TO US

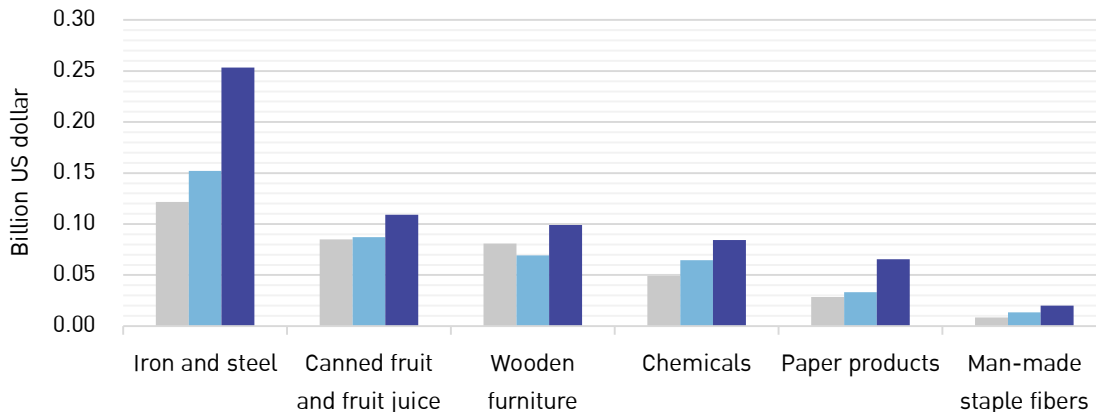


These sectors account for 5.3% of total Thai exports in 2019

■ Jan-Aug 2017 ■ Jan-Aug 2018 ■ Jan-Aug 2019



Sectors with exports to US >US\$300 million and grew >8% since trade war



Sectors with exports to US <US\$300 million and grew >8% since trade war

Source: Trademap

Note: * Disk drive presented slow exports growth in 2019 but export value was higher than 2017 because of slowdown of global demand for personal computers and changing in SSD technology that will pressure overall HDD shipments to decrease.

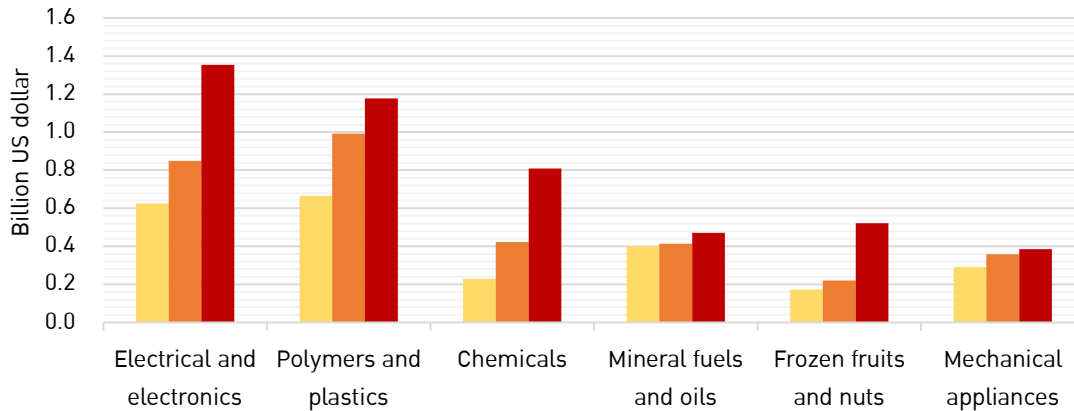
SEVERAL EXPORTS BENEFITED FROM TRADE DIVERSION

THAI EXPORT TO CHINA

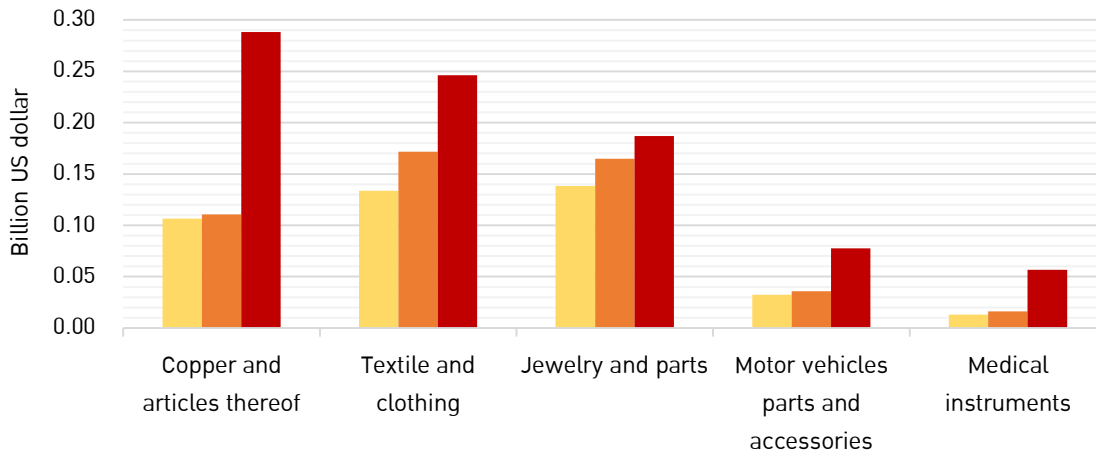


These sectors account for 3.9% of total Thai exports in 2019

Jan-Aug 2017 Jan-Aug 2018 Jan-Aug 2019



Sectors with exports to China >US\$300 million and grew >8% since trade war

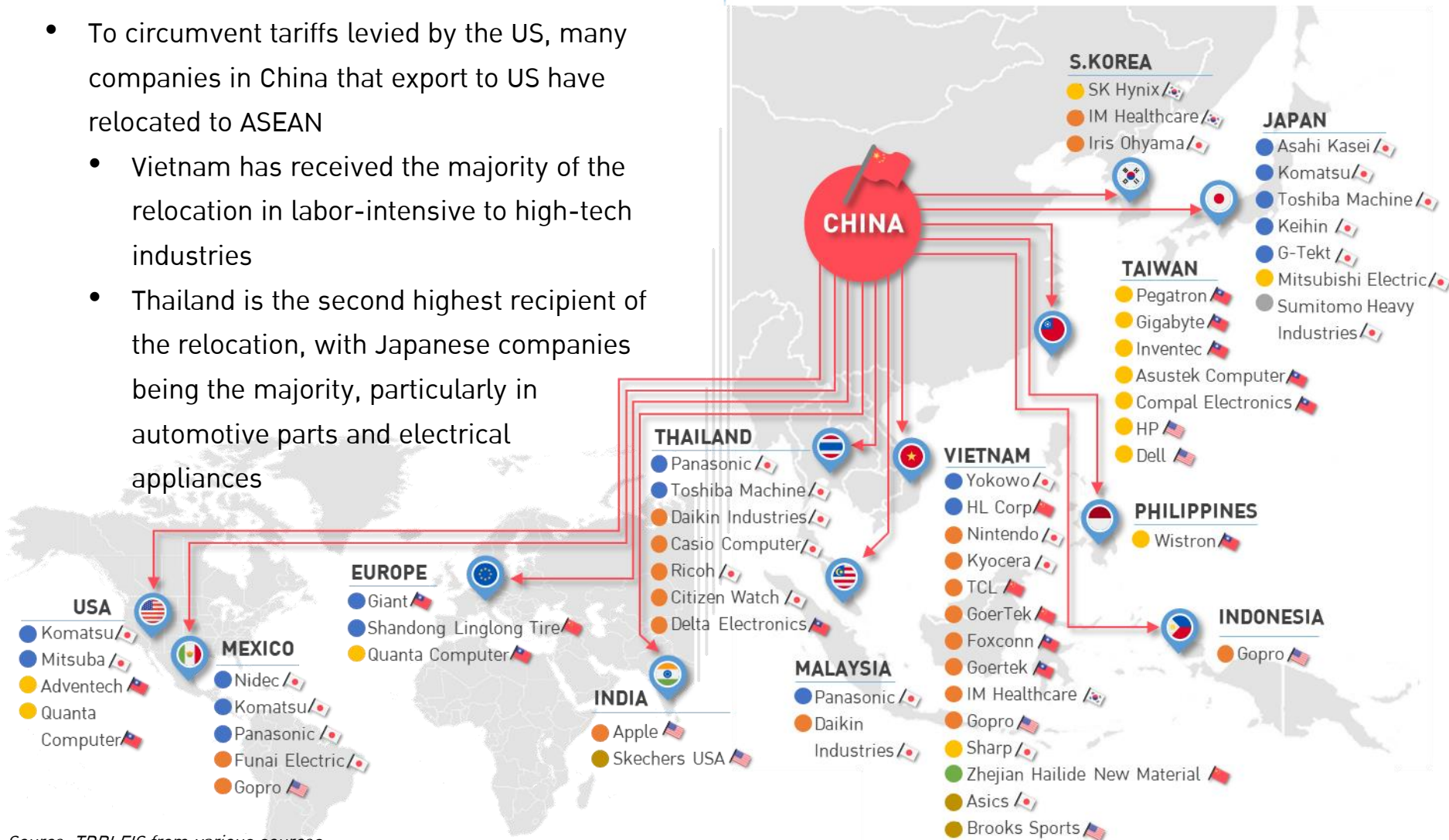


Sectors with exports to China <US\$300 million and grew >8% since trade war

Source: Trademap

COMPANIES FROM CHINA HAVE RELOCATED TO THAILAND

- To circumvent tariffs levied by the US, many companies in China that export to US have relocated to ASEAN
- Vietnam has received the majority of the relocation in labor-intensive to high-tech industries
- Thailand is the second highest recipient of the relocation, with Japanese companies being the majority, particularly in automotive parts and electrical appliances



Source: TDRI EIS from various sources

Note: ● Automotive & Parts ● Computer & Parts ● Electrical Appliances ● Petro-chemical Products ● Footwear ● Machinery

🇯🇵 🇺🇸 🇰🇷 🇨🇳 🇹🇼 are Japanese, American, South Korean, Chinese and Taiwanese companies, respectively

CONCLUSION

- Thailand's GDP growth will be reduced by around 0.8pp, making growth around 2% this year from the Corona virus outbreak, Government budget delay, drought, and other downside risks.
- Tourism-related industries (hotels, restaurants, retail products, tour services, air travel) are hardest hit by the outbreak; tourism receipts (13% of real GDP) could fall by 8% this year, assuming that tourist arrivals will recover only in July.
- Exports to China and ASEAN will continue to decline from last year (especially during the Corona outbreak of Feb-Apr), contracting overall export growth this year by 1%.
- Domestic consumption of travel, shopping, restaurant dining and entertainment are also affected as people fear to be in crowded areas, buses, and planes (Feb-Apr), while the property sector is dampened in 2020H1 as Chinese buyers postpone buying.
- The delay in the implementation of FY2020 budget to April (from February) results in only 0.8% expansion of public spending this year.

CONCLUSION

- Drought will reduce crop production particularly of rice, but government price subsidy will support overall farm incomes.
- Interest rates will remain low with global trends with a possibility of another cut mid-year if the impact of the outbreak and drought is more severe than expected.
- Baht may be similar to 2019 level of Bt31/US\$ as it weakens in the first half of the year before rebounding in the second half.
- Oil price is forecasted to fall from last year to below US\$64/barrel as demand in China slows.
- Trade war, which has softened marginally, will support exports, but the risk of China not being able to fulfill the deal and the trade war intensifying remains.
- Imports this year will likely contract by 1.5% as opposed to a 2% expansion previously forecasted.
- Many downside risks remain.

TDRI·EIS

APPENDIX

TOP 20 THAI EXPORTS

Exports of Top 20 Products	%YoY Growth of Thai Exports										Share 2019
	Q1-19	Q2-19	Q3-19	Q4-19	Oct-19	Nov-19	Dec-19	2017	2018	2019	
High Growth in 2019	26.2	34.2	21.3	11.0	12.5	9.0	11.6	19.1	19.9	23.7	2.7
Fruits	66.0	39.0	41.4	9.9	9.5	9.1	10.7	47.4	13.8	38.4	1.4
Toiletries and Cosmetics	3.7	28.8	3.0	11.9	14.3	9.0	12.5	1.1	25.5	11.4	1.3
Positive Growth in 2019	-3.5	5.6	5.3	8.0	7.1	1.5	16.3	9.4	5.3	3.6	5.5
Air Conditioning	-3.3	10.7	4.0	8.2	11.8	-6.9	21.0	-2.8	10.4	4.4	2.0
Electrical Appliances Parts	-6.3	6.1	7.5	10.8	0.3	9.3	24.8	21.2	-3.0	4.3	1.8
Food Products	-1.0	-0.6	4.5	5.2	10.1	1.6	3.7	12.3	8.7	1.9	1.8
Negative Growth in 2019	-5.3	-7.8	-5.5	-5.4	-3.6	-8.9	-3.6	9.0	7.2	-6.0	46.5
Vehicle Parts & Accessories	-0.9	1.0	0.3	-3.1	-3.5	-5.2	-0.6	13.6	10.3	-0.7	6.8
Jewellery	-7.0	0.4	-1.5	-0.1	-6.9	4.2	3.2	0.6	6.5	-2.3	2.9
Apparels and Textile Materials	-0.8	-4.2	-2.2	-3.5	-0.9	-5.3	-4.6	3.9	6.5	-2.7	2.9
Pick Up and Trucks	11.1	-4.3	0.5	-22.6	-1.1	-44.3	-22.4	11.8	8.3	-4.0	3.1
Telecommunication Equipments	-7.7	-3.5	-2.2	-10.9	-13.4	-18.5	0.8	51.0	6.3	-6.2	2.2
Machinery & Equipment	-3.3	-6.4	-7.2	-8.2	-9.6	-10.5	-4.1	7.2	6.7	-6.3	8.4
Passenger Car	-8.2	-12.9	-4.4	-6.3	6.4	-6.6	-18.8	-7.1	2.6	-8.0	4.2
Rubber products	4.8	-23.1	-14.2	-0.5	-3.4	-3.2	5.1	41.3	4.1	-8.6	2.1
Petro-Chemical Products	-6.2	-10.2	-9.2	-9.3	-10.5	-10.3	-6.9	10.1	16.0	-8.7	5.3
Integrated Circuits & Parts	-11.3	-14.3	-8.4	-1.0	5.5	-2.4	-5.7	7.1	0.8	-8.8	3.1
Computer Parts	-18.9	-12.1	-10.6	5.2	4.8	-0.6	12.5	5.7	5.9	-9.4	5.5
High Negative Growth in 2019	-8.8	-16.9	-23.5	-27.5	-29.2	-33.6	-18.9	27.2	11.6	-19.5	9.5
Rubber	-8.9	-11.8	-3.9	-15.2	-22.9	-18.4	-2.7	35.5	-23.6	-10.0	1.7
Chemicals	-7.2	-18.0	-18.8	-25.9	-25.4	-29.7	-22.4	22.9	23.3	-17.7	3.0
Petroleum Products	-9.3	-14.4	-29.3	-30.7	-35.9	-44.3	-7.3	32.5	30.0	-21.8	3.1
Rice	-10.6	-23.9	-35.1	-33.3	-26.6	-31.4	-41.1	17.6	9.4	-25.9	1.7
Top 20 Product group	-4.8	-6.8	-6.8	-8.1	-7.2	-12.2	-4.4	11.9	8.2	-6.6	64.3
Non-Top 20 Product group	4.1	2.3	12.6	2.7	0.7	2.3	5.3	6.0	4.4	5.4	35.7
<i>Total Export ex Gold, Arm</i>	<i>-5.1</i>	<i>-5.4</i>	<i>-5.2</i>	<i>-4.3</i>	<i>-4.4</i>	<i>-7.6</i>	<i>-0.4</i>	<i>10.9</i>	<i>7.7</i>	<i>-5.0</i>	<i>95.8</i>
Total Export	-1.9	-3.8	-0.5	-4.5	-4.5	-7.4	-1.3	9.9	6.9	-2.7	100.0