

# Notice to readers

---

SCBS



## Dear readers:

The economic report contained in this report was produced by SCB Economic Intelligence Center (SCB EIC) and SCB Securities (SCBS) has been granted permission by Siam Commercial Bank to distribute this report to its clients. In doing so, SCBS has reviewed the report and agrees with the contents of this report.

SCBS is distributing this economic research report on its own behalf for general information only.

SCB Securities Company Limited

---

Exports (excluding gold) in February 2021 recovered as anticipated, marking a 3 consecutive months growth. Going forward, exports should continue to improve in line with global economic conditions.

25 March 2021

### Key summary

The value of Thai exports in February contracted by -2.6%YOY. However, excluding gold, exports increased by 4.0%YOY. Such conditions reflected improving trade conditions and a broad-based recovery evident from the high proportion of export merchandise with expansion (export merchandise with overall growth in December 2020 – February 2021 was as high as 65.5%). Moreover, the export value of key products that already surpassed the value prior to the COVID-19 outbreak included agricultural products, machinery, computers, automotive, chemicals, and refined fuel.

Going forward, EIC anticipates that the export growth momentum should continue following improving global economic conditions prompted by the progress of vaccine inoculations and various countries' stimulus packages. Furthermore, Thai exports should receive additional boosts from surging commodity prices. However, various challenges remain particularly regarding container shortages, semiconductor deficiencies, and the unrest in Myanmar.

### Key points

**The value of Thai exports fell by -2.6%YOY in February 2021. Excluding gold, exports improved by 4.0%YOY**, representing a 3 consecutive months expansion. During the first 2 months of 2021, the value of exports dropped slightly by -1.2%YOY. Excluding gold, exports growth boosted to 5.1%YOY.

**Exports from various sectors recovered particularly agricultural products, chemicals and plastic, electronics, and electrical appliances.**

- Exports of agricultural products continued to increase for 4 consecutive months at 18.0%YOY, after expanding by 9.6%YOY in the previous month. Agricultural products that experienced solid growth were cassava (46.6%YOY), rubber (22.8%YOY) and fresh/ chilled/ frozen/ dried fruits (116.6%YOY). However, exports of rice continued to tumble by -4.9%YOY, improving from the -15.9%YOY drop in the previous month.

- **Exports of industrial products (excluding gold) continued to improve for 3 consecutive months at 4.1%YOY.** The key products that led the growth were automotive and parts (3.6%YOY), electrical appliances (12.3%YOY), chemicals and plastic (21.4%YOY), steel and products (7.6%YOY), computers, parts, and components (12.7%YOY), and electronic integrated circuits (9.5%YOY).
- **Exports of products relating to living and working at home and sanitary goods continued to improve.** Such products included pet food (20.7%YOY), refrigerators, freezers, and parts (15.5%YOY), furniture and parts (20.2%YOY), medical instruments and appliances (4.0%YOY), and rubber products (24.8%YOY) with rubber gloves surging by 214.8%YOY
- **However, exports of agro-industrial products continued to drop for 10 consecutive months with the latest month decline of -4.8%YOY,** falling from the -3.2%YOY contraction in the previous month. The products leading the decline were canned and processed seafood (-9.6%YOY) with canned tuna exports tumbling by -20.3%YOY, as well as exports of beverages (-9.4%YOY) and sugar (-35.5%YOY).
- **Exports of refined fuel shrank by -5.4%YOY, significantly improving from the -26.0%YOY fall in January.** Such an improvement was driven by increasing global oil prices (in February, the Brent crude oil price increased by 12.7%YOY). Nevertheless, the key export destinations with contractions were Malaysia (-7.9%YOY), Singapore (-61.0%YOY), Laos (-15.9%YOY), and Myanmar (-13.8%YOY).
- **Unwrought gold exports continued to fall for 6 consecutive months with the latest month growth of -93.0%YOY.** The main markets that led the decline included Singapore (-87.4%YOY), Australia (-51.1%YOY), and Hong Kong (-99.6%YOY).

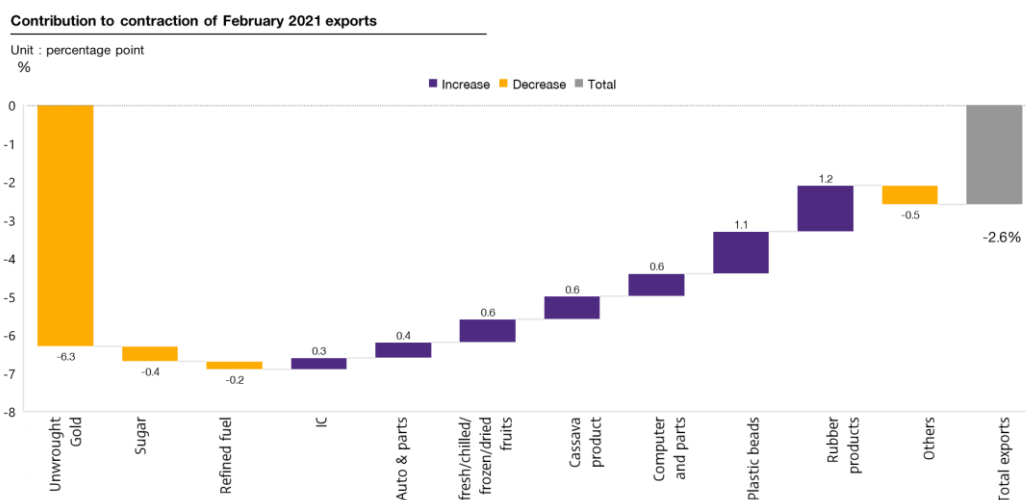
**Figure 1: Exports from various sectors recovered, particularly agricultural products, chemicals and plastic, electronics, and electrical appliances.**

Export by product										
Unit: %YOY, (Share in 2020)	2019	2020	2020Q1	2020Q2	2020Q3	2020Q4	Dec-20	Jan-21	Feb-21	YTD
Overall exports	-2.6%	-6.0%	1.0%	-15.2%	-7.8%	-2.0%	4.7%	0.3%	-2.6%	-1.2%
Exports excl. gold and am (94.2%)	-4.7%	-8.4%	-1.2%	-19.8%	-10.8%	-1.6%	5.0%	6.3%	4.0%	5.1%
Electrical appliance (10.2%)	-0.4%	-2.7%	-1.0%	-22.0%	1.6%	10.9%	13.2%	10.4%	12.3%	11.3%
Auto & parts (9.2%)	-5.6%	-22.2%	-10.4%	-52.7%	-24.8%	-0.5%	3.2%	25.7%	3.6%	14.2%
Agriculture (9.2%)	-6.2%	-3.2%	-8.6%	1.4%	-9.6%	4.8%	10.7%	9.6%	18.0%	13.8%
Chemical & plastic (8.1%)	-11.8%	-10.7%	-12.4%	-19.4%	-10.3%	-0.3%	9.5%	5.7%	21.4%	13.4%
Computer and part (8.1%)	-7.6%	2.3%	8.8%	-6.8%	3.7%	3.8%	15.1%	9.2%	12.7%	10.9%
Agro (7.8%)	2.9%	-4.0%	4.0%	-3.0%	-4.8%	-11.5%	-7.5%	-3.2%	-4.8%	-4.0%
Rubber product (5.3%)	1.9%	7.8%	6.6%	-7.7%	15.7%	15.5%	15.7%	21.9%	24.8%	23.4%
IC (3.1%)	-8.9%	-5.7%	-6.3%	-5.1%	-9.7%	-1.8%	7.3%	12.6%	9.5%	11.1%
Machinery and part (2.8%)	-10.6%	-11.0%	-1.9%	-27.4%	-16.5%	1.9%	8.6%	-5.2%	14.6%	4.5%
Refined fuel (2.3%)	-21.4%	-26.9%	-4.0%	-42.5%	-33.2%	-27.9%	-16.6%	-26.0%	-5.4%	-16.2%
Export by destination										
Unit: %YOY, (Share in 2020)	2019	2020	2020Q1	2020Q2	2020Q3	2020Q4	Dec-20	Jan-21	Feb-21	YTD
USA* (14.4%)	5.0%	12.8%	16.1%	1.1%	17.6%	16.0%	15.7%	12.4%	19.7%	16.1%
ASEAN 5 (13.5%)	-9.8%	-12.2%	5.3%	-19.7%	-19.0%	-15.0%	0.8%	-11.0%	-17.3%	-14.2%
China (12.9%)	-3.8%	2.0%	-0.9%	12.1%	-0.2%	-2.6%	7.2%	9.9%	15.7%	12.8%
CLMV (10.6%)	-6.3%	-11.1%	2.8%	-25.9%	-9.2%	-12.0%	-6.3%	3.8%	-4.2%	-0.3%
Japan (9.9%)	-1.7%	-6.7%	-5.5%	-13.5%	-12.2%	4.2%	14.8%	7.4%	6.5%	7.0%
EU15 (8%)	-6.6%	-12.7%	-4.0%	-30.7%	-12.6%	-3.7%	-2.4%	-5.4%	0.2%	-2.7%
Hong Kong (4.9%)	-6.5%	-3.6%	12.3%	-8.6%	-13.9%	-2.0%	10.0%	23.4%	-30.7%	-13.7%
Australia (4.3%)	-5.1%	-3.9%	-2.3%	-15.9%	-8.9%	14.8%	15.3%	30.0%	17.2%	23.2%
Middle East (3.2%)	-1.6%	-13.0%	3.7%	-22.0%	-24.3%	-10.1%	0.1%	13.1%	-9.9%	0.1%
India (2.4%)	-3.8%	-25.2%	-11.4%	-67.2%	-21.6%	9.0%	14.5%	-11.5%	8.9%	-1.1%

Remarks: \* Excluding weaponry shipments to the US in 2019 and 2020

Source: EIC analysis based on data from the Ministry of Commerce

**Figure 2: Key products influencing Thai exports in February 2021.**



Source : EIC analysis based on data from the Ministry of Commerce

**Regarding exports by destinations, exports to the US, China, Japan, and Australia continued to improve. Meanwhile, exports to Europe started to recover. Nevertheless, exports to ASEAN 5 and CLMV countries reverted to a contraction.**

- **Exports to the US accelerated to 19.7%YOY**, improving from the 12.4%YOY growth in the previous month following the expansion from computer, parts, and components (5.5%YOY), rubber products (34.5%YOY), automotive and parts (40.1%YOY), and air conditioner and parts (100.7%YOY).
- **Exports to China continued to increase for 3 consecutive months at 15.7%YOY in February**, accelerating from the 9.9%YOY growth in the previous month. Major products contributing to the growth included computer, parts, and components (8.5%YOY), fresh/ chilled/ frozen/ dried fruits (178.0%YOY), cassava products (82.5%YOY), and plastic beads (65.6%YOY).
- **Exports to Japan continued to increase for 4 consecutive months at 6.5%YOY**, moderating from the 7.4%YOY growth in January. Major products contributing to the growth included automotive and parts (71.0%YOY), chemicals (29.9%YOY), steel and products (44.7%YOY), and machinery and parts (13.5%YOY).
- **Exports to Australia continued to surge for 6 consecutive months with the latest month growth of 17.2%YOY**. Major products contributing to the growth included automotive and parts (21.7%YOY), air conditioners and parts (27.2%YOY), and rubber products (44.7%YOY).
- **Exports to EU15 returned to growth for the first time in 12 months at 0.2%YOY**. Products influencing such growth were computer, parts, and components (46.5%YOY), rubber products (77.9%YOY), and motorcycles and parts (11.8%YOY).
- **Nevertheless, exports to CLMV reverted to a -4.2%YOY contraction**, after expanding by 3.8%YOY in the previous month. The key markets with contractions were Myanmar and Cambodia at -

29.5%YOY and -10.6%YOY, respectively. Meanwhile, the main products that led the decline were beverages (-15.8%YOY), chemicals (-2.6%YOY), and air conditioners and parts (-13.1%YOY).

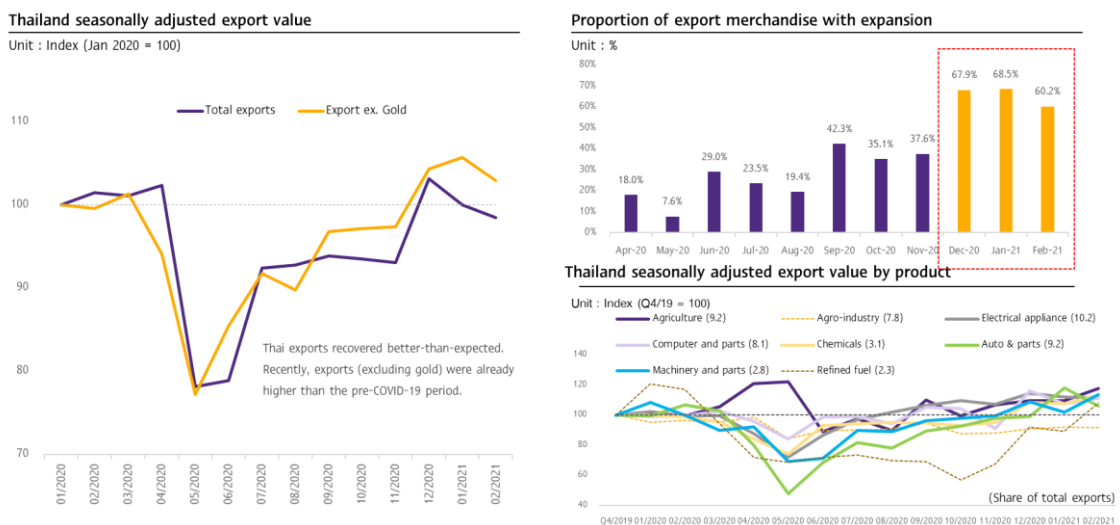
- **Exports to ASEAN 5 continued to decline for 2 consecutive months at -17.3%YOY in February**, after dropping by -11.0%YOY in the previous month. The main products that led the decline were refined fuel (-20.8%YOY) and chemicals (-16.2%YOY).

**In terms of imports, the value of imports in February soared by 22.0%YOY**, improving considerably from -5.2%YOY in January. Imports improved across the board, including capital goods (21.0%YOY), consumer goods (20.7%YOY), vehicles and transportation equipment (26.5%YOY), and fuel products (10.6%YOY). Imports of raw materials and intermediate raw materials also increased by 41.9%YOY, though excluding gold, the growth stalled considerably to 28.8%YOY. Despite the lowered rate, the robust growth was prompted by heightening demand for raw materials import to manufacture export products, reflecting positive export conditions in the periods ahead. Nevertheless, during the first 2 months of 2021, imports expanded by 6.8%YOY with a trade deficit of USD 195.2 million.

## ■ Implication

**Exports, excluding gold, grew by 4.0%, reflecting improving export conditions.** Such growth confirmed EIC’s previous estimation of faster-paced export growth. As such, in mid-March, EIC revised up the export growth forecast in 2021 to 6.4%. According to Figure 3 (left), the value of exports excluding gold surpassed the level prior to the COVID-19 outbreak, reflecting a fast-paced growth. Moreover, Figure 3 (right) suggested a broad-based surge in exports as the proportion of export merchandise with growth improved (export merchandise with overall growth in December 2020 – February 2021 was as high as 65.5%). Furthermore, the export value of key products that already surpassed the value prior to the COVID-19 outbreak included agricultural products, machinery, computers, automotive, chemicals, and refined fuel.

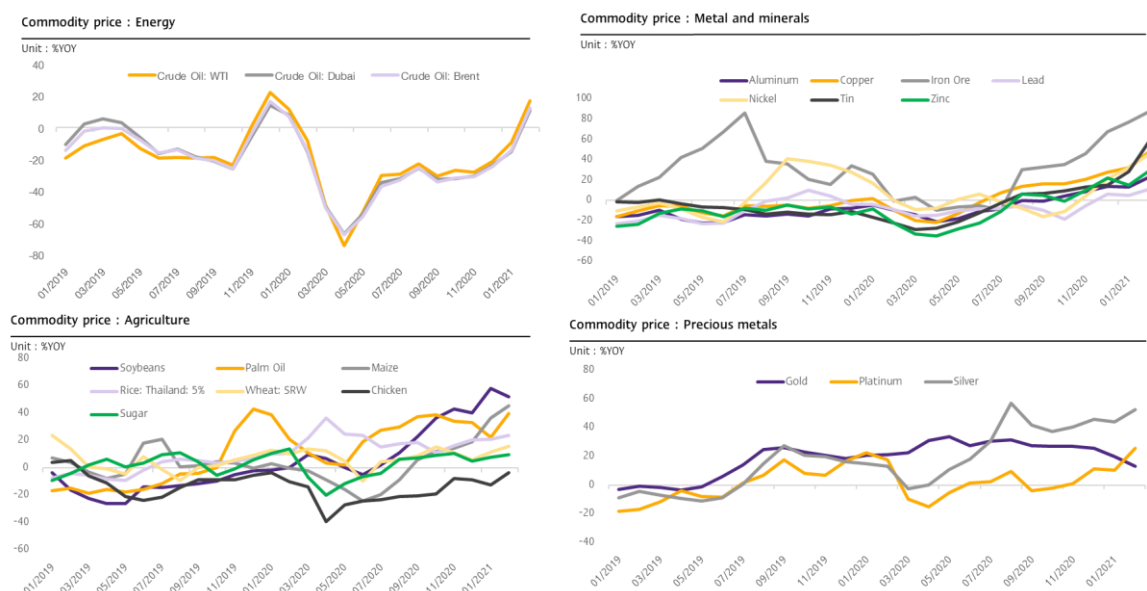
**Figure 3: Export conditions improved with a broad-based recovery.**



Source : EIC analysis based on data from the Ministry of Commerce

**Going forward, EIC anticipates a continuing recovery momentum following improving global economic conditions and would benefit from higher commodity prices.** The global economic conditions should continue to expand from the progress of vaccine inoculations, particularly during the second half of 2021 as various developed economies should form herd immunity. Other notable global economic drivers include the stimulus packages introduced by various governments, such as the USD 1.9 trillion stimulus package introduced by the US. Furthermore, surging commodity prices will usher export recovery by directly heightening the export price of key Thai products, including agricultural products (sugar, rubber, and rice), refined fuel, chemicals, and steel (Figure 4).

**Figure 4: The surging commodity prices directly increased the export price of key Thai commodities, such as agricultural products, refined fuel, chemicals, and steel.**

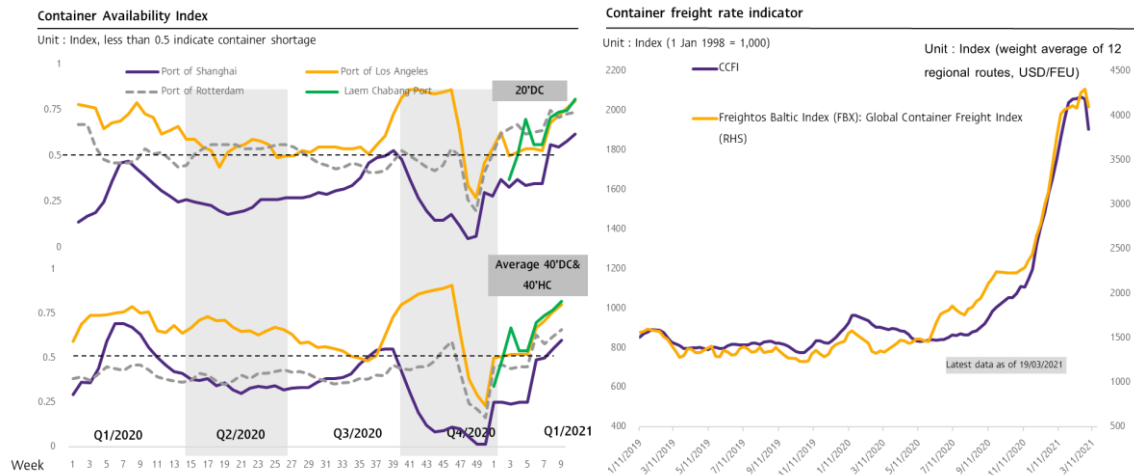


Source : EIC analysis based on data from CEIC

**Nevertheless, various risks warrant monitoring, including**

**1) Prevailing container shortages and skyrocketing freight costs.** Even though the container shortage conditions improved and the freight rate somewhat declined during March, the freight rate remained comparatively high. Such a situation will increase Thai exporter’s costs and will continue to suppress export growth during the first half of 2021 before the situation alleviates in the second half of 2021 (Figure 5).

**Figure 5 : The container shortage conditions somewhat eased, though the freight rate remains high.**



Source : EIC analysis based on data from Container xChange, Bloomberg, and CEIC

2) **The global shortage of semiconductors (chip) should impair manufacturers within its supply chain.** Casualties from the COVID-19 outbreak prompted various factories to suspend production. On the contrary, the demand for electronic products improved, thereby causing insufficient chip supply. Furthermore, the global production capacity further declined as Taiwan, one of the world's main chip manufacturer, had to drastically lower chip production capacity due to the lack of available water from the harsh drought conditions in the country. As such, the shortages are becoming more prominent. Recently manufacturers, such as Samsung announced that the company cannot produce enough supply in time. Manufacturing of other electronic products, such as iPhone 12 and PlayStation 5 will also be delayed. Furthermore, chip shortages will impact the global automotive industry as various parts of the modern car require the chip. However, various related parties forecasted that the issue regarding chip shortages could linger throughout 2021.

2) **The political unrest in Myanmar** paused economic activities. As such, Thai exports to Myanmar will also be impacted. In February 2021, exports to Myanmar plummeted by -29.5%YOY. The main export products to Myanmar include refined fuel, beverages, machinery, chemicals, and steel.

By: Panundorn Aruneeniramarn (panundorn.aruneeniramarn@scb.co.th)  
Senior Economist

Phimchanok Hou (phimchanok.hou@scb.co.th)  
Analyst



Economic Intelligence Center (EIC)  
Siam Commercial Bank PLC.  
EIC Online: [www.scbeic.com](http://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.