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**Thailand's export value hits record high in 2021.**  
EIC anticipates that the export momentum will continue in 2022 due to various supporting factors.

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## Author

**POONYAWAT SREESING, Ph.D.** (poonyawat.sreesing@scb.co.th)

SENIOR ECONOMIST

**VISHAL GULATI** (vishal.gulati@scb.co.th)

ANALYST

---

## ECONOMIC AND FINANCIAL MARKET RESEARCH

**YUNYONG THAICHAROEN**

SEVP, Chief Wholesale Banking Officer

Siam Commercial Bank PLC.

**CHINNAWUT TECHANUVAT, Ph.D.**

HEAD OF ECONOMIC AND FINANCIAL MARKET RESEARCH

**WACHIRAWAT BANCHUEN**

SENIOR ECONOMIST

**POONYAWAT SREESING, Ph.D.**

SENIOR ECONOMIST

**ASAMA LIAMMUKDA**

ANALYST

**JONGRAK KONGKUMCHAI**

ANALYST

**NICHANAN LOGEWITOO**

ANALYST

**PUNN PATTANASIRI**

ANALYST

**VISHAL GULATI**

ANALYST



# **Thailand's export value hits record high in 2021. EIC anticipates that the export momentum will continue in 2022 due to various supporting factors.**

## **KEY SUMMARY**

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### **Exports in December continued to surge.**

The value of exports continued to soar by 24.2% in December amid the Omicron outbreak. Exports improved across the board, both in terms of key merchandise and destination. Meanwhile, in terms of the seasonally adjusted month-on-month growth, exports, excluding gold, also expanded by 4.2% from November as many countries have growing import demands during the year-end, reflecting from persistent Global Manufacturing PMI readings above 50. However, exports to Europe started to stall from the previous month, signaling the potential casualties from the outbreaks and lockdowns in various countries. Such situations warrant close monitoring.

### **Thailand's export value hits record high in 2021.**

In 2021, Thailand's export value hits record high with 17.1% growth, the highest growth in 11 years. Factors that supported growth included the continuing recovery of global trade conditions and the weakening baht. Key markets that saw considerable growth were China and India. Meanwhile, key products with high growth were refined fuel, chemicals, and plastic beads.

### **Thailand's strong export momentum should continue in 2022 due to various supporting factors.**

In 2022, Thailand's exports are expected to continue to expand. EIC evaluates that exports in 2022 should improve by 3.4% following the continuing recovery of global trade and economic conditions. Other notable drivers include the price of oil-related products that may increase, the depreciating baht trend, and the benefits from participating in the Regional Comprehensive Economic Partnership (RCEP) trade agreement that entered into force in early January 2022. However, risks from the Omicron outbreak and the prolonged supply bottlenecks warrant monitoring.

## KEY POINTS

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**The value of exports in December 2021 hits record high at USD 24,930 million with 24.2%YOY growth.** Excluding gold, export expanded at 24.1%. As such, the value of exports in 2021 also marked a record high rate at USD 271,174 million with 17.1% growth, the highest growth rate in 11 years. Excluding gold, export expanded by 22.4%.

**Merchandise exports in all key categories continued to increase, particularly automotive and parts with surging growth.**

- **Exports of automotive and parts expanded for 14 consecutive months with a surge of 45% in December,** after increasing by 12% in the previous month. Major destinations that drove the improvement were the Philippines (190.7%), Indonesia (134.8%), and Australia (106.7%). On the contrary, exports to Japan (-44.7%) and Malaysia (-11%) contracted during the current month. Overall, exports of automotive and parts improved by 36.2% in 2021.
- **Exports of computer and parts improved for 13 consecutive months with accelerating growth of 28.6% in December.** Notable markets that supported growth included the US (41.7%), China (53.1%), and Hong Kong (41.2%). Meanwhile, exports to Singapore (-28.5%) and Germany (-9.9%) dragged growth. Overall, exports of computer and parts improved by 18% in 2021.
- **Exports of chemical products increased for 13 consecutive months with a growth of 38.9%.** Exports to nearly all key destinations improved, such as China (19.3%), Japan (63%), and India (101.6%). While exports to Cambodia (-7.7%) and South Korea (-50%) contracted. Overall, exports of chemical products improved by 45.5% in 2021.
- **Exports of refined fuel significantly stalled to 35% in December.** However, exports continued to improve for 10 consecutive months following higher demand for energy and rising oil prices. Major destinations that drove growth were Malaysia (20.6%), Singapore (116.90%), and South Korea (641.9%). Overall, exports of refined fuel improved by 65.2% in 2021.
- **Exports of plastic beads increased for 13 consecutive months with a growth of 25.4%.** Exports to all major destinations improved across the board, including India (14.7%), Indonesia (76.7%), and Vietnam (38.8%), except China (-0.8%). Overall, exports of plastic beads improved by 41.1% in 2021.
- **Exports of precious stones and jewelry, excluding gold, increased for 10 consecutive months with a growth of 29.3%.** Exports of all product categories within the group improved, such as diamonds (38.1%), gemstones (61.1%), and synthetic precious stones (51.6%). Overall, exports of precious stones and jewelry, excluding gold, improved by 26.5% in 2021.
- **Exports of iron, steel, and products improved for 13 consecutive months with an expansion of 28.4%.** Growth was driven by exports to key destinations, including the US (80.2%), Indonesia (88.5%), and Taiwan (315.7%). Overall, exports of iron, steel, and products improved by 40.1% in 2021.

## Exports to key destinations improved across the board.

- Exports to Australia accelerated to 54.9% with growth in nearly all key categories, such as automotive and parts (106.7%), precious stones and jewelry (46.8%), and plastic beads (55.7%). However, exports of iron, steel, and products (-4.4%) and refrigerators (-15.3%) contracted. Overall, exports to Australia improved by 10.9% in 2021.
- Exports to the US expanded for 19 consecutive months with a growth of 36.5%, following the expansion in all key categories, including computers (41.7%), air conditioners (93.1%), and iron, steel, and products (80.2%). Overall, exports to the US improved by 21.5% in 2021.
- Exports to ASEAN 5 expanded for 8 consecutive months with a growth of 35%. Key products that drove growth were automotive and parts (78.2%), refined fuel (69.5%), plastic beads (48%), and integrated circuits (16.6%YOY). Overall, exports to ASEAN 5 improved by 19.4% in 2021.
- Exports to Hong Kong surged to 23.5%YOY. Products that led the expansion were computers (41.2%) and precious stones and jewelry (16%). Overall, exports to Hong Kong improved by 2.6% in 2021.
- Exports to Japan grew by 1%, after observing neutral growth in the previous month. Products that led the expansion were processed chicken (16.3%), chemicals (63%), computers (11.2%), and plastic beads (36.3%). However, exports of automotive and parts (-44.7%), machinery (-11.6%), telephones (-37.1%), and electronics appliances (-6.8%) contracted. Overall, exports to Japan improved by 9.5% in 2021.

Figure 1: Exports in December improved, both in terms of key product and destination.

### Exports by product

Unit: %YOY, (Share in 2020)	2020	2021Q1	2021Q2	2021Q3	2021Q4	Oct-21	Nov-21	Dec-21	2021
Total (100%)	-5.9%	1.9%	31.8%	15.3%	22.1%	17.3%	24.7%	24.2%	17.1%
Total (ex. gold) (94.2%)	-8.5%	7.9%	40.1%	23.6%	21.6%	17.0%	23.7%	24.1%	22.4%
Electrical appliances (10.2%)	-3.0%	14.7%	48.7%	12.9%	11.7%	5.4%	13.1%	16.7%	20.3%
Auto & parts (9.2%)	-21.8%	23.7%	120.5%	19.1%	21.8%	10.3%	12.0%	45.0%	36.2%
Agriculture (9.1%)	-3.1%	13.4%	26.9%	34.3%	19.2%	22.5%	14.2%	21.1%	23.5%
Chemical & plastics (8.1%)	-10.7%	20.6%	49.6%	43.0%	34.0%	33.1%	42.6%	27.1%	36.4%
Agro (7.8%)	-3.8%	-2.7%	6.8%	4.0%	19.4%	13.5%	21.2%	24.1%	6.7%
Computer & parts (8.1%)	2.3%	8.4%	30.4%	17.7%	16.9%	1.7%	19.9%	28.6%	18.0%
Rubber products (5.2%)	7.8%	32.1%	48.5%	8.2%	-1.8%	-4.6%	-2.3%	1.6%	19.4%
IC (3.1%)	-5.7%	13.9%	22.7%	19.4%	18.7%	18.6%	26.7%	11.5%	18.7%
Machinery & parts (2.8%)	-10.5%	6.6%	52.0%	27.2%	10.1%	15.7%	8.9%	6.2%	21.6%
Refined fuel (2.3%)	-27.0%	-5.5%	93.8%	103.4%	103.5%	169.7%	146.0%	35.0%	65.2%
Textile (2.5%)	-16.9%	-5.3%	32.5%	15.5%	17.8%	11.2%	27.3%	15.5%	13.6%

## Exports by country

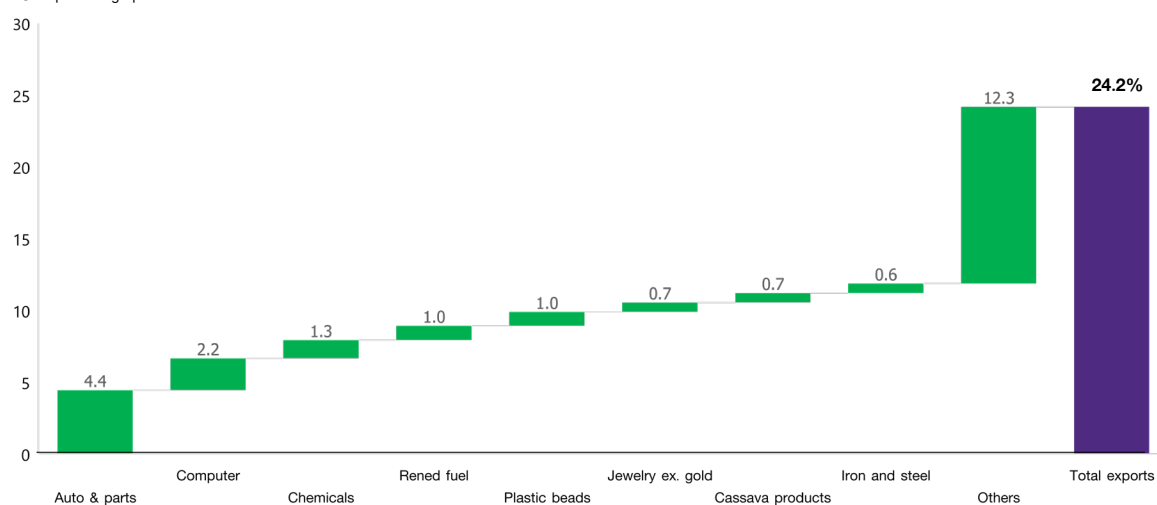
Unit: %YOY, (Share in 2020)	2020	2021Q1	2021Q2	2021Q3	2021Q4	Oct-21	Nov-21	Dec-21	2021
Total (100%)	-5.9%	1.9%	31.8%	15.3%	22.1%	17.3%	24.7%	24.2%	17.1%
US (14.8%)	9.7%	12.3%	30.4%	19.6%	24.3%	16.1%	20.5%	36.5%	21.5%
ASEAN5 (13.4%)	-12.2%	-10.8%	27.0%	26.5%	42.9%	39.7%	55.1%	35.0%	19.4%
China (12.9%)	2.2%	19.7%	29.3%	32.2%	17.3%	14.1%	24.3%	14.0%	24.8%
CLMV (10.5%)	-11.1%	0.6%	42.1%	8.1%	13.4%	19.8%	10.0%	11.4%	14.4%
Japan (9.9%)	-7.0%	5.9%	20.0%	15.3%	-0.4%	-2.0%	-0.1%	1.0%	9.5%
EU15 (8%)	-12.6%	8.5%	51.8%	14.1%	20.1%	12.0%	29.0%	20.4%	21.5%
Hong Kong (4.9%)	-3.6%	-19.4%	15.7%	7.8%	9.2%	-2.5%	4.7%	23.5%	2.6%
Australia (4.2%)	-3.9%	19.7%	27.7%	-12.6%	14.6%	-12.4%	9.6%	54.9%	10.9%
Middle East (3.1%)	-12.7%	-1.3%	41.7%	19.9%	34.5%	33.2%	41.1%	29.7%	21.5%
India (2.4%)	-25.0%	7.5%	181.3%	64.9%	47.5%	58.3%	61.1%	25.9%	55.1%

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

**Figure 2: Exports of automotive and parts, computers, chemicals, refined fuel, and plastic beads supported export growth in December.**

## Contribution to growth of Dec21 exports

Unit: percentage point



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

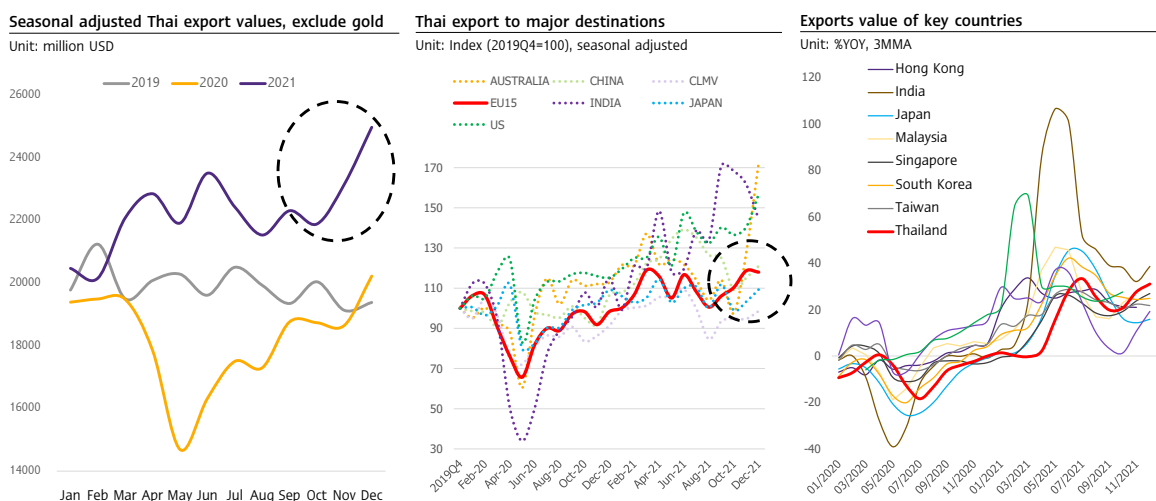
**The value of imports grew by 33.4% in December**, accelerating from 20.5% during the previous month. Imports improved across the board. Key import growth drivers included fuel products (118.3%) that grew considerably following higher prices compared to the previous year, capital goods (4.5%), consumer goods (13.3%), and vehicles and transportation equipment (1.6%). Similarly, imports of raw materials and intermediate raw materials improved by 38.9%. Excluding gold, import growth increased by 29.3%. With such regards, imports in 2021 expanded by 29.8%. Meanwhile, the trade surplus in December registered at USD -354.2 million, causing the overall trade balance in 2021 to remain at a surplus of USD 3,573 million.

## IMPLICATIONS

**Exports in December continued to soar by 24.7%, a rate accelerating from the previous month.** In terms of seasonally adjusted month-on-month growth, exports, excluding gold, expanded by 4.2% (MOM, SA) from November (Figure 3 left). The value of exports hits record high with growth in all key merchandise and destination following significant import growth from various countries during the year-end. The main destinations with such growing demand included the US with as high as 36.5% growth and Australia at 54.9% due to continuing economic recovery and growth. Meanwhile, key export merchandise, including automotive and parts continued to improve as well as oil-related products, such as refined fuel, chemicals, and plastic beads, that saw continual support from persistently high oil prices.

**In 2021, Thailand's export value climbed by 17.1%, the highest in 11 years** (customs basis). Exports were partly hampered by factory closures in Thailand and countries within the same value chain to control the COVID-19 spread as well as the global supply bottlenecks. However, strong export growth continued from the support of the low base in the previous year that witnessed severe impacts from the COVID-19 outbreak and the recovery of global trade and economic conditions, especially in advanced economies. In comparison to regional peers, Thai export growth recovered at a slower pace during 1H2021, though the pace accelerated to be more in line with peers during 2H2021 (Figure 3 right). Nevertheless, Thai export growth to Europe during late 2021 started to stall, signaling possible casualties from the Omicron outbreaks in various countries, especially countries that reintroduced strict lockdown measures (Figure 3 middle). As such, continual monitoring of potential damages from Omicron will still be necessary in the periods ahead.

**Figure 3: Thai export growth accelerated and became more in line with regional peers.**

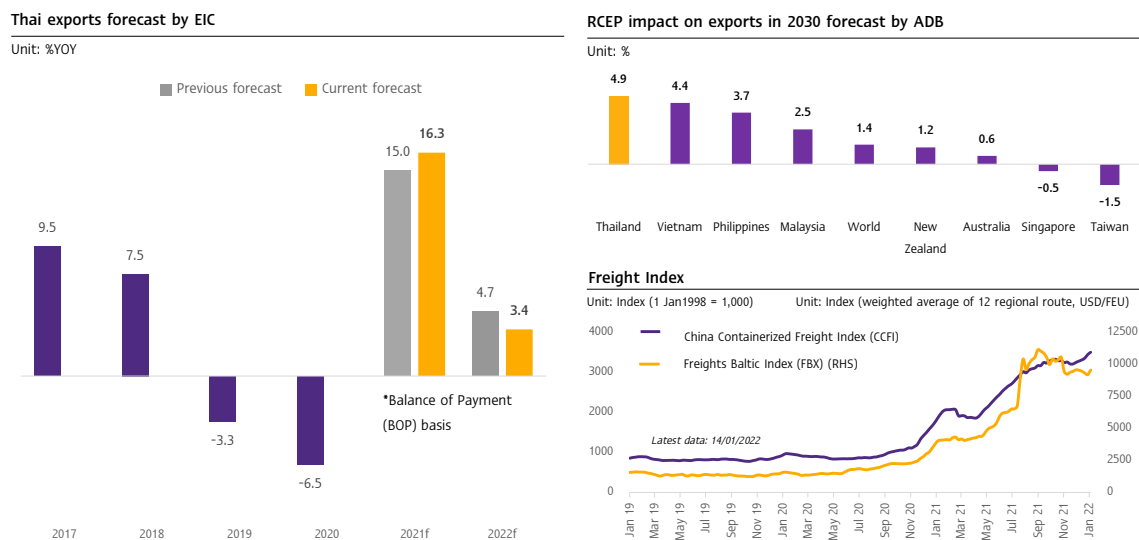


Source: EIC analysis based on data from the Ministry of Commerce, JP Morgan, and CEIC



**In 2022, EIC forecasts that exports should continue to improve by 3.4%** (balance of payment basis). Looking forward, drivers for Thai export growth in 2022 include the continual recovery of global trade and economic conditions with particular focus on emerging markets, prices of oil-related products that may increase, the baht depreciation trend, and the benefits from participating in the Regional Comprehensive Economic Partnership (RCEP) trade agreement, the world's largest free trade agreement that came into effect in early January 2022. According to Asian Development Bank (ADB), joining the RCEP will allow Thailand to play a more significant role in the production chain from lower import tariffs and the reduction of non-tariff measures. As such, Thailand's competitiveness in the world market should strengthen, causing Thai exports to improve by 4.9% within 2030 (Figure 4 : upper right). However, various undermining factors and risks warrant monitoring, including the prolonged supply bottlenecks prompted by the Omicron outbreak, container shortages that considerably heightened freight and shipment duration (Figure 4 : lower right), semiconductor (chip) shortages, rising global inflation with prolonged impact that could worsen consumer purchasing power, and slowing Chinese economic growth according to energy management policies and the debt-ridden real estate sector.

**Figure 4: Global trade and Thai exports should continue to improve in 2022, though at a slower pace.**



Source: EIC analysis based on data from the Ministry of Commerce, ADB, Freightos, and Shanghai Shipping Exchange

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