

## EXIM Thailand Adjusts 2018 Export Growth Forecast Upward to 9%

Mr. Pisit Serewiwattana, President of Export-Import Bank of Thailand (EXIM Thailand), revealed that Thai export outlook for 2018 has been on an improving trend, with higher than predicted growth of 11.5% in the first four months. EXIM Thailand has accordingly revised upward 2018 year-round export growth to 7-9% from 5-8% earlier expected. Supporting factors include **1. High global economic expansion:** International Monetary Fund (IMF) has recently forecast global economy to expand 3.9%, the highest in seven years, and raised global trade growth from 4.6% to 5.1%, **2. Oil price hike higher than projection:** The U.S. Energy Information Administration (EIA) has revised U.S. crude oil prices upward from 63 U.S. dollars a barrel to 70 U.S. dollars a barrel on the back of strong global oil demand in line with global economic recovery. This prompted export of such oil-related goods as finished oil, chemicals, rubber products and plastic resin which represent around 15% of total export value to expand significantly, **3. Global manufacturers still relying on Thailand as major production base with increased investments:** This is partly attributable to the clearer progress of the government's Eastern Economic Corridor (EEC) scheme.

Thai export to all markets in 2018 has brighter prospects than formerly projected, particularly European, Japanese and original ASEAN markets, where Thai export growth is expected to edge up to more than 9%, the same as CLMV and other new frontier markets to which Thai export growth forecast has been raised from 6.7% and 5.0% respectively to 8.5% and 6.3% respectively. EXIM Thailand has revised upward export growth of three major groups of products in 2018 as follows: **oil related products** from 11.2% to 17.5%, **automobile, parts and components** from 7.8% to 8.4%, and **agricultural products** from 2.0% to 6.6%. However, there are certain negative factors that may hurt export and dampen export growth in the remainder of the year, such as increasing fluctuations in foreign exchange, trade protectionist measures, international political woes, and particularly rising uncertainties in the U.S.-China trade war.

EXIM Thailand President further said that, with brighter growth prospects of Thai export, more opportunities are open up for Thai entrepreneurs in international trade. EXIM Thailand is ready to provide full-fledged support covering both information and financial solutions in collaboration with relevant public and private agencies. This includes not only

industries with export potential but also other promising industries that still have small global market share, such as food industry which generates export revenue of one trillion baht a year. This will in turn significantly add value to national economy based on more than 80% local raw material content and a large manpower involved in the food industry's supply chain, creating greater distribution of income, with job opportunities for more than one million people in the manufacturing sector and encompassing more than 30 million people throughout the agricultural supply chain. At present, 70% of food industry output is for local consumption and only 30% is exported. Thailand has only 2.3% world market share, so there is still ample room for Thai export expansion.

“Global economic outlook today offers greater business opportunities for Thai entrepreneurs despite the intensifying competition. EXIM Thailand is well-positioned to collaborate with both public and private sectors to support Thai business operators' expansion in the world markets, both existing and new, leveraging on the potential of Thai entrepreneurs and Thailand in strengthening the country's real sector and international trade as well as overall supply chain,” added Mr. Pisit.

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