



Kingdom of the Netherlands

2017 H1

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# Thailand's Economy

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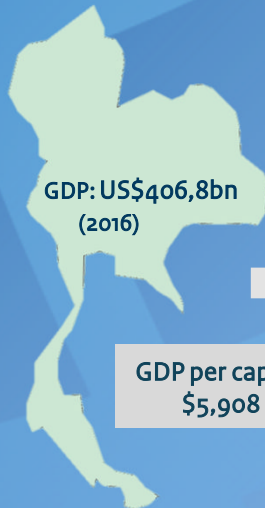




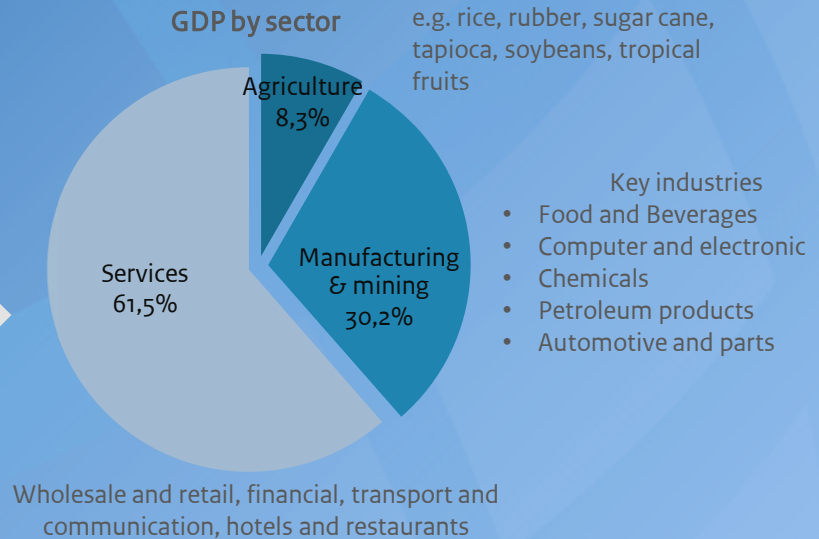
## Thailand's Economy: Country Overview

### GDP composition by end use

<b>48,5%</b> Household consumption	<b>16,4%</b> Government consumption
<b>23,3%</b> Investment in fixed capital	<b>-2,2%</b> Investment in inventories
<b>65,9%</b> Exports of goods (50,3%) and services (15,6%)	<b>-51,8%</b> Imports of goods (41,9%) and services (9,9%)



### GDP by sector



<b>Area:</b>	514,000 km <sup>2</sup> (15 times > The Netherlands) Coastline 3,219 km
<b>Population:</b>	66 million (Dec 2016)
<b>Labour force:</b>	37,8 million, unemployment 0,8% (Dec 2016) (16% Manufacturing, 33% Ag, 51% Services)

<b>Ease of Doing Business:</b>	<b>46/190</b> (2016-17), <b>49/189</b> (2015-16), <b>46/189</b> (2014-15)
<b>Global Competitiveness Index:</b>	<b>34/138</b> (2016-17), <b>32/140</b> (2015-16), <b>37/144</b> (2014-15)
<b>IMD World Competiveness:</b>	<b>27/63</b> (2017), <b>28/61</b> (2016), <b>30/61</b> (2015)
<b>Corruption Perceptions Index:</b>	Rank 101/176, score 35/100 (2016)

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## Thailand's Economy: GDP growth



Source: The Office of National Economic and Social Development Board

- The Thai economy is gradually recovering. It **expanded by 3,5% in the first half of 2017.**
- Momentum is expected to continue in the latter half. **Overall, the economy is expected to grow by 3,5-4,0 % in 2017.**
- Supporting factors: exports of goods, tourism, accelerated public investment, and consumption.
- Challenges: floods, domestic politics, trading partners' growth outlook, volatile financial markets, geopolitical risks.

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## Thailand's Economy: GDP production side

Growth (%)	2016	2016						2017		
		H1	H2	Q1	Q2	Q3	Q4	H1	Q1	Q2
Agriculture	0,6	-1,3	2,3	-2,0	-0,4	0,9	3,0	10,3	5,7	15,8
Non-agriculture	3,5	3,8	3,2	3,7	3,9	3,2	3,2	2,9	3,1	2,7
GDP	3,2	3,4	3,1	3,1	3,6	3,2	3,0	3,5	3,3	3,7

Source: The Office of National Economic and Social Development Board

- ++ Agricultural; Wholesale & Retail; Hotel & Restaurant; and Transport, Storage & Communication accelerated
- + Manufacturing sector slightly decelerated
- Electricity, Gas & Water Supply and Construction declined

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## Thailand's Economy: GDP Expenditure side

Growth (%)	2016	2016						2017		
		H1	H2	Q1	Q2	Q3	Q4	H1	Q1	Q2
Private Consumption	3,1	3,4	2,7	2,8	4,0	3,0	2,5	3,1	3,2	3,0
Government Consumption	1,7	5,6	-1,8	9,1	2,4	-5,2	1,8	1,5	0,3	2,7
Investment	2,8	4,2	1,4	5,0	3,5	1,0	1,8	1,0	1,7	0,4
- Private	0,4	1,4	-0,6	2,4	0,3	-0,8	-0,4	1,0	-1,1	3,2
- Public	9,9	12,9	7,1	12,9	12,8	5,8	8,6	1,1	9,7	-7,0
Exports of goods and services	2,1	2,9	1,3	4,8	1,0	1,4	1,1	4,3	2,7	6,0
Imports of goods and services	-1,4	-3,9	1,1	-5,2	-2,5	-1,1	3,4	7,1	6,1	8,2

Source: The Office of National Economic and Social Development Board

Exports of goods and services, and government consumption accelerated.  
Private consumption continued to expand.  
Private investment rebound.  
Meanwhile, public investment declines.

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Indicators	2015	2016	2016				2017	
			Q1	Q2	Q3	Q4	Q1	Q2
<b>Internal Stability</b>								
Headline inflation (% y-o-y)	-0,9	0,2	-0,5	0,3	0,3	1,1	1,3	0,1
Core inflation (%y-o-y)	1,1	0,7	0,7	0,8	0,8	0,7	0,7	0,5
Unemployment rate (%)	0,9	1,0	0,9	1,1	0,9	1,0	1,2	1,2
Public debt to GDP (%)	43,9	41,2	43,5	42,3	42,2	41,2	42,3	40,7
<b>External Stability</b>								
Current balance (billion \$)	32,1	46,4	17,9	8,4	10,4	9,8	15,2	8,3
International reserves (billion \$)	156,5	171,9	175,1	175,5	180,5	171,9	180,9	185,6
International Reserve to short-term external debt (times)	3,0	3,2	3,0	2,9	3,2	3,2	3,4	3,5

Source: The Ministry of Finance

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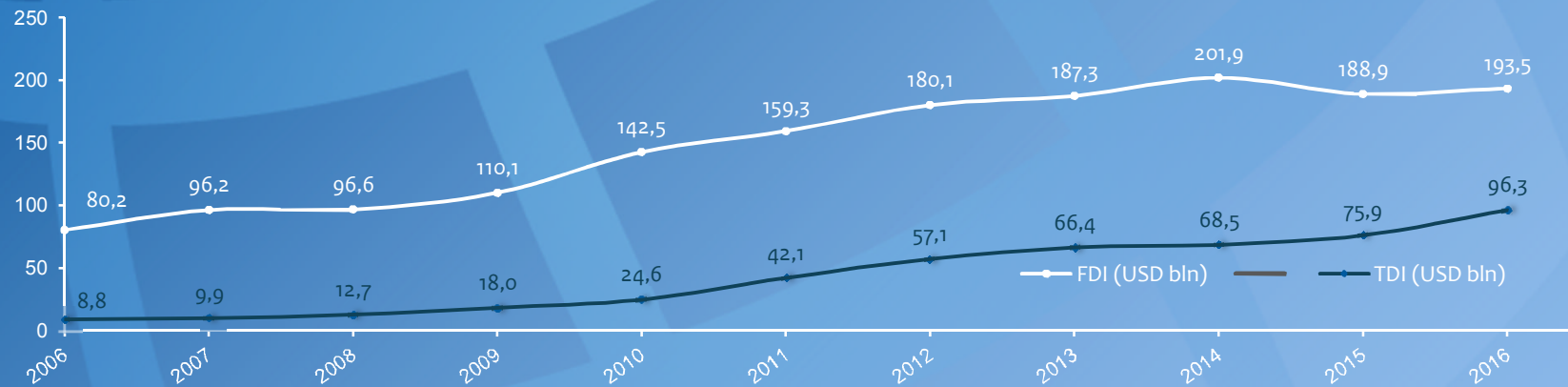
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## Thailand's Economy: Investment position



Source: The Bank of Thailand, updated June 2017

- **Foreign Direct Investment into Thailand picked up in 2016 as the Thai economy regained its traction and investors gained more confidence in the new investment promotion strategy.**
  - Japan remained the biggest foreign investor in Thailand, followed by Singapore and the US.
  - The Netherlands is the 4<sup>th</sup> largest overall, but the biggest European investor in Thailand (USD 11 billion as at the end of 2016).
- **Thai Direct Investment overseas continued to increase, mostly to investment in ASEAN.**

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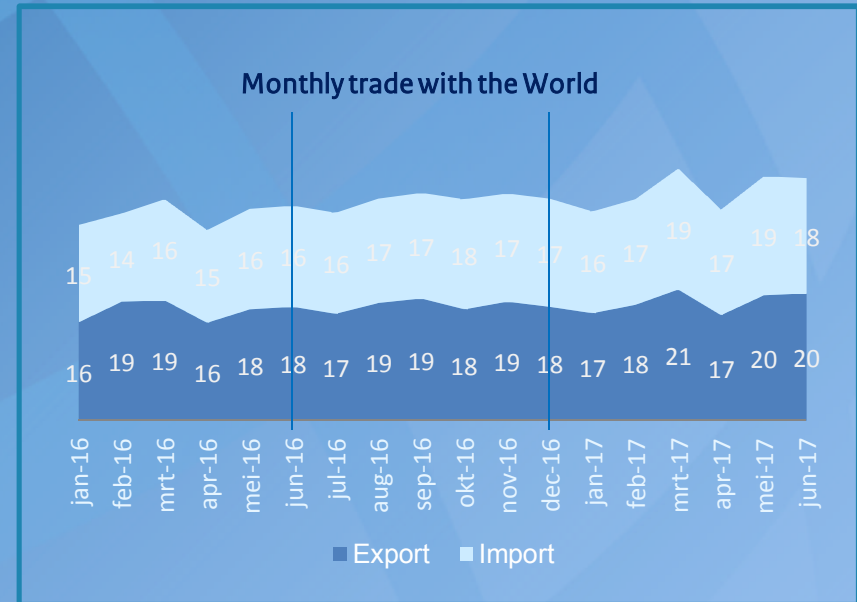


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## Thailand's Economy: Merchandise Trade



In the first half of 2017, Thailand's merchandise

- exports was USD 113,5bn, growing 7,8% from USD 105bn in the same period last year.
- imports was USD 107,6bn, growing 15,0% from USD 92,7bn in the same period last year.

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## Thailand's Economy: Top Export Destinations & Items

Top 5 export destinations (growth/share) – H1/2017 (USD billion)

No.	Country	Amount (growth/share)
1	ASEAN	28,9 (7,1%, 25,4%)
2	China	13,8 (31,2%, 12,2%)
3	USA	12,6 (7,2%, 11,1%)
4	EU	11,6 (7,1%, 10,2%)
5	Japan	10,9 (8,0%, 9,6%)

Source: Department of Trade Negotiations

Top 5 export items (growth/share) – H1/2017 (USD billion)

No.	Product	Amount (growth/share)
1	Machinery and parts	19,5 (-5,0%, 17,2%)
2	Electrical equipment and parts	16,2 (17,5%, 14,2%)
3	Vehicles and parts	13,4 bn. (-0,3%, 11,8%)
4	Rubber and rubber products	8,2 bn. (41,2%, 7,2%)
5	Gems and Jewellery	6,3 bn. (-23,0%, 5,6%)

Source: Ministry of Commerce

- The EU is Thailand's 4<sup>th</sup> largest export market, accounted for 10,2% of Thailand's total exports.
- Thailand's exports to the EU was USD11,6bn in the first half of 2017, increasing 7,1 per cent from the same period last year.

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## Thailand's Economy: Top Import Destinations & Items

Top 5 import destinations (growth/share) – H1/2017 (USD billion)

No.	Country	Amount (growth/share)
1	China	30,0 (4,2%, 19,7%)
2	ASEAN	20,2 (12,7%, 18,9%)
3	Japan	15,4 (2,3%, 14,4%)
4	EU	9,1 (7,3%, 8,5%)
5	USA	7,8 (35%, 7,3%)

Source: Department of Trade Negotiations

Top 5 import items (growth/share) – H1/2017(USD billion)

No.	Product	Amount (growth/share)
1	Electrical equipment and parts	20,0 (10,4%, 18,7%)
2	Fuel	14,8 (33,5%, 13,9%)
3	Machinery and parts	12,8 (-0,5%, 12,0%)
4	Gems and Jewellery	6,4 (83,1%, 6,0%)
5	Iron and steel	5,2 (12,6%, 4,9%)

Source: Ministry of Commerce

- The EU is also Thailand's 4th largest import source, accounted for 9,1% of Thailand's total imports.
- Thailand's imports from the EU was USD9,1bn in the first half of 2017, increasing 7,3 per cent from the same period last year.

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## Bilateral Trade & Investment

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## The Netherlands' Trade with ASEAN (EUR millions)

Country	Myanmar	Brunei	Cambodia	Philippines	Indonesia (4)	Laos	Malaysia (2)	Singapore (1)	Thailand (5)	Vietnam (3)
H1/2015	22,5	14,0	84,7	731,7	1648,4	8,0	3790,5	3015,3	1643,5	2173,4
H1/2016	43,8	11,9	103,7	774,7	1630,2	6,6	3643,3	3577,8	1836,1	2732,1
H1/2017	63,1	15,8	139,3	922,1	2024,4	5,7	4084,9	4723,1	1965,6	3064,0
% change H12016-17	<b>44,1%</b>	<b>32,3%</b>	<b>34,3%</b>	<b>19,0%</b>	<b>24,2%</b>	<b>-13,0%</b>	<b>12,1%</b>	<b>32,0%</b>	<b>7,1%</b>	<b>12,1%</b>

Source: CBS

- Thailand is the Netherland's fifth largest trading partner in ASEAN.
- In the first half of 2017, total trade (export + import) between the Netherlands and Thailand was around EUR 2 billion, expanding 7,1% from the same period last year.

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## Exports from the Netherlands to ASEAN (EUR millions)

Country	Myanmar	Brunei	Cambodia	Philippines	Indonesia	Laos	Malaysia (2)	Singapore (1)	Thailand (3)	Vietnam
H1/2015	9,5	13,9	14,8	209,2	325,4	0,8	525,1	2191,4	508,5	356,9
H1/2016	14,3	11,1	9,3	238,2	453,7	1,1	635,5	2377,7	537,5	404,8
H1/2017	15,6	15,3	14,8	239,3	440,8	1,9	713,8	3035,7	591,4	409,3
% change H12016-17	9,0	37,7	58,1	0,5	-2,8	73,4	12,3	27,7	10,0	1,1

Source: CBS

- Thailand is the Netherlands' third largest export partner in ASEAN, after Singapore and Malaysia.
- Export value from the Netherlands to Thailand was almost EUR 600 million in H1/2017, growing 10% from H2/2016.

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## The Netherland's Imports from ASEAN (EUR millions)

Country	Myanmar	Brunei	Cambodia	Philippines	Indonesia (4)	Laos	Malaysia (1)	Singapore (3)	Thailand (5)	Vietnam (2)
H1/2015	13,0	0,072	69,8	522,6	1323,0	7,2	3265,4	823,9	1135,1	1816,5
H1/2016	29,5	0,810	94,4	536,5	1176,5	5,5	3007,8	1200,1	1298,6	2327,3
H1/2017	47,5	0,467	124,5	682,8	1583,5	3,8	3371,1	1687,4	1374,2	2654,7
% change H12016-17	61,1%	-42,3%	31,9%	27,3%	34,6%	-30,3%	12,1%	40,6%	5,8%	14,1%

Source: CBS

- Thailand is the Netherland's fifth largest import source in ASEAN.
- Import value from Thailand into the Netherlands was EUR 1,4 billion in H1/2017, growing 5,8% from H2/2016.

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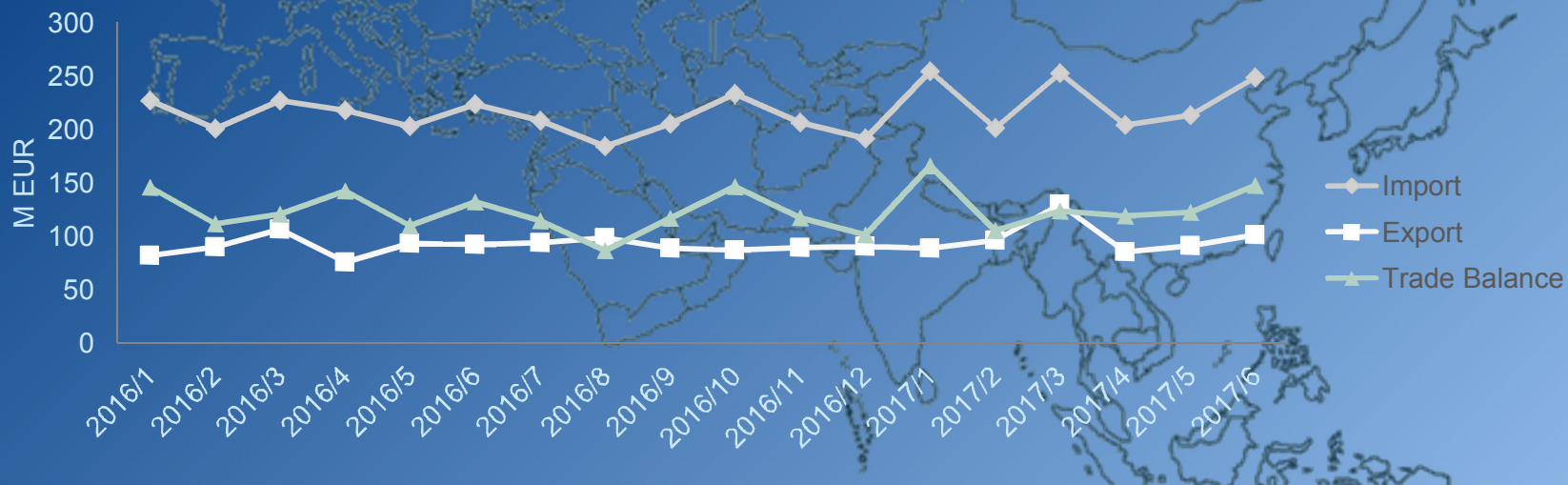
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## Bilateral Dutch-Thai Trade



- Thailand always has a trade surplus (exports > imports) over the Netherlands.
- In H1/2017. Thailand's trade surplus was at EUR457 million, declining from EUR761 million in H2/2016.

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Thailand's top import items from the Netherlands				
No.	Products	Amount (M USD)	Growth (%)	Share (%)
1	Machinery and parts	80,9	-8,8	16,2
2	Chemicals	67,8	3,6	13,6
3	Electronic integrated circuits	64,7	3,7	12,9
4	Medicinal and pharmaceutical prod.	43,7	24,9	8,7
5	Animals and their products	25,6	0,9	5,1
6	Other food products	19,2	-30,3	3,8
7	Milk & daily products	20,0	17,2	4,0
8	metal waste & scrap	14,6	81,0	2,9

Thailand's top export items to the Netherlands				
No.	Products	Amount (M USD)	Growth (%)	Share (%)
1	Automatic data processing machines	633,2	2,8	27,6
2	Machinery and parts	134,8	-4,2	5,9
3	Other electrical equipment and parts	116,2	-3,9	5,1
4	Electronic integrated circuits	109,6	11,8	4,8
5	Motorcycles, parts, and accessories	94,0	49,8	4,1
Agricultural products				
9	Prepared poultry	56,6	-3,6	2,5
10	Rubber products	50,8	54,0	2,5

Data from Ministry of Commerce; Calculation by the Embassy

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## Bilateral Trade & Investment: Netherlands as Top Investor in Thailand



In 2016, the Netherlands was the 4<sup>th</sup> largest global foreign investor in Thailand and the largest EU investor with more than 40% of total EU investors.

- This year (2017), the Netherlands is expected to obtain the 2<sup>nd</sup> place as the largest global foreign investor after Japan (BOI, June 2017).
- Highlight investment activities in 2016: Corbion (USD 94 M), AkzoNobel (USD 31 M), Shell (USD 40 M), Apollo, Plymovent and GoBear

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# Business Support Services

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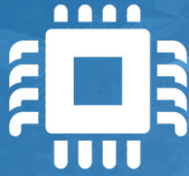
## Business Support Services: Main Top Sectors

242



Agro & Food

81



HTSM

54



Creative Sector

44



Horticulture

29



Energy

20



Logistics

19



LS&H

14



Water

### Half year performance as of 30 June 2017;

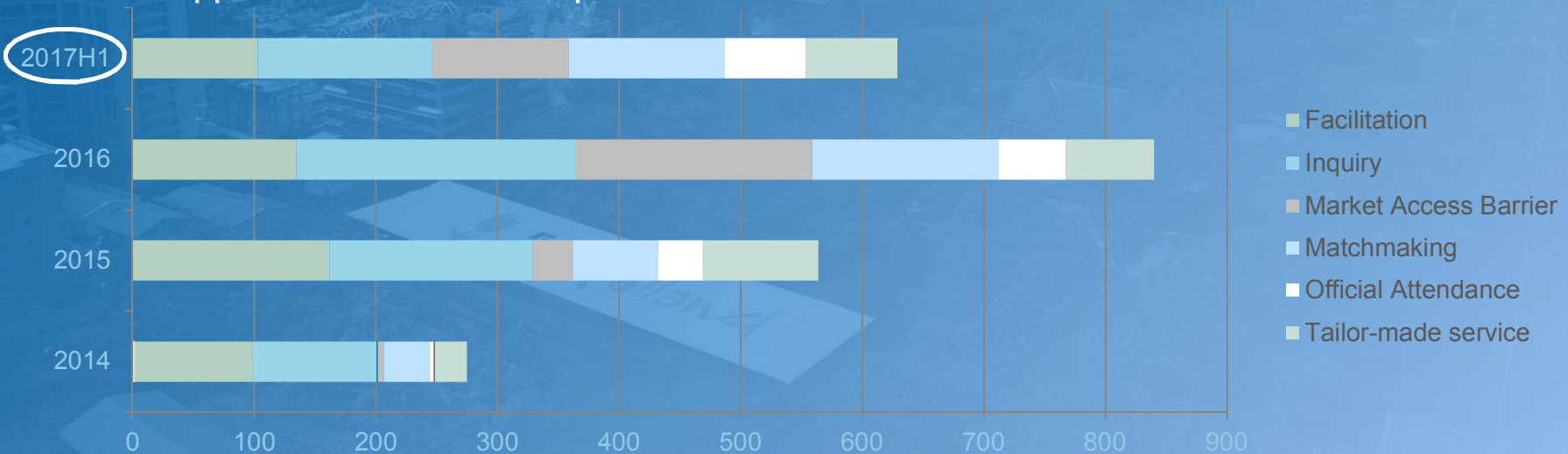
- 559 trade requests
- 47 visits and 59 events
- 7 intelligenes

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## Business Support Services: Trade Requests



### Steep increase in number of trade requests due to;

- Active registration into the Achilles system
- Proactive business support services such as providing market intelligence and business opportunities e.g. factsheets, market studies and other publications
- General trade enquiries such as export and import questions, setting up company in Thailand or sector knowledge remain the most popular request during the last 4 years.

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# Business Support Services: Sectoral Study and Publication



## The Maritime Sector of Thailand

**Ipsos Business Consulting**

**Final Report  
IN-DEPTH ANALYSIS OF PRODUCT  
DESIGN SECTOR IN THAILAND**

April 2017

© 2017 Ipsos

**E-Mobility in Thailand**

Thailand's electric vehicle market is slowly starting to pick up with a population of almost 70 million people, a major promoter of e-mobility, Thailand is providing interesting

**Tourism in Thailand**

Thailand has one of the most developed tourism markets in Asia. The historical places and attractions, its world-famous cuisine and well-developed tourism infrastructure has led to Thailand's tourism industry growing at a steady pace over the past few years. Thailand's vibrant tourism industry is the backbone of its economy.

**Architecture in Thailand**

Thailand is the second largest economy of Southeast Asia with a strong and growing middle class. The country's GDP has grown at an average rate of 7.5% over the past few years. Thailand's vibrant tourism industry is the backbone of its economy.

**Design Sector in Thailand**

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**Hi-Tech Systems & Materials in Thailand**

Thailand's need for high-tech components is a perfect match for Dutch expertise

Thailand is a key player in the ASEAN region, and its growing economy has led to a significant increase in demand for high-tech components. The country's infrastructure and manufacturing sectors are both showing strong growth, and this is driving the need for advanced technology and materials. The Dutch expertise in these areas is highly valued in Thailand, and there is a strong potential for collaboration and investment in the sector.

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- Ongoing Studies
- PSD studies on 1) Laos and Cambodia and 2) Waste water
- Ongoing Publications
- Economic outlook 2017H1
- Factsheets on Maritime sector and Waste water sector

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Sources: OECD, IMF, Bank of Thailand (BOT), National Economic and Social Development Board (NESDB), Ministry of Commerce (MOC), Customs Department, Board of Investment of Thailand (BOI), Kbank

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