

EXIM Thailand Points out Penetration of CLMV and Middle East alongside Development of Businesses of the Future amid Slowing Global Economy is Way of Survival in Year of the Rabbit

EXIM Thailand suggested how Thai entrepreneurs could survive in 2023 is to stay adaptable and penetrate markets with good prospects and demand for Thai goods, in conjunction with development of products in response to global trends of the new era, leveraging on EXIM Thailand and public sector mechanisms as the tools for business development toward the Next Normal world. This would respond to Thai economy in the new year which would likely expand by 3.5%, against the decelerating global economic growth of 2.7%, driven by recovery of Thai tourism and private sector consumption, while export could slow down in line with global economic outlook.

Dr. Rak Vorrakitpokatorn, President of Export-Import Bank of Thailand (EXIM Thailand), revealed that Thai economy in 2023 tends to continue to grow by around 3.5% against the slowing global economic growth predicted by the International Monetary Fund (IMF) to 2.7%, the lowest in 21 years (excluding the years with crisis eruption). Thailand is among only a few countries whose economic growth is on an upward trend compared to the foregoing year fueled mainly by the clearly improving tourism with foreign tourist inflows expected at more than 20 million, doubling that of the previous year, along with support from domestic demand, particularly private sector consumption which has expanded on the back of the increased farm income and improving employment in service sectors in line with tourism recovery.

Meanwhile, export which has for the past 2 years been a main engine in propelling Thai economy has tended to slow down as reflected from EXIM Index which has consistently declined and hit the lowest level in 8 quarters. Thai export in 2023 is forecast to expand by only 1-2%, decelerating from 7-8% in 2022, pressured by slowing global demand particularly from Thailand's major trade counterparts like the US and Europe which are at risk of falling deeper in economic recession, coupled with the slower than expected Chinese economic recovery. Furthermore, global supply chain disruption, though having relieved to some extent, but still carrying high uncertainties, and the prevailing foreign exchange fluctuations as well as geopolitical tensions could inevitably dampen Thai export looking forward.

EXIM Thailand President said that there are certain ways for Thai entrepreneurs to make it through global economic slowdown and capture opportunities in the markets where there is still room for Thai goods, comprising:

- 1. Penetration of the CLMV (Cambodia, Lao PDR, Myanmar and Vietnam) and the Middle East markets**, such as Saudi Arabia. In the first 10 months of 2022, Thai export to such markets recorded a growth of over 15% and 26% respectively.
- 2. Export of goods that would fill up market gaps**, such as tourism-related goods like foods, fruits, cosmetics, home appliances, etc., and products that cater to conflicting countries in international politics, such as the export of Thai electrical appliances in substitution for Chinese ones in the US market, and the increasing relocation of production bases from China to Thailand for several industries, e.g. electric vehicles and electronics products. With such developments, Thai entrepreneurs should also be enabled to make presence in the supply chains of the future.
- 3. Export of goods responsive to the trends of new generation consumers**, such as wellness and eco trends which have become the New World Order.

Dr. Rak further said that EXIM Thailand is fully equipped to work alongside the public and private sectors to assist Thai entrepreneurs including individuals in doing businesses, capturing upcoming opportunities to drive business development in linkage with global supply chains, and developing strategies and product lines to cater to demand of new generation consumers who support businesses conducive to sustainability in economic, social and environmental dimensions, and better quality of life and health of consumers toward balanced and sustainable development of all sectors.

“The year 2023 could still be embattled with numerous risks but fresh opportunities are poised to emerge in the markets where Thai goods could access with competitive edge. EXIM Thailand is well-positioned to give advice and offer full-fledged financial solutions to strengthen Thai business sectors from individuals to community enterprises and business entities of all levels who aspire to expand their businesses beyond Thailand. In view of this, it is easier today to do businesses on various online trade platforms. What really matters is business operators’ capability to adapt to and catch up with global advancement making best use of mechanisms and supports from the public sector, including EXIM Thailand. We are committed to perform our role as Thailand Development Bank which dares to take ‘One Step Ahead for All Development’ to transform Thailand and the world at large into a better place of tomorrow for all,” added Dr. Rak.

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