

**COUNTRY PROFILE REPORT OF ITJ DIVISION, DGCI&S
INDIA-THAILAND BILATERAL TRADE RELATIONS**

INTRODUCTION & BRIEF ECONOMIC OVERVIEW

The Kingdom of Thailand lies in South-East Asia. It is bordered to the west and north by Myanmar (Burma), to the north-east by Laos and to the south-east by Cambodia. Thailand extends southward, along the Isthmus of Kra, to the Malay Peninsula, where it borders Malaysia. The isthmus, shared with Myanmar, gives Thailand a short coastline on the Indian Ocean, and the country also has a long Pacific coastline on the Gulf of Thailand. Thailand is a member of the UN, WTO, BIS, Asian Development Bank and ASEAN.

2. The economy of Thailand is heavily export-dependent, with exports accounting for more than two-thirds of gross domestic product (GDP). Thailand is the second-largest economy in Southeast Asia, after Indonesia. As per available report of IMF Executive Board Concludes 2023 Article IV Consultation with Thailand January 22, 2024, Executive Directors of the IMF welcomed Thailand's post-pandemic economic recovery and commended the authorities for maintaining macroeconomic stability amidst multiple shocks. However, the recovery has been slower than in ASEAN peers and the outlook remains uncertain, with risks tilted to the downside. Given limited fiscal space and longstanding structural weaknesses, Directors encouraged the authorities to continue with gradual policy normalization in the near term, while implementing bold structural reforms to boost productivity and potential growth and building climate resilience.

A snapshot of Thailand's select economic indicators is reflected at Table 1.

Thailand: Selected Economic Indicators, 2019–25							
	Actual				Est.		Projections
	2019	2020	2021	2022	2023	2024	2025
Real GDP growth (y/y percent change) 1/	2.1	-6.1	1.5	2.6	2.5	4.4	2.0
Consumption	3.4	-0.3	1.3	5.0	4.8	6.0	0.3
Gross fixed investment	2.0	-4.8	3.1	2.3	2.0	3.0	2.1
Inflation (y/y percent change)							
Headline CPI (period average)	0.7	-0.8	1.2	6.1	1.3	1.7	1.9
Core CPI (period average)	0.5	0.3	0.2	2.5	1.2	1.4	1.6
Saving and investment (percent of GDP)							
Gross domestic investment	23.8	23.7	28.6	27.8	21.9	19.7	20.7
Private	16.9	16.8	17.0	17.4	17.7	17.5	17.5
Public	5.7	6.4	6.5	6.0	5.8	5.8	5.9
Change in stocks	1.2	0.5	5.1	4.4	-1.6	-3.6	-2.6
Gross national saving	30.8	27.9	26.6	24.6	22.6	21.1	22.8
Private, including statistical discrepancy	25.8	26.1	26.9	23.1	21.3	21.1	20.5
Public	5.1	1.8	-0.3	1.5	1.4	0.0	2.3
Foreign saving	-7.0	-4.2	2.0	3.2	-0.8	-1.4	-2.1
Fiscal accounts (percent of GDP) 2/							
General government balance 3/	0.4	-4.5	-6.8	-4.5	-3.2	-6.2	-3.4

SOEs balance	0.4	0.6	-0.3	-0.6	-0.1	0.0	0.0
Public sector balance 4/	0.8	-3.8	-7.1	-5.1	-3.3	-6.2	-3.4
Public sector debt (end of period) 4/	41.1	49.4	58.4	60.5	62.4	65.8	66.9
Monetary accounts (end of period, y/y percent change)							
Broad money growth	3.6	10.2	4.8	3.9	1.3	5.6	3.6
Narrow money growth	5.7	14.2	14.0	3.1	1.3	5.6	3.6
Credit to the private sector (by other depository corporations)	2.4	4.5	4.5	2.4	1.3	3.8	2.4
Balance of payments (billions of U.S. dollars)							
Current account balance	38.3	20.9	-10.3	-15.7	4.1	7.7	12.3
(In percent of GDP)	7.0	4.2	-2.0	-3.2	0.8	1.4	2.1
Exports of goods, f.o.b.	242.7	227.0	270.6	285.2	279.1	298.8	313.2
Growth rate (dollar terms)	-3.3	-6.5	19.2	5.4	-2.1	7.1	4.8
Growth rate (volume terms)	-3.7	-5.8	15.4	1.2	-2.9	3.7	3.8
Imports of goods, f.o.b.	216.0	186.6	238.2	271.6	263.3	282.8	295.9
Growth rate (dollar terms)	-5.6	-13.6	27.7	14.0	-3.1	7.4	4.6
Growth rate (volume terms)	-5.8	-10.4	17.8	0.9	-4.2	5.7	3.5
Capital and financial account balance 5/	-24.7	-2.6	3.2	5.5	-4.1	-7.7	-12.3
Overall balance	13.6	18.4	-7.1	-10.2	0.0	0.0	0.0
Gross official reserves (including net forward position, end of period) (billions of U.S. dollars)	259.0	286.5	279.2	245.8	245.8	245.8	245.8
(Months of following year's imports)	16.7	14.4	12.3	11.2	10.4	10.0	9.5
(Percent of short-term debt) 6/	326.3	310.7	291.8	245.9	252.9	243.6	231.9
(Percent of ARA metric)	251.5	277.8	259.6	224.8	219.1	209.0	200.2
Forward position of BOT (end of period)	-34.7	-28.3	-33.2	-29.2	-29.2	-29.2	-29.2
Exchange rate (baht/U.S. dollar)	31.0	31.3	32.0	35.1	34.3	34.0	33.8
NEER appreciation (annual average)	7.2	-0.3	-4.5	-1.8
REER appreciation (annual average)	5.8	-2.6	-5.7	-1.1
External debt							
(In percent of GDP)	31.7	38.0	38.8	40.4	41.0	40.4	41.0
(In billions of U.S. dollars)	172.6	190.1	196.2	200.3	213.2	223.7	236.6
Public sector 7/	38.0	37.2	41.5	41.2	44.6	46.2	48.0
Private sector	133.9	152.9	154.7	159.1	170.3	179.1	190.2
Medium- and long-term	74.6	79.4	82.3	82.3	95.8	100.3	106.6
Short-term (including portfolio flows)	59.3	73.5	72.4	76.8	74.5	78.8	83.6
Debt service ratio 8/	6.9	8.4	6.7	7.3	9.2	7.3	7.3
Memorandum items:							
Nominal GDP (billions of baht)	16889.2	15661.1	16166.6	17370.2	17839.5	18829.8	19509.2
(In billions of U.S. dollars)	544.0	500.5	505.6	495.4	519.7	554.4	577.5
Sources: Thai authorities; CEIC Data Co. Ltd; and IMF staff estimates and projections.							

1/ This series reflects the new GDP data based on the chain volume measure methodology, introduced by the Thai authorities in May 2015.
2/ On a fiscal year basis. The fiscal year ends on September 30.
4/ Includes general government and SOEs.
5/ Includes errors and omissions.
6/ With remaining maturity of one year or less.
7/ Excludes debt of state enterprises.
8/ Percent of exports of goods and services.

Source: IMF Executive Board Concludes 2023 Article IV Consultation with Thailand January 22, 2024.

FOREIGN TRADE

3. As per recent available inputs on WITS (World Integrated Trade Solution), the five major merchandise export partners of Thailand are United States, China, Japan, Vietnam and Malaysia. On the other hand five major import partners of Thailand are China, Japan, United States, UAE and Malaysia. Major five exported goods of Thailand are (i) Parts and accessories of automatic data process, (ii) Petroleum oils, etc, (excl. crude); preparation, (iii) Monolithic integrated circuits, digital, (iv) Gold in unwrought forms non-monetary and (v) Diesel powered trucks with a GVW not exceeding. On the other hand major five imported goods of Thailand (i) Petroleum oils and oils obtained from bituminous, (ii) Monolithic integrated circuits, digital, (iii) Gold in unwrought forms non-monetary, (iv) Natural gas, liquefied and (v) Transmission apparatus, for radioteleph incorpo.

4. Thailand's total exports in 2019 were of the order of US\$ 246,266 million. It has scaled upto US\$ 285,074 million in 2023. Exports from Thailand had increased by 17.43% in the year 2021 immediate after pandemic hit year. During the period from 2019 to 2023, the annual average compound rate of growth of exports was 3.73%.

5. Thailand's total imports in 2019 were of the order of US\$ 236,206 million and which has touched US\$ 288499 million mark in 2023 after having experienced a 12.72% decline in 2020 it had increased by 29.68% in the year 2021 over 2020 . During the period from 2019 to 2023, the annual average compound rate of growth of Imports was 5.13%.

6. Thailand runs an overall Balance of Trade surplus from 2019 to 2021 but faced two consecutive trade deficits in 2022 and 2023 and had scaled upto USD -3,425 million in 2023. During the period from 2019 to 2023, the annual average compound rate of growth of total volume of trade was 4.42%.

A snapshot of Thailand's overall Trade Statistics is presented in Table 2 and Figure 1.

A snapshot of India's merchandise trade statistics w.r.t. Thailand is presented in Table 3 Figure 2

BILATERAL TRADE WITH INDIA

Merchandise Trade

7. India and Thailand share a longstanding history of friendship and cooperation and the bilateral trade and investment relationship between them has flourished and evolved over the years. Thailand ranked 25th as an export destination of India in FY 2023-24. India had exported to Thailand 1.15 % of it's total export value in FY2023-24. In the same financial year imports from Thailand was 1.47% of India's total import value. Thailand was the 18th largest import partner of India in FY 2023-24. Almost 1.34% of India's total

international trade value was between India and Thailand as has been recorded in DGCI&S data base for FY 2023-24.

8. Indo-Thailand total volume of bilateral trade in FY 2019-20 was of the order of US\$ 11,087.68 million. It has scaled upto US\$ 14,948.38 million in FY 2023-24. The annual compound growth rate of total volume comprising both exports and imports and with a tilt towards imports of trade during the period from 2019-20 to 2023-24 has been of the order of 7.76%.

9. It is seen from the available figures that between 2019-20 and 2023-24, India has had a deficit Balance of Trade with Thailand. Exports from India to Thailand increased steeply by 35.73% in FY2021-22 over the FY2020-21. The annual average compound rate of growth of Exports was 4.05% during the period under review. On the other hand, imports from Thailand to India increased significantly by a stupendous 64.24% in FY 2021-22 just after the pandemic hit year and followed by another increase of 19.94% in FY 2022-23. During the period from 2019-20 to 2023-24, the annual average compound rate of growth of imports was 9.92%.

10. Additionally, from Tables 4 & 5 presented below the following are stated:

a. (i) **Pearl, Precs, Semiprecs Stones**, (ii) **IC Engine and Parts**, and (iii) **Marine Products** had occupied the top three slots in India's exports to Thailand in the year 2022-23. **Pearl, Preces, Semiprecs Stones**, had occupied the 11.98% share of India's total exports to Thailand.

b. (i) **Plastic Raw Materials**; (ii) **Organic Chemicals** and (iii) **Vegetable Oils** were the three major commodities in India's imports list from Thailand in the year 2023-24. **Plastic Raw Materials**, had occupied the 11.61% share of India's total imports from Thailand.

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TABLE - 2
THAILAND'S TOTAL EXPORTS AND IMPORTS, VOLUME OF TRADE AND BALANCE OF TRADE
BETWEEN 2019 - 2023

(Figures in USD Million)

Year	Exports	Percentage Growth in Exports	Imports	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2019	246266		236206		4,82,472		10060
2020	231634	-5.94	206150	-12.72	4,37,784	-9.26	25484
2021	272006	17.43	267333	29.68	5,39,339	23.20	4673
2022	287424	5.67	301020	12.60	5,88,444	9.10	-13596
2023	285074	-0.82	288499	-4.16	5,73,573	-2.53	-3425

Annual	Compound			
Growth Rate		3.73	5.13	4.42

NOTE : Figures relate to calendar year (January to December)

SOURCE: UN COMTRADE PUBLICATION

Figure - 1

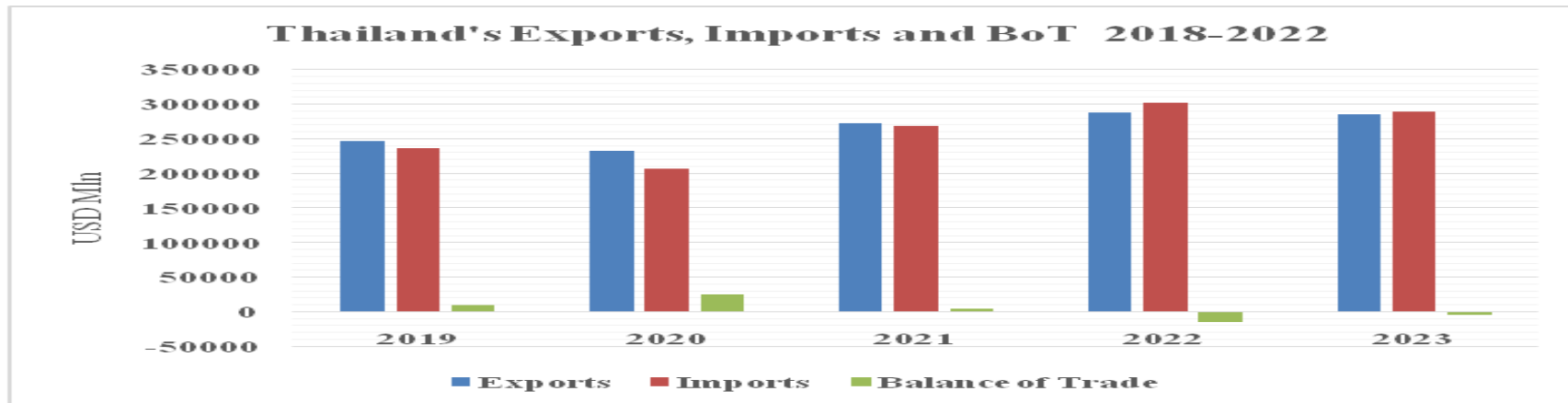


TABLE - 3
INDIA'S MERCHANDISE EXPORTS & IMPORTS w.r.t. THAILAND
FY 2019-2020 to 2023-2024

(Value in USD Million)

Year	Exports from India to Thailand	Percentage Growth in Exports	Imports from Thailand to India	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2019-20	4299.30		6788.38		11087.68		-2489.08
2020-21	4237.23	-1.44	5682.27	-16.29	9919.50	-10.54	-1445.04
2021-22	5751.30	35.73	9332.59	64.24	15083.89	52.06	-3581.29
2022-23	5709.81	-0.72	11193.36	19.94	16903.17	12.06	-5483.55
2023-24	5038.97	-11.75	9909.41	-11.47	14948.38	-11.56	-4870.44

Annual Compound Growth Rate **4.05** **9.92** **7.76**

NOTE : Figures relate to Financial Year (April to March)

SOURCE : DGCI&S, M/oC&I

Figure 2

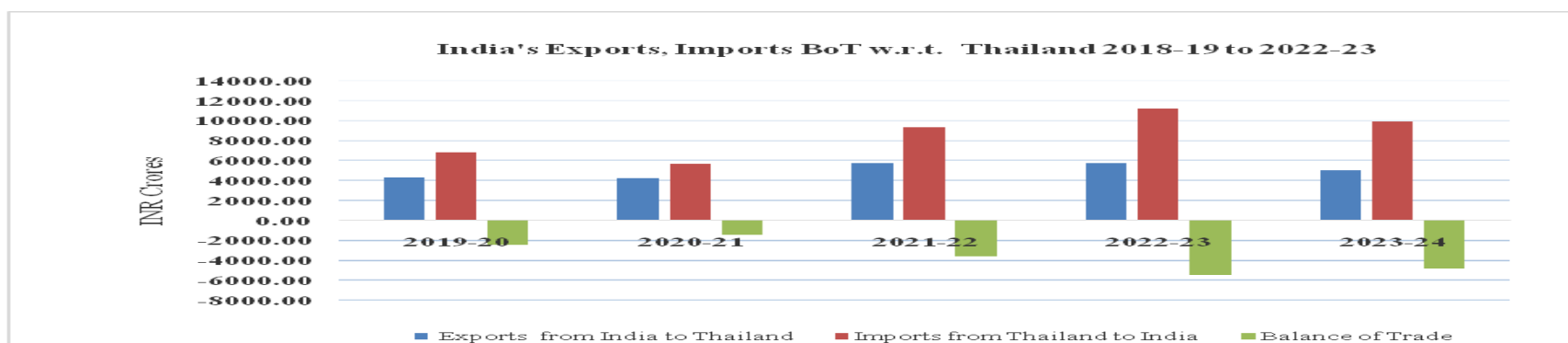


TABLE -4
INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS TO THAILAND
2019-2020 TO 2023-2024 AND THEIR GROWTH RATES

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth Rates			
		2019-20	2020-21	2021-22	2022-23	2023-24	20-21 over 2019-20	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23
1	Pearl, Precs, Semiprecs Stones	611.49	616.17	1118.04	1023.55	603.57	0.77	81.45	-8.45	-41.03
	Share in total export	14.22	14.54	19.44	17.93	11.98				
2	IC Engine And Parts	427.09	488.02	654.96	608.85	497.23	14.27	34.21	-7.04	-18.33
	Share in total export	9.93	11.52	11.39	10.66	9.87				
3	Marine Products	211.12	181.47	262.18	332.91	281.09	-14.04	44.48	26.98	-15.57
	Share in total export	4.91	4.28	4.56	5.83	5.58				
4	Auto Components/Parts	164.72	141.28	215.28	216.84	196.50	-14.23	52.38	0.72	-9.38
	Share in total export	3.83	3.33	3.74	3.80	3.90				
5	Spices	151.98	154.45	130.38	183.97	192.87	1.63	-15.58	41.10	4.84
	Share in total export	3.53	3.65	2.27	3.22	3.83				
6	Drugs Formulations Biologicas	116.98	146.90	150.95	188.83	178.33	25.58	2.76	25.09	-5.56
	Share in total export	2.72	3.47	2.62	3.31	3.54				
7	Aluminium, Products of Aluminium	88.03	95.88	194.90	217.07	174.26	8.92	103.27	11.38	-19.72
	Share in total export	2.05	2.26	3.39	3.80	3.46				
8	Oil Meals	49.16	47.74	37.11	174.69	155.66	-2.89	-22.27	370.74	-10.89
	Share in total export	1.14	1.13	0.65	3.06	3.09				
9	Indl. Machinery For Dairy Etc.	152.34	175.49	233.96	157.61	152.86	15.20	33.32	-32.63	-3.01
	Share in total export	3.54	4.14	4.07	2.76	3.03				
10	Products Of Iron And Steel	88.00	79.73	108.21	125.68	113.56	-9.40	35.72	16.14	-9.64
	Share in total export	2.05	1.88	1.88	2.20	2.25				
	Total export to THAILAND	4299.30	4237.23	5751.30	5709.81	5038.97	-1.44	35.73	-0.72	-11.75

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

TABLE -5
INDIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS FROM THAILAND
2019-2020 TO 2023-2024 AND THEIR GROWTH RATES

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Imports					Annual Growth Rates			
		2019-20	2020-21	2021-22	2022-23	2023-24	20-21 over 2019-20	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23
1	Plastic Raw Materials	720.09	657.09	1205.99	1252.39	1150.58	-8.75	83.53	3.85	-8.13
	Share in total imports	10.61	11.56	12.92	11.19	11.61				
2	Organic Chemicals	525.40	395.77	910.15	854.22	796.47	-24.67	129.97	-6.15	-6.76
	Share in total imports	7.74	6.96	9.75	7.63	8.04				
3	Vegetable Oils	65.15	117.26	712.49	1457.00	576.70	79.98	507.61	104.49	-60.42
	Share in total imports.	0.96	2.06	7.63	13.02	5.82				
4	AC Refrigeration Machinery Etc.	571.45	378.15	576.81	665.63	514.08	-33.83	52.53	15.40	-22.77
	Share in total import	8.42	6.65	6.18	5.95	5.19				
5	Copper, Products Made Of Copper	282.71	228.74	375.16	379.56	435.25	-19.09	64.01	1.17	14.67
	Share in total import	4.16	4.03	4.02	3.39	4.39				
6	Electronic Components	218.40	124.10	163.46	413.29	397.82	-43.18	31.72	152.84	-3.74
	Share in total import	3.22	2.18	1.75	3.69	4.01				
7	Telecom Instruments	211.50	230.06	197.22	322.74	395.63	8.78	-14.27	63.64	22.58
	Share in total import	3.12	4.05	2.11	2.88	3.99				
8	Pearl, Precs. Semiprecs Stones	311.06	279.64	620.53	683.74	347.00	-10.10	121.90	10.19	-49.25
	Share in total import	4.58	4.92	6.65	6.11	3.50				
9	Gold And Other Precs. Metal Jewelry.	44.16	5.01	50.84	110.98	319.28	-88.65	914.77	118.29	187.69
	Share in total import	0.65	0.09	0.54	0.99	3.22				
10	IC Engine And Parts	151.64	188.27	281.33	300.44	305.56	24.16	49.43	6.79	1.70
	Share in total import	2.23	3.31	3.01	2.68	3.08				
	Total import from THAILAND	6788.38	5682.27	9332.59	11193.36	9909.41	-16.29	64.24	19.94	-11.47

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I