

EXIM Thailand Points out Export as Thai Economic Hero in 2H/2021
and Is Ready to Help Exporters Fight COVID-19
and Respond to New Normal Context by Developing New Industries,
Building New SME Exporters, Setting up Online Trade Pavilion
and Offering Full-fledged Services to Exporters

EXIM Thailand pointed out that global economy has started to recover and grow in clusters in major world economies. Meanwhile, Thai export could perform as the hero to drive Thai economy in the second half of 2021. The Bank has thus moved in response to the policy of the Ministry of Finance by performing as Thailand Development Bank. Development will be carried out in 4 areas to combat COVID-19 alongside catering to global demand in the New Normal context, comprising development of new industries, building of new SME exporters, setting up online trade pavilion, and provision of fully integrated services to exporters, SMEs in particular.

Dr. Rak Vorrakitpokatorn, President of Export-Import Bank of Thailand (EXIM Thailand), revealed that, with the intensifying COVID-19 pandemic across the world, several countries have started to adapt to and cope with the situation to ensure business operation continuity. The International Monetary Fund (IMF) has predicted a global economic growth of as high as 6% this year as fueled by economic growth of more than 6% of such large economies as the USA, China and some European countries, which represent more than 50% of global GDP. Such growth forecast has been attributable to such countries' own production of COVID-19 vaccines and broad ranging vaccination made for their peoples in a rapid pace coupled with their financial availability to accommodate their economic stimulus schemes for relief of impacts from COVID-19.

EXIM Thailand President said that Thai economy has yet to recover at present as a consequence of the new wave of COVID-19 pandemic. The government has imposed lockdown restrictions in some areas due to their high record of infection cases causing temporary closure of some manufacturing facilities while domestic demand has remained fragile and tourism revival is not expected in the foreseeable future. This has prompted several research houses to forecast Thai economy this year to grow by merely 1%. In view of this, “**export**” should become the hero to sustain and drive Thai economy in the second half of 2021 in continuation from the first half of the year which saw export growth of as high as 15.5%. This has been supported by global economic recovery, improving commodity prices, good response of certain Thai goods to New Normal trends, and weakening Thai baht. Thai export in 2021 is predicted to expand by at least 10%. However, some negative factors are still to be in close watch, such as the prevailing COVID-19 pandemic and mutation of the virus in Thailand, as well as shortage of raw materials and containers for export activities. Amid the pandemic, there has been stagnation of certain logistics businesses where workers have got infected with the disease and strict inspection has been undertaken, resulting in insufficient number of containers to meet the demand.

Dr. Rak further said that EXIM Thailand, as a specialized financial institution with a mission of promoting and supporting export and international investment as well as businesses of Thai entrepreneurs that contribute to national development, has responded to the policy of the Ministry of Finance in stimulating the country's export and economic recovery in close pace with the recovering global economy and international trade. This will be undertaken through “**development in 4 areas to combat COVID-19 alongside catering to global demand in the New Normal context**” to drive Thai export and economy in the second half of 2021 as follows:

1. Development of new industries in line with New Normal trends: EXIM Thailand will perform as a Lead Bank to support investment both domestically and overseas in such new industries as renewable energy, eco-friendly maritime, and green, digital and health (GDH) industries.

2. Development of SMEs to become export startups: At present, Thai SME exporters account for less than 1% of the total of 3.1 million SMEs in the country. EXIM Thailand is fully equipped to provide advice and incubation programs for SMEs at all levels through activities of EXIM Excellence Academy (EXAC) in conjunction with offering of innovative financial facilities that will empower SMEs to start up export business right away, one of which is EXIM Supply Chain Financing Solution to enhance liquidity for SMEs that are suppliers of large entrepreneurs without additional collateral security required.

3. Development of online trade pavilion: “EXIM Thailand Pavilion” aims to assist small entrepreneurs with limited access to such channel as regards how to trade, posting to display products and finance so that they would be able to successfully trade online with counterparties abroad. Besides, they are allowed to concurrently access financial and non-financial support from EXIM Thailand and its alliance agencies.

4. Development of full-fledged products to boost liquidity and hedge risks for Thai entrepreneurs, SMEs in particular: This is undertaken in conjunction with launches of “debt suspension” and “capital enhancement” schemes to assist the Bank’s clients and export and export related businesses, importers and investors in a bid to relieve impacts from COVID-19, which is in line with the policies of the Ministry of Finance and the Bank of Thailand.

EXIM Thailand President further said that the above development plans correspond with the Bank’s Dual-track Policy in its role as “Thailand Development Bank” which aims to drive Thailand’s industrial and economic development for the country to navigate and weather the existing crisis with a momentum to progress further in a speedy manner and with sustainability including a move toward industries that can well respond to demand of consumers and business sectors of the new era. EXIM Thailand will also perform as “One Stop Trading Facilitator for SMEs” to assist SMEs which represent the majority of the business sectors in their transformation to exporters and expansion of export on a consistent, stable and sustainable basis. EXIM Thailand will ‘reboot’ industries in crisis and stimulate favorable market sentiment, ‘restructure’ industries so that there will be new industries that can respond to demand of the New Normal lifestyle and business operation of the future, and ‘rebalance’ trade and investment in principal markets and new frontiers as well as pioneering cooperation projects between Thai and other countries’ governments. EXIM Thailand will also provide a full suite of services in collaboration with its alliances to enhance SMEs’ knowledge, capital and potential so that they will be able to do international trade successfully and be part of the supply chain of exporters with confidence.

“EXIM Thailand will accelerate development of various factors that will help fuel the growth of Thai export and economy on a sustainable basis even amid the prevailing crisis. The Bank is fully ready to be the financial advisor and provide financial tools to facilitate business management of Thai entrepreneurs, particularly SMEs, to ensure their sustainable growth. They will be supported in the area of import of machinery and technology for enhancement of their production efficiency and product value added. Although exporters may benefit from the short-term baht weakening circumstance, they still need to build up immunity to any future challenges by way of differentiation of their products and services to be of outstanding quality and respond to demand of consumers of the New Normal way of life today,” added Dr. Rak.

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