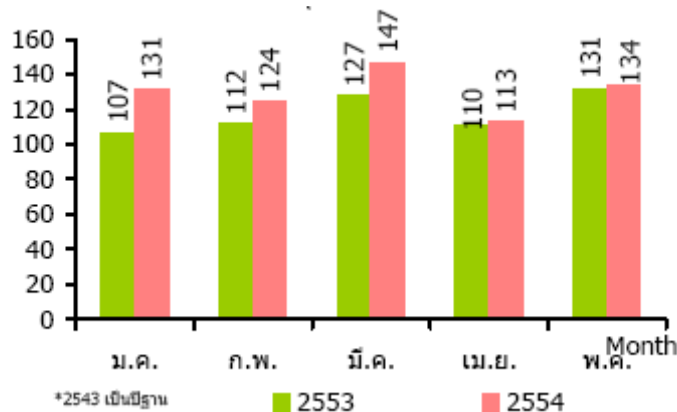


E&E Market Watch

Electrical and electronics industry expected 3rd quarter grow over 11%

Figure 1 Industrial production index of electric appliance during January – May 2011 compared to January – May 2010



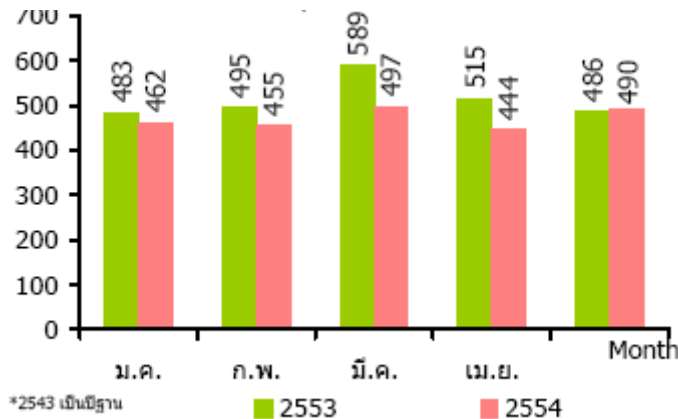
Source: The Custom Department, 2011

Collected Data & Analyzed: Electrical and Electronic Institution, July 2011

Office of Industrial Economics has reported the production of electric appliance index during January – May 2011 found the production has increased 11.68% compared to the same period of last year, due to the increasing on production of air condition, electric wire and refrigerator. The export market still has demands which is the key factor that makes production at high level, especially household appliance such as refrigerator has growth in Japan (export market) during five months in 2011 has increased 60.04%. those was main market of export which has ratio up to 26.46%, this is close to ASEAN the export value 26.05%, reduce 4.93% the increasing demands from Japan could be buying to replace the lost of refrigerator with natural disaster.

E&E Market Watch

Figure 2 Industrial production index of electronic products during January – May 2011 compared to January – May 2010

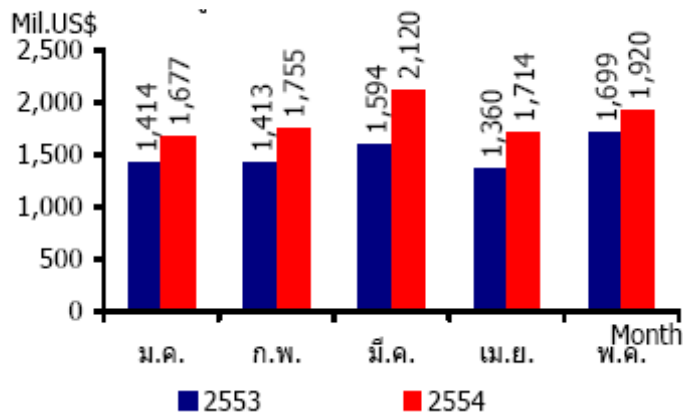


Source: The Custom Department, 2011

Collected Data & Analyzed: Electrical and Electronic Institution, July 2011

Electronic products production during January – May 2011 reduced 8.54% compared to the same period of last year. HDD production slightly stable in May 2011 after reduce since December 2010 compared to the same period of last year, because of changing some parts and equipment that use in finished product such as iPad/iPhone which contain microchip or micro-electronic as roller and storage has more capacity, meanwhile production risk by moving some HDD production to sub-company located in other countries such as Malaysia etc. Furthermore they have develop their product equal to HDD such as add more Solid State Drive (SSD), which is designed Chip/Microelectronic has high speed, light weight and also high value.

Figure 3 Showing the exported value of electronic products during January – May 2011 compared to January – May 2010



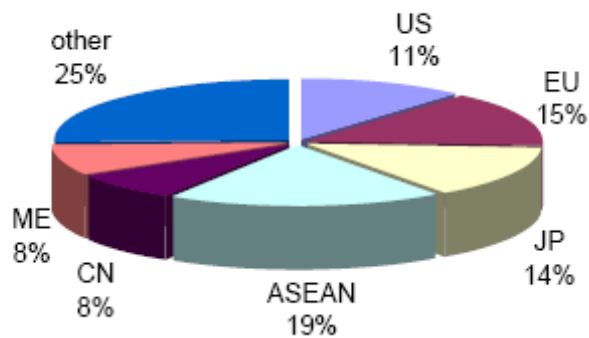
Source: The Custom Department, 2011

Collected Data & Analyzed: Electrical and Electronic Institution, July 2011

E&E Market Watch

The export electric appliances during January – May 2011 has value US\$9,185.72 million, increased 22.78% there were some expansion and high ratio of export market such as ASEAN during 5 months of this year has increased 19.55% and export ratio 19.00%. While new export market such as Austria has reduced 4.47% and export ratio 3.59%, according to Large Motor (power over 750W)², Color TV, and air conditioner for household has reduced. Furthermore others export market such as Hong Kong, India and South Korea has increased 42.81%, 37.98% and 36.74% respectively although the ratio of expansion was very high but the export ratio to those 3 markets was only 10.7%.

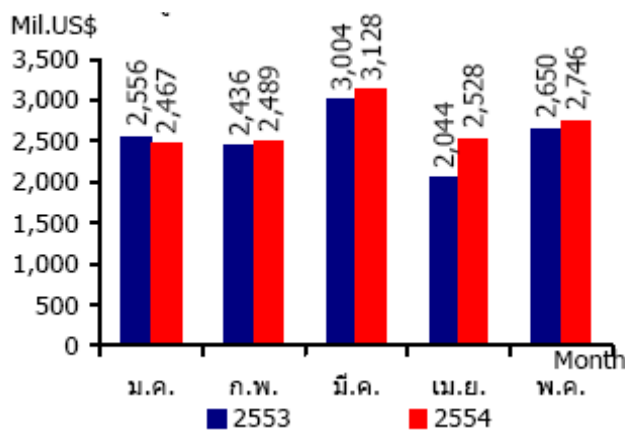
Figure 4 Showing the ratio exported value of electric appliances during January – May 2011



Source: The Custom Department, 2011

Collected Data & Analyzed: Electrical and Electronic Institution, July 2011

Figure 5 Showing the exported value of electronic products during January – May 2011 compared to January – May 2010

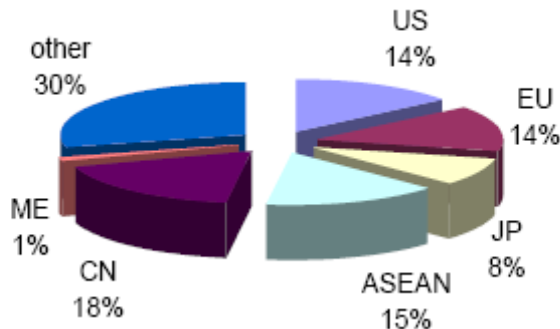


Source: The Custom Department, 2011

Collected Data & Analyzed: Electrical and Electronic Institution, July 2011

E&E Market Watch

Figure 6 Showing the ratio of exported value electronic products during January – May 2011

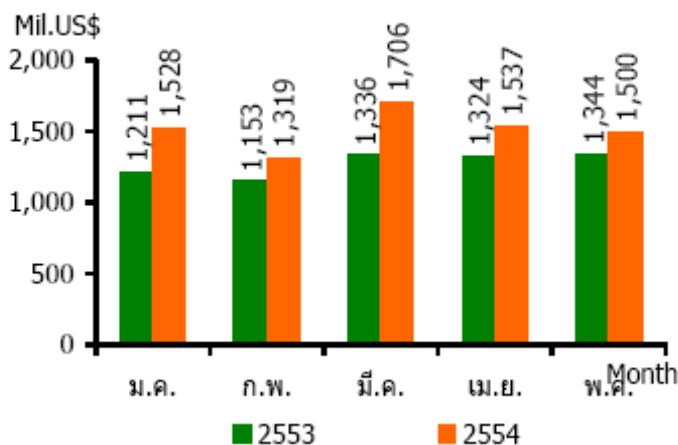


Source: The Custom Department, 2011

Collected Data & Analyzed: Electrical and Electronic Institution, July 2011

The electronic products had export value US\$13,358.16 million during January – May 2011, slightly increased 5.27% compared to the same period of last year, these cause the chip and micro assembly has increased 11.16% due to the major market such as Taiwan, Hong Kong, and United States have increased 62.54%, 32.10% and 14.53% respectively. Those 3 major markets have export ratio cover 43.78% of export valued for the product as chip and micro assembly made in Thailand. Those export market was distributor to expand all electronic product both ready-made and component to worldwide and they also the first place in the region that always put their new products into the market.

Figure 7 Showing the imported value of electric appliances during January – May 2011 compared to January – May 2010.

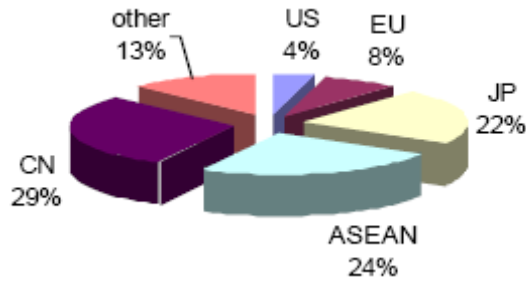


Source: The Custom Department, 2011

Collected Data & Analyzed: Electrical and Electronic Institution, July 2011

E&E Market Watch

Figure 8 Showing the ratio of imported value electric appliances during January – May 2011



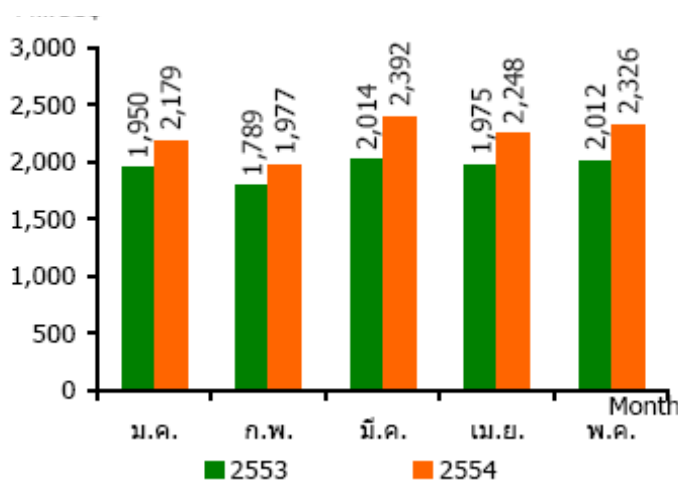
Source: The Custom Department, 2011

Collected Data & Analyzed: Electrical and Electronic Institution, July 2011

Electric appliance has imported value US\$7,589.98 million mostly from China, Asian and Japan as major part by has import ratio 75.50% from those 3 markets, the products imported from 3 markets had high value. The product mostly was electric circuit breaker / Protection equipment, TV components, wire, wires set etc.

Electronic products has import value US\$11,121 million, mostly import from China, and ASEAN by has import ratio at 65.29% percent from 3 markets there were high value import product from 3 markets, the products imported from 3 markets had high value such as chip, micro assembly, integrated circuit and micro assembly, computer components, and mobile phone etc.

Figure 9 Showing the imported value of electronic products during January – May 2011 compared to January – May 2010.

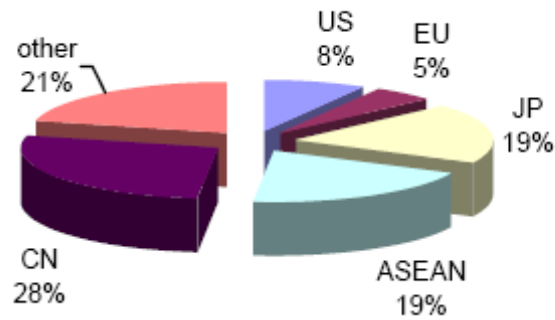


Source: The Custom Department, 2011

Collected Data & Analyzed: Electrical and Electronic Institution, July 2011

E&E Market Watch

Figure 10 Showing the ratio of imported electronic products during January – May 2011



Source: The Custom Department, 2011

Collected Data & Analyzed: Electrical and Electronic Institution, July 2011

The forecast of shipment index electric appliances and electronic products during 3rd quarter of 2011 expected to increase 10.50% from same period of the last year by the forecast electric appliances shipment index will increasing 19.43% in 3rd quarter of 2011 due to the increase of selling air-conditioner, refrigerator etc., meanwhile the forecast shipment index electronic product expected to increase 1.42% compared to the same period of last year, from growing on IC product.

However the worry about economy in the country and trading partner such as United State has unidentified the economic data about the economy recovery such as unemployment still remain in the US. Some countries in EU such as Greece had to rely on loan from European Central Bank and the protest of people who don't want any tax increased to offset the public debt etc. These show that their still has maximum risk for export to those countries which used to export in high level, beside the volatility of macroeconomic factors in Thailand also the factors affecting the industry such as cost of raw material, the cost of oil price and interest rate had rise up, these might effect to the production.

However from the warning system and watch out the electrical and electronic industries during July – August 2011 still in normal position from the economy indication variables of appliance and electric industrial continued positive impact on the system. There has indication variable increasing such as the value of distribution of semiconductor in world market also is the indicator variable to forecast the electronic in world market will increase continuously the Semiconductor Industry Association: SIA has forecast the growth rate at 5.4% in 2011.