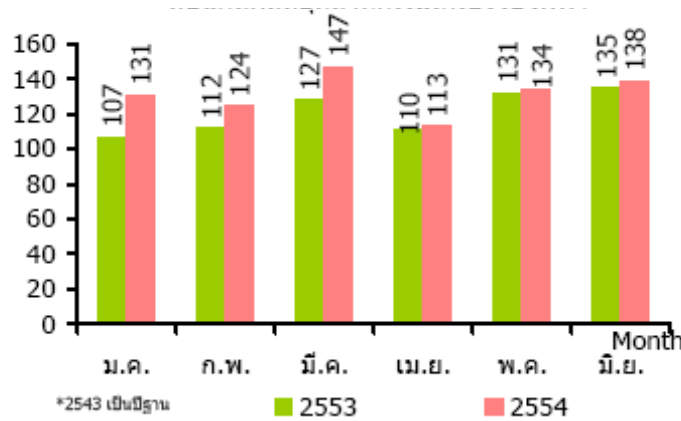


# E&E Market Watch

Electrical and electronics industry expected 3<sup>rd</sup> quarter grow over 6%

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

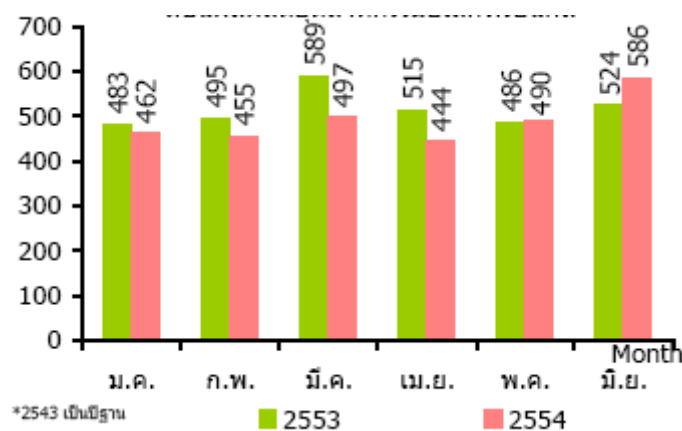


Source: The Custom Department, 2011, August 2011

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

Office of Industrial Economics has reported the production of electric appliance index during January – June 2011 found the production has increased 10.28% compared to the same period of last year, due to the increasing on production of electric wire, refrigerator and air conditioner-condensing product. By the refrigerator and electric wire product has increasing continuously since the early 2011 due to the expansion on export market such as ASEAN and Japan and expansion of business in Thailand such as real estate etc.

Figure 2 Industrial production index of electric appliance during January – June 2011 compared to January – June 2010



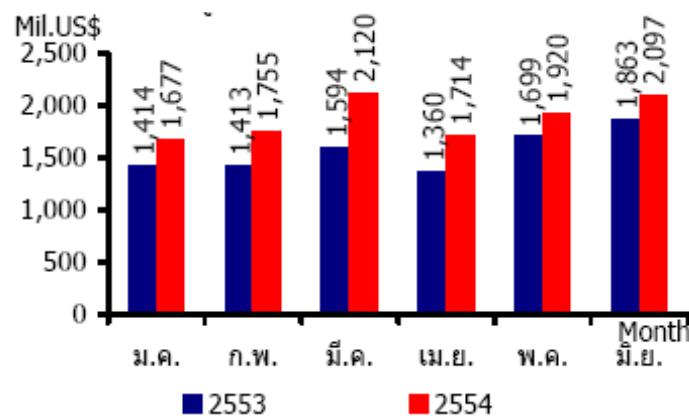
Source: The Custom Department, 2011, August 2011

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

# E&E Market Watch

Electronic products production during January – June 2011 reduced 5.08% compared to the same period of last year. The production begin to speed up and increased on June 2011, the electronic product was increased either when compared to May 2011 due to HDD production was the product in computer component group has increased the export value according to the demands on others export market not the major market such as Hong Kong, Mexico and India etc. has increased reverse with major market as China, United State and Japan was reduced. In first six month, Hong Kong market has increased 40.78%, Mexico market has increased 76.27% and India market has increased 21.38%. Meanwhile the increasing on electronic production should be watch out closely due to the index inventory accumulation shown high number on June 2011, although during end of the year was the time to deliver electronic products to their customers.

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



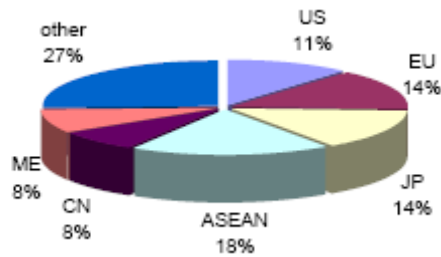
**Source:** The Custom Department, 2011, August 2011

**Collected Data & Analyzed:** Electrical and Electronic Institution, August 2011

The export electric appliances during January – June 2011 has value US\$11,282.67 million, increased 20.74% there were some expansion and high ratio of export market such as ASEAN during half year has increased 13.56% and export ratio 18.45%. While the major market has domestic economy tendency slow down but Thailand still export electric appliance to EU and Japan market which has increased 25.65% and 17.47% respectively. The total export ratio from both markets was 28.76%

# E&E Market Watch

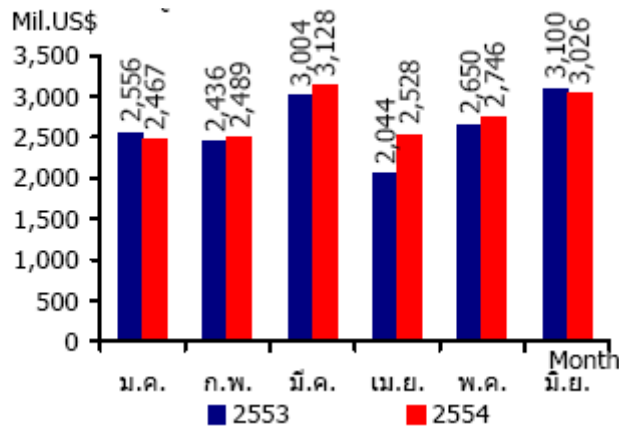
Figure 4 Showing the ratio exported value of electronic products during January – June 2011



Source: The Custom Department, 2011, August 2011

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

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



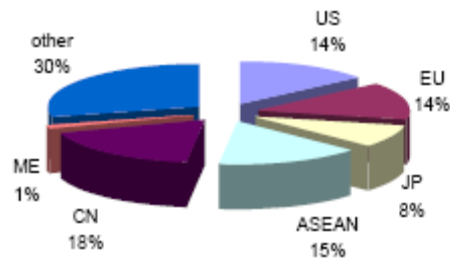
Source: The Custom Department, 2011, August 2011

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

The electronic products had export value US\$16,384.46 million during January – June 2011, slightly increased 3.77% compared to the same period of last year, these cause the chip and micro assembly has increased 8% due to the major market such as Taiwan, Hong Kong, and United States have increased 57.97%, 27.32% and 11.30% respectively. Those 3 major markets have export ratio cover 44.68% 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.

# E&E Market Watch

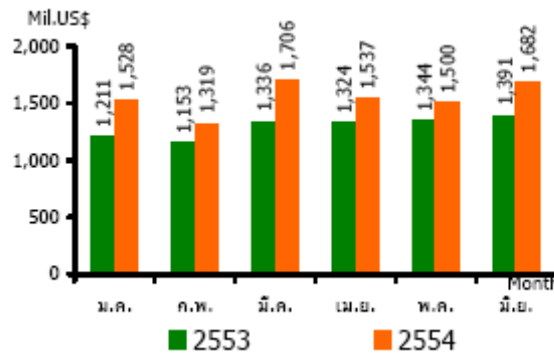
Figure 6 Showing the ratio of exported value electronic products during January – June 2011



Source: The Custom Department, 2011, August 2011

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

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



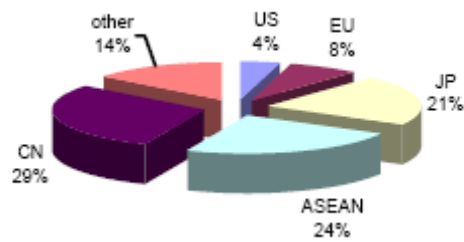
Source: The Custom Department, 2011, August 2011

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

Electric appliance has import value US\$9,272.24 million mostly from China, ASEAN and Japan as major part by has import ratio 74.14% 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.

# E&E Market Watch

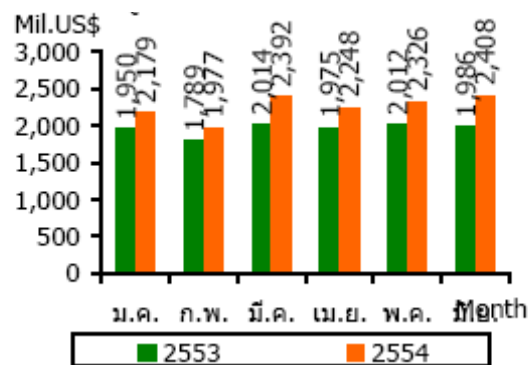
Figure 8 Showing the ratio of imported value electric appliances during January – June 2011



Source: The Custom Department, 2011, August 2011

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

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

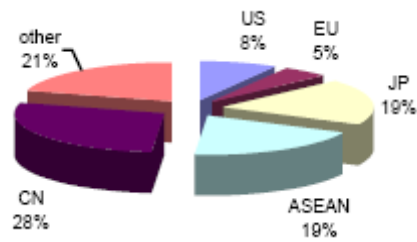


Source: The Custom Department, 2011, August 2011

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

Electronic products has import value US\$13,528.99 million, mostly import from China, ASEAN and Japan as major part by had import ratio 66% from those 3 markets, and the products imported from 3 markets had high value such as chip, micro assembly, integrated circuit and micro assembly, computer components, and diode, transistor and semiconductor mostly.

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



Source: The Custom Department, 2011, August 2011

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

The forecast shipment index of electric appliances and electronic products in 3<sup>rd</sup> quarter of 2011 expected to increase 5.63% from same period of the last year by the forecast shipment index of electric appliances will increasing 9.15% in 3<sup>rd</sup> quarter of 2011 due to the increase of selling air-conditioner mostly, meanwhile the forecast shipment index of electronic product expected to increase 2.11% 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 and EU might be slow down and effect to their reorder of the next period could be reduce as well and to solve the public debt s which trading partners have facing right now. Furthermore it might be impact to some countries in the Middle East such as Israel they had protest on high cost of living inside their country, which 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 the cost of oil price and interest rate had rise up, these might effect to the production. The government policy might effect to the cost of production as well if the entrepreneur unable to forecast the situation such as minimum wages will adjust to 300 baht.

However from the warning system and watch out the electrical and electronic industries during August – September 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 ratio at 5.4% in 2011.