

## In 2<sup>nd</sup> quarter electric appliances and electronics industry expected grow over 10%

The Office of Industrial Economics found electric appliances production up 15.82 % from January-March 2011 compared to the previous year due to the increase of product such as air condition, electric wire and refrigerator, however export still main factors to rise production even some products such as fan still stable, and the production had to respond the influence of domestic market. The consumer behavior changing fan to other products like air conditioner which is cooler and good for hot weather and also the air conditioner sale cheaper prices, affected to fan get less production.

Electronic production during January – March 2011 down 6.79% compared to the previous year. December 2010 HDD production decrease 3 months continuously but in March had deliver the product higher than February 2011, the inventory product also down combine with the increasing on production, this is a good sign of demand in next few months will be rise, these also make production rise as well.

The export electric appliances during January – March 2011 valued \$5,552.16 M, up 25.56% the electric appliances has increase continuously after economy crisis 2009. One part would be export to the new market and less custom duty according to Free Trade Agreement: FTA, the major export market as United State start to have more ordered.

The electric appliance always in top chart for export such as air conditioner has major market in European Union, about 26.67%, expand up to 9.42%, highest in March 2011 from January-February 2011, the expand ratio not too high for this market, previously we worry about economy situation of trader has slow down such as Italy etc and also the ASEAN countries have expand in the first quarter of this year 45.41% these make product value \$925.50 M increase from same period of previous year 22.57%.

The major export market of electric appliance as ASEAN countries has export 18.93% valued \$1,050.76 in first quarter, the product mostly air conditioner, refrigerator, electric circuit breaker/Protection equipment and small motor.

Second market of electric appliance was EU 14.63%, valued \$812.37 M, in the first quarter; the major product export to this market has increase such as TV, VDO camera and electric circuit breaker/Protection equipment.

Third market of electric appliance was Japan 13.97%, valued \$775.91 M, in the first quarter; the major product export to this market has increase such as refrigerator, wire and electric circuit breaker/Protection equipment.

The export electronic during January to March 2011 valued \$8,084.34 M, up a little same period of previous year 1.11%, due to computer component down 8.66%, the major export market such as China, United State, European Union, ASEAN countries and Japan go down, the export products mostly in electronic products, these effect to export value slow down, on the other hand the previous period has speed up for export and their still remain products in dealer's stock these cause less purchase in first quarter.

The major export market for electronic would be China 17.01%, valued \$1,375.51M, the major product such as computer component down 22.37% in China, affected overall product export total down 16.26%.

ASEAN countries export has market 15.25%, the second place of electronic export, valued \$1,233.16, the major product as computer component down 7.04% and integrated circuit and micro assembly up a little 1.04% respectively.

The electronic mostly imported from China, Asian and Japan, these 3 markets have 65%, there were high value import products from 3 markets such as integrated circuit and micro assembly, computer component, diode transistor and semiconductor.

In 2<sup>nd</sup> quarter, 2011 the estimate product export index of electric appliances and electronic expected to increase 10.93% same period of previous year, the estimate index of electric appliances up 13.60% due to the increasing demand air-conditioner, refrigerator etc, meanwhile the index evaluation in electronic expected to increase 8.25% compared to the same period of previous year from IC product.

However the alternate of Macro-economic factors also effect to industrial such as value of the baht go up effect to export market, the cost of raw material and oil price rise up effect to production, the economy between major partners such as United State, some countries in EU begin to release their situation, it's clearly to do more export with those countries, moreover imported Japan product such as components and parts also get risk due to their disaster the goods undelivered in time, cause delayed to finished product. Several companies have planned to find some other sources. The situation flooding and land sliding in Southern of Thailand might unaffected to the production because that not the manufacturing site of electric appliance and electronic but in the next quarter the distribution might be increase according to the demand of electric equipment, electric wire or electric appliance to fixed or repaired their household and building after flooding.