

Thailand’s Export Boom Masks a Record Trade Deficit

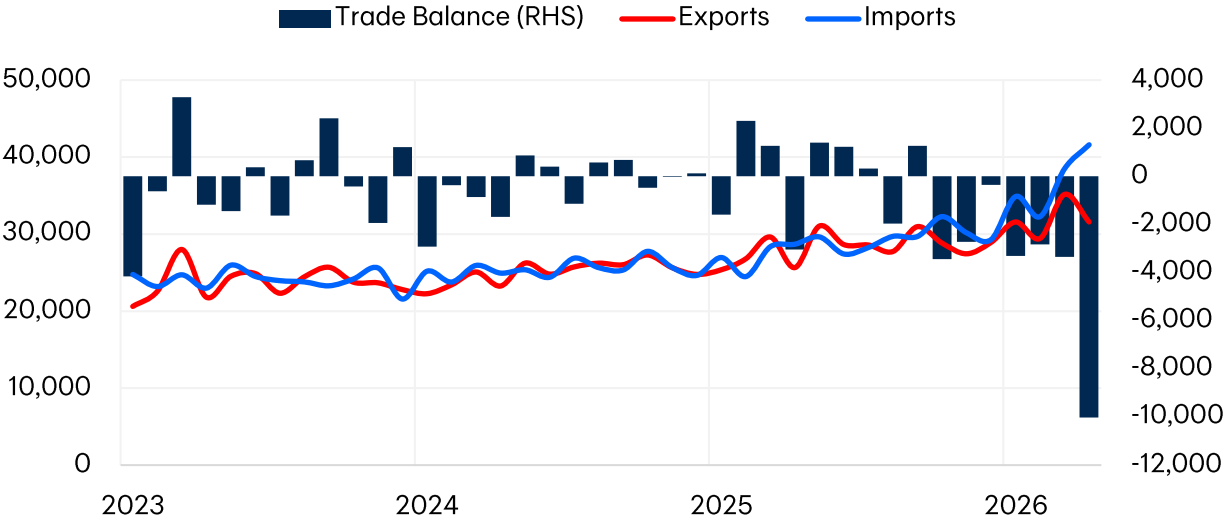
Key Takeaways:

- Thailand’s exports expanded for a 22nd consecutive month in April 2026, rising 23.1% year on year
- Imports grew even faster at 45.0%, pushing the trade deficit to a record high of more than US\$10 billion
- Crude oil was the largest single-item driver of the widening deficit, while intermediate goods were the largest category-level contributor
- Thailand continues to run a large trade deficit with China while maintaining a strong surplus with the United States
- The global AI and electronics investment cycle is supporting Thai exports, while increasing dependence on imported machinery and industrial inputs
- Rising oil prices, geopolitical tensions, and prolonged US dollar strength could increase pressure on the baht in the second half of the year

Thailand’s export sector continued to post exceptionally strong growth in April 2026, extending its expansion streak for the 22nd consecutive month. Exports rose 23.1% year on year to US\$31.6 billion, supported mainly by electronics, machinery, automobiles, electrical appliances, and seasonal agricultural products.

However, this positive export picture masks a fragile structural issue with Thailand becoming increasingly dependent on imports which have outpaced exports, surging 45% year on year to US\$41.6 billion. As a result, Thailand’s trade deficit was more than US\$10 billion in April alone, the largest monthly trade deficit on record.

Thailand’s Exports, Imports and Trade Balance (US Million)



Source: Ministry of Commerce.

This imbalance has been growing for some time. During the first four months of the year, exports increased 18.9% year on year to US\$127.8 billion, while imports surged 35.7% to US\$147.3 billion, resulting in a cumulative trade deficit of almost US\$19.5 billion.

While Thailand is benefiting from the global technology upcycle, this is being outweighed by its increasing exposure to rising energy costs, imported industrial inputs, and external supply-chain dependence.

Exports Are Being Driven by the Global Technology Cycle

Thailand's export recovery is increasingly concentrated in technology-related industries which are benefitting from the global electronics cycle and rising investment in artificial intelligence, cloud infrastructure, electronics manufacturing, and data centers. This saw exports of computers and components rise by nearly 69% in April, while telephone equipment and components surged more than 140%. Printed circuit boards, machinery, and electrical appliances also continued to expand strongly.

These developments show Thailand has cemented its position as part of broader technology supply chain across Asian and beyond. In April 2026, exports to the United States rose 44.2% year on year, while shipments to ASEAN, Japan, China, and Australia also posted strong double-digit growth. The broad-based expansion reflects stronger global manufacturing activity, alongside front-loaded demand ahead of potential tariff adjustments and supply-chain disruptions.

Imports Are Rising Faster Than the Export Boom

A significant portion of the recent surge in imports came from intermediate goods and capital goods within the electronics supply chain. Imports of electrical machinery, electronics components, printed circuit boards, transistors, and industrial machinery accelerated sharply as manufacturers expanded production capacity to meet rising global demand.

This suggests that Thailand's export expansion is becoming increasingly dependent on imported upstream inputs rather than domestic production.

At the same time, the import boom also reflects stronger investment activity linked to manufacturing, automation, and technology infrastructure. Part of the widening deficit may therefore reflect industrial upgrading rather than outright economic weakness.

Crude Oil and Intermediate Goods Drive the Deficit

Another major factor behind the widening trade deficit is the sharp increase in fuel imports. In April, fuel imports rose 128.6% year on year, while crude oil imports jumped 169%.

Crude oil was the single largest product-level contributor to the widening deficit, while intermediate goods represented the largest category-level source of import growth overall.

Part of the increase came from higher import volumes, with elevated global oil prices also playing a major role. Geopolitical tensions in the Middle East and uncertainty surrounding the Strait of Hormuz have contributed to higher energy costs globally.

As Thailand remains heavily dependent on imported energy, rising oil prices quickly translate into larger US dollar demand for imports. This directly increases both the trade deficit and pressure on the currency.

China Deficit Widens as US Surplus Expands

Thailand also runs a very large trade deficit with China, reaching US\$7.7 billion in April. In other words, more than three-quarters of Thailand's record US\$10 billion trade deficit that month was attributable to trade with China. The cumulative deficit with China exceeded US\$29 billion during the first four months of the year. Key imports from China include machinery, electronics components, and industrial inputs linked to the regional technology supply chain.

By contrast, Thailand maintains a substantial trade surplus with the United States, which reached US\$4.6 billion in April alone. This increasingly reflects Thailand's position between China's industrial base and US consumer demand.

The broader pattern is becoming increasingly clear. Thailand's exports are still expanding rapidly, supported by the global AI and electronics boom. However, imports are rising even faster due to energy dependence, supply-chain concentration, and higher capital investment requirements.

If left unchecked, this increasingly import-intensive growth model could leave Thailand more exposed to external shocks, currency volatility, and swings in global energy and technology cycles. The challenge is no longer generating export growth, but ensuring that growth translates into stronger domestic value creation and a more resilient external position.

Export momentum remains strong. External stability does not.

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