



Thailand and Vietnam: Trade Evolution, Key Imports, and Exports in 2024

Thailand and Vietnam are two of Southeast Asia's most dynamic economies, with robust trade sectors that have evolved significantly over the past few decades. Both countries have leveraged their strategic locations, skilled labour forces, and participation in global supply chains to become major exporters and importers. In 2024, their trade profiles reflect a mix of traditional strengths and emerging trends, driven by global demand, technological advancements, and regional economic integration.

Thailand's Trade Profile

Historical Evolution

1980s–1990s: Thailand emerged as a manufacturing hub, focusing on textiles, agriculture, and light industries. The country became known as the "Detroit of Asia" due to its growing automotive sector.

2000s: Thailand diversified into electronics, automotive parts, and high-value agricultural products. Free trade agreements (FTAs) with China, Japan, and ASEAN boosted exports.

2010s–2020s: Thailand faced challenges such as political instability and competition from Vietnam but maintained its position as a regional leader in automotive and electronics exports. The government also promoted the "Thailand 4.0" initiative to advance high-tech industries.

Imports in 2024

Thailand imports raw materials and machinery to support its manufacturing and export sectors. Key imports include:

Machinery and Equipment: Industrial machinery, computers, and telecommunications equipment (approx. 25% of total imports).

Electrical Components: Semiconductors, integrated circuits, and electronic parts (approx. 20% of total imports).

Crude Oil and Refined Fuels: Thailand relies on imports to meet its energy needs (approx. 15% of total imports).

Chemicals and Pharmaceuticals: Used in manufacturing and healthcare (approx. 10% of total imports).

Iron and Steel: Essential for construction and automotive industries (approx. 8% of total imports).

Exports in 2024

Thailand's exports are dominated by high-value manufactured goods and agricultural products:

Automobiles and Automotive Parts: Thailand is the largest vehicle producer in Southeast Asia, exporting cars, trucks, and parts to over 100 countries (approx. 20% of total exports).

Electronics: Hard drives, integrated circuits, and consumer electronics are major export items (approx. 18% of total exports).

Agricultural Products: Rice, rubber, sugar, and processed foods remain key exports (approx. 15% of total exports).

Jewellery and Precious Stones: Thailand is a global hub for gemstone processing and jewellery manufacturing (approx. 10% of total exports).

Plastics and Chemicals: Used in packaging, construction, and manufacturing (approx. 8% of total exports).

Vietnam's Trade Profile

Historical Evolution

1980s–1990s: Vietnam's economy was largely agrarian, with limited industrial output. The Đổi Mới (Renovation) reforms in 1986 opened the economy to foreign investment and trade.

2000s: Vietnam became a global manufacturing hub for textiles, footwear, and electronics. The country joined the World Trade Organisation (WTO) in 2007, accelerating trade growth.

2010s–2020s: Vietnam emerged as a key player in global supply chains, particularly in electronics and textiles. The US-China trade war and the COVID-19 pandemic further boosted Vietnam's appeal as an alternative manufacturing destination.

Imports in 2024

Vietnam imports raw materials and components to support its export-oriented industries. Key imports include:

Electronics and Components: Semiconductors, displays, and circuit boards (approx. 30% of total imports).

Machinery and Equipment: Industrial machinery and tools for manufacturing (approx. 20% of total imports).

Textiles and Fabrics: Imported for garment production, a major export sector (approx. 10% of total imports).

Petroleum Products: Vietnam imports refined fuels to meet energy demands (approx. 8% of total imports).

Iron and Steel: Used in construction and manufacturing (approx. 7% of total imports).

Exports in 2024

Vietnam's exports are dominated by electronics, textiles, and agricultural products:

Electronics and Smartphones: Vietnam is a global hub for electronics manufacturing, with Samsung being the largest exporter (approx. 35% of total exports).

Textiles and Garments: Clothing, footwear, and accessories are major export items (approx. 20% of total exports).

Agricultural Products: Coffee, rice, seafood, and cashews are key exports (approx. 15% of total exports).

Furniture and Wood Products: Vietnam is a leading exporter of wooden furniture (approx. 8% of total exports).

Footwear and Leather Goods: Vietnam is one of the world's largest exporters of footwear (approx. 7% of total exports).

Key Trends and Insights (2024)

Global Supply Chain Integration: Both Thailand and Vietnam are deeply integrated into global supply chains, particularly in electronics and textiles. Vietnam has benefited from the US-China trade war, attracting foreign investment and expanding its export base.

Free Trade Agreements (FTAs): Both countries have leveraged FTAs to boost trade. Thailand has agreements with China, Japan, and ASEAN, while Vietnam has the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the EU-Vietnam Free Trade Agreement (EVFTA).

Sustainability and Green Trade: There is a growing focus on sustainable practices. Thailand is promoting eco-friendly automotive production, while Vietnam is investing in renewable energy and sustainable agriculture.

Digital Transformation: Both countries are embracing Industry 4.0 technologies, such as automation and AI, to enhance productivity and competitiveness.

Challenges: Rising labour costs, competition from other ASEAN countries, and global economic uncertainties pose challenges for both Thailand and Vietnam.

Conclusion

Thailand and Vietnam have transformed their economies from agrarian bases to global manufacturing and export powerhouses. In 2024, their trade profiles reflect a blend of traditional strengths and emerging opportunities. While Thailand remains a leader in automotive and high-value agricultural exports, Vietnam has solidified its position as a global hub for electronics and textiles. Both countries are well-positioned to capitalise on global trends, including digital transformation and sustainability, ensuring their continued growth in the global trade arena.