

Electronics & Electrical Appliances Outlook

Agenda

- Global Electronics & Electrical Appliances Outlook
- Thailand Electronics & Electrical Appliances Outlook
- Thailand Electronics & Electrical Appliances Sector: SMEs' competition and business opportunities



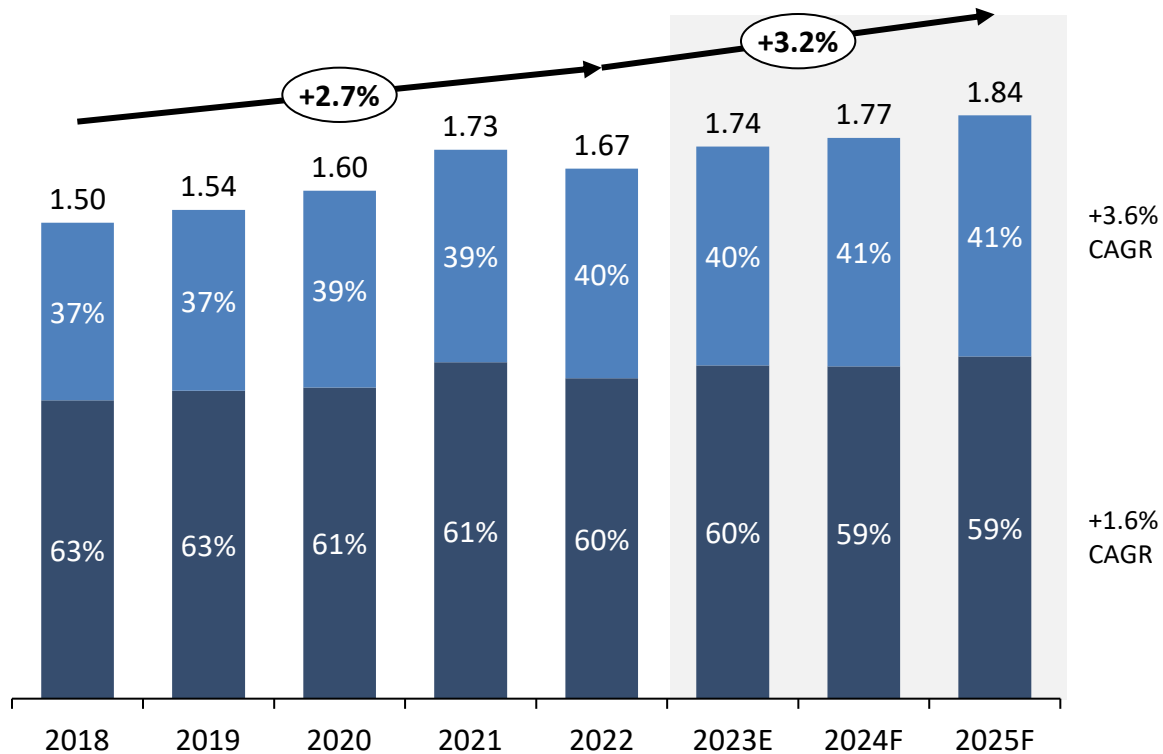
**Business Research
October 2023**

Electronics & Electrical Appliance Outlook

The global electronics and electrical appliance industry continues to grow due to population expansion and urbanization.

Global Market (Trillion USD)

- Home appliances
- Consumer Electronics



Large Home Appliances

- Air Conditioners
- Cookers + Ovens
- Dishwashing
- Freezers
- Refrigerators
- Washing machines



Small Home Appliances

- Vacuum cleaners
- Small cooking appliances
- Personal care appliances
- Irons
- Air treatment products
- Etc.



Consumer Electronics

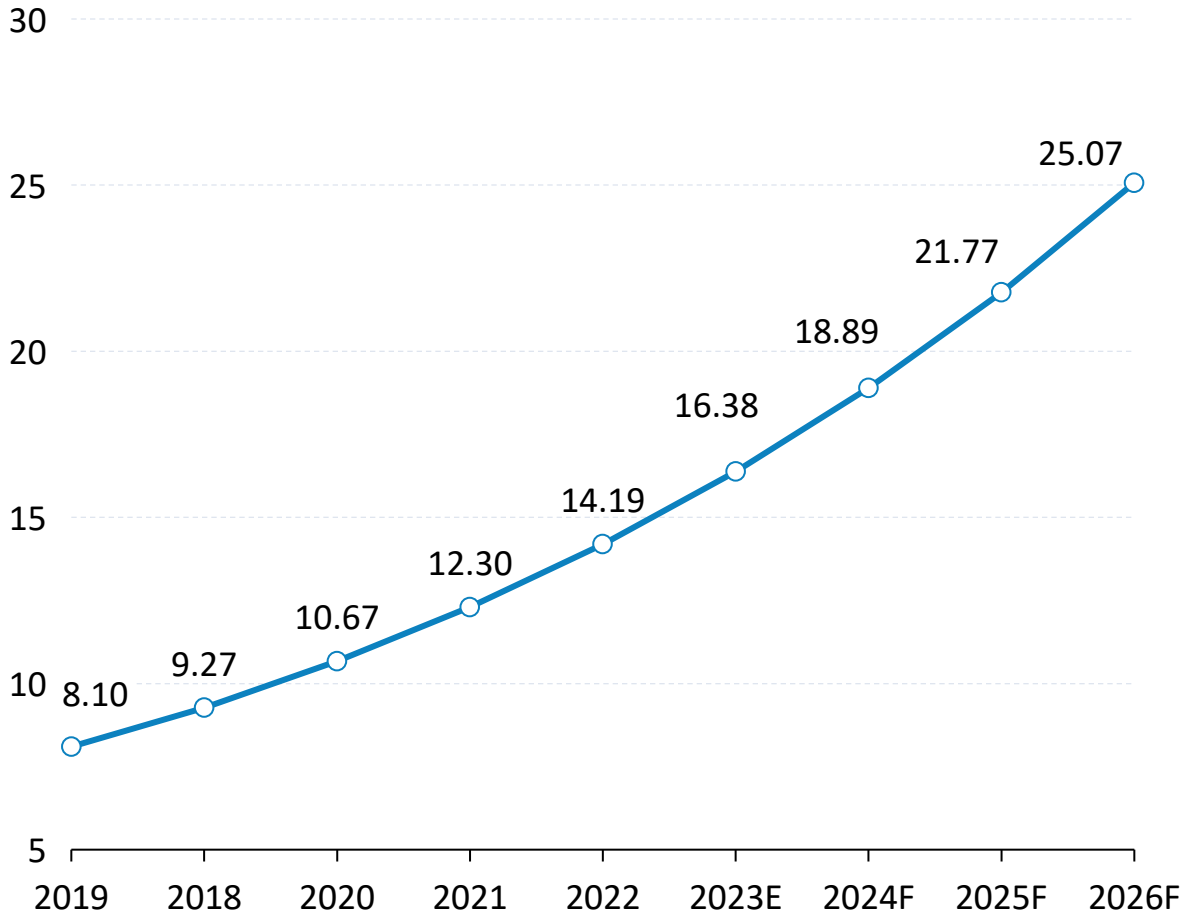
- TV, Radios & Multimedia
- Telephony (smartphones, feature phones, etc.)
- Computing (PCs and accessories)
- Smart Devices
- Drones
- Etc.

Note : Not including power electronics category

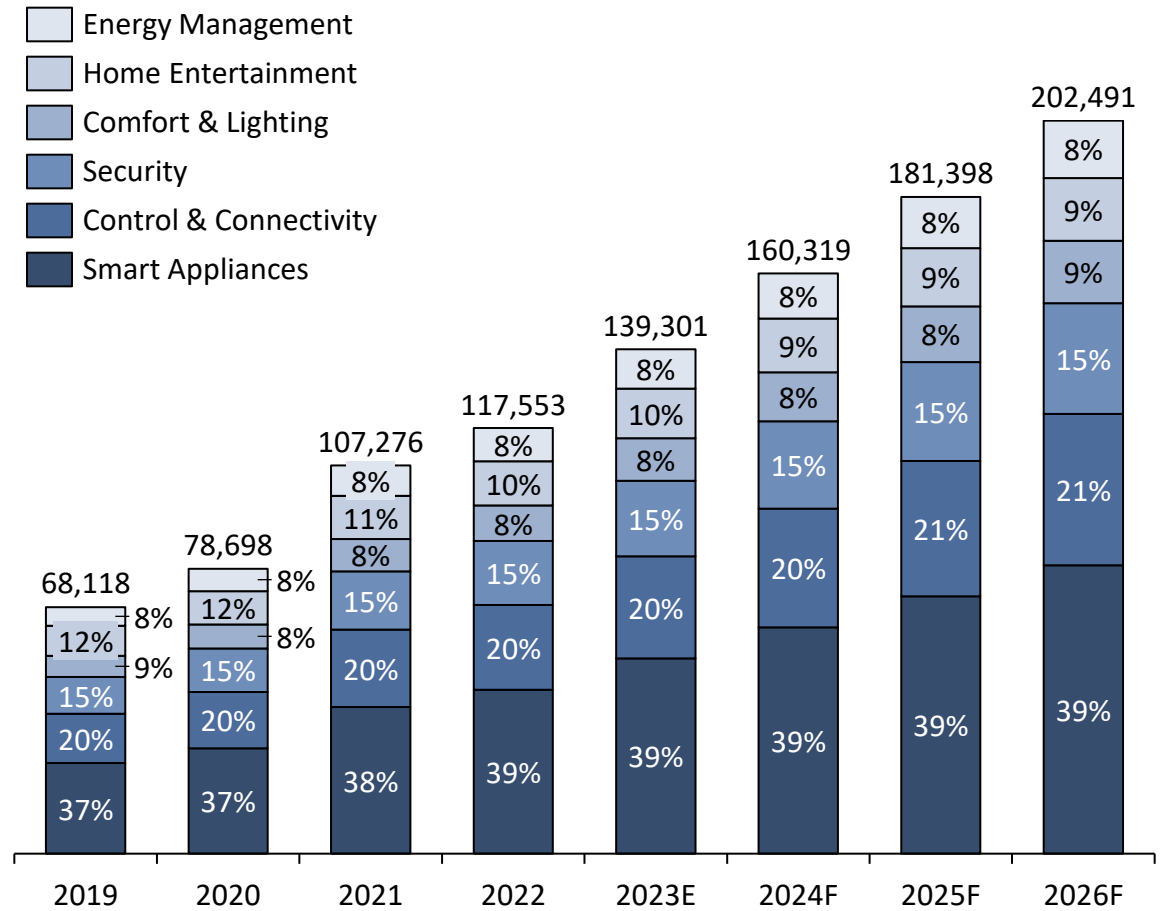
Smart home is key trend for global electronics & electrical appliances market.

By 2026, ¼ of household worldwide would own the smart home.

Global smart home penetration rate (%)



Global smart home revenue by segment (Million USD)



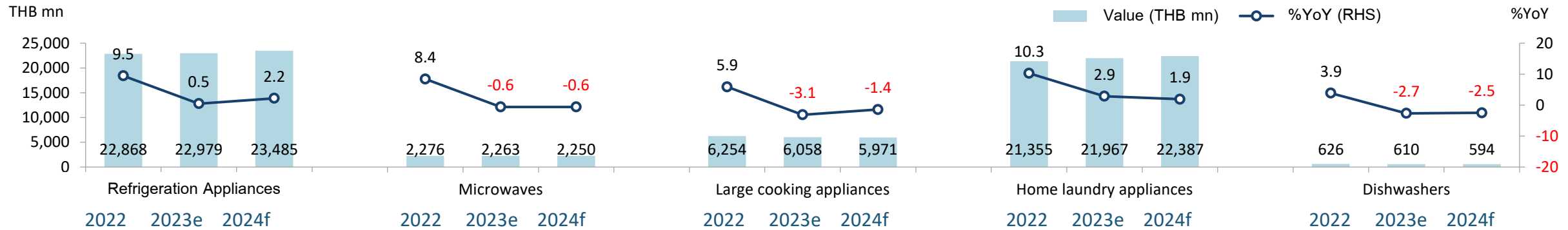
Note : Not including power electronics category

The business of selling home electrical appliances in 2023-24 is expected to grow at a slower pace. It is expected to expand by only 1.9%YoY from the previous growth of 8.8%YoY in 2022, mainly due to the slowdown in purchasing power, especially in the large electrical appliance group. However, the small electrical appliance group will still expand by about 2.3%YoY. The most outstanding product, which is expected to grow by around 4%YoY, is the personal care appliances group, especially the oral care group.

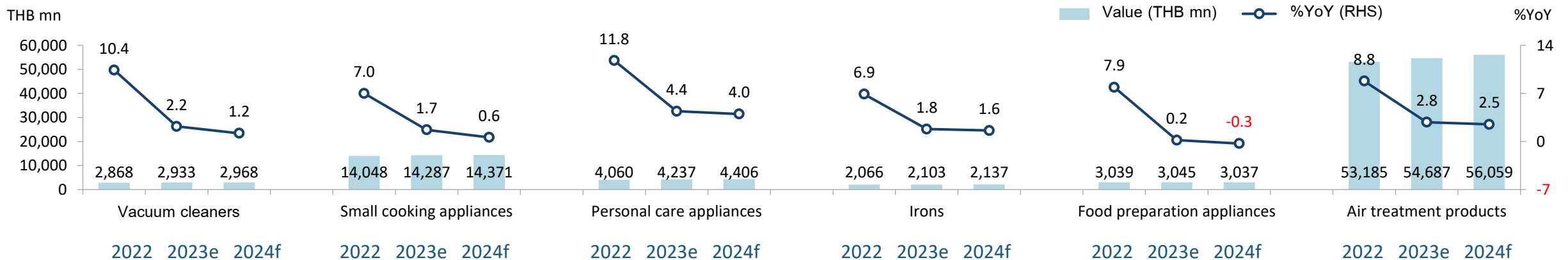


Sale of Home Electrical Appliance

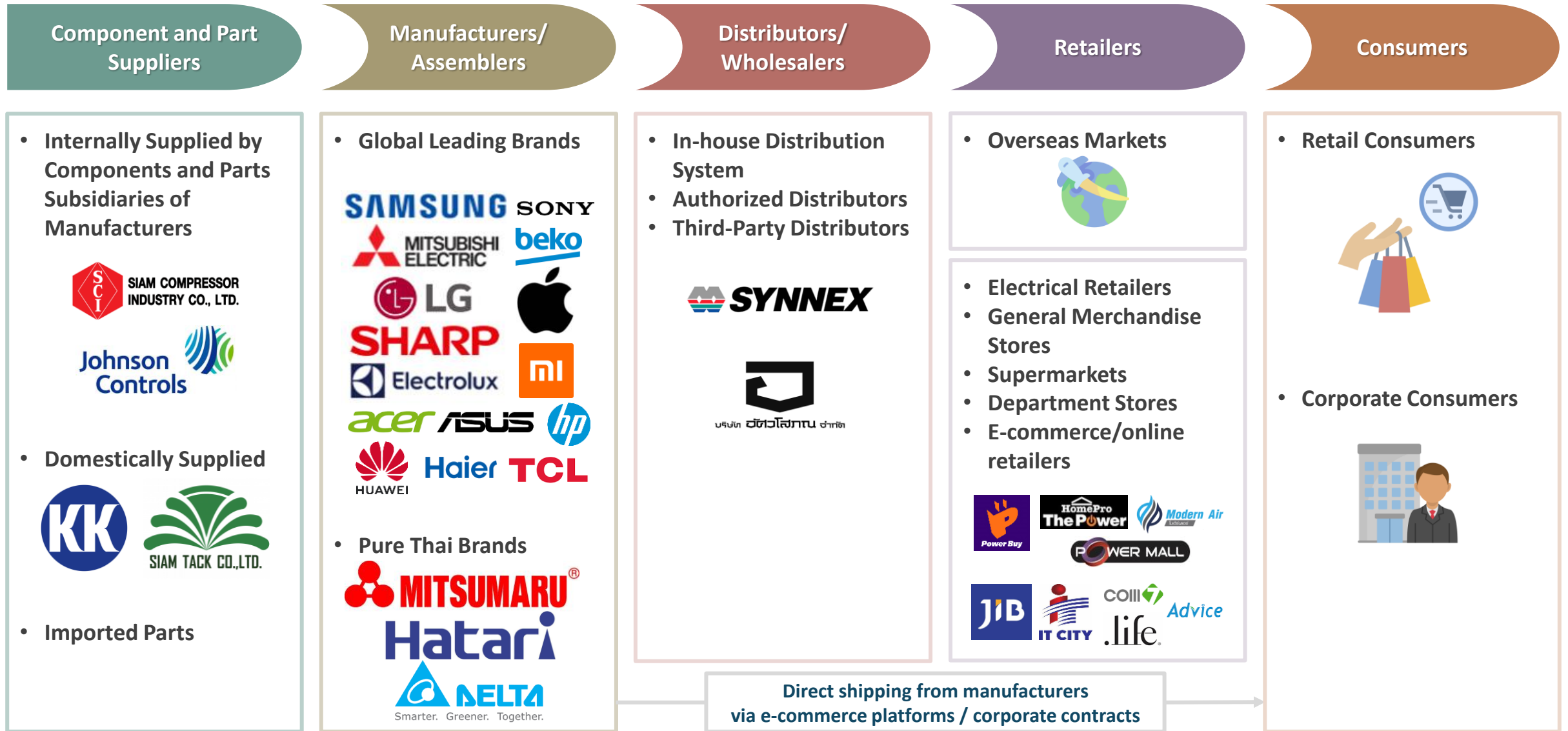
Growth Trends for Each Type of Large Electrical Appliance Group



Growth Trends for Each Type of Small Electrical Appliance Group



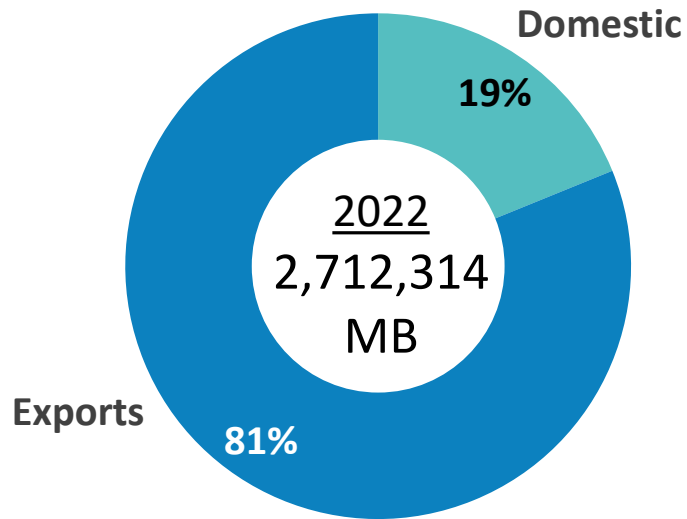
Thailand's Electronics & Electrical Appliance Industry - Value Chain Overview



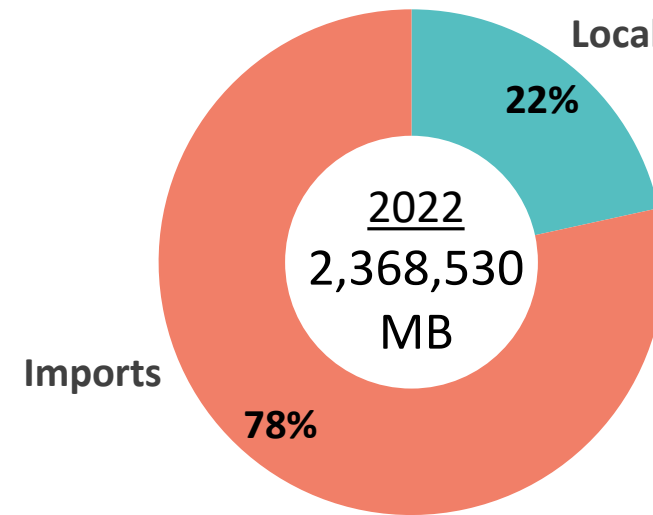
Thailand's Electronics & Electrical Appliance Industry - Landscape

- **Thailand is a large production and export base for electronic products and electrical appliances.** The proportion of production for export is approximately 81%, with important trading partners including the United States (30%), Japan (9%) and Hong Kong (8%).
- **The domestic market still relies on imports of more than 78%**, mostly for high-tech products such as ICs, smartphones, and computers, with the main trading partners being China (40%), Taiwan (11%), and Japan (10%).

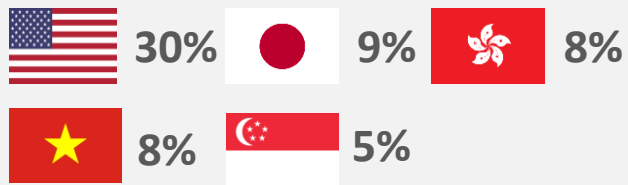
Thailand's Electronics & Electrical Home Appliance Production



Thailand's Electronics & Electrical Home Appliance Market



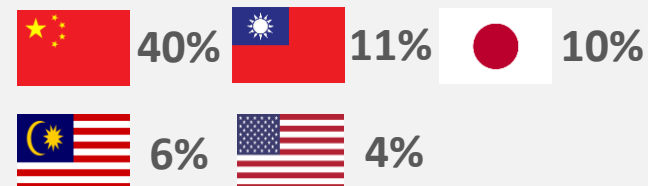
Top 5 export destinations (2022)



Key Products

- Computer parts 23%
- IC 15%
- Air Conditioner 10%

Top 5 import origins (2022)



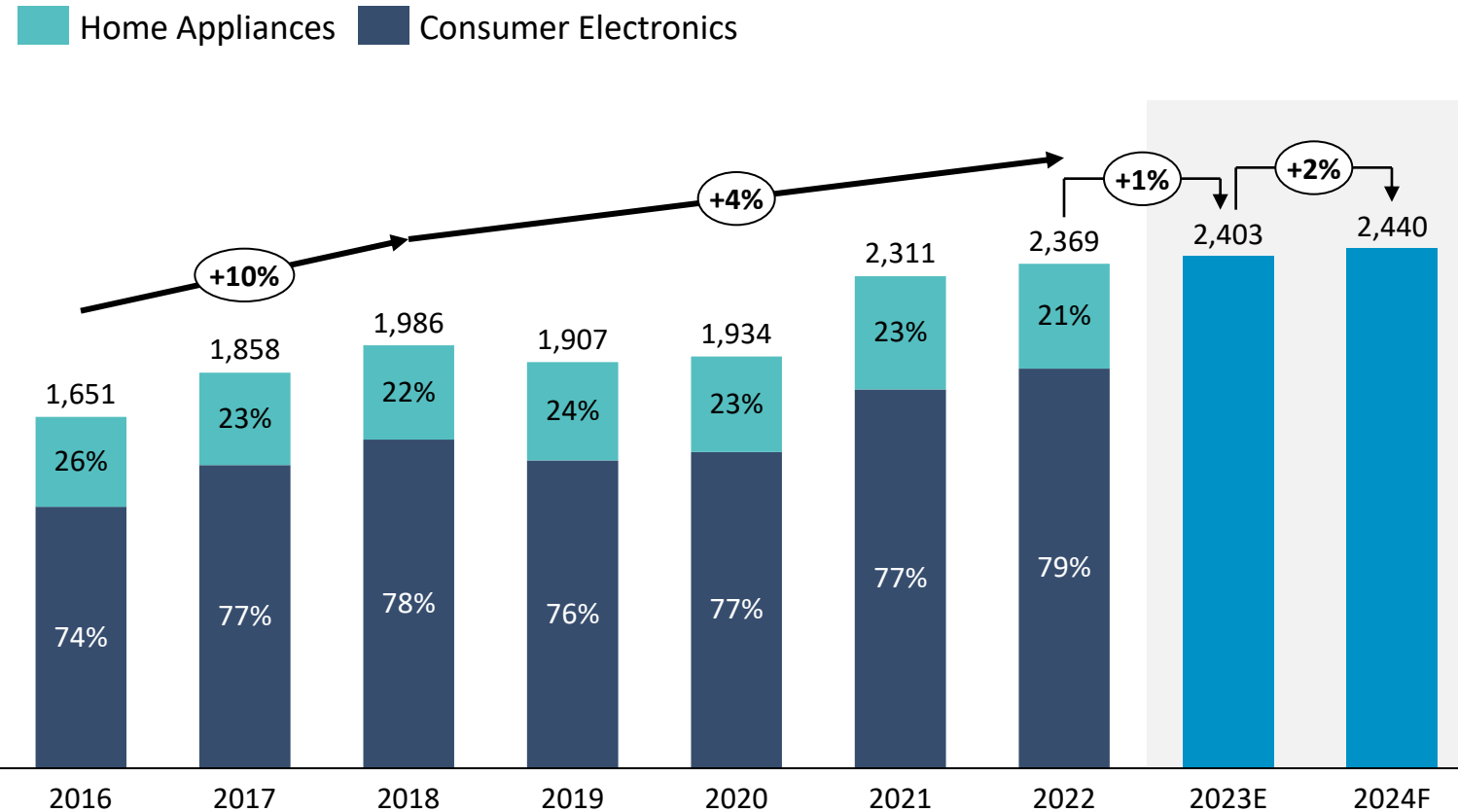
Key Products

- IC 36%
- Smart Phones 8%
- Computer & parts 7%

Thailand's Electronics & Electrical Appliances – Industry Outlook

Thailand's Electronics & Electrical Appliances Market

(Unit: Billion THB)



- **The electronics & electrical appliances market in 2024 is likely to expand by 2%**, which is lower than the average between 2018-2022 of 4% per year. In 2024, household consumption is expected to recover along with export income returning to positive. However, consumers' spending ability remains pressured by high interest rates. and the cost of living increased from previous inflation rates.
- Moreover, **the industry is also likely to receive positive results from the development of new technologies, such as the expansion of 5G networks, smart city policies and the trend of smart homes**, which will help stimulate the purchase/change of new technology equipment.

Note : Not including power electronics category

Source: LH Bank Business Research analysis based on data from EEI, NSO and BOT

Government policies are helping to support both domestic and external demand for electronics and electrical appliances.

Short-term measures to stimulate domestic consumption



“Shop Chuay Chart” a tax incentive measure in 2017

- The Bangkok Poll results showed that 10.7% of people decided to buy large and expensive items such as electrical appliances, smartphones, notebook-pc.



“Shop Dee Mee Kuen” a tax incentive measure in 2023

- The survey by Dharmniti found that almost half of the people - 48% - decided to buy IT products.



The government's 10,000-baht digital currency handout in 2024

Initially, a one-time payment of THB 10,000 will be made to ~54 million people aged 16 and above for expenditure on goods and services within six months.

Trade agreements support long-term demand for electronics products.



Regional Comprehensive Economic Partnership (RCEP) came into force on 1 January 2022.

- RCEP is the world’s largest free trade arrangement. RCEP Signatories have a combined GDP of about one third of the world’s GDP. When the Agreement takes effect, a vast number of Thailand’s exports will benefit from zero tariffs, including electronic and electrical parts.



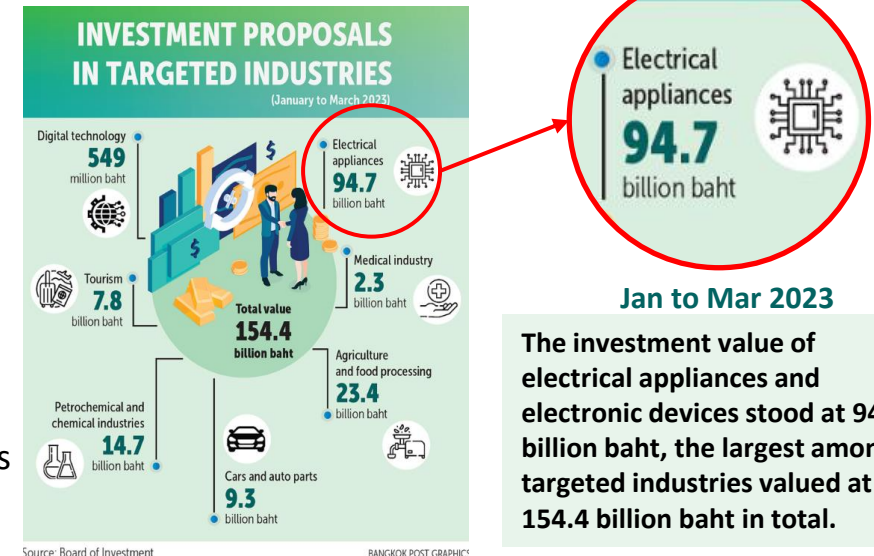
ASEAN Agreement on Electronic Commerce 2021-2025

- **Paperless Trading** Promote greater efficiency and reliability through the digitization of documents
- **Electronic Payments** Encourage interoperable electronic payment systems for cross-border transactions and e-commerce

BOI’s Investment Incentives for electronics & electrical appliances industry

Provide tax exemptions for investment in the following activities

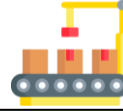
- Electronic design i.e. microelectronics, optoelectronics or embedded system.
- Manufacture of electronic products, devices and parts
- Manufacture of electrical appliances, devices and parts



Source: Board of Investment

BANGKOK POST GRAPHICS

Factors influencing Thailand's Electronics & Electrical Appliances Market



Manufacture

Tailwind

- A Recovering Economy both domestic and export markets.
- Urbanization trend in emerging countries.
- BOI investment promotion measures in product groups; Smart/Advanced Electronics, Appliances.

Headwind

- The housing market is slowly recovering.
- The global semiconductor shortage lasts longer than expected.
- Impact of higher costs.
 - Russia-Ukraine war As a result, raw material prices and overall production costs of electronic products, such as transportation and energy costs, have increased.
 - Inflation problem.
 - Interest rate hike policy.
 - Wage increase - labour shortage.
- Global trend towards supply chain relocation, particularly in the advanced electronic products group.
- Trade protection measures for electronic equipment from trading countries.
- Electronic products and electrical appliances are being imported from China, which are cheaper and of higher quality.



Wholesale & Retail Sale

Tailwind

- Full recovery after tourism rebounds.
- Temperatures are expected to rise as a result of global warming. This will facilitate growth in demand for cooling appliances.
- Concerns over dust and PM2.5 issues.
- Electronic products and electrical appliances are being imported from China, which are cheaper and of higher quality.
- Government stimulus measures such as **Shop Dee Mee Kuen** and **10,000-baht digital currency**.
- Digital lifestyle and health-conscious trends are driving sales of wearable and e-health products, including the private sector's digital transformation in network installation and smart office products.

Headwind

- Fierce competition, especially from international e-commerce channels, makes ordering and shipping products from China more convenient.
- Semiconductor shortage in the global market As a result, the average price of electronic products has risen.
- High household debt weighs on consumption.
- Oil prices tend to rise.
- The resurgence of the COVID-19 outbreak

Thailand's Electronics & Electrical Appliances : Market Overview

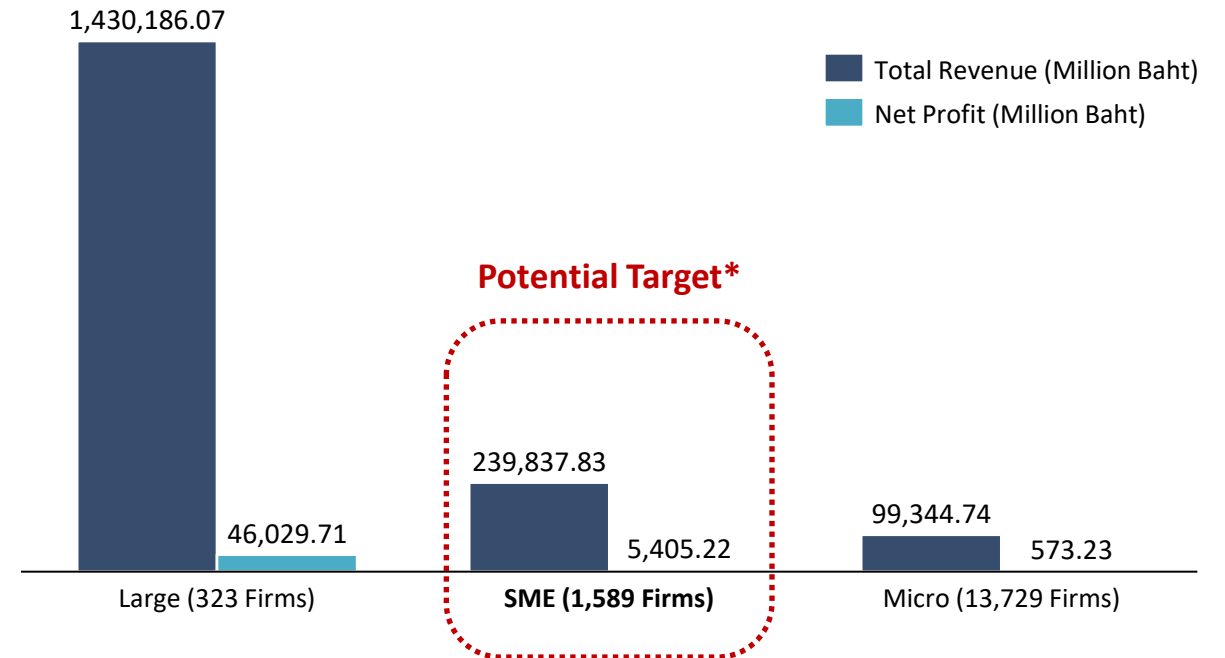
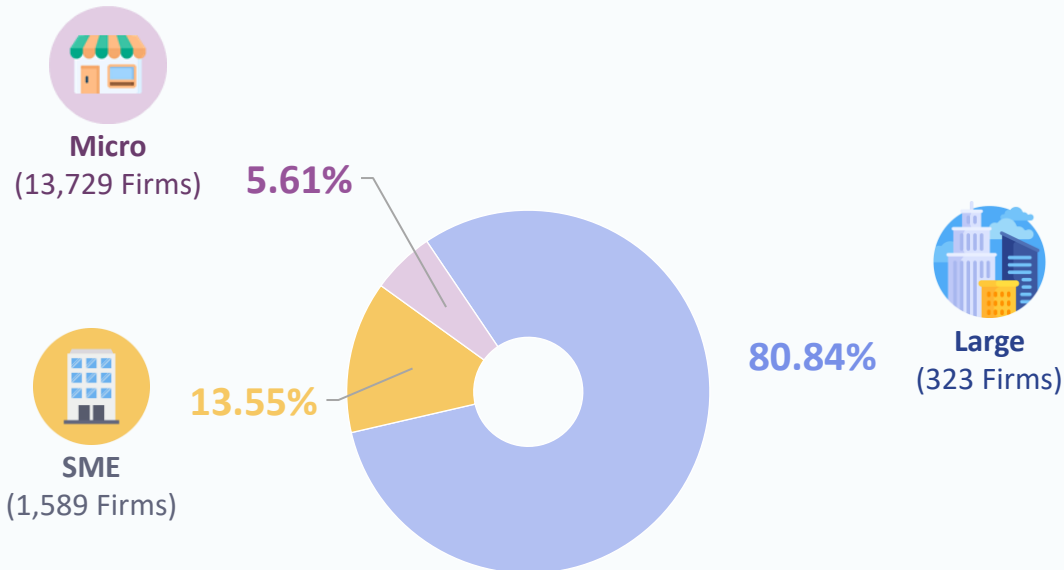
Based on selected TSIC groups (in 2022), Thailand's Electronics & Electrical Appliances Business was valued at **1,769,368.64 million baht**, with large enterprises accounting for 80.84% of the market share. This is followed by SME with 13.55% and micro with 5.61%.

Share of Electronics & Electrical Appliances Business Value by firm size

(46104, 46510, 27501, 46421, 47595, 46521, 46522, 47411, 47413)

Market Value (L, SME, Micro) = 1,769,368.64 Mn THB

Total Firms = 23,845 Firms



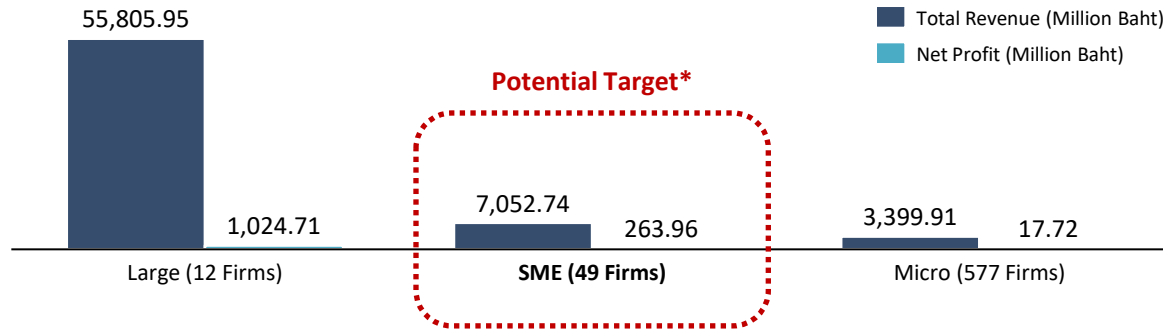
Note : No. Firm (L, SME, Micro) = 15,641 Firms No. Firm (Not Specify) = 8,204 Firms No. Total Firm = 23,845 Firms

SME with revenue of 50-500 MN THB

Thailand's Electronics & Electrical Appliances : Market Overview

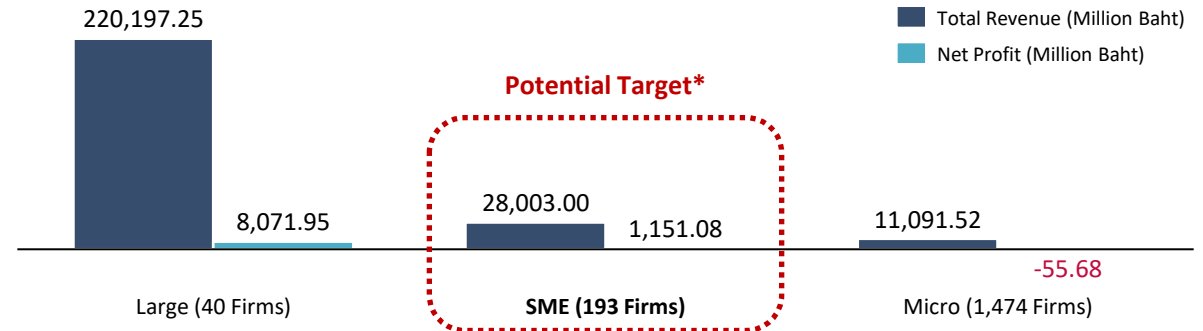
46104 : Wholesale on a fee or contract basis of computers and software, electronic and telecommunications equipment

Market Value = 66,258.60 Mn THB
Total Players = 1,098 Firms



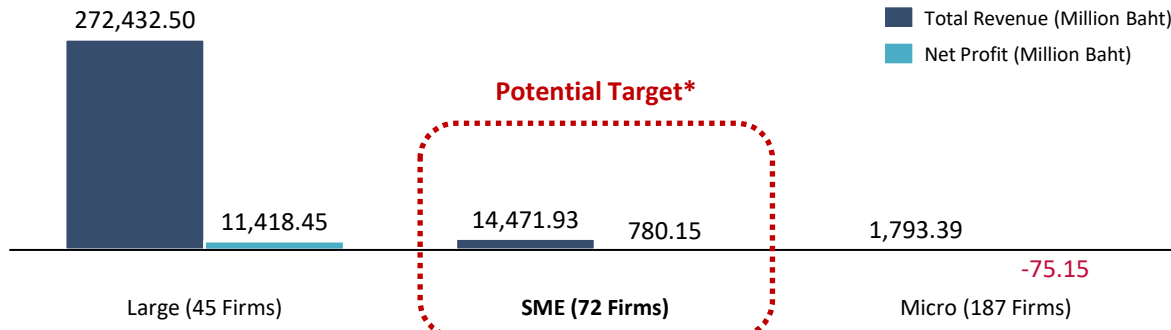
46510 : Wholesale of computers, computer peripheral equipment and software

Market Value = 259,291.77 Mn THB
Total Players = 2,537 Firms



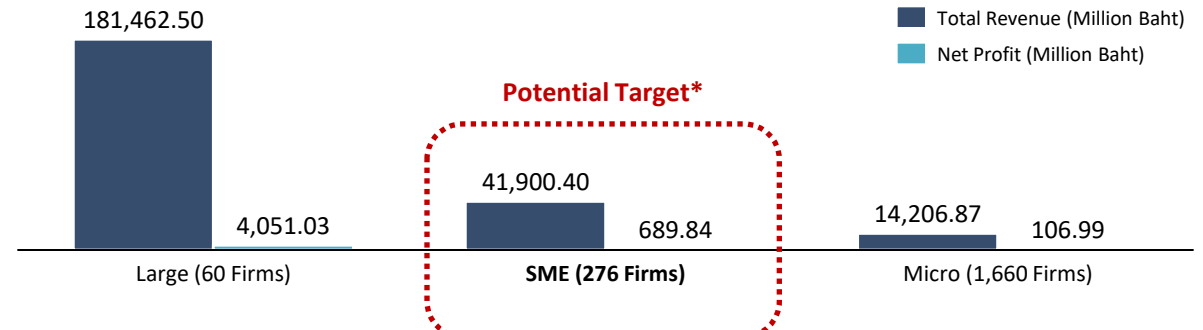
27501 : Manufacture of domestic electric appliances (except electrothermic appliances)

Market Value = 288,697.83 Mn THB
Total Players = 429 Firms



46421 : Wholesale of electric household appliances and consumer electronics (except lighting equipment)

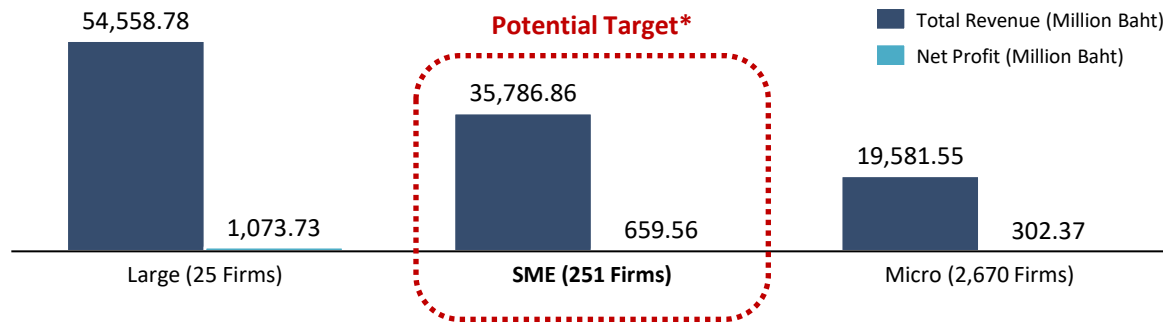
Market Value = 237,569.76 Mn THB
Total Players = 2,966 Firms



Thailand's Electronics & Electrical Appliances : Market Overview

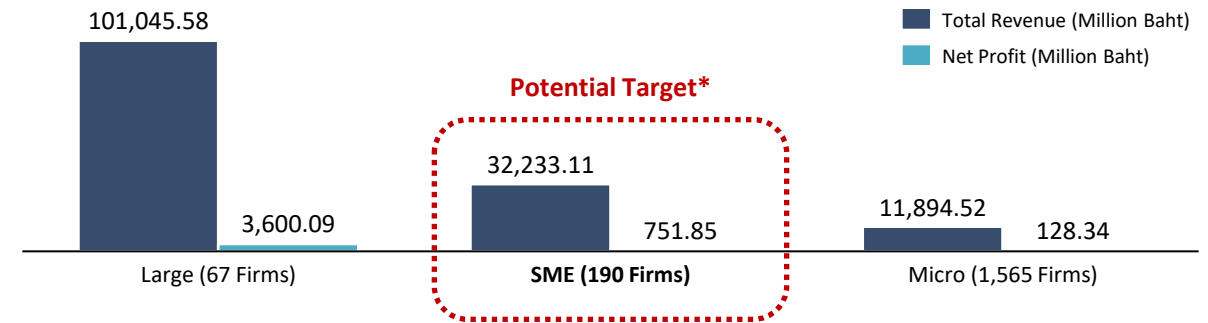
47595 : Retail sale of electrical household appliances in specialized stores

Market Value = 109,927.20 Mn THB
Total Players = 4,560 Firms



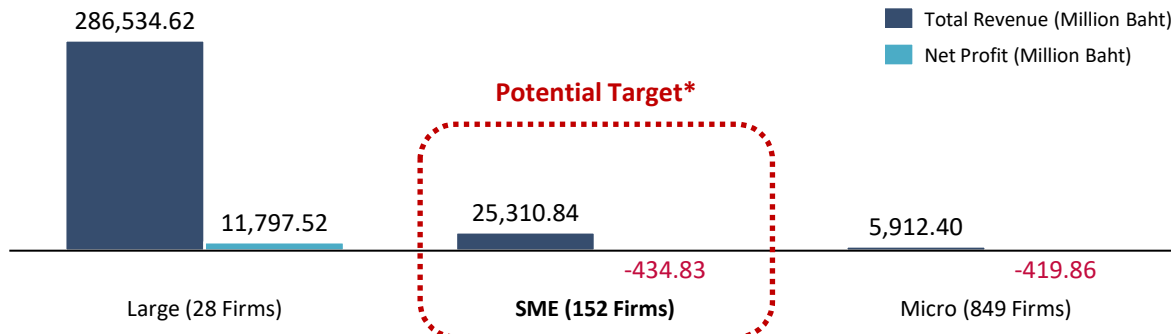
46521 : Wholesale of electronic equipment and parts

Market Value = 145,173.21 Mn THB
Total Players = 2,824 Firms



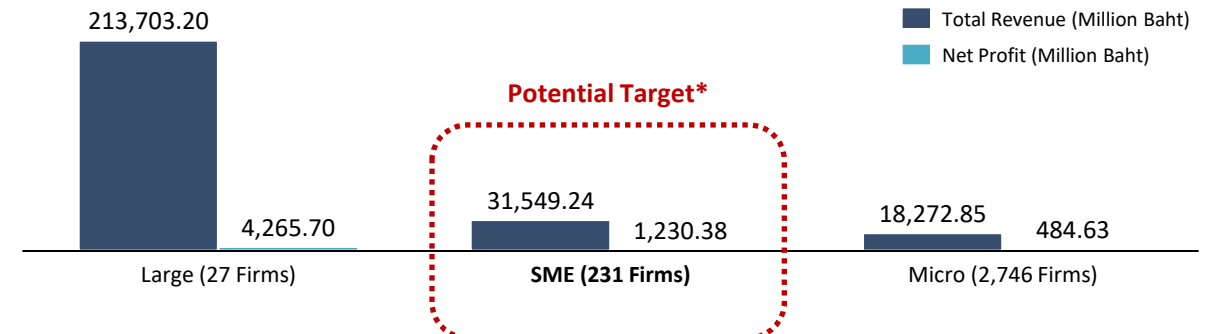
46522 : Wholesale of telephone and telecommunications equipment

Market Value = 317,757.86 Mn THB
Total Players = 1,656 Firms



47411 : Retail sale of computers and peripheral units in specialized stores

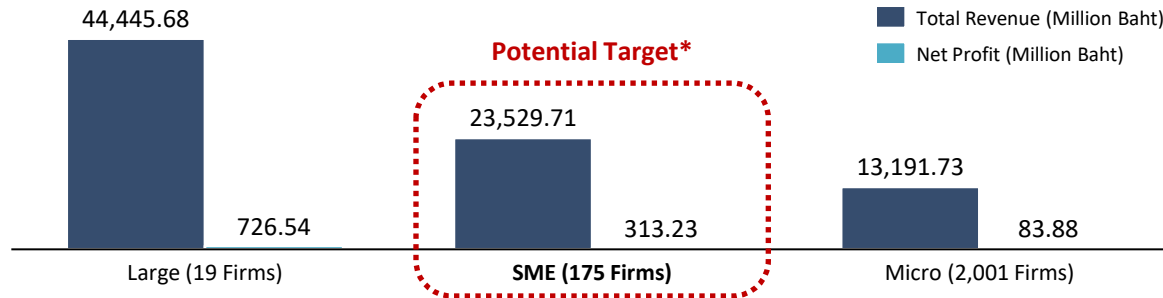
Market Value = 263,525.29 Mn THB
Total Players = 4,278 Firms



Thailand's Electronics & Electrical Appliances : Market Overview

47413 : Retail sale of telecommunications equipment in specialized stores

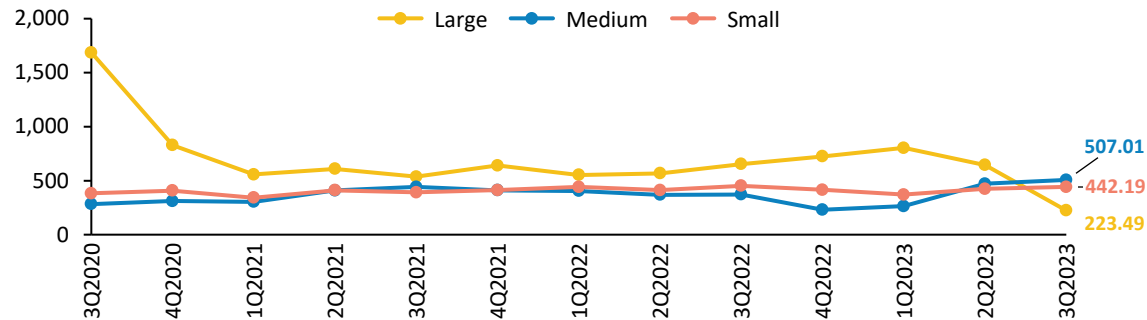
Market Value = 81,167.12 Mn THB
Total Players = 3,497 Firms



Thailand's Electronics & Electrical Appliances : Loan Outstanding

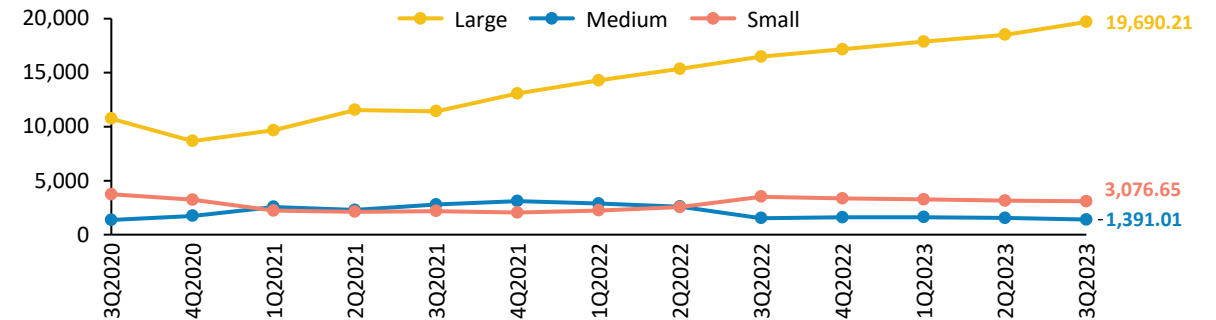
46104 : Wholesale on a fee or contract basis of computers and software, electronic and telecommunications equipment

Loan Size* = 1,172.68 Mn THB



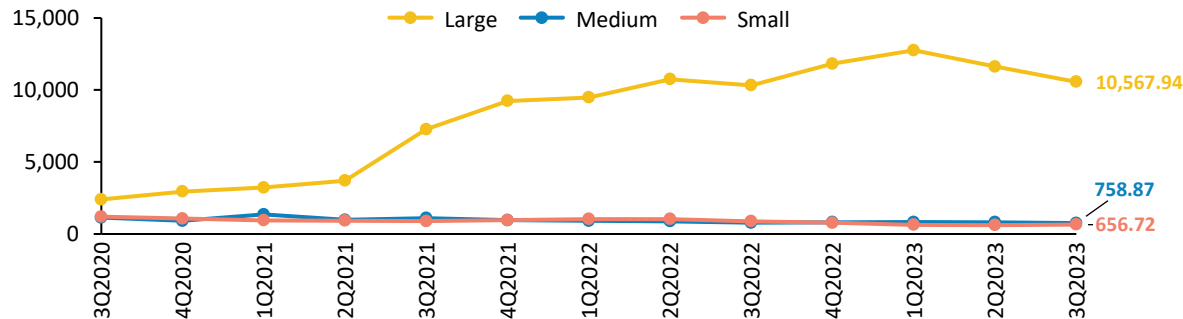
46510 : Wholesale of computers, computer peripheral equipment and software

Loan Size* = 24,157.87 Mn THB



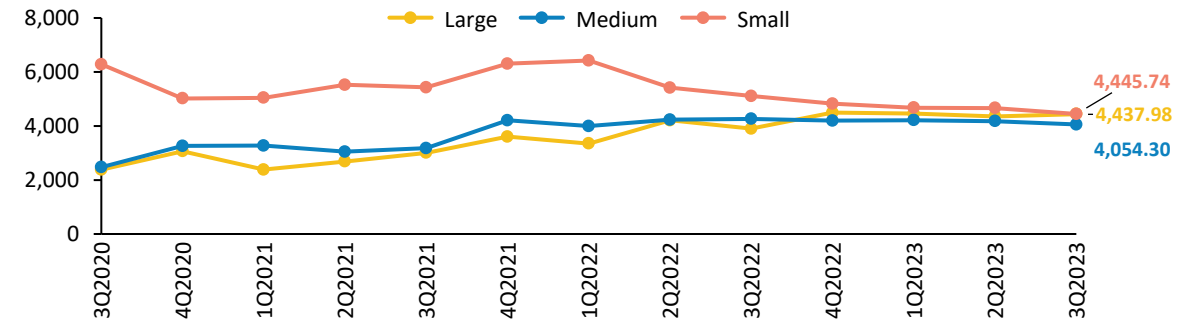
27501 : Manufacture of domestic electric appliances (except electrothermic appliances)

Loan Size* = 11,983.53 Mn THB



46421 : Wholesale of electric household appliances and consumer electronics (except lighting equipment)

Loan Size* = 12,938.03 Mn THB

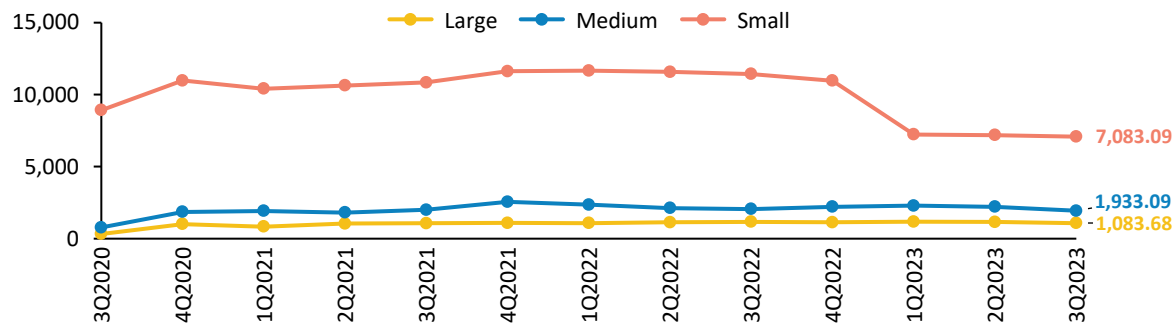


* Data as of 3Q2023

Thailand's Electronics & Electrical Appliances : Loan Outstanding

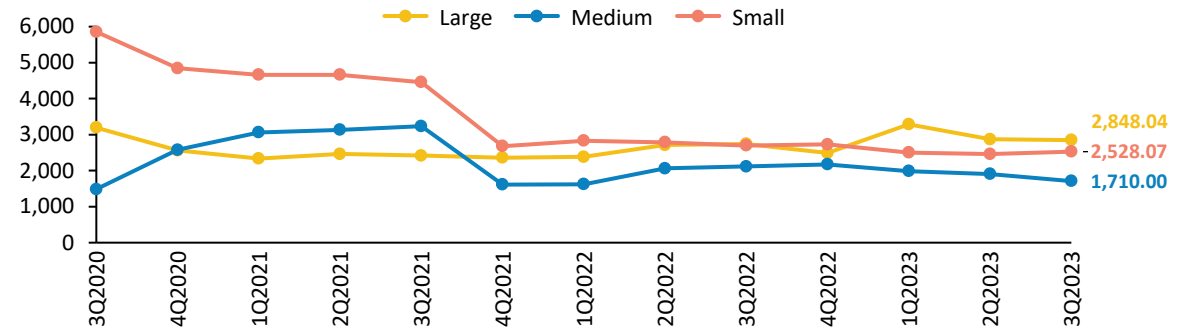
47595 : Retail sale of electrical household appliances in specialized stores

Loan Size* = 10,099.85 Mn THB



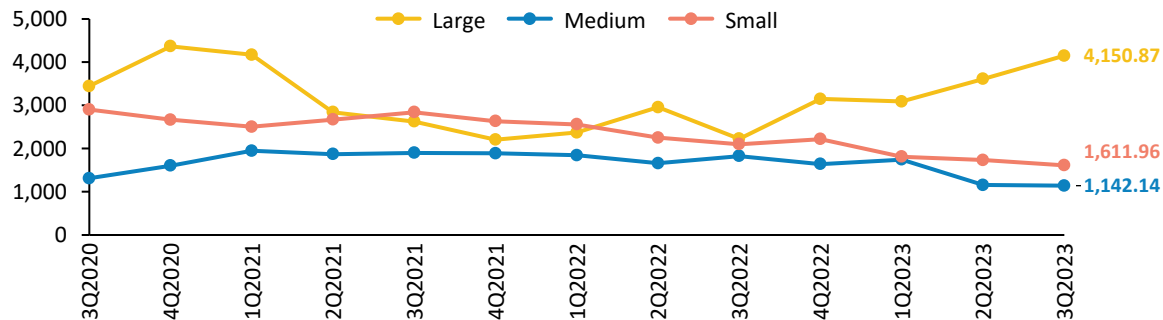
46521 : Wholesale of electronic equipment and parts

Loan Size* = 7,086.11 Mn THB



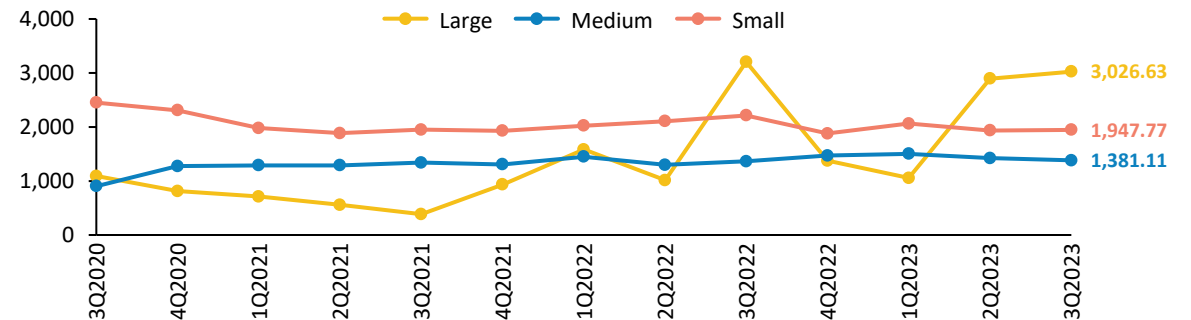
46522 : Wholesale of telephone and telecommunications equipment

Loan Size* = 6,904.97 Mn THB



47411 : Retail sale of computers and peripheral units in specialized stores

Loan Size* = 6,355.51 Mn THB

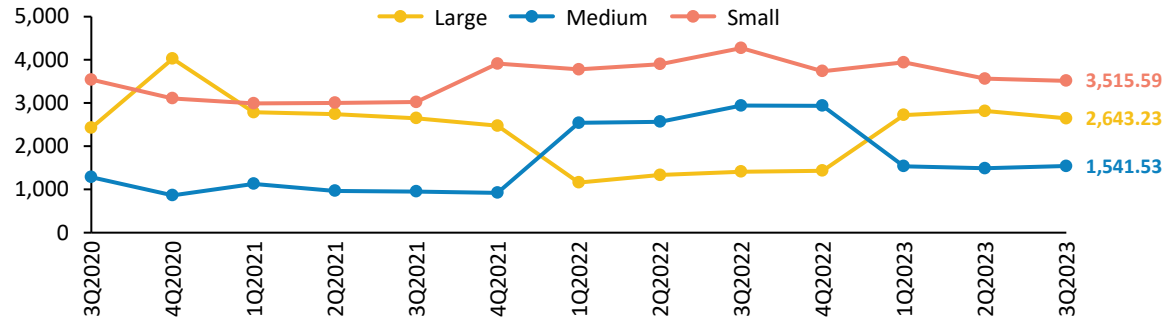


* Data as of 3Q2023

Thailand's Electronics & Electrical Appliances : Loan Outstanding

47413 : Retail sale of telecommunications equipment in specialized stores

Loan Size* = 7,700.34 Mn THB



* Data as of 3Q2023

End of Presentation

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