



CHAPTER 1

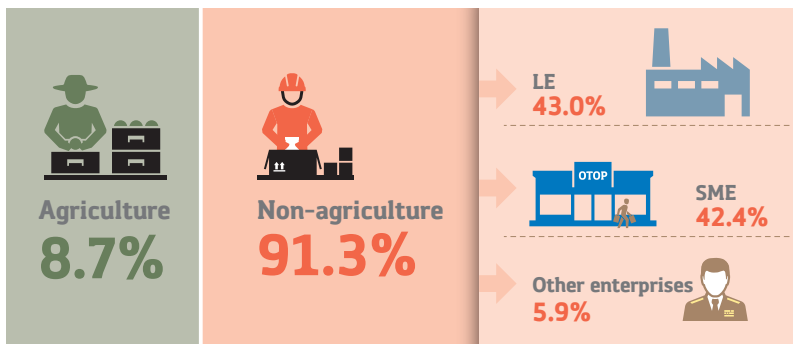
Gross Domestic Product of Thai SMEs

1.1 Thailand's GDP and SME-generated GDP for 2017 by Economic Sector

Thailand's Gross Domestic Product (GDP) for 2017 recorded a welcome growth of 3.9%, a faster expansion compared with the 3.3% rate of the year before. The final figure stood at 15,452,882 M baht — an increase of 919,407 M baht over the previous year. Growth was attributed to the recovery of the country's export trade, ongoing boom in tourism, and the revitalization of the agriculture sector. Contribution of the agriculture sector to the 2017 GDP made up some 8.7% of the total or 1,337,284 M baht in value which represented an increase of 6.2%. Given that the sector had been experiencing negative growths since 2014, the increased earnings were especially encouraging as they served to confirm long-awaited stabilizing trends in the country's disproportionate farm production and unstable prices of key commodities. Meanwhile, contribution from the Non-agriculture Sector amounted to 14,115,598 M baht or 91.30% of GDP, with the sum signifying a 3.7% expansion — slightly slower growth than the 3.8% rate of the previous year.

For the SMEs, their contribution to the year's GDP amounted to 6,551,718 M baht. The figure signified an expansion of 5.1% which surpassed the 4.9% rate of the previous year. The SME-generated portion made up some 42.4% of the overall GDP. With their GDP building performance, the SME's respective contributions in terms of enterprise size were: Small Enterprises (SE) contributed 4,637,330 M baht or 30.0% of GDP; Medium Enterprises (ME), 1,914,388 M baht or 12.4% of GDP. These figures represented increases of 5.6% and 3.9% over the previous year. Factors supporting the SME-generated GDP growth had been due largely to the continued expansion of two key sectors of the Thai economy: Trade and Services.

Fig 1.1: Composition of Thailand's GDP for 2017



Source : Office of the National Economic and Social Development Board

Compiled by : Office of Small and Medium Enterprises Promotion (OSMEP)

Contribution of SMEs to Thailand's GDP (Unit : Trillion baht)

	Small (SE)	Medium (ME)	SME	Large (LE)	Overall
Value to GDP (trillion baht)	4.64	1.91	6.55	6.65	15.45
Percentage of GDP (%)	30.0	12.4	42.4	43.0	100.0
Growth Rate (%)	+5.6	+3.9	+5.1	+3.1	+3.9

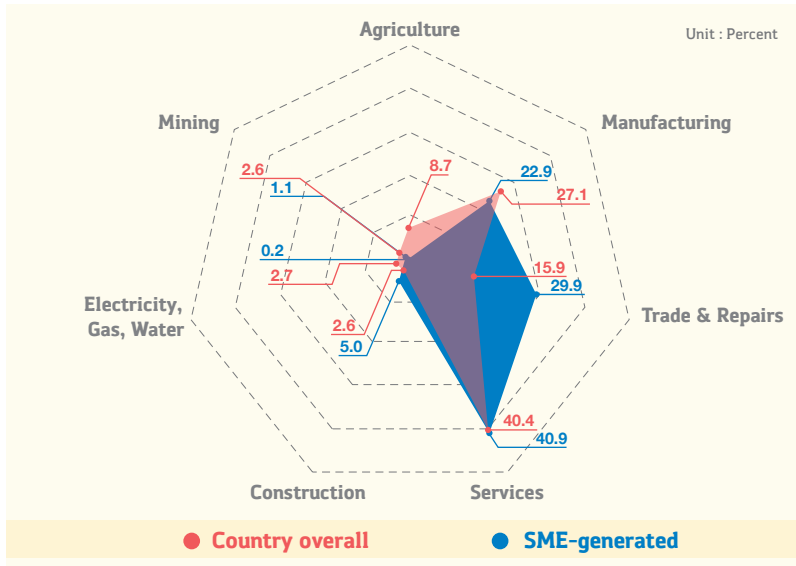
Source : Office of the National Economic and Social Development Board

Compiled by : Office of Small and Medium Enterprises Promotion (OSMEP)

On the basis of its contribution to the economy, the Services sector played the largest role by far in enriching the country's GDP for 2017. This was trailed by two other high performing sectors, namely: Manufacturing and Trade & Repairs. Altogether, the three sectors were responsible for sizable contributions to GDP at 40.4%, 27.1% and 15.9% respectively.

Similarly, for the SME domain, the Services sector was well ahead of the others due to its economic importance to the SME-generated GDP. The next two key players, the Trade & Repairs and Manufacturing sectors, were both contributing favorably towards strengthening SME GDP growth. For 2017, these three sectors together were responsible for contributions to SME GDP at 40.9%, 29.9% and 22.9% respectively.

Fig 1.2: Composition of Thailand's GDP and SME GDP for 2017



Contributions to SME-generated GDP by Economic Sector

Economic Sector*	National GDP		SME GDP	
	Percentage Contribution (%)	Rate of Growth (%)	Percentage Contribution (%)	Rate of Growth (%)
Agriculture sector	8.7	+6.2	N/A	N/A
Manufacturing sector	27.1	+2.6	22.9	+2.5
Trade and Repairs	15.9	+6.3	29.9	+6.3
Services sector	40.4	+5.6	40.9	+6.6
Other*	7.9	-1.5	6.3	-2.5

Source : Office of the National Economic and Social Development Board

Compiled by : Office of Small and Medium Enterprises Promotion (OSMEP)

Note : Other sectors are Mining, Construction, Power Generation and Utilities

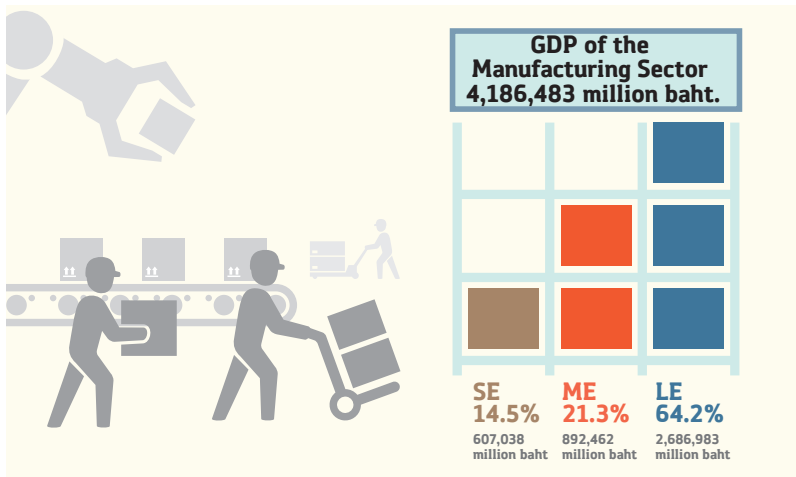
1.2 Thailand's GDP Breakdown for 2017 by Key Economic Sector

1.2.1 Manufacturing Sector

Thailand's domestic production value in Manufacturing for 2017 amounted to 4,186,483 M baht. The figure incorporated an SME-generated portion of 1,499,500 M baht, or 35.8% of the total.

The Manufacturing sector's top three categories in terms of production value were: Food & Beverages, Chemicals, and Plastics & Rubber-based Articles. Contributions of the categories to sector GDP were: 20.9%, 16.4%, and 8.3% respectively.

Fig 1.3: Manufacturing Sector GDP by Enterprise Size for 2017

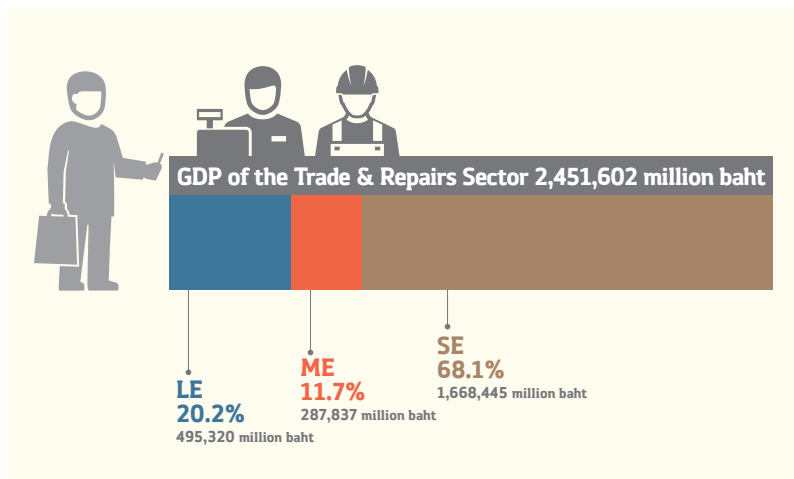


1.2.2 Trade & Repairs Sector

Thailand's domestic production value in Trade & Repairs for 2017 amounted to 2,451,602 M baht. The figure incorporated an SME-generated portion of 1,956,282 M baht, or 79.8% of the total.

The Wholesale & Retail category contributed an SME-generated GDP of 2,258,550 M baht, or 78.2% of the overall GDP for this category; while SMEs in the Repairs business accounted for 193,052 M baht or 98.4% of the overall GDP for the category.

Fig 1.4: Trade & Repairs Sector GDP by Enterprise Size for 2017



1.2.3 Private Services Sector

Thailand's domestic production value in the Private Services sector for 2017 amounted to 5,331,220 M baht. The figure incorporated an SME-generated portion of 2,679,445 M baht, or 50.3% of the total.

Within the sector, the top three business categories with highest SME GDPs were: Real Estate, Hotels & Restaurants, and Transport & Communication Services. Contributions by the SMEs to the overall GDP for the categories amounted to 96.5%, 93.0% and 37.2% respectively.

Fig 1.5: Private Services Sector GDP by Enterprise Size for 2017

