Executive Summary
White Paper on MSME 2020

MSME 2020

NEW NORMAL BRINGS OPPORTUNITIES

OSMEP - Office of Small and Medium Enterprises Promotion
**EXECUTIVE SUMMARY**

White Paper on MSME 2020

<table>
<thead>
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<th>The Office of Small and Medium Enterprises Promotion (OSMEP)</th>
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Chapter 1
Gross Domestic Product (GDP) of MSMEs
Thailand’s Gross Domestic Product (GDP) in 2019 was worth 16,879,027 million baht, increasing 513,455 million baht from 2018. It grew by 2.4%, decelerating from 4.2% in the previous year, mainly driven by a surge in the tourism and trade sectors. Meanwhile, the industrial sector shrank by 0.7% and the agricultural sector expanded by 0.1%. Of the total GDP value in 2019, the agricultural sector’s contribution accounted for 8.0%, equivalent to 1,351,042 million baht. It expanded by 0.1%, decelerating from 5.5% in the previous year. For the GDP out of the agricultural sector, the value was 15,527,985 million baht, accounting for 92.0% of the total GDP value. It grew by 2.6%, decelerating from 4.0% in the earlier year.

In the meantime, the GDP of MSMEs in 2019, was worth 5,963,156 million baht, accounting for 35.3% of national GDP. It increased by 34.6% with a growth rate of 3.0, decelerating from 5.5% in the previous year. Considering the GDP by enterprise size, it was found that micro enterprises (Micro) shared the value of 496,187 million baht (2.9%), small enterprises (SE) shared 2,575,443 million baht (15.3%), and medium enterprises (ME) shared 2,891,526 million baht (17.1%). Their growth rates were 8.6%, 0.7%, and 3.9%, respectively. The main factor that accelerated the growth of MSME GDP was still an expansion of domestic demand from the consumption of both state and private sectors, including revenue from foreign tourists. That kept the trade and service sectors’ growth remaining high.
Structure of GDP in 2019 by Enterprise Size

- **LE (Large Enterprises):** 58.8%
- **MSME (Medium and Small Enterprises):** 35.3%
- **Micro enterprises:** 2.9%
- **Small enterprises:** 15.3%
- **Medium enterprises:** 17.1%
- **Other enterprises:** 5.9%

Value of GDP in 2019 by Enterprise Size

<table>
<thead>
<tr>
<th>Enterprise Size</th>
<th>Micro</th>
<th>SE</th>
<th>ME</th>
<th>MSME</th>
<th>LE and Others</th>
<th>National GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of GDP (trillion baht)</td>
<td>0.50</td>
<td>2.58</td>
<td>2.89</td>
<td>5.96</td>
<td>10.92</td>
<td>16.88</td>
</tr>
<tr>
<td>Contribution to total GDP (%)</td>
<td>2.9</td>
<td>15.3</td>
<td>17.1</td>
<td>35.3</td>
<td>64.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Growth rate (%)</td>
<td>8.6</td>
<td>0.7</td>
<td>3.9</td>
<td>3.0</td>
<td>2.5</td>
<td>2.4</td>
</tr>
</tbody>
</table>

**Source:** Office of the National Economic and Social Development Council as of 17 February 2020

**Compiled by:** Office of Small and Medium Enterprises Promotion (OSMEP)
The structure of national GDP in 2019 divided by key economic activities showed that the service sector played the most important role to the economy, followed by the manufacturing sector and the wholesale and retail sector, accounting for 36.2%, 25.3%, and 16.5%, respectively.

For the structure of MSME GDP in 2019, the service sector still played the most important role, followed by the wholesale and retail sector and the manufacturing sector, accounting for 41.8%, 31.1%, and 20.3%, respectively.
### Overview of GDP Value in 2019 by Economic Activities

<table>
<thead>
<tr>
<th>Economic activities</th>
<th>National</th>
<th></th>
<th></th>
<th>MSME</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GDP value (trillion baht)</td>
<td>Contribution to total GDP (%)</td>
<td>Growth rate (%)</td>
<td>GDP value (trillion baht)</td>
<td>Contribution to MSME GDP (%)</td>
<td>Growth rate (%)</td>
</tr>
<tr>
<td>Agricultural Sector</td>
<td>1.35</td>
<td>8.0</td>
<td>0.1</td>
<td>0.07</td>
<td>1.1</td>
<td>-1.6</td>
</tr>
<tr>
<td>Manufacturing Sector</td>
<td>4.27</td>
<td>25.3</td>
<td>-0.7</td>
<td>1.85</td>
<td>31.1</td>
<td>0.0</td>
</tr>
<tr>
<td>Wholesale and Retail Sector</td>
<td>2.79</td>
<td>16.5</td>
<td>5.7</td>
<td>1.21</td>
<td>20.3</td>
<td>10.4</td>
</tr>
<tr>
<td>Service Sector</td>
<td>7.10</td>
<td>42.1</td>
<td>3.9</td>
<td>2.49</td>
<td>41.8</td>
<td>3.6</td>
</tr>
<tr>
<td>Others *</td>
<td>1.37</td>
<td>8.1</td>
<td>2.9</td>
<td>0.34</td>
<td>5.7</td>
<td>-5.3</td>
</tr>
</tbody>
</table>

**Source:** Office of the National Economic and Social Development Council as of 17 February 2020  
**Compiled by:** Office of Small and Medium Enterprises Promotion (OSMEP)  
**Note:** Others * refers to Mining, Construction, and Electricity, Gas, and Water Supply sectors
The GDP of manufacturing sector in 2019 was valued at 4,270,414 million baht, accounting for 25.3% of national GDP. Of this figure, large enterprises (LE) contributed 2,416,216 million baht (56.6%) and MSME’s share was 1,854,198 million baht (43.4%).
The top three manufacturing sub-sectors that made the highest contribution to MSME GDP were manufacture of food products (TSIC 10), valued 262,685 million baht, manufacture of petroleum products (TSIC 19), valued 156,148 million baht, and manufacture of chemicals and chemical products (TSIC 20), valued 141,076 million baht.

Wholesale and Retail Sector

GDP of Wholesale and Retail Sector 2019 by Enterprise Size

GDP of Wholesale and Retail Sector 2019

- **LE**: 1,580,439 (56.7%)
- **Micro**: 106,110 (3.8%)
- **SE**: 511,538 (18.3%)
- **ME**: 591,150 (21.2%)

Total GDP: 2,789,237 (Unit: Million baht)
For the GDP of wholesale and retail sector in 2019, the total value was 2,789,237 million baht, accounting for 16.5% of national GDP value. Of this figure, LEs contributed 1,580,439 million baht (56.7%) and MSME’s share was 1,208,798 million baht (43.3%).

Private Service Sector

GDP of Private Service Sector 2019 by Enterprise Size

<table>
<thead>
<tr>
<th>Enterprise Size</th>
<th>GDP (Million baht)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro</td>
<td>309,960</td>
<td>5.0%</td>
</tr>
<tr>
<td>SE</td>
<td>1,085,102</td>
<td>17.8%</td>
</tr>
<tr>
<td>ME</td>
<td>1,097,566</td>
<td>18.0%</td>
</tr>
<tr>
<td>LE</td>
<td>3,614,631</td>
<td>59.2%</td>
</tr>
</tbody>
</table>

GDP of Private Service Sector
6,107,259
Unit: Million baht
The GDP of private service sector in 2019 was worth 6,107,259 million baht, accounting for 36.2% of national GDP value. Of this figure, LEs contributed 3,614,631 million baht (59.2%) and MSME’s share was 2,492,628 million baht (40.8%).

The top three service sub-sectors that made the highest contribution to MSME GDP were accommodation and food service, valued 700,027 million baht, educational service, valued 441,546 million baht, and transport and storage service, valued 390,789 million baht.

Source: Office of the National Economic and Social Development Council as of 17 February 2020
Compiled by: Office of Small and Medium Enterprises Promotion (OSMEP)
Chapter 2
International trade of MSMEs
Overview of International Trade Situation in 2019

According to OSMEP’s database, the number of MSMEs conducting international trade in 2019 was 57,693. Of this number, there were 8,892 exporters (15.41%), 33,754 importers (58.51%), and 15,047 exporters/importers (26.08%).

In 2019, Thailand’s total export value was 7,627,663.09 million baht posting a 5.93% year-on-year contraction. MSMEs shared the value of 1,023,712.71 million bath, counting for 13.42%. This showed a slight expansion of 0.77% of which micro, small, and medium-sized enterprises accounted for 1.34%, 4.01%, and 8.07%, respectively. Considering the expansion of international trade in form of US dollar, it was found that overall export shrank by 2.65% while the contraction of the export in Thai baht was 5.93%. However, MSMEs could increase the exports in form of US dollar to international markets at 4.36%. In the meantime, the increase of exports in form of Thai baht was as slight as 0.77% due to the exchange rate fluctuation and baht appreciation throughout 2019.

For the country’s imports, the total value was 7,437,311.44 million baht, posting a 7.77% year-on-year contraction. Of this amount, MSME imports accounted for 1,279,677.01 million baht or 17.21%. This represented a 2.25% year-on-year contraction of which micro, small, and medium-sized enterprises accounted for 1.91%, 5.59%, and 9.70%, respectively.

Thailand’s overall international trade saw the surplus
of 190,351.65 million baht while MSMEs saw the deficit of 225,964.30 million baht, being in deficit throughout the past three years (2017 – 2019). In the meantime, the country’s overall trade was in surplus because MSMEs had imports more than large enterprises, especially the goods in Chapter 84: machinery, computers, and devices and Chapter 85: electrical machinery and equipment, for being used as capital goods and raw materials and for domestic consumption. The import value of the goods in these two chapters was 371,462.85 million baht, which was far higher than their export value which was 141,211.53 million baht. For the goods in Chapter 71: gems and jewelry, in 2019, MSMEs’ import value was 121,161.84 million baht from the importation of raw materials such as loose diamonds and gold bars. In the meantime, the export value was 137,916.67 million baht from the exportation of gems and jewelry (diamonds and precious stones with settings), costume jewelry and so on.

In 2019, OSMEP redefined the definition of MSME, taking the enterprise’s revenue into consideration. As a result of the redefinition of MSME, which affected the value of international trade, MSMEs’ export value decreased from 30.65%, according to the old definition, to 17.21%, following the new definition. However, the export and import values of large enterprises increased. That means MSMEs’ export and import capabilities correlate with their sizes. In other words, the larger the enterprise is, the higher the proportions of export/import value are.
**Figure 1** Values of Exports and Imports 2019

**Values of Exports 2019**

<table>
<thead>
<tr>
<th>Type</th>
<th>Value (Million baht)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro</td>
<td>102,586.25</td>
<td>1.34%</td>
</tr>
<tr>
<td>SE</td>
<td>305,846.49</td>
<td>4.01%</td>
</tr>
<tr>
<td>ME</td>
<td>615,279.98</td>
<td>8.07%</td>
</tr>
<tr>
<td>LE</td>
<td>6,425,236.99</td>
<td>84.24%</td>
</tr>
<tr>
<td>na.</td>
<td>178,713.38</td>
<td>2.34%</td>
</tr>
</tbody>
</table>

**Values of Imports 2019**

<table>
<thead>
<tr>
<th>Type</th>
<th>Value (Million baht)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro</td>
<td>142,015.64</td>
<td>1.91%</td>
</tr>
<tr>
<td>SE</td>
<td>416,101.99</td>
<td>5.59%</td>
</tr>
<tr>
<td>ME</td>
<td>721,559.37</td>
<td>9.70%</td>
</tr>
<tr>
<td>LE</td>
<td>5,880,084.36</td>
<td>79.06%</td>
</tr>
<tr>
<td>na.</td>
<td>277,550.06</td>
<td>3.73%</td>
</tr>
</tbody>
</table>

Unit: Million baht

Source: The Customs Department

Compiled by: Office of Small and Medium Enterprises Promotion (OSMEP)
Considering the trend of MSMEs’ export and import in 2017 - 2019, it was found that the proportion of MSMEs’ export to the country’s overall export reached the highest point at 13.42% in 2019. While the trend of MSMEs’ import had been increasing every year, the lowest point was in 2017 at 14.62% and the highest at 17.21% in 2019. However, MSMEs had been in deficit throughout the past three years.

For the expansion of MSMEs’ export and import during the past three years, the export had a positive expansion every year yet the trend was decreasing every year, too. In 2017, the export expanded 5.77% and tended to decrease by 0.77% in 2019. In the meantime, the import had a positive expansion in 2017 - 2018 about 14.32% and 18.04%, respectively. However, it tended to decrease due to a contraction of 2.25% in 2019.
Overview of International Trade by Trading Partner Country

Overall, MSMEs’ exports to the top 10 trading partner countries, which accounted for 66.08% of overall export, increased 4.62%, while the country’s overall export to the top 10 trading partner countries shrank by 5.49%.

Considering the exports to each country, it was found that Thailand’s major export markets, both in general and particularly for MSMEs, were the United States, China, and Japan with the export proportions of 12.73%, 11.83%, and 9.97% of the total export value in 2019, respectively. For MSMEs, the total export value to those three countries was 338,888.32 million baht with the export proportions of 9.67%, 14.85%, and 8.58 %, respectively. The exports to China and
the United States expanded 31.38% and 9.57% while the Japanese market shrank by 2.52%. The market that MSMEs’ exports could expand the most was China, increasing by 31.38%, followed by Cambodia by 19.54% and the United States by 9.57%. On the other hand, the market that MSMEs’ exports experienced a contraction the most was Hong Kong, shrinking by 17.65%. It could be seen that, in 2019, the Thai MSMEs’ export situations in the key trading partners were positive in China and the United States. That means Thai MSMEs gained benefits from the trade war between the United States and China, which started in 2018 and continued to 2019. Assumedly, Thai products were substitutes for the products from the two countries.

Overall import of MSMEs from the top ten countries, of which the import proportion accounted for up to 74.51% of overall import, shrank by 3.02%, while overall import from those countries shrank by 4.02%. Considering the imports by country, it was found that the key import markets of the whole country and MSMEs were China, Japan, and the United States with the proportions of 21.24%, 14.03%, and 7.35%, respectively, of the total import value in 2019. For MSMEs, the total value of the imports from the three countries was 664,540.19 million baht with the proportions of 32.50%, 13.89%, and 5.53%, respectively. In all of the markets, however, there were contractions of 3.38%, 1.25%, and 2.14%, respectively. The country that saw the highest import expansion was South Korea with an increase of 7.89%. 
Figure 3  Values and Expansion Rates of MSMEs’ Exports to the Top 10 Countries 2019

Source: The Customs Department
Compiled by: Office of Small and Medium Enterprises Promotion (OSMEP)
Overview of International Trade by Product

Considering the value of international trade in form of products under the Customs Department’s tariff classification in 2019, it was found that the country’s overall export saw the highest value of the products in Chapters 84, 85, and 87, with the proportions of 16.36%, 13.78%, and 11.86%, respectively. The products under Chapter 84 were machinery, computers, and devices, Chapter 85 were electrical equipment and parts thereof, and Chapter 87 were automobiles and parts thereof. For MSMEs, the export proportions of the products...
in Chapters 84, 85, and 87 were 7.43%, 6.37%, and 3.72%, respectively. The products that saw the highest proportions of MSMEs’ overall export were those under Chapter 71: gems and jewelry, Chapter 17: sugar and sugar confectionery, and Chapter 84: machinery, computers, and devices, at 13.47%, 8.01%, and 7.43%, respectively. The export of products under Chapter 71 shrank by 8.28%, Chapter 17 by 0.69%, and Chapter 84 by 9.66%.

For the import, when considering the import value in form of products under the Customs Department’s tariff classification, it was discovered that, in 2019, according to the country’s overall import, the highest import value came from the products under Chapter 85: electrical equipment and parts thereof, which accounted for 18.11%, followed by Chapter 84: machinery, computers, and devices 12.42%, and Chapter 71: gems and jewelry 5.13%. For the product groups that MSMEs imported in the highest proportions were under Chapter 84: machinery, computers, and devices, Chapter 85: electrical equipment and parts thereof, and Chapter 71: gems and jewelry with the proportions of 15.11%, 13.92% and 9.47%, respectively, of MSMEs’ overall import. Of them, the import of products under Chapter 84 shrank by 7.21% from 2018, and Chapters 85 and 71 by 4.85% and 20.33%, respectively.
Figure 5  Values and Expansion Rates of MSMEs’ Exports by the 2-Digit Tariff Codes 2019

Source: The Customs Department
Compiled by: Office of Small and Medium Enterprises Promotion (OSMEP)
Figure 6  Values and Growth Rates of MSME’s Imports by 2-Digit Tariff Codes 2019

Source: The Customs Department
Compiled by: Office of Small and Medium Enterprises Promotion (OSMEP)
### MSMEs’ International Trade with Key Trading Partner Countries

<table>
<thead>
<tr>
<th>MSMEs’ exports to key partners</th>
<th>MSMEs’ imports from key partners</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASEAN</strong></td>
<td><strong>ASEAN</strong></td>
</tr>
<tr>
<td>• MSMEs’ export value was 306,662.40 million baht, accounting for 15.74% of the overall export value and representing a year-on-year contraction of 2.12%.</td>
<td>• MSMEs’ total import value was 181,169.16 million baht, accounting for 23.50% of the overall import value and representing a year-on-year expansion of 7.75%.</td>
</tr>
<tr>
<td>• Indonesia, Vietnam, and Malaysia were the countries that Thai MSMEs saw the highest export proportions at 18.62%, 18.2%, and 15.13%, respectively.</td>
<td>• Malaysia, Vietnam, and Indonesia were the countries that MSMEs saw the highest import proportion at 30.07%, 17.96%, and 13.81% respectively.</td>
</tr>
<tr>
<td>• The products that showed the highest proportion of the export value were under Chapter 17: sugar and sugar confectionery, Chapter 84: machinery, computers, and devices, and Chapter 85:</td>
<td>• The products that shared the highest proportions of import volume were under Chapter 85: electrical equipment and parts thereof, Chapter 84: machinery, computers, and devices, and Chapter 39:</td>
</tr>
</tbody>
</table>
### MSMEs’ exports to key partners

- Electrical equipment and parts thereof, with the proportions of 16.06%, 9.08%, and 8.05%, which posted the contractions of 12.07%, 9.89%, and 3.05%, respectively.

### EU
- MSMEs’ total export value was 92,074.33 million baht, accounting for 12.60% of the overall export value with a 0.08% contraction.
- The top five EU countries that Thai MSMEs saw the highest export volumes were Germany, United Kingdom, Belgium, Italy, and the Netherlands, accounting for 68.97% of MSMEs’ overall export.
- The product groups that

### MSMEs’ imports from key partners

- Plastic and articles thereof, which accounted for 19.37%, 6.89% and 6.62%, respectively. Of them, Chapter 85 expanded 1.46%, Chapter 84 shrank by 26.61%, and Chapter 39 shrank by 1.76%.

### EU
- MSMEs’ total import value was 134,288.54 million baht, accounting for 20.46% of the overall import value with a 5.59% contraction.
- The top five EU countries that Thai MSMEs saw the highest import volumes were Germany, Italy, France, United Kingdom, and Belgium, accounting for 69.22% of MSMEs’ overall import.
- The products that saw the highest import volumes were...
<table>
<thead>
<tr>
<th>MSMEs’ exports to key partners</th>
<th>MSMEs’ imports from key partners</th>
</tr>
</thead>
</table>
| shared the highest proportions of the export value were under Chapter 71: gems and jewelry, Chapter 84: machinery, computers, and devices, and Chapter 85: electrical equipment and parts, with the proportions of 29.31%, 8.40%, and 7.12%, respectively. Of them, Chapter 71 showed a 11.90% expansion, Chapter 84 shrank by 0.48%, and Chapter 85 shrank by 13.20%.
| under Chapter 84: machinery, computers, and devices with a proportion of 18.31%, which posted a 20.99% contraction, Chapter 71: gems and jewelry with a proportion of 10.76%, which represented a 0.12% expansion, and Chapter 85: electrical equipment and parts thereof with a proportion of 9.07%, which posted a year-on-year contraction of 11.21%.

**JAPAN**

- MSMEs’ total export value was 87,822.34 million baht, accounting for 11.54% of the overall export value and representing a 2.52% contraction.
- The products that shared the

**JAPAN**

- MSMEs’ total import value was 177,793.72 million baht, accounting for 17.04% of the overall import value and representing a 1.25% contraction.
- The products that had the
### MSMEs’ exports to key partners

Highest proportions of the export value to Japan were under Chapter 84: machinery, computers, and devices, Chapter 85: electrical equipment and parts thereof, and Chapter 73: articles of iron or steel, with the proportions of 11.76%, 10.35%, and 7.23%, respectively. Of them, Chapter 84 shrank by 4.09% and Chapter 85 and Chapter 73 expanded 9.76% and 18.06%, respectively.

### CHINA
- MSMEs’ total export value was 152,025.37 million baht, accounting for 16.85% of the overall export value and representing an expansion of 31.38%.
- The products that had the

### MSMEs’ imports from key partners

Highest import volumes were under Chapter 84: machinery, computers, and devices, with a proportion of 23.71%, which posted a 2.10% expansion, Chapter 85: electrical equipment and parts thereof, with a proportion of 17.13%, which represented a 5.67% contraction, and Chapter 87: automobiles and parts thereof with a proportion of 8.82%, which represented a 27.46% expansion.

### CHINA
- MSMEs’ total import value was 415,918.80 million baht, accounting for 26.32% of the overall import value and representing a year-on-year contraction of 3.38%.
- The products that shared the
<table>
<thead>
<tr>
<th>MSMEs’ exports to key partners</th>
<th>MSMEs’ imports from key partners</th>
</tr>
</thead>
<tbody>
<tr>
<td>under Chapter 08: edible fruit and nuts, Chapter 44: wood and articles of wood, and Chapter 39: plastics and articles thereof, with the proportions of 27.58%, 10.47%, and 8.71%, respectively. Of them, Chapter 08 expanded 131.94% and Chapter 44 and Chapter 39 shrank by 17.00% and 1.07%, respectively.</td>
<td>highest proportions of the import value were under Chapter 84: machinery, computers, and devices with a proportion of 18.00%, which represented a 7.23% contraction, Chapter 85: electrical equipment and parts thereof, and Chapter 39: plastics and articles thereof, with the proportions of 17.61% and 6.90%, where Chapter 85 saw a 9.23% contraction and Chapter 39 expanded 6.76%.</td>
</tr>
</tbody>
</table>

**THE UNITED STATES**

- MSMEs’ total export value was 99,040.61 million baht, accounting for 10.20% of the overall export value and representing a 9.57% expansion. The products that
- MSMEs’ total import value was 70,827.66 million baht, accounting for 12.96% of the overall import value and representing a year-on-year contraction of 2.14%.
<table>
<thead>
<tr>
<th>MSMEs’ exports to key partners</th>
<th>MSMEs’ imports from key partners</th>
</tr>
</thead>
<tbody>
<tr>
<td>had the highest export volumes were under Chapter 71: gems and jewelry with a proportion of 20.28%, which represented a 0.08% contraction. That was followed by the products under Chapter 85: electrical equipment and parts thereof, with a proportion of 7.91%, which posted a 2.48% contraction, and Chapter 84: machinery, computers, and devices, with a proportion of 7.64%, which represented a 15.22% expansion.</td>
<td>The products that shared the highest proportions of the import value were under Chapter 84 with a proportion of 15.03%, which represented a contraction of 9.89 %, followed by Chapter 85: electrical equipment and parts thereof, and Chapter 90: optical instruments with the proportions of 9.36% and 9.03%, which posted the growth rates of 21.47% and 16.82%, respectively.</td>
</tr>
</tbody>
</table>
Chapter 3
MSME Business Sentiment Indices for 2019 and 2020
The Office of Small and Medium Enterprises Promotion (OSMEP) has been compiling the business sentiment index continually. For the index for 2020, it reclassified the survey respondents in October 2019 to reflect the changed situation and to revise time series data. Such revision affected the index for 2019 (October 2019 – December 2019) as indicated by the index value fluctuation. However, the annual cycle of the time series for the index for 2020 will be complete in October 2020. The reclassification of respondents was made to comply with the new definition and accentuate micro entrepreneurs.

3.1 Composite Index for MSMEs for 2019 and 2020

OSMEP constructed the national Composite Index for MSMEs based on the Trade and Service Sentiment Index (TSSI) and the MSME Manufacturing Sentiment Index (SMSI). According to the national Composite Index for MSMEs for 2019, the current sentiment index was 47.5 while the expected value for the next three months was 51.5. Considering the movement throughout the year, it was found that the current sentiment index generally increased – in January, March, and July to December 2019. However, the confidence level was not so positive as the index was below the 50-threshold, especially in May to September 2019. However, in November to December 2019, the index returned to stand above the 50-threshold, while the expected value
for the next three months tended to decline for the most part - in January, March, June, September, October, and December 2019. The sentiment index, however, was still above the 50-threshold.

For the factors contributing to the decline of the current sentiment to land below the 50-threshold, an analysis found that, in the second and third quarters of 2019, the entrepreneurs were affected by the country’s overall economic condition. The economy weakened mainly because of the export sector, which slowed down in response to the world’s market demand and trade rivals who made adjustments in order to compete with Thailand in terms of agricultural exports, especially in the matter of price and service. Thailand had a stronger currency than others in the region. As currency traders stored their money in the country due to the lower risk, the baht had been appreciating continually. Household debt was another factor that reduced domestic spending to be lower than usual. Natural disaster was another factor that constantly aggravated the agricultural sector. However, the factor that made the sentiment index higher than the 50-threshold in the last quarter of 2019 was the government’s year-end measures that promoted people’s spending to boost the domestic economy. In addition, due to the low agricultural production due to drought, prices for farm products were higher, resulting in higher purchasing power of palm oil and rice farmers.
In the first quarter of 2020, the country’s current MSME business sentiment index was 36.5, while the expected value for the next three months was 39.7. Considering the movement throughout the quarter, it was found that the current and the expected values dropped constantly from January to March 2020 and fell below the 50-threshold. The factors of the decline of the current sentiment index was the decrease of order book, production volume, trading and service, and profit, which also caused investment and employment to slump. Early this year, due to a fall in international tourist arrivals due to the COVID-19 situation, the domestic economy has been affected continually and more severely. All business sectors in the country, including the domestic economy, have experienced the slowdown.
and the soar of business cost, especially the cost of raw materials, fuel, and transportation. Other problems included drought and PM2.5 pollution, which made negative impacts on production, especially agricultural production, trading sector, and tourism and related industries, and the 2020 budget delay.

Regarding the factor contributing to the decline of the expected sentiment index for the next three months, MSMEs have envisaged the unrecovered domestic economy, so they are much less confident to run businesses in the future. Moreover, the COVID-19 situation tends to be prolonged, causing concern among MSME entrepreneurs about business operation and among people in general about living everyday life.

3.2 Trade and Service Sentiment Index (TSSI) for 2019 – 2020

TSSI for 2019 revealed that the current sentiment index was below the 50-threshold in up to seven out of 12 months, namely February and May to October. Only the values in January, November, and December were above the 50-threshold. The current value of the year plunged to the lowest level at 39.8 in July, due to a fall in domestic travel due to the concern over the economic slowdown, high level of household debt, and increasing oil and fresh food prices. Meanwhile, TSSI soared to the highest level in 2019 in December at 52.8, followed by 52.1 in November.
Spending acceleration during the New Year’s season, PM 2.5 pollution in Bangkok and peripherals and the northern region.

General election promotional and discounting campaigns launched by entrepreneurs to welcome the Songkran festival.

Traveling started to see a positive trend, especially from the arrival of Chinese tourists due to the exemption of VOA fee. However, due to the summer storm “Podul”, drought and flood still prevailed in some areas, especially the Northeastern and the Northern regions.

The domestic economy was recovering. The investment sector was growing, supported by the government sector.

The government’s proactive economic and tourism stimulus packages.

First time in six months that the index landed above the 50-threshold.

Spending acceleration before year end, food influenced by the summer storm “Pabuk” that caused heavy rain and flash floods in several areas, especially in the Southern Region, export slowdown due to the U.S. – China trade war, baht volatility.

Ramadan fasting period, spending acceleration during the Songkran festival, the start of planting season, and the end of tourist season.

Tourism slowdown, drought due to the lack of rainfall, prolonged high inflation especially in terms of fresh food prices, the contraction of export was prolonged into the fourth month due to the U.S. – China trade war and the baht appreciation that remained the highest level in six years, and the uncertain political situation.

Thai tourists travelled less because of a concern over the economic situation that was still seeing a downturn, household debt remained high, and oil and fresh food prices were still surging.

Domestic economic slowdown, decreasing buying power, and other factors, such as drought, PM 2.5 pollution, COVID-19 pandemic.

Economic slowdown and COVID-19 pandemic that expanded to regional areas and drought in some areas.

COVID-19 pandemic caused a decline in revenue of MSMEs in all business categories in all regions.

Tourism slowdown, drought due to the lack of rainfall, prolonged high inflation especially in terms of fresh food prices, the contraction of export was prolonged into the fourth month due to the U.S. – China trade war and the baht appreciation that remained the highest level in six years, and the uncertain political situation.

The government’s proactive economic and tourism stimulus packages.

The government’s proactive economic and tourism stimulus packages.

The index was back to be below the 50-threshold.

The index landed below the 50-threshold after two months. (Jan 2019)

The index was back to be below the 50-threshold after two months.

The government’s proactive economic and tourism stimulus packages.

The government’s proactive economic and tourism stimulus packages.

The government’s proactive economic and tourism stimulus packages.
TSSI for 2019 tended to plummet continuously until July then saw a rise again in September lasting until December 2019. Most of the index values were below the 50-threshold. The main components influencing the increase or decline of the values were sales volume and profit. However, the component that caused concern to the entrepreneurs the most was cost.

**Business Sentiment Index by Region**

According to MSME Business Sentiment Index by Region for 2019, its trend was in line with the national sentiment index, except in May 2019 where Bangkok and peripherals reversed the trend. For the index values in June and July 2019, the Southern Region’s value increased because of the rise of profit and sales volume, which was the result of the government’s solution for dealing with agricultural product prices. Due to the government’s policy to provide aids and supports to the rubber industry continually, rubber prices soared and transportation of agricultural products also escalated during the same period while the national sentiment index was falling. However, in August 2019, the index values in the Northern Region and the cluster of Central, Eastern, and Western regions saw a decline while the national business sentiment index was rising.
The entrepreneurs’ confidence level was quite low since most of the index values were below the 50-threshold, especially in Bangkok and peripherals, where the confidence was lower than the 50-threshold almost throughout the year, and in May and September 2019, where the sentiment was lower than the 50-threshold in all regions. However, in October, November, and December 2019, the confidence level looked good as the index values were above the
50-threshold in almost all regions, except Bangkok and peripherals. In the first quarter of 2020, the index values in all regions declined, however.

- **Bangkok and peripherals:** In June 2019, the sentiment index declined in all business categories, especially consumer goods wholesale, traditional retail, and restaurant. That was because sales volume and profit significantly reduced while business competition remained high. As people’s living cost was increased, purchasing power of low-income people could not get back on track and they were still cautious about spending. However, in the last half of 2019, the business sentiment of the entrepreneurs in Bangkok and peripherals was increasing gradually. The index soared to the highest level in December 2019 as a result of the escalation of trade and service volumes and increased order books and investment volume which resulted in growing profit. The reason behind this was there was an upsurge of domestic purchasing power, due to the government’s measures to boost tourism and spending. The business category that had positive effects in 2019 was travel service.

- **Northern Region:** During the first half of 2019, the confidence level of the entrepreneurs in the North was decreasing due to the dust pollution and people’s cautious spending as a result of the economic deterioration. In May 2019, the sentiment in almost all business categories dropped, especially consumer goods wholesale, retail
petrol station, public transportation, and tourism and related business. Since April was a month of Songkran festival which had the long public holiday and a large number of travels, people’s spending was back to normal in May. In August 2019, the index was down to the lowest level, indicated by a fall of sales volume and profit. That was a result of ongoing rain which was heavy in some areas, negatively affecting the agricultural sector and causing an outbreak of fungal diseases in plants which led to less production and poor quality of produce. However, the business category that had positive effects in 2019 was travel service, due to the government’s measures to exempt visa on arrival and encourage more direct flights to the Northern Region.

- **Northeastern Region:** In the first half of 2019, the sentiment index experienced a decline. In June 2019, the entrepreneurs in most business categories had decreasing confidence, especially in the retail sector. In July 2019, the index plunged to the lowest level due to a contraction of sales volume and profit in construction material wholesale, automobile/motorcycle retail, public transportation, tourism and related business. The deterioration was influenced by the weather volatility during the month, which caused a water level to reach the critical point that could affect the agricultural and consumption sectors.

- **Cluster of Central, Eastern, and Western Regions:** The sentiment had been decreasing since early 2019. Until August 2019, it dropped to the lowest level. The index values
for consumer product wholesale, automobile/motorcycle retail, public transportation businesses saw a dramatic decline, due to lesser water for agriculture, compared to the previous year, and an outbreak of plant diseases and pests. For the trade sector, although there were perpetual public relations about tourism, because of the wet season, tourism in some provinces saw a downturn.

- **Central Region**: In the last quarter of 2019, the sentiment index was 55.0, above the 50-threshold, as a result of the development of order books, trade and service volume, investment, and employment. Such development was influenced by the increased agricultural produce, the government’s Chim Shop Chai (Eat, Shop, Spend) scheme, long public holidays, and surging purchasing power during the New Year.

- **Eastern Region**: In the last quarter of 2019, the index stood at 50.4, above the 50-threshold, as a result of increased order books, especially in December 2019. Consequently, the volume of trade and service, profit, and investment was considerable, although negatively affected by a decreased number of Chinese and Korean tourists since November as they turned to used services from micro and small enterprises that offered cheaper prices, by comparison.

- **Southern region**: In the first half of 2019, the sentiment index was lower and plunged to the lowest level in May 2019, due to consumer goods wholesale, retail petrol
station, and travel service businesses as their sales volume decreased from the previous month which had festivals and long public holidays. In addition, the majority of southern people were Muslim, and May was the month of Ramadan fasting. Accordingly, their lifestyles and spending behaviors changed. Also, most areas in the south were affected by summer storms that caused flash flooding, which obstructed travel and transportation.

**Trade and Service Sentiment Index (TSSI) for Q1 2020**

The entrepreneurs’ current sentiment index experienced a decline. The factor that influenced the slide of both current and expected index values, was a slump in sales volume, investment, and profit, caused by the economic slowdown since the beginning of the year and the COVID-19 pandemic that caused severe affects and tended to be prolonged. Some businesses had to temporarily shut their operations to comply with the strict disease control policies and measures implemented by the end of the quarter.

**Key factors affecting the performance of MSMEs in Q1 2020** ranged from the domestic economic situation and people’s purchasing power, market competition, change of consumer’s behaviors, cost of product/labor, to global economy, respectively.
3.3 MSME Manufacturing Sentiment Index (SMSI) for 2019 - 2020

During 2019 to March 2020, it was found that the country’s SMSI was low (below the 50-threshold). In the first half of 2019, the sentiment saw a downturn and plunged to the lowest level in June at 42.6. In the last half of 2019, the sentiment trend was upward, soaring to the highest level in December at 55.1. It could be seen that SMSI was in low level and was seeing a downward trend.

For the expected SMSI over the next three months, the entrepreneurs had higher confidence, but the trend was likely to decline, too.
Considering the regional level, it was found that most MSMEs in the manufacturing sector generally had low business sentiment. However, the sentiment index of the entrepreneurs in the Northeastern Region was above the 50-threshold, higher than other regions, followed by the cluster of Central and Eastern regions.

For the trend in Northern Region, it was found that this region had an average sentiment index (2019) at 45.8. The sentiment of northern entrepreneurs throughout the year was low as a result of a shrinkage of production in the food industry, which was caused by a contraction of
important agricultural raw materials, especially rice and industrial sugarcane. That caused a cutback in overall volume of order book and production. In terms of beverage production, it grew well in the last half of the year, due to temporary factors, namely the acceleration of production before an increase in Sugar-Sweetened Beverage Tax and new product launches. The index values that seemed to soar higher than other months were in January, May, July, August, and September 2019. The entrepreneurs had confidence that the economy expanded slightly, with the highest index in September 2019 at 51.3, seeing positive indicators in all industries, especially food and beverage manufacturing as consumer demand increased. However, cost and expense remained high, and demand for labour was still unchanged.

- **Northeastern Region** was where an average business sentiment in 2019 stood at 48.5. In the first half of 2019, confidence tended to decline continuously. From January to March 2019, the deterioration was caused by the fact that the planting season was going to start soon, so a majority of consumers, who were farmers, were more cautious in spending to save their fund for plot preparation and planting tool repair. For the decline during April to June 2019, as it was a low season, a start of rice growing period, and an opening of academic semester, people had the heavy burden of expense. Additionally, prices of several agricultural products were stable, causing the income level to remain low and resulting in caution in spending. In the last half of
2019, the sentiment trend was upward, where the index was over the 50-threshold in October to December 2019. That was the result of higher consumer spending during festive seasons and the entrepreneurs had to fill up the stock for such periods.

- **Southern Region** had an average business sentiment index for 2019 at 47.2, which had been below the 50-threshold since early 2019 to September 2019. Especially in February 2019, the sentiment index reached the lowest level at 38.1 due to the southern economic condition in 2019, which was flagging compared to the previous year, and trade war that resulted in lower demand for several products. However, the sentiment tended to be positive, where the index value moved up over the 50-threshold during October to December 2019, as a result of a surging demand for consumer products boosted by the government’s measures and festive seasons that led to development of production capacity, and the increasing number of international arrivals.

- **Cluster of Central and Eastern Regions (exclusive of Bangkok)** had a nine-month (January – September 2019) average sentiment index at 49.0 with a downward trend since early 2019. The index plunged to the lowest level in July 2019, due to the government’s upcoming sharp increases in daily minimum wages, which would make the country have the highest labor cost compared to key competitors in ASEAN. Other factors included the economic slowdown and pressure from baht appreciation that still affected Thai
economy in many aspects and posted clearer impacts. For instance, it lessened Thai export’s competitive capabilities, especially in terms of agricultural products and the products made from domestic raw materials, since Thai products were more expensive. Manufacturing-for-export business saw a year-on-year shrink. Automobile part manufacturers gained lower volume of foreign order book due to the global economic slowdown and the China – U.S. trade barriers that caused concern to self-adjustment of the entrepreneurs that were in Chinese company’s production chain. Then the sentiment trend started to rise again. In September 2019, the index landed at 50.2, due to the increase of order books that resulted in the development of production volume and profit in almost the whole manufacturing industry, except for computer, electronics, and electrical appliance that saw the decrease. Another factor was support from the government’s policies to boost the economy, including EEC project acceleration and tourism boost. It was expected that the Chim Shop Chai (Eat Shop Spend) scheme would create massively positive impacts to tourism.

- **Central Region** had the sentiment index in the fourth quarter of 2019 at 55.6, above the 50-threshold. The industries that saw positive growth included food and beverage production, such as fresh food business because the domestic demand of meat consumption was rising and bigger volume of frozen chicken meat could be exported to China after the outbreak of African swine flu. Second to
that was wood and furniture production, due to annual trade fairs, order books during festive seasons, and stimulation of rubber export to China. That was followed by rubber and plastic production, due to order books during the domestic year-end festive season and from overseas and e-commerce sales volume. In the first quarter of 2020, Central Region’s entrepreneurs in all industries had lower confidence.

- **Eastern Region** had the sentiment index for the fourth quarter of 2019 at 47.9, below the 50-threshold. The industries that saw positive growth included rubber and plastic production, due to the development of rubber production and order books during the year-end festive season. Moreover, state and public agencies ordered a massive production of vinyl and plastic signboards for using during festivals. The garment and textile manufacturing industry also had increased online sales volume through the implementation of marketing promotions. In the meantime, the fabricated metal products industry had the lowest confidence, significantly due to the slowdown of consumer buying power and domestic economy. In the first quarter of 2020, the entrepreneurs’ confidence was considerably volatile, with the index below the 50-threshold, except for the wood and furniture industry.

- **Bangkok and peripherals** had confidence for the fourth quarter of 2019 at 48.3, below the 50-threshold. The industries that saw positive growth included the food and beverage industry, due to the acceleration of
product manufacturing for stocking up for festivals and the government’s Chim Shop Chai (Eat Shop Spend) scheme. Another growing industry was the rubber and plastic manufacturing, as a result of the acceleration of product manufacturing for stocking up for festivals and the increased e-commerce sales, through the implementation of promotional campaigns, of rubber products, such as rubber pillow, rubber band, and medical rubber glove. The industries that were negatively affected included the garment and textile industry. In the first quarter of 2020, confidence of the entrepreneurs in all industries declined.

During the first quarter of 2020, confidence of the entrepreneurs in the manufacturing sector reduced from the previous quarter, especially in terms of order books, production volume, and net profit, where confidence dramatically declined. That was the consequence of the COVID-19 pandemic and economic slowdown. Also, the government’s budget delay resulted in the decrease of order books and production, which also caused profit to massively plummet. Accordingly, MSMEs had to adjust their operation, such as cutting unnecessary production cost, reducing paid hour, or laying off. Following the situation, consumers focused on necessity goods only. Subsequently, unnecessary goods, such as silverware, crafted wood, Mauhom shirt, and OTOP products, had sharply decreased sales volume.
Chapter 4
Number of MSMEs and Employment Statistics in 2019
4.1 Number of MSMEs under the new definition

Thailand’s total number of MSMEs by the end of 2019 was 3,105,096, which represented a growth rate of 1.12% over the previous year. It accounted for 99.53% of all enterprises across the country, which composed of 2,645,084 micro enterprises (84.79%), 415,722 small enterprises (13.33%), and 44,290 medium enterprises (1.42%).

4.1.1 Overview of MSMEs

Based on the types of business registration, MSMEs established in 2019 can be divided into three categories: juristic person (733,334 enterprises or 23.62% of the country’s total number of MSMEs), ordinary person & others (2,286,326 or 73.63%), and community enterprise (85,436 or 2.68%), as shown in Figure 4.1 below.
Figure 4.1
Number of MSMEs by Type of Business Establishment 2019

- Ordinary Person & Others: 2,286,326 enterprises (73.63%)
- Community Enterprises: 85,436 enterprises (2.75% expansion 2.68%)
- Juristic Person: 733,334 enterprises (23.62% expansion 4.58%)

Total number of MSMEs: 3,105,096

Compiled by: Office of Small and Medium Enterprises Promotion (OSMEP)
### Figure 4.1  Breakdown of MSMEs by Business Sector and Establishment 2018 – 2019

<table>
<thead>
<tr>
<th>Business Sector</th>
<th>Micro</th>
<th>SE</th>
<th>ME</th>
<th>MSME</th>
<th>LE</th>
<th>Undefined</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Entrepreneurs</td>
<td>2,638,257</td>
<td>2,645,084</td>
<td>391,067</td>
<td>415,722</td>
<td>41,453</td>
<td>44,290</td>
<td>3,070,777</td>
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<tr>
<td>• Trade</td>
<td>1,124,750</td>
<td>1,122,907</td>
<td>127,516</td>
<td>137,511</td>
<td>17,939</td>
<td>20,323</td>
<td>1,270,205</td>
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<td>• Service</td>
<td>1,024,481</td>
<td>1,030,633</td>
<td>186,063</td>
<td>197,508</td>
<td>16,017</td>
<td>16,323</td>
<td>1,226,561</td>
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<tr>
<td>• Manufacturing</td>
<td>444,734</td>
<td>444,326</td>
<td>75,982</td>
<td>79,020</td>
<td>7,241</td>
<td>7,352</td>
<td>527,957</td>
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<td>• Agribusiness</td>
<td>44,292</td>
<td>47,218</td>
<td>1,506</td>
<td>1,683</td>
<td>256</td>
<td>292</td>
<td>46,054</td>
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<tr>
<td>Juristic Persons</td>
<td>385,125</td>
<td>389,724</td>
<td>277,794</td>
<td>302,449</td>
<td>38,324</td>
<td>41,161</td>
<td>701,243</td>
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<tr>
<td>• Trade</td>
<td>120,223</td>
<td>118,435</td>
<td>94,506</td>
<td>104,501</td>
<td>17,072</td>
<td>19,456</td>
<td>231,801</td>
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<td>• Service</td>
<td>219,542</td>
<td>225,664</td>
<td>137,119</td>
<td>148,564</td>
<td>14,347</td>
<td>14,653</td>
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<td>• Manufacturing</td>
<td>43,001</td>
<td>43,121</td>
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<td>47,701</td>
<td>6,649</td>
<td>6,760</td>
<td>94,313</td>
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<td>• Agribusiness</td>
<td>2,359</td>
<td>2,504</td>
<td>1,506</td>
<td>1,683</td>
<td>256</td>
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<td>4,121</td>
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<td>• Trade</td>
<td>1,001,922</td>
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<td>33,010</td>
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<td>867</td>
<td>1,035,799</td>
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<td>• Service</td>
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<td>1,670</td>
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<td>851,228</td>
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<td>• Manufacturing</td>
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<td>592</td>
<td>592</td>
<td>399,299</td>
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<td>Community Enterprises</td>
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<td>83,208</td>
<td>85,436</td>
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<tr>
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<tr>
<td>• Service</td>
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<td></td>
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<tr>
<td>• Manufacturing</td>
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<td>33,817</td>
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<td></td>
<td></td>
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<tr>
<td>• Agribusiness</td>
<td>41,933</td>
<td>44,714</td>
<td>41,933</td>
<td>44,714</td>
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<td></td>
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</tr>
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</table>

**Unit:** enterprises  
**Source:** Department of Business Development, National Statistical Office, Social Security Office, Department of Agricultural Extension  
**Compiled by:** Office of Small and Medium Enterprises Promotion (OSMEP)  
**Note:** The agribusiness sector covers the enterprises conducting economic activities under category A (01-03). These entries are limited to MSMEs which are juristic persons and community enterprises, not including ordinary-person MSMEs.
An overview of MSMEs in 2019, categorized by groups of provinces, showed the majority (564,588) were in Bangkok. This accounted for 18.18% of all MSMEs in Thailand. For other areas, the group of central region provinces, consisting of Nakhon Pathom, Nonthaburi, Pathum Thani, and Samut Prakan, was home to the highest number of MSMEs with 264,224 enterprises, or 8.51%. This represented a growth rate of 2.33%. The central region was followed by the lower northeastern region 1 and the east coast southern subregion, as shown in Figure 4.3.
Figure 4.3  Number of MSMEs by Group of Provinces 2019

Total number of MSMEs: 3,105,096
Increase from 2018: 34,319 enterprises
Expansion: 1.12%

1. Upper central provincial cluster 127,830
2. Bangkok’s perimeter provincial cluster 264,224
3. Lower central provincial cluster 1 90,385
4. Lower central provincial cluster 2 92,877
5. East coast southern provincial cluster 223,248
6. West coast southern provincial cluster 132,886
7. Southern border provincial cluster 54,391
8. Eastern provincial cluster 1 172,484
9. Eastern provincial cluster 2 81,577
10. Upper northeastern provincial cluster 1 105,512
11. Upper northeastern provincial cluster 2 72,729
12. Central northeastern provincial cluster 212,594
13. Lower northeastern provincial cluster 1 232,001
14. Lower northeastern provincial cluster 2 151,581
15. Upper northern provincial cluster 1 165,715
16. Upper northern provincial cluster 2 155,705
17. Lower northern provincial cluster 1 114,980
18. Lower northern provincial cluster 2 89,786

Bangkok 564,588

Compiled by: Office of Small and Medium Enterprises Promotion (OSMEP)
4.1.1.1 Overview of MSMEs in the Category of Juristic Person

In 2019, the majority of juristic-person MSMEs (388,881 or 53.03%) were in the service sector, representing a 4.82% growth. This was followed by the trade sector (242,392 or 33.05%), representing a 4.57% growth, the manufacturing sector (97,582 or 13.31%), representing a 3.47% growth, and the agribusiness sector (4,479 or 0.61%), as shown in Figure 4.4.

Figure 4.4   Number of Juristic-Person MSMEs by Business Sector 2019

- **Manufacturing Sector**: 97,582 enterprises (13.31%) Expansion 3.47%
- **Service Sector**: 388,881 enterprises (53.03%) Expansion 4.82%
- **Trade Sector**: 242,392 enterprises (33.05%) Expansion 4.57%
- **Agribusiness Sector**: 4,479 enterprises (0.61%) Expansion 8.69%

Total number of Juristic-Person MSMEs 733,334 enterprises

Compiled by: Office of Small and Medium Enterprises Promotion (OSMEP)
The number of MSMEs in the wholesale & retail business category (category G) was 242,392. Of this number, the majority were in the wholesale sub-category, except for automobiles and motorcycles, with 120,921 enterprises. This increased from 2018 about 3,244 or 16.49% of the country’s total number of MSMEs, representing a 2.76% expansion over the previous year. It was also found that the majority of MSMEs were in Bangkok, with 287,049 enterprises or 39.14%, followed by Chon Buri. The province that had the smallest number of MSMEs was Mae Hong Son.

4.1.1.2 Overview of MSMEs in the Category of Ordinary Person & Others

The trade sector had the majority of MSMEs in the category of ordinary person & others, with 1,035,799 enterprises or 45.30%. Second to that was the service sector with 851,228 enterprises or 37.23%. That was followed by the manufacturing sector, with 399,299 enterprises or 17.46%, as shown in Figure 4.5.
The number of MSMEs in this category in the wholesale & retail business category (category G) was 1,035,799. Of this number, the majority were in the wholesale sub-category, except for automobiles and motorcycles, with 799,076 enterprises, accounting for 34.95% of the country’s total number of MSMEs in this category. It was also found that the majority of the MSMEs were in Bangkok, with 277,410 enterprises or 12.13%, followed by Chiang Mai. The province that had the lowest number of MSMEs in this category was Samut Songkhram.
4.1.1.3 Overview of MSMEs in the Category of Community Enterprise

In 2019, the total number of community enterprises was 85,436, and all of them were MSMEs (micro enterprise). The majority of them (44,714) were in the agribusiness sector, accounting for 52.34% and representing an expansion of 6.63%. Second to that was the number in the manufacturing sector, which was 33,817 or 39.58%, representing a 1.54% contraction. For the service sector, there were 4,355 MSMEs, accounting for 5.20% and representing an increase of 0.53%. For the trade sector, there were 2,605 MSMEs, accounting for 5.10% and representing an expansion of 0.69%, as shown in Figure 4.6.
The majority of community-based MSMEs were in the cultivating and animal raising sub-category with 42,700 enterprises. That increased from 2018 about 2,853, accounting for 49.89% of the country's total number of MSMEs in this category. Compared to the number of community-based MSMEs in the same sub-category last year, it represented a 7.16% expansion. The second-highest number of the MSMEs was in the manufacturing of food product sub-category, with 4,550 enterprises or 5.33%, of which the highest proportion was in Roi Et. This was followed
by Ubon Ratchathani with 3,883 enterprises or 4.54%. The province that had the lowest number of community-based MSMEs was Bangkok, with 129 enterprises or 0.15%.

4.2 Establishment and Dissolution of Juristic-Person MSMEs in 2019

Figure 4.7 Establishment and Dissolution of Juristic-Person MSMEs

Source: Department of Business Development

Compiled by: Office of Small and Medium Enterprises Promotion (OSMEP)
In 2019, there was establishment of 70,026 MSMEs and dissolution and liquidation of 20,903 MSMEs.

For the newly established juristic-person MSMEs, according to the top-five ranking in 2019, the business sub-category that had the majority (11,505) was the wholesale business, except for automobiles and motorcycles. That was followed by the retail business, except for automobiles and motorcycles, (11,238), and the building construction business (5,406), respectively.

For the dissolved juristic-person MSMEs in 2019, according to the top-five ranking in 2019, the business sub-category that had the majority (3,831) was the wholesale business, except for automobiles and motorcycles. That was followed by the retail business, except for automobiles and motorcycles, (2,985), and the building construction business (1,930), respectively.

For other defunct MSMEs in 2019, according to the top-five ranking in 2019, the business sub-category that had the majority (5,070) was the wholesale business, except for automobiles and motorcycles. That was followed by the gambling and lottery business (4,167), and the building construction business (2,684 enterprises), respectively.
4.3 MSME Employment
4.3.1 Overview of the Employment

In 2019, the total number of employees in all sizes of enterprises were 17,357,056, where 5,296,687 were employed by large enterprises (LE) and 12,060,369 were employed by MSMEs, which accounted for 69.48% of the total employment. Micro enterprises shared the highest proportion of the total employment at 31.26% and the highest proportion of MSME employment at 44.99%.

Considering the employment of MSMEs classified by the types of establishment in 2019, there were two types of employment: the employment by juristic-person MSMEs, which made up the number of 7,017,633 employees or 58.19% of the country’s total MSME employment and the employment by MSMES in the category of ordinary person & others which made up the number of 5,042,736 employees or 41.81%, as shown in Figure 4.8.
The highest proportion of MSME employment fell into the service sector with the number of 5,342,981 employees, accounting for 75.55% of the country’s total employment in this sector. This represented a 5.28% growth over the sector’s employment in the previous year. The second-largest proportion belonged to the trade sector with the number of 3,919,495 employees, accounting for 77.78% of the country’s total employment in this sector and representing
a 1.88% expansion. This was followed by the manufacturing sector with 2,744,008 employees or 53.15%, representing a 1.53% expansion. In the meantime, the number of employees in the agribusiness sector (only juristic-person enterprises) was 53,885, representing a 6.30% expansion, as shown in Figures 4.9 and 4.3.

**Figure 4.9  MSME Employment Classified by Business Sector 2019**

- **Agribusiness Sector:** 53,885 employees, 0.45% expansion, 6.30% overall expansion.
- **Manufacturing Sector:** 2,744,008 employees, 22.75% expansion, 1.53% overall expansion.
- **Service Sector:** 5,342,981 employees, 44.30% expansion, 5.28% overall expansion.
- **Trade Sector:** 3,919,495 employees, 32.50% expansion, 1.88% overall expansion.

Total employment of MSMEs: 12,060,369 employees.
### Number and Proportion of Employment Classified by Business Sector 2018 - 2019

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<td>2,445,098</td>
<td>11,675,620</td>
<td>12,060,369</td>
<td>5,300,992</td>
<td>5,296,687</td>
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<td>16,976,615</td>
<td>17,357,056</td>
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<td>• Trade</td>
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<td>569,510</td>
<td>3,847,317</td>
<td>3,919,495</td>
<td>1,103,950</td>
<td>1,119,945</td>
<td>3</td>
<td>4,951,267</td>
<td>5,039,480</td>
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<tr>
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<td>6,877,333</td>
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<td>786,650</td>
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<td>1,136,598</td>
<td>814,598</td>
<td>855,759</td>
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<td>3,919,495</td>
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<tr>
<td>• Agriculture</td>
<td>10,097</td>
<td>10,790</td>
<td>20,520</td>
<td>23,017</td>
<td>20,075</td>
<td>20,118</td>
<td>50,692</td>
<td>53,885</td>
<td>43,738</td>
<td>28,779</td>
<td>3</td>
<td>94,430</td>
<td>82,682</td>
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<tr>
<td>• Total</td>
<td>5,339,083</td>
<td>5,425,830</td>
<td>3,977,277</td>
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<td>2,359,260</td>
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<td>2,193,157</td>
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<td>729,355</td>
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<td>• Agriculture</td>
<td>10,097</td>
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<td>20,075</td>
<td>20,118</td>
<td>50,692</td>
<td>53,885</td>
<td>43,738</td>
<td>28,779</td>
<td>3</td>
<td>94,430</td>
<td>82,682</td>
<td></td>
</tr>
<tr>
<td>• Total</td>
<td>1,598,765</td>
<td>1,685,512</td>
<td>2,840,962</td>
<td>3,053,126</td>
<td>2,193,157</td>
<td>2,278,984</td>
<td>6,632,884</td>
<td>7,017,633</td>
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<td>3</td>
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<td>Ordinary Persons &amp; Others</td>
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<td>3,740,318</td>
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<td>1,136,315</td>
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<td>166,103</td>
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<td>5,096,931</td>
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</table>

**Note:** The agribusiness sector covers the enterprises conducting economic activities under category A (01-03). These entries are limited to MSMEs which are juristic persons and community enterprises, not including ordinary-person MSMEs.

**Source:** Department of Business Development, National Statistical Office, Social Security Office, Department of Agricultural Extension

**Compiled by:** Office of Small and Medium Enterprises Promotion (OSMEP)
For MSME employment by area, the majority were in Bangkok with the number of 3,490,877 employees or 28.95%. That was followed by Bangkok’s perimeters and the eastern region 1, as shown in Figure 4.10.
Figure 4.10 MSME Employment by Provincial Cluster 2019

Total MSME employment: 12,060,369 employees
Increase from 2018: 384,749 employees
Expansion: 3.30%

1. Upper central provincial cluster
2. Bangkok’s perimeter provincial cluster
3. Lower central provincial cluster 1
4. Lower central provincial cluster 2
5. East coast southern provincial cluster
6. West coast southern provincial cluster
7. Southern border provincial cluster
8. Eastern provincial cluster 1
9. Eastern provincial cluster 2
10. Upper northeastern provincial cluster 1
11. Upper northeastern provincial cluster 2
12. Central northeastern provincial cluster
13. Lower northeastern provincial cluster 1
14. Lower northeastern provincial cluster 2
15. Upper northern provincial cluster 1
16. Upper northern provincial cluster 2
17. Lower northern provincial cluster 1
18. Lower northern provincial cluster 2

Compiled by: Office of Small and Medium Enterprises Promotion (OSMEP)
4.3.1.1 Employment of Juristic-Person MSMEs

For the employment of juristic person MSMEs in 2019, the total number of employees was 7,017,633. Compared to the number in 2018 which was 6,632,884, it increased about 384,749, accounting for 5.80%. Of them, the largest proportion fell into the service sector with 3,439,922 employees, accounting for 49.02% of the country’s total employment of juristic person MSMEs and representing an expansion of 8.45% over the previous year. That was followed by the trade sector, with 1,801,343 employees, accounting for 25.67% and representing an expansion of 4.17%. Next to that was the manufacturing sector, with 1,722,483 employees, accounting for 24.55% and representing a growth rate of 2.46%. For the agribusiness sector, there were 53,855 employees, accounting for 0.77% and representing an expansion of 6.30%, as shown in Figure 4.11.
Figure 4.11   Employment of Juristic-Person MSMEs
Classified by Business Sector 2019

Manufacturing Sector:
1,722,483 employees  
24.55%  
Expansion  2.46%

Trade Sector:
1,801,343 employees  
25.67%  
Expansion  4.17%

Service Sector
3,439,922 employees  
49.02%  
Expansion  8.45%

Agribusiness Sector:
53,885 employees 0.77%  
Expansion 6.30%

Total employment of Juristic-Person MSMEs
7,017,633 employees

Compiled by: Office of Small and Medium Enterprises Promotion (OSMEP)
The number of employees of juristic-person MSMEs in the wholesale and retail category (category G) was 1,801,343. Of this number, the majority was in the wholesale sub-category, except for automobiles and motorcycles, with 897,008 employees. This accounted for 12.78% of the country’s total employment of juristic person MSMEs and represented a 3.54% growth. This was followed by the manufacturing sector (category C) and the construction sector (category F). It was found that the majority of juristic-person MSME employees were in Bangkok with 2,788,305 employees or 39.73% of the country’s total employment of juristic-person MSMEs. This was followed by Chon Buri. The province that had the smallest number of juristic-person MSME employees was Mae Hong Son.

4.3.1.2 Employment of MSMEs in the Category of Ordinary Person & Others

For the employment of MSMEs in the category of ordinary person & others in 2019, the total number of employees was 5,096,931. Of them, 5,042,736 were employed by small and medium-sized enterprises, accounting for 98.94% of the country’s total employment of MSMEs in this category. The majority of them were in the trade sector with the number of 2,118,152 or 42.00%. This was followed by the trade and manufacturing sectors with the number of 1,903,059 or 37.74% and 1,021,525 or 20.26%, respectively, as shown in Figure 4.12.
Figure 4.12 Employment of MSMEs in the Category of Ordinary Person & Others Classified by Business Sector 2019

Manufacturing Sector: 1,021,525 employees 20.26%.

Service Sector: 1,903,059 employees 37.74%

Trade Sector: 2,118,152 employees 42.00%

Total employment of MSMEs in the Category of Ordinary Person & Others 5,042,736 employees

Compiled by: Office of Small and Medium Enterprises Promotion (OSMEP)
For the employment of MSMEs in the category of ordinary person & others, the majority was in the wholesale and retail category (category G) with 2,118,152 employees. Of this number, the highest proportion belonged to the retail sub-category, except for automobiles and motorcycles, with number 1,508,547 employees, which accounted for 29.92% of the total employment of MSMEs in this category. This was followed by the manufacturing category (category C) and the accommodation and food category (category I). It was found that the majority of employment of MSMEs in this category were in Bangkok, with 702,572 employees. That accounted for 13.93% of the country’s total employment of MSMEs in this category. This was followed by Chiang Mai. The province that had the lowest employment of MSMEs in this category was Mae Hong Son.
Chapter 5

MSME Participation in Public Procurement
Among 700,643 juristic-persons registered with the Department of Business Development, it was found that there were 61,956 MSMEs participating in public procurement tenders, accounting for 8.84%. Of this number, the MSMEs could won 42% of total value of public procurement, equivalent to 551,344 million baht.

Of the number of MSMEs that could access to public procurement projects via tender submission, only 23,016 were micro enterprises, accounting for 6%, while the numbers of small and medium enterprises were 32,138 (12%) and 6,802 (18%), respectively.

According to the total number of projects under the public procurement system, which was 4,017,120, there were 1,903,630 projects (47%) participated by MSMEs. Considering the value of all projects under public procurement, the total amount was 1,310,496.58 million baht. Of this amount, 808,770.37 million baht (62%) was under the projects participated by MSMEs.

Considering opportunities and capabilities to participate in public procurement system, it was found that MSMEs could win the tenders of 1,817,122 projects, valued 551,344.13 million baht in total. Meanwhile, MSMEs lost the tenders of 86,508 projects, which accounted only for 2% of all projects yet their total value was 257,426.24 million baht. This reflects the fact that most of the projects that MSMEs could not access might be large-scale projects with high value.
Compiled data on MSME’s problems and obstacles regarding access to the public procurement markets show that the main problems included lack of access to the information related to the public procurement, preparation of financial security documents, and a large number of required documents to be attached for tender submission. Another issue was the selection criteria, where most MSMEs were disqualified in terms of price competitiveness compared to large enterprises.

Strategies to encourage MSME access to public procurement have become a part of the government economic policy in many countries as MSMEs significantly represent the majority of all businesses in both developed and developing countries. International policy measures to improve MSME access to public procurement are as follows:
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<th>Specific support policies for MSMEs</th>
<th><em>Tools/ Specific policies</em></th>
<th><em>Description</em></th>
</tr>
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<td>Marketing support</td>
<td>Supporting MSMEs by advertising their products/services</td>
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<tr>
<td>Academic training and assistance</td>
<td>Offering services to MSMEs to encourage their participation in the procurement</td>
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<tr>
<td>Financial support</td>
<td>Enhancing their access to financial resources</td>
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</tr>
<tr>
<td>Flexibility of performance bond</td>
<td>Adjusting regulations about performance bond in order to reduce MSME’s obstacles</td>
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<tr>
<td>Framework agreements for MSMEs</td>
<td>Applying the framework agreements that have been developed so that MSMEs are encouraged to continue participating and increase the participation</td>
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</tr>
<tr>
<td>Specific support policies for MSMEs</td>
<td>Tools/ Specific policies</td>
<td>Description</td>
</tr>
<tr>
<td>------------------------------------</td>
<td>--------------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>Regulations of subcontracting or consortia establishment for MSMEs</td>
<td>Promoting MSME’s participation even though a contract scale is too large for one MSME to carry out.</td>
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<tr>
<td>Smaller contract scale</td>
<td>Dividing a contract into smaller scales so that more MSMEs can participate in the tender</td>
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</tr>
<tr>
<td>Tender evaluation criteria</td>
<td>Allowing MSMEs to revise tender proposals to be fit with their company’s characters or nature of business</td>
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<tr>
<td>Contracts reserved for MSMEs</td>
<td>Procurement budget allocated especially for MSMEs</td>
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<tr>
<td>Specific support policies for MSMEs</td>
<td>Establishment of minimum value and reservation of products</td>
<td>Establishing scales of contract or reserving products specifically for MSMEs to submit tenders</td>
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<td>Price privileges for qualified MSMEs</td>
<td>Reducing tender prices proposed by MSMEs so that they can compete with large enterprises</td>
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<tr>
<td>Policies on procurement reform</td>
<td>Reducing tender prices proposed by MSMEs so that they can compete with large enterprises</td>
<td>Using electronic tools for rapid communication, transparent process, and unrestricted access to audience</td>
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<tr>
<td>Improvement of tender process</td>
<td>Reducing management fees for entrepreneurs</td>
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<tr>
<td>Encouragement of prompt payment</td>
<td>Shorter debt payment term allows MSMEs to have liquidity to participate in public procurement.</td>
<td></td>
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</tbody>
</table>
Chapter 6

Executive summary: MSME Survey 2019
MSME Survey 2019

Participated by 2,058 enterprises, the MSME survey 2019 was conducted in five provinces: Bangkok, Chonburi, Khon Kaen, Songkhla, and Chiang Mai. Of this number, 1,797 were micro enterprises (87.3%), of which 325 enterprises (15.8%) were from the manufacturing sector, 753 enterprises (36.6%) from the trade sector, and 719 enterprises (34.9%) from the service sector. The survey was also participated by 261 small enterprises (12.7%), of which 48 enterprises (2.3%) were from the manufacturing sector, 95 enterprises (4.6%) from the trade sector, and 118 enterprises (5.7%) from the service sector.

The survey showed that most of micro entrepreneurs were women, of which 72.6% were in the manufacturing sector, 67.7% in the trade sector, and 72.1% in the service sector. This conformed to the Mastercard Index of Women Entrepreneurs, which conducted a survey of women entrepreneurs in 58 countries and found that Thailand’s women entrepreneur index ranked 14th in 2019. In terms of micro and small enterprises’ expense, the highest proportion fell into raw materials / manufacturing cost. Of total expense of micro enterprises in the manufacturing, trading, and service sectors, this type of expense accounted for 76.0%, 57.0%, and 59.4%, respectively. In the meantime, among small enterprises in these three sectors, this type of expense accounted for 68.8%, 46.3%, and 38.1%, respectively.
In terms of changes of micro and small enterprises during 2007 to 2019, it was found that micro and small enterprises in the three sectors had higher annual average incomes. In 2007, their average incomes per year were 420,000 baht, 360,000 baht, and 300,000 baht, respectively. In 2019, their average incomes per year increased to 563,000 baht, 553,000 baht, 473,000 baht, respectively, where the amount of the manufacturing sector was higher more than 30% from 2007 and the amounts of the trade and service sectors were higher more than 50% from 2007.
Chapter 7
MSMEs and the COVID-19 Situation
At the end of 2019, there was a report on a cluster of mysterious pneumonia cases in the city of Wuhan, the capital of China’s central province. Another report said the virus was transmitted from person to person, and the infections had been increasing continually, resulting in higher mortality rates. The disease outbreak spread across countries in Asia, Europe, and the United States, including Thailand. On 29 February 2020, Thailand declared Covid-19 a dangerous contagious disease. Cases of infection in the country increased unceasingly. The government, envisaging the worse and uncontrollable situation, has set up the Center for COVID-19 Situation Administration (CCSA) to be a center of COVID-19 administration and management. CCSA has strictly implemented a number of measures, resulting in a continual decrease of domestic infections. However, there are still a large number of infections in other countries, massively affecting global and Thai economies.

7.1 MSME Economic Outlook in Q1/2020
7.1.1 MSME GDP

MSME GDP in the first quarter of 2020 shrank by 3.3%, decreasing from an expansion of 2.4% in the previous quarter, valued 1,450,476 million baht. It accounted for 34.7% of national GDP, decreasing from 35.7% in the previous quarter. The national GDP shrank by 1.8% (according to NESDB’s announcement on 18 May 2020). MSME GDP encountered a contraction for the first time since 2015. The business
category that saw a significant shrink was accommodation and food service.

7.1.2 MSME Export Value in Q1/2020
MSME export value in the first quarter of 2020 was 242,221.8 million baht, expanding 1.1% year on year. However, in form of US dollar, the value was 7,977.0 million USD, growing 1.8%. Excluding products in the gold category (HS 7108), its growth rate was 2.0%. MSME’s contribution to the total export value was 12.7%, while the country’s total export value was 62,672.1 million USD, expanding 0.9% from the previous year.

7.2 Forecast of Impact on MSME Economic System
According to the COVID-19 pandemic across many countries around the world including Thailand, Thai MSMEs have been massively affected. OSMEP then readjusted the forecast of MSME GDP for 2020 to be in range of 0.5% to -6.2%. The readjustment was based on a number of assumptions corresponding to the COVID-19 situation in Thailand. The analysis was conducted on the basis that the situation has to be resolved in the second quarter of this year; the easing of lockdown measures is started in the second quarter, which by now some measures have been
relaxed already; things would get back to normal in the third quarter; and traveling for business and tourism could be back on track in the fourth quarter. The analysis tools that were used were MSME IO Table and Macro Model. According to the analysis, the situation can be divided into three levels as follows:

1. **Best Case:** This level means the pandemic can be under control in June 2020 and damages can be controlled immediately. As a result, MSME GDP can slightly expand about 0.51%.

2. **Base Case:** This level means the pandemic can be under control within September 2020. It is quite difficult and takes time to control the damages, resulting in a shrink of MSME GDP by 3.0%.

3. **Worst Case:** This level means the pandemic can be under control within December 2020. It is very difficult to control the damages, resulting in a contraction of MSME GDP by 6.2%.
Figure 7.1  MSME GDP Forecast by Business Sector

<table>
<thead>
<tr>
<th>MSME by sector</th>
<th>Best Case Within June 2020</th>
<th>Base Case Within September 2020</th>
<th>Worst Case Within December 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>MSME GDP (%YoY)</td>
<td>0.5%</td>
<td>%YoY</td>
<td>-3.0%</td>
</tr>
<tr>
<td>Agriculture</td>
<td>82,759.66</td>
<td>-6.17</td>
<td>106,252.69</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>3,032,946.37</td>
<td>-5.52</td>
<td>3,867,743.61</td>
</tr>
<tr>
<td>Electricity &amp; water supply</td>
<td>12,584.65</td>
<td>-6.36</td>
<td>16,160.25</td>
</tr>
<tr>
<td>Construction</td>
<td>210,904.41</td>
<td>-4.38</td>
<td>274,019.33</td>
</tr>
<tr>
<td>Trade</td>
<td>748,696.42</td>
<td>-5.56</td>
<td>955,293.23</td>
</tr>
<tr>
<td>Services</td>
<td>1,674,623.85</td>
<td>-6.47</td>
<td>2,157,836.76</td>
</tr>
</tbody>
</table>

Compiled by: Office of Small and Medium Enterprises Promotion (OSMEP)
7.3 MSME Entrepreneur’s Adjustment for the New Normal Era

The Royal Society defines the word ‘New Normal’ as a new norm of life, which refers to a new way of life that is different from the past due to some factors, which have changed the familiar and predictable pattern or way of life to be a new one that become a new standard. Such unfamiliar standard can affect MSME operation in terms of service and product manufacturing. It was found that customer’s behaviors have changed during the COVID-19 pandemic as follows:

1. Consumers are more cautious about spending. Accordingly, businesses related to luxury goods / services have low demand, while necessity goods / services are still in demand but might see a decline in sales.

2. Consumer’s priorities are health, cleanliness, and safety. So, businesses have to adjust themselves to win consumer’s trust and confidence in terms of cleanliness and safety of goods / services.

3. People have to keep social distancing unceasingly, so businesses have to adjust to support the practice.
4. Consumers need trust. To make a decision to buy any products/services, that means they have trust in the business’s direction of practice that can make them feel confident in terms of cleanliness, safety, and sanitization.

For MSME entrepreneurs, they have to accommodate themselves and their business operation to the COVID-19 situation and gain benefits from new marketing opportunities from the situation as follows:

1. The entrepreneurs should consider new product and service designs and innovations to conform to the COVID-19 situation.
2. Online distribution is both normal channel and surviving way in this situation.
3. Business operation flexibility is required since the situation is rapidly changing. The entrepreneurs need to be quickly adjustable.
4. The entrepreneurs should consider the restructuring of business cost so that they can survive in this situation. For instance, they might need to reduce employment and use technology to help lower the cost.
5. During the COVID-19 situation, it is expected that the domestic market will recover first. Therefore, business focus during this time should be on local and domestic markets.
Guidelines for Self-Adjustment for MSME Entrepreneurs

The result of a survey on 2,746 MSME entrepreneurs from 21 business categories under the topic of “Preparedness and Self-Adjustment of MSMEs after the COVID-19 Situation” found as follows:

• Most MSMEs still do not have an online distribution channel. The ratio of the businesses that have the channel to those that do not have is 61.4%: 38.6%.
• Most MSMEs still do not have delivery service, accounting for 64.1%.
• The number of MSMEs that can offer online payment service (money transferring, Prompt Pay/others) account for 79.3% while 20.7% cannot offer the service.
• For MSME’s business adjustment plan after the pandemic, the majority of MSMEs have already had the plans, accounting for 84.8%, while the rest still have no plan and still wait to see the situation.
• Regarding problems and obstacles in receiving subsidies from the government sector, it was found the main problem and obstacle is the lack of qualification to receive the aid, followed by the delay and errors of qualification verification process and the complex system.
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