

## Summary of Industrial Production in July 2019

Industrial production in July 2019 contracted. The manufacturing production index dropped by 3.2 percent compared to the same month last year, as a result of the contraction of key industries such as automotive, refined petroleum product, and iron and steel industries. The capacity utilization rate in July 2019 was 65.7 percent.

### The Manufacturing Production Index in Major Industries

The MPI in July 2019 decreased by 3.2 percent compared to the same month last year. Key manufacturing industries such as automotive, refined petroleum product, and iron and steel industries were the sectors that shrank.



The MPI in the automotive industry contracted by 6.4 percent compared to the same month of the previous year, mainly from a reduction in small-sized passenger cars, diesel engines, and 1-ton pickup trucks, from less demand in both domestic and international markets.



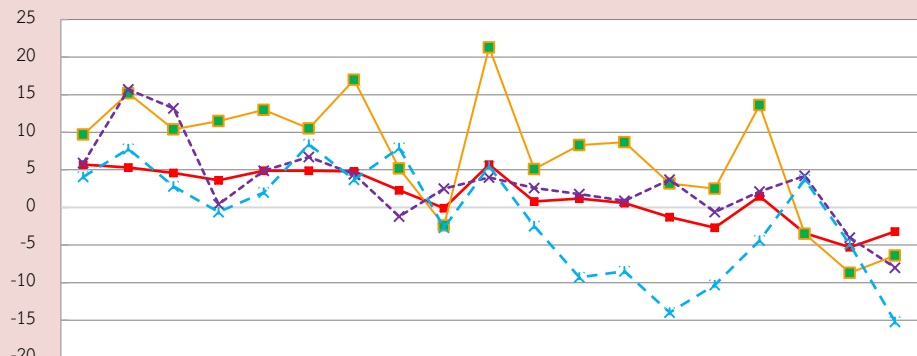
The MPI in the refined petroleum product industry contracted by 8.0 percent compared to the same month of the previous year, as one petroleum refinery stopped production for maintenance resulting in less output.



The MPI in the iron and steel manufacturing industry contracted by 15.2 percent compared to the same month of the previous year, mainly from flat steel and steel pipes. The contraction was a result of cheap imported steel prices; thus, domestic demand for steel products decreased.

Declined MPI of Key Industrial Products in July 2019

Change rate compared to the same month in the previous year (%)



	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.
MPI	5.7	5.3	4.6	3.6	4.9	4.9	4.8	2.3	-0.1	5.7	0.8	1.2	0.6	-1.3	-2.7	1.5	-3.4	-5.3	-3.2
Manufacture of automobiles	9.7	15.2	10.4	11.5	13.0	10.5	17.0	5.2	-2.4	21.3	5.1	8.3	8.7	3.2	2.5	13.6	-3.5	-8.7	-6.4
Manufacture of refined petroleum products	5.9	15.7	13.2	0.4	4.9	6.7	4.4	-1.2	2.5	4.0	2.6	1.8	0.9	3.7	-0.6	2.1	4.2	-4.0	-8.0
Manufacture of iron and steel	4.1	7.8	2.8	-0.6	2.0	8.4	3.7	7.9	-2.7	5.5	-2.5	-9.3	-8.5	-14.0	-10.3	-4.4	3.7	-4.9	-15.2

As for key manufacturing industries, the industries that expanded were spirit, air-conditioner, and palm oil manufacturing industries.



The MPI in the spirits production industry grew by 72.0 percent compared to the same month of the previous year, mostly from white and blended spirits. There was growth as manufacturers changed the image to cater to new target groups for increased distribution in restaurants, hotels, and parties.

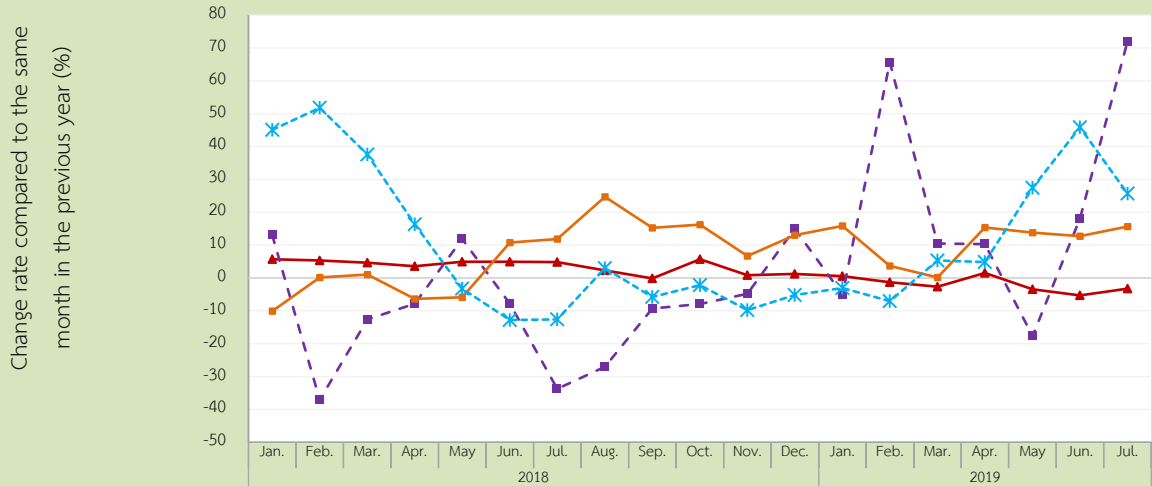


The MPI in the air-conditioner industry grew by 15.7 percent compared to the same month of the previous year. Scorching weather caused demand for air-conditioners to increase, also in line with increased exports, especially to Vietnam and Myanmar.



The MPI in the palm oil production industry grew by 25.7 percent compared to the same month of the previous year, mainly from an increase in crude palm oil, as a result of the large supply of palm fruit to the market. In addition, the government promoted the use of B20 diesel to raise palm prices.

MPI of Key Industrial Products with Growth in July 2019



	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.
MPI	5.7	5.3	4.6	3.6	4.9	4.9	4.8	2.3	-0.1	5.7	0.8	1.2	0.6	-1.3	-2.7	1.5	-3.4	-5.3	-3.2
Manufacture of spirit	13.0	-37.1	-12.6	-7.8	11.9	-7.8	-33.7	-27.0	-9.3	-7.9	-4.8	15.0	-5.0	65.6	10.5	10.3	-17.7	18.1	72.0
Manufacture of air-conditioners	-10.1	0.2	1.0	-6.4	-5.9	10.8	11.9	24.7	15.3	16.2	6.7	13.0	15.9	3.7	0.2	15.4	13.8	12.7	15.7
Manufacture of palm oil	45.1	51.8	37.6	16.3	-3.2	-12.8	-12.6	3.0	-5.8	-2.2	-9.8	-5.2	-3.1	-7.0	5.3	4.8	27.4	45.9	25.7

Capacity Utilization Rate in July 2019 was 65.7 percent.

65.7%

More information: Petpailin Saising

Division of Industrial Economic Research

Tel. 0 2202 3916