

Summary of Industrial Production in June and Overall of the First Half of 2018

Industrial production in June 2018 constantly increased, whereby the MPI increased by 4.7 percent compared to the same period last year, as the result from the growth in key manufacturing industries such as sugar, air conditioner, and Hard Disk Drive production. Capacity Utilization Rate in June 2018 was 69.0 percent.

Industrial production of the first half of 2018 grew, whereby the MPI increased by 3.9 percent compared to the same period last year.

The Manufacturing Production Index in Major Industries

The MPI in June 2018 increased by 4.7 percent compared to the same month last year. Key manufacturing industries such as sugar, air conditioner, and Hard Disk Drive production were the growing sectors.



The MPI of the sugar production industry grew by 59.5 percent compared to the same month last year due to the expansion of plantation area. As a result, yield increased and factories postponed sugarcane processing slower than last year.

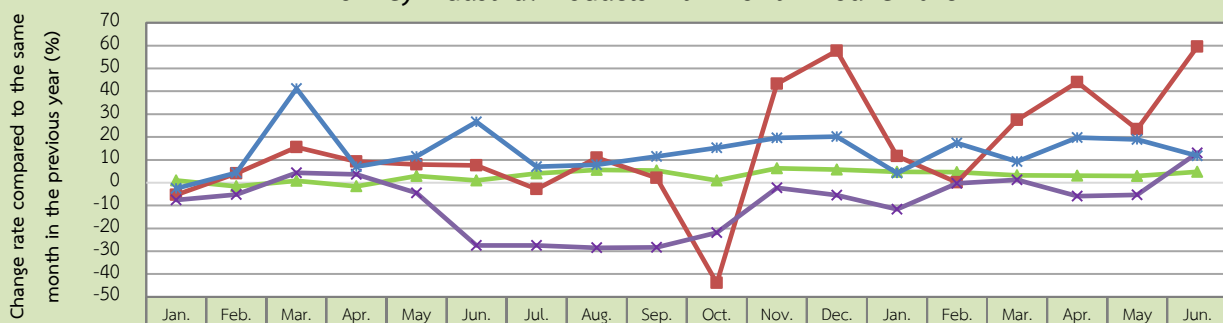


The MPI of the air conditioner production industry grew by 13.0 percent compared to the same month last year from a growth in domestic market, CLMV countries and Indonesia.



The MPI of the Hard Disk Drive grew by 11.7 percent compared to the same month last year, as production bases in Singapore and China were closed, coupled with continued increased global demand.

MPI of Key Industrial Products with Growth in June 2018



	2017												2018					
	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.
MPI	1.0	-1.6	0.9	-1.6	2.9	1.0	4.0	5.6	5.3	1.0	6.3	5.8	4.7	4.6	3.2	3.1	2.9	4.7
Sugar	-5.3	4.1	15.5	9.3	8.0	7.6	-2.8	10.9	2.1	-43.9	43.3	57.7	11.6	0.1	27.5	44.0	23.4	59.5
Air-conditioner	-7.5	-5.2	4.3	3.7	-4.5	-27.4	-27.5	-28.5	-28.3	-21.9	-2.3	-5.4	-11.6	-0.3	1.3	-5.9	-5.3	13.0
Hard Dist Drive	-2.5	4.3	41.2	7.0	11.5	26.6	7.0	7.9	11.5	15.2	19.6	20.2	4.2	17.4	9.2	19.8	18.9	11.7

Key manufacturing industries such as textile, jewelry, and food processing (aquatic animal) industry were the sectors that decline.



The MPI of the textile production industry shrank by 14.2 percent compared to the same month last year, as production costs increased resulting in less output.



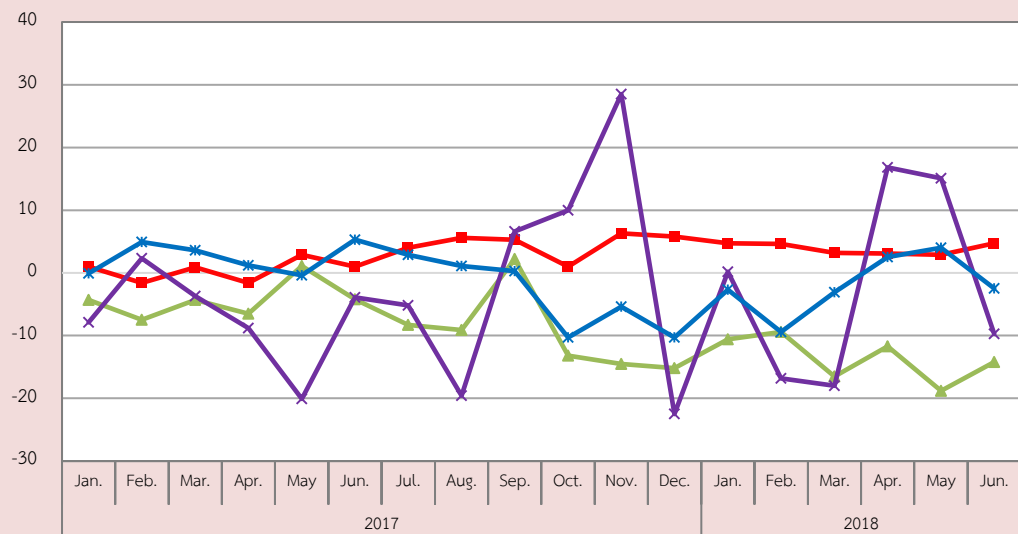
The MPI of the jewelry production industry shrank by 9.7 percent compared to the same month last year, mostly from a drop in pendants, necklaces and earrings.



The MPI of the food (aquatic animal) processing industry shrank by 2.5 percent compared to the same month last year as BOI benefits expired in June, resulting in delayed production among some manufacturers.

MPI of Key Industrial Products with Contraction in June 2018

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



■ MPI	1.0	-1.6	0.9	-1.6	2.9	1.0	4.0	5.6	5.3	1.0	6.3	5.8	4.7	4.6	3.2	3.1	2.9	4.7
▲ Textile	-4.3	-7.5	-4.3	-6.5	1.1	-4.2	-8.3	-9.1	2.2	-13.2	-14.5	-15.2	-10.6	-9.4	-16.5	-11.7	-18.8	-14.2
✕ Jewelry	-7.9	2.3	-3.7	-8.8	-20.1	-3.9	-5.2	-19.6	6.6	10.0	28.5	-22.5	0.2	-16.8	-18.0	16.8	15.1	-9.7
✱ Processed food (aquatic animal)	-0.1	4.9	3.6	1.2	-0.4	5.3	2.9	1.1	0.3	-10.3	-5.4	-10.3	-2.7	-9.4	-3.1	2.5	4.0	-2.5

The MPI in the first half of the year expanded well, averaging a 3.9 percent growth rate compared to the same period last year. Key industries that contributed to the expansion of the MPI was the sugar production industry and the Hard Disk Drive industry.

Industries that caused the MPI to shrink included the textiles production industry and other rubber products industry.



The MPI of the sugar production industry grew by 27.7 percent in the first half of 2018 compared to the same period last year due to the expansion of plantation area of sugarcane and favourable climate resulting in increased yield.



The MPI of the Hard Disk Drive grew by 13.5 percent in the first half of 2018 compared to the same period last year due to the trend in big data which resulted in expanded global demand.



The MPI of the textile production industry shrank by 13.5 percent in the first half of 2018 compared to the same period last year, as production costs increased resulting a shift of production bases.



The MPI of the other rubber products production industry shrank by 4.9 percent in the first half of 2018 compared to the same period last year, mostly because manufacturers had limited export quotas in cooperation to solve the problem of rubber prices.

Capacity Utilization Rate in June 2018

was at 69.0 percent.

69.0