

Summary of Industrial Production in June 2021

The Manufacturing Production Index of industrial production in June 2021 increased by 17.6 percent compared to the same month last year, resulting from the expansion of key industries, such as the manufacturing industry of automobiles, printed circuit boards, and basic iron and steel. The Capacity Utilization Rate in June 2021 stood at 63.9 percent.

Overall industrial production in the first half of 2021 grew by 9.4 percent compared to the first half of 2020. The capacity utilization rate was 65.3 percent.

The Manufacturing Production Index of Key Sectoral Industries

The MPI in June 2021 increased by 17.6 percent compared to the same month last year. Key industrial sectors, such as the manufacture of automobiles, and printed circuit boards, and basic iron and steel were the sectors that expanded.



The MPI of the automotive manufacturing industry grew by 90.1 percent compared to the same month last year, resulting from the previous year's low MPI base from lockdown measures in many countries around the world. Meanwhile, this year, the economies of major trading partners, such as Australia, New Zealand, Vietnam, and Japan, recovered, which increased exports. The domestic market also expanded. Despite the third round of the COVID-19 outbreak, there was still no lockdown.



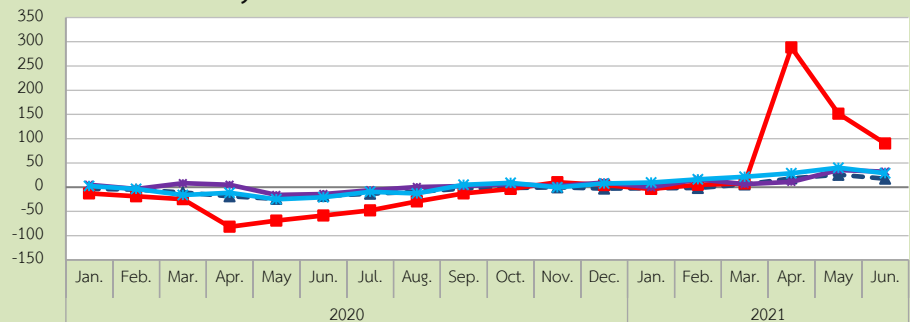
The MPI of the electronic components and circuit boards manufacturing industry grew by 32.3 percent compared to the same month last year, from the world's growing demand for electronic components and the demand for products for working from home. The growth was coupled with the trend of technological product development, which is a factor that promoted the use of electronic components in a variety of industries.



The MPI of the upstream iron and steel manufacturing industry grew by 28.9 percent compared to the same month last year, from galvanized steel sheets, cold-rolled steel sheets, hot-rolled structural steel, and deformed steel bars, mainly following the demand for use in downstream industries, especially motor vehicles, and electrical appliance. Furthermore, the industry faced accelerated construction of foundational public utilities, coupled with the low base last year, including high steel prices, which caused some steel consumers to increase their orders to stockpile goods.

MPI of Key Industrial Products with Growth in June 2021

Changing 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. |
|---------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------|------|------|------|------|------|-------|-------|------|
| MPI | -3.8 | -4.9 | -11.1 | -19.1 | -24.1 | -17.9 | -13.6 | -9.3 | -2.6 | -1.3 | -0.6 | -2.8 | -2.0 | -1.3 | 5.9 | 18.0 | 25.8 | 17.6 |
| Manufacture of automobiles | -12.5 | -18.7 | -24.6 | -81.7 | -68.7 | -58.1 | -47.9 | -29.6 | -12.6 | -3.3 | 10.0 | 4.5 | -3.9 | 5.0 | 7.5 | 288.1 | 151.4 | 90.1 |
| Manufacture of printed circuit boards | 4.8 | -3.7 | 8.6 | 4.9 | -15.9 | -14.3 | -5.9 | 0.7 | 2.5 | 6.4 | 2.4 | 9.6 | -0.2 | 16.4 | 6.4 | 11.2 | 35.4 | 32.3 |
| Manufacture of basic iron and steel | 2.3 | -3.6 | -15.9 | -11.4 | -25.0 | -20.7 | -9.7 | -13.0 | 4.9 | 9.2 | -0.4 | 7.6 | 9.4 | 16.2 | 21.6 | 29.1 | 40.3 | 28.9 |

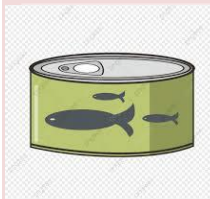
Key manufacturing industries, such as chemical fertilizers, refined petroleum products, and canned seafood were the sectors that contracted.



The MPI of the chemical fertilizer manufacturing industry contracted by 25.5 percent compared to the same month last year, due to the impact of production costs from imported raw materials such as straight nitrogen fertilizer (urea*), phosphate, and potassium fertilizers which rose (India imported a large lot of fertilizer whereas China has slowed down its exports for its domestic use). Therefore, manufacturers have to slow down production.

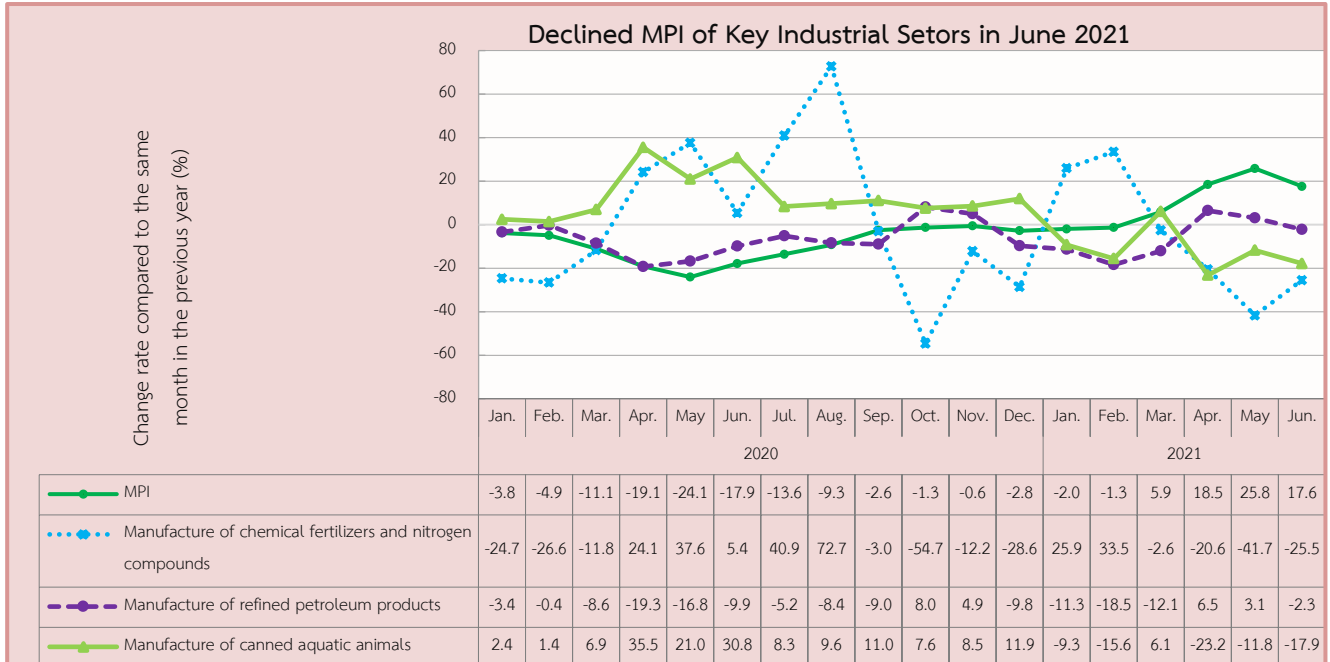


The MPI of the petroleum refining products manufacturing industry contracted by 2.3 percent compared to the same month last year, mainly from high-speed diesel fuel due to the declining domestic demand from the third wave of the COVID-19 outbreak. Additionally, industrial factories were affected in terms of production and transportation.



The MPI of the canned aquatic animal manufacturing industry contracted by 17.9 percent compared to the same month last year. The contraction was from canned tuna and canned sardines, mainly due to the third wave of the COVID-19 outbreak, causing customers to delay orders and deliveries. There were also container shortages, rising freight rates, and a high base in the previous year, with many orders.

*Straight nitrogen fertilizer or urea fertilizer is a synthetic organic compound containing nitrogen (N) as an ingredient in a very high ratio of 46 percent by weight. It is classified as a standard chemical fertilizer with the 46-0-0 formula and utilized as a macronutrient for plants, especially in the early stages of cultivation that need to accelerate plant growth quickly, making plants grow in height, dense leaves, dark green leaves, and high yield.



Capacity utilization rate in June 2021 stood at

63.9 percent.

On the overall industrial production in the first half of 2021, the Manufacturing Production Index grew by 9.4 percent compared to the first half of 2020, as a result of the growth of key industries such as the automotive, the manufacturing of electronic components and circuit boards, and the upstream iron and steel production industries. Key manufacturing industries that contracted were petroleum refining products manufacturing, garments production, and chemical fertilizers production. The capacity utilization rate was 65.3 percent.

The Manufacturing Production Index for the first half of 2021 grew by 9.4 percent compared to the first half of 2020, as a result of the growth of key industries such as the automotive, the manufacturing of electronic components and circuit boards, and the upstream iron and steel production industries, as follows:



The automotive manufacturing industry grew by 6.3 percent compared to the first half of 2020 from pickup trucks, small passenger cars, and diesel engines. The growth was mainly due to the temporary production halt by various manufacturers after announcing the domestic lockdown measures from the COVID-19 pandemic last year.



The electronic components and circuit boards manufacturing industry grew by 15.6 percent compared to the first half of 2020 due to the increasing demand from the global electronic components market. The growth was based on the positive factors of rapidly changing technology and increasing demand for a wide variety of products.



The upstream iron and steel manufacturing industry grew by 23.8 percent compared to the first half of 2020, from cold-rolled steel sheets, hot-rolled steel sheets, wire rods, various types of coated steel sheets, and hot-rolled steel. The growth was due to a low base, as some manufacturers stopped for maintenance last year, coupled with the acceleration of production to sell for profit during the short supply period and production to support the demand for continuous industrial use.

Major manufacturing industries that contracted included the petroleum refining products manufacturing, garments production, and the chemical fertilizers production industries, as follows:



The MPI of the refined petroleum products industry contracted by 6.3 percent compared to the first half of 2020 due to lower domestic demand from the third wave of the Covid-19 outbreak. Furthermore, industrial factories were affected in both production and transportation.



The MPI of the garments manufacturing industry contracted by 17.1 percent compared to the first half of 2020 due to the COVID-19 pandemic situation continuing to impact the domestic economy and trading partner countries. Consumers reduced luxury purchases, and manufacturers could not compete with China's mass production, which is also fast and less expensive. Additionally, some manufacturers temporarily suspended production.



The MPI of the chemical fertilizers industry contracted by 18.9 percent compared to the first half of 2020 due to a slowdown in production after imported raw materials (urea and potassium fertilizer) prices increased, following the growth in demand from China and India. However, this year's demand from farmers was higher than the previous year as the amount of water for cultivation was sufficient to plant rice in season and an additional second season.

Capacity utilization rate in the first half of 2021 stood at

65.3 percent.