

## Summary of Industrial Production in December and Overview of year 2019

Industrial production in December 2019, the MPI dropped by 4.3 percent compared to the same month of last year. The growth was a result of the contraction of key industries such as the production of automobile, sugar, and palm oil industries. The capacity utilization rate in December 2019 was 64.0 percent.

Overview of industrial production in 2019 contract shrank 3.7 percent compared to the previous year. The capacity utilization rate in 2019 was 66.3 percent.

### The Manufacturing Production Index in Key Industries

The MPI in December 2019 decreased by 4.3 percent compared to the same month last year. Key manufacturing industries that decreased were automobile, sugar, and palm oil industries.



The MPI of the automotive manufacturing industry decreased by 19.5 percent compared to the same month last year. The contraction was in almost all product groups (except for large-sized passenger cars), especially 1-ton pick up trucks, as domestic demand for cars decreased as consumers delayed their purchases due to the launch of new models into the market. Furthermore, exports reduced due to the economic slowdown of trading partners.

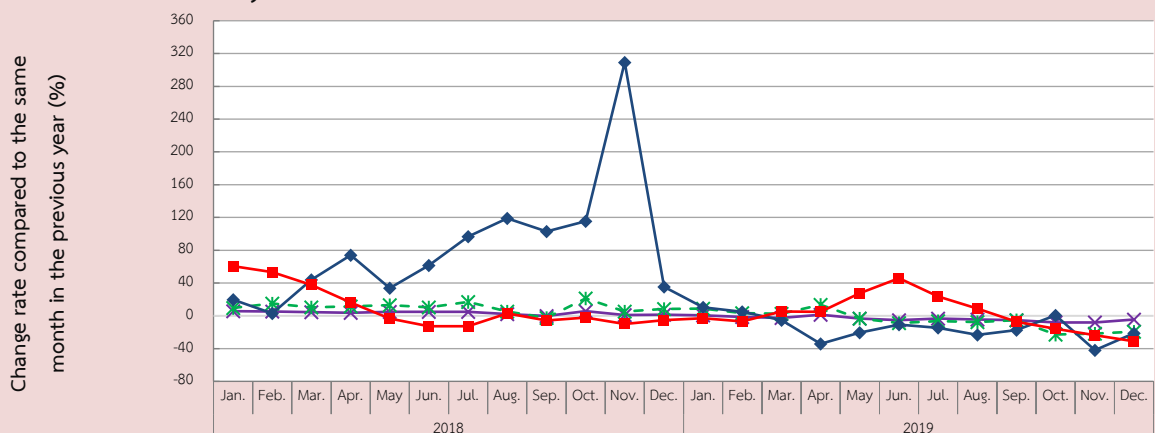


The MPI of the sugar industry decreased by 21.4 percent compared to the same month last year, due to the slower commencement of production than the previous year, coupled with the dry climate that is not conducive to sugarcane planting, resulting in less sugar production.



The MPI of the palm oil industry decreased by 31.1 percent compared to the same month last year, mainly from a decline in crude palm oil and refined palm oil. The contraction was caused by inclement weather, resulting in less palm output to the market.

MPI of Key Industrial Products with Contraction in December 2019



Key manufacturing industries such as computer and peripheral equipment, air-conditioners, and processed seafood and chilled and frozen seafood industry were the sectors that decline.



The MPI of the computer and peripheral equipment manufacturing industry grew by 18.6 percent compared to the same month last year. This was mainly due to the increase of Hard Disk Drive products, as significant manufacturers had orders for production and delivery of products due to the closure of production bases in Malaysia. Furthermore, demand remained ongoing.



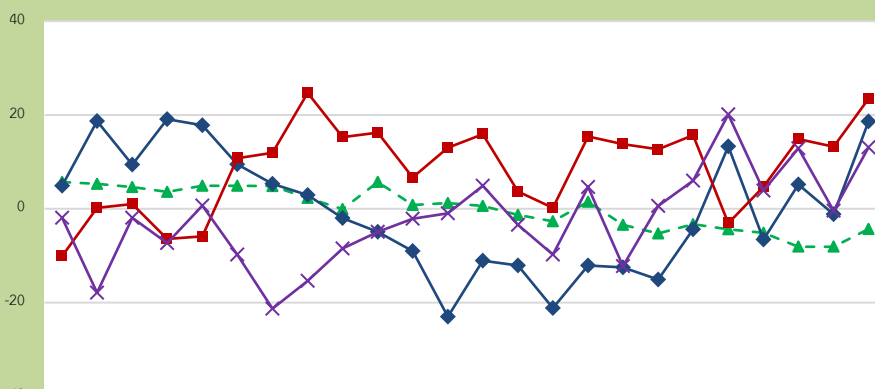
The MPI of the air-conditioner manufacturing industry grew by 23.5 percent, compared to the same month last year, from increasing sales channels and the development of various products such as inverter air conditioners that help save energy reduces space and maintenance costs.



The MPI of the processed seafood and chilled and frozen seafood industry grew by 13.1 percent compared to the same month last year. The growth was in all product groups due to the oversupply of raw materials, resulting in businesses being able to procure more raw materials to feed the production process and speed up production for inventory.

MPI of Key Industrial Products with Contraction in December 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. | Aug. | Sep. | Oct. | Nov. | Dec. |
|--|-------|-------|------|------|------|------|-------|-------|------|------|------|-------|-------|-------|-------|-------|-------|-------|------|------|------|------|------|------|
|  | 2018  |       |      |      |      |      |       |       |      |      |      |       | 2019  |       |       |       |       |       |      |      |      |      |      |      |
| 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  | -3.3 | -4.4 | -5.1 | -8.1 | -8.1 | -4.3 |
| Manufacturing of computers and computer peripheral equipment                           | 4.9   | 18.7  | 9.4  | 19.1 | 17.8 | 9.5  | 5.3   | 2.9   | -2.0 | -4.9 | -9.0 | -23.0 | -11.1 | -12.1 | -21.2 | -12.1 | -12.5 | -15.1 | -4.4 | 13.3 | -6.6 | 5.2  | -1.2 | 18.6 |
| Manufacturing 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 | -3.1 | 4.7  | 14.9 | 13.2 | 23.5 |
| Manufacturing of aquatic animal and fresh, chilled, and frozen aquatic animal products | -1.9  | -17.9 | -1.9 | -7.3 | 0.7  | -9.8 | -21.3 | -15.4 | -8.5 | -4.9 | -2.1 | -1.0  | 4.9   | -3.4  | -9.8  | 4.6   | -12.2 | 0.6   | 6.0  | 20.1 | 3.9  | 12.9 | -0.4 | 13.1 |

Capacity Utilization Rate in December 2019 was

**64.0 percent.**

Overview of industrial production in 2019, the MPI dropped by 3.7 percent from the previous year. This was due to the decrease of key industries, e.g., automobile industry, and refined petroleum products industries. However, key industrial production such as air-conditioners, and alcoholic beverage were the sector that grew. The capacity utilization rate in 2019 was 66.3 percent.

The overall MPI in 2019 declined by 3.7 percent compared to the previous year. This was a result of the contraction of key industries such as the automotive industry and the manufacturing industry of refined petrochemical products.



The MPI of the automobile manufacturing industry fell by 6.3 percent compared to the previous year. It was mainly reduced from 1-ton pick-up trucks because the demand for cars in the country decreased due to the slowdown of the domestic economy and credit limits of financial institutions. In addition, foreign orders decreased due to the economic downturn of trading partner countries.



The MPI of refined petroleum products shrank by 5.3 percent compared to the previous year, as in the second half of 2019, there were some refineries shut down for maintenance for some months to improve product performance and expand production to meet increasing demand.

Key industrial production such as air-conditioners, and alcoholic beverage were the sector that grew.



The MPI of the air-conditioner manufacturing industry grew by 10.4 percent compared to the previous year. This was due to new product development to meet increasing domestic and international demands, especially ASEAN and India, causing an increase in production.



The MPI of the alcoholic beverage industry grew by 21.0 percent compared to the previous year. The growth was mainly from the increased production of beer. Because of an increasing distribution channel, it was resulting in both domestic and international markets expanding.

Capacity Utilization Rate in 2019 was

**66.3 percent.**