



# Situation of Industrial Production in 2023


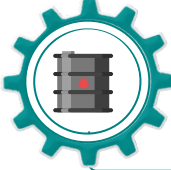
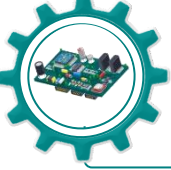


In 2022, the Manufacturing Production Index (MPI) grew by 0.62 percent compared to the previous year (YOY), partially due to a major maintenance shutdown at petroleum production plants at the end of the year. However, a slowdown in exports at the end of the year limited the expansion of MPI. Nevertheless, the reopening of the country has supported the growth of domestic economic activities and tourism, serving as a key driver of the economy. Looking forward to 2023, the OIE estimates that the MPI and GDP of industrial production will expand by 2.5-3.5 percent (YOY). Industries such as electric vehicles (xEV), smart electronics, functional food, and pharmaceuticals for health are expected to experience continuous growth.




## Industries affecting 2022 MPI



### Industries that positively impacted the MPI


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**Automobiles +11.51 %**
  - The shortage of semiconductors was resolved.
  - Good growth of domestic sales and exports
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**Petroleum refining +8.75 %**
  - Economic activities and tourism recovered.
  - Jet fuel production expanded after country
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**Electronic components +7.31 %**
  - Production of IC, Printed Circuit Board (PCBA) expanded.
  - Demand increased according to global trends.

### Industries that negatively impacted the MPI

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**Computers and peripherals -29.14 %**
  - Production decreased mainly in HDD products.
  - Production shifted to produce HDD with larger storage capacity.
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**Plastics and synthetic rubber in primary forms -10.28 %**
  - The global economy slowed down, resulting in a decrease in demand.
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**Iron and steel -10.71 %**
  - The production decreased due to the previous year's accelerated production to maintain stock for profitable sales, resulting from the significant price increase.

## Industrial Economic Outlook

The 2023 MPI and GDP of industrial production are expected to expand by 2.5-3.5%, in line with the recovering domestic economic activities.



	2019	2020	2021	2022	2023 Estimation
Thailand's GDP	2.2	-6.2	1.5	N/A	+3.0 to +4.0
Industrial Production GDP	-0.8	-5.6	4.9	N/A	+2.5 to +3.5
MPI (Index)	101.97	92.31	97.71	98.32	100.80 – 101.80
MPI (%YoY)	-3.45	-9.47	5.85	0.62	+2.5 to 3.5

Note: N/A = not available



Source: GDP by NESDB, MPI by OIE, data as of January 2023.

Year 2023 Estimates: Thailand's GDP by NESDB (November 2022); Industrial production GDP and MPI by OIE (December 2022)

### Supporting factors

-  The recovery of domestic consumption supported by a rebound in the tourism and service sectors.
-  The expansion in public and private investment.
-  Supply chain issues have been resolved.

### Strain factors

-  The global economic slowdown and recession in Thailand's major trading partners.
-  High energy prices and inflation.

