



# Situation of Industrial Production in

August 2023

Manufacturing Production Index (MPI) in August 2023 **decreased by 7.53% (YoY).**



- The world economy's slowdown weakened the trading partners' purchasing power even though the export of industrial products (excluding gold) in August 2023 is projected to expand by 3.85 percent compared to last year.
- The domestic economy is still recovering slowly from the high household debt problem, including the El Niño phenomenon, which also affects agricultural production and farmers' incomes.

Production	Aug. 2023	Jan. – Aug. 2023
Manufacturing Production Index (MPI, %YOY)	-7.53	-4.95
Capacity utilization rate (CAP-U, %)	58.18	60.09

## Industries affecting the MPI in August 2023



### Positive impact industries (YoY)



**Sugar: +40.51%**

Demand increased in both the domestic and export markets to satisfy consumers in the food and beverage segment.



**Chemical fertilizer: +29.52%**

The reduction in fertilizer prices compared to the previous year, along with promotional campaigns aimed at increasing product sales, led to a continuous release of the product.



**Petroleum refining: +1.50%**

The industry increased mainly from jet fuel, LPG, and Gasoline 95, as well as the tourism sector that continued to expand.

### Negative impact industries (YoY)



**Automobile: -11.39%**

Mainly from domestic market contraction as a result of tightened approval of financial institution credit.



**Electronic components: -13.65%**

The decrease is attributed to a global market slowdown. Manufacturers have scaled back both production and sales due to the low production volume despite the high-value nature of the products.



**HDDs: -32.36%**

The development of higher storage capacity has resulted in a decline in production, and there is a growing trend of using SSDs to replace HDDs.

## Industrial economic forecasts



The 2023 MPI and GDP of industrial production are expected to decrease by 2.8 – 3.8% (YoY) and 1.5 – 2.5% (YoY), respectively.



(%YOY)	2022		2023		Estimation for 2023
	Q3	Q4	Q1	Q2	
Thailand's GDP	+4.6	+1.4	+2.6	+1.8	2.5 – 3.0
Industrial Production GDP	+6.0	-5.0	-3.0	-3.3	(-1.5) – (-2.5)
MPI	+7.70	-6.04	-3.70	-4.60	(-2.8) – (-3.8)

Remark: N/A – not available

Source: GDP by NESDB, MPI by OIE, Data as of August 2023.

2023 Forecasts: - Thailand's GDP and Industrial GDP are forecasted by NESDB.

- Industrial production GDP and MPI by OIE

### Supporting factors



Tourism sector remains growing.



Domestic consumption is projected to grow.



Both public and private investment are expanding.

### Strain factors



Global economic recession.



The cost of production increases in line with interest rates.



Prolonged geography conflicts.

