



# Situation of Industrial Production in the First Nine Months of 2023

The Industrial Production Index (MPI) contracted by 5.09 percent during the first nine months of 2023 (January - September) compared to the same period last year (YOY), with a standing of 94.31. The capacity utilization rate was 59.83 percent due to the global economic slowdown, which faced pressure from tight monetary policy and concerns about protracted geopolitical problems. As a result, energy prices and interest rates were poised at a high level, affecting business and household costs, and they were factors that reduced purchasing power in the world market. However, the domestic economy's living cost and debt burden were high, causing the OIE to adjust its forecast for 2023 MPI to contract by 4.0 - 4.5 percent from the previous forecast of 2.8 - 3.8 percent. Additionally, industrial production GDP was expected to shrink by 2.5 - 3.0 percent from the prior forecast of 1.5 - 2.5 percent. Despite this, the tourism sector continued to expand, and the government's measures to relieve the cost of living will support consumption in the next period.

## Industries affecting the MPI in the First Nine Months (Jan. - Sep.) of 2023

### Industries that have a positive impact (YOY)



#### Manufacture of sugar: +14.41 %

Production increased mainly from white and refined sugar, with consumption expanding both in the domestic and export markets.



#### Automobile: +2.75 %

The expansion was from the manufacture of passenger cars mainly due to the expansion of the export market.



#### Petroleum refining: +2.70%

Thailand fully reopened to foreign visitors, which caused travel-related fuels to increase.

### Industries that have a negative impact (YOY)



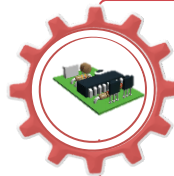
#### Computer and Peripheral Equipment: -32.53%

The industry declined mainly due to the reduction in HDD production as traditional HDD manufacturing decreased in volume due to new technologies.



#### Furniture: -38.10%

Wooden furniture exports slowed down as orders returned to China after opening up the country. Meanwhile, metal furniture primarily faced a slowdown in the domestic market.



#### Electronic Components: -7.59%

The slowdown in global economic growth and the US's policy to reduce reliance on China this year have impacted Thailand production planning to align with market trends.

## Industrial Economic Outlook



In 2023, the estimated MPI decreased by 4.0 - 4.5% (YoY) and GDP of the industrial sector is estimated to decrease by 2.5 - 3.0% (YoY).

	2019	2020	2021	2022	2023 Estimation
Thailand's GDP	2.1	-6.1	1.5	2.6	2.5 - 3.0
Industrial Production GDP	-0.8	-5.5	4.9	0.4	(-2.5) - (-3.0)
MPI (Index)	101.96	92.31	97.71	98.05	93.60 - 94.10
MPI (%YoY)	-3.45	-9.46	5.84	0.35	(-4.0) - (-4.5)

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

2023 Forecasts: - Thailand's GDP and Industrial GDP are forecasted by NESDB and OIE, respectively.  
- Industrial production GDP and MPI by OIE

### Supporting factors



Tourism and related businesses continue to grow.

World trade at the end of the year may recover for the New Year festival.

### Strain factors



The world economy is slowing down.



Rising interest rates result in higher investment and household debt, putting pressure on production and consumption.



Geopolitical problems may widen.

