



# Situation of Industrial Production in

September 2023

## Manufacturing Production Index (MPI) in September 2023 decreased by 6.06% (YoY).



- Trading partner countries are gradually recovering, as illustrated by the contraction in exports of industrial products. Consequently, production for export markets will be limited in recovering.
- The domestic economy faced challenges from high living costs and elevated household debt, putting pressure on purchasing power.
- Despite these, the rising number of tourists positively influenced the service sector and production in industries linked to related sectors like food and beverages and petroleum refining.

Production	Sep. 2023	Jan. – Sep. 2023
Manufacturing Production Index (MPI, %YOY)	-6.06	-5.09
Capacity utilization rate (CAP-U, %)	58.02	59.83

### Industries affecting the MPI in September 2023



#### Positive impact industries (YoY)

**Plastic pellets: +12.35%**  
This is partly a positive result of last year's shutdown of upstream petrochemical plants for maintenance.

**Sugar: +74.64%**  
The industry expanded both domestically and abroad, including the benefit of India stopping sugar exports, causing Thai orders to increase.

**Power lines: +29.52%**  
The expansion was from production to delivery to the Electricity Authority, according to the cycle of improvements and power line replacement.



#### Negative impact industries (YoY)

**Automobile: -7.65%**  
The decline was mainly from the domestic market due to financial institutions being strict in approving loans.

**Electronic components: -17.69%**  
The global economy decelerated, and the US policy to reduce reliance on China has affected the Thai supply chain.

**Petroleum refining: -5.05%**  
The contraction was a result of the maintenance shutdown of some refinery plants.

### Industrial economic forecasts



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



(%YOY)	2022		2023		Estimation for 2023
	Q4	Q1	Q2	Q3	
Thailand's GDP	1.4	2.6	1.8	N/A	2.5 – 3.0
Industrial Production GDP	-5.0	-3.0	-3.3	N/A	(-2.5) – (-3.0)
MPI	-3.38	-3.70	-5.51	-6.19	(-4.0) – (-4.5)

Remark: N/A – not available

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 continued to expand.

The economies of our trading partners showed gradual signs of recovery.

#### Strain factors

Slow recovering of the global economy.

Rising interest rates were putting pressure on both production and consumption.

Protracted geopolitical disputes.

