



### Industrial Production Status

Indicators	2021	2022	2022								2023				
	Year	Year	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
MPI	5.8	0.4	-2.3	-0.5	6.0	14.6	3.0	-4.3	-5.3	-8.5	-4.8	-2.4	-3.9	-8.7	-3.1

The industrial economic status in **May 2023**, when considered from the **Manufacturing Production Index (MPI)**, contracted by **3.1 percent from the same period last year**. This decline can be attributed primarily to the export segment, which remains vulnerable due to the repercussions of the global economic deceleration. However, the domestic economy gradually improved, supported by the continuous recovery of the tourism sector, which led to an increase in demand for certain industrial products, especially food and beverages.

When considering the MPI data for the past three months compared to the previous year (%YoY), the MPI in February, March, and April 2023 contracted by 2.4 percent, 3.9 percent, and 8.7 percent, respectively.

Indicators	2022								2023				
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
MPI	7.7	-0.2	-2.3	4.2	-1.8	-4.2	2.1	-1.8	6.1	-0.1	6.2	-21.3	14.2

For the past three months (February, March, and April 2023) the Manufacturing Production Index (MPI), compared to the previous month (%MoM), has shown the following rate of changes: a slight decline of 0.1 percent in February, an increase of 6.2 percent in March, and a decrease of 21.3 percent in April 2023.

**Key industries that contributed to the MPI contraction in May 2023** compared to the same period last year were:

- Iron and steel: The industry contracted by 26.72 percent as consumers slowed down their purchase orders to observe the direction of prices. In addition, manufacturers managed their inventory from market uncertainty.
- Hard Disk Drives (HDDs): The industry contracted by 27.72 percent following the storage technology development, resulting in less production, but the unit prices increased according to the capacity. In addition, the use of Solid-State Drives (SSDs) increased in various devices to replace HDDs, in which Thailand does not have a domestic SSD production base.
- Wearing apparels: The industry declined by 31.55 percent, primarily attributed to decreased orders from trading partners. This drop can be linked to the global economic slowdown, causing a slowdown within the clothing sector. Factors like inflation and the Russia-Ukraine conflict further compounded the situation, prompting customers to reduce their orders. At the same time, consumers are increasingly concerned about sustainable products and environmental awareness. As a result, they changed their behavior by opting for second-hand clothing at more affordable prices.

**Key industries that remained growing in May 2023** compared to the same month last year were:

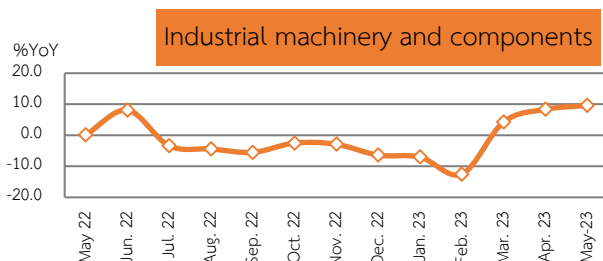
- Automobiles: The industry increased by 17.54 percent, mainly from an increase in exports.
- Air conditioners: The industry increased by 12.57 percent from modern technology and innovation development. Additionally, the real estate sector with new construction increased. As a result, there was a need for more air conditioners. Exports also continued to grow from markets in the US, Vietnam, and India.



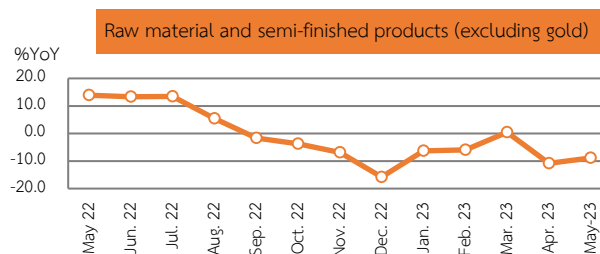
# Other Industrial Economic Indicators in May 2023

## Other Industrial Economic Indicators in May 2023

### ■ Imports of Thailand Industrial Sector



Source: Ministry of Commerce

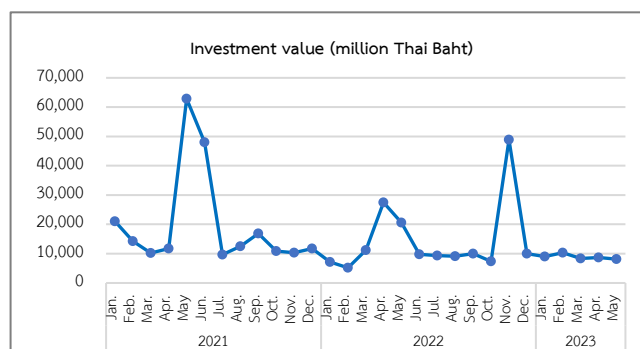
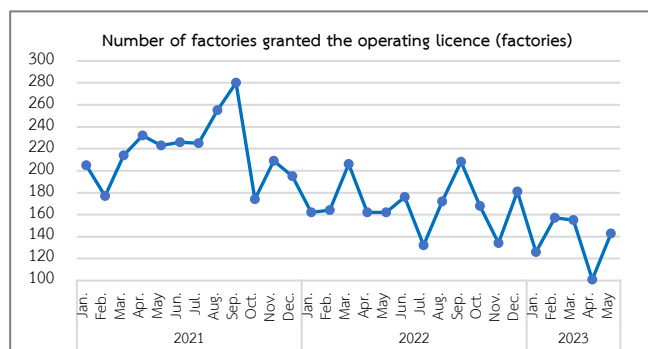


Source: Ministry of Commerce

**+** Imports of industrial machinery and parts in May 2023 were valued at 1,630.70 million USD, an increase of 9.65 percent compared to the same month last year. The increase was from imports of jet turbines and parts, wood processing machinery and parts, for example.

**-** Imports of raw and semi-finished goods (excluding gold) in May 2023 were valued at 9,871.78 million USD, a contraction of 8.83 percent compared to the same month last year. Imports declined among products such as chemical products, iron, steel, and product thereof, for example.

## Industrial Operation Status



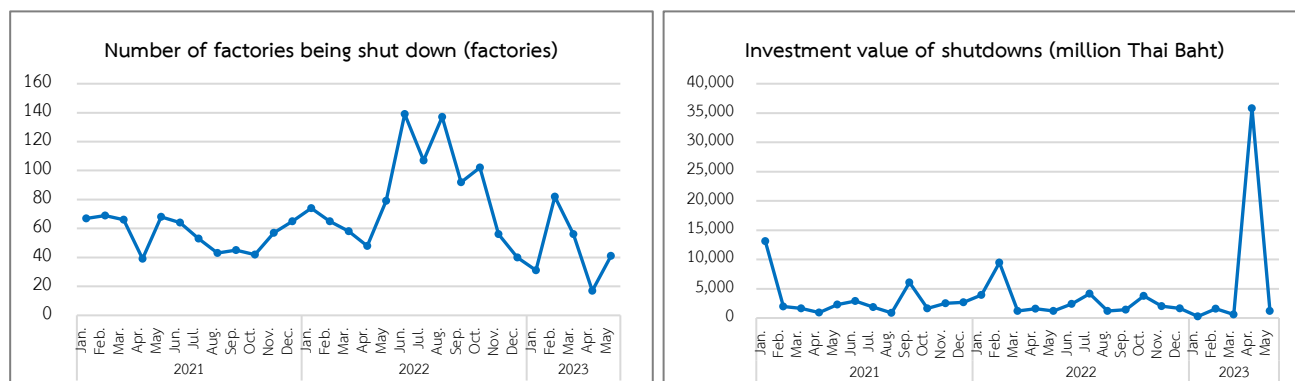
Source: Department of Industrial Works

- ⊖ The total number of factories licensed for operation in May 2023 was 143 factories, increasing by 41.58 percent (%MoM) from April 2023 but decreasing by 11.73 percent (%YoY) from the same month last year.
- ⊖ The total investment from factories licensed for operating in May 2023 decreased by 6.32 percent (%MoM) from April 2023 to 8,126 million Thai Baht and decreased by 60.52 percent (%YoY) from the same month last year.

*"The industry with the highest number of newly licensed factories to operate in May 2023 was the excavation or dredging industry of gravel, sand, or soil (12 factories), followed by the manufacture of concrete, ready-mixed concrete articles, and gypsum products (11 factories)."*

*"The industry with the highest investment value in May 2023 was the production industry of porcelain, ceramic, and pottery wares, with a capital investment of 2,166 million Thai Baht. This was followed by the solar power plant industry, excluding those installed on rooftops and decks, with a capital investment of 1,259 million Thai Baht."*

■ Industrial Operation Status (cont.)



Source: Department of Industrial Works

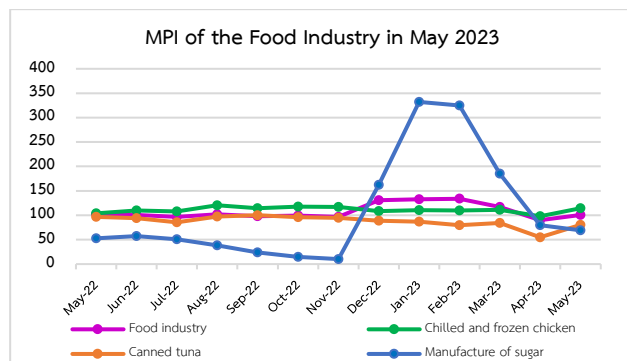
- ⊕ A total of 41 factories were shut down in May 2023, increasing by 141.18 percent (%MoM) from April 2023 but decreasing by 48.1 percent (%YoY) from the same month last year.
- ⊕ The lost investment value on shutdown in May 2023 totaled 1,231 million Thai Baht, decreasing by 96.56 percent (%MoM) from April 2023 but increasing slightly by 1.40 percent (%YoY) from the same month last year.

*“The industry with the highest number of factory shutdowns in May 2023 was the excavation or dredging industry of gravel, sand, or soil (6 factories), followed by the manufacturing industry of plastic pellets, rods, tube pipes, pipes, sheets, pieces, powder, and different shapes (3 factories).”*

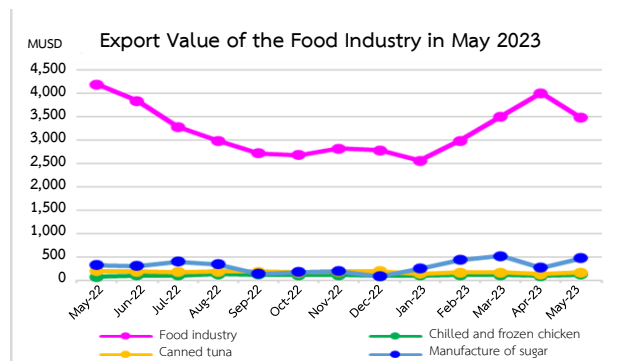
*“The industry with the highest investment value for business shutdown in May 2023 was the manufacturing industry of plastic pellets, rods, tube pipes, pipes, sheets, pieces, powder, and different shapes, with an investment value of 362 million Thai Baht, followed by the industry involved in manufacturing, assembling, modifying, or producing tools and appliances made of iron, with an investment value of 250 million Thai Baht.”*

## Industrial Economic Status by Industrial Sectors in May 2023

### 1. Food Industry



Source: The Office of Industrial Economics



Source: Ministry of Commerce

**⊖ The Manufacturing Production Index (MPI) in May 2023** contracted by 1.3 percent (%YoY) compared to the same period last year. Food products that contracted in MPI included 1) Cassava contracted by 34.4 percent from cassava starch (-35.8%) due to continuous rain in the plantations. The quality of cassava and yeast production decreased. As a result, there were fewer cassava tubers in the market. 2) Processed vegetables and fruits contracted by 16.8 percent from canned pineapple (-50.8%) due to lower domestic and export demand. 3) The fisheries sector also declined, with the index contracting by 4.6 percent, particularly in canned tuna (-16.9%). However, food products that grew in MPI included 1) Sugar grew by 31.1 percent from refined sugar (28.3%) and white sugar (38.2%) due to increased domestic and export demand following economic growth for use in downstream industries. This year, the yield of sugar increased, and the quality improved. Furthermore, India continued restrictions on sugar exports. Thailand's main export market is Indonesia. 2) Livestock grew by 9.9 percent, mainly from chilled and frozen chicken (10.0%) from the consumption demand of the domestic market. This was in line with economic growth in the tourism sector and household consumption. 3) Beverages grew by 0.7 percent from soft drinks, fruit juice drinks, and drinking water.

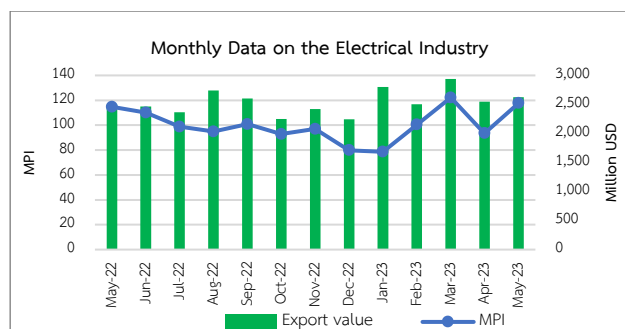
**⊕ Domestic sales:** In May 2023, there was an 8.3 percent increase (%YoY) in the production volume of food products. This growth was particularly evident in key product categories: 1) Soft drinks increased by 39.2 percent. 2) White sugar production experienced a growth of 35.7 percent. 3) Sausage production experienced a growth of 24.5 percent. 4) Refined palm oil production increased by 15.4 percent, and 5) Frozen and chilled chicken meat also increased by 8.8 percent.

**⊖ Export markets:** Overall food exports in May 2023 decreased by 16.9 percent compared to the same period last year from chilled and frozen fruits, as this year's output was lower than last year. However, products that continued to grow in exports included: 1) Livestock, mainly from chilled and frozen chicken. The main export markets were China and Japan. 2) Rice and grains from key products, including rice. The main export markets were Indonesia and Iraq. 3) Sugar, in which the main product was granulated sugar. The main export market was Indonesia.

**Industry Outlook:** In June 2023, the entire food industry is projected to expand compared to the same period last year due to the growth of the domestic consumption and tourism sector, in which the number of foreign tourists visiting Thailand has increased gradually. The value of exports is projected to expand due to the demand for food products from trading partners. Nevertheless, monitoring the ongoing slowdown in the global economy and financial conditions is important, including El Nino's phenomenal, which could affect agricultural product production.

## 2. Electrical and Electronics Industry

### ■ Electrical Industry



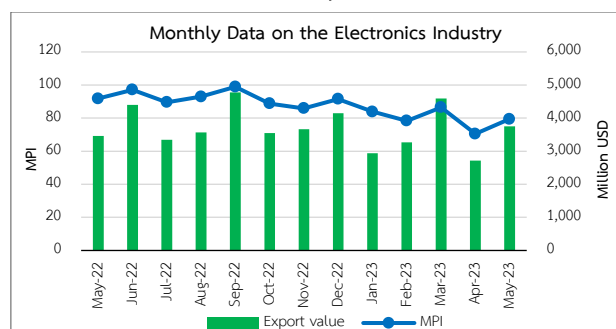
Source: The Office of Industrial Economics, Electrical and Electronics Institute, and Ministry of Commerce

➕ **Production of electrical appliances** reached an MPI of 117.6 points, increasing by 2.5 percent compared to the same month last year. Notably, there was an increase in the production of certain items: namely, cables (39.9%), transformers (25.9%), washing machines (25.2%), and air conditioners (18.5%). This growth can be attributed to rising domestic demand and increased international orders. However, certain products experienced a reduction in production volume, including electric motors (-34.4%), thermo pots (-32.2%), microwave ovens (-18.3%), refrigerators (-17.9%), compressors (-10.0%), power cables (-9.6%), rice cookers (-6.0%), and fans (-3.5%) due to decreased domestic sales.

➕ **Exports of electrical appliances** reached a value of 2,623.3 million USD, an increase of 5.6 percent compared to the same month last year. Notably, products with increased orders included electrical transformers and components valued at 375.0 million USD, an increase of 53.7 percent. Additionally, washing and drying machines and their parts valued at 123.9 million USD, an increase of 24.3 percent. Switches and electrical control panels valued at 244.5 million USD, an increase of 24.1 percent. Air conditioners and their parts valued at 660.9 million USD, an increase of 10.2 percent. Microwave ovens were valued at 17.6 million USD, an increase of 8.5 percent, while fans valued at 51.6 million USD, an increase of 8.2 percent. Circuit breakers and protection devices for electricity valued at 155.2 million USD, an increase of 6.4 percent. Conversely, products with reduced orders included electric motors and generators valued at 78.3 million USD, a decrease of 24.8 percent. Refrigerators, freezers, and their components valued at 186.6 million USD, a decrease of 16.7 percent, while electrical cables and wires valued at 109.4 million USD, a decrease of 6.3 percent.

*“Production Outlook for June 2023: The electrical appliances industry is expected to contract compared to the same month last year due to the decline in global demand, the global economy that has yet to recover, and the slowdown in purchase orders from trading partner countries.”*

### ■ Electronics Industry



Source: The Office of Industrial Economics, Electrical and Electronics Institute, and Ministry of Commerce

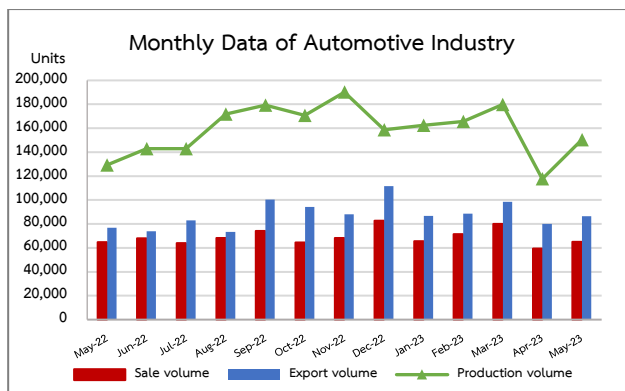
➖ **Production of electronic products** reached an MPI of 79.4 points, decreasing by 13.4 percent compared to the same month last year. Products that contracted in production were HDDs (-29.7%), semiconductor devices (transistors) (-29.1%), PWBs (-27.5%), printers, (-9.2%), and ICs (-8.1%) due to decreased domestic demand and international orders.

➕ **Exports of electronic products** reached a value 3,753.3 million USD, an increase of 8.4 percent compared to the same month last year. Products that experienced a decrease in orders included semiconductor devices transistor and diodes valued at 468.9 million USD, an increase of 87.72 percent in India, the US, and Vietnam markets. Printed Circuit valued at 817.1 million USD, an increase of 4.5 percent in Germany, Taiwan, and China markets. On the other hand, products with decreased orders included Hard Disk Drives (HDDs) valued at 623.5 million USD, a decrease of 28.8 percent, mainly in Europe, the US, and China markets; printed circuits valued at 114.9 million USD, a decrease of 4.1 percent, particularly in the ASEAN market.

*“Production Outlook for June 2023: The electronics industry is expected to decline continuously compared to the same month last year. The decline is due to rising production costs and market share with neighboring countries such as Malaysia, Vietnam, India, etc.”*

### 3. Automotive Industry

#### ■ Automotive Manufacturing Industry



Source: The Office of Industrial Economics who obtained data from Automotive Division, Federation of Thai Industries.

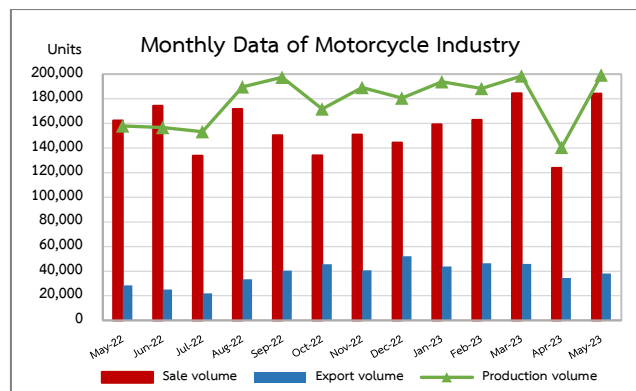
**+** **Production of automobiles** in May 2023 reached 150,532 units, an increase of 27.96 percent from April 2023 (%MoM) and an increase of 16.48 percent from the same month last year (%YoY). The increase was among of the manufacture of 1-ton pickup trucks due to low base last year from the shortage of semiconductors caused by Russia-Ukraine conflict, and the COVID-19 outbreak.

**+** **Domestic automobile sales** in May 2023 reached 65,088 units, an increase of 9.34 percent from April 2023 (%MoM) and a slight increase of 0.55 percent compared to the same month last year (%YoY). The growth was driven by increased sales of passenger cars, PPVs and SUVs.

**+** **Automobile exports** in May 2023 reached 86,358 units, an increase of 8.03 percent from April 2023 (%MoM) and an increase of 12.25 percent compared to the same month last year (%YoY). Export markets showed an increase in Asia, the Middle East, Africa, Europe and North America.

*"Automotive Industry outlook: In June 2023, the industry is expected to grow compared to June 2022 due to an expansion of export markets and the easing of the semiconductor shortage situation."*

#### ■ Motorcycle Manufacturing Industry



Source: The Office of Industrial Economics who obtained data from Automotive Division, Federation of Thai Industries.

**+** **Production of motorcycles** in May 2023 reached 199,316 units, an increase of 41.92 percent from April 2023 (%MoM) and an increase of 26.20 percent from the same month last year (%YoY). The growth was driven by increased production of multipurpose and sport motorcycles.

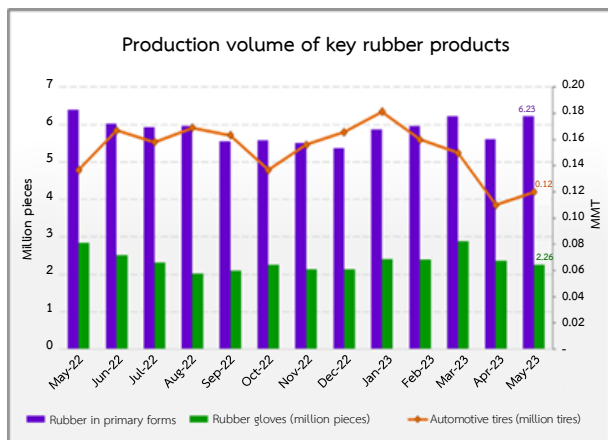
**+** **Motorcycle sales** in May 2023 reached 184,091 units, an increase of 48.51 percent (%MoM) from April 2023 and an increase of 13.39 percent (%YoY) from the same month last year. The growth was driven by increased sales of motorcycles sized between 51-110 cc, 126 – 250 cc, 251 – 399 cc, and ≥400 cc.

**+** **Exports of CBU motorcycle** in May 2023 reached 38,125 units, an increase of 10.42 percent compared to April 2023 (%MoM) and an increase of 33.64 percent from the same month last year (%YoY). The growth was driven by increased exports to Belgium, Japan, and the US.

*"Motorcycle Industry outlook: In June 2023, the industry is expected to grow compared to June 2022, driven by the expansion of domestic and export markets."*



#### 4. Rubber and Rubber Product Industry



Source: The Office of Industrial Economics

##### Production

➔ Processed rubber in primary forms (sheet rubber, block rubber, and concentrated latex) decreased by 15.47 percent from the decreased production sheet rubber and concentrated latex.

➔ Automotive tires decreased by 2.50 percent due to a decrease in tire production for passenger cars, pickups, trucks and bus, and tractors.

➔ Rubber gloves decreased by 20.28 percent due to the continued decline in demand in the domestic and global markets.

##### Domestic Sales

➔ Processed rubber in primary forms (sheet rubber, block rubber, and concentrated latex) decreased by 10.47 percent due to a decrease in demand for sheet rubber, block rubber, and concentrated latex in downstream industries.

➔ Automotive tires decreased by 10.13 percent due to the slowdown of the REM market (Replacement Equipment Manufacture).

➕ Rubber gloves increase by 12.99 percent due to the high demand for medical rubber gloves.

##### Exports

➔ Processed rubber in primary forms (sheet rubber, block rubber, and concentrated latex) decreased in export value by 36.92 percent. This decrease can be attributed to reduced exports of sheet rubber to Japan, block rubber to the US, along with decreased exports of concentrated latex to Malaysia and China.

➔ Automotive tires decreased by 2.62 percent in export value, mainly due to the slowdown in exports to the US market.

➔ Rubber gloves decreased by 21.55 percent as demand for medical gloves in the global market has dropped.



Source: Ministry of Commerce

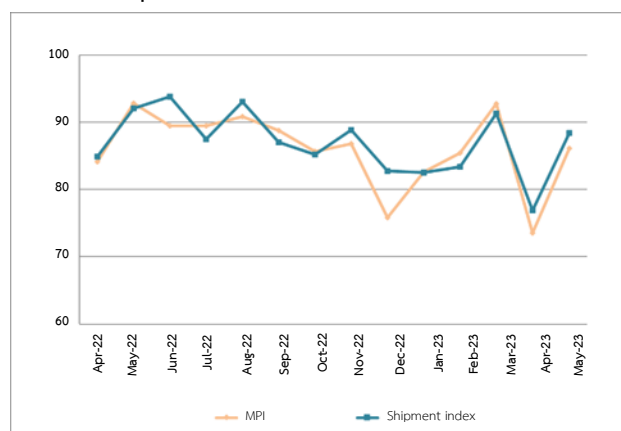
##### Industry Outlook for June 2023

The production of processed rubber in primary forms (sheet rubber, block rubber, and concentrated latex) is expected to slow down due to decreased demand in foreign markets, especially in key export markets such as the US, Japan, Malaysia, and China. The domestic production and distribution of automotive tires is expected to expand in line with the growth trend of the domestic automotive industry. As for the production of rubber gloves, the demand for rubber gloves in the global market is expected to continue to decline. However, domestic sales of rubber gloves are expected to expand due to the high demand for medical gloves.

Exports of processed rubber in primary forms (sheet rubber, block rubber, and concentrated latex) are expected to decrease in value due to major export markets such as the US, Japan, and Malaysia showing a trend of slowing down their purchases of these products from Thailand. Regarding the export of automotive tires, the value is anticipated to increase, driven by a resurgence in demand for car tires in secondary markets such as South Korea, Australia, China, and Saudi Arabia, which have been consistently growing. On the other hand, the export value of rubber gloves is predicted to decline due to reduced global demand for rubber gloves compared to previous periods.

## 5. Plastics Industry

### MPI and Shipment Index



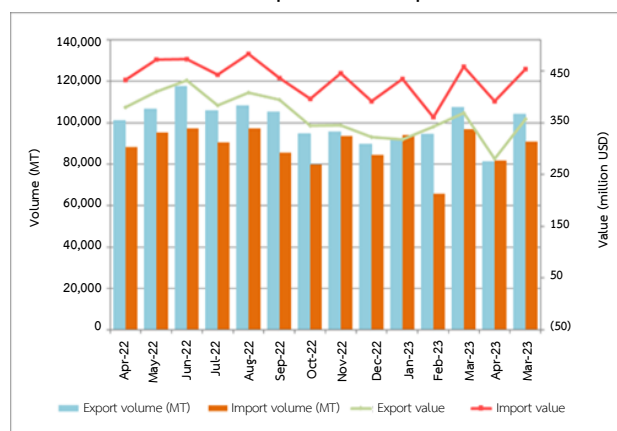
Source: The Office of Industrial Economics

➔ **The Manufacturing Production Index (MPI)** in May 2023 contracted by 7.22 percent compared to the same period last year. Many plastic products experienced a decline in MPI, such as plastic sheet (-23.35%), plastic film (-15.01%), and plastic bags (-12.87%) compared to the same period last year.

➔ **The shipment index** in May 2023 contracted by 3.95 percent. Many plastic products experienced the decline in shipment index, such as plastic sheets (-18.50%), plastic bags (-12.48%), plastic sacks (-10.21%) compared to the same period last year.

➔ **Exports** in May 2023 were valued at 356.90 million USD, a decrease of 12.91 percent compared to the same period last year. Products contributing to the decline in exports included household articles (HS 3924) (-16.84%); other articles of plastics (HS 3926) (-16.40%), and articles for the conveyance or packing of goods (HS3923) (-15.17%), compared to the same period last year.

### Volume and Value of Exports and Imports



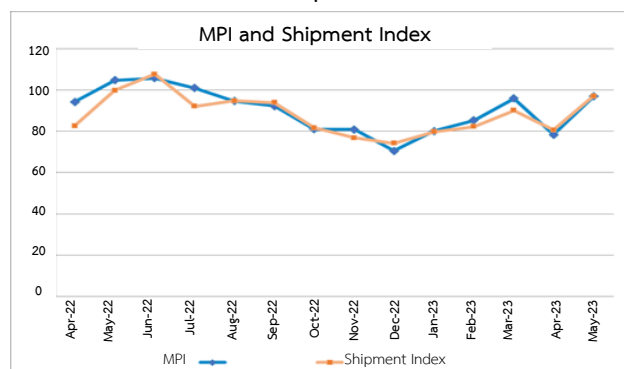
Source: Office of the Permanent Secretary, Ministry of Commerce

➔ **Imports** in May 2023 were valued at 453.72 million USD, a decrease of 3.92 percent compared to the same period last year. Key products contributing to the decline in imports were household articles (HS 3924) (-29.03%); monofilament (HS 3916) (-19.90%), and articles for the conveyance or packing of goods (HS3923) (-19.52%) compared to the same period last year.

*Plastics Industry Outlook:* In June 2023, the industry is projected to decline in production due to decreased demand in the market. Moreover, regional trading remains sluggish in line with the global economy. Buyers are adopting a cautious approach, closely monitoring the price situation. Exports are expected to decrease in line with major markets such as the US, Japan, and China, for example.

## 6. Chemical products Industry

MPI and Shipment Index



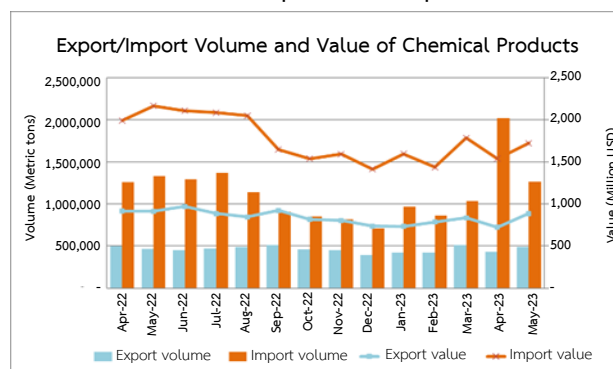
Source: The Office of Industrial Economics

**⚠ The Manufacturing production index** in May 2023 experienced a contraction of 7.51 percent compared to the same period last year. Within the basic chemicals segment, there was a decrease of 11.44 percent. The products that experienced a contraction included ethanol (-29.44%), hydrochloric acid (-7.33%), and caustic soda (-5.66%) compared to the same period last year. Moreover, the downstream chemicals group also faced a decline of 6.22 percent. Among the products produced within this group, the products that experienced a contraction included chemical fertilizers (-17.42%), cleaning agents (-14.50%), and fabric softener (-13.34%) compared to the same period last year.

**⚠ The shipment index** in May 2023 decreased by 2.79 percent compared to the same period last year. Within the basic chemicals segment, there was a decline of 5.18 percent. The products that experienced a contraction included chlorine (-12.86%), hydrochloric acid (-12.67%), and caustic soda (-5.35%) compared to the same period last year. As for the downstream chemicals, the segment contracted by 2.09 percent. Among the products produced within this group, the products that experienced a contraction included talcum powder (-36.79%), cleaning agents (-28.62%), and fabric softener (-13.90%) compared to the same period last year.

**⚠ Exports** in May 2023, the total export value amounted to 885.379 million USD, a decrease of 2.90 percent compared to the same period last year. The export value of the basic chemicals segment was 486.75 million USD, a decrease of 6.79 percent. As for the downstream chemicals segment, the export value was 398.59 million USD, an increase of 2.32 percent compared to the same period last year. Products contributing to the decrease in export value included inorganic chemicals (-17.05%), organic chemicals (-15.12%), and chemical fertilizers (-10.14%) compared to the same period last year.

Volume and Value of Exports and Imports

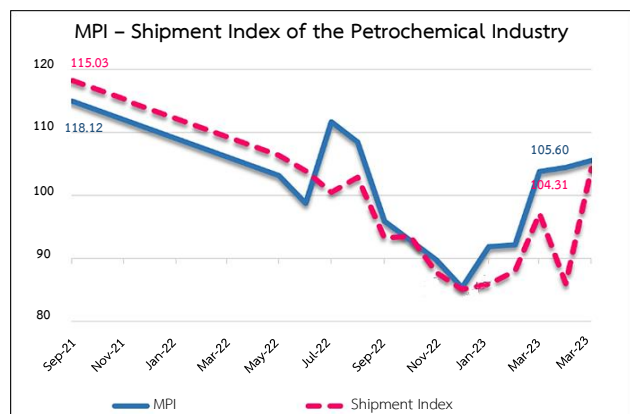


Source: Office of the Permanent Secretary, Ministry of Commerce

**⚠ Imports** in May 2023 decreased in value by 20.50 percent to a total value of 1,722.26 million USD compared to the same period last year. Specifically, imports of basic chemicals decreased in value by 18.43 percent, amounting to 1,093.27 million USD. Additionally, the import value of the downstream chemical products decreased by 23.85 percent to a value of 628.99 million USD compared to the same period last year. Products contributing to the decreased import included chemical fertilizers (-49.73%), organic chemicals (-25.79%), and inorganic chemicals (-25.01%).

*Chemical Industry Outlook:* In June 2023, chemical production is projected to decrease due to reduced orders resulting from declining market demand, along with the gradual release of inventory products for sale. Exports of oil-related products such as plastic resin and chemicals decrease in major markets such as India, Vietnam, Malaysia, etc.

## 7. Petrochemical Industry

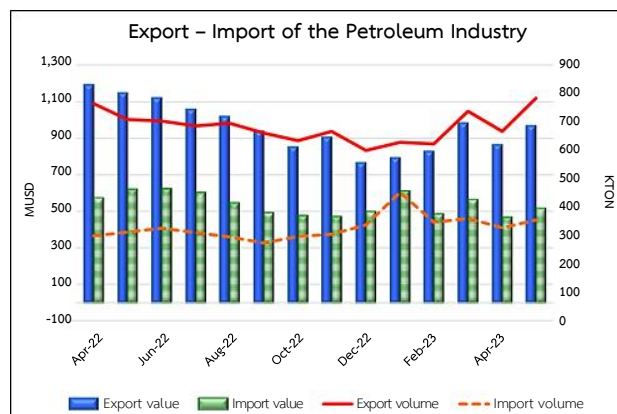


Source: The Office of Industrial Economics

**+** The Manufacturing Production Index stood at 105.60, an increase of 2.37 percent compared to the same period last year and an increase of 1.46 percent compared to the previous month. Basic petrochemicals, namely ethylene, grew by 5.89 percent compared to last year. Downstream petrochemicals, namely PE resin and PP resin, grew by 14.99 percent and 6.14 percent compared to last year. The growth resulted from the factory returning to normal production compared to last year when there was a maintenance shutdown of one plant.

**+** The shipment index in May 2023 stood at 104.31, an increase of 2.01 percent compared to the same period last year and an increase of 21.23 percent compared to the previous month. This growth was observed in basic petrochemicals, such as Propylene, which increased by 23.93 percent compared to the same period last year, and in downstream petrochemicals, including PE resin, which increased by 12.20 percent compared to the same period last year.

**-** Exports in May 2023 were valued at 969.96 million USD, a contraction of 15.64 percent compared to last year. The contraction was in downstream petrochemicals such as PP resin. Basic petrochemicals also contracted, such as propylene. The contraction was due to the market situation, characterized by speculation and the wait for prices to decrease. In addition, the demand for downstream production decreased following the slowdown in petrochemical prices.

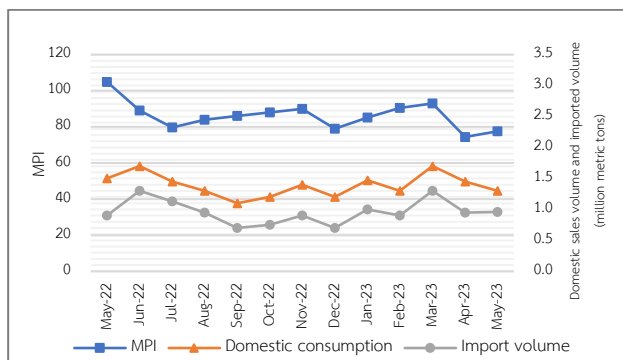


Source: Office of the Permanent Secretary, Ministry of Commerce

**-** Imports in May 2023 were valued at 518.80 million USD, a decrease of 16.79 percent compared to the same period last year. The decrease was primarily seen in the imports of basic petrochemical, such as Ethylene and downstream products like PP resin.

Outlook for June 2023: It is anticipated that the overall manufacturing industry will begin to recover compared to the same period last year. This rebound is attributed to the resumption of production following maintenance in the early part of the year. However, the demand for plastics will remain subdued due to the export slowdown, particularly for basic petrochemicals like Ethylene and Propylene. This is a consequence of volatile crude oil prices impacted by production halts in several countries and the ongoing Russia-Ukraine conflict, which has constrained expansion of production.

## 8. Iron and Steel Industry



Source: The Office of Industrial Economics / Iron and Steel Institute of Thailand

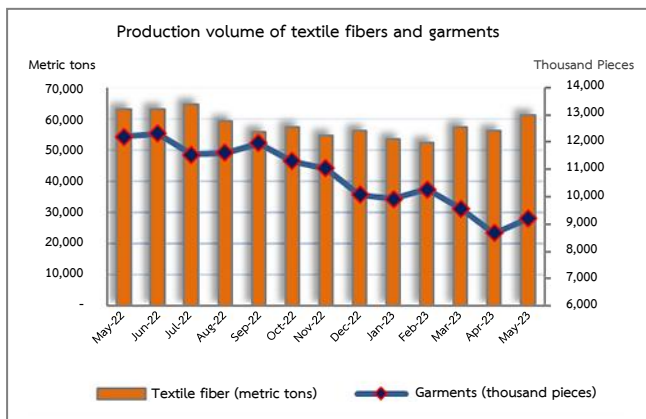
**➖ The Manufacturing Production Index (MPI)** in May 2023 had a value of 77.5, contracting by 26.7 percent compared to the same period last year. This contraction was due to consumers delaying purchase orders to observe price trends and manufacturers managing inventory uncertainties driven by market conditions. When considering the main product categories, the MPI contracted in long and flat products. The MPI stood at 73.1 in the long products, a decrease of 29.2 percent. Products with the highest decrease of MPI were round bars (-67.7%), followed by hot-rolled structural steel sections (-38.2%), deformed bars (-30.9%), and wire rods (-29.4%). For the flat products, the MPI stood at 77.9, a decrease of 30.5 percent. Products with the highest decrease in MPI were hot-rolled coils (-58.1%), followed by cold-rolled sheets (-23.4%), chrome-coated sheets (-23.3%), and tinplate (-8.6%).

**➖ Domestic consumption:** In May 2023, domestic consumption amounted to 1.3 million tons, a decrease of 12.9 percent compared to the same period last year. Consumption of long products amounted to 0.5 million metric tons, a decrease of 9.8 percent due to reduced consumption of wire rods. Meanwhile, consumption of flat products amounted to 0.8 million metric tons, a decrease of 14.7 percent from the decreased consumption of hot-rolled plates/coils/sheets, chrome-coated sheets, and cold-rolled sheets.

**➕ Imports** in May 2023, the import volume amounted to 0.96 million metric tons, increasing by 1.9 percent compared to the same period last year. This increase in import volume occurred in both the long and flat products. Import of long products reached 0.23 million metric tons, expanding by 3.8 percent. Long products that experienced growth in imports include: structural carbon steel sections (with increased imports primarily from China and Japan), carbon steel wire rods (with increased imports primarily from Indonesia, Taiwan, and China), and alloy steel rebars (with increased imports primarily from China and Taiwan). As for the flat products, the import volume amounted to 0.73 million metric tons, expanding by 1.3 percent. Flat products that experienced growth in imports include: hot-rolled stainless-steel plates (with increased imports primarily from Taiwan, China, Japan, and South Africa), tinplate (with increased imports primarily from China, South Korea, and Germany), welded pipes (with increased imports primarily from China, Cambodia, and Lao PDR), and hot-rolled alloy steel coils/sheets (with increased imports primarily from China).

*"Iron and steel industry outlook for June 2023: The industry is expected to contract compared to the same period last year due to the declining prices of raw materials (Billet and iron scrap) in the global market, leading consumers to delay purchasing to assess price directions. In addition, there is anticipated to be an increase in imports of low-priced steel from overseas. Nevertheless, there are important issues to monitor, including the progress of state and private sector construction projects in the country, the economic and trade situation globally, foreign steel prices, and China's steel industry policy, as it is a major producer, consumer, and exporter of steel in the world."*

## 9. Textile and Wearing Apparel Industry



Source: The Office of Industrial Economics

### Production

➕ Textile fibers, fabrics, and garments contracted by 3.26 percent, 17.60 percent, and 25.63 percent (%YoY), respectively. However, when compared to the previous month (%MoM), the production increased in all categories. Textile fibers increased by 6.85 percent within the Polyester fiber product group, other man-made fibers, cotton yarns, and yarns made from man-made fibers. These materials are utilized as raw materials for producing products in line with environmental conservation trends and consumer environmental awareness. Moreover, they are crucial raw materials for technical textiles with specialized functional properties and high value, including waterproof and fire-retardant woven fabrics. These innovative products have significance in the industrial sector. Regarding fabrics, there was a growth of 20.67 percent, and for ready-made garments, the growth reached 8 percent.

### Domestic sales

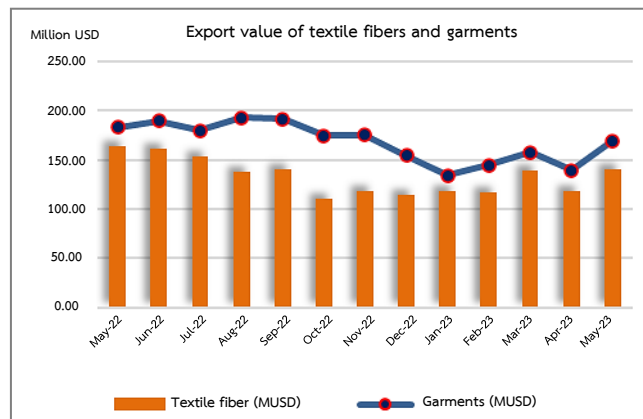
➖ Textile fibers and fabrics sales contracted by 9.17 percent and 18.97 percent (%YoY).

➕ Garment sales increased for the twelfth consecutive month, an increase of 1.23 percent (%YoY) in woven and knitted garments categories.

### Imports

➖ Yarns and fiber imports contracted by 14.92 percent (%YoY). Fabric imports also contracted by 15.99 percent.

➕ Garment imports increased by 28.90 percent in key markets such as China, Italy, and Vietnam to support people's spending from domestic demand, which continued to recover in line with the recovery of people's income according to the domestic economic situation. This, along with lower inflation, contributed to the increase in consumption.



Source: Ministry of Commerce

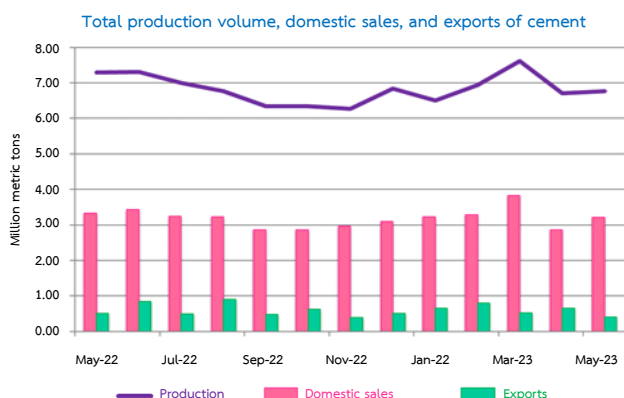
### Exports

➖ Textile fibers experienced a contraction of 13.94 percent (%YoY) in key markets such as Japan, China, and India. Fabrics also decrease by 23.29 percent (%YoY) in major markets, including Vietnam, Myanmar, and Cambodia. Garments experienced a contraction of 7.47 percent (%YoY) in major markets such as the US, Japan, and Belgium. This decline can be attributed to reduced orders from key trading partners and partly was from environmental trends. Notably, the apparel retail sector in the US is shifting away from relying heavily on apparel imports from Asian countries. Consequently, this shift has led to a contraction in Thai textile and garment exports throughout the entire supply chain. Furthermore, the global economic slowdown is impacting consumers' purchasing power and economic activities worldwide.

### Industry Outlook for June 2023

The textile and wearing apparel industry is anticipated to experience growth in line with the ongoing recovery of the domestic economy. However, monitoring inflation issues prevalent in many countries worldwide and prolonged geopolitical conflicts is crucial. These may be strain factors affecting the economies of trading partners to slow down. Additionally, increases in the minimum wage which has implications for production costs and Thailand's competitiveness.

## 10. Cement Industry



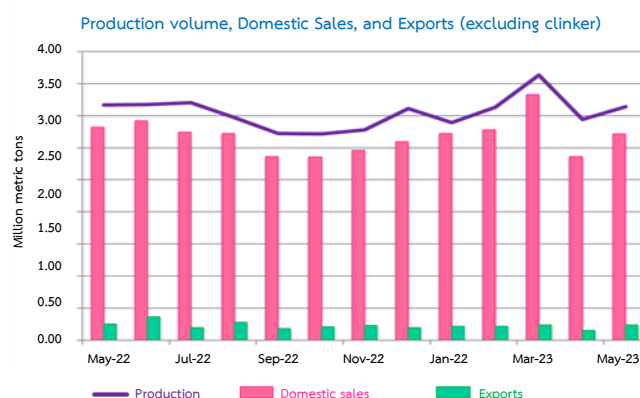
Source: 1. Domestic production and sales volume: Division of Information and Industrial Economic Indices, The Office of Industrial Economics  
2. Export volume: Information and Communication Technology Center, Office of the Permanent Secretary, Ministry of Commerce

➔ **Total production of cement** in May 2023 reached 6.77 million metric tons, a decrease of 7.20 percent from the same month last year (%YoY).

➔ **Total domestic sales of cement** in May 2023 reached 3.21 million tons, a decrease of 3.46 percent from the same month last year (%YoY), in line with the slowdown in the domestic market and the wait to observe the situational and economic changes after the election.

➔ **Total cement exports** in May 2023 reached 0.40 million tons, a decrease of 20.27 percent compared to last year (%YoY), as several major export markets reduced their orders, namely Vietnam (-81.40%), Cambodia (-48.62%), Bangladesh (-43.28%), and the Philippines (-38.49%). The decline was in line with the conflict in the unresolved Russo-Ukrainian war continuously impacted the global economy.

The outlook for the cement manufacturing industry in June 2023 is expected to slow down following the market's slowdown and the impact of the global economic downturn on export market demand.



Source: 1. Domestic production and sales volume: Division of Information and Industrial Economic Indices, The Office of Industrial Economics  
2. Export volume: Information and Communication Technology Center, Office of the Permanent Secretary, Ministry of Commerce

➔ **Cement production (excluding clinker)** in May 2023 reached 3.64 million metric tons, a decrease 0.79 percent (%YoY) from the same month last year.

➔ **Domestic cement sales (excluding clinker)** in May 2023 reached 3.03 million tons, a decrease of 3.29 percent compared to the same period last year (%YoY) due to a slowdown in the market caused by several factors, including rising product prices following energy prices. The market slowed as business operators waited to see the new government's policy and how it would impact the real estate sector.

➔ **Exports of cement (excluding clinker)** in May 2023 reached 0.24 million metric tons, a decrease of 3.62 percent (%YoY) compared to the same month last year. This decrease was primarily attributed to a lack of orders from key export markets, including Vietnam (-81.40%), Cambodia (-48.65%), and the Philippines (-38.49%).

The outlook for the cement manufacturing industry (excluding clinker) in June 2023 is expected to slow down as Thailand has entered the rainy season and the market's deceleration.