

Industrial Production Status

Indicators	2017	2018	2019												
	Year	Year	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Year
MPI*	1.8	3.7	0.6	-1.3	-2.7	1.5	-3.4	-5.3	-3.3	-4.4	-5.1	-8.1	-8.1	-4.4	-3.7

The industrial economy in **December 2019**, when considered from the **Manufacturing Production Index (MPI)**, **contracted by 4.4 percent from the same period last year**—improved from the contraction of 8.1 percent in November. The decrease was partly due to exports of industrial products (excluding gold), that grew by 0.2 percent—the first expansion in 10 months.

When considering MPI data for the past three months compared to the previous year (% YoY), production in September, October, and November 2019 shrank 5.1 percent, 8.1 percent, and 8.1 percent, respectively.

Indicators	2018	2019											
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
MPI*	-1.9	4.7	-2.6	9.5	-17.4	9.3	-3.4	-0.8	0.6	-3.4	-1.2	1.0	2.1

During the past three months (September, October, and November 2019), the MPI change rates (%MoM) were as follows: a decrease of 3.4 percent in September, a decrease of 1.2 percent in October, but an increase of 1.0 percent in November.

Key industries that contributed to the decrease of MPI in December 2019 compared to the same month last year were as follows:

- Automobiles and engines contracted by 19.5 percent, decreasing in line with the slowdown in domestic purchasing power, as well as financial institutions being strict in granting loans, together with a continuous contraction in export volumes.
- Sugar contracted by 21.4 percent, as this year’s dry weather is not conducive to sugarcane cultivation. As a result, the sweetness and sugarcane yield decreased.
- Palm oil contracted by 31.1 percent due to a short supply of palm fruit, caused by adverse weather conditions. India’s rising import tariffs and lowering domestic purchasing power following the economic climate also contributed to the contraction.

Key industries that contributed to the MPI growth in December 2019 compared to the same month last year were as follows:

- Hard Disk Drives grew by 18.6 percent due to an increase in production orders after production bases shut down in Malaysia since April 2019. Demand continued to increase, whereby manufacturers developed products to have a high capacity to support the growing volumes of data that corresponds to various needs.
- Air-conditioners increased by 23.5 percent from exports to ASEAN countries, especially Vietnam, Indonesia, and India, which increased in orders. Furthermore, the domestic market had a demand for inverter air conditioners, coupled with the expansion of markets to more commercial customers.

Other Industrial Economic Indicators in December 2019

Other Industrial Economic Indicators in December 2019

Imports of Thailand Industrial Sector



Source: Ministry of Commerce

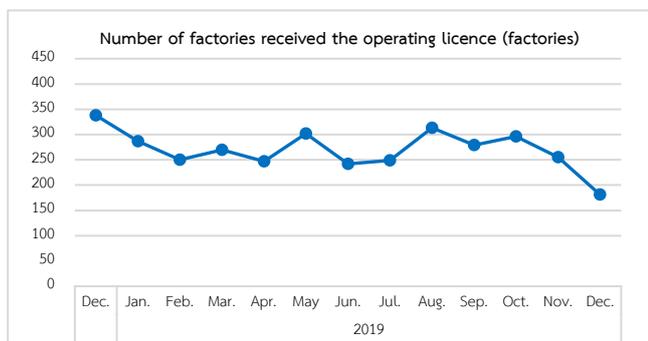


Source: Ministry of Commerce

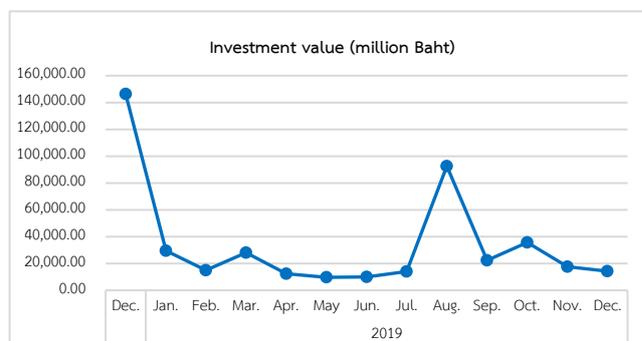
- + **Import of industrial machinery and parts** in December 2019 rose 6.6 percent compared to the same month last year to 1,483.1 million USD, from jet turbine products and components, printing industry machinery, air pumps, liquid pumps, and machinery and equipment used in rubber or plastic processing.

- **Import of raw and semi-finished goods (excluding gold)** in December 2019, contracted by 0.9 percent compared to the same month last year to 6,275.6 million USD. The contraction was from steel products steel sheets and semi-finished products made of steel or stainless steel, chemical products such as organic chemicals and plastic resins.

Industrial Operation Status



Source: Department of Industrial Works



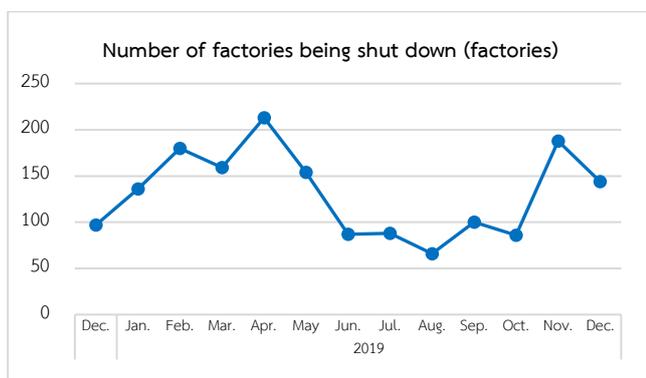
Source: Department of Industrial Works

- ⊘ The total number of factories licensed for operation in December 2019 was 181 factories, a decrease of 29.0% from November 2019 (% MoM) and 46.4% from the same month last year (% YoY).
- ⊘ The total investment from factories licensed for operating in December 2019 was 14,263 million baht, a decrease of 19.0 percent from November 2019 (% MoM) and a 90.2 percent decrease from the same month last year (% YoY).

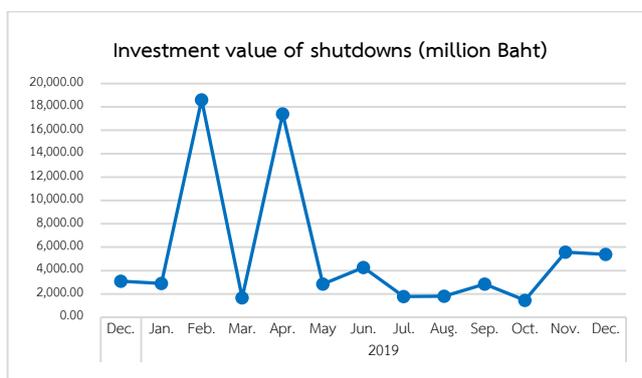
"The industry which had the highest number of newly licensed factories to operate in December 2019 was the manufacturing industry of concrete products, mixed-concrete, and gypsum products (11 factories), followed by the engine-powered vehicle repairing industry (11 factories)."

"The industry which had the highest value of the investment in December 2019 was the thermal power generation industry with the investment value of 2,420 million Baht, followed by the packing of general goods with the investment value of 1,227 million Baht."

■ Industrial Operation Status (cont.)



Source: Department of Industrial Works



Source: Department of Industrial Works

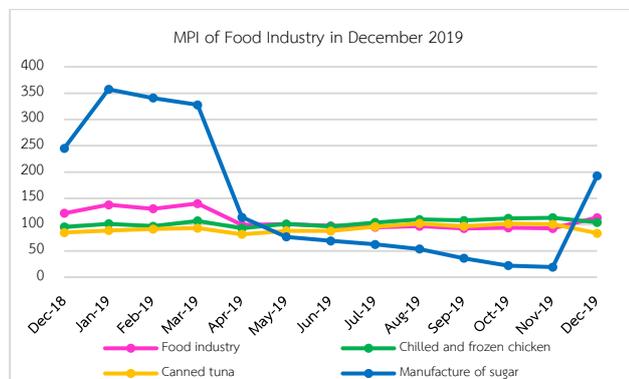
- ⊕ A total of 144 factories were shut down in December 2019, a decrease of 23.4 percent from November 2019 (% MoM) but an increase of 44.4 percent from the same month last year (% YoY).
- ⊕ The lost investment value on shutdown in December 2019 was 5,370 million Baht, a decrease of 3.6 percent from November 2019 (%MoM) but an increase of 74.0 percent from the same month last year (%YoY).

“The industry with the highest number of factory shutdowns in December 2019 was the engine-powered vehicle repairing industry (23 factories), followed by the manufacturing industry of concrete products, mixed-concrete, and gypsum products; the industry of turning, drilling, boring, milling, planing, trimming, or welding of general metal (10 factories each).”

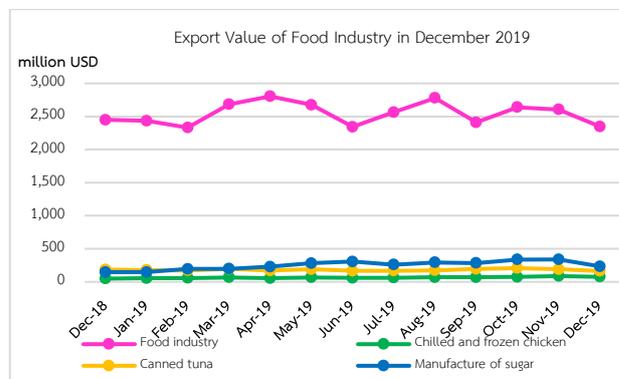
“In December 2019, the industry which had the highest operation shutdown with the highest value of investment was the smelting, melting, casting, extruding, drawing industry of iron or steel with the investment value of 1,040 million Baht, followed by the manufacturing industry of special parts or equipment for cars or trailers with the investment value of 834 million Baht.”

Industrial Economic Status by Industrial Sectors in December 2019

1. Food Industry



Source: The Office of Industrial Economics



Source: Ministry of Commerce



Production of food product in December 2019 decreased by 6.8 percent (%YoY), classified as follows:

1) Export-orientated products that contracted were: (1)

The MPI of sugar dropped by 21.4 percent from fewer raw materials as the start of the sugarcane production season for 2019/20 (1 December 2019) was slower than the production season of 2018/19 (20 November 2018), coupled with the impact of droughts. The products contracted, even though the value of exports increased by 58.3 percent, from increased purchase orders from major importers such as Indonesia, Cambodia, and South Korea. (2) The MPI of canned pineapple decreased by 15.1 percent due to fewer raw materials from the reduction of planting areas with less incentivizing prices, and the effects of drought. The products contracted, even though the export value increased by 37.4 percent, from increased purchase orders from major importers such as the US and Germany. (3) The MPI of canned tuna decreased by 1.3 percent due to the slowdown of import orders from the United States, Egypt, and Japan, and (4) The MPI of processed chicken decreased by 20.6 percent due to the slowdown in the main markets such as Japan and the United Kingdom.

2) Domestic market-orientated products, namely palm oil, decreased in MPI by 31.1 percent, due to less palm oil raw materials from the effects of droughts and lowered palm oil prices at the beginning of the year; thus, farmers lacked in the care of palm trees, resulting in the lack of palm trees, resulting in decreased production.



Domestic sales of food: in December 2019 decreased by 2.7 percent. This was due to the decrease in consumer sentiment index as consumers were still worried about the Thai economy, which recovered slowly. Furthermore, the purchasing power of the people did not recover much.

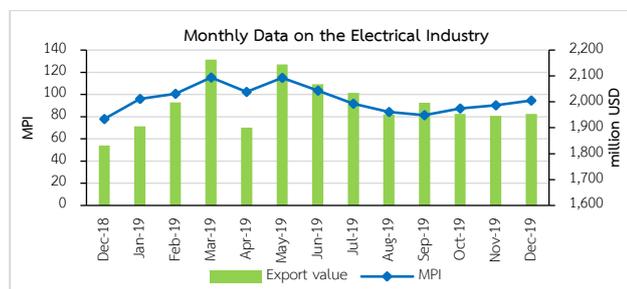


Export markets: The overall value of food exports in December 2019 dropped 4.2 percent for the fifth consecutive month due to the decline in Japan, the US, the UK, and Vietnam markets. In contrast to the China, Indonesia, Cambodia, and Hongkong markets which continued to grow. Key products that contracted were rice (40.6%)—white and jasmine rice (59.3% and 12.0%), cassava products (24.0%)—cassava chip (66.8%) and tapioca starch (16.2%), chilled and frozen shrimp (22.6%), canned sardines (25.3%), and canned tuna (11.9%). However, key exported products such as sugar (raw sugar and white sugar), chilled and frozen chicken, canned pineapples, milk and dairy products, instant noodles, and fresh fruit (Durian and Longan) continued to increase.

The forecasted trend predicts that the overall production and export value for the food industry in January 2020 may decrease slightly from the same period last year, with negative factors such as the global economic slowdown and effects of the Baht. In addition, the volume of raw materials for agricultural products decreased, such as rice, cassava, sugarcane, palm oil, and pineapple. Furthermore, the effects of the coronary epidemic in China may result in fresh food such as chilled and frozen chicken, chilled and frozen shrimp, and chilled and frozen durian to decelerate due to its short shelf life and inability to stock. Nevertheless, as a result of the said epidemic, the finished food industry, beverages, and canned food industry may have increased orders.

2. Electrical and Electronics Industry

■ Electrical Industry



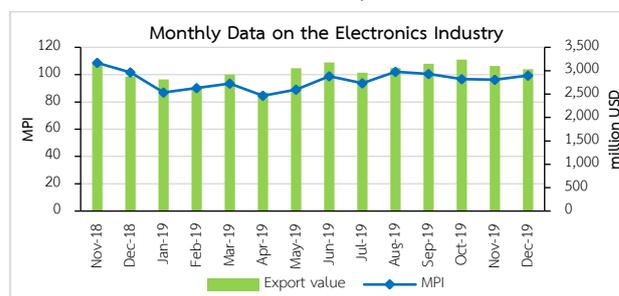
Source: The Office of Industrial Economics, Electrical and Electronics Institute, and Ministry of Commerce

+ Production of electrical appliances rose by 7.5 percent compared to the same month last year, reaching an MPI of 94.6. Products that increased included air conditioners, electric cables, refrigerators, electric motors, microwave ovens, and cables, which grew by 30.8 percent, 21.8 percent, 16.5 percent, 7.1 percent, 1.0 percent, and 0.1 percent, respectively. Air conditioners increased in production due to the replacement of stock used in exports and domestic sales. Refrigerator and electric cable increased in domestic and foreign sales. Meanwhile, microwave ovens are increased in domestic sales, whereas electric motors were produced to replace inventory. Products that decreased were transformers, washing machines, compressors, household fans, rice cookers, and kettles, which decreased by 22.1 percent, 21.5 percent, 13.2 percent, 7.4 percent, 4.9 percent, and 2.4 percent, respectively. Washing machines and household fans decreased in production due to the decrease in domestic orders. Compressors and transformers decreased in production due to the decline in sales both domestically and internationally, whereas kettles and rice cookers decreased in production from the decreased demand from foreign markets.

+ Exports of electrical appliances increased by 6.7 percent compared to the same month last year to 1,953.7 million USD, from the growth of key markets—China, ASEAN, the US, and the EU. Products that increased in exports were air-conditioners and parts (a 19.2 percent increase to 424.7 million USD); refrigerator (a 30.2 percent increase to 165.9 million USD), while exports of washing/dry cleaning machines and parts thereof decreased by 3.7 percent to 116.1 million USD, as a result of a decrease in orders from the ASEAN market.

“Outlook for production in January 2020, electrical appliances and electronics industry is expected to grow by 2.3 percent compared to the same month last year, from increased domestic sales and exports of air conditioners, due to both internal and external positive factors, such as government stimulus measures. It is expected that the government will have to inject measures for economic recovery, and the business will adjust to find new markets for exports.”

■ Electronics Industry



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

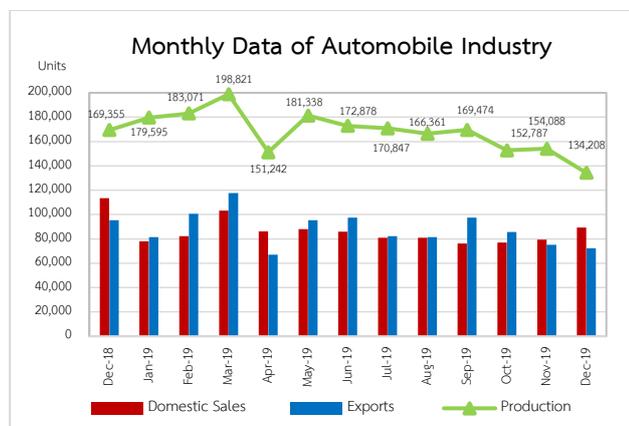
+ Production of electronics increased by 5.3 percent compared to the same month last year, reaching an MPI of 99.2. Products that increased were HDDs, which grew by 19.9 percent, from increased domestic and foreign purchase orders. Meanwhile, electronics that decreased were, PWB, IC, and printers, by 29.9 percent, 3.7 percent, and 2.9 percent, respectively, due to the decreasing demand from foreign countries.

+ Exports of electronics grew 5.3 percent compared to the same month last year to 3,031.5 million USD. Exports of HDD products rose 14.2 percent to 953.8 million USD because of the increase in orders from the US, China, the EU, and ASEAN markets.

“Production in January 2020 in the electronics industry is expected to increase by 2.3 percent compared to the same month last year, as the global economy gradually improves and is expected to enter the cycle and upward rise of the global electronics industry. In addition, when considering key products such as HDDs, manufacturers moved their production bases from Malaysia to Thailand, resulting in orders from essential markets to increase.”

3. Automotive Industry

■ Automobile Production Industry



Source: The Office of Industrial Economics; data collected from Automotive Division, Federation of Thai Industries

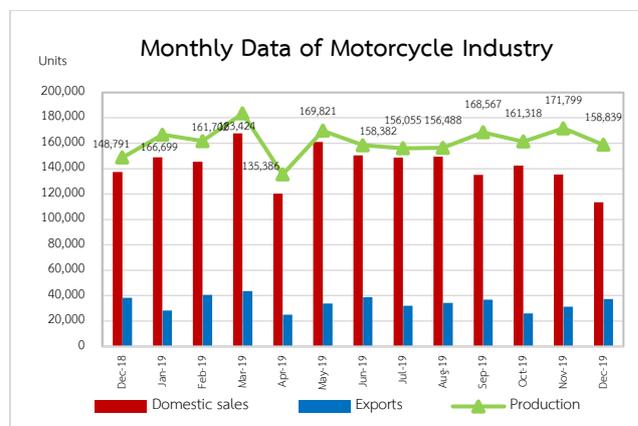
➖ **Automobile production** in December 2019 reached 134,208 vehicles, down by 12.90 percent from November 2019 (%MoM) and 20.75 percent (%YoY) from the same month last year, due to a decrease in passenger car production, one-ton pick-up trucks and derivatives, and commercial vehicles, following the automobile production plan that decreased in the previous month.

➕ **Domestic sales of automobiles** in December 2019 reached 89,285 units, an increase of 12.59 percent from November 2019 (%MoM), but decreased from the same month of the previous year by 21.39 percent (%YoY). The contraction was due to the decrease in sales of passenger cars, one-ton pick-up trucks and derivatives, commercial vehicles, PPV cars, and SUVs, from a decrease in domestic car sales, caused by a slowdown in the domestic economy, droughts and the appreciation of the Baht.

➖ **The export of automobiles** in December 2019 dropped 3.88 percent from November 2019 (%MoM) to 72,265 units and 24.26 percent from the same month last year (%YoY). The decrease was in Oceania, Europe, and North America markets since the economy of these trading partners slow down.

"Outlook for automobile industry in January 2020, the industry is projected to decrease compared to January 2019, because of the slowing global economy and the decrease of domestic sales."

■ Motorcycle Production Industry



Source: The Office of Industrial Economics; data collected from Automotive Division, Federation of Thai Industries

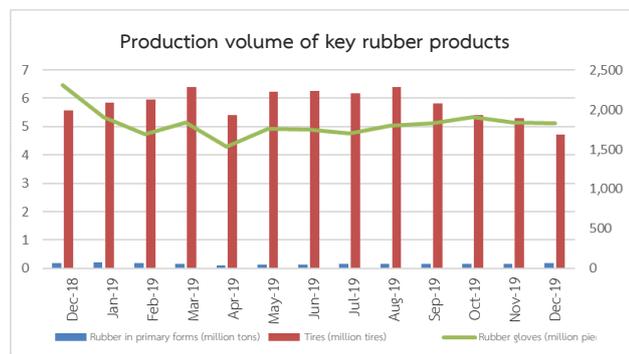
➕ **Motorcycle production** in December 2019 decreased by 7.54 percent from November 2019 (%MoM) to 158,839 units, but increased by 6.75 percent from the same month last year (%YoY). This was due to the increase in the production of multi-purposes motorcycles.

➖ **Domestic sales of motorcycles** in December decreased by 16.13 percent from November 2019 (%MoM) to 113,615 units, and 17.25 percent over the same month last year (%YoY). This was a result of decreasing sales of 51-110 cc., 111-125 cc., 126-250 cc., and ≥ 400 cc. motorcycles.

➕ **Exports of motorcycles** in December 2019 reached 37,280 units, an increase of 19.19 percent from November 2019 (%MoM) but a decrease of 2.72 percent from the same month last year (%YoY). Export markets which slowdown were Vietnam, France, Myanmar, and Japan.

"Production outlook for motorcycle industry in January 2020, the industry is project to grow compared to January 2019 because of the increase in exports to some trading partner countries."

4. Rubber and Rubber Products Industry



Source: The Office of Industrial Economics

Production

+ Processed rubber in primary forms (smoked rubber sheets, rubber blocks, and concentrated latex) increased by 9.20 percent.

- Automotive tires decreased by 15.27 percent following the contraction of the replacement market and domestic automobile industry.

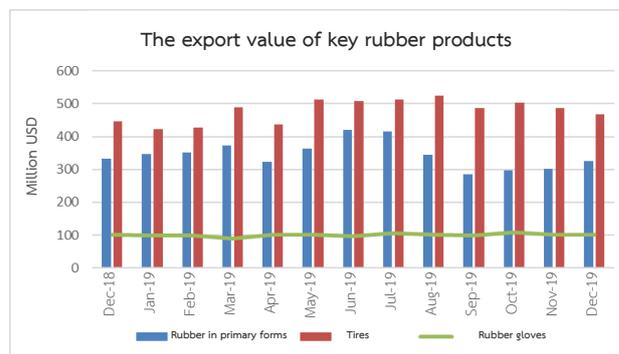
- Rubber gloves decreased by 20.67 percent as the Baht continued to strengthen from the previous month; as a result, business operators bear a higher cost burden and, thus, cannot compete on price.

Domestic Sales

+ Processed rubber in primary forms (smoked rubber sheets, rubber blocks, and concentrated latex) increased by 28.39 percent. The increase was in the rubber block and concentrated latex products.

- Automotive tires decreased by 12.09 percent in correlation to the contraction of the replacement market and the domestic automobile industry.

- Rubber gloves decreased by 31.92 percent as some of the significant rubber gloves manufacturers in Thailand turned to export by themselves, as opposed to selling through domestic exporters.



Source: Ministry of Commerce

Exports

- Processed rubber in primary forms (smoked rubber sheets, rubber blocks, and concentrated latex) decreased in export value by 2.68 percent. This was due to Japan reduced orders for rubber from Thailand by 36.58 percent.

+ Export value of automotive tires increased by 4.58 percent following the growth of the US market, which increased by 14.99 percent.

+ Rubber gloves decreased in export value by 2.07 percent from the contraction of the US market—Thailand’s key export market.

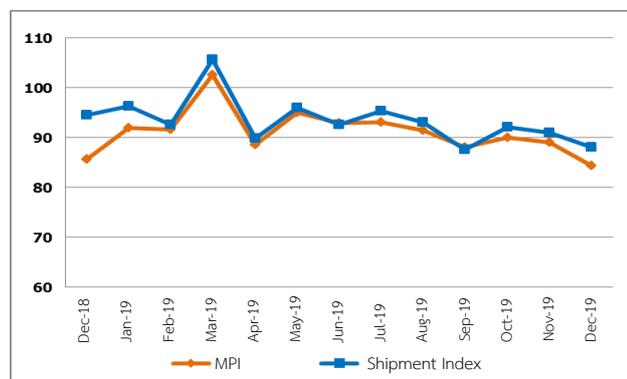
Industry Outlook in January 2020

Production and sales of upstream processed rubber (smoked rubber sheets, rubber blocks, and latex) are expected to decrease slightly compared to the same period last year, as the base numbers for January 2019 were relatively high. Production and domestic sales of tires are expected to slow, due to the contraction of the replacement market and the automotive industry. Production of rubber gloves is expected to continue to slow due to the increased cost burden from the continuous appreciation of the Baht against the US dollar. Meanwhile, domestic sales of rubber gloves are expected to grow following the trend of higher domestic demand.

Exports of upstream processed rubber (smoked rubber sheets, rubber blocks, and latex) are expected to decrease in value, following a slowdown in Japan’s purchases of rubber from Thailand; Japan is the third-largest market for Thailand’s exports of upstream rubber products. Exports of tires and rubber gloves are expected to increase in value due to the positive growth trend of the US market.

5. Plastics Industry

MPI and Shipment Index



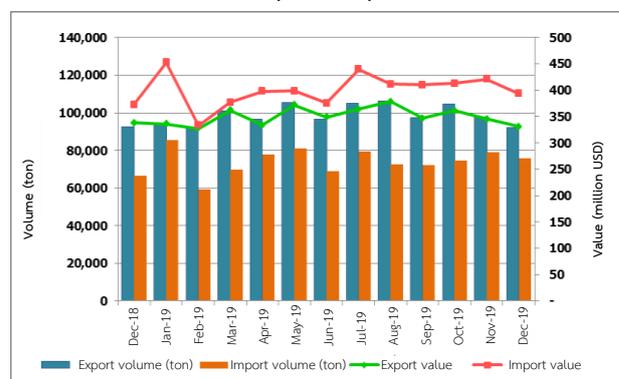
Source: The Office of Industrial Economics

⊖ The Manufacturing Production Index in December 2019 had a production index of 84.41, a contraction of 1.43 percent compared to the same period last year. The MPI shrank in many product groups, such as plastic gunny bag by 21.29 percent, plastic film by 29.25 percent and tableware, kitchenware, and bathroom ware, by 6.49 percent, as downstream industries such as the food industry contracted.

⊖ The Shipment Index in December 2019 was 88.074 point, down 6.82 percent compared to the same period last year. The plastic tableware, kitchenware, and toilet article category decreased by 28.38 percent, followed by plastic gunny bag and plastic film, which decreased by 21.99 percent and 15.67 percent, respectively.

⊖ Exports in December 2019 dropped by 2.13 percent to 330.90 million USD compared to the same period last year. Plastic products that had the largest decrease in exports were other articles of plastics (HS 3926) followed by other plates, sheets, film, foil and strip, of non-cellular plastics (HS 3920), and self-adhesive plates, sheets, film, foil, tape, strip and other flat shapes, of plastics (HS 3919), which decreased by 11.70 percent, 8.72 percent and 4.68 percent, respectively. Exports decreased in key markets such as Japan, the US, Vietnam, and China.

Volume and value of exports-imports

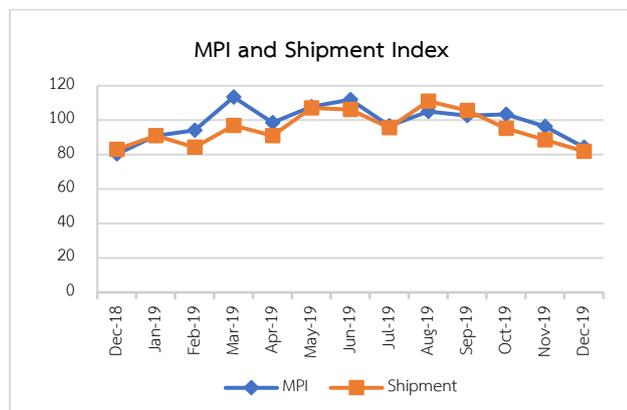


Source: Customs Department, Ministry of Finance

⊕ Imports in December 2019 rose 5.54 percent compared to the same period last year to 393.28 million USD. Main products that contributed to the increased in import were monofilament (HS 3916), floor coverings (HS 3918), and builder's wares of plastics (HS 3925) which increased by 52.50 percent, 32.13 percent, and 26.24 percent, respectively.

Outlook for plastic industry in January 2020; it is expected that production and exports continue to decline. However, there are still factors that need to be monitored, such as environmental conservationist trends that would affect the production of certain types of single-use plastics.

6. Chemical Industry

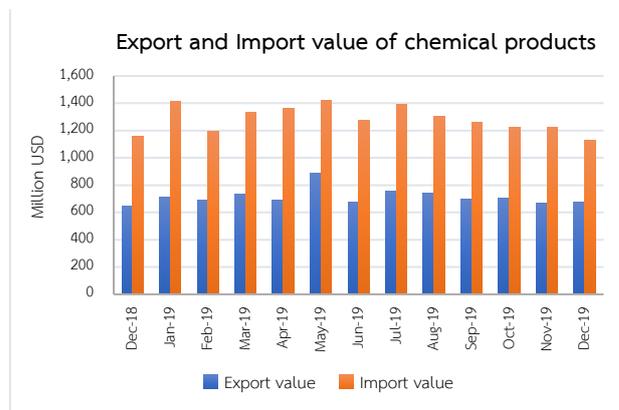


Source: The Office of Industrial Economics

+ The manufacturing production index of the chemical industry in December 2019 reached 84.31, an increase of 5.0 percent compared to the same period last year. Production expanded in both upstream and downstream chemicals, which grew by 1.30 percent and 6.86 percent, respectively. The products with the highest production growth were chemical fertilizers, which increased by 77.76 percent, from production for inventory reserves.

- Sales of the chemical industry in December 2019, reached 81.93, a contraction by 1.36 percent compared to the same period last year. The shipping index of upstream chemical products fell by 0.67 percent, decreasing in the ethanol product group. For the downstream chemicals group, the shipping index dropped by 1.62 percent, decreasing in the paint products and fabric softener, for example.

+ Exports in December 2019 valued 673.00 million USD, a growth by 3.46 percent compared to the same period last year. The growth was from an expansion in the downstream chemicals group, which reached an export value of 305.03 million USD, a growth by 8.35 percent. The growth resulted in an increase in export value, such as miscellaneous chemicals and cosmetics. Exports grew in essential markets such as Vietnam, China, and the US. For upstream chemicals, the export value reached 367.97 million USD, a contraction of 0.26 percent.

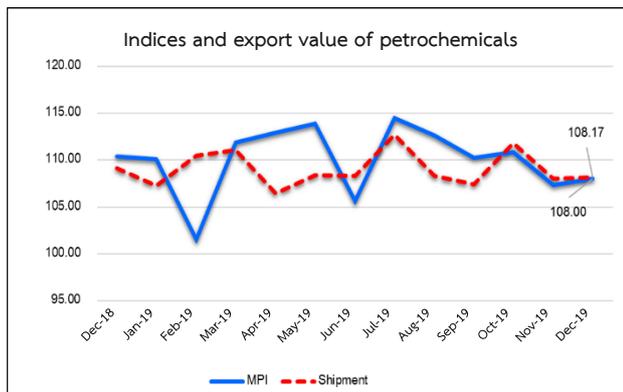


Source: Customs Department, Ministry of Finance

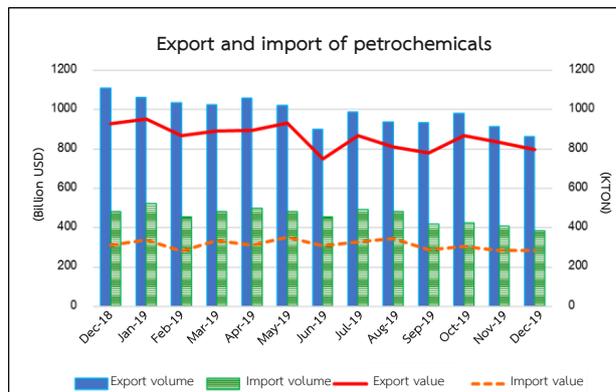
- Imports in December 2019 decreased 2.30 percent compared to the same period last year to 1,128.59 million USD. Basic chemical category dropped 5.28 percent from the same period last year to 699.79 million USD. Products that dropped in import value were organic and inorganic chemicals. As for downstream chemicals, import value increased by 2.97 percent to 428.80 million USD.

Outlook for chemical industry in January 2020 expects that production and exports will increase. However, there are still factors that need to be monitored, such as trade negotiations between the US and China, and the appreciation of the Baht, which will affect chemical exports.

7. Petrochemicals Industry



Source: The Office of Industrial Economics



Source: Customs Department, Ministry of Finance

Manufacturing production index: In December 2019, the index declined by 2.20 percent compared to the same period last year to 108.00 points. The production of basic petrochemicals—Benzene, Ethylene, and Propylene used as precursors of petrochemical industry, decreased by 10.19 percent, 8.73 percent, and 4.39 percent, respectively. Meanwhile, downstream petrochemical products that used to manufacture plastic pellets for the production of foam, automobile parts, and other plastic products, such chemicals were EPS, ABS, and SAN resins dropped by 13.82 percent, 5.86 percent, and 5.16 percent, respectively.

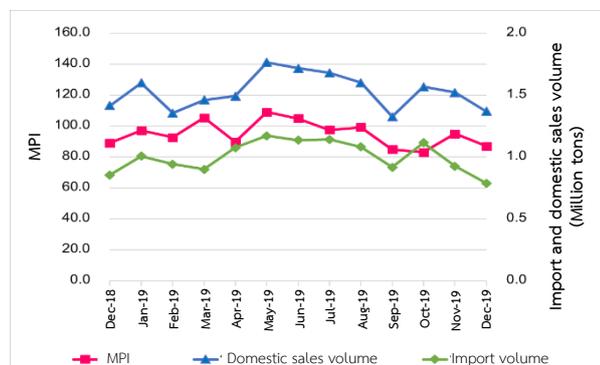
Shipment index: In December 2019, the index reached 108.17 points, a contraction of 0.87 percent compared to the same period last year. The majority of products that contracted were in the upstream petrochemicals group, used as the precursors in the petrochemical industry, such as Ethylene and Benzene, which contracted by 18.47 percent and 17.05 percent, respectively.

Exports: In December 2019, the exports decreased by 22.17 percent compared to the same period last year to 864.33 million USD. Basic petrochemical products that decreased in export value were, Terephthalic Acid, Para-Xylene, Benzene, and Toluene, which mainly used as precursors in the synthetic fibers, solvents, and precursors of other petrochemical industries. Downstream petrochemical products that decreased in export value were PE, PC, PS, and PET resins, which mostly used for manufacturing the packaging, plastic products, and drinking water bottle industry.

In December 2019 the value of imported petrochemicals amounted to 383.32 million USD, a decrease of 20.32 percent compared to the same period last year. Basic petrochemicals with a contracted import value that are mainly used as precursors in the production of PVC, synthetic fibers, and plastic pellets were Vinyl Chloride, Acetic Acid, and Ethylene. Meanwhile, downstream petrochemicals with a contracted import value that are mostly used in the production of plastic packaging, plastic products, synthetic fibers and synthetic rubbers were PE resin, PP resins, Nylon resin, and BR rubber.

Outlook for petrochemicals in January 2020, exports and imports will continue to slow down compared to the same period last year due to fluctuations in oil prices in the world market and the global economy, which has an unclear trend. This is coupled with the effects of the US - Iran war.

8. Iron and Steel Industry



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

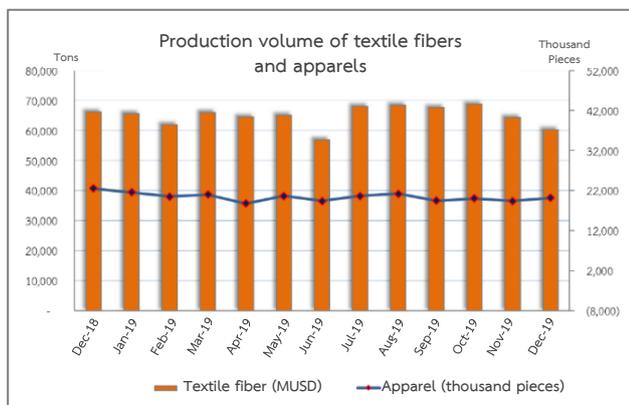
– The manufacturing production index in December 2019 reached 87.1, a drop by 2.1 percent (contracting for the seventh consecutive month) compared to the same period last year. Considering essential products, namely long-formed steel, and flat-formed steel, the MPI of flat-form steel decreased. The MPI of flat-formed steel was 84.3, a drop by 10.7 percent (contracting for the seventh consecutive month), from the production of tin-coated steel sheets, which decreased by 61.3 percent due to a decrease in domestic demand, following the slowdown of the downstream industries such as the canned fruit packaging industry. This was followed by chromium-coated steel sheets, which decreased by 60.2 percent as manufacturers in downstream industries imported cheaper products from foreign countries such as China, South Korea, and Japan), whereby in December 2019, the import volume reached 15,518 tons, an increase of 140.8 percent. Meanwhile, cold-rolled steel sheets decreased by 9.6 percent. However, long-formed steel products increased in production, with an MPI of 88.7, up 3.8 percent. The increase was from growth in cold-rolled structural steel by 31.1 percent, followed by deformed bars and wire rods, which increased by 27.9 percent and 22.5 percent, respectively.

– Domestic sales in December 2019 reached 1.4 million tons, a decrease of 3.3 percent compared to the same period last year. Domestic sales decreased in both long-formed and flat-formed steel products. Sales of long-formed steel reached a sales volume of 0.6 million tons, down 3.4 percent from the sales of wire rods and hot-rolled structural steel, which decreased by 4.6 percent and 1.6 percent, respectively. Sales of flat-formed steel products reached 0.8 million tons, down 3.2 percent from the sales of other types of coated steel sheets, which decreased by 25.8 percent, followed by thick hot-rolled steel sheets and tin-coated steel sheets which contracted by 19.9 percent and 15.7 percent, respectively.

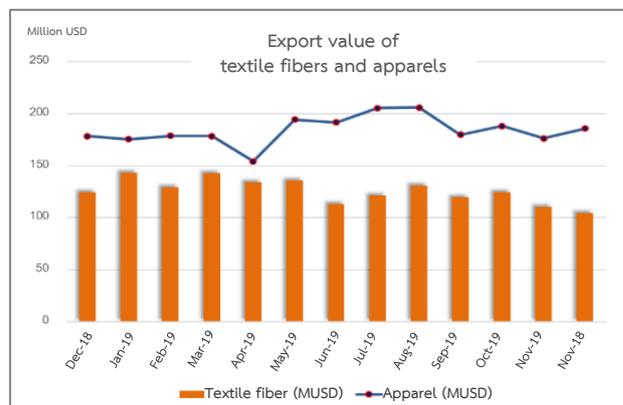
– Imports in December 2019 decreased 7.9 percent from the same period last year to a total of 0.8 million tons. Imports decreased in both long and flat products. Long products decreased by 21.2 percent to 0.2 million USD from the imports of hot-rolled structural stainless-steel sections which decreased by 89.3 percent (China was the key source of import from which Thailand reduced orders), followed by alloy steel bar (37.1%) and seamless steel pipe (36.0%). Products of flat products decreased by 2.9 percent to 0.6 million ton, from the imports of hot-rolled alloy-steel sheets which decreased by 74.8 percent (China was the key source of import from which Thailand reduced orders), followed by hot-rolled stainless steel sheets (71.66%), and hot dipped galvanized sheet (31.1%).

“Outlook for steel industry in January 2020, production is projected to be stable compared to the same period of last year. Issues worth following, include the investment in various infrastructure construction projects by the government such as investment in infrastructure in the Eastern Economic Corridor (EEC), the sky train construction project by the Mass Rapid Transit Authority of Thailand, which will result in production and domestic consumption of steel products to increase.”

9. Textile and Garment Industry



Source: The Office of Industrial Economics



Source: Ministry of Commerce

Production

⊖ Production of textile fibers, fabrics, and wearing apparel decreased by 8.90 percent, 12.95 percent, and 10.62 percent (%YoY) as a result of lower purchase orders from trading partner countries, including the decrease in domestic consumption. Therefore, businesses reduced the production of upstream raw materials for inventory.

Domestic sales

⊖ Domestic sales of textile fibers, fabrics, and wearing apparel decreased by 11.74 percent, 10.66 percent, and 17.12 percent (%YoY), from raw material demand to produce clothing to support the domestic market, together with the import of garments for replacement, especially clothing from China and Vietnam.

Exports

⊖ Exports of textile fibers and fabrics decreased by 16.13 percent and 2.62 percent (%YoY), partly due to the instability of the global economy resulting in the decreased purchase of raw materials from Thailand.

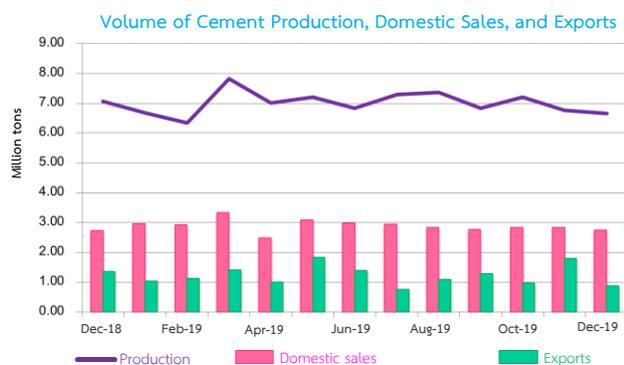
⊕ Export value of wearing apparel increased by 4.01 percent, driven by exports of garments in the Chinese and EU markets and baby clothing exports to the US market

January 2020 outlook

The textile and garment industry are expected to produce fibers, textile fabrics, and garments, with slight growth, from the review of trade agreements between the US and China, which has positive signs that the situation has eased. This will benefit the textile and garment industry, which has significant exports to the Chinese and US markets.

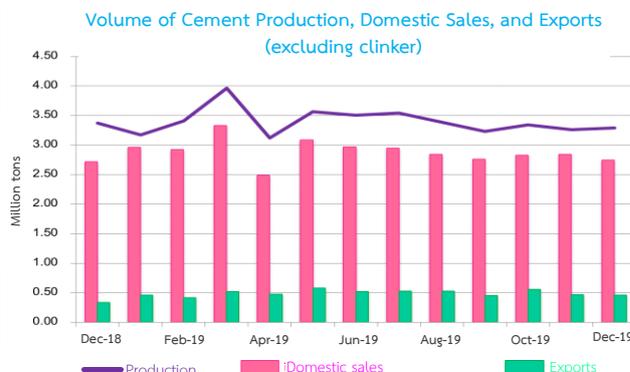
10. Cement Industry

Overall Cement Industry



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

Cement Industry (excluding clinker)



Source: 1. Domestic production and sales volume: Division of Industrial Economics Information and 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 decreased by 1.60 percent from November 2019 (%MoM) to 6.66 million tons in December 2019 and decreased by 5.65 percent from the same month last year (%YoY).

+ Total domestic sales of cement decreased by 3.46 percent from November 2019 (%MoM) to 2.74 million tons in December 2019 but increased by 0.67 percent (%YoY) from the same month last year. This was due to the acceleration of both new and old large-scale projects of government.

- Total exports of cement increased by 50.83 percent from November 2019 (%MoM) to 0.88 million tons in December 2019, and increased by 35.21 percent from the same month last year (%YoY). This was due to the decrease of orders from key export markets, e.g., Sri Lanka, Vietnam, Bangladesh, and Lao PDR compared to the same month last year.

January 2020 outlook—Overall production of cement industry is forecasted to expand compared to the same period last year, following the demands of the domestic market. However, there are still factors that need to be monitored. Positive factors include the stimulus measures for the new real estate sector and the acceleration of large government projects. Negative factors include the impact of the LTV measures and high household debt.

+ Cement production (excluding clinker) reached 3.29 million tons in December 2019. The production increased by 0.89 percent from November 2019 (%MoM) but decreased by 2.42 percent from the same month last year (%YoY).

+ Domestic sales of cement (excluding clinker) reached 2.74 million tons in December 2019, a decrease of 3.43 percent from November 2019 (%MoM) but an increase of 1.02 percent from the same month last year (%YoY).

+ Export of cement (excluding clinker) dropped 1.69 percent (%MoM) from November 2019 to 0.46 million tons in December 2019. However, the volume increased by 37.03 percent from the same month last year (%YoY), as the result of growing orders from neighboring countries such as Cambodia and Myanmar.

January 2020 outlook for cement production (excluding clinker), is forecasted to expand compared to the same period last year, following demands from domestic market and the acceleration of government's large-scale projects, including continuously increasing orders from neighboring countries such as Cambodia and Myanmar, which are during the development phase.