

Industrial Production Status

Indicators	2017	2018	2019												2020	
	Year	Year	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Year	Jan.
MPI*	1.8	3.7	0.4	-1.4	-2.5	1.5	-3.2	-5.1	-3.2	-4.4	-5.0	-8.0	-8.0	-4.4	-3.6	-4.6

The industrial economy in **January 2020**, when considered from the **Manufacturing Production Index (MPI)**, contracted by **4.6 percent from the same period last year**. The decrease was partly due to a decrease of 0.8 percent in exports of industrial products (excluding gold).

When considering MPI data for the past three months compared to the previous year (% YoY), production in October, November, and December 2019 shrank 8.0 percent, 8.0 percent, and 4.4 percent, respectively.

Indicators	2018	2019												2020
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.
MPI*	-2.1	4.7	-2.7	9.9	-17.6	9.5	-3.6	-0.6	0.6	-3.4	-1.2	1.0	1.8	4.4

During the past three months (October, November, and December 2019), the MPI change rates (%MoM) were as follows: a decrease of 1.2 percent in October, an increase of 1.0 percent in November, and an increase of 1.8 percent in December.

Key industries that contributed to the decrease of MPI in January 2020 compared to the same month last year were as follows:

- Automobiles and engines contracted by 12.8 percent, from the contraction of trading partners' economies affecting exports, coupled with the strictness of credit approvals from financial institutions.
- Sugar contracted by 15.2 percent due to the decrease in sugarcane plantation from droughts, resulting in a reduction of sugarcane output from the previous year. In addition, there was the problem of dry sugarcane causing the extraction of sugar to be lower than average. As a result, the majority of sugar production per ton of sugarcane decreased.
- Palm oil contracted by 40.7 percent due to weather fluctuations resulting in a significant drop in palm oil production from the previous year. This was coupled with the effect of the slowdown in both domestic and export markets.

Key industries that contributed to the growth of MPI in January 2020 compared to the same month last year were as follows:

- Air-conditioners increased by 21.9 percent from the growth of the domestic market, due to hot weather and PM 2.5 problems. New products were released to meet the needs of customers, coupled with the expansion of export markets from Australian customers due to the forest fires and rising temperatures, and orders from Vietnam from growth in the real estate sector.
- Hard Disk Drives grew by 13.5 percent from the increase of 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.

Other Industrial Economic Indicators in January 2020

Other Industrial Economic Indicators in January 2020

Imports of Thailand Industrial Sector



Source: Ministry of Commerce

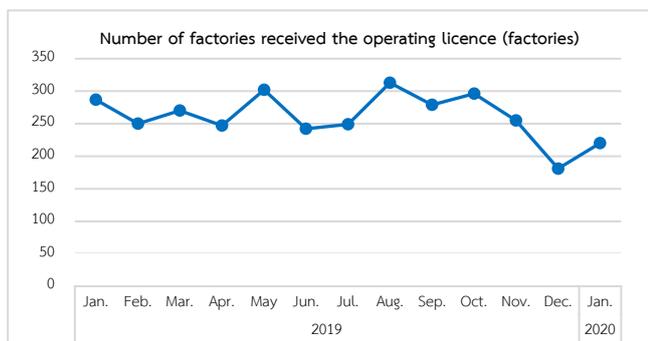


Source: Ministry of Commerce

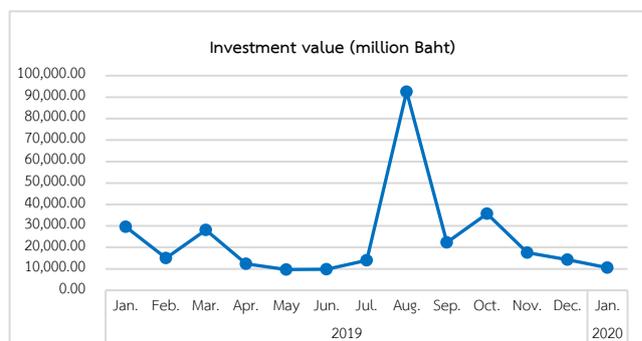
 **Import of industrial machinery and parts** in January 2020 dropped 2.9 percent compared to the same month last year to 1,899.3 million USD, from machinery and equipment for construction; machinery and equipment for wood processing.

 **Import of raw and semi-finished goods (excluding gold)** in January 2020, contracted by 7.5 percent compared to the same month last year to 7,407.1 million USD. The contraction was from iron, steel, and semi-finished products of iron; fertilizers, pesticides and herbicides.

Industrial Operation Status



Source: Department of Industrial Works



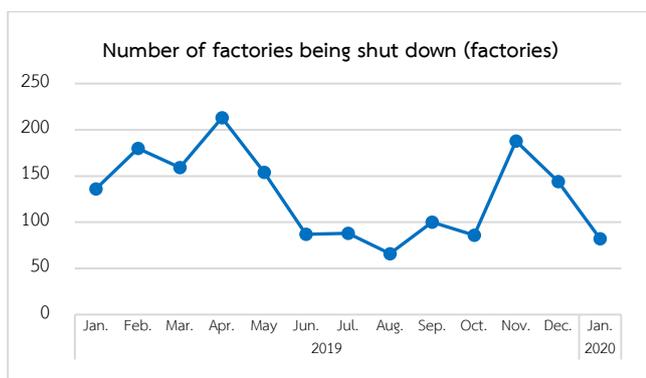
Source: Department of Industrial Works

- + The total number of factories licensed for operation in January 2020 was 220 factories, an increase of 21.5 percent (%MoM) from December 2019 but a decrease of 23.3 percent (%YoY) from the same month last year.
- The total investment from factories licensed for operating in January 2020 decreased 26.3 percent (%MoM) from December 2019 to 10,509 million baht and decreased 64.5 percent (%YoY) from the same month last year.

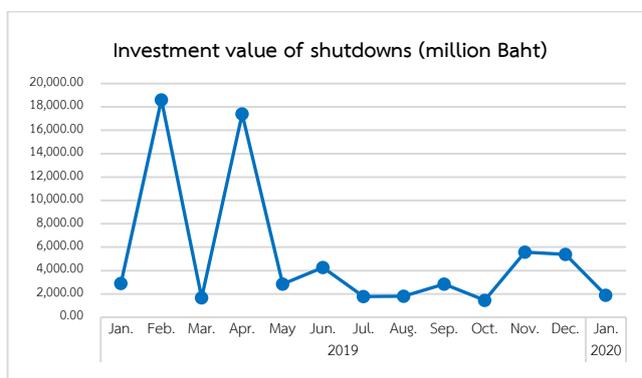
"The industry which had the highest number of newly licensed factories to operate in January 2020 was extraction and dredging of gravel, sand, or soil (26 factories), followed by the asphaltic concrete industry (8 factories)."

"The industry with the highest investment value in January 2020 was the cultivation of mushrooms, orchids or bean sprouts with the capital of 1,974 million Baht, followed by the boiling, steaming or baking of plants or seeds with the capital of 710.96 million Baht."

■ Industrial Operation Status (cont.)



Source: Department of Industrial Works



Source: Department of Industrial Works

- + A total of 82 factories were shut down in January 2020, a decrease of 43.1 percent (% MoM) from December 2019 and a decrease of 39.7 percent (% YoY) from the same month last year.

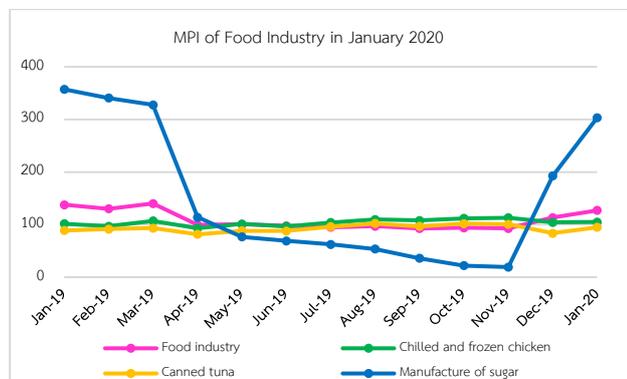
- + The lost investment value on shutdown in January 2020 decreased 65.1 percent from December 2019 (%MoM) to 1,875 million Baht and decreased 35.5 percent (%YoY) from the same month last year.

“In January 2020, the industry with the highest number of factory shutdowns was the extraction and dredging of gravel, sand, or soil (15 factories), followed by the milling, cleaning and polishing of rice (6 factories).”

“In January 2020, the industry which had the highest operation shutdown with the highest value of investment was the manufacturing industry of canvas products with the investment value of 280 million Baht, followed the extraction and dredging of gravel, sand, or soil with the investment value of 181 million Baht.”

Industrial Economic Status by Industrial Sectors in January 2020

1. Food Industry



Source: The Office of Industrial Economics



Source: Ministry of Commerce



Production of food product in January 2020 decreased by 7.7 percent (%YoY), classified as follows:

1) Export-orientated products that contracted were: (1) Sugar—the MPI dropped by 15.2 percent from fewer raw materials as many sugarcane plantations encountered droughts resulting in continuously decreasing sugar cane production. This was coupled with the problem of dry sugar cane, which caused the sugar extraction to be substandard, even though the export value increased by 15.7 percent from increased purchase orders for key importers such as Indonesia, South Korea, and Cambodia. (2) Tapioca starch—the MPI of dropped by 13.1 percent due to less raw materials from droughts and spotted cassava leaves. As a result, cassava was not released to the market to meet the needs of factories and markets such as China, Indonesia, and Taiwan. (3) Canned pineapple—the MPI dropped by 6.1 percent due to less raw materials from the reduction of planting areas as the result of unattractive prices and the effect of drought. The products contracted, even though the export value increased by 26.6 percent, from increased purchase orders from major importers such as the US and Saudi Arabia.

2) Domestic market-orientated products, namely palm oil, decreased in MPI by 40.7 percent, due to the decrease of raw materials from the effects of droughts, and palm oil prices have plunged. Thus, farmers are unable to adequately taking care of palm trees, resulting in palm trees to produce fewer fruits. The production then fell.



The domestic sales of food products in January 2020 increased by 4.5 percent in line with the Farmer Income Index. The growth was from the increase in the prices of major agricultural products such as rice, pineapples, palm oil, and pigs due to increasing demand within the domestic market.

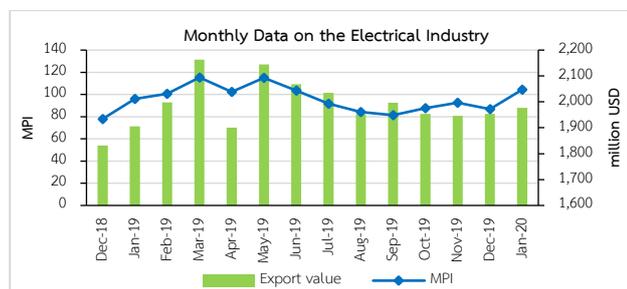


Export markets in January 2020, the overall export value of food products dropped 12.3 percent for the sixth consecutive month because of the decrease in exports to Africa, ASEAN, the US, and the EU markets. In contrast exports to Japan continued to grow. Key products that contracted were rice (34.0%)—white rice (59.3%) and jasmine rice (12.0%), chilled and frozen shrimps (28.1%), cassava products (16.6%)—tapioca starch (26.5%) and cassava chip (22.6%), and canned tuna (14.0%). However, key export products such as sugar (raw sugar and white sugar), chilled and frozen chicken, processed chicken, and ready-to-eat food continued to increase.

The forecasted trend predicts that food production and the general export value in the food industry in February 2020 may decrease slightly from the same period last year. Negative factors include the global economic slowdown and the effect of the Baht, resulting in reduced price competitiveness in Thailand. This is together with a decrease in the amount of raw materials for agricultural products such as sugarcane, cassava, palm oil, and pineapples, as well as the effects of the COVID-19 pandemic globally, which may result in fresh foods such as chilled and frozen shrimp and fresh durian to decelerate, due to its short shelf life and inability to store for a long time. Nevertheless, the said pandemic should result in increased orders in the ready-to-eat food (instant noodles/rice products), beverages, and canned foods (canned fruits/vegetables and canned seafood) industries. Tapioca chips are also expected to increase in orders or accelerate in the delivery of products for stock to support demand, especially in China, Japan, and South Korea that have experienced a significant spread of the pandemic.

2. Electrical and Electronics Industry

■ Electrical Industry



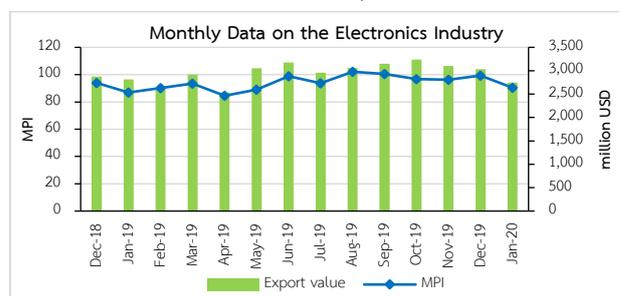
Source: The Office of Industrial Economics, Electrical and Electronics Institute, and Ministry of Commerce

➕ **Production of electrical appliances** rose 8.8 percent compared to the same month last year, reaching an MPI of 104.4 points. Products that increased in production included thermos (45.4%), cables (32.5%), air-conditioners (26.3%), refrigerators (3.7%), and electrical cables (0.1%). Air-conditioners and thermos increased in production due to the replacement of stock used in exports and domestic sales. Electrical cable increased in domestic and foreign sales. Meanwhile, cables were increased in domestic and overseas sales, whereas refrigerators were increased in the production to replace inventory and export. Products that decreased in production were transformers (22.1%), washing machines (20.6%), rice cookers (17.2%), microwave ovens (13.5%), household fans (7.5%), compressors (5.5%), and electrical motors (0.3%). Transformers, rice cookers, and electrical motors decreased in production due to the decrease in domestic orders. Washing machines and microwave ovens decreased in production due to the decline of sales in both domestic and overseas markets.

➕ **Exports of electrical appliances** increased by 2.1 percent compared to the same month last year to 1,945.4 million USD, from the growth of key markets—Japan, the US, and China. Products that increased in exports were air-conditioners and parts, which increased by 25.0 percent to 528.1 million USD and refrigerators, which increased by 13.5 percent to 166.0 million USD. Meanwhile exports of washing/dry cleaning machines and parts to the US market decreased by 34.0 percent to 89.7 million USD.

“Production outlook in February 2020, the electrical appliances industry is expected to contract slightly by 0.8 percent compared to the same month last year, from the COVID-19 virus affecting the supply chain in China. As a result, trade and investment for Thailand, including exports, are expected to contract as Thailand relies on the Chinese market to produce certain production.”

■ Electronics Industry



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

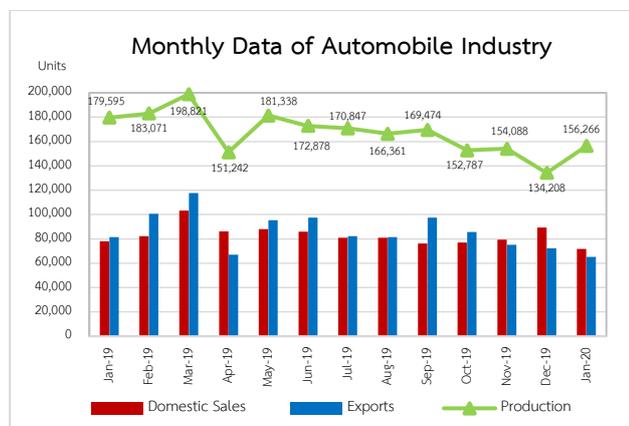
➕ **Production of electronics** increased by 4.2 percent compared to the same month last year, reaching an MPI of 90.5 points. Products that increased were HDDs, which grew by 16.1 percent, from increased foreign purchase orders. Meanwhile, electronics that decreased were printers (13.5%), PWBs (5.9%), and ICs (1.8%), as demands from overseas dropped.

➕ **Exports of electronics** grew by 2.3 percent compared to the same month last year to 2,749.0 million USD. Exports of HDD products rose 6.5 percent to 860.5 million USD because of the increase in orders from China, ASEAN, the US, and Japan markets. However, exports of PWB and IC decreased by 3.6 percent and 11.5 percent to 99.4 million USD and 551.2 million USD, respectively, as the result of decreasing orders from the US, China, and Japan markets.

“Production in February 2020, in the electronics industry is expected to decrease by 2.5 percent compared to the same month last year, as China is the source of production for electronic equipment, monitors and circuit boards, including other finished products such as personal computers, television receivers or mobile phones of various brands. This will affect the electronics industry in terms of production and product delivery to be delayed and postponed.”

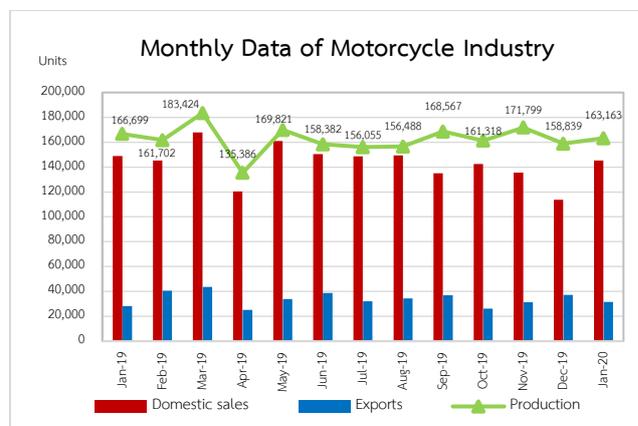
3. Automotive Industry

■ Automobile Production Industry



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

■ Motorcycle Production Industry



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

+ **Automobile production** in January 2020 grew by 16.44 percent (%MoM) from December 2019 to 156,266 units but dropped 12.99 percent (%YoY) from the same month last year, as the result of lowering passenger car, 1-ton pick-up truck and derivative, and commercial vehicle production.

- **Domestic sales of automobiles** in January 2020 decreased by 19.71 percent (%MoM) from December 2019 to 71,688 units and dropped 8.16 percent (%YoY) from the same month last year. The contraction was due to the decrease in sales of 1-ton pick-up trucks and derivatives, commercial vehicles, PPV cars, and SUVs from the decrease in domestic car sales as a result of the slowdown in the domestic economy, drought problems, delayed budget disbursement and the appreciation of the Baht.

- **The export of automobiles** in January 2020 dropped 9.65 percent (%MoM) from December 2019 to 65,295 units and dropped 19.96 percent (%YoY) from the same month last year. Exports to Asia, Oceania, Africa, Europe, North America, and Central and South America markets has dropped as the economy of these trading partners slowed down, including the COVID-19 virus outbreak.

"February 2020 outlook for the automobile industry, the industry is projected to decrease compared to February 2019, as the result of the slowing global economy, the COVID-19 virus outbreak, and the decrease of domestic sales from slowing down of the domestic economy."

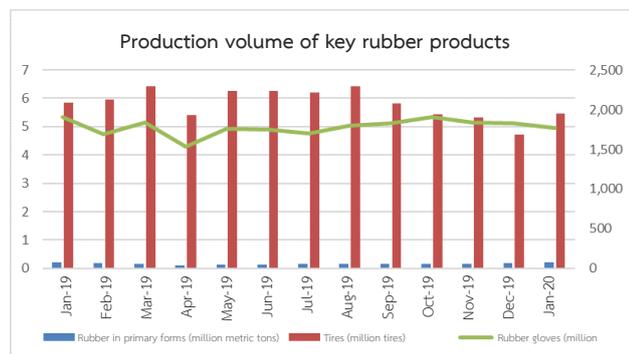
+ **Motorcycle production** in January 2020 increased by 2.72 percent (%MoM) from December 2019 to 163,163 units but decreased by 2.12 percent (%YoY) from the same month last year as the result of decreasing in production of multi-purposes and sport motorcycles.

+ **Domestic sales of motorcycles** in January 2020 by 27.87 percent (%MoM) from December 2019 to 145,279 units but decreased by 2.44 percent (%YoY) over the same month last year due to a fall in sales of 51-110 cc, 111-125 cc, and ≥ 400 cc motorcycles.

+ **Exports of motorcycles** in January 2020 decreased by 15.26 percent (%MoM) from December 2019 to 31,590 units but increased by 16.88 percent (%YoY) from the same month last year. Export markets of motorcycles which grew were Belgium, the UK, the Netherlands, and Japan.

"Motorcycle production industry outlook for February 2020, the industry is project to be stable compared to February 2019."

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)* decreased by 4.89 percent.

➖ *Automotive tires* decreased by 6.53 percent following the contraction of the domestic automobile industry.

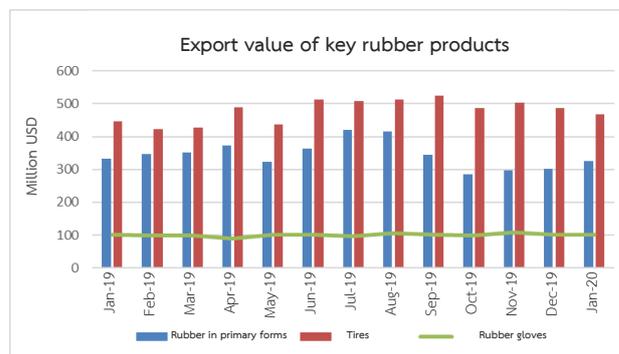
➖ *Rubber gloves* decreased by 7.01 percent because the Baht value to the US dollar continued to appreciate. In addition, the price of raw rubber materials increased, causing operators to have a higher cost burden and, therefore, unable to compete on price.

Domestic Sales

➕ *Processed rubber in primary forms (smoked rubber sheets, rubber blocks, and concentrated latex)* increased by 0.06 percent. The increase was in the rubber block and concentrated latex products.

➕ *Automotive tires* increased by 5.21 percent following the contraction of the replacement market.

➖ *Rubber* decreased by 15.65 percent as some of the major rubber gloves manufacturers in Thailand started to do their own export marketing, resulting in reduced sales through domestic exporters.



Source: Ministry of Commerce

Exports

➕ *Processed rubber in primary forms (smoked rubber sheets, rubber blocks, and concentrated latex)* increased in value by 12.03 percent, from the growth of exports of all types of rubber, especially in the concentrated latex segment which grew 37.30 percent from exports to the China that grew by 90.60 percent.

➕ *Export value of automotive tires* increased by 9.76 percent following the growth of the US market, which increased by 15.12 percent.

➕ *Rubber gloves* increased in export value by 4.40 percent from the growth of the US market—Thailand’s key export market.

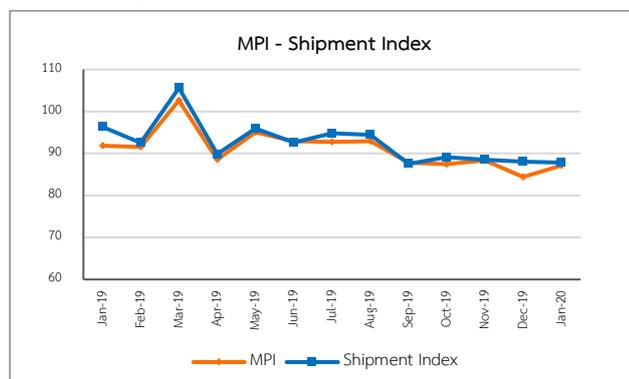
Industry Outlook in January 2020

Production and sales of processed rubber in primary forms (smoked rubber sheets, rubber blocks, and latex) are expected to decrease compared to the same period last year, as China, the main market to Thailand for primary processed rubber products, is in the process of dealing with the domestic epidemic. The situation has resulted in more than ten ports to close, causing operators the inability to ship products to China by sea. Tire production and domestic sales are expected to slow due to the contraction in the automotive industry, whereas production and domestic sales of rubber gloves are also expected to decrease. Although the situation of the Baht appreciation has begun to subside, rubber prices are trending to increase; therefore, businesses still must bear high-cost burdens.

Exports of processed rubber in primary forms are expected to decrease in value, due to the COVID-19 epidemic causing China to close some port and resulting in Thai businesses having to postpone shipping. Initially, it is expected that China will return to open the ports again in mid-March 2020. Exports of tires and rubber gloves are expected to increase in value due to the growing trend of the US market.

5. Plastics Industry

MPI and Shipment Index



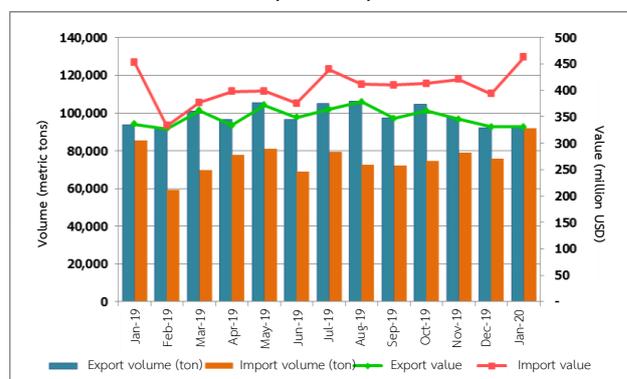
Source: The Office of Industrial Economics

- The Manufacturing Production Index in January 2020 was 87.13 points, a contraction of 4.99 percent compared to the same period last year. The MPI shrank in many product groups, such as plastic film (20.87%), gunny bag (14.18%), and tableware, kitchenware, and bathroom ware (12.56%), as downstream industries such as the food industry contracted.

- The Shipment Index in January 2020 was 87.82 points, down 9.29 percent compared to the same period last year. The plastic film decreased by 30.11 percent, followed by plastic gunny bag and kitchenware, and toilet article category, which decreased by 21.36 percent and 21.10 percent, respectively.

- Exports in January 2020 dropped by 1.53 percent compared to the same period last year to 331.14 million USD. Plastic products with the highest decrease in exports were floor coverings (HS 3918)—19.94%, followed by self-adhesive plates, sheets, film, foil, tape, strip and other flat shapes, of plastics (HS3919) and monofilament (HS 3916), which decreased by 9.21 percent and 7.56 percent, respectively. Exports decreased in key markets such as Japan, Indonesia, Australia, and Malaysia.

Volume and value of exports-imports

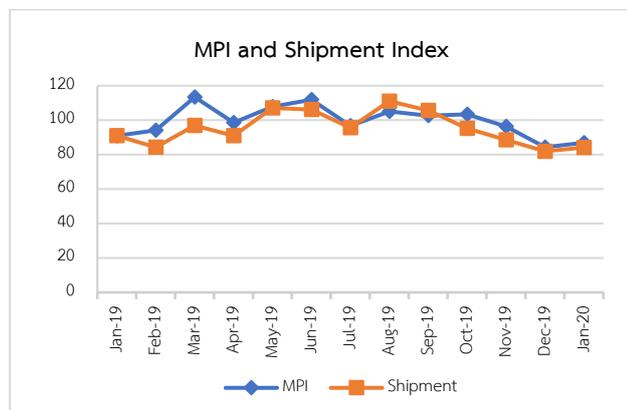


Source: Customs Department, Ministry of Finance

+ Imports in January 2020 rose 2.23 percent compared to the same period last year to 462.81 million USD. Main products that contributed to the increased in import were floor coverings (HS 3918), tubes, pipes and hoses, and fittings therefor (HS 3917), and tableware, kitchenware, other household articles (HS 3924) which increased by 21.35 percent, 19.41 percent, and 18.60 percent, respectively.

February 2020 outlook for plastic industry, it is expected that production and exports will 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.

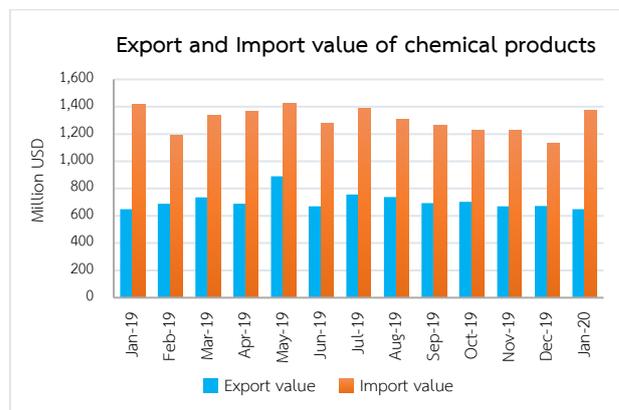
6. Chemical Industry



Source: The Office of Industrial Economics

➔ The manufacturing production index in January 2020 reached 86.79, a contraction of 2.97 percent compared to the same period last year. Production of upstream chemical products grew by 7.62 percent, whereas downstream chemicals contracted by 6.88 percent, respectively. The products with the highest contraction were the production of detergents, which decreased by 24.11 percent due to the sluggish tourism sector. As a result, the demand for detergent for hotels and accommodations decreased

➔ The shipment index of the chemical industry in January 2020 was 84.08 points, a contraction by 1.41 percent compared to the same period last year. The shipment index of basic chemical products grew by 16.76 percent, increasing in the ethanol product group. For the downstream chemicals group, the shipment index dropped 6.77 percent, decreasing in the detergent products.



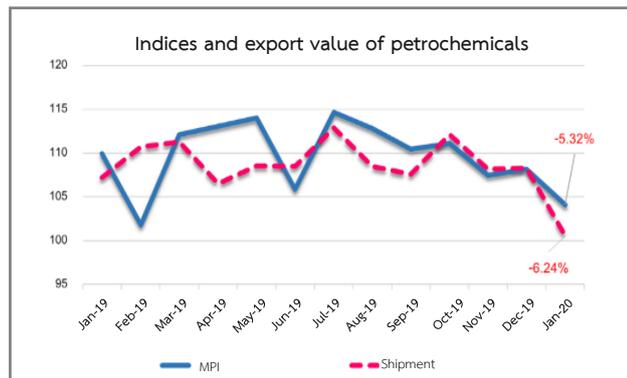
Source: Customs Department, Ministry of Finance

➔ Exports in January 2020 decreased by 0.60 percent compared to the same period last year to 648.78 million USD. The decline was in the upstream chemical products, which had an export value of 340.78 million USD, a decrease of 7.31 percent. Products that contributed to the decrease in export value were inorganic chemicals and organic chemicals. Exports contracted in key markets such as China, the US, and Indonesia. As for downstream chemical products, the export value increased 8.35 percent to 308.00 million USD.

➔ Imports in January 2020 decreased by 3.17 percent compared to the same period last year to 1,370.71 million USD. Imports of upstream chemical products dropped 1.81 percent from the same period last year to 890.86 million USD. As for downstream chemicals, import value decreased by 5.61 percent to 479.85 million USD. Products that decrease in import value were fertilizers and inorganic chemicals.

Chemical industry outlook for February 2020, it is expected 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 COVID-19 virus situation, which may impact economic growth.

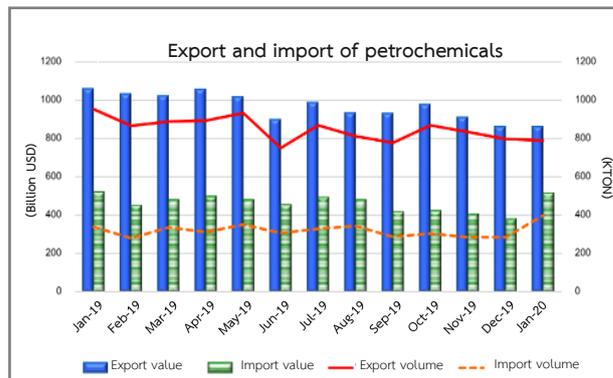
7. Petrochemicals Industry



Source: The Office of Industrial Economics

Manufacturing production index in January 2020, the index declined by 5.32 percent compared to the same period last year to 104.11 points. The production of upstream petrochemicals used as precursors in the petrochemical industry, e.g., Benzene, Ethylene, and Propylene decreased by 12.71 percent, 12.58 percent, and 9.85 percent, respectively. Meanwhile, the most downstream petrochemical used to produce plastic pellets for foam production, i.e., EPS, dropped 14.93 percent, followed by petrochemicals used in the production of plastic packaging and products, automobile parts, and construction products, such as PE, PP, PVC, and PET resins dropped by 4.81 percent, 2.81 percent, and 2.54 percent, and 1.26 percent, respectively.

Shipment index in January 2020, the index reached 100.52 points, a contraction of 6.24 percent compared to the same period last year. The shipment index of basic petrochemicals used as precursors in the petrochemical industry such as Benzene, Ethylene, and Toluene, decreased by 17.89 percent, 12.34 percent, 12.15 percent, and 4.41 percent, respectively. Downstream petrochemical products used in the production of plastic packaging and products, automobile parts, such as EPS, PE, ABS, and PP resins contracted by 7.45 percent, 6.98 percent, 6.51 percent, and 1.33 percent, respectively.



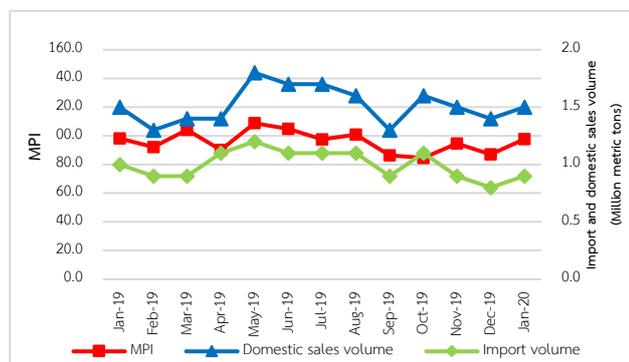
Source: Customs Department, Ministry of Finance

Exports in January 2020 dropped 18.57 percent compared to the same period last year to 863.93 million USD. The contraction was in upstream petrochemicals used as solvents and the precursors of the petrochemical industry, such as Para-Xylene, Terephthalic Acid, and Propylene. Furthermore, downstream petrochemicals used to produce packaging, plastic products, and synthetic fibers also contracted, such as PE, PC, PS, and Nylon resins.

Import in January 2020 valued 516.18 million USD, a contraction of 0.96 percent compared to the same period last year. The contraction was in downstream petrochemicals used to produce packaging, plastic products, and synthetic fibers such as PE resin, PP resin, and PES resin. Upstream petrochemical imports grew in product groups used as precursors in the production of PVC solvents and synthetic rubber such as Vinyl Chloride, Para-Xylene, and Butadiene.

Outlook for petrochemicals in February 2020 expect that overall exports will continue to slow compared to the same period last year. However, there will be some products such as plastic pellets for making fibers to produce masks that are in high demand, due to the spread of the new strain of viruses (COVID-19). Overall, the industry will still be affected by the economy that causes the production of various industries to stop, whereby the demand for oil for transportation and production will contract.

8. Iron and Steel Industry



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

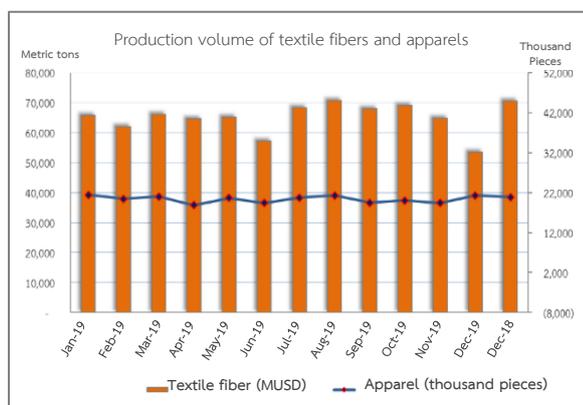
+ The manufacturing production index in January 2020 reached 97.7 points, an increase of 0.1 percent compared to the same period of last year. Considering essential products, namely long and flat product, the MPI increased from flat products. The MPI of flat products was 97.3 points, a growth by 2.0 percent from the production of hot-rolled coils, which increased by 29.4 percent and cold-rolled sheets, which increased by 8.2 percent. Meanwhile, the MPI for long products was 96.5 points, a decrease of 0.8 percent from the production of hot-rolled structural sections, which decreased by 17.3 percent (contracting for the tenth consecutive month). This was followed by round bars and wires rods, which decreased by 16.3 percent and 9.0 percent, respectively, due to the slowdown of downstream industries such as the construction industry.

- Domestic sales in January 2020 reached 1.5 million metric tons, a decrease of 7.3 percent compared to the same period last year, from a decrease in long products. Long products reached a sales volume of 0.6 million metric tons, a 19.6 percent drop from sales of round bars and hot rolled structural sections, which contracted by 21.6 percent and steel wires by 16.0 percent. However, flat products reached a sales volume of 0.9 million metric tons, an increase of 2.2 percent from the sale of other types of coated steel sheets, which increased by 14.4 percent, followed by galvanized steel sheets and thin hot-rolled steel sheets which increased by 4.3 percent and 0.1 percent respectively.

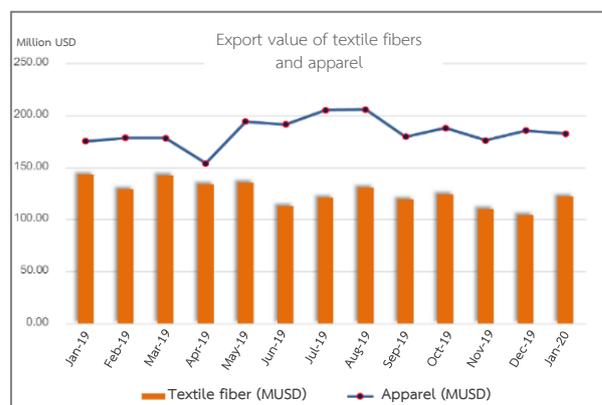
- Imports in January 2020 decreased 13.2 percent from the same period last year to 0.9 million metric tons. Imports of both long and flat products decreased. Long products decreased by 23.5 percent to 0.2 million metric tons from the imports of alloy steel wire rods which decreased by 67.6 percent (China and Japan were the key sources of import from which Thailand reduced orders), followed by carbon steel bars (31.4%) and alloy steel bars (21.7%). Flat products decreased by 9.5 percent to 0.7 million metric tons, from the imports of hot-rolled alloy-steel plates which decreased by 75.5 percent (China and Japan were the key sources of import from which Thailand reduced orders), followed by cold-formed structural steel sections (51.2%), and hot-rolled carbon steel sheets (32.8%).

“February 2020 outlook for steel industry, it is forecasted that production will be stable compared to the same period of last year. Issues worth following include the global economic situation, the COVID-19 virus, and government construction projects following the long-term transportation action plan. Such projects include the Department of Rural Road’s development plan, and the Mass Rapid Transit Authority of Thailand’s electric train construction project, of which the said situation will affect the production and consumption of steel products domestically.”

9. Textile and Wearing Apparel Industry



Source: The Office of Industrial Economics



Source: Ministry of Commerce

Production

+ Production of textile fibers increased by 7.26 percent, partly as a preparation for use in the production of sanitary masks. Since the middle of the month, there was the PM2.5 dust particle situation and the outbreak of the COVID-19 virus; thus, demand is likely to continue to grow; therefore, the production of fiber accelerated at the end of January.

- Production of fabrics and wearing apparel dropped 11.41 percent and 2.57 percent (%YoY), respectively. The decrease was partly due to a decrease in production to support the domestic market as consumers favored using inexpensive clothes from abroad.

Domestic sales

- Domestic sales of textile fibers, fabrics, and wearing apparel decreased by 7.35 percent, 10.30 percent, and 18.12 percent (%YoY) respectively, as the result of decreasing demands for raw material to export, including the slowdown of domestic purchasing power.

Exports

- Exports of textile fibers decreased by 14.65 percent (%YoY), especially in key markets such as China, due to the outbreak of the COVID-19 virus in Wuhan, which began in December 2019. This caused textile and garment factories in many places in Wuhan to close, resulting in reduced exports of Thai textile fibers.

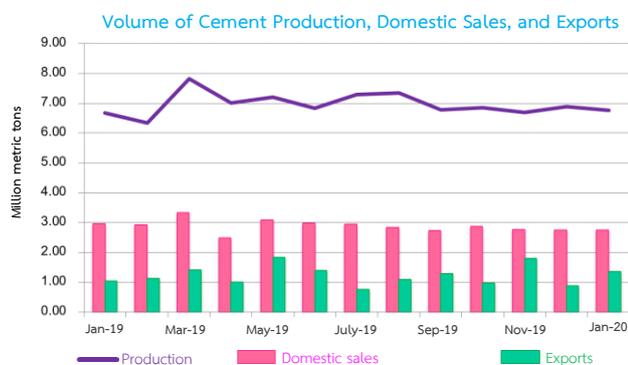
+ Exports of fabric and wearing apparel increased in value by 0.81 percent and 4.12 percent (%YoY). Markets for fabrics that grew were Vietnam and Bangladesh, which placed orders from Thailand to replace the imports from China during this period. The export of men's and women's apparel to the European Union, and children's clothing to the US continued to grow.

Outlook for February 2020

The textile and garment industry are expected to grow in the production of textile fibers, fabrics, and apparel, with textile fibers and fabrics being used to produce sanitary masks due to the outbreak of the COVID-19 virus in Thailand and many countries around the world. This includes production for exports to the producing countries of apparel, which ordered raw materials from Thailand instead of China, where many factories have temporarily suspended operations to control the COVID-19 situation in China.

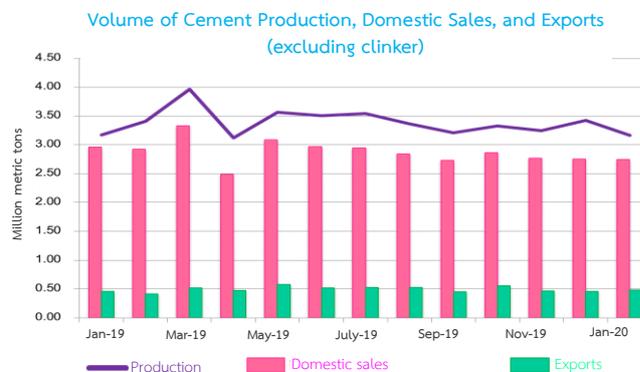
10. Cement Industry

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 1.91 percent from December 2019 (%MoM) to 6.76 million metric tons in January 2020 but increased by 1.21 percent (%YoY) from the same month last year.

- *Total domestic sales of cement* decreased by 0.33 percent (%MoM) from December 2019 to 2.75 million metric tons in January 2020 and decreased by 7.27 percent (%YoY) from the same month last year.

+ *Total exports of cement* increased by 54.56 percent (%MoM) from December 2019 to 1.36 million metric tons in January 2020 and increased by 31.38 percent (%YoY) from the same month last year. This was due to the increase of orders from key export markets, e.g., Bangladesh (62.86%), Myanmar (44.35%), and Cambodia (33.61%) compared to the same month last year.

Outlook for February 2020—Overall production of cement industry is expected to still expand slightly with positive factors from the economic stimulus measures and acceleration/ expansion of new and large utility projects by the government. However, the trend may change due to economic conditions that have been affected by the COVID-19 virus, affecting the purchasing power of consumers that will decrease in the next phase.

- *Cement production (excluding clinker)* decreased by 7.68 percent (%MoM) from December 2019 to 3.16 million metric tons in January 2020 and decreased by 0.22 percent (%YoY) from the same month last year.

- *Domestic sales of cement (excluding clinker)* decreased by 0.32 percent (%MoM) from December 2019 to 2.75 million metric tons in January 2020 and decreased by 7.27 percent (%YoY) from the same month last year.

+ *Export of cement (excluding clinker)* increased by 5.41 percent (%MoM) from December 2019 to 0.48 million metric tons in January 2020 and increased by 5.16 percent (%YoY) from the same month last year. This was due to the increase of orders from neighboring countries, e.g., Myanmar (44.39%) and Cambodia (31.19%).

Cement production (excluding clinker) outlook for February 2020 is projected to grow slightly compared to the same period last year, due to caution on the economic impacts of the COVID-19 virus outbreak.