

**Industrial Production Status**

Indicators	2017	2018					2019								
	Year	Sep.	Oct.	Nov.	Dec.	Year	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.
MPI*	1.8	-0.1	5.7	0.8	1.2	3.6	0.6	-1.3	-2.7	1.5	-3.4	-5.3	-3.3	-4.4	-4.7

When considered from the Manufacturing Production Index (MPI), the industrial economic status in **September 2019 contracted by 4.7 percent from the same period last year**, partly resulting from a 1.4 percent decrease in exports.

Considering MPI for the past three months compared to the previous year (% YoY), it is evident that industrial production tends to slow down, i.e., a 5.3 percent decrease in June, a 3.3 percent decrease in July, and a 4.4 percent decrease in August.

Indicators	2018				2019								
	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.
MPI*	-2.7	2.1	0.9	-1.9	4.7	-2.6	9.5	-17.4	9.3	-3.4	-0.8	0.6	-3.1

During the past three months (June, July, and August 2019), the MPI change rate (%MoM) were as follows: a 3.4 percent decrease in June, a 0.8 percent decrease in July, and a 0.6 percent increase in August.

Key industries that contributed to the MPI decrease in September 2019 compared to the same month last year were the following:

- Petroleum refining contracted by 11.2 percent as some refinery shutdown the operation for maintenance.
- Other non-tire rubber products contracted by 21.3 percent from sheet rubbers and block rubbers because of heavy rainfall in many areas, resulting in less latex supply to the market, including low rubber price. Some manufacturers, therefore, temporary stop the production.
- Production of automobiles and engines contracted by 5.2 percent due to contractions in almost all production groups (except medium and large passenger cars), in both domestic and export markets. The contraction followed the slowdown of the global and domestic economy, together with impacts of the US-China trade war, the Thai Baht's continued appreciation, and flooding in the northeast resulting in reduced purchasing power.

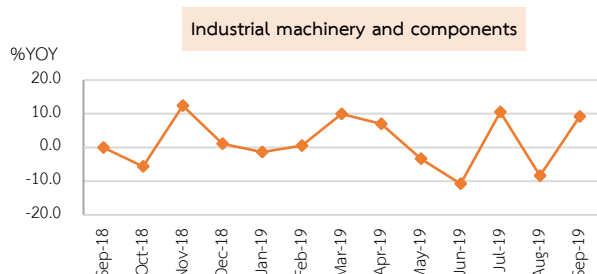
Key industries that contributed to the MPI growth in September 2019 compared to the same month last year were the following:

- Production of plastic pellets increased by 8.2 percent from a lower base in the same period last year, as some manufacturers stopped production for maintenance during the same period in the previous year.
- Production of furniture increased by 12.2 percent from metal and wooden furniture, from the production of new products in order to stimulate and respond to market demand.

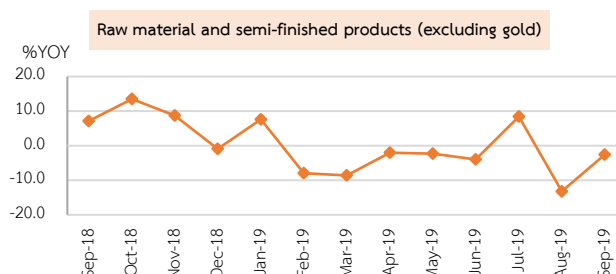
# Other Industrial Economic Indicators in September 2019

## Other Industrial Economic Indicators in September 2019

### Imports of Thailand Industrial Sector



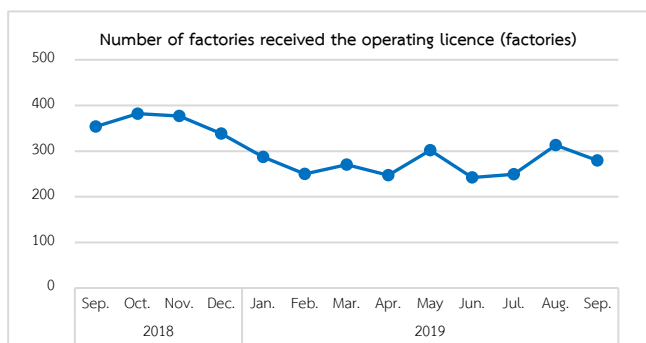
Source: Ministry of Commerce



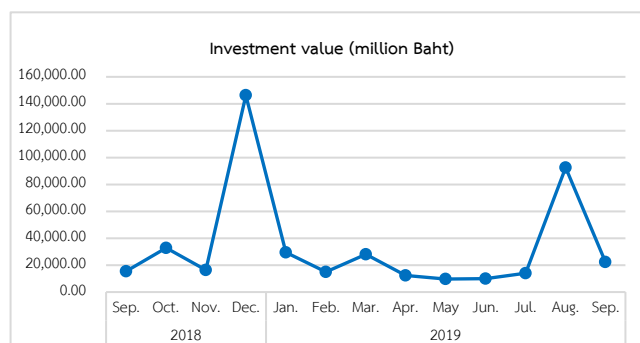
Source: Ministry of Commerce

- + **Imports of industrial machinery and components** in September 2019 valued 1,538.6 million USD, an 9.2 percent increase compared to the same month last year. Products that increased in import were textile machinery, jet turbine and parts, construction machinery and components, metal processing machinery and components, and machinery in the printing industry.
  
- **Imports of raw materials and semi-finished products (excluding gold)** in September 2019 valued 6,961.8 million USD, a 2.6 percent decrease compared to the same month last year. Products that contributed to the decline of imports of raw material and semi-finished products (excluding gold) were metal sheets, and semi-finished products made of iron and stainless steel; organic chemicals, plastic pellets, etc.

## Industrial Operation Status



Source: Department of Industrial Works



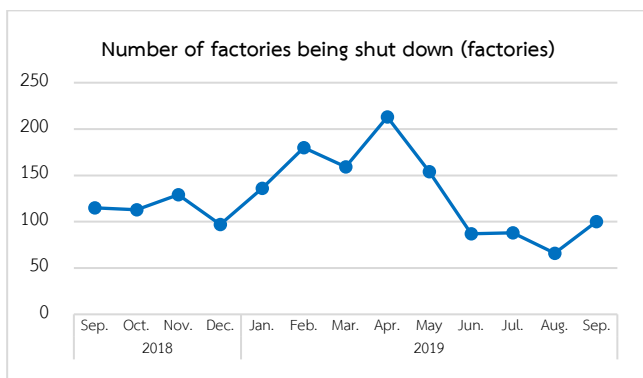
Source: Department of Industrial Works

- A total of 279 factories were licensed to operate in September 2019. The number of licensed factories decreased by 10.9 percent from August 2019 (%MoM) and 21.2 percent compared to the same month last year (%YoY).
  
- + The total investment value from the licensed factories to operate in September 2019 was 22,343 million Baht. The value decreased by 75.9 percent from August 2019 (%MoM) but increased by 44.8 percent from same month last year (%YoY).

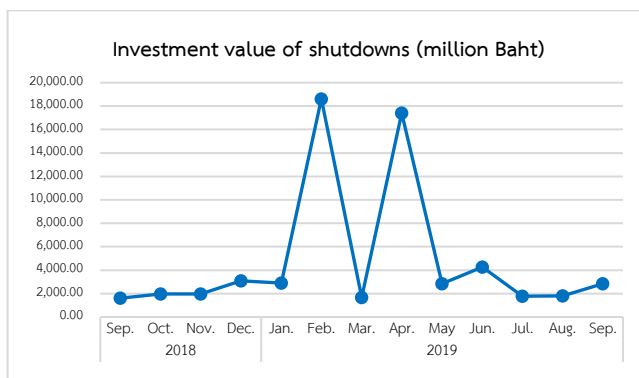
*"The industry which had the highest number of newly licensed factories to operate in September 2019 was the digging and dredging industry of sand, gravel, or soil (24 factories), followed by the manufacturing industry of raw material from industrial waste (15 factories)."*

*"The industry which had the highest value of the investment in September 2019 was the thermal power generation industry with the investment value of 4,892.54 million Baht, followed by manufacturing plants in steam generation and sales industry with the investment value of 3,850.40 million Baht."*

■ Industrial Operation Status (cont.)



Source: Department of Industrial Works



Source: Department of Industrial Works

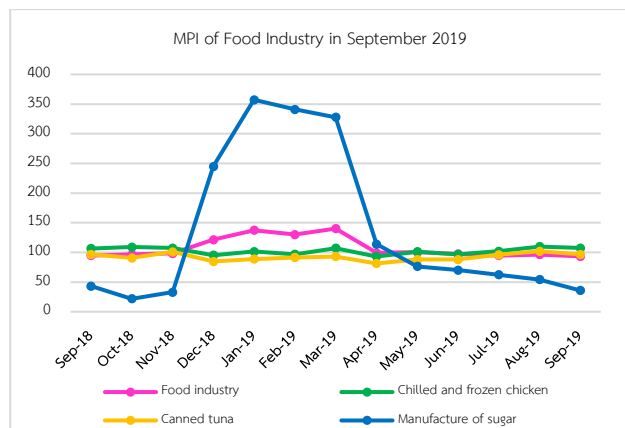
- + A total of 100 factories shut down the operation in September 2019. The number of shutdowns increased by 51.5 percent from August 2019 (%MoM) but decreased by 13.0 percent from the same month last year (%YoY).
- The lost investment value on shutdowns in September 2019 was 2,843 million Baht, which increased by 58.0 percent from August 2019 (%MoM) and 76.9 percent from the same month last year (%YoY).

*“The industry with the highest number of shutdowns of factory in September 2019 was the digging and dredging industry of sand, gravel, or soil (7 factories), followed by the engine-powered vehicle repairing industry (6 factories).”*

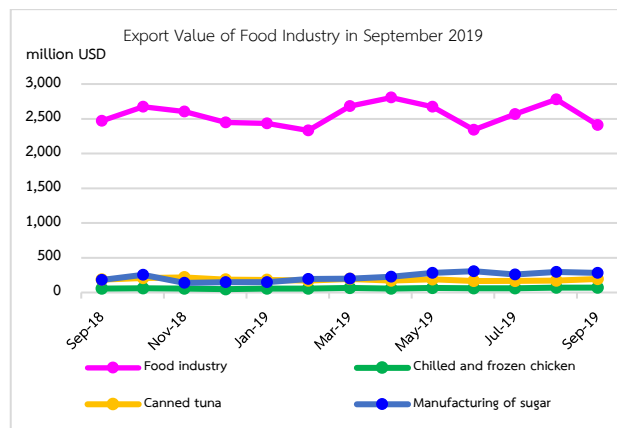
*“In September 2019, the industry which had the highest operation shutdown with the highest value of investment was the electronic parts manufacturing industry with the investment value of 1,190 million Baht, followed by the electrical appliance industry with the investment value of 497 million Baht.”*

## Industrial Economic Status by Industrial Sectors in September 2019

### 1. Food Industry



Source: The Office of Industrial Economics



Source: Ministry of Commerce



**Production** of food product in September 2019 decreased by 1.4 percent (%YoY), classified as follows:

1) Export-orientated products that decreased were (1)

Sugar: The MPI decreased by 17.2 percent (%YoY) as sugarcane volumes dropped by 2.9 percent (4 million tons) resulting in a decrease of sugar by 1.4 percent (0.21 million tons); (2) Tapioca flour: The MPI decreased by 4.4 percent (%YoY) from decreasing production due to droughts and infectious diseases, together with key importers like China slowing down orders resulting in price levels continued to drop; (3) Canned sweet corn: The MPI decreased by 31.1 percent (%YoY) from the effects of drought; (4) Canned sardine: The MPI decreased by 3.7 percent, and (5) Chilled and frozen shrimps: The MPI decreased by 0.2 percent.

2) Domestic orientated products such as animal feed; the MPI fell by 1.9 percent.



**Domestic sales of food** in September 2019 increased by 2.5 percent (%YoY) as the result of increasing the farm income index from last year. This increased domestic consumption.

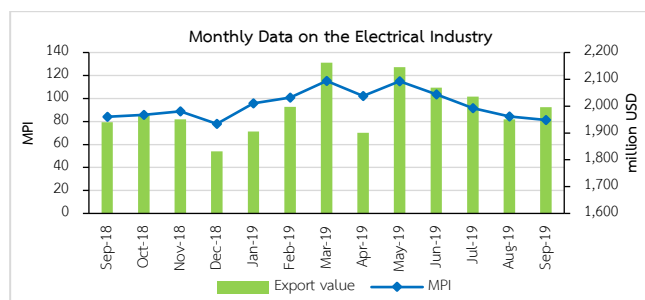


**Export markets:** The overall value of food exports in September fell for the second consecutive month by 2.5 percent due to the decline in EU, CLMV, and ASEAN markets, in contrast to the Chinese, Japanese, and US markets, which continued to grow. Key products that contracted were cassava products—cassava and cassava flour (35.2%), rice—white rice and jasmine rice (32.1%), canned pineapples (19.4%), canned sweet corn (6.8%), canned sardines (3.7%), and chilled and frozen shrimp (2.3%). However, granulated sugar, chilled and frozen chicken, processed chicken, canned tuna, rice products, milk and dairy products, instant noodles, seasonings, and fresh fruit (durian and longan) increased.

**The forecasted trend predicts that the overall MPI and export value in the food industry in October should decrease slightly from the previous month and the same period last year. The contraction comes from negative factors such as the global economic slowdown and the effects of the Baht appreciation, causing the price competitiveness of Thailand to drop. This is coupled with reduced agricultural outputs such as rice, cassava, sugar, coconut, and pineapple. A slight contraction is expected despite the positive factors from the African Swine Fever outbreak, resulting in chicken, a substitute product, increasing in demand. Furthermore, canned tuna is projected to increase in orders after slowing down to wait and see the falling raw material prices.**

## 2. Electrical and Electronics Industry

### ■ Electrical Industry



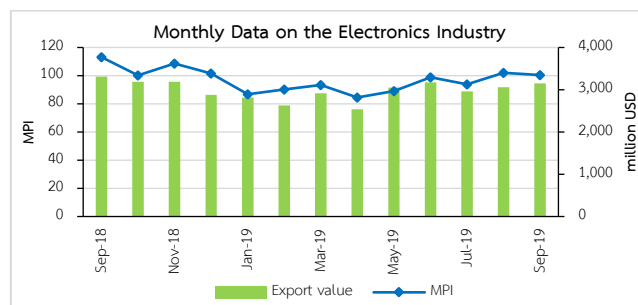
Source: The Office of Industrial Economics, Electrical and Electronics Institute, and Ministry of Commerce

**⊖ Production of electrical appliances** reached a production index of 81.2, a decrease of 3.4 percent compared to the same month last year. Products that contracted were transformers, thermos, electric cables/wires, compressors, washing machines, microwaves, refrigerators, and electric motors, which decreased by 38.9 percent, 20.8 percent, 19.3 percent, 6.5 percent, 6.4 percent, 3.6 percent, 3.5 percent, and 0.3 percent, respectively. Refrigerators and washing machines reduced in production due to the increased sales of inventory products and growing exports. Meanwhile, compressors and transformers decreased in production due to less domestic and international market sales. Thermos and electric cables/wires dropped from the decrease in domestic market sales. The production of microwaves and electric motors dropped as a result of lower demand in foreign markets. Products that increased were rice cookers, household fans, and air conditioners, by 21.1 percent, 17.3 percent, and 4.0 percent, respectively. The production of air conditioners increased as exports, and domestic sales increased. Meanwhile, rice cookers increased in production from the replacement of inventory following higher sales in the previous month, together with growing exports of household fans.

**⊕ Exports of electrical appliances** valued 1,996.6 million USD, a 2.9 percent increase compared to the same month last year as key markets contracted, including ASEAN, the US, China, and Japan. Products that increased in export were as follows: air-conditioners and components, which increased by 15.1 percent to 424.5 million USD from exports to Australian, Vietnam, and the US markets. Refrigerators increased by 6.7 percent to 125.3 million USD from exports to the US (196.7 percent) and Japan (11.4 percent). Washing/dry cleaning machines and parts increased by 7.6 percent to 99.3 million USD from exports to South Korea and Japan markets.

*"Production outlook in October 2019, the electrical industry is expected to contract by 1.0 percent from transformers, electric motors and electric cables/wires as domestic sales decrease from the high production base last year, due to the government policies on grounding wires. Meanwhile, sales of air conditioners are expected to grow domestically and internationally, such as in Vietnam, Australia, and the US."*

### ■ Electronics Industry



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

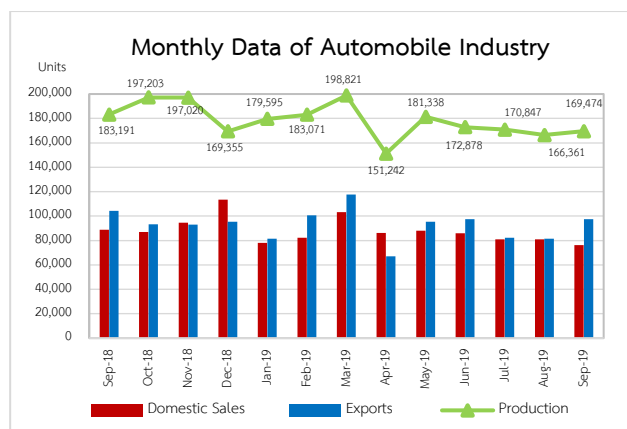
**⊖ Production of electronics** decreased by 8.1 percent compared to the same month last year, with an MPI of 100.4. Products that decreased in production were PWB (21.2 percent), Semiconductor devices transistor (11.5 percent), IC (10.3 percent), HDD (6.7 percent), printer (6.3 percent) and PCBA (1.0 percent). The decrease caused by lower purchase orders from key markets and the slowdown of global demand for electronics products.

**⊖ Exports of electronics** valued 3,151.1 million USD, a decrease of 5.8 percent compared to the same month last year as the result of contraction of key markets such as EU, China, and the US. Integrated Circuits (IC) had an export value of 693.4 million USD, a decrease of 0.2 percent. Computers and components valued 1,194.7 million USD, down 13.1 percent and the value of HDD exports dropped by 6.5 percent.

*"Production outlook in October 2019, the electronics industry is expected to contract by 2.1 percent compared to the same month last year, as the result of decreasing orders from key markets and the slowdown of global demands of electronic products."*

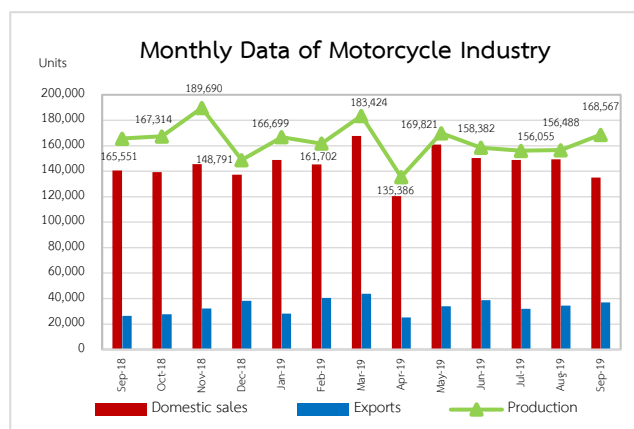
### 3. Automotive Industry

#### ■ 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 September 2019 reached 169,474 units. The production increased by 1.87 percent compared to August 2019 (%MoM) but decreased by 7.49 percent from the same month last year (%YoY). This resulted from a decrease in the production of passenger cars, 1-ton pickup trucks, and derivatives.

**-** **Domestic sales of automobiles** in September 2019 reached 76,195 units, a 5.74 percent decline from August 2019 (%MoM) and a 14.10 percent decline from the same month last year (%YoY). The decrease resulted from the reduction of sales of passenger cars, 1-ton pickup trucks and derivatives, commercial cars, and PPV and SUV cars, as the domestic economy started to slow down.

**+** **Export of automobiles** in September 2019 reached 97,540 units, an increase of 19.61 percent from August 2019 (%MoM) but a decrease of 6.36 percent from the same month last year (%YoY). The exports decreased in Oceania, Africa, Europe, North America, Central, and South America markets.

*"Automotive industry outlook in October 2019, it is expected that the industry will slow down compared to October 2018, as the global economic slowdown and the decrease of domestic sales from the economic slowdown."*

**+** **Motorcycle production** in September 2019 reached 168,567 units. The production increased by 7.72 percent from August 2019 (%MoM) and 1.82 percent from the same month last year (%YoY), as the result of the growing production of sport motorcycles.

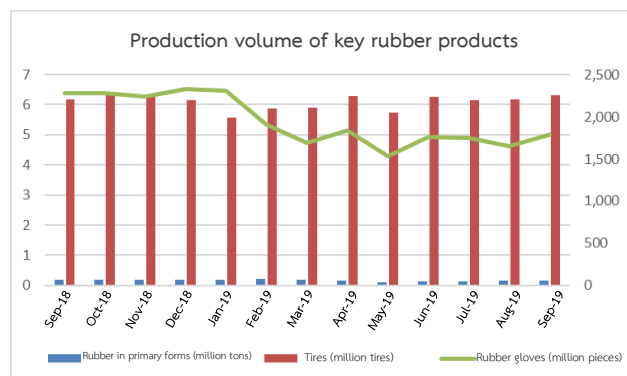
**-** **Domestic sales of motorcycles** in September 2019 reached 135,090 units. Sales decreased by 9.95 percent from August 2019 (%MoM) and 3.85 percent compare to the same month last year (%YoY) which resulted from decreasing sales of 51-110 cc., 111-125 cc., 126-250 cc., and ≥ 400 cc. motorcycles.

**+** **Exports of motorcycles** in September 2019 reached 36,950 units, a 7.27 percent increase from August 2019 (%MoM) and a 39.95 percent increase from the same month last year (%YoY), whereby exports to the US, the UK, and France increased.

*"In October 2019, the outlook for the motorcycle industry is expected to decrease slightly compared to October 2018."*



## 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 18.86 percent due to heavy rains resulting in the reduction of latex supplied to the market.

➖ Automotive tires decreased by 6.53 percent in correlation to the contraction of domestic automotive industry.

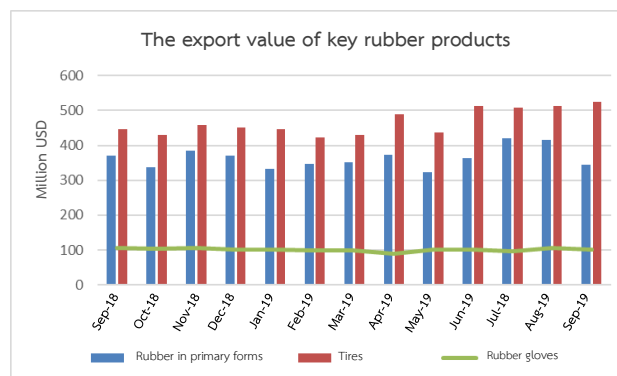
➖ Rubber gloves decreased by 19.96 percent, as the Baht strengthened against the US Dollar causing business operators to bear higher costs and, therefore, unable to compete.

### Domestic Sales

➖ Processed rubber in primary forms (smoked rubber sheets, rubber blocks, and concentrated latex) decreased by 9.05 percent in correlation to reduced demand.

➕ Automotive tires increased by 5.92 percent in correlation to the expansion of the Replacement market.

➕ Rubber gloves increased by 10.89 percent in correlation to higher demands for medical uses.



Source: Ministry of Commerce

### Exports

➖ Processed rubber in primary forms (smoked rubber sheets, rubber blocks, and concentrated latex) decreased in export value by 15.43 percent, as China and India have reduced orders for rubber from Thailand by 25.54 percent and 70.06 percent, respectively.

➕ Automotive tires increased in export value by 13.22 percent as the US market was still in a good growth which increased by 25.49 percent.

➖ Rubber gloves decreased in export value by 5.43 percent from the contraction of Japan, the US, and Germany markets.

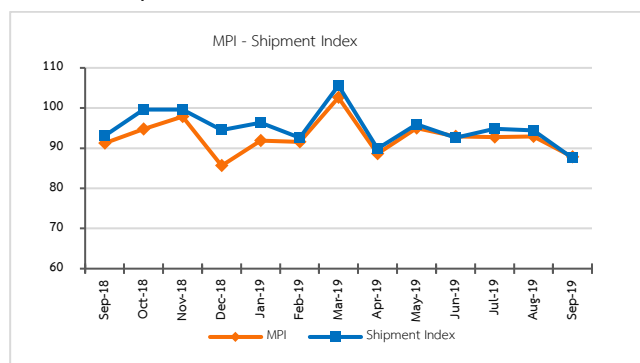
### Industry Outlook in October 2019

The production and sales of processed rubber in primary forms (smoked rubber sheets, rubber blocks, and concentrated latex) are expected to slow down from the previous month. Because of heavy rain in many areas and flooding in the northeast region, resulted in a decrease in the rubber supply into the market dropped significantly. Production and domestic sales of automotive tires are expected to increase in line with the growth of the replacement and the US markets. Rubber gloves production is likely to slow due to continuously the appreciation of the Thai Baht against the US Dollar. Sales of rubber gloves, on the other hand, are expected to grow slightly following higher domestic demand.

Exports of processed rubber in primary forms (smoked rubber sheets, rubber blocks, and concentrated latex) are expected to decrease in value, in line with the projected slowdown of rubber orders from China and India. Exports of automotive tires, on the other hand, are likely to increase in the value following the growth trend of the US market. In contrast, the export value of rubber gloves is expected to decrease as Thai entrepreneurs have lost their capacity in the price competition due to the continuous appreciation of the Thai Baht.

## 5. Plastics Industry

### MPI and Shipment Index



Source: The Office of Industrial Economics

### Production and Sales

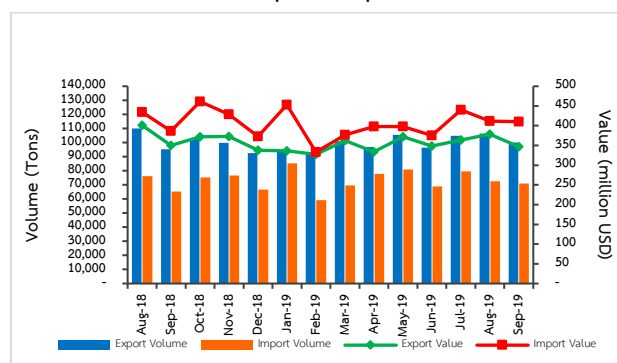
**⊖** *The Manufacturing Production Index* in September 2019 was 87.85; a decreased of 3.67 percent compared to the same period last year. The MPI of many products, e.g., plastic gunny bags, plastic tableware, kitchenware, and toilet articles, and plastic film, decreased by 25.61 percent, 12.94 percent, and 12.63 percent, respectively, as the result of economic slowdown causing a decrease in the demand for products.

**⊖** *The Shipment Index* in September 2019 was 87.54, a 5.91 percent decrease compared to the same period last year. The MPI of plastic tableware, kitchenware, and toilet article category decreased by 33.08 percent, followed by plastic gunny bag and plastic plate, which decreased by 29.05 percent and 10.34 percent, respectively.

### Marketing

**⊖** *Exports* in September 2019 valued 347.03 million USD, or a 0.75 percent decrease compared to the same period last year. The plastic products that contributed to the highest decline in export were self-adhesive plates, sheets, film, foil, tape, strip and other flat shapes of plastics (HS 3919), which decreased by 9.21 percent. Exports dropped as the result of key trading partners, e.g., Japan, Indonesia, and Australia had less demand for products.

### Volume and value of exports-imports

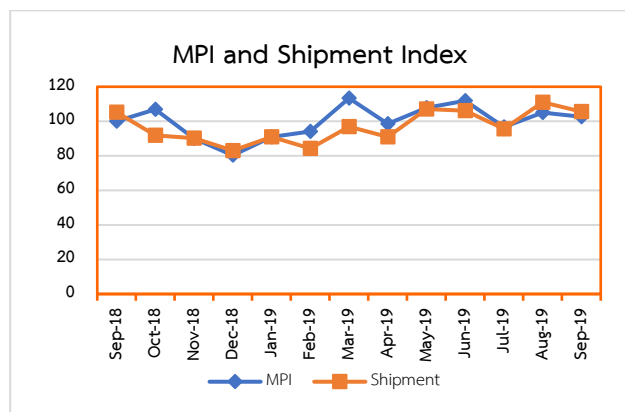


Source: The Office of Industrial Economics

**+** *Imports* in September 2019 valued 409.89 million USD or a 6.12 percent increase compared to the same period last year. Plastic products that increased in import value mainly were Floor coverings of plastics (HS 3918), Tubes, pipes, and hoses (HS 3917), and monofilament (HS 3916), which decreased by 21.52 percent, 17.54 percent, and 14.71 percent, respectively.

*The plastics industry outlook in October 2019, it is expected that production and exports will continue to contract from the decrease in demand for plastic products, both domestically and partner markets. Oil prices and the Baht value must be monitored, which will affect the production cost*

## 6. Chemicals Industry

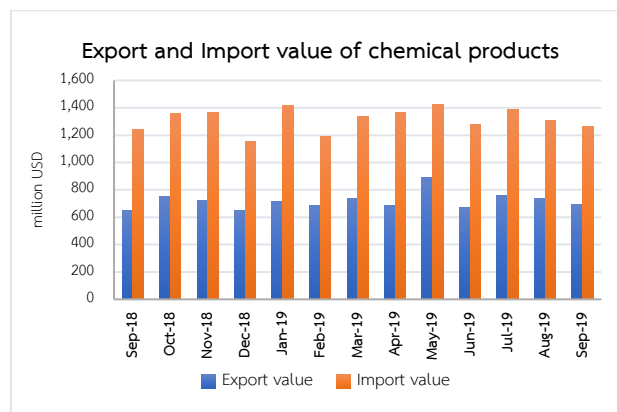


Source: The Office of Industrial Economics

**+** The manufacturing production index of the chemical industry in September 2019 was 102.71, a decrease of 2.73 percent compared to the same period last year. The production of basic and downstream chemical categories increased by 0.70 percent and 3.39 percent from the same period last year; the highest increase was in the chemical fertilizer category.

**+** Sales in September 2019, the chemical industry had a shipping index of 105.65, a growth of 0.38 percent compared to the same period last year. The shipping index of the basic chemical products grew by 1.68 percent, from an increase in ethanol production. For downstream chemical products, the shipping index grew by 0.03 percent in the soap and detergent product category.

**+** Exports in September 2019 reached a total value of 694.32 million USD, a 0.60 percent increase compared to the same period last year. Shipping of the basic chemical category reached the total value of 350.27 million USD, a 1.56 percent increase compared to the same period last year. Compared to the same period last year, key products that contributed to the rise in exports was miscellaneous chemicals, which increased by 19.97 percent in key markets such as Vietnam and China.

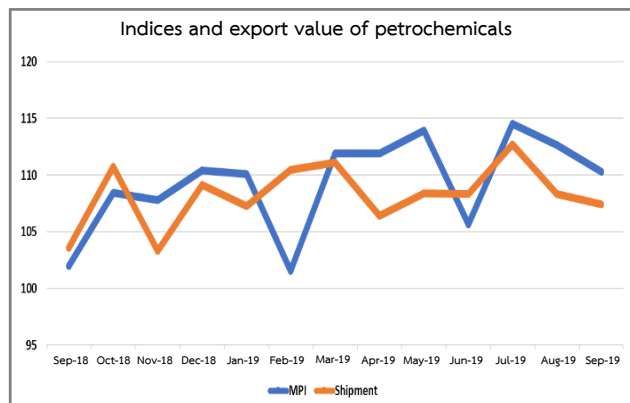


Source: Customs Department, Ministry of Finance

**+** Imports in September 2019 valued 1,262.74 million USD, an increase of 2.81 percent compared to the same period last year. Downstream chemicals reached the import value of 490.10 million USD, a 10.26 percent increase compared to the same period last year. Products that increased in imports were cosmetics (27.81 percent) and fertilizers (9.78 percent). Key import sources for downstream chemicals of Thailand were Japan, Singapore, the US, etc.

In October 2019, production and exports of the chemical industry are expected to continue to slow down. However, there are still factors that need to be monitored, such as the exchange rate that continues to appreciate and may affect the export of Thai chemicals

## 7. Petrochemicals Industry

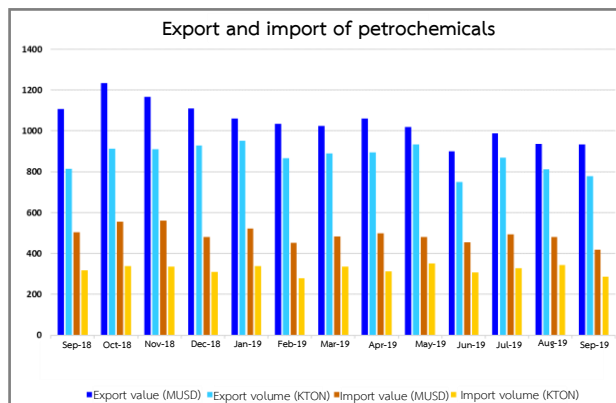


Source: The Office of Industrial Economics

**+** The manufacturing production index in September 2019 grew by 8.16 percent compared to the same period last year. Products that used as precursors for the production of plastic pellets, which increased in MPI, were propylene (11.76 percent) and ethylene (8.44 percent). Meanwhile, downstream petrochemical products used to produce various types of packaging both formed packaging and film packaging, namely, EPS, PE, and PP resins, grew by 25.47 percent, 12.27 percent, and 11.88 percent, respectively.

**+** The shipment index in September 2019 increased by 3.69 percent compared to the same period last year. Basic petrochemicals used as precursors in the production of plastic pellets, namely, propylene and toluene, increased by 15.28 percent and 13.70 percent, respectively. In downstream petrochemicals, products used to produce automotive and electrical parts such as SAN, PS, and PVC resins increased by 40.75 percent, 21.63 percent, and 14.15 percent, respectively.

**-** Exports in September 2019 reached 933.30 million USD, a 15.78 percent decrease compared to the same period last year. Basic petrochemical products with decreasing export value were products used as precursors in the production of synthetic fibers and rubber, such as Para-Xylene, Terephthalic Acid, and Butadiene. Downstream petrochemical products with decreasing export value, namely PE, PP, PC, and PET resins, were mostly used in the food packaging industry and equipment parts. Overall, the export proportion of petrochemicals to key countries was as follows: China (35.74%), Indonesia (9.91%), Vietnam (8.73%), Japan (8.06%), and India (7.90%).

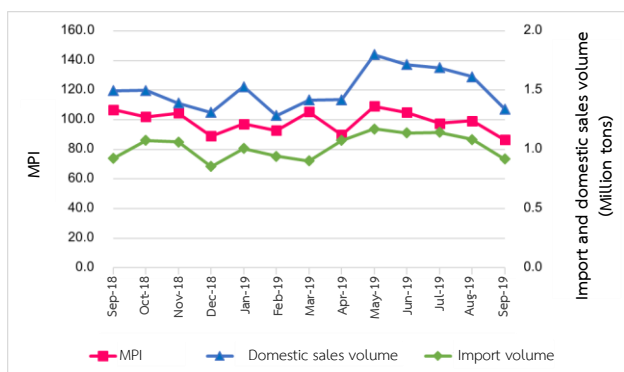


Source: Customs Department, Ministry of Finance

**Imports** in September 2019 valued 417.94 million USD, a 17.17 percent decrease compared to the same period last year. Basic petrochemical products with decreasing import value were products mostly used as precursors in the production of PVC and synthetic fibers such as Vinyl Chloride, Acetic Acid, and Ethylene Glycol. Meanwhile, downstream petrochemical products with decreasing import value were BR rubber, SR rubber, Nylon resin, and PES resin, which mostly used in the production of synthetic rubber and synthetic fibers. Overall, the import proportion of petrochemicals from key countries was as follows: Japan (17.31%), South Korea (14.02%), China (12.76%), Singapore (11.91%), and the US (10.36%).

Petrochemicals industry outlook in October 2019, exports and imports are expected to slow down compared to the same period last year, from fluctuations in oil prices in the world market and the global economy that is likely to enter a recession, which will affect petrochemical prices.

## 8. Iron and Steel Industry



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

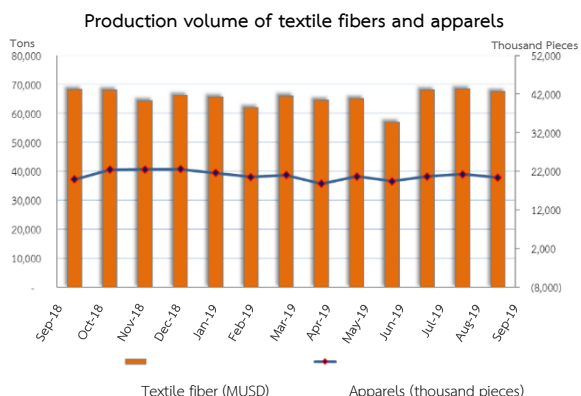
➔ **The manufacturing production index** in September 2019 reached 86.49, a decrease of 19.0 percent (decreasing continuously for the fourth month) compared to the same period last year. The contraction came from the downturn of downstream industries such as the construction industry (construction of residences was affected by the Loan to Value (LTV) measure, effective April 1, 2019, resulting in a decrease in sales and construction of the residences). The automotive industry and electric appliance industry also affected the MPI (due to reduced demand for steel products from the economic slowdown in both the Thai and global economies, such as China, India, and Japan). The MPI declined in both product groups, whereby the MPI in long steel products reached 95.0, a drop by 8.2 percent (a decline for the third consecutive month). The contraction came from the production of wire rods, which decreased by 24.4 percent, followed by hot-rolled structural steel and steel bars, which fell by 19.5 percent and 8.2 percent, respectively. The MPI for flat steel products reached 77.7 percent, down 29.4 percent (declining for the fourth consecutive month) as the production of hot-rolled steel sheets decreased by 41.7 percent, followed by cold-rolled steel sheets and chromium-plated steel sheets which dropped by 28.4 percent and 26.0 percent respectively.

➔ **Domestic sales** in September 2019 reached 1.3 million tons, a decrease of 20.7 percent compared to the same period last year, from a slowdown in downstream industries such as the construction, automotive, and electrical appliances industries. Domestic sales reduced in both product groups, whereby long steel products reached a sales volume of 0.5 million tons, a decrease of 28.8 percent from the sale of steel rods, and hot-rolled structural steel, which contracted by 40.9 percent. Flat steel products reached a sales volume of 0.8 million tons, a contraction by 14.2 percent as the sales of thin hot-rolled steel sheets decreased by 31.1 percent, followed by tin plate and cold rolled sheets, which fell by 19.4 percent and 16.6 percent, respectively.

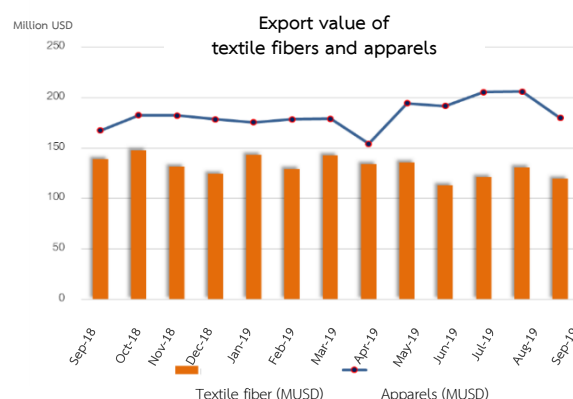
➔ **Imports** in September 2019 decreased by 2.2 percent to 0.9 million tons compared to the same period last year from lower imports of flat steel products. Imports volume of flat steel products decreased by 4.7 percent to 0.7 million tons from hot-rolled stainless steel sheets, which dropped 52.2 percent (key import countries were South Korea and Taiwan), followed by hot-rolled carbon steel sheet P&O and hot-rolled carbon steel sheet, which decreased by 27.4 percent and 24.2 percent, respectively. Imports of long steel products, on the other hand, reached 0.2 million tons, an increase of 5.4 percent from hot-rolled alloy structural steel, which increased by 122.7 percent (key import country was China). This followed by carbon steel wire rods and hot-rolled structural steel, which increased by 116.5 percent and 54.6 percent, respectively.

*"The trend of the steel industry in October 2019 is expected to decrease in production compared to the same period last year, from the downturn of downstream industries such as the automotive industry and the electrical appliances industry. However, supporting factors include the construction industry from the repair of buildings and housing that were damaged by floods."*

## 9. Textile and Garment Industry



Source: The Office of Industrial Economics



Source: Ministry of Commerce

### Production

➖ Production of textile fibers and fabrics decreased by 1.10 percent and 11.42 percent, respectively, as the result of declining purchase orders from trading partner countries, together with the slowdown of domestic consumption demand; therefore, business operators reduced the production of upstream raw materials in order to reduce stock.

➕ Wearing apparel increased by 2.55 percent as the result of declining purchase orders from key trading partner countries such as the US and EU.

### Domestic sales

➖ Textile fibers, fabrics, and wearing apparel decreased by 13.47 percent, 15.47 percent, and 21.02 percent respectively, as the result of decreasing demand for raw materials for production, both for exports and domestic consumption. Furthermore, imports of fashion apparel from China were cheaper.

### Exports

➖ Export value of Textile fiber decreased by 13.77 percent, especially for exports to China, which reduced purchase orders of Thai textile fibers. The contraction was partly a result of China's exports of apparel to the world market, especially the US, which decreased.

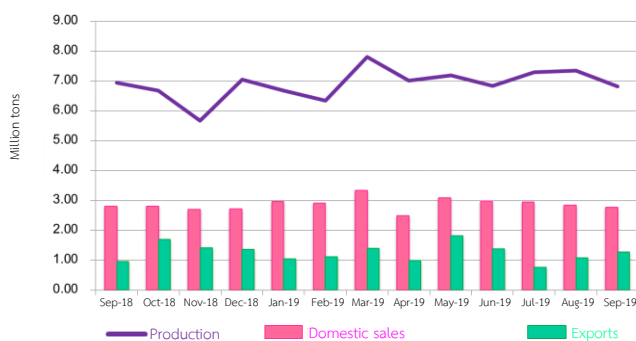
➕ Export value of fabric and wearing apparel increased by 4.91 percent and 7.26 percent respectively. This increase resulted from the growth of fabric exports to Myanmar and Bangladesh, whereas wearing apparels for both men and women increased from exports to the US and EU.

### October 2019 outlook

The circumstance of textiles and apparel industry, it is expected that the production of textile fibers and fabric will slow down in line with the export trend expected to decline. Due to the political situation of the US and the trade war between the US and China, resulting in trade and investment of such markets to slow down. These will affect production sectors to reduce the demand of raw materials from Thailand. However, apparel is expected to continue to expand in the Original Equipment Manufacturer (OEM) for international brand.

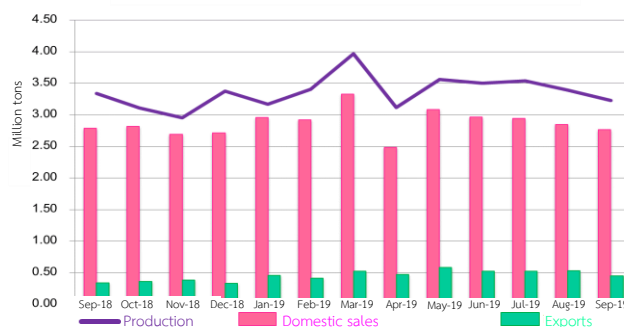
## 10. Cement Industry

■ Overall Cement Industry  
Volume of Cement Production, Domestic Sales, and Exports



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)  
Volume of Cement Production, Domestic Sales, and Exports (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.

➖ **Overall cement production** in September 2019, reached 6.83 million tons, a 7.24 percent decrease from August 2019 (%MoM) and a 1.78 percent increase from the same month last year (%YoY).

➖ **Overall domestic cement sales** in September 2019 reached 2.77 million tons, a decrease of 2.50 percent from August 2019 (%MoM), and 1.19 percent (%YoY) from the same month last year. The decrease resulted from the market slowdown as the result of economic impacts and severe flooding in the Northeast.

➕ **Total exports of cement** in September 2019 reached 1.28 million tons, an increase of 18.09 percent (%MoM) from August 2019, and by 35.22 (%YoY) from the same month last year. The growth was a result of key export markets such as Cambodian and Laos PDR, which increased orders by 71.74 percent and 48.27 percent, respectively. In addition, Vietnam, the Philippines, and Sri Lanka, which previously decreased orders, increased orders significantly this month.

The trend of the cement industry in October 2019 is expected to decrease due to the economic slowdown and the remaining real estate being sold out, especially in the provinces.

➖ **Cement production (excluding clinker)** in September 2019 reached 3.23 million tons. The production decreased by 4.70 percent from August 2019 (%MoM) and 3.26 percent from the same month last year (%YoY).

➖ **Domestic sales of cement (excluding clinker)** in September 2019 reached the total volume of 2.76 million tons. The sales volume decreased by 2.82 percent from August 2019 (%MoM) and 0.83 percent from the same month last year (%YoY).

➕ **Export of cement (excluding clinker)** in September 2019 reached 0.45 million tons, a decrease of 14.41 percent (%MoM) from August 2019, but an increase of 34.43 percent (%YoY) from the same period last year. The decrease was a result of key export markets such as Laos PDR and Cambodian, which increased orders by 48.38 percent and 31.61 percent, respectively. In addition, neighboring countries, which previously decreased orders, significantly increased orders this month.

The trend of the cement industry (excluding clinker) in October 2019 is predicted to expand, but slowly, as the demand for real estate slows down from the economic downturn.