

Industrial Production Status

Indicators	2017	2018						2019							
	Year	Aug.	Sep.	Oct.	Nov.	Dec.	Year	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.
MPI	1.8	2.3	-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

When considered from the **Manufacturing Production Index (MPI)**, the industrial economic status in **August 2019 contracted by 4.4 percent from the same period last year**, partly resulting from a 4.0 percent decrease of 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 3.4 percent decrease in May, a 5.3 percent decrease in June, and a 4.4 percent decrease in July.

Indicators	2018					2019							
	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.
MPI	1.7	-2.7	2.1	0.9	-1.9	4.7	-2.6	9.5	-17.4	9.3	-3.4	-0.8	0.6

For the past 3 months (May, June, and July 2019), the MPI change rate (%MoM), which is in May, grew by 9.3 percent. The growth was consistent with normal seasonality in May, whereby production will accelerate after the long holiday during the Songkran festival. The MPI in June contracted by 3.4 percent and by 0.8 percent in July.

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

- Automobiles and engines contracted by 7.5 percent from almost every product (except medium-sized cars) such as 1-ton pick-up trucks, small-sized passenger cars, diesel engines, and gasoline engines. The contraction was in line with the slowdown from export orders and the saturated domestic market, including strict credit approval from financial institutions.
- Electronic components contracted by 14.9 percent in all product categories. This was a result of the slowdown in global electronics and the effects of the trade war between the US and China, affecting the global production chain, including Thailand.
- Other non-tire rubber products contracted by 17.9 percent from block rubber, rubber sheets, and latex products. The global economic slowdown resulted in Chinese customers reducing their orders. Heavy rainfall in many areas, both in the northeast and southern regions, resulted in less latex supply to the market.

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

- Hard Disk Drives grew by 12.7 percent. Some manufacturers received more orders after production bases were shut down in Malaysia since April 2019. Investments in the digital economy (such as Big Data) are on the rise, including the development of Hard Disk Drives with high capacity to meet the needs of customers.
- Frozen seafood grew by 14.0 percent from frozen fish, shrimp, and squid, as manufacturers expanded their markets into the modern trade markets and supplied to large restaurants, including distribution channels in the online market.

# Other Industrial Economic Indicators in August 2019

## Other Industrial Economic Indicators in August 2019

### ■ Imports of Thailand Industrial Sector



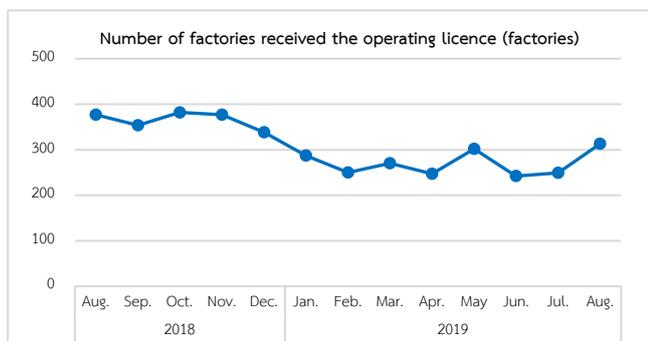
Source: Ministry of Commerce



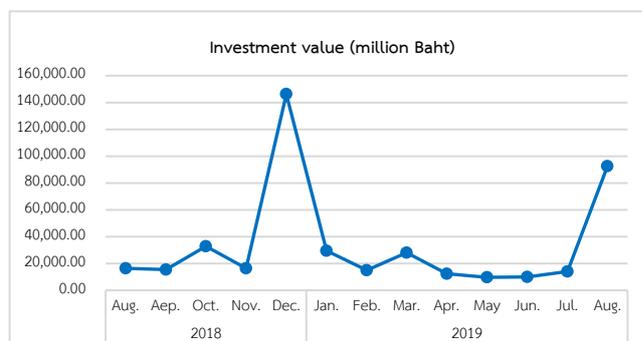
Source: Ministry of Commerce

- ⊖ **Imports of industrial machinery and components** in August 2019 valued 1,418.5 million USD, an 8.4 percent decrease compared to the same month last year. The decrease was from the imports of transmitters/receivers and installation equipment for telephones, radios, telegrams, televisions, and accessories; switches, circuit breakers, or circuit protectors; capacitors, transformers and components thereof.
  
- ⊖ **Imports of raw materials and semi-finished products (excluding gold)** in August 2019 valued 7,146.9 million USD, a 13.2 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 copper and products, aluminium and products, iron; semi-finished products made of iron and stainless steel; organic chemicals, and plastic pellets.

## Industrial Operation Status



Source: Department of Industrial Works



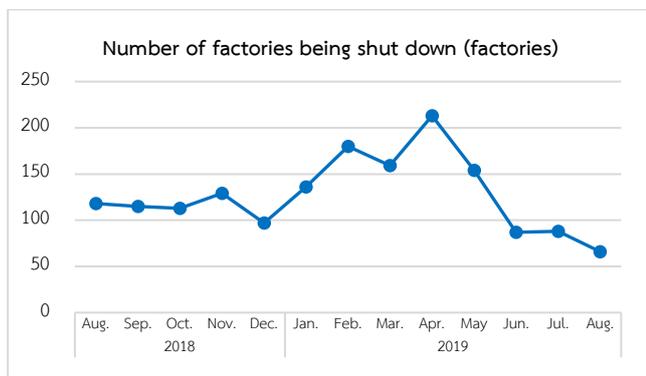
Source: Department of Industrial Works

- + A total of 313 factories were licensed to operate in August 2019. The number of licensed factories increased by 25.7 percent from July 2019 (%MoM) but decreased by 17.0 percent compared to the same month last year (%YoY).
- + The total investment value from the licensed factories to operate in August 2019 was 92,562 million Baht. The value increased by 561.7 percent from July 2019 (%MoM) and increased by 465.3 percent from same month last year (%YoY).

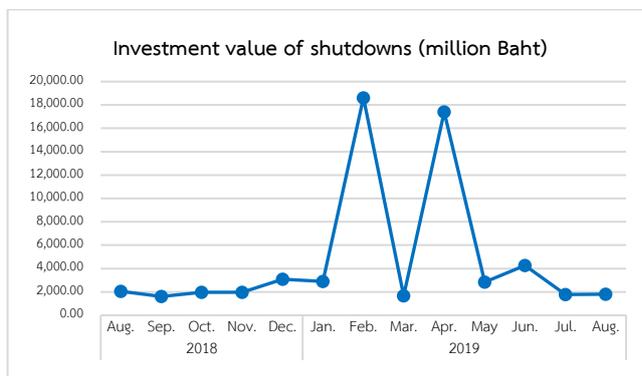
*"The industry which had the highest number of newly licensed factories to operate in August 2019 was the concrete and gypsum concrete product manufacturing industry (25 factories), followed by the lathing, drilling, boring, milling, trimming, shearing, or general welding industry (14 factories)."*

*"The industry which had the highest value of the investment in August 2019 was the manufacturing industry of steel bridge components and parts thereof with the investment value of 69,009 million Baht, followed by the fuel ethanol production industry with the investment value of 5,800 million Baht."*

■ Industrial Operation Status (cont.)



Source: Department of Industrial Works



Source: Department of Industrial Works

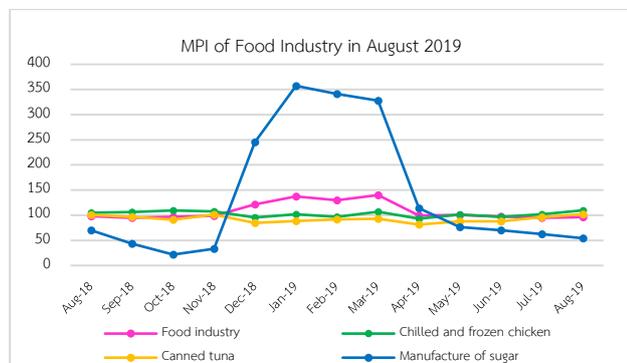
- A total of 66 factories shut down the operation in August 2019. The number of shutdowns decreased by 25.0 percent from July 2019 (%MoM) and 44.1 percent from the same month last year (%YoY).
- The lost investment value on shutdowns in August 2019 was 1,800 million Baht, which increased by 1.9 percent from July 2019 (%MoM) but decreased by 12.6 percent from the same month last year (%YoY).

*“The industry with the highest number of shutdowns of factory in August 2019 was the milling, fanning, or polishing industry of rice and the engine-powered vehicle repairing industry (5-factory for both industries).”*

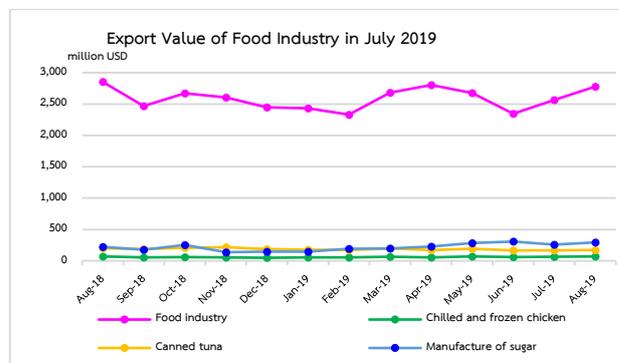
*“In August 2019, the industry which had the highest operation shutdown with the highest value of investment was the engine-powered vehicle repairing industry with the investment value of 1,008 million Baht, followed by the industry of food or beverage production from vegetables, plant, or fruits with the investment value of 215 million Baht.”*

## Industrial Economic Status by Industrial Sectors in August 2019

### 1. Food Industry



Source: The Office of Industrial Economics



Source: Ministry of Commerce



**Production** of food product in August 2019 increased by 1.7 percent (%YoY), classified as follows:

1) Export-orientated products that decreased were (1) Canned pineapples, which dropped in MPI by 38.0 percent (%YoY) from less raw materials due to the reduction of planting areas from less incentivized prices, and the effects of the drought. Furthermore, orders from key importers such as the US slowed down considerably. (2) Sugar which decreased in MPI by 22.5 percent (%YoY) as sugarcane volumes contracted by 2.9 percent (4 million tons). This resulted in reduced sugar by 1.4 percent (0.21 million tons) and (3) Tapioca flour, which decreased in MPI by 2.7 percent (%YoY) from reduced production due to droughts and epiphytotic diseases, together with key importers like China slowing down orders resulting in price levels continued to drop.

2) Domestic orientated products such as vegetable oil, the MPI of fell by 14.2 percent (%YoY).



**Domestic sales of food** in August 2019 decreased by 3.3 percent (%YoY) as the result of decreasing the agricultural price index from last year. This resulted in the decrease of domestic consumption.

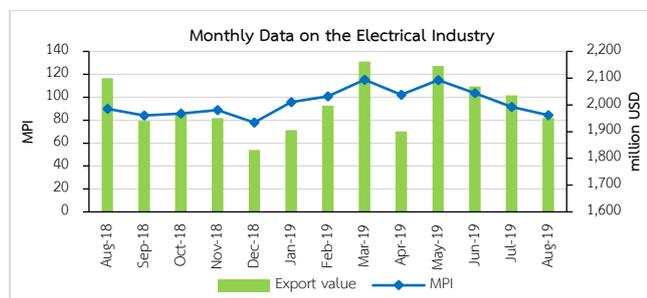


**Export markets:** The overall value of food exports in August shrank after one month of recovery, with a contraction of 2.6 percent (%YoY) from key products such as rice, canned pineapple, cassava products (cassava chip and tapioca flour), canned tuna and canned sweet corn, which decreased by 43.2 percent, 39.1 percent, 25.0 percent, 15.0 percent, and 12.7 percent, respectively, due to the slowing markets in ASEAN, England and Australia. Key products such as sugar, chilled and frozen chicken, processed chicken, chilled and frozen shrimp, canned sardines, rice products, milk and dairy products, instant noodles, food seasonings, and fresh fruit (durian and longan) increased accordingly.

**Industry Outlook:** *It is expected that the MPI and export value in the food industry in September 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 the impact of the ongoing floods continuing from the droughts in the northeast, resulting in reduced agricultural outputs, such as rice and cassava. A slight contraction is expected despite the positive factors from the African swine fever outbreak in pig, 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



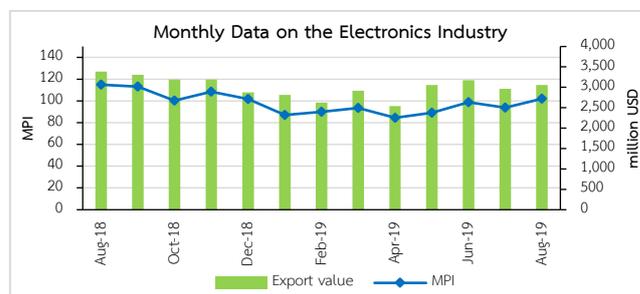
Source: The Office of Industrial Economics, Electrical and Electronics Institute, and Ministry of Commerce

⊖ **Production of electrical appliances** reached a production index of 84.3, a 6.2 percent decrease compared to the same month last year. Products e.g. washing machines, electrical cable, thermos, air-conditioners, transformers, electrical motors, and compressors decreased in production by 43.0 percent, 10.1 percent, 5.9 percent, 3.3 percent, 3.0 percent, 2.9 percent, and 1.4 percent, respectively. The production of washing machines, compressors, thermos, and transformers decreased, as the result of declining domestic market and exports. The production of air-conditioners and electrical motors decreased in overseas orders; however, the production of rice cookers, refrigerators, household fans, and microwaves increased by 16.9 percent, 8.3 percent, 7.0 percent, and 6.6 percent, respectively. Microwave and refrigerator's sales grew increasingly in domestic and overseas markets, and the production of rice cookers grew as domestic sales have increased.

⊖ **Exports of electrical appliances** valued 1,951.7 million USD, a slight decrease of 6.9 percent compared to the same month last year as critical markets contracted, including ASEAN, the US, China, and EU. Key products that decreased were air-conditioners and components valued at 435.7 million USD, a decrease of 10.2 percent, and 25.9 percent in the Australian market. Washing machines, dry cleaning machines, and parts valued 95.4 million USD, dropping 28.4 percent. Exports of these products to the US dropped 84.5 percent due to safeguarding measures that the US imposed on Thailand. Meanwhile, exports of key products—refrigerators, freezers, and components—reached a value of 168.2 million USD, an increase of 9.7 percent from exports to the US and Japan which increased by 199.3 percent and 18.7 percent, respectively. The increase resulted from the US - China trade war, causing Thailand to export more refrigerators to the US.

*"Production outlook for September 2019, the electrical industry is expected to contract by 2.0 percent compared to the same month last year, as decreasing exports of air-conditioners to key markets and the slowdown of the economy of trading partners such as Australia."*

### ■ Electronics Industry



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

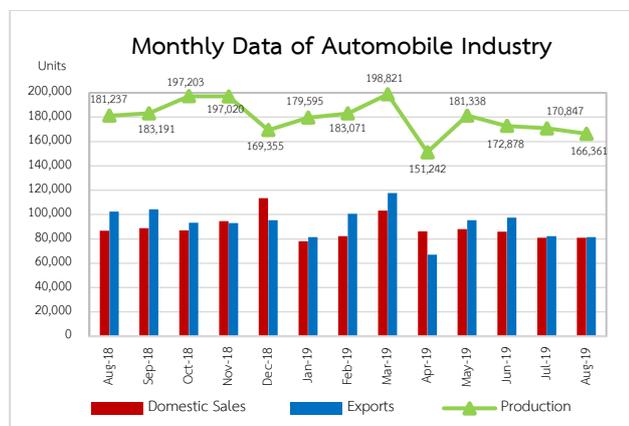
⊖ **Production of electronics** dropped 3.0 percent compared to the same month last year, with an MPI of 102.1. Products that decreased in production were semiconductor devices transistors, PCBAs, ICs, and PWBs by 33.9 percent, 14.7 percent, 13.9 percent, and 11.7 percent, respectively. The decrease caused by less purchase orders from key markets and the slowdown of demand for electronics products. However, HDDs increased in production due to business operators shifted production base from Malaysia to Thailand.

⊖ **Exports of electronics** valued 3,060.3 million USD, a decrease of 9.5 percent compared to the same month last year as the result of contraction of key markets such as China, Japan, ASEAN, the US, and Hongkong. Integrated circuits (IC) had an export value of 640.4 million USD, a decrease of 14.3 percent. Computers and components valued 1,133.9 million USD, down 10.5 percent. The value of HDD exports dropped by 6.5 percent.

*"Production outlook for September 2019, the electronics industry is expected to contract by 6.4 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

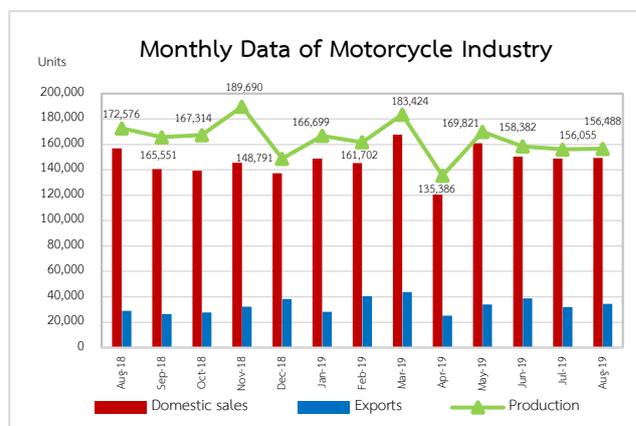
➖ **Automobile production** in August 2019 reached 166,361 units. The production decreased by 2.63 percent compared to July 2019 and 8.21 percent from the same month last year (%YoY). This resulted from the decrease in production of passenger cars, 1-ton pickup trucks and derivatives.

➖ **Domestic sales of automobiles** in August 2019 reached 80,838 units, a 0.25 percent decrease (%MoM) from July 2019 and a 6.88 percent decrease from the same month last year (%YoY). The decrease resulted from the reduction of sales of PPV and SUV cars, as domestic economy start to slowdown and strict loan approval.

➖ **Export of automobiles** in August 2019 reached 81,549 units, a 0.73 percent decrease from July 2019 (%MoM) and a 20.45 percent decrease from the same month last year (%YoY). Automobile exports decreased in almost all markets, except for the Middle East market.

*"Automotive industry outlook for September 2019, it is expected that the industry will slow down compared to September 2018, as automobile sales in partner countries decline due to trade war and the decrease of domestic sales from economic slowdown."*

#### ■ Motorcycle Production Industry



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

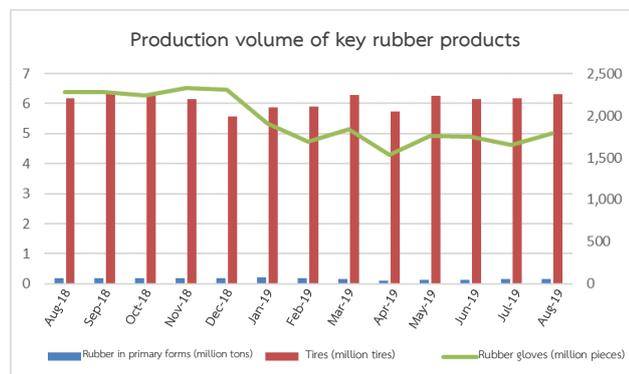
➕ **Motorcycle production** in August 2019 reached 156,488 units. The production increased by 0.28 percent from July 2019 (%MoM) but decreased by 9.32 percent from the same month last year (%YoY), resulting from decreasing production of multi-purpose motorcycles.

➕ **Domestic sales of motorcycles** in August 2019 reached 149,421 units. Sales increased by 0.474 percent from July 2019 (%MoM) but decreased by 4.75 percent compare to the same month last year (%YoY), resulting from decreasing sales of 51-110 cc., 126-250 cc. and  $\geq 400$  cc. motorcycles.

➕ **Exports of motorcycles** in August 2019 reached 34,447 units, a 7.53 percent increase from July 2019 (%MoM) and a 19.03 percent increase from the same month last year (%YoY), whereby exports to the China, Spain and Australia increased.

*"In September 2019, the outlook for the motorcycle industry is expected to decrease compared to September 2018 due to contraction of domestic market and global economy."*

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

➕ Tires increased by 2.42 percent in correlation to the expansion of both domestic and overseas markets.

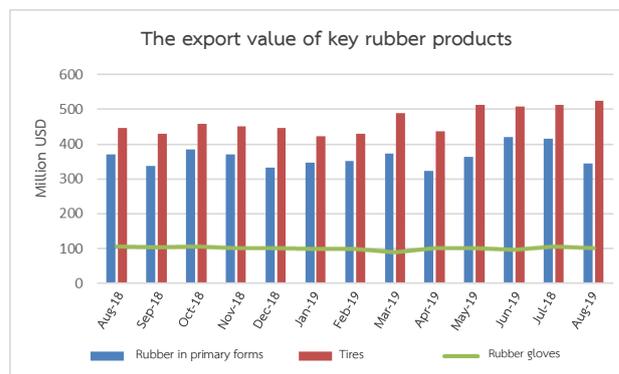
➖ Rubber gloves decreased by 21.26 percent, as the domestic price of field latex increased, and the Baht strengthened against the US Dollar causing businesses to bear higher costs and, therefore, unable to compete.

### Domestic Sales

➕ Processed rubber in primary forms (smoked rubber sheets, rubber blocks, and concentrated latex) increased by 22.91 percent in correlation to increased demand.

➕ Tires increased by 3.95 percent in correlation to expansion of Replacement market.

➖ Rubber gloves decreased by 2.01 percent as some large manufacturers adjusted their marketing plans to more direct exports.



Source: Ministry of Commerce

### Exports

➖ Processed rubber in primary forms (smoked rubber sheets, rubber blocks, and concentrated latex) decreased in export value by 7.14 percent, as China and India have decreased orders for rubber from Thailand by 22.38 percent and 60.57 percent, respectively.

➕ Tires increased in export value by 17.51 percent in correlation to the growth of the US market which increased by 42.37 percent.

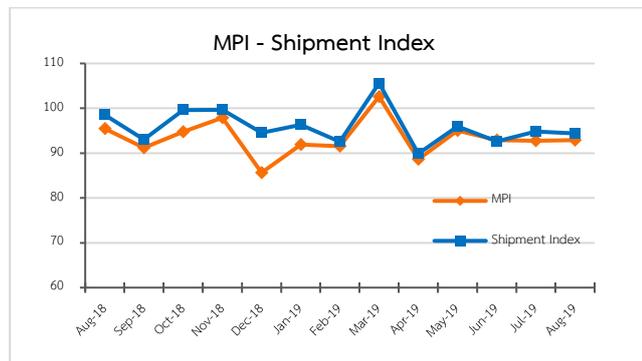
➖ Rubber gloves decreased in export value by 2.92 percent from contraction of Germany, South Korea, and Belgium markets.

### Industry Outlook in September 2019

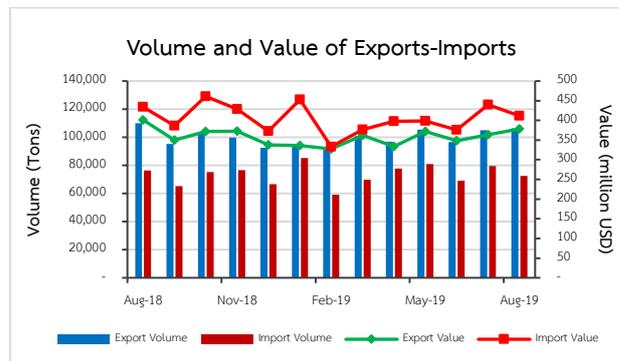
The production and sales of processed rubber in primary forms (smoked rubber sheets, rubber blocks, and concentrated latex) are expected to slow from the previous month due to heavy rain in many areas and flooding in the northeast region; thus, the supply of rubber into the market dropped significantly. On some days, there is no rubber entering the central market of the Rubber Authority of Thailand in some places. Production and domestic sales of tires are expected to increase in line with the growth of the replacement and the US markets. Production and domestic sales of rubber gloves are expected to slow due to continuously rising prices of raw materials and the appreciation of the Baht against the US Dollar.

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 tires, on the other hand, is likely to increase in the value following the growing trend of the US market. The export value of rubber gloves is expected to decrease for the third consecutive month but will grow from the previous month as the US market has growth potential.

## 5. Plastics Industry



Source: The Office of Industrial Economics



Source: The Office of Industrial Economics

### Production and Sales

**Manufacturing Production Index** in August 2019 decreased by 2.69 percent compared to the same period last year, whereby the MPI of plastic gunny bag decreased by 20.69 percent, followed by plastic tableware, kitchenware and toilet articles category (18.57 percent).

**Shipment Index** in August 2019 decreased by 4.19 percent compared to the same period last year, whereby the MPI of plastic gunny bag category decreased by 21.74 percent, followed by plastic plate category (13.30 percent).

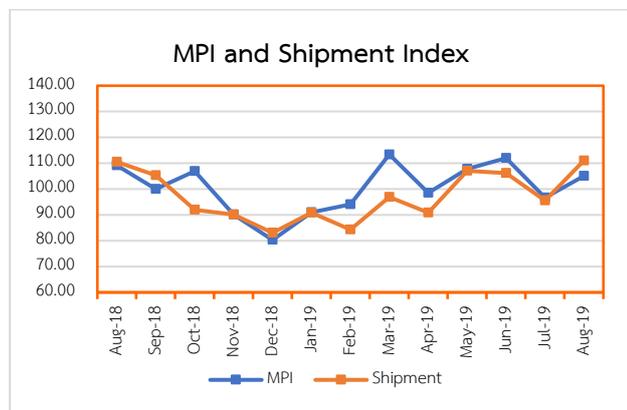
### Marketing

**Exports** in August 2019 valued 378.49 million USD, or a 5.60 percent decrease compared to the same period last year. The top 3 plastic products that contributed to the decrease of export value were other plastics (3926), packaging products (3923), and non-cellular plates, sheets, film, foil and strip of plastics (3920), which increased by 12.30 percent, 3.34 percent, and 4.03 percent, respectively, compared to the same period last year. This was the result of decreasing orders from trading partners such as the US, Japan, Australia, and ASEAN—Cambodia, Malaysia, and Laos.

**Imports** in August 2019 valued 411.86 million USD or a 5.22 percent decrease compared to the same period last year and a 6.35 percent decrease from last month. The top 3 plastic products with decreasing import value were non-cellular plates, sheets, film, foil and strip of plastics (3920), packaging products (3923), and self-adhesive plates, sheets, film, foil, tape, strip and other flat shapes of plastics (3919), which decreased by 14.01 percent, 8.48 percent, and 10.52 percent, respectively, compared to the same period last year.

*The plastics industry outlook* in September 2019 predicts that production and marketing will remain stable from the global economic slowdown. Additionally, fluctuations in oil prices and the Baht value is a factor affecting production, together with the effects of the trade war that may negatively impact the export of Thai plastic products.

## 6. Chemicals Industry

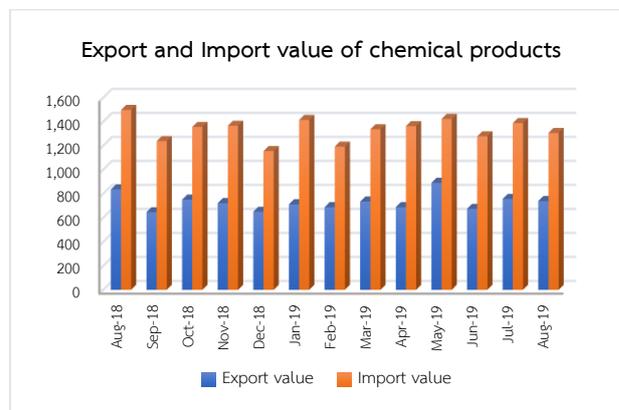


Source: The Office of Industrial Economics

**–** The manufacturing production index of the chemicals industry in August 2019 decreased by 3.72 percent compared to the same period last year. Downstream chemical category decreased by 6.88 percent compared to the same period last year, products that decreased in production were fertilizer and paint.

**–** Sales in August 2019 decreased by 3.82 percent compared to the same period last year. Basic chemicals category decreased by 1.91 percent, and downstream chemicals category decreased by 4.37 percent. Downstream chemical products that decreased in sales were ethanol, chemical fertilizer, talcum powder, etc.

**–** Exports in August 2019 reached the total value of 739 million USD, a 11.68 percent decrease compared to the same period last year. Exports of basic chemicals category reached the total value of 355 million USD, a 12.37 percent decrease compared to the same period last year. Key products that contributed to the decrease of exports were organic and inorganic chemicals, whereas downstream chemicals category had an export value of 384 million USD, decreasing by 11.04 percent compared to the same period last year. Key products that contributed to the decrease in export value from the previous year were fertilizer, paint, and cosmetic. Key export markets of chemical products were China, Japan, India, and ASEAN countries.

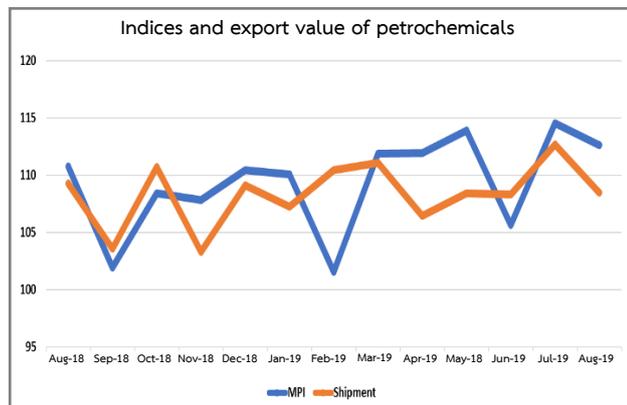


Source: Customs Department, Ministry of Finance

**–** Imports in August 2019 valued 1,306 million USD, a 12.73 percent decrease compared to the same period last year. Basic chemicals reached the import value of 812 million USD, a 10.36 percent decrease compared to the same period last year. Key products that contributed to the decline in imports were organic chemicals and miscellaneous chemical products. Import of downstream chemicals valued 494 million USD, a 16.37 percent decrease compared to the same period last year. Products with higher import values were fertilizer, cosmetics, and paints. Key import markets of downstream chemicals were Japan, China, the US, Saudi Arabia, Singapore, etc.

In September 2019, exports and imports of the chemical industry are expected to continue to decline compared to the same period last year, due to the global economic slowdown as a result of trade protection policies between the US and China. Domestic factors including the flooding in the northeast, damaging agricultural products and farmers' income, which affects the purchasing power of agricultural chemicals.

## 7. Petrochemicals Industry

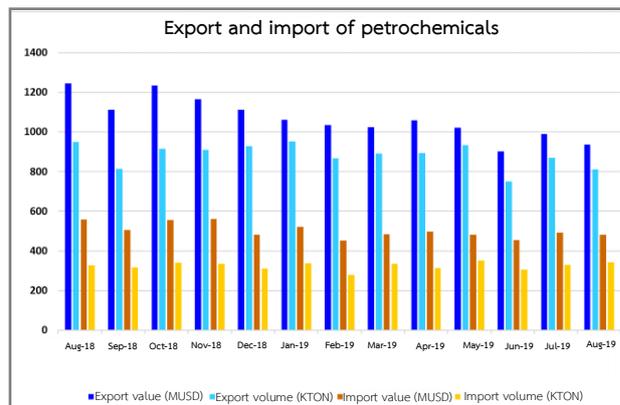


Source: The Office of Industrial Economics

**+** The manufacturing production index in August 2019 grew by 1.69 percent compared to the same period last year. Products that increased in MPI were basic petrochemicals used as solvents and as precursors for the production of various plastics such as Toluene, Propylene, and Ethylene by 9.66 percent, 4.05 percent, and 0.35 percent, respectively. Meanwhile, downstream petrochemical products used to produce various types of both hard and soft packaging, such as PE and PS resins, grew by 6.84 percent and 6.63 percent, respectively.

**-** Shipment index in August 2019 decreased by 0.72 percent compared to the same period last year. For basic petrochemicals, the shipment index of solvents such as Benzene shrank by 12.11 percent. In downstream petrochemicals, products used to produce automotive and electrical parts such as ABS and SAN resins decreased by 22.51 percent and 19.28 percent, respectively.

**-** Exports in August 2019 reached 936.34 million USD, a 24.79 percent decrease compared to the same period last year. Basic petrochemical products with decreasing export value were products used as solvents and in the production of synthetic fibers, such as Benzene, Para-Xylene, and Terephthalic Acid. Downstream petrochemical products with decreasing export value namely, PET, PS, and PP resins, were mostly used in food packaging industry. Overall, the proportion of petrochemicals exported to key countries were China (35.96%), Indonesia (10.54%), India (8.64%), Vietnam (7.61%), Japan (8.06%), etc.

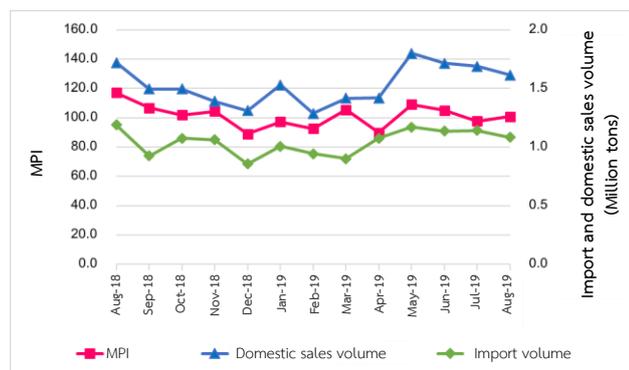


Source: Customs Department, Ministry of Finance

**-** Imports in August 2019 valued 480.72 million USD, a decrease of 13.75 percent compared to the same period last year. Basic petrochemical products that reduced import value were products used as precursors to the production of synthetic fibers and rubbers such as Para-Xylene and Styrene. Meanwhile, downstream petrochemical products with reduced import value were mostly used in the production of automotive parts, electrical parts, and synthetic fibers such as ABS resin, SR rubber, BR rubber, and Nylon resin. Overall, imports origins of petrochemical of Thailand were Japan (14.15 percent), South Korea (12.74 percent), China (12.45 percent), the US (10.97 percent) and Singapore (10.75 percent).

Petrochemicals industry outlook in September 2019, it is expected that exports and imports will decrease slightly when compared to the same period last year as petrochemical prices continue to fall continuously, following the direction of crude oil prices. This will result in the price differential of petrochemical production to remain weak, including the impact of trade protection policies of the US and China.

## 8. Iron and Steel Industry



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

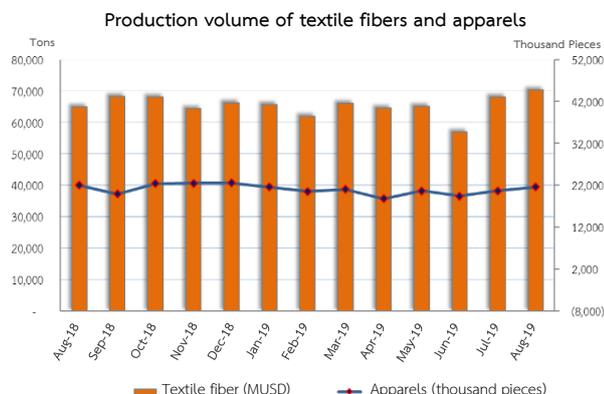
**⊖ The manufacturing production index** in August 2019 reached 100.9, a decrease of 13.8 percent (declining for the third consecutive month) compared to the same period last year. Considering key products, namely long steel, and flat steel, the MPI fell in both products. Products in the long steel group reached an MPI of 105.5, a drop by 5.2 percent (declining for the second consecutive month), as the production of hot-rolled structural steel decreased by 18.7 percent (declining for the ninth consecutive month), followed by high tensile steel and steel wires which fell by 12.2 percent and 10.5 percent, respectively. Products in the flat steel group reached an MPI of 94.4, down 19.4 percent (declining for the third consecutive month) from the production of tinplate, which fell by 45.7 percent following a slowdown in downstream industries such as the production of packaging for canned fruit. This was followed by chromium-plated steel sheets and hot-rolled coiled steel sheets, which decreased by 36.6 percent and 22.7 percent, respectively.

**⊖ Domestic sales** in August 2019 reached 1.6 million tons, a decrease of 5.2 percent compared to the same period last year, due to a reduction in long and flat steel product sales. Long steel reached a sales volume of 0.6 million tons, a decrease of 26.9 percent from the sale of round bar and hot-rolled structural steel, which decreased by 35.3 percent and steel rods by 5.7 percent due to the slowdown in the construction industry. Flat steel reached a sales volume of 1.0 million tons, a contraction by 8.9 percent due to the sales of tinplated steel sheets, which decreased by 25.4 percent, followed by cold-rolled steel sheets and thin hot-rolled steel sheets which fell by 15.4 percent and 9.2 percent, respectively.

**⊖ Imports** in August 2019 reached 1.1 million tons, a decrease of 9.6 percent compared to the same period last year, from imports of both long and flat steel products. Imports of long steel products reached 0.2 million tons, a 23.6 percent decrease from imports of hot-rolled structural carbon steel which decreased by 81.0 percent (key import countries were India and China), followed by stainless steel and alloy steel bars, which decreased by 46.8 percent and 45.3 percent, respectively. Flat steel products reached an import volume of 0.9 million tons, a 4.8 percent decrease from imports of hot-rolled stainless steel plates which decreased by 32.0 percent (key import countries were China and Japan), followed by hot-rolled carbon steel sheets and electro-galvanized (EG) steel sheets which decreased by 29.4 percent and 29.1 percent, respectively.

*"Iron industry outlook in September 2019, it is expected that the production will decrease compared to the same period last year due to the slowdown in related industries such as the automotive, metal cans packaging, and electrical industries."*

## 9. Textile and Garment Industry



Source: The Office of Industrial Economics

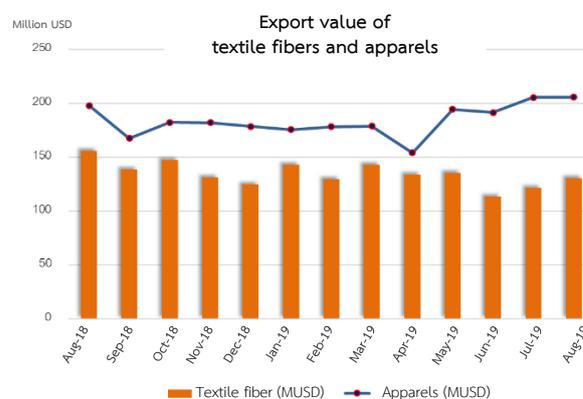
### Production

**+** *Production of textile fibers* increased by 8.55 percent, partly resulting from the production volume in the previous year was relatively low, as the major textile fibers and fabric factories stopped some production lines for maintenance. Compared to last month, the production remained stable following the slowing exports.

**-** *Fabrics and apparel* contracted by 18.13 percent and 1.78 percent (%YoY), respectively. This decline was the result of declining purchase orders from trading partner countries, together with the expectation that the global trend for textiles and wearing apparels and domestic consumption demand will slow down; therefore, business operators reduced the production of upstream raw materials to be kept as stock.

### Domestic sales

**-** *Textile fibers, fabrics, and apparel* decreased by 7.20 percent, 15.52 percent, and 11.92 percent, respectively due to reduced demand for raw materials for production, both for exports and domestic consumption. Furthermore, imports of fashion apparel from China were cheaper.



Source: Ministry of Commerce

### Exports

**-** *Export value of Textile fiber and fabrics* decreased by 16.24 percent and 8.53 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. Meanwhile, Thai fabric exports to Vietnam and Cambodia fell because both countries exported less clothing to China.

**+** *Export value of Apparel* increased by 3.96 percent from the growth of apparel exports for both men and women's wear to the US and EU, which increased

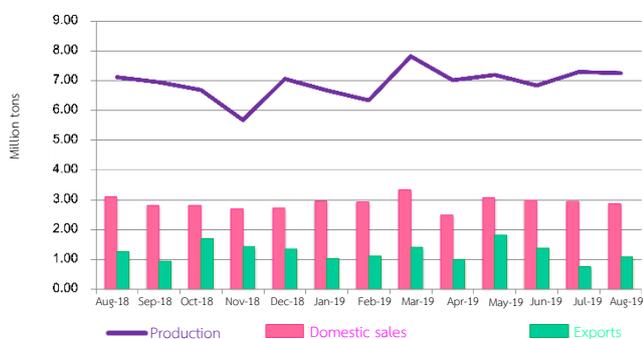
### September 2019 outlook

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

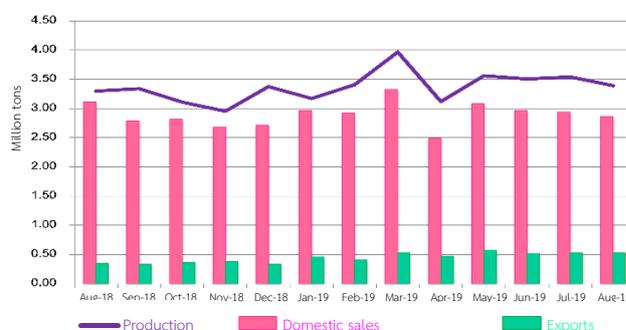
Volume of Cement Production, Domestic Sales, and Exports



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 August 2019, reached 7.25 million tons, a 0.54 percent decrease from July 2019 (%MoM) but a 1.90 percent increase from the same month last year (%YoY).

**-** **Overall domestic cement sales** in August 2019 reached 2.86 million tons, a decrease of 2.85 percent from July 2019 (%MoM), and 8.03 percent (%YoY) from the same month last year. The decrease resulted from the decrease of domestic demand, which slowed down following economic conditions. Furthermore, the housing market was still affected by the Bank of Thailand's property control measures (LTV).

**+** **Total exports of cement** in August 2019 reached 1.09 million tons. The volume increased by 43.95 percent from July 2019 (%MoM) but decreased by 13.50 percent compared to the same month last year (%YoY), as the result of lowered orders from key export market —the Philippines (72.34 percent).

The outlook for overall cement production industry in September 2019 is expected to decrease.

**+** **Cement production** (excluding clinker) in August 2019 reached 3.39 million tons. The production decreased by 4.22 percent from July 2019 (%MoM) but increased by 2.81 percent from the same month last year (%YoY).

**-** **Domestic sales of cement** (excluding clinker) in August 2019 reached the total volume of 2.86 million tons. The sales volume decreased by 2.85 percent from July 2019 (%MoM) and decreased by 8.05 percent from the same month last year (%YoY).

**+** **Export of cement** (excluding clinker) in August 2019 reached the volume of 0.53 million tons. The export volume increased by 0.52 percent from July 2019 (%MoM) and 49.84 percent compared to the same month last year, as the result of increasing orders from Cambodia by 58.29 percent.

The outlook of the cement industry (excluding clinker) in September 2019 is expected to continue to grow if there are no negative factors such as flooding from the rainy season.