

The Ministry of Industry Reports MPI Growth of 2.75 Percent in February from the Same Period of the Previous Year and Is Expecting Growth of between 3.5-4.5 Percent. Furthermore, the Russia-Ukraine War Is Being Closely Monitored.

The Ministry of Industry reported that MPI in February 2022 grew for the sixth consecutive month. The overview of MPI was at 102.00, an increase of 2.75 percent compared to the same period of the previous year. The factors were from activities of economic recovery after the relaxation of COVID-19 control measures and the opening of the country. The MPI in 2022 is expected to increase by 3.5-4.5 percent, and GDP is expected to increase by 2.2-3.2 percent. Effects of the Russia-Ukraine war is still monitored closely.

The Minister of Industry, Mr. Suriya Juangroongruangkit, reported that Thai industrial sector expanded close to the period before the COVID-19 outbreak. The MPI in February 2022 was at 102.00, an increase of 2.75 percent compared to the same period of the previous year. The MPI grew for the sixth consecutive month since September 2021. Capacity Utilization was at 64.80 percent. The Office of Industrial Economics expected the MPI in 2022 will increase by 3.5-4.5 percent and the GDP will increase by 2.2-3.2 percent.

“The Thailand economy is growing after the administration of vaccines, the relaxation of COVID-19 control measures, supporting action of economic stimulus by the government and opening the country, while the industrial sector is continuously receiving orders and the exports are continually increasing for the twelfth consecutive month. The Office of Industrial Economics has expected the economic and industrial overview in 2022 to increase compared to last year. However, the Russia-Ukraine war has been being monitored since late February when it affects rising prices and inflation. The Minister of Industry has reminded relevant departments to observe the crisis carefully.” Mr. Suriya said.

OIE Director-General, Mr. Thongchai Chawalitpichaet, said the relaxation of COVID-19 control measures and opening the country caused better economic activity and the recovery of supply in Thailand. The petrochemical industry continuously expanded although entrepreneurs were facing the rising production costs such as energy, transportations and imported raw materials which caused the exchange rate fluctuation. The entrepreneurs were effectively managing their production costs on the whole which could be seen from Producer Price Index (PPI) of Trade Policy and Strategy Office. Industrial products in February

increased by 8.0 percent, the same as last January although the prices of many goods and services were extremely higher.

However, the industrial economy of Thailand is continually expanding. The Office of Industrial Economics has The Early Warning System Industry Economics: EWS-IE calculated. It showed Thailand economic overview tends to rise in a few next months as well as trading partner countries. Meanwhile, the Russia-Ukraine war needs to be monitored because it affects rising energy and oil prices as well as a catalyst for inflation.

Key industries contributing to the MPI growth in February 2022 compared to the same period of the previous year were:

Petroleum increased by 15.88 percent from the same period of the previous year, mainly an increase from high-speed diesel and jet fuel, due to the relaxation of COVID-19 control measures and opening for tourists via the Test and Go program which brings economic activities closer to a normal level. The more transportation, the higher the demand is for fuels.

Beer increased by 40.94 percent from the same period of the previous year because the relaxation of COVID-19 control measures affected an increase of demands and selling dealers' stocks for higher demand during the Songkran festival.

Electronic components and boards increased by 6.18 percent from the same period of the previous year due to the constantly higher demand of the world market although there was an event of the supply shock in semiconductor manufacturing which caused a global chip shortage.

Automotive industry increased by 2.22 percent from the same period of the previous year, mainly an increase from pickup trucks, small passenger cars and diesel engines. It increased in both domestic and export markets after the relaxation of COVID-19 control measures, economic activities in a nearly normal level, the economic stimulus by the government's projects and the high prices of satisfactory agricultural products.

Ready-to-wear (textile) increased by 23.26 percent from the same period of the previous year, mainly an increase from sportswear, T-shirts and underclothes, due to the domestic and export markets rising and according to economic recoveries of trading partner countries, including Asia, Europe and America.

MPI and Capacity Utilization Rate (Monthly)

Index	2021											2022	
	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.
MPI	99.27	109.45	91.27	100.17	98.12	89.98	86.70	94.72	97.51	100.75	102.26	104.42	102.00
Change Rate (%MOM)	-3.05	10.25	-16.60	9.75	-2.05	-8.30	-3.65	9.25	2.94	3.33	1.50	2.11	-2.32
Change Rate (%YOY)	-1.24	5.76	18.22	26.03	18.64	3.75	-4.95	0.35	2.74	4.59	6.66	1.99	2.75
Capacity Utilization Rate	63.96	69.68	59.30	64.91	63.75	58.10	56.28	61.14	63.12	65.17	65.24	65.91	64.80

Source: Division of Industrial Economics Information and Indices, Office of Industrial Economics, data as on 30th March, 2022