

The Office of Industrial Economics (OIE) announced that MPI in March 2016 was the highest in the past 3 years, in line with exporting expansion, and estimated that MPI of main industries in Q2/2016 will improve.

The Office of Industrial Economics (OIE) announced that Manufacturing Production Index (MPI) and the Capacity Utilization Rate (CAPU) in March 2016 were the highest in the past 3 years, which the MPI in March returned to positive growth at 1.83%, and the major industries that are estimated to increase in Q2/2016 are the electrical and electronics industry, the food industry and the automotive industry.

Mr.Siriruj Chulakaratana, Director General of the Office of Industrial Economics (OIE), revealed that the Manufacturing Production Index (MPI) in March 2016 returned to positive growth at 1.83%, after it was a negative growth for 2 months consecutively, stemming from an increasing of engines and cars, cosmetics, jewelry, and air conditioners and its parts. In addition, the Capacity Utilization Rate, or CAPU of industry sector in March 2016 was the highest levels in the past 3 years. The industrial production index in the first quarter of 2016 shrank 1.08% when compared with the same period of previous year (YoY). However, there are signs of the economy trends that are improved in February and March 2016.

Industries that contribute MPI in March 2016 to be positive include;

Engines for automobiles; the production increased in diesel engine by 12.01% when compared to the same period last year, due to there was main factor that a popularity of domestic market for a new model pickup truck, and as well as demand increasing in the international market, including the Middle East, Australia, Latin America countries and the EU.

Automobiles; the production increased 5.02% YoY, stemming from new models pickup truck launched.



Cosmetics; the production expanded 41.51% YoY, from powder, detergent, and shampoo products, owing to the weather in this year is hotter than last year, resulting in an increasing demand of the powder (cooling).

Jewelry; the production climbed 40.72% YoY, earrings, necklaces, rings, pendants, and bracelets products, because operators focus on outstanding design and style of using, so it became a getting more popular.

Air conditioners and its parts; the production increased 12.48% YoY from condensing unit, and fan coil units products, due to hot weather is very hot, resulting in an increasing demand of the air conditioners.

Major industries that surged in Q1/2016 and are expected to surge in Q2/2016 include;

Electrical and electronics industry; in Q1/2016, the production in overall increased slightly by 0.13% YoY. The electrical industry increased 6.51%, which almost all electrical appliances group increased. Meanwhile the electronics industry dropped 4.77%, which almost electronics group decreased such as Semiconductor and HDD downed 18.21% and 18.43 respectively, due to a demand for desktop and notebook decreased steadily, but IC production increased 0.75%.

In Q2/2016 the electrical and electronics industry is forecasted to increase 1%, which the electrical industry is expected to expand 35. The products that are expected to expansion include air conditioners and refrigerator because an increasing of domestic sales and exports. Meanwhile the electronics industry is expected to decline 2% due to a decreasing demand of HDD in line with technology changes. The IC is expected to increase because the IC is still a major part in the development of products with enhancing of more advanced technology application, which the new models are released continuously.

Textile and garment industry; when compared to the same period last year, the situations of Q1/2016 was same direction with March 2016. The production of textile fibers increased 1.81%, which was expansion

continuously, due to an increasing in domestic demand and exports. But fabrics and garment fell 8.67% and 12.74 respectively in line with a slowdown of the economic situations, as a result, public reduced spending of luxuries. The production of textiles and apparel in q2/2016 is expected to improve YoY, especially synthetic fibers and readymade garments.

In addition, the industries that declined in Q1/2016, but are expected to surge in the Q2/2016, include;

Food industry; in Q1/2016 the production in overall dropped 3.8% YoY from fishery products. For fruit and vegetables products (canned pineapple and canned juice) increased due to an increase of order from the ASEAN countries and the US.

In Q2/2016, the production and exports of food industry are expected to increase slightly YoY by 1.3% and 0.5% respectively, because livestock products (frozen and chilled chicken, and processed chicken) had positive factor from competitive countries such as Brazil and China which reduced production, as well as competitive countries still has experienced bird flu, so it is good opportunity for Thailand.

Automotive industry; in Q1/2016, although the product was a slow YoY which it was a decline of the domestic market and the export market, due to a slowdown of the global economy and domestic economy conditions and economic downturn. In Q2/2016, the production number of car is predicted to be 490,000 units, with an increase 19.3o YoY. It is produced for domestic sales by 260,000 units with an increase of 51.76%, and for export by 230,000 units with a decrease of 7.20%.

Manufacturing Production Index and Capacity Utilization Rate

Index	2015												2016		
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Manufacturing Production Index	111.18	110.58	118.07	98.08	108.68	107.99	108.91	103.67	107.13	107.59	105.58	105.15	107.51	108.65	120.23
Changing rate(MOM) %	7.23	-0.54	6.78	- 16.93	10.81	-0.64	0.85	-4.82	3.34	0.43	-1.87	-0.48	2.25	1.3	10.65
Changing rate (YOY) %	0.71	1.69	-1.03	-0.06	-0.14	-0.57	2.65	0.5	-0.33	-0.83	0.28	1.33	-3.5	-1.7	1.83
Capacity Utilization Rate %.	68.06	67.08	70.8	57.89	64.03	64.81	65.34	62.69	64.88	63.82	63.56	62.87	63.93	65.6	72.49

Source: The Office of Industrial Economics

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