

**The Office of Industrial Economics (OIE) announced that an increase of productivity of 5 major industries drove MPI in Q2/2016 to grow 1.5%.**

The Office of Industrial Economics (OIE) explained that it has begun to show clear signs of recovery of the industrial sector after the Manufacturing Production Index (MPI) in Q2/2016 grew 1.5%, as a result of the MPI in June 2016 expanded 0.82% due to an increase of 5 major industries including automotive industry, electrical and electronics industry, iron and steel industry, textiles and garments industry, and food industry.

Mr.Verasak Supprasert, Deputy Director General of the Office of Industrial Economics (OIE) disclosed that the Manufacturing Production Index (MPI) in Q2/2016 grew by 1.5% when compared with the same period of the previous year (YoY), as a result of the MPI in June 2016 continued to show positive growth with an increase of 0.82% YoY. The expanded major industries including automobiles, air conditioners, electronic components, chemicals used in home and motorcycles. The expansion reflected that it has begun to show clear signs of recovery of the industrial sector consecutively.

**Industries that contributed to a positive growth rate of the MPI in June 2016 included following industries.**

**Automobiles:** The production increased 13.27% when compared with the same period of the previous year, from products of pickup trucks, small passenger cars, and large passenger cars.

**Air conditioners and parts:** The production increased 50.12% when compared with the same period of the previous year, from products of condensing unit and fan coil units, due to hot weather that caused more demand of air conditioners. In addition, there was an increase of order of the electronic components, and the production increased 4.50% when compared with the same period of the previous year.

**Cosmetics:** The production expanded 13.01% when compared with the same period of the previous year, from soaps and skin care products, shampoo, dishwashing detergent, fabric softener and powder.

**Motorcycles:** The Production increased 18.49% when compared with the same period of the previous year, due to an increase of purchasing power of consumers.



## Major industries that increased in Q2/2016

**Automotive industry:** In Q2/2016, the production of automobile was 486,000 units approximately, with an increase of 18.45% from the same period of the previous year. It was produced for domestic sales by 187,000 units approximately with an expansion of 9.19%, and it was produced for exports by 287,000 units approximately.

**Electrical and Electronics industry:** In Q2/2016, the overall production increased 7.39% when compared with the same period of the previous year. The electrical industry expanded 17.61% when compared with the previous year, and the electronics industry dropped 0.03% when compared with the previous year. However, a demand of IC is expected to rise due to product development with the use of more advanced technology.

**Iron and steel industry:** In Q2/2016, the production expanded 2.26%, the domestic consumption and sales increased 25.81%. It is expected that the domestic market will continue to recover, due to funds from transportation infrastructure projects of government sector, which will result that the production of long steel in the country will increase more.

## 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	Apr	May	Jun
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	107.3	108.65	120.66	98.95	111.62	108.88
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	-0.41	2.05	1.26	11.05	-17.99	12.8	-2.46
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	1.41	-3.49	-1.74	2.19	0.89	2.7	0.82
Capacity Utilization Rate %	68.79	68.31	72.19	59.21	65.51	66.08	66.43	63.7	65.86	64.94	64.8	63.95	65.12	66.86	74.3	59.52	67.54	66.29

Source: The Office of Industrial Economics

Jul. 28<sup>th</sup>, 2016