

Summary of Industrial Production in May 2019

The manufacturing production index in May 2019 decreased by 4.0 percent compared to the same month last year, a result of the contraction of key industries such as chemical fertilizer, other rubber products, and automotive industry. The capacity utilization rate in May 2019 was 67.7 percent.

The Manufacturing Production Index in Major Industries

The MPI of May 2019 decreased by 4.0 percent compared to the same month last year. Key manufacturing industries such as the chemical fertilizer, other rubber products, and automotive industry have declined.



The MPI of the chemical fertilizer manufacturing industry contracted by 39.9 percent compared to the same month last year, due to the severe drought and low prices of agricultural products such as rice and field crops compared to the previous year. As a result, farmers had less purchasing power. Moreover, exports to CLMV markets were lower, resulting from trade competitors such as China, whose products are cheaper. This caused production and sales to decrease in both the domestic and export markets.

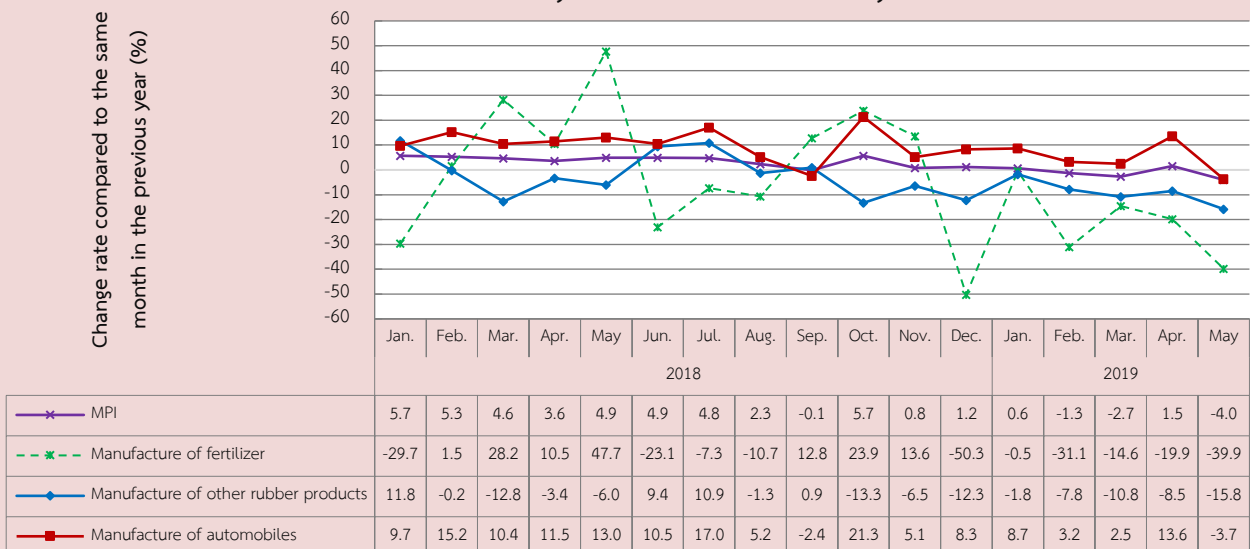


The MPI of the other rubber products manufacturing industry contracted by 15.8 percent compared to the same month last year, mostly from a decline in rubber sheets and block rubber products, due to drought and very hot weather resulting in less latex to supply market. Also the government has issued measures to control the export of rubber for four months (April - July 2019).



The MPI of the automotive industry contracted by 3.7 percent compared to the same month last year as a result of declining domestic orders. This coupled with the slowdown global economy and trade barrier between the US and China, which affected the export markets.

Declined MPI of Key Industrial Products in May 2019



Key manufacturing industries such as palm oil, non-alcoholic beverage, and air-conditioner manufacturing industry were the segment that expanded.



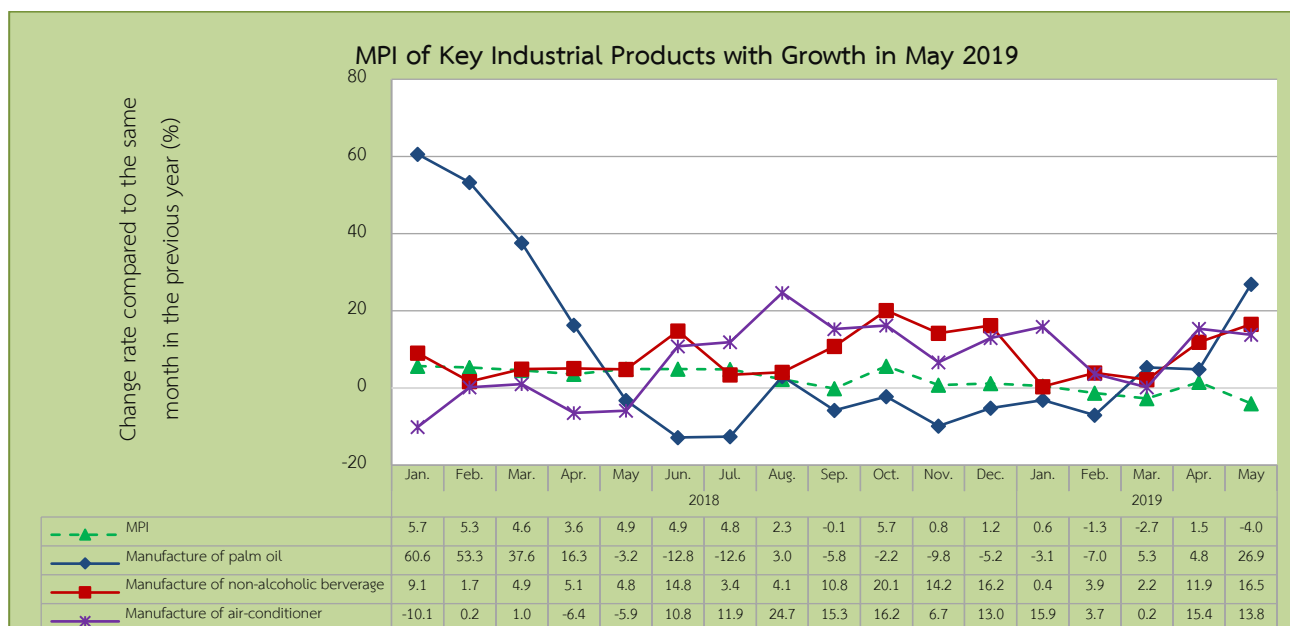
The MPI of palm oil industry grew by 26.9 percent compared to the same month of the previous year, as a result of the purchase contract for crude palm oil of the Electricity Generating Authority of Thailand (EGAT) to complete 100,000 tons by May 2019.



The MPI of non-alcoholic beverages increased by 16.5 percent compared to the same month last year, mainly from drinking water, soft drinks, instant coffee, and energy drinks. The increase resulted from the launch of new products, promotions, and campaigns from manufacturers, including finding new markets such as China.



The MPI of air-conditioner industry grew by 13.8 percent compared to the same month last year. Due to continued severe hot weather throughout the country, resulting in higher demands for air-conditioner, together with manufacturers organized marketing campaigns to increase the market shares as well as growing orders from new customers such as India.



Capacity Utilization Rate in May 2019 was at 67.7 percent.



More information: Onsupa Chaowanapreecha

Division of Industrial Economic Research

Tel. 0 2202 3916