

Industrial Production Status

Indicators	2017	2018													2019
	Year	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Year(f)	Jan.
MPI*	1.8	5.7	5.3	4.6	3.6	4.9	4.9	4.8	2.3	-0.1	5.7	0.8	1.2	3.6	0.2

* MPIs have been adjusted for 2019 under 2009 Thailand Standard Industrial Classification; TSIC 2009, covering 21 sections, 68 industrial categories, and 255 products. The industrial index was formed using the Laspeyres formula based on the 2016 fixed weights, with added value, output value, sales value, and finished-goods inventory value referenced from "The 2016 Business Trade and Industry Census of the National Statistic Office.

The industrial economics status in **January 2019**—when considering the **manufacturing production index (MPI)**—grew positively from December 2018, with the increase of MPI by 0.2 percent from the same period last year as a result of increasing domestic consumption which grew by 3.3 percent.

When considering the MPI data for the past 3 months (October, November and December 2018) compared with the previous year (%YoY), the trend of industrial production projected in a positive direction, which was a continuous growth for four consecutive months. The production in October, November and December grew by 5.7 percent, 0.8 percent and 1.2 percent respectively.

Indicators	2018													2019
	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	
MPI	5.4	-0.8	11.0	-20.8	14.9	-1.5	-2.8	1.7	-2.7	2.1	0.9	-1.9	4.3	

For the past 3 months (October, November and December 2018), the changing rate of MPI (%MoM) was 2.1 percent, 0.9 percent and -1.9 percent respectively, following normal seasonality of production which accelerated in October and November to support the demand during the New Years' Eve.

Key industries that contributed to the MPI growth in January 2019 were:

- Automobiles and engines: The MPI increased by 8.69 percent from pickup trucks, medium-sized passenger car and small-sized passenger cars in line with the expansion of the domestic market because of manufacturers organizing promotional activities. Exports decreased from diesel engines and small passenger cars.
- Air conditioners: The MPI increased by 15.94 percent from the base below average in the year before as some manufacturers stopped production for a period. Furthermore, there was increased demand both inside and outside the country, whereby the domestic market grew from the demand for small air conditioners, as for the export market due to market expansion in Iraq, Vietnam and Indonesia.

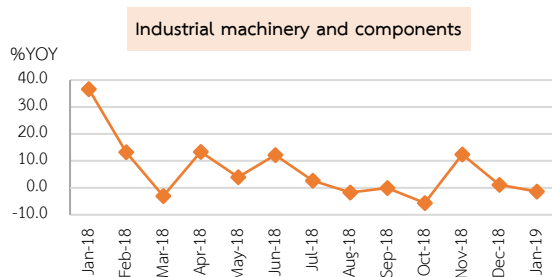
- Sugar: The MPI increased 3.56 percent from raw and pure white sugar, as every factory accelerated production to keep up with the amount of sugarcane harvested.
- Petroleum: The MPI increased 1.59 percent from jet fuel, gasohol 95 and gasoline 95, following the increase in domestic consumption from the expansion of tourism.
- Pharmaceuticals: The MPI increased by 9.51 percent from the acceleration in the production of certain drugs, such as Salol et Menthol Mixture, cough medicine and antipyretic drugs for children to maintain the manufacturer's stock levels.

In 2019, the MPI is expected **to grow positively between 2.0 - 3.0 percent**, with supporting factors from the general election that will affect the confidence of both consumers and investors. Government investment was driven from the progress of major investment projects and operations under the Eastern Economic Corridor (EEC) program.

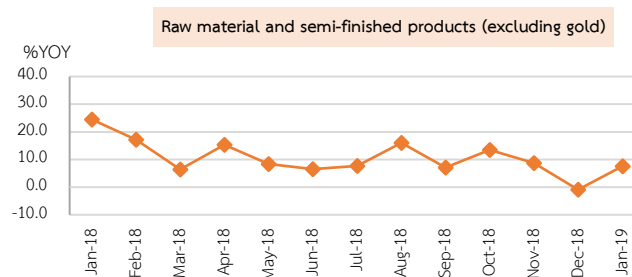
Other Industrial Economic Indicators in January 2019

Other Industrial Economic Indicators in January 2019

Imports of Thailand Industrial Sector



Source: Ministry of Commerce

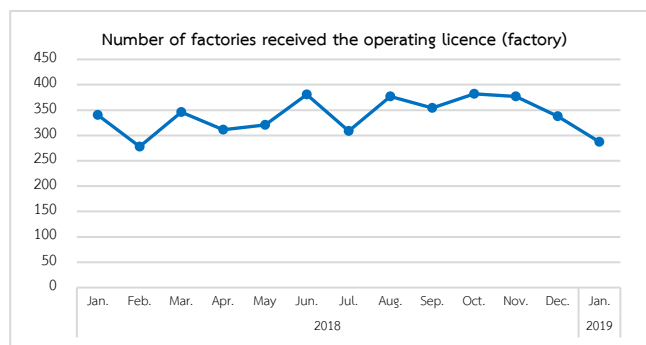


Source: Ministry of Commerce

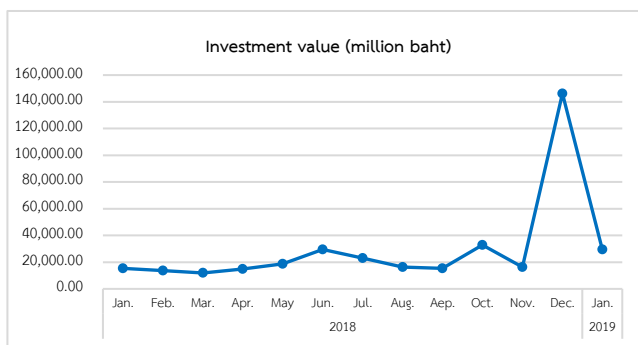
- Imports of industrial machinery and components in January 2019, valued 1,589.4 million USD, a contraction by 2.5 percent compared to the same month last year. The contraction came from the decline in imports of turbines and components and machinery in the printing industry. However, for imports of industrial machinery and components some items still grew, such as engines, power shafts and other components, air pumps, liquid pumps, and construction machinery and components.

+ Imports of raw materials and semi-finished products (excluding gold) in January 2019 valued 7,972.5 million USD, a growth by 8.5 percent compared to the same month last year. Imported products that grew included chemicals, plastic products, fabrics; threads and fibers; paper and paper products; rubber, including rubber scraps.

Industrial Operation Status



Source: Department of Industrial Works



Source: Department of Industrial Works

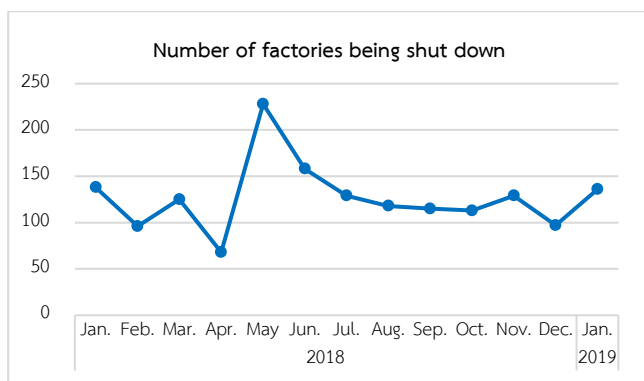
➖ A total of 287 factories received licensed to operate in January 2019. The number decreased by 15.1 percent from December 2018 (%MoM) and 15.6 percent compared with the same month last year (%YoY).

➕ The total value of investment from the licensed factories for operation in January 2019 was 29,591 million Baht. The value decreased by 79.8 percent from December 2018 (%MoM) but increased by 93.4 percent from the same month last year (%YoY).

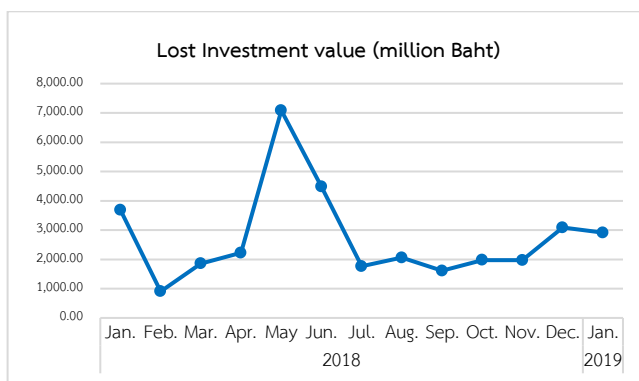
“The industry with the highest number of new licensed factories for operation in January 2019 was the digging and dredging industry of gravel, sand, or soil (21 factories), followed by the motor vehicle repair industry (15 factories).”

“The industry with the highest value of the investment in January 2019 was the production, assembly, modification, and repairing of radio and television valued at 12,246 million Baht, followed by the industry of power generation from thermal energy valued at 6,130 million Baht. ”

■ Industrial Operation Status (cont.)



Source: Department of Industrial Works



Source: Department of Industrial Works

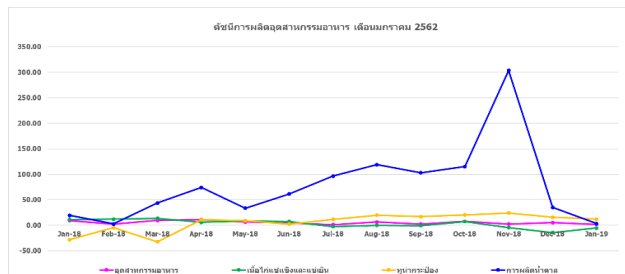
- ⊕ A total of 136 factories shut down the operation in January 2019. The number of shutdowns increased by 40.2 percent from December 2018 (%MoM) but decreased by 1.4 percent from the same month last year (%YoY).
- ⊕ The lost investment value on shutdowns in January 2019 was 2,909.3 million Baht. The figure decreased by 5.8 percent from December 2018 (%MoM) and 21.0 percent from the same month last year (%YoY).

“The industry with the highest number of factory shutdowns in January 2019 was digging and dredging industry of gravel, sand, or soil (15 factories), followed by wooden furniture and decoration industry (11 factories).”

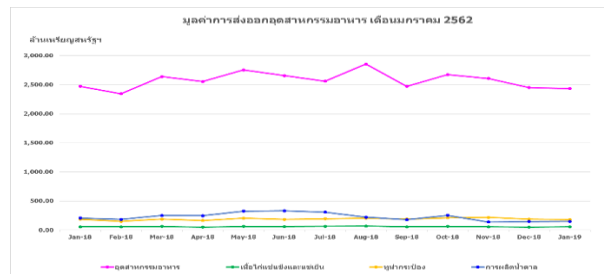
“The industry with the highest value of investment with factory shutdowns in January 2019 was the light bulb fittings/light bulb base and switch production industry valued at 651 million Baht, followed by the metal furniture/interior decorations industry valued at 346 million Baht.”

Industrial Economic Status by Industrial Sectors in December 2018

1. Food Industry



Source: Office of Industrial Economics



Source: Ministry of Commerce



Production of food product in January 2019 increased by 1.9 percent (%YoY), classified as follows:

1) Export-orientated products that were canned tuna, chilled and frozen shrimp and processed chicken in MPI by 12.4 percent, 8.2 percent, and 1.0 percent, respectively (%YoY) due to increasing demand from trading partners. This was combined with sugar production which rose in MPI by 3.6 percent (%YoY) due to a large amount of sugarcane harvested and factories that improved the efficiency of cane extraction.

2) Domestic market-orientated products namely, ready-to-drink milk, instant noodle, and refined palm oil increased by 7.7 percent, 4.6 percent, and 2.8 percent (%YoY) respectively from the result of the continuous increase in consumer demand.



Domestic sales volume of food products in January 2019 dropped by 6.1 percent (%YoY) from the contraction in the economic and living index of Thai households, due to temporary factors such as the measure to help low-income people by supporting the cost of 500 Baht/person at the end of 2018 which was exhausted and the drop in agricultural product price which was a factor that pressed the income of agricultural households.

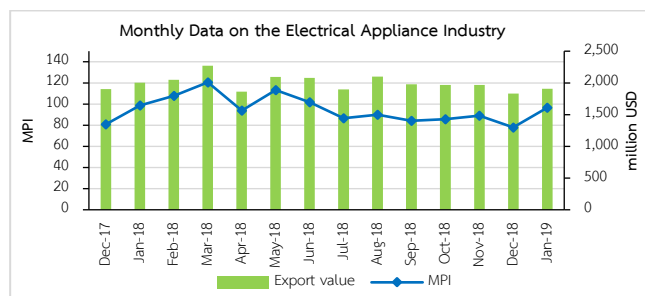


Export markets: The overall export value of food products in January 2019 decreased for three consecutive months, by 1.5 percent (%YoY) in key products such as cassava chip, white sugar, canned pineapple, raw sugar, chilled and frozen shrimp, canned tuna, and jasmine rice by 59.3 percent, 45.1 percent, 27.3 percent, 15.6 percent, 9.7 percent, 3.3 percent and 2.3 percent, respectively (% YoY). The contractions were due to the world economy which began to grow full potential and the US economy which began to slow down and effects by the Baht appreciation. Furthermore, the industry was impacted by the trade war between China and the US. Meanwhile key products such as white rice, tapioca flour, chilled and frozen chicken, processed chicken, canned sardines, and canned sweet corn kernel continued to increase following the demand of the products of the world market.

The predicted trend is expected that the production and export value of the food industry in February 2019 will increase due to the gradual expansion of domestic demand and partner countries which increased demand continuously. Furthermore, there were positive factors from the EU which unlocked Thailand from the yellow card status in IUU fishing to boost the Thai fishing industry's image and the postponement of import tax from 10 percent to 25 percent for the next 90 days of the US and China trade war.

2. Electrical and Electronics Industry

■ Electrical Industry



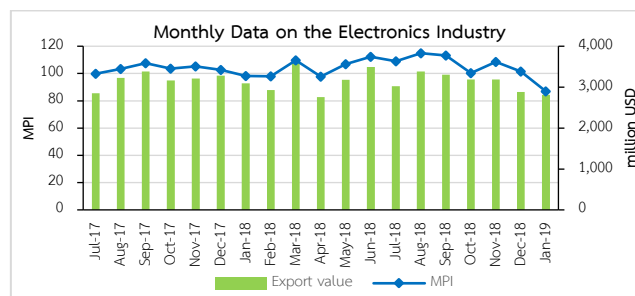
Source: Office of Industrial Economics; Electrical and Electronic Institute

❖ **Production of electrical appliances** reached a production index of 96.7, a drop by 2.2 percent compared to the same month last year. Products that dropped in production were electric wires, transformers, electric motors, household fans, microwaves, washing machines, refrigerators, kettles and compressors by 42.6 percent, 30.7 percent, 19.3 percent, 8.3 percent, 5.9 percent, 4.7 percent, 3.8 percent, 3.8 percent and 2.3 percent respectively. Electric wires decreased significantly due to the base calculation in the previous year which was higher than usual due to the government's policy to bring in grounded wires, whereas household fans, kettles and transformers had lower production from the domestic market. Meanwhile, refrigerators, electric motors, microwave ovens, compressors and washing machines decreased in production as the international market brought out inventory for distribution. However, products that increased in production were cables, air conditioners with separate fan coil units, air conditioners with separate condensing units and rice cookers, by 26.0 percent, 23.1 percent, 16.6 percent and 9.2 percent respectively. Air conditioners increased from both domestic and international demand, whereby foreign markets that grew were the US and India.

❖ **Exports of electrical appliances** valued 1,904.9 million USD, a slight drop by 1.3 percent compared to the same month last year. Key markets that contracted included ASEAN and China. Air conditioners and components reached an export value of 422.5 million USD, a decrease of 9.5 percent from a contraction in Japan and Vietnam by 58.4 percent and 26.5 percent, whereas refrigerators, freezers and components reached an export value of 127.5 million USD, a drop by 9.9 percent. Meanwhile, switch and electrical control panels reached an export value of 151.4 million USD, an increase by 4.8 percent, whereas washing machines, dry cleaning machines and components valued 135.9 million USD, an increase by 2.3 percent. Exports to the US grew by 141.7 percent due to safeguarding measures on washing machines that the US has with Thailand starting in January last year. However, some washing machines were still exported to the US, increasing the export base compared to last year.

"Production forecast for February 2019, the electrical industry is expected to a slight increase by 1.0 percent compared to the same last year as a result of increasing order of air conditioners from ASEAN."

■ Electronics Industry



Source: Office of Industrial Economics; Electrical and Electronic Institute

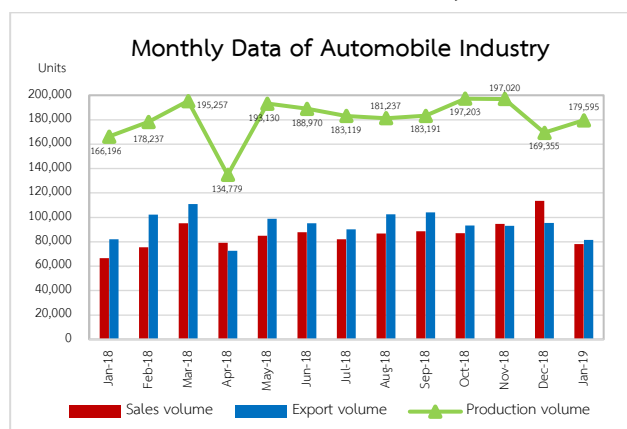
❖ **Production of electronics** reached an MPI of 86.9 percent, a drop by 7.0 percent from the same month last year. Products that contracted were HDDs, PCBAs, ICs and printers, which decreased by 11.8 percent, 8.0 percent, 3.8 percent and 2.8 percent respectively. ICs declined due to lower orders from Hong Kong and China, whereas HDDs dropped because of the change in SSD technology that replaced the personal computer market and dropped in prices close to HDDs. Meanwhile, PWBs (printed wiring boards) and semiconductor device transistors increased by 2.3 percent and 0.6 percent accordingly, following the expansion of global electronics consumption.

❖ **Exports of electronics** valued 2,814.3 million USD. The value decreased by 8.5 percent compared to the same month last year as a result of dropping in exports to all key markets including Japan, China, ASEAN, the US, and EU. Exports of computers and components reached the export value of 1,425.7 million USD, decreasing by 10.1 percent. Exports of HDDs declined by 17.3 percent of which 39.4 percent decreasing in China market and 21.7 percent decreasing in the US market. Exports of ICs valued 634.8 million USD, slightly increasing by 0.4 percent. The exports to Hong Kong, China and the US markets decrease by 14.1 percent, 5.5 percent and 14.4 percent respectively as a result from US-China trade retaliation which affected Thailand's production chains and exports.

"In February 2019, production in the electronics industry is expected to decline by 4.0 percent compared to the same month of last year, due to the slowdown in exports of computer components and parts. HDDs slowed down as a result of changes in SSD technology that replaced the personal computer market, together with lower prices, although HDDs still have good prospects in data centers and cloud systems from development to increase data capacity. However, there are positive factors from trade countermeasures between the US and China with signs of tensions easing."

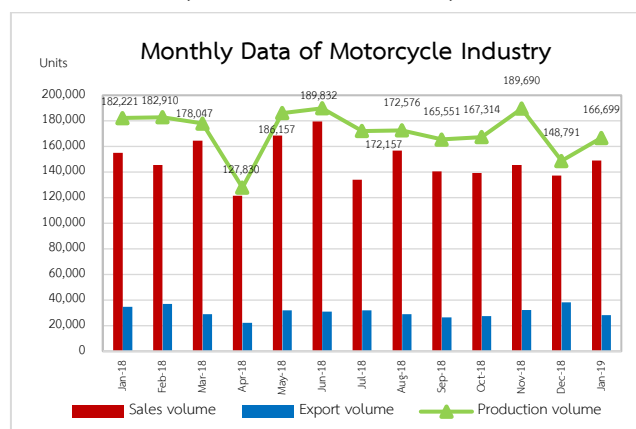
3. Automotive Industry

■ Automobile Production Industry



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

■ Motorcycle Production Industry



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

+ Automobile production In January 2019 reached 179,595 units. Production increased from December 2018 by 6.05 percent (%MoM) and 8.06 percent from the same month last year (%YoY) as a result of an increase in production of passenger cars, 1-ton pickup trucks and derivatives, and commercial vehicles.

+ Domestic sales of automobiles in January 2019 reached 78,061 units. The amount decreased by 31.27 percent (%MoM) from December 2018 but increased by 17.31% (%YoY) from the same month last year, as the result of an increase in sales of passenger cars, 1-ton pickup trucks, commercial vehicles and combination of PPV and SUVs due to public and private investment.

- Automobile exports in January 2019 reached 81,583 units. The number decreased by 14.49 percent (%MoM) from December 2018 and 0.59 percent from the same month last year (%YoY). Exports to Oceania, America, Europe, Central and South America dropped from the economic slowdown of trading partner countries.

"In February 2019, the automotive industry is expected to grow compared to February 2018 as a result of the growing trend of the domestic economy."

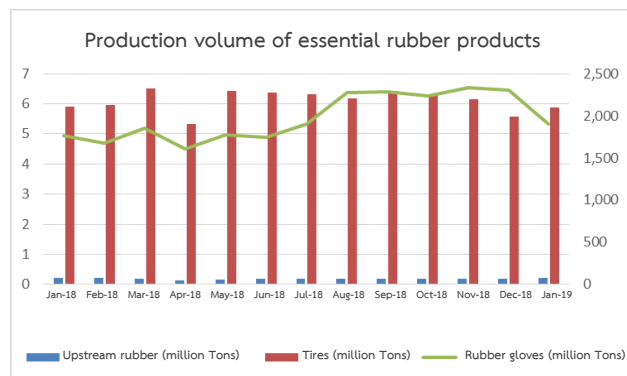
+ Motorcycle production in January 2019 reached 166,699 units. The production increased by 12.04 percent and 8.52 percent from December 2018 (%MoM) and from the same month last year (%YoY) respectively, resulting from the decrease in production of multipurpose and sport motorcycles.

+ Domestic sales of motorcycles in January 2019 reached 148,917 units. The number increased by 8.46 percent from December 2018 (%MoM) but decreased by 3.98 percent from the same month last year (%YoY) resulting from the decrease in sales volume of <50 cc, 51-110 cc, and 111-125 cc. motorcycles.

- Exports of motorcycles in January 2019 reached 28,213 units. The number decreased by 26.38 percent from December 2018 (%MoM) and 18.87 percent from the same month last year (%YoY), whereby exports to the US, the UK, and Japan markets decreased.

"In February 2019, the trend of the motorcycle production industry is expected to slow down compared to February 2018."

4. Rubber and Rubber Products Industry



Source: Office of Industrial Economics

Production

➖ Upstream rubber (smoked rubber sheets, rubber blocks and latex) dropped by 4.54 percent following the amount of rubber entering the market and orders from China that decreased by 27.94 percent due to high stocks of rubber.

➖ Tires dropped by 0.50 percent due to the continued slowdown of the replacement market.

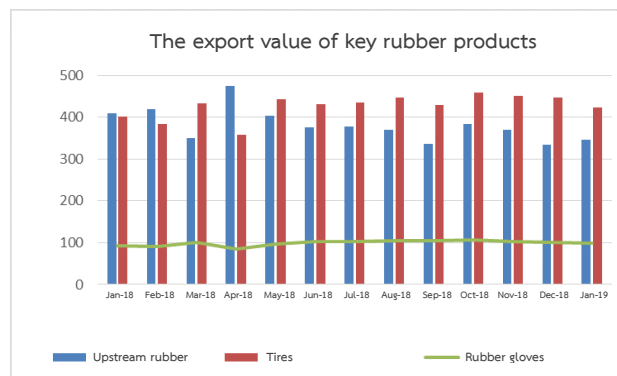
➕ Rubber gloves grew by 7.96 percent following domestic and international market expansions.

Domestic Sales

➖ Upstream rubber (smoked rubber sheets, rubber blocks and latex) dropped by 3.71 percent from less demand, due to the slowdown in the domestic tire market.

➖ Tires dropped by 4.48 percent following the contraction of the replacement market.

➕ Rubber gloves grew by 16.36 percent, in line with higher demand in both examination gloves and gloves for industrial use, especially in the food industry.



Source: Ministry of Commerce

Exports

➖ Upstream rubber (smoked rubber sheets, rubber blocks and latex) value decreased by 15.09 percent from China, a key market to Thailand, ordered less rubber partly because of the last week of the month was the period when China approached the Chinese New Year.

➕ Tires value grew by 4.83 percent following good growth of the US market which grew by 14.46 percent.

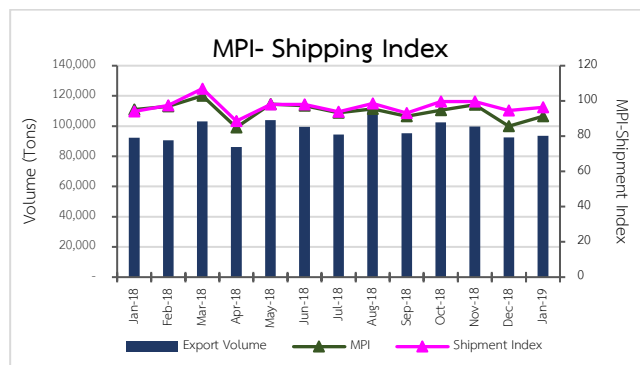
➕ Rubber gloves value increased by 4.83 percent from good growth of Thailand's key markets including the US, Germany and Japan respectively.

Industry Outlook for February 2019

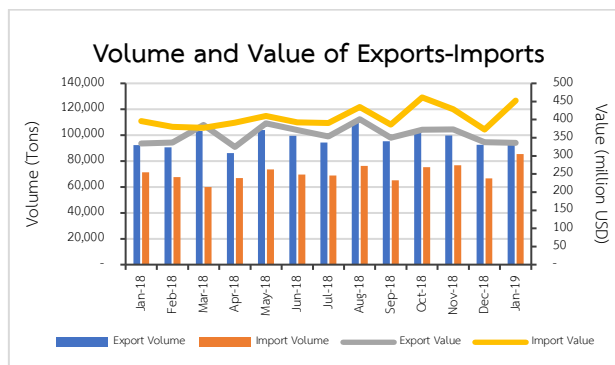
Production and sales of upstream rubber (smoked rubber sheets, rubber blocks and latex) are expected to decrease as the amount of rubber entering the market decreases from the slump season. Production and sales of domestic tires are expected to be stable or slightly decrease in line with the slowdown of the replacement market, and the impact from the announcement of the tire industry standards number TIS. 2718-2720 (2017) which took effect on January 21, 2019, whereby some manufacturers were unable to request certification immediately. Production and domestic sales of rubber gloves are expected to grow well in response to higher demand.

Exports of upstream rubber (smoked rubber sheets, rubber blocks and latex) is expected to drop in value as China has an extended holiday from February 4-10, 2019 during the Chinese New Year festival. Meanwhile, exports of tires and rubber gloves are expected to increase in line with good growth in the US market.

5. Plastics Industry



Source: 1. Customs Department, Ministry of Finance
2. Office of Industrial Economics



Source: 1. Customs Department, Ministry of Finance
2. Office of Industrial Economics

Production and Sales

⊖ Manufacturing Production Index. In January 2019, the MPI dropped by 4.14 percent compared to the same period of the previous year, whereby the contracting in almost all product groups, except for other plastic packaging products (bottles, boxes, crates). The production index of plastic sheet products decreased the most by 20.87 percent due to the reduction of production to maintain appropriate stock levels.

⊕ Shipping Index. In January 2019, the shipping index grew by 2.45 percent compared to the same period last year, represented by the shipping index in tableware, kitchenware and bathroom products which grew by 11.01 percent, followed by plastic pipes and joins by 10.27 percent.

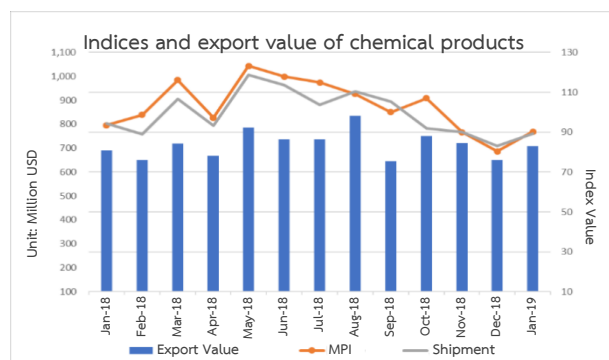
Marketing

⊕ Exports in January 2019 valued 336.28 million USD, a growth by 0.65 percent compared to the same period last year as original trading partners such as Japan, the US, China and new markets such as ASEAN and India expanded. Plastic products with significant growth in export value included plastic flooring and wall products (3918) and thin sheet products, film, foil, tape, strips and other flatforms (3919) which increased in value by 20.88 percent and 15.09 percent, respectively, corresponding to the export volume of approximately 93,595 tons or a 1.83 percent increase compared to the same period of last year. Plastic flooring and wall products (3918) grew by 18.28 percent in exports.

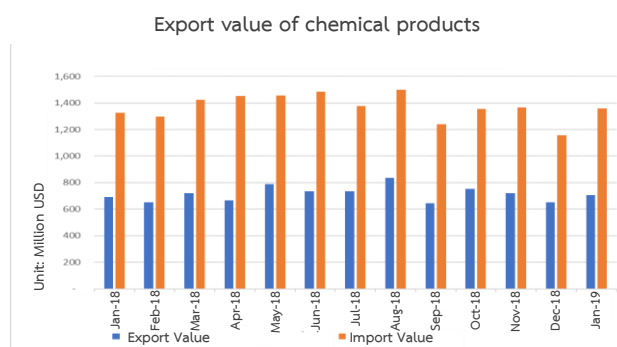
⊕ Imports in January 2019 valued 452.72 million USD, a growth by 14.44 percent compared to the same period last year. Key plastic products that were imported were building assembly products (3925), plastic flooring and wall products (3918) and household products (3924), whereby the values grew by 43.69 percent, 40.60 percent and 31.74 percent respectively. The growth was in the same direction as the import volume of approximately 85,310 tons or growth by 19.69 percent compared to the same period last year. The import volume was contributed by these three product groups which grew by 59.31 percent, 36.89 percent and 33.18 percent respectively. The imports are expected to support expanding construction and consumption in the country.

The plastics industry outlook in February 2019 is expected that production and marketing will be stable as partner markets will not increase significantly, coupled with fluctuations in oil prices and the Baht that may affect production costs.

6. Chemical Industry



Source: 1. Office of Industrial Economics
2. Customs Department, Ministry of Finance



Source: 1. Office of Industrial Economics
2. Customs Department, Ministry of Finance

- The manufacturing production index in January 2019 reached 90.26, down by 3.42 percent compared to the same period last year. Production decreased in every product group including upstream chemicals by 1.77 percent and the downstream chemicals by 4.04 percent compared to the same period of last year, as there was more reliance on foreign raw materials.

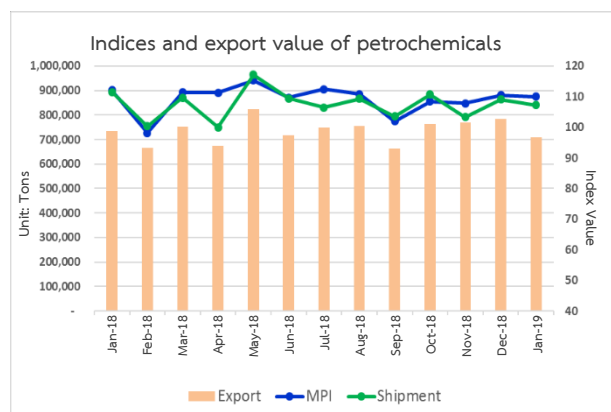
- Sales in January 2019 for the chemical industry had a shipping index of 89.23, down by 5.52 percent compared to the same period of last year, a result from the upstream product group. The shipment index decreased by 6.80 percent in various products, namely fertilizer, cosmetics and surfactants, which decreased by 32.77 percent, 4.25 percent and 2.46 percent, respectively, compared to the same period last year.

+ Exports in January 2019 valued approximately 707 million USD, an increase of 2.50 percent compared to the same period last year. Upstream chemicals had an export value of 425 million USD, an increase by 1.70 percent compared to the same period last year, whereby key products that contributed to the growth in export value from last year were miscellaneous and organic chemicals, respectively; the main markets export markets were Japan, China and India. Downstream chemicals valued 283 million USD, an increase by 3.72 percent compared to the same period last year, whereby essential products that resulted in increased export value were cosmetics, fertilizers and surfactants respectively; the main export markets for downstream chemical exports were ASEAN countries.

+ Imports in January 2019 valued 1,359 million USD, a growth by 2.50 percent compared to the same period last year. Upstream chemical products valued 923 million USD, an increase of 2.99 percent from last year, whereby chemical groups that resulted in an increased import value were organic and miscellaneous chemicals respectively. Downstream chemicals valued 434 million USD, a growth by 1.47 percent compared to the same period last year, whereby products with higher import values included fertilizers, cosmetics and surfactants respectively; key markets that imported chemicals included China, Japan and the US.

In February 2019, the chemical industry is expected to slow down slightly compared to the same period of last year, due to the appreciation of the Thai Baht and the CLMV market which grew at a slower rate.

7. PetroChemical Industry



Source: Office of Industrial Economics & Customs Department, Ministry of Finance

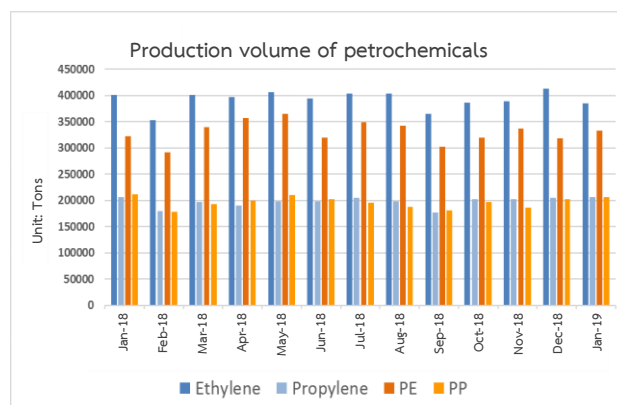
➔ **The manufacturing production index** in January 2019 reached 110.05, down 1.83 percent compared to the same period last year, due to the impact of the Pabuk storm in early January, resulting in lower production of raw materials.

- Key upstream petrochemical production included ethylene with an MPI of 109.01, down 3.72 percent and propylene with an MPI of 116.05, an increase of 0.01 percent compared to the same period last year.

- Key downstream petrochemical production included polyethylene resin (PE) with an MPI of 108.47 percent, an increase of 3.17 percent, and polypropylene resin (PP) with an MPI of 117.97, down 2.27 percent compared to the same period last year.

➔ **Sales** in January 2019 had a shipping index of 107.30, down 3.74 percent compared to the same period last year, as some customers delayed the delivery of products.

- Ethylene and propylene prices in the Asian market in January 2019, averaged at 25.71 and 27.77 Baht/kg, respectively. Compared to the same period last year, ethylene and propylene prices dropped from 41.49 and 31.06 Baht/kg respectively.



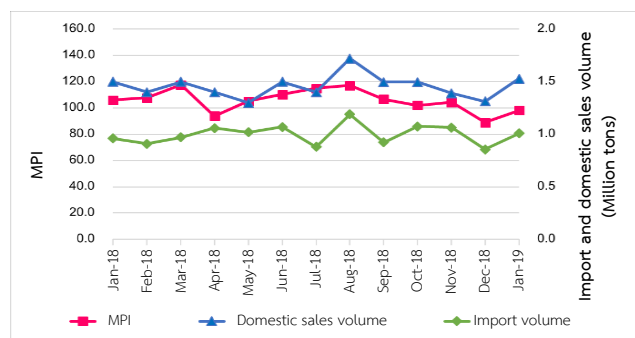
Source: Office of Industrial Economics & Customs Department, Ministry of Finance

- Prices of PE and PP resin in January 2019 had prices (average price of SE Asia CFR) of LDPE, LLDPE, HDPE and PP at an average of 33.09, 32.80, 34.55 and 35.54 Baht/kg respectively. Compared to last year, the average prices of PE such as LDPE, LLDPE, HDPE and PP dropped from 40.02, 38.78, 42.13 and 39.38 Baht/kg respectively.

➔ **Exports** in January 2019 reached a volume of 707.662 metric tons, down 3.60 percent compared to the same period last year due to a contraction in exports of PC plastic pellets which decreased in exports by 2,593 metric tons from major export markets including China, Singapore and Malaysia. Furthermore, PET for the production of plastic bottles contracted in exports by 1,112 metric tons from major export markets including the US and Australia.

In February 2019, the industry is expected to slow down due to the Baht appreciation, affecting the export of petrochemical products.

8. Iron and Steel Industry



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

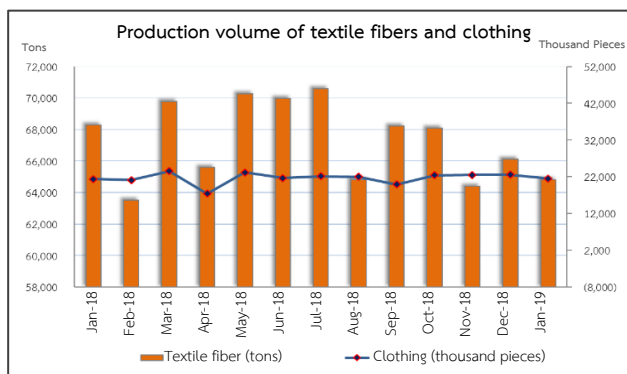
– The manufacturing production index in January 2019 reached 98.1, a drop by 7.6 percent compared to the same period last year, declining for three consecutive months from November 2018 to January 2019. Considering key products, namely flat-formed and long-formed steel, it was found that the MPI decreased in both product groups. Flat-formed steel products reached an MPI of 94.3, a drop by 12.6 percent, because of the decrease in production of tin-plated steel sheets by 38.0 percent (as manufacturers in downstream industries imported more goods from abroad, whereby the main import markets were China and South Korea); this was ten consecutive months of decline from April 2018 to January 2019. This was followed by hot-rolled steel coil and chromium-plated steel sheets which decreased by 27.1 percent and 11.2 percent respectively. Long-formed steel products reached an MPI of 99.7, a drop by 2.5 percent from the production of deformed bars which decreased by 15.0 percent, three consecutive months of decline from November 2018 to January 2019. This was followed by steel wires and rods which dropped by 4.4 percent and 3.7 percent respectively.

+ Domestic sales in January 2019, reached 1.5 million tons, an increase of 3.0 percent compared to the same period last year. Long-formed steel reached 0.6 million tons, a 13.6 percent increase from the sale of steel wires, rods and hot-rolled structural steel by 36.4 percent and 6.7 percent respectively. However flat-formed steel products reached a sales volume of 0.9 million tons, a drop by 2.9 percent from the sales of other coated steel sheets which decreased by 13.3 percent, followed by thin hot-rolled steel sheets and thin cold-rolled steel sheets by 9.9 percent and 0.5 percent respectively.

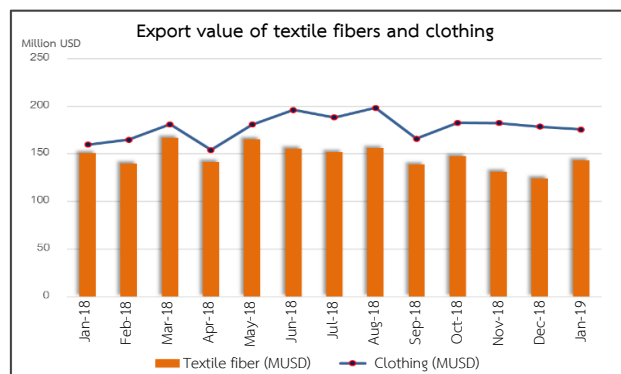
+ Imports in January 2019 reached 1.0 million tons, an increase of 5.5 percent compared to the same period last year. Long-formed steel reached 0.3 million tons, an increase of 48.4 percent from the import of hot-rolled structural carbon steel which increased by 145.3 percent from China and Turkey, followed by alloy steel wires and carbon steel wires which increased by 132.5 percent and 37.0 percent respectively. Flat-formed steel reached 0.7 million tons in imports, a drop by 4.1 percent from the import of seamless pipes which dropped by 47.0 percent (main countries that contracted in imports were Vietnam and Japan). This was followed by thin hot-rolled alloy and stainless-steel sheets, which decreased by 43.0 percent and 20.2 percent respectively.

“Production in the iron and steel industry in February 2019 is forecasted to be stable compared to the same period of last year, with supporting factors from the expansion of downstream industries such as the construction, automotive and electricity industries. However, there are still issues to be monitored regarding the EU’s declaration to use definitive safeguard measure with 28 steel products, which will collect 25 percent customs duties for imported products exceeding the average import volume. Thai steel products received an exemption from the enforcement of protection measures against 27 products whereby exceptions for products in the stainless cold-rolled sheets and strips will have added tax if export exceeds the quotas received.”

9. Textile and Garment Industry



Source: Office of Industrial Economics



Source: Ministry of Commerce

Production

➖ Production of textiles and fabrics decreased by 5.12 percent and 3.52 percent respectively (%YoY) due to decreased orders from major trading partners such as Turkey, Bangladesh and South Korea for production of apparel.

➕ Apparel grew by 0.71 percent (%YoY) from the production of men and women's wear for international brand exports.

Domestic sales

➖ Textile fibers and apparel contracted by 3.57 percent and 1.98 percent (%YoY) from the import of raw materials to replace domestic raw materials in the country and the popularity of imported clothing from foreign countries, including the famous and cheap clothing brands.

➕ Fabrics increased by 0.86% (%YoY) from imported fabrics used to produce clothing for foreign brands.

Exports

➖ Textile fibers and fabrics export value dropped by 5.13 percent and 3.56 percent (%YoY) from exports of cotton thread and synthetic fibers (in the textile fiber group) to the major markets which contracted, namely Turkey, Bangladesh, South Korea and the US. As for essential fabric markets, Vietnam and Myanmar contracted as well, partly due to the political turmoil of the US and the trade war between the US and China. As a result, investment in the market slowed down; therefore, Thailand purchased fewer raw materials. However, acrylic fibers which are a specialty fiber, expanded among the world's major garment manufacturers, including China, India, Bangladesh and Indonesia, whereby selling products in stock.

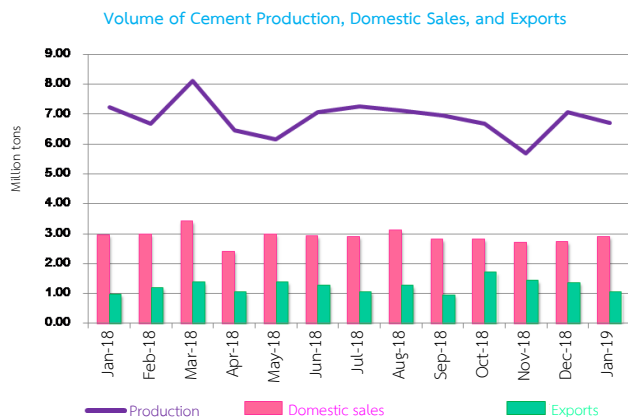
➕ Exports of Apparel increased in value by 9.95 percent (%YoY) as manufacturers in Thailand are trusted by the foreign brands to produce apparels, some of whom are original design manufacturer (ODM).

Forecast for February 2019

In the textiles and garments industry, production of textile fibers and fabrics are expected to slow from the expected export trend, due to the political situation of the US and the trade war between the US and China, resulting in trade investment in such markets to slow down. This will affect producers who will reduce the demand for raw materials from Thailand. However, apparel is expected to continue to expand in the group that is elevated to production for foreign brands.

10. Cement Industry

Overall Cement Industry



Source: 1. Domestic production and sales volume: Division of Industrial Economics Information and Indices, Office of Industrial Economics
2. Export volume: Information and Communication Technology Center, Office of the Permanent Secretary, Ministry of Commerce.

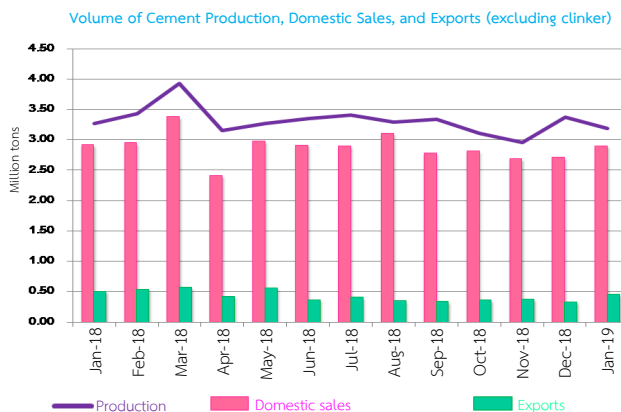
- Overall cement production in January 2019 reached 6.70 million tons. The volume decreased by 5.01 percent and 7.47 percent from December 2018 (%MoM) and from the same month last year (%YoY) respectively.

+ Overall domestic cement sales in January 2019 reached 2.90 million tons. The volume increased by 6.43 percent from December 2018 (%MoM); however, the volume slightly decreased by 1.70 percent from the same month last year (%YoY).

+ Total cement exports in January 2019 reached 1.04 million tons. The volume decreased by 23.78 percent from December 2018 (%MoM) but increased by 6.95 percent from the same month last year (%YoY) as a result of increasing orders from the Philippines of which increased by 190.14 percent.

The trend of overall cement production industry in February 2019 will slightly increase.

Cement Industry (excluding clinker)



Source: 1. Domestic production and sales volume: Division of Industrial Economics Information and Indices, Office of Industrial Economics
2. Export volume: Information and Communication Technology Center, Office of the Permanent Secretary, Ministry of Commerce.

- Cement production (excluding clinker) in January 2019 reached 3.19 million tons. The production decreased by 5.46 percent from December 2018 (%MoM) and decreased by 2.26 percent from the same month last year (%YoY).

+ Domestic sales of cement (excluding clinker) in January 2019 reached the total volume of 2.90 million tons. The sale volume increased by 6.81 percent from December 2018 (%MoM) but decreased by 0.55 percent from the same month last year (%YoY).

+ Export of cement (excluding clinker) in January 2019 reached the volume of 0.46 million tons, increased by 37.36 percent from December 2018 (%MoM) but decreased by 9.45 percent (%YoY) from the same month of the previous year. The contraction was a result of main export markets namely, Laos, Cambodia, and Myanmar produced cement locally and consequently reduced orders by 35.67 percent, 10.24 percent, and 5.00 percent respectively, as Thai businesses invested in cement production in these key markets.

The trend of the cement industry (excluding clinker) in February 2019 will also continue to rise.