

The Manufacturing Production Index of industrial production in June 2022 decreased by 0.1 percent when compared to the same month last year, as a result of the contraction of key industries such as the hard disk drive industry, plastic pellet industry and the basic iron and steel industry. The Capacity Utilization Rate in June 2022 was 62.4 percent.

On the other hand, the Manufacturing Production Index of industrial production in the first half of the year 2022 increased by 0.5 percent when compared to the same period last year.

## The Manufacturing Production Index of Key Industries in June 2022



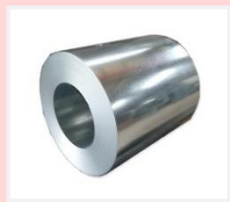
The key industrial sectors that have contracted are:



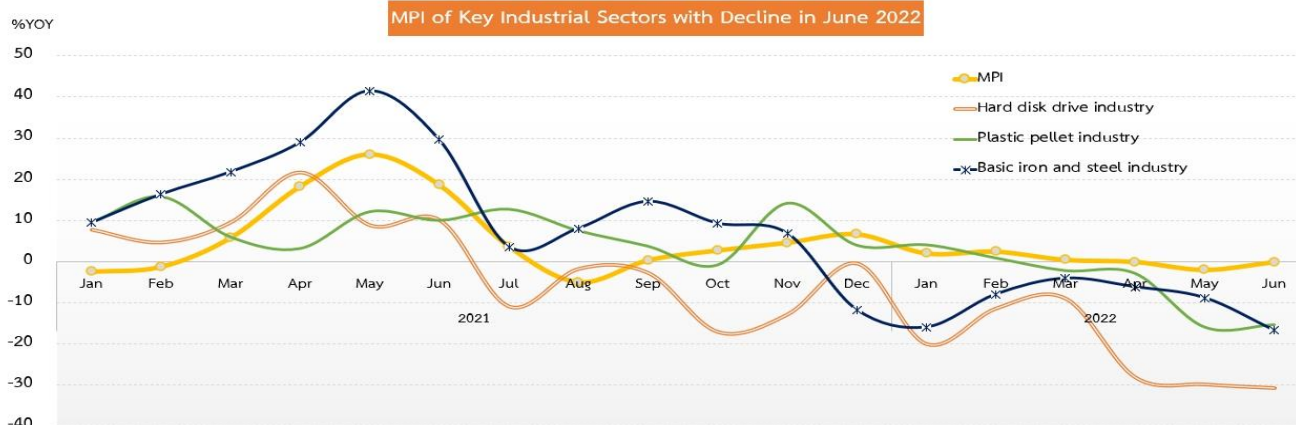
The MPI of the hard disk drive industry contracted by 30.6 percent when compared to the same month last year because some manufacturers reduced working days according to the lower demand and discontinued production of some outdated products. In addition, the COVID-19 situation and the protracted Russia-Ukraine war slowed down economy, demands and production.



The MPI of the plastic pellet industry contracted by 15.4 percent when compared to the same month last, mainly a decrease from polyethylene resin (PE) and ethylene, due to the shortage of raw materials for production. In addition, discontinued production to modify equipment that could support new raw materials caused a decrease in production.



The MPI of the basic iron and steel industry contracted by 16.7 percent when compared to the same month last. This was a reduction in almost every item except tin plated steel and steel pipes. Oversea customers slowed down their orders after higher market prices of building materials, which are in line with higher production costs from inflation, causing lower demands.



Key Industries with Decline (Change Rate, %YOY)	2021												2022					
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
MPI	-2.4	-1.2	5.8	18.2	26.0	18.6	3.7	-4.9	0.4	2.7	4.6	6.7	2.0	2.5	0.4	-0.0	-2.0	-0.1
Hard disk drive industry	7.8	4.7	9.6	21.7	8.9	10.1	-10.9	-1.7	-2.7	-17.0	-12.8	-0.4	-20.0	-11.3	-8.9	-28.1	-29.7	-30.6
Plastic pellet industry	9.4	15.7	5.9	3.1	12.1	9.9	12.7	7.4	3.7	-0.9	14.1	3.9	4.0	0.8	-2.2	-2.9	-15.9	-15.4
Basic iron and steel industry	9.4	16.3	21.8	28.9	41.5	29.6	3.6	8.1	14.6	9.3	6.9	-11.7	-15.9	-7.9	-4.1	-6.2	-8.8	-16.7



## The key industrial sectors that have expanded are:



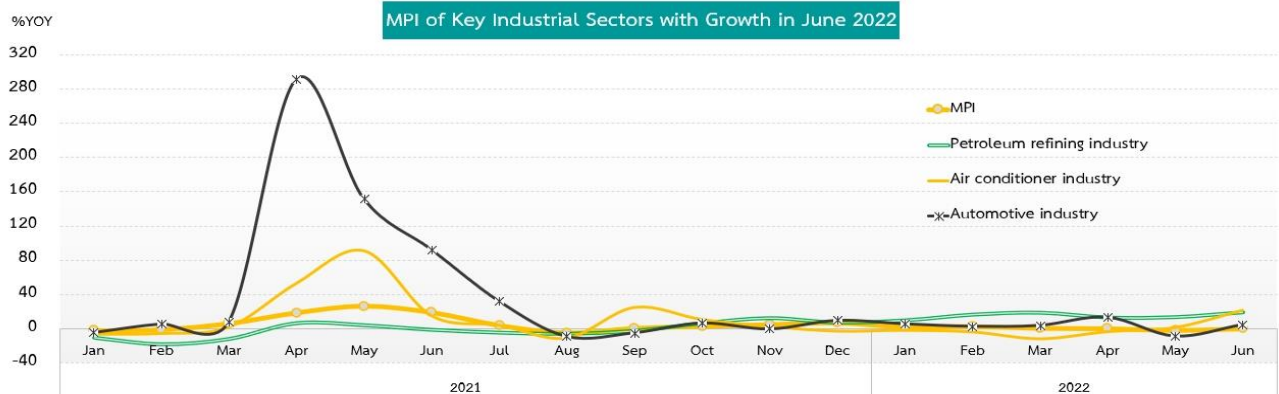
The MPI of the petroleum refining industry expanded by 18.5 percent when compared to the same month last year, mainly an increase from high-speed diesel, gasohol 95, gasoline 95 and jet fuel. Due to the relaxation of pandemic control measures and opening of the country to tourists, economic activities, which caused an increased demand for refined petroleum.



The MPI of the air conditioner industry expanded by 21.3 percent when compared to the same month last year, mainly an increase from an expansion of export markets which is in line with economic recovery of trading partners such as the United States of America and the Eurozone. In addition, the orders increased because the climate is variable and temperatures are rising in many countries.



The MPI of the automotive industry expanded by 4.3 percent when compared to the same month last year, mainly an increase from 1-ton pickup trucks for domestic sales. Due to the relaxation of lockdown and opening country, travel and business activities increased as well as expediting production to deliver orders.



Key Industries with Growth (Change Rate, %YOY)	2021												2022					
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
MPI	-2.4	-1.2	5.8	18.2	26.0	18.6	3.7	-4.9	0.4	2.7	4.6	6.7	2.0	2.5	0.4	-0.0	-2.0	-0.1
Petroleum refining industry	-10.6	-18.1	-12.0	6.2	3.7	-1.6	-4.8	-6.1	-2.7	6.0	11.9	6.7	9.3	15.9	18.1	12.5	13.1	18.5
Air conditioner industry	-6.7	-5.9	1.5	52.7	90.8	14.9	3.8	-11.3	24.6	10.5	2.3	-3.1	-2.2	-4.0	-12.1	-3.7	1.1	21.3
Automotive industry	-5.2	5.0	7.5	291.9	151.4	92.0	31.5	-9.8	-5.4	6.0	-0.9	9.1	5.1	2.2	3.3	12.8	-9.3	4.3



The Capacity Utilization Rate in June 2022 was 62.41 percent.

Capacity Utilization Rate	Percent
June 2022	62.41 37.59
June 2021	63.75 36.25
June 2020	54.63 45.37

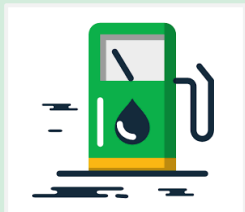
Source: The Office of Industrial Economics (OIE) - information as of July 2022

The Manufacturing Production Index of industrial production in the first half of the year 2022 increased by 0.5 percent when compared to the same period last year, as a result of the expansion of key industries such as the petroleum refining industry and the circuit board and electronic component industry. The Capacity Utilization Rate in the first half of the year 2022 was 63.8 percent.

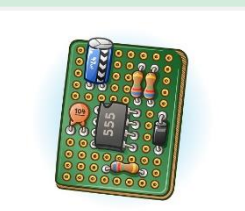
#### The Manufacturing Production Index of Key Industries in the First Half of the Year 2022



The key industrial sectors that have expanded are:



The MPI of the **petroleum refining industry** expanded by 14.5 percent when compared to the same period last year, mainly an increase from diesel, gasohol 95, gasoline and jet fuel. Due to the relaxation of pandemic control measures and opening of the country to both domestic and overseas tourists, refined fuel usage increased.



The MPI of the **electronic component and circuit board industry** expanded by 6.8 percent when compared to the same period last year, mainly an increase from integrated circuit (IC) and printed circuit board assembly (PCBA), because the demands for electronic components of smartphones, tablets and smart electronics in the global market increased.



The key industrial sectors that have contracted are:



The MPI of the **hard disk drive industry** contracted by 21.4 percent when compared to the same period last year. The production decreased because China's zero COVID measures caused the shortage of raw materials which are imported by manufacturers.



The MPI of the **basic iron and steel industry** contracted by 10.0 percent when compared to the same period last year. The production decreased because of lower demands after higher prices of building materials in line with production costs during inflation.



The Capacity Utilization Rate in the first half of the year 2022 was 63.81 percent.

Capacity Utilization Rate	Percent
The First Half of 2022	63.81 36.19
The First Half of 2021	64.49 35.51
The First Half of 2020	59.06 40.94



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Source: The Office of Industrial Economics (OIE) - information as of July 2022

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