



Situation of Industrial Production in 2023



The Manufacturing Production Index (MPI) in 2023 stood at 93.05, contracting by 5.11 percent compared to the same period last year (YOY). The capacity utilization rate was 59.06 percent due to the global economic slowdown, which was pressured by strict monetary policy, international financial fluctuations, and prolonged geopolitical tensions, including the impact of the Chinese economy on the travel sector. Meanwhile, the domestic economy was struggling with high levels of household debt, coupled with escalating financial burdens on entrepreneurs. The Office of Industrial Economics (OIE) estimates that the MPI and GDP of industrial production will expand within the range of 2.0-3.0 percent (YOY), with certain industries expected to sustain growth momentum, including electric vehicles, Future Food, Halal Food, etc.



Industries impacting the MPI in 2023 included:

Industries with positive impacts (YOY)



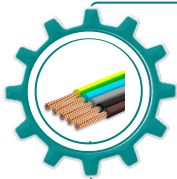
Petroleum refinery +6.40%

The increase was from the production of aviation fuel and Gasohol, driven by increased domestic travel and transportation activities, as well as a surge in tourist numbers compared to last year.



Sugar +9.14%

This increase can be attributed to the higher volume of sugarcane entering the crushing process compared to the previous year. As a result, the production of raw sugar used for refining into white sugar and refined sugar increased.



Electrical wires +17.92%

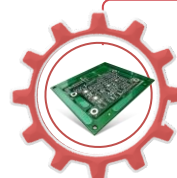
The increase was due to rising orders from electricity authorities such as EGAT, MEA, and PEA, as well as various projects from both the public and private sectors, leading to increased demand for electrical wires.

Industries with negative impacts (YOY)



Computers and peripherals -29.80%

This was due to continuous reduction in production, particularly in Hard Disk Drives and printers, as a result of the global economic slowdown.



Electronic components and boards -9.63%

Production decreased due to the global economic slowdown, and consumption and investment were affected, leading to reduced demand for electronic products.



Furniture -32.78%

This was due to decreased demand after consumers purchased furniture during the work-from-home period, coupled with other countries resuming normal production.

Outlook for the industrial economic situation



In 2024, the estimated MPI is projected to expand by 2.0 - 3.0 percent (YOY), and the industrial sector's GDP is also forecasted to grow by 2.0 - 3.0 percent (YOY).



	2020	2021	2022	2023	2024 Estimation
Thailand's GDP	-6.1	1.5	2.6	N/A	2.7 - 3.7
Industrial Production GDP	-5.5	4.9	0.4	N/A	2.0 - 3.0
MPI (Index)	92.31	97.71	98.05	93.42	94.91 - 95.84
MPI (%YoY)	-9.46	5.84	0.35	-5.11	2.0 - 3.0

Source: GDP by NESDB, MPI by OIE, Data as of January 2024.

2024 Forecasts: - Thailand's GDP and Industrial GDP are forecasted by NESDB.

- Industrial production GDP and MPI by OIE

Supporting Factors



Export activities are gradually recovering.



Private sector investments continue to grow.

Pressuring Factors



Prolonged political instability issues.



High production costs, living expenses, business and household debts remain high.



Fluctuating weather conditions due to droughts.

