



# Situation of Industrial Production for the first six months in 2023

The Industrial Production Index (MPI) for the first six months (Jan.-Jun.) of 2023 contracted by 4.60 percent compared to the same period last year (YoY). The capacity utilization rate for the second quarter (Apr.-Jun.) of 2023 stood at 60.72 percent, a decline of 11.05 percent compared to the previous quarter (QoQ). This is attributed to the global economy facing uncertainties, which have led to a slowdown in global trade. However, industries related to tourism and domestic consumption have shown signs of adjustment and improvement. The Office of Industrial Economics (OIE) estimates that in 2023, both MPI and industrial GDP will expand by 0.0 to 1.0 percent (YoY). The growth will benefit from domestic economic activities that are likely to continue to grow, which is a supporting factor that production can continue to move forward.

## Industries affecting the MPI in the first six months (Jan. – Jun.) of 2023

### Industries that positively impacted the MPI (YoY)

- Automobiles +7.23%**
  - Expanded from medium-sized and compact cars.
  - Increased demand both domestically and internationally.
- Manufacture of Sugar +11.76%**
  - Due to a higher sugarcane yield compared to the previous year.
  - Increased production and distribution from last year.
- Petroleum refining +3.88%**
  - From aviation fuel, Gasohol, and cooking gas.
  - From full-scale tourism reopening.

### Industries that negatively impacted the MPI (YoY)

- Computers and peripherals -33.95%**
  - Especially HDDs due to technological advancements leading to increased capacity, resulting in a decreased proportion of production volume.
- Furniture -43.12%**
  - Production decreased for household products made of wood and metal due to declined orders.
- Basic iron and steel -14.91%**
  - Due to the continued high inventory of products.
  - Affected by the import of lower-priced steel.

## Industrial Economic Outlook

In 2023, the MPI and industrial GDP are estimated to grow by approximately 0.0 - 1.0 percent. The growth benefits from tourism and economic activities within the country that show signs of continuous recovery.

	2019	2020	2021	2022	2023 Estimation
Thailand's GDP	2.1	-6.1	1.5	2.6	2.7 – 3.7
Industrial GDP	-0.8	-5.5	4.9	0.4	0.0 – 1.0
MPI (Index)	101.96	92.31	97.71	98.05	98.05 – 99.03
MPI (%YoY)	-3.45	-9.46	5.84	0.35	0.0 – 1.0

Note: N/A = not available

Source: GDP by NESDB, MPI by OIE, data as of July 2023.

Year 2023 Estimates: Thailand's GDP by NESDB; Industrial GDP and MPI by OIE

### Supporting factors

- Tourism and service sectors continue to grow.
- Private investment tends to increase.
- Supply chain problems has eased.

### Pressing factors

- The global and trading partners' economy is experiencing a slowdown.
- Inflation and interest rates are increasing worldwide.
- Geopolitical conflicts are ongoing.

