Situation of Industrial Production in April 2026

In April 2026, the Manufacturing Production index (MPI) contracted by 0.36% (YoY).

- The ongoing conflict in the Middle East, which remained a major downside risk to the global economy and Thailand's industrial sector by increasing production costs and reducing manufacturers' profitability.
- The number of international tourist arrivals declined, adversely affecting tourism-related industries, including ready-to-drink fresh milk, potato chips, ham, and sausages.
- Industrial confidence weakened, with the Industrial Sentiment Index (ISI) falling to 85.3 in April from 88.6 in March.

Production	March 2026
Manufacturing Production Index (MPI, %YOY)	92.76 -0.36
Capacity utilization rate (CAP-U, %)	56.41

Industries impacting the MPI in April 2026

Industries with Positive Contributions

Basic Chemicals (+19.53%)

Expansion was mainly driven by caustic soda, chlorine, and ethanol. The increase was due to higher production by some manufacturers, together with increased ethanol production to meet demand for its use as a blending component in gasoline.

Sugar (+16.54%)

Growth was driven by higher production of raw sugar and molasses. The increase was due to the continued availability of sugarcane for sugar production, as the sugarcane crushing season ended later than in the previous year.

Basic Iron and Steel (+14.06%)

Expansion was led by hot-rolled sheets, deformed bars, and wire rods, supported by continued demand from downstream industries, particularly the automotive industry, and the ability of several mills to produce CBAM-compliant steel.

Industries with Negative Contributions (YoY)

Air Conditioners (-12.86%)

The decrease was due to lower orders from trading partners amid economic uncertainty.

Palm oil (-16.12%)

The decrease was driven by lower production of crude palm oil and refined palm oil, in line with lower fresh palm fruit output due to hot weather.

Fertilizer and nitrogen compound (-27.98%)

The decrease was due to manufacturers slowing production as a result of raw material shortages caused by the conflict in the Middle East.

In 2026, the MPI is estimated to expand by 1.0-2.0 percent (YoY), while industrial GDP is also projected to grow by 1.0-2.0 percent (YoY).

The expansion is expected to be supported by continued export growth, government economic stimulus measures, the accelerated disbursement of the FY2026 government budget, and the anticipated increase in the government expenditure framework. However, prolonged geopolitical tensions and uncertainty surrounding U.S. trade policy remain key downside risks that warrant close monitoring

(%YOY)	2025	2026		Estimate for 2026
		Q1	Q2	
GDP	+2.4	+2.8	N/A	1.5 – 2.5
Industrial GDP	+0.4	+0.9	N/A	1.0 - 2.0
MPI	-0.38	+0.9	N/A	1.0 – 2.0

Source: GDP by NESDC, MPI by OIE, data as of May 2026.

Estimation: Thailand's GDP by NESDC, industrial GDP and MPI by OIE

Upside factors	Downside factors
Continued growth in exports	Prolonged geopolitical tensions
Government economic stimulus measures	Uncertainty surrounding U.S. economic policies and tariff measures
Accelerated government budget disbursement	Household debt and weak consumer spending

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