



Situation of Industrial Production in

August 2024

In August 2024, the Industrial Production Index (MPI) decreased by 1.91% (YoY).



- Automotive production declined for the 13th consecutive month, driven by reduced domestic demand due to lower purchasing power, high household debt, and continued tightening of lending by financial institutions.
- Producer costs increased as a result of rising raw material prices, high lending interest rates, and higher diesel fuel prices.
- The import of cheaper goods from abroad led to a growing tendency among consumers to purchase more imported goods due to their lower prices.

Production	Aug. 2024	Jan. – Aug. 2024
Manufacturing Production Index (MPI, %YOY)	-1.91	-1.55
Capacity utilization rate (CAP-U, %)	58.30	58.96

Industries impacting the MPI in August 2024

Industries with positive impact (YoY)

Canned tuna: +41.61%
 Canned tuna production increased due to a drop in raw tuna prices, with export markets expanding driven by orders from the USA, Japan, and Australia.

Prepared pet food: +9.40%
 Growth in pet food production resulted from higher orders from the USA, Switzerland, and Canada, while processed chicken food also expanded due to increased poultry farming.

Computers and equipment: +18.84%
 The growth was mainly driven by an increase in demand for hard disk drives, due to the need for replacements of old products that had expired or were out of warranty.

Industries with a negative impact (YoY)

Automobiles: -18.44%
 Domestic demand for vehicles dropped due to slow economic recovery, high household debt, reduced purchasing power, and continued tight lending policies by financial institutions.

Electronics components: -11.84%
 The decrease was mainly from Integrated Circuits (IC), due to the slow recovery of the global electronics market, which lagged behind other semiconductor product groups.

Concrete products: -13.54%
 The decrease was mainly driven by a decline in the production of concrete piles and precast concrete slabs due to the slowdown in the real estate sector and the impact of flooding in some areas.

Industrial economic forecasts



In 2024, the MPI is expected to decline by 1.0% to 0.0%. Industrial GDP is forecasted to range between -0.5% to +0.5% supported by growth in tourism and exports as trading partner economies gradually recover. Additionally, accelerated government budget disbursement and measures aimed at stimulating the economy and boosting domestic consumption are expected to play a significant role.



(%YOY)	2023		2024		Estimation for 2024
	Q3	Q4	Q1	Q2	
GDP	+1.4	+1.7	+1.6	+2.3	2.3 – 2.8
Industrial GDP	-4.4	-2.4	-2.9	+0.2	(-0.5) - 0.5
MPI	-5.25	-2.88	-3.58	-0.27	(-1.0) – 0.0

Source: GDP by NESDB, MPI by OIE, data as of September 2024.
 2023-2024 Forecasts: GDP by NESDB, Industrial GDP and MPI by OIE.

Pressure factors

- High household and business debts
- Imports of cheap goods from abroad
- High energy prices
- High interest

Supporting factors

- Continued growth in tourism
- Economic stimulus measures from the government
- Increased investment promotion applications

