



# Situation of Industrial Production in

December 2024

In December 2024, the Industrial Production Index (MPI) **decreased by 2.11% (YOY)**.

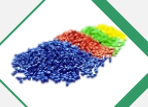


- High levels of household and business debt.
- Intense competition from cheap imported goods from abroad.
- Production costs increase in line with energy prices.
- Prolonged geopolitical problems in many regions.
- Affected industries such as automotive and electronic parts.


Production	Dec. 2024	Jan. – Dec. 2024
Manufacturing Production Index (MPI, %YOY)	-2.11	-1.79
Capacity utilization rate (CAP-U, %)	55.97	58.44

## Industries impacting the MPI in December 2024


### Industries with positive impact (YoY)



**Plastic pellets: +18.40%**  
Growth was partly due to a low base in the previous year, as some manufacturers temporarily halted production and others underwent major maintenance.




**Sugar: +22.19%**  
Expansion was driven by an increased volume of crushed sugarcane, as last year's high sugarcane prices encouraged farmers to expand their planting areas.




**Air Conditioners: +16.97%**  
Demand increased due to rising global temperatures and higher purchase orders from the US and neighboring countries in preparation for summer sales.


### Industries with a negative impact (YoY)



**Automobiles: -22.79%**  
The sector contracted in both domestic and export markets due to high household debt and stricter credit approval by financial institutions. Export demand also declined in line with weaker demand from trading partners.



**Electronics components: -13.54%**  
Decline was mainly driven by lower production of Integrated Circuits (IC) due to reduced purchase orders from customers and parent companies abroad, reflecting uncertainty in the global market.



**Palm oil: -34.54%**  
Production decreased following a decline in palm fruit supply caused by floods in the South. Additionally, some manufacturers experienced machinery damage, preventing production.



In 2025, the MPI and GDP of industrial production are projected to grow by 1.5–2.5% (YOY).

Key supporting factors include increased government and private consumption, as well as rising investment. Additionally, tourism and international trade is expected to continue to expand.



(%YOY)	2024			2024	Estimation for 2025
	Q2	Q3	Q4		
GDP	+2.2	+3.0	N/A	+2.6 <sup>F</sup>	2.3 – 3.3
Industrial GDP	+0.3	+0.1	N/A	-1.0 <sup>F</sup>	1.5 – 2.5
MPI	-0.24	-1.12	-2.05	-1.79	1.5 – 2.5

Note: F = Forecasted value, N/A = Not available

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

Source: GDP by NESDC, MPI by OIE, data as of January 2024.

#### Supporting factors

- Tourism sector grows continuously.
- Government economic stimulus measures.
- Exports expand continuously.

#### Pressuring factors

- High household debt.
- An influx of cheap imports flooding the market.
- Geopolitical conflicts limit global trade recovery.

