





Situation of Industrial Production in

February 2024

The Industrial Production Index (MPI) in February 2024 **declined by 2.84% (YoY)**.



- Automotive production has decreased for the seventh consecutive month, mainly due to stricter auto loan approvals by financial institutions.
- High levels of household debt and rising interest rates on loans have increased financial costs and the debt burden for entrepreneurs.
- The economies of key trading partners, particularly China, continue to slow down.
- The expansion of the tourism sector and the increase in industrial product exports are expected to support production and boost consumption in the upcoming period.

Production	February 2024
 Manufacturing Production Index (MPI, %YOY)	-2.84
 Capacity utilization rate (CAP-U, %)	59.77

Industries impacting the MPI in February 2024



Industries with positive impact (YoY)



Petroleum refining: +7.59%

The increase was in line with the continuous growth in demand for consumption in the transportation and travel sectors.



Chemical fertilizers: +39.82%

Agricultural products were reasonably priced. Farmers had purchasing power, and fertilizer prices decreased due to lower raw material costs compared to the previous year, along with promotional activities to boost sales.



Gemstone and jewelry: +24.56%

The recovery of the economies of trading partner countries led to more orders and exports to key trading partners such as Qatar, Belgium, India, Hong Kong, Germany, Japan, and the USA.

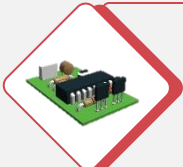


Industries with a negative impact (YoY)



Automobile: -16.83%

The domestic market slowed down due to strict lending policies by financial institutions and delayed exports from the economies of trading partner countries.



Electronic components: -18.66%

The decline was driven by the reduced demand for products in the global market. This includes integrated circuits (IC) and PCBA.



Palm oil: -27.23%

Drought reduced fresh fruit bunches compared to last year. Additionally, Indonesia resumed its exports, resulting in a market adjustment and reduction in prices globally, leading to contraction in both domestic and export markets.

Industrial economic forecasts



In 2023, the MPI shrank by 3.78%, and the industrial production Gross Domestic Product (GDP) shrank by 3.2% (YOY).

In 2024, the forecast for the MPI and GDP of industrial production is expected to expand by 2.0% to 3.0% (YOY).



(%YOY)	2023				Estimation for 2024
	Q1	Q2	Q3	Q4	
GDP	2.6	1.8	1.4	1.7	2.2 – 3.2
Industrial Production GDP	-2.6	-3.5	-4.4	-2.4	2.0 – 3.0
MPI	-2.11	-4.39	-5.25	-2.87	2.0 – 3.0

Source: GDP by NESDB, MPI by OIE, data as of March 2024.

2024 Forecasts: GDP by NESDB, industrial GDP and MPI by OIE.

Supporting factors



Tourism continued to expand.



Exports increased continuously.



Government's economic E-receipt measures helped to stimulate the economy.

Stress factors



Household debt is high, and financial institutions have become more stricter about credit granting.



The economies of trading partners continue to slow down.



Climate change from the El Niño phenomenon.

