



Industrial Production Situation in the First Half of 2025



In the first half of 2025 (January–June), the Manufacturing Production Index (MPI) **declined by 0.14 percent** year-on-year, with the capacity utilization rate averaging 60.04 percent. The downturn was influenced by US international trade policies, which have slowed both the global and Thai economies. Private consumption has yet to recover due to household debt burdens and tighter credit conditions imposed by financial institutions. Additional pressures included rising production costs, an influx of imported products, the temporary closure of the Thai-Cambodian border, US trade measures, geopolitical conflicts, and appreciation of Thai baht and other currencies, all of which constrained the competitiveness of Thai industry. In response, the Office of Industrial Economics (OIE) is in the process of formulating measures to upgrade production capacity and restructure Thai industry to strengthen competitiveness.

Industries impacting the MPI in the First Half of 2025 (Jan. – Jun.)



Industries with Positive Growth (YoY)



Sugar: +7.81% YoY

The volume of cane entering the mill was higher than last year, from increased rainfall and high cane prices, which encouraged farmers to expand cultivation area.



Plastic pellets: +5.79% YoY

Growth was supported by polypropylene resin (PP). Manufacturers returned to normal production after halting machinery operations in the previous year.



Other rubber products: +3.37% YoY

Manufacturers expanded production capacity to accommodate increased orders, including production standards that passed EUDR certification.



Industries with Negative Growth (YoY)



Petroleum refining: -2.31% YoY

Contraction was driven by the slowdown of tourism, together with the use of more energy-efficient vehicles.



Non-alcoholic beverages: -9.24% YoY

Some major producers temporarily halted production continuously for more than 6 months.



Coffee, tea, and herbal drinks: -82.10% YoY

Contraction was mainly from instant coffee, from the temporary production halt of major producers.

Industrial Outlook



For 2025, the MPI is projected to expand by 0.5 – 1.5%, while industrial GDP is expected to grow by 0.0 – 1.0%. Growth momentum will be supported by government stimulus measures, policy rate cuts, and sustained trade with major partners.

(%YoY)	2024	Q1/2025	Q2/2025	2025 Estimation
GDP	+2.5	+3.1	N/A	1.7 – 2.7
Industrial GDP	-0.5	+0.6	N/A	0.5 – 1.5
MPI (Index)	96.57	100.18	96.75	96.57 – 97.54
MPI (%YoY)	-1.32	-1.64	+1.47	0.0 – 1.0

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

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

Downside Factors



U.S. import tariff measures



Influx of low-priced imported goods



Household debt burden and sluggish private

Supporting Factors



Government economic stimulus measures



Continued growth in trade with major partners



Policy rate cuts helping to reduce financing costs

