





Situation of Industrial Production in

January 2024

The Industrial Production Index (MPI) in January 2024 **declined by 2.94% (YoY)**.



- Automotive production decreased for the sixth consecutive month due to reduced domestic purchasing power and delayed exports.
- High levels of household debt and rising interest rates on loans are increasing financial costs and entrepreneurs' debt burden.
- The El Niño phenomenon is expected to intensify in early 2024.
- The expansion of the tourism sector and exports of industrial products may encourage production to support increased consumption in the coming period.

Production	Jan. 2024
 Manufacturing Production Index (MPI, %YOY)	-2.94
 Capacity utilization rate (CAP-U, %)	59.43

Industries impacting the MPI in January 2024



Industries with positive impact (YoY)



Industries with a negative impact (YoY)



Non-alcoholic drinks: +14.16%

The increase was driven by demand increased after warmer weather, with new products tailored to consumer preferences.



Chemical fertilizers: +58.68 %

Lower fertilizer prices and higher prices for agricultural products enabled farmers to make increased purchases.



Gemstone and jewelry: +19.00%

Expanded in both domestic and export markets, benefiting from a lower base last year due to global inflation issues.



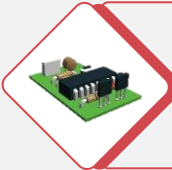
Automobile: -9.63%

The domestic market slowed down due to household debt issues and strict loan policies by financial institutions. The export market is affected by shipping capacity issues



Petroleum refining: -6.45%

The decline was due to refinery maintenance shutdowns by some manufacturers, which resulted in decreased domestic sales volume.



Electronic components: -17.71%

The decline was observed in the automobile industry, heightened by the ongoing trade war, although there were positive factors stemming from growth in related technology industries.

Industrial economic forecasts



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

The forecast for the MPI and GDP of industrial production in 2024 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 February 2024.

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

Supporting factors



The world economy and trade are gradually recovering.



Tourism continues to expand.



Government economic stimulus measures.

Stress factors



Protracted geopolitical disputes.



Production costs, living expenses, business and household debts are at a high level.



Climate change due to drought.

