



# Situation of Industrial Production in

July 2023

Manufacturing Production Index (MPI) in July 2023 **decreased by 4.43% (YoY).**



- Exports of industrial products continued to decrease due to the global economic slowdown resulting from reduced purchasing power in the global market.
- Farmer income consistently declined, reflecting the weakened purchasing power in the agricultural sector.
- The high level of Thailand's household debt and stricter lending practices were pressing factors of domestic purchasing power.

Production	Jul. 2023	Jan. – Jul. 2023
Manufacturing Production Index (MPI, %YoY)	-4.43	-4.54
Capacity utilization rate (CAP-U, %)	58.19	60.38

## Industries affecting the MPI in July 2023

### Positive impact industries (YoY)

**Automobile +5.34%**  
Export increased in Asia, Oceania, the Middle East, Africa, Europe, and Central and South America markets.

**Oil refining +4.99%**  
Increased from aviation fuel, cooking gas, and gasohol 91 as demand returned to normal.

**Iron and steel +7.11%**  
Iron prices improved, causing a decrease in imports; consumers turned to order domestic steel.

### Negative impact industries (YoY)

**HDDs -39.13%**  
Technological advancements leading to greater capacity resulting in decreased production. Moreover, the trend of using SSDs to replace HDDs is increasing.

**Furniture -44.93%**  
The global economy slowing down led to a decrease in orders, and production returned to normal with no special orders as in the previous year.

**Electronics Components -9.73%**  
Global market demand slowed down due to the technology trade war between China and the US.

## Industrial economic forecasts



In 2023, the MPI and industrial GDP expected to contract **2.8 – 3.8%** and **1.5 – 2.5%**, respectively.



(%YOY)	2022		2023		2023 Estimation
	Q3	Q4	Q1	Q2	
Thailand GDP	+4.6	+1.4	+2.6	+1.8	25 – 30
Industrial Production GDP	+6.0	-5.0	-3.1	-3.2	(-15) – (-25)
MPI	+7.70	-6.04	-3.70	-4.60	(-28) – (-38)

Source: GDP by NESDB, MPI by OIE, Data as of August 2023.

Year 2023 Estimates: - Thailand's GDP by NESDB

- Industrial production GDP and MPI by OIE

### Supporting factors

- Tourism sector remains growing.
- Domestic consumption is projected to grow.
- Both public and private investment are expanding.

### Pressing factors

- Global economic recession.
- The cost of production increases in line with interest rates.
- Prolonged geography conflicts.

