

# 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.

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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.



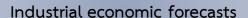
#### Furniture -44.93%

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.





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



(%YOY	2022		2023		2023
	Q3	Q4	Q1	Q2	Estimation
Thailand GDP	+4.6	+1.4	+2.6	+1.8	2.5 – 3.0
Industrial Production GDP	+6.0	-5.0	-3.1	-3.2	(-1.5) – (-2.5)
MPI	+7.70	-6.04	-3.70	-4.60	(-2.8) – (-3.8)

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





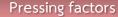
Tourism sector remains growing.



Domestic consumption is projected to grow.



Both public and private investment are expanding.





Global economic recession.



The cost of production increases in line with interest rates.



Prolonged geography conflicts.

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