



Situation of Industrial Production in

July 2024

In July 2024, the Industrial Production Index (MPI) increased by 1.79% (YoY).



- The automotive production sector has declined for the 12th consecutive month, with domestic contraction due to decreased purchasing power caused by household debt and export contraction due to geopolitical tensions.
- Manufacturing costs have increased due to rising household debt, high interest rates, and elevated diesel prices.
- Imported goods were flooding into Thailand, and consumers are increasingly opting for imports due to their lower prices.

Production	Jul. 2024	Jan. – Jul. 2024
Manufacturing Production Index (MPI, %YOY)	+1.79	-1.48
Capacity utilization rate (CAP-U, %)	58.84	59.05

Industries impacting the MPI in July 2024



Industries with positive impact (YoY)



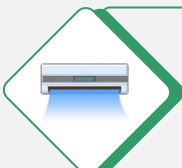
Palm oil: +35.29%

This increase is due to a large volume of palm oil entering the market and a rise in exports to India, China, Pakistan, and Europe, driven by higher global market prices.



Other rubber products: +14.70%

Growth is primarily due to demand for medical gloves, rubber used in automotive/motorcycle parts, and primary rubber products, with increased orders from the European market.



Air-conditioners: +26.91%

The growth was driven by rising global temperatures. This, combined with manufacturers improving product quality and incorporating advanced technologies such as remote-control systems and IoT, contributed to the increase.

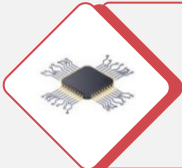


Industries with a negative impact (YoY)



Automobiles: -11.11%

The decline was due to the economic slowdown, high household debt, decreased consumer purchasing power, strict loan approval by financial institutions, and export market contraction.



Electronics components: -11.96%

This decline aligned with the global electronics market, with contractions in both domestic and export markets. The downturn is particularly notable in the automotive industry, driven by reduced demand from Japanese automobile manufacturers.



Concrete products: -11.02%

The decrease is primarily driven by concrete piles and prefabricated concrete floors, in line with the slowdown in the real estate sector and continued strict lending policies by financial institutions.

Industrial economic forecasts



In 2024, the MPI is expected to grow by 0.0% to 1.0%, and the industrial GDP is expected to increase by 0.5% to 1.5%. This growth is supported by the anticipated disbursement of the 2024 budget, which is expected to stimulate domestic economic activities and consumption, along with signs of recovery in the economies of trading partners.

(%YOY)	2023		2024		Estimation for 2024
	Q3	Q4	Q1	Q2	
GDP	+1.4	+1.7	+1.6	+2.3	2.3 – 2.8
Industrial GDP	-4.4	-2.4	-2.9	+0.2	0.5 – 1.5
MPI	-5.25	-2.88	-3.58	-0.27	0.0 – 1.0

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

2023-2024 Forecasts: GDP by NESDB, Industrial GDP and MPI by OIE.

Supporting factors



Exports are gradually recovering.



Domestic consumption shows signs of solid expansion.



Private sector investment continues to grow steadily.

Pressure factors



Prolonged geopolitical tensions persist.



Production costs, living expenses, and business and household debt remain high.



Unstable weather conditions, mainly due to drought.

