

### Manufacturing Production Index (MPI) in June 2023 **decreased by 5.24% (YoY).**



- Exports of industrial products continue to decline due to the weak economic conditions of trading partners, especially China, whose economic growth trend is lower than expected.
- Farmer's income in June continued to shrink, reflecting purchasing power from the agricultural sector that is still fragile, as well as the monitoring of the El Niño phenomenon that will result in a decrease in the amount of rainfall in the country.

Production	Jun. 2023	Jan. – Jun. 2023
 Manufacturing Production Index (MPI, %YOY)	-5.24	-4.60
 Capacity utilization rate (CAP-U, %)	59.12	60.72

### Industries affecting the MPI in June 2023

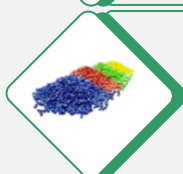


#### Positive impact industries (YoY)



##### Automobile +3.37%

Domestic production increased from passenger cars, and exports increased from passenger cars and PPVs to Asia.



##### Plastic pellet +5.64%

Production in the upstream and downstream petrochemical industries increased, including more factories returning to production from the previous year.



##### Motorcycle +21.88%

The industry increased in line with the expansion of domestic and international markets, including the increase of purchasing power from tourism sector.



#### Negative impact industries (YoY)



##### Other rubber products -18.13%

Decreased from concentrated latex products, sheet rubber, and rubber bands following the slowdown of the economy of key trading partners.



##### HDD -20.68%

The development of higher storage capacity has resulted in a decline in production, and there is a growing trend of using SSDs to replace HDDs.



##### Furniture -37.14%

The industry decreased from wooden and metal furniture, including the decreased orders from trading partner economies.

### Industrial economic forecasts



The 2023 MPI and GDP of industrial production are expected to expand by 0.0 – 1.0% (YoY).



(%YOY)	2022		2023		Estimation for 2023
	Q3	Q4	Q1	Q2	
Thailand GDP	+4.6	+1.4	+2.7	N/A	2.7 – 3.7
Industrial Production GDP	+6.0	-5.0	-3.1	N/A	0.0 – 1.0
MPI	+7.70	-6.04	-3.70	-4.60	0.0 – 1.0

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

#### Strain factors



Global economic recession.



The cost of production increases in line with interest rates.



Prolonged geography conflicts.

