



# Situation of Industrial Production in

June 2024

In June 2024, the Industrial Production Index (MPI) **decreased by 1.71% (YoY)**.

- The automotive production economy has declined for the 11<sup>th</sup> consecutive month, driven by reduced domestic demand due to weakened purchasing power caused by household debt issues. However, the export market continues to grow.
- 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	Jun. 2024	Jan. – Jun. 2024
Manufacturing Production Index (MPI, %YOY)	-1.71	-2.01
Capacity utilization rate (CAP-U, %)	58.41	59.11

## Industries impacting the MPI in June 2024



### Industries with positive impact (YoY)

	<b>Palm oil: +41.90%</b> The volume of palm fruit entering factories has increased, and higher global market prices compared to domestic prices have led to continuous growth in the export market.
	<b>Petroleum refining: +3.58%</b> This was driven by the steady expansion of the tourism industry, with increased activity from both international tourists and domestic travelers.
	<b>Prepared animal feed: +14.43%</b> This growth was driven by rising orders from customers in Bahrain and Japan, along with contract manufacturing for international clients. Additionally, product prices have been lowered due to a reduction in the price of tuna meal.



### Industries with a negative impact (YoY)

	<b>Automobiles: -18.05%</b> This decline was due to the contraction of the domestic market caused by the economic slowdown, reduced consumer purchasing power, high household debt, and financial institutions maintaining strict credit approval processes.
	<b>Electronics components: -20.08%</b> 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.
	<b>Motorcycles: -23.42%</b> The domestic market contracted due to household debt issues, while exports declined as trading partners delayed orders due to high stock levels.

## 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
	Q2	Q3	Q4	Q1	
GDP	+1.8	+1.4	+1.7	+1.5	2.0 - 3.0
Industrial GDP	-3.5	-4.4	-2.4	-3.0	0.5 - 1.5
MPI	-4.93	-5.25	-2.88	-3.58	0.0 - 1.0

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

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

### Supporting factors



### Pressure factors

