# Situation of Industrial Production in June 2026

**In June 2026, the Manufacturing Production index (MPI) contracted by 3.10% (YoY).**



- The automotive industry contracted in the domestic market due to high household debt and stricter loan approval standards by financial institutions.
- The petroleum industry contracted following earlier accelerated production to build up inventory.
- The prolonged situation in the Middle East has caused volatility in energy prices and transportation costs.
- Rising inflation has increased the cost of living, putting pressure on domestic purchasing power.

| Production | June 2026 |
|---|---|
| Manufacturing Production Index (MPI, %YOY) | 94.99<br>-3.10 |
| Capacity utilization rate (Cap-U, %) | 57.61 |

## Industries impacting the MPI in June 2026

### Industries with Positive Contributions (YoY)



**Basic chemicals: +22.35%**
Growth was driven mainly by caustic soda and chlorine, in line with continued growth in demand from various industries.



**Prepared animal feed: +10.73%**
Growth was driven by increased demand in both domestic and overseas markets.




**Sugar: +19.83%**
Manufacturers accelerated raw sugar processing for contractual deliveries, while sugarcane crushed increased compared with the previous year.

### Industries with Negative Contributions (YoY)



**Automotive: -12.59%**
Domestic-market contraction resulting from high household debt and stricter credit approval by financial institutions.



**Petroleum products: -7.97%**
Manufacturers slowed production slowed production as inventories were sufficient to meet consumer demand.



**Palm oil: -33.24%**
The contraction was driven by lower volumes of oil palm fruit entering the market due to extremely hot weather.

**For 2026, the MPI is projected to expand by 1.0–2.0%, while GDP from industrial production is projected to grow by 1.0–2.0% (YoY).**
Growth will be supported by continued export expansion, government economic stimulus measures, accelerated disbursement of the FY2026 government budget, and the prospect of an increased government budget framework. However, prolonged geopolitical tensions, uncertainty surrounding U.S. trade policy, and the slow recovery in consumption amid high inflation and household debt remain key factors to monitor.

| (%YOY) | 2025 | 2026 | | Estimate for 2026 |
|---|---|---|---|---|
| | | Q1 | Q2 | |
| GDP | +2.4 | +2.8 | N/A | 1.5 – 2.5 |
| Industrial GDP | +0.4 | +0.9 | N/A | 1.0 - 2.0 |
| MPI | -0.43 | +0.9 | -1.8 | 1.0 – 2.0 |

Source: GDP by NESDC, MPI by OIE, data as of July 2026.
Estimation: Thailand's GDP by NESDC, industrial GDP and MPI by OIE

### Upside factors



Government economic stimulus measures



Industries benefiting from strong consumer trends



Continued growth in exports

### Downside factors



Prolonged situation in the Middle East



High household debt and inflation



U.S. import tariff measures

Prepared by: Division of Industrial Economics Research, The Office of Industrial Economics (OIE)
Inquiries: Miss Dusita Netrot Tel. 0 2430 6806 ext. 680615

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