Situation of Industrial Production in March 2026

In March 2026, the Manufacturing Production index (MPI) expanded by 0.75% (YoY).

- The petroleum and automotive industries expanded as manufacturers accelerated production to meet rising domestic demand following the oil shortage caused by the closure of the Strait of Hormuz.
- The smooth formation of the government, both in terms of timeline and stability, ensured the continuity of economic stimulus measures and projects.
- Industrial product exports expanded, driven primarily by electronic products and electrical appliances, which continued to thrive in line with the surging global demand for AI technology products.

Production	March 2026
Manufacturing Production Index (MPI, %YOY)	108.69 +0.75
Capacity utilization rate (CAP-U, %)	64.61

Industries impacting the MPI in March 2026

Industries with Positive Contributions

Sugar (+60.74%)
Growth was driven by higher output of raw sugar and molasses, following increased sugarcane crushing volumes supported by greater rainfall and improved rainfall distribution across cultivation areas.

Basic Iron and Steel (+14.06%)
Expansion was led by hot-rolled sheets, deformed bars, and wire rods, in line with continuously expanding demand and the ability of several mills to manufacture steel compliant with CBAM (Carbon Border Adjustment Mechanism) regulations.

Basic Chemicals (+16.09%)
Expansion was mainly attributed to increased production of caustic soda, chlorine, and ethanol. Some manufacturers expanded production capacity to meet rising demand for ethanol blending in gasohol fuels.

Industries with Negative Contributions (YoY)

Air Conditioners (-12.56%)
The decrease was due to high inventory levels driven by U.S. import tariff policies, coupled with a high base effect from the previous year when certain manufacturers received substantial product orders from Vietnam.

Plastics and Synthetic Rubber (-10.60%)
The decrease resulted from temporary production shutdowns for maintenance by some manufacturers, along with raw material shortages caused by the closure of the Strait of Hormuz.

Starch and Starch Products (-23.57%)
The decrease was due to lower cassava supply entering the market. In addition, the Thailand–Cambodia border situation disrupted cassava root imports from Cambodia.

In 2026, the MPI is estimated to expand by 1.5–2.5 percent (YoY), while industrial GDP is also projected to grow by 1.5–2.5 percent (YoY).
The expansion is supported by continued growth in exports, government economic stimulus measures, and policy interest rate cuts aimed at easing the debt burden of the private sector. However, uncertainty surrounding U.S. trade policies and high household debt levels remain key downside risks to monitor.

(%YOY)	2025	2026 Q1	2026 Q2	Estimate for 2026
GDP	+2.4	N/A	N/A	1.5 – 2.5
Industrial GDP	+0.4	N/A	N/A	1.5 - 2.5
MPI	-0.38	N/A	N/A	1.5 – 2.5

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

Upside factors
- Continued growth in exports
- Government economic stimulus measures
- Lower policy interest rates easing debt burdens

Downside factors
- Uncertainty surrounding U.S. economic policies and tariff measures.
- Household debt issues and a slow recovery in consumption.
- Geopolitical conflicts

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