





# Situation of Industrial Production in

May 2023

Manufacturing Production Index (MPI) in May 2023 **decreased by 3.14% (YoY).**



- Industrial production has contracted, but at a slower rate compared to the previous month, due to a slight expansion in the export of industrial products.
- The El Nino phenomenon, which might intensify, has an impact on raw materials in the agricultural processing industry.
- The global economy is decelerating, especially in key trading partner countries.

Production	May 2023	Jan. – May 2023
 Manufacturing Production Index (MPI, %YOY)	-3.14	-4.49
 Capacity utilization rate (CAP-U, %)	60.20	61.4

## Industries affecting the MPI in May 2023



### Positive impact industries (YoY)



#### Automobile +17.54%

Automobile exports have increased, and there has been a slight increase in domestic sales, which has led to an increase in production.



#### Air conditioners +12.57%

The air purification technology for PM 2.5 and hot weather conditions have increased demand for air conditioners.



#### Sugar +31.14%

Consumption increased for downstream industries, and this year's higher sugar production and improved quality of sugar production.

### Negative impact industries (YoY)



#### Iron & Steel -26.72%

The industry contracted due to decreased domestic demand and orders caused by price fluctuations.



#### HDDs -27.72%

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.



#### Wearing apparel -31.55%

Purchase orders from trading partners have decreased due to the global economic slowdown.

## 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
	Q2	Q3	Q4	Q1	
Thailand GDP	+2.5	+4.6	+1.4	+2.7	2.7 – 3.7
Industrial Production GDP	-0.8	+6.0	-5.0	-3.1	0.0 – 1.0
MPI	-1.07	+7.70	-6.04	-3.70	0.0 – 1.0

Source: GDP by NESDB, MPI by OIE, Data as of June 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 energy prices and interest rates.



Prolonged geography conflicts.

