





Situation of Industrial Production in

May 2025

In May 2025, the Industrial Production Index (MPI) increased by 1.88% (YOY)

- The automotive industry continued to expand for the second consecutive month, supported by vehicle production to fulfill orders placed during the Motor Show.
- International trade remained on an upward trend as exporters accelerated shipments to the US ahead of the anticipated retaliatory tariff increase.
- Economic stimulus measures, particularly the reduction of the policy interest rate from 2% to 1.75%, helped ease financial burdens on businesses.



Production	May 2025
 Manufacturing Production Index (MPI, %YOY)	100.79 +1.88
 Capacity utilization rate (CAP-U, %)	61.14

Industries impacting the MPI in May 2025



Industries with positive impact (YoY)



Automobiles: +12.86% (YoY)

Growth was driven by strong market demand for electric vehicles (EVs) and hybrid electric vehicles (HEVs), as well as higher production of pickup trucks primarily for export markets.



Palm oil: +25.14% (YoY)

Growth was driven by increased supply of crude and refined palm oil, alongside stronger orders from India, China, and Myanmar.

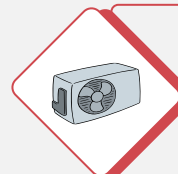


Sugar: +21.43% (YoY)

Growth was supported by higher cane crushing volumes from increased rainfall in cultivation areas and attractive cane prices during the 2023/24 production season, which encouraged farmers to expand cultivation.



Industries with a negative impact (YoY)



Air-conditioners: -10.64% (YoY)

The decrease was driven by weaker domestic demand due to unseasonal weather with an early onset of the rainy season, coupled with intense price competition, particularly from lower-priced imports.



Non-Alcoholic Beverages: -13.56% (YoY)

The industry declined, primarily due to reduced output of carbonated soft drinks, instant coffee beverages, and drinking water, following production suspensions by major producers.



Coffee, Tea, and Herbal Drinks: -80.83% (YoY)

The sharp decline was primarily driven by instant coffee, as a major producer extended its temporary production suspension for the fifth consecutive month.



In 2025, the MPI is projected to grow by 0.0%–1.0% (YOY) and the industrial manufacturing GDP is expected to expand by 0.5%–1.5% (YOY).

Growth is supported by government economic stimulus measures and sustained export momentum, including the recent policy interest rate reduction aimed at easing private sector debt burdens. However, U.S. trade policies and the rising influx of low-priced imports remain key risk factors that require close monitoring.

(%YOY)	2024		2024	2025	Estimate for 2025
	Q3	Q4			
GDP	+3.0	+3.3	+2.5	+3.1	2.3 - 3.3
Industrial GDP	+0.3	+0.3	-0.5	+0.6	0.5 - 1.5
MPI	-0.76	-1.75	-1.32	-1.64	0.0 - 1.0

Source: GDP by NESDC, MPI by OIE, data as of June 2025.

Estimation: Thailand's GDP by NESDC, GDP of industrial production and MPI by OIE

Upside factors



Government economic stimulus measures



Continued export growth



Policy interest rate cuts helping to ease debt burdens

Downside factors



Uncertainty over U.S. trade policies



Weak domestic consumption due to household debt burdens



Slowdown in the tourism sector

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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