



Situation of Industrial Production in the first quarter of 2024

In Q1/2024 (January-March), the Manufacturing Production Index (MPI) contracted by 3.65% compared to the same period last year (YoY). The capacity utilization rate was at 60.45% due to the slow recovery of the domestic economy, which was impacted by high household debt, resulting in reduced consumer purchasing power. Additionally, small businesses faced financial tension from high interest rates, hindering their ability to support economic activity. Geopolitical conflicts across various regions also sluggish global demand for industrial products. However, the tourism and service sectors expanded well, causing the manufacture of related products to continue to increase.

Industries impacting the MPI in Q1/2024 (January-March), included:

Industries with positive impacts (YOY)



Petroleum refining: +2.11%

The growth in the tourism sector, approaching pre-COVID levels, has led to increased domestic oil consumption.



Chemical fertilizers: +40.96%

This increase can be attributed to the previous year when some companies stopped production due to high inventory levels. Additionally, straight fertilizer prices have decreased this year.



Non-alcoholic beverage: +8.15%

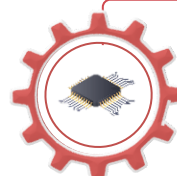
Extreme heat has boosted consumption, prompting manufacturers to develop new products to expand market share.

Industries with negative impacts (YOY)



Automobiles: -16.75%

The industry has faced a decline due to reduced sales of pickup trucks and small cars, as weakened consumer purchasing power has led some to opt for used cars instead.



Electronic components: -17.18%

Global economic uncertainty has impacted investment decisions and consumer spending.



Palm oil: -20.62%

Prolonged drought conditions have reduced the supply of palm oil to the market.

Outlook for the industrial economic situation



In 2024, the MPI and industrial GDP are estimated to grow by 2.0 - 3.0% (YOY). The gradual recovery of the global economy is expected to increase production to meet rising demand in the global market.



	2021	2022	2023	2024 Estimation
Thailand's GDP	+1.6	+2.5	+1.9	2.2 - 3.2
Industrial Production GDP	+4.7	+0.7	-3.2	2.0 - 3.0
MPI (Index)	100.00	101.33	97.50	99.50 - 100.50
MPI (%YoY)	N/A	+1.33	-3.78	2.0 - 3.0

Note: N/A = Not Available

Source: GDP by NESDB, MPI by OIE, Data as of April 2024.

2024 Forecasts: - Thailand's GDP and Industrial GDP are forecasted by NESDB.

- Industrial production GDP and MPI by OIE

Supporting Factors



The tourism sector continues to expand.



The investment sector shows a trend of increasing growth.



The IMF forecasts that the global economy will recover better than last year, expecting a growth of 3.2%.

Pressuring Factors



Prolonged high interest rates pressure investment and consumption.



Fluctuating oil prices affect production costs.



Geopolitical issues may have widespread impacts.

