



Situation of Industrial Production in the First Quarter of 2025

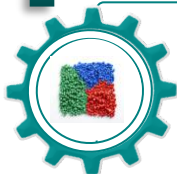


The MPI for the first quarter of 2025 (January–March) declined by 1.86 percent year-over-year (YoY). The capacity utilization rate stood at 60.93 percent. The contraction was primarily attributed to high levels of household and corporate debt, which weakened consumer purchasing power and led financial institutions to tighten their lending criteria causing the limited recovery of domestic economy. Additionally, the influx of low-cost imported goods and rising production costs continued to pressure the competitiveness of Thailand's industrial sector. In response, the Office of Industrial Economics (OIE) is currently developing measures to upgrade industrial production by restructuring the sector to enhance its competitiveness. Despite these challenges, the manufacturing sector continues to receive support from government consumption stimulus measures, tourism growth, and sustained export expansion.

Industries Impacting the MPI in the First Quarter (Jan – Mar) of 2025



Industries with Positive Impact (YoY)



Plastic pellet: +12.49% YoY

Recovery in production of polypropylene (PP) resin after plant shutdowns in the previous year.



Sugar: +6.15% YoY

Adequate rainfall supported cultivation and high sugarcane prices during the previous season encouraged more planting.



Other rubber products: +4.51% YoY

Some manufacturers expanded capacity to meet increased orders. Also, production processes aligned with EUDR compliance measures.

Industries with Negative Impact (YoY)



Automobiles: -18.23% YoY

Decline in both domestic and export markets. Domestic purchasing power remained subdued; trading partners also faced weakened demand.



Palm oil: -20.60% YoY

Flooding in southern Thailand at the end of 2024 reduced palm output.



Petroleum refining: -2.24% YoY

Mainly due to decreased diesel production as demand for fuel in transport and travel sectors has decreased.

Outlook for the industrial economic situation



In 2025, the MPI and industrial GDP are expected to increase by 1.5% to 2.5%, driven by increased government consumption, higher investment, and continued growth in tourism and international trade.

(%YoY)	2022	2023	2024	2025 Estimation
Thailand's GDP	+2.5	+1.9	+2.6 ^F	2.3 – 3.3
GDP for Industrial Production	+0.7	-3.2	-1.0 ^F	1.5 – 2.5
MPI (Index)	101.33	97.50	97.76	97.20 – 98.20
MPI (%YoY)	+1.33	-3.77	-1.79	1.5 – 2.5

Note: - F = Forecasted value

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

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

Pressuring Factors



High levels of debt



The influx of cheap imported goods



Economic policy uncertainty in the US

Supporting Factors



Tourism and services are expected to grow



Government economic stimulus policies



Global trade is gradually recovering

