



Situation of Industrial Production in

September 2024

In September 2024, the Industrial Production Index (MPI) **decreased by 3.51%**



- Automobile production fell for the 14th consecutive month, driven by a slowdown in both exports and the domestic market. The downturn is attributed to economic challenges, weak purchasing power, and high household debt, which have led financial institutions to maintain strict lending processes.
- Energy costs remain high, especially from diesel prices.
- The import of inexpensive goods from abroad continues to rise, fueled by the increasing popularity of online shopping platforms.

Production	Sep. 2024	Jan. – Sep. 2024
Manufacturing Production Index (MPI, %YOY)	-3.51	-1.75
Capacity utilization rate (CAP-U, %)	57.47	58.82

Industries impacting the MPI in September 2024

Industries with positive impact (YoY)

Petroleum refining: +7.54%
The increase was mainly from diesel, jet fuel, and gasoline. The production also returned to normal this year after the refinery maintenance shutdown last year.

Canned aquatic animals: +49.96%
The increase was driven by canned tuna following the increased orders from the US, Canada, and Australia as they wanted to stock the products for holidays during the year end.

Air-conditioners: +16.73%
The industry grew due to the rise of global temperature, export acceleration to the USA, and manufacturers can develop products in line with consumers' demand.

Industries with a negative impact (YoY)

Automobiles: -23.48%
Domestic and overseas markets slowed down driven by the contraction of economy, reduced purchasing power, high household debt, and tightened lending processes by financial institutions.

Electronics components: -8.54%
The decrease was mainly from Integrated Circuits (IC), driven by reduced orders and the slow recovery from the sluggish economy of the head companies overseas.

Concrete products: -8.96%
The decrease was mainly driven by a decline in the production of concrete piles and precast concrete slabs following the slowdown of the government construction projects and private real estates.

Industrial economic forecasts



In 2024, the MPI is expected to decline by 1.0% to 0.0%. Industrial GDP is forecasted to range between -0.5% to +0.5%, which is supported by growth in tourism and exports, the gradual recovery of partner economies, the acceleration of budget disbursements for 2024, and government measures that are expected to stimulate the economy and domestic consumption.

(%YOY)	2023		2024		Estimation for 2024
	Q3	Q4	Q1	Q2	
GDP	+1.4	+1.7	+1.6	+2.3	2.3 – 2.8
Industrial GDP	-4.4	-2.4	-2.9	+0.2	(-0.5) - 0.5
MPI	-5.25	-2.88	-3.58	-0.27	(-1.0) - 0.0

Source: GDP by NESDB, MPI by OIE, data as of October 2024.

2023-2024 Forecasts: GDP by NESDB, Industrial GDP and MPI by OIE.

Pressure factors

- High household and business debts
- Imports of cheap goods from abroad
- High energy prices
- High interest

Supporting factors

- Continued growth in tourism
- Economic stimulus measures from the government
- Increased applications for investment promotion

