



Situation of Industrial Production for the first half of 2024



The Manufacturing Production Index (MPI) for the first half of 2024 (January-June) contracted by 2.01% (YoY), with a capacity utilization rate of 59.11%. The MPI for the second quarter (April-June) of 2024 declined by 6.14% (QoQ), mainly due to weakened domestic purchasing power caused by household debt issues. However, industries related to tourism and the export of industrial products showed signs of recovery. The Office of Industrial Economics (OIE) estimates that the MPI for 2024 will grow by 0.0% – 1.0% YoY, and the GDP for the industrial production sector will increase by 0.5% – 1.5% YoY. The growth is supported by the disbursement of the 2024 budget, which is expected to stimulate the economy and domestic consumption, along with growth in tourism and a gradual recovery of the economies of key trading partners.

Industries impacting the MPI in the first half of 2024 (January-June)



Industries with positive impacts (YoY)



Petroleum refining: +2.01%YoY

The growth was driven by tourism sector and domestic economic activities.



Prepared animal feed: +9.09%YoY

Expansion continued since early 2024 to support growing export markets, especially for dog and cat food.



Chemical fertilizers: +27.48%YoY

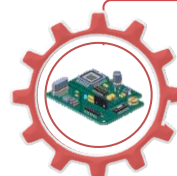
Demand surged as fertilizer prices dropped compared to last year, encouraging farmers to use more fertilizers to boost production.

Industries with negative impacts (YoY)



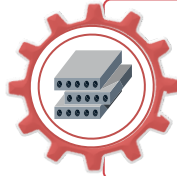
Automobiles: -15.28%YoY

The decline was primarily due to shrinking domestic sales, with high household debt being a major factor.



Electronic components: -17.75%YoY

Demand from downstream industries decreased, as the global electronics market transitions to new technology.



Concrete products: -8.37%YoY

The decrease was due to high stock levels among distributors and delayed construction projects in both the public sector (due to budget delays) and the private sector.

Outlook for the industrial economic situation



In 2024, the MPI is expected to grow by 0.0-1.0%, while the industrial GDP is projected to expand by 0.5-1.5%. This growth is driven by the benefits from tourism and the accelerated disbursement of the 2024 budget, which is anticipated to boost domestic consumption.



	2021	2022	2023	2024 Estimation
Thailand's GDP	+1.6	+2.5	+1.9	2.0 - 3.0
GDP for Industrial Production	+4.7	+0.7	-3.2	0.5 - 1.5
MPI (Index)	100.00	101.33	97.50	97.50 – 98.50
MPI (%YoY)	N/A	+1.33	-3.8	0.0 - 1.0

Note: N/A = Not Available

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

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

- Industrial production GDP and MPI by OIE

Supporting Factors



Continued growth in tourism



Government budget disbursement



Gradual recovery of the global economy and trade

Pressuring Factors



High cost due to household debt and energy prices



U.S.-China trade war



Market oversupply of imported goods

