



Situation of Industrial Production in 2024

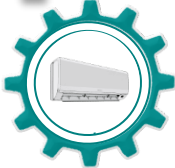


The Manufacturing Production Index (MPI) in 2024 decreased by 1.79 percent (YOY). The capacity utilization rate was at 58.44 percent, reflecting the impact of high household and business debt, which weakened purchasing power and led financial institutions to tighten credit approval standards, thereby limiting the country's economic recovery. Additionally, the influx of low-cost imported goods and rising production costs continue to exert pressure on the competitiveness of Thailand's industrial sector. To mitigate these challenges, the Office of Industrial Economics (OIE) is currently formulating measures to enhance production and restructure the Thai industrial sector for the next phase. However, the manufacturing sector remains supported by government consumption stimulus measures, tourism, and the continued expansion of exports.

Industries impacting the MPI in 2024



Industries with Positive Growth (YoY)



Air conditioners: +9.64%YoY

Driven by rising temperatures and manufacturers' continuous development of products that better meet consumer demand, particularly in global markets.



Prepared animal feed: +7.50%YoY

Expansion of the customer base in international markets, coupled with a decrease in raw material costs, particularly the declining price of fish meal.



Refined Petroleum: +1.59%YoY

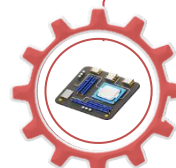
Growth supported by increased tourism and domestic economic activities, leading to higher production of refined petroleum products.

Industries with Negative Growth (YoY)



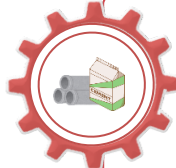
Automobiles: -18.23%YoY

Decline in both domestic and export markets due to weak domestic purchasing power and shrinking demand from key trading partners.



Electronic components: -14.73%YoY

Reduction in the production of Integrated Circuits (ICs) and PCBA due to uncertainties in the global market.



Concrete products: -8.90%YoY

Impact from high household debt and stricter financial institution lending policies, leading to a slowdown in real estate construction.

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, N/A = Not available

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

Source: GDP by NESDC, MPI by OIE, data as of January 2024.

Pressuring Factors



High levels of debt



The influx of cheap imported goods



The uncertainty surrounding US economic policies

Supporting Factors



Tourism and services are expected to grow



Government economic stimulus policies



Global trade is gradually recovering

