



Report on the Industrial Economics Status in Q4/2020 and Outlook in Q1/2021



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Executive Summary

Summary of Thai Industrial Economic Status in Q4/2020

The industrial economic status in Q4/2020, when considered from the Manufacturing Production Index (MPI), contracted by 0.9 percent, an improvement compared to Q3/2020, which decreased by 8.1 percent. **Key industries that shrank in Q4/2020** were as follows: **Manufacture of sugar**—production declined because of production process commenced later than the year before as farmers were continually affected by droughts. Therefore, the amount of cane for sugar production was lesser than the previous year. **Manufacture of apparel**—almost all items decreased in output due to the COVID-19 outbreak affecting the global economy. Consequently, consumers reduced unnecessary purchases, especially in the clothing segment. **Manufacture of non-tire rubber products**—production decreased from block rubber products due to the COVID-19 outbreak since the beginning of 2020, causing the economic slowdown, resulting in fewer orders. Besides, there was a big flood in early December 2020, causing less raw material (latex) to enter the market. **Industries with strong growth in the fourth quarter of 2020** were **the manufacture of automobiles**—production increased in every item due to many new models were introduced to the market in the last quarter of the year. **Electronic components**—production grew in line with increasing demand in the world market to be used in conjunction with downstream products such as electrical appliances and equipment.

Key Industries Outlook in Q1/2021

↔ **Iron and Steel**: The iron and steel industry are forecasted to contract compared to the same period last year, with issues to follow-up, such as global economic and trade situation, the COVID-19 pandemic, government economic stimulus policy, foreign steel prices, and government construction project implementation. These issues will affect the production and consumption of domestic steel products.

↑ **Electrical industry**: It is expected that the MPI and export value will increase by 4.0 and 3.9 percent, respectively, as Thailand can cope well with the COVID-19 pandemic. Moreover, government policies to stimulate the economy will also cause consumers to continue to demand electrical appliances. Nevertheless, issues that need to be monitored and may impact the world economy and Thailand's economy is the new US president's policy, which promotes clean energy, could boost Thailand's solar cell export markets. Furthermore, the economic recovery of trade partners may result in more orders for electrical appliances in Thailand.

↑ **Electronics**: It is expected that the MPI and export value will increase by 3.2 percent and 4.7 percent, respectively, as most people work from home and students' study online. This trend causes increased usage of electronic devices and electronic components to continue to be in demand in developing 5G technology systems, data centers, and products for IT infrastructure.

↓ **Automobile**: In Q1/2021, production of automobile is estimated to reach over 400,000 units, which is divided into 50-55 percent domestic sales and 40-45 percent exports.

↓ Motorcycle: In Q1/2021, production of motorcycle is estimated to reach over 470,000 units, which is divided into 80-85 percent domestic sales and 15-20 percent exports.

↔ Pulp, Paper, and Print Media: It is expected that paper products (cardboard, corrugated paper, and Kraft paper) used for packaging boxes will increase in line with the expansion in food sector. At the same time, paper packaging in the New Normal era is projected to expand sharply. The industry will also benefit from online delivery and in other downstream industries. Meanwhile, exports will increase in pulp; however, books, and publications continued to decline.

↑ Ceramics: The industry is expected to expand further as domestic demand recovers after new wave of the COVID-19 outbreak has eased, together with government economic stimulus measures in real estate and businesses' promotional measures to stimulate the market. This included the production to support export markets after some trading partners have relieved from the COVID-19 pandemic, especially exports of sanitary ware to the US and Japan and exports of floor and wall tiles to CLMV countries.

↑ Cement: When compared to the same quarter last year, the production and sales volumes is project to gradually improve. The improvement will depend on how successful the COVID-19 pandemic is controlled, together with government measures to reduce the burden of the people and accelerate the construction of large public utilities.

↑ Wood and Wooden Furniture: It is projected that the production volume of wooden furniture will increase continuously, mainly in response to international markets' demand. Meanwhile, domestic sales of wooden furniture are expected to continue to decline due to the impact of the COVID-19 outbreak, with the new wave that has arisen.

↑ Pharmaceuticals: It is expected to expand from the same quarter last year by 5.00 percent, following the growth trend of domestic and overseas markets, especially Myanmar, Vietnam, and Cambodia.

↔ Rubber and Rubber Products: Production of automotive tires in Q1/2021 is expected to grow by 2.50 percent, in line with expanding the domestic automobile industry and export markets. Meanwhile, rubber gloves production is expected to grow by 15.00 percent, in line with higher global demand. Production of processed rubber in primary forms, however, is expected to decline by 5.00 percent in line with the declining quantity of rubber entering the market.

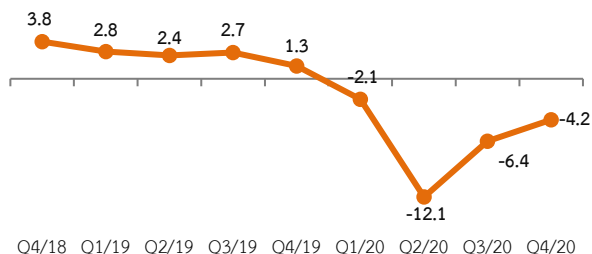
↓ Gems and Jewelry: The industry is project to slow down as the global economy was impacted by the COVID-19 outbreak. However, compared to the previous quarter, production is projected to increase as the COVID-19 outbreak beings to ease from discovering the vaccine and plans to bring the vaccine to the people. In addition, the government sector has measures to stimulate domestic spending and investment. The export value (excluding unwrought gold) is expected to slow down. Likewise, overall exports are expected to decline as gold exports for profit decrease during the decline in gold prices in the world market.

↑ Food: The overall MPI of the food industry is forecasted to grow slightly due to the increase in agricultural products used in the food industry, such as cassava and pineapple, along with the domestic consumption that has recovered from government stimulus measures. The export value is expected to grow slightly as food products that benefit from the COVID-19 situation continue to expand, such as instant food (canned tuna, canned vegetables and fruits, and instant noodles), seasonings, and ready-made pet food.

Part 1 Thailand Economic and Industrial Overview in Q4/2020

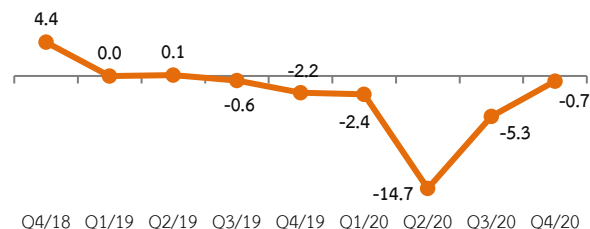
Thailand's Economic and Industrial Overview in Q4/2020

Gross domestic product
decreased by 4.2 percent (%YoY)



Source: Office of the National Economic and Social Development Council

Industrial sector GDP
decreased by 0.7 percent (%YoY)



Source: Office of the National Economic and Social Development Council

Gross domestic product or GDP in Q4/2020 decreased by 4.2 percent from the same period last year (1.3%) but increased from the previous quarter (-6.4%). As a result, the GDP in 2020 decreased by 6.1 percent.

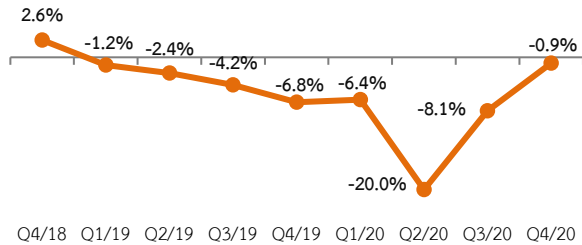
Gross industrial production in Q4/2020 contracted for six consecutive quarters but improved from the last two quarters from supporting factors including improved exports, especially in the automotive industry. There were more orders, and production gradually resumed. Additionally, there were government and private sector measures to prevent and control the spread of Covid-19, especially in industrial factories, which implemented strict

The GDP of the industrial sector in Q4/2020 contracted by 0.7 percent, a dramatic improvement from the previous quarter, with a contraction of 5.3 percent, and an improvement from the same period of the previous year, which contracted 2.2 percent. Many industries improved, especially the automotive industry, which is the main industry that continued to progress, resulting in the industrial sector's GDP for 2020 contracting by 5.7 percent.

Key Industrial Index

Manufacturing Production Index

decreased by 0.9 percent (%YoY)



Source: The Office of Industrial Economics

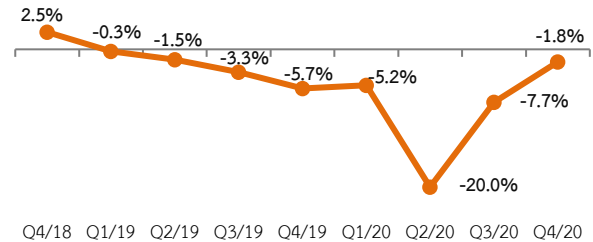
In Q4/2020, the Manufacturing Production Index (MPI) stood at 96.57 points, an increase of 5.6 percent from the previous quarter (91.42 points) but a decrease of 0.9 percent from the same quarter last year (97.46 points).

Industries contributing to the increase of the MPI from the previous quarter were the manufacture of automobiles, sugar, other rubber products, etc.

Industries contributing to the decrease of the MPI from the same quarter last year were the manufacture of sugar, wearing apparel, other rubber products, etc.

Shipment Index

Sales level of goods decreased by 1.8 percent (%YoY)



Source: The Office of Industrial Economics

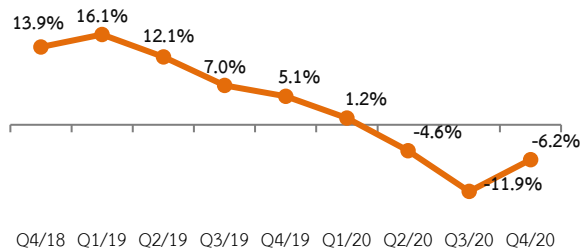
In Q4/2020, the Shipment Index stood at 97.64 points, an increase of 4.1 percent from last quarter (93.79 points) but a decrease of 1.8 percent from the same quarter last year (99.48 points).

Industries that contributed to the decrease of the Shipment Index from last quarter were the manufacture of automobiles, other rubber products, computers and computer peripheral equipment, etc.

Industries that contributed to the decrease of the Shipment Index from the same quarter last year were the manufacture of sugar, plastics and synthetic rubber in primary forms, palm oil, etc.

Finished Goods Inventory Index

Levels of finished goods inventory decreased by 6.2 percent. (%YoY)



Source: The Office of Industrial Economics

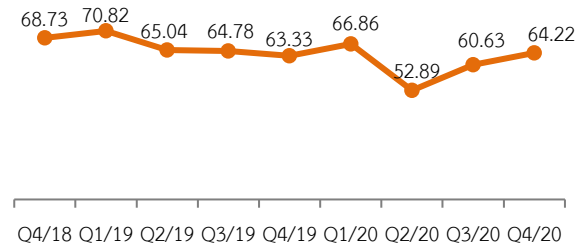
In Q4/2020, the finished goods inventory index stood at 126.72 points, an increase of 6.9 percent from the previous quarter (118.50 points) but a decrease of 6.2 percent from the same quarter last year (135.03 points).

Industries contributing to the increase of finished goods inventory index from the previous quarter were the manufacture of automobiles, sugar, motorcycles, etc.

Meanwhile, industries contributing to the decrease of the finished goods inventory index from the same quarter last year were the manufacture of automobiles; distilling, rectifying, and blending of spirits; and the manufacture of sugar, etc.

Capacity Utilization Rate

Capacity Utilization Rate stood at 64.22 percent.



Source: The Office of Industrial Economics

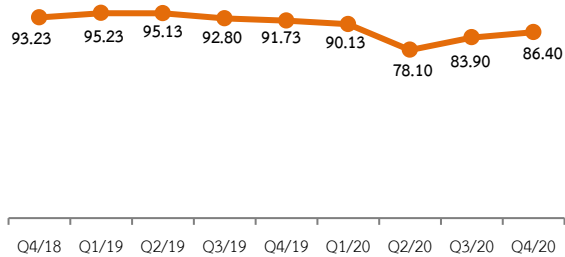
In Q4/2020, the capacity utilization rate stood at 64.22 percent, increasing from the previous quarter (60.63%) and increasing from the same quarter last year (63.33%).

Industries that contributed to the increase of capacity utilization rate from the previous quarter were the manufacture of automobiles, sugar, electronic components and boards, etc.

Industries that contributed to the decrease in capacity utilization rate from the same quarter last year were the manufacture of automobiles, refined petroleum products, electronic components and boards, etc.

Industrial Sentiment Index

of Q4 was at 86.40 points.



Source: The Federation of Thai Industries

In Q4/2020, the industry confidence index was 86.40 points, which increased from last quarter (83.90 points) but decreased from the same quarter last year (91.73 points). Meanwhile, the three-month forecast for the sentiment index was at 92.90 points, also decreasing from the same quarter last year (101.43 points).

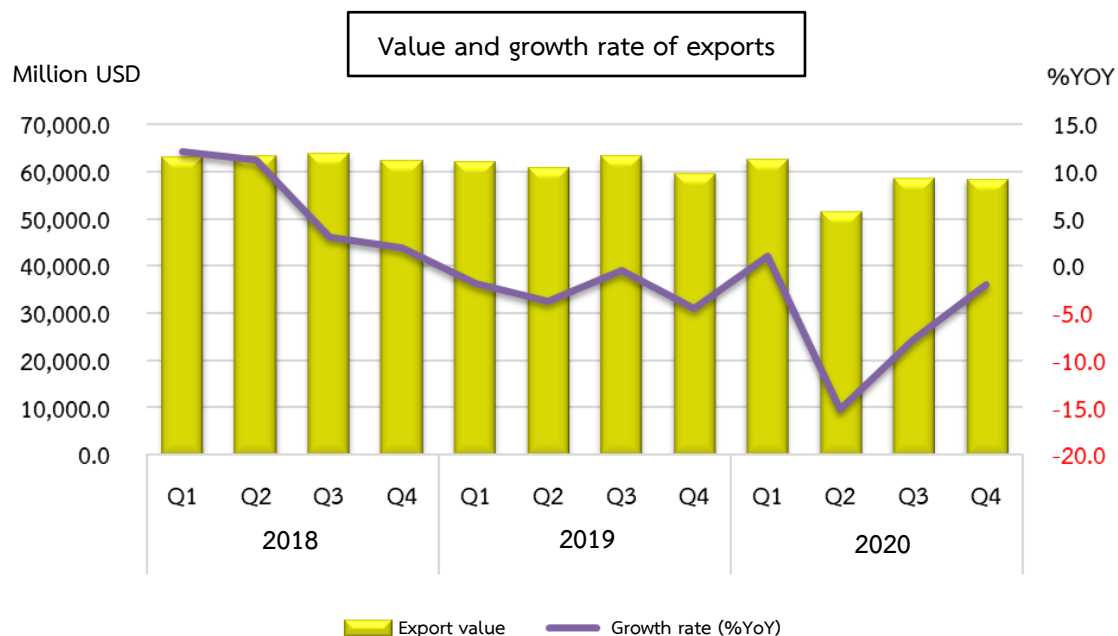
Positive factors contributing to the growth of industrial confidence in Q4/2020 were from the government's economic stimulus and SME support measures, such as the “We Travel Together” project, the “Half-Half Co-payment” scheme, and effective controls on the spread of the COVID-19 in Thailand. Moreover, the invention of vaccines and vaccination trials in many countries indicates and supports the confidence that the economy is in a better direction.

Foreign Trade

"The value of foreign trade in Q4/2020 shrank from the same period of last year, which contracted less compared to the previous quarter. This was due to the gradual recovery of demand from trading partners in line with the recovery of the global economy."

Thailand's foreign trade situation in Q4/2020 reached a total value of 113,721.5 million USD; export value decreased by 2.0 percent compared to the same period last year to 58,392.1 million USD. Import value decreased by 4.2 percent from the same period last year to 55,329.4 million USD. The overall trade balance for Q4/2020 was in the surplus of 3,062.7 million USD.

Export Structure

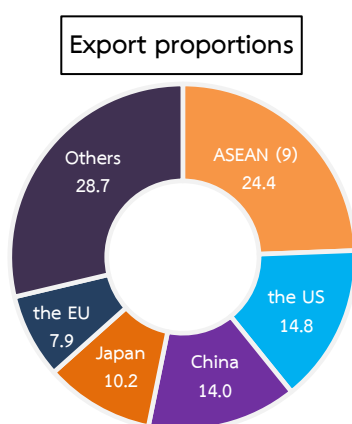


Source: Ministry of Commerce

Exports in the Q4/2020 decreased by 2.0 percent compared to the same period last year to 58,392.1 million USD. Key products with changing in exports were as follows: agricultural products—export value grew by 4.8 percent to 5,283.8 million USD; agro-industrial products—export value dropped by 11.5 percent to 4,317.9 million USD; industrial products—export value dropped by 0.5 percent to 47,240.1 million USD; mineral ore and fuel products dropped by 30.3 percent to 1,550.3 million USD.

Industrial products with a contraction in exports were automobiles, accessories, and parts (with the export value of 6,271.3 million USD, a decrease of 0.5%), plastic pellet (with the export value of 2,184.0 million USD, a decrease of 0.5%), circuit boards (with the export value of 1,954.9 million, a decrease of 1.8%). However, some products remained increasing, such as computer, accessories, and parts (with the export value of 5,019.8 million USD, increasing 3.8%), rubber products (with the export value of 3,465.7 million USD, increasing 15.5%).

Export Markets

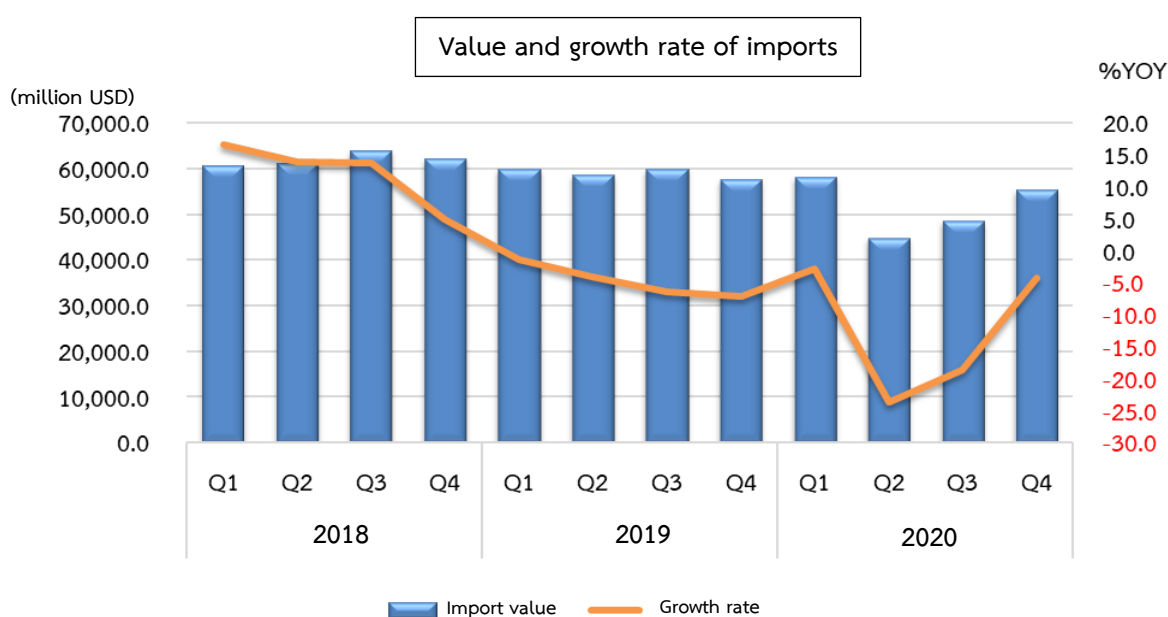


Source: Ministry of Commerce

Compared to the same period last year, in Q4/2020, key export markets—the US and Japan—increased; meanwhile, other major trading partners contracted. The proportion of exports to 5-major markets was ASEAN (9 countries), the US, China, Japan, and the EU (excluding the UK), which accounted for 71.3 percent of total exports; Exports to other markets accounted for 28.7 percent of total exports, the detail of which were as follows:

- Thailand exported products to ASEAN (9 countries), the US, China, Japan, and the EU (excluding the UK), which accounted for 24.4 percent, 14.8 percent, 14.0 percent, 10.2 percent, and 7.9 percent, respectively.
- The export growth rate, compared with the same period last year, expanded in the US and Japan by 16.0 percent and 4.2 percent, respectively. Meanwhile, exports to ASEAN (9 countries), China, and the EU (excluding the UK) contracted by 13.6 percent, 2.6 percent, and 1.8 percent, respectively.

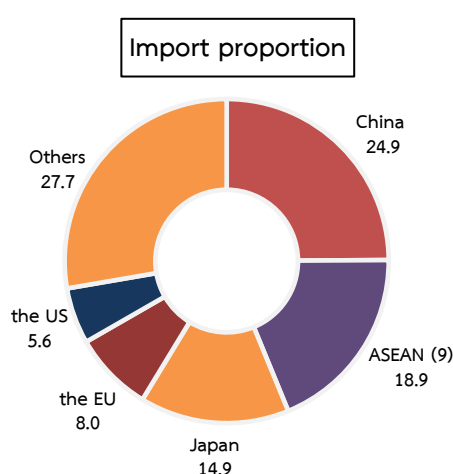
Import Structure



Source: Ministry of Commerce

Thailand's imports in Q4/2020 valued at 55,329.4 million USD, a contraction by 4.2 percent from the same period last year in almost all key product categories as follows: The import value of fuel products reached 6,684.1 million USD, a decrease of 15.0 percent. Capital goods valued at 15,156.1 million USD, a decrease of 4.0 percent. Imports of raw materials and semi-finished products valued at 22,884.6 million USD, an increase of 2.5 percent. Imports of consumer products valued at 7,102.7 million USD, a decrease of 8.9 percent. Imports of vehicles and transportation equipment valued at 292.8 million USD, a contraction of 40.3 percent. Imports of weapons, consumables, and other goods valued at 360.84 million USD, an increase of 62.2 percent.

Source of Imports



In Q4/2020, the growth rate in Thailand's major import markets compared to the same period last year shrank in all markets, namely China, ASEAN (9 countries), Japan, the EU (excluding the UK), and the US. Imports from five key markets accounted for 72.3 percent of total imports; meanwhile, imports from other markets accounted for 27.7 percent of total imports, with following details:

Source: Ministry of Commerce

- Thailand imported products from China, ASEAN (9 countries), Japan, the EU (excluding the UK), and the US, which accounted for 24.9 percent, 18.9 percent, 14.9 percent, 8.0 percent, and 5.6 percent, respectively.
- The import growth rate, compared with the same period last year, from the US, Japan, the EU (excluding the UK), China, and ASEAN (9 countries), contracted by 24.1 percent, 19.4 percent, 18.4 percent, 11.1 percent, and 7.7 percent, respectively.

Global Economy in Q4/2020

"The world economy, production, and trade volume contracted less than the previous quarter. The improved direction was in line with the international trade demand, due to the easing of city shutdown measures and national economic stimulus measures."

Summary of Key Economic Indicators in Q4/2020

	Quarterly Growth (%YoY)						
	GDP	Inflation	MPI	Export	Import	Unemployment Rate	Policy Rate
the US	↓ 2.5	↑ 1.2	↓ 6.8 ^a	↓ 5.4	↑ 5.7	At 6.5	At 0.00-0.25
China	↑ 6.5	↑ 0.1	↑ 7.1	↑ 17.1	↑ 4.3	At 4.2	At 4.35
Japan	↓ 1.2	↓ 0.9	↓ 12.8 ^a	↑ 3.3	↓ 8.4	At 2.9	At -0.10
South Korea	↓ 1.4	↑ 0.4	↑ 1.0 ^a	↑ 4.2	↓ 1.7	At 3.7	At 0.50
Singapore	↓ 3.8	↓ 0.1	↑ 10.9 ^a	↓ 1.7	↓ 6.4	At 2.8	At 0.75
Thailand	↓ 4.2	↓ 0.4	↓ 0.9	↓ 2.0	↓ 4.2	At 1.9 ^a	At 0.50

Source: collected from CEIC Data, <http://www.gtis.com/gta>, <http://www.nesdc.go.th>, <http://www.opec.org>

Note: ^a are estimated figures of Q3/2020.

The global economy is likely to recover gradually. The recovery is reflected from the main economic indicators contracting at a slower rate, following the manufacturing and trading sectors that began to increase in some countries. While the unemployment rate continues to rise, inflation and policy interest rates remained low.

The Federal Reserve Bank maintained the policy rate level at 0.00-0.25%, which helps the economy, stimulating business operations, investment, and employment which were impacted by the spread of the COVID-19.

Crude oil prices in the world market are likely to increase gradually after the COVID-19 outbreak has eased and economic activities begin to resume normal operations. This is a factor supporting the growth of global oil demand. In addition, OPEC and its allies plan to cut and reduce outputs in line with expected rising oil demand. The Dubai crude oil price in Q4/2020 averaged at 44.4 USD/barrel, down from 62.1 USD/barrel from Q4/2019. The NYMEX crude oil prices in December were 47.1 USD/barrel.

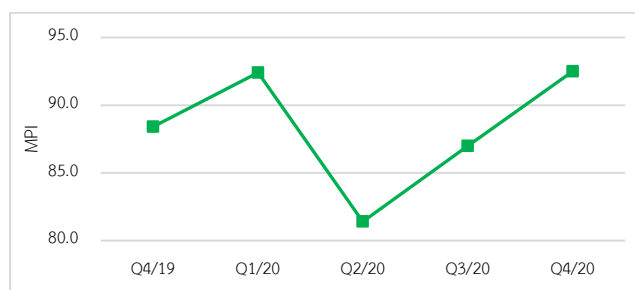
On the other hand, the global economy still has issues to be monitored, such as the global economic recovery, which is highly uncertain due to the new wave of COVID-19 outbreaks in many countries worldwide. In addition, are the new US President's economic policies, non-tariff protection measures, and pressure from the Baht's appreciation, for example. If the prevention and control of the pandemic can be implemented effectively and adequate vaccines are provided to support group immunization within the government's planning framework, this will help build confidence in the business, tourism, and service sectors, which may support all economic sectors to turn around faster than expected.

Part 2 Thai Industrial Economic Sectors in Q4/2020 and Outlook in Q1/2021

Iron and Steel Industry

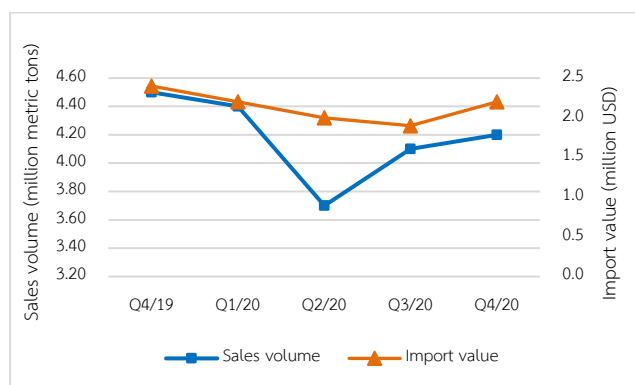
The MPI of Q4/2020 increased from the same period of 2019 as outputs of both long and flat steel products, such as tinplate, chromium coated sheets, wire rods, and steel wires increased.

Manufacturing Production Index (MPI)



Source: The Office of Industrial Economics / Iron and Steel Institute of Thailand

Sales volume and import value



Source: The Office of Industrial Economics / Iron and Steel Institute of Thailand

Production in Q4/2020 the MPI reached 92.5 points, expanding 5.8 percent (% QoQ) and 5.0 percent (%YoY) growth from the same quarter of the previous year (growing for the first quarter after an eight-quarter contraction). The growth follows the recovery of industries, such as the automotive, electrical appliances, and the metal-can-packaging industry, together with the government's economic stimulus measures. The production of long products grew by 1.2 percent; products with the greatest increase were wire rods (14.2%), followed by high tensile steel wires (9.9%) and steel wires (7.5%). As for the production of flat products, the production grew by 11.5 percent; products with the highest production were tinplate (146.8%), followed by chromium-coated steel sheets (142.3%) and cold-rolled sheets (11.6%).

Sales in Q4/2020 reached 4.2 million metric tons, an increase of 20 percent from the previous quarter (%QoQ) but a decrease of 6.8 percent from the same quarter last year (%YoY) (six consecutive quarters of contraction since Q3/2019). Sales of long products contracted by 10.3 percent. Products that contracted in sales were rebars and hot-rolled structural steel sections (-17.4%) and steel wires (-2.7%). Flat products' sales also contracted by 4.5 percent. Products that experienced the highest contraction were galvanized sheets (-16.8%), followed by hot-rolled sheets (-6.4%) and tinplate (-4.8%).

Imports in Q4/2020 grew by 16.3 percent (%QoQ) from last quarter to 2.2 billion USD but fell 8.5 percent (%YoY) from the same quarter last year (seven consecutive quarters of contraction since Q2/2019). Imports of long products decreased by 17.1 percent. Long products with the highest decrease of imports were hot-rolled structural stainless-steel sections (-52.2%). (China, Japan, and India were main sources from which imports decreased). This was followed by alloy-steel rebars (-40.5%) and alloy steel wire rods (-25.9%). Imports of flat products decreased by 25.3 percent, whereby products with the highest decrease of imports were cold-formed structural steel sections (-49.6%) (China was the major sources from which imports decreased). This was followed by tinplate (-41.1%) and hot-rolled alloy steel sheets (-39.1%).

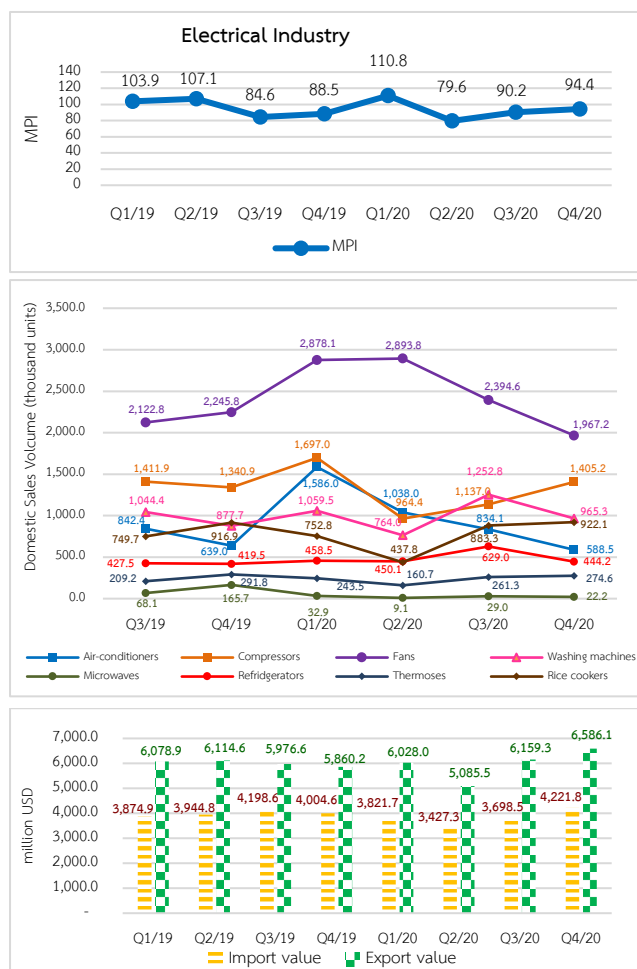
Iron and Steel Industry Outlook in Q1/2021

The iron and steel industry trend in the Q1/2021 is forecasted to contract compared to the same period last year. There are issues to monitor, such as global economic and trade situation, the COVID-19 pandemic, government economic stimulus policy, foreign steel prices, and government construction project implementation. These issues will affect the production and consumption of domestic steel products.

Electrical Industry

Production of electrical appliances in Q4/2020 increased by 5.4 percent compared to the same quarter last year, from the continuation of COVID-19 outbreaks and the US-China trade war, causing an increase in orders for electrical appliances. Products that increased were transformers, refrigerators, electric motors, washing machines, rice cookers, and compressors. The export value increased in the US and China markets.

MPI, Import and Export Value, and Domestic Sales of Electrical Appliances



Source: The Office of Industrial Economics / Electrical and Electronics Institute

Production of electrical appliances in Q4/2020 reached an MPI of 94.4 points, an increase of 4.7 percent (%QoQ) from the previous quarter and an increase of 5.4 percent (%YoY) from the same quarter last year. The increase was due to an increase in orders from domestic and foreign markets because the COVID-19 lockdown easing. Products that increased in the production were transformers (55.9%), refrigerators (30.1%), electric motors (26.8%), washing machines (22.4%), rice cookers (2.0%), and compressors (0.1%). Meanwhile, products that decreased were cables (19.9%), electric fans (8.5%), and air-conditioners (5.9%), electric cables (4.3%), microwave ovens (1.4%), and thermoses (0.9%).

Domestic sales: In Q4/2020, products that increased in sales compared to the same quarter last year were washing machines (10.0%), electric cables (9.5%), refrigerators (5.9%), compressors (4.8%), cables (1.2%), and rice cookers (0.6%). Meanwhile, products that decreased in sales were microwave oven (86.6%), electric fans (12.7%), electric motors (11.9%), air-conditioners (8.5%), and thermoses (5.8%).

Imports of electrical appliances: In Q4/2020, imports grew by 14.2 percent (%QoQ) from last quarter to a value of 4,221.8 million USD and increased by 5.4 percent (%YoY) from the same quarter last year. Key products that increased in imports were refrigerators (71.7%), solar cells (46.0%), washing machine (35.6%), and compressors (18.5%). Meanwhile, products that decreased in imports were power generators (-39.2%), air-conditioner parts (-32.8%), rice cookers (-6.2%), and electric fans (-1.0%).

Export of electrical appliances in Q4/2020 valued 6,586.1 million USD, an increase of 6.9 percent (%QoQ) from last quarter and an increase of 12.5 percent (%YoY) compared to the same quarter last year, due to the fact that exports to the US (%) and China increased by 22.0 percent and 10.6 percent, respectively. Products that increased in exports were rice cookers (40.3%), refrigerators (25.6%), washing machines (23.7%), microwave ovens (14.0%), and air-conditioners (12.1%). Meanwhile, power generators and electric cables decreased in exports by 21.9 percent and 19.6 percent, respectively.

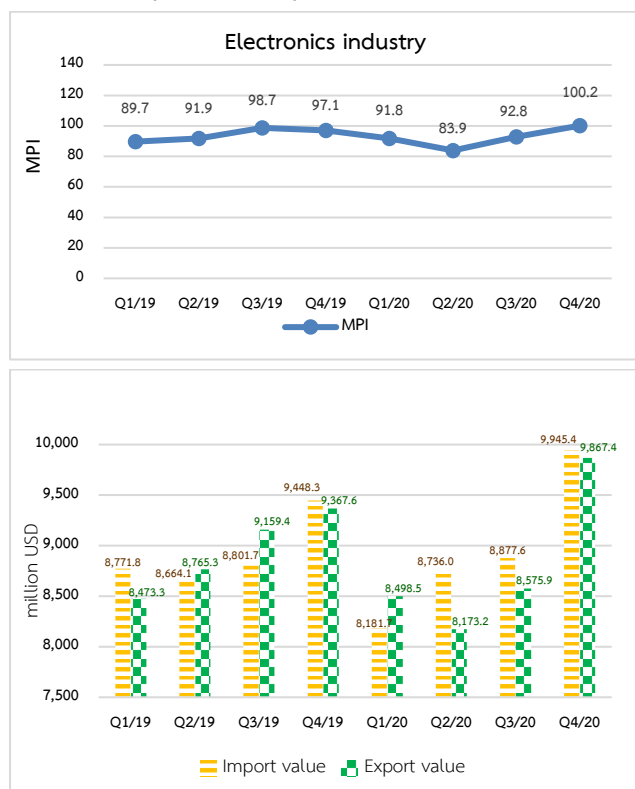
Electrical Appliance Industry Outlook in Q1/2020

It is expected that in the first quarter of 2021, the MPI and export value will increase by 4.0 and 3.9 percent, respectively, as Thailand can cope well with the COVID-19 pandemic. Moreover, government policies to stimulate the economy will also cause consumers to continue to demand electrical appliances. Nevertheless, issues that need to be monitored and may have an impact on the world economy and Thailand's economy is the inauguration of the new US President, with economic policies such as Free Trade Agreements (FTA), the deprivation of Thailand's GSP, trade cooperation between the US and China, and the promotion of clean energy that has promoted Thailand's solar cell export market to grow. Furthermore, the economic recovery of trade partners may result in more orders for electrical appliances in Thailand.

Electronics Industry

The production of electronics in Q4/2020 grew by 6.3 percent compared to the same quarter of last year. The COVID-19 situation in Thailand improved, causing the economy to recover. Electronic devices remained in demand to develop 5G technology systems, data centers, and IT infrastructure products, resulting in increased production and overseas orders. Products with increased production include printers, printed wiring boards (PWB), integrated circuits (ICs), semiconductor devices transistors, and printed circuit boards (PCBA) to the US, China, and ASEAN markets.

MPI, Import and Export Value of Electronics



Source: The Office of Industrial Economics / Electrical and Electronics Institute

The production of electronics in Q4/2020 reached an MPI of 100.2 points, an increase of 7.9 percent from the previous quarter (%QoQ) and 6.3 percent (%YoY) compared to the same quarter of the previous year. Electronic products that increased in production were printers, printed wiring boards (PWB), integrated circuits (ICs), semiconductor devices transistors, and printed circuit boards (PCBA), by 48.1 percent, 26.6 percent, 8.3 percent, 5.0 percent, and 2.0 percent. In the meantime, electronic products that declined included HDDs by 3.4 percent due to technology being switched to SSD (Solid State Drive) instead of HDD (Hard Disk Drive). However, HDDs were needed to develop technology systems, 5G data centers, and IT infrastructure products, increasing demand for electronic products.

Imports of electronic products in Q4/2020 increased by 12.0 percent (%QoQ) from the previous quarter to 9,945.4 million USD and increased by 4.7 percent (%YoY) from the same quarter last year. Key products that increased in imports were printers (33.1%), printed circuits (29.4%), and computers (19.0%); meanwhile, telephones and accessories; diodes, transistors, semiconductor, and parts dropped by 19.8 percent and 14.6 percent, respectively.

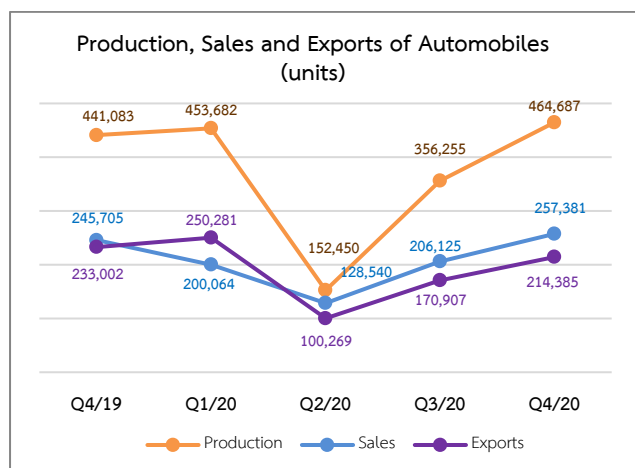
Exports of electronics in Q4/2020 increased by 15.1 percent (%QoQ) from the previous quarter to 9,867.4 million USD, and increased by 5.3 percent (%YoY) from the same quarter last year. This was due to an increase in exports to key markets, including the US (11.4%) and China (7.2%). Products that increased in exports were printed circuit (33.6%), printer (27.7%), and diodes, transistors, semiconductors, and parts (15.9%). Meanwhile, computers parts/accessories and Integrated Circuits (ICs) decreased by 11.1 percent and 1.2 percent, respectively.

Electronics Industry Outlook in Q1/2021

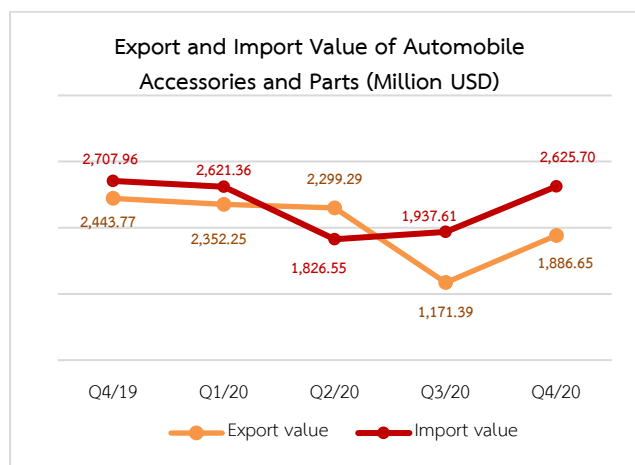
"The electronics industry in Q1/2021 is expected to increase in MPI and export value by 3.2 percent and 4.7 percent, respectively, as most people work from home and students' study online. This trend causes increased usage of electronic devices and electronic components to continue to be in demand in developing 5G technology systems, data centers, and products for IT infrastructure, resulting in increased demand for electronic products from abroad."

Automotive and Part Industry

Automobile production in Q4/2020 increased compared with the same period of the previous year. This is because the domestic market grew as the domestic economy recovered from the stimulus measures. In addition, new models of cars and promotions were launched at the Motor Expo. However, export markets slowed down from the impact of the COVID-19 pandemic in many countries around the world.



Source: The Office of Industrial Economics; data gathered from the Automotive Industry Club, The Federation of Thai Industries



Source: Information and Technology Communication Center, Office of the Permanent Secretary of Commerce in collaboration with Customs Department.

Outlook for Automotive Industry in Q1/2021

The Office of Industrial Economics forecasts that in Q1/2021 over 400,000 units of automobile will be manufactured, of which 50-55 percent will be for domestic sales and 45-50 percent for exports.

Automotive Production

In Q4/2020, automotive production increased by 30.44 percent (%QoQ) from Q3/2020 to 464,687 units and increased by 5.35 percent (%YoY) from the same quarter last year. The production consisted of passenger cars (38%), 1-ton pickup trucks and derivatives (60%), and other commercial vehicles (2%).

Domestic Sales of Automobiles

In Q4/2020, domestic sales increased by 24.87 percent (%QoQ) from Q3/2020 to 257,381 units and increased by 5.67 percent (%YoY) from the same quarter last year.

Automotive Exports

In Q4/2020, exports increased by 25.44 percent (%QoQ) from Q3/2020 to 214,385 units but decreased by 7.99 percent (%YoY) from the same quarter last year. The exports consisted of passenger cars (36%), 1-ton pickup trucks (58%), and PPVs (6%).

Export Value of Automotive Parts and Accessories

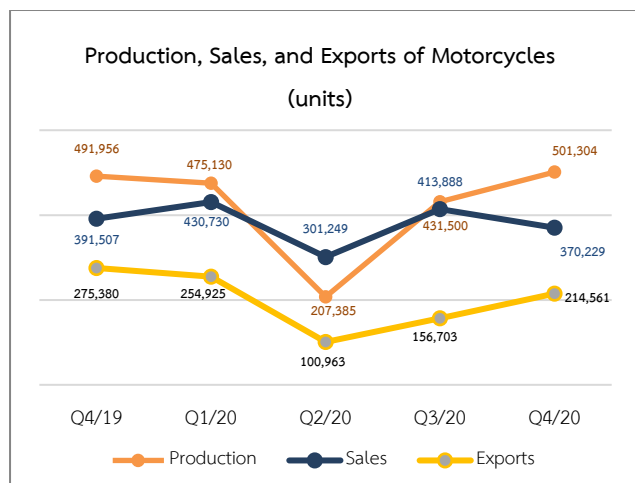
In Q4/2020, exports value increased by 30.84 percent (%QoQ) from Q3/2020 to 1,886.65 million USD and increased by 4.95 percent (%YoY) from the same quarter last year. Key export markets for automotive parts and accessories were Japan, Indonesia, and Malaysia.

Import Value of Automotive Parts and Accessories

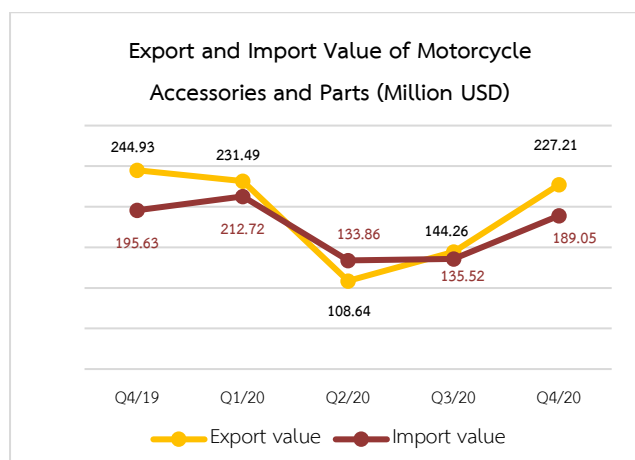
In Q4/2020, imports increased by 35.51 percent (%QoQ) from Q3/2020 to 2,625.70 million USD but decreased by 3.04 percent (%YoY) from the same quarter last year. Key import markets for automotive parts and accessories were Japan, China, and the US.

Motorcycle and Part Industry

Compared to the same period last year, the production volume of motorcycles in Q4/2020 increased; however, domestic and export markets contracted from the impact of the COVID-19 outbreak in many countries worldwide.



Source: The Office of Industrial Economics; data gathered from the Automotive Industry Club, The Federation of Thai Industries



Source: Information and Technology Communication Center, Office of the Permanent Secretary of Commerce in collaboration with Customs Department

Motorcycle Production

In Q4/2020, production of motorcycles increased by 16.18 percent (%QoQ) from Q3/2020 to 501,304 units and increased by 1.90 percent (%YoY) from the same quarter last year.

Domestic Sales of Motorcycles

In Q4/2020, domestic sales grew by 10.55 percent (%QoQ) from Q2/2020 to 370,229 units and decreased by 5.43 percent (%YoY) from the same quarter last year.

Motorcycle Exports

In Q4/2020, exports reached 214,561 units (exported as CBU 87,241 units and CKD 127,320 sets), an increase of 36.92 percent (%QoQ) from Q3/2020 but a decrease of 22.09 percent (%YoY) from the same quarter last year.

Export Value of Motorcycle Parts

In Q4/2020, exports value increased by 57.50 percent (%QoQ) from Q3/2020 to 227.21 million USD but decreased by 7.65 percent (%YoY) from the same quarter last year. Key export markets were Japan, Cambodia, and Brazil.

Import Value of Motorcycles Parts and Accessories

In Q4/2020, imports of motorcycle parts and accessories increased by 39.50 percent (%QoQ) from Q3/2020 to 189.05 million USD but decreased by 3.09 percent (%YoY) from the same quarter last year. Key import markets for motorcycle parts and accessories were Japan, China, and Vietnam.

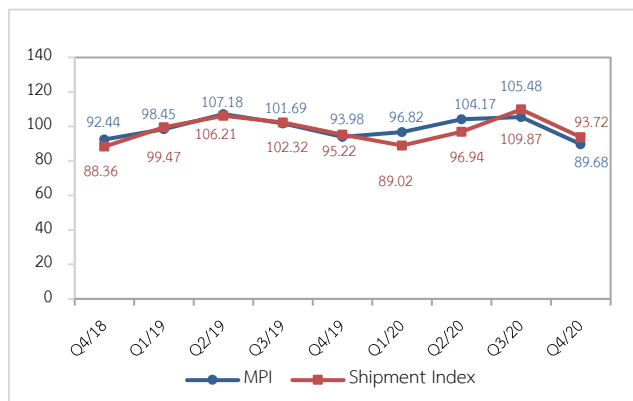
Outlook for Motorcycle Industry in Q1/2021

Office of Industrial Economics (OIE) estimates that in the Q1/2021 over 470,000 units of motorcycles will be manufactured, of which 80-85 percent will be for domestic sales and 15-20 percent for exports.

Chemical Industry

The chemicals industry in Q4/2020 contracted in production and the shipment index. Meanwhile, the export and import values expanded compared with the same quarter of the previous year. Exports grew because of increased demand for chemical products in foreign markets. The growth is due to motor vehicles' production in trading partner countries that returned to production after the COVID-19 outbreak.

MPI and Shipment Index

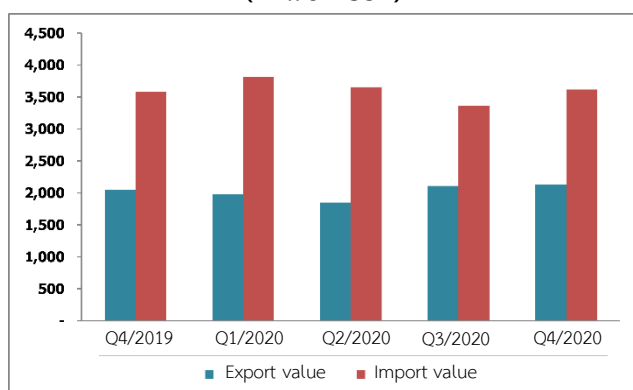


Source: The Office of Industrial Economics

The MPI in Q4/2020 decreased by 14.97 percent (%QoQ) compared to the previous quarter and 4.57 percent (%YoY) compared to the same quarter last year. Products that decreased in MPI were chemical fertilizers, ethanol, shampoo, etc.

The shipment index in Q4/2020 decreased by 14.70 percent (%QoQ) compared to the previous quarter and 1.57 percent (%YoY) compared to the same quarter of the previous year. Products that decreased in shipment index were chemical fertilizers, shampoo, washing powder, etc.

Export and import value of chemicals products (million USD)



Source: Information and Technology Communication Center, Office of the Permanent Secretary of Commerce in collaboration with Customs Department

Chemical exports in Q4/2020 valued at 2,125 million USD, a growth of 0.72 percent compared to the previous quarter (%QoQ) and 3.92 percent compared to the same quarter last year (%YoY). Key products that contributed to an increase in export value included miscellaneous chemicals, pigments, surfactants.

Imports of chemicals in Q4/2020 valued at 3,617 million USD, an increase of 7.46 percent compared to the previous quarter (%QoQ) and 1.07 percent compared to the same quarter of last year (%YoY) due to the expansion of related industries. As a result, imports of raw materials such as miscellaneous chemicals, pigments, and organic chemicals increased.

Outlook for Chemical Industry in Q1/2021

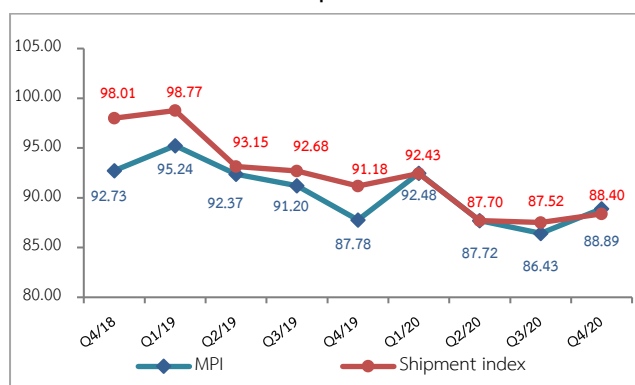
The chemical industry outlook in Q1/2021 expects that exports of chemicals will grow due to motor vehicles' production in partner countries such as Japan and South Korea, where production increased after the COVID-19 outbreak.

Plastics Industry

The plastics industry in Q4/2020 increased in MPI and the export volume but contracted in the shipping index compared to the same quarter of the previous year due to the second wave of COVID-19 outbreaks, resulting in lockdowns in many countries. It is also a result of the Baht appreciation, resulting in a higher proportion of imports than the same quarter of the previous year.

Production and Sales

MPI and Shipment Index



Source: The Office of Industrial Economics

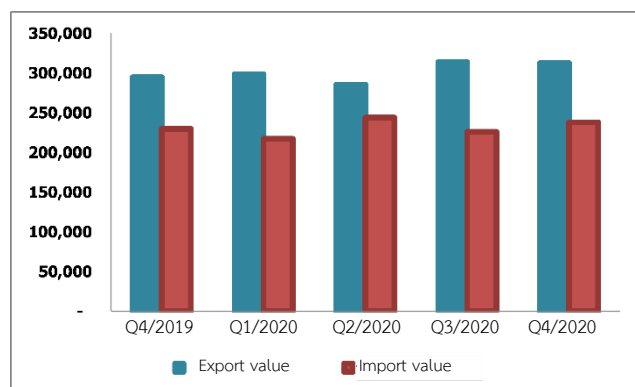
MPI in Q4/2020 increased by 2.84 percent (%QoQ) from the last quarter and 1.27 percent (% YoY) compared to the same quarter of last year. Plastic products with the highest decrease in MPI were tableware, kitchenware, and toilet articles.

Shipment index in Q4/2020 increased by 0.72 percent (%QoQ) from last quarter but decreased by 3.32 percent (%YoY) from the same quarter last year.

Export volume in Q4/2020 contracted by 0.37 percent (%QoQ) compared to the previous quarter to 312,336 metric tons but grew by 6.02 percent (%YoY) from the same quarter last year. Product categories with the highest decrease in export were plastic packaging (HS 3923).

Import volume in Q4/2020 increased by 5.28 percent compared to the previous quarter to 237,719 metric tons but increased by 3.60 percent (%YoY) percent from the same quarter last year. Product categories with the highest decrease in import was monofilament (HS 3916).

Export and Import Volume (metric tons)



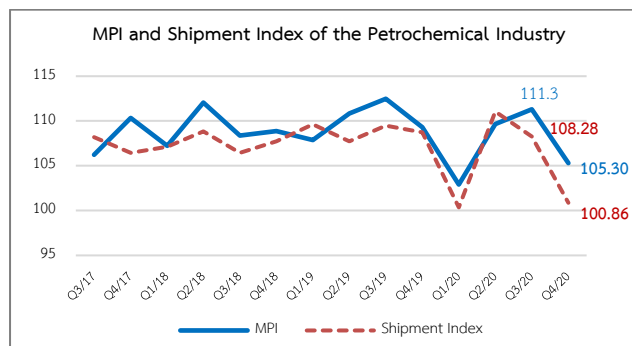
Source: Information and Technology Communication Center, Office of the Permanent Secretary of Commerce in collaboration with Customs Department

Outlook for Plastics Industry in Q1/2021

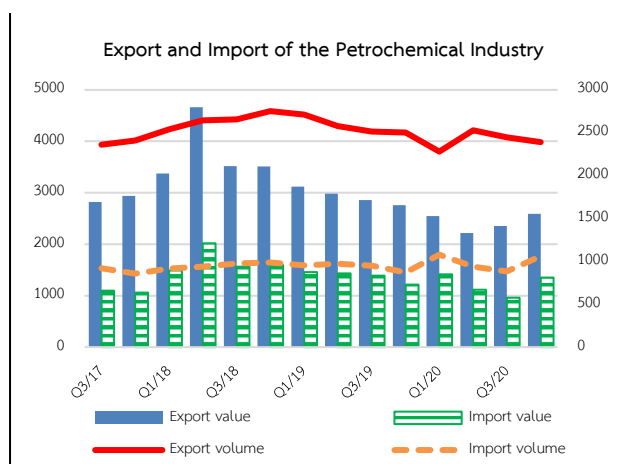
The plastics industry in Q1/2021 is expected to grow in export and import volumes as the demand for plastic products among key trading partner countries continues to expand. However, factors affecting the industry must be considered, including the COVID-19 outbreak that affects the recovery of trading partner economies, coupled with crude oil prices in the world market.

Petrochemical Industry

The petrochemical industry in Q4/2020 decreased in MPI and shipment index from the same quarter in the previous year by 3.32 percent and 7.92 percent (%YoY). The contraction came from the COVID-19 outbreaks. Although Thailand eased lockdown measures, many trading partner countries remained shut down, resulting in slowed production and exports of the petrochemical industry in this quarter.



Source: The Office of Industrial Economics



Source: Customs Department, Ministry of Finance

MPI in Q4/2020 stood at 105.30 points, decreasing by 3.32 percent compared to the same quarter last year. The product that contributed to the decrease in MPI of upstream petrochemicals was Ethylene; meanwhile, PP resin was the product that contributed to the decrement in MPI of downstream petrochemicals.

The shipment index in Q4/2020 stood at 100.86 points, a decrease of 7.92 percent (%QoQ) compared to the same quarter last year. The product contributed to the decrement of the shipment index of the upstream petrochemicals was Propylene; meanwhile, the product contributed to the decrement of the shipment index of downstream petrochemicals was SAN resin.

Export of petrochemicals in Q4/2020 decreased by 6.21 percent from the same quarter last year to 2,590.62 million USD. Petrochemicals were exported to major countries such as China, Vietnam, and Japan. Products which contributed to the decrement in exports of upstream petrochemicals (-25.71%) were Ethylene and Toluene; meanwhile, products contributing to the decrement in exports of downstream petrochemicals (-1.13%) were PP resin and BR rubber.

Import of petrochemicals in Q4/2020 valued at 1,350.13 million USD, an increase of 11.55 percent from the same quarter last year. Petrochemicals were imported from major countries such as Japan, China, and the US. The products contributed to the increment in imports of upstream petrochemicals (48.89%) were Ethylene and Propylene; the products contributing to the increment in imports of downstream petrochemicals (4.70%) were PVC and PP resins.

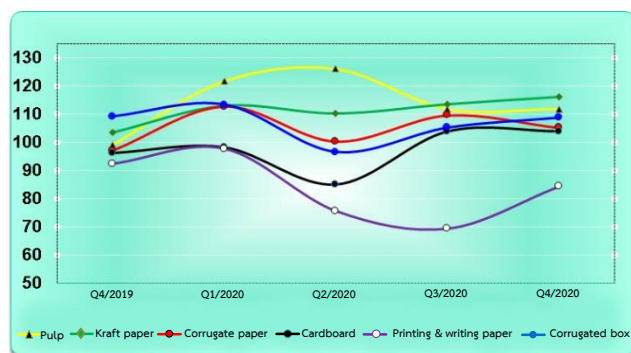
Outlook for Petrochemical Industry in Q1/2021

The overall petrochemical industry in Q1/2021 is expected to grow slightly as the economies in many countries begin to recover after delay from the COVID-19 outbreak which resulted in an increase in demand for products or operations in many sectors, both in the domestic and foreign markets. However, compared with Q4/2020, the petrochemical industry in this quarter is expected to improve. Production, shipping, and exports may increase by 2-12 percent from the easing of lockdown measures and as many sectors start to resume normal operations.

Pulp, Paper, and Print Media Industry

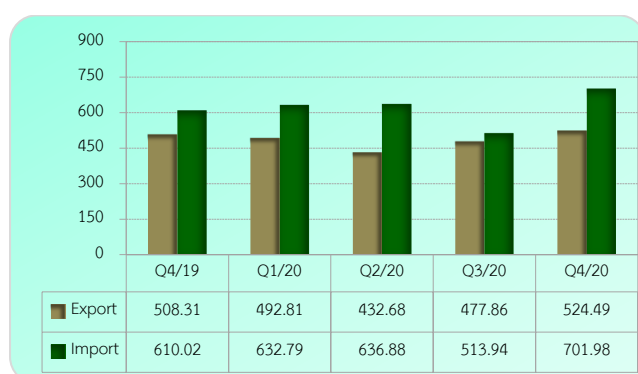
The pulp, paper, and publication industry in Q4/2020 compared with the previous quarter and the same period last year, the pulp and paper products (cardboard and Kraft paper) showed an increase in the manufacturing production index. However, printing and writing paper continued to slow down compared to the same period last year (YoY), while packaging expanded considerably. As for exports and imports, the total value increased from last quarter (QoQ) and the same period last year (YoY).

MPI in Pulp, Paper and Print Media Industry



Source: The Office of Industrial Economics

Export-Import of Pulp, Paper and Print Media



Unit: million USD

Source: Information and Technology Communication Center, Ministry of Commerce

Production in Q4/2020 the pulp category grew by 0.03 percent quarter-on-quarter and 12.97 percent year-on-year. Production was for domestic use and exports, especially for main importers such as China which had continuous orders. The same applies to paper and paper products such as cardboard and Kraft paper and printing and writing paper which increased by 0.04 percent and 2.31 percent (%QoQ) and 8.02 percent and 12.24 percent (%YoY), promoting growth in the packaging product group. Books and printed media increased by 21.50 percent compared to the previous quarter (%QoQ). Still, they decreased by 8.69 percent compared to the previous year (%YoY) due to the increasing popularity of digital and online media and news.

Exports of pulp and paper products in Q4/2020 reached a total value of 524.49 million USD, increasing 9.76 percent (%QoQ) from the pulp, paper, and paper products. However, total exports increased by 3.18 percent compared to last year (%YoY) from paper pulps (75.30%), with over 80 percent exported to China.

Imports of pulp and paper products in Q4/2020 valued 701.98 million USD, up 36.59 percent (%QoQ) and 15.07 percent (%YoY) from the pulp, paper, paper products, and printed media. However, the domestic demand for paper products was very high. In particular, paper packaging continued to increase as consumer behavior changed due to the COVID-19 pandemic. Domestic production is still unable to produce at the same volumes, resulting in the need to import.

Outlook in Q1/2021

The pulp and paper products production industry trend in Q4/2020 is expected to increase in paper products (cardboard, corrugated paper, and Kraft paper) used to produce packaging boxes will increase following the expansion of the food sector. Meanwhile, paper packaging in the New Normal era will expand exponentially and benefit from online delivery applications. In contrast, exports will continue to grow in the pulp sector. Regarding the paper and paper products, books, and publications will continue to contract or expand slightly; likewise, books and publications are expected to recover quite difficult.

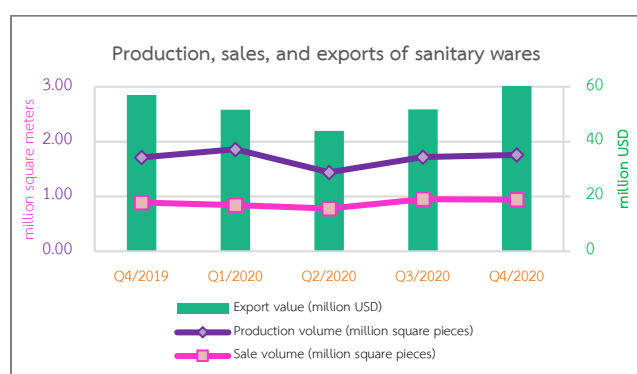
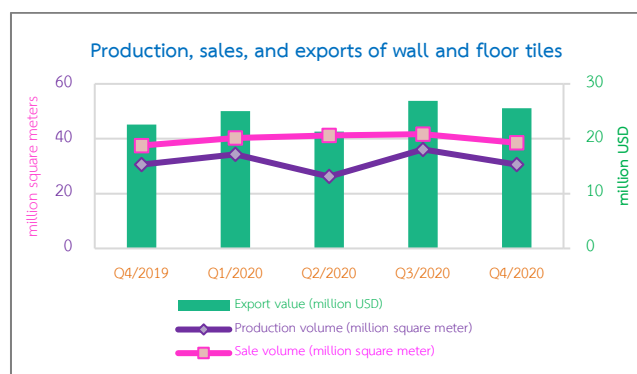
Related government policies

The Central Committee on the Prices of Goods and Services' (CCPGS) meeting held on January 13, 2021, passed a resolution approving the renewal of 4 items of restricted goods: surgical masks, synthetic fibers, alcohol and hand sanitizers, and waste paper and recycled paper, after which expiration date is due on February 3, 2021. The renewal will benefit domestic manufacturers and the environment. Some domestic paper producers still need to import waste paper and used paper because the price is lower there is insufficient supply domestically. Nevertheless, to control such goods, measures should be fair to all parties.

Ceramics Industry

The production volume of floor tiles, wall tiles, and sanitary ware in Q4/2020 contracted from a decrease in orders from CLMV countries. Domestic sales and export volumes grew following consumer demand. The main export markets were the US, China, and Japan.

Ceramics Production, Sales, and Exports



Source: 1. Domestic Production and Sales: Division of Industrial Economics Information and Indices, Office of Industrial Economics
 Note: From the survey of 13 wall and tiling factories and 35 sanitary ware factories
 2. Export Value: Information and Technology Communication Center, Office of the Permanent Secretary of Commerce

Production: in Q4/2020 for floor and wall tiles reached a volume of 30.53 million square meters, a decrease of 15.59 percent from Q3/2020 (%QoQ) and 0.04 percent from the same quarter last year (%YoY). Meanwhile, sanitary ware production reached 1.76 million units, an increase of 2.50 percent from Q3/2020, but a 5.19 percent decrease from the same quarter of last year. The contraction resulted from cuts in CLMV orders due to border control measures and concerns from the COVID-19 situation.

Sales: In Q4/2020, floor and wall tile sales reached a volume of 38.56 million square meters, a decrease of 7.59 percent from Q3/2020 (%QoQ) but a 2.78 percent increase (%YoY) from the same quarter of the previous year. Meanwhile, the sales of sanitary ware amounted to 0.94 million units, a decrease of 1.08 percent from Q3/2020, but an increase of 4.64 percent from the same quarter of last year, from consumer demand and market stimulus measures of entrepreneurs.

Exports: In Q4/2020, exports of wall and floor tiles decreased by 5.12 percent from Q3/2020 to 25.55 million USD but increased by 13.10 percent from the same quarter last year. Meanwhile, exports of sanitary ware valued at 61.09 million USD, increasing 18.14 percent from Q3/2020 and 7.16 percent from the same quarter last year. Major export markets were the US, China, Japan, and CLMV countries.

Outlook for Ceramic Industry in Q1/2020

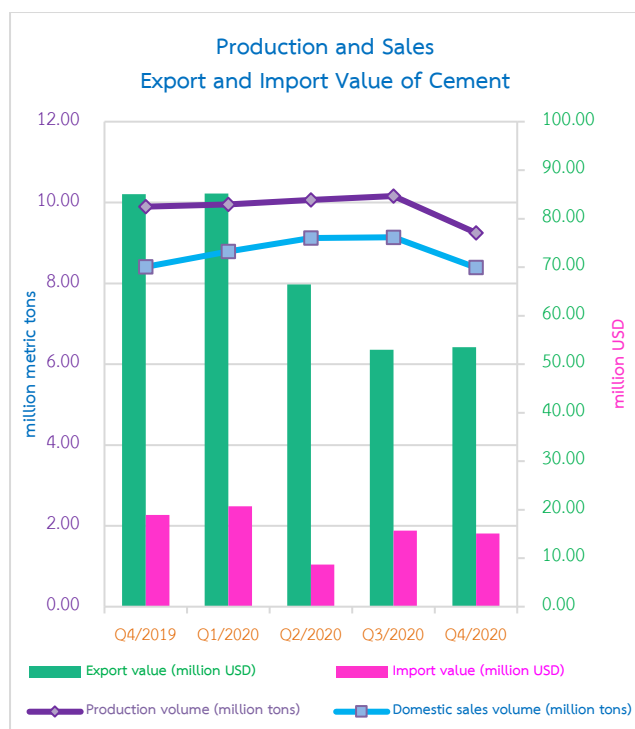
Production and domestic sales of ceramics in Q1/2021 are projected to increase as domestic demand recovers after the new wave of the COVID-19 outbreak has eased, together with government economic stimulus measures in real estate and businesses' promotional measures to stimulate the market. Furthermore, production is expected to increase to support export markets after COVID-19 pandemic concerns ease. Growth is particularly expected in sanitary ware products to the US and Japan and exports of floor and wall tiles to CLMV countries. Imports are also expected to grow from importing ceramic products from China and Japan.

Government Policies Related to the Ceramic Industry

The Thai Industrial Standards Institute issued Notification No. 15 (BE 2563), following the Industrial Product Standard Act BE 2511 regarding an industrial product auditor's appointment. This applies to ceramic sanitary ware that are flush toilets (TIS 729-254). The auditor, Kohler (Thailand) Public Company Limited, announced on November 5, 2020, to control the quality and increase the channels for operators inspecting such product standards.

Cement Industry

The cement industry in Q4/2020, compared to the same quarter last year, decreased in production and sales. The end of the fourth quarter of this year was affected by a new round of COVID-19 outbreak. Exports in this quarter saw a drop as export markets continued to suffer the economic impact of the COVID-19 outbreak.



Source: 1. Domestic Production and Sales: Division of Industrial Economics Information and Indices, Office of Industrial Economics
2. Export Value: Information and Technology Communication Center, Office of the Permanent Secretary of Commerce

Cement production (excluding clinker) in Q4/2020 dropped by 8.19 percent (%QoQ) from Q3/2020 to 9.25 million metric tons and 7.49 percent (%YoY) from the same quarter of the previous year.

Domestic sales of cement (excluding clinker) in Q4/2020 reached 8.39 million metric tons, a decrease of 7.89 percent from Q3/2020 and a slight decrease from the same quarter of the previous year by 0.02 percent (%YoY). The economy began to feel the impacts of the new wave of COVID-19 outbreaks, affecting the people's expenditure.

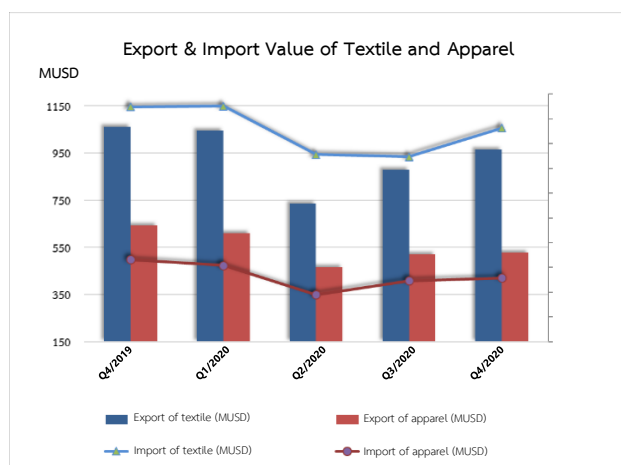
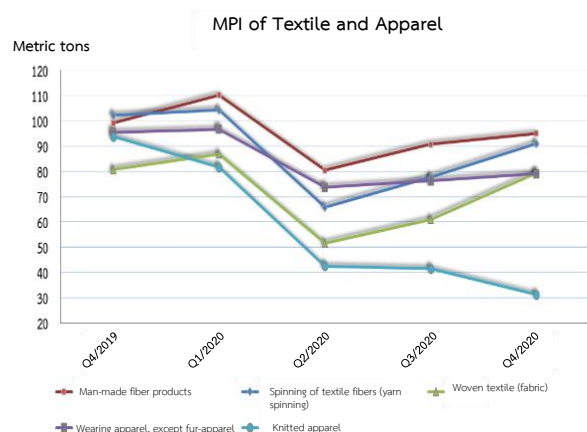
Cement exports-imports (excluding clinker) in Q4/2020 reached an export value of 53.51 million USD, an increase by 1.06 percent (%QoQ) compared to Q3/2020, but a decrease by 37.09 percent from the same quarter of last year, as orders from Cambodia and Bangladesh decreased by 64.44 percent and 41.75 percent, respectively. Cement imports (excluding clinker) valued at 15.06 million USD, a decrease of 4.09 percent from Q3/2020 and 20.28 percent compared to the same quarter last year, from a decrease in imports from Lao PDR by 18.34 percent. The contraction resulted from the economic impact on the domestic market from the spread of the new wave of COVID-19 outbreaks. Furthermore, there was a lot of stock of property already built that remained outstanding.

Outlook for Cement Industry in Q1/2021

The cement industry (excluding clinker) in Q1/2021, compared with the same quarter of the previous year, is expected to gradually improve production and sales volumes. The improvement will depend on how successful the COVID-19 pandemic is controlled, together with government measures to reduce the burden of the people and accelerate the construction of large public utilities.

Textile and Wearing Apparel Industry

In Q4/2020, the production, exports, and imports of textiles and garments decreased compared to the same quarter of the previous year due to the global COVID-19 pandemic. However, compared to the previous quarter, it could grow from the fact that Thailand and several trading partner countries have taken measures to reduce the outbreak of the disease.



Outlook in Q1/2021

Production, exports, and imports of textile fibers, fabrics, and apparel in Q1/2021 are expected to decrease at a slower rate, as the world and Thailand's economy have not yet recovered. As a result, the purchasing power of consumers remained low. Compared with Q4/2020, the overall production, exports, and imports of the textiles and apparel industry are expected to grow as partners in many countries start vaccination against COVID-19. As a result, more businesses are likely to ease lockdown measures, coupled with government measures to stimulate the domestic economy.

Production and Domestic Sales

The MPI of man-made fibers, fabrics, and apparel decreased in MPI by 4.11 percent, 5.90 percent, and 20.16 percent, respectively, due to the decline in production to support exports as the global economy has not yet recovered from the COVID-19 outbreak to normal conditions. Compared to Q3/2020, the production of textile fibers, fabrics, and apparel expanded following orders of raw materials and apparel from foreign trading partners, which began to increase. Moreover, the domestic sales index of man-made fibers, fabrics, and apparel decreased by 5.73 percent, 9.94 percent, and 20.64 percent, respectively, due to a decrease in demand for raw materials for export. In addition, the purchasing power of domestic consumers decreased as a result of the impact of the COVID-19 outbreak.

Exports-Imports

Overall, textile and apparel exports were valued at 1,492.55 million USD, down 12.34 percent (%YoY). Considering product segments, the textile segment was valued at 965.07 million USD, a contraction of 8.99 percent. The apparel segment valued 527.48 million USD, down 17.87 percent because the global COVID-19 outbreak that caused the world economy to slow down. Compared to Q3/2020, exports have improved as many trading partners took measures to reduce the outbreak, coupled with economic measures causing the export of Thai textile fibers, fabrics, and apparel to grow by 7.96 percent and 12.79 percent, respectively. Growing markets included the US, China, Vietnam, and Myanmar.

Overview, imports of textiles and apparel decreased by 12.53 percent (%YoY) to 1,119.87 million USD, as the slowdown in apparel orders from overseas due to the COVID-19 outbreak worldwide. Consequently, entrepreneurs reduced imports of raw materials, including a decrease in domestic consumer clothing demand.

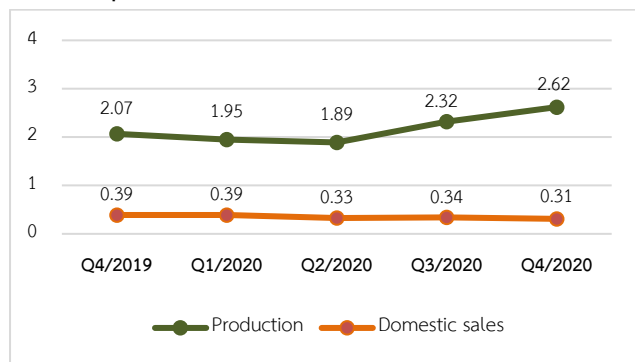
Government Related Policies

1. Measures to promote investment, including measures to support the modification of existing production lines to produce medical devices or parts. The government also has measures to expedite investment in the medical industry to cope with COVID-19, an opportunity to invest in non-woven fabric and medical textile products.
2. Financial assistance measures for retail debtors and SMEs of many financial institutions.
3. Government stimulus measures, for example, the "Half-Half Co-payment" scheme (phase 2) and "We Win".

Wood and Wooden Furniture Industry

Compared with the same quarter of the previous year, the production of wooden furniture in the Q4/2020 increased from production to meet the needs of the international market. Meanwhile, domestic sales of wooden furniture declined due to the slowdown in the domestic economy, but exports of wood and wooden sheets increased in value from the recovery of key export markets such as the US and China.

Domestic Production and Sales of Wooden Furniture (million pieces)

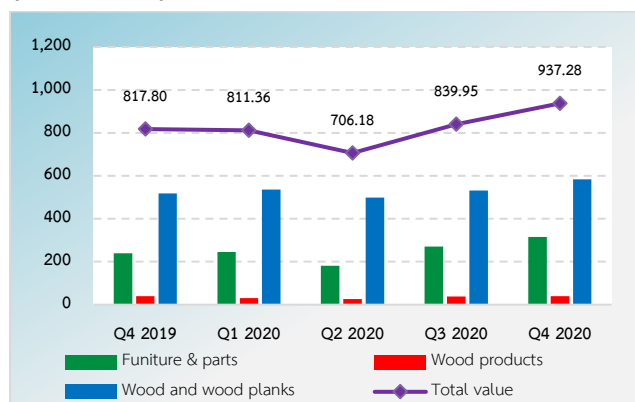


Source: The Office of Industrial Economics

Production of wooden furniture in Q4/2020 reached 2.62 million pieces, an increase of 12.93 percent and 26.57 percent from the previous quarter and the same quarter of last year, respectively. The increase was caused by production to meet the needs of international markets.

Domestic sales of wooden furniture in Q4/2020 amounted to 0.31 million pieces, a decrease of 8.82 percent and 20.51 percent from the previous quarter and the same quarter of the previous year, respectively. This resulted from the slowdown in the domestic economy, which caused consumers to be more cautious in spending on products where purchases could be delayed.

Export Value of Wood and Wooden Products (million USD)



Source: Ministry of Commerce

Export of wood and wooden products in Q4/2020 valued at 937.28 million USD, an increase of 11.59 percent and 14.61 percent from the previous quarter and the same quarter of the previous year, respectively. Categorized into furniture and parts, wood, and wooden products, export value reached 314.60 million USD, 39.30 million USD, and 583.38 million USD, respectively. Compared to the same quarter of last year, the export value of furniture and parts increased by 26.61 percent. Meanwhile, the export value of wooden products increased by 14.14 percent, and wood and wooden sheets by 9.07 percent. Overall, the export of wood and wooden products increased in all product groups from the economic recovery in key export markets like the US and China.

Outlook for Wood and Wooden Furniture Industry in Q1/2021

In Q1/2021, wooden furniture production is expected to continue to grow, mainly in response to international markets' demand. Domestic sales of wooden furniture are expected to continue to slow due to the impact of the COVID-19 pandemic, with the new wave that has arisen.

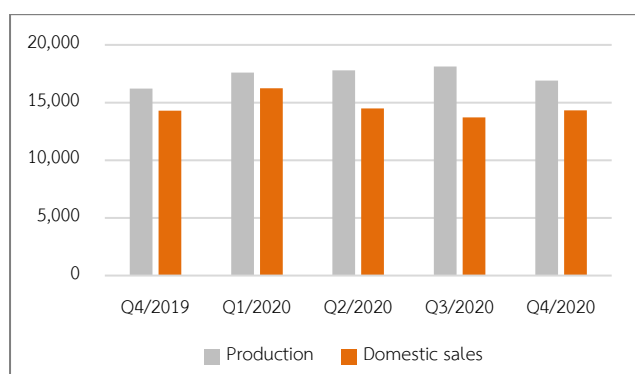
Government Policies Related to the Wood and Wooden Furniture Industry

On December 16, 2020, the Government Gazette website published the Ministry of Natural Resources and Environment's announcement on determining land permitted to be utilized following the type of declaration of rights so that the trees grown in such land are not restricted trees BE 2563. The essence of the announcement states that giving the land permitted for use in the Land Reform Area can cultivate valuable trees without being considered restricted.

Pharmaceutical Industry

The production volume of pharmaceuticals in Q4/2020 increased from the same quarter of the previous year, in line with higher demand for drugs due to the Covid-19 outbreak in Thailand. Although exports experienced a slight decline, exports still grew well in major export markets, including Cambodia, Japan, and Laos.

Domestic Production and Sales (metric tons)



Source: The Office of Industrial Economics

Pharmaceutical Import-Export Value (Million USD)



Source: Ministry of Commerce

Production of pharmaceuticals in Q4/2020 increased by 4.23 percent from the same quarter last year to 16,892.72 metric tons. The increase was in the production of tablets (14.90%), capsules (31.64%), and injections (7.24%), which was in line with increasing orders.

Pharmaceutical sales in Q4/2020 amounted to 14,334.14 tons, an increase of 0.29 percent from the same quarter of last year, mainly due to the expansion of tablet (10.11%) and capsule (28.96%) sales. Overview, although the country's pharmaceutical market continued to increase, many pharmaceutical products' sales are significantly reduced. This was because people wore masks and regularly washed their hands, resulting in fewer people getting cold.

Exports of pharmaceuticals in Q4/2020 valued 103.46 million USD, down 0.26 percent from the same quarter of last year, slowing down in Myanmar, Malaysia, the Philippines, Hong Kong, and Singapore markets. Exports contracted by 7.82 percent from the same quarter of last year, from fewer drug imports from Puerto Rico, the UK, Italy, Spain, and Germany, all of which have been heavily hit by the spread of the COVID-19.

Outlook for Pharmaceutical Industry in Q1/2021

Pharmaceutical production in Q4/2020 is expected to grow by 5.0 percent from the same quarter last year, following the growing trend of domestic and overseas markets. Exports will likely increase in the ASEAN market, especially Myanmar, Vietnam, and Cambodia.

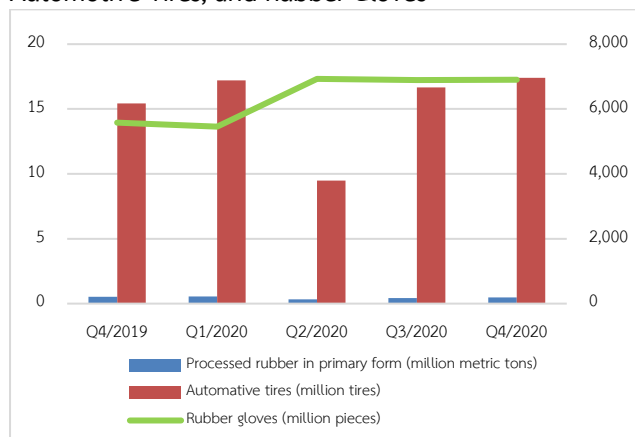
Government Policies Related to the Pharmaceutical Industry

The government signed a contract to supply the COVID-19 vaccine by booking in advance and engaging in a contract to purchase 26 million doses of vaccines with AstraZeneca Co., Ltd. At the moment, Siam Bioscience Co., Ltd.—a major Thai biopharmaceutical manufacturer—is in the process of transferring COVID-19 vaccine technology from AstraZeneca Co., Ltd., the world's leading biopharmaceutical company. It expects to launch the vaccines by mid-2021, making Thailand a production base for the vaccine against COVID-19, the first of its kind in Southeast Asia. The initiative will further strengthen research and development in the Thai pharmaceutical industry.

Rubber and Rubber Products Industry

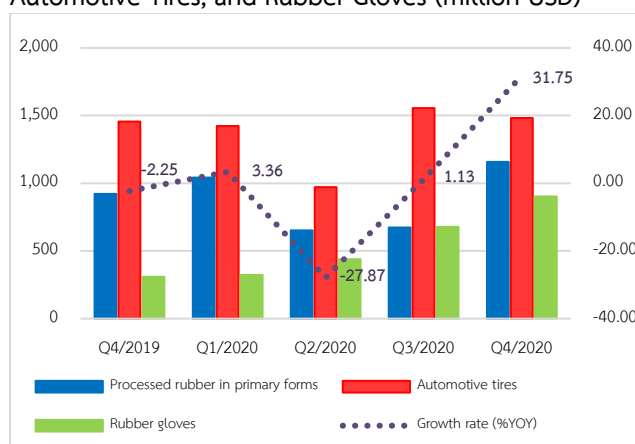
The production volume of rubber gloves in Q4/2020 increased following a good expansion of international markets. As for automotive tire, production and sales grew in line with the domestic automotive industry and exportation.

Production Volume of Processed Rubber in Primary Form, Automotive Tires, and Rubber Gloves



Source: The Office of Industrial Economics

Export Value of Processed Rubber in Primary Forms, Automotive Tires, and Rubber Gloves (million USD)



Source: Ministry of Commerce

Production of processed rubber in primary forms, automotive tires, and rubber gloves in Q4/2020 reached 0.47 million metric tons, 17.40 million tires, and 6,900.23 million pieces, respectively. Compared to the same quarter of last year, the production of processed rubber in primary forms decreased by 9.59 percent due to a decline in the amount of natural rubber entering the market. Meanwhile, the production of tires and rubber gloves increased by 12.59 percent and 23.66 percent, respectively, in line with the expansion of the domestic automotive industry, the replacement market, and higher global demand.

Sales of processed rubber in primary forms, automotive tires, and rubber gloves in Q4/2020 reached 0.12 million metric tons, 11.30 million tires, and 437.52 million pieces, respectively. Compared to the same quarter of last year, the sales of processed rubber in primary forms and tires grew by 7.32 percent and 9.45 percent, respectively, from an increase in demand and the domestic market expansion. Meanwhile, the rubber glove sales decreased by 42.04 percent following the reduction of sales through intermediaries.

Exports of processed rubber in primary forms, automotive tires, and rubber gloves in Q4/2020 valued at 1,157.07 million USD, 1,482.96 million USD, and 902.96 million USD, respectively. Compared to the same quarter of last year, exports of processed rubber in primary forms, tires, and rubber gloves increased by 25.40 percent, 1.79 percent, and 191.65 percent, respectively. This was in line with the growth of key export markets such as Malaysia, China, the US, the UK, the EU, and Japan.

Outlook for Rubber and Rubber Products Industry in Q1/2021

Production of automotive tires in Q1/2021 is expected to grow by 2.50 percent, in line with expanding the domestic automobile industry and export markets. Meanwhile, rubber gloves production is expected to grow by 15.00 percent, in line with higher global demand. Production of processed rubber in primary forms is expected to decline by 5.00 percent in line with the declining quantity of rubber entering the market.

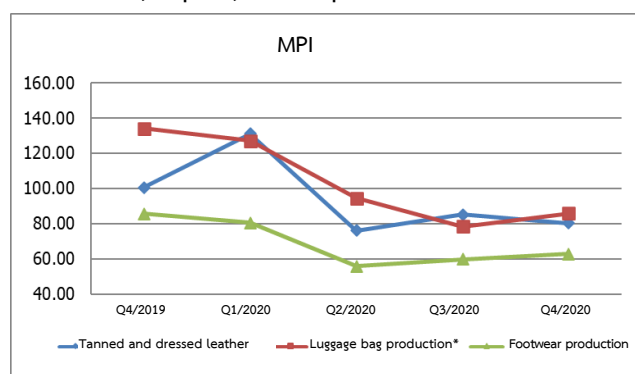
Government Related Policies

The Rubber Authority of Thailand is in the process of supporting credit programs for rubber product manufacturers. There is a credit limit of 25,000 million Baht to increase the domestic consumption of rubber, to improve the quality of life of rubber farmers, and continuously develop the entire rubber industry. More information can be found on www.raot.co.th.

Footwear and Leather Product Industry

In Q4/2020, tanning and dressing of leather products, luggage products* and footwear decreased in production compared with the same quarter of the previous year. The contraction followed declining demand for both exports and domestic sales due to the spread of the COVID-19. As a result, international trade slowed. Furthermore, consumers became more careful with their spending, and were worried about the current economic climate.

Production, Export, and Import (MUSD)



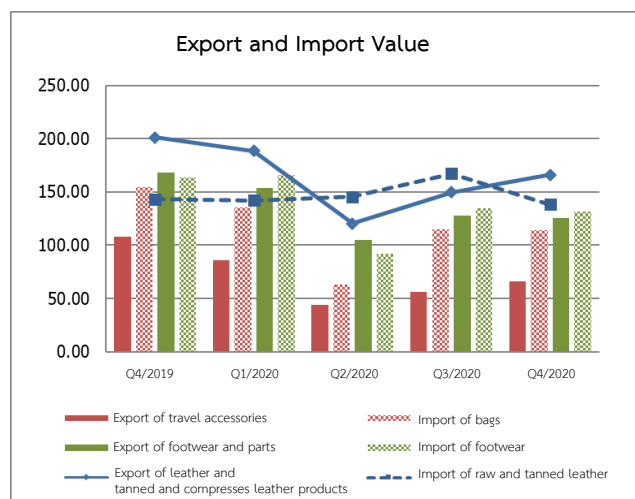
Production

In Q4/2020, the MPI of tanning and dressing of leather products decreased by 20.30 percent compared with the same quarter of last year. Likewise, production of luggage products* and footwear contracted by 35.88 percent and 26.76 percent, respectively, which resulted from declining demand for exports and domestic sales, as consumers were more careful with their spending, impacted by the COVID-19 outbreak.

Exports-Imports

Exports in Q4/2020 decreased by 25.11 percent compared to the same quarter last year to a total value of 357.62 million USD as a result of the decrease in export value of leather and tanned and compressed leather products (-17.58%), traveling equipment (-38.97%), and footwear (-25.91%). From the COVID-19 epidemic situation, this resulted in the global economic to slowdown; the major export markets were Vietnam, China, the US, and Myanmar.

Imports in Q4/2020 reached a total value of 384.24 million USD, down 16.72 percent compared to the same quarter last year. Raw leather material and tanned leather decreased by 3.45 percent, in line with tanned and finished leather, which dropped in production. The value of finished goods, such as bags and footwear, dropped by 126.72 percent and 22.87 percent, respectively, due to a decrease in domestic demand.



Source: 1. MPI – The Office of Industrial Economics
2. Export & Import Value – Ministry of Commerce
* including handbags and similar products, saddles, and harnesses

Outlook for Footwear and Leather Production Industry in Q1/2021

Production of footwear and leather in Q1/2021 is expected to slow down in the tanning and dressing of leather products due to the declining demand from exports. Likewise, luggage products and shoe production are expected to contract. However, compared with the previous quarter, production is expected to increase from discovering the vaccine and plans to bring the vaccine to the people. In addition, the government sector has measures to stimulate domestic spending and investment.

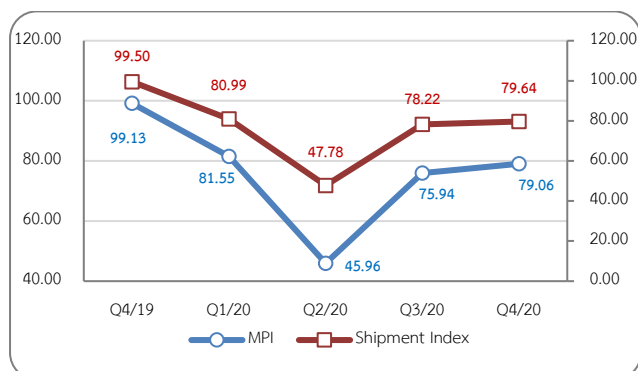
Government Related Policies

The government has released measures and programs to help and remedy the people, under the concept to "reduce the cost burden and enhance liquidity for entrepreneurs, the public and the workforce." The government has initiated projects such as the new phase of the "Half-Half Co-payment" scheme and "We Win." Such measures will greatly stimulate the overall consumption of goods and help the entrepreneurs.

Gems and Jewelry Industry

In Q4/2020, overall production and sales of gems and jewelry declined from the same quarter last year due to a decrease in export production and domestic sales from the situation of the COVID-19 outbreak. Consequently, consumers are more cautious of their spending. As for exports, the value decreased in line with the global economic situation that slowed down.

Production, Sales, and Exports



Production

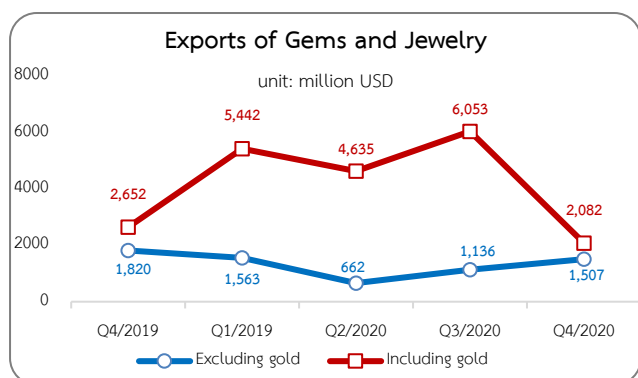
Gems and jewelry production in Q4/2020 decreased by 20.25 percent compared to the same quarter last year due to a contraction in production for exports to foreign markets from the COVID-19 outbreak. The production of cut diamonds, genuine jewelry, and artificial jewelry decreased by 62.36 percent, 16.42 percent, and 25.35 percent, respectively.

Sales

Sales of gems and jewelry in Q4/2020 declined by 19.96 percent compared to the same quarter of the previous year. As consumers were wary of their spending and were concerned about the current economic conditions.

Exports

Gems and jewelry (excluding gold) in Q4/2020 decreased by 17.24 percent compared to the same period last year to 1,506.61 million USD due to the decline in export value of diamonds (-7.26%), colored stones (-40.35%), genuine jewelry (-15.85%), and imitation jewelry (-40.54%) with the major export markets such as the US, Hong Kong, and Germany. Moreover, the overall export of gems and jewelry dropped by 21.50 percent to 2,081.70 million USD from a decrease in the export value of unwrought gold (-30.84%).



Source: 1. MPI and Shipment Index — the Office of Industrial Economics
2. Export value — Ministry of Commerce

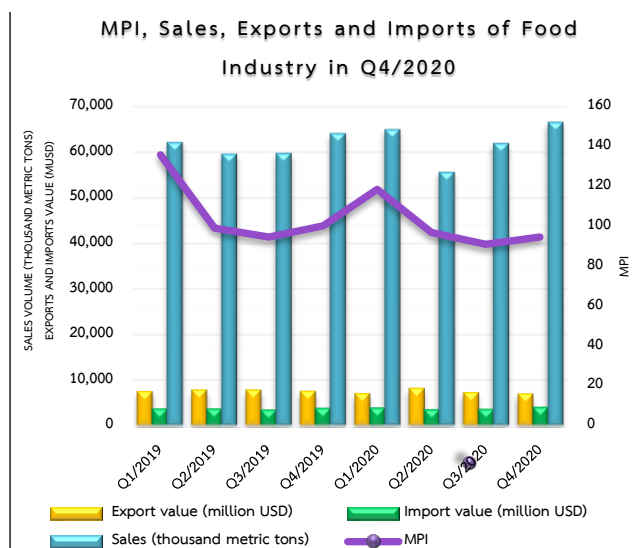
Outlook for Gems and Jewelry Industry in Q1/2021

Overall, gems and jewelry production in Q1/2021 are expected to slow down. This is a result of the global economic slowdown impacted by the COVID-19 outbreak. However, compared to the previous quarter, production is projected to increase as the COVID-19 beings to ease from discovering the vaccine and plans to bring the vaccine to the people. In addition, the government sector has measures to stimulate domestic spending and investment. The export value (excluding unwrought gold) is expected to slow down. Likewise, overall exports are expected to decline as gold exports for profit decrease during the decline in gold prices in the world market. The import value (excluding unwrought gold) is projected to decrease, including imports of gems, authentic jewelry, and artificial ornaments, as consumers are wary of spending. Overall imports are expected to decline as well.

Food Industry

The MPI in Q4/2020 dropped from the same period of the previous year due to droughts that caused sugarcane and palm oil production to decline. However, some food products still benefited from the COVID-19 situation, including canned corn, refined soybean oil, canned tuna, and ready-made pet food, because of ongoing orders to reserve food. The Export value contracted from important products such as sugar, chilled and frozen shrimp, processed chicken, and chilled and frozen chicken due to the coronavirus outbreak in major export markets, which led to the implementation of lockdown measures and restaurant closures. The consumption declined from the economic situation, coupled with the shortage of containers.

MPI, Sales, Exports, and Imports of industrial products



Source: Data for indexing of industries, Office of Industrial Economics, Ministry of Commerce, from the grouping of the Office of Industrial Economics
Note * Preliminary data

The MPI of the food industry in Q4/2020 reached 94.5 points, a decrease by 5.7 percent (%QoQ) compared to the same quarter of last year. Compared with the same quarter of the previous year, sugar had the highest drop in MPI by 43.9 percent due to droughts. As a result, the amount of raw cane for production in the 2020/2021 season decreased from the previous year. Palm oil fell by 15.9 percent due to droughts. However, some food production benefited from the COVID-19 situation, including canned corn, refined soybean oil, canned tuna, and ready-made pet food, from ongoing orders to reserve food.

Domestic food sales in Q4/2020 reached 66,586 thousand metric tons, an increase of 6.3 percent from the same quarter of last year, partly from the “Half-Half Co-payment” scheme, which stimulates consumer spending. Some products increased in domestic food consumption, including frozen fish, refined soybean oil, seasoned and cooked chicken, canned tuna, frozen shrimp, chilled and frozen chicken, and ready-made pet food.

Exports in Q4/2020 decreased by 10.8 percent (%QoQ) from Q3/2020 to a total value 7,296.44 million USD and decreased by 6.5 percent (%YoY) compared to the same quarter last year. The contraction came from key products such as sugar due to Brazil, a major producer, exported more sugar resulting in price competition. In addition, Thailand suffered from droughts. This was followed by chilled and frozen shrimps due to a slowdown in consumption and demand from major export markets such as America, China, Japan. Processed chicken and chilled and frozen chicken contracted due to the slowdown in the European and the Japanese market, from lockdown measures and restaurant closures. Food exports were also affected by the shortage of containers, resulting in higher freight charges.

Imports in Q4/2020 valued at 4,027.4 million USD, an increase from the same quarter of last year by 5.6 percent (%YoY) from importing oilseeds to support the refined soybean oil industry. This was followed by tuna to support the growing demand of the canned tuna industry. Compared with the Q3/2020, imports increased by 11.3 percent (%QoQ) from imports of starch products to support the continuous expansion of downstream industries, especially instant noodles.

Outlook for Food Industry in Q1/2021 expects the overall MPI to grow slightly (%YoY) due to the increase in agricultural products used in the food industry, such as cassava and pineapple, along with the domestic consumption that has recovered from government stimulus measures. The export value is expected to grow slightly as food products that benefit from the COVID-19 situation continue to expand, such as instant food (canned tuna, canned vegetables and fruits, and instant noodles), seasonings, and ready-made pet food.

Prepared by

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• Electrical Appliance Industry	Division of Industrial Policy by Sector 1	0-2202-4374
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