

# Report on the Industrial Economics Status

December 2023



## Industrial Production Status

Indicators	2022	2023	2022	2023											
%YoY	Year	Year	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
MPI	0.4	-5.1	-8.5	-4.8	-2.4	-3.9	-8.7	-3.1	-5.0	-4.7	-7.8	-6.3	-4.3	-4.6	-6.3

In December 2023, the industrial economic status, when considered from the **Manufacturing Production Index (MPI)**, decreased by 6.3 percent from the same month last year. The primary factors contributing to the decline were household debt and high interest rates, resulting in a decline in domestic consumption, especially semi-durable and durable goods such as automobiles. Additionally, the economies of major trading partners such as the USA, Japan, the EU, and CLMV countries slowed down. This resulted in a decrease in exports, particularly in electronic components and boards and air conditioners.

When considering the MPI data for the past three months compared to the previous year (%YoY), the MPI in September, October, and November 2023 contracted by 6.3, 4.3, and 4.6 percent, respectively.

Indicators	2022	2023													
%MoM	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.		
MPI	-1.8	6.1	-0.1	6.3	-21.3	14.3	-2.2	-2.0	0.8	-0.3	-2.2	1.8	-3.5		

For the past three months (September, October, and November 2023) the Manufacturing Production Index (MPI), compared to the previous month (%MoM), has shown the following rate of changes: a decrease of 0.3 percent in September, a decrease of 2.2 percent in October, and an increase of 1.8 percent in November.

**Key industries that contributed to the MPI contraction in December 2023** compared to the same period last year included:

- **Automobile:** The industry declined by 20.59 percent, primarily due to decreased demand for pickup trucks, compact cars, and diesel engines. This contraction was in the domestic market (-30.66 %) due to the economic slowdown, worsen by high household debt, leading financial institutions to tighten loan approvals. Additionally, the decreasing prices of used cars further impacted the decision-making process for purchasing new vehicles.
- **Sugar:** The industry declined by 22.93 percent, attributed to the commencement of the crushing season starting 10 days later than the previous year (last year, beginning on 1 December 2022) due to heavy rainfall in many planting areas. This delayed sugar cane cutting, resulting in less sugarcane entering the factory compared to the previous year.
- **Electronic components and boards:** The industry declined by 12.61 percent, primarily driven by integrated circuits (ICs) and PCBAs. This decline was in accordance with the demand for electronic components in the global market, which declined following the economic slowdown.

**Key industries continued to expand in December 2023** compared to the same month last year included:

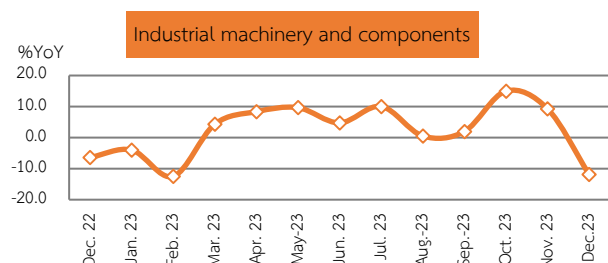
- **Refined petroleum products:** The industry expanded by 7.22 percent mainly from high-speed diesel fuel, jet fuel, and cooking gas. This growth responds to the increased demand for fuel oil from both the domestic and export markets following the continuous recovery of the tourism sector. Additionally, refineries resumed normal production after maintenance shutdowns in the previous year.
- **Electric wires and other cables:** The industry expanded by 43.29 percent, mainly from electric wires, following the expansion of the domestic market (+55.55%) after receiving continuous orders from the state electricity authority and increased demand for use in the private sector.
- **Paper:** The industry expanded by 20.28 percent, mainly from Kraft paper and pulp, in response to the demand for packaging and transportation materials.



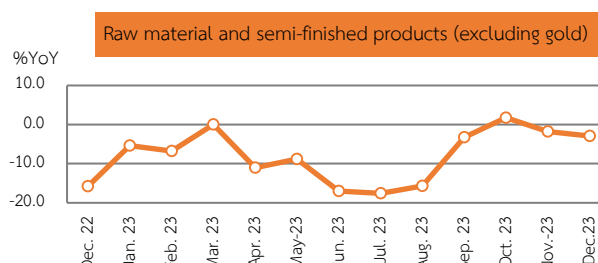
# Other Industrial Economic Indicators in December 2023

## Other Industrial Economic Indicators in December 2023


### Imports of Thailand Industrial Sector




Source: Ministry of Commerce

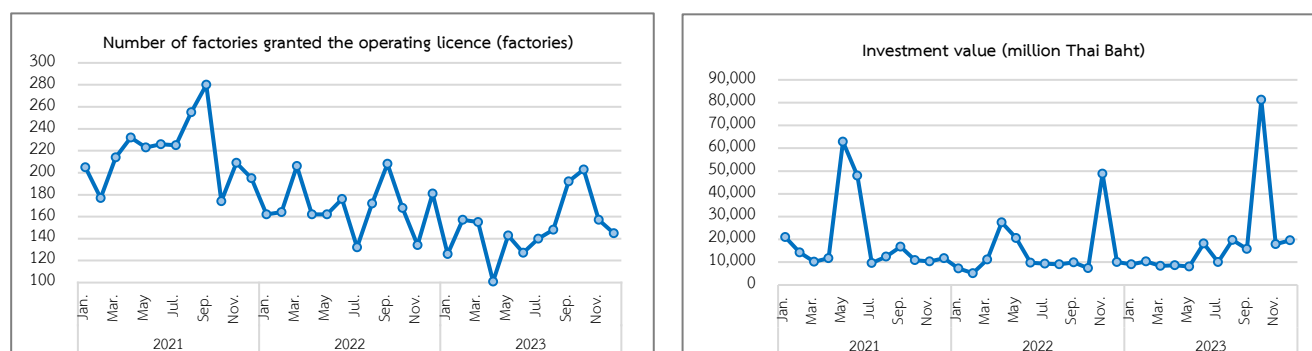


Source: Ministry of Commerce

 **Imports of industrial machinery and parts** in December 2023 were valued at 1,313.15 million USD, a decrease of 11.86 percent compared to the same month last year. This decline was attributed to decreased imports of products such as engines, transmission shafts and other parts, construction machinery and parts, metal processing machinery and parts.

 **Imports of raw and semi-finished goods (excluding gold)** in December 2023 were valued at 7,612.81 million USD, a decrease of 2.94 percent compared to the same month last year. This decline was notable in products such as chemical products, gemstones and jewelry, silver bars and gold, and other metal ores.

## Industrial Operation Status



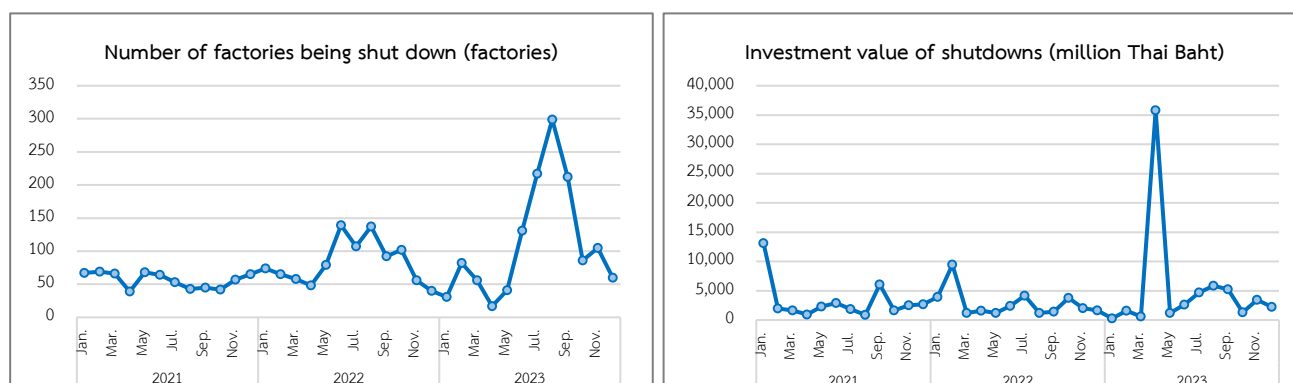
Source: Department of Industrial Works

- The total number of factories licensed for operation in December 2023 was 145 factories, decreasing by 7.64 percent (%MoM) from November 2023 and decreasing by 19.89 percent (%YoY) from the same month last year.
- + The total investment from factories licensed for operating in December 2023 increased by 10.08 percent (%MoM) from November 2023 to 19,649 million Thai Baht and increased by 96.49 percent (%YoY) from the same month last year.

*“The industry with the highest number of newly licensed factories to operate in December 2023 was the manufacture of concrete, ready-mixed concrete articles, and gypsum products (14 factories), followed by the manufacturing industries of wood wool, wood crushing, wood chipping, and wood shredding (11 factories).”*

*“In December 2023, the industry with the highest investment value was the container manufacturing, with an investment value of 5,237 million Thai Baht, followed by the electric power generation from thermal energy, with an investment value of 4,516 million Thai Baht.”*

## Industrial Operation Status (cont.)



Source: Department of Industrial Works

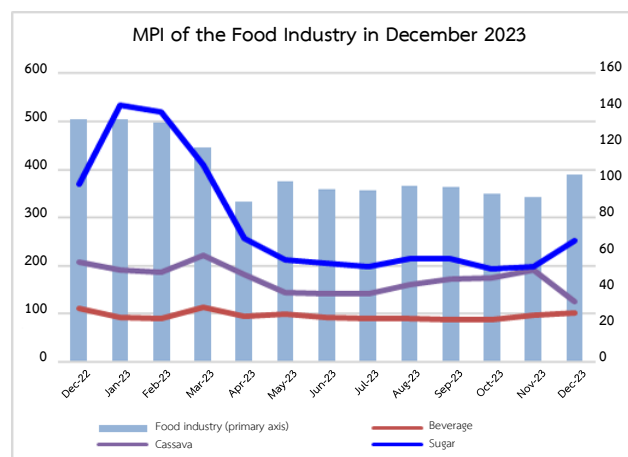
- A total of 60 factories were shut down in December 2023, decreasing from November 2023 by 42.86 percent (%MoM) but increasing from the same month last year by 50.00 percent (%YoY).
- The total investment value lost due to business shutdowns in December 2023 was 2,233 million Thai Baht, which decreased by 35.17 percent (%MoM) from November 2023 but increased by 37.83 percent (%YoY) from the same month last year.

*"In December 2023, the industry with the highest number of factory shutdowns was the excavation or dredging industry of gravel, sand, or soil (8 factories), followed by the sand dredging (6 factories)."*

*"In December 2023, the industry with the highest business investment cessation was the manufacture of food or beverages from vegetables, plants, or fruits, with an investment cessation valued at 439 million Thai Baht, followed by the manufacture of special parts or equipment for cars or trailers, with an investment cessation valued at 380 million Thai Baht."*

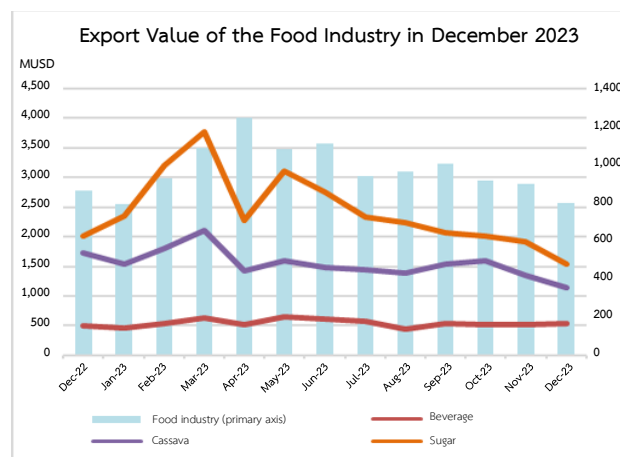
## Industrial Economic Status by Industrial Sectors in December 2023

### 1. Food Industry



Source: The Office of Industrial Economics

➖ In December 2023, the MPI of the food industry experienced a slowdown of 6.1 percent (%YoY) compared to the same period last year. The food product groups contributed to this decline in production index were as follows: **1) Sugar** decreased by 22.9 percent. This decrease was attributed to refined sugar and white sugar, which decreased by 16.5 and 12.9 percent, respectively. The cause of this decline was due to the delayed start of the 2023/2024 production season. The season started on 10<sup>th</sup> December 2023, approximately one week later than the previous year's production cycle. Additionally, the production volume this December was lower than last year, with only 15 million metric tons of sugarcane entering the process, compared to the 17-18 million metric tons in the 2022/2023 period. **2) Fishery** decreased by 8.6 percent, particularly canned tuna and frozen fish, which contracted by 21.4 and 6.5 percent, respectively, due to reduced consumption demand in both domestic and international markets. **3) Livestock** decreased by 5.3 percent. This was driven by chilled and frozen chicken products, which contracted by 7.5 percent, due to a slowdown in consumer purchasing power, leading to reduced consumption demand. **4) Cassava products** also decreased by 1.0 percent, particularly tapioca starch, which contracted by 1.0 percent. This decline was attributed to drought conditions and the outbreak of Cassava Mosaic Disease (CMD) in the previous period. Consequently, farmers shifted their focus to grow corns for animal feed instead. As a result, both the cultivation area and the overall cassava production decreased. However, there was still growth in the food product production index, particularly in processed fruits and vegetables, which expanded by 0.5 percent. Notably, other canned fruits increased by 15.1 percent, and fruit juices expanded by 6.6 percent, driven by demand from both domestic and international markets.



Source: Ministry of Commerce

➖ **Manufacturing production index (MPI) of beverages:** The MPI decreased by 8.1 percent mainly from key products, such as rice whiskeys, beers, and energy drinks as a result of decreasing purchasing power of consumers.

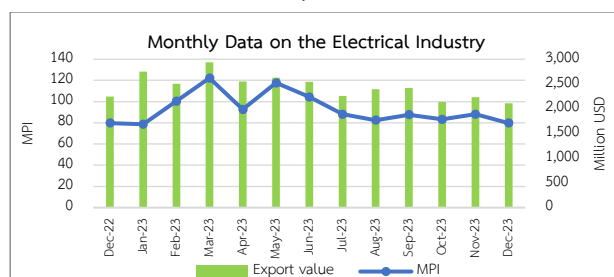
➕ **Domestic sales:** The production volume for domestically sold food products in December 2023 expanded by 5.3 percent (%YoY) in the food product categories, including: 1) Fruit juices, an increase of 21.6 percent; 2) Pet foods, an increase of 16.5 percent; 3) Instant noodles, an increase of 9.1 percent; 4) Table seasoning, an increase of 9.0 percent; and 5) Cake, an increase of 7.7 percent.

➖ **Export markets:** In December 2023, the overall food exports experienced a slowdown of 7.6 percent compared to the same period last year. Despite this, certain products were still showing strong growth, particularly rice, with key markets including Indonesia, the Philippines, and China. Additionally, the value of beverage exports increased by 7.5 percent compared to the same period last year.

*“Outlook for the Food Industry in January 2024: The overall food industry is anticipated to show a slight expansion compared to the same period last year. This can be attributed to positive trends in domestic consumption and the tourism sector, with supportive measures from the government's economic stimulus packages and a rise in the number of foreign tourists. Additionally, the export value is expected to increase due to heightened product orders from trading partners concerned about food security. However, it remains crucial to closely monitor the ongoing slowdown in the global economy and various geopolitical conflicts worldwide, as these factors could potentially exert a negative impact on the economic system.”*

## 2. Electrical and Electronics Industry

### ■ Electrical Industry



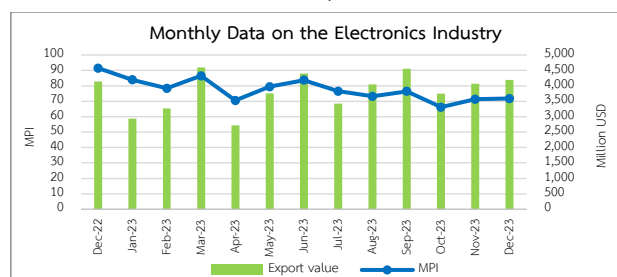
Source: The Office of Industrial Economics, Electrical and Electronics Institute, and Ministry of Commerce

**Production of electrical appliances:** The MPI stood at 79.8, a slight decline of 0.04 percent compared to the same month of the previous year. This indicated that the production levels were relatively unchanged from the preceding year. The decline could be due to global economic uncertainty and inflation, affecting consumer demand for these products. Decreased demand was observed in some products, such as thermo pots (-55.6%), microwave ovens (-33.8%), compressors (-31.4%), electric transformers (-31.4%), rice cookers (-31.3%), and electric motors (-0.9%). This decline was mainly due to a decrease in both domestic demand and foreign orders. However, certain products experienced an increase in production, such as electric wires (78.4%), refrigerators (21.0%), fans (17.7%), washing machines (10.9%), cables (6.8%), and air conditioners (0.6%). The increase was driven by heightened domestic demand, particularly for electric wires, due to the need for domestic production and infrastructure construction.

**Exports of electrical appliances:** Exports were valued at 2,107.9 million USD, a decrease of 6.1 percent compared to the same period last year. Microwave ovens were among the products that declined in orders, with an export value of 14.7 million USD, decreasing by 28.3 percent in Japan, the USA, and UK markets. Similarly, fan exports were valued at 39.8 million USD, a decrease of 20.2 percent in the US, China, and Germany markets. Electrical transformer and component exports were valued at 337.7 million USD, a decrease of 13.1 percent in the USA, Singapore, and Japan markets. Air conditioner and part exports were valued at 453.3 million USD, a decrease of 12.2 percent in the USA, France, and Germany markets. Circuit breakers and protection devices were valued at 141.4 million USD, a decrease of 6.2 percent in Japan, Hong Kong, and the USA markets. Motors and power generator exports were valued at 77.0 million USD, a decrease of 6.0 percent in the Philippines, Malaysia, and Singapore markets. Switchboards and electrical control panel exports were valued at 204.5 million USD, a decrease of 5.6 percent in Singapore, China, and Japan markets. Electric wire exports were valued at 79.6 million USD, a decrease of 4.0 percent in China and Hong Kong markets. Finally, dry cleaning machines, washing machines and component exports were valued at 90.1 million USD, a decrease of 3.5 percent in the USA and South Korean markets.

**“Outlook for Production in January 2024:** The electrical appliances industry is projected to continue slowing down compared to the same month last year due to uncertainty about global market demand and the global economy.”

### ■ Electronics Industry



Source: The Office of Industrial Economics, Electrical and Electronics Institute, and Ministry of Commerce

**Production of electronic products** reached an MPI of 71.8, a decrease of 21.5 percent compared to the same month last year. The production of several products, including PCBA, semiconductor devices (transistors), ICs, HDDs, and printers, decreased by 30.1, 29.2, 23.2, 20.4, and 13.7 percent, respectively. This downturn was attributed to weakened demand, both domestically and internationally, arising from the global economic slowdown. Additionally, there was a reduced demand for HDDs within the country. However, production of PWBs increased by 9.3%, driven by heightened demand in the global market and ongoing technological advancements.

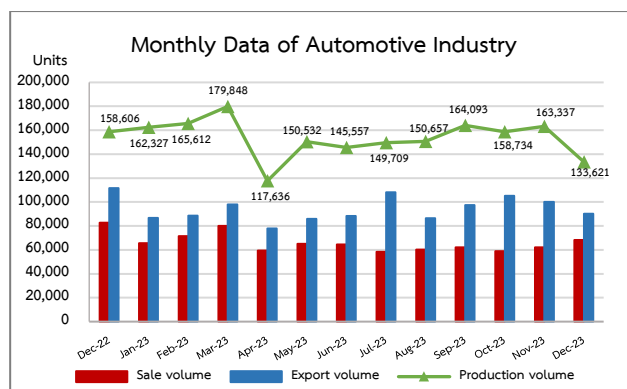
**Exports of electronic products** were 4,195.2 million USD, an increase of 1.3 percent compared to the same period last year. The increase was due to the continuous demand for products to develop new technologies and innovations in the global market. Among products that increased in orders were electrical circuit board, with export value of 770.2 million USD, increasing by 3.1 percent in Hong Kong, Taiwan, and China markets. HDD exports were 1,003.3 million USD, increasing by 1.9 percent in Hong Kong, China, and Netherlands markets. However, products that decreased in exports included semiconductors (transistors and diodes), with export valued at 455.2 million USD, a decrease of 0.4 percent in Vietnam, India, and Japan. Printed circuit boards exports were 106.6 million USD, decreasing by 6.2 percent in China, Malaysia, and Indonesia markets. This was mainly due to the slowdown in demand in the world market.

**“Outlook for Production in January 2024:** The electronics industry is expected to remain stable compared to the same month of the previous year. This is due to heightened production costs and the trend of gradually growing the electronics industry according to the needs of the digital world market.”



## 3. Automotive Industry

### ■ Automotive Manufacturing Industry



Source: The Office of Industrial Economics who obtained data from Automotive Division, Federation of Thai Industries.

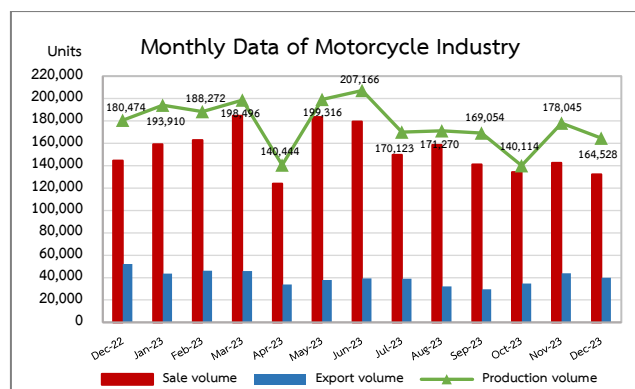
❖ **Production of automobiles** in December 2023 reached 133,621 units, a decrease of 15.75 percent compared to the same month of the previous year (%YoY). The decline was driven by reduced production of passenger cars and 1-ton pickup trucks. Furthermore, there was an 18.19 percent decrease in production compared to November 2023 (%MoM).

❖ **Domestic automobile sales** in December 2023 reached 68,326 units, a decrease of 17.48 percent compared to the same month of the previous year (%YoY). This decline was due to a reduction in sales of 1-ton pickup trucks, high levels of household debt, and tightened loan approval by financial institutions, including a tendency for interest rates to rise, which could impact domestic demand. However, sales increased by 10.88 percent compared to November 2023 (%MoM).

❖ **Automobile exports** in December 2023 reached 90,305 units, a decrease of 19.09 percent from the same month of the previous year (%YoY), with export markets decreasing in Asia, Africa, Europe, North America, Central America, and South America. Moreover, exports also decreased from November 2023 by 9.34 percent (%MoM).

*“Outlook for Automobile industry in January 2024: The industry is estimated to slow down compared to January 2023 owing to the slowdown of the domestic and export markets.”*

### ■ Motorcycle Manufacturing Industry



Source: The Office of Industrial Economics who obtained data from Automotive Division, Federation of Thai Industries.

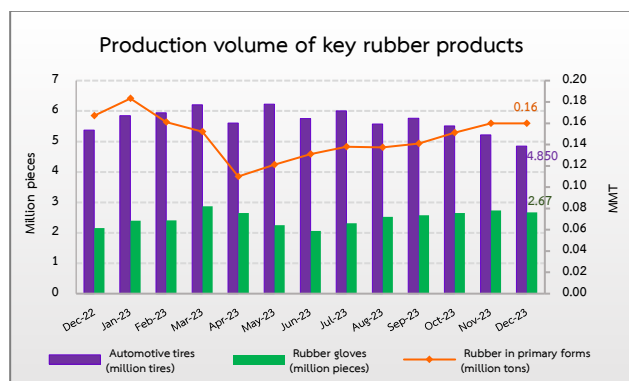
❖ **Production of motorcycles** in December 2023 reached 164,528 units, a decrease of 8.84 percent from the same month last year (%YoY). The decline was driven by reduced production of multi-purpose and sport motorcycles. Furthermore, the production decreased from November 2023 by 7.59 percent (%MoM).

❖ **Motorcycle sales** in December 2023 reached 132,377 units, a decrease of 8.35 percent (%YoY) from the same month of the previous year due to decreased sales of motorcycles with engine sizes of 51-110 cc, 126-250 cc, and exceeding 400 cc. Sales also decreased from November 2023 by 7.51 percent (%MoM).

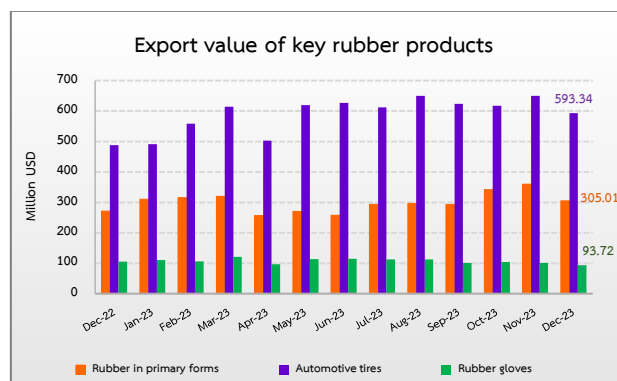
❖ **Exports of Complete Built-Up (CBU) motorcycle** in December 2023 reached 39,973 units, a decrease of 23.33 percent from the same month last year (%YoY). Export markets decreased in China, the USA, and the UK. Moreover, exports decreased from November 2023 by 7.78 percent (%MoM).

*“Outlook for Motorcycle industry in January 2024: The industry is estimated to decline compared to January 2023 owing to the slowdown of domestic market.”*

## 4. Rubber Industry and Natural Rubber Products



Source: The Office of Industrial Economics



Source: Ministry of Commerce

### Production

➖ Processed rubber in primary forms (rubber sheet, rubber bale, and concentrated latex) decreased by 5.94 percent due to the slowdown of rubber sheet and rubber bale production.

➖ Automotive tires decreased by 9.60 percent due to the slowdown of production of tires for automobiles, pickup trucks, trucks passenger cars, and tractors.

➕ Rubber gloves increased by 25.51 percent from production to be stored as inventories waiting for resale.

### Domestic Sales

➕ Sales of processed rubber in primary forms (rubber sheet, rubber bale, and concentrated latex) increased by 24.37 percent due to high demand for rubber sheets, rubber bales, and concentrated latex in downstream industries.

➖ Sales of automotive tires decreased by 43.60 percent following the slowdown of the domestic automobile industry and the REM (Replacement Equipment Manufacturer) market.

➖ Sales of rubber gloves decreased 4.04 percent due to lower domestic demand for medical gloves.

### Exports

➕ Processed rubber in primary forms (rubber sheet, rubber bale, and concentrated latex) increased in export value by 14.08 percent. This growth can be attributed to the increased exports of rubber bales to China and the USA, and concentrated latex to China market.

➕ Automotive tires increased in export value by 21.40 percent due to a good growth of exports to the USA and South Korea market.

➖ Rubber gloves decreased in export value by 8.46 percent as demand in the global market has dropped.

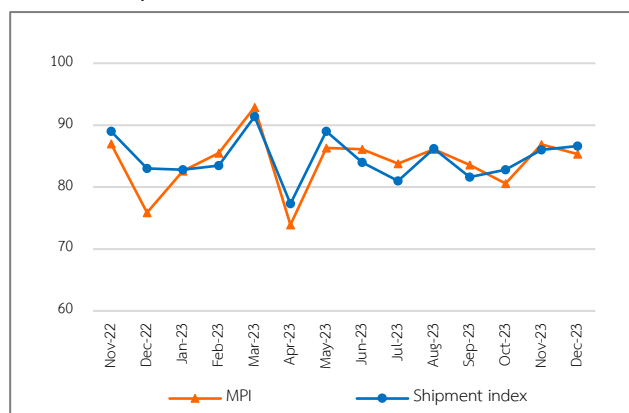
### Outlook for the Industry in January 2024

The production of rubber in primary forms (rubber sheet, rubber bale, and concentrated latex) is expected to increase in order to meet continuous demand from downstream industries both domestically and internationally. The production of automobile tires is anticipated to expand, particularly in response to the demand from international markets, especially in the USA, South Korea, and Australia, which are key export markets for the automobile tire industry. As for the production of rubber gloves, the production is expected to keep growing to meet the rising domestic demand. This growth will be further boosted by the low base figure from the previous year. Moreover, there is anticipation for a renewed expansion in domestic sales of rubber gloves, driven by the expected increase in demand for medical rubber gloves from the middle of 2023.

The export of processed rubber in primary forms (rubber sheet, rubber bale, and concentrated latex) is projected to increase in value. This increase is a result of key export markets, such as China, the USA, and Japan, which tend to increase orders for such products from Thailand, particularly rubber bales. As for automobile tires, the export value is anticipated to increase due to the continued increase in demand for tires in key markets. However, the export value of rubber gloves is predicted to decline due to lower demand in global markets compared to previous periods.

## 5. Plastics Industry

MPI and Shipment Index



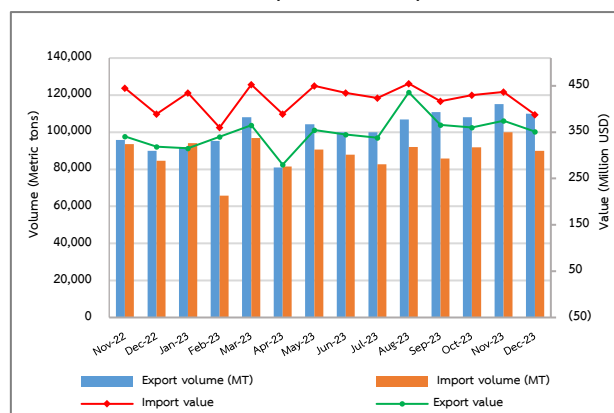
Source: The Office of Industrial Economics

**+ The Manufacturing Production Index (MPI)** in December 2023 increased by 11.36 percent compared to the same period last year. Many plastic products increased in MPI, such as plastic film (88.7%), other plastic packaging (4.85%), and plastic bags (3.56%) compared to the same period last year.

**+ The shipment index** in December 2023 increased by 3.64 percent. Products increased in shipment index, such as tableware, kitchenware, and toilet articles (17.75%), plastic film (13.03%), and plastic sheets (10.84%) compared to the same period last year.

**+ Exports** in December 2023 were valued at 350.94 million USD, an increase of 8.92 percent compared to the same period last year. Products contributing to the increase in exports included monofilament products (HS 3916) (288.71%); floor covering products (HS 3918) (273.91%); tube and pipe products (HS 3917) (31.32%) compared to the same period last year.

Volume and Value of Exports and Imports

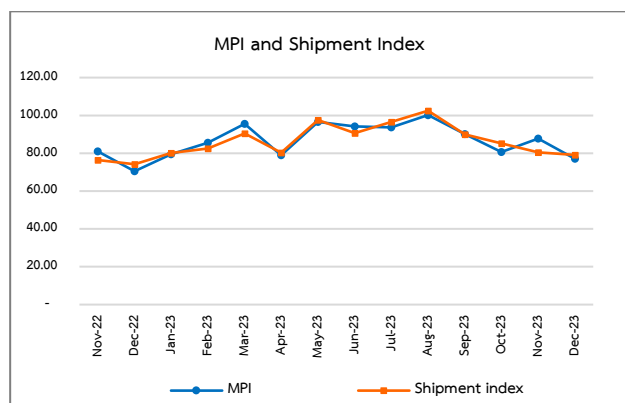


Source: Information and Communication Technology Center, Office of the Permanent Secretary, Ministry of Commerce, in cooperation with the Customs Department

**- Imports** in December 2023 were valued at 387.95 million USD, a decrease of 1.04 percent compared to the same period last year. Key products contributing to the decline in imports were sanitary ware (HS 3922) (-14.33%), household articles (HS 3924) (-11.35%); and other articles of plastics (HS 3926) (-4.31%) compared to the same period last year.

*“Outlook for the plastic industry in January 2024: The industry is expected to improve due to increased domestic consumption. Exports are expected to expand, particularly to key markets such as the USA, Vietnam, China, and Malaysia.”*

## 6. Chemical products Industry

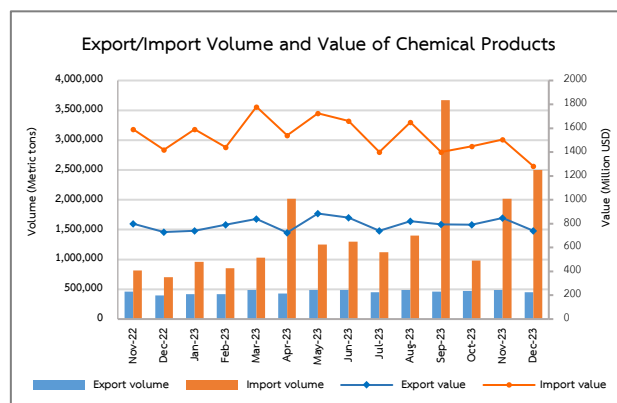


Source: The Office of Industrial Economics

**+ Manufacturing Production Index (MPI):** In December 2023, the MPI increased by 6.58 percent compared to the same period last year. The basic chemical products grew by 1.30 percent. Among the products that experienced an expansion were caustic soda (21.25%), and ethanol (4.63%) compared to the same period last year. Furthermore, the MPI of downstream chemicals also increased by 9.11 percent. Products that increased in MPI included chemical fertilizers (87.94%), dishwashing liquid (39.45%), and detergent powder (18.18%) compared to the same period last year.

**+ Shipment Index:** In December 2023, the index increased by 4.98 compared to the same period last year. The basic chemical products increased by 1.65 percent. Products that increased in the index were ethanol (3.81%) and caustic soda (3.26%). As for downstream chemical products, there was an increase of shipment index by 6.19 percent. The products that increased in the index were chemical fertilizers (60.57%), dishwashing liquid (47.66%) and enamel paint (19.35%) compared to the same period last year.

**+ Exports:** In December 2023, the total export value amounted to 739.51 million USD, an increase from the same period last year by 0.37 percent. Exports of downstream chemical basic chemical products were valued at 362.13 million USD, an increase of 9.59 percent compared to the same period last year. As for basic chemical products, the export value was 377.37 million USD, a decrease of 7.13 percent. Products contributed to the declined export value such as cosmetics (-24.83%), and inorganic chemicals (-2.90%).

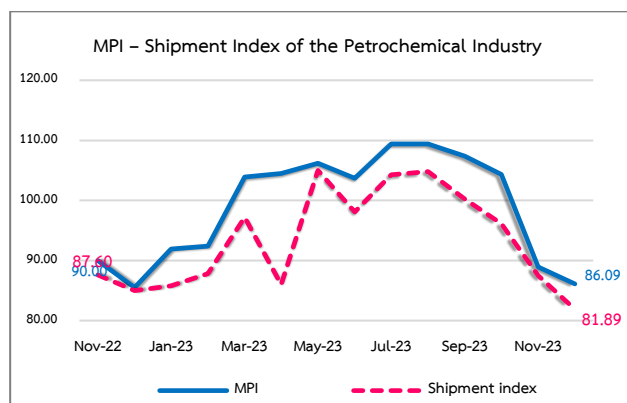


Source: Office of the Permanent Secretary, Ministry of Commerce

**- Imports:** In December 2023, imports were valued at 1,281.29 million USD, a decrease of 9.41 percent compared to the same period last year. Imports of basic chemicals decreased in value by 11.28 percent, amounting to 868.37 million USD compared to the same period last year. Furthermore, import value of the downstream chemical products decreased by 5.21 percent to a value of 412.92 million USD compared to the same period last year. Products contributed to the decreased import such as miscellaneous chemicals (-14.89%), inorganic chemicals (-10.29%), and paints (-9.20%).

*"Outlook for the chemical industry in January 2024: Manufacturing production is projected to expand from heightened consumer demand, resulting in the expansion of some chemical products compared to the same period last year. As for the export situation, there are positive signs of improvement in exports, particularly in major markets such as India, Vietnam, the USA, and Malaysia."*

## 7. Petrochemical Industry

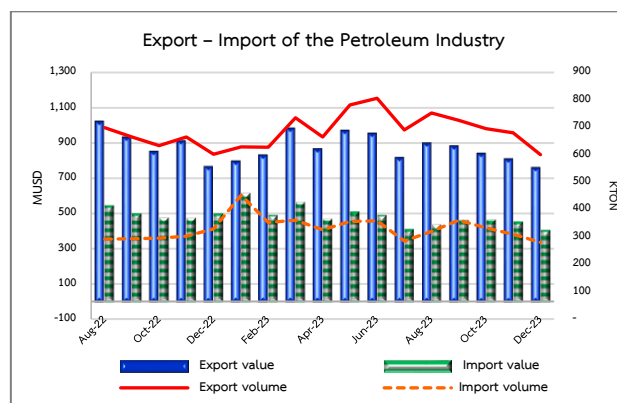


Source: The Office of Industrial Economics

**+** The **Manufacturing Production Index** in December 2023 stood at 86.09, an increase of 0.79 percent improvement compared to the same month last year but a decrease of 2.64 percent compared to last month. Downstream petrochemicals, including PC resin and PE resin, experienced increases of 10.02 percent and 3.87 percent, respectively, while upstream petrochemicals like Ethylene decreased compared to the same period last year. This was due to the factory's maintenance shutdown last year.

**-** The **shipment index** stood at 81.89, a decrease of 3.78 percent improvement compared to the same month last year but a decrease of 6.50 percent compared to last month. Downstream petrochemicals, including Benzene experienced decrease of 37.21 percent, while upstream petrochemicals like PP resin decreased by 1.11 percent compared to the same period last year.

**-** **Exports** in December 2023 were valued at 759.15 million USD, a decrease of 1.15 percent compared to the same period last year and a decrease of 6.09 percent from last month. The contraction was attributed to a reduction of downstream petrochemicals, such as PC resin (-19.48%), and a decrease in basic petrochemicals, such as Propylene (-22.53%). This was due to the international market's reduced demand for these products in downstream industries.

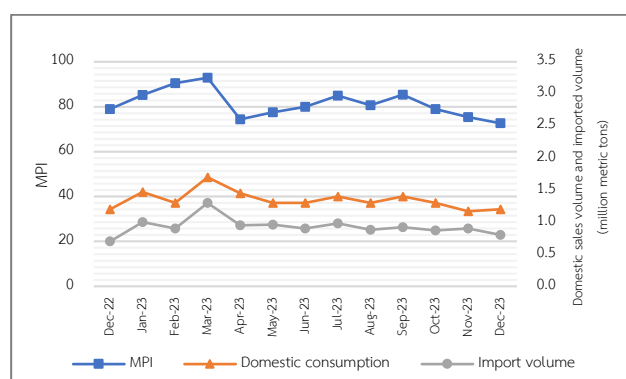


Source: Office of the Permanent Secretary, Ministry of Commerce

**-** **Imports** in December 2023 were valued at 406.74 million USD, a decrease of 18.59 percent compared to the same period last year and a decrease from last month by 11.40 percent. The decrease was observed in both basic petrochemicals, such as Propylene (-75.91%), and downstream petrochemicals, such as PET resin.

*"Outlook for the Petrochemical Industry in January 2024: The overall manufacturing industry is projected to improve compared to the same period last year. This enhancement can be attributed to the resumption of production following maintenance activities conducted from the end of last year to the beginning of this year. However, production remained sluggish primarily due to lower demand for plastics resulting from a slowdown in exports, particularly basic petrochemicals like ethylene and propylene, arising from volatile price fluctuations aligned with crude oil prices. This was worsened by the prolonged geopolitical conflicts, leading to production slowdown in several nations."*

## 8. Iron and Steel Industry



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

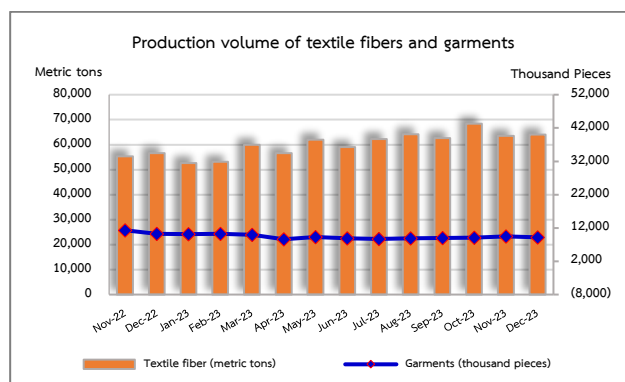
**Manufacturing Production Index (MPI):** In December 2023, the index stood at 72.6 points, a contraction of 6.2 percent compared to the same period last year. When considering the key products, the MPI of both flat and long products decreased. Long products that decrease in the manufacturing production included round bars, cold-rolled structural steel sections, and deformed bars, which contracted by 26.2, 16.6, and 9.6 percent, respectively. Furthermore, the flat products with decreased manufacturing production include chromium-coated sheets, galvanized sheets, and tinplates, which contracted by 17.7, 16.1, and 2.9 percent, respectively.

**Domestic consumption** in December 2023 amounted to 1.2 million metric tons, increasing by 7.2 percent compared to the same period last year, which was driven by heightened import volumes. Consumption saw growth in both long and flat products. Long products recorded a consumption volume of 0.4 million metric tons, expanding by 3.7 percent compared to the same period last year. This was attributed to increased consumption of rebars, structural steel sections, and wire rods. Meanwhile, flat steel consumption reached 0.8 million tons, an increase of 9.4 percent compared to the previous year, driven by the consumption of various types of coated steel sheets, tinplate, and galvanized sheets.

**Imports:** In December 2023, the import volume amounted to 0.8 million metric tons, increasing from the same month last year by 9.4 percent. The expansion occurred in both long and flat products. Imports of long products amounted to reached the volume of 0.2 million metric tons, an increase of 16.4 percent. Among long products that increased in imports were carbon structural steel sections (with increased imports primarily from China and South Korea), and wires (with increased imports primarily from China, Japan, and Vietnam). As for flat products, imports reached 0.6 million metric tons, increasing by 7.5 percent. Flat products that increased in imports were hot-rolled carbon steel sheets (with increased imports primarily from Japan, China, and Vietnam); hot-dip galvanized (HDG) (with increased imports primarily from China), and cold rolled stainless steel sheets (with increased imports primarily from China, Japan, and Taiwan).

**“Outlook for Iron Industry in January 2024:** Production is estimated to decrease compared to the same period last year. This is because the global market’s raw material prices are expected to decline, leading consumers to delay orders to assess price directions. In addition, it is expected that there will be an increase in imports of low-price steel. Nevertheless, there are important issues that should be followed such as the global economic and trade situation, international steel prices, and China’s steel industry policies, as China is a major global producer, consumer, and exporter of steel.”

## 9. Textile and Wearing Apparel Industry



Source: The Office of Industrial Economics

### Production

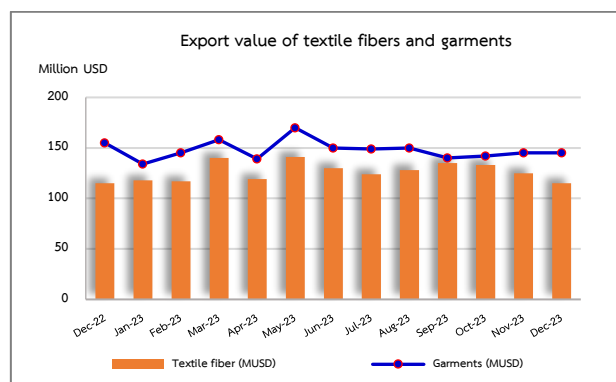
➕ Textile fiber production has expanded for the fifth consecutive month, increasing by 16.19 percent (%YoY) in the category of man-made fibers and threads, such as polyester and rayon fiber products. The growth stemmed from heightened orders, both domestically and internationally, as these fibers were employed as raw materials in manufacturing various products owing to their distinctive characteristics, such as flexibility, wrinkle resistance, ease of laundering, and rapid drying. These fibers have been used as raw materials in the manufacturing of sportswear, household textiles, and automobile parts.

➖ Fabric production decreased by 14.93 percent (YoY) across all product groups. As for garments, the production was down by 19.18 percent (%YoY), specifically in woven and knitted clothing. The decrease was attributed to reduced orders from trading partners. However, textile fibers expanded by 1.46 percent compared to the previous month, particularly in the man-made fibers and cotton yarn group, driven by heightened domestic demand and their use as raw materials for manufacturing textiles and wearing apparel with unique properties to fulfill orders from overseas.

### Domestic sales

➕ Textile fiber sales increased for the third consecutive month by 2.23 percent (%YoY), driven by an increase in sales of man-made fiber yarns and cotton yarns.

➖ Fabric and garment sales decreased by 6.22 and 25.04 percent (%YoY), respectively. This was a result of a reduction in production capacity combined with a slowdown in consumer demand and a change in behavior by choosing to purchase cheaper products from China.



Source: Ministry of Commerce

### Imports

➖ Yarns and fiber imports contracted by 24.34 percent (%YoY), and fabric imports also contracted by 8.28 percent.

➕ Garment imports expanded by 22.82 percent (%YoY) from the importation of low-cost products from China as consumers adjusted their behavior to sluggish economic conditions by reducing purchases of luxury items to cut down on daily expenses.

### Exports

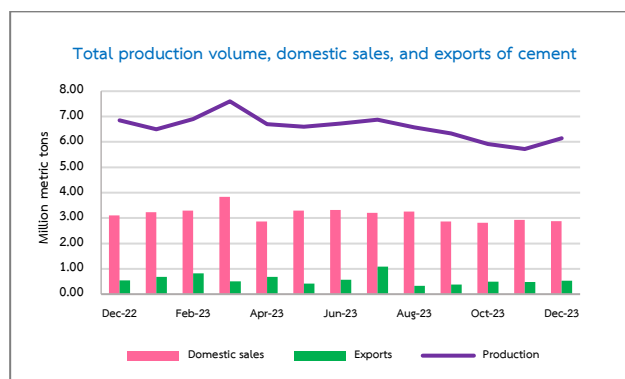
➕ Textile fiber exports grew by 5.80 percent (%YoY) for the second consecutive month due to an increase in exports of man-made fiber to key markets, including Belgium.

➖ Compared to the same period last year, exports contracted across the entire supply chain, with textile fibers decreased by 1.30 percent in both thread and fiber groups, as well as man-made fiber groups. Fabric and garment exports also declined 5.90 percent and 6.17 percent (YoY), respectively, attributed to reduced orders from key trading partners and the global economic slowdown, impacting the purchasing power and economic activities of consumers worldwide. However, compared to the previous month, fabric exports increased by 2.32 percent, mainly cotton, man-made, and silk fabrics, which increased in exports to the United Arab Emirates and India, where they were utilized as raw materials in textile and clothing production.

*"The textile and garment industry is projected to experience modest growth in January 2024, primarily driven by an increase in domestic demand. This growth is supported by the recovery of the tourism sector and government economic stimulus efforts, alongside the commencement of the festive season, which is anticipated to enhance tourism. However, the industry may face challenges from a potential global economic slowdown and reduced consumer demand due to escalating energy costs."*



## 10. Cement Industry



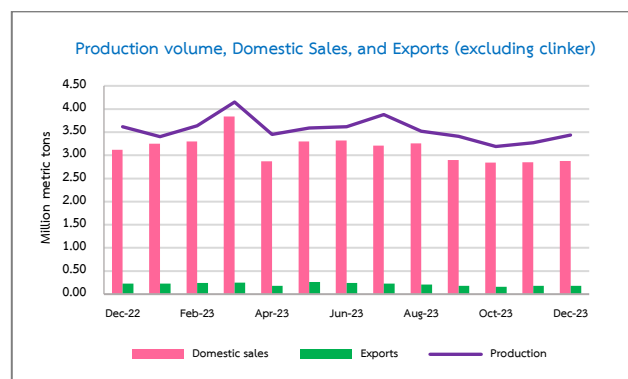
Source: 1. Domestic production and sales volume: Division of Information and Industrial Economic Indices, The Office of Industrial Economics  
2. Export volume: Information and Communication Technology Center, Office of the Permanent Secretary, Ministry of Commerce

**➖ Total cement production:** In December 2023, sale volume reached 6.15 million metric tons, a decrease of 10.24 percent compared to the same month last year (%YoY). This decrease was influenced by the slowdown of government decreased orders for cement and clinker.

**➖ Total domestic cement sales:** In December 2023, reached 2.88 million tons, a contraction of 6.92 percent (%YoY) compared to the same month last year. This decline aligned with decreased demand for cement, which correlates with the slowdown of the domestic economy.

**➕ Total cement exports:** In December 2023, exports reached 0.53 million metric tons, an expansion of 4.83 percent (%YoY) compared to the same month last year. The growth was influenced by increased orders from key export markets, including the Bangladesh, Vietnam, Lao P.D.R. and Cambodia.

*“Outlook for cement industry in January 2024: The overall production is expected to grow from the acceleration of government construction projects and the market stimulation in the real estate sector, especially housing developments and condominiums at the beginning of 2024.”*



Source: 1. Domestic production and sales volume: Division of Information and Industrial Economic Indices, The Office of Industrial Economics  
2. Export volume: Information and Communication Technology Center, Office of the Permanent Secretary, Ministry of Commerce

**➖ Cement production (excluding clinker):** In December 2023, the production amounted to 3.44 million metric tons, a slight decrease of 4.77 percent (%YoY) compared to the same month last year. This decline can be attributed to reduced demand from the domestic market.

**➖ Domestic cement sales (excluding clinker):** In December 2023, sale volume reached 2.88 million metric tons, a decrease of 6.92 percent compared to the same month last year (%YoY). This decline was attributed to the slowdown in government construction projects and widespread flooding across many areas in the southern region.

**➖ Exports of cement (excluding clinker):** In December 2023, exports reached 0.18 million tons, a decrease of 7.90 percent (%YoY) compared to the same month last year. This decline was primarily due to reduced orders from several key export markets, notably the Philippines, Malaysia, and Sri Lanka. These decreases were in accordance with the demand and economic slowdown of these trading partners.

*“Outlook for cement industry (excluding clinker) in January 2024: The production is anticipated to grow from the acceleration of construction in the real estate sector, including housing developments, commercial buildings, and condominiums, to stimulate the market at the beginning of 2024.”*





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