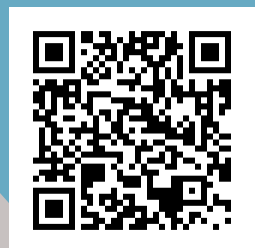


# Report on the Industrial Economics Status

February 2024





### Industrial Production Status

Indicators	2022	2023	2023											2024	
	Year	Year	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.
MPI	1.3	-3.8	-0.6	-2.8	-8.0	-2.8	-4.2	-3.9	-5.9	-5.9	-2.5	-1.5	-4.7	-2.9	-2.8

In February 2024, the industrial economic status, when considered from the **Manufacturing Production Index (MPI)**, decreased by 2.8 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, electronics components, etc. Additionally, the economic slowdown in major trading partners such as ASEAN (5), CLMV, and the Middle East countries led to a decrease in exports, particularly in automobiles and air conditioners.

When considering the MPI data for the past three months compared to the previous year (%YoY), the MPI in November 2023, December 2023, and January 2024 contracted by 1.5, 4.7, and 2.9 percent, respectively.

Indicators	2023											2024	
	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.
MPI	0.01	7.4	-20.4	14.4	-2.1	-2.8	2.0	-1.2	-1.6	2.8	-4.9	7.6	0.1

For the past three months (November 2023, December 2023, and January 2024) the Manufacturing Production Index (MPI), compared to the previous month (%MoM), has shown the following rate of changes: an increase of 2.8 percent in November, a decrease of 4.9 percent in December, and an increase of 7.6 percent in January.

**Key industries that contributed to the MPI contraction in February 2024** compared to the same month last year included:

- Automobile: The industry contracted by 16.83 percent, primarily due to declines in pickup trucks, compact cars, diesel engines, and full-size cars. This was driven by a slowdown in the domestic market (-27.24%), weakened consumer purchasing power, and stricter loan policies from financial institutions.
- Electronic components and boards: The industry contracted by 18.66 percent, driven by a decline in integrated circuits (ICs) and PCBAs, which was due to reduced product demand in the global market.
- Palm oil: Palm oil contracted by 27.23 percent due to a decrease in both crude and refined palm oil. The drought reduced crude palm fruit compared to last year, impacting both the domestic market (-16.19 %) and the export market (-85.91%).

**Key industries continued to expand in February 2024** compared to the same month last year included:

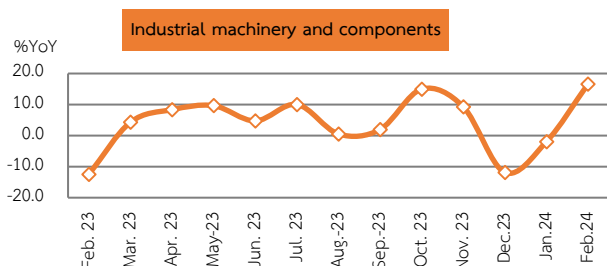
- Refined petroleum products. The industry increased by 7.59 percent, driven by increased demand for high-speed diesel, jet fuel, gasoline 91, and gasohol 91. This growth aligned with the expanding consumption in the transportation and travel sectors.
- Chemical fertilizers and nitrogen compounds: The industry increased by 39.82 percent, driven by strong sales of various agricultural products, good prices for many agricultural products, and a decrease in fertilizer prices due to lower raw material costs compared to the previous year.
- Genuine gemstone jewelry: The industry increased by 24.56 percent across all product categories (bracelets, earrings, necklaces, rings, and pendants). The economic recovery of trading partners led to higher orders and exports to key markets such as Qatar, Belgium, India, Hong Kong, Germany, Japan, and the USA.



# Other Industrial Economic Indicators in February 2024

## Other Industrial Economic Indicators in February 2024

### Imports of Thailand Industrial Sector



Source: Ministry of Commerce

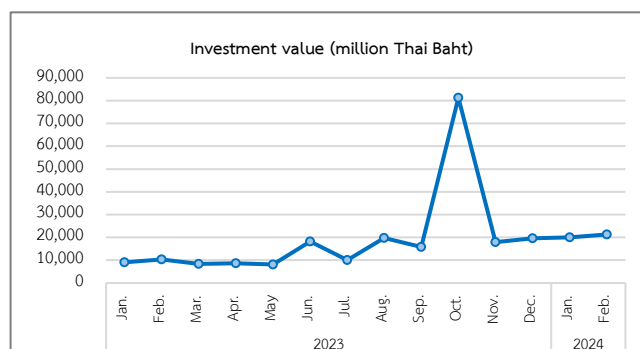
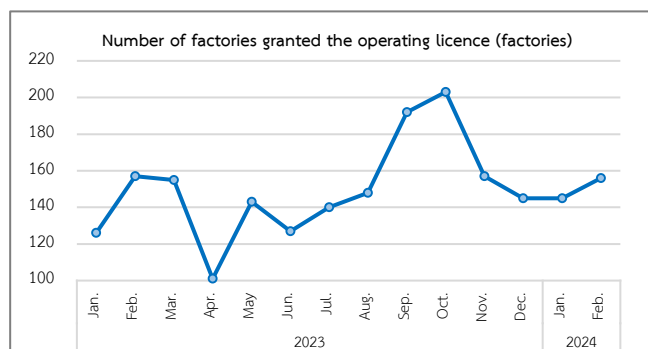


Source: Ministry of Commerce

**+** Imports of industrial machinery and parts in February 2024 were valued at 1,524.27 million USD, an increase of 16.61 percent compared to the same month last year. This growth was attributed to increased imports of products such as jet turbines and parts; machinery and equipment used in rubber or plastic processing; and machinery and parts used in wood processing.

**+** Imports of raw and semi-finished goods (excluding gold) in February 2024 were valued at 8,502.38 million USD, an increase of 5.95 percent compared to the same month last year. This growth was particularly notable in products such as diamond jewelry, gemstones, silver and gold bars, fertilizers, and herbicides and peptides.

## Industrial Operation Status



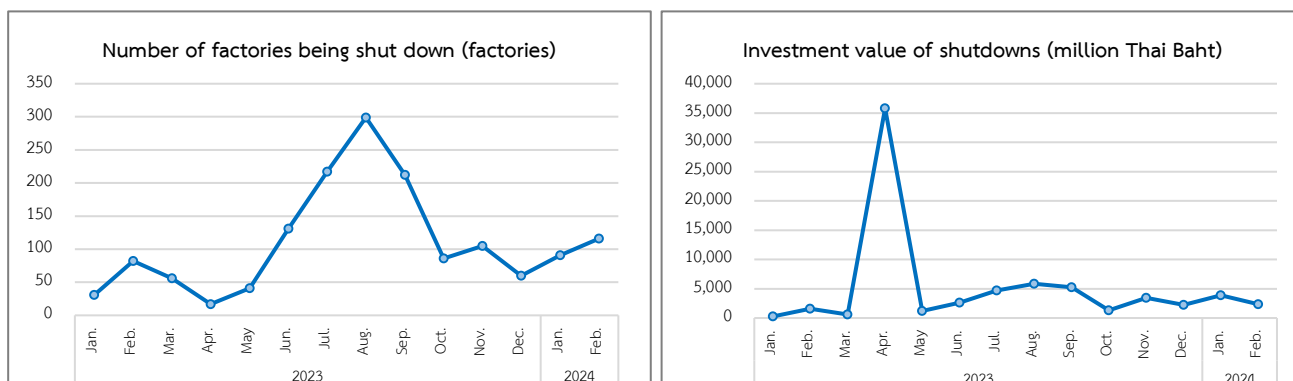
Source: Department of Industrial Works

- The total number of factories licensed for operation in February 2024 remained at 156 factories, increasing from January 2024 by 7.59 percent, but decreasing from the same month last year by 0.64 percent (%YoY).
- + The total investment from factories licensed for operating in February 2024 were valued at 21,234 million Thai Baht, increasing from January 2024 by 5.82 percent (%MoM) and 106.66 percent (%YoY) from the same month last year.

*“The industry with the highest number of newly licensed factories to operate in February 2024 was the manufacture of concrete, ready-mixed concrete articles, gypsum and plaster products (27 factories), followed by the excavation or dredging industry of gravel, sand, or soil (25 factories).”*

*“In February 2024, the industry with the highest investment value was the electric power generation from thermal energy, with an investment value of 10,374 million Thai Baht, followed by the solar power generation, excluding rooftop installations, with an investment value of 4,475 million Thai Baht.”*

■ Industrial Operation Status (cont.)



Source: Department of Industrial Works

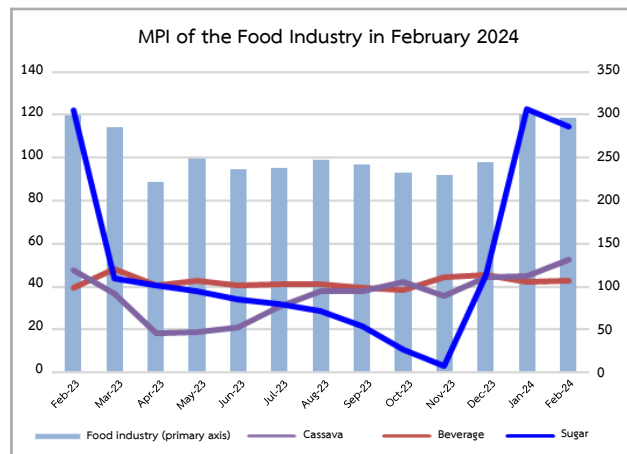
- + A total of 116 factories were shut down in February 2024, increasing from January 2024 by 27.47 percent (%MoM) and increasing from the same month last year by 41.46 percent (%YoY).
- + The total investment value lost due to business shutdowns in February 2024 was 2,326 million Thai Baht, which decreased by 40.15 percent (%MoM) from January 2024 but increased by 48.70 percent (%YoY) from the same month last year.

*“In February 2024, the industry with the highest number of factory shutdowns was the excavation or dredging industry of gravel, sand, or soil (17 factories), followed by the manufacture of concrete, ready-mixed concrete articles, and gypsum products (9 factories).”*

*“In February 2024, the industry with the highest business investment cessation was the industry of slicing, mixing, rolling into sheets, or cutting natural rubber sheets, with an investment cessation valued at 504 million Thai Baht, followed by the printing industry, including the production of file folders, bookbinding, cover making, or decoration of printed materials, with an investment cessation valued at 258 million Thai Baht.”*

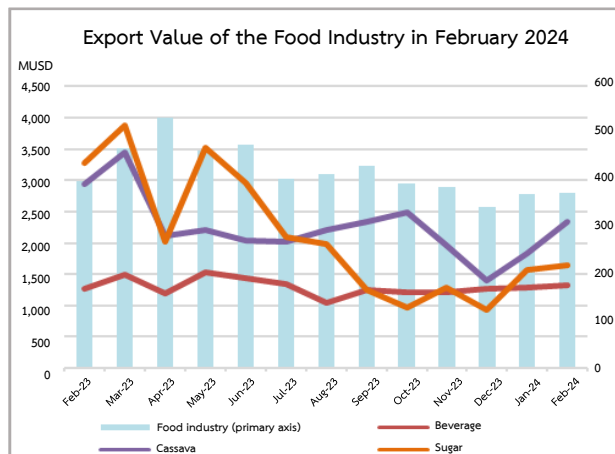
## Industrial Economic Status by Industrial Sectors in February 2024

### 1. Food Industry



Source: The Office of Industrial Economics

➖ In February 2024, the MPI of the food industry decreased by 0.8 percent (%YoY) compared to the same period last year. The slowdown in MPI was seen in several products, including **1) Palm oil**, which shrank by 27.2 percent from key products, including crude palm oil (-37.5%), and refined palm oil (-6.8%) due to lower palm fruit supply caused by the droughts and decreased demand both domestically and internationally due to economic slowdown. As a result, consumers were cautious in spending. This caused the demand for oil for consumption and for alternative energy to decrease. **2) Sugar** slowed down by 6.3 percent from raw sugar (-17.2%), and refined sugar (-7.0%) due to decreased production of raw and refined sugar. Furthermore, the demand for imported sugar decreased, mainly from Indonesia, which is a significant trading partner, and **3) Livestock** decreased by 0.5 percent, mainly from chilled and frozen chicken meat (-7.1%) due to a slowdown in consumer purchasing power resulting in decreased consumption demand. However, products that saw an increase in MPI were **1) Processed fruits and vegetables**, which grew by 11.0 percent from key products such as dried fruits and vegetables (23.6%), and fruit and vegetable juices (16.4%) from increased demand for both domestic and international consumption. **2) Cassava** grew by 10.9 percent from tapioca starch grew by 12.8 percent due to increased cassava production compared to the same period last year, which suffered from droughts, including the outbreak of cassava mosaic disease and increased demand from foreign markets (China, Indonesia, Taiwan), and **3) Fishery products** grew by 1.3 percent, from essential products such as frozen fish which grew by 27.0 percent due to increased consumption demand from both domestic and international markets.



Source: Ministry of Commerce

➕ The MPI of the beverage sector expanded by 9.5 percent, driven by key products, such as beers, rice whisky, energy drink, carbonated drinks, and purified water. This increase in production was in response to growing demand both domestically and internationally, escalated by hot weather conditions that stimulated consumer beverage consumption.

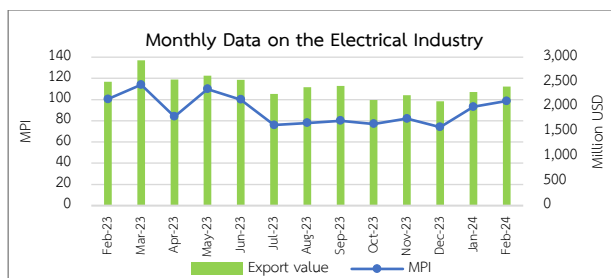
➖ **Domestic markets:** The production volume for food products for domestic sale in February 2024 declined by 0.9 percent (%YoY). This decrease included: 1) Palm oil, decreasing by 24.5 percent. 2) Refined sugar, decreasing by 28.0 percent. 3) Molasse, decreasing by 22.0 percent. 4) Chilled and frozen chicken meat, decreasing by 4.1 percent.

➖ **Export markets:** Food exports in February 2024, the overall export of food products decreased by 6.4 percent compared to the same period last year. The decline was among products such as sugar and palm oil. However, some products continued to expand well, such as rice, with key markets being Indonesia, the USA, and the Philippines. The export value of beverages expanded by 3.7 percent compared to the same period last year, with the main markets being Myanmar, Cambodia, and Vietnam.

*“Outlook for the Food Industry in March 2024: The overall food industry is expected to slow down compared to the same period last year following economic conditions that affect the purchasing power of consumers. Moreover, in the tourism sector, the number of Chinese tourists is still lower than expected. The export value is expected to grow due to food security concerns. As a result, the demand for imported products from trading partner countries is likely to increase. However, it is still necessary to monitor the uncertainty of the economy in trading partner countries, which continues to slow down, including geopolitical conflicts that may affect the economy.”*

## 2. Electrical and Electronics Industry

### ■ Electrical Industry



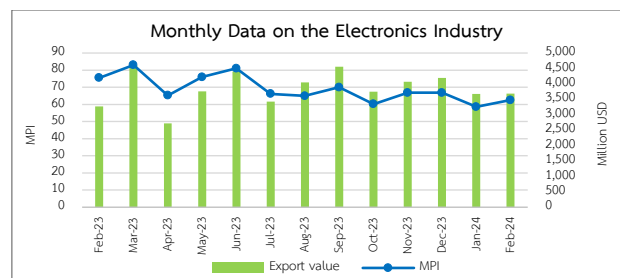
Source: The Office of Industrial Economics, Electrical and Electronics Institute, and Ministry of Commerce

➖ **Production of electrical appliances:** The MPI stood at 98.6, a slight decrease of 0.8 percent compared to the same month of last year due to a slowdown in line with the global economic situation. Products that decreased include cables, compressors, electric motors, rice cookers, microwave ovens, and thermo pots, which decreased by 42.6, 29.1, 25.1, 18.6, 14.3, and 9.7 percent, respectively, due to reduced domestic demand and overseas purchasing orders. The products that increased include Electrical transformers, electrical cables, washing machines, air conditioners, refrigerators, and fans, increased by 89.2, 40.9, 21.7, 6.9, 5.0, and 4.7 percent, respectively, due to increased demand for products in the world market and domestic sales. In particular, electrical transformers and electrical cables have expanded the demand for production and infrastructure construction in the country.

➖ **Exports of electrical appliances** were valued at 2,406.9 million USD, a decrease of 3.8 percent from the previous year. Products with reduced orders included microwave ovens, valued at 14.3 million USD, down 26.4 percent in the Japanese, UK, and Canadian markets; air conditioners and components, valued at 647.9 million USD, down 14.3 percent in the USA, Australian, and Indian markets; electrical switching and protection circuits, valued at 145.2 million USD, down 2.8 percent in the Japanese, Indonesian, and Chinese markets; fans valued at 44.7 million USD, down 2.2 percent in the USA, Germany, and Portugal markets; and motors and generators, valued at 80.7 million USD, down 0.6 percent in Japan, the USA, and Philippine markets. On the other hand, products with increased orders included transformers and components, valued at 398.9 million USD, up 34.9 percent in the USA, the Netherlands, and Taiwan markets; washing machines, dryers, and components, valued at 119.4 million USD, up 13.7 percent in the USA, South Korean, and Indonesian markets; switchboards and control panels, valued at 230.4 million USD, up 12.5 percent in the USA, Singaporean, and China markets; and electrical wires and cables, valued at 89.3 million USD, up 4.8 percent in Japan, the USA, and Vietnam markets.

*“Outlook for Production in March 2024: The electrical appliances industry is projected to continue its slowdown compared to the same month last year, primarily due to a decrease in demand following the global economic situation.”*

### ■ Electronics Industry



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

➖ **The electronic product production** index was 62.5, a decrease of 16.4 percent decrease compared to the same month last year. Products that saw a decline include semiconductor devices (transistors), ICs, PCBAs, and HDDs, which decreased by 31.2, 20.8, 19.8, and 19.4 percent, respectively. Conversely, products that experienced growth were printers and PWBs, which increased by 11.8 percent and 4.0 percent, respectively. The expansion in printer production was attributed to the diverse functions of modern printing technology, driving demand among domestic SME entrepreneurs. For PWBs, the growth was driven by increased demand for parts and components in related industries, such as the electric vehicle industry.

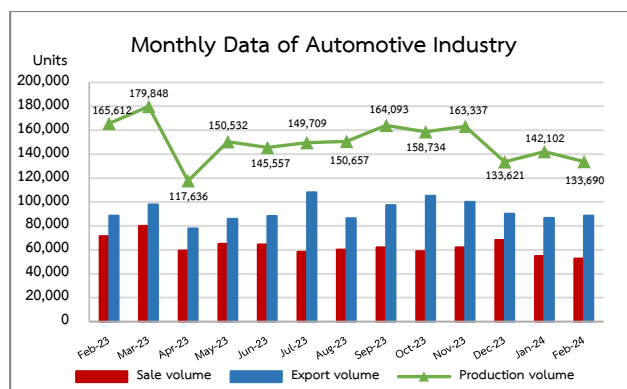
➕ **Exports of electronic products were valued at** 3,679.9 million USD, an increase of 12.5 percent compared to the same month last year, driven by the recovery of the electronic products sector. Product orders increased significantly, with HDDs valued at 626.8 million USD, up 21.4 percent, primarily due to inventory demands in the USA, Hong Kong, and Netherlands markets. Semiconductors, transistors, and diodes were valued at 404.9 million USD, up 15.7 percent, with increased orders from the USA, Hong Kong, and Japan markets. Conversely, orders for circuit boards decreased, valued at 653.4 million USD, a decrease of 13.2 percent in the USA, Hong Kong, Singapore, and Taiwan markets. Additionally, printed circuit boards were valued at 103.1 million USD, down 7.8 percent in the USA, China, and Vietnam markets.

*“Outlook for Production in March 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.

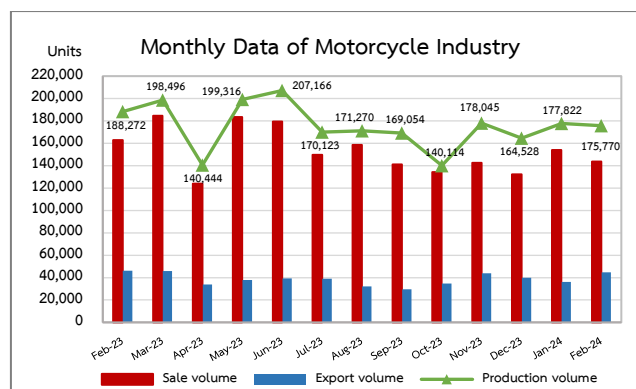
➖ **Production of automobiles** in February 2024 reached 133,690 units, a decrease of 19.28 percent compared to the same month in the previous year. This decline was attributed to reduced production of passenger cars and 1-ton pickup trucks. Furthermore, the production decreased by 5.92 percent (%MoM) compared to January 2024.

➖ **Domestic automobile sales** in February 2024 reached 52,843 units, a decrease of 26.15 percent compared to the same month the previous year. This decline was observed in sales of passenger cars and 1-ton pickup trucks, attributed to high household debt levels and tightened loan approval by financial institutions. Additionally, inclining interest rates have impacted domestic demand, leading some consumers to postpone purchases in anticipation of special promotions at the Motor Show scheduled from 25 March to 7 April 2024. Sales also decreased by 3.60 percent from January 2024 (%MoM).

➕ **Automobile exports** in February 2024 reached 88,720 units, a slight increase of 0.22 percent compared to the same month last year (%YoY). This increase was due to recovery of overseas market. Moreover, exports increased by 2.31 percent compared to January 2024 (%MoM).

*“Outlook for Automobile industry in March 2024: The industry is estimated to decrease compared to March 2023 owing to the slowdown of the international market.”*

#### ■ Motorcycle Manufacturing Industry



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

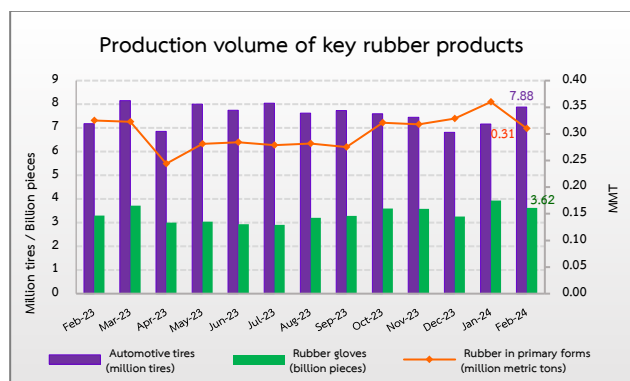
➖ **Production of motorcycles** in February 2024 reached 175,770 units, a decrease of 6.64 percent from the same month last year (%YoY). The decline was driven by reduced production of multi-purpose and sport motorcycles. Furthermore, the production decreased from January 2024 by 1.15 percent (%MoM).

➖ **Motorcycle sales** in February 2024 reached 143,663 units, a decrease of 11.78 percent (%YoY) from the same month of the previous year due to decreased sales of motorcycles with engine sizes of 51-110 cc and 126-250 cc, and sales decreased from January 2024 by 6.71 percent (%MoM).

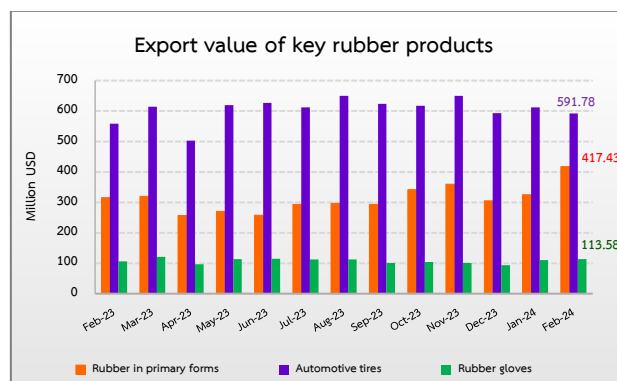
➖ **Exports of Complete Built-Up (CBU) motorcycle** in February 2024 reached 44,646 units, a decrease of 3.52 percent from the same month last year (%YoY). Export markets decreased in China, the USA, and the UK. Moreover, exports increased from January 2024 by 23.72 percent (%MoM).

*“Outlook for Motorcycle industry in March 2024: The industry is estimated to decline compared to March 2023 owing to the slowdown of international 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 3.60 percent due to the slowdown of rubber sheet and rubber bale production.

➕ Automotive tires increased by 9.52 percent from the increased production of tires for passenger cars, pickup trucks, and tractors.

➕ Rubber gloves increased by 10.37 percent to meet demand from both domestic and international markets.

### Domestic Sales

➕ Sales of processed rubber in primary forms (rubber sheet, rubber bale, and concentrated latex) increased by 7.70 percent due to high demand for rubber bales and concentrated latex in downstream industries.

➕ Sales of automotive tires increased by 9.27 percent, primarily due to increased demand for automotive tires in the REM (Replacement Equipment Manufacturer) market.

➕ Sales of rubber gloves increased 47.31 percent due to high domestic demand for medical gloves.

### Exports

➕ Processed rubber in primary forms (rubber sheet, rubber bale, and concentrated latex) increased in export value by 31.96 percent. This growth can be attributed to the increased exports of rubber bales to China, the USA, Japan markets.

➕ Automotive tires increased in export value by 6.34 percent due to a good growth of exports to the USA and South Korea markets.

➕ Rubber gloves increased in export value by 10.60 percent as demand in the global market has increased.

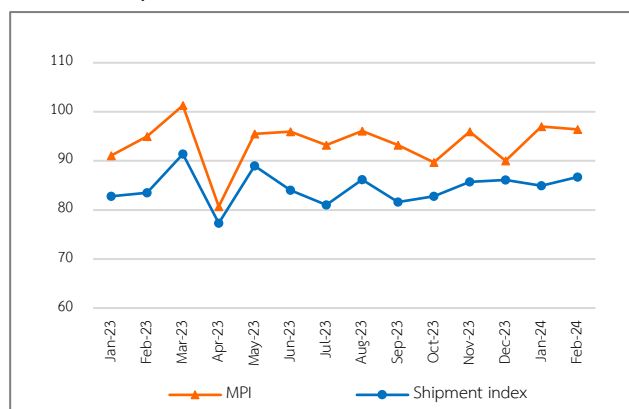
### Outlook for the Industry in March 2024

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 domestic and international markets. As for the production of rubber gloves, it is expected to continue expanding primarily to meet domestic demand. Additionally, the sale of rubber gloves within the country is anticipated to increase due to the rising demand for medical rubber gloves starting in 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 such as the USA, South Korea, and Japan. Furthermore, the exports of rubber gloves are expected to increase in value from the recovery in demand for rubber gloves in the global market and the low base of export figures last year.

## 5. Plastics Industry

MPI and Shipment Index



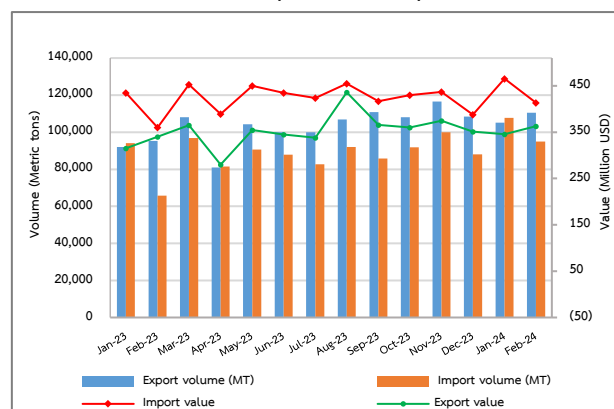
Source: The Office of Industrial Economics

**+** The Manufacturing Production Index (MPI) in February 2024 increased by 1.42 percent compared to the same period last year. Many plastic products increased in MPI, such as plastic bags (5.16%), plastic sheets (4.87%), plastic sacks (4.19%), compared to the same period last year.

**+** The shipment index in February 2024 increased by 3.18 percent. Products increased in shipment index, such as plastic sacks (47.85%), plastic bags (20.41%), and other plastic packaging (15.24%) compared to the same period last year.

**+** Exports in February 2024 were valued at 362.79 million USD, an increase of 5.98 percent compared to the same period last year. Key products contributing to the increase in exports included monofilament products (HS 3916) (187.70%); floor covering products (HS 3918) (152.81%); and self-adhesive plates, sheets, film, foil, tape, strip and other flat shapes, of plastics (HS 3919) (46.00%) compared to the same period last year.

Volume and Value of Exports and Imports

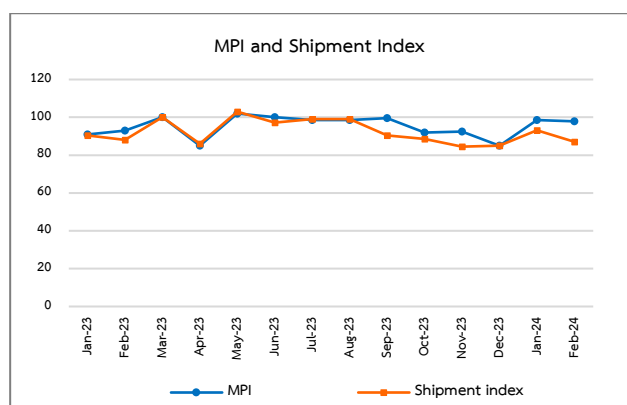


Source: Information and Communication Technology Center, Office of the Permanent Secretary, Ministry of Commerce, in cooperation with the Customs Department

**+** Imports in February 2024 were valued at 413.55 million USD, an increase of 14.78 percent compared to the same period last year. Key products contributing to the increase in imports included household articles (HS 3924) (93.44%), floor covering products (HS 3918) (92.12%), builders' ware of plastics (HS 3925) (77.31%) compared to the same period last year.

*“Outlook for the plastic industry in March 2024: The production situation is expected to begin improving due to increased domestic consumption, and exports are likely to expand further from key markets, including the USA, Vietnam, Indonesia, and China.*”

## 6. Chemical products Industry

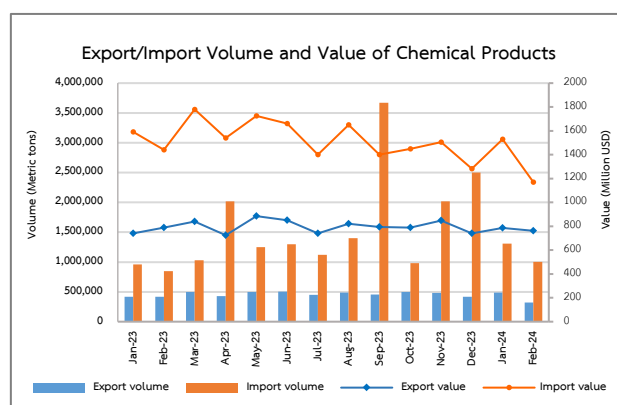


Source: The Office of Industrial Economics

**+ Manufacturing Production Index (MPI):** In February 2024, the MPI increased by 5.34 percent compared to the same period last year. The basic chemical products grew by 1.51 percent, driven by hydrogen gas (43.51%), caustic soda (12.42%), and chlorine (11.00%) compared to the same period last year. Furthermore, the MPI of downstream chemicals also increased by 7.29 percent. Products that increased in MPI were chemical fertilizers (39.82%), cleaning liquid (27.52%), and talcum (14.38%) compared to the same period last year.

**- Shipment Index:** In February 2024, the index decreased by 7.09 percent compared to the same period last year. The shipment index of downstream chemical products decreased by 7.52 percent, driven by methyl ester (biodiesel) (-17.28%), chlorine (-17.14%), and hydrochloric acid (-8.56%) compared to the same period last year. On the other hand, the shipment index of basic chemical products increased by 2.98 percent, driven by chemical fertilizers (33.28%), emulsion paints (9.18%), and soaps and skin care products (6.21%) compared to the same period last year.

**- Exports of chemical products:** In February 2024, the total exports were valued at 762.83 million USD, a decrease of 2.95 percent compared to the same period last year. Exports of basic chemical products were valued at 383.82 million USD, a decrease of 11.89 percent. As for downstream chemical products, exports were valued at 379.01 million USD, a decrease of 8.17 percent compared to the same period last year. Products that contributed to the decline in export value were miscellaneous chemicals (-20.81%), surfactants (-6.85%), and organic chemicals (-6.84%).

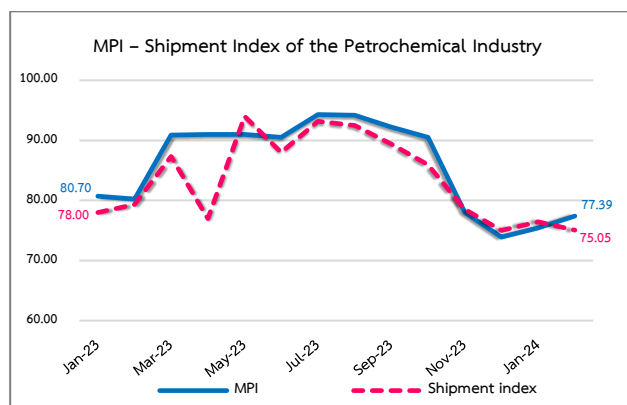


Source: Information and Communication Technology Center, Office of the Permanent Secretary, Ministry of Commerce, in cooperation with the Customs Department

**- Imports:** In February 2024, the total imports were valued at 1,169.53 million USD, a decrease of 18.57 percent compared to the same period last year. Imports of basic chemicals were valued at 659.93 million USD, a decrease of 32.64 percent compared to the same period last year. However, imports of downstream chemical products were valued at 509.60 million USD, an increase of 11.62 percent compared to the same period last year. Products contributing to the decreased import were miscellaneous chemicals (-17.00%), inorganic chemicals (-13.67%), and organic chemicals (-13.26%).

*“Outlook for the chemical industry in March 2024: Production is likely to expand due to increased consumer demand, leading to the growth of certain chemical products. However, compared to the same period last year, exports are expected to decrease due to a slowdown in major markets, including China, Japan, and Vietnam.”*

## 7. Petrochemical Industry

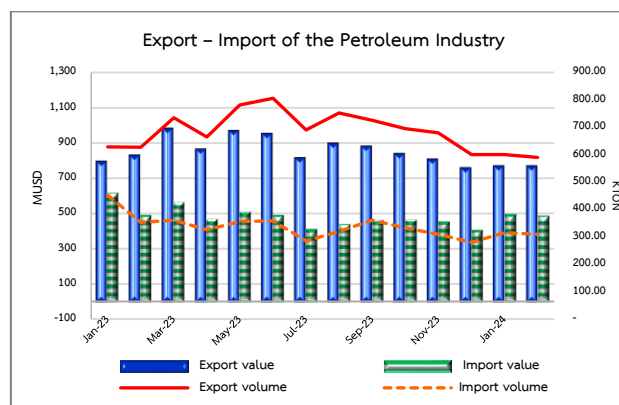


Source: The Office of Industrial Economics

**The Manufacturing Production Index** in February 2024 stood at 77.39, a decrease of 3.48 percent compared to the same period last year. Downstream petrochemicals, including PP and PE resin, shrank by 9.92 percent and 7.21 percent, while upstream petrochemicals, such as Propylene, shrank by 32.63 percent compared to the same period last year. The decrease was the result of the factory's maintenance shutdown last year. Compared to the previous month, overall production improved by 0.38 percent, while bioplastic (PLA) pellet production continued to increase.

**The shipment index** was 75.05, a decrease of 5.04 percent compared to the same period last year. The shipment index of basic petrochemicals, including ethylene, decreased by 21.36 percent, and downstream petrochemicals, such as PP resin, decreased by 1.64 percent compared to the same period last year. Furthermore, the shipment index decreased by 0.53 percent compared to the previous month.

**Exports** in February 2024 were valued at 769.68 million USD, a decrease of 7.45 percent compared to the same period last year. The decrease was particularly notable in downstream petrochemicals, such as PE resin (-7.70%), and basic petrochemicals, such as propylene (-32.63%). This decline was attributed to reduced demand for these products in downstream industries in the international market. Additionally, exports decreased by 0.01 percent compared to the previous month.

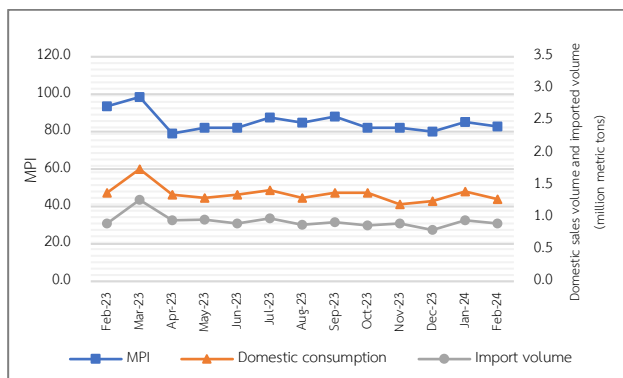


Source: Information and Communication Technology Center, Office of the Permanent Secretary, Ministry of Commerce, in cooperation with the Customs Department

**Imports** in February 2024 were valued at 487.21 million USD, a decrease of 0.42 percent compared to the same period last year. This decrease was mainly due to a decrease in basic petrochemicals such as Propylene (-66.61%) and downstream petrochemicals such as PET resin (-25.20%). These declines were partly a result of increased recycling and the weakening of the Baht. Additionally, imports decreased by 1.83 percent compared to the previous month.

*“Outlook for the Petrochemical Industry in March 2024: The overall manufacturing industry is projected to slow down compared to the same period last year. This 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 many countries.”*

## 8. Iron and Steel Industry



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

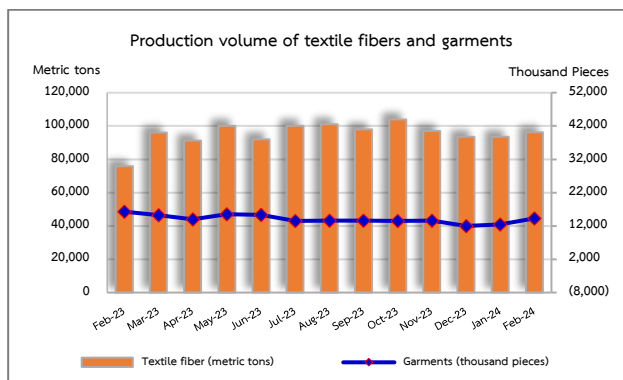
**Manufacturing Production Index (MPI):** In February 2024, the index was at 82.8, contracting 11.5 percent compared to the same period last year due to a slowdown in downstream industries such as the construction industry. When considering the main products, the MPI contracted in all product groups. The production of long products decreased by 5.1 percent. Products whose production shrank included round bars, deformed bars, and wire rods. Production of flat products decreased by 11.2 percent. Products whose production shrank included hot-rolled coils, cold-rolled sheets, and galvanized sheets. Steel pipe production decreased by 23.4 percent.

**Domestic consumption:** In February 2024, domestic consumption amounted to 1.2 million metric tons, a decrease of 7.2 percent compared to the same period last year. Consumption contracted among long products, with consumption amounting to 0.4 million metric tons, a decrease of 22.2 percent from the previous year due to decreased use of rebars, structural steels, and wire rods. However, consumption of flat products increased to 0.8 million metric tons, rising by 2.8 percent from the same period last year, driven by higher consumption of hot-rolled plates, hot-rolled sheets, tinplates, and chromium-coated sheets.

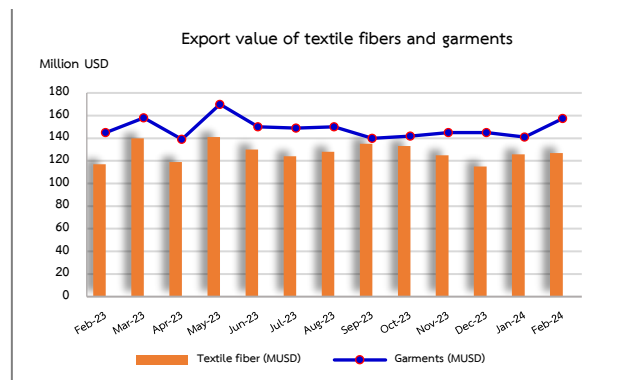
**Imports:** In February 2024, imports reached a total volume of 0.9 million metric tons, increasing by 1.1 percent compared to the same period last year. The increase was primarily in the flat products, with flat steel imports amounting to 0.7 million metric tons, expanding by 10.7 percent. The flat products that increased in import were hot-rolled alloy steel sheets (with increased imports mainly from Japan and South Korea); hot-rolled carbon steel sheets (with increased imports mainly from Japan, China, and Taiwan); and cold-rolled stainless-steel sheets (with increased imports mainly from China, Japan, and Taiwan). Meanwhile, long-product imports amounted to 0.2 million metric tons, decreasing by 26.0 percent. Long products that experienced import reduction included carbon steel wire rods (with reduced imports mainly from China and Japan); alloy steel rebars (with reduced imports mainly from Japan, China and South Korea); and seamless steel pipes (with reduced imports mainly from China and Japan).

*“Outlook for Iron Industry in March 2024: Production is estimated to decrease compared to the same period last year. This is because the global market’s prices are expected to decline, leading consumers to delay orders to assess price directions. In addition, there will likely be an increase in imports of low-price steel. Nevertheless, there are important issues that should be monitored, such as the global economic and trade situation and international steel prices. However, there are important issues to monitor, such as the global economic and trade situation, international steel prices, and the progress of various state construction projects expected to resume based on government budget disbursements. These factors will impact the production and consumption of steel in Thailand.”*

## 9. Textile and Wearing Apparel Industry



Source: The Office of Industrial Economics



Source: Ministry of Commerce

### Production

➕ Textile fiber production has expanded for the seventh consecutive month, increasing by 27.03 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 such as sportswear, household textiles, and automobile parts.

➖ Fabric production decreased by 12.35 percent (%YoY) across all product groups. As for garments, the production was down by 11.39 percent (%YoY), specifically in woven and knitted clothing. However, compared to the previous month, textile fibers, fabrics, and garment expanded across all production chains by 4.50, 1.98, and 8.81 percent respectively. The growth was driven by increased demand both domestically and internationally, as well as economic recovery facilitated by government stimulus measures.

### Domestic sales

➕ Textile fiber sales increased for the sixth consecutive month by 11.84 percent (%YoY). The growth was observed in man-made-fiber yarns and cotton yarns.

➖ Fabrics and garments contracted by 15.21 percent and 16.47 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 buy cheaper products from China.

### Imports

➖ Imports of yarn and fiber decreased by 8.99 percent (%YoY), and fabric imports decreased by 18.46 percent (%YoY). This decline was due to declined orders for fabric and clothing both domestically and internationally, which reduced the volume of imported raw materials in upstream and midstream sectors. Additionally, there was an increase in the use of domestic yarn and textile fiber substitutes.

➕ Garment imports expanded by 26.22 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

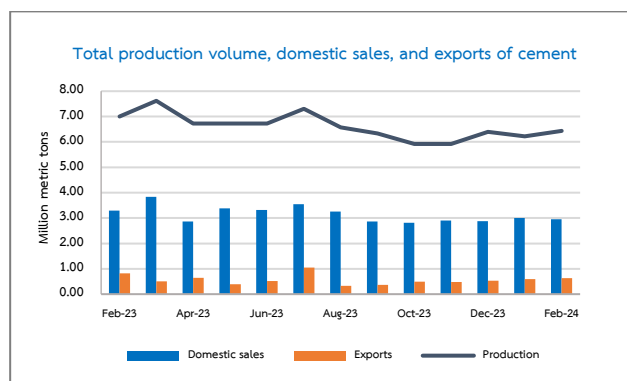
➕ Textile fibers expanded for the second consecutive month, growing by 8.55 percent (%YoY) due to increased exports of man-made fibers to key trading partners, including Pakistan and the USA, for use as raw materials in the production of textiles and wearing apparel.

➖ Fabric exports decreased by 4.90 percent (%YoY).

➕ Garment exports increased for the second consecutive month after contracting for 14 consecutive months, increasing by 8.57 percent (%YoY) from key markets, including the USA, Japan, and Belgium. Additionally, compared to the previous month, textile fibers, fabrics, and clothing all saw growth throughout the supply chain of textile and wearing apparel, with increases of 1.66%, 8.15%, and 11.14% respectively. This growth is attributed to the recovery of the economy and improved global trade.

*“The outlook for the textile and wearing apparel industry in March 2024 is expected to show slight expansion, driven by improved domestic demand supported by the recovery of the tourism sector and government economic stimulus measures. However, there is a possibility of a slowdown in the global economy, which could impact consumer confidence, leading to declining consumer demand. Additionally, the importation of cheap and substandard products from abroad may further pressure the competitiveness of Thai product manufacturers.”*

## 10. Cement Industry



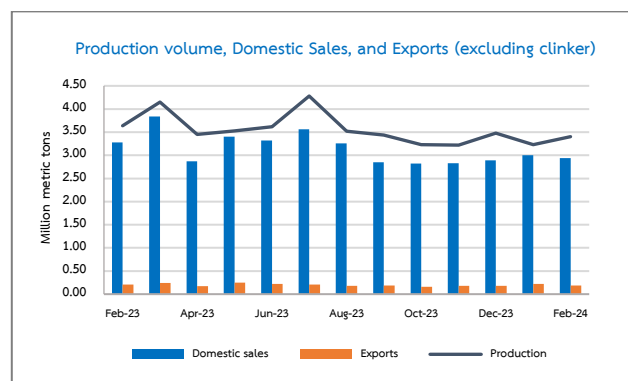
Source: 1. Domestic production and sales volume: Division of Information and Industrial Economic Indices, The Office of Industrial Economics  
 2. Export volume: Information and Communication Technology Center, Office of the Permanent Secretary, Ministry of Commerce

➔ **Total cement production:** In February 2024, production volume reached 6.44 million metric tons, a decrease of 7.35 percent compared to the same month last year (%YoY). This decrease was influenced by the decreased orders from domestic and export markets with key trading partners.

➔ **Total domestic cement sales:** In February 2024, sales reached 2.95 million tons, a contraction of 6.74 percent (%YoY) compared to the same month last year. This decline aligned with decreased demand for cement, which correlated with the slowdown of the domestic economy in government construction projects and real estate.

➔ **Total cement exports:** In February 2024, exports reached 0.63 million metric tons, a decreased of 21.05 percent (%YoY) compared to the same month last year. The decline was influenced by decreased orders of clinker in many key export markets, including Cambodia, Vietnam, and Bangladesh.

*“Outlook for cement industry in March 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.”*



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 February 2024 amounted to 3.41 million metric tons, a decrease of 6.60 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 February 2024 reached a total volume of 2.95 million metric tons, a decrease of 10.41 percent compared to the same month last year (%YoY). This decline was attributed to the slowdown in large government construction projects and real estate such as housing developments and condominiums.

➔ **Exports of cement (excluding clinker)** in February 2024 reached 0.18 million sales metric tons, a decrease of 13.89 percent compared to the same month last year (%YoY), driven by decreased orders from Lao PDR, where demand decreased numerously for the construction of large projects in the public and infrastructure sectors.

*“Outlook for cement industry (excluding clinker) in March 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 number of orders and the various promotion measures from the government.”*





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