

Industrial Production Status

Indicators	2021	2022	2022							2023					
%YoY	Year	Year	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.
MPI	5.8	0.4	-0.5	6.0	14.6	3.0	-4.3	-5.3	-8.5	-4.8	-2.4	-3.9	-8.7	-3.1	-5.2

In **June 2023**, when considering the **Manufacturing Production Index (MPI)**, it **shrank by 5.2 percent compared to the same period last year**. The primary factor contributing to this decline is the export sector, which remains fragile due to the weak economic conditions of our trading partners. However, the expansion of the tourism sector continues to drive increased demand for various industrial products, particularly within the food and beverage categories, such as sugar, aquatic animal products, condiments, liquor, coffee, and non-alcoholic drinks.

When considering the MPI data for the past three months compared to the previous year (%YoY), the MPI in March, April, and May 2023 contracted by 3.9 percent, 8.7 percent, and 3.1 percent, respectively.

Indicators	2022							2023					
%MoM	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.
MPI	-0.2	-2.3	4.2	-1.8	-4.2	2.1	-1.8	6.1	-0.1	6.2	-21.3	14.3	-2.5

For the past three months (March, April, and May 2023) the Manufacturing Production Index (MPI), compared to the previous month (%MoM), has shown the following rate of changes: an increase of 6.2 percent in March 2023, a decrease of 21.3 percent in April 2023, and an increase of 14.3 percent in May 2023.

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

- Rubber products, other than tires, contracted by 18.13 percent. This decline in all production is a consequence of reduced demand in the export market. The global economic slowdown has significantly impacted the production of rubber gloves, which has been declining for the twelfth consecutive month since the high base of the previous year. The reduced demand for rubber gloves in the global market has been ongoing since the end of 2021.

- Hard Disk Drive (HDDs) production contracted by 20.68 percent due to advancements in capacity technology, resulting in decreased production volume. Simultaneously, the unit price increased based on capacity, while demand for HDDs decreased. Additionally, Solid State Drives (SSDs) are increasingly replacing HDDs in various devices, and Thailand currently lacks a domestic SSD production base.

- Furniture industry contracted by 37.14 percent, particularly in wooden and metal furniture. This contraction is attributed to the global economic slowdown, which led to reduced customer orders. Furthermore, there was a high base from the previous year when Thailand received special orders for shelves in department stores after China closed its borders. Production of wooden furniture has now decreased for the sixteenth consecutive month.

Key industries that continued to increase in June 2023 compared to the same month last year included:

- Automobile industry expanded by 3.37 percent, primarily driven by increased exports to countries in Asia, Oceania, Europe, and North America.

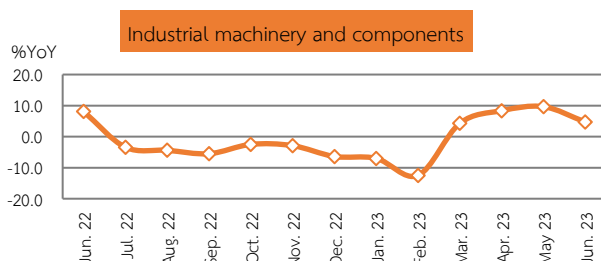
- Plastic pellet production expanded by 5.64 percent, driven by increased production in both the upstream and downstream petrochemical industries. This expansion was partly due to factories resuming production after some were temporarily closed for maintenance last year.



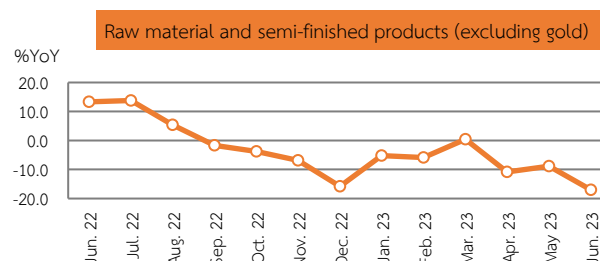
Other Industrial Economic Indicators in June 2023

Other Industrial Economic Indicators in June 2023

■ Imports of Thailand Industrial Sector



Source: Ministry of Commerce

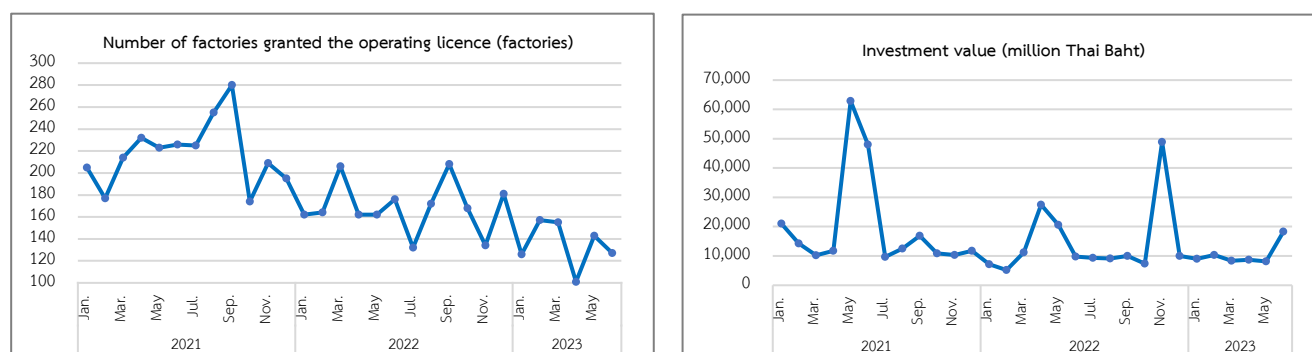


Source: Ministry of Commerce

+ **Imports of industrial machinery and parts** in June 2023 were value at 1,718.33 million USD, an increase of 4.73 percent compared to the same month last year. This growth was attributed to increased imports of products such as jet turbines and parts, machinery for metal processing and components, machinery and equipment for processing rubber or plastics, textile machinery, machinery for other industries, and related components, for example.

- **Imports of raw and semi-finished goods (excluding gold)** in June 2023 were valued at 9,127.92 million USD. This represented a contraction of 16.98 percent compared to the same month in the previous year. The decline in imports was particularly notable in products such as iron, steel and related products, and chemical products.

Industrial Operation Status



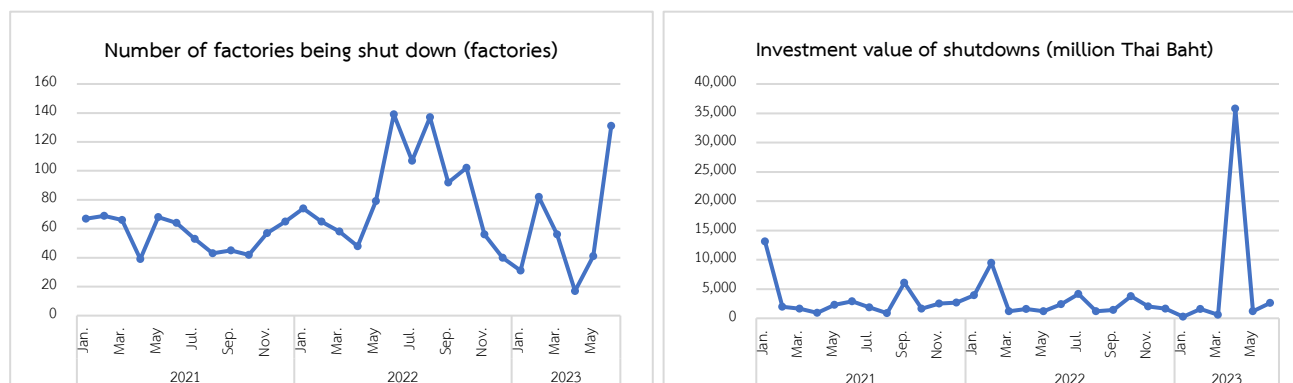
Source: Department of Industrial Works

- The total number of factories licensed for operation in June 2023 was 127 factories, decreasing by 11.19 percent (%MoM) from May 2023 and decreasing by 27.84 percent (%YoY) from the same month last year.
- + The total investment from factories licensed for operating in June 2023 increased by 124.69 percent (%MoM) from May 2023 to 18,259 million Thai Baht and increased by 87.11 percent (%YoY) from the same month last year.

"The industry with the highest number of newly licensed factories to operate in June 2023 was the excavation or dredging industry of gravel, sand, or soil (23 factories), followed by the manufacture of concrete, ready-mixed concrete articles, and gypsum products (7 factories)."

"In June 2023, the industry with the highest investment value was the general product packaging industry, with an investment amount of 8,925 million Baht, followed by the industry involved in the production of rubber smoked sheets, crepe rubber, block rubber, latex, or any other form of rubber processing, with an investment of 1,402 million Thai Baht."

■ Industrial Operation Status (cont.)



Source: Department of Industrial Works

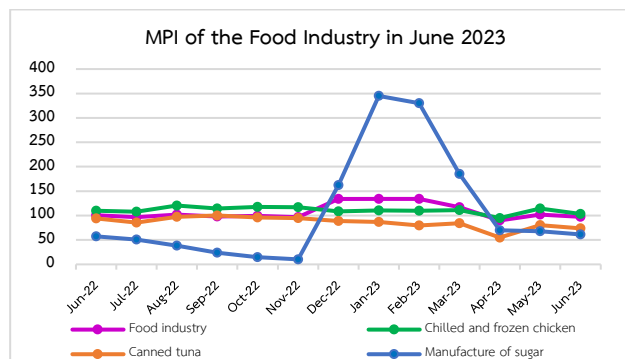
- + A total of 131 factories were shut down in June 2023, increasing by 219.51 percent (%MoM) from May 2023 but decreasing by 5.76 percent (%YoY) from the same month last year.
- The lost investment value on shutdown in June 2023 totaled 2,622 million Thai Baht, increasing by 112.96 percent (%MoM) from May 2023 and increasing by 8.07 percent (%YoY) from the same month last year.

“The industry with the highest number of factory shutdowns in June 2023 was the excavation or dredging industry of gravel, sand, or soil (33 factories), followed by the rice milling, winnowing or polishing industry (8 factories).”

“The industry with the highest investment value for business shutdown in June 2023 were the water supply and distribution industry to buildings and industrial plants, with an investment value of 479 million Thai Baht, followed by the metal cutting, folding, or rolling industry, which accounted for an investment value of 305 million Thai Baht.”

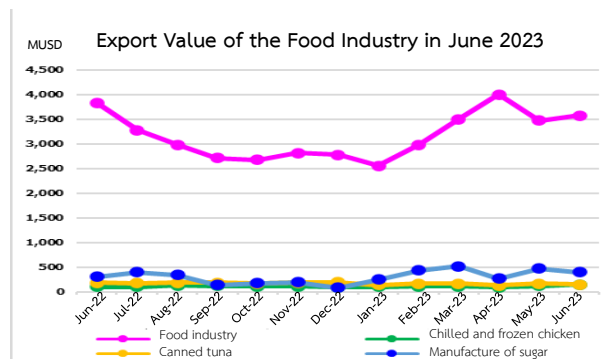
Industrial Economic Status by Industrial Sectors in June 2023

1. Food Industry



Source: The Office of Industrial Economics

➖ The Manufacturing Production Index (MPI) in June 2023 decreased by 4.7 percent (%YoY) compared to the same period last year. Several food product categories experienced declines in their production index: 1) Cassava production decreased by 28.3 percent from cassava starch (-31.1%). The decrease was primarily due to heavy rainfall in plantation areas affecting cassava and starch content, resulting in reduced market availability. 2) Processed fruits and vegetables decreased by 14.7 percent, driven by a significant drop in canned pineapple demand (-43.8%), both domestically and internationally. 3) Beverages decreased by 6.0 percent from products like beer, soft drinks, and fruit juice flavored drinks. 4) Livestock production decreased by 5.1 percent, with frozen and chilled chicken meat (-6.3 %), influenced by hot weather conditions impacting chicken production. 5) Fisheries decreased by 3.5 percent, with canned tuna demand (-21.5 %). Nonetheless, there were expansions in the food product production index, with sugar growing by 8.3 percent, particularly white sugar (55.9%). This increase was driven by higher domestic and international demand for continued industrial use following economic expansion. This year, sugar production has increased in quantity and has improved quality, including the needs of foreign markets due to India's restriction of sugar exports. Thailand's main export market was Indonesia.



Source: Ministry of Commerce

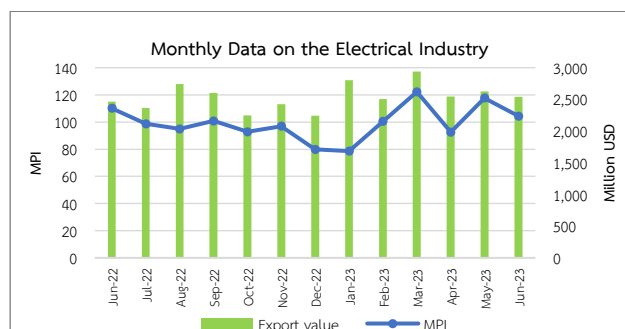
➕ Domestic sales: The production volume for domestically sold food products in June 2023 expanded by 14.2 percent (YoY) in the food product category, including: 1) Refined palm oil, which grew by 27.2 percent, 2) Canned sweet corn, which grew by 21.2 percent, 3) Fruit juices, which grew by 21.2 percent, and 4) Sausages, which grew by 18.4 percent. Additionally, 5) Carbonated beverages grew by 7.9 percent.

➖ Export markets: The overall food product exports in June 2023 decreased by 6.8 percent compared to the same period last year, primarily driven by the fats and oils category from plants and animals, notably palm oil. This decline is attributed to a global increase in palm oil production, which has reduced demand for imports from Thailand. Nonetheless, certain products continue to experience substantial growth, including sugar, with Indonesia and Malaysia serving as the primary markets for this key product.

Industry Outlook for July 2023: *The overall industry is expected to slow down compared to the same period last year, primarily due to the ongoing global economic and financial challenges and uncertainties surrounding the government's formation. Despite these challenges, there are positive prospects for domestic consumption and the tourism sector, driven by expanding domestic demand and increasing the number of foreign tourists visiting the country.*

2. Electrical and Electronics Industry

■ Electrical Industry



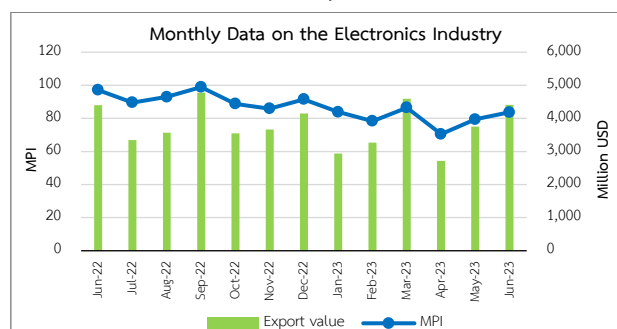
Source: The Office of Industrial Economics, Electrical and Electronics Institute, and Ministry of Commerce

➖ **Production of electrical appliances** reached an MPI of 104.3 points, decreasing by 5.3 percent compared to the same month last year. Among products that decrease in production included electric motors (-37.6%), refrigerators (-15.2%), compressors (-14.7%), power cables (-14.6%), rice cookers (-11.6%), thermo pots (-7.5%), and transformers (-1.8%), due to decreased domestic sales. However, certain products experienced an increase in the production of certain items: namely, cables (23.8%), washing machines (20.6%), microwave ovens (16.9%), fans (8.5%), and air-conditioners (2.3%). This growth can be attributed to rising domestic demand and increased international orders.

➕ **The export of electrical appliances** reached a value of 2,542.0 million USD, an increase of 3.2 percent compared to the same month in the previous year. Products with increased demand included air-conditioners and components, totaling 100.8 million USD, experiencing a significant growth of 34.7 percent in the US and Europe markets. Similarly, washing machines, dry cleaning equipment, and their components were valued at 105.9 million USD, an increase of 14.8 percent in the US, India, and Europe markets. Additionally, circuit breakers and protection devices were valued at 160.5 million USD, an increase of 4.9 percent in Japan and Hong Kong markets. On the other hand, products with decreased orders included refrigerators, valued at 145.5 million USD, a decline of 22.4 percent in Japan and Vietnam markets. Microwave ovens were valued at 17 million USD, a decrease of 12.7 percent in Japan, the US, and Vietnam markets. Lastly, electric cables decreased by 10.3 percent in Japan, the US, and China markets.

"Production Outlook for July 2023: The electrical appliances industry is expected to contract compared to the same month last year due to the decline in global demand, the global economy that has yet to recover, and the slowdown in purchase orders from trading partner countries."

■ Electronics Industry



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

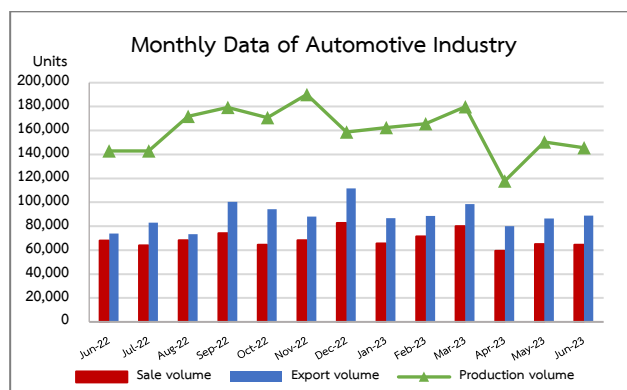
➖ **Production of electronic products** reached an MPI of 83.7 points, decreasing by 13.8 percent compared to the same month last year. Products that contracted in production were semiconductor devices (transistors) (-29.5%), printers, (-23.2%), HDDs (-20.4%), PWBs (-18.3%), and ICs (-0.2%) due to decreased domestic demand and international orders.

➕ **Exports of electronic products** reached a value 4,404.4 million USD, an increase of 0.2 percent compared to the same month last year. Products that experienced an increase in orders included semiconductor devices (transistor and diodes) valued at 421.9 million USD, an increase of 68.65 percent in India, the US, and South Korea markets. Circuit boards valued at 872.4 million USD, an increase of 5.3 percent in Taiwan and China markets. On the other hand, products with decreased orders included Hard Disk Drives (HDDs) valued at 1,008.7 million USD, a decrease of 36.51 percent, mainly in Europe, the US, and China markets; printed circuit boards valued at 105.2 million USD, a decrease of 19.8 percent, particularly in the US, the UK, and ASEAN market.

"Production Outlook for July 2023: The electronics industry is expected to decline continuously compared to the same month last year. The decline is due to rising production costs and market share with neighboring countries such as Malaysia, Vietnam, and India."

3. Automotive Industry

■ Automotive Manufacturing Industry



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

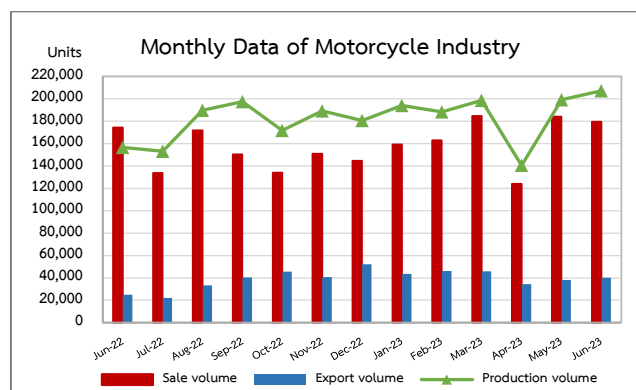
+ **Production of automobiles** in June 2023 reached 145,557 units, a decrease of 3.30 percent from May 2023 (%MoM) but an increase of 1.78 percent from the same month last year (%YoY). The increase was among of the manufacture of passenger cars and commercial vehicles.

- **Domestic automobile sales** in June 2023 reached 64,440 units, a decrease of 1.00 percent from May 2023 (%MoM) and a decrease from the same month last year by 5.16 percent (%YoY). This reduction primarily resulted from a decline in the sales of one-ton pickup trucks, as financial institutions have become more stringent in granting consumer loans following a decrease in consumer purchasing power.

+ **Automobile exports** in June 2023 reached 88,826 units, an increase of 2.86 percent from May 2023 (%MoM) and an increase of 20.22 percent compared to the same month last year (%YoY). Export markets showed an increase in Asia, Oceania, Europe and North America.

"Automotive Industry outlook: In July 2023, the industry is expected to grow compared to July 2022 due to an expansion of export markets and the easing of the semiconductor shortage situation."

■ Motorcycle Manufacturing Industry



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

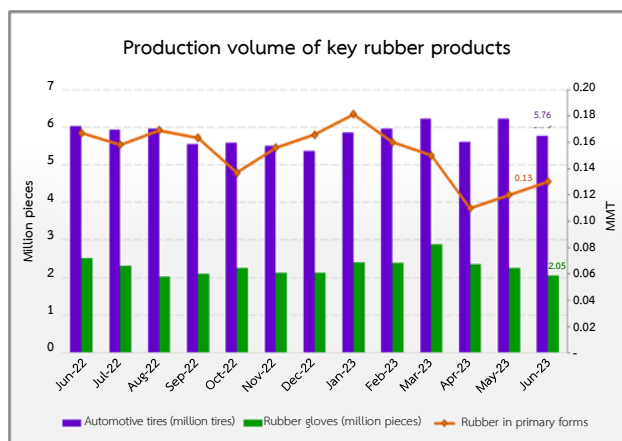
+ **Production of motorcycles** in June 2023 reached 207,166 units, an increase of 3.94 percent from May 2023 (%MoM) and an increase from the same month last year by 32.34 percent (%YoY). The growth was driven by increased production of multipurpose and sport motorcycles.

+ **Motorcycle sales** in June 2023 reached 179,365 units, a decrease from May 2023 by 2.57 percent (%MoM) but an increase from the same month last year by 2.92 percent (%YoY). The growth was driven by increased sales of motorcycles sized between 51-110 cc, 126 – 250 cc, and 251 – 399 cc.

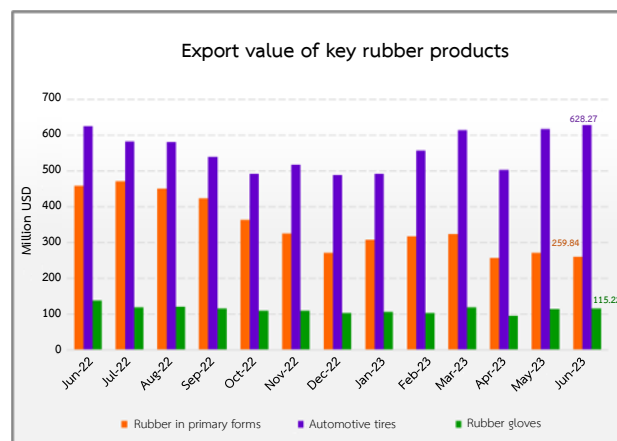
+ **Exports of CBU motorcycle** in June 2023 reached 40,100 units, an increase of 5.18 percent compared to May 2023 (%MoM) and an increase from the same month last year by 60.01 percent (%YoY). The growth was driven by increased exports to Japan, the US, and Australia.

"Motorcycle Industry outlook: In July 2023, the industry is expected to grow compared to July 2022, driven by the expansion of domestic and export markets."

4. Rubber and Rubber Product Industry



Source: The Office of Industrial Economics



Source: Ministry of Commerce

Production

➖ *Processed rubber in primary forms (sheet rubber, block rubber, and concentrated latex)* decreased by 21.74 percent from the decreased production sheet rubber, block rubber, and concentrated latex.

➖ *Automotive tires* decreased by 4.48 percent due to a decrease in tire production for passenger cars, pickup trucks, trucks and bus, and tractors.

➖ *Rubber gloves* decreased by 18.45 percent due to the continued decline in demand in the global markets.

Domestic Sales

➖ *Processed rubber in primary forms (sheet rubber, block rubber, and concentrated latex)* decreased by 3.93 percent due to a decrease in demand for block rubber in downstream industries.

➖ *Automotive tires* decreased by 10.53 percent due to the slowdown of the REM market (Replacement Equipment Manufacture).

➕ *Rubber gloves* increase by 3.07 percent due to the high demand for medical rubber gloves.

Exports

➖ *Processed rubber in primary forms (sheet rubber, block rubber, and concentrated latex)* decreased in export value by 42.67 percent. This decrease can be attributed to reduced exports of sheet rubber to Japan and the US, block rubber to South Korea, along with decreased exports of concentrated latex to China and Malaysia.

➕ *Automotive tires' export* increased by 0.54 percent, due to the growth of exports to South Korea and Saudi Arabia market.

➖ *Rubber gloves* decreased in export value by 16.62 percent as demand for medical gloves in the global market has dropped.

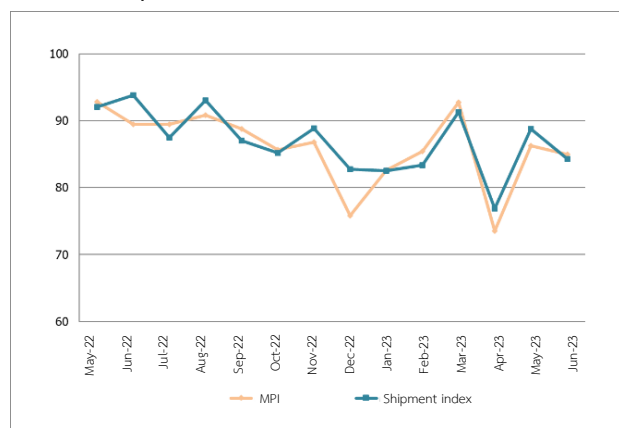
Industry Outlook for July 2023

The production of processed rubber in primary forms (sheet rubber, block rubber, and concentrated latex) is expected to slow down due to decreased demand in overseas, especially in key export markets such as the US, Japan, Malaysia, and China. The domestic production and distribution of automotive tires is expected to expand in line with the growth trend of the domestic automotive industry. As for the production of rubber gloves, the demand for rubber gloves in the global market is expected to continue to decline. However, domestic sales of rubber gloves are expected to expand due to the high demand for medical gloves.

Exports of processed rubber in primary forms (sheet rubber, block rubber, and concentrated latex) are expected to decrease in value due to major export markets such as the US, Japan, Malaysia, and China showing a trend of slowing down their purchases of these products from Thailand. Regarding the export of automotive tires, the value is anticipated to increase, driven by a resurgence in demand for car tires in secondary markets such as South Korea, Australia, China, and Saudi Arabia, which have been consistently growing. On the other hand, the export value of rubber gloves is predicted to decrease due to lower demand for rubber gloves in the global markets, including the US, China, and European countries compared to previous periods.

5. Plastics Industry

MPI and Shipment Index



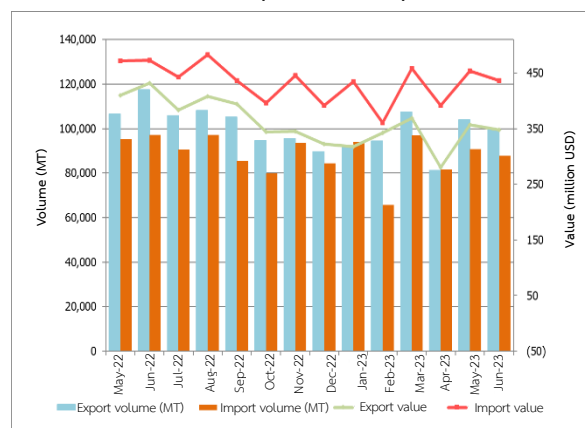
Source: The Office of Industrial Economics

➡ **The Manufacturing Production Index (MPI)** in June 2023 contracted by 5.09 percent compared to the same period last year. Many plastic products experienced a decline in MPI, such as other articles of plastics (-15.65%), plastic sheet (-15.02%), and plastic sacks (-14.64%) compared to the same period last year.

➡ **The shipment index** in June 2023 contracted by 10.13 percent. Many plastic products experienced the decline in shipment index, such as plastic films (-22.40%), plastic bags (-15.40%), plastic sacks (-14.90%) compared to the same period last year.

➡ **Exports** in June 2023 were valued at 347.63 million USD, a decrease of 19.44 percent compared to the same period last year. Products contributing to the decline in exports included other plates, sheets, film, foil and strip, of plastics, non-cellular (-27.50%); articles for the conveyance or packing of goods (HS3923) (-27.25%), and tubes, pipes and hoses (HS 3917) (-13.09%) compared to the same period last year.

Volume and Value of Exports and Imports



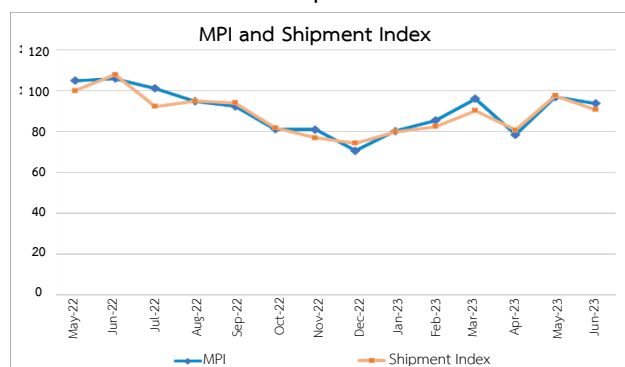
Source: Office of the Permanent Secretary, Ministry of Commerce

➡ **Imports** in June 2023 were valued at 436.24 million USD, a decrease of 7.66 percent compared to the same period last year. Key products contributing to the decline in imports were household articles (HS 3924) (-32.75%); builders' ware of plastics (HS 3925) (-22.48%), and articles for the conveyance or packing of goods (HS 3923) (-20.54%) compared to the same period last year.

Plastics Industry Outlook for July 2023, the industry is projected to a slowdown in production as a result of volatile crude oil prices. Market trading activity is low, and many buyers are cautious about increasing their inventory levels. They are adopting a wait-and-see approach regarding price fluctuations. Exports have also declined in major markets, including Japan, the US, Vietnam, and China.

6. Chemical products Industry

MPI and Shipment Index



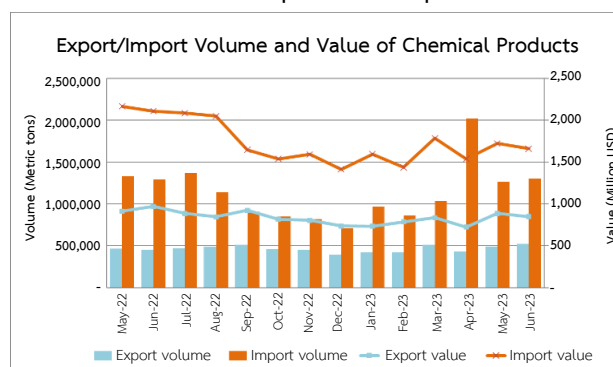
Source: The Office of Industrial Economics

– The Manufacturing production index in June 2023 experienced a contraction of 11.40 percent compared to the same period last year. Within the basic chemicals segment, there was a decrease of 7.53 percent. The products that experienced a contraction included hydrochloric acid (-24.27%), chlorine (-9.68%), and caustic soda (-9.19%) compared to the same period last year. Moreover, the downstream chemicals group also faced a decline of 12.71 percent. Among the products produced within this group, the products that experienced a contraction included chemical fertilizers (-28.07%), dishwashing liquid (-17.90%), and talcum powder (-17.30%) compared to the same period last year.

– The shipment index in June 2023 decreased by 15.88 percent compared to the same period last year. Within the basic chemicals segment, there was a decline of 13.31 percent. The products that experienced a contraction included hydrochloric acid (-27.72%), caustic soda (-18.39%), and chlorine (-12.22%) compared to the same period last year. As for the downstream chemicals, the segment contracted by 2.09 percent. Among the products produced within this group, the products that experienced a contraction included chemical fertilizers (-39.52%), talcum powder (-26.14%), cleaning agents (-28.62%), and industrial paints (-17.37%) compared to the same period last year.

– Exports in June 2023, the total export value amounted to 885.37 million USD, a decrease of 12.64 percent compared to the same period last year. The export value of the basic chemicals segment was 470.29 million USD, a decrease of 20.17 percent. As for the downstream chemicals segment, the export value was 376.42 million USD, a decrease of 0.95 percent compared to the same period last year. Products contributing to the decrease in export value included miscellaneous chemicals (-30.17%), inorganic chemicals (-23.31%), and paints (-20.50%) compared to the same period last year.

Volume and Value of Exports and Imports

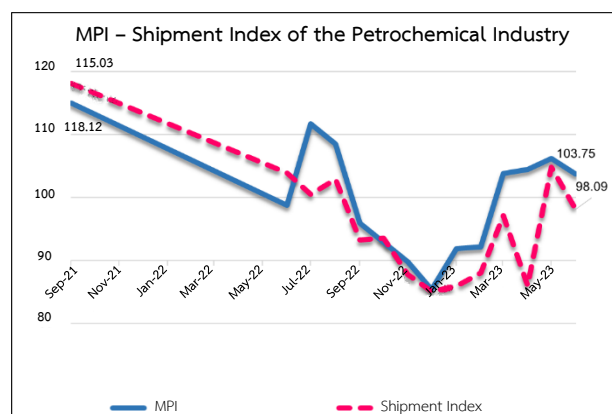


Source: Office of the Permanent Secretary, Ministry of Commerce

– Imports in June 2023 decreased in value by 21.29 percent to a total value of 1,660.14 million USD compared to the same period last year. Specifically, imports of basic chemicals decreased in value by 19.41 percent, amounting to 1,039.42 million USD. Additionally, the import value of the downstream chemical products decreased by 24.24 percent to a value of 620.72 million USD compared to the same period last year. Products contributing to the decreased import included chemical fertilizers (-39.82%), inorganic chemicals (-33.83%), and organic chemicals (-28.69%).

The chemical industry outlook for July 2023 predicts that manufacturers will delay production and focus on fulfilling orders due to oil price fluctuations and concerns about a global economic recession. As for the exports of oil-related products such as plastic pellets and chemical products, they have contracted in major markets such as India, Japan, Vietnam, and Indonesia.

7. Petrochemical Industry

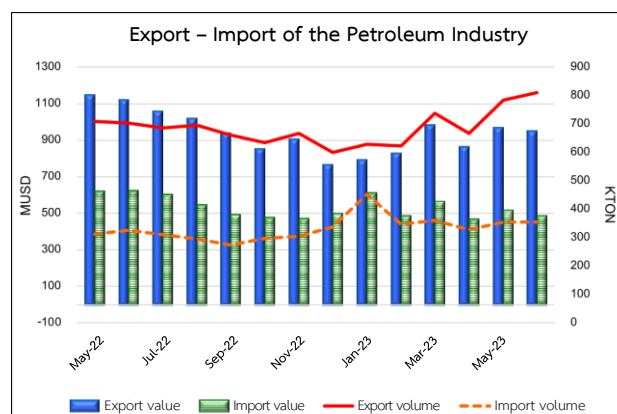


Source: The Office of Industrial Economics

+ The **Manufacturing Production Index** stood at 103.75 point, an increase of 5.41 percent compared to the same period last year but a decrease of 2.35 percent compared to the previous month. Basic petrochemicals, namely ethylene, grew by 11.59 percent compared to last year. Downstream petrochemicals, namely PE resin and PP resin, grew by 11.29 percent and 8.28 percent compared to the same period last year. The growth resulted from the factory returning to normal production compared to last year when there was a maintenance shutdown of one plant.

- The shipment index in June 2023 stood at 98.09, a decrease of 5.17 percent compared to the same period last year and a decrease of 6.41 percent compared to the previous month. This growth was observed in basic petrochemicals, such as Propylene, which decreased by 22.68 percent compared to the same period last year, and in downstream petrochemicals, such as PP resin, which decreased by 7.96 percent compared to the same period last year.

- **Exports** in June 2023 were valued at 953.406 million USD, a contraction of 14.97 percent compared to the same period last year and a decrease of 1.71 percent compared to last month. The contraction was in downstream petrochemicals such as PP resin. Basic petrochemicals also contracted, such as Propylene. The contraction was due to the market situation, characterized by speculation and the wait for prices to decrease. In addition, the demand for downstream production decreased following the slowdown in petrochemical prices.

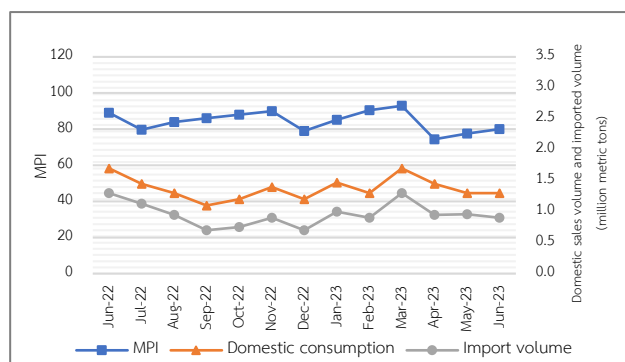


Source: Office of the Permanent Secretary, Ministry of Commerce

- **Imports** in June 2023 were valued at 487.51 million USD, a decrease of 21.95 percent compared to the same period last year and a decrease from last month by 6.03 percent. The decreased imports occurred in basic petrochemical products such as Ethylene and in downstream petrochemical products such as PP resin.

Outlook for July 2023: The overall manufacturing industry is expected to show signs of improvement compared to the same period last year. This improvement is attributed to the resumption of production following maintenance activities earlier in the year. However, production expansion in the petrochemical industry remains limited due to a decrease in demand for plastics; the slowdown of exports, especially basic petrochemicals such as Ethylene and Propylene; the price fluctuations following the crude oil prices affected by production halts in many countries; and from the on-going conflict between Ukraine and Russia.

8. Iron and Steel Industry



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

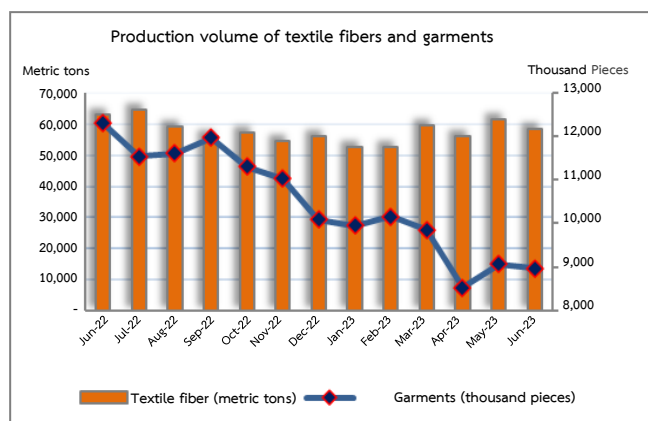
The Manufacturing Production Index (MPI) in June 2023 reach 80.0 point, a decrease from the same period last year by 10.5 percent. This contraction was due to consumers delaying purchase orders to observe price trends and manufacturers managing inventory uncertainties driven by market conditions. When considering the main product categories, the MPI contracted in long and flat products. The MPI stood at 74.7 in the long products, a decrease of 11.3 percent. Products with the highest decrease of MPI were wire rods (-36.5%), followed by hot-rolled structural steel sections (-18.3%), wires (-15.8%), prestressed concrete steel wire strands (-13.7%), and hot-rolled structural steel sections (-10.4%). As for flat products, the MPI stood at 87.6 points, a decrease of 7.7 percent. Products with the highest decrease in MPI were tinplate (-28.8%), followed by cold-rolled sheets (-21.4%) and hot-rolled coils (-11.1%).

Domestic consumption: In June 2023, domestic consumption amounted to 1.3 million metric tons, a decrease of 23.3 percent compared to the same period last year. Consumption of long products amounted to 0.5 million metric tons, a decrease of 12.0 percent due to reduced consumption of wire rods. Meanwhile, consumption of flat products amounted to 0.8 million metric tons, a decrease of 29.1 percent from the decreased consumption of hot-rolled plates/coils/sheets, cold-rolled sheets, and galvanized sheets/chrome-coated sheets/tinplate.

Imports in June 2023, the import volume amounted to 0.90 million metric tons, decreasing from the same month last year by 28.3 percent. This decrease in import volume occurred in both the long and flat products. Import of long products reached 0.21 million metric tons, decreasing by 18.7 percent. Long products that decreased in imports included: stainless-steel structural sections (with decreased imports primarily from China, Taiwan, Malaysia and the US), stainless-steel rebars (with decreased imports primarily from Japan, China, and Taiwan), Carbon steel wire rods (with decreased imports primarily from Vietnam, China, and Japan). As for flat products, the import volume amounted to 0.69 million metric tons, contracting by 30.7 percent. Flat products that experienced a decrease in imports included: hot-rolled alloy-steel plates (with increased imports primarily from Japan, and Australia), Chromium-coated sheets (with decreased imports primarily from Vietnam and China), and Hot Dipped Galvanized sheets (with decreased imports primarily from China, Korea, and Taiwan.)

"Iron and steel industry outlook for July 2023: The industry is expected to contract compared to the same period last year due to the declining prices of raw materials (Billet and iron scrap) in the global market, leading consumers to delay purchasing to assess price directions. In addition, there is anticipated to be an increase in imports of low-priced steel from overseas. Nevertheless, there are important issues to monitor, including the progress of state and private sector construction projects in the country, the economic and trade situation globally, foreign steel prices, and China's steel industry policy, as it is a major producer, consumer, and exporter of steel in the world."

9. Textile and Wearing Apparel Industry



Source: The Office of Industrial Economics

Production

Production across the entire fiber supply chain experienced contractions. The textile sector saw a decline of 7.63 percent in categories such as man-made fiber, cotton yarn, and man-made fiber yarn. Fabric production decreased by 15.84 percent in segments like woven fabric (cotton), woven (synthetic fiber), and towels. Garment manufacturing decreased by 27.68 percent, mainly due to reduced orders from global trading partners amid a sluggish global economy. This slowdown has led to a shift in consumer behavior, focusing more on environmental conservation. Consumers are now opting for sustainable products and affordable second-hand clothing. Consequently, some entrepreneurs have decided to cancel production lines and pivot towards importing and distributing a more comprehensive range of products that better cater to customer preferences.

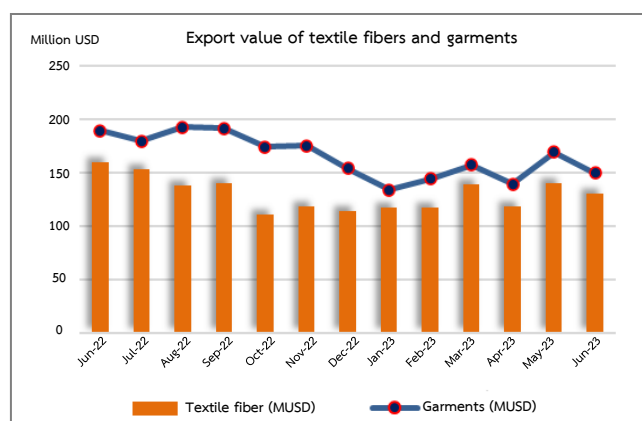
Domestic sales

Textile fibers contracted by 16.77 percent and 13.88 percent (%YoY). Garment sales, however, decreased for the first time after consecutive growth for twelve months by 5.63 percent (%YoY) in woven and knitted garments categories.

Imports

Yarns and fiber imports contracted by 35.95 percent (%YoY). Fabric imports also contracted by 24.33 percent.

Imports of garments grew by 11.26 percent (%YoY) in key markets, including China, Vietnam, and Italy, from the recovery of domestic demand aligning with the economy. Furthermore, this growth was driven by decreased inflation and increased domestic and international tourists, leading to increased consumption.



Source: Ministry of Commerce

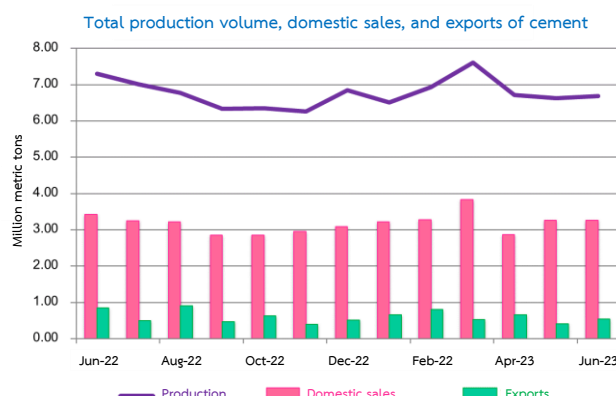
Exports

Production in the textile sector contracted by 18.9 percent in key markets such as Japan, China, and Indonesia. Fabric manufacturing decreased by 27.59 percent in key markets like Vietnam, Myanmar, and Cambodia. In comparison, garments decreased by 20.96 percent in key markets, including the US, Japan, and Germany. These declines were primarily driven by the decrease in orders from major trading partners. Part of this comes from environmental trends, including the French government's policy to encourage people to use repair services for clothing, shoes, bags, and blankets. It encourages people to repair products for reuse. In addition, the global economy continues to slow down, affecting consumers' purchasing power and economic activities worldwide.

Industry Outlook for July 2023

The textile and wearing apparel industry is anticipated to slow down in line with the global economic situation. It is crucial to monitor inflation issues plaguing many countries worldwide, including the prolonged geopolitical conflict. These are pressing factors contributing to the deceleration of the global economy. Additionally, fluctuating energy costs and increasing minimum wages are impacting production costs and Thailand's competitiveness in this industry.

10. Cement Industry



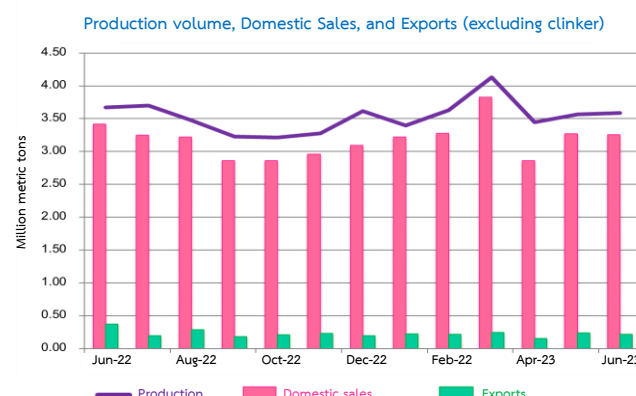
Source: 1. Domestic production and sales volume: Division of Information and Industrial Economic Indices, The Office of Industrial Economics
2. Export volume: Information and Communication Technology Center, Office of the Permanent Secretary, Ministry of Commerce

➡ **Total production of cement** in June 2023 reached 6.68 million metric tons, a decrease of 8.5 percent from the same month last year (%YoY).

➡ **Total domestic sales of cement** in June 2023 reached a volume of 3.26 million metric tons, a decrease of 5 percent compared to the same month last year (%YoY) following the slowdown of the domestic market caused by many factors, such as the inability to form a new government after the election has ended, the ongoing economic slowdown, and the high cost of living coupled with increased household debt.

➡ **Total cement exports** in June 2023 reached 0.54 million metric tons, a decrease of 36.46 percent compared to last year (%YoY). This was primarily attributed to the decrease in orders from key export markets, including Vietnam (-95.60%), Bangladesh (-45.04%), the Philippines (-36.20%), and Cambodia (-31.25%). The export market slowed down due to the global economy that was continuously affected by the conflict in the Russia-Ukraine war.

Cement manufacturing industry outlook for the cement manufacturing industry in July 2023 is expected to slow down following the slowdown of both domestic and international markets.



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 June 2023 reached 3.58 million metric tons, a decrease 2.49 percent (%YoY) from the same month last year.

➡ **Domestic cement sales (excluding clinker)** in June 2023 were 3.26 million metric tons, a decrease of 4.84 percent (%YoY) compared to the same period last year. This decline is attributed to economic uncertainty in the upcoming period, as the formation of a new government has not been possible. Consequently, new economic stimulus measures to boost purchasing power have not yet been introduced by the government and this happened during the rainy season.

➡ **Exports of cement (excluding clinker)** in June 2023 reached 0.22 million metric tons, a decrease from the same month last year by 41.45 percent (%YoY). This was primarily attributed to the decrease in orders from key export markets, including Vietnam (-95.60%), the Philippines (-45.04%), and Cambodia (-31.69%).

Cement manufacturing industry (excluding clinker) outlook: In July 2023, the industry is anticipated to continue to experience a slowdown according to the market's purchasing power, which is still waiting for the new government's economic stimulus policy and is affected by the rainy season.