

Industrial Production Status

Indicators	2017	2018										2019			
%YoY	Year	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Year(f)	Jan.	Feb.	Mar.	Apr.
MPI*	1.8	3.6	4.9	4.9	4.8	2.3	-0.1	5.7	0.8	1.2	3.6	0.6	-1.3	-2.7	2.0

* MPIs have been adjusted for 2019 under 2009 Thailand Standard Industrial Classification; TSIC 2009, covering 21 sections, 68 industrial categories, and 255 products. The industrial index was formed using the Laspeyres formula based on the 2016 fixed weights, with added value, output value, sales value, and finished-goods inventory value referenced from "The 2016 Business Trade and Industry Census of the National Statistic Office.

The industrial economic status for **April 2019** when considering the **Manufacturing Production Index (MPI)**, **grew by 2.0 percent from the same month of last year**, a result of domestic consumption that grew by 3.4 percent.

When considering the MPI data for the past three months compared with the previous year (%YoY), the trend of industrial production slowed down; that is, in January 2019, production grew by 0.6 percent but decreased by 1.3 percent and 2.7 percent in February and March 2019 respectively.

Indicators	2018										2019			
%MoM	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	
MPI*	-20.8	14.9	-1.5	-2.8	1.7	-2.7	2.1	0.9	-1.9	4.7	-2.6	9.5	-17.0	

For the past three months (January, February, and March 2019), the changing rates of MPI (%MoM) were 4.7 percent, -2.6 percent, and 9.5 percent respectively. These were in line with the typical seasonality of production which deaccelerated in February due to less working days.

Key industries that contributed to the MPI growth in April 2019 compared to the same month last year were:

- **Automobiles and engines:** The production increased by 13.60 percent from one-ton pickup trucks, small and medium-sized passenger cars in line with domestic demands the expansion of the domestic market, from the deadline for the first car project conditions and market stimulation through the promotion and sale of new vehicle models, coupled with expanding exports in the Asian, Middle East and European markets.
- **Air conditioners and parts:** The production grew by 15.57 percent, from the domestic market due to scorching weather, resulting in increased demand. In the export market, there were new customers from India and increased orders from customers in Europe, as well as neighboring countries with increasing demand from scorching weather.
- **Concrete products:** The production increased by 10.25 percent, from growth in almost all product groups, especially concrete products used in construction and ready-mixed concrete, from the demand for government projects and for real estate construction in the private sector.

➤ Beer: The production grew by 23.14 percent, from product development by adjusting the packing size and improving packaging for a more modern image to attract more consumers.

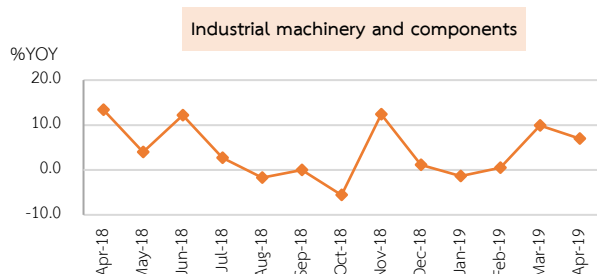
➤ Non-alcoholic beverages and drinking water: The production increased by 11.88 percent from soft drinks, energy drinks, and soda water from promotional activities. In addition, some manufacturers opened foreign sales offices in Vietnam since the end of last year, resulting in increased sales this year.

In 2019, the MPI is **expected to grow positively in the 1.5 – 2.5 percent range**, with support from continuing private investment, investments from Public Private Partnerships (PPP) and public investment, especially in public transportation infrastructure, both in dual-track and electric trains. In addition to this is support from operations under the Eastern Economic Corridor (EEC) project. However, the momentum from external demand or exports may slow down due to the slowdown in trading partners' economies and the global trade volume due to specific factors in some countries, such as the prolongation of politics in Europe that affect confidence, and the uncertainty of trade barriers between the US and China.

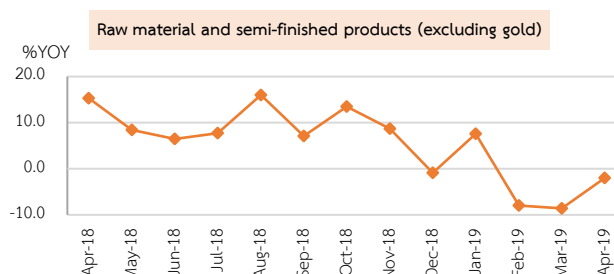
Other Industrial Economic Indicators in April 2019

Other Industrial Economic Indicators in April 2019

Imports of Thailand Industrial Sector



Source: Ministry of Commerce

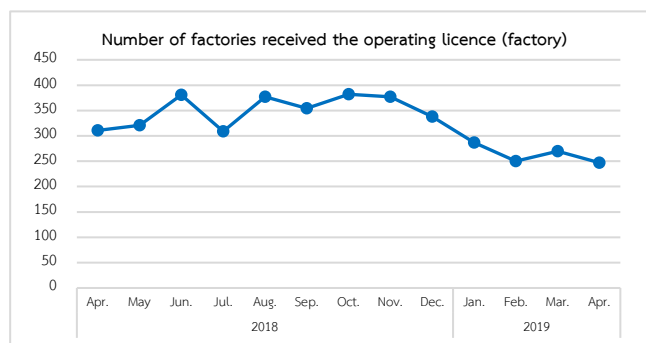


Source: Ministry of Commerce

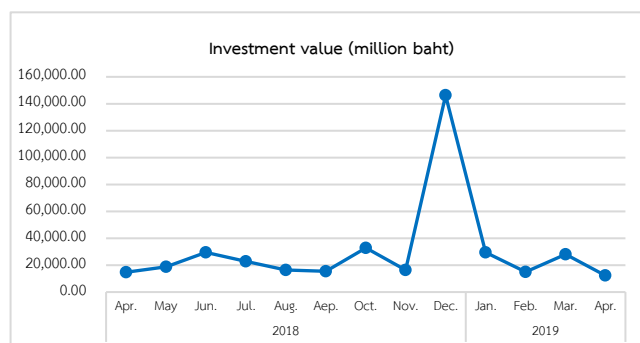
+ **Imports of industrial machinery and components** in April 2019 valued 1,535.7 million USD, a growth by 7.0 percent compared to the same month last year. The growth was driven by increased imports of air compressors, fluid pumps, machinery in the printing industry, metal processing machinery and components and construction machinery and components, for example.

- **Imports of raw materials and semi-finished products (excluding gold)** in April 2019 valued 7,315.8 million USD, a decrease of 2.0 percent compared to the same month last year. Imported products that contracted included iron, steel and products; chemicals, accessories and components of electrical appliances, for example. However, there were still some products such as fabrics, wires and cables, thread and fibers, paper, and paper products of which the growth rates increased.

Industrial Operation Status



Source: Department of Industrial Works



Source: Department of Industrial Works

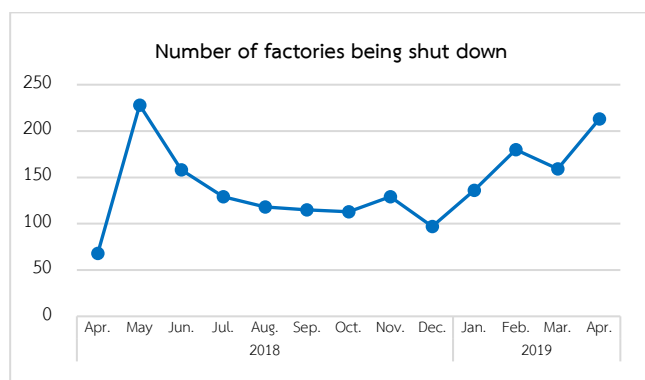
➡ A total of 247 factories were licensed to operate in April 2019. The number decreased by 8.5 percent from March 2019 (%MoM) and decreased by 20.6 percent compared with the same month last year (%YoY).

➡ The total value of investment from the licensed factories for operation in April 2019 was 12,269 million Baht. The value decreased by 56.5 percent from March 2019 (%MoM) and decreased by 17.5 percent from the same month last year (%YoY).

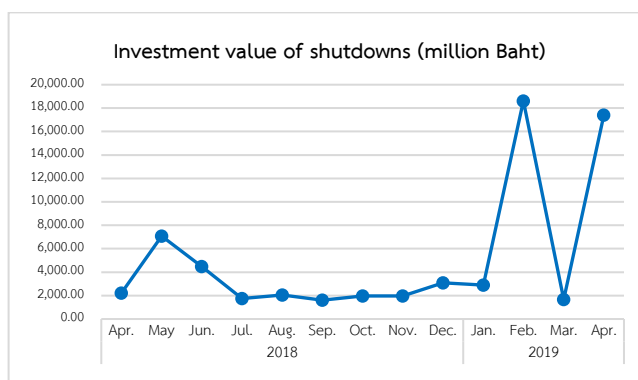
“The industry with the highest number of newly licensed factories for operation in April 2019 was the concrete product, cement-gypsum mixed products, and plaster industry (20 factories), followed by the motor vehicle repair industry (18 factories).”

“The industry with the highest value of the investment in April 2019 was the prepared animal feed industry valued at 2,091 million Baht, followed by the slaughterhouse industry valued at 1,439 million Baht. ”



■ Industrial Operation Status (cont.)



Source: Department of Industrial Works



Source: Department of Industrial Works

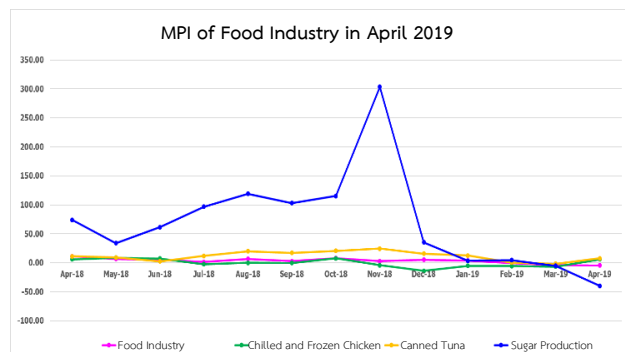
-  A total of 213 factories shut down the operation in April 2019. The number of shutdowns increased by 34.0 percent from March 2019 (%MoM) and 213.2 percent from the same month last year (%YoY).
-  The lost investment value on shutdowns in April 2019 was 17,397 million Baht. The value increased by 949 percent from March 2019 (%MoM) and 683.6 percent from the same month last year (%YoY).

“The industry with the highest number of factory shutdowns in April 2019 was digging or dredging of gravel, sand, or soil industry (42 factories), followed by the motor vehicle repair industry (15 factories).”

“The industry with the highest value of investment with factory shutdowns in April 2019 was the industry engaging in primary smelting and mixing of non-ferrous metals valued at 13,675 million Baht, followed by the digging or dredging of gravel, sand, or soil industry valued 409 million Baht.”

Industrial Economic Status by Industrial Sectors in April 2019

1. Food Industry



Source: The Office of Industrial Economics



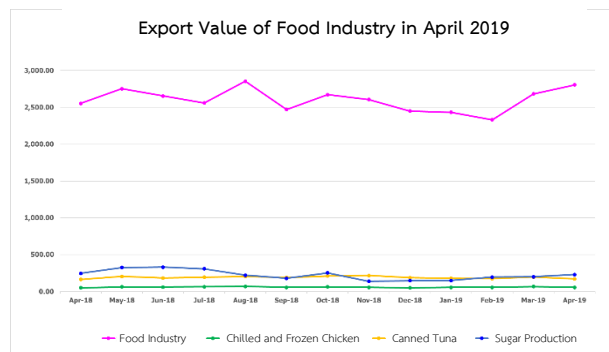
Production of food product in April 2019 decreased by 4.6 percent (%YoY), classified as follows:

1) Export-orientated products that were sugar groups such as raw sugar, the index dropped in MPI by 40.6 percent (%YoY) due to the earlier closure of production than last year; furthermore, sugar manufacturers gradually closed part of the production. For white and refined sugar, the MPI fell by 19.2 percent (%YoY) due to slowing imports in Myanmar and Taiwan. The MPI of canned pineapple declined by 29.3 percent (%YoY) as raw materials contracted by 7.1 percent from droughts and a relatively high base in the previous year which had oversupply; therefore, this year, farmers reduced plantation area. In addition, the international market continued to shrink as major importers like EU and US maintained high levels of stock. However, the MPI of canned tuna, processed chicken and tapioca starch increased continuously according to the market demand.

2) Domestic-orientated products that were the production of finished food for livestock decreased by 2.9 percent (%YoY) due to declining food production of swine, chicken and fish. Meanwhile, the production of chilled and frozen chicken, palm oil and dairy products increased according to consumer demand.



Domestic sales of food products in April 2019 contracted by 0.2 percent (%YoY) as most consumers viewed the economy as not good enough, with the price of crops not high, resulting in the regional purchasing power to not be outstanding coupled with unclear politics.



Source: Ministry of Commerce

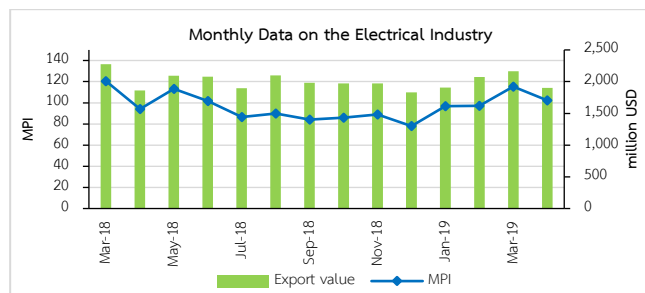


Export markets of food products in April 2019 was positive for the second month — with a growth of 9.8 percent (%YoY) — after declining for four consecutive months. Key products such as canned sardines, processed chicken, chilled and frozen chicken, seasoning, instant noodles, tapioca starch and canned tuna grew by 17.4 percent, 15.1 percent, 10.0 percent, 9.7 percent, 7.8 percent, 5.3 percent and 4.7 percent respectively, including chilled and frozen fruits such as durian, mangosteen and longan. Despite the slowing global economy and the uncertainty of the trade war between the US and China, the demand for consumption continued. However, key products that contracted were white rice, jasmine rice, cassava chips, chilled and frozen shrimp, canned pineapple, sugar, and canned sweet corn.

The predicted trend is expected that production of the food industry in May 2019 will contract from last month and the same month last year, with negative factors such as the closure of sugarcane production that is earlier than the previous year, together with declining agricultural production due to droughts and slowing demand in products such as shrimp and pineapple. Positive factors include the EU's new quota for Thailand in chicken and animal meat exports (an increase from the current quota by 3.2 percent). China should also import more chicken from Thailand to replace pork, as a result of the occurrence of cholera in pigs, together with EU unlocking the yellow card status of IUU fishing which will boost the Thai fishing reputation. These factors should grow the export value of fishery products, together with benefits from the trade war which should help increase agricultural export products, even though there are negative factors from the slowing global economy.

2. Electrical and Electronics Industry

■ Electrical Industry



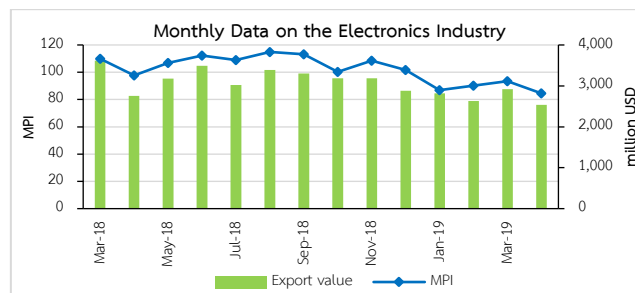
Source: The Office of Industrial Economics, Electrical and Electronics Institute, and Ministry of Commerce

+ **Production of electrical appliances** reached a production index of 102.3, an increase of 8.8 percent compared to the same month last year. Products that increased in production were air conditioners, compressors, household fans, refrigerators, kettles, transformers and electric wires by 17.2 percent, 3.0 percent, 11.9 percent, 13.4 percent, 16.0 percent, 25.9 percent and 31.7 percent respectively. Air conditioners, kettles, transformers, and household fans increased in domestic sales and exports. Meanwhile, refrigerators had increased orders in the US and Japanese markets and compressors increased in domestic sales. Products that contracted were washing machines, microwave ovens, rice cookers, electric motors and electric wires, which decreased by 15.0 percent, 7.5 percent, 1.2 percent, 3.1 percent and 13.4 percent, respectively. Production of washing machines and electric motors decreased due to domestic and foreign sales in the US, whereas microwave ovens had fewer purchase orders from Japan and the US.

+ **Exports of electrical appliances** valued 1,901.1 million USD, an increase of 2.2 percent compared to the same month last year from the growth of exports to key markets including the US, Japan, EU, and ASEAN. Products which increased in exports included air conditioners and components reaching an export value of 508.3 million USD, an increase of 12.9 percent, whereas the export value to Vietnam, the US, and Australia increased by 17.7 percent, 60.4 percent, and 9.6 percent respectively. Refrigerators reached an export value of 124.4 million USD, an increase of 15.9 percent; Switchboards and electrical control panels reached an export value of 127.6 million USD, an increase of 10.5 percent, whereas washing machines valued 82.0 million USD, a decrease of 15.8 percent.

"Production forecast in May 2019, the electrical industry is expected to increase by 5.7 percent compared to the same month last year as a result of increasing orders for air conditioners from ASEAN and the US".

■ Electronics Industry



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

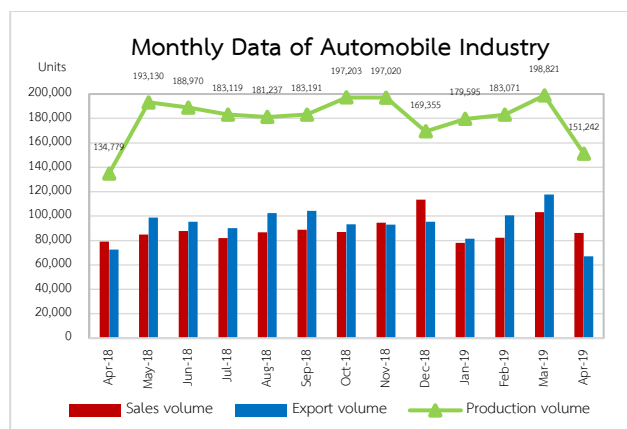
- **Production of electronics** reached an MPI of 84.5 percent, a decrease of 7.9 percent from the same month last year. Products that contracted were semiconductor devices, transistors, HDDs, PWBs, and ICs, which decreased by 25.1 percent, 11.9 percent, 0.2 percent, and 5.3 percent respectively, as a result of decreased orders from key markets. However, PCBAs increased by 1.2 percent as a result of the production for depleted stocks.

- **Exports of electronics** valued 2,537.6 million USD, a drop by 8.0 percent compared to the same month last year as all markets contracted, including the US, Hong Kong, China, and EU. Computers parts and accessories reached an export value of 969.8 million USD, a decrease of 14.9 percent; the export value of HDDs also dropped by 15.9 percent, as a result of global supply of SSDs reached an excess, causing prices to drop and compete in the HDD market. Integrated circuits (ICs) exports valued 577.6 million USD, a decrease of 4.7 percent due to trade countermeasures between the US and China, which affected the production and export chain of Thailand.

"In May 2019, production in the electronics industry is expected to decline by 4.5 percent compared to the same month last year, due to the slowdown in exports of computer accessories and parts. HDDs will decrease as a result of changes in SSD technology that replaced the personal computer market, together with lower prices."

3. Automotive Industry

■ Automobile Production Industry



Source: The Office of Industrial Economics; data collected from Automotive Division, Federation of Thai Industries

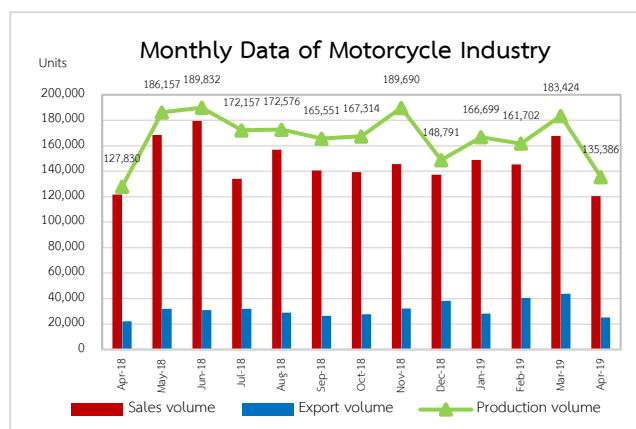
➕ **Automobile production** in April 2019 reached 150,242 units which decreased from March 2019 by 24.43 percent (%MoM) but increased by 11.47 percent from the same month last year (%YoY) from an increase of production of passenger cars, 1-ton pickup trucks and derivatives, and automotive for commercial purposes.

➕ **Domestic sales of automobiles** in April 2019 reached 86,076 units, a decrease of 16.56 percent (%MoM) from March 2019 but an increase of 8.67 percent (%YoY) from the same month of the previous year due to the rise in sales of passenger cars and 1-ton pickup trucks, as new models were increasingly introduced to the market.

➖ **Automobile exports** in April 2019 reached 67,114 units, a decrease of 42.98 percent (%MoM) from March 2019 and a decreased of 7.52 percent (%YoY) from the same month last year, whereby exportation decreased in Asia, Africa, North America, and Central and South America.

"The automotive industry is expected to expand in May 2019 compared to May 2018 as a result of continuously growing of domestic market."

■ Motorcycle Production Industry



Source: The Office of Industrial Economics; data collected from Automotive Division, Federation of Thai Industries

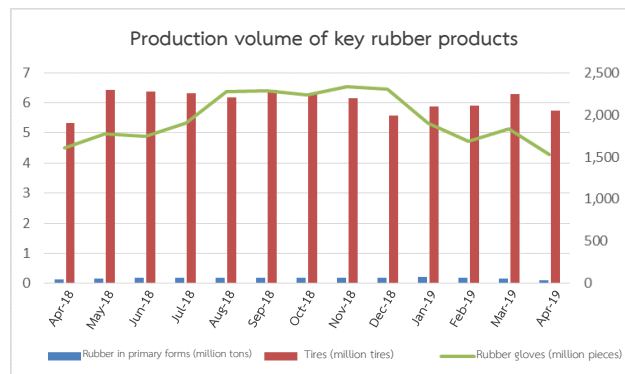
➕ **Motorcycle production** in April 2019 reached 135,386 units. The production decreased by 26.19 percent from March 2019 (%MoM) but increased by 5.91 percent from the same month last year (%YoY), resulting from the production growth of multi-purpose and sport motorcycles.

➖ **Domestic sales of motorcycles** in April 2019 reached 120,405 units. The number decreased by 28.24 percent from March 2019 (%MoM) and 0.98 percent from the same month last year (%YoY), resulting from the decrease in sales volume of <50 cc., 51 – 110 cc, and 111 - 125 cc. motorcycles.

➕ **Exports of motorcycles** in April 2019 reached 25,091 units, a decrease of 42.57 percent from March 2019 (%MoM) but an increase of 12.67 percent from the same month last year (%YoY), whereby exports to the US, Japan and China increased.

"In May 2019, the trend of the motorcycle production industry is expected to increase compared to May 2018."

4. Rubber and Rubber Products Industry



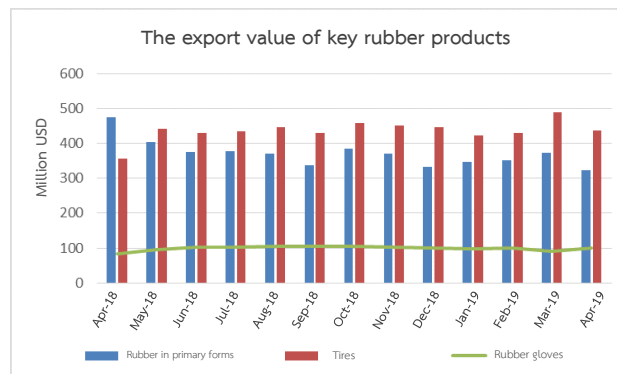
Source: The Office of Industrial Economics

Production

- ➖ Processed rubber in primary forms (smoked rubber sheets, rubber blocks and latex) dropped by 6.45 percent as the rubber tapping season was ended, coupled with decreasing orders from China.
- ➕ Tires increased by 7.51 percent due to the continued slowdown of the replacement market.
- ➖ Rubber gloves dropped by 4.74 percent in line with contraction of domestic market.

Domestic Sales

- ➕ Processed rubber in primary forms (smoked rubber sheets, rubber blocks and latex) increased by 8.03 percent as a result of higher domestic demand. The increase was only in the sale of latex due to the relatively low numbers in the previous year.
- ➕ Tires increased by 3.17 percent as the result of the expansion of the automobile industry.
- ➖ Rubber gloves dropped by 30.58 percent, as some major Thai manufacturers shifted market plan to concentrate more on exports.



Source: Ministry of Commerce

Exports

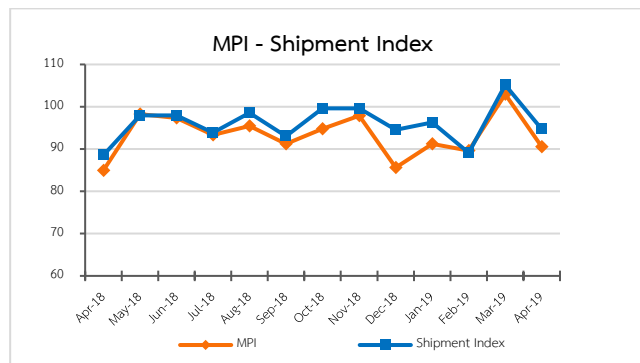
- ➖ Processed rubber in primary forms (smoked rubber sheets, rubber blocks and latex) decreased in value by 32.05 percent, as China, a critical market for Thailand, purchased less rubber blocks from Thailand, down from 213.64 million USD last year to only 104.13 million USD this month, representing a drop by 51.25 percent in the import of block rubber from Thailand.
- ➕ Tires value grew by 22.46 percent as the result of a good growth of the US market which grew by 31.97 percent.
- ➕ Rubber gloves value increased by 18.77 percent from expansion of Thailand's key export markets, especially the US, China, and Germany.

Industry Outlook in May 2019

Production and sales of processed rubber in primary forms (smoked rubber sheets, rubber blocks and latex) is expected to decrease as a result of the decreasing volume of rubber entering the market due to the rubber tapping season came to an end. The production and domestic sales of tires are expected to slightly decrease following the slowdown of the replacement market, whereas the production of rubber gloves is likely to grow in line with the expansion of foreign markets. Meanwhile, the domestic sales of rubber gloves are expected to decline as some major manufacturers shifted their marketing plans to become more export-oriented.

Exports of processed rubber in primary forms (smoked rubber sheets, rubber blocks, and latex) is expected that the export value will decrease as China is likely to slow down the purchase order from Thailand and the 6th Agreed Export Tonnage Scheme (AET) will be imposed for four months from 20 May 2019. Meanwhile, exports of tires and rubber gloves are expected to increase in line with the good expansion of the US and EU markets.

5. Plastics Industry



Source: The Office of Industrial Economics

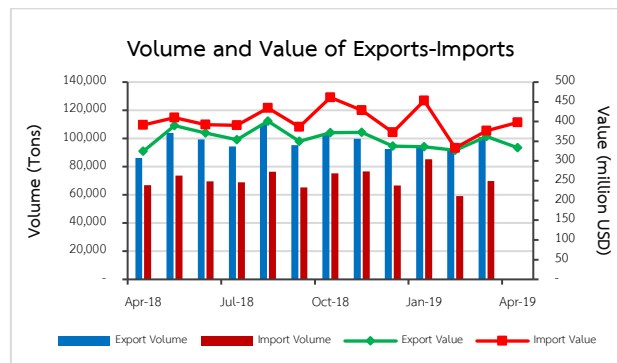
Production and Sales

+ **Manufacturing Production Index:** In April 2019, the MPI increased by 5.57 percent compared to the same period of the previous year. The MPI of plastic packaging and plastic products increased the most by 12.62 percent.

+ **Shipment Index:** In April 2019, the shipment index increased by 2.16 percent compared to the same period last year. Plastic packaging and plastic sacks reached the highest shipment index which was 6.99 percent.

Marketing

+ **Exports** in April 2019 valued 333.63 million USD, an increase of 2.80 percent compared to the same period last year. Plastic products that resulted in an increase in export value were mainly packaging products (3923); plastic sheets, thin sheet plastics, plastic film, and cellular plastics (3291); and household utensils (3924). The overall export value has increased due to an increase of orders from trading partners such as the US, Japan, Australia, and ASEAN — Cambodia, Vietnam, and the Philippines.

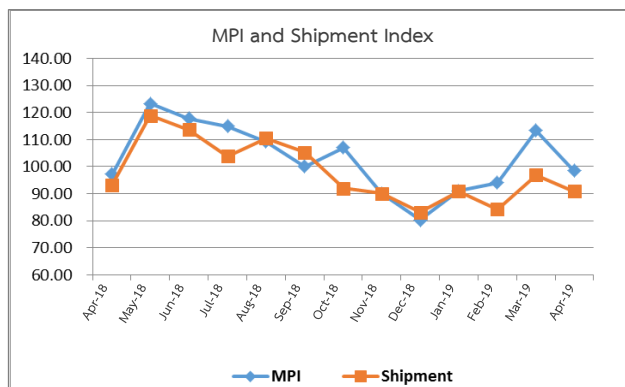


Source: Customs Department, Ministry of Finance

+ **Imports** in April 2019 valued 398.09 million USD or increased by 1.76 percent compared to the same period last year. Plastic products with the highest import value were tubes or pipe products (3917), plastic sheets, thin sheet plastics, plastic film, and cellular plastics (3921) and household appliances (3924), which grew by 14.24 percent, 7.87 percent and 28.18 percent, respectively.

The plastics industry outlook in May 2019 predicts that production and marketing will increase as significant trading partners have continuously purchased orders such as China, the US, Japan and Vietnam. However, the trade war will need to be monitored as it may have a negative impact on the market, as well as oil prices and the Baht, which affects the production cost.

6. Chemicals Industry

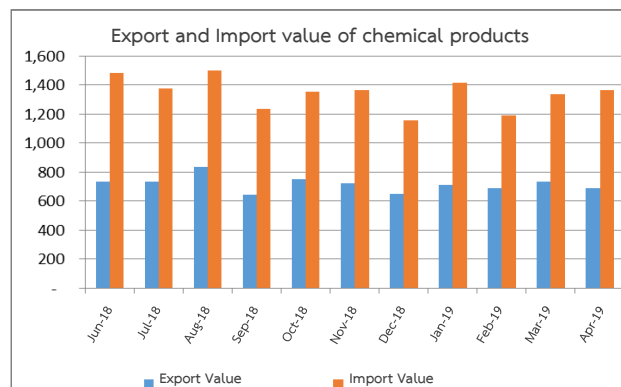


Source: The Office of Industrial Economics

+ The manufacturing production index of the chemicals industry in April 2019 reached 98.51, an increase of 1.37 percent compared to the same period last year. Basic chemicals increased by 16.19 percent compared to the same period last year. Products of which the production increased were caustic soda and esters.

- Sales: In April 2019, the shipment index of the chemical industry was 90.90, a decrease of 3.35 percent compared to the same period of last year. This resulted from decreasing of shipment index in downstream chemicals by 4.72 percent among the product groups such as fertilizers.

- Exports in April 2019 valued approximately 688 million USD, a decrease of 1.99 percent compared to the same period last year. Basic chemicals had an export value of 355 million USD, a decrease of 7.84 percent compared to the same period last year. Key products that contributed to the decrease in export value from last year were organic chemicals, inorganic chemicals, fertilizers, and surfactants. Downstream chemicals reached an export value of 333 million USD, an increase of 5.14 compared to the same period last year. Major products that contributed to the increase in export value were cosmetics, paint, and surfactants. Primary export markets for downstream chemicals included Japan, China, and ASEAN countries.

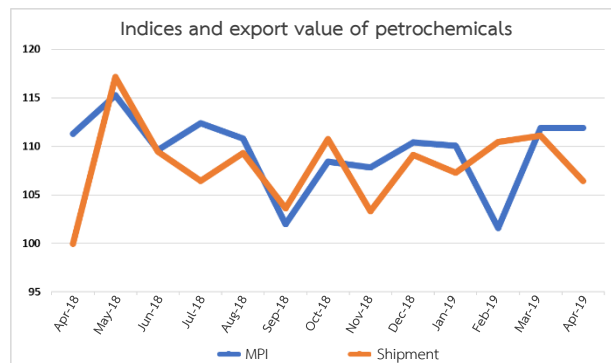


Source: Customs Department, Ministry of Finance

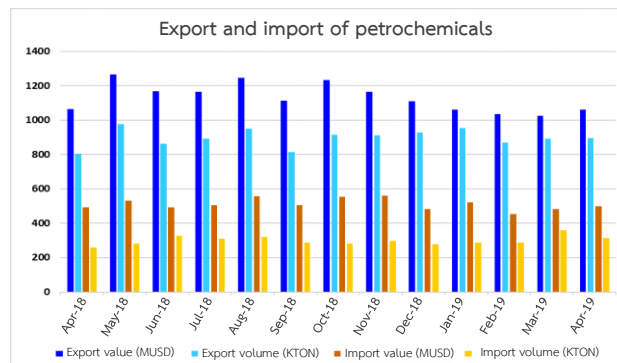
- Imports in April 2019 valued 1,363 million USD, dropping 6.06 percent compared to the same period last year. Basic chemical products valued 825 million USD, a decrease of 4.38 percent from last year, whereby key chemicals that resulted in a contracted import value were organic and miscellaneous chemicals respectively; key import markets were China, India, and Japan. Downstream chemicals valued 538 million USD, a drop by 8.53 percent compared to the same period last year, whereby chemical products that resulted in a lower import value included fertilizer and surfactants respectively; key import markets were Saudi Arabia, Russia, and China.

The predicted trend in May 2019, the chemical industry is expected to decrease slightly compared to the same period of last year. Factors that must be monitored are the slowing global economic trend due to the uncertainty of the trade barriers between the US and China that may affect the export of Thai chemical products following key export market conditions, such as China and Japan, including political uncertainty which may start to affect investor confidence.

7. Petrochemicals Industry



Source: The Office of Industrial Economics



Source: Customs Department, Ministry of Finance

+ The manufacturing production index in April 2019 grew by 1.47 percent compared to the same period in the previous year. Product groups which increased were products to be used as packaging materials, namely expandable polystyrene (EPS), polyvinylchloride (PVC), polyethylene terephthalate (PET) and polystyrene (PS), representing 19.97 percent, 9.36 percent, 8.31 percent, and 7.61 percent, respectively.

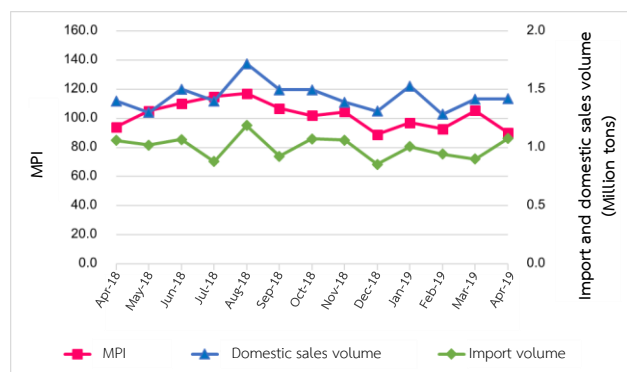
+ Sales in April 2019 grew by 6.47 percent compared to the same period in the previous year. Key products that increased in sales were products for packaging materials such as benzene, PVC resin, expandable polystyrene (EPS), and PET resin by 16.52 percent, 29.18 percent, 12.45 percent and 9.75 percent, respectively, compared to the same period of last year.

- Exports in April 2019 reached 1,059.54 million USD, a drop of 0.51 percent compared to the same period in the previous year (%YoY). Products with lower export value were PP resin, PC resin, PET resin and PS resin by 7.75 percent, 22.89 percent, 13.26 percent and 23.72 percent, respectively, due to the declining demand of major export markets including China, Vietnam, India, US and Malaysia.

+ Imports in April 2019 reached 498.53 million USD, a growth by 1.61 percent compared to the same period in the previous year (%YoY), mostly from imported products in the synthetic rubber group, including SR rubber and BR rubber which increased by 71.38 percent and 10.67 percent. In addition, products for the production of polymers such as acetic acid and PET resin increased by 17.24 percent and 3.46 percent mainly from imports from India.

The forecasted trend in May 2019 is expected to continue to improve as major export markets, including the US, Vietnam, Cambodia, India and the CLMV market grow. There are factors affecting confidence and economic pressure, and the US trade protection policy must be monitored, including the trade dispute between the US and China.

8. Iron and Steel Industry



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

❌ The manufacturing production index in April 2019 reached 90.1, a drop by 4.1 percent compared to the same period last year, declining for six consecutive months from November 2018 to April 2019. Considering essential products, namely flat-formed and long-formed steel, the MPI decreased in flat-formed steel. Production of flat-formed steel contracted by 16.3 percent whereby products that declined were tinplate by 44.2 percent, which decreased for thirteen consecutive months from April 2018 to April 2019 due to a drop in domestic consumption which dropped by 26.8 percent due to the slowdown in downstream industries such as the canned fruit packaging industry. This was followed by hot-rolled coiled sheets which contracted by 31.0 percent, which decreased for six consecutive months from November 2018 to April 2019 as (1) some factories producing hot-rolled steel sheets temporarily stopped production due to the company's financial liquidity resulting in less production and (2) businesses in downstream industries imported products replacing hot-rolled steel sheets from foreign countries such as hot-dipped galvanized steel sheets. In April 2019, the import volume increased by 8.5 percent, resulting in a decrease in the domestic production of hot-rolled steel sheets. Furthermore, chromium coated steel sheets decreased by 14.5 percent due to the increase in the number of manufacturers in downstream industries. In April 2019, the imports amounted to 17,351 tons, an increase of 90.9 percent. Key countries that imported were South Korea, China and Japan, but the production of long-formed steel increased by

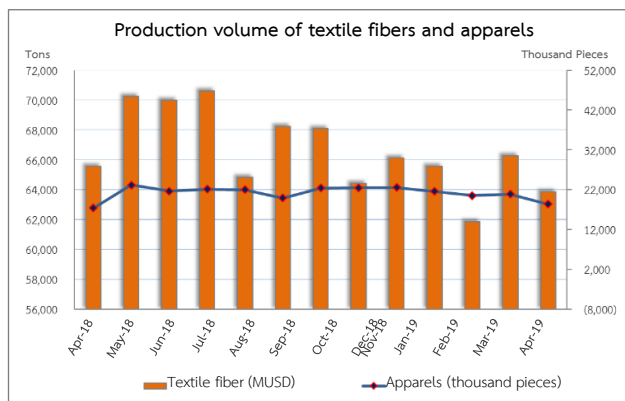
14.1 percent due to the production of round bars which grew by 44.25 percent, followed by deformed bars and steel rods, by 35.5 percent and 27.2 percent, respectively, due to the expansion of downstream industries such as construction industry, especially government construction projects.

⊕ Domestic sales in April 2019 reached 1.4 million tons, a 3.5 percent increase compared to the same period in the previous year. Long-formed steel reached 0.4 million tons, an increase of 33.4 percent due to the sale of steel bars, hot-rolled structural steel and steel rods, which increased by 75.0 percent and 1.8 percent, respectively. Meanwhile, flat-formed steel reached a sales volume of 1.0 million tons, a decrease of 6.0 percent due to the drop in sales of tinplated steel sheets and thin hot-rolled steel sheets by 26.8 percent and 17.3 percent respectively.

⊕ Imports in April 2019 reached 1.1 million tons, an increase of 1.0 percent compared to the same period in the previous year. Long-formed steel products reached an import of 0.3 million tons, an increase of 15.3 percent due to the import of carbon hot-rolled structural steel which grew by 446.3 percent (the leading importing country was Japan), followed by alloy steel bars and seamless steel pipes which increased by 48.6 percent and 29.4 percent, respectively. However, flat-formed steel products reached an import volume of 0.8 million tons, down 2.8 percent from imports of alloy hot-rolled steel sheets, which decreased by 25.7 percent (the leading country with fewer imports was Japan), followed by thin hot-rolled carbon steel and tin-coated steel sheets, which decreased by 22.3 percent and 16.5 percent respectively.

"The trend of the steel industry in May 2019 is forecasted that production will remain stable compared to the same period of last year due to the slowdown in downstream industries such as the metal cans packaging industry. However, there are still supporting factors from the expansion of the automotive, electrical appliances and construction industries."

9. Textile and Garment Industry



Source: The Office of Industrial Economics

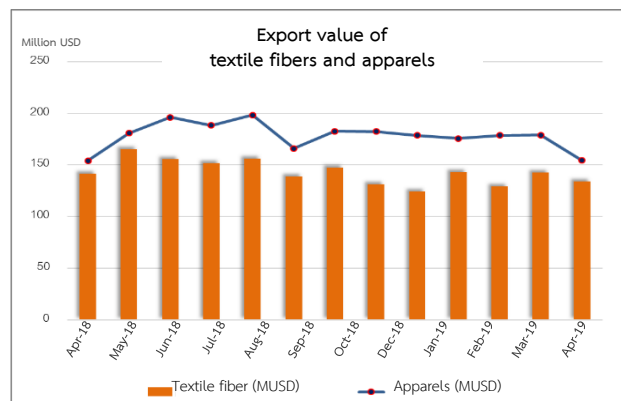
Production

➖ *Production of textiles fibers* decreased by 2.59 percent (%YoY) as a result of fewer orders from trading partners, together with some cheaper imported raw materials from abroad used in replacement.

➕ *Fabrics and apparels* grew by 6.67 percent and 5.48 percent (%YoY), from production to support domestic consumption and production for export. Apparel that increased were men's and women's clothing and underwear

Domestic sales

➕ *Textile fibers, fabrics and apparel* increased by 6.45 percent, 13.96 percent and 5.49 percent (%YoY), as the government encouraged people to wear yellow shirts with the royal emblem for the coronation of King Rama X during a 4-month royal ceremony from April - July 2019.



Source: Ministry of Commerce

Exports

➖ *Textile fibers* contracted by 5.29 percent, with a decrease in yarns (cotton thread and synthetic yarns) exported to the Turkish, Japanese and Indonesian markets, a result of the global trade and economic conditions that are likely to slow down, causing manufacturers of garments to reduce orders for raw materials. However, fiber exports (artificial fibers) grew slightly by 0.06 percent, especially in the US market, which continues to expand for sixteen months since January 2018 and has an export value close to that exported to China.

➕ *Fabrics and apparel* grew slightly by 0.22 percent and 0.08 percent, respectively, which were mostly exports to Asia markets such as Japan, China and Hong Kong.

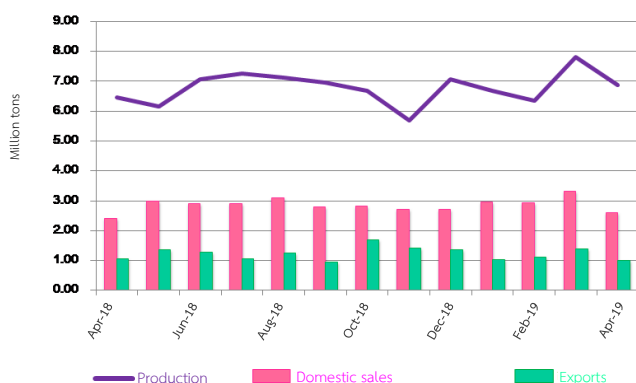
Forecast in May 2019

The circumstance of textiles and apparels industry, it is expected that the production of textile fibers and fabric will decline in line with the export trend expected to decline, due to the political situation of the US and the trade war between the US and China, resulting in trade and investment of such markets to slow down. These will affect producers to reduce their demand of raw materials from Thailand. However, apparel is expected to continue to expand in the OEM sector.

10. Cement Industry

Overall Cement Industry

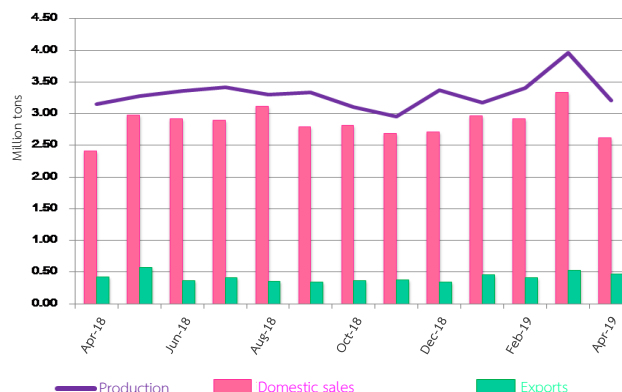
Volume of Cement Production, Domestic Sales, and Exports



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

Cement Industry (excluding clinker)

Volume of Cement Production, Domestic Sales, and Exports (excluding clinker)



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

+ Overall cement production in April 2019 reached the volume of 6.87 million tons. The volume decreased by 12.14 percent from March 2019 (%MoM) but increase by 6.08 percent from the same month last year (%YoY).

+ Overall domestic cement sales in April 2019 reached 2.62 million tons. The volume decreased by 21.44 percent from March 2019 (%MoM) but increased by 8.46 percent from the same month last year (%YoY).

- Total cement exports in April 2019 reached 1.00 million tons. The volume decreased by 28.66 percent (%MoM) from March 2019 and decreased by 4.48 percent compared to the same month last year. This was because of Bangladesh, Myanmar, and Laos PDR which are key export markets have decreased orders by 38.82 percent, 13.92 percent, and 11.27 percent respectively.

The trend of overall cement production industry in May 2019 is expected to grow slightly.

+ Cement production (excluding clinker) in April 2019 reached 3.20 million tons. The production decreased by 19.21 percent from March 2019 (%MoM) but increased by 1.72 percent from the same month last year (%YoY).

+ Domestic sales of cement (excluding clinker) in April 2019 reached the total volume of 2.62 million tons. The sale volume decreased by 21.44 percent from March 2019 (%MoM) but increased by 8.46 percent from the same month last year (%YoY).

+ Export of cement (excluding clinker) in April 2019 reached the volume of 0.47 million tons. The volume decreased by 9.44 percent from March 2019 (%MoM) but increased by 11.93 percent (%YoY) from the same month of the previous year. As a result of Cambodia and the Philippines increased the orders by 22.56 percent and 13.90 percent respectively.

The trend of the cement industry (excluding clinker) in May 2019 is expected to grow slightly.