



Summary of Key Issues

The Manufacturing Production Index (MPI) in April 2017 shrank by 1.7 percent from last month, but shrank by 0.5 percent from the same period of last year. The major shrinking industries included automotive, jewelry, and the production of fabricated metal product, non-alcoholic drink & drinking water and furniture. While those positively impacted the industry growth were electrical, electronics and motorcycle products.

Dropping of automotive industry in April 2017 was from shrinking export to major partner's markets. However the domestic market expanded due to the continuous growth of domestic economy and the new cars' models launching by many makers.

The growth of electronics components in April 2017 was due to the increasing export to major markets of ICs, the key component for high-technology products development. Also the production's capacity HDD was expanded by some makers and the export to major markets grew as well.

Commencement and Disposal of Factory's Register

In April 2017, 276 plants commenced operation which decreased by 28.7 percent from March 2017. The total invested capital decreased by 29.4 percent and employment decreased by 43.2 percent. Major industry was from the thermal-power electricity production with total invested amount of THB 4,614.53 million. Comparing with the same month of the previous year, the number of plants that commenced operation decreased by 32.9 percent. On the other hand 53 Factory's Registers were disposed in April 2017 which decreased by 57.9 percent from last month and by 7.0 percent from the same month of last year.



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Thailand's Importation of Industry sector:

The import value of industrial machinery and components in April 2017 was USD 1,265.0 million which shrank by 3.9 percent from the same month of the previous year due to the decreasing import of jet turbine engine & its components, printing machinery and equipments for construction & its components. However the expanding import products were transmission shaft engine and its components, and the wood transforming machinery.

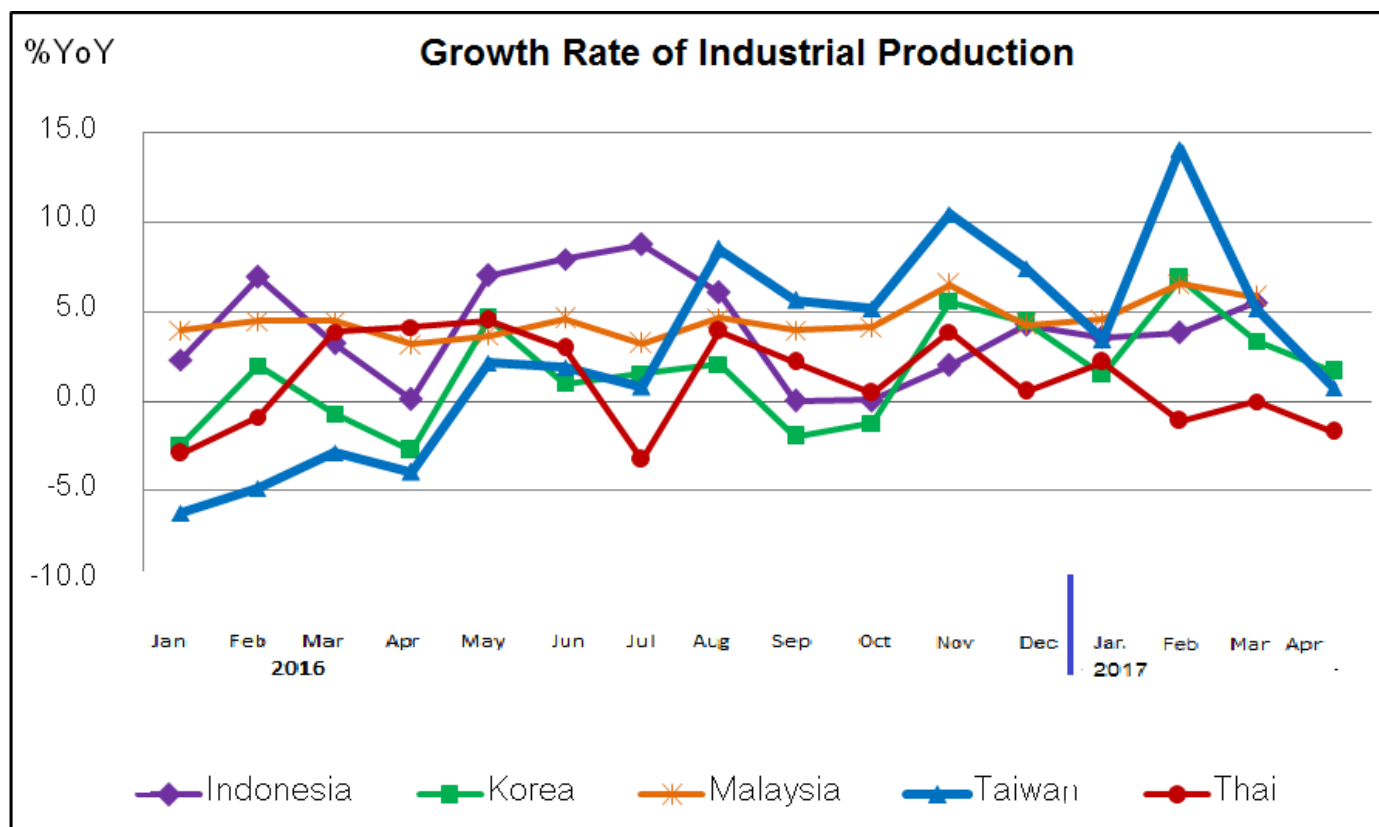
The import value of raw material and semi-finished product (excluding gold) was USD 6,467.70 million, increasing by 13.1 percent from the same month of last year which was in line with continuous import expanding of chemicals, metal and steel product, electrical and electronic components.

Electricity power consumption of industry sector:

Consumption of 10,015.1 million kWh (kilowatt-hour) in April 2017 which was 10.0 percent decreasing from last month (11,128.0 million kWh) and 1.2 percent increasing when comparing with the same period of the year 2016 (10,132.9 million kWh). The electricity power consumption data classified by business size showed that all sizes of businesses consumed more than last month and the same month of the year 2016.



Industrial Economics Condition of Thailand Comparing with Major Countries in Asia in April 2017



Production situation of Thailand's Industry sector based on the Manufacturing Production Index (MPI) was decreased by 1.7 percent from the same month of last year. The shrinking industries were automotive, gem, jewelry and ornament products, other fabricated metal product, nonalcoholic drink & drinking water and furniture production etc.

Meanwhile the industrial production rate of Taiwan was expanded by 0.8 percent.

The industrial production rate of South Korea was shrunk by 1.7 percent.

The MPI in April 2017 of Malaysia and Indonesia have not yet been released. The industrial productions of both Malaysia and Indonesia in March 2017 were expanded by 5.8 percent and 5.5 percent respectively.



Manufacturing Operation Situation in April 2017:

Data from the Department of Industrial Works (DIW) indicated the manufacture operation situation of April 2017 that 276 plants commenced the operation. It was up to less than 28.7 percent from March 2017 (387plants). The invested capital was THB 12,653 million which decreased by 29.4 percent from March 2017 (THB 17,914 million). The numbers of employment were 5,444 persons which decreased by 43.2 percent from March 2017 (9,577 persons).

The plant commenced the operation in April 2017 decreased by 32.9 percent from April 2016 which 411 plants commenced the operation. The numbers of employment were 8,129 persons which decreased by 33.0 percent. However, the invested capital was THB 41,667 million which decreased by 69.6 percent from April 2016.

- The industries that had the most starting up manufacture in April 2017 was cement, ready-mixed cement and gypsum products (totally 27plants). The following industry was the operation of clay/soil digging and scooping for construction (totally 28 plants).
- The start-up industry with the highest invested capital in April 2017 was thermal-power electricity production (totally THB 4,614.53 million). The following industries were cement, ready-mixed cement and gypsum products (totally THB 1,044.42 million).
- The start-up industry that had the most new employment in April 2017 was the repair operation of automotives (398 persons). The following industry was wooden furniture and decoration (363 persons).



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Manufacturing Shutdown situation: Data from the Department of Industrial Works (DIW) indicated that in April 2017 the number of plants closing down were 53 plants, decreasing by 57.9 percent from March 2017 (126 plants). The total invested capital from such shutdown was THB 708.2 million which was lower than March 2017 (THB 3,263 million). The numbers of lay-off workers were 702 persons, much lower than in February 2017 (4,793 workers).

The shutdown manufacture in April 2017, when comparing with the same month of the previous year, was 7.0 percent lesser than in April 2016 (57 plants). The invested capital loss due to plant shutdown was lower than in April 2016 (THB 547 million) and the numbers of lay-off workers also were lesser than in April 2016 (994 workers).

- The industry that had the most manufacturing shutdown in April 2017 was the repair operation of automotives (7 plants). The following industries were operation of clay/soil digging and the wooden furniture and decoration manufacture (4 plants).

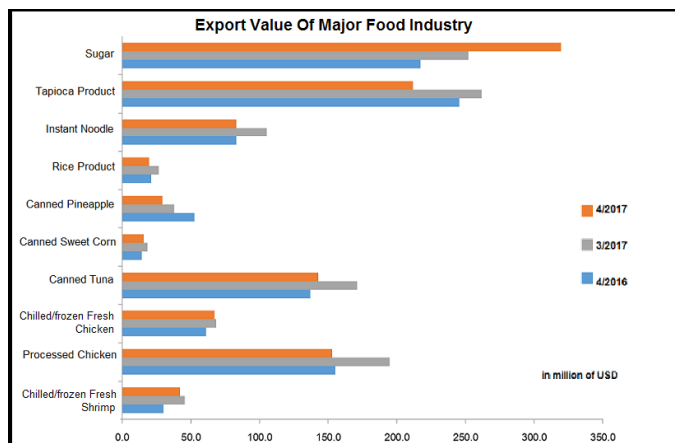
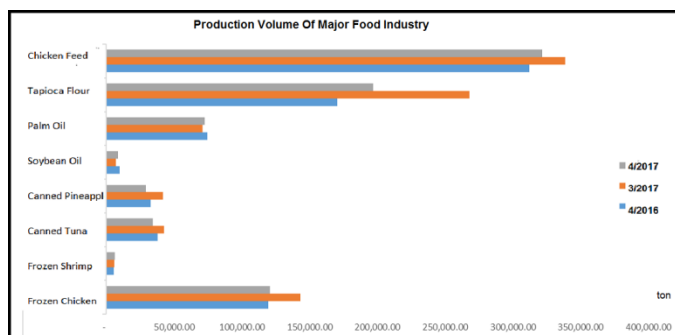
- The shutdown industry with the highest invested capital in April 2017 was the repair operation of automotives (totally THB 161 million). The following industry was the manufacture, assembly of equipments and electrical devices (totally THB 150 million).

- The industries that had the most lay-off workers in April 2017 were the industry of the manufacture, assembly of equipments and electrical devices (100 workers). The following industry was the repair operation of automotives (83 workers).



I. Food Industry

The production and export value of the food product increased from the same period of the last year due to the increasing of export market and resulted in higher prices level while the domestic consumption decreased from the higher price level of fishery and livestock products.



1. Production

The production of major food product industry (excluding sugar) in April 2017 was increased by 8.9 percent. The details are:-

- 1) Export-oriented Product: The chilled and frozen fresh shrimp and tapioca starch increased by 18.2 percent and 18.5 respectively from increasing of raw materials.
- 2) Domestic-oriented Product: The production of sugar, (chicken) feed and chilled and frozen fresh chicken increased by 17.2 percent, 3.0 percent and 1.1 percent respectively due to continuous rising of domestic consumption demand.

2. Marketing

1) Domestic Market:

The domestic sales quantity in April 2017 of food product decreased by 4.1 percent from the same month of the previous year due to reducing consumption from the higher price level of fishery and livestock products.

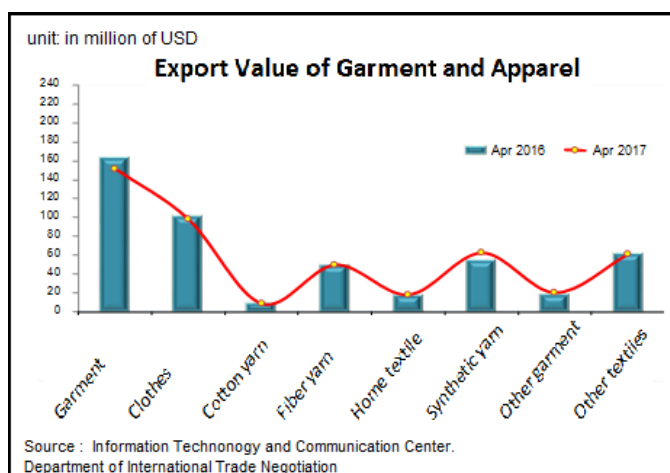
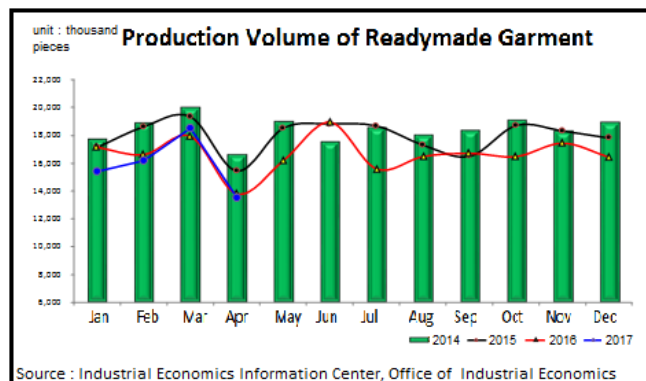
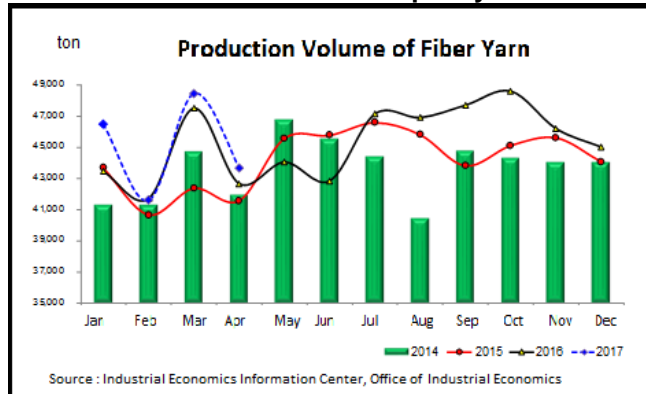
2) Foreign Market:

The total export in April 2017 of food products was increased by 6.7 percent from the same month of the previous year. Those key products included sugar, chilled and frozen fresh chicken, canned sweet corn product, chilled and frozen fresh shrimp, and canned tuna which increased by 40 percent, 40.9 percent, 13.3 percent, 10.5 percent and 4.3 percent respectively, due to increasing purchase orders from partners' countries and resulted in the higher price level.



II. Textile and Garment Industry

Manufacturing of textile was expanded in increasing yarn product exporting to the China market. The shrinking garment industry was from reducing export to the USA and EU markets which was slow down from uncertain USA trade policy.



1. Production

1) **Textile sector:** When comparing with the same month of the previous year, the manufacturing of the textile fiber product expanded by 2.4 percent from the expanding of domestic demand and export of synthetic fiber product which increased by 3.2 percent. The yarn production was decreased by 3.8 percent due to the decreasing order from South Korea and the increasing import of yarn from abroad. The production of fabric for readymade clothes and other household garment were increased by 3.1 percent from increasing domestic consumption.

2) **Garment sector:** When comparing with the same month of the previous year, the manufacturing of apparel product decreased by 2.3 percent due to the decreasing purchase orders from major markets which their economics' recovery were still obscure and the migration of production base to neighboring countries.

2. Marketing

1) **Domestic Sales:** When compared with the same month of the previous year, the sales of Textile fiber product, fabric and readymade garment increased by 6.5 percent, 15.4 percent and 1.9 percent respectively due to increasing demand during Thai New Year festival that polite flower-designed clothes was needed, and the low sales volume base of April 2016 comparatively.

2) **Exporting:** When comparing with the same month of the previous year, the export of textile fiber product increased by 4.3 percent mainly from synthetic fiber products which grew by 12.8 percent from export to China, USA and Indonesia. The export value of yarn and artificial fiber was dropped by 3.5 percent from decreasing export to South Korea. The export of fabric products of yarn fabric, artificial fiber and silk was decreased by 4.2 percent from exporting to Myanmar, USA, Japan and China. The export of readymade garment turned to become decreasing by 7.3 percent after the first increasing month of March 2016 for 30 years, due to the decreasing order from EU, USA, Japan and China.



III. Iron and Steel Industry

1. Production

The manufacturing situation of steel industry in April 2017 slightly improved when comparing with the same month of the previous year. The MPI in this month was at 122.57 with increment rate of 0.24 percent, an increasing for 9 consecutive months since August 2016 to April 2017. However domestic consumption at the volume of 1.37 million tons was decreased by 25.8 percent, a decreasing for 4 consecutive months since January to April 2017. The import was 0.85 a million metric tons decreased by 21.3 percent and export was 0.12 million metric tons increased by 41.1 percent, an increasing for 5 consecutive months since December 2016 to April 2017. These can be classified as follow:-

- The MPI of the Flat steel was at 132.93, increased by 12.13 percent when comparing with the same month of the previous year. The galvanized steel sheet increased by 29.91 percent. The following was the cold rolled sheet increased by 12.75 percent as the production was for supply to automotive industry. According to the data from the Iron and Steel Institute of Thailand, the domestic consumption in flat-steel product was 816,166 tons, decreasing by 18.9 percent which mostly from the galvanized steel sheet which decreased by 22.7 percent due to the slowdown of construction sector. The following was the hot rolled sheets which decreased by 19.6 percent. The import volume was 651,576 tons, decreasing by 19.3 percent which the carbon steel decreased by 48.7 percent. The export volume was 55,965 tons, increasing by 125 percent which the alloy steel increased by 7,025.7 percent

- The MPI of long-formed steel production was at 112.71, increased by 10.32 percent. The production of round bar was increased by 44.35 percent from the high inventory so far. The following was steel rod which decreased by 10.22. Based on the data from the Iron and Steel Institute of Thailand, the domestic demand of Long-formed steel 556,704 tons, dropped by 34.1 percent from the decreasing of round bar and hot structural steel (alloy steel) which decreased by 37.6 percent. The import volume was 193,647 tons, decreasing by 27.6 percent from 99.9 percent dropping of hot structural steel (alloy steel). The export volume was 65,901 tons, increased by 7.1 percent which steel wire (alloy steel) increased by 109.6 percent.

2. Steel Prices

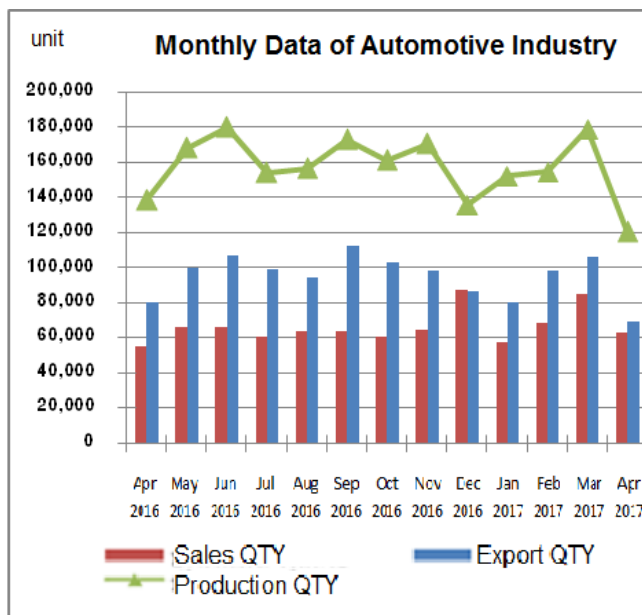
The international steel price index generated by the Iron and Steel Institute of Thailand indicated the change of price index (FOB) at CIS Black Sea ports in April 2017 when comparing with the same period of the previous year that the billet steel increased from 87.05 to 92.04, 5.73 percent increasing. The flat steel bar increased from 88.83 to 93.02 point, up by 4.71 percent. The cold rolled sheet decreased from 102.8 to 95.14 point, dropped by 7.45 percent. The hot rolled sheet was dropped 99.48 to 92.71 point, down by 6.80. And round bar decreased from 93.19 to 89.04, down by 4.45 percent.



IV. Automotive Industry

Automobile

The automobile industry declined in April 2017 when comparing with the same period of the year 2016 due to export dropping to partner countries. However the domestic market was expanding from the domestic economic recovery and the launching of new car models by several makers as well as continuously.



1. Production

Manufacturing quantity of automotive in April 2017 was 120,473 units which decreased from April 2016 (138,237 units) by 12.85 percent from the decreasing of passenger car and one-ton pickup truck and its derived components production.

2. Sales

Sales quantity of automobile in April 2017 was 84,801 units which increased from April 2016 by 15.06 percent (54,986 units). This was due to the increase of sales of passenger vehicle, one-ton pick-up truck and the commercial vehicle.

3. Export

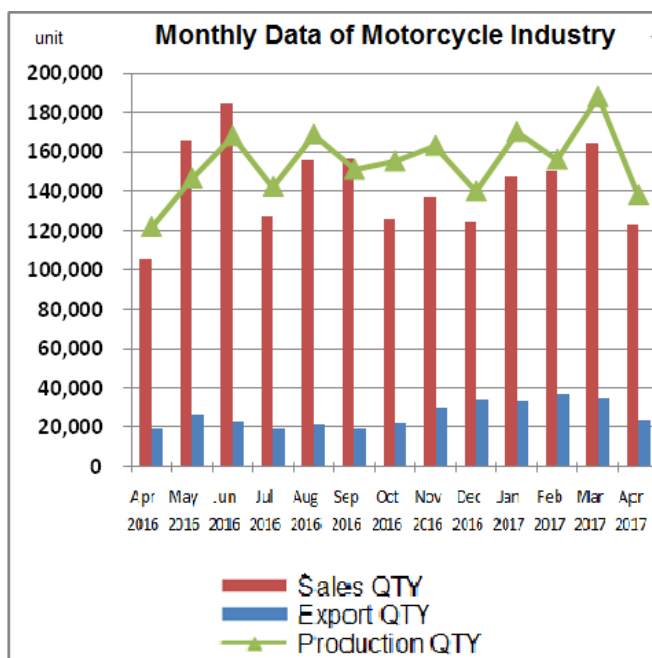
The export quantity in April 2017 was 68,927 units which decreased from April 2016 by 14.37 percent (80,491 units). The declining export markets were EU, Middle East and North American countries.



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Motorcycle

The Motorcycle industry in April 2017 expanded when comparing with the same period of 2016 from both domestic and export market.



1. Production

Manufacturing quantity of motorcycle in April 2017 was 138,329 units which increased by 13.29 percent from April 2016 (122,101 units). Contribution was from the versatile-type motorcycles.

2. Sales

Sales quantity of motorcycle in April 2017 was 123,084 units which increased by 16.58 percent from April 2016 which sold 105,582 units due to increasing sales of the motorcycles with 101-125 cc, 126-150 cc and higher than 151 cc types.

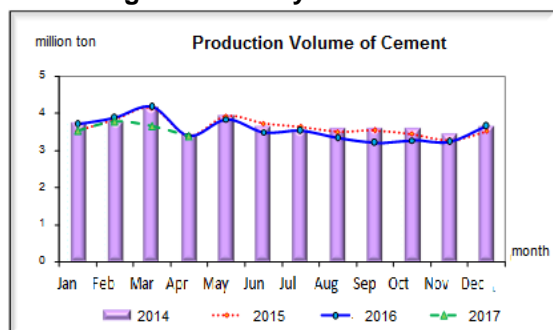
3. Export of Complete Built Unit (CBU) motorcycle

The export quantity was 24,019 units in April 2017 which increased 24.81 percent from April 2016 (19,245 units). The expanding export markets were UK, USA and Netherland.

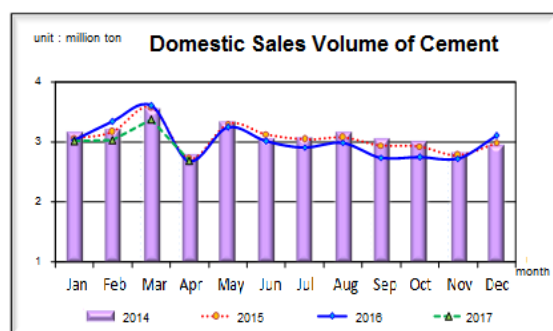


V. Cement Industry

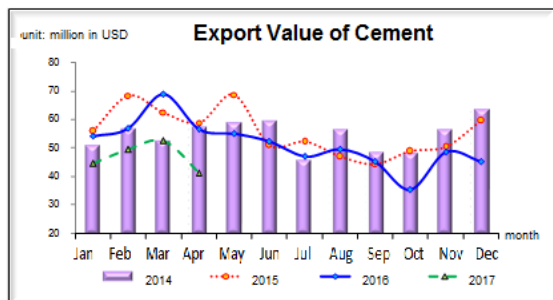
The overall growth rate of Cement industry was shrinking from production and domestic sales continuously decreasing when comparing with the same period of the previous year. This was due to the construction section was slow down and the export value decreased drastically due to the decreasing orders of Myanmar.



Source : Industrial Economics Information Center, Office of Industrial Economics



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1. Production and Domestic Sales

When comparing with the same period of the previous year, the production and sales volume of cement (excluding clinker cement) in April 2017 has decreased for 4th month by 1.7 percent and 7.1 percent respectively. This was due to dropping of construction, consequently, from slowdown of real estate industry and the continuous decreasing orders from Myanmar.

2. Export

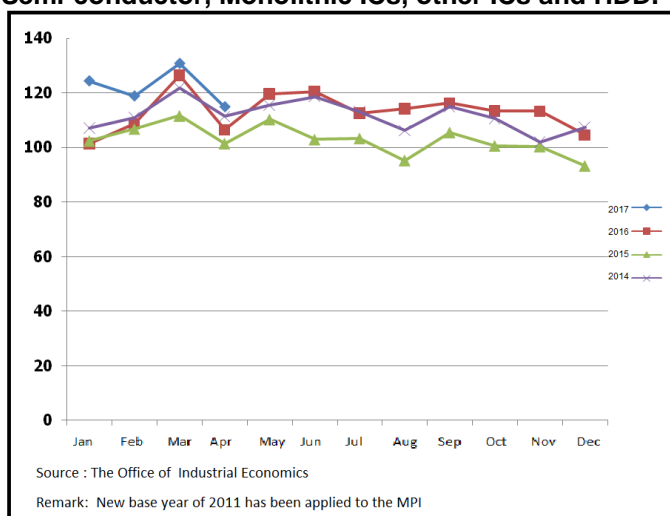
The export value of cement in April 2017 shrank by 27.3 percent from the same period of the previous year due to the decreasing orders from Myanmar from its increasing local production which belong to Thai investors. Three major exporting countries still were Cambodia, Bangladesh and Myanmar with aggregate value of USD 27.4 million, 66.6 percent of cement gross export value.



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VI. Electrical and Electronics Industry

In overview the manufacturing of electrical and electronic industry in April 2017 increased by 7.81 percent when comparing with the same month of the previous year. The electrical industry increased by 0.8 percent due to the expanding of air-conditioner and rice cooker. The electronic industry expanded by 13.9 percent due to the increasing production of Semi-conductor, Monolithic ICs, other ICs and HDD.



1. Production

In overview the MPI of the electrical and electronic industry in April 2017 when comparing with the same period of the previous year, was at 114.83, up by 7.81 percent. The MPI of the electrical industry sector was at 122.34, up by 0.08 percent. The increasing electrical appliances included condensing unit split-type air conditioner, fan-coil unit split-type air conditioner, and rice cooker which increased by 1.88 percent, 5.78 percent and 0.78 percent respectively. This was due to the gradually recovery of world economy since early this year and the increase of domestic sales.

When comparing with the same period of the previous year, the MPI of the electronic industry sector was at 110.15, increased by 13.90 percent due to production increasing of Semi-conductor, Monolithic ICs, other ICs and HDD which increased by 19.29 percent, 10.76 percent, 14.81 percent and 10.56 percent respectively. As ICs were the essential parts for hi-tech product development, consequently made the export to all major countries grew. The growth of HDD was due production expansion of some manufacturers which drove the growth of both production and export.

Table 1 : The value of most Electrical Appliance and

Electronics Products Export in April 2017

| Electrical Appliances and Electronics Products | Value (in million US dollar) | %YoY |
|---|---------------------------------|--------|
| Computer components | 952.78 | -3.33 |
| Printed Electrical Board | 588.69 | 0.16 |
| Air-conditioner | 389.94 | -10.88 |
| Recording Camera and components | 127.44 | -2.09 |
| Total of Electrical Appliances and Electronics Products | 4,249.21 | 1.81 |

source : Electrical and Electronics Institute



2. Export

Total export value of the electrical appliance product and electronic industry in April 2017 was USD 4,249.21 million, increasing by 1.81 percent when comparing with the same month of the previous year.

Electrical Appliance Product

The electrical appliance product had the export value of USD 1,803.54 million with the increase of 3.58 percent as the export to major markets which were USA, China, EU and Japan increased by 20.72 percent, 12.23 percent, 9.22 percent and 0.73 percent. The leading product with most export value was air conditioners with export amount of USD 389.94 million, up by 10.88 percent. This was due to the increase of export to major countries i.e. China, Japan, ASEAN and EU, by 137.13 percent, 13.33, 9.02 and 6.98 percent respectively since the major export markets which were USA, ASEAN, China, Japan and EU dropped by 42.95 percent, 23.15 percent, 5.39 percent, 3.76 percent and 1.66 percent. The following product was camera and components with export amount of USD 127.44 million, down by 2.07 percent. This was due to the decreasing export to the major markets which were EU and Japan, by 14.76 percent and 1.94 percent respectively.

Electronic product

When comparing with the same month of the previous year, the electronic product had the export value of USD 2,445.67 million, increased by 0.56 percent. This was due to the increasing export to key markets as such as China, EU and USA markets, by 7.63 percent, 1.86 percent and 0.43 percent.

The leading electronic product with most export value was components of computer which had export amount of USD 952.78 million, up by 3.33 percent. This was due to the increase of export to major markets such as, China and EU by 26.01 and 15.94 percent respectively. The following product was Electrical Circuit Board (ECB) with export amount of USD 588.69 million, increasing by 0.16 percent. This was due to the increasing export to all major markets i.e. China and EU by 7.14 percent and 4.34 percent respectively.