

Industrial Production Status

Indicators	2017	2018												2019	
%YoY	Year	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Year(f)	Jan.	Feb.
MPI*	1.8	5.3	4.6	3.6	4.9	4.9	4.8	2.3	-0.1	5.7	0.8	1.2	3.6	0.6	-1.6

* 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 economics status in **February 2019**—when considering the **manufacturing production index (MPI)**—fell by **1.6 percent from the same period last year** as a result of a 3.4 percent contraction in exports (excluding ammunition).

When considering the MPI data for the past 3 months compared with the previous year (%YoY), the trend of industrial production slowed down; that is, in November 2018, December 2018 and January 2019, production grew by 0.8 percent, 1.2 percent and 0.6 percent respectively.

Indicators	2018											2019	
%MoM	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.
MPI*	-0.8	11.0	-20.8	14.9	-1.5	-2.8	1.7	-2.7	2.1	0.9	-1.9	4.7	2.9

For the past three months (November and December 2018, and January 2019), the changing rates of MPI (%MoM) were 0.9 percent, -1.9 percent, and 4.7 percent respectively. These were in line with the typical seasonality of production which accelerated in October and November to support the demand during the New Years' Eve.

Key industries that contributed to the growth of MPI in February 2019 were:

- Automobiles and engines: The production grew by 3.14 percent mainly from 1-ton pickup trucks and medium-sized passenger cars from the launch of new models and continuing sales promotion activities of automobiles.
- Sugar: The production grew by 4.91 percent from raw sugar and sugar molasses, as factories accelerated production and newly constructed sugar factories opened to increase production capacity.

Key industries that contributed to the MPI contraction in February 2019 were:

- Iron and steel: The production contracted by 14.43 percent, as some manufacturers stopped production for maintenance and repair damaged machines.
- Hard Disk Drives (HDD): The production contracted by 12.11 percent from the popularity of SSD (solid state drives), especially in personal computers and replacement with cloud storage over the internet, including the production of HDDs with higher capacity, resulting in a drop in HDD production.

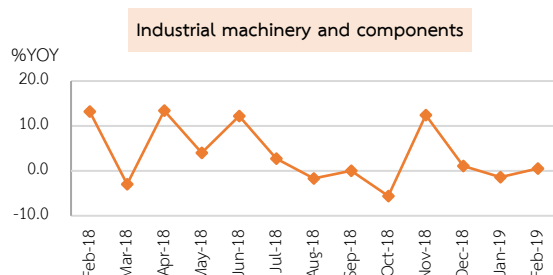
➤ Other non-tire rubber products: The production contracted by 7.25 percent, as some rubber plantations in the southern region were damaged by Pabuk storm at the beginning of the year. In addition, the weather was hotter and drier this year causing less latex supply to the market.

In 2019, the MPI is **expected to grow positively in the 2.0 - 3.0 percent range**, with support from continuing private investment, investments from public and 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.

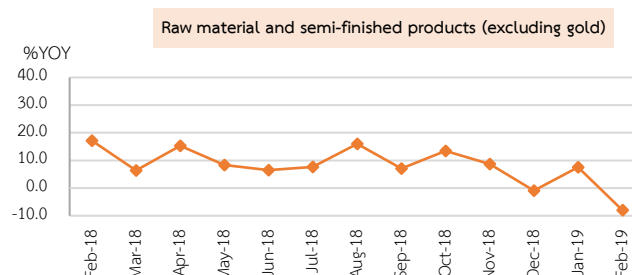
Other Industrial Economic Indicators in February 2019

Other Industrial Economic Indicators in February 2019

Imports of Thailand Industrial Sector



Source: Ministry of Commerce

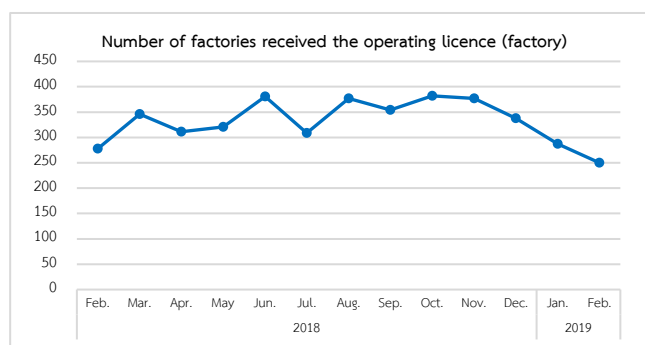


Source: Ministry of Commerce

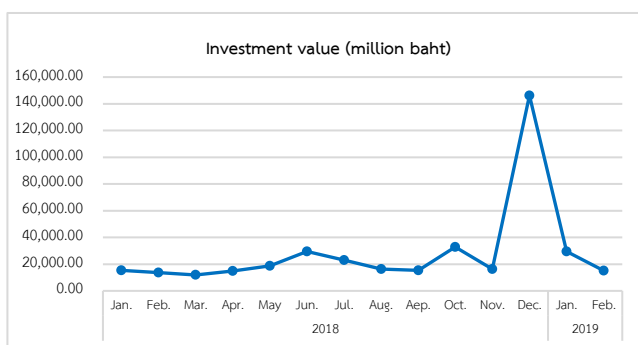
+ **Imports of industrial machinery and components** in February 2019 valued 1,403.4 million USD, a growth by 0.5 percent compared to the same month last year. The growth was driven by increased imports for machinery and components used in other industries, turbines and components, metal processing machinery and components, machinery in the printing, die, and mold industries for example.

- **Imports of raw materials and semi-finished products (excluding gold)** in February 2019 valued 6,357.6 million USD, a drop by 8.0 percent compared to the same month last year. Imported products that contracted included chemicals and equipment, electrical appliances and electronics components, iron and steel and products for example. However, there were still some products that excelled in growth rate, such as paper, paper products and rubber products, including rubber scraps.

Industrial Operation Status



Source: Department of Industrial Works



Source: Department of Industrial Works

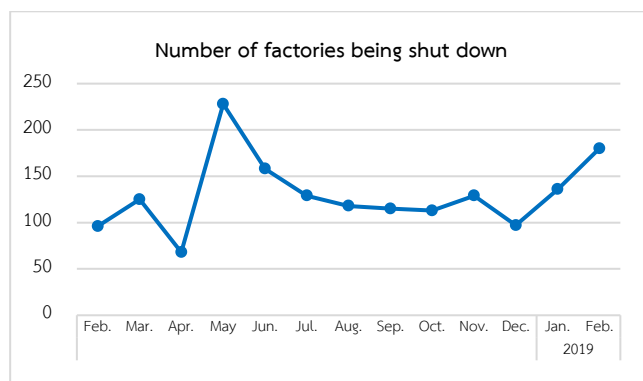
➖ A total of 250 factories were licensed to operate in February 2019. The number decreased by 12.9 percent from January 2019 (%MoM) and 10.1 percent compared with the same month last year (%YoY).

➕ The total value of investment from the licensed factories for operation in February 2019 was 15,056 million Baht. The value decreased by 49.1 percent from January 2019 (%MoM) but increased by 9.2 percent from the same month last year (%YoY).

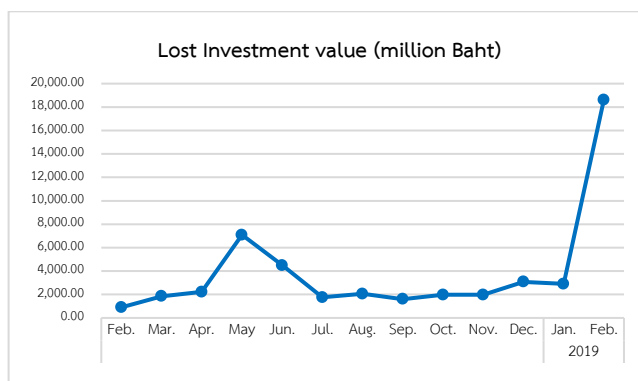
“The industry with the highest number of newly licensed factories for operation in February 2019 was the digging and excavation industry of gravel, sand, or soil (18 factories), followed by the rubberwood and other wood processing industry (15 factories).”

“The industry with the highest value of the investment in February 2019 was the production of raw sugar, white sugar, and refined sugar valued at 5,447 million Baht, followed by the industry of die cutting and casting valued at 873 million Baht. ”

■ Industrial Operation Status (cont.)



Source: Department of Industrial Works



Source: Department of Industrial Works

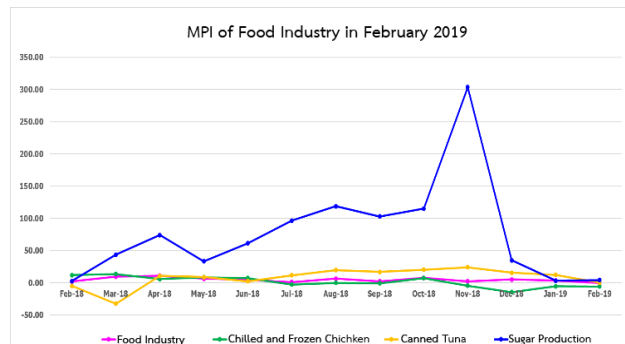
- ➡ A total of 180 factories shut down the operation in February 2019. The number of shutdowns increased by 32.4 percent from January 2019 (%MoM) and 87.5 percent by 1.4 percent from the same month last year (%YoY).
- ➡ The lost investment value on shutdowns in February 2019 was 18,621 million Baht. The figure increased by 540 percent from January 2019 (%MoM) and 1,958.5 percent from the same month last year (%YoY).

“The industry with the highest number of factory shutdowns in February 2019 was the rice milling industry (37 factories), followed by the concrete product and cement-gypsum mixed products industry (14 factories).”

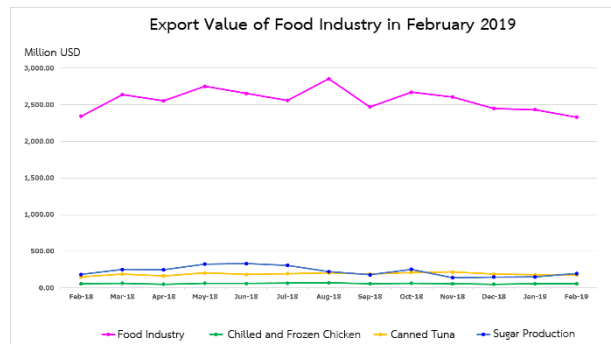
“The industry with the highest value of investment with factory shutdowns in February 2019 was the production, assembling, modifying, or changing the condition of cars or trailers valued at 6,136 million Baht, followed by the special parts production industry or equipment for cars or trailers valued at 5,544 million Baht.”

Industrial Economic Status by Industrial Sectors in February 2019

1. Food Industry



Source: Office of Industrial Economics



Source: Ministry of Commerce

Production of food product in February 2019 increased by 0.1 percent (%YoY), classified as follows:

1) Export-orientated products that were canned pineapple dropped in MPI 9.6 percent (%YoY) due to price competition in the global market, especially in Indonesia and the Philippines, which caused importing countries to delay orders. Furthermore, in the previous year, the base was relatively high with oversupply; therefore, this year, farmers reduced planting areas which caused productivity to drop accordingly, whereas businesses accelerated the sale of stocked goods.

2) Domestic market-orientated products namely, chilled and frozen chicken, dropped in MPI by 5.4 percent (%YoY) as businesses cleared existing stock at the end of the year which resulted in less production, although domestic and international consumption continued to grow.

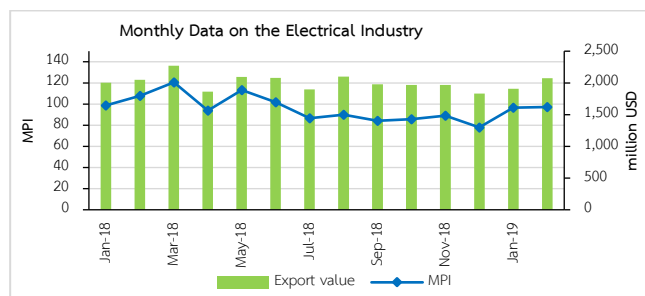
Domestic sales volume of food products in February 2019 grew by 3.9 percent (%YoY) due to the economic and living index of Thai households which slightly increased from concerns of declining households on the issue of expenses and liabilities.

Export markets of food products in February 2019 dropped by 0.5 percent (%YoY) for 4 months in essential products such as cassava chips, white rice, chilled and frozen shrimp, canned pineapple and jasmine rice which dropped 39.9 percent, 36.2 percent, 19.9 percent, 19.5 percent and 1.8 percent, respectively (%YoY) as the world economy grew to its full potential and the US economy began to slow down. Furthermore, there were some effects by the Baht appreciation including the impact of the trade war between China and the US causing Thailand's trade partners like Europe, Africa and South Asia to delay orders. However, key products such as tapioca starch, sugar, processed chicken, canned tuna, canned sardines, canned sweet corn and seasonings continued to increase as a result of global market demand.

The predicted trend is expected that the production and export value of the food industry in March 2019 will increase due to the gradual expansion of domestic demand from the household economic index which should increase, coupled with partner countries which increased demand continuously. Furthermore, there were positive factors from the EU which unlocked Thailand from the yellow card status in IUU fishing to boost the Thai fishing industry's image, and the EU removed 20 Brazilian factories from the list of poultry meat exporters due to not complying with the salmonella control requirements, including China's anti-dumping measures introduced on imports of Brazilian poultry products as well.

2. Electrical and Electronics Industry

■ Electrical Industry



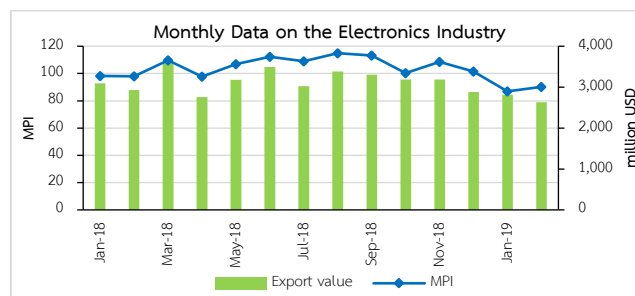
Source: Office of Industrial Economics

❖ **Production of electrical appliances** reached a production index of 97.2, a drop by 9.9 percent compared to the same month last year. Products that dropped in production were air conditioners with separate condensing units, air conditioners with separate fan coil units, compressors, household fans, refrigerators, washing machines, microwaves, kettles, rice cookers, electric motors, transformers and electric wires by 2.4 percent, 3.3 percent, 9.8 percent, 12.9 percent, 1.5 percent, 7.0 percent, 32.4 percent, 12.6 percent, 42.1 percent and 40.7 percent respectively. Air conditioners decreased in production from fewer exports to Vietnam and Australia, whereas rice cookers, compressors, household fans, refrigerators, microwaves, kettles, electric motors, transformers and electric wires dropped in production due to lower domestic sales. Washing machines dropped in production as foreign markets sold units from their inventory more. Nonetheless, products which grew in production were cables by 5.0 percent due to increased domestic sales.

➕ **Exports of electrical appliances** valued 2,073.7 million USD, a slight increase by 1.5 percent compared to the same month last year from key markets that grew including Japan and the US. Air conditioners and components reached an export value of 516.8 million USD, a decrease of 0.1 percent from a contraction in Vietnam by 21.3 percent, whereas the export value to India, the US and Japan grew by 6.0 percent, 52.8 percent and 23.1 percent. Refrigerators, freezers and components reached an export value of 127.5 million USD, an increase by 2.5 percent and switch and electrical control panels reached an export value of 152.9 million USD, an increase by 7.3 percent, whereas washing machines, dry cleaning machines and components valued 136.3 million USD, a drop by 5.0 percent.

"Production forecast for March 2019, the electrical industry is expected to decrease by 1.9 percent compared to the same month last year as a result of decreasing order of air conditioners from ASEAN."

■ Electronics Industry



Source: Office of Industrial Economics

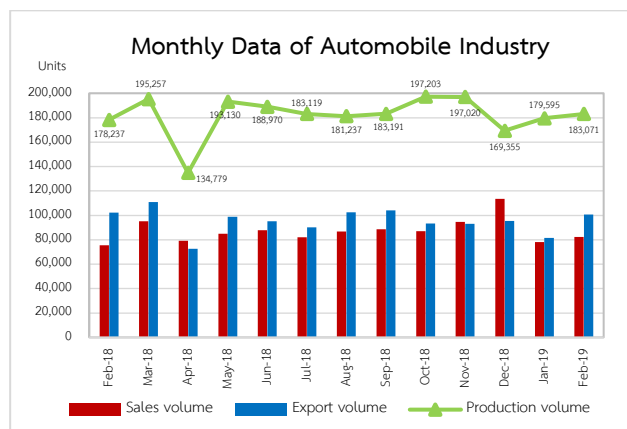
❖ **Production of electronics** reached an MPI of 90.1 percent, a drop of 5.5 percent from the same month last year. Products that contracted were semiconductor device transistors, HDDs, PWBs, and printers, which decreased by 9.1 percent, 12.7 percent, 13.6 percent 4.0 percent respectively, as a result of decreased orders from Hong Kong and China. Meanwhile, PCBA and IC increased by 6.8 percent and 1.8 percent accordingly, following the expansion of global electronics consumption.

❖ **Exports of electronics** valued 2,628.7 million USD, a slight drop by 10.2 percent compared to the same month last year from all key markets that contracted including the US, Hong Kong and China. Exports of computer products and components valued 1,335.0 million USD, a drop by 14.1 percent whereas the value of HDDs decreased by 16.6 percent, from contractions in China, Hong Kong and the US by 18.8 percent, 20.1 percent and 7.1 percent due to excess supply of SSDs causing the price to decline and compete in the HDD market. Meanwhile, the export of ICs valued 562.7 million USD, a decrease of 7.3 percent from contractions in Hong Kong, China and the US by 7.7 percent, 32.5 percent and 17.4 percent respectively, due to trade war between the US and China which affected Thailand's production and export chain.

"In March 2019, production in the electronics industry is expected to decline by 1.7 percent compared to the same month of last year, due to the slowdown in exports of computer accessories and parts. HDDs slowed down as a result of changes in SSD technology that replaced the personal computer market, together with lower prices. However, there are positive factors from trade war between the US and China with signs of tensions easing."

3. Automotive Industry

■ Automobile Production Industry



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

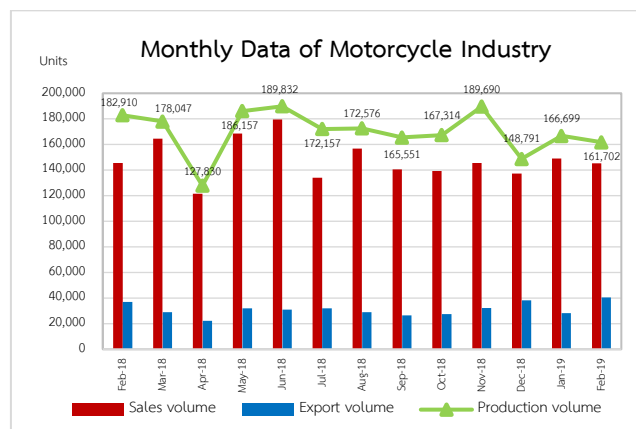
+ **Automobile production** in February 2019 reached 183,071 units. Production increased from January 2019 by 1.94 percent (%MoM) and increased by 2.71 percent from the same month last year (%YoY) as the result of an increase in production of passenger cars, 1-ton pickup trucks and derivatives, and commercial vehicles.

+ **Domestic sales of automobiles** in February 2019 reached 82,324 units, an increase of 5.46 percent (%MoM) from January 2019 and 9.09 percent (%YoY) from the same month of the previous year due to the increase in sales of passenger cars, 1-ton pick-up trucks, commercial vehicles and PPV cars combined with SUVs due to the growing demand in the domestic market.

+ **Automobile exports** in February 2019 reached 100,550 units. The number increased by 23.25 percent (%MoM) from January 2019 but decreased by 1.63 percent from the same month last year (%YoY). Exports to Asia, Oceania, Africa, Central and South America dropped from the economic slowed down of trading partner countries.

"The automotive industry is expected to grow in March 2019 compared to March 2018 as a result of the growing trend of the domestic economy."

■ Motorcycle Production Industry



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

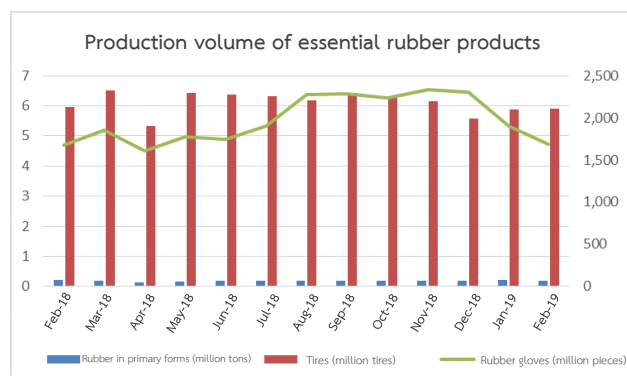
- **Motorcycle production** in February 2019 reached 161,702 units. The production decreased by 3.00 percent from January 2019 (%MoM) and 11.59 percent from the same month last year (%YoY), resulting from the decrease in production of multi-purpose and sport motorcycles.

- **Domestic sales of motorcycles** in February 2019 reached 145,355 units. The number decreased by 2.39 percent from January 2019 (%MoM) and 0.05 percent from the same month last year (%YoY), resulting from the decrease in sales volume of <50 cc, 111-125 cc., and ≥400 motorcycles.

+ **Exports of motorcycles** in February 2019 reached 40,538 units. The number increased by 43.69 percent from January 2019 (%MoM) and 9.94 percent from the same month last year (%YoY), whereby exports to the US, the UK, the Netherlands, and Canada markets increased.

"In March 2019, the trend of the motorcycle production industry is expected to slow down compared to March 2018."

4. Rubber and Rubber Products Industry



Source: Office of Industrial Economics

Production

➖ *Rubber in primary forms (smoked rubber sheets, rubber blocks and latex)* dropped by 5.00 percent following the amount of rubber entering the market that decreased as the rubber tapping season came to an end, coupled with decreasing orders from China.

➖ *Tires* dropped by 0.84 percent due to the continued slowdown of the replacement market.

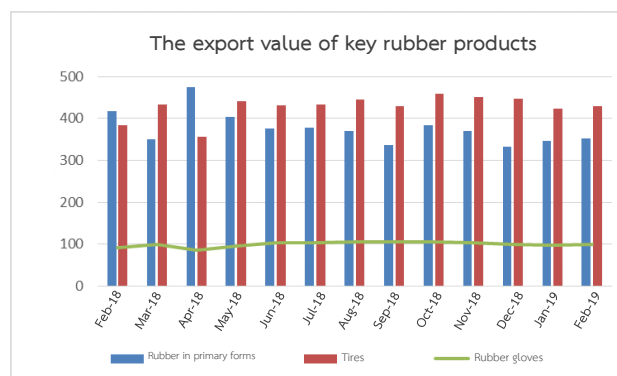
➕ *Rubber gloves* grew by 0.79 percent as the result of international market expansions.

Domestic Sales

➕ *Rubber in primary forms (smoked rubber sheets, rubber blocks and latex)* grew by 3.57 percent from an increase in domestic demand by 44.03 percent for rubber bars.

➖ *Tires* dropped by 2.94 percent as the result of the contraction of the replacement market.

➖ *Rubber gloves* dropped by 5.45 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)* value decreased by 15.80 percent from China, a key market to Thailand, decreased orders by 25.97 percent as there were high volumes in stock.

➕ *Tires* value grew by 12.20 percent following good growth of the US market which grew by 24.01 percent.

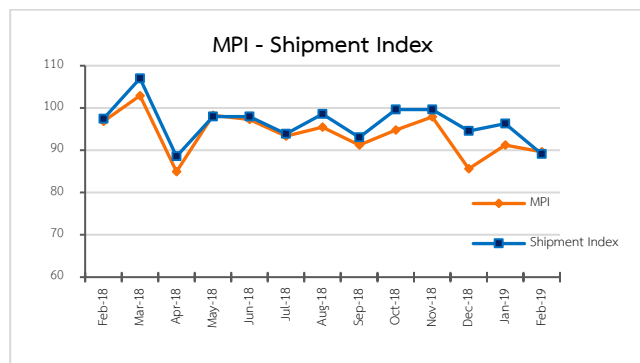
➕ *Rubber gloves* value increased by 8.91 percent from good growth of Thailand's key markets including the US, Germany and Belgium respectively.

Industry Outlook in March 2019

Production and sales of processed rubber in primary forms (smoked rubber sheets, rubber blocks and latex) is expected to decrease as the amount of rubber entering the market decreases as the industry approached the end of the latex harvesting period. Production and sales of domestic tires are expected to be stable or slightly decrease in line with the slowdown of the replacement market, whereas production and domestic sales of rubber gloves are expected to grow well in response to higher demand in the medical and downstream industries.

Exports of processed rubber in primary forms (smoked rubber sheets, rubber blocks and latex) is expected to drop in value as China is likely to slow down the purchase of rubber from Thailand from the previous month. Meanwhile, exports of tires and rubber gloves are expected to increase in line with good growth of the US and EU markets.

5. Plastics Industry



Source: Office of Industrial Economics

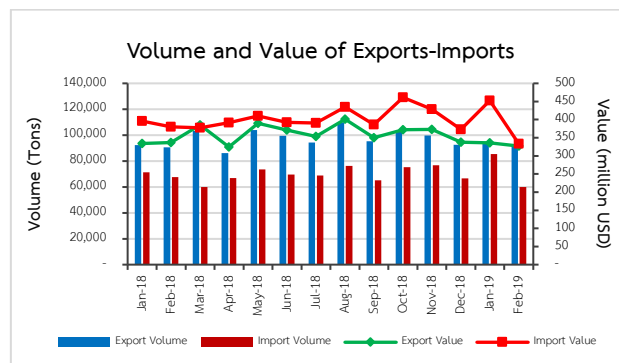
Production and Sales

Manufacturing Production Index. In February 2019, the MPI dropped by 5.58 percent compared to the same period of the previous year, whereby the contracting in almost all product groups, except for plastic bag products. The MPI of plastic sheet products dropped by the most by 21.11 percent from less production to follow order volumes.

Shipment Index. In February 2019, the shipment index contracted by 4.87 percent compared to the same period last year in all product groups. The shipment index dropped the most for plastic sheet products by 20.99 percent.

Marketing

Exports in February 2019 valued 327.42 million USD, a drop by 2.82 percent compared to the same period last year. Essential plastic products with fewer exports were single long fiber products (3916) and other plastic products (3926) which dropped by 45.77 percent and 10.79 percent in value, respectively. The export value of other plastic products dropped in export value from last year by 10 million USD, due to contraction of exports to major countries such as China, the US and ASEAN — Cambodia, Laos and the Philippines.

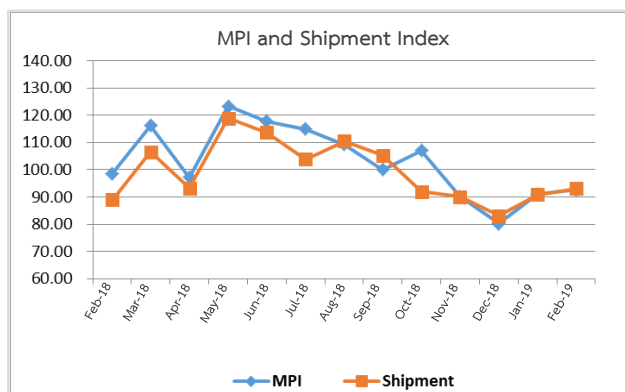


Source: Customs Department, Ministry of Finance

Imports in February 2019 valued 333.19 million USD, a drop by 12.27 percent compared to the same period last year. Key plastic products that had fewer imports were tubes or pipes (3917), monofilament fiber products (3916), building assembly products (3925) and other plastic products (3926), whereby the value increased by 18.17 percent, 17.53 percent, 15.68 percent and 13.28 percent respectively.

The plastics industry outlook in March 2019 is expected that production and marketing will improve slightly, due to the increasing demand for plastic products both domestically and among trading partners; however, oil prices and the Baht value must be monitored, as it has an impact on production cost.

6. Chemicals Industry

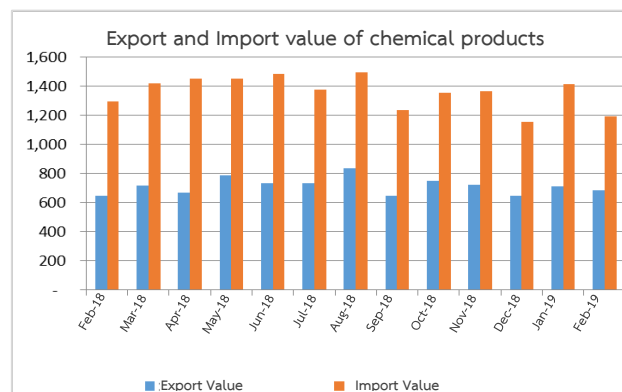


Source: 1. Office of Industrial Economics

⊖ The manufacturing production index of the chemicals industry in February 2019 reached 92.55, down by 6.17 percent compared to the same period last year. Production decreased in upstream chemicals by 4.45 percent and the downstream chemicals by 5.60 percent compared to the same period of last year, as the overall economy slowed down.

⊕ Sales in February 2019 for the chemical industry had a shipment index of 93.08, a growth by 7.16 percent compared to the same period of last year. The growth was a result of the upstream product group which increased in shipment index by 16.88 percent, and downstream chemicals by 4.06 percent, including in fertilizers. This is because the index base is relatively low compared to the same period last year.

⊕ Exports in February 2019 valued approximately 688 million USD, an increase of 5.94 percent compared to the same period last year. Downstream chemicals had an export value of 358 million USD, an increase by 24.27 percent compared to the same period last year, whereby key products that contributed to the growth in export value from last year were cosmetics (48.65 percent), surfactants (4.13 percent) and pigments (3.83 percent). Primary export markets for downstream chemical included Japan and ASEAN countries.

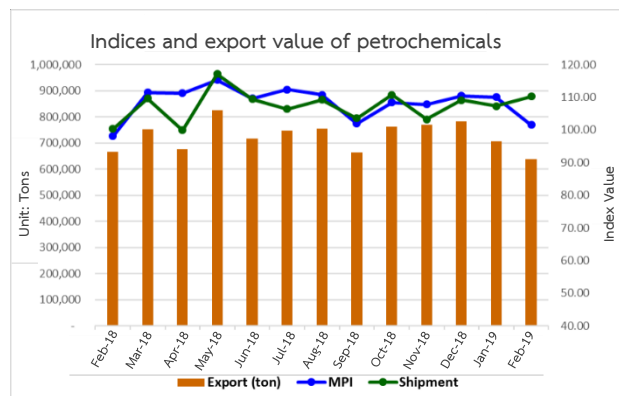


Source: Customs Department, Ministry of Finance

⊖ Imports in February 2019 valued 1,192 million USD, a drop by 8.02 percent compared to the same period last year. Upstream chemical products valued 716 million USD, a drop by 13.38 percent from last year, whereby chemical groups that resulted in a contracted import value were organic and miscellaneous chemicals respectively. Downstream chemicals valued 476 million USD, a growth by 1.42 percent compared to the same period last year, whereby products with higher import values included fertilizers; key markets that imported chemicals included Saudi Arabia (14.76 percent), Japan (12.57 percent) and China (11.83 percent).

In March 2019, the chemical industry is expected to grow slightly compared to the same period of last year. However, some factors need to be monitored, such as changes in exchange rates that may affect exports and the prices of agricultural products that are still low which may result in domestic purchasing of chemicals.

7. Petrochemicals Industry



Source: Office of Industrial Economics & Customs Department, Ministry of Finance



The manufacturing production index in February 2019 reached 101.55, up 3.48 percent compared to the same period last year, with growth in polyethylene resin (PE) and polypropylene resin (PP).

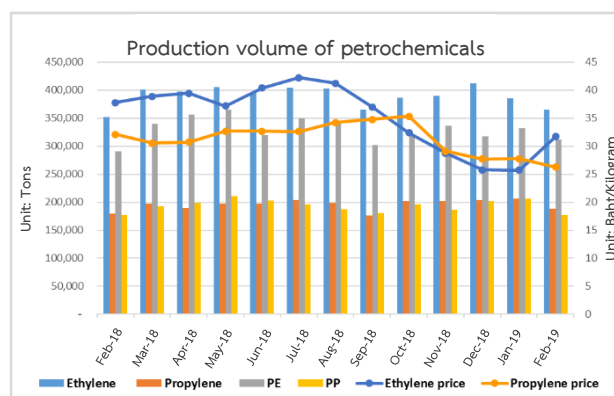
- Key basic petrochemical production included Ethylene and Propylene with the MPI of 103.45 and 105.82 respectively. The production increased by 3.87 percent and 5.06 percent respectively, compared to the same period last year.

- Key downstream petrochemical production included polyethylene resin (PE) with the MPI of 102.03 percent, an increase of 7.34 percent, and polypropylene resin (PP) with an MPI of 101.38, down 0.24 percent compared to the same period last year.



Sales in February 2019 reached a shipment index of 110.29, a growth by 9.92 percent compared to the same period last year. The index grew in PS, PE and PP resin by 33.93 percent, 23.26 percent and 9.44 percent respectively, compared to the same period last year.

- Ethylene and propylene prices in the Asian market in February 2019, averaged at 31.71 and 26.27 Baht/kg, respectively. Compared to the same period last year, ethylene and propylene prices dropped from 37.78 and 32.11 Baht/kg respectively.



Source: Office of Industrial Economics & Customs Department, Ministry of Finance

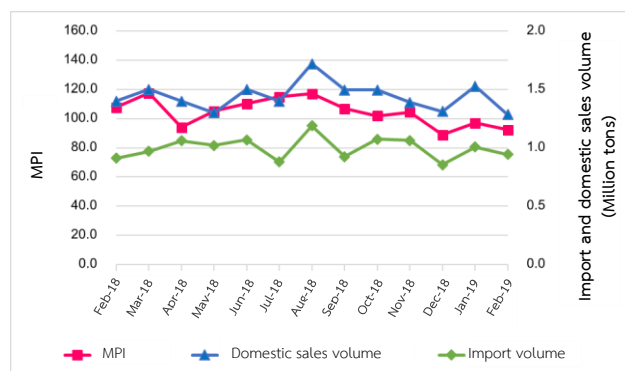
- In February 2019, Prices of PE and PP resins (average price of SE Asia CFR) of LDPE, LLDPE, HDPE and PP pellets were at an average of 32.56, 32.40, 34.60 and 35.88 Baht/kg respectively. Compared to last year, the average prices of PE such as LDPE, LLDPE, HDPE and PP dropped from 40.67, 40.03, 44.33 and 40.50 Baht/kg respectively.



Exports in February 2019 reached a volume of 637,095 metric tons, down 4.41 percent compared to the same period last year due to a contraction in exports of midstream petrochemicals such as styrene, phthalic anhydride, acrylonitrile, PC resin and PVC. Overall, exports contracted in many countries including India, Indonesia, South Korea and the Philippines.

In March 2019, the industry is expected to stable due to the Baht appreciation, affecting the export of petrochemical products.

8. Iron and Steel Industry



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

– The manufacturing production index in February 2019 reached 92.2, a drop by 14.4 percent compared to the same period last year, declining for 4 months from November 2018 to February 2019. Considering key products, namely flat-formed and long-formed steel, it was found that the MPI decreased in both product groups. Long-formed steel products reached an MPI of 92.4, a contraction by 4.7 percent from the production of steel rods which decreased by 11.4 percent, followed by round bars and hot-rolled structural steel by 27.3 percent and 7.3 percent. The contraction was due to lower domestic demand from private construction. Flat-formed steel products reached an MPI of 87.7, a decrease of 25.7 percent as a result of the production of tinplated sheets which decreased by 45.2 percent from the continuous increase in imports of goods from foreign manufacturers; this was the eleventh consecutive month of decrease from April 2018 to February 2019. This was followed by hot-rolled steel coil which dropped by 44.7 percent, as some factories producing hot-rolled steel sheets temporarily stopped production to repair machinery, resulting in lower production, whereas cold-rolled steel sheets decreased by 10.0 percent.

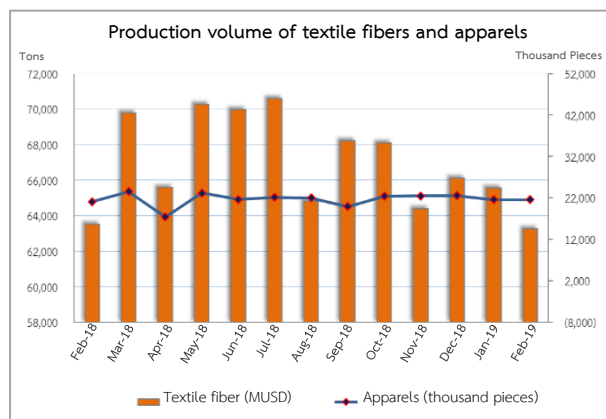
– Domestic sales in February 2019, reached 1.3 million tons, a drop by 8.9 percent compared to the same period last year. Long-formed steel reached 0.4 million tons, a contraction

by 11.5 percent from reduced consumption of wire rods, steel bars and hot-rolled structural steel which decreased by 14.4 percent and 7.7 percent respectively. Flat-formed steel products had a sales volume of 0.9 million tons, a drop by 7.6 percent due to the consumption of other coated steel sheets and thin hot-rolled steel sheets which decreased by 19.6 percent and 16.1 percent respectively.

+ Imports in February 2019 reached 0.9 million tons, an increase of 3.0 percent compared to the same period last year. Long-formed steel reached 0.2 million tons, an increase of 6.2 percent from the import hot-rolled structural carbon steel which increased by 996.9 percent (key import markets were Luxemburg, Japan and China), followed by alloy steel wires and seamless steel pipes which increased by 50.0 percent and 28.8 percent respectively. Flat-formed steel reached 0.7 million tons in imports, an increase of 1.9 percent from the import of tinplated steel sheets which grew by 82.2 percent (key import markets were China and South Korea). This was followed by thick hot-rolled stainless-steel sheets and thin cold-rolled carbon steel sheets, which increased by 79.9 percent and 62.0 percent respectively.

“Production in the iron and steel industry in March 2019 is forecasted to slow down slightly compared to the same period of last year, from the slowdown in downstream industries such as the electrical appliances and can industry. There are also issues to follow on the VAT reduction policy (VAT) from the Chinese manufacturing sector with a reduction from 16 percent to 13 percent. It is expected that the VAT reduction will help reduce the cost burden for Chinese iron and steel manufacturers, support competitiveness and result in steel products from China becoming cheaper. However, there are still supporting factors from the expansion of the construction industry, especially the construction of public infrastructure.”

9. Textile and Garment Industry



Source: Office of Industrial Economics

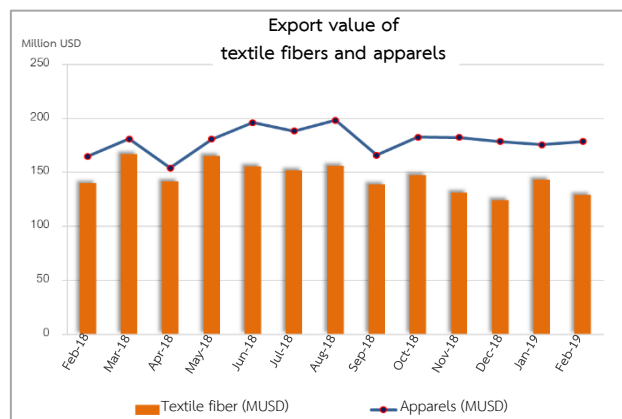
Production

➖ Production of textiles and fabrics decreased by 0.45 percent and 3.83 percent respectively (%YoY) due to decreased orders from major trading partners such as China and Vietnam for production of apparel.

➕ Apparel grew by 2.47 percent (%YoY) from the production of men and women's apparels for international brand exports.

Domestic sales

➖ Textile fibers, fabrics and apparels contracted by 3.35 percent, 3.18 percent and 3.51 percent (%YoY), respectively, partly due to the slowdown in exports causing the declining trend of domestic raw material supply. This was coupled with the import of apparel from foreign countries including famous brand apparel and relatively cheaper apparel as a replacement in the domestic market.



Source: Ministry of Commerce

Exports

➖ Textile fibers and fabrics decreased by 7.55 percent and 8.41 percent respectively (%YoY), whereby key markets for textile fibers and fabrics shrank, including China and Vietnam. The contraction was partly due to the unresolved trade war between the US and China, resulting in decreasing of orders of Thai raw materials to China and large Chinese operators in Vietnam for garment production. However, acrylic fibers, a special property fiber expanded in the US market.

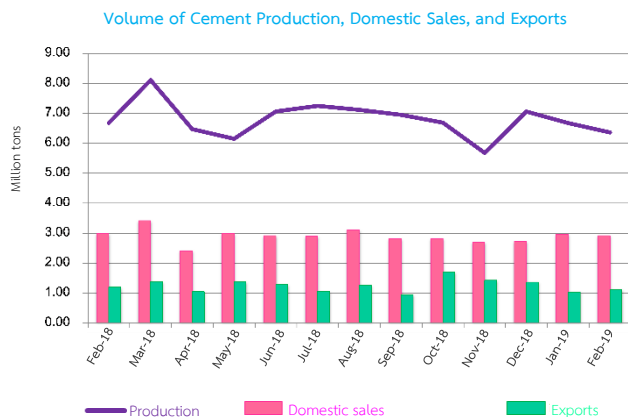
➕ Exports of Apparel increased in value by 8.29 percent (%YoY) as manufacturers in Thailand are trusted by the foreign brands to produce apparels, some of whom are original design manufacturer (ODM).

Forecast in March 2019

In the textiles and garments industry, production of textile fibers and fabrics are expected to slow down from the expected export trend, due to the political situation of the US and the trade war between the US and China, resulting in trade investment in such markets to slow down. These will affect producers to reduce the demand of raw materials from Thailand. However, apparel is expected to continue to expand in the group that is elevated to production for foreign brands.

10. Cement Industry

Overall Cement Industry



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



Overall cement production in February 2019 reached 6.36 million tons. The volume decreased by 4.69 percent and 4.70 percent from January 2019 (%MoM) and from the same month last year (%YoY) respectively.



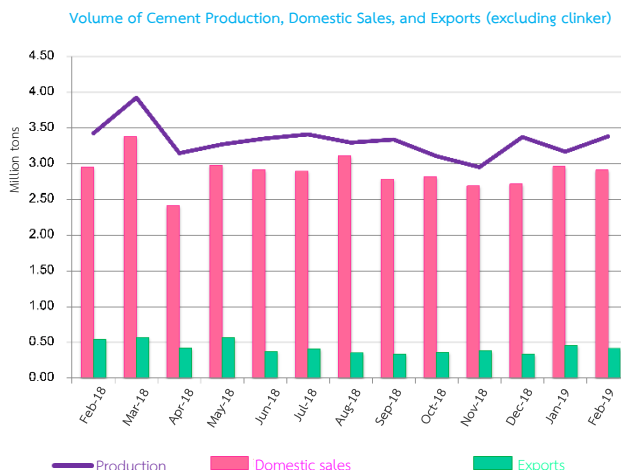
Overall domestic cement sales in February 2019 reached 2.91 million tons. The volume decreased by 1.64 percent from January 2019 (%MoM) and decreased by 2.33 percent from the same month last year (%YoY).



Total cement exports in February 2019 reached 1.12 million tons, an increase of 7.74 percent (%MoM) from January 2019. However, compared to the same month last year, the export volume dropped by 6.50 percent (%YoY) as key export markets, namely Laos, Myanmar and Cambodia decreased orders by 47.71 percent, 13.82 percent and 6.46 percent respectively.

The trend of overall cement production industry in March 2019 will slightly increase.

Cement Industry (excluding clinker)



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



Cement production (excluding clinker) in February 2019 reached 3.38 million tons. The production increased by 6.74 percent from January 2019 (%MoM) but decreased by 1.30 percent from the same month last year (%YoY).



Domestic sales of cement (excluding clinker) in February 2019 reached the total volume of 2.91 million tons. The sale volume decreased by 1.64 percent from January 2019 (%MoM) and decreased by 1.26 percent from the same month last year (%YoY).



Export of cement (excluding clinker) in February 2019 reached the volume of 0.41 million tons, decreasing by 10.02 percent from January 2019 (%MoM) and decreased by 23.04 percent (%YoY) from the same month of the previous year as a result of decreased orders from Laos, the Philippines, and Myanmar by 47.84 percent, 38.23 percent and 13.81 percent respectively.

The trend of the cement industry (excluding clinker) in March 2019 is expected to rise.