



Summary of Key Issues

The Manufacturing Production Index (MPI) in March 2017 expanded by 12.1 percent from last month, but shrank by 0.5 percent from the same period of last year. The major shrinking industries included automotive and its engine, and jewelry. While those positively impacted industries were iron and steel, petroleum refinery, meat products and hard disk drive.

Dropping of automotive industry in March 2017 was from shrinking export to major partner's markets which suffered from slowdown economics even though, domestic market growth continuously

Growth of meat products in March 2017 was from expanding processed chicken which raw materials supply was increased and went along with the market demand.

The growth of hard disk drive in March 2017 was due to the capacity expansion of some makers and the growth of almost export markets

Commencement and Disposal of Factory's Register

In March 2017, 387 plants commenced operation which increased by 40.7 percent from February 2017. The total invested capital increased by 30.6 percent and employment increased by 8.1 percent. Major investment was from methyl-ester (bio-diesel) industry with total invested amount of THB 2,350 million. Comparing with the same month of the previous year, the number of plants that commenced operation increased by 2.4 percent. On the other hand 126 Factory's Registers were disposed in March 2017 which increased by 53.7 percent from last month and decreased by 39.7 percent from the same month of last year.



Industrial Economics Status Report

March 2017

Thailand's Importation of Industry sector:

The import value of industrial machinery and components in March 2017 was USD 1,422.5 million which expanded by 6.0 percent from the same month of the previous year due to the increasing import of engine, transmission shaft & its components, jet turbine engine & its components, printing machinery and metal transforming machinery.

The import value of raw material and semi-finished product (excluding gold) was USD 7,076.5 million, increasing by 18.5 percent from the same month of last year which was in line with continuous import expanding of cloth, yarn, fiber, chemical, plastic product, metal and steel product, electrical and electronic products and its components.

Electricity power consumption of industry sector:

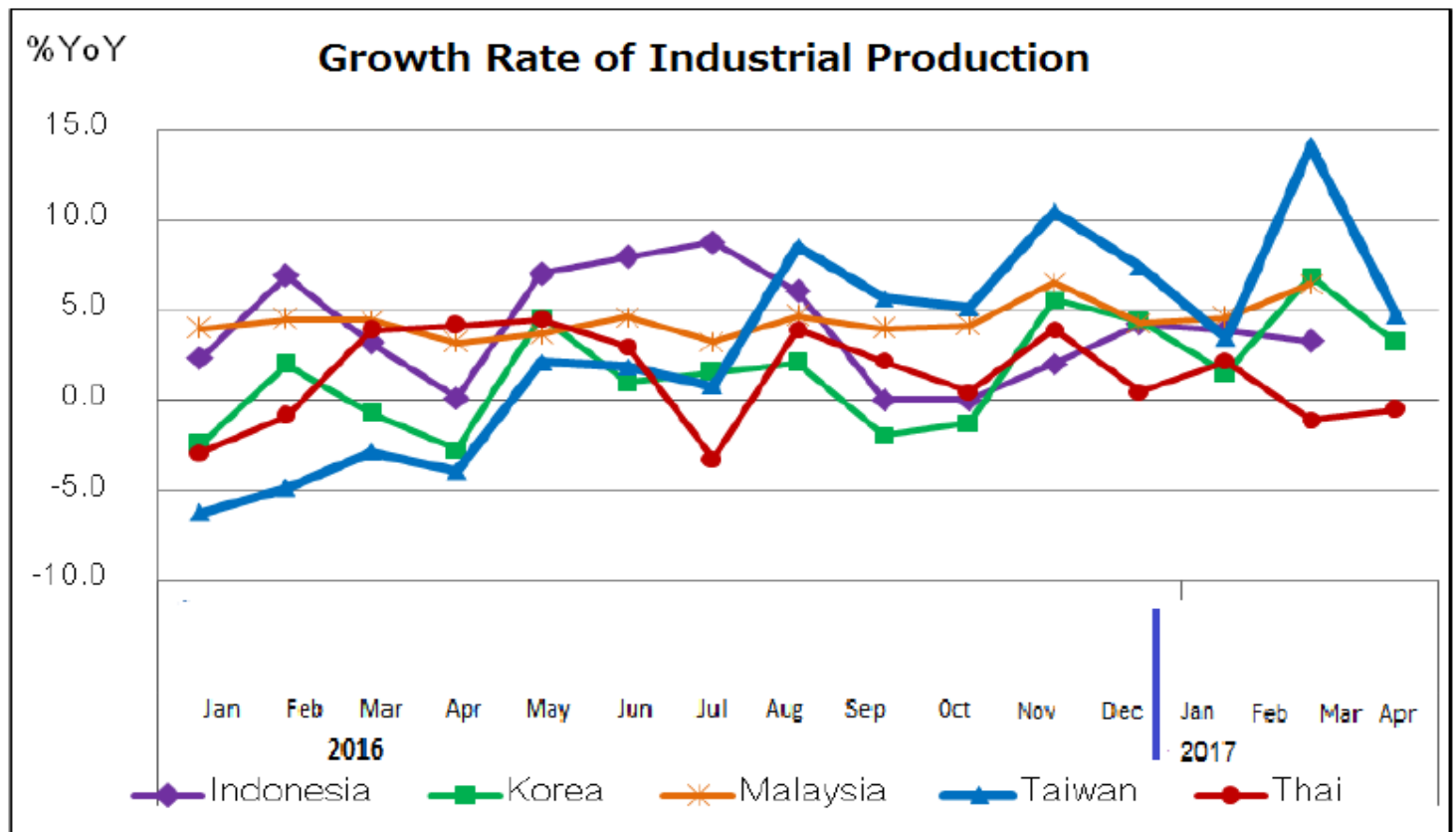
Consumption of 11,128.0 million kWh (kilowatt-hour) in March 2017 which was 17.1 percent increasing from last month (9,500.1 million kWh) and 2.9 percent increasing when comparing with the same period of last year (10,809.6 million kWh). The electricity power consumption data classified by business size showed that all sizes of businesses consumed more than last month and the same month of the previous year.



Industrial Economics Status Report

March 2017

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



Production situation of Thailand's Industry sector based on the Manufacturing Production Index (MPI) was decreased by 0.5 percent from the same month of last year. The shrinking industries were automobile, automobile parts & engine, gem and jewelry products, liquor distillation and starch production and starch product.

Meanwhile the industrial production rate of Taiwan was expanded by 4.7 percent.
The industrial production rate of South Korea was shrunk by 3.2 percent.

March 07's industrial production figures of Malaysia and Indonesia have not yet been released. The industrial production of both Malaysia and Indonesia in February 2017 were expanded by 6.5 percent and 3.3 percent respectively.



Industrial Economics Status Report

March 2017

Manufacturing Operation Situation in March 2017:

Data from the Department of Industrial Works (DIW) indicated the manufacture operation situation of March 2017 that 387 plants commenced the operation. It was up to less than 40.7 percent from February 2017 (275 plants). The invested capital was THB 17,914 million which increased by 30.6 percent from February 2017 (THB 13,719 million). The numbers of employment were 9,577 persons which increased by 8.1 percent from February 2017 (8,856 persons).

The plant commenced the operation increased by 2.4 percent from March 2016 which 378 plants commenced the operation. The number of employment was 9,060 persons which increased by 5.7 percent. However, the invested capital was THB 22,729 million which decreased by 21.2 percent from March 2016.

- The industry that had the most starting up manufacture in March 2017 was the operation of clay/soil digging and scooping for construction (totally 39 plants). The following were cement, ready-mixed cement and gypsum products (totally 28 plants).
- The start-up industry with the highest invested capital in March 2017 was methyl ester (bio diesel oil (totally THB 2,350.3 million). The following were cement, ready-mixed cement and gypsum products (totally THB 1,938.53 million).
- The start-up industry that had the most new employment in March 2017 was the production of ready-cooked food from meat (1,044 persons). The following was (695 persons).



Industrial Economics Status Report

March 2017

Manufacturing Shutdown situation: Data from the Department of Industrial Works (DIW) indicated that in March 2017 the number of plants closing down were 126 plants, increasing by 53.7 percent from February 2017 (82 plants). The total invested capital from such shutdown was THB 3,263 million which was higher than February 2017 (THB 1,072 million). The number of lay-off workers was 4,793 persons, much higher than in February 2017 (1,174 workers).

The shutdown manufacture in March 2017, when comparing with the same month of the previous year, was 39.7 percent less than in March 2016 (209 plants). The invested capital loss due to plant shutdown was lower than in March 2016 (THB 3,374 million) and the number of lay-off workers also was lesser than in March 2016 (5,891 workers).

- The industry that had the most manufacturing shutdown in March 2017 was the operation of clay/soil digging and scooping for and gas refilling operation (all together 9 plants). The following was the wooden furniture and decoration manufacture (8 plants).
- The shutdown industry with the highest invested capital was paper and paperboard (totally THB 1,194 million). The following was gas refilling operation (totally THB 268 million).
- The industries that had the most lay-off workers were the industry of operation of aquatic food with baking, smoking, pickle soaking and drying (1,534 workers). The following was clothes and garment making (874 workers).



I. Food Industry

The production and consumption of the food product increased from the same period of the last year from the domestic economic recovery and continuously increasing of export market together with higher price level.

1. Production

The production of major food product industry (excluding sugar) in March 2017 was increased by 0.4 percent. The details are:-

1) Export-oriented Product: The processed chicken increased by 7.0 percent from increasing of both raw materials supply and higher market demand.

2) Domestic-oriented Product: The production from imported soybean oil which price was indifferent from palm oil, increased by 5.8 percent due to continuous rising of domestic consumption demand which included soy bean residue for animal feed.

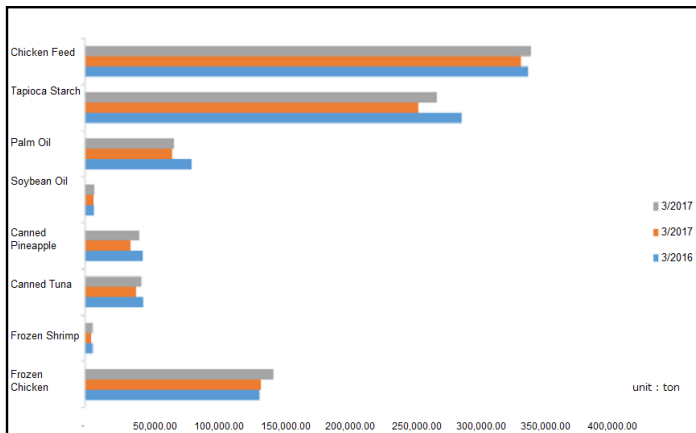
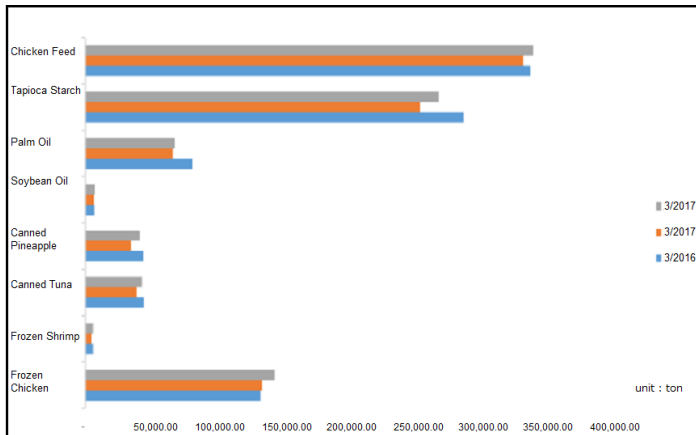
2. Marketing

1) Domestic Market:

The domestic sales in March 2017 in quantity of food and agricultural product slightly increased by 3.5 percent from the same month of the previous year due to still recovery of domestic economics.

2) Export Market:

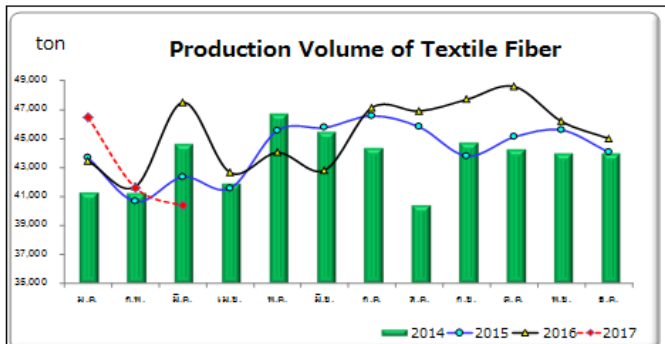
The total export in March 2017 of food products (excluding sugar) increased by 1.0 percent from the same month of the previous year. Those key products included chilled and frozen fresh chicken, processed chicken, rice product, chilled and frozen fresh shrimp, canned tuna and instant noodle, which increased by 21.2 percent, 13.7 percent, 7.9 percent, 2.2 percent, 1.3 percent and 1.3 percent respectively. Due to increasing purchase orders from partner countries and the higher price level of the importing countries.



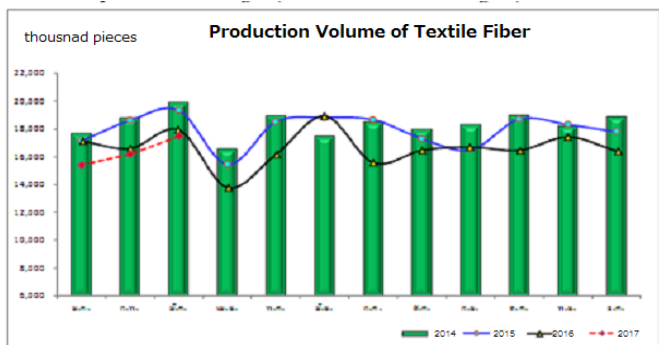


II. Textile and Garment Industry

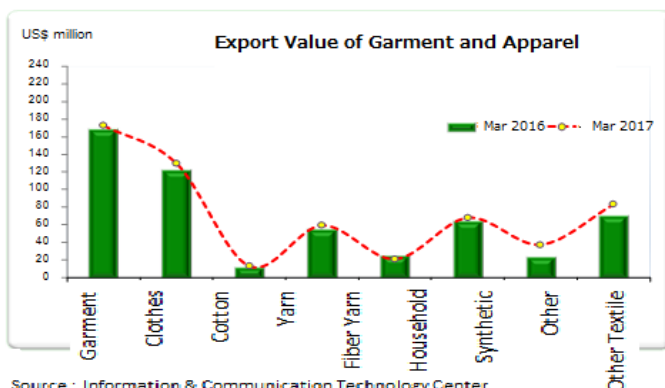
Manufacturing of textile was expanded in yarn product exporting to the expanding markets of South Korea, Japan, Bangladesh and Vietnam. The growing garment industry was from export to ASEAN market.



Source : Industrial Economics Information Center, Office of Industrial Economics



Source : Industrial Economics Information Center, Office of Industrial Economics



Source : Information & Communication Technology Center, International Negotiation Department, Ministry of Commerce

1. Production

□ **Textile sector:** When comparing with the same month of the previous year, the manufacturing of the textile fiber product decreased by 2.2 percent from domestic demand of synthetic fiber product and 2nd half accumulative stockpile. The yarn production was increased by 6.3 percent, 4 months consecutively growth due to orders from ASEAN, South Korea, Japan and China markets. The production of fabric for readymade clothes and other household garment were decreased by 5.5 percent from slow down of purchase orders.

□ **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

□ **Domestic Sales :**When comparing with the same month of the previous year, the sales of Textile fiber product, fabric and readymade garment decreased by 8.5 percent, 10.8 percent and 8.0 percent respectively along with decreasing production due to lower consumption of consumers who got stuck on debt and slow down their spending.

□ **Exporting :** When comparing with the same month of the previous year, the export of textile fiber product increased by 5.7 percent mainly from synthetic fiber products which grew by 4.5 percent from export to China, US and Bangladesh. The synthetic yarn grew by 6.9 percent from increasing demand from partner countries, especially ASEAN, South Korea, Japan and China. The export of fabric product was increased by 5.7 percent from exporting to ASEAN such as Vietnam, Myanmar, Indonesia, Cambodia, Laos and the Philippines. The export of readymade garment was inclined by 2.5 percent, after continuously decreasing for 2-3 years, due to the increasing orders from major export markets which were ASEAN and EU.



III. Iron and Steel Industry

1. Production

The manufacturing situation of steel industry in March 2017 improved when comparing with the same month of the previous year. The MPI in this month was at 143.43 with increment rate of 9.01 percent. However domestic consumption at the volume of 1.58 million tons was decreased by 2.6 percent. The import and export were increased by 3.4 percent and 8.5 percent at the volume of 1.07 and 0.15 million metric tons respectively. The highest exporting product was alloy steel. These can be classified as follow:-

- The MPI of the Flat steel was at 138.44, increased by 3.17 percent when comparing with the same month of the previous year. The galvanized steel sheet increased by 38.75 percent. The higher figure was due to technically applying low base figure for calculation. The following was the cold rolled sheet increased by 20.13 percent as production increased to cover the low production during Jan to Feb 2017. According to the data from the Iron and Steel Institute of Thailand, the domestic consumption in flat-steel product was 1,059,789 tons, increasing by 9.7 percent which mostly from the cold rolled sheet which increased by 27.7 percent. The following was the other plate sheets which increased by 18.4 percent. The import volume was 857,139 tons, increasing by 15.1 percent and the stainless steel increased by 66.8 percent. The export volume was 57,352 tons, increasing by 21.

- The MPI of long-formed steel production was at 152.45, increased by 11.37 percent. The production of steel wire increased by 28.37 percent and reinforcing wire increased by 13.07 percent to support government's large scale construction projects such as roads construction or harbor development etc. However, based on the data from the Iron and Steel Institute of Thailand, the domestic demand of Long-formed steel 521,691 tons was dropped by 20.6 percent from the decreasing of steel wire (25.1 percent). The

import volume was 209,691 tons, decreasing by 26.9 percent from 98.4 percent dropping of alloy steel. The export volume was 93,489 tons, increased by 2.1 percent and the seamless pipe increased by 171.8 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 all product prices were increasing which included the flat sheet which increased from 78.37 to 98.08, 25.15 percent increasing. The cold rolled sheet increased from 83.17 to 101.51 point, up by 22.05 percent. Hot rolled sheet increased from 80.00 to 97.43 point, up by 21.79. steel bar was 82.97 to 90.82 point, up by 9.51 percent, billet small steel increased by 89.41 to 9.17, up by 1.97 percent. This higher steel price was affected from the need to import of China which has increasing demand while its government has policy to reduce production.



IV. Automotive Industry

Automobile

The automobile industry declined in March 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 launching of new car models by several makers as well as domestic economic recovery continuously.

1. Production

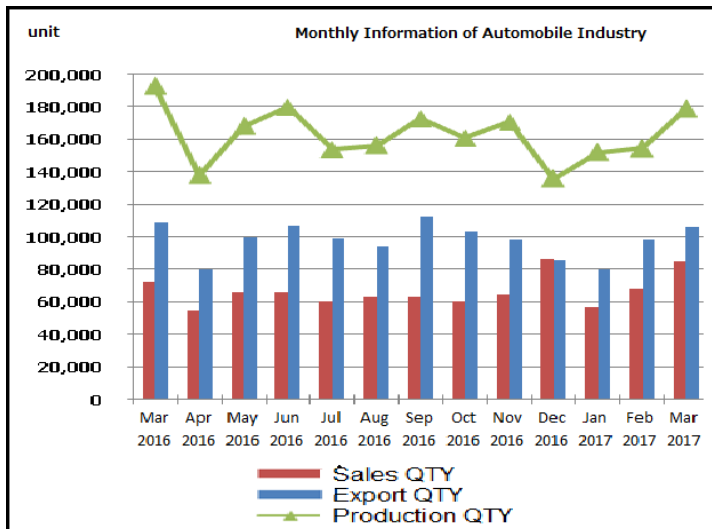
Manufacturing quantity of automotive in March 2017 was 178,798 units which decreased from March 2016 (192,811 units) by 7.27 percent from the decreasing of one-ton pickup truck production.

2. Sales

Sales quantity of automobile in March 2017 was 84,801 units which increased from March 2016 by 16.73 percent (72,646 units). This was due to the increase of sales of passenger vehicle, 1-ton pick-up truck and the commercial vehicle.

3. Export

The export quantity in March 2017 was 105,967 units which decreased from March 2016 by 3.08 percent (109,334 units). The declining export markets were Asian, Middle East and African countries.



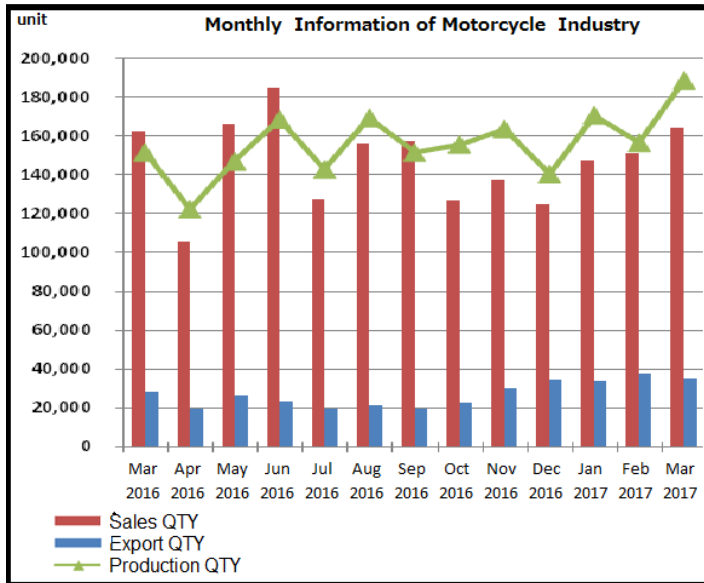


Industrial Economics Status Report

March 2017

Motorcycle

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



1. Production

Manufacturing quantity of motorcycle in March 2017 was 188,278 units which increased by 24.43 percent from March 2016 (151,313 units). Contribution were from the versatile-type and sporty motorcycles.

2. Sales

Sales quantity of motorcycle in March 2017 was 164,034 units which increased by 1.26 percent from March 2016 which sold 161,993 units due to increasing of the motorcycles with => 151 cc type.

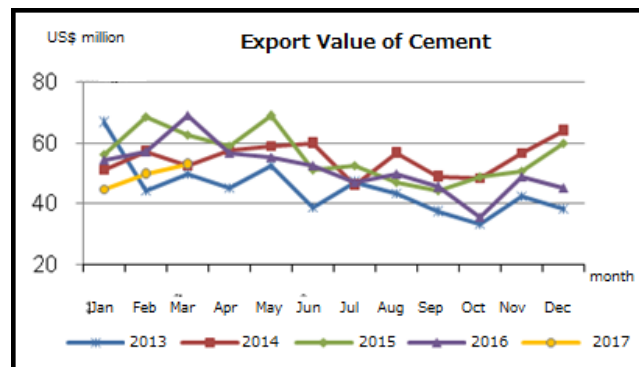
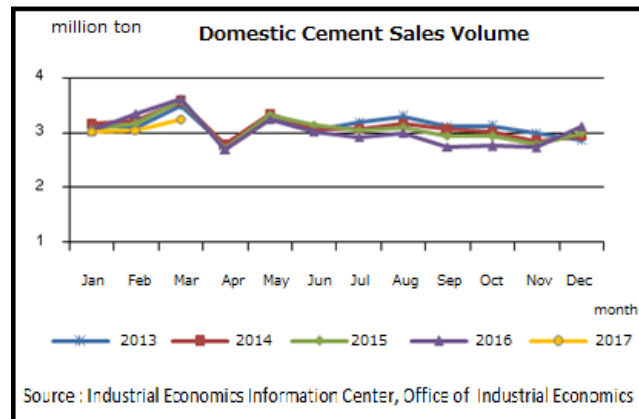
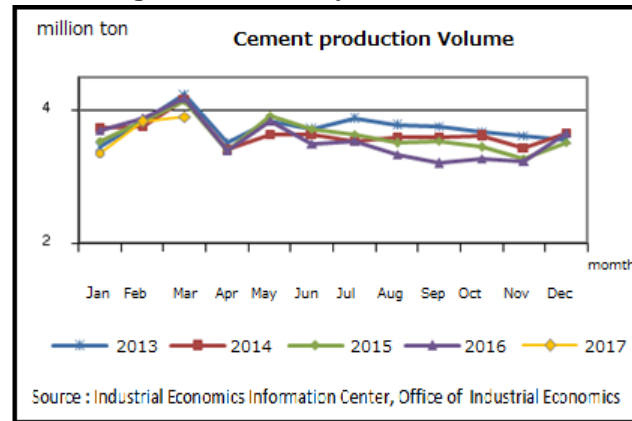
3. Export of Complete Built Unit (CBU) motorcycle

The export quantity was 34,803 units in March 2017 which increased 24.16 percent from March 2016 (28,031 units). The expanding export markets were UK, U.S. 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 from Myanmar.



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 March 2017 decreased by 6.69 percent and 10.52 percent respectively.

The lower industry growth by lower production and sales of cement (excluding clinker cement) was from dropping of construction, consequently, from slowdown of real estate industry. Furthermore decreasing of domestic production was from import cement of some Thai manufacturer who has production base in neighboring country.

2. Export

The export value of cement in March 2017 shrank by 23.67 percent from the same period of the previous year due to the decreasing orders from Myanmar from its increasing local production. Three major exporting countries still were Cambodia, Bangladesh and Myanmar with aggregate value of USD 36.5 million, 69.31 percent of gross export value.



VI. Electrical and Electronics Industry

In overview the manufacturing of electrical and electronic industry in March 2017 increased by 3.49 percent when comparing with the same month of the previous year. The electrical industry increased by 2.5 percent due to the expanding of air-conditioner, washing machine, rice cooker and cable. The electronic industry expanded by 4.24 percent due to the production increasing of Semi-conductor, Monolithic ICs and HDD.

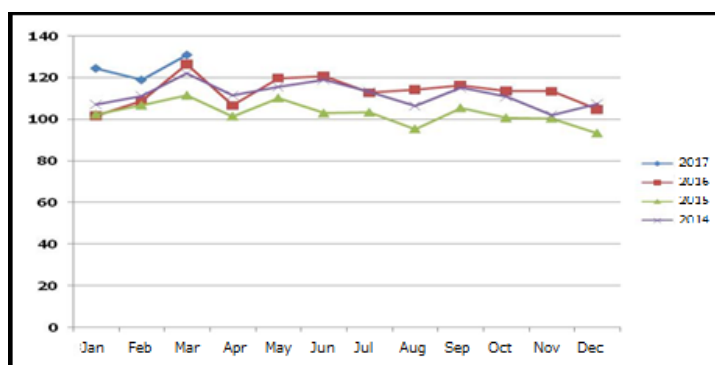


Table 1 : The value of most Electrical Appliance and Electronics products with highest export value of Mar 2017

Electrical Appliances and Electronics Products	Value (in million US dollar)	%YoY
Computer components	1,240.65	15.22
Printed Electrical Board	695.62	9.80
electrical circuit switching and protection device and parts	513.35	12.03
Air-conditioner	170.96	39.37
Total of Electrical Appliances and Electronics Products	5,291.18	12.96

1. Production

In overview the MPI of the electrical and electronic industry in March 2017 when comparing with the same period of the previous year, was at 130.82, up by 3.49 percent. The Production Index (MPI) of electrical industry sector was at 146.88, dropped by 2.50 percent. The increasing electrical appliance included condensing unit split-type air conditioner, fan-coil unit split-type air conditioner, washing machine, rice cooker and cable which increased by 3.52 percent, 4.44 percent, 34.06 percent, 4.01 percent and 2.36 percent respectively. This was due to the gradually recovery of world economy since early this year and the increase of both domestic sales and export.

When comparing with the same period of the previous year, the MPI of the electronic industry sector was at 120.81, increased by 4.24 percent due to production increasing of Semi-conductor, Monolithic ICs and HDD which increased by 11.94 percent, 12.34 percent and 46.88 percent respectively. As ICs were the essential parts for hi-tech product development, consequently made the export to all major countries continuously grew. The growth of HDD was due production expansion of some manufacturers which drove the growth of both production and export.

2. Export

Total export value of the electrical appliance product and electronic industry in March 2017 was USD 5,291.18 million, increasing by 12.96 percent when comparing with the same month of the previous year.

Electrical Appliance Product

The electrical appliance product had the export value of USD 1,672.00 million with the increase of 8.4 percent. The leading product with most export value was air conditioners with export amount of USD 513.35 million, up by 12.03 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. The following product was electrical circuit switching and protection device including base and control panel with export amount of USD 170.96 million, down by 39.37 percent. This was due to the export increased to the major markets such as EU, U.S., China and ASEAN, by 123.44 percent, 34.66 percent, 21.98 percent, 15.19 and 0.79 percent respectively.



Industrial Economics Status Report

March 2017

Electronic product

When comparing with the same month of the previous year, the electronic product had the export value of USD 3,105.87 million, increased by 14.39 percent. This was due to the increasing export to key markets as such as China, Japan and ASEAN markets, by 31.14 percent, 12.82 percent, 12.16 percent, 11.64 percent and 6.35 percent.

The leading electronic product with most export value was components of computer which had export amount of USD 1,240.65 million, up by 15.22 percent. This was due to the increase of export to major markets such as EU, China, U.S. and ASEAN by 27.40 percent, 24.76 percent, 5.25 percent and 4.31 percent respectively.

The following product was Electrical Circuit Board (ECB) with export amount of USD 695.62 million, increasing by 9.80 percent. This was due to the increasing export to all major markets i.e. China, EU, Japan and U.S. by 58.55 percent, 20.85 percent, 12.88 percent, 8.61 percent and 2.99 percent respectively.