

### Industrial Production Status

Indicators	2017	2018											2019		
%YoY	Year	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Year(f)	Jan.	Feb.	Mar.
MPI*	1.8	4.6	3.6	4.9	4.9	4.8	2.3	-0.1	5.7	0.8	1.2	3.6	0.6	-1.3	-2.5

\* 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 **March 2019**—when considering the **manufacturing production index (MPI)**—fell by 2.5 percent comparing the same period last year as a result of a 4.9 percent contraction in exports according to global economic condition.

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 December 2018 and January 2019, production grew by 1.2 percent and 0.6 percent respectively but decreased by 1.3 percent in February 2019.

Indicators	2018										2019		
%MoM	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
MPI*	11.0	-20.8	14.9	-1.5	-2.8	1.7	-2.7	2.1	0.9	-1.9	4.7	-2.6	9.6

For the past three months (December 2018, January and February 2019), the changing rates of MPI (%MoM) were -1.9 percent, 4.7 percent, and 2.6 percent respectively. These were in line with the typical seasonality of production which deaccelerated in December and February.

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

➤ **Automobiles and engines:** The production increased by 2.47 percent from one-ton pickup trucks, small-sized passenger car and medium-sized passenger cars in line with 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.

➤ **Petroleum refinery:** The production increased by 2.01 percent, following the increase in domestic consumption.

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

- Hard Disk Drives (HDDs): The production contracted by 21.21 percent from changes in data storage technology, especially in personal computers and notebook which SSDs (Solid State Drives) are currently being used to store data, including replacement with cloud storage over the internet. Furthermore, the development of HDDs with higher capacity, resulting in a drop in HDD production.
- Iron and steel: The production contracted by 11.25 percent mainly from hot rolled steel sheets, cold-rolled steel sheets, tinplated sheets, deformed bars and hot-rolled structural steel. Some manufacturers temporarily stopped production of hot-rolled steel sheets, whereas, for other steel sheet types, manufacturers were affected by the delay of customer orders as they could not compete with the price of imports and the demand of rebar for construction was still limited.
- Other non-tire rubber products: The production contracted by 10.42 percent from sheet and block rubbers due to very hot and dry weather 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.

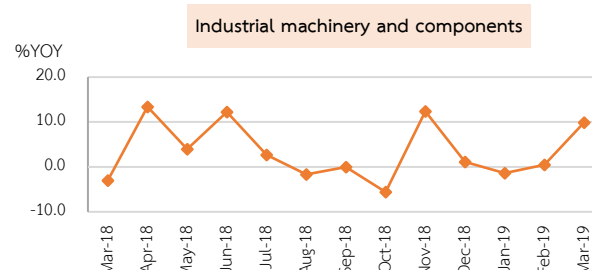
## Other Industrial Economic Indicators in March 2019

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### Imports of Thailand Industrial Sector



Source: Ministry of Commerce

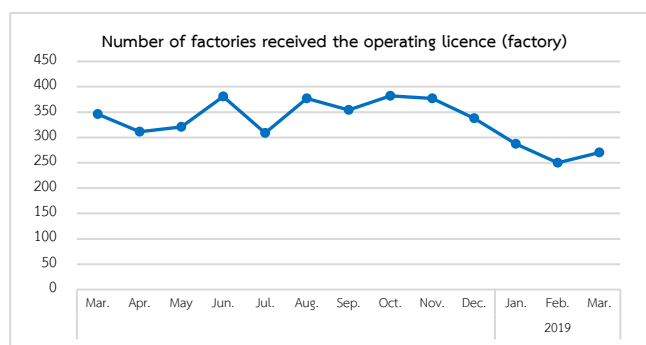


Source: Ministry of Commerce

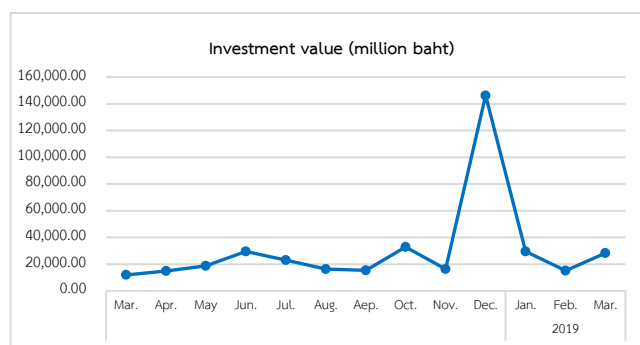
**➖ Imports of raw materials and semi-finished products (excluding gold)** in March 2019 valued 6,357.6 million USD, a drop by 8.6 percent compared to the same month last year. Imported products that contracted included chemicals, accessories and components of electrical appliances and electronics, iron, steel, and products, for example. However, there were still some products such as fabrics, thread and fibers, paper, and paper products of which the growth rates increased.

**➕ Imports of industrial machinery and components** in March 2019 valued 1,516.6 million USD, a growth by 9.9 percent compared to the same month last year. The growth was driven by increased imports of products such as engines, power transmission shafts and other components, machinery and components used in other industries, and machinery and components for construction.

## Industrial Operation Status



Source: Department of Industrial Works



Source: Department of Industrial Works

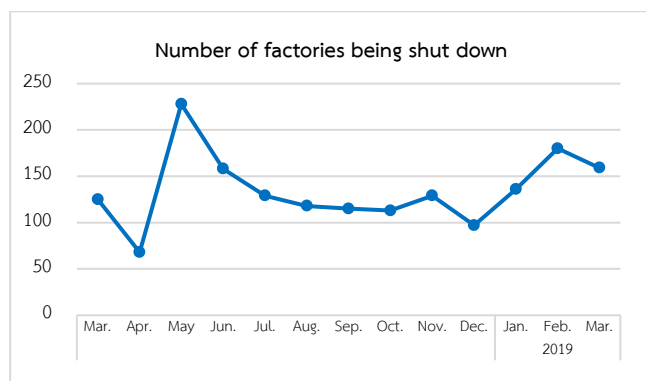
➕ A total of 270 factories were licensed to operate in March 2019. The number increased by 8.0 percent from February 2019 (%MoM) but decreased by 22.0 percent compared with the same month last year (%YoY).

➕ The total value of investment from the licensed factories for operation in March 2019 was 28,179 million Baht. The value increased by 87.2 percent from February 2019 (%MoM) and increased by 136.7 percent from the same month last year (%YoY).

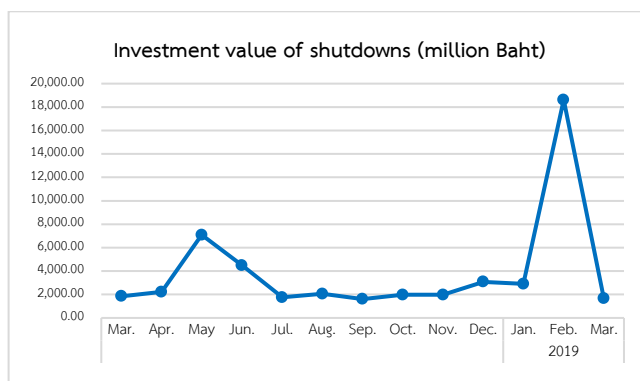
*“The industry with the highest number of newly licensed factories for operation in March 2019 was the concrete product, cement-gypsum mixed products, and plaster industry (24 factories), followed by the motor vehicle repair industry (21 factories).”*

*“The industry with the highest value of the investment in March 2019 was the petroleum refinery valued at 15,360 million Baht, followed by the industry of power generation from thermal energy valued at 1,842 million Baht. ”*

## Industrial Operation Status (cont.)



Source: Department of Industrial Works



Source: Department of Industrial Works

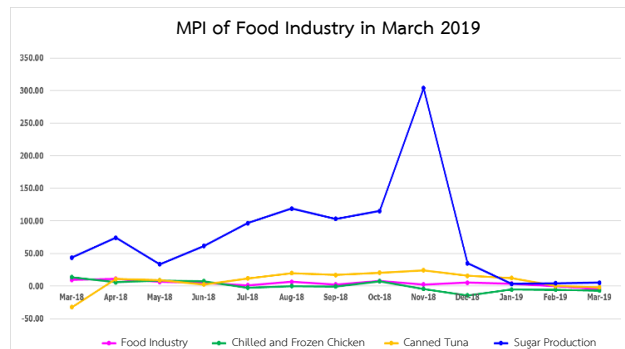
- ➕ A total of 159 factories shut down the operation in March 2019. The number of shutdowns decreased by 11.7 percent from February 2019 (%MoM) but increased by 27.2 percent from the same month last year (%YoY).
- ➕ The lost investment value on shutdowns in March 2019 was 1,658 million Baht. The figure decreased by 91.1 percent from February 2019 (%MoM) and 10.6 percent from the same month last year (%YoY).

*“The industry with the highest number of factory shutdowns in March 2019 was tuber peeling or processing tubers into strings, rings or sticks and the motor vehicles repair industry (9 factories in each industry), followed by the plastic equipment, tools and household items production industry (7 factories).”*

*“The industry with the highest value of investment with factory shutdowns in March 2019 was the fermentation, carbonization, combing, rolling, spinning, baking or dying of fibers valued at 249 million Baht, followed by the cutting or sewing apparel, handkerchief, scarves industry valued 242 million Baht.”*

## Industrial Economic Status by Industrial Sectors in March 2019

### 1. Food Industry



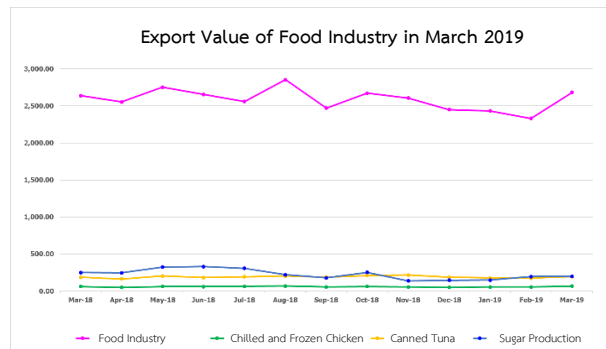
Source: The Office of Industrial Economics



**Production** of food product in March 2019 decreased by 4.2 percent (%YoY), classified as follows:

1) Export-orientated products that were (1) canned pineapple dropped in MPI by 31.5 percent (%YoY) due to less raw materials from the drought and a relatively high base in the previous year with oversupply, causing farmers to reduce the plantation area this year. Also, the international market continued to shrink and stock among leading importers like EU and the US remained high. Furthermore, (2) white sugar dropped in MPI by 11.9 percent (%YoY) as production closed faster than the previous year and sugar factories gradually stopped the process and (3) frozen shrimp dropped in MPI by 3.0 percent (%YoY) as domestic raw materials decreased, coupled with a low selling price and more trade partners that turned to imports from India and Indonesia.

2) Domestic market-orientated products namely, chilled and frozen chicken, dropped in MPI by 6.6 percent (%YoY) as the result of decreasing in domestic consumption demand, although domestic and international consumption continued to grow.



Source: Ministry of Commerce



**Domestic sales** volume of food products in March 2019 contracted by 5.7 percent (%YoY) from the deteriorating agricultural income index as a result of the declining product price index, namely cassava, palm oil, and white shrimp, and the production index of key products decreased, namely, sugar cane and pineapple.

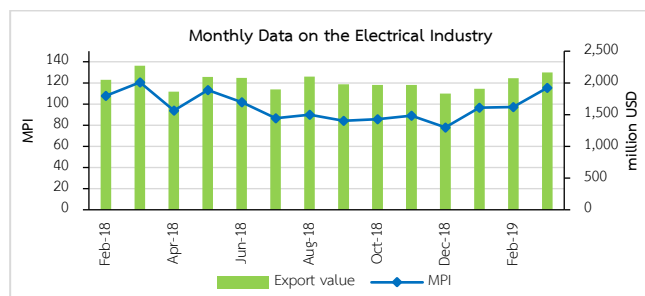


**Export markets** of food products in March 2019 grew by 1.7 percent (%YoY) after four consecutive months of contractions in essential products such as canned sardines, processed chicken, seasoning, canned tuna, tapioca starch and chilled and frozen chicken by 18.8 percent, 16.9 percent, 9.6 percent, 6.4 percent, 5.9 percent and 5.8 percent respectively. Despite the slowing global economy and the trade war between the US and China still unclear, the demand for consumption in the South Asian countries and the Middle East continued, although crucial products such as white rice, jasmine rice, potato chips, chilled and frozen shrimp, canned pineapple, sugar and canned sweet corn contracted.

**The predicted trend** is expected that the production and export value of the food industry in April 2019 will contract from the previous month and the same period last year with negative factors such as the closure of sugarcane production that was earlier than the past year, together with agricultural production that declined due to drought and slowing demand, such as shrimp and pineapple. The overall export value is expected to continue to expand from the previous month based on positive factors, such as EU increasing the quota for chicken and animal meat export for Thailand (rising from the current quota by 3.2 percent). Furthermore, China imported more Thai chicken to replace imports from Brazil, together with EU unlocking the yellow card status for IUU Fishing to boost the Thai fishing industry's image, whereby these should push the export value of fishery products to positive growth, even though there are negative factors from the slowing global economy.

## 2. Electrical and Electronics Industry

### ■ Electrical Industry



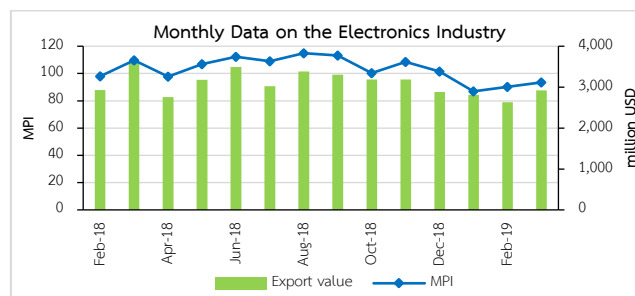
Source: The Office of Industrial Economics

❖ **Production of electrical appliances** reached a production index of 115.3, a drop by 4.4 percent compared to the same month last year. Products that dropped in production were compressors, washing machines, microwaves, rice cookers, electric motors, transformers and electrical wires by 10.9 percent, 0.6 percent, 21.9 percent, 15.3 percent, 0.6 percent, 54.5 percent and 35.9 percent. Rice cookers, compressors, microwaves, electric motors, transformers and electrical wires from decreased production due to the drop in domestic sales, whereas the decrease in washing machines was due to the focus on sale of inventory. Nonetheless, products which grew in production were air conditioners, refrigerators, household fans, kettles and cables by 3.6 percent, 15.4 percent, 6.4 percent, 18.7 percent and 11.8 percent. Air conditioners increased from more domestic sales, whereas refrigerators experienced more purchase orders from the US, Japan and EU.

❖ **Exports of electrical appliances** valued 2,162.6 million USD, a 4.8 percent decrease compared to the same month last year from key markets that decreased including China, EU, and ASEAN. Air conditioners and components reached an export value of 591.8 million USD, a decrease of 9.8 percent from a contraction in Vietnam by 24.3 percent, whereas the export value to India, the US and Japan grew by 12.6 percent, 51.7 percent, and 30.8 percent. Refrigerators reached an export value of 157 million USD, an increase of 4.3 percent and switch and electrical control panels reached an export value of 154.1 million USD, an increase of 15.9 percent, whereas washing machines valued 130.3 million USD, a 13.20 percent increase.

*"Production forecast in April 2019, the electrical industry is expected to decrease by 2.7 percent compared to the same month last year as a result of decreasing order of air conditioners from ASEAN."*

### ■ Electronics Industry



Source: The Office of Industrial Economics

❖ **Production of electronics** reached an MPI of 93.4 percent, a drop of 11.1 percent from the same month last year. Products that contracted were semiconductor devices, transistors, HDDs, PWBs, ICs and printers, which decreased by 26.6 percent, 22.6 percent, 17.4 percent, 0.9 percent, and 1.9 percent respectively, as a result of decreased orders from key markets; however, PCBA increased by 9.8 percent.

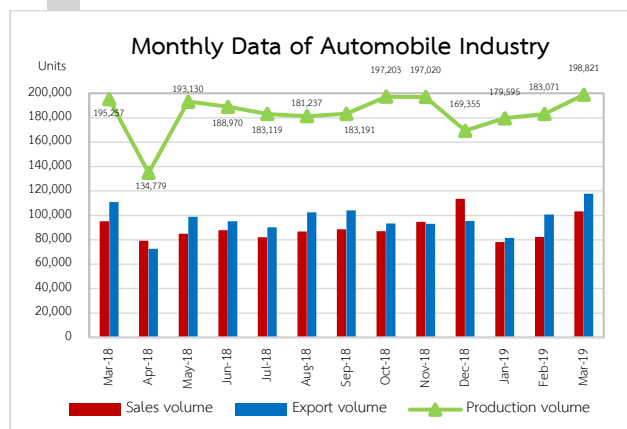
❖ **Exports of electronics** valued 2,918.9 million USD, a drop by 19.3 percent compared to the same month last year as all markets contracted, including the US, China, EU, Japan and ASEAN. Computers parts and equipment reached an export value of 1,066.9 million USD, a decrease of 26.5 percent, whereas the export value of HDDs dropped by 33.9 percent, from contractions in China, EU and US markets by 43.4 percent, 49.7 percent and 35.1 percent as the global electronics industry slowed down and global supply of SSDs reached an excess, causing prices to drop and compete in the HDD market. Integrated circuits (IC) exports valued to 634.1 million USD, a decrease of 23.4 percent, with a drop by 46.4 percent and 27.0 percent in the Chinese and US markets respectively. The contractions were due to trade countermeasures between the US and China, which affected the production and export chain of Thailand.

*"In April 2019, production in the electronics industry is expected to decline by 2.7 percent compared to the same month 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."*



### 3. Automotive Industry

#### Automobile Production Industry



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

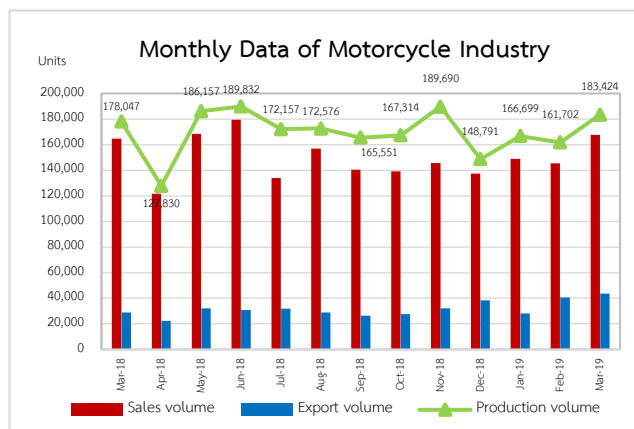
**+** **Automobile production** in March 2019 reached 198,821 units which was the highest number in 68 months (since August 2013). The production increased from February 2019 by 8.60 percent (%MoM) and increased by 1.83 percent from the same month last year (%YoY) as the result of an increase in production of 1-ton pickup trucks and derivatives, and commercial vehicles.

**+** **Domestic sales of automobiles** in March 2019 reached 103,164 units, an increase of 25.31 percent (%MoM) from February 2019 and 8.50 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, together with the post-election period in preparing the government, causing consumers to have confidence in the economy.

**+** **Automobile exports** in March 2019 reached 117,708 units, increasing by 17.06 percent (%MoM) from February 2019 and increased by 6.09 percent (%YoY) from the same month last year, whereby car exports increased in Asia, the Middle East, and Europe was the highest volume in 18 months (since October 2017).

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

#### Motorcycle Production Industry



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

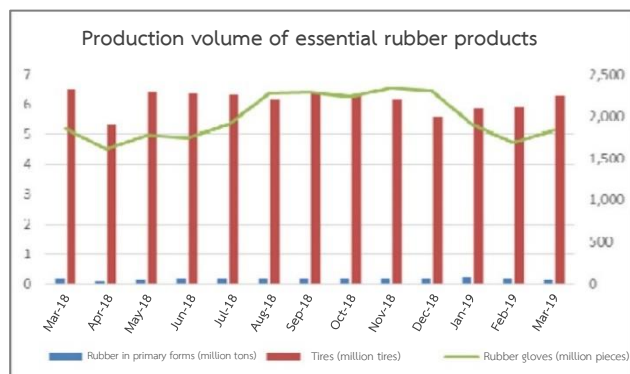
**+** **Motorcycle production** in March 2019 reached 183,424 units. The production increased by 13.43 percent from February 2019 (%MoM) and 3.02 percent from the same month last year (%YoY), resulting from the production growth of multi-purpose and sport motorcycles.

**+** **Domestic sales of motorcycles** in March 2019 reached 167,777 units. The number increased by 15.43 percent from February 2019 (%MoM) and 1.94 percent from the same month last year (%YoY), resulting from the increase in sales volume of 51 – 110 cc, 126 – 250 cc., and 251 – 399 cc. motorcycles.

**+** **Exports of motorcycles** in March 2019 reached 43,690 units. The number increased by 7.78 percent from February 2019 (%MoM) and 51.17 percent from the same month last year (%YoY), whereby exports to the UK, the US, and the Netherlands increased.

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

## 4. Rubber and Rubber Products Industry



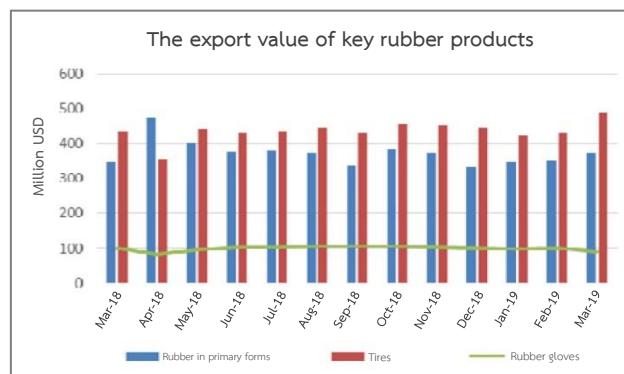
Source: The Office of Industrial Economics

### Production

- ➖ Rubber in primary forms (smoked rubber sheets, rubber blocks and latex) dropped by 5.55 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 Malaysia and the US.
- ➖ Tires dropped by 3.23 percent due to the continued slowdown of the replacement market.
- ➖ Rubber gloves dropped by 0.99 percent in line with contraction of both domestic and overseas markets.

### Domestic Sales

- ➖ Rubber in primary forms (smoked rubber sheets, rubber blocks and latex) dropped by 6.56 percent from a decrease in domestic demand.
- ➖ Tires dropped by 6.74 percent as the result of the contraction of the replacement market.
- ➖ Rubber gloves dropped by 26.68 percent, as some major Thai manufacturers shifted market plan to concentrate more on exports.



Source: Ministry of Commerce

### Exports

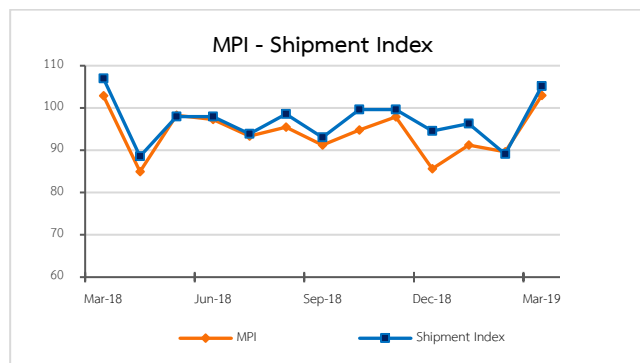
- ➕ Processed rubber in primary forms (smoked rubber sheets, rubber blocks and latex) increased in the value by 6.56 percent as China, a key market of Thailand, ordered more **rubber blocks** from Thailand, coupled with the relatively low volume in 2018.
- ➕ Tires value grew by 13.04 percent as the result of a good growth of the US market which grew by 22.91 percent.
- ➖ Rubber gloves value decreased by 10.04 percent from contraction of Thailand's key export markets, especially the US, Japan and the Netherlands.

### Industry Outlook in April 2019

Production and sales of processed rubber in primary forms (smoked rubber sheets, rubber blocks and latex) is expected to decrease following 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 significant manufacturers adjusted their marketing plans to become more export-oriented.

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 (in 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: The Office of Industrial Economics

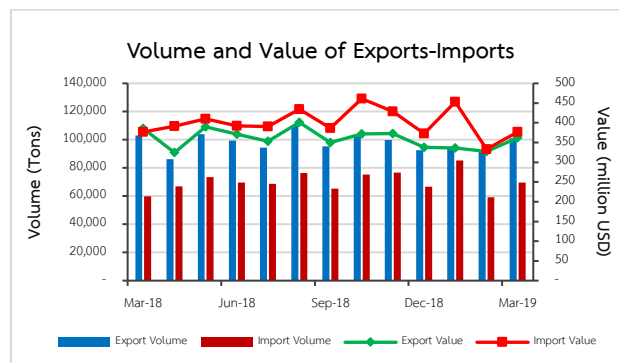
### Production and Sales

**+ Manufacturing Production Index** in March 2019, the MPI increased by 0.04 percent compared to the same period of the previous year, as production was adjusted to suit the reduced inventory. The MPI of plastic pipes and pipe products increased the most by 17.08 percent.

**- Shipment Index** in March 2019, the shipment index contracted by 1.85 percent compared to the same period last year. The shipment index dropped the most for plastic sack products by 13.66 percent, followed by household items by 9.05 percent.

### Marketing

**- Exports** in March 2019 valued 362.01 million USD, dropping 6.14 percent compared to the same period last year. Plastic products that resulted in a decrease in export value were mainly other plastic products (3926), used primarily in the industry, valued at 13.64 million USD. The overall export value has decreased due to fewer orders from trading partners such as China, Australia, Cambodia and Indonesia.

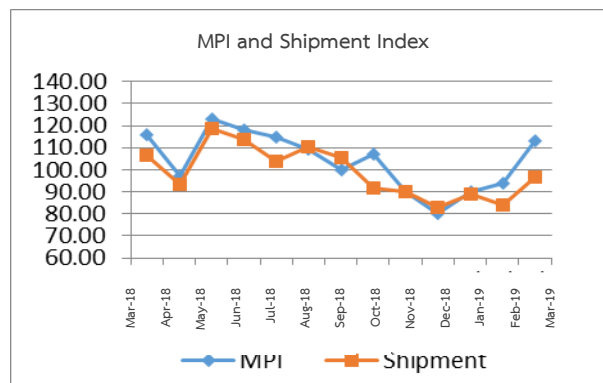


Source: Customs Department, Ministry of Finance

**- Imports** in March 2019 valued 376.63 million USD, dropping 0.12 percent compared to the same period last year. Plastic products that decreased in imports were other plastic products (3926) and tubes or pipes (3917) whereby the value decreased by 4.46 percent and 3.86 percent respectively.

*The plastics industry outlook in April 2019 is expected that production and marketing will slightly drop due to the extended holiday season, including factors from trade wars that may negatively affect the market. Furthermore, oil prices should be monitored as they are likely to increase, and the Baht value which affects production costs.*

## 6. Chemicals Industry

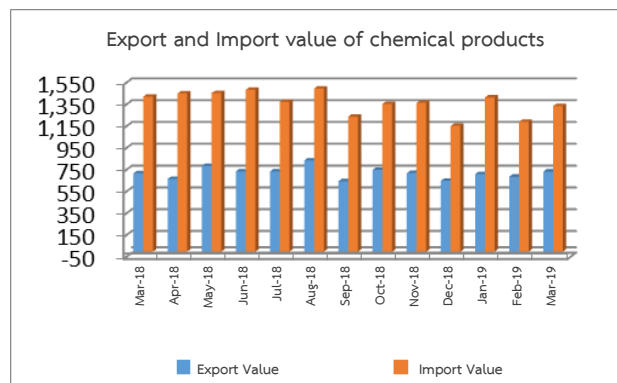


Source: The Office of Industrial Economics

➖ **The manufacturing production index** of the chemicals industry in March 2019 reached 112.92, down by 2.76 percent compared to the same period last year. Production decreased in downstream chemicals by 4.16 percent compared to the same period last year whereby products with less production were fertilizers and cosmetics.

➖ **Sales** in March 2019 for the chemical industry, the shipment index of the chemical industry was 96.44, a decrease of 8.56 percent compared to the same period of last year. This was a result of decreasing shipment index in basic chemicals by 0.25 percent and the decline in shipment index of downstream chemicals by 11.14 percent among the product groups such as fertilizers and skincare.

➕ **Exports** in March 2019 valued approximately 735 million USD, an increase of 2.24 percent compared to the same period last year. Downstream chemicals had an export value of 352 million USD, an increase of 5.90 percent compared to the same period last year. Key products that contributed to the growth in export value from last year were cosmetics and surfactants. Primary export markets for downstream chemical included Japan and ASEAN countries.

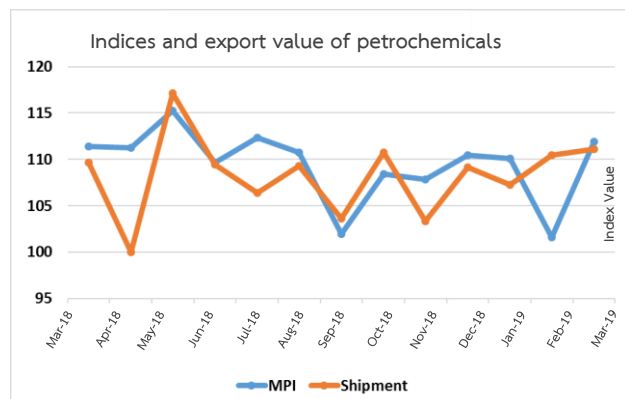


Source: Customs Department, Ministry of Finance

➖ **Imports** in March 2019 valued 1,337 million USD, dropping 6.01 percent compared to the same period last year. Upstream chemical products valued 842 million USD, decreasing by 5.52 percent from last year, whereby chemical groups that resulted in a contracted import value were organic, inorganic and miscellaneous chemicals respectively; key import markets were China, India and Japan. Downstream chemicals valued 495 million USD, a drop by 6.82 percent compared to the same period last year, whereby chemicals groups that resulted in a lower import value included fertilizer and surfactants, respectively; key import markets were Saudi Arabia, Russia and China.

In April 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 trade protection policies between the US and China that caused the global economy to slow down and affect the export of Thai chemical products to slow down to major export markets such as China and Japan. Furthermore, exchange rate fluctuations should be monitored which may affect exports, and household debt which remains quite high, and the prices of agricultural products that are still low which may affect the domestic purchasing power of chemicals.

## 7. Petrochemicals Industry



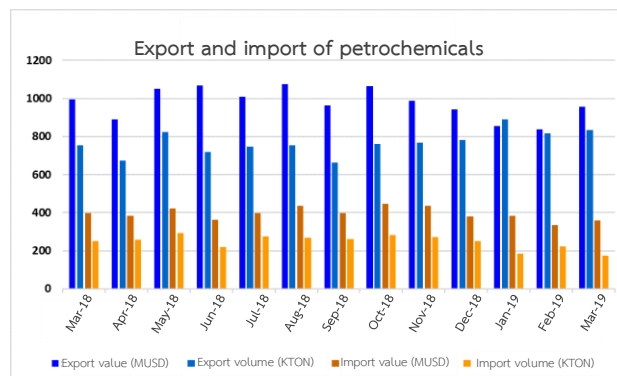
Source: The Office of Industrial Economics & Customs Department, Ministry of Finance

**+** The manufacturing production index in March 2019 grew by 0.44 percent, with growth in PET resin, PE resin, PP resin, ethylene, and PS resin by 9.62 percent, 5.38 percent, 2.62 percent, 1.05 percent and 0.47 percent from last year, as the industry produced to suit the amount of inventory.

**+** Sales in March 2019 increased by 1.34 percent. Products which increased in sales were PET, PVC, and PP resins by 9.75 percent, 8.37 percent, 5.97 percent, and 4.97 percent respectively, compared to the same period last year.

- Ethylene and propylene prices in the Asian market in March 2019, averaged at 962 and 805 USD/ton, respectively. When compared to the same period last year, it was found that ethylene and propylene prices dropped from 1,237 and 972 USD/ton respectively.

- In March 2019, prices of PE and PP resins (average price of SE Asia CFR) of LDPE, LLDPE, HDPE and PP were at an average of 1,057, 1,044, 1,104 and 1,151 USD/ton respectively. When compared to the same period last year, the average prices of PE such as LDPE, LLDPE, HDPE and PP dropped from 1,237, 1,241, 1,414, and 1,296 Baht/kg respectively.



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

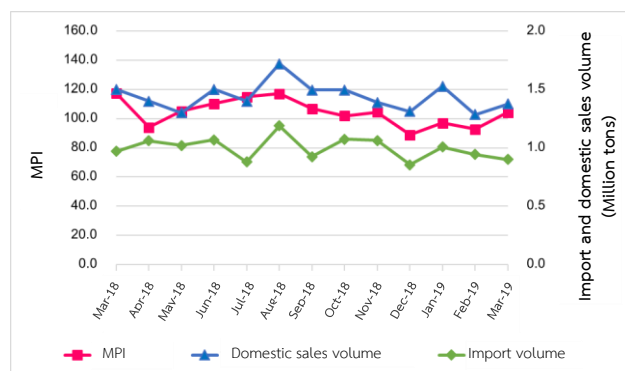
**+** Exports in March 2019 reached a volume of 835,210 metric tons, up 11.01 percent compared to the same period last year. Overall, the increase in exports was due to increased orders from each country, namely Vietnam, the US and South Korea, which accounted for 84.98 percent, 66.11 percent and 9.61 percent compared to the same period last year.

- Exports of basic petrochemical increased, including Terephthalic Acid, Benzene and Toluene, representing 28.98 percent, 25.93 percent and 10.34 percent, respectively.

- Exports of downstream petrochemicals such as PE, PP, PET, and PVC resins representing 13.18 percent, 1.98 percent, 14.90 percent, and 22.55 percent, respectively

For April 2019, it is expected that the export will improve as a result of higher demand for basic petrochemical products from Thailand and expansion of key export markets, including China, Indonesia, Vietnam, and Japan.

## 8. Iron and Steel Industry



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

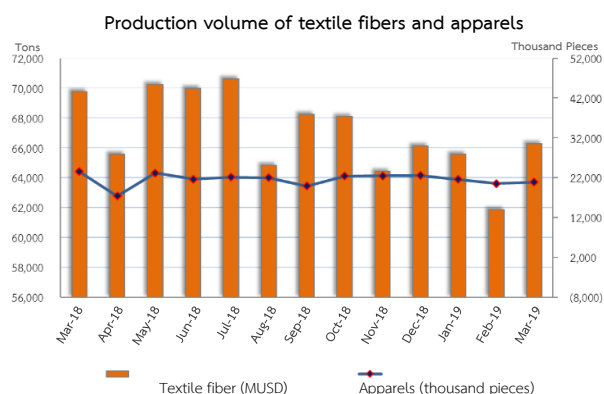
❗ **The manufacturing production index** in March 2019 reached 104.3, a drop by 11.3 percent compared to the same period last year, declining for the fifth consecutive month from November 2018 to March 2019. Considering essential products, namely flat-formed and long-formed steel, the MPI decreased in both product groups. Long-formed steel products reached an MPI of 103.0 a contraction by 4.5 percent from the production of deformed bars which decreased by 12.7 percent, followed by hot-rolled structural steel and wires by 11.7 percent and 3.8 percent respectively. The contraction was due to the slowdown in downstream industries such as the construction industry. Flat-formed steel products reached an MPI of 98.3, a decrease of 19.9 percent as a result of the production of tinplated sheets which decreased by 47.2 percent; this was the twelfth consecutive month of decline from April 2018 to March 2019. The import volume reached 24,317 tons, an increase of 0.5 percent whereby key import countries were China and South Korea. Furthermore, the domestic consumption of tinplate decreased by 17.1 percent following the slowdown in downstream industries such as the canned fruit industry. This was followed by hot-rolled steel sheets which decreased by 28.5 percent as some factories producing hot-rolled steel sheets temporarily stopped production, coupled with cold-rolled steel sheets which dropped by 24.5 percent as the price of steel products dropped. As a result, entrepreneurs in downstream industries such as galvanized steel sheet manufacturers turned to import cheap products from foreign countries such as China.

❗ **Domestic sales** in March 2019, reached 1.4 million tons, decreasing by 6.8 percent compared to the same period last year. Long-formed steel reached 0.5 million tons, a contraction by 3.0 percent from the sale of wire rods which decreased by 11.9 percent. Flat-formed steel products had a sales volume of 0.9 million tons, a drop by 8.9 percent, from the sale of thin hot-rolled steel sheets which decreased by 22.0 percent, followed by tin-coated steel sheets and thin cold-rolled steel sheets by 17.7 percent and 10.9 percent respectively.

❗ **Imports** in March 2019 reached 0.9 million tons, decreasing by 7.3 percent compared to the same period last year. Long-formed steel reached 0.2 million tons, a decrease of 4.4 percent from the import hot-rolled structural alloy steel which decreased by 91.6 percent (key import markets were China), followed by white shaft steel and hot-rolled structural carbon steel which fell by 56.3 percent and 37.8 percent respectively. Flat-formed steel reached 0.7 million tons in imports, decreasing by 8.3 percent from the import cold-rolled structural steel by 72.5 percent (key import markets were China), followed by hot-rolled structural carbon steel and seamless steel pipes which dropped by 44.5 percent and 38.4 percent.

*“Production in the iron and steel industry in April 2019 is forecasted to remain stable compared to the same period of last year, from the slowdown in downstream industries such as the electrical appliances and can packaging industry. However, there are still supporting factors from the expansion of the automobile industry.”*

## 9. Textile and Garment Industry



Source: The Office of Industrial Economics

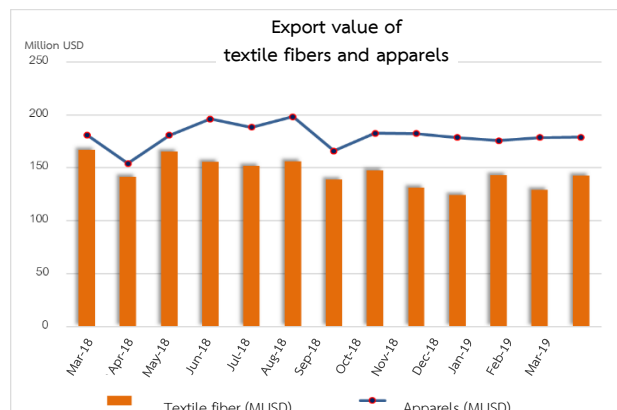
### Production

Production of textiles, fabrics, and apparels dropped by 5.03 percent, 1.49 percent and 11.03 percent (%YoY) due to the purchase of raw materials from major trading partners such as China and Vietnam to be used in the production of ready-made garments which dropped. This is together with the import of raw materials from abroad for apparel, and a decrease in the production of children's clothing. However, women's clothing and undergarments expanded in production to support exports.

### Domestic sales

Textile fibers, decreased by 2.45 percent (%YoY) from the purchase of some raw materials from abroad as a replacement.

Fabrics and apparel grew by 9.93 percent and 2.70 percent (%YoY) from the sale of products in stock to prepare for the festivities and the production of yellow shirts, with the emblem of King Rama 10 for the upcoming coronation, whereby the government invited people to wear yellow shirts for 4 months for the royal ceremony between April - July 2019.



Source: Ministry of Commerce

### Exports

Textile fibers, fabrics, and apparels decreased in value by 14.44 percent, 5.96 percent and 1.18 percent respectively. Key textile fiber and fabric export markets shrank, including China and Vietnam. Issues to be monitored were the unresolved trade war between the US and China, resulting in the slowdown of purchases of Thai raw materials to China and large Chinese operators in Vietnam, for the production of apparel in both countries which slowed down. However, the export of artificial fibers to the US continued to expand for 15 consecutive months since January 2018. Meanwhile, the export of apparel decreased in baby clothes to EU, while the export of men's and women's clothing and underwear in the form of contracting for design and production continued to expand.

### Forecast in April 2019

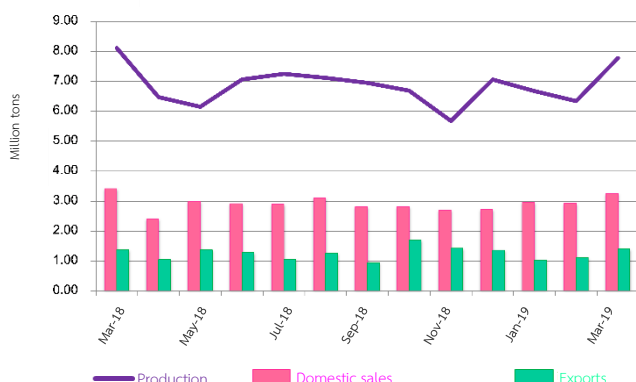
The circumstance of textiles and apparels production industry is expected to slow down in line with the expected export trend, due to the political situation of the US and the trade war between the US and China, resulting in trade and investment of such markets to slow down. These will affect producers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



## 10. Cement Industry

### Overall Cement Industry

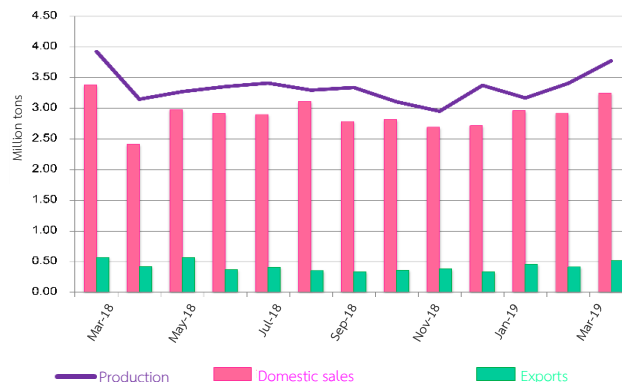
Volume of Cement Production, Domestic Sales, and Exports



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 March 2019 reached the volume of 7.78 million tons. The volume increased by 22.65 percent and 22.65 percent from February 2019 (%MoM) but decrease by 4.12 percent from the same month last year (%YoY).

**+ Overall domestic cement sales** in March 2019 reached 3.25 million tons. The volume increased by 11.20 percent from February 2019 (%MoM) but decreased by 4.84 percent from the same month last year (%YoY).

**+ Total cement exports** in March 2019 reached 1.40 million tons. The volume increased by 25.32 percent (%MoM) from February 2019 and increased by 1.98 percent compared to the same month last year. This was because of Bangladesh and the Philippines which are key export markets have increased orders by 32.60 percent and 19.67 percent respectively.

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

**+ Cement production** (excluding clinker) in March 2019 reached 3.77 million tons. The production increased by 10.73 percent from February 2019 (%MoM) but decreased by 3.88 percent from the same month last year (%YoY).

**+ Domestic sales of cement** (excluding clinker) in March 2019 reached the total volume of 3.25 million tons. The sale volume increased by 11.20 percent from February 2019 (%MoM) but decreased by 3.81 percent from the same month last year (%YoY).

**+ Export of cement** (excluding clinker) in March 2019 reached the volume of 0.52 million tons. The volume increased by 25.93 percent from February 2019 (%MoM) but decreased by 8.59 percent (%YoY) from the same month of the previous year. As a result of Cambodia and Myanmar decreased orders by 11.73 percent and 11.26 percent, the export volume to these countries dropped.

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