



### Summary of Key Issues

**The Manufacturing Production Index (MPI)** in May 2017 grew by 1.4 percent from the same period of last year. The major shrinking industries included electrical, electronic parts, rubber sheet product, meat products, petroleum refinery and automotive industry.

The growth of electronic components in May 2017 was due to the increasing export to major markets of ICs, the key component for high-technology products development. All kinds of HDD export to major markets were also expanded.

The expanding of automotive industry in May 2017 from last year was due to the growth of domestic market.

The growth of the meat product industry in May 2017 was from the continuous growth of domestic demand for chilled chicken and frozen chicken.

#### Commencement and Disposal of Factory's Register

364 plants commenced operation in May 2017 which increased by 31.9 percent from April 2017. The total invested capital increased by 186.8 percent and employment decreased by 131.0 percent. Major industries were from the production of radio, television and semiconductor product with total invested amount of THB 14,380.62 million. Comparing with the same month of the previous year, the numbers of plants that commenced operation increased by 14.5 percent. On the other hand 103 Factory's Registers were disposed in May 2017 which increased by 94.3 percent from last month and by 49.3 percent from the same month of last year.



## Industrial Economics Status Report May 2017

### **Thailand's Importation of Industry sector:**

The import value of industrial machinery and components in May 2017 was USD 1,538.6 million which expanded by 10.5 percent from the same month of the previous year due to the decreasing import of printing machinery, jet turbine engine & its components, and equipments for construction & its components.

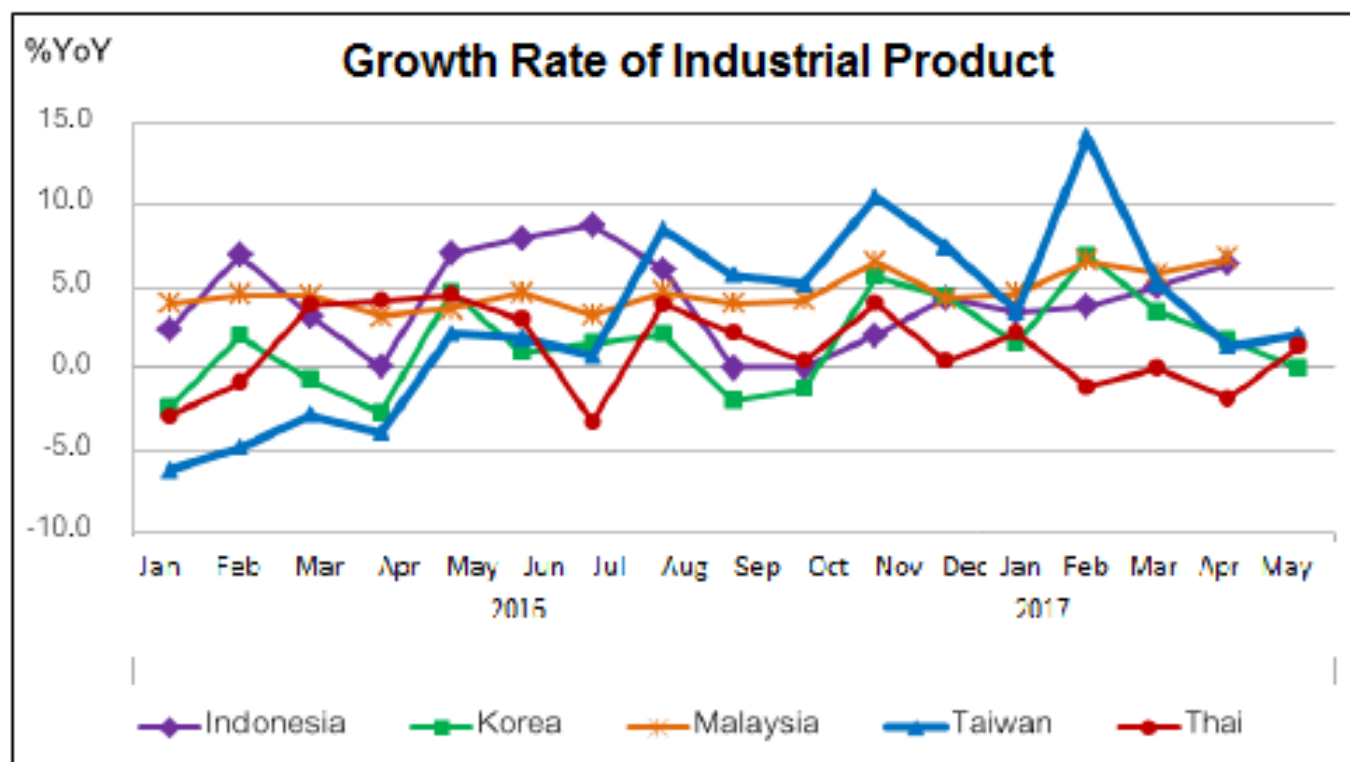
The import value of raw material and semi-finished product (excluding gold) was USD 7,169.7 million, increasing by 21.5 percent from the same month of last year which was in line with import growth of chemicals, metal and steel product, electrical and electronic components.

### **Electricity power consumption of industry sector:**

Consumption of 11,068.0 million kWh (kilowatt-hour) in May 2017 which was 10.5 percent increasing from last month (10,015.1 million kWh) and 0.4 percent increasing when comparing with the same period of the year 2016 (11,111.6 million kWh). The electricity power consumption data classified by business size showed that small and medium sized businesses consumed more than last month but lower than the same month of last year. On the other hand the consumption of large-sized business more grew from last year and the same month of last year.



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



Production situation of Thailand's Industry sector based on the Manufacturing Production Index (MPI) was expanded by 1.4 percent from the same month of last year. The growing industries were the production of electronic tube and components, rubber product, the meat and meat products and the petroleum-refined products.

Meanwhile the industrial production rate of Taiwan was expanded by 2.0 percent.

The industrial production rate of South Korea remained unchanged from last year.

The MPI for May 2017 of Malaysia and Indonesia have not yet been released. The industrial productions of both in April 2017 were expanded by 6.7 percent and 6.4 percent respectively.



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### Manufacturing Operation Situation in May 2017:

Data from the Department of Industrial Works (DIW) indicated the manufacture operation situation of May 2017 that 364 plants commenced the operation. It was more than 31.9 percent from April 2017 (276 plants). The invested capital was THB 36,286 million which increased by 186.8 percent from April 2017 (THB 12,653 million). The numbers of employment were 12,575 persons which increased by 131.0 percent from April 2017 (5,444 persons).

The plant commenced the operation in May 2017 increased by 14.5 percent from May 2016 which 318 plants commenced the operation. The invested capital was increased by 147.6 percent from May 2016 which was THB 14,653 million. The numbers of employment increased by 60.0 percent from May 2016 which were 7,858 persons.

- The industry that had the most starting up manufacture in May 2017 was the operation of clay/soil digging and scooping (totally 28 plants). The following industry was industrial separation and landfill disposal operation (totally 20 plants).
- The start-up industry with the highest invested capital in May 2017 was the production of radio, television and semiconductor production (totally THB 14,380.62 million). The following industry was the readymade meat products (totally THB 2,954.28 million).
- The start-up industry that had the most new employment in May 2017 was the production of radio, television and semiconductor product (3,611 persons). The following industry was the wood sawing, shoving, dividing, carving and transforming process (886 persons).



### **Manufacturing Shutdown situation:**

Data from the Department of Industrial Works (DIW) indicated that in May 2017 the numbers of plants closing down were 103 plants, increasing by 94.3 percent from April 2017 (53 plants). The total invested capital from such shutdown was THB 10,021.2 million which was higher than April 2017 (THB 708.2 million). The numbers of lay-off workers were 2,595 persons, lower than in April 2017 (702 workers).

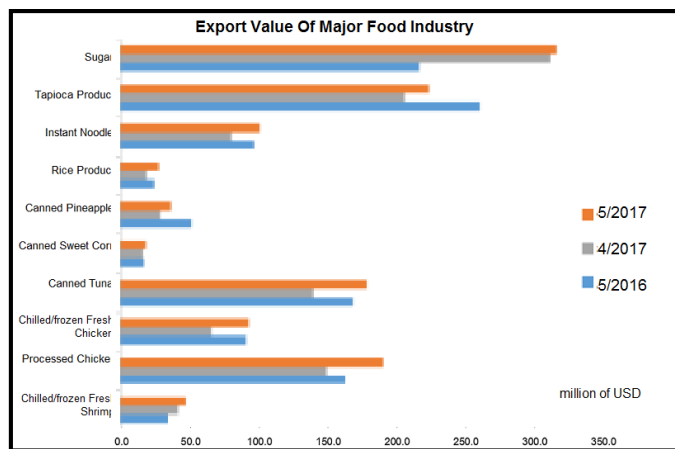
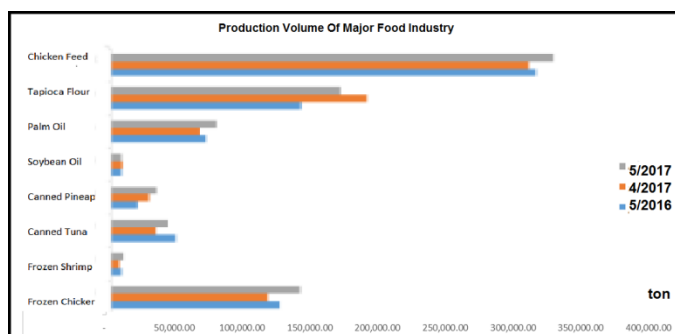
The shutdown manufacture in May 2017, when comparing with the same month of the previous year, was 49.3 percent higher than in May 2016 (69 plants). The invested capital loss due to plant shutdown was higher than in May 2016 (THB 8,237 million) and the numbers of lay-off workers also were lesser than in May 2016 (1,452 workers).

- The industry that had the most manufacturing shutdown in May 2017 was the wooden furniture making, built-in and decoration factory (10 plants). The following industry was the operation of rice milling, threshing and scraping (7 plants).
- The shutdown industry with the highest invested capital in May 2017 was the raw sugar and sugar (totally THB 8,100 million). The following industry was the industry of electricity and thermal production (totally THB 352.9 million).
- The industries that had the most lay-off workers were the industry of production of radio, television and semiconductor product (3,611 workers). The following industry was the wood sawing, shoving, dividing, carving and transforming process (886 workers).



## I. Food Industry

The production and export value of the food product increased from the same period of the last year due to the expanding export market from continuous consumption demand growth while the domestic consumption increased from the better trend of economic recovery.



### 1. Production

The production of major food product industry (excluding sugar) in May 2017 was increased by 8.4 percent. The details are:-

1) Export-oriented Product: The canned pineapple, chilled fresh shrimp and frozen fresh shrimp and tapioca starch increased by 74.6 percent, 21.6 percent and 20.9 percent respectively from the increasing of raw materials.

2) Domestic-oriented Product: The production of palm oil, (chicken) feed and chilled and frozen fresh chicken increased by 12.1 percent, 11.9 percent and 3.8 percent respectively from the continuous rising of domestic consumption demand.

### 2. Marketing

#### 1) Domestic Market:

The domestic sales quantity in May 2017 of food product increased by 4.0 percent from the same month of the previous year from the better economic trend that make consumption increase.

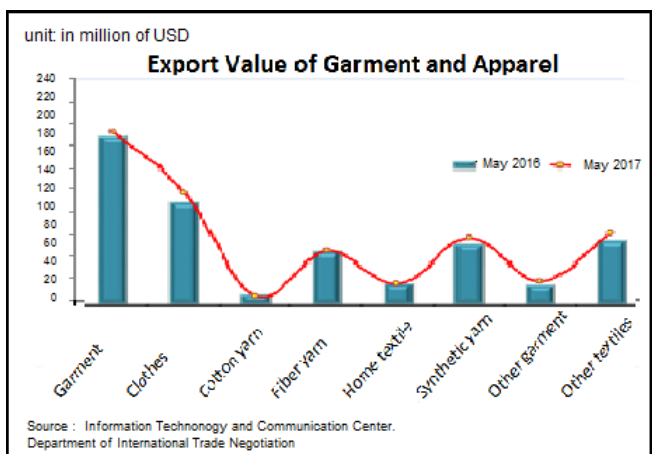
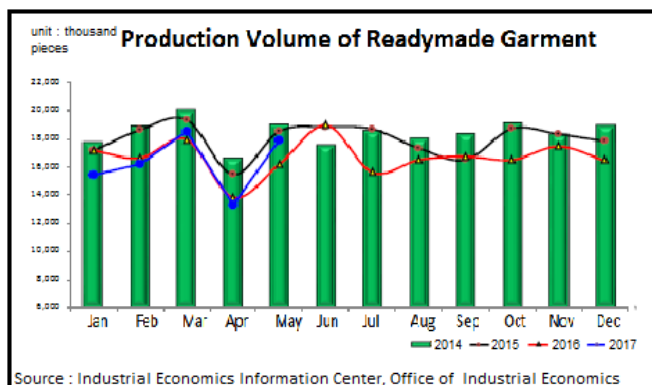
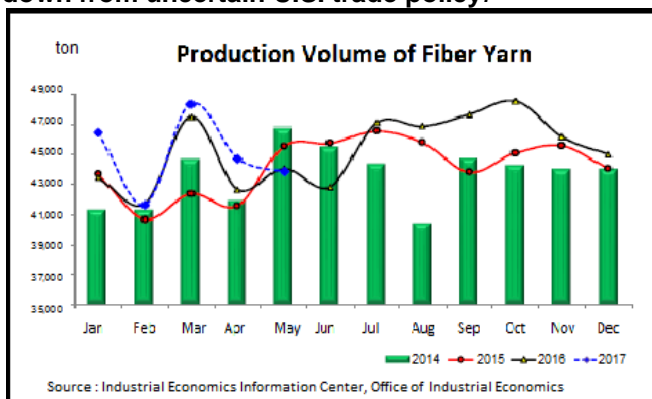
#### 2) Foreign Market:

The total export in May 2017 of food products was increased by 9.9 percent from the same month of the previous year. Those key products included sugar, chilled and frozen fresh chicken, processed chicken, rice product, canned sweet corn product and canned tuna which increased by 46.5 percent, 42.9 percent, 16.8 percent, 14.2 percent, 11.6 percent and 6.0 percent respectively, due to increasing purchase orders from the imported countries and resulted in the higher price level.



## II. Textile and Garment Industry

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



### 1. Production

When comparing with the same month of the previous year, the manufacturing of the textile fiber product shrank by 0.5 percent from the decreasing of domestic export of fiber and thread product. The production of fabric for readymade clothes and other household garments were increased by 3.1 percent from the expanding domestic consumption demand and export.

The manufacturing of apparel product increased by 10.3 percent due to the increasing domestic demand which was from student's uniforms and the export which was from men and women apparels.

### 2. Marketing

When compared with the same month of the previous year, the sales of Textile fiber product decreased by 4.0 percent as it was mostly for export. The sales of fabric and readymade clothes expanded 7.7 percent and 16.0 percent respectively. The increasing fabric item was cloth for student's uniforms during July school semester period.

The export of textile fiber, fabric and readymade clothes product were increased by 4.1 percent, 9.9 percent and 3.0 percent respectively. Most growth of these items were from 10.4 percent growth of artificial fiber, a five months continuous growth, and the yarn fabric and artificial fiber fabric growth from the expanding export to Vietnam and Myanmar where their markets was expanding. The readymade garment expanded from the export to EU, Japan and ASEAN.





### III. Iron and Steel Industry

#### 1. Production

The manufacturing situation of steel industry in May 2017 dropped when comparing with the same month of the previous year. The MPI in this month was at 120.76 with the decreasing rate of 17.15 percent, the first time decreasing after 9 consecutive months increasing (Aug 2016 to May 2017 which was due to decreasing orders to and reducing production by the manufacturers. The domestic consumption was at the volume of 1.29 million tons, decreased by 34.3 percent from last year, a decreasing for 5 consecutive months since January to May 2017. The import was 0.99 a million metric tons decreased by 22.1 percent and the export was 0.15 million metric tons increased by 32.5 percent, an increasing for 6 consecutive months since December 2016 to May 2017. These can be classified as follow:-

- The MPI of the Flat steel was at 123.05, increased by 3.70 percent when comparing with the same month of the previous year. The galvanized steel sheet increased by 23.12 percent. The following item was the cold rolled sheet increased by 9.23 percent as the production was for supply to automotive industry. According to the data from the Iron and Steel Institute of Thailand, the domestic consumption in flat-steel product was 898,919 tons, decreasing by 21.5 percent which mostly from the hot rolled steel sheet which decreased by 66.7 percent. The following product was the tin plate sheet which decreased by 21.9 percent. The import volume was 757,145 tons, decreasing by 22.4 percent which the hot rolled sheet ( alloy steel) decreased by 89.4 percent. The export volume was 53,085 tons, increasing by 42.6 percent which the cold rolled sheet (alloy steel) increased by 8,304.9 percent
- The MPI of long-formed steel production was at 115.56, increased by 35.2 percent. The production of round bar was decreased by 47.43 percent as the delay in construction sector from the earlier and frequent rain falling. The following item was reinforced bar which decreased by 37.09. Based on the data from the Iron and Steel Institute of Thailand, the domestic demand of

Long-formed steel 395,963 tons, dropped by 52.0 percent from the decreasing of round bar and structural steel which decreased by 66.0 percent. The import volume was 228,163 tons, decreasing by 21.2 percent from 99.6 percent dropping of hot structural steel (alloy steel). The export volume was 96,243 tons, increased by 27.5 percent which steel wire (alloy steel) increased by 357 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 June 2017 when comparing with the same period of the previous year that the billet steel increased from 73.17 to 93.52, 27.81 percent increasing. The round bar increased from 75.53 to 87.36 point, up by 15.66 percent. The flat billet increased from 80.23 to 92.44 point, up by 15.22 percent. The hot rolled sheet was dropped 80.00 to 89.87 point, down by 12.34. And cold rolled sheet increased from 85.04 to 92.64, up by 8.94 percent.

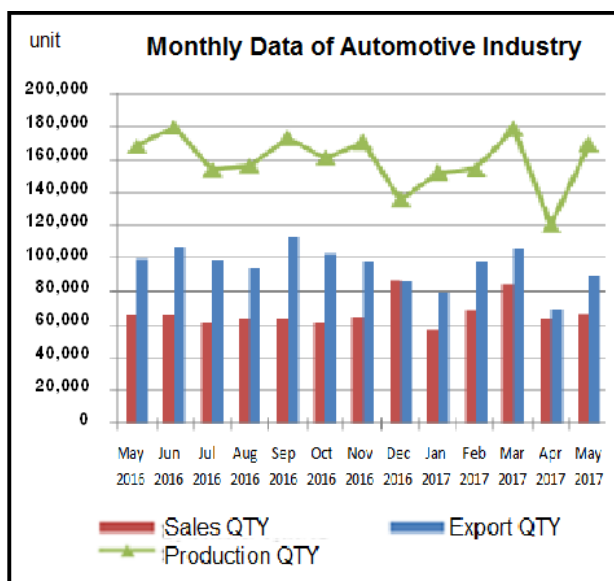




### IV. Automotive Industry

#### Automobile

The automobile industry slightly expanded in May 2017 when comparing with the same period of the year 2016 due to increasing domestic market from continuous economic recovery and the increasing export of agriculture products. However the export of automobile was still slow down.



#### 1. Production

Manufacturing quantity of automotive in May 2017 was 169,495 units which decreased from May 2016 (168,394 units) by 0.65 percent from the increasing of passenger vehicle and commercial vehicle.

#### 2. Sales

Sales quantity of automobile in May 2017 was 66,425 units which increased from May 2016 by 0.59 percent (66,035 units). This was due to the increase of sales of passenger vehicle, commercial vehicle and PPV & SUV.

#### 3. Export

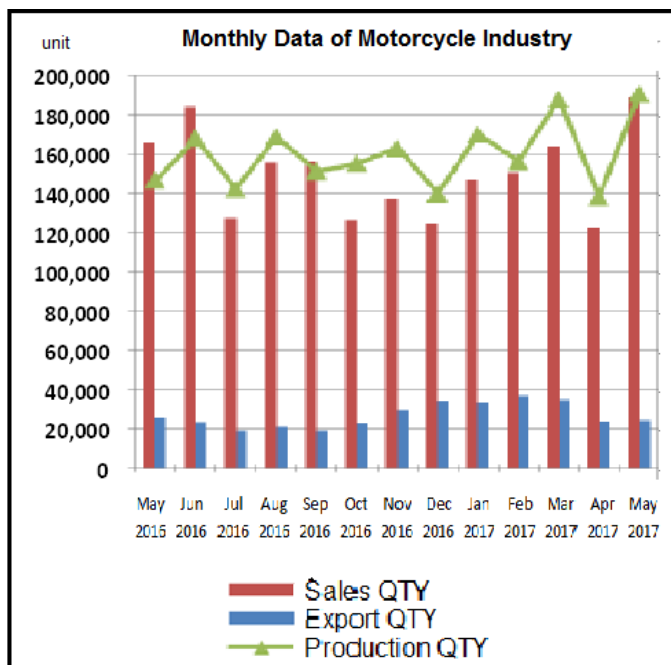
The export quantity in May 2017 was 90,092 units which decreased from May 2016 by 9.50 percent (99,547 units). The declining export markets were Asian, Oceania and European countries.



## Industrial Economics Status Report May 2017

### Motorcycle

The Motorcycle industry in May 2017 expanded when comparing with the same period of 2016 from the expanding domestic market.



#### 1. Production

Manufacturing quantity of motorcycle in May 2017 was 191,176 units which increased by 30.26 percent from May 2016 (146,767 units). Contribution was from the versatile-type motorcycles.

#### 2. Sales

Sales quantity of motorcycle in May 2017 was 188,881 units which increased by 14.03 percent from May 2016 which sold 165,644 units due to increasing sales of the motorcycles with 101-125 cc, 126-150 cc and higher than 151 cc types.

#### 3. Export of Complete Built Unit (CBU) motorcycle

The export quantity was 24,525 units in May 2017 which increased 6.71 percent from May 2016 (26,290 units). The expanding export markets were the Netherland, Japan and Belgium.



## V. Cement Industry

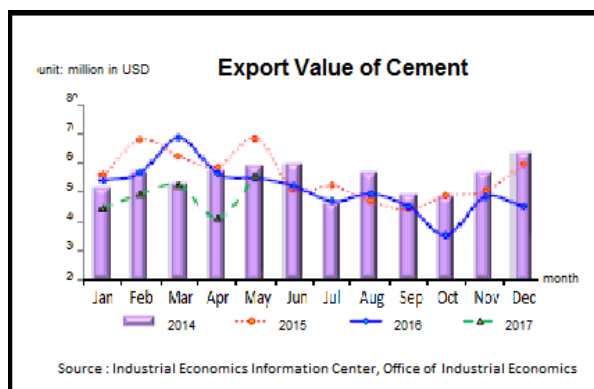
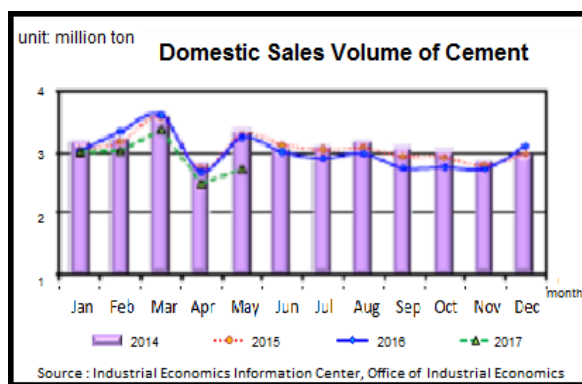
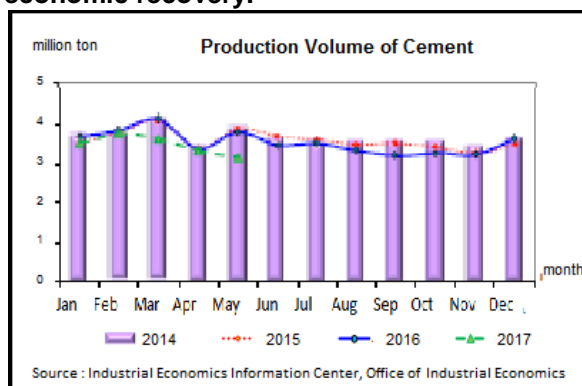
The overall growth rate of cement industry was shrinking from production and domestic sales continuously decreasing when comparing with the same period of the previous year due to the slowdown of construction section during rainy season. The export value increased from global economic recovery.

### 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 May 2017 has decreased for 5<sup>th</sup> month by 17.4 percent and 16.1 percent respectively. This was due to the slow economic recovery and the low construction period from rainy season.

### 2. Export

The export value of cement in May 2017 slightly grew by 1.03 percent from the same period of the previous year due to the increasing orders from Cambodia, Myanmar and Bangladesh with aggregate export value of USD 33.8 million, or 60.8% of total export value.





## VI. Electrical and Electronics Industry

In overview the manufacturing of electrical and electronic industry in May 2017 increased by 5.00 percent when comparing with the same month of the previous year. The electrical industry decreased by 1.85 percent due to the expanding of air-conditioner, electrical fan and hot pot. The electronic industry expanded by 10.88 percent due to the increasing production of Semiconductor, ICs and HDD.

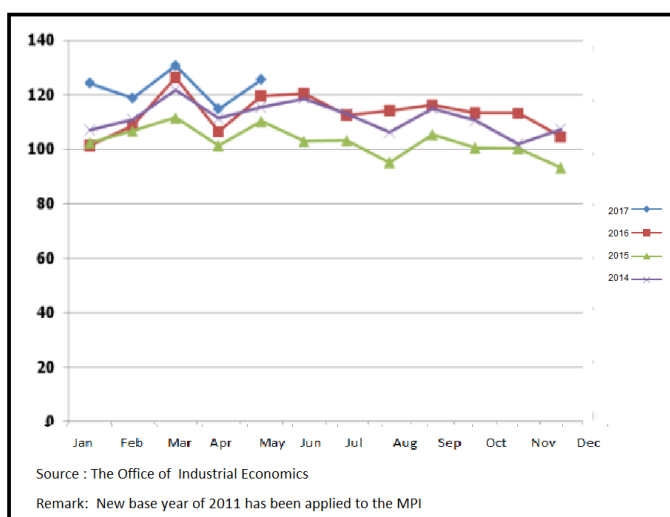


Table 1 : The value of most Electrical Appliance and Electronics Products Export in May 2017

Electrical Appliances and Electronics Products	Value (in million US dollar)	%YoY
Computer components	1,148.93	9.04
Integrated Circuit	696.84	31.88
Air-conditioner	420.47	-3.24
Camera Recorder and components	153.44	75.66
Total of Electrical Appliances and Electronics Products	5,153.36	18.6

source : Electrical and Electronics Institute

### 1. Production

In overview the MPI of the electrical and electronic industry in May 2017 when comparing with the same period of the previous year, was at 125.68, up by 5.00 percent. The MPI of the electrical industry sector was at 141.35, up by 1.85 percent. The decreasing electrical appliances included condensing unit split-type air conditioner, fan-coil unit split-type air conditioner, electrical fan, refrigerator, microwave oven, hot pot and cable which increased by 6.48 percent, 2.70 percent, 21.09 percent, 5.73 percent, 19.06 percent, 26.78 percent and 6.27 percent respectively. This was due to the production cut of some air conditioner manufactures and the decreasing export to major export markets.

When comparing with the same period of the previous year, the MPI of the electronic industry sector was at 115.91, increased by 10.88 percent due to production increasing of semiconductor, Monolithic ICs, other ICs and HDD which increased by 19.29 percent, 10.76 percent, 12.21 percent, 1.43 percent, 12.93 percent and 14.69 percent respectively, as ICs were the essential parts for hi-tech product development. The growth of HDD was from the growth of export to major export markets.

### 2. Export

Total export value of the electrical appliance product and electronic industry in May 2017 was USD 5,153.36 million, increasing by 18.60 percent when comparing with the same month of the previous year.



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#### **Electrical Appliance Product**

The electrical appliance product had the export value of USD 2,079.44 million with the increase of 15.98 percent as the export to major markets which were USA, China, EU, Japan and ASEAN increased by 39.63 percent, 35.20 percent, 23.01 percent, 13.85 percent and 5.21 percent. The leading product with most export value was air conditioners with export amount of USD 420.47 million, up by 3.24 percent. This was due to the increase of export to major countries which were ASEAN, Japan, EU and China, by 19.31 percent, 6.25, 2.66 percent, and 2.37 percent respectively. The following product was camera and components with export amount of USD 153.44 million, up by 75.66 percent. This was due to the increasing export to the major markets which were USA, EU, ASEAN, China and Japan, by 96.61 percent and 96.29 percent, 86.46 percent, 72.66 percent and 60.99 percent respectively.

#### **Electronic product**

When comparing with the same month of the previous year, the electronic product had the export value of USD 3,073.93 million, increased by 20.44 percent. This was due to the increasing export to key markets as such as Japan, ASEAN, China, EU and U.S. markets, by 81.40 percent, 16.90 percent, 15.23 percent, 14.38 percent and 2.59 percent. The leading electronic product with most export value was components of computer which had export amount of USD 1,148.93 million, up by 9.04 percent. This was due to the increase of export to major markets such as ASEAN, China, Japan, EU and U.S. by 18.73 percent, 7.26 percent, 5.66 percent, 5.45 percent and 1.38 percent respectively. The following product was Electrical Circuit Board (ECB) with export amount of USD 696.84 million, increasing by 31.88 percent. This was due to the increasing export to all major markets i.e. Japan, EU, China, ASEAN and EU by 56.24 percent, 32.49 percent, 27.88 percent, 17.79 percent and 7.81 percent respectively.