

Industrial Production Status

Indicators	2017	2018									2019				
%YoY	Year	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Year	Jan.	Feb.	Mar.	Apr.	May
MPI*	1.8	4.9	4.9	4.8	2.3	-0.1	5.7	0.8	1.2	3.6	0.6	-1.3	-2.7	1.5	-4.0

* MPI has 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."

When considered from the **Manufacturing Production Index (MPI)**, the industrial economic status in **May 2019 contracted by 4.0 percent from the same period last year**, partly resulting from decreased exports by 5.8 percent.

Considering MPI data for the past three months compared to the previous year (% YoY), it is evident that industrial production tends to slow down, i.e., in February and March 2019, production decreased by 1.3 percent and 2.7 percent respectively; whereas, in April the MPI increased slightly by 1.5 percent.

Indicators	2018								2019				
%MoM	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
MPI*	14.9	-1.5	-2.8	1.7	-2.7	2.1	0.9	-1.9	4.7	-2.6	9.5	-17.4	8.63

For the past three months (February, March, and April 2019), the changing rates of MPI (%MoM) were as follows: i.e. a decrease of 2.6 percent in February, an increase of 9.5 percent in March, and a decrease of 17.4 percent in April. The changes were in line with the typical seasonality of production which slowed down in February and April due to less working days.

Key industries that contributed to the decrease of MPI in May 2019 compared to the same month last year were as follow:

- Chemical fertilizer decreased by 39.92 percent due to drought. The Ministry of Agriculture and Cooperatives, therefore, asked farmers to stop growing off-season rice. Also, price of agricultural products declined; therefore, farmers had less purchasing power. This coupled with the decreased export to CLMV markets due to competitors like China having cheaper products, resulting in a loss of market share.
- Automobiles and engines decreased by 3.72 percent due to the slowdown of the global economy and trade barriers between the United States and China, resulting in the export market being affected.
- Rubber products that are non-tires rubber decreased by 15.84 percent from sheet rubber and block rubber products. As a result of dry and severe hot weather, less latex supply to the market.

Key industries that caused the MPI in May 2019 to increase compared to the same month last year were:

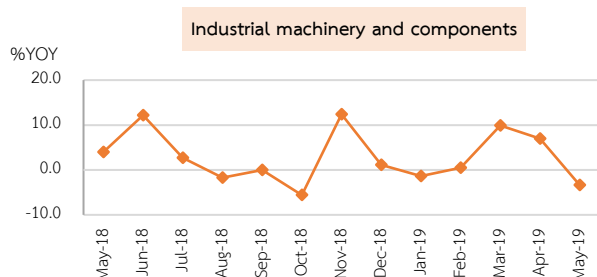
- Air conditioners and parts increased by 13.77 percent, mainly from domestic market sales as a result of severe hot weather and marketing acceleration of manufacturers, especially the inverter type, including expanded export markets from exports to Vietnam, Indonesia, Japan, and orders of new customer, India.
- Palm oil increased by 26.91 percent, mainly from crude palm oil. The increase was in line with the signing of the contract for the purchase of crude palm oil of the Electricity Generating Authority of Thailand in the amount of 100,000 tons. The offering price must not exceed the reference price as specified by the Department of Internal Trade of Thailand, which was at 16.50 Baht/kg.

In 2019, the MPI **is expected to grow positively in the 1.5 – 2.5 percent range**, with support from continuing private investment, investments from Public Private Partnerships (PPP) and public investment, especially in public transportation infrastructure, both in dual-track and electric trains, including 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.

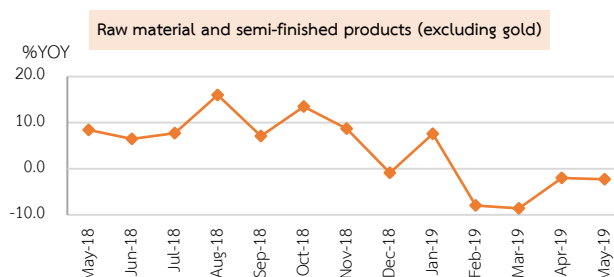
Other Industrial Economic Indicators in May 2019

Other Industrial Economic Indicators in May 2019


■ Imports of Thailand Industrial Sector




Source: Ministry of Commerce

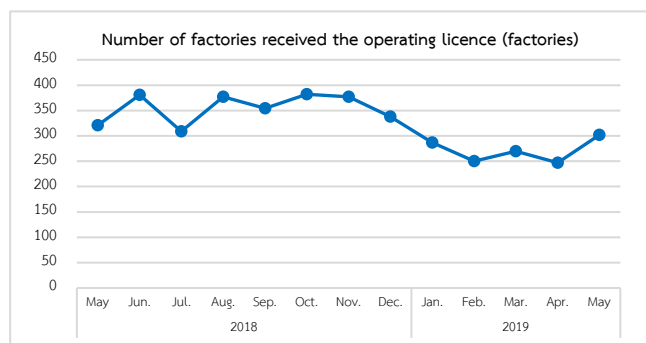


Source: Ministry of Commerce

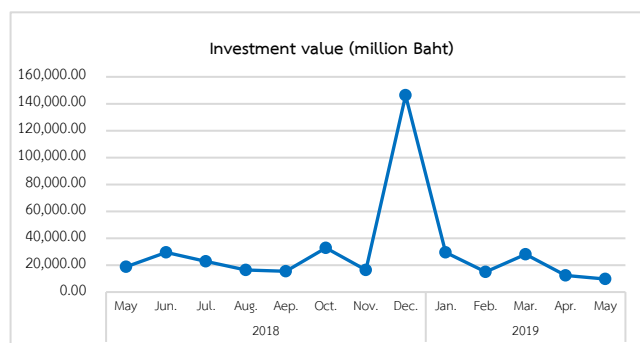
 **Imports of industrial machinery and components** in May 2019 valued 1,544.0 million USD, a decrease of 3.4 percent compared to the same month last year. The decline was from the import of engine, transmission shaft, and other parts; construction machinery and parts; jet turbine and parts, etc. However, the import of air compressors, fluid pumps, machinery in the printing industry, metal processing machinery, and components remained on the rise.

 **Imports of raw materials and semi-finished products (excluding gold)** in May 2019 valued 7,561.2 million USD, a decrease of 2.3 percent compared to the same month last year. Imported products that contracted included organic chemicals, inorganic chemicals, plastic pellets, accessories and components of electrical appliances and electronics such as circuit boards, aluminum, and products thereof. However, there were still some products such as pulp and scrapped paper and fabric, which the growth rates increased.

Industrial Operation Status



Source: Department of Industrial Works



Source: Department of Industrial Works



A total of 302 factories were licensed to operate in May 2019. The number of licensed factories increased by 22.3 percent from April 2019 (%MoM) but decreased by 5.9 percent compared with the same month last year (%YoY).

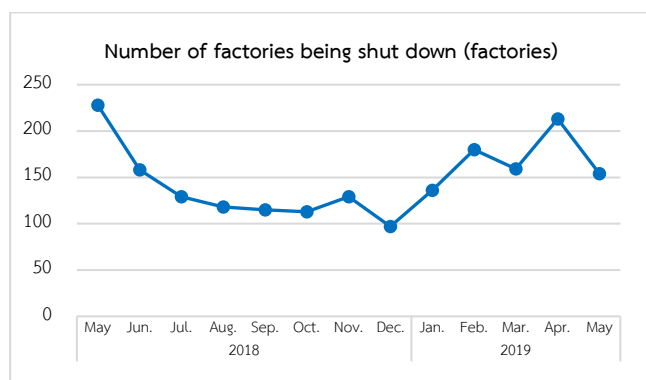


The total value of investment from the licensed factories for operation in May 2019 was 9,690 million Baht. The value decreased by 21.0 percent from April 2019 (%MoM) and decreased by 48.5 percent from the same month last year (%YoY).

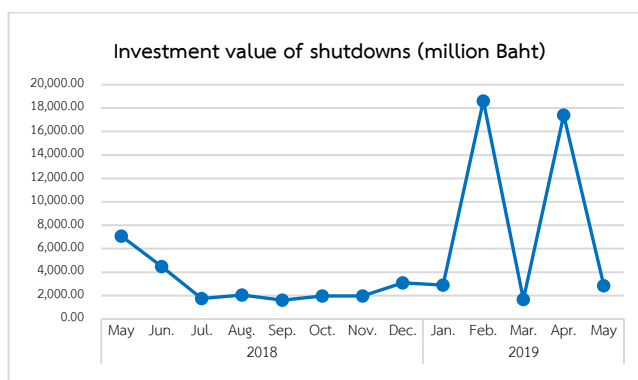
“The industry with the highest number of newly licensed factories for operation in May 2019 was the motor vehicle repair industry (22 factories), followed by digging and dredging industry of sand, gravel or soil (19 factories).”

“The industry with the highest value of the investment in May 2019 was the food or beverage from vegetables and fruits in the packaging valued at 927 million Baht, followed by the motor vehicle repair industry valued at 768 million Baht. ”

Industrial Operation Status (cont.)



Source: Department of Industrial Works



Source: Department of Industrial Works

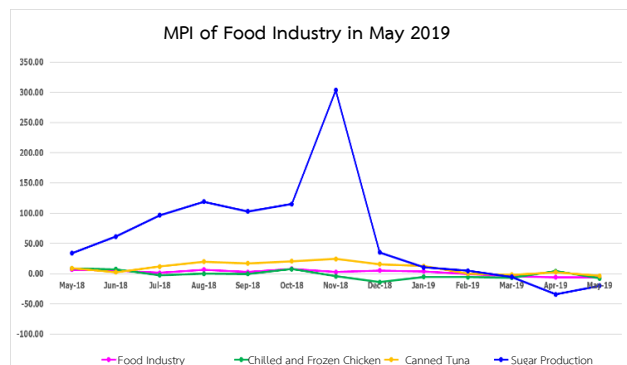
- A total of 154 factories shut down the operation in May 2019. The number of factories being shut down decreased by 27.7 percent from April 2019 (%MoM) and decreased by 32.5 percent from the same month last year (%YoY).
- The lost investment value on shutdowns in May 2019 was 2,838 million Baht. The value decreased by 83.7 percent from April 2019 (%MoM) and decreased by 59.9 percent from the same month last year (%YoY).

“The industry with the highest number of shutdowns of factory in May 2019 was digging or dredging industry of gravel, sand, or soil (19 factories), followed by the motor vehicle repair industry (12 factories).”

“The industry with the highest value of investment with factory shutdowns in May 2019 was the lathing, drilling, boring, milling, trimming, shearing, shaping, or general welding industry valued at 903 million Baht, followed by the paper and paperboard industry valued 235 million Baht.”

Industrial Economic Status by Industrial Sectors in May 2019

1. Food Industry



Source: The Office of Industrial Economics



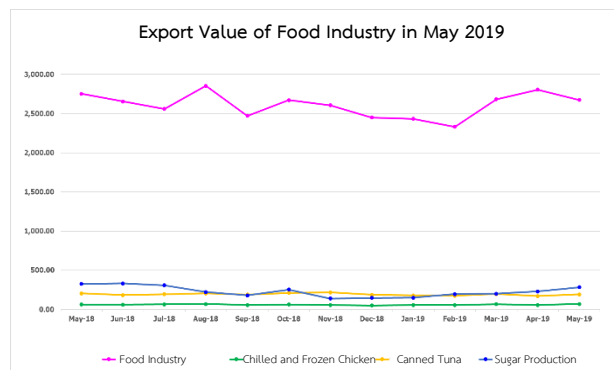
Production of food product in May 2019 decreased by 5.8 percent (%YoY), classified as follows:

1) Export-orientated products i.e., (1) sugar products such as raw sugar which the MPI dropped 92.4 percent (%YoY) as the result of sugar mill stop the milling processes earlier than last year; white and refined sugar—the MPI dropped 8.3 percent (%YoY) as Myanmar and South Korea slowed down the imports. (2) Canned pineapple—the MPI declined by 57.5 percent (%YoY) as raw materials contracted from droughts and a relatively high base in the previous year which had oversupply; therefore, this year, farmers reduced plantation area. In addition, the international market continued to shrink. (3) Canned tuna—the MPI decreased by 3.5 percent (%YoY) as importers slowed down orders to wait and observe a price drop following raw material prices, and (4) Tapioca starch—the MPI dropped 9.6 percent (%YoY) from Indonesia and Malaysia markets.

2) Domestic-orientated products: the MPI of chilled and frozen chicken decreased by 7.8 percent (%YoY) as a result of the slowdown of domestic consumption.



Domestic sales of food products in May 2019 contracted by 0.7 percent (%YoY) as the result of decreased Consumer Confidence Index.



Source: Ministry of Commerce

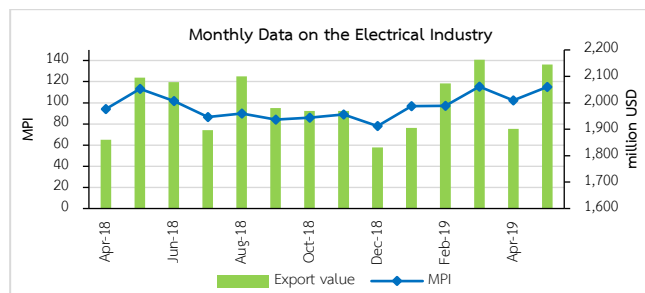


Export markets: Overall, the export value of food products in May 2019 returned to a negative by 2.8 percent (%YoY), after positive growth for 2 months of key products such as white sugar, rice, canned pineapple, tapioca flour, canned tuna and durian. The export of these products decreased by 32.7 percent, 13.3 percent, 6.9 percent, 6.2 percent and 2.1 percent, respectively, due to the slowing down global economy, coupled with the uncertainty of the trade war between the US and China. However, demand for consumption continued in key products such as chilled and frozen chicken, processed chicken, canned sardines and food condiments, including fruits (mangosteen and longan).

The predicted trend is expected that production and exports of the food industry in June will contract in continuation from last month and the same month the previous year, with negative factors such as agricultural production declining due to droughts and slowing demand in products such as shrimp and pineapple. This is coupled with the slowing down of orders to wait and observe the situation of raw tuna prices, and a slowdown in Thai rice exports from a shift to imports of rice from Vietnam and Cambodia. Furthermore, there are high costs and Baht appreciation, including uncertainty from the trade war and the slowdown in the global economy.

2. Electrical and Electronics Industry

■ Electrical Industry



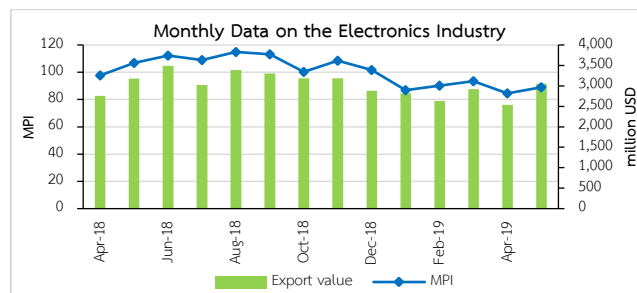
Source: The Office of Industrial Economics, Electrical and Electronics Institute, and Ministry of Commerce

+ **Production of electrical appliances** reached a production index of 114.9, which increased by 1.3 percent compared to the same month last year. Products that increased in production were air conditioners, household fans, and refrigerators by 15.9 percent, 4.1 percent and 8.7 percent respectively. Air conditioners increased in domestic sales and exports. Meanwhile, household fans increased in domestic sales, whereas refrigerators had increased orders from the US and Japan. However, the products which contracted were transformers, electric cables, kettles, washing machines, microwaves, rice cookers, compressors, and electric motors, by 38.5 percent, 32.9 percent, 24.3 percent, 21.9 percent, 12.5 percent, 8.6 percent, 1.7 percent and 0.1 percent respectively. Washing machine, kettles, transformers and electrical cables decreased in production due to the drop in domestic sales and international orders. Meanwhile, microwaves and electric motors decreased in production due to reduced domestic sales.

+ **Exports of electrical appliances** valued 2,144.9 million USD, which increased by 2.4 percent compared to the same month last year. Key markets that grew included the US, ASEAN and Japan. Products that increased were air conditioners and components with an export value of 545.8 million USD, a growth by 4.9 percent, with a 25.1 percent increase in Vietnam, 168.8 percent in the US, 14.4 percent in Japan and 20.4 percent in Australia. For refrigerators, freezers and components exports valued 181.5 million USD—an increase of 8.6 percent, with a growth of 11.1 percent and 153.8 percent in the Japanese and the US market respectively.

"Production forecast in June 2019, the electrical industry is expected to increase by 1.0 percent compared to the same month last year as a result of increasing orders for air conditioners and refrigerators from ASEAN and the US".

■ Electronics Industry



Source: The Office of Industrial Economics, Electrical and Electronics Institute, and Ministry of Commerce

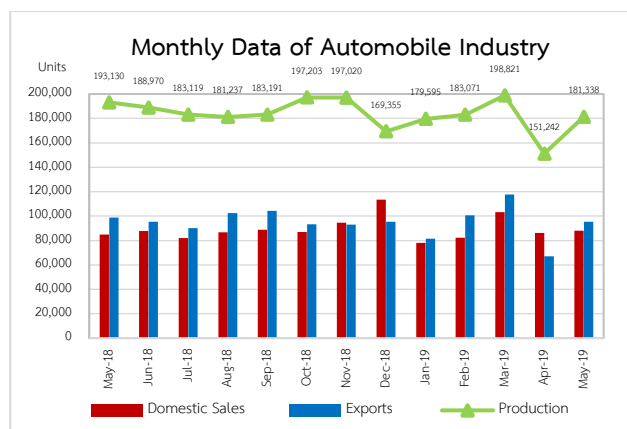
- **Production of electronics** decreased by 8.8 percent from the same month last year. Products that contracted were semiconductor devices transistor, HDDs, PWBs, and PCBA, which decreased by 14.3 percent, 14.1 percent, 13.2 percent, 6.0 percent, and 0.2 percent respectively, as a result of decreased orders from key markets and the slowdown of global demands of electronic products.

- **Exports of electronics** valued 3,053.3 million USD, a decrease of 3.9 compared to the same month last year as a result of contraction of key markets, including the US, China, Japan, and ASEAN. Computers, parts, and accessories reached an export value of 969.8 million USD, an increase of 0.2 percent; the export value of HDDs also increased by 6.8 percent in ASEAN and Japan markets. Exports of Integrated circuits (ICs) valued 598.9 million USD, a decrease of 14.4 percent, due to trade countermeasures between the US and China, which affected the production and export chain of Thailand.

"In June 2019, production in the electronics industry is expected to decline by 4.0 percent compared to the same month last year, as a result of decreased orders from key markets and the slowdown of global demands of electronic products."

3. Automotive Industry

■ Automobile Production Industry



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

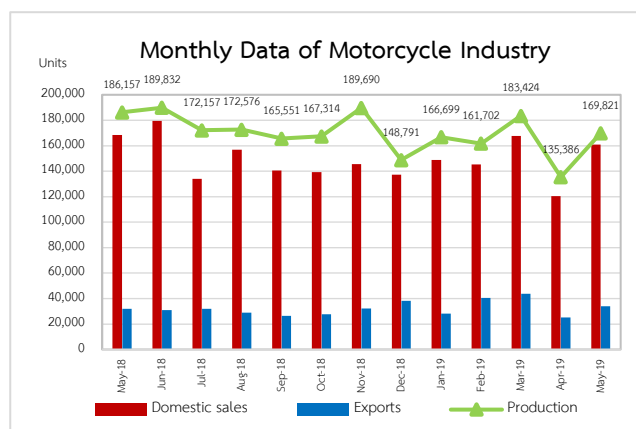
+ **Automobile production** in May 2019 reached 181,338 units. The production increased by 20.70 percent from April 2019 (%MoM) but decreased by 6.11 percent from the same month last year (%YoY) from the decrease of production of passenger cars, 1-ton pickup trucks and derivatives, and automotive for commercial purposes.

+ **Domestic sales of automobiles** in May 2019 reached 88,097 units, which increased by 2.35 percent (%MoM) from April 2019 and increased by 3.69 percent (%YoY) from the same month of the previous year due to the rise in sales of passenger cars, 1-ton pickup trucks, and automotive for commercial purposes resulting from continuous marketing stimulations to promote sales.

+ **Automobile exports** in May 2019 reached 95,331 units, which increased by 42.04 percent (%MoM) from April 2019 but decreased by 3.58 percent (%YoY) from the same month last year. The export decreased in Asia, Oceania, Africa, Europe, and Central and South America.

"The outlook of the automotive industry in June 2019 is expected to be stable compared to June 2018 as a result of a falling tendency in exports and the slowdown of domestic market growth."

■ Motorcycle Production Industry



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

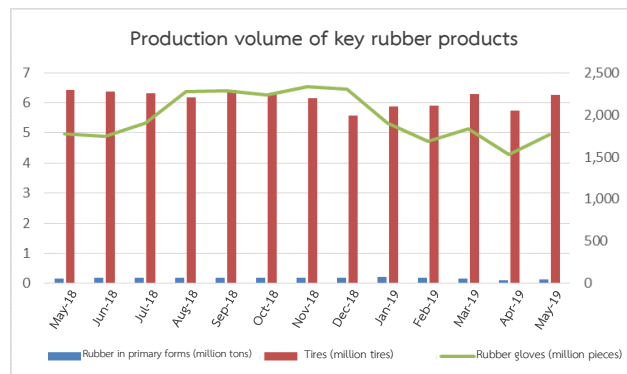
+ **Motorcycle production** in May 2019 reached 169,821 units. The production increased by 25.43 percent from April 2019 (%MoM) but decreased by 8.78 percent from the same month last year (%YoY), resulting from the production growth of multi-purpose motorcycles.

+ **Domestic sales of motorcycles** in May 2019 reached 160,991 units. The number increased by 33.71 percent from April 2019 (%MoM) but decreased by 4.45 percent from the same month last year (%YoY), resulting from the decrease in sales volume of 51 – 110 cc, 111 - 125 cc, and ≥400 cc motorcycles.

+ **Exports of motorcycles** in May 2019 reached 33,892 units, an increase of 35.08 percent and 5.75 percent from April 2019 (%MoM) and the same month last year (%YoY) respectively, whereby exports to the UK, the US, and Japan increased.

"In June 2019, the outlook of the motorcycle production industry is expected to decrease compared to June 2018."

4. Rubber and Rubber Products Industry



Source: The Office of Industrial Economics

Production

Processed rubber in primary forms (smoked rubber sheets, rubber blocks and latex) decreased by 18.75 percent following the decrease of latex volume entering the market as a result of severe drought.

Tires decreased by 2.64 percent due to the slowdown of the domestic market.

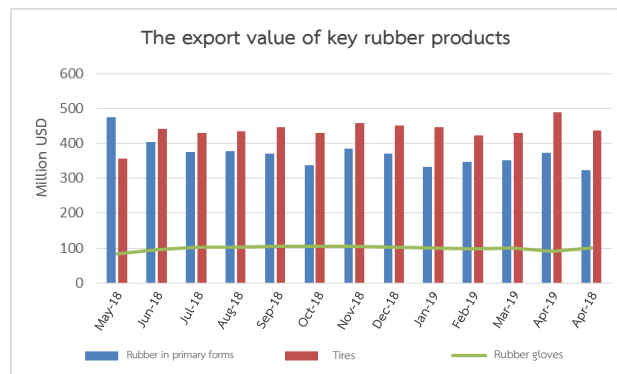
Rubber gloves dropped by 0.59 percent due to the slowdown of the domestic market.

Domestic Sales

Processed rubber in primary forms (smoked rubber sheets, rubber blocks and latex) decreased by 13.06 percent as a result of less rubber volume entering the market.

Tires decreased by 10.17 percent as the result of the slowdown of the automobile industry and Replacement market.

Rubber gloves dropped by 32.10 percent, as some major Thai manufacturers adjusted market plan to concentrate more on exports.



Source: Ministry of Commerce

Exports

Processed rubber in primary forms (smoked rubber sheets, rubber blocks and latex) decreased in value by 9.94 percent, as China—a key export market for Thailand—purchased less rubber blocks from Thailand by 24.09 percent.

Tires value grew by 15.80 percent as the result of a good growth of the US market which grew by 29.75 percent.

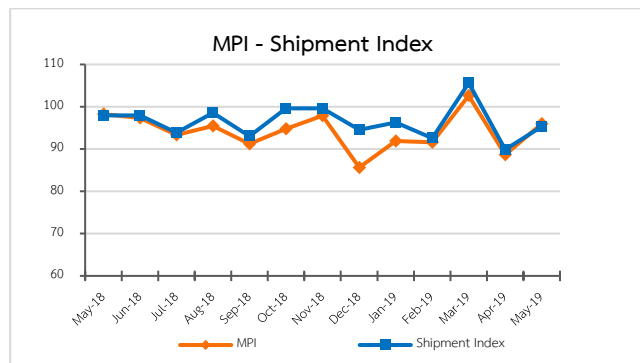
Rubber gloves value grew by 6.26 percent as the result of the growth of the US, China, and Germany market.

Industry Outlook in June 2019

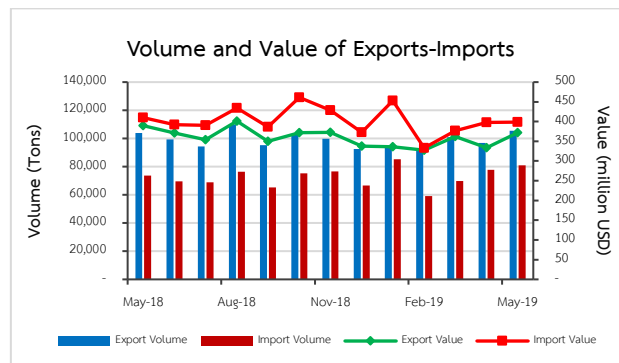
Production and sales of processed rubber in primary forms (smoked rubber sheets, rubber blocks and latex) are expected to increase as it is the rubber tapping season. The production and domestic sales of tires are expected to increase following the expansion of automotive industry and key export markets of Thailand, especially the US. The production of rubber gloves is expected to grow in line with the expansion of foreign markets; meanwhile, the domestic sales of rubber gloves are expected to decline as some major manufacturers adjusted their marketing plans to become more export-oriented.

Exports of processed rubber in primary forms (smoked rubber sheets, rubber blocks, and latex) are expected that the export value will decrease as China is likely to slow down the purchase order from Thailand and the 6th Agreed Export Tonnage Scheme (AET) will be imposed for four months from 20 May 2019. Meanwhile, exports of tires and rubber gloves are expected to increase in line with the good expansion of the US and EU markets.

5. Plastics Industry





Source: The Office of Industrial Economics



Source: Customs Department, Ministry of Finance


Production and Sales

 **Manufacturing Production Index** in May 2019 decreased by 2.35 percent compared to the same period last year, whereby the MPI of plastic packaging and plastic sacks decreased the most by 11.07 percent, followed by plastic tableware, kitchenware and toilet articles (7.26 percent).

 **Shipment Index** in May 2019 decreased by 2.67 percent compared to the same period last year, whereby the MPI of plastic film products decreased the most by 10.25 percent, followed by plastic tableware, kitchenware and toilet articles (9.93 percent).

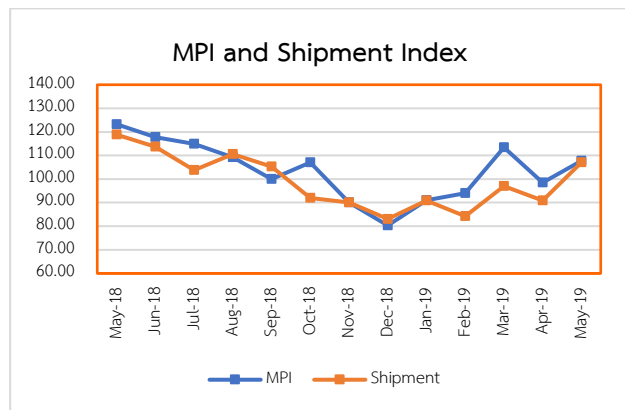
Marketing

 **Exports** in May 2019 valued 371.93 million USD, a decrease of 4.62 percent compared to the same period last year. Plastic products that resulted in a decrease in export value were mainly other plastic products (3926), packaging products (3923); plastic sheets, thin sheet plastics, plastic film and plastic foil (3919). This was due to a decrease of orders from trading partners such as Japan, the US, Australia, and ASEAN — Cambodia, Indonesia, and the Philippines.

 **Imports** in May 2019 valued 398.22 million USD or decreased by 2.91 percent compared to the same period last year. The first three plastic products with the decreased import value were other plastic products (3926), packaging products (3923); plastic sheets, thin sheet plastics, plastic film and plastic foil (3919).

The plastics industry outlook: In June 2019, the plastics industry in terms of production and marketing are expected to be stable instead of increasing due to unrest in the Middle East. In addition, factors from the trade war, the volatility of oil prices and the Baht value may negatively affect the market and production costs.

6. Chemicals Industry

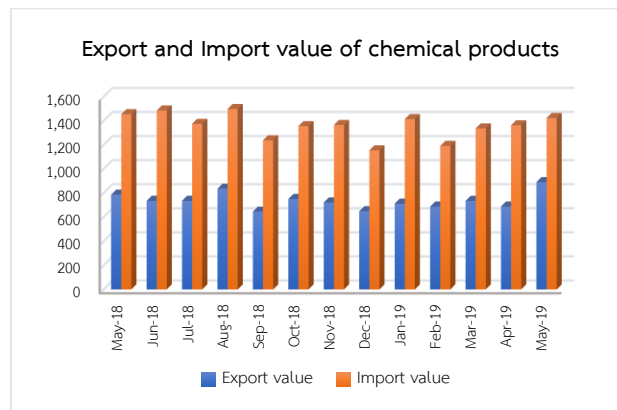


Source: The Office of Industrial Economics

➖ The manufacturing production index of the chemicals industry in May 2019 reached 107.77, a decrease of 12.56 percent compared to the same period last year. Downstream chemicals decreased by 16.46 percent compared to the same period last year. Products of which the production decreased were fertilizers and cleaning chemical products such as detergent.

➖ **Sales:** In May 2019, the shipment index of the chemical industry was 107.10, a decrease of 11.48 percent compared to the same period of last year. This resulted from decreasing of shipment index in downstream chemicals by 14.07 percent among the products such as fertilizers and detergents.

➕ **Exports** in May 2019 valued 891 million USD, an increase 13.06 percent compared to the same period last year. Downstream chemicals had an export value of 507 million USD, a rise of 45.00 percent compared to the same period last year. A key product that contributed to the increase in export value from the previous year was cosmetics, which reached an export value of 352 million USD, an increase of 175 million USD from last year. Main export markets of downstream chemicals included Japan, China, India, South Korea, and ASEAN countries.

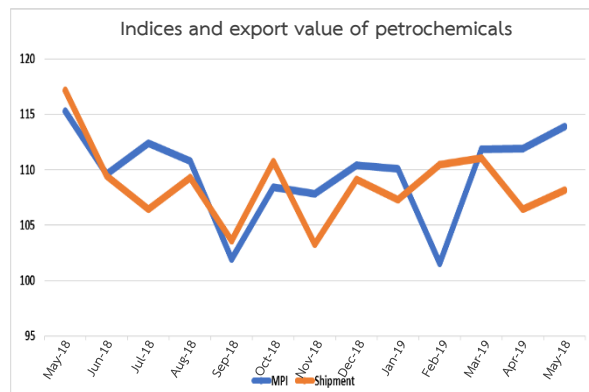


Source: Customs Department, Ministry of Finance

➖ **Imports** in May 2019 valued 1,423 million USD, a decrease of 2.27 percent compared to the same period last year. Basic chemical products valued 822 million USD, a decrease of 10.96 percent compared to the same period last year, whereby key chemicals that resulted in a contracted import value were organic and miscellaneous chemicals respectively. Meanwhile, the total imported value of downstream chemicals was 601 million USD, an increase of 12.76 percent compared to the same period last year, whereby chemical products that resulted in a lower import value included fertilizer and cosmetics respectively; key import markets were Singapore, Japan, and France.

In June 2019, the chemicals industry is expected to grow, similar to the value in the same period of last year. Factors that need to be monitored are the uncertainty of the trade barrier policy between the US and China, which has caused the global economy to slow down. There are also factors from the appreciation of the Baht, which may affect the export of Thai chemicals, whereby major export markets include China, Japan, India and ASEAN countries.

7. Petrochemicals Industry

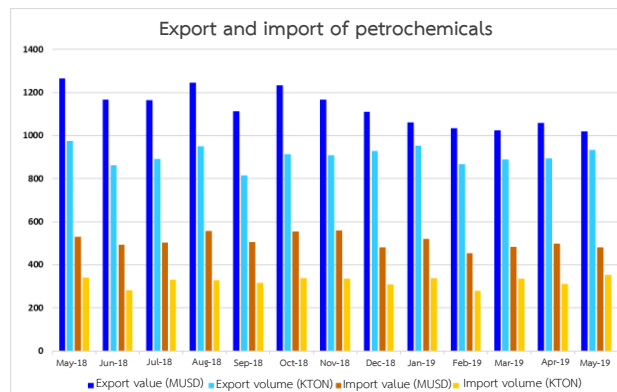


Source: The Office of Industrial Economics

The manufacturing production index in May 2019 dropped 1.21 percent compared to the same period last year. Products which decreased in production were ABS and SAN resin, which were used to manufacture parts and components for electric and electronic industries; Polyethylene resin (PE) which was used in packaging products.

Sales in May 2019 decreased by 7.70 percent compared to the same period last year. Basic petrochemical products that decreased in sales were Benzene, Propylene, Ethylene, and Toluene by 25.33 percent, 3.40 percent, 0.83 percent, and 0.13 percent respectively; while downstream petrochemical products including ABS, SAN, and PS resin decreased by 21.39 percent, 17.82 percent, and 18.75 percent as they were mostly used to manufacture parts and components for the automotive part, electric, and electronic industry.

Exports in May 2019 valued 1,022.66 million USD, a drop of 19.37 percent compared to the same period last year (%YoY). The products with a lower export value are mostly used in packaging materials, electronic parts and automotive parts such as PE resin, PP resin and PC resin, which contracted by 20.21 percent, 15.61 percent, and 31.34 percent respectively. Key export markets which contracted were China (35.61 percent), India (9.54 percent), Vietnam (8.90 percent), Indonesia (7.62 percent), and Japan (7.33 percent).

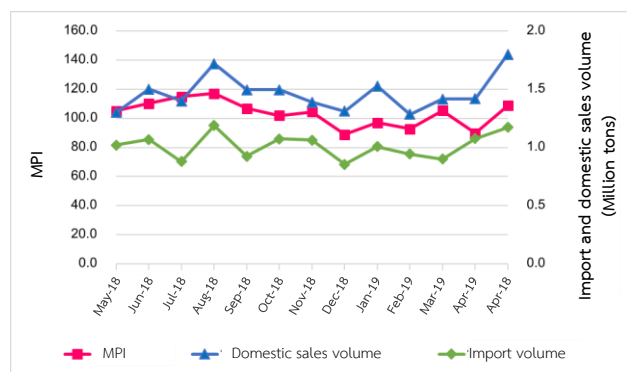


Source: Customs Department, Ministry of Finance

Imports in May 2019 valued 480.65 million USD, a decrease of 9.44 percent compared to the same period last year (%YoY). Products with lower import value were mostly used to produce parts in the electrical appliances and electronics industries and automobile industry, including ABS resin, SR rubber, PES resin, and PMMA resin, which contracted by 19.19 percent, 10.04 percent, 6.74 percent and 5.53 percent respectively. Overall, petrochemicals from major countries that contracted included China (14.08 percent), Japan (12.72 percent), South Korea (11.74 percent) and the US (10.87 percent).

In June 2019, the forecast is expected to remain stable at the same level, as there are factors that need to be monitored from the trade barrier policy between the US and China, including factors from exchange rates which affects the export value of Thai petrochemical products.

8. Iron and Steel Industry



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

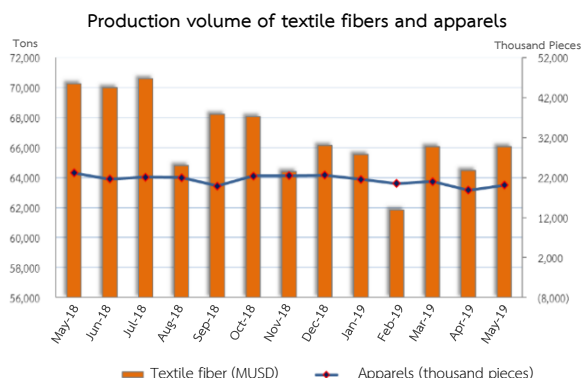
➤ **The manufacturing production index** in May 2019 reached 108.8, a growth by 3.4 percent compared to the same period last year. Considering key products, namely flat steel and long steel products, the MPI increased in both products. Production of long steel products reached an MPI of 110.7, an increase by 3.9 percent from the production of steels bars which grew by 18.1 percent, followed by deformed bars and wire rods which increased by 12.3 percent and 7.4 percent respectively. This was a result of growth in downstream industries such as the construction industry, especially government construction projects. Production of flat steel products reached an MPI of 104.4, a growth by 3.5 percent from an increase in production of hot-rolled coiled sheets by 28.9 percent from the continuous growth of downstream industries, such as the manufacture of steel pipes. In May, steel pipe production grew by 2.0 percent.

➤ **Domestic sales** in May 2019 reached 1.8 million tons, a 16.7 percent increase compared to the same period in the previous year. Long steel products reached 0.6 million tons, an increase of 3.9 percent from the sale of steel bars, hot-rolled structural steel and steel rods, which increased by 6.0 percent and 1.5 percent, respectively. Meanwhile, flat steel products reached a sales volume of 1.2 million tons, an increase of 24.3 percent from consumption of chromium-plated steel sheets, which grew by 85.2 percent. This was followed by thin hot-rolled steel sheets and tinplated steel sheets (both HDG and EG) by 34.9 percent and 15.7 percent, respectively.

➤ Imports in May 2019 reached 1.7 million tons, an increase of 15.0 percent compared to the same period in the previous year from flat steel products. Flat steel products reached an import volume of 0.9 million tons, an increase of 21.7 percent from imports of chromium-plated steel sheets which grew by 244.3 percent (the major importing country was China), followed by thin hot-rolled allow steel sheets and cold-rolled structural steel which increased by 199.3 percent and 58.7 percent, respectively. However, products in the long steel products reached an import volume of 0.2 million tons, a decrease by 6.2 percent due to the import of hot-rolled structural alloy steel which dropped by 86.7 percent (the major importing country which contracted was Japan) followed by stainless steel rods and alloy steel rods which decreased by 43.5 percent and 32.3 percent.

"The trend of the steel industry in May 2019 is forecasted that production will remain stable compared to the same period last year due to the slowdown in supporting industries such as the automotive industry. However, there are supporting factors from the expansion of the electrical appliances and construction industries."

9. Textile and Garment Industry



Source: The Office of Industrial Economics

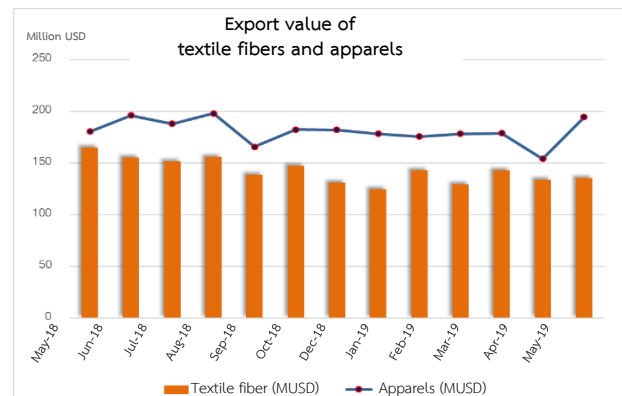
Production

Production of textiles fibers, fabrics and apparels decreased by 5.97 percent, 4.38 percent, and 13.00 percent (%YoY) respectively, as a result of decreasing orders from trading partners, including global textiles and clothing market trends that are expected to slow down — thus causing operators to reduce the production of upstream raw materials to be stocked goods.

Domestic sales

Textile fibers increased by 4.17 percent (% YoY) for being used as raw materials in the production of apparels to exports.

Fabrics and apparels decreased by 12.01 percent and 3.24 percent respectively (% YoY) due to importation and consumers preferred fashion clothes from China, including foreign brand name clothing.



Source: Ministry of Commerce

Exports

Textile fibers and fabrics contracted by 17.80 percent and 0.28 percent respectively, with a decrease in man-made fibers exported to key markets such as China and Vietnam, partly as a result of said countries exported less apparels to the world market, especially the US market; therefore, they decreased orders for raw materials from Thailand. However, exports of man-made fibers to the US market has continued to expand for seventeen months since January 2018.

Apparels grew by 7.61 percent, which was the export of men and women's wearing apparels in the form of Original Design Manufacturer (ODM) to the US and Japan markets.

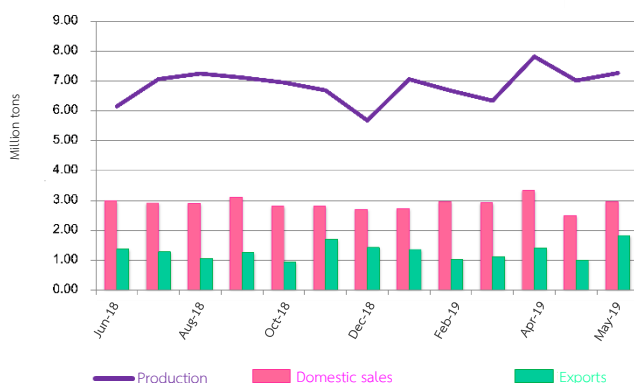
Forecast in June 2019

The circumstance of textiles and apparels industry, it is expected that the production of textile fibers and fabric will decline in line with the export trend expected to decline, 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 their 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.

+ Overall cement production in May 2019 reached the volume of 7.27 million tons. The volume increased by 3.62 percent and 18.16 percent from April 2019 (%MoM) and the same month last year (%YoY) respectively. The growth was in line with domestic demands to support the expansion of real estate, especially real estate alongside the construction of electric railways, both nearly complete and extension routes.

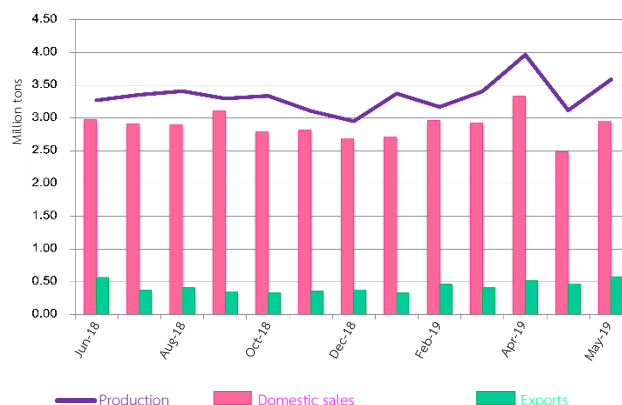
+ Overall domestic cement sales in May 2019 reached 2.96 million tons. The volume increased by 18.85 percent from April 2019 (%MoM) but decreased by 0.78 percent compared to the same month last year (%YoY) as a result of the beginning of the rainy season and heavy rain sometime, which were the difficulty for construction.

+ Total cement exports in May 2019 reached 1.83 million tons. The volume increased by 82.81 percent and 33.22 percent from April 2019 (%MoM) and the same month last year (%YoY) respectively. This increase was the result of the Philippines and Cambodia, which are key export markets increased orders by 464.14 percent and 39.01 percent, respectively.

The trend of overall cement production industry in June 2019 is expected to drop slightly.

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.

+ Cement production (excluding clinker) in May 2019 reached 3.59 million tons. The production increased by 15.08 percent and 9.68 percent from April 2019 (%MoM) and the same month last year (%YoY), respectively.

+ Domestic sales of cement (excluding clinker) in May 2019 reached the total volume of 2.96 million tons. The sales increased by 18.85 percent from April 2019 (%MoM) but decreased by 0.78 percent from the same month last year (%YoY).

+ Export of cement (excluding clinker) in May 2019 reached the volume of 0.58 million tons. The export volume increased by 22.63 percent from April 2019 (%MoM) and increased by 2.30 percent compared to the same month last year, resulting from increased orders from Cambodia and Myanmar by 14.90 percent and 5.46 percent, respectively.

The trend of the cement industry (excluding clinker) in June 2019 is expected to drop slightly.

