

OIE Reports August 2025 MPI Contraction of 4.19 Percent Amid Stronger Thai Baht and Decline in Automotive Output

The Office of Industrial Economics (OIE) reported that Thailand's Manufacturing Production Index (MPI) in August 2025 stood at 92.13, down 4.19 percent year-on-year. The decline was attributed to the appreciation of the Thai Baht, which has raised export costs and weakened price competitiveness. The automotive industry also continued to shrink as major manufacturers temporarily halted production to relocate assembly lines to other domestic facilities. In addition, a major oil refinery underwent annual maintenance, and a slowdown in foreign tourist arrivals further dampened related industries.

Mr. Passakorn Chairat, Director General of the Office of Industrial Economics (OIE), stated that the Manufacturing Production Index (MPI) in August 2025 stood at 92.13, contracting by 4.19 percent year-on-year. Meanwhile, capacity utilization was 57.19 percent, with the Baht stronger than the same period last year, driven by capital inflows and the U.S. interest rate downtrend, which raised Thai export costs and eroded price competitiveness against similarly priced competitors. Moreover, a major refinery shutdown for annual maintenance and the temporary suspension of automotive production added to the contraction. The slowdown in foreign tourists also affected industries such as frozen foods, sausages, luggage, sports footwear, and alcoholic beverages.

The Industrial Economic Warning System for September 2025 signaled a “monitoring alert.” Domestic factors remained generally stable, supported by continued export growth in electronic products and rising confidence in orders for electronic and computer components. Private investment indicators also showed mild caution, while import volume, export prices, and order confidence indices remained stable or expanded. However, external factors continued to warrant close monitoring due to sluggish global manufacturing and declining new orders. Nevertheless, steady export growth in capital goods and agricultural products helped reduce overall risk signals.

“For 2025, the OIE is advancing Thailand’s industrial structure toward future-oriented industries, with key achievements including **enhancing industrial competitiveness** through the Industrial Restructuring Plan, which informs integrated development plans for future industries and services; implementation of HEV/MHEV measures and promotion of the Halal industry, including the establishment of a Halal Center and partnerships with key countries such as Morocco, Turkey, Kazakhstan, Indonesia, China, and Oman; maintaining the competitiveness of the steel industry by issuing a Ministry of Industry announcement to prohibit new or expanded rebar manufacturing plants, studying similar measures for other steel products, and promoting Green Steel policies, as well as advancing the defense industry. In terms of **enhancing the industrial ecosystem**, the OIE is developing value-added industries under the Southern Economic Corridor (SEC) and

Public Relations Sub-division, The Office of Industrial Economics

Tel : 0 2430 6800 ext. 0

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implementing international cooperation projects such as the “Thailand Triangular Cooperation for Carbon Neutrality Capacity Building in the Electrical and Electronics Industry in ASEAN” in collaboration with KOICA (Korea International Cooperation Agency). It is also strengthening energy and industrial cooperation through the Energy and Industry Dialogue (EID) with Japan’s Ministry of Economy, Trade and Industry (METI) to enhance industrial competitiveness during the transition toward clean energy and a low-carbon society, conducting market readiness studies in the Lancang–Mekong region for new energy and smart vehicles, and engaging in negotiations on U.S. import tariffs. Regarding the **enhancement of industrial information services**, the OIE is upgrading industrial economic data systems through improved monitoring, research, forecasting, and early warning mechanisms to increase accuracy and responsiveness, including efforts to track illegal quota use and review key industrial indicators, said Mr. Passakorn.

Industries with positive contributions to the August 2025 Manufacturing Production Index were:

Basic Iron and Steel: An increase of 22.74% year-on-year, mainly from hot-rolled steel sheets, steel pipes, and deformed bars, following a low base last year for hot-rolled steel sheets due to maintenance shutdowns. Manufacturers also expanded domestic markets and acquired new customers for steel pipes, while deformed bars expanded markets from last year, when purchase orders were limited.

Computers and Peripheral Equipment: An increase of 19.14%, driven by hard disk drives, reflecting rising demand for data storage and processing equipment amid global expansion in AI, cloud computing, and data centers.

Electronic Components and Boards: An increase of 6.42%, led by PCBA and other electronic parts, supported by sustained global demand for electronics.

Industries with negative Contributions to the August 2025 Manufacturing Production Index were:

Refined Petroleum Products: A decrease of 7.98%, mainly due to lower output of diesel, aviation fuel, gasoline 91, and gasoline 95, as some refineries underwent major maintenance shutdowns.

Automobiles: A decrease of 8.09%, particularly in pickup trucks, hybrid cars below 1,800 cc, small passenger cars, and large passenger cars, due to temporary production halts during the relocation of assembly lines to other domestic plants.

Soft drinks, mineral waters and other bottled waters: A decrease of 11.58%, led by declines in fruit drinks, energy drinks, and ready-to-drink coffee, partly due to Thai–Cambodian border closures and trademark disputes that disrupted production for some manufacturers.

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Manufacturing Production Index (MPI) and Capacity Utilization Rate (Monthly)

Index	2024						2025					
	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Mar.	Apr.	May	Jun.	Jul.	Aug.*
MPI	97.21	96.16	93.60	94.65	94.54	90.98	105.70	92.06	100.85	97.19	93.57	92.13
Month-over-Month (%)	0.44	-1.09	-2.66	1.12	-0.12	-3.77	9.90	-12.90	9.55	-3.63	-3.73	-1.54
Year-over-Year (%)	2.00	-1.23	-3.01	-0.07	-3.34	-1.80	-0.03	1.91	1.94	0.41	-3.75	-4.19
Capacity Utilization Rate	59.21	59.09	58.01	58.41	58.22	56.52	63.96	56.66	60.97	59.49	56.93	57.19

Source: Information and Industrial Economic Index Division, Office of Industrial Economics, data as of September 30, 2025

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