

The Ministry of Industry Reports MPI Growth of 0.48 Percent for the First Six Months of 2022 from Opening Country to Tourists Supports Petroleum Industry and Textile Industry to Recover Continuously

The Ministry of Industry reported that MPI in the first six months of 2022 grew by 0.48 percent compared to the same period of the previous year. The factors were the recovery of production after opening the country to tourists and the relaxation of COVID-19 control measures to support people's purchasing power and to recover economic activities. This resulted in the petroleum industry growing for the ninth consecutive month. The textile industry grew for the sixteenth consecutive month from the weaker baht. The Office of Industrial Economics expected that the MPI in 2022 will increase by 1.5 – 2.5 percent and that the GDP will increase by 2.0 – 3.0 percent.

Mr. Suriya Juangroongruangkit, Minister of Industry reported that industrial production recovered after the relaxation of control measures, especially the country's opening measures. Domestic consumption continued to improve. Orders and production capacity in related industrial sectors increased. The weaker baht supported exports to expand. Moreover, Thailand's food industry continuously grew amid the global food security crisis. It was expected that processed food exports would reach 1.3 trillion baht and become the main industry that drives the Thai economy. The MPI overview in the first six months of 2022 grew by 0.48 percent while the one in June 2022 was at a stable level. The Capacity Utilization Rate in the first six months of 2022 was 63.81 percent. The MPI in the last six months was expected to gradually expand.

Mrs. Siripen Kiatfuengfoo, Deputy Director of the Office of Industrial Economics, said that the MPI in June 2022 was 98.05 percent and the Capacity Utilization Rate was 62.41 percent. The OIE expected the MPI in 2022 would expand by 1.5 – 2.5 percent and the GDP of the industrial sector would expand by 2.0 - 3.0 percent from better domestic consumption after the relaxation of control measures, especially the country's full opening measures, resulting in people living and consuming more normally. The petroleum industry grew for the ninth consecutive month from the recovery of economic activities as well as tourism-related industries, such as automobiles, jewels, jewelry, shoes, bags and beer. The weaker baht effectively impacted the exports and caused Thai products to compete in the world market, such as the textile and

wearing apparel industry which grew for the sixteenth consecutive month from higher demand both at home and abroad. Furthermore, exports from the chemical industry and air conditioning industry also expanded.

Signals of surveillance of the industrial economic situation of Thailand, the OIE used the Early Warning System Industry Economics: EWS-IE as a calculating tool revealing the economic outlook over the next few months that the domestic factors will continue to expand and domestic demands gradually recover. Industrial confidence will also improve from the country's opening and unlocking of COVID-19 control measures. Business confidence will be deviating positively, while the foreign factors begin to affect partner countries facing inflation and orders slowdown. In addition, raising interest rates need to be monitored, the conflict between Russia and Ukraine continues, the economic downturn and supply shortages affect the global economy as well as economic crises in many developing countries in Asia, such as Sri Lanka, Myanmar and Laos which may affect international trade and Thai investment.

Key industries contributing to the MPI growth in June 2022 compared to the same period of the previous year were:

Petroleum increased by 18.53 percent from the same period of the previous year, mainly an increase from high-speed diesel, jet fuel, gasoline and Gasohol 95, due to the recovery of tourism, the country's full opening measures and the relaxation of COVID-19 control measures.

Air conditioners increased by 21.26 percent from the same period of the previous year, mainly an increase from the exports, due to the recovery of partner countries such as the United States of America and the Eurozone as well as the variable climate and higher temperatures impacting many countries making more orders.

Automotives increased by 4.25 percent from the same period of the previous year, mainly an increase from pickup trucks, due to the recovery of the domestic economy after the relaxation of COVID-19 control measures as well as the accelerating production to deliver orders.

Beer increased by 27.03 percent from the same period of the previous year, due to the accelerating production to support the needs of dealers and merchants to stock goods that are priced by the manufacturer.

Chemical fertilizer increased by 31.95 percent from the same period of the previous year, due to continuously coming orders after the sufficient amount of rainfall for cultivation as well as the high prices of agricultural crops.

MPI and Capacity Utilization Rate (Monthly)

Index	2021							2022					
	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.
MPI	98.12	89.98	86.70	94.72	97.51	100.75	102.26	104.46	101.70	109.93	91.24	98.19	98.05
Change Rate (MOM)%	-2.05	-8.30	-3.65	9.25	2.94	3.33	1.50	2.15	-2.64	8.09	-17.00	7.61	-0.15
Change Rate (YOY)%	18.64	3.75	-4.95	0.35	2.74	4.59	6.66	2.02	2.45	0.44	-0.03	-1.98	-0.08
Capacity Utilization Rate	63.75	58.10	56.28	61.14	63.12	65.17	65.24	65.69	64.58	69.33	58.54	62.30	62.41

Source: Division of Industrial Economics Information and Indices, the Office of Industrial Economics, data as on 27th July, 2022

MPI and Capacity Utilization Rate (Quarterly)

Index	2021				2022	
	Q1	Q2	Q3	Q4	Q1	Q2
MPI	103.70	96.52	90.46	100.17	105.36	95.83
Change Rate Compared to the Previous Quarter %	8.35	-6.92	-6.28	10.73	5.18	-9.05
Change Rate Compared to the Same Quarter of the Previous Year %	0.70	20.96	-0.34	4.67	1.60	-0.72
Capacity Utilization Rate	66.32	62.65	58.51	64.51	66.53	61.08

Source: Division of Industrial Economics Information and Indices, the Office of Industrial Economics, data as on 27th July, 2022