

Ministry of Industry Reports Growth in MPI by 2.20 Percent for the First Ten Months of 2022 Following the Domestic Economic Recovery; the Industry Sector is Expected to Continue Growing Next Year.

The Ministry of Industry reported that the Manufacturing Production Index (MPI) in the first ten months of 2022 grew by 2.20 percent compared to last year. The growth was a response to the continuous recovery of domestic consumption after the economy and tourism improved, together with increased farmers' income and government assistance measures. The Office of Industrial Economics (OIE) reported that in 2023, the MPI is expected to grow by 2.5 - 3.5 percent and the GDP in the industrial sector to expand by 2.5 - 3.5 percent.

The Minister of Industry, Mr. Suriya Jungrungreangkit, reported that industrial production continued to expand. The Manufacturing Production Index (MPI) for the first ten months of 2022 was at 99.06, an increase of 2.20 percent compared to the same period last year. The capacity utilization rate in the first ten months of 2022 averaged 63.06 percent due to the growth of domestic economic activities and tourism recovery, reflected by the increasing number of foreign tourists visiting Thailand. As a result, production in the food and beverage industries grew by 2.7 percent and 2.6 percent, respectively. Jet fuel production grew by 108.2 percent. OIE has projected the MPI and industrial GDP in 2022 and 2023. In 2022, the MPI is expected to grow by 1.9 percent and the GDP in the industrial sector by 2.0 percent. Meanwhile, in 2023, the MPI is forecasted to grow by 2.5 - 3.5 percent and the GDP in the industrial sector by 2.5 - 3.5 percent.

Director General of the Office of Industrial Economics (OIE), Ms. Warawan Chitaroon, said that the Manufacturing Production Index (MPI) in October 2022 contracted by 3.71 percent due to significant maintenance shutdowns of factories in the petroleum and plastic pellets industries, which will return to normal production next month. The primary industries that gave positive results in October 2022 were automobiles from pickup trucks and medium-sized passenger cars produced continuously. Palm oil expanded from demand for more products in the industrial and energy sectors and a large volume of palm oil output in the market. Electronic parts

and circuit boards grew in line with the global market in the digital era. In November 2022, the MPI is expected to expand as refineries resume normal operations. Additionally, the domestic economy has a better trend from the recovery of the tourism sector and domestic consumption. However, global demand for goods is a factor that needs to be closely monitored, with negative factors from major export markets trending into a recession and China's Zero-COVID policy.

The OIE forecasts that the 2022 MPI will grow by 1.9 percent due to the country's improving economic outlook, the recovery of the tourism sector, and domestic consumption, including government support measures. However, during the remainder of this year, there are still risk factors that should be monitored, such as energy prices both domestically and internationally, oil price volatility causing industrial production costs to increase, the adjustment of the variable tariff (Ft) in electricity bills, and the depreciation of the Baht causing production costs to increase from importing raw materials. Additional factors include loan interest rates which are likely to grow, and the global economic slowdown from the slowdown in many countries around the world, including the economic recession of Thailand's major export markets, such as the US, China, and Japan. Furthermore, there are risks of geopolitics, technological barriers, and relocation of production bases affecting Thai exports.

The main industries that contributed positively to the MPI in October 2022 compared to the same period last year were:

Automobiles grew by 9.88 percent from last year, mainly from pickup trucks and medium-sized passenger cars, in domestic and export markets. In particular, farmers earned more from the price of agricultural products and various products, which remained at a good level. In addition, the industry could continue production after the problem of chip shortages was resolved.

Palm oil grew by 31.82 percent from the same period last year, mainly from crude and refined palm oil due to higher demand in the industrial and energy sectors. In addition, oil consumption adjusted from B5 to B7, and there was a large amount of palm oil production in the market.

Electronic parts and circuit boards grew by 7.47 percent from the same period last year, in line with the expansion of the global market in the digital age. The industry grew for the 21st consecutive month.

Ready-made animal feed grew by 8.63 percent from last year as farmers raised more chickens to meet the growing demand for chicken meat, including the increasing popularity of raising pets.

Concrete products and cement grew by 8.76 percent from the same period last year, mainly from ready-mixed concrete piles and prefabricated floors. This year, the construction situation resolved to normal, with increased construction.

MPI and Capacity Utilization Rate (Monthly)

Index	2021				2022									
	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.
MPI	94.72	97.51	100.75	102.26	104.46	101.70	109.93	91.24	98.19	97.93	95.73	99.63	97.89	93.89
Change Rate (%MOM)	9.25	2.94	3.33	1.50	2.15	-2.64	8.09	-17.00	7.61	-0.27	-2.24	4.07	-1.75	-4.08
Change Rate (%YOY)	0.35	2.74	4.59	6.66	2.02	2.45	0.44	-0.03	-1.98	-0.20	6.39	14.92	3.34	-3.71
Capacity	61.14	63.12	65.17	65.24	65.69	64.58	69.33	58.54	62.30	62.46	60.77	63.72	63.34	59.91

Source: Division of Information and Industrial Economic Indices, Office of Industrial Economics, data as at 30 November 2022