



Report on the Industrial Economics Status in Q1/2022 and Outlook for Q2/2022



สำนักงาน | OFFICE
เศรษฐกิจอุตสาหกรรม | OF INDUSTRIAL ECONOMICS

Table of Contents

	Page
Executive Summary	3
Part 1 Overview of Economy and Industry of Thailand in Q1/2022	5
Part 2 Thai Industrial Economic Sectors in Q1/2022 and Outlook for Q2/2022	14
2.1 Iron and Steel Industry	15
2.2 Electrical Industry	16
2.3 Electronics Industry	17
2.4 Automotive and Parts Industry	18
2.5 Motorcycle and Parts Industry	19
2.6 Chemical Industry	20
2.7 Plastics Industry	21
2.8 Petrochemical Industry	22
2.9 Pulp, Paper and Print Media Industry	23
2.10 Ceramics Industry	24
2.11 Cement Industry	25
2.12 Textile and Apparel Industry	26
2.13 Wood and Wooden Furniture Industry	27
2.14 Pharmaceutical Industry	28
2.15 Rubber and Rubber Product Industry	29
2.16 Footwear and Leather Product Industry	30
2.17 Gems and Jewelry Industry	31
2.18 Food Industry	32

Executive Summary

Summary of Thai Industrial Economic Status in Q1/2022

The industrial economic status in Q1/2022, when considered from the Manufacturing Production Index (MPI), it increased by 1.4 percent slowed down when compared to Q4/2021, which increased by 4.7 percent, some parts which are affected by limitations in the global supply chain. Key industries that expanded in Q1/2022 were **petroleum refining** as a result of the policy of opening the country to accept foreign tourists in this year and including the relaxation of the policy to control the pandemic of COVID-19 more after the population has been vaccinated thoroughly and comprehensively causing more travel compared to the same period last year, the government maintained a strict pandemic control policy. **Sugar** due to this year, there were more sugarcane entering into the factory than the previous year. **Automobiles** with the main factor coming from the COVID-19 pandemic situation gradually unraveling and this year the farmers income has increased more than the previous year. **Electronic components** due to world markets continuing to have increasing demand for electronic components. **Beer production** increased production because the government has relaxed more measures to control the pandemic in the restaurant and service sectors since the end of last year including the producers have raised beer prices according to the higher cost that makes stores stock more products.

Outlook of Key Industries for Q2/2022

↓ Iron and Steel: It is expected to slightly contract compared to the same period last year. Raw material costs in Q2 are expected to increase slightly but tend to be stable in Q3. In addition, energy and transportation costs in Q2 still tend to be high causing steel prices in the world market to remain high. Consumers have slowed down their orders and there is also the risk of inflation causing the price of steel and downstream products to start to rise and steel costs in China are lower than in Thailand which may cause industrial operators to continue to want to import steel products rather than domestic purchases.

↑ Electronics: It is expected that the MPI and export value will continue to increase by 3.0 and 10.0 percent, respectively, due to the world market still needing electronic components such as the production of modern products, smart electronics tools and the production of electric vehicles, including the expansion of the network and the development of 5G technology. There has been a continuous increase in demand for electronic products from both domestic and international markets.

↔ Automobiles: It is estimated that in Q2/2022, more than 450,000 automobiles will be manufactured, which is divided into 50-55 percent production for domestic sales and 45-50 percent production for exports.

↔ Motorcycles: It is estimated that in Q2/2022, more than 450,000 motorcycles will be manufactured, which is divided into 80-85 percent production for domestic sales and 15-20 percent production for exports.

↑ Pulp, Paper and Print Media: It is expected that the paper products used in the manufacture of packaging boxes will increase in line with domestic consumption. At the same time, paper packaging continues to benefit from its use for online shopping. Exports will continue to expand in the pulp group.

↑ Textile and Wearing Apparel: It will expand slightly due to the demand from major trading partners such as the United States of America, Japan, China and the EU, steadily recovering throughout the supply chain. In addition, domestic demand began to return from the policy of opening the country. Although still affected by the freight problem including energy costs that make material prices and raw materials used in production increase. This may affect the competitiveness of entrepreneurs.

↑ Wood and Wooden Furniture: The volume of wooden furniture production will return to expand mainly from production to meet the need of the international market. In terms of domestic sales of wooden furniture, it is expected to continue to slow down and exports of wood and wooden products are expected to increase in value as demand from key trading partners tends to increase continuously.

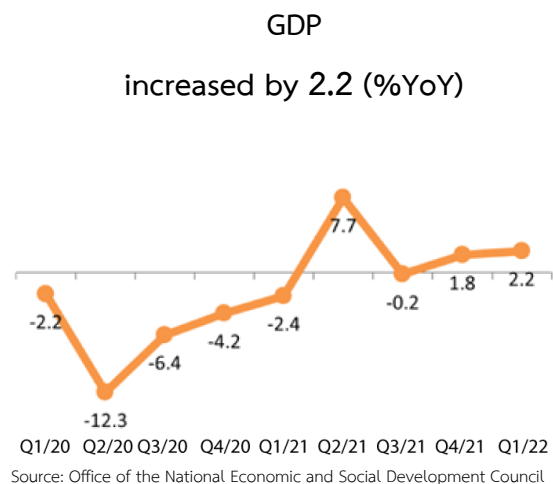
↑ Pharmaceuticals: It is expected that the country's pharmaceutical production and distribution will continue to grow compared to the same quarter last year. As the demand for pharmaceuticals to treat the disease is increasing. Exports are expected to have good growth prospects as well, especially in ASEAN markets such as Cambodia, Laos, Myanmar and Vietnam.

↑ Rubber and Rubber Products: It is expected that the production of primary processed rubber will return to expand from production to meet the demands of the continuous industry. As for the production volume of automotive tires, it is expected to expand continually from production to meet the needs of both domestic and international markets. The production volume of rubber gloves is expected to expand mainly from production to meet the needs of the domestic market.

↑ Food: It is expected that the overall MPI and export value are expected to grow slightly compared to the same quarter of the previous year because the world economy and trade tend to expand continuously, including the relaxation of government measures, the number of foreign tourists entering the country and positive factors from the depreciation of the Thai baht that has a positive effect on exports. However, raw material prices for food production and energy prices remained high due to the conflict between Russia and Ukraine. This will affect industrial costs and consumer purchasing power.

Part 1 Overview of Economy and Industry of Thailand in Q1/2022

Thailand's Economic and Industrial Overview in Q1/2022



Gross Domestic Product or GDP in Q1/2022 increased by 2.2 percent, expanding from the previous quarter which grew by 1.8 percent and increasing from the same period of the previous year which contracted by 2.4 percent.

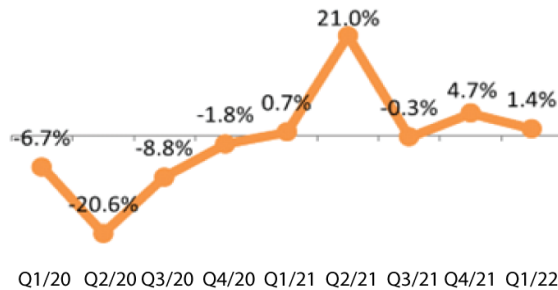


The GDP of the industrial sector in Q1/2022 increased by 1.9 percent, slowing down from the previous quarter which grew by 3.8 percent and increased when compared to the same period of the previous year which expanded by 1.1 percent.

Key Industrial Index

Manufacturing Production Index

increased by 1.4 percent
(%YoY)



Source: The Office of Industrial Economics

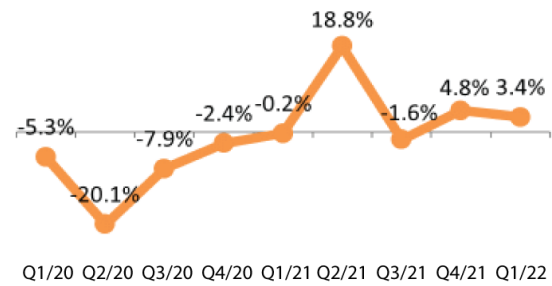
In Q1/2022, the Manufacturing Production Index (MPI) stood at 105.16 points, an increase of 4.98 percent from the previous quarter (100.17 points) and an increase of 1.4 percent from the same quarter of 2021 (103.70 points).

Industries contributing to the increase of the MPI from the previous quarter were the manufacture of sugar, air conditioners and concrete products, cement and plaster.

Industries contributing to the increase of the MPI from the same quarter of 2021 were the manufacture of petroleum refining, sugar and automobiles.

Shipment Index

increased by 3.4 percent
(%YoY)



Source: The Office of Industrial Economics

In Q1/2022, the Shipment Index stood at 103.60 points, an increase of 1.59 percent from the last quarter (101.98 points) and an increase of 3.4 percent from the same quarter of 2021 (100.22 points).

Industries contributing to the increase of the Shipment Index from the last quarter were the manufacture of sugar, air conditioners and household appliances.

Industries contributing to the increase of the Shipment Index from the same quarter of 2021 were the manufacture of sugar, petroleum refining and automobiles.

Finished Goods Inventory Index

increased by 2.4 percent
(%YoY)



Source: The Office of Industrial Economics

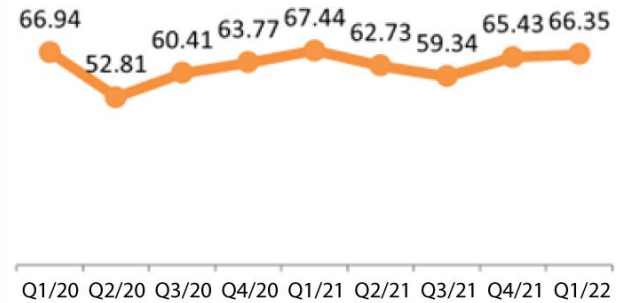
In Q1/2022, the Finished Goods Inventory Index stood at 139.36 points, decreasing from the previous quarter (144.00 points) by 3.23 percent but increasing from the same quarter of 2021 (136.14 points) by 2.4 percent.

Industries contributing to the decrease of the Finished Goods Inventory Index from the previous quarter were the manufacture of automobiles, computers and components and basic iron and steel.

Industries contributing to the increase of the Finished Goods Inventory Index from the same quarter of 2021 were the manufacture of computers and components, electronic components and circuit boards and basic iron and steel.

Capacity Utilization Rate

stood at 66.35 percent



Source: The Office of Industrial Economics

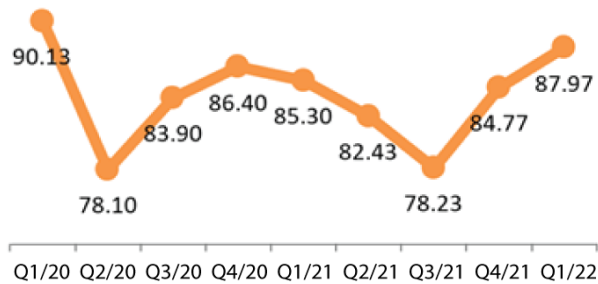
In Q1/2022, the Capacity Utilization Rate stood at 66.35 percent, increasing from the previous quarter (64.51 percent) and increasing from the same quarter of 2021 (66.32 percent).

Industries contributing to the increase of the Capacity Utilization Rate from the previous quarter were the manufacture of sugar, air conditioners and basic chemical products.

Industries contributing to the increase in the Capacity Utilization Rate from the same quarter of 2021 were the manufacture of petroleum refining, sugar and automobiles.

Industrial Sentiment Index

of Q1 was at 87.97 points



Source: The Federation of Thai Industries

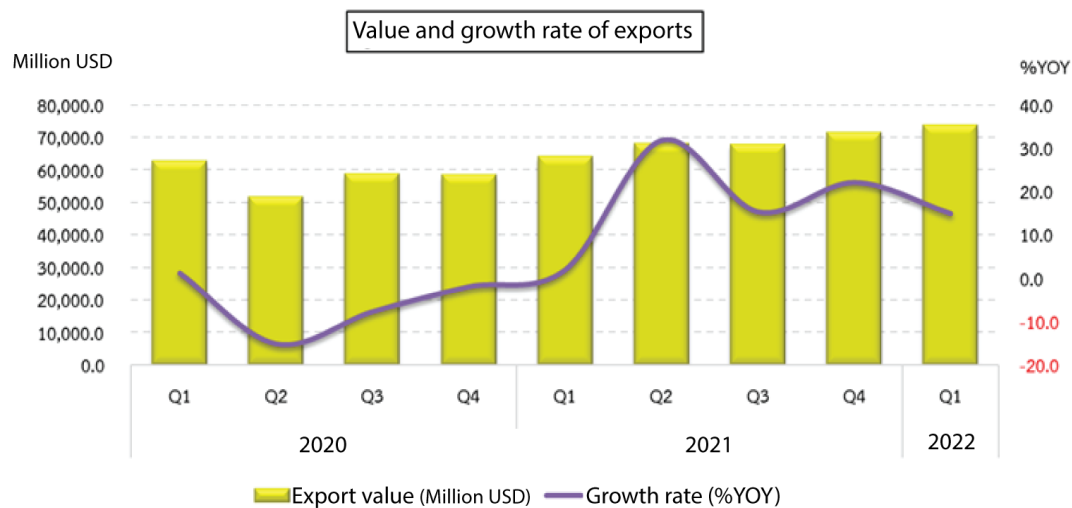
In Q1/2022, the Industry Sentiment Index stood at 87.97 points, which increased from the last quarter (84.77 points) and increased from the same quarter of 2021 (85.30 points). The three-month forecast for the sentiment index was at 97.70 points, increasing from the same quarter of 2021 (92.37 points). Factors that contributed to the increase in industrial confidence in Q1/2022 to return to a level that was similar before the pandemic of COVID-19 crisis as a result of the relaxation of government lockdown measures. As a result, economic activities gradually recovered and businesses can operate the same as usual. There are also government stimulus measures through the project called “Kon la krueng” phase 4 and increasing the limit on the welfare card to help increase the purchasing power of people. However negative factors are affecting the confidence of entrepreneurs, for example, the problem of higher operating costs from the price of energy (fuel), raw material prices, higher price of shipping costs, container shortages and high sea freight rates have persisted since early 2021. Container shortages and sea freight rates have remained high since the beginning of 2021, from the inflation situation, the conflict between Russia and Ukraine and China’s Zero COVID-19 policy. This could help speed up the country's production chain's slowdown.

Foreign Trade of Thailand

“The value of foreign trade in Q1/2022 in both exports and imports increased compared to the same period last year and the positive factor was the recovery in demand from Thailand's major trading partners especially the export of major industrial products including computer parts and equipment, plastic resins and chemical products, as a result of many countries adapting to coexist with COVID-19. As a result, various types of business activities can continue to be driven. As well as imports expanding in the same direction including imports of fuel, capital goods, raw materials and semi-finished goods reflect production to support the export markets that will continue to grow in the future.”

Thailand's foreign trade situation in Q1/2022 reached a total value of 148,146.7 million USD, which has an export value of 73,601.4 million USD, increasing by 14.9 percent compared to the same period last year and an import value of 74,545.3 million USD, increasing by 18.4 percent compared to the same period last year. In Q4/2021, the trade balance had a deficit of 943.95 million USD.

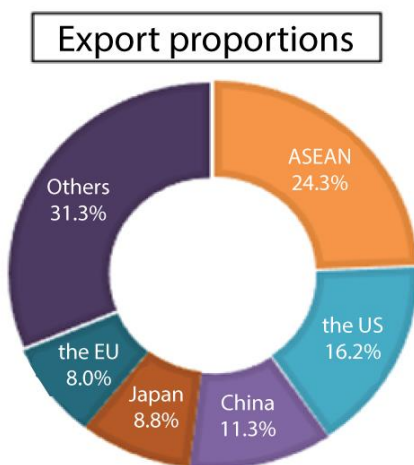
Export Structure



Exports in Q1/2022 were valued at 73,601.4 million USD, increasing by 14.9 percent compared to the same period last year. Key products with changes in exports were as follows: agricultural product's export value increased by 1.9 percent to 5,881.1 million USD, agro-industrial product's export value increased by 28.0 percent to 5,720.5 million USD, industrial product's export value increased by 14.9 percent to 59,420.1 million USD and mineral and fuel product's export value increased by 24.7 percent to 2,579.7 million USD.

Industrial products with an increase in exports were gems and jewelry (exports were valued at 5,504.6 million USD, increasing by 204.7 percent), computers, accessories and parts (exports were valued at 5,431.6 million USD, increasing by 8.6 percent), plastic pellets (exports were valued at 3,037.4 million USD, increasing by 19.5 percent), chemical products (exports were valued at 2,538.7 million USD, increasing by 24.7 percent) and circuit boards (exports were valued at 2,305.0 million USD, increasing by 17.7 percent).

Export Markets



Source: Ministry of Commerce

In Q1/2022, goods exports to Thailand's major trading partners increased in every market, with the United States of America expanding the most followed by ASEAN, the EU, China and Japan. The proportion of exports to all 5 markets, namely ASEAN (9 countries), the United States of America, China, Japan and the EU (27 countries), totaling 68.7 percent and exports to other markets representing 31.3 percent of total exports. Details are as follows:

- Thailand has a proportion of export value to ASEAN which accounted for 24.3 percent, the United States of America which accounted for 16.2 percent, China which accounted for 11.3 percent, Japan which accounted for 8.8 and the EU (27 countries) which accounted for 8.0 percent.
- The export growth rate, compared with the same period last year found that Thailand's main trading partners expanded in every market, the United States of America increased the most by 24.1 percent, followed by ASEAN which increased by 17.0 percent, the EU which increased by 5.7 percent, China which increased by 4.2 percent and Japan which increased by 1.2 percent.

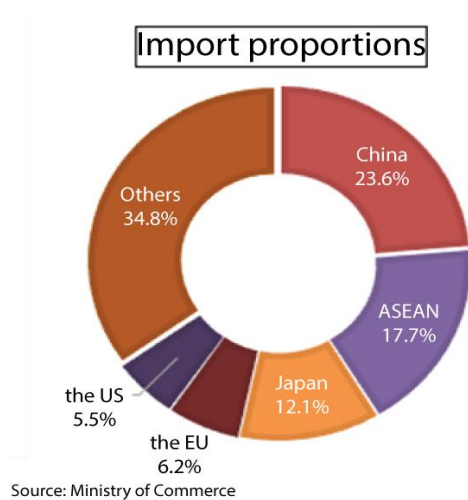
Import Structure



Source: Ministry of Commerce

Thailand's imports in Q1/2022 were valued at 74,545.3 million USD, an increase of 18.4 percent from the same period last year. Key product categories with import changes were fuel products which were valued at 14,267.2 million USD, an increase of 86.3 percent, capital goods which were valued at 17,319.7 million USD, an increase of 12.0 percent, raw materials and semi-finished products which were valued at 30,347.8 million USD, an increase of 7.3 percent, consumer products which were valued at 8,562.9 million USD, an increase of 10.9 percent, vehicles and transportation equipment which were valued at 3,005.6 million USD, a decrease of 20.2 percent and weapons, military supplies and other goods which were valued at 1,042.2 million USD, an increase of 1,965.4 percent.

Source of Imports



In Q1/2022, Thailand's major import markets expanded in all markets. China increased the most, followed by ASEAN, the United States of America, the EU (27 countries) and Japan. All 5 markets accounted for 65.2 percent of total imports and 34.8 percent of imports from other markets. All imports with details are as follows:

- Thailand imported products from China which accounted for 23.6 percent, ASEAN which accounted for 17.7 percent, Japan which accounted for 12.1 percent, the EU (27 countries) which accounted for 6.2 percent and the United States of America which accounted for 5.5 percent.
- The growth rate of imports when compared to the same period last year in the main market all expanded. China increased the most by 19.2 percent, followed by ASEAN which increased by 17.4 percent, the United States of America which increased by 16.7 percent, the EU (27 countries) which increased by 10.8 percent and Japan which increased by 0.6 percent.

Global Economy in Q1/2022

“The world economy has recovered favorably. This was reflected in the overall production and trade atmosphere that continued to expand, while the inflation rate increased. The policy of interest rates in many countries remained the same, only the United States of America slightly increased, the unemployment rate remained at a high level.”

Summary of Key Countries' Economic Indicators in Q1/2022

	Quarterly Growth (%YoY)						
	GDP	Inflation	MPI	Export	Import	Unemp. Rate	Policy Rate
USA	↑ 4.3	↑ 8.0	↑ 5.4	↑ 18.8	↑ 22.6	At 4.10	At 0.25-0.50
China	↑ 4.8	↑ 1.2	↑ 5.0 ^b	↑ 15.6	↑ 10.9	At 3.96 ^a	At 4.35
Japan	↑ 0.4 ^a	↑ 0.9	↓ 0.6	↑ 4.4	↑ 22.8	At 2.63	At -0.10
South Korea	↑ 3.1	↑ 3.8	↑ 4.7	↑ 18.3	↑ 29.5	At 3.50	At 1.25
Singapore	↑ 3.4	↑ 4.6	↑ 7.1	↑ 17.1	↑ 21.4	At 1.90	n.a.
Thailand	↑ 2.2	↑ 4.7	↑ 1.4	↑ 14.9	↑ 18.4	At 1.53	At 0.50

Source: ceicdata, <https://www.nesdc.go.th>, <http://tradereport.moc.go.th>

Note: a are estimated figures for Q4/2021, b are estimated figures for Q1/2022, n.a. = not available

The global economy has continued to grow after many countries used the living with COVID-19 policy as a factor to drive economic activities to continue. This was reflected in the expansion of international trade, both exports and imports, encouraging production to increase accordingly. The rate of inflation has a propensity to increase, this is due to the high cost of energy, which is a result of rising crude oil prices and rising raw material prices. The unemployment rate remained at a high level. For interest rates, many countries' policies maintain the same rate to stimulate economic recovery while the United States of America's interest rates increased by 0.25-0.50 percent.

The situation of crude oil prices in the world market is moving at a high level which is the aftermath of the conflict between Russia and Ukraine. In addition, OPEC and OPEC Plus are gradual productions, resulting in tight supply while oil consumption continued to expand as business operations recovered. Dubai crude oil price in Q1/2022 averaged 96.1 USD/barrel, an increase compared to Q1/2021, which averaged 69.5 USD/barrel. NYMEX crude oil price during March averaged 108.3 USD/barrel.

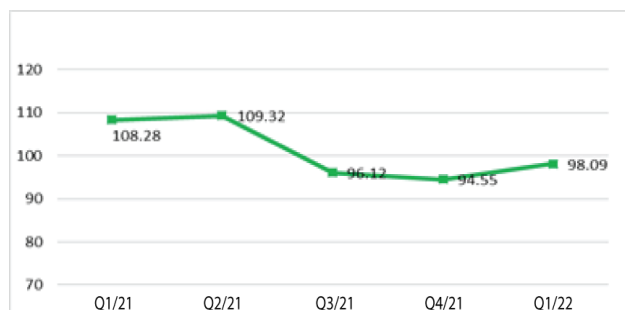
For issues that may affect the global economy such as the conflict between Russia and Ukraine and China's Zero COVID-19 policy which has begun to relax lockdown measures in some areas but it could cause disruptions in the production and transportation supply chains. In addition, energy prices continued to rise and resulted in higher commodity costs. As a result, it could slow down consumer spending power and put pressure on the economy to grow slowly. However, demand in Thailand's major trading partners shows signs of recovery, including some groups of industries that may be able to expand their export markets to replace sanctioned goods between Russia and countries on the global market that do not support the war, which is a positive factor for production to support the export market in the next phase.

Part 2 Thai Industrial Economic Sectors in Q1/2022
and Outlook for Q2/2022

Iron and Steel Industry

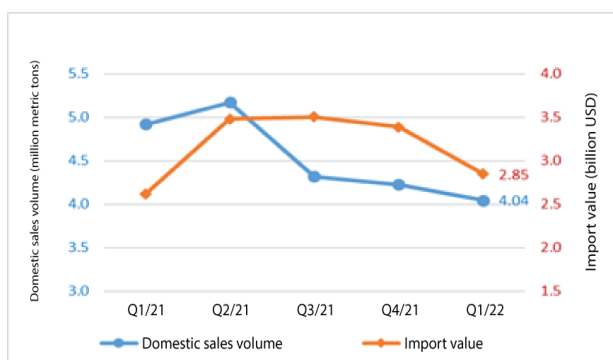
The MPI of the iron and steel industry in Q1/2022 decreased from the same period of 2021 from the production of flat and long steel products such as cold rolled steel, hot rolled steel coils, cold-rolled structural steel, high tensile steel wires and deformed steel bars.

Manufacturing Production Index (MPI)



Source: The Office of Industrial Economics

Domestic Consumption and Import Value



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

Production in Q1/2022, the MPI reached 98.1, decreasing by 9.4 percent from the same quarter of the previous year (%YoY) but increasing by 3.7 percent from the previous quarter (%QoQ) due to the higher steel prices compared to the same period last year. As a result, the purchasing power of consumers slowed down compared to the same quarter of the previous year. Flat steel production decreased by 9.9 percent. The product that decreased the most was cold rolled steel sheets which decreased by 16.3 percent, followed by hot rolled coils which decreased by 6.7 percent and chromium coated steel sheets which decreased by 4.1 percent. The production of long steel decreased by 6.9 percent, the products that decreased the most were cold-rolled structural steel, which decreased by 15.7 percent, followed by high tensile steel wires, which decreased by 10.1 percent and deformed steel bars, which decreased by 9.5 percent.

Domestic consumption Q1/2022, reached 4.0 million metric tons, a decrease of 17.8 percent from the same quarter of the previous year (%YoY) and decreasing by 4.3 percent from the previous quarter (%QoQ) when compared to the same quarter of the previous year. Flat steel consumption decreased by 16.6 percent from the consumption of hot-rolled thin steel sheets which decreased by 21.7 percent, followed by cold rolled thin steel which decreased by 14.5 percent and galvanized steel sheets which decreased by 5.1 percent. The consumption of long steel decreased by 19.7 percent from the consumption of steel bars and hot-rolled structural steel which decreased by 24.3 percent and wire rods which decreased by 17.6 percent.

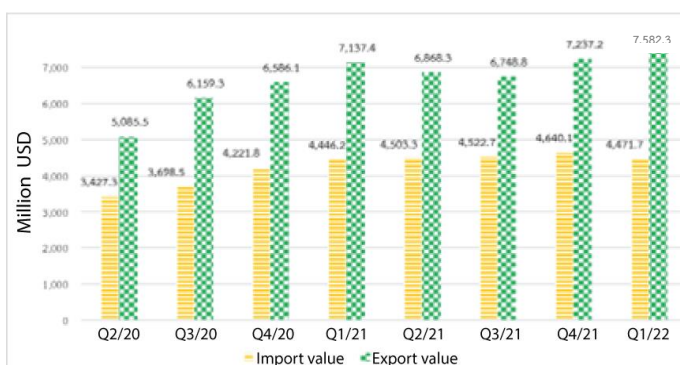
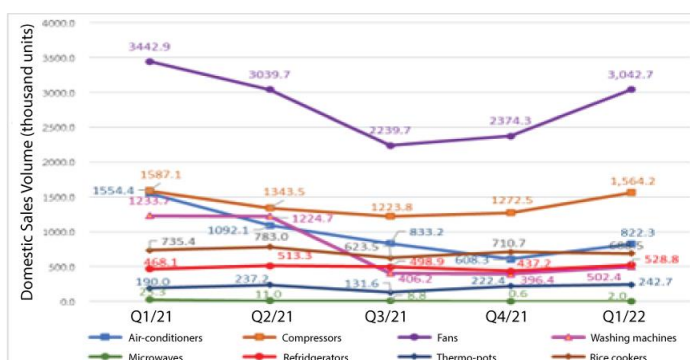
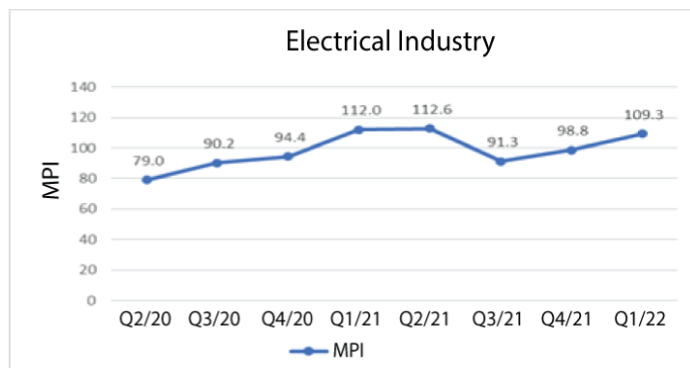
Imports in Q1/2022, were valued at 2.8 billion USD, increasing from the same quarter last year by 8.7 percent (%YoY) but decreasing by 15.9 percent from the previous quarter (%QoQ) when compared to the same quarter of the previous year, the imports of long steel increased by 1.4 percent. Products with the most increase in imports were stainless steel wire rods, which increased by 64.3 percent (the main countries imported by Thailand were China, Taiwan and Japan) followed by seamless steel pipes, which increased by 44.4 percent and steel bars (carbon steel type) which increased by 24.4 percent. Flat steel imports increased by 11.2 percent. Products with the most increase in imports were hot-rolled thin steel sheets (alloy steel type) which increased by 153.9 percent (the main countries imported by Thailand were Japan) followed by hot-rolled thin steel sheets (stainless steel type) which increased by 79.0 percent and cold rolled thin steel (carbon steel type) which increased by 30.3 percent.

Outlook for Iron and Steel Industry in Q2/2022

It is expected to contract slightly compared to the same period last year because it is expected that the cost of raw materials in Q2 will still increase slightly but tends to be stable in Q3. In addition, the cost of energy and transportation in Q2 still tends to be high causing steel prices in the world market to remain high. Therefore, the consumers slowed down their orders. However, there is a risk of inflation that caused the price of steel and downstream products to start to rise and steel costs in China are lower than in Thailand, this may cause downstream enterprises to want to import more steel products than domestic purchases.

Electrical Industry

The production of electrical appliances in Q1/2022 decreased by 2.4 percent compared to the same quarter of the previous year. The products that have been decreasing are microwave ovens, washing machines, fans, rice cookers and compressors.



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

Production of electrical appliances

in Q1/2022, the MPI reached 109.3 points, increasing by 10.7 percent from the previous quarter (%QoQ) but decreasing by 2.4 percent from the same quarter of the previous year (%YoY), due to the decreasing number of orders in both domestic and international markets and the situation of the pandemic of COVID-19 have the trend to decrease. Products that have increased are air conditioners, cables, electric wires and kettles which increased by 21.1, 18.6, 16.2 and 14.9 percent, respectively.

Domestic sales

in Q1/2022, products that have decreased compared to the same quarter of the previous year were microwave ovens, washing machines, fans, rice cookers and compressors which decreased by 92.1, 59.3, 11.6, 6.4 and 1.4 percent, respectively.

Imports of electrical appliances

in Q1/2022, were valued at 4,471.7 million USD, a decrease of 3.6 percent from the previous quarter (%QoQ) but an increase of 0.6 percent from the same quarter last year (%YoY). The main products that were imported more are washing machines, rice cookers, fans and refrigerators which increased by 22.1, 16.9, 12.8 and 1.3 percent, respectively.

Exports of electrical appliances

in Q1/2022, were valued at 7,582.3 million USD, an increase of 4.8 percent from the previous quarter (%QoQ) and an increase of 6.2 percent from the same quarter last year (%YoY) from the ASEAN markets. Refrigerators and air conditioners increased by 8.0 percent and 6.4 percent, respectively, while washing machines, microwave ovens and fans decreased by 9.8, 8.3 and 5.6 percent, respectively.

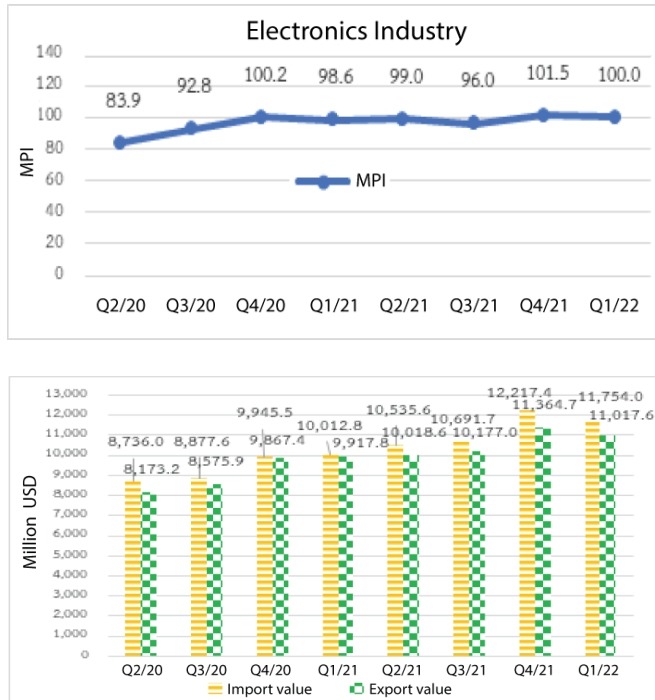
Outlook for Electrical Appliances Industry in Q2/2022

The electrical appliance industry in Q2/2022 is expected to expand the production index and export value by approximately 2.0 percent and 3.0 percent, respectively. As consumers receive more vaccines against COVID-19. The pandemic situation is gradually getting better. The COVID-19 situation began to unfold and gradually open the cities in many countries, this give positive effects on the expansion of the electrical appliance industry. There are still some concerns to be aware of, such as the COVID-19 mutation, which could have a negative impact on exports and production.

Electronics Industry

Production of electronics in Q1/2022 increased by 1.4 percent compared to the same quarter of the previous year, due to the world market continuing to have increasing demand for electronic components. Products with increased production include circuit boards (PWB), integrated circuits (IC), printed circuit board assembly (PCBA) and semiconductor device transistors with increased export value in the United States of America, China and Japan.

MPI, Import and Export Value of Electronics



Source: The Office of Industrial Economics / Electrical and Electronics Institute

The production of electronics in Q1/2022 reached an MPI of 100.0 points, decreasing by 1.5 percent from the previous quarter (%QoQ) but increasing by 1.4 percent compared to the same quarter last year (%YoY). Electronic products that showed an increase included circuit boards (PWB), integrated circuits (IC), printed circuit board assembly (PCBA) and semiconductor device transistors, with an increase of 14.1 percent, 11.8, 10.6 and 0.6 percent, respectively. While electronic products that decreased included HDD and printers, with a decrease of 13.3 percent and 5.6 percent, respectively. The world market still has a demand for semiconductor chips and electronic components in the production of modern IoT devices, smart electronic devices and electric vehicle production. As well as

expanding the development of 5G technology systems, the Data Center continues to increase the demand for electronic products. Although the shortage of semiconductor chips and raw materials continues to affect the production of the electronics industry.

Imports of electronics in Q1/2022 were valued at 11,754.0 million USD, decreasing by 3.8 percent from the previous quarter (%QoQ) but increasing by 17.4 percent compared to the same quarter last year (%YoY). The main products that have increased are integrated circuits (IC), computers, monitors, printed circuits and diodes, transistors, semiconductors and components which increased by 34.9 percent, 32.8, 31.5, 25.5 and 21.8 percent, respectively. While printers, photocopiers and components and telephones and equipment decreased by 21.8 percent and 17.7 percent, respectively.

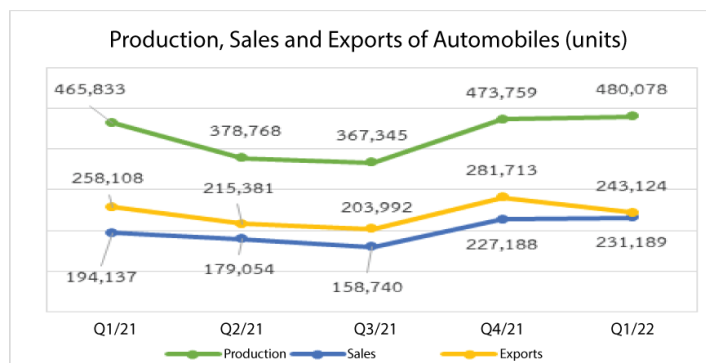
Exports of electronics in Q1/2022 were valued at 11,017.6 million USD, decreasing by 3.1 percent from the previous quarter (%QoQ) but increasing by 11.1 percent compared to the same quarter last year (%YoY) from the increase in exports to the main markets such as the United States of America, China and Japan which increased by 52.9 percent, 22.0 and 8.6 percent, respectively. The main products that have increased are HDD, semiconductors, transistors and other diodes and printed circuits which increased by 35.4 percent, 21.7 and 18.5 percent, respectively. While computers, printed circuits and printers, photocopiers and components decreased by 18.8 percent, 6.1 and 4.4 percent, respectively.

Outlook for Electronics Industry in Q2/2022

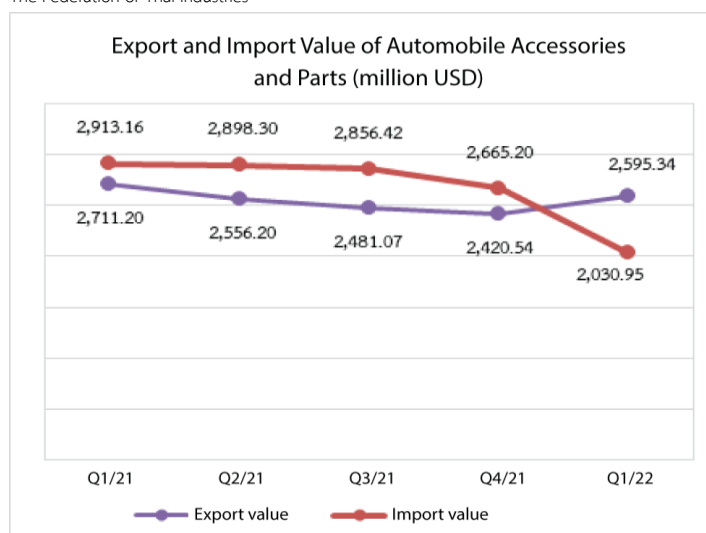
It is expected that the MPI and export value will increase by 3.0 and 10.0 percent, respectively. The world market still has a demand for electronic components such as the production of modern products, smart electronic devices and electric vehicle production including network expansion and development of 5G, Data Center and IoT technology systems. As a result, both domestic and international demand for electronic products has been continuously rising. However, the situation of the semiconductor chip shortage and inflation could affect the supply chain, raw material prices and production costs of the electronics industry.

Automobile and Parts Industry

The production volume of automobiles in Q1/2022 has expanded when compared to the same period last year. There is an increase in domestic sales due to the government organizing more economic activities and measures to stimulate the economy to recover from the impact of COVID-19. However, the export market slowed down from the reduction of passenger cars due to lack of parts and semiconductors for passenger cars production.



Source: The Office of Industrial Economics; data gathered from the Automotive Industry Club, The Federation of Thai Industries



Source: Information and Communication Technology Center, Office of the Permanent Secretary of Commerce in collaboration with the Customs Department

Outlook for Automobiles Industry in Q2/2022

The Office of Industrial Economics (OIE) estimates that in Q2/2022 over 450,000 units of automobiles will be manufactured, of which 50-55 percent will be for domestic sales and 45-50 percent for exports.

Automobile Production

In Q1/2022, automobiles production increased by 1.33 percent from Q4/2021 (%QoQ) to 480,078 units and increased by 3.06 percent from the same quarter last year (%YoY), with the proportion divided into the production of passenger cars (28 percent), 1-ton pickup trucks and derivatives (70 percent) and other commercial vehicles (2 percent).

Domestic Sales of Automobiles

In Q1/2022, it increased by 1.76 percent from Q4/2021 (%QoQ) to 231,189 units and increased by 19.09 percent from the same quarter last year (%YoY).

Automobiles Exports

In Q1/2022, it decreased by 13.70 percent from Q4/2021 (%QoQ) to 243,124 units and decreased by 5.81 percent from the same quarter last year (%YoY), with the proportion divided into exports of passenger cars (25 percent), 1-ton pickup trucks (66 percent) and PPV vehicles (9 percent).

Export Value of Automobile Parts and Accessories

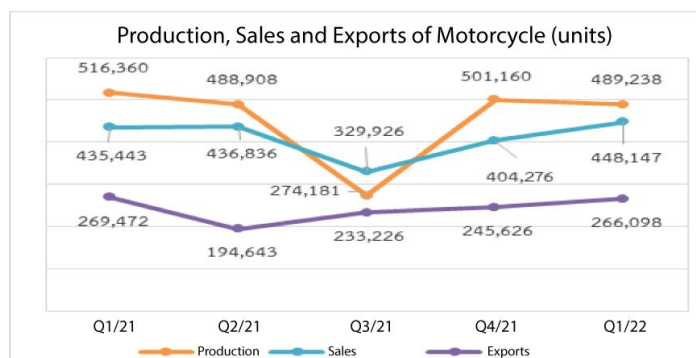
In Q1/2022, export value increased by 7.22 percent from Q4/2021 (%QoQ) to 2,595.34 million USD but decreased by 4.27 percent from the same quarter last year (%YoY). Key export markets for automobile parts and accessories were the United States of America, Japan and Indonesia.

Import Value of Automobile Parts and Accessories

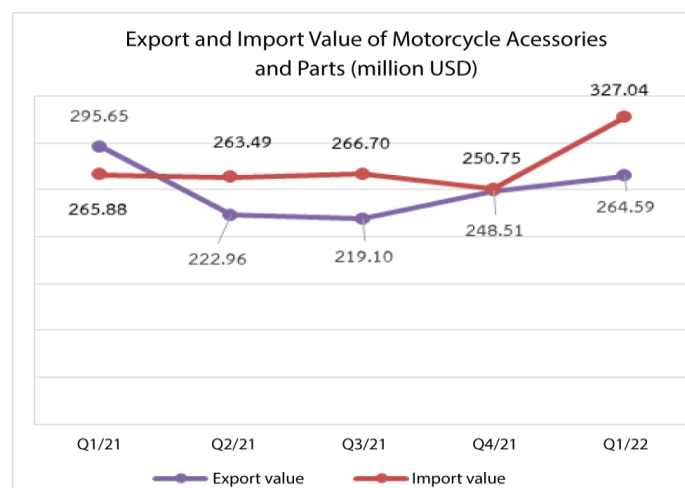
In Q1/2022, import value decreased by 23.80 percent from Q4/2021 (%QoQ) to 2,030.95 million USD and decreased by 30.28 percent from the same quarter last year (%YoY). Key import markets for automobile parts and accessories were Japan, China and Indonesia.

Motorcycle and Parts Industry

The production volume of motorcycles in Q1/2022 slowed down in production compared to the same period last year so the export market has decreased. However, the domestic market has grown because the government's relaxation of lockdown regulations has caused the nation's economy to start to recover including the agricultural production index which has improved.



Source: The Office of Industrial Economics; data gathered from the Automotive Industry Club, The Federation of Thai Industries



Source: Information and Communication Technology Center, Office of the Permanent Secretary of Commerce in collaboration with the Customs Department

Outlook for Motorcycle Industry in Q2/2022

The Office of Industrial Economics (OIE) estimates that in Q2/2022 over 450,000 units of motorcycles will be manufactured, of which 80-85 percent will be for domestic sales and 15-20 percent for exports.

Motorcycle Production

In Q1/2022, production of motorcycles decreased by 2.38 percent from Q4/2021 (%QoQ) to 489,238 units and decreased by 5.25 percent from the same quarter last year (%YoY).

Domestic Sales of Motorcycles

In Q1/2022, domestic sales increased by 10.85 percent from Q4/2021 (%QoQ) to 448,147 units and increased by 2.92 percent from the same quarter last year (%YoY).

Motorcycle Exports

In Q1/2022, exports reached 266,098 units (exported as CBU 110,127 units and CKD 155,971 sets), increasing by 8.33 percent from Q4/2021 (%QoQ) but decreasing by 1.25 percent from the same quarter last year (%YoY).

Export Value of Motorcycle Parts

In Q1/2022, imports of motorcycle parts and accessories increased by 6.47 percent from Q4/2021 (%QoQ) to 264.59 million USD but decreased by 10.51 percent from the same quarter last year (%YoY). Key export markets for motorcycle parts were Cambodia, Brazil and Japan.

Import Value of Motorcycle Parts and Accessories and Bicycles

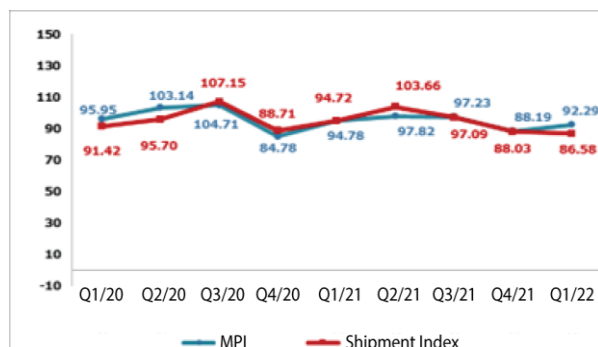
In Q1/2022, it increased by 30.42 percent from Q4/2021 (%QoQ) to 327.04 million USD and increased by 23.00 percent from the same quarter last year (%YoY). Key import markets for motorcycle parts and accessories were the United States of America, Japan and China.

Chemical Industry

In Q1/2022, the value of chemical industry exports and imports increased when compared to the same quarter of the previous year. Exports grew as the global manufacturing sector continued to expand along with the depreciation of the Thai baht, resulting in the expansion of related chemical industries such as chemical fertilizers, inorganic chemicals and miscellaneous chemicals.

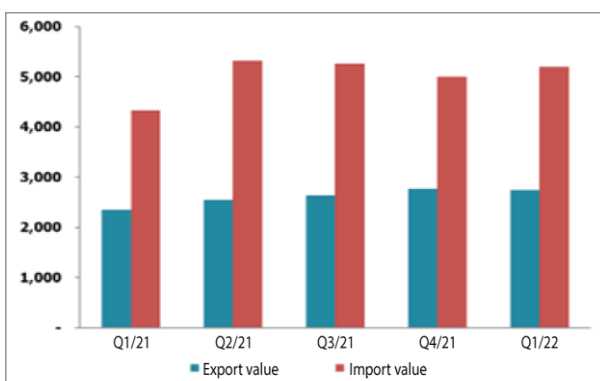
Production and Sales

MPI and Shipment Index



Source: The Office of Industrial Economics

Export and import value of chemical products
(Million USD)



Source: Information and Communication Technology Center, Office of the Permanent Secretary of Commerce in collaboration with the Customs Department

The MPI in Q1/2022 increased by 4.64 percent when compared to the previous quarter (%QoQ) but decreased by 2.63 percent when compared to the same quarter of the previous year (%YoY). The MPI that has decreased includes enamel, ethanol and dishwashing liquid.

The shipment index in Q1/2022 decreased by 1.65 percent when compared to the previous quarter (%QoQ) and decreased by 8.59 percent when compared to the same quarter of the previous year (%YoY). The shipment index that has decreased includes chemical fertilizers, enamel and dishwashing liquid.

Exports of chemical products in Q1/2022 were valued at 2,749.20 million USD, decreasing by 0.77 percent compared to the previous quarter (%QoQ) but increasing by 16.89 percent when compared to the same quarter of the previous year (%YoY). Key products that contributed to an increase in export value include chemical fertilizers, organic chemicals and miscellaneous chemicals. Exports expanded in key markets such as China, Japan, India and Vietnam.

Imports of chemical products in Q1/2022 totaled 5,203.31 million USD, increasing by 3.87 percent compared to the previous quarter (%QoQ) and increasing by 20.31 percent when compared to the same quarter of the previous year (%YoY). Key products that contributed to an increase in import value were chemical fertilizers, inorganic chemicals and miscellaneous chemicals.

Outlook for Chemical Industry in Q2/2022

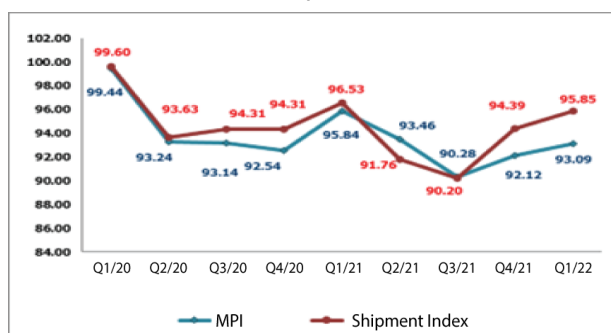
Exports and imports of chemicals are expected to expand compared to the same quarter last year, due to the recovery of the global economy, resulting in increased market demand both domestically and internationally. However, there are still factors that affect the exports of the chemical industry, such as the price of crude oil in the world market and the conflict situation between Russia and Ukraine.

Plastics Industry

In Q1/2022, the plastics industry export volume increased when compared to the same quarter of previous year by expanding according to market demand of major trading partners such as Japan, the United States of America, the Philippines and Indonesia. However, the direction of the crude oil price is likely to increase. As a result, there is an increase in the cost of raw materials used in the production of products. Entrepreneurs began to slow down production to wait and see the situation of raw material prices and the global economic situation.

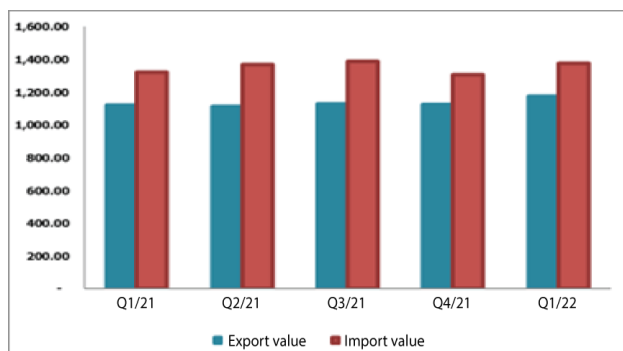
Production and Marketing

MPI and Shipment Index



Source: The Office of Industrial Economics

Export and Import Volume (metric tons)



Source: Information and Communication Technology Center, Office of the Permanent Secretary of Commerce in collaboration with the Customs Department

The MPI in Q1/2022 increased by 1.05 percent compared to the previous quarter (%QoQ) but decreased by 2.86 percent compared to the same quarter of the previous year (%YoY). The MPI that declined the most was pipes and plastic fittings.

The shipment index in Q1/2022 increased by 1.55 percent compared to the previous quarter (%QoQ) but decreased by 0.70 percent compared to the same quarter of the previous year (%YoY). The shipment index that declined the most was pipes and fittings plastic.

Export value in Q1/2022 increased by 4.51 percent compared to the previous quarter (%QoQ) to 1,176.26 million USD and increased by 4.98 percent compared to the same quarter of the previous year (%YoY). The product groups with the highest export expansion were the single long fiber product group (HS 3916).

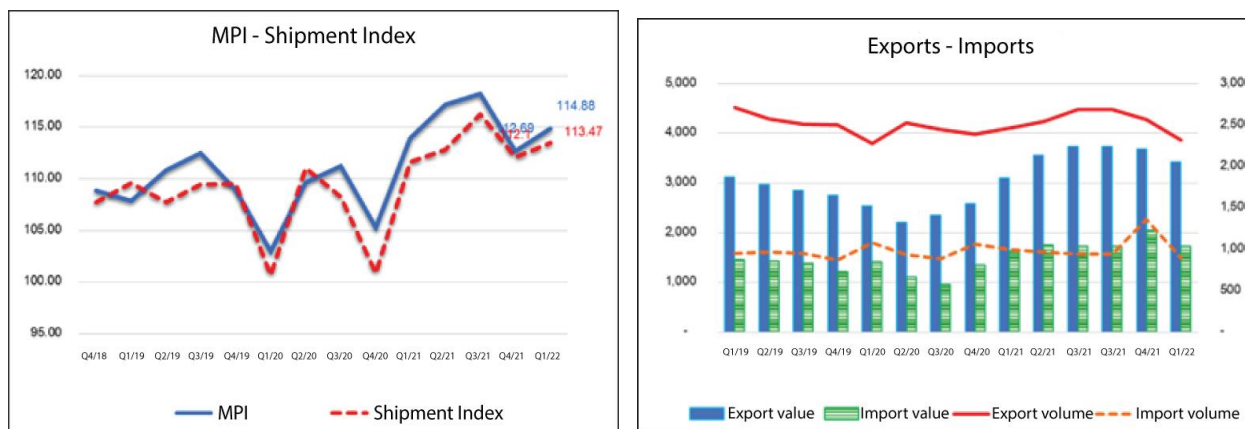
Import value in Q1/2022 increased by 5.31 percent compared to the previous quarter (%QoQ) to 1,377.86 million USD and increased by 4.21 percent compared to the same quarter of the previous year (%YoY). The product groups with the highest import expansion were the sanitary ware product group (HS 3922).

Outlook for Plastics Industry in Q2/2022

Export volume and import volume are expected to expand due to the demand for plastic products in the main trading partner countries which continue to expand. However, the factors that affect the industry must be considered from the effects of the war between Russia and Ukraine and the consistently rising price of crude oil on the global market.

Petrochemical Industry

The petrochemical industry in Q1/2022 increased in MPI and shipments by 0.82 and 1.62 percent from the same quarter of the previous year (%YoY), from the situation of the pandemic of COVID-19 which has decreased in many countries. The economic recovery of trading partner countries has begun to improve and increase demand for products resulting in production and exports of petrochemicals in this quarter expanding more.



The MPI in Q1/2022 stood at 114.88 points, increasing by 0.82 percent compared to the same quarter last year. The product that contributed to the increase in MPI of upstream petrochemicals was ethylene and downstream petrochemicals was PP resin.

The shipment index in Q1/2022 stood at 113.47 points, increasing by 1.62 percent compared to the same quarter last year. The product that contributed to the increase in shipment index of upstream petrochemicals was propylene and downstream petrochemicals were PP resin and PE resin.

Exports of petrochemicals in Q1/2022 increased by 10.39 percent from the same quarter last year to 3,431.55 million USD. Petrochemicals were exported to major countries such as China, Vietnam and Japan. Products that contributed to the increase in exports of downstream petrochemicals (12.84 percent) were PET resin and PE resin but products that decreased in upstream petrochemicals (0.12 percent) were propylene and toluene.

Imports of petrochemicals in Q1/2022 increased by 5.84 percent from the same quarter last year to 1,732.49 million USD. Petrochemicals were imported from major countries such as Japan, China and the United States of America. Products that contributed to the increase in imports of upstream petrochemicals (21.96 percent) were vinyl chloride and ethylene glycol and products contributing to the increase in exports of downstream petrochemicals (1.87 percent) were PE resin and silicones.

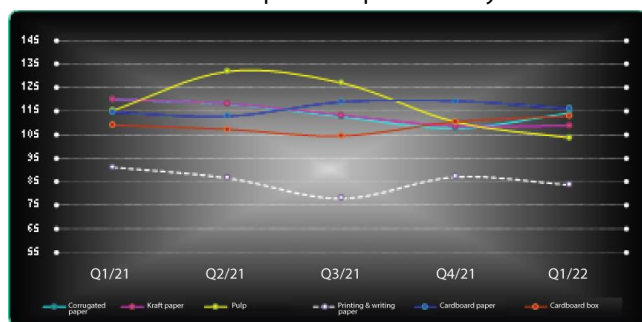
Outlook for Petrochemical Industry in Q2/2022

The outlook for the petrochemical industry in Q2/2022 is expected that overall the industry is likely to contract as a result of the global inflation situation affected by the prolonged Russia-Ukraine conflict that increases the world energy price. The cost of grains and food also increased, this will slow the economic recovery in many nations. However, the Federal Reserve Bank's announcement to raise interest rates must be heeded as this will impact global capital market movements and compared to Q1/2022, the petrochemical industry is expected to contract in this quarter by both productions, shipping and exports will also slow down due to the deceleration of orders from the price level that tends to rise according to the oil price level. This can affect the petrochemical industry as the costs have increased.

Pulp, Paper and Print Media Industry

The pulp, paper and print media industry in Q1/2022 found that only the paper packaging group in the type of packing boxes only expanding when compared (%QoQ) and (%YoY). Most types of paper products decreased followed by use and orders. In this quarter, the pulp, paper and printed industry decreased (3.23 percent) when compared (%YoY) and slightly increased when compared (%QoQ).

MPI in Pulp and Paper Industry



Source: The Office of Industrial Economics

Exports-Imports of Pulp, Paper and Print Media



Unit: million USD

Source: Information and Communication Technology Center, Ministry of Commerce

Production

In Q1/2022 when compared (%QoQ) production of paper and paper products slightly increased (+0.63 percent), kraft paper (+0.20 percent), corrugated paper (+6.10 percent) and paper boxes (+2.15 percent) but when compared (%YoY) production of paper and paper products have decreased (-3.23 percent). The pulp group decreased (-10.19 percent), kraft paper (-9.19 percent), corrugated paper (-4.70 percent) and writing paper (-8.22 percent) while paper boxes increased (+2.15 percent, +3.50 percent), respectively. Most of the above products are produced for domestic use and there is still a continuous increase in demand, especially in the current situation from the pandemic of COVID-19 and from online trading.

Exports

Pulp and paper products in Q1/2022 when compared (%QoQ) were valued at 581.15 million USD (-6.37 percent), from the pulp group (-22.93 percent) with China as the main partner trading country. The paper product groups include chests, boxes and envelopes, (-0.19 percent) with Vietnam as the main partner trading country. While the group of print media increased (+5.84 percent) and when compared (%YoY) total export value (+7.71 percent) from the pulp group (+74.86 percent) with more than 90.00 percent exported to China. Print media have increased in exports (+4.37 percent) while the paper and paper products group have decreased. (-3.54 percent).

Imports

Pulp and paper products in Q1/2022 were valued at 845.67 million USD. When compared (%QoQ) the value of imports has slightly decreased (-0.92 percent), in pulp (-17.27 percent) while imports of paper and printed products have increased (+11.20 percent) (+6.21 percent) and (+22.29 percent), respectively, but when compared (%YoY) imports have increased (+7.36 percent) due to the high demand for paper products in the country that are continuing to increase, especially the pulp from used paper and other paper products.

Outlook in Q2/2022

The outlook in Q2/2022 is expected that paper products used in the manufacture of packaging boxes (cardboard, kraft paper) will increase in line with domestic consumption. At the same time, paper packaging has benefited according to usage for online shopping. Exports will continue to expand in the pulp group while the paper and paper products group will not expand much.

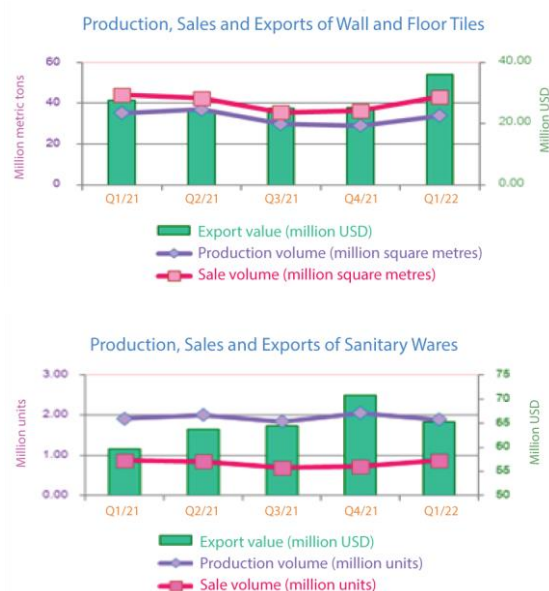
Relevant Government Policies

In recent years, the EU has had the policy to reduce and prevent the use of single-use packaging and it will apply to countries in the EU. There are also measures to make manufacturers responsible for packaging designs that can be reused or can be recycled, it has an impact on products imported from abroad that are sold in the EU. This measure will begin from 2030 onwards. Applicable products are paper cups, paper cup lids, paper bowls, food packaging, paper bags for food in types of bakeries and soft plastic packaging. Each country has its plastic waste management measures. Thailand is aware of this measure as well.

Ceramics Industry

The volume of production and domestic sales of tiles, floor coverings, wall coverings and sanitary wares in Q1/2021 decreased due to the economic situation and the slowdown in the domestic market due to the pandemic of COVID-19. Exports expanded according to the needs of the main markets such as the United States of America, China and Myanmar.

Ceramics Production, Sales and Exports



Source: 1. Production volume and domestic sales: Division of Information and Industrial Economic Indices, the Office of Industrial Economics
 Note: From the survey of 15 wall and tiling factories and 38 sanitary ware factories
 2. Export value: Information and Communication Technology Center, Office of the Permanent Secretary, Ministry of Commerce

Production in Q1/2022, production of wall and floor tiles reached a volume of 33.85 million square meters, increasing by 16.84 percent from Q4/2021 (%QoQ) but decreasing by 3.53 (%YoY). Sanitary ware reached a production volume of 1.89 million pieces, decreasing by 8.00 percent from Q3/2021 and decreasing by 1.15 percent from the same quarter last year. This was a result of a decrease in the number of orders in the domestic market and some trading partner markets such as Japan, Laos and Cambodia.

Sales in Q1/2022, wall and floor tiles reached a sales volume of 43.17 million square meters, increasing by 18.75 percent from Q4/2021 (%QoQ) but decreasing by 2.04 percent from the same quarter last year (%YoY) from the economic situation and the slowdown in the domestic market, due to the consumers being concerned about the situation of the pandemic of COVID-19. Meanwhile, sanitary ware sales reached 0.87 million pieces, increasing from Q4/2021 by 20.06 percent and increasing by 0.20 percent from the same quarter last year.

Exports in Q1/2022, exports of wall and floor tiles reached a value of 35.96 million USD, increasing by 42.37 percent from Q4/2021 and increasing by 30.59 percent from the same quarter of the previous year. Meanwhile, sanitary ware was valued at 65.28 million USD, decreasing by 7.72 percent from Q4/2021 but increasing by 9.47 percent from the same quarter last year. The main markets for exports include the United States of America, China, Myanmar and Australia.

Outlook for Ceramics Industry in Q2/2022

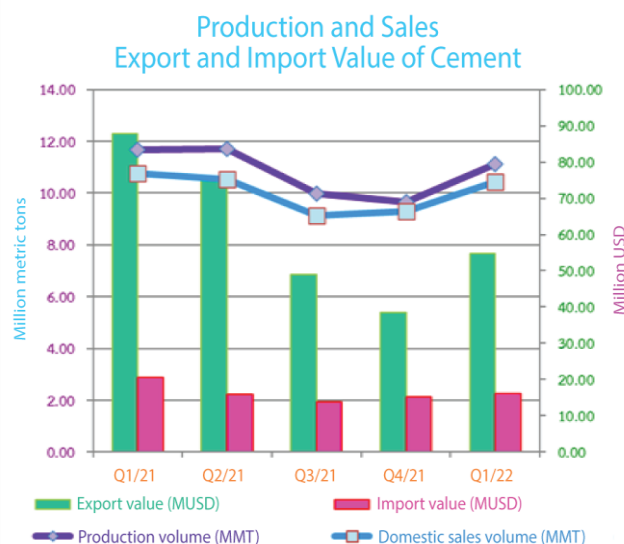
Production and domestic sales of ceramics in Q2/2022 are expected to decrease from the slowdown in the domestic market and the situation of the pandemic of COVID-19 that is still prolonged but exports may expand further as the economies of trading partners begin to recover causing demand in foreign markets to increase. For imports, it is expected to expand as well but there is still an important factor that must be closely monitored, namely the inflation situation, energy prices and the price of oil and raw materials that continue to rise which may affect the purchasing power of consumers and obstacles to economic recovery.

Government Policies Related to the Ceramics Industry

The announcement of a measure to adjust the price of carbon before entering the border (Carbon Border Adjustment Mechanism: CBAM) will begin to apply next year for products that are imported into the EU. The ceramics industry is one of the target industries. Therefore, Thai exporters should understand, accelerate adjustment, increase efficiency and reduce greenhouse gas emissions in the production process, to reduce costs and maintain the market, especially in the EU and the United States of America which have laws enforcing the carbon fee on the import of goods.

Cement Industry

The cement industry in Q1/2022 when compared to the same quarter of the previous year. Production, sales, exports and imports have decreased, as a result of the domestic market and the export market that are still affected by the economic impact of COVID-19 pandemic and from the conflict between Russia-Ukraine that caused the cost of goods to increase due to higher energy prices.



Source: 1. Production volume and domestic sales: Division of Information and Industrial Economic Indices, the Office of Industrial Economics
2. Export-Import value: Information and Communication Technology Center, Office of the Permanent Secretary, Ministry of Commerce

Cement production (excluding clinker) in Q1/2022 increased by 11.58 percent from Q4/2021 (%QoQ) to 11.13 million metric tons but decreased by 4.57 percent from the same quarter of the previous year (%YoY).

Domestic sales of cement (excluding clinker) in Q1/2022 reached 10.44 million metric tons, an increase of 12.16 percent from Q4/2021 but decreased by 3.09 percent compared to the same quarter of the previous year (%YoY). This is due to the slowdown in domestic demand from the economy that gets affected by the COVID-19 pandemic and higher product prices according to energy prices.

Cement exports-imports (excluding clinker) in Q1/2022 reached an export value of 54.68 million USD, increasing by 42.48 percent compared to Q4/2021 (%QoQ) but decreasing by 37.71 percent compared to the same quarter of the previous year. The exports decreased from Sri Lanka, Myanmar, Cambodia and the Philippines markets by 50.0 percent, 46.96, 31.29 and 13.25 percent, respectively, as the main export markets continue to be economically impacted by the COVID-19 pandemic and unrest in politics. The import of cement (excluding clinker) was valued at 16.09 million USD, increasing by 5.70 percent from Q4/2021 but decreasing by 21.85 percent from the same quarter of the previous year (%YoY). This decreased from Laos and the Netherlands by 24.73 percent and 17.13 percent, respectively. Due to the slowdown in domestic market demand.

Outlook for Cement Industry in Q2/2022

The cement industry (excluding clinker) in Q2/2022, compared to the same quarter of the previous year. Production and sales volumes are expected to slow down for some time due to several factors such as the pandemic of COVID-19 and the conflict between Russia and Ukraine. The world energy prices are so high that it affects the production costs of various products and affects the purchasing power of consumers, going to the rainy season and the economic recovery of the main export markets are still not enough.

Government Policies Related to the Cement Industry

The government sector by the Ministry of Finance had discussions with the Government Housing Bank (GHB) by letting the GHB continue to freeze interest rates for home loans until the end of 2022 to assist low-income individuals who desire to own a home, this will partially stimulate an increase in cement demand.

Textile and Apparel Industry

In Q1/2022, the MPI of textile and apparel have expanded compared to the previous quarter by expanding in the fabric and garment groups. The main factor was the increasing demand of the export market and the domestic market together with the relaxation of government measures. However, compared to the same period of the previous year, the MPI of ready-made garments slightly increased from ready-made garments in the sports apparel group, workout clothes, suits or uniforms to support recovery in key export markets such as Japan, Belgium, Germany and China.



Production

The MPI of textile fibers and fabrics production index slowed down by 0.11 percent and 6.41 percent (%YoY) due to the slowdown in domestic consumption. The MPI of fiber slowed down from the artificial fiber group (polyester fiber) while the MPI of fabric slowed down from the woven fabric (cotton) group. The MPI of apparel grew by 4.57 percent (%YoY) from the export of sportswear, workout clothes, suits or uniforms which expanded in key markets such as Japan, Belgium, Germany and China. However, when compared to Q4/2021, it was found that the MPI expanded in the fabric and apparel group by 0.52 percent and 10.25 percent (%QoQ) according to the needs of celebrating the New Year and Chinese New Year as well as benefiting from measures to stimulate domestic consumption and the relaxation of government measures to prevent COVID-19.

Domestic Sales

Textile fibers, fabrics and apparel slowed down by 2.27 percent and 10.22 percent (%YoY). This is because the purchasing power of consumers in the country has slowed down from the pandemic of COVID-19 virus, while the fabric group slightly increased by 1.92 percent to get ready for tourism from the country's opening policy. However, compared to the Q4/2021, the textile fibers and fabrics group grew by 1.55 percent and 0.70 percent.

Exports-Imports

Overall exports of textile and apparel exports began to recover throughout the supply chain with a value of 1,784.19 million USD, increasing by 13.73 percent (%YoY). When considering the product group, it was found that the textile group was valued at 1,182.41 million USD, increasing by 17.16 percent. The apparel group was valued at 601.78 million USD, increasing by 7.53 percent. Major trading partners continue to recover. As a result, the demand for textiles and garments has increased in key markets such as the United States of America, Japan, Vietnam and Indonesia. However, compared to Q4/2021, it was found that exports of fibers and ready-made garments continued to expand.

Imports, overall imports of textiles and apparel were valued at 1,373.87 million USD, increasing by 8.51 percent (%YoY) in the yarn, fiber and fabric group, partly used in the production of goods for export according to the increasing demand. Ready-made garments have slowed down in line with consumer purchasing power which has slowed down in the country.

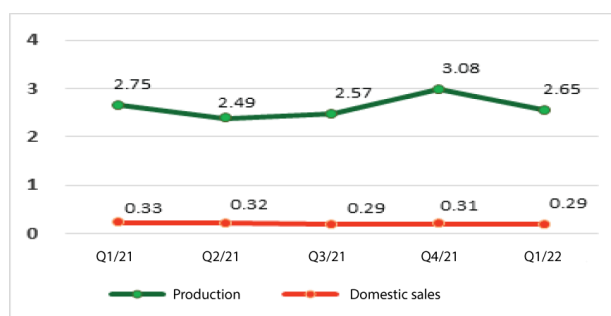
Outlook in Q2/2022

The textile and apparel manufacturing industry will expand slightly due to demand from major trading partners such as the United States of America, Japan, China and the EU which are continually recovering throughout the supply chain. In addition, domestic demand began to return from the policy of opening the country, although still affected by the freight problem including energy costs that make material prices and raw materials that are used in production increase. This may affect the competitiveness of entrepreneurs.

Wood and Wooden Furniture Industry

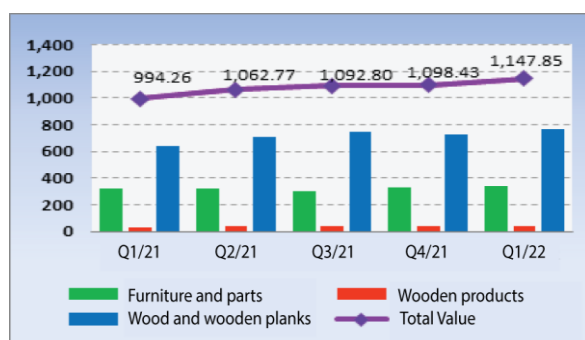
The production volume of wooden furniture in Q1/2022 decreased when compared to the same quarter of the previous year from a decrease in domestic orders. Export value of wood and wood panel products increased due to increased demand from key trading partners and expansion in the Saudi Arabia market.

Domestic Production and Sales of Wooden Furniture (million pieces)



Source: The Office of Industrial Economics

Export Value of Wood and Wooden Products (million USD)



Source: Ministry of Commerce

Production of wooden furniture in Q1/2022 reached 2.65 million pieces, decreasing by 13.96 percent and 3.64 percent from the previous quarter and the same quarter last year, respectively, with the main reason being a decrease in domestic orders.

Domestic sales of wooden furniture in Q1/2022 reached 0.29 million pieces, decreasing by 6.45 percent and 12.12 percent from the previous quarter and the same quarter last year, respectively. The economy inside the country has slowed down and inflation is at a high level. As a result, consumers' ability to spend on goods is reduced.

Export value of wood and wooden products in Q1/2022 had a total value of 1,147.85 million USD, increasing by 4.50 percent and 15.45 percent from the previous quarter and the same quarter last year, respectively. Divided into furniture and parts, wood products, wood and wood panel products which were valued at 345.29, 39.55 and 763.01 million USD, respectively. When compared to the same quarter of the previous year, it was found that the export value of furniture and parts increased by 8.67 percent, the export value of wood products increased by 10.78 percent and the export value of wood and wood panel products increased by 19.07 percent. Overall, the export value of wood and wood products increased in all product groups caused by increased demand from key trading partners and expansion in the Saudi Arabia market. This is a result of the recovery of relations and the opening of the trading market in the past.

Outlook for Wood and Wooden Furniture Industry in Q2/2022

Outlook for Q2/2022 is expected that the production volume of wooden furniture will return to expand mainly from production to meet the needs of the international market. The domestic sales of wooden furniture are expected to slow down due to domestic economic problems and high inflation. Exports of wood and wooden products are expected to increase in value, from the increasing demand of the key trading partners that tend to increase continuously.

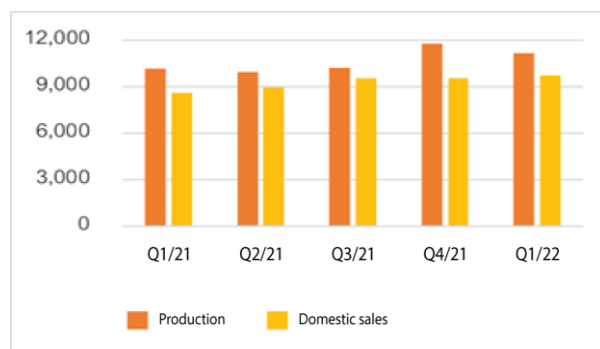
Government Policies Related to the Wood and Wooden Furniture Industry

Ministry of Finance by the customs department has issued a notification of the Ministry of Finance regarding the reduction of duty rates and the exemption of customs duties under section 12 of the Royal Decree on Customs Tariffs, 1987 (No. 2) for wood, sawn wood and wooden articles, category 5 section 3, the customs tariff rate by improving all types of exported wood, including pieces obtained from agarwood, without paying duty and the exemption of logs from the previous duty collection of 40 percent reduced to 10 percent, effective from March 1st, 2022.

Pharmaceutical Industry

The volume of pharmaceuticals production in Q1/2022, increased from the same quarter of the previous year following increasing orders and demand for medicines to treat diseases, especially in the growing number of elderly people. Meanwhile, the export sector has good expansion in Myanmar, Cambodia, Japan, Hong Kong and Malaysia.

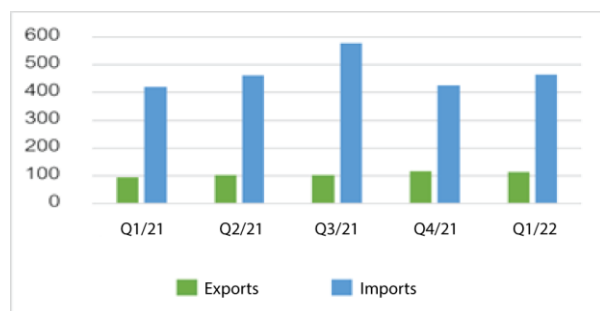
Domestic Production and Sales (metric tons)



Source: The Office of Industrial Economics

Note: The survey data framework has been updated from 2021

Pharmaceutical Export-Import Value (Million USD)



Source: Ministry of Commerce with cooperation from the Customs Department

Pharmaceutical production in Q1/2022 amounted to 11,178.67 metric tons, increasing by 9.65 percent when compared to the same quarter last year, from the expansion in the production of tablets, liquid medicines and creams which increased by 25.74 percent, 2.69 and 17.75 percent, respectively, according to more drugstore orders coming in.

Pharmaceutical sales in Q1/2022 amounted to 9,721.76 metric tons, increasing by 12.50 percent when compared to the same quarter last year, from the expansion in the production of tablets, liquid medicines, injections, creams and powders which increased by 21.78 percent, 9.41, 0.64, 10.75 and 3.36 percent, respectively, according to the need for medication to treat diseases, especially in the growing number of elderly people.

Pharmaceutical exports in Q1/2022 were valued at 113.14 million USD, increasing by 18.67 percent when compared to the same quarter last year, there is a good expansion in the Myanmar, Cambodia, Japan, Hong Kong and Malaysia markets. Pharmaceutical imports were valued at 465.35 million USD, increasing by 1.93 percent from the same quarter of the previous year, with increased pharmaceutical imports from Germany, the United States of America, India, France and Puerto Rico.

Outlook for Pharmaceutical Industry in Q2/2022

In Q2/2022, it is expected that the production and sale of pharmaceuticals in the country have a continued good growth trend compared to the same quarter of the previous year. As the demand for pharmaceuticals to treat diseases is increasing. Exports are expected to have good expanded prospects as well, especially in ASEAN markets such as Cambodia, Laos, Myanmar and Vietnam.

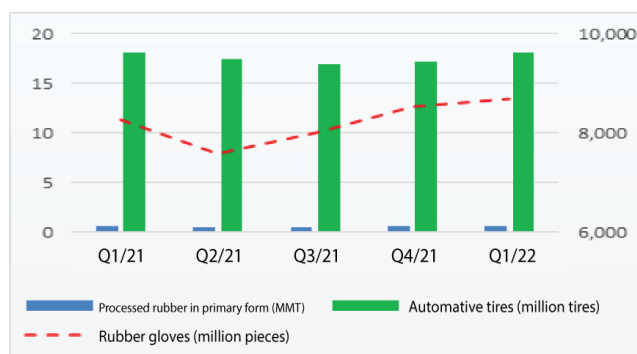
Government Policies Related to the Pharmaceutical Industry

The Ministry of Public Health issues the notification on the topic: criteria, methods and conditions for distributing modern medicines in the year 2021, effective from January 1st, 2022 onwards, by requiring licensees to produce modern pharmaceuticals or a licensee to bring or order modern drugs into the Kingdom, appropriate and adequate drug storage and distribution equipment must be provided. In particular, the premises must be clean and dry and the temperature should be kept within acceptable limits, which may be a cost burden to operators but it will raise the quality of the Thai pharmaceutical manufacturing industry throughout the supply chain from manufacturers and importers to pharmacies.

Rubber and Rubber Product Industry

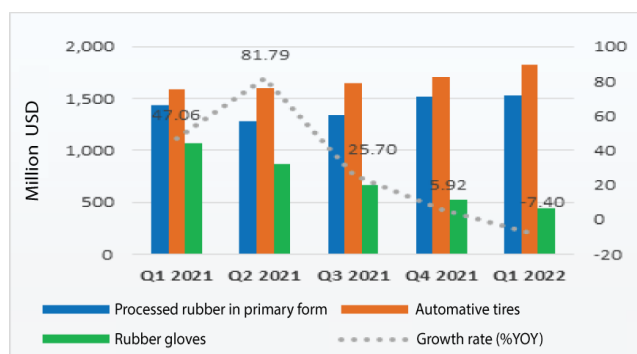
The production of primary processed rubber in Q1/2022, the volume has decreased mainly due to the decline in domestic orders. While the production of automotive tires has increased due to the increasing demand of both domestic and international markets, rubber gloves increased from the domestic market.

Volume of Production of Primary Processed Rubber, Automotive Tires and Rubber Gloves



Source: The Office of Industrial Economics

Export Value of Primary Processed Rubber, Automotive Tires and Rubber Gloves (million USD)



Source: Ministry of Commerce

Production of primary processed rubber, automotive tires and rubber gloves in Q1/2022 reached 0.52 million metric tons, 18.16 million tires and 8,685.94 million pieces, respectively. When compared to the same quarter last year, the production of primary processed rubber decreased by 3.70 percent from the slowdown in rubber sheets and latex production. The production of automotive tires increased by 0.28 percent from a good expansion of the domestic and international markets and the production of rubber gloves increased by 5.11 percent from increasing domestic orders.

Sales of primary processed rubber, automotive tires and rubber gloves in Q1/2022 reached 0.12 million metric tons, 11.86 million tires and 642.07 million pieces, respectively. When compared to the same quarter last year, the sales of primary processed rubber decreased by 7.69 percent according to the needs of continuous industries that have decreased. Meanwhile, the production of automotive tires and rubber gloves increased by 0.68 percent and 27.99 percent, respectively, according to increasing domestic demand.

Exports of primary processed rubber, automotive tires and rubber gloves in Q1/2022 were valued at 1,530.33 million USD, 1,828.09 million USD and 441.19 million USD respectively. When compared to the same quarter last year, the exports of primary processed rubber and automotive tires increased by 6.21 percent and 14.69 percent, respectively, from the good expansion of the export in the main markets, while the export of rubber gloves decreased by 58.72 percent according to the decreased orders from the United States of America market.

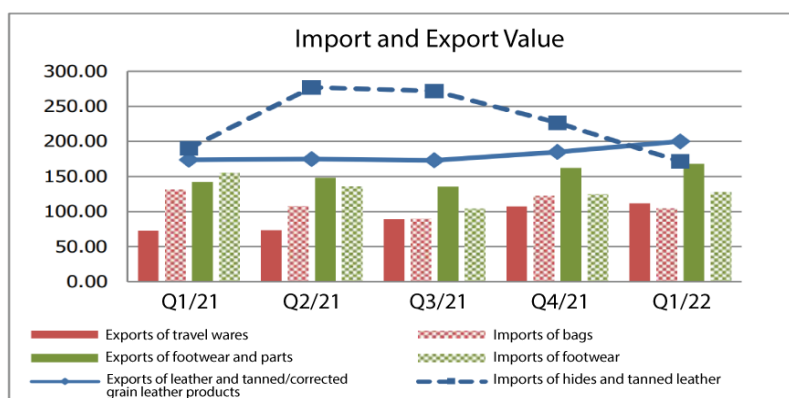
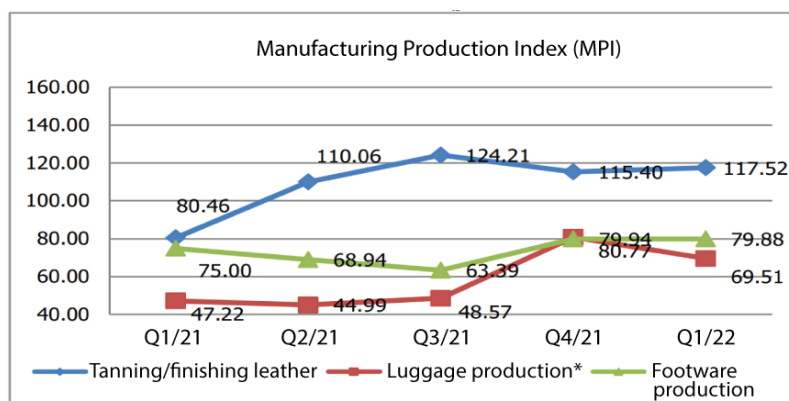
Outlook for Rubber and Rubber Product Industry in Q2/2022

In Q2/2022, it is expected that the production volume of primary processed rubber will return to expand production to meet the needs of continuous industries. The production of automotive tires is expected to continue to expand from production to meet the needs of both domestic and international markets. The production of rubber gloves is expected to continue to expand from production to meet the needs mainly of the domestic market.

Footwear and Leather Product Industry

In Q1/2022 when compared to the same quarter of the previous year, tanning and dressing of leather and footwear production has increased in production in line with increasing demand for both exports and domestic sales and countries around the world have began measures to relax from the pandemic situation of COVID-19. Many countries have began to open and accept tourists to stimulate spending and to bring the economy back to normal but still have to monitor the situation of the Ukraine-Russia war, if it continues, it will affect the economy around the world.

Production, Exports and Imports (million USD)



Source: 1. MPI – The Office of Industrial Economics 2. Export & Import Value – Ministry of Commerce
 * Includes handbags and similar products, saddlery and harnesses ** Year 2021 add the products and adjust the weights

Production

In Q1/2022, when compared to the same quarter last year, the MPI of tanning and dressing of leather increased by 45.78 percent. Footwear increased by 12.50 percent and luggage increased by 53.84 percent from domestic sales and increased exports.

Exports-Imports

Exports in Q1/2022, when compared to the same quarter last year, the export value increases in every product. Leather and leather products, compressed leather, travel appliances and footwear increased by 15.09, 4.16 and 18.69 percent, respectively. Leather and leather products have an export value of 200.29 million USD. The major export markets that have increased are Vietnam, the United States of America, India, Japan and Laos. Due to the situation in many countries, the COVID-19 pandemic has eased and many countries have accelerated vaccination, giving people the confidence to travel and spend more.

Imports in Q1/2022, when compared to the same quarter last year, the value of raw and tanned leathers decreased by 9.02 percent, Footwear decreased by 17.65 percent, luggage increased by 20.10 percent, as a result of remedial measures and stimulating spending which increased the purchasing power that has been continuously issued measures.

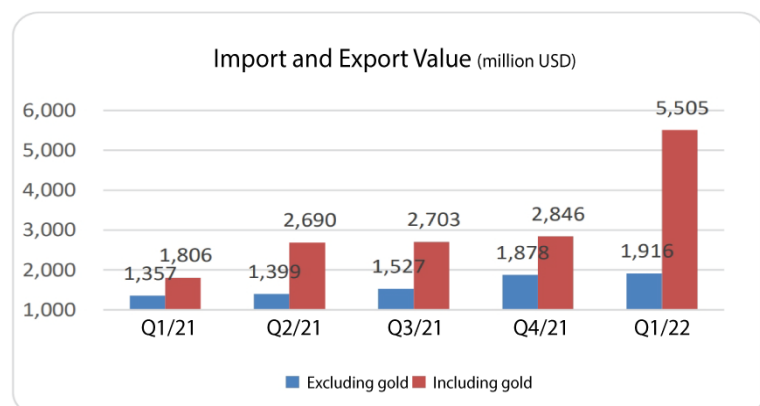
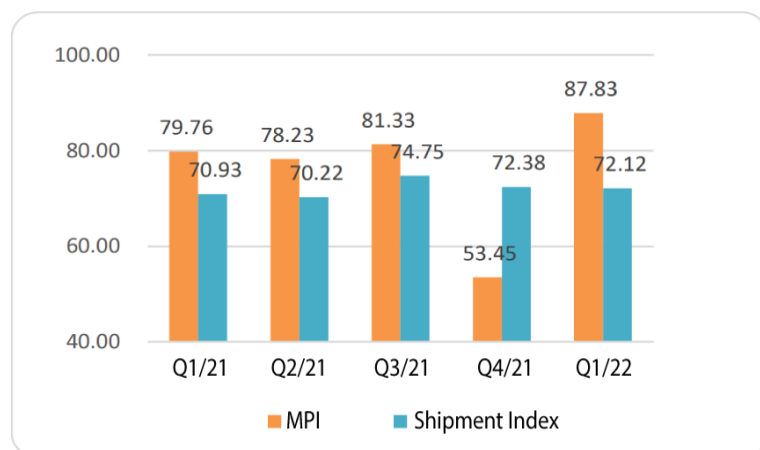
Outlook for Footwear and Leather Production Industry in Q2/2022

In the footwear and leather industry in Q2/2022 compared to the previous year, tanning and dressing of leather is expected to decrease including the manufacture of luggage and footwear which still has a downward trend due to the decline in exports and domestic sales, compared to the previous quarter all production products slightly decreased. However, every country can handle the COVID-19 pandemic, therefore this has begun to relax lockdown measures and prepare to open the country to normal but still have to follow the situation of the Ukraine-Russia war that has affected the world, especially the price of energy, fuel and gas which has continued to increase. As a result, the price of consumer goods increased affecting the purchasing power of the people.

Gems and Jewelry Industry

In Q1/2022 compared to the same quarter of the previous year, overall production and distribution of gems and jewelry increased due to increased production for exports (excluding gold) as all countries began to relax measures, lockdowns and reopen the country to normal conditions. The government has measures to promote and help people continuously, but must keep an eye on the Russian-Ukrainian war, if it is prolonged, it will affect the economy around the world.

Production, Sales and Exports



Source: 1. MPI and Shipment Index — the Office of Industrial Economics

2. Export value — Ministry of Commerce

Production

Overall gems and jewelry production in Q1/2022 compared to the same quarter last year (%YOY) increased by 10.12 percent from the production of genuine jewelry and artificial jewelry which increased by 8.45 percent and 25.93 percent resulting from exporting and domestic sales.

Sales

Sales of gems and jewelry in the Q1/2022 compared to the same quarter last year (%YOY) increased by 1.68 percent, increasing in genuine jewelry by 2.11 percent, due to the situation of the pandemic of COVID-19 that began to unfold and vaccination has spread widely. In addition, the government has continual rehabilitation measures making people have confidence and spend more.

Exports

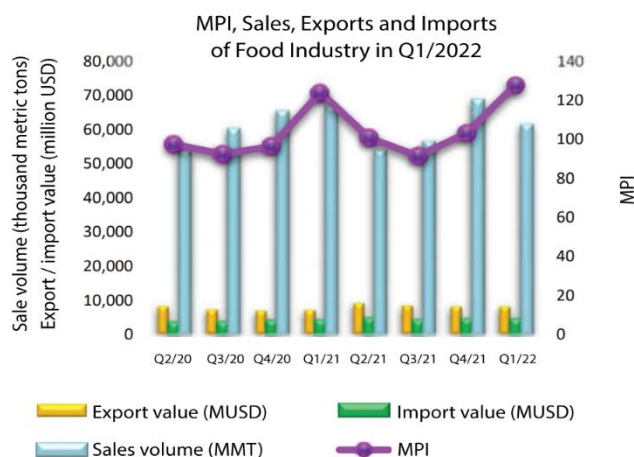
Gems and jewelry (excluding gold) in Q1/2022 compared to the same quarter last year (%YOY) had a total value of 1,916 million USD, increasing by 41.20 percent from the export value of diamonds, gemstones, genuine jewelry and artificial jewelry that increased by 69.69 percent, 47.22, 26.01 and 37.45 percent, respectively. If considering the overall gem and jewelry exports, it had a total value of 5,504.61 million USD, increasing by 204.78 percent with the export value of unformed gold which was valued at 3,588.55 million USD, increasing by 699.04 percent from the profitability of the gold price that continues to rise.

Outlook for Gems and Jewelry Industry in Q2/2022

Overall, gems and jewelry production in Q2/2022 is expected to improve slightly, due to the pandemic situation of COVID-19 and mutations. Despite the rapid distribution, the severity is likely to decline and people are vaccinated. In addition, the world began to relax and open more countries but if the Russia-Ukraine war continues, it will affect energy prices and fuel and gas prices will continue to rise affecting trade and transport which may result in the global economic stagnation.

Food Industry

The MPI of the food industry in Q1/2022 increased compared to the same period of the previous year, due to the relaxation of government measures and demand for some products that continue to expand in line with the global economic recovery. The MPI of the food industry has expanded, such as raw sugar, tapioca starch, crude palm oil and seasoned cooked chicken. Export values that expanded are rice, cassava products, sugar and processed chicken.



Source: The MPI and Sales volume collected from the Office of Industrial Economics

Export-import value compiled from the Ministry of Commerce by the grouping of the Office of Industrial Economics

The MPI of the food industry in Q1/2022 reached 127.7, increasing by 3.0 percent compared to the same quarter of the previous year (%YoY). The production of food products expanded, such as sugar, which increased by 10.4 percent from the main product which is raw sugar, this is because sugarcane yields entering the factory in the year 2021/2022 are more than in the production year 2020/2021 due to more farmers planting. Cassava, which increased by 8.1 percent and the main product is tapioca starch due to the consumer demand of foreign markets especially China, which is the main export market and has a continuous import demand for tapioca starch to be used as a substitute for corn starch during high prices. Palm oil, which increased by 6.6 percent and the main product is crude palm oil due to increasing domestic demand following the gradual recovery of economic activities. In addition, Indonesia and Malaysia, the major producers, still have labor shortages in the manufacturing sector due to the COVID-19 situation. As a result, the amount of palm production in the world market has decreased. This makes Thailand have more orders and exports of crude palm oil. Livestock increased by 3.6 percent and the main product is seasoned cooked chicken due to consumer demand in domestic and international markets. In addition, in the same period last year, major export markets, including Japan and the EU, adopted lockdown measures to contain the pandemic of COVID-19. As a result, the restaurant had to close and this made the imports decrease.

Domestic food sales in Q1/2022 amounted to 61,184.46 thousand metric tons, decreasing by 8.3 percent compared to the same quarter last year (%YoY). The products that are sold in the country but decreased are refined sugar which decreased by 53.0 percent, followed by refined palm oil which decreased by 18.2 percent, canned sardines which decreased by 18.1 percent and ready-to-drink milk which decreased by 9.0 percent.

Exports in Q1/2022 were valued at 8,151.19 million USD, increasing by 14.4 percent compared to the same quarter last year (%YoY) from key products such as rice and grains from 1) Rice because importing countries such as Iraq, China and Japan that have to continuously import for food security amid the conflict between Russia and Ukraine. 2) Cassava products, this is because China, which is the main market, has imported tapioca chips to use in the energy industry and tapioca starch to use in the food industry. Followed by sugar and molasses from sugar, due to the amount of sugarcane production in 2021/2022 having more than the previous year. In addition, sugar prices are still high, which has a positive effect on the entrepreneurs' exports. Livestock from the processed chicken in key markets such as Japan and the EU which canceled the lockdown measures.

Imports in Q1/2022 were valued at 4,468.14 million USD, increasing by 8.5 percent compared to the same quarter of the previous year (%YoY), from the import of oilseeds to support the vegetable oil industry, oilseed residues to support the animal feed industry, milk and dairy products to support continuous industries such as milk powder, cream, milk-related products and flour products to support the continuous industry, especially instant noodles.

Outlook for Food Industry in Q2/2022 is expected that the MPI and export value will slightly increase compared to the same quarter of the previous year. Due to the world economy and trade tending to expand continuously including the relaxation of government measures, the number of foreign tourists entering the country and the positive factors from the depreciation of the Thai baht that has a positive effect on exports. However, raw material prices for food and energy production remained high due to the Russia-Ukraine conflict. This affects industrial costs and consumer purchasing power.

Prepared by

Topic	Coordination Division	Telephone Number
● Overview of Economy and Industry of Thailand in Q1/2022 and Outlook for Q2/2022	Division of Industrial Economic Research	0-2430-6806
● Sectoral Industry		
● Iron and Steel Industry	Division of Sectoral Industrial Policy 1	0-2430-6804
● Electrical Appliance Industry	Division of Sectoral Industrial Policy 1	0-2430-6804
● Electronics Industry	Division of Sectoral Industrial Policy 1	0-2430-6804
● Automobile and Part Industry	Division of Sectoral Industrial Policy 1	0-2430-6804
● Motorcycle and Part Industry	Division of Sectoral Industrial Policy 1	0-2430-6804
● Chemical Industry	Division of Sectoral Industrial Policy 1	0-2430-6804
● Plastics Industry	Division of Sectoral Industrial Policy 1	0-2430-6804
● Petrochemical Industry	Division of Sectoral Industrial Policy 1	0-2430-6804
● Pulp, Paper and Print Media Industry	Division of Sectoral Industrial Policy 2	0-2430-6805
● Ceramics Industry	Division of Sectoral Industrial Policy 2	0-2430-6805
● Cement Industry	Division of Sectoral Industrial Policy 2	0-2430-6805
● Textile and Wearing Apparel Industry	Division of Sectoral Industrial Policy 2	0-2430-6805
● Wood and Wooden Furniture Industry	Division of Sectoral Industrial Policy 2	0-2430-6805
● Pharmaceutical Industry	Division of Sectoral Industrial Policy 2	0-2430-6805
● Rubber and Rubber Product Industry	Division of Sectoral Industrial Policy 2	0-2430-6805
● Footwear and Leather Product Industry	Division of Sectoral Industrial Policy 2	0-2430-6805
● Gems and Jewelry Industry	Division of Sectoral Industrial Policy 2	0-2430-6805
● Food Industry	Division of Sectoral Industrial Policy 2	0-2430-6805

Division of Industrial Economics Research

Division of Sectoral Industrial Policy 1

Division of Sectoral Industrial Policy 2