

Report on the Industrial Economics Status

Q1/2024
and Outlook for Q2/2024



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Executive Summary

Summary of Thai Industrial Economic Status in Q1/2024

The industrial economy status in Q1/2024, when considered from the Manufacturing Production Index (MPI), reached 100.93, a contraction of 3.58 percent compared to the same quarter last year. This was the sixth consecutive quarter of decline following the global economic slowdown. Production for export continued to slow down. The same is true of the domestic economy, which decreased in products that play an important role in the industrial sector following the slowdown in the growth of the Thai economy, and household income increased slightly, in contrast to the rising household debt situation. **Key industries that slowed down in Q1/2024** were **automobiles**, mainly pickup trucks, and compact cars, due to weakening domestic purchasing power. Household debt was high, and financial institutions were stringent in lending, which affected the issuance of new cars. In addition, some consumers turned to buying used cars that are cheaper. **Electronic parts and boards** contracted following the slowdown of the world market, which affected consumption and investment and resulted in slower demand for electronic products. **Palm oil** contracted from crude palm oil and refined palm oil, mainly due to the long dry weather period. As a result, the amount of palm fruit entering the market reduced. **Industries that grew in Q1/2024** were **refined petroleum products**. The growth was due to the growth of the tourism sector, which returned to normal, causing the need for fuel for traveling. **Chemical fertilizers and nitrogen compounds** grew from production to support planting in the next season, along with the ability to import more chemical fertilizers produced from natural resources. In the same period last year, there was a shortage of fertilizer, which caused prices to increase. **Non-alcoholic drinks, mineral water, and other bottled water** grew from almost every product except instant coffee drinks. The growth was caused by the increasingly hot weather, causing consumers to have increased demand for products.

Key Industries Outlook for Q2/2024

 **Iron and Steel:** The production is expected to remain stable compared to the same period last year due to the global market steel prices tending to decline. This led consumers to delay orders to observe price trends, which might affect steel demand. However, the acceleration of various government construction projects, expected to resume following the disbursement of government budgets, is anticipated to support the expansion of the domestic steel industry.

 **Electrical Appliances:** The production index is expected to contract by approximately 1.57 percent due to the uncertainty of the global economic situation and geopolitical tensions. These factors may result in higher production costs, potentially slowing down the industry. However, export value is expected to slightly expand by 1.96 percent due to the demand for innovative products driven by technology and Smart Electronics development, as well as the growth trend of Smart Cities.

↓ Electronics: The production index is expected to contract by approximately 9.06 percent due to rising production costs and global economic uncertainties, including those of trading partners such as China and the USA. Nevertheless, the export value is expected to continue expanding by about 7.57 percent due to electronic components and products related to Artificial Intelligence (AI), advanced chip production, smartphone technology development, and the promotion of upstream electronics industry investments in the country.

↑ Automobiles: In Q2/2024, automobile production is estimated to reach over 425,000 units. Of these, 40 to 45 percent will be designated for domestic sales, while 55 to 60 percent will be manufactured for exports.

↓ Motorcycles: According to the Office of Industrial Economics, motorcycle production in Q2/2024 is estimated to reach over 525,000 units. Of these, 80 to 85 percent will be designated for domestic sales, while 15 to 20 percent will be manufactured for exports.

↑ Pulp, Paper, and Printing materials: The production of pulp, paper, and packaging products is expected to grow, driven by domestic consumption. The entire supply chain for pulp exports to China, the main export market, has been expanding since the beginning of the year. However, the book and printing segment will continue to slow down due to reduced demand from import markets such as Hong Kong and the USA.

↑ Wood and Furniture: The production and domestic sales volume of wooden furniture is expected to grow due to increasing domestic demand since Q4/2023. Exports of wood and wood products are also expected to continue expanding due to increasing demand from key trading partners, especially for wood and wood sheet products.

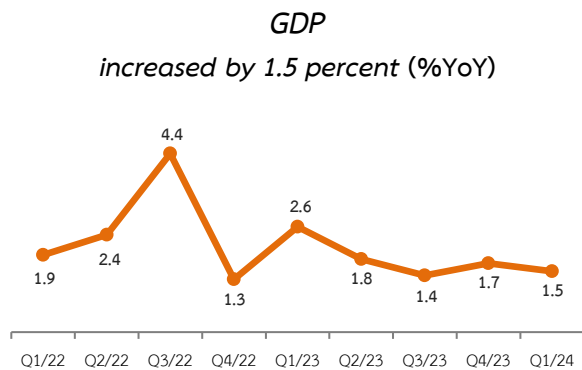
↑ Rubber and Rubber Products: The production volume of processed rubber in primary forms (rubber sheets, rubber blocks, and concentrated latex), automotive tires, and rubber gloves is expected to increase across three products. The growth of processed rubber in primary forms and rubber gloves is driven by both domestic and international market demand. Meanwhile, the increase in automotive tires is primarily due to foreign market demand, especially in major markets such as the USA and South Korea.

↑ Gems and Jewelry: The industry is expected to grow, supported by exports to key trading partners and the continuing expansion of the tourism sector. In addition, gem and jewelry exhibitions will be organized both domestically and internationally to further stimulate consumer demand. However, factors that need to be monitored include the geopolitical conflict in the Middle East and the strict monetary policy implementation of trading partners, and consumer concerns over high living costs and energy prices need to be monitored.

↑ Food: The overall MPI is expected to expand compared to the same quarter last year, supported by the anticipated increase in tourist numbers during the Songkran festival. In terms of exports, growth is expected due to the demand for food security from trading partner countries. However, the global economic slowdown and unresolved geopolitical conflicts remain factors to be monitored.

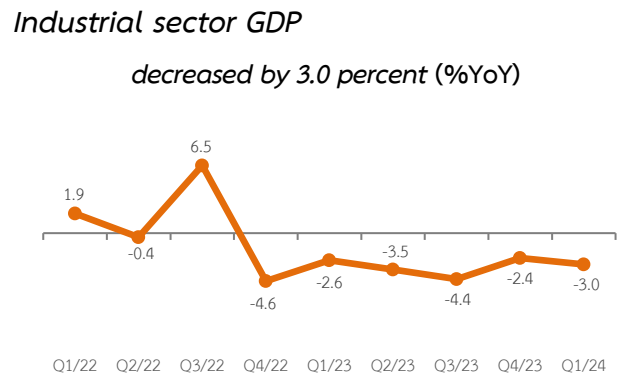
Part 1 Thailand Economic and Industrial Overview for Q1/2024

Thailand's Economic and Industrial Overview for Q1/2024



Source: Office of the National Economic and Social Development Council

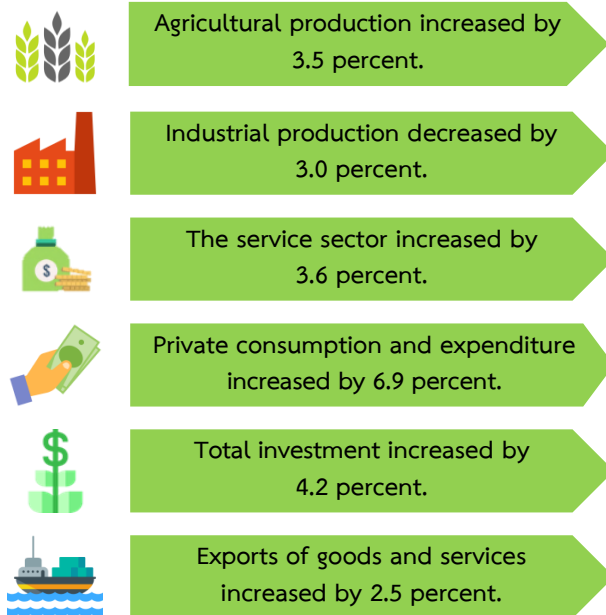
The Gross Domestic Product (GDP) in Q1/2024 expanded by 1.5 percent, showing an increase from the previous quarter's expansion of 1.7 percent but decreasing compared to the same period last year (2023), which grew by 2.6 percent.



Source: Office of the National Economic and Social Development Council

The industrial sector's GDP contracted by 3.0 percent in Q1/2024, a further decrease from the previous quarter's contraction of 2.4 percent and a further decrease compared to the same period last year (2023), which saw a contraction of 2.6 percent.

Key factors of GDP growth



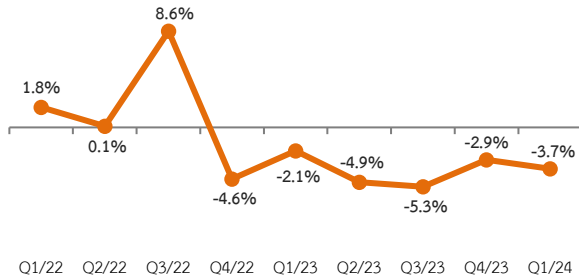
In Q1/2024, agricultural production contracted by 3.5 percent, industrial production contracted by 3.0 percent, and the service sector expanded by 3.6 percent. Private consumption expenditure expanded by 6.9 percent, total investment contracted by 4.2 percent, and exports of goods and services expanded by 2.5 percent.

The industrial sector's GDP contracted by 3.0 percent in Q1/2024, decreasing for a sixth consecutive quarter. This decrease was driven by the reduction in production for export-oriented industries, such as the manufacturing of automobiles; electronic components and boards; and computer and peripheral equipment.

Key Industrial Index

Manufacturing Production Index

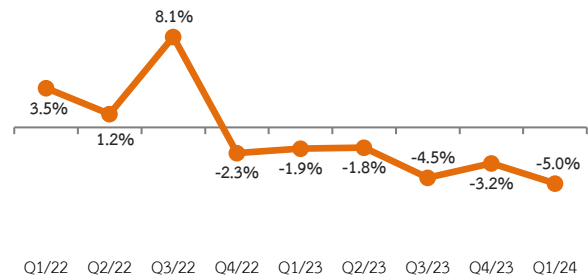
decreased by 3.7 percent (%YoY)



Source: The Office of Industrial Economics

Shipment Index

decreased by 5.0 percent (%YoY)



Source: The Office of Industrial Economics

In Q1/2024, the Manufacturing Production Index (MPI) stood at 100.85 points, an increase of 6.8 percent from the previous quarter (94.42 points) but a decrease of 3.7 percent from the same quarter of 2023 (104.67 points).

Industries contributing to the decrease of the MPI from the previous quarter were the manufacture of sugar, air conditioners, non-alcoholic beverage, and mineral waters and other bottled waters.

Industries contributing to the decrease of the MPI from the same quarter last year were the manufacture of automobiles, electronic components and boards, and palm oil.

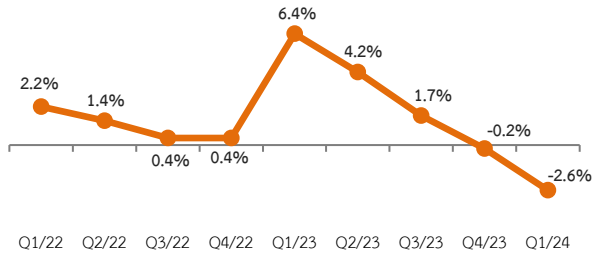
In Q1/2024, the Shipment Index stood at 98.80 points, an increase of 1.8 percent from the previous quarter (97.08 points) but a decrease of 5.0 percent from the same quarter of 2023 (103.98 points).

Industries contributing to the decrease in the Shipment Index from the previous quarter were the manufacture of air conditioners, sugar, and basic iron and steel.

Industries contributing to the decrease of the shipment index from the same quarter last year were the manufacture of automobiles, electronic components and boards, and palm oil.

Finished Goods Inventory Index

increased by 2.6 percent. (%YoY)



Source: The Office of Industrial Economics

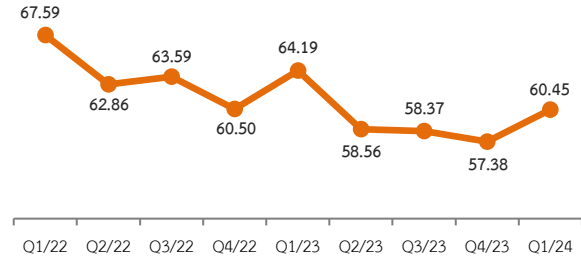
In Q1/2024, the finished goods inventory index stood at 105.02 points, an increase of 5.5 percent from the previous quarter (99.59 points) but a decrease of 2.6 percent from the same quarter of 2023 (107.78 points).

Industries that contributing to the decrease of finished goods inventory index from the previous quarter were the manufacture of sugar, starches and starch products, non-alcoholic beverage, and mineral waters and other bottled waters.

Industries contributing to the decrease of the finished goods inventory index from the same quarter last year (2023) were the manufacture of plastic articles for the packing of goods, processing and preserving of fruit and vegetables, and manufacture of computers and peripheral equipment.

Capacity Utilization Rate

stood at 60.45 percent.



Source: The Office of Industrial Economics

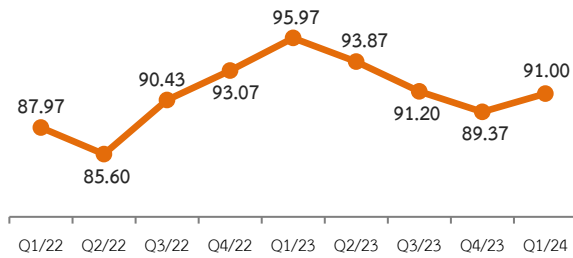
In Q1/2024, the capacity utilization rate stood at 60.45 percent, increasing from the previous quarter (57.38%) but decreasing from the same quarter of 2023 (64.19%).

Industries that contributed to the increase of capacity utilization rate from the previous quarter were the manufacture of sugar, air conditioners, and manufacture of starches and starch products.

Industries that contributed to the decrease of capacity utilization rate from the same quarter last year were the manufacture of automobiles, electronic components and boards, and manufacture of medical and dental instruments and supplies.

Industrial Sentiment Index

in Q1 stood at 91.0 points.



Source: The Federation of Thai Industries

In Q1/2024, the industry sentiment index was 91.0 points, increasing from last quarter (89.37 points) but decreasing from the same quarter last year (95.97 points). Meanwhile, the three-month forecast for the sentiment index was at 99.37 points, decreasing from the same quarter of 2023 (103.53 points).

Factors affecting the decline in industrial confidence in the first quarter of 2024 stem from domestic risks such as the persistently high cost of living and household debt from the previous quarter. Consumers were cautious with their spending. Additionally, entrepreneurs are concerned about the increase in the minimum wage and the maintenance of the Bank of Thailand's policy rate, leading to higher operating costs and debt burdens for businesses. However, external factors in exports have improved, though uncertainties remain regarding geopolitical conflicts. A supporting factor was the expansion of the tourism sector, which continued to recover thanks to the Free Visa measure for tourists from China, India, and Taiwan. Another supportive measure is the price freeze on diesel fuel, capped at 30 baht per liter, from 1 January to 31 March 2024.

Thailand's International Trade

“Thailand’s international trade in the first quarter of 2024 grew by 1.81 percent compared to the same period last year (YOY), but decreased from the previous quarter,” as major economies began to recover and adjust to normal levels, improving global trade volumes. As a result, production and exports in many countries are likely to expand further. However, core inflation rates in major countries remained stable above the monetary policy target. Thailand also faced structural problems that affected the competitiveness of Thai products. Private investment is likely to slow down due to the impact of a slow recovery in product exports.

Thailand’s international trade in Q1/2024 reached a total value of 146,465.74 million USD, with exports valued at 70,995.29 million USD, decreasing by 0.24 percent (YoY) compared to the same period last year, and imports valued at 75,470.44 million USD, expanding by 3.81 percent (YoY) compared to the same period last year. The trade balance in Q1/2024 was in a deficit balance of 4,475.122 million USD.

Export Structure

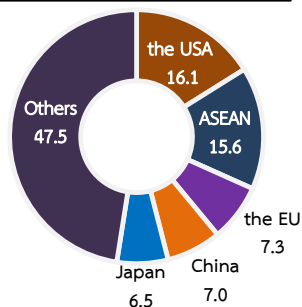


Source: Ministry of Commerce

In Q1/2024, Thailand's exports were valued at 70,995.29 million USD, a slight decrease of 0.24 percent compared to the same period last year (YOY). The key product categories saw the following changes: Agricultural products reached an export value of 6,290.85 million USD, an increase of 6.75 percent (YOY). Agro-industrial products reached an export value of 5,588.94 million USD, a decrease of 6.01 percent (YOY). Industrial goods reached an export value of 56,645.57 million USD, a decrease of 0.26 percent (YOY). Mineral and fuel products showed an export value of 2,469.94 million USD, a decrease of 2.35 percent (YOY).

Export Markets

Export proportions (%)



Source: Ministry of Commerce

In Q1/2024, Thailand's proportion of exports to five major trading partners, including the USA, ASEAN, the EU (27 countries), China, and Japan accounted for 52.50 percent of total exports. The remaining 47.50 percent of exports were destined for other markets as the following details:

- The proportion of export value to the USA, ASEAN, the EU (27 countries), China, and Japan were 16.10, 15.60, 7.30, 7.00 and 6.50 percent, respectively.
- Thailand's export value was 70,995.29 million USD, a decrease of 0.24 percent compared to the same period last year (YOY). Among the major trading partners, exports to Japan experienced the most significant contraction (-11.86%), followed by ASEAN (9) (-5.21%). However, exports increased in the USA (8.78%), China (1.48%), and the EU (27 countries) (0.93%)

Import Structure

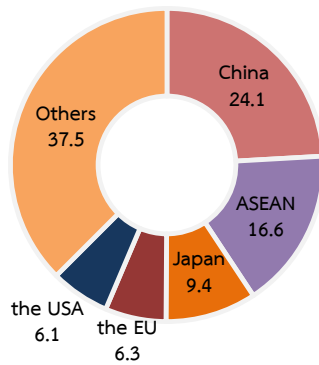


Source: Ministry of Commerce

In Q1/2024, Thailand's goods imports were valued at 75,470.44 million USD, an increase of 3.81 percent compared to the same period last year (YOY). The changes in key imported products were as follows: Fuel products reached an import value of 13,055.99 million USD, a decrease of 4.25 percent (YOY). Capital goods reached an import value of 19,243.67 million USD, an increase of 15.50 percent (YOY). Raw materials and semi-finished products reached an import value of 30,085.59 million USD, an increase of 4.69 percent (YOY). Consumer goods reached an import value of 8,779.50 million USD, an increase of 1.10 percent (YOY). Vehicles and transportation equipment reached an import value of 3,154.00 million USD, a decrease of 17.77 percent (YOY). Weapons, military supplies, and other goods reached an import value of 1,151.70 million USD, an increase of 0.55 percent (YOY).

Import markets

Import proportion (%)



Source: Ministry of Commerce

In Q1/2024, Thailand's proportion of imports from five major trading partners, including China, ASEAN, Japan, the EU (27 countries), and the USA accounted for 62.50 percent of total imports, and imports from other markets account for 37.50 percent of total imports, with details as follows.

- Thailand's imports from China, ASEAN, Japan, the EU (27 countries), and the USA accounted for 24.10, 16.60, 9.40, 6.30, and 6.10 percent, respectively.
- Thailand's imports amounted to 75,470.44 million USD, expanding by 3.81 percent (YOY). Imports from China grew by 4.24 percent. However, imports from some countries decreased, with Japan experiencing the highest contraction at 16.36 percent, followed by ASEAN at 5.42 percent, the EU (27 countries) at 2.04 percent, and the USA at 1.31 percent.

Global Economy in Q1/2024

The global economy in Q1/2024 grew continuously from the previous quarter following the economic recovery of major countries like the USA and the EU from the expansion of domestic demand. In addition, the Chinese economy had better growth following the recovery of industrial production and the export sector. However, domestic demand still slowed down amid debt issues in the real estate sector. However, the global economy is still at risk from the uncertainty of geopolitical conflicts, especially in the Middle East region, between Russia and Ukraine, and trade barriers between the USA and China that may affect global supply chains. This, together with inflationary pressures in major economies, may be a constraint on monetary policy implementation and the growth of domestic demand.

Summary of Key Economic Indicators in Q1/2024

Quarterly Growth (%YoY)

	GDP	Inflation	MPI	Export	Unemployment Rate	Policy Rate
the USA	↑ 3.0	↑ 3.3	↓ -0.3	↓ -1.2	4.1	5.25-5.50
China	↑ 5.3	↑ 0.4	↑ 4.5	↑ 1.5	5.2	3.45
Japan	↓ -0.2	↑ 2.8	↓ -3.9	↓ -3.0	2.5	0.10
Malaysia	↑ 4.2	↑ 1.7	↑ 3.3	↓ -5.0	3.3	3.0
Vietnam	↑ 5.7	↑ 3.8	↑ 5.2	↑ 16.8	2.2	3.0
Thailand	↑ 1.5	↓ -0.8	↓ -3.6	↓ -1.0	N.A.	2.5

Source: ceicdata, <https://www.nesdc.go.th>, and <https://tradingeconomics.com>

In Q1/2024, crude oil prices in the world market increased compared to the same period last year but decreased from the previous quarter. The trend was caused by (1) The impact of geopolitical conflicts, specifically, the conflict between Israel and Hamas in the Gaza Strip, prolonged attacks on merchant ships in the Red Sea, and the conflict between Russia and Ukraine. (2) The extension of the production reduction of the OPEC Plus group, and (3) The amount of commercial crude oil reserves of the USA, which was lower than in the same period last year. However, oil prices in 2024 remain volatile and uncertain. The U.S. government's Energy Information Administration (EIA) expects that oil demand will be higher than production at the end of 2023, continuing into 2024, putting pressure on oil prices in 2024 to remain high.

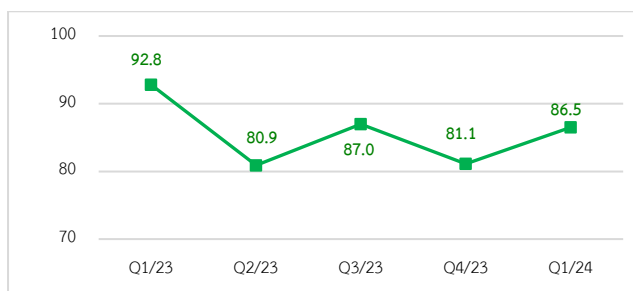
The global economy in 2024 is likely to have low growth, similar to last year, due to factors including the slowdown of the Chinese economy, the risk of economic stagnation in the EU, droughts from the El Niño phenomenon, the Russian-Ukrainian war and tensions in the Middle East. Economic polarization led by the USA and China will affect global supply chains. In addition, the adoption of high interest rate policies in many countries from 2023 to 2024 will affect the costs and debt burdens of the public and private sectors, which will cause the world economy to slow down from 2023.

Part 2 Thai Industrial Economic Sectors in Q1/2024
and the Outlook for Q2/2024

Iron and Steel Industry

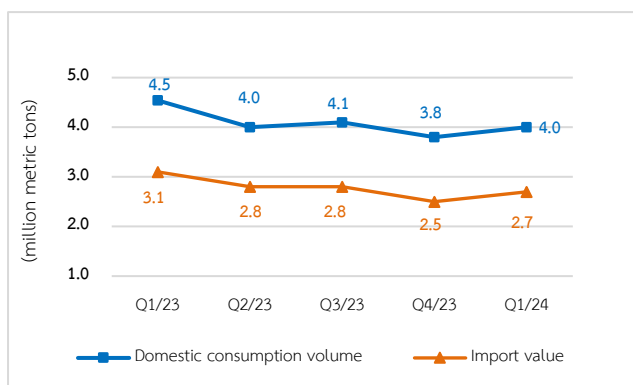
The iron and steel industry's MPI in Q1/2024 contracted compared to the same quarter of 2023 from the reduced production of iron products such as round bars and galvanized sheets. Domestic consumption contracted from the consumption of iron products such as rebars and structural steel sections, hot-rolled sheets, and galvanized sheets

Manufacturing Production Index (MPI)



Source: The Office of Industrial Economics

Domestic consumption and import value



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

Production: In Q1/2024, the industrial production index was 86.5 points, a decrease of 6.8 percent (%YoY) from the same quarter last year but an increase of 6.6 percent (%QoQ) compared to the previous quarter. The production of long products, compared to the same quarter last year, decreased by 2.8 percent. The product with the highest decreased production was round bars (-17.8%), followed by cold-formed structural steel sections (9.4%), and hot-rolled structural steel sections (-5.9%). The production of flat products also decreased by 3.9 percent, with the highest decrease in galvanized sheets (-15.4%) and hot-rolled coils (-1.4%). The production of steel pipes also decreased by 17.4 percent.

Domestic consumption: In Q1/2024, domestic consumption in Thailand reached 4.0 million metric tons, a decrease of 12.8 percent (%YoY) from the same quarter last year but an increase of 4.6 percent (%QoQ) compared to the previous quarter. Consumption of both long and flat products, compared to the same quarter last year. The consumption of long products contracted by 13.7 percent, which was driven by reduced consumption of rebar, structural steel, and wire rods. The consumption of flat products contracted by 12.2 percent due to decreased consumption of hot-rolled plates, hot-rolled sheets, cold-rolled sheets, galvanized sheets, tinplate, and other types of coated steel sheets.

Imports: In Q1/2024, the volume of imports was 2.7 million metric tons, contracting by 10.8 percent (YoY) but increasing from the previous quarter by 7.8 percent (QoQ). Compared to the same quarter last year, the import of long products contracted by 3.5 percent. The product with the largest decrease in imports was alloy steel rebar, which contracted by 44.3 percent (with major declines from China, Japan, and South Korea). Following this were seamless steel pipes and carbon steel rebar, contracting by 17.5 percent and 17.3 percent, respectively. Flat products contracted by 12.9 percent, with the largest decrease in imports being tinplate, which contracted by 34.6 percent (with major declines from China and South Korea). This was followed by hot-rolled stainless steel sheets and cold-rolled carbon steel sheets, contracting by 33.3 percent and 20.5 percent, respectively.

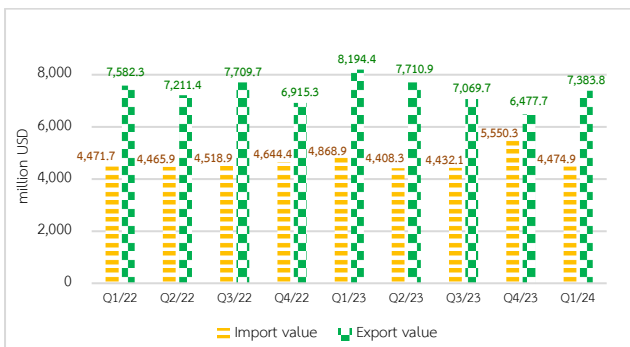
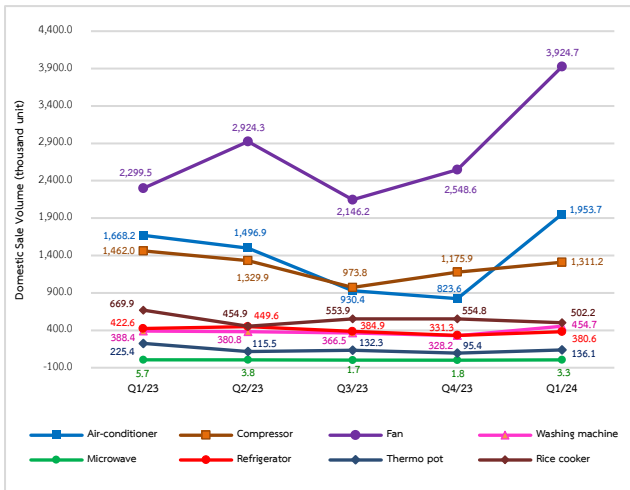
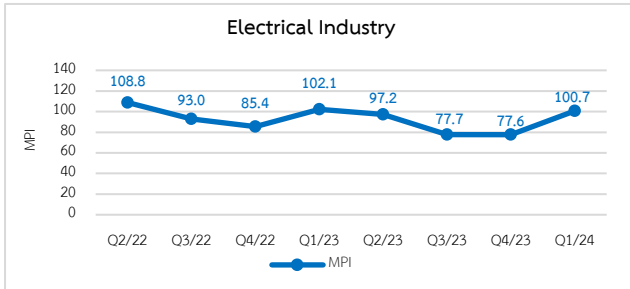
Iron and Steel Industry Outlook for Q2/2024

In Q2/2024, the production is expected to remain stable compared to the same period last year due to the global market steel prices tending to decline. This led consumers to delay orders to observe price trends, which might affect steel demand. However, the acceleration of various government construction projects, expected to resume following the disbursement of government budgets, is anticipated to support the expansion of the domestic steel industry.

Electrical appliance Industry

Electrical appliance production in Q1/2024 decreased slightly by 1.3 percent compared to the same quarter last year due to reduced demand in the world market and a slowing global economy. Products with decreased production included cables, compressors, microwave ovens, thermo pots, rice cookers, and electric motors. There was also a decrease in exports to the EU, ASEAN, Japan, and China markets.

MPI, Import and Export Value, and Domestic Sales of Electrical Appliances



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

Production of electrical appliances: In Q1/2024, the production index of electrical appliances was 100.7, an increase of 29.8 percent from the previous quarter (%QoQ) but a slight decrease of 1.3 percent compared to the same quarter last year (%YoY). Products with decreased production included compressors (-37.5%), cables (-29.1%), microwave ovens (-25.3%), thermo pots (-25.1%), rice cookers (-16.1%), and electric motors (-15.4%). This decline was due to reduced global demand and a slowdown in the global economy. However, some electrical appliance products saw increased production, including electric transformers (54.7%), electrical cables (47.3%), washing machines (15.3%), refrigerators (8.3%), air conditioners (7.2%), and fans (5.1%) driven by domestic consumer demand.

Domestic sales: In Q1/2024, domestic sales of certain products decreased compared to the same quarter of the previous year. These included microwave ovens (-42.1%), thermo pots (-39.6%), rice cookers (-25.0%), compressors (-10.3%), and refrigerators (-9.9%). However, products that increased in sales were fans (70.7%), air conditioners (17.1%), and washing machines (17.0%).

Imports of electrical appliances: Imports of electrical appliances in Q1/2024 were valued at 4,474.9 million USD, a decrease of 19.4 percent from the previous quarter (%QoQ) and 8.1 percent from the same quarter last year (%YoY). The main products with decreased imports were microwave ovens (-25.0%), electrical transformers (-17.9%), electrical cables (-11.5%), washing machines (-8.5%), and electrical switch panels and control panels (-3.5%).

Exports of electrical appliances: Exports of electrical appliances in Q1/2024 were valued at 7,383.8 million USD, an increase of 14.0 percent from the previous quarter (%QoQ) but a decrease of 9.9 percent compared to the same quarter last year (%YoY). Exports decreased in the EU (-11.1%), ASEAN (-4.9%), Japan (-2.2%), and China (-1.7%) markets. Products that decreased exports included microwave ovens (-27.9%), air conditioners (-15.8%), and fans (-0.9%). The decrease was in line with the global economic slowdown.

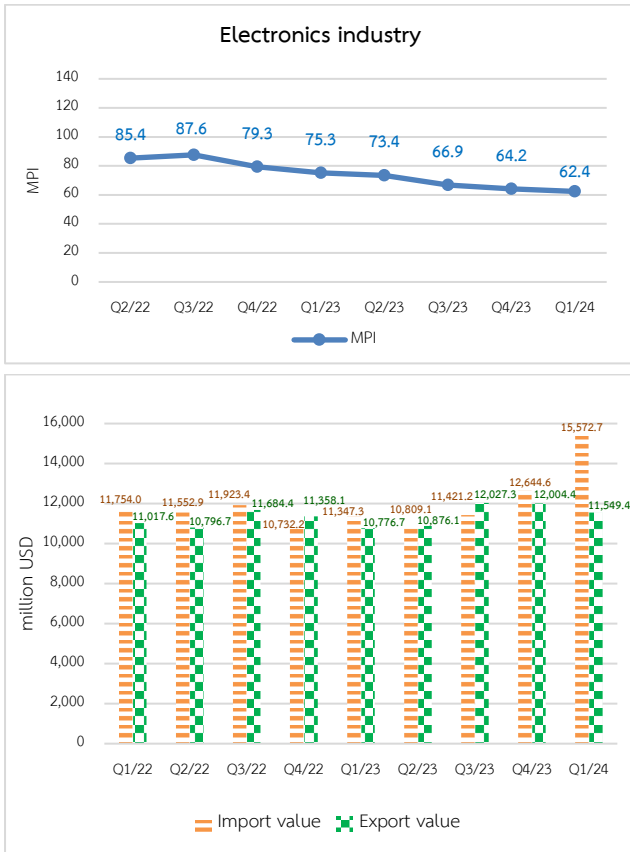
Electrical Appliance Industry Outlook for Q2/2024

In Q2/2024, the MPI is expected contract by approximately 1.57 percent due to the uncertainty of the global economic situation and geopolitical tensions. These factors may result in higher production costs, potentially slowing down the industry. However, export value is expected to slightly expand by 1.96 percent due to the demand for innovative products driven by technology and Smart Electronics development, as well as the growth trend of Smart Cities.

Electronics Industry

In Q1/2024, electronic product production decreased by 17.1 percent compared to the same quarter of the previous year. This decline was due to higher production costs and the uncertainty of the global economy. Products with decreased production included semiconductor devices, transistors, HDDs, integrated circuits (ICs), printed circuit board assemblies (PCBAs), and printed wiring boards (PWBs). However, exports increased in China, the EU, and the USA markets.

MPI, Import and Export Value of Electronics



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

Electronics production: In Q1/2024, the production index was 62.4, a decrease of 2.7 percent from the previous quarter (%QoQ) and a decrease of 17.1 percent compared to the same quarter of the previous year (%YoY). Electronic products that experienced a decline included semiconductor devices transistors (-31.3%), HDDs (-26.7%), integrated circuits (ICs) (-23.3%), printed circuit boards (PCBA) (-9.7%), and printed wiring boards (PWBs) (-5.1%). The decline was due to higher production costs and the uncertainty of the global economy. Meanwhile, electronic products saw an increase, including printers, which increased by 6.9 percent. This was due to the diverse functionalities of printing technology, which boosted demand among SMEs and domestic consumers.

Imports of electronics products: In Q1/2024, the import value of electronic products was 15,572.7 million USD, an increase of 23.2 percent from the previous quarter (%QoQ) and an increase of 37.2 percent from the same quarter of the previous year (%YoY). The key products that saw an increase included semiconductor devices (43.5%), integrated circuits (ICs) (29.9%), printed circuit boards (6.8%), and printers/copiers and their components (5.6%).

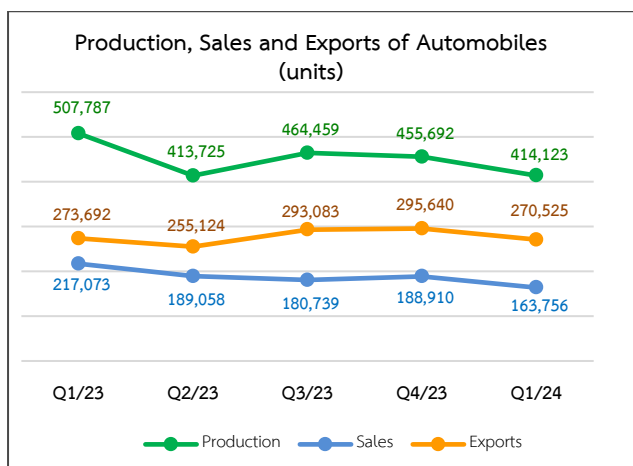
Exports of electronics products: In Q1/2024, the export value of electronic goods was 11,549.4 million USD, a decrease of 3.8 percent from the previous quarter (%QoQ) but an increase of 7.2 percent from the same quarter last year (%YoY). Exports increased in China, the EU, and the USA markets by 28.5, 11.1, and 10.2 percent, respectively. The key products that saw an increase included integrated circuits (11.9%), printed circuit boards (9.4%), and printers/copiers and their components (2.1%). This growth was due to the recovery in global demand for electronic goods and the increased need for electronic components in related industries, such as the electric vehicle industry and smart technology industry.

Electronics Industry Outlook for Q2/2024

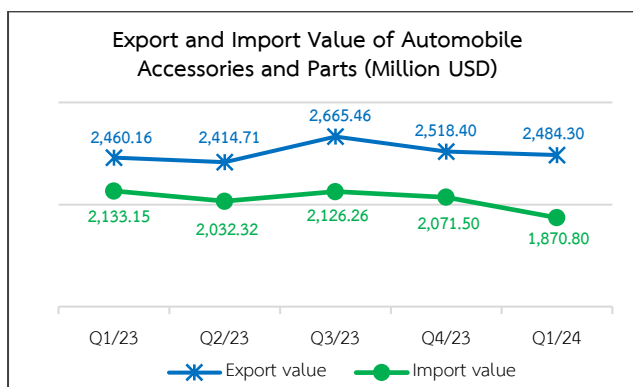
In Q2/2024, the MPI of electronics industry is expected to contract by approximately 9.06 percent due to rising production costs and global economic uncertainties, including those of trading partners such as China and the USA. Nevertheless, the export value is expected to continue expanding by about 7.57 percent from electronic components and products related to artificial intelligence (AI), advanced chip production, smartphone technology development, and the promotion of upstream electronics industry investments in the country.

Automobile and Automotive Parts Industry

In Q1/2024, automobile production saw a slight decline compared to the same period last year. This downturn was primarily driven by a domestic market contraction, influenced by stricter credit approval processes by financial institutions and increased interest rates. However, there was an expansion in the export market for one-ton pickup trucks and PPVs.



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



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

Automotive Industry Outlook for Q2/2024

According to estimates from the Office of Industrial Economics (OIE), automobile production is estimated to reach over 425,000 units. Of these, 40 to 45 percent will be designated for domestic sales, while 55 to 60 percent will be manufactured for exports.

Automobile Production

In Q1/2024, automobile production totaled 414,123 units, a decline of 9.12 percent compared to the fourth quarter of 2023 and a decrease of 18.44 percent compared to the same quarter the previous year (%YoY). This production was divided into 37 percent passenger cars, 60 percent 1-ton pickup trucks and their derivatives, and 3 percent other commercial vehicles.

Domestic Sales of Automobiles

In Q1/2024, domestic sales reached 163,756 units, a decline of 13.31 percent compared to the fourth quarter of 2023 and a decrease of 24.56 percent compared to the same quarter the previous year (%YoY). The sales were comprised of 40 percent passenger cars, 55 percent 1-ton pickup trucks and derivatives, and 5 percent other commercial vehicles.

Automobile Exports

In Q1/2024, automobile exports totaled 270,525 units, a decline of 8.50 percent compared to the fourth quarter of 2023 and a decrease of 1.16 percent compared to the same quarter the previous year (%YoY). The export was comprised of 29 percent passenger cars, 57 percent 1-ton pickup trucks, and 14 percent PPVs.

Export Value of Automotive Parts and Accessories

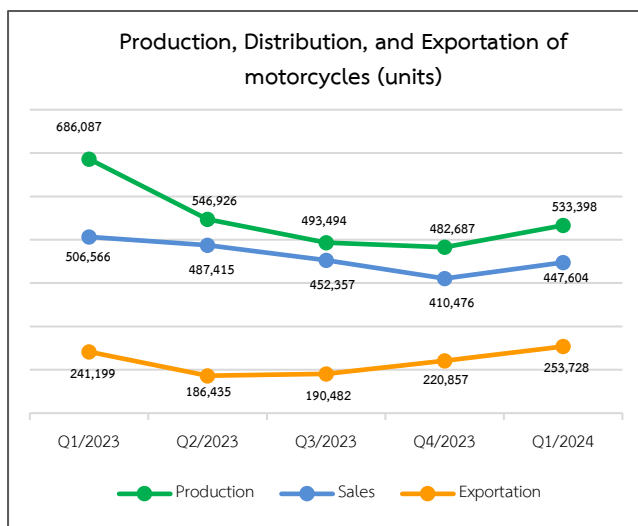
In Q1/2024, exports were valued at 2,484.30 million USD, a decrease of 1.36 percent (%QoQ) from the fourth quarter of 2023 but an increase of 1 percent (%YoY) from the same quarter last year. Key export markets for automotive parts and accessories were the USA, Japan, and Malaysia.

Import Value of Automotive Parts and Accessories

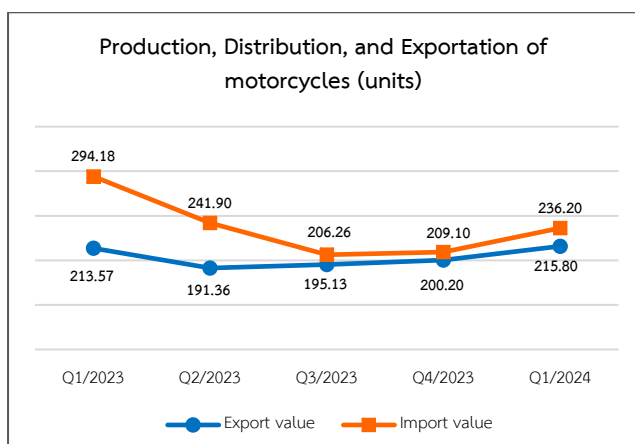
In Q1/2024, imports were valued at 1,870.80 million USD, a decrease of 9.69 percent (%QoQ) from the fourth quarter of 2023 and a decrease of 12.30 percent (%YoY) from the same quarter last year. Key import markets for automotive parts and accessories were Japan, China, and the USA.

Motorcycle and Part Industry

Motorcycle production volume in the Q1/2024 slowed down compared to the same period the previous year, primarily due to a decline in the domestic market. However, the export market showed an upward trend as the economies of trading partner countries began to recover.



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



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

Motorcycle Production: In Q1/2024, motorcycle production totaled 533,398 units, an increase of 10.51 percent compared to the fourth quarter of 2023 (%QoQ) but a decrease of 22.26 percent compared to the same quarter the previous year (%YoY).

Domestic Sales of Motorcycles: In Q1/2024, motorcycle sales totaled 447,604 units, an increase of 9.05 percent compared to the fourth quarter of 2023 (%QoQ) but a decrease of 11.64 percent compared to the same quarter the previous year (%YoY).

Motorcycle Exports: In Q1/2024, motorcycle exports reached 253,728 units, consisting of 127,343 units exported Completely Built-Up (CBU) and 126,385 sets exported Completely Knocked-Down (CKD). The exports increased by 14.88 percent compared to the fourth quarter of 2023 and 5.19 percent compared to the same quarter the previous year (%YoY).

Export Value of Motorcycle Parts: In Q1/2024, exports were valued at 236.20 million USD, an increase of 17.98 percent (%QoQ) from the fourth quarter of 2023 and 10.60 percent (%YoY) from the same quarter last year. Key export markets for motorcycle parts included Cambodia, Japan, and Brazil.

Import Value of Motorcycles Parts and Accessories

In Q1/2024, imports of motorcycle parts and accessories were valued at 215.80 million USD, an increase of 3.20 percent (%QoQ) from the fourth quarter of 2023 but a decrease of 26.64 percent (%YoY) from the same quarter last year. Key import markets for motorcycle parts and accessories were the USA, China, and Japan.

Motorcycle Industry Outlook for Q2/2024

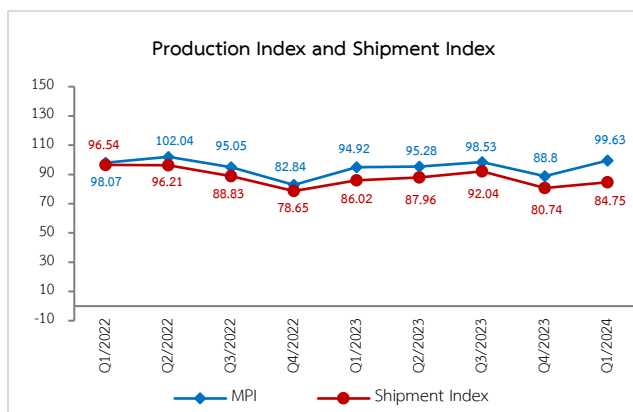
According to the Office of Industrial Economics, motorcycle production is estimated to reach over 525,000 units. Of these, 80 to 85 percent will be designated for domestic sales, while 15 to 20 percent will be manufactured for exports.

Chemical Industry

In Q1/2024, the chemical industry's production expanded compared to the same quarter of the previous year due to higher demand for end products. Exports also expanded, particularly to key trading partners such as India, Indonesia, and Taiwan.

Marketing and sales

MPI and Shipment Index



Source: The Office of Industrial Economics

Manufacturing Production Index: In Q1/2024, the MPI in Q1/2024 expanded by 12.2 percent compared to the previous quarter (%QoQ) and 4.97 percent compared to the same quarter last year (%YoY). Products that increased in MPI included fertilizers, cleaning solutions, and dishwashing liquids.

Shipment Index: In Q1/2024, the shipment index expanded by 4.97 percent from previous quarter (%QoQ) but decreased by 1.48 percent compared to the same quarter last year (%YoY). Among products that decreased in shipment index were enamel paints, chemical fertilizers, methyl ester (biodiesels), and chlorine.

Export and import value of chemicals products (Million USD)



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

Exports of chemical products: In Q1/2024, exports were valued at 2,329.58 million USD, an increase of 0.02 percent compared to the previous quarter (%QoQ) and 0.8 percent compared to the same quarter last year (%YoY). Key products contributing to the increase of export value were miscellaneous chemicals and cosmetics.

Import of chemicals: In Q1/2024, imports were valued at 4,575.98 million USD, an increase of 8.08 percent compared to the previous quarter (%QoQ) but a decrease of 4.99 percent from the same quarter last year (%YoY). Key products contributing to the decrease of import value were fertilizers, miscellaneous chemicals, and inorganic chemicals.

Chemical Industry Outlook for Q2/2024

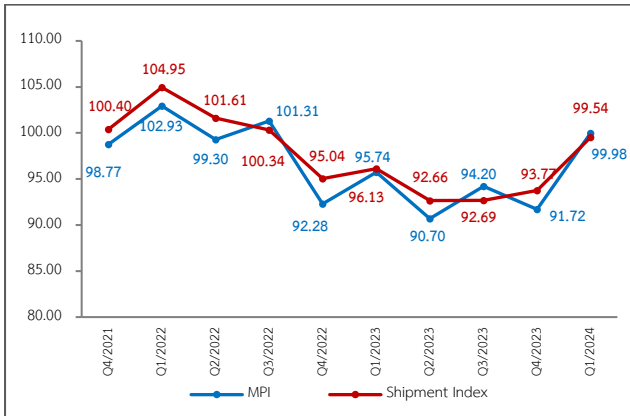
The chemical industry is expected to increase production in Q2/2024 due to continued demand from domestic consumers. Exports are expected to grow from key trading partners, including India, China, Japan, and Vietnam, from orders that were agreed on in advance.

Plastics Industry

In Q1/2024, the plastic industry saw an increase in export volume compared to the same quarter the previous year. This increase was driven by growing demand from key trading partners such as Japan, the Philippines, and Indonesia. Additionally, production also went up as entrepreneurs responded to the expanding market demand by producing more products.

Production and Sales

MPI and Shipment Index

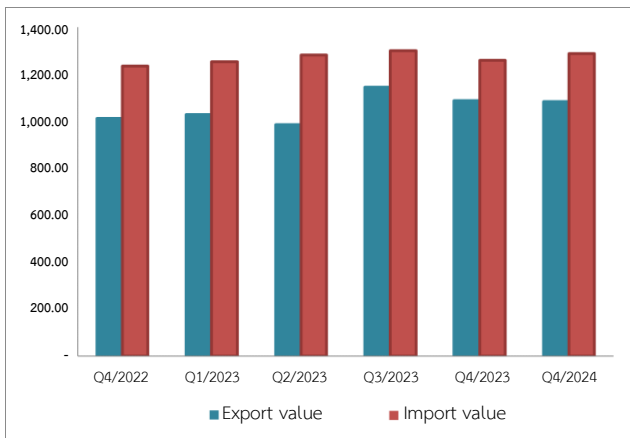


Source: The Office of Industrial Economics

Manufacturing Production Index: In Q1/2024, the MPI increased by 4.43 percent compared to last quarter (%QoQ) and 9.00 percent compared to the same quarter last year (%YoY). The products that experienced the most increase in MPI included plastic tableware, kitchen and toilet articles.

Shipment Index: In Q1/2024, the shipment index increased by 3.55 percent compared to the previous quarter (%QoQ) and 6.16 percent compared to the same quarter of the previous year (%YoY). The products that experienced the most increase in shipment index included plastic tableware, kitchen and toilet articles.

Export and Import Volume (metric tons)



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

Export Value: In Q1/2024, the export value was 1,083.00 million USD, a decrease of 0.35 percent compared to the previous quarter (%QoQ) but an increase of 5.28 percent compared to the same quarter last year (%YoY). The product category with the highest export value was plastic sanitaryware (HS 3922).

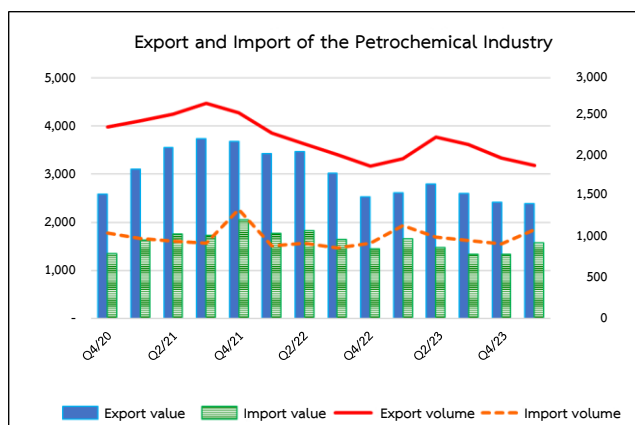
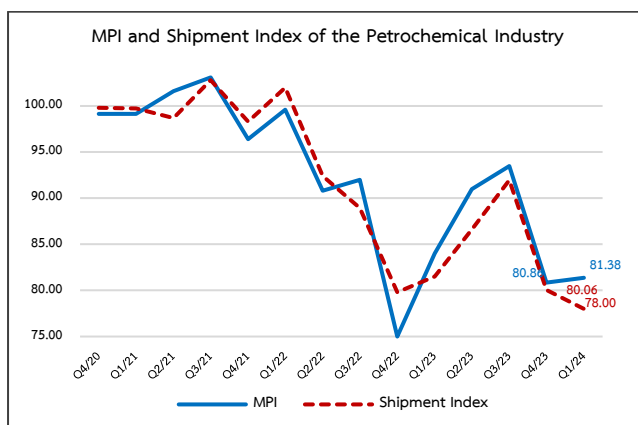
Import Value: In Q1/2024, the import value was 1,286.96 million USD, an increase of 2.71 percent compared to the previous quarter (%QoQ) and 2.16 percent compared to the same quarter last year (%YoY). The product category with the highest import value was plastic sanitaryware (HS 3922).

Plastic Industry Outlook for Q2/2024

In Q2/2024, exports and imports are expected to grow due to the continued increase in demand for plastic-related products in key trading partner countries. Production and shipments are anticipated to expand further as domestic demand for these products rises.

Petrochemical Industry

In Q1/2024, the production index decreased by 3.09 percent compared to the same quarter last year (%YoY), and the shipment index dropped by 4.39 percent (%YoY). Imports and exports also declined by 5.59 percent and 8.25 percent, respectively, compared to the same quarter last year (%YoY). This decline was attributed to rising oil prices, which have impacted global trade and transportation. Additionally, the strengthening of the US dollar and global inflation have contributed to the reduction in petrochemical exports this quarter.



Source: Customs department, Ministry of Finance Note: * predicted by the Office of Industrial Economics

Manufacturing Production Index (MPI): In Q1/2024, the MPI of the petrochemical industry stood at 81.38, a decrease of 3.09 percent compared to the same quarter last year. Basic petrochemical product contributing to the decrease of the index in this this quarter was propylene and for the downstream petrochemicals were PP and PE resins. The decrease was partly due to the resuming of production after maintenance shutdowns of basic petrochemical production plants and the production delay due to inventory depletion.

Shipment index: In Q1/2024, the shipment index was at 78.00 points, a decrease of 4.39 percent from the same quarter last year. Among the basic and downstream petrochemicals that contributed to the rise of the shipment index in this quarter were ethylene and PP and PE resins.

Exports of petrochemicals: In Q1/2024, petrochemical exports were valued at 2,394.70 million USD, a decrease of 8.25 percent compared to the same quarter of the previous year. The decline in petrochemical exports was observed in major export destinations, including China, Vietnam, and Japan. The decreased exports were primarily attributed to reduced shipments of basic and downstream petrochemical products such as PP and PE resins, propylene, and toluene during this quarter.

Imports of petrochemicals: In Q1/2024, petrochemical import value was 1,572.63 million USD, a decrease of 5.59 percent compared to the same quarter of the previous year. Petrochemicals were imported from key countries such as Japan, China, and the USA. The decline in imports of basic petrochemical groups like propylene and ethylene, as well as downstream petrochemical groups such as PE and PET resins, contributed to this reduction. One factor contributing to the decrease in imports was the increase in domestic plastic recycling following the approval of using packaging made from recycled plastic for food contact purposes.

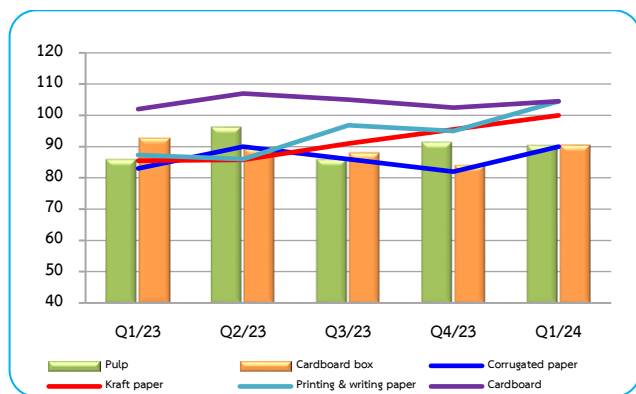
Petrochemical Industry Outlook for Q2/2024

In Q2/2024, the overall industry is expected to contract due to global inflation driven by ongoing geopolitical conflicts in various regions, which have led to rising energy prices. Additionally, the economies of many countries have slowed down. Key factors to monitor include the announcement of economic figures from the USA and China's low national growth, both of which will influence the global economic trend. Compared to the first quarter of 2024, the petrochemical industry is likely to remain stable. Production, product delivery, and exports are expected to slow down due to a decrease in orders and price levels following reduced demand.

Pulp, Paper, and Print Media Industry

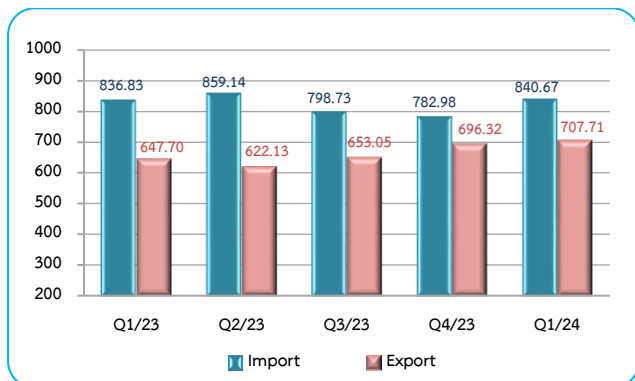
In Q1/2024, the overall industrial production index for the pulp, paper, and printing industry slightly slowed down compared to the previous quarter (%QoQ) by 0.23 percent. Still, it increased by 2.83 percent compared to the same quarter last year (%YoY). For exports, the total export value increased by 6.63 percent (%QoQ) and 15.26 percent (%YoY). In contrast, imports decreased by 1.97 percent (%QoQ) and 1.91 percent (%YoY). It is anticipated that the industry will experience positive growth in Q1/2024, driven by increased domestic spending and stimulated market activities across various sectors at the beginning of the year.

MPI in Pulp, Paper and Print Media Industry



Source: The Office of Industrial Economics

Export-Import of Pulp, Paper and Printed Materials



Source: Information and Technology Communication Center, Ministry of Commerce

Production: In Q1/2024, the overall production of paper and paper products increased by 6.45 percent (%YoY) across all paper product groups. This includes pulp (+5.04%), paperboard (+20.40%), Kraft paper (+17.00%), corrugated paper (+7.00%), and printing and writing paper (+2.22%), showing continuous growth both domestically and in exports. The main orders came from China and ASEAN countries. Meanwhile, paper boxes contracted by 2.50% due to decreased orders from ASEAN.

Exports: In Q1/2024, the export value of pulp and paper products was 692.90 million USD, an increase of 6.98 percent compared to the same quarter last year (%YoY). Pulp exports grew by 15.59 percent, with over 99.0 percent exported to China. The paper and paper products group saw an increase of 3.73 percent, with key export markets including Vietnam, India, and Indonesia. Meanwhile, exports of books and printed materials declined by 8.05 percent (%YoY), with major export markets being Hong Kong, Myanmar, and the USA.

Imports: In Q1/2024, the import value of pulp and paper products was 849.94 million USD, a slight increase of 1.57 percent compared to the same quarter last year (%YoY). The majority of imports were pulp and waste paper, mainly used for recycling. Meanwhile, imports of paper and paper products, books, and printed materials continued to decline due to reduced domestic purchasing power caused by economic conditions and rising product costs. However, imports of sanitary paper, paper packaging, and paper products increased.

Pulp, Paper, and Print Media Industry Outlook for Q2/2024

In Q2/2024, pulp and paper and paper products used to produce packaging boxes are expected to grow following domestic consumption, and their use for packaging various products will grow in the entire supply chain. Pulp exports have continued to expand in China, which is a key export market, from the beginning of the year. Meanwhile, the book and publishing sector is expected to continue to slow down due to decreased demand from major import markets such as Hong Kong and the USA.

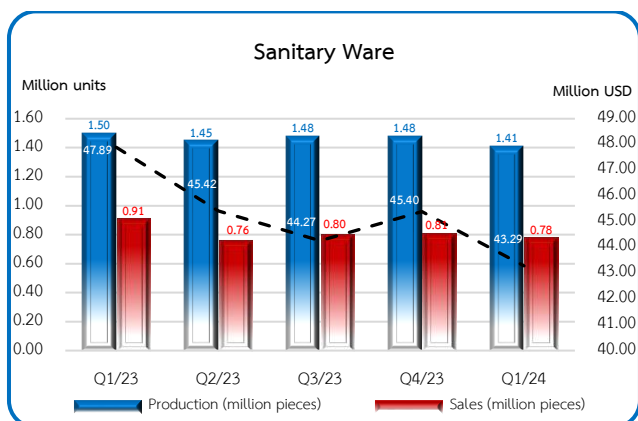
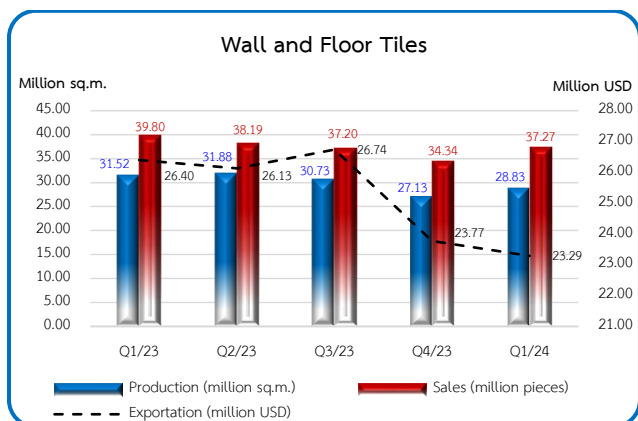
Related Government Policies

Products controlled by standards that will be enforced by 2024 by the Thai Industrial Standards Institute (TISI) include food contact paper that is cooked with heat, paper covers used for cooking food that is subjected to heat, such as paper used in hot air ovens, tea bags, coffee filter paper, and baking paper. The paper must be made from virgin pulp or pure pulp mixed with synthetic fibers that do not contain dyes and used to filter hot liquids, heat food, or cook food at a temperature not exceeding 220 degrees Celsius. The standard has requirements to control contamination of heavy metals that are harmful to health, such as lead, cadmium, chromium, and mercury. When the paper is heated, the contamination must not exceed the standard criteria and must not contain bleach and antimicrobial substances that are harmful to the body.

Ceramic Industry

In Q1/2024, the production and sales volume of floor and wall tiles decreased due to the country's economic slowdown, which was influenced by increasing raw material costs. Similarly, the production, sales, and export volume of sanitary ware also saw a decline. This was due to reduced domestic demand from the residential and condominium construction sector and decreased orders from the CLMV markets.

Production, Sales, and Exports of Ceramics



Source: 1. Domestic Production and Sales: Division of Information and Industrial Economic Indices, Office of Industrial Economics
 2. Export Value: Information and Technology Communication Center, Office of the Permanent Secretary, Ministry of Commerce

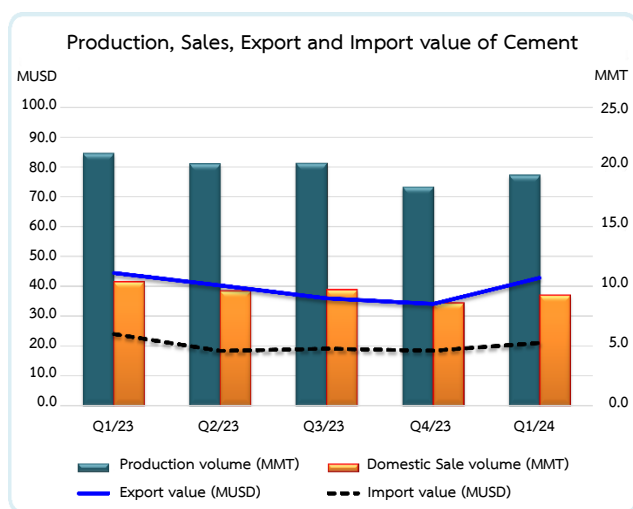


Ceramic Industry Outlook for Q2/2024

The production and domestic sales of ceramics in Q2/2024 are expected to grow from measures to stimulate the economy according to government policy by reducing loan interest by 0.25 percent, effective from 1 May 2024, for a period of 6 months. This measure will support small customers and vulnerable groups, according to government policy, to have enough savings to live their lives and have a better quality of life. Exports of both tile and sanitary ware are projected to expand. The export markets include Myanmar, Lao PDR, the USA, and Japan. However, important factors that must be closely monitored include the price of energy, raw materials, inflation, and the rising cost of living that may affect production and domestic sales.

Cement Industry

In Q1/2024, both production and domestic sales volumes of cement decreased compared to the same quarter last year. This decline was due to a slowdown in public construction projects and real estate development. Additionally, exports declined in line with the global economic downturn. As for the cement industry outlook for Q2/2024, the industry is expected to expand, driven by public infrastructure construction and private real estate development from market stimulation efforts such as reductions in loan interest rates.



Source: 1. Domestic Production and Sales: Division of Industrial Economics Information and Indices, Office of Industrial Economics
2. Export-Import Value: Information and Technology Communication Center, Office of the Permanent Secretary of Commerce

Cement production (excluding clinker) in Q1/2024 reached 10.24 million metric tons, a contraction of 8.64 percent (%YoY) compared to the same quarter of last year due to decreased demand in the domestic market and from key trading partners.

Domestic sales of cement (excluding clinker) in Q1/2024 reached 9.24 million metric tons, a contraction by 11.05 percent (%YoY) compared to the same quarter of last year. The decline was due to a slowdown in government construction projects and private real estate development such as residential houses and condominiums.

Cement exports (excluding clinker) in Q1/2024 reached an export value of 42.84 million USD, a contraction of 3.60 percent (%YoY) compared to the same quarter of last year due to the slowdown of the world economy. As a result, orders decreased in key markets such as CLMV countries and Bangladesh.

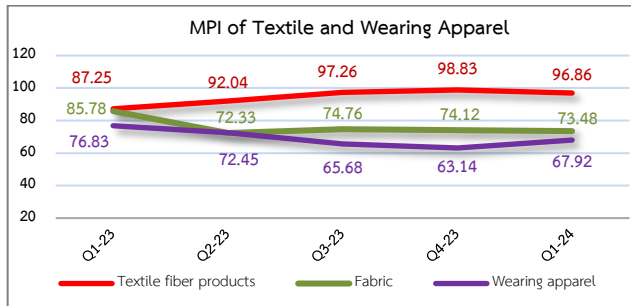
Cement imports (excluding clinker): In Q1/2024, exports were valued at 20.97 million USD, a decrease of 12.50 percent compared to the same quarter last year. This decline was attributed to reduced demand in markets such as Lao PDR, and Bangladesh.

Cement Industry Outlook for Q2/2024

The cement industry (excluding clinker) in Q2/2024, compared to the same quarter of the previous year, is expected to expand in production and sales driven primarily by domestic demand. This demand is led by construction sectors, both infrastructure and real estate projects, particularly large-scale projects linked to the Eastern Economic Corridor (EEC) development area and residential projects along new rail and transportation routes. Exports are expected to grow in response to the development needs of key partner countries, especially within the CLMV countries. On the other hand, imports are likely to slow down due to decreased demand for specialty cement from the Netherlands.

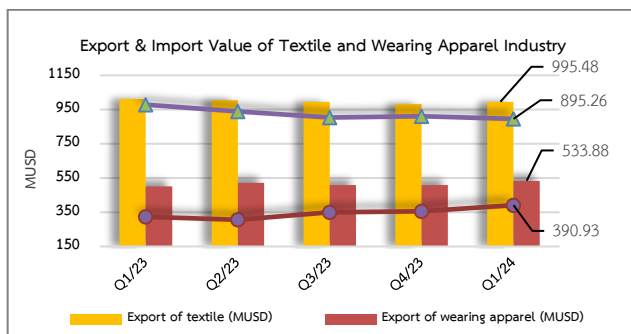
Textile and Wearing Apparel Industry

In Q1/2024, the production, sales, and export index for textile fibers expanded compared to the same period last year. This growth was driven by the increased production of man-made fibers (such as polyester and other fibers) due to rising orders both domestically and internationally. These fibers are used as raw materials in the production of a diverse range of products with unique properties. However, the production index for fabrics and clothing continued to decline due to reduced orders from trading partner countries. The textile industry is expected to grow slightly in Q2/2024, supported by government economic stimulus measures and the recovery of the tourism sector.



Production

The Manufacturing Production Index (MPI) of textile fiber expanded by 11.00 percent compared to the same quarter last year from the manufacture of man-made fibers within polyester fiber products, other man-made fibers like rayon, and the spinning of yarn from man-made fibers. This was driven by increased domestic and international orders for these products, which have special properties. These products were used as raw materials in the production of a variety of products, such as sportswear, home textiles, and automotive parts. However, the manufacture of fabrics decreased by 14.34 percent, and the manufacture of wearing apparel decreased by 11.60 percent. This decline was due to reduced production of wearing apparel made from woven fabric, including underwear for men and women, and knitted and crocheted apparel because of decreased orders from trading partners. On the other hand, when compared to the previous quarter (Q4/2023), the manufacture of ready-made garments increased by 7.57 percent. This increase was driven by rising demand, both domestically and internationally, for woven apparel.



Domestic Sales

Compared to the same quarter last year (%YOY), textile fibers grew by 8.81 percent for all product groups, including polyester fibers, other man-made fibers, cotton yarn, and man-made fiber yarn. Fabric sales declined by 15.36 percent from woven cotton fabrics, woven synthetic fiber fabric, and bleaching and dyeing of fibers and yarns. As for apparel, sales declined by 15.55 percent, both woven clothing and knitted fabrics, as a result of reduced production coupled with a slowdown in consumer demand and behavior changes toward cheaper products from China.

Exports-Import

Exports: The overall textile and garments industry was valued at 1,529.36 million USD, a growth from the same quarter last year (%YoY) by 1.07 percent, expanding for the first time after contracting for five consecutive quarters. When considered by each product group, textiles had an export value of 995.48 million USD, shrinking 1.59 percent from fewer orders for fabrics. The contraction was a result of the decreased purchasing power of trading partners, including Vietnam, China, and Indonesia, as well as the slowdown of the global economy, which affected the purchasing power and economic activities of consumers. However, man-made fibers grew by 7.95 percent. Wearing apparel valued at 533.88 million USD, a growth of 6.43 percent from ready-made clothing exports to important trading partners, including the USA, Japan, and Belgium.

Imports: Overall, textiles and wearing apparels were valued at 1,286.18 million USD, a contraction of 1.15 percent compared to the same quarter last year (%YOY). When considering each product group, import value of textile was 895.26 million USD, a contraction of 8.50 percent in the yarn and fiber and fabric groups. Import value of wearing apparel was 390.93 million USD, an increase of 21.13 percent, with a large number of cheap to moderately priced products being imported from China for sale by online merchandisers. Additionally, consumers have changed their purchasing behavior to adjust to the economic slowdown by reducing the purchase of luxury items to reduce daily expenses.

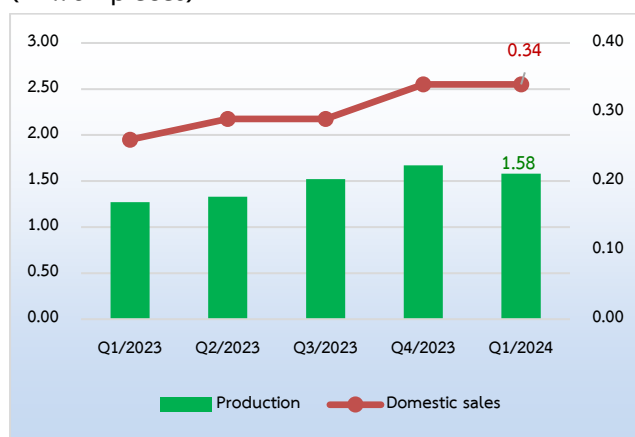
Textile and Wearing Apparel Industry Outlook for Q2/2024

The production and export of textiles and wearing apparels are expected to grow slightly from the government's economic stimulus measures, recovery from the tourism sector, and the economic recovery of trading partners. In particular, the production of artificial fibers is forecasted to continue to grow to support the production of textiles with special properties. Some new technologies and innovations are in line with the changing industrial structure of the world market. In addition, factors that need to be monitored include the geopolitical conflict that remains protracted. This may be a pressing factor that causes the economy of trading partners to slow down. Production costs also need to be monitored, including the increase in electricity prices, and labor costs that remain high, affecting Thailand's competitiveness. Textile and garment businesses need to prepare for changes and adapt to accommodate the uncertainty that will affect the textile and wearing apparel industry.

Wood and Wooden Furniture Industry

Compared to the same quarter last year, the production volume of wooden furniture in Q1/2024 increased to meet domestic market demand. Meanwhile, the overall export value of wood and wood panel products also grew due to increased demand from key trading partner countries for these products.

Domestic Production and Sales of Wooden Furniture (million pieces)

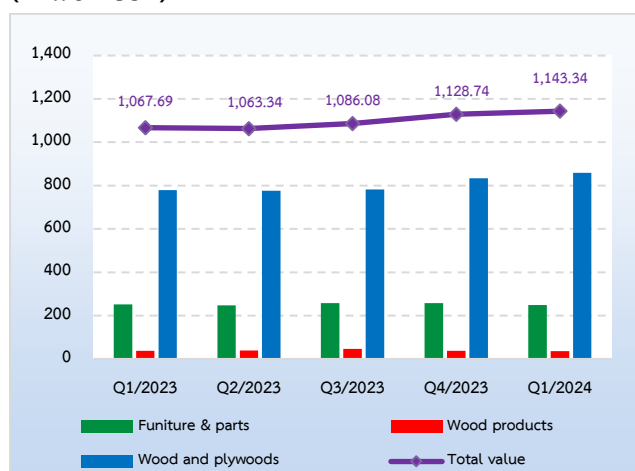


Source: The Office of Industrial Economics

Production of wooden furniture in Q1/2024 reached 1.58 million pieces, a decrease of 5.39 percent from the previous quarter but an increase of 24.41 percent from the same quarter last year. The growth was mainly a result of production to meet domestic demand.

Domestic sales of wooden furniture in Q1/2024 amounted to 0.34 million pieces, remaining stable compared to the previous quarter. However, when compared to the same quarter of the previous year, sales expanded by 30.77 percent. This growth was due to the low base from the previous year and an increase in orders from retail stores.

Export Value of Wood and Wooden Products (million USD)



Source: Office of the Permanent Secretary, Ministry of Commerce

Exports value of wood and wooden products: In Q1/2024, wood and wood product exports totaled 1,143.34 million US dollars, increasing by 1.29 percent and 7.09 percent compared to the previous quarter and the same quarter last year, respectively. The exports were categorized into furniture and parts valued at 248.35 million, wood products at 35.80 million USD, and wood and wood panel products at 859.19 million USD. Compared to the same quarter of the previous year, furniture and parts exports decreased by 1.53 percent, and wood product exports decreased by 2.66 percent, while wood and wood panel product exports increased by 10.34 percent. Overall, the continuous increase in wood and wood product exports since the third quarter is mainly due to increased demand in China for processed wood products.

Wood and Wooden Furniture Industry Outlook for Q2/2024

In Q2/2024, the country's production and sales of wooden furniture are expected to return to growth due to the increasing domestic demand for wooden furniture since the fourth quarter of 2023. Exports of wood and wood products are expected to continue growing due to the increasing demand from key trading partners, especially the demand for products in the wood and wood panel products group.

Pharmaceutical Industry

In Q1/2024, domestic pharmaceutical production and sales showed a decreasing trend compared to the same quarter of the previous year. This trend aligns with the volume of orders and demand for medications to treat both communicable and chronic non-communicable diseases. However, pharmaceutical exports are expected to increase due to growing demand in key Asian markets, particularly in ASEAN countries.

Domestic Production and Sales (metric tons)



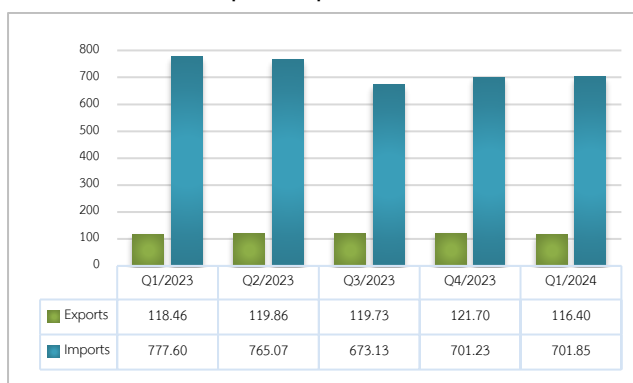
Source: The Office of Industrial Economics

Note: The survey data framework has been updated from 2023

Pharmaceutical production: In Q1/2024, the production volume of pharmaceuticals was 9,661.88 metric tons, a decrease of 13.67 percent compared to the same quarter of the previous year. This contraction included reductions in the production of powdered drugs (-25.88%), tablets (-15.50%), injectables (-15.27%), liquid medications (-12.83%), and capsules (-10.71%). In contrast, the production volume of medicinal creams increased by 8.07 percent, driven by the volume of orders from pharmacies and hospitals.

Domestic sales of pharmaceuticals: In Q1/2024, domestic pharmaceutical sales amounted to 8,589.22 metric tons, a decrease of 13.24 percent compared to the same quarter of the previous year. This decline included reductions in the sales of tablets (-15.68%), liquid medications (-14.44%), injectables (-12.55%), powdered drugs (-6.28%), and capsules (-4.22%). Meanwhile, the sales volume of medicinal creams increased by 1.15 percent, reflecting the demand for medications for disease treatment.

Pharmaceutical Import-Export Value (Million USD)



Source: Ministry of Commerce with the cooperation of the Customs Department

Note: Import-Export database adjustment using HS3001, 3002, 3003, and 3004

Exports of pharmaceuticals in Q1/2024 were valued at 116.40 million USD, a decrease of 1.74 percent compared to the same quarter last year. This decline was in line with reduced demand in key markets, particularly in Asia (such as Hongkong, Japan, the Philippines and the USA).

Pharmaceutical imports in Q1/2024 were valued at 701.85 million USD, a decrease of 9.74 percent compared to the same quarter last year as the domestic demand for pharmaceuticals dropped. This decline was driven by reduced imports from countries in the EU, North America, and Asia, such as the UK, Belgium, Germany, Denmark, Puerto Rico, and China.

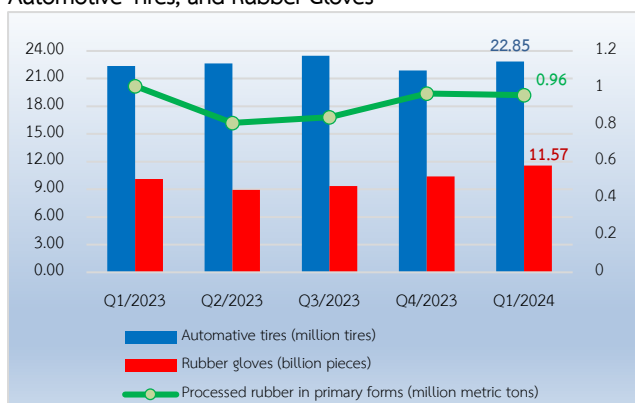
Pharmaceutical Industry Outlook for Q2/2024

In Q2/2024, the production and domestic sales of pharmaceuticals are projected to increase compared to the same quarter last year, following the demand for medicines that are expected to increase from the increasing severity of epidemics in the summer, especially after the Songkran festival where people participate in water activities and travel back to their hometowns and socialize. As a result, COVID-19 is expected to return, and infectious respiratory diseases such as influenza and allergies are forecasted to spread. Furthermore, cases of gastrointestinal and water-borne diseases are expected to spread, such as food poisoning and acute diarrhea. In addition, the PM 2.5 dust situation continues to affect people's respiratory systems, especially in the northern region, and there are health hazards from scorching weather. Exports are expected to grow as demand from the main markets within ASEAN is still high.

Rubber and Rubber Product Industry

In Q1/2024, the production volume of processed rubber in primary forms decreased due to a slowdown in the production of rubber sheets, rubber blocks, and concentrated latex. Meanwhile, the production volume of tires increased, driven by a rise in the production of pickup truck tires. Additionally, the production volume of rubber gloves saw an increase due to the high demand for medical rubber gloves both domestically and internationally.

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



Source: The Office of Industrial Economics

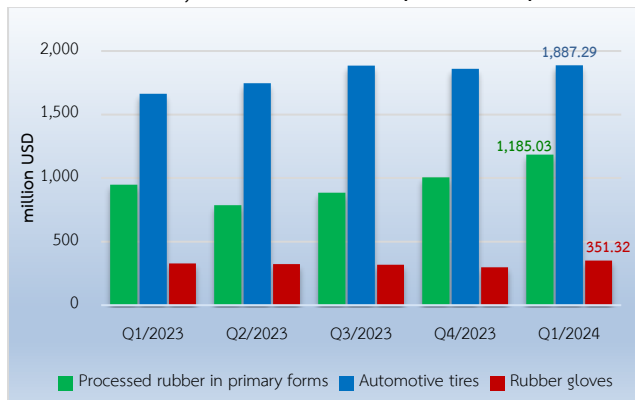
Production of processed rubber in primary forms, automotive tires, and rubber gloves:

In Q1/2024, the production volumes were as follows: 0.96 million metric tons of processed rubber in primary forms, 22.85 million tires, and 11,570.25 million pieces of rubber gloves. Compared to the same period last year, the production of processed rubber in primary forms decreased by 4.57 percent due to a reduction in the production of rubber sheets, rubber blocks, and concentrated latex. Tire production increased by 2.21 percent, driven by an increase in the production of pickup truck tires. Meanwhile, the production of rubber gloves increased by 14.44 percent due to the high demand for medical rubber gloves both domestically and internationally.

Domestic sales of processed rubber in primary forms, automotive tires, and rubber gloves:

In Q1/2024, the sales volumes were as follows: 0.34 million tons of processed rubber, 9.00 million tires, and 1,030.59 million pieces of rubber gloves. Compared to the same quarter last year, the sales volume of processed rubber increased by 1.72 percent due to rising demand from continuous industries. Tire sales increased by 5.59 percent due to the demand from the Replacement Equipment Manufacturing (REM) market. Meanwhile, rubber glove sales increased by 22.13 percent due to the high demand for medical rubber gloves.

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



Source: Ministry of Commerce

Exports of processed rubber in primary forms, automotive tires, and rubber gloves:

In Q1/2024, the export values were 1,185.03 million USD for processed rubber, 1,887.29 million tires, and 351.32 million pieces of rubber gloves. Compared to the same quarter last year, exports of processed rubber, tires, and rubber gloves increased by 25.04 percent, 13.47 percent, and 7.40 percent, respectively, due to significant growth in exports to key markets.

Rubber and Rubber Products Industry Outlook for Q2/2024

In Q2/2024, the production volume of processed rubber in primary forms (rubber sheets, rubber blocks, and concentrated latex), automotive tires, and rubber gloves is expected to increase across three products. The growth of processed rubber in primary forms and rubber gloves is driven by both domestic and international market demand. Meanwhile, the increase in automotive tires is primarily due to foreign market demand, especially in major markets such as the USA and South Korea.

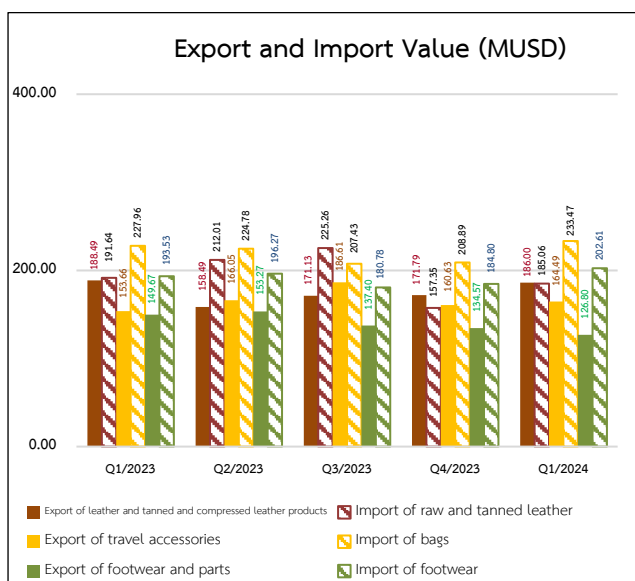
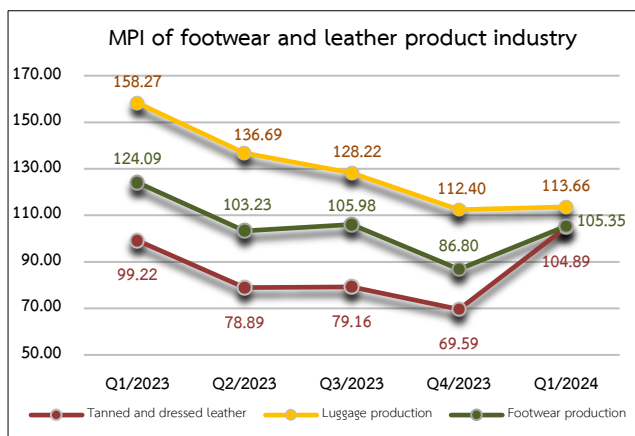
Government Policies Related to the Rubber and Rubber Products Industry

On March 11, 2024, the Rubber Authority of Thailand (RAOT) and the Industrial Estate Authority of Thailand (IEAT) signed a Memorandum of Understanding on research and development in academic services and the possibility of operating a rubber business and related businesses that have potential in the industrial estate. It focuses on processing rubber products that come from farmers and supporting investment in establishing rubber industrial estates.

Footwear and Leather Product Industry

In Q1/2024, overall production and exports of leather products and footwear declined from the same period last year. This was especially evident in finished products such as handbags and shoes, where production decreased due to fewer orders from trading partners. Additionally, some domestic consumers chose cheaper imported goods. However, the tanning and dressing of leather showed an increase in the production index, driven by the production of car seat covers. Furthermore, the export value of tanned cowhide and pigskin products increased, with major markets including Vietnam, China, and Indonesia.

Production, Exports, and Imports (MUSD)



Source: 1. MPI and Shipment Index — the Office of Industrial Economics
2. Export and import value — Ministry of Commerce

Production

In Q1/2024, the tanning and dressing of leather increased by 5.71 percent compared to the same quarter of the previous year (YoY) to support orders from both domestic and international trading partners. In particular, tanned leather is used as a raw material for the production of car seats. The production of luggage, handbags, and shoes decreased by 28.18 percent and 15.11 percent, respectively, due to sales within the country and abroad that decreased following the economic slowdown, which put pressure on consumer spending.

Exports-Imports

The value of exports of leather, tanned leather, and pressed leather products in Q1/2024 decreased by 1.32 percent compared to the same quarter of the previous year (YoY). Products that decreased were leather gloves for sports that were exported to the USA. However, the value of exports of tanned cattle and pig hides increased, with important markets including Vietnam, China, and Indonesia. Exports of travel equipment grew by 7.05 percent, with growth in handbag products exported to China, India, and Japan. Footwear and parts decreased by 15.28 percent in export value in leather shoes and sport shoes product groups to the U.S. and EU markets.

The value of imports of raw and tanned leather in Q1/2024 decreased by 3.44 percent compared to the same quarter of the previous year (YoY) from falling demand for raw leather materials used to produce handbags and shoes. Imports of ready-made products in the handbags and shoes categories increased in value by 2.42 percent and 4.69 percent from imports of plastic handbags/woven materials from China and sports shoes. Shoes made of plastic or rubber from Vietnam increased. Due to domestic economic uncertainty, consumers opted to buy cheap shoes imported from China.

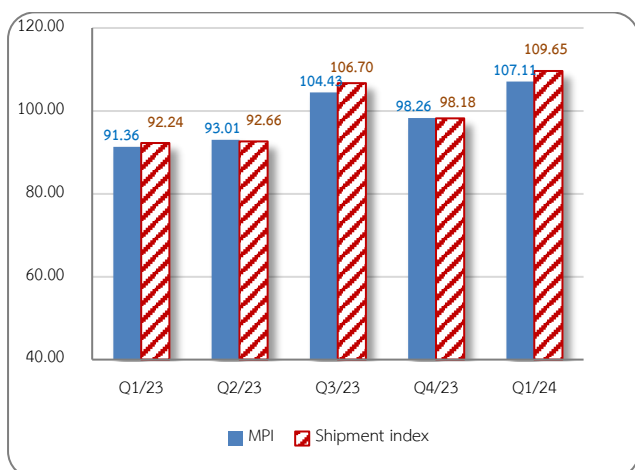
Footwear and Leather Production Industry Outlook for Q2/2024

The production of leather products and footwear in Q2/2024, compared to the same quarter of the previous year, is expected to grow in tanned and finished leather to support other industries, such as car seats. The production of handbags and shoes is expected to decrease, following fewer exports to foreign markets along with the importation of some products, such as sandals and plastic shoes that are cheaper than domestic products. The overall exports of leather goods and shoes are expected to decrease. However, there are some product groups whose export value has increased, such as tanned cattle leather, handbags, and shoulder bags. Factors that need to be monitored include geopolitical conflict, which puts pressure on production costs, rising interest rates, and rising inflation, which affect the purchasing power of consumers and the global economy.

Gems and Jewelry Industry

In Q1/2024, the overall gem and jewelry production, sales, and export index expanded compared to the same quarter of last year. The growth is a result of increasing demand from both domestic and international markets, from shopping during the festivities at the beginning of the year. In addition, the tourism sector continued to grow. It is also necessary to monitor the geopolitical conflicts in the Middle East and the strict monetary policy implementation of trading partners. Consumers are also concerned about the high cost of living and energy costs.

Production, Sales, and Exports

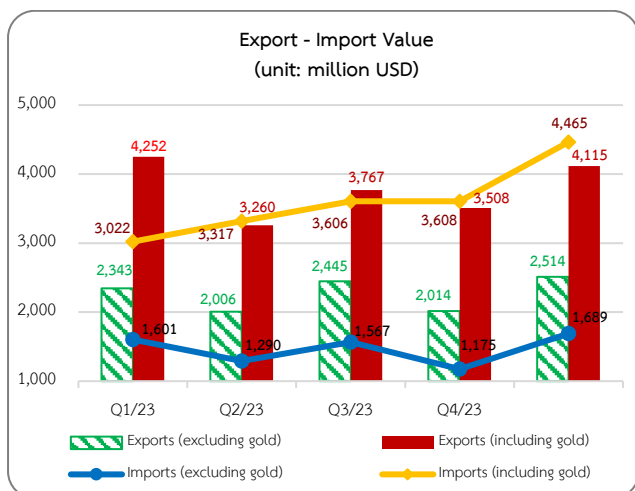


Production

Overall gem and jewelry production in Q1/2024 increased by 17.24 percent compared to the same period last year (YoY). This growth was driven by a rise in the production of genuine jewelry and artificial jewelry, which increased by 18.00 percent and 25.13 percent, respectively, due to higher export demand from trading partners and increased domestic sales. However, diamond production decreased by 30.12 percent due to reduced demand both domestically and internationally.

Sales

In Q1/2024, gems and jewelry increased by 18.88 percent compared to the same quarter last year (YoY) from genuine and artificial jewelry which increased by 20.18 and 23.91 percent, respectively. The growth was influenced by shopping during the festivities at the beginning of the year. In addition, tourism continued to improve. Diamond sales decreased by 39.88 percent due to slowing consumer demand from concerns over the cost of living and high household debt. Therefore, consumers turned to buying inexpensive jewelry.



Exports

Gems and jewelry (excluding unwrought gold) in Q1/2024 increased in value by 7.32 percent compared to the same quarter last year (YoY) from the value of exports of diamonds, gemstones, genuine jewelry, and artificial jewelry, which increased by 1.82 percent, 20.60 percent, 2.44 percent, and 15.39 percent, respectively. Exports were made to important trading partners, including Hong Kong, the USA, Italy, Belgium, and Qatar. The growth was a result of the recovery of the trading partner economies and the holding of gem and jewelry exhibitions in countries such as Hong Kong and Qatar, which helped boost consumption, together with shopping during festivals at the beginning of the year. The overall export of gems and jewelry was valued at 4,115.36 million USD, a decrease of 3.20 percent. The value of unwrought gold exports was valued at 1,601.41 million USD, a decrease from the previous year by 16.11 percent as a result of increased holding of gold within the country for speculative purposes.

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

2. Export and import value — Ministry of Commerce

Imports. Gems and jewelry (excluding unwrought gold) in Q1/2024 increased in value by 5.51 percent compared to the same quarter last year (YoY) from the value of imported gems and artificial jewelry, which increased by 32.00 percent and 45.60 percent, respectively. Meanwhile, the value of diamond and genuine jewelry imports decreased by 7.57 percent and 5.40 percent, respectively. As a whole, exports of gems and jewelry valued at 4,465.49 million USD, an increase of 47.78 percent. The import value of unwrought gold was 2,776.21 million USD, a rise of 95.40 percent from the previous year, from the import of raw materials for the production of jewelry products. In addition, the price of gold was volatile and at a high level

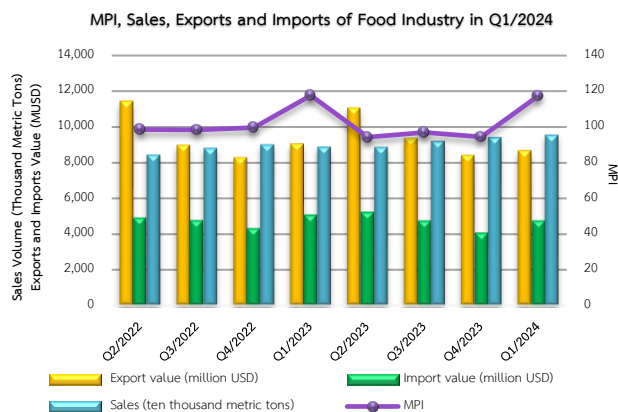
Gems and Jewelry Industry Outlook for Q2/2024

The overall production and export of gems and jewelry in Q2/2024 are expected to grow, supported by exports to key trading partners and the continuing expansion of the tourism sector. In addition, gem and jewelry exhibitions will be organized both domestically and internationally to further stimulate consumer demand. However, factors that need to be monitored include the geopolitical conflict in the Middle East and the strict monetary policy implementation of trading partners. Consumers are also concerned about the high cost of living and energy costs.

Food Industry

The MPI of the food industry in Q1/2024 experienced a slight slowdown compared to the same period last year. This was due to the ongoing economic slowdown and drought issues affecting agricultural raw materials. However, domestic consumption and the tourism sector show signs of improvement, supported by government economic stimulus policies. In the export sector, products that continue to perform well include rice, driven by concerns over food security in various countries.

MPI, Sales, Exports, and Imports of industrial products



Source: The MPI and sales volume data were collected by the Office of Industrial Economics (OIE). Export-import values were collected by the Ministry of Commerce and were organized by the Office of Industrial Economics

The MPI of the food industry in Q1/2024 reached 117.4, a decrease of 0.2 percent (%YoY) compared to the same quarter of the previous year. Products that saw a slowdown in production included: 1) Palm oil, which decreased by 20.0 percent from crude palm oil, which contracted by 26.0 percent due to a decrease in the amount of palm fruit entering the market from the prolonged dry weather. 2) Sugar, which decreased by 7.8 percent from raw sugar, which contracted 21.1 percent due to droughts, resulting in a decreased volume of sugarcane crushed compared to the previous year, and 3) Livestock, which decreased by 0.1 percent from chilled and frozen chicken meat that decelerated by 5.3 percent due to a slowdown in consumer purchasing power that affected the consumption demand. However, some products grew, including 1) Animal feed, which grew by 5.2 percent from ready-made pet food, following the rising popularity of raising pets. 2) Fisheries, which grew by 0.8 percent from frozen shrimp, expanded by 3.8 percent due to increased demand for consumption from both domestic and international markets. 3) Cassava, which grew by 19.8 percent, mainly from tapioca starch that grew by 21.5 percent due to increased production of cassava starch from the increasing demand in downstream industries of the domestic market (food and beverage industry), including demand for imported products from important trading countries like China and new markets, like Indonesia. 4) Processed fruits and vegetables grew by 4.5 percent from key products, namely dried fruits and vegetables, which grew by 18.2 percent due to increased demand for consumption from foreign markets.

The MPI of beverage decreased by 6.7 percent from rice, whisky, beer, energy drinks, and pure drinking water.

Domestic sales: In Q1/2024, domestic food sales amounted to 95,464.05 thousand metric tons, an increase of 7.4 percent (YoY) compared to the same quarter of the previous year. Products that increased in domestic consumption included chilled and frozen pork (22.1%), frozen ready-to-eat meals (18.8%), ready-to-drink milk (14.2%), and tapioca starch (7.1%).

Exports: In Q1/2024, exports were valued at 8,676.71 million USD, a decline of 4.1% (YoY) compared to the same quarter of the previous year. However, products that continued to see an increase in export value included rice due to the demand from many countries for food security.

Imports: In Q1/2024, imports were valued at 4,746.02 million USD, a contraction of 6.5 percent (%YoY) compared to the same quarter of the previous year. Products that were contracted included oilseeds and oilseed meal. However, some products grew, including chilled and frozen tuna to support downstream industries (pet food).

Food Industry Outlook for Q2/2024

The overall MPI is expected to expand compared to the same quarter last year, supported by the anticipated increase in tourist numbers during the Songkran festival. In terms of exports, growth is expected due to the demand for food security from trading partner countries. However, the global economic slowdown and unresolved geopolitical conflicts remain factors to be monitored.

Government Policies Relevant to the Food Industry

Starting in May 2024, a 7% Value Added Tax (VAT) will be imposed on goods imported from abroad with a value below 1,500 Thai Baht. Those who purchase goods from foreign countries through online platforms will be required to pay VAT, similar to buying products from regular stores within the country.

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<ul style="list-style-type: none"> ● Wood and Wooden Furniture Industry 	Division of Industrial Policy by Sector 2	0-2430-6805
<ul style="list-style-type: none"> ● Pharmaceutical Industry 	Division of Industrial Policy by Sector 2	0-2430-6805
<ul style="list-style-type: none"> ● Rubber and Rubber Products Industry 	Division of Industrial Policy by Sector 2	0-2430-6805
<ul style="list-style-type: none"> ● Footwear and Leather Products Industry 	Division of Industrial Policy by Sector 2	0-2430-6805
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