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Executive Summary

Summary of the Economic Overview of the Thai Industry for Quarter 2 of 2021

The economy of the overall industry in Thailand in Q2/2021, Manufacturing Production Index (MPI) has increased by 20.41 percent, which is a better sign, compared with the MPI in Q1/2021 that had increased by 0.85 percent. This is partly because of the low baseline in quarter 2 of 2020, which was the time in which the industry was affected by the spreading of the COVID-19 virus in the first wave. This year, the export is growing well with key industries that grow further in Q2/2021, such as **automotive manufacturing**. The key factor is the low baseline in the previous year in which the spreading of the COVID-19 virus in the first wave caused the global economy to shrink due to the absence of demands. On the contrary, this year, the economy, especially that of business partner countries, can grow better, leading to the increase of the manufacture to respond mainly to export markets. **Electronic parts**, the manufacturing has increased because of the consistently rising demand in the global market, the recovery of developed countries after the acceleration of vaccination until the number of infected people is under control, and the changes in technologies that lead to the great number of advance orders for all the products. **Iron and steel**, the manufacturing has increased, for both metal plates and round iron bars, especially metal plates that are used in the automotive and electrical appliance industries that have grown better than the previous year. Furthermore, the acceleration of many infrastructure construction projects by the government has made the demand for iron bars grow higher. **Air-conditioners**, from the low baseline of previous years with the spreading of the COVID-19 virus in the first wave had effects around the world and caused manufacturers to experience a shortage of parts for manufacturing the products due to the lockdown in many countries around the world, including Thailand. **Tires Manufacturing**, the lockdown in the previous year CPA's caused the purchasing power for the cars to shrink and manufacturing of automotive to halt; however, this year, manufacturing companies can manufacture products as usual and the need for car tires are growing by the growth of related industries, such as the automotive industry.

Outlooks of Key Industries, Sorted by Industry, for Quarter 3 of 2021

↑ **Iron and Steel**: This industry is anticipated to grow, compared with the growth in the same period of the previous year because of the recovery of related industries. In addition, the price of iron in the global market is still high. However, the COVID-19 pandemic situation is still expected to cause the halt of related industries in the country.

↑ **Electrical Industry**: It is anticipated that the MPI and the export value are still growing and reflecting the true situations concerning the manufacture and export of the country in a more precise manner because the foundations for the calculations of MPI and export are recovering and returning to the normal situation due to the relief from COVID-19 situation. They are anticipated to grow 10.00 percent and 7.0 percent, respectively.

↑ **Electronics**: It is anticipated that MPI and export value will consistently expand for 8.0 percent and 7.0 percent, respectively, following the growth of the global markets and consumers markets for electronic products that are economically recovering, such as China, the USA and Europe. Therefore, Thailand can enjoy the increase of manufacture and export of electronic goods that follows the expansion of the global market. Nevertheless, there are things that need be surveilled on, such as the global shortage of chips that may affect the manufacture and export of electronic goods of the country in a short term.

↑ **Automobile**: It is estimated that In Q3/2021, there will be more than 380,000 cars manufactured, divided into the manufacture for domestic Sales for 45-50 percent and the manufacture for export for 50-55 percent.

↑ Motorcycle: It is estimated that In Q3/2021, there will be more than 480,000 cars manufactured, divided into the manufacture for domestic sales for 80-85 percent and the manufacture for export for 15-20 percent.

↑ Pulp, Paper and Print Media: It is anticipated that the consumption of products that are used for manufacturing paper packages will increase in the country. Meanwhile, in the new normal era, paper package consumption will expand a great deal because these packages are used for online product sales and delivery, and the spreading of COVID-19 virus in new waves. Furthermore, the export of pulp products is growing consistently.

↔ Cement: Compared with that from the same quarter of the previous year, the volumes of the manufacture and sales are declining due to the spreading of the COVID-19 virus that is more severe and wider than the previous year because the virus has mutated. The virus has spread in construction projects, especially many big projects by the government, until the government has to announce the stoppage of construction projects in risky areas. At the same time, it is anticipated that the export is still expanding because of the export markets out of ASEAN.

↔ Textile and Apparel: The textile industry is consistently expanding because of the low baseline in previous years and the consistent orders from foreign countries throughout the supply chain. Meanwhile, attire industry might slowdown because of the declining purchasing power in the country due to the rising of the severity of the spreading of the COVID-19 and the effects from the problems concerning the spreading of the virus in factory cluster. However, this cluster is not in the great proportion compared with the overall market. Nevertheless, the demand for apparel products in foreign countries is increasing consistently, especially in key business partner countries the economy of which is being recovered, such as China, the USA and Europe.

↔ Wood and Furniture: It is anticipated that the manufacture of wooden furniture will increase consistently fulfilling the demand in foreign markets. Meanwhile, as for the sales volume of wooden furniture in Thailand, it is anticipated to slowdown due to effect from the spreading of the virus in the latest wave.

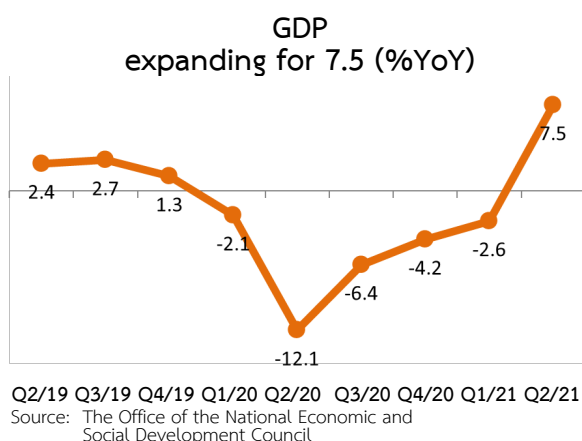
↔ Pharmaceuticals: This industry is anticipated to decrease from the same quarter of the previous year for 3.48 percent in response to the tendency of the continuous shrinking of the market in the country. Meanwhile, the export can still grow in ASEAN markets, especially in Myanmar, Cambodia and Laos.

↑ Rubber and Rubber Product: The manufacture of car tires is expected to expand for 6.23 percent following the growth of related industries and export market. As for the manufacture of rubber gloves, it is anticipated to grow for 1.67 percent because of the rising demands around the globe. Concerning the primary processed rubber industry, it is expected to grow for 5.00 percent because of the rise of rubber price. This leads to the tendency where a greater amount of rubber is flowing into the market.

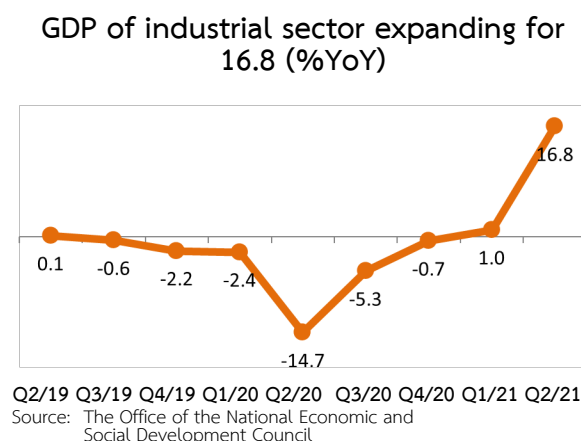
↑ Food: It is anticipated that the overall MPI and export value will expand, compared with those in the same quarter of the previous year. This is because the major business partners still have consistent demands for consumption because of the more relaxing lockdown measures and the weakness of the Thai baht currency. Nevertheless, as for the manufacture and export, there are still risks for the spread of COVID-19 virus in the new wave in the country and the business partner countries, which may cause the purchase power of consumers to drop.

Part 1 Overview of Economy and Industry of Thailand in Q2/2021

Overview of Economy and Industry of Thailand in Q2/2021



The Gross Domestic Product (GDP) of Thailand in Q2/2021 has expanded by 7.5 percent, which is significantly rising from the same quarter of the previous year in which GDP shrank by 12.1 percent and became better in the previous quarter in which was shrank only 2.6 percent.



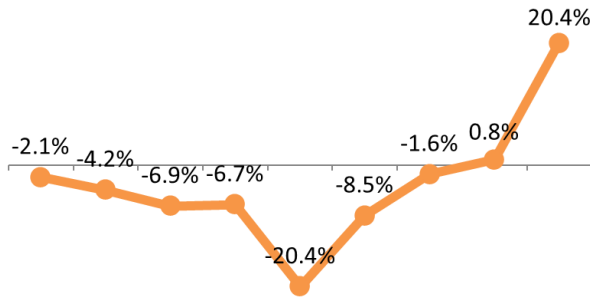
The GDP of the Industrial Sector In Q2/2021 has become better than that of the previous quarter and has been better for four consecutive quarters. This concurs with the expansion of the export that has increased demands in foreign markets, especially the USA, European Union, ASEAN (5) and the CLMV countries, with automotive, computer, electric appliance and rubber product industries consistently and significantly expanding. However, Thailand has to closely monitor the spreading of the mutated COVID-19 virus (Delta Variation) that is spreading in Thailand and worldwide at the moment.

The GDP of the Industrial Sector in Q2/2021 has expanded 16.8 percent, which has been better than the previous quarter in which the expansion rate was 1.0 percent and has been better than the same quarter of the previous year in which the GDP for the industrial sector shrank for 14.7 percent. This GDP expands mainly because of the manufacturer of products for export, such as the automotive industry, computer, electric appliance industry and rubber industry.

Key Industry Indexes

Manufacturing Production Index

Expanding 20.4 Percent
(%YoY)



Q2/19 Q3/19 Q4/19 Q1/20 Q2/20 Q3/20 Q4/20 Q1/21 Q2/21
Source: The Office of Industrial Economics

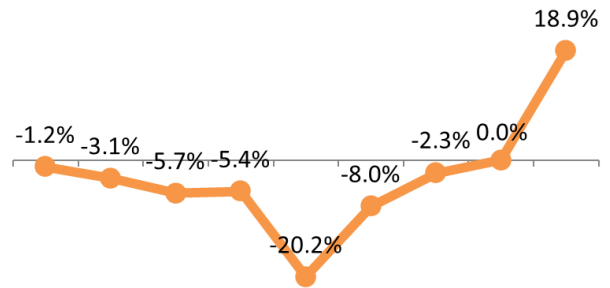
In Q2/2021, MPI of the industrial sector is 96.54, decreasing from the previous quarter (103.87) for 7.1 percent, and increasing from the same quarter of 2020 (80.17) by 20.41 percent.

The industries that make the MPI of the industrial sector in the previous quarter drop are sugar production, manufacturing of automotive and other rubber production.

At the same time, the industries that make the MPI of the industrial sector rise from the same quarter of 2020 are manufacturing of automotive, electronic parts and integrated circuits and primary iron and steel manufacture.

Shipment Index

Sales of Products Shrinking 18.9 Percent
(%YoY)



Q2/19 Q3/19 Q4/19 Q1/20 Q2/20 Q3/20 Q4/20 Q1/21 Q2/21
Source: The Office of Industrial Economics

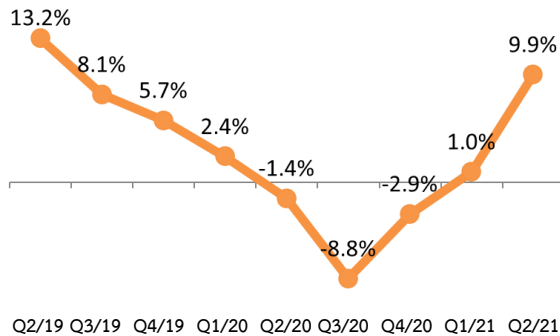
In Q2/2021, the shipment index has fallen to 97.90, decreasing from the past quarter (100.35) for 2.44 percent; but increasing from the same quarter of 2020 (82.35) for 18.88 percent.

The industries that make the shipping index in the previous quarter dropped are manufacturing of automotive, other rubber products, computers and accessories.

At the same time, the industries that make the shipping index increase from the same quarter of 2020 are manufacturing of automotive, electronic parts and integrated circuits and air-conditioner manufacture.

Finished Goods Inventory Index

Level of Goods in Inventory Increasing 9.9 Percent
(%YoY)



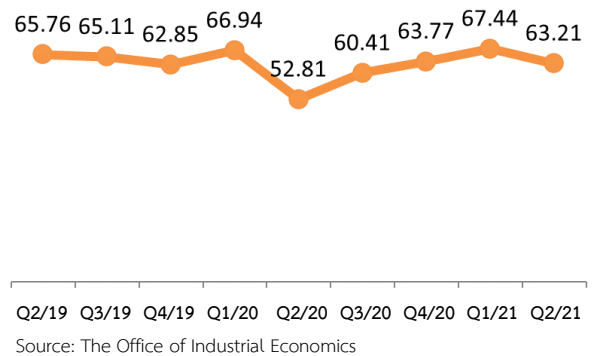
In Q2/2021, finished goods inventory index is 140.82, increasing from the previous quarters (139.24) for 1.1 percent and increasing from the same quarter of 2020 (128.11) for 9.9 percent.

The industries that cause finished goods inventory index to increase from the previous quarter are manufacturing of automotive, palm oil production and primary iron and steel manufacture.

The industries that cause finished goods inventory index to increase from the same quarter of 2020 are manufacturing of automotive, computer and accessories, and household appliances.

Capacity Utilization Rate

The Capacity Utilization Rate is 63.21 Percent



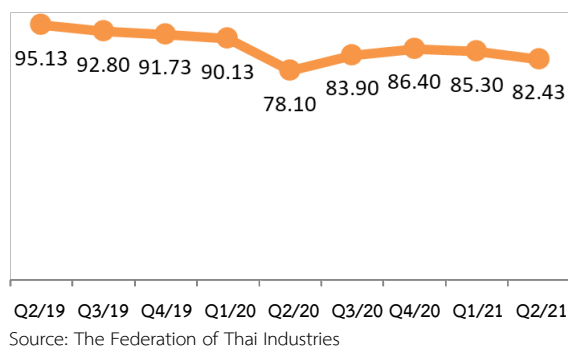
In Q2/2021, the capacity utilization rate is 63.21 percent, decreasing from the previous quarter (67.44 percent), but increasing from the same quarter of 2020 (52.81 percent).

The industries that cause the capacity utilization rate to decrease from the previous quarter are manufacturing of automotive, sugar production and other rubber product manufacture.

At the same time, industries that make the capacity utilization rate rise from that of the same quarter of 2020 are manufacturing of automotive, electronic part and integrated circuit and air-conditioner manufacture.

Industrial Sentiment Index

In Quarter 2 being 82.43



In Q2/2021, the Industrial Sentiment Index is 82.54, decreasing from the previous quarter (85.30), but increasing from the same quarter of 2020 (78.10). Meanwhile, the Industrial Sentiment Index anticipated three months in advance is 91.80, which will decrease from the same quarter of 2020 (92.37).

The negative factor that has caused the Industrial Sentiment Index in Q2/2021 to drop is still the spreading of the COVID-19 virus that has to become more severe in Thailand because of the mutation of the virus, which is now being spread to around 2,000 - 5,000 people a day, causing the recovery of economic activities in the country to become sluggish due to the lockdown measures in the dark red zones (Bangkok and adjacent areas). Furthermore, the vaccination is still limited to medical personnel and people with 7 chronic diseases because of several factors, such as people's lack of confidence that has hindered the vaccination to meet the predetermined target. However, the aforementioned factors, there have been certain factors that enable the manufacturing sector to run their businesses consistently without being halted. Such factors include the self-assessment measure called 'Good Factory Practice (GFP)' whereby each entrepreneur has to assess itself with the Thai Stop Covid Plus Program.

In addition, each entrepreneur has to strictly screen its personnel before they enter the workplace, and has to implement the 'Bubble and Seal' measure to block the COVID-19 virus and protect people with risk in the area in which the COVID-19 virus is widespread to the manufacturing sector, such as big factories, worker camps and local communities in a dark red zone.

Foreign Trade

“The value of foreign trade in Q2/2021 has expanded, compared with the value in the same quarter of the previous year, following the consistent recovery of global economy, which has made the trading with key business partners of Thailand increase. In addition, the measures that each country has implemented in order to rehabilitate the economy of the country and the progress of the distribution of COVID-19 vaccine to all people are factors that enable foreign trade of Thailand to gradually expand.”

The foreign trade of Thailand in Q2/2021 has the total value of 134,449.74 million USD, with the value of the export of 68,186.62 million USD or 31.84 percent increase compared with the same quarter of the previous year, and the value of the import of 66,263.12 million USD or 47.95 percent increase compared with the same quarter of the previous year. As for the balance of trade for quarter 2 of 2021, Thailand has had the overbalance worth 1,923.50 million USD.

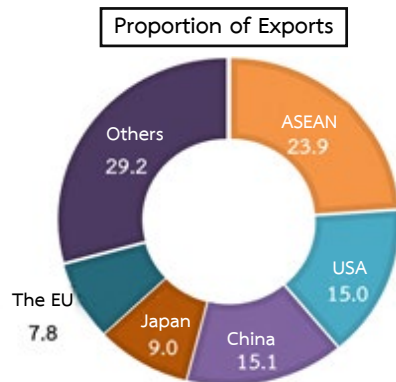
Structure of Exports



The export value of Thailand in Q2/2021 is 68,186.62 million USD, which has increased by 31.84 percent compared with that of the same quarter of the previous year. The goods categories that have significantly changed are as follows: agricultural goods with the export value of 7,302.94 million USD or 26.77 percent expansion, industrial agricultural goods with the export value of 4,904.73 million USD or 6.74 percent expansion, industrial goods with the export value of 53,514.95 million USD or 33.76 percent expansion, and ore and fuel goods with the export value of 2,463.95 million USD or 82.04 percent expansion.

The industrial goods with expanded export include automobiles, accessories and components (with the export value of 6,928.35 million USD or 120.41 percent expansion), computers, accessories and components (with the export value of 5,483.91 million USD or 30.79 percent expansion), rubber products (with the export value of 3,671.97 million USD or 48.57 percent expansion), plastic pellets (with the export value of 2,801.18 million USD or 49.86 percent expansion), and chemical products (with the export value of 2,515.03 million USD or 66.11 percent expansion).

Export Markets



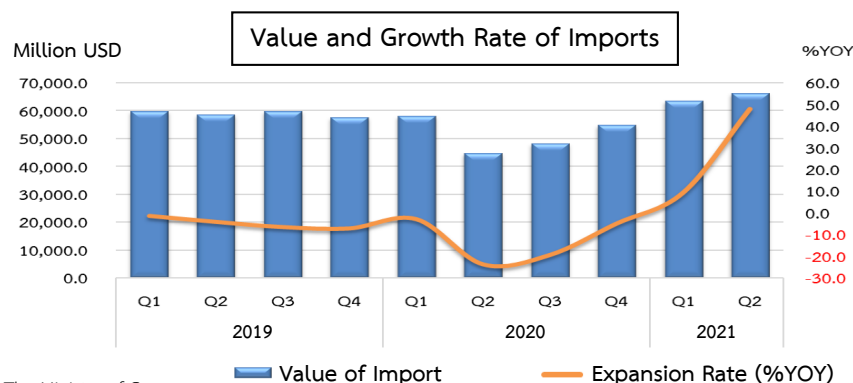
Source: The Ministry of Commerce

In Q2/2021, the export of goods to main trading partner markets of Thailand has expanded in all markets, namely, European Union (27 countries), ASEAN (9 countries), the USA, China and Japan. The proportion of the export to the aforementioned 5 markets, namely, ASEAN (9 countries), the USA, China, Japan, and European Union (27 countries), is accounted for 70.8 percent of the total export value whilst the export to other markets is accounted for 29.2 percent of the total export value, as shown in the following chart.

- Thailand has the values of the export to ASEAN (9 countries), the USA, China, Japan and European Union (27 countries) are 23.9, 15.0, 15.1, 9.0 and 7.8 percent, respectively.

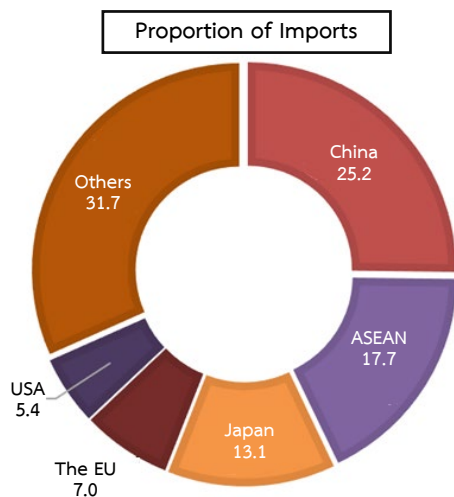
- Compared with the one in the same quarter of the previous year, the expansion of the export values is found out as follows: the European Union (27 countries) has the greatest expansion or 49.85 percent, followed by ASEAN, the USA, China and Japan, the expansion rates of which are 33.44, 30.41, 29.22 and 19.97 percent, respectively.

Structure of Imports



In Q2/2021, the total import value of Thailand is 66,263.12 million USD or 47.95 percent expansion. The product categories that have changed are fuel with the import value of 9,830.89 million USD or 92.89 percent expansion, capital products with the import value of 15,931.92 million USD or 27.31 percent expansion, raw material and instant products with the import value of 29,180.45 million USD or 53.12 percent expansion, consumption and appliance products with the import value of 7,460.53 million USD or 30.31 percent expansion, the vehicle and transportation equipment products with the import value of 3,709.89 million USD or 61.51 percent expansion, and weapon and ammunition products and other products with the import value of 149.44 million USD or 51.08 percent expansion.

Import Markets



Source: The Ministry of Commerce

In Q2/2021, all the import markets of Thailand have expanded, which is in line with the export trend. Such markets include ASEAN market (9 countries), Japan, China, European Union (27 countries) and the USA. The total import value from all the 5 markets is accounted to be 68.3 percent of the total import value, and the total import value from other markets all together is accounted to be 31.7 percent as shown in the chart.

- The proportions of the values of the import from China, ASEAN (9 countries), Japan, European Union (27 countries) and the USA are accounted to be 25.2, 17.7, 13.1, 7.0 and 5.4, respectively.
- Compared with the one in the same quarter of the previous year, the expansion of the import value from main markets, especially ASEAN (9 countries) is 52.06 percent, followed by Japan, China, European Union (27 countries) and the USA with the expansion rates of 45.76, 34.03, 31.79 and 5.75 percent, respectively.

Global Economy in Q2/2021

“In the overview, global economy, trading ambiance, and the production sector have increased because of the measures that each country has implemented to rehabilitate and improve the economy of the country and the acceleration of vaccination to generate herd immunity consistently. Consequently, the confidence has driven economic activities to go on.”

Summary of Key Economies in Q2/2021

(%YoY)

	GDP	Inflation	MPI	Export	Import	Unemp. Rate	Policy Rate
USA	↑ 12.2	↑ 4.8	↓ 0.2 ^a	↑ 49.9	↑ 38.1	At 5.8	At 0.00-0.25
China	↑ 7.9	↑ 1.4	↑ 14.1 ^a	↑ 49.0 ^a	↑ 28.2 ^a	At 3.9 ^a	At 4.35
Japan	↓ 1.6 ^a	↓ 0.1	↓ 1.1 ^a	↑ 42.5	↑ 21.9	At 2.9	At -0.10
South Korea	↑ 5.9	↑ 2.5	↑ 4.4 ^a	↑ 42.1	↑ 37.5	At 3.9	At 0.50
Singapore	↑ 14.7	↑ 2.2	↑ 11.4 ^a	↑ 11.6 ^a	↑ 7.2 ^a	At 2.6 ^a	At 0.15
Thailand	↑ 7.5	↑ 2.4	↑ 20.4	↑ 31.8	↑ 47.9	At 2.0	At 0.50

Sources: <https://www.ceicdata.com>, <https://data.imf.org>, <https://www.nesdc.go.th>, <https://www.trademap.org>, <http://tradereport.moc.go.th>,

Note: ^a the estimate for Q1/2021

The global economy has been consistently recovering from the demands in foreign trade, especially the export and import that have expanded, which has affected the production sector of several countries, which have improved. According to the unemployment rate, inflation rate, and policy rate, they are still stable.

The Bank of America has been keeping the policy rate at 0.00-0.25% to improve the economy and investment in the country, facilitating the flow in the financial system and driving the business sector to grow continuously.

Meanwhile, the price of crude oil tends to rise higher because the economy in big countries has recovered. Consequently, the need for fuel grows higher following the expansion of the economic sector. The average price of crude oil from Dubai in Q2/2021 is 67.5 USD per barrel, compared with the price in quarter 2 of 2020, rising to 30.9 USD per barrel on average. At the same time, the price of delivered NYMEX crude oil in July is 72.6 USD per barrel on average.

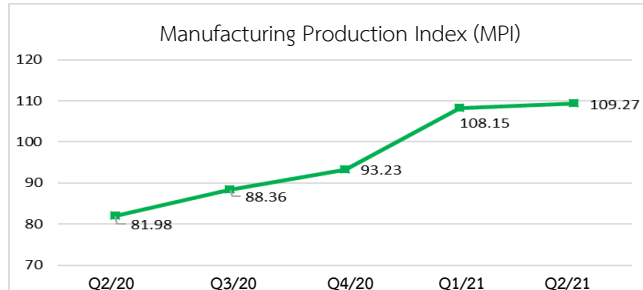
However, there are some issues concerning the global economy that need to be closely monitored namely, the spreading of the COVID-19 virus that persists and have mutated, which may cause the global economy to grow within a limited frame, the rise of logistic costs, such as the vessel freight that has been caused from the shortage of containers and the rise of fuel price, and the fluctuation of the currency exchange rate. However, in the overview, the global economy benefits from the expansion of the trade in major economic countries and the acceleration of the COVID-19 vaccination, which are key factors that build confidence that drives economic activities to go on in the future.

Part 2: Economy and Industry of Thailand by Industry in Quarter 2/2021,
and Outlook in Quarter 3/2021

Iron and Steel Industry

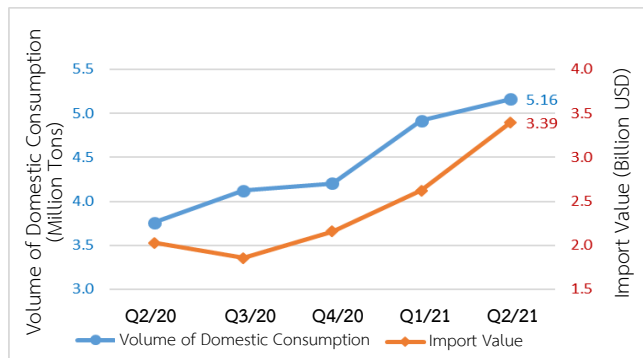
MPI of iron industry for Q2/2021 has expanded, compared with that from the same quarter of 2020, because of the expansion of the manufacture of metal bars and metal plates such as PC wires (Prestressed Concrete Wire), hot rolled structural steel, cold rolled steel, tin plates and galvanized plates.

Manufacturing Production Index (MPI)



Source: The Office of Industrial Economics

Domestic Consumption and Import Values



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

Production: In Q2/2021, MPI is 109.3, increasing from the same quarter of the previous year for 33.3 percent (%YoY) and increasing from the previous quarter for 1.0 percent (%QoQ) because of the recovery of related industries and the rise of iron price in the global market, compared with the price in the same quarter of the previous year. Compared with the same quarter of the previous year, the production of metal bar expands 24.7 percent. The product the manufacture of which is most expanded is PC wire which has expanded 56.5 percent, followed by hot rolled structural steel, which has expanded 33.1 percent and metal wire, which has expanded 27.2 percent. Concerning the manufacture of metal plates, it has expanded 61.8 percent. The product that is most expanded is the cold rolled plate, which has expanded 100.4 percent, followed by tin plate and galvanized plate, which have expanded 82.0 percent and 70.2 percent, respectively.

Domestic consumptions: In Q2/2021, the total consumption amount is 5.2 million tons, expanding from the amount in the same quarter of the previous year by 37.3 percent (%YoY) and expanding from the previous quarter for 6.5 percent (%QoQ). Compared with the same quarter of the previous year, the consumption of metal bar expands by 34.6 percent from the consumption of metal bar and hot rolled structural steel, which has expanded for 48.5 percent, and metal wire, which has expanded 28.6 percent. As for the consumption of metal plates, it has expanded for 38.7 percent from the consumption of cold rolled plate, which has expanded by 70.3 percent, followed by hot rolled thin plate, which has expanded for 60.8 percent, and hot rolled plate, which had expanded by 33.1 percent.

Import: In Q2/2021, the import value is 3.4 billion USD, expanding from the same quarter of the previous year for 29.4 percent (%QoQ). Compared with the value in the same quarter of the previous year, the import of metal bar expands by 42.1 percent. The product the import of which has most expanded is carbon steel wire, which has expanded for 90.9 percent, followed by carbon steel bar, which has expanded by 72.4 percent, and alloy steel wire, which has expanded for 70.7 percent. As for metal plates, the import expands for 76.4 percent. The product with the most expanded import is hot rolled alloy steel plates, which has expanded by 223.2 percent, followed by hot rolled alloy steel thin plates, which has expanded by 180.9 percent and hot rolled carbon steel thin plates, which has expanded by 151.1 percent.

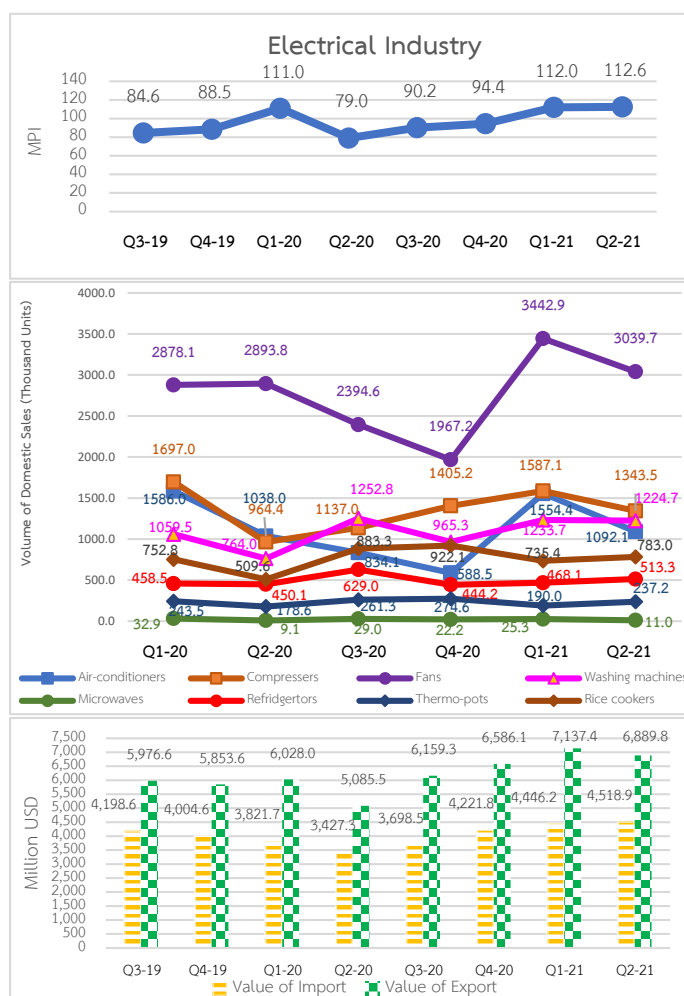
Outlook of Iron and Steel Industry In Q3/2021

Concerning the trend of iron and steel industry, In Q3/2021, it is anticipated that the industry will expand, compared with the same quarter of the previous year because of the recovery of related industries and the consistently high price of iron in the global market. However, since there is still the spreading of the COVID-19 virus, there is still the risk for related industries in the country to become idle.

Electrical Industry

In Q2/2021, the manufacture of electric appliance products increased by 42.6 percent, compared with the manufacture in the same quarter of the previous year, because of the recovery of the global economy. Consequently, the orders of electric appliance products in Thailand have risen. The products the orders of with increased orders include refrigerators, electric wires, cables, transformers, and electric fans, with export values increasing for the markets of the USA, China and Japan.

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: In Q2/2021, MPI is 112.6, increasing from the previous quarter by 0.57 percent (%QoQ) and increasing from the same quarter of the previous year by 42.6 percent (%YoY) because of the increase of order in Thailand's market and foreign markets due to the recovery of global economy from the COVID-19 pandemic event and the demand from main markets of the world. The products with increasing production are laundering machines, air-conditioners, rice cookers, cable wires, compressors, microwave ovens, electrical motors, refrigerators, electrical fans, hot water boilers, and electrical wires, the increase rates of which are 59.8, 53.3, 45.6, 45.5, 44.9, 43.1, 40.6, 38.9, 34.3, 32.4 and 22.2 percent, respectively.

Domestic sales: In Q2/2021, the products the sales of which have increased, compared with the same quarter of the previous year, are laundering machines, rice cookers, compressors, hot water boilers, cable wires, microwave ovens, electrical wires, refrigerators, electrical motors, electrical fans and air-conditioners, with the increasing rate of 60.3, 53.6, 38.5, 32.8, 21.7, 19.8, 14.9, 14.1, 9.2, 4.9 and 3.2 percent, respectively.

Import: In Q2/2021, the import value is 4,518.9 million USD, increasing from the previous quarter for 1.6 percent (%QoQ) and increasing from the same quarter of the previous year for 31.9 percent (%YoY). The products that are increasingly imported are refrigerator, electrical fan, laundering machine, compressor, transformer, microwave oven and electrical motor, the increase rates of which are 71.1, 66.9, 63.9, 57.5, 54.1, 42.8 and 42.29 percent, respectively.

Export: In Q2/2021, the export value is 6,889.8 million USD, decreasing from the previous quarter for 3.5 percent (%QoQ) but increasing from the same quarter of the previous year for 35.5 percent (%YoY) from the markets of the USA, China and Japan. The products that are increasingly exported are refrigerator, electrical fan, laundering machine, electrical wire and cable, transformer and electrical fan, the increase rates of which are 10.4, 6.4, 2.4 and 4.3 percent, respectively. Meanwhile, the decreasingly exported products are air-conditioner, microwave oven, electrical motor and laundering machine, the decrease rates of which are 9.7, 7.7, 6.9 and 4.5, respectively.

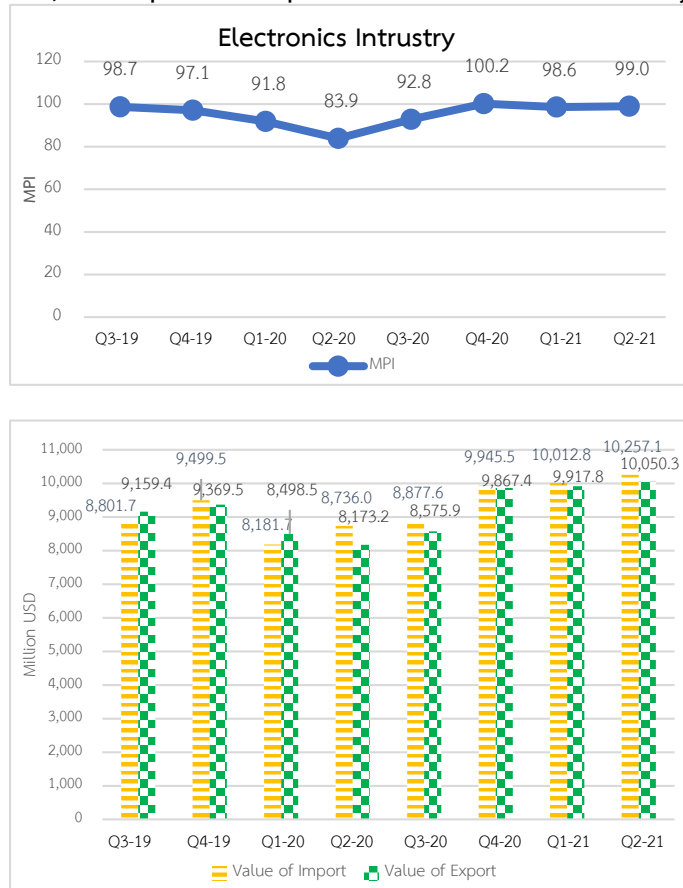
Outlook of Electrical Industry in Q3/2021

It is anticipated that MPI and export value of this industry can further expand with the reflection of the actual situations of the production and export of the country because the baseline for the calculation of MPI and export value has returned to normal condition after the COVID-19 situation. The expansion rates are estimated to be 10.0 and 7.0 percent, respectively.

Electronics Industry

In Q2/2021, the production of electronics products increased by 18.0 percent, compared with the same quarter of the previous year, because the main export markets of Thailand have recovered from the COVID-19 pandemic situation, and the extension of network and the advancement of systems of technologies 5G, Data Center and IoT, and the products for IT infrastructure have increased the production and orders in the country. The products the production of which has increased are HDD in integrated circuit (IC) for the markets of the USA, China and Asia.

MPI, and Import and Export Values of Electronics Industry



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

Production: In Q2/2021, MPI is 99.0, increasing from the previous quarter for 0.4 percent (%QoQ) and increasing from the same quarter of the previous year for 18.0 percent (%YoY). The electronics products with increasing production are PCBA, PWB, IC, semiconductor devices transistor and HDD the increase rates of which are 43.6, 28.0, 21.5, 14.0 and 12.5 percent, respectively. Meanwhile, the electronics product the production of which has decreased is printer, which has decreased 14.3 percent, due to the spreading of the COVID-19 virus that affect the production industry.

However, electronics parts are still essential for the development of the systems of technologies of 5G and Data Center, and products for IT infrastructure. Thus, the demand for electronics products still increases.

Import: In Q2/2021, the import value is 10,257.1 million USD, increasing from the previous quarter by 2.4 percent (%QoQ) and increasing from the same quarter of the previous year by 17.4 percent (%YoY). The products that are increasingly imported are PCBA, IC, printer, copier and transistor diode, and semiconductor device and components, the increase rates of which are 26.8, 23.1, 21.2 and 11.0 percent, respectively.

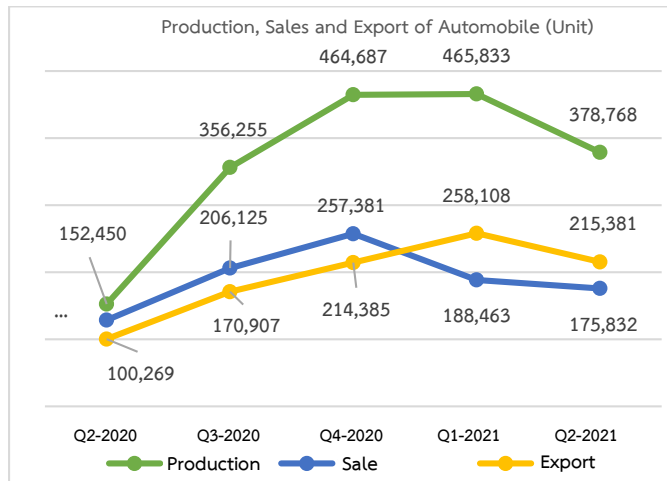
Export: In Q2/2021, the export value is 10,050.3 million USD, increasing from the previous quarter for 1.3 percent (%QoQ) and increasing from the same quarter of the previous year for 23.0 percent (%YoY) because of the increasing of the import to major markets, namely, the USA, China and Asia. The products that are increasingly exported are HDD and IC, the increase rates of which are 30.2 and 8.1 percent, respectively. Meanwhile, the decreasingly exported products are PCBA and transistor diode, and semiconductor device and components, the decrease rates of which are 3.9 and 3.6, respectively.

Outlook of Electronics Industry In Q3/2021

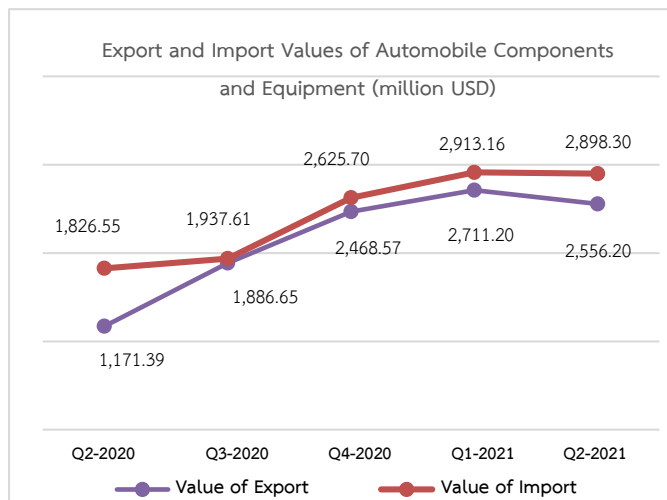
It is anticipated that MPI and export value are still further expanding for around 8.0 and 7.0 percent, respectively, following the expansion of the global market and the main markets of electronics devices that have economic recovery, such as China, the USA and Europe. Thus, Thailand might experience the increasing production and export of electronics devices that concur with the expansion of the global market. Nevertheless, it is necessary that some situations such as the worldwide shortage of chips should be monitored because such situations can affect the production and export of electronics products of the country in a short-term.

Automotive and Part Industry

In Q2/2021, the automotive production has expanded, compared with the same quarter of the previous year because the baseline of the former year is very low due to the temporary halt of production caused by the spreading of the COVID-19 virus in the first wave. Referring to the foreign sales, it has expanded because the baseline of the previous year is very low and the export markets have expanded because of the implementation of clear and precise measures concerning the COVID-19 vaccination and measures to improve the economy by several countries.



Source: The Office of Industrial Economics, Gathered from Automobile Group, the Federation of Thai Industries.



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

Outlook of Automotive Industry in Q3/2021

From the estimation by Office of Industrial Economics, in Q3/2021, there will be more than 380,000 cars manufactured, divided into the car for domestic sales for 45-50 percent, and the other 50-55 percent are for export.

Production: In Q2/2021, the number of manufactured automobiles is 378,768 decreasing from Q1/2021 for 18.69 percent (%QoQ); but increasing from the same quarter of the previous year for 148.45 percent (%YoY). The proportion of the manufacture is sedan cars by 33 percent, 1 ton pick-up trucks and derivatives by 64 percent and other automobiles for commercial use and derivatives by 3 percent.

Domestic Sales: In Q2/2021, the number of the manufactured automobiles is 175,832, decreasing from Q1/2021 by 6.70 percent (%QoQ), but increasing from the same quarter of the previous year by 36.79 percent (%YoY).

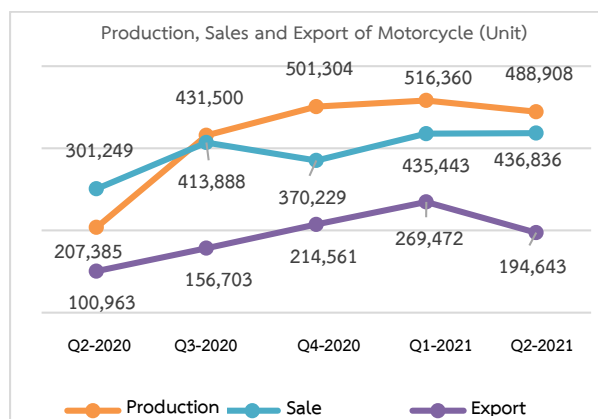
Export: In Q2/2021, the number of exported automobiles is 215,381, decreasing from Q1/2021 by 16.55 percent (%QoQ); but increasing from the same quarter of the previous year for 114.80 percent (%YoY). The proportion of the exported automobiles is sedan cars by 29 percent, 1 ton pick-up trucks by 62 percent and PPV by 9 percent.

Export Value of Automotive Components and Equipment: In Q2/2021, the total value is 2,556.20 million USD, decreasing from Q1/2021 by 5.72 percent (%QoQ); but increasing from the same quarter of the previous year by 118.22 percent (%YoY). The key export markets for automotive component and equipment products are the USA, Japan and Indonesia.

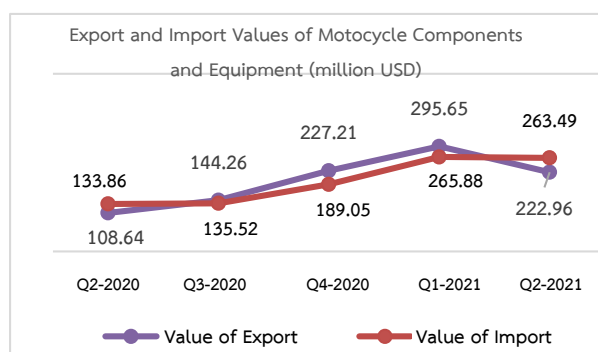
Import Value of Automotive Components and Equipment: In Q2/2021, the total value is 2,898.30 million USD, decreasing from Q1/2021 by 0.51 percent (%QoQ), and increasing from the same quarter of the previous year by 58.68 percent (%YoY). The significant import markets for automotive components and equipment are Japan, China and the USA.

Motorcycle and Part Industry

The production of motorcycles in Q2/2021 has increased, compared with the same quarter of the previous year, which is the expansion of domestic country market and export markets because the baseline of year before is very low and the recovery of the world economy because of the implementation of clear measures concerning vaccination for the COVID -19.



Source: The Office of Industrial Economics, Gathered from Automobile Group, the Federation of Thai Industries.



Source: The Information and Communication Technology Center, Office of the Permanent Secretary of Ministry of Commerce, with Collaboration from Customs Department

Outlook of Motorcycle Industry in Q3/2021

From the estimation by Office of Industrial Economics, in Q3/2021, there will be more than 480,000 motorcycles manufactured, divided into the motorcycles for domestic sales for 80-85 percent, and the other 15-20 percent are for export.

Production: In Q2/2021, the number of the manufactured motorcycles is 488,908 decreasing from Q1/2021 by 5.32 percent (%QoQ); but increasing from the same quarter of the previous year by 135.75 percent (%YoY).

Domestic sales: In Q2/2021, the number of the manufactured motorcycles is 436,836 increasing from Q1/2021 for 0.32 percent (%QoQ), and increasing from the same quarter of the previous year for 45.01 percent (%YoY)

Export: In Q2/2021, the number of exported motorcycles is 194,643 (divided into CBU for 120,213 motorcycles and CKD fit 74,430 motorcycles), decreasing from Q1/2021 by 27.77 percent (%QoQ); but increasing from the same quarter of the previous year for 92.79 percent (%YoY).

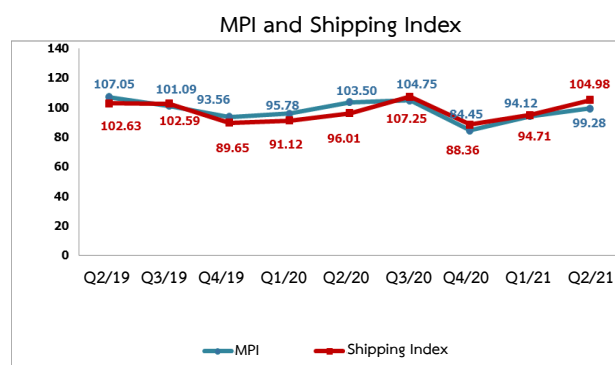
Export Value of Motorcycle Components and Equipment: In Q2/2021, the total value is 222.96 million USD, decreasing from Q1/2021 for 24.59 percent (%QoQ); but increasing from the same quarter of the previous year for 105.23 percent (%YoY). The major export markets for motorcycle component and equipment products are Cambodia, Brazil and Japan.

Import Value of Motorcycle Components and Equipment: In Q2/2021, the total value is 263.49 million USD, decreasing from Q1/2021 by 0.90 percent (%QoQ), but increasing from the same quarter of the previous year by 96.84 percent (%YoY). The significant import markets for motorcycle components and equipment are Japan, China and the USA.

Chemical Industry

Concerning chemical industry, in Q2/2021, the export and import values expand, compared with the same quarter of the previous year. The export and import expanded because of the COVID-19 pandemic situation that has led to the expansion of certain chemical products in the industry, such as organic and miscellaneous chemical products and chemical fertilizer.

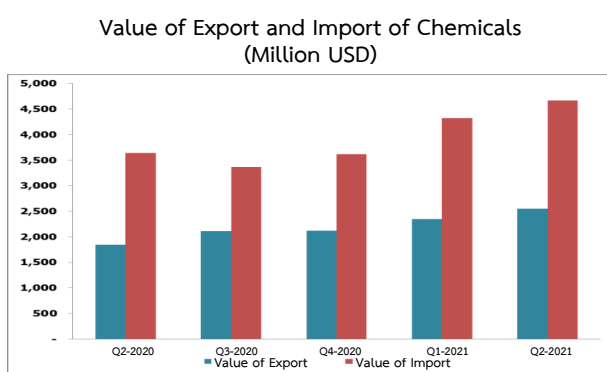
Marketing and Distribution



Source: The Office of Industrial Economics

MPI: In Q2/2021, MPI has expanded for 5.49 percent (%QoQ), compared with the previous quarter, but has shrunk by 4.03 percent (%YoY), compared with the same quarter of the previous year. The products with shrinking MPIs are chemical fertilizer and dish washing detergent.

Shipping Index: In Q2/2021, the shipping index has expanded 10.85 percent (%QoQ), compared with the previous quarter, and has expanded 9.41 percent (%YoY), compared with the same quarter of the previous year. The products with expanding indexes are powder and industrial paint.



Source: The Information and Communication Technology Center, Office of the Permanent Secretary of Ministry of Commerce, with Collaboration from Customs Department.

Export: The value in Q2/2021 is 2,549 million USD, expanding by 8.38 percent (%QoQ), compared with the previous quarter, and expanding by 28.19 percent (%YoY), compared with the same quarter of the previous year. The products that have caused the export value to expand include organic and miscellaneous chemical products, and chemical fertilizer. The export expands in major markets such as China, Vietnam, Japan and India.

Import: The value in Q2/2021 is 4,668.65 million USD, expanding 7.95 percent (%QoQ), compared with the previous quarter, and expanding 28.19 percent (%YoY), compared with the same quarter of the previous year. The products that have caused the import value to expand include chemical fertilizer and miscellaneous chemical products.

Outlook of Chemical Industry in Q3/2021

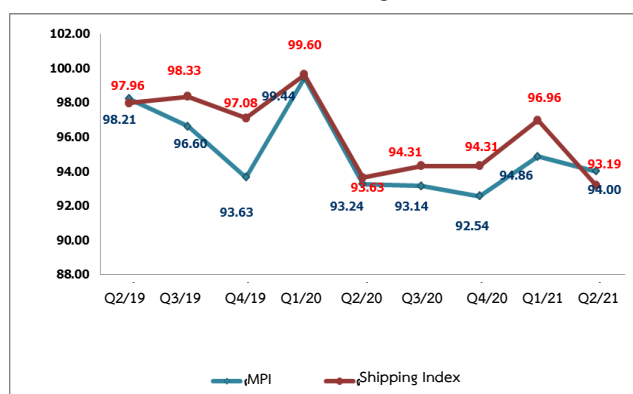
Concerning the trend of chemical industry, in Q3/2021, it is anticipated that the export and import of chemical products will expand, compared with the same quarter of the previous year, because the COVID-19 pandemic situations in foreign countries have become more relaxed and consumption in the country is anticipated to recover because of several supportive measures by the government. However, there are still factors that affect the export of chemical products, namely, price of crude oil in global market and the new wave of the COVID-19 virus spreading.

Plastics Industry

As for plastic industry, in Q2/2021, the volume of the export has expanded, compared with the same quarter of the previous year, following the increasing demands from main trade partner countries such as the USA, Japan, Vietnam and China. Furthermore, the COVID-19 pandemic situation has led to the increase of the production of certain plastic products the demands for which has been consistently high, such as plastic used in automobile industry and plastic bubble that is wrapped around as a protective materials.

Production and Marketing

MPI – Shipping Index



Source: The Office of Industrial Economics

MPI: In Q2/2021, MPI has shrunk 0.91 percent (%QoQ), compared with the previous quarter, but has expanded 0.81 percent (%YoY), compared with the same quarter of the previous year. The product with the most expanded MPI is plastic plate.

Shipping Index: In Q2/2021, the shipping index has shrunk 3.89 percent (%QoQ), compared with the previous quarter, and has shrunk 0.47 percent (%YoY), compared with the same quarter of the previous year. The products with the greatest shrinking is plastic pipe and joint.

Export: The value in Q2/2021 is 1,112.16 million USD, shrinking 0.74 percent (%QoQ), compared with the previous quarter, but expanding 24.09 percent (%YoY), compared with the same quarter of the previous year. The product that is most exported is plastic flooring (HS 3918) group.

Import: The value in Q2/2021 expanded 3.66 percent (%QoQ), compared with the previous quarter, and has expanded 17.76 percent (%YoY), compared with the same quarter of the previous year. The products with the most expanded import is the product in the group of sanitary product (HS3922).

Volume of Export – Import (Tons)



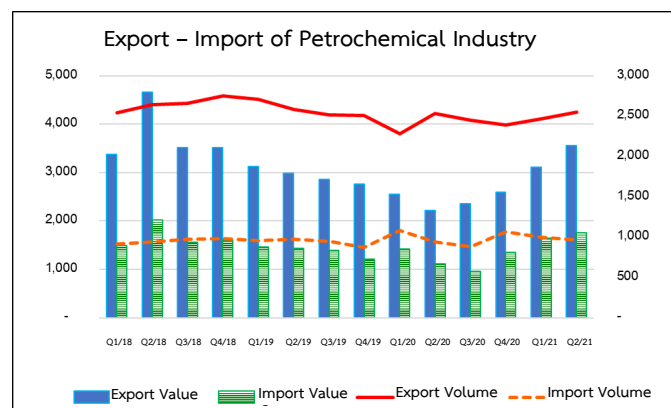
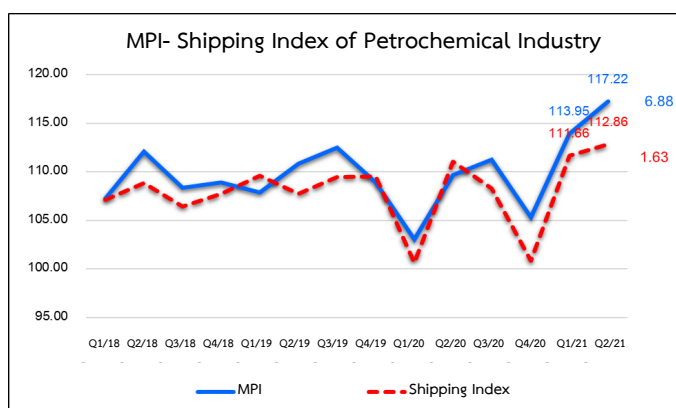
Source: The Information and Communication Technology Center, Office of the Permanent Secretary of Ministry of Commerce, with Collaboration from Customs Department

Outlook of Chemical Industry in Q3/2021

In Q3/2021, it is anticipated that the export and import of plastic will expand because the demand for plastic products in main trade partner countries is still expanding. Nevertheless, it is necessary to take into account the factors that affect the industry, such as the spreading of the COVID-19 virus in a new wave and the fluctuation of price of crude oil the global markets, which might affect the price of raw materials.

Petrochemical Industry

Concerning petrochemical industry, in Q2/2021, MPI and Shipping Index have increased from the indexes in the same quarter of the previous year 6.98 percent and 1.95 percent, respectively (%YoY), because of the vaccination of the COVID-19 vaccine in many countries. In addition, many countries have become more relaxed with the lockdown measures, leading to the increase of the production and export of petrochemical products.



MPI: In Q2/2021, MPI is 117.22, increasing from the same quarter of the previous year by 6.98 percent. The products that cause the MPI to rise are Ethylene from the upstream petrochemical product group, and PP resin from the downstream petrochemical product group.

Shipping Index: In Q2/2021, the shipping index was 112.86, increasing from the same quarter of the previous year by 1.95 percent. The products that cause the shipping index to rise are Propylene from the upstream petrochemical product group, and PP resin and PE resin from the downstream petrochemical product group.

Export: In Q2/2021, the value was 3,559.76 million USD, increasing from the same quarter of the previous year by 57.93 percent. The petrochemical products are exported to key countries, namely, China, Vietnam and Japan. The products that have caused the export of upstream petrochemical product group to increase by 88.99 percent include Ethylene and Toluene; and the products that have caused the export of downstream petrochemical product group to increase by 50.71 percent include PP resin and PE resin.

Import: In Q2/2021, the value was 1,756.55 million USD, increasing from the same quarter of the previous year by 61.70 percent. The petrochemical products are imported from key countries, namely, Japan, China and the USA. The products that have caused the import of upstream petrochemical product group to increase by 79.21 percent include Toluene and Propylene; and the products that have caused the import of downstream petrochemical product group to increase by 58.34 percent include PP resin and PE resin.

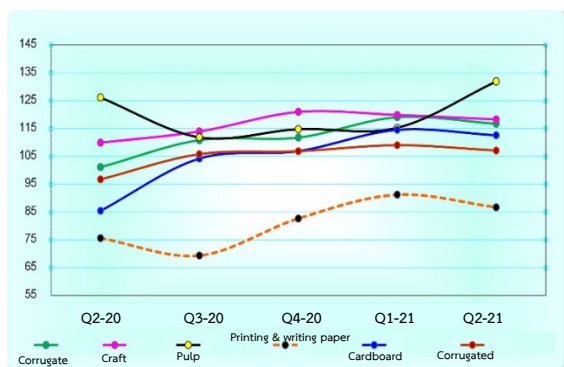
Outlook of Petrochemical Industry in Q3/2021

In Q3/2021, it is anticipated that the overview of petrochemical industry export and will expand because of the economy of many countries that has begun to recover after the suspension from the COVID-19 situation. Consequently demands for products or operations by different sectors increases in markets of trade partner countries. Compared with Q2/2021, petrochemical industry tends to expand where the production, and the export and import may increase for 5 percent from more relaxing lockdown measures and the resumption to normal operations by many sectors. Nevertheless, there are still negative factors from the breakout of COVID-19 virus of Delta variation that may cause certain countries to lockdown again, the effects from which may lead to the fluctuation of fuel price and the slow-down of the petrochemical industry.

Pulp, Paper and Print Media Industry

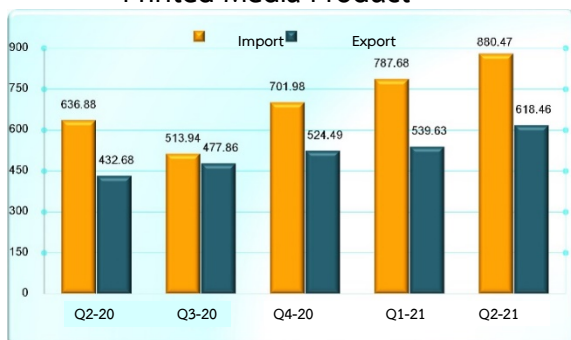
Concerning pulp, paper and printed media industry, in Q2/2021, compared with the previous quarter (%QoQ), the expansion happens to all the products except craft paper; and compared with the same quarter of the previous year (%YoY), the production increases among the groups of cardboard paper, craft paper and corrugated cardboard paper products, all of which are used for manufacturing packages. The overall export and import values have increased when compared with the previous quarter (%QoQ) and the same quarter of the previous year (%YoY).

MPI of Pulp, Paper and Print Media Industry



Source: The Office of Industrial Economics.

Export-Import of Pulp, Paper and Printed Media Product



Unit: Million USD

Source: The Information and Communication Technology Center, Ministry of Commerce.

Production: In Q2/2021, compared with the previous quarter (%QoQ), the production expands in the group of pulp product for 14.43 percent, but shrinks in the groups of cardboard paper, corrugated cardboard paper, uncoated paper and paper box products because there are great amounts of imported products. However, compared with the same quarter of the previous year (%YOY), the production has increased throughout the supply chain, including the groups of pulp, cardboard paper, craft paper and corrugated paper products, which are used for manufacturing paper boxes the demand for which is increasing, especially for online business at the time of the spreading of the COVID-19 virus.

Export: In Q2/2021, compared with the previous quarter (%QoQ), the export value of pulp and paper product is 618.46 million USD, increasing 14.61 percent, from pulp and print media product groups, with China and the USA being the major trade partner countries. Meanwhile, compared with the same quarter of the previous year (%YOY), the overall export value has increased 42.94 percent from the pulp product which increased 221.51 percent. More than 90 percent of the product is sent to China. Meanwhile, the export values of paper and paper product group and printed media group have increased for 19.02 percent and 14.69 percent, with major trade partner countries being Vietnam and the USA, respectively.

Import: As for pulp and paper product, in Q2/2021, the total import value is 880.47 million USD. Compared with the previous quarter (%QoQ) and the same quarter in the previous year (%YoY), the value has increased 11.78 percent and 38.25 percent, respectively, because of the increase of the import of pulp, paper and printed media due to the tremendous rise of the demand for paper products in the country, especially paper packages. Thus, the import increases consistently due to the change in lifestyle that has been affected by the spreading of the COVID-19 virus. Consequently, paper has to be imported.

Outlook of Petrochemical Industry in Q3/2021

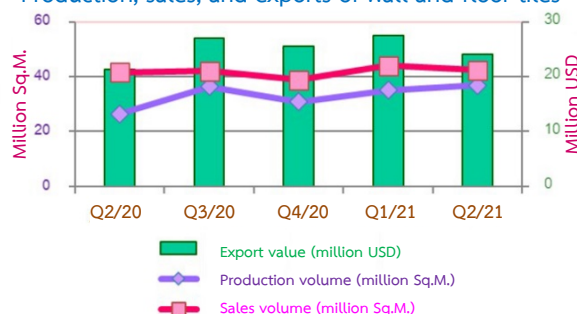
In Q3/2021, it is anticipated that paper products (cardboard, corrugated cardboard and craft paper) that are used for manufacturing packages will expand in accordance with the increase of domestic consumption. Meanwhile, in the 'New Normal' Era, paper packages will be more used because of the online business and the new wave of the spreading of the COVID-19 virus. At the same time, the export of pulp product group will expand.

Ceramic Industry

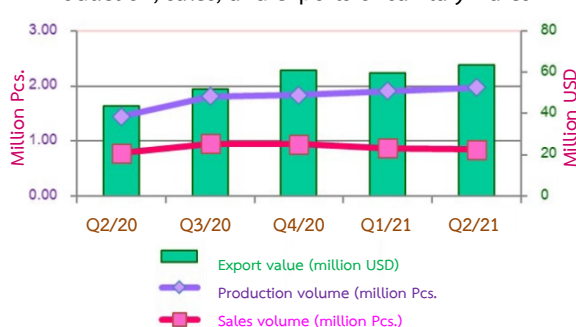
The production volume of ceramic, flooring tiles, wall tiles and sanitary wares in Q2/2021 has expanded from the increase of orders from trade partner countries. At the same time, the volumes of domestic sales and export have expanded accordingly to consumer needs. The main markets for the export are still the USA, China and Japan.

Production, Sales and Export of Ceramic Product

Production, sales, and exports of wall and floor tiles



Production, sales, and exports of sanitary wares



Sources: 1. The volumes of production and domestic Sales: Division of Information and Industrial Economic Indices.
Note: From the survey on 15 wall tile factories and 38 sanitary factories
2. The export value: Information and Communication Technology Center, Office of the Permanent Secretary of Ministry of Commerce

Production: In Q2/2021, the production volume of flooring and wall tiles is 36.78 million Sq.M., increasing from Q1/2021 by 4.81 percent (%QoQ) and increasing from the same quarter of the previous year 38.87 percent (%YoY). This is the result of orders from major export markets like the USA, China and Japan. Meanwhile, the production volume of sanitary product is 1.98 million units, increasing from Q1/2021 for 3.46 percent and increasing from the same quarter of the previous year 36.49 percent.

Sales: In Q2/2021, the sales volume of flooring and wall tiles is 42.36 million Sq.M., decreasing from Q1/2021 by 3.85 percent (%QoQ) but increasing from the same quarter of the previous year by 2.14 percent (%YoY). Meanwhile, the sales volume of sanitary product is 0.85 million units, decreasing from Q1/2021 for 2.66 percent and increasing from the same quarter of the previous year 8.21 percent. This is the result from the demands in the markets of the countries the governments of which have implemented measures to improve economic conditions and to promote businesses of entrepreneurs.

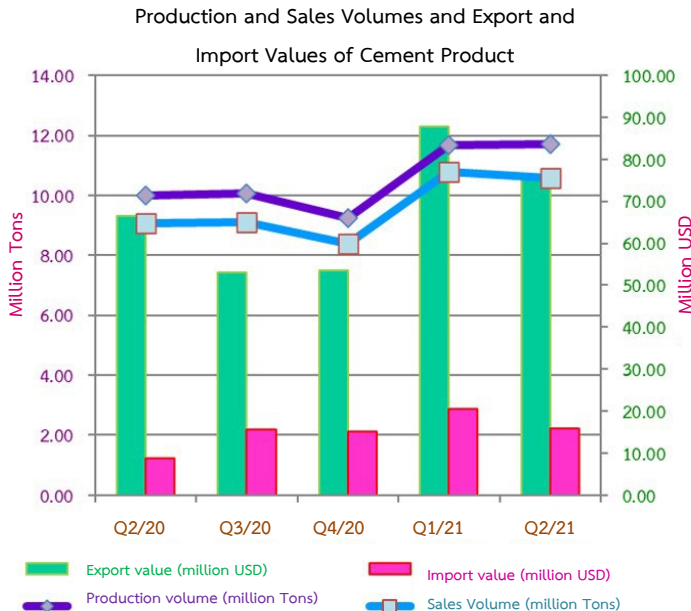
Export: In Q2/2021, the export value of flooring and wall tiles is 24.04 million USD, decreasing from Q1/2021 by 12.71 percent but increasing from the same quarter of the previous year by 12.76 percent. Meanwhile, the export value of sanitary product is 63.75 million USD, increasing from Q1/2021 by 6.91 percent and increasing from the same quarter of the previous year for 46.69 percent. The main export markets are the USA, China, Japan and the CLMV countries (Cambodia, Laos, Myanmar and Vietnam).

Outlook of Ceramic Industry in Q3/2021

In Q3/2021, the production and sales of ceramic products is anticipated to decrease because entrepreneurs are still concerned with the COVID-19 pandemic situation that has severely impacted almost all areas of the country. Particularly, the increasing number of infected people in industrial factories has forced the government to extend the time of the implementation of controlling measures until the pandemic situation will be more relaxed. In addition, consumers are still cautious with their spending due to the uncertainty of the economic situation. However, there is good sign in export sector because economy of trade partner countries has begun to recover and the pandemic situation has become less anxious.

Cement Industry

In Q2/2021, the production and sales of the cement industry, compared with the same quarter of the previous year, can still expand although affected by the COVID-19 pandemic event. At the same time, the export value is expanding at a good rate because of the non-ASEAN export markets; and the import value also expands because of the low baseline in the same quarter of the previous year.



Sources: 1. The volumes of production and domestic sales: Division of Information and Industrial Economic Indices, Office of Industrial Economics
2. The export value: Information and Communication Technology Center, Office of the Permanent Secretary of Ministry of Commerce

Production: (Excluded clinker): In Q2/2021, the production volume is 11.72 million tons, increasing from Q1/2021 by 0.49 percent (%QoQ) and increasing from the same quarter of the previous year 5.43 percent (%YoY).

Domestic Sales: (Excluded clinker): In Q2/2021, the sales volume is 10.58 million tons, decreasing from Q1/2021 for 1.85 percent but increasing from the same quarter of the previous year 3.17 percent (%YoY).

Export - Import: (Excluded clinker): In Q2/2021, the export value is 75.50 million USD, decreasing from Q1/2021 by 13.99 percent (%QoQ) but increasing from the same quarter of the previous year by 13.66 percent, from the market of Bangladesh. As for the import value (not including clinker), it is worth 15.82 million USD, decreasing from Q1/2021 by 23.15 percent but increasing from the same quarter of the previous year by 82.40 percent, which is the expansion from Lao's PDR and China for 94.23 percent and 62.91 percent, respectively.

Outlook of Cement Industry in Q3/2021

Concerning the cement industry (not including clingy), in Q3/2021, compared with the same quarter of the previous year, the production and sales volumes are anticipated to decrease because the COVID-19 virus has become more severe and is spreading wider than the last year. This year, there has been the spreading of the virus that has mutated. The virus has spread in construction projects, especially many big projects by the government, this has caused the government to announce the order to inhibit the construction sites with risk. Concerning the export, it is anticipated that the export to non-ASEAN markets can still expand.

Textile and Apparel Industry

In Q2/2021, the economy of textile industry expands, compared with the same quarter of the previous year, because of the low baseline of the previous year and the recovery of significant markets such as the USA, Japan and Vietnam. Meanwhile, the production of the apparel industry slows down because of low purchase power in the country although export markets are recovering.

Production and Domestic Sales:

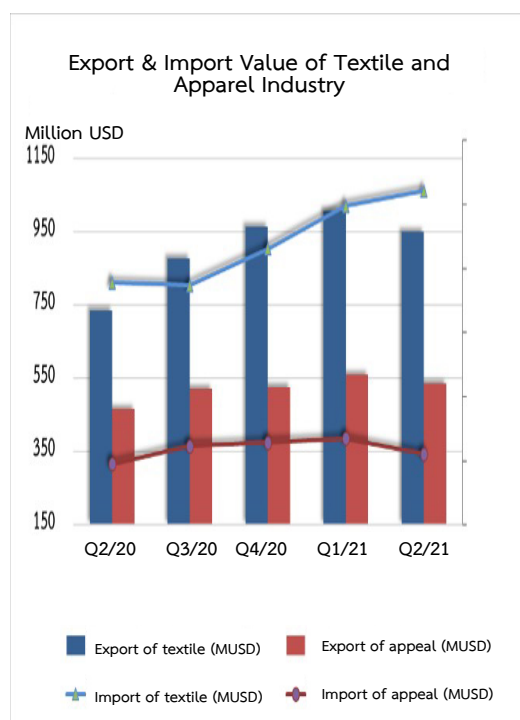
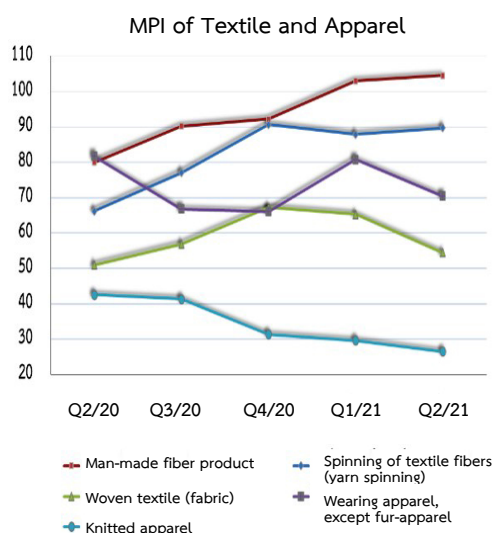
As for textile and fabric products, MPIs have expanded 33.09 percent and 6.77 percent (%YoY), respectively, compared with the same quarter of the previous year because the baselines in the previous year are low due to the impacts from the COVID-19 pandemic event in the first wave and the temporary closure of some businesses, and the export is getting better because trade partner countries, such as the USA, Japan and Vietnam, have begun to recover. As for apparel product, the MPI has decreased 14.59 percent (%YoY), compared with the same quarter of the previous year because the domestic consumption has slowed down, and some businesses are temporary or permanently closed, such as lingerie and garment factories. Even though the export of ready to wear apparel has expanded in key markets like the USA, Japan, Hong Kong and the United Kingdom, compared with Q1/2020, the production of textile is found out to expand by 1.76 percent (%QoQ), especially the product of artificial filament. Meanwhile, the production of fabric and ready to wear apparel products have shrunk by 16.67 percent and 12.70 percent (%QoQ), respectively, from the latest wave of the COVID-19 spreading.

As for textile, fabric and ready to wear apparel products, the sales has expanded 41.63, 26.92, and 9.20 percent (%YoY), respectively, compared with the same quarter of the previous year because the baselines in the previous year are low due to the impacts from the COVID-19 spreading in the first wave, and the demands for materials for the export in markets of China, the USA, England and Europe have expanded.

Export-Import:

In the overview, the export of textile and apparel has begun to recover for the entire supply chain, with the export value being 1,92.58 million USD, expanding for 32.57 percent, compared with the same quarter of the previous year (%YoY). Considered separately, the export value of the textile product group is 951.19 million USD, expanding for 29.26 percent whilst the value of the apparel product group is 535.98 million USD, expanding for 15.17 percent. This is because the baseline in the previous year is low due to the pandemic situation that has made other countries halt the orders and the problems with transportation from the worldwide lockdown measures. However, at present, key trade partner countries are recovering, leading to the expansion of exports in key markets such as the USA, Japan and Vietnam. Compared to Q1/2021 (%QoQ), the export of textile and ready to wear apparel industry is anticipated to slowdown.

At the same time, the import of the overall textile and apparel industry is worth 1,263.04 million USD, expanding 33.39 percent (%YoY), compared with the same quarter of the previous year. As for the yarn and filament and fabric product groups, some products of these groups are used for manufacturing exported goods in accordance with the orders that are increasing because the baseline of the previous year is very low. As for ready to wear apparel, the domestic sales slows down due to the decline of purchase power of domestic consumers because of the pandemic situation and the lockdown measures.



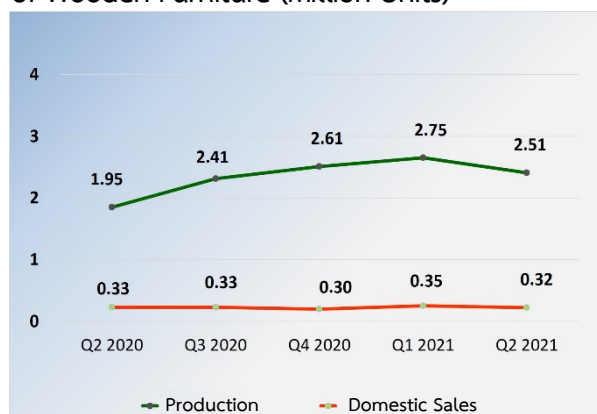
Outlook of Textile and Apparel Industry in Q3/2021

Textile industry will consistently expand due to the low baseline in the previous year and the consistent orders from foreign countries throughout the supply chain. Meanwhile, the apparel industry is anticipated to slow down because the domestic purchasing power declines, and the COVID-19 virus pandemic has become more severe, with the spreading among factory clusters. However, this is not in a great volume comparing to the overall market. At the same time, the demand for apparel in foreign countries consistently rises, especially in major trade partner countries the economy of which is recovering, such as China, the USA and the Europe.

Wood and Wooden Furniture Industry

Compared with the same quarter of the previous year, the production volume of wooden furniture in Q2/2021 has increased in response to the demands in foreign markets. Meanwhile, the sales volume of wood in the country has decreased due to the spreading of the COVID-19 virus in the latest wave. At the same time, the export value of wood and wooden panel has increased from the recovery of the economy of key trade partner countries and the baseline of the export from the previous year is in low level.

Volumes of Production and Domestic Sales of Wooden Furniture (Million Units)



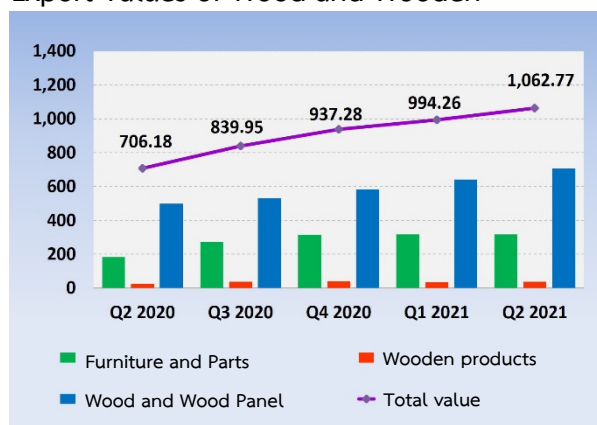
Source: The Office of the Permanent Secretary of Ministry of Commerce

Production: In Q2/2021, the number is 2.51 million units, decreasing from the previous quarter by 8.73 percent, but expanding 28.72 percent, compared with the same quarter of the previous year, which is from the production to respond to demands from foreign markets.

Domestic sales: In Q2/2021, the number is 0.32 million units, decreasing from the previous quarter by 8.57 percent, and decreasing from the same quarter of the previous year by 3.03 percent, which is the effect from the latest wave of the spreading of the COVID-19 that slows down the economy of the country.

Export: In Q2/2021, the export value is 1,062.77 million USD, increasing from the previous quarter for 6.89 percent, and decreasing from the same quarter of the previous year for 50.50 percent, divided into furniture and part product group, wood product group and wood and wood panel product group, worth 317.80, 37.93 and 707.04 million USD, respectively. Compared with the same quarter of the previous year, the export value of furniture and part product group increases 75.06 percent, the export value of wood product group increases for 43.89 percent, and the export value of wood and wood panel product group increases 41.90 percent. In the overview, the export value of all the product groups in wood and wooden furniture industry increases because of economic recovery of key trade partner countries and the low baseline of the export in the previous year.

Export Values of Wood and Wooden



Source: The Office of the Permanent Secretary of Ministry of Commerce

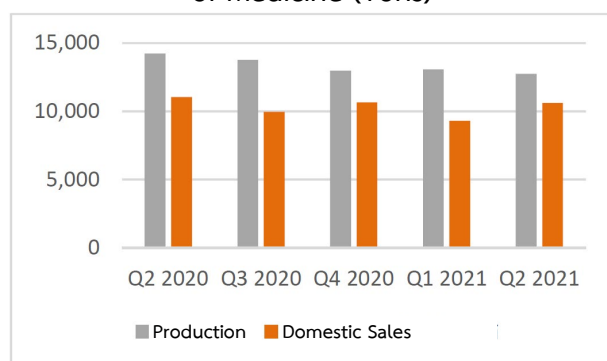
Outlook of Wood and Wooden Furniture Industry in Q3/2021

As for Q3/2021, it can be anticipated that the production volume of wooden furniture will consistently expand mainly in response to the demands in foreign markets. Meanwhile, the domestic sales volume of wooden furniture is anticipated to slow down due to impacts from the latest wave of the spreading of virus.

Pharmaceutical Industry

In Q2/2021, the volumes of the production and the domestic sales of medicine have decreased from the same quarter of the previous year because of the decline of demands in domestic and foreign markets. The domestic market is still slowed down although improving from the previous quarter. Meanwhile, the export markets, especially Vietnam, are still shrinking consistently.

Volumes of Production and Domestic Sales of Medicine (Tons)

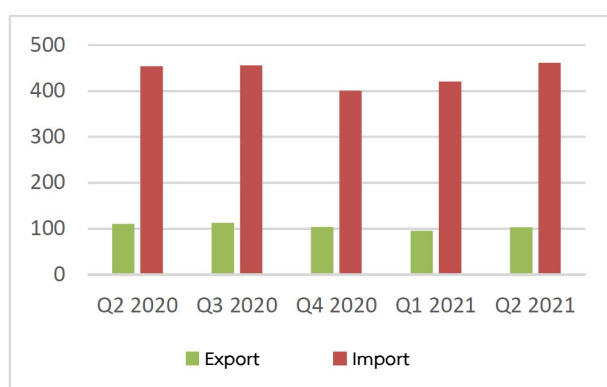


Source: The Office of Industrial Economics

Production: In Q2/2021, the production volume is 12,729.97 tons, decreasing from the same quarter of the previous year by 10.45 percent, from the slowdown of the production of medicine in the type of tablet, liquid, capsule, injection, and cream, for 16.04, 5.60, 14.87, 9.77 and 17.39 percent, respectively, in accordance with declining orders.

Sales: In Q2/2021, the sales volume is 10,598.15 tons, decreasing from the same quarter of the previous year for 3.95 percent, from the slowdown of the Sales of tablet, capsule medicine, injected medicine and cream, by 7.71, 26.52, 4.45 and 16.85 percent, respectively. In the overview, the domestic market for pharmaceutical product is still declining continually from the previous quarter. However, the spreading of COVID-19 virus for the wave in April 2021 has made people stockpile certain medicines. Thus the domestic pharmaceutical market expands, compared with the previous quarter.

Export - Import Values of Medicine (Million USD)



Source: The Ministry of Commerce

Export: In Q2/2021, the export value is 102.94 million USD, decreasing from the same quarter of the previous year by 6.67 percent, which is caused from the decline of markets in Vietnam, Japan, the Philippines, Indonesia and Singapore. At the same time, the import value is 461.19 million USD, increasing from the same quarter of the previous year for 1.63 percent, from the import of more medicines from Japan, Germany, Italy, France and India.

Outlook of Pharmaceutical Industry in Q3/2021

In Q3/2021, the production of medicine is anticipated to decrease from the same quarter of the previous year by 3.48 percent, in accordance with the tendency of consistent shrinking of domestic country. As for the export, it is anticipated to further expand in ASEAN markets, especially Myanmar, Cambodia and Laos.

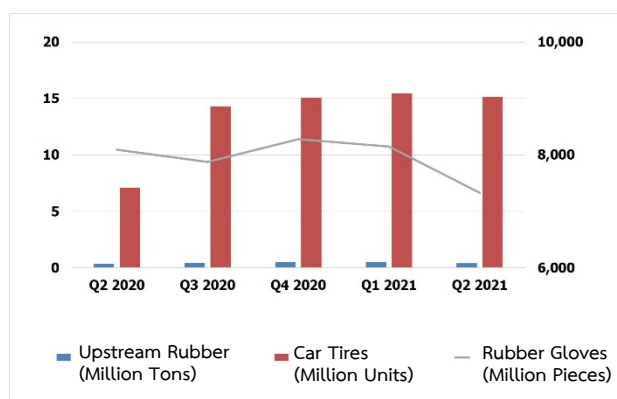
Governmental Policies related to Pharmaceutical Industry

The Thai government has signed an agreement for a supply of the COVID-19 vaccines through the advanced reservation and the vaccine purchase agreement with AstraZeneca Company Limited, a leading manufacturer of biological pharmaceutical products from the world. In this case, Siam Bioscience Company Limited, a big biological pharmaceutical manufacturer of Thailand, has been transferred technology for producing the COVID-19 vaccine from AstraZeneca and can produce the aforementioned vaccine since June 2021, as planned. Therefore, Thailand has become the first the COVID-19 vaccine production base in the region of Southeast Asia. This has strengthened the personnel and the research and development in pharmaceutical industry of Thailand, which will be essential factors that drive Thailand towards the status as the hub for medicine in complete cycle of ASEAN.

Rubber and Rubber Product Industry

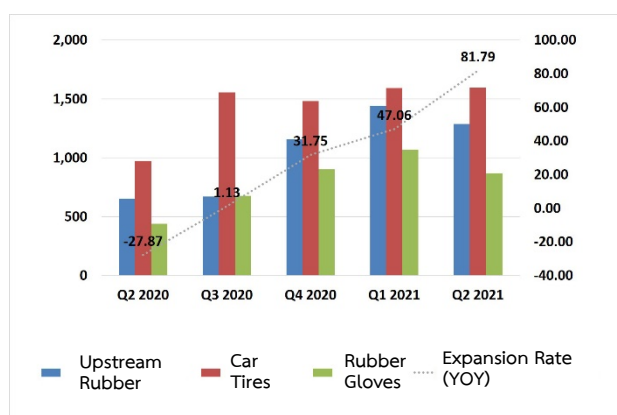
The volumes of the production and sales of car tire in Q2/2021 increases in accordance with the expansion of domestic and foreign markets. The production of rubber gloves slows down due to the spreading of the COVID-19 virus in factories, but the export still expands well. The production and export of upstream processed rubber expands from the expansion of the export to markets of China and Malaysia.

Volumes of the Production of Upstream Rubber, Car Tire and Rubber Gloves Product Groups



Source: The Office of Industrial Economics

Values of the Export of Upstream Rubber, Car Tire and Rubber Gloves Product Groups (Million USD)



Source: The Ministry of Commerce

Production: In Q2/2021, the volumes are 0.41 million tons, 15.15 million units and 7,329.05 million pieces, respectively. Compared with the same quarter of the previous year, the production volumes of upstream rubber and car tire increase by 21.11 percent and 112.74 percent, respectively. The amount of rubber in the market increases and both domestic and foreign markets have expanded well. At the same time, the production volume of rubber gloves decreases 9.43 percent because of the spreading of the COVID-19 virus in factories, leading to the temporary closure of some factories.

Sales: In Q2/2021, the volumes are 0.11 million tons, 11.13 million units and 701.55 million pieces, respectively. Compared with the same quarter of the previous year, the sales volumes of upstream rubber and car tires increases by 16.39 percent and 88.90 percent, respectively, concurrent with the increasing demands. At the same time, the sales volume of rubber gloves decreases for 33.61 percent because domestic manufacturers decrease the Sales through middlemen or dealers.

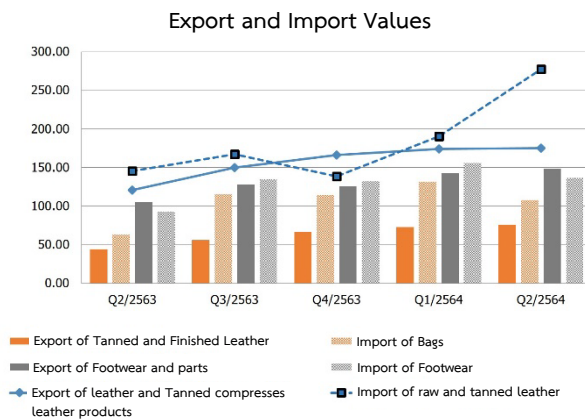
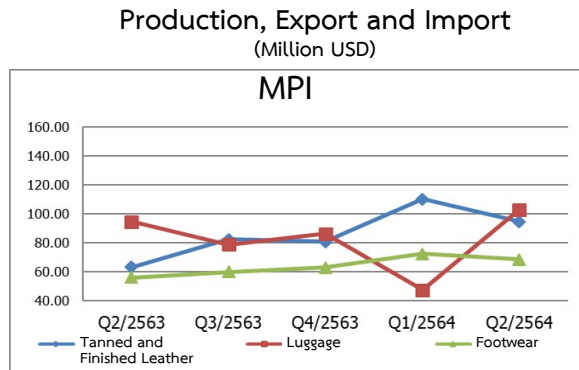
Export: In Q2/2021, the values are 1,287.36 million USD, 1,597.24 million USD and 868.17 million USD, respectively. Compared with the same quarter of the previous year, the export values of upstream rubber, car tires and rubber gloves increase by 97.33 percent, 64.28 percent and 97.45 percent, respectively, mainly because of good expansion of markets of China and the USA.

Outlook of Rubber and Rubber Product Industry in Q3/2021

As for Q3/2021, the production of car tire products is anticipated to expand by 6.23 percent in accordance with the tendency for the expansion of related industries and export markets. Concerning the production of rubber gloves, it is anticipated to expand by 1.67 percent due to the rise of demands in the worldwide scale. At the same time, the production of upstream processed rubber products is expected to expand by 5.00 percent, based on the rise of rubber price, which has led to the tendency for rubber in a greater amount to enter the market.

Footwear and Leather Product Industry

In Q2/2021, compared with the same quarter of the previous year, the production of tanned and finished leather, the production of suitcase and the production of shoes have increased because of the increasing demands for both export and domestic sale because after the spreading of the COVID-19 virus, many countries have accelerated the vaccination for people. Thus, consumers have become less worried and spend more money, which affects the economic overview.



Sources: 1. The MPIs: The Office of Industrial Economics
 2. The export and import values: The Ministry of Commerce
 * Including handbags and similar products, saddles and harnesses
 **As for 2021, more products are added and weights are adjusted.

Production: In Q2/2021, compared with the same quarter of the previous year, tanned and finished leather, luggage* and footwear products have MPIs that increase by 49.72 percent, 8.83 percent and 22.72 percent, respectively, from domestic sales and export that have increased in volumes.

Export and Import: In Q2/2021, compared with the same quarter of the previous year, the export values of tanned and finished leather, travel equipment and footwear products have increased by 45.17 percent, 71.80 percent and 41.47 percent, respectively, many countries have accelerated the vaccination for people. Thus, consumers have become more confident and spend more money. The key expanding export markets are the USA, Denmark, Hong Kong and China.

In Q2/2021, compared with the same quarter of the previous year, the import value of raw and tanned leather product group is 277.09 million USD increasing 90.59 percent, the import value of bag product group is 107.64 million USD increasing for 71.70, and the import value of shoes product group is 136.09 million USD, increasing for 47.37 percent. This has resulted from the government's implementation of measures to relieve affected people and enhance the economy, which has urged people to spend more money.

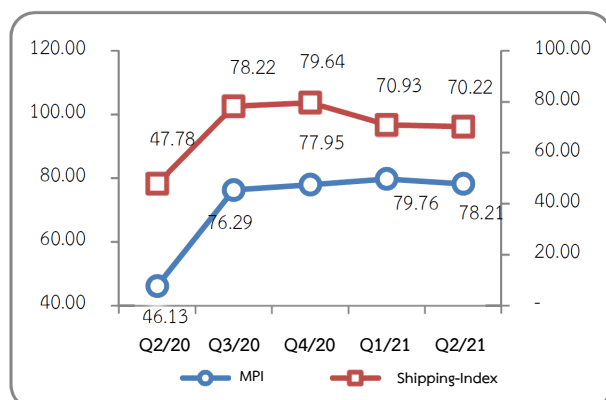
Outlook of Leather and Leather Product Industry in Q3/2021

Concerning the production of leather products and footwear in Q3/2021, compared with the previous year, the tanned and finished leather products, the luggage and the footwear products are expected decreasing production because the domestic sales reduced. Compared with the previous quarter, the production of all product groups tend to decrease due to the new wave of the spreading of the virus that is more severe and wider throughout the country. As for the export to foreign markets, compared with the same quarter of the previous year, there is improvement because many countries around the world have accelerated the vaccination, which affects the confidence. Thus, foreign markets are expanding slightly.

Gems and Jewelry Industry

In Q2/2021, compared with the same quarter of the previous year, the overview of the production and sales volume of gems and jewelry industry increases because of the increasing production for the export and the domestic sales because the COVID-19 pandemic situation tends to be more relaxed from many countries' attempt to accelerate the vaccination for people and the government's implementation of measures to relieve people. Consequently, people have more purchasing power.

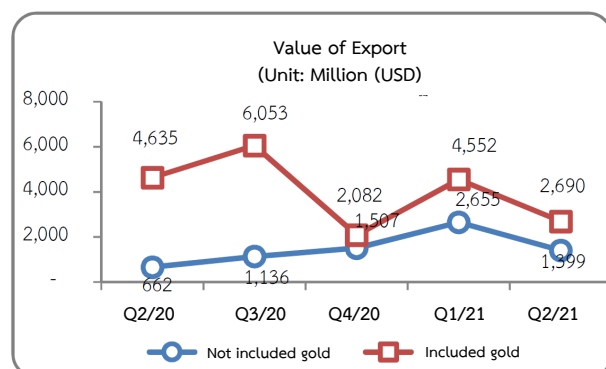
Production, Sales and Export



Production: In Q2/2021, the Overview of the production of gems and jewelry product, compared with the same quarter of the previous year (%YOY), has expanded by 69.56 percent in all product groups because of the increases of domestic sales and export.

Sales: In Q2/2021, the Sales volume of the production of gems and jewelry product, compared with the same quarter of the previous year (%YOY), has decreased by 42.43 percent. However, the sales volumes of product groups of ready to wear real jewelry and artificial jewelry have increased 40.61 percent and 25.89 percent because the government has implemented the measures to assist people and sellers sell products only which allow consumers to have easier access to the products. In addition, people spend more money.

Export: In Q2/2021, the total export value of gems and jewelry product group (not including gold), compared with the same quarter of the previous year (%YOY), is 1,399.34 million USD, increasing 111.49 percent. The export values of diamond, gemstone, real jewelry and artificial product groups have increased 90.62, 81.12, 131.32 and 27.02 percent, with key export markets being the USA, Hong Kong, Germany and India. However, concerning the overall export value of gems and jewelry product, it is worth 2,690.38 million USD, decreasing for 41.96 percent because of the decrease of the export value of gold bullion by 67.51 percent.



Sources: 1. The MPIs and Shipping Indexes: Office of Industrial Economics
2. The export values: The Ministry of Commerce

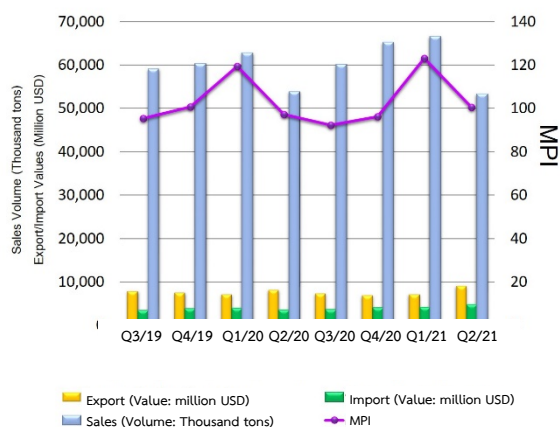
Outlook of Gems and Jewelry Industry in Q3/2021

As for Q3/2021, in the overview, the gems and jewelry industry is anticipated to decrease because of the new wave of the COVID-19 virus spreading that has been occurring for a long period of time, with the tendency that the third vaccine is going to be necessary because the virus tends to be stronger. This may affect the confidence and spending. However, the global economy tends to be better than the previous year because the baseline of the previous year is very low and many countries around the world have accelerated the vaccination for people. Nevertheless, it is still necessary to monitor the pandemic situation where the virus mutates and spreads rapidly and severely, which may have impacts on the overall economy of the country and of foreign countries.

The MPI of the food industry in Q2/2021 has expanded, compared with the same quarter of the previous year, because the recovery of the global economy has led to consistent orders for some products. Also, the amounts of materials that are agricultural products that are used for manufacturing key products in food industry, such as pineapples and cassava, have increased. The food products that have expanded are tapioca, instant animal feed, canned pineapple, frozen fruits and vegetables and canned corn. As for the products with expanding export value, they are fresh, chilled, frozen, canned and processed vegetables and fruits, tapioca products, animal feed, and fat and oil from plants and animals.

MPI, Sales Volume and Export and Import Values of Food Industry

MPI, Sales Volume, Import and Export Values of Food Industry in Q2/2021



Sources: The MPIs and sales volumes are collected from Office of Industrial Economics (OIE).
The export and import values are collected from Ministry of Commerce, with the categorization by OIE.

MPI of Food Product: In Q2/2021, the MPI is 100.6, expanding 3.5 percent (%YoY), compared with the same quarter of the previous year. The food product the production volume of which has expanded is cassava, expanding 15.2 percent from the key product which is tapioca the production volume of which has expanded 15.8 percent due to the need for consumption in domestic and foreign markets, especially China, which is a major export market of Thailand, which has imported tapioca to be used as substitute product for animal feed corn because the price of the corn is high. The following product is instant animal feed, the production volume of which has included for 10.1 because of the 13.0 percent expansion of the key product of cat food because there has been consistent orders for cat food from the USA, the extension of online channel by entrepreneurs and the popularity of animal petting that has been consistently growing throughout the world. Also, the production volume of processed fruit and vegetable product has expanded for 9.6 percent from key products, namely, 1) canned pineapple, expanded 60.7 percent because the pineapple material has increased and the orders have increased greatly from the USA; 2) frozen fruit and vegetable product the production volume of which has expanded for 22.9 percent; and 3) canned sweet corn the production volume of which has expanded by 19.1 percent.

Domestic Sales: In Q2/2021, the sales volume is 53,281.06 thousand tons, decreasing by 0.9 percent (%YoY), compared with the same quarter of the previous year. The products with decreasing consumption volumes are processed vegetable and fruit product group, decreasing 19.6 percent, from canned pineapple, canned fruits and canned corn; followed by sugar product group, decreasing 12.4 percent, from unrefined sugar; fishery product group, decreasing for 10.6 percent, from canned tuna meat; and palm oil product group, decreasing by 7.3 percent from unrefined palm oil and refined palm oil.

Export: In Q2/2021, the total export value is 9,099.1 million USD, increasing 11.2 percent (%YoY), compared with the same quarter of the previous year, from key products namely, chilled, frozen, canned and processed vegetables and fruits because of the implementation of active measure to manage fruits and the acceptable quality of fruits that meet global standards. The product with the export value in the second place is cassava product group because of the demands in major markets such as China, Japan and Taiwan, to be used as raw materials in food industry, as well as animal feed product, ethanol product, pet food product from the consistent growth of the animal petting trend that have positive impacts on pet food businesses in Thailand that have OEM capability, and vegetable and animal fat and oil product group because of the demands for consumption in key markets, namely India and Malaysia.

Import: In Q2/2021, the import value is 4,715.1 million USD, expanding 30.2 percent (%YoY), compared with the same quarter of the previous year, from the import of oilseeds for supporting vegetable oil industry, followed by the remain of oilseeds for supporting animal feed industry, and flour product for supporting related industries, especially the instant noodle industry.

Outlook of Food Industry in Q3/2021:

It is expected that the overall MPI and export value will slightly expand, compared with the same quarter of the previous year, because major trade partner markets still have consistent need for consumption because of the more relaxing lockdown measures and the positive factors from the depreciation of Thai baht currency. However, the situations of the production and the export still incorporate the risks that concern the spreading of the COVID-19 virus in a new wave in the country and the trade partner countries, which may decrease the purchasing power of consumers.

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• Electrical Appliance Industry	Division of Industrial Policy by Sector 1	0-2430-6804
• Electronics Industry	Division of Industrial Policy by Sector 1	0-2430-6804
• Automotive and Parts Industry	Division of Industrial Policy by Sector 1	0-2430-6804
• Motorcycle and Parts Industry	Division of Industrial Policy by Sector 1	0-2430-6804
• Chemical Industry	Division of Industrial Policy by Sector 1	0-2430-6804
• Plastics Industry	Division of Industrial Policy by Sector 1	0-2430-6804
• Petrochemical Industry	Division of Industrial Policy by Sector 1	0-2430-6804
• Pulp, Paper and Print Media Industry	Division of Industrial Policy by Sector 2	0-2430-6805
• Ceramics Industry	Division of Industrial Policy by Sector 2	0-2430-6805
• Cement Industry	Division of Industrial Policy by Sector 2	0-2430-6805
• Textile and Garment Industry	Division of Industrial Policy by Sector 2	0-2430-6805
• Wood and Wooden Furniture Industry	Division of Industrial Policy by Sector 2	0-2430-6805
• Pharmaceutical Industry	Division of Industrial Policy by Sector 2	0-2430-6805
• Rubber and Rubber Products Industry	Division of Industrial Policy by Sector 2	0-2430-6805
• Footwear and Leather Products Industry	Division of Industrial Policy by Sector 2	0-2430-6805
• Gems and Jewelry Industry	Division of Industrial Policy by Sector 2	0-2430-6805
• Food Industry	Division of Industrial Policy by Sector 2	0-2430-6805
Division of Industrial Economics Research		
Division of Industrial Policy by Sector 1		
Division of Industrial Policy by Sector 2		