



Report on the Industrial Economics Status
in Q3/2022 and Outlook for Q4/2022



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Executive Summary

Summary of Thai Industrial Economic Status for Q3/2022

In Q3/2022, the industrial economic status was positive as measured by the Manufacturing Production Index (MPI), which expanded by 8.1%, a significant improvement from the 0.8% contraction in Q2/2022. The growth was driven by the gradual improvement in domestic economic activities following the slowdown of the COVID-19 outbreak and the low base effect from the previous year when the outbreak was severe with cluster infections in the workplace. Key industries that showed growth in Q3/2022 were (1) **automobiles**, as production could be ramped up and the chip shortage gradually eased; (2) **petroleum refinery**, as the easing COVID-19 situation and the recovery of the domestic economy after the reopening to foreign tourists led to more fuel consumption; (3) **electronic components**, as demand in the global market continued to expand; (4) **motorcycles**, as the production was affected by COVID-19 outbreaks in parts factories in the same quarter of the previous year; and (5) **air conditioners**, as the production increased following the demand for products which continued to grow in domestic and export markets. In addition, manufacturers continued to develop products to meet consumers' needs in terms of saving energy and the ability to filter or trap dust and germs more efficiently.

Key Industries Outlook in Q4/2022

 Iron and Steel: The production of iron and steel is expected to grow slightly compared to the same period last year. The factors supporting this growth are the continuous expansion of downstream industries, infrastructure construction, and the government's industrial support policies. However, there is a risk of rising energy costs, which may increase steel prices in the world market and cause steel demand to slow down.

 Electronics: The Manufacturing Production Index (MPI) is expected to contract by about 3.0% due to the continuous rise in energy prices. As a result, entrepreneurs will have to bear the burden of increasing production costs which may affect the overall production and profitability of the manufacturing sector. Additionally, a shortage of raw materials used in the production of chips, semiconductors, and electronic components is also expected to negatively impact the ability of manufacturers to produce enough to meet the high demand for electronic products in the global market.

 Automobile: In Q4/2022, more than 400,000 automobiles will be manufactured, with 50-55% for domestic sales and 45-50% for export.

 Motorcycle: In Q4/2022, more than 500,000 motorcycles will be manufactured, with 80-85% for domestic sales and 15-20% for export.

 Pulp, Paper, and Print Media: Paper products used to produce packaging boxes (paperboard and Kraft paper) are expected to grow in line with domestic consumption. Additionally, paper packaging will benefit from its increasing use in online shopping. In terms of exports, the pulp industry is expected to grow again if China, a key market for Thai pulp exports, relaxes COVID-19 control measures.

↑ Cement: Production and sales volumes are expected to grow further, driven by government construction projects and the private sector issuing marketing promotion measures to increase sales at the end of the year. However, the increase in the policy rate of the Bank of Thailand, which has a direction to increase in line with the gradual rise in interest rates of the US Federal Reserve, is also a negative factor affecting people's decision to buy housing.

↑ Textiles and wearing apparel: The situation of textiles and wearing apparel is expected to grow slightly from domestic demand, the recovery of the tourism sector, and the continuous growth of product exports, especially to key trading partners such as the US, Japan, China, and the EU. The increase is to support growing orders and to prepare products for the end-of-the-year festival. However, there are still risk factors from the purchasing power of consumers, which is still fragile from the high costs of living and the price volatility of raw materials and energy, causing production costs to increase.

↔ Rubber and Rubber Products: Production of processed rubber in primary forms is expected to grow from production to meet the needs of downstream industries. Tire production is expected to continue to expand from production to meet the needs of both domestic and international markets. Meanwhile, the production of rubber gloves is expected to slow down due to the falling demand for rubber gloves domestically and internationally.

↑ Food: The overall MPI and export value are expected to grow compared to the same quarter of the previous year due to the country's reopening, resulting in more tourists. As a result, demand will continue to increase. In addition, the depreciation of the Thai Baht may affect the cost of production. The raw materials that rely on imports include tuna and wheat flour.

Part 1 Thailand Economic and Industrial Overview in Q3/2022

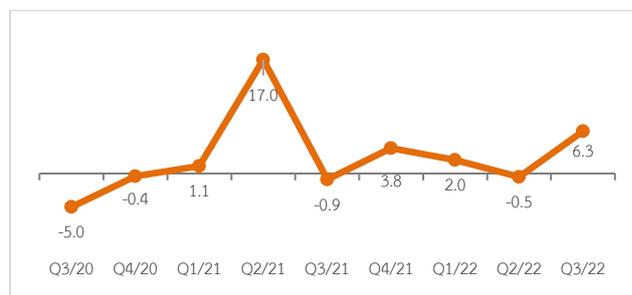
Thailand's Economic and Industrial Overview in Q3/2022

Gross domestic product
increased by 4.5 percent (%YoY)



Source: Office of the National Economic and Social Development Council

Industrial sector GDP
increased by 6.3 percent (%YoY)



Source: Office of the National Economic and Social Development Council

Gross domestic product or GDP in Q3/2022 increased by 4.5% compared to the previous quarter's growth (2.5%).

The GDP of the industrial sector in Q3/2022 increased by 6.3% compared to the previous quarter (-0.5%).

Key Industrial Index

Manufacturing Production Index

increased by 8.1 percent (%YoY)



Source: The Office of Industrial Economics

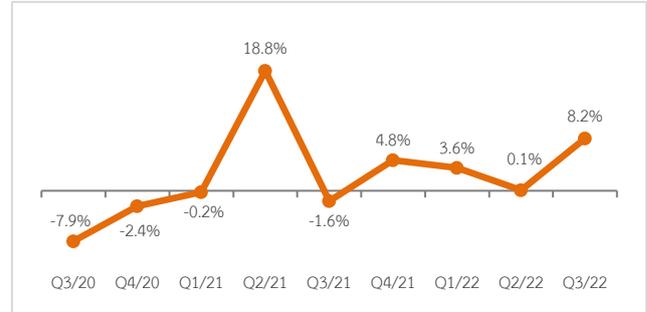
In Q3/2022, the Manufacturing Production Index (MPI) stood at 97.75 points, an increase of 2.05% from the previous quarter (95.75 points) and an increase of 8.06% from the same quarter last year (90.46 points).

Industries contributing to the increase of the MPI from the previous quarter were the manufacture of automobiles, electronic components and boards, and other rubber products, for example.

Industries contributing to the increase of the MPI from the same quarter last year were the manufacture of automobiles, refined petroleum products, and electronic components and boards, for example.

Shipment Index

increased by 8.2 percent (%YoY)



Source: The Office of Industrial Economics

In Q3/2022, the Shipment Index stood at 99.79 points, an increase of 2.04% from last quarter (97.79 points) and an increase of 8.16% from the same quarter last year (92.26 points).

Industries that contributed to the increase of the Shipment Index from last quarter were the manufacture of automobiles, electronic components and boards, and prepared animal feed, for example.

Industries that contributed to the increase of the Shipment Index from the same quarter last year were the manufacture automobiles, refined petroleum products, and air conditioners, for example.

Finished Goods Inventory Index

decreased by 2.2 percent. (%YoY)



Source: The Office of Industrial Economics

In Q3/2022, the finished goods inventory index stood at 139.35 points, an increase of 3.77% from the previous quarter (134.29 points) but a decrease of 2.19% from the same quarter last year (142.47 points).

Industries that contributing to the decrease of finished goods inventory index from the previous quarter were the manufacture of automobiles, electronic components and boards, and refine petroleum products, for example.

As for industries contributing to the decrease of the finished goods inventory index from the same quarter last year (2021) were the manufacture of other rubber products, automobiles, and computer and peripheral equipment, for example.

Capacity Utilization Rate

stood at 62.55 percent.



Source: The Office of Industrial Economics

In Q3/2022, the capacity utilization rate stood at 62.55%, increasing from the previous quarter (61.10%) and from the same quarter last year (58.51%).

Industries that contributed to the decrease of capacity utilization rate from the previous quarter were the manufacture of automobiles, electronic components and boards, and other rubber products, for example.

Industries that contributed to the increase in capacity utilization rate from the same quarter last year (2021) were the manufacture of automobiles, refine petroleum products, and motorcycles, for example.

Industrial Sentiment Index

of Q3 stood at 90.43 points.



Source: The Federation of Thai Industries

In Q3/2022, the industry sentiment index was 90.43 points, increasing from last quarter (85.60 points). Meanwhile, the three-month forecast for the sentiment index was at 100.00 points, increasing from the same quarter last year (97.6 points).

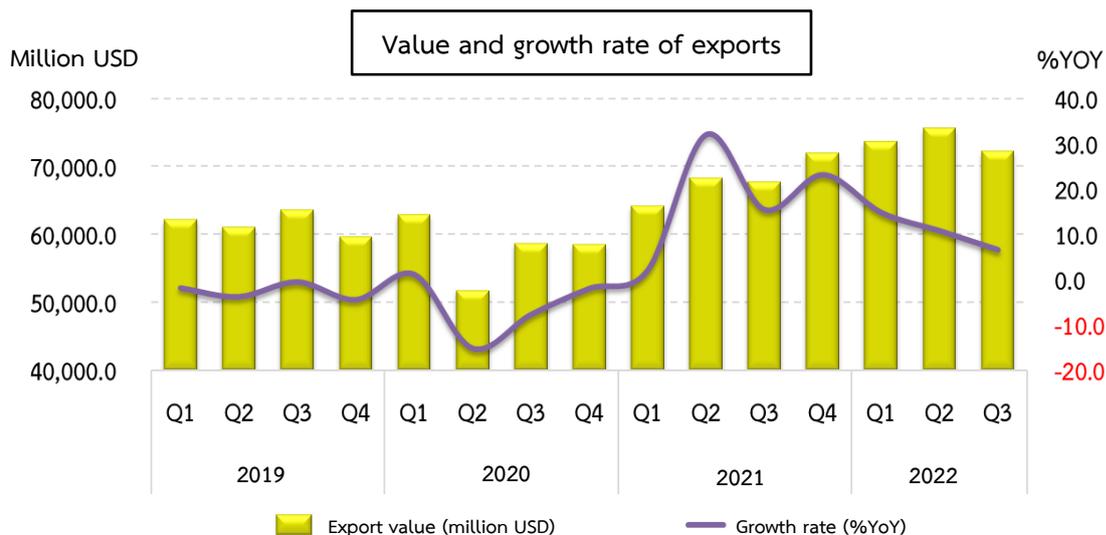
Factors affecting the increase in industrial sentiment in Q3/2022 came from the recovery of domestic demand after the COVID-19 situation eased, the government's cancellation of the Emergency Decree, the country's reopening, the cancellation of the Thailand Pass from July 1, 2022, and the full country reopening from October 1, 2022, where the requirement for COVID-19 related documents such as vaccination certificates and test results for travelers entering Thailand was canceled. As a result, more foreign tourists traveled to the country. In addition, the manufacturing sector expanded due to increased demand for industrial products in automobiles and consumer products from domestic and international markets that continued to grow, especially important trading partners such as the US, ASEAN (9), the EU, Australia, and India.

Foreign Trade

"Foreign trade in Q3/2022 continued to expand compared to the same period last year as the spread of COVID-19 continues to resolve. This has led to a recovery of domestic demand in each country, with growth in the service sector and tourism continuing to expand, as well as an increase in exports of industrial products. As for overall imports, there was also an expansion, particularly in the import of raw materials and semi-finished goods, reflecting that the Thai manufacturing sector still needs production factors to support the production process, which is likely to increase in the future."

Thailand's international trade in the Q3/2022 was valued at 153,091.7 million USD. The export value was 72,181.3 million USD, increasing by 6.6 % compared to the same period last year. The import value was 80,910.3 million USD, increasing by 20.2% compared to the same period last year. The overall trade balance for Q3/2022 was in deficit of 8,729.0 million USD.

Export Structure



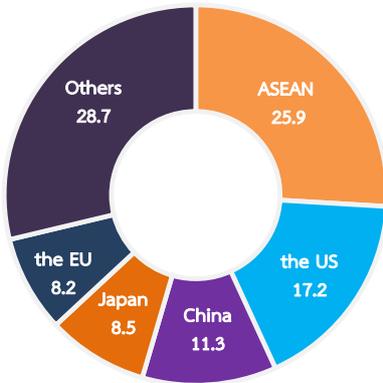
Source: Ministry of Commerce

In Q3/2022, Thailand's exports increased by 6.6% YoY to 72,181.3 million USD. Agricultural products decreased by 3.0% YoY to 6,460.3 million USD, while agro-industrial products increased by 21.2% to 5,750.3 million USD. Industrial products also increased by 6.2% to 56,888.9 million USD, and mineral ore and fuel products increased by 11.3% to 3,081.8 million USD.

In Q3/2022, among the industrial products that increased in exports were automobiles, accessories, and parts (an export value of 7,075.9 million USD, increasing by 8.8% YoY); circuit boards (an export value of 2,337.3 million USD, increasing by 11.4% YoY); machinery and parts (an export value of 2,232.3 million USD, increasing by 4.5% YoY); air conditioners and parts (an export value of 1,698.6 million USD, increasing by 34.3% YoY) and other industrial products (an export value of 1,598.3 million USD, increasing by 14.9% YoY).

Export Markets

Export proportions (%)

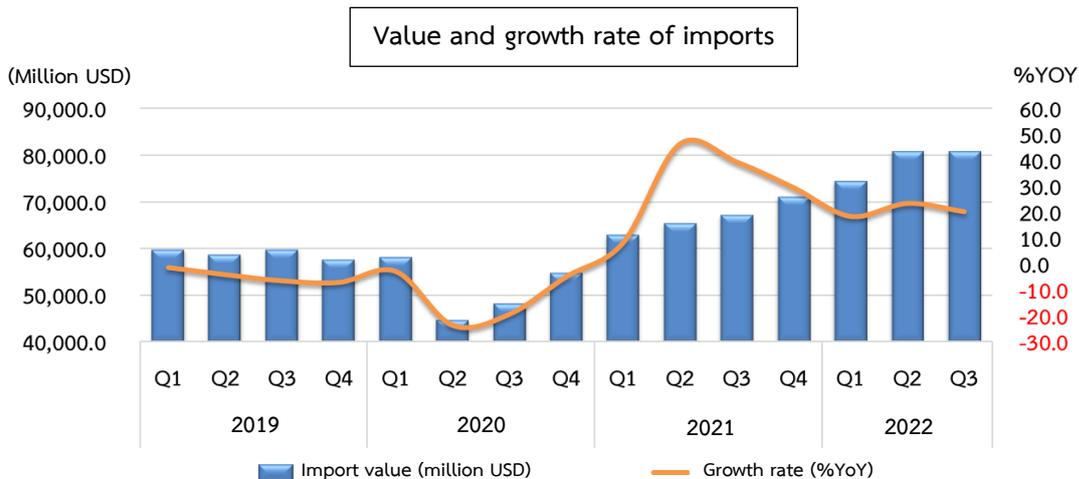


Source: Ministry of Commerce

In Q3/2022, Thailand exported products to 5 main trading partners, a total of 71.3%, namely ASEAN, the US, China, Japan, and the EU (27 countries). Exports to other markets accounted for 28.7% of all exports. Most of the key markets have increased growth rates as follows:

- Thailand accounted for the value of exports to ASEAN, the US, China, Japan, and the EU (27 countries) at 25.9%, 17.2%, 11.3%, 8.5% and 8.2%, respectively.
- The growth rate of the export value compared to the same period last year showed that ASEAN had the highest growth at 19.2%, followed by the US at 15.9% and the EU (27 countries) at 15.0%. On the other hand, exports to China and Japan contracted by 18.1 and 0.2%, respectively.

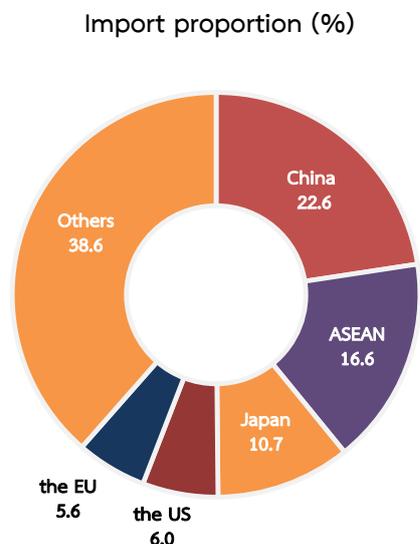
Import Structure



Source: Ministry of Commerce

Thailand's imports in Q3/2022 were valued at 80,910.3 million USD, increasing by 20.3% compared to the same period last year (%YOY). Key product categories with changes in import were (1) fuel products—with an import value of 17,745.5 million USD, increasing by 78.8% (YOY); (2) capital goods—with an import value of 16,584.3 million USD, decreasing by 0.5% (YOY); (3) raw materials and semi-finished products—with an import value of 34,380.8 million USD, increasing by 16.6% (%YOY); (4) consumer goods—with an import value of 8,061.4 million USD, an increase of 6.5% (YOY); (5) vehicles and transportation equipment—with an import value of 3,171.7 million USD, decreasing by 10.5% (YOY); and (6) weapons, military supplies, and other goods—with an import value of 966.5 million USD, an increase of 881.3% (%YOY). As for weapons, etc., imports of weapons, ammunition, explosives, and components declined, but only the import of other products increased.

Import markets



In Q3/2022, Thailand's main import markets increased from all markets, including China, ASEAN, Japan, the EU (27 countries), and the US. Together, these five markets accounted for 61.4%, and imports from other markets accounted for 38.6% of all imports, with details as follows:

- Thailand's main import markets were China, ASEAN, Japan, the US, and the EU (27 countries). The proportion of imports from these markets was 22.6%, 16.6%, 10.7%, 6.0%, and 5.6%, respectively.
- The import growth rate compared to the same period last year showed that the US grew by 39.5%, followed by ASEAN (22.1%) and China (6.5%), while Japan and the EU contracted by 5.7% and 4.8%, respectively.

Global Economy in Q3/2022

“Economic conditions in Thailand's key trading partners grew from the previous quarter; trade and production also grew. Policy interest rates in many countries increased to control rising inflation, while the unemployment rate remained stable and declined after the pandemic gradually subsided.”

Summary of Key Economic Indicators in Q3/2022

	Quarterly Growth (%YoY)						
	GDP	Inflation	MPI	Export	Import	Unemp. Rate	Policy Rate
the US	↑ 1.8	↑ 8.3	↑ 3.4	↑ 23.0	↑ 14.2	At 3.6	At 3.00-3.25
China	↑ 3.9	↑ 2.7	↑ 4.8 ^a	↑ 10.0	↑ 0.6	At 5.5	At 3.65
Japan	↑ 1.8	↑ 2.9	↑ 4.3	↓ -2.0	↑ 17.4	At 2.6	At -0.10
South Korea	↑ 3.1	↑ 5.9	↑ 3.9	↑ 5.8	↑ 22.6	At 2.5	At 2.5
Singapore	↑ 4.4	↑ 7.3	↑ 0.8	↑ 19.5	↑ 24.1	At 1.9	n.a.
Thailand	↑ 4.5	↑ 7.3	↑ 8.1	↑ 6.6	↑ 20.2	At 1.2	At 1.00

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

Note: a = figures for Q3/2022, n.a. = not available

Economic conditions in Thailand's key trading partners such as China, Japan, South Korea, and Thailand have accelerated from the previous quarter, while the US remained stable. Overall international trade has grown satisfactorily. Positive factors in the recovery of economic activities in each country have led to growth in the manufacturing sector despite high inflation levels. Unemployment rates in many countries remained stable, while Thailand's unemployment rate has declined as the COVID-19 situation subsided. The Central Bank has decided to raise the policy rate consistently, particularly in the US, within the range of 3.00-3.25% to mitigate rising inflationary pressures.

Crude oil prices in the world market remained high due to uncertainty in production supply. The Organization of the Petroleum Exporting Countries Plus (OPEC+) did not increase production and instead trended towards reducing production to maintain crude oil prices. Meanwhile, the demand for crude oil continued to grow with the recovering economy. As a result, Dubai crude oil prices in Q3/2022 averaged 96.5 USD/barrel, increasing from Q3/2021, which averaged 71.8 USD/barrel. The price of crude oil in NYMEX in September averaged 83.9 USD/barrel.

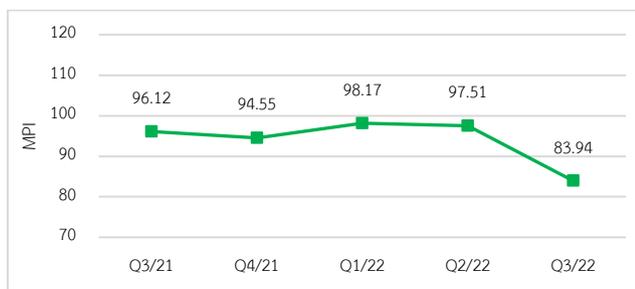
Global economic conditions are affected by various factors, such as the risk of a worldwide economic slowdown due to rising interest rates, which can lead to an increase in market conditions and borrowing costs, causing some economies to enter a deeper recession. Other factors include the prolonged Russian-Ukrainian geopolitical issues and disputes between the US, China, and Taiwan, which could lead to further sanctions and countermeasures, having a wide impact on the production chain. However, the relaxation of measures to control the spread of COVID-19 and relaxed travel restrictions are supporting the country's reopening and promoting tourism, which in turn supports the recovery of private consumption, driven by outstanding demand, and is expected to be the main driver for the economy going forward.

Part 2 Thai Industrial Economic Sectors in Q3/2022 and Outlook
for Q4/2022

Iron and Steel Industry

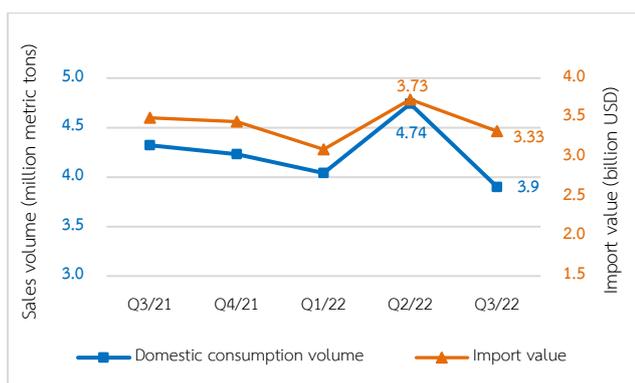
The iron and steel industry's MPI in Q3/2022 contracted compared to last year from the production of flat-formed steel products such as hot-rolled steel sheets, cold-rolled steel, galvanized steel sheets, tin-plated steel, and chromium-plated steel sheets.

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 Q3/2022, the Manufacturing Production Index stood at 83.9 points, a decrease of 12.7% (YoY) from the same quarter last year and a decrease of 13.9% (QoQ) from the previous quarter. Compared to the same quarter last year, the production of flat products decreased by 26.6%. The product with the highest decrease in production was cold-rolled sheets (-39.0%), followed by hot-rolled coils (-28.3%) and galvanized sheets (-19.1%). Production of long products, however, increased slightly by 0.03% from deformed bars (60.3%) and wire rods (3.7%).

Domestic consumption:

In Q3/2022, domestic consumption in Thailand reached 3.9 million metric tons, a decrease of 9.6% YoY and 17.6% QoQ compared to the same quarter of the previous year and the previous quarter, respectively. Consumption of flat products decreased by 18.2%, with tinplated products experiencing the largest decrease at -32.9%, followed by hot-rolled sheets at -21.9%, other coated steel sheets at -17.3%, and cold rolled sheets at 15.4%. However, consumption of long products grew by 10.2%, with rebars and hot-rolled structural steel sections experiencing the largest increase at 14.7%.

Imports

In Q3/2022 were valued at 3.3 billion USD, a decrease of 4.9% YoY and 10.5% QoQ compared to the same quarter last year and the previous quarter, respectively. Imports of flat products decreased by 8.8%. The product with the highest decrease in imports was electro-galvanized sheets (-50.11%), with key sources of imports being Japan, Korea, and China. This was followed by a decrease in tinplates (-43.2%) and other coated steel sheets (-19.6%). However, imports of long products grew by 8.1%, with the product experiencing the highest increase in imports being seamless pipes (115.6%), with China as the key source of imports. This was followed by an increase in hot-rolled carbon steel sheets (49.4%) and stainless-steel wire rods (8.5%).

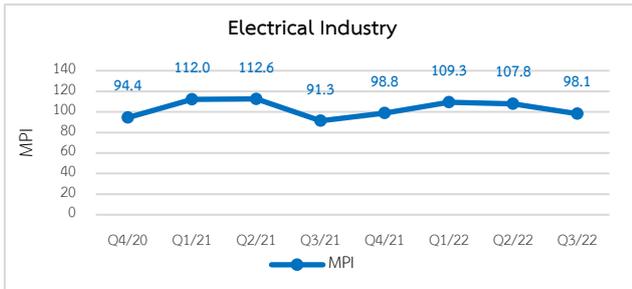
Iron and Steel Industry Outlook for Q4/2022

In Q4/2022, the iron and steel industry is expected to increase slightly in production compared to last year's period. The supporting factor is the continuous expansion of downstream industries, including infrastructure construction and the government's industrial support policies. However, there is a risk of rising energy costs, which may result in rising iron prices in the world market, and may cause the decrease of iron demand.

Electrical Industry

The production of electrical products in Q3/2022 increased by 7.5% from the growth of the domestic economy due to the country's reopening and the economic recovery of trading partner countries. Products that grew were electric transformers, air conditioners, compressors, household fans, electric motors, and cables. Exports increased in the European market, the US, ASEAN, and China.

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

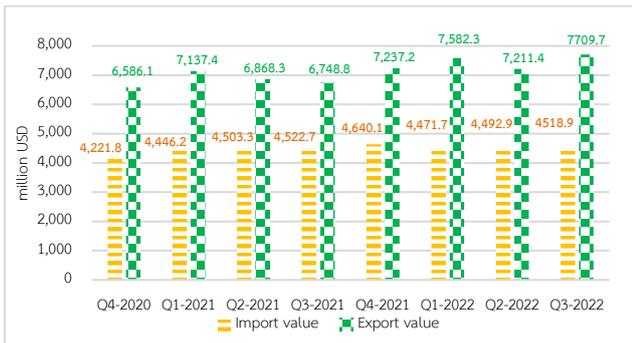
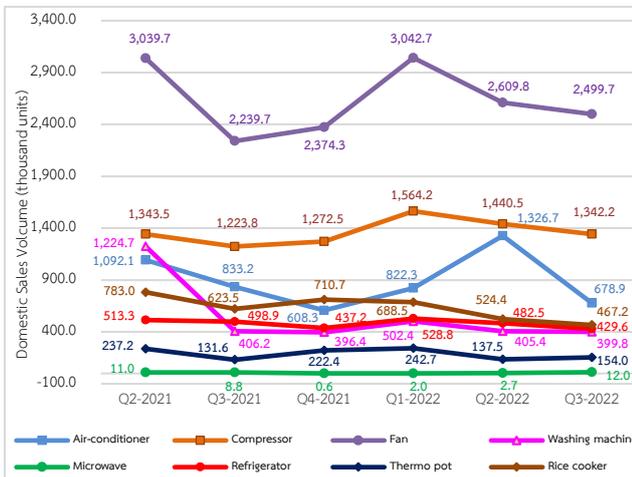


Production of electrical appliances: In Q3/2022, the MPI stood at 98.1 points, a decrease of 8.9% from the previous quarter (%QoQ) but an increase of 7.5% compared to the same quarter last year (%YoY). Products with an increase in production included transformers (62.9%), air conditioners (18.7%), compressors (15.9%), home fans (15.2%), electric motors (11.4%), and cables (2.8%). In contrast, electrical appliances that decreased in production were water boiler and warmer (-24.7%), microwave ovens (-22.3%), electrical cables (18.4%), washing machines (-13.7%), rice cookers (-12.7%), and refrigerators (-9.3%) due to the continuous increase in energy prices.

Domestic sales: In Q3/2022, compared to the same quarter last year, products that increased in sales were electric motors (42.7%), microwave ovens (35.9%), home fans (11.5%), and compressors (9.9%). However, sales of water boilers and warmers, rice cookers, electric cables, refrigerators, and washing machines decreased by 28.7%, 25.1%, 22.8%, 13.8%, and 1.6%, respectively.

Imports of electrical appliances: In Q3/2022, imports were valued at 4,518.9 million USD, an increase of 1.2% from the previous quarter (%QoQ) but a decrease of 0.1% from the same quarter last year (%YoY). Key products that decreased in imports were rice cookers (-32.7%), refrigerators (-25.7%), compressors (-8.9%), home fans (-25.4%), and air conditioners (-11.8%).

Exports of electrical appliances: In Q3/2022, exports reached the value of 7,709.7 million USD, an increase of 6.9% from the previous quarter (%QoQ) and an increase of 14.2% from the same quarter last year (%YoY) from the EU, the US, ASEAN, and China markets which increased by 36.1%, 32.8%, 15.8%, and 9.8%, respectively. Products that increased in exports were air conditioners (38.7%), fans (10.7%), and electric motors (1.4%).



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

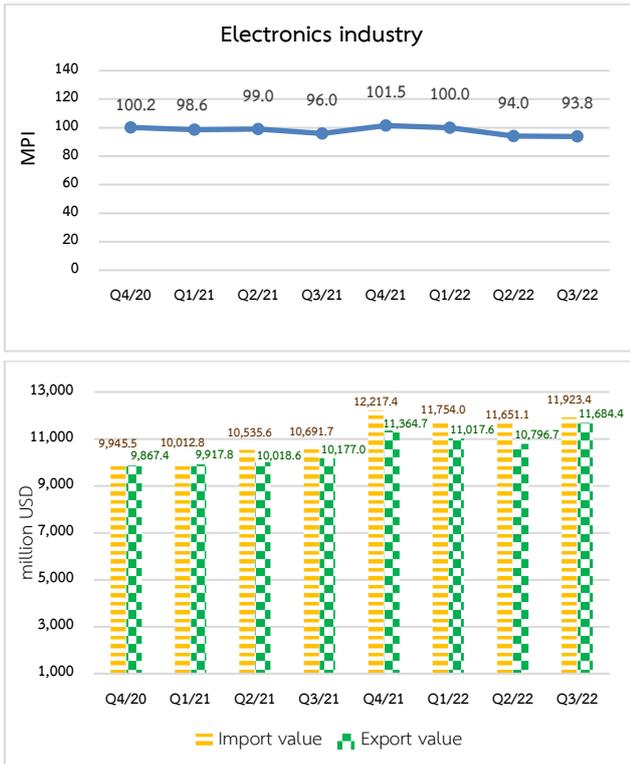
Electrical Appliance Industry Outlook for Q4/2022

The electrical appliances industry in Q4/2022 is expected to grow by about 4.0%, while the value of exports will grow by 5.0%. The growth is due to the COVID-19 situation that has begun to ease in Thailand's main export markets, positively affecting the growth of the electrical appliance industry. However, there are still factors that may negatively affect the electrical appliance industry that must be monitored, such as energy prices that continue to rise and the critical situation of Russia-Ukraine conflict.

Electronics Industry

The electronics production in Q3/2022 decreased by 2.3 percent compared to the previous year due to the shortage of raw materials used in producing semiconductor chips and electronic components, causing an inability to produce enough to meet the demand for electronic products in the world market. The decline in production was in HDDs and printed wiring boards (PWBs). The export value increased in the US and European markets.

MPI, Import and Export Value of Electronics



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

The electronics production in Q3/2022 reached an MPI of 93.8 points, a decrease of 0.2% from the previous quarter (%QoQ) and 2.3% from the same quarter last year (%YoY). Electronic products decreasing in production included HDDs and printed wiring boards (PWB), by 31.4% and 20.4%, respectively.

Electronics Industry Outlook for Q4/2022

"The MPI of the electronics industry in Q4/2022 is expected to contract by about 3.0% as energy prices continue to rise, causing operators to bear the increasing production costs. This is coupled with the shortage of raw materials used in producing semiconductor chips and electronic components, making the industry unable to meet the world market demand for electronic products. Meanwhile, the export value will continue to grow by about 5.0%. Due to the global chip shortage and the relationship between the US, China, and Taiwan may affect the electronics industry's production supply chain, causing insufficient supply to meet global demand, making electronic components more expensive."

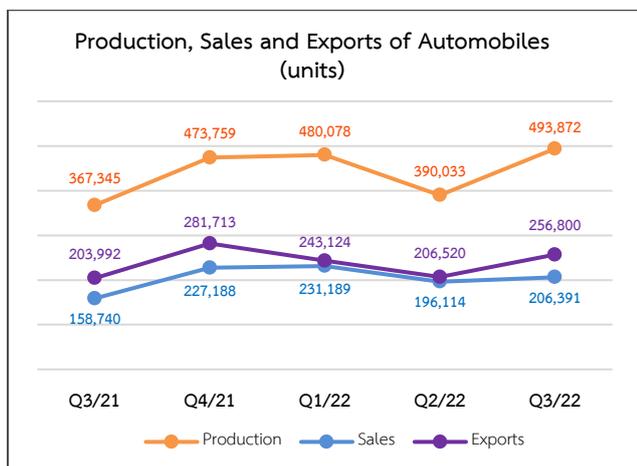
Meanwhile, electronic products with production growth included printed circuit boards (PCBA) (28.8%), integrated circuits (IC) (12.6%), printers (7.9%), and semiconductor device transistors (1.8%). Due to the shortage of raw materials used in producing semiconductor chips and electronic components, production cannot meet the world market demand for electronic products. However, electronic components are still necessary for developing 5G technology systems, data centers, and products for IT infrastructure, resulting in continued demand for electronic products in the global market.

Imports of electrical appliances in Q3/2022 were valued at 11,923.4 million USD, increasing from the previous quarter by 3.2% (QoQ) and increasing from the same quarter last year by 11.5% (%YoY). Key products increasing in import grew were integrated circuits (IC) (31.4%), printed circuits (19.4%); and printers, photocopiers, and components (14.5%).

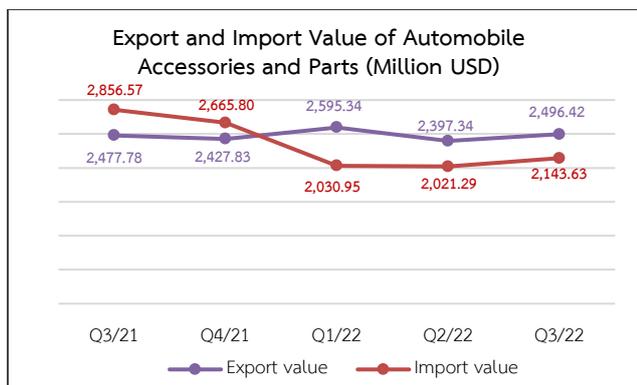
Exports of electrical appliances in Q3/2022 were valued at 11,684.4 million USD, an increase of 8.2% from the previous quarter (%QoQ) and 14.8% (%YoY) from the same quarter last year. Exports to the US and the EU markets increased by 32.5% and 20.7%, respectively. Key products increasing in exports were printers, photocopiers, and components (37.0%) and integrated circuits (IC) (11.5%). In addition, exports of diodes, semiconductor device transistors and components, HDDs, and printed circuit boards (PCBA), decreased by 57.6%, 12.2, and 6.6%, respectively.

Automotive and Part Industry

Automobile production in Q3/2022 grew compared to last year, from an increase in the domestic and export markets from the government's economic stimulus measures. In addition, the agricultural production index improved. The export market grew due to the recovery of trading partner countries. Exports increased in all types of cars, including passenger cars, 1-ton pick-up trucks, and PPV cars.



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

Outlook for Automotive Industry for Q4/2022

According to the Office of Industrial Economics (OIE) forecast, in Q4/2022, over 400,000 units of automobiles will be manufactured. Of those, 50-55% will be for domestic sales, and 45-50% will be for exports.

Automotive Production

In Q3/2022, automotive production increased by 26.62% (QoQ) from Q2/2022 to 493,872 units and increased by 34.44% (%YoY) from the same quarter last year. The production proportion consisted of passenger cars (321%), 1-ton pickup trucks and derivatives (65%), and other commercial vehicles (3%).

Domestic Sales of Automobiles

In Q3/2022, domestic sales increased by 5.24% (QoQ) from Q2/2022 to 206,391 units and increased by 30.02% (%YoY) from the same quarter last year.

Automotive Exports

In Q3/2022, automobile exports increased by 24.35% (QoQ) from Q2/2022 to 256,800 units and increased by 25.89% (%YoY) from the same quarter last year. The export proportion consisted of passenger cars (28%), 1-ton pickup trucks (63%), and PPVs (9%).

Export Value of Automotive Parts and Accessories

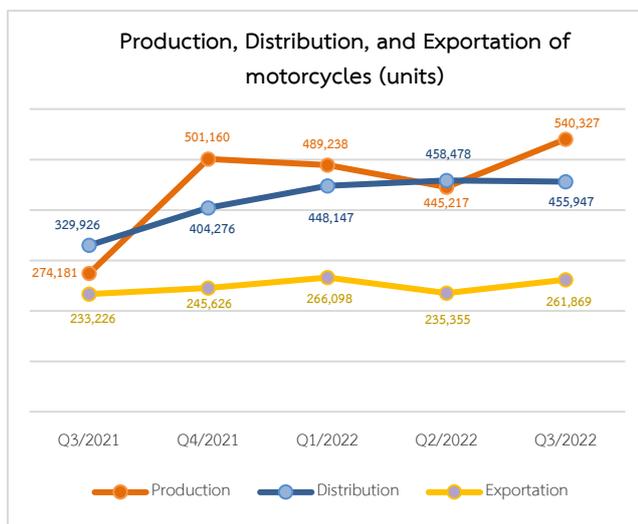
In Q3/2022, exports value increased by 0.75% (QoQ) from Q2/2022 to 2,496.42 million USD and increased by 4.13% (%YoY) from the same quarter last year. Key export markets for automotive parts and accessories were the US, Japan, and Malaysia.

Import Value of Automotive Parts and Accessories

In Q3/2022, imports increased by 6.05% (QoQ) from Q2/2022 to 2,143.63 million USD but decreased by 24.96% (%YoY) from the same quarter last year. Key import markets for automotive parts and accessories were Japan, China, and the US.

Motorcycle and Part Industry

Compared to the same period last year, the production volume of motorcycles in Q3/2022 increased in domestic and export markets. The increase resulted from the government's economic stimulus measures, including the improvement of the agricultural production index and the demand from trading partners that continues to expand.



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

Motorcycle Production

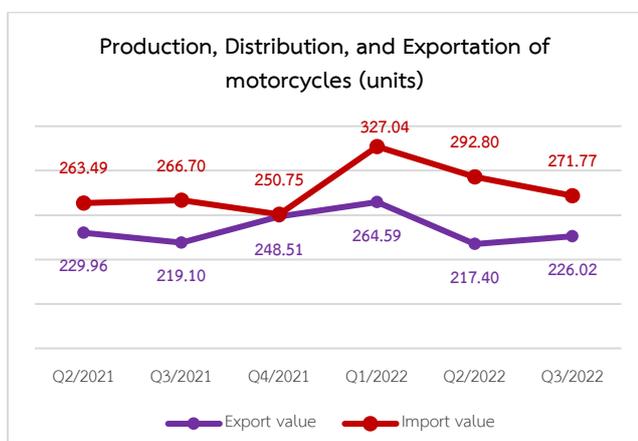
In Q3/2022, production of motorcycles reached 540,327 units, increasing from Q2/2022 by 21.36% (QoQ) and increasing from the same quarter last year by 97.07% (YoY).

Domestic Sales of Motorcycles

In Q3/2022, domestic sales decreased by 0.55% (QoQ) from Q2/2022 to 455,947 units but increased by 38.20% (YoY) from the same quarter last year.

Motorcycle Exports

In Q3/2022, exports reached 261,869 units (exported as CBU 95,677 units and CKD 166,192 sets), an increase of 11.27% (QoQ) from Q2/2022 and an increase of 12.28% (YoY) from the same quarter last year.



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

Export Value of Motorcycle Parts

In Q3/2022, exports value increased from Q2/2022 by 3.12% (QoQ) to 226.02 million USD and increased from the same quarter last year by 3.97% (YoY). Key export markets were Cambodia, Japan, and Brazil.

Import Value of Motorcycles Parts and Accessories

In Q3/2022, imports of motorcycle parts and accessories decreased from Q2/2022 by 7.19% (QoQ) to 271.77 million USD but increased by 6.47% (YoY) from the same quarter last year. Japan, China, and Vietnam were key import markets for motorcycle parts and accessories.

Outlook for Motorcycle Industry for Q4/2022

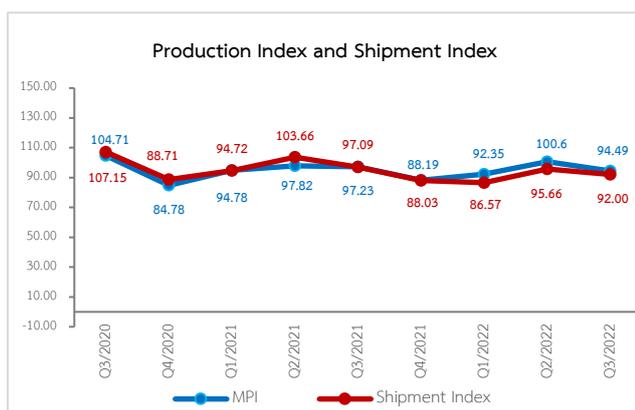
According to the Office of Industrial Economics (OIE) estimates, in Q4/2022, over 500,000 units of motorcycles will be manufactured. Of those, 80-85% will be for domestic sales, and 15-20% will be for exports.

Chemical Industry

In Q3/2023, the MPI in the chemical industry contracted compared to the same quarter last year from rising crude oil prices. Chemical derivatives from oil refining increased raw material costs, and private investment decreased as entrepreneurs delayed production to wait and see production costs.

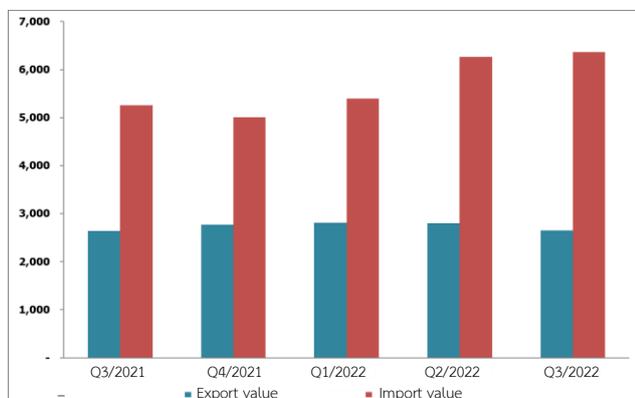
Marketing and sales

MPI and Shipment Index



Source: The Office of Industrial Economics

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

Outlook for Chemical Industry for Q4/2022

In Q4/2022, the chemical industry expects to see an increase in chemical exports due to the global economic recovery. The Thai Baht is likely to depreciate, which is a factor in increasing price competitiveness for Thai products. As a result, related chemicals have a direction to grow.

Manufacturing Production Index: In Q3/2022, the MPI was at 94.49 points, a decrease of 2.83% compared to the same quarter last year (%YoY) and a decreased of 6.08% compared to the previous quarter (QoQ). Products that decreased in MPI were oil paints, chemical fertilizers, and hydrochloric acid, for example.

Shipment index: In Q3/2022, the shipment index decreased by 5.25% from the same quarter last year (%YoY) to 92 points and decreased by 3.83% from the previous quarter (%QoQ). Products that decreased in shipment index were chemical fertilizers, oil paints, and chlorine.

Exports of chemicals: In Q3/2022, exports were valued at 2,655.57 million USD, increasing by 0.54% compared to the same quarter last year (%YoY) and decreasing by 5.06% compared to the previous quarter (%QoQ). Exports expanded in key markets such as China, India, Japan, and Vietnam. Inorganic chemicals, surfactants, and miscellaneous chemicals contributed to an expansion of export value.

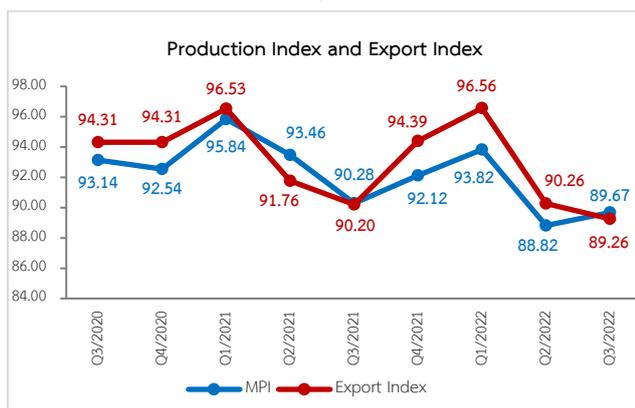
Import of chemicals: In Q3/2022, imports were valued at 6,360.67 million USD, an increase of 20.98% compared to the same quarter last year (%YoY) and an increase of 1.51% from the previous quarter (%QoQ). Key products that contributed to the increase in import value were inorganic chemicals, chemical fertilizers, and cosmetics.

Plastics Industry

In Q3/2022, the plastic industry increased in export volume compared to the same quarter of the previous year. This growth was in line with the demand from major trading partners such as the US, Japan, Vietnam, and Australia. However, the direction of higher crude oil prices affected the production costs of related plastic products, causing the production of some types of plastic to slow down.

Production and Sales

MPI and Shipment Index



Source: The Office of Industrial Economics

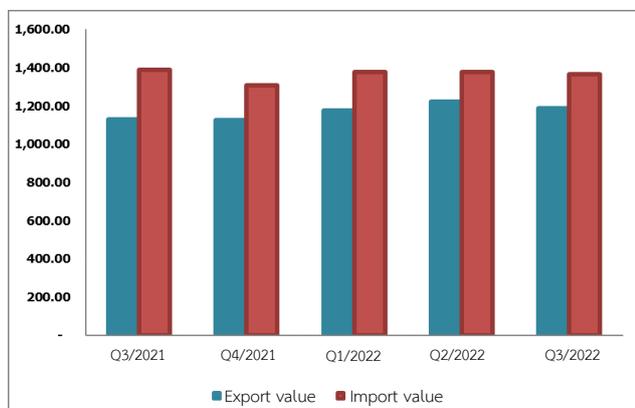
Manufacturing Production Index: In Q3/2022, the MPI stood at 89.67 points, contracting by 0.68% compared to the same quarter of the previous year. However, the MPI increased by 0.95% compared with the last quarter. The production index that saw the most contraction was plastic sacks, other plastic packaging; plastic pipes and fittings, etc.

Shipment Index: In Q3/2022, the shipment index stood at 89.26, decreasing by 1.04% compared to the same quarter of the previous year. The products with a decrease in shipment index include plastic sacks, other plastic packaging, plastic sheets, etc., compared to the previous quarter, contracted by 1.11%.

Export Value: In Q3/2022, exports were valued at 1,185.57 million USD, an increase of 4.90% compared to the same quarter last year but contracted by 2.91% compared with the last quarter. The plastic product with the highest export growth was household articles (HS 3924).

Import Value: In Q3/2022, imports were valued at 1,391.22 million USD, contracting by 1.48% compared to the same quarter of the previous year, but contracting by 0.79% compared with the last quarter. The product group with the highest import contraction was tube or pipe products (HS 3917) contracted by 0.79% compared with the last quarter (%QoQ).

Export and Import Volume (metric tons)



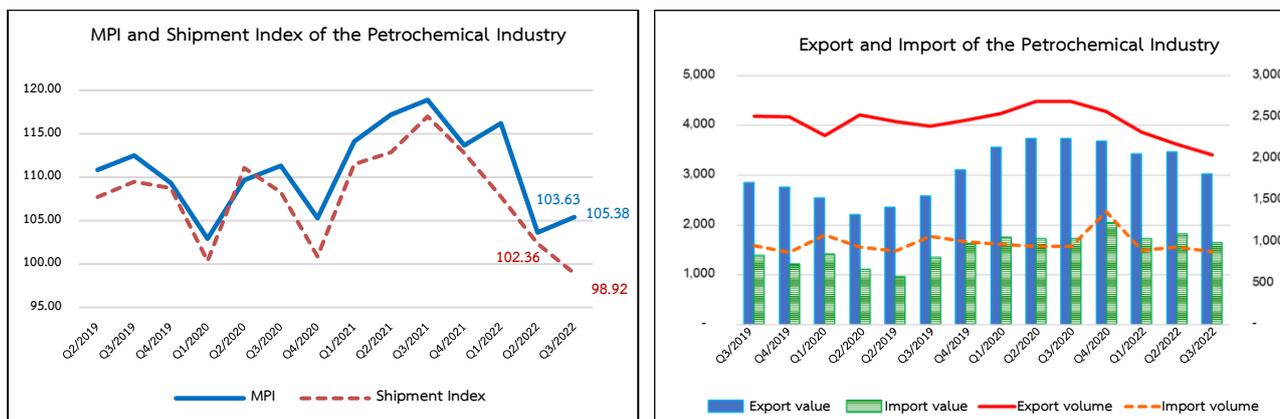
Source: Information and Technology Communication Center, Office of the Permanent Secretary of Commerce in collaboration with Customs Department

Outlook for Plastics Industry for Q4/2022

In Q4/2022, the plastics industry predicts global crude oil prices will likely increase. Crude oil is the base material of plastic pellets. This causes the cost of raw materials used in producing plastic industrial products to have higher costs. As a result, production may start to slow down as demand decreases.

Petrochemical Industry

In Q3/2022, the petrochemical industry decreased in production and shipment compared to the same quarter of the previous year by 10.83% and 13.63%, respectively. This was primarily due to the impact of higher oil prices caused by the protracted Russian-Ukrainian war, which affected global trade and transportation. The appreciation of the USD and global inflation also contributed to the decrease in production and exports in the petrochemical industry this quarter.



The production index in Q3/2022 stood at 105.38 points, a decrease of 10.83% compared to the same quarter of the previous year. The products that contributed to the decline in production index in this quarter were in the upstream petrochemical group, namely Ethylene, and the downstream petrochemical group, namely PP and PE resins.

The shipment index for Q3/2022 stood at 98.92 points, a decrease of 13.63% from the same quarter of the previous year. Products that caused the decrease in the shipment index were upstream petrochemicals, namely Ethylene, and downstream petrochemicals, namely PP and PE resins.

Exports of petrochemicals in Q3/2022 decreased by 19.20% from the same quarter last year to 3,022.81 million USD. Petrochemicals were exported to major countries such as China, Vietnam, and Japan. Products that contributed to the decrease in exports of downstream petrochemicals (-18.88%) and upstream petrochemicals (-20.46%) were PP and PE resins, propylene, and toluene.

Imports of petrochemicals in Q3/2022 were valued at 1,645.91 million USD, a decrease of 4.70% from the same quarter of the previous year. Petrochemicals were imported from major countries such as Japan, China, and the US. Upstream petrochemical products that contributed to the decrease in imports by 14.85% were propylene and ethylene glycol. Additionally, imports of downstream petrochemicals decreased by 2.19% from products such as PS and PET resins.

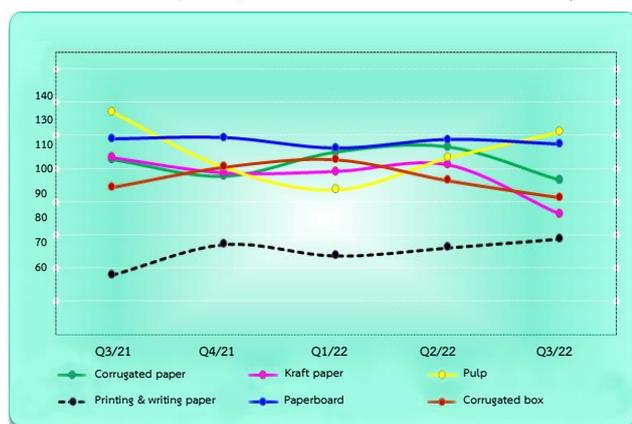
Outlook for Petrochemical Industry for Q4/2022

In Q4/2022, the overall petrochemical industry will likely shrink due to global inflation caused by the prolonged Russia-Ukraine conflict, which has led to higher energy prices and costs of cereals and food. This will slow down the economic recovery in many countries. However, it is important to closely monitor the announcement of the US Federal Reserve's interest rate, as it will have an impact on international capital movements.

Pulp, Paper, and Print Media Industry

In Q3/2022, the total industrial production index of the pulp, paper, and printing industry decreased by 3.12% compared to the previous quarter (%QoQ) and decreased by 4.46% compared to the same period last year (%YoY). Despite the decrease in production, overall exports increased by 11.49% (QoQ) and 0.78% (YoY), while overall imports increased by 6.37% (QoQ) and 7.06% (YoY).

MPI in Pulp, Paper and Print Media Industry



Source: The Office of Industrial Economics

Export-Import of Pulp, Paper and Print Media



Source: Information and Technology Communication Center, Ministry of Commerce

Outlook for Q4/2022

In Q4/2022, paper products used to produce packaging boxes, such as cardboard and craft paper, are expected to increase in line with domestic consumption. This is due to the growing demand for online shopping, leading to an increase in the use of paper packaging. Additionally, pulp exports are expected to see positive growth once China, the main market for Thai pulp exports, eases lockdowns related to the COVID-19 pandemic.

Production

In Q3/2022, the production of paper and paper products decreased by 3.12% from the last quarter (%QoQ) and 4.46% from last year (%YoY). The contraction was across all product groups except for the printing and writing paper group, where production grew domestically and in exports. Pulp continued to increase by 6.90% from last quarter (%QoQ) after contracting since Q3/2021. It is expected to grow until the end of 2022, with most orders from China.

Exports

Exports of pulp and paper products in Q3/2022 were valued at 654.13 million USD, an increase of 11.49% compared to last quarter (%QoQ), which increased for the whole pulp group. Paper and paper products, books, and print media increased by 46.67%, 1.93%, and 2.00%, respectively. Compared to last year (%YoY), the export value increased slightly by 0.78%, from paper and paper products by 8.88%, and books and publications by 9.52%. Pulp decreased by 15.34%, with more than 90.00% being exported to China, which faces COVID-19 outbreaks. As a result, exports to China continued to shrink.

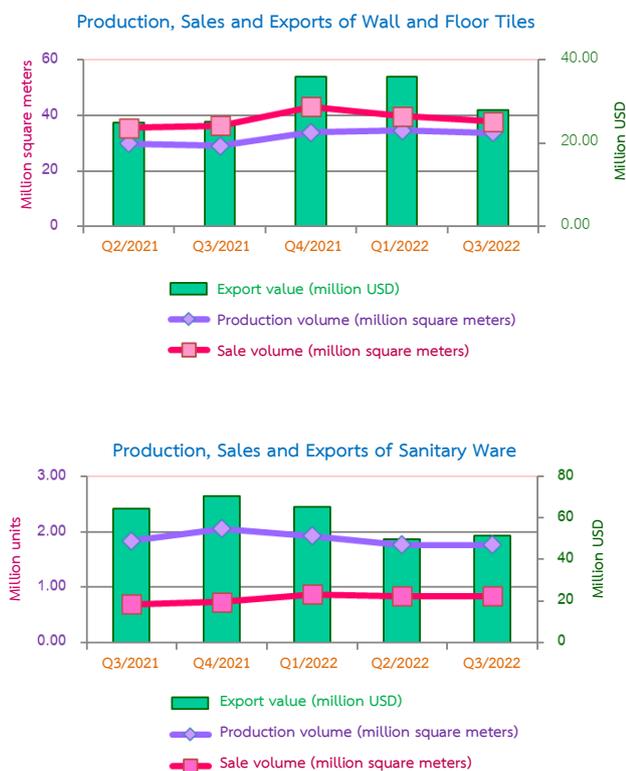
Imports

In Q3/2022, imports of pulp and paper products totaled 952.04 million USD, increasing by 6.37% (QoQ) and 7.06% (YoY) due to domestic production decrease considerably; some parts still need to be imported, especially pulp, recyclable paper, or paperboard, and paper products such as paper packaging, newsprint paper, writing paper, and Kraft paper, etc.

Ceramic Industry

The production and domestic sales of tiles, floor tiles, wall tiles, and sanitaryware in Q3/2022 increased from domestic consumer demand after the COVID-19 situation subsided. Exports increased from the demand of trading partners.

Production, Sales, and Export of Ceramics



Source: 1. Domestic Production and Sales: Division of Industrial Economics Information and Indices, Office of Industrial Economics

Note: From the survey of 15 wall and tiling factories and 38 sanitary ware factories

2. Export Value: Information and Technology Communication Center, Office of the Permanent Secretary of Commerce

Production: In Q3/2022, floor and wall tiles reached a production volume of 33.70 million square meters, a decrease of 2.54% from Q2/2022 (%QoQ) but an increase of 13.12% from the same quarter of the previous year (%YoY), from increasing domestic consumer demand after the COVID-19 situation eased. Sanitary ware reached a production volume of 1.76 million pieces, an increase of 0.12% from Q2/2022 but a decrease of 4.23% from the same quarter of the previous year.

Sales: In Q3/2022, floor and wall tiles reached a sales volume of 37.75 million square meters, a decrease from Q2/2022 by 4.89% QoQ but an increase from the same quarter of the previous year by 6.30% YoY. The sanitary ware sales reached 0.84 million pieces, an increase from Q2/2022 by 0.48% and 21.35% from the same quarter of the previous year, from measures to stimulate the market and acceleration on delivery of real estate by developers.

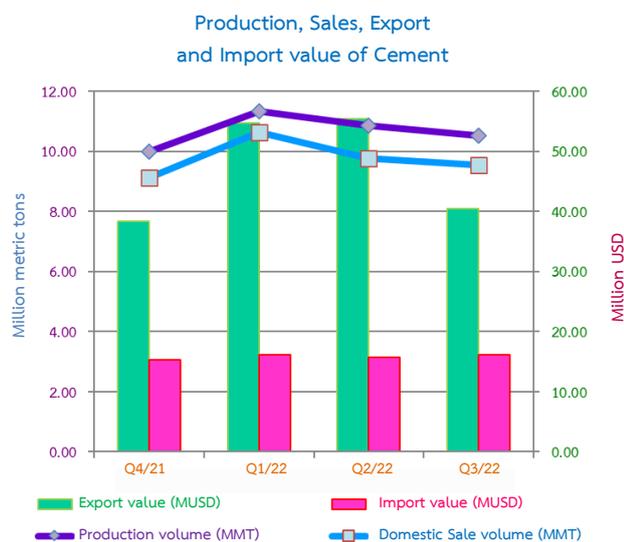
Exports: In Q3/2022, exports of floor and wall tiles were valued at 27.90 million USD, a decrease of 22.37% from Q2/2022 but an increase of 11.97% from the same quarter of the previous year due to increased orders from the US, China, Japan, and ASEAN countries such as Cambodia, Myanmar, Laos, and Vietnam. Exports of sanitary ware were valued at 51.38 million USD, an increase of 3.26% from Q1 2022 but a decrease of 20.26% from the same quarter last year.

Ceramic Industry Outlook for Q4/2022

Production and domestic sales of ceramics in Q4/2022 are expected to expand due to the demand of domestic consumers and major trading partners such as the US, China, Japan, and ASEAN countries. Exports are also expected to grow as demand increases after the COVID-19 pandemic subsides. However, important factors must be monitored closely, namely inflation, energy prices, oil prices, and the Thai Baht exchange rate. The rising cost of living and production costs may affect the product's price and purchasing power of consumers.

Cement Industry

The cement industry in Q3/2022, compared to the same quarter last year, increased in production and sales, mainly driven by public utility construction projects. Exports declined as a result of the global economic slowdown. Imports increased.



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 Q3/2022 amounted to 10.52 million metric tons, a decrease of 3.16% from Q2/2022, but an increase of 5.38% from the same quarter last year.

Domestic sales of cement (excluding clinker) in Q3/2022 reached 9.53 million tons, a decrease of 2.50% from Q2/2022 but an increase of 4.45% from the same quarter of the previous year. The growth in domestic sales can be attributed to the country's reopening policy, which has led to improved economic activity.

cement exports and imports (excluding clinker) in Q3/2022 were valued at 40.46 million USD, a decrease of 27.03% compared to Q2/2022 and a decrease of 17.24% compared to the same quarter last year. The main export markets were Cambodia, Vietnam, and Laos, which contracted by 5.79%, 5.39%, and 3.44%, respectively. This contraction was due to the economic effects of the Russia-Ukraine conflict on export markets. Cement imports (excluding clinker) were valued at 16.19 million USD, an increase of 3.32% from Q2/2022 and by 17.10% from the same quarter last year. Imports increased from China, Laos, and the Netherlands by 153.04%, 16.03%, and 15.29%, respectively.

Cement Industry Outlook for Q4/2022

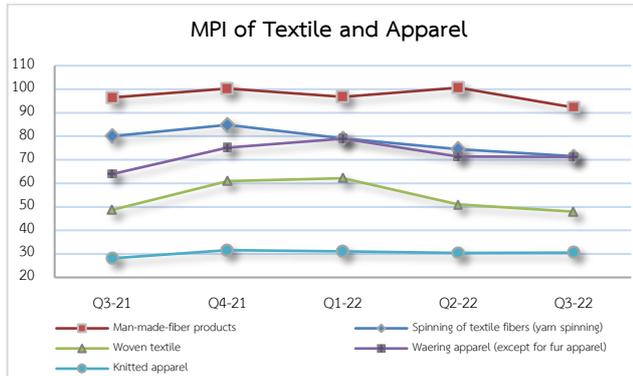
Production and sales volumes for the cement industry (excluding clinker) in Q4/2022 are expected to grow compared to the same quarter of the previous year, from the driving force of government construction projects and the private sector's measures to promote the market to make sales at the end of the year. However, the Bank of Thailand's policy interest rate hike following the gradual increase in interest rates by the US Federal Reserve (Fed) is still a negative factor affecting people's housing purchase decisions.

Government Policies Related to the Cement Industry

The Monetary Policy Committee (MPC) unanimously resolved on September 28, 2022, to raise the policy rate by 0.25% per year from 0.75% to 1.00% per year, effective immediately. Increasing interest rates resulted in higher costs for real estate developers, which affected selling prices and affected people's housing purchasing power.

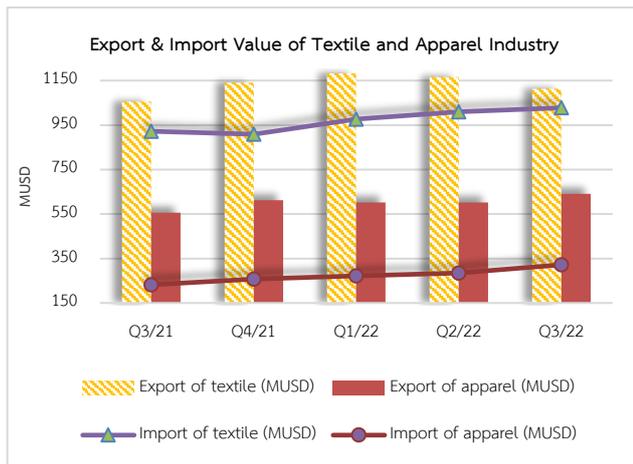
Textile and Wearing Apparel Industry

In Q3/2022, the MPI of textile fibers and clothing grew compared to last year from important export markets that continued to grow in Asia and the EU. Additional supporting factors were the relaxation of control measures and the policy to open up the country fully. Meanwhile, the MPI for fabric production decreased compared to the previous quarter due to rising production costs from fluctuations in energy and raw material prices, including the depreciation of the Thai Baht.



Production

The MPI of textile fibers grew by 6.11% (%YoY) from spinning man-made fibers. Clothing and apparel grew by 11.30% (%YoY) from ready-made children's clothing exports in Asia and the EU. Meanwhile, the MPI of fabric decreased by 1.60% (%YoY) from the woven fabric group (cotton). Compared to Q2/2022 (%QoQ), the MPI of textile fibers grew by 0.31% in spinning man-made fibers from a low base in the previous year. Fabrics and clothing decreased by 6.08% and 0.33% due to rising production costs from fluctuations in energy and raw material prices, including the depreciation of the Thai Baht.



Domestic Sales

Textile fibers and clothing grew by 9.29% and 18.14% (YoY) due to the country's opening-up policy after the relaxation of COVID-19 measures. As a result, the number of domestic and international tourists has increased. Additionally, government support measures supported the domestic economy. Compared to Q2/2022 (%QoQ), textile fibers and clothing grew by 4.95% and 15.94% from the relaxation of restrictions for inbound foreign tourists to stimulate Thai tourism. Fabrics decreased by 6.69%.

Exports-Import

Exports: Overall, textile and wearing apparel exports grew throughout the supply chain, reaching 1,754.19 million USD, an increase of 8.85% (YoY). Breaking it down by product sectors, the textile sector was valued at 1,113.44 million USD, an increase of 5.49%. The apparel sector was valued at 640.75 million USD, an increase of 15.25% due to the continued recovery of major trading partners. This led to increased demand for textiles and garments in key markets such as Japan, China, and India. It was found that exports of ready-made garments continued to grow compared to Q2/2022.

Imports: Overall, textile and wearing apparel imports grew throughout the supply chain, reaching 1,499.09 million USD, an increase of 19.20% (YoY) due to the increasing demand and domestic consumption, specifically in the import of yarns and fibers, fabrics, and garments to be used in the production of export products.

Outlook for Q4/2022

The textile and garment manufacturing industry are expected to expand slightly from the recovery of the tourism sector and the continual growth in exports, particularly from major trading partners such as the US, Japan, China, and the EU. This is driven by an increase in orders to prepare products for the end-of-year festivals. However, there is a risk factor from the fragile purchasing power of consumers due to the high cost of living. Additionally, volatility in raw material and energy prices increases production costs, and inflation may affect the competitiveness of entrepreneurs in the industry.

Wood and Wooden Furniture Industry

In Q3/2022, wooden furniture production compared to the same quarter of the previous year decreased, due to decreasing orders from abroad. The export value of wood and wooden board products also decreased, reflecting lower demand from major trading partners.

Domestic Production and Sales of Wooden Furniture (million pieces)



Source: The Office of Industrial Economics

Production of wooden furniture in Q3/2022 reached 1.98 million pieces, a growth of 17.86% from the last quarter but a 22.96% decrease from the same quarter of the previous year. This was a result of lower foreign orders.

Domestic sales of wooden furniture in Q3/2022 reached 0.31 million pieces, a growth of 10.71% and 6.90% from the previous quarter and the same quarter of the previous year, respectively, as people began to return to their normal lives. As a result, the domestic economy and consumer purchasing power began to recover.

Export Value of Wood and Wooden Products (million USD)



Source: Ministry of Commerce

Exports value of wood and wooden products in Q3/2022 were valued at 1,016.39 million USD, down 6.11% and 6.99% from the previous quarter and the same quarter of the previous year, respectively. Furniture and parts, wood products, and wood and wood panel products were valued at 298.76 million USD, 41.81 million USD, and 675.82 million USD, respectively. The export value of furniture and parts decreased by 2.10%, wooden products by 1.09%, and wood and wood board products by 9.33%. There was a decline in all product groups from the decline in demand from major trading partners and the high base of exports last year.

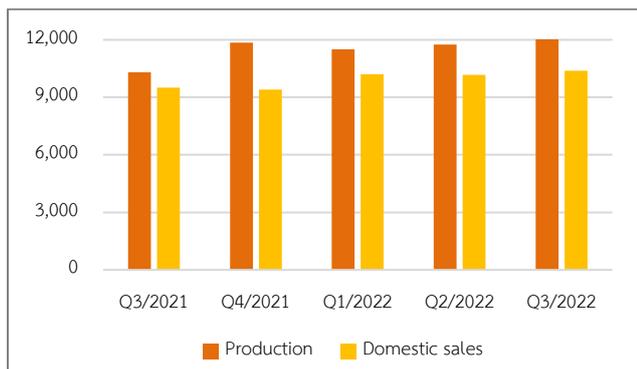
Wood and Wooden Furniture Industry Outlook for Q4/2022

It is expected that the production of wooden furniture will resume expanding in the fourth quarter of 2022, primarily to meet the needs of the domestic market. The sales volume of wooden furniture in the country is expected to grow due to the recovery of purchasing power and the domestic economy. However, the export value of timber and wood products is likely to decrease due to a slowdown in demand from trading partners and the high base of export figures from the previous year.

Pharmaceutical Industry

In Q3/2022, production and domestic sales of medicinal drugs increased compared to the same quarter of the previous year. This was due to growth in orders and demand, particularly among the elderly and the increasing number of patients with non-communicable diseases (NCDs). Meanwhile, the export sector saw good growth in Vietnam, Cambodia, and Malaysia.

Domestic Production and Sales (metric tons)



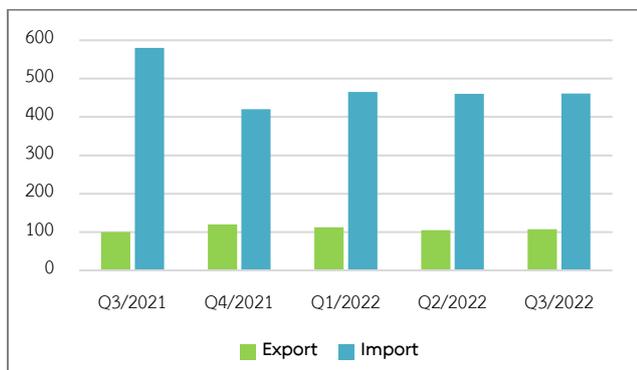
Source: The Office of Industrial Economics

Note: The survey data framework has been updated from 2021

Pharmaceutical production in Q3/2022 amounted to 12,180.45 metric tons, an increase of 19.25% compared to the same quarter of the previous year. This increase was due to the expansion of production of all types of drugs, including powder, tablet, capsule, cream, liquid, and injection. The volume increased by 119.57%, 38.45%, 17.69%, 7.09%, 3.00%, and 0.47%, respectively, following orders from pharmacies and hospitals.

Pharmaceutical sales in Q3/2022 amounted to 10,386.12 metric tons, an increase of 8.79% compared to the same quarter of the previous year from the expansion of the distribution of pills, capsules, creams, and liquids, which increased by 18.18%, 11.97%, 8.26% and 5.18%, respectively. The increase was in line with the need for medication to treat the disease, especially among the elderly and the increasing number of patients with non-communicable diseases (NCDs).

Pharmaceutical Import-Export Value (Million USD)



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

Exports of pharmaceuticals in Q3/2022 were valued at 108.89 million USD, an increase of 6.72% compared to the same quarter of the previous year from the increasing demand of markets in neighboring countries such as Cambodia, Vietnam, and Malaysia. Import of medicines was valued at 461.06 million USD, down 20.04% from the same quarter last year.

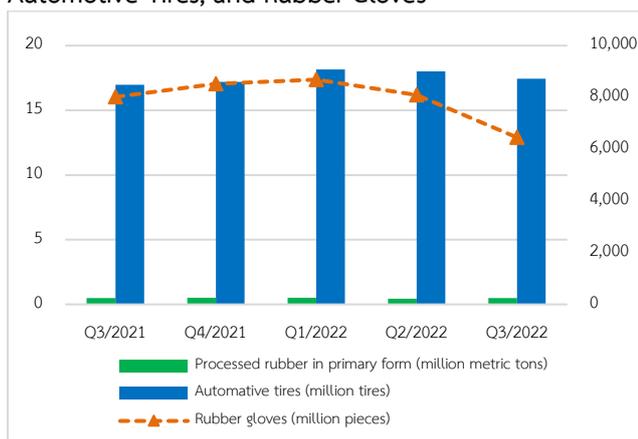
Pharmaceutical Industry Outlook for Q4/2022

In Q4/2022, the production and domestic sales of pharmaceuticals are expected to increase compared to the same quarter of the previous year, following the increased demand for medicines to treat diseases. However, exports are expected to slow down due to the economic situation in the main markets, particularly in ASEAN markets such as Laos and Myanmar.

Rubber and Rubber Product Industry

In Q3/2022, the production of upstream processed rubber decreased mainly from a decrease in domestic orders. The production of tires increased due to the high demand from domestic and foreign markets. The production of rubber gloves decreased due to the slowdown in demand for rubber gloves.

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



Source: The Office of Industrial Economics

Production of processed rubber in primary forms, automotive tires, and rubber gloves in Q3/2022 reached 0.49 million tons, 17.44 million tires, and 6,449.39 million units, respectively. Compared to the same quarter of the previous year, the production of upstream processed rubber decreased by 2.00% due to the decrease in the production of rubber sheets and concentrated latex. The production of tires increased by 2.71% from the production of passenger car tires, pick-up truck tires, truck and bus tires, and tractor tires. The production of rubber gloves decreased by 19.53% due to the decrease in demand for rubber gloves both domestically and internationally.

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



Source: Ministry of Commerce

Sales of processed rubber in primary forms, automotive tires, and rubber gloves in Q3/2022 reached 0.11 million tons, 11.08 million tires, and 588.76 million units, respectively. Compared to the same quarter of the previous year, sales of upstream processed rubber decreased by 8.33% due to lower demand for use in downstream industries. Sales of tires increased by 4.31%, in line with the expansion of the domestic automotive industry, and sales of rubber gloves decreased by 24.64% due to the decreased demand.

Exports of processed rubber in primary forms, automotive tires, and rubber gloves in Q3/2022 were valued at 1,344.22, 1,837.00, and 427.11 million USD, respectively. Compared to the same quarter of the previous year, exports of processed rubber in primary forms and automotive tires increased by 0.18 and 3.43%, respectively, due to the good growth of major export markets. Meanwhile, the export of rubber gloves decreased by 46.65% from the decreasing price of rubber gloves in the past period.

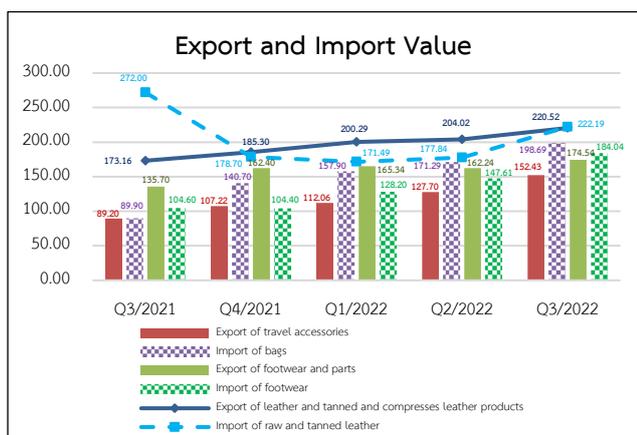
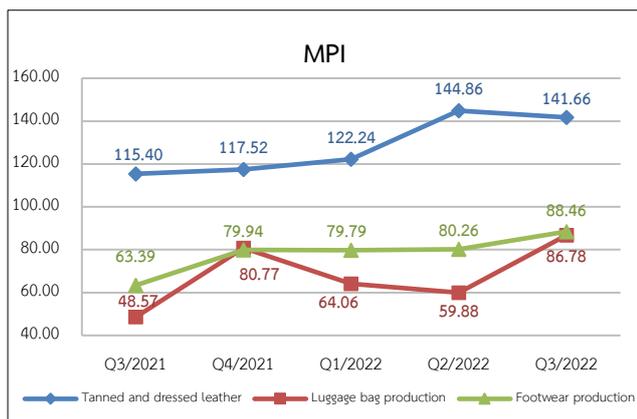
Rubber and Rubber Products Industry Outlook for Q4/2022

In Q4/2022, the production of upstream processed rubber is expected to return to growth from production to meet the needs of downstream industries. The production of tires is expected to grow to meet the needs of both domestic and international markets. The production of rubber gloves is expected to slow down from the downward trend of domestic and foreign demand for rubber gloves.

Footwear and Leather Product Industry

In Q3/2022, compared to the same quarter of the previous year, the production of tanning and finishing tanned leather and shoe production increased in line with growing demand for export and domestic distribution as more countries relaxed COVID-19 measures and opened to tourism to stimulate spending and bring the economy back to normal. However, it is important to monitor the situation of the Russia-Ukraine war, as a prolonged conflict could affect the global economy.

Production, Exports, and Imports (MUSD)



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

Production

In Q3/2022, the manufacturing production index (MPI) of tanning and finishing tanned leather increased by 22.76% compared to the same quarter last year. Footwear and luggage production increased by 39.54 and 78.68% due to growing domestic sales and exports.

Exports-Imports

In Q3/2022, the export value of all products increased compared to the same quarter of the previous year. Specifically, the export of leather and tanned leather products, composite leather, travel accessories, and shoes and parts increased by 18.96%, 32.92%, and 12.77%, respectively. The export value of leather and tanned and compressed leather products was 220.52 million USD. The key export markets included Vietnam, China, the US, Indonesia, and India, as many countries relaxed COVID-19 measures, and the country's reopening resulted in more consumer spending.

In Q3/ 2022, compared to the same quarter of the previous year, raw and tanned leather imports decreased in value by 18.31%. Imports of shoes increased by 75.94% and bags increased by 121.01%. These bags were imported from Italy, China, France, Spain, and Vietnam. The growth in imports resulted from economic stimulus measures increasing purchasing power and the country reopening, resulting in more tourists entering the country.

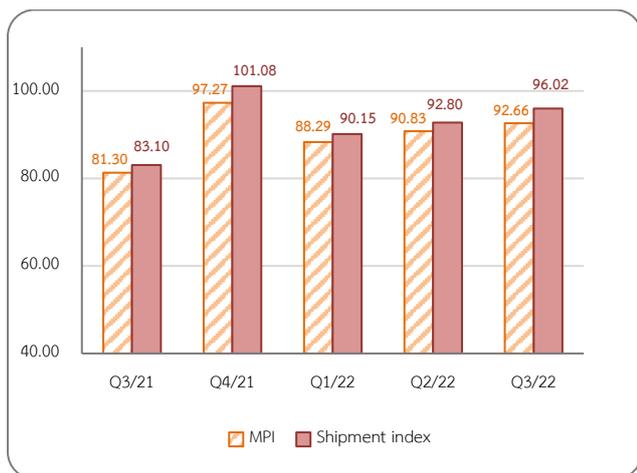
Outlook for Footwear and Leather Production Industry for Q4/2022

Compared to the previous year, leather and footwear production in Q4/2022 expects an upward trend across all products, from exports and domestic sales growth from the previous year. Compared to the previous quarter, footwear and luggage production is forecasted to increase as many countries reopen to normal conditions. But the protracted and tense situation in the Russian-Ukrainian conflict has had an impact. In particular, energy prices have continued to rise. As a result, consumer goods prices have increased, and inflation has affected people's purchasing power and global trade.

Gems and Jewelry Industry

In Q3/2022, compared to the same quarter of the previous year, the overall production and sales of gems and jewelry increased from production for exports and domestic consumption (excluding gold) after the relaxation of COVID-19 measures in many countries around the world, coupled with government economic stimulus measures. However, geopolitical conflicts, raw material and energy price volatility, inflation, and the acceleration in interest rates must be monitored. These factors will affect the manufacturing sector and the overall economic situation globally.

Production, Sales, and Exports



Production

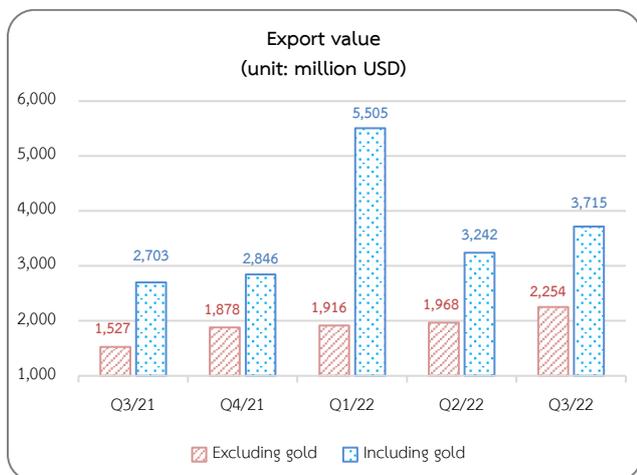
In Q3/2022, overall gem and jewelry production increased by 13.98% compared to the same quarter of the previous year. This was due to an increase in the production of genuine and imitation jewelry, which grew by 13.96% and 20.47%, respectively, due to expanding exports and increased domestic consumption. However, diamond production declined by 14.75%.

Sales

Sales of gems and jewellery in Q3/2022, compared to the previous year (YoY), increased by 15.55% from genuine jewellery and imitation jewellery which grew by 16.05% and 15.93% due to the improving domestic economy after the relaxation of COVID-19 measures. This supported the recovery of tourism to return to normal. The growth was also supported by government economic stimulus measures encouraging more product demand. Diamonds decreased by 5.94%.

Exports

In Q3/2022, gems and jewelry (excluding gold) increased by 47.61% compared to the previous year, with an export value of 2,253.53 million USD. This was driven by strong growth in the export value of diamonds, gemstones, genuine jewelry, and artificial jewelry, which increased by 72.05%, 101.81%, 37.62%, and 15.76%, respectively. Overall, gem and jewelry exports were valued at 3,715.39 million USD, an increase of 37.46%. The value of unwrought gold exports also increased, reaching 1,461.85 million USD, an increase of 24.28%. The key markets for these exports were Cambodia, Laos, Malaysia, and South Korea.



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

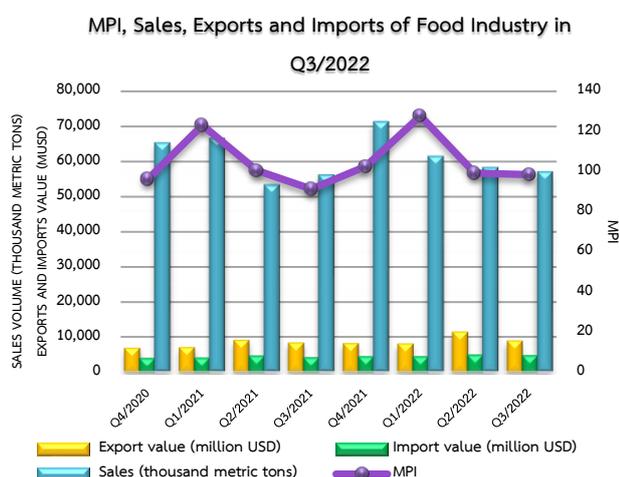
Gems and Jewelry Industry Outlook for Q4/2022

Overall, the gem and jewelry industry are expected to have a positive direction in Q4/2022. This is partly due to the recovery of the domestic economy, particularly in the tourism sector, with government support measures. Additionally, exports are expected to expand in line with continued demand from trading partner countries and the depreciation of the local currency. However, it is important to keep an eye on potential geopolitical conflicts, lockdowns in China, fluctuations in raw material and energy prices, and the acceleration of interest rates, which could have an impact on the manufacturing sector and the global economy.

Food Industry

The MPI of the food industry in Q3/2022 increased compared to the same period last year due to the expanding demand from the tourism sector and government policies to stimulate the economy. The MPI of food products grew, such as sugar, seasoned chicken meat, palm oil, ready-to-eat pet food, frozen fish and canned tuna, and non-alcoholic beverages, including energy drinks and fruit juices. The export value increased for sugar, chilled and frozen chicken, and canned seafood.

MPI, Sales, Exports, and Imports of industrial products



Source: The MPI and Sales volume collected from the Office of Industrial Economics.
Export-import value compiled from the Ministry of Commerce by the grouping of the Office of Industrial Economics

The MPI of the food industry in Q3/2022 reached 97.6 points, an increase of 7.8% compared to the same quarter last year (YoY). Food products that saw growth included (1) **sugar**, which grew by 45.5%, mainly from white sugar, refined white sugar, and molasses. This was because sugar factories could resume normal production from the previous year affected by COVID-19; the base last year, therefore, was low; (2) **livestock** also grew of 19.5%, driven by key products such as seasoned cooked chicken, due to increasing demand from both domestic and international markets as the economy recovered; (3) **palm oil** also grew by 16.7%, mainly from crude palm oil as production increased and crude palm fruit had a high selling price; (4) **prepared animal feed** production grew by 10.0%, driven by pet food as the popularity of raising pets continued to grow worldwide, resulting in the pet food market to grow steadily. The major markets were the US and Japan; (5) **fisheries** grew by 6.5%, mainly from frozen fish and canned tuna, due to increasing consumption in both domestic and international markets; (6) **non-alcoholic beverages** grew by 9.8% from key products such as energy drinks, and fruit juice drinks, due to increasing consumer demand domestically and internationally.

In Q3/2022, domestic food sales amounted to 57,016.02 thousand metric tons, an increase of 1.4% compared to the same quarter of the previous year. The products that saw the most consumption domestically include seasoned cooked chicken, which increased by 43.5%, followed by molasses (30.8%), canned tuna (25.2%), and crude palm oil (13.3%).

In Q3/2022, food exports were valued at 8,977.7 million USD, a growth of 6.4% compared to the same quarter of the previous year. This growth was driven by key products such as sugar, with the main export markets being Indonesia, the Philippines, and Cambodia, followed by livestock exports, mainly chilled and frozen chicken, increased with the main markets being China and Japan; and canned seafood also increased, with the major markets being the US and Japan.

In Q3/2022, food imports were valued at 4,763.5 million USD, a growth of 13.1% compared to the same quarter of the previous year. This growth was driven by the import of tuna to support the expanding demand of the canned tuna industry; flour products to support downstream industries; especially instant noodles; and oilseeds to support the refined soybean oil industry.

Food Industry Outlook for Q4/2022

It is expected that the MPI of the overall food industry will grow compared to the same quarter of the previous year due to an increase in tourists as the country reopens. This will result in a continued increase in demand for food products. However, the Thai Baht depreciation may affect the food industry's production costs, as it relies on imported raw materials such as tuna and wheat flour, which may result in higher product prices.

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