

News Release

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S&P Global Thailand Manufacturing PMI[®]

Marginal expansion of manufacturing sector in November

Key findings

PMI registers just above 50.0 no-change mark at 50.2

Slight increases in output and jobs, but new orders broadly flat

Purchasing and backlogs fall as outlook softens

Thailand's manufacturing sector experienced a slight improvement in business conditions in November, according to the latest PMI[®] data from S&P Global. Output and employment both rose for the seventh month running, although growth was mainly supported by the completion of existing orders as the volume of incoming new business was broadly unchanged since October. Manufacturers aimed to minimise inventories during the month, with stocks of both inputs and finished goods declining further. Purchasing activity fell, although suppliers' delivery times lengthened amid reports of shipping delays. Inflationary pressures were subdued as average input prices rose only marginally, while output prices remained unchanged.

The headline S&P Global Thailand Manufacturing Purchasing Managers' Index[™] (PMI) is a composite single-figure indicator of manufacturing performance. It is derived from indicators for new orders, output, employment, suppliers' delivery times and stocks of purchases.

The PMI edged up from 50.0 in October to 50.2 in November, signalling a marginal overall improvement in manufacturing sector performance. The PMI had positive contributions from output, employment and suppliers' delivery times. These were partly offset by a negative impact from stocks of purchases, while new orders was broadly neutral.

The volume of new orders was broadly unchanged in November, following a fractional decline in October. This limited growth in output which, although maintained for the seventh month running, was only marginal and the weakest over this period.

The level of incomplete work at Thai manufacturers decreased for the first time in seven months in November, following the longest sequence of backlog growth since the survey began in December 2015. The rate of decline was weaker than during the previous sequence of backlog depletion that ran from July 2023 to April 2024, however.

S&P Global Thailand Manufacturing PMI

sa, >50 = improvement since previous month



Source: S&P Global PMI.

Data were collected 11-21 November 2024.

Comment

Trevor Balchin, Economics Director at S&P Global Market Intelligence, said:

"The November data represented a slight improvement in the performance of the manufacturing sector, with a halt to the downturn in new orders initiated the previous month. Output and employment both expanded for the seventh month running, while firms were able to reduce their purchases of new inputs during the month.

"But there were some concerning developments. New order volumes were merely stable as opposed to registering any meaningful growth, with higher production largely achieved through work on backlogs. Furthermore, the increases in output and employment were the weakest and joint-weakest in their respective sequences. Correspondingly, the 12-month outlook for production moderated to a six-month low."

PMI[®]

by S&P Global

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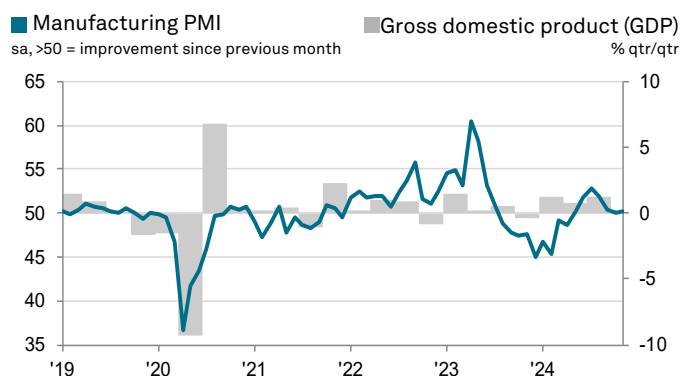
Goods producers continued to reduce their stocks of finished goods, which declined for the ninth month running.

Thai manufacturers increased employment for a survey-record seventh month running in November, to support higher output and efforts to cut backlogs. That said, the rate of job creation slowed to the joint-weakest (with July) over this period.

With new orders failing to increase in November, goods producers in Thailand continued to restrain their purchasing activity. Having been unchanged in September and October, the volume of inputs ordered fell during the latest period. Companies continued to pursue lean inventory strategies, with the level of input stocks falling for the fourteenth successive month, the longest period of destocking in the survey history. Despite falling demand for inputs, suppliers' delivery times lengthened for the first time in four months amid reports of shipping delays.

Cost pressures picked up slightly in November, with average input prices rising for the first time in five months. That said, the rate of inflation was only fractional. Manufacturers' output prices remained broadly unchanged.

Thai manufacturers expected output to rise over the next 12 months. Positive forecasts were linked to rising customer numbers and the development of new products and markets. The degree of sentiment eased since October to a six-month low, but remained stronger than the pre-pandemic trend.



Sources: S&P Global PMI, NESDB via S&P Global Market Intelligence.

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Survey methodology

The S&P Global Thailand Manufacturing PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 400 manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in December 2015.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact economics@spglobal.com.

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