



Office of the National Economic and Social Development Council



Macroeconomic Strategy and Planning Division



Q4/2025 NESDC ECONOMIC REPORT

Thai Economic Performance in Q4
and Outlook for 2026

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www.nesdc.go.th

Thai Economic Performance in Q4 of 2025 and Outlook for 2026



The Thai economy in the fourth quarter of 2025 expanded by 2.5 percent (%YoY), accelerating from 1.2 percent in the previous quarter. After seasonal adjusted, the Thai economy expanded by 1.9 percent from the third quarter of 2025 (%QoQ sa). **In 2025**, the Thai economy expanded by 2.4 percent, compared with a 2.9-percent growth in 2024.



On expenditure side: Private consumption accelerated, while total investment expanded favorably and government consumption returned to growth. Nonetheless, exports of goods decelerated, and exports of services continued to decline.



On the production side: The wholesale and retail trade sector, as well as the transportation and storage sector expanded at an accelerated rate. The manufacturing and the construction sectors returned to expansion, while the agricultural sector and the accommodation and food service activities sector decelerated.

Economic Projection for 2026

(%YoY)	2024		2025				2026 (f)
	Year	Year	Q1	Q2	Q3	Q4	Year
GDP (CVM)	2.9	2.4	3.1	2.8	1.2	2.5	1.5 - 2.5
Investment ^{1/}	-0.3	4.9	4.6	5.8	1.4	8.1	1.8
Private	-1.9	3.5	-0.9	4.1	4.5	6.5	1.9
Public	4.5	8.9	25.7	10.2	-5.3	13.3	1.7
Private Consumption	4.4	2.7	2.4	2.5	2.5	3.3	2.1
Government Consumption	2.6	0.6	3.4	2.4	-3.9	1.3	1.2
Export of Goods ^{2/}	5.9	12.7	15.4	14.9	11.5	9.4	2.0
Volume ^{2/}	4.4	12.0	14.5	14.4	10.9	8.3	1.0
Import of Goods ^{2/}	5.6	13.0	6.2	15.8	12.2	17.5	3.2
Volume ^{2/}	4.8	9.7	2.7	14.2	8.9	13.0	1.7
Current Account to GDP (%)	2.2	3.1	8.6	1.1	2.2	0.6	2.4
Inflation	0.4	-0.1	1.1	-0.3	-0.7	-0.5	(-0.3) - 0.7

Note: ^{1/} Investment means Gross Fixed Capital Formation
^{2/} base on the Bank of Thailand's data

Thai Economic Outlook for 2026

The Thai economy in 2026 is projected to grow within the range of 1.5 - 2.5 percent, with a midpoint estimate of 2.0 percent. Private consumption and private investment are expected to increase by 2.1 percent and 1.9 percent, respectively, while the value of good exports in US dollar terms is expected to expand by 2.0 percent. Headline inflation is expected to remain within the range of (-0.3) to 0.7 percent, while the current account balance is projected to record a surplus equivalent to 2.4 percent of GDP.

+ Supporting Factors

- Continued expansion in private domestic demand.
- An increase in budgetary framework.
- A gradual recovery in tourism and related service sectors.
- An increase in agricultural production due to favorable water condition.

- Risk Factors

- Uncertainty in the world economy and global trade.
- High levels of household and business debts.
- Volatility in the climate conditions.
- Economic and political environment during the post-election.

The economic management for 2026 should prioritize the following areas:

- Maintaining an economic and political environment during post-election period**, with emphasis on expediting the preparation of the FY2027 annual budget process, alongside implementing key measures to strengthen investor confidence both domestically and internationally, particularly through the acceleration of trade negotiations with major trading partners, while upholding fiscal discipline through adherence to the medium-term fiscal framework and prioritizing expenditures that lay the foundation for national development in order to enhance long-term economic growth potential.
- Accelerating private investment**, by: (1) Expediting the implementation of the Thailand FastPass system; (2) Enhancing centralized and digitalized permitting systems; (3) Upgrading the readiness of infrastructure and essential public utilities to support investment, particularly ensuring adequate energy supply; (4) Reorienting investment incentives toward enhancing local value added; (5) Promoting investment in the form of joint ventures and strengthening business linkages; and (6) Leveraging trade and investment diversion opportunities arising from trade-restrictive measures.
- Strengthening export growth momentum**, by: (1) Expanding new markets to diversify risks and reduce dependence on exports to the US; (2) Mitigating the impacts of US trade-restrictive measures; (3) Reducing production and operational costs; (4) Promoting the use of domestically produced goods, raw materials, and intermediate inputs; (5) Enhancing understanding of key regulatory measures of trading partner countries that are scheduled to be effective during 2026–2027; and (6) Encouraging the business sector to manage risks associated with exchange rate volatility.
- Accelerating the recovery of the tourism sector**, through: (1) Promoting high-value tourism to attract quality tourists with high purchasing power; (2) Enhancing tourism standards and safety; (3) Tackling crime and transnational illegal business networks operating within or in connection with the tourism sector; (4) Managing environmental and natural disaster risks; and (5) Alleviating travel congestion and promoting tourism in secondary cities.
- Addressing issues related to credit access for businesses and households**, by prioritizing: (1) Reducing pressures from household non-performing loans; (2) Providing financial assistance to businesses, particularly SMEs facing liquidity constraints and additional impacts from trade restrictions; (3) Enhancing solutions to household debt on sustainable and concrete manner; and (4) Enhancing financial literacy and awareness.

1. The Thai Economy in Q4/2025

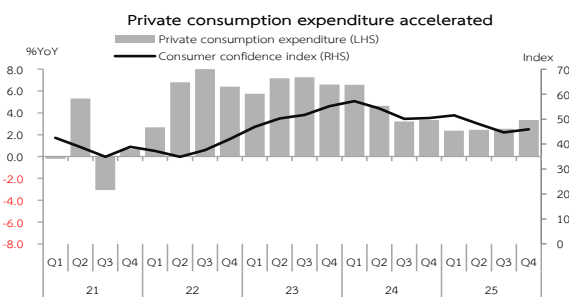
Expenditure Side:

Private consumption expenditure expanded by 3.3 percent, accelerating from 2.5 percent in the previous quarter. This represented an expansion across all categories. Growth in expenditure on durable goods aligned with the front-loading of vehicle purchases prior to the expiration of the Electric Vehicle Support Measure, Phase 1 (EV 3.0), while spending on non-durable and semi-durable goods was driven by government measures. By category, **expenditure on services** increased by 3.0 percent, higher than a 2.0 percent rise in the previous quarter, attributed to the continued growth in spending on healthcare and transport services, which rose by 2.1 percent and 1.7 percent, respectively. **Expenditure on durable goods** rose by 12.2 percent, surging from a 6.0 percent expansion in the previous quarter, following vehicle purchases, which expanded at a high rate of 26.4 percent, accelerating from 13.9 percent in the previous quarter. **Expenditure on semi-durable goods** expanded by 2.6 percent, increasing from 0.8 percent in the previous quarter, due to accelerated spending on clothing and footwear, which increased by 3.4 percent. Additionally, spending on furniture and household equipment rose by 1.7 percent, marking the first increase in four quarters. **Expenditure on non-durable goods** grew by 2.6 percent, continuing from a 2.9 percent increase in the previous quarter, mainly driven by growth in food and beverages spending. However, spending on electricity, gasoline, and other fuels declined by 3.2 percent. Overall, the growth of private consumption expenditure in this quarter was consistent with the Consumer Confidence Index (CCI), which increased to 45.9 from 44.7 in the previous quarter.

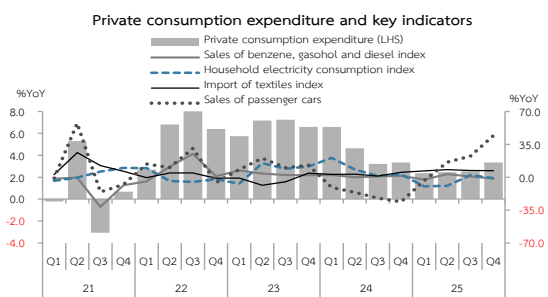
In 2025, private consumption expenditure increased by 2.7 percent, compared to a 4.4 percent expansion in 2024.

In the fourth quarter of 2025, private consumption and investment accelerated, while export of goods decelerated.

Private consumption expanded by 3.3 percent, reflecting growth in all categories.



Source: NESDC, and University of the Thai Chamber of Commerce

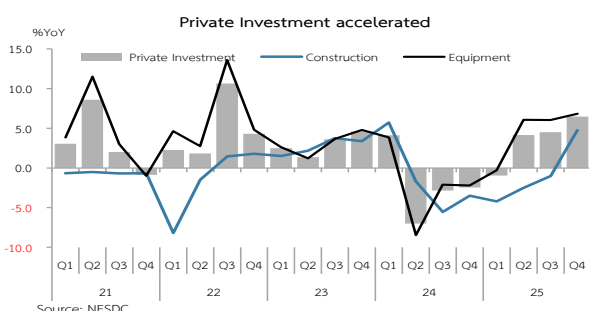


Source: NESDC, BOT, and Department of Energy

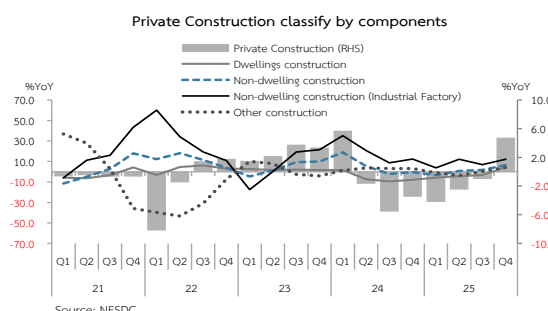
Private investment expanded by 6.5 percent, accelerating from a 4.5 percent increase in the previous quarter. This expansion marked the highest growth rate in thirteen consecutive quarters since the fourth quarter of 2022. **Investment in machinery and equipment** increased by 6.8 percent, up from 6.0 percent in the previous quarter, supported by greater investment in transport equipment, industrial machinery, and office equipment. **Investment in construction** rose for the first time in seven quarters, increasing by 4.8 percent, compared to a 1.0 percent decline in the previous quarter. The growth was consistent with the expansion in residential construction, which grew by 4.4 percent, improving from a 3.2 percent reduction previously, following an increase in construction area permits. Meanwhile, non-residential construction grew by 6.5 percent, accelerating from 1.7 percent in the previous quarter. This was largely attributed to a surge in industrial factory construction, which grew by 12.2 percent, up from 6.9 percent previously. Moreover, commercial building construction expanded by 4.8 percent, rebounding from a 4.7 percent decrease in the previous quarter. Overall, private investment growth in this quarter aligned with the Business Sentiment Index (BSI), which reached its highest level in nine quarters since the fourth quarter of 2023, rising to 49.5 from 47.1 in the previous quarter. This was driven by improved sentiment in the manufacturing sector, particularly among export-oriented firms.

Private investment expanded by 6.5 percent, driven by growth in both machinery and equipment, and construction investment.

In 2025, private investment expanded by 3.5 percent, compared with a 1.9 percent decrease in 2024.



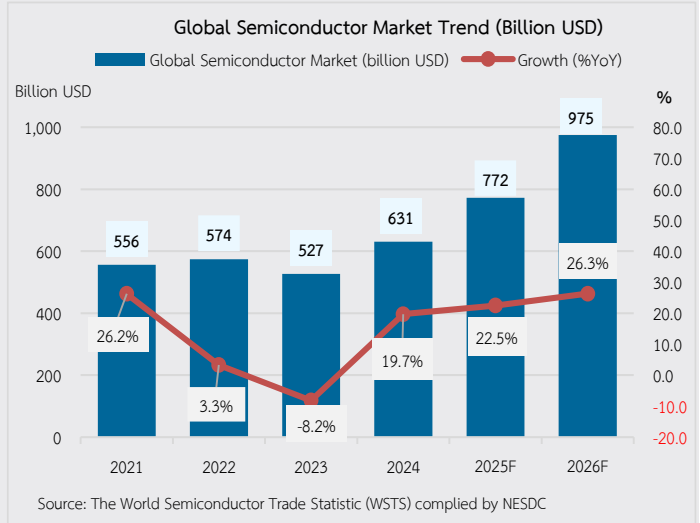
Source: NESDC



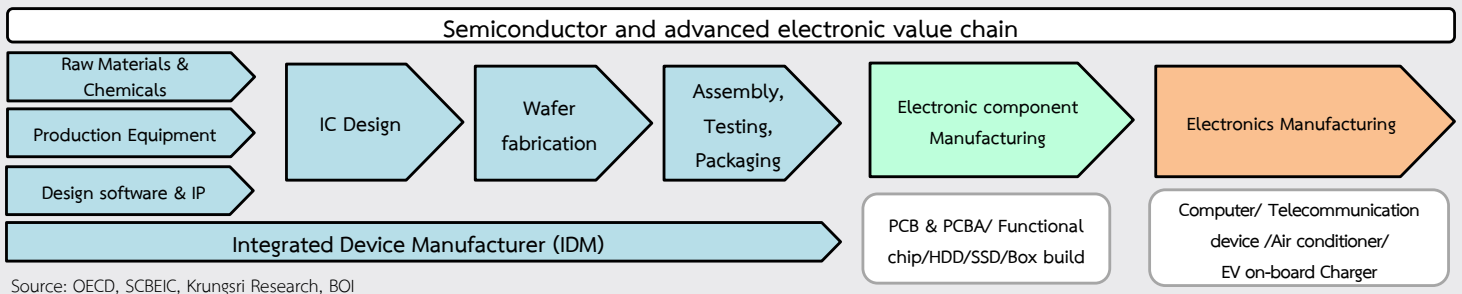
Source: NESDC

Thailand’s role in the global semiconductor and advanced electronics supply chains

The rapid advancement of artificial intelligence (AI) has significantly catalyzed demand for electronic and semiconductor products. According to World Semiconductor Trade Statistics (WSTS), the global semiconductor market is projected to reach 975 billion USD in 2026, representing a 26.3 percent increase from 2025. This growth is primarily driven by Integrated Circuit (IC) sales, which account for 89.6 percent of the total market; specifically, logic and memory products are expected to comprise 40.1 percent and 30.2 percent of the market share, respectively. Thailand is capitalizing on this momentum, attracting significant foreign investment as global leaders relocate their manufacturing bases to the country. In 2025, the BOI reported a 20.9 percent expansion in electronics investment applications, totaling 278 billion Baht. Key growth areas include Printed Circuit Board (PCB) production, IC design, and semiconductor packaging, signaling Thailand’s strengthening position in global value chains.



The global semiconductor and advanced electronics supply chain is categorized into six key processes across three primary segments: **(i) Upstream Processes:** (1) Raw Materials and Equipment: This stage involves critical materials for semiconductor production, such as silicon, gallium, and Germanium, coupled with rare earth elements like scandium and yttrium. It also includes advanced technological equipment, such as photonics, laser diodes, and magnetic tools. (2) IC Design: The phase where chip models and technical blueprints are created. (3) Wafer Fabrication: The process of transforming semiconductor wafers into functional ICs. (4) Assembly, Testing, and Packaging (ATP): This involves dicing the wafer into individual chips, followed by packaging and testing before they are sent for final assembly. **(ii) Midstream Processes:** (5) Electronic Component Manufacturing: The production of essential sub-assemblies, including PCBs, PCB Assembly (PCBA), functional chips, Hard Disk Drives (HDD), and Solid-State Drives (SSD). **(iii) Downstream Processes:** (6) Electronics Manufacturing: The final assembly of end-user products, such as computers, telecommunication devices, air conditioners, and EV on-board chargers.



An analysis of Thailand’s position and participation in the global electrical and electronics supply chain follows. Based on the Global Value Chain (GVC) Position Index (calculated using the Asian Development Bank’s (ADB) Multi-Regional Input-Output (MRIO) tables), Thailand’s electrical and electronics industry has shifted significantly. By 2024, the industry moved further toward downstream processes, a notable transition from its more upstream-oriented position in 2015. Most firms are now concentrated in electronic component assembly and the manufacturing of finished electrical products.

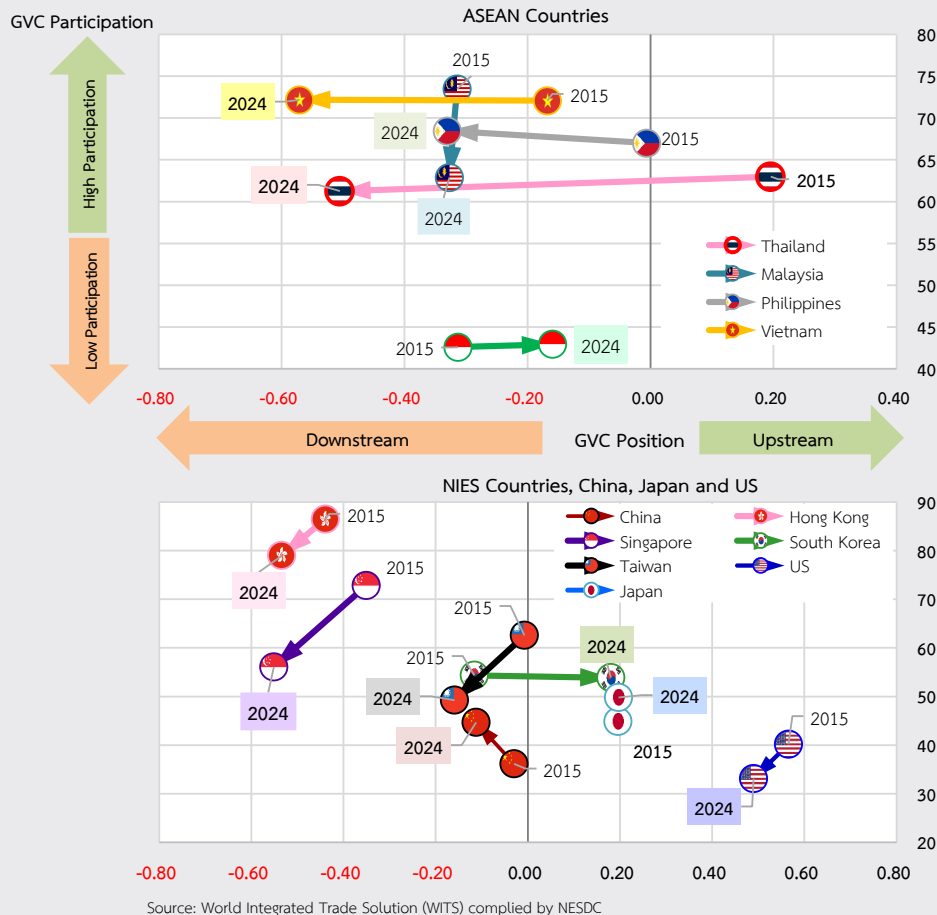
Furthermore, Thailand’s GVC Participation Index² stood at 61.25, trailing behind regional competitors such as Vietnam (72.18), the Philippines (68.46), and Malaysia (62.88). This indicates that the global market relies on Thai inputs less than those of its ASEAN peers. In contrast, while Newly Industrialized Economies (NIEs) including Hong Kong, Singapore, and Taiwan have also moved toward downstream activities while South Korea has shifted upstream. China, meanwhile, has deepened its participation in downstream global value chains. In these downstream processes, high-value components such as wafers are predominantly imported to produce electronic devices and appliances for export. Consequently, domestic value-added is primarily derived from labor wages, service fees, and operating costs, rather than from technological innovation or intellectual property. The United States continues to dominate the upstream segments, which remain the highest value-added stages of the production process.

¹ GVC Position Index: Indicates whether a country is an upstream producer (a positive value) or a downstream producer (a negative value, where backward linkages exceed forward linkages).

² GVC Participation Index: Measures the integration of a country into global trade by summing indirect domestic value added (DVX) and foreign value added (FVA). It accounts for both domestic contributions to other countries' exports and the foreign content within a country's own exports.

Thailand's role in the global semiconductor and advanced electronics supply chains (Cont.)

An analysis of position and participation in global electrical and electronics value chains: a comparison between 2015 and 2024



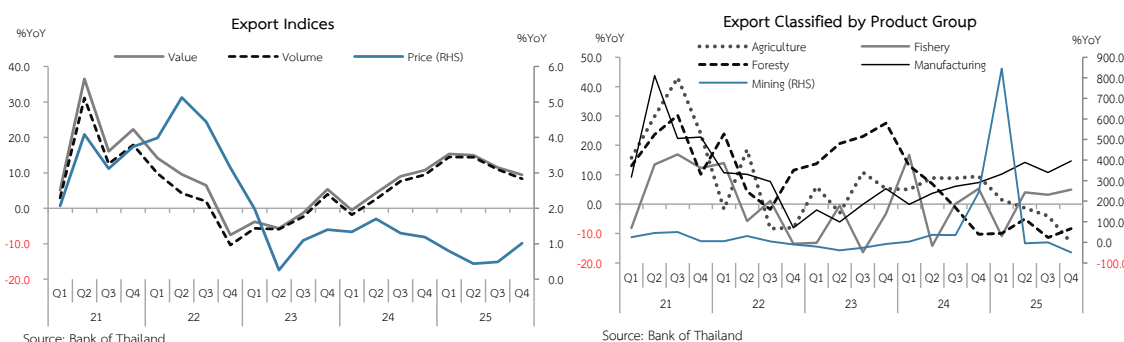
Thailand's semiconductor and electronics industry possess significant potential to transition into an advanced technology sector and deepen its participation in global value chains. This growth is bolstered by BOI promotions under the National Semiconductor and Advanced Electronics Industry Policy Committee, combined with a surge in foreign direct investment driven by global manufacturing relocation. To strengthen industrial bases and transition toward becoming a regional hub for IC Design and Wafer Fabrication (both high value-added upstream activities), the following strategies are essential:

1. **Enhance Value-Added Production:** Strengthen the competitiveness of existing sectors such as Assembly, Testing, and Packaging (ATP) and PCB/PCBA production, while pivoting toward expanding into IC design and specialized manufacturing for power chips, sensors, and photonics to boost domestic production of key components.
2. **Implement Targeted Incentives:** Offer strategic incentives to entrepreneurs within targeted industries (including agriculture and food, modern automotive, and medical wellness) to increase the proportion of local content of these products in their products.
3. **Invest in Innovation:** Prioritize investment in advanced technology and process innovation to develop high-efficiency products that support the growth of sophisticated downstream industries.
4. **Human Capital Development:** Prepare a highly skilled workforce by reskilling and upskilling labor in advanced technology. This should be achieved through specialized semiconductor curricula developed in coordination with universities or higher institutions, while promoting technology transfer between foreign firms and domestic producers to align labor skills with industry demand.

Exports in US dollar terms reached 84.0 billion US dollars (84,024 million) in the fourth quarter of 2025, growing by 9.4 percent, decelerating from 11.5 percent in the previous quarter, following the continued decline in the export of agricultural products. Meanwhile, the export of manufacturing products expanded robustly, especially products exempted from US reciprocal tariffs. **The export volume index** rose by 8.3 percent, down from a 10.9 percent expansion in the previous quarter, following a drop in agricultural export volumes, while manufacturing export volumes accelerated, particularly the export of electronics. **The export price index** increased by 1.0 percent, compared with a 0.5-percent increase in the previous quarter, following an increase in the export price index for manufacturing and fishery products. **Excluding unwrought gold, export value** increased by 11.8 percent, accelerating from 9.1 percent in the previous quarter. **In Thai Baht terms**, the export value reached 2.7 trillion baht (2,702 billion), representing a 3.6 percent increase compared with 3.4 percent in the previous quarter.

Exports in US dollar terms increased by 9.4 percent, decelerating from the previous quarter.

In 2025, the export value stood at 335.1 billion US dollars (335,061 million), growing by 12.7 percent. This was consistent with a 12.0 percent increase in the export volume index and a 0.7 percent increase in the export price index. In Thai baht terms, the export value was recorded at 11.0 trillion baht (11,008 billion), growing by 5.0 percent, compared with a 7.2 percent increase in 2024.



The export value of agricultural commodities declined for the third consecutive quarter by 13.2 percent, compared with a 4.1 percent decrease in the previous quarter. This was primarily driven by reductions in both export volume (-7.4 percent) and export price (-6.2 percent), in line with growing global competition. Major products with lower export values included: rice, with exports declining by 28.7 percent due to reductions in both export price (-16.0 percent) and export volume (-15.1 percent), following decreased demand from the U.S., South Africa, and Iraq; rubber, which fell by 8.7 percent due to a contraction in exports to Japan, Malaysia, and the U.S., as the export price decreased by 12.3 percent while the export volume expanded by 4.1 percent; and durian, with exports falling by 8.7 percent, attributed to export price and volume decreasing by 4.8 percent and 4.1 percent, respectively, driven primarily by a decline in exports to the Chinese market. **The export value of manufacturing products** expanded by 14.7 percent, continuously accelerating from 10.8 percent in the previous quarter, following the increase in export volume and price of 14.0 percent and 0.6 percent, respectively. Major manufacturing products that increased included telecommunications equipment (83.0 percent), computer parts and accessories (30.3 percent), computers (91.0 percent), electrical appliances (17.9 percent), pickups and trucks (52.4 percent), and jewelry (48.9 percent). Meanwhile, the export value of major manufacturing products that declined included passenger cars (-36.2 percent), petroleum products (-24.0 percent), and chemicals and petrochemical products (-3.4 percent). **The export value of fishery products** increased by 4.9 percent, compared to 3.2 percent in the previous quarter. Meanwhile, **other export products** decreased by 41.2 percent, compared to an 84.0 percent expansion in the previous quarter, with unwrought gold exports decreasing by 41.4 percent, compared to an 86.2 percent expansion in the previous quarter.

Export Value of Major Product in US Dollar Term

%YoY	2024				2025				Share Q4/25 (%)		
	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2		Q3	Q4
Agriculture	8.2	5.0	8.9	8.8	9.5	-4.0	1.5	-1.3	-4.1	-13.2	5.0
Rice	25.4	45.5	53.9	26.4	-7.2	-30.0	-30.0	-34.1	-27.0	-28.7	1.3
Rubber	36.8	24.9	37.4	55.9	30.8	0.4	32.4	4.4	-21.4	-8.7	1.4
Tapioca	-9.0	-53.2	-0.7	-18.1	2.3	1.9	-0.5	-5.7	31.5	-8.7	0.2
Other fruits	-2.2	11.6	-12.7	-13.5	15.9	-2.6	-1.7	35.1	-9.2	-27.6	0.6
Manufacturing	4.3	-0.1	3.7	6.0	7.3	12.5	10.2	14.2	10.8	14.7	91.1
Food	2.0	-6.6	1.6	10.6	3.4	1.2	-1.9	8.4	-3.6	2.4	6.2
- Sugar	-19.1	-26.7	-25.9	-5.0	-8.9	-20.2	-17.9	-15.5	-22.5	-29.5	0.5
- Fish, canned, prepared, or preserved	14.7	8.9	8.2	27.0	14.6	-1.1	1.3	2.9	-5.5	-2.0	1.0

Export Value of Major Product in US Dollar Term (Cont.)

%YoY	2024					2025					Share Q4/25 (%)
	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	
Manufacturing	4.3	-0.1	3.7	6.0	7.3	12.5	10.2	14.2	10.8	14.7	91.1
- Meat of poultry, canned, prepared, or preserved	6.9	2.2	9.0	6.1	10.5	5.6	7.6	5.8	4.4	4.7	1.0
Beverages	11.0	11.5	4.3	11.1	17.9	1.3	4.6	15.5	-1.6	-13.0	0.8
Rubber products	9.5	-19.2	-10.5	27.4	52.5	17.8	36.3	38.9	12.3	-4.8	2.3
Animal food	23.1	20.3	33.7	24.4	15.6	8.2	13.5	9.2	2.1	8.9	1.0
Electronics	22.6	6.6	27.4	26.5	28.8	46.9	43.2	50.4	43.8	49.4	19.6
- Computer	142.4	172.5	147.9	146.5	118.9	138.7	130.8	210.6	125.0	91.0	2.8
- Computer parts & accessories	26.0	-6.9	22.5	46.5	45.7	33.0	50.4	37.7	18.9	30.3	6.1
- Integrated circuits & parts	-10.5	-11.3	-14.5	-15.8	1.0	27.9	24.5	42.3	31.7	14.2	3.1
- Telecommunication equipment	33.0	24.3	58.5	33.2	19.1	46.2	24.6	17.4	55.2	83.0	7.1
Electrical appliances	-3.2	-4.5	-5.3	-1.3	-1.6	8.5	4.5	5.8	6.6	17.9	8.6
Metal & steel	6.7	11.6	4.3	7.9	3.1	13.9	6.7	15.9	13.7	19.3	5.6
Automotive	-3.8	-4.7	3.3	-10.3	-2.3	2.5	1.7	0.6	5.0	2.6	13.3
- Passenger car	27.0	-1.3	24.0	46.3	38.2	-2.3	42.5	39.7	-27.1	-36.2	2.2
- Pick up and trucks	-7.8	-14.2	15.5	-16.7	-12.3	18.2	3.0	-21.2	44.2	52.4	3.8
- Vehicle parts & accessories	3.1	3.6	-0.7	3.6	5.8	8.2	7.4	15.5	6.4	4.2	6.2
Machinery & equipment	10.0	-1.5	7.0	10.9	23.9	14.5	14.3	17.9	14.3	12.1	9.3
Aircrafts, ships, floating structures, and locomotive	-9.0	26.3	-34.3	6.5	-20.0	23.7	20.9	5.0	2.7	61.0	1.8
Jewellery	4.8	13.6	3.8	1.4	0.3	20.2	4.0	9.4	22.2	48.9	3.4
Chemicals & petro-chemical products	2.9	-4.8	-1.4	8.2	10.2	0.9	7.0	3.3	-2.5	-3.4	6.3
Petroleum products	-9.6	-3.9	-6.9	-0.5	-23.6	-20.4	-5.5	-15.8	-33.2	-24.0	2.1
Fishery	1.2	16.8	-14.2	0.1	5.3	0.3	-10.8	4.0	3.2	4.9	0.5
Crustaceans	-5.8	17.3	-27.1	-4.9	-0.5	-0.3	-20.7	6.1	2.5	10.7	0.3
Other Exports	38.3	-25.2	15.7	75.4	118.1	49.8	119.2	118.0	84.0	-41.2	2.4
Non-monetary gold (excl. articles of goldsmiths)	45.9	-16.0	11.8	79.4	123.9	48.5	120.8	115.9	86.2	-41.4	2.3
Total Exports (Customs basis)	5.5	-0.6	4.3	7.6	10.7	12.9	15.6	14.9	11.9	9.7	100.0
Exports, f.o.b. (BOP basis)	5.9	-0.5	4.3	9.0	10.8	12.7	15.4	14.9	11.5	9.4	98.6
Export Value (exclude gold)	5.0	-0.1	4.2	7.7	8.2	11.6	12.9	12.9	9.1	11.8	96.3

Source: Bank of Thailand

Exports to most major markets accelerated, particularly to the U.S. and the EU (27). Exports to the U.S. grew by 41.5 percent, up from a 26.4 percent increase in the previous quarter. This followed a surge in exports of products exempted from U.S. reciprocal tariffs, including automatic data processing machines and parts, telephone sets and parts, and semiconductor devices, transistors, and diodes. However, exports of rubber products, precious stones and jewelry, and air conditioning machines and parts declined. Exports to the EU (27) grew by 13.1 percent, accelerating from 5.4 percent growth in the previous quarter, attributed to higher exports of automatic data processing machines and parts, precious stones and jewelry, and air conditioning machines and parts. However, exports of electrical transformers and parts, rubber, and steel and its products showed a decline. Exports to ASEAN (5) increased by 7.9 percent, continuing from a 9.0 percent increase in the previous quarter, supported by growth in exports to Singapore, Malaysia, and Indonesia. This was driven by higher exports of refined fuels, electronic integrated circuits, and precious stones and jewelry. However, exports of motor vehicles and parts, polymers of ethylene in primary forms, and rice showed a decline. Exports to China expanded by 1.8 percent, slowing from 10.8 percent growth in the previous quarter, driven by higher exports such as fresh, frozen, and dried fruit, automatic data processing machines and parts, and tapioca products. However, exports of rubber products, polymers of ethylene in primary forms, and rubber showed a decrease. Exports to India grew by 21.6 percent, accelerating from 14.2 percent growth previously, led by increased exports of chemical products, precious stones and jewelry, and steel and its products. However, exports of polymers of ethylene in primary forms, machinery and parts, and aluminum products showed a decline. Exports to Australia revived by 11.3 percent for the first time in six quarters, driven by higher exports of motor vehicles and parts, air conditioning machines and parts, and steel and its products. However, exports of automatic data processing machines and parts, polymers of ethylene in primary forms, and beauty preparations, soap, and preparations for skin care showed a reduction. Exports to Mexico increased by 31.6 percent, continuing from a 45.2 percent increase in the previous quarter, driven by a rise in exports of motor vehicles and parts, electrical transformers and parts, and automatic data processing machines and parts. However, exports of rubber products, machinery and parts, and steel and its products showed a decrease.

Exports to most major markets accelerated, particularly to the US, and the EU (27).

In contrast, **exports to CLMV** declined for the second consecutive quarter by 15.1 percent, due to lower shipments to Cambodia and Myanmar, driven by lower exports of precious stones and jewelry, motor vehicles and parts, and chemical products. However, exports of refined fuels, beverages, and copper and its articles increased. **Exports to the U.K.** declined by 6.4 percent for the first time in six quarters, driven by lower exports of precious stones and jewelry, motorcycles and parts, and motor vehicles and parts. However, exports of prepared poultry, machinery and parts, and air conditioning machines and parts expanded. **Exports to South Korea** declined for the second consecutive quarter by 6.2 percent, driven by lower exports of automatic data processing machines and parts, polymers of ethylene in primary forms, and beauty preparations, soap, and preparations for skin care. However, exports of motor vehicles and parts, air conditioning machines and parts, and steel and its products rose.

Export Value to Key Markets in US Dollar Term

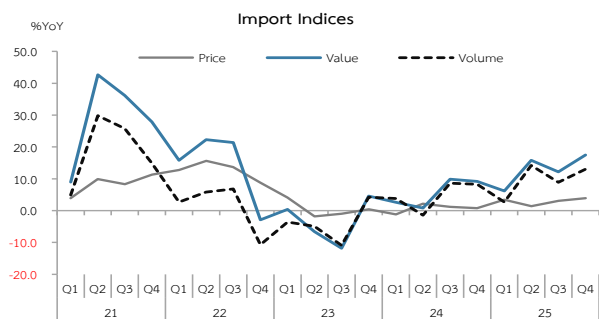
%YOY	2024					2025					Share Q4/25 (%)
	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	
Total Exports (Mil US\$) (Customs basis)	300,740	70,755	74,296	77,995	77,693	339,635	81,792	85,338	87,295	85,210	100.0
(%YoY)	5.5	-0.6	4.3	7.6	10.7	12.9	15.6	14.9	11.9	9.7	
United States	13.6	9.8	12.3	14.8	17.3	32.0	25.6	33.9	26.4	41.5	23.9
China	3.2	-5.1	1.9	2.6	13.8	12.6	19.7	18.4	10.8	1.8	10.6
Japan	-5.3	-9.1	-6.1	-6.8	1.2	1.1	-0.1	2.0	2.5	0.2	6.9
ASEAN (9)	4.7	-2.7	3.3	8.2	10.2	4.3	5.6	10.2	4.3	-2.2	21.3
- ASEAN (5)*	-0.8	-9.2	0.2	4.5	1.7	6.9	6.1	4.5	9.0	7.9	13.2
- CLMV**	12.8	6.9	7.7	13.9	23.3	0.9	4.9	18.0	-2.4	-15.1	8.1
EU (27) excluding UK	10.2	2.5	6.5	15.4	17.3	9.3	7.2	11.5	5.4	13.1	8.1
United Kingdom (UK)	3.0	-10.7	-19.9	14.7	35.4	5.5	6.9	18.0	6.9	-6.4	1.3
Middle East (15)***	7.1	-3.5	8.4	15.4	9.1	6.3	11.3	1.9	1.2	10.8	3.9
- Saudi Arabia	4.6	4.3	19.6	-1.2	-1.7	-8.8	-7.0	-15.1	-3.2	-10.1	0.8
- United Arab Emirates	10.1	0.1	12.0	14.2	15.3	23.2	19.4	17.1	16.5	38.1	1.6
India	16.3	-3.4	15.4	19.6	35.6	34.5	91.4	19.7	14.2	21.6	4.6
Australia	1.1	25.2	0.2	-4.2	-11.6	-2.5	-13.7	-4.1	-2.5	11.3	3.9
Hong Kong	-2.2	23.5	5.2	-14.1	-19.2	2.9	-5.6	15.2	0.8	1.7	2.7
Mexico	19.4	-2.6	35.6	11.3	35.0	26.0	25.0	2.3	45.2	31.6	1.9
South Korea	-1.9	-7.5	-5.4	5.7	0.6	-3.4	-0.3	1.1	-8.2	-6.2	1.5
Taiwan	-1.1	-2.4	-1.2	3.4	-4.2	11.9	20.8	12.3	14.6	0.4	1.4

Note: * ASEAN (5) consist of Brunei, Indonesia, Malaysia, Philippines, and Singapore
 ** CLMV consist of Cambodia, Laos, Myanmar, and Vietnam
 *** Middle East (15) consists of United Arab Emirates, Bahrain, Egypt, Israel, Iraq, Iran, Jordan, Kuwait, Lebanon, Libya, Oman, Qatar, Saudi Arabia, Syria, Yemen.
 Source: Bank of Thailand

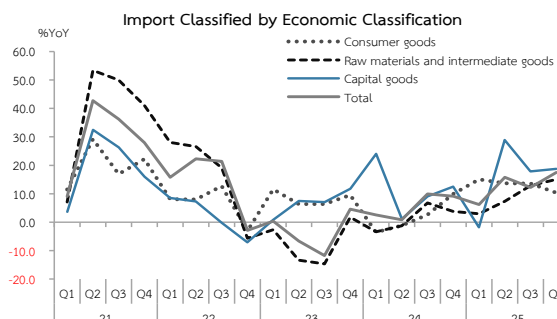
The import value in US dollar terms stood at 82.6 billion US dollars (82,601 million), marking an increase of 17.5 percent, up from 12.2 percent in the previous quarter. This corresponded with a 13.0 percent rise in import volume, compared with an 8.9 percent increase in the preceding quarter. Import prices rose by 3.9 percent, compared with a 3.1 percent expansion in the previous quarter. Excluding unwrought gold, the import value expanded by 14.8 percent, compared with a 13.7 percent increase in the previous quarter. **In Thai baht terms**, the import value reached 2.658 trillion baht, representing 11.3 percent growth, accelerating from a 4.1 percent increase in the previous quarter.

In 2025, imports totaled 311.7 billion US dollars, representing 13.0 percent growth. This was driven by a 9.7 percent increase in import volume and a 3.0 percent increase in import prices. In Thai baht terms, imports stood at 10.241 trillion baht, increasing by 5.2 percent.

Imports in US dollar terms expanded by 17.5 percent, accelerating from the previous quarter.



Source: Bank of Thailand



Source: Bank of Thailand

By category, import values across almost all categories accelerated. **The import value of raw materials and intermediate goods** grew by 15.0 percent, accelerating from 12.9 percent in the previous quarter. This was in line with a 16.4 percent increase in import volume, which accelerated from a 14.0 percent rise in the preceding quarter, while import prices in this category dropped by 1.2 percent. Key products with increased import value included electronic parts and electrical appliances, minerals, and base metal materials. **The import value of capital goods** increased by 18.8 percent, accelerating from 17.9 percent growth in the previous quarter, as import volume and prices rose by 14.5 percent and 3.8 percent, respectively. Products with increased import value included other machinery and mechanical appliances and parts, as well as aircraft, ships, floating structures, and locomotives. **The import value of consumer goods** rose by 10.4 percent, continuing from a 13.6 percent expansion in the previous quarter, driven by increases in both import volume (5.0 percent) and import prices (5.1 percent). Key products with increased import value included household electrical appliances, mobile phones, motor vehicles, and food, beverages, and dairy products. Meanwhile, **the import value of other goods** recovered by a 47.8 percent expansion, mainly due to an increase in imports of non-monetary gold (excluding goldsmiths' wares), which expanded by 56.9 percent.

Import Value of Major Product in US Dollar Term

%YoY	2024					2025					Share Q4/25 (%)
	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	
Consumer goods	2.0	-3.6	-1.2	2.7	9.9	13.1	15.1	13.7	13.6	10.4	13.1
Food, beverage & dairy products	10.3	3.7	5.6	17.5	13.8	3.5	17.3	8.8	-6.2	-2.6	2.4
Cellphones	8.7	-0.0	24.2	-2.1	16.8	13.3	2.7	13.7	18.6	17.3	1.7
Animal & fishery products	-1.7	-13.6	-7.4	-3.3	19.3	13.5	11.4	16.3	14.8	11.8	1.2
Vehicles	-41.0	-28.6	-40.6	-54.3	-39.7	17.2	-3.9	15.2	30.5	31.1	1.1
Textiles	7.0	5.7	6.3	4.9	10.8	12.1	12.2	13.0	11.7	11.5	1.0
Raw materials and intermediate goods	1.4	-3.3	-1.2	6.8	3.8	9.6	3.0	7.3	12.9	15.0	57.9
- Exclude fuel	4.6	-1.1	2.2	9.2	8.7	16.9	6.5	14.8	21.4	24.6	47.7
Parts of electronics and electrical appliances	13.4	11.0	16.5	10.5	15.5	35.2	10.9	26.9	54.4	45.9	23.0
Materials of base metal	2.6	-11.4	-1.3	16.7	8.6	10.7	13.2	13.8	1.8	15.1	7.3
Chemicals & Petro-chemical products	1.9	-4.2	-0.1	11.5	1.0	2.6	-2.9	4.3	1.0	8.4	7.0
Crude oil	-2.6	-3.8	-4.0	7.2	-8.8	-12.3	-5.6	-15.1	-12.8	-16.2	6.9
Natural gas	-18.4	-15.9	-32.8	-12.6	-7.7	-10.0	-2.6	-0.5	-18.9	-18.3	1.8
Capital goods	11.5	24.0	1.2	9.1	12.5	15.5	-1.8	28.9	17.9	18.8	19.8
- Exclude computer	6.5	2.5	1.8	6.0	15.9	19.0	11.6	20.6	22.4	20.8	18.6
Other machinery and mechanical appliances & parts	5.0	-5.3	-3.9	8.2	21.7	28.6	24.8	37.4	27.6	25.0	8.8
Transformers, generators, motors and accumulators	12.9	-0.4	9.3	16.9	26.6	23.2	19.0	28.0	22.8	22.6	2.2
Aircrafts, ships, floating structures, and locomotive	45.7	74.4	53.1	81.0	4.0	-3.4	-16.5	-36.3	24.7	28.0	2.0
Measuring, checking and precision instruments	-2.0	-8.4	-9.2	0.7	9.1	23.2	18.4	29.6	25.8	19.2	1.3
Computer	68.4	444.4	-4.6	50.0	-16.3	-9.7	-51.0	114.9	-24.5	-5.0	1.2
Other Imports	65.0	45.4	62.5	78.6	69.4	36.9	67.0	49.8	-6.9	47.8	9.2
Non-monetary gold (excl. articles of goldsmiths)	94.1	95.5	90.2	107.0	85.7	36.0	48.9	53.9	-11.3	56.9	7.7
Other imports, n.i.e.	1.9	-23.5	-6.4	13.3	26.5	40.7	130.7	29.1	11.6	12.9	1.4
Total Imports (Customs basis)	5.9	3.1	1.7	9.6	9.4	12.9	6.6	14.8	12.6	17.5	100.0
Imports, f.o.b. (BOP basis)	5.5	2.6	0.6	9.9	9.2	13.0	6.2	15.8	12.2	17.5	90.1
Imports, f.o.b. (excl. gold)	2.7	0.5	-2.2	6.8	6.1	11.6	4.4	13.5	13.7	14.8	82.3

Source: Bank of Thailand

Import Volume Indices by Economic Classification

Volume indices %YoY	2024					2025				
	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4
Consumer goods	-1.2	-4.7	-3.2	-1.1	4.0	7.0	8.6	7.0	7.4	5.0
Raw materials and intermediate goods	2.2	-0.7	-2.7	7.4	5.3	10.7	2.1	10.3	14.0	16.4
Capital goods	9.9	24.6	0.4	7.2	8.6	10.7	-5.8	23.7	12.5	14.5
Total Imports	4.8	3.8	-1.4	8.6	8.3	9.7	2.7	14.2	8.9	13.0

Source: Bank of Thailand

Import Price Indices by Economic Classification

Price indices %YoY	2024					2025				
	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4
Consumer goods	3.2	1.2	2.1	3.8	5.7	5.7	5.9	6.2	5.7	5.1
Raw materials and intermediate goods	-0.8	-2.7	1.5	-0.6	-1.4	-1.0	0.9	-2.7	-1.0	-1.2
Capital goods	1.4	-0.5	0.8	1.8	3.6	4.3	4.3	4.3	4.7	3.8
Total Imports	0.8	-1.2	2.2	1.2	0.8	3.0	3.4	1.4	3.1	3.9

Source: Bank of Thailand

The terms of trade declined for the fourth consecutive quarter, as import prices increased by 3.9 percent, faster than the 1.0 percent rise in export prices. As a result, the terms of trade stood at 95.7, higher than 95.6 in the previous quarter, but lower than 98.4 in the same quarter of last year. This marks the sixteenth consecutive quarter in which the terms of trade remained below 100.

In 2025, the terms of trade stood at 96.1, lower than 98.2 in 2024, as import prices increased by 3.0 percent, faster than the 0.7 percent increase in export prices.

The trade balance recorded a surplus of 1.4 billion US dollars in the fourth quarter of 2025. This was lower than the 7.0 billion US dollar surplus in the previous quarter and the 6.5 billion US dollar surplus in the same quarter of last year. In Thai baht terms, the trade surplus stood at 44.0 billion baht, lower than the 224.4 billion baht surplus in the previous quarter and the 220.2-billion-baht surplus in the same quarter of the previous year.

In 2025, the trade balance recorded a surplus of 23.3 billion US dollars, exceeding the 21.4 billion US dollar surplus in 2024. In Thai baht terms, the trade surplus stood at 767.0 billion baht, surpassing the 749.8-billion-baht surplus in 2024.

Term of trade declined for the fourth consecutive quarter.

Trade balance recorded a surplus of 1.4 billion US dollars, lower than the surplus recorded in the previous quarter and the same quarter last year.

%YoY	Term of trade									
	2024					2025				
	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4
Term of trade*	98.2	98.9	97.5	98.1	98.4	96.1	96.5	96.6	95.6	95.7
%YOY	0.6	2.5	-0.5	0.1	0.4	-2.2	-2.5	-1.0	-2.5	-2.8

Note : *Term of trade : TOT represents the ratio between a country's export prices and its import prices. When Term of trade improves, it refers to a country that gains benefit from international trade due to export prices higher than import prices.

Source: Bank of Thailand

Production Side:

The agriculture, forestry, and fishing sector: expanded by 0.3 percent, slowing down from a 2.1 percent increase in the previous quarter. This was driven by a decline in production in certain key crop categories, specifically fruits, paddy, and cassava. Meanwhile, the livestock category continued to expand for the second consecutive quarter, driven by increases in swine and broiler chicken, respectively, and the fisheries category returned to expansion. In this quarter, key agricultural products with increased production included oil palm (9.2 percent), rubber (1.7 percent), maize (9.4 percent), broiler chicken (1.0 percent), and sugarcane (0.9 percent). However, production of some key agricultural products declined, including fruits (-11.1 percent); specifically, durian (-11.8 percent), longan (-15.5 percent), and rambutan (-63.2 percent), cassava (-5.9 percent), and paddy (0.1 percent), respectively. Meanwhile, the Agricultural Price Index decreased for the fourth consecutive quarter by 13.7 percent, compared to a 12.9 percent decrease in the previous quarter. This followed declines in price indices for several key agricultural products, including paddy (-17.8 percent), rubber (-24.0 percent), fruits (-8.6 percent); specifically, longan (-24.8 percent) and durian (-6.2 percent), sugarcane (-20.1 percent), and swine (-9.7 percent), respectively. Conversely, price indices for some key agricultural products increased, such as broiler chicken (2.8 percent) and white shrimp (2.7 percent), respectively. The decline in the Agricultural Price Index resulted in the Overall Farm Income Index declining for the third consecutive quarter by 13.2 percent, compared to a 10.9 percent decrease in the previous quarter.

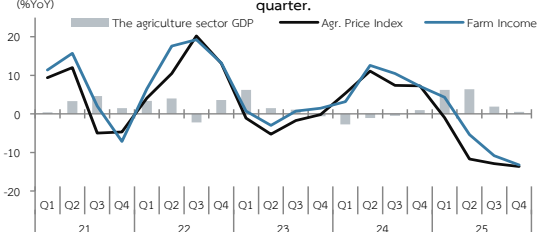
In 2025, the agriculture, forestry, and fishing sector expanded by 3.6 percent, compared to an increase of 1.9 percent in 2024. The Agricultural Production Index increased by 3.3 percent, while the Agricultural Price Index decreased by 9.9 percent. Consequently, the Overall Farm Income Index decreased by 7.2 percent.

The wholesale and retail trade and transportation and storage sectors expanded at an accelerated rate. The manufacturing and construction sectors returned to expansion. Meanwhile, the agriculture, forestry, and fishing, and accommodation and food service activities sectors decelerated from the previous quarter.

The agriculture, forestry, and fishing sector expanded by 0.3 percent, decelerating from the previous quarter due to a decline in production in major crop categories. Meanwhile, the livestock category continued to expand for the fourth consecutive quarter, and the fisheries category returned to expansion.

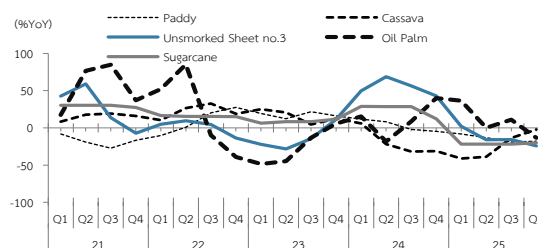
The Agricultural Price Index declined for the fourth consecutive quarter, resulting in the Overall Farm Income Index declining for the third consecutive quarter.

The agricultural sector's GDP expanded, decelerating from the previous quarter. Meanwhile, the prices of agricultural products continued to decline, resulting in overall farm income decreasing for the third consecutive quarter.



Source: Office of Agricultural Economics

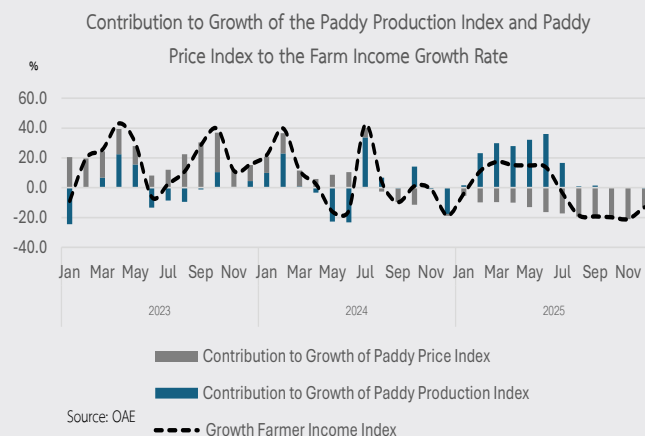
The prices of all five major agricultural products declined, namely paddy, rubber, sugarcane, oil palm, and cassava.



Source: Office of Agricultural Economics

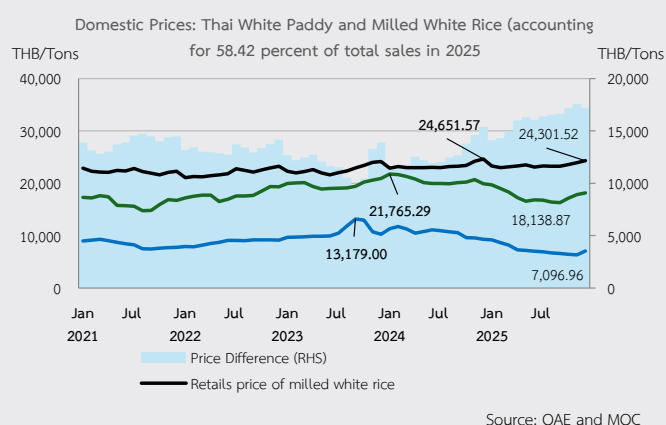
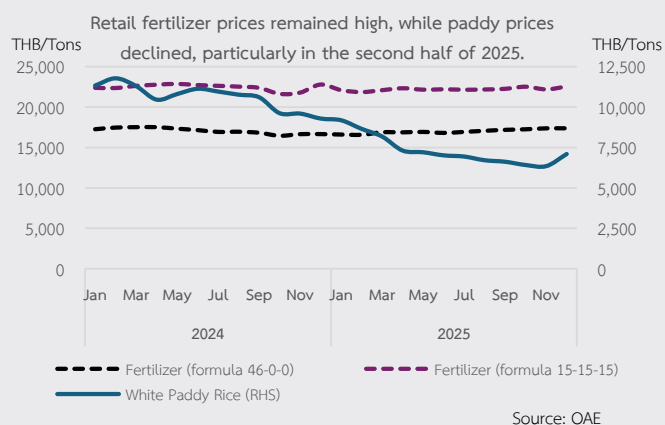
Overview of the Thai Rice Market in 2025

In 2025, Thailand's paddy production increased significantly due to favorable weather conditions and an adequate water supply, allowing farmers to cultivate at full capacity. The increase in planted areas and total production contributed to domestic supply and exerted pressure on the prices received by farmers. According to data from the Office of Agricultural Economics (OAE), the rice planted area in the 2024/25 production year stood at 74.68 million rai, an increase of 3.5 percent, compared to a 1.8 percent decrease in the previous production year. Following this expansion in planted area, the country's paddy production rose to 35.58 million tons, increasing by 6.0 percent, compared to a 0.9 percent decrease in the previous production year, but lower than the 8.9 percent average increase over the past five production years (2020–2024).



Higher paddy production since the second half of 2025 resulted in a decline in domestic paddy prices. The farmgate price of 15% white rice stood at 6,689 baht per ton, decreasing by 34.0 percent, compared to a 24.5 percent decrease in the first half of 2025 and a 12.5 percent decrease in the same period of the previous year. This was in line with data from the Ministry of Commerce (MOC), which showed the wholesale price of 5%¹ white rice declining to 17,114 baht per ton, a decrease of 15.0 percent, compared to a 14.3 percent decrease in the first half of 2025 and a 1.2 percent increase in the same period of the previous year. However, the retail price of 5% white rice at general stores² stood at 23,606 baht per ton, a decrease of 0.1 percent, compared to a 0.9 percent increase in the first half of 2025 and a 2.0 percent increase in the same period of the previous year. As a result, the price spread between the paddy price received by farmers and the retail price of milled rice continued to widen. This occurred despite 91.45 percent of milled rice production costs being primarily derived from paddy prices, reflecting the imperfection of the price transmission mechanism within the Thai rice supply chain.

Furthermore, farmers continued to face persistently high production costs, particularly chemical fertilizer prices, which were affected by global market import prices. On average, in the second half of 2025, the price of urea fertilizer (formula 46-0-0) stood at 17,199.83 baht per ton, an increase of 2.8 percent, compared to a 3.5 percent decrease in the first half of 2025 and a 5.2 percent decrease in the same period of the previous year. Similarly, the price of chemical fertilizer (formula 15-15-15) stood at 22,292.83 baht per ton, an increase of 0.1 percent, compared to a 2.2 percent decrease in the first half of 2025 and a 3.5 percent decrease in the same period of the previous year. Higher costs amid declining selling prices for agricultural products directly impacted farmers' net income and limited their capacity to accumulate capital for improving long-term production efficiency.



¹ The conversion rate of paddy to milled rice is 1:0.65.

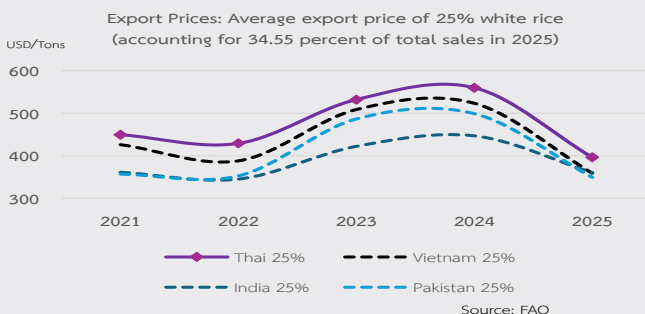
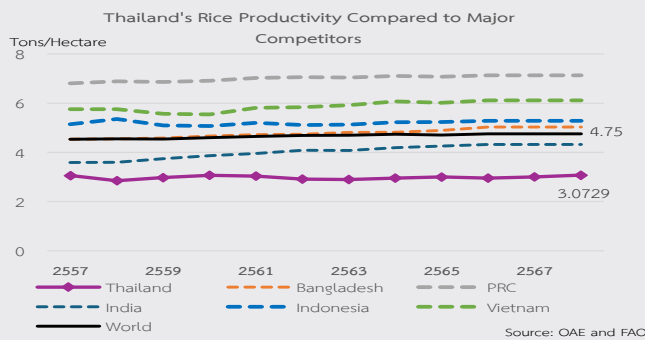
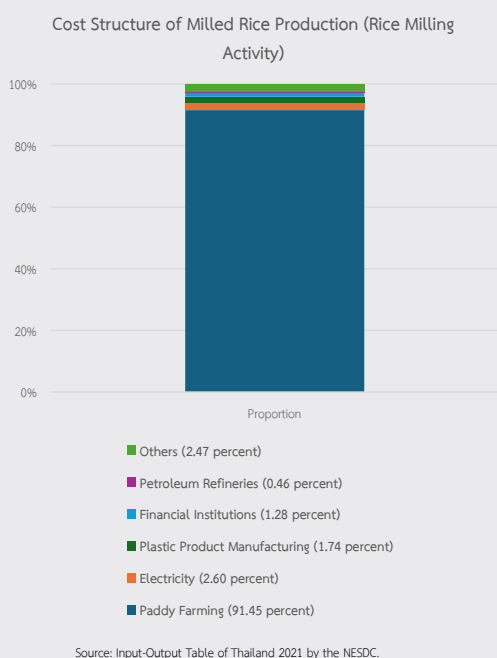
² The wholesale and retail prices of 5% white rice at general stores are calculated and adjusted using the Producer Price Index (PPI) from the Ministry of Commerce, calculated by the NESDC.

Overview of the Thai Rice Market in 2025 (Cont.)

Amid the decline in domestic white rice prices, an analysis of global market prices reveals that Thailand's rice export prices remained higher than those of other major rice-exporting countries. In 2025, the export price of Thai 25% white rice (FOB) stood at 396.3 US dollars per ton. Although this represented a 29.2 percent decrease from the previous year, the price was still higher than that of Vietnam (354.5 US dollars per ton) by 10.4 percent and India (360.3 US dollars per ton) by 10.0 percent, respectively³. Meanwhile, in terms of rice production, Thailand continues to face long-standing constraints regarding persistently low yield per area (productivity). For the full year of 2025, Thailand's average yield stood at 3.08 tons per hectare (491.66 kilograms per rai), compared to 3.00 tons per hectare (480.35 kilograms per rai) in 2024. This remained lower than the yields of Vietnam at 6.11 tons per hectare (977.60 kilograms per rai) and India at 4.32 tons per hectare (691.20 kilograms per rai), respectively⁴. This productivity disparity is a key factor causing higher unit production costs compared to competitors, thereby impacting the price competitiveness of Thai rice in the global market.

This situation reflects the structural challenges within the Thai rice industry⁵, particularly the decline in competitiveness compared to major producing countries. Although total production volume increased, unit costs remained high, and the prices received by farmers could not generate sufficient returns to enable capital accumulation for improving production factors, such as investing in agricultural machinery, cultivation technology, or utilizing higher-efficiency rice varieties.

Therefore, policy recommendations to enhance the competitiveness of the Thai rice industry are divided into three phases. (1) Short-term policies (1–2 years) focus on mitigating the impact on farmers' income from low rice prices and high costs. This includes strengthening domestic supply management mechanisms, enhancing the efficiency of the price transmission mechanism, and reducing the burden of key production factor costs. (2) Medium-term policies (3–5 years) focus on enhancing production efficiency and reducing unit costs to improve competitiveness. This includes proactive zoning and production area management; supporting research and the distribution of high-value rice varieties suitable for specific areas; and promoting the aggregation of farmers and agricultural institutions to achieve economies of scale for upgrading production and market access. This should be coupled with providing distributed water sources across agricultural areas and properly managing water resources both within and outside irrigation zones. (3) Long-term policies (5–10 years) focus on building structural competitiveness in the global market. This includes restructuring the rice industry toward a value-added chain (value chain upgrade), developing agricultural logistics and infrastructure, and supporting research, innovation, and the application of agricultural technology.



³ Data from the FAO Rice Price Update report as of February 2026.

⁴ Data on the rice productivity of major countries, such as Vietnam and India, is available up to 2023 from the FAO.

⁵ This activity includes rice milling, rice polishing, the production of parboiled rice and broken rice, and by-products such as rice bran and husks.

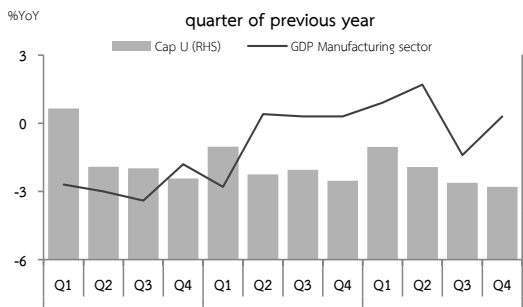
The manufacturing sector expanded by 0.3 percent, compared to a 1.4 percent decline in the previous quarter, in line with the improvement in manufacturing exports and the continuous expansion of private consumption and investment. In this quarter, **(1) the manufacturing group with export shares of 30-60 percent** returned to expansion, following the increased production of major goods, which included the **manufacture of motor vehicles** (5.1 percent), specifically battery electric vehicles (BEVs) (1,660.3 percent) and hybrid electric vehicles (HEVs) (51.9 percent), respectively. This was in line with accelerating demand before the expiration of the EV promotion measures (EV 3.0) on December 31, 2025, the **manufacture of prepared animal feeds** (5.5 percent), particularly prepared pet foods, swine feed, and chicken feed, respectively, following increased external demand for prepared animal feeds, and the **manufacture of batteries and accumulators** (6.6 percent), driven by the increase in electric vehicle and renewable energy production. Meanwhile, the production of major goods that declined included the manufacture of sugar (-4.7 percent) for the second consecutive quarter, the manufacture of rubber tires and tubes (-2.1 percent), and the preparation and spinning of textile fibers (-10.3 percent), respectively. **(2) the export-oriented manufacturing group (export share of more than 60 percent)** decreased for the second consecutive quarter, following the decline in the production of major goods, which included the **manufacture of other rubber products** (-6.0 percent), the **manufacture of appliances for domestic use** (-3.3 percent), specifically electrical appliances due to continuously declining external demand and severe price competition from foreign manufacturers, and the **manufacture of wearing apparel** (-7.2 percent), following the decline in outerwear and underwear. Meanwhile, the production of major goods that increased included the manufacture of jewelry (6.7 percent), the manufacture of computers and peripheral equipment (17.1 percent), the manufacture of electronic components and boards (12.2 percent), and the manufacture of furniture (18.0 percent), respectively. **(3) the domestic-oriented manufacturing group (export share of less than 30 percent)** decreased for the fifth consecutive quarter, following the decline in the production of major goods, which included the **manufacture of refined petroleum products** (-4.2 percent) due to refinery maintenance shutdowns during October-November 2025 by some producers, the **manufacture of non-alcoholic beverages** (-10.9 percent), following the decline in instant coffee, fruit-flavored drinks, and carbonated drinks, respectively, and the **slaughtering of poultry and production of poultry meat** (-3.5 percent), specifically frozen and chilled chicken meat. Meanwhile, the production of major goods that increased included the manufacture of plastics and synthetic rubber in primary forms (0.6 percent), the manufacture of other electronic and electric wires and cables (10.2 percent), the distilling, rectifying and blending of spirits (4.8 percent), and the manufacture of tobacco products (11.9 percent), respectively. **The average capacity utilization rate** in this quarter stood at 57.11 percent, lower than 57.50 percent in the previous quarter, and lower than 57.72 percent in the same quarter of last year. Among 30 major industries, 4 industries had a capacity utilization rate higher than 80.00 percent, which included the processing and preserving of meat (excluding poultry) (85.58 percent), the manufacture of refined petroleum products (84.69 percent), and the manufacture of pulp, paper and paperboard (80.48 percent), respectively. Meanwhile, 12 industries had a capacity utilization rate lower than 50.00 percent, such as the manufacture of basic iron and steel (49.04 percent), the manufacture of veneer sheets and similar wood-based panels (48.76 percent), and the manufacture of other general-purpose machinery (48.11 percent).

In 2025, the manufacturing sector increased by 0.4 percent, compared to a decline of 0.3 percent in 2024, and the average capacity utilization rate stood at 58.67 percent, lower than the 58.97 percent in 2024.

The manufacturing sector expanded by 0.3 percent, driven primarily by the return to expansion of the manufacturing group with export shares of 30-60 percent. Meanwhile, the export-oriented manufacturing group and the domestic-oriented manufacturing group continued to decrease.

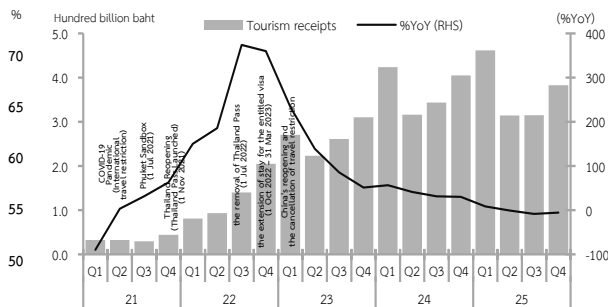
The average capacity utilization rate stood at 57.11 percent, lower than 57.50 percent in the previous quarter, and lower than 57.72 percent in the same quarter of last year.

GDP Manufacturing sector have increased, while the capacity utilization rate lower than previous quarter and lower than same quarter of previous year



Source : Office of Industrial Economics and NESDC

Services receipts of Tourism for Q4/2025 Stood at 383 billion Baht, an decrease of 5.4 percent.



Source: Bank of Thailand

The accommodation and food service activities sector expanded by 0.6 percent, slowing down from a 0.8 percent growth in the previous quarter. This was consistent with the slowdown in the number of Thai tourists and the decline in international tourist arrivals. In this quarter, **domestic tourism by Thai travelers (Thai Teaw Thai)** recorded 72.74 million trips, increasing by 1.2 percent, compared with a 3.1-percent increase in the previous quarter. The top five provinces with the highest number of Thai visitors (excluding Bangkok) were Chonburi at 4.473 million person-trips (accounting for 6.15 percent), Kanchanaburi at 3.918 million person-trips (accounting for 5.39 percent), Prachuap Khiri Khan at 2.703 million person-trips (accounting for 3.72 percent), Chiang Mai at 2.676 million person-trips (accounting for 3.68 percent), and Phetchaburi at 2.618 million person-trips (accounting for 3.60 percent), respectively. **The domestic tourism receipts¹** reached 314 billion baht, an increase of 2.4 percent compared to an expansion of 5.5 percent in the previous quarter. The top five provinces with the highest real receipts from Thai visitors (excluding Bangkok) were Chonburi (accounting for 9.41 percent), Chiang Mai (accounting for 6.99 percent), Chiang Rai (accounting for 4.24 percent), Prachuap Khiri Khan (accounting for 3.84 percent), and Phuket (accounting for 3.13 percent), respectively. **The number of international tourist arrivals** was 8.859 million (accounting for 90.23 percent compared to the pre-COVID-19 period), a decrease of 6.3 percent compared to a 13.5 percent decline in the previous quarter. The top five international tourist arrivals by nationality included China with 1.057 million (accounting for 11.93 percent), Malaysia with 1.042 million (accounting for 11.76 percent), India with 0.716 million (accounting for 8.09 percent), Russia with 0.627 million (accounting for 7.07 percent), and South Korea with 0.417 million (accounting for 4.71 percent), respectively. Considering tourists by distance, **short-haul tourists²** stood at 5.728 million (accounting for 64.66 percent), a decrease of 12.6 percent continuing from an 18.1 percent decline in the previous quarter. Meanwhile, **long-haul tourists³** stood at 3.131 million (accounting for 35.34 percent), an increase of 7.9 percent, accelerating from a 6.7 percent expansion in the previous quarter. This led to **international tourism receipts⁴** of 383 billion baht (accounting for 78.65 percent compared to the pre-COVID-19 period), a decrease of 5.4 percent, continuing from an 8.4 percent decrease in the previous quarter. This resulted in **total tourism receipts⁵** of 697 billion baht, decreasing for the second consecutive quarter by 2.0 percent compared to a 2.3 percent decrease in the previous quarter. **The average occupancy rate** in this quarter stood at 73.09 percent, higher than 67.40 percent in the previous quarter, but lower than 73.49 percent in the same quarter of last year.

The accommodation and food service activities sector expanded by 0.6 percent, decelerating from the previous quarter, in line with a slowdown in the number of Thai tourists and a decrease in the number of foreign tourists.

Total tourism receipts in this quarter stood at 697 billion baht, a decrease of 2.0 percent.

The average occupancy rate stood at 73.09 percent, higher than 67.40 percent in the previous quarter, but lower than 73.49 percent in the same quarter of last year.

In 2025, the accommodation and food service activities sector expanded by 2.5 percent, compared to a 12.0 percent expansion in 2024. The number of foreign tourists stood at 32.974 million, decreased by 7.2 percent, generating international tourism receipts of 1.475 trillion baht. When combined with domestic tourism receipts of 1.172 trillion baht, the total tourism receipts amounted to 2.647 trillion baht, an increase of 1.2 percent. The average occupancy rate stood at 71.42 percent, lower than 71.49 percent in 2024.

Tourism and Accommodation Situation in Thailand in 2025

The accommodation industry¹ is a key component of Thailand's tourism service sector, directly linked to travel activity by both domestic and international visitors. In 2025, following the easing of the COVID-19 pandemic, Thailand's accommodation industry continued to demonstrate a gradual recovery in terms of both the number of operators and the utilization of services. Based on data for licensed hotels, **the total number of accommodation establishments²** nationwide stood at 17,952 in 2025. This represents an increase of 1.3 percent, compared with a 3.6 percent increase in the previous year. The regional distribution was as follows: (1) **Southern region:** 4,438 establishments (24.72 percent share, increasing by 1.1 percent from the previous year). (2) **Northeastern region:** 4,068 establishments (22.66 percent share, increasing by 1.6 percent from the previous year). (3) **Central region:** 3,765 establishments (20.97 percent share, increasing by 1.5 percent from the previous year). (4) **Northern region:** 3,416 establishments (19.03 percent share, increasing by 1.1 percent from the previous year). (5) **Eastern region:** 2,265 establishments (12.62 percent share, increasing by 1.4 percent from the previous year).

¹ The accommodation industry: Refers to businesses providing short-term lodging (daily or weekly) for travelers, including hotels, resorts, guesthouses, and bungalows. These range from luxury establishments to simple stays and play a vital role in the economy and local communities by generating income and promoting tourism. The industry is characterized by high competition and a trend toward adopting technology and niche services. It is also significantly influenced by external factors, such as overall tourism trends.

² Number of accommodation establishments: Refers to the number of hotels that have applied for a business license from the Department of Provincial Administration (cumulative data as of June 2025).

¹ Thai tourism receipts from the summary table of accommodation situations, number of visitors, and visitor revenue from the Ministry of Tourism and Sports (MOTS).

² International tourists in the short-haul market group with a flight time of less than 6 hours, including tourists from the Asia-Pacific and Middle East regions.

³ International tourists in the long-haul market group with a flight time of more than 6 hours, including tourists from Europe, the Americas, and Africa.

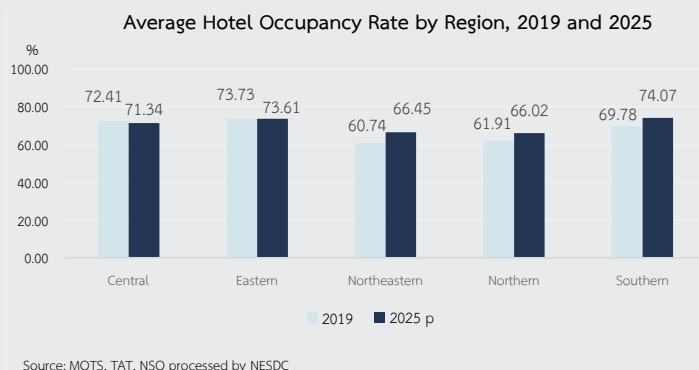
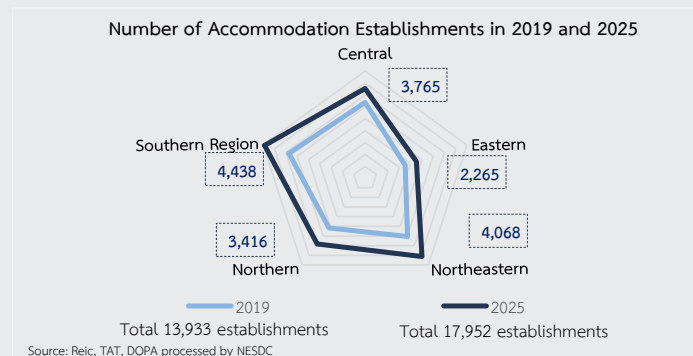
⁴ International tourism receipts from the balance of payments table, the Bank of Thailand (BOT).

⁵ Total tourism revenue refers to the sum of international tourism receipts and tourism receipts from Thai travelers.

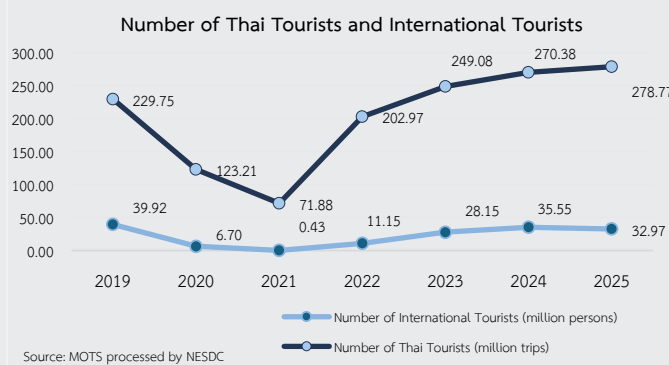
Tourism and Accommodation Situation in Thailand in 2025 (Cont.)

Compared with the pre-COVID-19 period³, the total number of establishments nationwide increased by 4,019, or 28.8 percent. By region, the distribution of this increase was as follows: **(1) the Southern region**, which increased by 1,071 establishments (share of 26.64 percent, increasing by 31.8 percent), **(2) the Northeastern region**, which increased by 1,040 establishments (share of 25.87 percent, increasing by 34.3 percent), **(3) the Northern region**, which increased by 837 establishments (share of 20.82 percent, increasing by 32.5 percent), **(4) the Central region**, which increased by 579 establishments (share of 14.40 percent, increasing by 18.2 percent), and **(5) the Eastern region**, which increased by 493 establishments (share of 12.27 percent, increasing by 27.8 percent), respectively.

The average hotel occupancy rate nationwide in 2025 stood at 71.42 percent, exceeding 70.08 percent recorded during the pre-COVID-19 period. Regions that recorded occupancy rates above pre-pandemic levels were the Northeastern, Southern, and Northern regions, respectively. In contrast, occupancy rates in the Central and Eastern regions remained slightly below pre-pandemic levels, reflecting an uneven recovery across the country.



An assessment of overall tourism demand in 2025 indicates that the domestic market recovered more rapidly than the international market. This resulted in an uneven recovery within the accommodation sector between areas relying on Thai tourists and those dependent on foreign visitors. **(1) Domestic tourism clearly surpassed pre-COVID-19 levels**, reaching 278.77 million trips (121.3 percent of the pre-pandemic level). This represents a 3.1 percent increase, following an 8.6 percent rise in the previous year. This growth was partly attributed to government stimulus measures, such as the "We Travel Together", "Half-and-Half", and "Shop and Refund" programs. Additionally, initiatives promoting secondary provinces and new routes saw notable growth in Suphan Buri (increased by 3.8 percent), Chiang Rai (increased by 5.6 percent), and Lop Buri (increased by 5.3 percent). **(2) International tourist arrivals continued to recover but remained below pre-pandemic levels.** Total arrivals reached 32.97 million (82.6 percent of pre-COVID levels), a 7.2 percent decline compared with the 26.3 percent increase seen in the previous year. While the sector has yet to reach its full potential regarding foreign markets while positive signs only emerged from long-haul travelers. These include Europe (25.02 percent share, increased by 12.4 percent), the Americas (4.79 percent share, increased by 18.0 percent), and Africa (0.60 percent share, increased by 6.8 percent). These high-spending groups generally have a longer average length of stay than short-haul travelers. The incomplete recovery is likely due to flight capacity constraints, the global economic slowdown, competition from neighboring countries, and shifting tourist behaviors.



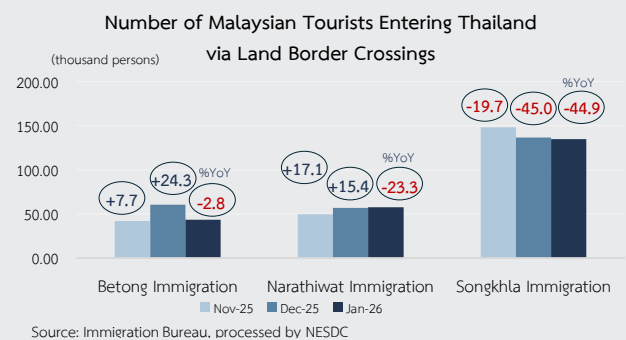
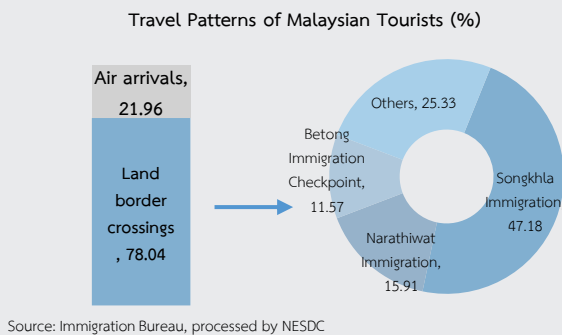
Looking ahead, the accommodation industry is expected to continue expanding in line with the recovery of domestic and international tourism demand. However, several risk factors may influence this recovery, including: (1) competitive tourism attraction measures from regional neighbors; (2) safety concerns among certain traveler groups; (3) the impacts of a global economic slowdown and a strengthening Thai baht; (4) intense competition due to an increase in accommodation supply; and (5) labor shortages within the service sector. These factors may limit the industry's growth potential. Therefore, it is essential to prioritize the following strategies to enhance Thailand's tourism and accommodation sectors: **(1) Short-term Policies (1–2 years):** Focus on restoring traveler confidence, stimulating domestic travel, and distributing tourism to secondary provinces and local communities. This includes reducing the cost burden and enhancing liquidity for operators, while elevating safety and hygiene standards. **(2) Medium-term Policies (3–5 years):** Focus on elevating the quality and standards of accommodations to international levels. This involves promoting the use of technology and digital systems within the industry and developing the skills of the service workforce to meet global standards. **(3) Long-term Policies (5–10 years):** Focus on transitioning the accommodation industry toward a "High-Value Tourism Economy." This includes developing infrastructure to support "Future Tourism Cities" and reforming regulations to accommodate new business models.

³ The pre-COVID-19 period refers to data from 2019.

Overview of Malaysian Tourists in Thailand in 2025

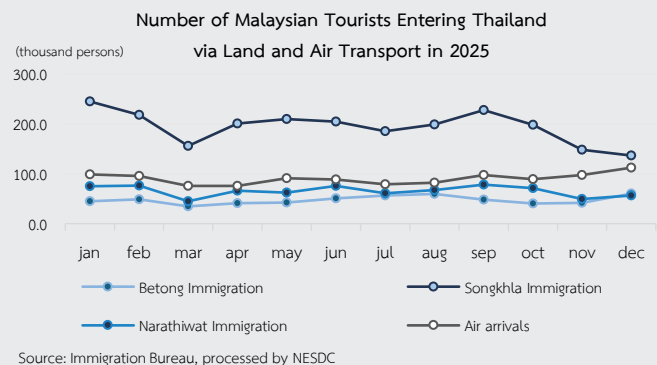
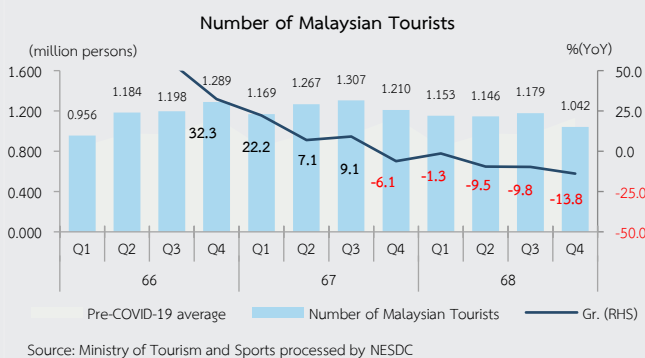
Tourists from Malaysia represent one of the most significant international tourism markets for Thailand’s tourism sector. In 2025, the total number of Malaysian tourist arrivals to Thailand reached 4.521 million (a 13.57 percent share of the total international tourist arrivals), ranking first among all foreign tourist markets. These visitors generated tourism receipts of 88.6 billion Baht, accounting for 5.77 percent of total international tourism revenue. A detailed examination of travel patterns shows that, in 2025, the vast majority of Malaysian tourists entered Thailand via land border crossings (78.04 percent of total arrivals). In particular, checkpoints in the three southern border provinces accounted for 74.67 percent of these land arrivals. These comprised: (1) Songkhla Immigration Checkpoints (47.18 percent share), such as Sadao and Padang Besar; (2) Narathiwat Immigration Checkpoints (15.91 percent share), such as Sungai Kolok and Tak Bai; and (3) Betong Immigration Checkpoint (11.57 percent share).

The travel behavior of Malaysian visitors is predominantly characterized by short trips¹. These travelers primarily focus on major tourism and business areas in the southern region, such as Songkhla Province (particularly Hat Yai District), Yala Province, and various coastal provinces. Additionally, key destinations such as Bangkok and Phuket remain popular as they cater to preferences for shopping, leisure, and dining.



However, severe flooding occurred in several southern provinces from mid to late November 2025. This affected nine provinces: Songkhla, Pattani, Nakhon Si Thammarat, Phatthalung, Narathiwat, Yala, Satun, Trang, and Surat Thani. The disaster resulted in significant loss of life and property, while disrupting transportation routes, cross-border mobility, and regional economic activities. Consequently, many tourists (particularly from Malaysia) postponed or canceled their travel plans. This impact is clearly reflected in the land border crossing data for the Songkhla Immigration Checkpoints, where traveler numbers declined continuously from November 2025 to January 2026. Specifically, arrivals fell by 19.7 percent in November 2025, 45.0 percent in December 2025, and 44.9 percent in January 2026. In contrast, the Narathiwat and Betong Immigration Checkpoints were not significantly affected. Nevertheless, the sharp decline in Songkhla reduced total Malaysian tourist arrivals in December 2025 to 342,200 (a 24.3 percent decrease). This contributed to a total of 1.042 million Malaysian tourists in the fourth quarter of 2025, representing a sharp decline of 13.8 percent compared with the 9.8 percent decrease recorded in the previous quarter.

Following the restoration of flood-affected areas in the southern region, policies must be implemented to rebuild traveler confidence and encourage Malaysian tourists to return. These measures include: (1) publicizing post-flood recovery to restore trust; (2) enhancing the efficiency and flow of southern border checkpoints; (3) developing new tourism routes tailored to the Malaysian market; (4) upgrading service standards for Muslim-friendly tourism; and (5) improving infrastructure to support land-border travel. At the same time, long-term strategies should be pursued to strengthen sustainable competitiveness, such as developing border checkpoints into Border Tourism Hubs, adopting automated immigration systems to streamline processing, establishing joint Thailand-Malaysia tourism databases, and promoting tourism innovation and the creative economy.



¹ Short trips refer to travel or tourism activities of short duration (e.g., same-day return or stays of 1–2 nights), emphasizing convenience, proximity, and time availability.

The wholesale and retail trade; repair of motor vehicles and motorcycles sector increased by 6.8 percent, accelerating from a 6.5 percent expansion in the previous quarter. This was primarily driven by the accelerated expansion of spending in the durable goods category, specifically motor vehicles. This is consistent with the increase in the composite index of wholesale and retail trade; repair of motor vehicles and motorcycles, specifically: (i) **The wholesale and retail sales, and repair of motor vehicles index** expanded at a high rate for the second consecutive quarter by 31.6 percent, accelerating from a 16.7 percent increase in the previous quarter. This was driven by the expansion in the sale of motor vehicles and the sale of motor vehicle parts and accessories, respectively. Meanwhile, the sale, maintenance, and repair of motorcycles and related parts and accessories declined, (ii) **The wholesale trade index (excluding motor vehicles and motorcycles)** increased by 7.7 percent, accelerating from the 1.5 percent expansion in the previous quarter. This was driven primarily by increases in the wholesale of household goods and the wholesale of machinery, equipment, and supplies. Meanwhile, the wholesale of food, beverages, and tobacco declined, and (iii) **The retail trade index (excluding motor vehicles and motorcycles)** expanded by 3.1 percent, decelerating from a 7.7 percent expansion in the previous quarter. This followed a slowdown in the retail sales in non-specialized stores and retail sales not in stores (such as direct selling, vending machines, and online sales), as well as a decline in the retail sales of other goods.

In 2025, the wholesale and retail trade; repair of motor vehicles and motorcycles increased by 6.1 percent, compared to an increase of 3.2 percent in 2024.

The transportation and storage sector increased by 3.2 percent, continuing from 3.0 percent in the previous quarter, driven primarily by the increase in land and pipeline transport services, and air transport services. This includes (1) **air transport services**, which increased by 2.9 percent, decelerating from 4.4 percent in the previous quarter, following the increase in the volume of domestic flights (61.90 percent share of the total volume) increasing by 19.6 percent and international flights (38.10 percent share of the total volume) increasing by 2.8 percent, respectively; (2) **land and pipeline transport services**, which increased by 3.6 percent, accelerating from 3.1 percent in the previous quarter, following the increase in the volume of public transport passengers, liquefied petroleum gas (LPG) consumption, and the number of registered trucks; and (3) **water transport services**, which decreased for the second consecutive quarter by 2.6 percent, compared to a 1.4 percent decrease in the previous quarter, driven primarily by the slowdown in the volume of seaborne exports. Meanwhile, warehousing and support activities for transportation increased by 6.4 percent, compared to an expansion of 5.3 percent in the previous quarter, and postal and courier activities increased by 4.5 percent, compared to an expansion of 2.8 percent in the previous quarter.

In 2025, the transportation and storage sector increased by 4.0 percent, compared to an increase of 10.1 percent in 2024. Air transport services expanded by 6.3 percent, land and pipeline transport services expanded by 4.1 percent, and water transport services expanded by 0.1 percent, respectively. Meanwhile, warehousing and support activities for transportation expanded by 5.6 percent, and postal and courier activities expanded by 2.9 percent, respectively.

The construction sector returned to expansion of 11.2 percent, compared to a decrease of 4.5 percent in the previous quarter. This was driven by public construction returning to expand at a high rate, and private construction returning to expansion for the first time in seven quarters. In this quarter, (1) **public construction** expanded at a high rate of 15.6 percent, compared to a decrease of 6.7 percent in the previous quarter. **Government construction** expanded at a high rate of 24.1 percent, compared to a decrease of 10.7 percent in the previous quarter. This was in line with the increase in construction of major projects such as the national highway network construction project (Motorway M9 connecting Bangkok and its vicinity) and other infrastructure projects such as the improvement and support of irrigation water management as well as irrigation area expansion projects under the central budget for economic stimulus and strengthening the national infrastructure. Meanwhile, **state enterprise construction** decreased for the first time in two quarters by 3.3 percent, compared to an increase of 4.4 percent in the previous quarter. This followed the decline in capital budget disbursements for the development of major infrastructure, such as the Rama III - Dao Khanong - Outer Ring Road (Western) Expressway project, the regional high-speed rail development project connecting Bangkok - Nong Khai (Phase 1: Bangkok - Nakhon Ratchasima), and the Kathu - Patong Expressway project in Phuket province, respectively. (2) **Private construction** returned to expansion for the first time in seven quarters at 4.8 percent, compared to a decrease of 1.0 percent in the previous quarter. This followed the return to expansion of residential construction at 4.4 percent, the expansion of non-residential building construction at 6.5 percent, and the expansion of commercial building construction by 4.8 percent, while industrial factory construction continued to expand for the eighth consecutive quarter by 12.2 percent, and other construction expanded by 4.1 percent, respectively. **The construction materials price index** increased for the sixth consecutive quarter by 0.2 percent, compared to 0.4 percent in the previous quarter, following price increases in the cement category (5.9 percent), the electrical and plumbing

The wholesale and retail trade; repair of motor vehicles and motorcycles sector increased for the twentieth consecutive quarter by 6.8 percent, accelerating from a 6.5 percent expansion in the previous quarter. This was driven primarily by the accelerated expansion of spending in the durable goods category, specifically motor vehicles.

The transportation and storage sector increased for the seventeenth consecutive quarter by 3.2 percent, compared to an expansion of 3.0 percent in the previous quarter, driven primarily by the increase in land and pipeline transport services, and air transport services.

The construction sector returned to expansion of 11.2 percent, driven by public construction returning to expand at a high rate, specifically government construction, and private construction returning to expansion for the first time in seven quarters.

The construction materials price index increased for the sixth consecutive quarter by 0.2 percent, driven primarily by price increases in the cement category, the electrical and plumbing equipment category, and the concrete products category.

equipment category (1.5 percent), and the concrete products category (1.0 percent). Meanwhile, the prices of major construction materials that declined included the steel category (-1.7 percent), the tiles category (-1.0 percent), and the sanitary ware category (-4.1 percent).

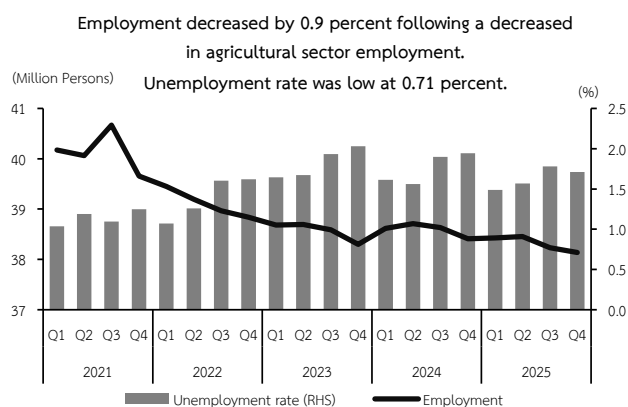
In 2025, the construction sector increased by 6.6 percent, accelerating from 1.7 percent in 2024, with public construction increasing by 11.3 percent (government construction increased by 18.7 percent, while state-owned enterprise construction decreased by 1.9 percent), and private construction declined by 0.8 percent.

Employment decreased for the second consecutive quarter, primarily driven by a decline in the agricultural sector. In contrast, non-agricultural employment increased for the fifteenth consecutive quarter, particularly in the manufacturing sector. The unemployment rate was lower than both the previous quarter and the same quarter of last year. In the fourth quarter of 2025, total employment stood at 39.74 million people, a decrease of 0.9 percent compared to a 0.5 percent decrease in the previous quarter. This included 35.82 million employed Thai nationals (90.13 percent of total employment), marking a 2.5 percent decline, compared to a 2.3 percent decrease in the previous quarter, and 3.92 million employed foreign workers (9.87 percent of total employment), representing a 17.0 percent increase, compared to a 19.4 percent expansion in the previous quarter⁶. **Agricultural sector employment** (accounting for 28.95 percent of total employment) decreased for the eighth consecutive quarter by **3.2 percent**, compared to a 2.9 percent decrease in the previous quarter. This is consistent with the decline in the production of major agricultural products such as fruits, cassava, and paddy, respectively. **Non-agricultural sector employment** (accounting for 71.05 percent of total employment) increased by **0.1 percent**, decelerating from a 0.6 percent expansion in the previous quarter. This followed a decline in employment within wholesale and retail trade, repair of motor vehicles and motorcycles, construction, and accommodation and food service activities. However, employment in the **manufacturing sector** improved, increasing by 4.1 percent. **The unemployment rate** in this quarter stood at 0.71 percent, lower than the 0.76 percent recorded in the previous quarter, and lower than the 0.88 percent reported in the same quarter of the previous year. **The average number of unemployed individuals** was 286,943 people, lower than 307,480 in the previous quarter, and lower than 358,160 in the same quarter of the previous year.

In 2025, employment decreased by an average of 0.4 percent, compared to a 0.3 percent decrease in 2024, primarily driven by a decline in agricultural employment. The average unemployment rate stood at 0.81 percent, lower than the 1.00 percent recorded in 2024.

Employment decreased for the second consecutive quarter, primarily driven by a continuous decline in agricultural employment for the eighth consecutive quarter. Meanwhile, non-agricultural employment continued to increase for the fifteenth consecutive quarter.

The unemployment rate stood at 0.88 percent, lower than both the previous quarter and the same quarter of last year



Employed Persons by Industry

%YOY	Share	2024				2025						
		Q4/25	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4
Employed	100.00	-0.3	-0.1	-0.4	-0.1	-0.4	-0.4	-0.4	-0.5	0.02	-0.5	-0.9
- Agricultural	28.95	-4.4	-5.7	-5.0	-3.4	-3.6	-2.2	-3.1	-0.9	-2.9	-3.2	
- Non-Agricultural	71.05	1.5	2.2	1.5	1.4	1.1	0.4	0.5	0.4	0.6	0.1	
Manufacturing	16.35	0.4	0.7	2.2	-1.4	0.3	3.5	-0.4	0.1	2.6	4.1	
Construction	5.13	2.0	5.0	1.5	0.7	0.5	-6.2	-5.1	-3.7	-5.4	-8.6	
Wholesale and retail trade; repair of motor vehicles and motorcycles	16.74	-0.7	-0.4	0.2	-0.8	-1.8	-2.4	-3.1	-1.2	1.5	-2.9	
Accommodation and food service activities	8.65	7.7	10.6	4.9	6.1	9.4	0.8	3.5	3.1	-0.6	-1.5	
Total labor force (Million persons)	40.36	40.23	40.18	40.48	40.54	40.16	40.09	40.11	40.01	40.13		
Employed (Million persons)	39.81	39.58	39.50	40.04	40.11	39.65	39.38	39.51	39.85	39.74		
Unemployment (Million persons)	0.40	0.41	0.43	0.41	0.36	0.32	0.36	0.37	0.31	0.29		
Unemployment Rate (%)	1.00	1.01	1.07	1.02	0.88	0.81	0.89	0.88	0.76	0.71		

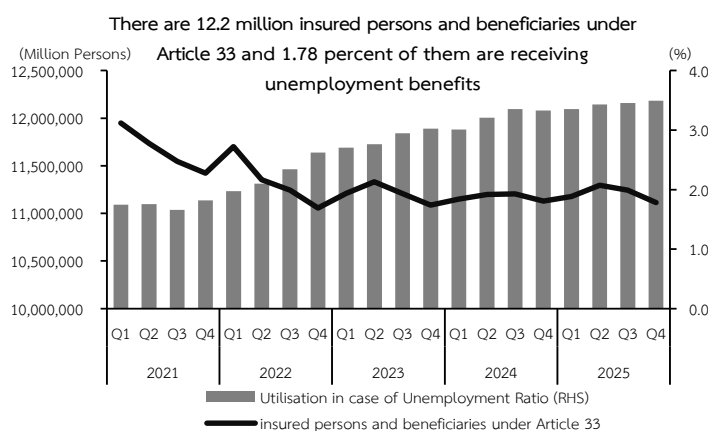
Source : National Statistical Office (NSO)

⁶ Foreign employment data is processed from information on the number of foreign nationals permitted to work remaining nationwide, Ministry of Labour, as of November 25, 2025.

Labor in the Social Security System: The number of insured people in the social security system continued to increase for the sixteenth consecutive quarter. The proportion of insured people receiving unemployment benefits under Article 33 was lower than in the previous quarter and lower than in the same quarter of the previous year. In the fourth quarter of 2025, the total number of social security beneficiaries increased by 0.2 percent, compared to a 0.05 percent increase in the previous quarter. This included **compulsory insured people under Article 33**, which increased by 0.9 percent, compared to a 0.6 percent increase in the previous quarter, and **voluntarily insured people under Article 40** increased by 0.19 percent, compared to a 0.17 percent increase in the previous quarter. Meanwhile, **voluntarily insured people under Article 39** continued to decline for the fourteenth consecutive quarter, decreasing by 4.4 percent, compared to a 4.2 percent decline in the previous quarter. **The average number of insured people receiving unemployment benefits under Article 33** was 217.4 thousand people, lower than 241.8 thousand people in the previous quarter and lower than 218.0 thousand people in the same quarter of the previous year. **The proportion of insured people receiving unemployment benefits under Article 33** stood at 1.78 percent, lower than the 1.99 percent recorded in the previous quarter and lower than the 1.80 percent recorded in the same quarter of the previous year.

The number of insured persons in the social security system continued to increase for the sixteenth consecutive quarter by 0.2 percent, following the increase in compulsory insured persons under Article 33 and voluntarily insured persons under Article 40. Meanwhile, voluntarily insured persons under Article 39 continued to decline for the fourteenth consecutive quarter.

The proportion of insured persons receiving unemployment benefits under Article 33 in this quarter stood at 1.78 percent, lower than the 1.99 percent in the previous quarter, and lower than the 1.80 percent in the same quarter of the previous year.



Source: The Social Security Office, Ministry of Labour

Number of social security beneficiaries

Registered Applicants (Thousand persons)	2024					2025				
	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4
Insured Persons (article 33) ^{1/}	12,081	11,883	12,006	12,096	12,081	12,184	12,094	12,145	12,159	12,184
Insured Persons (article 39) ^{2/}	1,720	1,770	1,740	1,716	1,720	1,650	1,701	1,661	1,646	1,650
Insured Persons (article 40) ^{3/}	11,012	10,980	10,996	11,004	11,012	11,035	11,003	11,009	11,022	11,035
Total Insured Persons	24,813	24,634	24,742	24,816	24,813	24,869	24,799	24,814	24,828	24,869
Utilisation in case of Unemployment	218	218	231	233	218	217	228	252	242	217
Utilisation in case of Unemployment Ratio (%)	1.80	1.83	1.92	1.93	1.80	1.78	1.89	2.07	1.99	1.78

Source : Social Security Office (SSO) , Ministry of labour

Note: ^{1/} Insured Persons (article 33) are employees of private enterprises that employ at least 1 employee. Those Insured Persons must be over 15 years of age, but under 60 years of age

^{2/} Insured Persons (article 39) are individuals who resigned from private enterprises (previously insured persons under article 33) but wants to maintain social security rights. Therefore, they voluntarily applied for social security rights under article 39

^{3/} Insured Persons (article 40) are neither persons who are currently employed by private enterprises (article 33) nor has never applied to be an insured person under article 39. Insured persons under article 40 must be a self-employed person or informal workers age who must be over 15 years of age, but under 60 years of age.

Fiscal Conditions:

On the revenue side, in the first quarter of the fiscal year 2026 (October - December 2025), net government revenue collection totaled 633.0 billion Baht, increasing by 2.3 percent compared to the same period in the previous year. The agencies that collected higher revenue compared with the same quarter of the previous year are as follows: (i) **The Revenue Department increased by 2.5 percent**, this increase was attributable to the collection of value-added tax (VAT) on domestic consumption. (ii) **The Excise Department, which increased by 13.9 percent**, attributable to oil and oil products excise tax, liquor tax, and automobile tax. Revenue from the oil and oil products excise tax increased by 15.8 percent, attributable to the 1 baht per liter increase in the excise tax on diesel and gasoline, effective from May 7, 2025. Meanwhile, liquor tax revenue increased by 35.4 percent, due to a low consumption base in the same period of the previous year, and automobile tax revenue increased by 11.3 percent, consistent with the substantial expansion in vehicle registrations, notably battery electric vehicles (BEVs) and hybrid electric vehicles (HEVs), which increased by 125.3 percent and 36.2 percent, respectively. (iii) **The revenue remittance from state-owned enterprises increased by 23.2 percent**, primarily due to carry-over revenue from the Electricity Generating Authority of Thailand (EGAT). (iv) **Remittances from other government agencies increased by 3.9 percent**, primarily due to the transfer of surplus proceeds from bond sales (premiums) to cover the fiscal deficit.

However, net government revenue collection in the first quarter of fiscal year 2026 was 2.0 percent below the budget estimate; this is attributable to the Ministry of Finance’s policy of expediting corporate income tax refunds, aimed at enhancing liquidity for business operators. Consequently, the revenue department’s tax refund disbursements exceeded the estimate by 38.6 billion Baht, or 45.8 percent. Meanwhile, **the Thai Customs Department collection was 8.0 percent lower than the estimates**, primarily due to the appreciation of the Thai Baht and the utilization of tax benefits.

Government’s Net Revenue Collection: The first quarter of fiscal year 2026
(October - December 2025)

Unit: Million Baht

Sources of Revenue	FY2025	FY2026	Compare with the		Budgeted Target FY2026	Compare with Budgeted	
			Amount	%		Amount	%
1. Revenue Department	470,596	481,935	11,339	2.4	478,929	3,006	0.6
2. Excise Department	122,811	139,902	17,090	13.9	130,040	9,862	7.6
3. Customs Department	28,903	28,625	-278	-1.0	31,100	-2,475	-8.0
Revenue From 3 Departments	622,310	650,461	28,151	4.5	640,069	10,392	1.6
4. State-Owned Enterprises	51,938	64,001	12,063	23.2	58,998	5,003	8.5
5. Other Agencies	51,026	53,433	2,407	4.7	43,329	10,104	23.3
5.1 Other Agencies	43,950	45,647	1,696	3.9	36,228	9,419	26.0
5.2 Other Agencies	7,075	7,787	711	10.1	7,101	686	9.7
Total Revenue (Gross)	725,274	767,896	42,621	5.9	742,396	25,500	3.4
Deductions	106,654	134,867	28,213	26.5	96,308	38,559	40.0
Total Revenue (Net)	618,621	633,029	14,409	2.3	646,088	-13,059	-2.0

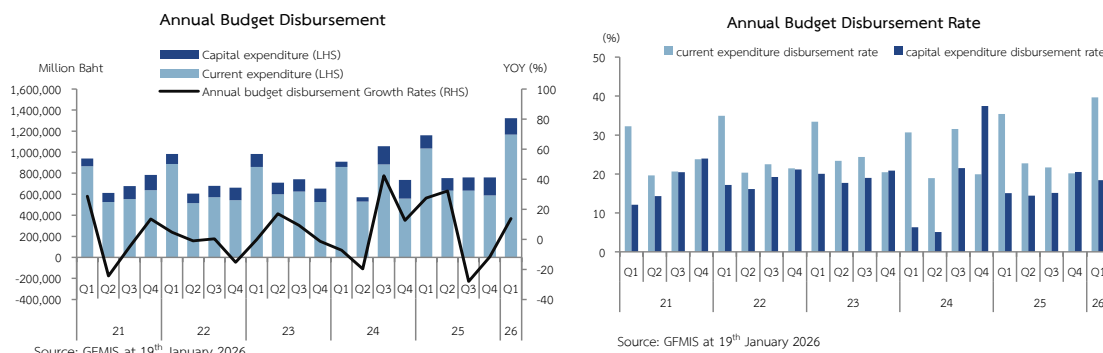
Source: Fiscal Policy Office

On the expenditure side, in the first quarter of fiscal 2026, the government had a total budget disbursement of 1,515.8 billion Baht⁷, reflecting an 11.2 percent increase compared to the same quarter of the previous year, in which total budget disbursement consisted of:

(i) **The 2026 annual budget disbursement** amounted to 1,321.7 billion Baht, an increase of 13.9 percent compared to the same quarter last year. The disbursement rate was 35 percent, higher than the 30.9 percent in the same quarter last year. The current expenditure disbursement totaled 1,166.9 billion Baht, representing a 12.7 percent increase from the same quarter last year. The disbursement rate was 39.5 percent, higher than the 35.4 percent in the same quarter last year. The capital expenditure disbursement was marked at 154.8 billion Baht, increasing from the same quarter last year by 23.7 percent. The disbursement rate was 18.7 percent, higher than the 15.1 percent in the same quarter last year.

In Q1/FY2026, net government revenue collection increased by 2.3 percent compared to the same quarter of the previous year but was 2.0 percent lower than the estimates. This resulted from the policy of expediting corporate income tax refunds to enhance liquidity for business operators.

In Q1/FY2026, total budget disbursement increased by 11.2 percent. The increase is primarily due to the increase in the annual budget and carry-over budget disbursement.



Source: GFMS at 19th January 2026

⁷ The total budget disbursement includes the disbursement of (i) the grand total of annual budget, (ii) the carry-over budget, and (iii) the State-owned enterprises’ capital expenditure budget allocated by the State Enterprise Policy Office including PT and affiliated companies’ domestic investment and the State-owned enterprise’s capital expenditure allocated from the annual budget and the carry-over budget.

Annual budget disbursement	Fiscal Year 2025						Fiscal Year 2026				
	Budget	Q1	Q2	Q3	Q4	FY	Budget	Q1	Oct	Nov	Dec
Total disbursement (Billion)	3,752.7	1,160.5	784.5	760.1	759.3	3,464.3	3,780.6	1,321.7	688.4	250.5	382.8
disbursement rate %	-	30.9	20.9	20.3	20.2	92.3	-	35.0	18.2	6.6	10.1
current expenditure (Billion)	2,923.5	1,035.4	664.7	634.6	589.3	2,924.0	2,954.6	1,166.9	581.8	231.6	353.5
disbursement rate %	-	35.4	22.7	21.7	20.2	100.0	-	39.5	19.7	7.8	12.0
capital expenditure (Billion)	829.2	125.1	119.7	125.5	170.0	540.3	825.9	154.8	106.7	18.8	29.3
disbursement rate %	-	15.1	14.4	15.1	20.5	65.2	-	18.7	12.9	2.3	3.5

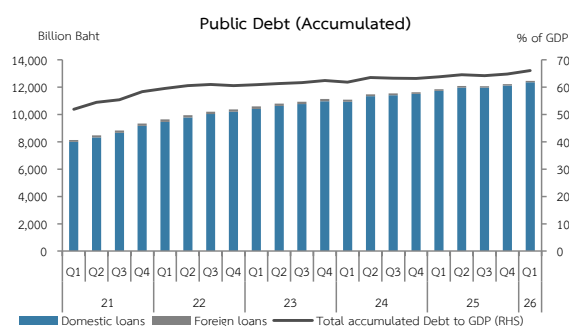
Source: GFMS at 19th February 2026

(ii) The carry-over budget disbursement stood at 111.2 billion Baht⁸, increasing from the same quarter last year by 10 percent. The disbursement rate was 34.8 percent, accounting for current expenditure at 39.9 percent and capital expenditure at 34.2 percent.

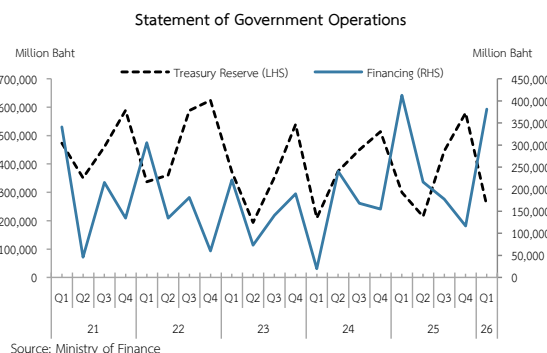
(iii) The State-owned enterprises' capital expenditure budget was disbursed for 101.2 billion Baht, reflecting a 9.7 percent decrease from the same quarter last year. This decrease was primarily due to a lower disbursement rate by the PTT Public Company Limited and its affiliated companies, the International Telecom Public Company Limited (NT), and the Provincial Electricity Authority (PEA). Thus, the top five state-owned enterprises with the highest disbursement values were the PTT Public Company Limited and its subsidiaries, the State Railway of Thailand (SRT), the Provincial Electricity Authority (PEA), the Electricity Generating Authority of Thailand (EGAT), and the Mass Rapid Transit Authority of Thailand (MRTA).

Public Debt: At the end of the first quarter of fiscal year 2026 (December 2025), public debt stood at 12.5 trillion Baht, equivalent to 65.6⁹ percent of GDP, compared to 64.7¹⁰ percent in the previous quarter. The total public debt comprised 12.3 trillion Baht in domestic loans (99.2 percent of public debt) and 98.0 billion Baht in foreign loans (0.8 percent of public debt). The debt is classified into government debt at 11,213,103.8 million Baht; non-financial state-owned enterprise (SOE) debt at 1,049,260.7 million Baht; financial state-owned enterprise debt (government guaranteed) at 154,752.9 million Baht; and debt of other government agencies at 35,738.1 million Baht. These components account for 90.0 percent, 8.4 percent, 1.2 percent, and 0.3 percent of the total outstanding public debt, respectively.

At the end of December 2025, public debt stood at 65.6 percent of GDP, compared to 64.7 percent in the previous quarter.



Source: Public Debt Management Office



Source: Ministry of Finance

Government's Fiscal Balance on Cash Basis: At the end of the first quarter of fiscal year 2026, the budgetary balance recorded a deficit of 798.1 billion Baht, combined with a surplus of 89.7 billion Baht on the non-budgetary balance. Additionally, the government managed cash flow through borrowing of 381.0 billion Baht. Consequently, the cash balance after debt financing showed a net deficit of 327.4 billion Baht. The beginning treasury reserve balance stood at 580.3 billion Baht, resulting in a fiscal balance of 252.9 billion Baht at the end of December 2025.

At the end of December 2025, the fiscal balance stood at 252.9 billion Baht.

⁸ The number was included the 18.3 billion Baht of the capital spending allocated from the annual budget and the carry-over budget.
⁹ Calculated by NESDC, adjusted for the GDP announced by the NESDC on February 16, 2026, which was 18,973,709 million baht.
¹⁰ Calculated by NESDC, adjusted for the GDP announced by the NESDC on February 16, 2026, which was 18,893,310 million baht.

Financial Conditions:

The policy interest rate was reduced from 1.50 to 1.25 percent per annum

During the fourth quarter of 2025, the Monetary Policy Committee (MPC), at its meeting on October 8th, 2025, voted 5 to 2 to maintain the policy interest rate. However, in the meeting on December 17th, 2025, the MPC unanimously voted to reduce the policy rate by 0.25 percentage points from 1.50 to 1.25 percent, which was the fourth reduction in 2025. This reduction aimed to support economic recovery and alleviate debt burden of vulnerable groups. The MPC’s policy rate cut was consistent with the monetary policy easing among several regional countries, including India and Philippines, and major economies including the United State, England, Canada, and New Zealand. Meanwhile, the central banks of China, South Korea, Vietnam, Malaysia, Indonesia, and the European Central Bank maintained their policy interest rates. In contrast, the Bank of Japan increased its policy interest rate by 0.25 percentage points to 0.75 percent per annum -the highest level in 30 years- as inflation remained above the target range and showed an upward trend.

The Monetary Policy Committee reduced the policy rate by 0.25 percentage point in line with the monetary policy easing in major countries

In January 2026, the central banks in major countries and regional countries maintained their policy interest rates. The Federal Reserve (Fed) held rates steady amid continued economic expansion and signs of recovery in the labor markets. Similarly, the central banks of South Korea and Indonesia kept policy rates unchanged to mitigate depreciation pressures on their exchange rate.

Policy Interest Rate

At the end of	2023	2024				2025					2026		
	Year	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Oct	Nov	Dec	Jan
USA	5.25-5.50	5.25-5.50	5.25-5.50	4.75-5.00	4.25-4.50	4.25-4.50	4.25-4.50	4.00-4.25	3.50-3.75	3.75-4.00	3.75-4.00	3.50-3.75	3.50-3.75
EU	4.50	4.50	4.25	3.65	3.15	2.65	2.15	2.15	2.15	2.15	2.15	2.15	2.15
England	5.25	5.25	5.25	5.00	4.75	4.50	4.25	4.00	3.75	4.00	4.00	3.75	3.75
Canada	5.00	5.00	4.75	4.25	3.25	2.75	2.75	2.50	2.25	2.25	2.25	2.25	2.25
Russia	16.00	16.00	18.00	19.00	21.00	21.00	20.00	17.00	16.00	16.50	16.00	16.00	16.00
New Zealand	5.50	5.50	5.50	5.25	4.25	3.75	3.25	3.00	2.25	2.50	2.25	2.25	2.25
Australia	4.35	4.35	4.35	4.35	4.35	4.10	3.85	3.60	3.60	3.60	3.60	3.60	3.60
Brazil	11.75	10.75	10.50	10.75	12.25	14.25	15.00	15.00	15.00	15.00	15.00	15.00	15.00
China	3.45	3.45	3.45	3.35	3.10	3.10	3.00	3.00	3.00	3.00	3.00	3.00	3.00
India	6.50	6.50	6.50	6.50	6.50	6.25	5.50	5.50	5.25	5.50	5.50	5.25	5.25
Japan	-0.10	0.10	0.10	0.25	0.25	0.50	0.50	0.50	0.75	0.50	0.50	0.75	0.75
South Korea	3.50	3.50	3.50	3.50	3.00	2.75	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Philippines	6.50	6.5	6.5	6.25	5.75	5.75	5.25	5.00	4.50	4.75	4.75	4.50	4.50
Indonesia	6.00	6.00	6.25	6.00	6.00	5.75	5.50	4.75	4.75	4.75	4.75	4.75	4.75
Vietnam	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Malaysia	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.75	2.75	2.75	2.75	2.75	2.75
Thailand	2.50	2.50	2.50	2.50	2.25	2.00	1.75	1.50	1.25	1.50	1.50	1.25	1.25

Source: Collected by NESDC as of 6 February 2026

Large and medium-sized commercial banks and specialized financial institutions (SFIs) reduced both deposit and lending rates in line with the reduction in the policy rate. In the fourth quarter of 2025, large commercial banks, medium-sized commercial banks, and SFIs lowered their 12-month fixed deposit rates from the averages of 1.10, 1.00, and 1.30 percent per annum to 0.86, 0.90, and 1.25 percent per annum, respectively. Similarly, their Minimum Loan Rates (MLR) declined from the averages of 6.69, 7.77, and 6.22 percent per annum to 6.60, 7.72, and 6.15 percent per annum, respectively.

Commercial banks and SFIs reduced their deposit and lending rates in line with the policy rate cuts.

Average real deposit and lending rates across all banks were 1.51 and 7.33 percent per annum, declining from 1.87 and 7.60 percent per annum in the previous quarter. This decline was driven by the reduction in nominal average rates across all banks and a recovery in the inflation rate compared to the preceding quarter.

In January 2026, medium-sized commercial banks and SFIs lowered their MLR from the averages of 7.72 and 6.15 percent per annum to 7.67 and 6.12 percent per annum, respectively. For 12-month fixed deposit rates, large commercial banks and SFIs lowered the rates from the averages of 0.86 and 1.25 percent per annum to 0.85 and 1.18 percent per annum, respectively.

At the end of the fourth quarter of 2025, outstanding private loans from depository institutions declined by 0.13 percent. This was the sixth consecutive quarterly decline, driven by a decrease in loans from commercial banks and a continued slowdown in growth from specialized financial institutions (SFIs).

Outstanding private loans from commercial banks contracted by 1.46 percent, following a 1.62 percent contraction in the previous quarter, which was the eleventh consecutive quarter of contraction. **Business loans** contracted by 1.07 percent, consistent with the 1.07 percent contraction in the previous quarter. This was caused by a 3.71 percent decline in loans to large enterprises. (compared to a 2.11 percent decrease in the previous quarter), particularly within finance and insurance activities, wholesale and retail trade, motor vehicle and motorcycle repair, and manufacturing. Meanwhile, small and medium enterprises (SMEs) loans expanded by 7.84 percent, compared to a 7.86 percent growth in the previous quarter, primarily supported by lending in the finance and insurance activities¹¹. However, the economic slowdown and deteriorating loan quality have prompted financial institutions to tighten credit standards, especially for new borrowers. This included requiring higher collateral requirements for high-risk large enterprises and reducing credit lines for both large enterprises and SMEs. **Household loans** contracted by 1.85 percent, slightly improve from a 2.19 percent decline in the previous quarter, due to a decline in hire-purchases loans for cars and motorcycles and credit card loans. This reflecting persistently high household debt overhang. In addition, the economic slowdown as well as concerns over credit risk and deteriorating loan quality-particularly among low-income groups-led commercial banks to raise margin requirements and tighten collateral conditions. However, credit quality for credit cards and hire-purchase loans improved due to stricter underwriting standards implemented in recent periods.

Outstanding private loans from SFIs grew by 0.66 percent, decelerating from a 1.35 percent expansion in the previous quarter. The deceleration was mainly driven by a continued slowdown in household loans (accounted for 86.75 percent of total SFI loans) and a contraction in business loans (accounted for 13.25 percent of total SFI loans). This was the first contraction in SFIs business loans in eight years, since the first quarter of 2018.

Financial Performance of Commercial Banks: In the fourth quarter of 2025, commercial banks' income declined by 4.13 percent, following a 2.90 percent decline in the previous quarter. This was mainly due to lower interest income. Similarly, expenses fell by 4.25 percent, compared with a 3.48-percent drop in the previous quarter, driven by lower interest expenses. As a result, the Net Interest Margin (NIM) stood at 2.86 percent, declining from 2.98 percent in the previous quarter and 3.24 percent in the same quarter last year.

Outstanding private loans from depository institutions declined for the sixth consecutive quarter, driven by a contraction in commercial banks' lending and slower specialized financial institutions (SFIs) loan expansion.

Private credit outstanding of depository institutions

%YOY (as of the end of the period)	shared Q4/25 (%)	2021	2022	2023	2024				2025			
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Private credit outstanding of depository institutions¹	100.00	4.31	2.20	1.47	1.43	1.00	-0.86	-1.03	-1.16	-1.05	-0.14	-0.13
Business loan ¹	34.92	5.89	2.00	-0.12	0.55	0.74	-3.24	-2.94	-2.92	-2.96	-0.72	-1.09
Household loans ¹	65.08	3.42	2.32	2.38	1.94	1.15	0.48	0.04	-0.16	0.03	0.17	0.39
1. private credit from commercial banks²	61.51	4.92	1.42	-0.10	-0.09	-0.48	-3.09	-3.25	-3.36	-3.12	-1.62	-1.46
1.1 Business loan ² (shared 51.03% of private credit from commercial banks)		5.74	1.62	-1.19	-0.32	0.08	-3.99	-3.65	-3.72	-3.67	-1.07	-1.07
• large enterprises ³		7.82	4.02	3.03	-1.97	0.79	-1.63	1.58	1.71	1.87	-2.11	-3.71
• SMEs ³		5.49	0.36	-5.73	-4.77	-4.78	-3.28	-3.04	-2.10	-1.63	7.86	7.84
1.3 Household loan ² (shared 48.97% of private credit from commercial banks)		4.06	1.21	1.05	0.15	-1.08	-2.15	-2.83	-2.98	-2.53	-2.19	-1.85
• Provide for Dwelling ³		4.41	3.20	1.43	1.12	0.94	0.49	0.46	0.24	0.16	0.39	0.80
• Purchase or hire purchase Cars and Motorcycle ³		0.12	0.35	-0.41	-2.96	-6.18	-9.10	-11.40	-11.61	-10.93	-11.25	-9.87
• Credit Card ³		1.74	-14.16	2.60	0.17	-2.40	-4.73	-3.92	-3.42	-1.51	-0.83	-0.93
• Other (P-Loan) ³		7.94	3.78	7.05	5.47	4.42	3.01	0.94	0.18	0.14	0.26	0.82
2. private credit from specialized financial institutions (SFIs)⁴	25.97	3.63	3.65	5.10	4.47	3.57	2.64	2.21	2.04	1.80	1.35	0.66
2.1 Business loan ⁴ (shared 13.25% of SFIs)		7.49	6.22	12.39	10.50	8.26	4.93	4.31	5.14	4.27	2.41	-1.22
2.2 Household loans ⁴ (shared 86.75% of SFIs)		3.12	3.29	4.07	3.62	2.90	2.31	1.89	1.57	1.43	1.19	0.95

Source: ¹ EC_MB_011_S3 Other Depository Corporations Sectoral Balance Sheet

² EC_MB_012_S4 Commercial Banks Sectoral Balance Sheet

³ FI_CB_021_S4 All Commercial Banks' Total Credits and SMEs Credits Classified by Types of Business,

FI_CB_021_S5 All Commercial Banks' Total Credits and SMEs Credits Classified by Types of Business

⁴ EC_MB_013_S2 Depository Specialized Financial Institutions Sectoral Balance Sheet

Note: Since the third quarter of 2024, the Bank of Thailand (BOT) has revised its criteria for business size classification. SMEs are now categorized based on: (1) The definition in the Ministerial Regulation on Characteristics of Medium and Small Enterprises B.E. 2562, and (2) Credit line thresholds: Business with a credit line of less than 500 million baht are classified as SMEs. In cases where a business qualifies for both these two criteria, the higher classification (the large size) is applied.

¹¹ Since the third quarter of 2024, the Bank of Thailand (BOT) has revised its criteria for business size classification. SMEs are now categorized based on: (1) The definition in the Ministerial Regulation on Characteristics of Medium and Small Enterprises B.E. 2562, and (2) Credit line thresholds: Business with a credit line of less than 500 million baht are classified as SMEs. In cases where a business qualifies for both these two criteria, the higher classification (the large size) is applied.

Implementation outcome of debt relief measure for household and business

Loan growth in recent periods has been constrained by several factors, including the economic slowdown, elevated household debt overhang, deteriorating loan quality, as well as limited access to credit for Small and Medium Enterprises (SMEs). These challenges have contributed to a decline in overall credit expansion and have become a significant constraint on Thailand’s economic growth.



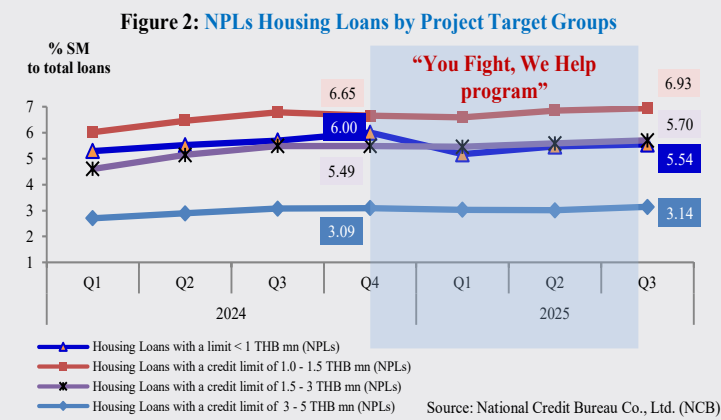
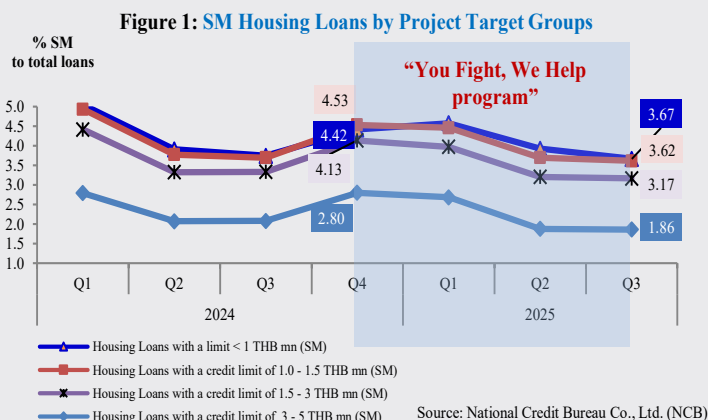
In response, the government has continuously implemented various measures to alleviate and address these constraints, such as debt restructuring program aimed at increasing household liquidity, support for low-interest loans, and targeted assistance measures for vulnerable groups. A key initiative was the "Khun Soo Rao Chuay" (You Fight, We Help) debt relief program, which targeted borrowers facing repayment difficulties. The program aimed to reduce financial burdens for household and vulnerable SMEs through debt restructuring. Operational data from December 12, 2024, to the program's completion on September 30, 2025, reveals that eligible registrants accounted for 30.32 percent of the target group, while the debt amount accounted for 56.36 percent of the target outstanding balance (see table for details). The fact that roughly 30.32 percent of participants accounted for over half of the targeted debt suggests that participants were concentrated among borrowers with higher credit limits, while retail borrowers had a relatively lower participation rate.

	Target Group ¹		Registered and Qualified Participants ²	
	Number of accounts (Millions)	Outstanding debt (Trillion Baht)	Number of accounts (Millions)	Outstanding debt (Trillion Baht)
You Fight, We Help program	3.1	1.1	0.94	0.62
Program Performance Ratio	-	-	30.32%	56.36%

Source: ¹ Estimated target group based on the Bank of Thailand (BOT) Letter No. 3782/2568 regarding Additional Debt Assistance Measures: "Khun Soo Rao Chuay" Project, Phase 2
² BOT News Release No. 44/2568, dated November 18, 2025
³ Calculated by the Office of the National Economic and Social Development Council (NESDC).



Regarding post-program loan quality, key target groups, including housing loan (with limit not exceeding 5 million Baht), auto loans (with limit not exceeding 800,000 Baht), and SME loans (with limit not exceeding 5 million Baht), shows that the ratio of Special Mention Loans (SM)¹ to total loans has improved. However, the ratio of Non-Performing Loans (NPLs)² to total loans remained largely unchanged during the same period (details according to Figures 1 - 4). This indicates that the program effectively assisted borrowers with early-stage arrears or those in the pre-NPLs stage in returning to performing status. Meanwhile, borrowers already classified as NPLs, defined as those with arrears exceeding 90 days, may require more intensive or alternative resolution measures.



¹ Special Mention Loans (SM): For individuals, refer to loans with payment 30–90 days overdue. For juristic persons, refer to loans with payment 1 – 90 days overdue.
² Non-Performing Loans (NPLs): Loans that payments are past due more than 90 days.

Implementation outcome of debt relief measure for household and business (Cont.)

Figure 3: SM and NPLs for hire-purchase loan for cars and motorcycles by Project Target Groups

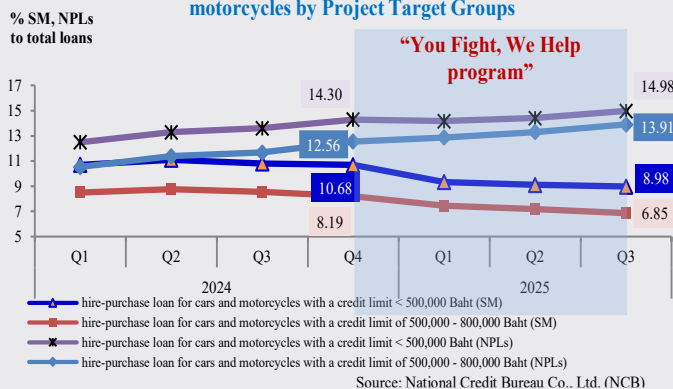
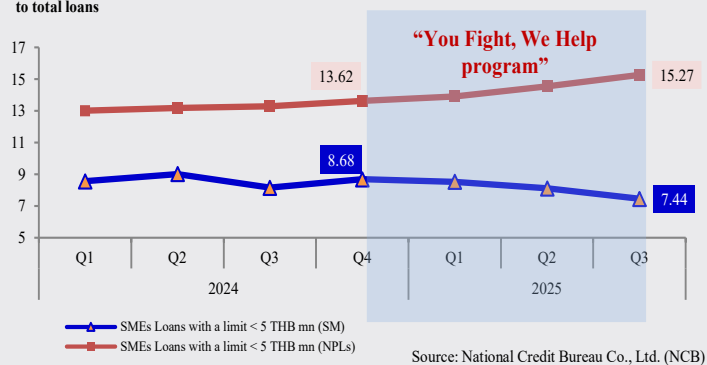


Figure 4: SM and NPLs for SMEs Loans by Project Target Groups



On November 11, 2025, the Bank of Thailand, the Ministry of Finance, and the Thai Bankers' Association, jointly announced the "Pid Nee Wai, Pai Tor Dai" (Close Debt Fast, Move Forward) program. This one-time, ad-hoc measure focused on retail NPLs with credit limits not exceeding 100,000 Baht per borrower. Under this program, Sukhumvit Asset Management (SAM) will manage the transfer of target debtors from commercial banks and their financial subsidiaries, while Ari Asset Management Co., Ltd. (ARI-AMC) will manage the transfer of target debtors from Specialized Financial Institutions (SFIs). The program offers highly flexible restructuring terms to reduce debt burdens, enabling borrowers to settle their debts more quickly and improve their repayment history. This three-year program is set to commence in January 2026, and is expected to improve overall loan quality, which may subsequently ease financial institutions' lending standards.



At the same time, SMEs access to credit remained constrained by economic slowdown pressures, and deteriorating SME loan quality, which prompted financial institutions to maintain tighter lending standards. To address this challenge, the Ministry of Finance, the Bank of Thailand, and the Thai Bankers' Association, have launched the "SMEs Credit Boost" program. This credit guarantee scheme aims to mitigate risks for new loans extended by commercial banks to SMEs and large enterprises in strategic industries³. The program will run for 2 years starting from January 15, 2026, with a maximum guarantee tenor of seven years from loan origination. The program is expected to generate approximately 100,000 million Baht in new loans.

The implementation of the "Close Debt Fast, Move Forward" program, the "SMEs Credit Boost" program, and other existing credit measures, will serve as vital mechanisms to support debt resolution and facilitate new credit access to households and businesses, especially SMEs. These efforts are essential for promoting employment, generating income, and supporting domestic consumption, which are key drivers for long-term sustainable economic growth.

³ Covers (1) SMEs in strategic industries (aligned with the "Reinvent Thailand" initiative and logistics sector, such as tourism, medical and wellness, agriculture and agro-processing, automotive and auto-parts, smart electronics, and trade. It also included businesses in the supply chains of the aforementioned industries, and industries suggested by the Board of Trade of Thailand and the Federation of Thai Industries, specifically logistics) and (2) SMEs and large businesses that intend to utilize the credit facilities for upgrading business potential, strengthening competitiveness, or generating value-added.

The average exchange rate of Thai Baht against the U.S. dollar appreciated from the previous quarter. In the fourth quarter of 2025, the exchange rate averaged at 32.18 Baht per U.S. dollar, appreciating by 0.35 percent from the previous quarter. This was mainly driven by; (i) a depreciation of the U.S. dollar in December, driven by investor concerns regarding the independence of the U.S. Federal Reserve and expectations of Fed policy rate cuts; (ii) Foreign capital inflows into the bond market as investors anticipated that both the Federal Reserve and the MPC would implement policy rate cuts in late 2025; (iii) a current account surplus in December 2025; and (iv) record-high gold prices caused by heightened geopolitical risk and concerns over U.S. dollar holding. In addition, when compared to trading partners/competitors, the Thai Baht appreciated as the Nominal Effective Exchange Rate (NEER) averaged at 131.35, increased by 1.36 percent from the previous quarter. Likewise, the Real Effective Exchange Rate (REER) increased by 0.75 percent from the previous quarter.

The average exchange rate of Thai Baht against the U.S. dollar appreciated from the previous quarter driven by a depreciation of the U.S. dollar, foreign bond inflows, a current account surplus and rising global gold prices.

However, several currencies appreciated against U.S. dollar in line with the Thai baht, including the Malaysian ringgit (1.69 percent), Chinese yuan (0.72 percent), Hong Kong dollar (0.56 percent), and Vietnamese dong (0.30 percent). In contrast, currencies that depreciated against the U.S. dollar were Korean won (4.74 percent), Japanese yen (4.44 percent), Taiwan dollar (3.77 percent), Philippine peso (2.80 percent), Indian rupee (2.15 percent), Indonesian rupiah (1.85 percent), and Singapore dollar (1.00 percent).

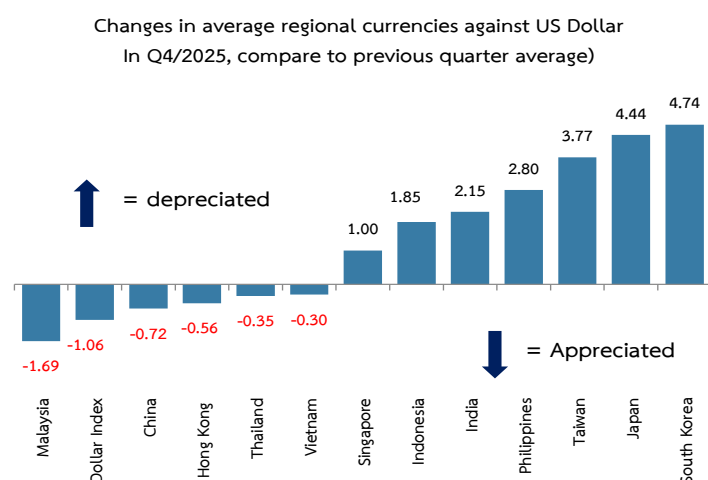
In 2025, the Thai Baht moved within a range of 31.07 to 34.79 Baht per U.S. dollar (averaged at 32.28 Baht per U.S. dollar), appreciating by 6.75 percent from the average of 35.26 Baht per U.S. dollar in 2024. This was in line with a decline in the U.S. dollar index and the trade-weighted U.S. dollar index. Meanwhile, gold prices, as safe-haven assets, increased due to uncertainties regarding U.S. trade policy and geopolitical tensions.

In January 2026, the Thai Baht was averaged at 31.27 Baht per U.S. dollar, appreciating by 0.90 percent from the previous month. The appreciation was in line with most regional countries including Malaysia, Singapore, China, South Korea, and Vietnam. Key drivers included: (i) U.S. dollar depreciation from geopolitical risks and trade restrictions; (ii) the sustained rise in gold prices, and (iii) net foreign inflows into stock and bond markets.

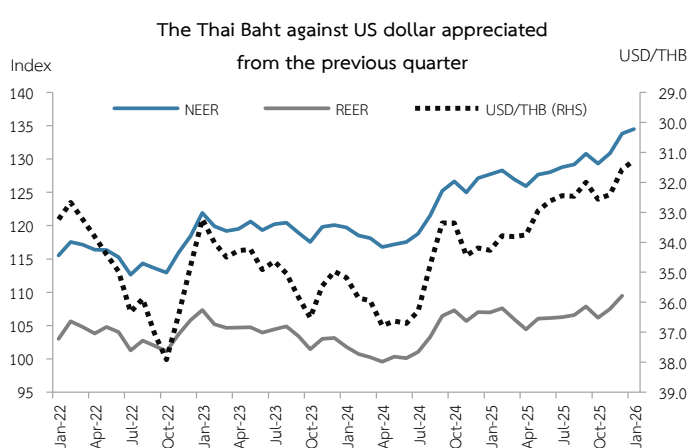
Thai Baht exchange rate, dollar index and gold prices

Average	2023		2024				2025					2026			
	Year	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Oct	Nov	Dec	Jan
Thai Baht exchange rate (Baht/USD)	34.81	35.26	35.65	36.71	34.81	33.99	32.28	33.96	33.11	32.29	32.18	32.56	32.40	31.56	31.27
Dollar index	103.44	104.20	103.57	105.18	102.69	105.38	100.79	106.72	99.73	97.95	98.99	98.76	99.74	98.55	98.26
Gold prices (USD/Troy Oz)	1,941.67	2,388.52	2,071.16	2,337.59	2,473.00	2,664.46	3,439.62	2,859.00	3,282.59	3,454.10	4,146.13	4,058.28	4,084.62	4,300.92	4,746.93

Source: Collected by NESDC as of 6 February 2026



Source: CEIC



Source: CEIC, Bank of Thailand

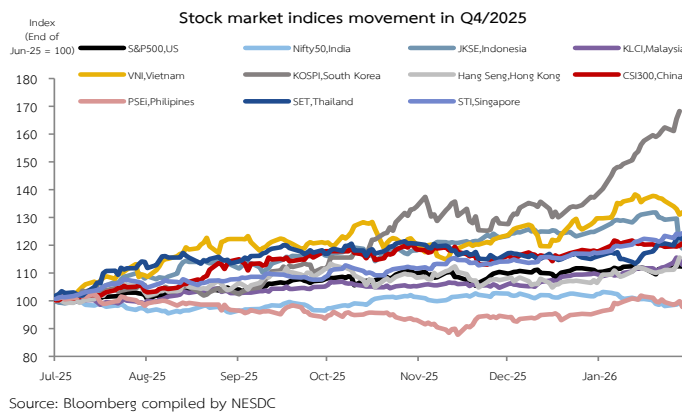
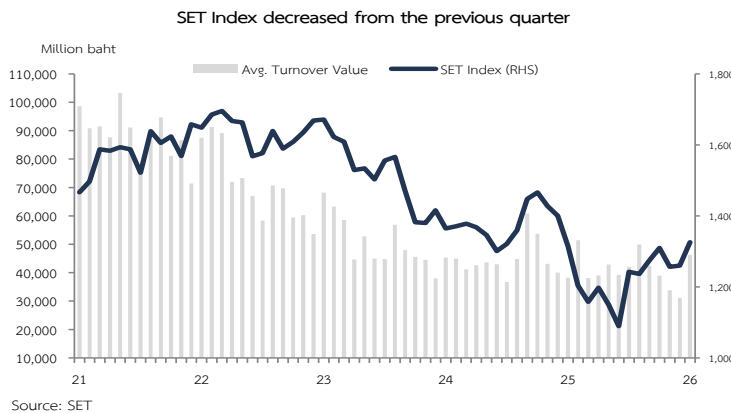
SET Index decreased from the previous quarter. At the end of the fourth quarter of 2025, the SET index closed at 1,259.61 points, decreasing by 1.14 percent from the previous quarter. The decline aligned with net selling by foreign investors and local institutions. Several factors contributed to the decrease index include, (i) a slowdown in listed companies' earnings in the third quarter of 2025 compared to the same period of the previous year; and (ii) severe flooding in southern Thailand, which affects overall investment sentiment. Furthermore, the decrease was broad-based across industry groups, such as industrials (-12.7 percent), services (-7.6 percent), agribusiness and food industry (-7.5 percent), property and construction (-6.7 percent), and resources (-3.1 percent).

Regional stock indices that declined in line with the SET index included, Hong Kong (-4.6 percent) and China (-0.2 percent). In contrast, several regional markets indices that increased in this quarter included, South Korea (23.1 percent), Taiwan (12.2 percent), Japan (12.0 percent), Singapore (8.0 percent), Vietnam (7.4 percent), Indonesia (7.3 percent), India (6.2 percent), Malaysia (4.2 percent), and Philippines (1.7 percent).

In 2025, the SET Index closed at 1,259.67 points, declining by 10.04 percent from 2024. Foreign investors and local institutions recorded net selling positions, totaling 107.1 billion Baht and 37.9 billion Baht, respectively. In addition, the three industry groups with the largest losses were services (-28.1 percent), industrials (-17.9 percent), and agribusiness and food industry (-17.5 percent).

In January 2026, the SET Index closed at 1,325.62 points, increased by 5.24 percent from the previous month, which was caused by net buying positions of local individuals and foreign investors in major industry groups, such as technology (13.8 percent), industrials (11.3 percent), and resources (3.3 percent).

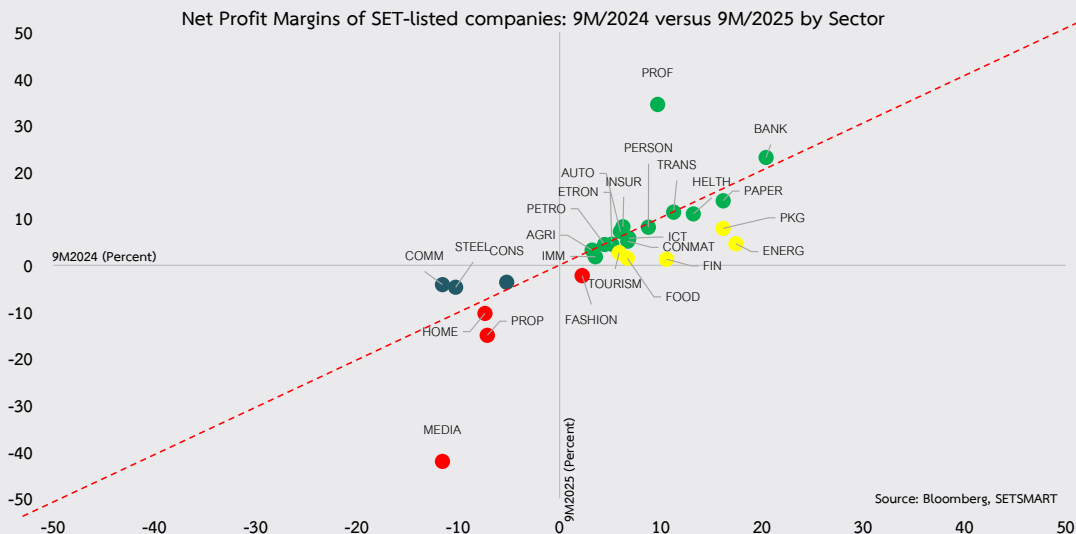
The SET Index declined from the previous quarter, in line with a deceleration in listed company performance and a decline of investor confidence following the flooding in the southern region.



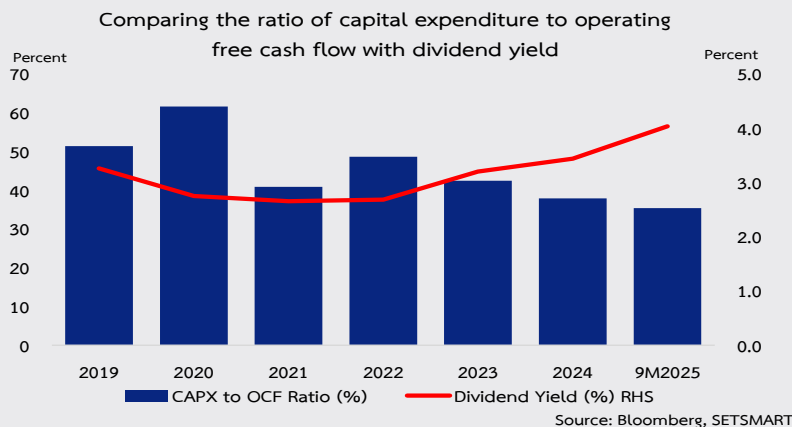
SET's performance and its challenges

During the first nine months (9M) of 2025, the total revenue of companies listed on the Stock Exchange of Thailand (SET) reached 12,381 billion baht, declining by 6.8 percent from 13,279 billion baht in the same period last year. Meanwhile, total expenses were 11,193 billion baht, declining by 7.1 percent from 12,046 billion baht in the same period last year. Therefore, the net profit was 775.6 billion baht, increasing by 11.98 percent from 692.6 billion baht in the same period last year. This improvement was primarily driven by corporate and investment restructuring efforts.

In addition, the Net Profit Margin (NPM) across various business sectors during the first nine months of 2025, compared with the same period last year, can be classified into three groups: **(i) Sustained NPM expansion (green):** This group includes information and Communication Technology (ICT) and Electronic Components (ETRON), which benefited from accelerated capital expenditure related to Artificial Intelligence (AI) and data center infrastructure. The banking sector (BANK) also recorded an improvement in NPM, supported by higher non-interest income and effective cost-optimization measures. Other sectors demonstrating resilient revenue growth and strong earnings generation included Automotive (AUTO), Insurance (INSUR), and Professional Services (PROF). **(ii) Declining NPM but remaining profitable (yellow):** Sectors in this category experienced declining NPM, but profitability remained positive. Downward pressures were sector-specific, such as Energy and Utilities (ENERG), which were affected by declining global oil prices, and the Tourism and Leisure (TOURISM), where margins softened amid a slowdown in international tourist arrivals. **(iii) Deepening NPM contraction (red):** This group comprises Fashion (FASHION), Home & Office Products (HOME), and Property Development (PROP), which experienced intensified competitive pressures from imported goods alongside weakening domestic consumption. Additionally, certain companies in the Media and Publishing (MEDIA) sector encountered significant industrial disruptions.



An analysis of investment behavior through the Capital Expenditure (CAPEX) to Operating Cash Flow (OCF) ratio reveals a downward trend since 2024. In contrast, the dividend yield has consistently risen. This suggests that since 2023, listed companies have prioritized allocating operating income to dividend distributions rather than reinvesting in capital expenditures. This shift likely stemmed from heightened uncertainty regarding external factors and Thailand's economic stability amidst global and domestic slowdowns. The sustained decline in CAPEX will not only dampen investment sentiment in the SET, but also hinder the market's long-term development due to a lack of high-potential growth stocks, which are always favored by investors. Moreover, reduced investment could limit innovation-driven growth and ultimately undermine the country's long-term competitiveness.

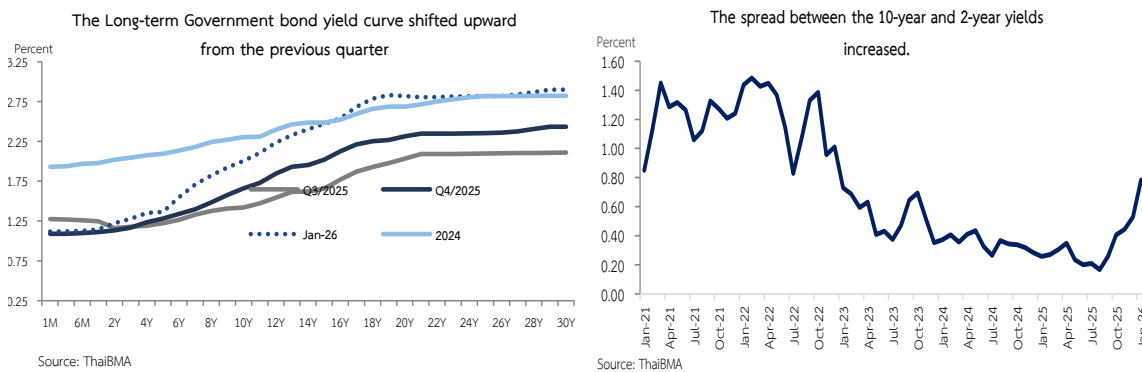


Short-term government bond yields declined, while long-term government bond yields increased. In the fourth quarter of 2025, short-term government bond yields (less than two years) declined, while those with maturities over two years increased from the previous quarter. This was influenced by asset management companies reducing the duration of bond portfolios to mitigate interest rate risk. As a result, the 2-year benchmark government bond yield fell from 1.16 percent to 1.13 percent per annum, while the 10-year benchmark government bond yield rose from 1.42 percent to 1.66 percent per annum. In addition, newly registered corporate bond issuances accounted for 371.0 billion baht, increasing from 370.2 billion baht in the previous quarter.

In 2025, the government bond yields across all maturities declined from the previous year. Short-term yields fell more sharply than long-term yields, consistent with the MPC's decision to cut the policy rate from 2.25 percent to 1.25 percent throughout the year. Furthermore, heightened global financial markets volatility, together with concerns over Thailand's economic outlook and fiscal stability, have prompted investors to reduce their portfolio duration to mitigate overall risk exposure. As a result, long-term yields declined at a slower pace than short-term yields.

In January 2026, the 2-year and 10-year benchmark yields increased to 1.22 percent and 2.01 percent per annum, respectively. The rise was driven by: (i) concerns over the fiscal stability of the Japanese government, which triggered a rise in regional bond yields, including Thailand. (ii) an acceleration in the issuances of new Thai government bonds during the month.

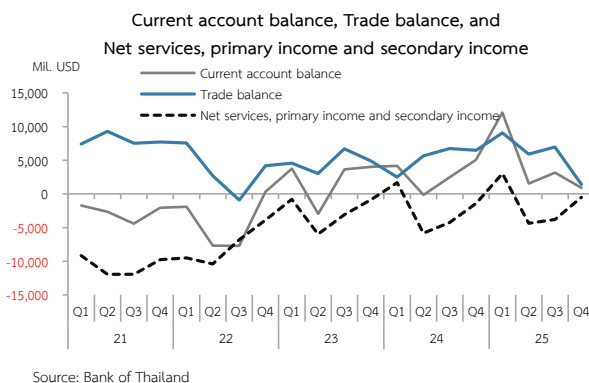
The government bond yield curve steepened because long-term yields declined at a slower pace than short-term yields.



The current account in the fourth quarter of 2025 registered a surplus of 0.9 billion US dollars (27.4 billion baht), marking the sixth consecutive quarterly surplus. This was lower than the 5.1 billion US dollar (173.4 billion baht) surplus in the same quarter of the previous year and the 3.2 billion US dollar (101.7 billion baht) surplus in the previous quarter. This outcome was driven by a surplus in the trade balance totaling 1.4 billion US dollars (44.0 billion baht), lower than the 6.5 billion US dollar surplus in the same quarter of the previous year and the 7.0 billion US dollar surplus in the previous quarter. The services, primary income, and secondary income accounts recorded a deficit for the third consecutive quarter of 0.5 billion US dollars (16.6 billion baht), compared to a deficit of 3.8 billion US dollars in the previous quarter and a deficit of 1.4 billion US dollars in the same quarter of the previous year.

The current account registered a surplus for the sixth consecutive quarter, but it was lower than the surplus in the same quarter of the previous year and the previous quarter.

In 2025, the current account registered a surplus of 17.7 billion US dollars (587.9 billion baht), higher than the 11.6-billion-US-dollar (402.7-billion-baht) surplus in 2024. This was primarily due to a trade surplus of 23.3 billion US dollars (767.0 billion baht), which increased from 21.4 billion US dollars (749.8 billion baht) in 2024. Meanwhile, the services, primary income, and secondary income accounts recorded a deficit of 5.6 billion US dollars (179.1 billion baht), decreasing from a 9.7-billion-US-dollar (347.1-billion-baht) deficit in 2024, due to a deficit in freight cost receipts within the services balance.

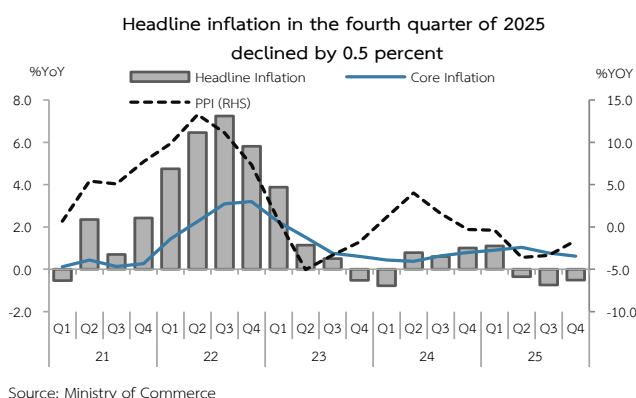


International reserves at the end of December 2025 stood at 281.9 billion US dollars, rising from 237.0 billion US dollars at the end of December 2024. In Thai baht terms, reserves amounted to 8,887.7 billion baht at the end of December 2025, higher than the 8,051.3 billion baht recorded in the same period last year.

Headline inflation in the fourth quarter of 2025 stood at -0.5 percent, remaining negative for the third consecutive quarter, compared to -0.7 percent in the previous quarter. This was driven by a 1.2-percent decrease in **the non-food and beverages price index**, mainly due to a reduction in energy prices; particularly motor fuel prices, in line with global market prices, and electricity prices, on account of government measures aimed at easing the rising cost of living. Meanwhile, **the food and non-alcoholic beverages price index** rose by 0.6 percent, primarily driven by increased prices for non-alcoholic beverages (2.6 percent), prepared food (1.8 percent), and meat, poultry, and fish (0.3 percent). Core inflation stood at 0.6 percent, decelerating from a 0.8 percent increase in the previous quarter, primarily driven by decelerating prices for prepared food and non-alcoholic beverages.

In 2025, headline inflation stood at -0.1 percent, compared to a positive 0.4 percent in 2024. This was driven by a decrease in motor fuel and fresh food prices, specifically fresh vegetables and fruits. Core inflation stood at 0.8 percent, up from 0.6 percent in 2024, driven by increasing prices for prepared food, non-alcoholic beverages, and seasonings and condiments.

In January 2026, headline inflation stood at -0.7 percent, remaining negative for the tenth consecutive month. This was primarily driven by a decrease in energy prices, specifically motor fuel and electricity prices, as well as personal care expenses. Meanwhile, core inflation stood at 0.6 percent, driven by increasing prices for prepared food and non-alcoholic beverages.



The Producer Price Index (PPI) in the fourth quarter of 2025 declined for the fifth consecutive quarter by 1.6 percent, continuing from a 3.4 percent decrease in the previous quarter. **The prices of agricultural and fishery products** declined for the fourth consecutive quarter by 12.4 percent, driven by decreasing prices for agricultural products and a decline in the prices of fishery products for the first time in six quarters. **The prices of mining products** declined for the eleventh consecutive quarter by 7.9 percent, due to a decrease in petroleum and natural gas prices. Meanwhile, **the prices of manufactured products** increased by 0.1 percent for the first time in five quarters, driven by accelerating prices for other manufactured goods, specifically gold and jewelry.

In 2025, the Producer Price Index declined by 2.3 percent, compared to a 1.7 percent increase in 2024. This was driven by a decrease in the prices of manufactured products, agricultural and fishery products, and mining products.

In January 2026, the Producer Price Index declined by 1.6 percent, primarily driven by a decrease in the price indices for manufactured products, agricultural and fishery products, and mining products, with the latter attributed to a reduction in petroleum and natural gas prices.

The international reserve at the end of December 2025 stood at 281.9 billion US dollars, rising from the same period last year.

Headline inflation continued to be negative for the third consecutive quarter by -0.5 percent, driven by decreasing of non-food and beverage price index.

The Producer Price Index (PPI) declined for the fifth consecutive quarters by 1.6 percent, driven by a decrease in the prices of agricultural and fishery products, and mining products. Meanwhile, the prices of manufactured products increased.

2. Crude Oil price in Q4 of 2025

The global crude oil price in the fourth quarter of 2025 decreased from both the previous quarter and the same period last year. The average global crude oil price across the three major markets (Dubai, Brent, and West Texas Intermediate: WTI) stood at 61.9 US dollars per barrel. This represented a 14.7 percent decrease from 72.6 US dollars per barrel in the same quarter of the previous year, declining for the sixth consecutive quarter, and a 7.9 percent decrease from 67.2 US dollars per barrel in the previous quarter. This decline in prices was largely attributed to (1) an oversupply in the crude oil market, resulting from continuously accelerated production capacity among OPEC+ members in 2025; (2) weakening global oil demand following a slowdown in global economic growth, driven by reciprocal tariffs; and (3) easing geopolitical tensions in the Middle East after reaching the first phase of a ceasefire agreement between Israel and Hamas

In 2025, the average crude oil price across the three key markets stood at 67.2 US dollars per barrel, a 14.1 percent decline from 78.3 US dollars per barrel in 2024.

In January 2026, the average crude oil price stood at 63.0 US dollars per barrel, declining for the twelfth consecutive month by 19.2 percent from 77.9 US dollars per barrel in the same period of the previous year. This year-over-year decline was primarily driven by the continuously increasing production capacity of OPEC+ members, which led to an oversupply in the global market. Nevertheless, the price rose month-over-month by 4.1 percent from the average price of 60.4 US dollars per barrel in December 2025. This monthly increase was largely attributed to concerns over US military intervention in Iranian protests and potential Iranian retaliation by shutting the Strait of Hormuz, a major global crude oil route.

The global crude oil prices declined, compared to the same period last year and the previous quarter.

Crude oil price

Year		USD per Barrel				(%YoY)			
		WTI	BRENT	DUBAI	Average	WTI	BRENT	DUBAI	Average
2023	Year	77.4	82.1	81.9	80.5	-17.8	-16.9	-15.6	-16.8
	Year	75.5	79.6	79.7	78.3	-2.5	-3.0	-2.8	-2.7
	H1	78.6	83.2	83.3	81.7	5.4	4.3	6.0	5.2
	H2	72.7	76.3	76.1	75.0	-9.7	-9.8	-10.8	-10.1
2024	Q1	76.9	81.8	81.5	80.1	1.2	-0.4	2.5	1.1
	Q2	80.5	84.8	85.1	83.4	10.1	9.7	9.6	9.8
	Q3	75.1	78.6	78.6	77.4	-8.5	-8.6	-9.4	-8.8
	Q4	70.2	73.9	73.6	72.6	-10.9	-11.0	-12.2	-11.4
2025	Year	64.9	68.4	68.4	67.2	-14.1	-14.1	-14.1	-14.1
	H1	67.9	71.2	71.0	70.0	-13.6	-14.4	-14.7	-14.3
	H2	62.1	65.7	65.9	64.6	-14.6	-13.9	-13.5	-13.9
	Q1	71.4	74.9	75.8	74.0	-7.2	-8.4	-7.0	-7.5
	Q2	64.1	67.1	66.2	65.8	-20.4	-20.9	-22.2	-21.2
	Q3	65.0	68.2	68.3	67.2	-13.5	-13.3	-13.1	-13.3
	Q4	59.2	63.1	63.4	61.9	-15.8	-14.6	-13.9	-14.7
	Dec.	57.8	61.6	62.0	60.4	-17.1	-15.8	-15.5	-16.1
2026	Jan.	60.2	64.7	63.9	63.0	-19.9	-17.5	-20.3	-19.2

Source: Thaioil Plc and Bloomberg

3. The World Economy in the Fourth Quarter of 2025

The global economy in the fourth quarter of 2025 continued to expand from the previous quarter, despite the implementation of U.S. trade-restrictive measures and the protracted geopolitical conflicts. Nevertheless, many economies maintained solid growth, supported by favorable international trade, which expanded more strongly than expected. This partly reflected global economic resiliency which was capable to reorient exports toward new trading partners, particularly among the Newly Industrialized Economies (NIEs), and other emerging market and developing economies that continued to record strong export growth to advanced economies, thereby mitigating the adverse effects of trade-restrictive measures¹² In addition, the upward trend in the global electronics cycle generated positive spillovers, leading to a marked increase in exports and production of electronics and related high-technology and artificial intelligence-related products. Moreover, economic activity in several major economies was further supported by expansions in domestic consumption and investment, reflecting the accommodative stance of monetary and fiscal policies implemented in earlier periods. However, amid expectations of a slowdown in economic activity going forward, and with inflationary pressures in most economies remaining broadly stable near monetary policy target ranges, major central banks continued to ease monetary policy¹³

The US economy decelerated compared to the previous quarter. The manufacturing sector grew favorably, reflected by the Manufacturing Purchasing Managers' Index (PMI), which rose to 52.2 from 51.6 in the third quarter, marking the highest level in 14 quarters. The growth was primarily driven by non-residential investment, particularly the accelerated investment in Artificial Intelligence (AI) and digital infrastructure. However, government consumption expenditure experienced a slowdown due to the Federal Government shutdown during October and November. Similarly, Personal consumption expenditures softened, reflected by decelerating retail sales during the first two months of the quarter, consistent with the Consumer Confidence Index decreasing from 97.4 to 94.2. The labor market also signaled a slowdown as non-farm payrolls added only 50,000 jobs in December, the lowest increase since the COVID-19 outbreak in the second quarter of 2020. Consequently, the unemployment rate increased to 4.5 percent, from 4.3 percent in the third quarter, reaching its highest level in 17 quarters. Meanwhile, Headline Inflation (CPI) remained stable at 2.7 percent, exceeding the medium-term monetary policy target of 2.0 percent. Under the weakening economic trajectory and labor market conditions, the Federal Reserve (Fed) implemented two consecutive policy rate cuts during the October and December meetings, bringing the policy interest rate to 3.50 – 3.75 percent at the end of 2025 to boost economic growth momentum and ensure long-term stability. **For 2025, the US economy is projected to expand by 2.1 percent, decelerating from 2.8 percent in the previous year.**

The Eurozone economy expanded by 1.3 percent, easing from 1.4 percent in the previous quarter, with growth underpinned by resilient domestic consumption supported by a still-robust labour market, as reflected in a low unemployment rate of 6.2 percent in December 2025, alongside solid growth in real wages. As a result, the Services PMI stood at 53.0, remaining above the 50.0 threshold for the eighth consecutive quarter. Nevertheless, goods exports and industrial production decelerated due to the impact of U.S. trade-restrictive measures. In particular, export of goods in the first two months of the final quarter of 2025 expanded by 6.5 percent, slowing from 8.0 percent in the previous quarter. Consistently, the Manufacturing PMI declined to 49.5 from 50.1 in the previous quarter. Meanwhile, inflation remained broadly stable and close to the monetary policy target¹⁴, leading the European Central Bank to maintain its policy rate¹⁵. **For 2025, the Eurozone economy expanded by 1.5 percent, continuing from 1.6 percent in 2024.**

The Japanese economy expanded by 0.1 percent, decelerating from 0.6 percent in the previous quarter, primarily due to a decline in exports of services from tensions between China and Japan over Taiwan¹⁶, together with a contraction in public investment of 3.1 percent, following a decline of 1.7 percent in the previous quarter. Similarly, private residential investment decreased by 4.2 percent, continuing from a contraction of 8.0 percent in the third quarter. Nevertheless, the Japanese economy received support from expansions in private investment and exports of goods. The Tankan Survey for the fourth quarter of 2025 indicated that the Tankan index rose to 17.0, from 15.0 in the previous quarter, while planned investment in fixed assets and software for FY2025 increased by 14.0 percent and 13.1 percent, respectively. As a result, private non-residential private investment expanded by 1.7 percent, accelerating from 0.8 percent in the third quarter. Meanwhile, exports of goods grew by 3.8 percent, accelerating from 1.4 percent in the third quarter¹⁷ In addition, private consumption continued to be supported by improving consumer confidence, which rose to 36.4 in the fourth quarter, compared with 34.2 previously, contributing to an expansion in private consumption of 1.3 percent, following growth of 1.5 percent in the previous quarter. However, headline

¹² In the fourth quarter of 2025, the value of goods exports from the Republic of Korea, Taiwan, Singapore, and Malaysia expanded by 8.4 percent, 49.4 percent, 18.2 percent, and 17.6 percent, accelerating from 6.5 percent, 14.7 percent, 11.2 percent, and 12.4 percent in the previous quarter, respectively.

¹³ Key major central banks that lowered their policy interest rates during the fourth quarter of 2025 included the U.S. Federal Reserve, the Bank of England, the Bank of Canada, the Reserve Bank of India, and the Bank of Philippines.

¹⁴ Headline inflation averaged 2.0 percent in the fourth quarter, compared with 2.1 percent in the previous quarter, while core inflation stood at 2.4 percent, compared with 2.3 percent in the previous quarter.

¹⁵ At its meetings on 30 October 2025 and 18 December 2025, the European Central Bank decided to keep its policy interest rates unchanged on both occasions. As a result, at the end of 2025, the Refinancing Operations Rate, the Marginal Lending Facility rate, and the deposit facility rate stood at 2.15 percent, 2.40 percent, and 2.00 percent, respectively.

¹⁶ The number of Chinese tourist arrivals in the fourth quarter of 2025 declined by 7.2 percent, compared to a 27.3-percent expansion in the third quarter. Therefore, the number of foreign tourist arrivals in December expanded by only 3.7 percent, compared to 17.6 percent and 10.4 percent in October and November, respectively.

¹⁷ Main exports of goods of Japan are consisted of semiconductors, electronics apparatus, and automobile, which expanded by 18.5 percent, 5.9 percent and (-2.9) percent, an improvement from 7.6 percent, 4.1 percent, and (-7.9) percent, respectively.

inflation in the fourth quarter stood at 2.8 percent, compared with 2.9 percent in the preceding quarter, yet remaining above the medium-term monetary policy target of 2.0 percent. As a result, the Bank of Japan decided to raise its policy rate to 0.75 percent, the highest level in 30 years, to alleviate inflationary pressures as well as mitigate depreciation pressures on the exchange rate¹⁸. **For 2025, the Japanese economy expanded by 1.1 percent, recovering from a contraction of 0.2 percent in 2024.**

The Chinese economy expanded by 4.5 percent, decelerating from 4.8 percent in the preceding quarter and marking the slowest pace in twelve quarters. Although value of exports continued to grow, supported by China's capacity to reorient trade flows toward alternative markets such as ASEAN, the Middle East, Africa, and Latin America to offset persistently declining exports to the United States, export growth moderated to 3.8 percent from 6.5 percent in the previous quarter. Nevertheless, the trade surplus widened to a record high of USD 320 billion, up from USD 290 billion in the prior quarter. Investment activity remained subdued, with fixed asset investment contracting by 5.7 percent, following a 2.0-percent decline in the preceding quarter and reaching its lowest level in seven quarters. In particular, real estate investment continued to deteriorate, falling by 17.4 percent after a 13.9 percent contraction in the previous quarter, its sharpest decline since 1997. Consequently, new home prices and commercial property sales dropped to their lowest levels in a decade. Inflation rose to 0.6 percent, compared with a contraction of 0.2 percent in the previous quarter, representing the highest rate in eleven quarters, largely driven by higher food prices. However, the Producer Price Index remained in deflationary territory, declining by 2.1 percent following a 2.9-percent decrease in the previous quarter, marking the thirteenth consecutive quarterly contraction. Meanwhile, the People's Bank of China maintained its policy interest rate unchanged. **In 2025, the Chinese economy expanded by 5.0 percent, unchanged from the previous year's growth and achieving the government's official growth target.**

The economies of the Newly Industrialized Economies (NIEs) continued to expand steadily, supported by the sustained growth of the merchandise export sector. In the fourth quarter, export values of Taiwan, Hong Kong, Singapore, and South Korea increased markedly by 49.4 percent, 20.8 percent, 18.2 percent, and 8.4 percent, respectively. The Taiwanese economy expanded by 12.7 percent, accelerating from 8.4 percent in the preceding quarter and marking the highest growth rate since 1987, driven by a substantial rise in exports of high-technology products and artificial intelligence-related goods. The economies of Hong Kong and Singapore grew by 3.8 percent and 6.9 percent, respectively, improving from 3.7 percent and 4.3 percent in the previous quarter in line with stronger external demand. In contrast, South Korea's economy expanded by 1.5 percent, slowing from 1.8 percent in the preceding quarter, primarily reflecting a decline in private investment¹⁹. Inflation in most NIEs remained below target levels²⁰, thereby providing scope for monetary easing; consequently, the Monetary Authority of Singapore and the Hong Kong Monetary Authority reduced their policy interest rates from 1.35 percent and 4.25 percent to 0.89 percent and 4.00 percent, respectively. **For the full year 2025, the economies of Taiwan, Hong Kong, Singapore, and South Korea expanded by 8.5 percent, 3.5 percent, 4.8 percent, and 1.0 percent, respectively.**

The ASEAN economies mostly continued to expand, driven by sustained private consumption and the continued expansion of exports²¹. Specifically, the economies of Indonesia, Malaysia, and Vietnam grew by 5.4 percent, 6.3 percent, and 8.5 percent, respectively, accelerating from 5.0 percent, 5.4 percent, and 8.3 percent in the previous quarter. Meanwhile, the Philippine economy expanded by 3.0 percent, slowing down from 4.0 percent in the preceding quarter due to a deceleration in private consumption and a decline in total investment. This downturn was partly attributed to damage caused by typhoons and corruption involving flood-prevention infrastructure projects. Most central banks maintained their policy rates, consistent with inflation rates that rose slightly but remained close to monetary policy targets²². **For the full year 2025, the economies of Indonesia, Malaysia, and the Philippines expanded by 5.1 percent, 4.5 percent, and 4.4 percent, slowing from 5.0 percent, 5.1 percent, and 5.7 percent, respectively. Conversely, the Vietnam economy grew by 8.0 percent, accelerating from 7.1 percent in the previous quarter.**

¹⁸ The exchange rate in the fourth quarter averaged at 154.09 yen per US dollar, depreciating from 147.44 yen per US dollar in the third quarter. This is mainly due to a yield spread between Federal Fund rate of the US and the overnight uncollateralized call rate of Japan which stood at 3.2 percent, despite a decline from 3.8 percent in the preceding quarter, yet remaining higher than other advanced economies.

¹⁹ In the fourth quarter, construction investment contracted by 3.9 percent, while investment in machinery and equipment declined by 1.8 percent.

²⁰ Headline inflation rates in the fourth quarter for Taiwan, Hong Kong, Singapore, and South Korea stood at 1.5 percent, 1.1 percent, 0.6 percent, and 2.0 percent, respectively, easing from 1.6 percent, 1.8 percent, 0.8 percent, and 2.1 percent in the preceding quarter.

²¹ In the fourth quarter of 2025, exports of Malaysia, the Philippines, and Vietnam expanded by 11.0 percent, 21.7 percent, and 18.9 percent, respectively, accelerating from 6.8 percent, 12.9 percent, and 18.2 percent. Meanwhile, Indonesia's exports expanded by 0.8 percent, slowing down from 9.0 percent in the previous quarter, partly as a result of decelerating demand from major trading partners such as China, Japan, and India, combined with declining oil prices.

²² Average inflation rates in the fourth quarter of 2025 for Indonesia, Malaysia, the Philippines, and Vietnam were 2.8 percent, 1.4 percent, 1.7 percent, and 3.4 percent, respectively, rising from 2.4 percent, 1.3 percent, 1.4 percent, and 3.3 percent in the preceding quarter. Meanwhile, the Central Bank of the Philippines decided to reduce its policy rate by 0.25 percentage points twice during the monetary policy committee meetings in October and December 2025, aimed at supporting economic expansion amid a slowing economic outlook. Meanwhile, the central banks of Indonesia, Malaysia, and Vietnam maintained their policy rates throughout the fourth quarter.

GDP and export growths in several key economies

(%YoY)	GDP								Export Value							
	2022		2023		2024		2025		2022		2023		2024		2025	
	Year	Year	Year	Q1	Q2	Q3	Q4	Year	Year	Year	Year	Q1	Q2	Q3	Q4	Year
USA	2.5	2.9	2.8	2.3	2.0	2.4			18.7	-2.1	1.7	3.6	6.3	3.8		
Euro Area	3.6	0.4	1.1	1.5	1.4	1.6	1.3	1.5	5.3	2.0	0.6	4.9	5.4	7.9	9.4	6.9
UK	5.2	0.3	1.1	1.9	1.6	0.8	1.0	1.3	15.6	1.0	5.1	5.5	8.5	6.3	5.0	6.3
Australia	4.2	2.1	1.1	1.5	1.9	2.0			19.9	-9.9	-8.4	-8.0	-2.6	1.0	5.9	-0.9
Japan	1.3	0.7	-0.2	1.6	2.0	0.6	0.1	1.1	-1.2	-4.0	-1.4	5.0	7.8	1.4	3.8	4.4
China	3.1	5.4	5.0	5.4	5.2	4.8	4.5	5.0	5.6	-4.7	5.8	5.6	6.1	6.5	3.8	5.5
India	7.0	8.8	6.7	7.4	7.8	8.2			14.6	-4.8	2.6	-4.3	-2.2	8.3	1.9	0.6
South Korea	2.7	1.6	2.0	-0.03	0.6	1.8	1.5	1.0	6.1	-7.5	8.1	-2.3	2.1	6.5	8.4	3.8
Taiwan	2.7	1.1	5.3	5.5	7.7	8.4	12.7	8.7	7.4	-9.8	9.8	17.5	34.1	36.5	49.4	34.9
Hong Kong	-3.7	3.2	2.5	3.0	3.1	3.8	3.8	1.0	-9.3	-7.8	9.1	11.5	14.2	14.7	20.8	15.4
Singapore	4.0	1.5	5.3	3.9	4.6	4.6	6.9	5.0	12.7	-7.7	6.2	3.0	16.0	11.2	18.2	12.2
Indonesia	5.3	5.1	5.0	4.9	5.1	5.0	5.4	5.1	26.1	-11.4	3.0	6.5	8.9	9.0	0.8	6.2
Malaysia	9.0	3.5	5.1	4.4	4.4	5.4	6.3	5.2	17.6	-11.1	5.7	10.8	13.5	12.4	17.6	13.7
Philippines	7.6	5.5	5.7	5.4	5.5	4.0	3.0	4.4	6.5	-7.5	-0.5	10.4	16.2	12.9	21.7	15.2
Vietnam	8.5	5.0	7.0	7.1	8.2	8.3	8.5	8.0	10.6	-4.6	14.4	11.0	18.1	18.2	18.9	16.7

Source: CEIC , Collected by NESDC as of 14 Feb, 2026

4. The World Economic Outlook for 2026

The global economy in 2026 is projected to expand by 3.0 percent, decelerating from 3.4 percent in 2025, as trade-restrictive measures implemented by major economies become more clearly reflected in global activity and trade volumes, causing exports in many countries to decelerate after the strong front-loaded expansion observed in 2025, particularly for product categories subject to U.S. product-specific import tariffs. At the same time, the global economy is likely to face heightened risks from uncertainty surrounding economic policy implementation in major economies, especially the potential for additional trade measures, including further U.S. product-specific import tariffs, pharmaceuticals and medical supplies, aircraft, wind turbines for power generation, and polysilicon, as well as tariff measures targeting transshipped goods. These risks are compounded by ongoing and protracted geopolitical tensions, notably in the Middle East, the Russia-Ukraine war, and tensions related to the Taiwan Strait. In addition, widening fiscal deficits and elevated public debt in several countries could raise financing costs and lead to tighter liquidity conditions and increased volatility in global financial markets.

Nevertheless, the global economy is expected to continue expanding, supported by technology-related investment, particularly in artificial intelligence and digital infrastructure, along with more accommodative monetary policy in major economies, except Japan, which should help sustain domestic demand. This baseline projection assumes that trade-restrictive measures already in force (as of 16 February 2026) remain at their current level throughout the forecast period, and that geopolitical conflicts do not escalate to a degree that would materially affect the real economy. **Under these assumptions, global trade volume in 2026 is projected to expand by 2.6 percent, moderating from 4.0 percent in 2025. Country-specific outlooks are as follows.**

The US economy is expected to expand by 2.1 percent, continuing from a 2.1-percent growth in 2025. This growth is mainly supported by robust domestic private investment, particularly in high-tech industries, driven by rising demand and production within related industrial sectors. However, government expenditure faces constraints arising from high public debt levels and congressional disagreements over budget approval, posing risks associated with a potential budget cliff²³. Meanwhile, the labor market has decelerated amid policy uncertainty, which has weighed on private-sector job openings, including immigration measures that impact activities with high reliance on foreign labor, such as agriculture, construction, and healthcare services. In addition, the U.S. economy continues to face uncertainties related to international trade policies, particularly during the period waiting for the decisions on removing import tariffs on Canada, which may affect tariff agreements between the United States and its major trading partners²⁴. Under these uncertain conditions affecting overall confidence and economic recovery, the Federal Reserve (Fed) is expected to adopt an accommodative monetary policy in 2025²⁵. Nevertheless, the potential impact of import tariffs on domestic consumer and producer prices, coupled with monetary easing and the depreciation of the US Dollar, may exert upward pressure on inflation in the coming period.

²³ The US President, Donald Trump, signed a 1.2 trillion US Dollar omnibus spending bill on February 3, 2026, ending the partial government shutdown that began on January 31. However, funding for the Department of Homeland Security (DHS) remains under a temporary two-week extension to allow for continued negotiations on immigration enforcement.

²⁴ The U.S. Congress passed a resolution on 11 February 2026 to revoke the increase in import tariffs on goods from Canada. In addition, the U.S. reached trade agreements with Taiwan and India on 15 January and 2 February 2026, respectively. As a result, the U.S. reduced its retaliatory tariff rates from 20 percent and 50 percent to no more than 15 percent and 18 percent, respectively. Nonetheless, the U.S. announced the imposition of a 25-percent import tariff on high-technology semiconductors on 15 January 2026.

²⁵ In the January 27-28, 2026, meeting, the FOMC voted 10-2 to maintain the policy rate at 3.50 – 3.75 percent, marking the first pause after three consecutive cuts. Under the base case scenario, the Fed is expected to implement two additional rate cuts within 2026.

The Eurozone economy is projected to expand by 1.2 percent, slowing from 1.4 percent in 2025, mainly due to a deceleration in goods exports that is expected to be affected by U.S. trade measures. This would weigh on key exporting sectors to the United States, particularly pharmaceuticals and medical products, motor vehicles and parts, and machinery and equipment. Nevertheless, the export sector is expected to gain some support from newly concluded trade agreements with other partners, which should help diversify market access and reduce reliance on the U.S. market²⁶. At the same time, the Eurozone economy will continue to be supported by sustained growth in private consumption, underpinned by a strong labour market, as well as by public spending under the European Union's economic recovery plan²⁷ and higher government expenditures, especially in Germany. Meanwhile, inflation is expected to continue easing, with headline and core inflation in January 2026 recorded at 1.7 percent and 2.2 percent, respectively, the lowest levels since 2021. As a result, the European Central Bank is likely to keep its policy rate at a low level for an extended period²⁸.

The Japanese economy is projected to expand by 0.7 percent in 2026, decelerating from 1.1 percent in 2025, reflecting a slowdown in the manufacturing and export sectors due to the impacts of U.S. import tariff measures, particularly on the automotive and parts industries. This is compounded by tighter financial market conditions resulting from the Bank of Japan's increasingly restrictive monetary policy stance²⁹ aimed at containing rising inflationary pressures, which have been partly driven by exchange rate depreciation and recent wage increases. Nevertheless, The Japanese economy is expected to receive support from an expansion in government spending, following a record-high FY2026 annual budget, driven by increased allocations for healthcare amid an ageing society and higher defense expenditure in preparation for tensions between China and Japan. In addition, private investment is supported by increased machinery investment to alleviate labor market tightness, as well as rising demand for products related to artificial intelligence. At the same time, private consumption is projected to improve, supported by tax reduction measures on fresh food items and price support measures for energy-related goods.

The Chinese economy is projected to expand by 4.4 percent, moderating from 5.0 percent in the previous year, primarily due to the continued downturn in the real estate sector. This deceleration is reflected in a 27 percent decline in new home sales in January, attributable to the scaling back of government support measures for the property market, together with the relaxation of borrowing constraints under the Three Red Lines policy for property developers³⁰. These developments have heightened concerns among consumers and investors regarding the potentially rising debt-servicing risks of real estate firms. Concurrently, value of exports and industrial production are expected to lose momentum amid trade protectionist measures imposed by the United States, as well as export control measures affecting trade with Japan in the context of tensions surrounding Taiwan. Nevertheless, the Chinese economy continues to receive support from expanded public investment³¹ and sustained monetary accommodation. The People's Bank of China has gradually adjusted the central parity rate of the renminbi to mitigate financial market risks and bolster export competitiveness. As a result, the renminbi has appreciated against the US dollar to its strongest level since 2023, alongside policy interest rate reductions and the provision of credit aimed at stimulating economic activity³².

²⁶ The European Union reached a trade agreement with India on 27 January 2026. Meanwhile, the EU–Mercosur trade deal was concluded in January 2026 but still requires approval by the European Parliament and is therefore expected not to enter into force within 2026.

²⁷ In particular, key EU-wide public spending and investment initiatives include: (1) the EU economic recovery plan, NextGenerationEU, with a budget envelope of 810 billion euros; (2) the EU Cohesion Policy 2021 – 2027, which supports regional development and infrastructure, with a budget of 3.9 billion euros; (3) the Common Agricultural Policy (CAP), which supports agricultural and rural community spending, with a budget of 390 billion euros; (4) support for the digital and technological transition, including upskilling and the adoption of artificial intelligence through central programmes such as the Digital Europe Programme (7.5 billion euros) and Horizon Europe (96 billion euros) for 2021 – 2027; (5) increased spending on security as well as dual-use infrastructure; and (6) the ReArm Europe Plan (Readiness 2030), aimed at strengthening military capabilities, with a budget envelope of 800 billion euros.

²⁸ The European Central Bank decided to keep its policy interest rates unchanged at its meeting on 5 February 2026, marking a continued pause that has been maintained since the June 2025 meeting.

²⁹ Despite no interest rate hike in monetary policy committee during January 2026, the BOJ intends to increase its policy rate in 2026 due to its low real interest rate and to ensure that the inflation rate will return to policy goal of 2.0-percent.

³⁰ The Three Red Lines policy constitutes a regulatory framework introduced by the Chinese authorities to curb excessive leverage among property developers. The policy establishes three financial thresholds: (1) a liability-to-asset ratio, excluding advance receipts, not exceeding 70 percent; (2) a net debt-to-equity ratio not exceeding 100 percent; and (3) a cash-to-short-term-debt ratio greater than one. Developers that unable to achieve these criteria are subject to restrictions on additional borrowing. The overarching objective of this measure is to contain unsustainable debt accumulation and to mitigate systemic risks within the real estate sector, thereby enhancing financial stability and promoting more prudent balance sheet management among developers.

³¹ On 20 January 2026, the Ministry of Finance of the People's Republic of China announced that the government would maintain the fiscal deficit to GDP ratio at a necessary level comparable to the previous year, at approximately 4 percent of GDP. This stance is intended to sustain public expenditure and advance investment in strategic priority projects, particularly in infrastructure development related to advanced technologies and clean energy, as well as to bolster domestic consumption.

³² On 15 January 2026, the People's Bank of China reduced its policy interest rate from 1.5 percent to 1.25 percent. In addition, the central bank implemented targeted structural monetary instruments aimed at enhancing liquidity provision to small and medium sized enterprises in the amount of RMB 1 trillion, as well as allocating a total of RMB 1.2 trillion to support technological development and innovation.

The Indian economy is projected to expand by 7.0 percent, decelerating from 7.5 percent. This slowdown is primarily due to the deceleration in the exports, which has been impacted by the increase in US import tariffs, coupled with the slowdown in major trading partners. Nevertheless, reaching trade agreements with the US and a Free Trade Agreement (FTA) with the European Union is expected to mitigate the overall impact of US trade measures on the exports. Meanwhile, domestic demand is expected to continue expanding, particularly private consumption, which is supported by the implementation of tax reform measures aimed at stimulating consumption and alleviating the tax burden on citizens during FY2025–2026³³, as well as an increase in agricultural output. Similarly, the Reserve Bank of India (RBI) is likely to continue pursuing accommodative monetary policy to support the expansion of economic activities³⁴.

The economies of the Newly Industrialized Economies (NIEs) are projected to decelerate, in line with a moderation in export growth following the high expansion base recorded in the previous year. Nevertheless, continued increases in investment in high-technology industries and artificial intelligence are expected to remain key supporting factors for the manufacturing and export sectors going forward. This outlook is further underpinned by proactive government economic policies aimed at accelerating infrastructure investment and promoting innovation-driven investment to upgrade targeted industries³⁵. At the same time, inflationary pressures are expected to remain subdued, thereby providing scope for a continued accommodative monetary policy stance. **In 2026, the economies of Taiwan, Hong Kong, and Singapore are projected to expand by 3.5 percent, 2.4 percent, and 2.5 percent, respectively, decelerating from 6.6 percent, 3.1 percent, and 4.8 percent in 2025 . In contrast, South Korea’s economy is expected to grow by 1.8 percent, accelerating from 1.0 percent in the previous year**, supported by a recovery in private consumption alongside improvements in the construction sector and technology-related manufacturing industries.

The ASEAN economies are expected to decelerate from the previous year due to the impact of US trade restriction measures, which are expected to result in a decline in support from goods exports. However, domestic consumption and government expenditure³⁶, as well as rising foreign direct investment, remain key supporting factors for economic expansion in 2026, complemented by accommodative monetary policy amidst the trend of low inflation. Specifically, the **economies of Indonesia, Malaysia, and Vietnam are expected to expand by 5.0 percent, 4.2 percent, and 6.5 percent**, respectively, decelerating from 5.0 percent, 4.5 percent, and 8.0 percent. Nevertheless, the **Philippines’ economy is projected to expand by 5.6 percent**, improving from 4.8 percent, attributable to the low base effect from the previous year which was impacted by typhoons during the second half of 2025 and a decline in investment for flood-prevention infrastructure.

³³ In India’s annual budget for FY2025 – 2026, the government implemented tax reforms aimed at stimulating consumption and alleviating the tax burden on citizens.

³⁴ At its meeting on February 6, 2026, the Reserve Bank of India (RBI) decided to maintain the policy rate at 5.25 percent. However, the RBI is likely to further reduce the policy rate, given that headline inflation in January 2026 remained within the monetary policy target range of 2.0 – 6.0 percent.

³⁵ The Government of Taiwan has implemented policies under the Forward-looking Infrastructure Development Program in tandem with the strategic industry framework of the Five Trusted Industry Sectors to accelerate infrastructure investment and strengthen the competitiveness of high-technology industries. Meanwhile, the Government of Singapore has pursued an expansionary fiscal stance through the annual budget framework and the Enterprise Innovation Scheme to support research, innovation, and workforce skills development. In parallel, the Government of South Korea has advanced measures to promote the semiconductor industry and the Semiconductor Mega Cluster initiative, with the objective of upgrading the supply chain and sustaining the country’s long-term competitiveness.

³⁶ Government of the Philippines has targeted infrastructure investment spending at approximately 5–6 percent of GDP, while the Vietnamese government is accelerating infrastructure construction to sustain growth in the domestic construction sector. Meanwhile, the Malaysia’s 13th Economic Development Plan has allocated over 150 billion USD to support the country’s target industries. The Indonesian government is expected to continue implementing an expansionary fiscal policy, focusing on human capital development, poverty alleviation, and tax system reform.

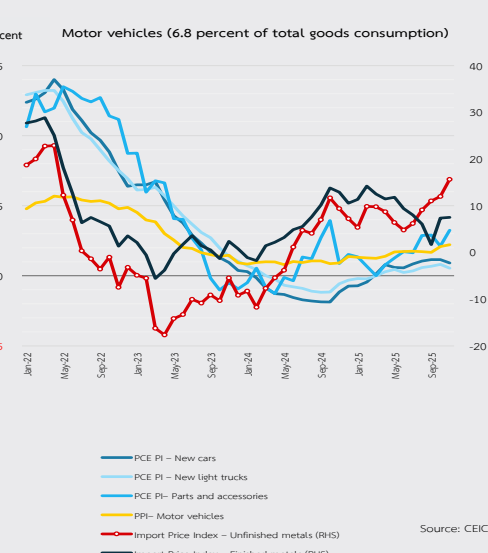
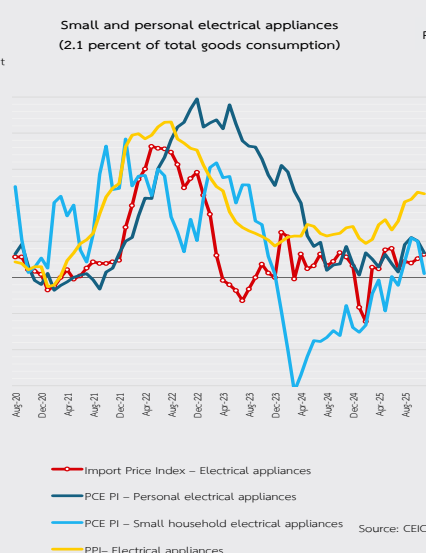
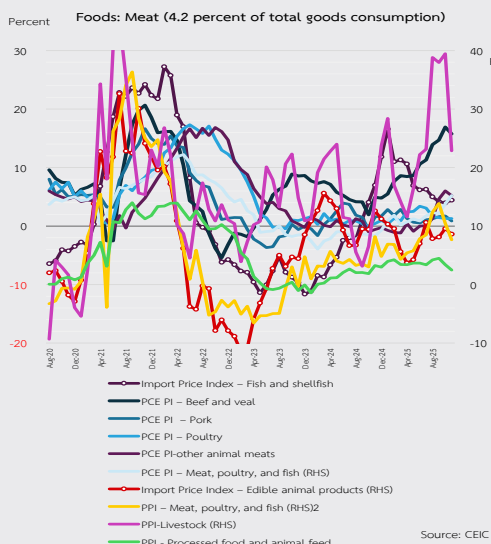
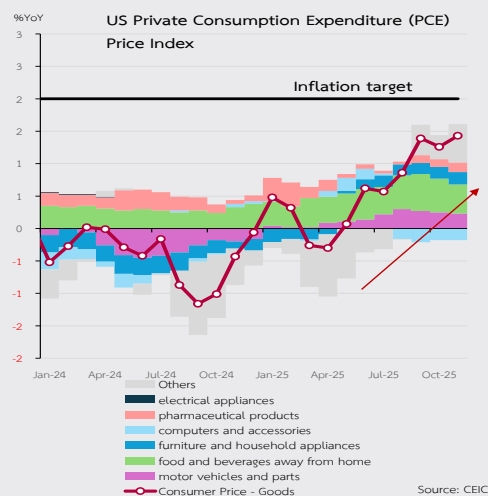
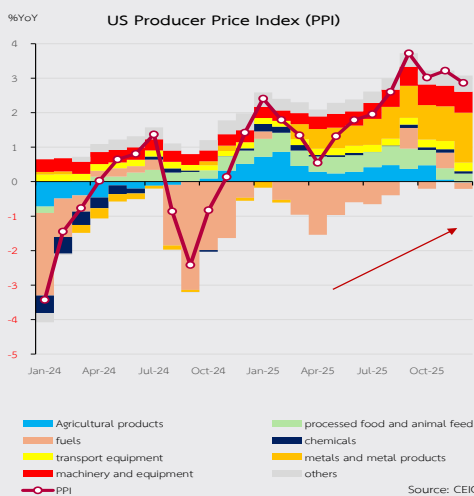
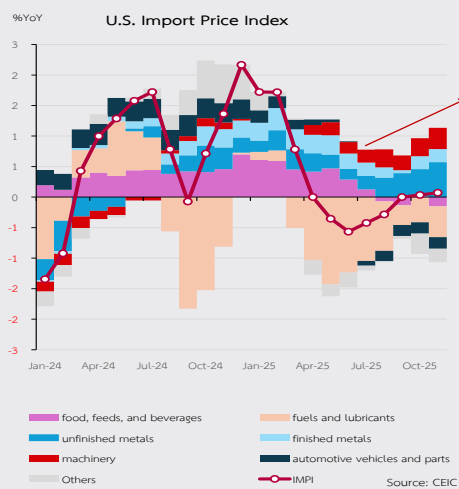
Price pass-through effects from the U.S. import tariff hikes

The U.S. import tariffs have been increased, particularly on key product categories, together with retaliatory trade measures against major trading partners, are likely to intensify U.S. import prices. Such cost pressures would first be reflected in producer prices before being passed through to domestic consumer prices. In fact, price acceleration has already begun to be observed in several categories, namely meat, vegetables and fruits, electrical appliances, and automobiles. Nevertheless, overall domestic price pressures have not yet increased markedly. The latest data for November 2025 indicate that the Personal Consumption Expenditures (PCE) price index and the Producer Price Index (PPI) increased by 2.8 percent and 3.2 percent, respectively, slightly accelerating from 2.7 percent and 3.0 percent in the previous month, but remaining below expectations at the time the reciprocal tariff measures were first announced. This weaker-than-expected effect partly reflects tariff exemptions granted to a number of major import items, including pharmaceuticals and medical products, petroleum products, semiconductors, and mobile phones, which together accounted for 25.3 percent of total imports in 2025. Over the period ahead, a sustained rise in domestic price levels would constrain the Federal Reserve’s scope to reduce the policy rate further and could weigh on the recovery of domestic demand.

Key product groups for which domestic prices have begun to rise

Tariff measures with significant impacts	Effective tariff rate (percent)	Import Products	Capital and intermediate goods	Consumer goods
Reciprocal Tariffs	7.96	Edible animal products	Meat, poultry, and fish	Beef
	7.96			Poultry
	7.96			Pork
	15.13	Fish		Fish
	3.44 - 4.84	Vegetables and fruits		Vegetables and fruits
	0.39	Fertilizers		
Tariffs on motor vehicles and parts (Section 232)	15.83	Motor vehicles and parts	Motor vehicles and parts	Motor vehicles
Reciprocal Tariffs	10.03	Electrical appliances	Electrical appliances	Electrical appliances
Import tariffs on certain types of advanced chips (Section 232)	19.74	Semiconductor	Semiconductor	Electronic equipment
- Import tariffs on certain types of advanced chips (Section 232)	19.74	Electronic components	Electronic components	
- Reciprocal Tariffs				

Note: Data on the effective tariff rate as of November 2025 are sourced from the Financial Times



5. The Thai Economic Prospect 2026

The Thai economy in 2026 is expected to decelerate gradually, reflecting weaker export momentum amid a moderation in global economic activity. Nevertheless, the ongoing recovery in tourism and firmer domestic demand are projected to continue supporting overall expansion. Key economic drivers include higher public demand, consistent with an expanded fiscal framework, and a strengthening of private investment, underpinned by increased foreign direct investment inflows and a gradual improvement in private-sector construction activity. However, economic growth over the remainder of the year is likely to remain constrained by still-elevated household and corporate debt burdens. Moreover, downside risks persist from heightened volatility in the global economic and financial environment, climate change situation, and domestic political conditions that could delay the budget process and dampen overall economic sentiment. Under this circumstance, the Thai economy may deviate from the baseline projection.

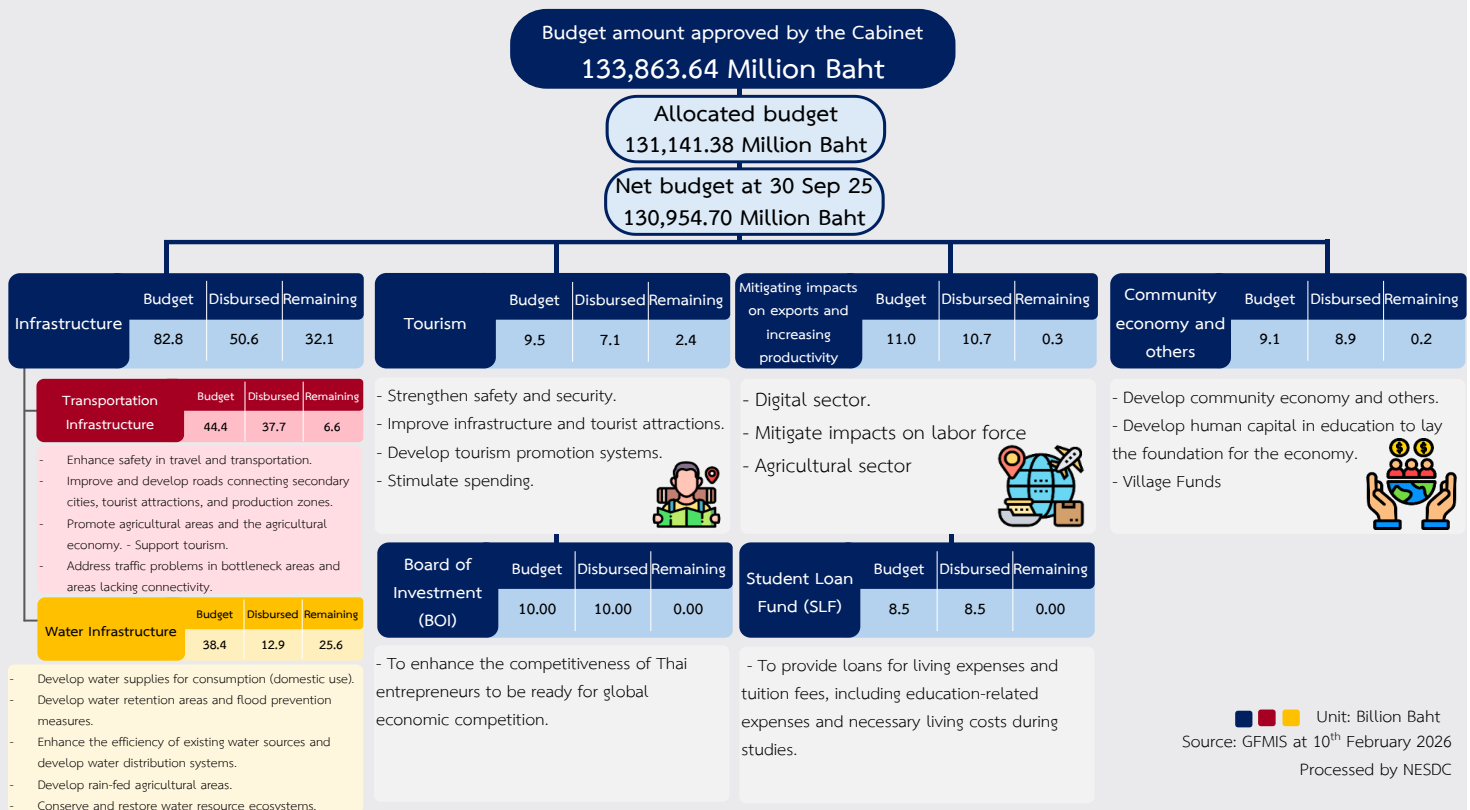
Supporting factors for the economic growth:

- 1) The continued expansion of domestic private demand** is expected to persist. **Private consumption** is projected to grow steadily, supported by improving income conditions, particularly from the recovery in the tourism-related sector and a strengthening labor market, as reflected in rising non-agricultural employment and a low unemployment rate. In addition, subdued inflationary pressures are expected to keep inflation low, thereby allowing monetary policy to remain accommodative. **Private investment** is also expected to strengthen, driven by continued expansion in investment in machinery and equipment, consistent with the significant increase in the value of investment promotion certificates issued during 2024 – 2025, which rose by 72.8 percent and 36.0 percent, respectively. Investment has been concentrated in digital industries, electronics and electrical appliances, and automotive and parts, which together accounted for 50.7 percent of total investment promotion value in 2025. The improvement in private investment is further supported by the accelerated growth in imports of capital goods as well as raw materials and intermediate goods since the second half of 2025. Meanwhile, construction investment is projected to expand, particularly in non-residential construction, especially industrial factories. This is reflected in the strong growth in permitted construction area in the last quarter of 2025, notably within industrial zones, which increased by 12.2 percent, accelerating from 6.9 percent in the previous quarter. This is consistent with higher activity in industrial estates, as the number of factories and the sold or leased area at the end of the year 2025 increased by 6.8 percent and 8.7 percent, respectively, from the same period a year earlier.
- 2) The increase in the public expenditure framework**, covering both current and capital expenditures, is expected to serve as an important driver of government spending. Specifically, (1) the FY2026 annual expenditure framework amounts to 2.45 trillion baht, representing an increase of 7.9 percent from the previous fiscal year, comprising 1.80 trillion baht in current expenditure, up 5.6 percent, and 649 billion baht in capital expenditure, expanding by 14.8 percent. Based on the baseline assumption of a 90.6 percent disbursement rate for the FY2026 annual budget, consisting of 98.0 percent for current expenditure and 70.0 percent for capital expenditure, it is projected that total budgetary disbursement into the economy will reach 2.22 trillion baht, increasing by 6.0 percent. This amount comprises 1.76 trillion baht in current expenditure, up 3.3 percent, and 454 billion baht in capital expenditure, expanding by 18.2 percent. (2) The FY2026 carry-over expenditure framework totals 209 billion baht, declining by 8.0 percent from the previous fiscal year, comprising 30.3 billion baht in current expenditure and 178 billion baht in capital expenditure, representing an expansion of 4.2 percent and a contraction of 9.8 percent, respectively. Under the baseline scenario, the FY2027 annual budget is expected to experience a one-quarter delay in the budget preparation process due to the government transition. Consequently, the disbursement rate in the first quarter of FY2027 is projected at 20.3 percent, comprising 25.8 percent for current expenditure and 4.5 percent for capital expenditure. (3) The budget allocated under the economic stimulus and strengthening program amounts to 130,955 million baht, of which the remaining balance of approximately 43,482 million baht is expected to be disbursed within the first half of 2026.

Progress on the Implementation of the Economic Stimulus Plan Central Fund item Expenditures for Stimulating the Economy and Strengthening the Economic system “157 Billion Baht Framework”

The economic stimulus plan, enacted pursuant to the Annual Budget Expenditure Act B.E. 2568 (2025)-specifically regarding the Central Fund item "Expenditures for Stimulating the Economy and Strengthening the Economic system" operates within a total budgetary framework of 187 billion Baht. The projects financed through this Central Fund item comprise the following: (1) The Economic Stimulus Project for the Elderly: With a budget limit of 40,000 million baht¹, disbursements have reached 30,434 million baht, and 531 million baht in allocated funds has been returned. (2) Proposed Economic Stimulus Projects/Items: with a total budget of 133,863.64 million baht² divided into Phase one 115,375.27 million baht and Phase two with a budget not exceeding 18,488.3679 million baht³ and (3) Budget Transfer: The transfer of funds from the "Expenses for Economic Stimulation" item to the "Reserve Fund for Emergency or Necessary Expenses" item, totaling 25,858.62 million baht.⁴

Regarding the progress of expenditures for economic stimulation and system strengthening, approved by the Cabinet on June 24, 2025 and August 5, 2025, the total approved budget stands at 133,863.64 million baht, with a total allocated amount of 130,954.70 million baht. This allocation is categorized as follows: **Infrastructure** 82,847.46 million baht; **Tourism** 9,492.04 million baht; **Mitigation of Export Impacts and Productivity Enhancement** 11,000.64 million baht; **Community Economy and Others** 9,126.18 million baht; **the Competitiveness Enhancement Fund Project** 10,000 million baht; and **the Human Capital Development Investment Project (Student Loan Fund)** 8,488.37 million baht. As of February 10, 2026, total disbursements from the aforementioned Central Fund amount to 95,831.02 million baht, leaving a remaining balance of 35,123.68 million baht. Contractual obligations have been signed totaling 24,044.75 million baht, while 7,130.57 million baht is currently undergoing the procurement process. Sectoral disbursement performance is as follows: Infrastructure at 50,634.77 million baht (61.12% disbursement rate); Tourism at 7,054.16 million baht (74.32% disbursement rate); Mitigation of Export Impacts and Productivity Enhancement at 10,718.04 million baht (97.43% disbursement rate); and Community Economy and Others at 8,935.33 million baht (97.91% disbursement rate). Both the Competitiveness Enhancement Fund Project and the Human Capital Development Investment Project (Student Loan Fund) have achieved a 100% disbursement rate.



In this regard, the disbursement of the Central Fund under the item "Expenses for Economic Stimulation and Strengthening of the Economic System" constitutes a significant contribution to sustaining the momentum of public investment during the initial four months of Fiscal Year 2026. Furthermore, the accelerated injection of the remaining budgetary allocation, amounting to 35,123.68 million baht, into the economic system is anticipated to serve as a pivotal factor in supporting public investment throughout the first half of 2026, while concurrently fostering employment generation and income creation for the populace.

¹ Cabinet Resolution dated December 24, 2024, approving the Economic Stimulus Project for the Elderly.
² Cabinet Resolution dated June 24, 2025, approving the proposal for economic stimulus projects.
³ Cabinet Resolution dated August 5, 2025, approving the proposal for economic stimulus projects (Phase 2)
⁴ Cabinet Resolution dated August 26, 2025, approving the transfer of the remaining Central Fund budget for economic stimulation, to the Central Fund item Reserve Fund for Emergency or Necessary Expenses.

- 3) **The recovery of the tourism sector and related services is in line with the continued rise in both the number of international arrivals and tourism receipts.** This trend is consistent with projections by the United Nations World Tourism Organization, which estimates that international tourism in 2026 will expand by 3 to 4 percent, with the Asia Pacific region expected to demonstrate particularly robust growth³⁷. In the case of Thailand, the tourism sector is supported by a significant rise in international flight capacity, attributable to aviation industry subsidies through reductions in aviation service charges. These measures have been complemented by sustained government initiatives, including efforts to elevate Thailand’s tourism standards toward health and cultural tourism under the Amazing Thailand 5 Economy framework, as well as the organization of promotional activities under the “Thailand’s Grand Comeback 2026” campaign. As a result, international tourist arrivals in 2026 are projected to reach 35.0 million, representing an increase of 6.1 percent from the previous year.
- 4) **Water availability conducive to cultivation has emerged as a key supporting factor underpinning the expansion of the agricultural sector,** amid a projected transition of the El Niño–Southern Oscillation (ENSO) toward neutral conditions during the period from February to April 2026. Consequently, effective usable water storage in dams and reservoirs stood at 46 percent of total capacity as of 13 February 2026, compared with 39 percent in the corresponding period of the previous year. Nevertheless, the anticipated increase in agricultural output is likely to exert downward pressure on domestic agricultural prices. This trend is consistent with declining global agricultural commodity prices, reflecting the broader deceleration of the world economy and international trade.

Risks and limitations to economic growth:

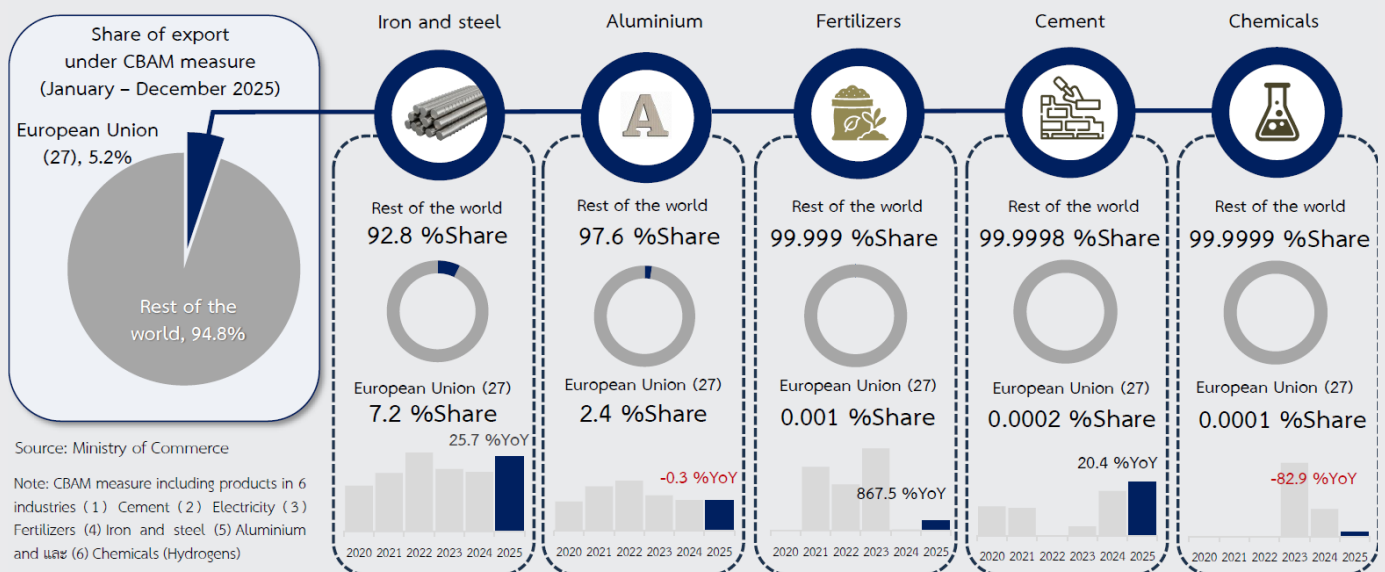
- 1) **Uncertainty and volatility in the world economy and global trade** may affect Thailand’s economic growth and stability, with several downside risks to the global economy that need closely monitoring and assessment, including: **(1) Uncertainties surrounding trade restriction measures by major economies,** particularly risks related to trade policy implementation by the U.S., which may introduce additional trade measures, including the imposition of tariffs on transshipment goods, as well as retaliatory tariff increases on China, which are currently exempted until 10 November 2026. In addition, there are risks associated with U.S. trade measures linked to geopolitical conflicts, particularly the higher import tariffs on countries conducting business with and importing oil from Iran and Russia. These risks are compounded by domestic political developments in the U.S., which may heighten uncertainty surrounding trade policy, especially during the period awaiting the Supreme Court’s ruling on U.S. import tariff adjustments, as well as political pressures ahead of the U.S. midterm elections in late 2026; **(2) Uncertainties arising from geopolitical conflicts,** particularly tensions in the Middle East, the war between Russia and Ukraine, disputes in the South China Sea and the Taiwan Strait, as well as issues related to sovereignty over Greenland; **(3) Divergence in monetary policy stances among major central banks** amid inflation divergence, which may generate heightened volatility in financial markets, capital markets, and exchange rates; **(4) Vulnerabilities in global supply chains for electronics and high-technology products,** amid a potential downturn in the electronics cycle, together with the implementation of targeted import tariff measures by the U.S. focusing on high-technology products for national security purposes, as well as the use of non-tariff measures to control critical production inputs such as rare earth minerals and strategic metals, which may constrain global investment and exports of electronic products; **(5) Risks stemming from capital market re-pricing,** particularly among large technology firms whose market valuations have risen significantly following earlier waves of investment in artificial intelligence, which may affect the stability of the financial system and capital markets; and **(6) Risks associated with elevated levels of public debt in many countries,** which limit fiscal space and may exert upward pressure on government bond yields, potentially exposing developing countries and emerging market economies to confidence crises and debt defaults, leading to sudden capital outflows and heightened exchange rate volatility across regions.

³⁷ The World Tourism Barometer (January 2026 edition).

Challenges on Thai export products under the EU’s Carbon Border Adjustment Mechanism (CBAM)

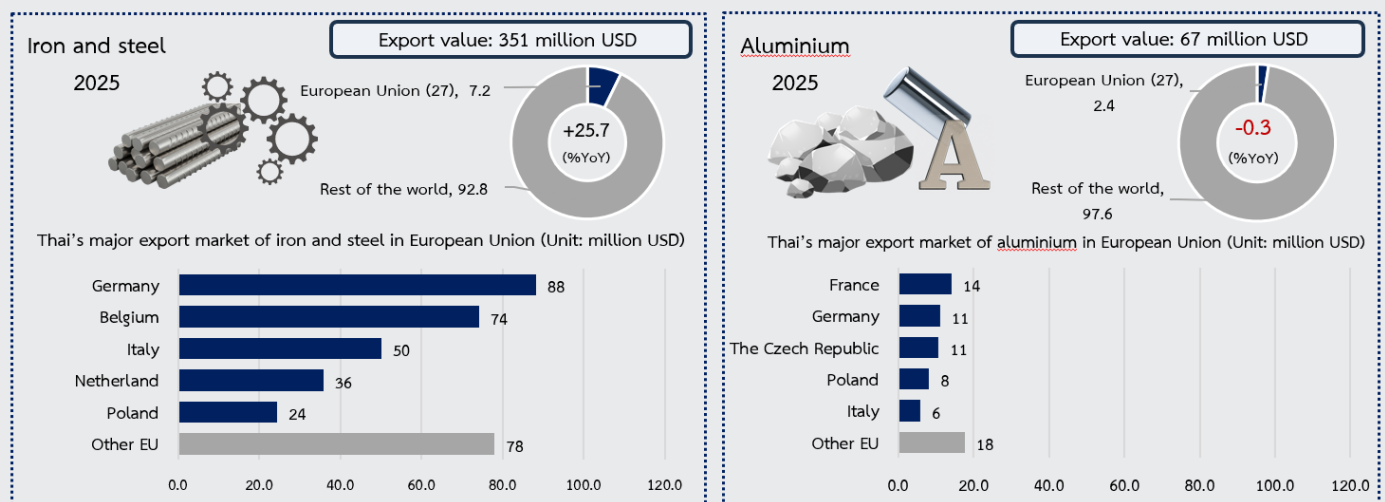
Since 1 January 2026, the European Union’s Carbon Border Adjustment Mechanism (CBAM) has become effective as a measure to achieve the Net Zero emissions goal by 2050. The mechanism aims to create a foundation for fair competition between EU members and the rest of the world, while discouraging production relocation to countries with less stringent regulations. Consequently, importers of products from outside the EU are required to purchase CBAM certificates corresponding to the volume of embedded emissions in their goods. In its initial phase, CBAM applies to six high-emission industries: (1) iron and steel, (2) cement, (3) electricity, (4) fertilizers, (5) aluminium, and (6) chemicals and chemical products (hydrogen).

Regarding Thailand's export data, Thai exports to the European Union in 2025 totaled 26,449 million USD, marking a 9.3 percent increase from the previous year and accounting for 7.8 percent of Thailand’s total exports. Exports of products under the six CBAM-regulated industries totaled 417 million USD. This figure represents 5.2 percent of Thailand's global exports for those specific product groups (a 20.7 percent increase from the previous year). Additionally, these CBAM products accounted for approximately 1.6 percent of total exports to the EU, while representing only 0.1 percent of Thailand’s total exports to the world.



Export products expected to be affected by this measure can be divided into two groups:

1) Major export products likely to be highly affected: **(1) Iron and steel:** Totaled 351 million USD, accounting for a 7.2 percent share of total iron and steel exports. (a 25.7 percent increase compared to the previous year). The top five export markets within the EU are (1) Germany, (2) Belgium, (3) Italy, (4) the Netherlands, and (5) Poland, respectively. **(2) Aluminium:** Totaled 67 million USD, accounting for a 2.4 percent share of total aluminium exports. (a decrease of 0.3 percent from the previous year). The top five export markets within the EU are (1) France, (2) Germany, (3) the Czech Republic, (4) Poland, and (5) Italy, respectively.



Challenges on Thai export products under the EU’s Carbon Border Adjustment Mechanism (CBAM) (Cont.)

2) Remaining four export groups that are likely to remain unaffected due to minimal export shares: (1) **Fertilizers:** Exports to the EU account for only 0.001 percent of total fertilizer exports. While this figure grew by 867.5 percent compared to 2024, this was primarily due to a very low base in the previous year. (2) **Cement:** Exports to the EU represent only 0.0002 percent of total cement exports (an increase of 20.4 percent). (3) **Chemicals and Chemical Products:** Exports to the EU account for 0.0001 percent of total chemical exports (a decrease of 82.9 percent). (4) **Electricity:** There are currently no exports to the European Union.

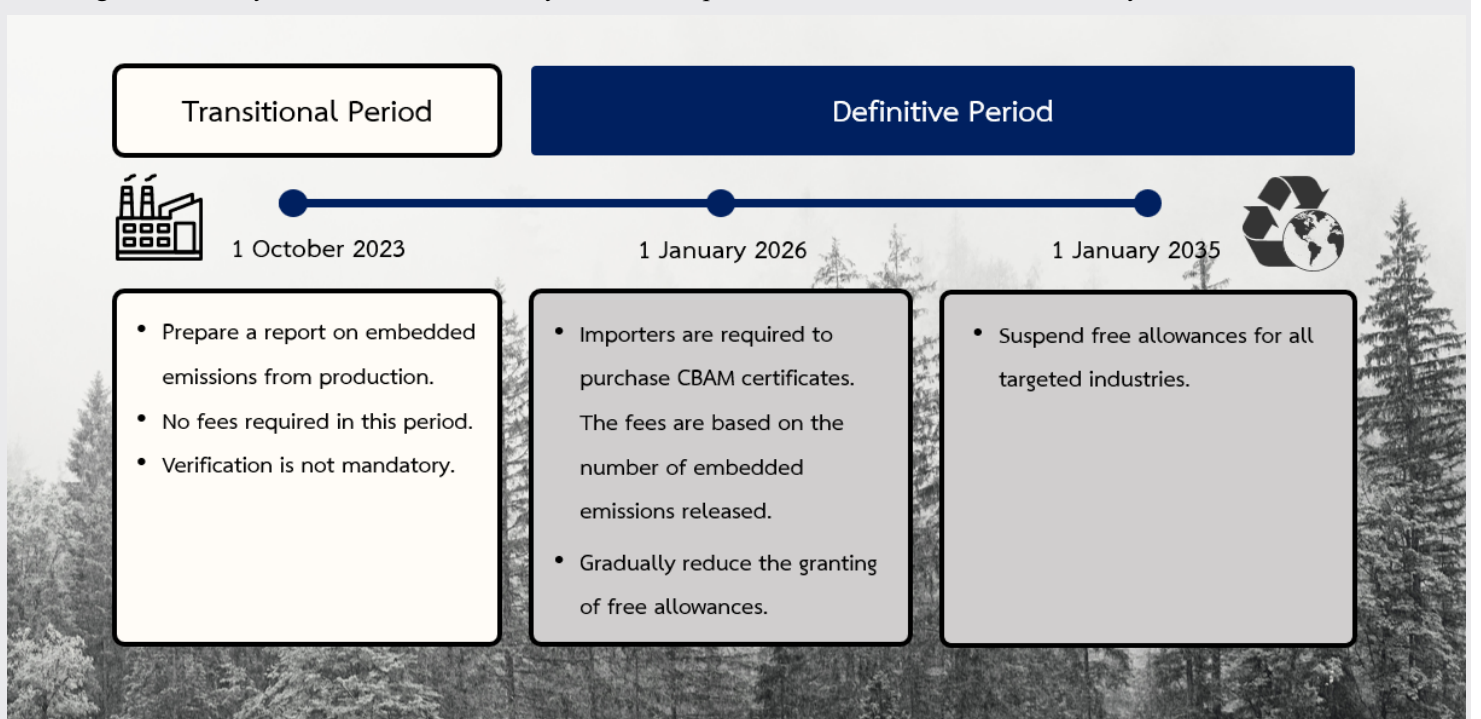
Regarding Thailand's broader export landscape, the top five global markets for Thai iron and steel are (1) the United States, (2) Japan, (3) the European Union, (4) Malaysia, and (5) India. For aluminium, the top five markets are (1) the United States, (2) Japan, (3) India, (4) China, and (5) Vietnam. While the European Union (EU27) is Thailand's eighth-largest export market for aluminium (representing a 2.4 percent share), both steel and aluminium face significant challenges elsewhere. Specifically, the United States, which is Thailand's top export market, imposes specific sectoral tariffs at a rate of 50 percent. This further exacerbates the burden on Thai manufacturers and exporters in these two industries.

Major exporting countries for iron and steel products and aluminium products in 2025

	1 st rank	2 nd rank	3 rd rank	4 th rank	5 th rank	8 th rank	Rest of the world
Iron and steel	The United States (18.6% share)	Japan (11.2% share)	European Union (27) (7.2% share)	Malaysia (6.6 % share)	India (6.6 % share)	Myanmar (3.4% share)	Rest of the world (45.2 % share)
Aluminium	The United States (19.0% share)	Japan (14.9% share)	India (11.6% share)	China (10.9% share)	Vietnam (10.4% share)	European Union (27) (2.4% share)	Rest of the world (30.8% share)

Source: Ministry of Commerce

Thai exporters to the European Union (particularly in the iron, steel, and aluminium sectors) face rising operational costs. These include the financial burden of purchasing CBAM certificates, verification fees for greenhouse gas (GHG) data, and the administrative costs of preparing embedded carbon emission reports. Furthermore, significant expenses may arise from upgrading production processes to meet stringent EU environmental standards, such as transitioning to green energy. These factors could diminish the competitiveness of Thai businesses, with Small and Medium Enterprises (SMEs) being particularly vulnerable. To ensure exporters can adapt and maintain their competitive edge, it is vital for the government to accelerate awareness and understanding of CBAM regulations. This must be coupled with support for enhancing production efficiency and elevating Thai industry toward a "Green Industry" model that prioritizes environmental sustainability.



- 2) **The high level of household debt and constrained access to credit for SMEs remain key impediments to the recovery of domestic demand.** The household debt-to-GDP ratio remains above its pre-COVID 19 level, amid income growth that has yet to fully recover. This has resulted in persistent pressures stemming from household loan quality, prompting financial institutions to adopt a more cautious lending stance, thereby resulting in subdued growth in household credit extended by deposit-taking institutions. At the same time, the economic slowdown, coupled with the deterioration in the credit quality of SMEs, has induced financial institutions to further tighten lending standards, particularly for new SME borrowers. This has adversely affected access to financing and liquidity conditions for small scale borrowers and SMEs, constituting a structural constraint that is likely to exert sustained downward pressure on domestic demand over the longer term.
- 3) **Increasing volatility of climate conditions**, with a tendency toward greater severity and more frequent natural disasters, which may increasingly affect lives and property as well as disrupt economic activities. At the same time, several major economies have begun to enforce more stringent environmental regulations, particularly the implementation of the Carbon Border Adjustment Mechanism (CBAM) by the European Union, which came into effect on 1 January 2026. This measure is expected to affect export-oriented industries with high carbon intensity, such as iron and steel, aluminum, fertilizers, and cement, and generate additional pressures on the business sector, especially small and medium-sized enterprises (SMEs) that still lack sufficient capacity and readiness to adjust to sustainability standards.
- 4) **Post-election political conditions** may affect business confidence and potentially delay the preparation process of the FY2027 annual budget, as well as the implementation of key policy measures, particularly trade negotiations with major partner countries. Under the baseline scenario, it is expected that a new government will be formed by May 2026, and that the FY2027 budget process will be delayed by approximately one quarter.

Key Assumptions for 2026 Economic Projection:

World Economic Projection and Other Key Assumptions

	Actual Data			Projection 2026	
	2023	2024	2025	Nov 17, 2025	Feb 16, 2026
World Economic Growth (%) ^{1/}	3.2	3.3	3.4	2.8	3.0
US	2.9	2.8	2.1	1.7	2.1
Eurozone	0.6	0.8	1.4	1.2	1.2
Japan	1.2	0.1	1.1	0.7	0.7
China	5.4	5.0	5.0	4.4	4.4
Global Trade Volume (%)	1.0	3.6	4.0	2.3	2.6
Exchange Rate (Baht/US Dollar)	34.8	35.3	32.9	32.0 - 33.0	31.0 - 32.0
Dubai Crude Oil (US Dollar/Barrel)	81.9	79.7	68.3	58.0 - 68.0	58.0 - 68.0
Export Price (US Dollar) (%)	1.2	1.4	0.7	0.2 - 1.2	0.5 - 1.5
Import Price (US Dollar) (%)	0.3	0.8	3.0	0.5 - 1.5	1.0 - 2.0
Income from Tourism (Trillion Baht) ^{2/}	1.1	1.5	1.47	1.65	1.65

Notes: ^{1/} World economic growth is a trade-weighted average of key economic partners

^{2/} based on the Bank of Thailand's balance of payment data and forecasted by the NESDC

Source: NESDC as of 16 Feb 2026

- 1) **The world economy in 2026 is expected to grow by 3.0 percent**, decelerating from 3.4 percent in 2025, but representing an upward revision from 2.8 percent in the previous projection. This revision reflects better-than-expected growth prospects in major economies, including the U.S., India, Taiwan, and Singapore. The improvement is attributable to adjustments in global trade patterns through market diversification by major exporting countries, reflecting stronger-than-expected resilience of global trade, as well as the conclusion of additional trade agreements in recent periods. Consequently, **global trade volume is expected to decelerate less than previously projected, with trade volume growth forecast at 2.6 percent**, revised up from 2.3 percent in the previous projection, but moderating from 4.0 percent in 2025.
- 2) **The exchange rate in 2026 is anticipated to be averaged in the range of 31.0 - 32.0 baht per US dollar** (midpoint estimate at 31.5 baht per US dollar), appreciating from an average of 32.9 baht per US dollar in 2025, and a downward revision compared with the previous projection of 32.0–33.0 baht per US dollar. This is consistent with the appreciation of the baht from an average of 32.9 baht per US dollar in 2025 to an average of 31.3 baht per US dollar during the period from 1 January to 12 February 2026, in line with the appreciation of most regional currencies, including the Malaysian ringgit, Singapore dollar, and Australian dollar, as well as the weakening trend of the Trade-Weighted US Dollar Index. Nevertheless, for the remainder of 2026, the exchange rate is expected to exhibit volatility due to uncertainties surrounding trade-restrictive measures. In addition, risks arising from a potential correction in asset prices, particularly gold prices

following their sharp increases in the previous year, together with political developments during the government formation period and a prospective slowdown in exports, are expected to exert depreciation pressures on the currency.

- 3) The average price of Dubai crude oil in 2026 is expected to be in the range of 58.0 – 68.0 US dollars per barrel**, declining from 68.3 US dollars per barrel in 2025 and consistent with the previous estimation. There are several factors contribute to the downward trend in prices compared to the previous year, including: (1) the anticipated slowdown in the global economy and trade, which is expected to weaken crude oil demand, coupled with global economic uncertainty that may prompt investors to shift capital toward safe-haven assets, potentially lowering commodity prices; and (2) the expected increase in production capacity among OPEC+ members, despite a temporary suspension of production hikes during the first quarter of 2026, which makes the expectation of overall output level to remain high. This is further bolstered by the recovery of Venezuelan oil exports and the sustained expansion of production capacity in non-OPEC countries, particularly the United States, Canada, and Brazil. Nevertheless, global oil prices are likely to face continued volatility and potential upward pressure from geopolitical uncertainties that could impact crude oil supply. Key risks include the tensions between the United States and Iran, as well as the conflict between Russia and Ukraine. Should these conflicts remain unresolved, they will likely serve as primary drivers of oil price volatility throughout 2026.
- 4) Export prices in terms of US dollars in 2026 are expected to increase within the range of 0.5 – 1.5 percent (midpoint of 1.0 percent)**, compared with 0.7 percent in 2025. This reflects an upward revision from the previous estimation of 0.2 – 1.2 percent. Similarly, **import prices in terms of US dollars are projected to increase within the range of 1.0 – 2.0 percent (midpoint of 1.5 percent)**, moderating from 3.0 percent in the previous year. This represents an upward adjustment from the previous assumption of a 0.5 – 1.5 percent increase, driven by the rising prices of industrial products and gold.
- 5) Revenue from foreign tourists in 2026 is projected to reach 1.65 trillion baht**, representing an increase of 12.2 percent from THB 1.47 trillion in the previous year. This growth is consistent with the anticipated rise in foreign tourist arrivals, which are expected to total 35.0 million in 2026, up from 33.0 million in 2025. In addition, tourism revenue is supported by an increase in average expenditure per trip, reflecting a higher proportion of long-haul market visitors. Average spending per foreign tourist is projected to reach THB 47,147 per person per trip in 2026, compared with THB 44,666 in 2025, marking an increase of 5.6 percent.
- 6) Budget disbursement assumptions are as follows:** (1) the disbursement rate of the FY2026 annual expenditure budget, under the assumption of a one-quarter delay in the budget preparation process, is projected at 90.6 percent of the total budget framework, comprising a current expenditure disbursement rate of 98.0 percent and a capital expenditure disbursement rate of 70.0 percent; (2) the disbursement rate of carry-over budget in FY2026 is projected at 90.7 percent of the total allocation, consisting of 95.0 percent for current expenditure and 90.0 percent for capital expenditure, respectively; and (3) the domestic capital investment disbursement rate of state-owned enterprises in 2026 (covering a 15-month period from October 2025 to December 2026) is projected at 92.1 percent of the approved investment framework, equivalent to approximately 364 billion baht, declining by 13.3 percent from the previous year.

The Thai Economic Prospect 2026

The Thai economy in 2026 is projected to expand within a range of 1.5 - 2.5 percent, with midpoint projection of 2.0 percent, compared with 2.4 percent in 2025. Headline inflation is expected to be in the range of (-0.3) - 0.7 percent, while the current account is projected to record a surplus of 2.4 percent of GDP.

In its press briefing on 16 February 2026, the National Economic and Social Development Council (NESDC) projected that the Thai economy in 2026 would grow by 1.5 - 2.5 percent, with a midpoint of 2.0 percent, slowing from 2.4 percent in 2025. This represents an upward revision from the previous projection announced on 17 November 2025, which anticipated growth of 1.2 - 2.2 percent with midpoint estimation of 1.7 percent. The revision reflects adjustments to the composition of growth to align with evolving conditions and key forecasting assumptions, as follows:

- 1) **Upward revision to global growth and global trade volume assumptions**, from 2.8 percent and 2.3 percent to 3.0 percent and 2.6 percent, respectively, reflecting the resilience of the global economy and trade through trade diversion, which has enabled exports in many economies to continue expanding and helped offset the impact of trade measures by major economies. In addition, tensions associated with trade-restrictive measures have eased relative to the previous forecast. These factors are expected to support value of goods export and private investment, which are now projected to grow by 2.0 percent and 1.9 percent, respectively, compared with contractions of 0.3 percent and 0.9 percent in the previous projection.
- 2) **Downward revision to public investment growth**, from 2.9 percent in the previous projection to 1.7 percent, to align with the updated assumption on disbursements under economic stimulus and strengthening measures. For the remainder of fiscal year 2026, disbursements are projected at approximately 43.5 billion baht, lower than the approximately 58.0 billion baht assumed in the previous projection, as total disbursements in the first quarter of fiscal year 2026 have already amounted to 39.3 billion baht.

Key components of Economic growth;

- 1) **Total Consumption: (1) Private consumption expenditure** is expected to grow by 2.1 percent, continuing from 2.7 percent in 2025, and in line with the previous projection. The expansion is supported by the recovery in the services sector following the rebound of tourism and a trend of low inflation amidst accommodative monetary policy. Nevertheless, private consumption is likely to moderate from the high base in 2025, which was partly driven by government stimulus measures. **(2) Government consumption expenditure** is projected to increase by 1.2 percent, compared with 0.6 percent in 2025, and consistent with the prior estimate. This increase is in line with the higher current budget framework under both the FY2026 annual budget and the carry-over budget.
- 2) **Total investment** is expected to expand by 1.8 percent, slowing from 4.9 percent, but upwardly revised from 1.4 percent in the previous projection. **(1) Private investment** is projected to grow by 1.9 percent, decelerating from 3.5 percent, and upwardly revised from 0.9 percent in the prior estimate. **(2) Public investment** is anticipated to grow by 1.7 percent, slowing from an 8.9-percent expansion in 2025, and downwardly revised from 2.9 percent in the previous projection. This revision was due to a decline in the remaining budget disbursement under the stimulus and economic strengthening measures, following higher-than-expected disbursement during the first quarter of FY2026.
- 3) **The export value of goods in U.S. dollar terms** is projected to expand by 2.0 percent, decelerating from the robust growth of 12.7 percent in 2025. This represents an upward revision from the previous forecast of a 0.3 percent contraction, reflecting the easing of trade-restrictive measures that have supported the continued expansion of export values. Meanwhile, services exports are expected to recover in line with the rebound of the tourism sector. Foreign tourism receipts in 2026 are projected to reach 1.65 trillion baht, compared with 1.47 trillion baht in 2025. Consequently, the total volume of exports of goods and services in 2026 is anticipated to grow by 1.8 percent, moderating from 9.2 percent in the preceding year, yet revised upward from the earlier projection of 1.1 percent.
- 4) **The import value of goods in U.S. dollar terms** is projected to expand by 3.2 percent, moderating from the strong growth of 13.0 percent in 2025. This represents an upward revision from the previous forecast of a 0.7-percent growth, in line with the anticipated expansion in exports of goods and private sector investment. Taking into account services imports, the overall volume of goods and services imports in 2026 is expected to increase by 2.2 percent, decelerating from 6.7 percent in 2025, yet revised upward from the earlier projection of 0.4 percent.
- 5) **Trade balance** is projected to record a surplus of 20.1 billion US dollars, compared with a surplus of 23.3 billion US dollars in 2025, and revised downward from the previous projection of a 22.5 billion US dollar surplus. Together with the rising service account due to increasing tourism revenue, the current account in 2026 is projected to post a surplus of 15.1 billion US dollars (2.4 percent of GDP), compared with a surplus of 17.7 billion US dollars (3.1 percent of GDP) in 2025, representing a downward revision from the earlier forecast of 14.0 billion US dollars (2.4 percent of GDP).
- 6) **Economic Stability**, headline inflation in 2026 is projected to average within a range of (-0.3) - 0.7 percent (midpoint of 0.2 percent), increasing from a contraction of 0.1 percent in 2025. This represents a downward revision from the previous projection of 0.0 - 1.0 percent (midpoint of 0.5 percent), reflecting the anticipated moderation in core inflationary pressures.

6. Economic Management for the for the Year 2026

The economic management for the year 2026 should be prioritized on;

- 1) **Maintaining an economic and political environment during post-election period**, with particular emphasis on expediting the preparation of the FY2027 annual budget to facilitate timely disbursement of funds into the economy and sustain momentum in domestic demand, particularly in investment, which began to improve in the fourth quarter of 2025. This should be undertaken alongside the implementation of key measures that contribute to strengthening investor confidence, both domestically and internationally, especially by accelerating trade negotiations with major partner countries. Moreover, fiscal discipline should be upheld through adherence to the medium-term fiscal framework to mitigate pressures arising from public debt and to reduce risks to the country's sovereign credit rating adjustment. Priority should be given to public expenditures that support investment and lay the foundation for national development to enhance long-term economic growth potential. In parallel, the government should establish guidelines to rationalize current expenditures, particularly by reducing non-essential budget items, while advancing public sector reforms to improve efficiency and lower operational costs that place a burden on the fiscal budget. Such measures may include addressing overlapping mandates among government agencies, controlling the expansion of civil service employment, and implementing early retirement schemes. These efforts should proceed alongside comprehensive tax system reform and the rationalization of unnecessary tax exemptions and deductions.
- 2) **Accelerating private investment**, particularly by facilitating the realization of investment projects that have already been granted investment promotion certificates, with emphasis on the following measures: **(1) Expediting the implementation of the Thailand FastPass system** to facilitate and accelerate project execution, by establishing clear Service Level Agreements (SLAs) at each procedural stage, together with defining investment promotion conditions and adopting proactive operational measures to ensure that investors who have already received investment promotion certificates proceed with actual investment in a timely manner; **(2) Enhancing centralized and digitalized permitting systems**, into single platform to facilitate related applications such as applications for construction permits, factory licenses, and urban planning approvals, as well as streamlining environmental assessment processes in investment areas to further reduce the time required to commence construction; **(3) Upgrading the infrastructure and public utilities readiness to support private investment**, particularly ensuring sufficient energy supply for projects already approved for investment promotion. This includes expediting renewable electricity trading through Direct Power Purchase Agreements (Direct PPA), alongside the developing mechanisms to promote alternative and clean energy; **(4) Reorienting investment incentive frameworks** from investment value-based criteria toward outcome-based incentives that enhance local value added, such as increasing the share of raw materials and intermediate goods sourced from Thai entrepreneur, promoting technology transfer and workforce training, and establishing research or testing centers within the country; **(5) Promoting joint ventures and business linkages** to foster the development of domestic supporting industries in the context of structural changes in global trade and production value chains, as well as encouraging firms with existing production bases to expand manufacturing capacity within Thailand; and **(6) Leveraging trade and investment diversion** arising from trade restriction measures, particularly in high value-added industries where Thailand serves as a important production base for exports to the US market.
- 3) **Strengthening export growth momentum**, with emphasis on the following: **(1) Expanding new markets to diversify risks and reduce dependence on exports to the US**, especially for products likely to face declining market share, in parallel with accelerating ongoing FTA negotiations, particularly with the European Union and South Korea, and preparing studies for negotiations with new potential trading partners; **(2) Mitigating the impacts of US trade-restrictive measures**, through: (i) accelerating negotiations toward trade agreements with the United States after the formation of the new government; (ii) raising awareness among Thai exporters to the US regarding compliance with regulations and proper management of import tax burdens and related fees.; and (iii) strengthening inspection processes and enforcing rules related to the Rules of Origin by expediting improvements to verification processes and establishing clear operational guidelines, particularly improving the issuance of Certificates of Origin (C/O) and the verification of Regional Value Content (RVC) for key products; **(3) Reducing production and operational costs**, alongside improvements in laws, regulations, and trade measures, to preserve the competitiveness of Thai products in global markets; **(4) Promoting the use of domestically produced goods, raw materials, and intermediate inputs** to increase the share of local content, while strengthening SMEs' capabilities to participate in joint ventures and global value chains. Priority should be given to enhancing production efficiency, upgrading product value through technology and innovation, improving compliance with international standards, and advancing the commercialization of intellectual property; **(5) Enhancing awareness and understanding of key regulatory measures of trading partner countries that are scheduled to be effective during 2026-2027**; and **(6) Encouraging the business sector to manage risks associated with exchange rate volatility through appropriate risk management practices**.

- 4) **Accelerating the recovery of the tourism sector**, through the following measures: **(1) Promoting high-value tourism** by developing tourist destinations and organizing tourism activities to attract quality tourists with high purchasing power, such as wellness tourism, sustainable tourism, sports tourism, meetings, incentives, conventions, and exhibitions (MICE); **(2) Enhancing tourism standards and safety, with emphasis on establishing comprehensive safety standards** to protect tourists' lives and property, together with strengthening the rigor and transparency of licensing procedures for tourism operators and service providers; **(3) Tackling crime and transnational illegal business networks operating within or in connection with the tourism sector**, through enhanced coordination among security agencies and the Immigration Bureau, in order to restore tourist confidence and strengthen Thailand's international image; **(4) Managing environmental and natural disaster risks**, particularly through the formulation of concrete preventive and response plans to address PM2.5 air pollution and flooding; and **(5) Alleviating travel congestion and promoting tourism in secondary cities**, by coordinating with airline partners to increase flight capacity and frequency, opening new high-potential direct routes, and improving connectivity between primary and secondary cities. These efforts should be complemented by the development of new natural and cultural tourism attractions with community participation, thereby supporting a more balanced distribution of tourism income.
- 5) **Addressing issues related to credit access for businesses and households**, by prioritizing: **(1) Reducing pressures from household non-performing loans** by: (i) promoting small borrowers with NPLs to participate in debt restructuring and finalize their debts under the "Quick Debt Settlement, Move Forward" program to improve their future credit access; (ii) proactively restructuring the debts of vulnerable small borrowers to reduce pressures from deteriorating credit quality that may affect financial institutions' caution in lending; **(2) Providing financial assistance to businesses, particularly SMEs, facing liquidity constraints and additional impacts from trade restrictions**, through (i) implementation of low-interest-rate loan program, transformation loans, and the promotion of supply chain finance to improve liquidity, including the expedited implementation of Cabinet-approved measures to enable timely credit access for enterprises with growth potential; (ii) implementing measures to mitigate credit risks for financial institutions in SMEs lending through loan guarantee; and (iii) supporting income generating initiatives and upgrading SMEs' productive capacity and competitiveness; **(3) Enhancing solutions to household debt on sustainable and concrete manner**, by integrating household debt databases to cover all types of financial service providers, establishing a comprehensive databases of informal debt and alternative data, and linking them with formal credit data to ensure a comprehensive and integrated database for effective analysis of individual borrowers' potential and credit risk assessment; and **(4) Enhancing financial literacy and awareness**, particularly fostering prudent spending attitudes to prevent excessive indebtedness, alongside promoting precautionary financial risk management.

Projection for 2026^{1/}

	Actual Data			Projection	
	2023	2024	2025	Nov 17 th , 2025	Feb 16 th , 2026
GDP (at current prices: Bil. Bht)	17,993.2	18,683.9	18,973.7	19,295.1	19,486.0
GDP per capita (Bht per year)	256,895.5	266,102.7	269,643.1	273,693.4	276,401.9
GDP (at current prices: Bil. USD)	516.9	529.4	577.1	593.7	618.6
GDP per capita (USD per year)	7,380.6	7,539.3	8,200.9	8,421.3	8,774.7
GDP Growth (CVM, %)	2.2	2.9	2.4	1.2 - 2.2	1.5 - 2.5
Investment (CVM, %) ^{2/}	1.2	-0.3	4.9	1.4	1.8
Private (CVM, %)	3.1	-1.9	3.5	0.9	1.9
Public (CVM, %)	-4.2	4.5	8.9	2.9	1.7
Private Consumption (CVM, %)	6.7	4.4	2.7	2.1	2.1
Government Consumption (CVM, %)	-4.6	2.6	0.6	1.2	1.2
Export volume of goods & services (%)	2.7	7.5	9.2	1.1	2.1
Export value of goods (Bil. USD)	280.7	297.3	335.1	329.1	341.8
Growth rate (%) ^{3/}	-1.5	5.9	12.7	-0.3	2.0
Growth rate (Volume, %) ^{3/}	-2.7	4.4	12.0	-1.0	1.0
Import volume of goods & services (%)	-2.5	5.7	6.7	0.4	2.5
Import value of goods (Bil. USD)	261.6	275.9	311.7	309.0	321.7
Growth rate (%) ^{3/}	-3.7	5.5	13.0	0.7	3.2
Growth rate (Volume, %) ^{3/}	-4.1	4.8	9.7	-0.3	1.7
Trade balance (Bil. USD)	19.2	21.4	23.3	20.1	20.1
Current account balance (Bil. USD)	8.5	11.6	17.7	14.0	14.5
Current account to GDP (%)	1.6	2.2	3.1	2.4	2.4
Inflation (%)					
CPI	1.2	0.4	-0.1	0.0 - 1.0	(-0.3) - 0.7
GDP Deflator	1.3	0.9	-0.9	0.2 - 1.2	0.2 - 1.2

Source: Office of the National Economic and Social Development Council, 16th February 2026

Note: ^{1/} Data was calculated based on new National Accounts Office's Series, published on www.nesdc.go.th

^{2/} Investment means Gross Fixed Capital Formation

^{3/} Export and import base on the Bank of Thailand's data.