



OFFICE OF THE NATIONAL ECONOMIC
AND SOCIAL DEVELOPMENT COUNCIL



Q2/2026

NESDC Economic Report

Thai Economic Performance in Q2 and Outlook for 2026

Macroeconomic Strategy and Planning Division



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02-280-4085



www.nesdc.go.th



mspo-center@nesdc.go.th

Thai Economic Performance in Q2 of 2026 and Outlook for 2026



The Thai economy in the second quarter of 2026 expanded by 1.9 percent (%YoY), decelerating from 2.8 percent in the first quarter of 2026. After seasonal adjustment, the Thai economy decreased by 0.2 percent from the first quarter of 2026 (%QoQ sa).



On expenditure side: Private investment accelerated. Private consumption expenditure, government consumption and exports of goods moderated, while public investment contracted.



On the production side: The agriculture, forestry, and fishing; manufacturing; accommodation and food service activities; wholesale and retail trade and repair of motor vehicles and motorcycles; transportation and storage; and construction sectors decelerated from the previous quarter.

Economic Projection for 2026

(%YoY)	2024		2025				2026 (f)		
	Year	Year	Q1	Q2	Q3	Q4	Q1	Q2	Year
GDP (CVM)	2.9	2.4	3.1	2.8	1.2	2.5	2.8	1.9	2.0 - 2.5
Investment ^{1/}	-0.3	4.9	4.6	5.8	1.4	8.1	9.9	9.1	7.9
Private	-1.9	3.5	-0.9	4.1	4.5	6.5	10.1	13.4	9.6
Public	4.5	8.9	25.7	10.2	-5.3	13.3	9.4	-1.6	3.1
Private Consumption	4.4	2.7	2.4	2.5	2.5	3.3	3.3	1.9	2.6
Government Consumption	2.6	0.6	3.4	2.4	-3.9	1.3	3.4	0.2	1.2
Export of Goods ^{2/}	5.9	12.8	15.6	15.1	11.5	9.4	17.6	17.6	15.1
Volume ^{2/}	4.4	12.0	14.7	14.6	10.9	8.3	14.9	13.7	12.1
Import of Goods ^{2/}	5.5	12.5	6.1	15.7	12.2	16.7	33.2	42.3	25.5
Volume ^{2/}	4.8	9.4	2.7	14.2	8.9	12.4	25.6	27.7	18.0
Current Account to									
GDP (%)	2.2	3.0	8.7	1.1	1.9	0.2	0.9	-12.0	-1.2
Inflation	0.4	-0.1	1.1	-0.3	-0.7	-0.5	-0.5	2.7	1.5 - 2.0

Note: ^{1/} Investment means Gross Fixed Capital Formation

^{2/} based on the Bank of Thailand's data

Thai Economic Outlook for 2026

The Thai economy in 2026 is projected to expand within the range of 2.0 - 2.5 percent (midpoint of 2.2 percent). Private consumption and investment are projected to expand by 2.6 percent and 9.6 percent respectively; export value in US dollar terms is projected to increase by 15.1 percent. Headline inflation is projected within the range of 1.5–2.0 percent, and the current account is expected to record a deficit equivalent of 1.2 percent of GDP.



Supporting Factors

- Strong expansion of private investment
- The continued expansion of household consumption
- Strong growth in goods exports
- Public spending momentum



Risk Factors

- Risks from uncertainty in key external conditions
- Risks from a sharper-than-expected slowdown in the world economy and global trade
- Risk from the El Niño
- Elevated household debt burdens and the deteriorating credit quality of SME businesses

Economic management in the remainder of 2026 should prioritize the following:

1 Supporting agricultural production and strengthening farmers' income security, by: (1) preparing for water resource management to mitigate the effects of dry spells associated with El Niño; (2) ensuring the adequacy of agricultural inputs, particularly urea fertilizer; and (3) enhancing agricultural productivity and value addition.

2 Sustaining continuous growth in the export sector, by: (1) mitigating the impacts from U.S. trade measures; (2) expanding economic cooperation and seeking new market opportunity to diversify risks; (3) sustaining momentum and building on the growth of exports of electronics and products related to artificial intelligence (AI) technology; and (4) providing exporters with practical guidance on trading partners' regulations and trade measures.

3 Accelerating private investment particularly accelerating the conversion of projects already issued investment-promotion certificates into actual investment, by: (1) facilitating investment and removing barriers (2) developing an investment-friendly ecosystem, comprising: (2.1) promoting investment and development in research, technology, and innovation; (2.2) developing workers' capabilities in skills-shortage areas to meet labor-market demand, together with attracting talent foreign workers; and (2.3) developing critical infrastructure and (3) maximizing

domestic spillovers from Foreign Direct Investment (FDI) for local enterprises, through: (3.1) upgrading investment promotion criteria to further promote the use of domestic raw materials; and (3.2) establishing conditions for mechanisms to develop domestic entrepreneurs.

4 Maintaining support from government spending and infrastructure investment, by: (1) preparing investment projects; (2) implementing projects under the Emergency Decree Authorizing the Ministry of Finance to Borrow Funds to Address the Impact of the Energy Crisis and Support Thailand's Energy Transition, B.E. 2569 (2026); (3) accelerating infrastructure investment through public-private partnerships (PPPs) and fundraising through the Thailand Future Fund; and (4) maintaining sufficient fiscal space to accommodate future uncertainties.

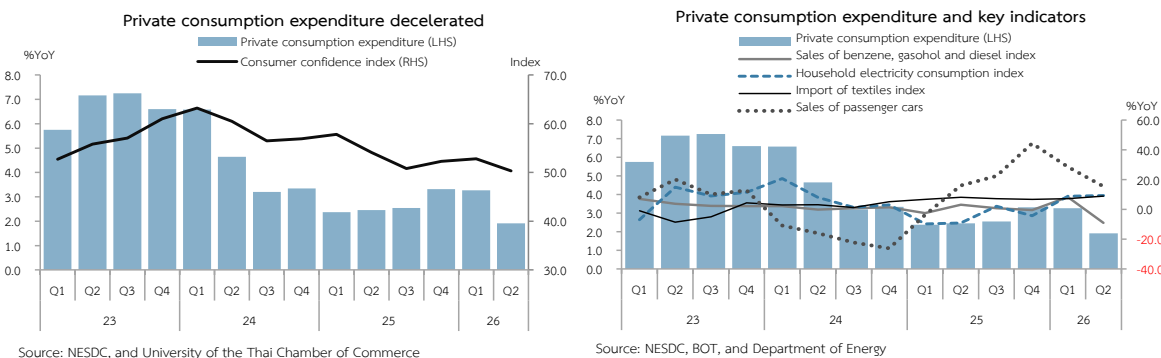
5 Preparing for risks from the conflict in the Middle East, which remains critical and highly uncertain, by: (1) managing energy security; (2) ensuring the adequacy of raw materials and intermediate goods critical to the manufacturing sector; and (3) closely monitoring the impact of energy price volatility on price levels and production costs, while preparing contingency measures in case rising energy costs are passed through to the prices of essential consumer goods and significantly affect the cost of living especially for the low-income and vulnerable group.

1. The Thai Economy in Q2/2026

Expenditure Side:

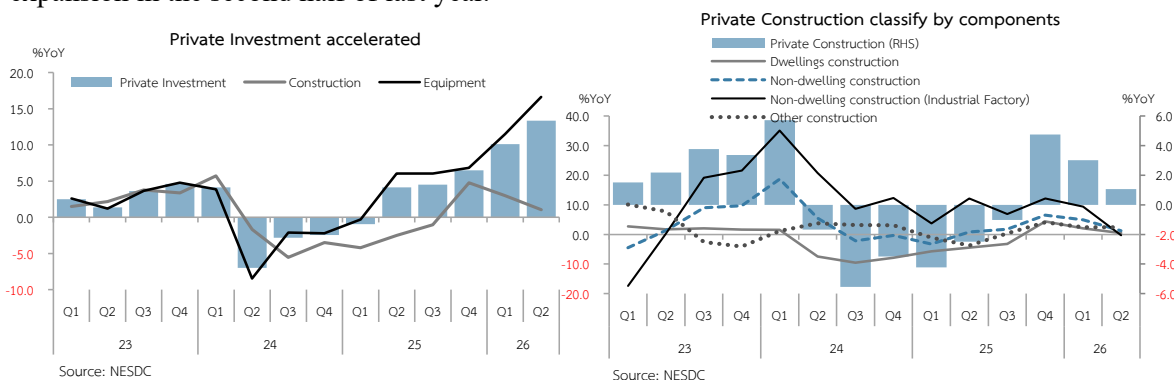
Private consumption expenditure grew by 1.9 percent, decelerating from 3.3 percent in the previous quarter, reflecting a slowdown across almost all categories. By category, **expenditure on services** rose by 0.8 percent, down from 2.4 percent in the previous quarter, owing to slower growth in spending on hotels and restaurants as well as transport services. **Expenditure on non-durable goods** increased by 2.4 percent, lower than 3.5 percent in the previous quarter, primarily driven by a decline in spending on personal transport operations, including fuel, whereas spending on food and beverages continued to expand. **Expenditure on durable goods** rose by 3.8 percent, easing from a 6.9-percent growth in the previous quarter, reflecting more moderate growth in vehicle purchases, which increased by 12.3 percent, compared with 16.4 percent in the previous quarter. **Expenditure on semi-durable goods** increased by 3.9 percent, up from 3.6 percent in the previous quarter, owing to stronger spending on clothing and footwear, while spending on furniture and household equipment continued to grow markedly. Overall, the deceleration in private consumption expenditure in this quarter was consistent with the Consumer Confidence Index (CCI), which fell to its lowest level in fourteen quarters since the fourth quarter of 2022, declining to 50.3 from 52.8 in the previous quarter.

In the first half of 2026, private consumption expenditure grew by 2.6 percent, compared with a 2.9-percent growth in the second half of 2025.



Private investment recorded its highest growth in fifty-four quarters since the fourth quarter of 2012, increasing by 13.4 percent, up from 10.1 percent in the previous quarter. **Investment in machinery and equipment** grew by 16.6 percent, accelerating from 11.5 percent in the previous quarter, supported by stronger investment in office equipment, in line with expansion in computer and parts imports. In addition, investment in industrial machinery and transport equipment continued to grow. **Investment in construction** rose by 1.1 percent, slowing down from 3.0 percent in the previous quarter, reflecting a deceleration in residential construction, which increased by 0.5 percent, lower than 2.1 percent previously. Meanwhile, non-residential construction increased by 1.2 percent, compared with 4.9 percent in the previous quarter, largely reflecting a decline in industrial factory construction for the first time in thirteen quarters, whereas commercial building construction continued to expand. The Business Sentiment Index (BSI) declined to 44.0 from 48.8 in the previous quarter, reflecting weaker sentiment in the petrochemical and plastic manufacturing, electronics, and hotel and restaurant sectors amid the impact of the Middle East conflict.

In the first half of 2026, private investment grew by 11.6 percent, compared with a 5.6-percent expansion in the second half of last year.



In the second quarter of 2026, private consumption decelerated, but private investment and export of goods accelerated.

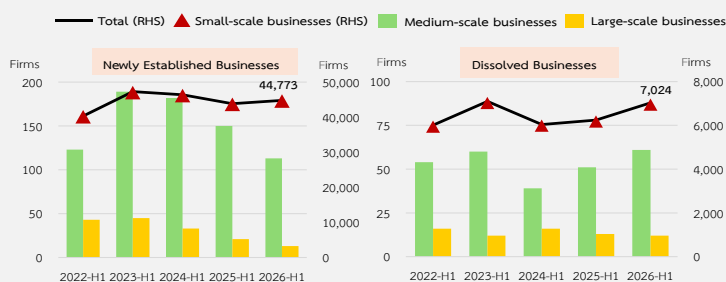
Private consumption expenditure grew by 1.9 percent, reflecting a slowdown across almost all categories.

Private investment recorded the highest growth in 54 quarters, which grew by 13.4 percent. This growth was driven by expansion in machinery and equipment, but investment in construction decelerated.

Business Registration and Dissolution Trends in the First Half of 2026

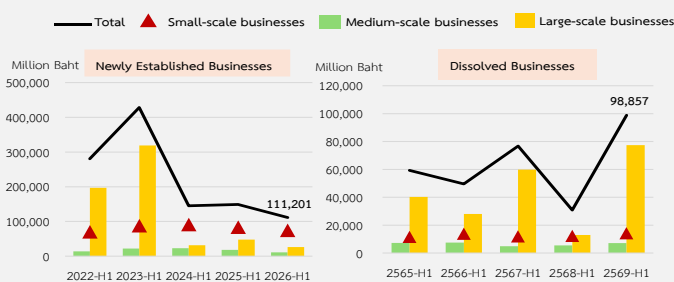
Data on newly established and dissolved businesses¹ compiled by the Department of Business Development (DBD), Ministry of Commerce, indicates that **a total of 44,773 new businesses were registered in the first half of 2026**, increasing by 2.1 percent from the same period last year. **The registered capital associated with these newly established businesses, however, contracted to 111.2 billion baht**, down 25.4 percent from 149.1 billion baht in the first half of 2025. In addition, **business dissolutions totaled 7,024 firms, up 12.5 percent year-on-year**, while **the registered capital attributed to dissolved businesses rose sharply to 98.9 billion baht**, an increase of 224.1 percent compared with 30.5 billion baht in the same period of the previous year. These developments suggest that **although the number of newly established businesses continued to expand, driven primarily by small enterprises, signs of rising dissolutions have become increasingly apparent among both medium-and small-sized enterprises**. A closer examination of registered capital reveals that **capital associated with new business formation declined across all enterprise size categories**, whereas capital associated with dissolutions rose across all size categories. These patterns point to growing caution among entrepreneurs in undertaking new ventures, attributable in part to rising production costs amid persistent uncertainty in the global economy.

Number of Newly Established and Dissolved Businesses, by Enterprise Size



Source: Department of Business Development, analyzed by NESDC

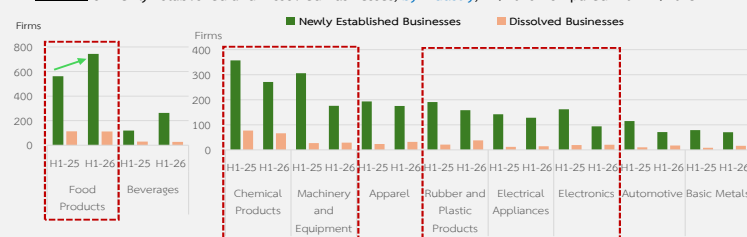
Registered Capital of Newly Established and Dissolved Businesses, by Enterprise Size



Source: Department of Business Development, analyzed by NESDC

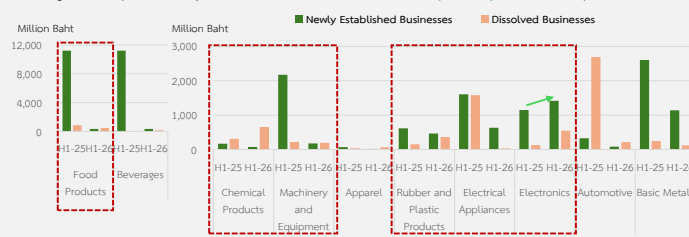
With respect to new business formation by economic activity, **the industrial sector** recorded a greater number of newly established businesses than dissolutions within the food products, chemical products, machinery, rubber and plastic products, electrical appliances, and electronic industries. Within **the services sector**, new business registrations continued to expand steadily in retail trade, food and beverage services, information technology and software services, and information service activities (including data centers), a trend consistent with the broader expansion of investment in the digital industry. This was particularly pronounced in server-hosting and internet data center services, in which Singapore was the principal source of foreign investment, accounting for as much as 78.0 percent of total investment in this service category. Nevertheless, **signs of a sustained increase in business dissolutions have emerged across both the industrial and services sectors, most notably among small enterprises**. This is evidenced by the number of dissolved businesses and their associated registered capital in the first half of 2026, which rose by 12.5 percent and 16.1 percent, respectively, from the same period of the previous year, most notably within the beverage, apparel, and basic metal manufacturing industries, civil engineering services, and architectural activities, consistent with the concurrent slowdown observed in the tourism, construction, and real estate sectors.

Number of Newly Established and Dissolved Businesses, by Industry, H1/2026 Compared with H1/2025



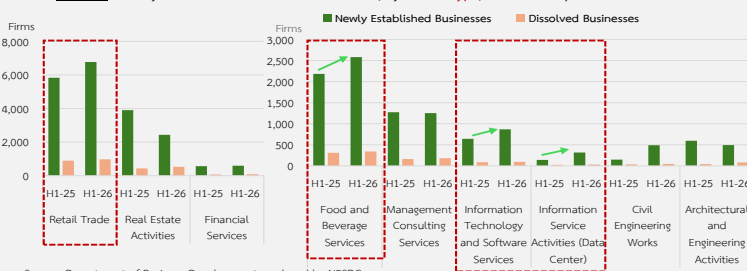
Source: Department of Business Development, analyzed by NESDC

Registered Capital of Newly Established and Dissolved Businesses, by Industry, H1/2026 Compared with H1/2025



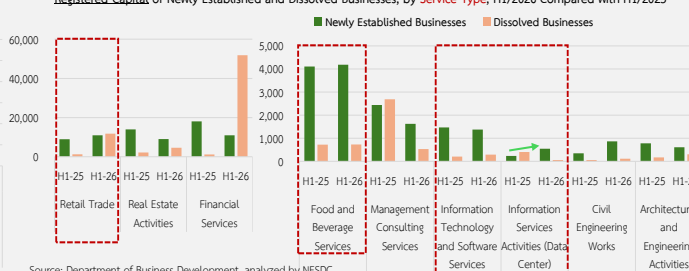
Source: Department of Business Development, analyzed by NESDC

Number of Newly Established and Dissolved Businesses, by Service Type, H1/2026 Compared with H1/2025



Source: Department of Business Development, analyzed by NESDC

Registered Capital of Newly Established and Dissolved Businesses, by Service Type, H1/2026 Compared with H1/2025



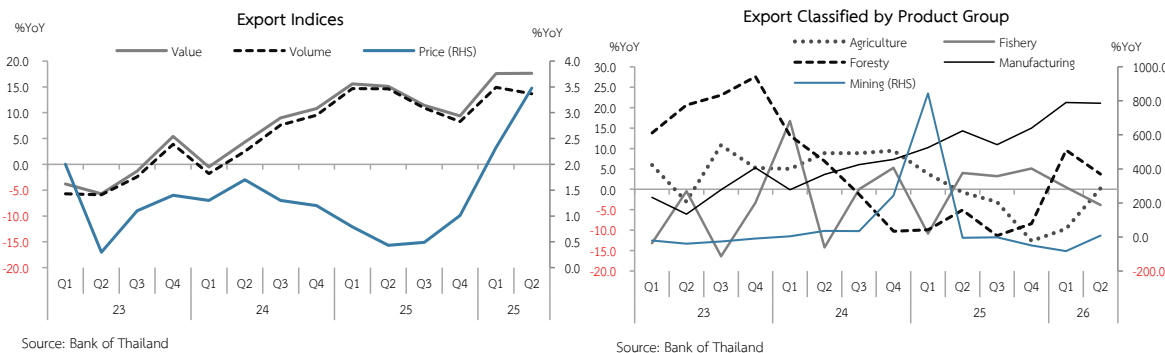
Source: Department of Business Development, analyzed by NESDC

Amid heightened risk factors and operational challenges confronting businesses, it is imperative that the government prioritize measures to assist entrepreneurs, particularly small and medium enterprises (SMEs), through enhanced access to credit facilities aimed at preserving business liquidity, alongside supporting business transformation through the adoption of digital technology, thereby reducing operating costs and strengthening the competitiveness of enterprises over the medium and long term.

¹ As defined by the Department of Business Development, newly established and dissolved businesses encompass enterprises within the agricultural, mining, industrial, and services sectors.

Exports in US dollar terms reached 99,079 million US dollars in the second quarter of 2026, increasing by 17.6 percent, equal to the growth recorded in the previous quarter, and marking the ninth consecutive quarter of expansion. This was in line with high growth in exports in manufacturing products, especially electronics, consistent with demand in the global market, while agricultural exports rebounded for the first time in five quarters, increasing by 0.3 percent, compared with a decline of 9.7 percent in the previous quarter, mainly driven by higher agricultural prices in the global market. **The export volume index** increased by 13.7 percent, continuing from 14.9 percent in the previous quarter, in line with a 17.8-percent rise in the export volume of manufacturing products, compared with a 19.7-percent increase in the previous quarter, while the export volumes of agricultural and fishery products declined by 3.6 percent and 4.9 percent, respectively. **The export price index** increased by 3.5 percent, accelerating from 2.3 percent in the previous quarter, following a 2.7-percent increase in the export price of manufacturing products. Meanwhile, agricultural prices returned to growth of 4.0 percent. **Excluding gold exports**, export value increased by 18.3 percent, accelerating from 15.6 percent in the previous quarter. **In Thai Baht terms**, exports reached 3,230 billion Baht, increasing by 15.9 percent, compared with a growth of 9.6 percent in the previous quarter.

In the first half of 2026, exports were valued at 194,175 million US dollars, increasing by 17.6 percent, accelerating from 10.4 percent in the second half of the previous year, with export volume rising by 14.3 percent and export prices rising by 2.9 percent. In Thai Baht terms, exports were valued at 6,238 billion Baht, increasing by 12.8 percent, compared with a growth of 3.4 percent in the second half of the previous year.



The export value of agricultural commodities rebounded for the first time in five quarters, increasing by 0.3 percent, compared with a 9.7-percent decline in the previous quarter, driven by a 4.0-percent increase in the export price index, while the export volume index declined by 3.6 percent. Major agricultural products with export value growth included **durian**, which continued to expand by 26.7 percent, as export volume rose by 30.3 percent, while the export price declined by 2.8 percent, driven by higher export value to the Chinese market. In contrast, **rice** declined by 17.1 percent, as export volume fell by 18.5 percent despite a 1.8-percent increase in export prices, due to lower export values to key markets including the U.S., South Africa, and China; and **rubber** fell by 4.9 percent, as export volume declined by 10.7 percent despite a 6.4-percent rise in export prices, amid lower export value to China, Japan, and the U.S. **The export value of manufacturing products** increased by 21.1 percent, continuing from 21.3 percent in the previous quarter, following an increase in export volume and price of 17.8 percent and 2.7 percent, respectively. Major manufacturing products with higher export value included telecommunications equipment (129.0 percent), computer parts and accessories (65.5 percent), machinery and equipment (22.1 percent), pickups and trucks (55.8 percent), metal products (23.1 percent), chemicals & petro-chemical products (15.2 percent), and electrical appliances (10.9 percent). Meanwhile, major manufacturing products with lower export value included passenger cars (down 42.4 percent), food (down 8.3 percent), rubber (down 4.9 percent), and air conditioners (down 3.5 percent). **The export value of fishery products** declined by 3.8 percent, and **other export products** decreased by 8.2 percent, in line with a 1.2-percent decline in exports of unwrought gold.

Exports in US dollar terms escalated by 17.6 percent, marking a ninth consecutive quarter of expansion, following by high growth in exports of manufacturing products.

Export Value of Major Products in US Dollar Terms

%YOY	2025							2026			Share
	Year	H1	H2	Q1	Q2	Q3	Q4	H1	Q1	Q2	Q2/26(%)
Agriculture	-3.0	1.0	-7.5	3.8	-0.7	-3.1	-12.6	-3.7	-9.7	0.3	7.1
Rice	-27.0	-28.0	-26.0	-23.5	-32.3	-25.0	-26.9	-20.5	-23.7	-17.1	1.0
Rubber	0.4	19.0	-15.2	32.4	4.4	-21.4	-8.7	-15.2	-22.5	-4.9	1.1
Durian	1.9	-5.4	23.3	-0.5	-5.7	31.5	-8.7	36.2	181.1	26.7	3.1
Other fruits	-2.6	18.4	-18.0	-1.7	35.1	-9.2	-27.6	-22.0	-14.4	-26.6	0.6
Manufacturing	12.6	12.3	13.0	10.2	14.3	11.0	15.0	21.2	21.3	21.1	88.6
Food	1.6	3.4	-0.2	-1.9	8.6	-2.7	2.7	-3.5	1.9	-8.3	5.5
- Sugar	-18.4	-16.1	-21.6	-17.9	-14.4	-17.6	-28.2	-14.1	-19.3	-9.0	0.8
- Fish, canned, prepared, or preserved	-1.1	2.1	-3.8	1.3	2.9	-5.6	-2.0	-0.9	-6.9	5.3	0.8
- Meat of poultry, canned, prepared, or preserved	5.6	6.7	4.5	7.6	5.8	4.4	4.7	6.0	5.4	6.5	0.8
Beverages	2.2	10.2	-5.7	4.7	15.5	-0.1	-10.9	-10.9	-7.4	-13.9	0.8
Rubber products	17.5	37.6	2.4	36.3	38.8	11.1	-4.6	9.0	4.7	13.2	2.1
Animal food	8.2	11.3	5.4	13.5	9.2	2.1	8.9	7.9	5.5	10.4	0.9
Electronics	46.9	47.2	46.6	43.2	50.4	43.6	49.4	58.5	57.3	59.5	24.3
- Computer	138.7	176.9	106.9	130.8	210.6	125.0	91.0	14.1	20.2	10.8	3.9
- Computer parts & accessories	33.0	43.5	24.9	50.4	37.7	18.8	30.3	55.9	45.4	65.5	7.3
- Integrated circuits & parts	27.7	33.5	22.6	24.5	42.3	31.0	14.2	11.2	8.3	13.8	3.3
- Telecommunication equipment	46.2	20.4	69.0	24.6	17.4	55.2	83.0	133.8	140.1	129.0	9.1
Electrical Appliances	8.5	5.1	12.0	4.5	5.8	6.6	17.9	15.4	19.6	10.9	7.7
- Air conditioning machines	7.2	17.5	-5.3	28.0	5.2	-6.5	-4.1	-1.1	0.6	-3.5	1.5
- Refrigerators	8.8	6.9	10.7	0.7	13.5	11.8	9.5	5.6	8.0	3.3	0.6
- Parts of electrical appliances	-4.6	-15.5	7.9	-16.5	-14.5	-4.8	24.0	25.4	32.6	18.3	2.0
Metal & Steel	13.9	11.1	16.5	6.7	15.9	13.7	19.3	23.8	24.5	23.1	5.4
Automotive	2.5	1.2	3.8	1.7	0.7	5.0	2.6	2.2	4.3	0.1	10.7
- Passenger cars	-2.2	41.2	-31.5	42.5	39.9	-27.0	-36.2	-40.7	-39.1	-42.4	1.6
- Pick ups and trucks	18.3	-10.0	48.4	3.1	-21.1	44.4	52.4	54.6	53.5	55.8	3.0
- Vehicle parts & accessories	8.1	11.3	5.3	7.4	15.4	6.3	4.2	3.3	3.8	2.7	5.3
Machinery & equipment	14.5	16.0	13.2	14.1	17.8	14.2	12.1	22.0	21.9	22.1	8.8
Aircraft, ships, floating structures, and locomotives	24.7	16.2	33.3	20.9	9.6	2.7	61.2	4.6	-18.0	39.6	1.2
Jewellery	20.6	6.4	35.1	4.0	9.4	23.0	50.0	63.6	107.3	12.3	2.4
Chemicals & Petro-chemical Products	0.9	5.1	-2.9	7.0	3.3	-2.5	-3.4	8.7	2.0	15.2	6.2
Petroleum products	-20.3	-10.6	-29.0	-4.9	-15.8	-33.3	-24.1	24.7	6.6	43.5	2.8
Fishery	0.3	-3.8	4.2	-10.9	4.0	3.2	5.1	-1.7	0.5	-3.8	0.4
Crustaceans	-0.2	-7.9	6.9	-20.6	6.1	2.5	11.0	-0.9	5.9	-6.5	0.2
Other exports	49.8	118.6	11.2	119.2	118.0	84.0	-41.2	24.5	54.0	-8.2	3.1
Non-monetary gold (excl. articles of goldsmiths)	48.5	118.5	11.6	120.8	115.9	86.2	-41.4	31.7	60.2	-1.2	3.0
Total exports (Customs basis)	13.1	15.4	11.1	15.8	15.0	12.1	10.0	17.6	17.4	17.7	100.0
Total exports (BOP basis)	12.8	15.3	10.4	15.6	15.1	11.4	9.4	17.6	17.6	17.6	98.5
Total exports, excluding gold	11.7	13.1	10.4	13.1	13.1	9.0	11.7	17.0	15.6	18.3	95.5

Source: Bank of Thailand

Export markets: Exports to major markets continued to expand, particularly to the U.S., ASEAN (5), and the EU (27). **Exports to the U.S.** grew by 40.4 percent, continuing from 41.8 percent in the previous quarter, driven by high growth in the group of products exempted from tariffs after the U.S. imposition of import tariffs under Section 122 of the Trade Act of 1974, including automatic data processing machines and parts, telephone sets and parts, and semiconductor devices, transistors, and diodes. However, exports of rubber products, other electrical equipment and parts, and prepared or preserved crustaceans in airtight containers declined. **Exports to ASEAN (5)** increased by 34.8 percent, accelerating from 24.3 percent in the previous quarter, mainly driven by higher exports to Singapore and Malaysia. Products with higher exports included motor vehicles and parts, refined fuels, and electronic integrated circuits, whereas exports of steel and steel products, polymers of ethylene in primary forms, and other electrical equipment and parts declined. **Exports to the EU (27)** grew by 19.9 percent, continuing from 20.1 percent in the previous quarter. Major products with higher exports included automatic data processing machines and parts, precious stones and jewelry, and air conditioning machines and parts, while exports of electrical transformers and parts, motorcycles and parts, and telephone sets and parts declined. **Exports to China** grew by 6.9 percent, continuing from 9.8 percent in the previous quarter. Products that continued to expand included fresh, frozen, and dried fruit, automatic data processing machines and parts, and polymers of ethylene in primary forms, while exports of rubber products, rubber, and aluminum products declined. **Exports to Japan** increased by 18.9 percent, accelerating

Exports to most major markets continued to increase, particularly to the US, ASEAN (5), and the EU (27). meanwhile, exports to CLMV, the Middle East (15), and Hong Kong declined.

from 7.0 percent in the previous quarter. Products with higher exports included motor vehicles and parts, prepared poultry, and other electrical equipment and parts, while exports of copper and its products, and motorcycles and parts declined. **Exports to Australia** grew by 33.3 percent, continuing from 54.5 percent in the previous quarter. Products with higher exports included air conditioning machines and parts, automatic data processing machines and parts, and rubber products, while exports of motor vehicles and parts, refrigerators and parts, and refined fuels declined. **Exports to Mexico** grew by 72.7 percent, accelerating from 40.7 percent in the previous quarter, mainly driven by higher exports of motor vehicles and parts, electrical transformers and parts, and automatic data processing machines and parts, while exports of television receivers and parts, and other electrical equipment and parts declined. In contrast, markets with lower export value included, a **exports to CLMV** declined by 12.0 percent, mainly due to lower exports to Cambodia, with declines in precious stones and jewelry, motor vehicles and parts, and chemical products, while exports of refined fuels, beverages, and sugar expanded. **Exports to the Middle East (15)** declined by 0.2 percent, mainly driven by lower exports of rice, precious stones and jewelry, and prepared or preserved crustaceans in airtight containers, while exports of motor vehicles and parts, air conditioning machines and parts, and wood and wood products expanded. **Exports to Hong Kong** declined by 7.1 percent, mainly driven by lower exports of automatic data processing machines and parts, watches and parts, and machinery and parts, while exports of precious stones and jewelry, electronic integrated circuits, and telephone sets and parts expanded.

Key Export Markets in US Dollar Terms

%YOY	2025							2026			Share Q2/26(%)
	Year	H1	H2	Q1	Q2	Q3	Q4	H1	Q1	Q2	
Total exports, Customs basis (Mil. US\$)	340,232	167,338	172,895	81,907	85,430	87,450	85,445	196,742	96,170	100,572	100.0
(%YoY)	13.1	15.4	11.1	15.8	15.0	12.1	10.0	17.6	17.4	17.7	
United States	32.0	29.9	33.9	25.6	33.9	26.4	41.5	41.1	41.8	40.4	24.6
China	12.9	19.0	6.9	19.7	18.4	11.5	2.3	8.1	9.8	6.9	12.9
Japan	1.1	1.1	1.2	0.0	2.1	2.2	0.2	12.9	7.0	18.9	6.9
ASEAN (9)	4.4	8.1	1.0	5.6	10.5	4.2	-2.0	12.2	10.8	13.5	21.2
- ASEAN (5)*	7.0	5.5	8.3	6.2	4.9	8.7	8.0	29.6	24.3	34.8	13.8
- CLMV**	1.1	11.4	-8.8	4.9	18.1	-2.2	-14.8	-9.3	-6.4	-12.0	7.5
EU (27) excluding UK	9.4	9.4	9.5	7.2	11.5	5.7	13.5	20.0	20.1	19.9	7.7
United Kingdom (UK)	5.7	12.3	0.5	6.9	18.0	7.0	-5.9	13.5	17.3	9.8	1.2
Middle East (15)***	6.5	6.8	6.3	11.5	2.0	1.4	11.2	-6.2	-11.7	-0.2	2.8
- Saudi Arabia	-8.9	-11.1	-6.6	-7.0	-15.2	-3.2	-10.1	-28.4	-23.9	-33.4	0.4
- United Arab Emirates	23.4	18.4	27.8	19.5	17.1	16.8	38.3	32.4	11.8	55.9	1.5
India	35.0	54.1	18.8	91.4	19.7	14.8	22.6	10.0	20.4	-5.1	3.2
Australia	-2.5	-9.2	4.4	-13.7	-4.1	-2.5	11.5	43.9	54.5	33.3	3.8
Hong Kong	2.9	4.2	1.3	-5.6	15.2	0.8	1.8	2.9	13.9	-7.1	3.0
Mexico	26.2	12.8	37.9	26.1	2.3	45.1	31.7	57.0	40.7	72.7	2.0
South Korea	-3.1	0.4	-6.8	-0.3	1.1	-7.6	-5.9	10.5	-1.0	21.5	1.9
Taiwan	12.0	16.4	7.8	20.9	12.3	15.0	0.6	5.6	-1.8	12.8	1.5

Note: *ASEAN (5) consists of Brunei, Indonesia, Malaysia, the Philippines, and Singapore.

**CLMV consists of Cambodia, Laos, Myanmar, and Vietnam.

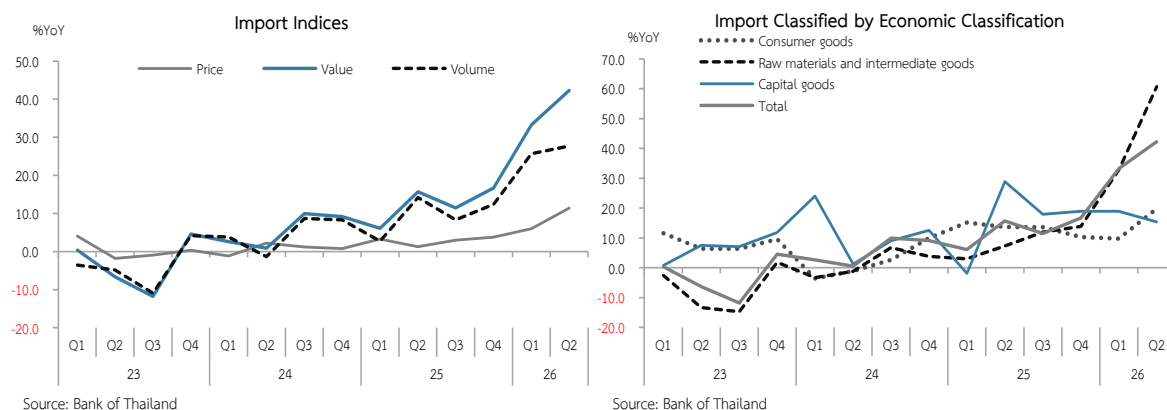
***Middle East (15) consists of Bahrain, Egypt, Iran, Israel, Kuwait, Oman, Qatar, Saudi Arabia, the United Arab Emirates, Yemen, Iraq, Jordan, Lebanon, Libya, and Syria.

Source: Bank of Thailand

Imports in US dollar terms were valued at 111,155 million US dollars, increasing by 42.3 percent, accelerating from 33.2 percent in the previous quarter and marking the highest growth in twenty quarters. Import volume increased by 27.7 percent, continuing from 25.6 percent in the previous quarter. While import prices increased by 11.4 percent, accelerating from 6.0 percent in the previous quarter. **Excluding gold imports**, import value increased by 43.6 percent, accelerating from 25.8 percent in the previous quarter. **In Thai Baht terms**, imports totaled 3,623 billion Baht, increasing by 40.1 percent, accelerating from 24.1 percent in the previous quarter.

In the first half of 2026, imports were valued at 206,554 million US dollars, increasing by 38.0 percent, continuing from 14.1 percent in the second half of the previous year, with import volume and prices rising by 26.7 percent and 8.7 percent, respectively. In Thai Baht terms, imports were valued at 4,848 billion Baht, increasing by 6.4 percent, equal to the growth in the second half of the previous year.

Imports in US dollar terms increased by 42.3 percent, reaching its highest growth in twenty quarters.



By category, import values expanded across all categories. The import value of raw materials and intermediate goods increased by 60.7 percent, accelerating from 32.8 percent in the previous quarter, in line with a 42.0-percent increase in import volume, accelerating from 29.4 percent in the previous quarter, while import prices increased by 13.1 percent, accelerating from 2.5 percent in the previous quarter. Major products with higher import value included parts of electronics and electrical appliances, crude oil, and chemicals & petro-chemical products. **The import value of capital goods** increased by 15.4 percent, continuing from 18.9 percent in the previous quarter, in line with import volume and prices, which increased by 11.5 percent and 3.4 percent, respectively. Major products with higher import value included other machinery and mechanical appliances & parts, transformers, generators, motors and accumulators, and aircrafts, ships, floating structures, and locomotive. **The import value of consumer goods** increased by 19.8 percent, continuing from 9.7 percent in the previous quarter, with import volume and prices increasing by 13.8 percent and 5.2 percent, respectively. Major products with higher import value included food, beverages, dairy products, vehicles, and cellular phone. Similarly, **the import value of other imports** increased by 25.5 percent, in line with a 26.9-percent increase in imports of non-monetary gold (excluding articles of goldsmiths).

Major Import Products in US Dollar Terms

%YoY	2025								2026		Share
	Year	H1	H2	Q1	Q2	Q3	Q4	H1	Q1	Q2	Q2/26(%)
Consumer goods	13.1	14.4	11.9	15.1	13.7	13.6	10.3	14.7	9.7	19.8	10.3
Food, beverages, and dairy products	3.5	13.0	-4.4	17.3	8.8	-6.2	-2.6	-0.9	-4.0	2.4	1.8
Vehicles	17.2	4.9	30.9	-4.0	15.2	30.5	31.1	30.2	-7.0	66.3	1.0
Cellular phone	13.3	7.8	17.9	2.7	13.7	18.6	17.3	22.4	23.9	20.8	1.0
Animal & fishery products	13.4	13.9	12.9	11.4	16.2	14.7	11.5	17.5	11.5	22.9	1.0
Medicinal and pharmaceutical products	9.4	10.1	8.8	2.7	18.2	21.4	-2.8	17.4	12.7	21.9	0.9
Raw materials and intermediate goods	9.1	5.2	12.9	3.0	7.3	11.9	13.9	47.1	32.8	60.7	65.7
- Excluding fuel	17.1	10.7	23.3	6.5	14.8	21.9	24.7	49.3	45.6	52.6	49.6
Parts of electronics and electrical appliances	35.5	19.0	50.6	10.9	26.9	55.8	45.9	103.2	106.6	100.3	26.9
Crude oil	-15.9	-10.5	-21.5	-5.6	-15.3	-20.5	-22.6	48.5	-12.6	117.3	11.9
Chemicals & Petro-chemical products	2.6	0.8	4.4	-2.8	4.3	1.0	8.4	19.4	9.3	28.4	7.2
Materials of base metal	10.7	13.5	8.1	13.2	13.9	1.7	15.2	18.2	12.7	23.2	6.7
Natural gas	-10.1	-1.6	-18.8	-2.6	-0.5	-18.9	-18.8	18.8	-16.3	56.1	2.6
Capital goods	15.5	12.6	18.4	-1.9	28.9	17.9	18.9	17.0	18.9	15.4	16.9
- Excluding computers	19.0	16.1	21.6	11.5	20.6	22.4	20.9	25.1	25.3	25.0	15.7
Other machinery and mechanical appliances & parts	28.6	31.3	26.3	24.8	37.4	27.7	25.0	24.9	29.2	21.1	7.4
Transformers, generators, motors and accumulators	23.2	23.7	22.7	19.0	28.0	22.8	22.7	41.0	39.8	42.0	2.2
Aircrafts, ships, floating structures, and locomotive	-3.4	-27.0	26.5	-16.5	-36.3	24.7	28.0	9.1	-21.9	45.1	1.3
Computers	-9.7	-6.4	-15.5	-51.0	114.9	-24.4	-5.0	-37.9	-34.1	-40.3	1.3
Measuring, checking and precision instruments	23.1	24.0	22.3	18.4	29.6	25.7	19.2	29.8	31.2	28.5	1.2
Other imports	37.0	57.3	21.7	67.0	49.8	-6.9	48.0	62.6	105.8	25.5	7.1
Non-monetary gold (excl. articles of goldsmiths)	36.1	51.8	24.1	48.9	53.9	-11.3	57.2	79.5	155.1	26.9	6.1
Other imports, n.i.e.	40.7	80.8	12.2	130.7	29.1	11.5	12.8	2.0	-6.1	16.9	0.9
Total imports (Customs basis)	12.6	10.7	14.4	6.5	14.8	12.0	16.9	38.0	32.4	43.3	100.0
Total imports (BOP basis)	12.5	10.9	14.1	6.1	15.7	11.5	16.7	38.0	33.2	42.3	90.5
Total imports, excluding gold	11.1	8.8	13.4	4.2	13.4	12.9	13.9	35.0	25.8	43.6	84.4

Source: Bank of Thailand

Import Price Index by Economic Classification

Import price index %YoY	2025							2026		
	Year	H1	H2	Q1	Q2	Q3	Q4	H1	Q1	Q2
Consumer goods	5.7	6.1	5.4	5.9	6.2	5.7	5.1	5.3	5.4	5.2
Raw materials and intermediate goods	-1.0	-0.9	-1.1	0.9	-2.7	-1.0	-1.2	7.7	2.5	13.1
Capital goods	4.3	4.3	4.2	4.3	4.3	4.7	3.8	3.5	3.5	3.4
Total import price	2.8	2.3	3.4	3.3	1.3	3.0	3.8	8.7	6.0	11.4

Source: Bank of Thailand

Import Volume Index by Economic Classification

Import volume index %YoY	2025							2026		
	Year	H1	H2	Q1	Q2	Q3	Q4	H1	Q1	Q2
Consumer goods	7.0	7.8	6.1	8.6	7.0	7.4	5.0	8.8	4.1	13.8
Raw materials and intermediate goods	10.2	6.2	14.2	2.1	10.2	13.0	15.3	35.9	29.4	42.0
Capital goods	10.7	7.9	13.5	-5.9	23.7	12.5	14.6	13.1	14.9	11.5
Total import volume	9.4	8.4	10.4	2.7	14.2	8.3	12.4	26.7	25.6	27.7

Source: Bank of Thailand

Term of Trade declined for the sixth consecutive quarter, as the import price index rose by 11.4 percent, reaching the highest record in fifteen quarters, outpacing a 3.5-percent increase in export prices. As a result, the terms of trade index stood at 89.8, lower than 93.2 in the previous quarter and 96.7 in the same quarter of the previous year. This marks the eighteenth consecutive quarter in which the terms of trade have remained below 100, and the lowest level on record.

For the first half of 2026, the terms of trade index averaged 91.5, lower than 95.8 in the second half of the previous year and 96.6 in the same period of the previous year, in line with an 8.7-percent increase in import prices that outpaced a 2.9-percent rise in export prices.

Trade balance recorded a deficit of 12.1 billion US dollars, compared with a 0.3-billion-US-dollar deficit in the previous quarter and a 6.1-billion-US-dollar surplus in the same quarter of the previous year. This outcome resulted from the rising import value totaling 111.2 billion US dollars, exceeding exports of 99.1 billion US dollars. In Thai Baht terms, the trade deficit stood at 392.6 billion Baht, compared with a 9.6-billion-Baht deficit in the previous quarter and a 200.1-billion-Baht surplus in the same quarter of the previous year. The trade balance for fuel products recorded a deficit of 17.0 billion US dollars, compared with deficits of 7.8 billion US dollars in the previous quarter and 8.3 billion US dollars in the same quarter of last year. The trade balance for gold recorded a deficit of 4.5 billion US dollars, compared with a 4.8-billion-US-dollar deficit in the previous quarter and a 2.9-billion-US-dollar deficit in the same quarter of the previous year. Excluding fuel and gold, the trade balance recorded a surplus of 9.4 billion US dollars, compared with a 12.4-billion-US-dollar surplus in the previous quarter and a 17.3-billion-US-dollar surplus in the same quarter of the previous year.

For the first half of 2026, the trade balance recorded a deficit of 12.4 billion US dollars, compared with a 9.4-billion-US-dollar surplus in the second half of the previous year and a 15.4-billion-US-dollar surplus in the same period of the previous year. In Thai Baht terms, the trade deficit stood at 402.2 billion Baht, compared with a 300.4-billion-Baht surplus in the second half of the previous year and a 514.3-billion-Baht surplus in the same period of the previous year.

Term of Trade

%YoY	2024		2025						2026		
	Year	Year	H1	H2	Q1	Q2	Q3	Q4	H1	Q1	Q2
Term of trade*	98.2	96.2	96.6	95.8	96.6	96.7	95.8	95.8	91.5	93.2	89.8
%YOY	0.6	-2.1	-1.6	-2.5	-2.4	-0.9	-2.4	-2.7	-5.3	-3.4	-7.1

Note: * Term of trade: TOT represents the ratio between a country's export prices and its import prices. When the 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

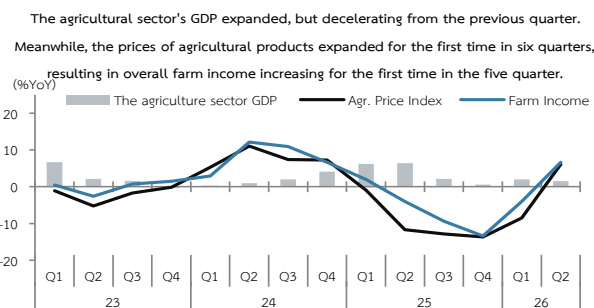
Terms of trade declined for the sixth consecutive quarter.

Trade balance recorded the largest deficit on record, at 12.1 billion USD.

Production Side:

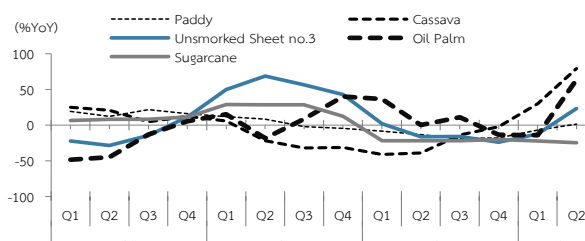
The agriculture, forestry, and fishing sector expanded by 1.5 percent, decelerating from a 2.0-percent growth in the previous quarter. This deceleration was in line with a contraction in the production of major crops, such as paddy (especially second-crop paddy) and oil palm, due to severe heat and drought resulting from the El Niño phenomenon. In contrast, livestock category continued to expand for the fourth consecutive quarter, primarily supported by an increase in swine production. Meanwhile, the fishery category contracted for the first time in six quarters, mainly due to a decline in white shrimp production. In this quarter, key agricultural products with production expansion included **fruits** (1.8 percent), **rubber** (8.1 percent) and **swine** (3.8 percent), respectively. Conversely, production of **paddy** and **oil palm** declined by 1.6 percent and 35.8 percent, respectively. Meanwhile, the **Agricultural Price Index rebounded for the first time in six quarters, rising by 6.1 percent**, compared to an 8.5-percent contraction in the previous quarter. This movement was in line with a price increase in several major products, including **oil palm** (63.3 percent), **rubber** (23.3 percent), **cassava** (79.3 percent), **fruits** (10.6 percent); especially durian, mango and longan), and **paddy** (1.4 percent), respectively. In contrast, prices of certain major agricultural commodities declined, including **swine** (-20.4 percent), **sugarcane** (-24.5 percent), and **broilers** (-3.5 percent). Overall, the expansion in both the Agricultural Production Index and the Agricultural Price Index led **the Farm Income Index** to expand for the first time in five quarters by 6.6 percent, compared to a 4.0-percent decline in the previous quarter.

For the first half of 2026, the agriculture, forestry, and fishing sector grew by 1.7 percent, compared with a 1.1-percent expansion in the second half of 2025. In this period, the Agricultural Production Index rose by 2.8 percent, while the Agricultural Price Index decreased by 1.4 percent and the Farm Income Index contracted by 0.6 percent.



Source: Office of Agricultural Economics

The prices of fourth major agricultural products increased, namely oil palm, rubber, cassava and paddy. Meanwhile, sugarcane's price declined



Source: Office of Agricultural Economics

The manufacturing sector expanded by 0.1 percent, decelerating from a 1.0-percent expansion in the previous quarter, constrained by lower output in key manufacturing industries, including motor vehicles, primary plastics and synthetic rubber, and authentic jewelry and related articles. This overall slowdown was in tandem with a decline in the capacity utilization rate. The key driving factor is the growth of major products across all manufacturing sectors. **The manufacturing industries for domestic-oriented consumption (with an export share below 30 percent),** key products that recorded growth included: the manufacture of refined petroleum products (increased by 0.7 percent) and meat processing (excluding poultry) (increased by 2.8 percent), particularly frozen and chilled pork. Conversely, contractions were observed in primary plastics and synthetic rubber (decreased by 9.7 percent) and malt liquors and malt (decreased by 5.0 percent). **The export-oriented manufacturing industries (with an export share of more than 60 percent of total production),** key products that recorded growth included: the manufacture of fruit and vegetable processing and preserving (increased by 5.1 percent)—mainly supported by canned fruits and frozen fruits and vegetables—and computers and peripheral equipment (increased by 21.1 percent), driven by the upward technology cycle and strong demand for computers and hard disk drives (HDDs). On the other hand, the manufacture of authentic jewelry and related articles decreased by 3.8 percent. **The manufacturing industries with an export share of 30 – 60 percent,** key products that recorded growth included: the manufacture of motor-vehicle tires, inner tubes, retreading, and rebuilding (increased by 1.6 percent)—following higher production of passenger car, truck, bus, and motorcycle tires— and prepared animal feeds (increased by 8.8 percent), boosted by growing domestic and international demand for pet food. On the downside, motor-vehicle manufacturing and motorcycle production decreased by 7.2 percent and 0.5 percent, respectively. **The average capacity utilization rate** in this quarter stood at 57.47 percent, lower than

The agriculture, forestry, and fishing; manufacturing; accommodation and food service activities; wholesale and retail trade, repair of motor vehicles and motorcycles; transportation and storage; and construction sectors slowed down from the previous quarter.

The agriculture, forestry, and fishing sector expanded for the tenth consecutive quarter by 1.5 percent but decelerated from a 2.0-percent growth in the previous quarter, driven by a contraction in paddy and oil palm.

The Agricultural Price Index resurged for the first time in six quarters, driven by price increases in major crop categories.

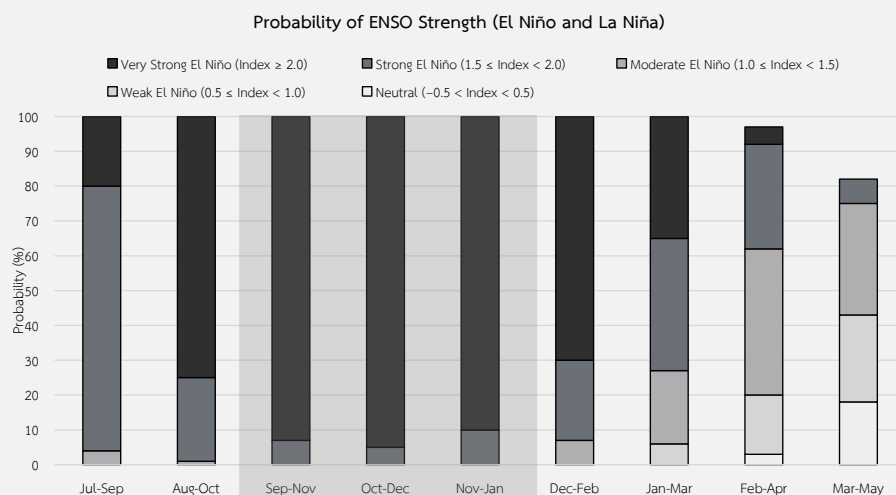
Therefore, the Agricultural Income Index rebounded for the first time in five quarters, expanding by 6.6 percent.

The manufacturing sector continued to expand for the third consecutive quarter by 0.1 percent, but decelerated from a 1.0-percent growth in the previous quarter.

The average capacity utilization rate stood at 57.47 percent, lower than 61.28 percent in the previous quarter and lower than 59.36 percent in the same quarter last year.

Impact of the Super El Niño Phenomenon on Major Agricultural Production in the Second Half of 2026

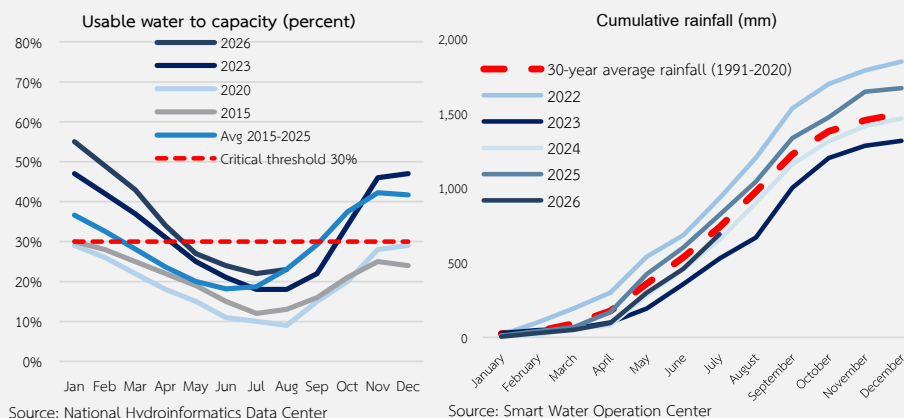
On 13 August 2026, the National Oceanic and Atmospheric Administration (NOAA) estimated that the probability of a Very Strong El Niño developing in the final quarter of 2026 would exceed 90.00 percent¹, with a **greater-than-69.00-percent chance of a historic event surpassing the intensity of any recorded episode since 1950.**



Summary of Usable Water in Large Reservoirs (Usable Water) as of 14 August							
Region (million m ³)	Critical threshold ($\leq 30\%$)	2023	2025	2026	Difference in 2026 compared with		
					Critical threshold	2023	2025
North	7,448	3,923	10,817	7,451	3	3,528	-3,366
Northeast	2,511	2,718	1,851	2,163	-348	-555	312
Central	426	153	199	293	-133	140	94
West	7,982	4,941	6,953	5,439	-2,543	498	-1,514
East	455	503	573	532	77	29	-41
South	2,458	2,995	3,428	3,059	601	64	-369
Nationwide total	21,278	15,232	23,821	18,937	-2,341	3,705	-4,884

Source: National Hydroinformatics Data Center; compiled by the Office of the National Economic and Social Development Council

Since accumulated nationwide rainfall currently remains 8.0 percent below the 30-year climate normal², close surveillance is required to monitor dry spells and potential adverse impacts on water reserves in major and medium-sized reservoirs nationwide. **According to projections by the Office of the National Water Resources, total nationwide water storage is expected to reach 51,563 million cubic meters (73.00 percent of total capacity) by 1 November 2026, with usable water storage totaling 32,274 million cubic meters (45.50 percent of total capacity).** Specifically, water levels in three major reservoirs are projected to fall below the surveillance threshold for critically low storage, namely: (1) one in the Northern region (Sirikit Reservoir in Uttaradit Province at 68.00 percent); and (2) two in the Northeastern region (Nam Phong Reservoir in Sakon Nakhon Province at 24.00 percent, and Chulabhorn Reservoir in Chaiyaphum Province at 67.00 percent).



¹ El Niño/Southern Oscillation (ENSO) Diagnostic Discussion, National Weather Service, on 13 August 2026.

² Thai Meteorological Department (TMD): Accumulated rainfall deviation calculated against the 30-year Climate Normal benchmark (normal benchmark: 800.7 mm).

Impact of the Super El Niño Phenomenon on Major Agricultural Production in the Second Half of 2026 (Cont.)

Based on prevailing conditions and preliminary assessments from the 2015–2016 and 2019–2020 El Niño events, agricultural production is expected to face substantial downward pressure. Major crops notably affected included paddy (accounting for 20.91 percent of agricultural GDP in 2024), cassava (2.97 percent), and sugarcane (3.34 percent), causing agricultural GDP to contract significantly during 2014–2016 and 2019–2020 due to the high vulnerability of these crops to dry spells. Under a preliminary impact assessment, if dry spells and low reservoir storage intensify in the second half of 2026 and lead to severe drought (assuming a 15.00 percent crop-yield loss), the estimated loss in paddy production would be approximately 3.8 million tonnes (11.37 percent of total projected 2026 paddy output), valued at 46,467.6 million Baht; cassava production loss would be estimated at 1.06 million tonnes (4.35 percent of 2026 cassava output), valued at 2,832.2 million Baht. **In summary, total agricultural loss is estimated at 49,299.8 million Baht, representing approximately 1.1 percent of agricultural GDP or 0.1 percent of total GDP.**

Percentage change of forecast rainfall relative to the 30-year average, by region					
Region	Aug 2026	Sep 2026	Oct 2026	Nov 2026	Dec 2026
North	+9%	-5%	-12%	-62%	-100%
Northeast	-2%	-39%	+7%	-90%	-100%
Central	+3%	+8%	-16%	+32%	-96%
East	-3%	within ±1%	-17%	-16%	-89%
Southern (East Coast)	+57%	+26%	-18%	-24%	within ±1%
Southern (West Coast)	+38%	-7%	-17%	-40%	-8%
Nationwide	+10%	-11%	-11%	-32%	-16%

Source: Hydro-Informatics Institute (Public Organization)

GDP of Thailand's Major Economic Crops							
(%YoY)	Past El Niño episodes						
	2014	2015	2016	2019	2020	2024	2025
Paddy	-5.4	-12.0	-4.7	-6.1	0.3	-0.8	7.1
Cassava	-12.1	5.5	0.0	2.4	-1.4	-6.5	-
Sugarcane	8.0	-2.2	-18.0	-16.2	-63.7	10.2	3.3
Rubber	3.3	-1.3	-1.2	-0.3	-6.5	-1.8	-0.1
Oil palm	0.9	-3.0	-5.7	6.4	-2.1	2.2	-
Total crop category	-0.1	-7.4	-2.9	-1.5	-4.7	1.0	4.8
Agricultural sector	-0.3	-6.5	-1.2	-1.0	-3.2	1.9	3.7

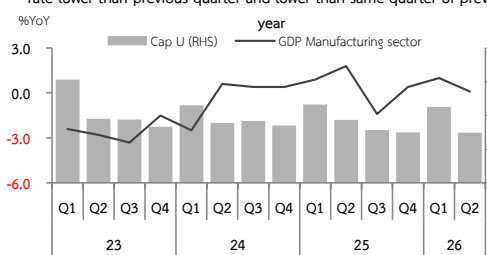
Source: Office of the National Economic and Social Development Council

As a result, government agencies must implement proactive measures to mitigate El Niño-induced risks—particularly in vulnerable non-irrigated zones and water-stressed regions—by **aligning** crop planting plans with available water resources, **establishing** water-use priority rankings in irrigation systems, and **preparing** contingency water sources and pumping machinery for high-risk areas. **Furthermore, the government should prepare support measures for farmers if drought conditions persist into 2027, including:** (1) encouraging farmers to shift planting patterns toward less water-intensive and drought-tolerant crops; (2) expanding crop insurance coverage to cushion against agricultural losses and mitigate income shocks for farming households; and (3) providing adaptive credit support to enable farmers to restructure land use sustainably, enhance operational flexibility, and withstand long-term climate volatility.

61.28 percent in the previous quarter and 59.36 percent in the same quarter last year. This marked the lowest level in 24 quarters since the second quarter of 2020. Among the 30 key industries, 1 industry operated with a capacity utilization rate above 80.00 percent was refined petroleum products (85.86 percent). Meanwhile, 11 industries had capacity utilization rates below 50.00 percent, such as wearing apparel (excluding tailoring) (49.95 percent), basic iron and steel (49.65 percent), and motor vehicles (48.50 percent).

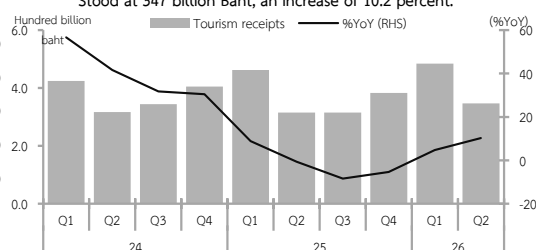
For the first half of 2026, the manufacturing sector expanded by 0.6 percent, recovering from a 0.5-percent contraction in the second half of 2025. The average capacity utilization rate for the half year stood at 59.37 percent.

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



Source : Office of Industrial Economics and NESDC

Services receipts of Tourism for Q2/2026
Stood at 347 billion Baht, an increase of 10.2 percent.



Source : Bank of Thailand

The accommodation and food service activities sector expanded by 1.5 percent, slowing down from a 2.2-percent growth in the previous quarter. This was consistent with slowing growth in domestic tourists and a contraction in foreign tourist arrivals. In this quarter, **domestic tourism by Thai travelers (Thai Teaw Thai)** recorded 72.46 million trips, increasing by 1.6 percent, compared with a 2.7-percent increase in the previous quarter. The top five provinces with the highest number of Thai visitors (excluding Bangkok) were Chonburi at 4.768 million person-trips (accounting for 6.58 percent), Kanchanaburi at 3.785 million person-trips (accounting for 5.22 percent), Prachuap Khiri Khan at 2.729 million person-trips (accounting for 3.77 percent), Phetchaburi at 2.680 million person-trips (accounting for 3.70 percent), and Nakhon Ratchasima at 2.401 million person-trips (accounting for 3.31 percent), respectively. **The Domestic tourism receipts¹** reached 316 billion Baht, increasing by 2.2 percent, compared with a 4.9-percent increase in the previous quarter. The top five provinces with the highest receipts from Thai visitors (excluding Bangkok) were Chonburi (accounting for 10.37 percent), Chiang Mai (accounting for 5.17 percent), Prachuap Khiri Khan (accounting for 3.67 percent), Chiang Rai (accounting for 3.29 percent), and Phuket (accounting for 3.28 percent), respectively. **The number of international tourist arrivals²** in this quarter stood at 6.557 million, decreasing by 4.4 percent, following a 2.4-percent decline in the previous quarter. The top five international tourist arrivals by nationality included China with 1.113 million (accounting for 16.97 percent), Malaysia with 1.095 million (accounting for 16.70 percent), India with 0.595 million (accounting for 9.07 percent), Russia with 0.286 million (accounting for 4.37 percent), and the United States with 0.222 million (accounting for 3.39 percent), respectively. Considering tourists by traveling distance, **short-haul tourists³** stood at 5.003 million (accounting for 76.30 percent), decreasing by 3.5 percent, compared to a 5.7-percent decline in the previous quarter. Meanwhile, **long-haul tourists⁴** stood at 1.554 million (accounting for 23.70 percent), decreasing by 7.1 percent, compared with a 3.3-percent increase in the previous quarter. Meanwhile, **international tourism receipts⁵** amounted to 347 billion Baht, increasing by 10.2 percent, compared with a 4.7-percent decline in the previous quarter. The increases in both domestic tourism receipts and tourism service receipts resulted in **total tourism receipts⁶** of 663 billion Baht in this quarter, increasing by 6.3 percent, compared with a 4.8-percent increase in the previous quarter. **The average occupancy rate** in this quarter stood at 68.97 percent, lower than 73.98 percent in the previous quarter and lower than 69.85 percent in the same quarter of last year.

In the first half of 2026, the accommodation and food service activities sector expanded by 1.9 percent, compared with a 0.7-percent expansion in the second half of 2025. The number of international tourist arrivals stood at 15.874 million, decreasing by 3.2 percent. Tourism service receipts amounted to 831 billion Baht. Combined with domestic tourism receipts of 601 billion Baht, total tourism receipts reached 1.431 trillion Baht, increasing by 5.5 percent. The average occupancy rate stood at 71.48 percent.

The accommodation and food service activities sector continued to expand for the eighteenth consecutive quarter by 1.5 percent, slowing from a 2.2-percent growth in the previous quarter, in line with the slowdown in domestic tourism and the decline in international tourist arrivals.

Total tourism receipts in this quarter stood at 663 billion Baht, increasing by 6.3 percent.

The average occupancy rate stood at 68.97 percent, lower than 73.98 percent in the previous quarter and lower than 69.85 percent in the same quarter of last year.

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 The number of international tourist arrivals excludes arrivals recorded during June 22–25, 2026, due to a disruption in the international tourist statistics collection system. The growth rate calculated relative to the same period of the previous year.

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.

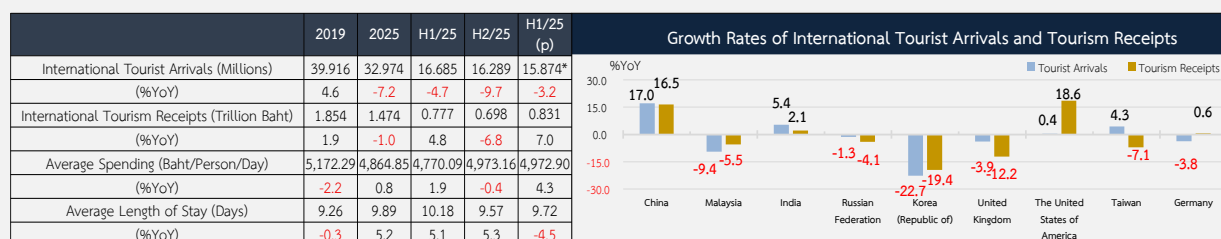
⁴ International tourists in the long-haul market group with a flight time of more than 6 hours, including tourists from Europe, the Americas, and Africa.

⁵ International tourism receipts from the balance of payments table, the Bank of Thailand (BOT).

⁶ Total tourism revenue refers to the sum of international tourism receipts and tourism receipts from Thai travelers.

International Tourism Situation and Shifts in International Tourist Spending Patterns

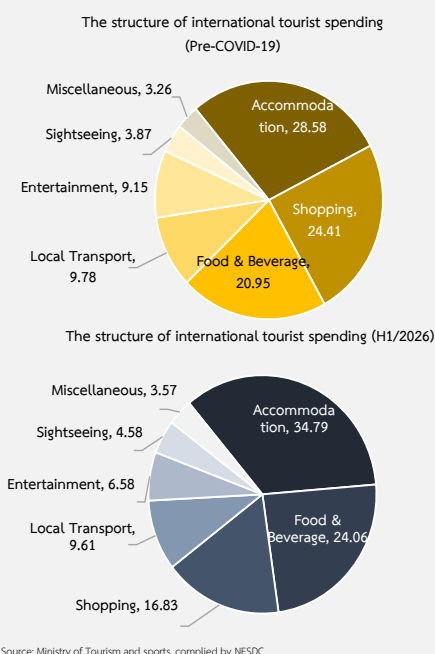
In the first half of 2026, the number of international tourist arrivals stood at 15.874 million, a decrease of 3.2 percent. This decline was driven by lower tourist arrivals from the Asia-Pacific region — particularly Malaysia, South Korea, and Lao PDR — as well as the Middle East, partly due to conflicts that reduced flight availability, increased travel costs, and heightened travelers' safety concerns. Meanwhile, international tourism receipts amounted to 831.0 billion baht, an increase of 7.0 percent, supported by higher receipts from Chinese, Myanmar, and U.S. tourists. This growth reflected higher average daily spending, which rose to 4,972.90 baht per person per day, compared to 4,770.09 baht in the same period of 2025. In contrast, the average length of stay shortened to 9.72 days from 10.18 days in the corresponding period of 2025.



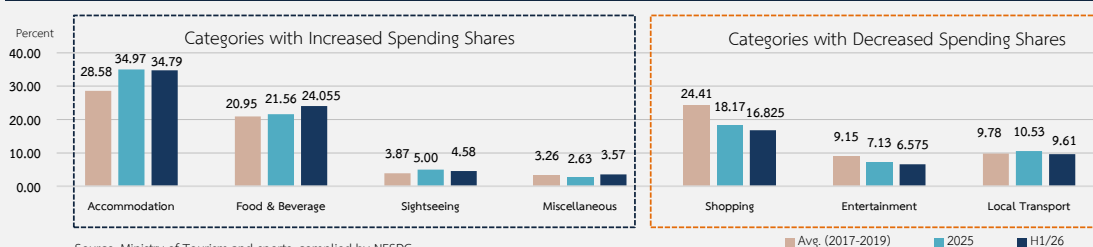
Among international tourists from major countries in the first half of 2026, changes in the number of tourist arrivals and tourism receipts varied. **Countries recording increases in both tourist arrivals and tourism receipts** included China (arrivals and receipts grew by 17.0 percent and 16.5 percent, respectively), India (5.4 percent and 2.1 percent), and the United States (0.4 percent and 18.6 percent). **The country recording an increase in tourist arrivals but a decline in tourism receipts** was Taiwan (up 4.3 percent and down 7.1 percent). **The country recording a decline in tourist arrivals but an increase in tourism receipts** was Germany (down 3.8 percent and up 0.6 percent). Meanwhile, **countries recording declines in both tourist arrivals and tourism receipts** included Russia (down 1.3 percent and 4.1 percent), South Korea (down 22.7 percent and 19.4 percent), and the United Kingdom (down 3.9 percent and 12.2 percent).

In addition, an examination of **the structure of international tourist spending** by category in the first half of 2026, compared with the pre-COVID-19 period (the 2017–2019 average), indicates a shift in international tourists' spending patterns toward greater emphasis on accommodation services and tourism experiences. Consequently, the shares of spending on accommodation, food and beverages, sightseeing, and miscellaneous items increased, while the shares of spending on shopping, entertainment, and local transportation declined.

The tourism situation in the first half of 2026 was broadly consistent with the Tourism Authority of Thailand's (TAT) "Value over Volume" strategy, which focuses on enhancing the economic value contributed by tourism and managing tourist volumes through higher visitor spending and improved tourism experiences. This direction also aligns with the shifts in international tourists' spending patterns. Looking ahead, tourism policies should place greater emphasis on supporting tourism operators in adapting to these structural shifts. Key measures may include encouraging operators to develop distinctive products and services that reflect the unique identity of each destination, upgrading the standards of tourist attractions, and developing activities that provide visitors with meaningful and memorable tourism experiences.



The Structure of International Tourist Spending in H1/2026 Compared with the Pre-COVID-19 Period



The wholesale and retail trade; repair of motor vehicles and motorcycles sector increased by 4.5 percent, decelerating from a 5.8-percent expansion in the previous quarter. This was consistent with the slowdowns in the following indices: (1) **Wholesale trade index (except motor vehicles and motorcycles)** increased by 4.1 percent, decelerating from a 5.0-percent growth in the previous quarter, following a decline in the wholesale of household goods, while other specialized wholesale activities (such as the wholesale of iron, steel and non-ferrous metals in primary forms) increased; (2) **Wholesale, retail trade, and repair of motor vehicles and motorcycles** expanded by 11.0 percent, decelerating from a 15.1-percent growth in the previous quarter, mainly contributed to a slowdown in the motor-vehicles sale ;and (3) **Retail trade index (except motor vehicles and motorcycles)** increased by 1.2 percent, decelerating from a 7.6-percent growth in the previous quarter, following the slowdowns in retail trade not in stores, stalls or markets (such as retail sale via internet), retail sale of information and communications equipment in specialized stores, respectively.

In the first half of 2026, the wholesale and retail trade; repair of motor vehicles and motorcycles sector increased by 5.3 percent, compared with a 6.6-percent expansion in the second half of 2025.

The transportation and storage sector increased by 2.6 percent, decelerating from a 3.5-percent expansion in the previous quarter, consistent with the slowdown in the tourism services sector. Transport services increased by 2.0 percent, decelerating from a 2.8-percent expansion in the previous quarter. This included (1) **land and pipeline transport services**, which increased by 1.6 percent, decelerating from a 2.7-percent expansion in the previous quarter, following declines in diesel and gasoline consumption, while the number of public transport passengers increased; (2) **air transport services**, which increased by 1.6 percent, decelerating from a 4.5-percent expansion in the previous quarter, following declines in the number of both domestic and international flights; and (3) **water transport services**, which increased by 1.4 percent, compared with a 1.0-percent decline in the previous quarter, mainly following an increase in the volume of international freight transported by water. Meanwhile, warehousing and support activities for transportation increased by 3.0 percent, decelerating from a 4.1-percent expansion in the previous quarter, while postal and courier activities increased by 7.0 percent, decelerating from a 12.1-percent expansion in the previous quarter.

In the first half of 2026, the transportation and storage sector increased by 3.06 percent, compared with a 3.1-percent expansion in the second half of 2025. Land and pipeline transport services expanded by 2.3 percent, air transport services by 3.5 percent, and water transport services by 0.2 percent. Meanwhile, warehousing and support activities for transportation expanded by 3.5 percent, while postal and courier activities expanded by 9.2 percent.

The construction sector expanded by 0.1 percent, decelerating from a 6.2-percent growth in the previous quarter, driven by the first contraction in public construction in three quarters, despite continued growth in private construction. In this quarter: (1) **Public construction** decreased by 0.3 percent, reversing from an 8.3-percent expansion in the previous quarter. **Government construction** expanded by 0.4 percent, decelerating from an 11.8-percent expansion in the previous quarter, following a slowdown in construction disbursements for major projects, such as the national highway network development, highway and bridge maintenance and management, and irrigation water management support and refurbishment projects. Meanwhile, **state enterprise construction** contracted by 1.4 percent, compared with a 2.3-percent expansion in the previous quarter, driven by lower capital expenditure disbursements for key infrastructure projects, including the Den Chai–Chiang Rai–Chiang Khong and Baan Phai–Maha Sarakham–Roi Et–Mukdahan–Nakhon Phanom railway construction projects, as well as Phase 1 (Bangkok–Nakhon Ratchasima) of the Thai-Chinese High-Speed Railway Cooperation Project. (2) **Private construction** increased by 1.1 percent, decelerating from a 2.1-percent expansion in the previous quarter. This was due to the following: residential construction increased by 0.5 percent, slowing down from a 2.1-percent expansion in the previous quarter; non-residential construction increased by 1.2 percent, slowing down from a 4.9-percent expansion in the previous quarter, which contracted for the first time in thirteenth quarters by 0.3 percent (compared to a 9.4-percent growth in the preceding quarter). Conversely, commercial building construction expanded for the third consecutive quarter, accelerating to 2.4 percent from a 1.6-percent increase in the previous quarter. Other construction increased by 2.4 percent, in line with the 2.4-percent growth recorded in the previous quarter. **The Construction Material Price Index (CMI)** rose for the eighth consecutive quarter by 6.5 percent, accelerating from a 1.0-percent increase in the previous quarter. Higher prices were recorded across all categories, led by other construction materials (12.8 percent), electrical and plumbing equipment (10.2 percent), concrete products (8.6 percent), and steel and steel products (4.6 percent).

For the first half of 2026, the construction sector expanded by 3.0 percent. Public construction grew by 3.9 percent (with government construction increasing by 5.8 percent, and state enterprise construction increasing by 0.4 percent), while private construction contracted by 2.0 percent.

The wholesale and retail trade; repair of motor vehicles and motorcycles sector increased by 4.5 percent, decelerating from a 5.8-percent expansion in the previous quarter, in line with the slowdowns in motor vehicle sales and domestic consumption.

The transportation and storage sector increased for the nineteenth consecutive quarter by 2.6 percent, decelerating from a 3.5-percent expansion in the previous quarter, consistent with the slowdown in the tourism services sector.

The construction sector expanded by 0.1 percent, decelerating from a 6.2-percent growth in the previous quarter, driven by a slowdown in public construction—particularly state enterprise projects—while private construction continued to expand.

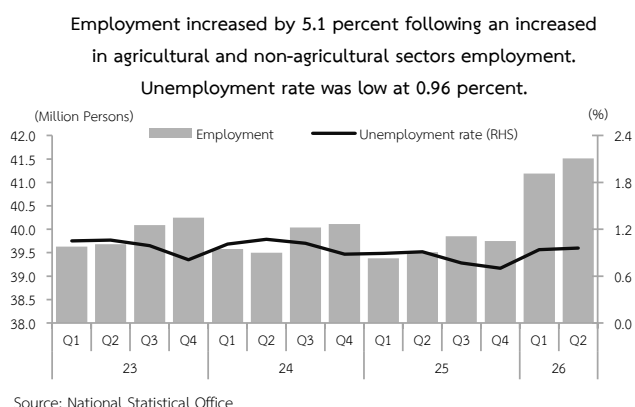
The Construction Material Price Index (CMI) rose for the eighth consecutive quarter by 6.5 percent, accelerating from a 1.0 percent increase in the prior quarter.

Employment: Total employment expanded for the second consecutive quarter, driven by strong employment growth in both the agricultural and non-agricultural sectors. The growth was particularly prominent in wholesale and retail trade; repair of motor vehicles and motorcycles; accommodation and food service activities; and construction, respectively. Conversely, the unemployment rate increased from the previous quarter and was higher than in the same quarter of the prior year. In the second quarter of 2026, total employment reached 41.51 million persons, representing an increase of 5.1 percent, compared to a 4.6-percent growth in the preceding quarter. **Agricultural employment** (accounting for 28.08 percent of total employment) increased for the second consecutive quarter by 6.5 percent, up from 6.2 percent in the previous quarter. This expansion aligned with higher employment in crop support activities, paddy cultivation, and sugarcane farming, respectively. **Non-agricultural employment** (accounting for 71.92 percent of total employment) continued to expand for the seventeenth consecutive quarter by 4.5 percent, accelerating from 4.0 percent in the previous quarter. This expansion followed the increase in employment, particularly in wholesale and retail trade, repair of motor vehicles and motorcycles (4.2 percent); construction (8.3 percent); and accommodation and food service activities (5.8 percent). **The unemployment rate** for this quarter stood at 0.96 percent, higher than 0.94 percent in the previous quarter and 0.91 percent in the same quarter of the previous year. The average number of unemployed persons reached 4.009 hundred thousand, up from 3.931 hundred thousand in the previous quarter and 3.655 hundred thousand in the same quarter last year.

For the first half of 2026, total employment expanded by 4.8 percent, in tandem with growth in both agricultural and non-agricultural employment. The unemployment rate stood at 0.95 percent.

The number of employed expanded for the second consecutive quarter, driven by an increase in both agricultural and non-agricultural employment.

The unemployment rate stood at 0.96 percent, higher than in the previous quarter and higher than in the same quarter of the previous year.



Employed Persons by Industry

%YOY	Share Q2/26	2024				2025				2026		
		Year	Year	H1*	H2*	Q1	Q2	Q3	Q4	H1*	Q1	Q2
Employed	100.00	-0.3	-0.4	-0.2	-0.7	-0.5	0.02	-0.5	-0.9	4.8	4.6	5.1
- Agricultural	28.08	-4.4	-2.2	-2.0	-3.2	-3.1	-0.9	-2.9	-3.4	6.4	6.2	6.5
- Non-Agricultural	71.92	1.50	0.40	0.44	0.39	0.50	0.40	0.60	0.20	4.3	4.0	4.5
Manufacturing	15.47	0.40	3.50	-0.2	1.89	-0.4	0.10	2.60	1.20	1.3	2.2	0.4
Construction	5.92	2.00	-6.2	-4.4	-6.4	-5.1	-3.7	-5.4	-7.4	4.3	0.4	8.3
Wholesale and retail trade	17.12	-0.7	-2.4	-2.2	0.34	-3.1	-1.2	1.50	-0.8	5.7	7.3	4.2
Accommodation and food service activities	8.82	7.70	0.80	3.33	-0.8	3.50	3.10	-0.6	-1.1	3.6	1.5	5.8
Total labor force (Million persons)		40.36	40.16	40.10	40.16	40.09	40.11	40.20	40.13	42.04	41.91	42.16
Employed (Million persons)		39.81	39.65	39.45	39.80	39.38	39.51	39.85	39.75	41.35	41.19	41.51
Unemployment (Million persons)		0.402	0.324	0.362	0.295	0.358	0.366	0.310	0.280	0.397	0.393	0.401
Unemployment Rate (%)		1.00	0.81	0.90	0.74	0.89	0.91	0.77	0.70	0.95	0.94	0.96

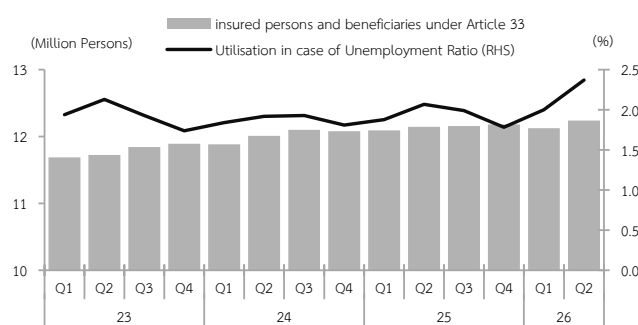
Source : National Statistical Office (NSO)

Labor in the Social Security System: The total number of insured persons in the social security system increased for the first time in two quarters, driven by growth in compulsory insured persons under Article 33. In the second quarter of 2026, the total number of insured persons in the social security system grew by 0.2 percent, recovering from a 0.3-percent contraction in the previous quarter. This comprised **compulsory insured persons under Article 33** (accounting for 49.22 percent) expanded for the nineteenth consecutive quarter by 0.8 percent, accelerating from a 0.3-percent increase in the previous quarter; **voluntary insured persons under Article 39** (accounting for 6.62 percent), which declined for the sixteenth consecutive quarter by 0.8 percent, showing a slower rate of contraction compared to the 2.8-percent decrease in the previous quarter; and **voluntary insured persons under Article 40** (accounting for 44.16 percent), which decreased for the second consecutive quarter by 0.3 percent, following a 0.4 percent drop in the previous quarter. Meanwhile, **the average number of insured persons receiving unemployment benefits under Article 33** reached 2.898 hundred thousand, higher than the 2.424 hundred thousand in the previous quarter and 2.518 hundred thousand in the same quarter last year. Consequently, **the proportion of insured persons receiving unemployment benefits under Article 33** in this quarter stood at 2.37 percent, higher than 2.00 percent in the previous quarter and 2.07 percent in the same quarter of the previous year.

The number of insured persons in the social security system increased for the first time in two quarters by 0.2 percent, supported by an increase in compulsory insured persons under Article 33, whereas voluntarily insured persons under Section 39 and Section 40 contracted.

The proportion of insured persons receiving unemployment benefits under Article 33 stood at 2.37 percent, rising from 2.00 percent in the previous quarter and 2.07 percent in the same quarter of the previous year.

There are 12.239 million insured persons and beneficiaries under Article 33 and 2.37 percent of them are receiving unemployment benefits



Source: The Social Security Office ,Ministry of labour , Calculated by NESDC

Registered Applicants (Thousand persons)	2024				2025				2026		
	Year	Year	H1*	H2*	Q1	Q2	Q3	Q4	H1*	Q1	Q2
Insured Persons (article 33) ^{1/}	12,081	12,184	12,145	12,184	12,094	12,145	12,159	12,184	12,239	12,126	12,239
Insured Persons (article 39) ^{2/}	1,720	1,650	1,661	1,650	1,701	1,661	1,646	1,650	1,647	1,653	1,647
Insured Persons (article 40) ^{3/}	11,012	11,035	11,009	11,035	11,003	11,009	11,022	11,035	10,980	10,957	10,980
Total Insured Persons	24,813	24,869	24,814	24,869	24,799	24,814	24,828	24,869	24,867	24,736	24,867
Utilization in case of Unemployment	218	217	252	217	228	252	242	217	290	242	290
Utilization in case of Unemployment Ratio (%)	1.80	1.78	2.07	1.78	1.89	2.07	1.99	1.78	2.37	2.00	2.37

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 an 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 third quarter of the fiscal year 2026 (April – June 2026), net government revenue collection totaled 910.5 billion Baht, representing a 7.1 percent increase compared to the same period in the previous year. The agencies that recorded higher revenue collection compared to the same quarter of the previous year include: (i) The Revenue Department increased by 9.0 percent, following the increase in corporate income tax and value-added tax (VAT), which rose by 7.9 percent and 14.7 percent, respectively, consistent with the expansion in domestic consumption, together with higher VAT collection from foreign digital service providers and platforms (e-service tax). (ii) The Excise Department increased by 8.7 percent, following the increase in oil and oil products excise tax and automobile tax, which rose by 11.9 percent and 11.7 percent, respectively. (iii) The Thai Customs Department increased by 4.3 percent, in line with the increase in the value of major imported goods, namely printed circuit boards and integrated circuits, crude oil, and gold. and (iv) The revenue remittance from state-owned enterprises increased by 23.9 percent, primarily attributable to the additional dividend payment from the retained earnings of Vayupak Mutual Fund One and dividend payments from PTT Public Company Limited. However, remittances from other government agencies decreased by 21.0 percent, resulting from the high base in the previous year associated with the transfer of surplus proceeds from bond sales (premiums) to cover the fiscal deficit.

For the first 9 months of fiscal year 2026, net government revenue collection totaled 2,158.5 billion Baht, increasing by 5.3 percent compared to the same period last year, and exceeding the budget estimate by 50,896 million Baht, or 2.4 percent. This was attributable to: (i) Value-Added Tax (VAT) collection on domestic consumption, together with tax collection from foreign digital service providers and platforms, which increased in line with the expansion of the digital economy. (ii) The revenue remittance from state-owned enterprises, particularly the additional dividend payment from the retained earnings of Vayupak Mutual Fund One and higher-than-estimated dividend payments from PTT Public Company Limited. and (iii) Remittances of surplus proceeds from bond sales (premiums) to cover the fiscal deficit. Nevertheless, tax refunds by the Revenue Department were 16,178 million Baht (5.4 percent) higher than the estimates, resulting from the improvement of the corporate income tax refund process to be faster and more efficient, thereby enhancing liquidity for business operators.

In Q3/FY2026, net government revenue collection increased by 7.1 percent, driven by revenue collection from the Revenue Department, the Excise Department, the Customs Department, and revenue remittances from state-owned enterprises.

For the first 9 months of FY2026, net government revenue collection was 2.4 percent higher than the estimates, driven by VAT collection, revenue remittances from state-owned enterprises and other government agencies.

**Government's Net Revenue Collection: The First 9 Months of Fiscal Year 2026
(October 2025 – June 2026)**

Unit: Million Baht

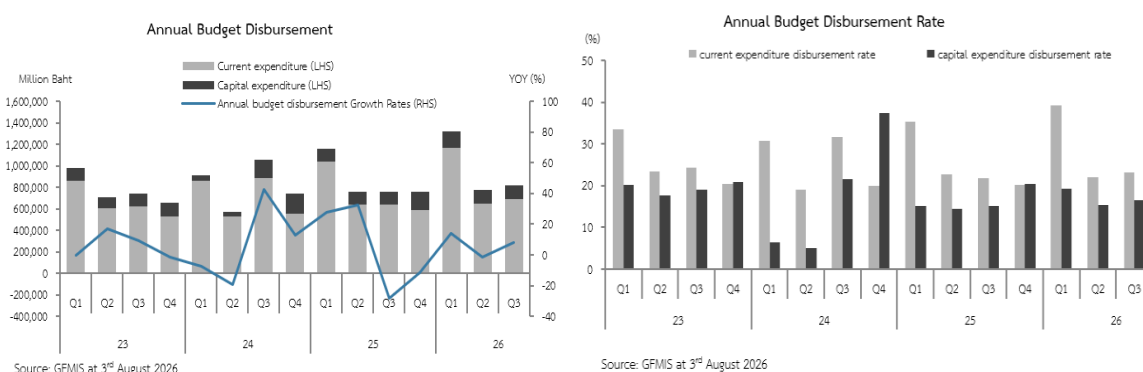
Sources of Revenue	FY2025	FY2026	Compare with the FY2025		Budgeted Target FY2026	Compare with Budgeted Target FY2026	
			Amount	%		Amount	%
1. Revenue Department	1,667,981	1,757,600	89,619	5.4	1,722,264	35,336	2.1
2. Excise Department	400,463	433,056	32,593	8.1	431,788	1,268	0.3
3. Customs Department	85,318	85,767	449	0.5	91,600	-5,833	-6.4
Revenue From 3 Departments	2,153,762	2,276,423	122,661	5.7	2,245,652	30,771	1.4
4. State-Owned Enterprises	138,803	170,241	31,438	22.6	140,756	29,485	20.9
5. Other Agencies	145,116	138,652	-6,464	-4.5	125,629	13,023	10.4
5.1 Other Government Agencies	133,350	127,049	-6,301	-4.7	115,942	11,107	9.6
5.2 Treasury Department	11,766	11,603	-163	-1.4	9,687	1,916	19.8
Total Revenue (Gross)	2,437,681	2,585,316	147,635	6.1	2,512,037	73,279	2.9
Deductions	320,338	352,017	31,679	9.9	335,860	16,157	4.8
Total Revenue (After Deductions)	2,117,343	2,233,299	115,956	5.5	2,176,177	57,122	2.6
VAT Distribution for Local Administrative Organizations (LAOs)	67,704	74,768	7,064	10.4	68,542	6,226	9.1
Total Revenue (Net)	2,049,639	2,158,531	108,892	5.3	2,107,635	50,896	2.4

Source: Fiscal Policy Office

On the expenditure side, in the third quarter of fiscal year 2026 (April – June 2026), the government had a total budget disbursement of 938.6 billion Baht⁷, reflecting a 5.9 percent increase compared to the same quarter of the previous year, in which total budget disbursement consisted of:

(i) The 2026 annual budget disbursement, which stood at 819.4 billion Baht, an increase of 7.8 percent compared to the same quarter last year. Within this amount, **current expenditure disbursement** totaled 686.9 billion Baht, an increase of 8.2 percent from the same quarter last year. The disbursement rate was 23.1 percent, higher than 21.7 percent in the same quarter of the previous year and 21.9 percent in the previous quarter. **Capital expenditure disbursement** was marked at 132.5 billion Baht, an increase of 5.6 percent. The capital disbursement rate was 16.5 percent, higher than 15.1 percent in the same quarter of the previous year and 15.3 percent in the previous quarter.

(ii) The carry-over budget disbursement amounted to 45.7 billion Baht, representing a 20.7 percent increase compared to the same period last year. The disbursement rate was 14.3 percent.



(iii) State-owned enterprises' (SOEs) capital expenditure (including domestic investments by PTT Public Company Limited and its affiliates) totaled 79.6 billion Baht⁸, a 14.7 percent decrease from the same quarter of the previous year. This was primarily due to lower disbursement from 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 Dhanarak Asset Development Company Limited (DAD). In the third quarter of fiscal year 2026, the top five SOEs with the highest disbursement values were PTT Public Company Limited and its subsidiaries, the State Railway of Thailand (SRT), the Provincial Electricity Authority (PEA), the Metropolitan Electricity Authority (MEA), and the Electricity Generating Authority of Thailand (EGAT).

For the first 9 months of the fiscal year 2026, the total budget disbursement was 3,361.5 billion Baht, increasing by 6.2 percent from the same period last year, with the following details:

(i) The 2026 annual budget disbursement, amounting to 2,915.0 billion Baht, an increase of 7.8 percent compared to the same period last year. The cumulative disbursement rate was 77.1 percent, higher than 72.1 percent in the same period of the previous year. This included 2,504.8 billion Baht in current expenditure disbursement, an increase of 7.3 percent, with a cumulative disbursement rate of 84.1 percent, higher than 79.9 percent in the same period last year, and 410.2 billion Baht in capital expenditure disbursement, an increase of 10.8 percent, with a disbursement rate of 51.1 percent, higher than 44.7 percent in the same period last year.

(ii) The disbursement of the carry-over budget stood at 232.9 billion Baht, increasing by 12.6 percent, equivalent to a cumulative disbursement rate of 73.0 percent, which was lower than the 76.2 percent recorded in the same period as the previous year.

In Q3/FY2026, total budget disbursement increased by 5.9 percent, following the increase in annual budget disbursement of both current and capital expenditure, while state-owned enterprises' capital expenditure declined.

For the first 9 months of FY2026, total budget disbursement increased by 6.2 percent, driven by the annual budget disbursement and the carry-over budget disbursement, while state-owned enterprises' capital expenditure declined.

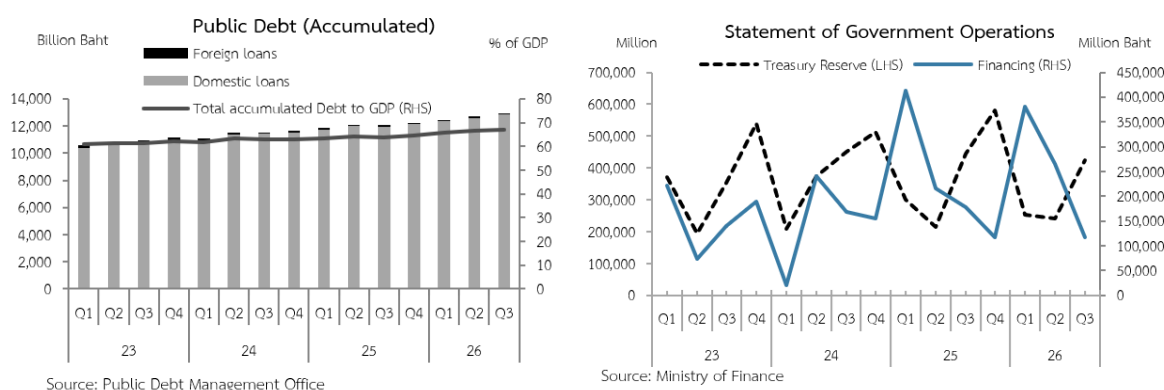
⁷ Total budget disbursement consists of (i) the annual budget disbursement, (ii) the carry-over budget disbursement, and (iii) the state-owned enterprises' capital expenditure budget. This includes domestic investments by PTT Public Company Limited and its affiliated companies, excluding capital expenditures allocated from the annual and carry-over budgets.

⁸ Includes capital expenditure allocated from the annual budget and carry-over budget amounting to 6,024.6 million Baht.

(iii) **The State-owned enterprises' capital expenditure budget** (including domestic investments by PTT Public Company Limited and its affiliates) was disbursed for 251.5 billion Baht⁹, reflecting a 9.8 percent decrease from the same period last year. Five state-owned enterprises (SOEs) with the highest capital expenditure included PTT Public Company Limited and its affiliated companies, 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: As of the end of the third quarter of fiscal year 2026 (June 2026), public debt stood at 12.93 trillion Baht, equivalent to 66.9 percent of GDP, compared to 66.4 percent at the end of the second quarter of fiscal year 2026. The total public debt comprised 12.83 trillion Baht in domestic loans (99.3 percent of total public debt) and 94.0 billion Baht in foreign loans (0.7 percent). Classified by agency, government debt amounted to 11.72 trillion Baht (90.7 percent), followed by non-financial state-owned enterprise debt at 1.05 trillion Baht (8.2 percent), financial state-owned enterprise debt (Government guaranteed) at 123.5 billion Baht (1.0 percent), and other government agency debt at 30.4 billion Baht (0.2 percent).

At the end of June 2026, public debt stood at 66.9 percent of GDP, compared to 66.4 percent in the previous quarter.



Government's Fiscal Balance on Cash Basis: At the end of the third quarter of fiscal year 2026, the budgetary balance recorded a surplus of 42.7 billion Baht, along with a surplus of 23.9 billion Baht in the non-budgetary balance. Additionally, the government managed cash flow through borrowing of 116.4 billion Baht. As a result, the cash balance after debt financing showed a net surplus of 182.9 billion Baht. The beginning treasury reserve stood at 240.6 billion Baht, resulting in a fiscal balance of 423.5 billion Baht at the end of June 2026.

The treasury reserve at the end of June 2026 stood at 423,545 million Baht.

For the first 9 months of fiscal year 2026, the budgetary balance recorded a deficit of 993.3 billion Baht, along with a surplus of 74.1 billion Baht in the non-budgetary balance. Additionally, the government managed its cash balance through borrowing 762.5 billion Baht. Consequently, the cash balance after debt financing recorded a net deficit of 156.8 billion Baht.

⁹ Includes capital expenditure allocated from the annual budget and carry-over budget amounting to 38,113.6 million Baht.

Capital Expenditure Disbursement under the Fiscal Year 2026 Annual Budget

Capital expenditure disbursement in the first 9 months of fiscal year 2026 stood at 51.1 percent, below the target of 55 percent¹. This was partly attributable to the capital expenditure disbursement rates of 13 agencies that remained below 50 percent, namely the Ministry of Interior (which holds the largest capital expenditure budget, having disbursed 50.85 billion Baht, equivalent to a disbursement rate of 47.92 percent), the Ministry of Defence, the Central Fund, provinces and provincial clusters, agencies not under the Office of the Prime Minister, ministries or departments, the Ministry of Natural Resources and Environment, the Ministry of Public Health, the Ministry of Education, the Ministry of Justice, the Ministry of Tourism and Sports, the Ministry of Labour, the Ministry of Energy, and agencies of the Parliament. Accordingly, in the final quarter of fiscal year 2026, capital expenditure disbursement needs to be accelerated in order to meet the established target, particularly for capital expenditure already committed undersigned contracts (Purchased Order).

Unit: Million Baht

Agency	Budget	Disbursement	Contractual commitments	Balance	Cumulative disbursement rate (%)
Ministry of Interior	106,113.9	50,849.4	30,410.2	24,854.3	47.92
Ministry of Defence	51,810.2	17,604.9	15,270.9	18,934.5	33.98
Central Fund	38,799.8	1,125.9	1,566.0	36,107.9	2.90
Provinces and provincial clusters	22,040.1	7,567.7	11,778.9	2,693.5	34.34
Agencies not under the Office of the Prime Minister, ministries or departments	21,125.8	8,019.7	9,608.2	3,497.9	37.96
Ministry of Natural Resources and Environment	21,104.3	8,811.1	9,772.0	2,521.1	41.75
Ministry of Public Health	18,920.7	9,320.9	5,730.6	3,869.3	49.26
Ministry of Education	17,411.6	6,626.0	7,509.2	3,276.4	38.06
Ministry of Justice	5,584.6	2,164.6	2,309.8	1,110.2	38.76
Ministry of Tourism and Sports	1,746.7	399.1	1,246.6	101.1	22.85
Ministry of Labour	886.9	195.3	378.4	313.2	22.02
Ministry of Energy	810.8	179.8	513.6	117.4	22.17
Agencies of the Parliament	803.2	367.6	16.3	419.3	45.77
Total 13 agencies	367,577.2	78,497.8	96,110.7	97,815.9	36.86

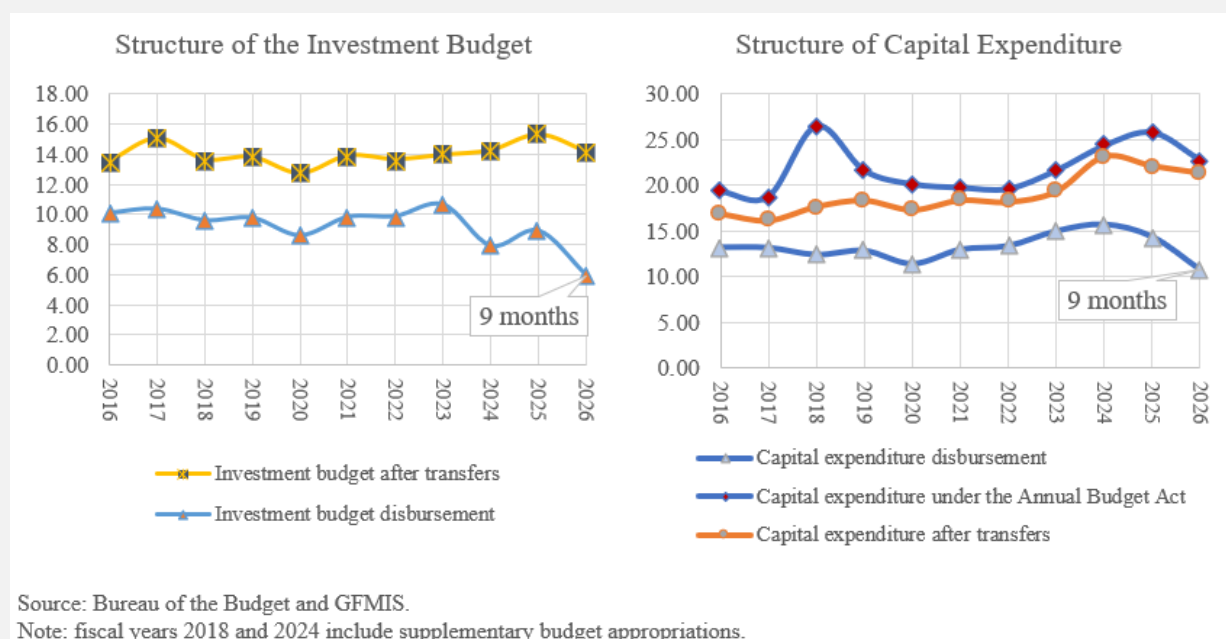
Source: GFMIS, data as of 3 August 2026

In addition, capital expenditure disbursement data over the past 10 years show that the investment funds from the annual budget that actually enter the economy averaged 13.5 percent of the total budget framework, below the fiscal discipline threshold of 20 percent². The lower-than-threshold disbursement into the real economy is attributable to: (1) the transfer of capital expenditure appropriations into current expenditure. During fiscal years 2016 – 2025, an average of approximately 94,000 million Baht per year, or about 12.7 percent of the capital expenditure appropriated under the Annual Budget Expenditure Act, was transferred into current expenditure during the fiscal year. As a result, capital expenditure disbursed into the real economy averaged 415,841 million Baht per year, or 13.5 percent of the annual budget framework, while a further portion averaging approximately 189,000 million Baht per year was carried over for disbursement in the following fiscal year. And (2) the investment budget (covering only capital expenditure in the durable articles category and the land and construction category) accounted for 14.1 percent of the annual budget framework, with disbursement into the economy averaging 295,000 million Baht per year, or only 9.2 percent of the annual budget framework.

¹ Target set by the Committee on Monitoring and Accelerating Budget Disbursement and Public Expenditure, pursuant to the Cabinet resolution of 21 October 2025.

² Section 20 of the State Fiscal and Financial Discipline Act B.E. 2561 (2018).

Capital Expenditure Disbursement under the Fiscal Year 2026 Annual Budget (Cont.)



Unit: Million Baht

Expenditure category	Average FY2016 – 2025 (Million Baht)	% of capital expenditure
Total capital expenditure (items 1 – 6)	602,553.5	100.0
Investment budget (items 1 and 2)	444,405.0	73.5
1. Land and construction	386,860.1	63.7
2. Durable articles	57,544.8	10.4
3. Other expenditure budget	60,873.5	9.7
4. Specific-purpose subsidies	41,804.1	6.9
5. General subsidies	51,672.8	8.5
6. Other expenditures (services, materials, remuneration, operating expenses and public utilities)	7,596.4	0.7

Source: Bureau of the Budget and GFMIS, compiled by NESDC

Financial Conditions:

The policy interest rate was kept unchanged at 1.00 percent per annum.

In the second quarter of 2026, the Monetary Policy Committee (MPC), at its meetings on April 29 and June 24, unanimously voted to maintain the policy interest rate at 1.00 percent per annum. This decision was based on the assessment that Thailand's economic growth remained subdued and uneven and was expected to slow further due to the war in the Middle East. Meanwhile, the rise in inflation was assessed to be driven by temporary factors and was expected to ease subsequently.

The MPC's decision was consistent with the monetary policy stance in several countries, including the United State, Canada, the United Kingdom, China, India, South Korea and Malaysia. These countries maintained their policy rates while assessing the outlook for economic growth and inflation amid uncertainty in the Middle East. Meanwhile, they signaled that the policy interest rates could be raised in the period ahead. However, **the central banks that raised their policy interest rates** were the European Union and Japan, which each increased their policy rates by 0.25 percent. The Philippines raised its policy rate twice, by a total of 0.50 percent, as inflation expectations rose above the target range. Meanwhile, Indonesia raised its policy rate by a total of 1.00 percent to stabilize its depreciating currencies.

In July 2026, several central banks including the United States, the United Kingdom, Japan and Malaysia, decided to maintain their policy rates while assessing the impact of energy prices and inflation developments before making further monetary policy decisions. Meanwhile the Bank of Korea and the Reserve Bank of New Zealand raised their policy rates by 0.25 percent, as inflation was expected to rise above their inflation targets and to maintain money market stability.

The MPC maintained the policy interest rate based on its assessment that economic growth remained subdued and uneven and was expected to slow further due to the war in the Middle East, while the rise in inflation was driven by temporary factors.

Policy interest rate

At the end of period (%)	2023	2024				2025				2026					
	Year	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Apr	May	Jun	Jul
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	3.50-3.75	3.50-3.75	3.50-3.75	3.50-3.75	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	2.40	2.15	2.15	2.40	2.40
England	5.25	5.25	5.25	5.00	4.75	4.50	4.25	4.00	3.75	3.75	3.75	3.75	3.75	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	2.25	2.25
New Zealand	5.50	5.50	5.50	5.25	4.25	3.75	3.25	3.00	2.25	2.25	2.25	2.25	2.25	2.25	2.50
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	3.00	3.00
India	6.50	6.50	6.50	6.50	6.50	6.25	5.50	5.50	5.25	5.25	5.25	5.25	5.25	5.25	5.25
Japan	-0.10	0.10	0.10	0.25	0.25	0.50	0.50	0.50	0.75	0.75	1.00	0.75	0.75	1.00	1.00
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	2.50	2.75
Philippines	6.50	6.50	6.50	6.25	5.75	5.75	5.25	5.00	4.50	4.25	4.75	4.50	4.50	4.75	4.75
Indonesia	6.00	6.00	6.25	6.00	6.00	5.75	5.50	4.75	4.75	4.75	5.25	4.75	4.75	5.25	5.25
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	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	2.75	2.75
Thailand	2.50	2.50	2.50	2.50	2.25	2.00	1.75	1.50	1.25	1.00	1.00	1.00	1.00	1.00	1.00

Source: Collected by NESDC as of 3 August 2026

Large and medium-sized commercial banks, as well as specialized financial institutions (SFIs) reduced their deposit rates while maintaining their lending rates. In the second quarter of 2026, large commercial banks, medium-sized commercial banks, and SFIs lowered their 12-month fixed deposit rates from average rates of 0.84 percent, 0.83 percent, and 1.12 percent to 0.76 percent, 0.75 percent, and 1.05 percent per annum, respectively. Meanwhile, their Minimum Loan Rates (MLR) remained unchanged at 6.50 percent, 7.57 percent, and 6.07 percent per annum, respectively. However, due to the increase in inflation, the average real deposit rate across all banks declined to -1.90 percent per annum from 1.42 percent in the previous quarter, while the average real lending rate declined to 3.88 percent per annum from 7.12 percent per annum in the previous quarter.

In July, 2026, the average 12-month fixed deposit rates and MLR across all banks remained unchanged from June 2026

Large and medium-sized commercial banks, as well as specialized financial institutions (SFIs) reduced their deposit rates while maintaining their lending rates, whereas both real deposit and lending rates declined.

At the end of the second quarter of 2026, outstanding private loans from depository institutions expanded for the second consecutive quarter by 1.20 percent, driven by growth in business loans from commercial banks and household loans from specialized financial institutions (SFIs).

Outstanding private loans from commercial banks rebounded, expanding by 0.45 percent, compared with a 0.71 percent contraction in the previous quarter, representing the first expansion since the second quarter of 2023. **Business loans** expanded by 0.07 percent, compared with a 0.17 percent contraction in the previous quarter. This was driven by a 1.11 percent expansion in loans to large enterprises, accelerating from 0.72 percent in the preceding quarter, particularly in public administration, defense, and compulsory social security activities, manufacturing, and transportation and storage. Meanwhile, **loans to small and medium enterprises (SMEs)** continued to contract, declining by 5.07 percent following a 4.49 percent contraction in the previous quarter. The decline was mainly driven by reduced lending to wholesale and retail trade; repair of motor vehicles and motorcycles activities, manufacturing, and accommodation and food service activities. Amid persistent economic uncertainty, financial institutions maintained tight credit standards and further tightened lending conditions for businesses affected by rising energy costs. These measures included stricter loan covenants, such as higher fees for large enterprises and higher margin requirements for high-risk SMEs. **Household loans** remained in prolonged contraction, declining by 0.82 percent, compared with a 0.86 percent contraction in the previous quarter. This decline was mainly driven by lower lending for car and motorcycle purchases or hire-purchase, as well as credit cards, reflecting high household debt burdens, economic uncertainty stemming from conflict in the Middle East, concerns over borrower credit quality, and risks associated with declining collateral values in auto hire-purchase lending. Consequently, financial institutions further tightened credit standards, particularly for hire-purchase loan.

Outstanding private loans from SFIs expanded by 1.32 percent in the second quarter of 2026, accelerating from a 1.09 percent in the previous quarter. The expansion was driven by faster growth in household loans (which accounted for 54.56 percent of total SFI loans). Meanwhile, business loans (which accounted for 8.21 percent of total SFI loans) continued to decline.

Financial Performance of Commercial Banks: In the second quarter of 2026, commercial banks' income declined by 6.83 percent, following an 8.23 percent decline in the previous quarter, mainly due to lower interest income. Similarly, expenses fell by 8.52 percent, compared with 8.32 percent decline in the previous quarter, primarily reflecting by lower interest expenses. As a result, the Net Interest Margin (NIM) stood at 2.67 percent, compared with 2.59 percent in the previous quarter, and 3.01 percent in the same quarter last year.

Outstanding private loans from depository institutions expanded for the second consecutive quarter, driven by growth in business loans from commercial banks and household loans from specialized financial institutions (SFIs).

Private credit outstanding of depository institutions

%YOY (as of the end of the period)	shared Q2/26 (%)	2022	2023	2024				2025				2026	
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Private credit outstanding of depository institutions¹	100.00	2.20	1.47	1.43	1.00	-0.86	-1.03	-1.16	-1.05	-0.14	-0.15	0.45	1.20
- Business loan ¹	25.22	2.00	-0.12	0.55	0.74	-3.24	-2.94	-2.92	-2.96	-0.72	-1.14	0.44	2.68
- Household loans ¹	44.96	2.32	2.38	1.94	1.15	0.48	0.04	-0.16	0.03	0.17	0.40	0.45	0.39
- Other loans ¹	29.82	5.35	4.43	-2.94	1.38	0.93	4.02	6.81	6.75	4.75	2.77	1.88	2.22
1. private credit from commercial banks²		1.42	-0.10	-0.09	-0.48	-3.09	-3.25	-3.36	-3.12	-1.62	-1.50	-0.71	0.45
1.1 Business loan ³	100.00	3.02	0.70	-2.69	-0.63	-2.04	0.43	0.77	1.02	0.25	-1.08	-0.17	0.07
- large enterprises ³	84.07	4.02	3.03	-1.97	0.79	-1.63	1.58	1.71	1.87	1.11	-0.38	0.72	1.11
- SMEs ³	15.93	0.36	-5.73	-4.77	-4.78	-3.28	-3.04	-2.10	-1.63	-3.73	-4.46	-4.49	-5.07
1.2 Household loan ³	100.00	1.71	2.30	1.12	-0.03	-1.30	-2.24	-2.49	-2.27	-1.63	-1.01	-0.86	-0.82
- Provide for Dwelling ³	51.92	3.20	1.43	1.12	0.94	0.49	0.46	0.24	0.16	0.39	0.80	1.07	1.07
- Purchase or hire purchase Cars and Motor-cycle ³	14.14	0.35	-0.41	-2.96	-6.18	-9.10	-11.40	-11.61	-10.93	-11.25	-9.87	-9.24	-7.80
- Credit Card ³	4.41	-14.16	2.60	0.17	-2.40	-4.73	-3.92	-3.42	-1.51	-0.83	-0.93	-4.07	-4.01
- Other (P-Loan) ³	28.93	3.78	7.05	5.47	4.42	3.01	0.94	0.18	0.14	0.26	0.81	0.88	0.13
2. private credit from specialized financial institutions (SFIs)⁴	100.00	3.65	5.10	4.47	3.57	2.64	2.21	2.04	1.80	1.35	0.66	1.09	1.32
2.1 Business loan (SFIs) ⁴	8.21	6.22	12.39	10.50	8.26	4.93	4.31	5.14	4.27	2.41	-1.22	-0.97	-1.07
2.2 Household loans ⁴	54.56	3.29	4.07	3.62	2.90	2.31	1.89	1.57	1.43	1.19	0.95	1.41	1.69
2.3 Other loans ⁴	37.22	2.80	4.23	1.14	3.03	6.45	6.14	11.05	8.69	8.69	8.31	4.38	11.95

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.

Notes: 1. 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.

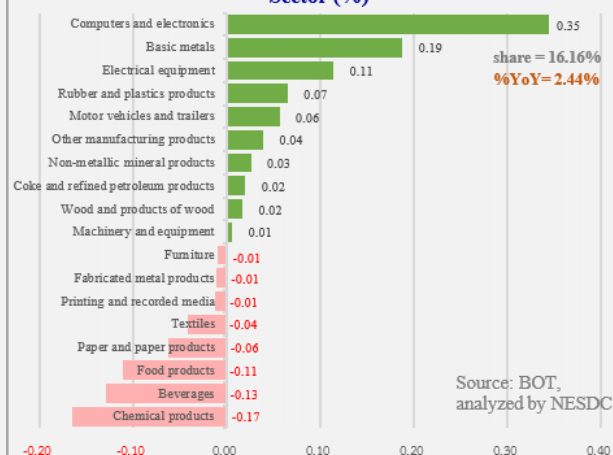
2. Other loans, such as loans to the local government, loans to the Public Nonfinancial Corp., and loans to non-residents.

Recovery in Thai Business Lending and SME Support Measures

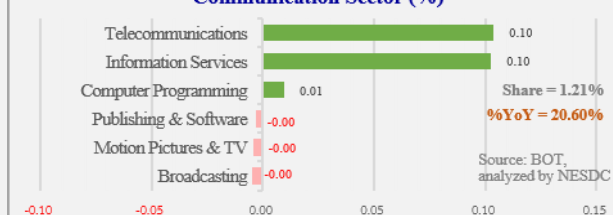
At the end of the second quarter of 2026, **Business loans from commercial banks expanded by 0.07 percent, returning to positive growth for the first time in three quarters.** By economic sector, business loan growth was supported by manufacturing (accounting for 16.16 percent of total business loans), transportation and storage (3.29 percent of total business loans), and information and communication (1.21 percent of total business loans), where loans expanded by 2.44 percent, 11.80 percent, and 20.60 percent, respectively. Meanwhile, loans to wholesale and retail trade; repair of motor vehicles and motorcycles (15.38 percent of total business loans) and construction (2.36 percent of total business loans) continued to contract, declining by 1.25 percent and 5.59 percent, respectively. Loan growth in these expanding sectors was broadly consistent with: **(1) higher production and operating costs** amid the conflict in the Middle East, which temporarily increased demand for working capital in certain sectors, such as transportation, warehousing and support activities for transportation, and the manufacture of basic metals; and **(2) The technology cycle and investment in Artificial Intelligence (AI)**, which boosted demand for investment and production of technology and AI-related industries, supporting loan growth in sectors such as manufacture of computer, electronic and optical products, the manufacture of electrical equipment, telecommunications, and information service activities.

By enterprise size, the recovery of business lending in the second quarter of 2026 was primarily driven by loans to large enterprises, while loans to SMEs continued to contract. Loans to large enterprises (84.07 percent of total business loans) grew by 1.11 percent, following growth of 0.72 percent in the previous quarter. In contrast, loans to SMEs (15.93 percent of total business loans) declined by 5.07 percent, which was the 14th consecutive quarters of contraction since the first quarter of 2023. The decline was concentrated in several key manufacturing and service sectors, including, wholesale and retail trade; repair of motor vehicles and motorcycles (40.14 percent of SMEs loans), manufacturing (19.94 percent of SMEs loans), real estate activities (8.01 percent of SMEs loans), construction (6.85 percent of SMEs loans), and accommodation and food service activities (6.68 percent of SMEs loans). Meanwhile, SMEs loan growth was recorded in financial and insurance activities (3.62 percent of SMEs loans), public administration, defense, and compulsory social security (4.73 percent of SMEs loans), and information and communication (1.21 percent of SMEs loans).

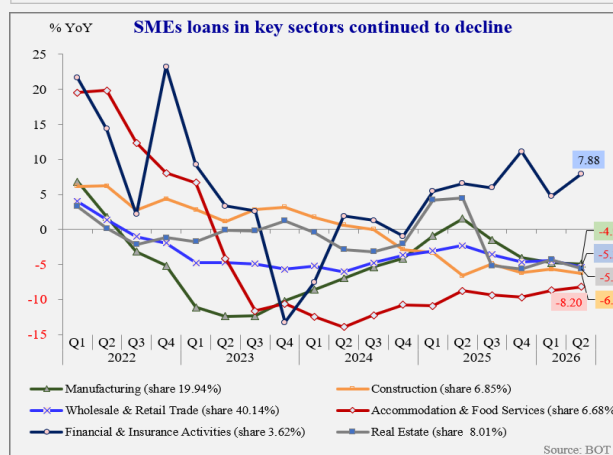
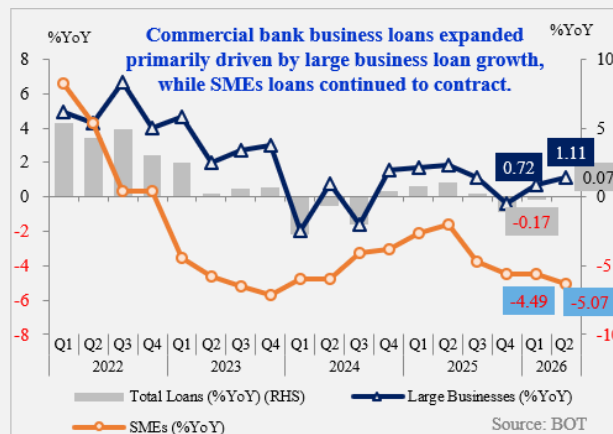
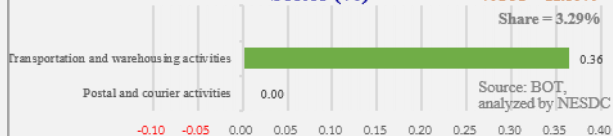
Components of Business Loan Growth in the Manufacturing Sector (%)



Components of Business Loan Growth in the Information and Communication Sector (%)

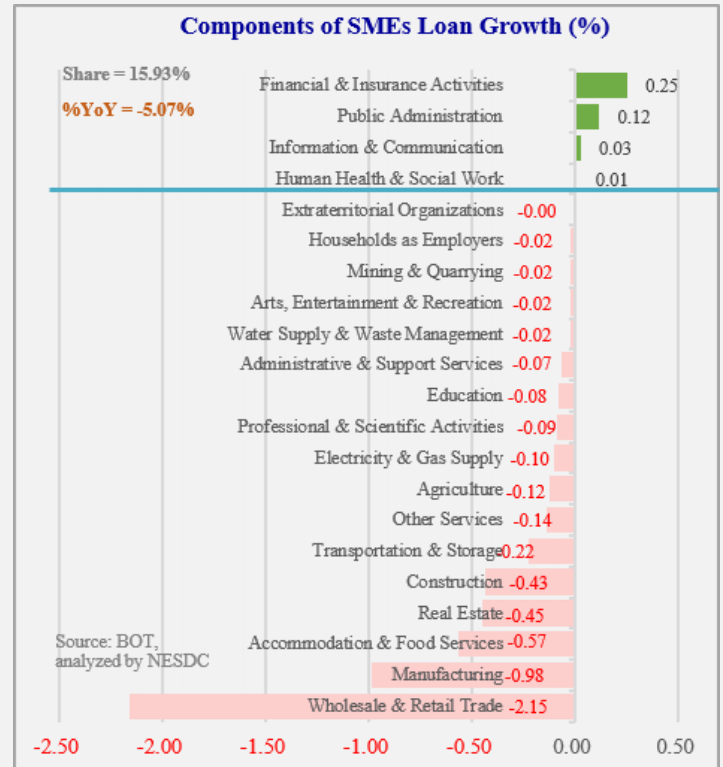


Components of Business Loan Growth in the Transportation Sector (%)



Recovery in Thai Business Lending and SME Support Measures (Cont.)

This lending data pointed out a concentrated recovery in the Thai economy, while several business sectors continue to face credit constraints. Nevertheless, the government and relevant agencies have continued to implement financial measures to support liquidity and enhance SMEs' access to credit. These include the Government Savings Bank's (GSB) Soft Loan program "GSB Revive Thai Business," which offers a range of credit products, including liquidity support for businesses facing financial difficulties, transformation loans to enhance business capabilities, and "Reinvent Thailand" loans to support future growth sectors. Additionally, amid rising credit cost, the Ministry of Finance, the Bank of Thailand, and commercial banks have jointly advanced the "SMEs Credit Boost" scheme to support new lending. The scheme aims to mitigate credit risk, particularly for viable SMEs, strengthen risk-sharing mechanisms, and increase commercial banks' confidence in extending credit. Overall, these measures are expected to broaden access to financing for high-potential SMEs, support investment to enhance competitiveness, and contribute to support long-term Thailand's long-term economic growth.

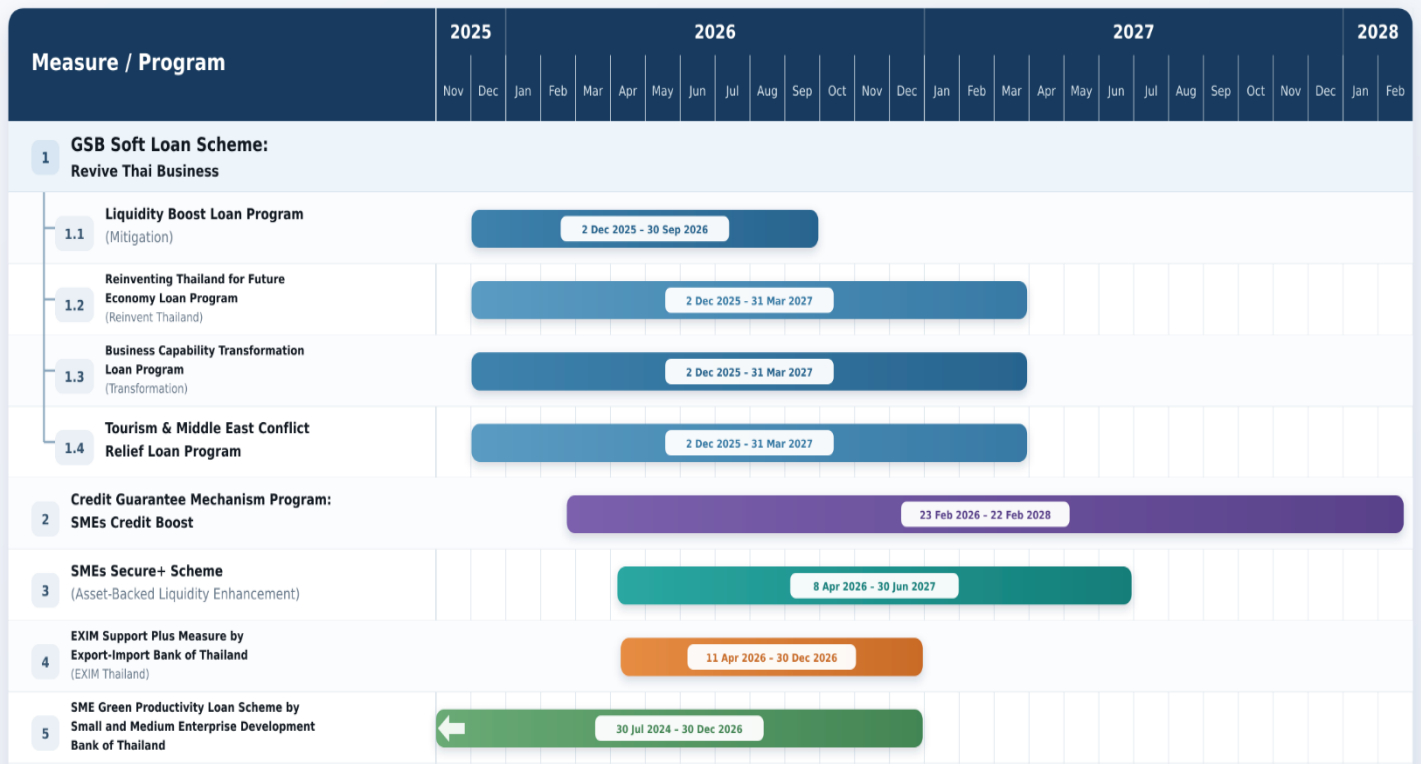


SMEs FINANCIAL SUPPORT TIMELINE

Financial Measures to Assist SMEs

Nov 2025 - Feb 2028

Monthly timeline showing the start and end dates of each measure



The average exchange rate of Thai Baht against the U.S. dollar depreciated from the previous quarter. In the second quarter of 2026, the exchange rate averaged 32.60 Baht per U.S. dollar, depreciating by 3.13 percent from an average of 31.61 Baht per U.S. dollar in the previous quarter. The depreciation was mainly driven by (i) an appreciation of the U.S. dollar amid uncertainty surrounding negotiations to resolve the conflict between the United States and Iran, as well as expectations of a policy interest rate hike by the Federal Reserve (Fed); (ii) a current account deficit, reflecting deficits in both the trade and services balances; and (iii) a decline in gold prices amid inflationary pressure and expectations of policy interest rate hikes by major central banks. In addition, when compared to trading partners/competitors, the Thai Baht depreciated, as reflected in the Nominal Effective Exchange Rate (NEER), which averaged 129.26, decreasing by 2.70 percent from the previous quarter. Likewise, the Real Effective Exchange Rate (REER) decreased by 0.86 percent from the previous quarter.

Other regional currencies that depreciated against the US dollar in line with Thai Baht, included the Indonesian rupiah (4.01 percent), Indian rupee (3.63 percent), Philippine peso (3.44 percent), South Korean won (2.51 percent), Japanese yen (1.62 percent), Malaysian ringgit (0.84 percent), Singapore dollar (0.34 percent), Hong Kong dollar (0.28 percent) and Vietnamese dong (0.19 percent). In contrast, the currencies that appreciated against the U.S. dollar were Chinese yuan (1.56 percent) and New Taiwan dollar (0.18 percent).

In July 2026, the Thai Baht averaged 33.49 baht per U.S. dollar, depreciating by 1.75 percent from the previous month. The depreciation was in line with most regional currencies and reflected the appreciation of the U.S. dollar, driven by (i) the prolonged conflict between the United States and Iran; (ii) expectations of a policy interest rate hike by the Federal Reserve (Fed) amid strong U.S. economic data; and (iii) the announcement of Section 301 tariffs on imports from U.S. trading partners.

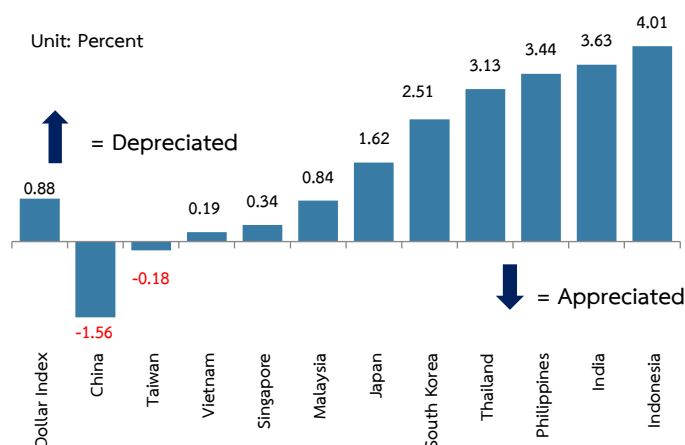
The average exchange rate of Thai Baht against the U.S. dollar depreciated from the previous quarter, driven by an appreciation of the U.S. dollar, the current account deficit, and a decline in gold prices.

Thai Baht exchange rate, dollar index and gold prices

	2024					2025					2026							
	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	7M	H1	Q1	Q2	Apr	May	Jun	Jul
Thai Baht (Baht/USD)	35.26	35.65	36.71	34.81	33.99	32.88	33.96	33.11	32.29	32.18	32.30	32.09	31.61	32.60	32.35	32.51	32.91	33.49
Dollar index	104.20	103.57	105.18	102.69	105.38	100.79	106.72	99.73	97.95	98.99	99.18	98.86	98.42	99.29	98.80	98.73	100.32	100.95
Gold prices (USD/Troy Oz)	2,388.5	2,071.2	2,337.6	2,473.0	2,664.5	3,439.6	2,859.0	3,282.6	3,454.1	4,146.1	4,595.9	4,694.4	4,876.7	4,506.2	4,720.3	4,583.1	4,245.2	4,065.1

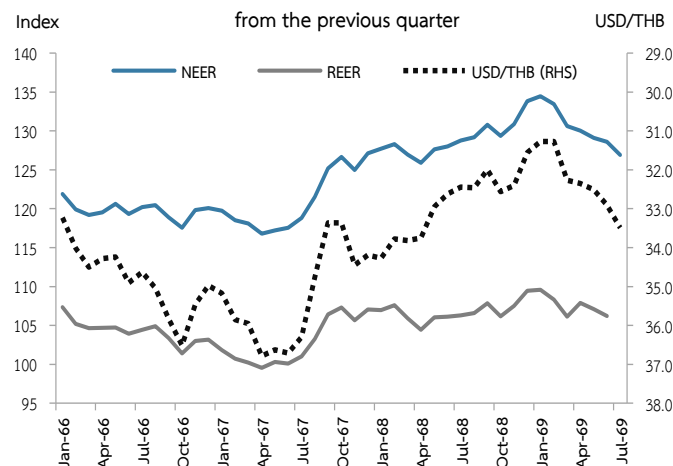
Source: Collected by NESDC as of 3 August 2026

Changes in average regional currencies against US Dollar
(In Q2/2026, compared to previous quarter average)



Source: CEIC Note: Dollar Index increased = Appreciated

The Thai Baht against US dollar depreciated from the previous quarter



Source: CEIC, Bank of Thailand

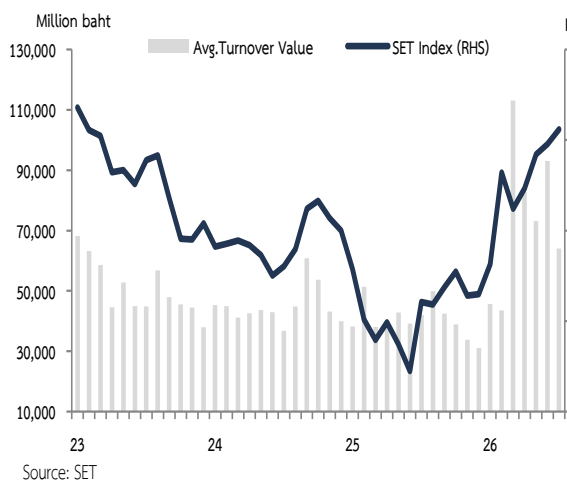
SET Index increased from the previous quarter. At the end of the second quarter of 2026, the SET index closed at 1,591.24 points, increasing by 9.9 percent from the previous quarter. The increase was supported by (i) stronger investment in large-cap technology stocks, in line with global investment trends; (ii) strong sales and profit growth among listed companies in the first quarter of 2026, particularly in the industrials, resources, and technology sectors and (iii) increased foreign capital inflows as foreign investors reduced their exposure to the Indonesian stock market. **The SET index increased across almost all industry groups**, particularly Technology (15.9 percent), Financials (13.0 percent), Property & Construction (11.7 percent), Services (11.0 percent), Industrials (4.1 percent) and Agro & Food Industry (1.8 percent). In contrast, the Consumer Products and Resources sectors declined by 2.7 percent and 0.2 percent, respectively.

Regional stock market indices that increased in line with the SET index included those of South Korea (67.8 percent), Taiwan (45.4 percent), Japan (37.2 percent), China (11.9 percent), Vietnam (11.1 percent), India (6.9 percent), Singapore (5.8 percent), and Philippines (1.5 percent). In contrast, the stock market indices of Indonesia, Hong Kong, and Malaysia, declined by 19.9 percent, 7.7 percent, and 1.6 percent, respectively.

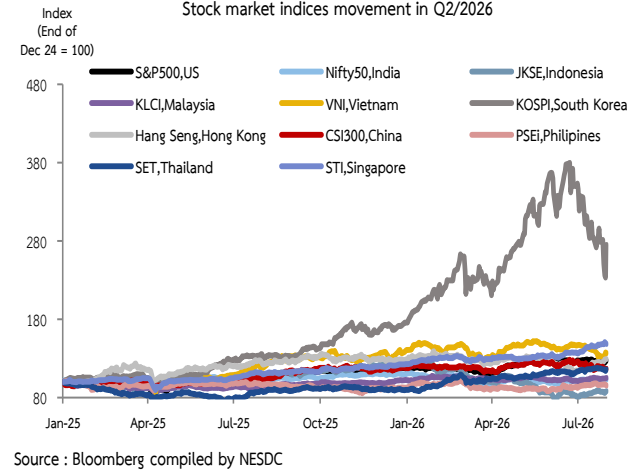
In July 2026, the SET index closed at 1,623.64 points, increasing by 2.04 percent from the previous month. The increase was line with increases in the Energy & Utilities and Banking sector indices, supported by the better-than-expected financial performance in the banking sector in the second quarter.

The SET Index increased from the previous quarter, supported by global investment trends, the strong financial performance among listed companies in the first quarter, and capital inflows as foreign investors reduced their exposure to Indonesian stock market.

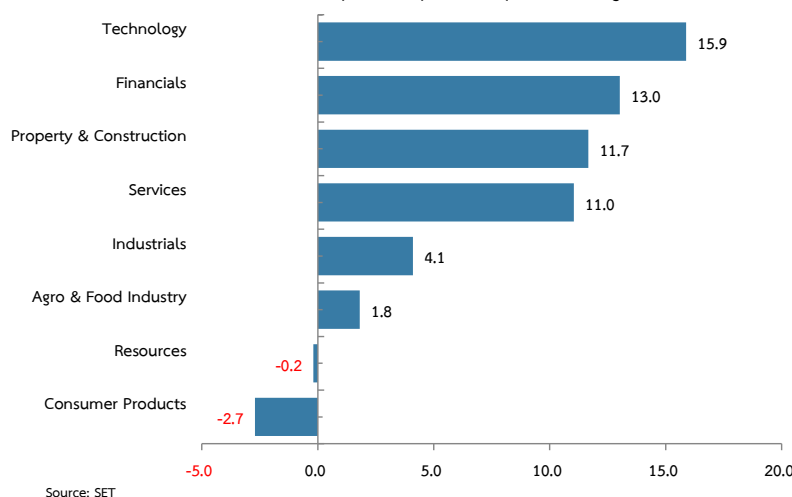
SET Index increased from the previous quarter



Stock market indices movement in Q2/2026

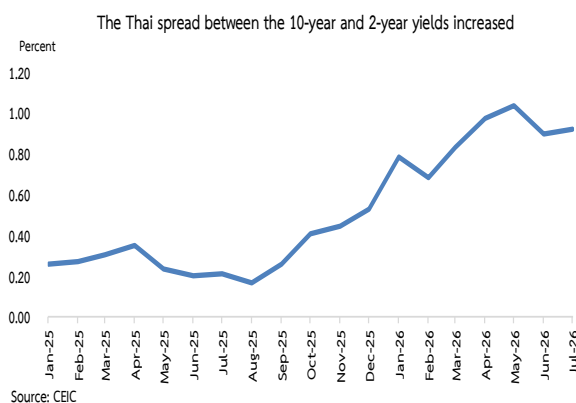
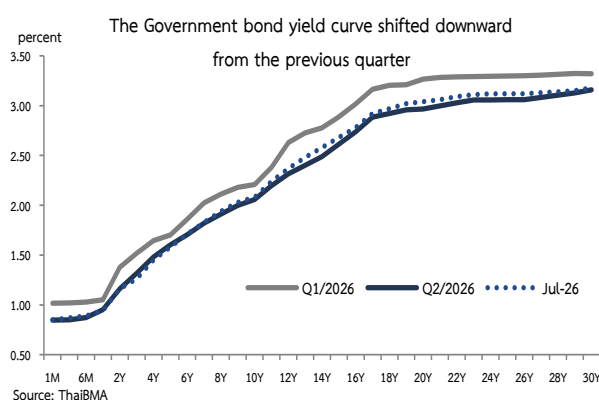


Changes in SET Industry Group Index
(In Q2/2026, compared to previous quarter average)



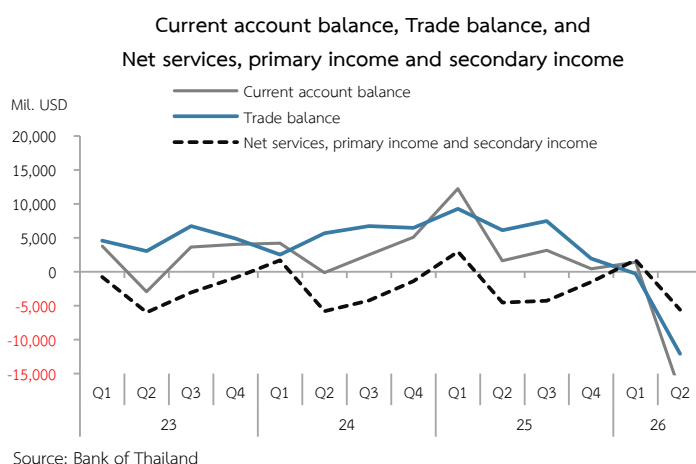
Government bond yield curve shifted downward. In the second quarter of 2026, government bond yields declined across all maturities. The benchmark yields on 1-year and 10-year bonds were 0.95 percent and 2.06 percent, respectively, decreasing from 1.05 percent and 2.21 percent in the previous quarter. The decline was mainly driven by (i) increased investment in Thai government bonds following Moody's upgrade of Thailand's credit outlook from Negative to Stable, together with a reduction in foreign investor's allocations to Indonesia; and (ii) a slowdown in Thai inflation. Meanwhile, newly registered corporate bond issuance amounted to 388.3 billion baht, compared with 316.4 billion baht in the previous quarter. Meanwhile, newly registered corporate bond issuance accounted for 316.4 billion baht, decreasing from 371.0 billion baht in the previous quarter.

In July 2026, the 1-year benchmark yield stood at 0.94 percent, close to the previous quarter. Meanwhile, the 10-year benchmark yield increased to 2.08 percent amid concerns about inflation, as the conflict in the Middle East was expected to remain prolonged.



The current account in the second quarter of 2026 registered a deficit of 17.7 billion US dollars (575.4 billion Baht), marking the first deficit in eight quarters, compared with a 1.4-billion-US-dollar (43.5 billion Baht) surplus in the previous quarter and a 1.6-billion-US-dollar (50.9 billion Baht) surplus in the same quarter of the previous year. This was in line with the largest deficit recorded in trade balance, driven by accelerated imports of raw materials and intermediate goods, particularly industrial products including, (1) parts of electronics and electrical appliances, and (2) chemicals and petro-chemical products, along with other imports. This was compounded by the rise in import prices. While the services, comprising both primary income and secondary income accounts, recorded the largest deficit in eight consecutive quarters totaling 5.6 billion US dollars (182.9 billion Baht), compared with a 1.7-billion-US-dollar (53.1 billion Baht) surplus in the previous quarter and a 4.5-billion-US-dollar (149.3 billion Baht) deficit in the same quarter of the previous year. This resulted from a deficit in the transport balance, driven by rising freight rates and surcharges affected by the conflict in the Middle East.

For the first half of 2026, the current account recorded a deficit of 16.3 billion US dollars (531.9 billion Baht), decreased from a 3.6-billion-US-dollar (112.1 billion Baht) surplus in the second half of the previous year and a 13.8-billion-US-dollar (466.2 billion Baht) surplus in the same period of the previous year.



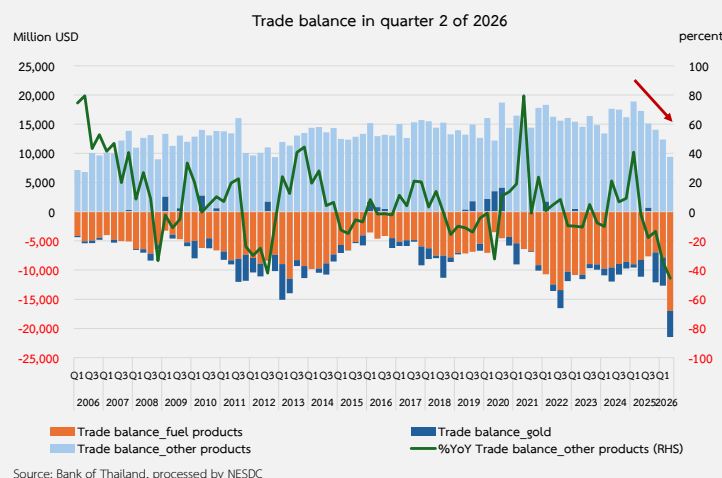
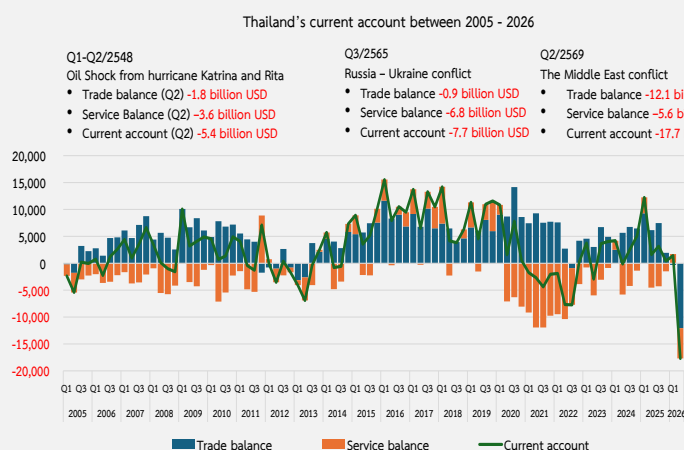
Government bond yield curve shifted downward.

The current account recorded a deficit, totaling 17.7 billion US dollars, driven by the largest deficit recorded in the trade balance.

This was in line with deficits in services, primary income, and secondary income accounts, primarily driven by a deficit in the transport balance.

Factors Contributing to Thailand's Current Account Deficit in the Second Quarter of 2026

In the second quarter of 2026, Thailand's current account recorded a deficit for the first time in eight quarters, at 17.7 billion USD, marking the largest deficit on record (equivalent to a deficit of 12.0 percent of GDP). This resulted from both a deficit in the trade balance of 12.1 billion USD (equivalent to a deficit of 8.2 percent of GDP), likewise the largest on record, together with a deficit in the net services, earned income, and transfer income balance of 5.6 billion USD (equivalent to a deficit of 3.8 percent of GDP). Additionally, this was the first time in 15 quarters, since the third quarter of 2022, that the trade balance and the net services, earned income, and transfer income balance recorded deficits simultaneously.



The key factors contributing to the current account deficit can be explained as follows:

1. Temporary Factors: The rise in energy prices and increased gold holdings, driven by the conflict in the Middle East, thereby affecting the trade balance. Meanwhile, higher freight rates and a decline in the number of foreign tourist arrivals resulted in a deficit in the services balance, as follows:

1.1 The trade balance for fuel products recorded a deficit of 17.0 billion USD in the second quarter, compared with a deficit of 7.8 billion USD in the previous quarter. This was driven by higher import value of fuel products, including crude oil and natural gas, highlighting Thailand's energy vulnerability from its dependence on energy imports as it was severely affected by rising energy prices. Meanwhile, **the trade balance for non-monetary gold** recorded a deficit of 4.5 billion USD, compared with a deficit of 4.8 billion USD in the previous quarter, resulting from demand to hold gold as a safe-haven asset amid the conflict situation in the Middle East. **When export and import values of the gold and fuel products are excluded**, the trade balance recorded a surplus of 9.4 billion USD.

1.2 The net services, earned income, and transfer income balance recorded a deficit. **The transport balance** recorded a deficit of 6.1 billion USD¹ in the second quarter, compared with a deficit of 5.3 billion USD in the previous quarter, in line with increased freight rates and additional surcharges from higher maritime shipping costs, driven by shipping-route diversions and longer transit times resulting from restrictions on shipping in the Middle East region. Freight rates from Thailand to the United States² rose by 38.8 percent from the previous year, while rates to Europe rose by 109.1 percent. Consistent with rising surcharges, the Emergency Conflict Surcharge as of the last week in June rose by 28.6 percent from the last week in March, while the Emergency Freight Rate rose by 23.0 percent. Meanwhile, **the other services' balance** recorded a deficit of 3.9 billion USD, compared with a deficit of 3.4 billion USD in the previous quarter, partially owing to increased expenditure on foreign digital platform services. Nevertheless, **the tourism services balance** recorded a surplus of 6.6 billion USD, compared with a surplus of 11.0 billion USD in the previous quarter. Meanwhile, **the income balance** recorded a deficit, in line with the seasonal repatriation of profits by foreign enterprises.

2. Impacts from Structural Factors: Driven by high levels of imports of intermediate goods and capital goods. The product groups recording the highest import values in the second quarter of 2026 comprised the following:

2.1 Raw materials and intermediate goods recorded an import value of 80.7 billion USD (accounting for 65.7 percent of total imports), increasing by 60.7 percent from the same period of the previous year. This was driven in particular by **(1) parts of electronics and electrical appliances**, with an import value of 33.0 billion USD, accounting for 40.9 percent of total imports of raw materials and intermediate goods (increasing by 100.3 percent) notably Integrated circuits and parts, other telecommunication devices and parts, and computer parts and accessories, consistent with the expansion of investment in digital infrastructure at data centers, which led to increased imports of components. Products detected to be imported for utilization in upstream industries included circuit boards and printed circuit boards (PCBs) and chips; products utilized in midstream industries included switchboards and electrical

¹ Processed by NESDC. At exchange rate of 32.5949 Baht/USD.

² Thailand - US East Coast

Factors Contributing to Thailand's Current Account Deficit in the Second Quarter of 2026 (Cont.)

control panels, switches, routers and network equipment, and specialized air-conditioning and cooling systems; and products utilized in downstream industries included monitors and display devices. Imports of raw materials and intermediate goods were mostly sourced from Taiwan, China, Malaysia, South Korea, and Vietnam, respectively; and **(2) chemicals and petro-chemical products**, with an import value of 8.9 billion USD, accounting for 11.0 percent of total imports of raw materials and intermediate goods (increasing by 28.4 percent), mostly imported from China, Japan, Malaysia, the United States, and South Korea, respectively.

2.2 Capital goods recorded an import value of 20.8 billion USD (accounting for 16.9 percent of total imports), increasing by 15.4 percent from the same period of the previous year, driven in particular by imports of machinery, equipment, and supplies with an import value of 15.3 billion USD, accounting for 73.6 percent of total capital goods imports, mostly imported from (1) China (2) Japan (3) the United States (4) Malaysia and (5) Taiwan.

2.3 Consumer goods recorded an import value of 12.6 billion USD (accounting for 10.3 percent of total imports), expanding by 19.8 percent, driven by imports of durable goods, particularly vehicles, household electrical appliances, and cellular phones. Meanwhile, **other imported goods** recorded an import value of 8.7 billion USD (accounting for 7.1 percent of total imports), increasing by 25.5 percent, in line with the rise in non-monetary gold imports.

Thailand's import of raw materials and intermediate goods in the second quarter of 2026						
	1st Rank	2nd Rank	3rd Rank	4th Rank	5th Rank	Other import markets
Raw materials and intermediate goods						
Parts of electronics and electrical appliances						
1. Parts of electrical appliances	China	Japan	Malaysia	Vietnam	Taiwan	ROW
Share of imports (percent)	52.1	11.6	9.9	5.2	3.3	17.9
2. Computer parts and accessories	China	Taiwan	Vietnam	Philippines	Malaysia	ROW
Share of imports (percent)	30.1	28.3	14.7	7.7	5.8	13.4
3. Integrated circuits & parts	Taiwan	South Korea	China	Malaysia	Japan	ROW
Share of imports (percent)	60.3	9.2	8.2	6.1	3.6	12.6
4. Other Products	Taiwan	China	South Korea	Malaysia	Japan	ROW
Share of imports (percent)	42.4	27.7	6.7	6.1	3.3	13.8
Total	Taiwan	China	Malaysia	South Korea	Vietnam	ROW
Share of imports (percent)	38.3	29.6	6.3	6.2	4.3	15.2
Chemicals and petro-chemical products						
1. Chemical products	China	Japan	United States	Malaysia	South Korea	ROW
Share of imports (percent)	38.4	10.3	7.5	7.4	5.0	31.4
2. Fertilizers	China	Russia	Malaysia	Brunei Darussalam	Canada	ROW
Share of imports (percent)	21.6	16.2	8.7	7.6	6.5	39.3
3. Plastic	China	Japan	South Korea	United States	Malaysia	ROW
Share of imports (percent)	53.7	9.4	5.5	5.4	4.6	21.3
4. Other Products	China	India	Indonesia	Malaysia	United States	ROW
Share of imports (percent)	66.4	6.2	6.0	3.8	2.0	15.5
Total	China	Japan	Malaysia	United States	South Korea	ROW
Share of imports (percent)	44.1	8.7	6.2	5.9	5.0	30.0
Thailand's import of capital goods in the second quarter of 2026						
	1st Rank	2nd Rank	3rd Rank	4th Rank	5th Rank	Other import markets
Capital goods						
Machinery, equipment, and supplies	China	Japan	United States	Malaysia	Taiwan	ROW
Share of imports (percent)	51.0	13.2	5.7	3.5	2.9	23.7

Source: Global Trade Atlas, processed by NESDC

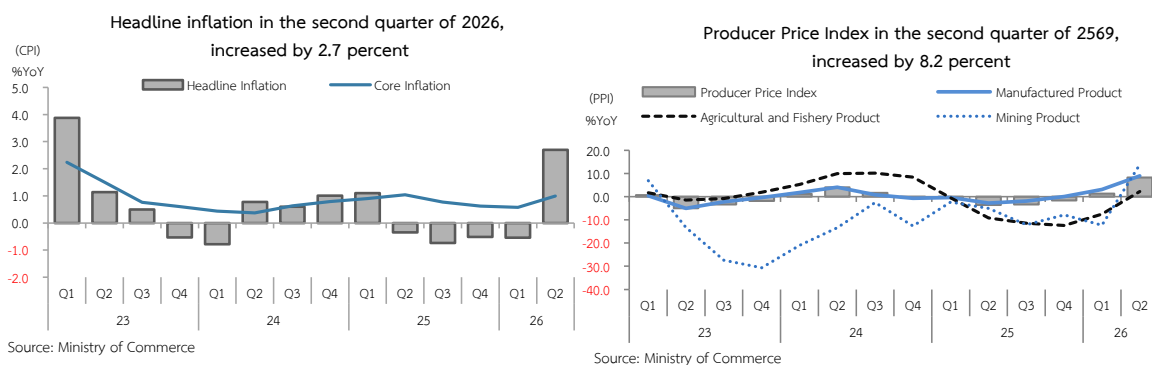
Apparently, the impact on the current account arising from the acceleration of high-level imports of intermediate goods and capital goods reflects the structure of Thailand's manufacturing sector, which remains dependent on imports of components and parts, particularly in industries related to digital technology and electronics throughout the supply chain. Part of these imports represents a foundation for investment growth in related industries and services. Nevertheless, it is necessary to consider the benefits to be gained from utilization of domestic factors of production and employment, along with strengthening linkages with the domestic supply chain, to enlarge economic value added for the manufacturing sector and support domestic entrepreneurs.

International reserves at the end of June 2026 stood at 279.2 billion US dollars, rising from 262.4 billion US dollars at the end of June 2025. In Thai Baht terms, reserves amounted to 9,277.4 billion Baht at the end of June 2026, higher than the 8,536.0 billion Baht recorded in the same period of the previous year.

Consumer Price Index in the second quarter of 2026 increased for the first time in five quarters by 2.7 percent, compared with a 0.5-percent decrease in the previous quarter. **The non-food and beverages price index** rose by 3.8 percent, compared with a 1.2-percent decline in the previous quarter, driven by an increase in the energy price index, particularly domestic motor fuel, in line with the rise in global crude oil price, which subsequently elevated public transportation service price index. Meanwhile, **the food and non-alcoholic beverages price index** rose by 1.0 percent, compared with a 0.5-percent increase in the previous quarter, primarily driven by a 2.7-percent rise in the prepared food price index. Core inflation stood at 1.0 percent, compared with a 0.6-percent increase in the previous quarter, because of increases in the prepared food and non-alcoholic beverages price indices of 2.7 percent and 1.1 percent, respectively.

For the first half of 2026, average Consumer Price Index stood at 1.1 percent, compared with a 0.6-percent decline in the second half of the previous year, primarily driven by the rise in the energy price index. Core inflation stood at 0.8 percent, up from 0.7 percent in the second half of the previous year, driven by increases in the prepared food and non-alcoholic beverages price indices.

In July 2026, Consumer Price Index stood at 1.9 percent, decelerating from 2.4 percent in the previous month, as domestic motor fuel prices gradually eased but remaining elevated amid the ongoing conflict in the Middle East. Meanwhile, prepared food prices index rose following gradual price increases for seasoning and condiments price index. Besides, fresh vegetable prices rose due to the impact of El Niño. Core inflation stood at 1.3 percent, primarily driven by increases in prepared food and non-alcoholic beverages prices.



The Producer Price Index in the second quarter of 2026 continued to rise by 8.2 percent, accelerating from 1.3 percent in the previous quarter. **The manufactured products price index** increased for the third consecutive quarter by 9.0 percent, compared with a 3.0-percent increase in the previous quarter, driven by a 69.2-percent increase in the petroleum refining products price index and a 25.5-percent increase in the price index for other manufactured products, particularly gold. **The agricultural and fishery products price index** rebounded for the first time in six quarters by 2.2 percent, compared with a 7.6-percent decline in the previous quarter, driven by a 2.4-percent increase in the agricultural products price index. **The mining products price index** rebounded for the first time in thirteen quarters by 13.9 percent, compared with a 12.3-percent decline in the previous quarter, driven primarily by a 19.1-percent increase in petroleum and natural gas price index.

For the first half of 2026, the Producer Price Index rose by 4.7 percent, compared with a 2.5-percent decline in the second half of the previous year, driven by increases in the manufactured products and mining products price indices.

In July 2026, the Producer Price Index continued to increase for the fifth consecutive month by 7.3 percent, slightly accelerating from 7.2 percent in the previous month. This was in line with a 6.9-percent increase in the manufactured products price index, driven by increases in the petroleum products price index and other manufactured products price index, particularly gold. The mining products price index rose by 21.8 percent, owing to a higher petroleum and natural gas price index. Meanwhile, the agricultural and fishery products price index increased by 8.0 percent, driven primarily by an increase in the agricultural products price index.

International reserves at the end of June 2026 stood at 279.2 billion US dollars, rising from the same period of the previous year.

Consumer Price Index rose for the first time in five quarters by 2.7 percent, driven by an increase in energy price index.

The Producer Price Index continued to rise by 8.2 percent, driven by increases in prices across all product categories, particularly manufactured products, which increased for the third consecutive quarter.

2. Crude Oil Price in Q2 of 2026

The global crude oil price in the second quarter of 2026 increased from both the previous quarter and the same period of the previous year. The average global crude oil price across the three major markets (Dubai, Brent, and West Texas Intermediate: WTI) stood at 98.3 US dollars per barrel, a 48.6-percent increase from 66.2 US dollars per barrel in the same quarter of the previous year, and a 23.0-percent increase from 79.9 US dollars per barrel in the previous quarter, this marked the highest level in sixteen quarters since the second quarter of 2022. This was primarily attributed to: (1) Iran's closure of the Strait of Hormuz, which restricted seaborne export routes and tightened crude oil supply; (2) the escalating Middle East conflict, including the Houthis' declared closure of the Bab al-Mandab Strait, which is a key marine transit route for oil in the Red Sea; and (3) the prolonged Russia-Ukraine conflict, which resulted in strikes on Russian energy infrastructure, reducing Russian crude oil production in the second quarter by 1.2 percent year-on-year and 2.5 percent quarter-on-quarter.¹⁰

For the first half of 2026, the average global crude oil price across the three markets stood at 89.2 US dollars per barrel, representing a 26.6-percent increase from 70.4 US dollars per barrel in the same period of the previous year, and a 36.9-percent increase from 65.2 US dollars per barrel in the second half of the previous year.

In July 2026, the average global crude oil price stood at 79.7 US dollars per barrel, a 14.3-percent increase from 69.7 US dollars per barrel in the same period of the previous year. Nevertheless, the price declined by 3.4 percent from the previous month's average of 82.5 US dollars per barrel, as the United States announced a temporary suspension of military strikes on Iran, easing market concerns over crude oil transport through the Strait of Hormuz. Meanwhile, OPEC+ and the United Arab Emirates¹¹ crude oil expanded their production to ease concerns over crude oil supply tightness.

For the first seven months of 2026, the average global crude oil price across the three markets stood at 87.8 US dollars per barrel, a 24.8-percent increase from 70.3 US dollars per barrel in the same period of the previous year.

Global crude oil prices increased from the same period of the previous year and the previous quarter, due to the impact of the conflict in the Middle East.

Crude oil price

Year		USD per Barrel				%YoY			
		WTI	BRENT	DUBAI	Average	WTI	BRENT	DUBAI	Average
2024	Year	75.9	80.7	79.6	78.7	-2.2	-2.3	-3.0	-2.5
	Q1	77.0	83.0	81.2	80.4	1.2	2.3	1.1	1.5
	Q2	80.8	84.8	85.4	83.7	9.8	8.4	10.1	9.4
	Q3	75.5	80.3	78.4	78.1	-8.1	-7.4	-9.5	-8.3
	Q4	70.4	74.6	73.6	72.9	-10.3	-11.4	-12.0	-11.3
2025	Year	64.9	69.0	69.4	67.8	-14.5	-14.5	-12.9	-13.9
	H1	67.7	71.7	71.9	70.4	-14.1	-14.6	-13.7	-14.2
	H2	62.1	66.4	66.9	65.2	-14.8	-14.3	-11.9	-13.7
	Q1	71.6	75.7	77.0	74.8	-7.1	-8.9	-5.2	-7.0
	Q2	64.0	67.7	66.9	66.2	-20.8	-20.2	-21.7	-20.9
	Q3	65.1	69.1	70.1	68.1	-13.8	-14.0	-10.6	-12.8
	Q4	59.2	63.7	63.8	62.2	-15.9	-14.7	-13.4	-14.6
2026	H1	82.8	93.1	91.8	89.2	22.2	29.8	27.6	26.6
	Q1	72.1	80.7	86.9	79.9	0.8	6.7	12.8	6.9
	Q2	93.3	105.2	96.6	98.3	45.8	55.3	44.4	48.6
	Apr.	99.2	122.3	106.1	109.2	57.1	80.5	56.6	64.9
	May	99.2	108.0	103.5	103.5	62.4	68.4	62.5	64.4
	Jun.	81.7	85.4	80.5	82.5	20.3	19.5	16.2	18.7
	Jul.	79.0	83.4	76.7	79.7	17.2	17.6	8.2	14.3
	7M	82.2	91.6	89.5	87.8	21.5	28.0	24.7	24.8

Source: ThaiOil Plc and Bloomberg

¹⁰ Source: U.S. Energy Information Administration (EIA), processed by NESDC

¹¹ United Arab Emirates (UAE) officially departed from OPEC+ since 1 May 2026

3. The World Economy in the Second Quarter of 2026

The global economy continued to expand in the second quarter of 2026, supported primarily by stronger demand for electronics related products amid the upturn in the global technology cycle. This contributed to continued robust exports growth in many economies, particularly the newly industrialised economies and ASEAN countries. Production and investment related to digital technologies and artificial intelligence (AI) also expanded favourably, as reflected in the global Manufacturing Purchasing Managers' Index (PMI), which increased to 52.3 from 51.3 in the previous quarter. Nevertheless, global economic growth in the second quarter was affected by the conflict in the Middle East, which led to higher energy prices, key commodity prices, and maritime transport costs, with spillover effects on services activities, particularly transportation and logistics, tourism and related services, and trade. This was reflected in the global Services PMI, which declined to its lowest level in several quarters in several economies,¹² consistent with weakening consumer confidences. Meanwhile, rising inflationary pressures prompted several central banks to raise their policy interest rates, including the European Central Bank, the Bank of Japan, and Bank Indonesia. Nonetheless, developments in major economies are summarised as follows:

The US economy expanded by 2.1 percent, slowing from 2.7 percent in the previous quarter, following a decline in government expenditure and an acceleration in imports. Government expenditure contracted by 0.02 percent, compared with an expansion of 0.2 percent in the previous quarter, in line with the continued decline in federal government spending for the fourth consecutive quarter.¹³ Meanwhile, private consumption continued to expand by 2.3 percent, following 2.1 percent in the previous quarter, consistent with the improvement in non-farm payroll employment.¹⁴ Private investment expanded by 3.9 percent, accelerating from 3.3 percent in the previous quarter and marking the highest growth in nine quarters, driven by accelerated investment in artificial intelligence (AI) technology and digital infrastructure. This was consistent with the Manufacturing PMI, which increased to 54.5 compared with 52.1 in the previous quarter, the highest level in 16 quarters. Nevertheless, residential investment declined for the sixth consecutive quarter, in line with long-term borrowing costs that remained elevated.¹⁵ Meanwhile, the value of merchandise exports expanded by 14.8 percent, slowing from 15.2 percent in the previous quarter, while the value of merchandise imports expanded by 13.8 percent, recovering from a contraction of 13.6 percent in the previous quarter. This was partly attributable to record-high growth in capital goods imports and to an unusually low base in the previous year, resulting from the front-loading of imports ahead of the implementation of tariff measures in the first quarter of 2025 and the subsequent slowdown in orders. Meanwhile, inflation continued to accelerate in line with rising energy prices, together with the pass-through effects of higher import tariffs.¹⁶ Consequently, the US Federal Reserve decided to maintain the policy interest rate at 3.50 – 3.75 percent at its April and June 2026 meetings.

The Eurozone economy expanded by 1.0 percent, accelerating from 0.5 percent in the previous quarter, driven by the continued expansion of domestic demand and the accelerating expansion of exports. The retail sales index expanded by 3.8 percent, following 3.2 percent in the previous quarter and marking the highest growth in 12 quarters, supported by a labor market that remained strong and by the continued increase in labor income. Meanwhile, investment related to digital and artificial intelligence technologies continued to expand, in line with policies supporting the development of advanced technology among member states, in order to reduce dependence on foreign technology. This was consistent with imports during the first two months of the second quarter (April–May), which expanded by 14.0 percent (%YoY), following the strong growth of imports from the US and Asia, particularly electronics products. Nevertheless, inflationary pressures continued to increase owing to higher energy prices.¹⁷ Consequently, the European Central Bank (ECB) raised its policy interest rate continuously¹⁸ to maintain the stability of inflation within the monetary policy target range. At the same time, budget disbursements under the Recovery and Resilience Facility (RRF) were accelerated ahead of its expiration at the end of 2026,¹⁹ which will help mitigate the impact of rising energy prices.

¹² The Services Purchasing Managers' Index (PMI) in the United States stood at 51.0, the lowest level in 10 quarters, while that of the Eurozone declined to 48.2, the lowest level in 21 quarters. Meanwhile, the Services PMI stood at 50.3 in the United Kingdom, the lowest level in 11 quarters; 50.0 in Australia, the lowest level in 10 quarters; and 51.1 in Japan, the lowest level in 6 quarters.

¹³ This was partly attributable to the shutdown of the Department of Homeland Security from February 14, 2026 until April 30, 2026, which caused federal government spending to decline by 2.7 percent, following a decline of 3.0 percent in the previous quarter.

¹⁴ Non-farm payroll employment increased by 334,000 positions in the second quarter of 2026, compared with 218,000 positions in the previous quarter and a decline of 116,000 positions in the fourth quarter of 2025, while the unemployment rate remained stable at 4.3 percent, unchanged from the previous quarter.

¹⁵ The average 30-year fixed mortgage interest rate was 6.42 percent per year in the second quarter of 2026, increasing from 6.11 percent in the previous quarter and higher than the 2015 – 2019 average of 4.0 percent. As a result, residential investment declined by 3.9 percent, following a decline of 5.5 percent in the previous quarter.

¹⁶ The inflation rate remained persistently above the 2.0 percent monetary policy target. The Personal Consumption Expenditure (PCE) inflation rate in the second quarter accelerated to 3.9 percent, compared with 3.1 percent in the previous quarter, marking the highest level in 12 quarters, while core inflation (Core PCE) increased to 3.3 percent from 3.1 percent. The Producer Price Index stood at 5.7 percent, the highest in 14 quarters.

¹⁷ The Consumer Price Index in the second quarter stood at 3.0 percent, accelerating from 2.1 percent in the previous quarter and marking the highest level in 11 quarters, in line with rising energy prices. The Consumer Price Index for the energy category expanded by 10.1 percent, from a decline of 0.7 percent in the previous quarter, the highest in 13 quarters.

¹⁸ At its meeting on June 11, 2026, the European Central Bank decided to raise its policy interest rates. As a result, the interest rates on the main refinancing operations, the marginal lending facility, and the deposit facility stood at 2.40 percent, 2.65 percent, and 2.25 percent, respectively. The decision aimed to preserve price stability and keep inflation within the medium-term target of 2.0 percent.

¹⁹ As of the end of June 2026, the EU had disbursed 430 billion euros under the Recovery and Resilience Facility (RRF), out of a total framework of 580 billion euros. In the second quarter, an additional 29 billion euros was disbursed to 11 member states to support the implementation of projects under the Recovery and Resilience Plans (RRPs), covering investment in clean energy and REPowerEU, digital infrastructure, transportation and infrastructure, as well as various reforms.

The Japanese economy is expected to have expanded at an accelerating pace from 0.4 percent in the first quarter, supported by private consumption, particularly of durable goods, following the abolition of environment-related automobile taxes effective March 31, 2026. This drove domestic automobile sales to expand by 7.0 percent, compared with a contraction of 2.5 percent in the previous quarter, together with the front-loading of air conditioner purchases ahead of the tightening of energy efficiency standards in 2027 (the "2027 Nen Mondai" issue). Meanwhile, private investment was supported by investment in digital technology. According to the Tankan survey, the business conditions diffusion index in June 2026 reached its highest level in 25 years, consistent with the accelerating expansion of merchandise exports at 17.0 percent, compared with 10.5 percent in the previous quarter, particularly in semiconductors, electronic components, and automobiles. Headline inflation in the second quarter of 2026 stood at 1.5 percent, increasing slightly from 1.4 percent in the previous quarter; although energy prices rose, this was offset by cost-of-living relief measures such as electricity bill reductions and tuition fee assistance. Meanwhile, the exchange rate continued to depreciate.²⁰ Consequently, the Bank of Japan decided to raise the policy interest rate from 0.75 percent to 1.0 percent at its Monetary Policy Committee meeting on June 15 – 16, 2026, the highest policy interest rate in 31 years.

The Chinese economy expanded by 4.3 percent, slowing from 5.0 percent in the previous quarter and marking the lowest growth rate in 14 quarters, following an 8.5-percent decline in private investment, particularly investment in fixed assets. During the first half of 2026, fixed asset investment declined by 5.7 percent, with investment in infrastructure, manufacturing, and real estate declining by 2.4 percent, 1.2 percent, and 18.0 percent, respectively. Meanwhile, retail sales of consumer goods expanded by only 0.2 percent, slowing from 1.7 percent in the previous quarter, consistent with the average Consumer Confidence Index in the second quarter, which stood at 89.4, declining from 90.7 in the previous quarter and marking the lowest level in four quarters. Nevertheless, the Chinese economy continued to be supported by industrial production, particularly the manufacturing of electronic equipment, lithium batteries, and industrial robots, and by merchandise exports, which expanded by 20.2 percent, accelerating from 14.7 percent in the previous quarter, in line with demand for machinery and electronics products.²¹ Meanwhile, the People's Bank of China (PBOC) maintained the one-year and five-year loan prime rates at 3.0 percent and 3.5 percent throughout the second quarter, marking the thirteenth consecutive month of unchanged rates at its meeting on June 22, 2026, in order to reduce risks arising from interest rate differentials with other countries and to maintain the stability of the currency. Meanwhile, inflation remained low at 1.1 percent, compared with 0.8 percent in the previous quarter.

The Newly Industrialized Economies (NIEs) continued to expand at a high rate, though decelerating from the previous quarter. The economies of Taiwan, Hong Kong, Singapore, and South Korea expanded by 12.9 percent, 4.3 percent, 5.9 percent, and 3.7 percent, following 15.4 percent, 5.9 percent, 6.3 percent, and 3.8 percent in the previous quarter, respectively, in line with the strong expansion of the merchandise export sector, particularly products related to the digital technology and artificial intelligence industries. The value of merchandise exports in the second quarter for Singapore, Taiwan, Hong Kong, and South Korea expanded by 40.8 percent, 43.7 percent, 45.6 percent, and 57.3 percent, respectively. Meanwhile, inflation increased in line with energy price levels, prompting most central banks to maintain their policy interest rates continuously, while the Monetary Authority of Singapore tightened monetary policy in April 2026 by increasing the rate of appreciation of the exchange rate policy band to alleviate inflationary pressures. In addition, governments in various countries implemented measures to mitigate the impact of higher energy and commodity prices. South Korea, for example, introduced a supplementary expenditure budget of 26.2 trillion won in April to alleviate the burden of fuel prices on low-income groups, while Singapore and Hong Kong implemented utility subsidy measures and tax and fee reductions.

The ASEAN economies continued to expand, following robust growth in industrial production and exports, particularly products related to the digital technology industry. The Malaysian economy expanded by 6.0 percent, accelerating from 5.4 percent in the first quarter, driven by strong export growth, with exports of goods increasing by 53.5 percent, up from 26.3 percent in the previous quarter. Key export products that recorded strong growth included electronics, petrochemicals, rubber, and plastic products. Similarly, the Vietnamese economy expanded by 8.4 percent, accelerating from 7.9 percent in the previous quarter, with growth recorded across all production sectors. Meanwhile, exports of goods increased by 22.8 percent, accelerating from 19.0 percent in the previous quarter. Indonesia's economy expanded by 5.3 percent, slowing from 5.6 percent in the first quarter, following a slowdown in private consumption, which was adversely affected by higher energy prices, together with declining investor confidence. Consequently, foreign capital outflows increased, contributing to a depreciation of the exchange rate to an average of 17,656.3 rupiah per U.S. dollar, marking the weakest level on record. Meanwhile, the Philippine economy expanded by 2.3 percent, slowing from 2.8 percent in the first quarter, due to the impact of the conflict in the Middle East on the energy market, which weighed on private consumption. Nevertheless, government expenditure and exports continued to expand favorably. The conflict in the Middle East exerted upward pressure on commodity and energy prices across ASEAN economies, which are highly dependent on energy imports, resulting in higher inflation rates across the region.²² Consequently, the central banks of Indonesia and the Philippines raised their policy interest rates to maintain price and exchange rate stability.²³

²⁰ The exchange rate in the second quarter averaged 159.5 yen per US dollar, depreciating from 156.8 yen per US dollar in the first quarter of 2026, and marking the greatest depreciation in 40 years.

²¹ The average Manufacturing PMI in the second quarter stood at 50.2, increasing from 49.6 in the previous quarter. Meanwhile, during the first half of the year, the value added of high-technology industries expanded by 13.3 percent, and exports of machinery and electronics products expanded by 20.1 percent.

²² Inflation rates in Malaysia, Indonesia, the Philippines, and Vietnam stood at 2.0 percent, 2.9 percent, 6.8 percent, and 5.3 percent, respectively, in the second quarter, compared with 1.6 percent, 3.6 percent, 2.8 percent, and 3.5 percent, respectively, in the previous quarter.

²³ The Bank of Indonesia raised its policy interest rate three times during the second quarter, bringing the policy rate to 5.75 percent at the end of the quarter, up from 4.75 percent at the end of the first quarter. Meanwhile, the Bank of Philippines raised its policy interest rate to 4.50 percent from 4.25 percent at its April 2026 meeting.

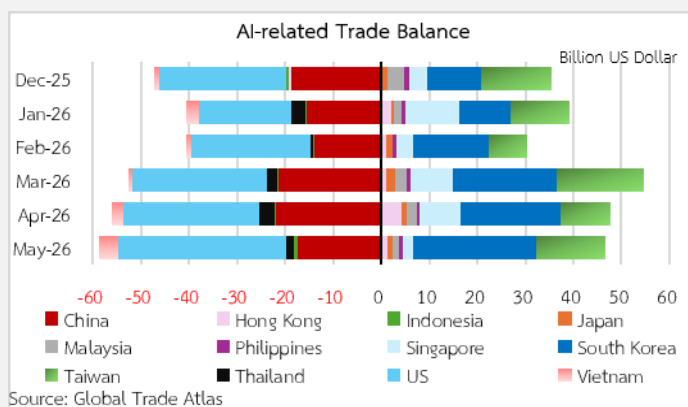
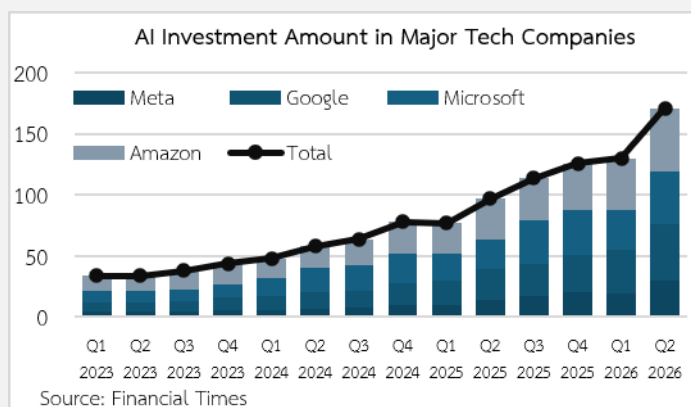
Real GDP and Exports of Goods Growths of Key Economies

Real GDP and Exports of Goods Growth of Key Economies														
(%YoY)	GDP							Exports of Goods (USD)						
	2023	2024	2025		2026			2023	2024	2025		2026		
	Year	Year	Q3	Q4	Year	Q1		Q2	Year	Year	Q3	Q4	Year	Q1
US	2.9	2.8	2.3	2.0	2.1	2.7	2.1	-2.1	1.7	3.3	8.2	5.4	14.5	15.2
Eurozone	0.6	1.0	1.2	1.1	1.3	0.5	1.0	1.9	0.7	7.9	9.3	6.9	4.0	8.9
United Kingdom	0.3	1.0	1.2	0.9	1.3	0.9	1.2	-6.2	-3.6	-1.2	4.5	1.2	4.5	9.8
Australia	2.1	1.1	2.0	2.5	2.0	2.6		-9.9	-8.4	1.4	6.2	-0.8	12.6	18.6
Japan	0.9	0.1	0.6	0.4	1.2	0.5	0.7	-4.0	-1.4	1.3	3.8	4.4	7.1	6.0
China	5.4	5.0	4.8	4.5	5.0	5.0	4.3	-4.7	5.9	6.4	3.7	5.4	14.7	20.1
India	8.8	7.2	8.3	8.0	7.5	7.8		-4.8	2.6	8.3	1.4	0.5	-2.8	15.9
South Korea	1.5	2.2	2.1	1.6	1.1	3.8	3.7	-7.5	8.1	6.5	8.4	3.8	38.4	57.2
Taiwan	1.1	5.3	8.4	13.0	8.8	15.4	12.9	-9.8	9.8	36.5	48.8	34.8	51.1	43.7
Hong Kong	3.2	2.6	3.8	4.0	3.5	5.9	4.3	-7.8	9.1	14.7	20.8	15.4	31.4	45.0
Singapore	1.5	5.3	4.5	5.7	5.0	6.3	5.9	-7.7	6.2	11.2	18.2	12.2	35.0	40.8
Indonesia	5.0	5.0	5.0	5.4	5.1	5.6	5.3	-11.2	2.7	8.9	0.6	6.0	0.5	7.7
Malaysia	3.6	5.2	5.3	6.2	5.2	5.4	6.0	-11.1	5.7	12.6	17.8	13.9	26.3	53.5
Philippines	5.5	5.7	4.0	3.0	4.4	2.8	2.3	-7.5	-0.5	13.0	21.9	15.3	12.8	13.4
Vietnam	5.0	7.0	8.3	8.5	8.0	7.9	8.4	-4.6	14.4	18.6	19.8	17.0	19.0	22.8

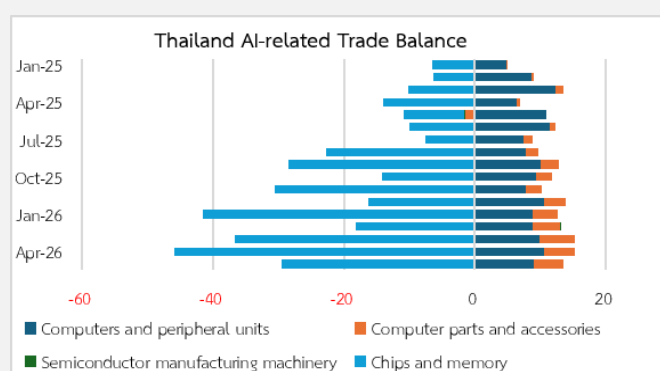
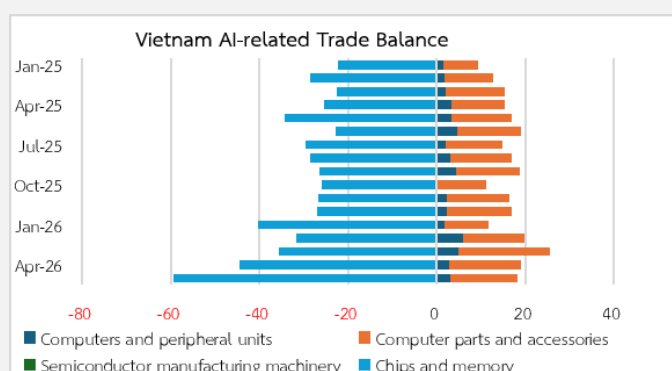
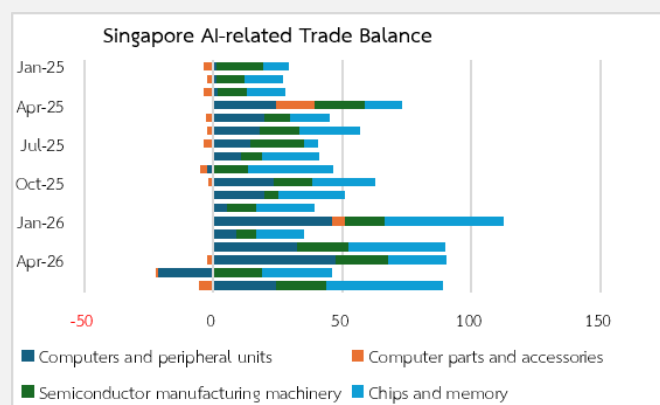
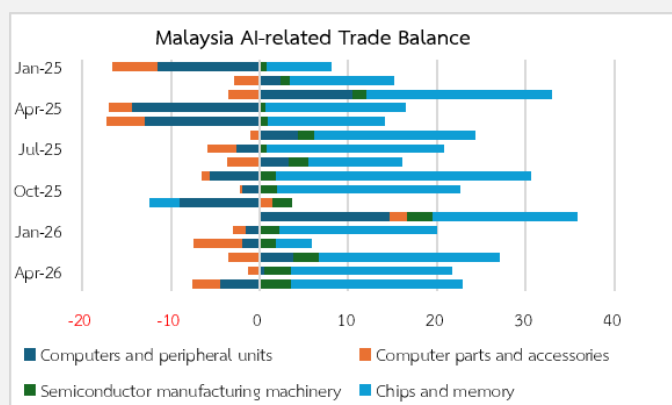
Source: CEIC, compiled by Office of the National Economic and Social Development Council

The structure of AI-related exports of economies in Asia

Over the past one to two years, it has become more evident that investment in digital and artificial intelligence (AI) technology by large technology companies has accelerated rapidly, particularly investment in data centers, processing equipment, semiconductors, and software. The investment value of leading technology companies increased from 150 billion US dollars in 2023 to 410 billion US dollars in 2025, and rose further to 300 billion US dollars during the first half of 2026. This investment trend reflects the increasing demand for AI technology and has led to the expansion of production and international trade in electronics products among many producing countries worldwide, particularly in the Asian region, which has become a major production base for goods related to AI investment.¹

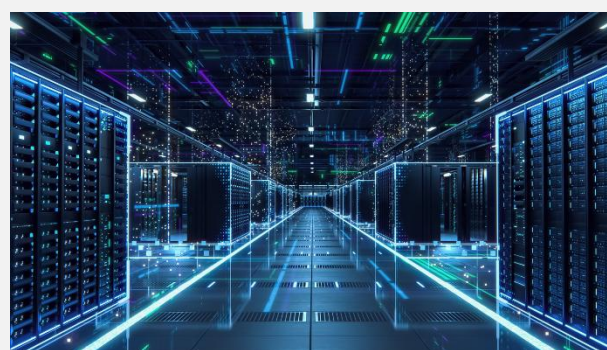
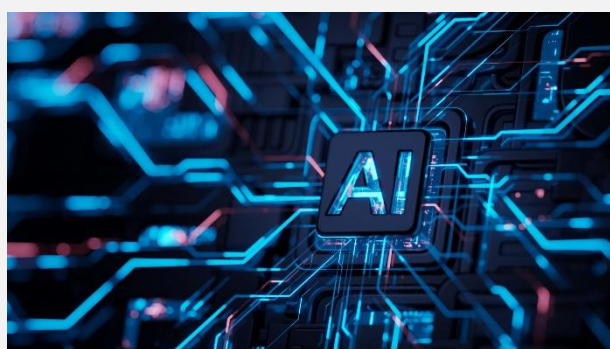


According to the structure of international trade in terms of both exports and imports, the role of each country in the supply chain for AI-related goods differs, and significantly affects each country's trade balance. The countries recording persistently high surpluses in AI goods are **Taiwan and South Korea**, consistent with their important roles in the global semiconductor supply chain. South Korea holds an advantage in the production of chips and memory and of computer parts, while Taiwan hosts one of the world's largest semiconductor manufacturing bases, particularly for advanced chips, as well as computers and equipment. Similarly, **Singapore and Malaysia** have also recorded continuous surpluses. Singapore plays a crucial role in exporting semiconductor manufacturing machinery, chips and memory, and computers and equipment, resulting in a surplus in the AI goods trade balance, while Malaysia has an electronics and semiconductor production base that is highly integrated with global production chains. Meanwhile, **Thailand and Vietnam have recorded continuous deficits in AI goods trade**, and Thailand's deficit is likely to widen further, as both countries import chips and memory in high value but differ in their export products. Vietnam mainly exports computer parts, while Thailand's key export products are computers and equipment.



Source: Global Trade Atlas, computed by NESDC

The different trade patterns of each country reflect their differing roles in the supply chain for AI-related goods. Although the sole trade balance cannot fully measure the benefits accruing to each economy, since there are other factors, such as value added to the domestic production sector and employment, the trade balance can nevertheless serve as an important preliminary indicator reflecting the benefits each country will receive from the upcycle in technology investment arising from the current development of AI. The countries most likely to benefit from international trade and to retain the greatest circulation of investment funds domestically are those that produce and export upstream components using advanced technology with high value, and that have a low level of dependence on imported goods from abroad. Thailand should therefore take advantage of the increase in demand for AI goods to generate benefits that build upon economic value added, particularly in the manufacturing sector, by focusing on upgrading Thailand into a regional base for production and advanced technology development through strategic cooperation with targeted multinational corporations, in tandem with linking the value chains of domestic industries. This requires priority to emphasize upgrading the capabilities of Thai entrepreneurs and workers so that they can participate in global and regional value chains, alongside promoting the use of domestically produced smart electronics products and advanced technology in order to raise productivity in related industries and reduce dependence on imported intermediate raw materials and capital goods.



4. The World Economic Outlook for 2026

The world economy is projected to expand by 3.3 percent in 2026, slowing from 3.6 percent in the previous year, following weaker growth in the Eurozone, China, Japan, and emerging and developing economies in Asia. The slowdown primarily reflects the impact of the conflict in the Middle East, which has contributed to higher energy and commodity prices as well as elevated transportation costs, together with trade restrictive measures implemented by major economies, particularly the United States, which have weighed on global trade and investment. Nevertheless, global growth continues to be supported by the expansion of investment in digital technology and artificial intelligence industries, which has sustained demand for electronics and machinery and partly offset the adverse effects of the Middle East conflict. In the second half of 2026, global economic growth is expected to moderate, partly due to weaker momentum in global trade following the earlier front-loading of imports and exports, together with persistently high energy and transportation costs and a more restrictive monetary policy stance among major central banks in response to rising inflationary pressures.

The baseline projection is based on the following key assumptions: (1) the conflict in the Middle East will not intensify and/or broaden to an extent that would have a significant impact on energy prices and real economic activity. Oil prices are expected to remain volatile during the remainder of the year, but on average stay close to their current levels²⁴, supported by higher production and exports from oil-producing countries outside the Middle East; and (2) the trade-restrictive measures currently in force will remain in effect throughout the projection period²⁵, while no additional measures are assumed to be implemented. Under these assumptions, **global trade volume in 2026 is projected to expand by 4.3 percent, slowing from 5.1 percent in 2025**. The outlook for major economies is as follows:

The US economy is projected to expand by 2.3 percent, accelerating from 2.1 percent in 2025 and unchanged from the previous projection, supported by the continued expansion of private investment in line with investment in digital technology and artificial intelligence infrastructure, together with the full expensing provisions for investment under the One Big Beautiful Bill Act (OBBBA). Private consumption is likewise expected to expand at a favorable rate in line with rising real wages. Nevertheless, significant import tariff restructuring, including tariff measures under Section 301 of the Trade Act of 1974, tariff measures under Section 338 of the Tariff Act of 1930,²⁶ and the expanded scope of tariffs on pharmaceutical products,²⁷ is expected to slow the easing of inflationary pressures more than previously anticipated, compounded by early signs of labor market softening, as reflected by decelerating non-farm payroll figures.²⁸ For the remainder of the year, the US Federal Reserve is expected to pursue a tighter monetary policy stance.²⁹

The Eurozone economy is projected to expand by 0.9 percent, slowing from 1.3 percent in 2025 and revised upward from 0.7 percent in the previous projection, in line with the anticipated recovery of domestic consumption and the services sector in the second half of the year, as reflected by the Services PMI in July, which stood at 51.7, up from 49.4 in the previous month and marking the highest level in five months. This is compounded by the improving outlook for domestic demand, owing to tax measures to mitigate the impact of energy prices³⁰ and policies to promote investment in artificial intelligence technology.³¹ In addition, the easing of trade protectionist measures with the US is expected to support the manufacturing and investment sectors, as reflected by the Manufacturing PMI in July, which stood at 51.9, up from 51.4 in the previous month and marking the highest level in three months, together with fiscal support from the acceleration of budget disbursements under the Recovery and Resilience Facility (RRF) to keep pace with its scheduled timeframe before it expires at the end of 2026.³² Meanwhile, inflation in July 2026 stood at 2.9 percent, remaining persistently above the monetary policy target, which is expected to lead the European Central Bank to pursue a tighter monetary policy stance.³³

²⁴ The Dubai crude oil price as of August 10, 2026 stood at 80.8 US dollars per barrel.

²⁵ The Office of the US Trade Representative (USTR) imposed tariffs under Section 301 concerning the use of forced labor on July 23, 2026, effective on July 24, covering 60 trading partners, representing 99.4 percent of total US import value, at a rate of 10.0 percent for countries with laws prohibiting the import of goods produced with forced labor or that have pledged to implement such laws, and 12.5 percent for other countries. Certain products are exempt, such as goods covered under Section 232 and goods that could impact broad economy.

²⁶ The US President exercised authority under Section 338 to impose an additional 50.0 percent tariff on certain products, effective August 19, 2026.

²⁷ Measures under Section 232 of the Trade Expansion Act of 1962 set a maximum rate of 100 percent, while Europe, Japan, South Korea, Switzerland, and Liechtenstein will receive a preferential rate of 15 percent.

²⁸ The most recent non-farm payroll figure for July 2026 stood at 158,858 thousand positions (up 0.2 percent), a slight decline from 158,881 thousand positions in the previous month (up 0.3 percent).

²⁹ At meeting on July 28–29, 2026, the US Federal Open Market Committee (FOMC) voted to maintain the policy interest rate range at 3.50–3.75 percent, by a vote of 7 to 3, reflecting that some committee members favored raising the policy interest rate. In addition, the median policy rate projection (dot plot) for the end of 2026 was 3.8 percent, higher than the current interest rate, reflecting the possibility of a policy rate increase by the Fed.

³⁰ The European Union has implemented energy assistance measures worth approximately 14.5 billion euros in total, including reductions in excise and indirect taxes on fuel. Should these measures be extended through the end of 2026, the EU's overall fiscal cost is expected to rise to 38.6 billion euros, or 0.2 percent of GDP.

³¹ On July 30, 2026, the European Commission announced support for the establishment of AI Gigafactories with total public funding of 10 billion euros, with a target of attracting at least an additional 20 billion euros in private sector investment.

³² The OECD expects this budget to support economic growth by approximately 0.5 percent in 2026.

³³ At its meeting on July 23, 2026, the European Central Bank decided to maintain the policy interest rate, following rate-hike implemented at its previous meetings, in order to preserve price stability and keep inflation within the medium-term target range.

The Japanese economy is projected to expand by 0.6 percent in 2026, slowing from 1.2 percent in 2025 and unchanged from the previous projection, reflecting the impact of the Middle East conflict, particularly on production costs and constraints on imported raw materials, given Japan's high dependence on energy imports from the region. Nevertheless, the export sector continues to be supported by semiconductors and electronic components, in line with the continued increase in demand from digital technology investment, while private consumption is expected to expand in line with rising real wages and spending on durable goods, particularly automobiles. Meanwhile, the continued depreciation of the yen is expected to affect the economy, particularly manufacturing sectors that depend on imports of energy, raw materials, and food. Consequently, on July 31, 2026, the Bank of Japan and the Ministry of Finance partnered with the US Federal Reserve to make use of the Foreign and International Monetary Authorities (FIMA) Repo Facility to reduce liquidity risks in financial markets, including exchange rate volatility, and the Bank of Japan is expected to raise the policy interest rate further for the remainder of the year.

The Chinese economy is projected to expand by 4.4 percent in 2026, slowing from 5.0 percent in the previous year and unchanged from the previous projection, reflecting the continued slowdown in domestic demand, in line with household consumption that remains only modestly recovered amid consumer confidence that has yet to recover, consistent with the Services PMI in July 2026, which declined to 50.4, the lowest level since September 2024. Meanwhile, industrial production is expected to slow, partly owing to US trade protectionist measures, consistent with the Manufacturing PMI in July 2026, which declined to 50.9, while real estate investment in July declined by 18.0 percent, the largest decline on record. Nevertheless, the Chinese economy continues to be supported by exports of digital technology products, which have been able to offset the decline in traditional industrial goods,³⁴ together with government measures to stimulate consumption and improvements to the investment project approval process to support public and private investment.³⁵ Meanwhile, the People's Bank of China is expected to further ease monetary policy through reductions in the reserve requirement ratio for commercial banks should domestic demand slow more than anticipated.

The Indian economy is projected to expand by 6.6 percent, decelerating from 7.5 percent in the previous year, but revised upward from 6.4 percent in the previous projection, following stronger-than-expected growth in domestic demand and the services sector. The expansion is supported by improved household purchasing power following reductions in personal income tax rates and goods and services taxes on small automobiles. Meanwhile, goods exports are expected to grow continuously, particularly in electronics, alongside progress in free trade agreement negotiations with key trading partners. However, the economy continues to face constraints from the conflict in the Middle East, which has pushed up crude oil prices and production costs, while also exerting pressure on capital flows and the Indian rupee. Meanwhile, the Reserve Bank of India is expected to adopt a more restrictive monetary policy stance to ease inflationary pressures and mitigate depreciation pressures on the exchange rate.

The Newly Industrialized Economies (NIEs) are expected to expand at an accelerating pace, in line with investment and exports benefiting from the upcycle in electronics products and investment in the digital technology industry, together with proactive industrial policies, particularly measures to accelerate infrastructure investment, upgrade target industries, and promote the development of technology, innovation, and digital infrastructure.³⁶ This is expected to support the continued expansion of industrial production and merchandise exports.³⁷ In 2026, the economies of Taiwan, Hong Kong, and South Korea are projected to expand by 9.5 percent, 3.7 percent, and 2.8 percent, accelerating from 8.7 percent, 3.5 percent, and 1.0 percent in the previous year, respectively, and revised upward from 5.1 percent, 2.3 percent, and 1.8 percent in the previous projection, respectively. Meanwhile, the Singaporean economy is projected to expand by 4.5 percent, compared with 5.0 percent in the previous year, revised upward from 3.0 percent in the previous projection.

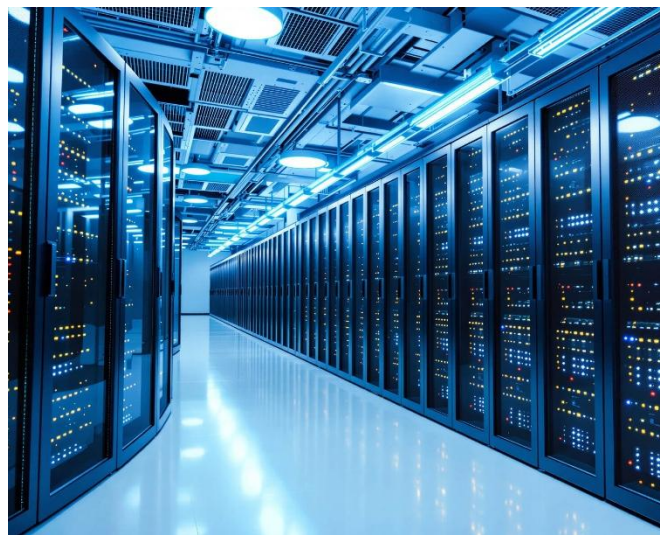
³⁴ During the first seven months of 2026, the value of China's high-technology exports expanded by 40.7 percent, and the value of semiconductor exports nearly doubled from the same period of the previous year, while certain traditional industrial goods declined, such as ceramics (down 28.3 percent) and toys (down 9.7 percent), reflecting the divergent momentum between high-technology and traditional industries.

³⁵ The Chinese government allocated a long-term special treasury bond fund of 250 billion yuan to support the trade-in program for old-for-new goods in 2026, with an additional allocation of 62.5 billion yuan in April and a further 62.5 billion yuan in June. In addition, in June, China's Ministry of Commerce and eight other related agencies announced the "AI Plus Consumption" guidelines comprising 17 measures, covering support for smart product purchases, the application of AI in the services sector, and the development of new consumption patterns.

³⁶ Taiwan has allocated more than 30 billion New Taiwan dollars in its 2026 annual budget for the AI New Ten Major Infrastructure Projects to accelerate the digital transformation of the industrial sector, alongside the 5+N Innovative Industries plan, which covers smart machinery, biomedicine, green energy, and advanced semiconductors. Meanwhile, Singapore has established a National AI Council and allocated 3.7 billion Singapore dollars for research, innovation, and enterprise, including quantum technology, while South Korea has announced a large-scale investment plan under the Economic Growth Strategy for H2/2026, aimed at developing semiconductors, AI data centers, and physical AI technology.

³⁷ The export values of South Korea and Taiwan as of July 2026 expanded by 62.9 percent and 32.9 percent, following 70.4 percent and 40.3 percent, respectively.

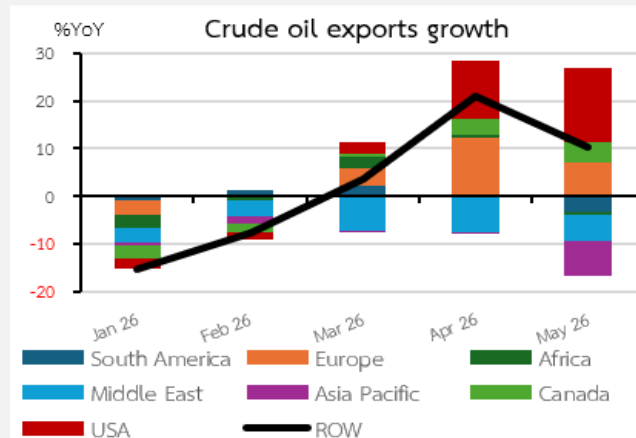
The ASEAN economies are projected to decelerate from the previous year, but revised upwardly from the previous projection, in line with the continued strong expansion of goods exports across ASEAN economies. This is supported by the upcycle in electronics products and continued increases in investment in digital technologies. In 2026, the economies of Indonesia, Malaysia, and Vietnam are projected to expand by 5.0 percent, 4.9 percent, and 7.5 percent, respectively, decelerating from 5.1 percent, 5.2 percent, and 8.0 percent in 2025, but upwardly revised from the previous projections of 4.7 percent, 4.0 percent, and 6.7 percent, respectively. Meanwhile, the Philippine economy is projected to expand by 2.8 percent, slowing from 4.4 percent in the previous year and revised downward from 4.0 percent in the previous projection, following an anticipated slowdown in private consumption and total investment. Meanwhile, ASEAN central banks are expected to adopt a more restrictive monetary policy stance in response to rising inflationary pressures across individual economies.³⁸



³⁸ The Bank of Indonesia raised its policy interest rate three consecutive times, bringing the rate to 5.75 percent from 4.75 percent at the end of the first quarter. Similarly, the Bank of Philippines raised its policy interest rate to 4.75 percent, up from 4.25 percent at the end of the first quarter.

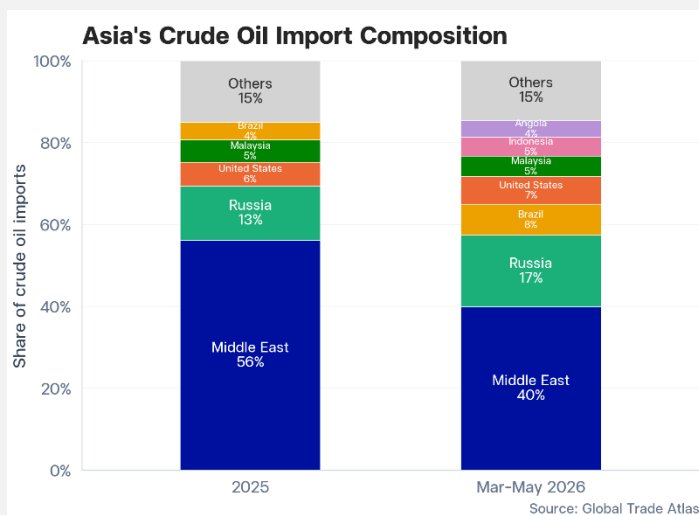
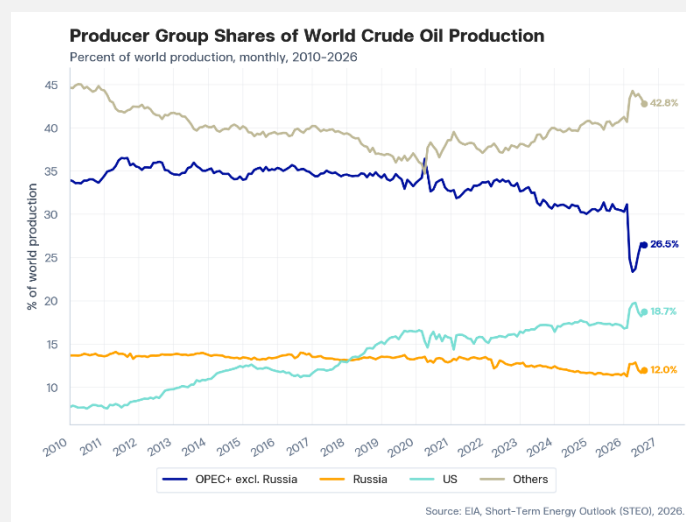
Changes in the import structure of key energy products and commodities during the Middle East conflict

The Middle East is a major global exporter of crude oil, accounting for approximately 20.6 percent of total global crude oil exports. The conflict situation has severely affected global energy supply. Nevertheless, the impact of this reduced supply has been partly offset by increased production capacity from oil-producing countries in other regions, such as the US, Canada, Europe, Russia, and Africa, together with the release of emergency oil reserves by members of the International Energy Agency (IEA) totaling 400 million barrels, the largest such release on record. These factors have helped ease the tightness of global crude oil supply and contributed to a subsequent decline in crude oil prices.

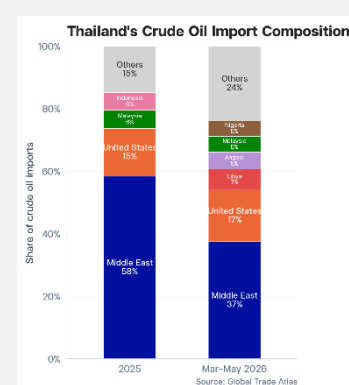
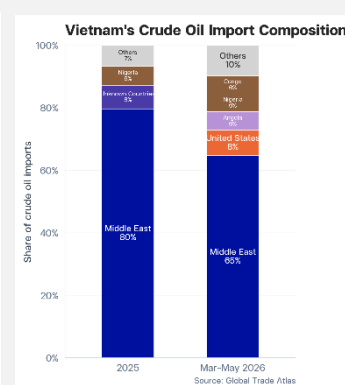
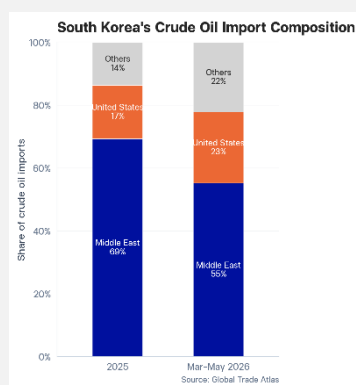
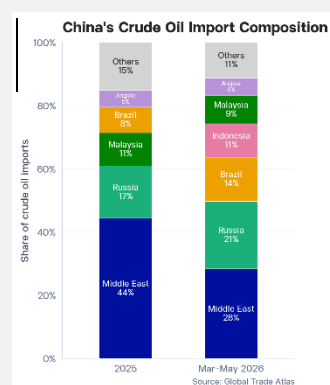


Source: Global Trade Atlas, compiled by NESDC

Asian economies are expected to be among those most severely affected by the unrest in the Middle East, given their high dependence on energy imports from the region, which accounted for about 56 percent of total energy imports in 2025. However, during the unrest, countries in the region accelerated crude oil imports to guard against the risk of domestic energy shortages, while also diversifying energy supplier to replace imports from the Middle East, particularly from the US, Russia, Brazil, and the Africa region. This is reflected in the import structure of Asian economies during March - May 2026, in which imports from the Middle East fell to 40 percent, down from 56 percent in 2025, offset by increased imports from Russia, the US, Brazil, Angola, and Indonesia.



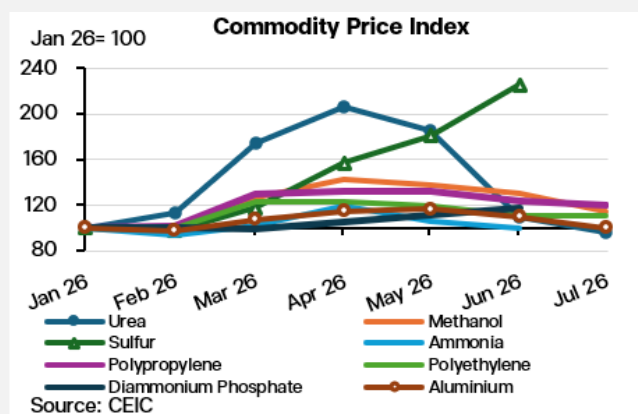
Crude oil import structure of Asian countries



Source: Global Trade Atlas, compiled by NESDC

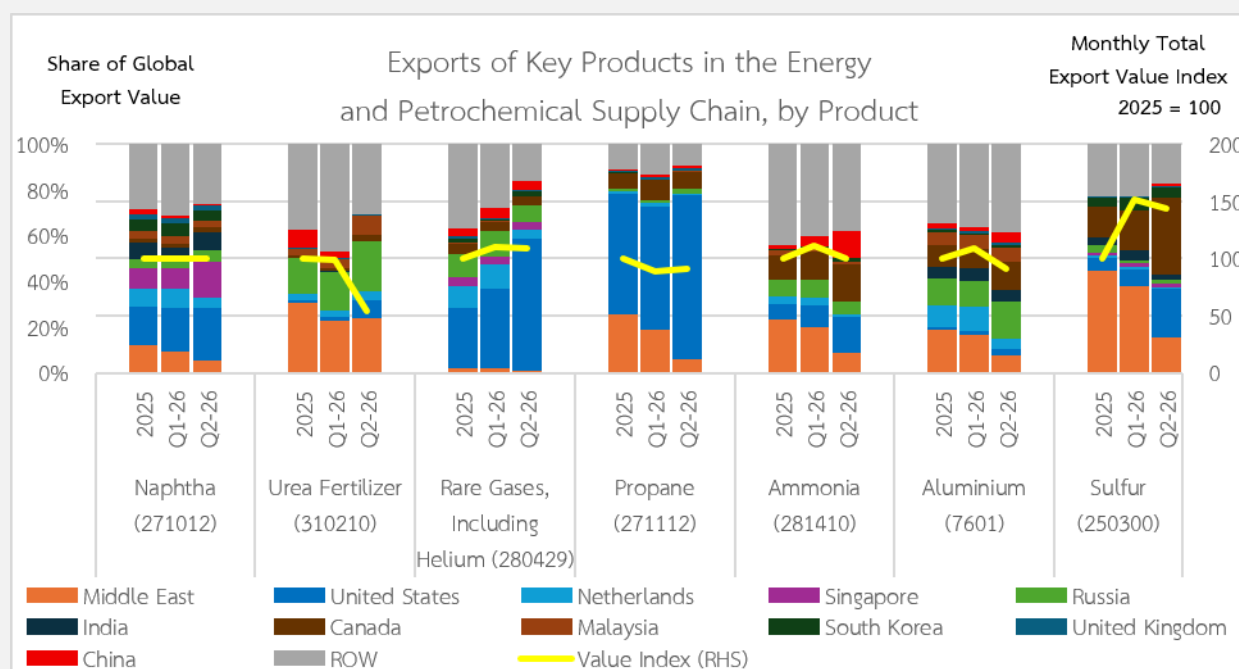
In addition to crude oil and natural gas, the Middle East is also a major producer and exporter of several other key goods, particularly petrochemical products such as naphtha, methanol, ammonia, plastics, and helium gas, as well as key industrial minerals such as urea, sulfur, and aluminum. The conflict has caused the prices of these goods to rise rapidly, reflecting the shortage of export supply from the Middle East.

Nonetheless, changes in prices and export values differ across product categories. For **petrochemical products** (accounting for an average of around 13.0 percent of Middle East exports), trade values in the first and second quarters of 2026 remained broadly similar, but in the second quarter, importing countries increased their imports of petrochemical products from other countries. Particularly, the share of US export of several key products, including naphtha, helium gas, and propane has increased, similarly to Russia, which increased its export share of ammonia and helium gas. Meanwhile, other countries such as China, Canada, and Singapore also increased their petrochemical product exports. Under this diversification



For **urea** (accounting for 30.6 percent of Middle East exports), export values declined significantly during March - May 2026, due to export control measures imposed by several countries to prevent domestic chemical fertilizer shortages¹, together with increased urea exports from the US, Russia, and Malaysia, bringing urea prices down close to levels seen before the conflict. Meanwhile, some products have remained persistently elevated, particularly sulfur and aluminum (accounting for 18.8 percent and 44.9 percent of Middle East exports, respectively), as the decline in supply from the Middle East has not yet been offset by supply from other regions. If the prices of these goods remain persistently elevated to the point of shortage, this would significantly affect the economy, since aluminum is a key industrial raw material while sulfur is a key input in the mining and metal smelting industries.

In this regard, the adjustment of supply chains for various goods during the Middle East conflict reflects the resilience of global supply chains and the global economy in adapting to the disruptive impact of the Middle East conflict, such that the overall impact on the global economy has remained limited.



Source: Global Trade Atlas, compiled by NESDC

¹ World Trade Organization (2026) Fertilizer trade impacted by Strait of Hormuz conflict

5. The Thai Economic Prospect in 2026

The Thai economy in 2026 is expected to continue expanding from 2025, supported primarily by the strong expansion of private investment, the continued expansion of domestic consumption, the expansion of merchandise exports particularly in the electronics category, and the momentum from government spending and investment. Nevertheless, elevated household debt burdens and the persistently high credit risk of SME businesses continue to constrain the ongoing expansion of economic activity. Meanwhile, the Middle East conflict remains likely to be protracted, similarly to the direction of US trade measures, which remains uncertain and could escalate further, compounded by the risk of a greater-than-expected slowdown in the global economy and trade, volatility in global financial markets amid inflationary pressures that remain elevated, and the risk of entering an El Niño phenomenon. These remain key risks to the expansion of the Thai economy in the second half of the year that require close monitoring and assessment.

Supporting factors for the economic growth:

- 1) **The strong expansion of private investment:** This is particularly for investment in machinery and equipment, which is expected to continue expanding well from the first half of the year, driven importantly by the strong expansion of imports, particularly imports of raw materials and intermediate goods (excluding fuels), which expanded by 52.6 percent in the second quarter of 2026, accelerating from 45.6 percent in the previous quarter. This is consistent with applications for investment promotion, which continued to expand well, particularly in the digital, electronics, and electrical appliance categories, as well as agriculture and food processing. During the first half of 2026, the value of investment promotion applications and the value of actual investment stood at 1.47 trillion baht and 536 billion baht, representing increases of 37.0 percent and 27.1 percent from the same period of the previous year, respectively, similarly to the increase in foreign direct investment during the first half of the year, which totaled 1.37 trillion baht, an increase of 80 percent from the same period of the previous year. Meanwhile, the area of construction in industrial estates (cumulative January–May 2026) expanded by 9.9 percent compared with the same period of the previous year.
- 2) **The continued expansion of household consumption:** This is supported by the expansion of the income base as well as a labor market that continues to trend upward, in line with the increase in non-farm employment and an unemployment rate that remains low, together with monetary policy that remains accommodative and government relief measures. These factors are expected to support the continued expansion of household consumption for the remainder of the year.
- 3) **Strong growth in goods exports:** This aligns with the rising demand for high-technology products in digital and electronics industries, particularly semiconductors and artificial intelligence (AI) infrastructure. Goldman Sachs estimates that global AI-related investment in 2026 will exceed 1 trillion U.S. dollars, equivalent to approximately 0.9 percent of world GDP, and this share is expected to increase to 1.3 percent in 2030³⁹. This trend will contribute to continued expansion of Thai exports, particularly electronics products⁴⁰. Meanwhile, the impact of U.S. tariff measures⁴¹ on Thailand's export sector remains limited, as key Thai export products to the U.S. that are exempt from import tariffs account for approximately 75 percent of total export value to the U.S. Consequently, the trade-weighted tariff rate imposed by the U.S. on Thai products is about 14.7 percent, which remains lower than the rates imposed on China, Vietnam, and Indonesia at 17.7 percent, 16.6 percent, and 15.3 percent, respectively⁴².

³⁹ Source: *Global AI Investment Is Forecast to Exceed \$1 Trillion in 2026*, published on July 7, 2026.

⁴⁰ Export value of computers, equipment and components; telephones and components; and signal transmission equipment expanded by 48.1 percent, 153.8 percent, and 210.7 percent, respectively, in the second quarter of 2026, continuing from growth of 47.8 percent, 189.4 percent, and 166.4 percent, respectively, in the previous quarter.

⁴¹ Key Thai export products exempt from import tariffs under Section 301 of the Trade Act of 1974 (Annexes I and II) include processors, storage units, laptops, printed circuit boards, radio transmitters and receivers, and air conditioners.

⁴² Johannes Fritz (2026), *The US tariff level barely moves as Section 122 lapses as two Section 301 duties take its place*, Global Trade Alert.

- 4) **Public spending momentum:** This is consistent with the increase in the FY2026 annual budget and carry-over budget frameworks, as follows: **(1) An increase in the FY2026 annual budget framework** to 2.46 trillion Baht,⁴³ representing a 1.2 percent increase from the previous fiscal year. This comprises 1.83 trillion Baht in current expenditure (a 3.9-percent increase) and 622 billion Baht in capital expenditure (a 6.0 percent decrease). Based on the baseline assumption for the FY2026 budget disbursement rate of 90.9 percent, comprising 98.0 percent for current expenditure and 70.0 percent for capital expenditure, total budget disbursement into the economy is expected to reach 2.23 trillion Baht, increasing by 3.2 percent. This consists of 1.80 trillion Baht in current expenditure (a 1.7 percent increase) and 436 billion Baht in capital expenditure (a 9.9 percent increase). **(2) The FY2026 carry-over budget framework** totaled 292 billion Baht, increasing by 28.8 percent from the previous fiscal year and marking the highest level since FY2020. This comprises 29.2 billion Baht in current expenditure and 235 billion Baht in capital expenditure, representing increases of 6.1 percent and 26.2 percent, respectively. **(3) For the FY2027 annual budget**, under the baseline scenario, the budget process is expected to proceed as scheduled. In the first quarter of FY2027, the disbursement rate is projected at 25.7 percent, comprising 503 billion Baht in current expenditure and 74.7 billion Baht in capital expenditure, representing decreases of 8.4 percent and 0.04 percent from the previous fiscal year, respectively. **(4) Budget disbursement under the draft Emergency Decree authorizing the Ministry of Finance to borrow funds to mitigate the impacts of the energy crisis and support the country's energy transition, B.E. 2569 (2026).** Under Program 1, which provides assistance to households, farmers, and businesses affected by the energy crisis, cumulative disbursement as of August 7, 2026 totaled 562 billion Baht. Meanwhile, approximately 50 billion Baht under Program 2, which promotes and supports efficient energy use and facilitates the public sector's transition from fossil-fuel dependence toward renewable and alternative energy technologies, is expected to be disbursed within the fourth quarter of 2026.

The Emergency Decree Authorizing the Ministry of Finance to Borrow Funds to Address the Impact of the Energy Crisis and Support Thailand's Energy Transition, B.E. 2569 (2026)

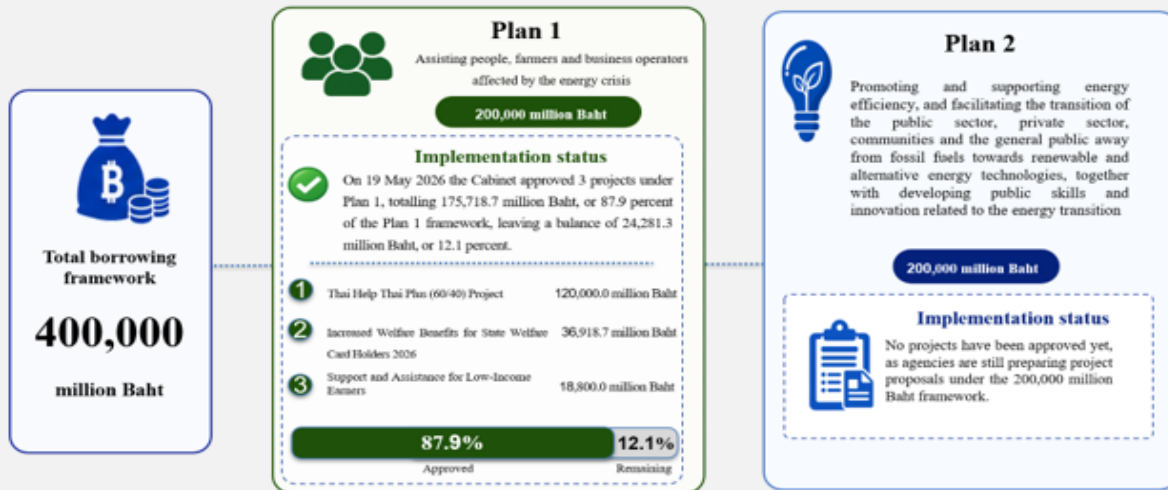
The Emergency Decree Authorizing the Ministry of Finance to Borrow Funds to Address the Impact of the Energy Crisis and Support Thailand's Energy Transition, B.E. 2569 (2026) (the Energy Crisis Borrowing Decree), with a borrowing framework of 400,000 million Baht, comprises two plans: Plan 1, to assist people, farmers and business operators affected by the energy crisis, with an allocation of 200,000 million Baht; and Plan 2, to promote and support the efficient use of energy and to accommodate the transition away from reliance on fossil fuels towards renewable and alternative energy technologies, with an allocation of 200,000 million Baht. Implementation to date is as follows.

Plan 1: The Cabinet has approved 3 projects with a total value of 175,718.7 million Baht¹ (87.9 percent of the Plan 1 allocation), comprising the Thai Help Thais Plus: 60/40 Co-Payment Scheme at 120,000.0 million Baht, the Project to Increase Welfare Benefits for State Welfare Card Holders 2026 at 36,918.7 million Baht, and the Project to Support and Assist Low-Income Earners at 18,800.0 million Baht. The remaining Plan 1 allocation stands at 24,281.3 million Baht (12.1 percent of the Plan 1 allocation).

Plan 2 comprises (1) plans, projects or activities intended to reduce the use of fossil fuels, promote the use of technologies to improve energy efficiency, and support the installation of electricity generation systems using renewable and alternative energy; (2) projects to promote the use of environmentally friendly vehicles, reduce the use of fossil fuels, improve energy efficiency, or promote the use of renewable and alternative energy, including support for the installation of charging stations; and (3) plans or projects to develop public skills and innovation to accommodate energy restructuring and the creation of a new economy. These are currently at the stage in which agencies are considering and submitting project proposals.

¹ Cabinet resolution of 19 May 2026

Overview of the Energy Crisis Borrowing Decree



Source: GFMS as of 12 August 2026 and the Public Debt Management Office

Disbursement under Plan 1 of the Energy Crisis Borrowing Decree

As of 11 August 2026, disbursement under Plan 1 amounted to 102,996.5 million Baht, equivalent to 58.6 percent of the amount approved by the Cabinet, comprising 61,207.5 million Baht from the Thai Help Thais Plus (60/40) Project (51.0 percent of the amount approved by the Cabinet), 27,689.0 million Baht from the Project to Increase Welfare Benefits for State Welfare Card Holders 2026 (75.0 percent of the amount approved by the Cabinet), and 14,100.0 million Baht from the Project to Support and Assist Low-Income Earners (75.0 percent of the amount approved by the Cabinet), leaving a remaining balance of 72,722.2 million Baht.

In the second quarter of 2026, disbursement under Plan 1 amounted to 52,930.2 million Baht, equivalent to 30.1 percent of the amount approved by the Cabinet, comprising 25,070.8 million Baht from the Thai Help Thai Plus (60/40) Project (20.9 percent of the amount approved by the Cabinet), 18,459.4 million Baht from the Project to Increase Welfare Benefits for State Welfare Card Holders (50.0 percent of the amount approved by the Cabinet), and 9,400.0 million Baht from the Project to Support and Assist Low-Income Earners (50.0 percent of the amount approved by the Cabinet).

Plan 1: Projects to assist people, farmers and business operators affected by the energy crisis



Source: GFMS as of 12 August 2026

Unit: Million Baht

Plan 1	Allocation	2026				
		Q2	May	Jun	Jul	Aug ^{1/}
Thai Help Thai Plus (60/40) Project	120,000.0	25,070.8	-	25,070.8	27,499.0	8,637.7
Increased Welfare Benefits for State Welfare Card Holders 2026	36,918.7	18,459.4	9,229.7	9,229.7	9,229.7	-
Support and Assistance for Low-Income Earners	18,800.0	9,400.0	4,700.0	4,700.0	4,700.0	-
Total	175,718.7	52,930.2	13,929.7	39,000.5	41,428.7	8,637.7

Note^{1/}: 1-11 August 2026

Risks and limitations to economic growth:

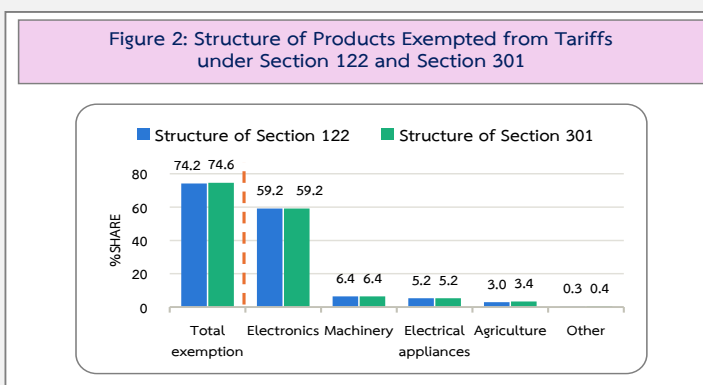
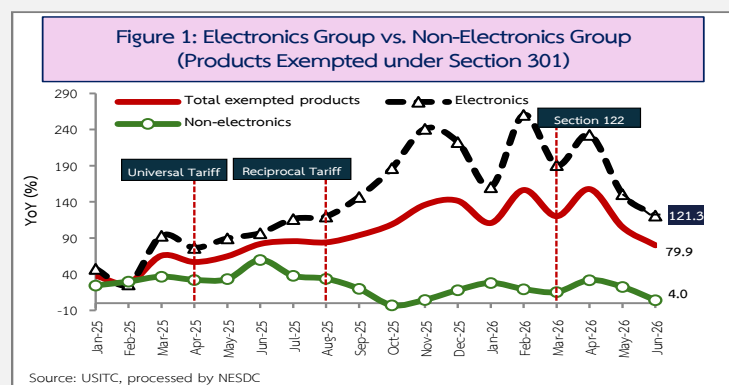
- 1) **Risks from uncertainty in key external conditions**, including: (1) the Middle East conflict, which remains protracted. Although negotiations to end military hostilities between Iran and the US have been under way since June 2026, resulting in the recovery of maritime shipping through the Strait of Hormuz and a significant decline in energy prices, the conflict situation nevertheless remains highly fragile, as the US, Israel, and Iran have yet to reach agreement on several key issues, such as Iran's nuclear technology development, the levying of transit fees through the Strait of Hormuz, and the stationing of US military forces in the region. This could lead the conflict to escalate into more intense military confrontation, potentially affecting the energy supply chain once again, particularly given that crude oil inventories in major countries have declined substantially in recent periods, which would increase the likelihood of a sharp rise in energy prices going forward; and (2) continued uncertainty over additional US trade measures, particularly should the US government impose import tariffs under Section 301 of the Trade Act of 1974 concerning structural excess capacity, with Thailand being one of 16 economies currently under consideration for additional tariff measures on this issue, which could affect the recovery of the Thai export sector.
- 2) **Risks from a sharper-than-expected slowdown in the world economy and global trade**, as well as volatility in financial and capital markets: These risks could weigh on Thailand's economic expansion and stability. Key risk factors should be closely monitored include: **(1) a potentially more restrictive monetary policy by major central banks** through policy interest rate increases to tackle rising inflationary pressures, particularly if the conflict in the Middle East escalates and disrupts production or international shipping routes. In addition, an intensification of trade protectionist measures by major economies could increase production and trade costs. Meanwhile, rising long-term government bond yields in several countries could further tighten global financial and capital market conditions. **(2) The slowdown in the Chinese economy** due to the continued weakness in the real estate sector, which could undermine consumer and business confidence. This is compounded by excess industrial capacity, which could lead to increased exports of surplus goods to other countries, thereby affecting manufacturers across economies. **(3) Risks to economies with weak economic fundamentals**, particularly emerging market economies, which could face greater volatility in capital flows, exchange rates, and asset prices if demand for risk assets declines and global financial conditions tighten. Meanwhile, rising government bond yields could undermine fiscal stability, potentially triggering confidence crises and sovereign debt defaults. **(4) Volatility and market re-pricing in digital technology-related capital markets**, particularly following elevated valuations of large technology companies (hyperscalers), together with the risk that returns on investment in digital technology and artificial intelligence infrastructure could be more volatile than anticipated. In addition, constraints on expanding supply-chain capacity, including the allocation of natural resources to support the expansion of investment, could constrain actual investment and potentially lead to greater volatility in digital technology-related asset prices.
- 3) **Risk from the El Niño**, which is expected to affect the agricultural sector in the second half of 2026. The US National Oceanic and Atmospheric Administration (NOAA Climate Prediction Center) declared an El Niño Advisory effective June 11, 2026, and in its latest assessment as of July 9, 2026, indicated that El Niño is likely to continue intensifying through the end of the year, with a 97 percent probability of persisting through the second quarter of 2027 and an 81 percent probability of developing into a Very Strong El Niño during October–December 2026. This is expected to result in below-normal rainfall and increase the risk of dry spells and drought in certain areas. Meanwhile, usable water storage in reservoirs nationwide as of August 13, 2026 remained low at 23,480 million cubic meters, or 42 percent of storage capacity, below the level recorded in 2025. In addition, water volume forecast data as of November 1, 2026, from the Office of National Water Resources indicates that total national water volume will stand at 51,563 million cubic meters, or 73 percent of capacity, with three large reservoirs under low-water watch (water volume below the minimum operational reservoir storage threshold): one in the North (Sirikit Dam, Uttaradit Province, at 68 percent of capacity) and two in the Northeast (Nam Phong Dam, Sakon Nakhon Province, at 24 percent of capacity, and Chulabhorn Dam, Chaiyaphum Province, at 67 percent of capacity). This situation requires close monitoring to ensure preparedness against impacts on productivity and harvested areas in the 2026/2027 crop year.

- 4) **Elevated household debt burdens and the deteriorating credit quality of SME businesses**, which will constrain the expansion of domestic demand. The household debt-to-GDP ratio remained persistently elevated at 85.9 percent in the first quarter of 2026, declining slightly from 86.7 percent in the same period of the previous year, but remaining higher than pre-COVID-19 levels. Meanwhile, rising prices for goods and raw materials have driven up business production costs, which could affect business profitability, amid SME credit quality that continues to carry elevated credit risk. The Stage 2 loan ratio for SMEs in the second quarter of 2026 stood at 15.9 percent of total loans, close to the 16.0 percent recorded in the previous quarter, leading financial institutions to become more cautious in extending credit. This not only heightens the risk of liquidity shortages and loan defaults among businesses, but is also a key factor weighing on the slowdown of domestic demand going forward.

Impact of U.S. Import Tariff Measures on Thai Exports and Additional Risks under Section 301

On July 24, following the expiration of the temporary import tariff measure under Section 122, the U.S. government announced the imposition of import tariffs on 60 of its major trading partners, after concluding an investigation under Section 301 of the Trade Act of 1974 regarding forced labor. Thailand was among 54 economies that the U.S. classified as having “Failed both to impose a legal prohibition and to effectively enforce,” meaning a failure both to establish a legal prohibition and to enforce it effectively. Thailand will therefore be subject to an import tariff rate¹ of 12.5 percent.

Considering the group of products for which Thailand was granted tariff exemptions by the U.S. under Section 301 (mostly the same product groups previously exempted under Section 122), accounted for 74.6 percent of the total value of U.S. imports from Thailand in the first six months of 2026, compared with 74.2 percent for goods exempted under Section 122, mostly electronics products such as data processing units, hard disk drives, radio transmitters and receivers, and laptops. Meanwhile, the list of goods exempted under Section 301 totals 2,120 items (at the 8-digit HS code level), of which items not covered under the Section 122 exemption list (which totals 1,655 items) include examples such as plastic pellets, citric acid, wood and wood products (plywood), animal products, and organic chemicals (propylene glycol), together accounting for 0.4 percent of the value of U.S. imports from Thailand in the first six months of 2026.



Note: Data reflects the share of each category relative to total U.S. imports from Thailand (6M-2026).

Source: exempted Products under Section 301 (Annex I, II) per the USTR announcement dated July 23, 2026 (U.S. time).

Meanwhile, data on the U.S. Real Effective Tariff Rate applied to Thai goods in June 2026 indicate that the overall import tariff rate declined significantly to 5.4 percent. This level is comparable to that applied to the Philippines but lower than the rates applied to Vietnam and Indonesia, while Malaysia recorded the lowest tariff rate in the region. In 2025, Thailand's export share to the U.S. was dominated by high-tech products, which accounted for 46.9 percent of total exports, followed by medium-tech products at 22.8 percent. Low-tech, agricultural, and resource-based products accounted for 3.8 percent, 4.9 percent, and 14.5 percent, respectively. As a result, Thailand continues to benefit from tariff exemptions, particularly for high-tech products such as data processing units, hard disk drives, radio transmitters and receivers, and laptops. This is consistent with the production patterns of U.S. companies that use Thailand as a manufacturing base for re-export to the U.S. market. Thailand also benefits from exemptions on selected medium-tech products, including air-conditioning machines, refrigerators, and LED light bulbs, for which the U.S. remains reliant on imports from overseas suppliers.

¹ Products exempted under Section 301 (Annex I, II), totaling 2,120 items (at the 8-digit HS code level).

Figure 3: U.S. Real Effective Tariff Rate Compared with Thailand's Competitor Countries (Excluding Section 301)

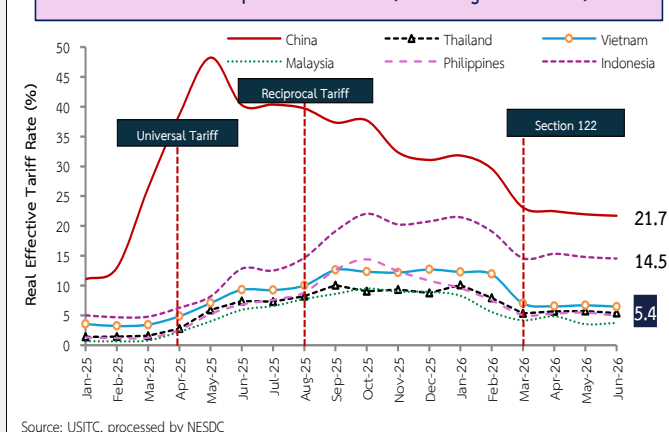
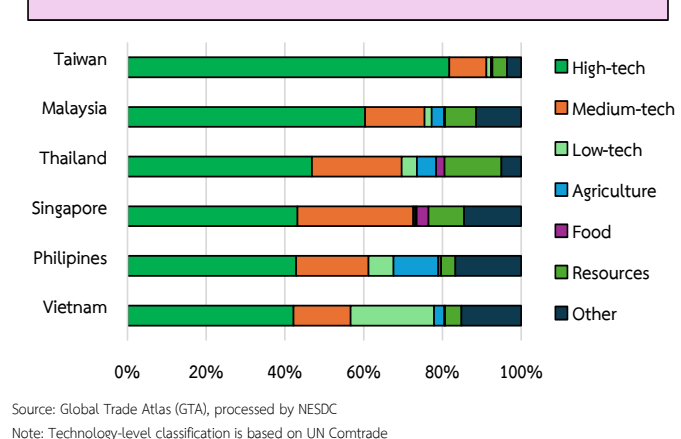


Figure 4: Export Structure to the U.S. Market of Asian Countries in 2025



Regarding key products expected to be affected by Section 301 (Table 1), U.S. import data show that the group of products subject to the 12.5 percent import tariff under Section 301 accounted for 12.79 percent of total U.S. imports from Thailand, expanding by 11.1 percent in the first six months of 2026. The main products the U.S. imports from Thailand are as follows: (1) Pet food (0.75 percent share) grew by 3.3 percent; (2) Rice (0.62 percent share) declined by 9.0 percent; (3) Jewelry and parts made of silver (0.47 percent share) grew by 2.6 percent; (4) Tuna, skipjack, and bonito (0.40 percent share) declined by 8.5 percent; and (5) Jewelry and parts not made of silver (0.35 percent share) declined by 38.2 percent. These are classified as at-risk products likely to be affected once the Section 301 import tariff takes effect in the period ahead.

Table 1: Growth Rates of Selected Products Expected to Be Affected by Section 301

Product Group / HS Code	Share (%) 6M-69	Growth (%YoY)						
		Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	6M-26
Total US imports from Thailand	100.00	65.3	89.0	68.0	94.0	68.8	54.6	73.3
Products affected by Section 301 (total)	12.79	9.9	12.0	0.4	12.0	20.2	12.1	11.1
230910 – Pet food	0.75	13.5	13.1	-16.0	9.6	2.1	-2.3	3.3
100630 - Rice	0.62	-9.0	-22.7	-20.8	3.2	11.0	-15.8	-9.0
711311 - Jewellery and parts (silver)	0.47	6.5	13.9	22.7	-14.7	-1.5	-11.1	2.6
160414 - Tuna, skipjack, and bonito	0.40	14.0	-10.6	-30.9	-4.7	-16.6	-2.4	-8.5
711319 - Jewellery and parts (non-silver)	0.35	-29.7	-45.4	-52.3	-54.1	-23.0	-24.9	-38.2
401190 - New pneumatic tires	0.34	61.6	60.2	0.9	25.1	5.8	-5.5	24.7
401512 - Medical gloves	0.25	-21.2	-4.6	-18.0	-32.5	18.9	-14.6	-12.0
392321 - Bags and sacks	0.25	2.2	18.0	-19.6	1.6	10.4	-2.1	1.8
901890 – Medical instruments and appliances	0.23	-0.4	-24.1	-33.5	-30.9	-32.1	-40.2	-26.9
420212 - Travel goods and similar containers	0.19	0.5	-24.3	-24.5	32.0	19.7	-5.6	-0.4

Source: Global Trade Atlas (GTA), processed by NESDC.

Note: The group of products affected by Section 301 (excluding products under Section 232 and products exempted under Section 301) is based on the USTR

Currently, the U.S. government is investigating the issue of structural excess capacity in the manufacturing sector. The key considerations of structural excess capacity include two factors: (1) **Evidentiary Indicators** and (2) **Policy Interventions**, with key details presented² as follows:

² Johannes Fritz, Ana Elena Sancho, Fiamma Angeles (2026) “Section 301 Investigation Candidates: What the US Trade Representative Worries About”

Table 2: Key Indicators for Considering Structural Excess Capacity

Evidentiary Indicators	
Trade Surplus	A persistently and significantly high trade surplus with the U.S.
Low-Capacity Utilization	The manufacturing sector operates below its potential, reflecting factory capacity that exceeds market demand
Sector Overcapacity	Production volume in particular industries (such as steel, batteries) exceed global market demand
Unprofitable Firms	The proportion of unprofitable firms yet remain in operation without going bankrupt
Policy Interventions	
Subsidies/Production	Financial assistance, tax privileges, or direct government subsidy measures to reduce producers' costs
Wage Suppression	Policies or practices suppressing wages below market mechanisms to control production costs
SOE Activities	Business operations by state-owned enterprises that receive government support to the extent of creating unfair competition or promoting excess production
Market Access	Measures, regulations, or tariffs that protect the domestic market and restrict foreign goods
Environmental and Labor Enforcement	Enforcement of environmental laws or labor rights below international standards to reduce production costs
Subsidized Lending	Provision of special low-interest credit from SFIs to targeted industry
Currency/Financial Repression)	Intervention to keep the exchange rate weaker than its true value

According to the 2026 National Trade Estimate Report on Foreign Trade Barriers issued by the Office of the U.S. Trade Representative (USTR), the risk factors that could lead to Thailand being considered as having structural overcapacity include: **(1) Trade surplus with the U.S.:** In 2025, the U.S. trade deficit with Thailand reached as high as 72 billion US dollars, up 58 percent from the previous year, as U.S. exports to Thailand grew at a low rate while Thai exports to the U.S. grew at a high rate; **(2) Low capacity utilization:** The report states that Thailand's manufacturing sector has operated at a capacity utilization rate below 60 percent for two consecutive years, with only about one-third of industries having returned to pre-COVID-19 levels; **(3) Sector-specific overcapacity:** The report states that Thailand still has insufficient measures to prevent the impact of market-distorting practices, including Thailand's non-participation in the Global Forum on Steel Excess Capacity, an international cooperation mechanism for exchanging information and jointly addressing excess steel production capacity, which is viewed as a limitation on cooperation and transparency in managing overcapacity issues; and **(4) Restriction of access to the domestic market:** In terms of tariff and quota measures, Thailand levies high import tariffs on agricultural products, averaging 28.3 percent, including a ban on ethanol imports for fuel use and requirements to purchase domestic raw materials before importing. In addition, there are barriers related to sanitary standards, as well as restrictions on foreign capital in services trade and investment.

In addition, the report identifies Thailand's structural overcapacity risks. This refers to production levels exceeding domestic or global market demand. Meanwhile, exports to the U.S. have continued to grow strongly, which could mean that production is being used to absorb surplus output or that goods are being illegally transshipped. The Thai sectors most exposed to this risk include automobiles and parts, machinery and components, and rubber products, all of which are major Thai exports to the U.S. In response, Thailand's Ministry of Commerce has stated that capacity utilization rates in the affected industries are mostly above 70 percent. Also, the government continues negotiations with the U.S. under the Agreement on Reciprocal Trade (ART). This issue should be closely monitored. If the investigation results in an unfavorable outcome for Thailand, certain Thai product groups could face cumulative Section 301 tariffs of up to 25 percent, consisting of 12.5 percent (the forced labor issue) and an additional 12.5 percent related to the overcapacity issue. This would directly weaken the competitiveness of key export industries, including automobiles, machinery, electronics, steel, and rubber.

Key Assumptions for 2026 Economic Projection:

World Economic Projection and Other Key Assumptions

	Actual Data			Projection for 2026	
	2023	2024	2025	May 18 th , 2026	Aug 17 th , 2026
World Economic Growth (%) ^{1/}	3.2	3.4	3.6	2.9	3.3
US	2.9	2.8	2.1	2.3	2.3
Eurozone	0.6	1.0	1.3	0.7	0.9
Japan	0.7	-0.2	1.2	0.6	0.6
China	5.4	5.0	5.0	4.4	4.4
Singapore	1.5	5.3	5.0	3.0	4.5
Taiwan	1.1	5.3	8.8	5.1	9.5
Vietnam	5.0	7.0	8.0	6.7	7.5
Global Trade Volume (%)	0.9	3.7	5.1	3.6	4.3
Exchange Rate (Baht/US Dollar)	34.8	35.3	32.9	32.0 - 33.0	32.5 - 33.5
Dubai Crude Oil (US Dollar/Barrel)	82.1	79.6	69.4	85.0 - 95.0	80.0 - 90.0
Export Price (US Dollar) (%)	1.2	1.4	0.7	1.8 - 2.8	2.5 - 3.5
Import Price (US Dollar) (%)	0.4	0.8	2.8	5.3 - 6.3	7.0 - 8.0
Number of foreign tourists (Million persons)	28.1	35.5	33.0	32.0	32.0
Income from Tourism (Trillion Baht) ^{2/}	1.20	1.50	1.47	1.49	1.65

Source: NESDC as of Aug 17th, 2026Notes: ^{1/} World economic growth is a trade-weighted average of 15 key economic partners^{2/} Based on the Bank of Thailand's balance of payment data and forecasted by the NESDC

- 1) The world economy in 2026 is projected to expand by 3.3 percent**, decelerating from 3.6 percent in 2025 but revised upward from 2.9 percent in the previous assumption. This reflects continued support from the digital technology cycle, which has driven strong and sustained growth in electronics exports across several economies, particularly the Newly Industrialized Economies (NIEs) and ASEAN economies. This has helped partially offset the adverse impacts of the conflict in the Middle East. Under these trends, **global trade volume in 2026 is projected to expand by 4.3 percent**, decelerating from 5.1 percent in 2025 but revised upward from 3.6 percent in the previous estimation.
- 2) The average exchange rate in 2026** is anticipated to be in the range of 32.5 – 33.5 baht per US dollar (midpoint of 33.0 baht per US dollar), depreciating slightly from an average of 32.9 baht per US dollar in 2025, and revised from the range of 32.0 – 33.0 baht per US dollar in the previous projection assumption, in order to align with the depreciating trend in July, when the rate averaged 33.5 baht per US dollar. As a result, the baht averaged 32.3 baht per US dollar over the first seven months of the year and is expected to continue depreciating for the remainder of the year.
- 3) The average Dubai crude oil price in 2026** is expected to be in the range of 80.0 – 90.0 US dollars per barrel (midpoint of 85.0 US dollars per barrel), an increase from 69.4 US dollars per barrel in 2025, but revised down from 85.0 – 95.0 US dollars per barrel (midpoint of 90.0 US dollars per barrel) in the previous projection. In June and July, in which the US and Iran reached a ceasefire agreement, the average crude oil price declined to 80.5 US dollars per barrel and 76.7 US dollars per barrel, respectively, compared with an average of 103.5 US dollars per barrel in May, resulting in an average Dubai crude oil price of 89.4 US dollars per barrel over the first seven months of the year. For the remainder of 2026, the improvement in shipping through the Strait of Hormuz and the earlier acceleration of production capacity by countries outside the Middle East are expected to keep world crude oil prices moving within a range close to current levels. Nevertheless, uncertainty over the Middle East conflict and delays in repairing damaged infrastructure remain risk factors that could bring volatility to crude oil prices and limit the extent of any further decline.

- 4) **Export and import prices in US dollar terms in 2026** are expected to increase within the range of 2.5 – 3.5 percent (midpoint of 3.0 percent) and 7.0 – 8.0 percent (midpoint of 7.5 percent), respectively, accelerating from 0.7 percent and 2.8 percent in 2025, and revised upward from 1.8 – 2.8 percent (midpoint of 2.3 percent) and 5.3 – 6.3 percent (midpoint of 5.8 percent) in the previous projection, in order to align with actual data during the first half of the year.
- 5) **Revenue from foreign tourists in 2026** is projected at 1.65 trillion baht, an increase of 12.1 percent from 1.47 trillion baht in the previous year, and revised upward from 1.49 trillion baht in the previous projection assumption, in line with the increase in average spending per head, which rose to 52,311 baht per person per trip during the first half of 2026, up 12.4 percent from the same period of the previous year. Meanwhile, the number of foreign tourists traveling to Thailand in 2026 is expected to stand at 32.0 million persons, unchanged from the previous projection assumption but down from 33.0 million persons in 2025. Although the Middle East conflict has led the number of tourists from the Middle East and long-haul markets to decline, tourists from key nearby markets, particularly China and Malaysia, continue to expand.
- 6) **Budget disbursement assumptions** are as follows: (1) the FY2026 annual expenditure budget disbursement rate at 90.9 percent of the total budget framework, comprising 98.0 percent for current expenditure and 70.0 percent for capital expenditure; (2) the FY2026 carry-over budget disbursement rate at 90.5 percent of the total budget, comprising 95.0 percent for current expenditure and 90.0 percent for capital expenditure, respectively; (3) the disbursement rate of state-owned enterprises' domestic capital budget in 2026 (a 15-month period from October 2025 to December 2026) at 90.0 percent of the budget framework, equivalent to approximately 325 billion baht in investment, a decline of 8.11 percent from the previous year; and (4) the Emergency Decree Authorizing the Ministry of Finance to Borrow for Addressing the Impacts of the Energy Crisis and Supporting the Country's Energy Transition, B.E. 2569, under which the Program 1 budget had a cumulative disbursement, as of August 11, 2026, of 102,996.5 million baht, and is expected to be fully disbursed up to the Cabinet-approved budget of 175,718.7 million baht, while Program 2 is expected to disburse a total of 50,000 million baht by the fourth quarter of 2026.

The Thai Economic Prospect 2026

The Thai economy in 2026 is projected to expand within the range of 2.0 - 2.5 percent (midpoint projection of 2.2 percent), continuing from 2.4 percent in 2025. Headline inflation is expected to be in the range of 1.5 – 2.0 percent, and the current account is projected to record a deficit of 1.2 percent of GDP.

In its press release on August 17th, 2026, the National Economic and Social Development Council (NESDC) projected that the Thai economy in 2026 would expand by 2.0 - 2.5 percent, with a midpoint of 2.2 percent, continuing from 2.4 percent in 2025, and reflecting an upward revision from the projection of 1.5 – 2.5 percent (midpoint of 2.0 percent) in the press release of May 18th, 2026. The components of economic growth have been adjusted to reflect changing conditions and revisions to key projection assumptions, as follows:

- 1) **Adjustment of the world economic and global trade volume assumptions**, to align with the continued expansion in demand for electronics and advanced-technology products, which has supported the continued strong expansion of good exports for countries in the electronics supply chain. The world economy and global trade volume are accordingly expected to expand by 3.3 percent and 4.3 percent, respectively, revised upward from 2.9 percent and 3.6 percent in the previous projection. This upward revision to global economic and trade growth assumptions has resulted in merchandise export growth being projected higher than in the previous projection.
- 2) **Downward revision of the Dubai crude oil price assumption**, from an average of 85.0 - 95.0 US dollars per barrel in the previous projection to an average of 80.0 - 90.0 US dollars per barrel, in line with the temporary ceasefire agreement reached between the US and Iran on June 17, 2026, which brought the Dubai crude oil price down to 63.3 US dollars per barrel on July 2, 2026, the lowest level since the outbreak of the conflict, and resulted in an average Dubai crude oil price of 89.5 US dollars per barrel over the first seven months, below the previous projection assumption. Crude oil prices in the second half of the year are expected to remain broadly stable near current levels. This downward revision to the crude oil price assumption has resulted in lower inflationary pressure than in the previous projection.
- 3) **Revision of the export and import price projections**, as the import prices in the second quarter rose faster than export prices, in line with the acceleration of world oil prices. Combined with the upward revision to projected import volume, following the upward revision to projected private investment growth, and the upward revision to projected services payments, in line with rising shipping costs, this has increased pressure on the trade deficit and current account balance.

Key components of Economic growth;

- 1) **Total Consumption:** (1) **Private consumption** is expected to expand by 2.6 percent, continuing from 2.7 percent in 2025 and revised upward from 2.4 percent in the previous projection, in line with the downward revision to the energy price assumption, which has lowered the projected inflation rate, compounded by supporting factors from the expansion of the income base across the export, agricultural, and tourism sectors; and (2) **Government consumption** is expected to expand by 1.2 percent, accelerating from 0.6 percent in 2025 and unchanged from the previous projection, in line with the increase in the current expenditure budget framework under both the FY2026 annual expenditure budget and the FY2026 carry-over budget.
- 2) **Total investment** is expected to expand by 7.9 percent, accelerating from 4.9 percent and revised upward from 3.5 percent in the previous projection. (1) **Private investment** is expected to expand by 9.6 percent, accelerating from 3.5 percent and revised upward from 3.7 percent in the previous projection, in line with the continued expansion of investment in machinery and equipment, consistent with the continued expansion of imports of intermediate raw materials and capital goods, as well as the increase in investment promotion applications, particularly in the digital, electronics, and electrical appliance categories, which remain at a high level. (2) **Public investment** is expected to expand by 3.1 percent, slowing from 8.9 percent and unchanged from the previous projection, aligning with the capital expenditure budget frameworks under both the FY2026 annual expenditure budget and the FY2026 carry-over budget, which are expanding at a slower pace than in the previous fiscal year.
- 3) **The export value of goods in US dollar terms** is expected to expand by 15.1 percent, accelerating from 12.8 percent in 2025 and revised upward from 9.6 percent in the previous projection, in line with the upward revision to the world economic and global trade volume assumptions, reflecting demand for electronics and advanced-technology products, which has driven the continued expansion of electronics export value. Meanwhile, services exports are expected to increase in line with rising travel expenditure, which has driven up average tourist spending per head. Revenue from foreign tourists in 2026 is projected at 1.65 trillion baht, compared with 1.47 trillion baht in 2025, and revised upward from 1.49 trillion baht in the previous projection. As a result, the volume of exports of goods and services in 2026 is expected to expand by 10.6 percent, accelerating from 9.3 percent in the previous year and revised upward from 6.2 percent in the previous projection.
- 4) **The import value of goods in US dollar terms** is expected to expand by 25.5 percent, an increase from 12.5 percent in 2025 and revised upward from 14.2 percent in the previous projection, in line with the expected expansion of good export value and private investment. Coupled with services imports, which have risen in line with higher maritime shipping costs, the volume of imports of goods and services in 2026 is expected to expand at a high rate of 16.0 percent, accelerating from 6.8 percent in 2025 and revised upward from 7.7 percent in the previous projection, consistent with the continued expansion of investment in machinery and equipment.
- 5) **Trade balance** is projected to record a deficit of 3.73 billion US dollars, compared with a surplus of 24.8 billion US dollars in 2025, and revised down from a surplus of 11.2 billion US dollars in the previous projection, in line with the strong expansion of merchandise import value. Combined with the services balance, which is also expected to record a deficit due to persistently elevated shipping costs, the current account in 2026 is expected to record a deficit of 7.43 billion US dollars (1.2 percent of GDP), compared with a surplus of 17.4 billion US dollars (3.0 percent of GDP) in 2025, marking the first current account deficit since 2022.
- 6) **Economic Stability:** Headline inflation in 2026 is projected to average within a range of 1.5 - 2.0 percent (midpoint of 1.7 percent), compared with a decline of (-0.1) percent in 2025, representing a downward revision from the previous projection of 2.0 – 3.0 percent (midpoint of 2.5 percent), in line with the downward revision to the Dubai crude oil price assumption.

6. Economic Management for the Year 2026

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

- 1) **Supporting agricultural production and strengthening farmers' income security**, with priority given to: **(1) preparing for water resource management to mitigate the effects of dry spells associated with El Niño**, by maximizing water storage in dams and key reservoirs during the rainy season in accordance with the potential of each water source; adjusting the cropping plan and calendar for the 2026/2027 crop year to align with available water supply; accelerating the development of reserve water sources and distribution systems in drought-risk areas; and closely monitoring water and weather conditions to enable timely warnings and adjustments to production plans; **(2) ensuring the adequacy of agricultural inputs, particularly urea fertilizer**, to mitigate risks from the conflict in the Middle East and disruptions to shipping routes, by accelerating the diversification of import sources and managing fertilizer reserves during periods of falling global prices to maintain adequate supply for the planting season, together with monitoring domestic stock levels and selling prices to prevent hoarding and opportunistic price increases, and promoting the site-specific nutrient management technology based on soil analysis and crop requirements to reduce farmers' production costs; and **(3) enhancing agricultural productivity and value addition**, by promoting the use of technology and innovation in processing, strengthening linkages among farmers, businesses, buyers, and markets, as well as upgrading production, safety, quality, and environmental standards to align with market demand and trading-partner regulations.
- 2) **Sustaining continuous growth in the export sector**, with priority given to: **(1) mitigating the impacts from U.S. trade measures**, by accelerating negotiations to reach a conclusion with the U.S. government under the Agreement on Reciprocal Trade (ART), together with preparing supplementary factual clarifications in support of the Section 301 investigation process under the U.S. Trade Act of 1974 regarding excess industrial production capacity, as well as strengthening rules-of-origin verification to prevent fraudulent claims of origin and trade circumvention and reduce the risk of additional U.S. trade-restrictive measures; **(2) expanding economic cooperation and seeking new market opportunity to diversify risks**, by accelerating negotiations on free trade agreements and economic cooperation with key trading partners, together with addressing regulatory constraints and obstacles relating to product standards, customs procedures, and trade facilitation; **(3) sustaining momentum and building on the growth of exports of electronics and products related to artificial intelligence (AI) technology**, together with strengthening supply-chain linkages and increasing the use of domestically sourced raw materials and parts by enhancing the capabilities of Thai entrepreneurs, developing labor skills, and promoting research and development; and **(4) providing exporters with practical guidance on trading partners' regulations and trade measures**, particularly U.S. measures, the Carbon Border Adjustment Mechanism (CBAM), and environmental and labor requirements, together with helping entrepreneurs manage risks arising from exchange-rate volatility and export costs.
- 3) **Accelerating private investment**, particularly accelerating the conversion of projects already issued investment-promotion certificates into actual investment, with priority given to: **(1) facilitating investment and removing barriers**, by improving public service efficiency and reforming business regulations through accelerating the implementation of the Thailand FastPass system, and improving customs procedures and product standard certification process, together with setting appropriate investment-promotion conditions and proactively engaging with promoted investors to ensure that approved projects proceed to actual investment promptly; **(2) developing an investment-friendly ecosystem**, comprising: (2.1) promoting investment and development in research, technology, and innovation; (2.2) developing workers' capabilities in skills-shortage areas to meet labor-market demand, together with attracting talent foreign workers; and (2.3) developing critical infrastructure in transport and logistics, digital infrastructure, and utilities, particularly electricity, clean energy, and water supply, to ensure sufficiency for industrial-sector demand, together with establishing a systematic framework and guidelines for managing investment and operation in data center, taking into account the balance between investment and appropriate resource allocation, particularly avoiding the transfer of costs from large-scale investment to the public, and avoiding impacts on energy and water security, environmental management, and data security; and **(3) maximizing domestic spillovers from Foreign Direct Investment (FDI) for local enterprises**, through: (3.1) upgrading investment promotion criteria to further promote the use of domestic raw materials in order to reduce reliance on imported content, promote the employment of Thai workers, greater procurement from domestic enterprises and service providers, and technology transfer; and (3.2) establishing conditions for mechanisms to develop domestic entrepreneurs, particularly Thai SMEs, through training, advisory services, and technical assistance.

- 4) **Maintaining support from government spending and infrastructure investment**, with priority given to: **(1) preparing investment projects** to enable rapid contracting and disbursement from the beginning of the fiscal year, while accelerating the disbursement of approved carry-over budgets as quickly as possible, particularly for capital expenditure; **(2) implementing projects under the Emergency Decree Authorizing the Ministry of Finance to Borrow Funds to Address the Impact of the Energy Crisis and Support Thailand's Energy Transition, B.E. 2569 (2026)**, with a budget of 400 billion Baht, particularly under Plan 2, to ensure efficient disbursement and the generation of economic activity in line with the objectives and targets of the decree; **(3) accelerating infrastructure investment through public-private partnerships (PPPs) and fundraising through the Thailand Future Fund**, to enhance the efficiency of infrastructure development and reduce the fiscal burden on the government; and **(4) maintaining sufficient fiscal space to accommodate future uncertainties**, including geopolitical conflicts, trade-restrictive measures, and climate change, by establishing clear approaches to reducing the fiscal deficit and maintaining public debt at an appropriate level.
- 5) **Preparing for risks from the conflict in the Middle East**, which remains critical and highly uncertain, particularly the impact of rising energy prices and supply-chain disruptions, with priority given to: **(1) managing energy security**, to prepare for a scenario in which the conflict escalates and affects critical energy transport routes; **(2) ensuring the adequacy of raw materials and intermediate goods critical to the manufacturing sector**, particularly products reliant on imports from the Middle East or on high-risk transport routes, such as petrochemical raw materials, chemicals, and fertilizer, by monitoring stock levels, preparing alternative import sources, and promoting the use of substitute raw materials where feasible; and **(3) closely monitoring the impact of energy price volatility on price levels and production costs**, while preparing contingency measures in case rising energy costs are passed through to the prices of essential consumer goods and significantly affect the cost of living especially for the low-income and vulnerable group.

Projection for 2026^{1/}

	Actual Data			Projection for 2026	
	2023	2024	2025	May 18 th , 2026	Aug 17 th , 2026
GDP (at current prices: Bil. Bht)	17,993.2	18,683.9	18,971.7	19,882.4	19,711.6
GDP per capita (Bht per year)	256,895.5	266,102.7	269,615.0	282,024.4	279,602.4
GDP (at current prices: Bil. USD)	516.9	529.4	577.0	611.8	597.3
GDP per capita (USD per year)	7,380.6	7,539.3	8,200.0	8,677.7	8,472.8
GDP Growth (CVM, %)	2.2	2.9	2.4	1.5 - 2.5	2.0 - 2.5
Investment (CVM, %) ^{2/}	1.2	-0.3	4.9	3.5	7.9
Private (CVM, %)	3.1	-1.9	3.5	3.7	9.6
Public (CVM, %)	-4.2	4.5	8.9	3.1	3.1
Private Consumption (CVM, %)	6.7	4.4	2.7	2.4	2.6
Government Consumption (CVM, %)	-4.6	2.6	0.6	1.2	1.2
Export volume of goods & services (%)	2.7	7.5	9.3	6.2	10.6
Export value of goods (Bil. USD) ^{3/}	280.7	297.3	335.3	367.1	385.9
Growth rate (%) ^{3/}	-1.5	5.9	12.8	9.6	15.1
Growth rate (Volume, %) ^{3/}	-2.7	4.4	12.0	7.3	12.1
Import volume of goods & services (%)	-2.5	5.7	6.8	7.7	16.0
Import value of goods (Bil. USD) ^{3/}	261.6	275.9	310.4	355.9	389.6
Growth rate (%) ^{3/}	-3.7	5.5	12.5	14.2	25.5
Growth rate (Volume, %) ^{3/}	-4.1	4.8	9.4	8.4	18.0
Trade balance (Bil. USD)	19.2	21.4	24.8	11.2	-3.7
Current account balance (Bil. USD)	8.5	11.6	17.4	6.2	-7.4
Current account to GDP (%)	1.6	2.2	3.0	1.0	-1.2
Inflation (%)					
CPI	1.2	0.4	-0.1	2.0 - 3.0	1.5 - 2.0
GDP Deflator	1.3	0.9	-0.9	2.3 - 3.3	1.5 - 2.0

Source: Office of the National Economic and Social Development Council, 17th Aug 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.