OFFICE OF THE NATIONAL ECONOMIC AND SOCIAL DEVELOPMENT COUNCIL

Q3/2026

NESDC Economic Report









Thai Economic Performance in Q3 and Outlook for 2026 - 2027

Macroeconomic Strategy and Planning Office

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Thai Economic Performance in Q3 of 2026 and Outlook for 2026 - 2027

The Thai economy in the third quarter of 2026 expanded by 2.9 percent (%YoY), accelerating from 2.4 percent in the second quarter of 2026. After seasonal adjustment, the Thai economy expanded by 0.3 percent from the second quarter of 2026 (%QoQ_SA)

On the expenditure side: Private consumption, private investment, and exports of goods accelerated. Public investment returned to expansion, while government consumption expenditure declined.

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

Economic Projection for 2026 - 2027

(%YoY)	2025	2026 (f)				2027 (f)
	Year	Q1	Q2	Q3	Year	Year
GDP (CVM)	2.4	3.1	2.4	2.9	2.5	2.0 - 3.0
Investment[1/]	4.9	9.9	9.2	11.8	11.1	6.7
Private	3.5	10.1	13.5	16.2	14.1	7.9
Public	8.9	9.4	-1.6	1.7	3.1	3.3
Private Consumption	2.7	3.0	2.1	2.5	2.3	2.0
Government Consumption	0.6	3.4	0.2	-1.6	1.2	1.0
Export of Goods [2/]	12.8	17.4	17.3	23.6	20.4	8.6
Volume [2/]	12.1	14.7	13.4	19.8	17.4	7.1
Import of Goods [2/]	13.4	25.8	36.0	36.6	29.3	9.1
Volume [2/]	10.3	19.2	22.4	23.6	19.5	6.1
Current Account to GDP (%)	5.0	5.1	-8.3	1.0	0.6	1.4
Inflation	-0.1	-0.5	2.7	2.4	2.0	0.8 - 1.8

Note: [1/] Investment means Gross Fixed Capital Formation

[2/] based on the Bank of Thailand's data

The Thai Economic Outlook for 2026

The Thai economy in 2026 is projected to expand by 2.5 percent, continuing from 2.4 percent in 2025, while inflation is expected to be 2.0 percent, and the current account is expected to record a surplus of 0.6 percent of GDP.

The Thai Economic Outlook for 2027

The Thai economy in 2027 is projected to expand within the range of 2.0 - 3.0 percent (with a midpoint estimate of 2.5 percent), continuing from 2.5-percent growth in 2026. Headline inflation is anticipated to be within the range of 0.8-1.8 percent, while the current account balance is expected to record a surplus equivalent to 1.4 percent of GDP.

Supporting factors

- Accelerating public investment
- Continued expansion in private demand
- The recovery of tourism and related services
- Stronger momentum from net exports

Risk Factors and Limitations

- Risks from a sharper-than-expected slowdown in the world economy and global trade
- The impact of climate change on agriculture
- Elevated household debt burdens and the deteriorating credit quality of SMEs.

Economic management in the remainder of 2026 and 2027 should prioritize the following:

1. **Preparing for risks arising from the highly uncertain conflict in the Middle East,** by prioritizing energy security, ensuring adequate supplies of critical raw materials and intermediate goods, and closely monitoring the effect of energy price volatility on price levels and production costs, while preparing contingency measures to address the pass-through of higher production costs to essential consumer goods prices and the resulting impact on the cost of living, especially for low-income households.
2. **Supporting agricultural production and strengthening farmers' income security**, with priority given to: (1) preparing water resource management plans (2) preparing financial and fiscal measures to provide assistance to affected farmers and support the recovery of agricultural production following natural disasters, and (3) enhancing agricultural productivity and value added.
3. **Accelerating the recovery of the tourism sector**, with priority given to: (1) restoring confidence and revitalizing key international tourist markets, (2) implementing the Tourism Authority of Thailand's 2027 tourism plan under "The Year of Transformation" initiative, and (3) continuously supporting domestic tourism.
4. **Maintaining growth momentum in the export sector**, with priority given to: (1) mitigating the impact of U.S. trade-restrictive measures, (2) strengthening economic cooperation and diversifying export markets, (3) enhancing knowledge and understanding of trading partners' regulations and trade measures, and (4) supporting a recovery in agricultural exports and strengthening their competitiveness in the global market.
5. **Driving private investment,** with a focus on: (1) upgrading investment promotion criteria to further encourage the use of domestically sourced raw materials, and (2) establishing conditions for mechanisms to develop domestic entrepreneurs, particularly Thai SMEs.
6. **Maintaining economic momentum through government spending and infrastructure investment**, with priority given to: (1) accelerating the disbursement of the FY2027 annual budget, (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 mobilizing funds through the Thailand Future Fund, and (4) maintaining sufficient fiscal space to accommodate future economic uncertainties

1. The Thai Economy in Q3/2026

Expenditure Side:

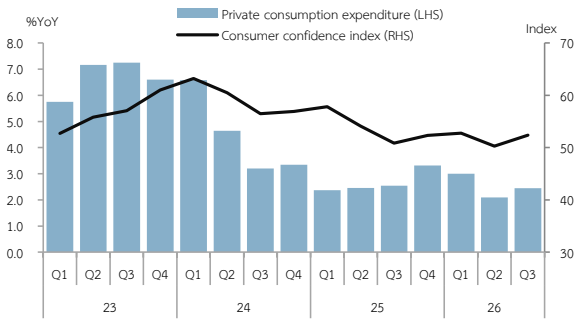
In the third quarter of 2026, private consumption, private investment and exports of goods accelerated.

Private consumption expenditure grew by 2.5 percent, accelerating from a growth of 2.1 percent in the previous quarter. By category, **spending on durable goods** rose by 12.6 percent, accelerating from a 3.7-percent growth in the previous quarter. This was driven by strong expansion in vehicle purchases, which increased by 20.9 percent, compared with 12.3 percent in the previous quarter. **Spending on non-durable goods** increased by 2.6 percent, up from 2.4 percent in the previous quarter, mainly due to expansion of spending on food and non-alcohol beverage and on electricity, gas and other fuels. In contrast, **spending on services** rose by 0.8 percent, slowing from 1.2 percent in the previous quarter, owing to slower growth in spending on hotels and restaurants as well as healthcare services. **Spending on semi-durable goods** increased by 3.0 percent, decelerating from 4.0 percent in the previous quarter, primarily driven by weaker spending on clothing and footwear as well as furniture. Overall, the expansion in private consumption expenditure in this quarter was consistent with the Consumer Confidence Index (CCI), which rose to 52.4 from 50.3 in the previous quarter.

Private consumption expenditure expanded by 2.5 percent, higher than a 2.1 percent growth in the previous quarter.

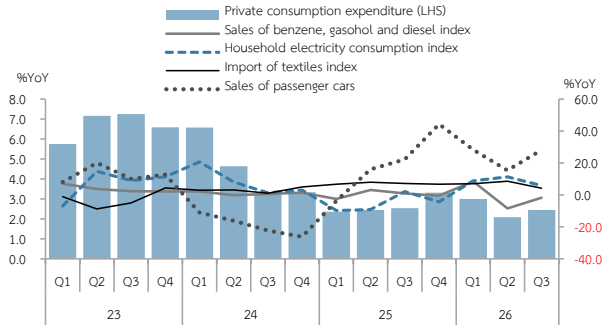
In the first nine months of 2026, private consumption expenditure grew by 2.5 percent, the same rate as in the corresponding period of the previous year.

Private consumption expenditure accelerated



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

Private consumption expenditure and key indicators



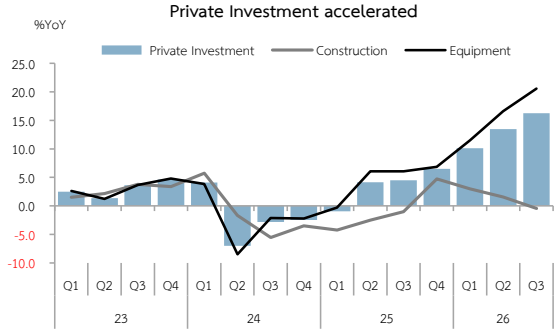
Source: NESDC, BOT, and Department of Energy

Private investment increased by 16.2 percent, accelerating from 13.5 percent in the previous quarter. This was the highest growth in fifty-five quarters since the fourth quarter of 2012. **Investment in machinery and equipment** grew by 20.5 percent, up from 16.6 percent in the previous quarter. This increase was mainly supported by stronger investment in office equipment, consistent with the expansion in imports of computers and parts, as well as accelerating investment in industrial machinery, while investment in transport equipment continued to grow. In contrast, **investment in construction** contracted for the first time in four quarters, falling by 0.5 percent after growth of 1.6 percent in the previous quarter. Residential construction decreased by 1.0 percent, compared with a 0.5 percent growth in the preceding quarter. Non-residential construction also declined by 0.8 percent, reversing an increase of 2.6 percent in the previous quarter. This decline was driven mainly by industrial factory construction, which fell by 0.5 percent for the first time in fourteen quarters. Commercial building construction also decreased by 1.7 percent, marking its first decline in four quarters. Overall, the surge in private investment this quarter was consistent with an improvement in the Business Sentiment Index (BSI), which rose to 48.2 from 44.0 in the previous quarter, reflecting stronger sentiment in the rubber processing, plastic packaging, food and beverages, and hotel and restaurant sectors.

Private investment recorded the highest growth in 55 quarters, which grew by 16.2 percent. This growth was driven by expansion in machinery and equipment.

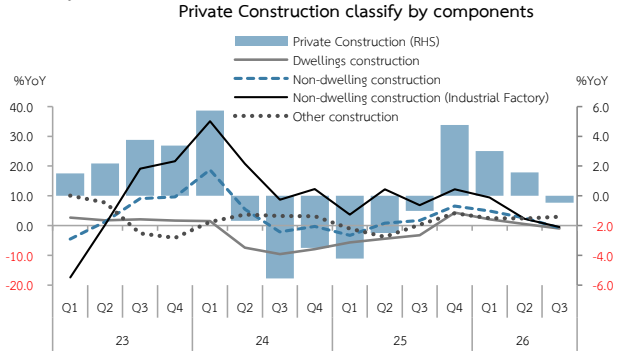
In the first nine months of 2026, private investment grew by 13.2 percent, compared with a 2.4-percent expansion in the corresponding period of the previous year.

Private Investment accelerated



Source: NESDC

Private Construction classify by components

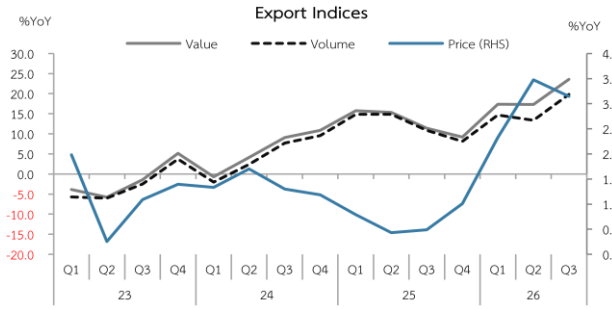


Source: NESDC

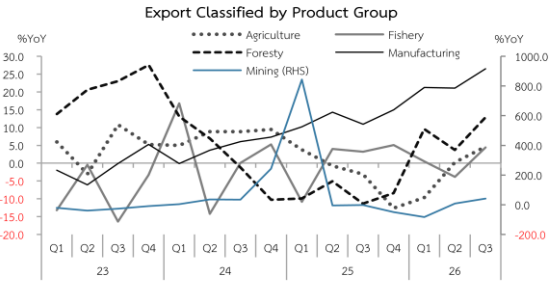
Exports in US dollar terms reached 106,377 million US dollars in the third quarter of 2026, increasing by 23.6 percent, accelerating from 17.3 percent in the previous quarter and marking the highest growth in twenty-one quarters since the second quarter of 2021. This was driven by high growth in the export value of manufacturing products, particularly electronics, in line with global demand for products related to artificial intelligence (AI) and data centers. The export value of agricultural products increased by 4.6 percent, accelerating from 0.3 percent in the previous quarter, mainly driven by higher agricultural export prices, while export volume continued to decline, following lower rice export volume amid price competition in the global market. **The export volume index** increased by 19.8 percent, accelerating from 13.4 percent in the previous quarter, in line with increases in the export volumes of manufacturing and fishery products of 23.4 percent and 4.3 percent, respectively, while the export volume of agricultural products declined by 1.2 percent. **The export price index** increased by 3.1 percent, decelerating from 3.5 percent in the previous quarter, following increases in the export prices of agricultural and manufacturing products of 6.1 percent and 2.5 percent, respectively. Excluding gold exports, export value increased by 25.2 percent, accelerating from 18.0 percent in the previous quarter. **In Thai Baht terms**, exports reached 3,536 billion Baht, increasing by 27.2 percent, accelerating from 15.6 percent in the previous quarter.

Exports in US dollar terms expanded by 23.6 percent, the highest growth in twenty-one quarters, mainly driven by accelerated exports of manufacturing products.

In the first nine months of 2026, exports were valued at 300,010 million US dollars, increasing by 19.5 percent, compared with a 14.1-percent increase in the same period of last year, with export volume rising by 16.0 percent and export prices rising by 3.0 percent. In Thai Baht terms, exports were valued at 9,757 billion Baht, increasing by 17.4 percent, compared with a 5.7-percent increase in the same period of last year.



Source: Bank of Thailand

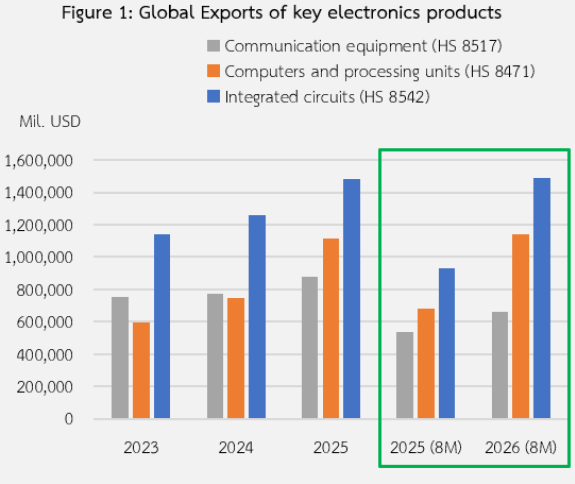


Source: Bank of Thailand

Thai Exports of AI- and Data Center-related Electronics and Implications for SMEs

Since 2024, global demand for electronic products related to AI and data centers has increased continuously, as reflected in **the high growth of world export value in this product group in the first eight months of 2026. Ranked by global export value, the top three products were** (1) integrated circuits, which expanded by 60.6 percent; (2) computers and processing units, which expanded by 67.5 percent; and (3) communication and telecommunication equipment, which expanded by 23.0 percent (Figure 1). **Among these products, Thailand's largest exports were** (1) communication and telecommunication equipment, which expanded at a high rate of 134.9 percent (accounting for 8.4 percent of total exports), followed by (2) computers and processing units, which expanded by 17.7 percent (6.8 percent of total exports), and (3) integrated circuits, which expanded by 15.5 percent (3.3 percent of total exports).

Figure 1: Global Exports of key electronics products

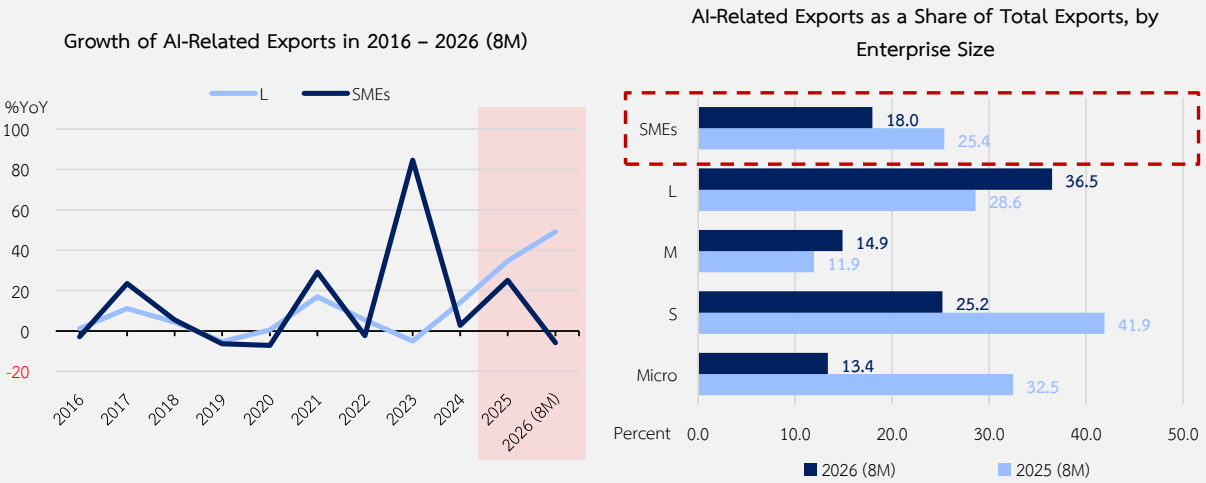


Source: Global Trade Atlas, compiled by NESDC

Export data by enterprise size from the Office of Small and Medium Enterprises Promotion (OSMEP) indicate that, **in the first eight months of 2026, large enterprises remained the dominant exporters of AI-related products, while small and medium enterprises (SMEs) benefited only in certain products.** Exports of AI-related products (4-digit HS codes) totaled approximately 89,206 million US dollars, expanding by 42.9 percent and accounting for 33.5 percent of total export value. Of this, exports by large enterprises (LEs) amounted to 82,437 million US dollars, expanding by 49.2 percent (a 92.4-percent share of all enterprise sizes), whereas exports by SMEs amounted to 6,690 million US dollars, declining by 5.8 percent (a 7.5-percent share). Exports by micro enterprises and small enterprises (SEs) declined by 7.0 percent and 24.9 percent, respectively, while those of medium enterprises (MEs) still expanded by 42.1 percent. Moreover, the share of AI-related products in SMEs' total exports in the first eight months of 2026 stood at 18.0 percent, down from 25.4 percent in the same period of last year, whereas the corresponding share for large enterprises rose from 28.6 percent to 36.5 percent. This reflects signs of divergent, K-shaped growth between large enterprises and SMEs (Figure 2).

Thai Exports of AI- and Data Center-related Electronics and Implications for SMEs (Cont.)

Figure 2: Growth Rate and Share of AI-Related Exports by Enterprise Size, 2016 – 2026 (8M)



Source: Office of Small and Medium Enterprises Promotion (OSMEP), compiled by NESDC

By product (Table 1), the growth in exports of AI-related products was driven by communication equipment, which expanded by 134.9 percent, and computer parts and equipment, which expanded by 160.0 percent, of which large enterprises accounted for 97.8 percent and 91.8 percent, respectively. The decline in SMEs's exports stemmed from lower exports of computers, processing units, and HDDs, which declined by 70.2 percent, particularly among small enterprises, whose exports fell by as much as 84.4 percent, as well as integrated circuits, which declined by 48.3 percent. Nevertheless, SMEs continued to play a role in components and accessories, including wires and cables, in which SMEs held their highest share at 25.8 percent, with exports expanding by 112.2 percent; electrical control and distribution boards, with a share of 13.1 percent and growth of 129.9 percent; diodes and transistors, with a share of 12.6 percent and growth of 339.6 percent; and computer parts and equipment, in which SMEs' exports expanded by 418.1 percent. This suggests that Thai SMEs have begun to integrate into the supply chain of AI-related products in the components and accessories segment, while final and high-technology products remain concentrated among large enterprises.

Table 1: Top 10 AI-Related Exports by Enterprise Size in the first 8 months of 2026

HS	Product	Total Value (Million USD)	Growth (%YoY)	LE Share (%)	LE Growth (%YoY)	SMEs Value (Million USD)	SMEs Share (%)	SMEs Growth (%YoY)
8517	Telecommunication equipment	22,255	134.9	97.8	134.4	487	2.2	166.3
8471	Computers, processing units and HDDs	18,055	17.7	95.1	38.5	870	4.8	-70.2
8542	Integrated Circuits (IC)	8,732	15.5	95.8	22.0	362	4.2	-48.3
8473	Computer parts	8,268	160.0	91.8	149.0	682	8.2	418.1
8504	Electrical transformers	5,248	37.8	96.0	36.8	209	4.0	65.8
8537	Electrical control and distribution boards	2,829	16.2	86.7	8.1	371	13.1	129.9
8443	Printers	2,609	17.5	95.7	17.5	112	4.3	17.6
8541	Diodes and transistors	2,130	21.4	87.4	10.0	268	12.6	339.6
8544	Wire and Cable	1,781	46.9	74.0	32.8	459	25.8	112.2
8414	Air and vacuum pumps	1,692	20.9	90.2	16.1	156	9.2	100.4
	Total AI-related products	**89,206**	**42.9**	**92.4**	**49.2**	**6,690**	**7.5**	**-5.8**
	Other products	**176,944**	**9.9**	**81.1**	**4.1**	**30,532**	**17.3**	**46.3**
	Grand total	**266,150**	**19.1**	**84.9**	**17.0**	**37,222**	**14.0**	**33.1**

Source: OSMEP, compiled by NESDC

Note: SMEs = Micro, Small (SE) and Medium Enterprise (ME)

In summary, to ensure that the growing demand for AI and data center-related products, in whose global supply chain Thailand participates, generates benefits that are distributed across all levels of the economy, particularly to SMEs, the government should prioritize (1) attracting investment from manufacturers of electronics and data center-related equipment in products in which Thailand has potential, such as communication and network equipment, by linking investment privileges to the use of domestically produced components and local suppliers; (2) integrating Thai entrepreneurs into the supply chains of multinational corporations through business matching and the development of domestic component manufacturers; (3) upgrading the capabilities of SMEs in high-potential component segments, such as electrical control panels and semiconductor devices, in terms of standards, production technology, and labor skills; (4) supporting access to finance for upgrading machinery and technology, so that SMEs can compete with large enterprises; and (5) monitoring the influx of substandard imported components, so that the growth of AI-related industries can generate domestic value added in an inclusive and sustainable manner.

The export value of agricultural products increased by 4.6 percent, accelerating from 0.3 percent in the previous quarter, driven by a 6.1-percent increase in the export price index, while the export volume index declined by 1.2 percent. Major agricultural products with export value expansion included **rubber**, which expanded by 29.0 percent, as export volume and prices increased by 2.8 percent and 25.5 percent, respectively; **durian**, which expanded by 8.8 percent, as export volume rose by 14.4 percent but export prices declined by 4.8 percent; and **other fruits**, which expanded by 8.0 percent, as export volume declined by 7.5 percent while export prices increased by 16.8 percent. In contrast, rice declined by 9.2 percent, as export volume fell by 20.4 percent despite a 14.1-percent increase in export prices. **The export value of manufacturing products** increased by 26.5 percent, accelerating from 21.1 percent in the previous quarter, following increases in export volume and prices of 23.4 percent and 2.5 percent, respectively. Major manufacturing products with higher export value included telecommunication equipment (115.9 percent), computer parts and accessories (68.0 percent), machinery and equipment (25.7 percent), petroleum products (102.5 percent), metal products (23.5 percent), integrated circuits and parts (32.9 percent), and chemicals & petro-chemical products (13.1 percent). Meanwhile, major manufacturing products with lower export value included food (down 4.8 percent), passenger cars (down 12.0 percent), sugar (down 16.5 percent), and aircraft, ships, floating structures, and locomotives (down 10.1 percent). **The export value of fishery products** increased by 4.5 percent, while **other export products** decreased by 5.4 percent, in line with a 5.7-percent decline in exports of unwrought gold.

Export Value of Major Products in US Dollar Terms

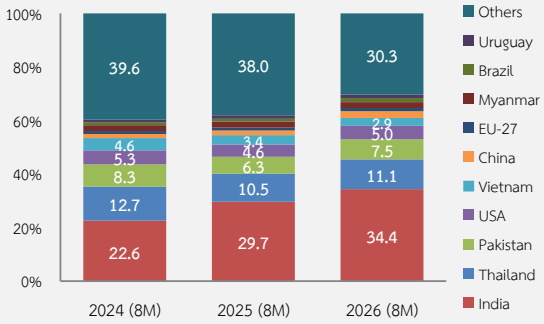
%YOY	2025						2026				Share Q3/26(%)
	Year	Q1	Q2	Q3	9M	Q4	Q1	Q2	Q3	9M	
Agriculture	**-3.0**	**3.8**	**-0.7**	**-3.1**	**-0.3**	**-12.6**	**-9.7**	**0.3**	**4.6**	**-1.1**	**5.2**
Rubber	0.4	32.4	4.4	-21.4	3.7	-8.7	-22.5	-4.9	29.0	-2.5	1.3
Durian	1.9	-0.5	-5.7	31.5	2.5	-8.7	181.1	26.7	8.8	28.7	1.0
Other fruits	-2.6	-1.7	35.1	-9.2	6.9	-27.6	-14.4	-26.6	8.0	-11.4	0.8
Rice	-27.0	-23.5	-32.3	-25.0	-27.1	-26.9	-23.7	-17.1	-9.2	-16.8	1.0
Manufacturing	**12.6**	**10.2**	**14.3**	**11.0**	**11.8**	**15.0**	**21.3**	**21.1**	**26.5**	**23.0**	**89.5**
Electronics	46.9	43.2	50.4	43.6	45.9	49.4	57.3	59.5	71.7	63.3	24.6
- Telecommunication equipment	46.2	24.6	17.4	55.2	33.0	83.0	140.1	129.0	115.9	126.2	10.4
- Computer parts & accessories	33.0	50.4	37.7	18.8	34.2	30.3	45.4	65.5	68.0	60.0	6.8
- Integrated circuits & parts	27.7	24.5	42.3	31.0	32.6	14.2	8.3	13.8	32.9	18.9	3.7
- Computer	138.7	130.8	210.6	125.0	158.2	91.0	20.2	10.8	27.5	18.3	3.0
Electrical Appliances	8.5	4.5	5.8	6.6	5.6	17.9	19.6	10.9	34.9	21.8	8.9
- Parts of electrical appliances	-4.6	-16.5	-14.5	-4.8	-12.0	24.0	32.6	18.3	5.7	18.4	1.8
- Refrigerators	8.8	0.7	13.5	11.8	8.6	9.5	8.0	3.3	9.9	7.1	0.6
- Air conditioning machines	7.2	28.0	5.2	-6.5	10.6	-4.1	0.6	-3.5	1.7	-0.4	1.1
Machinery & equipment	14.5	14.1	17.8	14.2	15.3	12.1	21.9	22.1	25.7	23.3	9.2
Petroleum products	-20.3	-4.9	-15.8	-33.3	-19.1	-24.1	6.6	43.5	102.5	48.7	3.3
Metal & Steel	13.9	6.7	15.9	13.7	12.0	19.3	24.5	23.2	23.5	23.7	5.3
Chemicals & Petro-chemical Products	0.9	7.0	3.3	-2.5	2.4	-3.4	2.0	15.2	13.1	10.2	5.8
Jewellery	20.6	4.0	9.4	23.0	12.2	50.0	107.3	12.3	15.3	45.0	3.2
Rubber products	17.5	36.3	38.8	11.1	27.8	-4.6	4.7	13.2	14.6	10.8	1.9
Animal food	8.2	13.5	9.2	2.1	8.0	8.9	5.5	10.4	17.5	11.2	0.9
Beverages	2.2	4.7	15.5	-0.1	6.8	-10.9	-7.4	-13.9	-2.0	-8.1	0.7
Automotive	2.5	1.7	0.7	5.0	2.5	2.6	4.3	0.1	-0.8	1.2	10.7
- Pick ups and trucks	18.3	3.1	-21.1	44.4	7.3	52.4	53.5	55.8	5.3	33.5	3.0
- Vehicle parts & accessories	8.1	7.4	15.4	6.3	9.5	4.2	3.8	2.7	1.7	2.7	5.2
- Passenger cars	-2.2	42.5	39.9	-27.0	11.8	-36.2	-39.1	-42.4	-12.0	-32.7	1.8
Aircraft, ships, floating structures, and locomotives	24.7	20.9	9.6	2.7	11.9	61.2	-18.0	39.6	-10.1	0.3	0.8
Food	1.6	-1.9	8.6	-2.7	1.3	2.7	1.9	-8.3	-4.8	-3.9	5.1
- Meat of poultry, canned, prepared, or preserved	5.6	7.6	5.8	4.4	5.9	4.7	5.4	6.5	10.3	7.5	0.9
- Fish, canned, prepared, or preserved	-1.1	1.3	2.9	-5.6	-0.8	-2.0	-6.9	5.3	4.5	1.0	0.8
- Sugar	-18.4	-17.9	-14.4	-17.6	-16.6	-28.2	-19.3	-9.0	-16.5	-14.8	0.6
Fishery	**0.3**	**-10.9**	**4.0**	**3.2**	**-1.4**	**5.1**	**0.5**	**-3.8**	**4.5**	**0.4**	**0.4**
Crustaceans	-0.2	-20.6	6.1	2.5	-4.3	11.0	5.9	-6.5	14.1	4.7	0.2
Other exports	**49.8**	**119.2**	**118.0**	**84.0**	**103.8**	**-41.2**	**54.0**	**-8.2**	**-5.4**	**12.9**	**4.0**
Non-monetary gold (excl. articles of goldsmiths)	48.5	120.8	115.9	86.2	104.3	-41.4	60.2	-1.2	-5.7	16.7	3.9
Total exports (Customs basis)	**13.1**	**15.8**	**15.0**	**12.1**	**14.2**	**10.0**	**17.4**	**17.7**	**23.3**	**19.5**	**100.0**
Total exports (BOP basis)	**12.8**	**15.8**	**15.4**	**11.4**	**14.1**	**9.2**	**17.4**	**17.3**	**23.6**	**19.5**	**98.6**
Total exports, excluding gold	**11.7**	**13.3**	**13.3**	**9.0**	**11.8**	**11.5**	**15.4**	**18.0**	**25.2**	**19.6**	**94.7**

Source: Bank of Thailand

Thailand's Rice Exports amid Challenges and Key Risk Factors

Thailand was the world's largest rice exporter for more than 30 years from the early 1980s, before India surpassed Thailand as the top exporter in 2012. In the first eight months of 2026, Thailand ranked second in terms of rice export value, accounting for 11.1 percent of the world total, a slight increase compared with the same period of 2025, but a decrease compared with the same period of 2024. In the first nine months of 2026, Thailand's rice export value totaled 2,963 million US dollars, down by 16.8 percent, while rice export volume stood at 4.99 million tonnes, down by 19.3 percent, compared with an 18.0-percent decline in the same period of the previous year. Compared with other major exporters, Thailand was not alone in experiencing a decline; among the top five exporters, three others—namely Vietnam, the United States, and India—also recorded lower export values amid softening global demand, with Pakistan as the only exception. Notably, Thailand's 16.8-percent decline was the largest among these countries.

Figure 1: Export Share of the Top 10 Rice-Exporting Countries



Source: Global Trade Atlas, compiled by NESDC

The decline in Thai rice exports was mainly attributable to weaker price competitiveness relative to key competitors in the global market. Following India's release of rice stocks into the global market, its rice export volume increased by 1.3 percent in the first nine months of 2026, continuing from a 41.9-percent increase in the same period of 2025, particularly for non-basmati rice, which competes directly with Thai white rice. The larger supply of rice in the global market caused the export prices of most major exporters to decline for a second consecutive year. In the first nine months of 2026, the average export prices of China, the U.S., Vietnam, and India declined by 12.9 percent, 6.4 percent, 5.9 percent, and 5.2 percent, respectively, while the average export price of Thai rice, which remained the highest among major exporters, increased by 3.1 percent, along with Pakistan's export price, which rose by 3.6 percent.

An examination of the relationship between the rice export value and volume of the top five exporters shows that, in the first nine months of 2026, most recorded declines in export value in line with lower export volume—namely Thailand, Vietnam, and the U.S. The exceptions were India, whose export volume increased by 1.3 percent while its export value declined by 4.0 percent due to lower export prices, and Pakistan, whose export value and volume increased by 5.7 percent and 2.0 percent, respectively. At the same time, the global rice export market has begun to face price competition from China, the world's sixth-largest exporter, which has played a greater role in competing with Thai rice exports since 2024, as its average export price is lower than those of all five major exporters, namely India, Vietnam, Thailand, Pakistan, and the U.S. In the first nine months of 2026, China's rice export value increased by 19.3 percent, continuing from a 10.1-percent increase in the same period of 2025. Nevertheless, the export value of Thai Hom Mali rice still expanded by 4.8 percent, despite a 7.4-percent decline in export volume (accounting for 19.2 percent of total rice export volume), owing to a 13.2-percent increase in prices. Meanwhile, both the export value and volume of white rice (the largest category, accounting for 51.9 percent of export volume) declined by 16.5 percent and 9.8 percent, respectively.

Figure 2: Rice Export Value of Major Exporting Countries

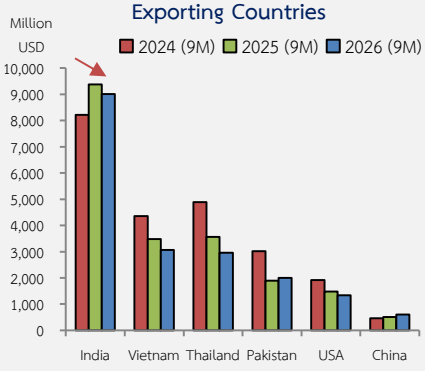
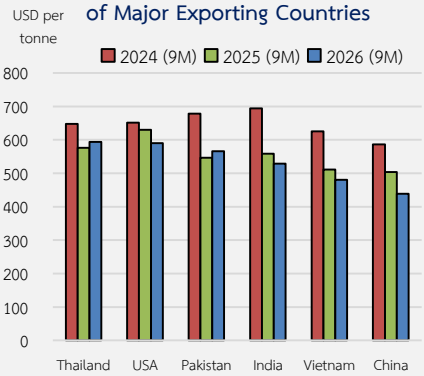


Figure 3: Rice Export Volume of Major Exporting Countries



Figure 4: Average Rice Export Prices of Major Exporting Countries



Source: Ministry of Commerce, Thailand; Directorate General of Commercial Intelligence and Statistic (DGCI&S), Ministry of Commerce and Industry, India; CEIC; U.S. Census Bureau; compiled by NESDC.

Thailand's Rice Exports amid Challenges and Key Risk Factors (Cont.)

Table 1: Offer Prices (Quotations) of 5% White Rice, F.O.B., of Major Exporters (USD per tonne)

Country	Q4/25 (8 Oct 25)	Q1/26 (7 Jan 26)	Q2/26 (1 Apr 26)	Q3/26 (1 Jul 26)	Q4/26 (7 Oct 26)	%YoY (Oct 26/Oct 25)
Thailand	355	411	384	484	479	**+34.9**
Vietnam	374-378	362-366	361-365	412-416	415-419	**+10.9**
India	368-372	351-355	335-339	351-355	383-387	**+4.1**
Pakistan	344-348	363-367	344-348	408-412	396-400	**+15.0**

Source: Thai Rice Exporters Association, compiled by NESDC

Note: Prices for Vietnam, India, and Pakistan are offer price ranges; percentage changes are calculated using the midpoint of each range.

However, the offer price of Thai 5% white rice has risen sharply since the second quarter of 2026, owing to lower domestic production and accelerated stockpiling by importing countries to hedge against risks from El Niño. As of 7 October 2026, the price of Thai 5% white rice stood at 479 US dollars per tonne, up 34.9 percent from the same period of last year, while the prices of Vietnamese, Indian, and Pakistani rice rose by 10.9 percent, 4.1 percent, and 15.0 percent, respectively. As a result, Thai rice prices were higher than those of these competitors by approximately 62, 94, and 81 US dollars per tonne, respectively, whereas in the same period last year, Thai rice prices were still lower than those of Vietnam and India. This poses additional pressure on the price competitiveness of Thai rice going forward.

In addition, the Office of Agricultural Economics (OAE) projects that rice production for the whole year of 2026 will be approximately 33.8 million tonnes, a 3.2-percent decline from the previous year, mainly due to erratic weather caused by El Niño, which reduced total rice output in the first half of the year, a trend that is likely to persist into the second half. Meanwhile, the Department of Foreign Trade (DFT) expects that rice exports for 2026 are unlikely to meet the target of 7 million tonnes. To achieve the target, exports in the remaining three months of 2026 (October–December 2026) would need to reach approximately 670,000 tonnes per month, higher than the average of 550,000 tonnes per month in the first nine months of 2026. If exports reach 6.5 million tonnes, as estimated by the DFT, this would be the lowest level in five years, since 2021, when exports stood at 6.3 million tonnes.

Price competition following the release of rice into the global market by major producers remains the main factor weighing on Thai rice exports. This, together with the expected decline in Thailand's rice output from the previous year, amid persistently high production costs, particularly fertilizer and global energy prices, as well as the risk of El Niño in the first quarter of 2027, which could put further pressure on production, indicates that Thai rice exports continue to face both external and domestic constraints. These include difficulties in government-to-government (G2G) rice sales negotiations with China, domestic rice price speculation, and price competition from neighboring countries and other exporters. It is therefore imperative that the government prioritize accelerating proactive marketing plans to promote rice exports through public–private trade missions to key rice-importing countries in order to maintain market share. This should be complemented by supporting farmers in improving production efficiency to enhance the competitiveness of Thai rice, including investing in research and development to improve the quality and differentiation of rice seed varieties, developing irrigation systems, supporting the clustering and strengthening of farmer institutions, upgrading modern agricultural technology and innovation, and expanding access to agricultural machinery through service networks to reduce production costs and increase yields per rai. At the same time, Thai premium rice should be developed and upgraded to avoid market segments that rely primarily on price competition.

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 48.0 percent, accelerating from 40.4 percent in the previous quarter. Major products with higher exports included automatic data processing machines and parts, telephone sets and parts, and video and audio apparatus and parts, while exports of unwrought gold, and air conditioning machines and parts declined. **Exports to ASEAN (5)** increased by 21.2 percent, continuing its expansion from 34.8 percent in the previous quarter. Products with higher exports included telephone sets and parts, automatic data processing machines and parts, and other refined fuels, whereas exports of motor vehicles and parts, and electrical switchboards and control panels declined. **Exports to the EU (27)** grew by 29.9 percent, accelerating from 19.9 percent in the previous quarter. Major products with higher exports included automatic data processing machines and parts, vehicle tyres, and kerosene, while exports of radio and television receivers and parts, and edible meat and offal declined. **Exports to China** grew by 16.2 percent, accelerating from 6.9 percent in the previous quarter. Products with higher exports included telephone sets and parts, video and audio apparatus and parts, and electrical appliances and parts, while exports of cassava products and prepared food declined. **Exports to Japan** increased by 20.0 percent, accelerating from 18.9 percent in the previous quarter. Products with higher exports included motor vehicles and parts, chicken, and electrical apparatus for switching and protecting electrical circuits, while exports of motorcycles and parts, and processed seafood declined. **Exports to Australia** grew by 60.9 percent, accelerating from 33.3 percent in the previous quarter. Products with higher exports included unwrought gold, motor vehicles and parts, and automatic data processing machines and parts, while exports of motorcycles and parts, and refrigerators and parts declined. **Exports to Mexico** grew by 39.9 percent, decelerating from 72.7 percent in the previous quarter. Products with higher exports included electrical transformers and parts, automatic data processing machines and parts, and precious jewellery, while exports of telephone sets and parts, and lenses declined. **Exports to Hong Kong** increased by 64.5 percent, compared with a 7.1-percent decline in the previous quarter. Products with higher exports included printed circuits, precious jewellery, and automatic data processing machines and parts, while exports of refined fuels, and glass and glassware declined. **Exports to CLMV** increased by 9.8 percent, compared with a 12.0-percent decline in the previous quarter. Products with higher exports included diesel, kerosene, and motor vehicles and parts, while exports of unwrought gold and sugar declined. In contrast, **exports to the Middle East (15)** declined by 10.1 percent, continuing from a 0.2-percent decline in the previous quarter, mainly due to lower exports of motor vehicles and parts, telephone sets and parts, and machinery and parts, while exports of unwrought gold, and automatic data processing machines and parts expanded.

Exports to major markets continued to expand, particularly to the U.S., ASEAN (5), and the EU (27), while exports to the Middle East (15) declined.

Key Export Markets in US Dollar Terms

%YOY	2025						2026				Share
	Year	Q1	Q2	Q3	9M	Q4	Q1	Q2	Q3	9M	Q3/26(%)
Total exports, Customs basis (Mil. US$)	340,232	81,907	85,430	87,450	254,787	85,445	96,170	100,572	107,847	304,589	100.0
(%YoY)	13.1	15.8	15.0	12.1	14.2	10.0	17.4	17.7	23.3	19.5	
United States	32.0	25.6	33.9	26.4	28.6	41.5	41.8	40.4	48.0	43.6	25.8
China	12.9	19.7	18.4	11.5	16.5	2.3	9.8	6.9	16.2	10.7	10.6
Japan	1.1	0.0	2.1	2.2	1.5	0.2	7.0	18.9	20.0	15.3	6.7
ASEAN (9)	4.4	5.6	10.5	4.2	6.7	-2.0	10.8	13.5	16.8	13.7	20.0
- ASEAN (5)*	7.0	6.2	4.9	8.7	6.6	8.0	24.3	34.8	21.2	26.6	12.8
- CLMV**	1.1	4.9	18.1	-2.2	6.9	-14.8	-6.4	-12.0	9.8	-3.5	7.3
EU (27) excluding UK	9.4	7.2	11.5	5.7	8.1	13.5	20.1	19.9	29.9	23.4	8.0
United Kingdom (UK)	5.7	6.9	18.0	7.0	10.2	-5.9	17.3	9.8	-2.7	7.4	1.1
Middle East (15)***	6.5	11.5	2.0	1.4	4.9	11.2	-11.7	-0.2	-10.1	-7.6	2.6
- Saudi Arabia	-8.9	-7.0	-15.2	-3.2	-8.5	-10.1	-23.9	-33.4	-27.6	-28.1	0.5
- United Arab Emirates	23.4	19.5	17.1	16.8	17.8	38.3	11.8	55.9	1.5	21.6	1.0
India	35.0	91.4	19.7	14.8	39.6	22.6	20.4	-5.1	-6.5	5.0	3.1
Australia	-2.5	-13.7	-4.1	-2.5	-7.0	11.5	54.5	33.3	60.9	49.8	4.5
Hong Kong	2.9	-5.6	15.2	0.8	3.2	1.8	13.9	-7.1	64.5	21.7	4.1
Mexico	26.2	26.1	2.3	45.1	24.0	31.7	40.7	72.7	39.9	50.0	2.1
South Korea	-3.1	-0.3	1.1	-7.6	-2.3	-5.9	-1.0	21.5	15.2	12.0	1.5
Taiwan	12.0	20.9	12.2	15.0	15.9	0.6	-1.8	12.8	20.0	10.4	1.6

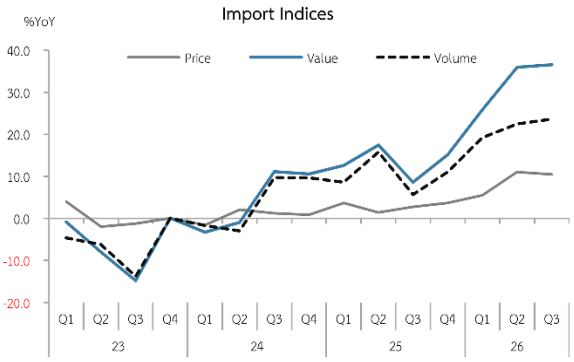
Note: *ASEAN (5) consists of Brunei, Indonesia, Malaysia, the Philippines, and Singapore.
**CLMV consists of Cambodia, Laos, Myanmar, and Vietnam.
***Middle East (15) consists of Bahrain, Egypt, Iran, Israel, Kuwait, Oman, Qatar, Saudi Arabia, the United Arab Emirates, Yemen, Iraq, Jordan, Lebanon, Libya,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

Source: Bank of Thailand

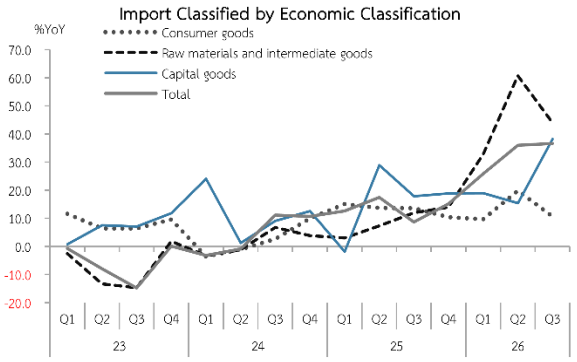
Imports in US dollar terms were valued at 102,195 million US dollars, increasing by 36.6 percent, accelerating from 36.0 percent in the previous quarter and marking the highest growth in twenty-one quarters. Import volume increased by 23.6 percent, accelerating from 22.4 percent in the previous quarter, while import prices increased by 10.5 percent, decelerating from 11.0 percent in the previous quarter. **Excluding gold imports**, import value increased by 37.1 percent, accelerating from 36.7 percent in the previous quarter. In **Thai Baht terms,** imports totaled 3,397 billion Baht, increasing by 40.5 percent, accelerating from 33.9 percent in the previous quarter.

Imports in US dollar terms increased by 36.6 percent, the highest growth in twenty-one quarters.

In the first nine months of 2026, imports were valued at 295,691 million US dollars, increasing by 32.9 percent, compared with a 12.8-percent increase in the same period of last year, with import volume and prices rising by 21.8 percent and 9.0 percent, respectively. In Thai Baht terms, imports were valued at 9,618 billion Baht, increasing by 30.6 percent, compared with a 4.6-percent increase in the same period of last year.



Source: Bank of Thailand



Source: Bank of Thailand

By category, import values expanded across all categories. **The import value of raw materials and intermediate goods** increased by 44.0 percent, decelerating from 60.7 percent in the previous quarter, in line with a 28.2-percent increase in import volume, decelerating from 42.0 percent in the previous quarter, while import prices increased by 12.2 percent, decelerating from 13.1 percent in the previous quarter. Major products with higher import value included parts of electronics and electrical appliances, crude oil, and materials of base metal. **The import value of capital goods** increased by 38.2 percent, accelerating from 15.4 percent in the previous quarter, in line with import volume and prices, which increased by 33.1 percent and 3.8 percent, respectively. Major products with higher import value included other machinery and mechanical appliances & parts, computers, and aircraft, ships, floating structures, and locomotives. **The import value of consumer goods** increased by 10.6 percent, decelerating from 19.8 percent in the previous quarter, with import volume and prices increasing by 5.0 percent and 5.4 percent, respectively. Major products with higher import value included vehicles, cellular phones, and animal & fishery products. **The import value of other imports** increased by 23.1 percent, decelerating from 25.5 percent in the previous quarter, in line with imports of non-monetary gold (excluding articles of goldsmiths).

Major Import Products in US Dollar Terms

%YoY	2025						2026				Share
	Year	Q1	Q2	Q3	9M	Q4	Q1	Q2	Q3	9M	Q3/26(%)
Consumer goods	**13.1**	**15.1**	**13.7**	**13.6**	**14.1**	**10.3**	**9.7**	**19.8**	**10.6**	**13.3**	**10.3**
Vehicles	17.2	-4.0	15.2	30.5	11.9	31.1	-7.0	66.3	63.2	40.6	1.0
Cellular phone	13.3	2.7	13.7	18.6	11.6	17.3	23.9	20.8	16.9	20.4	1.2
Animal & fishery products	13.4	11.4	16.2	14.7	14.2	11.5	11.5	22.9	18.9	18.0	0.9
Food, beverages, and dairy products	3.5	17.3	8.8	-6.2	5.8	-2.6	-4.0	2.4	2.6	0.3	1.8
Medicinal and pharmaceutical products	9.4	2.7	18.2	21.4	13.9	-2.8	12.7	21.9	-4.8	9.4	0.8
Raw materials and intermediate goods	**9.1**	**3.0**	**7.3**	**11.9**	**7.5**	**13.9**	**32.8**	**60.7**	**44.0**	**46.0**	**64.8**
- Excluding fuel	17.1	6.5	14.8	21.9	14.6	24.7	45.6	52.6	42.5	46.8	52.8
Parts of electronics and electrical appliances	35.5	10.9	26.9	55.8	31.6	45.9	106.6	100.3	78.7	93.2	30.8
Crude oil	-15.9	-5.6	-15.3	-20.5	-13.8	-22.6	-12.6	117.3	51.2	49.3	7.9
Materials of base metal	10.7	13.2	13.9	1.7	9.3	15.2	12.7	23.2	21.7	19.3	6.6
Natural gas	-10.1	-2.6	-0.5	-18.9	-7.4	-18.8	-16.3	56.1	77.5	35.9	2.6
Chemicals & Petro-chemical products	2.6	-2.8	4.3	1.0	0.9	8.4	9.3	28.4	13.1	17.2	6.6
Capital goods	**15.5**	**-1.9**	**28.9**	**17.9**	**14.3**	**18.9**	**18.9**	**15.4**	**38.2**	**24.2**	**19.9**
- Excluding computers	19.0	11.5	20.6	22.4	18.3	20.9	25.3	25.0	31.3	27.3	17.7
Other machinery and mechanical appliances & parts	28.6	24.8	37.4	27.7	30.0	25.0	29.2	21.1	23.8	24.5	7.9
Computers	-9.7	-51.0	114.9	-24.4	-10.6	-5.0	-34.1	-40.3	142.4	-2.1	2.2
Aircrafts, ships, floating structures, and locomotive	-3.4	-16.5	-36.3	24.7	-13.3	28.0	-21.9	45.1	73.3	33.5	2.1
Transformers, generators, motors and accumulators	23.2	19.0	28.0	22.8	23.4	22.7	39.8	42.0	52.4	45.1	2.5
Measuring, checking and precision instruments	23.1	18.4	29.6	25.7	24.6	19.2	31.2	28.5	40.4	33.6	1.4
Other imports	**37.0**	**67.0**	**49.8**	**-6.9**	**32.3**	**48.0**	**105.8**	**25.5**	**23.1**	**51.8**	**5.0**
Non-monetary gold (excl. articles of goldsmiths)	36.1	48.9	53.9	-11.3	27.3	57.2	155.1	26.9	25.8	65.0	3.9
Other imports, n.i.e.	40.7	130.7	29.1	11.5	53.5	12.8	-6.1	16.9	14.0	5.4	1.1
Total imports (Customs basis)	**12.6**	**6.5**	**14.8**	**12.0**	**11.1**	**16.9**	**32.4**	**43.3**	**37.4**	**37.8**	**100.0**
Total imports (BOP basis)	**13.4**	**12.6**	**17.4**	**8.6**	**12.8**	**15.2**	**25.8**	**36.0**	**36.6**	**32.9**	**85.3**
Total imports, excluding gold	**12.0**	**10.9**	**15.2**	**9.9**	**12.0**	**12.2**	**17.8**	**36.7**	**37.1**	**30.8**	**81.4**

Source: Bank of Thailand

Import Volume Index by Economic Classification

Import volume index %YoY	2025						2026			
	Year	Q1	Q2	Q3	9M	Q4	Q1	Q2	Q3	9M
Consumer goods	7.0	8.6	7.0	7.4	7.7	4.9	4.1	13.8	5.0	7.5
Raw materials and intermediate goods	10.2	2.1	10.2	13.1	8.5	15.3	29.4	42.0	28.2	33.2
Capital goods	10.7	-5.9	23.6	12.5	9.4	14.5	14.9	11.5	33.1	19.8
Total import volume	**10.3**	**8.6**	**15.8**	**5.7**	**10.0**	**11.1**	**19.1**	**22.4**	**23.6**	**21.8**

Source: Bank of Thailand

Import Price Index by Economic Classification

Import price index %YoY	2025						2026			
	Year	Q1	Q2	Q3	9M	Q4	Q1	Q2	Q3	9M
Consumer goods	5.7	5.9	6.2	5.7	6.0	5.1	5.4	5.2	5.4	5.3
Raw materials and intermediate goods	-1.0	0.9	-2.7	-1.0	-0.9	-1.2	2.5	13.1	12.2	9.2
Capital goods	4.3	4.3	4.3	4.7	4.4	3.8	3.5	3.4	3.8	3.6
Total import price	**2.9**	**3.7**	**1.4**	**2.8**	**2.6**	**3.7**	**5.5**	**11.0**	**10.5**	**9.0**

Source: Bank of Thailand

Terms of Trade (TOT) declined for the seventh consecutive quarter, as a 10.5-percent rise in import prices outpaced a 3.1-percent increase in export prices. As a result, the terms of trade index stood at 89.7, lower than 90.2 in the previous quarter and 96.1 in the same quarter of the previous year. This marks the nineteenth consecutive quarter in which the terms of trade have remained below 100.

Terms of trade declined for the seventh consecutive quarter.

For the first nine months of 2026, the terms of trade index averaged 91.2, compared with 96.5 in the same period of the previous year. This was consistent with a 9.0-percent increase in import prices that outpaced a 3.0-percent increase in export prices.

The trade balance returned to a surplus of 4.2 billion US dollars, compared with a 5.6 billion US dollar deficit in the previous quarter and an 11.3 billion US dollar surplus in the same quarter of the previous year. This resulted from rising export values totaling 106.4 billion US dollars, exceeding imports of 102.2 billion US dollars. In Baht terms, the trade balance recorded a surplus of 139.0 billion Baht, compared with a 182.0 billion Baht deficit in the previous quarter, but lower than a 362.5 billion Baht surplus in the same quarter of the previous year. **The trade balance for fuel products** recorded a deficit of 10.7 billion US dollars, compared with a deficit of 17.0 billion US dollars in the previous quarter and a deficit of 7.7 billion US dollars in the same quarter of the previous year. **The trade balance for gold** recorded a deficit of 0.5 billion US dollars, compared with a 4.5 billion US dollar deficit in the previous quarter and a 0.7 billion US dollar surplus in the same quarter of the previous year. **Excluding fuel and gold, the trade balance** recorded a surplus of 15.4 billion US dollars, compared with a 15.9 billion US dollar surplus in the previous quarter and an 18.2 billion US dollar surplus in the same quarter of the previous year.

Trade balance returned to a surplus of 4.2 billion US dollars, compared with a 5.6 billion US dollar deficit in the previous quarter and an 11.3 billion US dollar surplus in the same quarter of the previous year.

For the first nine months of 2026, the trade balance recorded a surplus of 4.3 billion US dollars, lower than the 28.7 billion US dollar surplus in the same period of the previous year. In Baht terms, the trade balance recorded a surplus of 139.0 billion Baht, compared with a 944.9 billion Baht surplus in the same period of the previous year.

Terms of Trade

%YoY	2024	2025						2026			
	Year	Year	Q1	Q2	Q3	9M	Q4	Q1	Q2	Q3	9M
Terms of trade *	98.5	96.4	96.6	96.8	96.1	96.5	96.1	93.7	90.2	89.7	91.2
%YOY	0.7	-2.1	-2.8	-1.0	-2.2	-2.0	-2.6	-3.0	-6.8	-6.6	-5.5

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

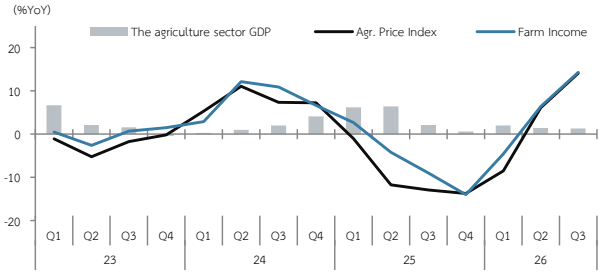
Source: Bank of Thailand

Production Side:

The agriculture, forestry and fishing sector expanded by 1.3 percent, decelerating from a 1.4-percent expansion in the previous quarter. The fishery category returned to growth for the first time in seven quarters, driven mainly by higher production of white shrimp (vannamei), while the crops category declined as the El Niño phenomenon brought extreme heat and below-normal rainfall. In this quarter, key agricultural products that recorded production growth included vegetables (0.2 percent), rubber (3.0 percent), and fishery products (2.3 percent), respectively. However, production of other key products declined, including paddy (-1.5 percent), fruits (-0.7 percent), and oil palm (-16.3 percent), respectively. Meanwhile, **the Agricultural Price Index continued to increase for the second consecutive quarter by 14.1 percent**, accelerating from a 6.1-percent increase in the previous quarter. This movement was in line with price increases in several key products, including rubber (39.4 percent), paddy (13.7 percent), oil palm (29.3 percent), fruits (16.4 percent), particularly longan (80.0 percent) and mango (79.8 percent), and cassava (84.1 percent), respectively. In contrast, prices of certain major agricultural products declined, including sugarcane (-24.5 percent), swine (-6.1 percent), and broilers (-3.4 percent), respectively. The increases in both the Agricultural Production Index and the Agricultural Price Index led **the overall Farm Income Index to expand for the second consecutive quarter by 14.3 percent**, accelerating from 6.4 percent in the previous quarter.

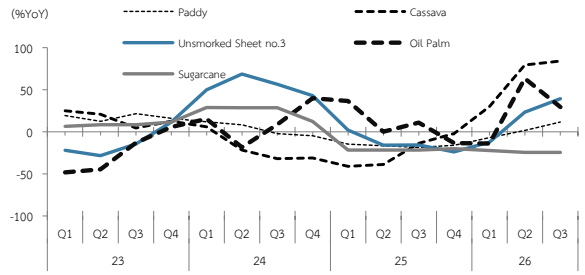
In the first nine months of 2026, the agriculture, forestry, and fishing sector expanded by 1.6 percent, compared with a 5.2-percent expansion in the same period of the previous year. The Agricultural Production Index increased by 1.6 percent, the Agricultural Price Index rose by 3.5 percent, and overall farm income increased by 4.9 percent.

The agricultural sector's GDP expanded but decelerated from the previous quarter. Meanwhile, the Agricultural Price Index continued to expand for the second consecutive quarter, resulting in an increase in the Farm Income Index for the first time in two quarters.



Source: Office of Agricultural Economics

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



Source: Office of Agricultural Economics

The manufacturing expanded by 3.7 percent, accelerating from a 1.6-percent expansion in the previous quarter, driven primarily by the increases in the export-oriented manufacturing industries (with an export share of more than 60 percent of total production) and the manufacturing industries with an export share of 30 – 60 percent. However, the manufacturing industries for domestic-oriented consumption (with an export share below 30 percent) declined. In this quarter, **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 jewelry and related articles (increased by 14.7 percent), mainly supported by the increase in bangles and diamonds productions; and the manufacture of electronic components and boards (increased by 24.0 percent), following the upward cycle and increased demand for electronic components products. However, the processing and preserving of fruit and vegetables decreased by 5.0 percent. **The manufacturing industries with an export share of 30 – 60 percent**, key products that recorded growth included: the manufacture of motor vehicles (increased by 4.4 percent), especially Battery Electric Passenger Cars (BEV), Hybrid Electric Passenger Cars (HEV), and Plug-in Hybrid Electric Passenger Cars (PHEV); and the manufacture of rubber tires and tubes, retreading and rebuilding of rubber tires (increased by 11.8 percent), following increases in the production of bicycle inner tubes, motorcycle outer tires, and retreaded tires, respectively. However, key products that recorded a decrease included the manufacture of motorcycles (decreased by 0.2 percent) and the manufacture of meat and poultry products (decreased by 2.4 percent). Meanwhile, **the manufacturing industries for domestic consumption (with an export share below 30 percent)** key products that recorded growth included refined petroleum products (increased by 8.4 percent) and other plastic products (increased by 0.4 percent). However, key products with significant contractions included: plastics and synthetic rubber in primary forms decreased by 15.1 percent and the distilling, rectifying and blending of spirits decreased by 5.3 percent.

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

The agriculture, forestry, and fishing sector expanded for the eleventh consecutive quarter by 1.3 percent but decelerated from 1.4 -percent growth in the previous quarter, this movement is in line with a slowdown in the production of major crops, particularly vegetables and rubber.

The Agricultural Price Index increased for the second consecutive quarter, following higher prices of major crops.

As a result, the Farm Income Index expanded for the second consecutive quarter by 14.3 percent.

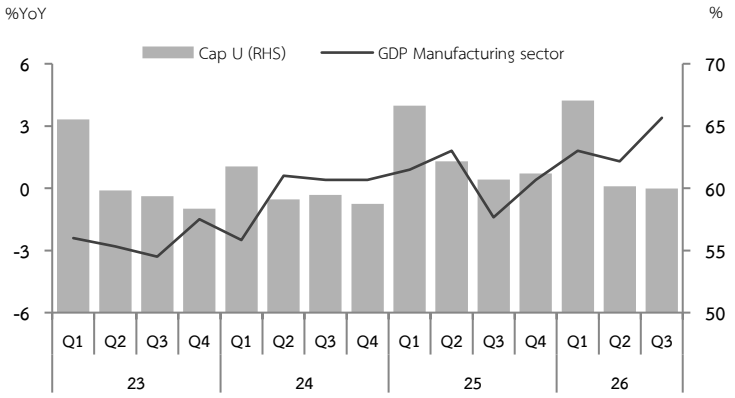
The manufacturing sector expanded for the fourth consecutive quarter by 3.7 percent, accelerating from a 1.6-percent growth in the previous quarter.

The average capacity utilization rate stood at 59.98 percent, lower than 60.14 percent in the previous quarter and lower than 60.69 percent in the same quarter of last year

The average capacity utilization rate in this quarter stood at 59.98 percent, lower than 60.14 percent in the previous quarter and lower than 60.69 percent in the same quarter of last year, this marked the lowest level in seven quarters since the first quarter of 2025. Among the 28 key industries, only 1 industry operated at a capacity utilization rate above 80.00 percent was refined petroleum products (85.56 percent). Meanwhile, 10 industries had capacity utilization rates below 50.00 percent, such as motor vehicle manufacturing (49.82 percent), basic iron and steel manufacturing (49.08 percent), plastic packaging products (47.86 percent), manufacture of wearing apparel, except tailoring and dressmaking (47.65 percent), and palm oil production (47.52 percent).

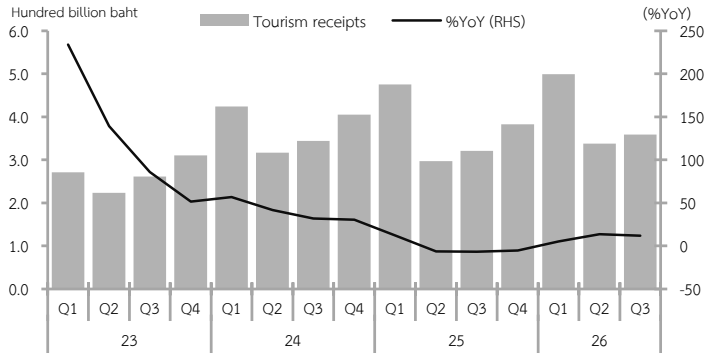
In the first nine months of 2026, the manufacturing sector increased by 2.3 percent, compared with a 0.5-percent increase in the same period of the previous year, and the average capacity utilization rate stood at 62.39 percent, lower than 63.16 percent in the same period of the previous year.

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



Source : Office of Industrial Economics and NESDC

Services receipts of Tourism for Q3/2026 stood at 359 billion Baht, an increase of 11.7 percent.



Source: Bank of Thailand

Revision of the Manufacturing Production Index (MPI) Methodology by the Office of Industrial Economics,1999–2026

The Office of Industrial Economics (OIE) began compiling the Manufacturing Production Index (MPI) in 1999 and has continuously produced it using a Fixed-weight Laspeyres Volume Index[1]. Between 2000 and 2025, the OIE made the following key improvements to the MPI:

(1) 4 base-year revisions: in 2000, 2011, 2016, and 2021, respectively.

(2) Product coverage expansion:

Round 1 (2015): Added key products in the Manufacture of Motor Vehicle group (TSIC: 2910), such as diesel engines and gasoline engines.

Round 2 (2017): Added key products in the Manufacture of Food Products group (TSIC: 10), such as coffee and coconut milk; the Manufacture of Electronic Components and Boards group (TSIC: 2610), such as electronic components (Printed Circuit Boards); and the Manufacture Electric Motors and Generators group (TSIC: 2710), such as electric motors.

Round 3 (2019): Added key products in the Manufacture of prepared animal feeds group (TSIC: 1080), such as prepared pet food and prepared chicken feed; the Manufacture of Fertilizers and Nitrogen compounds group (TSIC: 2012), such as Chemical Fertilizers; and the Manufacture of Electronic Components and Boards group (TSIC: 2610), such as Printed Wiring Boards (PWB).

Round 4 (2024): Added key products (TSIC: 2910), such as hybrid electric vehicles (HEVs) and plug-in hybrid electric vehicles (PHEVs).

Round 5 (2025): Added key products (TSIC: 2910), namely battery electric vehicles.

(3) Factory framework updates: The OIE reviews and updates the factory framework annually.

Improvements to the Manufacturing Production Index (MPI) Methodology
by the Office of Industrial Economics, 1999–2027



Source: Office of Industrial Economics, Japan International Cooperation Agency (JICA) and Bangkokbiznews, compiled and processed by NESDC

[1] A Fixed-weight Laspeyres Volume Index measures real changes in the volume of goods and services by holding the price structure of a single base year fixed for several years (e.g., rebasing every 5 or 10 years) and using those prices as weights to calculate changes in current-year volumes relative to the base year.

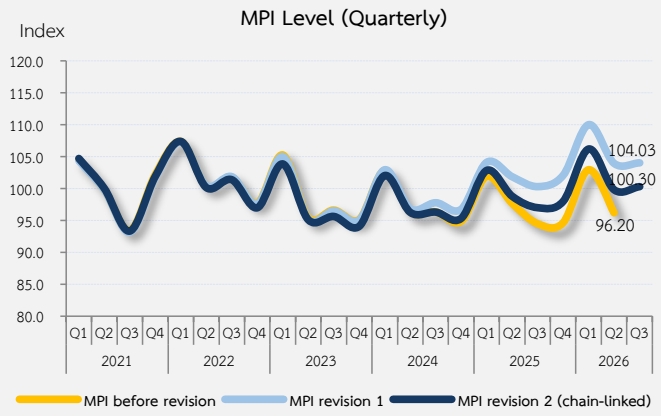
Revision of the Manufacturing Production Index (MPI) Methodology by the Office of Industrial Economics,1999–2026 (Cont.)

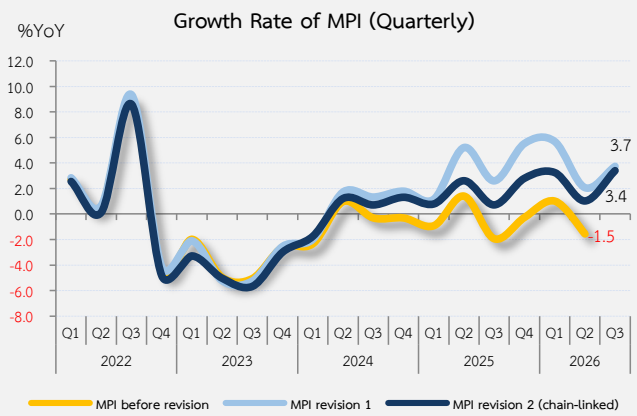
Recently, in the third quarter of 2026, the OIE revised the methodology of the Manufacturing Production Index (MPI) to broaden coverage across manufacturing sub-sectors and better reflect structural changes in industry across several product groups—particularly electronics, communications equipment, and electrical equipment—which have benefited from booming demand for technology and digital products. Thus, two key revisions were made:

(1) Revision 1: introduced in the August 2026 MPI release (published in September 2026), comprised: (i) Adding 3 products, namely notebook computers (laptops), optical signal transmission and reception equipment, and uninterruptible power supplies for data processing equipment[2]; (ii) Adding 26 sample factories (sample size: n) to cover 5 products, including integrated circuits, other electronic components, notebook computers (laptops), optical signal transmission and reception equipment, and uninterruptible power supplies for data processing equipment[3], respectively; and (iii) updating the survey database, removing factories that had closed or stopped production from the calculation. As a result, the number of 8-digit industry items (TSIC) used to compute the MPI increased from 289 to 292, and the value-added coverage of the MPI basket rose from 85.68 percent to 86.10 percent of 2025 manufacturing GDP.

(2) Revision 2: introduced in the September 2026 MPI release (published in October 2026), mainly involved a **methodological transition** from a Fixed-weight Laspeyres Volume Index to a chained Laspeyres-type Volume Index[4], with 2021 as the reference year, and **annual updating of weights** to better reflect the changing structure of production.

In 2027 onward, the OIE will update the Manufacturing Production Index (MPI) annually in several ways, including reviewing weights, product coverage, and factory data within the sample framework, in order to enhance accuracy and better reflect actual changes in industrial output.





[2] TSIC 26201.010 Notebook computers (laptops) are classified under TSIC 26201: Manufacture and assembly of computers; TSIC 26303.010 Optical signal transmission and reception equipment are classified under TSIC 26303: Manufacture of communication equipment for radio and television transmission and reception; and TSIC 27901.010: Uninterruptible power supplies for data processing equipment are classified under TSIC 27901: Manufacture of uninterruptible power supplies.

[3] TSIC 26104.020 Integrated circuits are classified under TSIC 26104: Manufacture of semiconductor devices and integrated circuits; TSIC 26109.010 Other electronic components are classified under TSIC 26109: Manufacture of other electronic components; TSIC 26201.010 Notebook computers (laptops) are classified under TSIC 26201: Manufacture and assembly of computers; TSIC 26303.010 Optical signal transmission and reception equipment are classified under TSIC 26303: Manufacture of communication equipment for radio and television transmission and reception; and TSIC 27901.010 Uninterruptible power supplies for data processing equipment are classified under TSIC 27901: Manufacture of uninterruptible power supplies, respectively.

[4] A Chained Laspeyres-type Volume Index measures real changes in the volume of goods and services (real volume) by calculating year-on-year changes with a Laspeyres index (using the previous year's prices as weights) and then multiplying successive annual indices together to construct a chain.

The accommodation and food service activities sector expanded by 1.9 percent, slowing down from a 2.1-percent growth in the previous quarter. This was mainly attributed to a contraction in foreign tourist arrivals, while domestic tourism by Thai travelers increased. In this quarter, **the number of international tourist arrivals** stood at 7.061 million, decreasing for the sixth consecutive quarter by 5.0 percent, compared with a 4.4-percent decline in the previous quarter. This was mainly due to a contraction in short-haul tourists[1], which stood at 5.330 million (accounting for 75.48 percent), decreasing by 6.9 percent, compared with a 3.7-percent decline in the previous quarter. The decline was observed particularly among tourists from Malaysia (decreasing by 26.6 percent), India (decreasing by 17.6 percent), and South Korea (decreasing by 30.6 percent). Meanwhile, long-haul tourists[2] stood at 1.731 million (accounting for 24.52 percent), increasing by 1.6 percent, compared with a 6.8-percent decline in the previous quarter. The increase was observed particularly among tourists from Israel (increasing by 13.4 percent), Russia (increasing by 5.0 percent), and Kazakhstan (increasing by 36.1 percent). The top five international tourist arrivals by nationality included China with 1.291 million (accounting for 18.28 percent), Malaysia with 0.866 million (accounting for 12.26 percent), India with 0.484 million (accounting for 6.85 percent), Japan with 0.275 million (accounting for 3.89 percent), and Taiwan with 0.274 million (accounting for 3.88 percent), respectively. **International tourism receipts**[3] amounted to 359 billion Baht, increasing by 11.7 percent, compared with a 13.7-percent increase in the previous quarter. Meanwhile, **domestic tourism by Thai travelers (Thai Teaw Thai)** recorded 66.67 million visitors, increasing by 1.9 percent, compared with a 1.6-percent increase in the previous quarter. The top five provinces with the highest number of Thai visitors (excluding Bangkok) were Chonburi at 4.193 million (accounting for 6.29 percent), Kanchanaburi at 3.699 million (accounting for 5.55 percent), Prachuap Khiri Khan at 2.556 million (accounting for 3.83 percent), Phetchaburi at 2.478 million (accounting for 3.72 percent), and Phra Nakhon Si Ayutthaya at 2.330 million (accounting for 3.49 percent), respectively. **Domestic tourism receipts**[4] reached 290 billion Baht, increasing by 1.8 percent, compared with a 2.2-percent increase in the previous quarter. The top five provinces with the highest receipts from Thai visitors (excluding Bangkok) were Chonburi at 25.929 billion Baht (accounting for 8.96 percent), Chiang Mai at 14.877 billion Baht (accounting for 5.14 percent), Phuket at 9.902.4 billion Baht (accounting for 3.42 percent), Prachuap Khiri Khan at 9.901.7 billion Baht (accounting for 3.42 percent), and Surat Thani at 9.559 billion Baht (accounting for 3.30 percent), respectively. The increases in both international tourism receipts and domestic tourism receipts resulted in **total tourism receipts**[5] of 648 billion Baht in this quarter, increasing for the third consecutive quarter by 7.0 percent, compared with a 7.8-percent increase in the previous quarter. **The average occupancy rate** in this quarter stood at 67.87 percent, lower than 68.97 percent in the previous quarter but higher than 67.25 percent in the same quarter of last year.

The accommodation and food service activities sector continued to expand for the nineteenth consecutive quarter by 1.9 percent, slowing from a 2.1-percent growth in the previous quarter, in line with the decline in international tourist arrivals, while domestic tourism by Thai travelers increased.

Total tourism receipts in this quarter stood at 648 billion Baht, increasing for the third consecutive quarter by 7.0 percent.

The average occupancy rate stood at 67.87 percent, lower than 68.97 percent in the previous quarter but higher than 67.25 percent in the same quarter of last year.

In the first nine months of 2026, the accommodation and food service activities sector expanded by 2.1 percent, compared with a 3.2-percent expansion in the same period last year. The number of international tourist arrivals stood at 23.199 million, decreasing by 3.8 percent. International tourism receipts amounted to 1.195 trillion Baht. Combined with domestic tourism receipts of 0.890 trillion Baht, total tourism receipts reached 2.085 trillion Baht, increasing by 6.5 percent. The average occupancy rate stood at 70.27 percent.

The wholesale and retail trade; repair of motor vehicles and motorcycles sector increased by 6.0 percent, accelerating from a 4.8-percent expansion in the previous quarter. This was consistent with the expansion in the following indices: (1) **Wholesale, retail trade, and repair of motor vehicles and motorcycles** continued to rise for the seventh consecutive quarter by 21.4 percent, accelerating from 11.9 percent in the previous quarter, in line with an accelerated growth in the motor-vehicles sale; (2) **Retail trade index (except motor vehicles and motorcycles)** continued to expand for the fourth consecutive quarter by 5.1 percent, accelerating from 2.0 percent in the previous quarter, mainly driven by accelerated growth in retail sale in non-specialized stores,

The wholesale and retail trade; repair of motor vehicles and motorcycles sector expanded for the twenty-second consecutive quarter by 6.0 percent, accelerating from 4.8 percent in the previous quarter, in line with the accelerated growth in motor vehicle sales, merchandise exports, and domestic consumption.

[1] Short-haul international tourists, with flight times of less than 6 hours, i.e., tourists from the Asia-Pacific region and the Middle East.

[2] Long-haul international tourists, with flight times of more than 6 hours, i.e., tourists from Europe, the Americas, and Africa.

[3] International tourism receipts, from the balance of payments statistics of the Bank of Thailand (BOT).

[4] Receipts from Thai tourists, from the summary of accommodation, visitor numbers, and visitor receipts of the Ministry of Tourism and Sports (MOTS).

[5] Total tourism receipts are the sum of international tourism receipts and receipts from Thai tourists.

retail sale not in stores (such as direct sales, vending machines, and online retail), and retail sale of other goods; and (3) **Wholesale trade index (except motor vehicles and motorcycles)** continued to increase for the thirteenth consecutive quarter by 2.8 percent, decelerating from 3.6 percent in the previous quarter due to a contraction in the wholesale of household goods; however, the wholesale of other specialized products (such as machinery, equipment, and supplies) expanded.

In the first nine months of 2026, the wholesale and retail trade; repair of motor vehicles and motorcycles sector increased by 5.7 percent, compared with a 5.8-percent expansion in the same period of the previous year.

The transportation and storage sector increased by 3.1 percent, accelerating from 2.7 percent in the previous quarter, driven primarily by increases in land and pipeline transport services and air transport services, while water transport services declined. This includes (1) **land and pipeline transport services**, which increased by 2.4 percent, accelerating from 1.7 percent in the previous quarter, following increases in the volume of public transport passengers and gasoline and diesel consumption; (2) **air transport services**, which increased by 5.2 percent, accelerating from a 2.7-percent growth in the previous quarter, driven primarily by the improvement in the volume of domestic flights; and (3) **water transport services**, which decreased by 4.7 percent, compared with a 1.4-percent increase in the previous quarter, driven primarily by the slowdown in the volume of international waterborne freight. Meanwhile, warehousing and support activities for transportation increased by 6.6 percent, compared with a 3.0-percent increase in the previous quarter, and postal and courier activities increased by 6.5 percent, compared with a 7.0-percent increase in the previous quarter.

The transportation and storage sector expanded for the twentieth consecutive quarter by 3.1 percent, accelerating from a 2.7-percent growth in the previous quarter, driven primarily by increases in land and pipeline transport services and air transport services, while water transport services declined.

In the first nine months of 2026, the transportation and storage sector increased by 3.1 percent, compared with a 4.3-percent increase in the same period last year. Land and pipeline transport services expanded by 2.4 percent, and air transport services expanded by 4.4 percent, while water transport services declined by 1.3 percent. Meanwhile, warehousing and support activities for transportation expanded by 4.6 percent, and postal and courier activities expanded by 8.3 percent.

The construction sector expanded by 0.1 percent, decelerating from a 0.3-percent expansion in the previous quarter, driven by the rebound of public construction, particularly state enterprise construction, while private construction declined for the first time in four quarters. In this quarter: **(1) Public construction** increased by 0.6 percent, compared with a 0.3-percent decrease in the previous quarter. State enterprise construction increased by 2.6 percent, compared with a 1.4-percent decrease in the previous quarter, following the expansion of investment disbursements for key infrastructure development projects, such as the Orange Line MRT project (Bang Khun Non – Thailand Cultural Centre section), the double-track railway construction project (Khon Kaen – Nong Khai section), and community innovation and SME development projects, respectively. Meanwhile, **government construction** declined for the first time in four quarters by 0.2 percent, compared with a 0.4-percent expansion in the previous quarter, due to lower construction disbursements for key projects, such as the national highway network construction project, projects funded by the emergency or contingency reserve, and water resource procurement and irrigation area expansion projects. **(2) Private construction** declined for the first time in four quarters by 0.5 percent, compared to a 1.6-percent increase in the previous quarter. Dwelling construction declined for the first time in four quarters by 1.0 percent, compared to a 0.5-percent expansion in the previous quarter, in line with decreases in residential construction permits and land allocation permits, as well as a decline in the sales volume of key basic construction materials. Non-dwelling construction declined for the first time in six quarters by 0.8 percent, compared with a 2.6-percent increase in the previous quarter, with industrial building construction declining for the first time in fourteen quarters by 0.5 percent (compared to a 2.2-percent increase in the preceding quarter) and commercial building construction declining for the first time in four quarters by 1.7 percent (compared to a 2.4-percent increase in the preceding quarter). However, other construction continued to increase for the fifth consecutive quarter by 3.0 percent, compared to 2.4 percent in the previous quarter. **The Construction Material Price Index (CMI)** continued to increase for the ninth consecutive quarter by 6.2 percent, compared to 6.5 percent in the previous quarter. This was driven by price increases in key categories, including other construction materials (16.2 percent), electrical and plumbing equipment (12.9 percent), concrete products (9.4 percent), and tiles (3.7 percent).

The construction sector expanded for the fourth consecutive quarter by 0.1 percent, decelerating from a 0.3-percent expansion in the previous quarter, driven by the rebound of public construction, particularly state enterprise construction, while private construction declined for the first time in four quarters.

The Construction Material Price Index (CMI) continued to increase for the ninth consecutive quarter by 6.2 percent, decelerating from 6.5 percent in the previous quarter.

For the first nine months of 2026, the construction sector expanded by 2.1 percent, compared with a 5.3-percent expansion in the same period of the previous year. Public construction increased by 2.6 percent, resulting from a 3.4-percent increase in government construction and a 1.2-percent increase in state enterprise construction. Meanwhile, private construction increased by 1.3 percent.

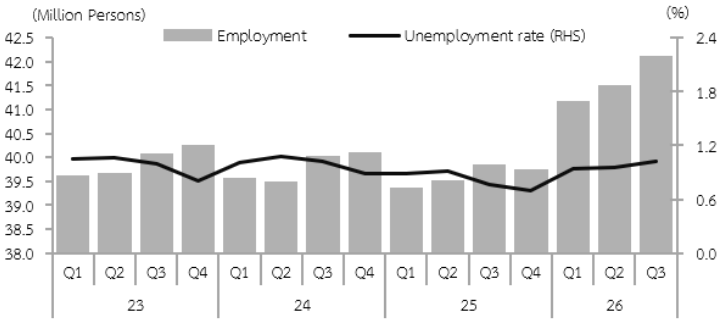
Employment: Total employment expanded by 5.7 percent, driven by employment growth in both the agricultural and non-agricultural sectors[6]. The growth was particularly prominent in wholesale and retail trade; repair of motor vehicles and motorcycles; accommodation and food service activities; and construction, respectively. However, the unemployment rate increased from the previous quarter and was higher than in the same quarter of the prior year. In the third quarter of 2026, total employment reached 42.13 million persons, representing an increase of 5.7 percent, accelerating from a 5.1-percent growth in the previous quarter. **Agricultural employment** (accounting for 29.30 percent of total employment) increased by 4.1 percent, decelerating from 6.5 percent in the previous quarter, in line with a decline in employment in paddy cultivation. **Non-agricultural employment** (accounting for 70.70 percent of total employment) increased by 6.4 percent, accelerating from 4.5 percent in the previous quarter. This expansion was driven by the higher employment, particularly in wholesale and retail trade; repair of motor vehicles and motorcycles (5.7 percent); accommodation and food service activities (9.3 percent); and construction (12.0 percent). **The unemployment rate** for this quarter stood at 1.02 percent, higher than 0.95 percent in the previous quarter and 0.77 percent in the same quarter of the previous year. The average number of unemployed persons reached 4.349 hundred thousand, up from 4.009 hundred thousand in the previous quarter and 3.100 hundred thousand in the same quarter last year.

In the first nine months of 2026, total employment expanded by 5.1 percent, in tandem with growth in both agricultural and non-agricultural employment. The unemployment rate stood at 0.97 percent.

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

The unemployment rate stood at 1.02 percent, higher than in the previous quarter and higher than in the same quarter of the previous year.

Employment increased by 5.7 percent, following an increase in agricultural and non-agricultural sectors employment. Unemployment rate was low at 1.02 percent.



Source: National Statistical Office

Employed Persons by Industry

%YOY	Share Q3/26	2024	2025							2026			
		Year	Year	H1*	H2*	Q1	Q2	Q3	Q4	H1*	Q1	Q2	Q3
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	5.7
- Agricultural	29.30	-4.4	-2.2	-2.0	-3.2	-3.1	-0.9	-2.9	-3.4	6.4	6.2	6.5	4.1
- Non-Agricultural	70.70	1.50	0.40	0.44	0.39	0.50	0.40	0.60	0.20	4.3	4.0	4.5	6.4
Manufacturing	15.34	0.40	3.50	-0.2	1.89	-0.4	0.10	2.60	1.20	1.3	2.2	0.4	1.8
Construction	5.42	2.00	-6.2	-4.4	-6.4	-5.1	-3.7	-5.4	-7.4	4.3	0.4	8.3	12.0
Wholesale and retail trade; repair of motor vehicles and motorcycles	17.09	-0.7	-2.4	-2.2	0.34	-3.1	-1.2	1.50	-0.8	5.7	7.3	4.2	5.7
Accommodation and food service activities	8.69	7.70	0.80	3.33	-0.8	3.50	3.10	-0.6	-1.1	3.6	1.5	5.8	9.3
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	42.59
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	42.13
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	0.434
Unemployment Rate (%)		1.00	0.81	0.90	0.74	0.89	0.91	0.77	0.70	0.94	0.94	0.95	1.02

Source: National Statistical Office (NSO)

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

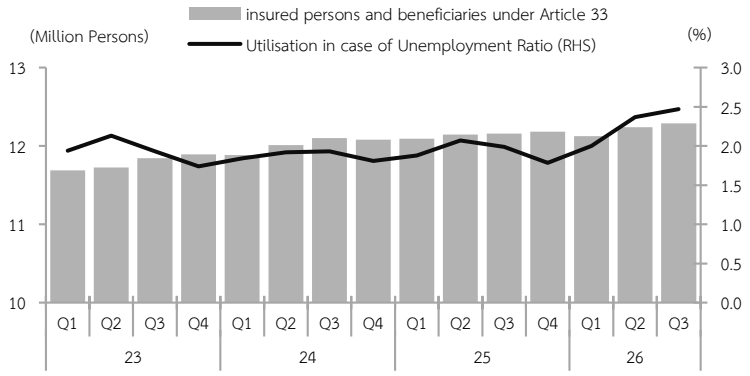
[6] In the first quarter of 2026, the National Statistical Office (NSO) revised its survey questionnaire, which affected the measured labor force figures in the survey.

Labor in the Social Security System: The total number of insured persons in the social security system decreased for the first time in two quarters, driven by a decline in voluntary insured persons under Article 39. In the third quarter of 2026, the total number of insured persons in the social security system declined by 0.004 percent, compared with a 0.2-percent increase in the previous quarter. This comprised **voluntary insured persons under Article 39** (accounting for 6.43 percent), which declined by 3.0 percent, a sharper contraction than the 0.8-percent decrease in the previous quarter; **compulsory insured persons under Article 33** (accounting for 49.53 percent), which expanded for the twentieth consecutive quarter by 1.1 percent, accelerating from a 0.8-percent increase in the previous quarter; and **voluntary insured persons under Article 40** (accounting for 44.04 percent), which decreased for the third consecutive quarter by 0.8 percent, following a 0.3-percent decrease in the previous quarter. Meanwhile, **the average number of insured persons receiving unemployment benefits under Article 33** reached 3.032 hundred thousand, higher than 2.898 hundred thousand in the previous quarter and 2.418 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 2.47 percent, higher than 2.37 percent in the previous quarter and 1.99 percent in the same quarter of the previous year.

The number of insured persons in the social security system decreased for the first time in two quarters by 0.004 percent, in line with declines in voluntarily insured persons under Section 39 and Section 40.

The proportion of insured persons receiving unemployment benefits under Article 33 stood at 2.47 percent, rising from 2.37 percent in the previous quarter and 1.99 percent in the same quarter of the previous year.

There are 12.296 million insured persons and beneficiaries under Article 33, of whom 2.47 percent received unemployment benefits.



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

Number of social security beneficiaries

Registered Applicants (Thousand persons)	2024	2025								2026		
	Year	Year	H1*	H2*	Q1	Q2	Q3	Q4	H1*	Q1	Q2	Q3
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	12,296
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	1,598
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	10,934
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**	**24,827**
Utilization in case of Unemployment	218	217	252	217	228	252	242	217	290	242	290	303
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**	**2.47**

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

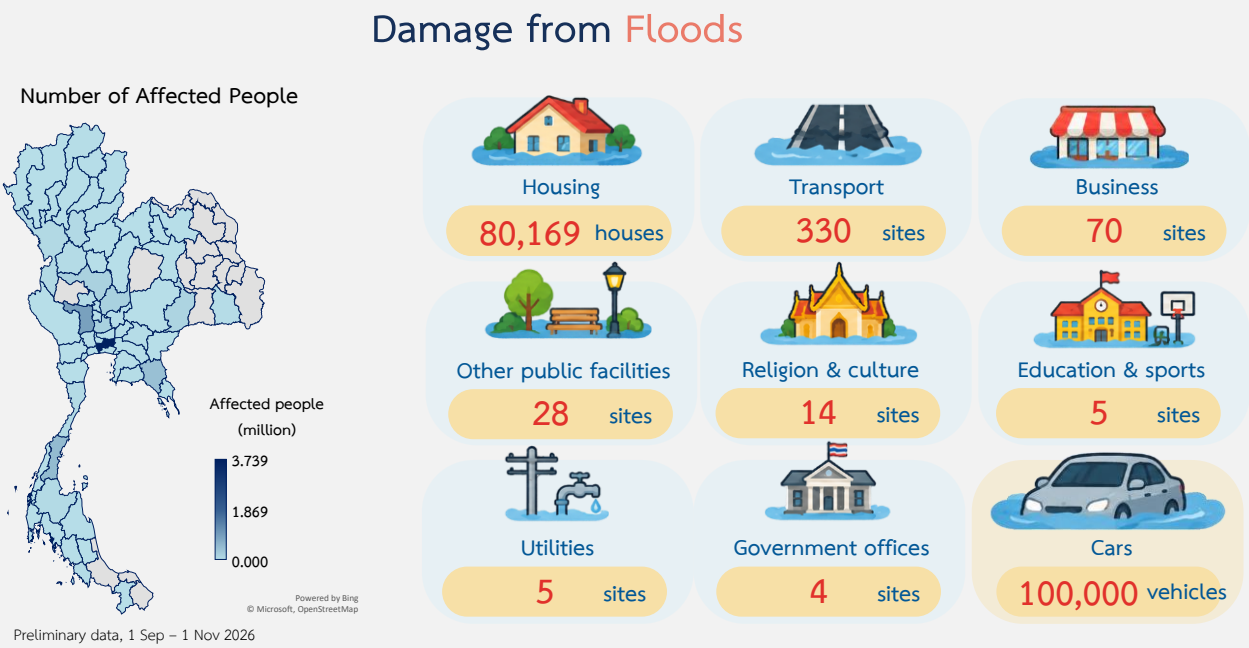
Note: [1/] Insured Persons (article 33) are employees of private enterprises that employ at least 1 employee. Those Insured Persons must be over 15 years of age, but under 60 years of age

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

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

Impact of the 2026 Rainy-Season Floods on the Thai Economy

Flooding during the 2026 rainy season impacted many areas of the country. **Between September 16 and November 10, 2026, floods affected a total of 58 provinces[1], affecting approximately 6.80 million people (9.65 percent of the national population), or 2.21 million households.** The floods caused widespread damage to housing, transport infrastructure, and private property, including 80,169 damaged homes and approximately 100,000 damaged vehicles, with total preliminary damages estimated at 50,726 million Baht, which the government has continued to accelerate relief and compensation measures for those affected. According to the Department of Disaster Prevention and Mitigation, as of November 10, 2026, 2.57 million households had applied for assistance programs, and 1.73 million households—accounting for 67.08 percent of all applicants—had received assistance payments totaling 12,703.26 million Baht.



Preliminary data, 1 Sep – 1 Nov 2026

Source: Department of Disaster Prevention and Mitigation, Ministry of Interior; and Office of Insurance Commission (OIC)

To assess the impact of the floods by production sectors[2], the Office of the National Economic and Social Development Council compiled relevant data and conducted a preliminary assessment, estimating **total economic damages at approximately 45,068 million Baht, or 0.12 percent of 2025 gross domestic product (GDP),** across three key economic sectors:

(1) Agriculture (8.75 percent of GDP): Approximately 1.99 million rai of agricultural and fishery land was impacted[3], **resulting in estimated losses of approximately 22,355.91 million Baht,** or 0.84 percent of agricultural GDP. Crops suffered the greatest losses, with 1.859 million rai of cultivated area and 176,004 farmers, with losses amounting to 21,534.67 million Baht, followed by livestock and fisheries at 472.90 million Baht[4] and 348.34 million Baht, respectively.

[1] The affected provinces are Chiang Rai, Chiang Mai, Mae Hong Son, Lampang, Lamphun, Phrae, Nan, Phayao, Tak, Phetchabun, Phitsanulok, Kamphaeng Phet, Phichit, Sukhothai, Nakhon Sawan, Uthai Thani, Buri Ram, Surin, Yasothon, Chaiyaphum, Khon Kaen, Nakhon Ratchasima, Nakhon Nayok, Sa Kaeo, Prachin Buri, Chachoengsao, Chon Buri, Rayong, Chanthaburi, Trat, Ang Thong, Chai Nat, Sing Buri, Lop Buri, Saraburi, Suphan Buri, Kanchanaburi, Phra Nakhon Si Ayutthaya, Pathum Thani, Nonthaburi, Nakhon Pathom, Samut Prakan, Samut Songkhram, Samut Sakhon, Ratchaburi, Phetchaburi, Prachuap Khiri Khan, Chumphon, Ranong, Surat Thani, Krabi, Phang Nga, Phuket, Nakhon Si Thammarat, Trang, Satun, Narathiwat, and Bangkok.

[2] This assessment includes economic damage only and does not include loss of life, property, or other forms of hardship that cannot be valued in monetary terms.

[3] Data from the Agricultural Disaster Monitoring and Response Center, Ministry of Agriculture and Cooperatives, for 21 August–10 November 2026.

[4] Processed from damage-area survey data of the Agricultural Disaster Monitoring and Response Center, Ministry of Agriculture and Cooperatives, as of 10 November 2026.

Impact of the 2026 Rainy-Season Floods on the Thai Economy (Cont.)

Flood Impacts on the Agricultural Sector

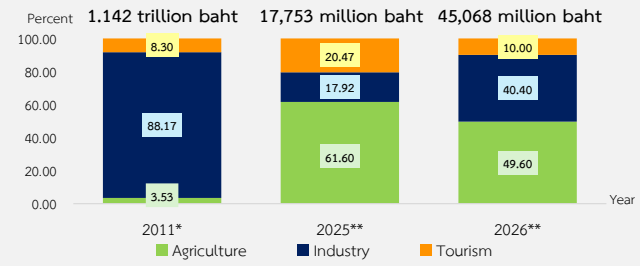


(2) Industry (28.56 percent of GDP): A total of 4,635 industrial establishments were impacted[5], resulting in estimated **damage of 18,205.63 million Baht**, or 0.11 percent of manufacturing GDP. The majority of the damage was concentrated in industrial estates to industrial estates (accounting for 98.02 percent of the damage value) and across key manufacturing provinces—led by Chon Buri (98.30 percent of total damage), followed by Samut Prakan, Rayong, Prachin Buri, Sa Kaeo, and Phra Nakhon Si Ayutthaya.

(3) Tourism services (6.29 percent of GDP): Although the damage was limited, the floods disrupted travel and undermined tourist confidence, leading to accommodation booking cancellations of around 10–20 percent in some areas, such as Chon Buri and Bangkok. This resulted in **economic losses of approximately 4,506.84 million Baht**, or 0.16 percent of the GDP of accommodation and food service activities.

Although the 2026 floods affected large areas and many people, overall economic damage was significantly lower than during the Great Flood of 2011. While the impact on the Thai economy as a whole remains limited relative to the size of the economy, these floods have affected household incomes, local economic activity, and production in key sectors, particularly agriculture and manufacturing in at-risk areas, which may weigh on the recovery of regional economies going forward. It is therefore necessary to monitor the progress of rehabilitation in affected areas,

Share of Economic Damage by Production Sector from Floods in 2011, 2025 and 2026



Note: Covers impacts on agriculture, industry and tourism services only
** 2011 data from the World Bank; ** 2025–2026 estimated by NESDC

the return of production to normal, and the impact on agricultural output in the next growing season, which may face risks from climate variability due to El Niño. These could significantly affect household incomes, regional economies, and the economic growth outlook going forward.

[5] Data from the Crisis Management Center, Ministry of Industry (as of 14 October 2026).

Fiscal Conditions:

On the revenue side, in the fourth quarter of the fiscal year 2026 (July – September 2026), net government revenue collection totaled 789.3 billion Baht, representing a 1.7 percent increase compared to the same quarter of the previous year. This was driven by the Revenue Department, whose collection increased by 14.5 percent, following the increase in corporate income tax by 14.8 percent, resulting from the half-year corporate income tax payments (P.N.D. 51) of companies with a calendar-year accounting period, and value-added tax (VAT) by 17.4 percent, consistent with the expansion of domestic consumption, partly as a result of the government's domestic economic support measures, together with the expansion of imports of crude oil and other goods. However, (i) the Excise Department's revenue collection decreased by 3.2 percent, following the decrease in oil and oil products excise tax, tobacco tax, and liquor tax by 7.6 percent, 8.5 percent, and 9.1 percent, respectively. (ii) The Thai Customs Department's revenue collection decreased by 10.2 percent, following the decrease in import duties, mainly resulting from the greater use of tax and duty privileges granted by the Board of Investment (BOI), particularly for electrical machinery, technology equipment, and capital goods. (iii) The revenue remittance from state-owned enterprises decreased by 14.5 percent, as most state-owned enterprises brought forward their dividend remittances to the previous quarter. and (iv) Remittances from other government agencies decreased by 50.3 percent, resulting from the high base in the same quarter of the previous year, mainly associated with the special remittance of surplus proceeds from bond sales (premiums) to cover the fiscal deficit and revenue from the auction of spectrum licenses for telecommunications business operations of the Office of the National Broadcasting and Telecommunications Commission (Office of the NBTC).

In Q4/FY2026, net government revenue collection increased by 1.7 percent, *driven by revenue collection from corporate income tax alongside value-added tax (VAT) levied on both domestic consumption and imports.*

For the fiscal year 2026, net government revenue collection totaled 2,948.1 billion Baht, exceeding the budget estimate by 27,497 million Baht, or 0.9 percent, and increasing by 4.3 percent from the previous year. This was attributable to: (i) The Revenue Department's revenue collection increased by 8.0 percent, driven by value-added tax (VAT) collection on domestic consumption, particularly from the retail and wholesale, electricity, and oil refinery businesses, together with VAT on imports of crude oil and other goods, such as printed circuit boards and electrical machinery and parts, as well as corporate income tax (P.N.D. 51), particularly from the oil refinery, electricity, and insurance businesses. (ii) The Excise Department's revenue collection increased by 5.3 percent, resulting from higher automobile tax in line with the recovery of car sales and domestic consumption, and higher oil and oil products excise tax following the end of the oil excise tax reduction measure. and (iii) The revenue remittance from state-owned enterprises increased by 14.6 percent, resulting from the increase in dividend remittances from state-owned enterprises in the energy, oil refinery, and power generation sectors. However, the Thai Customs Department's revenue collection decreased by 2.5 percent, as import duties declined from the greater use of tax and duty privileges granted by the BOI, mainly for imports of electrical machinery, technology equipment, and capital goods. In addition, tax refunds by the Revenue Department were 45,542 million Baht, or 10.5 percent, higher than the estimates, resulting from the improvement of the corporate income tax refund process to be faster and more efficient, together with the VAT distribution to local administrative organizations being higher than the estimates, in line with VAT collection.

For the FY2026, net government revenue collection exceeded the budgetary projection by 0.9 percent and expanded by 4.3 percent from the previous year, *predominantly driven by collections from the Revenue Department and remittances from state-owned enterprises (SOEs).*

Government's Net Revenue Collection of Fiscal Year 2026
(October 2025 – September 2026)

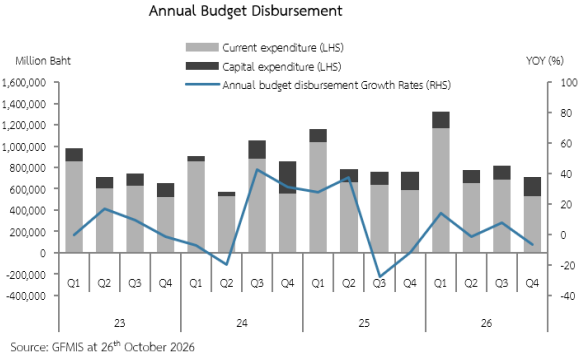
Unit: Million Baht

Sources of Revenue	FY2025	FY2026	Compare with the FY2025		Budgeted Target FY2026	Compare with Budgeted Target FY2026	
			Amount	%		Amount	%
1. Revenue Department	2,335,484	2,522,112	186,628	8.0	2,447,100	75,012	3.1
2. Excise Department	537,527	565,754	28,227	5.3	578,200	-12,446	-2.2
3. Customs Department	119,143	116,130	-3,013	-2.5	122,200	-6,070	-5.0
Revenue From 3 Departments	**2,992,154**	**3,203,996**	**211,842**	**7.1**	**3,147,500**	**56,496**	**1.8**
4. State-Owned Enterprises	177,379	203,226	25,847	14.6	182,600	20,626	11.3
5. Other Agencies	221,592	177,118	-44,474	-20.1	164,800	12,318	7.5
5.1 Other Government Agencies	208,809	164,577	-44,232	-21.2	152,900	11,677	7.6
5.2 Treasury Department	12,783	12,541	-242	-1.9	11,900	641	5.4
Total Revenue (Gross)	**3,391,125**	**3,584,340**	**193,215**	**5.7**	**3,494,900**	**89,440**	**2.6**
Deductions	424,515	478,842	54,327	12.8	433,300	45,542	10.5
Total Revenue (After Deductions)	**2,966,610**	**3,105,498**	**138,888**	**4.7**	**3,061,600**	**43,898**	**1.4**
VAT Distribution for Local Administrative Organizations (LAOs)	140,857	157,401	16,544	11.7	141,000	16,401	11.6
Total Revenue (Net)	**2,825,753**	**2,948,097**	**122,344**	**4.3**	**2,920,600**	**27,497**	**0.9**

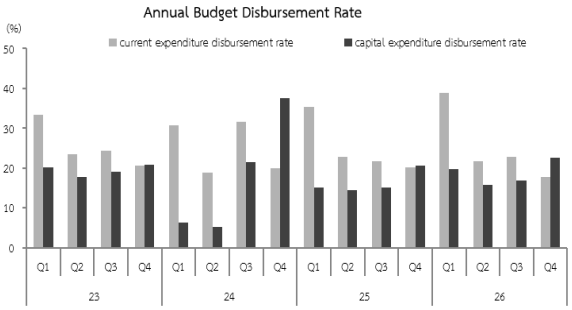
Source: Fiscal Policy Office

On the expenditure side, in the fourth quarter of fiscal year 2026 (July – September 2026), the government had a total budget disbursement of 850.6 billion Baht[7], reflecting a 6.1 percent decrease 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 708.0 billion Baht, a decrease of 6.7 percent compared to the same quarter last year. Within this amount, **current expenditure disbursement** totaled 531.3 billion Baht, a decrease of 9.9 percent from the same quarter last year, following a 32.3 percent decrease in disbursement in September 2026. The disbursement rate was 17.7 percent, lower than 20.2 percent in the same quarter of the previous year and 22.9 percent in the previous quarter. **Capital expenditure disbursement** was marked at 176.8 billion Baht, an increase of 4.0 percent from the same quarter last year. The capital disbursement rate was 22.6 percent, higher than 20.5 percent in the same quarter of the previous year and 16.9 percent in the previous quarter.



Source: GFMIS at 26th October 2026



Source: GFMIS at 26th October 2026

(ii) The carry-over budget disbursement amounted to 66.1 billion Baht, representing a 27.7 percent increase compared to the same quarter last year. The disbursement rate was 20.6 percent, higher than 19.1 percent in the same quarter of the previous year.

(iii) State-owned enterprises' (SOEs) capital expenditure (including domestic investments by PTT Public Company Limited and its affiliates) totaled 96.1 billion Baht[8], a 10.7 percent decrease from the same quarter of the previous year. This was primarily due to the decrease in disbursement by PTT Public Company Limited and its affiliates investing domestically, the Mass Rapid Transit Authority of Thailand (MRTA), and the Metropolitan Waterworks Authority (MWA). The top five SOEs with the highest disbursement values were PTT Public Company Limited and its affiliates, 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 fiscal year 2026, the total budget disbursement was 4,210.5 billion Baht, increasing by 3.4 percent from the previous year, with the following details:

(i) The 2026 annual budget disbursement amounted to 3,623.0 billion Baht, an increase of 4.6 percent from the previous year. The disbursement rate was 95.8 percent, higher than 92.3 percent in the previous year. This included 3,036.1 billion Baht in current expenditure disbursement, an increase of 3.8 percent, with a disbursement rate of 101.2 percent, higher than 100.0 percent in the previous year. Current expenditure exceeded the post-transfer budget due to the disbursement of personnel and welfare expenditures that must be paid according to entitlements, namely pensions and gratuities, medical care for civil servants, and government personnel expenses. Capital expenditure disbursement totaled 586.9 billion Baht, an increase of 8.6 percent, with a disbursement rate of 75.1 percent, higher than 65.2 percent in the previous year.

(ii) The disbursement of the carry-over budget stood at 299.1 billion Baht, increasing by 15.6 percent, with a disbursement rate of 93.2 percent, lower than 95.3 percent in the previous year.

(iii) The State-owned enterprises' capital expenditure budget (including domestic investments by PTT Public Company Limited and its affiliates) was disbursed for 346.2 billion Baht[9], reflecting a 10.4 percent decrease from the previous year. The top five SOEs with the highest capital expenditure disbursement were PTT Public Company Limited and its affiliates, the State Railway of Thailand (SRT), the Provincial Electricity Authority (PEA), the Electricity Generating Authority of Thailand

In Q4/FY2026, total budget disbursement plunged by 6.1 percent, *due to the decrease of annual budget disbursements and state-owned enterprise (SOE) capital expenditures, while the carry-over budget disbursements expanded.*

[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 19,657.9 million Baht.

[9] Includes capital expenditure allocated from the annual budget and carry-over budget amounting to 57,771.5 million Baht.

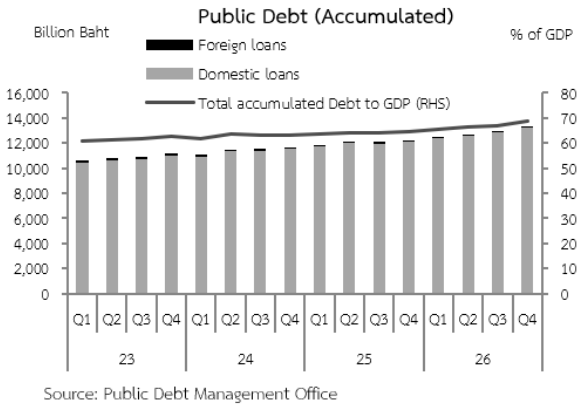
Public Debt: As of the end of September 2026, public debt stood at 13.36 trillion Baht, equivalent to 68.6 percent of GDP, higher than 67.0 percent at the end of the third quarter of fiscal year 2026. The total public debt comprised 13.27 trillion Baht in domestic loans (99.3 percent of total public debt) and 90.6 billion Baht in foreign loans (0.7 percent). Classified by agency, government debt amounted to 12.14 trillion Baht (90.8 percent), followed by non-financial state-owned enterprise debt at 1.06 trillion Baht (7.9 percent), financial state-owned enterprise debt (Government guaranteed) at 120.9 billion Baht (0.9 percent), and other government agency debt at 46.1 billion Baht (0.3 percent).

Government's Fiscal Balance on Cash Basis: At the end of September 2026, the budgetary balance recorded a surplus of 8.6 billion Baht, along with a surplus of 11.5 billion Baht in the non-budgetary balance. Additionally, the government managed cash flow through borrowing of 132.0 billion Baht. As a result, the cash balance after debt financing showed a net surplus of 152.1 billion Baht. The treasury reserve at the beginning of the fourth quarter of fiscal year 2026 stood at 423.5 billion Baht, resulting in a treasury reserve of 575.7 billion Baht at the end of the fourth quarter of fiscal year 2026.

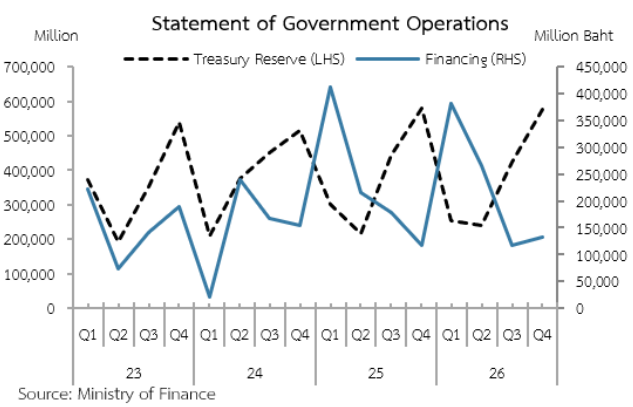
For the fiscal year 2026, the budgetary balance recorded a deficit of 972.3 billion Baht, along with a surplus of 73.2 billion Baht in the non-budgetary balance. Additionally, the government managed its cash balance through borrowing of 894.5 billion Baht. Consequently, the cash balance after debt financing remained in a net deficit of 4.7 billion Baht.

At the end of September 2026, public debt stood at 68.6 percent of GDP, *compared to 67.0 percent in the previous quarter.*

The treasury reserve at the end of September 2026 stood at 575,653 million Baht.



Source: Public Debt Management Office



Source: Ministry of Finance

Budget Structure and Mounting Pressure from Current Expenditure

The government expenditure budget is a key instrument for implementing public policy, providing basic public services, and investing to support economic and social development. The efficiency of budget management therefore cannot be judged solely by the size of allocations or by disbursement performance, but should also take into account the appropriateness of the expenditure composition, its consistency with necessary obligations, and the capacity to allocate resources in line with the country's long-term development goals. An examination of Thailand's budget structure shows that current expenditure accounts for a high and steadily rising share, leaving increasingly limited room to allocate the budget in support of public investment. In fiscal year 2026, current expenditure was approved at 2.919 trillion Baht, accounting for 77.2 percent of the total budget, and rising to 79.3 percent after budget transfers.

Meanwhile, current expenditure disbursement in fiscal year 2026 amounted to 3.036 trillion Baht, equivalent to 101.2 percent of the post-transfer budget, or 37.3 billion Baht above the post-transfer budget. This reflects the pressure of current expenditure obligations exceeding the approved budget framework, mainly due to over-budget disbursement of legally

Unit: Million Baht, unless otherwise specified

Fiscal Year	2023	2024	2025	2026
Approved budget	**3,185,000.3**	**3,602,001.1**	**3,752,700.0**	**3,780,600.0**
Approved current expenditure budget	**2,520,567.9**	**2,753,377.8**	**2,789,186.6**	**2,918,863.7**
% Share of current expenditure in the approved budget	79.1	76.4	74.3	77.2
Post-transfer current expenditure budget (1)	2,569,219.6	2,797,565.3	2,923,528.4	2,998,726.4
% Share of current expenditure in the post-transfer budget	80.7	77.7	77.9	79.3
Current expenditure disbursement (2)	**2,610,236.8**	**2,829,319.2**	**2,924,038.4**	**3,036,060.4**
% Current expenditure disbursement rate	**101.6**	**101.1**	**100.0**	**101.2**
Disbursement above the post-transfer budget (2) – (1)	41,017.2	31,753.9	510.0	37,334.0
% Current expenditure disbursed higher than the post-transfer budget	1.60	1.14	0.02	1.24

Source: GFMIS as of 26 October 2026, calculated by NESDC

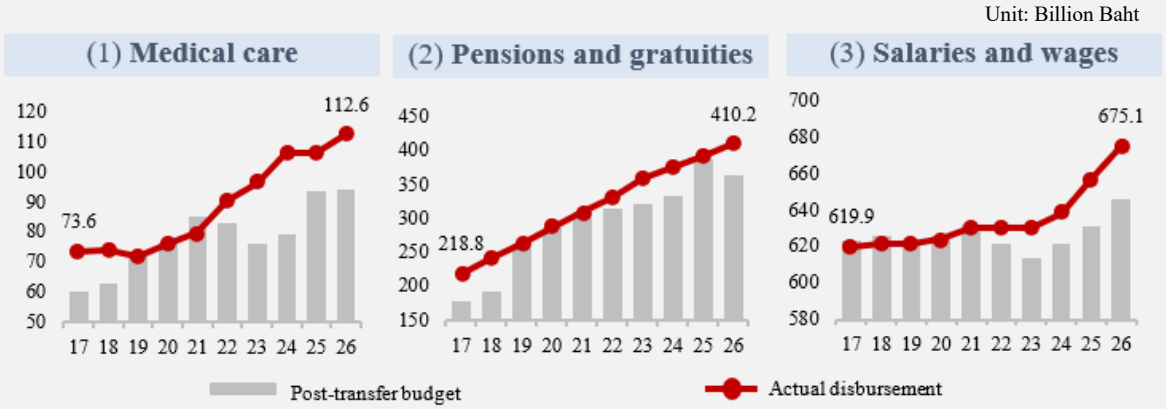
Budget Structure and Mounting Pressure from Current Expenditure (Cont.)

Disbursement of key expenditure items shows that **medical care for civil servants** amounted to 112.6 billion Baht and **pensions and gratuities** to 410.2 billion Baht, while **salaries and wages** reached 675.1 billion Baht, all of which exceeded their approved budget frameworks. These items have also risen continuously over fiscal years 2017 – 2026: medical care for civil servants increased from 73.6 billion Baht in fiscal year 2017 to 112.6 billion Baht in fiscal year 2026, pensions and gratuities rose from 218.8 billion Baht to 410.2 billion Baht, and salaries and wages increased from 619.9 billion Baht to 675.1 billion Baht. This indicates that certain government personnel expenses are on a rising trend and constitute obligations under entitlements or law, which require continuous budget allocation. Managing these expenditures therefore requires attention to budget adequacy and trend projections, so that the budget framework is consistent with the obligations expected to arise.

Item (Unit: Billion Baht)	Post-transfer budget FY2026 (A)	Actual disbursement FY2026 (B)	Disbursed above budget (drawn from treasury reserve) (C) = (B) – (A)
(1) Expenditures for medical care of civil servants, employees and public personnel	94.2	112.6	18.4
(2) Pensions and gratuities	364.2	410.2	46.0
(3) Salaries and wages	649.8	675.1	25.3
(4) Others (GPF contributions and government employee compensation)	71.3	75.2	3.9
Total (1)–(4)	1,179.5	1,273.1	93.6

Source: GFMIS as of 26 October 2026, calculated by NESDC

Note: Only items/categories with disbursement above the budget are shown.



Source: GFMIS as of 26 October 2026, calculated by NESDC

This situation has significant implications for fiscal flexibility and fiscal space. As current expenditure obligations account for a high and rising share, part of the budget must be continuously allocated to meet these commitments, further limiting the ability to reallocate the budget for new missions or to respond to economic volatility. At the same time, the declining share of the capital budget and below-potential disbursement may weaken the role of public spending in providing momentum to the economy and raising long-term growth potential. Budget management going forward should therefore focus on rebalancing the expenditure structure by improving the estimation of current expenditure and committed obligations to reflect actual needs, together with reviewing the efficiency and necessity of current expenditure, in order to preserve budget space for investment that enhances the country's potential.

Financial Conditions:

In the third quarter of 2026, Thailand's policy rate remained unchanged at 1.00 percent per annum. The Monetary Policy Committee (MPC), at its meeting on August 26, 2026, unanimously voted to maintain the policy interest rate at 1.00 percent per annum, as it assessed that an accommodative monetary policy stance, coupled with targeted financial measures, had helped support the economic recovery, while noting the need to monitor developments in the conflict in the Middle East, trade protectionist measures, and risks to inflation going forward. **The MPC's decision was consistent with the monetary policy of several countries**, including the United Kingdom, Canada, China, India and Malaysia. These countries kept their policy rates unchanged to assess the economic and Inflation outlook, while Indonesia kept its policy rate unchanged to maintain the stability of the Rupiah. **However, several countries tightened monetary policy**, including the United States, the Euro area, Japan, New Zealand and the Philippines, which raised their policy rate to contain rising inflation driven by higher energy costs amid the conflict in the Middle East, and to prevent the risk of inflation exceeding their targets going forward. Meanwhile, South Korea raised its policy rate in response to robust economic growth, supported by strong exports and investment in the semiconductor and artificial intelligence (AI) industries, as well as rising inflationary pressures, and to maintain financial stability amid rising housing prices and household debt.

The MPC maintained the policy interest rate as it assessed that an accommodative monetary policy stance, coupled with targeted financial measures, has helped support the economic recovery, in line with several countries that kept their policy rates unchanged to assess the economic and Inflation outlook.

In October 2026, the MPC, at its meeting on October 28, 2026, unanimously voted to maintain the policy interest rate at 1.00 percent per annum, as it assessed that current policy rate remained appropriate to support the economic recovery, while inflation was expected to rise temporarily due to supply-side factors. This decision was in line with the central banks of major economies including the United States, the Euro area, South Korea, Japan, and Indonesia, which kept their policy rate unchanged. However, several central banks decided to raise their policy rates, including (i) the Bank of Canada, due to inflationary pressures and a pickup in economic growth; (ii) the Reserve Bank of India, which raised its policy repo rate and changed its monetary policy stance to calibrated tightening; and (iii) the Bangko Sentral ng Pilipinas, which raised its policy rate due to upside risks to inflation driven by higher global oil prices, transportation fares and the impact of El Niño conditions on agricultural production and prices

(%) At the end of period	2023	2024	2025				2026						
	Year	Year	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Jul	Aug	Sep	Oct
USA	5.25-5.50	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	3.75-4.00	3.50-3.75	3.50-3.75	3.75-4.00	3.75-4.00
Euro area	4.50	3.15	2.65	2.15	2.15	2.15	2.15	2.40	2.65	2.40	2.40	2.65	2.65
United Kingdom	5.25	4.75	4.50	4.25	4.00	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
Canada	5.00	3.25	2.75	2.75	2.50	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.50
New Zealand	5.50	4.25	3.75	3.25	3.00	2.25	2.25	2.25	2.75	2.50	2.50	2.75	2.75
China	1.80	1.50	1.50	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40
India	6.50	6.50	6.25	5.50	5.50	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.50
Japan	-0.10	0.25	0.50	0.50	0.50	0.75	0.75	1.00	1.25	1.00	1.00	1.25	1.25
South Korea	3.50	3.00	2.75	2.50	2.50	2.50	2.50	2.50	3.00	2.75	3.00	3.00	3.00
Philippines	6.50	5.75	5.75	5.25	5.00	4.50	4.25	4.75	5.00	4.75	5.00	5.00	5.50
Indonesia	6.00	6.00	5.75	5.50	4.75	4.75	4.75	5.25	5.25	5.25	5.25	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
Malaysia	3.00	3.00	3.00	3.00	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75
Thailand	2.50	2.25	2.00	1.75	1.50	1.25	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Source: Collected by NESDC as of 11 November 2026

Large and medium-sized commercial banks maintained their deposit and lending rates, while specialized financial institutions (SFIs) slightly reduced their deposit rates. In the third quarter of 2026, large and medium-sized commercial banks maintained their Minimum Loan Rates (MLR) at average rates of 6.50 percent and 7.57 percent per annum, respectively, unchanged from the previous quarter, and maintained their 12-month fixed deposit rates at 0.76 percent and 0.75 percent per annum, respectively. Meanwhile, SFIs maintained their MLR at an average rate of 6.07 percent per annum but lowered their 12-month fixed deposit rates from the average rates of 1.05 percent to 1.03 percent per annum. As a result of lower inflation, the average real deposit rate across all banks increased to -1.63 percent per annum from -1.90 percent per annum in the previous quarter, while the average real lending rate increased to 4.15 percent per annum from 3.88 percent per annum in the previous quarter.

Large and medium-sized commercial banks maintained their deposit and lending rates, while specialized financial institutions (SFIs) slightly reduced their deposit rates

In October 2026, the average 12-month fixed deposit rates and MLR across all banks remained unchanged from September 2026.

At the end of the third quarter of 2026, outstanding private loans from depository institutions expanded for the third consecutive quarter by 1.87 percent, driven by growth in business loans from commercial banks and both household and business loans from specialized financial institutions (SFIs).

Outstanding private loans from commercial banks expanded by 1.65 percent, accelerating from 0.51 percent in the previous quarter and marking the second consecutive quarter of expansion.

Business loans expanded by 4.16 percent, accelerating from 0.07 percent in the previous quarter. This was driven by a 5.98 percent expansion in loans to large enterprises, accelerating from 1.10 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 4.63 percent following a 5.05 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 real estate activities. Overall **business loan quality** improved from the previous quarter. The ratio of Stage 2[10] loans to total business loans declined to 6.36 percent from 6.55 percent in the previous quarter, while the ratio of non-performing loans (NPLs, Stage 3[11]) to total business loans declined to 2.55 percent from 2.58 percent. However, financial institutions tightened **business loan standards** and remained cautious in lending to both existing and new borrowers, as some institutions became increasingly concerned about the economic outlook, risks in certain industries, and collateral-related risks.

Household loans remained in contraction, declining by 0.77 percent, compared with a 0.82 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 card loans. Overall **household loan quality** remained broadly unchanged from the previous quarter. The ratio of Stage 2 loans to total household loans edged down to 7.10 percent from 7.11 percent in the previous quarter, while the ratio of NPLs (Stage 3) to total household loans edged up to 3.26 percent from 3.21 percent. **Household loan standards** remained tight, reflecting high household debt burdens and the lack of improvement in borrowers' creditworthiness. As a result, financial institutions continued to exercise caution in lending, focusing on low-risk borrowers, such as permanent employees, and on secured loans, consistent with the continued expansion in housing loans.

Outstanding private loans from SFIs expanded by 1.43 percent in the third quarter of 2026, accelerating from 1.32 percent in the previous quarter. The expansion was driven by growth in household loans (which accounted for 54.73 percent of total SFI loans) and business loans (which accounted for 8.16 percent of total SFI loans), which returned to growth for the first time in four quarters.

Financial Performance of Commercial Banks: In the third quarter of 2026, commercial banks' income declined by 7.07 percent, following a 6.83 percent decline in the previous quarter, mainly due to lower interest income. Similarly, expenses fell by 9.44 percent, following an 8.52 percent decline in the previous quarter, primarily reflecting lower interest expenses. Meanwhile, the Net Interest Margin (NIM), measured as net interest income relative to average interest-earning assets, stood at 2.70 percent, compared with 2.67 percent in the previous quarter and 2.98 percent in the same quarter last year.

Outstanding private loans from depository institutions expanded for the third consecutive quarter, driven by growth in business loans from commercial banks and both household and business loans from specialized financial

[10] Stage 2: The outstanding loan values that have experienced a significant increase in credit risk, in accordance with the asset classification and provisioning guidelines issued by the Bank of Thailand.

[11] Stage 3: The outstanding loan values that show objective evidence of credit impairment, in accordance with the asset classification and provisioning guidelines issued by the Bank of Thailand.

Private credit outstanding of depository institutions

%YOY (as of the end of the period)	share Q3/26 (%)	2022	2023	2024				2025				2026		
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Private credit outstanding of depository institutions[1]	**100.00**	**2.20**	**1.47**	**1.43**	**1.00**	**-0.86**	**-1.03**	**-1.15**	**-1.05**	**-0.13**	**-0.13**	**0.44**	**1.24**	**1.87**
- Business loan[1]	25.23	2.00	-0.12	0.55	0.74	-3.24	-2.94	-2.92	-2.96	-0.72	-1.14	0.44	2.78	4.79
- Household loans[1]	44.92	2.32	2.38	1.94	1.15	0.48	0.04	-0.16	0.03	0.17	0.40	0.44	0.40	0.30
- Other loans[1]	29.85	5.35	4.43	-2.94	1.38	0.93	4.02	6.81	6.75	4.75	2.80	1.87	2.13	6.79
1. private credit from commercial banks[2]		**1.42**	**-0.10**	**-0.09**	**-0.48**	**-3.09**	**-3.25**	**-3.36**	**-3.12**	**-1.62**	**-1.50**	**-0.71**	**0.51**	**1.65**
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	4.16
- large enterprises[3]	84.32	4.02	3.03	-1.97	0.79	-1.63	1.58	1.71	1.87	1.11	-0.38	0.72	1.10	5.98
- SMEs[3]	15.68	0.36	-5.73	-4.77	-4.78	-3.28	-3.04	-2.10	-1.63	-3.73	-4.46	-4.50	-5.05	-4.63
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	-0.77
- Provide for Dwelling[3]	52.01	3.20	1.43	1.12	0.94	0.49	0.46	0.24	0.16	0.39	0.80	1.07	1.07	0.67
- Purchase or hire purchase Cars and Motor-cycle[3]	13.87	0.35	-0.41	-2.96	-6.18	-9.10	-11.40	-11.61	-10.93	-11.25	-9.87	-9.24	-7.80	-7.02
- Credit Card[3]	4.42	-14.16	2.60	0.17	-2.40	-4.73	-3.92	-3.42	-1.51	-0.83	-0.93	-4.07	-4.01	-3.29
- Other (P-Loan)[3]	29.06	3.78	7.05	5.47	4.42	3.01	0.94	0.18	0.14	0.26	0.81	0.88	0.12	0.25
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**	**1.43**
2.1 Business loan (SFIs)[4]	8.16	6.22	12.39	10.50	8.26	4.93	4.31	5.14	4.27	2.41	-1.22	-0.97	-1.07	0.41
2.2 Household loans[4]	54.73	3.29	4.07	3.62	2.90	2.31	1.89	1.57	1.43	1.19	0.95	1.41	1.69	1.59
2.3 Other loans[4]	37.11	2.80	4.23	1.14	3.03	6.45	6.14	11.05	8.69	8.69	8.31	4.38	11.95	12.71

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 Small and Medium 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 government, loans to non-financial state-owned enterprises, and loans to non-residents.

The average exchange rate of Thai Baht against the U.S. dollar depreciated from the previous quarter. In the third quarter of 2026, the Thai baht averaged 33.24 Baht per U.S. dollar, depreciating by 1.97 percent from an average of 32.60 Baht per U.S. dollar in the previous quarter, in line with the appreciation of the U.S. dollar and foreign capital outflows from the Thai stock and bond markets. This depreciation was mainly driven by (i) the policy interest rate hike by the Federal Reserve (Fed) in September to contain inflation that remained above its target, while also signaling one more policy interest rate hike in 2026; (ii) the continued rise in U.S. government bond yields to their highest level since the subprime mortgage crisis, driven by higher energy prices, expectations of policy interest rate hikes by major central banks, and growing concerns about rising fiscal risks; and (iii) escalating geopolitical conflict, which pushed oil prices higher. These factors led to increased demand for the U.S. dollar as a safe-haven asset. In addition, when compared to trading partners/competitors, the Thai Baht depreciated from the previous quarter, as reflected in the Nominal Effective Exchange Rate (NEER), which averaged 126.92, decreasing by 1.82 percent from the previous quarter. Likewise, the Real Effective Exchange Rate (REER) decreased by 2.71 percent from the previous quarter.

The average exchange rate of Thai Baht against the U.S. dollar depreciated from the previous quarter, in line with foreign capital outflows and the appreciation of the U.S. dollar driven by the Fed's policy rate hike, the increase in U.S. government bond yields and rising geopolitical conflict

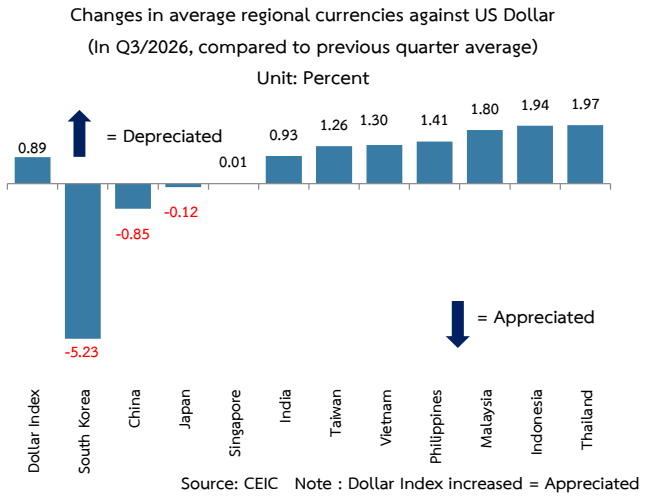
When compared against the U.S. dollar, the average exchange rate of regional currencies that depreciated in line with the Thai Baht included the Indonesian rupiah (1.94 percent), Malaysian ringgit (1.80 percent), Philippine peso (1.41 percent), Vietnamese dong (1.30 percent), New Taiwan dollar (1.26 percent), Indian rupee (0.93 percent), Hong Kong dollar (0.10 percent) and Singapore dollar (0.01 percent). In contrast, regional currencies that appreciated included the South Korean won (5.23 percent), Chinese yuan (0.85 percent), and Japanese yen (0.12 percent).

In October 2026, the Thai Baht averaged 33.64 Baht per U.S. dollar, depreciating by 1.30 percent from the previous month. This was in line with the depreciation of most regional currencies and the appreciation of the U.S. dollar, driven by (i) expectations of a policy interest rate hike by the Fed in late October; (ii) crude oil prices remaining elevated due to geopolitical conflict; and (iii) the depreciation of the euro amid political uncertainty and concerns over France's fiscal position.

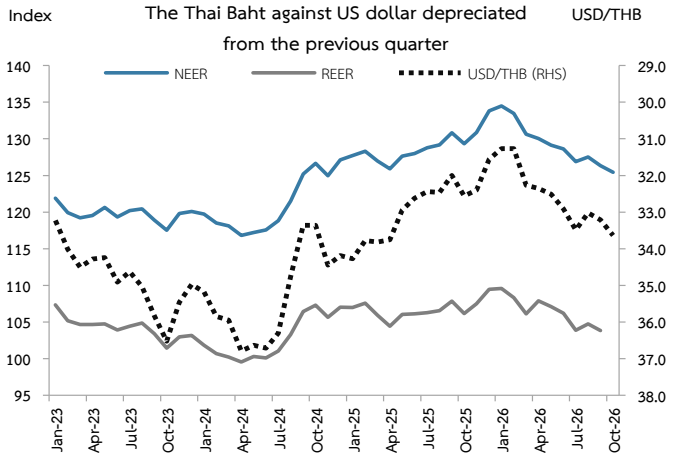
Averages of the Thai Baht Exchange Rate, U.S. Dollar Index, and Gold Prices

	2024					2025					2026							
	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	10M	Q1	Q2	Q3	Jul	Aug	Sep	Oct
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	31.61	32.60	33.24	33.49	33.02	33.21	33.64
Dollar index	104.20	103.57	105.18	102.69	105.38	100.79	106.72	99.73	97.95	98.99	99.18	98.42	99.29	100.18	100.95	99.50	100.02	102.05
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	4,876.7	4,506.2	4,254.6	4,065.1	4,398.8	4,321.6	4,114.5

Source: Collected by NESDC as of 11 November 2026



Source: CEIC Note : Dollar Index increased = Appreciated



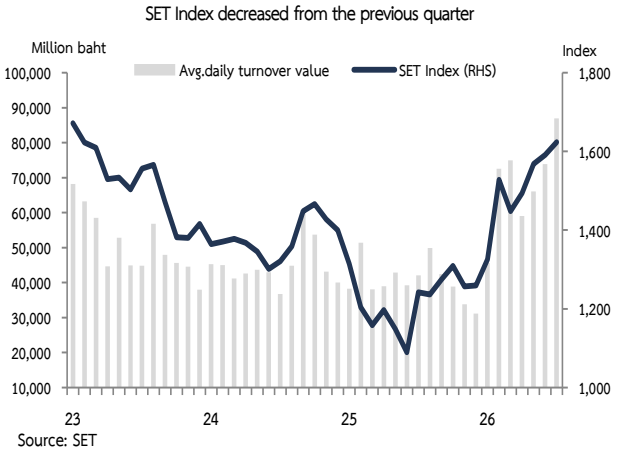
Source: CEIC, Bank of Thailand

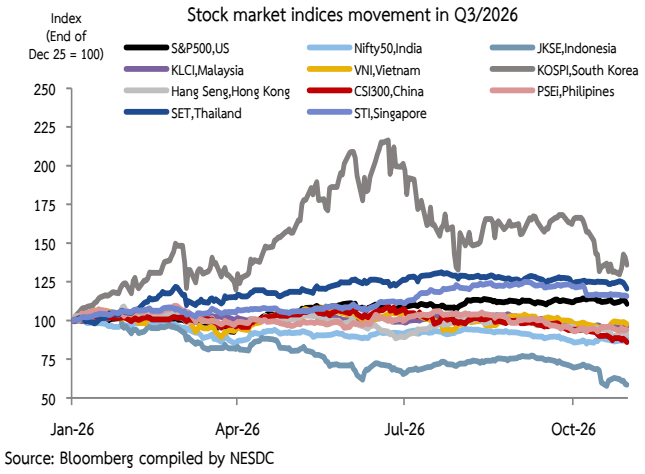
SET Index decreased from the previous quarter. At the end of the third quarter of 2026, the SET index closed at 1,559.01 points, decreasing by 2.0 percent from the previous quarter. The decline was mainly driven by selling pressure from domestic institutional and foreign investors, owing to (i) concerns over the possibility of policy rate hikes by the U.S. Federal Reserve following the Jackson Hole speech, which reflected the view that monetary policy should prioritize price stability amid persistently high inflation; (ii) uncertainty surrounding the situation in the Middle East, which led investors to reduce their holdings of risky assets; and (iii) the rise in government bond yields in several countries to their highest levels in decades, driven by concerns about inflationary pressures, fiscal positions, and increased government bonds issuance. Higher bond yields weighed on investment in Thai and regional assets. Most industry group indices rose, with increases in industrials (16.3 percent), resources (8.8 percent), financials (3.5 percent), agro and food industry (1.7 percent), and consumer products (0.4 percent). In contrast, the technology and services declined by -14.3 percent and -2.7 percent, respectively.

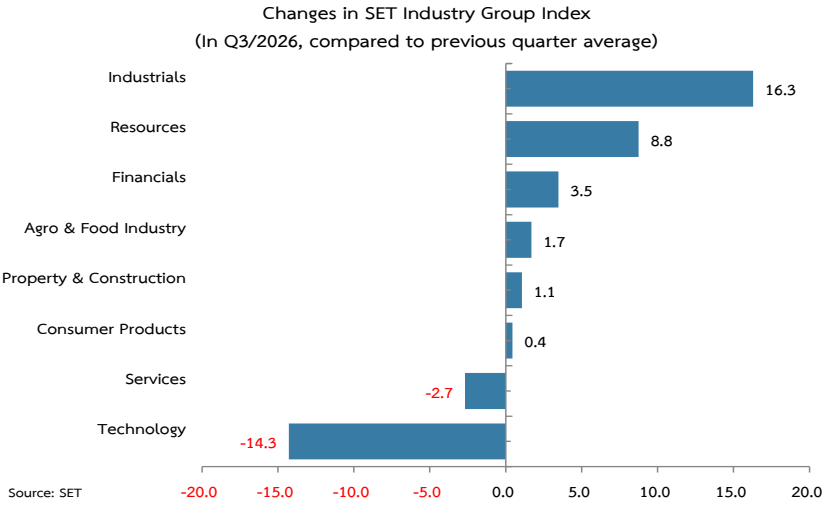
SET Index decreased, driven by concerns over the possibility of U.S. policy rate hikes, uncertainty surrounding the situation in the Middle East, and rising government bond yields in several countries.

Regional stock market indices that decreased in line with the SET index included South Korea (-19.3 percent), China (-12.5 percent), the Philippines (-5.9 percent), India (-5.2 percent), Vietnam (-4.9 percent), Japan (-4.7 percent), and Malaysia (-0.8 percent). In contrast, regional stock market indices that increased included Singapore (9.8 percent), Indonesia (7.6 percent), Hong Kong (7.6 percent), and Taiwan (3.9 percent).

In October 2026, the SET index stood at 1,518.59 points, decreasing by 2.59 percent from the previous month. The decline was in line with a fall in the electronic components sector index, following weaker-than-expected third-quarter earnings of companies in the sector, as well as a correction in global technology stocks. Meanwhile, stocks in the energy and utilities, banking, and commerce sectors increased. In addition, foreign investors were net sellers of 6,597 million baht in October, following net sales of 26,258.77 million baht in the previous month, marking the third consecutive month of net selling.







Risks of an AI Stock Correction and Implications for Thai Financial Markets

Investment in artificial intelligence (AI) has become a key driver of the global economy and financial markets. Spending on data centers, semiconductors, and related infrastructure has supported economic activity and offset the impacts of the Middle East conflict and policy uncertainty in the recent period. In financial markets, strong earnings growth among companies in the AI value chain has driven up the share of technology stocks in global market capitalization. This was reflected in the combined market capitalization of the 10 largest AI companies[1], whose share of global stock market capitalization rose from 5.6 percent in 2022 to 14.5 percent at the end of the third quarter of 2026 (Figure 1).

However, uncertainty over the direction of AI investment, stemming from the possibility that returns may fall short of expectations, is a risk factor that warrants close monitoring. Such uncertainty could lead to a downward repricing of AI-related stocks and assets (AI repricing), which would affect business confidence and the ability of businesses to raise funds and could prompt businesses to delay or cancel their investment plans. This was in line with the Global Financial Stability Report published by the International Monetary Fund (IMF) in October 2026, which identified an AI-driven market correction as one of the three main risks to global financial markets, given empirical evidence that comparable AI capabilities may be achieved at a much lower cost than expected or that AI may not raise productivity in the economy as much as anticipated. In this regard, Asian stock markets with a high share of semiconductor stocks began to experience volatility from mid-year (Figure 2). This was evident in South Korea's KOSPI index, which fell by 39.1 percent from its peak in June[2]. Subsequently, in October, selling pressure spread broadly across AI-related stocks, including large cloud and data center service providers (hyperscalers) and software companies, amid concerns over rising interest rates and potentially excessive AI investment. Selling pressure intensified in early November, coinciding with the announcement of the U.S. midterm election results, amid concerns that tighter regulation in the United States could slow data center construction. As a result, the share of the combined market capitalization of the 10 largest AI companies declined from a peak of 14.8 percent on October 8 to 13.4 percent on November 6, 2026.

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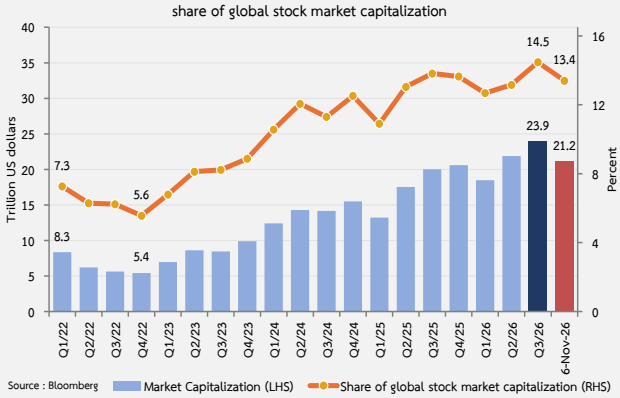
[1] The 10 largest AI companies are NVIDIA, Microsoft, Alphabet, Amazon, Meta, Broadcom, TSMC, Oracle, AMD and Palantir.

[2] This was partly attributable to the rapid expansion of leveraged ETFs

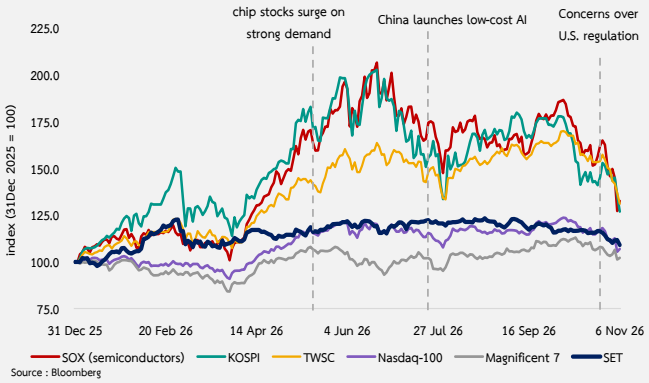
Risks of an AI Stock Correction and Implications for Thai Financial Markets (Cont.)

Figure1 Combined Market Capitalization of the 10 largest AI companies and share of global stock market capitalization



Source : Bloomberg

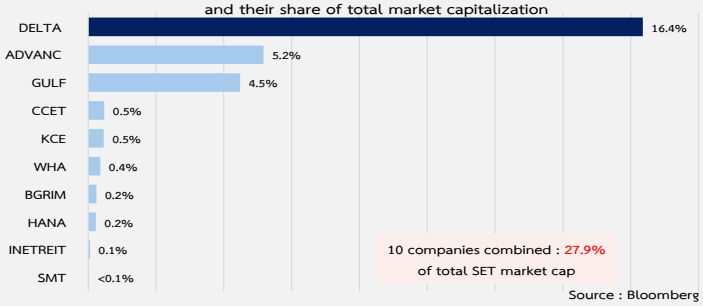
Figure 2 AI-related stock price indices in selected markets compared with Thailand



Source : Bloomberg

For the Thai capital market, linkages to AI investment are mostly through infrastructure, particularly data centers and energy-related businesses, rather than through companies that generate revenue directly from AI. On the Stock Exchange of Thailand (SET), AI-related stocks are concentrated in around 10 companies, according to Bloomberg Intelligence's classification, which together account for 27.9 percent of SET market capitalization[3]. In particular, DELTA, a manufacturer of power supplies for AI servers and energy management systems for data centers, accounted for approximately 16.4 percent of total market capitalization at the end of the third quarter of 2026 (Figure 3). As a result, volatility in individual stocks could affect the overall direction of the index. In addition, most AI-related stocks have relatively high foreign ownership (Figure 4), meaning that portfolio adjustments by foreign investors could affect both the stock market and the Thai baht going forward.

Figure 3 AI-related stocks exchange of Thailand and their share of total market capitalization



Source : Bloomberg

Figure 4 Foreign Investor holdings of High-Tech stocks

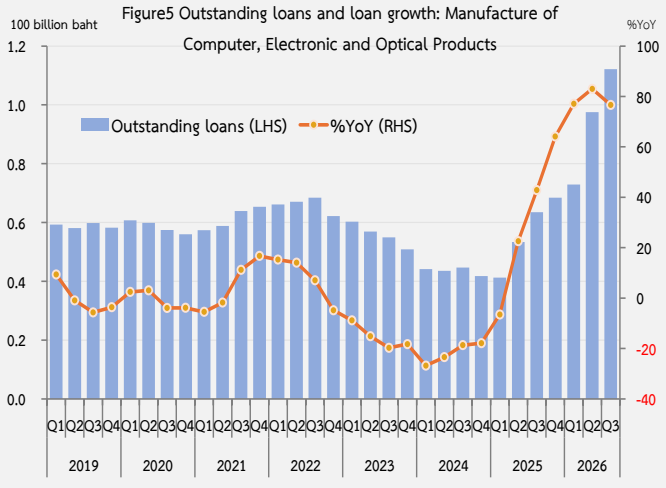
Company	Foreign ownership (%)	Foreign ownership limit (%)
DELTA	92.1	100.0
ADVANC	37.7	48.3
GULF	38.8	49.0
CCET	84.7	100.0
KCE	20.2	49.0
WHA	11.1	49.0
BGRIM	35.6	49.0
HANA	42.0	100.0
INETREIT	1.0	49.0
SMT	14.9	100.0

Source : SET, Bloomberg data as of November,4 2026

On the financial institution side, commercial bank loans to businesses linked to the AI value chain expanded faster than overall business loans. At the end of the third quarter of 2026, outstanding loans for the manufacture of computer, electronic and optical products stood at 112 billion baht, expanding by 76.64 percent year-on-year, higher than the 4.16 percent growth of total business loans across all sectors, and has continued to trend upward since 2025 (Figure 5). However, loans in this category accounted for only 0.87 percent of total business loans in the commercial banking system, suggesting that overall risks to Thailand's financial institution system remain limited. Nevertheless, loan growth has become increasingly dependent on the AI investment cycle. If an AI stock correction leads hyperscalers to scale back investment or results in fewer orders for electronic components, the debt servicing capacity of businesses in this group could be affected.

Therefore, if the AI stock correction becomes prolonged or more severe, Thailand's capital market and economy could be affected through four channels: (1) the capital market channel, as declines in AI-related stocks could cause the stock market index to fall more sharply than overall market fundamentals would suggest; (2) the capital flow channel, as selling by foreign investors with large holdings of these stocks would add pressure on the Thai baht; (3) the real economy channel, through electronics exports and data center investment plans that could be delayed; and (4) the financial institution channel, through loans to businesses in the AI supply chain. Going forward, the Ministry of Finance and the Bank of Thailand should therefore encourage investors to diversify their investments, monitor foreign capital flows to prevent excessive volatility in the Thai baht that could affect businesses and monitor loan quality and loan concentration in AI value chain businesses.

Figure5 Outstanding loans and loan growth: Manufacture of Computer, Electronic and Optical Products



Source : Bank of Thailand

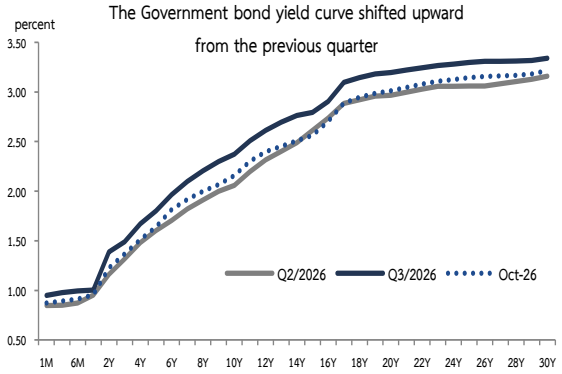
[3] AI-related stocks according to Bloomberg Intelligence classification are DELTA, ADVANC, GULF, WHA, CCET, KCE, BGRIM, HANA, INETREIT and SMT.

Government bond yield curve shifted upward. In the third quarter of 2026, government bond yields increased across all maturities. The 1-year benchmark Thai government bond yield increased from 0.95 percent to 1.00 percent per annum, while the 10-year benchmark yield increased from 2.06 percent to 2.37 percent per annum. The increase in long-term Thai government bond yields was in line with the rise in government bond yields of major economies, such as the United States, where yields reached their highest level in 24 years, and Japan, where yields reached a record high. This followed policy rate hikes by central banks in several economies, including the United States, the euro area and Japan, to contain inflationary pressures arising from higher oil prices amid situation in the Middle East, which is likely to remain protracted and severe. Meanwhile, short-term Thai government bond yields increased only slightly, in line with the MPC's decision to maintain the policy rate at 1.00 percent. Over the quarter, foreign investors recorded net selling of 38.5 billion baht in the Thai bond market.

The government bond yield curve shifted upward across all maturities, in line with the rise in long-term government bond yields of major economies.

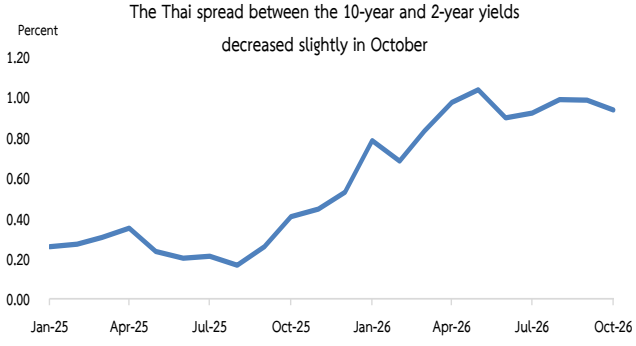
In October 2026, the 10-year benchmark Thai government bond yields stood at 2.16 percent per annum, declining from 2.37 percent per annum at the end of the third quarter. This was in line with the decline in U.S. government bond yields, driven by demand for safe-haven assets amid concerns over a correction in artificial intelligence (AI) technology stocks. In addition, foreign investors recorded net buying of 17.5 billion baht in Thai government bonds, mainly long-term bonds. This was in line with foreign capital inflows into bond markets in several regional economies, such as Indonesia, Malaysia, South Korea and India.

The Government bond yield curve shifted upward from the previous quarter



Source: ThaiBMA

The Thai spread between the 10-year and 2-year yields decreased slightly in October



Source: CEIC

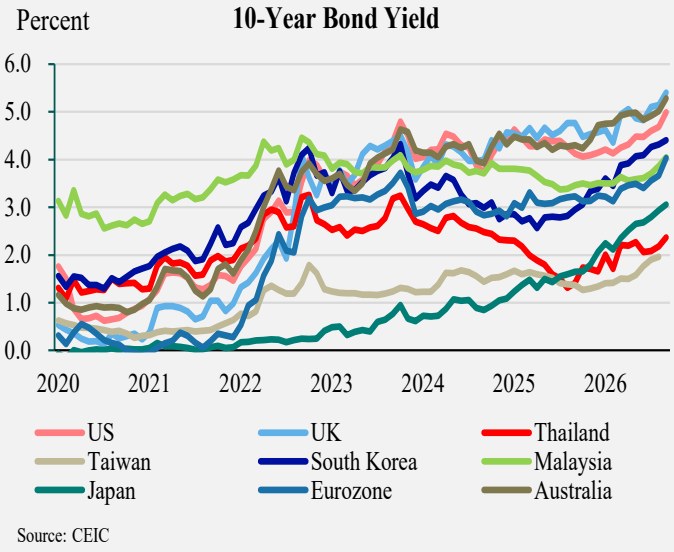
Rising Global Government Bond Yields and Impacts on the Thai Financial Sector

Long-term government bond yields in major economies rose during 2026, amid inflationary pressures and concerns over elevated public debt burdens. The 10-year US government bond yield rose to near 5.0 percent in November 2026, the highest in twenty-six years. Government bond yields in the UK, Germany, and Japan also increased. The key factors behind the rise in government bond yields are **(1) expectations of tighter monetary policy to curb inflationary pressures** that have intensified with rising energy prices and production costs, as persistently high inflation has led investors to raise their expectations for future interest rates and inflation, putting upward pressure on long-term government bond yields; and **(2) rising government borrowing needs amid high public debt.** Measures to alleviate the cost of living and higher government spending have widened fiscal deficits and increased government bond issuance. This is consistent with the IMF's assessment that global public debt will rise from approximately 94 percent of GDP in 2025 to 100 percent in 2029. Concerns over fiscal sustainability and the growing supply of bonds may also lead investors to demand a higher term premium for holding long-term bonds, pushing bond yields up even when policy interest rates remain unchanged

Rising government bond yields increase government borrowing costs and interest burdens, and may lead to a fiscal vicious cycle, particularly in countries with high public debt and large fiscal deficits, as issuing new bonds and borrowing to refinance maturing debt become more costly, which in turn raises interest burdens and fiscal deficits. At the same time, higher interest burdens reduce fiscal space for public investment and for measures to cushion economic volatility, and also crowd out private investment (crowding-out effect). **Persistently high government bond yields therefore pose a significant risk to global growth and economic stability,** as they may raise financing costs for both the public and private sectors, which would significantly constrain private investment and heighten volatility in global financial markets, especially in emerging economies that rely heavily on foreign capital.

Rising Global Government Bond Yields and Impacts on the Thai Financial Sector (Cont.)

Figure 1 10-Year Government Bond Yields Continue to Rise



Source: CEIC

Figure 2 Transmission Channels from Geopolitical Conflict

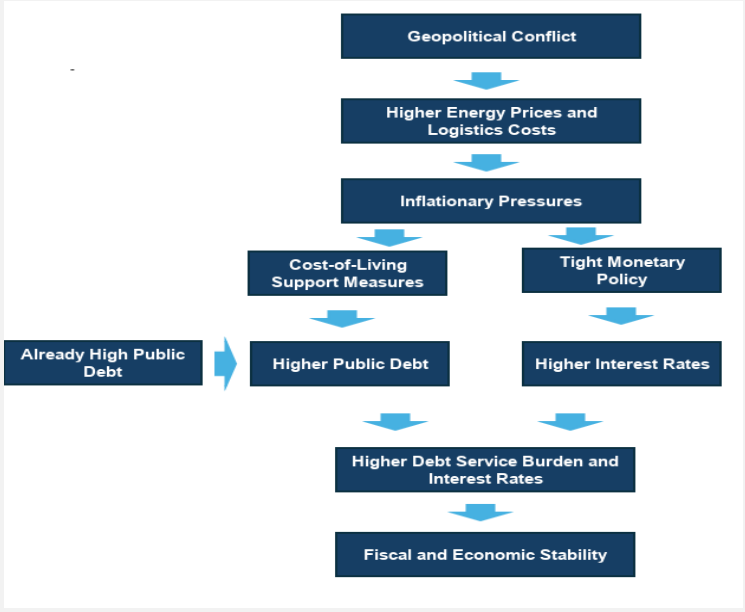
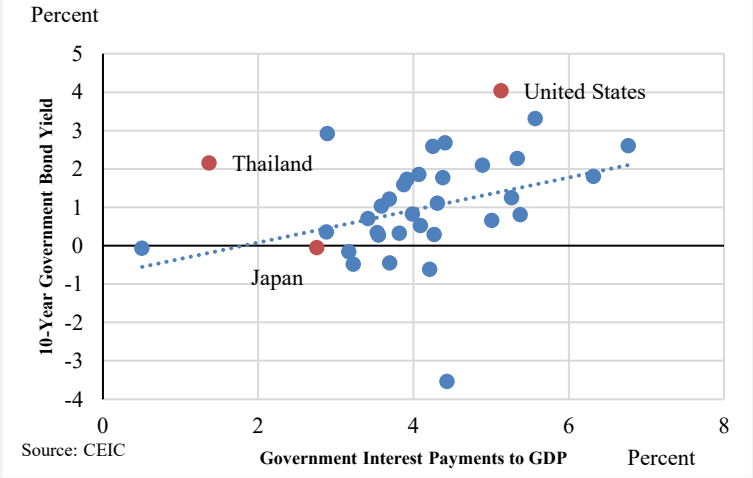


Figure 3 Countries with a High Share of Government Interest Payments Tend to Have Larger Increases in Government Bond Yields

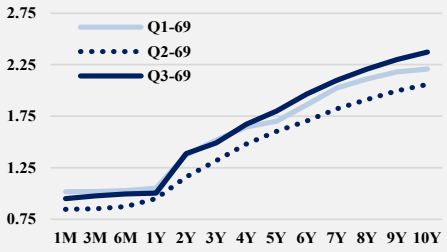


Source: CEIC

The increase in government bond yields in global markets affected Thailand's financial markets through three main channels: **(i) Thai government bond yields**: At the end of the third quarter, Thai government bond yield curve shifted upward from the previous quarter. The 10-year benchmark government bond yield increased to 2.37 percent per annum from 2.06 percent per annum in the previous quarter, an increase of 31 basis points (bps) (Figure 4); **(ii) Corporate bond yields**: At the end of the third quarter, the 3-year benchmark corporate bond yields for AAA and BBB-rated bonds were 1.89 percent and 4.85 percent per annum, up from 1.64 percent and 4.55 percent per annum in the previous quarter, increases of 25 bps and 30 bps, respectively. This resulted in wider credit spreads at several maturities compared with the previous quarter (Figure 5); and **(iii) More volatile capital flows**: Particularly in September 2026, when global government bond yields rose rapidly, foreign capital flowed out of the bond markets of Thailand and other regional economies, with net outflows of 634.79 million U.S. dollars from the Thai bond market. However, in October, government bond yields in several countries began to decline. As a result, foreign capital returned to the Thai bond market, recording net inflows of 539.5 million U.S. dollars, in line with regional bond markets (Table 1).

Rising Global Government Bond Yields and Impacts on the Thai Financial Sector (Cont.)

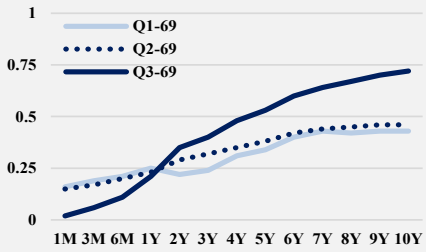
(Figure 4) Thai Government Bond Yields



Source: ThaiBMA

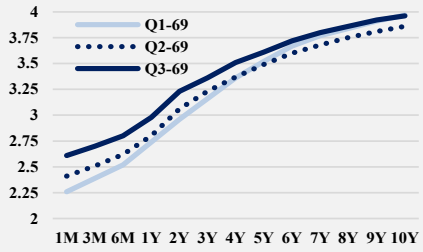
(Figure 5) Spread Between Corporate Bond Yields and Government Bond Yields

Credit Rating AAA



Source: ThaiBMA

Credit Rating BBB



Source: ThaiBMA

Table 1 Portfolio Flows in Regional Bond Markets (Million U.S. dollars)

	India	Indonesia	Malaysia	Philippines	South Korea	Thailand	Total
Jul-26	3,130.56	374.26	-1,384.69	111.47	3,060.21	-268.47	5,023.34
Aug-26	-281.73	861.16	3,918.03	634.45	-2,767.32	-114.02	2,250.57
Sep-26	-1,717.13	-15.14	-436.60	221.22	113.49	-634.79	-2,468.95
Oct-26	48.69	532.87	1,768.38		5,722.04	539.50	8,611.48
Total	1,180.39	1,753.15	3,865.12	967.14	6,128.42	-477.78	13,416.44

Source: Bloomberg as of 11 November 2026

Furthermore, the increase in government and corporate bond yields may lead to higher funding costs for both the public and private sectors when issuing new bonds. Meanwhile, the borrowing costs for lower-rated bond issuers remain high, which may further limit access to funding and increase rollover risks for businesses. In addition, higher costs of issuing new government bonds may increase the government's interest payments and fiscal burden in the future. Moreover, volatile capital flows may affect the direction and volatility of the Thai baht.

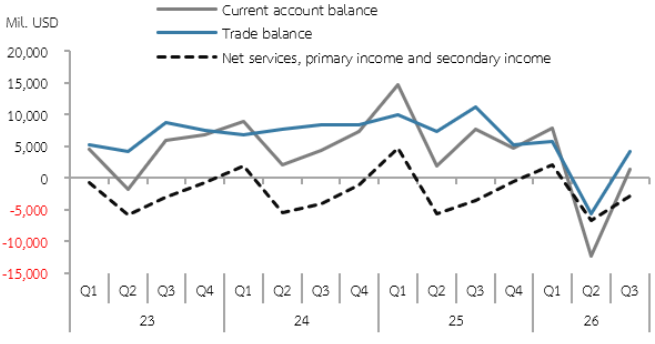
Amid tightening global financial conditions driven by rising inflationary pressures, central banks in several countries are expected to tighten monetary policy to manage their domestic economies. Therefore, it is necessary to closely monitor these developments and assess their potential impacts on Thailand's financial system in the period ahead, particularly corporate bond rollover risks arising from rising borrowing costs, which may increase default risks, and the volatility of the Thai baht, which is likely to depreciate due to foreign capital outflows and widening policy interest rate differentials.

The current account in the third quarter of 2026 returned to a surplus of 1.4 billion US dollars (47.0 billion Baht), compared with a 12.2 billion US dollar deficit (397.3 billion Baht) in the previous quarter, but lower than the 7.7 billion US dollar surplus (247.7 billion Baht) in the same quarter of the previous year. This was driven by a recovery to a trade balance surplus totaling 4.2 billion US dollars (139.0 billion Baht). However, the services, primary income, and secondary income accounts recorded a deficit of 2.8 billion US dollars (92.0 billion Baht), continuing from a 6.6 billion US dollar deficit (215.2 billion Baht) in the previous quarter and a 3.6 billion US dollar deficit (114.8 billion Baht) in the same quarter of the previous year.

For the first nine months of 2026, the current account recorded a deficit of 2.9 billion US dollars (101.3 billion Baht), compared with a surplus of 24.3 billion US dollars (808.4 billion Baht) in the same period of the previous year.

The current account returned to a surplus of 1.4 billion US dollars, driven by a recovery of the trade balance to a surplus.

Current account balance, Trade balance, and
Net services, primary income and secondary income

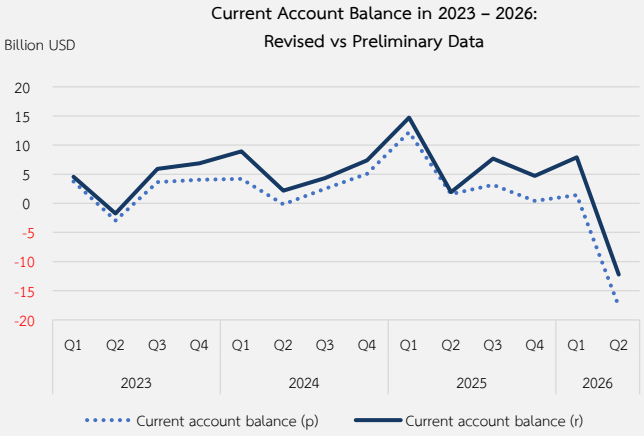


Source: Bank of Thailand

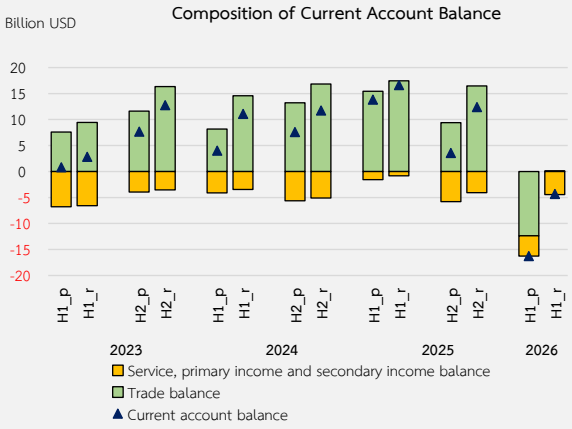
Revisions to Thailand's Balance of Payments Accounts

In September 2026, the Bank of Thailand conducted its annual revision of the balance of payments accounts (Annual Revision), following the preliminary figures published in July 2026. The key changes are as follows.

1. Adjustment of trade statistics to the Change of Ownership principle following the Free on Board (FOB) international trade terms: goods imported without a change of ownership—for example, goods imported for processing and re-export and goods brought in for exhibition—are no longer recorded in the trade account. Instead, processing fees are now recorded in the services, primary income and secondary income balances. As a result, **the current account** deficit in the first half of 2026 was 4.3 billion US dollars, improving from the 16.3 billion US dollar deficit reported in July 2026, an upward revision of 12.0 billion US dollars. The current account surplus for 2025 was revised up significantly to 29.0 billion US dollars, from 17.4 billion US dollars in the July 2026 release. This was driven by changes in the trade balance and the services, primary income and secondary income account, as follows:



Source: Bank of Thailand, compiled by NESDC



Note: Preliminary (p) = Preliminary data released in July 2026
Revised (r) = Revised data released in September 2026

1.1 Trade balance: In the first half of 2026, the trade balance recorded a surplus of 0.1 billion US dollars, revised from a deficit of 12.4 billion US dollars (an increase of 12.5 billion US dollars), mainly due to a decline in import values. **Import values** were revised down to 193.5 billion US dollars, decreasing from 206.6 billion US dollars (a decrease of 13.1 billion US dollars), while **export values** were revised down to 193.6 billion US dollars, down from 194.2 billion US dollars (a decrease of 0.5 billion US dollars). For 2025, the trade balance recorded a surplus of 33.9 billion US dollars, improving from the 24.8 billion US dollar surplus reported in July 2026.

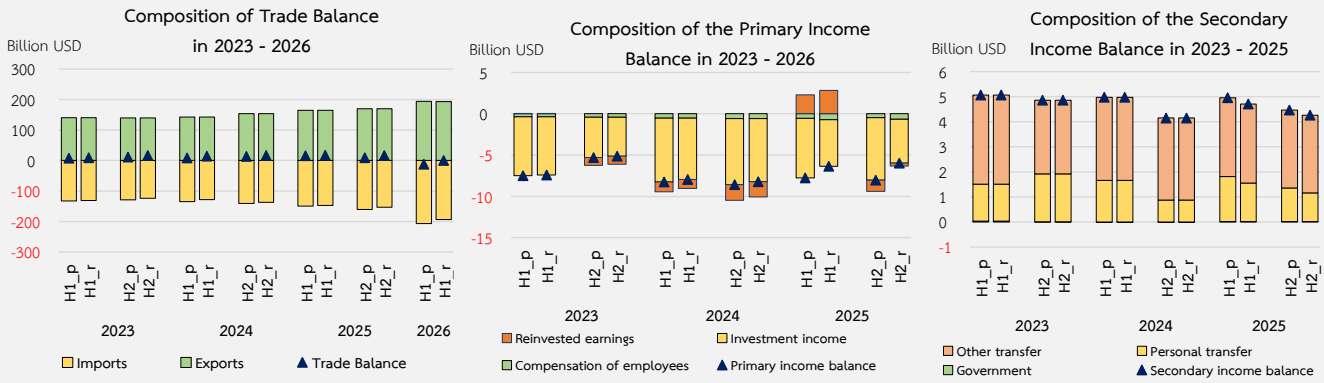
1.2 Services, primary income and secondary income account: In the first half of 2026, the services, primary income and secondary income account recorded a deficit of 4.5 billion US dollars, compared with a deficit of 3.9 billion US dollars in the July 2026 release (a larger deficit of 0.6 billion US dollars). For 2025, the deficit was revised to 4.9 billion US dollars, improving from 7.4 billion US dollars in the July 2026 release. The Bank of Thailand also revised the sub-categories of the services balance in this round, as follows:

1.2.1 Addition of a new category, which is processing fees, which recorded a surplus of 0.4 billion US dollars, accounting for 1.1 percent of the services balance. This reflects transactions previously recorded as imports that are now recorded in the services balance.

1.2.2 The disaggregation of the existing categories, shows that **the telecommunications, computer, and information services balance**, which was split into **(1) the telecommunications services balance**, with a deficit of 0.1 billion US dollars (0.2 percent of the services balance), and **(2) the computer and information services balance,** with a deficit of 0.4 billion US dollars (1.1 percent). Meanwhile, **the other business services balance** was split into **(1) the professional and management consulting services balance,** with a deficit of 3.0 billion US dollars (8.4 percent); **(2) the rental of assets, machinery and equipment balance**, with a deficit of 0.2 billion US dollars (0.6 percent); **(3) the merchanting and other non-financial trade-related services balance,** with a deficit of 0.3 billion US dollars (0.9 percent); and **(4) the research and development, technical, environmental and other business services balance,** with a surplus of 2.1 billion US dollars (5.9 percent).

Revisions to Thailand's Balance of Payments Accounts (Cont.)

1.2.3 The reinvested earnings balance in the second half of 2025 recorded a deficit of 0.4 billion US dollars, compared with a deficit of 1.3 billion US dollars in the July 2026 release. This reflects a downward revision of 0.9 billion US dollars on the expenditure side, while receipts were revised up by 0.067 billion US dollars..



Source: Bank of Thailand, compiled by NESDC

2. Trade credit in the capital account was revised up to 4.1 billion US dollars in the second half of 2025, from 2.1 billion US dollars before the revision.

3. Foreign loans in the capital account were revised down to 2.580 billion US dollars in the second half of 2025, from 2.605 billion US dollars before the revision.

International reserves at the end of September 2026 stood at 276.1 billion US dollars, rising from 273.3 billion US dollars at the end of September 2025. In Thai Baht terms, international reserves at the end of September 2026 stood at 9,263.7 billion Baht, higher than 8,834.4 billion Baht recorded in the same period of the previous year.

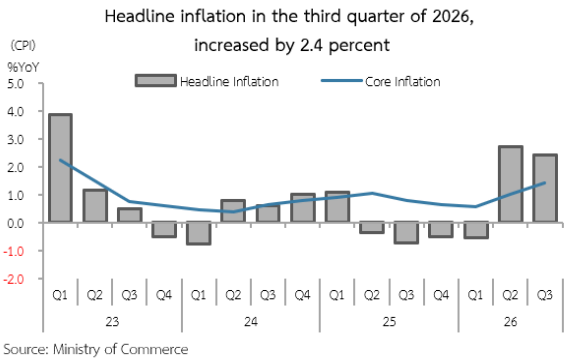
Consumer Price Index in the third quarter of 2026 increased by 2.4 percent, decelerating from 2.7 percent in the previous quarter. The non-food and beverages price index increased by 2.3 percent, decelerating from 3.8 percent in the previous quarter. This reflects a slowdown in the energy price index, particularly domestic fuel, in line with global crude oil prices. Meanwhile, the food and non-alcoholic beverages price index rose by 2.7 percent, accelerating from 1.0 percent in the previous quarter, driven by the prepared food price index due to rising production costs, and an increase in the fruit and vegetable price index due to lower supply caused by weather conditions. Core inflation rose by 1.4 percent, accelerating from 1.0 percent in the previous quarter, primarily driven by a 3.6-percent increase in the prepared food price index and a 1.5-percent increase in the non-alcoholic beverages price index, compared with increases of 2.7 percent and 1.1 percent in the previous quarter.

For the first nine months of 2026, the average Consumer Price Index stood at 1.5 percent, compared with a 0.01-percent decline in the same period of the previous year, primarily driven by the rise in the energy price index, particularly domestic fuel, as well as the prepared food price index and the raw food price index, especially fresh vegetables. Core inflation stood at 1.0 percent, up from 0.9 percent in the same period of the previous year, driven by increases in the prepared food and non-alcoholic beverages price indices.

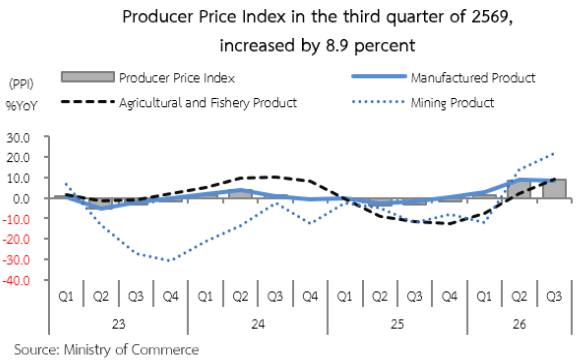
In October 2026, headline inflation stood at 3.9 percent, accelerating from 2.8 percent in the previous month and remaining positive for the seventh consecutive month, marking its highest level in forty-five months since February 2023. This was in line with the rising energy price index, particularly fuel, as tensions in the Middle East re-escalated, together with increases in the prepared food price index, following gradual rises in production costs, and fruit and vegetable prices affected by flooding in growing areas. Core inflation stood at 1.6 percent, mainly driven by prepared food and non-alcoholic beverages.

International reserves at the end of September 2026 stood at 276.1 billion US dollars, rising from the same period of the previous year.

Consumer Price Index increased by 2.4 percent in the third quarter of 2026, decelerating from the previous quarter, as the non-food and beverages price index decelerated. Meanwhile, the food and non-alcoholic beverages price index accelerated from the previous quarter.



Source: Ministry of Commerce



Source: Ministry of Commerce

The Producer Price Index in the third quarter of 2026 continued to increase by 8.9 percent for the third consecutive quarter, accelerating from 8.2 percent in the previous quarter and marking the highest rate in sixteen quarters since the fourth quarter of 2022. The agricultural and fishery products price index increased by 9.1 percent, accelerating from 2.2 percent in the previous quarter, driven by a 9.9-percent increase in the agricultural product price index, as well as the fishery product price index returning to growth for the first time in four quarters with a 1.5-percent increase. The mining products price index increased by 22.0 percent, accelerating from 13.9 percent in the previous quarter, primarily driven by the petroleum and natural gas price index. Meanwhile, the manufactured products price index rose by 8.6 percent, decelerating from 9.0 percent in the previous quarter. This was in line with slower growth in the petroleum products price index, which rose by 58.3 percent, while the price index of other manufactured products, particularly gold, increased by 19.3 percent.

For the first nine months of 2026, the Producer Price Index increased by 6.2 percent, compared with a 2.5-percent decline in the same period of the previous year. The increase was driven by a rise in the manufactured products price index, the agricultural and fishery products price index, and the mining products price index.

In October 2026, the Producer Price Index continued to increase for the eighth consecutive month by 10.2 percent, compared with a 10.5-percent increase in the previous month. This was in line with the rise in the manufactured products price index for the ninth consecutive month by 8.9 percent, mainly driven by a 74.9-percent increase in the petroleum products price index. The mining products price index increased for the seventh consecutive month by 37.8 percent, driven by a 52.1-percent increase in the petroleum and natural gas price index. Meanwhile, the agricultural and fishery products price index increased for the sixth consecutive month by 13.5 percent, mainly driven by a 14.5-percent increase in agricultural product prices.

In the third quarter of 2026, the Producer Price Index increased by 8.9 percent, continuing its expansion for the third consecutive quarter, with increases across all product categories, particularly the manufactured products price index, which rose for the fourth consecutive quarter.

2. Crude Oil Price in Q3 of 2026

Global crude oil prices increased from the same period of the previous year but decreased from the previous quarter.

The global crude oil price in the third quarter of 2026 increased from the same period of the previous year but decreased from the previous quarter. The average global crude oil price across the three major markets (Dubai, Brent, and WTI) stood at 92.0 US dollars per barrel, a 35.2-percent increase from 68.1 US dollars per barrel in the same quarter of the previous year, but a 5.7-percent decrease from 97.6 US dollars per barrel in the previous quarter. The decline was mainly due to (1) a faster-than-expected recovery in crude supply because OPEC+ and the United Arab Emirates gradually increased production and exports after crude transport resumed through the East-West Pipeline and Saudi Arabia's Yanbu port, which was reflected in a 0.5-percent increase in OPEC+ crude production in the third quarter compared with the previous quarter[12]; and (2) expectations of negotiations between the United States and Iran to end the prolonged conflict. However, prices remained high due to continuing uncertainty, as Iran and the Houthis maintained their maritime blockade of the Strait of Hormuz and the Bab el-Mandeb Strait, which are key shipping routes. Meanwhile, the Russia-Ukraine conflict continued, with Ukraine persistently attacking Russia's energy infrastructure with drones.

For the first nine months of 2026, the average global crude oil price across the three markets stood at 90.1 US dollars per barrel, a 29.4-percent increase from 69.6 US dollars per barrel in the same period of the previous year.

In October 2026, the average global crude oil price stood at 111.1 US dollars per barrel, a 75.6-percent increase from 63.3 US dollars per barrel in the same month of the previous year, and a 2.0-percent increase from the previous month's average of 109.0 US dollars per barrel, due to the escalation of the conflict in the Middle East. The United States deployed additional aircraft carriers to the region, while Iran attacked oil tankers and commercial vessels attempting to transit the Strait of Hormuz. Meanwhile, the Houthis in Yemen escalated attacks on energy infrastructure and struck an airport in Riyadh, Saudi Arabia.

Crude Oil Price

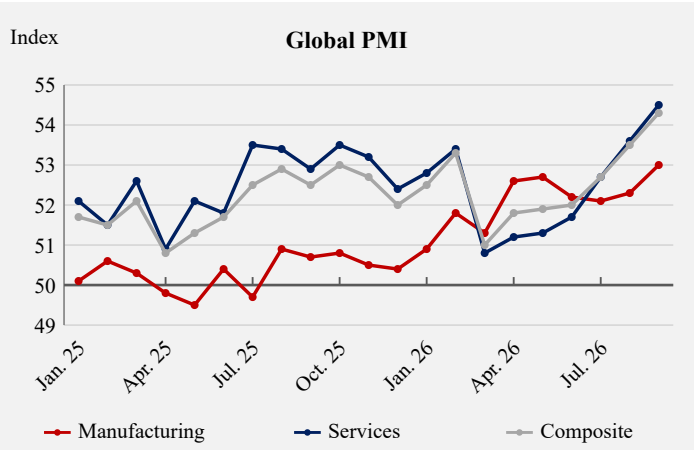
Year		USD per Barrel				(%YoY)			
		WTI	BRENT	DUBAI	Average	WTI	BRENT	DUBAI	Average
2025	Year	64.9	69.1	69.4	67.8	-14.5	-14.4	-12.8	-13.9
	Q1	71.5	75.7	76.9	74.7	-7.2	-8.9	-5.3	-7.1
	Q2	63.8	67.9	67.0	66.2	-21.1	-20.1	-21.5	-20.9
	Q3	65.1	69.1	70.1	68.1	-13.6	-14.0	-10.6	-12.7
	9M	66.7	70.9	71.3	69.6	-14.1	-14.3	-12.7	-13.7
	Q4	59.2	63.7	63.8	62.3	-15.9	-14.7	-13.3	-14.6
2026	Q1	72.7	81.0	88.0	80.6	1.8	7.0	14.3	7.9
	Q2	93.1	103.8	95.9	97.6	45.9	52.9	43.2	47.4
	Q3	86.1	97.0	92.9	92.0	32.4	40.4	32.5	35.2
	Jul	79.4	83.4	76.7	79.8	17.9	17.6	8.2	14.5
	Aug	82.7	90.9	88.9	87.5	29.0	33.3	28.1	30.1
	Sep	96.6	116.8	113.6	109.0	51.9	71.9	62.3	62.2
	9M	84.1	93.9	92.3	90.1	26.0	32.4	29.5	29.4
	Oct	97.7	125.0	110.7	111.1	62.3	93.4	70.4	75.6
	10M	85.5	97.1	94.2	92.3	29.5	38.3	33.5	33.9

Source: Bloomberg

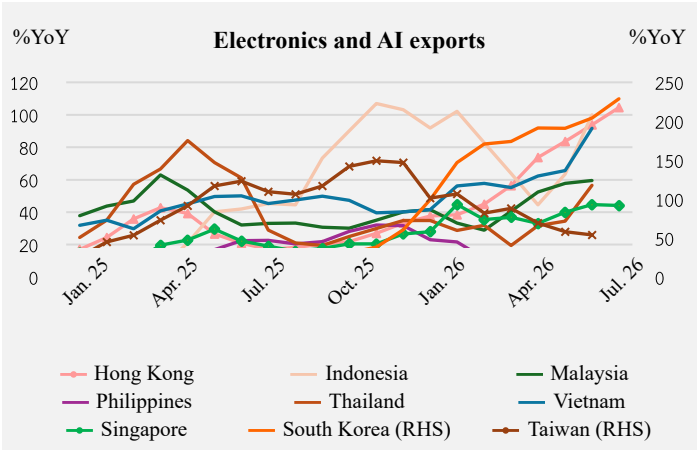
[12] Source: U.S. Energy Information Administration (EIA), processed by NESDC

3. The World Economy in the Third Quarter of 2026

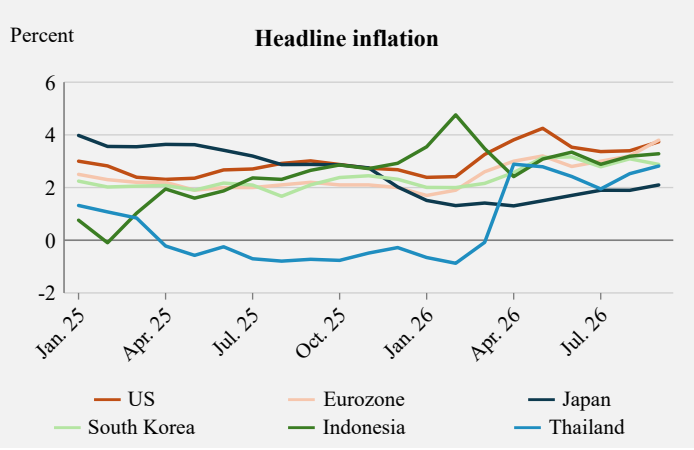
The global economy continued to expand in the third quarter of 2026, reflecting its resilience in navigating economic risks and pressures. Despite the impact of geopolitical conflicts, many economies adapted by diversifying their sources of energy imports, accelerating the release of crude oil reserves, rerouting maritime shipments, and implementing monetary and fiscal measures to mitigate the impacts. At the same time, the global economy was supported by the upturn in the technology cycle, as reflected in the acceleration of production and investment in goods and services related to digital technologies and artificial intelligence (AI) in major economies. The global Composite Purchasing Managers' Index (PMI) in the third quarter increased to 53.5 from 51.9 in the previous quarter.[13] Several Asian economies likewise benefited from the continued expansion of exports, particularly from electronics exports, which continued to expand robustly.[14] The Chinese economy continued to be supported by the sustained expansion of exports and industrial production. However, persistent inflationary pressure increased the likelihood that major central banks would adopt a more restrictive monetary policy stance, while persistent fiscal deficits and high public debt burdens[15] exerted upward pressure on government bond yields, raising borrowing costs and interest burdens, as well as limiting fiscal space for policy measures.



Source: CEIC



Source: Global Trade Atlas



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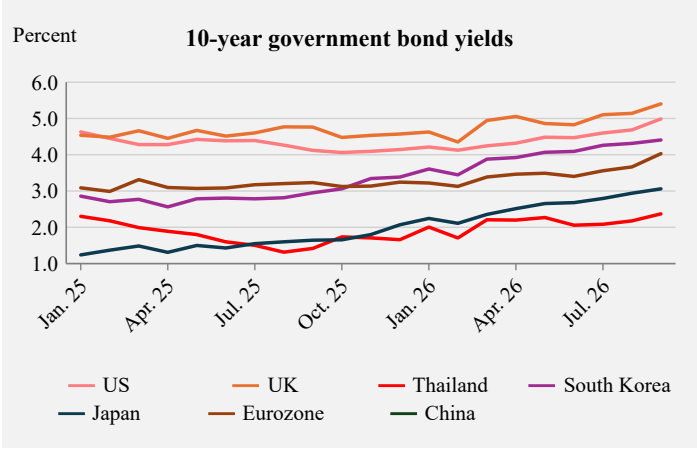

Source: CEIC

13 The composite PMIs of the US, the Eurozone, Australia, and Japan in the third quarter of 2026 stood at 56.3, 52.4, 52.4, and 52.8, the highest in nineteen quarters, three quarters, four quarters, and two quarters, respectively.

14 The export value of electrical machinery, electrical equipment, and parts (HS85) of South Korea, Singapore, and Hong Kong in the third quarter of 2026 expanded by 147.9 percent, 61.0 percent, and 57.5 percent, accelerating from 121.3 percent, 59.6 percent, and 54.5 percent in the previous quarter, respectively.

15 Examples include Japan (198.5 percent of GDP), Singapore (160.2 percent of GDP), Italy (140.1 percent of GDP), France (119.0 percent of GDP), and the US (124.5 percent of GDP). Data as of the end of the second quarter of 2026.

The US economy expanded by 2.1 percent, continuing from 2.2 percent in the previous quarter, mainly supported by private fixed investment, which grew at its fastest pace in twenty quarters, in line with investment in machinery and equipment, particularly information processing equipment and software, reflecting continued expansion in AI-related investment.[16] Private consumption expenditure continued to expand in line with real disposable income, which grew by 1.8 percent, accelerating from 1.5 percent in the previous quarter, and with improving consumer confidence. Government spending accelerated on federal government expenditure, particularly on defense, consistent with the Services PMI, which rose to 56.6 from 51.0 in the previous quarter, the highest since the fourth quarter of 2021. However, imports of goods and services accelerated faster than exports, driven by large imports of capital goods to support AI investment, while the effective tariff rate on imports fell below the level of the same period last year. As a result, the trade balance in the third quarter recorded a large deficit of 304 billion USD, up from 200 billion USD in the previous quarter. The labor market remained healthy, with non-farm employment at the end of the quarter increasing by 159,100 jobs, compared with 158,900 jobs at the end of the previous quarter, while the unemployment rate averaged 4.1 percent, down from 4.3 percent in the previous quarter.[17] Headline inflation stood at 3.5 percent, easing from 3.8 percent in the previous quarter but remaining elevated as energy prices were volatile amid the conflict in the Middle East. Inflation also remained above the medium-term monetary policy target of 2.0 percent.[18] Consequently, at the meeting on September 15 – 16, 2026, the Federal Open Market Committee (FOMC) voted to raise the policy interest rate by 0.25 percentage point to 3.75 – 4.00 percent, the first increase since July 2023.

The Eurozone economy expanded by 1.3 percent, continuing from 1.2 percent in the previous quarter, the highest in five quarters, supported by continued expansion in domestic demand and accelerating exports. The retail trade index in the third quarter expanded by 3.9 percent, continuing from 4.1 percent in the previous quarter, in line with the steady rise in household income, together with member states' ongoing measures to ease the impact of energy prices.[19] Investment related to digital technologies and AI continued to expand, in line with policies promoting digital infrastructure development to strengthen the competitiveness of the industrial sector and reduce reliance on foreign technology. This was consistent with imports in the first two months of the third quarter, which expanded by 12.6 percent, continuing from 11.8 percent in the previous quarter, driven by strong imports from Asia, particularly electronics. Similarly, exports in the first two months of the third quarter expanded by 9.3 percent, accelerating from 6.4 percent in the previous quarter and marking the highest growth in fifteen quarters, following rising demand for capital goods in the US and Asia. However, the Eurozone economy still faced inflationary pressure from higher energy prices,[20] prompting the European Central Bank (ECB) to tighten monetary policy by raising the policy interest rate by 0.25 percentage point on September 10, 2026, to keep price stability consistent with its policy target range. Meanwhile, accelerated disbursement under the Recovery and Resilience Facility (RRF) ahead of the end of the program in 2026, to support investment in clean energy, infrastructure, and the transition to a digital economy,[21] will help offset the impact of higher energy prices.

The Japanese economy continued to expand, compared to 0.9 percent in the second quarter, supported by private investment in line with demand for investment in machinery, including digital technology investment. Exports also continued to expand favorably on global demand for electronics and semiconductors, particularly products related to AI investment, with export value expanding by 10.8 percent, accelerating from 6.0 percent in the previous quarter and marking the highest growth in twenty quarters. Meanwhile, government consumption

16 Investment in information processing equipment and software expanded by 20.6 percent, accelerating from 16.8 percent in the previous quarter, with investment in computers and peripheral equipment expanding by 46.1 percent, while residential investment declined by 2.5 percent for the seventh consecutive quarter.

17 New unemployment insurance claims averaged 203,000 per week, down from 214,000 in the previous quarter. The layoff rate (JOLTS) averaged 1.05 percent in July–August, slightly down from 1.07 percent in the previous quarter, while the labor force participation rate stood at 61.6 percent, down from 62.3 percent in the same period of the previous year.

18 Personal consumption expenditures (PCE) inflation stood at 3.5 percent and core PCE inflation at 3.0 percent, easing from 3.6 percent and 3.1 percent in the previous quarter, respectively, while the Producer Price Index (PPI final demand) rose by 5.6 percent. Headline inflation in September accelerated to 3.7 percent from 3.4 percent in the previous month, as energy prices rose by 20.4 percent.

19 The European Union continued to implement measures to ease the impact of energy prices under the Middle East Crisis Temporary State Aid Framework (METSAF), in effect from April 29 to December 31, 2026, allowing member states to support businesses affected by higher fuel, fertilizer, and electricity costs. In the third quarter, the European Commission approved aid schemes by Italy and Portugal worth 285 million euros and 30 million euros, respectively. Member states also continued to implement measures to ease household living costs, such as extending fuel assistance for low-income households in France, and cutting fuel taxes and capping natural gas price increases in Spain, to cushion the impact of inflationary pressure.

20 The Consumer Price Index rose by 3.3 percent, continuing from 3.0 percent in the previous quarter and marking the highest growth in twelve quarters, as the energy component of the Consumer Price Index rose by 14.5 percent, up from 10.1 percent in the previous quarter and the highest in fifteen quarters.

21 As of the end of September 2026, cumulative disbursement under the Recovery and Resilience Facility (RRF) totaled 450 billion euros, or 79 percent of the total envelope, while 32 payment requests worth 123 billion euros remained under review. All disbursements are due to be completed by the end of 2026.

continued to be supported by rising public health and social welfare spending. However, private consumption still faced constraints from the high cost of living, particularly energy prices affected by the conflict in the Middle East, as well as the impact of natural disasters.[22] On monetary policy, the Bank of Japan (BOJ) raised its policy interest rate from 1.00 percent to 1.25 percent at its Monetary Policy Meeting on September 17–18, 2026, the highest policy rate in thirty-one years. In addition, on July 31, 2026, the Bank of Japan and the US Treasury cooperated in using the Foreign and International Monetary Authorities (FIMA) Repo Facility to reduce liquidity risks in financial markets and exchange rate volatility, leading to a significant appreciation of the JPY. The exchange rate moved from 163.73 yen per USD on July 30 to 156.76 JPY per USD on August 3, an appreciation of 4.5 percent, and reached its strongest level at 153.12 JPY per USD on September 9, 2026.

The Chinese economy expanded by 4.5 percent, compared with 4.3 percent in the previous quarter, supported by the expansion of exports and industrial production on demand for electronics and advanced-technology products, particularly products related to the AI industry, together with the expansion of export markets to other trading partners amid uncertainty over trade measures between China and the US[23] As a result, merchandise export value expanded by 28.4 percent, accelerating from 20.1 percent in the previous quarter and marking the highest growth in twenty-two quarters, consistent with industrial value added, which expanded by 5.2 percent, accelerating from 4.7 percent in the previous quarter. However, domestic demand remained weak, particularly private consumption, which was constrained by subdued consumer confidence and the persistent weakness in the property sector. This was reflected in retail sales in September, which expanded by only 1.1 percent, compared with 0.4 percent in the previous month, while fixed asset investment in the first nine months of 2026 declined by 7.2 percent, compared with a 5.7-percent decline in the first half of the year, particularly real estate investment, which declined by 20.6 percent, compared with an 18.0-percent decline in the first half of the year.[24] Headline inflation in the third quarter averaged 0.7 percent, easing from 1.1 percent in the previous quarter, reflecting still-fragile domestic demand. The Chinese government continued its economic stimulus measures through allocations from ultra-long special treasury bonds to support domestic consumption,[25] while the People's Bank of China (PBOC) kept the 1-year and 5-year loan prime rates at 3.0 percent and 3.5 percent, respectively, at its September 2026 meeting.

The Newly Industrialized Economies (NIEs) continued to expand, supported by exports, which maintained strong growth. The economies of Taiwan and Hong Kong expanded by 14.4 percent and 5.2 percent, accelerating from 12.9 percent and 4.2 percent in the previous quarter, respectively, while the economies of Singapore and South Korea expanded by 5.4 percent and 3.4 percent, slowing from 6.2 percent and 3.7 percent in the previous quarter, respectively. Singapore's economy slowed in line with the manufacturing sector, which expanded by 7.5 percent, slowing from 12.9 percent in the previous quarter. The slowdown in manufacturing was attributable to lower chemicals production, particularly petrochemicals, which remained constrained by raw material shortages resulting from the situation in the Middle East, as well as lower pharmaceutical production following changes in the mix of drugs produced. Meanwhile, South Korea's economy slowed in line with slower private consumption growth of 1.1 percent, compared with 2.4 percent in the previous quarter, particularly spending on durable goods and services, which declined from the previous quarter, partly due to work stoppages in the automotive industry and lower spending on financial services. Nevertheless, exports remained an important source of support for the NIEs, driven by strong global demand for technology products, particularly electronics, semiconductors, and AI-related products. This was reflected in the merchandise export values of South Korea, Hong Kong, Singapore, and Taiwan, which continued to grow at high and accelerating rates of 72.4 percent, 55.9 percent, 47.4 percent, and 44.6 percent, compared with 57.2 percent, 45.0 percent, 40.8 percent, and 43.7 percent in the previous quarter, respectively. In addition, the NIEs were supported by accelerating investment, in line with rising investment in machinery and equipment to meet demand for technology products, while inflation remained elevated in line with energy prices, prompting central banks in the region to tighten monetary policy.[26]

22 The major disasters affecting the economy were (1) the magnitude 6.8 earthquake on July 28, 2026, in Kumamoto Prefecture, Kyushu region; (2) heavy rainfall and major flooding in Chiba Prefecture on August 13–14, 2026; and (3) the impact of Typhoon No. 24 and Typhoon No. 25 in September 2026.

23 In the first nine months of 2026, the export value of integrated circuits (HS 8542) expanded by 99.1 percent, while exports to ASEAN and the European Union expanded by 23.4 percent and 11.8 percent, respectively. Exports to the US expanded by only 5.3 percent. However, China and the US agreed to extend the suspension of certain trade measures until January 10, 2027.

24 Private fixed investment in the first nine months of 2026 declined by 10.4 percent, while new home prices in September fell by 2.8 percent from the same period of the previous year.

25 The Chinese government allocated 250 billion RMB in 2026 to support the consumer goods trade-in program, with the final tranche of 62.5 billion RMB allocated on September 30, 2026.

26 The Bank of Korea therefore raised its policy interest rate twice in a row to 3.00 percent, the Hong Kong Monetary Authority raised its base rate to 4.25 percent, and the Monetary Authority of Singapore tightened monetary policy, while the Central Bank of Taiwan kept its policy interest rate at 2.00 percent.

The ASEAN economies continued to expand from the previous quarter, mainly supported by strong international trade,[27] particularly in Malaysia and Vietnam, which are key producers of electronic goods. The Malaysian and Vietnamese economies expanded by 5.3 percent and 9.9 percent, compared with 6.0 percent and 8.8 percent in the previous quarter, respectively. The Indonesian economy expanded by 5.5 percent, compared with 5.3 percent, supported by continued growth in domestic consumption and strong palm oil exports, despite concerns over policy uncertainty weighing on confidence. The Philippine economy expanded by 2.1 percent, compared with 2.4 percent in the previous quarter, due to a decline in private investment, partly reflecting the impact of higher energy prices. On monetary policy, most central banks maintained their policy interest rates to support the economic recovery, while the Bangko Sentral ng Pilipinas raised its policy interest rate from 4.75 percent to 5.0 percent in August in response to rising inflationary pressure.[28]

Real GDP and Exports of Goods Growth of Key Economies

(%YoY)	GDP							Exports of Goods Growth (USD)						
	2024	2025			2026			2024	2025			2026		
	Year	Year	Q3	Q4	Q1	Q2	Q3	Year	Year	Q3	Q4	Q1	Q2	Q3
US	3.0	2.3	2.6	2.0	2.6	2.2	2.1	2.2	5.7	3.8	8.9	15.2	14.8	13.0
Eurozone	1.2	1.3	1.1	1.1	0.6	1.2	1.3	0.7	7.0	7.9	9.4	3.8	9.1	
UK	1.1	1.2	1.2	0.8	0.8	1.4	1.9	-0.2	5.9	6.4	-9.7	-16.4	16.8	5.9
Australia	1.1	2.0	2.0	2.6	2.5	2.3		-8.4	-0.8	1.4	6.2	12.4	18.2	17.4
Japan	0.1	1.2	0.6	0.4	0.6	0.9		-1.4	4.4	1.3	3.8	7.1	6.0	10.8
China	5.0	5.0	4.8	4.5	5.0	4.3	4.5	5.9	5.4	6.4	3.7	14.7	20.1	28.4
India	7.4	7.3	8.1	7.7	8.6	7.8		2.6	0.4	8.2	1.3	-2.9	14.3	22.9
South Korea	2.2	1.1	2.1	1.6	3.8	3.7	3.4	8.1	3.8	6.5	8.4	38.4	57.2	72.4
Taiwan	5.3	8.8	8.4	13.0	15.4	12.9	14.4	9.8	34.8	36.5	48.8	51.1	43.7	44.6
Hong Kong	2.6	3.5	3.8	4.0	5.9	4.2	5.2	9.1	15.4	14.7	20.8	31.4	45.0	55.9
Singapore	5.3	5.0	4.5	5.7	6.4	6.2	5.4	6.2	12.2	11.2	18.2	35.0	40.8	47.4
Indonesia	5.0	5.1	5.0	5.4	5.6	5.3	5.5	2.7	6.0	8.9	0.6	0.5	7.7	8.2
Malaysia	5.2	5.2	5.3	6.2	5.4	6.0	5.3	5.7	13.9	12.6	17.8	26.3	53.5	51.4
Philippines	5.7	4.4	4.0	3.0	2.8	2.4	2.1	-0.5	15.3	13.0	21.9	12.8	13.6	24.8
Vietnam	7.0	8.0	8.3	8.5	8.1	8.8	9.9	14.4	17.0	18.6	19.8	19.4	22.7	30.0
Thailand	2.9	2.4	1.2	2.5	3.1	2.4	2.9	5.8	12.8	11.4	9.2	17.4	17.3	23.6

Source: CEIC, compiled by NESDC as of November 16, 2026

27 The export value of Indonesia, Malaysia, the Philippines, and Vietnam in the third quarter of 2026 expanded by 8.2 percent, 51.4 percent, 24.8 percent, and 30.0 percent, compared with 7.7 percent, 53.5 percent, 13.6 percent, and 22.7 percent in the previous quarter, respectively.

28 Headline inflation in the Philippines stood at 6.5 percent, close to 6.8 percent in the previous quarter but remained above the monetary policy target range of 2.0 - 4.0 percent.

4. The World Economic Outlook for 2027

The world economy in 2027 is projected to expand by 3.3 percent, decelerating from 3.6 percent in 2026, as major economies are expected to slow. The US economy is likely to decelerate as investment in AI and data centers declines, compounded by constraints from tightening financial conditions. Likewise, the Chinese economy is likely to decelerate owing to the limited recovery in domestic demand, while the contribution from exports diminishes as global demand slows. Meanwhile, the Newly Industrialized Economies (NIEs) and ASEAN economies are likely to slow from the high growth base in the previous year, which benefited from the upswing in technology and AI investment, while the Eurozone and Japanese economies are likely to accelerate driven by the recovery in domestic demand and government support measures. Inflation in major economies is likely to remain elevated even as energy prices decline, so major central banks are expected to maintain restrictive monetary policy throughout 2027, which will further tighten financial conditions in money and capital markets. In addition, the world economy and global trade face risks from highly uncertain geopolitical conflicts, the expected slowdown in digital technology and AI investment, and uncertainty over US trade restrictive measures, which could affect confidence, investment, and international trade and cause the world economy and global trade volume to expand more slowly than in the baseline scenario.

The baseline projection rests on the following key assumptions: (1) the conflict in the Middle East will begin to ease in the first quarter of 2027, allowing maritime shipping through the Strait of Hormuz to resume normal operations, and crude oil supply from the Middle East is expected to return gradually to pre-conflict levels during the second half of 2027, so that energy prices and transportation costs are likely to decline gradually through 2027; and (2) trade-restrictive measures already in force will remain in effect throughout the projection period, with no additional measures assumed. Under these assumptions, **global trade volume in 2027 is projected to expand by 4.1 percent, decelerating from 4.8 percent in the previous year.** The outlook for major economies is as follows:

The US economy is projected to expand by 2.1 percent in 2027, decelerating from 2.3 percent in 2026, primarily reflecting weaker growth momentum in private investment as the boost from front-loaded investment in AI infrastructure and data centers gradually fades, coupled with an anticipated tightening of regulations governing data center expansion. Meanwhile, the US central bank is likely to tighten monetary policy, and keeping the policy interest rate high for an extended period[29] (higher for longer) will continue to constrain consumption and investment going forward. High long-term government bond yields,[30] amid high public debt burdens and continuing fiscal deficits, also constrain the government's ability to implement fiscal measures. In addition, the US faces the risk of a federal government shutdown if the administration and Congress fail to reach a budget agreement. Nevertheless, the US economy continues to be supported by the sustained expansion of private consumption, in line with an improving labor market,[31] together with easing inflationary pressure as energy prices and the effective tariff rate decline.

The Eurozone economy is expected to expand by 1.3 percent in 2027, accelerating from 1.0 percent in the previous year, supported by continued expansion in private consumption as household purchasing power recovers from energy prices which are expected to decline gradually from the previous year, together with a robust labor market. Private investment is likely to accelerate with the expansion of the digital technology industry and the European Union's investment promotion measures,[32] while public investment is likely to keep expanding on defense spending and infrastructure development, particularly in Germany, and on the relaxation of the fiscal framework under the National Escape Clause (NEC) in 2025–2028, which allows member states to raise defense spending. Exports are likely to recover as demand from trading partners improves, supported by trade agreements between the European Union and key partners such as India, Australia, and Indonesia, which will expand export market opportunities and diversify trade risks.[33] However, the Eurozone economy still faces constraints from inflationary pressure, which is expected to remain above the monetary policy target range throughout 2027, so the ECB is likely to continue tightening monetary policy.

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29 Under the baseline scenario, the US central bank is expected to raise the policy interest rate by another 0.25 percentage point in 2026, bringing it to 4.00–4.25 percent, and to hold it there throughout 2027.

30 The 10-year US government bond yield in October 2026 stood at 5.1 percent, up from 5.0 percent in the previous month and the highest in twenty-four years.

31 Non-farm employment in October 2026 increased by 165,000 jobs, accelerating from 60,000 jobs in the previous month, while the unemployment rate fell to 4.1 percent from 4.2 percent in the previous month.

32 Examples include the AI Gigafactories initiative, whose first facility is planned to begin construction in 2027, under a public-private investment mobilization framework of no less than 30 billion euros.

33 Progress on free trade agreements between the European Union and key partners, particularly India (EU–India FTA), which aims to cut tariffs and open markets for industrial goods such as motor vehicles and parts, machinery, chemicals, and pharmaceuticals, as well as agricultural and food products; and Indonesia (EU–Indonesia CEPA), which covers tariff reductions on motor vehicles, machinery and electrical equipment, chemicals, pharmaceuticals, and agricultural and food products. Both agreements are expected to enter into force in 2027. The agreement with Mexico (EU–Mexico), which is in the ratification process, will increase trade opportunities in agricultural and food products and promote access to services markets and public procurement. In addition, the agreement with Australia (EU–Australia FTA) is expected to be signed between late 2026 and early 2027, aiming to cut tariffs on motor vehicles and parts, machinery, chemicals, iron and steel products, and agricultural and food products.

The Japanese economy is expected to expand by 0.9 percent in 2027, compared with 0.7 percent in 2026, supported by the expansion of private consumption owing to continued growth in real wages, falling energy prices, and the cut in the consumption tax on food and beverages from 8.0 percent to 1.0 percent for two years starting in April 2027. Government spending is also likely to keep expanding under the FY2027 budget, which has the largest budget envelope on record, and the increase in the defense budget under the Strong and Prosperous Japan policy. The BOJ is expected to raise the policy rate again at its Monetary Policy Meeting in December 2026 and twice more during mid-2027, bringing the policy rate to its highest level since April 1995. The weak yen remains a key risk, as it pushes up import prices, particularly for energy.

The Chinese economy is expected to expand by 4.3 percent in 2027, compared with 4.5 percent in 2026, as domestic demand is likely to recover only to a limited extent, particularly private consumption, which remains affected by low consumer confidence and concerns over the property sector, keeping households cautious about spending. Meanwhile, investment in the property sector is likely to keep declining, with real estate investment and new home sales area still falling by 20.6 percent and 13.8 percent, respectively. Nevertheless, the Chinese economy continues to be supported by stimulus measures under the 15th Five-Year Plan for National Economic and Social Development (2026–2030), particularly consumption-boosting measures aimed at raising household income and expanding social protection,[34] as well as infrastructure investment projects and support for private investment.[35] Meanwhile, support from exports is likely to weaken as global demand slows and US trade-restrictive measures remain uncertain.

The Indian economy is projected to grow by 7.0 percent in 2027, decelerating from 7.4 percent in the previous year, as high energy costs and rising food prices associated with El Niño are expected to weigh on domestic consumption and household purchasing power. Nevertheless, the economy will be supported by sustained private investment and strong industrial credit growth, particularly following investment in advanced-technology and AI infrastructure. However, the economy is expected to face pressure from capital outflows and rupee depreciation.[36] This tends to push up import prices, adding to inflationary pressures and keeping inflation above the Reserve Bank of India's medium-term target of 4.0 percent. Against this backdrop, the Bank is likely to further tighten monetary policy to maintain domestic price stability.[37]

The Newly Industrialized Economies (NIEs) are expected to expand at a slower pace in 2027 than in the previous year, reflecting a moderation in export growth, particularly of AI-related products and semiconductors, following the strong expansion in 2026. Nevertheless, the ongoing expansion of advanced semiconductor production capacity across the region is expected to continue supporting manufacturing activity and exports, while supportive fiscal policies are likely to sustain domestic demand.[38] **In 2027, the Taiwanese, Singaporean, Hong Kong, and South Korean economies are expected to expand by 5.3 percent, 3.2 percent, 2.9 percent, and 2.6 percent, decelerating from 12.3 percent, 5.5 percent, 4.6 percent, and 3.5 percent in the previous year, respectively.** Inflationary pressure remains elevated, so central banks are likely to continue tightening monetary policy, which will weigh on private consumption and investment.

Most ASEAN economies are expected to expand from the previous year, although growth prospects vary across countries. The Malaysian and Vietnamese economies are projected to increase by 4.6 percent and 7.7 percent, decelerating from 5.2 percent and 8.4 percent, respectively, as production and exports of digital technology and AI-related products are expected to moderate following strong growth in the previous year. Nevertheless, the Malaysian economy continues to be supported by expanding investment in digital infrastructure. Meanwhile, the Indonesian economy is expected to expand by 5.2 percent, supported by

34 The 5-year consumption promotion plan (2026–2030) sets a target of raising the retail value of consumer goods to approximately 60 trillion RMB by 2030 from 50.1 trillion RMB in 2025, through measures to raise household income, improve the welfare system, and promote consumption of goods and services.

35 Major investment projects totaling 109 projects in 2026–2030 cover infrastructure and strategic industry development, including water systems, electricity, data processing, communications, underground pipe networks, and logistics, together with a credit guarantee measure with a total envelope of 500 billion RMB over two years to support investment and business operations of small and medium enterprises.

36 The Indian rupee averaged 94.48 INR per USD in the first ten months of the year, compared with an average of 87.33 INR per USD in 2025.

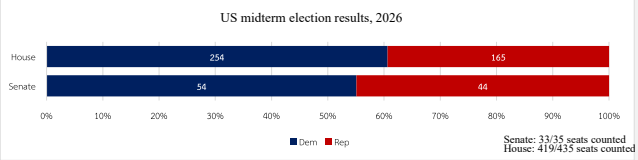
37 The Reserve Bank of India raised its policy interest rate from 5.25 percent to 5.50 percent at its October 2026 meeting, the first increase since February in 2023.

38 The South Korean government proposed a record 2027 budget, prioritizing investment in the semiconductor industry, development of data centers for AI, and research and development. The Taiwanese government proposed raising expenditure by 29.4 percent to support technology development and defense, including cash transfer measures to ease household expenses. The Hong Kong government is investing in infrastructure to support the technology industry, particularly by accelerating the development of the Northern Metropolis. The Singaporean government has measures to support consumption through the distribution of spending vouchers (CDC Vouchers) to households in January 2027, together with tax and credit benefits to promote investment and the adoption of AI by businesses (Enterprise Innovation Scheme).

resilient domestic consumption, government spending[39], and investment in mining and mineral processing, particularly nickel and copper. The Philippine economy is projected to expand by 5.0 percent, improving from 2.8 percent in the previous year, driven by the recovery in public investment following the slowdown in infrastructure project implementation and budget disbursement in the previous year. The higher growth rate will also partly reflect a low base effect, as economic activity in the previous year was adversely affected by higher energy prices amid the conflict in the Middle East and domestic corruption-related issues. Meanwhile, inflationary pressures are expected to remain elevated in several ASEAN economies,[40] prompting some central banks to continue tightening monetary policy.[41]

The US Midterm Elections and Implications for the Thai and Global Economies[1]

The US Midterm Elections held on November 3, 2026, in which the Democratic Party securing majorities in both the House of Representatives and the Senate, **shifting the balance of political power and constraining the economic policy agenda of President Donald Trump's administration.** The results also reflected public dissatisfaction with the high cost of living and the ongoing conflicts in the Middle East.



These changes are expected to strengthen Congress's role in overseeing the executive role and shaping policies, particularly in budget, trade, and foreign affairs. Nevertheless, the President retains the authority to implement measures under existing legislation, leaving US economic policy subject to continued uncertainty. These developments are expected to affect the world and Thai economies through four key channels:

(1) Uncertainty surrounding US trade policy and import tariffs: The US administration retains the authority to impose trade measures under existing legislation, particularly Sections 301 and 232. Currently, additional tariffs of 12.5 percent are imposed on Thai products under Section 301, effective July 24, 2026, for products not eligible for exemptions. Meanwhile, investigations into Structural Excess Capacity are underway against several trading partners, including Thailand, raising the risk of further trade restrictions. Although Congress may introduce legislation to reduce or repeal existing tariffs, the President can veto such legislation unless it secures a two-thirds majority in both chambers to override the veto, a threshold the Democratic Party does not currently have sufficient seats. Nevertheless, rising living costs, partly driven by higher import costs from tariffs and elevated energy prices, have contributed to declining public support for the Republican Party, potentially limiting political and public support for additional tariff measures.

(2) Global financial market volatility and energy prices: Policy differences between the executive and legislative branches could delay budget approval and negotiations over raising the federal debt ceiling, undermining investor confidence, affecting US Treasury yields, and increasing volatility in international capital flows. Meanwhile, greater congressional scrutiny of foreign policy and budget allocations could increase pressure on the administration to end the conflicts in the Middle East. An easing of geopolitical tensions would reduce risks to energy supplies and alleviate pressure on energy prices, production costs, and inflation in Thailand.

(3) Investment in AI infrastructure: Changes in power dynamic in Congress could strengthen stricter regulation of technology companies and AI investment, particularly regarding advanced AI safety standards, disclosure of testing results and operational risks, and oversight of data centers' energy and resource consumption. A review of tax incentives for technology companies could also increase costs and slow investment in US AI infrastructure, potentially reducing demand for electronic products and related equipment imported from Thailand.

(4) Economic and technological competition between the US and China: Despite greater constraints on certain trade measures, competition in advanced technologies is likely to persist, particularly through export controls on semiconductors and AI technologies. Decisions on case-by-case export licenses for advanced computing chips to China remain under the authority of the executive branch, with the US Department of Commerce's Bureau of Industry and Security (BIS) responsible for reviewing applications based on national security considerations and the need to maintain adequate domestic chip supplies. Restrictions on technology access between the two countries could accelerate supply chain decoupling and manufacturing relocation to other countries. While this could create opportunities for Thailand to attract foreign investment, it could also expose the country to tighter technology controls and trade restrictions imposed by both countries.

1 Election Results as of November 11, 2026.

39 The Budget Committee of Indonesia's House of Representatives approved the draft 2027 budget, setting a fiscal deficit target of 2.4 percent of GDP and an economic growth target of 6.0 percent, in order to drive economic growth and support key government projects, particularly investment in infrastructure and advanced technology.

40 The inflation rates in Indonesia, the Philippines, and Vietnam in October 2026 stood at 3.2 percent, 7.8 percent, and 5.1 percent, compared with 3 percent, 7.2 percent, and 5.1 percent in the previous month, respectively, while the latest inflation rate in Malaysia in October stood at 1.8 percent, compared with 1.9 percent in the previous month.

41 The Bangko Sentral ng Pilipinas raised its policy interest rate from 5.0 percent to 5.50 percent at its October 2026 meeting to contain accelerating inflation from higher global energy and oil prices amid the conflict in the Middle East, the fourth consecutive rate increase in 2026.

Measures by country to mitigate the impact of the conflict in the Middle East

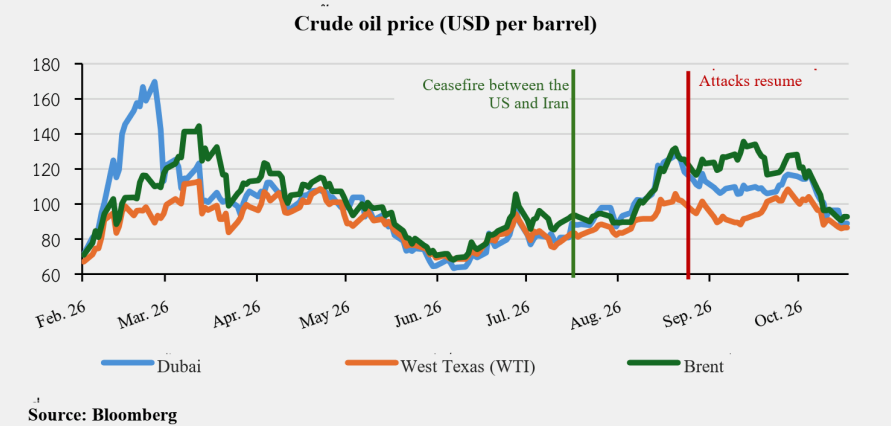
The conflict in the Middle East, which intensified in late February 2026, led to a sharp increase in global crude oil prices, prompting many countries to swiftly implement measures to mitigate the adverse impacts, particularly through fuel price subsidies and fuel tax reductions. However, as the conflict has persisted amid limited fiscal space, many governments have gradually adjusted their policy responses by scaling back fiscally costly measures. Several measures have already been phased out, including electricity and gas subsidies in Japan and financial assistance for low-income households in South Korea. Several energy consumption restrictions have also been lifted. Meanwhile, most fuel tax reductions and price control measures remain in place, alongside export restrictions on refined petroleum products and naphtha in countries such as China and South Korea to ensure domestic energy security. In addition, many countries have accelerated the implementation of structural measures aimed at reducing their dependence on imported energy and strengthening long-term energy security.

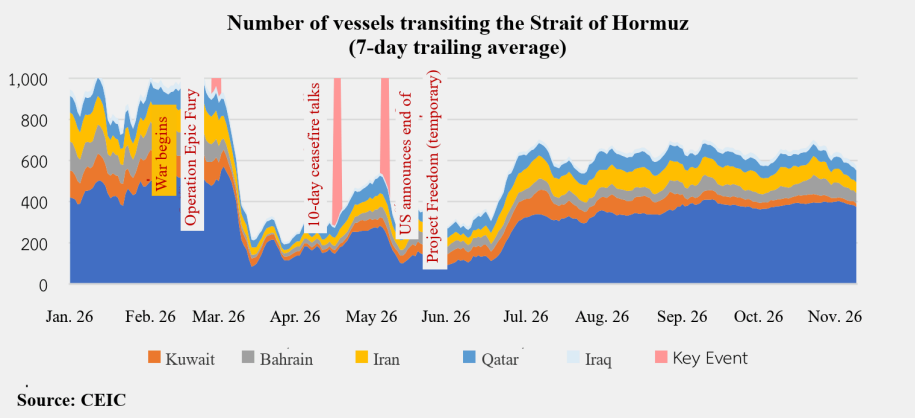
Energy-related measures by country (as of November 10, 2026)

Country	Measures that have ended	Measures still in effect	Measures for long-term structural transition
United States	• Waived summer gasoline blend standards • Suspended state-level fuel taxes, e.g., Georgia	• Waives the Jones Act to allow foreign-flagged vessels to transport fuel domestically (until November 15, 2026) • Defers diesel excise tax payments and temporarily allows on-road use of tax-exempt diesel intended for agriculture and construction during October–December 2026 • Cuts state-level fuel taxes, e.g., Utah	• Supported investment to expand domestic refineries and fuel transport systems
European Union		• Temporary state aid framework allowing compensation of up to 70 percent of higher fuel and fertilizer costs for agriculture, fisheries, and transport through the end of 2026	• Launched the AccelerateEU plan to speed up renewable electricity generation, electrification, and energy grid development
Germany	• Cut fuel taxes by 17 cents per liter in the first round	• Cuts gasoline and diesel taxes by 17 cents per liter during October–December 2026 • Limits fuel price increases at filling stations to once a day for one year	• Expanded the powers of the competition authority in the fuel market
China	• Temporarily suspended refined petroleum product exports	• Caps increases in refined petroleum product prices • Controls refined petroleum product exports through quotas and restricts fertilizer exports	• Improved energy efficiency in heavy industry • Promoted electric trucks
Japan	• Subsidized electricity and gas bills • Ran summer energy-saving campaigns	• Holds gasoline prices at around 170 yen per liter through a subsidy fund	• Supported nuclear power, renewable energy, and energy-saving investment
South Korea	• Provided relief payments of 100,000–600,000 won per person for low-income groups • Introduced odd-even license plate driving restrictions for government vehicles • Offered fuel price discounts during the Chuseok holiday	• Caps fuel prices • Cuts fuel taxes through November 2026 • Provides tax-free fuel for farmers and fishermen • Restricts naphtha exports through January 2027	• Subsidized electric vehicles, including trucks • Shifted heating systems to electricity
India	• Allocated emergency kerosene supplies • Rationed commercial LPG • Reduced the subsidized LPG entitlement for low-income households from 9 to 4 cylinders per year • Restricted gas use in industry • Provided additional fertilizer subsidies	• Cuts the fuel excise tax by 10 rupees per liter • Levies export taxes on diesel and jet fuel	• Promoted induction cooktops and piped natural gas in place of LPG
Singapore	• Assisted taxi drivers and platform workers • Distributed CDC vouchers and additional cost-of-living assistance • Helped cover bus operating costs	• Provides double utility rebates for households in public housing in October 2026 and January 2027	• Extended energy efficiency grants to all business sectors

Country	Measures that have ended	Measures still in effect	Measures for long-term structural transition
Malaysia	• Introduced temporary remote work for civil servants	• Holds the RON95 price at 1.99 ringgit per liter and subsidizes diesel • Restores the subsidized fuel quota to 300 liters per month	• Accelerated the increase in biodiesel blending from B10 to B15 • Allowed civil servants to work off-site up to two days a week as a new standard practice
Indonesia	• Covered the value-added tax on domestic airfare through the government budget	• Allocates budget for fuel and LPG subsidies • Requires civil servants to work off-site one day a week • Limits subsidized fuel purchases to 50 liters per vehicle per day	• Converted motorcycles to electric • Promoted electric stoves in place of LPG • Accelerated the use of B50 biodiesel
Vietnam	• Promoted remote work for civil servants • Cut the excise tax on gasoline	• Cuts import tax, environmental protection tax, and value-added tax on fuel through the end of 2026 • Replenishes the petroleum price stabilization fund with 8 trillion dong • Caps gas prices for power plants	• Cut the excise tax on electric vehicles • Increased the ethanol blending share • Introduced a more flexible fuel price adjustment mechanism
Thailand	• Held the diesel price at 29.94 THB per liter • Implemented the first round of Thai Help Thais Plus • Provided diesel assistance for fishing boats	• Subsidizes diesel and LPG prices through the Oil Fuel Fund • Reduces the ex-refinery price of diesel • Implements an additional round of Thai Help Thais Plus during October–November 2026 • Caps household electricity tariffs for the first 200 units at 3 THB per unit	• Launched a household rooftop solar project for 1 million households • Promoted electric motorcycles and pickup trucks, along with electric vehicles more broadly

Source: IEA (updated October 21, 2026), World Bank (November 1, 2026), OECD (September 23, 2026), government agencies of various countries, Cabinet resolutions, National Energy Policy Council resolutions, and the Energy Policy and Planning Office. Compiled by NESDC





5. The Thai Economic Outlook for 2026

The Thai economy in 2026 is projected to expand by 2.5 percent, continuing from 2.4 percent in 2025, while inflation is expected to be 2.0 percent, compared with (-0.1) percent in the previous year, and the current account is expected to record a surplus of 0.6 percent of GDP, compared with a surplus of 5.0 percent of GDP in 2025.

In its press release on November 16, 2026, the Office of the National Economic and Social Development Council (NESDC) projected that the Thai economy in 2026 would expand by 2.5 percent, equal to the upper end of the previous projection range of 2.0 – 2.5 percent (midpoint of 2.2 percent). The components of economic growth were adjusted to reflect actual data for the first three quarters of 2026 and revisions to key projection assumptions, as follows:

1) **Upward revision of the assumptions for world economic growth and global trade volume.** The projection for world economic growth in 2026 was raised from 3.3 percent to 3.6 percent, and global trade volume from 4.3 percent to 4.8 percent, in line with stronger-than-expected growth of major trading partners' economies in the first three quarters and with the value and volume of Thai merchandise exports in the first nine months of 2026, which expanded by as much as 19.5 percent and 16.0 percent, respectively. This upward revision to the assumptions for world economic growth and global trade volume raised the projected growth of merchandise export value and private investment from the previous projection.
2) **Upward revision of the assumption for the Dubai crude oil price in 2026** to 93.5 USD per barrel, up from the previous projection of 80.0 – 90.0 USD per barrel (midpoint assumption of 85.0 USD per barrel). This resulted from the prolonged conflict in the Middle East, which lasted longer than expected, pushing the Dubai crude oil price sharply higher in September and October. This revision raised export prices, import prices, and inflation from the previous projection.
3) **Downward revision of the assumptions for foreign tourist arrivals and tourism receipts.** The projection for foreign tourist arrivals in 2026 was lowered from 32.0 million to 31.0 million, partly owing to the impact of the intensifying conflict in the Middle East and travel costs that remain high. Consequently, revenue from foreign tourists in 2026 is now projected at 1.59 trillion THB, revised down from 1.65 trillion THB in the previous projection.
4) **Updates to key economic data,** comprising **(1) Manufacturing production,** following the changing methodology of the Manufacturing Production Index and key industrial indicators published by the Office of Industrial Economics, to better reflect rapid changes in the industrial structure; and **(2) International trade data,** following the revision of balance of payments data published by the Bank of Thailand to conform to the Balance of Payments and International Investment Position Manual, seventh edition (BPM7), in the September 2026 data release.

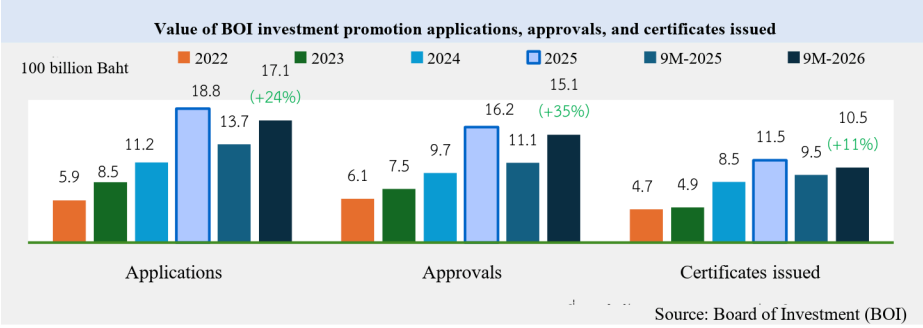
6. The Thai Economic Prospect for 2027

The Thai economy in 2027 is likely to continue expanding from 2026, supported mainly by accelerating public investment, sustained growth in private consumption and investment, the recovery of tourism and related services, and stronger momentum from net exports. However, the Thai economy still faces key constraints and risk factors, including the expected slowdown in the world economy and global trade amid risks from the prolonged geopolitical conflict and uncertainty over the trade-restrictive measures of major economies, together with risks from the impact of climate change on agriculture and elevated private-sector debt.

Supporting factors for the economic growth:

1) **Accelerating public investment,** supported by the following key factors: **(1) The increase in the FY2027 annual expenditure budget framework (excluding subsidies),** at 2.45 trillion THB, expanded by 0.3 percent from the previous fiscal year, of which the capital expenditure budget framework is 608 billion THB, expanded by 1.3 percent from the previous fiscal year. Under the baseline assumption of a 75.0 percent disbursement rate for the FY2027 capital expenditure budget, budget disbursements entering the economy are expected to total 455 billion THB, expanded by 4.8 percent from the previous fiscal year. **(2) Disbursement under the Emergency Decree Authorizing the Ministry of Finance to Borrow Fund to Resolve Problems, Mitigate Impact, and Ensure Energy Transition from the Energy Crisis B.E. 2569 (2026),** under Plan 2, which promotes and supports efficient energy use and the government's transition from fossil fuels to renewable and alternative energy technologies, and is expected to be fully disbursed in 2027; and **(3) The capital budget of state-owned enterprises,** where the disbursement rate for the domestic capital budget of state-owned enterprises in 2027 (15 months, from October 2026 to December 2027) is expected to be 90.0 percent of the budget, equivalent to investment of approximately 308 billion THB, expanded by 4.5 percent from the previous year.

2) **Continued expansion in private demand. Private investment** is expected to continue expanding at a favorable pace, supported by increased investment in machinery and equipment, particularly in digital infrastructure and advanced electronics, in tandem with the ongoing technology cycle and sustained global demand for AI-related investment, consistent with the strong growth in investment promotion applications[42] and in imports of capital goods and raw materials and intermediate goods.[43] In addition, industrial estate area in the third quarter of 2026 expanded by 6.6 percent, compared with 10.1 percent in the second quarter. Likewise, **household consumption** is likely to keep expanding, supported by the recovery of the non-agricultural income base, in line with a low unemployment rate, together with the expected decline in inflation as energy prices fall, which should allow monetary policy to remain accommodative.



42 The value of investment promotion applications in the first nine months of 2026 reached a record 1.7 trillion THB (up 28.0 percent), compared with 1.4 trillion THB (up 93.6 percent) in the same period of 2025.

43 Import value growth of capital goods and of raw materials and intermediate goods (excluding fuels) in the third quarter was 38.2 percent and 42.5 percent, respectively, continuing from 15.4 percent and 52.6 percent in the second quarter.

3) **The recovery of tourism and related services,** supported by **(1) The expected growth in international tourist arrivals,** particularly long-haul tourists, who are expected to increase as the conflict in the Middle East begins to ease and travel costs decline. This is consistent with the WTM Global Travel Report 2026,[44] which projects that global international tourist arrivals in 2027 will expand by 8.0 percent, accelerating from 2.0 percent in 2026, on the recovery of interregional travel, particularly long-haul travel, which is expected to expand by 11.0 percent. Likewise, the Pacific Asia Travel Association (PATA)[45] projects that international tourist arrivals in the Asia-Pacific region in 2027 will reach 758.8 million, or a 6.1-percent increase from the previous year, in line with forward bookings from long-haul tourists in the first quarter of 2027, which are rising;[46] and **(2) Government policy to support the tourism sector** under the "The Year of Transformation 2027" initiative of the Tourism Authority of Thailand (TAT), which aims to upgrade Thai tourism toward quality tourism. The concept focuses on expanding the long-haul tourist market, which has high purchasing power and continued growth potential, together with accelerating the recovery of tourists from the Middle East and short-haul markets and promoting cooperation with airlines to open new routes.[47]

4) **Stronger momentum from net exports,** following the continued expansion of exports, supported by rising demand for digital technology and electronics products, particularly semiconductors and equipment related to AI infrastructure, in line with the strong growth in technology and data center investment in major economies. The World Semiconductor Trade Statistics (WSTS) organization projects that the global semiconductor market will expand strongly by 108.0 percent in 2026 and is likely to keep expanding in 2027.[48] Imports are also expected to keep expanding but will begin to slow down, particularly imports of capital goods, which were already sharply accelerated in 2026, together with slower imports of consumer goods, partly owing to the revised rules on import duties for goods ordered through overseas e-commerce platforms. This will raise the customs duty rate to 30 percent from January 1, 2027. This is expected to give the economy more support from net exports.

44 Published on November 3, 2026, and projected by Tourism Economics (Oxford Economics) together with World Travel Market (WTM London).

45 From the PATA Asia Pacific Visitor Forecasts 2026–2028: Mid-Year Update, most recently published on June 29, 2026.

46 On November 3, 2026, the Tourism Authority of Thailand reported forward bookings for the first quarter of 2027, with tourists from Europe, the US, and the Middle East expanding by 17.5 percent, 1.5 percent, and 38.2 percent, respectively, for a total increase in forward bookings of 18.3 percent.

47 Examples include the London–Phuket, Warsaw–Bangkok, Copenhagen–Phuket and Krabi, and Helsinki–Krabi routes.

48 In its August 2026 forecast, the World Semiconductor Trade Statistics (WSTS) estimated that global semiconductor sales in 2026 would be worth approximately 1.66 trillion USD or a 108.0-percent increase from the previous year, and projected that in 2027 they would rise to approximately 2.1 trillion USD, a 29.0-percent increase from the previous year.

Progress of measures under the Emergency Decree Authorizing the Ministry of Finance to Borrow Funds (400 billion THB)

On May 9, 2026, the government enacted the Emergency Decree Authorizing the Ministry of Finance to Borrow Fund to Resolve Problems, Mitigate Impact, and Ensure Energy Transition from the Energy Crisis, B.E. 2569 (2026) (the Energy Crisis Borrowing Decree), with a borrowing framework of 400 billion THB, to implement short-term relief measures while laying the foundation for the long-term restructuring of the country's energy sector. The Decree comprises two plans: Plan 1, to assist people, farmers and business operators affected by the energy crisis; and Plan 2, to promote and support the efficient use of energy and to accommodate the country's future energy transition.

Regarding **the progress of Plan 1, assistance for people and business operators**, the Cabinet has approved 5 projects[1] with a total budget of 218.4 billion THB. As of November 9, 2026, total disbursement reached 184.5 billion THB, or 84.5 percent of the amount approved by the Cabinet. This was driven partly by the Project to Increase Welfare Benefits for State Welfare Card Holders 2026 and the Project to Support and Assist Low-Income Earners, which had disbursed 97.6 percent and 97.2 percent of the amount approved by the Cabinet, respectively, while the Thai Help Thais Plus (60/40) Project continued to play an important role in supporting domestic purchasing power and easing the impact of the recent rise in the cost of living.

During the third quarter of 2026 (July – September 2026), disbursement under Plan 1 amounted to 108.0 billion THB, equivalent to 49.5 percent of the amount approved by the Cabinet, comprising 73.3 billion THB from the Thai Help Thais Plus (60/40) Project (61.1 percent of the amount approved by the Cabinet), 17.8 billion THB from the Project to Increase Welfare Benefits for State Welfare Card Holders 2026 (48.3 percent), 9.0 billion THB from the Project to Support and Assist Low-Income Earners (48.1 percent), and 7.9 billion THB from the additional Project to Increase Welfare Benefits for State Welfare Card Holders 2026 (77.5 percent).

Unit: Million Baht

Plan 1	Allocation	Cumulative disbursement	% of allocation	2026				
				Q3	Jul.	Aug.	Sep.	Oct.
Thai Help Thais Plus (60/40) Project	120,000.0	98,755.5	82.3%	73,304.7	27,499.0	22,356.6	23,449.0	380.1
Increased Welfare Benefits for State Welfare Card Holders 2026	36,918.7	36,020.8	97.6%	17,822.3	9,229.7	9,229.7	-637.0	-
Support and Assistance for Low-Income Earners	18,800.0	18,272.8	97.2%	9,041.0	4,700.0	4,700.0	-359.0	-
Thai Help Thais Plus (60/40) Project (additional)	32,527.9	23,526.4	72.3%	-	-	-	-	23,282.1
Increased Welfare Benefits for State Welfare Card Holders 2026 (additional)	10,162.7	7,878.4	77.5%	7,878.4	-	-	7,878.4	-
Total	**218,409.3**	**184,453.9**	**84.5%**	**108,046.4**	**41,428.7**	**36,286.3**	**30,331.4**	**23,662.2**

Source: GFMIS as of November 9, 2026

As for **Plan 2, investment to support the long-term energy transition**, which focuses on promoting efficient energy use, the Cabinet has approved 4 projects[2] totaling 72.6 billion THB, or 40.0 percent of the Plan 2 allocation. These comprise the People's Solar project (50.0 billion THB), the smart infrastructure upgrading project (10.8 billion THB), the smart meter and energy storage system development project (10.8 billion THB), and the workforce training project for the design and installation of solar power systems to support the technological transition (972.2 million THB). The remaining Plan 2 allocation stands at 109.0 billion THB (60.0 percent of the Plan 2 allocation).

Going forward, priority should be given to accelerating the approval and disbursement of Plan 2 projects that are highly ready for implementation and can generate broad economic impact, particularly investment in clean energy, smart grids, energy storage systems and energy infrastructure, so that public investment becomes a driver of the economy in 2027, while also enhancing productive capacity, reducing energy costs and strengthening the country's energy security. This would enable loan-financed spending to serve both as a mechanism supporting economic recovery and as a means of strengthening the country's long-term competitiveness

1 Cabinet resolutions of May 19, 2026 and September 22, 2026.
2 Cabinet resolution of October 27, 2026.

Risk Factors and Limitations

1) **Risks from a sharper-than-expected slowdown in the world economy and global trade:** Key risk factors should be closely monitored include: **(1) The prolonged geopolitical conflict**, which drive up energy, raw material, and transportation costs, thereby adding inflationary pressure; **(2) Uncertainty surrounding trade-restrictive measures,** particularly following the expiration of the US–China trade truce on January 10, 2027, which could trigger a further escalation of trade restrictions; **(3) A slowdown in artificial intelligence (AI) investment** owing to uncertainty over expected returns and the cost-effectiveness of investment. This could trigger a repricing of related assets (AI Repricing) and undermine business confidence and fundraising. Signs of such a correction have emerged in Asian stock markets with a high concentration of semiconductor stocks. In particular, South Korea's KOSPI index fell by 18.9 percent in the third quarter of 2026.[49] This coincided with net foreign investor outflows totaling 44.3 billion USD across seven Asian markets over the same period. These developments could weaken investor confidence, prompt businesses to reconsider their AI investment plans, and dampen demand for goods across the AI supply chain, thereby slowing global trade; **(4) Tight financial and capital markets amid fragile fiscal stability,** as major central banks may maintain tight monetary policy for longer than expected (higher for longer), raising borrowing costs and the private sector's debt-servicing burden. Meanwhile, government bond yields in major economies may continue to rise amid persistent inflation and concerns over public debt and large fiscal deficits in economies such as the US, Japan, and the Eurozone. This would increase government borrowing costs and place further pressure on fiscal sustainability. Higher yields could also erode the value of assets held by financial institutions and investors, while increasing private-sector financing costs, potentially triggering volatility in global financial markets and capital outflows from emerging economies; and **(5) Cyber risks to the global financial system and economy,** particularly if geopolitical conflicts persist. Cyberattacks targeting banking systems, financial markets, and critical payment infrastructure remain a concern, as demonstrated by incidents in 2026[50]. Such attacks could undermine confidence and heighten risks to the stability of the financial system and the overall global economic situation.
2) **The impact of climate change on agriculture.** According to the Thai Meteorological Department, the El Niño phenomenon is expected to intensify and persist throughout the first quarter of 2027, consistent with projections by the US National Oceanic and Atmospheric Administration (NOAA), increasing the risks of hotter and drier-than-normal weather conditions and below-average rainfall.[51] Meanwhile, water reserves in the four major dams in the Chao Phraya River Basin remain a cause for concern. As of November 1, 2026, usable water stood at 12,239 million cubic meters, or 49.38 percent of capacity, close to the usable-water threshold of 12,000 million cubic meters under the normal water demand plan for the dry season and the early part of the next rainy season. This will be a key factor directly affecting agricultural output during planting or harvesting in the first half of the year, particularly second-crop paddy, sugarcane, fruits, and oil palm.[52] Furthermore, the resulting increase in agricultural commodity and food prices could exert upward pressure on household living costs, particularly among low-income and vulnerable households.
3) **Elevated household debt burdens and the deteriorating credit quality of SMEs.** Although the household debt-to-GDP ratio has continually declined,[53] it remains higher than before the COVID-19 pandemic, and there are still risks to the debt repayment capacity of both households and SMEs. This can be illustrated by in the ratio of non-performing loans (NPLs, Stage 3) to total SMEs loans in the third quarter, which stood at 9.21 percent, increasing from 9.01 percent in the previous quarter, and the ratio of NPLs (Stage 3) to total household loans, which stood at 3.26 percent, rising from 3.21 percent in the previous quarter. These reflect the financial fragility of Thai SMEs and households. At the same time, financial institutions' tight lending standards, particularly for unsecured loans, have led some households to turn to other, more accessible sources of credit, such as savings cooperatives, pawnshops, Buy Now, Pay Later (BNPL) credit, and informal loans, which could heighten the risk of taking on debt beyond repayment capacity and of accumulating debt burdens over the long term.

49 Following declines in the share prices of SK Hynix and Samsung Electronics of 33.4 percent and 18.4 percent, respectively.

50 For example, Binance's digital asset wallet system was attacked, resulting in the unauthorized transfer of approximately 6.34 billion USD of digital assets, and the French bank Crédit Mutuel Arkéa was attacked, with an improper transfer of approximately 100 million EUR.

51 Announced on October 9, 2026. The US National Oceanic and Atmospheric Administration (NOAA) likewise assessed on October 8, 2026, that there is a probability of more than 83 percent of a strong-to-very strong El Niño during January–March 2027.

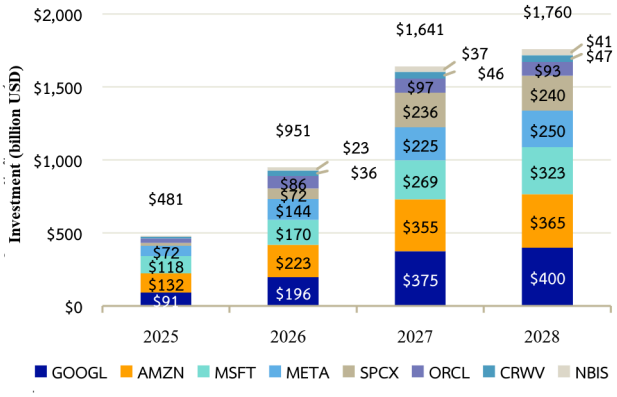
52 Strong El Niño events in 1997–1998 and 2015–2016 caused Thailand's agricultural gross domestic product to decline by 10.8 percent (second quarter of 1998) and 9.5 percent (first quarter of 2016), respectively.

53 Household debt to GDP in the second quarter of 2026 stood at 85.3 percent, down from 86.1 percent in the previous quarter and 86.6 percent in the same period of 2025.

AI Repricing Risk and Impacts on Global Economy

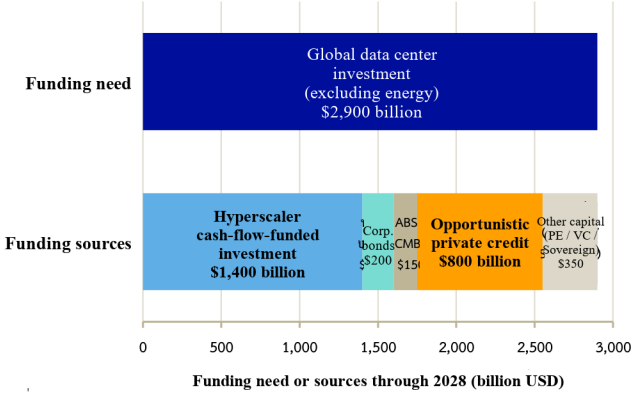
The rapid expansion of the AI industry has led major technology companies to accelerate investment in data centers, processing chips, and digital infrastructure. Capital expenditure by eight major technology companies and AI infrastructure providers is expected to rise from 951 billion USD in 2026 to 1.76 trillion USD in 2028, while the global funding need for data center investment in 2025–2028 is expected to reach as much as 2.9 trillion USD.[1] However, such investment may face risks from uncertain future returns, together with greater reliance on external funding, including bond issuance, private credit, and circular financing.[2] Although this fundraising helps support investment and generates future demand for services, it increases financial interconnectedness and fragility among companies and transmits risks to related companies in the supply chain, as well as to financial institutions and financial and capital markets as a whole, which could undermine investor confidence and lead to AI Repricing.

Figure 1: Estimated capital expenditure of hyperscalers



Source: Morgan Stanley Research

Figure 2: Estimated funding sources for data center investment in 2025–2028

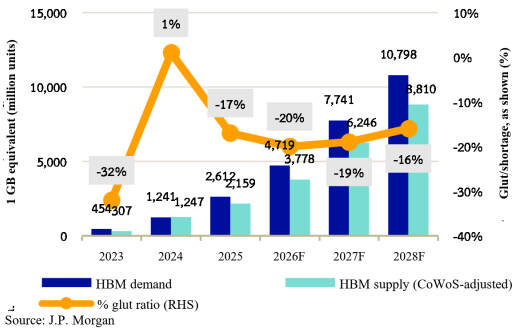


Source: Morgan Stanley Research

In addition, the expansion of AI infrastructure investment may face supply bottlenecks, particularly in chip production capacity and the readiness of power systems for data centers. J.P. Morgan[3] estimates that in 2027, high bandwidth memory (HBM) production capacity, adjusted for the constraints of CoWoS chip packaging technology, will leave total chip output about 19 percent below demand. Meanwhile, the rapidly rising power demand for AI processing still faces constraints from the readiness of the power grid. The International Energy Agency (IEA)[4] estimates that about 20 percent of the planned global data center capacity additions by 2030 may face delays in grid connection. These constraints could cause data center construction and commission to fall behind plan, raising project development costs and delaying revenue generation, which could affect debt repayment capacity and the cost-effectiveness of investment, particularly for operators that rely heavily on external funding.

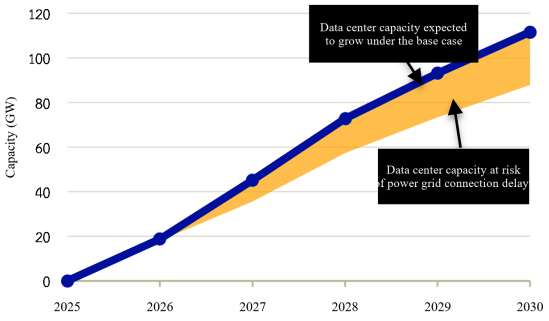
1 Source: Morgan Stanley Research.
2 AI infrastructure service providers invest in companies that develop AI, with an agreement that those companies will use the computing services of the infrastructure companies that own the capital.
3 Source: J.P. Morgan Research, "HBM S/D ratio (CoWoS adjusted)," published September 2026.
4 Source: International Energy Agency (IEA) (2025), Energy and AI, Chapter 2, Figure 2.27, "Global Data Centre Capacity Additions in the Base Case and Capacity at Risk of Connection Delay Due to Grid Constraints, 2025–2030," p. 96, Paris: IEA.

Figure 3: HBM memory chip demand and production capacity (adjusted for production capacity and chip packaging constraints of CoWoS technology)



Source: J.P. Morgan

Figure 4: Expected growth in global data center capacity and the risk of power grid connection delays, 2025–2030



Source: IEA

Delays in infrastructure development, together with uncertainty over investment returns, could lead to a review or reduction of AI capital expenditure plans, affecting economic activity throughout the supply chain, particularly through slower orders for processing chips, servers, and related equipment. This can be seen in the investment plans of several companies that have postponed fundraising from the original schedule. It is therefore a key issue to monitor, as it could affect overall production and investment, and lead to lower capital inflows into countries in the AI production chain.

AI supply chain companies that have postponed or canceled stock market listings

Company / Project	Main business	Country	Original IPO plan	Expected IPO fundraising (billion USD)	Latest status
Solidigm (SK hynix)	Memory chips / SSDs	US	By 2027	15.00	IPO consideration ended on Oct. 23, 2026
Switch	Data Centers	US	Q4/2026	10.00	No official trading date set
SB Energy	Energy / AI infrastructure	US	Sep. 2026	5.00	Under consideration; could be Dec. 2026 or 2027
Firmus	AI Data Centers	Australia	Oct. 2026	4.94	Withdrew IPO application at the ASX on Oct. 9, 2026
Nscale	AI Infrastructure	UK	Sep. 2026	3.00	Under consideration; could be postponed to 2027
AirTrunk (REIT)	Data Centers	Australia	Sep.–Oct. 2026	1.50	Postponed; targeting early 2027
Aggreko	AI Infrastructure	UK	Second half of 2026	1.50	IPO process slowed

Source: Compiled by NESDC

For Thailand, this risk could slow private investment, particularly in infrastructure-related areas, as well as exports of goods related to AI technology.

Risks from the El Niño Phenomenon to the Water Situation and the Agricultural Sector in 2027

In the late 2026, Thailand experienced widespread flooding driven by heavy rainfall and a monsoon trough. However, the intensifying risk of El Niño still needs to monitor because it could cause below-normal rainfall in 2027, leading to severe water shortages and adverse impacts on the agricultural sector. According to forecasts from the National Oceanic and Atmospheric Administration (NOAA)[1], El Niño conditions are likely to persist through at least the first quarter of 2027, tightening the risk of extreme heat and drought. Meanwhile, nationwide cumulative rainfall in the first 10 months of 2026 stood at 1,412 millimeters, below the 10-year average of 1,474.3 millimeters. If precipitation remains below normal level for the remainder of the year, reservoir water levels will drop below normal by the onset of the 2027 rainy season.

Data from the National Hydroinformatics Data Center (Thaiwater) as of November 1, 2026[2] show that usable water storage in large reservoirs nationwide totaled 35,728 million cubic meters, or 50.00 percent of total capacity, which remains at a manageable level. However, usable storage in the four main reservoirs of the Chao Phraya River Basin[3] stood at 12,239 million cubic meters, or 49.38 percent of total capacity, which is close to minimum reserve threshold required to support water demand during the dry season and the beginner of rainy season.[4] For the 2026/27 dry season, the Royal Irrigation Department plans to allocate 28,004 million cubic meters for from large and medium-sized irrigation nationwide[5], out of an available water supply of 43,479 million cubic meters, while reserving 15,470 million cubic meters for the beginning of 2027 rainy season. While The Chao Phraya River Basin has an allocation plan of 9,000 million cubic meters, sufficient to support 6.28 million rai of off-season rice cultivation. However, if El Niño persists into the second quarter of 2027 and rainfall remains below normal, water supplies will tighten severely. According to projections by the Royal Irrigation Department, on May 1, 2027, remaining usable water storage in large and medium-sized reservoirs nationwide is expected to stand at 5,557 million cubic meters or 31.00 percent of total capacity, which is 1,976 million cubic meters lower than in the same period of the previous year.

Economically, a prolonged drought could disrupt the production of key agricultural commodities, particularly off-season rice (approximately 4.96 percent of agricultural GDP), sugarcane (approximately 3.40 percent of agricultural GDP), and cassava (approximately 3.00 percent of agricultural GDP) respectively, because of water shortages for cultivation and reductions in planted areas. This heightens the risk of downward pressure on farm incomes, regional purchasing power, and the 2027 outlook for the agricultural sector, though the severity of the impact will depend mainly on rainfall at the beginning of the rainy season and the efficiency of water management across cultivation areas. Therefore, key issues to monitor include rainfall levels at the beginning of the 2027 rainy season, usable water levels in the four main reservoirs of the Chao Phraya River Basin, and off-season rice planted areas, which will be key determinants of the outlook for agricultural production and economies going forward.

1 El Niño/Southern Oscillation (ENSO) Diagnostic Discussion, was issued by the National Weather Service under the US National Oceanic and Atmospheric Administration (NOAA) issued on October 8, 2026.

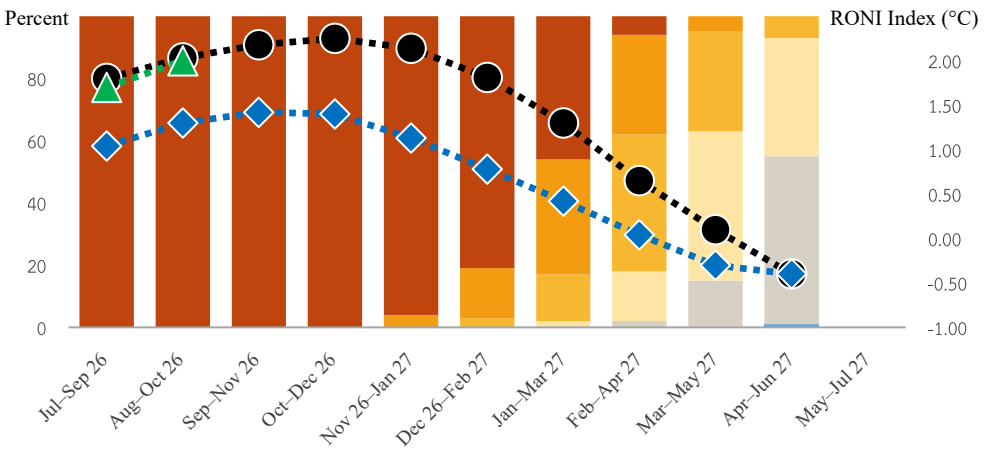
2 November 1, 2026, marks the start of the dry season (November 1 – April 30) under Thailand's water resources and hydrological management criteria.

3 The four main reservoirs in the Chao Phraya River Basin, namely Bhumibol, Sirikit, Khwae Noi Bamrung Daen, and Pasak Jolasid reservoirs, combine usable capacity of 24,783 million cubic meters.

4 Under baseline water demand plans, the four main reservoirs need to maintain usable storage of approximately 12,000 million cubic meters to meet domestic and agricultural demand throughout the dry season until the beginning of the next rainy season. Over the past 30 years, the lowest usable storage levels recorded on November 1 were 4,247 million cubic meters in 2015 (17.14 percent of capacity) and 5,376 million cubic meters in 2019 (21.69 percent of capacity).

5 The nationwide water allocation plan for the 2026/27 dry season comprises 16,807 million cubic meters for agriculture, 7,991 million cubic meters for ecosystem maintenance, 2,738 million cubic meters for domestic consumption, and 468 million cubic meters for industry, supporting an estimated 9.39 million rai of off-season rice cultivation.

Figure 1: El Niño intensity in 2015, 2023, and 2026

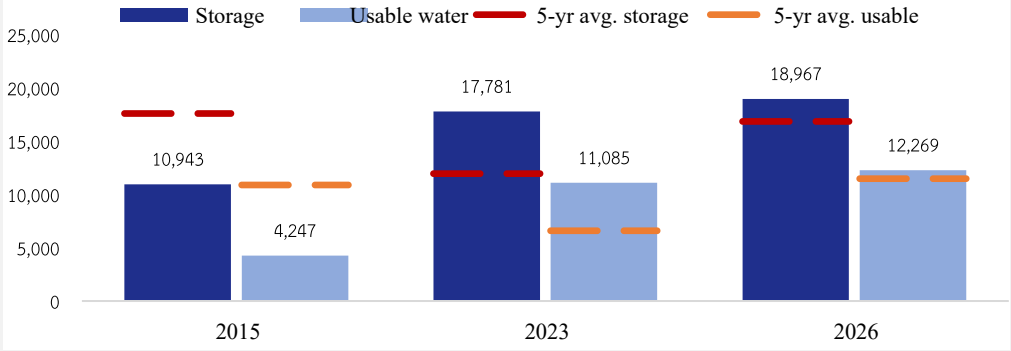


The Relative Oceanic Niño Index (RONI) rose from -0.04 degrees Celsius in March–May 2026 to 1.97 degrees Celsius in August–October 2026, close to the Very Strong El Niño level of 2.0 degrees Celsius.

Source: NOAA

Million m³

Figure 2: Usable water, 4 major Chao Phraya dams, 2015/2023/2026 compared with the 5-year average



Key Assumptions for the 2026 and 2027 Economic Projection

World Economic Projection and Other Key Assumptions

	Actual		Projection		
	2024	2025	2026		2027
			Aug 17, 2026	Nov 16, 2026	Nov 16, 2026
World Economic growth (%)[1/]	3.5	3.6	3.3	3.6	3.3
US	3.0	2.3	2.3	2.3	2.1
Eurozone	1.3	1.2	0.9	1.0	1.3
Japan	0.1	1.2	0.6	0.7	0.9
China	5.0	5.0	4.4	4.5	4.3
Global trade volume (%)	3.8	5.0	4.3	4.8	4.1
Exchange rate (THB/USD)	35.3	32.9	32.5 – 33.5	32.8	33.0 – 34.0
Dubai crude oil price (USD/barrel)	79.6	69.4	80.0 – 90.0	93.5	80.0 – 90.0
Export Price (USD) (%)	1.4	0.7	2.5 – 3.5	3.0	1.0 – 2.0
Import Price (USD) (%)	0.7	2.9	7.0 – 8.0	9.8	2.5 – 3.5
Number of foreign tourists (Million persons)	35.5	33.0	32.0	31.0	33.0
Income from Tourism (Trillion THB)[2/]	1.49	1.48	1.65	1.59	1.72

Note: [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

Source: Office of the National Economic and Social Development Council as of November 16, 2026

1) **The world economy in 2027 is projected to grow by 3.3 percent, decelerating from 3.6 percent in 2026,** as major economies, particularly the US and China, are expected to slow amid subdued domestic demand and continued tight monetary policy to contain inflationary pressures. Meanwhile, growth in Newly Industrialized Economies (NIEs) and ASEAN economies is expected to moderate following the strong expansion in the previous year, driven by production and exports of electronics and AI-related products. Accordingly, **global trade volume is projected to grow by 4.1 percent in 2027, down from 4.8 percent in 2026,** reflecting slower global economic activity and a high base of electronics exports in the previous year.

2) **The average exchange rate in 2027 is anticipated to be within the range of 33.0 – 34.0 THB per USD (midpoint of 33.5 THB per USD), depreciating from an average of 32.8 THB per USD in 2026,** owing to (1) the expected appreciation of the USD on the likelihood of further policy interest rate increases by Federal Reserve amid the risk of persistently high inflationary pressure, which keeps the interest rate spread between Thailand and the US wide; and (2) uncertainty over the geopolitical unrest in the Middle East, which keeps oil prices high and is likely to lead investors toward lower-risk assets, together with continued growth in goods imports, which could lower the trade balance and the current account balance and put downward pressure on the THB.

3) **The average Dubai crude oil price in 2027 is expected to be in the range of 80.0 – 90.0 USD per barrel (midpoint of 85.0 USD per barrel), down from an average of 93.5 USD per barrel in 2026.** In the baseline scenario, unrest in the Middle East is expected to begin to ease in the first quarter of 2027, allowing crude oil supply from the Middle East to recover gradually over the rest of the year and reducing the risk premium. Together with the acceleration of production capacity and the drawdown of crude oil reserves by oil-producing countries in other regions, the global crude oil balance is likely to return to surplus in 2027. However, uncertainty over the conflict in the Middle East and delays in repairing damaged infrastructure remain risk factors that will keep crude oil prices volatile and prevent them from falling quickly.

4) **Export and import prices in USD terms in 2027 are expected to increase within the ranges of 1.0–2.0 percent (midpoint of 1.5 percent) and 2.5–3.5 percent (midpoint of 3.0 percent), respectively, slowing from 3.0 percent and 9.8 percent in 2026,** in line with lower crude oil and other commodity prices after the conflict in the Middle East eases further.

5) **Revenue from foreign tourists in 2027 is expected to reach 1.72 trillion THB, increasing by 7.8 percent from 1.59 trillion THB in the previous year,** in line with rising travel spending. Per-head spending in 2027 is expected to average 52,045 THB per person per trip, up 1.3 percent from 51,380 THB per person per trip in 2026, while foreign tourist arrivals in Thailand in 2027 are expected to reach 33.0 million, increasing from 6.4 percent from 31.0 million in 2026.

6) **Budget disbursement** comprises **(1) The FY2027 annual expenditure budget disbursement rate** of 92.3 percent of the total budget framework, comprising a current expenditure disbursement rate of 98.0 percent and a capital expenditure disbursement rate of 75.0 percent; **(2) The FY2027 carry-over budget disbursement rate** of 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 the domestic capital budget of state-owned enterprises in 2027** (15 months, from October 2026 to December 2027) of 90.0 percent of the budget framework, equivalent to investment of approximately 308 billion THB, expanded by 4.49 percent from the previous year; and **(4) 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), under Plan 2, which promotes and supports efficient energy use and the government's transition from fossil fuels to renewable and alternative energy technologies, and is expected to be fully disbursed in 2027.

Economic Projection for 2027

The Thai economy in 2027 is projected to expand within the range of 2.0 - 3.0 percent (with a midpoint estimate of 2.5 percent), continuing from 2.5-percent growth in 2026. Headline inflation is anticipated to be within the range of 0.8-1.8 percent, while the current account balance is expected to record a surplus equivalent to 1.4 percent of GDP.

In its press release on November 16, 2026, the Office of the National Economic and Social Development Council (NESDC) projected that the Thai economy in 2027 would expand within the range of 2.0 - 3.0 percent with a midpoint estimate of 2.5 percent, continuing from 2.5-percent growth in 2026. Headline inflation is anticipated to be within the range of 0.8 - 1.8 percent, compared with 2.0 percent in 2026, while the current account balance is expected to record a surplus of 1.4 percent of GDP, compared with a 0.6-percent surplus in 2026. The key growth components for 2027 are as follows:

Key components of Economic growth;

1) **Consumption expenditure, comprising: (1) Private consumption,** which is projected to expand by 2.0 percent, decelerating from 2.3-percent growth in 2026, partly reflecting a moderation from the high consumption base resulting from government measures. Nevertheless, private consumption is expected to continue expanding, supported by the recovery of non-agricultural income bases in both the industrial sector and the tourism and related service sectors, together with easing inflationary pressure; and **(2) Government consumption,** which is projected to expand by 1.0 percent, compared with 1.2-percent growth in 2026, in line with a decrease in the current expenditure budget framework, covering both the FY2027 annual budget and the carry-over budget.
2) **Total investment** is projected to expand by 6.7 percent, decelerating from 11.1-percent growth in 2026. **(1) Private investment** is projected to expand by 7.9 percent, decelerating from 14.1-percent growth in 2026, reflecting a moderation after the earlier acceleration in investment, and in line with the expected slowdown in exports of goods following strong growth in the previous year. Nevertheless, private investment is expected to continue expanding, supported by the momentum of the high value of projects granted investment promotion during 2025-2026, which are expected to proceed to actual investment in 2027, particularly in the digital, electronics, and electrical appliances categories, as well as the expansion in imports of capital goods, raw materials, and intermediate goods; while **(2) Public investment** is projected to expand by 3.3 percent, accelerating from 3.1-percent growth in 2026, in line with the FY2027 capital expenditure budget framework and the state-owned enterprise capital budget, both of which have increased from the previous year, together with additional funds under Plan 2 of the Emergency Decree Authorizing the Ministry of Finance to Borrow Fund to Resolve Problems, Mitigate Impact, and Ensure Energy Transition from the Energy Crisis, B.E. 2569 (2026), which are expected to be disbursed within 2027.
3) **Export value of goods in USD terms** is projected to expand by 8.6 percent, decelerating from the strong growth of 20.4 percent in 2026, in line with the expected slowdown in the global economy and trade volume amid uncertainties surrounding trade-restrictive measures. Meanwhile, exports of services are expected to recover in line with higher tourism receipts, particularly from long-haul tourists with high purchasing power, resulting in higher average spending per tourist. Foreign tourist receipts in 2027 are projected at 1.72 trillion THB, compared with 1.59 trillion THB in 2026. As a result, the volume of exports of goods and services in 2027 is projected to expand by 6.7 percent, decelerating from 15.5 percent in the previous year.
4) **The import value of goods in USD terms** is expected to expand by 9.1 percent, decelerating from 29.3 percent in 2026, in line with the expected slowdown in merchandise exports and private investment. Combined with imports of services, which are likely to decline as maritime freight rates are expected to fall once the conflict in the Middle East eases, the volume of imports of goods and services in 2027 is expected to expand by 5.6 percent, decelerating from 17.7 percent in 2026.
5) **The trade balance** is projected to record a surplus of 13.3 billion USD, lower than the surplus of 14.0 billion USD in 2026. Combined with the services balance, which is expected to record a smaller deficit in line with rising tourism receipts, the current account in 2027 is expected to record a surplus of 8.3 billion USD (1.4 percent of GDP), up from a surplus of 3.8 billion USD (0.6 percent of GDP) in 2026.
6) **Economic stability:** Headline inflation in 2027 is expected to average within the range of 0.8 – 1.8 percent (with a midpoint of 1.3 percent), down from 2.0 percent in 2026. This is consistent with the anticipated decline in energy prices and raw and intermediate material costs, following the easing of conflicts in the Middle East, which is expected to alleviate pressure on energy supplies and production costs.

7. Economic Management for the Remainder of 2026 and 2027

Economic management for the remainder of 2026 and 2027 should prioritize the following:

1) **Preparing for risks from the conflict in the Middle East, which remains highly uncertain,** particularly the impact of energy price volatility and supply-chain disruptions, with priority given to managing energy security, ensuring the adequacy of critical raw materials and intermediate goods, and closely monitoring the impact of energy price volatility on price levels and production costs, while preparing contingency measures in case rising production costs are passed through to the prices of essential consumer goods and significantly affect the cost of living, especially for the low-income group.
2) **Supporting agricultural production and strengthening farmers' income security,** with priority given to: **(1) preparing water resource management plans** to effectively mitigate the effects of drought associated with El Niño, together with crop planning by integrating data to determine cultivation areas in line with available water supply, and promoting efficient water use to reduce the risk of crop damage, as well as preparing reserve water sources in areas outside irrigation zones and closely monitoring water and weather conditions to enable timely warnings and adjustments to production plans; **(2) preparing financial and fiscal measures** to assist and rehabilitate farmers affected by disasters, particularly drought, in coordination with government-supported insurance mechanisms, to ensure comprehensive assistance and reduce the duplication of government spending; and **(3) enhancing agricultural productivity and value addition,** by promoting the use of technology and innovation in processing, strengthening linkages among farmers, businesses, and buyer markets, as well as upgrading production, safety, quality, and environmental standards to align with market demand and trading-partner regulations.
3) **Accelerating the recovery of the tourism sector,** with priority given to: **(1) accelerating confidence-building and the recovery of foreign tourist markets,** particularly key markets that are important to the country's tourism revenue, together with expediting negotiations with airline partners to increase the number and frequency of flights and open new routes, to improve convenience and accessibility to Thailand, particularly from tourist markets with high spending potential; **(2) implementing the Tourism Authority of Thailand's 2027 tourism plan under "The Year of Transformation" approach,** particularly diversifying tourist markets, developing high-value tourism products, and enhancing competitiveness in terms of quality and tourism experience, to increase tourism revenue alongside upgrading service quality and building confidence in safety; and **(3) continuously supporting domestic tourism,** particularly promoting tourism in secondary cities and communities, together with investing in the development of new natural and cultural tourist attractions to draw tourists and encourage community participation in tourism management.
4) **Maintaining export sector growth momentum,** with priority given to: **(1) mitigating the impacts of US trade-restrictive measures,** by accelerating negotiations to reach a conclusion with the US government under the Agreement on Reciprocal Trade (ART), together with establishing a system to monitor and assess the impacts of trade measures at the product and industry levels to support the design of assistance measures for entrepreneurs and trade negotiations targeted at affected product groups; **(2) expanding economic cooperation and seeking new markets to diversify risks,** by accelerating negotiations on free trade agreements and economic cooperation with key trading partners, and expanding into new export markets to diversify risks and reduce reliance on certain major export markets, together with addressing regulatory constraints and obstacles relating to product standards, customs procedures, and trade facilitation; **(3) enhancing knowledge and understanding of trading partners' regulations and trade measures,** particularly US measures, the Carbon Border Adjustment Mechanism (CBAM), and environmental and labor requirements, as well as helping entrepreneurs manage risks arising from exchange-rate volatility and export costs; and **(4) supporting agricultural exports** to return to growth and remain competitive in the global market, particularly rice, rubber, fresh and frozen fruits, and processed meat, as well as supporting agro-industrial and processed agricultural products in which Thailand has potential.

5) **Driving private investment, with a focus on maximizing spillover benefits from foreign investment for domestic entrepreneurs,** through: **(1) upgrading investment promotion criteria** to further promote the use of domestic raw materials in order to reduce reliance on imported raw materials, the employment of Thai workers and the development of highly skilled personnel, the use of domestic entrepreneurs and service providers, research and development, and technology transfer; and **(2) establishing conditions for mechanisms to develop domestic entrepreneurs,** particularly Thai SMEs, to benefit through training, advisory services, and technical assistance, by creating business matching platforms and establishing technology incubation or demonstration centers to connect foreign knowledge and expertise with the capabilities of Thai entrepreneurs, as well as enabling potential entrepreneurs to access funding for investment to enhance production efficiency, with a focus on businesses in target industries and enterprises with concrete productivity improvement plans.

6) **Maintaining support from government spending and infrastructure investment,** with priority given to: **(1) accelerating the disbursement of the FY2027 annual budget,** particularly in the first half of the fiscal year, to ensure that funds are injected into the economy promptly, with an overall disbursement rate for the fiscal year of no less than 93 percent of the total budget, comprising no less than 98 percent for current expenditure and 75 percent for capital expenditure, together with accelerating the disbursement of carry-over budgets, particularly for projects under construction and procurement, to ensure continuous disbursement into the economy; **(2) implementing projects under the Emergency Decree Authorizing the Ministry of Finance to Borrow Fund to Resolve Problems, Mitigate Impact, and Ensure Energy Transition from the Energy Crisis**, B.E. 2569 (2026), with a budget of 400 billion THB, particularly under Plan 2, to ensure that funds can be disbursed within FY2027 and generate economic activity efficiently, 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, to reduce risks from the public debt burden and government borrowing costs, which may rise in line with the trend in government bond yields.

The Role of Asian Countries in the AI Supply Chain

The expansion of investment in artificial intelligence (AI) has been a key driver of robust growth in global trade in AI-related goods, on both the export and import sides. According to the World Trade Organization (WTO), the value of global trade in AI-related goods increased by 67.0 percent in the first half of 2026, accelerating from 31.0 percent in 2025, and accounted for 47.0 percent of global merchandise trade growth, compared with 43.0 percent in the same period of the previous year. This was consistent with the strong expansion in exports of AI-related goods during the first eight months of 2026[1] from South Korea, Malaysia, Singapore, Taiwan, and Thailand, which expanded by 149.6 percent, 77.4 percent, 70.1 percent, 58.1 percent, and 54.9 percent, respectively.

Asian economies have consistently played a significant role in global supply chains. In particular, more than 70 percent of global exports of key product categories, including integrated circuits, computers and data processing equipment, and communication and telecommunications equipment, originate from Asian economies (Figure 5), with Hong Kong, Taiwan, and China serving as major export hubs. However, a comparison of export structures between 2019 and 2026 reveals significant shifts. For **computers and data processing equipment**, China, formerly the major manufacturing hub in 2019, has seen its role diminish, with its share of total exports among the 20 leading exporting economies declining from 50.1 percent in 2019 to 15.4 percent in 2026. Meanwhile, Taiwan has emerged as the largest exporter, with its export share increasing from 3.1 percent to 29.0 percent. Other ASEAN economies, notably Singapore and Vietnam, have also gained greater prominence, with their export shares increasing to 8.1 percent and 5.5 percent in 2026, from 2.5 percent and 1.3 percent in 2019, respectively. These developments reflect the ongoing diversification of production bases away from China in response to US trade restrictions. Likewise, for exports of communications equipment, although China remained the top exporter in 2026, its share of the world market fell from 48.1 percent to 31.2 percent of the combined export value of the 20 major exporters, while other Asian countries gained export share, including Thailand, whose share of communications equipment exports rose from 0.9 percent to 5.6 percent of the combined export value of the 20 major exporters. For exports of integrated circuits, Hong Kong remains the world's main export hub, though its export share fell slightly from 20.1 percent to 19.8 percent in 2026, while China and South Korea increased their export shares from 15.2 percent and 11.7 percent to 19.6 percent and 16.7 percent in 2026, respectively.

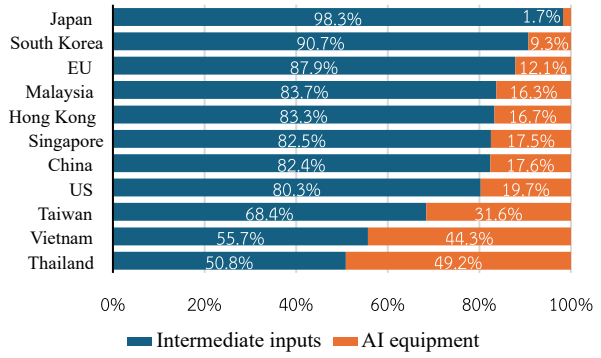
The strong growth in exports of AI-related goods is directly related to rising demand for imported inputs and related equipment, given the linkages in international production processes. As a result, the value added and economic benefits generated domestically differ according to production structure and role in the supply chain. Considering the export structure of AI-related goods, which can be divided into (1) Intermediate inputs, such as circuit boards, chips, raw materials and chemicals for producing semiconductors and electronic components, as well as machinery used in production; and (2) AI equipment, such as computers, communications and telecommunications equipment, and data storage and processing equipment,[2] countries can be grouped by their role in the supply chain as follows:

Role in the supply chain	Countries	Trade balance of AI-related goods
Exporters of both intermediate inputs and AI equipment	Taiwan, South Korea, China, Hong Kong	Surplus
Exporters of intermediate inputs	Singapore, Malaysia	Surplus
Exporters of AI equipment that import intermediate inputs	Thailand, Vietnam	Deficit
Importers of AI equipment	US, European Union	Deficit

The economies likely to benefit the most are those that export both intermediate inputs to other economies specializing in the production of data processing equipment within the supply chain and goods directly to major destinations of AI investment, such as the US and the European Union. Meanwhile, exporters of intermediate inputs tend to reap greater economic benefits in terms of trade surpluses than those specializing solely in the export of data processing equipment. Moreover, economies exporting intermediate inputs tend to experience stronger export growth in these product categories, thereby contributing to an improvement in their overall trade balances. These differences highlight the importance of an economy's position within global supply chains in shaping its trade balance. In particular, economies with the capacity to produce and export key intermediate inputs are better positioned to benefit from expanding global demand for AI-related goods through substantial trade surpluses. In contrast, economies that rely heavily on imported components for the assembly and export of equipment may experience an increase in imports that outweighs export gains from finished products, potentially resulting in trade deficits in these product categories.

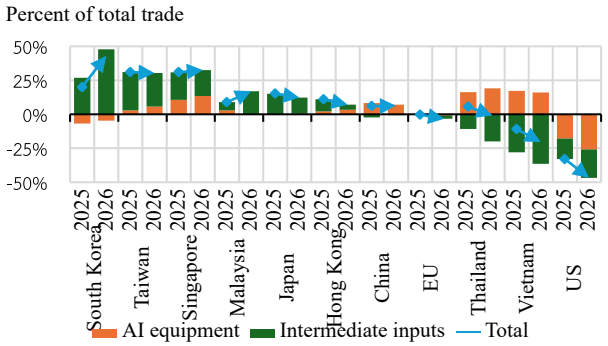
1 Source: Global Trade Atlas.
2 The classification of AI-related goods follows the World Trade Organization (WTO) World Trade Report 2025.

Figure 1: Share of AI-related goods exports by country



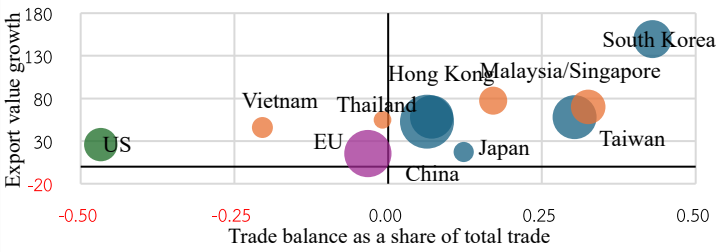
Source: Global Trade Atlas

Figure 2: Trade balance of AI-related goods



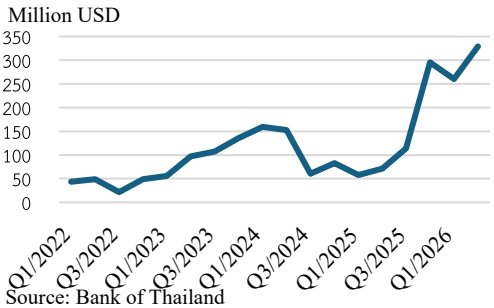
Source: Global Trade Atlas

Figure 3: Export growth and trade balance share of key countries



Source: Global Trade Atlas

Figure 4: Thailand's services balance in contract manufacturing



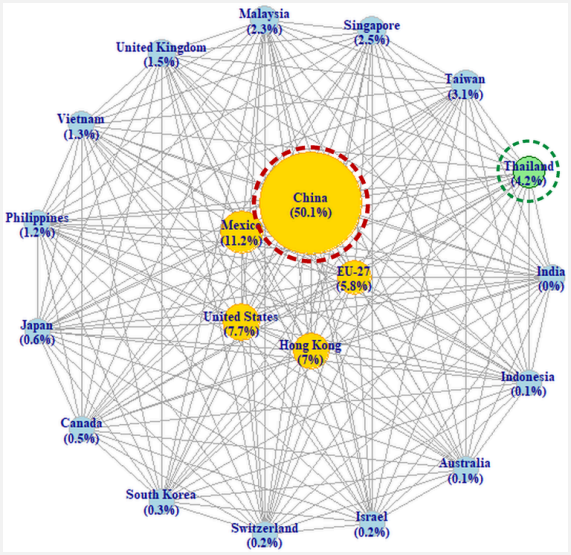
Source: Bank of Thailand

For Thailand, despite robust growth in exports of AI-related goods, imports have also increased at a rapid pace, resulting in an overall trade deficit in these product categories. In the third quarter of 2026, exports of AI-related goods expanded by 70.9 percent, accounting for 31.4 percent of total exports, compared with 9.4-percent growth in other export products. The expansion was driven primarily by telecommunications equipment (127.5 percent), computers and components (53.2 percent), and integrated circuits (ICs) and printed circuit boards (PCBs) (41.5 percent). However, imports of AI-related goods grew at a faster pace of 84.7 percent, particularly computers and components (194.2 percent) and telecommunications equipment (161.7 percent), reflecting Thailand's continued heavy reliance on imported components for export-oriented production. Consequently, Thailand's trade deficit in AI-related goods widened to 5,053 million USD in the third quarter of 2026, from 1,249 million USD in the same quarter of the previous year. In addition to manufacturing and exports, Thailand also plays an important role in providing contract manufacturing services for AI-related goods. In the first half of 2026, Thailand recorded a surplus in manufacturing services of 590 million USD, compared with 129 million USD in the same period of the previous year, reflecting the country's growing role in global supply chains. Nevertheless, domestic value added remains limited due to structural constraints in Thailand's manufacturing sector, particularly its continued heavy reliance on imported intermediate inputs.

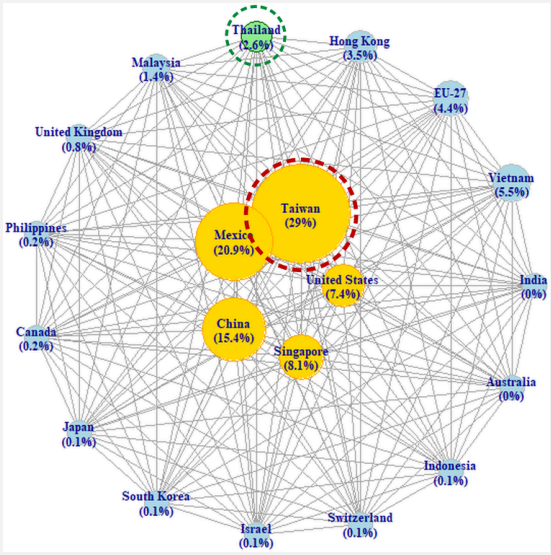
Therefore, to enhance domestic value-added and upgrade Thailand's role in the global AI supply chain, the government should focus on **(1) expanding and attracting investment in high-value-added activities** to transform Thailand from a traditional manufacturing base into a hub for higher-value-added activities within the global AI supply chain; **(2) enhancing domestic productivity** to transform Thai enterprises from original equipment manufacturers (OEMs) into innovators and technology owners by fostering strategic partnerships and business matching, as well as encouraging technology transfer from multinational corporations to strengthen the capabilities of Thai enterprises and workers and facilitate their integration into global and regional value chains; and **(3) strengthening domestic supply chain linkages** to support local enterprises, particularly small and medium-sized enterprises (SMEs), and promoting greater use of domestically produced components (local content) to reduce trade deficits, alongside providing incentives for foreign investors establishing production bases in Thailand to transfer technology to local enterprises.

Figure 5: Export share of the 20 major exporters in integrated circuits (HS 8542), computers (HS 8471), and communications equipment (HS 8517), 2019 vs. 2026

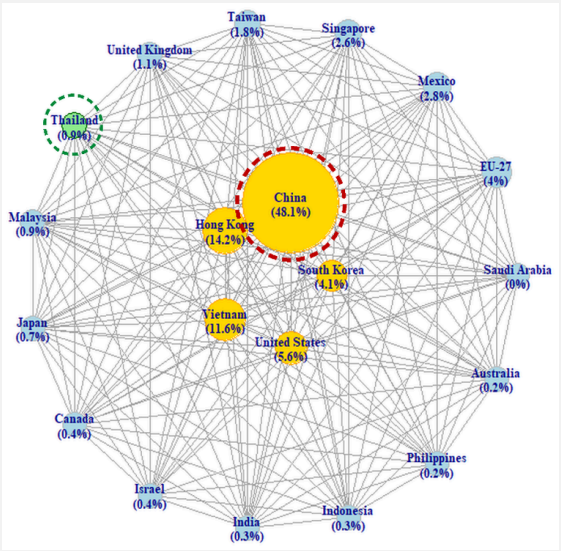
Computers (HS 8471): 2019



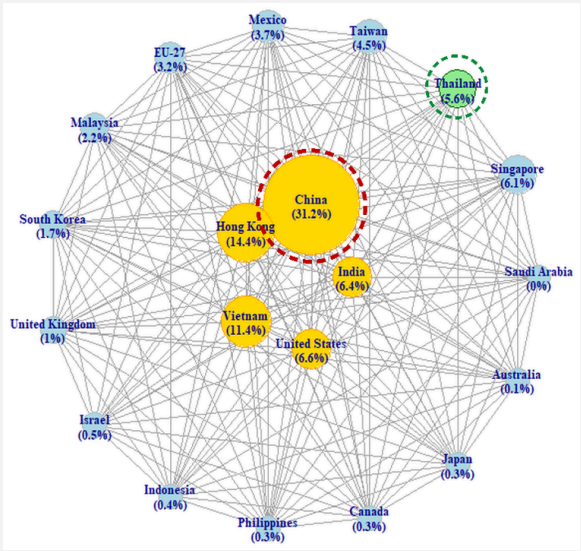
Computers (HS 8471): first 8 months of 2026



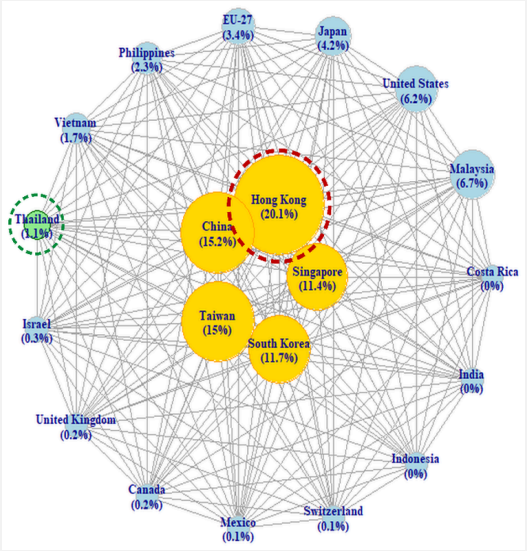
Communications equipment (HS 8517): 2019



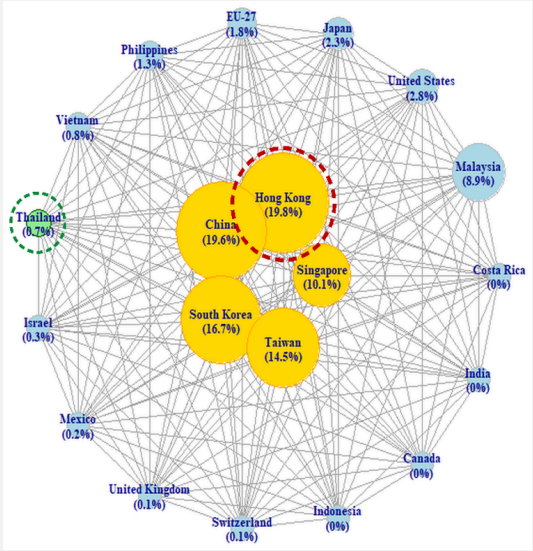
Communications equipment (HS 8517): first 8 months of 2026



Integrated circuits (HS 8542): 2019



Integrated circuits (HS 8542): first 8 months of 2026



Source: Global Trade Atlas, processed by NESDC. Note: Circle size shows export share; yellow = top 5 exporters, green = Thailand | red dashed line = No. 1 exporter

Projection for 2026 and 2027[1/]

	Actual Data		Projection		
			2026		2027
	2024	2025	Aug 17, 2026	Nov 16, 2026	Nov 16, 2026
GDP (at current prices: Bil. THB)	18,683.9	18,971.7	19,711.6	19,787.5	20,539.4
GDP per capita (THB per year)	266,102.7	269,615.0	279,602.4	280,678.8	290,883.9
GDP (at current prices: Bil. USD)	529.4	577.0	597.3	603.3	613.1
GDP per capita (USD per year)	7,539.3	8,200.0	8,472.8	8,557.3	8,683.1
GDP Growth (CVM, %)	2.9	2.4	2.0 - 2.5	2.5	2.0 - 3.0
Investment (CVM, %)[2/]	-0.3	4.9	7.9	11.1	6.7
Private (CVM, %)	-1.9	3.5	9.6	14.1	7.9
Public (CVM, %)	4.5	8.9	3.1	3.1	3.3
Private Consumption (CVM, %)	4.4	2.7	2.6	2.3	2.0
Government Consumption (CVM, %)	2.6	0.6	1.2	1.2	1.0
Export volume of goods & services (%)	7.5	9.3	10.6	15.5	6.7
Export value of goods (Bil. USD)[3/]	296.8	334.9	385.9	403.2	437.8
Growth rate (%)[3/]	5.8	12.8	15.1	20.4	8.6
Growth rate (Volume, %)[3/]	4.4	12.1	12.1	17.4	7.1
Import volume of goods & services (%)	5.7	6.8	16.0	17.7	5.6
Import value of goods (Bil. USD)[3/]	265.4	301.0	389.6	389.1	424.6
Growth rate (%)[3/]	4.2	13.4	25.5	29.3	9.1
Growth rate (Volume, %)[3/]	3.5	10.3	18.0	19.5	6.1
Trade balance (Bil. USD)	31.4	33.9	-3.7	14.0	13.3
Current account balance (Bil. USD)	22.8	29.0	-7.4	3.8	8.3
Current account to GDP (%)	4.3	5.0	-1.2	0.6	1.4
Inflation (%)					
CPI	0.4	-0.1	1.5 - 2.0	2.0	0.8 - 1.8
GDP Deflator	0.9	-0.9	1.5 - 2.0	1.8	0.8 - 1.8

Source: Office of the National Economic and Social Development Council, November 16, 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 based on the Bank of Thailand's data.