



**Office of the National Economic
and Social Development Council**

Macroeconomic Strategy and Planning Division



Q3/2025 NESDC ECONOMIC REPORT

**Thai Economic Performance in Q3
and Outlook for 2025 – 2026**

Press Release:

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Thai Economic Performance in Q3 and the Outlook for 2025 - 2026



The Thai economy in the third quarter of 2025 expanded by 1.2 percent (%YoY), decelerating from 2.8 percent in the second quarter. After seasonal adjustment, the Thai economy contracted by 0.6 percent from the previous quarter (%QoQ sa). For the first nine months of 2025, the Thai economy expanded by 2.4 percent.



On the expenditure side: Private consumption expenditure and private investment continued to expand, while export of goods slowed down. Meanwhile, government consumption expenditure, public investment, and export of services declined.



On the production side: Wholesale and retail trade accelerated. The agricultural, accommodation and food service activities, and transportation and storage sectors slowed down from the previous quarter. Meanwhile, the manufacturing and construction sectors contracted.

Economic Projection for 2025 - 2026

(%YoY)	2024	2025			Projection	
	Year	Q1	Q2	Q3	2025	2026
GDP (CVM)	2.5	3.2	2.8	1.2	2.0	1.2 – 2.2
Investment ^{1/}	0.0	4.7	5.8	1.1	3.3	1.4
Private	-1.6	-0.9	4.1	4.2	2.0	0.9
Public	4.8	26.3	10.1	-5.3	6.8	2.9
Private Consumption	4.4	2.5	2.6	2.6	2.8	2.1
Government Consumption	2.5	3.4	2.2	-3.9	0.3	1.2
Export of Goods ^{2/}	5.9	14.9	15.0	11.5	11.2	-0.3
Volume ^{2/}	4.4	14.0	14.5	10.9	10.7	-1.0
Import of Goods ^{2/}	5.5	7.1	16.8	12.2	10.4	0.7
Volume ^{2/}	4.8	3.6	15.2	8.9	7.6	-0.3
Current Account to GDP (%)	2.2	8.0	0.6	1.9	2.8	2.4
Inflation	0.4	1.1	-0.3	-0.7	-0.2	0.0 – 1.0

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

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

Thai Economic Outlook for 2025

The Thai economy in 2025 is projected to expand by 2.0 percent, decelerating from 2.5 percent in 2024. Headline inflation is expected to average -0.2 percent, while the current account is anticipated to record a surplus of 2.8 percent of GDP.

Thai Economic Outlook for 2026

The Thai economy in 2026 is expected to grow within the range of 1.2 – 2.2 percent, with a midpoint estimate of 1.7 percent. private consumption expenditure and private investment are projected to increase by 2.1 percent and 0.9 percent, respectively, while the value of good exports in U.S. dollar terms is expected to contract by 0.3 percent. Headline inflation is expected to be within the range of 0.0 – 1.0 percent, and the current account is projected to post a surplus of 2.4 percent of GDP.



Supporting Factors

- Continued expansion in private consumption and private investment
- Support from government spending
- Recovery in the tourism sector and related services
- Favorable growth for the agricultural sector



Risk Factors

- U.S. import tariff measures imposed on Thailand
- Slowdown in the world economy and global trade
- High levels of private sector debt, constraining the recovery of domestic demand
- Economic and political conditions pre-election and post-elections, potentially affecting consumer and investor confidence

The economic management for 2026 should prioritize the following areas:

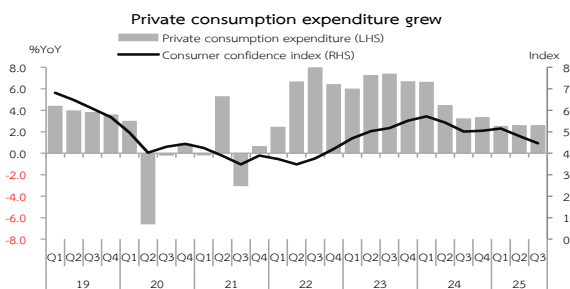
- Expediting the budget disbursement to maintain the supporting momentum**, by ensuring that disbursement of capital expenditure under the FY2026 annual budget at no less than 75 percent of the total capital budget framework, accelerating the preparation of the FY2027 annual budget bill.
- Supporting the recovery of the tourism sector**. The prioritisation should be put on: (1) Addressing issues related to tourist safety and fraud. (2) Tackling crime and transnational illegal business networks operating within or alongside the tourism sector. (3) Preparing measures to address air pollution problem, particularly PM2.5. (4) Conducting active marketing activities that align with increasingly intense competition. (5) Expediting negotiations with airline partners to increase the number/frequency of flights and open new. And, (6) Promoting tourism in secondary cities.
- Supporting the agricultural sector**. Priority should be given to: (1) Restoring the livelihoods of farmers affected by flooding so they can recover and be prepared for the 2026/27 planting season. (2) Preparing measures to manage the large volume of agricultural products expected to enter the market during the upcoming harvest season. And, (3) Expediting the implementation of key projects under Thailand's Master Plan for Water Resources Management to systematically mitigate disaster impacts and better support agricultural production.
- Driving the export sector**. Emphasis should be placed on: (1) Reducing production costs in key manufacturing sectors. (2) Mitigating the impact of U.S. trade restriction measures by: (i) accelerating negotiations toward trade agreements with the U.S.; (ii) promoting SMEs production efficiency enhancement. (3) Expanding new markets to diversify risks and reduce dependence on U.S. exports. (4) Promoting the use of domestic raw materials and intermediate goods. (5) Raising awareness of measures to be implemented by trading partners. And, (6) Encouraging businesses to manage risks arising from exchange-rate volatility.
- Stimulating private investment**. Priority should be given to: (1) Accelerating the transition from approved investment projects to actual investment, particularly for investors who received BOI approvals and investment certificates during 2024–2026. (2) Strengthening confidence among foreign investors. And, (3) Leveraging trade and investment diversion resulting from U.S. trade restriction measures.
- Addressing issues related to credit access for businesses and households**. This includes: (1) Supporting new credit provision by financial institutions and reducing pressure from non-performing loans in the household sector. (2) Providing financial assistance to businesses, particularly SMEs, facing liquidity constraints and additional impacts from trade restrictions, and (3) Implementing concrete and sustainable measures to resolve household debt problem in the longer term.
- Maintaining the economic and political environment during the pre- and post-election period**.

1. The Thai Economy in Q3/2025

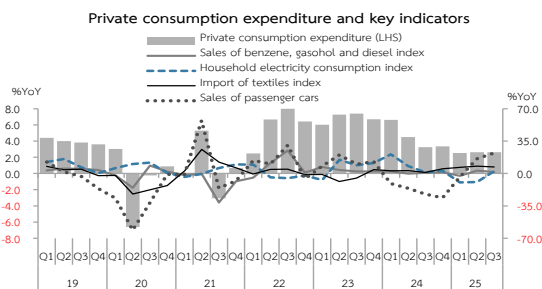
Expenditure Side:

Private consumption expenditures expanded by 2.6 percent, continuing from the previous quarter, in line with the growth across all spending categories. **Expenditure on non-durable goods** increased by 3.0 percent, up from 2.5 percent in the previous quarter, supported by higher spending on food and non-alcoholic beverages. **Expenditure on durable goods** rose by 5.5 percent, continuing from a 6.1 percent increase in the previous quarter. This was mainly driven by a 14.0 percent rise in vehicle purchases, compared with a 10.7 percent increase in the previous quarter, due to frontloading of vehicle purchases before the expiration of the Electric Vehicle Support Measure, Phase 1 (EV3.0). **Expenditure on services** increased by 2.2 percent, continuing from a 2.3 percent expansion in the previous quarter, following the continued growth in spending on restaurants, hotels, and healthcare services. **Expenditure on semi-durable goods** grew by 0.9 percent, down from 2.0 percent previously, owing to a slowdown in spending on clothing and footwear, as well as books & stationery. Meanwhile, the Consumer Confidence Index declined to 44.7 from 48.0 in the previous quarter, which was the lowest level in eleven consecutive quarters amid the growing concern over the economic slowdown and the impact of the US' reciprocal tariff measures.

In the first nine months of 2025, private consumption expenditure increased by 2.6 percent, compared with a 4.8 percent expansion in the same period of last year.



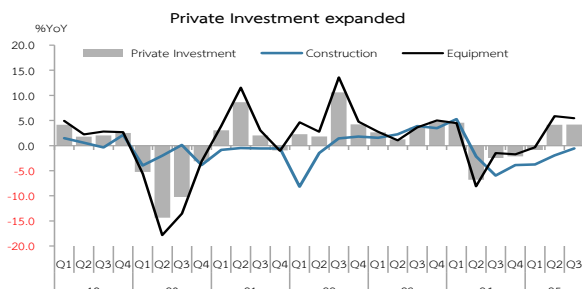
Source: NESDC, and University of the Thai Chamber of Commerce



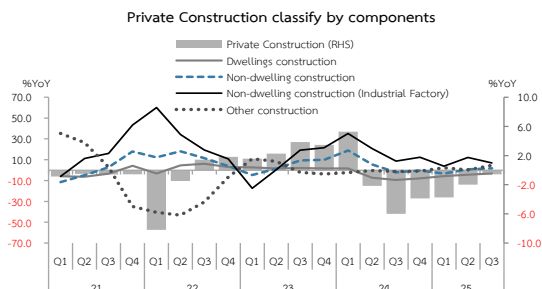
Source: NESDC, BOT, and Department of Energy

Private investment grew by 4.2 percent, continuing from a 4.1 percent growth in the previous quarter. This expansion was driven by a continued growth of investment in **machinery and equipment**, which increased by 5.5 percent, compared with a 5.9 percent increase in the preceding quarter. The growth was supported by greater investment in transport equipment by 6.4 percent, compared with a 3.7-percent growth in the previous quarter. However, investment in industrial machinery and office equipment has slowed down. **Investment in construction** contracted for the sixth consecutive quarter, decreasing by 0.6 percent, following a 2.0-percent decline in the previous quarter. The contraction was mainly attributed to a decline in residential construction, which fell by 3.2 percent, continuing from a 4.4 percent drop in the preceding quarter. Nevertheless, non-residential construction expanded by 1.7 percent, reflecting stronger construction activity in industrial factories, which grew by 6.9 percent, along with an increase in other constructions by 4.7 percent. The Business Sentiment Index (BSI) stood at 47.1, down from 47.5 in the previous quarter, marking the lowest level in four consecutive quarters, owing to a decline in manufacturing business sentiment, particularly among export-oriented firms.

In the first nine months of 2025, private investment expanded by 2.3 percent, compared with a 1.4-percent decrease in the same period of last year.



Source: NESDC



Source: NESDC

In the third quarter of 2025, private investment and consumption continued to expand, while export of goods decelerated.

Private consumption expanded by 2.6 percent.

Private investment expanded by 4.2 percent, with investment in machinery and equipment increasing by 5.5 percent, while investment in construction decreased by 0.6 percent.

Foreign Direct Investment: Implications for structural transformation in Thailand's manufacturing and service sectors.

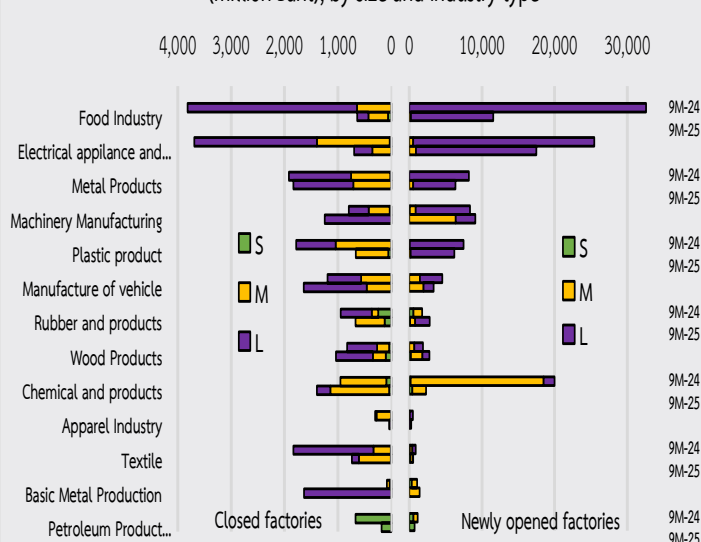
Information on newly registered factories reported by the Department of Industrial Works reflects structural changes in Thailand's industrial investment patterns, which are moving away from traditional industries toward the strategic industries. Investment in the new industries has continued to expand during the first nine months of 2025, in particular, registered capital in the electrical appliances and electronics industry, the machinery manufacturing industry, and the motor vehicles and parts industry grew by 23.0 percent, 54.7 percent, and 8.5 percent, respectively, compared with the same period last year. When classified by factory size, the increase in investment across these three industries is largely attributable to the continual expansion in newly established medium-sized factories. Meanwhile, investment in traditional industries has declined in terms of both the number of factories and the amount of registered capital, especially in the food, chemical, and plastic products industries.

Number of Factories and Registered Capital Growth, by Industry Type

Industry type	Number of factories (%YoY)			Registered Capital (%YoY)			Share (%)
	9M-23	9M-24	9M-25	9M-23	9M-24	9M-25	
Machinery manufacturing	13.4	98.4	-48.8	183.3	33.4	54.7	8.9
Rubber and products	-39.9	-8.4	-46.1	6.9	-42.2	47.4	2.7
Electrical appliance and electronic manufacturing	13.8	85.1	-22.3	-58.4	312.0	23.0	20.4
Metal products	-13.3	-1.0	-10.9	6.4	-5.8	10.3	6.1
Motor vehicle and parts	-22.7	6.6	-3.6	-75.8	-29.5	8.5	3.7
Textile	-11.6	121.1	-2.4	-65.1	205.2	-2.9	0.5
Plastic products	8.2	10.0	-25.2	10.4	20.9	-3.4	5.1
Basic metal manufacturing	-18.5	83.0	-45.4	-36.6	99.9	-29.9	0.8
Petroleum products manufacturing	-42.2	21.8	-66.7	-45.0	54.8	-62.8	0.4
Food products	-32.5	48.8	-32.6	97.5	210.2	-70.0	9.9
Non-metallic products	-29.3	15.4	-30.4	51.9	189.8	-72.5	2.8
Apparel Industry	3.4	-37.7	-44.7	-6.6	29.8	-76.1	0.1
Chemical and products	-27.7	37.2	-21.7	-27.2	433.8	-90.6	1.9

Source: Department of Industrial Works

Capital Value of newly opened and closed factories
(million Baht), by size and industry type



Source: Department of Industrial Works

A comparison of the share of registered capital of newly established businesses reported by the Department of Business Development during 2016 – 2018 (Pre-Trade War 1.0) with 2022 – 2024 (Pre-Trade War 2.0) reveals a structural shift in foreign direct investment. China and Singapore have significantly increased their investment roles in the targeted industries, particularly in the computer and electronics manufacturing industry and motor vehicle and parts industry. Meanwhile, Japan, which had been Thailand's most prominent investor for several decades, has begun to reduce its overall investment presence. Nevertheless, Japan has also redirected a portion of its investment toward the new industries, such as the electrical equipment manufacturing industry and the basic pharmaceutical manufacturing industry. Regarding foreign direct investment in Thailand's service sectors, Singapore and China have notably expanded their presence in information service activities, including the provision of data center services.

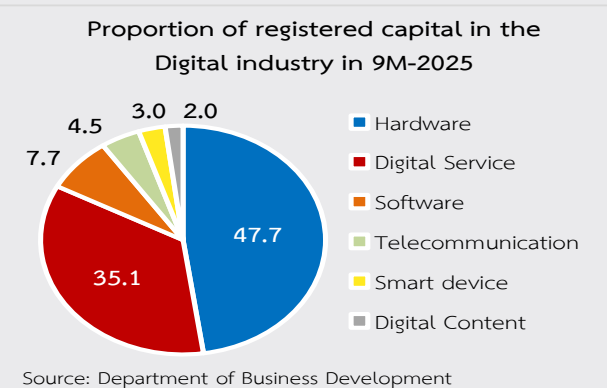
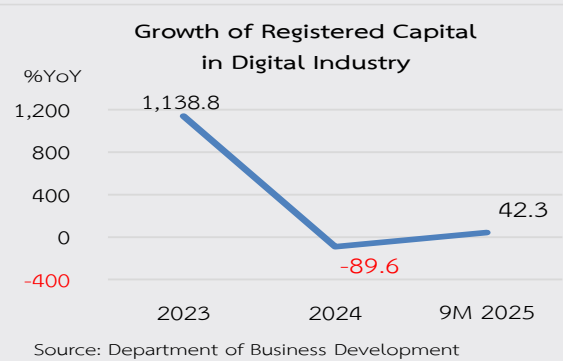
Proportion of Registered Capital, classified by Country, Industry, and Service Type

TSIC	Activities	China (%)		Singapore (%)		Japan (%)		Hong Kong (%)		United State (%)	
		16-18	22-24	16-18	22-24	16-18	22-24	16-18	22-24	16-18	22-24
Manufacturing Sector											
26	Computer and electronic manufacturing	4.81	25.93	2.52	22.80	0.55	1.02	0.00	7.98	27.15	10.18
29	Motor vehicle manufacturing	0.94	14.00	0.16	9.74	7.39	14.32	0.00	6.30	8.43	22.21
28	Machinery and equipment manufacturing	7.92	10.60	1.02	4.75	2.74	4.77	0.00	3.06	0.13	5.11
27	Electrical equipment manufacturing	1.29	9.37	39.92	17.51	1.76	12.72	0.01	12.02	0.05	1.04
24	Basic metal manufacturing	28.66	6.32	5.14	2.57	6.73	10.81	0.00	0.12	0.91	0.03
22	Rubber products and plastic manufacturing	18.20	6.04	0.39	5.51	12.50	15.25	52.03	1.77	8.46	1.21
10	Food products manufacturing	2.04	5.15	15.77	2.22	14.82	5.01	0.01	0.16	5.71	34.75
20	Chemical and products manufacturing	11.61	4.34	1.33	5.51	34.01	7.66	4.05	12.49	19.19	0.39
16	Wood and products manufacturing	0.65	1.15	1.66	0.03	0.01	0.04	0.00	0.65	12.30	5.26
13	Textile Manufacturing	5.24	0.61	0.00	0.19	9.85	0.07	0.00	0.00	0.05	0.02
14	Garment Manufacturing	3.90	0.08	0.38	0.13	0.16	0.01	0.00	0.03	0.08	0.79
21	Basic pharmaceutical Manufacturing	0.02	0.06	0.08	0.06	0.55	14.59	4.58	0.32	0.00	1.05
Service Sector											
46	Wholesales	18.62	27.01	9.33	23.14	15.78	14.50	3.82	16.40	35.52	54.29
68	Real Estate Activities	26.75	16.01	14.78	8.79	21.34	11.48	10.68	12.33	4.85	7.17
64	Financial service activities	27.43	2.50	27.49	26.09	2.62	27.22	23.51	21.06	0.60	25.17
47	Retails	6.49	7.30	0.85	2.43	8.03	3.36	12.50	19.55	0.59	0.77
45	Wholesale, retail, and automotive repair services	0.80	4.27	0.84	0.35	20.06	0.20	2.05	3.16	0.24	1.32
63	Information service activities	0.12	1.38	6.68	11.68	0.04	0.02	0.06	0.11	32.27	0.09
56	Food and beverage services	0.66	2.70	0.14	0.32	0.78	1.17	1.06	2.93	1.44	1.74

Source: Department of Business Development

Foreign Direct Investment: Implications for structural transformation in Thailand’s manufacturing and service sectors. (Cont.)

During the first nine months of 2025, registered capital in the digital industry expanded substantially by 42.3 percent. When classified according to the National Statistical Office’s definition of digital industry, the proportion of registered capital is as follows: (1) hardware industry (47.7 percent) (2) digital service industry (35.1 percent) (3) software industry (7.7 percent) (4) telecommunication industry (4.5 percent) (5) smart device industry (3.0 percent), and (6) digital content industry (2.0 percent). Investment in the hardware industry increased markedly, rising by 108.7 percent during the first nine months of 2025 compared with the same period last year. This growth was driven primarily by the expansion of investment in electronic component manufacturing. The major investing countries were Japan (34.6 percent), followed by China (12.4 percent) and Taiwan (10.9 percent). Investment in the digital services industry also grew by 34.0 percent during the first nine months of 2025, mainly due to the sharp increase in data centers and cloud services. Singapore played a leading role in this segment, representing 68.5 percent of total investment. These trends are consistent with the data on investment promotion certificates issued by the Board of Investment, which indicate that investment in the digital industry expanded by 1,373.9 percent during the same period. This reflected Thailand’s growing capacity to attract foreign direct investment into modern industries and digital services.



Investment Promotion Certificates Issued, classified by Key Target Industries

	Share (%) 9M-2025	2023 (%YoY)	2024 (%YoY)	9M-2025 (%YoY)
Investment Promotion Certificate Issued	100.00	5.5	72.8	40.7
Digital Industry	25.3	-50.3	24.6	1,373.9
Vehicle and parts Industry	5.9	-4.4	63.2	2.3
Biotechnology Industry	2.5	70.0	181.5	119.8
Automation and Robotic Industry	1.5	-29.2	103.6	395.5
Medical Industry	1.9	-66.1	101.0	132.9
Total 5 Targeted Industry	37.1	-27.4	66.0	281.5
Others	62.9	16.1	74.1	2.5

Source: Board of Investment

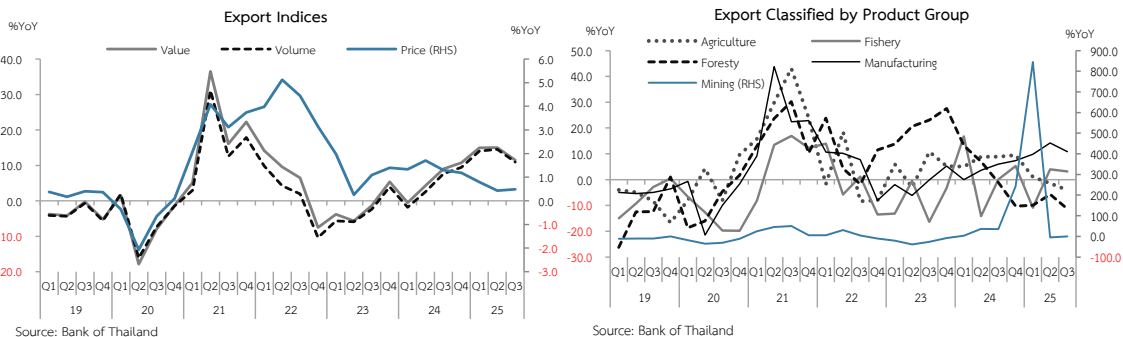
The key factors that make Thailand an important destination for foreign direct investment in modern industries, particularly the digital sector, include: (1) its strategic location at the center of the ASEAN region and the rapid expansion of digital adoption, including internet usage, e-commerce, and artificial intelligence (AI); (2) the availability of modern and reliable infrastructure, such as stable electricity and water systems and extensive nationwide 5G high-speed internet coverage; and (3) investment promotion policies and a comprehensive package of both tax incentives and non-tax incentives.

These developments align with the government’s policy direction to upgrade Thailand’s industrial structure toward the targeted industries and strengthen the country’s role as ASEAN’s digital hub, consistent with the global expansion of digital industry and increasing AI adoption. However, promoting investment and the development of data centers requires careful attention to the formulation of regulatory frameworks, investment conditions, and industry development measures to ensure that Thailand obtains the maximum possible benefits. It is essential to advance an ecosystem conducive to the creation of a related supply chain, while enhancing the competitiveness of domestic industry and encouraging local content. Strengthening linkages with other digital ecosystems will enable investment to generate greater domestic value added and contribute to productivity growth through technology adoption.

Although the data center sectors could not create a large number of new jobs, they have positive implications for national skills by raising demand for workers with advanced technological capabilities. This incentivizes educational institutions and the private sector to accelerate the development of digital skills, thereby increasing the country’s readiness for future digital industries. In addition, Thailand must prioritize the preparation and upgrading of essential public infrastructure to meet the industry needs, especially green energy, in line with the national commitment to achieve carbon neutrality by 2050. Enhancing the availability of clean energy will be crucial for ensuring that investments in these industries support sustainable economic growth in the long term.

Exports in US dollar terms reached 86.2 billion US dollars (86,196 million) in the third quarter of 2025, growing by 11.5 percent, decelerating from 15.0 percent growth in the previous quarter. This was consistent with the implementation of the Reciprocal Tariffs measure by the US on 7 August 2025. The **export volume index** rose by 10.9 percent, down from 14.5 percent expansion in the previous quarter, following the slowdown in manufacturing export volumes, particularly the export of electronics and machinery & equipment products. The **export price index** increased by 0.5 percent, continuing from a 0.4-percent increase in the previous quarter. The export price index for manufacturing and fishery products increased by 0.7 percent and 1.4 percent, respectively, while agricultural products continually decreased for the third consecutive quarter by 7.1 percent. **Excluding unwrought gold, export value** expanded by 9.1 percent, decelerating from 13.0 percent in the previous quarter. **In Thai Baht terms**, export value reached 2.8 trillion Baht (2,783 billion), representing a 3.4 percent increase compared with 3.6 percent in the previous quarter.

In the first nine months of 2025, export value stood at 250.8 billion US dollars (250,811 million), growing by 13.8 percent. During this period, the export volume index increased by 13.1 percent and the export price index increased by 0.6 percent. In Thai baht terms, the export value was recorded at 8.3 trillion baht (8,298 billion), growing by 5.4 percent, compared with a 7.8-percent increase in the same period last year.



The export value of agricultural commodities declined by 4.1 percent, continuing from a 1.5-percent drop in the previous quarter. This was primarily driven by a 7.1 percent decrease in the export price index, while the export volume index rose by 3.3 percent, in line with growing global competition since the revival of product supplies from major global producers, while global demand for agriculture products continued to increase. Major products with lower export value included: **rice**, with exports declining by 27.0 percent, due to reductions in both export price (-15.4 percent) and export volume (-13.7 percent), and in line with decreased demand from the U.S., South Africa, and Iraq; and **rubber** exports, which fell by 21.4 percent, due to a contraction in exports to China, Japan, Malaysia, and the U.S, as its prices and export volumes falling by 3.1 and 18.8 percent respectively. However, major products with higher export values included **durian**, with exports rising by **31.5 percent** attributed to growth in demand from China. The **export volume expanded by 49.2 percent** while the **export price dropped by 11.9 percent**, reflecting higher competition in the Thai durian export markets. **The export value of manufacturing commodities** rose by 10.8 percent, continuing from 14.2 percent growth in the previous quarter. The expansion was driven by growth in both export volume (10.1 percent) and export price (0.7 percent). **Notable products with higher export value** included computers (125.0 percent), telecommunication equipment (55.2 percent), integrated circuits and parts (31.7 percent), jewelry (22.2 percent), and machinery & equipment (14.3 percent). In contrast, the export value of petroleum products, petrochemical products, apparel and textile materials declined by 33.2 percent, 2.5 percent, and 0.7 percent, respectively. **The export value of fishery products** increased by 3.2 percent, decelerating from 4.0 percent growth in the previous quarter, and **the export value of other products** rose by 84.0 percent, slowing from a 118.0 percent rise in the prior quarter, primarily due to unwrought gold exports expanding by 86.2 percent, compared with 115.9 percent in the previous quarter.

Export Value of Major Product in US Dollar Term

%YoY	2024						2025				Share 9M/25 (%)
	Year	Q1	Q2	Q3	9M	Q4	Q1	Q2	Q3	9M	
Agriculture	8.2	5.0	8.9	8.8	7.8	9.5	1.1	-1.5	-4.1	-1.6	6.7
Rice	25.4	45.5	53.9	26.4	41.4	-7.2	-30.4	-34.3	-27.0	-30.7	1.3
Rubber	36.8	24.9	37.4	55.9	39.2	30.8	32.4	4.3	-21.4	3.7	1.5
Tapioca	-9.0	-53.2	-0.7	-18.1	-9.5	2.3	-0.5	-5.7	31.5	2.5	1.4
Other fruits	-2.2	11.6	-12.7	-13.5	-7.7	15.9	-1.7	35.1	-9.2	6.9	0.8
Manufacturing	4.3	-0.1	3.7	6.0	3.2	7.3	9.9	14.2	10.8	11.6	86.2
Food	2.0	-6.6	1.6	10.6	1.6	3.4	-2.2	8.2	-3.6	0.8	6.7
- Sugar	-19.1	-26.7	-25.9	-5.0	-20.7	-8.9	-19.5	-16.2	-22.5	-19.3	1.0
- Fish, canned, prepared, or preserved	14.7	8.9	8.2	27.0	14.8	14.6	1.4	2.9	-5.5	-0.7	0.9
Beverages	11.0	11.5	4.3	11.1	8.8	17.9	4.7	15.4	-1.6	6.3	1.0
Rubber products	9.5	-19.2	-10.5	27.4	-3.2	52.5	36.3	39.6	12.3	28.5	2.2
Animal food	23.1	20.3	33.7	24.4	25.9	15.6	13.4	9.2	2.1	8.0	1.0

Exports in US dollar terms increased by 11.5 percent, decelerating from the previous quarter.

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

%YoY	2024						2025				Share 9M/25 (%)
	Year	Q1	Q2	Q3	9M	Q4	Q1	Q2	Q3	9M	
Electronics	22.6	6.6	27.4	26.5	20.4	28.8	43.2	50.4	43.8	45.9	16.8
- Computer	142.4	172.5	147.9	146.5	153.6	118.9	130.8	210.6	125.0	158.2	3.1
- Computer parts & accessories	26.0	-6.9	22.5	46.5	19.3	45.7	50.4	37.7	18.9	34.2	5.1
- Integrated circuits & parts	-10.5	-11.3	-14.5	-15.8	-14.0	1.0	24.7	42.3	31.7	32.9	3.3
- Telecommunication equipment	33.0	24.3	58.5	33.2	38.8	19.1	24.6	17.4	55.2	33.0	4.8
Electrical appliances	-3.2	-4.5	-5.3	-1.3	-3.7	-1.6	4.5	5.8	6.6	5.6	8.4
Metal & steel	6.7	11.6	4.3	7.9	7.9	3.1	10.0	16.0	13.7	13.2	5.3
Automotive	-3.8	-4.7	3.3	-10.3	-4.3	-2.3	-0.5	0.6	5.0	1.7	13.1
- Passenger car	27.0	-1.3	24.0	46.3	22.9	38.2	37.2	39.7	-27.1	10.2	3.1
- Pick up and trucks	-7.8	-14.2	15.5	-16.7	-6.2	-12.3	-3.4	-21.3	44.2	5.2	2.7
- Vehicle parts & accessories	3.1	3.6	-0.7	3.6	2.2	5.8	7.5	15.5	6.4	9.6	6.3
Machinery & equipment	10.0	-1.5	7.0	10.9	5.6	23.9	14.7	17.9	14.3	15.6	8.6
Aircrafts, ships, floating structures, and locomotive	-9.0	26.3	-34.3	6.5	-4.3	-20.0	8.6	5.0	2.7	5.7	1.1
Jewellery	4.8	13.6	3.8	1.4	6.2	0.3	4.5	9.4	22.2	12.2	3.0
Petro-chemical products	2.9	-4.8	-1.4	8.2	0.6	10.2	7.0	3.3	-2.5	2.4	6.4
Petroleum products	-9.6	-3.9	-6.9	-0.5	-3.7	-23.6	-6.1	-15.9	-33.2	-19.4	2.2
Fishery	1.2	16.8	-14.2	0.1	-0.2	5.3	-10.8	4.0	3.2	-1.4	0.4
Crustaceans	-5.8	17.3	-27.1	-4.9	-7.6	-0.5	-20.7	6.1	2.5	-4.4	0.2
Other Exports	38.3	-25.2	15.7	75.4	13.6	118.1	119.2	118.0	84.0	103.8	4.6
Non-monetary gold (excl. articles of goldsmiths)	45.9	-16.0	11.8	79.4	19.9	123.9	120.8	115.9	86.2	104.3	4.4
Total Exports (Customs basis)	5.5	-0.6	4.3	7.6	3.8	10.7	15.2	14.8	11.9	13.9	100.0
Exports, f.o.b. (BOP basis)	5.9	-0.5	4.3	9.0	4.3	10.8	14.9	15.0	11.5	13.8	98.7
Export Value (exclude gold)	5.0	-0.1	4.2	7.7	3.9	8.2	12.4	13.0	9.1	11.5	94.3

Source: Bank of Thailand

Exports to most major markets decelerated, particularly to the U.S., China, and the EU (27).

Exports to the U.S. grew by 26.4 percent, down from a 33.9 percent increase in the previous quarter. After the Reciprocal Tariffs measure was implemented on 7 August 2025, increased exports included automatic data processing machines and parts, telephone sets and parts, and semi-conductor devices, transistors, and diodes. However, exports of rubber products, precious stones and jewelry, and prepared or preserved fish in airtight containers showed a decline. **Exports to China** expanded by 10.8 percent, slowing from 18.3 percent growth in the last quarter, driven by higher exports such as fresh, frozen and dried fruit, rubber products, and automatic data processing machines and parts. However, exports of tapioca products, chemical products, copper and articles showed a decrease. **Exports to the EU (27)** grew by **5.4 percent**, decelerating from 11.5 percent growth in the last quarter, attributed to higher exports of automatic data processing machines and parts, electronic integrated circuits, and telephone sets and parts. However, exports of air conditioning machines and parts, motor vehicle and parts, and steel and products showed a decline. **Exports to India** grew by 14.2 percent, decelerating from 19.8 percent growth previously, led by increased exports of chemical products, copper and articles, and rubber products. However, exports of polymers of ethylene, in primary forms, other electrical equipment and parts, and semi-conductor devices, transistors and diodes showed a decrease. **Exports to ASEAN (5)** increased by 9.0 percent, accelerating from a 4.4 percent increase in the previous quarter, supported by growth in exports to Singapore, Malaysia, and the Philippines, driven by higher exports of refined fuels, precious stones and jewelry, and rice. However, exports of motor vehicles and parts, electronic integrated circuits, and machinery and parts showed a decline. **Exports to Mexico** increased by 45.2 percent, up from a 2.3 percent increase in the previous quarter, driven by a rise in exports of electrical transformers and parts, automatic data processing machines and parts, and electronic integrated circuits. However, exports of washing machines and parts, polymers of ethylene, in primary forms, and boards, panels of electric control showed a decrease. In contrast, **exports to CLMV** declined for the first time in seven quarters by 2.4 percent, due to lower shipments to Cambodia. **Exports to South Korea** declined by 8.2 percent, driven by a lower export of refined fuels, aluminum products, and automatic data processing machines and parts. However, exports of rubber products, electronic integrated circuits, and wood and wood products increased. **Exports to Australia** continued to decline for the fifth consecutive quarter by 2.5 percent, due to lower exports of motor vehicle and parts, air conditioning machines and parts, and polymers of ethylene in primary forms. However, exports of automatic data processing machines and parts, prepared or preserved fish in airtight containers, and machinery and parts continued to grow.

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

Export Value to Key Markets in US Dollar Term

%YOY	2024						2025				Share 9M/25 (%)
	Year	Q1	Q2	Q3	9M	Q4	Q1	Q2	Q3	9M	
Total Exports (Mil US\$) (Customs basis) (%YoY)	300,740	70,755	74,296	77,995	223,047	77,693	81,532	85,320	87,295	254,146	100.0
United States	13.6	9.8	12.3	14.8	12.4	17.3	25.5	33.9	26.4	28.6	20.5
China	3.2	-5.1	1.9	2.6	0.1	13.8	19.5	18.3	10.8	16.1	12.1
Japan	-5.3	-9.1	-6.1	-6.8	-7.3	1.2	0.1	2.4	2.5	1.6	7.0
ASEAN (9)	4.7	-2.7	3.3	8.2	2.8	10.2	5.2	10.2	4.3	6.5	21.7
- ASEAN (5)*	-0.8	-9.2	0.2	4.5	-1.6	1.7	5.7	4.4	9.0	6.4	12.4
- CLMV**	12.8	6.9	7.7	13.9	9.4	23.3	4.5	18.0	-2.4	6.7	9.2
EU (27) excluding UK	10.2	2.5	6.5	15.4	8.0	17.3	7.2	11.5	5.4	8.0	7.7
United Kingdom	3.0	-10.7	-19.9	14.7	-5.8	35.4	7.1	18.0	6.9	10.2	1.3
Middle East (15)***	7.1	-3.5	8.4	15.4	6.4	9.1	10.0	1.6	1.2	4.2	3.5
- Saudi Arabia	4.6	4.3	19.6	-1.2	6.8	-1.7	-8.9	-15.2	-3.2	-9.1	0.8
- United Arab Emirates	10.1	0.1	12.0	14.2	8.3	15.3	18.1	17.1	16.5	17.2	1.2
India	16.3	-3.4	15.4	19.6	10.3	35.6	91.4	19.8	14.2	39.4	4.7
Australia	1.1	25.2	0.2	-4.2	6.0	-11.6	-15.0	-4.1	-2.5	-7.4	3.4
Hong Kong	-2.2	23.5	5.2	-14.1	3.5	-19.2	-5.6	15.2	0.8	3.2	3.5
Mexico	19.4	-2.6	35.6	11.3	14.1	35.0	25.0	2.3	45.2	23.7	1.5
South Korea	-1.9	-7.5	-5.4	5.7	-2.6	0.6	-1.7	1.1	-8.2	-3.0	1.7
Taiwan	-1.1	-2.4	-1.2	3.4	-0.1	-4.2	20.8	12.3	14.6	15.8	1.6

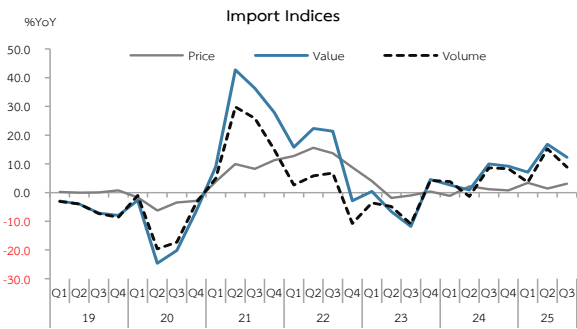
Note: * ASEAN (5) consist of Brunei, Indonesia, Malaysia, Philippines, and Singapore
** CLMV consist of Cambodia, Laos, Myanmar, and Vietnam
*** Middle East (15) consists of United Arab Emirates, Bahrain, Egypt, Israel, Iraq, Iran, Jordan, Kuwait, Lebanon, Libya, Oman, Qatar, Saudi Arabia, Syria, Yemen.

Source: Bank of Thailand

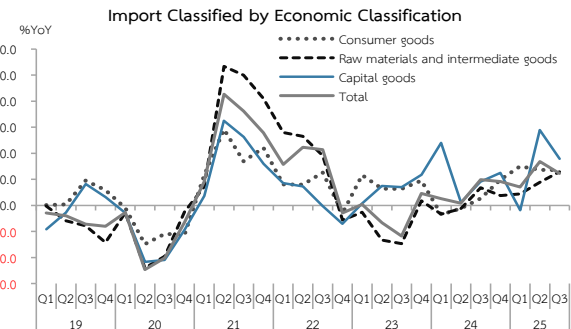
The import value in US dollar terms stood at 79.2 billion US dollars, marking an increase of 12.2 percent, down from 16.8 percent in the previous quarter. This corresponded with an 8.9-percent rise in import volume, compared with the 15.2-percent increase in the preceding quarter. Import prices rose by 3.1 percent, compared with the 1.4-percent expansion in the previous quarter. Excluding unwrought gold, import value expanded by 13.7 percent, compared with a 14.6-percent increase in the previous quarter. In Thai baht terms, the import value reached 2.6 trillion baht, representing a 4.1-percent growth, slowing from a 5.4-percent increase in the previous quarter.

In the first nine months of 2025, imports totaled 230.4 billion US dollars, representing a 12.1-percent growth. During this period, import volume and prices increased by 9.2 percent and 2.6 percent, respectively. In Thai baht terms, imports stood at 7.6 trillion baht, increasing by 3.8 percent.

Import value in US dollar terms expanded by 12.2 percent, decelerating from the previous quarter.



Source: Bank of Thailand



Source: Bank of Thailand

By category, the import value across almost all categories slowed down. The import value of capital goods increased by 17.9 percent, compared with 28.9 percent growth in the previous quarter, as import volume and prices rose by 12.5 percent and 4.7 percent, respectively. Products with increased import value included machinery, equipment, and supplies; other machinery and mechanical appliances and parts; and aircraft, ships, floating structures, and locomotives. The import value of consumer goods rose by 13.6 percent, continuing from 13.7 percent in the previous quarter, driven by a 7.4 percent increase in import volume and a 5.7 percent increase in import prices. Key products with increased import value included household electrical appliances, cellular phones, and medicinal and pharmaceutical products. Also, the import value of other goods declined for the first time in eight quarters by 6.9 percent, mainly due to a 11.3-percent decrease in imports of non-monetary gold (excluding goldsmith articles). The import value of raw materials and intermediate goods grew by 12.9 percent, accelerating from 8.9 percent in the previous quarter, in line with a 14.0-percent increase in import volume, which accelerated from a 11.9 percent rise previously. Import prices in this category dropped by 1.0 percent. Key products with increased import value included electronic parts and electrical appliances, minerals, and materials of base metal.

Import Value of Major Product in US Dollar Term

%YoY	2024						2025					Share 9M/25 (%)
	Year	Q1	Q2	Q3	9M	Q4	Q1	Q2	Q3	9M		
Consumer goods	2.0	-3.6	-1.2	2.7	-0.7	9.9	15.1	13.7	13.6	14.1	12.8	
Food, beverage & dairy products	10.3	3.7	5.6	17.5	9.1	13.8	17.2	8.8	-6.2	5.8	2.5	
Cellphones	8.7	-0.0	24.2	-2.1	5.5	16.8	2.7	13.7	18.6	11.5	1.3	
Medicinal and pharmaceutical products	-2.4	-7.5	-15.2	4.3	-6.6	10.9	2.8	18.3	21.4	14.0	1.1	
Animal & fishery products	-1.7	-13.6	-7.4	-3.3	-8.3	19.3	11.6	16.4	14.8	14.4	1.1	
Textiles	7.0	5.7	6.3	4.9	5.6	10.8	12.2	13.0	11.7	12.3	1.0	
Raw materials and intermediate goods	1.4	-3.3	-1.2	6.8	0.6	3.8	4.4	8.9	12.9	8.8	60.3	
- Exclude fuel	4.6	-1.1	2.2	9.2	3.4	8.7	6.5	14.7	21.4	14.3	47.3	
Parts of electronics and electrical appliances	13.4	11.0	16.5	10.5	12.6	15.5	10.9	26.9	54.4	31.1	20.0	
Crude oil	-2.6	-3.8	-4.0	7.2	-0.5	-8.8	2.1	-6.8	-12.8	-5.7	8.8	
Chemicals & Petro-chemical products	1.9	-4.2	-0.1	11.5	2.2	1.0	-2.8	4.3	1.0	0.9	7.9	
Materials of base metal	2.6	-11.4	-1.3	16.7	0.8	8.6	12.9	13.8	1.8	9.2	7.6	
Natural gas	-18.4	-15.9	-32.8	-12.6	-21.2	-7.7	-2.6	-0.3	-18.9	-7.3	2.4	
Capital goods	11.5	24.0	1.2	9.1	11.1	12.5	-1.8	28.9	17.9	14.4	19.9	
- Exclude computer	6.5	2.5	1.8	6.0	3.4	15.9	11.6	20.6	22.4	18.3	17.8	
Other machinery and mechanical appliances & parts	5.0	-5.3	-3.9	8.2	-0.4	21.7	24.8	37.6	27.6	30.0	8.5	
Transformers, generators, motors and accumulators	12.9	-0.4	9.3	16.9	8.6	26.6	18.9	27.9	22.8	23.3	2.2	
Computer	68.4	444.4	-4.6	50.0	110.6	-16.3	-51.0	114.9	-24.5	-10.6	2.1	
Aircrafts, ships, floating structures, and locomotive	45.7	74.4	53.1	81.0	66.9	4.0	-16.5	-36.9	24.7	-13.6	1.5	
Measuring, checking and precision instruments	-2.0	-8.4	-9.2	0.7	-5.7	9.1	18.4	29.6	25.8	24.6	1.3	
Other Imports	65.0	45.4	62.5	78.6	63.1	69.4	66.9	49.7	-6.9	32.2	7.0	
Non-monetary gold (excl. articles of goldsmiths)	94.1	95.5	90.2	107.0	97.8	85.7	48.9	53.7	-11.3	27.2	5.4	
Other imports, n.i.e.	1.9	-23.5	-6.4	13.3	-6.4	26.5	130.3	29.2	11.6	53.5	1.5	
Total Imports (Customs basis)	5.9	3.1	1.7	9.6	4.7	9.4	7.4	15.8	12.6	11.9	100.0	
Imports, f.o.b. (BOP basis)	5.5	2.6	0.6	9.9	4.3	9.2	7.1	16.8	12.2	12.1	90.5	
Imports, f.o.b. (excl. gold)	2.7	0.5	-2.2	6.8	1.6	6.1	5.3	14.6	13.7	11.2	85.1	

Source: Bank of Thailand

Import Volume Indices by Economic Classification

Volume indices	2024										2025			
	Year	Q1	Q2	Q3	9M	Q4	Q1	Q2	Q3	9M				
%YoY														
Consumer goods	-1.2	-4.7	-3.2	-1.1	-3.0	4.0	8.6	7.0	7.4	7.7				
Raw materials and intermediate goods	2.2	-0.7	-2.7	7.4	1.2	5.3	3.5	11.9	14.0	9.8				
Capital goods	9.9	24.6	0.4	7.2	10.3	8.6	-5.8	23.6	12.5	9.5				
Total Imports	4.8	3.8	-1.4	8.6	3.6	8.3	3.6	15.2	8.9	9.2				

Source: Bank of Thailand

Import Price Indices by Economic Classification

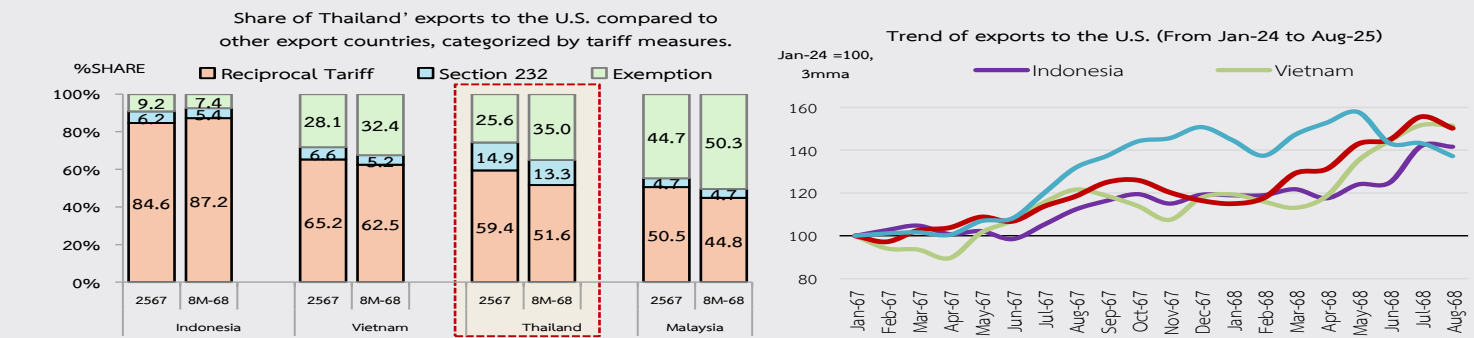
Price indices	2024						2025			
	%YoY	Year	Q1	Q2	Q3	9M	Q4	Q1	Q2	Q3
Consumer goods	3.2	1.2	2.1	3.8	2.3	5.7	5.9	6.2	5.7	6.0
Raw materials and intermediate goods	-0.8	-2.7	1.5	-0.6	-0.6	-1.4	0.9	-2.7	-1.0	-0.9
Capital goods	1.4	-0.5	0.8	1.8	0.7	3.6	4.3	4.3	4.7	4.4
Total Imports	0.8	-1.2	2.2	1.2	0.7	0.8	3.4	1.4	3.1	2.6

Source: Bank of Thailand

The impacts of U.S. tariff measures on Thai export products.

After declaring U.S. trade barrier measures, including tariff measures on imported goods, the U.S. invoked Section 232 of the Trade Expansion Act of 1962 for U.S. stability protection, and Section 301 of the Trade Act of 1974 to retaliate against unfair trade by collecting tariffs on specific categories of imported products (Sectoral Tariffs). Furthermore, the International Emergency Economic Power Act (IEEPA) of 1977 was implemented for national emergencies, although the law is under investigation regarding excessive use of power by the Supreme Court of the United States, especially on imposing reciprocal tariffs and tariffs on countries that neglected to regulate Fentanyl exports to the U.S. Nevertheless, the measure continues to be effective until the announcement of a verdict by the Supreme Court, which is expected to be in mid-2026. An estimation of the preliminary impacts from U.S. tariff measures on Thailand and other ASEAN countries can be summarized as follows.

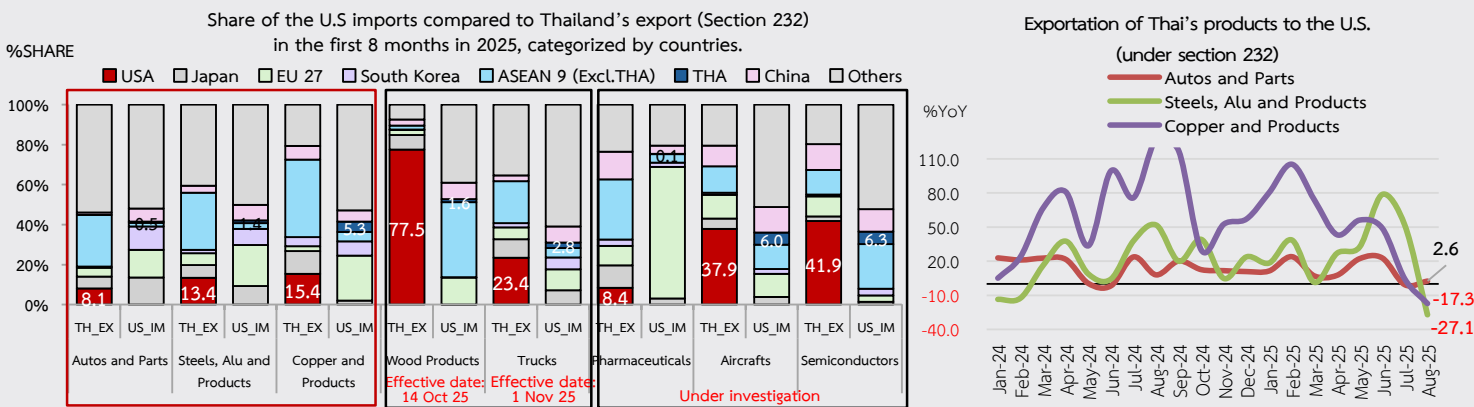
1. Regarding the impacts on Thai exports to the U.S. since the beginning of 2025, Thai exports accelerated significantly, following the acceleration of U.S. imports before the Reciprocal tariffs were to be enforced, which was supposed to be effective on 9 April 2025¹ in the previous declaration. Nevertheless, the effective date of enforcing tariff measures was extended for 90 days to facilitate the adjustment of entrepreneurs and to open for trade negotiations until new reciprocal tariff rates were announced on 31 July 2025 and came into effect on 7 August 2025. According to the final disclosure, the reciprocal tariff rate on Thai products is 19 percent, a rate similar to most ASEAN countries, including Indonesia, Malaysia, the Philippines, and Cambodia. While the reciprocal tariff rate for Vietnam stood at 20 percent. Furthermore, the U.S. announced the exemption list for products in Annex II in Executive Order 14346 on 5 September 2025, including pharmaceuticals, some auto parts, and gold ore and other essential metals. Additionally, some products were withdrawn from the exemption list, for example, aluminum hydroxide and silicone products. The impacts of trade barrier measures on Thailand and major ASEAN export countries within President Trump’s second term (Trump 2.0), categorized by tariff measures, are portrayed below.



Source: Global Trade Atlas, Office of the United States Trade Representative, processed by NESDC

1.1 For products under Section 232 measures, Thailand has a dependency on the US market for these product groups, consisting of (1) motor vehicles and parts, (2) iron, aluminum, and products, and (3) copper and copper products. These accounted for a combined average share of 13.3 percent in the first eight months of 2025, which is higher than Indonesia, Vietnam, and Malaysia, with shares of 5.4 percent, 5.2 percent, and 4.7 percent, respectively. Products in this group are subject to relatively high import tariffs of 25-50 percent. Meanwhile, in August 2025, Thai exports of these product groups to the US decreased in all categories, e.g., iron, aluminum, and products (decreased by 27.1 percent) and copper and copper products (decreased by 17.3 percent), while motor vehicles and parts increased by 2.6 percent, compared to a 0.6 percent decrease in the previous month.

1.2 For products under the Reciprocal Tariffs measure, Thailand's dependency share on the US export market for these products stood at 51.6 percent, lower than Indonesia (87.2 percent share) and Vietnam (62.5 percent share), but higher than Malaysia (44.8 percent share). In August 2025, after the Reciprocal Tariffs measure came into effect, the export value of this product group from Thailand, as well as its ASEAN competitors, slowed down. Thailand's exports to the US decreased by 10.9 percent, similar to Malaysia's exports, which decreased by 13.6 percent. Meanwhile, exports from Indonesia and Vietnam expanded by 3.1 percent and 5.4 percent, slowing down from 47.4 percent and 17.6 percent, respectively.



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

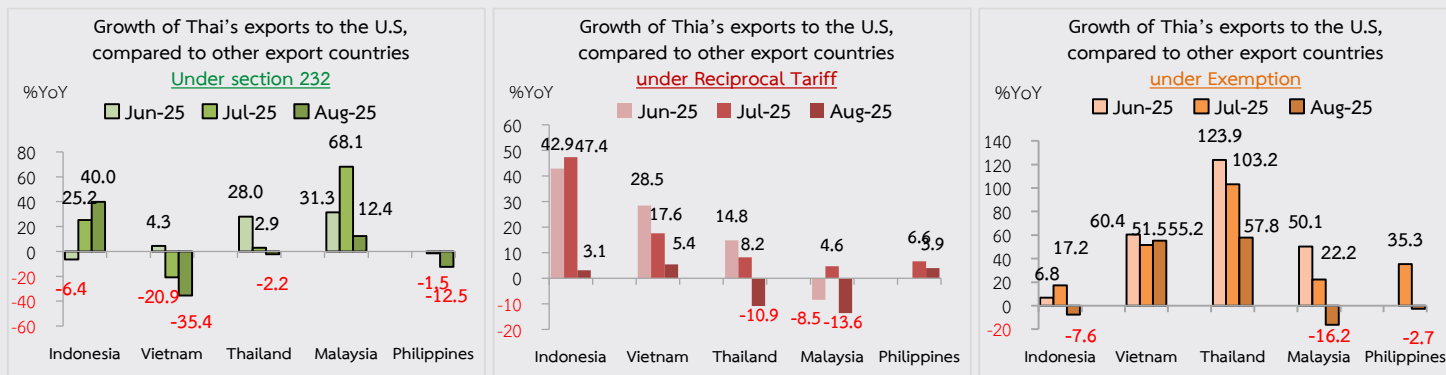
Source: Global Trade Atlas (GTA), processed by NESDC

¹ The U.S. announced the reciprocal tariffs rate against nearly all countries on April 2, 2025, the universal 10% import tariff took effect on April 5, 2025, while the old reciprocal tariff would be effective on April 9, 2025.

The impacts of U.S. tariff measures on Thai export products. (Cont.)

Additionally, considering the products under the tariff exemption list (Exemption) in Annex II of Executive Order 14346, although Thailand's export share to the US is 35.0 percent, which is higher than Vietnam at 32.4 percent and Indonesia at 7.4 percent, but lower than Malaysia, whose share is 50.3 percent of its exports to the US, there are also signs of a slowdown in exports for this product group. In August 2025, exports from Malaysia and Indonesia began to decline for the first time in 17 months and 3 months, respectively. This is partly due to the lack of clarity regarding the tariff rates, which has affected exporters.

The growth rate of goods exports from major ASEAN countries to the US under various tariff



Source: Global Trade Atlas, processed by NESDC

2. Impacts on Thai goods exports to the U.S. categorized by business size. Based on data from the Office of Small and Medium Enterprises Promotion (OSMEP), the total export value of goods to the U.S. in the first 9 months of 2025 totaled 52,177 million USD, expanding 28.5 percent from the same period last year. The top 5 major export products to the U.S. were: 1) communication devices, including telephones 2) computers 3) auto tires 4) parts and accessories for machines, and 5) electrical transformers, where 83.8 percent of total exports were from large-sized businesses (L). The exports from large businesses that increased in key categories included: communication devices, including telephones (an increase of 123.0 percent), computers (an increase of 43.5 percent), auto tires (an increase of 4.9 percent), parts and accessories for machines (an increase of 96.6 percent), and electrical transformers (an increase of 30.0 percent). Meanwhile, products with decreased export value included: diodes and transistors (a decrease of 55.6 percent) and printing machinery (a decrease of 10.2 percent). Meanwhile, exports from the SME business group to the U.S. in the first 9 months of 2025 had a total value of 8,026 million USD, which accounted for a 15.4 percent share of total Thai exports to the U.S., expanding 46.8 percent from the same period last year, following an increase in exports of key products such as computers (an increase of 2,438.9 percent), air conditioners (an increase of 40.7 percent), furniture and parts (an increase of 41.3 percent), parts and accessories for vehicles (an increase of 115.0 percent), and parts and accessories for machines (an increase of 310.9 percent). While exported products that declined included: communication devices, including telephones (a decrease of 55.2 percent), auto tires (a decrease of 50.9 percent), jewelry and accessories (a decrease of 0.7 percent), radio or television transmitters (a decrease of 2.2 percent), and rice (a decrease of 15.5 percent).

Exports of SMEs businesses in the first 9 months of 2025 (January—September 2025)

Rank	HS code	Products	Top 20 of export products categorized by business size (million USD)													
			Total	% YTD	Micro	% Share	Small	% Share	Medium	% Share	Large	% Share	% YTD	SMEs	% Share	% YTD
1	8517	Network device including telephones	7,694	58.3	388	5.0	40	0.5	363	4.7	6,903	89.7	123.0	790	10.3	-55.2
2	8471	Computers	7,346	62.0	177	2.4	705	9.6	5	0.1	6,454	87.9	43.5	887	12.1	2,438.9
3	4011	Motor tires	2,700	4.8	0	0.003	2	0.1	1	0.03	2,697	99.9	4.9	3	0.1	-50.9
4	8473	Parts and accessories for machines	2,145	101.9	1	0.04	72	3.3	39	1.8	2,034	94.8	96.6	111	5.2	310.9
5	8504	Electrical transformers	2,038	32.8	38	1.9	12	0.6	12	0.6	1,974	96.8	30.0	63	3.1	309.7
6	8415	Air conditioner	1,407	47.5	37	2.6	316	22.4	27	1.9	1,027	73.0	50.1	380	27.0	40.7
7	8708	Parts and accessories for vehicles	1,235	14.3	53	4.3	47	3.8	40	3.2	1,092	88.4	7.5	140	11.3	115.0
8	7113	Jewelry and parts	1,096	6.3	10	0.9	83	7.6	280	25.5	705	64.3	7.6	373	34.0	-0.7
9	8541	Diode and transistor	1,062	-52.3	11	1.0	63	5.9	23	2.1	966	90.9	-55.6	96	9.1	90.1
10	8525	Radio devices	900	10.6	13	1.4	43	4.7	72	8.0	771	85.7	12.9	127	14.2	-2.2
11	8537	Boards, panels etc. for electrical appliance	892	44.4	3	0.3	10	1.1	53	6.0	804	90.1	32.7	66	7.4	461.7
12	2309	Animal feeding	766	19.3	0	0.0	0	0.05	16	2.1	750	97.9	18.8	16	2.1	42.6
13	8443	Printing machine	723	-9.3	1	0.2	0	0.02	19	2.6	701	97.0	-10.2	20	2.8	30.3
14	8418	Refrigerators and freezers	712	29.5	129	18.1	19	2.6	5	0.8	559	78.5	5.4	153	21.5	696.3
15	8528	Monitors and projectors	634	40.8	33	5.2	53	8.3	14	2.1	535	84.3	20.0	99	15.6	2,230.0
16	1006	Paddy	611	7.2	2	0.3	5	0.8	18	3.0	583	95.4	7.8	25	4.1	-15.5
17	9403	Furniture and parts	541	35.8	48	8.9	89	16.5	75	13.9	324	59.9	30.8	213	39.3	41.3
18	1604	Prepared fish	502	0.3	0	0.02	1	0.2	8	1.6	493	98.2	0.0	9	1.8	20.0
19	8542	Electronic integrated circuits	486	35.3	-	-	25	5.1	7	1.5	454	93.4	28.4	32	6.6	454.0
20	4015	Apparel and clothing accessories	459	10.6	0	0.03	7	1.5	14	3.0	439	95.5	8.1	21	4.5	112.8
Export value of top 20 products			33,953	30.7	944	2.8	1,590	4.7	1,090	3.2	30,265	89.1	31.8	3,624	10.7	20.7
Other			18,224	24.6	1,046	5.7	1,372	7.5	1,984	10.9	13,450	73.8	12.2	4,402	24.2	78.6
Total exports			52,177	28.5	1,990	3.8	2,962	5.7	3,074	5.9	43,715	83.8	25.1	8,026	15.4	46.8

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

Note: Annual income ≤ 1.8 million Baht = Micro size businesses (Micro); annual income ≤ 100 million Baht = Small size businesses (S); 100 million Baht > Annual income ≤ 500 million Baht = Medium size businesses (M); Annual income > 500 million Baht = Large size businesses (L)

Terms of Trade declined for the third consecutive quarters, as import prices increased by 3.1 percent, outpacing the 0.5 percent rise in export prices. As a result, the terms of trade stood at 95.6, lower than 96.6 in the previous quarter and 98.1 in the same quarter of last year. This marks the fifteenth consecutive quarter in which the terms of trade remained below the level of 100.

In the first nine months of 2025, the terms of trade were recorded at 96.2 compared with 98.2 in the same period last year, as import prices increased by 2.6 percent, faster than the 0.6 percent increase in export prices.

The **trade balance** recorded a surplus of 7.0 billion US dollars in the third quarter of 2025. This was higher than the 5.3 billion US dollars surplus in the previous quarter and the 6.7 billion US dollars surplus from the same period last year. **In Thai baht terms**, the trade surplus was 224.4 billion baht. This surpassed the 172.0 billion baht surplus in the previous quarter but was lower than the 231.9 billion baht surplus from the same quarter of the previous year.

In the first nine months of 2025, the trade balance recorded a surplus of 20.4 billion US dollars. This exceeded the 14.9 billion US dollars surplus from the same period last year. In Thai baht terms, the trade surplus was 672.8 billion baht, surpassing the 529.6 billion baht from the same period last year.

Term of trade declined for the third consecutive quarter.

Trade balance recorded a surplus of 7.0 billion US dollars, higher than the surplus recorded in the previous quarter and the same quarter last year.

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

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

Source: Bank of Thailand

Production Side:

Agriculture, forestry, and fishing: Expanded by 1.9 percent, decelerating from 6.4 percent in the previous quarter. This was due to a slowdown in the production of major crop categories, such as paddy, fruits, and oil palm, coupled with a decline in the fisheries. Meanwhile, the livestock returned to expansion, primarily driven by increases in swine and broiler chickens. **In this quarter, key Agricultural Production Index showed an increase in production included: fruits** (increased by 9.9 percent), especially durian (increased by 20.8 percent) and longan (increased by 7.0 percent); **paddy** (increased by 3.4 percent); **rubber** (increased by 1.6 percent); broiler chickens (increased by 1.0 percent); and swine (increased by 0.2 percent), respectively. However, the production index of some key agricultural products decreased, including cassava (decreased by 14.8 percent); shrimp (decreased by 10.4 percent); and cattle (decreased by 1.7 percent), respectively. **Meanwhile, the Agricultural Price Index declined for the third consecutive quarter by 12.8 percent**, compared to an 11.7 percent decline in the previous quarter. This was due to price decreases in several key agricultural products, including: **paddy** (decreased by 19.0 percent); **fruits** (decreased by 27.8 percent), especially durian (decreased by 24.9 percent) and longan (decreased by 51.3 percent); **rubber** (decreased by 15.8 percent); **cattle** (decreased by 29.1 percent); and **cassava** (decreased by 13.7 percent), respectively. Conversely, the prices of some key agricultural products increased, such as oil palm (increased by 10.9 percent); swine (increased by 4.5 percent); and broiler chickens (increased by 2.8 percent), respectively. The decrease in the Agricultural Price Index resulted in **the overall Farm Income Index** declining for the second consecutive quarter by 11.4 percent, compared to a 6.0 percent decline in the previous quarter.

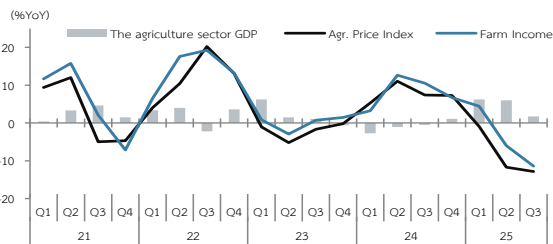
For the first nine months of 2025, the agriculture, forestry, and fishing sector increased by 5.1 percent, compared to a 2.0 percent decline during the same period last year. The Agricultural Production Index increased by 4.4 percent, while the Agricultural Price Index decreased by 8.6 percent, and the overall Farm Income Index decreased by 4.2 percent.

The wholesale and retail trade sector accelerated from the previous quarter. The agriculture, accommodation and food service activities, and transportation and storage sectors experienced slower growth from the previous quarter. Meanwhile, the manufacturing and construction sectors contracted.

The agriculture, forestry, and fishing sectors expanded by 1.9 percent, slowing down from the previous quarter, primarily driven by the slowdown in production of major crops and the decline in the fisheries sector.

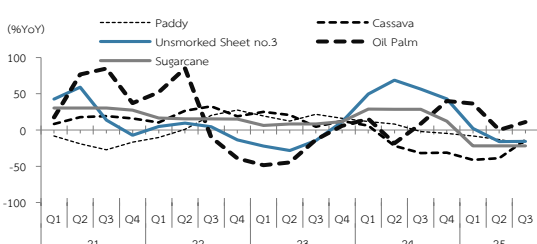
Meanwhile, the agricultural price index continued to decline for the third consecutive quarter, causing the overall farm income index to decrease for two consecutive quarters.

The agriculture, forestry, and fishing sector's production slowed down from the previous quarter. Meanwhile, the agricultural price index decreased, causing the overall farm income index to decrease for the second consecutive quarter.



Source: Office of Agricultural Economics

The prices of paddy, cassava, and rubber have decreased, while palm oil prices have increased.



Source: Office of Agricultural Economics

The 2025 flood situation and its impact on the agricultural sector.

In 2025, Thailand faced high water conditions, resulting in water levels in most reservoirs being above average since the beginning of 2025. This was compounded by the cumulative rainfall for the entire country throughout the year being higher than average, as well as volatile weather from the influence of 7 monsoon storms from June 2025 to the present (as of November 12, 2025): Wutip (June), Wipha (July), Kajiki (August), Nongfa (August), Typhoon Bualoi (September), Matmo (October), and Kalmaegi (November). According to aerial satellite imagery data collected by the Geo-Informatics and Space Technology Development Agency (GISTDA) as of November 12, 2025¹, it was found that flooded areas covered 2.97 million rai (a 0.93 percent share of Thailand), an increase of 82.7 percent compared to the flooded area during the same period in 2024, which was 1.62 million rai (a 0.51 percent share of Thailand).

Considering the water volume situation in a total of 36 large reservoirs² as of November 11, 2025, it was found that the water volume situation in the 5 key reservoirs with the highest capacity was as follows: **(1) Srinagarind Dam** had a stored water volume of 15,763.0 million **cubic meters** (88.8 percent of total capacity), which is 5.6 percent more than the same period in 2024 but 2.4 percent less than in 2011. **(2) Bhumibol Dam** had a stored water volume of 13,362.0 million **cubic meters** (99.3 percent of total capacity), 22.5 percent more than the same period in 2024 but 0.1 percent less than in 2011. **(3) Sirikit Dam** had a stored water volume of 9,471.0 million **cubic meters** (97.7 percent of total capacity), 0.8 percent more than the same period in 2024 but 1.9 percent less than in 2011. **(4) Vajiralongkorn Dam** had a stored water volume of 8,054.0 million **cubic meters** (90.9 percent of total capacity), 2.5 percent more than the same period in 2024 and 6.0 percent more than in 2011. **(5) Rajjaprabha Dam** had a stored water volume of 4,488.0 million **cubic meters** (79.6 percent of total capacity), 11.1 percent more than the same period in 2024 but 0.1 percent less than in 2011. However, the water volume situation in 6 key reservoirs exceeded capacity (more than 100.0 percent), namely: Kiw Kho Ma Dam, Nong Pla Lai Dam, Mae Mad Somboon Chon Dam, Khwae Noi Bamrung Daen Dam, Mae Mok Dam, and Naruebodindrachinda Dam.³

In assessing the impact of the flood situation that caused damage to the agricultural sector, data from the Agricultural Disaster Monitoring and Resolution Center (Ministry of Agriculture and Cooperatives) was used. This data, as of November 11, 2025, shows that in the third quarter of 2025, farmers and agricultural areas were affected by a flood, which broke down as follows: **(1) Crops category**: 120,906 farmers affected, a decrease of 9.4 percent; 0.934 million rai of affected area, a decrease of 6.9 percent. **(2) Fisheries category**: 2,722 farmers affected, a decrease of 68.3 percent; 3,373 rai of aquaculture area affected, a decrease of 61.2 percent; 979 sq.m. of floating baskets, a decrease of 88.1 percent. **(3) Livestock category**: A total of 391,091 animals affected, an increase of 223.8 percent. The agricultural area affected by floods in 2025 (data as of Nov. 11, 2025) was found to be 0.934 million rai, a decrease of 6.9 percent.⁴

For the agricultural sector, the estimated value of damages is approximately **1,708.64 million baht**, accounting for **0.11 percent** of the agricultural sector's GDP and **0.006 percent** of the total GDP in 2025. The top 5 most affected provinces are: **(1) Phra Nakhon Si Ayutthaya** (with approximately 86,176.54 rai of affected agricultural land, agricultural damages of approximately 110.916 million baht), **(2) Nakhon Sawan** (with approximately 99,251.23 rai of affected agricultural land, agricultural damages of approximately 88.642 million baht), **(3) Suphan Buri** (with approximately 53,779.00 rai of affected agricultural land, agricultural damages of approximately 81.384 million baht), **(4) Phichit** (with approximately 63,001.88 rai of affected agricultural land, agricultural damages of approximately 69.360 million baht), and **(5) Sukhothai** (with approximately 50,149.67 rai of affected agricultural land, agricultural damages of approximately 54.633 million baht).⁵

Note:

¹ This is data from satellite aerial photography that passed over Thailand, such as Sentinel-1A, TDX1, Theos-2, Radasat-2, TanDEM-X, ALOS-2, Pleiades-1A, and Gaofen-3

² Data from the National Hydroinformatics Data Center as of November 11, 2025.

³ According to data from the National Hydroinformatics Data Center, water volume data as of November 11, 2011, was not found for Mae Mok Dam and Naruebodindrachinda Dam.

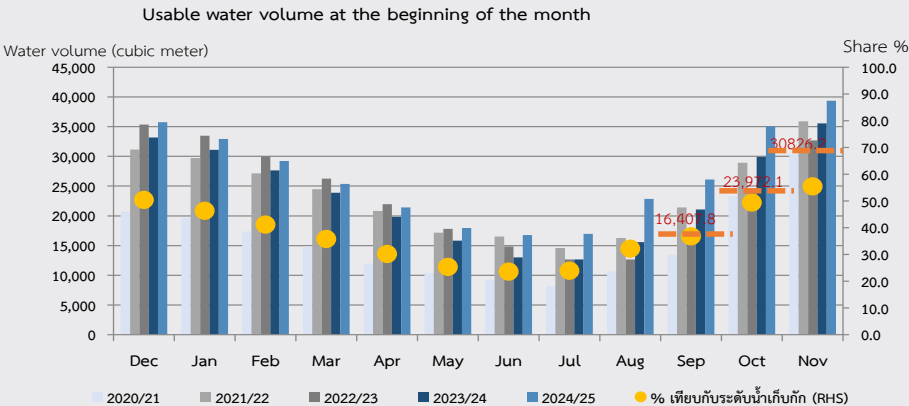
⁴ Processed from survey data on damaged areas from the Agricultural Disaster Monitoring and Resolution Center, Ministry of Agriculture and Cooperatives, as of November 11, 2025.

⁵ Data on affected agricultural areas from satellite aerial photography passing over Thailand from GISTDA.

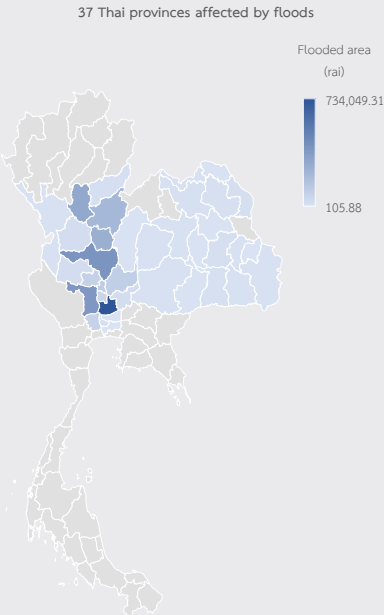
The 2025 flood situation and its impact on the agricultural sector. (Cont.)

Summary of damage impact	Year 2011	2024	2025
		(Until November 11, 2024)	(Until November 11, 2025)
Flooded area from satellite data (Rai)	15,996,151	1,623,988	2,967,266
(percentage of total area in the country)	4.99	0.51	0.93
Plantation			
Farmers (person)	1,299,668	133,420	120,906
Total Damaged Agricultural Area (Rai)	12,751,937	1,004,227	934,512
Rice (Rai)	10,079,708	885,941	850,151
Field Crops and Vegetables (Rai)	1,876,310	107,218	80,544
Fruit Trees, Perennials, and others (Rai)	795,919	11,068	3,818
Fisheries			
Farmers (person)	132,726	8,579	2,722
Aquaculture area affected (Rai)	272,052	8,687	3,373
Cement cages/ponds (sq m)	300,739	8,261	979
Livestock			
All (heads)	30,317,232	120,796	391,091
Poultry (heads)	29,541,550	120,064	390,767
Pigs (heads)	337,723	607	216
Goats and sheep (heads)	43,505	45	35
Cattle and buffalo (heads)	394,454	125	73

Source : Office of Agricultural Economics, Ministry of Agriculture and Cooperatives (from the Agricultural Disaster Situation Report as of December 30, 2011, as of November 11, 2024, and as of November 11, 2025, respectively)



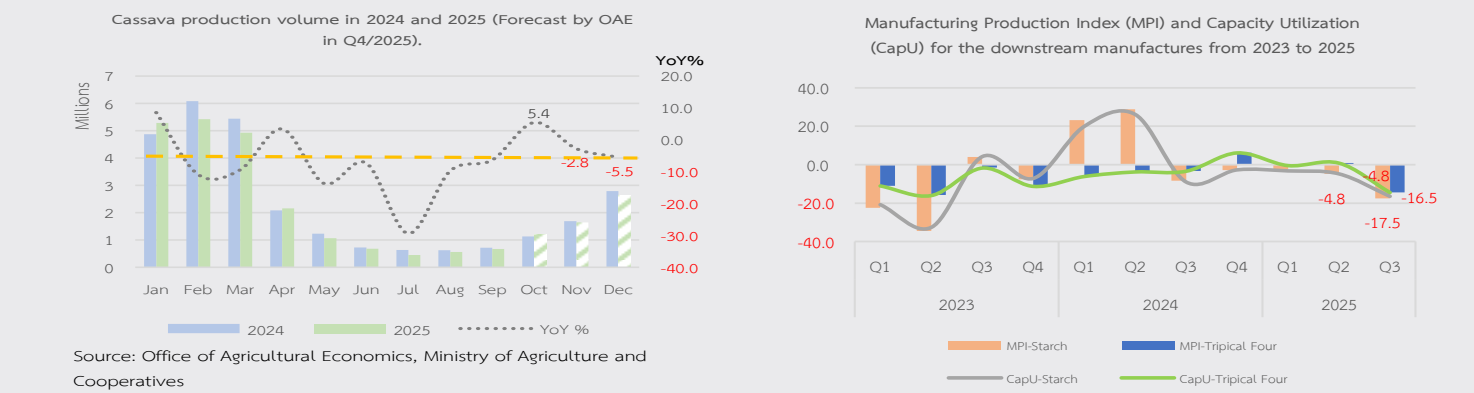
Source: The National Hydroinformatics and Climate Data Center (NHC), complied by NESDC



Source: Geo-Informatics and Space Technology Development Agency (GISTDA) Powered by Bing
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Cassava production and price situation, and remedial measures.

Thailand's cassava production in the third quarter of 2025 amounted to 1.67 million tons, a decrease of 14.8 percent compared to a 3.8 percent decrease in the previous quarter, marking the 11th consecutive quarter of decline. This was a result of the farm-gate price of cassava in the 2024/2025 crop year decreasing by 19.8 percent, compared to a 15.2 percent increase in the 2023/2024 crop year. Additionally, according to a report by the Food and Agriculture Organization of the United Nations (FAO), domestic cassava prices tend to continue declining in line with increased global production, thus failing to incentivize farmers to expand cassava cultivation areas. Coupled with a shortage of cuttings resistant to diseases and pests, farmers still face risks from **Cassava Mosaic Disease (CMD)**. Meanwhile, cultivation was also affected by climate variability. The agricultural disaster situation report as of November 10, 2025, from the Ministry of Agriculture and Cooperatives, indicated that due to the spread of Cassava Mosaic Disease in 37 provinces¹, covering an area of 1,190,298 rai (accounting for 14.66 percent of the total cassava harvested area of 8.67 million rai), some cassava farmers switched to planting other replacement crops such as industrial sugarcane, animal feed corn, and rubber. Meanwhile, other remaining cassava farmers left their cassava planting areas idle. At the same time, cassava farmers in some flooded areas were affected by heavy rains causing cassava roots to rot, combined with the roots having low starch content and being small and substandard.



Year	Harvested Area (Mil. Rai)	Cassava Production (Mil. tons)	Household and Agricultural Input Demand (Mil. Tons)	Industrial Demand (Mil. Tons)	Exports (Mil. tons)	Beginning-Year stocks (Mil. tons)	End-Year stocks (Mil. tons)
2022	9.92	34.07	17.98	4.71	11.24	0.562	0.425
2023	9.27	30.62	17.87	3.95	8.67	0.514	0.385
2024	8.87	28.62	17.87	4.30	6.52	0.505	0.575
2025 (9M)	8.64	26.98	17.02	2.90	6.91	0.566	0.413

Source: Office of Agricultural Economics, Ministry of Agriculture and Cooperatives; Office of Industrial Economics, Ministry of Industry; compiled by NESDC.

In addition, the export volume of Thai cassava products in the third quarter of 2025 was **1.89 million tons** (accounting for **7.09 percent** of Thai cassava production), increasing by **24.7 percent** compared to an increase of 57.3 percent in the previous quarter, yet this was valued at **680.22 million USD**, decreasing by **17.5 percent** compared to an increase of 1.7 percent in the previous quarter. China, Thailand's major importer of cassava products, shifted to importing more cassava products from other countries, such as Indonesia and Laos, because the volume imported from Thailand was insufficient to meet demand. Thailand's top 5 export markets were **China** (55.70 percent share of total cassava product export value), **Japan** (8.96 percent share), **Taiwan** (4.37 percent share), **South Korea** (4.24 percent share), and **Malaysia** (4.09 percent share), respectively.

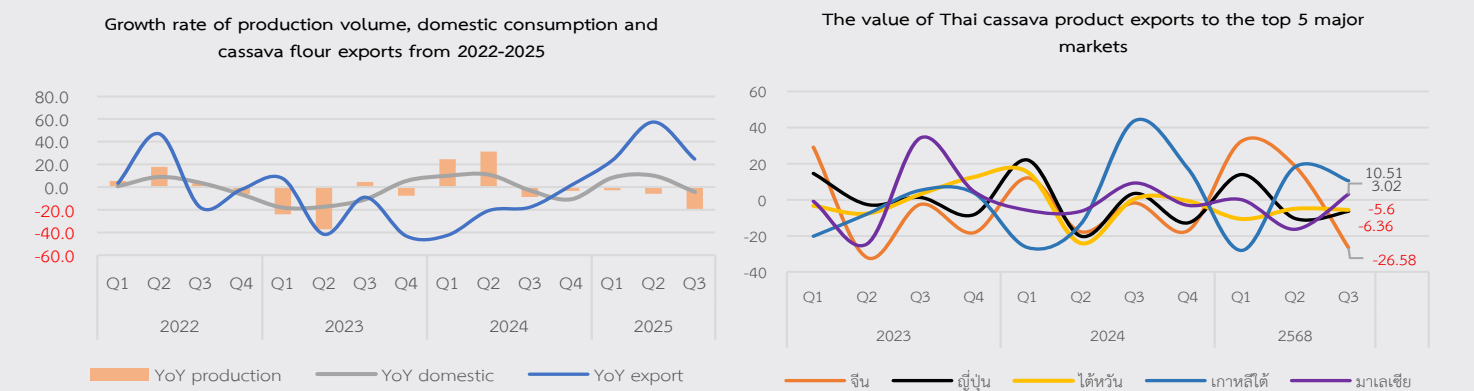
Regarding the volume of domestic demand for cassava products in the third quarter of 2025, it totaled 6.60 million tons (accounting for 24.78 percent of Thai cassava production), a decrease of 6.7 percent compared to a 4.9 percent decrease in the previous quarter. This follows a decline in demand for cassava as a production input in downstream industries, specifically: **(1) The manufacture of starch and starch products** decreased by 17.5 percent, compared to a 4.8 percent decrease in the previous quarter. The Capacity Utilization (CapU) rate stood at 40.22 percent, higher than 37.84 percent in the previous quarter but lower than 48.15 percent recorded in the same quarter of the previous year. **(2) The manufacture of grain mill products²** decreased by 14.4 percent, compared to a 0.9 percent increase in the previous quarter. The Capacity Utilization (CapU) rate stood at 37.93 percent, lower than the 41.33 percent in the previous quarter and lower than the 44.33 percent recorded in the same quarter of the previous year.

¹ The 37 provinces include Nakhon Ratchasima, Kanchanaburi, Kamphaeng Phet, Khon Kaen, Ubon Ratchathani, Uthai Thani, Chonburi, Prachin Buri, Kalasin, Lop Buri, Chachoengsao, Buriram, Sa Kaeo, Amnat Charoen, Nakhon Sawan, Rayong, Chaiyaphum, Maha Sarakham, Yasothorn, Saraburi, Surin, Chainat, Udon Thani, Roi Et, Mukdahan, Ratchaburi, Phetchabun, Suphan Buri, Sisaket, Phetchaburi, Sukhothai, Uttaradit, Phichit, Chanthaburi, Sakon Nakhon, Nong Bua Lamphu, and Nakhon Phanom.

² This includes the manufacture of flour from other cereal grains, such as the production of cassava flour without protein extraction (Tapioca flour).

Cassava production and price situation, and remedial measures. (Cont.)

As a result, cassava production in the first nine months of 2025 totaled 21.18 million tons, a decrease of 5.4 percent compared to a 4.2 percent decrease in the same period last year. The export volume of Thai cassava products in the first nine months of 2025 was 6.91 million tons (accounting for 25.94 percent of Thai cassava production), an increase of 35.1 percent compared to a 29.9 percent decrease in the same period last year. Meanwhile, domestic demand for cassava products in the first nine months of 2025 was 19.92 million tons, a decrease of 5.3 percent compared to a 10.0 percent decrease in the same period last year. Furthermore, the Office of Agricultural Economics (OAE) forecasts that in the 2025/2026 crop year, cassava production will total 25.56 million tons, a decrease of 5.2 percent compared to a 5.8 percent decrease in the 2024/2025 crop year.

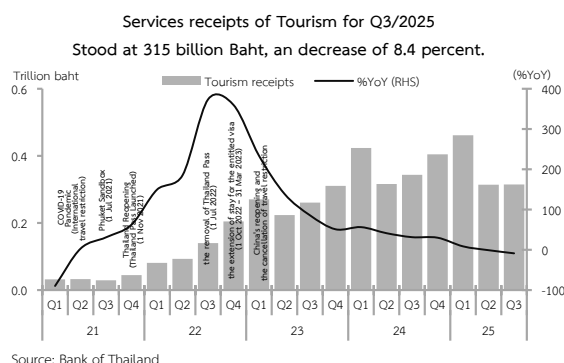
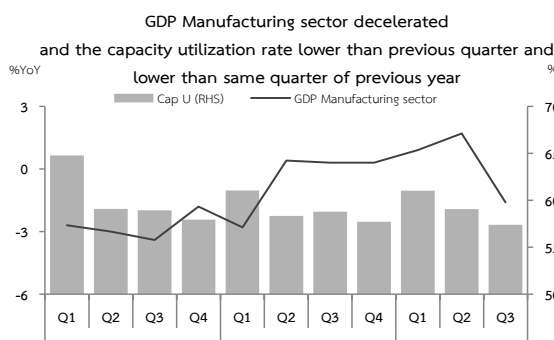


Source: Office of Industrial Economics, Ministry of Industry and Ministry of Commerce, compiled by NESDB.

Therefore, it is necessary for the government to accelerate the implementation of measures in both the immediate phase to alleviate immediate impacts on cassava farmers, and the long term to address similar issues that may arise in the future. **For immediate measures,** the government should expand the budget and duration of currently operating projects to enhance cultivation efficiency and build processing potential for farmers, as well as reduce cassava production costs. Additionally, the control of the spread of Cassava Mosaic Disease (CMD) must be seriously accelerated by: avoiding planting during the dry season or prolonged dry spells; digging up or uprooting infected plants for destruction outside the plots; avoiding the transport of cuttings from infected sources to non-infected areas; eliminating weeds that serve as hosts; refraining from using cuttings from outbreak areas; and destroying symptomatic cassava plants. This should be coupled with supporting the distribution of clean, disease-resistant cuttings. **For long-term measures,** the government should accelerate risk diversification by opening new potential export markets to reduce reliance on the volatile Chinese market, which increasingly utilizes domestic substitutes for cassava. This should be done alongside promoting Research and Development (R&D) to create value-added products and stimulate domestic demand, such as processing into bioproducts, renewable energy, or high-quality animal feed. Furthermore, R&D for sustainable, disease-resistant, and high-yielding cassava varieties should be promoted to establish production stability and reduce risks from future agricultural disasters.

The **manufacturing sector** contracted for the first time in six quarters by 1.6 percent, compared with an expansion of 1.7 percent in the previous quarter, partly due to temporary factors such as the closure for maintenance of an oil refinery and the relocation of vehicle production bases from the Central to the Eastern region to improve production efficiency. In this quarter, the **manufacturing industries for domestic consumption** (with an export share below 30 percent) declined for the fourth consecutive quarter. Key products that saw significant contractions included: refined petroleum products (declined by 7.9 percent) due to the refinery's shut down for maintenance during July - August 2025; and production of coffee, tea, and powdered herbs for beverages (declined by 75.3 percent) due to a trade dispute involving a major instant coffee producer terminating contracts with key domestic partners. However, basic iron and steel manufacturing rose by 11.6 percent. For the **manufacturing industries with an export share of 30–60 percent**, key products that recorded contractions included: Motor vehicles (declined by 3.4 percent) due to the temporary plant shutdown to relocate vehicle production bases from the Central to the Eastern region to improve efficiency, resulting in the production of passenger cars declining by 8.7 percent and commercial passenger vehicles declining by 1.4 percent, and weaving of textiles (declined by 13.5 percent) following decreases in the production of woven fabrics from cotton, woven fabrics from artificial fibers, and towels. However, the production of motorcycles increased by 8.9 percent. The **export-oriented manufacturing industries** (with an export share of over 60 percent of total production), key products that recorded contractions included: other general-purpose machinery (declined by 0.9 percent), particularly air conditioners; and other rubber products (declined by 3.5 percent) following decreases in the production of medical rubber gloves, condoms, and rubber blocks. However, the production of electronic parts and circuit boards increased by 11.5 percent. The **average capacity utilization rate** in this quarter stood at 57.39 percent, which is lower than 59.04 percent in the previous quarter and lower than 58.77 percent in the same quarter last year, marking the lowest level in twenty-first quarters. Among the thirty key industries, two industries had a capacity utilization rate above 80.00 percent: basic plastics and synthetic rubber manufacturing (84.05 percent) and refined petroleum products (83.12 percent). Meanwhile, eleven industries had capacity utilization rates below 50.00 percent. These included: motor vehicles (49.18 percent), plastic packaging products (49.16 percent), and processing and preservation of fruit and vegetables (48.05 percent).

For the first nine months of 2025, the manufacturing sector expanded by 0.4 percent, compared with a contraction of 0.7 percent in the same period last year, and the average capacity utilization rate stood at 59.15 percent, lower than the 59.39 percent in the same period last year.



The **accommodation and food service activities sector** expanded by 0.8 percent, slowing down from a 1.4 percent growth in the previous quarter. This was consistent with the slowdown in the number of Thai tourists and the decline in international tourist arrivals. In this quarter, **domestic tourism by Thai travelers (Thai Teaw Thai)** recorded 65.51 million trips, rising for the fifteenth consecutive quarter by 3.1 percent, a slowdown compared to a 4.4 percent increase in the previous quarter. The top five provinces (excluding Bangkok) by number of Thai visitors were: Chonburi (4.381 million trips, share of 6.69 percent), Kanchanaburi (3.673 million, share of 5.61 percent), Prachuap Khiri Khan (2.550 million, share of 3.89 percent), Phetchaburi (2.488 million, share of 3.80 percent), and Phra Nakhon Si Ayutthaya (2.202 million, share of 3.36 percent). **Thai tourism receipts¹** totaled 286 billion Baht, rising for the fifteenth consecutive quarter by 5.5 percent, accelerating from a 3.7-percent growth in the previous quarter. The top five provinces (excluding Bangkok) by Thai tourism receipts were: Chonburi (share of 10.08 percent), Chiang Mai (share of 4.74 percent), Phuket (share of 3.46 percent), Prachuap Khiri Khan (share of 3.36 percent), and Surat Thani (share of 3.34 percent). **The number of international tourist arrivals** was 7.430 million (equivalent to 80.66 percent of the pre-COVID-19 level), decreasing by 13.5 percent, continuing from a 12.2-percent decline in the previous quarter. The top five sources of international arrivals were from: Malaysia (1.179 million, share of 15.87 percent), China (1.152 million, share of 15.50 percent), India (0.587 million, share of 7.90 percent), South Korea (0.366 million, share of 4.93 percent), and Japan (0.295 million, share of 3.96 percent). short-haul markets² accounted for 5.726

The manufacturing sector contracted for the first time in six quarters by 1.6 percent, following decreases in all manufacturing groups.

The average capacity utilization rate declined to its lowest level in twenty-first quarters at 57.39 percent, which is lower than the 59.04 percent in the previous quarter and lower than the 58.77 percent recorded in the same quarter last year.

The accommodation and food service activities sector expanded by 0.8 percent, slowing down from the previous quarter, consistent with the slowdown in Thai tourists and the decline in the number of international tourists.

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

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

million travelers (share of 77.07 percent), a decline of 18.1 percent (compared to an 18.0-percent decline in the previous quarter), while long-haul markets³ accounted for 1.704 million travelers (share of 22.93 percent), expanding by 6.7 percent (compared to a 12.5-percent growth in the previous quarter). **International tourism receipts**⁴ totaled 315 billion Baht (share of 69.52 percent of the pre-pandemic level), declining for the second consecutive quarter by 8.4 percent, (compared with a 0.6-percent decrease in the previous quarter). The decrease in international tourism receipts brought the total tourism revenue⁵ to 601 billion Baht, declining for the first time in fifteen quarters, by 2.3 percent, (compared with a 1.5-percent growth in the previous quarter). The average hotel occupancy rate was 67.40 percent, lower than 71.06 percent in the previous quarter and lower than 68.54 percent in the same period last year. This marked the lowest level in seven quarters.

In the first nine months of 2025, the accommodation and food service activities sector expanded by 3.3 percent, compared with an increase of 9.3 percent in the same period last year. The number of foreign tourists reached 24.115 million, a decrease of 7.6 percent, generating international tourism receipts of 1.092 trillion Baht. Combined with Thai tourism receipts of 0.858 trillion Baht, the total tourism revenue amounted to 1.950 trillion Baht, an increase of 2.4 percent. The average hotel occupancy rate for the period was 71.13 percent.

Total tourism revenue in this quarter stood at 601 billion Baht (0.601 trillion Baht), decreasing by 2.3 percent.

The average hotel occupancy rate was at 67.40 percent, lower than 71.06 percent in the previous quarter and lower than 68.54 percent in the same period last year.

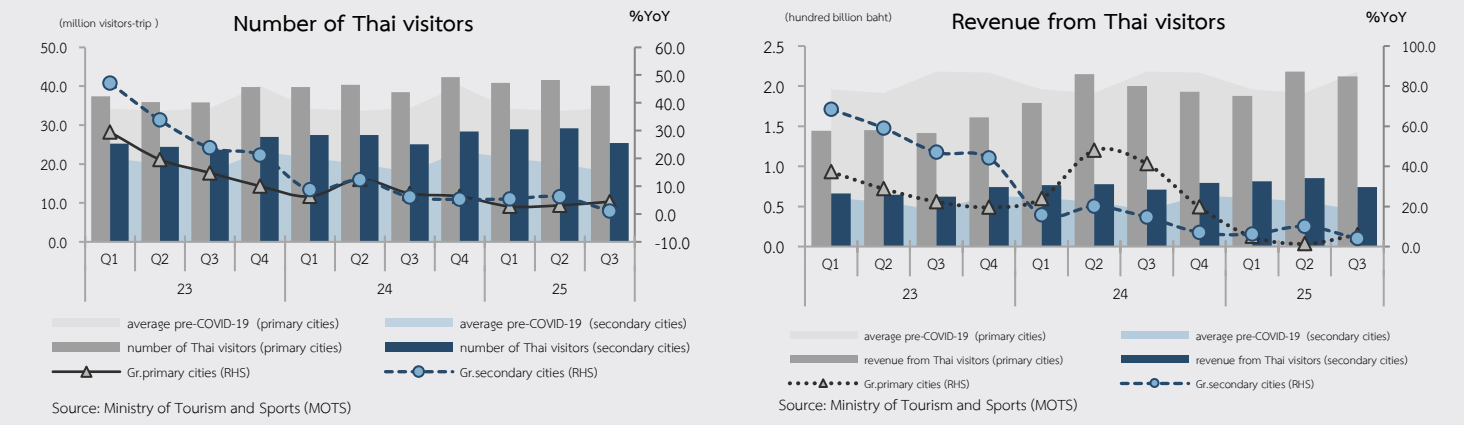
³ International tourists in the long-haul market group with a flight time of more than 6 hours, including tourists from Europe, the Americas, and Africa.

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

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

Thailand’s domestic tourism situation (Thai Teaw Thai).

In the third quarter of 2025, the number of domestic Thai visitors (Thai Teaw Thai)¹ reached 65.51 million (125.37 percent of the pre-COVID-19 level). This represents an increase of 3.1 percent, slowing from the 4.4 percent growth in the previous quarter. These visitors generated revenue of THB 286 billion (108.46 percent of the pre-COVID-19 level²), an increase of 5.5 percent, up from the 3.7 percent expansion in the previous quarter. In **primary cities**³, visitor numbers totaled 40.14 million (116.9 percent of pre-COVID-19 levels), accounting for 61.28 percent of total Thai visitors. This marks a 4.4 percent increase, compared to 3.1 percent in the previous quarter. Excluding Bangkok, the top three primary cities with the highest number of visitors were Chonburi, Kanchanaburi, and Prachuap Khiri Khan, respectively. Revenue from primary cities amounted to THB 212 billion (97.21 percent of pre-COVID-19 levels and 74.11 percent of total revenue), a 6.0 percent increase compared to 1.4 percent in the previous quarter. The top three primary cities with the highest revenue (excluding Bangkok) were Chonburi, Chiang Mai, and Phuket. Meanwhile, **secondary cities**⁴ recorded 25.37 million visitors (141.62 percent of pre-COVID-19 levels), accounting for 38.72 percent of total Thai visitors. This represents a 1.1 percent increase, slowing from 6.2 percent in the previous quarter. The top three secondary cities for visitor numbers were Nakhon Si Thammarat, Suphan Buri, and Lop Buri, respectively. Revenue in secondary cities totaled THB 74 billion (162.19 percent of pre-COVID-19 levels and 25.89 percent of total revenue), increasing by 4.0 percent compared to 10.1 percent in the previous quarter. The top revenue-generating secondary cities were Chiang Rai, Nakhon Si Thammarat, and Chanthaburi, respectively.



¹ **Thai visitors** refer to individuals traveling for tourism purposes, comprising both overnight tourists and same-day visitors (excursionists) who do not stay overnight.

² **The pre-COVID-19 level** refers to the average of the third quarter from 2017–2019.

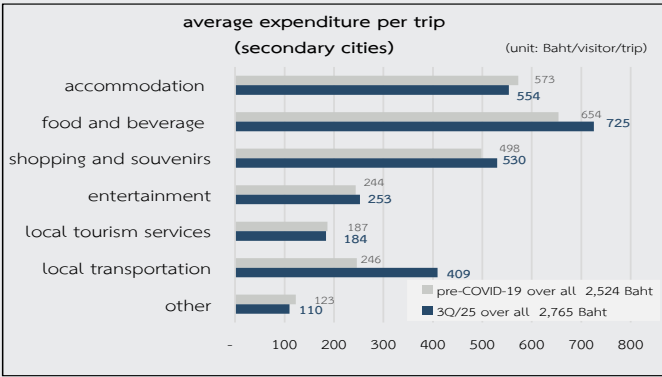
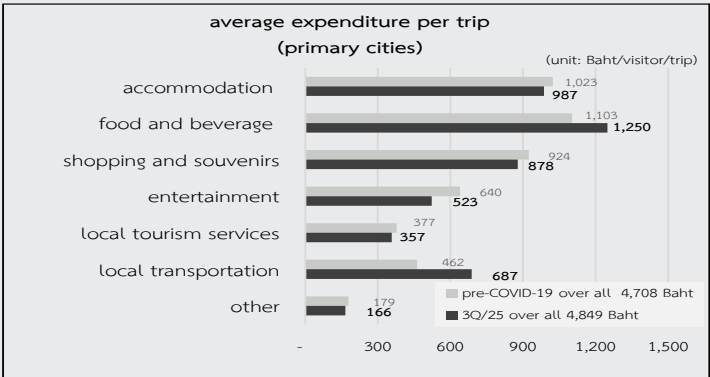
³ **The 22 primary cities** include Bangkok, Phra Nakhon Si Ayutthaya, Saraburi, Nakhon Pathom, Nonthaburi, Pathum Thani, Samut Prakan, Samut Sakhon, Chachoengsao, Kanchanaburi, Phetchaburi, Prachuap Khiri Khan, Chonburi, Rayong, Phuket, Krabi, Songkhla, Phang Nga, Surat Thani, Chiang Mai, Khon Kaen, and Nakhon Ratchasima.

⁴ **The 55 secondary cities** include Lop Buri, Chainat, Sing Buri, Ang Thong, Ratchaburi, Samut Songkhram, Suphan Buri, Chanthaburi, Trat, Nakhon Nayok, Prachin Buri, Sa Kaeo, Phatthalung, Trang, Ranong, Chumphon, Pattani, Yala, Nakhon Si Thammarat, Narathiwat, Satun, Kamphaeng Phet, Chiang Rai, Phichit, Nakhon Sawan, Tak, Phitsanulok, Phayao, Phetchabun, Phrae, Lampang, Lamphun, Mae Hong Son, Uttaradit, Uthai Thani, Sukhothai, Nan, Kalasin, Chaiyaphum, Nakhon Phanom, Buriram, Loei, Maha Sarakham, Mukdahan, Sisaket, Surin, Nong Khai, Bueng Kan, Udon Thani, Ubon Ratchathani, Sakon Nakhon, Yasothon, Amnat Charoen, and Nong Bua Lamphu.

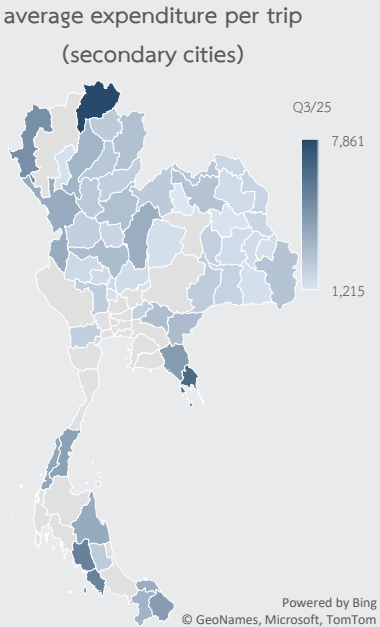
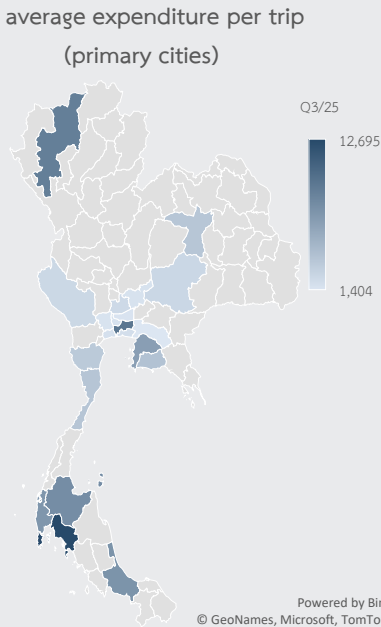
Thailand’s domestic tourism situation (Thai Teaw Thai). (Cont.)

Regarding the average expenditure per trip in the third quarter of 2025, Thai visitors spent 4,366 Baht. This represents an increase of 2.3 percent (rebounding from a 0.6 percent decrease in the previous quarter), but a decrease of 13.5 percent from the pre-COVID-19 level of 5,045 Baht. This decline was driven by decreases in key spending categories, including accommodation (-21.6 percent), shopping and souvenirs (-17.7 percent), food and beverages (-9.9 percent), entertainment (-23.6 percent), local tourism services (-22.5 percent), and other expenses (-28.6 percent). Conversely, spending on local transportation increased by 29.6 percent. This shift is partly due to Thai visitors changing their travel patterns toward secondary cities (whose share rose from 34.28 percent pre-COVID-19 to 38.72 percent in the third quarter of 2025), which typically involve lower average expenditures than primary cities.

When analyzing domestic tourism by city type, distinct trends emerge **(1) Primary Cities:** The average expenditure per trip for Thai visitors was 4,849 Baht, increasing 1.4 percent (compared to 0.3 percent in the previous quarter), and increasing 3.0 percent from 4,708 Baht compared to the pre-COVID-19 level. This follows the increase in key spending categories as follows: local transportation (48.9 percent) and food and beverages (13.3 percent). Meanwhile, some spending categories decreased, including entertainment (-18.3 percent), shopping and souvenirs (-5.0 percent), accommodation (-3.5 percent), local tourism services (-5.3 percent), and other expenses (-7.2 percent). For the top five primary cities with the highest average expenditure per trip in the third quarter of 2025, they were: Krabi (2.3 percent), Phuket (-0.3 percent), Bangkok (1.5 percent), Chiang Mai (1.6 percent), and Surat Thani (2.9 percent). **(2) Secondary Cities:** The average expenditure per trip for Thai visitors was 2,765 Baht, increasing 2.0 percent (compared to 3.2 percent in the previous quarter), and increasing 9.5 percent from 2,524 Baht compared to the pre-COVID-19 level. This follows the increase in key spending categories as follows: local transportation (66.1 percent), food and beverage (10.9 percent), shopping and souvenirs (6.4 percent), and entertainment (3.7 percent). Meanwhile, some spending categories decreased, including accommodation (-3.3 percent), local tourism services (-1.3 percent), and other expenses (-10.3 percent). For the top five secondary cities with the highest average expenditure per trip in the third quarter of 2025, they were: Chiang Rai (1.1 percent), Trat (2.5 percent), Trang (6.8 percent), Satun (-1.1 percent), and Mae Hong Son (1.8 percent).



Therefore, future tourism promotion strategies should prioritize the development of diverse tourism programs and incentives to encourage longer domestic stays. This should be coupled with the development of a seamless public transportation network connecting land, air, and local systems. Such measures will reduce travel costs, improve accessibility to tourist attractions, and enhance visitor convenience.



Source: Ministry of Tourism and Sports processed by NESDC

Wholesale and retail trade; repair of motor vehicles and motorcycles: Increased by 6.5 percent, accelerating from 6.3 percent in the previous quarter. This was consistent with the accelerated expansion in motor vehicle sales volume and the continued expansion of goods exports, particularly: (1) **The index of wholesale, retail trade, and repair of motor vehicles and motorcycles** expanded at a high rate of 16.2 percent, accelerating from 10.8 percent in the previous quarter. This was driven by expansion in all categories, namely: the sale of motor vehicles; the sale of motor vehicle parts and accessories; the sale, maintenance, and repair of motorcycles, parts, and accessories; and the maintenance and repair of motor vehicles, respectively. (2) **The wholesale trade index (excluding motor vehicles and motorcycles)** expanded by 1.9 percent, decelerating from the 4.9 percent expansion in the previous quarter. This was due to the slowdown from the previous quarter in the wholesale of machinery, equipment, and supplies and the wholesale of other specialized goods, respectively, as well as a decline in the wholesale of household goods. and (3) **The retail trade index (excluding motor vehicles and motorcycles)** expanded by 1.2 percent, decelerating from the 3.3 percent expansion in the previous quarter. This was attributed to the deceleration from the previous quarter in the non-store retail sales, and the retail sales of information and communications technology equipment, respectively, and a decline in the retail sales of automotive fuel. However, the retail sales in non-specialized stores showed accelerated growth.

For the first nine months of 2025, the wholesale and retail trade; repair of motor vehicles and motorcycles sector increased by 5.8 percent, compared to a 3.7 percent increase during the same period last year.

The transportation and storage sector expanded by 3.0 percent, decelerating from a 3.8 percent growth in the previous quarter, primarily due to the slowdown in the tourism service sector and international trade. The breakdown is as follows: (1) **Air transport services** increased by 4.5 percent, slowing down from a 7.6 percent expansion in the previous quarter. The volume of domestic flights increased by 10.0 percent, whereas international flights decreased by 4.0 percent. (2) **Land transport and transport via pipelines** grew by 3.1 percent, accelerating from a 2.8 percent growth in the previous quarter. This growth was driven by an increase in the number of trucks and gasoline consumption. However, this was coupled with a decline in the number of public transport passengers, BTS-BEM train ridership, the number of buses (both fixed-route and non-fixed-route), diesel consumption, natural gas usage for vehicles, and liquefied petroleum gas consumption. (3) **Water transport services** declined by 1.4 percent, compared with a 2.4-percent growth in the previous quarter, mainly due to a decrease in water transport volume, particularly marine passenger vessels serving tourism activities. Meanwhile, international waterborne freight slowed down from the previous quarter, particularly seaborne import volume. Furthermore, support activities for transportation rose by 5.0 percent, compared to a 5.7 percent increase in the previous quarter, and postal and courier activities increased by 3.1 percent, accelerating from a 2.6-percent growth in the previous quarter.

In the first nine months of 2025, the transportation and storage sector increased by 4.1 percent, compared to a 9.0 percent growth in the same period last year. Transport services expanded by 4.3 percent, comprising an 8.0-percent expansion in air transport, a 4.0-percent expansion in land transport and transport via pipelines, and a 1.0-percent expansion in water transport. Support activities for transportation grew by 5.0 percent, and postal services grew by 2.5 percent.

The **construction sector** contracted for the first time in five quarters by 4.0 percent, compared with an expansion of 8.0 percent in the previous quarter. This was due to a contraction in public construction for the first time in five quarters and a continued contraction in private construction for the sixth consecutive quarter. In this quarter, **public construction** contracted by 6.6 percent, compared with an expansion of 16.1 percent in the previous quarter. Construction by the central and local government administrations decreased by 10.7 percent, compared with a growth of 31.9 percent in the previous quarter. Meanwhile, **state enterprise construction** expanded for the first time in three quarters by 4.8 percent, compared with a contraction of 5.8 percent in the previous quarter. **Private construction** continued to contract for the sixth consecutive quarter, declining by 0.6 percent, a slight improvement from the 2.0 percent decrease in the previous quarter. This contraction was driven by a 3.2 percent decline in dwelling construction, continuing for the fifth consecutive quarter. However, non-dwelling construction expanded by 1.7 percent, led by strong growth in industrial building construction at 6.9 percent. **The Construction Material Price Index (CMI)** continued to increase for the fifth consecutive quarter by 0.4 percent. This was mainly driven by rising prices of cement (5.1 percent), concrete products (1.2 percent), and electrical and plumbing equipment (1.4 percent). However, the prices of some key construction materials declined, including steel (-1.6 percent), tiles (-1.0 percent), and sanitary ware (-3.2 percent).

For the first nine months of 2025, the construction sector expanded by 5.6 percent, compared with a contraction of 2.7 percent in the same period last year, driven by a 10.2 percent expansion in public construction (with government construction increasing by 17.0 percent, but state enterprise construction decreasing by 1.4 percent), while private construction declined by 2.0 percent.

The wholesale and retail trade, repair of motor vehicles and motorcycles sector expanded by 6.5 percent, continuing for the 19th consecutive quarter and accelerating from 6.3 percent growth in the previous quarter, following the accelerated expansion of vehicle sales volume and the continuous expansion of goods exports.

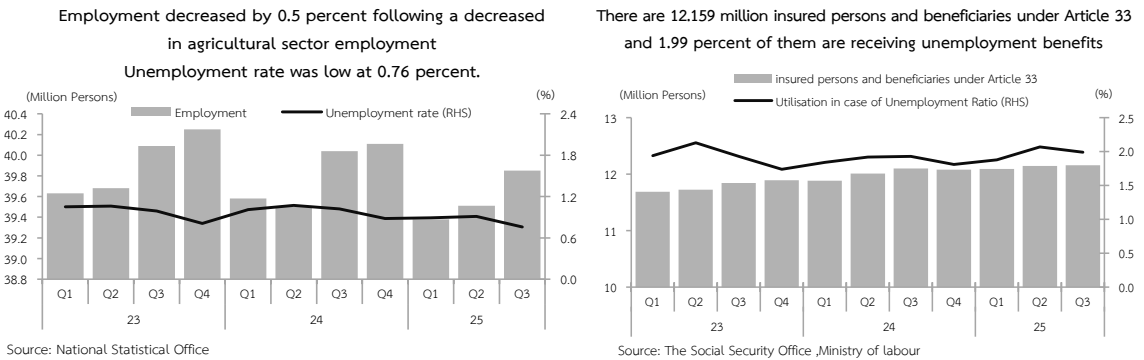
The transportation and storage sector expanded by 3.0 percent, decelerating from a 3.8-percent growth in the previous quarter, primarily in line with the slowdown of the tourism service sector.

The construction sector contracted for the first time in five quarters by 4.0 percent, following decreases in public construction, especially government construction, while private construction continued to decline.

The Construction Material Price Index (CMI) increased for the fifth consecutive quarter by 0.4 percent, mainly driven by rising prices of cement, concrete products, and electrical and plumbing equipment.

Employment decreased, primarily due to a decrease in agricultural employment. Meanwhile, non-agricultural employment continued to increase for the fourteenth consecutive quarter, especially in the manufacturing and wholesale and retail trade sectors. The unemployment rate was lower than in the previous quarter and lower than in the same quarter of the previous year. In the third quarter of 2025, total employment stood at 39.85 million people, a decrease of 0.5 percent compared to a 0.02-percent increase in the previous quarter. This included 35.85 million employed Thai nationals (89.95 percent of total employment), marking a 2.3-percent decline, compared to a 2.0-percent decrease in the previous quarter, and 4.01 million employed foreign workers (10.05 percent of total employment), representing a 19.4-percent increase, compared to a 22.1-percent expansion in the previous quarter. **Agricultural employment** (accounting for 29.77 percent of total employment) continued to decline for the seventh consecutive quarter, contracting by 2.9 percent, compared to a 0.9-percent decline in the previous quarter. In contrast, **non-agricultural employment** (70.23 percent of total employment) increased for the fourteenth consecutive quarter by 0.6 percent, accelerating from 0.4 percent in the previous quarter. This was mainly driven by an increase in employment in the manufacturing sector and the wholesale and retail trade sector. Meanwhile, the construction sector declined for third consecutive quarters, and the accommodation and food service activities sector decreased for the first time in thirteenth quarters. **The unemployment rate** in this quarter stood at 0.76 percent, lower than the 0.88 percent recorded in the previous quarter, and lower than the 1.02 percent reported in the same quarter of the previous year. **The average number of unemployed individuals** was 307,500 people, lower than 365,500 in the previous quarter, and lower than 413,900 in the same quarter of the previous year.

In the first nine months of 2025, employment decreased by 0.3 percent, following a decline in agricultural, construction, and wholesale and retail trade employment. The unemployment rate stood at 0.84 percent.



Employed Persons by Industry									
%YOY	Share Q3/68	2024				2025			
		Year	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Employed	100.00	-0.3	-0.1	-0.4	-0.1	-0.4	-0.5	0.02	-0.5
- Agricultural	29.77	-4.4	-5.7	-5.0	-3.4	-3.6	-3.1	-0.1	-2.9
- Non-Agricultural	70.23	1.5	2.2	1.5	1.4	1.1	0.5	0.3	0.6
Manufacturing	15.92	0.4	0.7	2.2	-1.4	0.3	-0.4	1.8	2.3
Construction	5.12	2.0	5.0	1.5	0.7	0.5	-5.1	-4.2	-5.4
Wholesale and retail trade; repair of motor vehicles and motorcycles	17.09	-0.7	-0.4	0.2	-0.8	-1.8	-3.1	-2.1	1.5
Accommodation and food service activities	8.40	7.7	10.6	4.9	6.1	9.4	3.5	3.0	-0.6
Total labor force (Million persons)	40.36	40.23	40.18	40.48	40.54	40.09	40.18	39.97	
Employed (Million persons)	39.81	39.58	39.5	40.04	40.11	39.38	39.59	39.85	
Unemployment (Million persons)	0.40	0.41	0.43	0.41	0.36	0.36	0.35	0.31	
Unemployment Rate (%)	1.00	1.01	1.07	1.02	0.88	0.89	0.88	0.76	

Source : National Statistical Office (NSO)

Labor in the Social Security System: The number of insured persons in the social security system continued to increase for the eighteenth consecutive quarter. The proportion of insured persons receiving unemployment benefits under Article 33 was higher than in the previous quarter and higher than in the same quarter of the previous year. In the third quarter of 2025, the total number of social security beneficiaries increased by 0.1 percent, compared to a 0.3-percent increase in the previous quarter. This included **compulsory insured persons under Article 33**, which increased by 0.5 percent, compared to a 1.2-percent increase in the previous quarter, and **voluntarily insured persons under Article 40** increased by 0.2 percent, compared to a 0.1-percent increase in the previous quarter. Meanwhile, **voluntarily insured persons under Article 39** continued to decline for the thirteenth consecutive quarter, decreasing by 4.1 percent, compared to a 4.6-percent decline in the previous quarter. **The proportion of insured persons receiving unemployment benefits under Article 33** stood at 1.99 percent, lower than the 2.07 percent recorded in the previous quarter but higher than the 1.93 percent recorded in the same quarter of the previous year. **The average number of insured persons receiving unemployment benefits under Article 33** was 242 thousand people, lower than 252 thousand people in the previous quarter but higher than 231 thousand people in the same quarter of the previous year.

Employment decreased, primarily due to a decrease in agricultural employment, which decreased for the seventh consecutive quarter. Meanwhile, non-agricultural employment increased for the fourteenth consecutive quarter.

The unemployment rate stood at 0.76 percent, lower than in the previous quarter and lower than in the same quarter of the previous year.

The number of insured persons in the social security system increased by 0.1 percent, continuing for the eighteenth consecutive quarter, driven by growth in compulsory insured persons under Article 33 and voluntarily insured persons under Article 40, while voluntarily insured persons under Article 39 continued to decline for the thirteenth consecutive quarter.

The proportion of insured persons receiving unemployment benefits under Article 33 stood at 1.99 percent, lower than 2.07 percent in the previous quarter but higher than 1.93 percent in the same quarter of the previous year.

Number of social security beneficiaries

Registered Applicants (Thousand persons)	2024					2025		
	Year	Q1	Q2	Q3/9M	Q4	Q1	Q2	Q3/9M
Insured Persons (article 33) ^{1/}	12,081	11,883	12,006	12,096	12,081	12,094	12,145	12,159
Insured Persons (article 39) ^{2/}	1,720	1,770	1,740	1,716	1,720	1,701	1,661	1,646
Insured Persons (article 40) ^{3/}	11,012	10,980	10,996	11,004	11,012	11,003	11,009	11,022
Total Insured Persons	24,813	24,634	24,742	24,816	24,813	24,799	24,814	24,828
Utilisation in case of Unemployment	218	218	231	233	218	228	252	242
Utilisation in case of Unemployment Ratio (%)	1.80	1.83	1.92	1.93	1.80	1.89	2.07	1.99

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

Note: ^{1/} Insured Persons (article 33) are employees of private enterprises that employ at least 1 employee. Those Insured Persons must be over 15 years of age, but under 60 years of age
^{2/} Insured Persons (article 39) are individuals who resigned from private enterprises (previously insured persons under article 33) but wants to maintain social security rights. Therefore, they voluntarily applied for social security rights under article 39
^{3/} Insured Persons (article 40) are neither persons who are currently employed by private enterprises (article 33) nor has never applied to be an insured person under article 39. Insured persons under article 40 must be an self-employed person or informal workers age who must be over 15 years of age, but under 60 years of age.

Fiscal Conditions:

On the revenue side, in the fourth quarter of the fiscal year 2025 (July – September 2025), net government revenue collection totaled 773.1 billion Baht, decreasing by 1.5 percent compared to the same period in the previous year. This is a result of a **38.9 percent decline in remittance from state-owned enterprises**, lower than the same period last year, primarily due to remittances from PTT Public Company Limited advancing the submission of its interim dividend for 2024, a payment that is typically scheduled for October 2024. Additionally, the Electricity Generating Authority of Thailand (EGAT) aligned the revenue remittance for fiscal year 2025 with internal liquidity considerations. While revenue collection from the agencies increased, including: **(i) The Revenue Department, which increased by 2.0 percent**, driven by a 19.2 percent increase in domestic VAT collections generated from business activities in sectors including wholesale, retail, and finance. **(ii) The Excise Department, which increased by 5.6 percent**, following an 18.0 percent increase in revenue from oil and oil products excise tax, attributable to the 1 Baht per liter increase in the excise tax on diesel and gasoline. Additionally, at the end of fiscal year 2025, the refinery was closed for maintenance, resulting in increased crude oil imports as a substitute. **(iii) The Thai Customs Department, which increased by 14.6 percent**, this increase is attributable to accelerated imports prior to the full implementation of US tariffs. **(iv) Remittances from other government agencies increased by 8.1 percent**, primarily due to the transfer of surplus proceeds from bond sales (premiums) to cover the fiscal deficit.

For the fiscal year 2025, net government revenue collection totaled 2,822.7 billion baht, increasing by 0.9 percent compared to the same period last year but was 2.2 percent lower than the estimation stated in the 2025 annual budget expenditures. This decline can be attributed to the following factors: (i) excise tax on automobiles, affected by measures promoting the use of electric vehicles; this was compounded by the number of cars paying taxes being lower than estimated. (ii) corporate income tax on net profits (P.N.D. 50) for the Japanese accounting period, particularly in the internal combustion engine automobile manufacturing sector. and corporate income tax on estimated net profits (P.N.D. 51) from financial institution businesses, including leasing operations, chemical, insurance, petroleum, and real estate, was lower than in the same period of the previous year. (iii) Value-Added Tax (VAT) collection on imports was below the estimate, primarily due to evolving economic conditions and the increased volume of goods imported under free zone tax exemptions. Meanwhile, the higher-than-estimated revenue included **(i) state-owned enterprises’ revenue remittance, which exceeded estimates by 0.5 percent**, and **(ii) other government agencies’ revenue remittance, which also exceeded estimates by 27.6 percent**, and revenue from the auction of radio frequency licenses for telecommunications business operations conducted by the National Broadcasting and Telecommunications Commission (NBTC)

In Q4/FY2025, net government revenue collection declined by 1.5 percent compared to the same quarter of the previous year, this was primarily due to the decrease in revenue remittance of state-owned enterprises

For the FY2025, net government revenue collection was lower than the estimation stated in the 2025 annual budget by 2.2 percent.

Government’s Net Revenue Collection of Fiscal Year 2025
(October 2024 - November 2025)

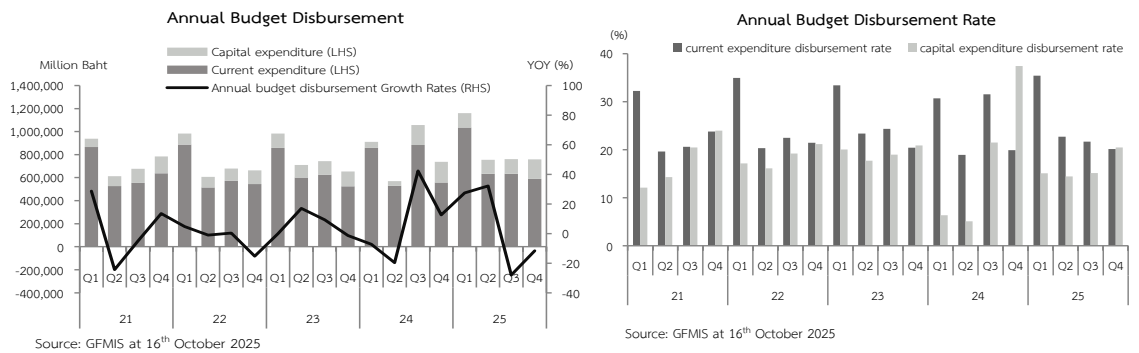
Unit: Million Baht

Sources of Revenue	FY2024	FY2025	Compare with the FY2024		Budgeted Target FY2025	Compare with Budgeted Target FY2025	
			Amount	%		Amount	%
1. Revenue Department	2,268,196	2,335,300	67,103	3.0	2,372,500	-37,200	-1.6
2. Excise Department	523,632	537,540	13,908	2.7	609,700	-72,160	-11.8
3. Customs Department	117,953	119,143	1,191	1.0	122,200	-3,057	-2.5
Revenue From 3 Departments	2,909,781	2,991,983	82,202	2.8	3,104,400	-112,417	-3.6
4. State-Owned Enterprises	219,506	177,379	-42,128	-19.2	176,500	879	0.5
5. Other Agencies	201,932	221,445	19,513	9.7	173,500	47,945	27.6
5.1 Other Agencies	187,478	208,662	21,184	11.3	162,500	46,162	28.4
5.2 Other Agencies	14,454	12,783	-1,671	-11.6	11,000	1,783	16.2
Total Revenue (Gross)	3,331,220	3,390,807	59,587	1.8	3,454,400	-63,593	-1.8
Deductions	397,251	426,838	29,588	7.4	431,700	-4,862	-1.1
Total Revenue (After Deductions)	2,933,969	2,963,969	30,000	1.0	3,022,700	-58,731	-1.9
VAT Distribution for Local Administrative Organizations (LAOs)	136,290	141,260	4,970	3.6	135,700	5,560	4.1
Total Revenue (Net)	2,797,679	2,822,709	25,030	0.9	2,887,000	-64,291	-2.2

Source: Fiscal Policy Office

On the expenditure side⁶, in the fourth quarter of fiscal year 2025, the government had a total budget disbursement of 906.0 billion Baht, reflecting a 6.7 percent decrease compared to the same quarter of the previous year in which total budget disbursement consisted of:

(i) The 2025 annual budget disbursement amounted to 759.3 billion Baht, a decrease of 11.6 percent compared to the same quarter last year. The disbursement rate was 20.2 percent, lower than the 23.8 percent in the same quarter last year. The current expenditure disbursement totaled to 589.3 billion Baht, representing a 5.7 percent increase from the same quarter last year. The disbursement rate was 20.2 percent, slightly higher than the 19.9 percent in the same quarter last year. The capital expenditure disbursement was 169.9 billion Baht, a drop of 43.6 percent from the same quarter last year. This decline was primarily due to expenses for land and equipment, subsidies, and other expenses⁷. The disbursement rate was 20.5 percent, lower than the 37.5 percent in the same quarter last year.



Annual budget disbursement	Fiscal Year 2024						Fiscal Year 2025									
	Budget	Q1	Q2	Q3	Q4	FY	Budget	Q1	Q2	Q3	Q4	Jul	Aug	Sep	FY	
Total disbursement (Billion)	3,602.0	910.2	570.7	1,056.2	858.9	3,396.0	3,752.7	1,160.5	784.5	760.1	759.3	243.2	198.1	318.0	3,464.3	
disbursement rate %	-	25.3	15.8	29.3	23.8	94.3	-	30.9	20.9	20.3	20.2	6.5	5.3	8.5	92.3	
current expenditure (Billion)	2,797.6	859.1	529.5	883.2	557.6	2,829.3	2,923.5	1,035.4	664.7	634.6	589.3	195.4	150.0	243.9	2,924.0	
disbursement rate %	-	30.7	18.9	31.6	19.9	101.1	-	35.4	22.7	21.7	20.2	6.7	5.1	8.3	100.0	
capital expenditure (Billion)	804.4	51.1	41.2	173.0	301.3	566.6	829.2	125.1	119.7	125.5	170.0	47.9	48.1	74.0	540.3	
disbursement rate %	-	6.3	5.1	21.5	37.5	70.4	-	15.1	14.4	15.1	20.5	5.8	5.8	8.9	65.2	

Source: GFMS at 16th October 2025

(ii) The carry-over budget disbursement stood at 51.8 billion Baht, increasing from the same quarter last year by 51.5 percent. The disbursement rate was 19.1 percent.

(iii) The State-owned enterprises’ capital expenditure budget was disbursed for 107.6 billion Baht⁸, reflecting a 22.9 percent increase from the same quarter last year. This was primarily a result of increased disbursement by PTT Public Company Limited and its subsidiaries investing domestically, the Mass Rapid Transit Authority of Thailand (MRTA), and the Expressway Authority of Thailand (EXAT). The top five state-owned enterprises with the highest disbursement values were PTT Public Company Limited and its subsidiaries, the Provincial Electricity Authority (PEA), the State Railway of Thailand (SRT), the Mass Rapid Transit Authority of Thailand (MRTA), and the Electricity Generating Authority of Thailand (EGAT).

For the fiscal year 2025, total budget disbursement stood at 4,071.9 billion Baht, increased by 4.8 percent from the same period last year, with the following details.

(i) The 2025 annual budget disbursement amounted to 3,464.3 billion Baht, an increase of 2.0 percent (a disbursement rate of 92.3 percent, down from 94.3 percent last year), which included 2,924.0 billion Baht in current expenditure disbursement, an increase of 3.3 percent and 100.0 percent disbursement rate, and 540.3 billion Baht in capital expenditure, a decrease of 4.7 percent due to declines in general subsidies and other expenses of 10.0 percent and 70.6 percent, respectively. Even as land and buildings disbursement grew 18.6 percent, the disbursement rate of 65.2 percent accounted for the lowest in 11 years since 2015.

(ii) The disbursement of the carry-over budget stood at 258.7 billion Baht, expanding by 76.7 percent, with a disbursement rate of 95.3 percent which was higher than 91.4 percent last year.

(iii) State-owned enterprises’ (SOEs) capital expenditure budget disbursement was 386.5 billion Baht⁹ in which the top five SOEs with the highest capital expenditure disbursements included the PTT Public Company Limited and its affiliated companies, the State Railway of Thailand (SRT), the Provincial Electricity Authority (PEA), the Electricity Generating Authority of Thailand (EGAT), and Metropolitan Electricity Authority (MEA).

In Q4/FY2025, total budget disbursement plunged by 6.7 percent due to the decrease of annual budget disbursement, while the carry-over budget disbursement and State-owned enterprises’ capital expenditure expanding.

For the FY2025, the total budget disbursement increasing by 4.8 percent according to annual budget disbursement, carry-over budget disbursement, and State-owned enterprises’ capital expenditure.

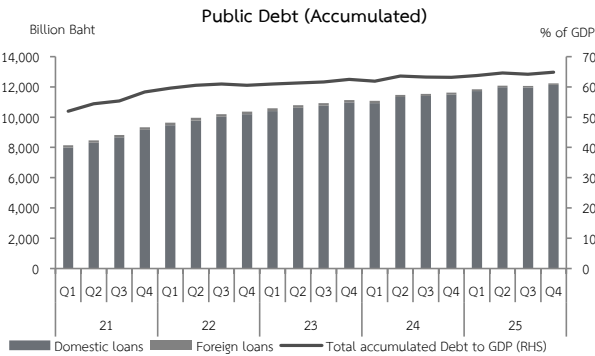
⁶ The total budget disbursement includes the disbursement of (i) the grand total of annual budget, (ii) the carry-over budget, and (iii) the State-owned enterprises’ capital expenditure budget allocated by the State Enterprise Policy Office including PTT and affiliated companies’ domestic investment and the State-owned enterprise’s capital expenditure allocated from the annual budget and the carry-over budget.

⁷ Other expenses in 2024 include the budget for economic stimulus and strengthening the economic system, totaling 122 billion Baht.

⁸ The number was included the 12.6 billion Baht of the capital spending allocated from the annual budget and the carry-over budget.

⁹ The number was included the 37.6 billion Baht of the capital spending allocated from the annual budget and the carry-over budget.

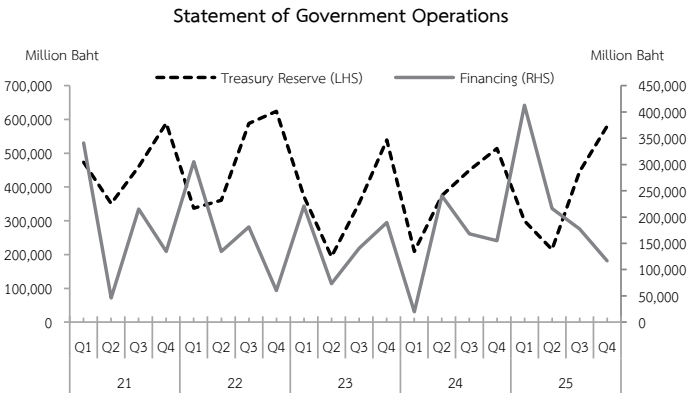
Public Debt: As of the end of September 2025, public debt was accumulated to 12.2 trillion Baht, equivalent to 64.8 percent of GDP. The total public debt comprised 12.1 trillion Baht of domestic loans (99.2 percent of public debt) and 99.6 billion Baht of foreign loans (0.8 percent of Public Debt).



Source: Public Debt Management Office

Fiscal Balance: In the fourth quarter of fiscal year 2025, the budgetary balance recorded a deficit of 41.1 billion Baht, combined with a surplus of 59.7 billion Baht on the non-budgetary balance. In addition, the government conducted cash balance management through the borrowing of 116.5 billion Baht. As a result, the cash balance after debt financing recorded a net surplus of 135.1 billion Baht. The treasury reserve at the beginning of the period stood at 445.2 billion Baht, resulting in a fiscal balance of 580.3 billion Baht at the end of September 2025.

For the fiscal year 2025, the budgetary balance recorded a deficit of 905.9 billion Baht, combined with a surplus of 49.4 billion Baht on the non-budgetary balance. In addition, the government managed its cash through the borrowing of 922.7 billion Baht. As a result, the cash balance after debt financing recorded a net surplus of 66.2 billion Baht.



Source: Ministry of Finance

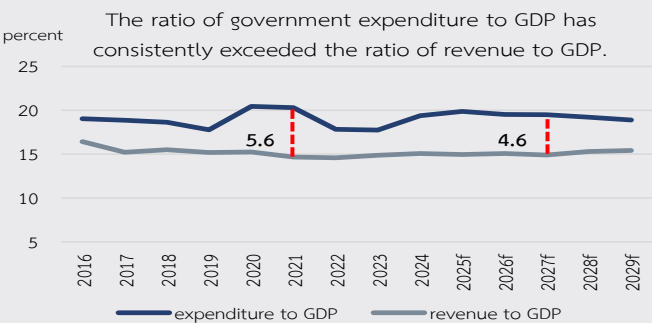
At the end of September 2025, the public debt was equivalent to 64.8 percent of GDP, slightly higher than 64.3 percent in the previous quarter.

At the end of September 2025, the government's fiscal statement remained at a strong level, with the fiscal balance standing at 580.3 billion Baht.

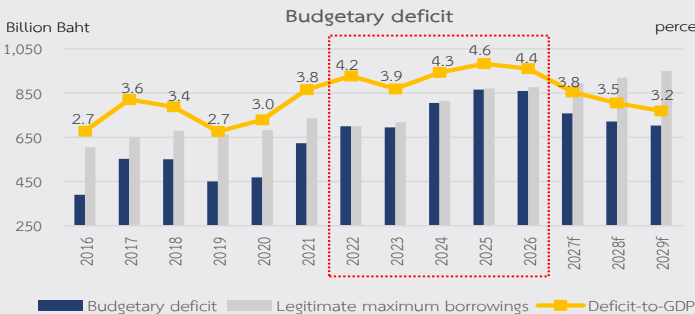
Structural fiscal vulnerabilities and off-budget commitments.

Thailand’s fiscal risks can be categorized into two factors. **First, external risks** arise from heightened volatility in the global economy and international trade, which has contributed to a slowdown in Thailand’s economic growth and caused it to fall below expectations. This, in turn, has resulted in government revenue collections consistently undershooting established targets. **Second, internal structural risks** stem from a revenue structure that has not sufficiently adapted to the evolving structure of the modern economy—for instance, the shift toward future mobility industries and the digital economy. At the same time, government expenditures—particularly current expenditures—remain elevated and difficult to reduce. Consequently, the gap between government revenues and expenditures has widened, as reflected in persistently high budget deficits. Notably, during fiscal years 2022 - 2026, the government recorded deficits close to the legal ceiling for five consecutive years, with the deficit-to-GDP ratio rising sharply from 2.7 percent in 2019 to 4.6 percent in 2025.

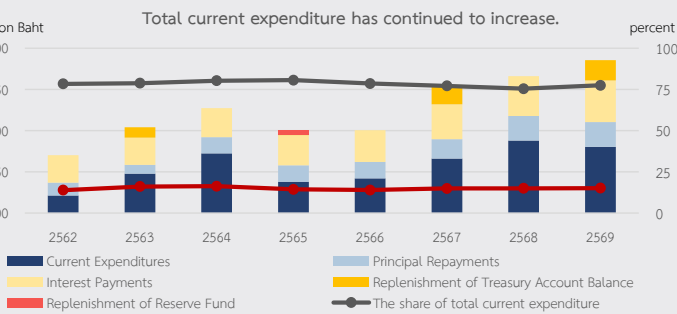
Furthermore, government debt and interest payment obligations have continued to increase amid a prolonged period of modest economic growth. This has eroded fiscal space and highlighted the presence of **structural fiscal vulnerabilities**, thereby constraining the government’s capacity to employ fiscal measures to stimulate economic activity or to buffer against unexpected shocks. It also increases the risk of higher borrowing costs in the future.



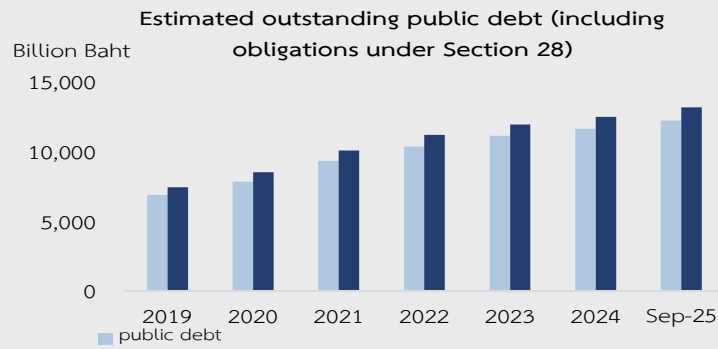
Source: Budget in Brief, Fiscal Policy Office, and estimates by NESDC.



Source: Budget in Brief and the Medium-Term Fiscal Framework (Fiscal Years 2026 - 2029).



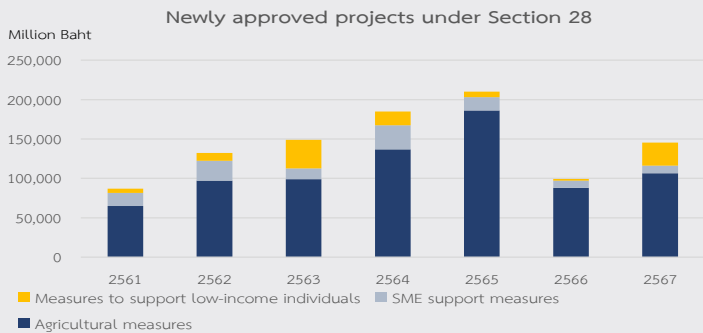
Source: Budget in Brief



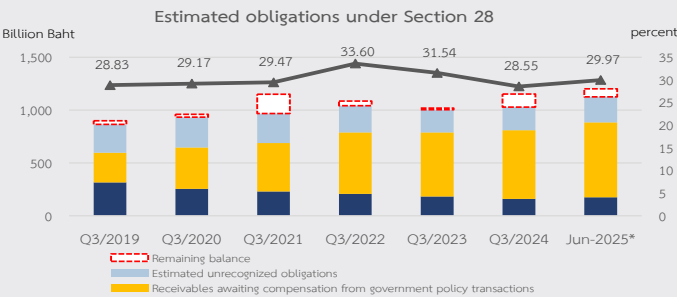
Source: Public Debt Management Office and estimates by NESDC.

Moreover, the government faces additional off-budget commitments arising from projects and policy measures implemented under Section 28 of the Fiscal Responsibility Act (2018). This mechanism enables the government to pursue economic policies through state agencies, particularly specialized financial institutions. Measures related to agriculture and support for SMEs constitute the largest share of newly approved projects—77.1 percent and 12.5 percent, respectively.

Data on newly approved Section 28 projects indicate that the government has increasingly relied on this mechanism, especially during 2021 - 2022, when approvals rose sharply in response to support measures for farmers and small enterprises. As a result, the outstanding commitments for which the government is ultimately responsible have also increased. To accommodate this rising burden, the government raised the ceiling for outstanding Section 28 commitments from 30 percent to 35 percent of the annual budget before subsequently reducing it to 32 percent as of October 2022.



Source: Fiscal Risk Report, Fiscal Year 2024



Note: Obligations as of June 2025 are estimated by NESDC.
Source: Fiscal Risk Report, Fiscal Year 2024, and financial statements of specialized financial institutions.

However, reliance on this mechanism generates fiscal obligations that exceed those reflected in official public debt statistics. Accordingly, **the government should authorize Section 28 projects only when necessary and allocate sufficient budgetary resources to compensate these commitments, thereby preventing disruptions to the operations of state agencies**—particularly specialized financial institutions such as the Bank for Agriculture and Agricultural Cooperatives (BAAC), which holds a substantial amount of Section 28 commitments totaling 896,349 million baht, or 23.9 percent of the FY2025 budget. **The government should also consider restoring the ceiling for outstanding Section 28 fiscal commitments to its original level of no more than 30 percent of the annual budget to prevent excessive quasi-fiscal operations that may exceed the state’s fiscal capacity.**

Financial Conditions:

The policy interest rate decreased by 0.25 percent to 1.50 percent per annum.

In the third quarter of 2025, the Monetary Policy Committee (MPC), at its meeting on August 13, 2025, unanimously voted¹⁰ to reduce the policy interest rate by 0.25 percent from 1.75 to 1.50 percent per annum. The decision was based on the MPC’s assessment that monetary policy should be more accommodative to ensure that financial conditions are conducive to business adjustment, alleviate the burden on vulnerable groups, and mitigate long-term financial stability risks. The MPC’s rate cut was consistent with the monetary easing among several regional countries, including the Philippines, Malaysia and Indonesia, aimed at supporting economic growth and managing elevated uncertainties from US trade policies. Meanwhile, other countries, such as China, Vietnam, Japan, South Korea and India, maintained their policy interest rates. **Similarly, most major central banks decided to reduce the policy interest rate.** The Federal Reserve (Fed) lowered its policy rates by 0.25 percent for the first time in 2025 in response to a slowdown in the US labor market. Likewise, the Bank of England, the Bank of Canada, and the Reserve Bank of New Zealand reduced their policy rates to support economic expansion and mitigate heightened uncertainties surrounding US trade policies.

Recently, in October 2025, the MPC, during the meeting on October 8, voted 5 to 2 to maintain the policy interest rate, as the previous policy rate cuts have helped absorb associated risks, and the monetary policy transmission to the economy is still ongoing. Similarly, South Korea and Indonesia maintained their policy interest rates but signaled further monetary easing. In contrast, Bangko Sentral ng Pilipinas reduced its policy rates to further support economic activity; the Fed also lowered its policy rates due to ongoing risks in the U.S. labor market, while the Bank of Canada reduced its policy rates to mitigate risks from U.S. trade policies.

The Bank of Thailand reduced the policy interest rate by 0.25 percent per annum, consistent with monetary policy easing in major and regional economies.

Policy Interest Rate

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

Source: Collected by NESDC as of 6 November 2025

¹⁰ At the MPC meeting on 13 August 2025, the Committee had six members in attendance, as one seat remained vacant until the new member’s appointment took effect.

Large and medium-sized commercial banks and specialized financial institutions (SFIs) reduced both deposit and lending rates in line with the policy rate cuts. In the third quarter of 2025, large and medium-sized commercial banks and SFIs lowered their 12-month fixed deposit rates from averages of 1.24, 1.20, and 1.43 percent per annum to 1.10, 1.00, and 1.30 percent per annum, respectively. Similarly, their Minimum Loan Rates (MLR) declined from averages of 6.94, 8.02, and 6.27 percent per annum to 6.69, 7.77, and 6.22 percent per annum, respectively. However, the average real deposit and lending rates across commercial banks increased due to a further decline in inflation compared with the previous quarter.

In October 2025, large and medium-sized commercial banks and SFIs kept their MLR unchanged from September. In contrast, 12-month fixed deposit rates of large commercial banks and SFIs were lowered from averages of 1.10 and 1.30 percent per annum to 1.03 and 1.28 percent per annum, respectively. Meanwhile, medium-sized commercial banks kept deposit rates unchanged.

At the end of the third quarter of 2025, outstanding private loans from depository institutions declined by 0.22 percent, following a 1.05 percent contraction in the previous quarter. This contraction was the fifth consecutive quarterly decline, driven by a decrease in loans from commercial banks and a continued slowdown in loans growth from specialized financial institutions (SFIs).

Outstanding private loans of commercial banks contracted by 1.62 percent, following a 3.12 percent contraction in the previous quarter, which was the tenth consecutive quarterly contraction since the second quarter of 2023. **Business loans** contracted 1.06 percent after a 3.67 percent contraction in the previous quarter. This was driven by a 4.33 percent contraction in loans to small and medium enterprises (SMEs), compared with a 1.63 percent decrease in the previous quarter. The contraction in SME lending was broad-based across several sectors, including wholesale and retail trade, motor vehicle and motorcycle repair, accommodation and food service activities, and construction.

Meanwhile, loans to large enterprises expanded by 1.33 percent, compared to a 1.87 percent expansion in the previous quarter. The expansion was supported by higher lending to **finance and insurance, real estate activities, and transportation and storage sectors.** However, the deterioration in the SMEs loan quality prompted financial institutions to tighten collateral conditions, including stricter loan covenant terms and higher collateral requirements.

Household loans contracted 2.19 percent, compared with a 2.53 percent decline in the previous quarter. This was primarily due to reductions in hire-purchases loans for cars and motorcycles, as well as in credit card loans, reflecting the continued high burden of household debt. In addition, the weaker economic outlook and rising concerns over borrower credit risks led commercial banks to tighten credit standards for credit cards and other consumer loans. Loan quality also deteriorated across most categories, except for hire-purchase loan for cars and motorcycles, which improved due to stricter borrower selection in the preceding period.

The outstanding private loans from specialized financial institutions (SFIs) grew by 1.34 percent, slowing from a 1.80 percent expansion in the previous quarter. The deceleration was mainly driven by a continued slowdown in household loans, which accounted for 86.90 percent of total SFI loans, and business loans, which represented 13.10 percent.

Financial Performance of Commercial Banks: In the third quarter of 2025, commercial banks' income declined by 2.90 percent, following a 2.06 percent decline in the previous quarter. This was due to lower interest income. Similarly, expenses fell by 3.48 percent, compared with a 3.64-percent decrease in the previous quarter, driven by lower interest expenses. As a result, the Net Interest Margin (NIM) stood at 2.98 percent, declining from 3.01 percent in the previous quarter and 3.32 percent in the same quarter last year.

Commercial banks and SFIs reduced their deposit and lending rates from the previous quarter. This was consistent with the MPC's rate reduction.

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

Private credit outstanding of depository institutions

%YOY (as of the end of the period)	shared Q 3/25 (%)	2021	2022	2023	2024				2025		
					Q1	Q2	Q3	Q4	Q1	Q2	Q3
Private credit outstanding of depository institutions ¹	100.00	4.31	2.20	1.47	1.43	1.00	-0.86	-1.03	-1.16	-1.05	-0.22
Business loan ¹	34.99	5.89	2.00	-0.12	0.55	0.74	-3.24	-2.94	-2.92	-2.96	-0.73
Household loans ¹	65.01	3.42	2.32	2.38	1.94	1.15	0.48	0.04	-0.16	0.03	0.06
1. private credit from commercial banks ²	62.37	4.92	1.42	-0.10	-0.09	-0.48	-3.09	-3.25	-3.36	-3.12	-1.62
1.1 Business loan ² (shared 50.99% of private credit from commercial banks)		5.74	1.62	-1.19	-0.32	0.08	-3.99	-3.65	-3.72	-3.67	-1.06
large enterprises ³		7.82	4.02	3.03	-1.97	0.79	-1.63	1.58	1.71	1.87	1.33
SMEs ³		5.49	0.36	-5.73	-4.77	-4.78	-3.28	-3.04	-2.10	-1.63	-4.33
1.3 Household loan ² (shared 49.01% of private credit from commercial banks)		4.06	1.21	1.05	0.15	-1.08	-2.15	-2.83	-2.98	-2.53	-2.19
Provide for Dwelling ³		4.41	3.20	1.43	1.12	0.94	0.49	0.46	0.24	0.16	3.48
Purchase or hire purchase Cars and Motor-cycle ³		0.12	0.35	-0.41	-2.96	-6.18	-9.10	-11.40	-11.61	-10.93	-11.25
Credit Card ³		1.74	-14.16	2.60	0.17	-2.40	-4.73	-3.92	-3.42	-1.51	-0.83
Other (P-Loan) ³		7.94	3.78	7.05	5.47	4.42	3.01	0.94	0.18	0.14	2.48
2. private credit from specialized financial institutions (SFIs) ⁴	25.56	3.63	3.65	5.10	4.47	3.57	2.64	2.21	2.04	1.80	1.34
2.1 Business loan ⁴ (shared 13.10% of SFIs)		7.49	6.22	12.39	10.50	8.26	4.93	4.31	5.14	4.27	2.35
2.2 Household loans ⁴ (shared 86.90% of SFIs)		3.12	3.29	4.07	3.62	2.90	2.31	1.89	1.57	1.43	1.19

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

Debt Management through Asset Management Companies (AMCs).

Given the slow recovery in household income and the persistently high debt burden, many vulnerable household groups continue to face difficulties in debt repayment, resulting in rising Non-Performing Loans (NPLs). To address this issue, the Ministry of Finance, the Bank of Thailand, and financial institutions have jointly launched an NPL resolution program through retail debt transfer to an Asset Management Company (AMC), under the initiative titled “Quick Debt Settlement, Move Forward.”. This one-time ad-hoc measure aims to resolve debt problems for individual borrowers whose total NPLs across all financial institutions are less than or equal to 100,000 baht per person as of September 30, 2025.

International experience shows that debt resolution through AMCs’ debt-purchasing mechanisms generally aims to transfer credit risk out of financial institutions, allowing them to restore balance sheet strength and resume normal lending. Several countries that have previously faced deteriorating loan quality have implemented this mechanism, as summarized below.

Country/AMC	Context	Scope of Assets	Funding Sources	Outcomes
Sweden - Securum (1992) – Primary AMC - Retriva (1993) – AMC for Götabanken (Commercial bank)	Following the 1992 real estate and money market crisis, the government introduced a “Blanket Guarantee” to protect creditors and transferred NPLs to AMCs. The AMCs operated for around 10 years.	NPLs, particularly real estate-related assets affected by the crisis.	The government issued bonds to recapitalize the AMCs and purchase impaired assets from banks.	• Rapid reduction in NPLs at low fiscal cost. • Recovery rate ~58–70% of transferred asset value. • Banks resumed lending within 1–2 years.
South Korea - KAMCO (1962) Originally established to manage state tax debts and state assets, KAMCO expanded its role as an AMC for NPLs in 1997.	After the 1997 Asian financial crisis, the government implemented a “Comprehensive Financial Restructuring Plan” with KAMCO as the core entity purchasing NPLs. After the 2008–2010 crisis, household debt in South Korea remained elevated, leading to an increase in NPLs, especially in credit card and other unsecured personal loans. To address this challenge, the government launched the “Comprehensive Measures for Household Debt Relief” in 2013.	NPLs of large corporations and SMEs that posed systemic risk. Unsecured consumer debt: personal loans, credit card loans, revolving credit, educational loans, and low-value secured loans.	• Government-guaranteed KAMCO bonds • Establishment of NPAs Fund with separate accounting from regular KAMCO. • The National Happiness Fund was established separately to purchase retail debt and was funded by the government and donations from financial institutions. • Government-guaranteed KAMCO bonds also used.	• NPL ratio reduced from ~17% to 3% by 2002. • Recovery rate ~45–50% for business-sector NPLs. • Rate of return was 54%. • Default rate decreased from 30–32% to 12–15% within 3 years. • Repayment compliance improved from 48% to 72%. • 26% of debtors fully repaid and closed accounts.
Ireland - NAMA (2009)	After the 2008 global financial crisis, Irish banks suffered from large-scale real estate NPLs.	Primarily real estate development loans.	• Government-guaranteed NAMA bonds issued to acquire distressed assets.	• Restored banking sector liquidity. • Recovery rate exceeded 100% of purchase price. • Banks resumed lending within ~2 years.
Thailand • Sukhumvit Asset Management Co., Ltd. (SAM) (commercial banks) • Ari Asset Management Co., Ltd. (SFIs).	Post-COVID-19: household income recovered slowly and debtor assistance measures expired. Repayment capacity weakened and NPLs remained high.	Unsecured loans or unsupported secured loans where collateral cannot be enforced or traced, and the remaining outstanding liability remains legally claimable.	• Commercial Banks: funded by the temporary one-year reduction in the FIDF fee (2025). • SFIs: liquidity support via Government Savings Bank soft loans to Ari-AMC.	Expected benefits: (1) Lower debt burden and normalized repayment status for debtors. (2) Improved credit records at NCB. (3) Faster access to new loans.

A review of international AMC schemes shows that most programs focused on purchasing business-sector and secured loans. South Korea’s KAMCO is a notable exception, as it also acquired retail (personal) debt. Key factors contributing to KAMCO’s success in managing personal NPLs included: (i) diverse debtor assistance programs supported by Credit Bureau data for effective debt management; and (ii) a policy approach that prioritized social problem resolution over purely financial objectives.

Thailand has consistently implemented debtor-assistance measures in the past, such as the “You Fight, We Help” initiative. However, most participants were secured-debt borrowers (mainly housing loans), while participation among unsecured-debt borrowers remained limited. Therefore, a key challenge for the current NPL-resolution program is to encourage broad participation from vulnerable debtor groups. This is because the program provides a clear pathway for debtors to improve their credit status, return to performing status more quickly, and regain access to new credit in the future.

In addition, to achieve a substantive and sustainable resolution of household debt, Thailand should strengthen its household-debt database to include all lending entities, such as non-bank financial institutions and savings cooperatives. A more comprehensive credit database would support responsible new lending following the program’s conclusion and ensure that future credit provision aligns with borrowers’ actual repayment capacity.

The Thai baht appreciated against the US dollar. In the third quarter of 2025, the exchange rate was average at 32.29 Baht per U.S. dollar, appreciating by 2.47 percent from the previous quarter. The appreciation was in line with the depreciation of the U.S. Dollar, mainly driven by expectations of a Fed policy rate cut due to concerns over the U.S. trade policy impacts, as well as weaker-than-expected U.S. economic data and non-farm payrolls data. In addition, rising global gold prices also supported Baht appreciation, particularly in September.

Compared with trading partners and competitors, the Thai Baht also appreciated. The Nominal Effective Exchange Rate (NEER) averaged 129.58, increasing by 1.88 percent from the previous quarter. Likewise, the Real Effective Exchange Rate (REER) increased by 1.29 percent. Several regional currencies appreciated alongside the Thai baht against the U.S. dollar, including the Taiwan dollar (2.87 percent), Malaysian ringgit (1.95 percent), Singapore dollar (1.34 percent), Korean won (1.34 percent), Indonesian rupiah (0.91 percent) and Chinese yuan (0.87 percent). In contrast, currencies that depreciated against the US dollar were the Hong Kong dollar (0.19 percent), Vietnamese dong (0.99 percent), Philippine peso (1.45 percent), Indian rupee (2.01 percent) and Japanese yen (2.04 percent).

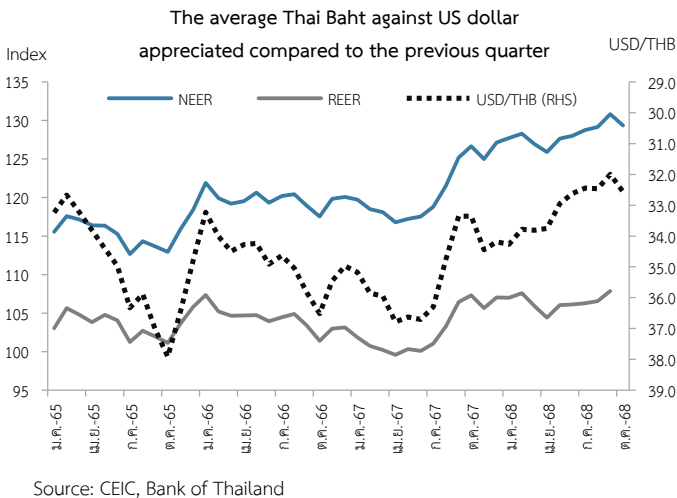
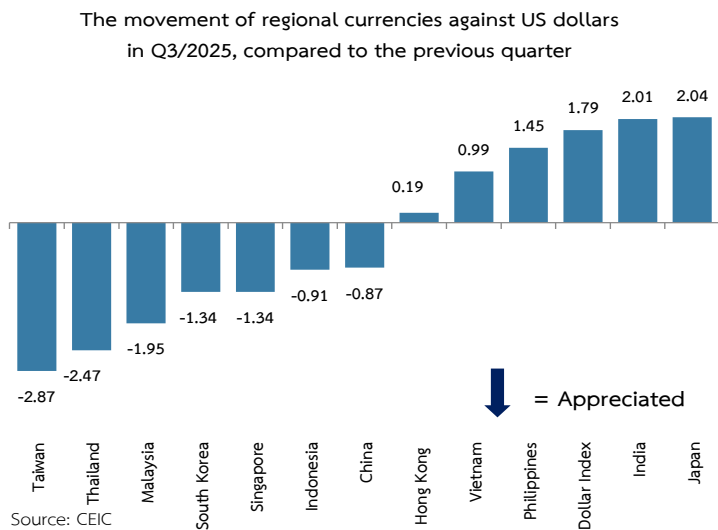
In October 2025, the Thai Baht averaged 32.56 Baht per US dollar, depreciating by 1.73 percent from the average of 32.00 Baht per US dollar in the previous month. This depreciation was in line with the weakness of regional currencies and the appreciation of the U.S. Dollar, driven by a more positive outlook on U.S.–China trade negotiations and uncertainty over the timing of Fed policy interest rate cuts. Additionally, the Euro depreciated amid political uncertainty, while the Japanese yen weakened due to expectations of a slower pace of policy rate increase by the Bank of Japan.

The Thai baht appreciated against the U.S. dollar in line with other regional currencies, driven by rising U.S. economic risks that contributed to U.S. dollar depreciation.

Thai Baht exchange rate, dollar index and gold prices

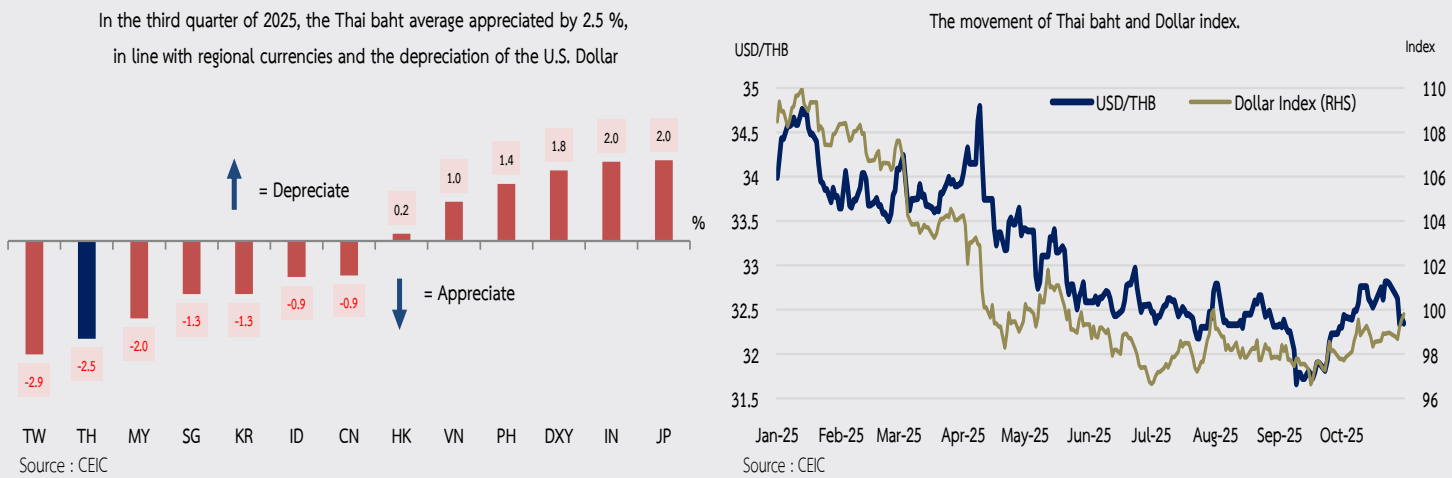
Average	2023	2024						2025						
	Year	Year	Q1	Q2	Q3	Q4	9M	Q1	Q2	Q3	Jul.	Aug.	Sep.	Oct.
Thai Baht exchange rate (Baht/USD)	34.81	35.26	35.65	36.71	34.81	33.99	33.12	33.96	33.11	32.29	32.44	32.46	32.00	32.56
Dollar index	103.44	104.20	103.57	105.18	102.69	105.38	101.40	106.72	99.73	97.95	97.92	98.26	97.69	98.76
Gold prices (USD/Oz)	1,941.67	2,388.52	2,071.16	2,337.59	2,473.00	2,664.46	3,200.38	2,859.00	3,282.59	3,454.10	3,342.40	3,358.18	3,658.09	4,058.28

Source: Collected by NESDC as of 6 November 2025

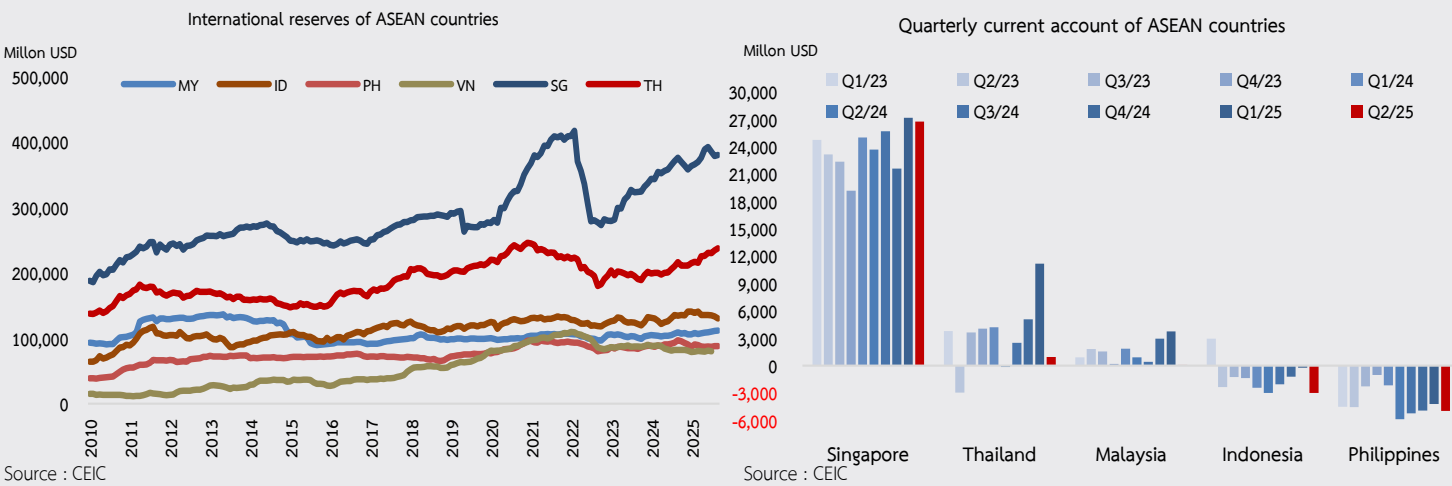


Appreciation of the Thai Baht.

In the third quarter of 2025, most regional currencies appreciated against the US dollar. This was in line with the depreciation of the U.S. Dollar, as reflected in the dollar index, which declined by 1.8 percent from the previous quarter. The U.S. Dollar depreciation was driven by expectations of a Federal Reserve (Fed) policy rate cut, concerns related to U.S. trade policies, and lower-than-expected economic data and nonfarm payrolls figures. Despite, the Thai baht averaged at 32.29 Baht per US dollar in the third quarter of 2025, appreciating by 2.5 percent from 33.11 Baht per US dollar in the previous quarter. The Baht’s appreciation outpaces most regional currencies, particularly in September, when the average exchange rate strengthened to 32.00 baht per U.S. dollar and reached its strongest level in four years. Similarly, the Nominal Effective Exchange Rate (NEER) and Real Effective Exchange Rate (REER) rose by 1.27 percent and 1.22 percent, respectively.



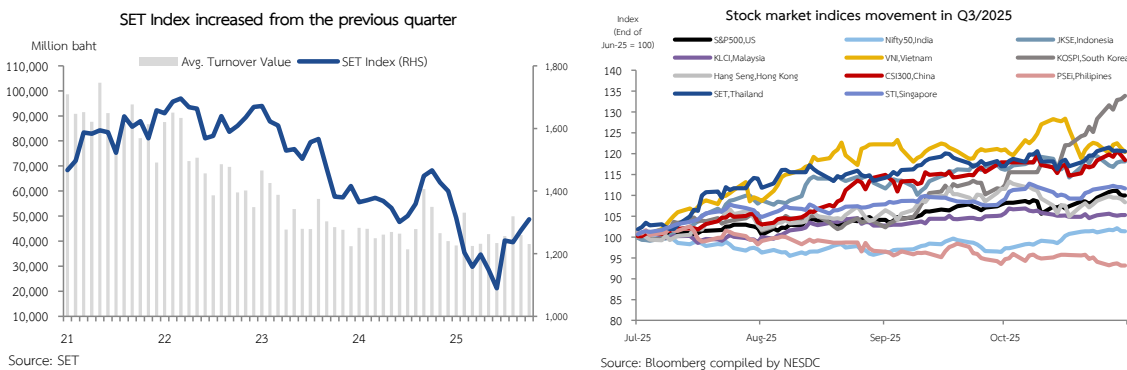
The fundamentals of the Thai baht remained solid compared to other regional countries, supported by Thailand’s strong international reserves —the second highest in ASEAN after Singapore — and a continued current account surplus. In addition, the easing of domestic political uncertainty in the third quarter of 2025 helps strengthen investor confidence in the Thai baht. This was reflected in foreign investor inflows into both equity and bond markets, despite the heightened global uncertainties. Furthermore, In October 2025, the Bank of Thailand and the U.S. Department of the Treasury issued the joint statement affirming their commitment to avoid manipulating exchange rates or the international monetary system to gain an unfair competitive advantage or impede effective balance of payments adjustment. Both parties also agreed to enhance transparency in exchange rate management by publicly disclosing any foreign exchange intervention operations on at least a semiannual basis with a quarterly lag. This initiative helps improve the Bank of Thailand’s policy transparency and reinforces confidence in the Thai baht as a reliable regional asset.



SET Index increased from the previous quarter. At the end of the third quarter of 2025, the SET index closed at 1,274.17 points, increasing by 16.9 percent from the previous quarter. The increase coincided with net buying positions by local institutions and local individuals. It was also the first nine-month net buying position by foreign investors as of July 2025, in line with gains in major and regional equity markets. Several key factors supported the upward movement including: (i) the Fed policy rate cut; (ii) Thailand's new reciprocal tariff rates being set at 19 percent, broadly aligned with regional peers; (iii) fund inflows into Artificial Intelligence (AI) and related stocks amid a surge in AI adoption; (iv) stronger-than-expected second-quarter 2025 performance of SET-listed companies; and (v) positive market sentiment toward the new government's policy stimulus measures. The increase was broad-based across industry groups, including technology (29.8 percent), property and construction (18.2 percent), services (15.5 percent), financials (11.9 percent) and industrials (11.8 percent).

The increase in the SET index was in line with gains in other regional stock markets, including Vietnam (20.8 percent), China (17.9 percent) Indonesia (16.4 percent), Taiwan (16.0 percent), Hong Kong (11.6 percent), South Korea (8.5 percent), Japan (11.0 percent), Singapore (8.5 percent) and Malaysia (5.2 percent). In contrast, the stock market indices of these regional countries declined in this quarter, such as India (-3.6 percent) and Philippines (-6.5 percent).

In October 2025, the SET index closed at 1,309.50 points, an increase of 2.77 percent from the previous quarter. This increase was supported by (i) better-than-expected third-quarter 2025 performance by SET-listed companies; (ii) positive market sentiment following the government's stimulus programs; and (iii) a de-escalation of U.S.-China trade tensions after a preliminary agreement, including a temporary trade truce.

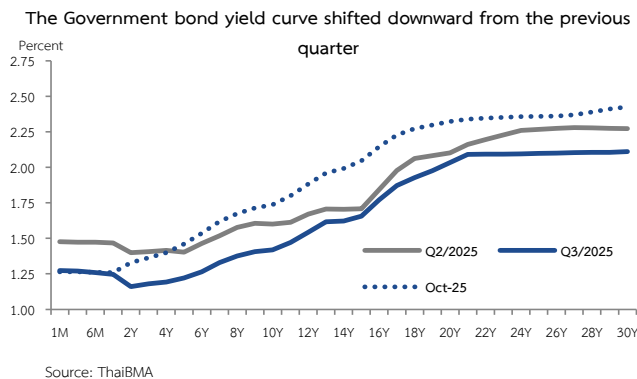


SET Index increased from the previous quarter, in line with major and regional stock markets, supported by both domestic and external factors.

The government bond yield curve shifted downward. In the third quarter of 2025, government bond yields declined across all maturities from the previous quarter. Short-term yields (less than two years) recorded a substantial decline, in line with the MPC's policy rate cut in August 2025. In contrast, long-term yields (ten years or more) slightly decreased due to investor profit-taking and Fitch's revision of Thailand's Outlook from Stable to Negative. At the end of the third quarter, foreign investors recorded a net sell of 3.3 billion baht, compared with a net purchase of 20.9 billion baht in the previous quarter. As a result, the yields on 2-year and 10-year government bonds fell from 1.40 percent and 1.60 percent per annum to 1.16 percent and 1.42 percent per annum, respectively. Meanwhile, newly registered corporate bond issuance accounted for 370.2 billion baht, an increase from 340.4 billion baht in the previous quarter.

In October 2025, the yields on 2-year and 10-year government bonds rose to 1.33 percent and 1.74 percent per annum, respectively. The upward shift in the yield curves was driven by (i) the MPC's decision to maintain the policy rate, prompting investors to sell and realize profits after yields had fallen below the policy rate; and (ii) the easing of US-China trade tensions, which led investors to reduce their holding of safe-haven assets.

The government bond yield curve shifted downward across every tenor, which was consistent with MPC policy rate cut..

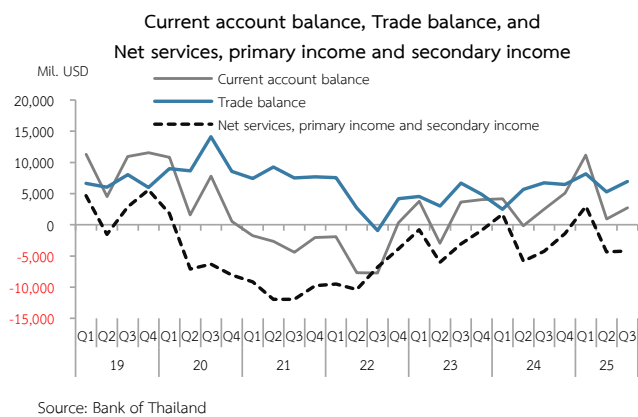


The current account in the third quarter of 2025 registered a surplus of 2.7 billion USD (88.3 billion Baht), marking the fifth consecutive quarterly surplus. This was higher than the surplus of 2.5 billion USD (85.3 billion Baht) in the same quarter of last year and the 0.9 billion USD (28.6 billion Baht) surplus in the previous quarter. This outcome was driven by an increase in the trade balance totaling 7.0 billion USD (224.4 billion Baht), which was higher than the 6.7 billion USD surplus in the same quarter of the previous year and the 5.3 billion USD surplus in the previous quarter. The primary income, services, and secondary income accounts recorded a deficit of 4.2 billion USD (136.0 billion Baht), continuing from the deficit of 4.3 billion USD in the previous quarter and the deficit of 4.2 billion USD in the same quarter of the previous year. This was driven by a deficit in transport receipts in the service balance.

In the first nine months of 2025, the current account registered a surplus of 14.8 billion US dollars (495.6 billion Baht), higher than a surplus of 6.5 billion US dollars (229.4 billion Baht) in the same period last year.

International reserves at the end of September 2025 stood at 273.3 billion USD, rising from 243.0 billion USD at the end of September 2024. **In Thai Baht terms**, reserves amounted to 8,834.4 billion Baht, higher than 7,839.2 billion Baht recorded at the end of the same period last year.

The current account registered a surplus for the fifth consecutive quarter. Which was higher than in the same quarter of last year and the previous quarter.



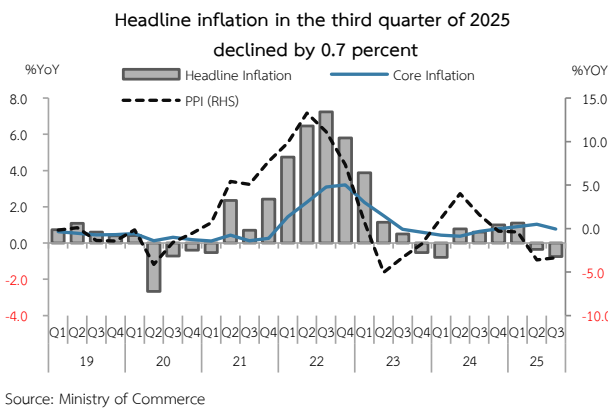
Headline inflation in the third quarter of 2025 continued to be negative for the second consecutive quarter, falling to -0.7 percent compared to -0.3 percent in the previous quarter, and marking the lowest price index in six quarters. **The non-food and beverage price index** decreased by 1.3 percent, due to a reduction in fuel prices following global market prices. Meanwhile, **the food and non-alcoholic beverages price index** rose by 0.2 percent, primarily driven by increases in the prices of non-alcoholic beverages (4.1 percent), meat, poultry, and fish (3.1 percent), and prepared foods (2.4 percent). **Core inflation** stood at 0.8 percent, continuing from a 1.0 percent increase in the previous quarter, primarily due to decelerating prices of prepared foods, non-alcoholic beverages, and seasoning and condiments.

In the first nine months of 2025, headline inflation stood at -0.01 percent, down from 0.2 percent in the same period last year, primarily owing to decreased energy and raw food prices. Meanwhile, **core inflation** increased to 0.9 percent compared to 0.5 percent in the same period last year. This was driven by an increase in the price index of prepared foods, non-alcoholic beverages, and seasoning and condiments.

In October 2025, headline inflation remained negative for a seventh consecutive month at -0.8 percent, primarily driven by price drops in energy, raw foods, and personal care. **Core inflation** stood at 0.6 percent. **For the first ten months of 2025**, headline and core inflation averaged -0.1 percent and 0.9 percent, respectively.

The international reserve at the end of September 2025 stood at 273.3 billion US dollars, rising from the same period last year.

Headline inflation remained negative for the second consecutive quarter at -0.7 percent, driven by reduced price indices for non-food and beverage categories.



The Producer Price Index (PPI) in the third quarter of 2025 declined for the fourth consecutive quarter by 3.4 percent, continuing from a 3.6 percent decrease in the previous quarter. **The price index for manufactured products** declined for the fourth consecutive quarter by 1.9 percent, in line with lower prices for refined petroleum products, chemical products, and computer and electronic products, which decreased by 15.2 percent, 6.8 percent, and 4.8 percent, respectively. **The price index for agricultural and fishery products** declined for the third consecutive quarter by 11.5 percent in accordance with lower prices for agricultural products. In addition, **the price index for mining products** declined for the tenth consecutive quarter by 12.1 percent, following a decrease in petroleum and natural gas prices.

In the first nine months of 2025, the PPI declined by 2.5 percent, compared with a 2.3 percent increase in the same period last year, primarily due to a decrease in the price of manufactured products, agricultural and fishery products, and mining products.

In October 2025, the PPI declined by 1.4 percent, primarily due to a decrease in the price index for agricultural and fishery products, especially paddy, maize, tapioca, and rubber. Similarly, price indices for mining products continued to decline, following the reduced prices of petroleum and natural gas. Meanwhile, manufactured products returned to growth after nine months of decline, due to higher prices of other manufactured goods, transport equipment, non-metallic mineral products, and wood and wood products. **For the first ten months of 2025**, the average PPI decreased by 2.4 percent.

***The Producer Price Index (PPI)** declined for four consecutive quarters by 3.4 percent, following prices decrease in all categories.*

2. Crude Oil price in Q3 of 2025

The global crude oil price in the third quarter of 2025 decreased compared to the same period last year but increased compared to the previous quarter. The average global crude oil price across three major markets: Dubai, Brent, and West Texas Intermediate (WTI), stood at 67.2 USD per barrel. This was reflected by a 13.3 percent decrease (continuing for the fifth consecutive quarter) from 77.4 USD per barrel in the same quarter of the previous year, but a 2.1 percent increase from 65.8 USD per barrel in the previous quarter. The decline in prices was largely attributed to (1) weakening global oil demand following a slowdown in global economic growth, which was the effect of Reciprocal tariffs, (2) a potential increase in oil supply following an increase in production capacity among OPEC+, and (3) easing geopolitical tensions in the Middle East.

In the first nine months of 2025, the average crude oil price in three key markets stood at 69.0 USD per barrel, a decrease of 14.0 percent from 80.2 USD per barrel in the same period last year.

In October 2025, the average global crude oil price stood at 62.9 USD per barrel, marking the lowest price in the last five months. The decrease was primarily owing to an increase in crude oil supply from an increase in production among OPEC+, which led to concerns about oversupply, along with the easing of tensions among the Middle East countries (Israel-Hamas) after the first phase of the ceasefire agreement.

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

Crude oil price									
Year		USD per Barrel				(%YoY)			
		WTI	BRENT	DUBAI	Average	WTI	BRENT	DUBAI	Average
2023	Year	77.4	82.1	81.9	80.5	-17.8	-16.9	-14.8	-16.5
	Year	75.5	79.6	79.7	78.3	-2.5	-3.0	-2.8	-2.7
	Q1	76.9	81.8	81.5	80.1	1.2	-0.4	2.5	1.1
	Q2	80.5	84.8	85.1	83.4	10.1	9.7	9.6	9.8
	Q3	75.1	78.6	78.6	77.4	-8.5	-8.6	-9.4	-8.8
	9M	77.4	81.6	81.7	80.2	0.4	-0.3	0.5	0.2
	Oct.	71.3	75.2	74.6	73.7	-16.5	-15.2	-17.6	-16.5
	10M	76.7	80.9	81.0	79.5	-1.5	-1.9	-1.5	-1.6
2024	Q4	70.2	73.9	73.6	72.6	-10.9	-11.0	-12.2	-11.4
	Q1	71.4	74.9	75.8	74.0	-5.5	-5.9	-4.8	-5.4
	Q2	64.1	67.1	66.2	65.8	-16.7	-18.0	-18.8	-17.8
	Q3	65.0	68.2	68.3	67.2	-13.5	-13.3	-13.1	-13.3
	Jul.	67.2	69.5	69.2	68.7	-16.7	-17.3	-17.5	-17.2
	Aug.	64.1	67.4	67.9	66.4	-14.9	-14.5	-12.9	-14.1
	Sep.	63.5	67.6	67.7	66.3	-8.4	-7.3	-7.7	-7.8
	9M	66.9	70.1	70.1	69.0	-13.6	-14.0	-14.2	-14.0
	Oct.	60.2	64.1	64.3	62.9	-15.6	-14.8	-13.9	-14.7
	10M	66.2	69.5	69.9	68.5	-13.8	-14.1	-13.7	-13.9

Source: Thaioil Plc and Bloomberg

3. The World Economy in the Third Quarter of 2025

In the third quarter of 2025, the global economy continued to expand from the previous quarter. Although the United States began enforcing higher import tariffs at the end of June 2025, several major economies were able to reach trade agreements with the U.S., resulting in actual reciprocal tariff rates being lower than the levels initially announced¹¹. In addition, many countries accelerated their export shipments to alternative markets to offset declining exports to the U.S. Therefore, industrial production has not yet been significantly affected by the new trade barriers, as reflected by Manufacturing Purchasing Manager's Index (PMI) readings in many economies that remained above the expansion threshold of 50¹². At the same time, major advanced economies continued to grow in line with the expansion in private consumption. China's economy was supported by sustained growth in industrial production and exports, while the Newly Industrialized Economies (NIEs), as well as emerging market and developing economies, recorded faster growth in line with persistently high export values¹³. Regarding inflationary pressures stemming from the U.S. tariff measures, the impact has begun to push U.S. inflation higher. In contrast, inflation in many major economies remained broadly stable and close to the levels seen in the previous quarter. This stability partly reflected export price reductions by exporting countries of origin and the continued absorption of higher input costs by businesses without passing them on to consumers. Coupled with the ongoing decline in global energy prices, these conditions allowed central banks to maintain accommodative monetary policy stances¹⁴.

The U.S. economy continued to expand from the previous quarter¹⁵. The growth was mainly supported by sustained growth in private consumption, while the spending on service sector remained robust. This was consistent with an improvement in the Services Purchasing Managers' Index, which was at 54.8, up from 52.5 in the previous quarter. Growth was also reinforced by continued expansion in non-residential investment, particularly in digital technology and artificial intelligence (AI). However, exports weakened, and imports decelerated following the front-loading of goods imports in the previous quarter. Signs of softening in the labor market also emerged as the average unemployment rate during the first two months of the third quarter stood at 4.3 percent, the highest level since the fourth quarter of 2021. Meanwhile, nonfarm payrolls increased by only 22,000 positions in August, compared with 79,000 positions in the previous month. Headline inflation (CPI) was at 2.9 percent, increasing from 2.4 percent in the preceding quarter and marking the highest rate in five quarters, driven by rising prices for food and beverages, housing, and services. Although inflation remains above the Federal Reserve's medium-term target of 2.0 percent, the weakening economic and labor market conditions led the Federal Open Market Committee (FOMC) to vote to cut the policy interest rate for the first time in 2025 at its meeting on September 16–17, 2025, from 4.25–4.50 percent to 4.00–4.25 percent. The Committee also signaled to withdraw quantitative tightening (QT) in order to support economic and financial stability in the future.

The Eurozone economy expanded by 1.3 percent, slowing from 1.5 percent in the previous quarter. Economic activity in major member countries continued to grow¹⁶, in line with the expansion of exports and domestic consumption. During the first two months of the third quarter, the value of exports increased by 4.7 percent, following a 5.9-percent expansion in the previous quarter. Although exports to the U.S. contracted by 13.0 percent, compared with a 0.6-percent expansion in the preceding quarter, exports to the United Kingdom, Taiwan, Indonesia, and Saudi Arabia improved. This contributed to a recovery in industrial production, as reflected by the Manufacturing Purchasing Manager's Index rising to 50.1, surpassing the expansion threshold for the first time in 13 quarters. Domestic demand also continued to expand, supported by a resilient labor market, with the unemployment rate remaining low at 6.3 percent. Similarly, the Services Purchasing Manager's Index stood at 50.9, compared with 50.1 in the previous quarter. Inflation remained stable at 2.1 percent, close to the level recorded in the preceding quarter, enabling the European Central Bank to maintain its policy rate to support economic expansion¹⁷. In addition, the eurozone economy continued to benefit from the Multiannual Financial Framework (MFF) through the Next Generation EU recovery and investment program. In the third quarter of 2025, total approved allocations to member states amounted to 49.6 billion euros, increasing from 10.8 billion euros in the previous quarter.

¹¹ Details in the Summary Table of Trade Measures Implemented by Major Economies.

¹² The Manufacturing Purchasing Manager's Index (PMI) in the third quarter averaged 50.1, 50.4, 53.4, 50.4, and 51.1 for the eurozone, China, Hong Kong, Singapore, Indonesia, and Vietnam, respectively. These levels were higher than the readings in the previous quarter, which stood at 49.3, 49.7, 48.4, 47.0, and 48.1, respectively.

¹³ In the third quarter, export values expanded by 6.6 percent, 36.5 percent, 11.4 percent, 13.5 percent, 12.8 percent, and 18.2 percent for China, Taiwan, Singapore, Malaysia, the Philippines, and Vietnam, respectively.

¹⁴ Central banks that lowered their policy rates in the previous quarter included those of the United States, Canada, the United Kingdom, Malaysia, Indonesia, and the Philippines. Meanwhile, other major central banks continued to maintain their policy rates at low levels.

¹⁵ U.S. GDP data for the third quarter of 2025 and other key economic indicators were not released as scheduled due to the federal government shutdown.

¹⁶ In the third quarter, the economies of Germany, Spain, and France expanded by 0.3 percent, 2.8 percent, and 0.9 percent, respectively, comparing with 0.3 percent, 3.0 percent, and 0.7 percent in the previous quarter.

¹⁷ At its meetings on 24 July and 11 September 2025, the European Central Bank decided to maintain its policy rates. As a result, at the end of September 2025, the rates for the Main Refinancing Operations, the Marginal Lending Facility, and the Deposit Facility remained at 2.15 percent, 2.40 percent, and 2.00 percent, respectively.

The Japanese economy grew by 1.1 percent in the third quarter, declining from 2.0 percent in the previous quarter. This is mainly due to a deceleration of goods exports which expand by only 1.4 percent compared to 7.8 percent in the second quarter. This is coupled with a slowdown in private consumption, illustrated by a 7.1-percent decline in retail sales, compared with a 2.4-percent increase in the second quarter. This is also in accordance with a 4.5-percent decline in number of personal car sales, compared with a 6.4-percent expansion in the previous quarter. Nevertheless, private investment still expanding due to government restructuring policies which put an emphasis on future industries despite a hike in investment cost. In the meantime, the labour market remains still with the unemployment rate at 2.5 percent, remaining unchanged compared to the second quarter, while the inflation rate averages at 2.9 percent, declining from 3.8 percent and 3.4 percent in the first and the second quarters, accordingly. Even though the inflation rate has been still above the inflation targeting since April 2022, the Bank of Japan remained the policy rate unchanged at 0.5 percent during the Monetary Policy Committee Meeting on 18 – 19 September 2025 due to a decline in inflation rate and a slowdown of domestic economy and export. This results in a depreciation of the Japanese Yen to 147.44 Yen per US Dollar in the third quarter from 144.55 Yen per US Dollar in the previous quarter. On the other hand, for the fiscal policy, the government has implemented measures to relieve the cost of living induced by inflation.

Japan's Economic Reform Guidelines and Measures

On 13 June 2025, the Government of Japan announced its policy directions and economic reform agenda, comprising the following components: **(1) Macroeconomic Management Guidelines** which focus on promoting short-term economic expansion and advancing international trade policy. **(2) Wage Increases and Investment Promotion Measures** which includes: (2.1) Policies to Prevent a Price–Wage Spiral, consisting of (2.1.1) A Five-Year Medium-Term Wage Increase Plan, which sets a target of achieving 1.0 percent real wage growth by 2029 and raising the nationwide average minimum wage to 1,500 yen per hour and (2.1.2) Measures to Promote Wage Growth, such as reskilling initiatives and support for research and development. (2.2) Regional Development Plan 2.0 and measures to address region-specific challenges. (2.3) Measures to Increase Corporate Income through the Strategy of Building an “Investment-Driven Nation”, including (2.3.1) Green Transformation (GX) (2.3.2) Digital Transformation (DX) (2.3.3) Development of the Space and Maritime Industries (2.3.4) Advancement of Emerging Sciences, such as quantum physics and next-generation energy (2.3.5) Support for Start-up Businesses (2.3.6) Support for Participation in the International Economy, including SME exports and foreign direct investment and (2.3.7) Measures to Encourage Asset Building, such as promoting the NISA system. (2.4) Public Safety and Security Measures. **(3) Policy Directions for Medium- to Long-Term Economic Growth**, comprising (3.1) Establishing a Universal Social Security System Across All Life Stages. (3.2) Measures to Address Population Aging. (3.3) Creating a High-Quality Educational and Research Environment. (3.4) Strategic Investment Promotion. (3.5) Supporting Regional Economic Growth to Achieve Potential Output. And **(4) Guidelines for the Allocation of the FY2026 Annual Budget aimed at supporting macroeconomic management.**

Subsequently, as of 26 September 2025, the Government of Japan introduced a set of key cost-of-living support measures as follows: (1) A reduction in personal income tax, lowering the tax burden by more than 20,000 yen per person and raising the minimum taxable income threshold to 1.6 million yen per year. (2) A subsidy for low-income households amounting to 30,000 yen per household, with an additional 20,000 yen provided per dependent child. (3) Measures to support community-specific development based on local needs. (4) A program to purchase more than 310,000 tons of surplus rice stocks. (5) Assistance for electricity and gas expenses. (6) A measure to cap retail gasoline prices at no more than 175 yen per litre. (7) Support for parental leaves. (8) Financial assistance for upper-secondary school tuition, amounting up to 118,800 yen per student.

The Chinese economy expanded by 4.8 percent, moderating from 5.2 percent in the previous quarter and marking the slowest pace in four quarters. The deceleration reflects weakening domestic demand, both household consumption and investment, which has been dragged down by the prolonged real estate debt crisis and the heightened uncertainty of the United States trade policy. These slowdowns have weighed on investor and consumer confidence, as evidenced by retail sales growth of only 2.4 percent, down from 4.4 percent in the preceding quarter and the lowest level in eleven quarters. Meanwhile, fixed asset investment contracted by 2.0 percent, compared with growth of 1.3 percent in the previous quarter, reaching a six-quarter low. The downturn was driven primarily by a persistent slump in real estate investment, which fell by 13.9 percent, marking the weakest growth in six quarters. Nevertheless, the Chinese economy was underpinned by robust growth in industrial production and exports, as reflected by export value growth of 6.6 percent, the fastest pace in three quarters, propelled by efforts among Chinese firms to diversify production bases and broaden export markets beyond the United States. This shift contributed to a sharp increase in exports to ASEAN and the European Union¹⁸. Similarly, the Manufacturing Purchasing Managers Index stood at 49.5, up slightly from 49.4 in the previous quarter and the highest level in three quarters. However, deflationary pressures also persisted, with the Consumer Price Index

¹⁸ In the third quarter, export values to ASEAN and the European Union expanded by 18.2 percent and 11.2 percent, accelerating from 17.5 percent and 9.3 percent in the previous quarter, respectively, marking the highest levels in twelve quarters. Meanwhile, export value to the United States contracted by 27.3 percent, following a 23.9 percent decline in the previous quarter, marking the lowest level in history.

declining by 0.2 percent, compared with 0.0 percent in the previous quarter, the lowest level in seven quarters. Consequently, on 22 September 2025, the People's Bank of China (PBOC) maintained the one-year and five-year Loan Prime Rates at 3.0 percent and 3.5 percent, marking the fifth consecutive month of unchanged policy and the lowest rates on record. Previously, on 18 September 2025, the PBOC also kept the seven-day Reverse Repo rate at 1.40 percent.

The Newly Industrialized Economies (NIEs) continued to record steady growth, supported by robust growth in merchandise exports. In the third quarter, export values expanded strongly in Taiwan (36.5 percent), Hong Kong (14.7 percent), Singapore (11.4 percent), and South Korea (6.5 percent). As a result, **South Korea's and Hong Kong's economies** grew by 1.7 percent and 3.8 percent, accelerating from 0.6 percent and 3.1 percent in the previous quarter. Marking Taiwan's highest growth rate in 7 quarters. However, **Taiwan's and Singapore's economy** grew by 7.6 percent and 2.9 percent, slowing from 8.0 percent and 4.5 percent in the previous quarter. Marking Singapore's slowest pace in 8 quarters, partly due to a sharp acceleration in imports following from the implementation of a 10 percent US tariff on goods imported from Singapore, the lowest rate imposed among economies in the region. Meanwhile, inflation continued to ease across the region¹⁹, prompting the Monetary Authority of Singapore and the Hong Kong Monetary Authority to reduce their policy interest rate from 1.75 percent and 4.75 percent to 1.35 percent and 4.25 percent respectively.

The ASEAN economies mostly registered expansion consistent with the previous quarter, driven by the strong expansion of domestic private consumption²⁰ and the continual high growth in exports²¹ – despite the slowdown in exports to the US. Specifically, the economies of Indonesia, Malaysia, and Vietnam expanded by 5.0 percent, 5.2 percent, and 8.2 percent, respectively, compared with 5.1 percent, 4.4 percent, and 8.2 percent in the previous quarter. Meanwhile, the Philippines economy expanded by 4.0 percent, decelerating from 5.5 percent, aligned with the slowdown in private investment and the decline in private sector confidence to its lowest level in three years, as well as the impact of the typhoon during September. Concurrently, most central banks decided to continually reduce their policy interest rates amidst inflation remaining at a low level²² to support economic expansion which tends to slow down due to the impact of US trade barrier measures.

GDP and export growths in several key economies

(%YoY)	GDP and Export growths in several key economies															
	GDP							Export Value								
	2022	2023	2024		2025			2022	2023	2024			2025			
	Year	Year	Q4	Year	Q1	Q2	Q3	Year	Year	Q4	Year	Q1	Q2	Q3	Aug.	Sep.
USA	2.5	2.9	2.4	2.8	2.0	2.1		18.7	-2.1	0.9	1.7	3.6	6.4			
Euro Area	3.7	0.6	1.3	0.9	1.6	1.5	1.4	5.1	2.0	0.2	0.5	4.9	5.6		0.8	
UK	4.8	0.4	1.5	1.1	1.3	1.2	1.3	15.6	1.0	9.5	4.5	6.3	10.1	8.0	4.9	5.6
Japan	4.1	2.0	1.2	1.1	1.4	1.8		19.9	-9.9	-6.4	-8.4	-7.8	-2.6	1.5	-7.2	7.5
Australia	1.0	1.3	1.2	0.1	1.7	1.7		-1.2	-4.0	-0.1	-1.4	5.0	7.8	1.4	-0.9	0.7
China	3.1	5.4	5.4	5.0	5.4	5.2	4.8	5.6	-4.7	9.9	5.8	5.6	6.1	6.6	4.4	8.3
India	7.0	8.8	6.4	6.7	7.4	7.8		14.6	-4.8	3.0	2.6	-4.3	-2.2	8.9	6.7	6.8
South Korea	2.7	1.6	1.1	2.0	-0.03	0.6	1.7	6.1	-7.5	4.2	8.1	-2.3	2.2	6.5	1.1	12.6
Taiwan	2.7	1.1	3.8	4.8	5.5	8.0	7.6	7.4	-9.8	9.0	9.8	17.5	34.1	36.5	34.0	33.8
Hong Kong	-3.7	3.2	2.5	2.5	3.0	3.1	3.8	-9.3	-7.8	4.1	9.1	11.5	14.2	14.7	14.1	16.2
Singapore	4.1	1.8	5.0	4.4	4.1	4.5	2.9	12.7	-7.7	6.4	6.2	3.0	16.1	11.4	4.2	16.0
Indonesia	5.3	5.1	5.0	5.0	4.9	5.1	5.0	26.1	-11.4	9.0	3.0	6.5	8.9	9.0	5.8	11.4
Malaysia	9.0	3.5	4.9	5.1	4.4	4.4	5.2	17.6	-11.1	14.6	5.7	10.8	13.5	12.3	6.2	13.4
Philippines	7.6	5.5	5.3	5.7	5.4	5.5	4.0	6.5	-7.5	-5.3	-0.5	10.4	16.2	12.8	5.5	15.9
Vietnam	8.5	5.1	7.6	7.1	7.1	8.2	8.2	10.6	-4.6	10.8	14.4	11.0	18.1	18.2	14.5	24.7

Source: CEIC, Collected by NESDC as of 14 Nov, 2025

¹⁹ Inflation in the second quarter stood at 1.5 percent in Taiwan, 1.1 percent in Hong Kong, 0.6 percent in Singapore, and 2.0 percent in South Korea, easing from 1.6 percent, 1.8 percent, 0.8 percent, and 2.1 percent, respectively.

²⁰ The Retail Sales Index of Indonesia and Vietnam expanded by 4.7 percent and 9.1 percent, accelerating from 0.9 percent and 7.1 percent in the previous quarter, respectively.

²¹ The export values of Indonesia, Malaysia, the Philippines, and Vietnam in the third quarter of 2025 expanded at a high rate by 9.0 percent, 12.3 percent, 12.8 percent, and 18.2 percent, continuing from 8.9 percent, 13.5 percent, 16.2 percent, and 18.1 percent in the previous quarter, respectively.

²² The central bank of the Philippines resolved to reduce the policy interest rate by 0.25 percentage points each time in its monthly meetings in June and August 2025, and the central bank of Malaysia decided to reduce the policy interest rate by 0.25 percentage points in its monthly meeting in July 2025. The inflation rates in the third quarter for Malaysia and the Philippines stood at 1.3 percent and 1.4 percent, respectively. Meanwhile, the central bank of Indonesia decided to continually reduce the policy interest rate by 0.25 percentage points each time in its monthly meetings in July, August, and September 2025, despite the inflation rate accelerating to 2.4 percent in the third quarter from 1.8 percent in the previous quarter.

4. The World Economic Outlook for 2026

The global economy in 2026 is expected to decelerate from 2025, owing to the increasing impact of trade protection measures imposed by major economies, which are anticipated to exert more visible effects on global economic activity and trade volume through higher import costs. This slowdown follows a period in 2025 during which the global economy benefited from strong expansion in international trade, particularly exports to the United States. A portion of this expansion was driven by exporters reducing export prices, which helped contain inflationary pressures in the U.S. market. Looking ahead, the global economic outlook also faces risks associated with a downturn in the electronics cycle amid intensifying competition and persistent uncertainty surrounding U.S. trade policy. These risks include the potential imposition of additional targeted tariff increases, especially on electronics-related products, as well as China's export controls on rare earth minerals, both of which may constrain investment and export prospects in the electronics sector. In addition, geopolitical tensions remain elevated, with the prolonged conflict between Russia and Ukraine and ongoing unrest in the Middle East contributing to heightened uncertainty. Inflationary pressures in 2026 are expected to rise as firms gradually pass through higher trade-related costs to consumers. This is likely to prompt major central banks, particularly the U.S. Federal Reserve, to slow the pace of policy rate cuts. Meanwhile, central banks in emerging markets and developing economies are expected to continue facing volatility in exchange rates and capital flows stemming from shifts in monetary policy direction among major advanced economies.

For the baseline projection, the assessment is made under the assumption that all currently enforced trade restrictions (as of 15 November 2025) remain in place throughout the forecast period, while geopolitical conflicts do not escalate to a degree that would significantly affect the real economy. Under these assumptions, **the global economy and trade volume are projected to expand by 2.8 percent and 2.3 percent, respectively, moderating from 3.2 percent and 3.4 percent in 2025.** The economic outlook by major country groupings is summarized as follows.

The U.S. economy is projected to expand by 1.7 percent in 2026, moderating from 1.9 percent in 2025. The increases in import tariffs, together with stricter immigration controls, are expected to exert a greater impact on real economic activity and overall price levels, following the marked rise in the effective tariff rate²³. Under these conditions, import costs are anticipated to increase, and when combined with the effects of a weaker U.S. dollar, will heighten price pressures for domestic producers. As a result, inflationary pressures are expected to intensify as businesses pass through higher import-related costs to consumers. At the same time, more stringent immigration policies and restrictions on foreign labor may lead to renewed tightening in the labor market, potentially resulting in labor shortages in certain sectors, particularly services, construction, and logistics, and placing upward pressure on wages. Given these conditions, the Federal Reserve is expected to slow the pace of monetary policy easing. Meanwhile, government spending is likely to remain constrained by public debt levels that are approaching the statutory debt ceiling. In addition, political disputes within Congress over social welfare policies have continued to limit budget approvals and restrict the government operation²⁴.

The eurozone economy is expected to expand by 1.2 percent in 2026, moderating from 1.3 percent in 2025, in line with the anticipated slowdown in international trade resulting from U.S. trade measures²⁵ and the appreciation of the euro. Geopolitical tensions are also expected to exert pressure on private investment and industrial production, both of which are likely to continue decelerating. In addition, firms within the region are expected to face heightened competition from U.S. imports following the easing of import restrictions. Nevertheless, the eurozone economy will continue to be supported by a recovery in household purchasing power under a still-resilient labor market, which will enable real wages to continue rising. Furthermore, inflationary pressures are expected to decline toward the target range in 2026, providing room for the European Central Bank to further ease its monetary policy. This will help support the expansion of domestic demand going forward.

The Japanese economy is anticipated to grow by 0.7 percent in 2026, decelerating from 1.0 percent in 2025. This is mainly due to an impact from US import tariff which put pressure on manufacturing and export sectors, reflected by the manufacturing PMI in October 2025 which drop to 48.3, the lowest in 21 months. Moreover, despite an increase in nominal wages owing to spring wage offensive (Shunto) in 2026 and a 6.3-percent minimum wage rise in October 2025, real wage is expected to fall since the inflation rate exceeds the growth rate of wage. Nevertheless, the Japanese economy is still driven by FY2026 budget which is the record high²⁶. Furthermore, private investment tends to

²³ The effective tariff rate increased from an average of 2.4 percent in January 2025 to 17.9 percent in October.

²⁴ On 12 November 2025, the U.S. President signed a temporary budget bill to end the federal government shutdown. The bill, already approved by both the Senate and the House of Representatives, provides funding for federal operations through 30 January 2026, allowing Congress additional time to deliberate on the remaining budget components. The Senate is expected to vote later on previously contentious issues, particularly those related to the Affordable Care Act.

²⁵ The United States and the European Union reached a trade agreement on 21 August 2025. Under the agreement, the EU will eliminate all import tariffs on U.S. industrial products and allow greater market access for U.S. seafood and agricultural goods. In return, the United States will expedite the reduction of import tariffs on pharmaceuticals, semiconductors, and processed wood products originating from the EU to no more than 15 percent. Furthermore, once the EU submits the necessary legislative proposals to implement the tariff reductions under the agreement, the United States will proceed to lower import tariffs on automobiles and automotive parts from the EU.

²⁶ FY2026 current budgetary framework is 122.4 trillion yen, increasing from 115.2 trillion in FY2025 or an 6.3-percent increase. On the other hand, the capital budgetary framework in FY2026 declines from 12.18 trillion yen to 12.16 trillion yen, which is accounted for a 0.2-percent decrease.

increase from the machinery order during the last period of 2025 and an increase in machinery order to cope with labour shortage²⁷, together with a new restructuring policy of a new government. For monetary policy, the Bank of Japan is expected to increase its policy rate in December meeting as the real interest rate remains low²⁸ and in order to keep the inflation rate within the target range of 2.0 percent.

The Chinese economy is projected to expand by 4.4 percent in 2026, slowing from 5.0 percent in 2025. The deceleration is largely attributable to weaker momentum in the export sector, reflecting the impact of the United States import tariff policies and the high-base effect stemming from the surge in shipments during 2025. Concurrently, industrial production has shown clearer signs of moderation, consistent with a decline in new export orders. At the same time, domestic demand is expected to soften, as investment remains subdued, particularly in the real estate sector. The slowdown is partly due to the easing effect of economic stimulus measures, while rising public debt has tightened constraints on the government's capacity to support the economy through fiscal policy, especially at the local government level. Hence, the People's Bank of China (PBOC) is expected to maintain an accommodative monetary policy stance and keep benchmark interest rates at very low levels, aiming to preserve macroeconomic stability amid intensifying pressures from both domestic and external factors.

The Indian economy is projected to expand by 6.5 percent, decelerating from 7.0 percent. This slowdown is primarily due to the deceleration in exports and industrial production resulting from the increase in US import tariffs. The US reciprocal tariff rate imposed on India stands at 50 percent, a level considered higher than other countries. This high tariff rate is anticipated to impact India's export sector and competitiveness in the future. Nevertheless, the Indian economy is expected to gain support from domestic demand driven by the implementation of tax reform measures aimed at stimulating consumption and alleviating the tax burden on citizens during the FY2025–2026²⁹. Coupled with low inflationary pressures, this enables the central bank of India to continually pursue accommodative monetary policy.

The Newly Industrialized Economies (NIEs) are expecting to experience a decelerate from the previous year, following a decline in exports affected by the implementation of US trade restriction measures and China's tightening of controls on critical minerals, which are likely to disrupt electronic and semiconductor supply chains which are the key export sectors for NIEs. Nevertheless, growth is expected to receive support from proactive government measures aimed at accelerating infrastructure investment and upgrading strategic industries, with a focus on technology development, innovation, and national infrastructure enhancement³⁰. At the same time, inflationary pressures are projected to remain subdued, enabling monetary policy to remain accommodative across all economies. For 2026, **Taiwan, Hong Kong, and Singapore are expected to expand by 2.4 percent, 2.0 percent, and 1.8 percent, respectively**, slowing from 5.0 percent, 2.6 percent, and 3.5 percent in the previous year, while **South Korea's economy is projected to grow by 1.8 percent**, accelerating from 1.1 percent, supported by a continued recovery in domestic consumption.

The ASEAN economies are mostly projected to decelerate from the previous year due to the impact of US trade restriction measures, which are expected to result in a decline in merchandise exports. However, domestic private consumption and government expenditure³¹ are key supporting factors for economic expansion in 2026, complemented by accommodative monetary policy amidst the trend of subdued inflation rates. Specifically, the economies of Indonesia, Malaysia, and Vietnam are expected to expand by 4.7 percent, 4.2 percent, and 5.9 percent, respectively, decelerating from 4.8 percent, 4.4 percent, and 7.5 percent. Nevertheless, the Philippines economy is projected to expand by 5.6 percent, improving from 5.3 percent, attributable to the low base effect from the previous year which was impacted by the typhoon during the third quarter of 2025.

²⁷ The Economic and Research Institute (ESRI) under the Cabinet Office expects the private machinery order (except vessels) to grow at 8.6 percent, continuing from 11.4 percent in the third quarter.

²⁸ The Bank of Japan decided to maintain the policy rate at 0.5 percent during the meeting on 29 October 2025 while the inflation rate in September stood at 2.9 percent.

²⁹ In India's FY2025–2026 budget, the government implemented tax reforms aimed at stimulating domestic consumption and alleviating the tax burden on individuals. These reforms include the revision of the personal income tax structure such that individuals with annual income not exceeding 1.2 million rupees are exempt from tax liability. Additionally, the standard deduction was increased to 75,000 rupees. Furthermore, the time frame for filing an Updated Return was extended from 2 years to 4 years, providing greater flexibility for taxpayers.

³⁰ The Taiwanese government is advancing the Forward-looking Infrastructure Development Program and the Five Trusted Industry Sectors Plan (2024–2031) to accelerate infrastructure investment and upgrade key industries such as semiconductors and artificial intelligence. Singapore, meanwhile, is maintaining an expansionary fiscal stance under its 2025 Budget to support research, digital infrastructure, and workforce upskilling. South Korea is also rolling out a semiconductor support package of around USD 33 billion, together with the development of specialized industrial zones and energy infrastructure to reinforce national competitiveness.

³¹ The government of the Philippines set a target for capital investment disbursement for the construction of core national infrastructure at approximately 5–6 percent of GDP. This is similar to the government of Vietnam, which is attempting to accelerate infrastructure construction to maintain the growth of the domestic construction sector. Meanwhile, Malaysia's 13th Economic Development Plan has allocated over 150 billion US dollars to support the development of the country's target industries. Furthermore, the government of Indonesia is expected to continually implement an expansionary fiscal policy, focusing on human capital development, poverty reduction, and tax system reform.

Key Trade Measures in Major Economies

Country	Measures
The United States of America	- Trade policy under President Donald Trump centers on reshaping U.S. trade policy under the “America First” approach, with the objective of strengthening the American middle class and enhancing national security. Key policy measures include: (1) Promoting a production-driven economy by encouraging manufacturing, innovation, construction, agriculture, and the production of goods and services, particularly through raising wages by expanding employment in manufacturing and related sectors, incentivizing innovation, and using trade policy tools to encourage reshoring of production to strengthen national security; (2) Using tariffs as leverage to enhance bargaining power and incentivize firms to relocate production back to the U.S. for trade balance; (3) Investigating and addressing trade deficits, including their impacts on the economy and national security; (4) Monitoring unfair trade practices and ensuring reciprocal trade relationships with all countries; (5) Reviewing existing trade agreements, such as the United States–Mexico–Canada Agreement (USMCA), to ensure they align with U.S. national interests; and (6) Reassessing trade relations with China, which the U.S. has its largest trade deficit, including reviewing China’s compliance with the Phase One Agreement and reevaluating the overall trade relationship. - The U.S. announced Reciprocal Tariffs of at least 10 percent on imported goods, with tariff rates varying by country, effective 7 August 2025. In addition, the U.S. imposed Section 232 tariffs of 50 percent on steel and aluminum imports, effective 4 June 2025. The measures also include additional product-specific tariffs and the elimination of the de minimis exemption for imports valued below USD 800 originating from China.
European Union	- The European Union (EU) and the U.S. reached a trade agreement in July 2025, under which the U.S. imposed a 15 percent import tariff on most EU goods, while the EU agreed to increase energy purchases and investment in the U.S. - The European Union imposed Countervailing Duties (CVDs) of 20.6–66.7 percent on Mobile Access Equipment (MAE) imported from China, effective 28 April 2025, following an investigation that found the Chinese government had provided unfair subsidies to domestic industrial manufacturers. - Key EU trade and economic policies include: (1) Strengthening economic security and resilience, emphasizing trade agreements to diversify supply sources and enhance economic security, as well as the introduction of regulatory measures; (2) Enhanced enforcement and removal of trade barriers, including strict enforcement of trade rules, elimination of trade barriers, and dispute-settlement mechanisms such as the Single-Entry Point; (3) Expansion of trade networks and standards, covering Preferential Trade Agreements, broader trade standards incorporating social and environmental dimensions, and other specific agreements; (4) Support for small and medium-sized enterprises (SMEs) through initiatives such as the Access2Markets platform, which provides information on the benefits under trade agreements.
United Kingdom	- U.K. and the U.S. concluded the U.S.–UK Economic Prosperity Deal, under which the U.S. will remove tariffs on steel and aluminum and reduce tariffs on UK automobiles to 10 percent for a quota of 100,000 vehicles. In return, the UK will eliminate import tariffs on U.S. beef and ethanol and grant duty-free privileges for aircraft and pharmaceuticals, while maintaining a 10 percent base tariff on other products. - U.K. and India reached a Free Trade Agreement (FTA) on 6 May 2025, under which India will reduce tariffs on over 90 percent of UK imports and completely eliminate tariffs on 85 percent of goods within 10 years, while the UK will also lower tariffs for a wide range of Indian products. - Key elements of U.K. trade strategy include: (1) Expanding its network of Free Trade Agreements (FTAs), prioritizing agreements with strategically important and high-growth markets such as Australia, India, and Japan; (2) Enhancing economic security and resilience by safeguarding national interests, reducing dependence on uncertain trading partners, diversifying supply chains, and protecting sensitive investments; (3) Supporting businesses and promoting exports, particularly SMEs, by helping them utilize from trade agreements through reduction of non-tariff barriers and promotion of digital trade; (4) Upholding high standards, including clear commitments on environmental protection, labor rights, human rights, and sustainability.
Australia	- Australia’s economic diplomacy and trade policy consists of: (1) Promoting investment, focusing on strengthening Australia’s reputation as a source and destination for foreign investment; (2) Addressing non-tariff trade barriers by resolving foreign government policies or regulations (beyond customs tariffs) that unreasonably restrict the trade of goods and services; (3) Actively supporting and facilitating internationally engaged businesses, providing guidance to Australian firms operating overseas by offering market information and commercial opportunities; (4) Supporting a rules-based global trading system by fostering understanding and support among government, civil society, and the business sector regarding the importance of multilateral and regional trade frameworks; and (5) Enhancing connectivity in science, technology, and innovation through targeted support, services, and advisory networks. - Australia and China have resumed trade relations, with China gradually lifting many of the trade restrictions previously imposed on Australian goods. These include the removal of anti-dumping and countervailing duties on bottled wine from Australia, as well as the lifting of import bans on beef from Australian processing facilities.
Japan	- Japan concluded negotiations with the U.S. on the U.S.–Japan Strategic Trade & Investment Agreement in July 2025. Under the agreement, the U.S. will impose a baseline tariff rate of 15 percent on imports from Japan, while Japan will reduce import tariffs on U.S. agricultural products and increase its investment in the U.S. by 550 billion US Dollar. - Key measures and policies outlined in Japan’s 2025 White Paper on International Economy and Trade include: (1) Economic security and supply chain resilience, aimed at reducing overdependence on any single country or region, along with enhanced controls on critical technologies and national security, particularly in semiconductors and artificial intelligence (AI); (2) Trade, investment, and foreign policy promotion, focusing on cooperation with developing countries in the Global South to expand business opportunities for Japanese firms, facilitate cross-border data flows, and attract foreign capital; and (3) Transition toward a next-generation economy, through value creation in services and digital sectors, development of high-value export products, and promotion of clean energy to maintain Japan’s global competitiveness.
China	- China reviewed and approved the 15th Five-Year Plan for National Economic and Social Development (2026–2030) during the Fourth Plenary Session of the 20th Central Committee of the Communist Party of China in October 2025. The plan emphasizes a transition from a production-driven economy toward one driven by innovation and high-quality growth. Key policy pillars include: (1) Industrial upgrading and technological self-reliance, with a focus on advanced and green technologies, as well as strengthening China’s competitiveness through its strategy of technological self-sufficiency; (2) Stimulating domestic demand to improve living standards and expand market opportunities for both domestic and foreign goods and services; and (3) High-level opening and targeted regulation, involving selective investment in sectors aligned with China’s strategic goals, such as advanced manufacturing, green energy, and high-value services, alongside stricter oversight of sensitive or strategically important industries. - China reached a trade agreement with the U.S. on 30 October 2025 in Busan, South Korea. The U.S. committed to reducing tariffs and postponing planned restrictions on Chinese technology firms for one year, effective 10 November 2025. In return, China agreed to crack down on illegal fentanyl trafficking, resume purchases of U.S. soybeans, and temporarily suspend export controls on rare earth minerals. China also suspended its retaliatory tariffs on U.S. agricultural imports starting 10 November 2025, while maintaining tariff rates of 10 percent on general goods and 13 percent on imported soybeans.

Source: Compiled by NESDC

Timeline of the Trade Negotiations Between the United States and China.		
Announcement Date (Effective Date)	Country	Negotiation Details
11 May 2025	The trade negotiations between the United States and China in Geneva, Switzerland	
12 May 2025 (14 May 2025)	USA	- The United States reduced the tariff rate imposed on imports from China from 125% to 34%. - The United States suspended the enforcement of ad valorem tariffs for a period of 90 days, until 12 August 2025.
13 May 2025 (14 May 2025)	China	- China reduced the tariff rate imposed on imports from the United States from 34% to 10%, while the additional 24% tariff will be suspended for 90 days. - China suspended the tariff increase on imports from the United States from 34% to 84%, which had been announced on 9 April 2025. - China also suspended the tariff increase on imports from the United States from 84% to 125%, which had been announced on 11 April 2025.
10 June 2025	The trade negotiations between the United States and China in London, United Kingdom	
29 July 2025	The trade negotiations between the United States and China in Stockholm, Sweden	
11 August 2025 (12 August 2025)	USA	- The United States reduced the tariff rate imposed on imports from China from 125% to 34% until 10 November 2025. - The United States suspended the enforcement of ad valorem tariffs until 10 November 2025.
12 August 2025 (12 August 2025)	China	China suspended the 24% tariff on imports from the United States for 90 days, as announced on 4 April 2025, while the additional 10% tariff on U.S. goods will remain in place.
30 October 2025	The trade negotiations between the United States and China at the Asia-Pacific Economic Cooperation (APEC 2025) meeting in South Korea.	
4 November 2025 (10 November 2025)	USA	- The United States suspended the imposition of countervailing tariff increases on imports from China until 10 November 2026. - The United States reduced the ad valorem tariff rate from 20% to 10%.
5 November 2025 (10 November 2025)	China	China terminated the imposition of the 15% tariff on chicken, wheat, corn, and cotton, and the 10% tariff on sorghum, soybeans, pork, beef, seafood products, fruits, vegetables, and dairy products imported from the United States, which had been announced on 4 February 2025.
5 November 2025 (10 November 2025)	China	China suspended the 24% tariff on imports from the United States for one year, as announced on 4 April 2025, while the additional 10% tariff on U.S. goods will remain in place.
7 November 2025 (7 November 2025)	China	China suspended export control measures on dual-use goods to the United States including synthetic diamond powder, manufacturing equipment, technologies, and raw materials related to rare earth elements, as well as lithium batteries, until 10 November 2026.
7 November 2025 (10 November 2025)	China	China removed import control measures on goods from the United States, covering key products such as soybeans and logs.
9 November 2025 (9 November 2025)	China	China suspended export control measures on dual-use goods to the United States including gallium, germanium, antimony, graphite, and superhard materials until 27 November 2026.
Source: MOF MOFCOM GACC and The White House compiled by NESDC		

Trade Frameworks and Agreements between the US and ASEAN countries.

Country	Status	Tariffs imposed by the US	Details
Indonesia	Framework (July 22, 2025)	19%	• The US will maintain its import tariff rate at 19 percent and will allow requests for tariff reductions for goods that are not produced or cannot be produced domestically. • Indonesia will eliminate import tariffs on industrial, food, and agricultural products from the US, covering 99 percent of total imported items. • The US and Indonesia will cooperate in establishing Rules of Origin to prevent transshipment by third countries. • Indonesia will reduce non-tariff barriers applied to US imports, particularly for automotive products, medical devices, pharmaceutical products, digital goods, and related services. • Indonesia will remove export controls on commodity shipments to the US, especially rare earth minerals. • Indonesia will enhance cooperation with the US in key areas including intellectual property standards, environmental protection, labor rights, and human rights. • Indonesia will join the Global Forum on Steel Excess Capacity and contribute to international efforts to address global steel overcapacity. • Indonesia commits to the procurement of US goods, including aircraft valued at 3.2 billion USD, agricultural products valued at 4.5 billion USD, and energy products valued at 15 billion USD.
Malaysia	Agreement with official statement (October 26, 2025)	19%	• The US will maintain its import tariff rate at 19 percent and will grant tariff exemptions for products listed under Annex III to Executive Order 14346 (Potential Tariff Adjustments for Aligned Partners, announced on 5 September 2025). • Malaysia will open its market and reduce non-tariff barriers on US imports, covering a wide range of industrial products—including chemicals, machinery, electrical appliances, steel, automobiles, medical devices, and pharmaceutical products—as well as agricultural products, such as dairy, poultry, processed foods, beverages, pork, and ethanol. • Malaysia will lift bans and quantitative restrictions on rare-earth mineral exports to the US and will cooperate in issuing additional mining permits for US companies. • Malaysia will eliminate discriminatory digital taxes targeting US companies and will refrain from imposing any domestic fund-related charges on US social media companies or cloud-service providers, while allowing cross-border transfers of digital data. • Malaysia will enhance cooperation in key areas such as intellectual property standards, environmental protection, labor rights, and human rights. • Malaysia will undertake procurement of US goods, including 30 aircrafts, semiconductor products, spacecraft components, and database-related equipment valued at 150 billion USD; liquefied natural gas valued at 3.4 billion USD per year; and telecommunication equipment valued at 200 million USD. In addition, Malaysia will invest 70 billion USD in the US.
Philippines	Agreement with no official statement (July 22, 2025)	19%	• The US will maintain its import tariff rate at 19 percent. • The Philippines will eliminate import tariffs on US products, particularly automobiles, soybeans, wheat, and pharmaceutical products.
Vietnam	Framework (October 26, 2025)	20%	• The US will maintain its import tariff rate at 20 percent and will grant tariff exemptions for products listed under Annex III to Executive Order 14346 (Potential Tariff Adjustments for Aligned Partners, announced on 5 September 2025). • Vietnam will open its market and reduce non-tariff barriers on US imports across industrial and agricultural products, particularly automobiles, medical equipment, and pharmaceutical products. • Vietnam will enhance cooperation in areas such as the development of guidelines on digital goods, services, and investment, the detection of international tax evasion, and the promotion of labor rights and human rights. • Vietnam will undertake procurement of US goods, including 50 aircrafts valued at 8 billion USD and agricultural products valued at 2.9 billion USD.
Thai	Framework (October 26, 2025)	19%	• The US will maintain its import tariff rate at 19 percent and will grant tariff exemptions for products listed under Annex III to Executive Order 14346 (Potential Tariff Adjustments for Aligned Partners, announced on 5 September 2025). • Thailand will eliminate import tariffs on industrial and agricultural products from the US, covering 99 percent of total imported items. • Thailand will open its market and reduce non-tariff barriers on US imports across both industrial and agricultural sectors, particularly automobiles, medical equipment, pharmaceutical products, ethanol, beef, poultry, seeds, and grams. • Thailand will enhance cooperation in areas such as labor rights, child labor prevention, human rights, environmental protection, intellectual property standards, and the detection of international tax evasion. • Thailand will eliminate discriminatory digital taxes on US digital companies and service providers. • Thailand will undertake procurement of US goods, including agricultural products valued at 2.6 billion USD per year, energy products valued at 5.4 billion USD per year, and 80 aircrafts valued at 19 billion USD.

Source: White House and Office of the US Trade Representative
As of November 12, 2025

5. The Thai Economic Outlook 2025

The Thai economy in 2025 is expected to grow by 2.0 percent, slowing from 2.5 percent in 2024, while inflation is projected at (–0.2) percent, and the current account balance is expected to post a surplus of 2.8 percent of GDP, compared with 2.2 percent of GDP in 2024.

In the press briefing on 17 November 2025, the National Economic and Social Development Council (NESDC) projected that the Thai economy in 2025 will expand by 2.0 percent, unchanged from the baseline of the previous forecast. The components of economic growth have been revised to reflect actual data during the first three quarters of 2025, together with updated key assumptions as follows:

- 1) **Upward revision of global economic and trade growth assumptions**, as to reflect the stronger-than-expected economic performance of major trading partners during the first three quarters of the year, which exceeded the assumptions in the previous forecast. The revisions are also consistent with the IMF's updated projections for global economic and trade growth, as well as Thailand's export performance in the first nine months of the year, where export value and volume expanded significantly by 13.8 percent and 13.1 percent, respectively. The upward revision to global growth and trade assumptions has resulted in higher projected growth for Thai exports and private investment compared with the previous forecast.
- 2) **Upward revision of assumptions on public investment budget disbursement**, in line with the actual disbursement rates for investment under the FY2025 annual budget and the carry-over budget stood at 65.2 percent and 95.4 percent, respectively, by the end of the fiscal year, higher than the previous assumptions of 60 percent and 90 percent of total allocated budgets. This revision leads to an upward adjustment of the projected growth rate of the public sector compared with the previous forecast.
- 3) **Downward revision of assumptions on foreign tourist revenue**, while the number of international tourist arrivals in 2025 remains consistent with the previous projection (33 million people), per-capita spending by tourists has been lower than expected. In the third quarter, tourist spending averaged 42,410 baht per person per trip, compared with 44,023 baht in the previous quarter, and 39,953 baht in the same quarter last year. As a result, per-capita foreign tourist spending for the whole year 2025 is now expected to be at 45,952 baht per person per trip, down from the previous assumption of 47,686 baht. Consequently, total revenue from foreign tourists in 2025 is now estimated at 1.52 trillion baht, revised down from 1.57 trillion baht, leading to a reduction in the projected services balance for the year.

6. The Thai Economic Prospect 2026

The Thai economy in 2026 is expected to decelerate, following the slowdown of exports after a high rate of expansion in the previous year. This is in line with the projected slowdown in the global economy and trade volume amid the implementation of U.S. tariff-raising measures, which are expected to have prolonged effects and place constraints on industrial production and private investment. At the same time, the high level of private sector debt, together with increasingly stringent lending standards imposed by financial institutions, continues to limit the expansion of domestic demand. Nevertheless, in 2026 the economy will remain support by steady growth in private consumption and private investment, continued government spending, the ongoing recovery of the tourism sector and related services, and an improving outlook for agricultural production.

Supporting factors for the economic growth:

- 1) **The continued expansion of private consumption and private investment** is expected to be a key driver of growth. **Private consumption** is projected to continue expanding, particularly in durable goods and services. This outlook is supported by the recovery in passenger car and motorcycle sales, as well as the steady increase in service-sector spending in line with the rebound in tourism, especially expenditure on accommodation and food services. In addition, labor market conditions remain robust, while inflationary pressures are subdued due to low and stable energy and fresh-food prices. **Private investment** also shows signs of continued expansion, particularly in machinery, equipment, and vehicles. This trend is consistent with the significant increase in both the value of investment promotion applications and the issuance of investment promotion certificates during the first nine months of 2025, which rose sharply by 93.6 percent and 40.7 percent, respectively. Notably, investment promotion applications in the digital industry, the electronics and electrical appliances industry, and the automotive and parts industry together accounted for 63.1 percent of total applications, with applications in these sectors continuing to rise steadily since 2024.

- 2) **The government spending is expected to support economic activity** in line with the expansion of both the FY2026 annual budget framework and the FY2026 carry-over budget. The FY2026 annual budget totals 2.49 trillion baht, an increase of 9.2 percent from the previous fiscal year, comprising 1.82 trillion baht in current expenditure (a 6.2 percent increase) and 668 billion baht in capital expenditure (an 18.2 percent increase). Based on the baseline assumption that 90.5 percent of the annual budget will be disbursed—98.0 percent for current expenditure and 70.0 percent for capital expenditure—the amount of funds expected to flow into the economy is 2.25 trillion baht, representing a 7.1 percent increase from the previous year. This includes 1.79 trillion baht in current expenditure (a 3.9 percent increase) and 468 billion baht in capital expenditure (a 21.7 percent increase). The FY2026 carry-over budget amounts to 208 billion baht, a decline of 8.0 percent from the previous year, consisting of 30.3 billion baht in current expenditure (a 4.3 percent increase) and 178 billion baht in capital expenditure (a 9.8 percent decrease). For FY2027, a one-quarter delay in the budget preparation process is anticipated due to the government transition, resulting in a projected first-quarter disbursement rate of 20.4 percent, including 26.0 percent for current expenditure and 4.5 percent for capital expenditure.
- 3) **The recovery of the tourism sector and related services** is in line with the continued rise in both the number of international arrivals and tourism receipts. This improvement has been supported by a steady increase in the number of inbound flights, together with the launch of new routes that strengthen connectivity between major source markets and Thailand³². Government stimulus measures have also played a critical role, including visa exemption policies that facilitate travel and promotional activities under the “Thailand’s Grand Comeback 2026” scheme. These efforts are expected to elevate the number of international tourists in 2026 to 35.0 million, representing an increase of 6.1 percent from the previous year.
- 4) **The agricultural sector is expected to maintain a favorable growth outlook**, supported by sufficient usable water and the projected transition of the ENSO phenomenon toward a neutral phase starting from the second quarter of 2026. However, the expansion in agricultural output is likely to exert downward pressure on agricultural product prices. This corresponds with the global trend of declining agricultural prices amid the expected slowdown in global economic activity and world trade.

Risks and limitations to economic growth:

- 1) **The U.S.’ trade protectionism measures, particularly the 19-percent reciprocal tariffs on imports from Thailand** effective 7 August 2025, are expected to impact the Thai economy through several key channels: **(1) Direct impact on Thai exports:** Export growth is expected to decrease in 2026, particularly for rubber products, gems and jewelry, electrical appliances, and semiconductor devices. These products account for 5.46 percent, 2.73 percent, 2.62 percent, and 1.5 percent of Thailand’s exports to the U.S. This decline follows a significant slowdown beginning in late 2025 after strong front-loaded exports during the first three quarters of the year, consistent with export patterns in other regional economies. **(2) Indirect effects through global supply chains:** especially in countries affected by trade barriers, particularly China, are expected to experience slower economic activity, thereby dampening demand for Thailand’s intermediate goods and raw materials, including automobiles, parts and components, plastic resins, and wood products. **(3) Risks from accelerated import flows:** Heightened risks are anticipated from increased inflows of goods involved in transshipment or misdeclaration aimed at circumventing tariffs. Such re-exported products may be subject to punitive tariffs of up to 40 percent if designated as high-risk. Key categories requiring close monitoring include solar panels, printed circuit boards, automobile wheels, and related parts or accessories. **(4) Impacts on domestic production from rising imports:** Domestic industries may face competitive pressures from increased imports, reflecting Thailand’s tariff reductions on U.S. agricultural products as part of ongoing trade negotiations. In addition, imports from China continue to expand strongly in many categories, including electrical appliances, machinery and parts, vehicles, and consumer goods.
- 2) **The global economic and trade slowdown** is subject to several risk factors that require close monitoring and assessment, including: **(1) the prolonged and uncertain conduct of international trade policies and the intensification of trade-restrictive measures**, which are likely to weaken confidence and deter private investment decisions. These developments could weigh on global economic and trade activity more broadly and pose risks of disruption to global production supply chains if tensions continue to escalate, particularly through higher product-specific import tariffs and stricter controls on cross-border trade in capital goods and critical raw materials such

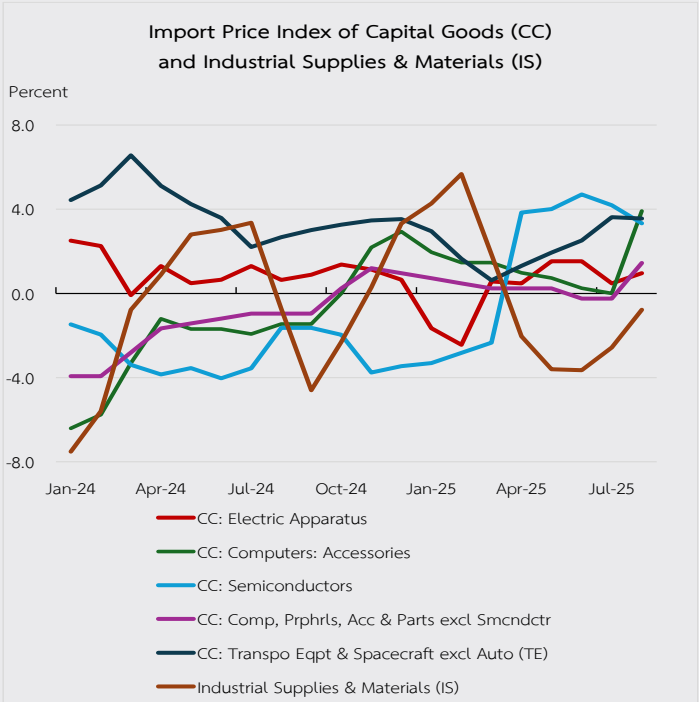
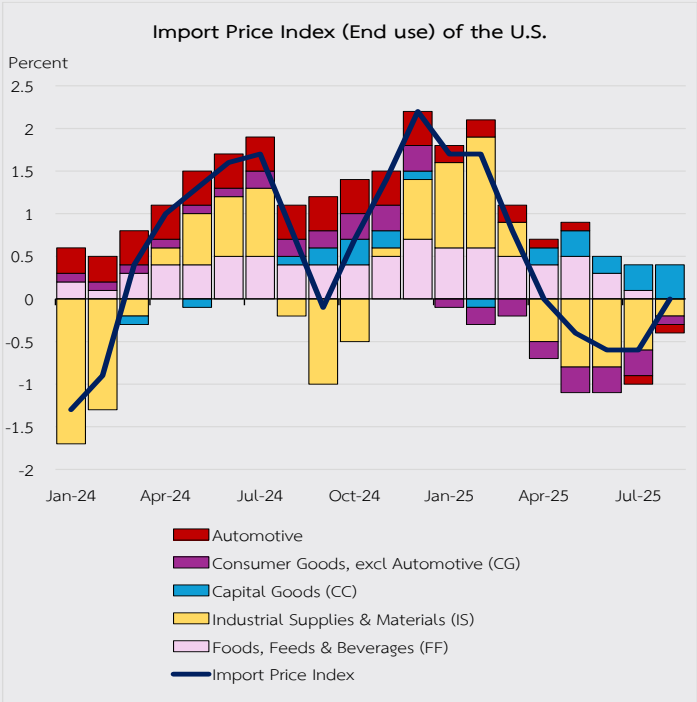
³² The number of international inbound flights in the first nine months of 2025 at Suvarnabhumi Airport, Don Mueang Airport, Phuket Airport, and Chiang Mai Airport was 102,976 flights, 32,179 flights, 6,548 flights, and 20,992 flights, respectively, representing an increase of 2.57 percent, 1.15 percent, 8.00 percent, and 1.20 percent from the same period of the last year, respectively. In addition, from late 2025 through 2026, several major airlines introduced new international routes and expanded flight frequencies in response to the expected rise in foreign tourist arrivals. Examples include services linking Los Angeles and Suvarnabhumi, Hong Kong and Suvarnabhumi, London Gatwick and Suvarnabhumi, Riyadh and Don Mueang, Paris and Phuket, Stockholm and Phuket, as well as Abu Dhabi and Chiang Mai.

as rare earth minerals, steel, aluminum, motor vehicles, and parts; **(2) the future direction of monetary policy among major central banks;** **(3) risks stemming from a downturn in the global electronics cycle** amid intensifying competition and heightened uncertainty surrounding U.S. trade policy, including the possibility of additional product-specific import tariffs—especially on electronics and technology-related goods—alongside potential impacts from China’s export controls on rare earth elements, which could weaken investment and export prospects in the electronics sector; **(4) risks associated with escalating geopolitical tensions**, particularly their inflationary effects through higher commodity and energy prices; and **(5) volatility in capital markets** arising from prospective repricing of high-valuation technology stocks with substantial market shares, particularly in the U.S. market, which has repeatedly reached record highs driven by investment in artificial intelligence-related technologies. Such adjustments could slow consumption and reduce household wealth, thereby constraining the global economic recovery.

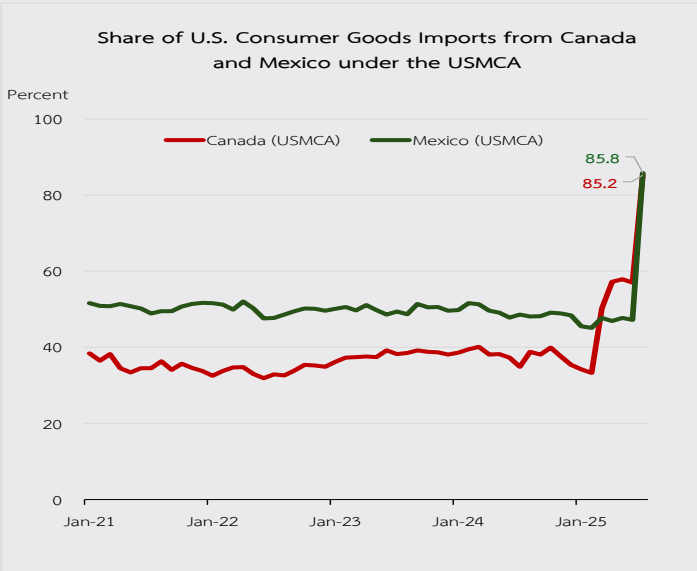
- 3) The high level of private sector debt remains a key constraint on the recovery of domestic demand.** As of the second quarter of 2025, the household debt-to-GDP ratio stood at 86.8 percent, down from 89.7 percent in the same quarter last year, yet still higher than the pre-pandemic level of 82.6 percent in the same period in 2019. Simultaneously, loan quality has continued to deteriorate, particularly in personal consumer loans, where the ratios of non-performing loans (NPLs) and special mention loans (SMLs) to total consumer loans have risen. This has prompted commercial banks to maintain stringent credit standards for borrowers with elevated credit risk, especially small and medium sized enterprises (SMEs) and vulnerable low-income households. These constraints have limited access to finance and liquidity for these groups and have become a significant factor weighing on the overall recovery of domestic demand.
- 4) Economic and political environments before and after the general election may affect the confidence of consumers and investors.** This is reflected in the high volatility of Thailand’s Business Sentiment Index (BSI) during previous government transition periods. Political uncertainty may also delay the formation of a new administration, which lead to a delay of the FY2027 budget formation process.

The impact of the U.S. import tariff on price levels.

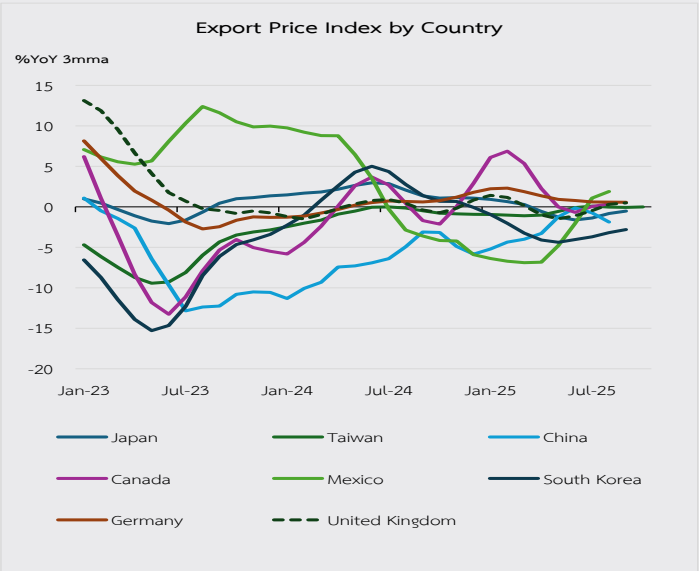
Following the U.S. import tariff increases announced at the beginning of 2025, the total U.S. import price index (end use) continued to fall, reaching its lowest level in the second quarter of 2025, declining by 0.1 percent compared with a 1.4 percent increase in the first quarter. The decline was primarily driven by lower import prices for raw materials and industrial supplies, partly due to falling global energy prices. However, consumer goods remained largely unaffected, as imports from Mexico and Canada benefited from tariff exemptions under the United States-Mexico-Canada Agreement (USMCA). Import prices started to rise in August 2025, registering 0.0 percent after a 0.6 percent decline in July. This was driven mainly by higher prices for unfinished metals (including steel and aluminum), as well as capital goods such as computers, semiconductors, and transportation equipment, which majority are product-specific tariffs. The increase contributed to a gradual rise in the Consumer Price Index (CPI), which reached 2.7 percent in July, increasing from 2.3 percent in April, reflecting partial pass-through of production costs to consumers. Meanwhile, the U.S. export prices rose to 3.4 percent in August, from 2.4 percent in the previous month, consistent with the Producer Price Index (PPI), which expanded by 2.7 percent in August, increasing from 2.0 percent in July. By contrast, export prices in major U.S. trading partners, including Japan, China, South Korea, and Taiwan, were stable or declined, indicating that exporters absorbed the cost from higher tariffs to maintain price competitiveness.



Source: CEIC Calculated by NESDC

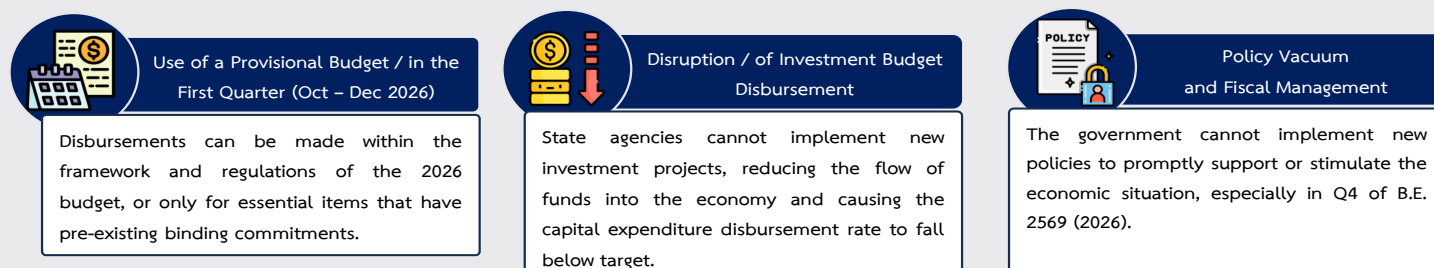


Source: CEIC Calculated by NESDC



Timeline of the Enactment of the Annual Budget Act for FY 2027 (B.E. 2570).

In the event that the House of Representatives is dissolved within 4 months from the date that the government delivered its policy statement to the Parliament on September 29, 2025, it is expected that the general election can be held in March 2026, with the election results certified within April 2026. The process of convening Parliament to select the Speaker and forming a new Cabinet that is ready to assume its duties would be completed within May 2026. Considering the framework for budget preparation that must be carried out after the new Cabinet takes office, such as approving the revised budget calendar, reviewing and adjusting the Medium-Term Fiscal Plan, revenue projections, the expenditure budget framework, and the structure of the Fiscal Year 2027 Annual Expenditure Budget, **the finalization of the Annual Expenditure Budget is likely to be delayed by approximately 75–90 days** from the normal start of the fiscal year in October. Furthermore, if the enactment of the FY 2027 Annual Expenditure Budget Act is delayed beyond its original schedule (October 1, 2569), it will impact budget disbursement and the economy as follows:



When considering historical data, it is found that the budget disbursement rate, especially for the capital expenditure budget, is typically lower than the set target in the years when the Annual Budget Act is enacted late. Simultaneously, the disbursement of the capital expenditure budget continues to face constraints in procurement processes. For example, in Fiscal Year 2024, when the Annual Budget Act was enacted late by 7 months (209 days), the government had to set aside a high amount of funds for carry-over disbursements (budget carried over to the next fiscal year), totaling 233,209.3 million baht. Furthermore, this has resulted in the capital expenditure disbursement rate for FY 2025 being relatively low at 65.2 percent, due to various agencies having to accelerate disbursements according to the investment budget framework carried over from the previous year.

Statistics from years with delayed Annual Budget Act enactment

Fiscal Year	Enactment Date	Number of Days Delayed	Capital Expenditure Disbursement Rate (%)	Carry-over Capital Expenditure Budget (MB)
2012	8 Feb 12	130 days	66.6	178,549.2
2013		Normal	67.8	
2014	11 Oct 13	10 days	65.8	201,560.2
2015		Normal	65.3	
2016		Normal	73.3	
2017		Normal	70.5	
2018		Normal	70.5	
2019		Normal	70.2	
2020	26 Feb 20	149 days	66.3	177,709.3
2021		Normal	70.9	
2022		Normal	73.7	
2023		Normal	77.7	
2024	26 Apr 24	209 days	70.4	233,209.3
2025	30 Sep 25	Normal	65.2	284,001.5

Source: GFMS, and compiled by NESDC

The limitations that may arise from the delayed enactment of the Fiscal Year 2027 Annual Expenditure Budget Act include: **(1) Efficiency in operations**, stemming from a shortage of contractors in both number and capacity to undertake the work; **(2) Corruption issues**, as the acceleration of processes, particularly during a government transition, may necessitate changes to project details during implementation, potentially creating more opportunities for corruption; and **(3) Seasonal obstacles**, especially for infrastructure investment projects (such as road construction, bridges, and irrigation), which could cause work to be delayed or not proceed according to the planned schedule.

Key assumptions for 2025 and 2026 economic projection:

World Economic Projection and Other Key Assumptions

	Actual Data		Projection		
	2023	2024	2025		2026
			Aug 18, 2025	Nov 17, 2025	Nov 17, 2025
World Economic Growth (%) ^{1/}	3.2	3.3	3.0	3.2	2.8
US	2.9	2.8	1.8	1.9	1.7
Eurozone	0.6	0.9	1.0	1.3	1.2
Japan	1.2	0.2	0.8	1.0	0.7
China	5.4	5.0	4.6	5.0	4.4
Global Trade Volume (%)	1.0	3.5	2.7	3.4	2.3
Exchange Rate (Baht/US Dollar)	34.8	35.3	32.5 - 33.5	32.9	32.0 - 33.0
Dubai Crude Oil (US Dollar/Barrel)	81.8	79.3	65.0 - 75.0	68.0	58.0 - 68.0
Export Price (US Dollar) (%)	1.2	1.4	0.0 - 1.0	0.5	0.2 - 1.2
Import Price (US Dollar) (%)	0.4	0.8	1.2 - 2.2	2.8	0.5 - 1.5
Income from Tourism (Trillion Baht) ^{2/}	1.03	1.50	1.57	1.52	1.65

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

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

Source: NESDC as of 17 Nov 2025

- 1) The world economy in 2026 is expected to expand by 2.8 percent**, decelerating from 3.2 percent in 2025. The deceleration reflects slower growth in both advanced and developing economies, which are increasingly affected by trade protectionist measures. The U.S. economy is expected to moderate in line with weakening domestic demand and softening labor-market conditions. Similarly, the Eurozone and Japan's economies are projected to remain subdued at low growth levels. Meanwhile, the Chinese economy is expected to slow following weaker export performance, affected by intensified trade barriers, and continued declines in domestic investment. Under these conditions, the slowdown in major economies is expected to weigh on emerging and developing economies in Asia through a contraction in good exports. Therefore, global trade volume in 2026 is projected to grow by 2.3 percent, decelerating from 3.4 percent in 2025.
- 2) The exchange rate is expected to average between 32.0 – 33.0 baht per U.S. dollar in 2026, gradually appreciating from 32.9 baht per U.S. dollar in 2025.** This is in accordance with a depreciation of U.S. dollar due to a heightened uncertainty in U.S. trade policy as well as a slowdown in U.S. economy. As a result, the Federal Reserve is anticipated to implement the expansionary monetary policy until the federal fund rate reaches the lower bound of Neutral rate or slightly lower. In the meantime, Thai baht still have an upward pressure from capital inflows into emerging Asian markets. In 2026, Thai baht is expected to fluctuate due to an uncertainty in protectionism measures as well as a decline in recently hiking asset price which might induce a volatility in capital markets.
- 3) The average price of Dubai crude oil in 2026 is expected to be in the range of 58.0 – 68.0 US dollars per barrel, declining from 68.0 US dollars per barrel in 2025.** The downward trend reflects several key factors: (1) The expected slowdown in the global economy and global trade, which will weaken crude oil demand, particularly in the US and China – both major oil-consuming economies. (2) The anticipated increase in crude oil production capacity among OPEC+ members, as seen from the continued upward adjustment of production quotas toward the end of 2025³³, together with the sustained expansion of production from non-OPEC+ countries³⁴. (3) The rising levels of global crude oil and liquid fuel inventories. The latest data in October 2025 shows an average increase of 4.4 million barrels per day, accelerating from 3.5 million barrels per day, signaling excess global crude oil production capacity. Nevertheless, oil prices remain subject to volatility, with potential upward pressures arising from uncertainties related to geopolitical conflicts.
- 4) Export prices in terms of US dollars in 2026** are expected to increase within the range of 0.2–1.2 percent (midpoint of 0.7 percent), compared with 0.5 percent in 2025. This reflects the expected rise in industrial product prices, which continue to face upward pressure from the US's import tariff measures. Meanwhile, import prices in terms of US dollars are projected to increase within the range of 0.5–1.5 percent (midpoint of 1.0 percent), moderating from 2.8 percent in 2025. The deceleration is consistent with the expected decline in crude oil prices and the easing of gold prices following a significant increase in 2025.

³³ The OPEC+ group has continued to increase crude oil production since April 2025. The group fully concluded the production-cut target of 2.2 million barrels per day, originally announced in January 2024, by September 2025. Subsequently, OPEC+ agreed to further raise production during October–December 2025, with an additional increase of 137,000 barrels per day.

³⁴ The latest crude oil production data for October 2025 shows that non-OPEC+ countries increased production by 3.8 percent, following a 4.8-percent increase in the previous month.

- 5) Revenue from foreign tourists in 2026 is projected to reach 1.65 trillion baht**, an increase of 8.6 percent from 1.52 trillion baht in the previous year. This upward revision aligns with the expected rise in international tourist arrivals, which are forecast to reach 35.0 million in 2026, up from 33.0 million in the preceding year. The positive momentum is consistent with Pacific Asia Travel Association projections, which indicate that the number of international travelers to the Asia Pacific region will increase by 6.3 percent in 2026. Likewise, the expansion of flight capacity and the introduction of new international routes to Thailand will further reinforce this upward trajectory. In addition, the favorable growth is attributed to higher average per-capita tourist spending, driven by a growing share of long-haul travelers who typically exhibit higher expenditure levels. Thus, average per-capita tourist spending in 2026 is estimated at 47,031 baht per person per trip, compared with 45,952 baht per person per trip in 2025, representing an increase of 2.3 percent.
- 6) The budget disbursement for FY2026** is expected to proceed under three key components (1) The disbursement rate of the FY2026 annual budget is projected at 90.5 percent of the total budget framework, consisting of 98.0 percent disbursement rate for current expenditure and 70 percent disbursement rate for capital expenditure. (2) The disbursement rate of the FY2026 carry-over budget is expected to be 90.7 percent of the total allocated budget, comprising 95.0 percent for current expenditure and 90.0 percent for capital expenditure, respectively. And (3) the disbursement rate of the domestic capital investment budget by state-owned enterprises during the 15-month period from October 2025 to December 2026 is projected at 92.1 percent of the total capital budget, representing an investment value of approximately 199 billion baht, a decline of 13.7 percent compared with the previous year.

The Thai Economic Prospect 2026

The Thai economy in 2026 is expected to grow within the range of 1.2 – 2.2 percent, with the midpoint estimate at 1.7 percent, compared with 2.0 percent in 2025. Inflation is projected to be within the range of 0.0 – 1.0 percent, while the current account balance is expected to record a surplus of 2.4 percent of GDP.

In the press briefing on 17 November 2025, the National Economic and Social Development Council (NESDC) projected that the Thai economy in 2026 will expand by 1.2 – 2.2 percent, with a midpoint of 1.7 percent, moderating from the 2.0 percent growth recorded in 2025. Inflation is expected to be within the range of 0.0 – 1.0 percent, compared with (–0.2) percent in 2025, while the current account balance is projected to record a surplus of 2.4 percent of GDP, compared with 2.8 percent in 2025.

Key components of Economic growth;

1) Total Consumption: (1) **Private consumption expenditure** is expected to grow by 2.1 percent, continuing from 2.8 percent in 2025. The expansion is supported by a recovery in spending on durable goods and services, consistent with the recovery in the tourism sector. Nonetheless, private consumption is likely to moderate due to the high base in 2025, partly driven by government stimulus measures, and the gradual expansion of household income in both agricultural and non-agricultural sectors. (2) **Government consumption expenditure** is projected to increase by 1.2 percent, accelerating from 0.3 percent in 2025, in line with higher current budget framework under both the FY2026 annual budget and the carry-over budget.

2) Total investment is expected to expand by 1.4 percent, slowing from 3.3 percent in 2025. (1) **Private investment** is projected to grow by 0.9 percent, decelerating from 2.0 percent, attributed to slowdown of export of goods and industrial production arising from trade protection measures imposed by major economies. (2) **Public investment** is anticipated to grow by 2.9 percent, down from 6.8 percent, in line with the expansion of the FY2026 capital budget framework by 18.2 percent, compared with 39.0 percent in the previous fiscal year. Likewise, state-owned enterprise capital expenditure is expected to decline by 6.6 percent, following a 3.9-percent decrease in the previous year.

3) The export value of goods in U.S. dollar terms is projected to decline by 0.3 percent, compared with strong growth of 11.2 percent in 2025, in line with the world economic and global trade slowdown exacerbated by trade protection measures. Service exports, however, are expected to improve, with foreign tourism receipts forecast at 1.65 trillion baht in 2026, compared with 1.52 trillion baht in 2025. Thus, the overall volume of exports of goods and services in 2026 is expected to expand by 1.1 percent, compared with 8.8 percent in the previous year.

4) The Import value of goods in US dollar terms is projected to expand by 0.7 percent, slowing down from a sharp increase of 10.4 percent in 2025, and in line with the decelerating trend of private investment and exports. Incorporating with imports of services, the overall volume of imports of goods and services in 2026 is expected to grow by 0.4 percent, dropping from 5.2 percent in the previous year.

5) Trade balance is anticipated to register a surplus of 20.1 billion US dollars, compared with a surplus of 23.4 billion US dollars in 2025, in line with the slowdown in the value of good exports. Together with the rising service account due to the increasing tourist revenue, the current account is expected to register a surplus of 14.0 billion US dollars (2.4 percent of GDP), compared with a surplus of 15.8 billion US dollars (2.8 percent to GDP) in 2025.

6) Economic stability, headline inflation in 2026 is expected to be in the range of 0.0 – 1.0 percent (midpoint of 0.5 percent), increasing from a 0.2-percent decline in 2025 according to a slow and steady increase of core inflation and raw food prices.

7. Economic Management for the Remainder of 2025 and 2026

The economic management for the remainder of 2025 and 2026 should prioritise on key following policy guidelines:

- 1) **Expediting the budget disbursement to maintain the supporting momentum** with priority given to ensuring that capital expenditure under the FY2026 annual budget achieves a disbursement rate of no less than 75 percent of the total capital budget framework and that the approved economic stimulus and recovery measures are promptly implemented. In addition, preparations for the FY2027 annual budget bill should be undertaken to avoid delays, together with strengthening fiscal resilience in order to cope with elevated fiscal risks and maintain fiscal stability and investor confidence, thereby safeguarding the country's credit rating.
- 2) **Supporting the recovery of the tourism sector.** The prioritisation should be put on: (1) **Addressing issues related to tourist safety and fraud**, with emphasis on establishing concrete standards to safeguard tourists' lives and property and build confidence. (2) **Tackling crime and transnational illegal business networks operating within or alongside the tourism sector.** (3) **Preparing measures to address air pollution problem, particularly PM2.5** (4) **Conducting active marketing activities** that align with increasingly intense competition in the global tourism market. (5) **Expediting negotiations with airline partners to increase the number/frequency of flights** and open new routes to enhance capacity to accommodate more potential tourists, particularly high-quality tourists. (6) **Promoting domestic tourism and tourism in secondary cities**, together with developing new natural and cultural attractions to strengthen tourist appeal and encourage community participation in tourism management.
- 3) **Supporting the agricultural sector.** Priority should be given to: (1) **Restoring the livelihoods of farmers affected by flooding** so they can recover and be prepared for the 2026/27 planting season. (2) **Preparing measures to manage the large volume of agricultural products** expected to enter the market during the upcoming harvest season. (3) **Expediting the implementation of key projects under Thailand's Master Plan for Water Resources Management** to systematically mitigate disaster impacts and better support agricultural production.
- 4) **Driving the export sector.** Emphasis should be placed on: (1) **Reducing production costs in key manufacturing sectors** to maintain the competitiveness of Thai products in the global market. (2) **Mitigating the impact of U.S. trade restriction measures** by: (i) accelerating negotiations toward trade agreements with the United States; (ii) promoting production efficiency enhancement in the business sector, particularly among SMEs; (iii) raising awareness among Thai exporters to the U.S. regarding compliance with regulations and proper management of import tax burdens and related fees. (iv) strengthening inspection processes and enforcing rules related to the Rules of Origin by expediting improvements to verification processes and establishing clear operational guidelines, particularly improving the issuance of Certificates of Origin (C/O) and the verification of Regional Value Content (RVC) for key products. (3) **Expanding new markets to diversify risks and reduce dependence on U.S. exports**, especially for products likely to face declining market share, in parallel with accelerating ongoing FTA negotiations, particularly with the European Union and South Korea, and preparing studies for negotiations with new potential trading partners. (4) **Promoting the use of domestic raw materials and intermediate goods** to increase the share of local content. (5) **Raising awareness of measures to be implemented by trading partners** that will start to be effective in 2026–2027, and (6) **Encouraging businesses to manage risks arising from exchange-rate volatility.**
- 5) **Stimulating private investment.** Priority should be given to: (1) **Accelerating the transition from approved investment projects to actual investment**, particularly for investors who received BOI approvals and investment certificates during 2024–2026. This should be carried out alongside the investment of Thailand FastPass system to streamline investment procedures and address key constraints, such as electricity and water utilities, land allocation for investment, and visa and work-permit requirements. (2) **Strengthening confidence among foreign investors** to attract foreign direct investment, with emphasis on promoting joint-venture investment to create opportunities for developing related Thai industries amid shifts in global trade structures and supply chains. This also includes encouraging existing producers to expand their production bases in Thailand. (3) **Leveraging trade and investment diversion** resulting from U.S. trade restriction measures, particularly in high value-added industries in which Thailand serves as an important production base for exports to the U.S., such as food, rubber products, automotive parts, electronics, electrical appliances, machinery, and gemstones and jewelry.

- 6) **Addressing issues related to credit access for businesses and households.** This includes: **(1) Reducing pressures from household non-performing loans** by: (i) promoting small borrowers with NPLs to participate in debt restructuring and finalize their debts under the “Quick Debt Settlement, Move Forward” program to improve their future credit access; (ii) proactively restructuring the debts of vulnerable small borrowers to reduce pressures from deteriorating credit quality that may affect financial institutions’ caution in lending. **(2) Providing financial assistance to businesses, particularly SMEs,** facing liquidity constraints and additional impacts from trade restrictions by: (i) implementing low-interest loan schemes, transformation loans, and promoting business-network financing to help strengthen liquidity; (ii) supporting measures that help generate income for SMEs, upgrade production capabilities, and enhance overall competitiveness; (iii) Implementing mechanisms to reduce credit risk for financial institutions in extending loans to SMEs, and **(3) Enhancing solutions to household debt on sustainable and concrete manner** by integrating household debt databases to cover all types of financial service providers, establishing a comprehensive databases of informal debt and alternative data, and linking them with formal credit data to ensure a comprehensive and integrated database for effective analysis of individual borrowers' potential and credit risk assessment.
- 7) **Maintaining the economic and political environment during the pre- and post-election period.**

The changes in the US’s import structure and the risk of Thai transshipment goods.

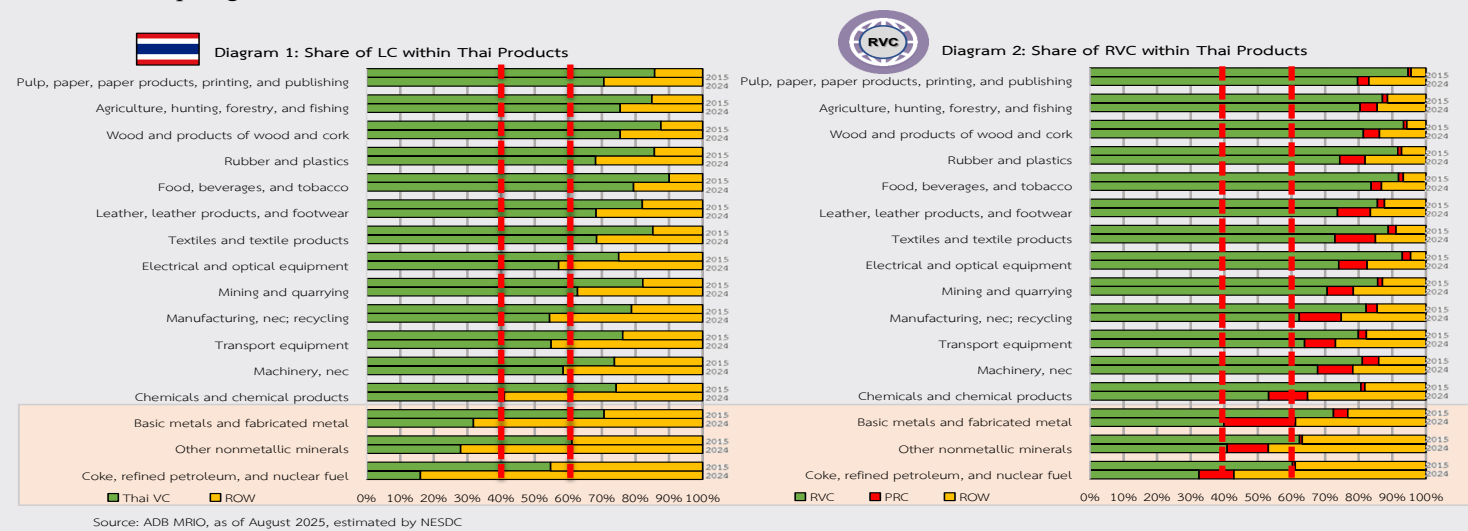
Following the U.S. announcement of collecting reciprocal tariffs on general goods exported from Thailand to the U.S. at a rate of 19 percent, effective August 7, 2025, it simultaneously announced it will collect taxes on transshipped goods at a rate as high as 40 percent if characteristics indicative of origin circumvention for goods exported to the U.S. are detected. In the recent past, Thailand has established criteria for determining the origin of goods for export to the U.S. in cases involving imported materials, ensuring they comply with the Substantial Transformation rule. This consists of 3 key criteria: (1) The Regional Value Content (RVC) criterion, (2) the Change in Tariff Classification (CTC) criterion, and (3) the Specific Process (SP) criterion, in order to comply with the Rule of Origin. Free Trade Agreements will stipulate the Regional Value Content (RVC) for member countries, which is mostly between 40 - 60 percent of the export goods' value based on F.O.B. price (according to Table 1).

Table 1: Rule of Origin under Major Free Trade Agreements

Agreement	Rule of RVC	Calculation	RVC of specific products	Certification
USMCA (US-Mexico-Canada)	60% (Transactional Value) 50% (Net Cost)	Transaction Value Net Cost	Vehicles 66%-75% Main parts 75% Important parts 70% Auxiliary parts 65%	Importer, exporter, manufacturer, followed by specified forms
KORUS (US-Korea)	35% (Build-up) 45% (Build-down)	Direct (Build-up) Indirect (Build-down) Net Cost (Vehicles)	Vehicles 35% (Build-up) 45% (Build-down) Net Cost (Some products)	Importer, exporter, manufacturer, non-specified forms
EU FTAs	50-60% (depends on FTA)	Differentially	Differentially	Certificate of Origin (C/O), self declaration (some FTAs)
CPTPP	45% (net cost) 55% (build-down)	Net Cost Indirect (Build-down)	Vehicles 45% (Net Cost) 55% (Build-down)	Importer, exporter, manufacturer
ASEAN	40% (RVC) or Change in tariff heading (4 digits)	Direct (Build-up) Indirect (Build-down)	35% Some products (AANZFTA) 45-60% (AKFTA)	C/O, issued by authorized authority
RCEP	40% (RVC) or Change in tariff heading or sub-heading (4 or 6 digits)	Direct (Build-up) Indirect (Build-down)	Some products: agriculture/ manufacturing 40% (Majority)	C/O, declaration, or self declaration (partly)
ACFTA (ASEAN-China)	40% (RVC) or Change in tariff heading (4 digits)	Direct (Build-up)	The processing products 40% (Majority)	C/O

Source: S&P Global Market Intelligence

When considering the proportion of Thailand's domestic production input usage (Local Content) in key industries through the Multi-Regional Input-Output Table (MRIO), prepared by the Asian Development Bank (ADB), it was found that in 2024, industries where the use of domestic production inputs was less than 40 percent of total inputs included: (1) Coke and petroleum, (2) Non-metallic minerals, and (3) Basic metals and fabricated metals (Diagram 1). However, if using a Regional Value Content (RVC)¹ criterion of not less than 40 percent, it is found that the only industry with an RVC below 40 percent is the coke and petroleum industry. But if the proportion is set at 60 percent, there would be 4 industries below this criterion (Diagram 2): (1) Coke and petroleum, (2) Non-metallic minerals, (3) Basic metals and fabricated metals, and (4) Chemicals. Nevertheless, the U.S. has not yet set a clear Regional Value Content (RVC) proportion, leaving many industrial product groups at risk of being considered transshipped goods (Transshipment) for export to the U.S. When considering the increasing proportion of production inputs used from China, it is found that key industries that have significantly increased their reliance on imported inputs from China over the past 10 years (2014 compared to 2024) include: (1) Coke and petroleum, (2) Non-metallic minerals, (3) Basic metals and fabricated metals, (4) Chemicals, (5) Machinery and equipment, (6) Motor vehicles, trailers, and semi-trailers, (7) Electrical equipment, (8) Clothing and textiles, (9) Leather products and footwear, (10) Food and beverages, and (11) Rubber and plastics. This reflects an increased reliance on production inputs from China to manufacture export goods.



¹ Regional Value Content (RVC) refers to the proportion of a product's final value that originates from the U.S., Indonesia, Malaysia, the Philippines, Vietnam, Singapore and Thailand, which was imposed at the same or below 19% Reciprocal Tariff rate.

The changes in the US’s import structure and the risk of Thai transshipment goods. (Cont.)

When considering the changes in the U.S. goods import structure between Trade War 1.0 (2018 - 2024) and Trade War 2.0 (7M-2025) (Table 2), it is found that imports of key U.S. goods have changed significantly. The U.S. has reduced its reliance on imported goods from China and shifted to importing more from other key import markets. This is especially true for goods in the categories of processing machines, telephones and parts, and machinery parts, where the U.S. import share from China decreased from 45.4 percent, 53.9 percent, and 27.3 percent to 7.5 percent, 21.2 percent, and 8.0 percent, respectively. Countries from which the U.S. increased its import share during Trade War 2.0 include Taiwan (processing machines, machinery parts, and electric circuit boards), Mexico (processing machines, automobiles and parts, and automotive parts), Vietnam (processing machines, telephones and parts, and machinery parts), and Thailand (processing machines, telephones and parts, and electrical transformers). However, some of the U.S.'s key import markets have also seen an increased import share from China. This is especially true for Mexico (e.g., automobiles and parts, share increased from 18.5 percent to 44.8 percent), Vietnam (e.g., telephones and parts, share increased from 37.2 percent to 46.8 percent), and Thailand (e.g., telephones and parts, share increased from 70.2 percent to 77.4 percent).

Table 2: The change of the US import structure between Trade War 1.0 and Trade War 2.0

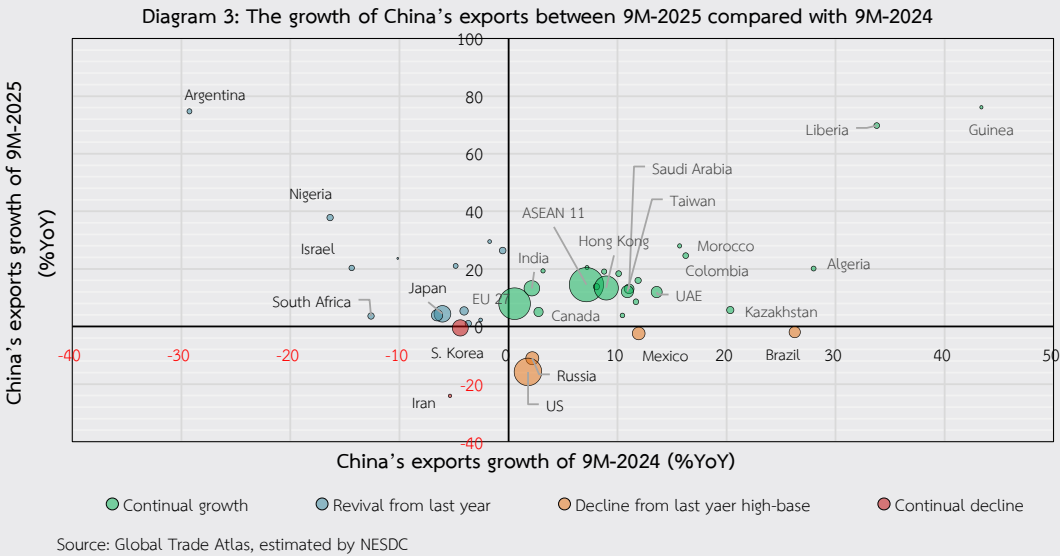
Rank	Product		Trade War 1.0 (2018-2024) / Trade War 2.0 (7M-2025)				
			Rank 1	Rank 2	Rank 3	Rank 4	Rank 5
1	Automatic Data Processing Machines	US Imports	Mexico (28.6) / (36.5)	Taiwan (9.6) / (30.2)	Vietnam (4.3) / (15.6)	China (45.4) / (7.5)	Thailand (5.7) / (6.0)
		Import from China	(41.4) / (16.8)	(57.2) / (23.0)	(60.3) / (52.1)	-	(61.0) / (34.7)
2	Motor cars and parts	US Imports	Mexico (21.3) / (24.0)	Japan (21.1) / (20.2)	S. Korea (12.2) / (17.0)	Canada (18.1) / (13.6)	Germany (10.6) / (11.7)
		Import from China	(18.5) / (44.8)	(2.8) / (7.7)	(3.4) / (17.4)	(1.9) / (1.2)	(0.9) / (1.4)
3	Telephone sets and parts	US Imports	China (53.9) / (21.2)	Vietnam (14.0) / (20.0)	India (2.4) / (19.0)	Thailand (4.1) / (11.9)	Mexico (8.6) / (9.3)
		Import from China	-	(37.2) / (46.8)	(44.7) / (43.2)	(70.2) / (77.4)	(62.4) / (43.2)
4	Vehicles parts	US Imports	Mexico (38.1) / (42.3)	Canada (13.2) / (12.8)	China (12.8) / (10.6)	Japan (9.4) / (7.9)	S. Korea (6.8) / (7.5)
		Import from China	(11.5) / (15.9)	(8.9) / (10.6)	-	(40.6) / (44.7)	(37.4) / (48.4)
5	Office machines parts	US Imports	Taiwan (28.6) / (51.0)	Vietnam (6.6) / (13.9)	S. Korea (19.8) / (10.6)	China (27.3) / (8.0)	Malaysia (3.5) / (6.2)
		Import from China	(64.6) / (18.6)	(57.8) / (47.5)	(35.0) / (28.5)	-	(42.6) / (20.5)
6	Medical instruments	US Imports	Mexico (27.4) / (29.7)	Costa Rica (8.1) / (12.1)	Germany (11.5) / (10.1)	Ireland (8.4) / (7.7)	China (6.6) / (5.5)
		Import from China	(8.4) / (9.8)	(3.6) / (3.3)	(5.1) / (4.4)	(1.8) / (3.9)	-
7	Goods transport vehicles	US Imports	Mexico (81.7) / (82.4)	Canada (10.4) / (13.5)	UK (1.9) / (1.6)	Japan (2.3) / (1.0)	Germany (1.2) / (0.7)
		Import from China	(6.6) / (27.8)	(0) / (0)	(0.9) / (1.6)	(1.0) / (5.0)	(0.2) / (0.1)
8	Electronic integrated circuits	US Imports	Taiwan (16.5) / (28.9)	Malaysia (38.2) / (26.5)	Israel (3.2) / (10.1)	Costa Rica (1.2) / (5.2)	South Korea (6.4) / (4.3)
		Import from China	(23.5) / (16.2)	(15.1) / (14.8)	(9.4) / (5.9)	(13.7) / (9.0)	(37.1) / (30.4)
9	Insulated wire and cable	US Imports	Mexico (51.8) / (48.8)	China (14.8) / (11.2)	Vietnam (5.1) / (7.0)	Philippines (3.2) / (3.5)	Honduras (2.7) / (3.0)
		Import from China	(24.4) / (30.2)	(18.8) / (18.4)	(39.1) / (47.2)	(41.9) / (50.5)	(18.3) / (19.1)
10	Electrical transformers	US Imports	Mexico (18.6) / (18.7)	China (25.2) / (11.1)	Thailand (5.4) / (9.1)	S. Korea (3.3) / (7.0)	Japan (5.5) / (6.2)
		Import from China	(50.5) / (47.9)	(29.5) / (26.0)	(57.1) / (67.9)	(44.4) / (44.9)	(61.7) / (58.7)

Source: Global Trade Atlas, estimated by NESDC

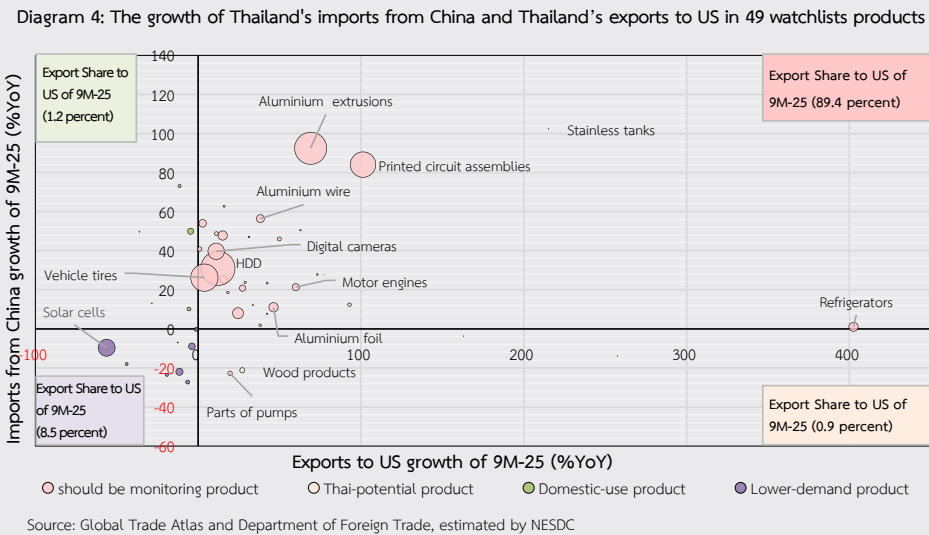
Remark: US import share higher while import share from China lower. US import share and import share from China higher. US import share from China.

This is consistent with the expansion of China's key export destinations in the first nine months of 2025 compared to the same period last year (Diagram 3). It was found that most China's main export markets (57.9 percent of all China's export markets) expanded continuously, especially countries in ASEAN, the European Union, India, Taiwan, Colombia, countries in Africa, and the Middle East. The accelerated expansion of Chinese exports to many countries is partly a result of the U.S. continuously implementing trade barrier measures against China during Trade War 2.0. This has caused China to shift its export markets to others and to accelerate the distribution of Chinese goods to alternative markets to avoid exporting to the U.S. market more in the future.

The changes in the US’s import structure and the risk of Thai transshipment goods. (Cont.)



Currently, Thailand is in the process of negotiating and establishing trade agreements with the U.S., particularly regarding the criteria for Regional Value Content (RVC), alongside monitoring and surveillance of transshipment goods. At present, the Department of Foreign Trade, Ministry of Commerce, has announced a list of 49 surveillance items for export to the U.S., covering 194 customs tariff lines (HS code 6 digits), to prevent the circumvention of origin for goods exported from Thailand to the U.S. When considering the growth rate of Thailand's imports from China and exports to the U.S. market during the first 9 months of 2025 regarding these surveillance goods (Diagram 4), it was found that the majority of goods in the surveillance group (accounting for 89.4 percent of all goods in the surveillance group) have expanded continuously, particularly extruded aluminum, printed circuit boards, and the automotive and parts group. This reflected the risk of transshipment to export goods in these categories.



Amidst the decline in the proportion of domestic input usage (Local Content) across many industries, driven by a continuous reliance on inputs from China, and the trend of Chinese goods being accelerated into alternative markets to replace the U.S. market, there is a likely impact on the growth of Thai industrial production, which has already stagnant for an extended period. This is consistent with capacity utilization rates that remain low. These factors represent key risks and challenges for the Thai industrial sector, especially following the first decline in industrial production in six quarters, even as exports continue to expand at a high level. Consequently, to maintain the competitiveness of Thai exports and avoid the imposition of a 40 percent Transshipment tariff by the U.S., the government must monitor and surveil for origin circumvention. This should be coupled with support for Thai operators to utilize more domestic inputs through various incentives, which will help generate greater domestic economic value-added in the future.

Projection for 2025 and 2026^{1/}

	Actual Data		Projection		
	2023	2024	2025		2026
			Aug 18 th , 2025	Nov 17 th , 2025	Nov 17 th , 2025
GDP (at current prices: Bil. Bht)	17,954.7	18,582.7	18,917.2	18,842.8	19,295.1
GDP per capita (Bht per year)	256,345.4	264,661.1	268,839.4	267,783.1	273,693.4
GDP (at current prices: Bil. USD)	515.7	526.4	573.2	572.7	593.7
GDP per capita (USD per year)	7,363.3	7,497.5	8,146.6	8,139.3	8,421.3
GDP Growth (CVM, %)	2.0	2.5	1.8 - 2.3	2.0	1.2 - 2.2
Investment (CVM, %) ^{2/}	1.2	0.0	2.1	3.3	1.4
Private (CVM, %)	3.1	-1.6	1.0	2.0	0.9
Public (CVM, %)	-4.2	4.8	5.2	6.8	2.9
Private Consumption (CVM, %)	6.9	4.4	2.1	2.8	2.1
Government Consumption (CVM, %)	-4.7	2.5	1.2	0.3	1.2
Export volume of goods & services (%)	2.4	7.8	5.1	8.8	1.1
Export value of goods (Bil. USD)	280.7	297.0	313.4	330.2	329.1
Growth rate (%) ^{3/}	-1.5	5.9	5.5	11.2	-0.3
Growth rate (Volume, %) ^{3/}	-2.7	4.4	5.0	10.7	-1.0
Import volume of goods & services (%)	-2.5	6.3	2.7	5.2	0.4
Import value of goods (Bil. USD)	261.4	277.8	294.0	306.8	309.0
Growth rate (%) ^{3/}	-3.8	5.5	5.8	10.4	0.7
Growth rate (Volume, %) ^{3/}	-4.1	4.8	4.3	7.6	-0.3
Trade balance (Bil. USD)	19.4	19.3	19.5	23.4	20.1
Current account balance (Bil. USD)	7.4	11.3	11.9	15.8	14.0
Current account to GDP (%)	1.4	2.2	2.1	2.8	2.4
Inflation (%)					
CPI	1.2	0.4	0.0 - 0.5	-0.2	0.0 - 1.0
GDP Deflator	1.2	0.9	(-0.5) - 0.0	-0.6	0.2 - 1.2

Source: Office of the National Economic and Social Development Council, 17th November 2025

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

^{2/} Investment means Gross Fixed Capital Formation

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