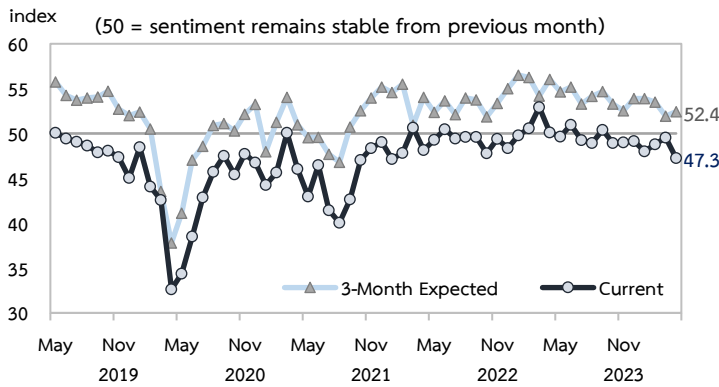




Business Sentiment Index



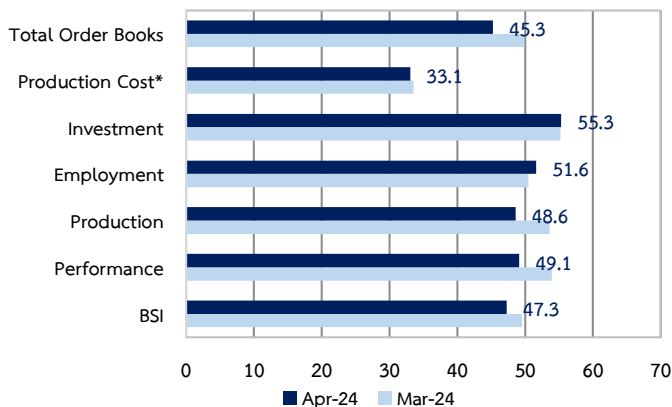
Key points:

- In April 2024, the Business Sentiment Index (BSI) declined in both the manufacturing and the non-manufacturing sectors. Over the next 3-month, the overall BSI increased primarily from the manufacturing sector while the non-manufacturing sector index remained stable compared to last month. However, both the current and the next 3-month BSI has been continuously decreasing since the beginning of 2023 onwards.

In April 2024, the overall BSI fell to 47.3 from 49.6 last month, mainly due to decreases in the production, performance, and total order books sub-components, partly owing to fewer business days compared to the prior month. The manufacturing sentiment index fell across almost all businesses, led by the automotive industry which reported worsening sentiment trend in nearly all components. Total car sales had dropped as purchasers' creditworthiness deteriorated, resulting in tighter lending terms from financial institutions. This was especially true for pick-up car sales. Also, the growing market share of electric vehicles (EVs) had negatively impacted traditional personal car sales. Moreover, the plastic industry's confidence declines, primarily due to concern over performance. This was a consequence of increased competition in the domestic market from growing imports of Chinese mass products. As a response, the Thai manufacturers were shifting their focus to higher-value products or niche products that were yet not competed by Chinese manufacturers. The non-manufacturing index dropped in almost all sectors, particularly in the hotel and restaurant sectors, where the index decreased below the 50-threshold from worsen confidence in the number of services, performance, and employment.

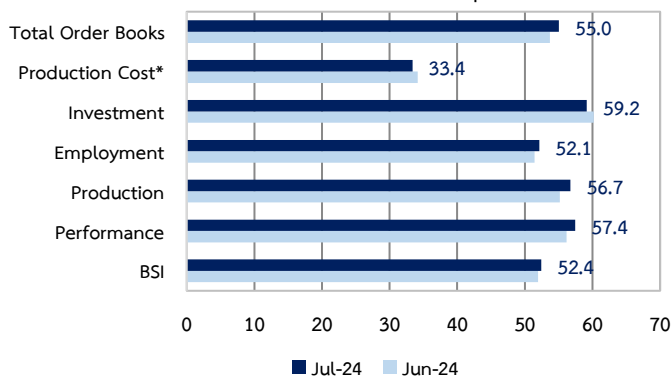
Current Business Sentiment Index

(50 = sentiment remains stable from previous month)



3-Month Expected Business Sentiment Index

(50 = sentiment remains stable from previous month)



\*Index value above 50 reflects reduction in production cost

The 3-month expected BSI rose slightly to 52.4 from 51.9 last month, following increases in mostly every component. The manufacturing index rose primarily from the rubber and food industries, such as frozen seafood and canned sweet corn. The respondents had improved confidence in performance, production, and exports as their trading partners were starting to restock, leading to a rebound in import orders. However, respondents' confidence in other manufacturing sectors dropped slightly. The non-manufacturing index remained stable. Respondents' confidence in the real estate sector increased on the back of the government's stimulus measures. These measures included reducing the transfer fees and the mortgage transaction fees for a purchase property value not exceeding 7 million baht, up from the current level of less than 3 million baht. However, respondents' confidence in the wholesale trade sector dropped, especially from concerns over performance and trade volume.

Notes:

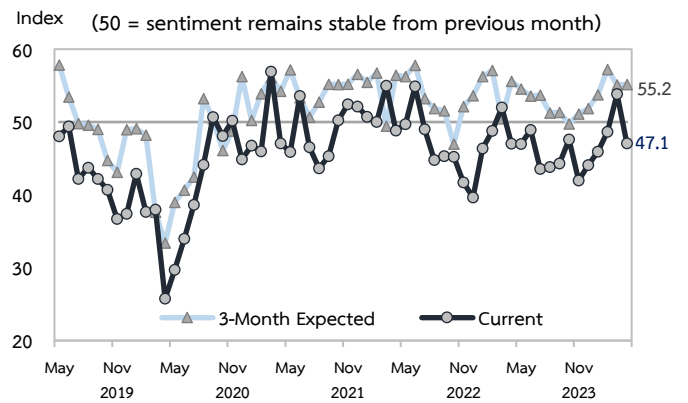
- The BSI was developed by the Bank of Thailand (BOT). The diffusion index is made up of six components: production, total order books, investment, production cost, performance, and employment. Each component is applied with equal weight to calculate the monthly composite index. Each component index is calculated according to the following formula:  

$$\text{Index} = 100 \times ((1.0 \times \text{percentage of respondents indicating "improvement"}) + (0.5 \times \text{percentage of respondents indicating "stable"}) + (0 \times \text{percentage of respondents indicating "deterioration"}))$$
 Interpretation of the index is as follows:  
 Index = 50 indicates that the respondents' business sentiment remains stable from the previous month;  
 Index > 50 indicates that the respondents' business sentiment has improved from the previous month;  
 Index < 50 indicates that the respondents' business sentiment has deteriorated from the previous month.
- For this month, the survey had 764 respondents, or a response rate of 71.5 percent from a sample of large and medium-size firms that received the survey form.
- The questionnaires were distributed during the first week of the survey month and compiled by the first working day of the following month.

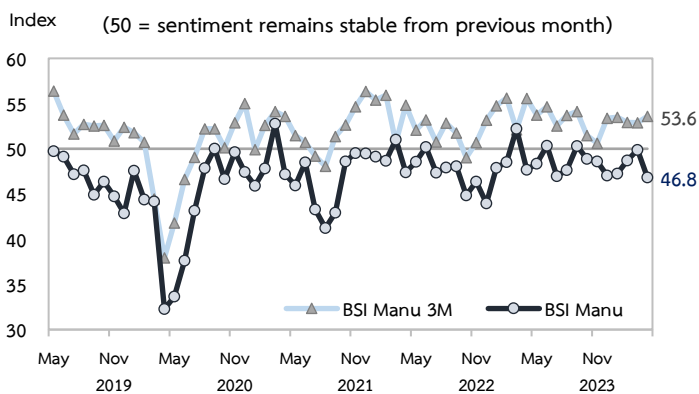
**Other sentiment indices:**

- The current export sentiment index fell dramatically in nearly all businesses after continuously improving over the last few months. This was partly due to fewer working days compared to the previous month. While the current and the 3-month total order books sentiment indices has continuously declined since the second quarter of 2023.
- High production cost has been the first limitation of doing business for the past 32 months. However, this concern has gradually diminished while the second obstacle—low domestic demand—has become increasingly worrisome. The 12-month-ahead inflation expectations this month was stable at 2.6%.

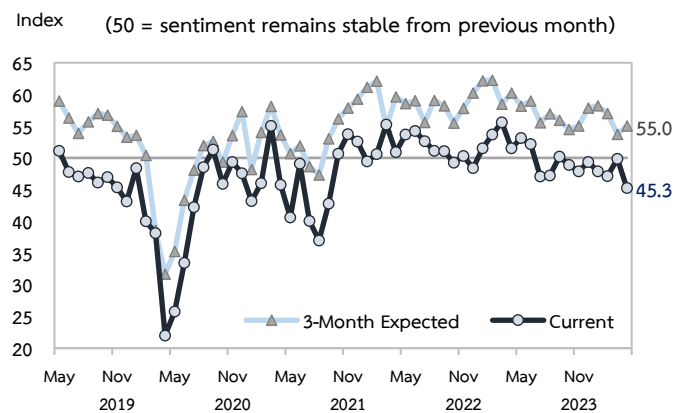
**Export Sentiment Index (Manufacturing sector)**



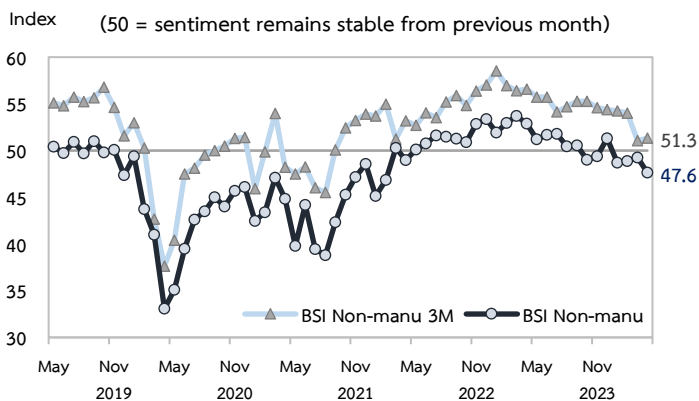
**Business Sentiment Index (Manufacturing)**



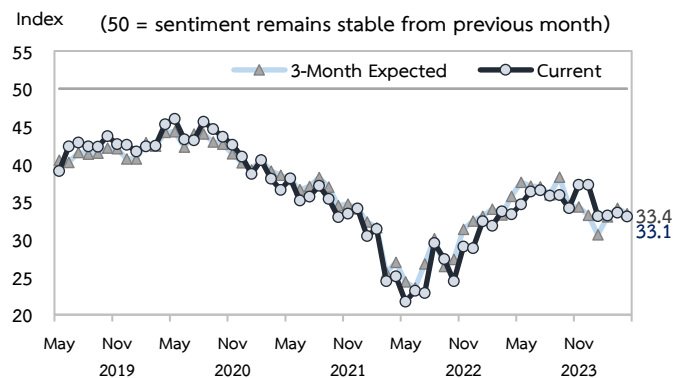
**Total Order Books Sentiment Index**



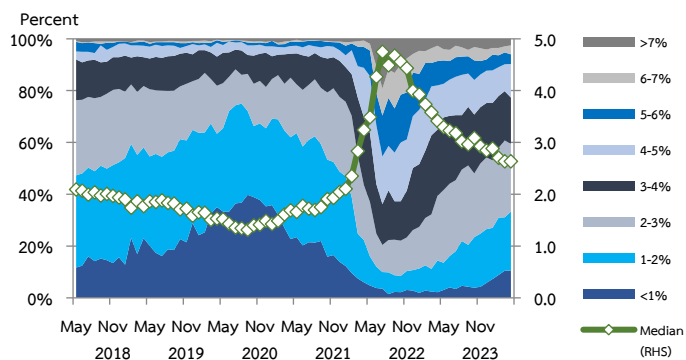
**Business Sentiment Index (Non-Manufacturing)**



**Cost Sentiment Index**

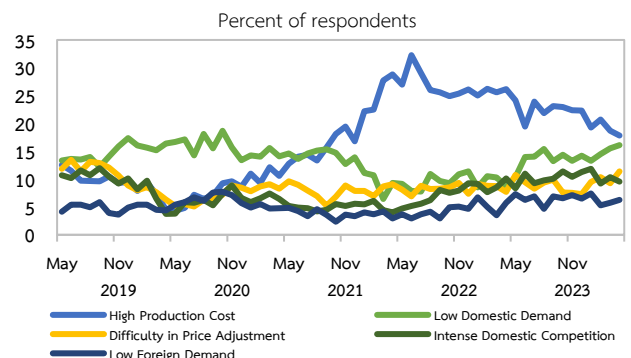


**Expected Inflation in the next 12 months**



Percent	<1	1-2	2-3	3-4	4-5	5-6	6-7	>7	Median
Apr-24	10.6	22.8	26.2	17.8	13.0	3.7	3.4	2.6	2.6
Mar-24	10.5	20.6	29.7	19.0	10.3	4.6	2.4	2.9	2.6

**Top constraints for doing business**



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