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BANK OF THAILAND

Monetary Policy Report Q1/2026

Monetary Policy Report

The Monetary Policy Report is prepared quarterly by staff of the Bank of Thailand with the approval of the Monetary Policy Committee (MPC). It serves two purposes: (1) to communicate to the public the MPC's consideration and rationales for the conduct of monetary policy, and (2) to present the latest set of economic and inflation forecasts, based on which the monetary policy decisions were made.

The Monetary Policy Committee

Mr. Vitai Ratanakorn	Chairman
Mr. Piti Disyatat	Vice Chairman
Ms. Suwannee Jatsadasak	Member
Mr. Paiboon Kittisrikangwan	Member
Mr. Charl Kengchon	Member
Ms. Sauwanee Thairungroj	Member

Monetary Policy in Thailand

Monetary Policy Committee

Under the Bank of Thailand Act, the Monetary Policy Committee (MPC) comprises the governor and two deputy governors, as well as four distinguished external members representing various sectors of the economy, with the aim of ensuring that monetary policy decisions are effective and transparent.

Monetary Policy Objective

The MPC implements monetary policy under the flexible inflation targeting regime. While regarding medium-term price stability as its primary objective, the MPC also aims at supporting sustainable, full-potential economic growth and preserving financial stability, attributing to long-term price stability and economic sustainability.

Monetary Policy Target

On December 30, 2025, the Cabinet approved the monetary policy target, which was mutually agreed between the MPC and the Minister of Finance to set the headline inflation within the range of 1 – 3 percent as the target for the medium-term horizon. For 2026, the target is to accommodate headline inflation's gradual return to the medium-term target, as well as to prevent deflation, i.e., persistent negative inflation resulting from broad-based declines in prices of goods and services.

In the event that average headline inflation in the past 12 months or a forecast of average headline inflation over 12 months ahead breaches the target range, the MPC shall send an open letter to the Minister of Finance to explain reasons for the breach of the target range, together with measures taken and estimated time to bring inflation back to the target. Furthermore, the MPC will write an additional open letter to the Minister of Finance every six months if average headline inflation based on the above criteria remains outside the target range.

Monetary Policy Instrument

The MPC utilizes the 1-day bilateral repurchase transaction rate as the policy interest rate to signal the monetary policy stance.

The MPC has adopted the managed float exchange rate regime to stabilize and limit the volatilities in the exchange rate, as to let the baht reflect economic fundamentals

Evaluation of Economic Conditions and Forecasts

The Bank of Thailand takes into account information from all sources, the macroeconomic model, data from each economic sector, as well as surveys of large enterprises, together with small and medium-sized enterprises from all over the country, and various financial institutions to ensure that economic evaluations and forecasts are accurate and cover all aspects, both at the macro and micro levels.

Monetary Policy Communication

Recognizing the importance of monetary policy communication to the public, the MPC employs various channels of communication, both in Thai and English, such as (1) publishing a press statement at 14:00 and holding a press conference regarding the results of the meeting at 14:30 on the day of the Committee meeting, (2) publishing edited minutes of the MPC meeting two weeks after the meeting, and (3) publishing the Monetary Policy Report every quarter.

Table of Contents

Data in this report is as of 29 April 2026 (the day of the monetary policy decision) unless stated otherwise

Executive Summary of Monetary Policy Report Q1/2026

Economic growth, inflation, and financial stability

Before the war in the Middle East started, economic indicators pointed to stronger-than-expected growth than previously assessed, driven by continued momentum in domestic demand and a strong expansion in merchandise exports in line with global demand for technology-related products.

Thailand's economic growth is projected to moderate due to the war, with growth expected at 1.5% in 2026 and 2.0% in 2027. Private consumption would be impacted by higher living costs and lower income. Businesses would face higher cost burdens (Box 1: Risks from the War in the Middle East – Impact on Manufacturing and Business Adaptation). Foreign tourist arrivals would decline due to higher travel costs and travel constraints. Nonetheless, merchandise exports would continue to expand on the back of technology-related products. Private investment would also continue to expand, supported by demand for data centers, which is in line with the increase in value of BOI promotion certificates. (Box 2: Thailand's FDI Outlook and Benefits). Should the government implement additional measures to alleviate energy-related impacts and stimulate growth as well as additional projects to facilitate structural reforms and energy transition, economic growth this year could turn out higher than expected. However, growth would decrease next year due to the dissipation of stimulus effects and a higher base effect. **The Committee viewed that the economic situation remains highly uncertain** and there remains the need to monitor downside risks arising from a prolonged war and supply disruptions, which could have significant adverse effects on the manufacturing sector and employment.

Headline inflation is projected to increase to an average of 2.9% in 2026, driven mainly by higher global energy prices and cost pass-through (Box 3: Impact of the War in the Middle East on Thailand's Inflation), and is expected to remain above the upper bound of the target range of 3.0% for some time **before declining to an average of 1.5% in 2027** as supply-side factors subside. Core inflation in 2026 and 2027 is projected to be 1.6% and 1.5%, respectively, reflecting higher cost pass-through to goods and services prices. However, price increases are expected to be neither broad-based nor persistent, given limited cost pass-through under weak demand conditions. **The Committee deemed it necessary to closely monitor inflation risks,** particularly higher energy prices and supply shortages due to the prolonged closure of the Strait of Hormuz, higher-than-expected cost pass-through, and rising medium-term inflation expectations.

Interest rates in banking system have declined in line with the recent policy rate cut but financing costs for certain groups such as SMEs remain high due to heightened credit risks. Loan growth is expected to remain subdued as financial institutions remain cautious in lending to risky borrowers and is still assessing the impact of the war. Credit quality remains stable overall. **On exchange rates, in Q1/2026, the baht appreciated against the U.S Dollar** more strongly than regional currencies, driven by the U.S. dollar's weakening and Thailand-specific factors. However, the baht depreciated recently, in part due to increased demand for U.S. dollar as a safe asset after the war escalated, and Thailand's heavy dependence on oil imports from the Middle East.

Monetary policy decision in Q1/2026

At the MPC Meeting on 25 February 2026, most Committee members deemed it appropriate to cut the policy rate by 25 bps from 1.25% to 1.00% to support the economic recovery and further alleviate debt burden of SMEs and households, as well as to anchor medium-term inflation expectations, which is subjected to more risks. Meanwhile, two Committee members voted to maintain the policy rate at 1.25%, viewing that the current policy rate is consistent with the economic and inflation outlook, while recent policy rate cut is still in the process of being transmitted to the economy.

At the MPC Meeting on 29 April 2026, the Committee voted unanimously to maintain the policy rate at 1.00%. They viewed that the current policy rate of 1.00% remains appropriate to support a slowing economy and navigate heightened uncertainties, while inflation in 2026 is driven higher by supply-side factors and would decline in 2027 as supply-side pressures dissipate. The Committee also deemed it necessary to closely monitor inflation developments and medium-term inflation expectations going forward.

Under the prevailing monetary policy framework aimed at maintaining price stability, supporting sustainable growth, and preserving financial stability, the Committee viewed that the current policy rate remains appropriate for supporting the economic recovery, while inflation has been driven by supply-side factors but remains highly uncertain. In this regard, the impact of the war and other factors on inflation risks must be monitored going forward.

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The global economy was impacted by the war in the Middle East, particularly through higher energy prices.

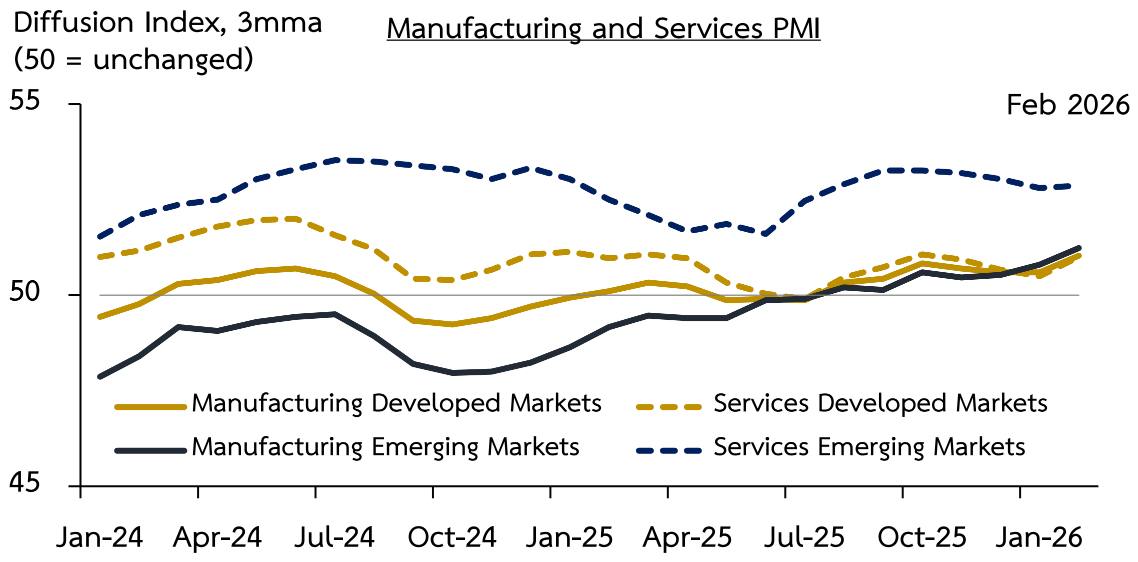
Prior to the war in the Middle East, global economic conditions were improving. However, the war has weighed on trading partners' economic outlook, affecting Asian economies more than other regions.

Headline inflation has risen in some countries due to rising energy prices. Most central banks are currently in wait-and-see mode and place greater emphasis on inflation risks.

Looking ahead, the global economy remains subject to risks from U.S. tariffs and heightened uncertainties pertaining to the war in the Middle East, the impact of which depends on the severity and duration.

Before the war in the Middle East, global economic growth was gaining momentum driven by investment in AI and exports of technology-related goods.

Prior to the war, the global economy showed signs of strong growth, driven by both manufacturing and services.



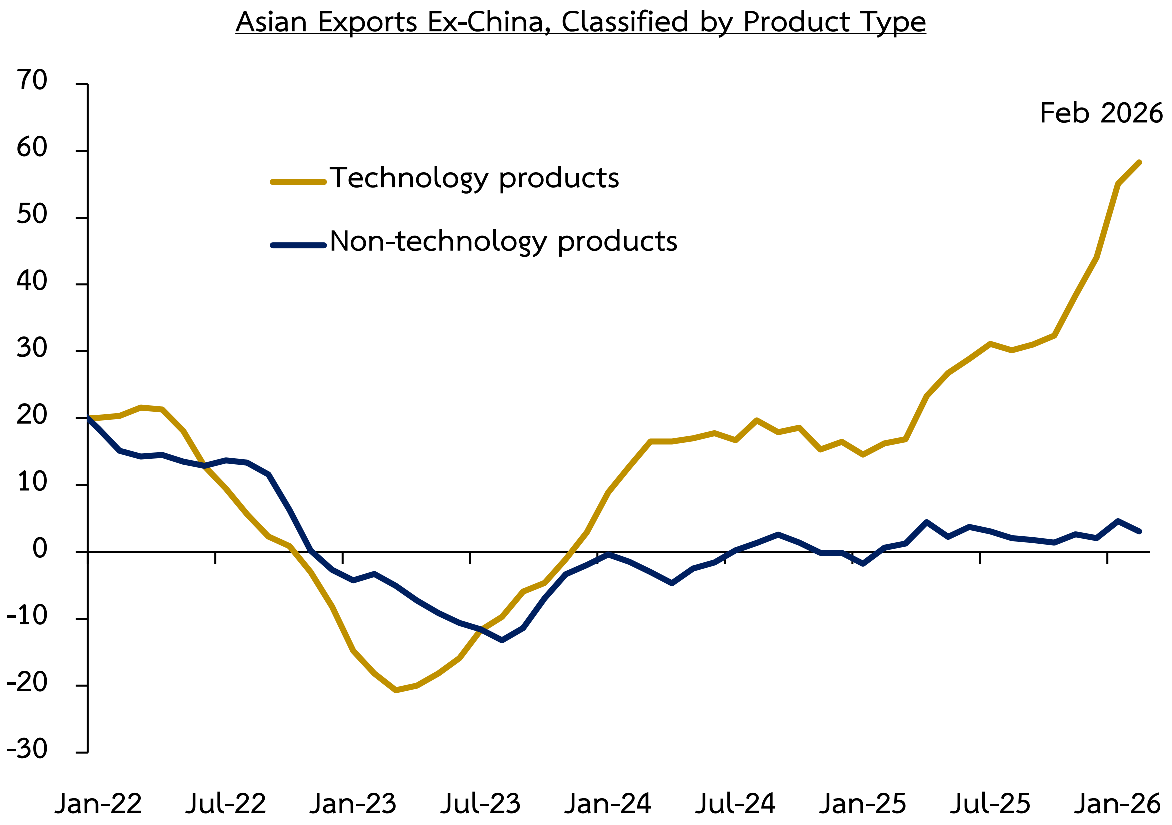
Source: S&P Global, BOT Calculation

Global economic outlook was improving before the war started, with better growth trajectories across many regions. This is partly due to stronger-than-expected growth momentum in 2025, supported by AI investment and fiscal policies aimed at boosting growth, while inflation was slowing down.

- U.S.: Consumption has recorded strong growth, supported by tax reduction measures (One Big Beautiful Bill Act)*.
- China: Exports growth has been strong in early-2026, particularly in technology-related products and would be a key driver of China's economic growth going forward.

Note: *One Big Beautiful Bill Act is a reform of the tax structure in the U.S., focusing on reducing corporate and individual income tax to increase net disposable income of households and firms' profits, which would be a key factor supporting private consumption in the U.S.

Asian exports grew robustly on the back of technology-related products.



Note: Asian exports excluding China, classified by product type, covering exports from MY, SG, JP, KR, TW, PH and ID. Technology products include integrated circuits (ICs) and semiconductors, computers, electrical appliances, and telecommunication equipment.
Source: CEIC, BOT calculation

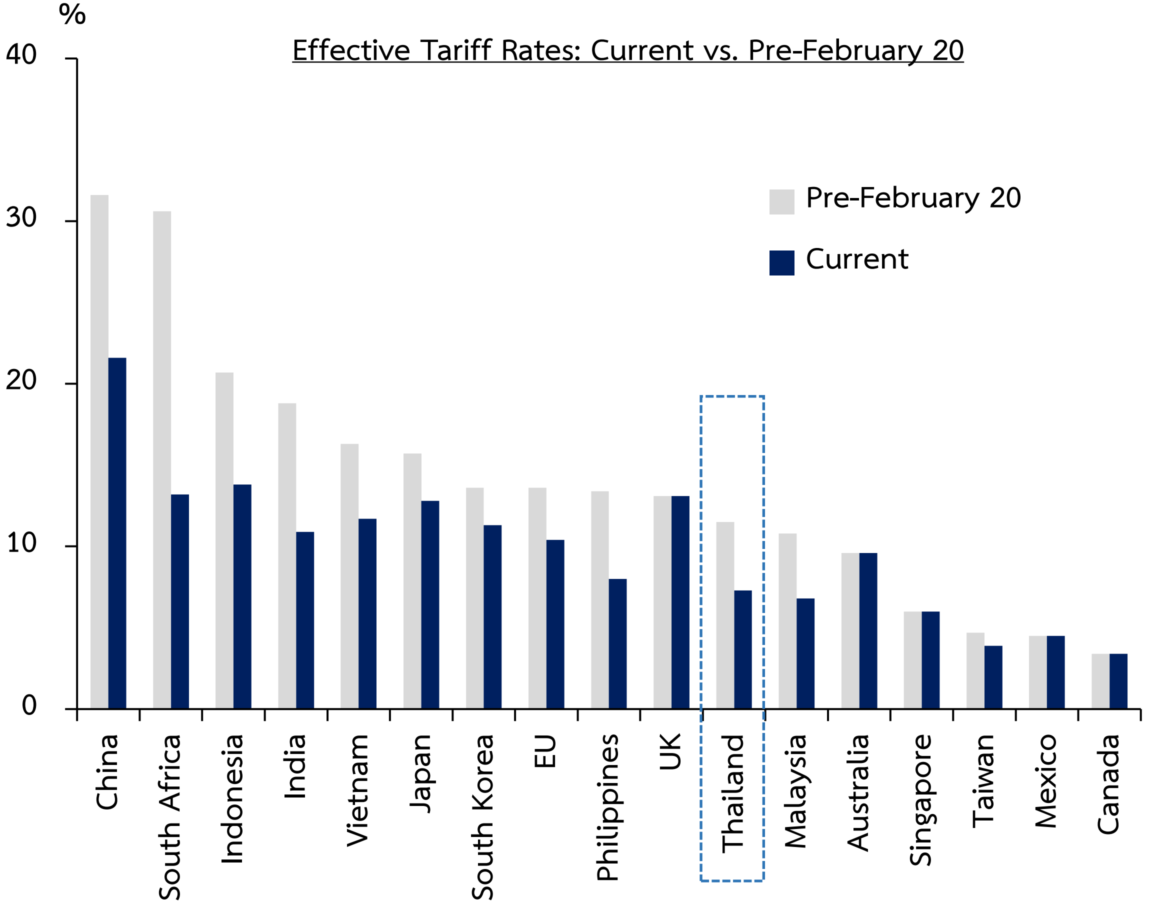
U.S. tariffs remain highly uncertain after the Supreme Court invalidated IEEPA tariffs.

The U.S. Government recently exercised its authority under Section 122 to impose tariffs and under Section 301 to launch investigations against several countries.

As a result, many countries, including Thailand, benefited from lower tariffs in the near-term.

- **20 Feb 26** Supreme Court invalidated reciprocal tariffs exercised under the IEEPA
- **24 Feb 26** U.S. Government invoked Section 122 to announce 10% tariff on all countries for 150 days
- **12 Mar 26** U.S. Trade Representative (USTR) invoked Section 301 to launch investigations into 60 countries/regions (including Thailand) that the U.S. deems to have excess capacity and used forced labor, with the goal of re-establishing country-specific tariff rates
- **24 Jul 26** The 10% tariff under Section 122 expires
- Investigations under Section 301 are completed and the U.S. announces new country-specific tariff rates

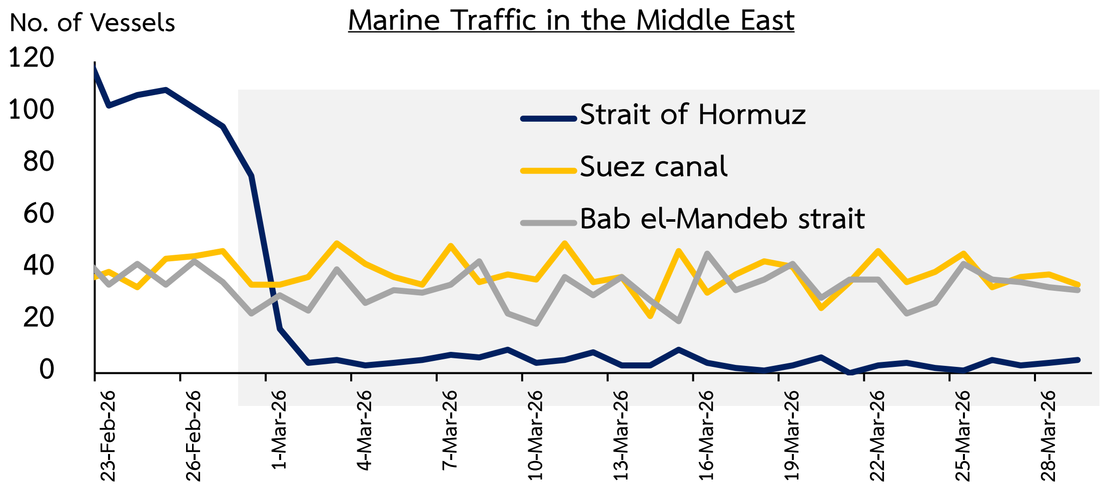
Note: IEEPA = International Emergency Economic Powers Act
Section 122 of the Trade Act of 1974 empowers the President in imposing tariffs up to 15% for 150 days to address significant current account deficit
Section 301 of the Trade Act of 1974 authorizes the President to carry out any measures as deemed appropriate, including tariffs, in retaliation against foreign countries whose trade practices are deemed unfair for U.S. commerce



Source: J.P. Morgan, based on 2025 trade data

The war in the Middle East impacted the global economy through (1) a surge in global energy prices, with the severity depending on the duration of the closure of the Strait of Hormuz and the extent of damage to energy infrastructure;

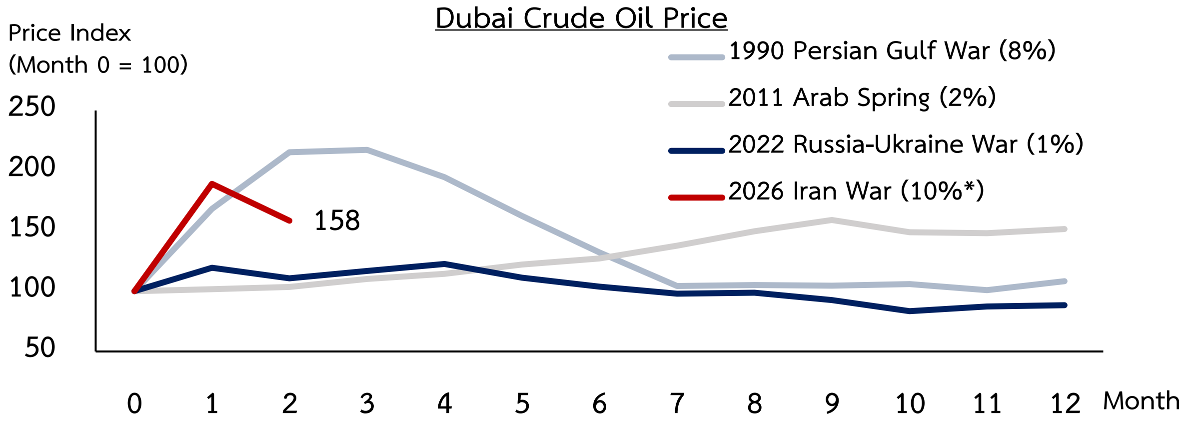
The closure of the Strait of Hormuz led to a severe disruption in energy supply as it accounts for about one-fifth of global crude oil and LNG supply.



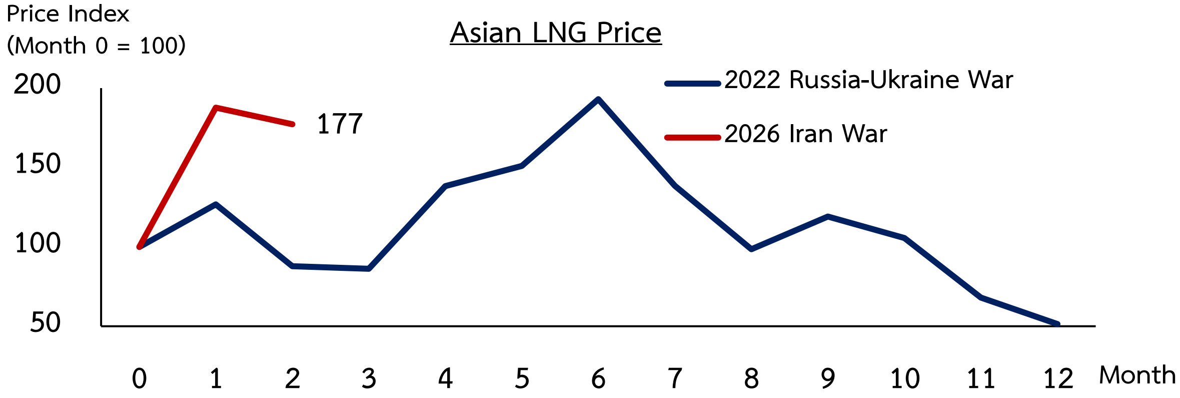
Sources: IMF PortWatch and UN Global Platform

- **The Strait of Hormuz accounts for about 20% of global crude oil and LNG supply:** the closure resulted in about a 50% decrease in global crude oil supply, and almost 100% of global LNG supply because Qatar, who is a major exporter, cannot export.
- **Some energy infrastructures were attacked:** Crude oil drilling facilitates sustained some damage, while Qatar's LNG production capacity has been destroyed and would take 3-5 years to recover.

Energy supply disruptions resulted in a sharp rise in crude oil and LNG prices.



Note: ( ) denotes the peak share of global oil supply disrupted during each respective event.
* reflects the global oil supply disruption specifically for the month of March 2026.



Note: Month 2 data for the Iran conflict reflects the average for the period of April 1–17.
Sources: Bloomberg, Japan Korea Marker (JKM) LNG Price, BOT calculation

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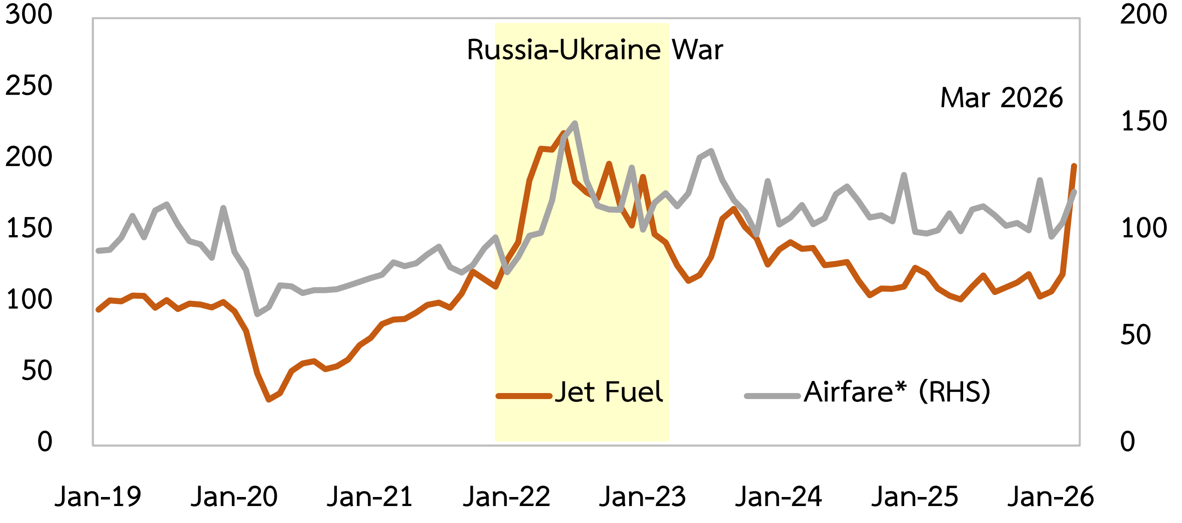
and (2) supply disruption arising from travel and logistical constraints as well as shortage of raw materials.

Air travel through the Middle East were affected by air space closure, while airfares increased in tandem with higher jet fuel price.

The Middle East is a major global aviation hub, as

- it accounts for about 10% of air passengers globally; and
- more than 66% of flights are destined for Asia, including both direct and connecting flights.

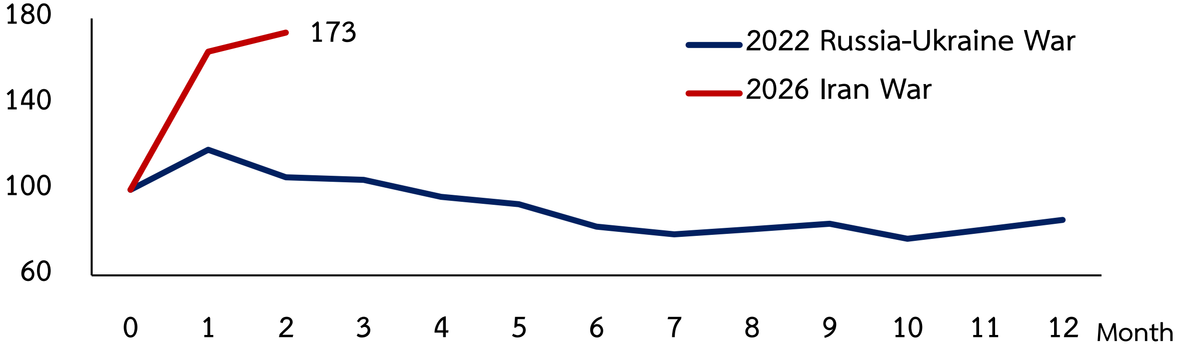
Airfare and Jet Fuel Price



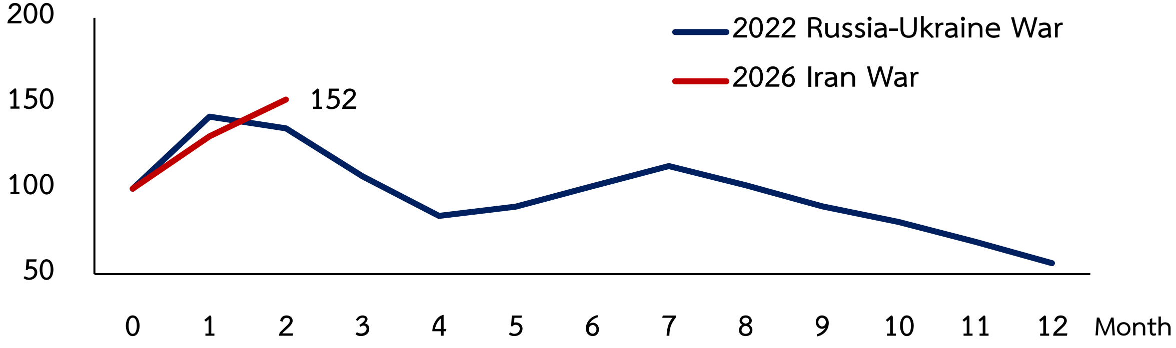
Note: * Weekly lowest average airfares at departure, BOT calculation
Source: Official Airline Guide and Bloomberg, BOT calculation

Prices of other commodities, particularly derivatives from crude oil and natural gas such as naphtha, urea, and helium, have also risen.

Naphtha Price



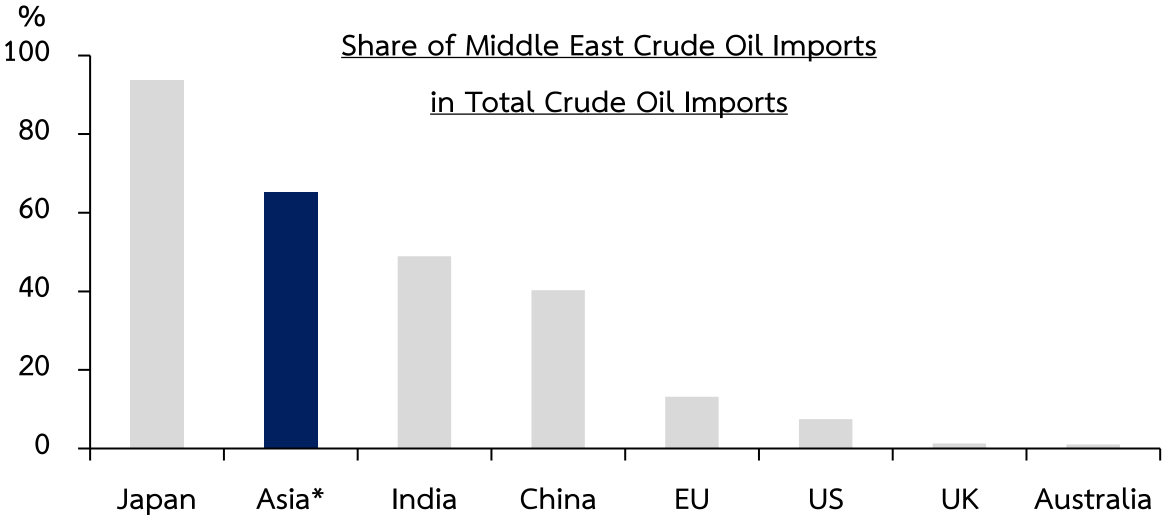
Urea Price



Note: Month 2 data for the Iran conflict reflects the average for the period of April 1–20.
Source: Bloomberg, BOT calculation

Trading partners' growth is projected to slow down in both 2026 and 2027 due to the impact of the war.

Asia is more affected by the war than other regions due to its high dependence on crude oil imports from the Middle East.



Note: Asia (excl. Japan and China) includes South Korea, Taiwan, and ASEAN-6

Source: ITC Trade Map, BOT calculation

Growth assumptions for Thailand's key trading partners

%YoY	Share of Export in 2025[1/] (%)	2025[2/]	2026[F/]	2027[F/]
US	21.3	2.1	2.1	1.7
Euro area	6.7	1.4	0.9	1.1
Japan	6.9	1.2	0.5	0.6
China	11.7	4.9	4.3	4.3
Asia[3/]	19.1	4.6	3.8	3.2
Total[4/]	70.7	3.1	2.6	2.4

Note: 1/ Share of total Thai export value to Thailand's key trading partners in 2025

2/ Actual data F/ Forecast data

3/ Asia (excl. Japan and China) includes Singapore (3.5%), Hongkong (3.3%), Malaysia (4.0%), Taiwan (1.6%), Indonesia (2.7%), South Korea (1.7%), and the Philippines (2.3%)

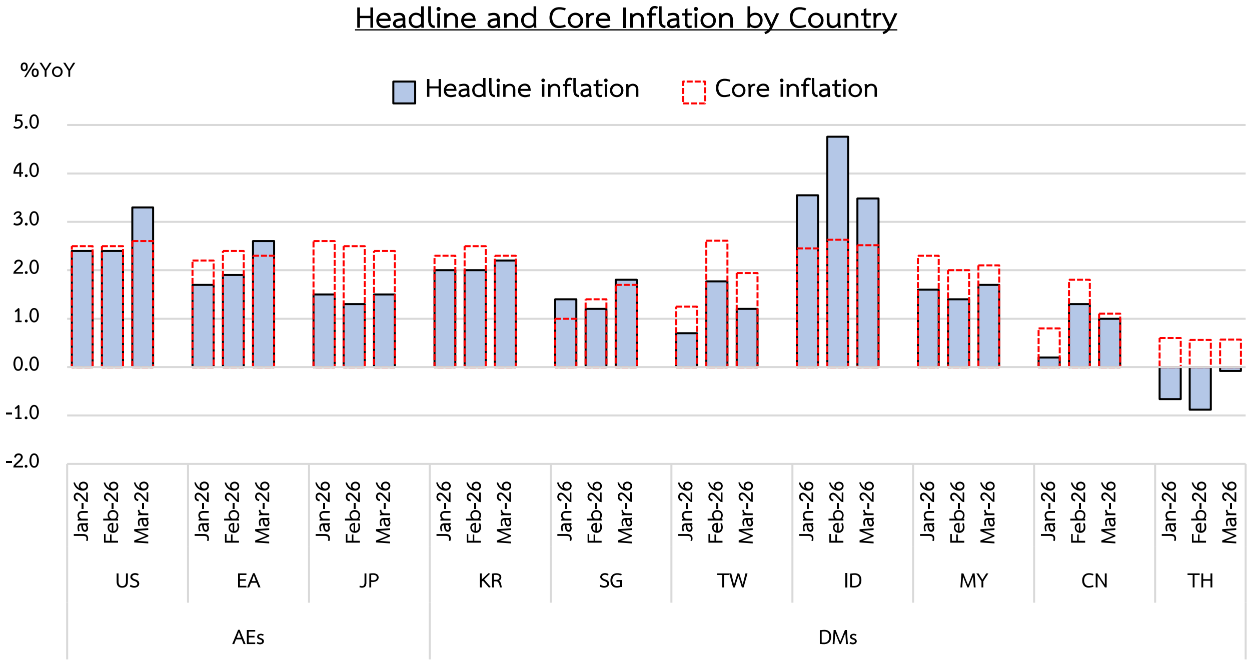
4/ Total includes the UK (1.3%) and Australia (3.5%)

Trading partners' growth are expected to slow down in both 2026 and 2027 due to the war, which has resulted in higher global energy prices. Asian economies are expected to be more adversely affected relative to other regions because (1) crude oil and petrochemical product imports from the Middle East account for two-thirds of total imports; (2) many economies are highly reliant on oil; and (3) some countries have low oil reserves.

Risks to trading partners' growth outlook to be monitored:

1) Intensifying or prolonged geopolitical tensions
2) Additional U.S. tariffs measures or nullifying existing trade agreements
3) Financial stability risks arising from repricing of AI-related assets
4) Increased productivity from AI

Most central banks are in wait-and-see mode and place greater emphasis on inflation risks.



Source: Bloomberg

Fed funds rate projections for 2025–2027

% at year end	2025	2026^F	2027^F
Fed Funds Rate	3.50 – 3.75	3.50 – 3.75	3.25 – 3.50

Note: F Forecast data

The Federal Reserve (Fed) kept its policy rate unchanged at 3.50 – 3.75% at the FOMC Meeting on 29 April 2026, reflecting a gradual monetary policy approach amid risks stemming from the war in the Middle East. Fed Funds futures suggest that the Fed would cut its policy rate once more, reaching the terminal rate at the March 2027 Meeting.

The European Central Bank (ECB) kept its policy rate on hold at 2.0% at the Governing Council Meeting on 30 April 2026. The ECB demonstrated readiness to raise the policy rate should the impact of the war becomes more apparent over the coming meetings. Inflation in March and April accelerated due to energy prices.

Most Asian central banks kept their policy rates unchanged after the War started, except for Bangko Sentral ng Pilipinas who raised its policy rate on 23 April 2026 due to inflation concerns. Looking ahead, Asian central banks are expected to keep policy rates on hold throughout 2026 and 2027, in part due to stronger-than-expected growth outturns towards the end of 2025 and in the early parts of 2026 before the war started.

For most countries, inflation outturns in March 2026 have yet to reflect higher energy prices because most countries have government measures in place to help cushion the impact. However, there remains the need to monitor the impact from rising energy prices and cost pass-through, which would affect global inflation in the period ahead.

Thailand's economic expansion is projected to moderate, as the war in the Middle East has a direct impact on growth by increasing business costs and eroding household purchasing power.

The Thai economy is expected to grow at a slower pace in 2026 as private consumption and tourism are affected by the war. However, merchandise exports growth would retain momentum from demand for technology-related products. The economy is projected to recover in 2027 as the situation gradually eases.

The economic outlook remains highly uncertain, with risks including additional U.S. trade policy measures, a potentially prolonged war, and supply disruptions, which could have adverse effects on manufacturing and employment.

Inflation is projected to rise in 2026 and remain above the target range for some time due to higher energy prices, before subsequently declining in 2027 as supply side factors subside. However, inflation risks still need to be closely monitored, especially cost pass-through and medium-term inflation expectations.

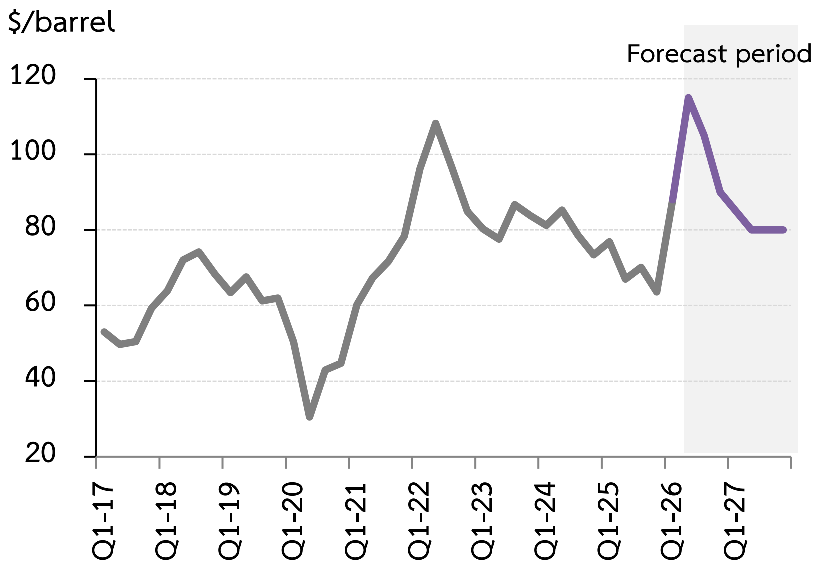
The war in the Middle East has led to a sharp increase in global energy prices. The situation remains highly uncertain, depending on the severity and duration of the war.

Assumptions related to the war in the Middle East

The MPC Meeting on 29 April 2026 assessed two war scenarios, although the base case is used as the primary assumption for analysis

Issue	Assumption (base case)	Assumption (worse case)
War timeline	The conflict is expected to ease by the end of H1/2026	The conflict is expected to prolong throughout 2026
Strait of Hormuz	Shipping is expected to be disrupted until the end of H1/2026 before normalizing in H2/2026	Shipping disruptions are expected to continue, although partial transit through the Strait of Hormuz may be possible during H2/2026
Oil price	Prices are projected to remain elevated in H1/2026 and gradually ease in H2/2026, while remaining above pre-war levels	Prices are projected to remain elevated for an extended period before gradually moderating in 2027
Supply disruptions	The situation is expected to gradually ease in line with developments in the conflict	Supply chains are expected to face significant pressures

Assumptions for Dubai crude oil prices in the base case



Note: data as of 21 Apr 2026

Dubai crude oil prices assumption

USD per barrel	2024	2025	2026[F]	2027[F]
Dubai crude oil prices (annual average)	79.6	69.4	100	80

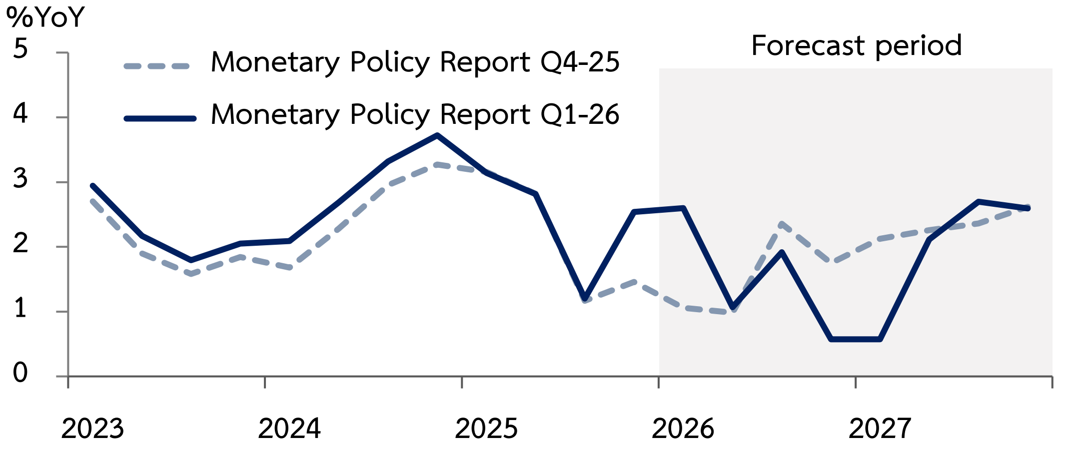
Note: [F] Forecast data

Source: forecast by BOT

- In 2026, crude oil prices are projected to rise to an average of 100 U.S. dollars per barrel due to lower global crude oil supply resulting from the war. Oil prices would peak in Q2/2026 before declining throughout the remainder of the year as the situation eases.
- In 2027, oil prices are projected to fall to an average of 80 U.S. dollars per barrel. However, prices are expected to remain higher than pre-war levels, partly due to the slow recovery of oil production capacity following damage to energy infrastructure, as well as a ramp-up in demand to replenish crude oil inventories.
- Risks to Dubai crude oil prices are tilted to the upside.

Thailand's economic growth is projected to moderate in 2026, as private consumption and tourism are affected by the war in the Middle East. Meanwhile, exports continue to expand, supported by strong demand for technology-related goods. Economic growth is expected to gradually recover in 2027 as the situation eases.

Economic growth



Note: Historical data for 2022–2024 have been revised by the NESDC as of 16 February 2026.
Source: Office of the National Economic and Social Development Council (NESDC) and projections by Bank of Thailand

- **Economic data prior to the war pointed to strong growth** supported by domestic demand and exports of technology-related goods in line with growing data center investments.
- **Economic growth is projected to moderate due to the impact of the war, with growth estimated at 1.5% in 2026 and 2.0 in 2027.** (The war's impact is assessed in Box 1: Risks from the War in the Middle East – Impact on Manufacturing and Business Adaptation).
- **Government economic stimulus totaling 400 billion baht** is expected to raise GDP growth in 2026 by 0.6 percentage point, before lowering GDP growth in 2027 by about 0.4 percentage point due to base effects as the measures dissipate. However, the economic benefits depend on the design, coverage, and duration of the measures, the details of which remain unclear.

Economic projection

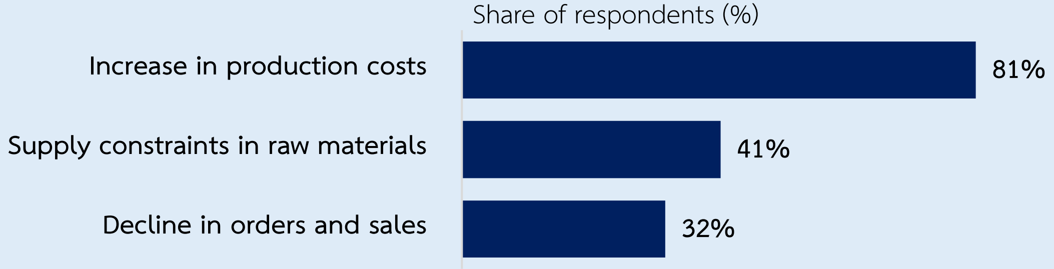
Growth (%YoY)	2025	2026[F]	2027[F]
GDP growth	2.4	**1.5** (1.5)	**2.0** (2.3)
Domestic demand	2.8	**1.6** (1.6)	**1.7** (2.3)
Private consumption	2.7	**1.6** (1.9)	**1.9** (2.0)
Private investment	3.5	**3.0** (2.2)	**2.6** (2.8)
Government consumption	0.6	**0.0** (0.0)	**0.3** (1.6)
Public investment	8.9	**1.5** (0.8)	**0.6** (5.7)
Export volume of goods and services	9.2	**5.9** (1.2)	**1.4** (1.5)
Import volume of goods and services	6.7	**6.2** (1.5)	**0.9** (1.2)
Current account (billion US dollars)	15.9	**7.0** (12.0)	**8.0** (13.0)
Value of merchandise export (%YoY)	12.7	**8.1** (0.6)	**1.1** (1.7)
Value of merchandise import (%YoY)	13.0	**11.2** (1.3)	**0.7** (1.5)
Foreign tourists (million persons)	33.0	**33.0** (35.0)	**35.5** (36.0)
Tourism receipt (trillion baht)	1.4	**1.4** (1.5)	**1.6** (1.6)

Note: [F] Forecast data and ( ) = Previous estimates in Q4-2025 monetary policy report
Sources: Office of the National Economic and Social Development Council and projections by Bank of Thailand

Box 1: Risks from the war in the Middle East – impact on manufacturing and business adaptation

After the war in the Middle East started in late February 2026, most businesses (about 80% of all firms) has been pressured by sharp and broad-based rise in costs[1], **especially energy and transportation costs.** Oil and natural gas prices rose sharply, outpacing the increases seen during the Russia-Ukraine war, instantly resulting in higher manufacturing costs across many industries. At the same time, shipping routes in key locations became riskier. As a result, vessels had to take longer and more costly detours. Insurance costs also increased, particularly for war-related risks. These developments reflected that businesses face increased cost pressure on many concurrent fronts.

Figure 1: Impacts of the Middle East conflict on businesses



Source: Bank of Thailand, Special Business Sentiment Survey, April 2026. (217 respondents)

Pressures faced by businesses were not limited to energy and transportation costs but also supply constraints of raw materials. **Survey results found that more than 41% of firms faced tight supply or shortages of raw materials** especially those that are oil and natural gas derivatives as well as those that depends heavily on imports from the Middle East.

Tight supply or shortages of raw materials is clearly reflected in rising prices and procurement difficulties as follow:

Crude oil: Thailand relies heavily on imports from the Middle East, accounting for as much as 59% of total crude oil imports. In this regard, certain businesses such as oil refineries and large oil consumers must procure their inputs earlier to manage risks both in terms of price and supply continuity. Tight oil supply and shortages experienced in some areas recently affected the refueling of transport vehicles, which delayed goods distribution and delivery of raw materials, and impacted continuity in the manufacturing process of certain businesses.

Plastic: Thailand imports naphtha, a key feedstock for plastic pellet production, with around 90% of its total imports coming from the Middle East. Tight supply conditions have led some plastic pellet producers to temporarily reduce production, while others have continued production using alternative feedstocks derived from natural gas processed in the Gulf of Thailand, albeit at significantly higher costs. The situation has had ripple effects on downstream producers such as plastic packaging manufacturing: (1) some producers face constraints in managing orders due to shortened lead times for procurement of raw materials, with sourcing windows reduced from years in advance to days or weeks; and (2) some producers have experienced order cancellations, which increase production risks for related businesses that typically maintain packaging inventories of only 1 – 3 months, such as processed food and consumer goods manufacturers. In addition, some suppliers tightened payment terms by requiring cash payments instead of extending trade credit, placing pressure on small businesses with limited liquidity and working capital.

Note: [1] Analysis on cost pass-through to consumer prices can be found in Box 3: Impact of the war the Middle East on Thailand's Inflation.

Box 1: Risks from the war in the Middle East – impact on manufacturing and business adaptation

(3) Chemical fertilizer: Thailand imports approximately 34% of its chemical fertilizers and 71% of its urea fertilizer from the Middle East. Following the outbreak of the war, farmers and intermediaries in some areas began stockpiling fertilizers, leading to higher prices. At the same time, businesses have faced rising urea fertilizer costs, with prices increasing by around 20 – 50%, while fertilizer shortages have begun to emerge in some areas. Although imports from alternative sources have increased, supply remains insufficient to meet the overall demand. If the disruption persists through the planting season in May, some farmers may have to reduce or forego the use of fertilizers. This poses a risk to agricultural output in subsequent periods and could affect downstream industries that rely on agricultural inputs, particularly agro-manufacturing and processed food production.

Table 1: Reliance on upstream raw materials from the Middle East

Upstream raw materials	Share of Thailand's import value from the Middle East
Crude oil	59%
Naphtha	90%
Chemical fertilizers	34%
o/w urea	71%
Helium	57%

Sources: Customs Department and Trademap, calculated by BOT. Note: data as of 2025

If the war escalates and is prolonged through the end of 2026, businesses are concerned that tighter raw material supply conditions could worsen into supply shortages, which would not only raise prices further but could also disrupt the continuity of production processes. **In addition to the raw materials discussed above, helium represents another key risk. The shortage of helium would affect many industries** such as the medical industry, where helium is used in cooling systems for MRI machines; the automotive industry, where helium is used for leak testing and metal welding; and the semiconductor industry, where helium is used for cooling throughout the entire manufacturing process. The Middle East supplies one-third of the world's helium[2], but the impact of helium shortage on Thailand remains limited because (1) upstream producers still have enough helium inventory for 5 – 6 months worth of production; (2) most Thai industries involved in the semiconductor supply chain are concentrated in downstream activities, which require less helium than upstream production; and (3) Thailand's role in the supply chain is mostly assembly and testing of microchips for China, Taiwan, and ASEAN and therefore does not depend heavily on helium imports from the Middle East and can source helium from other regions.

In the near term, businesses have started adjusting their operations to cope with risks related to rising costs and raw material shortages by (1) entering shorter-term contracts with trading partners such as shifting from accepting advance orders on a yearly basis to only a few months or days in advance, in order to better assess cost trajectories and the availability of raw materials; (2) adjusting production plans by focusing on high-margin or fast-selling products, for instance, processed-food manufacturers have reduced production of slow-moving goods to focus on popular products in order to preserve profit margins and ensure sufficiency of raw materials; and (3) sourcing raw materials from alternative sources, for instance, plastic producers are increasingly relying on upstream raw materials from refining natural gas in the Gulf of Thailand or opting to import more raw materials from China, the U.S., and Australia, while automotive parts producers have begun importing aluminum from India instead.

Source: [2] Data on global helium sources in 2025 from Reuters

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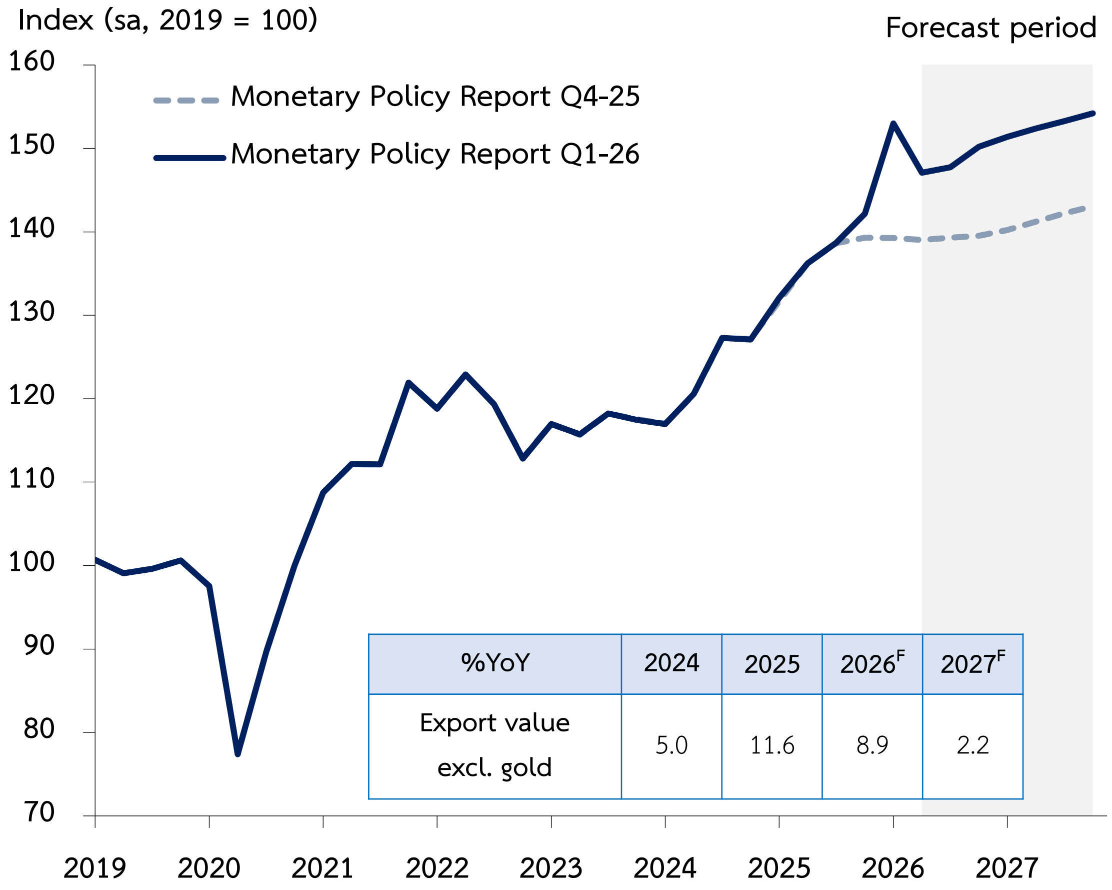
Merchandise exports are projected to record strong growth in 2026 on account of technology-related products in line with robust data center demand, while non-technology exports are expected to remain weak and weighed down by the war.

Projection of merchandise exports (excl. gold)



%YoY	2024	2025	2026F	2027F
Export value excl. gold	5.0	11.6	8.9	2.2

Note: F Forecast data

Sources: Customs Department and Ministry of Commerce, BOT calculation

Merchandise exports outlook

- Merchandise exports are expected to grow strongly in 2026, driven primarily by technology-related products such as electronics, and machinery and equipment, which benefit from the strong expansion in data center investment by trading partners like the U.S. Meanwhile, exports of non-technology products are expected to be impacted by the war through three channels: (1) slower global economic growth due to higher oil prices; (2) constraints on shipments to the Middle East, particularly automobiles and parts as well as agricultural and agro-manufacturing products; and (3) supply chain tightness such as limited oil exports and tight supply of raw materials used in the production of petrochemical and chemical products.
- Exports are projected to grow at a slower pace in the period ahead due to a slowdown in exports of technology-related products, in line with moderating investment in data centers by trading partners.
- There remains a need to monitor risks from (1) the duration and severity of the war and (2) U.S. tariffs currently under investigation, as well as potential additional U.S. trade policy measures.

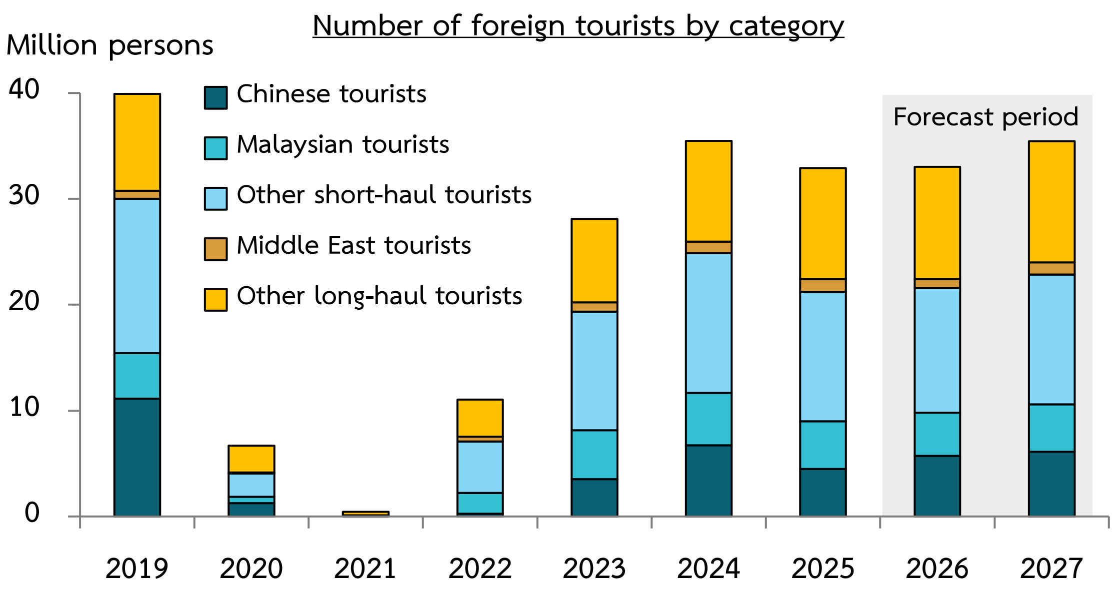
Merchandise exports projection

%YoY	2024	2025	2026F	2027F
Export Value	5.9	12.7	8.1	1.1
Export Volume	4.4	11.9	6.8	0.7

Note: F Forecast data

Foreign tourist arrivals are expected to remain stable in 2026 before increasing in 2027 as the situation eases.

Projection of foreign tourist arrivals and tourism receipts



MPC Apr 2026	2024	2025	2026[F]	2027[F]
Foreign tourists (million persons)	35.5	33.0	33.0	35.5
o/w Chinese tourists	6.7	4.5	5.7	6.1
Tourist expenditure per trip (thousand baht)	39.0	41.7	43.9	44.4
Tourism receipt (trillion baht)	1.4	1.4	1.45	1.57

Note: [F] Forecast data, Middle East tourists including Israel and Iran

Source: Ministry of Tourism and Sports, BOT calculation

Tourism outlook

- **Foreign tourist arrivals in 2026 are projected to remain stable compared to last year.** While the number of Chinese tourists is expected to increase as security concerns ease, both long-haul arrivals—particularly from the Middle East and Europe—and short-haul arrivals (e.g., from China) are expected to slow due to travel constraints and higher airfares.
- **Foreign tourist arrivals in 2027 are expected to increase** due to a recovery in arrivals previously affected by the war, supported in part by the easing of travel restrictions.
- **Tourism receipt is projected to rise** in line with higher spending per trip from (1) larger share of high-spending Chinese tourists and (2) longer average length of stay, particularly of Malaysian tourists who are expected to take longer road trips to Thailand after Hat Yai recovers from the flood.

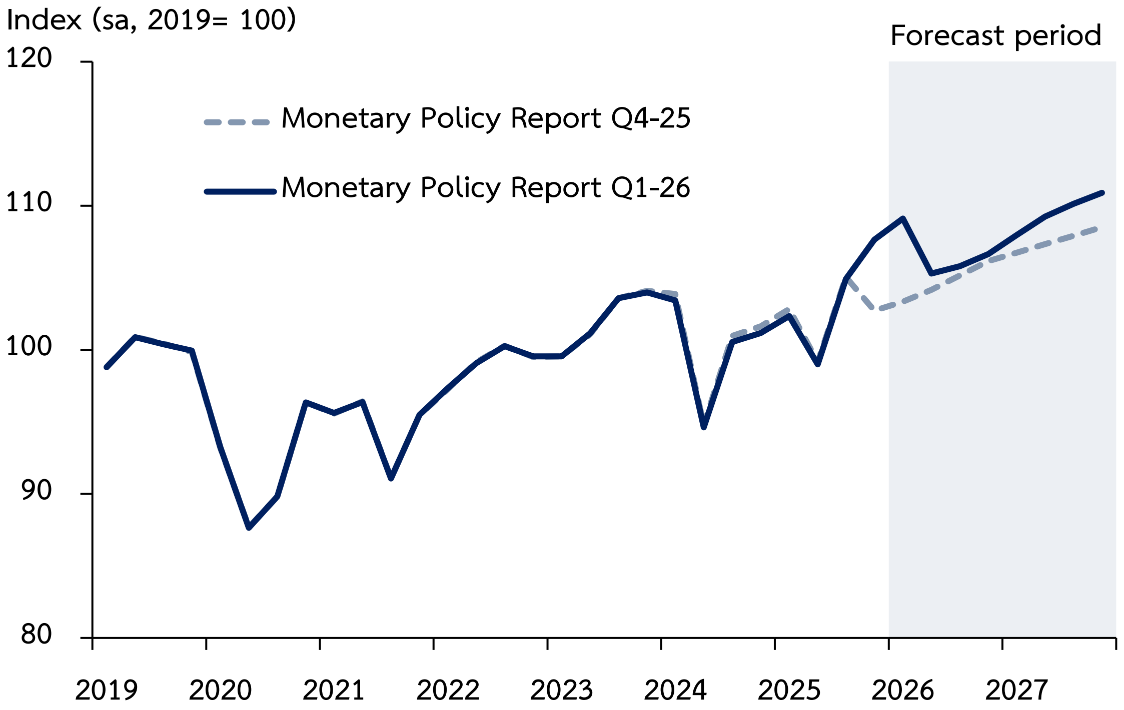
Businesses' views on the tourism outlook

Businesses expect **foreign tourist arrivals of 32-33 million persons in 2026**

- **Foreign tourist arrivals in Q2/2026 would contract compared to the previous year** due to (1) cancellation of flight routes and flight bookings, particularly for tourists from the Middle East and Europe; (2) higher oil prices impacting tourists from neighboring countries that drive into Thailand, particularly Malaysians; and (3) higher airfares impacting tourist arrivals from most countries, particularly ASEAN.
- **If the situation gradually eases, foreign tourist arrivals are expected to improve in Q4/2026** due to many large festivals being held towards the end of the year.

Private investment is projected to continue expanding, supported by investment in electronics and digital-related industries, although it is expected to temporarily slow down in the near term as investors wait to assess cost conditions and impact from the war.

Projection of private investment



Private investment projection

%YoY	2024	2025	2026[F]	2027[F]
Private investment	-1.9	3.5	3.0	2.6

Note: [F] Forecast data

Source: BOT calculation and forecast

Private investment outlook

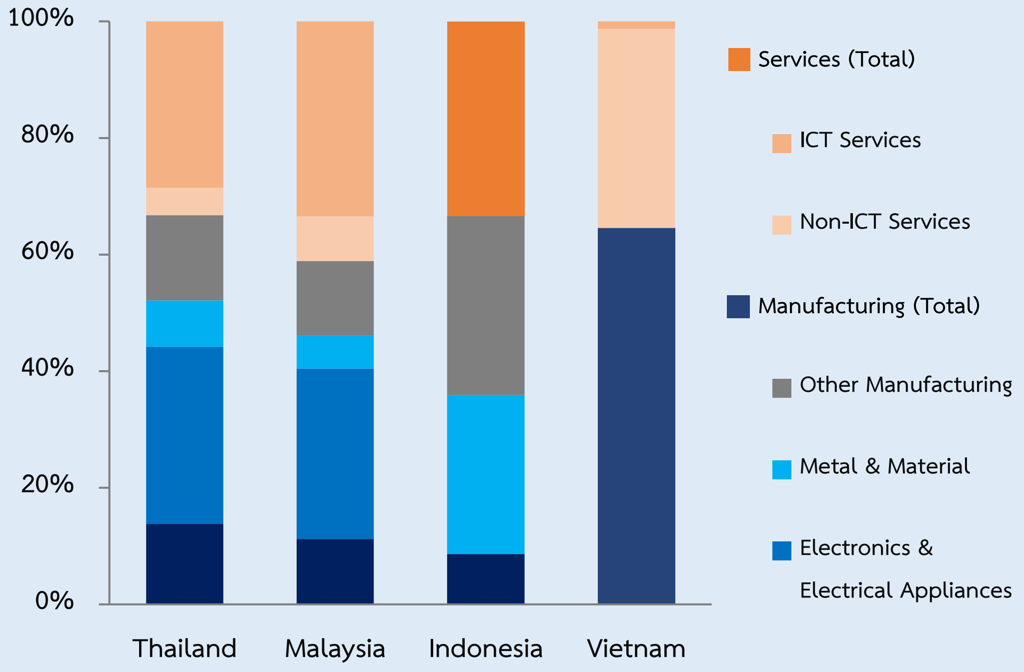
- Private investment is projected to slow temporarily in Q2/2026 **due to the impact of the war.** New investments, in particularly, are likely to be affected as investors adopt a wait-and-see approach to assess the highly uncertain situation, especially with regards to higher production costs as well as possibly weaker domestic and external demand due to the impact of the war. Meanwhile, investments in ongoing projects are likely to continue as planned.
- Looking ahead, private investment is expected to continue expanding **supported by investment of businesses in the technology industries** such as data centers and electronics. This is in line with the increase in the value of BOI investment promotion certificates. Nonetheless, there remains a need to monitor and assess the actual benefits of such investments for the Thai economy because they are mostly foreign direct investments (FDI) that rely heavily on imported raw materials, with Thailand's manufacturing role being limited to mostly downstream activities, which could limit domestic value-added (Further analysis in Box 2: Thailand's FDI Outlook and Benefits).

Box 2: Thailand’s FDI outlook and benefits

Thailand was able to attract more foreign direct investment (FDI) over the recent period. **In 2025, FDI inflows reached a historical high of 18.8 billion U.S. dollars,** driven by investment in services and manufacturing of computers, electronics, and machinery. Over the past five years, FDI values have been around 1.8 times higher than during the five years preceding the COVID-19 pandemic, reflecting strong investment in information and communication services, including data centers, which have expanded by about 50 times compared with the pre-COVID levels. This trend is broadly consistent with investment patterns across ASEAN. The sectors benefiting from FDI in Thailand are similar to those in Malaysia, as reflected in the investment promotion data (Figure 1) in which the electronics and services industries have grown significantly in both countries. Meanwhile, FDI in Indonesia is mostly concentrated in industries that utilize domestic resources, particularly metals.

In terms of quantity, such an increase in FDI has resulted in a higher FDI-to-GDP ratio in Thailand, **rising from 1.7% during the pre-COVID (2015–2019) to 2.7% during 2021–2025. Nevertheless, Thailand’s competitiveness and ability to attract FDI are still behind those of neighboring countries,** as reflected in its FDI-to-GDP ratio, which ranks fourth in ASEAN, behind Singapore (27.0%), Vietnam (4.3%) and Malaysia (3.9%). Singapore’s FDI-to-GDP ratio is significantly higher, partly due to its status as a financial hub. In addition, Singapore, Vietnam, and Malaysia possess stronger investment fundamentals than Thailand, particularly with regard to labor costs or quality, law, and institutional quality (Rathasart et al., 2024).

Figure 1: Foreign Investment Approvals/ Realization[1/]
Share by industry in ASEAN, Latest 3-year Average



Note:
1. Thailand using Board of Investment’s Project Approval; Malaysia using Foreign investment approved; Indonesia using Foreign investment realization; Vietnam using Registered Capital
2. Indonesia's Services (Total) data is limited and cannot be disaggregated into ICT Services and Non-ICT Services, while the Electronics group is classified under Auto & Machinery; Vietnam's Manu (Total) data has limitations that prevent industry-specific breakdown.

Sources: CEIC, BOI calculated by BOT

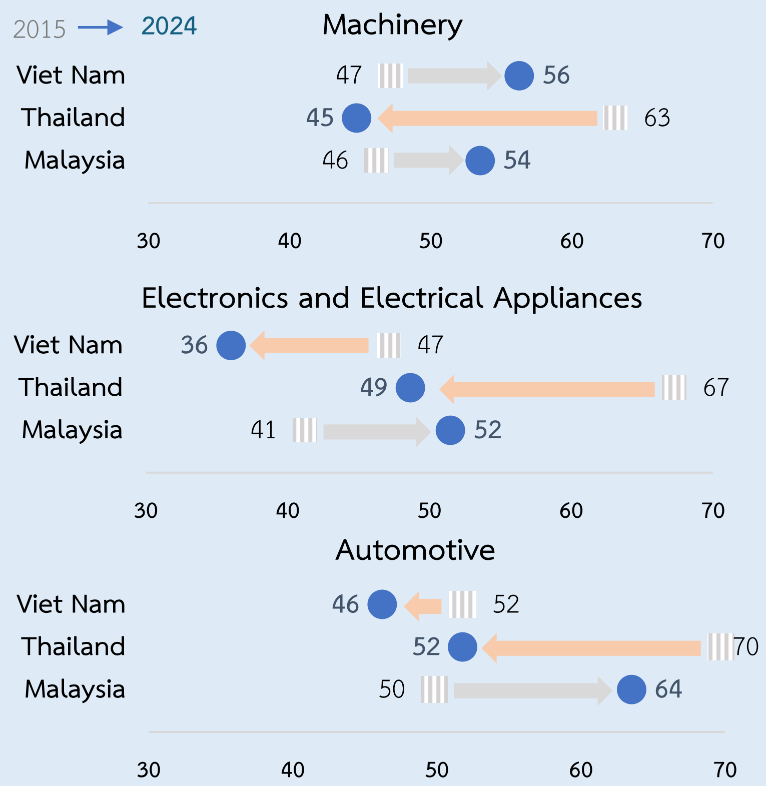
Box 2: Thailand's FDI outlook and benefits

The increase in FDI in recent years has helped increase Thailand's participation in the global supply chains, from 44.1% of total exports in 2015 to 50.0%[1] in 2024 (ADB, 2025). In terms of quality, however, the most recent increases in FDI have been concentrated in new industries such as electronics, machinery, and automobiles that are likely to generate lower domestic value-added (Figure 2) because they involve investment by foreign firms with higher import content (Figure 3), especially for the electronics industry, where imported raw materials make up more than half of the product's value.

The investor's nationality also determines the domestic value-added. Thailand's foreign investor composition has changed considerably over time. In the five years before COVID, more than half of total FDI originated from Japan. However, in the five years after COVID, the share of Japanese investors fell to just 12%, while the share of Chinese investors increased from 12% to 16% during that same period. FDI from China is concentrated in new industries such as electric vehicles (EVs), which have high import content and limited integration with domestic supply chains. **The domestic supply chain for electric vehicles is still in the early stages of development and Thai firms still face limitations in procuring raw materials and specialized parts needed.**

[1] Analysis based on Asian Development Bank (ADB)'s data on global supply chain structures

Figure 2: Share of Domestic Value Added (% Gross Exports) in Advanced Manufacturing, 2015 vs. 2024



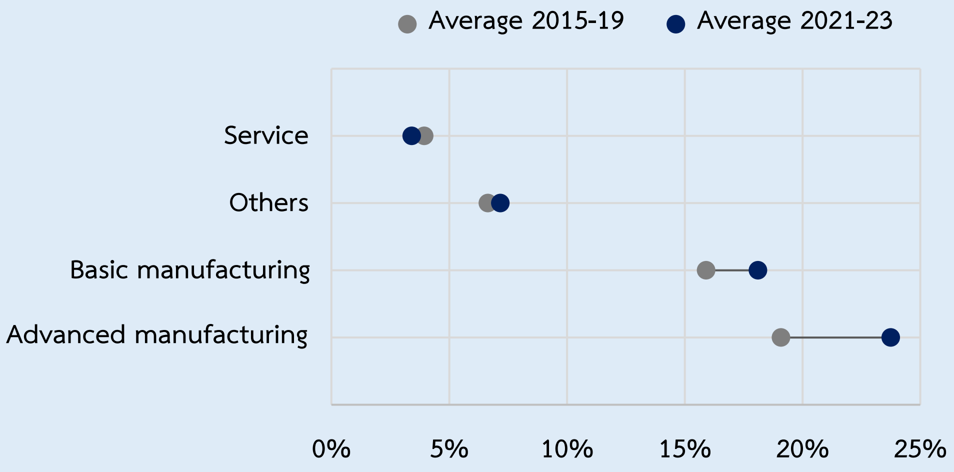
Note: Vertical lines represent 2015 data, and solid circles represent 2024 data
Source: ADB Multiregional I-O Tables 2015 and 2024 calculated by BOT

Box 2: Thailand's FDI outlook and benefits

The aforementioned FDI developments are in line with Thailand's position in the global supply chains, which has shifted towards downstream activities in 2024 compared with a decade earlier. **The structure of new industries in Thailand is largely concentrated in midstream to downstream activities,** particularly assembly, testing, and packaging. In contrast, upstream activities that generate larger value added such as design, technology development, and manufacturing key inputs are still quite limited. **As such, the gains from FDI in new industries in terms of domestic value-added remain limited.** Similarly, the benefits in terms of employment are also limited because of the capital-intensive nature of these investments, as evidenced by the continued rise in the capital-to-labor ratio.

In summary, FDI remains a key driver of growth for the Thai economy, both in the near term through investment and over the longer term through the restructuring of industries. However, the policy issue is not solely about the amount of investment, but also about improving the quality of FDI to generate more domestic value-added. This includes upgrading skills of Thai labor to accommodate new industries and increase employment, as well as increasing the utilization of domestic raw materials by enhancing SMEs' competitiveness and strengthening the supply chains, in order to sustainably move Thailand's role up the global supply chain toward higher value-added activities.

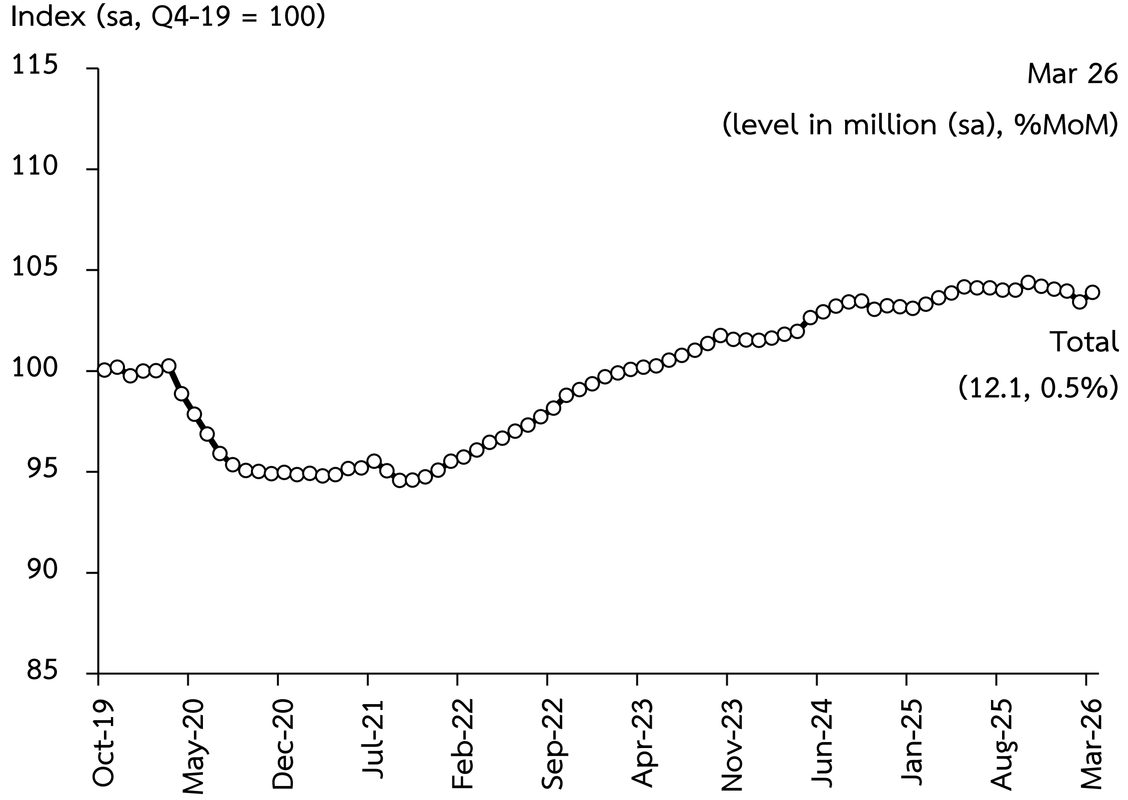
Figure 3: Share of Import Content (% Total Expenditure) by Sector, 2015–2019 vs. 2021–2023



Note: The import content share is calculated as the value of imported raw materials and intermediate goods relative to total expenditure by industry; "Advanced Manufacturing" comprises electronics, electrical appliances, machinery, and automotive sectors.
Sources: Thai Customs Department and Department of Business Development calculated by BOT

Employment has softened. Labor income growth is projected to decelerate in 2026, reflecting weaker economic activity, rising production costs, and declining farm income due to lower agricultural prices, before improving in 2027 as the war gradually subsides.

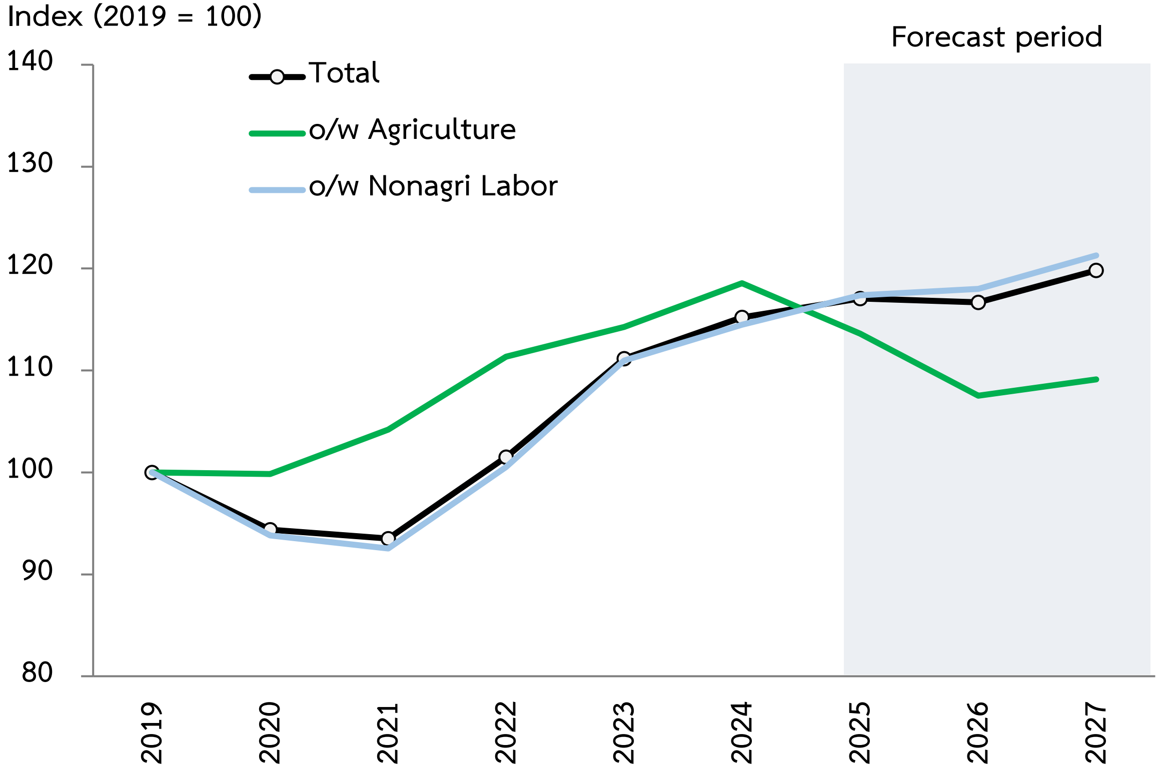
Number of workers in the Social Security Fund (section 33)



Note: Section 33 refers to employees who are not less than 15 years of age and not more than 60 years from the date the employee starts working for a company with one or more employees.

Source: Social Security Office, BOT calculation

Projection of labor income

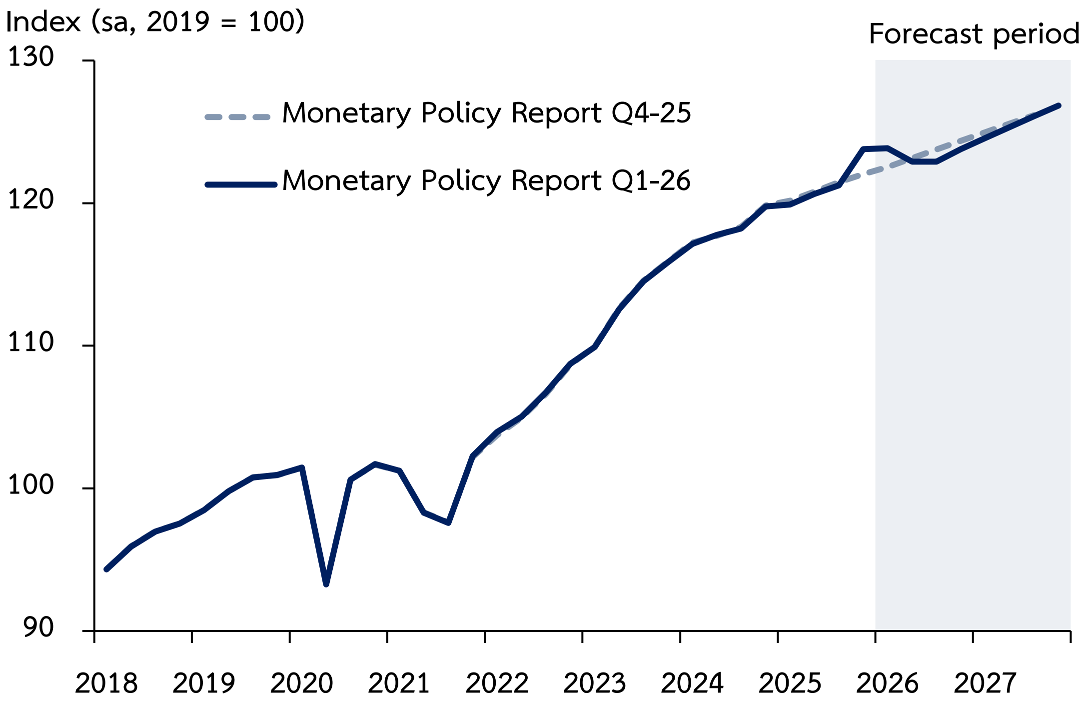


Note: Labor income data from the national income accounts, with the most recent data available up to 2024.

Sources: NESDC, National Statistics Office, Office of Agricultural Economics, BOT calculation and forecast

Private consumption is projected to grow at a slower pace due to higher living costs and declining income, in line with the economic outlook.

Projection of private consumption



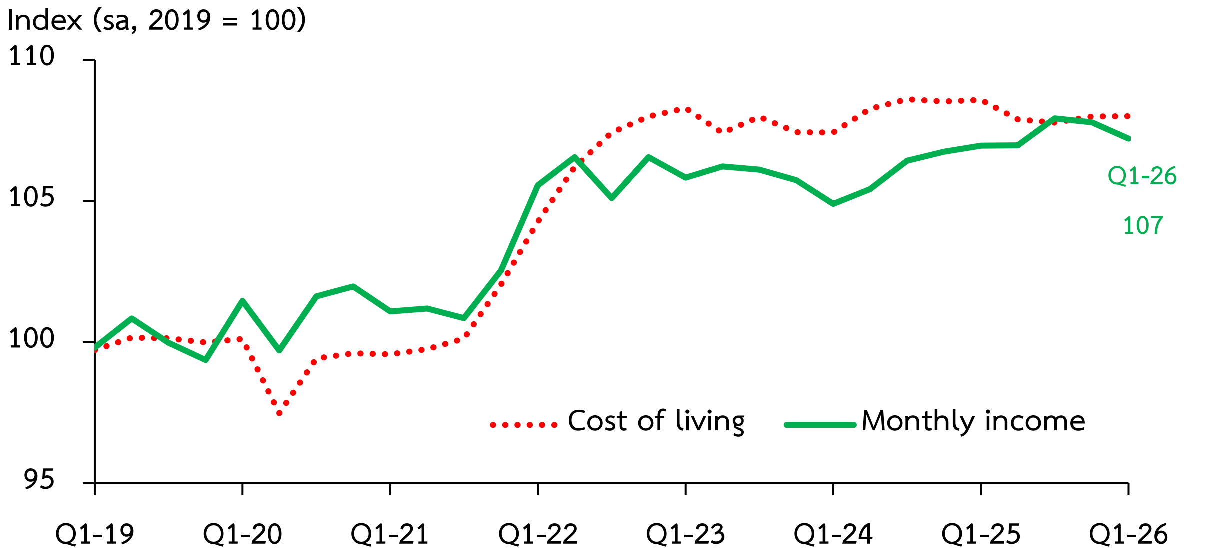
Source: BOT calculation and forecast

Private consumption projection

%YoY	2024	2025	2026[F]	2027[F]
Private consumption	4.4	2.7	1.6	1.9

Note: [F] Forecast data

Average incomes soften, while the cost of living continues to rise.



Note: Monthly income represents earnings of non-agricultural employees. For Q1/26, it is calculated as a preliminary average for January–March 2026. The cost of living is measured using the Consumer Price Index (CPI).

Sources: Ministry of Commerce and National Statistical Office; calculated by BOT

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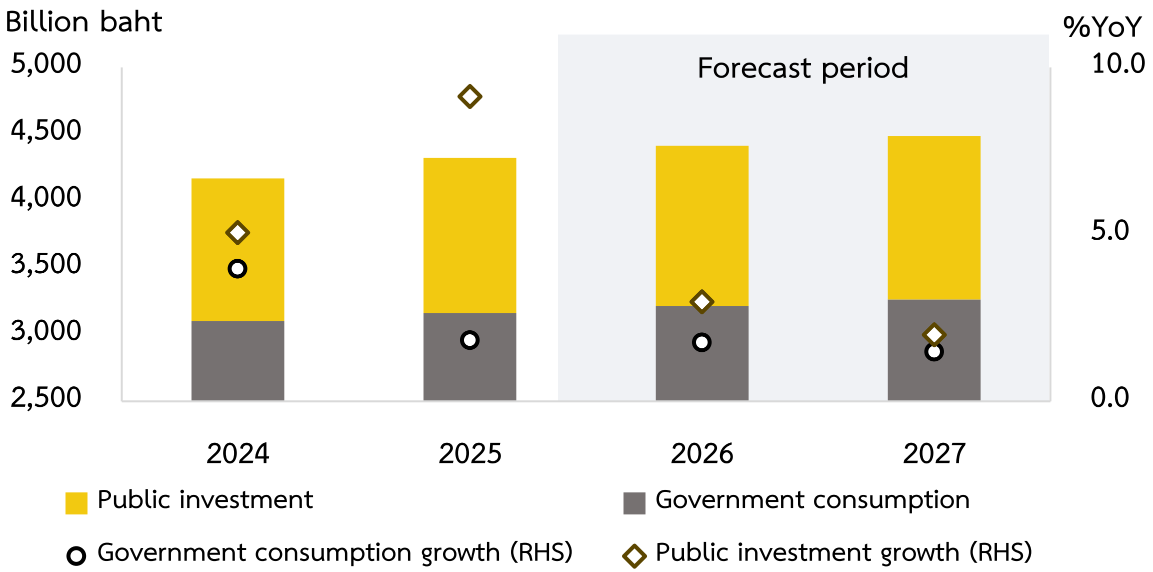
Businesses' views on consumption outlook

- Consumers would continue to spend cautiously, especially the vulnerable groups, despite the temporary acceleration seen in March 2026 due to panic buying. There remains a need to closely monitor the impact of the war on consumer purchasing power.

Source: data from interviews with businesses between 28 Feb – 22 Apr 2026

Public expenditure is projected to increase in 2026 as the FY2027 Budget Bill is expected to be expedited and come into effect without delay.

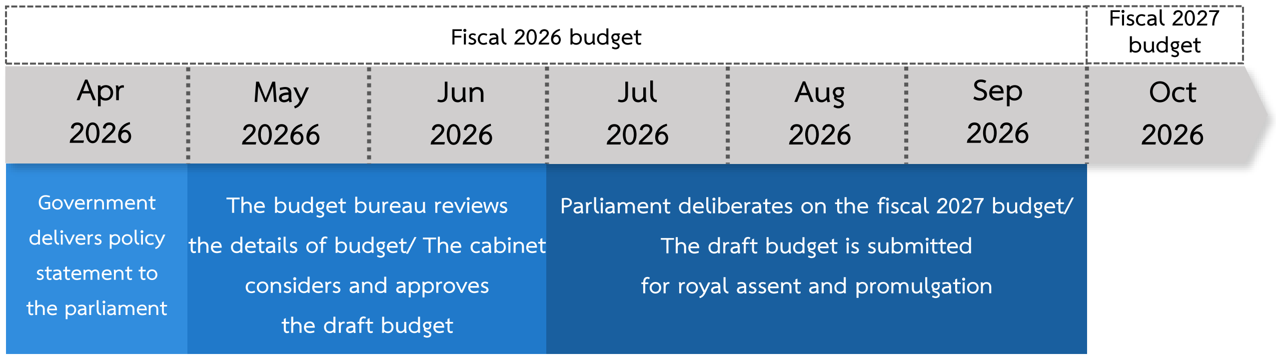
Government spending amount[1/]



Note: [1/]General government consumption and Public investment at current price (SNA definition)

Source: NESDC, BOT calculation

Timeline of expenditures under the FY2027 Budget



Public expenditure is projected to increase in 2026 as the FY2027 Budget Bill is expected to come into effect within the normal timeframe, rather than being delayed as previously assessed. This would result in higher public expenditure in Q4/2026. However, the contribution of public expenditure to economic growth would be lower in 2027 and in the period ahead, partly due to fiscal consolidation plans outlined in the Medium-term Fiscal Framework (MTFF) for 2027-2030.

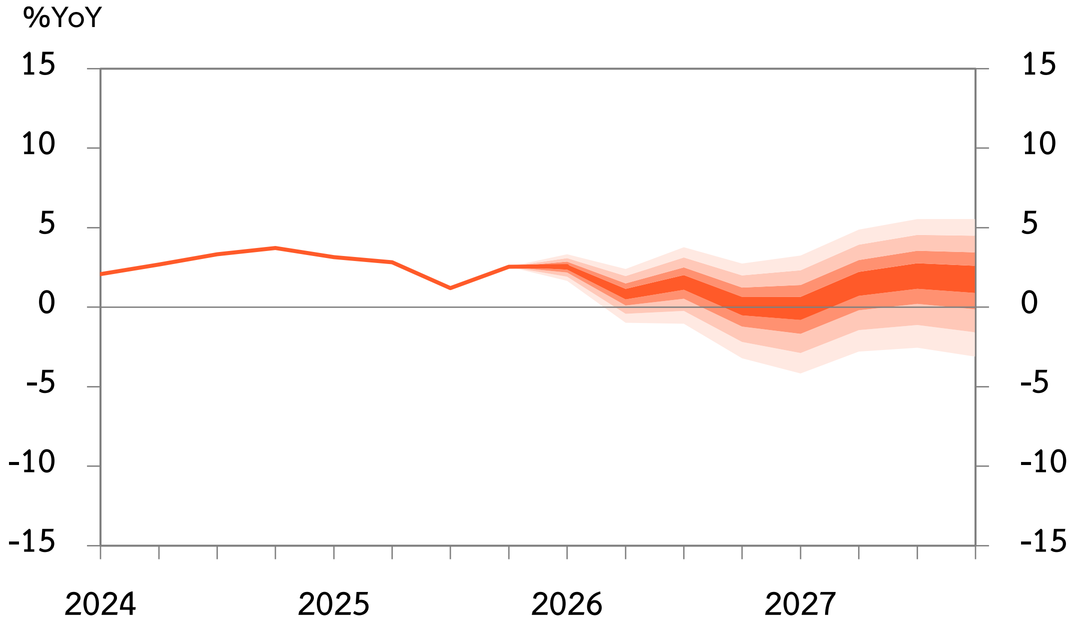
The FY2027 Budget Bill is expected to come into effect within the normal timeframe, or before the start of the new fiscal year in October 2026. This is due to the Government being formed earlier than expected as well as the budgetary process being expedited. In this regard, the FY2027 Budget Bill is expected to come into effect in accordance with the timeline that was proposed to the Cabinet on 11 April 2026.

Summary of economic forecast by component

Private consumption	**Private consumption growth is expected to slow down significantly in 2026,** as households continue to spend cautiously following higher living costs, driven by a sharp increase in energy prices due to the war. Meanwhile, income is expected to recover slowly on account of the slowdown in non-farm income in line with economic activities, and the continued contraction in farm income due to lower agricultural prices, further exacerbated by higher fertilizer costs. **Private consumption growth is expected to improve in 2027,** in line with improved income and consumer confidence after the war's impact on tourism, exports, and inflation gradually eases. However, tight financial conditions and elevated household debt continue to weigh on private consumption in the period ahead.
Private investment	**Private investment is projected to continue expanding.** Private investment would slow down temporarily in Q2/2026 as investors adopt a wait-and-see approach to better assess the impact of the war, which is still highly uncertain. **In the period ahead, private investment growth is expected to remain on a positive trajectory** driven by investment in new industries, particularly technology-related businesses, as reflected in the rising value of BOI promotion certificates.
Merchandise exports (value)	**Merchandise exports growth is projected to remain strong in 2026.** This is primarily driven by strong expansion in exports of technology-related products since last year, in line with strong demand for electronics from trading partners. Meanwhile, exports of non-technology products are expected to be affected by the war, partly reflected in declining exports to the Middle East, particularly in the automobile, petrochemical, and chemical product categories. **Merchandise exports growth is expected to slow down in 2027** in line with slowing global demand for technology-related products.
Services exports	**Foreign tourist arrivals are expected to remain stable in 2026** at 33 million persons, with declines in tourists from the Middle East and Europe due to the impact of the war, as well as slower growth in Asian tourists due to higher travel costs and lower tourism confidence. Meanwhile, Chinese tourist arrivals are expected to continue recovering after safety concerns have eased. **Foreign tourist arrivals for 2027 are projected to increase** to 35.5 million persons, while **tourism receipts are expected to record strong growth** after war-related situations ease.

Risks to Thailand's economic outlook are skewed to the downside for both 2026 and 2027.

GDP growth



Note: The fan chart is constructed using historical forecast errors (measured by standard deviations), complemented by expert judgment, to reflect the uncertainty and the balance of risks associated with the projections.

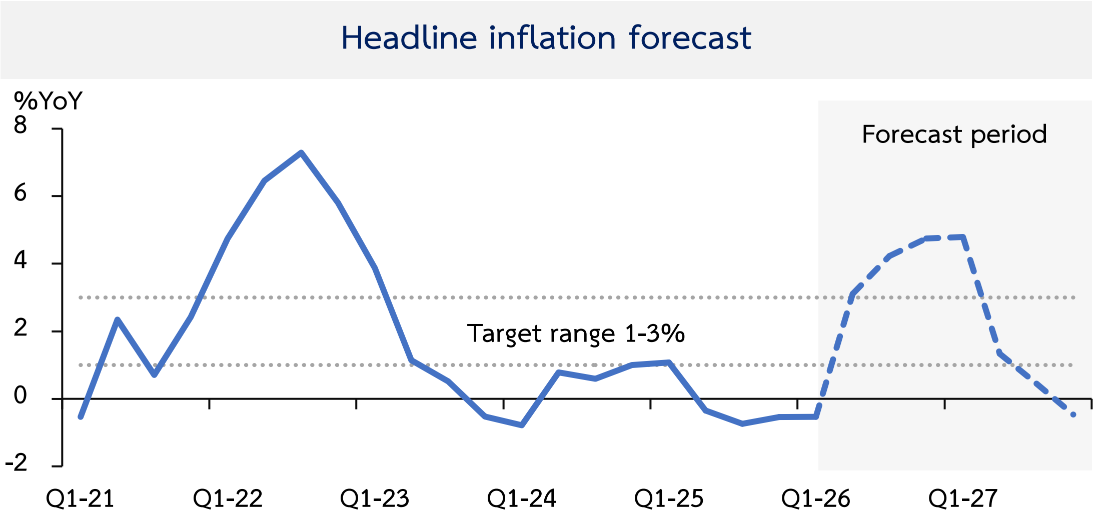
Upside risks

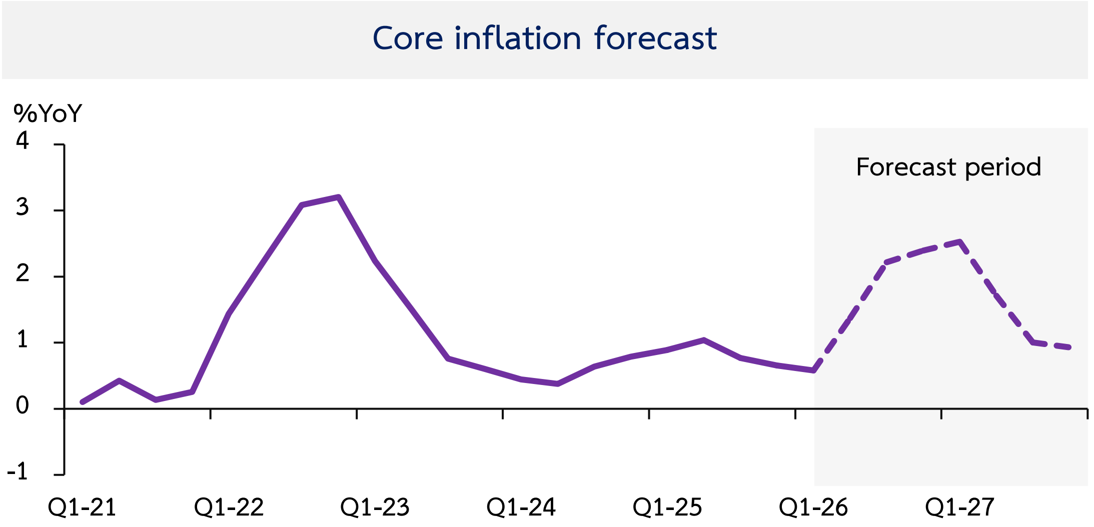
- Government economic stimulus measures

Downside risks

- A more prolonged-than-expected war in the Middle East and additional U.S. trade policy measures
- Higher business costs straining firms' liquidity, with potential implications for employment

Headline inflation is projected to increase temporarily in 2026 due to rising energy prices, before declining in 2027 as supply pressures subside. Core inflation is projected to increase only modestly, as purchasing power remains weak.





Source: Ministry of Commerce, BOT calculation and forecast

Inflation forecast

%YoY	2024	2025	2026[F]	2027[F]
Headline inflation	0.4	-0.1	2.9	1.5
Core inflation	0.6	0.8	1.6	1.5
Energy inflation	0.1	-4.3	9.7	-0.6
Raw food inflation	0.1	-0.6	3.1	2.9

Note: [F] Forecast

- **Headline inflation in 2026 is expected to accelerate and stay above the target range for some time.** This is in line with Singapore refined oil prices, particularly diesel, which remain high due to tight supply. At the same time, domestic oil price subsidies remain limited. Inflation in the raw food category is expected to increase due to cost pass-through and high transportation costs as well as the impact of El Niño, which is likely to be more severe this year.
- **Headline inflation would gradually decline in 2027** and return to the target range in Q2/2027 due to easing supply pressures and the base effect of high energy prices in the previous year.
- **Core inflation is expected to increase** due to the gradual rise in higher energy costs as well as a shortage of raw materials in some industries. However, weak purchasing power and intensified competition in certain goods categories would limit how much costs businesses could pass on to consumer prices.

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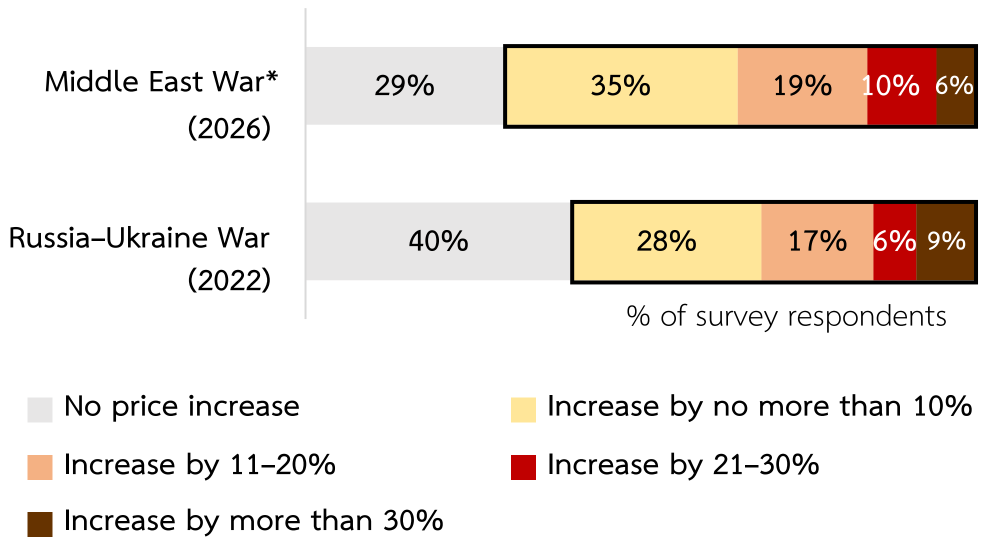
Looking ahead, there remains the need to monitor (1) firms' price-setting behavior as cost pass-through could be significant despite weak domestic purchasing power and (2) medium-term inflation expectations, which reflect risks of persistently high inflation.

Most firms would raise prices by no more than 20%. However, the share of firms expected to raise prices is likely to be higher than in the past.

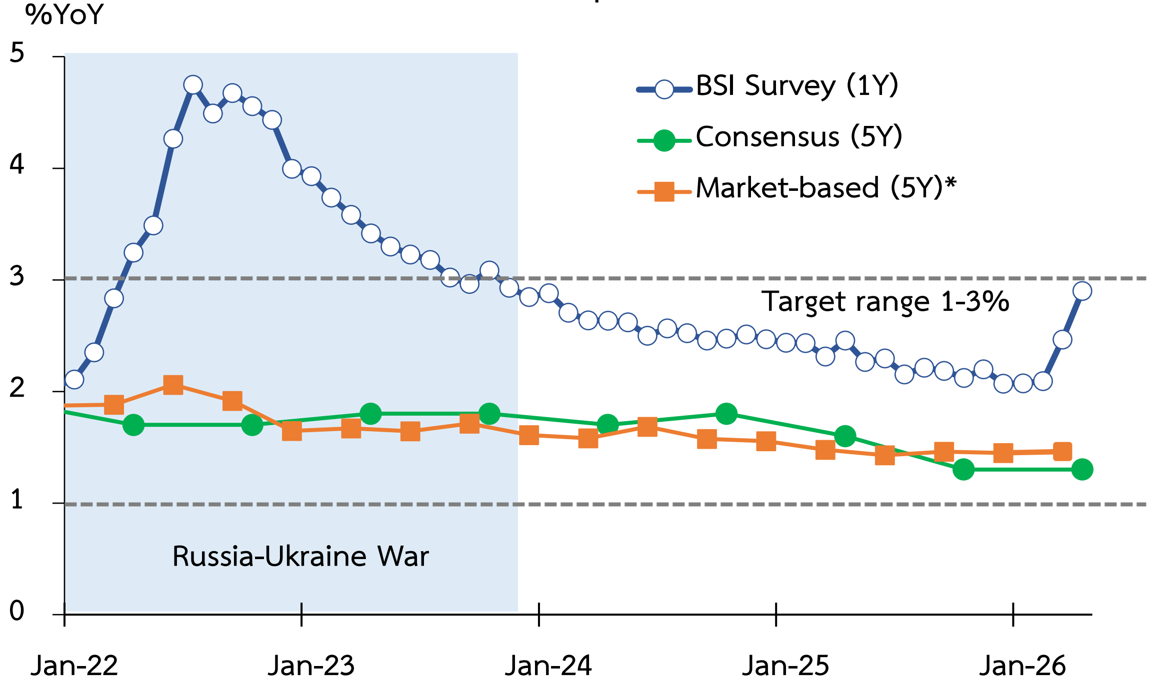
Short-term inflation expectations increased in line with energy prices, but medium-term inflation expectations remain anchored within the target range.

Question: Over the next 3 months, by how much do businesses expect to increase prices in response to rising costs?



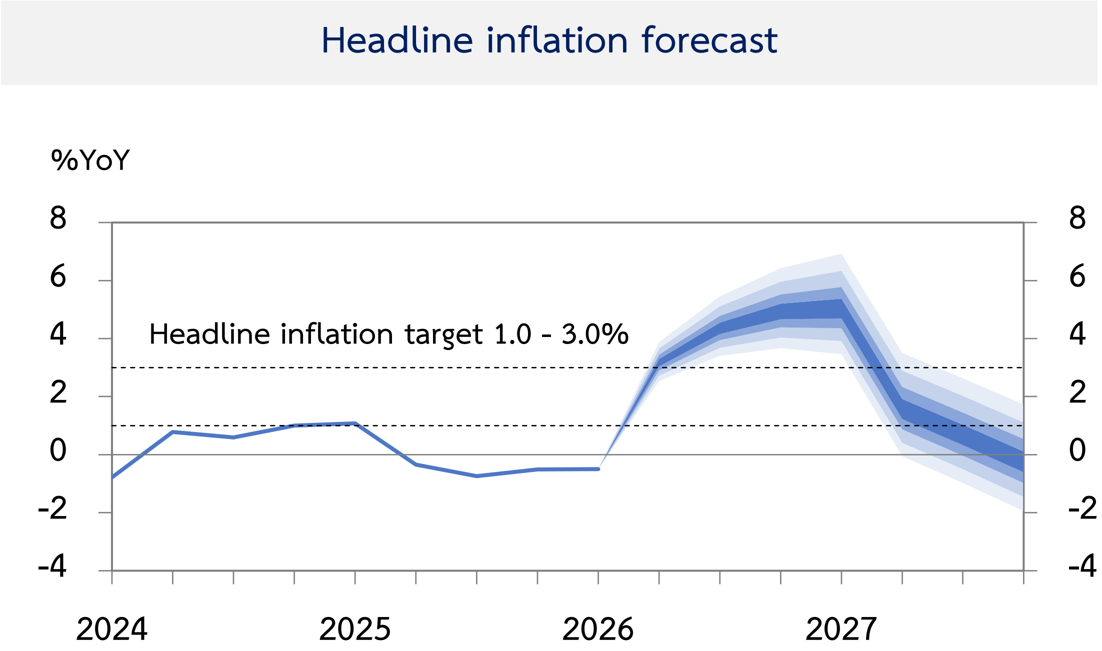
Note: *Based on a sample of firms surveyed in both periods, totaling 150 firms.
Source: BSI Special Survey, April 2022 and April 2026.

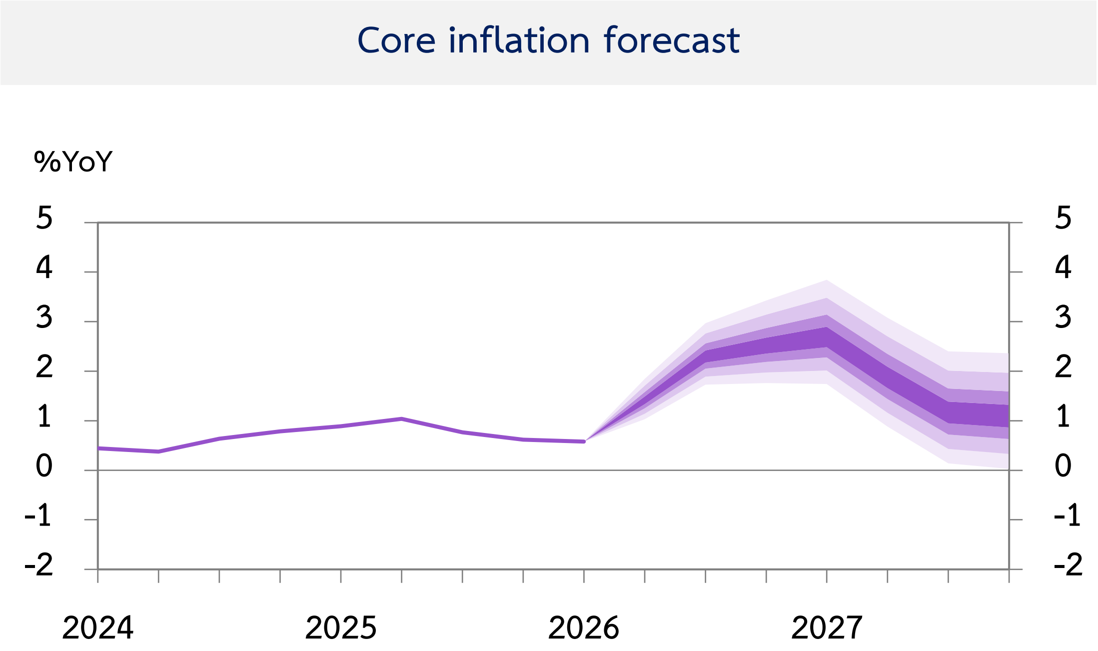
Inflation expectations



Note: *Forecast based on affine term structure model using yield curve data and macroeconomics factors
Sources: Asia Pacific Consensus Economics, Business Sentiment Survey (BOT)

Risks to the inflation outlook are skewed to the upside for both 2026 and 2027.





Upside risks:

- Higher commodity prices due to severe supply disruption
- Higher-than-expected cost pass-through from businesses
- Drought from El Niño results in a sharper-than-expected rise in raw food prices

Downside risks:

- Global energy prices decline as the situation is resolved sooner than expected
- Additional living cost subsidies from the Government, such as those for electricity bills

Box 3: Impact of the war in the Middle East on Thailand's inflation

The war in the Middle East has had a significant impact on energy and commodity prices, such as fertilizers and plastic pellets, leading to a sharp increase in business costs. This stems both from higher raw material costs and the pass-through of costs to other goods and services, pressuring overall inflation to accelerate. However, inflation will not remain elevated for long, as the raw material shortages are expected to gradually ease. Looking ahead, the inflation outlook can be characterized as follows:

The current crisis represents a large energy supply shock, leading to immediate price adjustments in goods with high energy costs, while the price adjustments of many other products must be monitored going forward to assess the impact of energy cost pass-through.

The rapid and sharp rise in supply-side pressures has driven energy prices, which account for 13% of the CPI basket, to accelerate. The key factor is the surge in Singapore refined oil prices, particularly diesel (Figure 1), which have risen significantly due to shortages of Middle Eastern crude oil. This crude yields a higher proportion of diesel when refined compared to other sources. Furthermore, many refineries in the region have capped exports, which has further tightened supply conditions.

Oil prices, which have risen and could remain elevated for an extended period, have limited the capability of domestic price subsidies, resulting in an increase in diesel price from 30 baht per liter at the end of February 2026 to a peak of 50 baht per liter in April 2026, compared to the historical ceiling of 35 baht per liter. **The sharp rise in costs resulted in an immediate increase in prices across many goods and services, especially energy-dependent sectors** such as public transportation including boats, planes, and buses, the prices of which have increased since late March 2026.

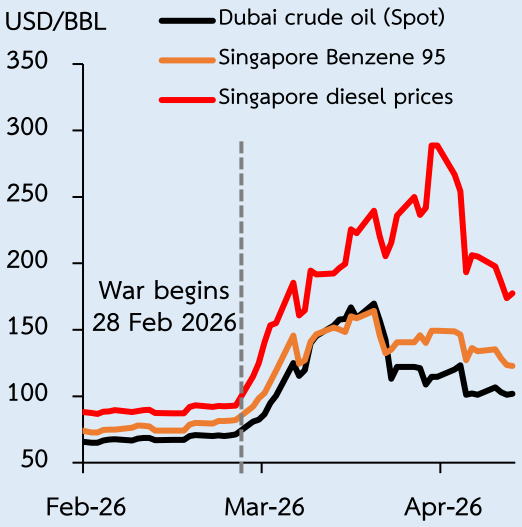
Higher production and transportation costs, coupled with shortages of raw materials such as fertilizers and plastic pellets, are expected to exert upward pressure on the prices of other everyday items. These include prepared foods, cooking ingredients, personal care products, and cleaning supplies. The impact is anticipated to become more evident in Q2 2026. According to the study[1/], **under the current high oil price regime, the pass-through from energy prices to core inflation may become clearly visible and fully realized within 6–8 months (Figure 2), due to:**

1) **Higher costs are forcing businesses to pass on costs more often to maintain profit margins** as opposed to before, when some businesses would wait for regular price adjustment cycles (e.g. once or twice a year).

2) **Cost increases have been broad-based; therefore, many businesses take more time to gradually pass on costs.** This is because each manufacturing sector have varying degrees of cushioning, such as inventories and profit margins, coupled with the fact that producers tend to raise prices around the same time. Thus, it takes a long time before costs to be fully passed through to consumer prices.

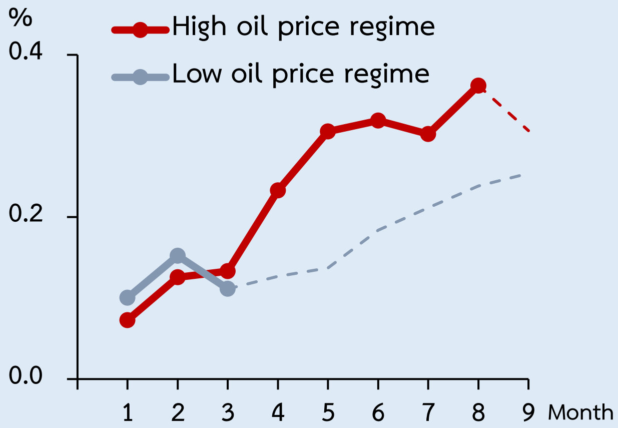
3) **Oil prices constitute a salient shock, as they are highly visible to the public.** Elevated oil prices heighten attention among producers, competitors, and consumers alike, leading to a shared perception of cost pressures and facilitating price adjustments.

Figure 1: Daily Oil Prices



Source: Bloomberg, BOT calculation

Figure 2: Impact of a 10% Increase in Domestic Retail Oil Prices on Core Inflation*



Note: *show cumulative impulse responses (CIRFs) under high oil price conditions, defined as ≥ 85 USD/BBL.
Solid lines indicate statistically significant effects (90% confidence level).
Dashed lines indicate insignificant effects.
Source: Ministry of Commerce, BOT calculation

[1/] Methodology used in the study is based on Baba & Lee (2022) and Nookhwun & Worasak (2019), which utilizes monthly data during the 2010-2025 period with explanatory variables including retail prices (diesel and benzene), food costs, and other macroeconomic variables including lagged variables.

Box 3: Impact of the war in the Middle East on Thailand's inflation

Elevated costs could result in stronger cost pass-through than in past episodes, although it is expected that prices would not increase much due to weak purchasing power.

This is in line with survey findings[1/] that firms are expecting to raise prices sooner within 3 months after the shock and by a larger degree than during the Russia-Ukraine war. Most firms raising prices are in the manufacturing sector such as petrochemicals, chemical products, and plastics, all of which rely on raw materials imported from the Middle East. However, **most firms would raise prices by no more than 20% of the cost increase due to concerns about purchasing power and competition.**

Overall, headline inflation in 2026 is projected to increase to 2.9% due to rising oil prices and cost pass-through, before declining sharply in 2027 to an average of 1.5% as supply-side pressures gradually subside. Inflation is likely to overshoot the target range temporarily for 3-4 quarters, before returning to the target range in Q2/2027. Meanwhile, core inflation would increase to an average of 1.6% in 2026 and 1.5% in 2027.

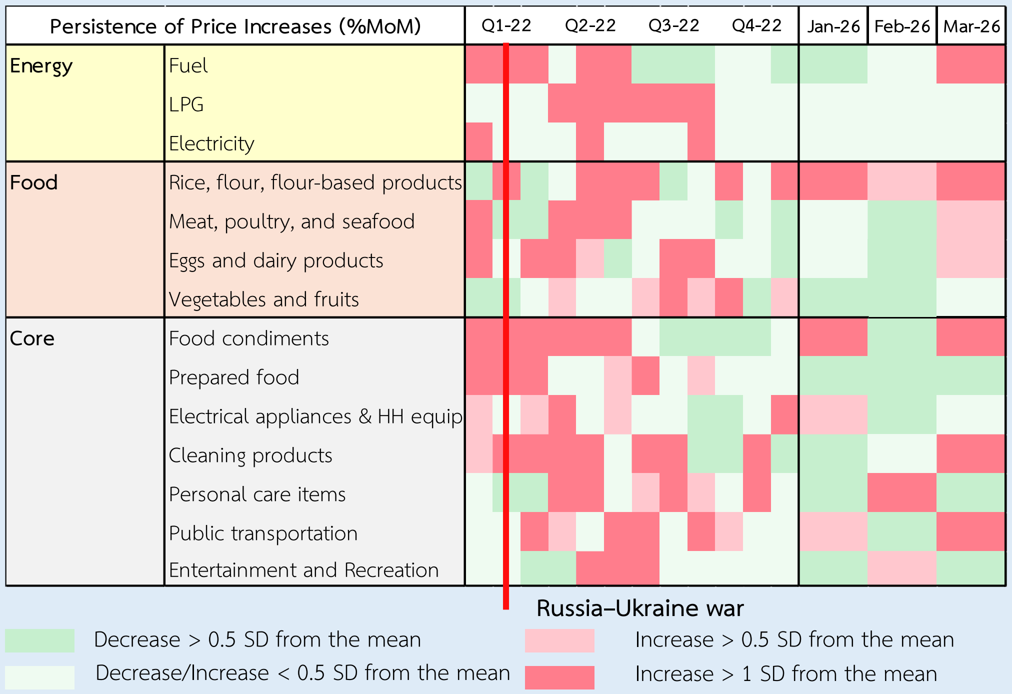
However, the war in the Middle East remains highly uncertain and could be prolonged, and thus could result in higher-than-expected commodity prices and the public's inflation expectations being affected. This could result in larger-than-expected cost pass-through and risks that prices would remain elevated for an extended period, which would impact living costs. The BOT will continue to monitor the situation closely through the following indicators:

1. Underlying indicators (excluding goods with high price volatility) are used to evaluate the trajectory and persistence of price pressures, as well as the distribution of price increases across different categories. Currently, price increases have been concentrated in energy-related goods (Figure 3). In addition, the Russia-Ukraine war episode suggested that that price increases across many categories in Thailand could also decline faster than in other countries.

2. Inflation expectations, particularly medium-term, which reflect risks that inflation could be elevated for an extended period. While short-term inflation expectations (1 year ahead) among businesses have increased alongside oil prices in April 2026 (from 2.1% in the previous month to 2.6%) and are likely to increase further as oil prices remain elevated, it is expected that short-term inflation expectations would gradually decrease once the conflict situation normalizes, similar to Russia-Ukraine war episode where it took about 20 months since the start of the shock for inflation expectations to return to the target range (Figure 3). In this regard, **a key indicator of inflation risks is medium-term inflation expectations (5 years ahead), which is currently anchored within the target range.** Medium-term inflation expectations are at 1.3% in April 2026, which is the same as the levels seen prior to the war, reflecting that the public is still expecting that the increase in oil prices due to the current crisis will affect inflation only temporarily.

Note: [1/]From special BSI survey in Apr 2025 and Apr 2026

Figure 3: Changes in prices of major goods and services categories



Source: Ministry of Commerce, BOT calculation

References: Baba, C. & Lee, J. 2022. "Second-Round Effects of Oil Price Shocks – Implications for Europe's Inflation Outlook," IMF Working Papers; Nookwhun, N., Worasak, W. 2019. "The Role of Global Food and Oil Prices on Thailand's Inflation and Monetary Policy", SEACEN.

Summary of key forecast assumption

Annual percentage change	2025	2026F	2027F
Trading partners' growth (%YoY)1/	3.1	2.6 (2.6)	2.4 (2.7)
Fed funds rate (% at year-end)	3.50 – 3.75	3.50 – 3.75 (3.25 – 3.50)	3.25 – 3.50 (3.25 – 3.50)
Regional currencies (excl. China) vis-à-vis the US dollar (index)2/	167.3	165.6 (163.8)	164.6 (163.3)
Dubai crude oil prices (US dollar per barrel)	69.4	100.0 (63.0)	80.0 (66.0)
Farm income (%YoY)	-6.9	-2.3 (-4.5)	0.3 (-0.1)
Government consumption at current price (billion baht)	3,160	3,215 (3,187)	3,263 (3,276)
Public investment at current price (billion baht)	1,163	1,198 (1,169)	1,222 (1,253)

Note: 1/ Weighted by each trading partner's share in Thailand's total exports

2/ Increasing index represents depreciation, decreasing index represents appreciation

F Forecast

( ) Previous estimates in the Monetary Policy Report Q4-2025

- **Trading partners' growth** is expected to remain slow. For 2026, the war in the Middle East would result in a slowdown in economic and trade activities, especially Asian economies that has high crude oil imports from the Middle East, and economies that have high oil dependence. For 2027, trading partners growth would continue to slow down, in part due to elevated crude oil prices despite some decline from the previous year.
- **The Feds funds rate** is expected to be stable at 3.50 – 3.75% in 2026 as the Fed slows down the pace of monetary easing after inflation risks rose in tandem with oil prices. For 2027, it is expected that the Fed would cut its policy rate by 25 bps after inflation risks decline.
- **Regional currencies (excluding the Chinese yuan)** is expected to depreciate due to investors opting to hold more U.S. dollar assets amid risk-off sentiment from the war, and the gradual easing of monetary policy in the U.S.
- **Dubai crude oil prices** is revised up for 2026 due to the closure of the Strait of Hormuz that resulted in a significant decline on global crude oil supply. However, the ongoing negotiations is expected to reach an agreement within H1/2026 and result in a gradual decline in oil prices in 2027 although it would remain high overall.
- **Farm income (excluding government subsidies)** would contract in 2026 due to decline in agricultural prices, particularly sugar cane, durian, pork, and rubber. Meanwhile, farm income would be stable in 2027 due to worse agricultural output as a result of El Niño, while agricultural prices would increase due to lower outputs, especially of rice and sugar cane.
- **Public expenditure at current prices** is expected to be higher in 2026 before slowing down in 2027 in line with the fiscal consolidation plans stipulated in the Medium-Term Fiscal Framework (MTFF) for 2027-2030.

Asset prices and exchange rates have been volatile amid uncertainties surrounding the war in the Middle East, while financial institutions remain cautious in extending credit and are currently assessing the impact of the war.

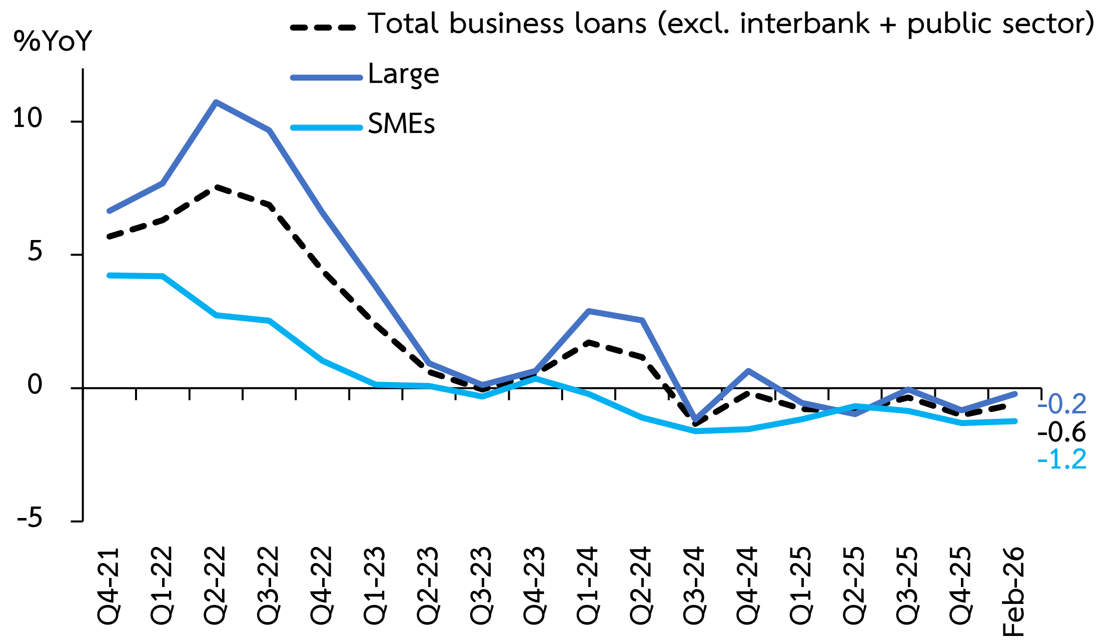
Credit growth remained stable and is expected to be subdued, as financial institutions exercise caution in extending credit to high-risk borrowers. There remains a need to monitor the credit quality of SMEs and mortgage loans, as well as the war's impact on debt serviceability.

Interest rates in banking system have declined in line with the policy rate cut at the MPC Meeting in Feb 2026, while Thai government bond yields have increased in line with global market movements.

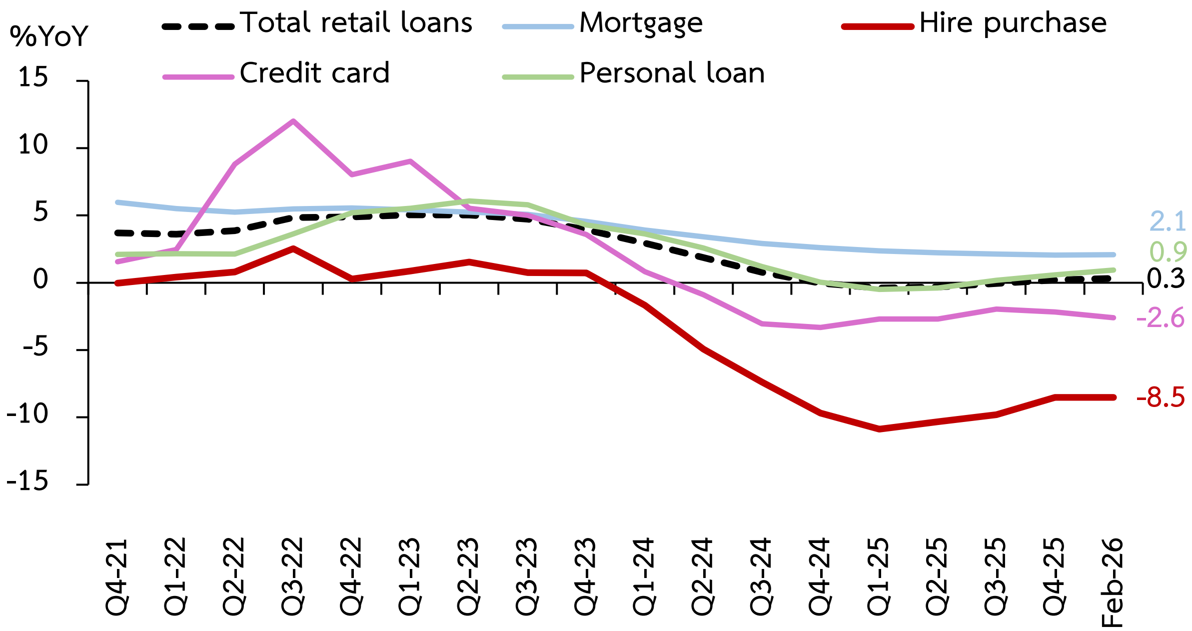
The baht has depreciated more than regional currencies due to the appreciation of the U.S. dollar, as well as Thailand-specific factors, notably the economic structure that relies heavily on oil imports.

Credit growth remained stable and is expected to be subdued in 2026 as financial institutions continue to exercise caution in extending credit to high-risk borrowers, especially SMEs, and are currently assessing the impact of the war.

Business loan growth by firm size



Retail loan growth by portfolio



Notes: (1) The data cover credit extended by the financial institutions system, comprising commercial banks, specialized financial institutions (SFIs), and non-bank financial institutions (both bank subsidiaries and non-subsidiaries).
2) The definitions of business credit size are as follows: 1. Commercial bank credit (excluding subsidiaries) in accordance with the definition of the Office of Small and Medium Enterprises Promotion (OSMEP), classified by credit limit (with large corporate credit exceeding THB 500 million and SME credit not exceeding THB 500 million); 2. SFI credit, defined in accordance with OSMEP's classification; and 3. Non-bank credit, covering SME credit only, comprising nano finance and regulated personal loans for occupational purposes, excluding loans secured by vehicle registration.
Source: BOT

Business loans contracted slightly, reflecting weak demand from large corporates in line with slowing investment under heightened economic uncertainty, while financial institutions continue to exercise caution in extending credit to SMEs with high credit risks. **Retail loans** grew slightly on the back of mortgage and personal loans. **Most financial institutions are still assessing the impact of the war** and remain cautious in extending credit, focusing more on supporting existing borrowers or loans with collateral.

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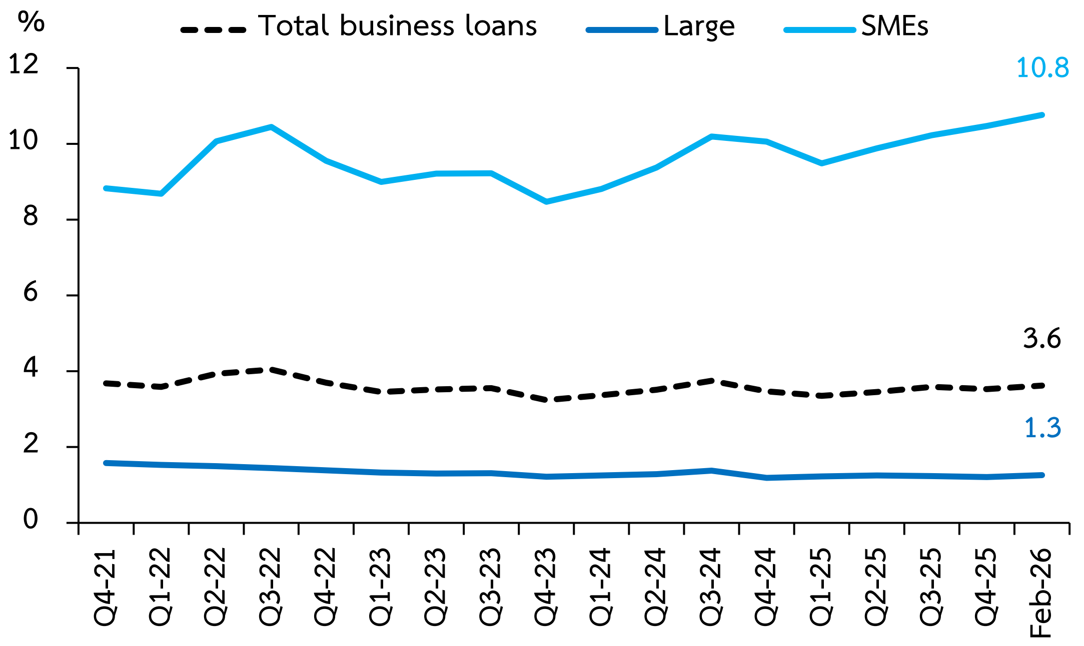
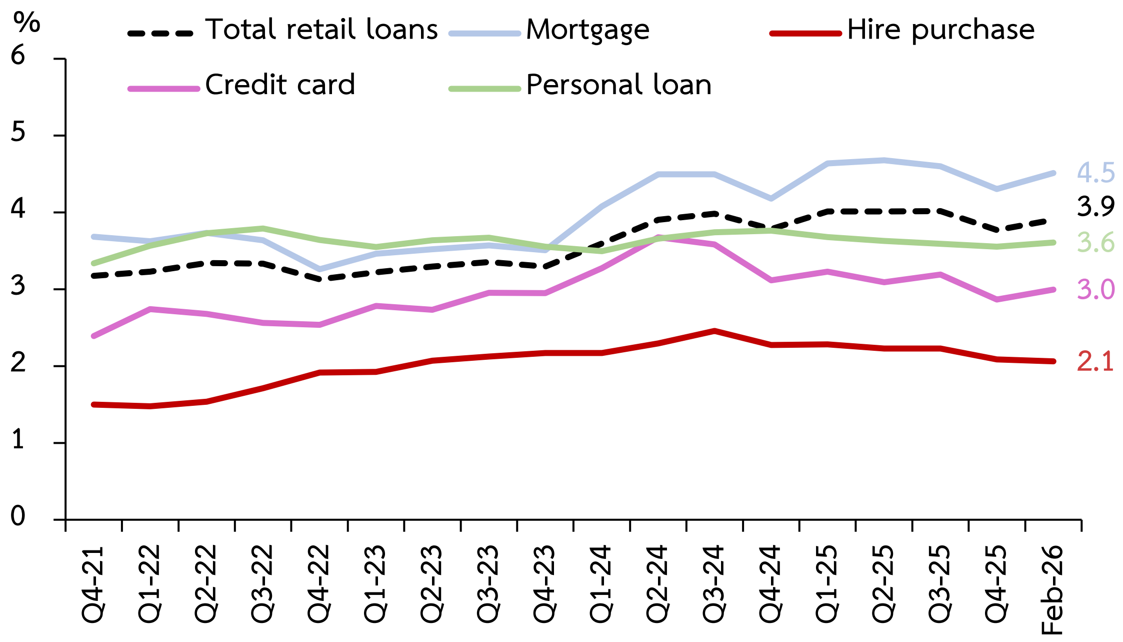
Credit quality has been broadly stable, but there remains a need to monitor SME and mortgage loan quality as well as the impact of the war on debt serviceability.

Stage 3 (NPL) of business loans by firm size



Stage 3 (NPL) of retail loans by portfolio



Notes: (1) The data cover credit extended by the financial institutions system, comprising commercial banks, specialized financial institutions (SFIs), and non-bank financial institutions (both bank subsidiaries and non-subsidiaries).
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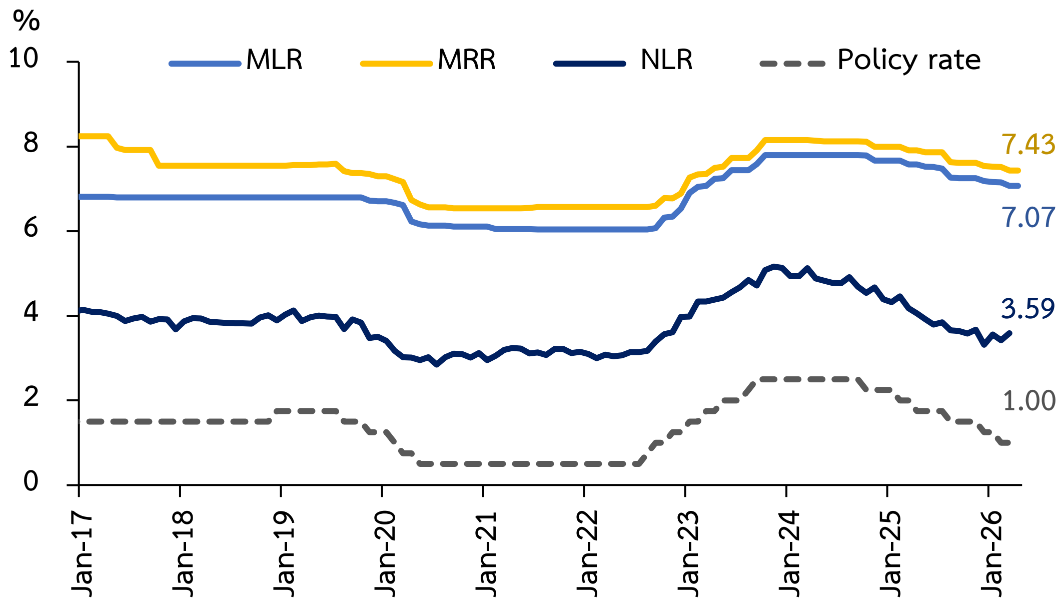
Source: BOT

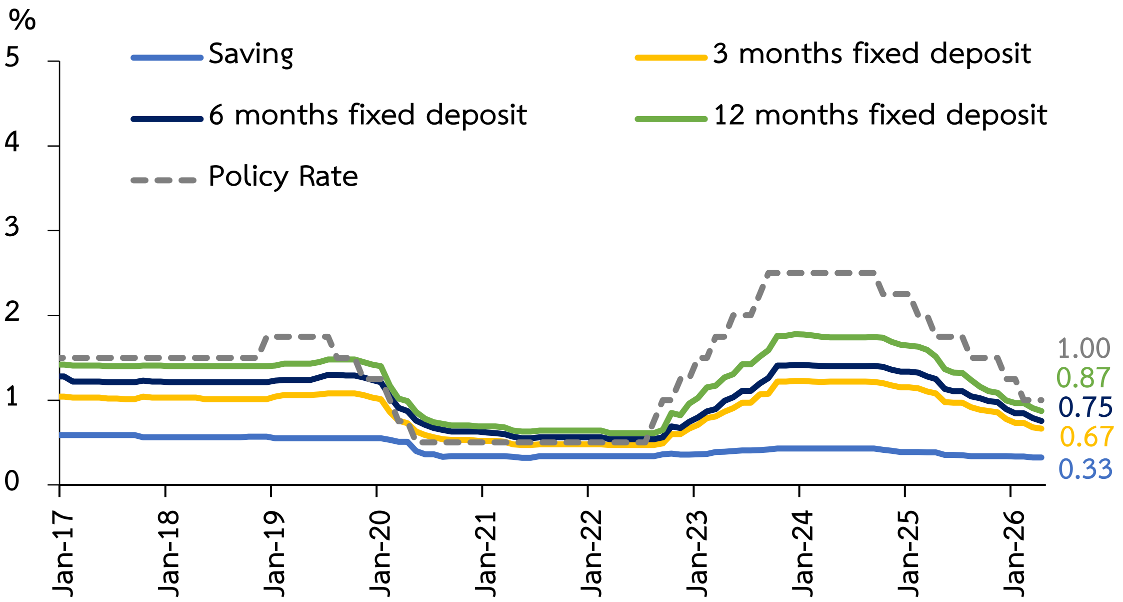
Credit quality has been stable overall but there remains a need to monitor the debt serviceability of SMEs as their NPL ratios continue to rise, particularly among financially vulnerable firms facing intensified competition and higher input costs, as well as among agricultural borrowers within SFIs' portfolios. **Credit quality of retail loans has also been stable** with improvements seen in auto leasing. However, credit quality of mortgage loans must be monitored as their NPL ratio are still on the rise partly due to overdue payments among SFIs' borrowers, especially those with monthly income below 30,000 baht.

Commercial bank interest rates have declined in line with the policy rate cut at MPC Meeting No. 1/2026 in February.

Commercial bank lending rates



Commercial bank deposit rates

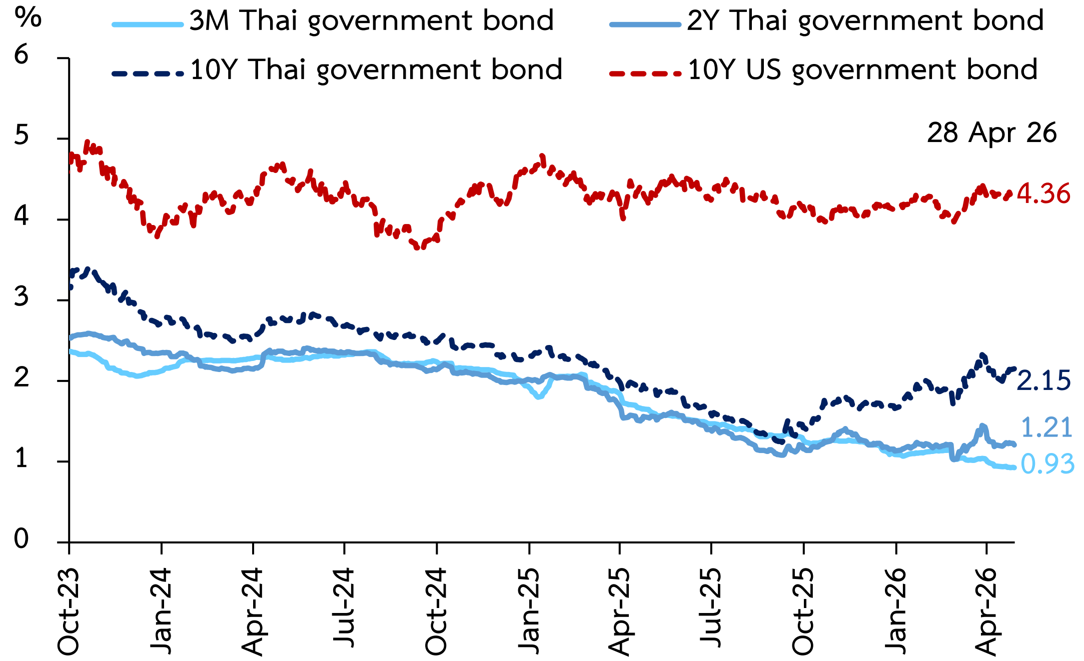


Note: (1) Monthly average of 14 commercial banks (data as of 28 April 2026)
(2) NLR = new loan rate (data as of March 2026)
Source: Bank of Thailand

Commercial bank lending and deposit rates have declined in line with the policy rate cut at MPC Meeting No. 1/2026 (25 February 2026). The minimum lending rate (MLR) and the minimum retail rate (MRR) fell to 7.07% and 7.43%, respectively. Meanwhile, the savings deposit rate remained unchanged, while fixed deposit rates decreased slightly.

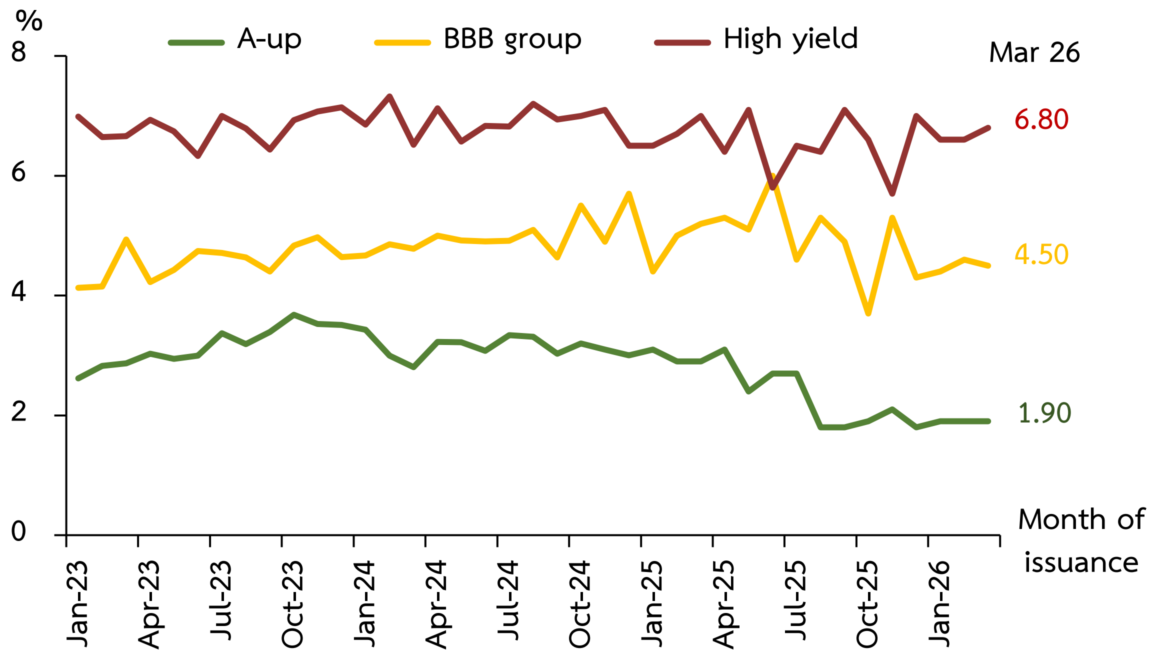
Long-term Thai government bond yield increased in line with the global market, while corporate bond yields was broadly stable.

Thai government bond and US Treasury yields



Source: Thai BMA (data as of 28 April 2026)

Corporate bond yields (1Y < Tenor <=3Y)* By credit rating

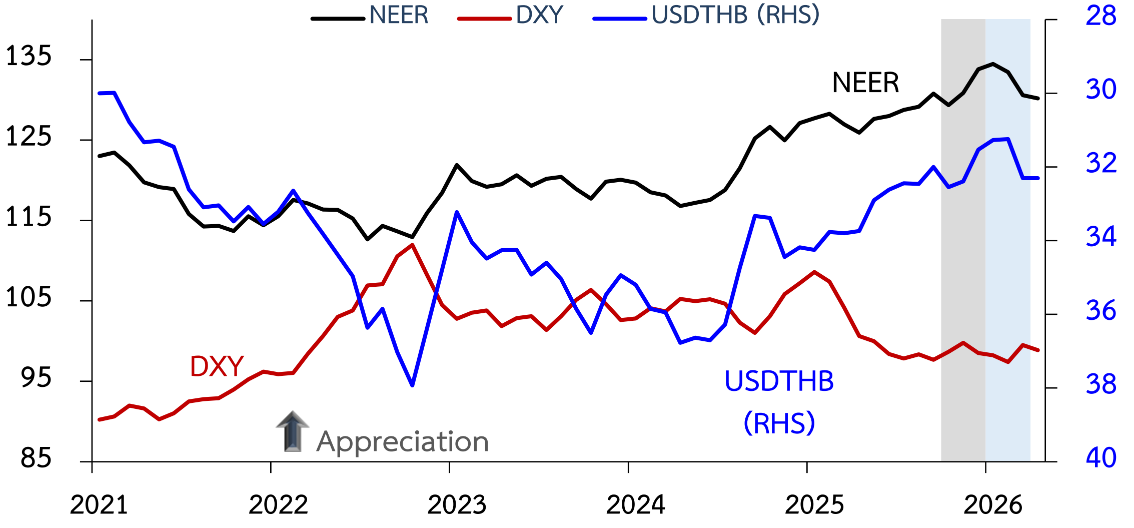


Note: * Weighted average coupon rate in primary market, including only corporate bonds denominated in baht offered domestically (excluding SOE bonds and the commercial banking sector) and including both fixed-coupon and zero-coupon bonds.
Source: Thai BMA, calculated by BOT

Short-term government bond yield declined in line with the policy rate cut at MPC Meeting No. 1/2026. **Long-term government bond yield increased in line with the global market** due to the impact of the war and concerns about potential increases in the fiscal burden. **Corporate bond yield was broadly stable**. Yields on corporate bonds rated A and higher remained stable at low levels due to strong investor demand. Meanwhile, bond yields among the high-yield group remain elevated due to concerns over credit risk.

The baht has depreciated more than regional currencies due to the impact of the war, as Thailand's economic structure relies heavily on oil imports.

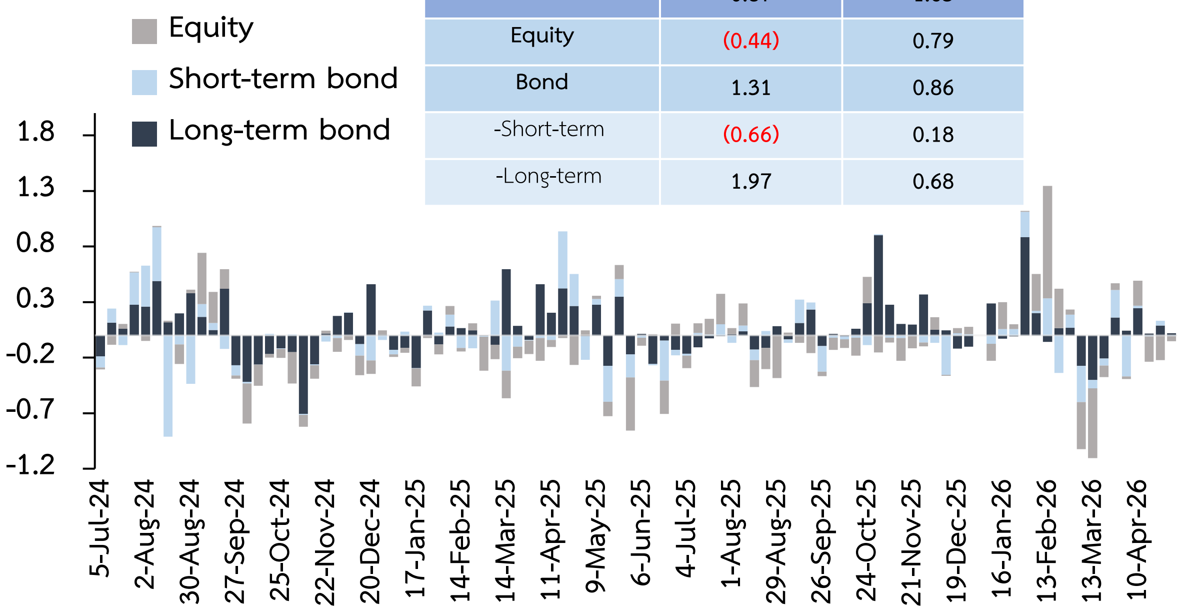
Baht per US dollar (USDTHB) and exchange rate indices



Note: Monthly average (as of 28 Apr 2026)

Sources: Bank of Thailand and Bloomberg

Capital flow into Thai securities



Billion USD	Q4/25	Q1/26
Total	0.87	1.65
Equity	(0.44)	0.79
Bond	1.31	0.86
-Short-term	(0.66)	0.18
-Long-term	1.97	0.68

Note: Weekly data, cumulative from the first trading day (as of 28 Apri 2026)

Sources: Bloomberg and ThaiBMA

The baht appreciated against the U.S. dollar in Q1/2026 compared to the previous quarter in line with the depreciation of U.S. dollar. At the beginning of the quarter, the market experienced concerns regarding U.S. trade policies and geopolitical tensions, alongside additional appreciation support from the Thai election. **However, the baht depreciated sharply in March and through to Q2/2026** due to the U.S. dollar's strength after the war in the Middle East escalated. The conflict led market participants to lower their expectations for Federal Reserve interest rate cuts amid heightened inflation concerns. The Nominal Effective Exchange Rate (NEER) appreciated in Q1/2026 before depreciating in Q2/2026 due to Thailand's high reliance on oil imports. Meanwhile, net capital inflows were recorded across all markets in Q1/2026. However, there were net capital outflows from the stock market and short-term bonds after the war started.

Monetary Policy Decision: Summary of Key Considerations

Economic growth

The Thai economy is projected to slow down due to the impact of the war in the Middle East. Domestic demand is weighed down by higher living costs, while tourism is impacted by travel limitations and higher travel costs.

Inflation

Headline inflation is projected to rise and stay above the target range, particularly in H2/2026 due to higher energy prices, before declining in 2027 as supply-side factors gradually subside.

Financial stability

Asset prices have been volatile with Thai bond yields rising. Credit growth would remain subdued as financial institutions are still assessing the war's impact and remain cautious in extending credit.

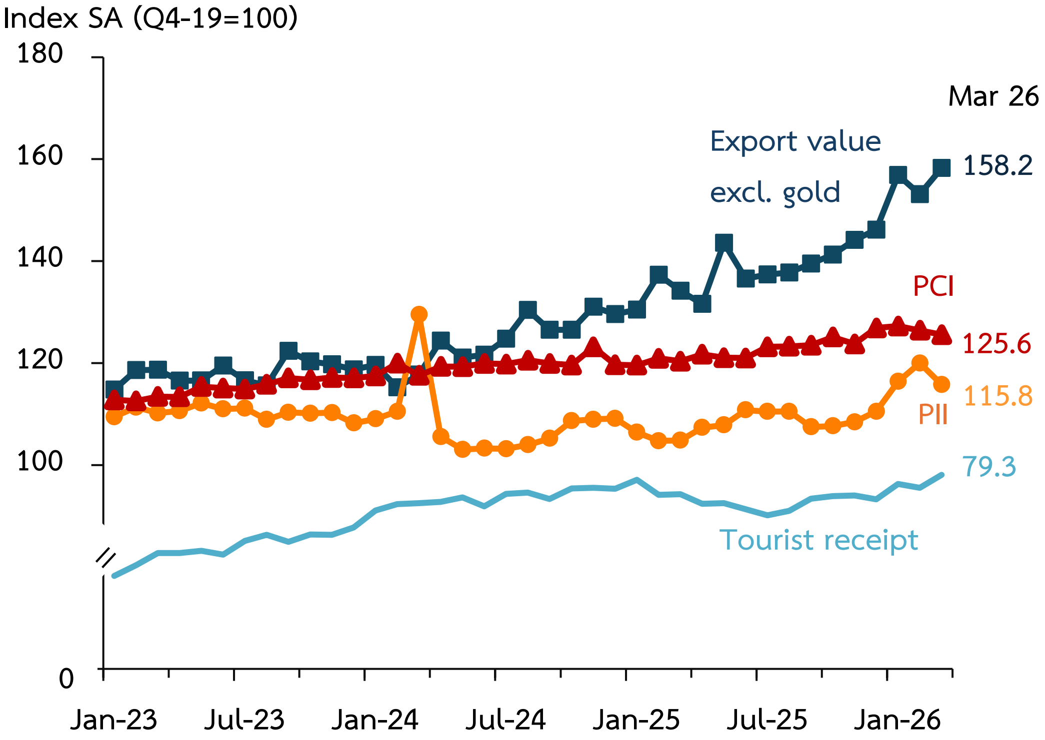
Monetary policy decision

The MPC kept the policy rate on hold at 1%, viewing the current policy rate as appropriate for supporting the economic recovery and is robust given the economic and financial uncertainties across many scenarios.

Before the war started, Thailand's economic growth was expected to be stronger than previously assessed. However, the war has resulted in rising energy prices and business costs.

Economic growth in Q1/2026 is projected to be stronger than previously assessed, driven by domestic demand and merchandise exports.

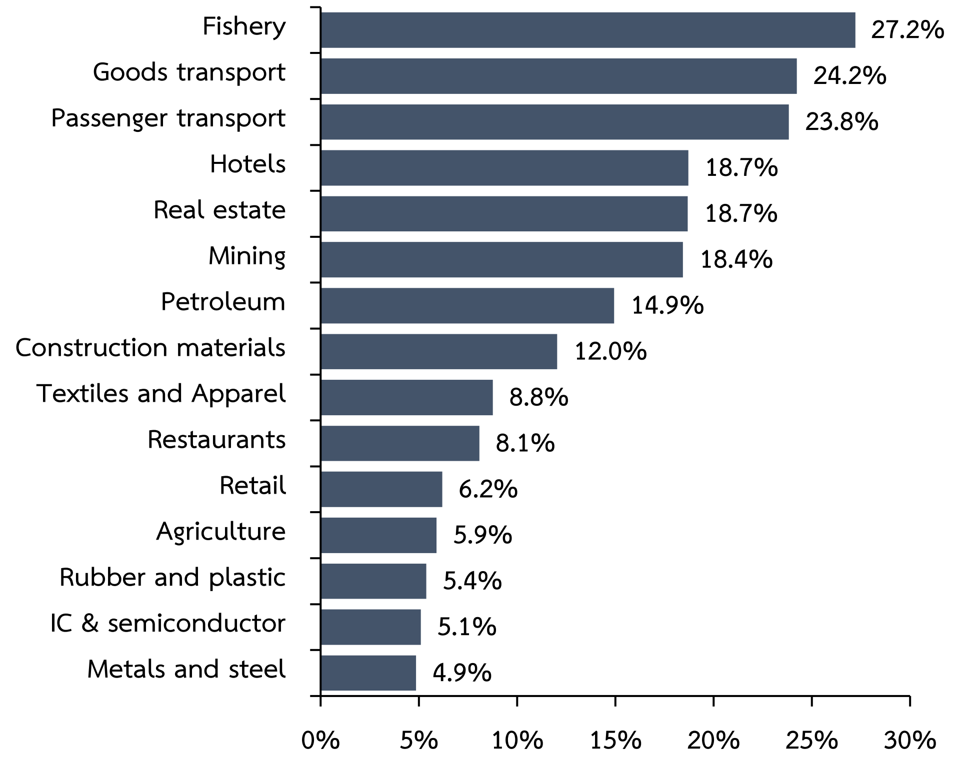
Demand-side economic indicators



Note: PCI = Private Consumption Indicator, PII = Private Investment Indicator
Source: BOT

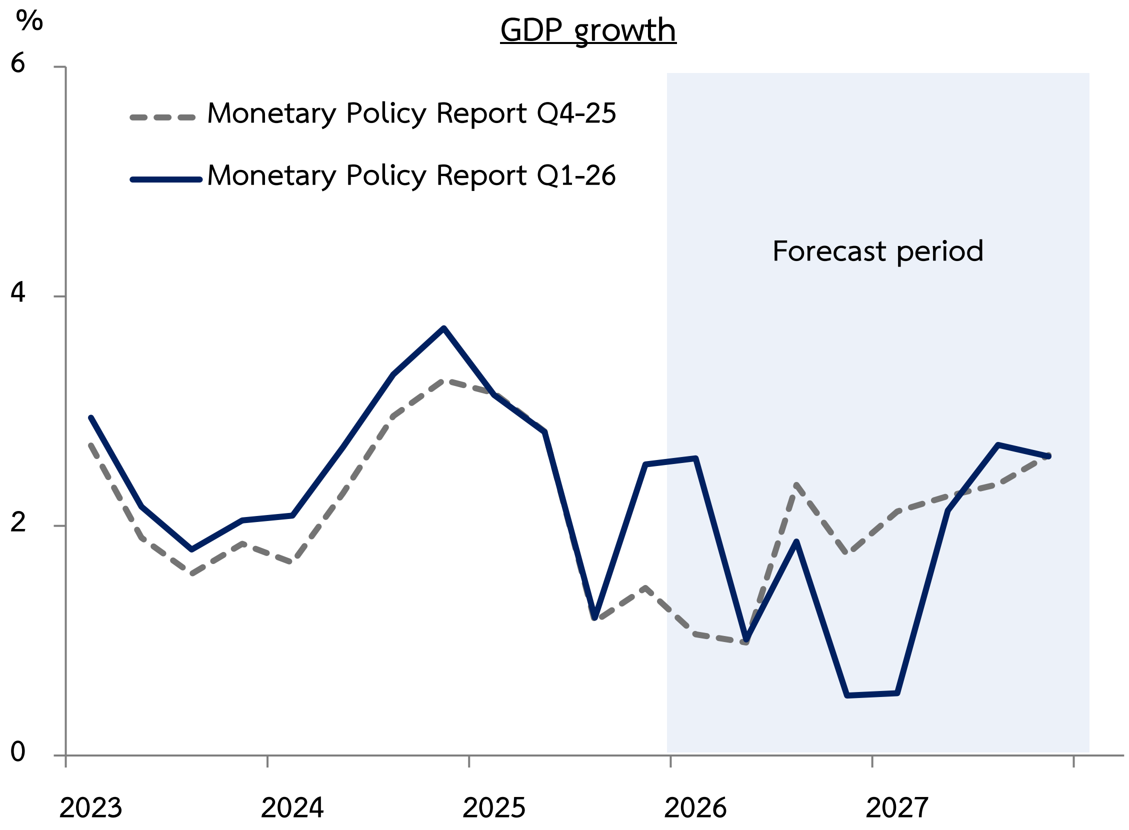
Higher energy prices have raised business costs, with varying impacts across sectors depending on energy dependence.

Share of energy and fuel costs to total costs



Sources: Industrial Census, and Business Trade and Services Census from the National Statistics Office and Thailand Input-Output Table from the Office of the National Economic and Social Development Committee (NESDC), calculations by BOT

The Thai economy is projected to slow down due to the impact of the war. Should the government roll out additional stimulus measures, economic growth in 2026 could turn out higher than expected.



Note: Historical data (2022–2024) have been revised by NESDC, as of 16 Feb 2026.
Source: NESDC; BOT calculation

In case the government implements additional fiscal stimulus measures, economic growth in 2026 could turn out higher than expected. However, growth would decrease in 2027 due to dissipation of stimulus impact and a higher base effect.

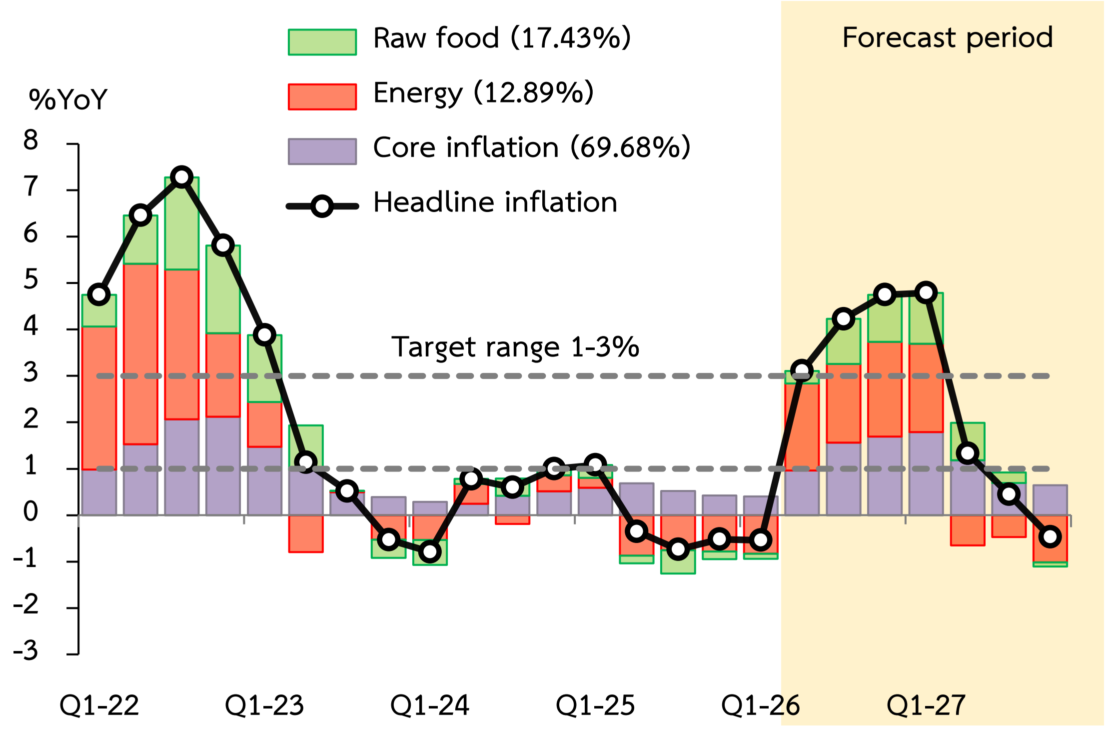
%YoY	2025	2026F	2027F
MPC 6/2025	2.2F	1.5	2.3
MPC 2/2026	2.4*	1.5	2.0
- In case there are additional fiscal stimulus measures[1/]		Increase by around 0.6 pp from base case	Decrease by around 0.4 pp from base case

Note:[1/] Assumptions incorporate a THB 400 billion fiscal stimulus.

* = Actual; F = Forecast

Inflation is expected to rise temporarily in 2026, driven by accelerating energy prices, before declining in 2027 as supply-side pressures are expected to gradually subside.

Headline inflation is expected to rise in 2026 and stay above the target range for some time, while core inflation is expected to increase only modestly, as purchasing power remains weak.



Note: ( ) denote the weight of goods and services in the CPI basket (base year 2023)

Source: Ministry of Commerce, BOT calculation

The risk of second-round effects on Thailand's inflation is limited due to both structural and cyclical factors.

1. The structure of Thai labor market constrains the risk of a wage-price spiral.
   - A share of salaried employees in Thai labor market is relatively low.
   - Workers' bargaining power is limited, and there is an absence of wage indexation mechanism.
   - Labor supply is relatively elastic.
2. Medium-term inflation expectations remain anchored within the target range.
3. Subdued growth and fragile balance sheets of household and SME have resulted in limited demand-pull inflationary pressures.

Inflation risks should be closely monitored, particularly cost pass-through and medium-term inflation expectations.

While short-term inflation expectations rise in line with global oil prices, as seen during the Ukraine-Russia War in 2022, medium-term expectations remain within the target range. However, the anchoring of medium-term inflation expectations must be closely monitored, as it reflects risks of persistently high inflation.

Inflation expectations

The inflation risk outlook is skewed to the upside throughout the forecast period of 2026 and 2027	
Upside risks	▪ Rising commodity prices due to severe supply disruption ▪ Higher-than-expected cost pass-through by businesses ▪ Drought from El Niño, resulting in a greater-than-anticipated increase in raw food prices
Downside risks	▪ A decline in global energy prices due to a rapid easing of the situation ▪ Potential additional government measures to alleviate the cost of living, such as electricity subsidies

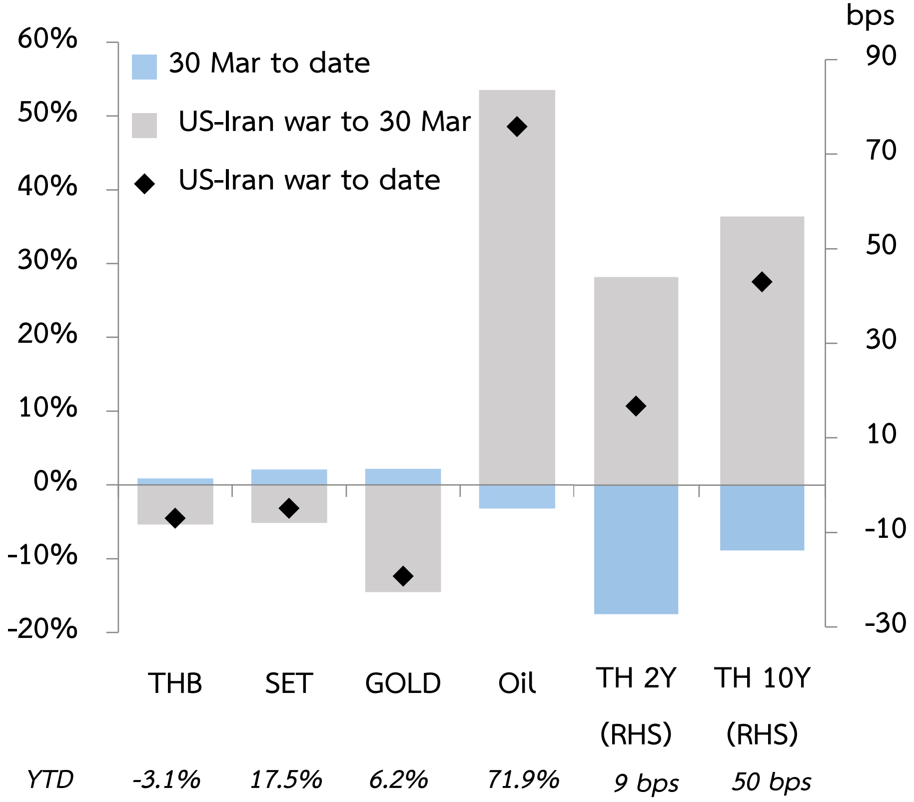
Note: [ ] denotes the average since January 2018; estimated using an affine term structure model based on yield curve and macroeconomic data.

Sources: Asia Pacific Consensus Economics; Business Sentiment Survey (BOT); Consumer Confidence Index (Ministry of Commerce).

Asset prices and exchange rates have been volatile amid heightened uncertainty surrounding the war, while financial institutions remain cautious in extending credit and are assessing the war's impact.

Bond yields have risen and the baht has depreciated, with some corrections recently.

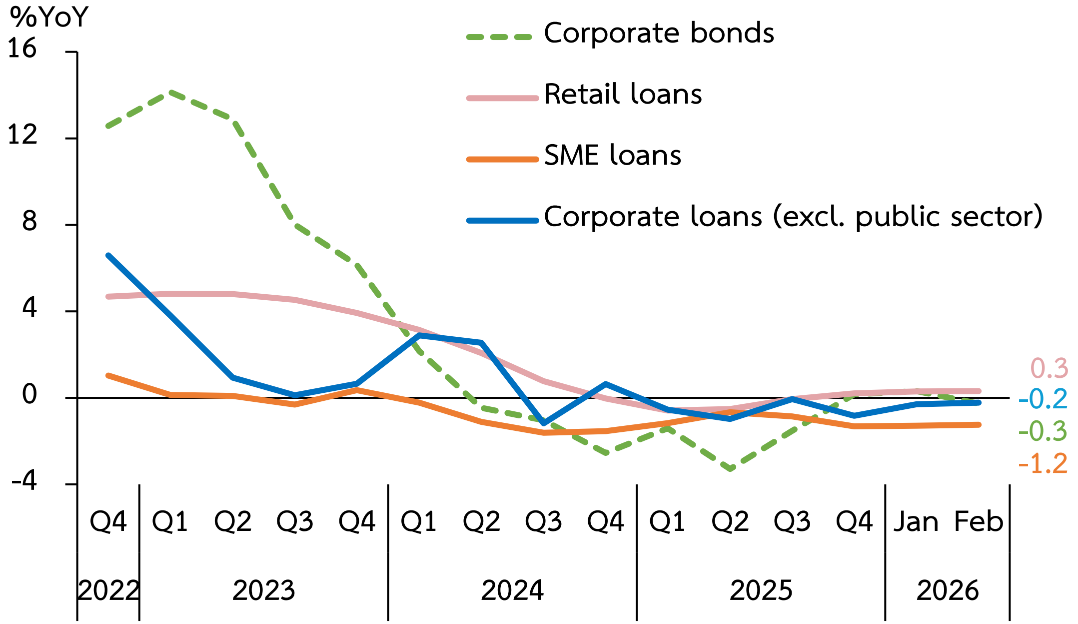
Changes in asset prices and bond yields



Source: Bloomberg as of 28 April 2026

Credit growth is projected to remain subdued in 2026, while financial institutions closely monitor debt serviceability of war-affected and vulnerable borrowers.

Private sector borrowing through bank loans and corporate



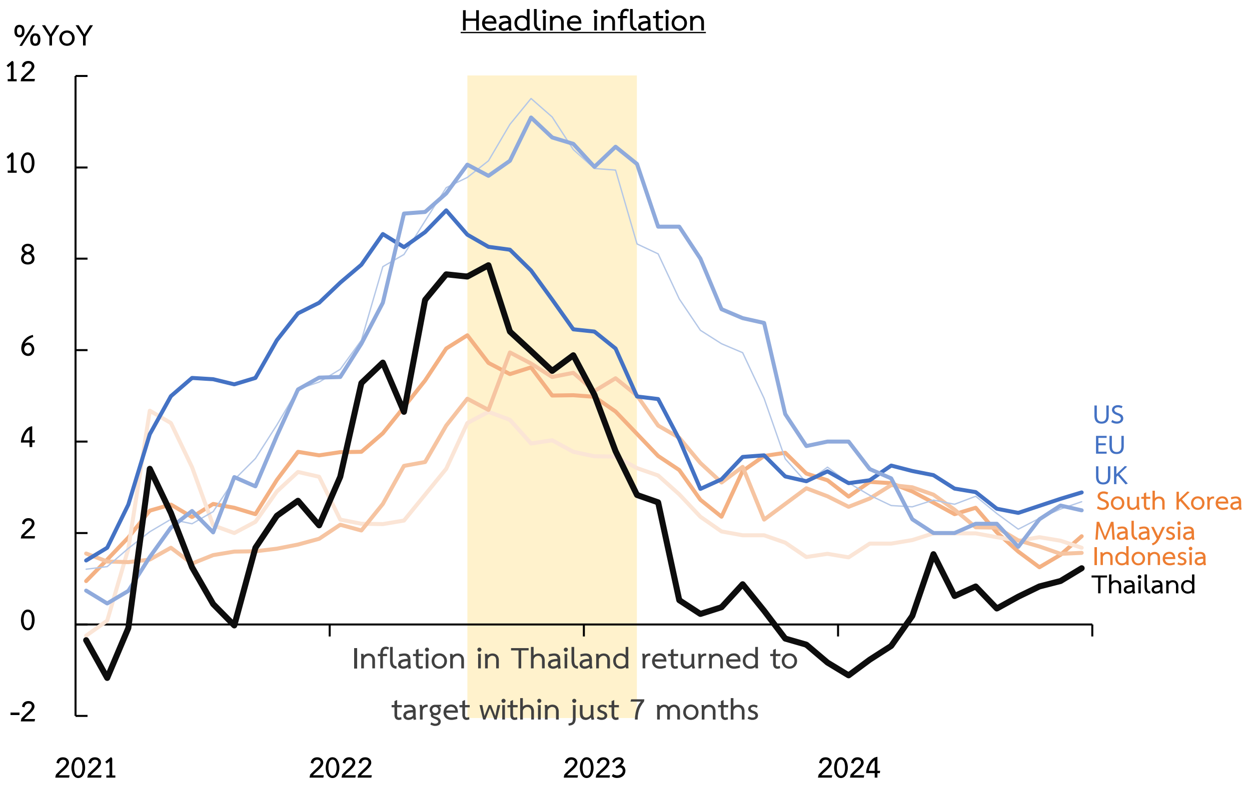
Note: (1) Credit data cover loans extended by commercial banks, including their affiliated, SFIs , as well as non-bank financial institutions under the supervision of the BOT. (2) Loan size classification based on the updated Office of Small and Medium Enterprises Promotion (OSMEP) definition, which considers revenue and employment, together with credit lines. In contrast, loan classifications for SFIs and non-bank financial institutions under the supervision of the BOT follow the OSMEP definition based on revenue and employment.
Source: Bank of Thailand

Maintaining the policy rate at this meeting is robust to various economic and inflation scenarios.

A policy rate hike or cut at this meeting could pose additional risks to the economy or inflation going forward.

Rate hike	Hiking the policy rate when there is still no clear evidence of a de-anchoring of inflation expectations would further weigh on the economy, particularly businesses and households that are still in recovery and already vulnerable.
Rate cut	Cutting the policy rate amid heightened geopolitical uncertainty could increase inflation risks and affect medium-term inflation expectations, potentially posing risks to the economy in the long term.

Historical experience indicates that Thailand's disinflation process has proceeded rapidly, allowing time for further assessment of developments and impacts.



Source: Bank for International Settlements

The MPC voted to cut the policy rate in February and keep it on hold in April, and will monitor the impacts of the war and other factors on inflation risks gong forward.

MPC Meeting No. 1/2026 (25 Feb 2026)

MPC voted 4 to 2 to cut the policy rate by 25 bps to

1.00%

Most committee members voted to cut the policy rate by 0.25 percentage point, from 1.25 to 1.00 percent, to ensure that financial conditions remain supportive of economic recovery and to further alleviate debt burdens for SMEs and households, as well as to anchor medium-term inflation expectations amid heightened downside risks. Meanwhile, two committee members voted to maintain the policy rate at 1.25 percent, viewing that the current monetary policy stance remains consistent with the economic and inflation outlook. In addition, the transmission of previous policy interest rate cuts to the economy was still ongoing.

For more details: Monetary Policy Committee's Decision 1/2026

MPC Meeting No. 2/2026 (29 Apr 2026)

MPC voted unanimously (6:0) to keep the policy rate on hold at

1.00%

Committee assessed that the current policy rate remained appropriate to support a slowing economy and navigate heightened uncertainty, while the increase in inflation was driven by supply-side factors. The Committee therefore voted to maintain the policy rate at this meeting and will closely monitor inflation developments and medium-term inflation expectations.

The Committee considered the current policy rate of 1.00% to remain at an appropriate level to support economic recovery. While inflation was assessed to increase temporarily from supply-side factors, uncertainties remained elevated. The Committee will therefore closely monitor the impacts of the war and other factors on inflation risks going forward.

For more details: Monetary Policy Committee's Decision 2/2026

Percent	2024	2025	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2	2025 Q3	2025 Q4
GDP growth	2.9	2.4	2.1	2.7	3.3	3.7	3.1	2.8	1.2	2.5
Production										
Agriculture	1.9	3.6	0.3	1.0	2.0	4.1	6.2	6.4	2.1	0.3
Non-agriculture	3.0	2.3	2.3	2.8	3.4	3.7	2.8	2.5	1.2	2.7
Manufacturing	-0.3	0.4	-2.5	0.6	0.4	0.4	0.9	1.8	-1.4	0.3
Construction	1.7	6.6	-17.2	-5.0	15.3	18.6	16.0	7.7	-4.5	11.2
Wholesales and retail trade	3.2	6.1	3.7	2.4	3.0	3.4	4.8	6.3	6.5	6.8
Transport and storage	10.1	4.0	10.6	9.3	10.3	10.2	5.5	4.4	3.0	3.2
Accommodation and food service	12.0	2.5	14.0	9.7	10.9	13.1	7.2	1.3	0.8	0.6
Information and communication	6.4	4.3	7.8	6.6	4.5	6.9	4.6	5.2	4.3	3.2
Financial intermediation	2.0	2.0	2.5	2.0	2.1	1.5	1.8	2.1	0.7	3.5
Real estate and renting	1.2	1.3	0.9	1.2	0.8	1.8	1.1	1.3	1.6	1.2

Source: Office of the National Economic and Social Development Board, National Statistical Office and Bank of Thailand

Percent	2024	2025	2024				2025			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GDP growth	2.9	2.4	2.1	2.7	3.3	3.7	3.1	2.8	1.2	2.5
Expenditure										
Domestic demand	3.0	2.8	2.3	1.4	4.1	4.1	3.0	3.1	1.1	4.1
Private consumption	4.4	2.7	6.6	4.6	3.2	3.3	2.4	2.5	2.5	3.3
Private investment	-1.9	3.5	4.1	-7.0	-2.8	-2.5	-0.9	4.1	4.5	6.5
Government consumption	2.6	0.6	-2.2	0.2	6.1	5.8	3.4	2.4	-3.9	1.3
Public investment	4.5	8.9	-27.8	-4.6	24.9	38.8	25.7	10.2	-5.3	13.3
Exports of goods and services	7.5	9.2	4.7	5.2	9.1	11.1	12.2	11.7	7.6	5.6
Exports of goods	4.4	11.9	-1.5	2.5	7.6	9.0	14.2	14.3	10.7	8.7
Exports of services	22.8	-1.9	34.7	20.3	16.3	19.8	5.2	0.1	-6.5	-6.9
Imports of goods and services	5.7	6.7	5.6	0.8	9.3	7.2	1.6	10.1	5.9	9.1
Imports of goods	4.4	9.8	3.5	-1.7	8.2	7.9	3.1	14.4	9.1	12.8
Imports of services	10.7	-5.2	13.8	11.0	13.7	4.7	-3.7	-5.7	-6.8	-4.8
Trade balance (billion, U.S. dollars)*	21.4	23.3	2.5	5.7	6.7	6.5	9.0	5.9	7.0	1.4
Current account (billion, U.S. dollars)*	11.6	15.9	4.2	-0.2	2.5	5.1	12.1	1.5	2.7	-0.4
Financial account (billion, U.S. dollars)*	-7.3	-12.6	-5.6	-0.5	2.8	-3.9	-10.2	-0.8	-1.3	-0.3
International reserves (billion, U.S. dollars)	237.0	281.9	223.4	224.3	243.0	237.0	245.3	262.4	273.3	281.9
Unemployment rate (%)	1.0	0.8	1.0	1.1	1.0	0.9	0.9	0.9	0.8	0.7
Unemployment rate, seasonally-adjusted (%)	n.a.	n.a.	1.0	1.0	1.0	1.0	0.9	0.9	0.8	0.8

Note: *Data may be subject to change in line with periodic revisions or changes to data collection methodologies

Source: Office of the National Economic and Social Development Board, National Statistical Office and Bank of Thailand

ธนาคารแห่งประเทศไทย
BANK OF THAILAND

Indicators	2024	2025	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2	2025 Q3	2025 Q4
1. Financial market sector										
Bond market										
Bond spread (10 years - 2 years)	0.3	0.5	0.4	0.3	0.3	0.3	0.3	0.2	0.3	0.5
Equity market										
SET index (end of period)	1,400.2	1,259.7	1,377.9	1,301.0	1,448.8	1,400.2	1,158.1	1,089.6	1,274.2	1,259.7
Actual volatility of SET index [1/]	11.3	14.2	10.0	10.5	12.7	11.3	17.1	22.6	15.7	14.2
Price to Earnings ratio (P/E ratio) (times)	19.3	15.4	18.1	17.1	18.0	19.3	15.8	14.8	16.7	15.4
Exchange rate market										
Actual volatility of Thai baht (%annualized) [2/]	8.2	7.2	8.6	6.4	7.9	9.8	7.9	9.2	6.5	5.5
Nominal Effective Exchange Rate (NEER)	121.1	129.0	118.8	117.2	121.8	126.2	127.6	127.2	129.6	131.3
Real Effective Exchange Rate (REER)	102.8	106.8	100.9	100.0	103.6	106.7	106.8	105.5	106.9	107.8
2. Financial institution sector [3/]										
Minimum Lending Rate (MLR) [4/]	7.11	6.60	7.25	7.25	7.25	7.11	7.01	6.94	6.69	6.60
12-month fixed deposit rate [4/]	1.49	0.86	1.65	1.65	1.65	1.49	1.51	1.24	1.10	0.86
Capital adequacy										
Capital funds / Risk-weighted asset (%)	20.4	21.0	20.1	19.9	20.5	20.4	20.8	21.1	21.4	21.0
Earning and profitability										
Net profit (billion, Thai baht)	282.0	272.0	68.0	76.0	71.0	67.0	70.0	78.0	66.0	58.0
Return on assets (ROA) (times)	1.2	1.1	1.1	1.3	1.2	1.1	1.2	1.3	1.1	0.9
Liquidity										
Loan to Deposit and B/E (%)	88.3	85.6	90.1	89.7	89.2	88.3	87.5	87.9	86.9	85.6

Note: [1/] Calculated by 'annualized standard deviation of return' method
[2/] Daily volatility (using exponentially weighted moving average method)
[3/] Based on data of all commercial banks
[4/] Average value of 6 largest Thai commercial banks (since July 2021)

Indicators	2024	2025	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2	2025 Q3	2025 Q4
3. Household sector										
Household debt to GDP (%)	88.0	86.7	90.4	89.4	88.5	88.0	86.7	86.4	86.4	86.7
Financial assets to debt (times)	2.7	2.8	2.7	2.7	2.7	2.7	2.6	2.7	2.7	2.8
Non-Performing Loans (NPLs) of financial institutions (%)										
Consumer loans	3.8	3.8	3.6	3.9	4.0	3.8	4.0	4.0	4.0	3.8
Housing loans	4.2	4.3	4.1	4.5	4.5	4.2	4.6	4.7	4.6	4.3
Auto leasing	2.3	2.1	2.2	2.3	2.5	2.3	2.3	2.2	2.2	2.1
Credit cards	3.1	2.9	3.3	3.7	3.6	3.1	3.2	3.1	3.2	2.9
Other personal loans	3.8	3.6	3.5	3.7	3.7	3.8	3.7	3.6	3.6	3.6
4. Non-financial corporate sector [5/]										
Operating profit margin (OPM) (%)	7.4	7.0	7.9	7.8	6.9	6.8	7.7	6.4	7.3	6.7
Debt to Equity ratio (D/E ratio) (times)	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Interest coverage ratio (ICR) (times)	4.5	4.7	5.3	4.7	4.0	4.1	5.5	4.3	4.5	4.4
Current ratio (times)	1.7	1.7	1.7	1.7	1.8	1.7	1.7	1.7	1.7	1.8
Non-Performing Loans (NPLs) of commercial banks (%)	2.5	2.7	2.7	2.6	2.7	2.5	2.6	2.6	2.8	2.7

Note: [5/] Only listed companies on Stock Exchange of Thailand (median value); with data revisions

Indicators	2024	2025	2024				2025			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
5. Real estate sector										
Number of approved mortgages from commercial banks (Bangkok and Vicinity) (units)										
Total	47,129	38,412	10,856	12,192	12,406	11,675	8,361	9,549	9,847	10,655
Single-detached and semi-detached houses	14,161	12,171	3,332	3,733	3,607	3,489	2,597	3,301	3,174	3,099
Townhouses and commercial buildings	12,687	10,582	3,158	3,339	3,209	2,981	2,391	2,826	2,768	2,597
Condominiums	20,288	15,659	4,366	5,120	5,590	5,205	3,373	3,422	3,905	4,959
Number of new housing units launched for sale (Bangkok and Vicinity) (units)										
Total	61,453	40,217	16,565	17,006	9,118	18,764	9,886	4,874	13,911	11,546
Single-detached and semi-detached houses	20,940	12,938	6,617	5,313	3,427	5,583	2,151	2,622	3,607	4,558
Townhouses and commercial buildings	12,582	8,493	4,071	3,800	3,157	1,554	1,562	1,032	3,602	2,297
Condominiums	27,931	18,786	5,877	7,893	2,534	11,627	6,173	1,220	6,702	4,691
Housing price index (2011 = 100)										
Single-detached houses (including land)	142.5	142.4	141.3	141.0	143.4	144.4	144.3	143.0	140.9	141.3
Townhouses (including land)	170.8	175.5	166.9	168.0	173.4	174.8	176.0	176.3	174.6	175.3
Condominiums	197.9	198.5	196.1	193.9	200.1	201.3	200.5	197.3	195.0	201.3
All residential	167.9	169.5	165.9	165.3	169.6	170.9	171.3	169.7	167.5	169.7
6. Fiscal sector										
Public debt to GDP (%)	63.4	65.6	63.4	63.0	62.9	63.4	64.2	63.9	64.7	65.6
7. External sector										
Current account balance to GDP (%)	2.2	2.8	3.2	-0.1	1.8	3.6	8.6	1.1	1.9	-0.3
External debt to GDP (%)[6/]	35.8	35.4	37.7	37.8	38.5	35.8	35.8	35.3	34.7	35.4
External debt (billion, U.S. dollars)	195.4	208.8	190.9	187.7	203.9	195.4	197.3	200.3	202.8	208.8
Short-term (%)	44.3	42.3	42.5	43.7	44.2	44.3	43.3	41.8	42.1	42.3
Long-term (%)	55.7	57.7	57.5	56.3	55.8	55.7	56.7	58.2	57.8	57.7
International reserves / Short-term external debt (times)[7/]	2.4	2.8	2.4	2.4	2.4	2.4	2.5	2.7	2.8	2.8

Note: [6/] Calculation follows the World Bank's methodology, external debt / summation of latest 4 quarters nominal GDP
[7/] Short-term external debt used in calculation is short-term external debt less than 1 year remaining maturity

Probability distribution of GDP growth forecast

%	2026				2027			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
> 14.0	0	0	0	0	0	0	0	0
12.0 - 14.0	0	0	0	0	0	0	0	0
10.0 - 12.0	0	0	0	0	0	0	0	0
8.0 - 10.0	0	0	0	0	0	0	0	0
6.0 - 8.0	0	0	0	0	0	1	3	3
4.0 - 6.0	0	0	3	1	2	10	16	15
2.0 - 4.0	84	11	35	12	14	30	31	29
0.0 - 2.0	16	67	46	39	33	31	27	27
-2.0 - 0.0	0	21	14	34	30	19	15	17
-4.0 - -2.0	0	1	1	12	15	7	6	7
-6.0 - -4.0	0	0	0	2	5	2	1	2
< -6.0	0	0	0	0	1	0	0	1

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BANK OF THAILAND

Probability distribution of headline inflation forecast

%	2026				2027			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
> 10	0	0	0	0	0	0	0	0
9.0-10.0	0	0	0	0	0	0	0	0
8.0-9.0	0	0	0	0	1	0	0	0
7.0-8.0	0	0	0	1	4	0	0	0
6.0-7.0	0	0	1	10	15	0	0	0
5.0-6.0	0	0	15	35	32	0	0	0
4.0-5.0	0	3	56	42	34	2	0	0
3.0-4.0	0	63	27	11	13	9	2	0
2.0-3.0	0	34	1	0	1	24	10	3
1.0-2.0	0	0	0	0	0	36	26	11
0.0-1.0	0	0	0	0	0	24	35	27
(-1.0)-0.0	100	0	0	0	0	5	21	35
(-2.0)-(-1.0)	0	0	0	0	0	0	4	20
< -2	0	0	0	0	0	0	0	4

Probability distribution of core inflation forecast

%	2026				2027			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
> 5.5	0	0	0	0	0	0	0	0
5.0-5.5	0	0	0	0	0	0	0	0
4.5-5.0	0	0	0	0	1	0	0	0
4.0-4.5	0	0	0	0	3	0	0	0
3.5-4.0	0	0	0	3	9	1	0	0
3.0-3.5	0	0	4	15	20	5	1	1
2.5-3.0	0	0	26	32	30	13	3	3
2.0-2.5	0	1	49	35	26	24	9	8
1.5-2.0	0	35	19	13	10	29	19	17
1.0-1.5	0	60	1	1	2	21	27	26
0.5-1.0	100	4	0	0	0	7	26	26
0.0-0.5	0	0	0	0	0	1	12	14
(-0.5)-0.0	0	0	0	0	0	0	3	4
< -0.5	0	0	0	0	0	0	0	1

Pursuing Sustainable Economic Well-Being

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