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BANK OF THAILAND

Monetary Policy Report
Q2/2026

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
Mr. Somchai Harnhirun	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 24 June 2026 (the day of the monetary policy decision) unless stated otherwise

Executive Summary of Monetary Policy Report Q2/2026

Economic growth, inflation, and financial stability

The Thai economy is projected to expand at a higher rate than previously assessed, driven by merchandise exports and private investment, which continued to expand in line with the ongoing technology and AI upcycle, as well as government measures to mitigate the impact of the energy crisis, and an improved outlook for the conflict in the Middle East.

However, Thailand's economic growth would remain low and uneven, with a projected expansion of 2.3% in 2026 and 1.8% in 2027. Merchandise exports has continued to record strong growth but was largely concentrated in tech products, while exports of non-tech products remained weak due to ongoing competitiveness challenges. Private investment would continue to expand, driven mainly by investment in technology and digital-related sectors, data centers, and electric vehicles. Meanwhile, private consumption is weighed down by elevated living costs and slower income growth (Box 1: Response of private consumption to price increases). The tourism sector is expected to recover gradually. The forecast for foreign tourist arrivals is largely unchanged at 33 and 35.5 million persons in 2026 and 2027, respectively. Nevertheless, tourism receipts are revised upwards, reflecting a rising share of higher-spending tourists. In addition, the conflict in the Middle East resulted in a temporary current account deficit from higher imports value driven by higher energy prices and accelerated inventory accumulation. The current account is expected to return to surplus in the second half of this year (Box 2: Developments in Thailand's current account).

Headline inflation is projected to remain in line with the previous assessment, averaging 2.8% in 2026 and 1.4% in 2027. Inflation for the remainder of 2026 is expected to exceed the target range, driven by the pass-through of energy and production costs, before declining in 2027 due to the easing of supply-side constraints and the high base effect. Meanwhile, core inflation is projected to average 1.5% in 2026 and 1.4% in 2027. Price increases remain concentrated in energy-related categories and those affected by higher energy and raw material costs. There has yet to be signs of broad-based and persistent price increases, partly because businesses' ability to pass on costs is constrained under weak demand conditions. Medium-term inflation expectations remain anchored within the target range. **In addition, despite signs of improvement in the Middle East conflict, there remains the need to monitor cost pass-through by businesses and medium-term inflation expectations in an environment where costs remain elevated.**

Loan growth remains subdued and is driven primarily by large corporate borrowers. Part of the increase reflects firms' demand for additional liquidity amid higher costs, while the remainder is supported by economic activity. Meanwhile, SME loans continued to contract, reflecting ongoing limitations in credit accessing alongside heightened prudence among financial institutions in lending to high-risk borrowers. **Credit quality remains broadly stable.** However, debt serviceability of SMEs and vulnerable households should continue to be monitored. Commercial bank interest rates remain stable. **Asset price and exchange rate movements remain volatile,** driven mainly by the situation in the Middle East and expectations regarding the Federal Reserve's monetary policy stance.

Monetary policy decision in Q2/2026

At the MPC meeting on 24 June 2026, the MPC voted unanimously to maintain the policy rate at 1.00%. They viewed that an accommodative monetary policy stance, together with targeted financial measures, would help support the economic recovery (Box 3: BOT's targeted financial measures in the recent period) and there deemed it appropriate to maintain the policy rate at this meeting. Nevertheless, inflation development and medium-term inflation expectations warrant close monitoring.

Under the prevailing monetary policy framework aimed at maintaining price stability, supporting sustainable growth, and preserving financial stability, the MPC viewed that the current policy rate remains conducive to supporting the economic recovery. While inflation has increased due to supply-side factors, the MPC will continue to monitor its outlook and associated risks going forward.

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The global economy is projected to grow at a stronger pace than previously assessed, supported by the ongoing technology and AI upcycle and a less severe impact from the conflicts.

Global economic growth is expected to moderate but remain stronger than previously assessed, supported by investment in AI, acceleration in exports of tech products, and a less severe impact of the Middle East conflict than expected.

Headline inflation increased in many countries, driven by higher energy prices, prompting many central banks to adopt a tighter monetary policy stance.

The global economic outlook remains uncertain despite recent positive developments.
Risks that warrant monitoring include the implementation of the ceasefire agreement between US and Iran, US tariffs, and potentially tighter global financial conditions.

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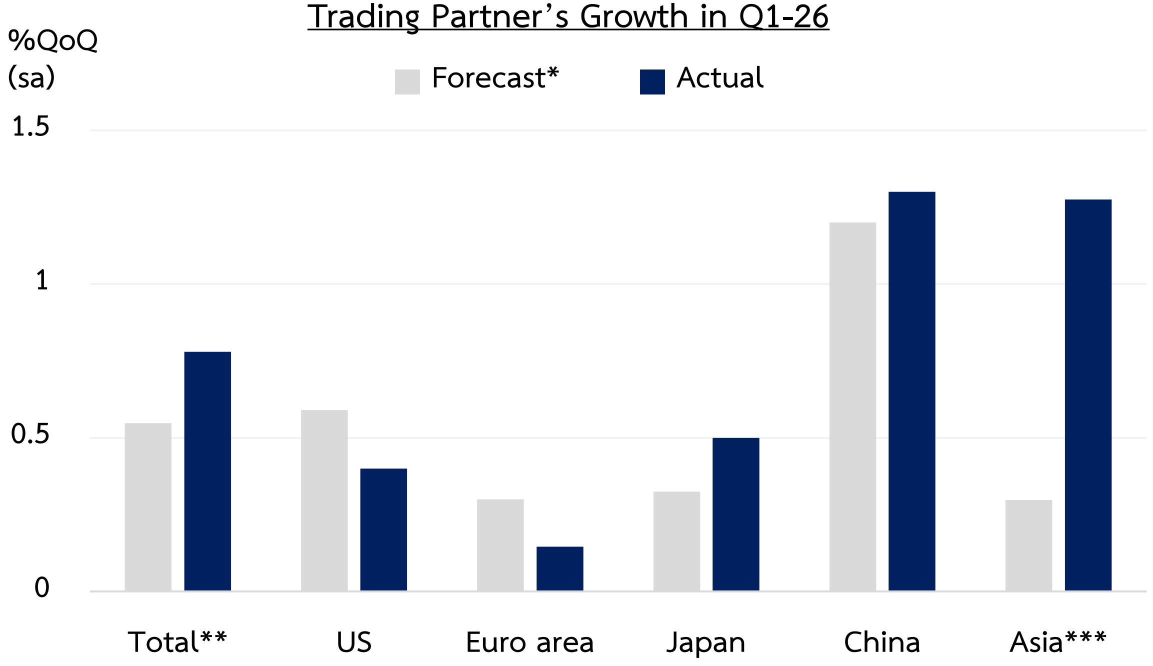
The global economy would continue to expand despite headwinds from the conflict in the Middle East.

Trading partners' growth outturns in Q1/2026 were stronger than expected, especially in Asian economies.



Note:

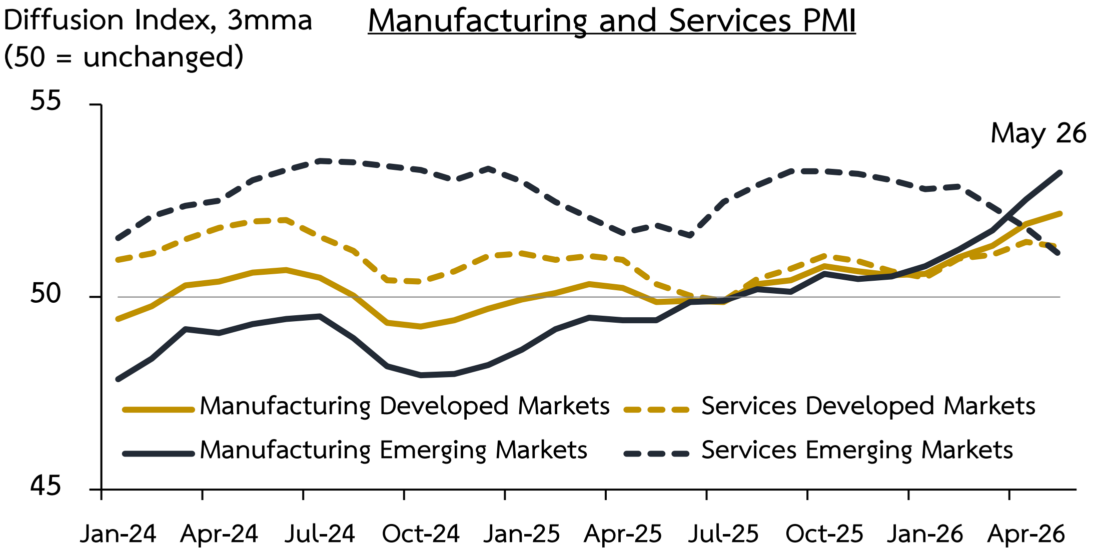
* Forecast is the median of Bloomberg forecasts as of 31 March 2026.

** Thailand's major trading partners comprise the United States, the euro area, Japan, China, Asia (excluding Japan and China), the United Kingdom, and Australia. The weights are based on Thailand's export shares in 2025.

*** Asia (excluding Japan and China) comprises Singapore, Hong Kong, Malaysia, Taiwan, Indonesia, South Korea, and the Philippines. The weights are based on Thailand's export shares in 2025.

Sources: Bloomberg, CEIC, BOT Calculation

Indicators for the manufacturing and services sectors pointed to continued expansion, particularly in advanced economies.



Source: S&P Global, BOT Calculation

The global economy continued to expand in Q1/2026 despite being impacted by the Middle East conflict in March.

- **Asian economies: growth is stronger than expected**, particularly among electronics exporters
- **China: growth is stronger than expected,** driven by electronics exports despite slowing consumption
- **US: growth is weaker than expected** due to relatively slow recovery in federal government spending following the sharp contraction during the government shutdown in Q4/2025. Nevertheless, labor market conditions remain strong.

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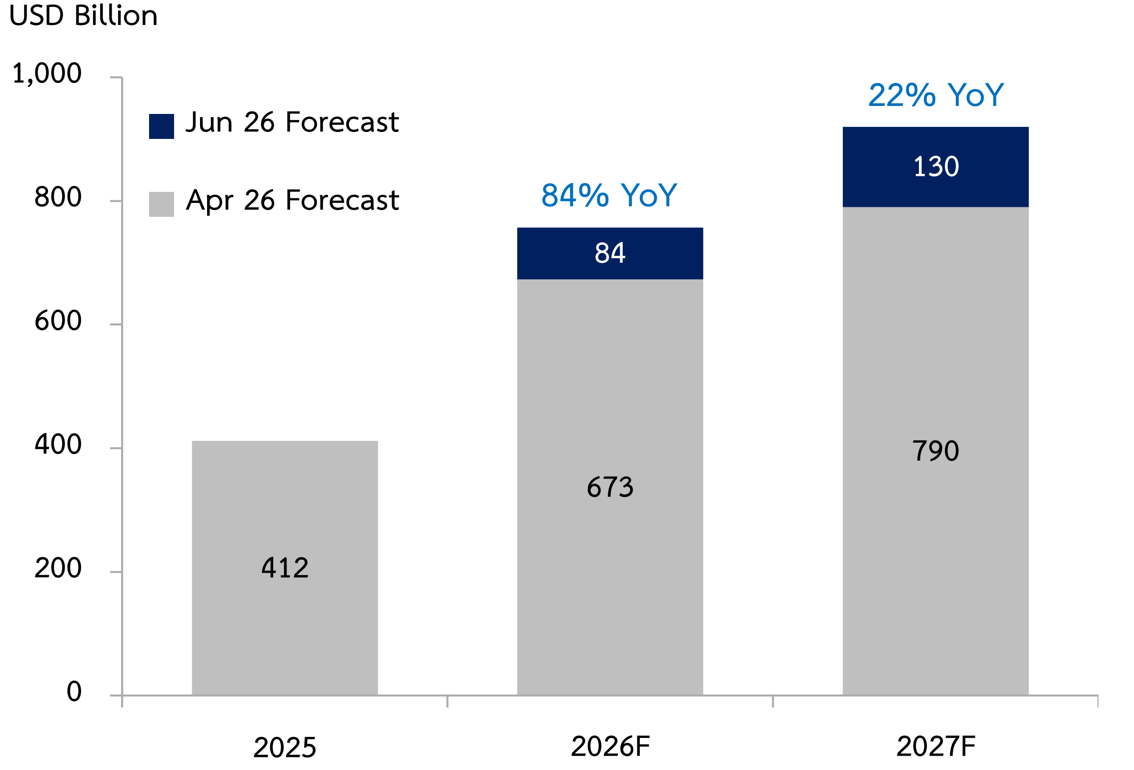
Investment in AI and exports of technology-related products remain key drivers of global economic growth.

Investment in AI and data centers has remained robust and is expected to maintain momentum over the next 1-2 years.

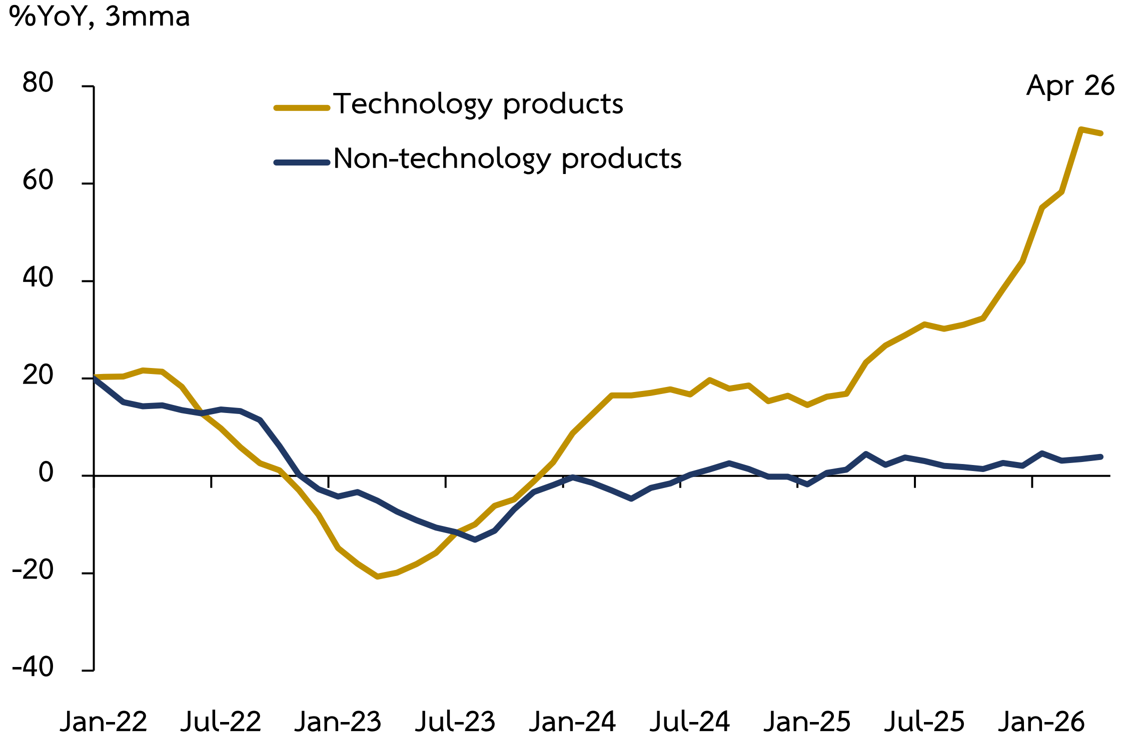
As a result, exports of tech products from Asia have maintained strong growth in 2026.

Capital Expenditure by Hyperscalers Forecast*



Note: F = Forecast data
* Hyperscalers comprise 5 companies: Amazon, Google, Meta, Microsoft, and Oracle
Sources: Factset, Goldman Sachs Global Investment Research (Forecast as of June 2026 compared with April 2026)

Asian Exports Ex-China, Classified by Product Type



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

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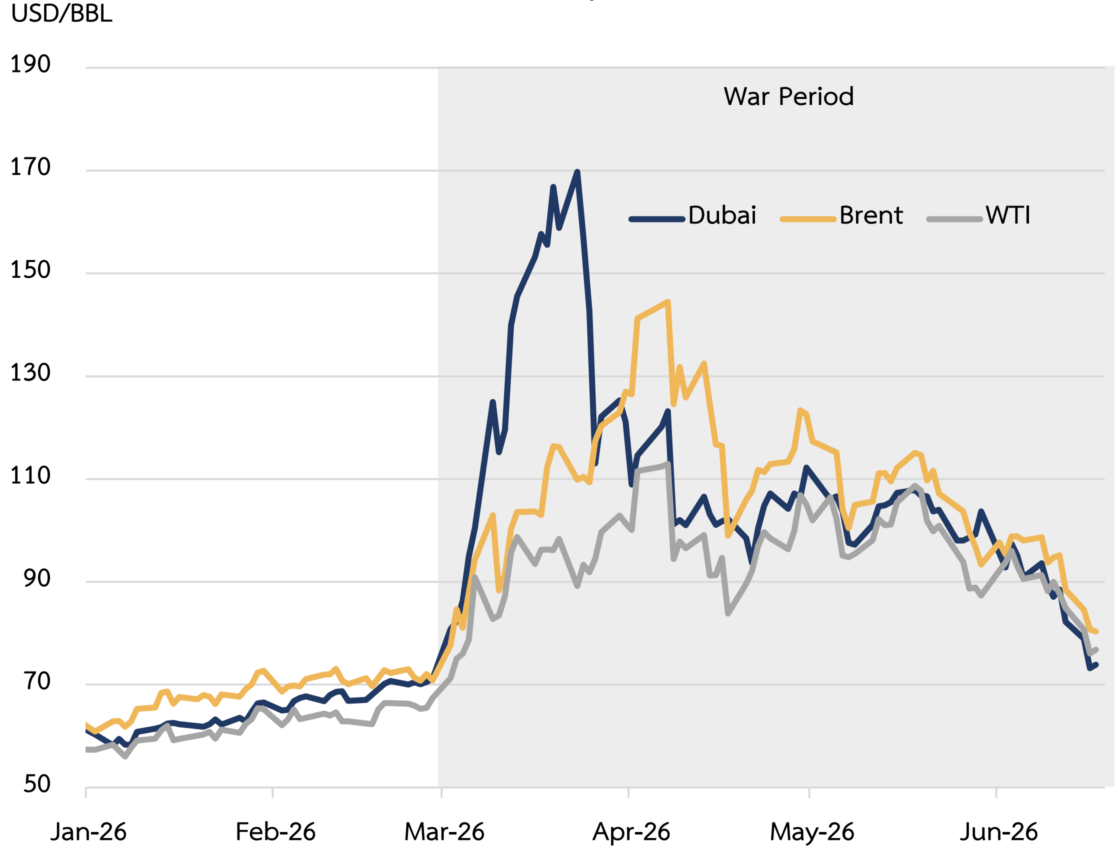
Global energy prices declined after having accelerated earlier due to the ceasefire agreement being reached, the shipping through the Strait of Hormuz while avoiding detection, and the release of strategic oil reserves into the market.

Retail fuel prices declined after US and Iran reached a temporary ceasefire agreement.

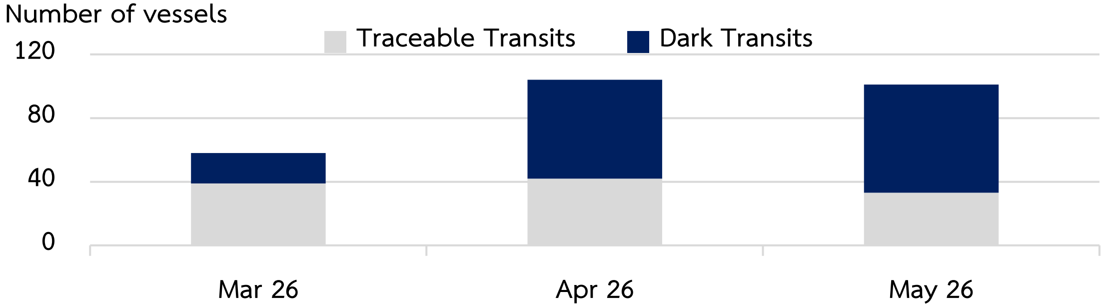
Crude Oil Spot Price



Source: Bloomberg

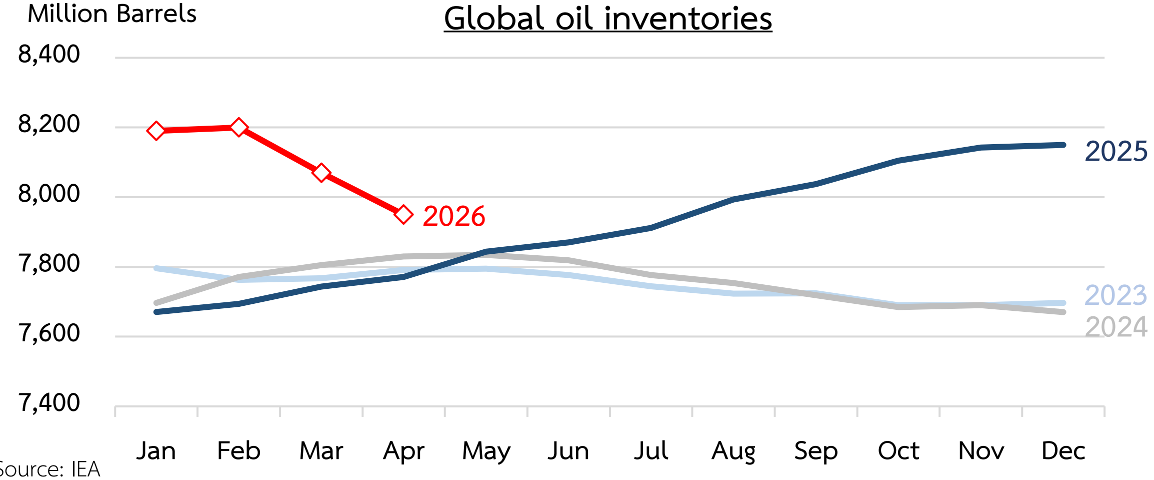
Some oil tankers were able to navigate through the Strait of Hormuz while avoiding detection. Meanwhile, the release of strategic oil reserves into the market helped keep oil prices from rising further.

Monthly transits by non-Iranian linked vessels through the Strait of Hormuz



Note: Cargo-carrying vessels over 10,000 dwt are included in this charts.
Source: Lloyd's List

Global oil inventories



Source: IEA

The US tariff situation became clearer but the applicable tariff rates once Section 122 tariffs expire remain uncertain.

Tariffs under Section 301 became clearer as the US revealed results of investigations relating to forced labor. New tariff rates are expected to come into effect before Section 122 tariffs expire.

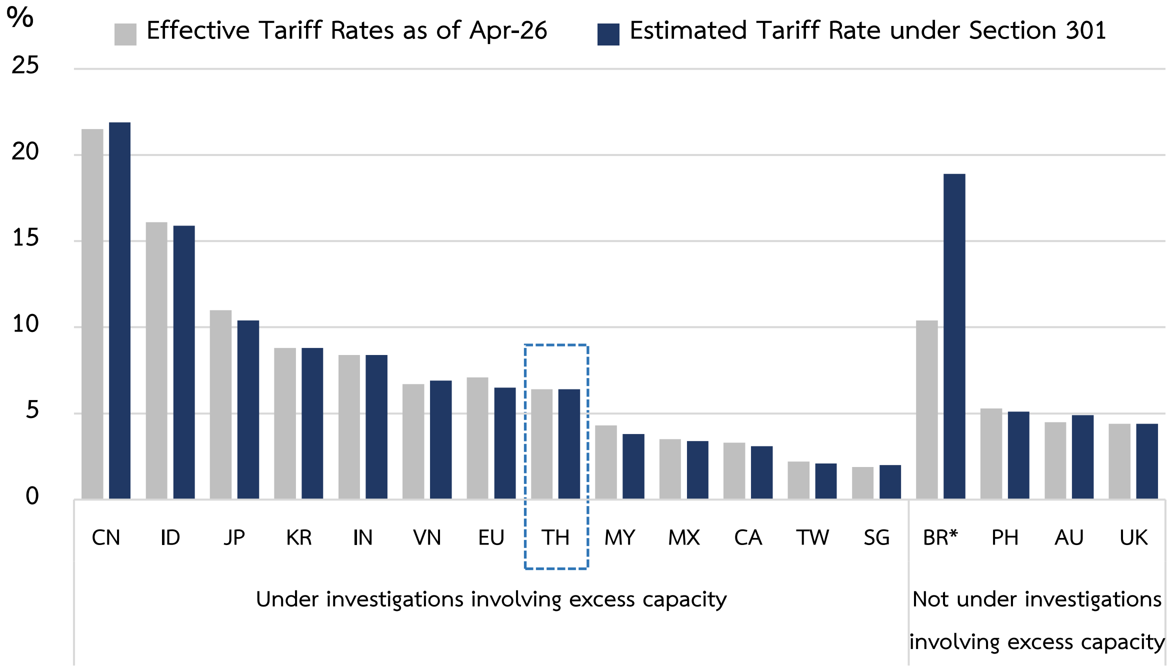
24 Feb 26	US Government invoked Section 122 to announce 10% tariff on all countries for 150 days
2 Jun 26	US Trade Representative (USTR) completed investigations under Section 301 into 60 countries / regions (including Thailand) relating to forced labor, and proposed new country-specific tariff rates of 10-12.5% (12.5% for Thailand)
Jun-Jul 26	USTR completes investigations under Section 301 into 16 countries / regions relating to manufacturing overcapacity
Jul 26	US President determines new country-specific tariffs under Section 301
24 Jul 26	The 10% tariff under Section 122 expires and new tariffs under Section 301 come into effect

Note: **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 US commerce

Source: Various sources consolidated by BOT

Tariff rates proposed by USTR were not much different from the actual rates applied to individual countries, but there remains the need to monitor the results of investigations relating to manufacturing overcapacity.

Effective Tariff Rates by Countries



Note: Estimated tariff rate is calculated using the proposed rates in section 301 investigations relating to failures to take action on trade in forced labor goods. The rate also includes the section 232 adjustment announced on 1 June 2026.
* Using a 25% rate that was proposed in section 301 investigation relating to Brazil's unreasonable acts, policies, and practices. Assuming the section 301 forced labor rate does not stack with 25% Brazil-specific rate.

Source: J.P. Morgan

Trading partners' growth is projected to slow down due to energy prices and US tariffs but would still be supported by investment in AI as well as exports.

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	1.9	2.1
Euro area	6.7	1.5	0.8	1.0
Japan	6.9	1.1	0.5	0.7
China	11.7	4.9	4.4	4.4
Asia[3/]	19.1	4.6	4.4	3.5
Total[4/]	70.7	3.1	2.8	2.6

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 is projected to slow down in both 2026 and 2027

For 2026, the global economy is impacted by higher energy prices and uncertainties pertaining to US tariffs but would still be supported by accelerated investment in AI as well as exports of tech products.

For 2027, the global economy is projected to slow down in as investment in AI are expected to expand at a more moderate pace, which would also result in a slowdown in exports of tech products. Meanwhile, the US, the euro area, and Japan are expected to expand at a slightly faster pace as the impact of the conflict diminishes.

Risks to trading partners' growth outlook to be monitored:

1) The US implementing additional tariffs or nullifying existing trade agreements
2) Tensions in the Middle East re-intensifying, or supply chain of oil and raw materials remaining disrupted even after the ceasefire
3) Global financial conditions tightening due to various central banks raising their policy rates and increased fiscal risks
4) Repricing of AI-related assets impacting financial stability, and AI's implications for the economy and employment

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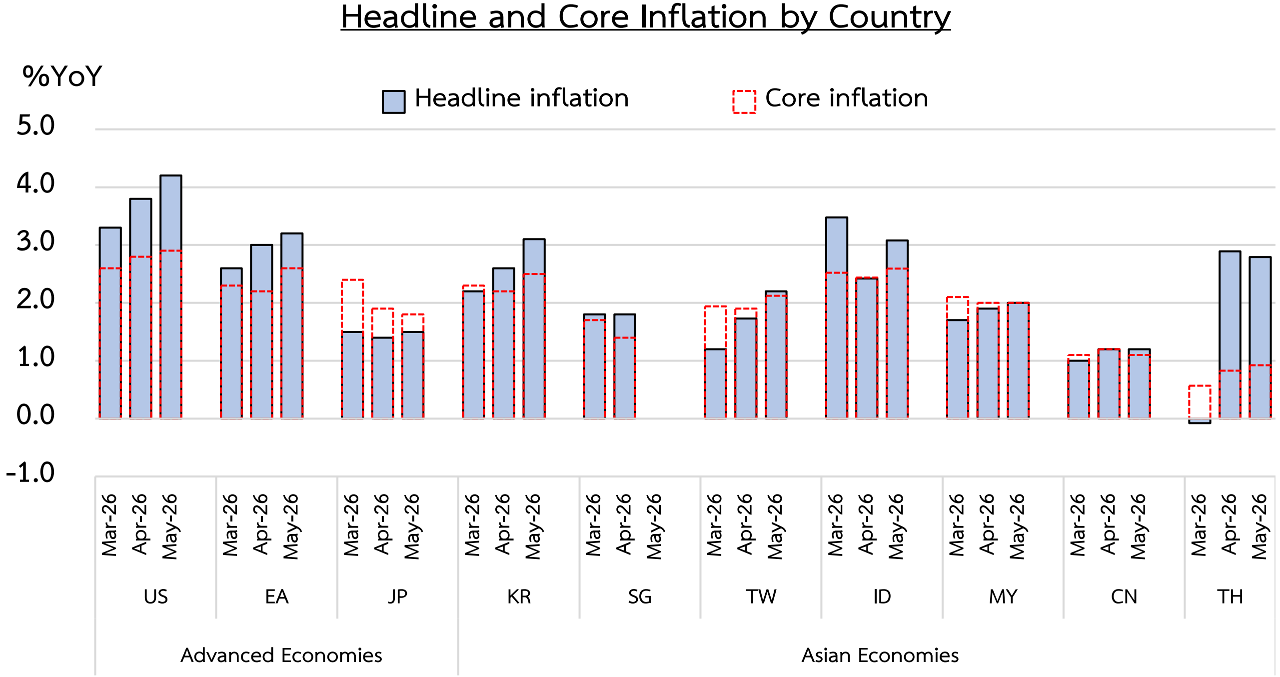
Many central banks tightened monetary policy in response to rising inflation.



Source: Bloomberg

Fed funds rate projections for 2026-2027

% at year end	2025	2026[F]	2027[F]
Fed funds rate	3.50 – 3.75	3.75 – 4.00	3.50 – 3.75

Note: [F] Forecast data

The Federal Reserve (Fed) kept its policy rate unchanged at 3.50-3.75% at the FOMC Meeting on 17 June 2026, although its communication and projections suggested a more restrictive policy outlook. Fed Funds futures suggest that the Fed might raise its policy rate 1-2 times in 2026 and the first half of 2027, before adopting a more accommodative stance in the second half of 2027 once inflation starts to come close to the 2% target.

The European Central Bank (ECB) raised its policy rate to 2.25% at the Governing Council Meeting on 11 June 2026 after inflation exceeded the target range in May 2026. It is expected that the ECB would raise the policy rate once more this year.

Asian central banks tightened monetary policy, in part due to concerns over inflation and currency depreciation in some countries. During the period from April to 18 June 2026, Bank Indonesia and Bangko Sentral ng Pilipinas raised their policy rate by a cumulative 100 bps and 50 bps to 5.75% and 4.75%, respectively.

In May 2026, inflation in many countries increased overall, driven by higher energy prices. The outlook for energy prices and commodity prices, as well as cost pass-through from producers to consumers must be monitored as they would impact inflation in the period ahead.

Thailand's economic expansion is projected to be stronger than previously assessed but growth remains low and uneven.

The Thai economy is projected to expand at a higher rate than previously assessed, supported by stronger-than-expected momentum from the technology and AI cycle, the effects of government measures, and a less severe impact from the conflict than previously anticipated.

Overall, economic expansion is projected to remain low and uneven. SMEs continue to face limitations in adaptation and are constrained by intense competition. Meanwhile, most households remain under pressure from decelerating income growth and rising living costs.

Inflation is projected to rise, due to the pass-through of energy and production costs, before declining given the dissipation of supply-side pressures. However, there remains the need to monitor cost pass-through by firms and medium-term inflation expectations.

The situation in Middle East conflict is improving but remains highly uncertain.

Assumptions for conflict-related developments

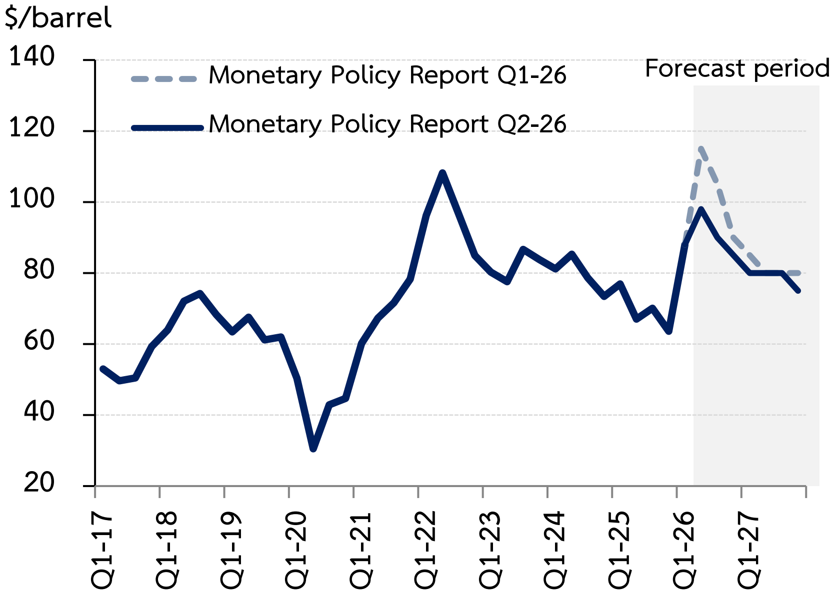
Under the baseline scenario, tightness in the supply of crude oil and key commodities is expected to gradually ease in the second half of 2026, in line with the previous assessment.

Assumption	Baseline scenario	Worst case scenario
Oil supply and supply chain	Tightness in the supply of crude oil gradually ease in the second half of 2026	Oil supply is shortages and supply chains are significantly impacted
Oil prices	Oil prices gradually decline in the second half of 2026 as the situation eases, while remaining above pre-conflict levels	Oil prices remain elevated throughout 2026

Despite the signing of a framework agreement, uncertainty remains high on several fronts:

- Details and implementation of the agreement such as the gradual lifting of sanctions on Iran, the definition of "free passage" through the Strait of Hormuz
- Issues related to Iran's nuclear

Assumptions for Dubai crude oil prices (baseline scenario)



Note: data as of 19 May 2026

Dubai crude oil prices assumption

USD per barrel	2024	2025	2026F	2027F
Dubai crude oil prices (annual average)	79.6	69.4	90	80

Note: F Forecast data

Source: forecast by BOT

Crude oil prices are projected to be lower than previously assessed, with risks to the outlook broadly balanced:

- For 2026, crude oil prices are projected to decline to USD 90 per barrel as the global economy adapts through reduced reliance on energy imports from the Middle East and increased use of alternative energy. Meanwhile, disruptions to shipping through the Strait of Hormuz are expected to ease. Crude oil prices are projected to peak in Q2/2026 before declining over the remainder of the year.
- For 2027, crude oil prices are projected to decline to USD 80 per barrel. Nevertheless, crude oil prices are expected to remain above pre-conflict levels, partly reflecting damage to certain energy infrastructures, an acceleration in oil demand to replenish crude oil reserves drawn down earlier, and improving economic conditions.

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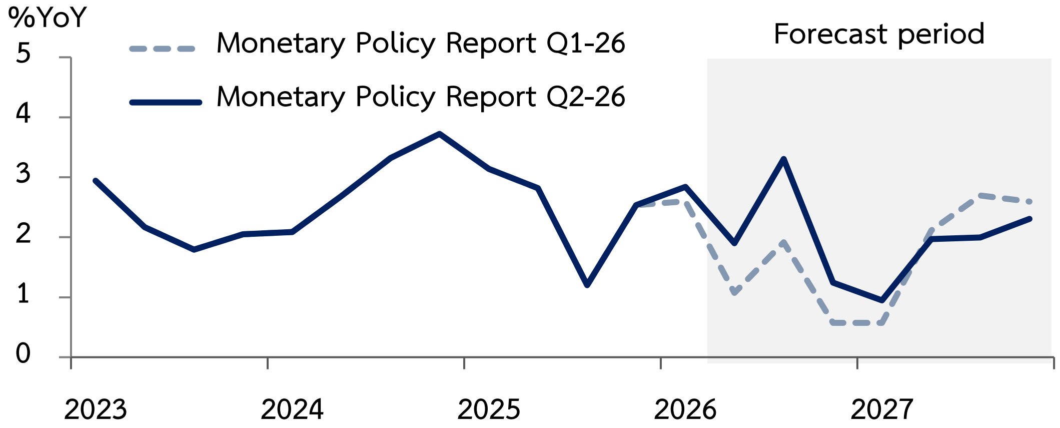
The Thai economy is projected to expand at a higher rate than previously assessed, supported by strong-than-expected momentum from exports and investment driven by the technology and AI cycle, a less severe impact from the conflict than expected, and the effects of government measures. For 2027, growth is projected to moderate due to the high base effect, despite continued momentum from exports and investment.

Economic growth



Note: The forecast in MPR Q2-26 incorporates the impact of the government's 400-billion-baht stimulus measures.
Source: NESDC and projections by Bank of Thailand

- **The Thai economy was impacted by the conflict in the Middle East less than expected and was supported by momentum from the technology and AI cycle,** which benefited both exports of technology products and private investment, in line with investment trends among technology-related firms and data centers.
- **Fiscal measures under 400-billion-baht emergency loan decree** would raise GDP growth in 2026 by about 0.5 percentage point but would reduce GDP growth in 2027 by about 0.3 percentage point due to a higher base in the previous year. Considering the effects of those measures, the Thai economy is projected to grow 2.3% in 2026 and 1.8% in 2027.

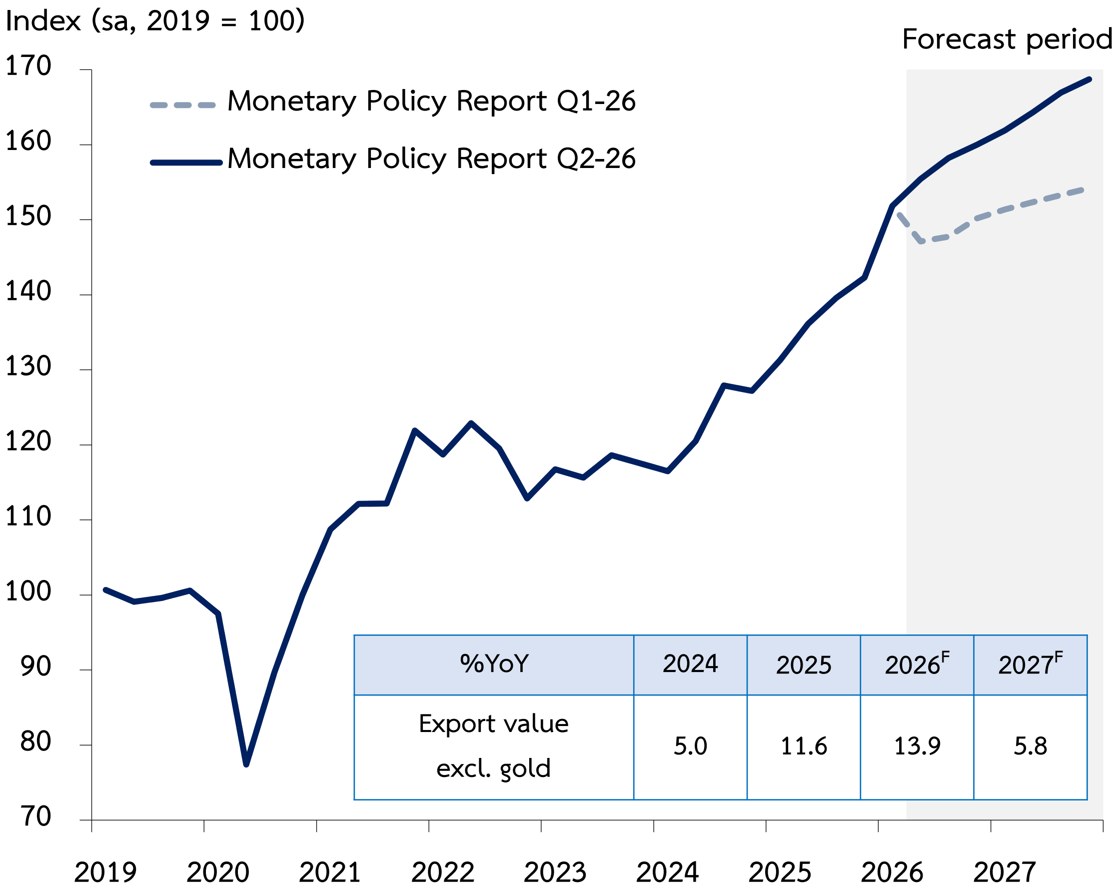
Economic projection

Growth (%YoY)	2025	2026F	2027F
GDP growth	2.4	2.3 (1.5)	1.8 (2.0)
Domestic demand	2.8	2.8 (1.6)	1.8 (1.7)
Private consumption	2.7	2.6 (1.6)	1.4 (1.9)
Private investment	3.5	6.0 (3.0)	3.6 (2.6)
Government consumption	0.6	0.2 (0.0)	0.3 (0.3)
Public investment	8.9	3.1 (1.5)	3.9 (0.6)
Export volume of goods and services	9.3	10.2 (5.9)	3.9 (1.4)
Import volume of goods and services	6.8	11.2 (6.2)	2.1 (0.9)
Current account (billion US dollars)	17.4	0.0 (7.0)	8.0 (8.0)
Value of merchandise export (%YoY)	12.7	14.0 (8.1)	4.6 (1.1)
Value of merchandise import (%YoY)	13.0	20.2 (11.2)	2.2 (0.7)
Foreign tourists (million persons)	33.0	33.0 (33.0)	35.5 (35.5)
Tourism receipts (trillion baht)	1.4	1.5 (1.4)	1.6 (1.6)

Note: F = Forecast data and ( ) = Previous estimates in Monetary Policy Report Q1-2026
Sources: NESDC and projections by Bank of Thailand

Merchandise exports are projected to expand strongly, supported by global demand for technology products.

Projection of merchandise exports (excl. gold)



%YoY	2024	2025	2026F	2027F
Export value excl. gold	5.0	11.6	13.9	5.8

Note: F Forecast data

Sources: Customs Department and Ministry of Commerce, BOT calculation

Merchandise exports outlook

- **Merchandise exports are projected to continue expanding strongly despite pressures from the conflict in the Middle East, driven by exports of technology-related products,** including electronics and machinery and equipment, which are supported by continued investment in AI and data centers among trading partners, particularly the US. In addition, some Thai exporters of technology-related products have expanded their production capacity to accommodate the surge in global demand. **Meanwhile, exports of petrochemical and chemical products** are expected to expand in line with higher oil prices resulting from the conflict.
- **Exports are projected to grow at a slower pace in 2027** in line with slowing investment in AI and data center after accelerating sharply in 2026.
- **There remains the need to monitor risks from** (1) uncertainties and impacts of the Middle East conflict; and (2) US tariffs currently under investigation, as well as potential additional US trade policy measures.

Merchandise exports projection

%YoY	2024	2025	2026F	2027F
Export Value	5.9	12.7	14.0	4.6
Export Volume	4.4	11.9	11.1	4.2

Note: F Forecast data

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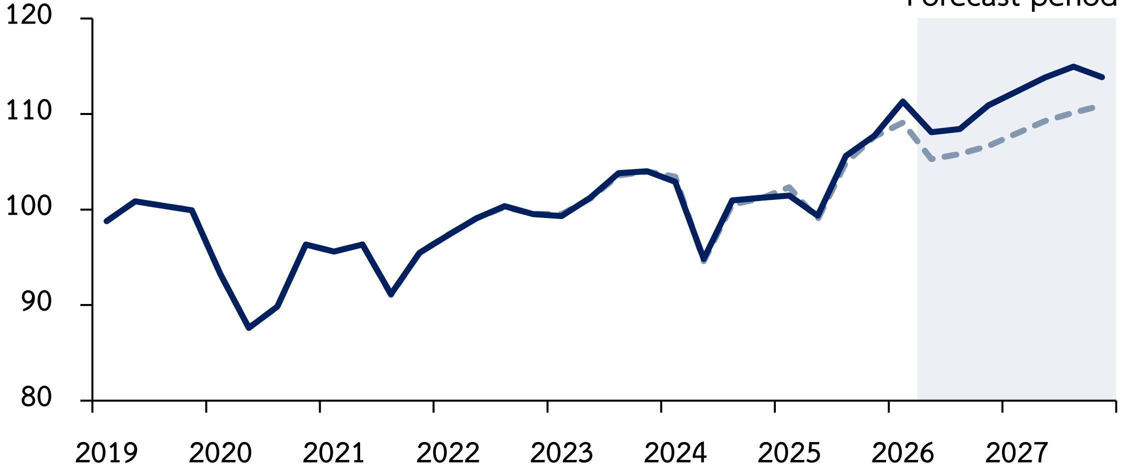
Private investment is projected to continue expanding, driven primarily by foreign direct investment in the technology sectors amid the ongoing upcycle.

Projection of private investment



Private investment would receive additional benefit from government measures aimed at investment related to energy transition such as solar cells and electric vehicles.

Private investment projection

%YoY	2024	2025	2026[F]	2027[F]
Excl. government measures	-1.9	3.5	5.6	2.8
Incl. government measures			6.0	3.6

Note: [F] Forecast data

Private investment is in the early stages of an upcycle, supported by investment in the electronics industry and data centers.

Private investment cycles in Thailand

Source of private investment cycle	Year	Duration of upcycle
The boom of petrochemicals and the Eastern Seaboard	1994 – 1996	3 years
Rapid growth in exports and the real estate sectors	2004 – 2006	2 years
Development of EEC and shifts in global supply chains (relocation of manufacturing bases during Trump 1.0)	2017 – 2019	3 years
Technology and AI (current cycle)	H2/2025 – present	2 years (expected)

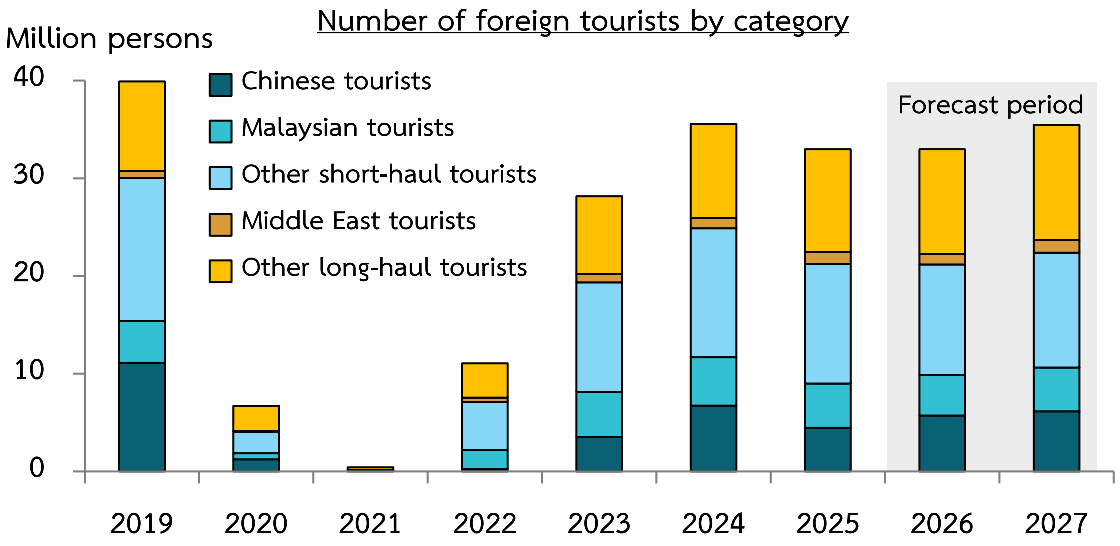
Note: The assessment based on state-space model and Kalman filter methodology to decompose investment into trend factors and cyclical factors.
Source: NESCB, calculation by BOT

Issues to be monitored

- **Resolution of bottlenecks in the government's water management and electricity transmission infrastructures,** which may lag behind the rapidly growing demand to expand investment area.
- **Revisions to BOI investment promotion condition for data centers**, which include requiring firms to provide proof of electricity supply before applying for investment promotion, along with posting a security deposit to prevent firms from reserving electricity capacity without utilizing them.

Foreign tourist arrivals in 2027 are expected to increase due to a recovery in arrivals from countries previously affected by the conflict. Meanwhile, tourism receipts are projected to rise in line with higher spending per trip.

Projection of foreign tourist arrivals and tourism receipts



Forecast as of June 2026	2024	2025	2026F	2027F
Foreign tourists (million persons)	35.5	33.0	33.0	35.5
o/w short-haul tourists (incl. China)	24.9	21.2	21.2	22.4
o/w long-haul tourists (incl. the Middle East)	10.6	11.7	11.8	13.1
Tourist expenditure per trip (thousand baht)	39.0	41.7	45.8	44.4
Tourism receipts (trillion baht)	1.4	1.4	1.5	1.6

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 reach 33.0 million persons, same as last year.** The number of Chinese tourists is expected to see a large increase as security concerns gradually ease, while arrivals from other countries are expected to decline due to travel constraints and higher travel costs. **Foreign tourist arrivals in 2027 are projected to increase to 35.5 million persons** mainly due to a recovery in arrivals from countries previously affected by the conflict.
- **Tourism receipts are 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 long-haul tourists, as well as Malaysian tourists who are expected to travel beyond Hat Yai to other areas due to Hat Yai's slow recovery from the floods.

BLP BUSINESS LIAISON PROGRAM

Businesses' views on the tourism outlook

- Businesses expect **foreign tourist arrivals of around 32 million persons in 2026.**
- **Foreign tourist arrivals in Q3/2026 would contract slightly compared to the previous year** due to higher travel costs namely airfares and fuel prices. However, compared to Q2/2026, foreign tourist arrivals are expected to improve as the situation pertaining to the Middle East conflict gradually eases.
- **Foreign tourist arrivals in Q4/2026 would still be supported by major year-end festivals.** However, there are risks stemming from the cancellation of the 60 days free visa that could weigh on tourism demand among certain groups such as tourists from India.

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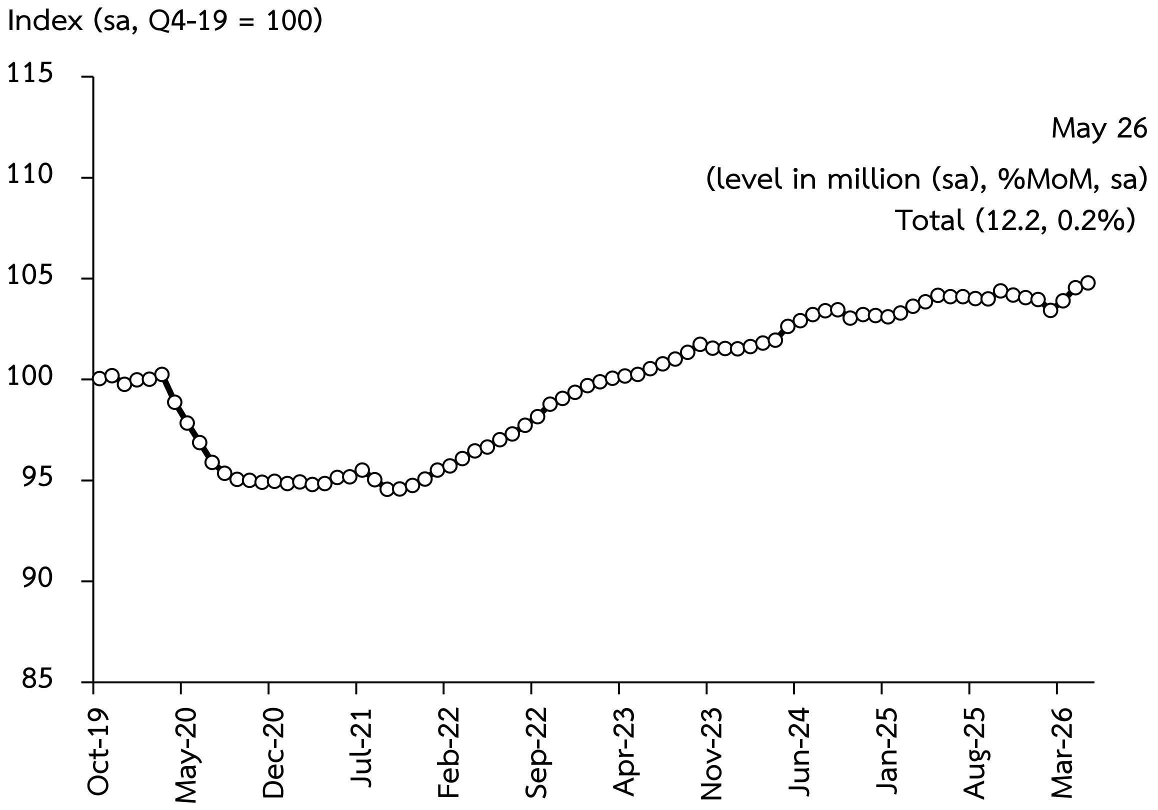
Employment in the formal labor market remains stable. However, labor income in 2026 is expected to slow in line with the economic activities affected by the conflict and the declining farm income due to rising agricultural input costs, such as fertilizers and energy. For 2027, labor income is projected to improve as the impacts of the conflict dissipate.

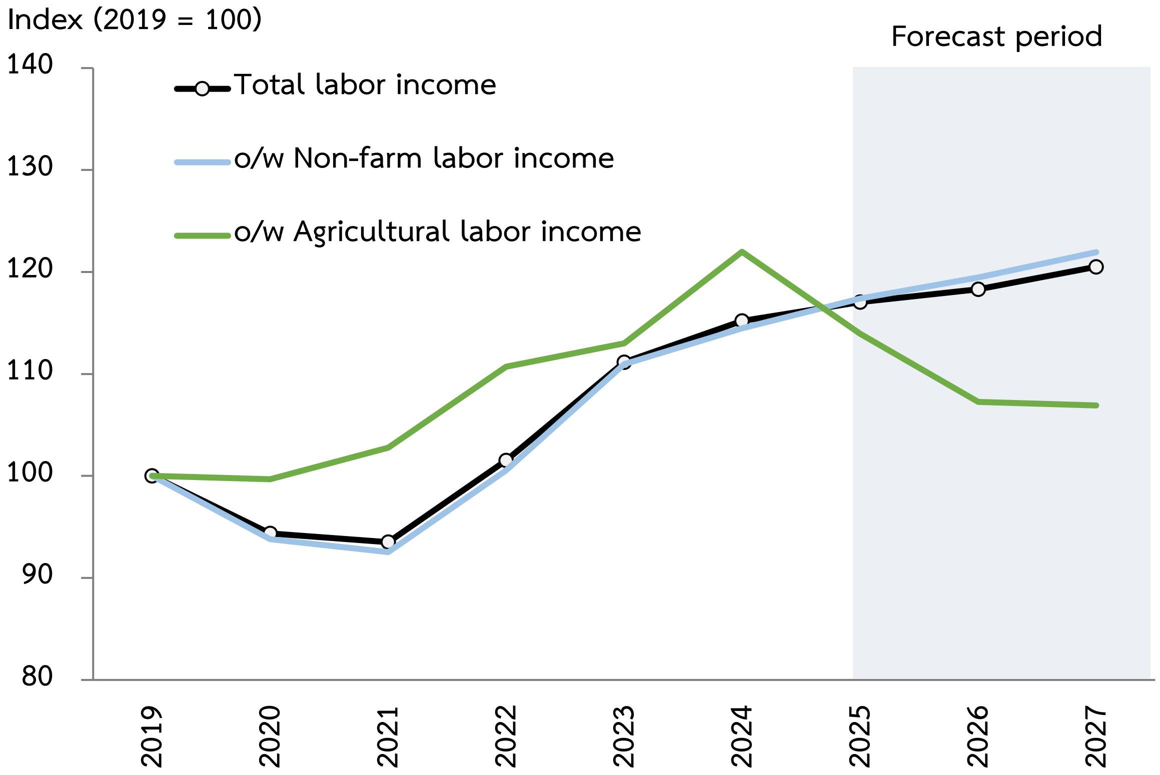
Number of workers in the Social Security Fund (section 33)



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

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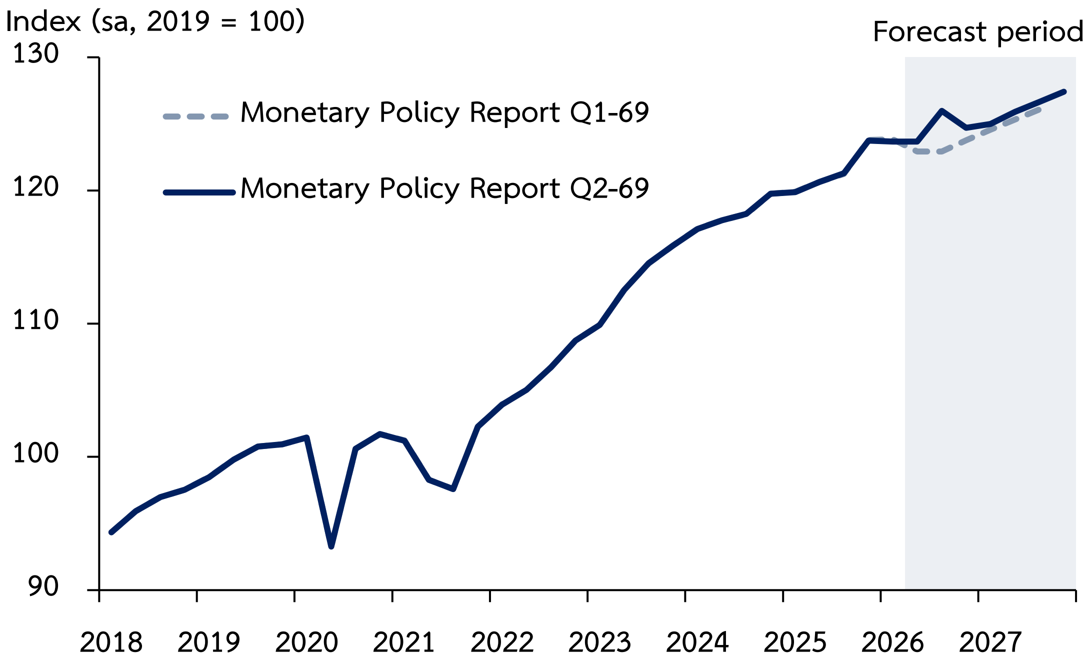
Private consumption is affected by elevated living costs, resulting from the Middle East conflict. However, taking into account the effect of government measures, private consumption in 2026 is projected to expand at a pace similar to the previous year, before slowing in 2027

Private consumption projection



Source: BOT forecast

Private consumption projection

%YoY	2024	2025	2026F	2027F
Excl. government measures	4.4	2.7	1.7	2.3
Incl. government measures			2.6	1.4

Note: F Forecast data

Private consumption outlook

- Private consumption in Q2/2026 is projected to moderate due to the impact of the conflict. Households are expected to reduce spending, particularly on fuel, personal care products, and restaurants, as living costs increase sharply in line with energy prices. This slowdown in spending is also attributed to accelerated spending in the previous quarter (see assessment of the conflict impacts on consumption by product category in BOX 1: Response of private consumption to prices increases).
- Nevertheless, overall private consumption in 2026 would still expand at a pace similar to last year, thanks to the effects of government measures commencing in June that would remain in effect throughout the second half of 2026, such as "Thai Chuay Thai Plus", and higher subsidy amount for government welfare card holders, which help cushion consumption from a sharp slowdown. However, private consumption is projected to moderate in 2027 due to the higher base effect and the dissipation of short-term boosts provided by government measures.

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Businesses' views on the private consumption outlook

Private consumption is expected to remain stable in Q2/2026 due to benefits from government measures ("Thai Chuay Thai Plus") that help sustain purchasing power and stimulate short-term consumer spending. Moreover, a survey found that sales in the first 8 days of the scheme increased as much as twice the normal level, particular among small retailers in regional area. However, the spending has been concentrated in essential goods such as fuel, rice, and non-perishable household items.

Note: Data from interviews with businesses conducted between 22 Apr – 12 Jun 2026

Box 1: Response of private consumption to price increases

The Middle East conflict resulted in a tightening in the global supply of oil and key manufacturing inputs, and a sharp increase in energy prices and manufacturing costs for businesses. These costs have gradually been passed through to prices of goods and services, affecting living costs and spending decisions of households. However, **the impact on consumption is uneven across different goods and services, both in terms of magnitude and duration.** This is because different goods and services vary in how essential they are to daily living, as well as in the extent to which their consumption could be postponed or substituted. As such, how private consumption responds to price increases would differ across goods and services.

An analysis of price elasticity by category using the local projection method (Table 1) found that **there is a significant difference in how consumption responds to price increases across categories. When the price of goods and services increase by 1%, consumption spending on personal care and recreational activities would decline sharply in the short term** for 1-2 quarters before gradually returning to normal. This reflects that consumers can slow down or postpone consumption of those goods and services immediately when price pressure arises. Recreational activities such as cinemas and concerts are considered non-essential services and therefore their consumption could be reduced or postponed immediately. Meanwhile, consumption of personal care products could be reduced to only those that are essential to daily living or be stockpiled during promotional periods. The analysis also found that consumption spending in **hotels, restaurants, fuel, non-alcoholic beverages, tobacco, and communication services declines less than the first group, but the decline would last longer** for 1-6 quarters. This reflects that consumers are limited in how much they could reduce spending in these category in the short term or could not make immediate adjustments, such as hotel or restaurant bookings made in advance but can gradually adjust in the following period. In the contrary, **price increases have limited or only temporary effects on consumption spending on raw food, cooking ingredients, electricity, and cooking gas.** These items are goods and services that are essential to daily living and therefore, households would continue to consume even as prices rise.

Assessing the overall impact on consumption must also take into account the magnitude of price increase across each category of goods and services. This is because, in practice, each business would raise prices of their goods and services differently depending on their cost structure and demand conditions at the time. In addition, purchasing power as measured by real income must also be considered, as it declines when the overall cost of living increases. As such, assessing the consumption outlook requires close monitoring of cost pass-through to consumer prices as well as how consumers adjust their spending behavior.

Table 1: Impact of 1% price increase on real consumption by category

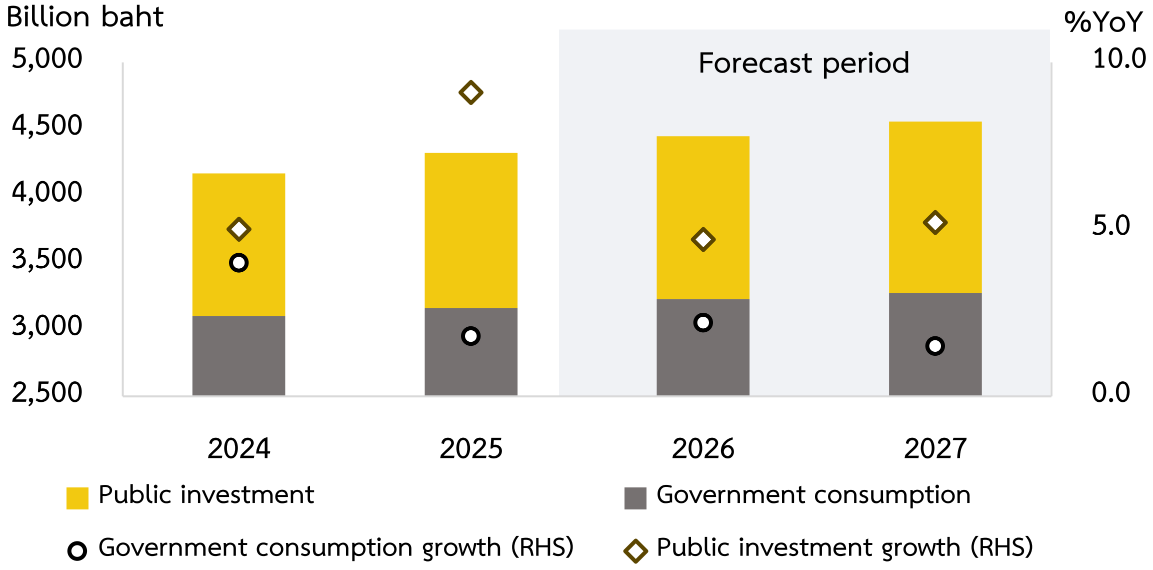
Impact category	Goods/services category ( ) = share of total consumption in 2025	Magnitude of the impact	Duration of the impact
High impact	• Personal care (2%) • Recreational activities (3%)	-1% to -2%	1–2 quarters
Low but lasting impact	• Hotels and restaurants (25%) • Fuel (5%) • Non-alcoholic beverages and tobacco (4%) • Communication services (2%)	-0.3% to -0.6%	1–6 quarters
Limited impact	• Raw food such as meat and rice (8%) • Cooking ingredients such as sugar (1%) • Electricity and cooking gas (3%)	Low	Temporary

Note: Calculated using the local projection method, which utilizes explanatory variables (e.g. household income, household debt, consumer confidence index) and lagged variables. The magnitude of the impact is the change in consumption spending when the price of that goods/services category increases by 1% (price elasticity). The duration of the impact is measured by the number of periods for which the effect remains statistically significant.

Source: NESDC, calculation and forecast by BOT

Public expenditure is projected to be higher in both 2026 and 2027 partly due to spending under the new emergency decree.

Government spending amount[1/]



Note: [1/]General government consumption and public investment at current price (SNA definition)
Source: NESDC, BOT calculation

Details of plans / projects under Emergency Decree on Public Borrowing for Energy Crisis Relief and Energy Transition, B.E. 2569 (2026)

Plans / Projects		Budget (million baht)	Timeline
1. Assisting the households, farmers, and businesses (200,000 million baht)	Thai Chuay Thai Plus (60/40)	≤ 120,000	Jun – Sep 26
	Increase the benefit allocation for State Welfare Card holders 2026	≤ 36,919	
	Allocate a budget to the Pracharath Welfare Fund	≤ 18,800	
2. Promoting energy efficiency to facilitate the transition to renewable and alternative energy (200,000 million baht)	Under consideration by the screening committee for loan expenditure prior to submission to the Cabinet for approval		Allocation to be completed by Sep 2027; disbursement by Dec 2027

Sources: The emergency decree and the review results of the screening committee for loan expenditure 1/2026 and 2/2026 as of 12 and 14 May 2026

Public expenditure is projected to be higher in 2026 and 2027. In addition to regular budget disbursements, public expenditure would receive a boost in the second half of 2026 from spending under the emergency decree. Plans or projections in the first phase are primarily cash transfers to support households, farmers, and businesses, while the subsequent phase is geared toward promoting energy efficiency and renewable/alternative energy that would stimulate investment from both the public and private sectors. However, growth momentum from the public sector is likely to moderate in the period ahead, in line with gradual fiscal deficit reduction under the Medium-Term Fiscal Framework (MTFF) 2027–2030.

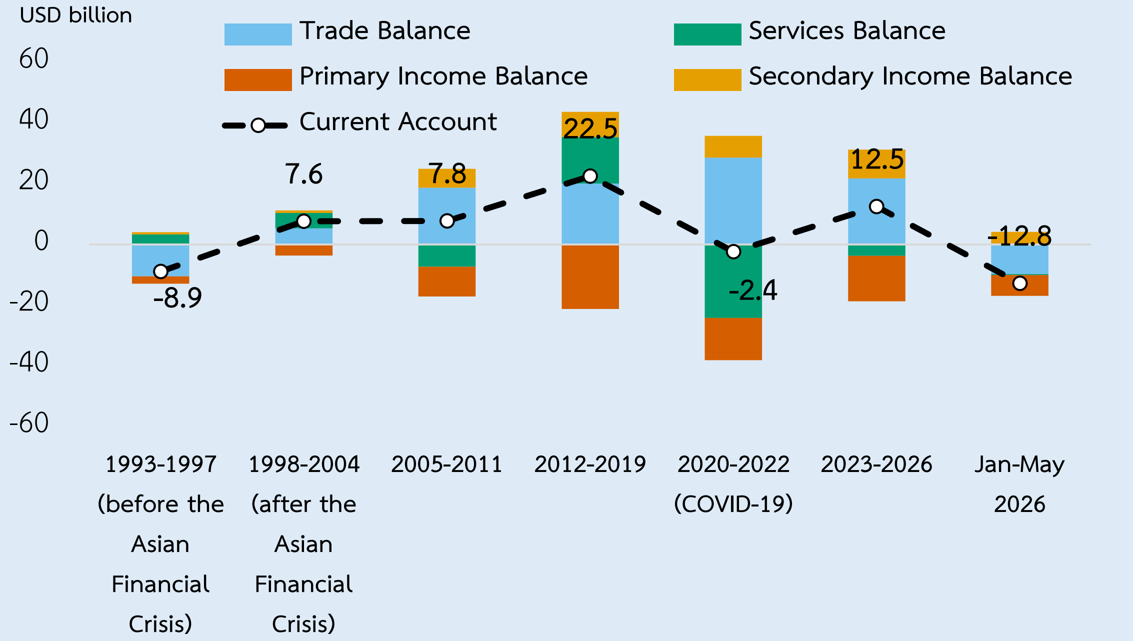
Summary of economic forecast by component

Private consumption	**Private consumption growth would still expand in 2026,** driven by government measures, particularly the first 200 billion baht that would gradually be transmitted to the economy in the second half of the year, providing a temporary boost to private consumption. However, when excluding the effects of government measures, private consumption would slow down markedly from the previous year due to impact of the conflict, resulting in a decrease in real purchasing power of households. **Private consumption is projected to slow down in 2027** due to a high base effect after the first phase of government measures ends. Meanwhile, low credit growth and elevated household debt continue to weigh on the private consumption outlook in the period ahead.
Private investment	**Private investment is projected to continue expanding in 2026 and 2027,** driven by investment in technology-related businesses supported by the expansion of production capacity for export of goods that are likely to see strong growth in line with global demand, and investment in the electronics industry and data center backed by foreign direct investment that continues to grow strongly. In addition, it is assessed that Thailand is currently in the early stages of an investment upcycle and that private investment would continue to expand for about 2 more years at least.
Merchandise exports (value)	**Merchandise exports growth is projected to remain strong in 2026** driven by exports of technology products that benefit from the ongoing AI and data center investment cycle among trading partners. Meanwhile, exports of non-technology products would see limited growth. **Merchandise exports would continue to expand in 2027, albeit at a slower pace** after already accelerating in 2026.
Services exports	**Foreign tourist arrivals are expected to remain stable** at 33 million persons in 2026. Long-haul arrivals, particularly those from the Middle East and Europe, would increase in line with airlines' adaptation and faster-than-expected recovery. Meanwhile, short-haul arrivals would decline due to lower demand and reduced number of flights resulting from higher costs. Meanwhile, it is expected that **foreign tourist arrivals in 2027** would be higher at 35.5 million persons as the conflict gradually eases. **Tourism receipts are expected to expand in both 2026 and 2027** driven by tourists with higher spending-per-trip namely Chinese tourists and long-haul tourists, as well as longer length of stay.

Box 2: Developments in Thailand's current account: structural shifts and impact from the Middle East conflict

Since the Middle East conflict started in late February 2026, Thailand's current account recorded a deficit in each subsequent month, totaling 12.8 billion US dollars in the first five months of 2026 (Figure 1). This reflected **(1) temporary energy-related factors** including a sharp increase in energy prices and accelerated energy imports to safeguard domestic energy security; **(2) cyclical factors,** particularly imports of electronic components for manufacturing and export of electronics, driven by the AI and data center investment cycle among trading partners; and **(3) seasonal factors in May,** namely profit repatriation by foreign investors and the onset of the tourism low season. These developments raise the question of whether Thailand's current account deficit should be a cause for concern.

Figure 1: Components of the Current Account Balance, Annual Average by Period, 1993–2026



Source: CEIC and BOT, calculated by BOT

Looking back at past episodes, Thailand's current account recorded an average surplus of 8.3 billion US dollars per year during 1993-2025. A significant structural shift transformed the current account from persistent deficits prior to the 1997 Asian Financial Crisis into sustained surpluses thereafter, except during some periods affected by temporary factors such as 2012-2013, and the COVID-19 crisis.

Pre-1997 crisis: Thailand's current account was characterized by structural deficits. Prior to 1997, Thailand's current account recorded persistent deficits of 8.9 billion US dollar per year on average. This reflected a trade deficit of about 10.9 billion US dollar per year driven by increased imports of investment goods in line with robust investment growth. The investment-to-GDP ratio was as high as 39.3% during the 5 years leading up to the crisis, particularly due to excessive investment in the real estate sector, which was in part due to a heavy reliance on low-cost external borrowing. Meanwhile, the services balance was not large enough to offset the trade deficit, with foreign tourist arrivals totaling only 7.2 million persons in 1997.

Post-1997 crisis: Thailand's current account underwent a structural shift. Following the 1997 crisis, the current account shifted to predominantly surplus positions. This was mainly due to lower investment, with the investment-to-GDP ratio in 1998 declining sharply to only 22.2% and remaining at relatively low levels for an extended period. During 1998-2025, the investment-to-GDP ratio averaged 24%, which is significantly lower than pre-crisis levels, resulting in lower import demand. In addition, tourism became Thailand's new key driver of growth with a substantial increase in both foreign tourist arrivals and tourism receipts. In 2025, Thailand's tourism receipts were as high as 45 billion US dollar. This was driven by foreign tourist arrivals that were 4.6 times the levels seen prior to the 1997 crisis, and by strong exports growth in some periods, especially automobiles and electronics. As a result, Thailand's current account recorded a surplus every year during 1998-2025, averaging 17.2 billion US dollar per year.

Box 2: Developments in Thailand's current account: structural shifts and impact from the Middle East conflict

However, there were periods during which Thailand's current account turned deficit, most notably in 2012 and 2013 with a deficit of 4.9 billion US dollar and 8.8 billion US dollars, respectively. These deficits reflected several temporary factors, particularly a sharp increase in global crude oil prices and higher gold imports associated with profit-taking from gold investments. In addition, profit repatriation by foreign investors was higher than usual during that period. **Once those temporary factors dissipated in 2014, the current account returned to surplus and continued to improve from both trade and services balances,** with tourism serving as a key driver. In 2017, foreign tourist arrivals increased to almost 40 million persons, contributing to a record-high current account surplus of 44 billion US dollar.

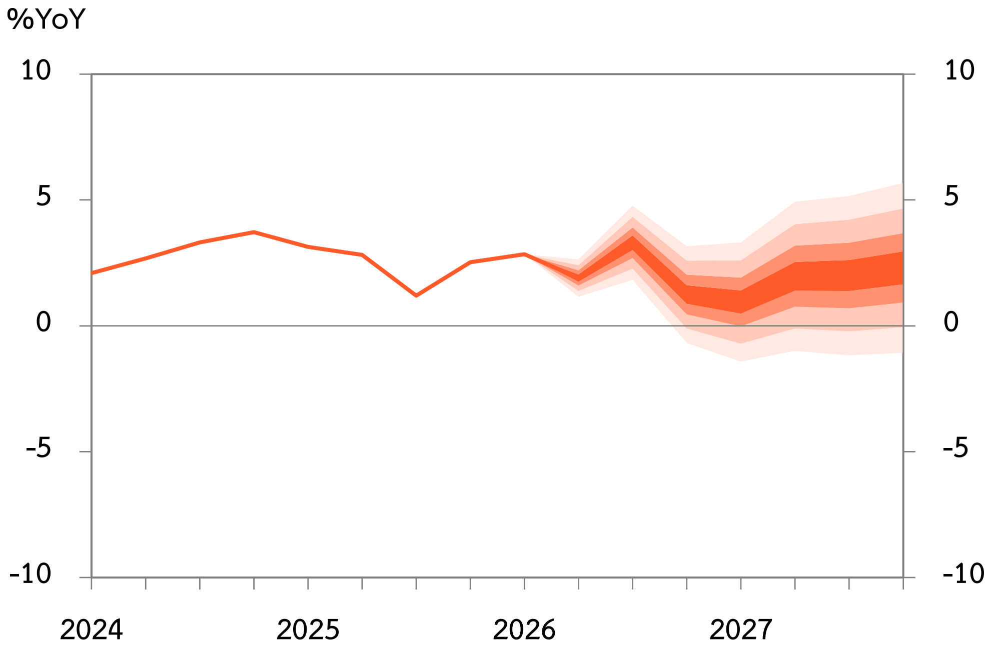
Another episode in which Thailand's current account turned into deficit was during the COVID-19 pandemic when border closures and loss of tourism receipts resulted in current account deficits in 2021 and 2022. The current account deficit reached 17 billion US dollar in 2022 before returning to surplus in 2023 after tourism gradually recovered.

Past episodes suggest that when current account deficits are driven not by structural factors, as in the 1997 crisis, but rather by temporary factors, they tend to reverse over time. Therefore, the current account deficit that Thailand recorded during the first 5 months of 2026, which mainly reflected temporary factors, is not a major concern and is expected to gradually improve in the period ahead. The improvement would likely be driven by declining oil prices as the Middle East conflict eases as well as the onset of the tourism high season in Q4/2026, which should help improve the overall current account balance and contribute to a return to surplus in 2027.

However, there remains a need to monitor structural factors that could affect the current account over the longer term such as deficits in digital services, profit repatriation by foreign investors amid the acceleration in foreign direct investment associated with the AI cycle, and competitiveness-related challenges facing Thailand's tourism sector.

Risks to the growth outlook is broadly balanced 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

- Investment demand from technology and AI businesses among trading partner economies benefits Thai exports and investment more than expected.
- The easing of the conflict leads to a larger-than-expected decline in global crude oil prices and headline inflationary pressures, thereby supporting households' purchasing power.

Downside risks

- Geopolitical uncertainties and supply disruption, which would take time to resolve, could impact businesses' liquidity and employment.
- The implementation of government measures remains uncertain and could be smaller in scale or have smaller impact on the economy than expected.

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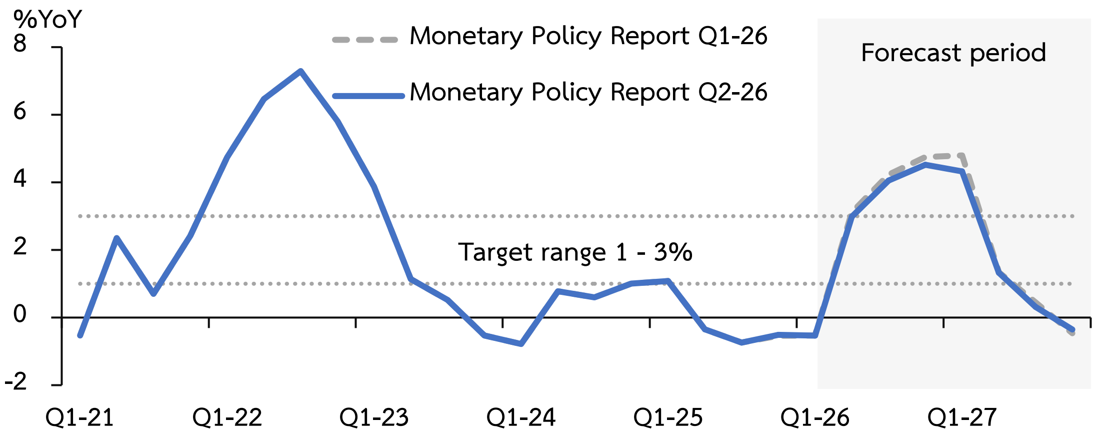
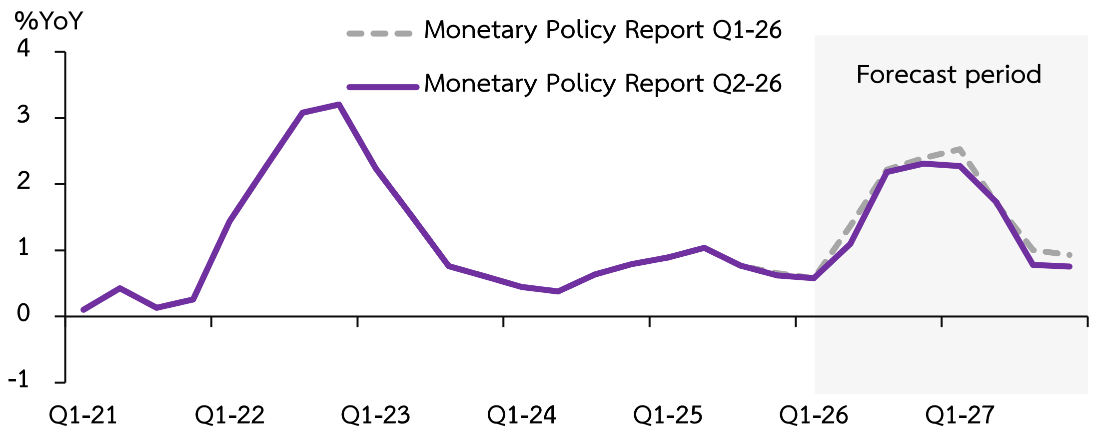
Inflation is projected to be in line with the previous assessment. Inflation would rise in 2026 due to cost pass-through from energy price and raw materials costs, before declining in 2027 due to the easing of supply side factors and high base in the previous year.

Headline inflation forecast



Core inflation forecast



Source: Ministry of Commerce, BOT calculation and forecast

Inflation forecast

%YoY	2024	2025	2026F	2027F
Headline inflation	0.4	-0.1	2.8	1.4
Core inflation	0.6	0.8	1.5	1.4
Energy inflation	0.1	-4.3	9.6	-1.6
Raw food inflation	0.1	-0.6	2.8	3.6

Note: F Forecast

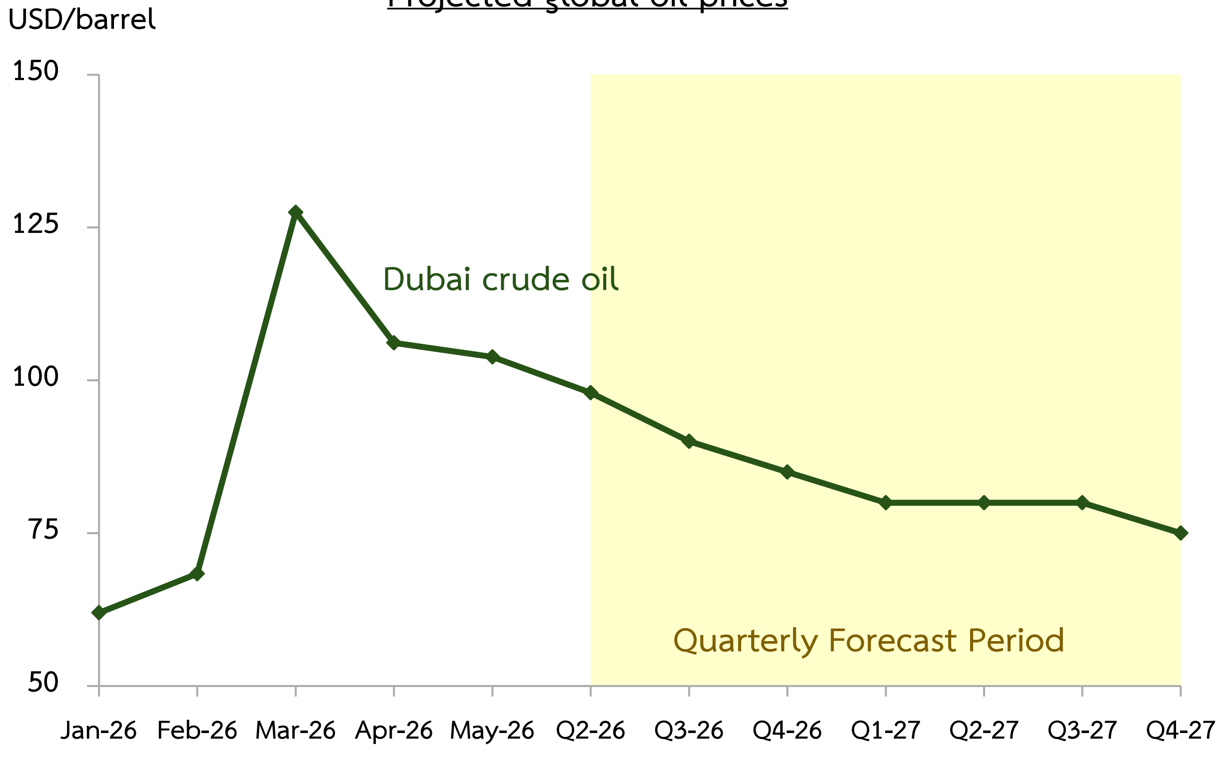
- **Headline inflation in the remainder of 2026 is projected to exceed the target range due to (1) energy costs**, particularly domestic fuel prices. While global oil prices have declined, domestic fuel prices remain higher than last year, and contributions to the Oil Fund continue to be collected to restore its financial position, which is currently in deficit; and **(2) raw food prices**, which have increased due to the pass-through of production and transportation costs, and the impacts of El Niño, which is likely to become more severe in the second half of 2026.
- **Headline inflation is projected to decline in 2027** and return to the target range in Q2/2027, driven by the gradual easing of supply-side factors and the base effect of higher energy prices in the previous year.
- **Core inflation is projected to increase**, in line with the gradual cost pass-through from energy prices, particularly to public transportation and food prices. Rising core inflation is also be attributed to the effects of government measures that would play a part in stimulating household spending in the second half of the year. However, weak purchasing power and intense competition in certain product categories would limit businesses' ability to pass on costs to selling prices.

High domestic energy prices are expected to decline in line with global oil prices, as the Middle East conflict improves. Cost pass-through in recent periods has mostly been concentrated in oil-related goods.

Global oil prices are gradually declining due to easing of supply side pressures.

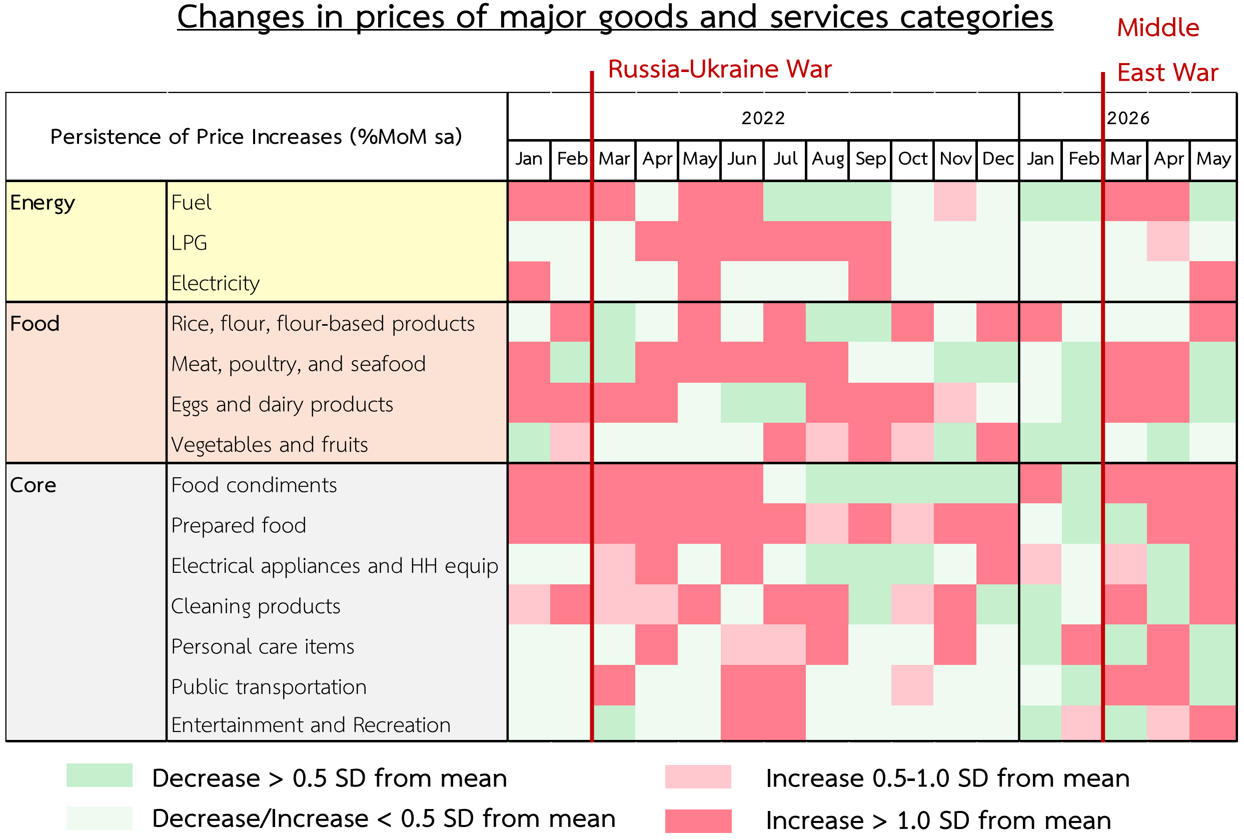
Price increases have mostly been concentrated among goods and services directly affected by energy prices such as public transportation, cooking ingredients, and prepared food.

Projected global oil prices



Source: Petroleum and Energy Institute of Thailand (PEIT), BOT calculation and forecast

Changes in prices of major goods and services categories



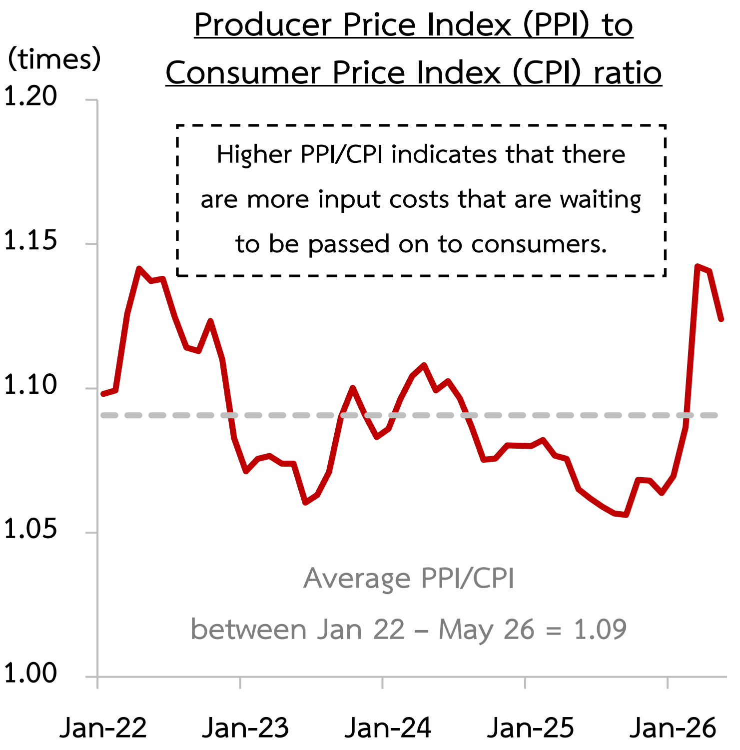
Note: Compared with the average seasonally adjusted month-on-month change (%MoM sa) observed in the corresponding period during the pre-COVID-19 years (2015–2019).

Source: Ministry of Commerce, BOT calculation

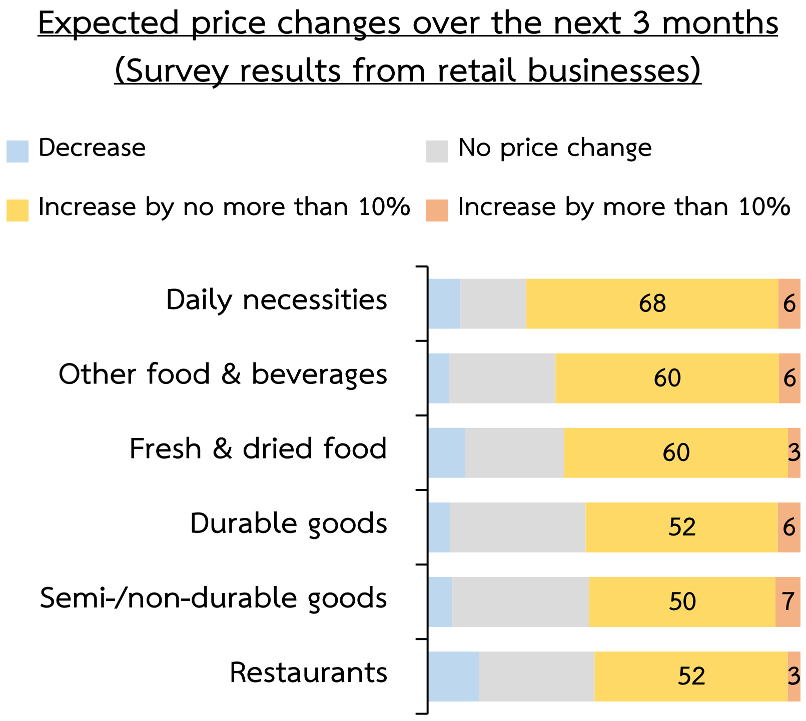
Looking ahead, there remains the need to monitor (1) additional cost pass-through to other goods, given the limited pass-through so far; and (2) the extent to which medium-term inflation expectations remain anchored, which reflects risks of inflation remaining elevated for an extended period.

Increasing PPI/CPI ratio reflects that costs have yet to be fully passed through to prices, partly due to weak domestic demand and intense competition. As such, retailers are likely to raise prices across almost all product categories in the period ahead.

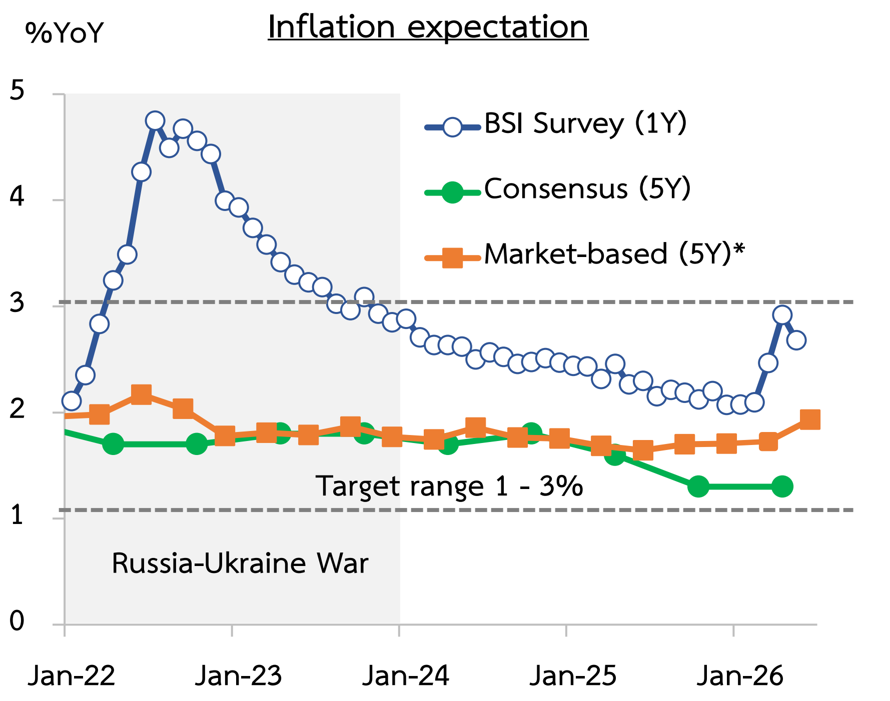
Medium-term inflation expectations remain anchored within the target range, despite a short-term acceleration driven by energy prices.



Note: PPI is producer price index
CPI is consumer price index
Source: Ministry of Commerce, BOT calculation



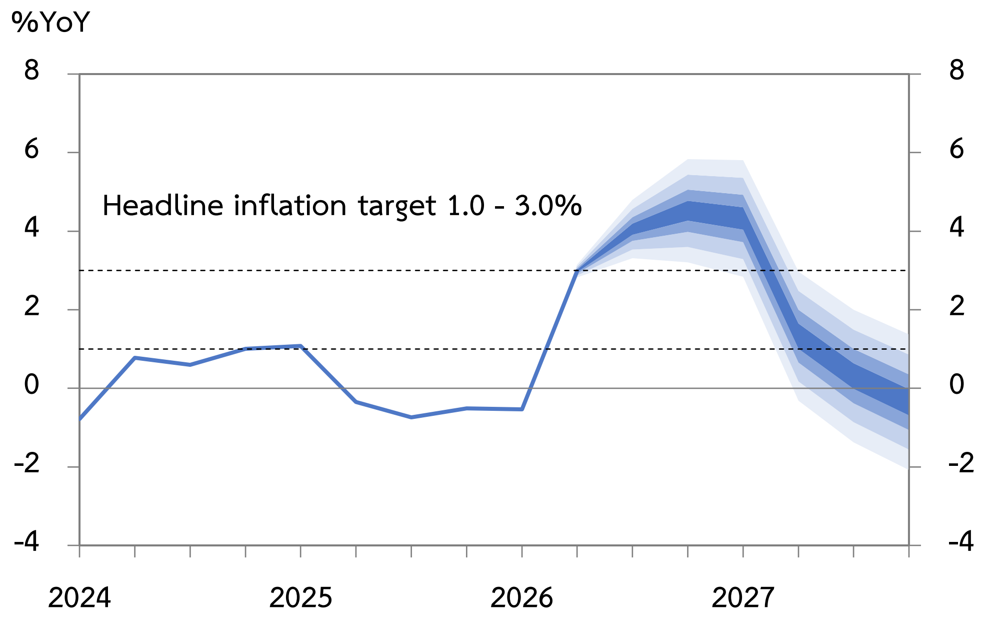
Note: The chart shows the percentage of surveyed respondents (excluding those who do not sell the product)
Source: Retailer Sentiment Index survey (RSI), May 2026



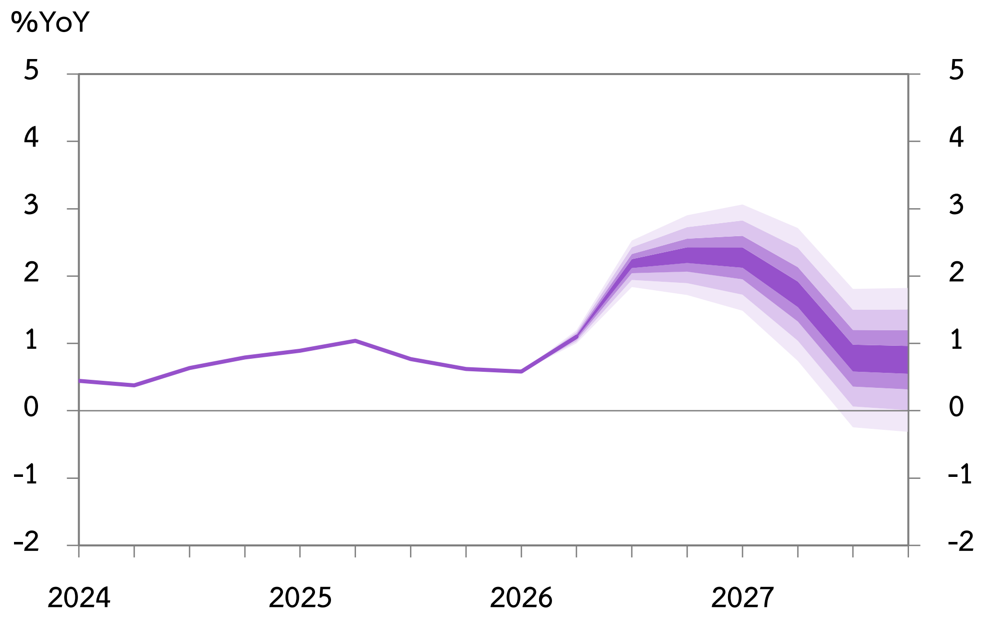
Note: *Forecast based on affine term structure model using yield curve data and macroeconomics factors
Source: Asia Pacific Consensus Economics, Business Sentiment Survey (BOT)

Risks to the inflation outlook is broadly balanced for both 2026 and 2027.

Headline inflation forecast



Core inflation forecast



Upside risks

- Crude oil prices are higher than expected and cost pass-through is larger than expected.
- El Niño results in a larger-than-expected increase in raw food prices.

Downside risks

- Domestic energy prices are lower than expected and cost pass-through is less than expected.
- The government implements additional energy subsidies to alleviate living costs.

Summary of key forecast assumption

Annual percentage change	2025	2026F	2027F
Trading partners' growth (%YoY)[1/]	3.1	2.8 (2.6)	2.6 (2.4)
Fed funds rate (% at year-end)	3.50–3.75	3.75–4.00 (3.50–3.75)	3.50–3.75 (3.25–3.50)
Regional currencies (excl. China) vis-à-vis the US dollar (index)[2/]	167.3	165.6 (165.6)	164.4 (164.6)
Dubai crude oil prices (US dollar per barrel)	69.4	90.0 (100.0)	80.0 (80.0)
Farm income (%YoY)	-6.9	-1.0 (-2.3)	-0.5 (0.3)
Government consumption at current price (billion baht)	3,160	3,223 (3,215)	3,269 (3,263)
Public investment at current price (billion baht)	1,163	1,216 (1,198)	1,282 (1,222)

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 Q1-2026

- **Trading partners' growth** is expected to slow down. For 2026, the global economy would be affected by energy prices, but improve more than expected, benefiting from the technology and AI cycle, which drives an acceleration in technology-related investment and exports. For 2027, the global economy is projected to slow down in line with investment in AI that would likely expand at a slower pace.
- **The Fed funds rate** is expected to increase to 3.75–4.00% at the end of 2026 as the Fed places greater weight on inflation risks in its policy deliberations. The Fed is expected to begin easing monetary policy once inflation moves closer to the 2% target, with the Fed funds rate projected to decline to 3.50–3.75% by end-2027.
- **Regional currencies (excluding the Chinese yuan)** would gradually appreciate. The easing of the Middle East conflict would contribute to the appreciation of regional currencies, although the Fed's tighter monetary policy stance would also exert depreciation pressures on regional currencies.
- **Dubai crude oil prices** in 2026 would be lower than the previous assessment as the global economy adapts and the tightness in the oil supply eases. These factors would help oil prices come down in the period ahead, although the overall level would still be higher than the pre-conflict period.
- **Farm income (excluding government subsidies)** in 2026 would continue to contract due to lower agricultural prices, particularly sugar cane, pork, and durian, although prices of certain agricultural products have increased due to the Middle East conflict such as rubber and palm oil. For 2027, farm income would contract at a slower pace due to increases in rice and sugar cane prices as a result of lower output due to El Niño.
- **Public expenditure at current prices** in 2026 is expected to be higher than previously assessed due to higher-than-expected public consumption spending that exceeded the allocated budget, and the effects of government measures that would result in higher public investment in the second half of 2026 through to 2027.

Overall credit growth remained subdued as financial institutions maintain caution in lending to high-risk borrowers. Commercial bank interest rates remained stable. The baht depreciated due to external factors.

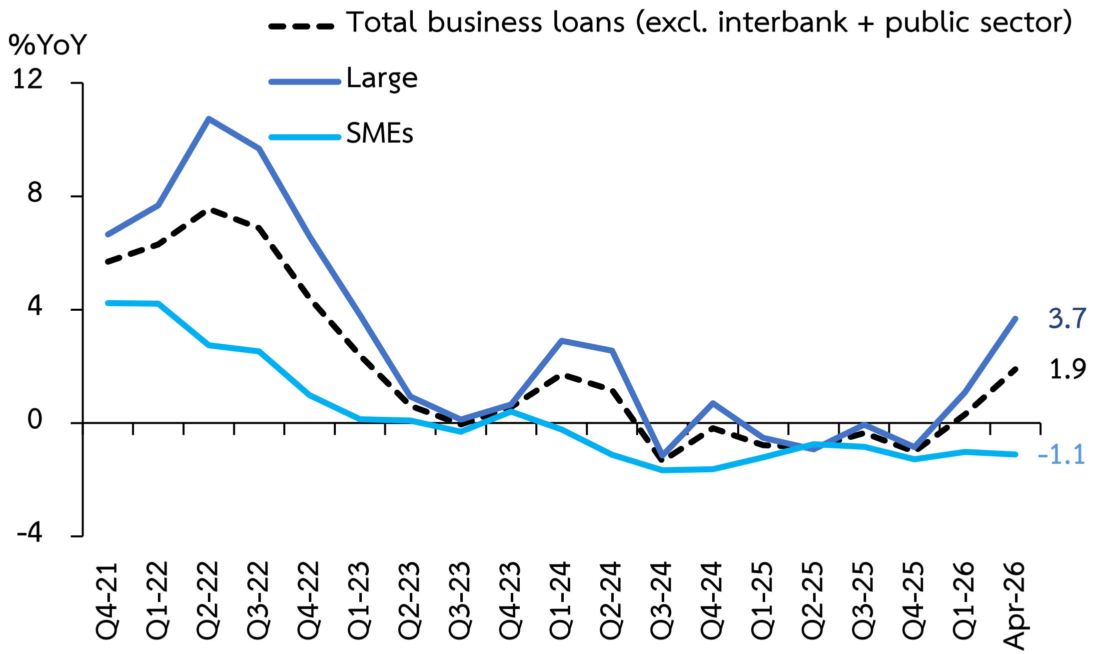
Overall credit growth remained subdued. Financial institutions continued to exercise caution in extending credit to high-risk borrowers. Meanwhile, credit quality remained stable, but the credit quality of vulnerable SMEs and households warrants continued monitoring.

Commercial bank interest rates remained stable. Meanwhile, Thai government bond yields were driven primarily by external factors and have declined overall as the conflict eases.

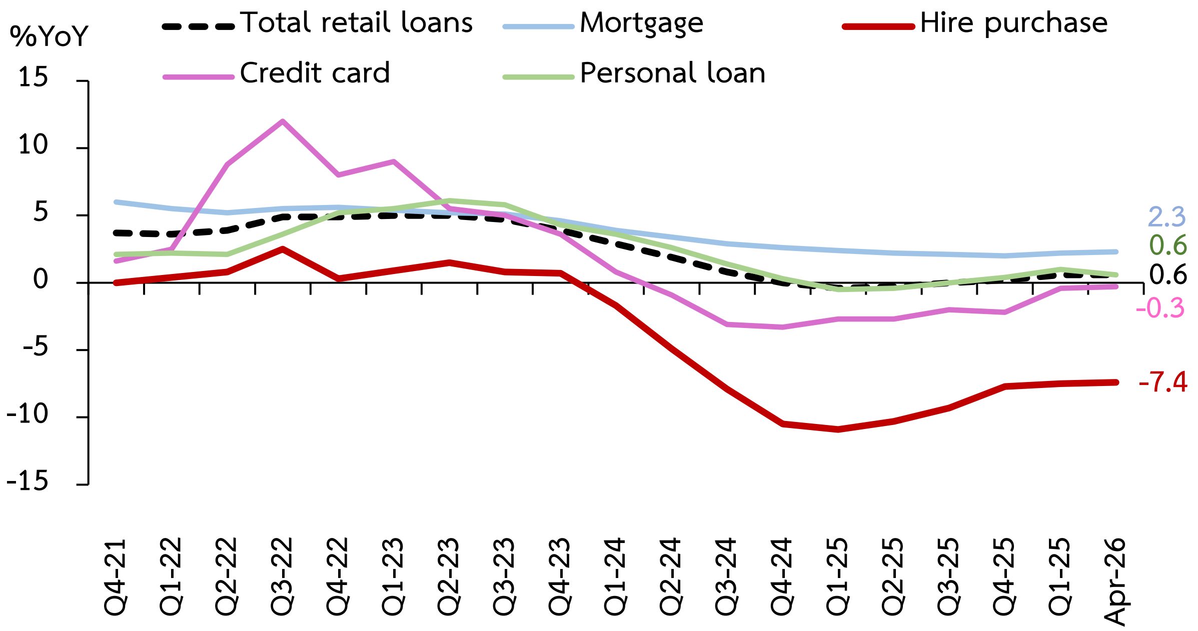
The baht depreciated in line with regional currencies, primarily driven by a stronger US dollar following a tighter US monetary policy outlook.

Overall credit growth remains subdued and was driven mainly by large corporate loans. Meanwhile, SME and hire purchase loans continued to contract.

Business loan growth by firm size



Retail loan growth by portfolio



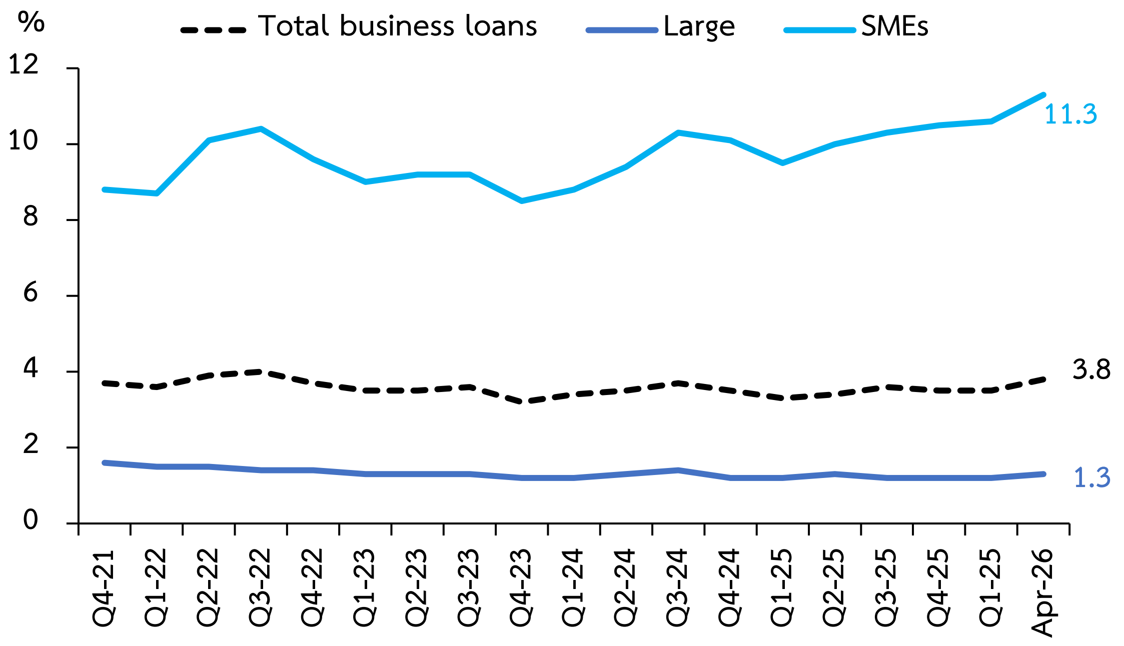
Notes: (1) The data cover credit extended by the financial institutions system, comprising commercial banks, specialized financial institutions (SFIs), and non-bank financial institutions (both bank subsidiaries and non-subsidiaries).
2) The definitions of business credit size are as follows: 1. Commercial 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

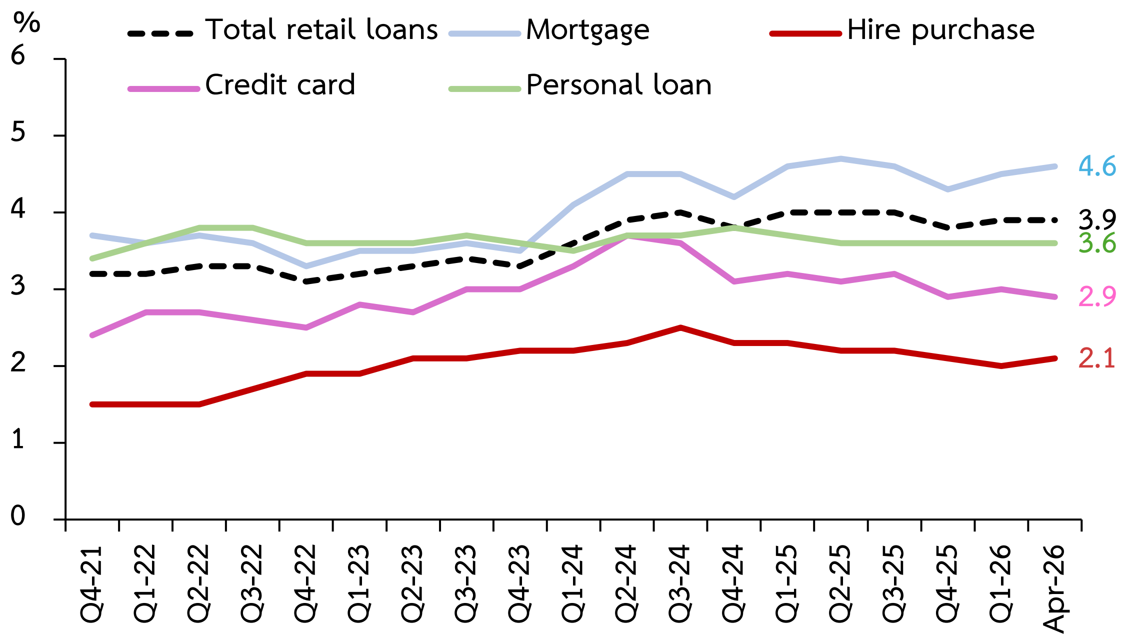
Business loans expanded slightly on the back of large corporate lending. Part of the increase reflected firms' demand for additional liquidity amid higher costs, while the remainder was supported by economic activity, including working capital demand from retail businesses and investment by manufacturing firms in technology and AI related industries. Meanwhile, SME loans continued to contract. **Retail loans** growth remained weak with mortgage and personal loans continuing to expand, while hire purchase continued to contract. Overall, commercial banks remained cautious in extending credit to high-risk borrowers.

Credit quality has been broadly stable but there remains the need to monitor debt serviceability of SMEs and vulnerable retail borrowers.

Stage 3 (NPL) of business loans by firm size



Stage 3 (NPL) of retail loans by portfolio

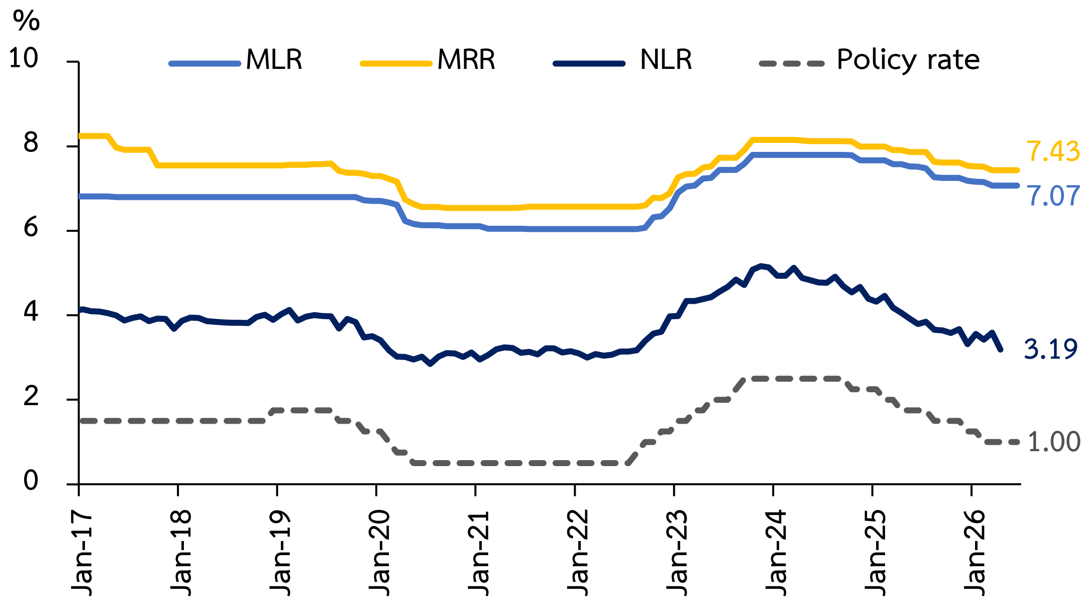


Notes: (1) The data cover credit extended by the financial institutions system, comprising commercial banks, specialized financial institutions (SFIs), and non-bank financial institutions (both bank subsidiaries and non-subsidiaries).
2) The definitions of business credit size are as follows: 1. Commercial 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

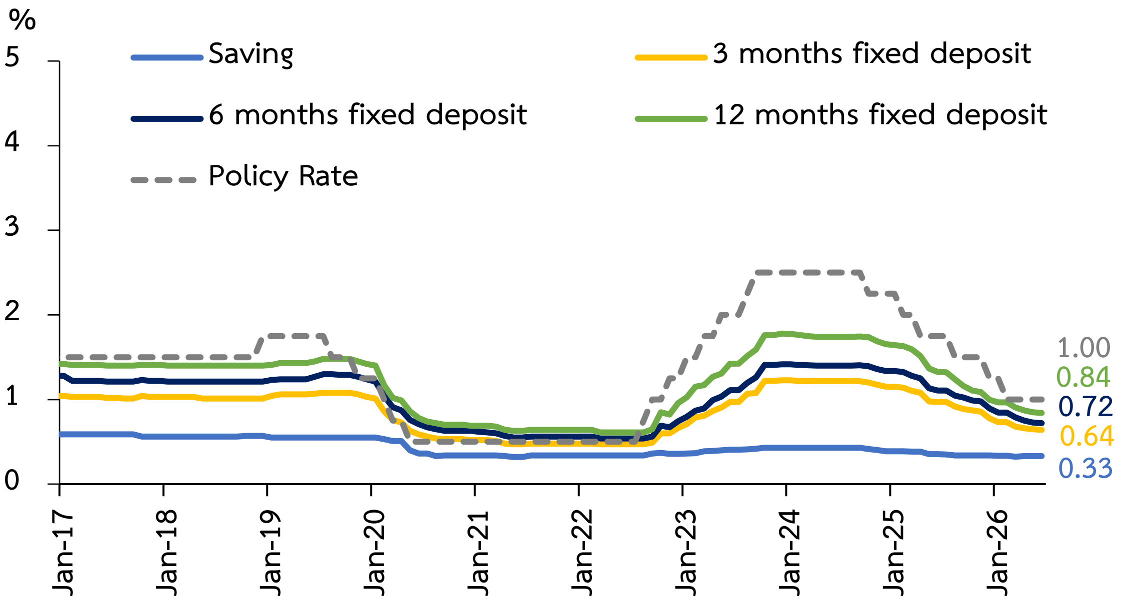
Credit quality has been broadly stable for both business and retail loans. However, the debt serviceability of SMEs and vulnerable retail borrowers remains to be monitored, as signs of weaknesses have emerged among these borrower groups. This is reflected in rising debt delinquencies such as SMEs falling back into NPL status and debt default among retail borrowers who are self-employed.

Commercial bank interest rates have remained stable in line with the policy rate being kept unchanged in recent periods.

Commercial bank lending rates



Commercial bank deposit rates



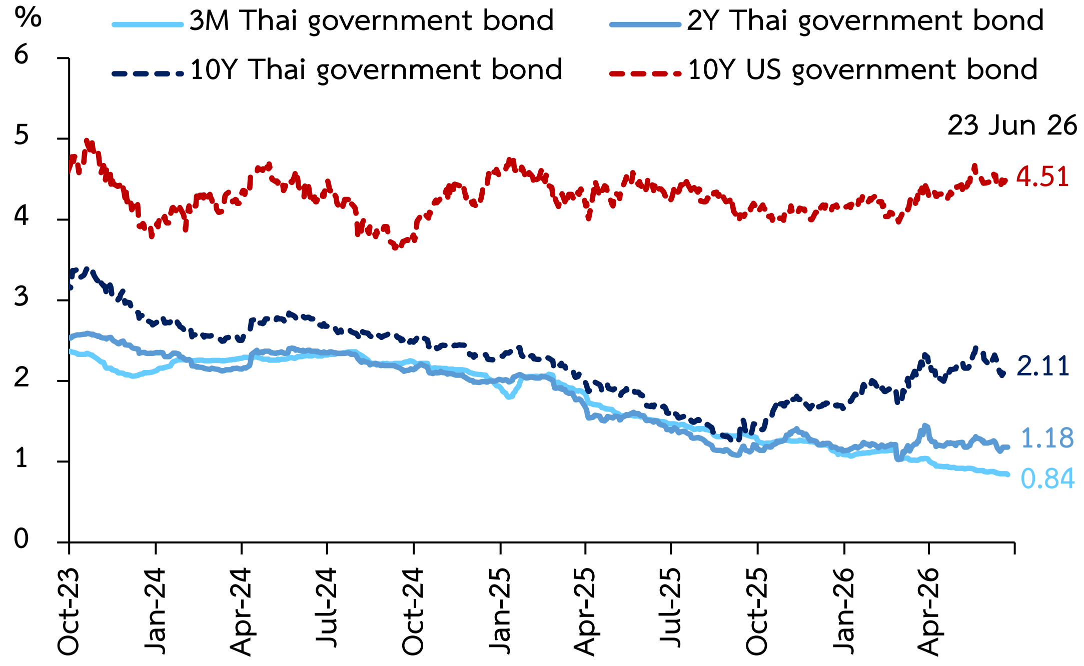
Note: (1) Monthly average of 14 commercial banks (data as of 23 June 2026)
(2) NLR = new loan rate (data as of April 2026)

Source: Bank of Thailand

Commercial bank lending and deposit rates have been stable from the previous quarter. Minimum lending rate (MLR) and minimum retail rate (MRR) were stable at 7.07% and 7.43%, respectively. Meanwhile, fixed deposit rates fell slightly. **New loan rates** have declined overall mainly on account of large corporates.

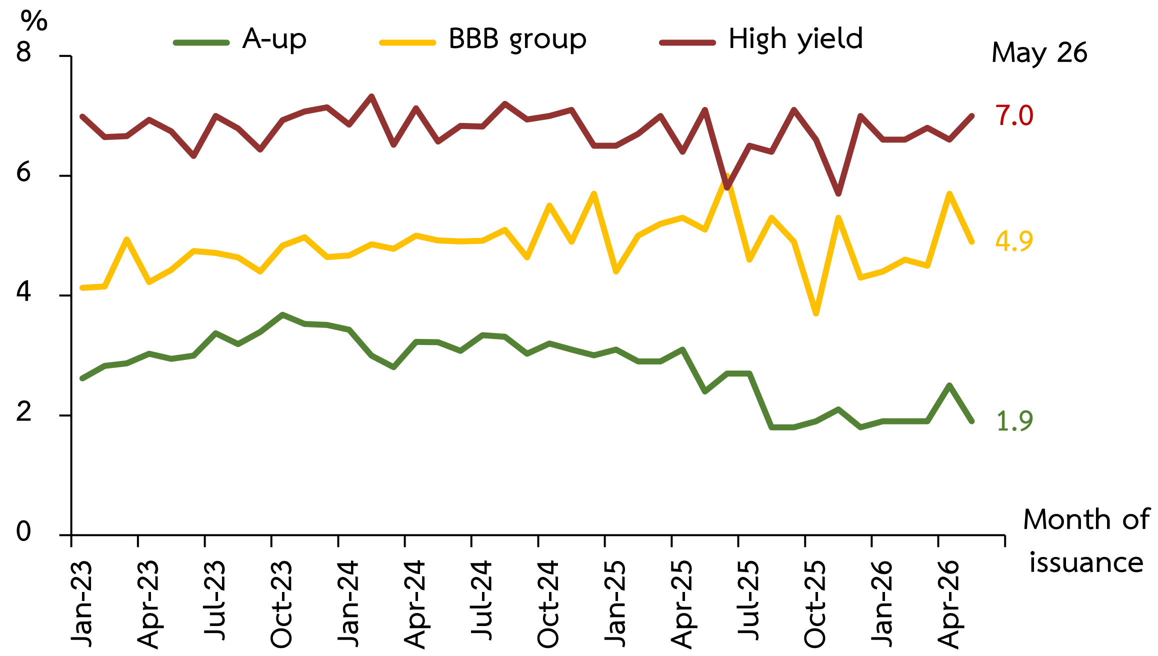
Government bond yields were volatile due to external factors and have declined as the conflict eased.

Thai government bond and US Treasury yields



Source: Thai BMA (data as of 23 June 2026)

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

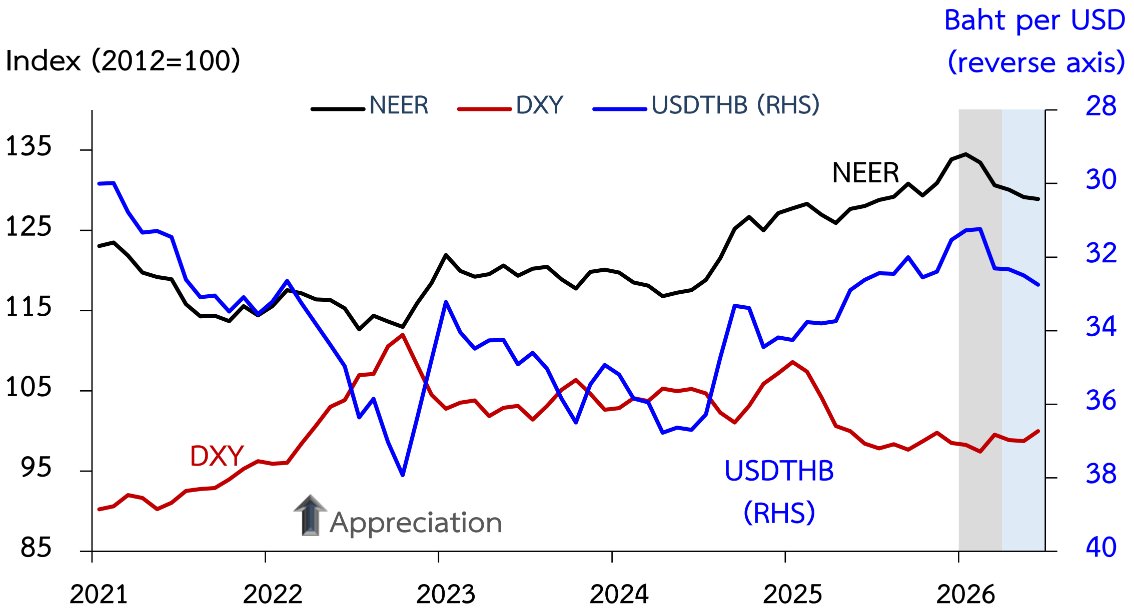


Note: * Weighted average coupon rate in primary market, including only corporate bonds denominated in baht offered domestically (excluding SOE bonds and the commercial banking sector) and including both fixed-coupon and zero-coupon bonds.
Source: Thai BMA, calculated by BOT

In Q2/2026, Thai government bond yields underwent volatile movements driven by developments in the Middle East conflict and expectations about the Fed funds rate and have declined overall as the conflict eased. **Corporate bond yields were stable overall** with yields on corporate bonds rated A and higher (A-up) remaining stable at lower levels. Increases in the yields of corporate bonds rated A-up and BBB in April were driven by idiosyncratic factors of some issuers.

The baht depreciated in line with regional currencies driven primarily by the U.S. dollar appreciation.

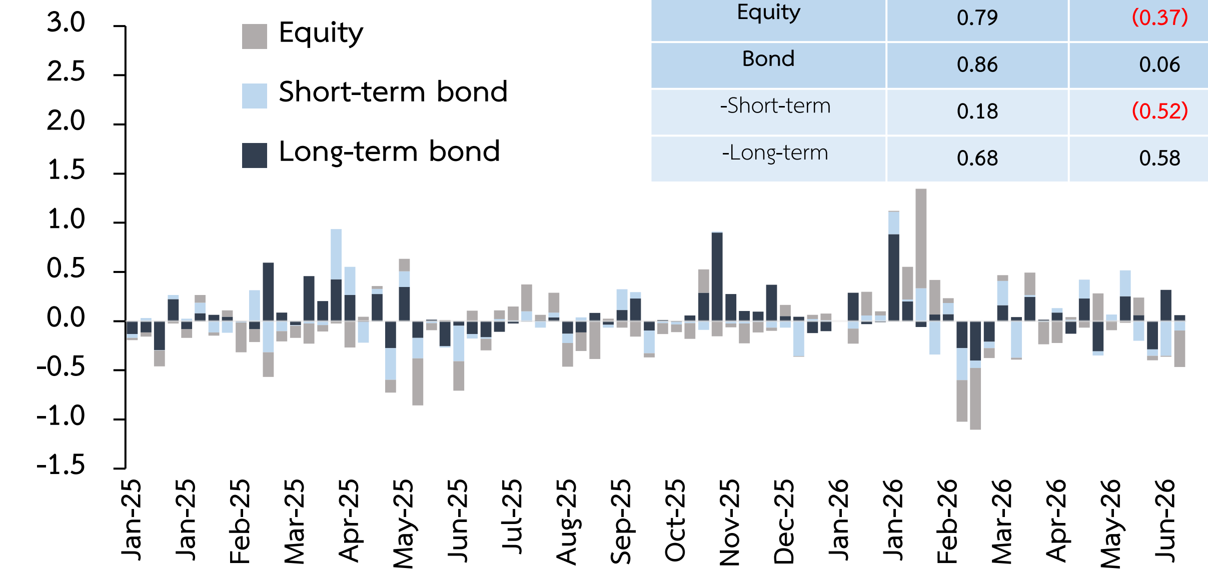
Baht per US dollar (USDTHB) and exchange rate indices



Note: Monthly average (as of 23 June 2026)

Sources: Bank of Thailand and Bloomberg

Capital flow into Thai securities



Billion USD	Q1/26	Q2/26
Total	1.65	(0.31)
Equity	0.79	(0.37)
Bond	0.86	0.06
-Short-term	0.18	(0.52)
-Long-term	0.68	0.58

Note: Weekly data, cumulative from the first trading day (as of 23 June 2026)

Sources: Bloomberg and ThaiBMA

In Q2/2026, the baht-against-US dollar exchange rate and the Nominal Effective Exchange Rate (NEER) depreciated from the previous quarter, driven by the US dollar's appreciation. In earlier parts of Q2/2026, the baht exchange rate moved within a limited band amid uncertainties pertaining to the Middle East conflict, before depreciating towards the end of the quarter as the US dollar appreciated from the Fed's tighter monetary policy outlook. Meanwhile, there were net capital outflows from the stock market in Q2/2026, in line with risk-off sentiment in the market from conflict-related developments in earlier parts of the quarter as well as market pressures from price corrections among technology stocks around the end of the quarter. Meanwhile, there were some net capital inflows into the bond market, especially for longer tenure bonds.

Monetary Policy Decision: Summary of Key Considerations

Economic growth

The Thai economy is projected to expand at a higher rate than previously assessed, supported by exports and investment growth driven by the ongoing technology and AI upcycle, government measures, and a less severe impact from the Middle East conflict than expected. However, growth remains low and uneven overall.

Inflation

Headline inflation is projected to be in line with the previous assessment. Inflation in the remainder of 2026 would exceed the target range due to cost pass-through from higher energy prices and raw material costs, before declining in 2027.

Financial stability

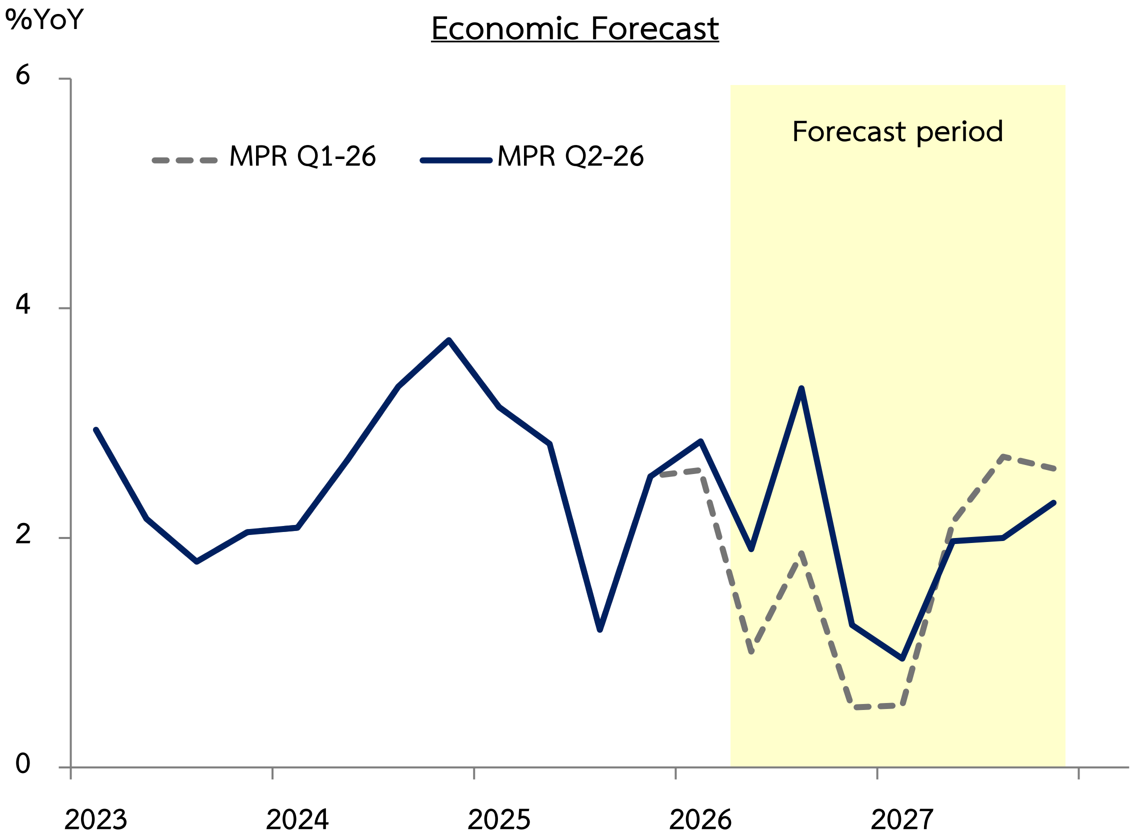
The baht depreciated against the US dollar mainly due to external factors. Credit growth remained subdued and was primarily driven by large corporate loans. Meanwhile, SME loans continued to contract.

Monetary policy decision

The MPC kept the policy rate on hold at 1%, viewing that accommodative monetary policy, together with financial measures, would support the economic recovery, although inflation developments and risks warranted continued monitoring.

Economic growth has been stronger than expected but remains low overall.

Economic Forecast



Note: The projections in MPR Q2/2026 have incorporated the effects of the THB 400 billion measures

Source: NESDC; estimated by Bank of Thailand

Economic growth has been stronger than expected due to (1) the technology and AI upcycle; (2) a less severe impact from the Middle East conflict than expected; and (3) the effects of government measures*.

Economic Forecast (GDP)

%YoY	2025	2026F	2027F
MPC Apr 26	2.4	1.5	2.0
MPC Jun 26		2.3	1.8
*MPC Jun 26 excluding government measures**		*1.8*	*2.1*

Note: F = Forecast

* Government measures refer to the measures mitigating the impact of energy crisis under the THB 400 billion emergency borrowing decree

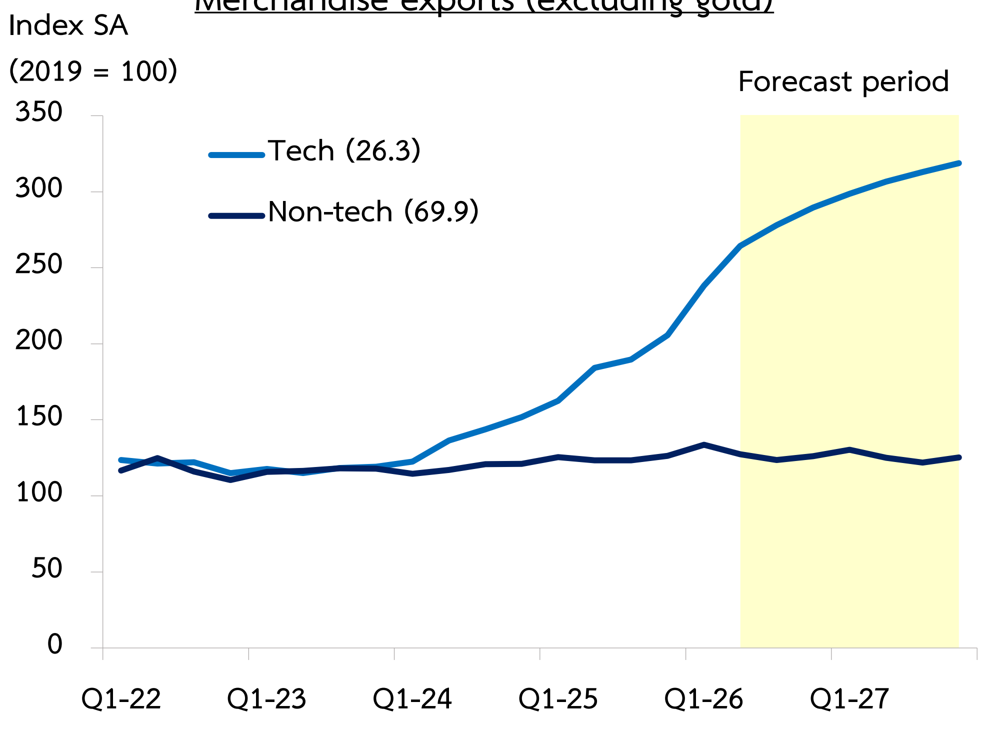
Source: NESDC; estimated by Bank of Thailand

Economic growth | Inflation | Financial stability

The economic recovery remains uneven, with exports and investment growth mainly concentrated among technology-related products. Meanwhile, low-income households are pressured by higher living costs more than high-income households.

Thai exports continued to expand, particularly tech-related products.

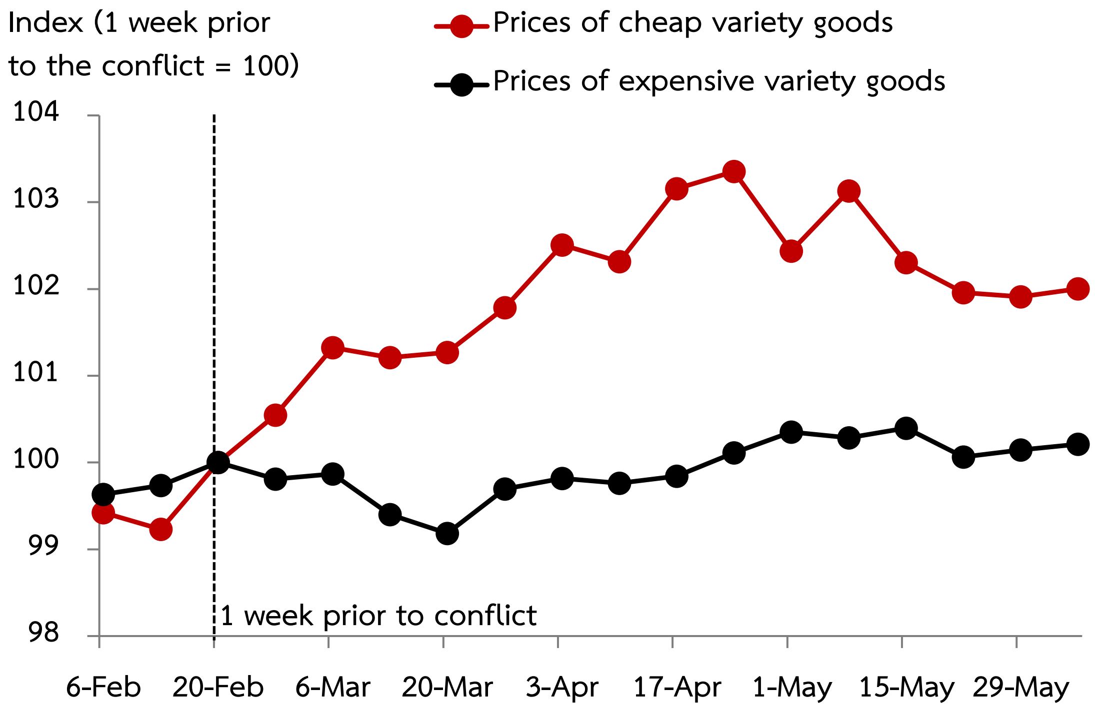
Merchandise exports (excluding gold)



Note: Tech includes electronics, machinery and equipment; Non-tech refers to other merchandises excluding gold
( ) indicates a share of export value in 2025
Source: Thai Customs Department, calculated by Bank of Thailand

Lower-income households tend to face greater pressures from high costs of living than higher-income households

Weekly online prices index

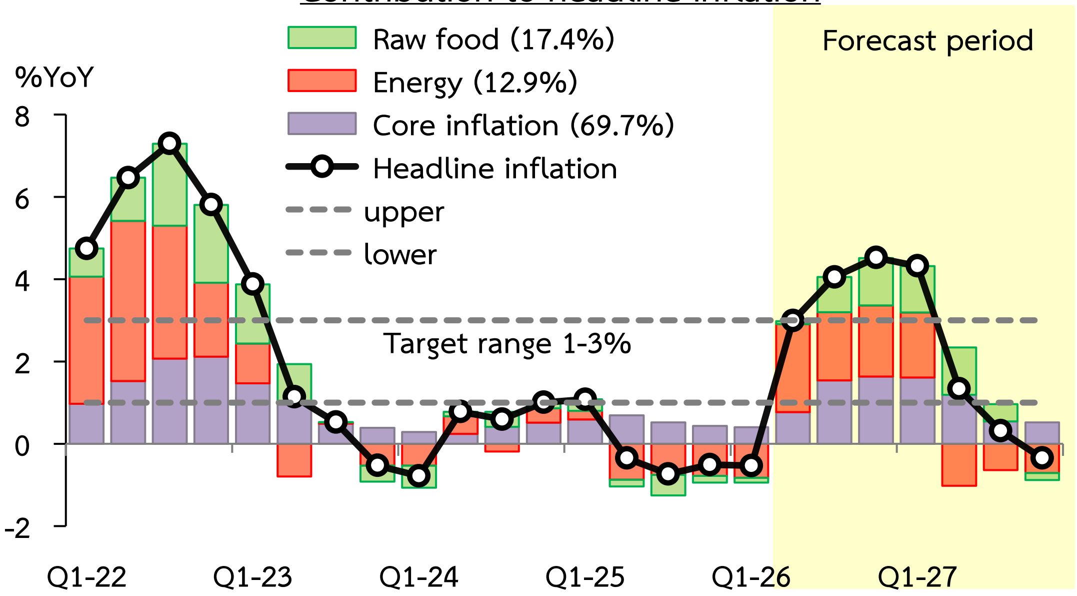


Note: (1) Online price data account for approximately 20% of items in the CPI basket.
(2) Prices of cheap variety goods refer to items with unit prices below median, while prices of expensive variety goods refer to items with unit prices above median.
Source: Online Supermarket Prices; Ministry of Commerce; calculated by Bank of Thailand

Inflation would rise in 2026 due to energy price and cost pass-through, but would decline in 2027 as supply-side pressures gradually ease.

Inflation is projected to rise further in the remainder of 2026, before declining in 2027.

Contribution to headline inflation

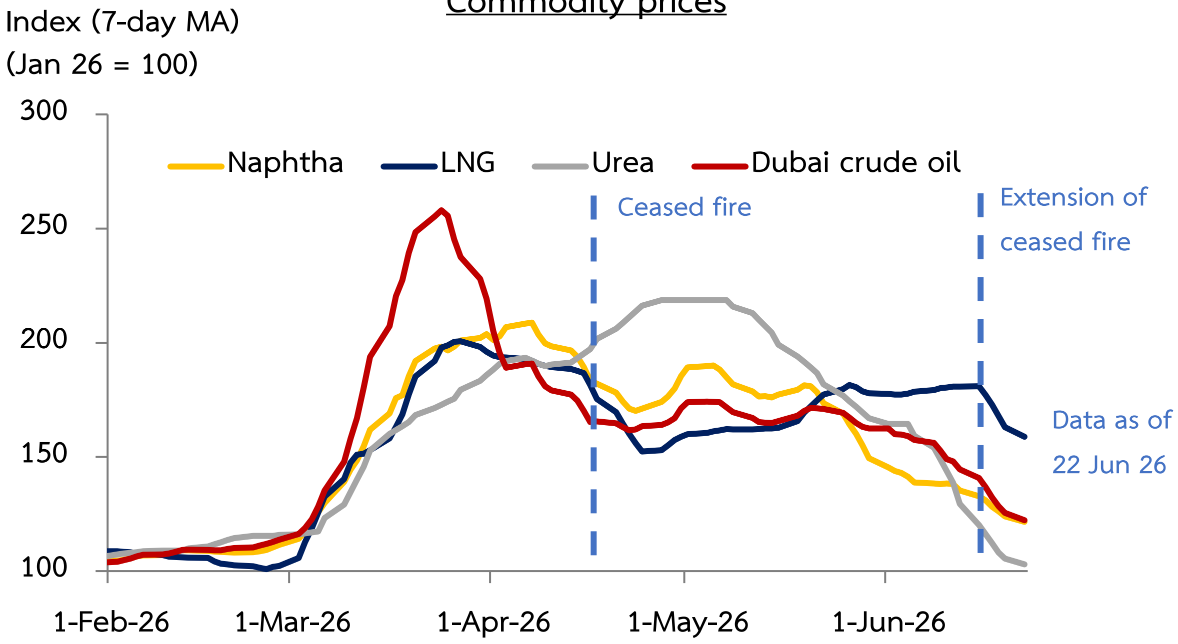


Note: ( ) denote the weight in the CPI basket (base year 2023)

Source: Ministry of Commerce; estimated by Bank of Thailand

Prices of oil and raw materials have started to decline following positive developments pertaining to the Middle East conflict.

Commodity prices



Monthly projection 2026 (%YoY)	Jan	Feb	Mar	Apr	May	Jun F	Jul F	Aug F	Sep F	Oct F	Nov F	Dec F
Headline Inflation	-0.7	-0.9	-0.1	2.9	2.8	3.3	3.7	4.1	4.4	4.5	4.5	4.5
*Headline Inflation excluding government measures**						*3.1*	*3.5*	*3.9*	*4.2*	*4.4*	*4.4*	*4.4*

Note: F = Forecast, * Government measures refer to the measures mitigating the impact of energy crisis under the THB 400 billion emergency borrowing decree.

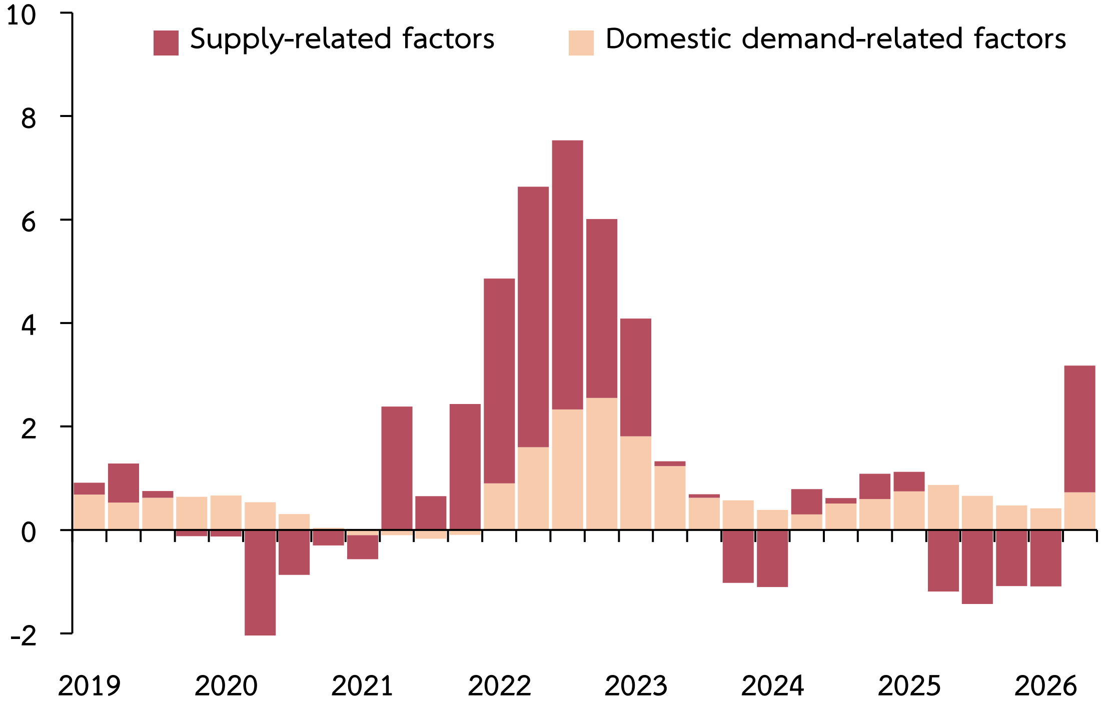
Source: Ministry of Commerce; estimated by Bank of Thailand

Rising inflation is primarily attributed to supply-side factors, with no signs of broad-based cost pass-through or wage increases

Rising inflation in Thailand is primarily attributed to supply-side factors.

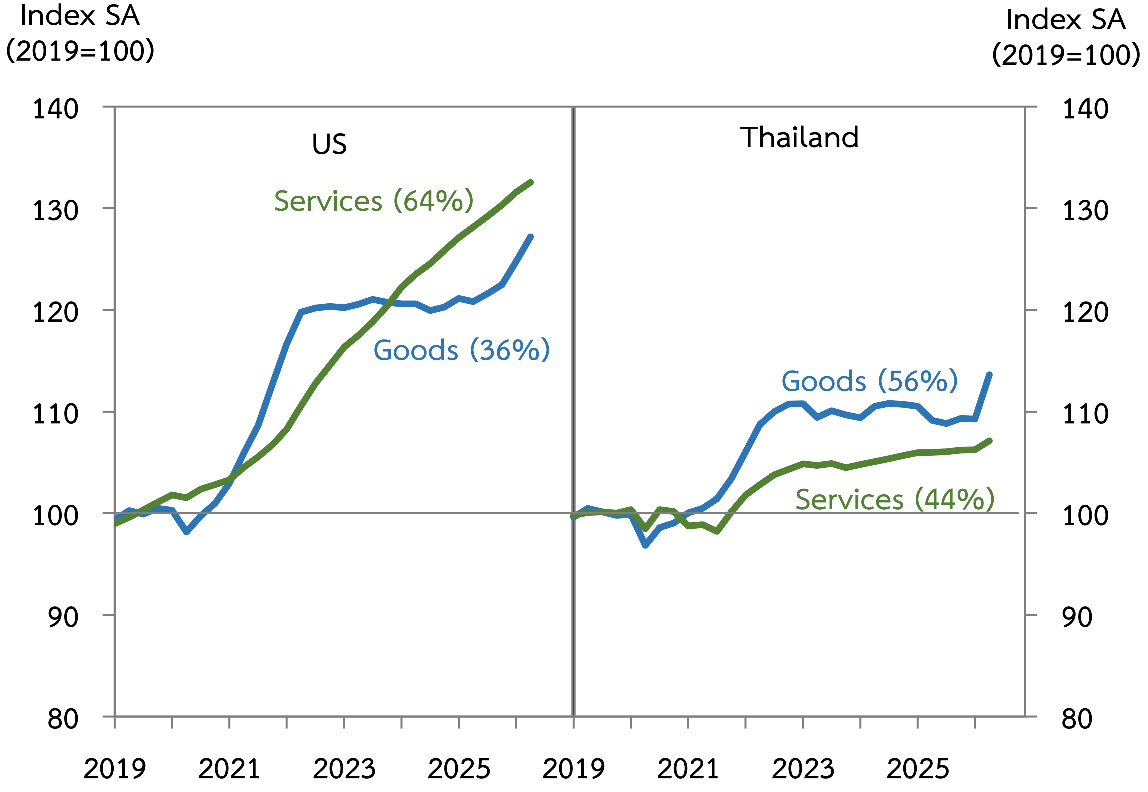
Services inflation in Thailand remains low compared to other countries, reflecting less pressure that inflation would stay elevated for an extended period.

Drivers of Inflation



Source: BOT calculations, based on Mahedy & Shapiro (2017), "What's Down with Inflation?", Federal Reserve Bank of San Francisco. *Q2/2026 data as of April–May 2026.

Consumer Price Index (CPI) by category of goods and services



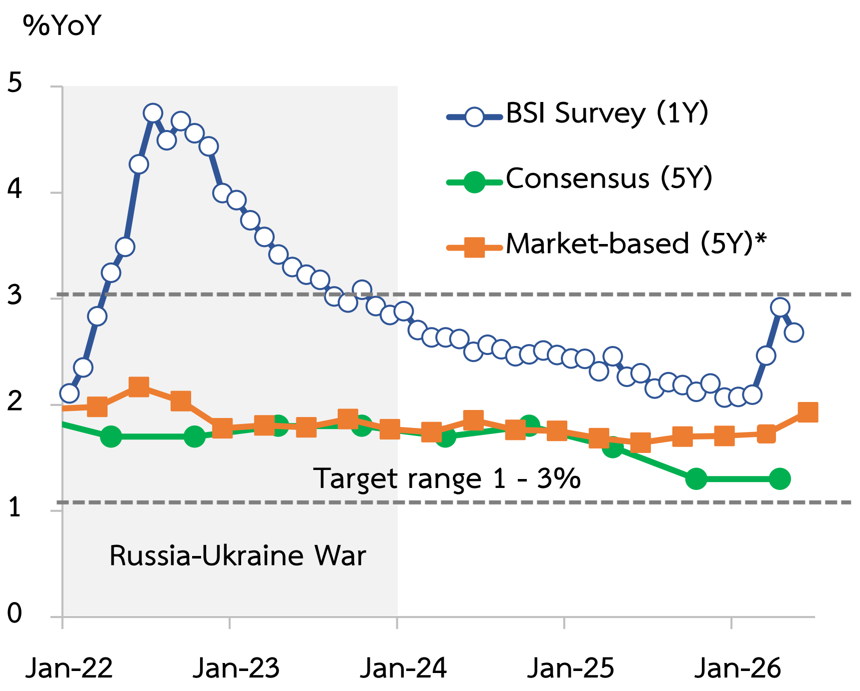
Note: The latest data as of Q2/2026 for the US and Thailand are two-month averages (April–May). Figures in parentheses show the CPI weights.

Source: Ministry of Commerce and CEIC; calculated by BOT.

Medium-term inflation expectations remain anchored in the target range, but there remains the need to monitor risks that could result in rising inflation expectations.

Medium-term inflation expectations remain anchored in the target range, although short-term inflation expectations have risen due to higher energy prices.

Inflation Expectations

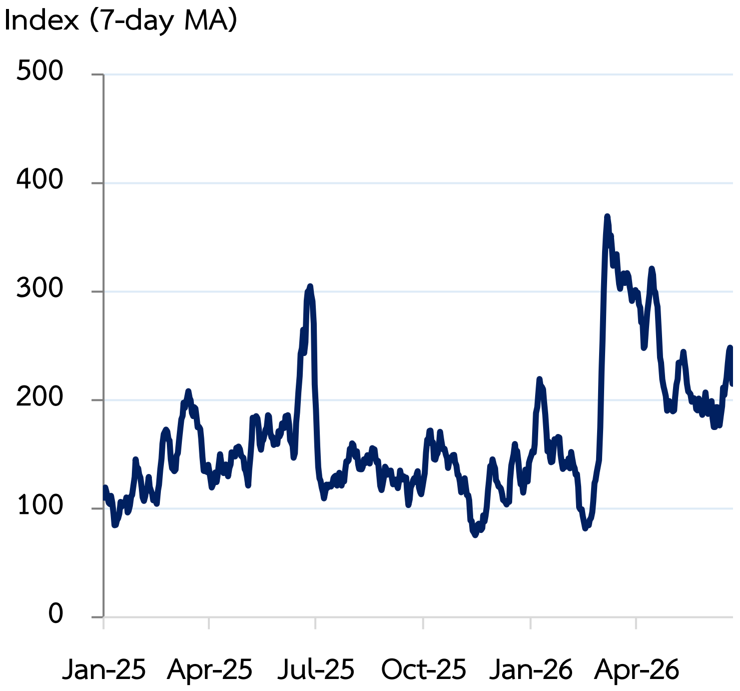


Note: *estimated using affine term structure model based on yield curve and macroeconomic factor

Source: Asia Pacific Consensus Economics, Business Sentiment Survey (BOT)

Geopolitical uncertainties remain.

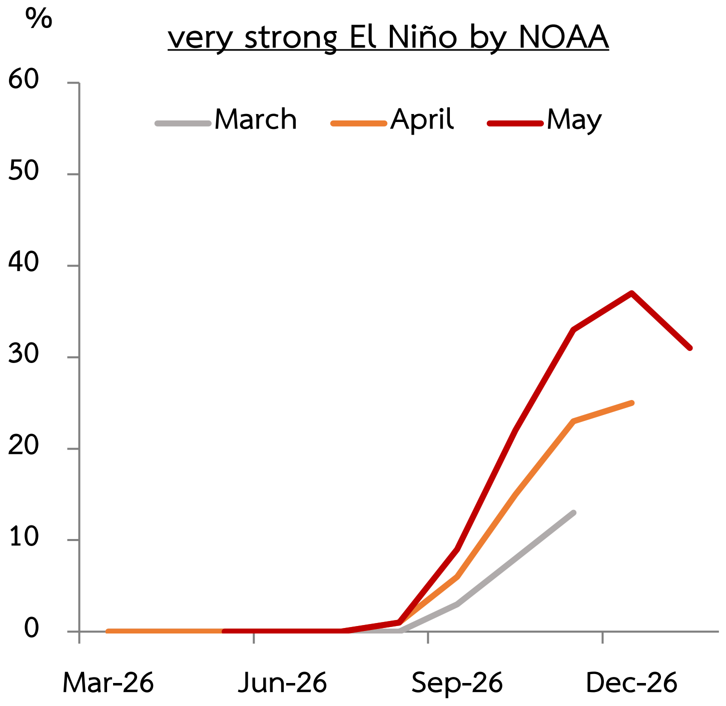
Geopolitical Risk Index



Source: Caldara and Iacoviello (2022), "Measuring Geopolitical Risk"

El Niño could be more severe than expected.

Probability of very strong El Niño by NOAA



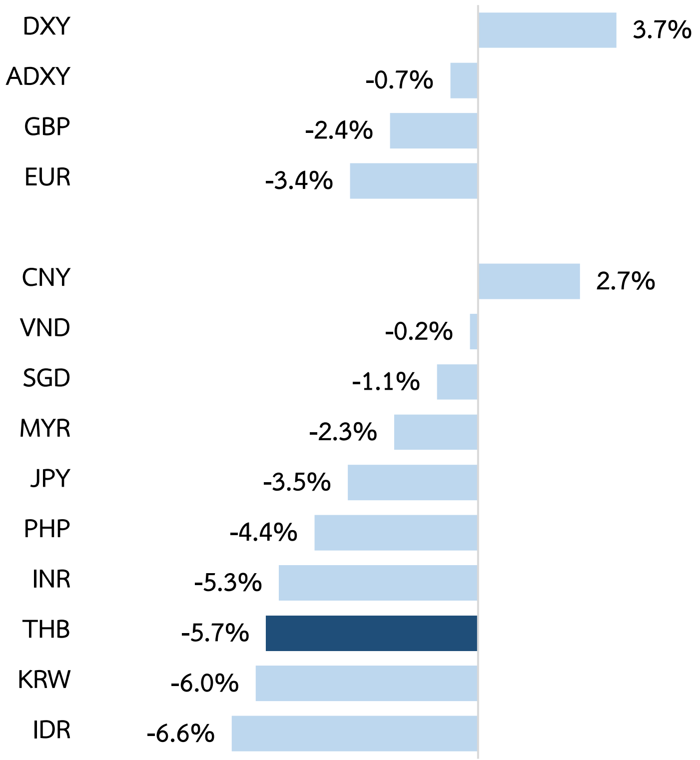
Source: National Oceanic and Atmospheric Administration (NOAA)

The baht depreciated mainly due to the US dollar appreciation. Meanwhile, financial institutions remained cautious in extending credit to high-risk borrowers.

Most currencies have depreciated in line with the shift in Fed's policy outlook; currencies experiencing significant depreciation faced additional pressures from idiosyncratic factors.

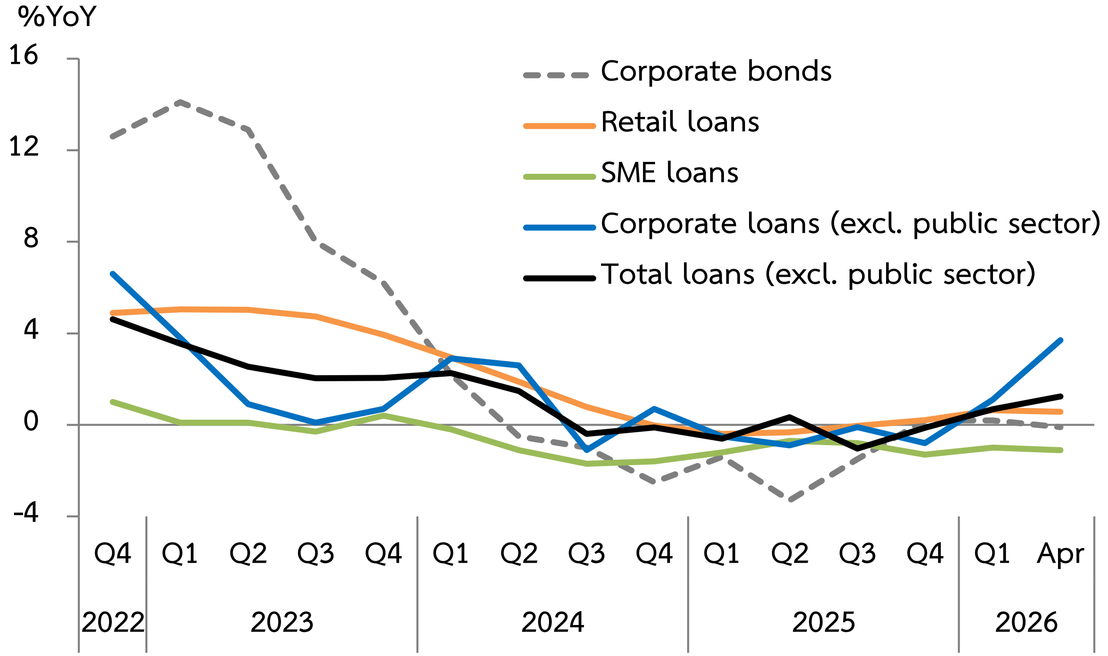
Credit growth remained subdued and was primarily driven by large corporate loans. Meanwhile, SME loans continued to contract.

Changes in exchange rates against USD (YTD)



Source: Bloomberg, calculated by Bank of Thailand (as of 24 Jun 2026)

Private sector borrowing



Note: (1) Credit data cover loans extended by commercial banks, including their affiliated, SFIs, and NBFIs under the supervision of BOT.
(2) Business loan sizes for commercial banks are classified 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: BOT

Addressing economic challenges in the current context requires a combination of monetary and fiscal policies, as well as targeted financial measures.

Monetary policy

Monetary policy should focus on price stability. However, given the current inflation outlook and risks, an accommodative monetary policy stance could be maintained to support the economic recovery.

Fiscal policy

- Measures to soften economic impact in the near-term such as subsidies to assist with living costs, and "Thai Chuay Thai Plus" co-payment scheme
- Fiscal policy should focus on enhancing productivity over the longer-term and facilitating structural reforms

Financial measures

- Measures to address debt problems of vulnerable groups such as "Pid Nee Wai Pai Tor Dai"
- Measures to provide SMEs liquidity and enhance SMEs productivity such as "SMEs Credit Boost" and "SMEs Secure+"

(More details in Box 3: BOT's targeted financial measures in the recent period)

Box 3: BOT’s targeted financial measures in the recent period

Effective oversight of economic and financial conditions requires a selection of tools that are appropriate for the problem. The policy rate is the main instrument for addressing the overall economic conditions and stability. Meanwhile, specific structural challenges, such as elevated household debt and limited access to credit for SMEs, require targeted financial measures that can address these challenges more precisely than the policy rate, which is a blunt policy tool. As such, the BOT and other relevant agencies jointly developed financial measures to address various problems at their root cause. Key measures implemented this year were as follow (Figure 1):

Figure 1: BOT’s targeted financial measures

Pid Nee Wai Pai Tor Dai	SMEs Credit Boost	SMEs Secure+
Commenced 5 Jan 2026	Commenced 23 Feb 2026	Commenced 8 Apr 2026
Objective: Address retail NPLs	**Objective:** Expand credit to SMEs	**Objective:** Provide liquidity to SMEs
How: Offload retail NPLs from commercial banks to SAM for concessional debt restructuring	**How:** Provide credit guarantee for SMEs to reduce their credit risk, thereby enhancing credit access	**How:** Allows collateral value to be considered in the credit approval process and temporarily relaxed debt serviceability criterion
Progress: Debt restructuring completed for 102,277 accounts [as of 31 May 2026]	**Progress:** New loans approved totaling ~5,400 million baht [as of 31 May 2026]	**Progress:** Product program currently being developed by commercial banks and expected to be completed by Jun 2026
Outlook: Cumulative number of debt restructuring by H2/2026 ~200,000 accounts	**Outlook:** Credit outstanding at end-2026 ~40,000 million baht	**Outlook:** Credit outstanding at end-Jun 2027 ~50,000 million baht

Source: GovernorConnect, 3 Jun 2026

(1) Pid Nee Wai Pai Tor Dai provides **targeted** debt assistance namely to retail debtors with small NPL outstanding (below 100,000 baht) by offering concessional debt restructuring so that they can repay their debt, settle debt fast, and improve their credit history. Debt assistance under this program is **specific** and **one-off** to prevent moral hazard. In terms of implementation, Sukhumvit Asset Management (SAM) would purchase qualifying retail NPLs from commercial banks and subsidiaries and restructure those debts at concessional terms. There are 2 sub-components: **“Jai Pid Job Nee”** where debtors would repay a portion of their debt to close the account (e.g. repay once to settle the account with a 50% reduction in the principal amount and an interest waiver). And **“Pon Chamra Pen Nguad”,** under which part of the debt burden is forgiven while the remainder are to be repaid in installments over 3 years (e.g. 30% of principal is forgive, while the remainder are repaid over 36 installments). As of 31 May 2026, 102,277 accounts have undergone debt restructuring.

(2) SMEs Credit Boost is a credit guarantee mechanism for “new loans”, both term loans and working capital loans that commercial banks extend to **(1) target sectors under the Reinvent Thailand program** such as tourism, health, agriculture/agro-manu, automobile and parts, smart electronics, trading, and logistics; and **(2) SMEs and large corporates with plans to utilize the loan for business adaptation and competitiveness enhancement** such as by investing in technology to improve efficiency, adapting to the digital economy and AI, transitioning to a green economy, and developing innovations that would create value-added.

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Box 3: BOT's targeted financial measures in the recent period

As of 31 May 2026, new loans approved under the program totaled 5,400 million baht. In addition, on 4 Jun 2026, the BOT expanded the coverage to **(3) firms affected by the Middle East conflict** and adjusted the terms to commensurate with the evolving context by allowing financial institutions to extend credit for purposes such as liquidity, enhancing business capabilities, and investing in energy savings.

(3) SMEs Secure+ is a measured aimed at providing additional credit to SMEs by temporarily relaxing lending criteria to help firms that are short in liquidity. Financial institutions are to place greater emphasize on the value of collateral such as vacant land, buildings, and residential properties in the loan approval process, alongside more flexible income and national credit bureau score requirements to improve businesses' access to financing. The 14 participating commercial banks are expected to finalize their product programs and start lending by the end-Jun 2026.

In addition to the aforementioned financial measures implemented in the first half of 2026, the BOT also adjusted existing measures to commensurate with the evolving circumstances such as extending the temporary relaxation of LTV rules for an additional year to help support the real estate sector (expiry moved from end-Jun 2026 to end-Jun 2027); expanding the "Khun Soo Rao Chuay" debt restructuring program by allowing financial institutions to maintain current installment amounts for impacted borrowers who are unable to pay the step-up installments originally scheduled under the program (from 50% of the original installments in the 1st year to 70% in the 2nd year). Financial institutions may also consider allowing impacted borrowers with missed installments to remain in the program for a longer period; and expanding the "Pak Sap Pak Nee", a program that allowed businesses to utilize their assets for debt repayments during COVID-19 and later buy back those assets within a specified time frame. The BOT is currently considering to expand the deadline for asset buy-back under the program so that borrowers can ultimately retain their assets.

In the current context where the Thai economy is facing a more uncertain environment, using a single policy tool on its own is insufficient to mitigate more frequent shocks. Policymakers must therefore utilize the appropriate policy mix consisting of monetary policy, fiscal policy, and targeted financial measures. This requires careful consideration of the root cause and structure of the underlying problem, short- and long-term trade-offs, and the effectiveness and available policy space of each tool, to achieve the objectives of economic growth, price stability and financial stability.

Note: More details of each measures
1. Pid Nee Wai Pai Tor Dai (Joint press release on 11 May 2025)
2. SMEs Credit Boost (Joint press release on 26 Dec 2025)
3. SMEs Secure+ (BOT news 8 Apr 2026)
4. Extension to the temporary relaxation of LTV rules for an additional year (BOT news on 14 May 2026)
5. Assisting borrowers under the "Khon Soo Rao Chuay" and "Pak Sap Pak Nee" programs" (BOT news on 5 Jun 2026)

The MPC kept the policy rate on hold in June 2026 and would continue to monitor the inflation outlook and risks in the period ahead.

MPC Meeting No. 3/2026
(24 June 2026)

MPC voted unanimously (7:0) to maintain the policy rate at

1.00%

The Thai economy is projected to expand at a higher rate than previously assessed, but growth remains low and uneven. Inflation is expected to rise due to supply-side factors before subsequently declining once those factors dissipate. Overall credit growth remained subdued, and the credit quality of SMEs and vulnerable households must be monitored.

Accommodative monetary policy, together with economic stimulus measures, has helped support the economic recovery, and thus it was deemed appropriate to maintain the policy rate at this meeting. Nevertheless, inflation development and medium-term inflation expectations warranted close monitoring.

The current policy rate is conducive to supporting the economic recovery. While inflation has increase due to supply-side factors, the MPC will continue to monitor the inflation outlook and associated risks going forward.

For more details: Monetary Policy Committee’s Decision 3/2026

Percent	2024	2025	2024 Q1	Q2	Q3	Q4	2025 Q1	Q2	Q3	Q4	2026 Q1
GDP growth	2.9	2.4	2.1	2.7	3.3	3.7	3.1	2.8	1.2	2.5	2.8
Production											
Agriculture	1.9	3.7	0.3	1.0	2.0	4.1	6.2	6.4	2.1	0.6	1.2
Non-agriculture	3.0	2.3	2.3	2.8	3.4	3.7	2.8	2.5	1.2	2.7	3.0
Manufacturing	-0.3	0.5	-2.5	0.6	0.4	0.4	0.9	1.8	-1.4	0.4	0.9
Construction	1.7	6.6	-17.2	-5.0	15.3	18.6	16.0	7.7	-4.5	11.2	6.2
Wholesales and retail trade	3.2	6.0	3.7	2.4	3.0	3.4	4.8	6.3	6.5	6.7	6.0
Transport and storage	10.1	4.0	10.6	9.3	10.3	10.2	5.5	4.4	3.0	3.2	3.6
Accommodation and food service	12.0	2.5	14.0	9.7	10.9	13.1	7.2	1.3	0.8	0.6	2.2
Information and communication	6.4	4.3	7.8	6.6	4.5	6.9	4.6	5.2	4.3	3.1	4.3
Financial intermediation	2.0	1.9	2.5	2.0	2.1	1.5	1.8	2.1	0.7	3.1	3.7
Real estate and renting	1.2	1.3	0.9	1.2	0.8	1.8	1.1	1.3	1.6	1.2	1.4

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

Thai Economy Dashboard

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Percent	2024	2025	2024 Q1	Q2	Q3	Q4	2025 Q1	Q2	Q3	Q4	2026 Q1
GDP growth	2.9	2.4	2.1	2.7	3.3	3.7	3.1	2.8	1.2	2.5	2.8
Expenditure											
Domestic demand	3.0	2.8	2.3	1.4	4.1	4.1	3.0	3.1	1.1	4.1	4.8
Private consumption	4.4	2.7	6.6	4.6	3.2	3.3	2.4	2.5	2.5	3.3	3.2
Private investment	-1.9	3.5	4.1	-7.0	-2.8	-2.5	-0.9	4.1	4.5	6.5	10.1
Government consumption	2.6	0.6	-2.2	0.2	6.1	5.8	3.4	2.4	-3.9	1.3	3.4
Public investment	4.5	8.9	-27.8	-4.6	24.9	38.8	25.7	10.2	-5.3	13.3	9.4
Exports of goods and services	7.5	9.3	4.7	5.2	9.1	11.1	12.2	11.7	7.6	5.9	12.6
Exports of goods	4.4	11.9	-1.5	2.5	7.6	9.0	14.2	14.3	10.7	8.7	15.5
Exports of services	22.8	-1.5	34.7	20.3	16.3	19.8	5.2	0.1	-6.5	-5.4	1.0
Imports of goods and services	5.7	6.8	5.6	0.8	9.3	7.2	1.6	10.1	5.9	9.5	21.1
Imports of goods	4.4	9.8	3.5	-1.7	8.2	7.9	3.1	14.4	9.1	12.8	25.4
Imports of services	10.7	-4.7	13.8	11.0	13.7	4.7	-3.7	-5.7	-6.8	-2.7	5.2
Trade balance (billion, U.S. dollars)*	21.4	24.8	2.5	5.7	6.7	6.5	9.3	6.1	7.5	1.9	-0.3
Current account (billion, U.S. dollars)*	11.6	17.4	4.2	-0.2	2.5	5.1	12.2	1.6	3.2	0.4	1.4
Financial account (billion, U.S. dollars)*	7.3	12.9	5.6	0.5	-2.8	3.9	10.2	0.8	1.3	0.5	2.3
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	280.5
Unemployment rate (%)	1.0	0.8	1.0	1.1	1.0	0.9	0.9	0.9	0.8	0.7	0.9
Unemployment rate, seasonally-adjusted (%)	n.a.	n.a.	1.0	1.0	1.0	1.0	0.9	0.9	0.8	0.8	0.9

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				2025				2026
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
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	0.8
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	1,448.1
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	24.6
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	16.6
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	8.5
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	132.8
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	108.0
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	6.50
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	0.84
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	20.3
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	64.0
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	1.0
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	85.1

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	2026 Q1
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	85.9
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	n.a.
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	3.9
Housing loans	4.2	4.3	4.1	4.5	4.5	4.2	4.6	4.7	4.6	4.3	4.5
Auto leasing	2.3	2.1	2.2	2.3	2.5	2.3	2.3	2.2	2.2	2.1	2.0
Credit cards	3.1	2.9	3.3	3.7	3.6	3.1	3.2	3.1	3.2	2.9	3.0
Other personal loans	3.8	3.6	3.5	3.7	3.7	3.8	3.7	3.6	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	8.2
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	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	6.5
Current ratio (times)	1.7	1.7	1.7	1.7	1.8	1.7	1.7	1.7	1.7	1.8	1.7
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	2.7

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

Indicators	2024	2025	2024				2025				2026
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
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	8,178
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	2,340
Townhouses and commercial buildings	12,687	10,582	3,158	3,339	3,209	2,981	2,391	2,826	2,768	2,597	2,256
Condominiums	20,288	15,659	4,366	5,120	5,590	5,205	3,373	3,422	3,905	4,959	3,582
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	8,831
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	1,571
Townhouses and commercial buildings	12,582	8,493	4,071	3,800	3,157	1,554	1,562	1,032	3,602	2,297	1,412
Condominiums	27,931	18,786	5,877	7,893	2,534	11,627	6,173	1,220	6,702	4,691	5,848
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	142.0
Townhouses (including land)	170.8	175.5	166.9	168.0	173.4	174.8	176.0	176.3	174.6	175.3	175.3
Condominiums	197.9	198.5	196.1	193.9	200.1	201.3	200.5	197.3	195.0	201.3	204.4
All residential	167.9	169.5	165.9	165.3	169.6	170.9	171.3	169.7	167.5	169.7	171.0
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	66.4
7. External sector											
Current account balance to GDP (%)	2.2	2.8	3.2	-0.1	1.8	3.6	8.5	1.1	2.0	-0.3	2.1
External debt to GDP (%)[6/]	35.8	35.4	37.7	37.8	38.5	35.8	35.6	35.1	34.7	35.5	34.7
External debt (billion, U.S. dollars)	195.4	208.8	190.9	187.7	203.9	195.4	197.3	200.3	202.8	209.2	209.7
Short-term (%)	44.3	42.3	42.5	43.7	44.2	44.3	43.3	41.8	42.1	42.2	42.3
Long-term (%)	55.7	57.7	57.5	56.3	55.8	55.7	56.7	58.2	57.9	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	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	2	3
4.0 - 6.0	0	0	22	1	2	12	13	17
2.0 - 4.0	100	41	71	25	22	36	35	36
0.0 - 2.0	0	59	7	60	51	37	35	31
-2.0 - 0.0	0	0	0	14	23	12	13	11
-4.0 - -2.0	0	0	0	0	2	1	2	2
-6.0 - -4.0	0	0	0	0	0	0	0	0
< -6.0	0	0	0	0	0	0	0	0

Probability distribution of inflation forecast

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	0	0	0	0
7.0-8.0	0	0	0	0	0	0	0	0
6.0-7.0	0	0	0	3	3	0	0	0
5.0-6.0	0	0	2	24	19	0	0	0
4.0-5.0	0	0	53	47	41	0	0	0
3.0-4.0	0	44	44	23	29	4	0	0
2.0-3.0	0	56	1	3	7	20	5	1
1.0-2.0	0	0	0	0	0	38	20	9
0.0-1.0	0	0	0	0	0	28	37	27
(-1.0)-0.0	100	0	0	0	0	8	28	36
(-2.0)-(-1.0)	0	0	0	0	0	1	9	21
< -2	0	0	0	0	0	0	1	6

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	0	0	0	0
4.0-4.5	0	0	0	0	0	0	0	0
3.5-4.0	0	0	0	0	1	0	0	0
3.0-3.5	0	0	0	3	6	2	0	0
2.5-3.0	0	0	7	27	25	8	0	0
2.0-2.5	0	0	74	51	40	23	2	2
1.5-2.0	0	0	19	18	23	32	10	10
1.0-1.5	0	95	0	1	5	24	24	23
0.5-1.0	100	5	0	0	0	9	31	30
0.0-0.5	0	0	0	0	0	2	22	22
(-0.5)-0.0	0	0	0	0	0	0	9	10
< -0.5	0	0	0	0	0	0	2	3

Pursuing Sustainable Economic Well-Being

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