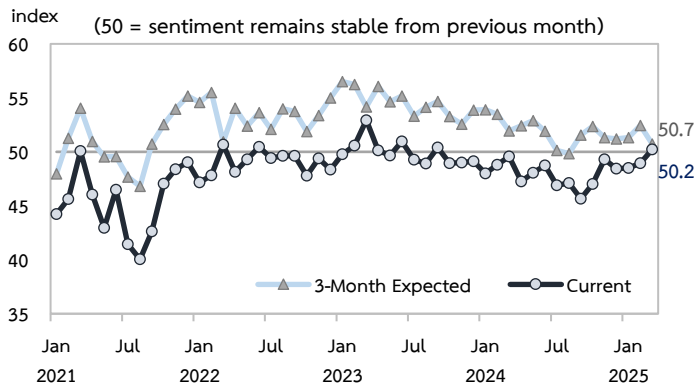




Business Sentiment Index

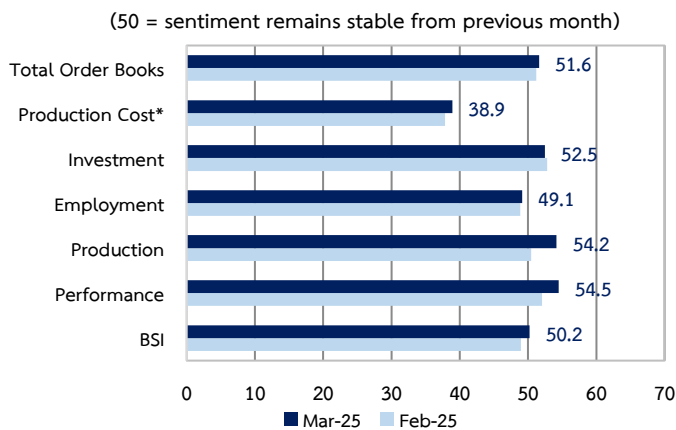


Key points:

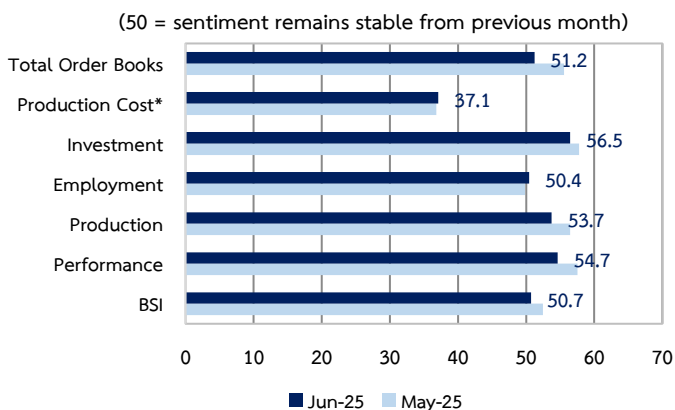
- The BSI increased in March, as the sentiment in the first quarter of the year improved, owing largely to stronger confidence in the manufacturing sector. This was partly attributable to accelerated export before the implementation of US reciprocal tariff in April. Conversely, the non-manufacturing index declined, driven mainly by the tourism sector. Lastly, the 3-month expected BSI was stable, compared to the previous quarter.

In March 2025, the BSI rose to 50.2 from 48.9 last month. Similarly, the overall business sentiment index in Q1/2025 grew continuously from last quarter, because of an increase in the manufacturing index. Confidence in production and performance increased significantly. The index showed more broad-based improvement, particularly in export-related industries such as electronics (Hard Disk Drives (HDD) and Printed Circuit Boards (PCB)), food (canned tuna and pet food), and plastic packaging for food, thanks to robust demand from trading partners. Also, respondents in the steel industry reported slightly improved confidence in performance, on the back of progressive government project disbursement although demand for residential construction still subtracted. Meanwhile, the non-manufacturing index fell from last quarter in almost all businesses, specifically the hotel and restaurant sectors, where respondents' confidence plummeted in March. This was partly owing to China's sluggish economy and safety concerns, which resulted in fewer Chinese tourists than estimated. Furthermore, the more caution behavior of some high-income consumers worsened trade sector confidence in terms of trade volume and total order books.

Current Business Sentiment Index



3-Month Expected Business Sentiment Index



*Index value above 50 reflects reduction in production cost

The 3-month expected BSI dropped to 50.7 from 52.5 last month, but the overall business confidence in Q1/2025 was steady from the prior quarter. The non-manufacturing index plummeted from nearly all businesses, led by the hotel and restaurant and the real estate sectors as house sales showed no sign of recovery. Conversely, the manufacturing index climbed from almost all businesses compared to the previous quarter, suggesting that the index had returned over the 50-threshold after fluctuating to its lowest level since the post-COVID-19 era during the prior quarter. This was headed by the electronic industry, with production sub-indices surging in response to expected export growth from the benefit of electronic cycle. Additionally, the food industry experienced a consistent increase in respondents' confidence, supported by expanding exports.

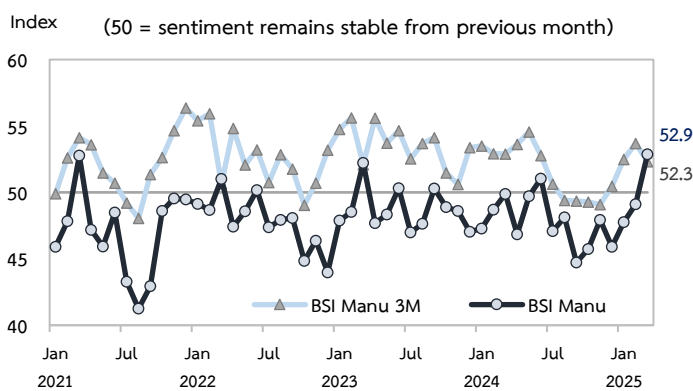
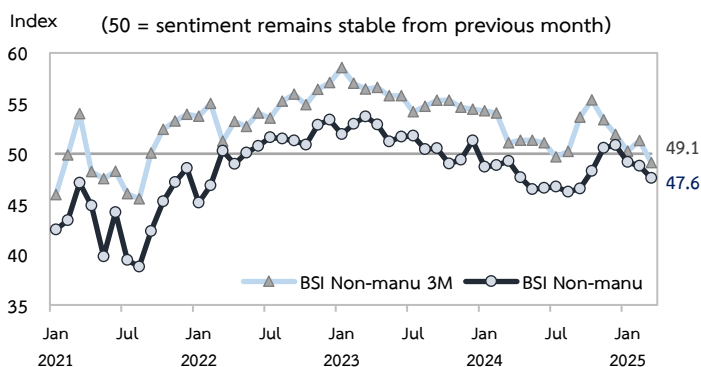
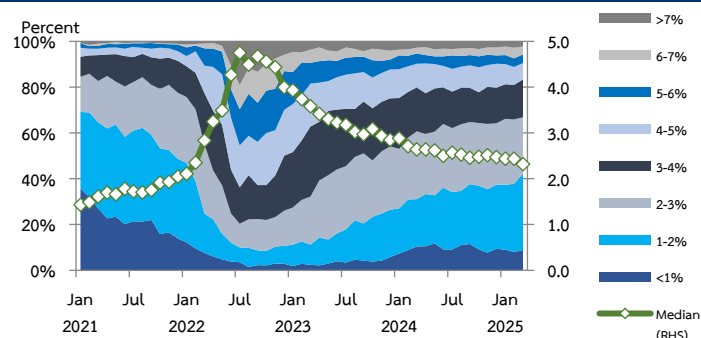
Notes:

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

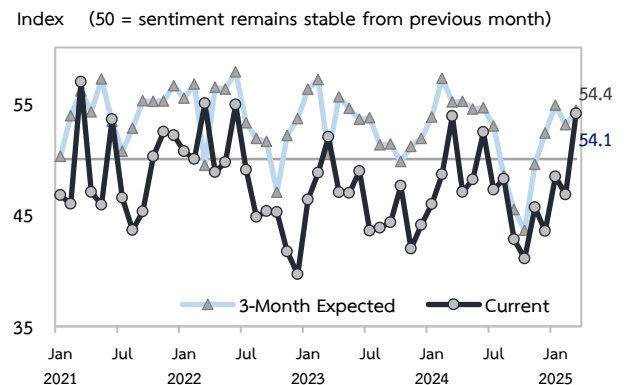
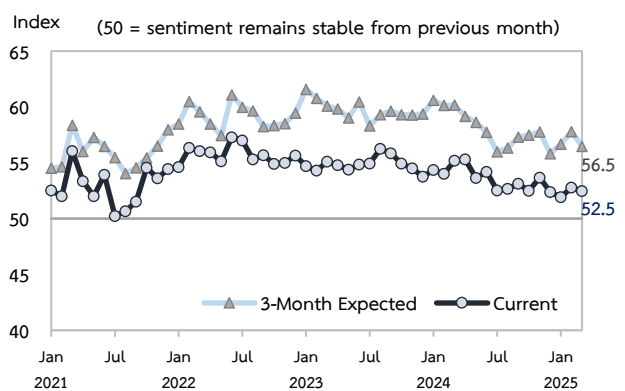
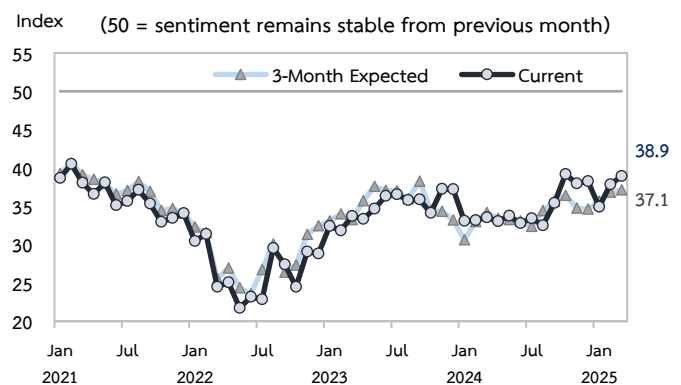
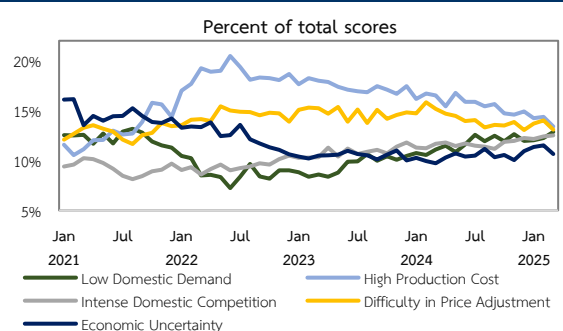
$$\text{Index} = 100 \times \{ (1.0 \times \text{percentage of respondents indicating "improvement"}) + (0.5 \times \text{percentage of respondents indicating "stable"}) + (0 \times \text{percentage of respondents indicating "deterioration"}) \}$$
 Interpretation of the index is as follows:
 Index = 50 indicates that the respondents' business sentiment remains stable from the previous month;
 Index > 50 indicates that the respondents' business sentiment has improved from the previous month;
 Index < 50 indicates that the respondents' business sentiment has deteriorated from the previous month.
- For this month, the survey had 710 respondents, or a response rate of 66.5 percent from a sample of large and medium-size firms that received the survey form.
- The questionnaires were distributed during the first week of the survey month and compiled by the first working day of the following month.

Other sentiment indices:

- The export sentiment in March skyrocketed from last month, partly owing to the acceleration of export ahead of Trump's reciprocal tariff increases, which were anticipated to take effect in early April. This provided temporary advantages for exporting of electronic parts, electric appliances, and automobile tires to the US market.
- The concern over low domestic demand has steadily increased, partially from more prudent spending among some high-income consumers. Meanwhile, high production cost was the first limitation of doing business although it moved in downward trend continuously. Lastly, the 12-month inflation expectation declined slightly to 2.31 from 2.43 in the previous month.

Business Sentiment Index (Manufacturing)**Business Sentiment Index (Non-Manufacturing)****Expected Inflation in the next 12 months**

Percent	<1	1-2	2-3	3-4	4-5	5-6	6-7	>7	Median
Mar-25	8.9	33.3	24.6	16.5	7.2	3.8	3.4	2.2	2.31
Feb-25	8.0	29.8	28.2	15.1	7.8	3.7	4.6	2.8	2.43

Export Sentiment Index (Manufacturing sector)**Investment Sentiment Index****Cost Sentiment Index****Top constraints for doing business**

Business Intelligence Division

Monetary Policy Group

0-2283-6905, 0-2356-7861

1 April 2025