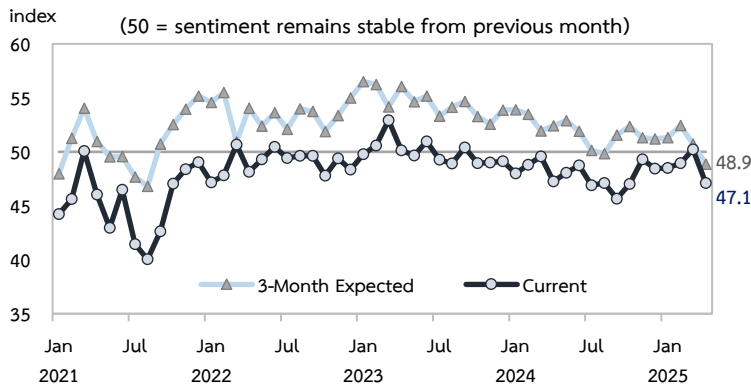




Business Sentiment Index



The survey was conducted during 4-23 Apr 2025, which some entrepreneurs may response prior Trump's 90-day suspension of reciprocal tariffs (9 Apr 2025)

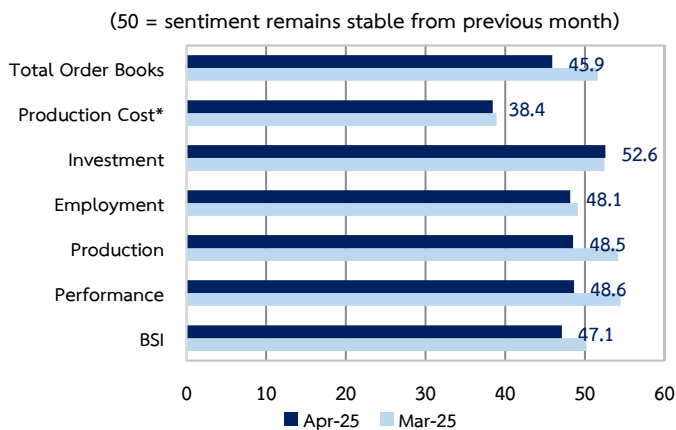
Key points:

- In April, the BSI plummeted, from both the non-manufacturing and the export-oriented manufacturing sectors, which were affected by US reciprocal tariff's uncertainties. Also, the 3-month expected BSI went down in almost all businesses.

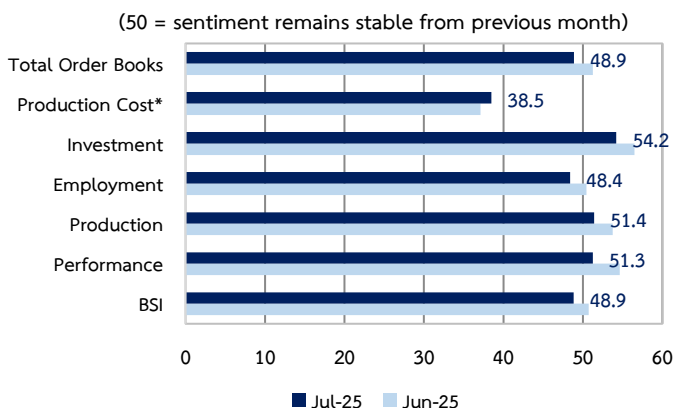
In April 2025, the BSI dipped to 47.1 from 50.2 last month, following declines in almost all components. Due in part to fewer business days than the previous month, the manufacturing index fell sharply, especially the production sub-indices. After seasonal adjusted, the manufacturing index was relatively stable. The uncertainty surrounding US reciprocal tariffs has significantly eroded respondents' confidence in export-oriented manufacturing industries, such as the electric appliance, rubber and plastic, and electronics sectors in air conditioners, refrigerators, plastic pallets, plastic packaging, and semiconductors. Meanwhile, the confidence of other manufacturing businesses grew. Besides, the non-manufacturing index declined across several businesses, prominently in the real estate sector. Regarding to the earthquake, some buyers have temporarily deferred the transfers of high-rise buildings. Also, the hotel and restaurant sectors' confidence deteriorated continuously across all sub-components, particularly in total order books and services amount. This was attributed to declining number of tourists during the Songkran festival, compared to both forecasts and the previous year, resulting from on-going safety concerns among Chinese tourists.

The 3-month expected BSI decreased to 48.9 in almost all components and businesses, headed by the electric appliance industry where respondents experienced a substantial reduction in production and performance sub-indices. The export volume was anticipated to be more significantly impacted following the conclusion of the 90-day grace period for US reciprocal tariffs. Furthermore, the hotel and restaurant sectors witnessed a marked decline in all sub-indices, which resulted in the lowest confidence since the COVID-19 epidemic, as a result of safety concern among Chinese tourists, along with global economic slowdown from uncertainties of US reciprocal tariff.

Current Business Sentiment Index



3-Month Expected Business Sentiment Index



*Index value above 50 reflects reduction in production cost

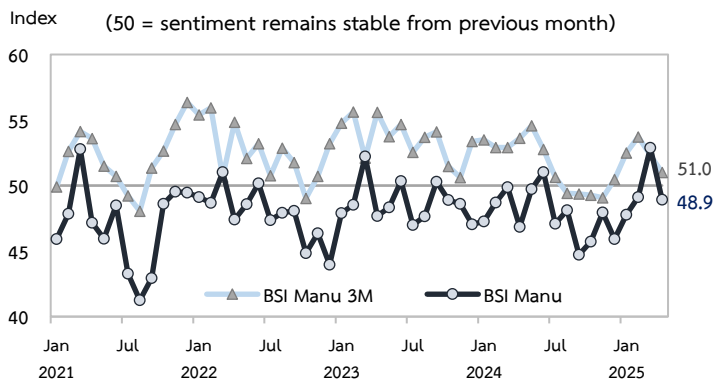
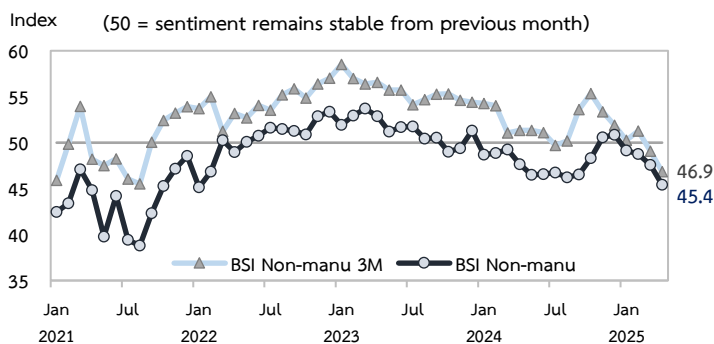
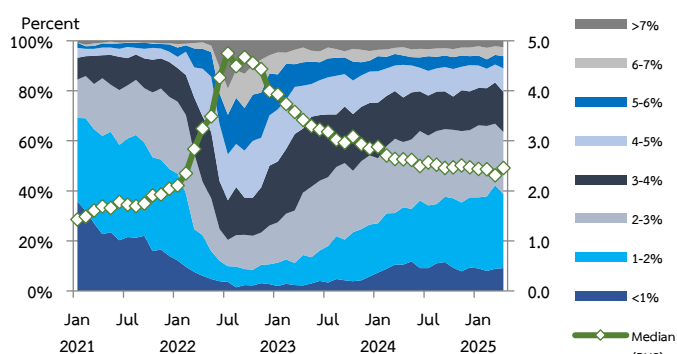
Notes:

- 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:

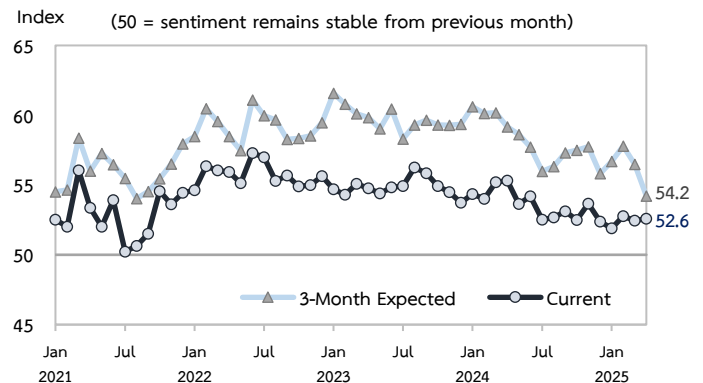
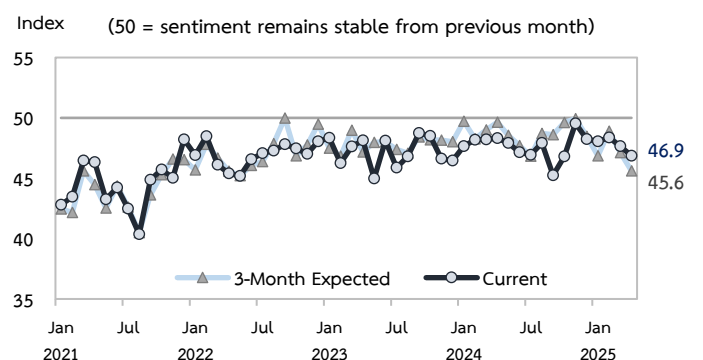
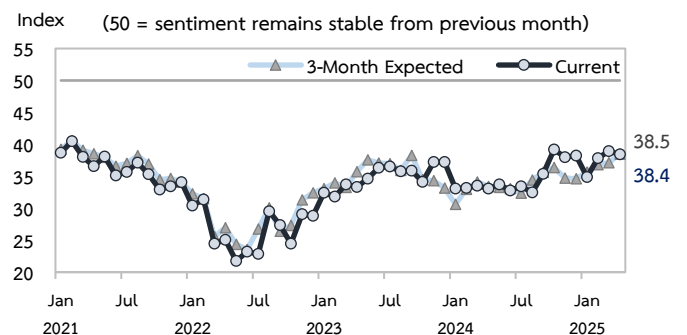
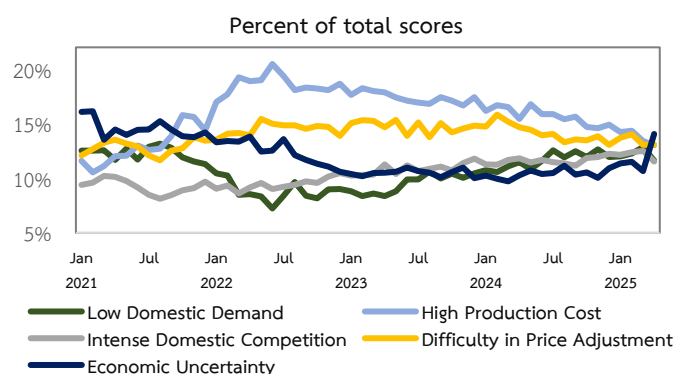
$$\text{Index} = 100 \times \left\{ (1.0 \times \text{percentage of respondents indicating "improvement"}) + (0.5 \times \text{percentage of respondents indicating "stable"}) + (0 \times \text{percentage of respondents indicating "deterioration"}) \right\}$$
 Interpretation of the index is as follows:
 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 700 respondents, or a response rate of 65.5 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 3-month expected investment sentiment fell to the lowest point in almost 4 years following declines across various businesses, driven mainly by the electronics industries. The new investment was partially postponed for pending more explicit US reciprocal tariff. Ultimately, if the negotiations fail to achieve a tariff that aligns with businesses' competitive level, it might adversely impact new investments more broadly in the upcoming period.
- Economic uncertainty emerged as the primary limitation to conducting business as respondents' concerns was highly intensified. This was due to numerous risk factors, including the earthquake effect, pressuring the real estate, tourism, and trade sectors, as well as the unclear US reciprocal tariffs on export-oriented manufacturing sectors. However, expected inflation for the next 12 months edged up to 2.5 from 2.3% last 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
Apr-25	9.1	29.5	24.8	16.1	9.4	4.9	3.5	2.6	2.5
Mar-25	8.9	33.3	24.6	16.5	7.2	3.8	3.4	2.2	2.3

Investment Sentiment Index**Liquidity Sentiment Index****Cost Sentiment Index****Top constraints for doing business**

Business Intelligence Division

Monetary Policy Group

0-2283-6905, 0-2356-7861

2 May 2025