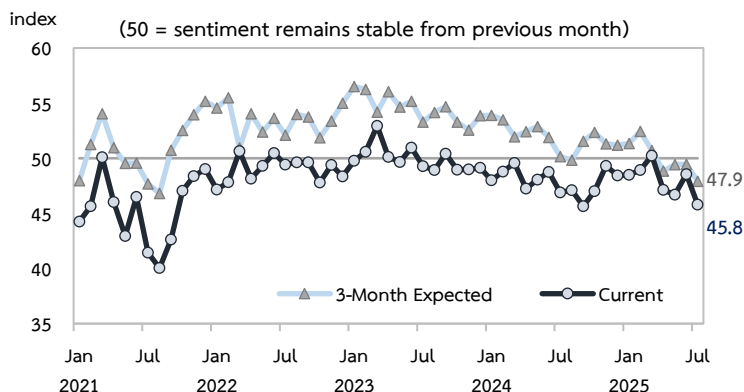
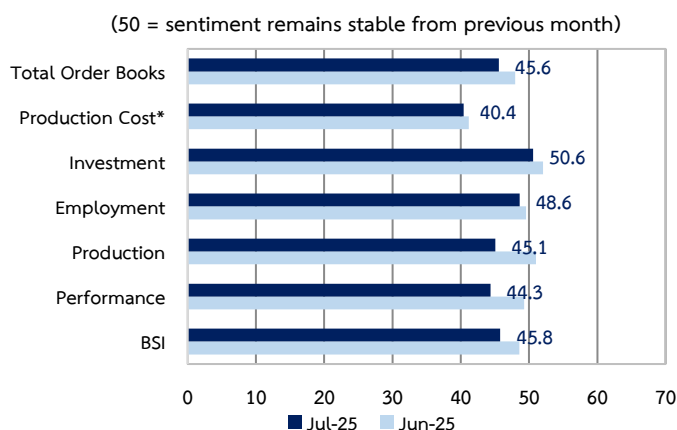




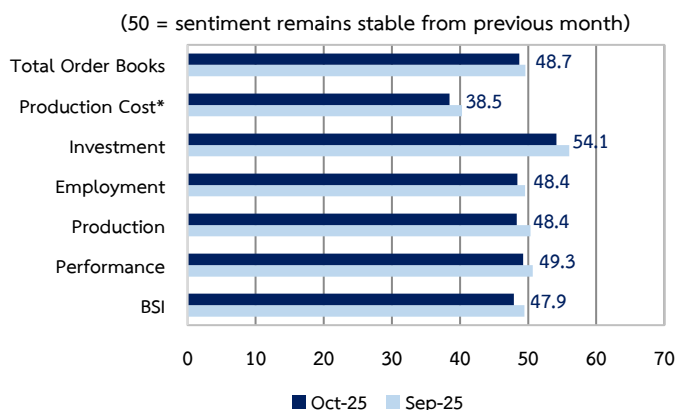
## Business Sentiment Index



## Current Business Sentiment Index



## 3-Month Expected Business Sentiment Index



\*Index value above 50 reflects reduction in production cost

## Key points:

- In July, the BSI and the 3-month expected BSI declined across both the manufacturing and non-manufacturing sectors. The 3-month expected BSI remained below the 50-threshold for the fourth consecutive month, reflecting a deterioration in business prospect amid various uncertainties such as Reciprocal tariffs and ongoing safety concerns among tourists.

In July 2025, the BSI plummeted to 45.8 from 48.6 last month, following decreases in all components, especially in production and performance. The manufacturing index declined across several industries, particularly export-related industries, due to the implementation of Reciprocal tariffs, effective August 1, 2025. Despite an extension of the grace period, the minimum 30-day shipping time to U.S. ports prevented many firms from delivering goods on time, leading to a notable weakening in production sub-indices. The decline was led by the plastic, food, and electric appliance industries, including plastic packaging, canned tunas, and air conditioning. However, confidence in the electronics industry rose above the 50-threshold, supported by demand from data centers and the electronics cycle, resulting in a constant increase in total order books sub-indices, especially semiconductors and computer parts. The non-manufacturing index decreased from the previous month in nearly all businesses, led by the trade sector where respondents' confidence dropped across almost every component, particularly FMCG goods due to weakened purchasing power. Conversely, the hotel and restaurant confidence increased due to government's "Half-Half Co-Payment" campaign, which partially supported domestic tourism. However, the index stayed below the 50-threshold and lower than the same period last year due to unresolved safety concerns.

The 3-month expected BSI fell to 47.9 from 49.5 in the prior month, remaining below the 50-threshold for four months consecutively, on the back of declines in all components. The manufacturing index decreased while staying below the 50-threshold in nearly all businesses. This was led by the food industries such as canned fruits, where respondents' confidence shrank due to anticipated export contraction from Reciprocal tariffs. Consequently, the total order books and performance sub-indices decreased significantly. Also, the non-manufacturing dropped across numerous sectors, led by the retail trade sector where respondents' confidence dipped to the lowest level since the COVID-19 epidemic (2020), driven by weak trade volume sub-indices. Moreover, the construction's confidence, particularly in residential construction, fell primarily in the amount of service sub-indices, as developers postponed the launching of new projects amid the ambiguous prospects for residential sales.

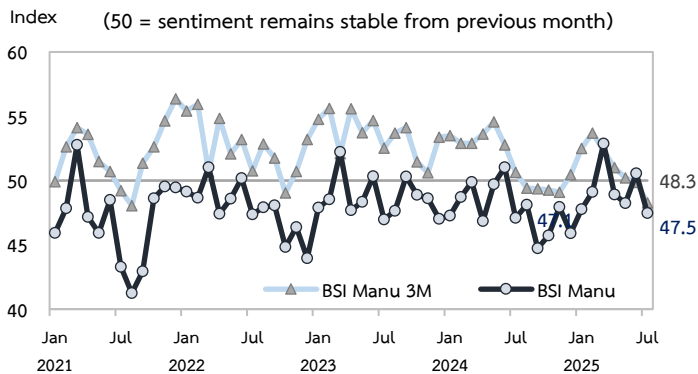
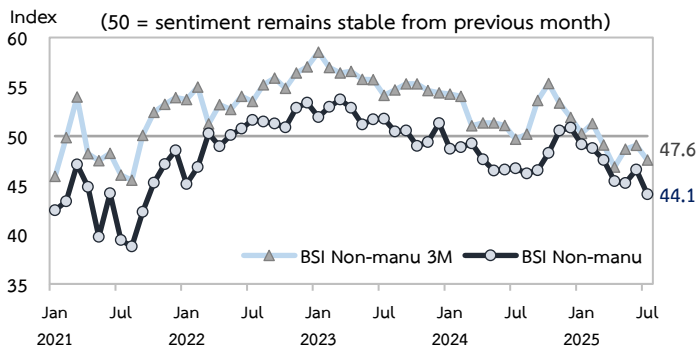
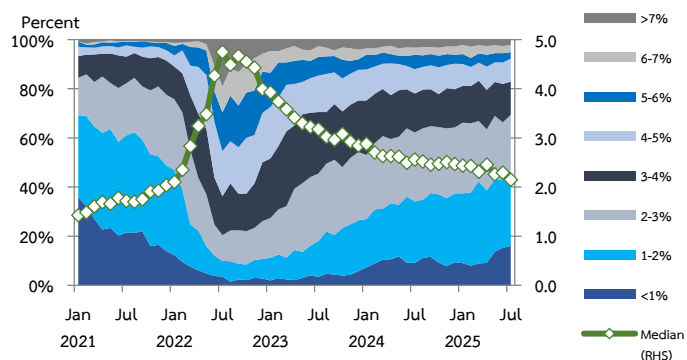
## Notes:

- 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:  

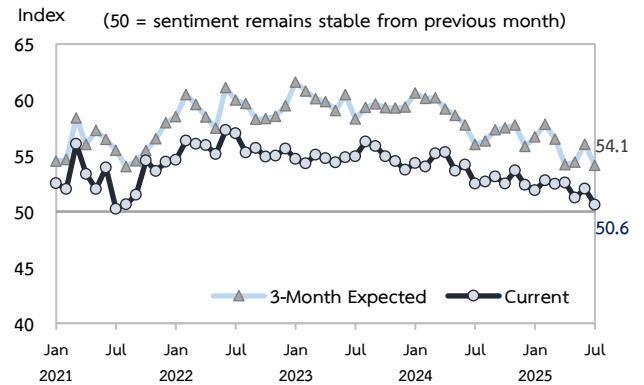
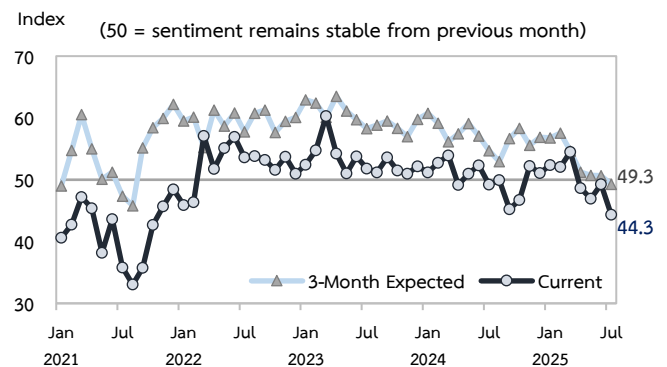
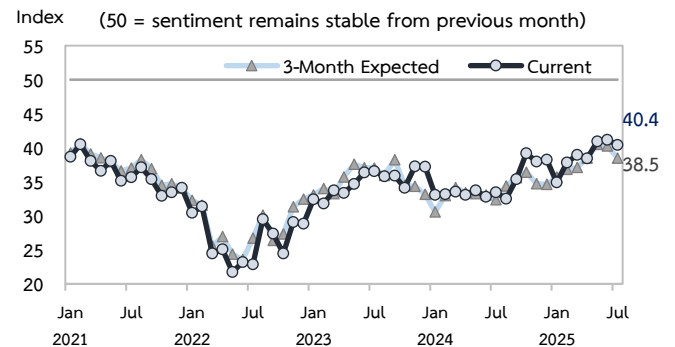
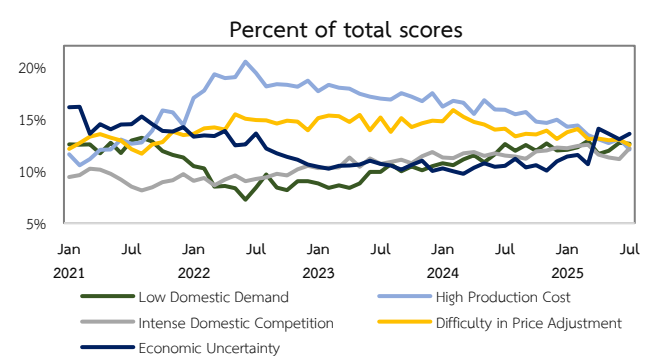
$$\text{Index} = 100 \times \{ (1.0 \times \text{percentage of respondents indicating "improvement"}) + (0.5 \times \text{percentage of respondents indicating "stable"}) + (0 \times \text{percentage of respondents indicating "deterioration"}) \}$$
 Interpretation of the index is as follows:  
 Index = 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 708 respondents, or a response rate of 66.3 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 investment sentiment has continuously declined since the beginning of 2025, particularly in the manufacturing sector, where respondents' confidence dropped to its lowest level in five years. The uncertainty surrounding Reciprocal tariffs prompted most businesses, such as apparel and food industries to delay large-scale investments and focus on lower-value projects, such as machinery upgrades. Meanwhile the electronic industry continued to increase investment, supported by data center's growing demand.
- The economic uncertainty was the primary constraint of business concern with a higher proportion of respondents citing it compared to last month. This was driven by the impact of Reciprocal tariffs and concerns over the domestic economy. However, expected inflation for the next 12 months has been on a downward trend since the beginning of 2025, falling to 2.15% from 2.30 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
Jul-25	16.0	30.5	22.8	13.6	9.4	2.6	2.9	2.2	2.15
Jun-25	15.3	27.8	23.3	15.7	8.7	3.7	2.8	2.7	2.30

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

Business Intelligence Division

Monetary Policy Group

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1 August 2025