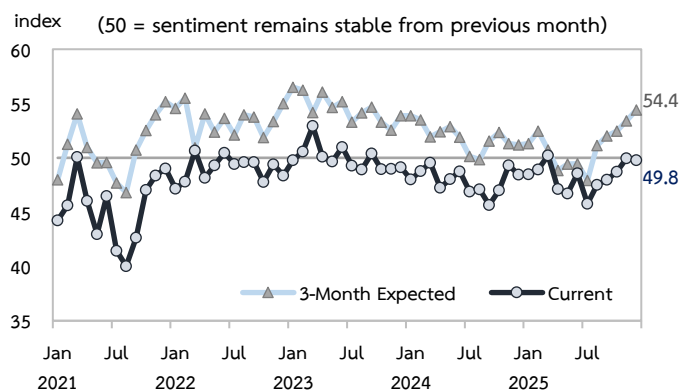




## Business Sentiment Index

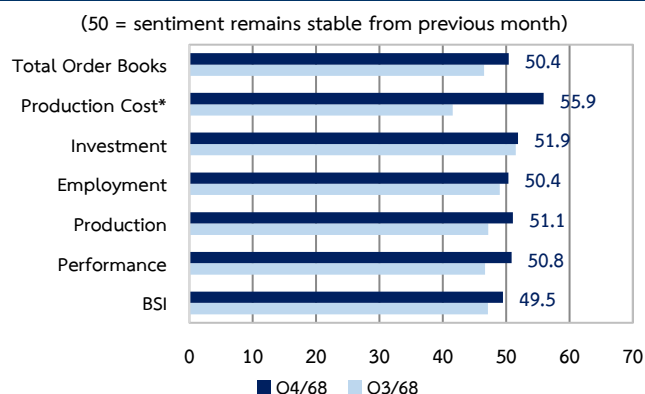
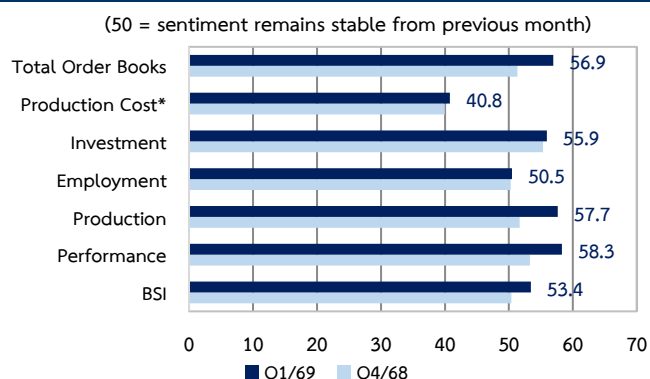


## Key points:

- In December, the Business Sentiment Index (BSI) was stable, while the overall BSI in 2025 increased marginally, mainly by the manufacturing sector on the back of accelerated shipments in H1/2025 ahead of the implementation of U.S. Reciprocal tariffs.

In December 2025, the BSI was stable at 49.8 while the overall BSI in 2025 grew slightly from 2024, following the manufacturing index, particularly in the export-oriented industries such as the food and beverage, electrical appliance, and intermediate processed rubber industries, owing to front-loaded exports during H1/2025 before the implementation of Reciprocal tariffs. In contrast, the H2/2025 respondents' confidence weakened across almost all manufacturing industries due to the implementation of Reciprocal tariffs, compounded by the pressure from the appreciation of the Thai baht against the U.S. dollar, which further pressured processed agro-manufacturing products that are easily substitutable and low-margin goods. This led to lower confidence in performance and production sub-indices. The exception was the electronics industry, where confidence was above the 50-threshold throughout 2025, supported by the benefit of electronic cycle and strong demand for AI-related products such as semiconductors and hard disk drives. Meanwhile, the non-manufacturing index soared from the previous quarter, led by the hotel and restaurant sectors as well as the retail trade sector, as a result of benefiting from government stimulus measures, including the "Travel Well, Get A Refund", "Half-Half domestic tourism", and "Half-Half Plus" schemes, which boosted service volume and total order books sub-indices. This contrasted with the downward sentiment in H1/2025, specifically in hotels and restaurants sectors, amid safety concerns and global economic slowdown, resulting in reduced foreign tourist arrivals. Also, respondents' confidence in the retail trade sector fell consistently since 2024 as cautious spending broadened to some high-income consumers. Consequently, the non-manufacturing index in 2025 declined from last year.

The 3-month expected BSI increased from last month to 54.4, with a marked improvement in the final quarter from the non-manufacturing index, especially in the retail trade due to an expected launch of the "Half-Half Plus Phase 2" at the beginning of 2026. However, respondents' confidence declined partially, following the dissolution of the government parliament. Also, the manufacturing index climbed in the last quarter, reflecting the continuous improvement of business prospects until Q1/2026, led by food and beverage industries such as canned tunas and pet foods, as trading partners' inventories from earlier front-loaded exports gradually declined, along with continuous growth in electronic parts exports.

Current Business Sentiment Index  
(Q4/2025 compared to Q3/2025)3-Month Expected Business Sentiment Index  
(Q1/2026 compared to Q4/2025)

\*Index value above 50 reflects reduction in production cost

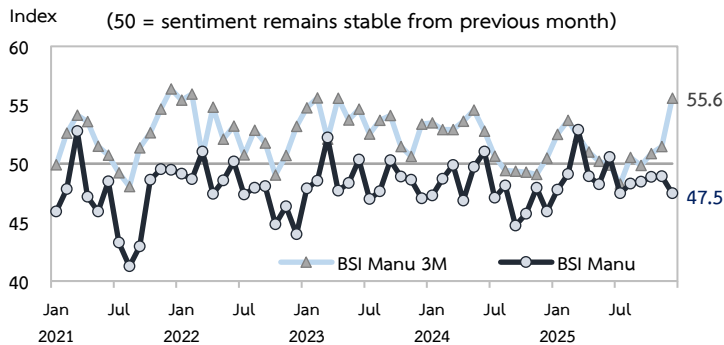
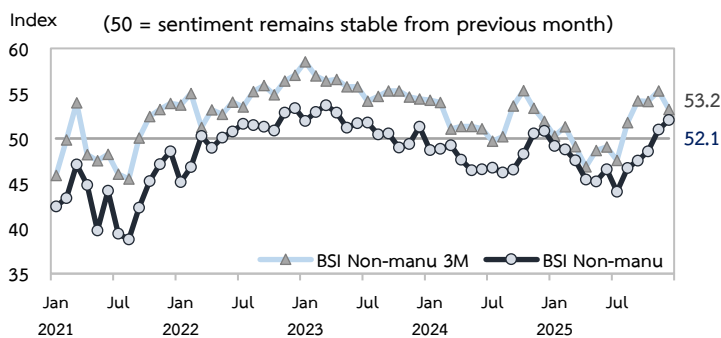
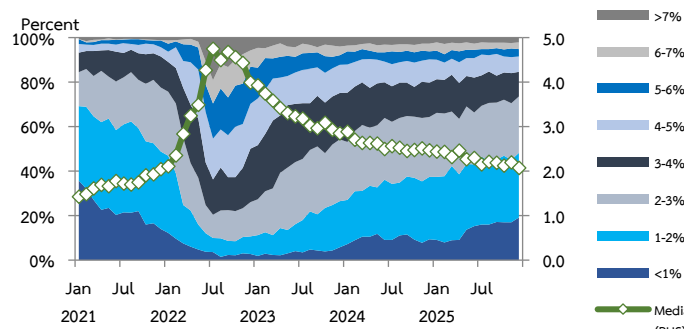
## Notes:

- 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:  

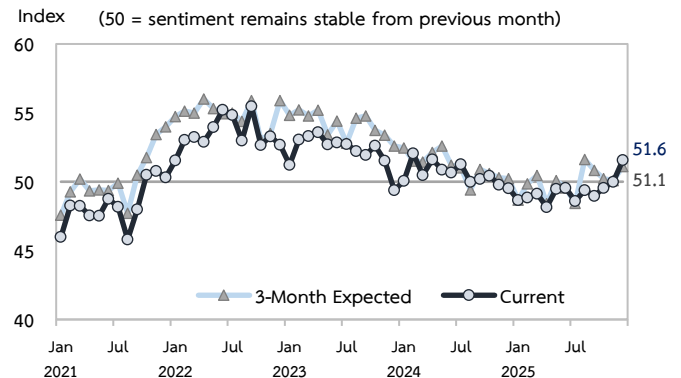
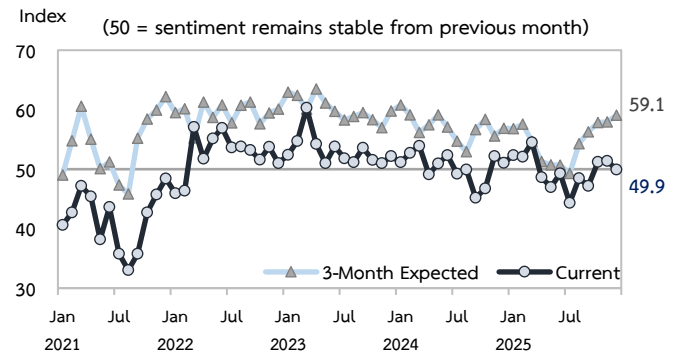
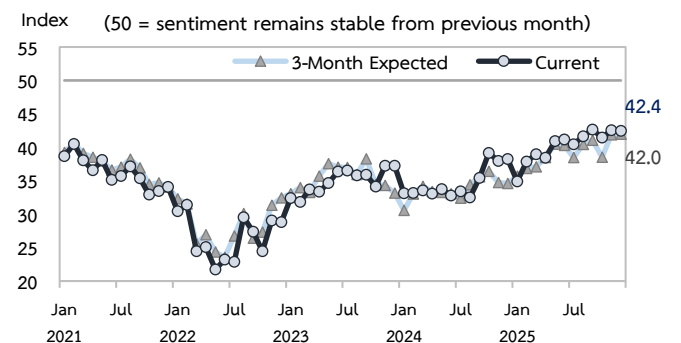
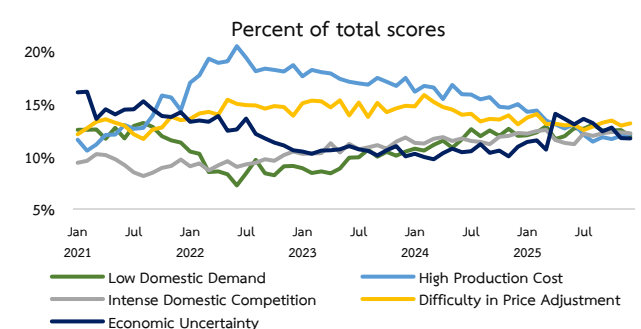
$$\text{Index} = 100 \times \left[ (1.0 \times \text{percentage of respondents indicating "improvement"}) + (0.5 \times \text{percentage of respondents indicating "stable"}) + (0 \times \text{percentage of respondents indicating "deterioration"}) \right]$$
 Interpretation of the index is as follows:  
 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 667 respondents, or a response rate of 62.5 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:**

- Employment sentiment remained steady near the 50-threshold throughout 2025 across both manufacturing and non-manufacturing sectors, reflecting heightened uncertainty in the domestic and global economies. Consequently, businesses adjusted by reducing labor costs to maintain profitability, including 1) keeping employment levels unchanged from the previous year, 2) increasing automation usage in production processes such as robotic arms for glove sorting in the rubber industry, and 3) hiring only where necessary, such as replacing retirees or recruiting scarce skilled workers, particularly in AI and machine learning.
- Difficulty in price adjustment remained the top business concern for the fourth consecutive month. Meanwhile, weak domestic demand has become increasingly concerned in 2025, driven by subdued purchasing power, Thailand–Cambodia tensions, and flooding situations, which led consumers spent more cautiously. Exchange rate level concern became notably evident since early 2025, although the ranking still was not among top five business constraints. The 12-month-ahead inflation expectation declined slightly to 2.1 percent.

**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
Dec-25	19.1	29.1	25.2	11.1	6.9	3.3	3.0	2.2	2.1
Nov-25	17.0	28.1	25.4	13.6	7.1	3.9	2.5	2.5	2.2

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

Business Intelligence Division

Monetary Policy Group

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5 January 2026