

*Index value above 50 reflects reduction in production cost

Notes:

(1) 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.

(2) For this month, the survey had 681 respondents, or a response rate of 62 percent from a sample of large and medium-size firms that received the survey form.

(3) The questionnaires were distributed during the first week of the survey month and compiled by the first working day of the following month.

Key points:

- In January, the Business Sentiment Index (BSI) dropped slightly, mainly from the non-manufacturing sector due to the expiration of government stimulus measures at the end of 2025. Also, the 3-month expected BSI plummeted nearly all businesses, amidst the uncertainty before the formation of a new government and U.S. foreign policy.

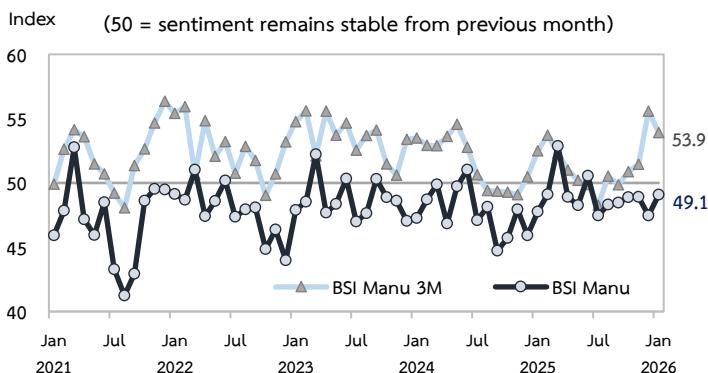
In January 2026, the BSI decreased slightly to 49.1, driven largely by declines in cost, employment, and order books sub-components. This was in line with weaker confidence in the non-manufacturing sector, which fell from the previous month across all components, especially total order books. The confidence of hotels and restaurants dropped following the end of three main events including 1) the year-end tourism season 2) the SEA Games event in December 3) the termination of government's economic stimulus scheme such as "Travel Well, Get A Refund". However, the hotel and restaurant sentiment remained above the 50-threshold due to the ongoing tourism high season. Meanwhile, the retail sector reported declining confidence both automotive retailers after the Motor Expo, along with the FMCG goods sector due to the expiration of the "Half-Half Co-Payment Scheme", compounded by still-subdued domestic purchasing power. However, the manufacturing index increased, bolstered by production and performance sub-indices. This was led by rubber industry after flood conditions eased, as well as steel industry benefiting from increased demand across various sectors, including electronics, electrical appliances, and factories in industrial estates sectors. However, the overall manufacturing index remained below the 50-threshold, indicating a still-gradual business recovery.

The 3-month expected BSI fell across most components, led by production, cost, and total order books sub-components. This was in line with the manufacturing index, which fell in nearly all industries, particularly the plastic and electronics industries' confidence, where total order books declined sharply, partly owing to uncertainty over U.S. foreign policy. Also, the respondents' confidence in the automotive industry decreased, specifically in pickup trucks, which were pressured by income uncertainty among customers such as farmers. Also, the non-manufacturing index weakened across all sectors, due to uncertainty before the new government formation, resulting in a significant decline in total order books and the number of services. This was led by the hotel and restaurant sectors' confidence due to the tourism low season and intensified regional price competition. Meanwhile, the confidence of the real estate sector dipped due to the ambiguous recovery in housing sales amid weakened purchasing power, which extended to 50 million Baht residential units.

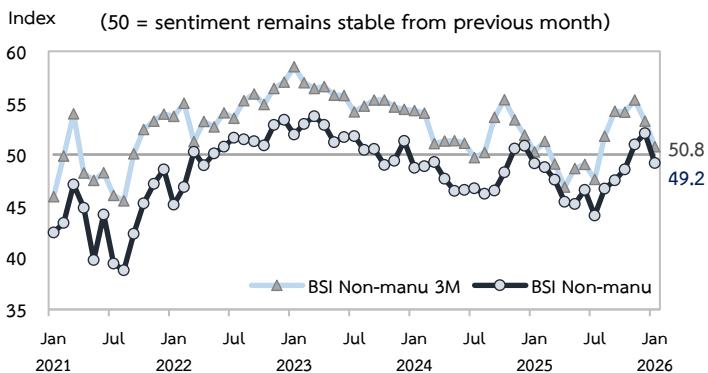
Other sentiment indices:

- The 3-month expected liquidity sentiment declined below the 50-threshold for the second consecutive month across both manufacturing and non-manufacturing sectors, reflecting heightened liquidity fragility among many business segments. The confidence in the real estate sector warrants close monitoring, where confidence hit a six-month low following slow recovery in residential sales, prompting businesses to reduce new project launches, purchase land cautiously, and diversify income into other sectors such as hotels, condominiums and apartment rentals to maintain revenues.
- Difficulty in price adjustment remained the top business concern for the fifth consecutive month, while concerns over economic uncertainty rose to the second rank among domestic and external uncertainties, including delays in forming a new government and U.S. foreign policy developments. However, expected inflation for the next 12 months remained unchanged at 2.1%.

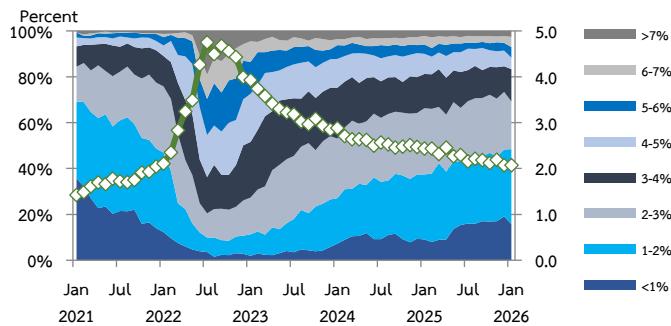
Business Sentiment Index (Manufacturing)



Business Sentiment Index (Non-Manufacturing)

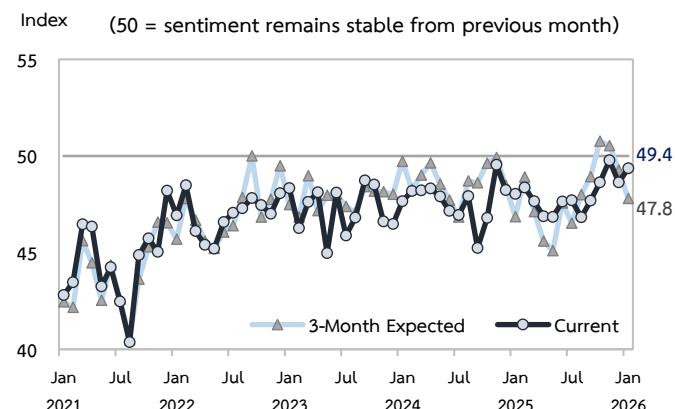


Expected Inflation in the next 12 months

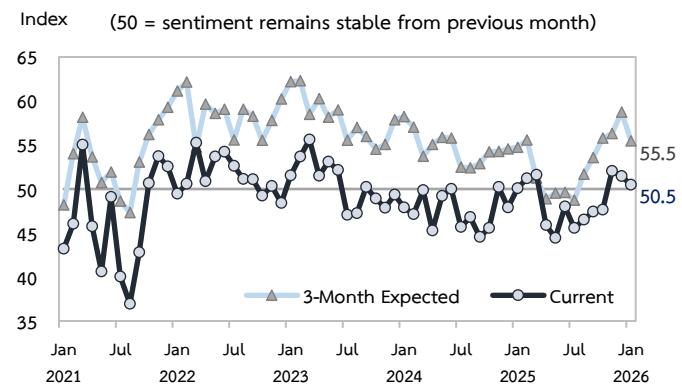


Percent	<1	1-2	2-3	3-4	4-5	5-6	6-7	>7	Median
Jan-26	15.8	32.7	20.8	14.0	5.0	4.7	4.5	2.5	2.1
Dec-25	19.1	29.1	25.2	11.1	6.9	3.3	3.0	2.2	2.1

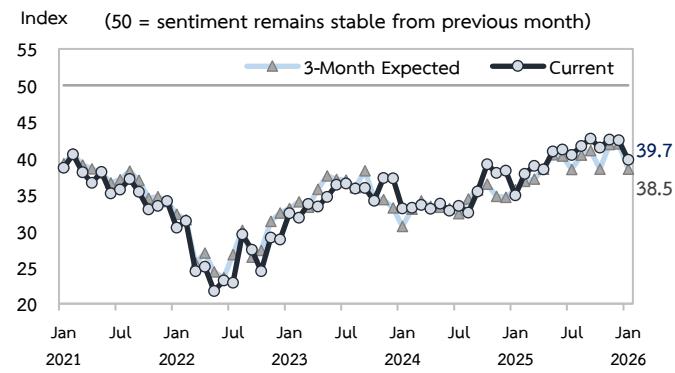
Liquidity Sentiment Index



Total Order Books Sentiment Index



Cost Sentiment Index



Top constraints for doing business

