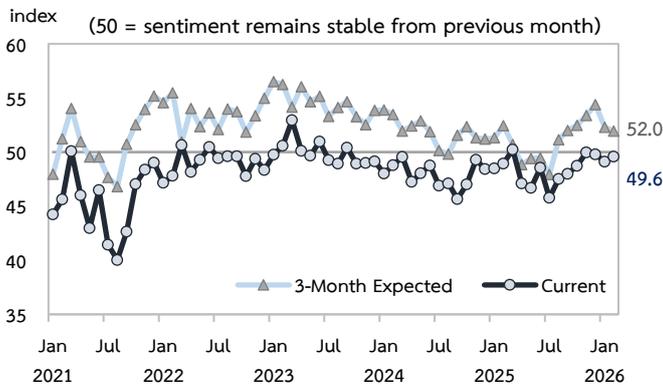
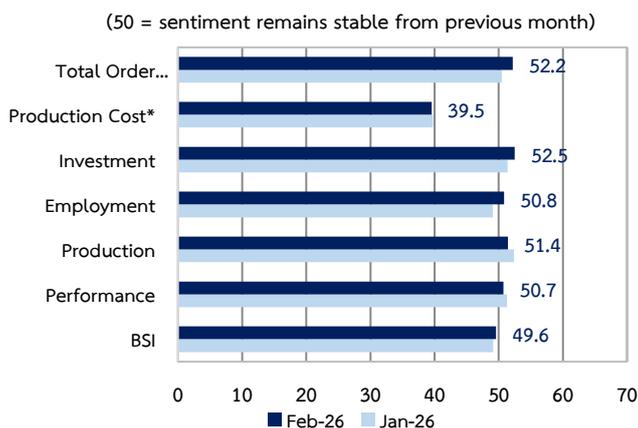




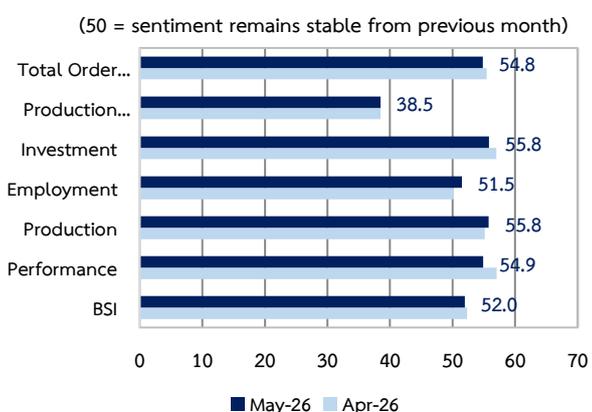
Business Sentiment Index



Current Business Sentiment Index



3-Month Expected Business Sentiment Index



\*Index value above 50 reflects reduction in production

Key points:

- In February, the Business Sentiment Index (BSI) edged up slightly mainly driven by the manufacturing sector, supported by higher demand for steel from both domestic and export markets and continued strong growth in AI-related products. Meanwhile, the 3-month expected BSI declined marginally from the non-manufacturing sector on the back of the low tourism season.

In February 2026, the BSI grew slightly to 49.6, following improvement in total order books, employment, and investment sub-components. The manufacturing index increased across almost all industries, led by respondents in steel industries who addressed stronger demand from both domestic and overseas markets, particularly the U.S. market, resulting in notable boosted total order books and investment sub-indices. Also, confidence in the electronic industry, such as HDD and semiconductors, rose on constant growth in demand for AI-related and data center, resulting in improved total order books and production sub-indices. However, the sector remains vigilant regarding potential impacts from chip shortages, which may affect the production prospect. Meanwhile, the non-manufacturing index was stable, despite declines in most industries, led by the retail trade sector's confidence which fell further below the 50 thresholds amid still-weak domestic purchasing power. This resulted in declining confidence among department stores and grocery retailers, especially in trade volume and total order book sub-indices. In contrast, the warehouse sector's confidence improved markedly, partly due to front-loaded exports ahead of the Chinese New Year period, which lifted total order books, performance, and number of services.

The 3-month expected BSI declined slightly from last month to 52.0, driven by declines in performance, investment, and total order books sub-components. This was in line with the non-manufacturing index which fell across nearly all sectors, especially hotels and restaurants and passenger transport sector, due to the transition into the low tourism season. Furthermore, various non-manufacturing businesses' confidences dropped below the 50-threshold, reflecting businesses' negative outlook towards business condition. Meanwhile, the manufacturing index was unchanged to the previous month. This was followed by a decline in the electrical appliance industry in almost all components, particularly in the electrical circuit board and light bulb. Conversely, confidence in the food and beverage industries improved, supported by better performance and total order books. This was notably seen among sugar producers, following a strong crop yield this year, as well as the canned fruit sector, specifically in canned rambutan, which benefited from the start of the harvest season.

Notes:

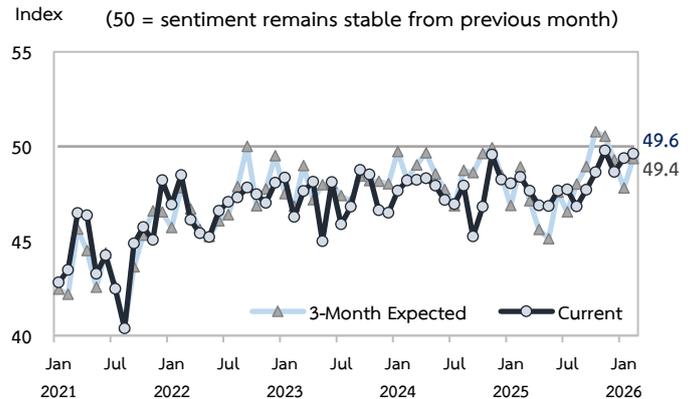
- The BSI was developed by the Bank of Thailand (BOT). The diffusion index is made up of six components: production, total order books, investment, production cost, performance, and employment. Each component is applied with equal weight to calculate the monthly composite index. Each component index 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 677 respondents, or a response rate of 61.6 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.

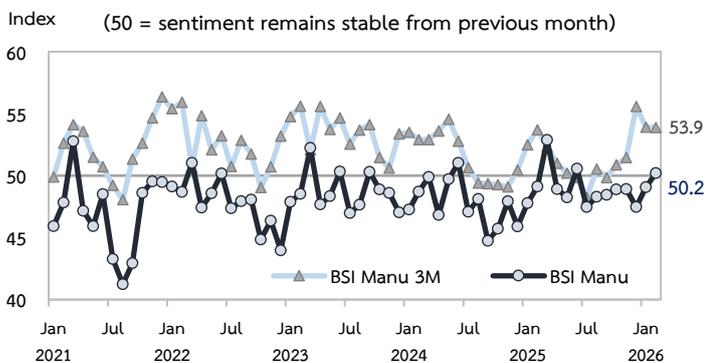
**Other sentiment indices:**

- The 3-month expected liquidity sentiment increased from last month but remained below the 50-threshold for the third consecutive month and stayed lower than the current sentiment level. This was evident in non-manufacturing sectors such as real estate, hotels and restaurants, reflecting businesses' concerns that liquidity conditions may tighten going forward. However, liquidity constraint has not yet had a clear or significant impact on employment, in line with the employment sentiment which fluctuated near the 50-threshold.
- Difficulty in price adjustment was the top business concern for the sixth consecutive month, particularly in non-manufacturing sectors such as trade. Meanwhile, concerns regarding the exchange rate, both in terms of volatility and the level of the exchange rate, constantly increased since mid-2025, especially among export-oriented manufacturing businesses as it could affect both performance and total order books. However, expected inflation for the next 12 months remained unchanged at 2.1%.

**Liquidity Sentiment Index**



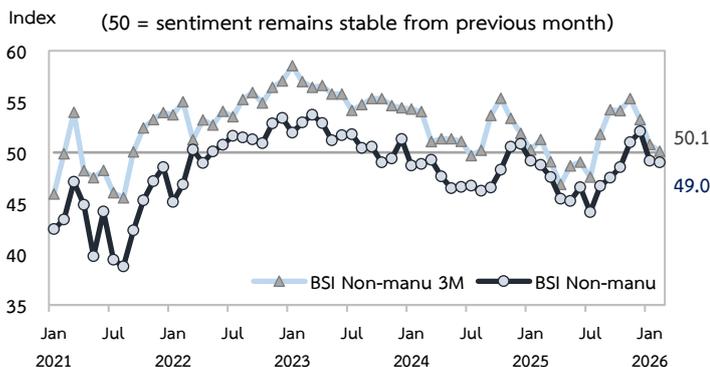
**Business Sentiment Index (Manufacturing)**



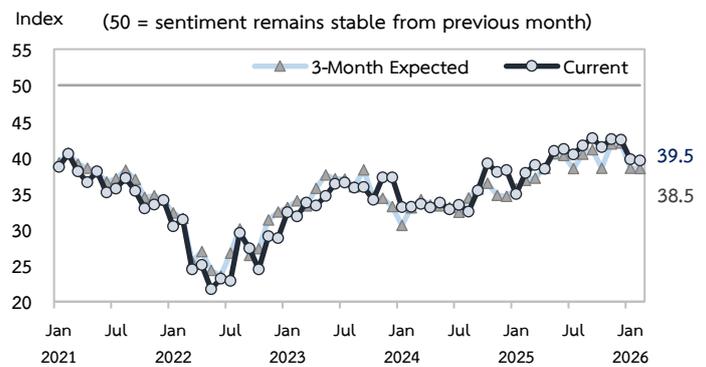
**Employment Sentiment Index**



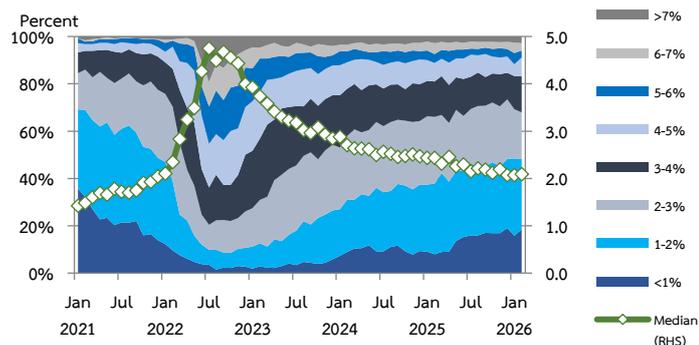
**Business Sentiment Index (Non-Manufacturing)**



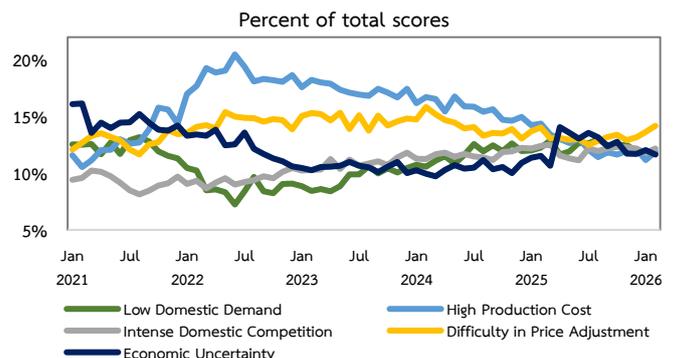
**Cost Sentiment Index**



**Expected Inflation in the next 12 months**



**Top 5 constraints for doing business**



Percent	<1	1-2	2-3	3-4	4-5	5-6	6-7	>7	Median
Feb-26	18.5	29.7	19.8	15.3	7.8	3.0	3.2	2.8	2.1
Jan-26	15.8	32.7	20.8	14.0	5.0	4.7	4.5	2.5	2.1