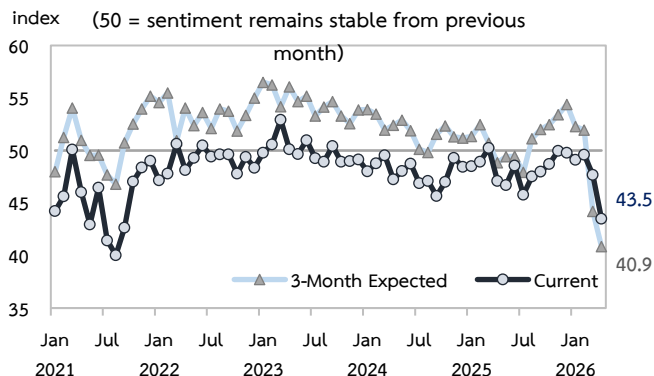




Business Sentiment Index



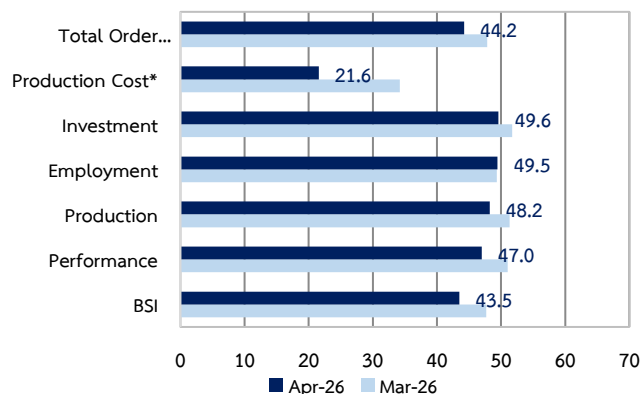
Key points:

- In April, the Business Sentiment Index (BSI) declined across all sectors, due to the impact of the Middle East war. Also, the 3-months expected BSI dropped below the 50-threshold and remained lower than the current level for the second consecutive month, reflecting businesses' concerns over a potentially prolonged situation.

In April 2026, the BSI decreased by all sectors and components to 43.5, led by cost and performance sub-components, amid the impact of the war. Consequently, this affected the confidence of three main business groups: 1) energy-intensive businesses 2) firms reliant on upstream inputs from the Middle East, and 3) tourism-related businesses. The manufacturing index weakened, led by the petrochemical and plastic industries due to tighter supply of upstream feedstocks such as naphtha and urea, which has in turn affected downstream production, including plastic packaging and chemical fertilizers. Also, confidence in the electronics industry dipped amid concerns over raw material shortages, particularly helium, which is used in semiconductor production. However, the immediate impact was limited as upstream manufacturers still hold raw material inventories sufficient for approximately 5–6 months. Similarly, the non-manufacturing index decreased, led by the hotel and restaurant sectors, where sentiment plummeted to its lowest level since the COVID-19 pandemic. This was driven by deducted long-haul tourist arrivals, resulting from fewer flights, higher airfares, and heightened safety concerns. The confidence in the trade sector declined, particularly in FMCG goods such as soap, shampoo, dried food, and vegetable oil. This was partly due to the end of earlier front-loaded demand, coupled with weak domestic purchasing power and rising transportation costs.

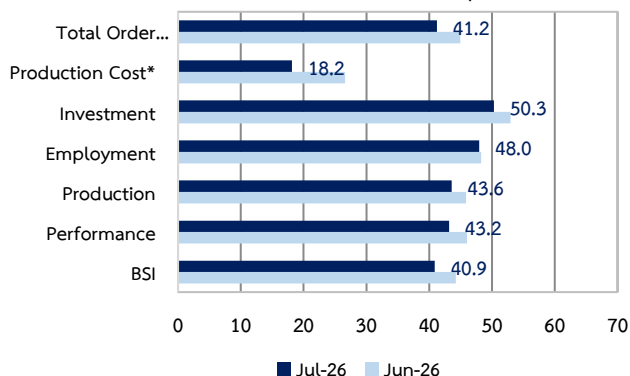
Current Business Sentiment Index

(50 = sentiment remains stable from previous month)



3-Month Expected Business Sentiment Index

(50 = sentiment remains stable from previous month)



\*Index value above 50 reflects reduction in production

The 3-month expected BSI dropped to 40.9 and remained below the current index for the second consecutive month, reflecting concerns over prolonged war. The index plummeted across all components, led by cost, total order books, and performance sub-components. The non-manufacturing index weakened across all sectors, headed by the transportation and warehouse sectors, where respondents' confidence was pressured from higher energy costs. Also, the confidence of the hotel and restaurants sectors declined, following flight reductions on several routes due to elevated fuel costs, compounded by tourists' concerns over the war situation and the onset of the low tourism season. This resulted in significant decline in cost and total order books sub-indices. The Manufacturing index also dipped, particularly in the food industry, such as canned fish and canned fruit, where the sentiment fell to a record low. This was partly due to sharply higher packaging costs and delayed orders from Middel Eastern markets amid elevated freight rates, which significantly affected performance and cost.

Notes:

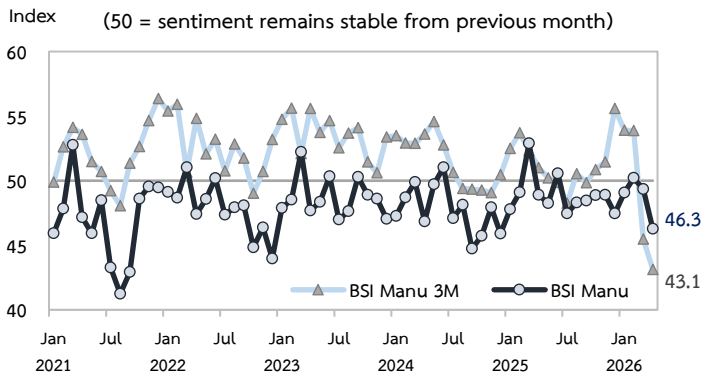
- The BSI was developed by the Bank of Thailand (BOT). The diffusion index is made up of six components: production, total order books, investment, production cost, performance, and employment. Each component is applied with equal weight to calculate the monthly composite index. Each component index is calculated according to the following formula:  

$$\text{Index} = 100 \times ((1.0 \times \text{percentage of respondents indicating "improvement"}) + (0.5 \times \text{percentage of respondents indicating "stable"}) + (0 \times \text{percentage of respondents indicating "deterioration"}))$$
 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 672 respondents, or a response rate of 61.1 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.

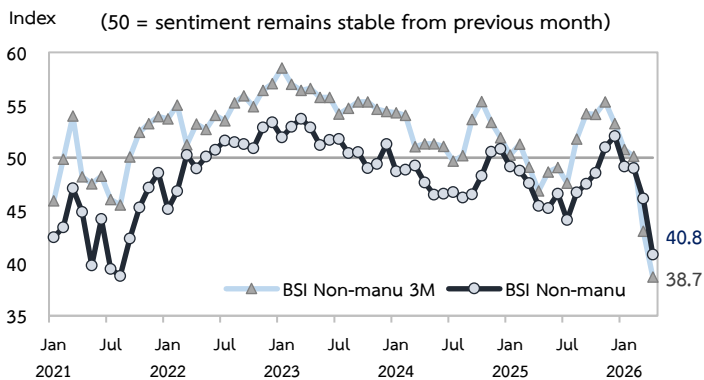
**Other sentiment indices:**

- The cost sentiment dropped sharply from last month across nearly all business sectors like energy, raw materials, and logistic costs remained high. Also, high production cost remained the top business obstacle for the second consecutive month, with the share of respondents ranked as its highest level since the Russia-Ukraine conflict in 2022.
- If the conflict extends beyond H1/2026, raw material inventories for most firms may deplete, leading to intensified cost pressures and tighter liquidity conditions, especially in petrochemicals and food industries. Thus, businesses may gradually pass-through higher costs to product prices, in line with 3-month expected sales price sentiment, which rose to its record high and pushed the 12-month inflation expectation up to 2.9 percent from 2.5% last month.

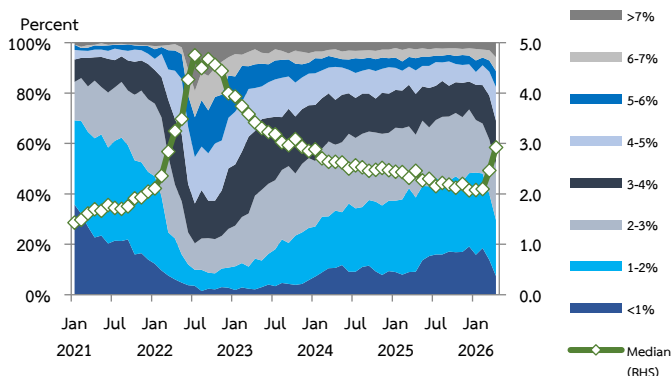
**Business Sentiment Index (Manufacturing)**



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

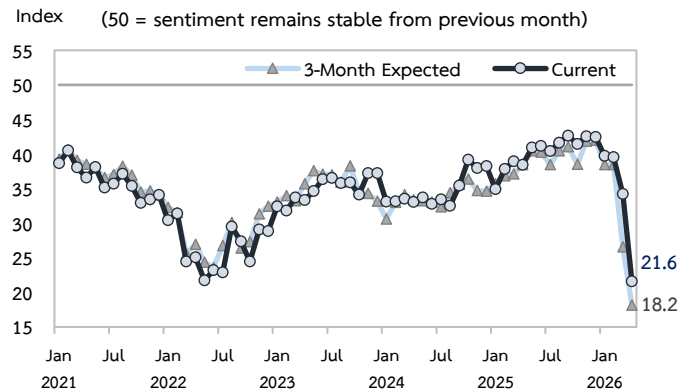


**Expected Inflation in the next 12 months**

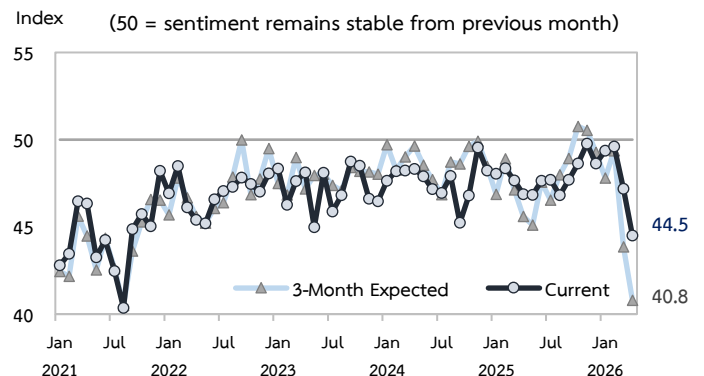


Percent	<1	1-2	2-3	3-4	4-5	5-6	6-7	>7	Median
Apr-26	7.4	22.3	22.1	17.2	13.4	6.3	5.4	5.8	2.9
Mar-26	13.8	26.1	21.6	17.4	9.5	4.5	4.0	3.0	2.5

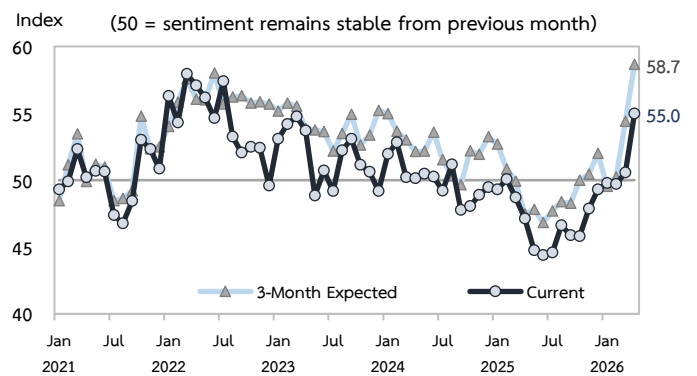
**Cost Sentiment Index**



**Liquidity Sentiment Index**



**Sale Price Sentiment Index**



**Top constraints for doing business**

