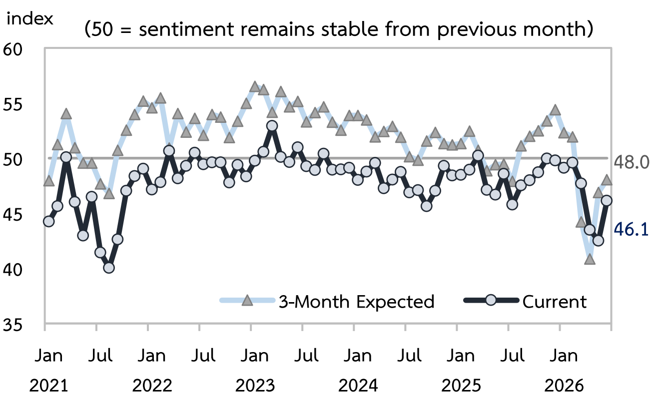
BANK OF THAILAND

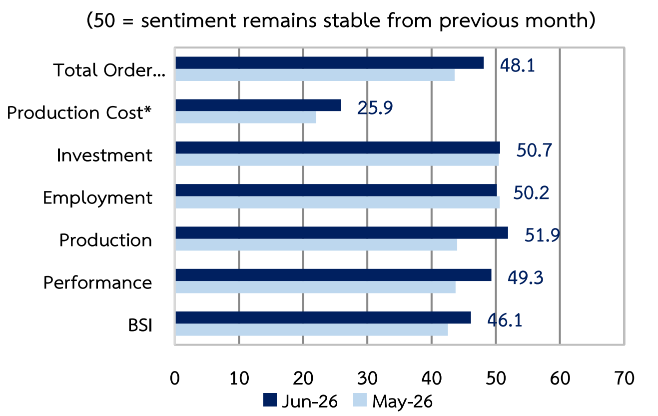
REPORT ON BUSINESS SENTIMENT INDEX

June 2026

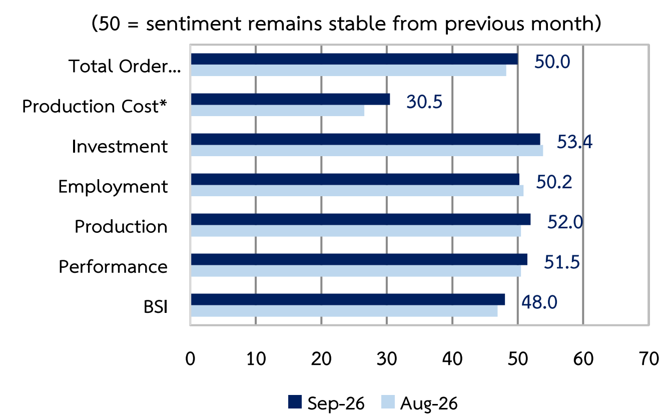
5555Business Sentiment Index



Current Business Sentiment Index



3-Month Expected Business Sentiment Index



*Index value above 50 reflects reduction in production cost

Key points:

- **In June, the Business Sentiment Index (BSI) and the 3-month expected BSI increased across almost all industries, supported by 3 factors 1) the easing of the Middle East conflict 2) a downward trend in energy prices 3) the positive impact of the "Thais Help Thais Plus" scheme, which temporarily boosted domestic purchasing power.**

In June 2026, the BSI rose significantly to 46.1 from 42.5 last month, led by production, performance, and total order books sub-components. This aligns with the easing of conflict in the Middle East. The manufacturing index increased across all industries, led by the automotive sector, which saw improvements in all components, particularly among motorcycle and parts manufacturers such as motorcycle cylinder sleeves. Also, sentiment in the chemical industry improved as energy cost pressures softened. Related businesses also adapted by sourcing key raw materials such as plastic bags, plastic pellets, and food packaging from alternative markets, which boosted both production and performance. Similarly, the non-manufacturing index improved, led by the trade sector. Retail trade in consumer goods such as beverages and vegetable oil, especially for small-and-medium grocery stores, were buoyed by temporarily domestic purchasing power from the "Thais Help Thais Plus" scheme. This drove up performance, trade volume, and total order books sub-indices. Additionally, automotive trade expanded in tandem with automotive manufacturing, while wholesale trade sentiment rose across several products such as furniture, animal feed, and steel, driven by increases in trade volume, costs, and performance sub-indices.

The 3-month expected BSI increased to 48.0, led by improvements in cost, production, and performance sub-components, following a stronger non-manufacturing index across several industries. However, overall sentiment remained below the 50-threshold. The retail trade sector's confidence grew, owing to the benefit of "Thais Help Thais Plus" scheme, which boosted FMCG sales, resulting in higher trade volume and performance sub-indices. Respondents in the hotel and restaurant sectors also highlighted increases in total order books and number of services sub-indices, partly due to the easing of the Middle East conflict and lower energy prices. Meanwhile, the manufacturing index remained stable after rising sharply in the previous month, reflecting businesses' adjustment through better raw material sourcing and cost management. The confidence of the food and beverage industries declined on the back of seasonal factors, including the off-season for palm oil production and lower beverage sales. However, the confidence of the electrical appliances, particularly small appliances, increased markedly because of intensive promotional campaigns.

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:

Index = 100× {(1.0 × percentage of respondents indicating "improvement") + (0.5 × percentage of respondents indicating "stable") + (0 × 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.

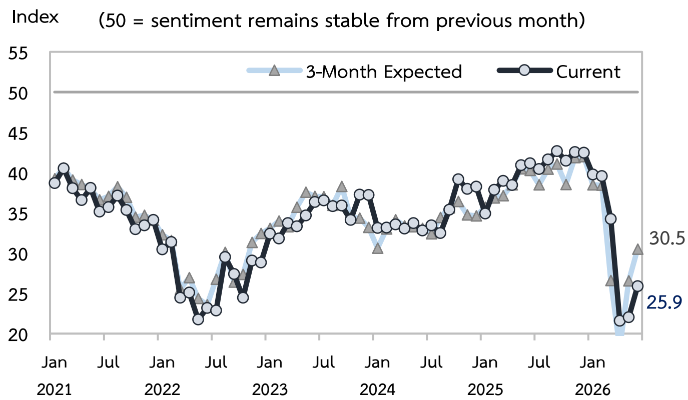
(2) For this month, the survey had 644 respondents, or a response rate of 58.6 percent from a sample of large and medium-size firms that received the survey form.

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

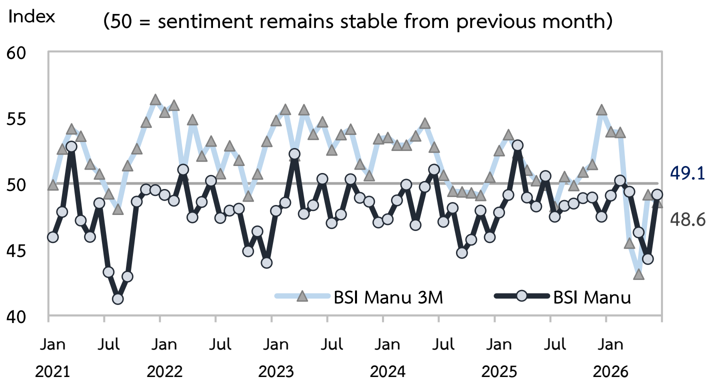
Other sentiment indices:

- The cost sentiment index jumped markedly from last month as energy prices lowered and the Middle East conflict easing. This was consistent with high production costs, which remained the primary business constraint, although the share of respondents declined significantly. Reduced cost pressures and adjustments, specifically in manufacturing businesses, through alternative raw material sourcing and changes in production processes. This is evident in industries such as chemicals, plastics, and food. As a results, pressures to pass on higher costs to prices have diminished, in line with notably lower sale price sentiment compared with the start of the conflict (March–April 2026).
- However, expected inflation for the next 12 months remained stable at 2.7% from last month.

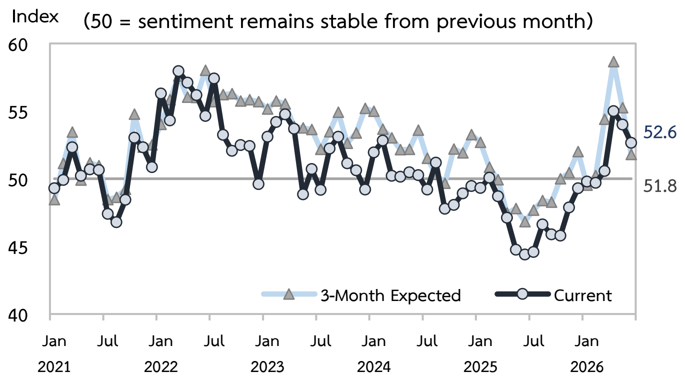
Cost Sentiment Index



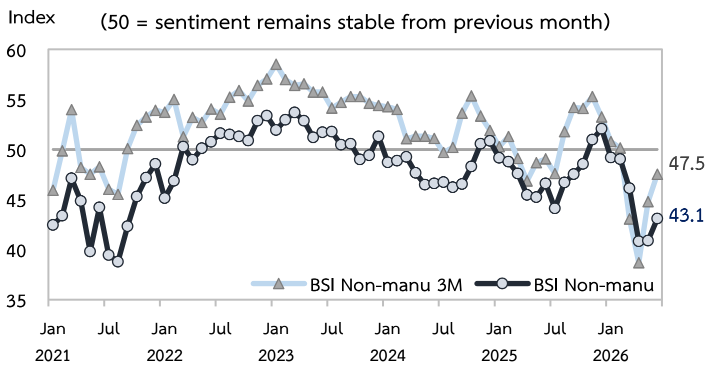
Business Sentiment Index (Manufacturing)



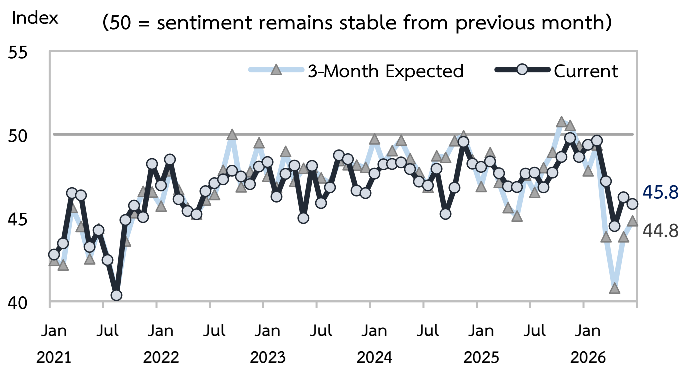
Sale Price Sentiment Index



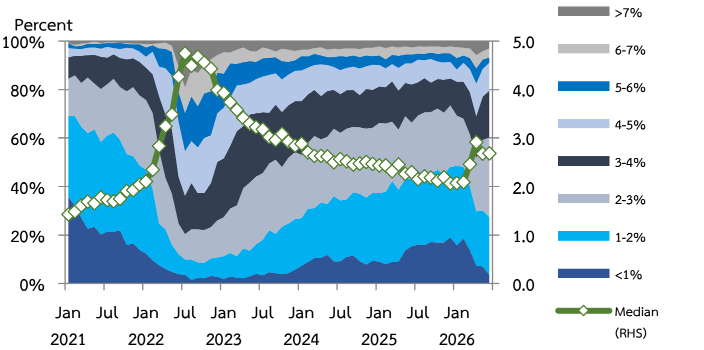
Business Sentiment Index (Non-Manufacturing)



Liquidity Sentiment Index

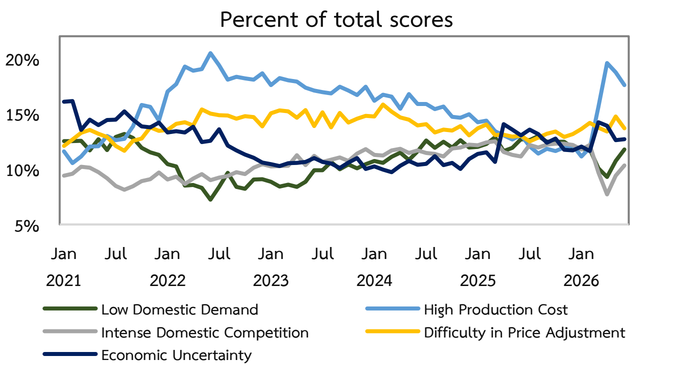


Expected Inflation in the next 12 months



Percent	<1	1-2	2-3	3-4	4-5	5-6	6-7	>7	Median
Jun-26	3.6	23.7	32.9	19.3	11.5	2.3	3.6	3.1	2.7
May-26	7.1	23.0	29.2	17.7	11.5	3.8	3.5	4.2	2.7

Top 5 constraints for doing business



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