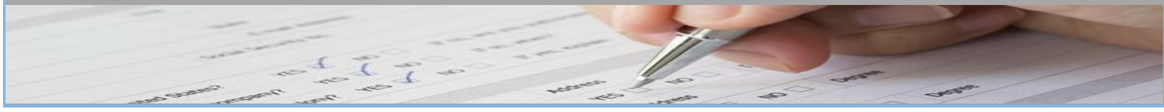
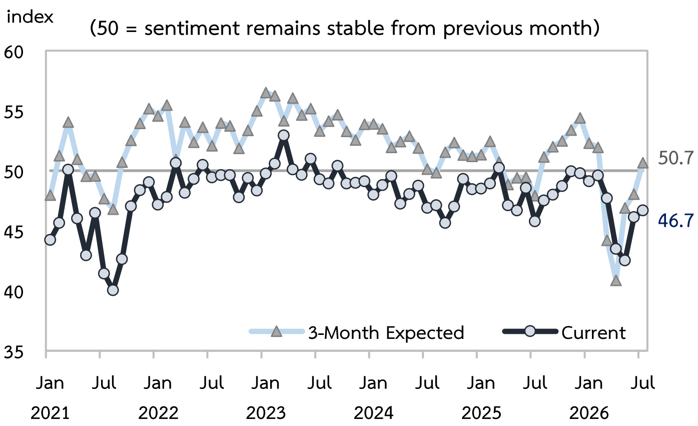
BANK OF THAILAND

REPORT ON BUSINESS SENTIMENT INDEX

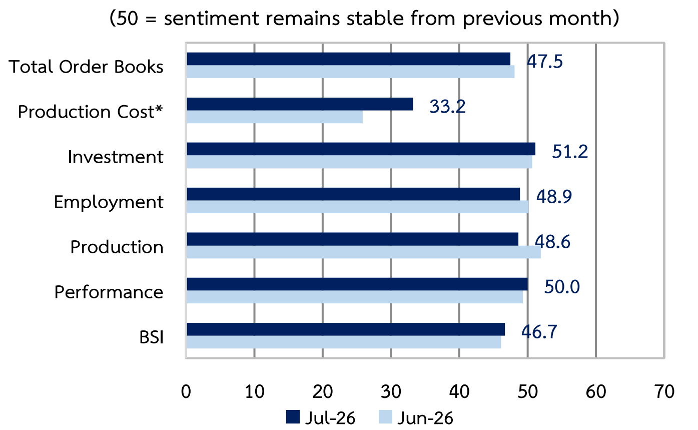
July 2026



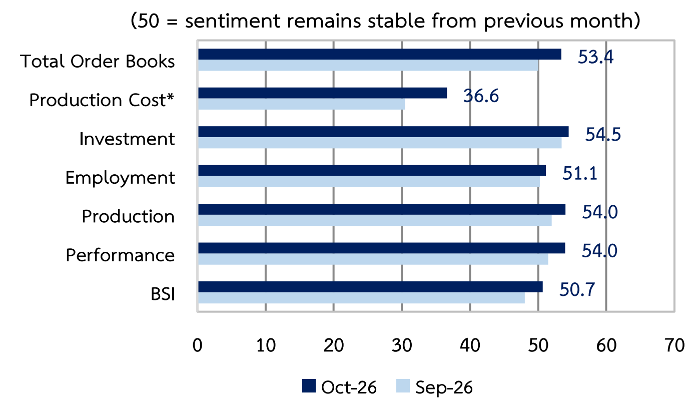
Business Sentiment Index



Current Business Sentiment Index



3-Month Expected Business Sentiment Index



*Index value above 50 reflects reduction in production cost

Key points:

- In July 2026, the Business Sentiment Index (BSI) increased slightly, driven by the non-manufacturing index as fuel costs fell and flight services rose. While the manufacturing index weakened amid concerns over U.S. import tariffs measures. Over the next 3 months, the manufacturing index improved following continuous growth of the electronics cycle, meanwhile the non-manufacturing index grew owing to expectations of the tourism season, which could support domestic spending and the recovery of foreign tourists.

In July 2026, the BSI rose slightly from last month to 46.7, led by improvements in cost, performance, and investment sub-components. The non-manufacturing index increased across several sectors, led by transportation and warehousing, as confidence in costs and service volumes improved significantly following a decline in average retail fuel prices from last month. The confidence in hotel and restaurant sector rose sharply following an increase in flights operated by Middle Eastern airlines. However, the index remained below the 50-threshold for the fifth consecutive month as foreign tourists declined. The manufacturing index weakened across several industries amid concerns over U.S. import tariffs, implemented at the end of July. The confidence of the home electrical appliance industry recorded lower total order books. Moreover, the confidence of the automotive parts industry declined in production, total order books, and performance. This partly reflected accelerated motorcycle purchases last month, alongside weak domestic purchasing power for commercial vehicles, especially pickup trucks.

The 3-month expected BSI increased to 50.7, led by cost, total order books, and performance sub-components. This aligned with the manufacturing index, which rose across several industries. The electronic industry improved across all indices regarding the ongoing global electronics upcycle. Also, confidence in the plastics industry improved in various products such as bags, pellets, and packaging, reflecting firms' better adaptability to cost volatility and the Middle East conflict. Similarly, the non-manufacturing index improved across nearly all sectors, with the hotel and restaurant sectors reaching the 50-threshold for the first month due to gain in performance and the number of services, supported by the tourism season and hopes for a recovery in foreign tourists. Likewise, the wholesale trade sentiment rose in many products such as chemicals, fuel, furniture, and consumer goods, led by total order books and trade volume. However, the confidence remained below 50 due to weak domestic purchasing power.

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.

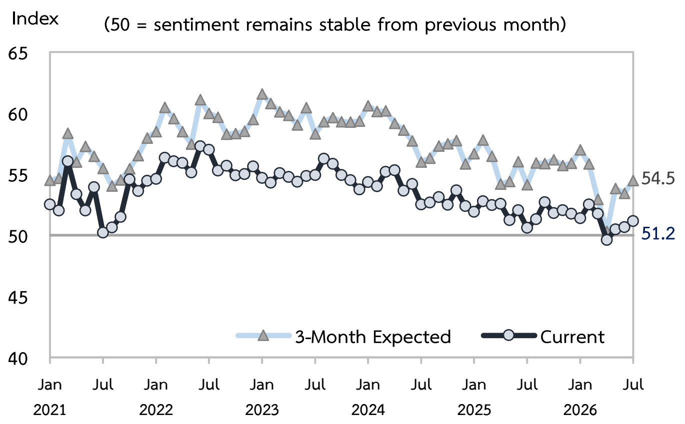
(2) For this month, the survey had 641 respondents, or a response rate of 58.3 percent from a sample of large and medium-size firms that received the survey form.

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

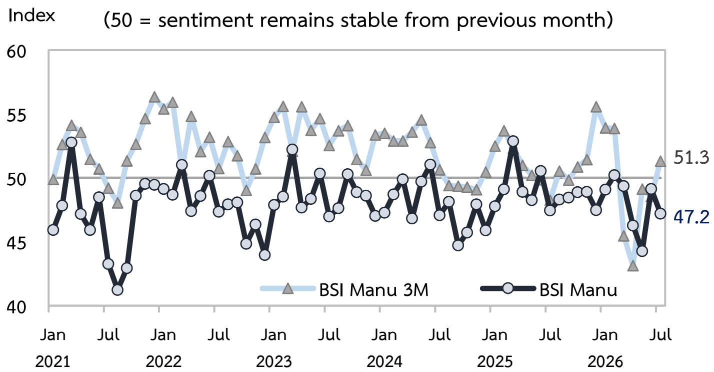
Other sentiment indices:

- The 3-month expected investment sentiment remained above the 50-threshold for the third consecutive month, led by electronics businesses which accounted for high-value investment and continued to gain from electronics cycle and demand for AI and data centers. Meanwhile, other manufacturing businesses, such as food and beverage and textiles, focused primarily on efficiency-enhancing investments, including AI adoption for cost savings and routine machinery upgrades.
- High production cost was the first limitation of doing business for the fifth month consecutively, although the share of respondents declined markedly from last month as a result of lower average energy prices. However, expected inflation for the next 12 months fell slightly to 2.6%.

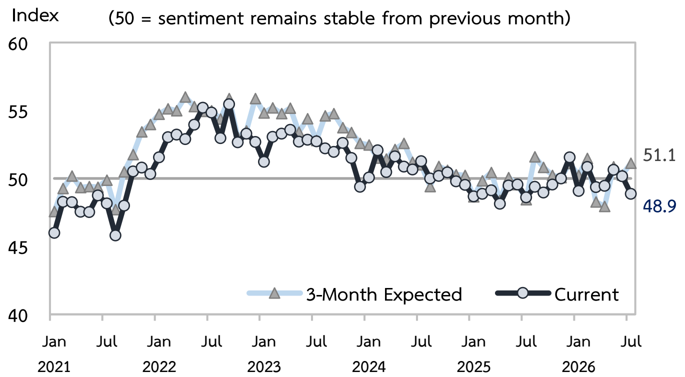
Investment Sentiment Index



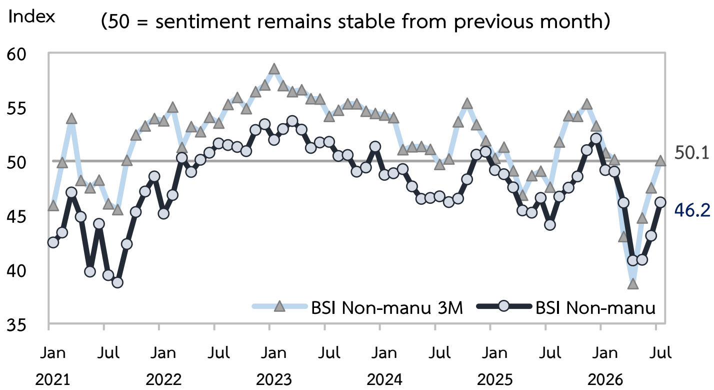
Business Sentiment Index (Manufacturing)



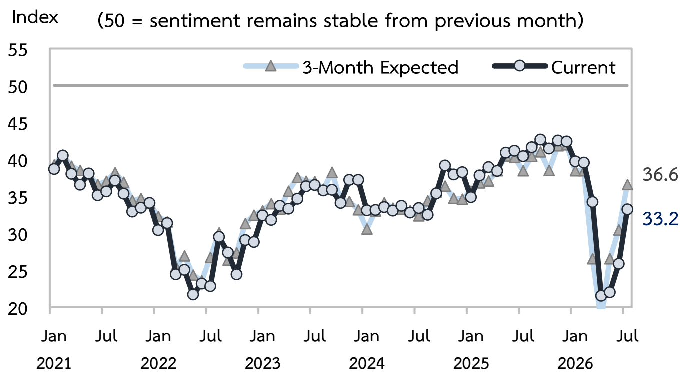
Employment Sentiment Index



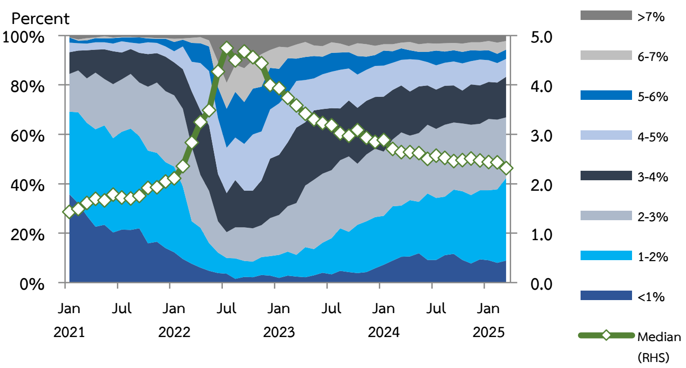
Business Sentiment Index (Non-Manufacturing)



Cost Sentiment Index

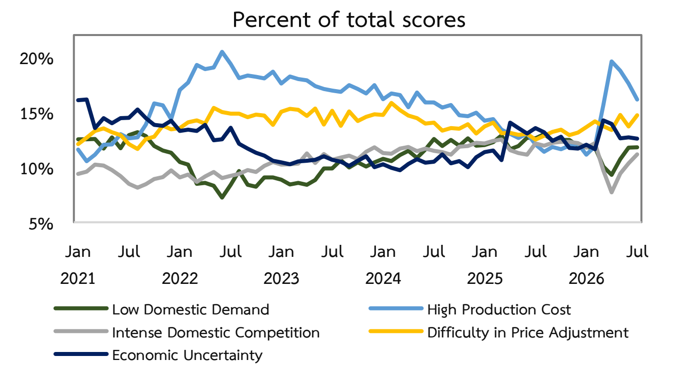


Expected Inflation in the next 12 months



Percent	<1	1-2	2-3	3-4	4-5	5-6	6-7	>7	Median
Jul-26	5.5	24.9	34.2	18.7	7.5	2.8	3.4	3.0	2.6
Jun-26	3.6	23.7	32.9	19.3	11.5	2.3	3.6	3.1	2.7

Top 5 constraints for doing business



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