



## KEY HIGHLIGHT

- **The Thai economy in June softened from the previous month**, as merchandise exports and manufacturing declined following previous acceleration. Tourism-related activities also decreased, driven by lower tourist arrivals.
- **Merchandise exports decreased**, especially in technology and automotive products, following earlier acceleration.
- **Manufacturing production decreased**, led by reductions in automotive and food production, in line with weaker car sales and subdued domestic demand, respectively.
- **Tourism sector weakened**, due to a decrease in foreign tourist arrivals, although Chinese tourist numbers slightly improved.
- **Key Issues to Monitor:** 1) tariff negotiation with the U.S. 2) Thailand and Cambodia situation, 3) tourism sector trends 4) impacts of Northern flood, and 5) effects of government stimulus measures

### Economic Stability

Headline Inflation

**-0.25%**

Section 33 Contributors  
(Employed Persons)

**0.0%**

from previous month

Current Account Balance

**2.4**

bn USD



Private  
Consumption

**-0.3%**

from previous month



Private  
Investment

**0.7%**

from previous month



Government  
Expenditure  
(excl. Transfer)

**2.1%**

from previous month



Export Value  
(excl. gold)

**-4.8%**

from previous month



Import Value  
(excl. Gold)

**-0.3%**

from previous month



Number of  
Tourist Arrivals

**-2.8%**

from previous month

**The Thai economy in June softened from the previous month**, as merchandise exports and manufacturing production declined following earlier acceleration. Tourism-related activities also contracted, in line with the decrease in both the number and revenue of foreign tourist. Private consumption declined across most categories, facing pressure from the continued deterioration in consumer confidence. Nevertheless, government expenditure expanded, supported by increased disbursements from the central government and investment by state-owned enterprises. Private investment also grew, driven by increased spending on machinery and equipment.

**On the economic stability front**, headline inflation became less negative compared to the previous month, primarily due to higher fresh food prices, particularly vegetables. Energy inflation also moderated, reflecting an increase in domestic retail oil prices in line with crude oil prices. Core inflation remained stable, with lower prices for cooking ingredients and prepared foods offset by higher prices for ready-to-eat meals. The current account balance returned to a surplus, mainly driven by a narrower deficit in the services, income, and transfers balance. While labor market conditions remained stable, the increasing proportion of unemployment benefit claimants relative to the total number of insured persons warrants close monitoring.

# Thai Economic Conditions

## Private consumption

**Private consumption indicators, after seasonal adjustment, decreased from the previous month** across several categories; (1) spending on services fell due to reduced foreign tourist spending, while domestic tourist spending continued to increase, (2) non-durable goods consumption fell due to lower sales of fuel, consumer products, and alcoholic beverages, (3) spending on durable goods decreased, following a decline in car sales after a surge in deliveries earlier. However, semi-durable goods consumption rose due to higher imports of textiles and apparels. Meanwhile Consumer confidence continued to decline amid concerns over U.S. trade policy, sluggish demand recovery, and high debt levels.

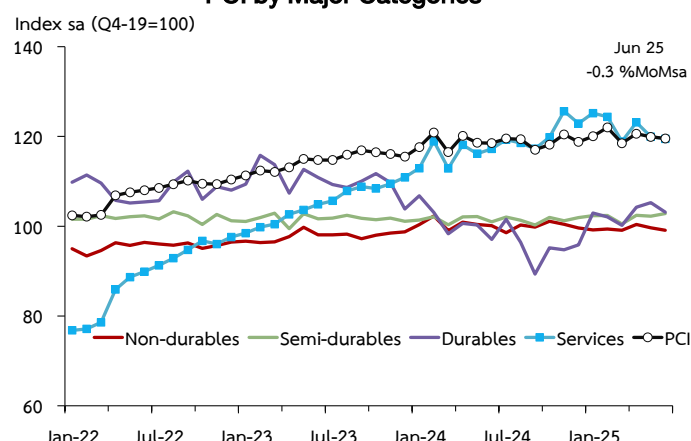
## Private investment

**Private investment indicators, after seasonal adjustment, increased from the previous month**, driven by higher machinery and equipment investment, in line with rising domestic machinery sales and increased production of electrical equipment. Vehicle investment remained stable as higher imports of ships and increased registrations of pickup trucks offset declines in registrations of other vehicle types, such as passenger cars and trucks. Investment in construction remained stable. Non-residential construction rose across all components, particularly in areas permitted for factory construction. In contrast, residential construction declined, as reflected by reduced permitted areas for single houses and townhouses.

## Foreign tourist arrivals and receipt

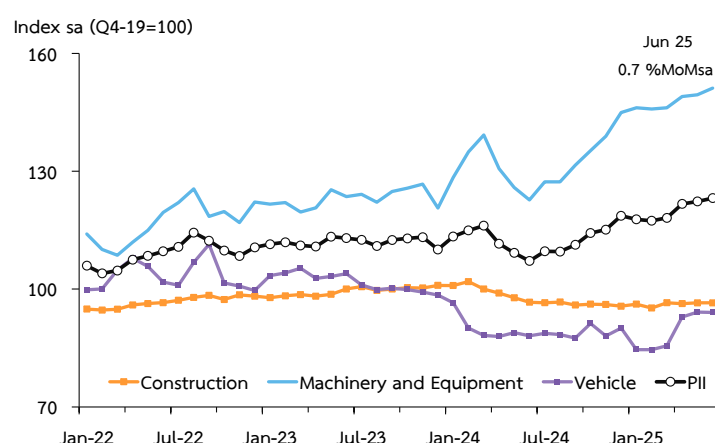
**Foreign tourist arrivals and revenue, after seasonal adjustment, declined from the previous month** across several nationalities. Short-haul tourist numbers drop, particularly among tourists from Japan and South Korea, following a surge in the previous month. Travelers from India also decreased, partly due to a recent aviation incident concern. Meanwhile, Chinese tourist arrivals slightly improved. Long-haul tourist numbers weakened especially from the Middle East, affected by airspace closures and geopolitical tensions in the region. Nonetheless, tourist numbers from Germany and Russia increased.

PCI by Major Categories



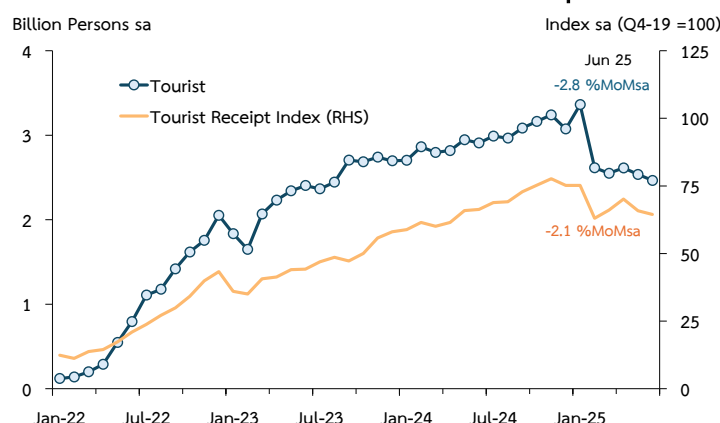
Note: PCI by category reflects domestic expenditures, including those by foreign tourists. However, the aggregate PCI excludes foreign tourist expenditures and includes Thai tourist expenditures abroad to accurately reflect Thai private consumption.  
Source: Bank of Thailand

PII by Major Categories



Source: Bank of Thailand

Number of Tourists and Tourism Receipt



Note: Tourism receipt excludes health, education, excursionist and acquisition of goods and services by short-term workers and is subject to revision due to unstable seasonal adjustment.  
Source: Ministry of Tourism and Sports, calculated by Bank of Thailand

## Export Value

The value of merchandise exports, excluding gold and after seasonal adjustment, declined from the previous month, driven by: 1) electronics, particularly computers exported to China and Hong Kong, after the previous surge, 2) automotives, with lower exports of passenger cars and pickups to Australia and the Middle East, reflecting a slowdown in sales, while exports of auto parts stable, and 3) agricultural and agro-manufacturing products, including durians and synthetic rubber to China, palm oil to India, and rice and canned fish to the U.S., which had also accelerated previously. However, petroleum exports to ASEAN improved.

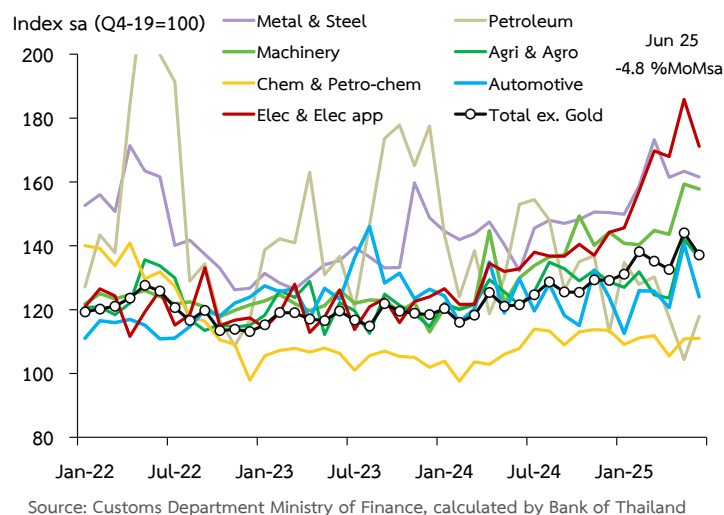
## Import Value

The value of merchandise imports, excluding gold and after seasonal adjustment, declined from the previous month. This was mainly driven by imports of capital goods (excluding aircraft), particularly computers from Taiwan. Consumer goods imports decreased, notably electric vehicles from China, in line with reduced domestic passenger car sales. However, imports of raw materials and intermediate goods increased, especially due to higher imports of electronic components from China.

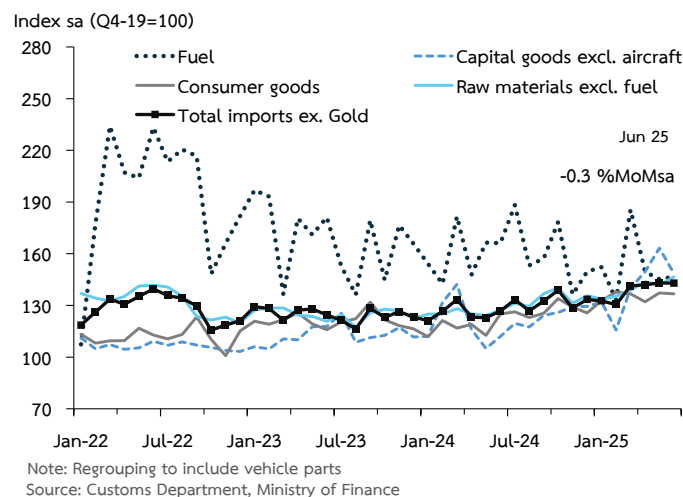
## Manufacturing sector

The manufacturing production index, after seasonal adjustment, declined from the previous month across both export-oriented and domestic-oriented sectors. In sectors where exports accounted for less than 30%, production fell, particularly in food and beverages, following a surge in palm oil output and accelerated exports in the prior month. Chemical production also declined, mainly due to reduced demand for chemical fertilizers. Production in sectors where exports accounted for 30–60% decreased, led by the automotives, especially passenger cars and pickup trucks, in line with lower domestic car sales and exports. Production also fell in sectors where exports accounted for more than 60%, notably air conditioners and frozen seafood. However, petroleum production improved, due to inventory accumulation ahead of scheduled refinery maintenance in July.

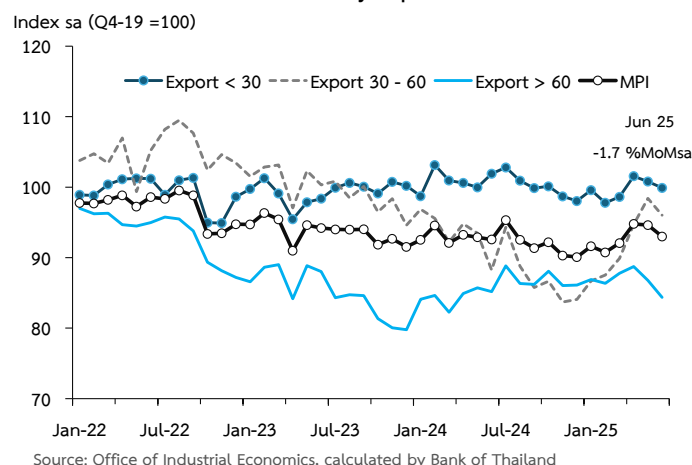
Thai Export Classified by Products



Import Value Index



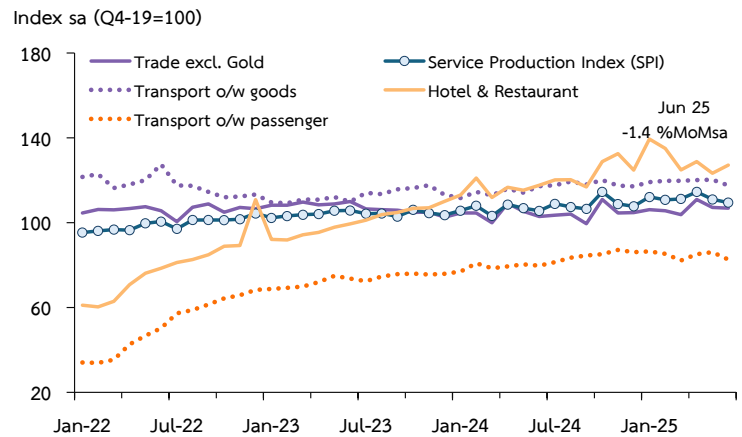
MPI Classified by Export Share



## Service sector

**Service sector activity indicators, excluding gold trading and after seasonally adjustment, declined from the previous month across most components.** Trade-related activities contracted in line with lower manufacturing output, reduced sales of consumer goods, and a decline in automobile sales, which also led to a decrease in freight transport volume. Passenger transportation also declined, but hotel and restaurant businesses expanded as spending from domestic tourists increased.

### Service Production Index (SPI) by Sector

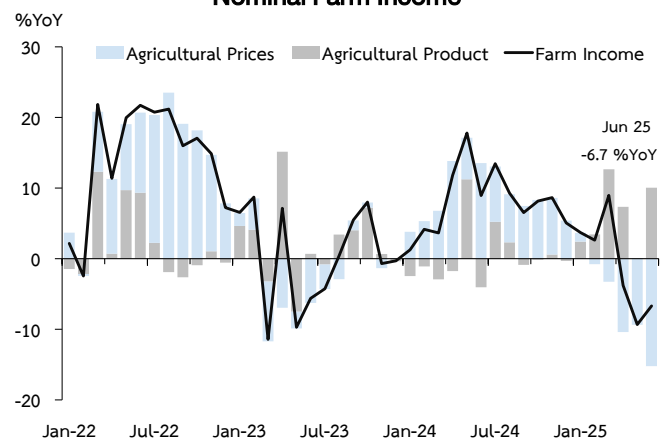


Note: SPI = Service Production Index (Excludes public administration and services, and gold activities)  
Source: Bank of Thailand

## Agricultural sector

**Farmers' income contracted compared to the same period last year,** primarily due to lower prices of key agricultural products: 1) rubber, owing to a high base effect caused by last year's drought and a slowdown in global demand amid the U.S. trade policy uncertainty, 2) white rice, due to increased rice supply from both Thailand and the global market. , and 3) durian, due to higher production volume compared to the previous year and reduced purchasing demand stemming from concerns over potential delays in residue inspections. Nonetheless, agricultural production expanded year-on-year, supported by favorable weather conditions, particularly for white rice, rubber, and durian.

### Nominal Farm Income

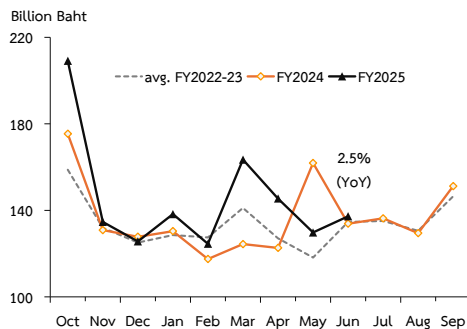


Source: Office of Agricultural Economics (OAE), calculated by Bank of Thailand

## Fiscal position and public expenditure

**Government spending, excluding transfers, expanded compared to the same period last year,** from both central government expenditures and state enterprise investment. Current expenditure by central government increased, following disbursements for pensions, employee compensation, and medical expenses for civil officers. Capital expenditure increased, particularly due to higher disbursements by transportation agencies. State owned enterprises capital expenditures also rose, mainly due to increased disbursements for railway infrastructure projects.

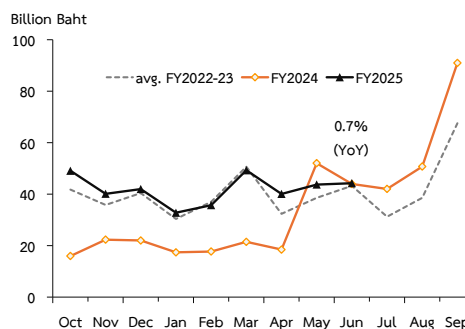
### Central Government Current Expenditure (Excl. Subsidies/Grants and other)



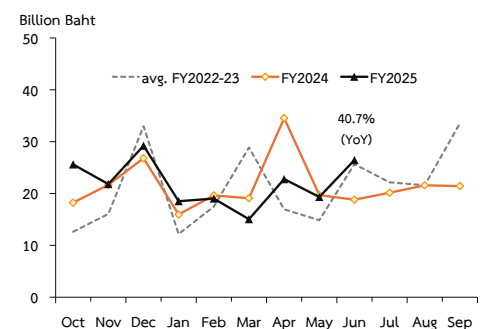
Note: \* Excluded expenditure from 1 trillion and 500 billion Baht Emergency Decree loans

Source: Comptroller General's Department, Fiscal Policy Office, GFMS-SOEs and Bank of Thailand

### Central Government Capital Expenditure (Excl. Subsidies/Grants and other)



### State Owned Enterprises Capital Expenditure

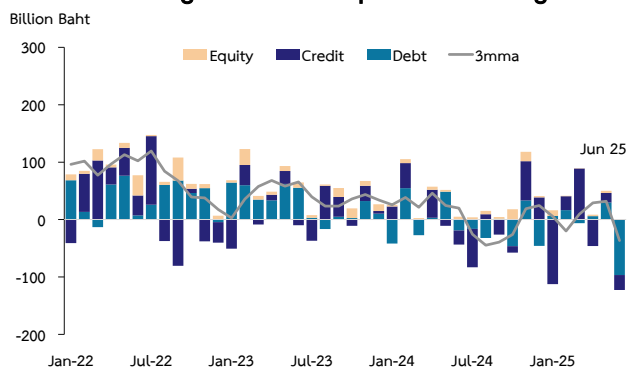


# Monetary Conditions and Economic Stability

## Corporate financing, interest rates and exchange rates

**Overall business funding declined from the previous month**, primarily through debt securities and net credit financing. Debt securities financing decreased across all business sectors, driven by financing in services and financial businesses, partly due to the decline in newly issued corporate bonds, which is lower than the volume of maturing bonds. Net credit financing also contracted across several sectors, including utilities, manufacturing, trade, and construction. However, equity market funding slightly increased, supported by capital raising in the services sector and the food and beverage manufacturing sector. Regarding **the cost of financing in the bond market**, both short-term and long-term Thai government bond yields declined on average during June through 24 July 2025 (data up to July 25, 2025), reflecting market expectations of a downward interest rate trend in Thailand, in line with subdued economic and inflationary conditions.

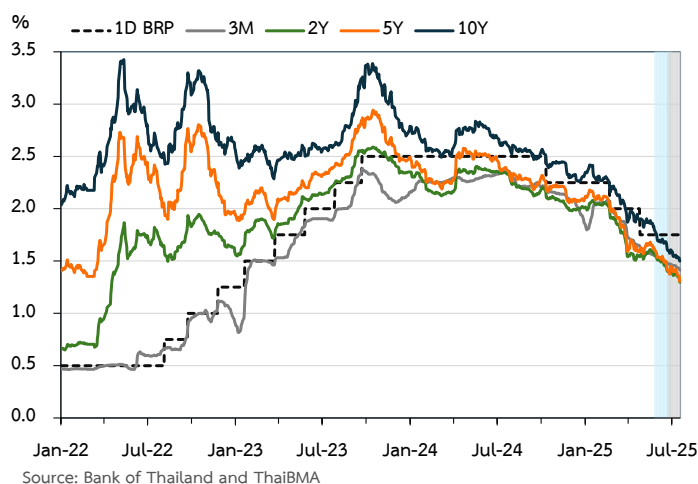
Changes in Total Corporate Financing



Note: Business credits : 1.) net changes in outstanding loans extended by other depository corporations, other financial corporations, non-residents and others;  
2.) excluded the effect of FX valuation change  
3.) there is an adjustment of Oct-24 datapoint for 3 financial institutions using BOT's new reporting system  
Debt : net changes in outstanding bonds (par value) excludes SOE and Rehabilitation bonds;  
Equity : new issuance at par value  
P = Preliminary Data

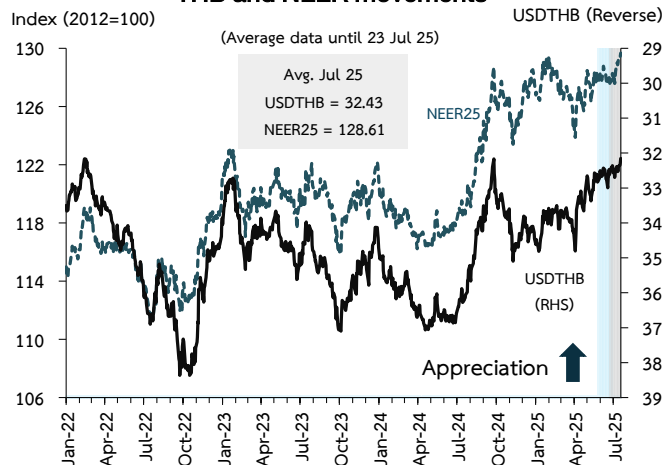
Sources: Bank of Thailand, ThaiBMA, SET

Government Bond Yields



**The exchange rate of the Thai baht against the U.S. dollar on average appreciated in June**, following a depreciation of the U.S. dollar. This was due to weaker-than-expected U.S. economic data and the market concerns over the fiscal stability of the U.S., stemming from the implementation of tax-related measures. In July (data up to 23 July 2025), the baht continued to appreciate, supported by increased foreign investment in Thai equities. **The nominal effective exchange rate (NEER) in June also appreciated**, following the rising foreign capital inflows into the Thai stock market, partially due to an attractive valuation of Thai equity prices.

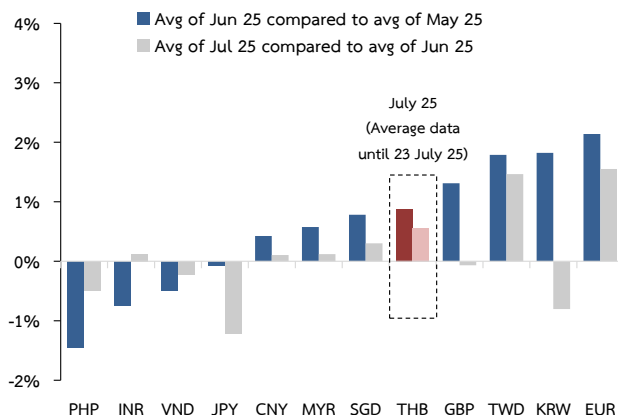
THB and NEER movements



Note: Monthly average rate

Source: Bloomberg, calculated by Bank of Thailand

Exchange rate movements compared with peers



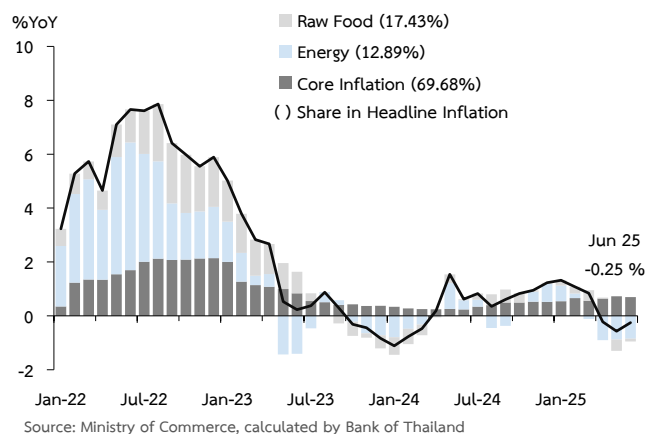
Note: Avg-period data, + = Appreciation against USD, DXY = Bloomberg dollar index

Source: Bloomberg, calculated by Bank of Thailand

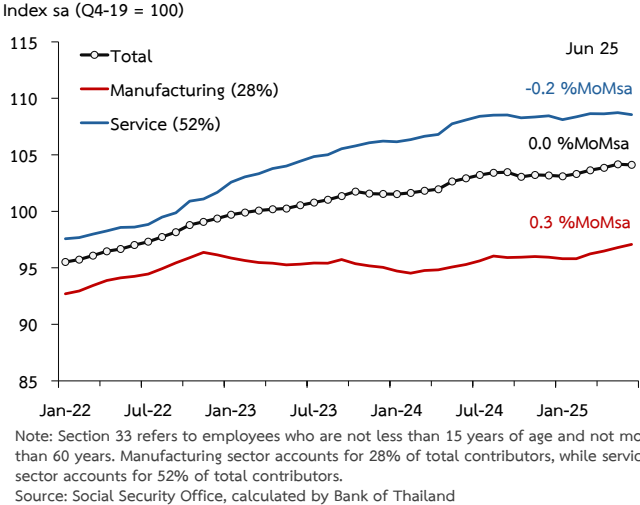
# Economic Stability

**Headline inflation became less negative than the previous month**, primarily due to higher fresh food prices particularly vegetable prices resulting from reduced supply, and a moderation in energy inflation, driven by rising domestic gasoline prices in line with crude oil prices. Core inflation remained stable, as lower prices for cooking ingredients such as vegetable oil and promotional discounts on food delivery offset the continued increase in ready-to-eat food prices. **The labor market remained broadly stable from the previous month**. While number of insured persons under the social security system in the manufacturing sector increased, those in the service sector decreased. However, close monitoring is warranted as the ratio of total and new unemployment claims to total insured persons increased, particularly in the textile, machinery, retail, and construction sectors. **The current account returned to a surplus**, mainly due to a narrower deficit in the services, income, and transfers account, following a seasonal decline in profit repatriation after the dividend payout period. The trade balance remained in surplus, broadly unchanged from the previous month.

Headline inflation



Total Contributors in Section 33



Balance of Payments

Billion USD	2023 <sup>P</sup>	2024 <sup>P</sup>	2024 <sup>P</sup>				2025 <sup>P</sup>				
			Q1	Q2	Q3	Q4	Q1	Q2	May	Jun	YTD
Trade Balance	19.4	19.3	2.5	5.7	5.8	5.4	8.2	5.3	3.4	3.3	13.5
Exports (f.o.b.)	280.7	297.0	70.0	73.2	77.2	76.7	80.4	84.2	30.7	28.4	164.6
%YoY	-1.5	5.8	-0.5	4.3	8.9	10.6	15.0	15.0	18.5	16.1	15.0
Imports (f.o.b.)	261.4	277.8	67.5	67.5	71.4	71.3	72.3	78.9	27.3	25.1	151.2
%YoY	-3.8	6.3	2.6	0.8	11.3	10.7	7.1	16.8	19.2	13.8	11.9
Net Services, Income & Transfers	-12.0	-7.9	0.9	-4.5	-3.4	-0.9	2.9	-4.7	-3.7	-0.9	-1.8
Current Account	7.4	11.3	3.4	1.1	2.3	4.5	11.1	0.6	-0.3	2.4	11.7
Capital and Financial Account	-9.9	-14.1	-4.7	-2.3	0.3	-7.5	-10.0				
Overall Balance	2.6	12.4	1.8	2.1	7.0	1.5	3.4	4.8	0.4	1.1	8.2

Note: P = preliminary data E = estimated data  
Source: Bank of Thailand

# Quarterly Review of the Thai Economy

## Second Quarter of 2025

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**Thailand's economy in the second quarter** expanded at a pace comparable to the previous quarter, supported by robust merchandise exports. Growth in exports was primarily driven by electronics and machinery, reflecting increase in global demand for technology-related products. This was consistent with increased industrial production, particularly in semiconductors, as well as a rise in automotive manufacturing in response to passenger vehicle sales. Public expenditure continued to grow, underpinned by increased investment disbursements. Private investment also expanded, especially in machinery and equipment. However, tourism-related activities and private consumption, particularly in service categories, slightly slow down, in line with a decline in tourist arrivals from short-haul markets. Nonetheless, overall tourism revenue improved, supported by higher spending from long-haul international visitors.

**On the economic stability front**, headline inflation declined from the previous quarter, primarily due to lower energy prices in line with global crude oil prices, and a decrease in fresh food prices following a high base from vegetable and fruit prices in the same period last year. Core inflation slightly increases, driven by higher food prices. The current account surplus narrowed, as the deficit in the services, income, and transfers account widened, largely due to seasonal profit repatriation. Meanwhile, the labor market remained broadly stable compared to the previous quarter.

Bank of Thailand

31 July 2025

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