



KEY HIGHLIGHT

- Thailand's economy expanded in the fourth quarter, supported by improvements in both domestic and external demand, consistent with supply-side developments. In December, economic activity also increased from the previous month.
 - External demand** increased, driven by continued growth in merchandise exports across several categories, particularly electronics and agricultural products.
 - Domestic demand** increased, underpinned by higher **private consumption** and **private investment**, partially benefiting from government support measures, as well as an expansion in **central government spending**.
 - Supply-side conditions** improved, with the services sector expanding in line with trade and tourism activities. Manufacturing production also picked up, supported by both domestic and external demand, alongside factories that had temporarily shut down for process upgrades resuming normal production.
- Headline inflation became less negative**, mainly due to higher raw food prices. Meanwhile, core inflation remained positive but declined slightly compared to the previous month.
- Key issues to monitor:** (1) The impact of baht appreciation, (2) tightened business liquidity conditions, especially for SMEs, (3) the recovery of the manufacturing sector, and (4) the recovery in foreign tourist arrivals.



Thailand's economy in December expanded from the previous month, supported by higher merchandise exports, particularly technology-related and agricultural products. Private consumption, especially in services, improved following government support measures. Private investment also expanded, led by increased investment in machinery and equipment and vehicles, reflecting accelerated registrations of electric vehicles ahead of the expiration of the EV 3.0 scheme. These developments contributed to stronger activity in related service sectors. Industrial production increased in line with both domestic and external demand and the resumption of normal operations at previously temporary closed factories. However, tourism receipts declined due to fewer foreign tourist arrivals.

On the macroeconomic stability front, headline inflation was less negative, mainly due to rising fresh food prices, particularly vegetables, following flood-related supply disruptions. Core inflation remained positive but declined slightly from the previous month, reflecting lower prices pressures in public transportation fares, personal care products, and cleaning supplies. The current account recorded a surplus, supported by positive balances in trade as well as services, income, and transfers. Overall labor market conditions remained stable.

Overall, Thailand's economy in the fourth quarter expanded from the previous quarter, supported by stronger exports, particularly in electronics and electrical appliances, as well as higher tourism receipts in line with a gradual recovery in tourist arrivals. Domestic demand also improved, driven by increased private consumption and investment, and rising government spending. Service-sector activities expanded accordingly, while industrial production rebounded, supported by domestic and external demand and the resumption of operations at previously closed factories.

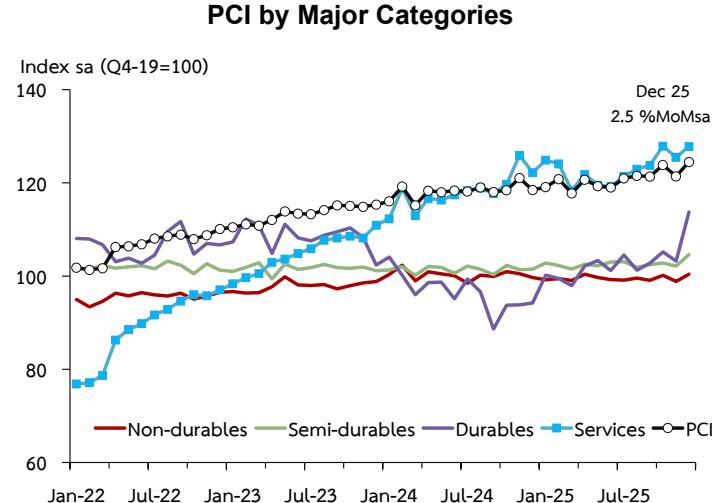
Thai Economic Conditions



Demand side indicators

Private consumption

Private consumption indicators, after seasonal adjustment, increased from the previous month across all categories. This reflected higher spending on 1) **services**, especially at hotels and restaurants, partly benefiting from government stimulus measures; 2) **durable goods**, driven by increased sales across all vehicle types, and from accelerated electric-vehicles purchases ahead of the expiration of the EV 3.0 scheme and the launch of new models at the Motor Expo; 3) **non-durable goods**, consistent with higher fuel sales and increased spending on consumer goods; and 4) **semi-durable goods**, supported by higher imports of textiles and apparel. Nevertheless, forward-looking momentum warrants close monitoring, given still-fragile purchasing power, the potential normalization of vehicle purchases following the sharp acceleration this month, and a decline in **consumer confidence** from the previous month.

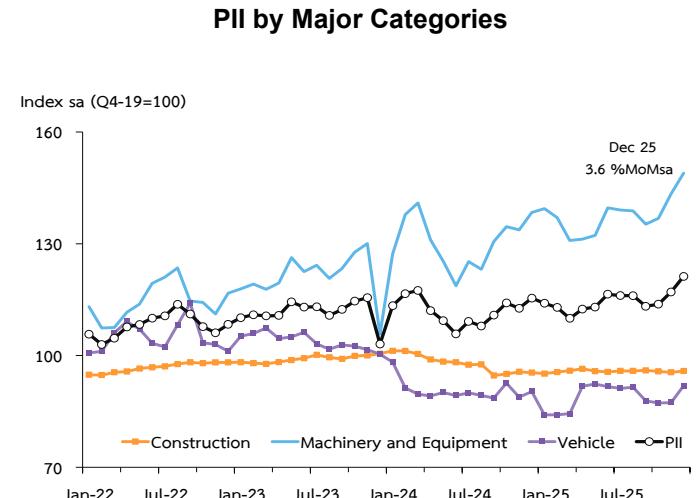


Note: PCI by category reflects domestic expenditures, including those by foreign tourists. However, the aggregate PCI excludes foreign tourist expenditures and includes Thai tourist expenditures abroad to accurately reflect Thai private consumption.

Source: Bank of Thailand

Private investment

Private investment indicators, after seasonal adjustment, expanded from the previous month across all categories. Investment in **machinery and equipment** increased, supported by higher domestic sales of machinery, particularly electrical equipment. Investment in **vehicles** also rose, reflecting higher vehicle registrations amid accelerated electric vehicle registrations ahead of the EV 3.0 scheme, alongside higher aircraft import values. **Construction** investment was unchanged. Non-residential construction increased in line with higher permitted construction areas within industrial zones, while residential construction declined due to lower permitted areas for townhouses and shophouses.



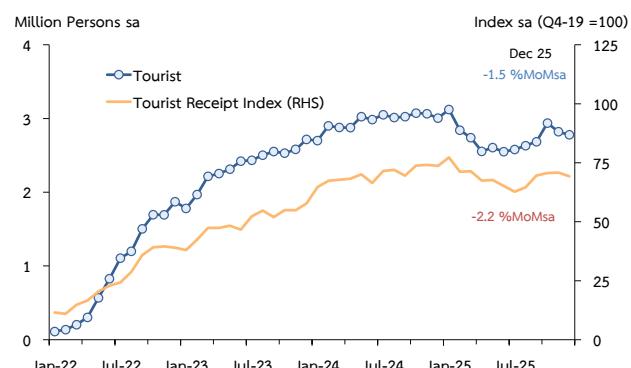
Note: Private Investment Indicators data for the first half of 2025 has been revised to reflect updated information and methodological refinements.

Source: Bank of Thailand

Foreign tourist arrivals and receipt

The number of foreign tourist arrivals, after seasonal adjustment, declined from the previous month, driven by weaker short-haul markets, particularly Malaysian tourists, who reduced travel amid flooding in the southern region, and Chinese tourists, whose arrivals softened after a strong increase in the previous month due to long holidays. However, long-haul tourists continued to expand, mainly from French and Russian tourists. **Tourism receipts, after seasonal adjustment, also contracted from the previous month**, in line with the slowdown in foreign tourist arrivals.

Number of Tourists and Tourism Receipt



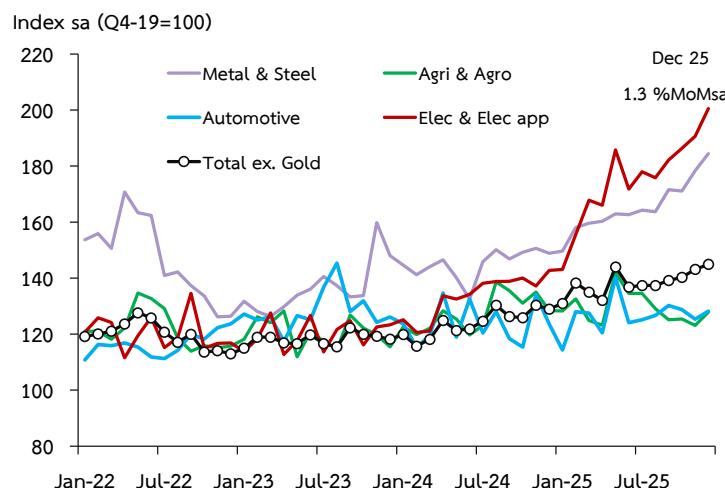
Note: Tourism receipt excludes health, education, excursionist and acquisition of goods and services by short-term workers and is subject to revision due to unstable seasonal adjustment.

Source: Ministry of Tourism and Sports, calculated by Bank of Thailand

Export Value

The value of merchandise exports, excluding gold and after seasonal adjustment, expanded from the previous month across several product categories. These included 1) **electrical appliances**, driven by higher exports of air conditioners to the U.S. and ASEAN; 2) **machinery and equipment**, reflecting increased exports of electrical static converters to the U.S.; 3) **electronics**, supported by higher shipments of telecommunications equipment to the U.S. and computers to China; and 4) **agricultural products**, following higher exports of durian and rubber to China. However, **petroleum** exports declined, in line with lower shipments to South Korea, China, and India.

Thai Export Classified by Products

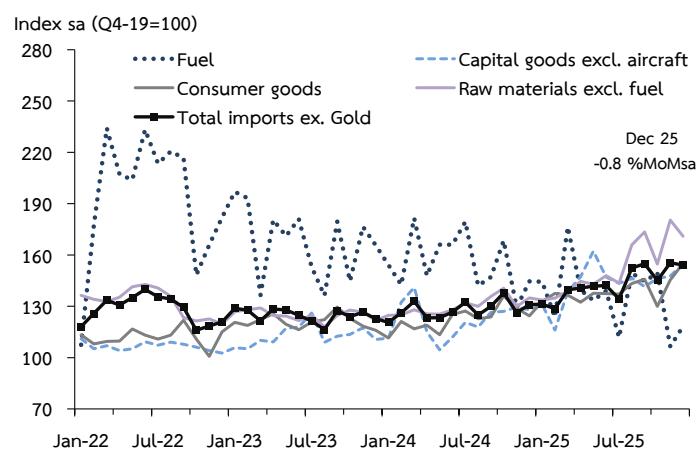


Source: Customs Department Ministry of Finance, calculated by Bank of Thailand

Import Value

The value of merchandise imports, excluding gold and after seasonal adjustment, declined from the previous month. The contraction was driven by lower imports of **raw materials and intermediate goods excluding fuel**, particularly electronic components and electrical appliances from Taiwan, following accelerated import activities in the previous month. However, imports of **consumer goods** increased, mainly due to higher imports of electric vehicles from China. **Capital goods excluding aircrafts** also increased following a rise in machinery imports from China. In addition, fuel imports rose in line with higher crude oil shipments from the Middle East.

Import Value Index



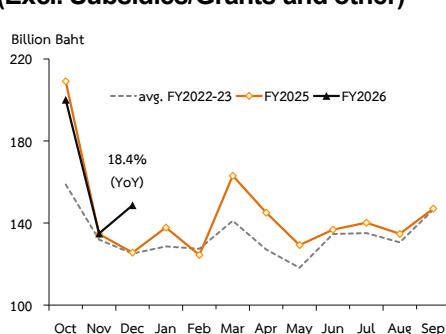
Note: Regrouping to include vehicle parts

Source: Customs Department, Ministry of Finance

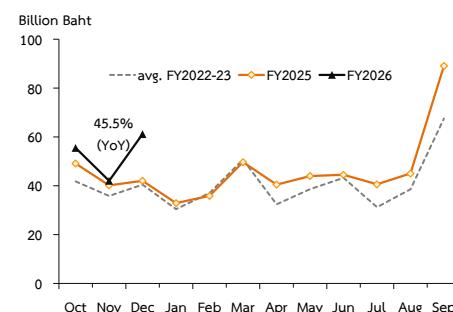
Fiscal position and public expenditure

Government expenditure expanded compared with the same period last year, driven by increases in both central government current and capital expenditure. Central government current expenditure rose mainly due to higher disbursements for pensions and salaries. Capital expenditure by the central government also increased, following the disbursement of rollover budgets under the 2025 central stimulus program. In contrast, capital spending by state-owned enterprises (SOEs) declined, primarily reflecting lower investment in public utilities and communications infrastructure.

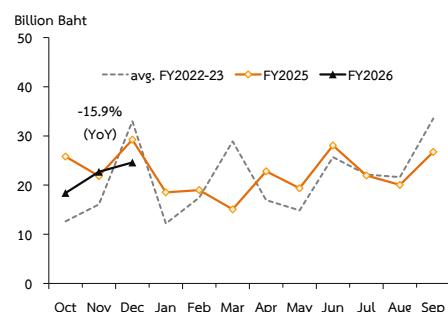
Central Government Current Expenditure (Excl. Subsidies/Grants and other)



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



State Owned Enterprises Capital Expenditure



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

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

Supply side indicators

Manufacturing sector

The manufacturing production index, after seasonal adjustment, increased from the previous month.

Production by firms with export share less than 30 percent rose, driven by higher petroleum output as refineries resumed normal operations following temporary shutdowns for maintenance and process upgrades. Production in firms with export share between 30-60 percent also increased, supported by higher production of passenger cars and pickup trucks in line with improving domestic and external demand. However, production in firms with an export share exceeding 60 percent declined, mainly due to lower output in the food and beverage category. This was particularly tied to sugar production, reflecting reduced sugarcane crushing volumes after harvest yields were adversely affected by heavy rainfall.

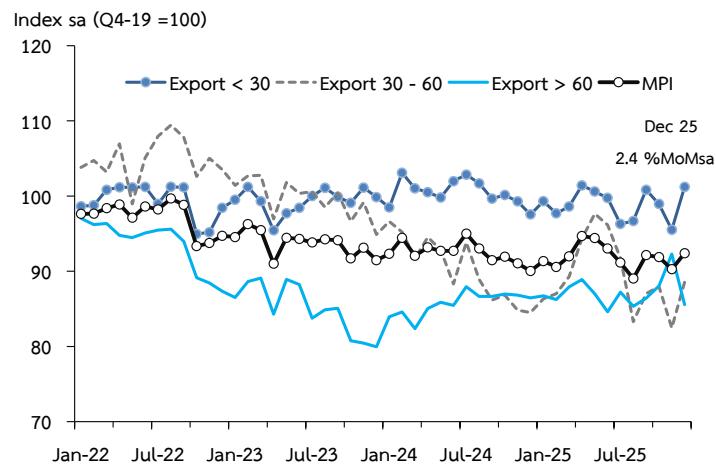
Service sector

Service sector indicators, excluding gold trading and after seasonal adjustment, increased from the previous month across all major categories. Trade-related activities expanded in line with higher imports of consumer goods and stronger vehicle sales, consistent with increased freight transportation. Tourism-related activities also improved, led by hotels and restaurants, supported by higher spending by Thai tourists, partly benefiting from government support measures.

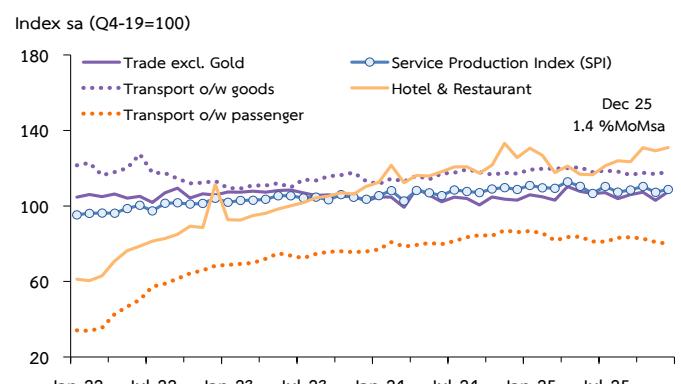
Agricultural sector

Farmers' income contracted compared with the same period last year, mainly due to lower agricultural prices. Prices of rubber and white rice declined amid high supply levels in both domestic and global markets. Agricultural production was broadly stable relative to the same period last year. Longan output contracted, as production had been brought forward earlier in the year due to favorable weather conditions, and due to a high base from the previous year when off-season longan harvesting was delayed. In contrast, output of rubber and oil palm continued to expand, supported by favorable weather conditions.

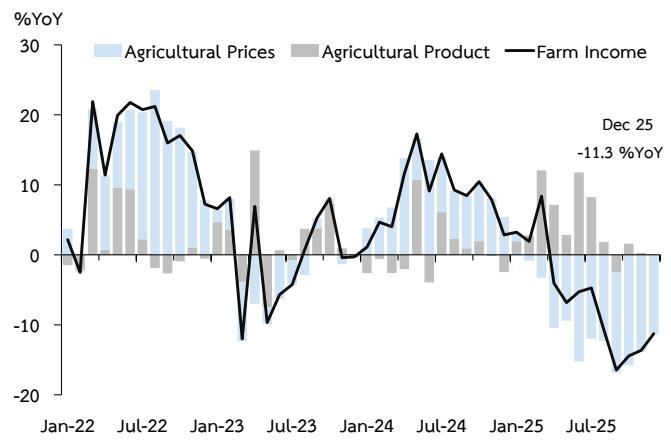
MPI Classified by Export Share



Service Production Index (SPI) by Sector



Nominal Farm Income



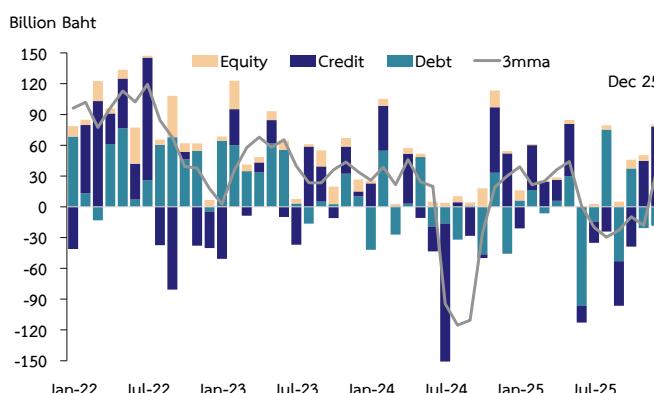
Monetary Conditions and Economic Stability



Corporate financing, interest rates and exchange rates

Overall corporate financing increased from the previous month, supported by higher net credit and equity financing. Net credit financing rose from firms in the manufacturing sector, particularly rubber and plastics and construction materials, as well as tourism-related service sectors, including transportation, spas, and massage services. The expansion was most notable, particularly among large firms. Equity financing also increased, driven by service-sector businesses, particularly in information technology and publishing, as well as the trade sector, mainly for capacity expansion, debt repayment, and working-capital purposes. However, debt financing declined, primarily from the financial and real estate sectors. Regarding the cost of debt financing, from 1 December 2025 to 26 January 2026, both short- and long-term Thai government bond yields increased on average, reflecting expectations that the anticipated policy rate cuts in Thailand would be delayed.

Changes in Total Corporate Financing



Note: Business credits : 1.) net changes in outstanding loans extended by other depositary 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

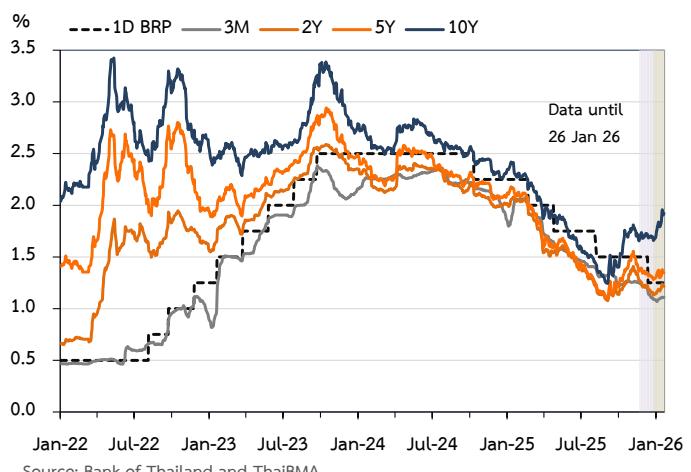
Debt : net changes in outstanding bonds (par value) excludes SOE and Rehabilitation bonds;

Equity : new issuance at par value

P = Preliminary Data

Sources: Bank of Thailand, ThaiBMA, SET

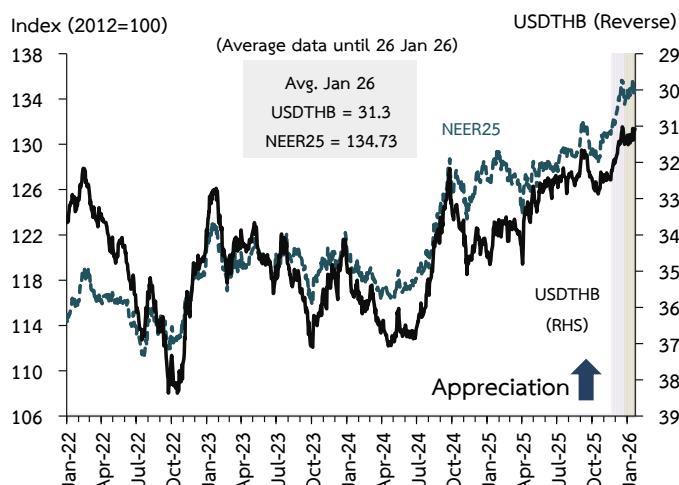
Government Bond Yields



Source: Bank of Thailand and ThaiBMA

The Thai baht appreciated against the U.S. dollar in December 2025 and January 2026 (data up to 26 January 2026), in line with expectations of continued monetary policy easing by the Federal Reserve, following weak economic and labor market data released in late November and early December. In addition, concerns over geopolitical factors contributed to the volatility in the U.S. dollar. The appreciation was also supported by Thai-specific factors, particularly the continued rise in gold prices. As a result, the Nominal Effective Exchange Rate (NEER) appreciated on average in December 2025 and January 2026 by more than those of Thailand's trading partners and competitors.

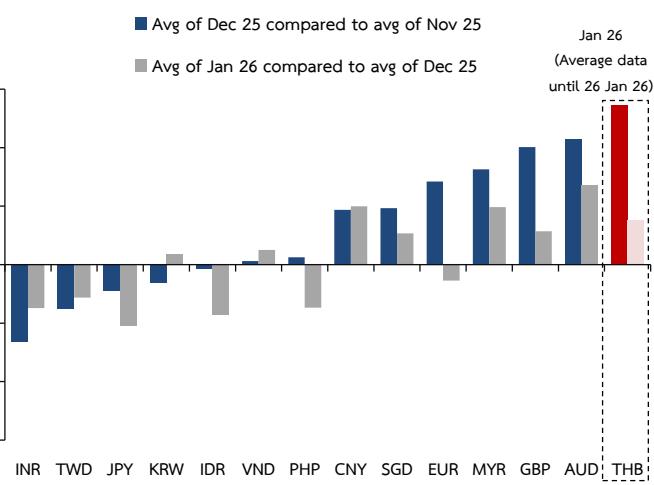
THB and NEER movements



Note: Monthly average rate

Source: Bloomberg, calculated by Bank of Thailand

Exchange rate movements compared with peers



Note: Avg-period data, + = Appreciation against USD

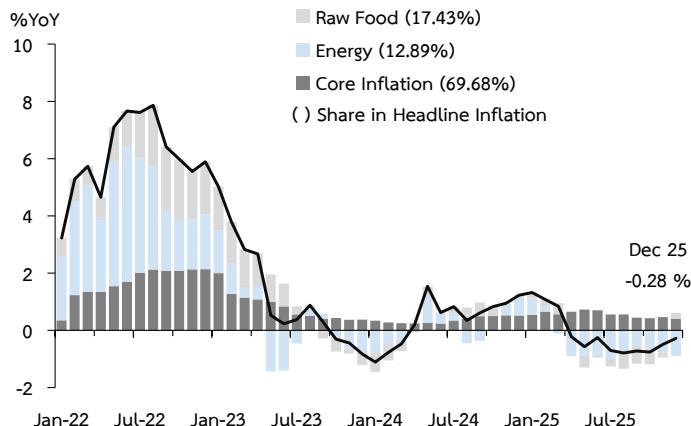
Source: Bloomberg, calculated by Bank of Thailand

Economic Stability



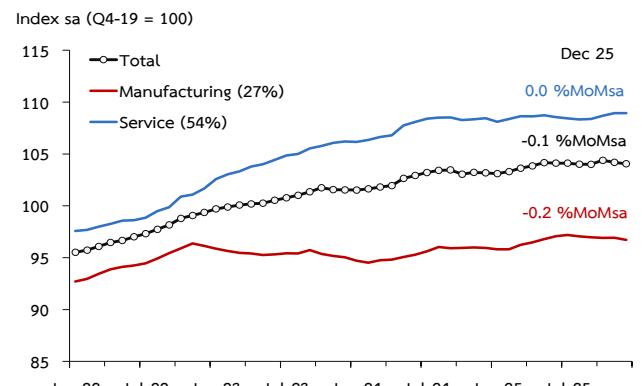
Headline inflation became less negative from the previous month, driven by fresh food prices, particularly vegetables, which increased following flood-related supply disruptions. **Core inflation** remained positive but moderated slightly, reflecting low price pressures in public transportation fares, personal care products, and cleaning supplies, while the prices of prepared food increased. **Labor market conditions** remained stable, reflected by the stable number of Section 33 insured employees, particularly in the service sector. However, employment in manufacturing continued to decline, especially in industries facing import competition. **The current account registered a surplus**, supported by positive balances in trade, services, income, and transfers accounts.

Headline inflation



Source: Ministry of Commerce, calculated by Bank of Thailand

Total Contributors in Section 33



Note: Section 33 refers to employees who are not less than 15 years of age and not more than 60 years. Manufacturing sector accounts for 27% of total contributors, while service sector accounts for 54% of total contributors.

Source: Social Security Office, calculated by Bank of Thailand

Balance of Payments

Billion USD	2024 ^P	2025 ^P	2025 ^P					
			Q1	Q2	Q3	Q4	Nov	Dec
Trade Balance	21.4	23.3	9.0	5.9	7.0	1.4	-0.2	2.7
Exports (f.o.b.)	297.3	335.1	80.7	84.1	86.2	84.0	26.9	28.8
%YoY	5.9	12.7	15.4	14.9	11.5	9.4	5.5	18.1
Imports (f.o.b.)	275.9	311.7	71.7	78.2	79.2	82.6	27.1	26.1
%YoY	5.5	13.0	6.2	15.8	12.2	17.5	17.3	18.0
Net Services, Income & Transfers	-9.7	-5.6	3.0	-4.4	-3.8	-0.5	-0.4	0.4
Current Account	11.6	17.7	12.1	1.5	3.2	0.9	-0.6	3.1
Capital and Financial Account	-6.6		-10.2	-0.4	-1.6			
Overall Balance	12.4	18.4	3.4	4.8	6.2	4.0	0.7	3.7

Note: P = Preliminary data
Source: Bank of Thailand

Bank of Thailand
30 January 2026

For further information, please contact: Macroeconomic Unit
Tel. +66 (0) 2283 5639, +66 (0) 2283 5647
E-mail: macroeconomic-epd@bot.or.th