



KEY HIGHLIGHT

- **The Thai economy in February softened from the previous month**, with activity moderating on both the demand and supply sides.
 - **On the demand side**, **merchandise exports excluding gold** declined in some categories following a strong expansion in the previous month, partly due to the unwinding of temporary factors. **Tourism receipts** also declined in line with lower **foreign tourist arrivals**. **Private consumption** also softened, after earlier front-loaded purchases of electric vehicles ahead of the expiry of the EV 3.0 scheme. However, **private investment** continued to grow. **Government spending** also expanded, driven by increases in both current and capital expenditures of the central government.
 - **On the supply side**, overall activity moderated, reflecting declines in both **services** and **manufacturing production**.
- **Headline inflation turned more negative**, mainly due to lower food prices, while core inflation remained positive and broadly stable compared to the previous month.
- **Key issues to monitor**: (1) developments in the Middle East conflict, (2) the adaptability of businesses and households, including government measures related to higher energy prices, and (3) changes in U.S. trade policy.

Economic Stability

Headline Inflation

-0.88%

Core Inflation

0.56%

from previous year

Current Account Balance

2.1

Billion USD



Private Consumption

-1.8%

from previous month



Private Investment

1.9%

from previous month



Government Expenditure (excl. Transfer)

11.4%

from previous year



Export Value (excl. gold)

-2.3%

from previous month



Import Value (excl. Gold)

-7.2%

from previous month



Number of Tourist Arrivals

-1.8%

from previous month

Thailand's economy in February softened from the previous month, reflecting weaker momentum in several key economic activities. Merchandise exports excluding gold declined, particularly petroleum and gems and jewelry, following a sharp acceleration in the previous month driven by temporary factors. Tourism receipts also decreased in line with a decline in long-haul tourist arrivals, after earlier strong inflows, including fewer tourists from the Middle East and Malaysia, partly due to the Ramadan period. Private consumption softened, mainly due to lower spending on durable goods, after accelerated purchases ahead of the expiration of the EV 3.0 scheme. Manufacturing production also decreased, particularly in petroleum due to scheduled refinery maintenance, and in electrical appliances amid high competition. These developments resulted in a contraction in related service sector activities, including trade, and hotels and restaurants. However, private investment continued to improve, driven mainly by investment in machinery and equipment. Government spending expanded from both current and capital expenditures of the central government.

On the economic stability front, headline inflation turned more negative, mainly due to lower fresh food prices, while energy prices remained stable. Core inflation remained positive and broadly stable from the previous month, as lower prices of food ingredients and prepared foods are offset by the increase in personal care prices. The current account recorded a surplus, mainly driven by a trade surplus.

Thai Economic Conditions



Demand side indicators

Private consumption

Private consumption indicators, after seasonal adjustment, decreased from the previous month, driven mainly by lower spending on **durable goods**, especially in passenger car sales, after front-loaded purchases ahead of the expiration of the EV 3.0 scheme. **Services spending** also declined, led by hotels and restaurants, consistent with lower foreign tourism receipts. Consumption of **non-durable goods** decreased, especially in consumer goods. However, **consumption of semi-durable goods** increased, supported by higher imports of textiles and apparel. **Consumer confidence** continued to improve, supported by expectations surrounding the formation of the new government and anticipated policy measures.

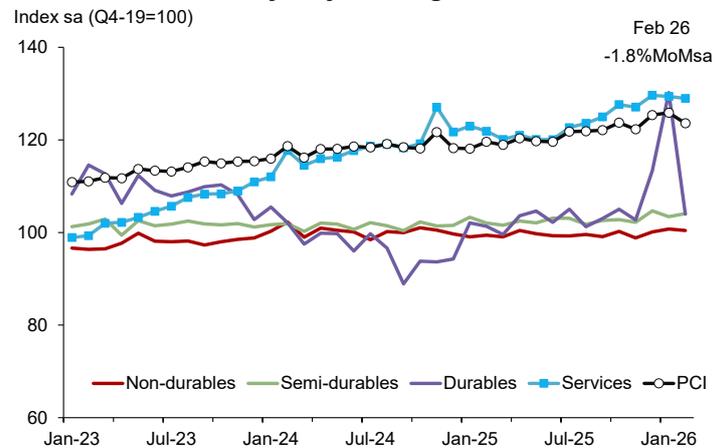
Private investment

Private investment indicators, after seasonal adjustment, increased from the previous month, driven mainly by higher investment in machinery and equipment as well as construction. Investment in **machinery and equipment** increased, supported by higher net imports of capital goods, particularly computers, despite a decline in domestic machinery sales. **Construction** investment also expanded, led by higher non-residential construction, in line with an increase in permitted construction areas, especially for business and commercial buildings. Residential construction also increased. In contrast, investment in **vehicles** declined, following lower vehicle registrations, especially electric vehicles, after the expiration of the EV 3.0 scheme, along with a decrease in aircraft import values.

Foreign tourist arrivals and receipt

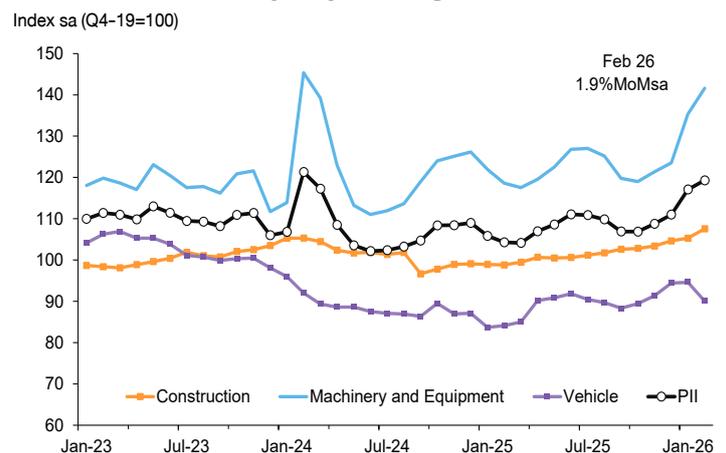
The number of foreign tourist arrivals, after seasonal adjustment, declined from the previous month, driven mainly by a decrease in long-haul tourists following strong arrivals in the earlier period. Tourist arrivals from the Middle East and Malaysia also declined, following the onset of Ramadan period. However, arrivals from China increased, supported by travel during the Chinese New Year festival. **Tourism receipts**, after seasonal adjustment, also declined in line with the lower number of foreign tourists.

PCI by Major Categories



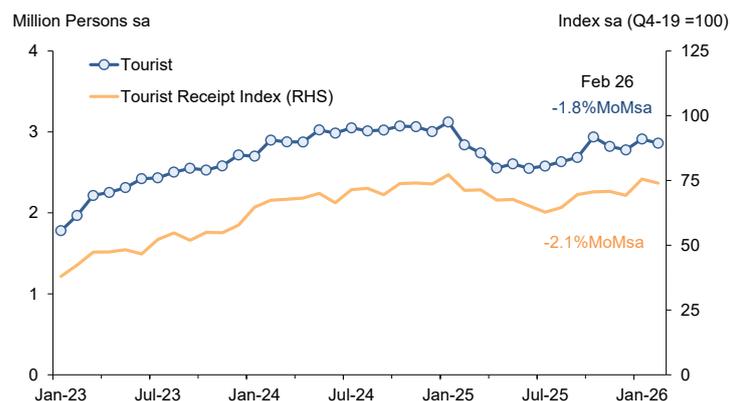
Note: PCI by category reflects domestic expenditures, including those by foreign tourists. However, the aggregate PCI excludes foreign tourist expenditures and includes Thai tourist expenditures abroad to accurately reflect Thai private consumption.
Source: Bank of Thailand

PII by Major Categories



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

Number of Tourists and Tourism Receipt

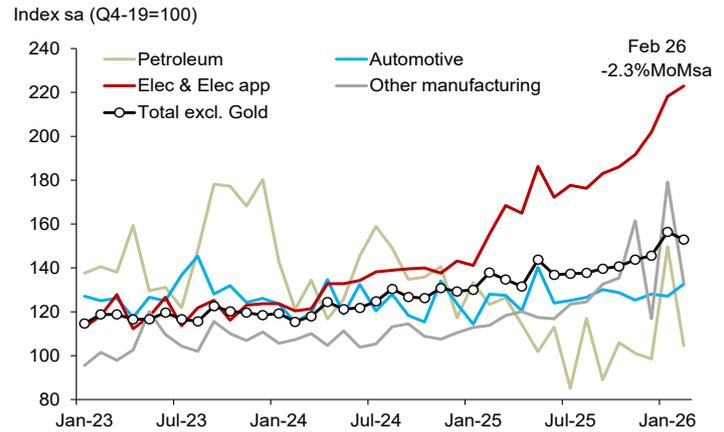


Note: Tourism receipt excludes health, education, excursionist and acquisition of goods and services by short-term workers and is subject to revision due to unstable seasonal adjustment
Source: Ministry of Tourism and Sports, calculated by Bank of Thailand

Export Value

The value of merchandise exports, excluding gold and after seasonal adjustment, decreased from the previous month, driven mainly by lower exports of **petroleum products** to ASEAN and **gems and jewelry** to India after a sharp acceleration in the previous month. However, **electronics** exports increased, particularly computer parts and telecommunications equipment to China and the U.S., as well as electronic circuits and components to Hong Kong. In addition, export of **automotive and auto parts** increased, led by higher shipments of passenger cars to Australia and commercial vehicles to Australia and the Middle East.

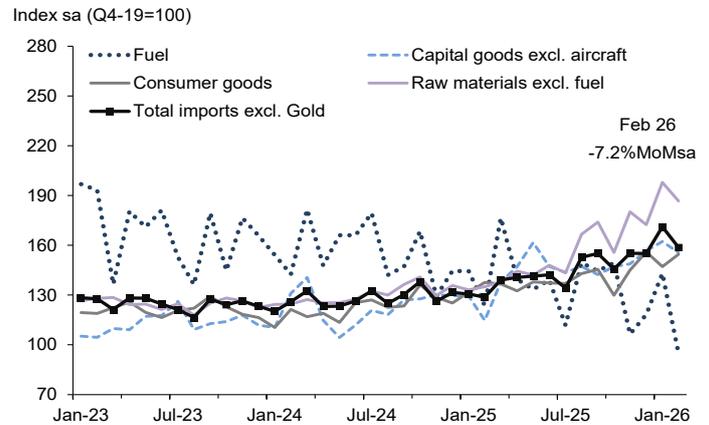
Thai Export Classified by Products



Import Value

The value of merchandise imports excluding gold, after seasonal adjustment, decreased from the previous month, driven mainly by three categories. (1) **Fuel** imports declined, particularly crude oil, natural gas, and coal, due to lower import volumes. (2) **Imports of raw materials and intermediate goods excluding fuel** declined, following lower imports of electronic parts and electrical appliances from Taiwan after an acceleration in the previous month. (3) Imports of **capital goods excluding aircraft** decreased, led by lower imports of machinery from various countries and computers from China, after earlier front-loaded shipments. However, imports of **consumer goods** increased, driven by higher imports of jewelry from Japan, Hong Kong, and the U.S., partly for sale at a jewelry exhibition in Thailand.

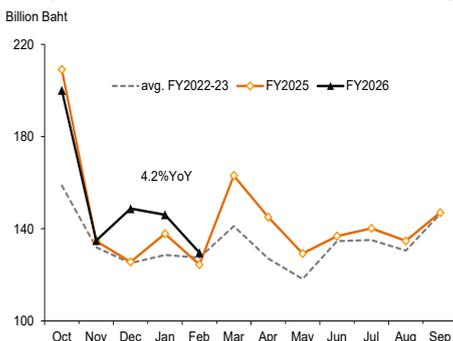
Import Value Index



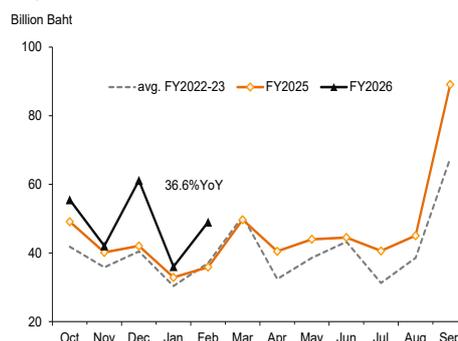
Fiscal position and public expenditure

Government expenditure expanded from the same period last year, driven by both current and capital expenditures of the central government. Current expenditure rose, following higher disbursements for pensions, medical expenses, and salaries of government officials. Capital expenditure also expanded, following higher disbursements by transportation agencies and rollover budget spending, particularly under the FY2025 economic stimulus program. However, investment expenditure by state-owned enterprises (SOEs) contracted, due to lower investment in infrastructure.

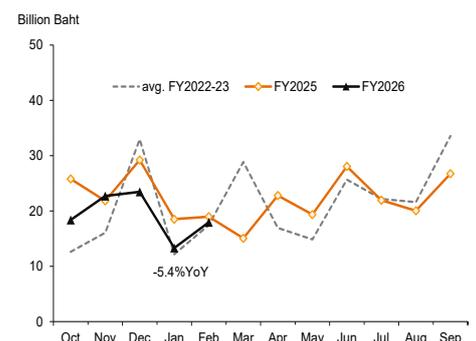
Central Government Current Expenditure (Excl. Subsidies/Grants and other)



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

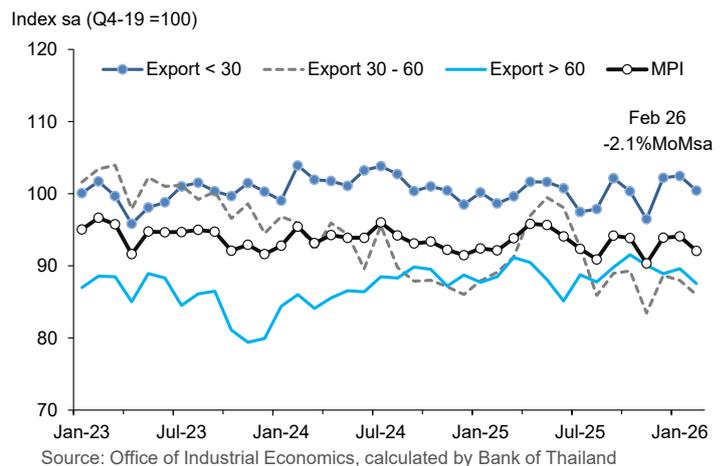
Source: Comptroller General's Department, Fiscal Policy Office, GFMS-SOEs and Bank of Thailand



Manufacturing sector

The manufacturing production index, after seasonal adjustment, declined from the previous month across all categories. Production by firms with export shares below 30 percent declined, following a temporary shutdown for scheduled refinery maintenance. Production in firms with export share between 30–60 percent also declined, led by automobiles after earlier acceleration to support electric vehicle demand. Meanwhile, production in firms with export shares exceeding 60 percent declined, driven by air conditioners amid high inventory levels, partly reflecting weaker demand and intense competition. However, production increased in some categories, including rubber and plastics, food and beverages, and construction materials.

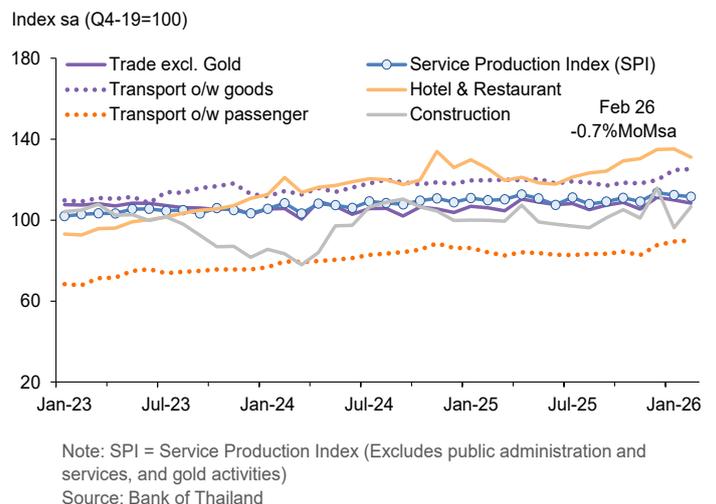
MPI Classified by Export Share



Service sector

Service sector indicators, excluding gold trading and after seasonal adjustment, declined from the previous month. Trade activity softened, following lower sales of manufactured products and vehicles. Tourism-related activities, particularly in hotels and restaurants, also declined, in line with lower foreign tourist arrivals and tourism receipts, despite an increase in domestic tourists. However, transportation activity edged up, driven by passenger transport, consistent with a higher number of Thai tourists and increased daily travel activities. Meanwhile, construction activity increased in both public and private construction.

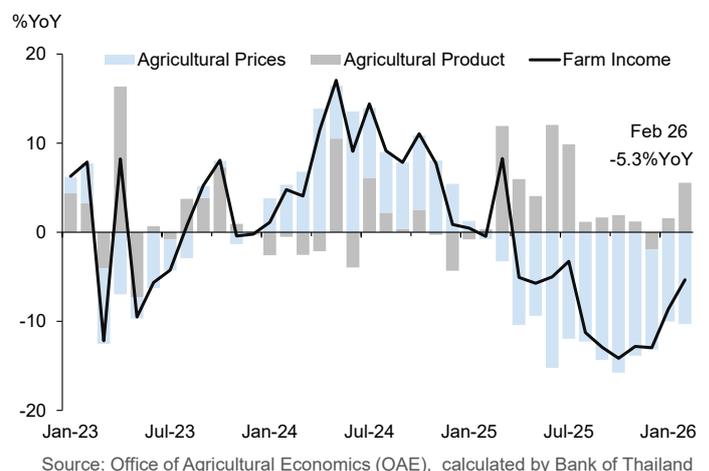
Service Production Index (SPI) by Sector



Agricultural sector

Farmers' income contracted from the same period last year, primarily due to continued declines in agricultural prices, including rubber, pork, palm oil, and white rice, amid ample domestic and global supply, despite a modest recovery in rubber demand from China. Agricultural output, however, increased, supported by higher oil palm and sugarcane production due to favorable weather conditions and a delayed sugarcane harvest following heavy rainfall.

Nominal Farm Income



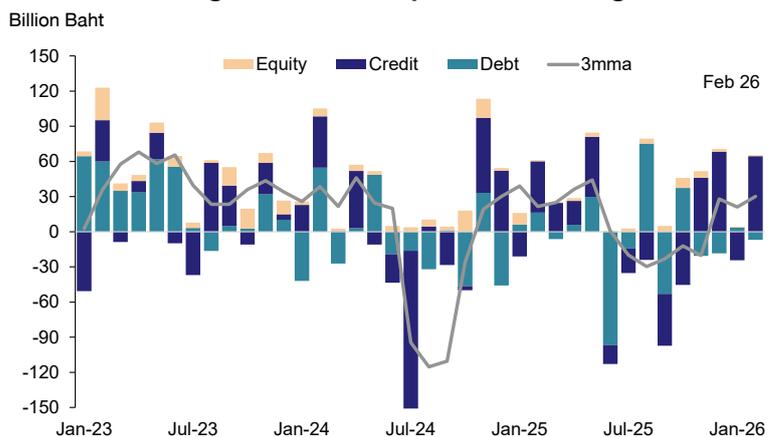
Monetary Conditions and Economic Stability



Corporate financing, interest rates and exchange rates

Overall corporate financing increased from the previous month, driven mainly by higher net credit financing. **Net credit financing** rose in the food manufacturing and trade sectors. **Equity financing** also increased, supported by additional share issuance by a software services firm, mainly for working-capital purposes. However, debt financing declined, particularly among firms in the technology and construction sectors. Regarding **the cost of debt financing**, both short- and long-term Thai government bond yields declined as of the end of February 2026, following the policy rate cut. However, as of March 25, 2026, short- and long-term Thai government bond yields increased, in line with yield movements in major economies, reflecting changes in market expectations on the monetary policy outlook amid rising inflationary pressures from higher global energy prices.

Changes in Total Corporate Financing

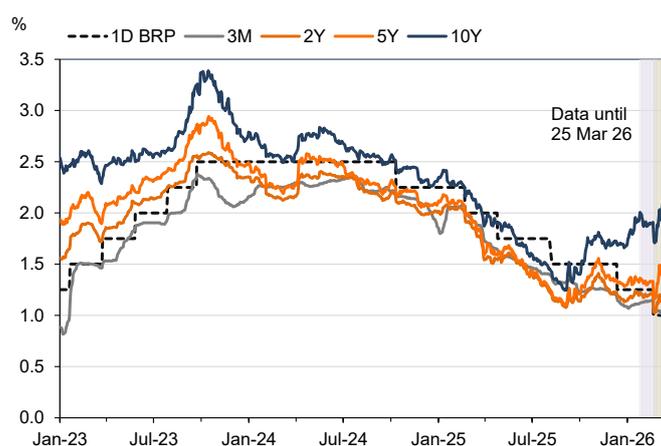


Note: Business credits : 1.) net changes in outstanding loans extended by other depository corporations, other financial corporations, non-residents and others;
2.) excluded the effect of FX valuation change
3.) there is an adjustment of Oct-24 datapoint for 3 financial institutions using BOT's new reporting 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

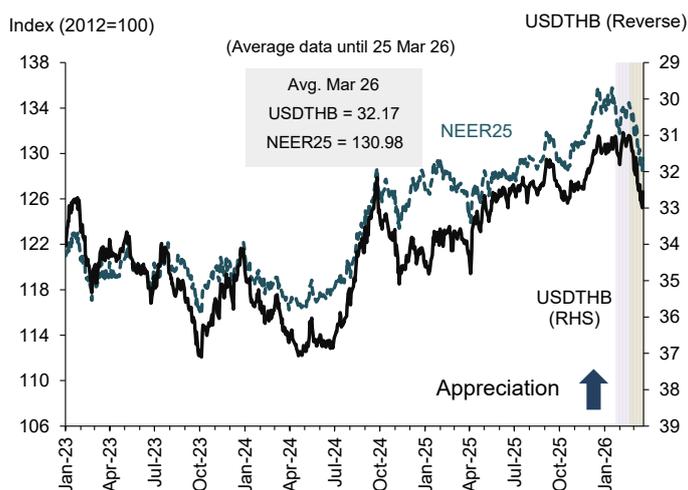
Government Bond Yields



Source: Bank of Thailand and ThaiBMA

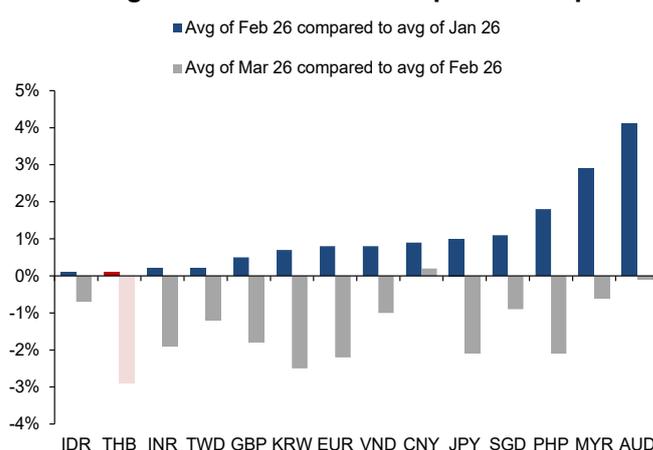
The Thai baht appreciated slightly against the U.S. dollar in February 2026. The baht appreciated in early February, supported by improved domestic political sentiment after the election, before depreciating in late February and weakening further through March 2026 (data up to 25 March 2026). The depreciation reflected the appreciation of the U.S. dollar, as markets scaled back expectations of U.S. Federal Reserve interest rate cuts amid rising inflationary pressures from higher global energy prices following the Middle East conflict. **The Nominal Effective Exchange Rate (NEER)** depreciated on average in February and March 2026, more than those of regional peers, due to market concerns over Thailand's relatively high reliance on oil imports with more than half sourced from the Middle East.

THB and NEER movements



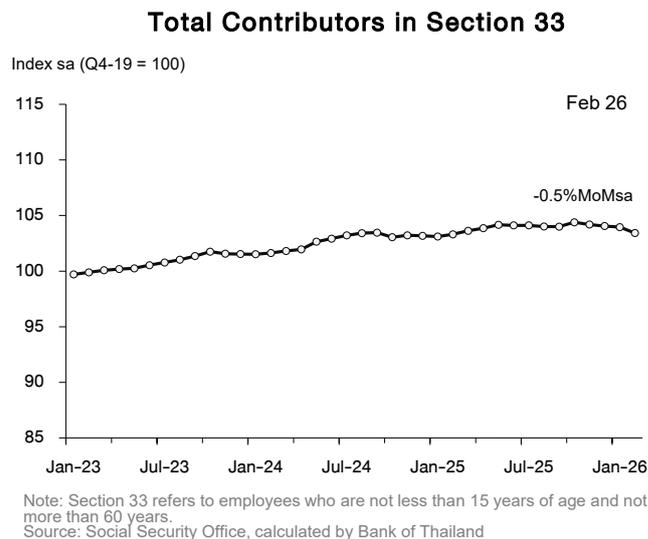
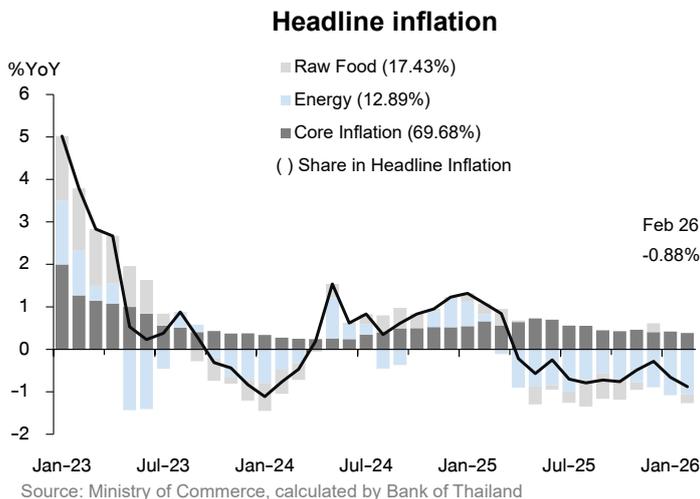
Note: Monthly average rate
Source: Bloomberg, calculated by Bank of Thailand

Exchange rate movements compared with peers



Economic Stability

Headline inflation became more negative from the previous month, driven mainly by lower raw food prices, particularly vegetables and meat, following higher output. Energy prices remained negative and broadly stable. Core inflation remained positive and broadly unchanged, as the decline in food ingredients and prepared food prices was offset by an increase in personal care prices due to lower promotions. The labor market weakened from the previous month, as reflected by a decline in the number of Section 33 insured employees. The **current account registered a larger surplus**, supported by a wider trade surplus following lower import values. The surplus in services, income, and transfers also increased, following lower profit repatriation abroad and higher transfer receipts.



Balance of Payments

Billion USD	2024	2025 ^R	2025 ^R				2026 ^P		
			Q1	Q2	Q3	Q4	Jan ^R	Feb	YTD
Trade Balance	21.4	23.3	9.0	5.9	7.0	1.4	-0.7	0.6	-0.2
Exports (f.o.b.)	297.3	335.1	80.7	84.1	86.2	84.0	31.0	29.3	60.4
%YoY	5.9	12.7	15.4	14.9	11.5	9.4	23.6	10.6	16.9
Imports (f.o.b.)	275.9	311.7	71.7	78.2	79.2	82.6	31.8	28.7	60.5
%YoY	5.5	13.0	6.2	15.8	12.2	17.5	30.1	31.7	30.8
Net Services, Income & Transfers	-9.7	-7.4	3.0	-4.4	-4.2	-1.9	1.3	1.5	2.8
Current Account	11.6	15.9	12.1	1.5	2.7	-0.4	0.5	2.1	2.6
Capital and Financial Account	-6.6	-11.7	-10.2	-0.4	-0.9	-0.2			
Overall Balance	12.4	18.4	3.4	4.8	6.2	4.0	2.2	0.4	2.6

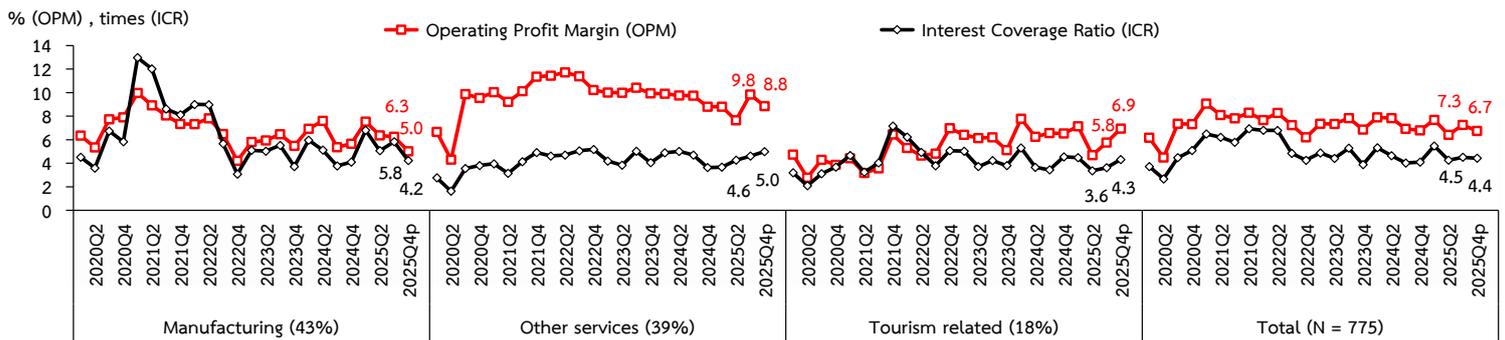
Note: P = Preliminary data, R = Revision
Source: Bank of Thailand

Stability and financial condition of corporate sector (4Q 2025)

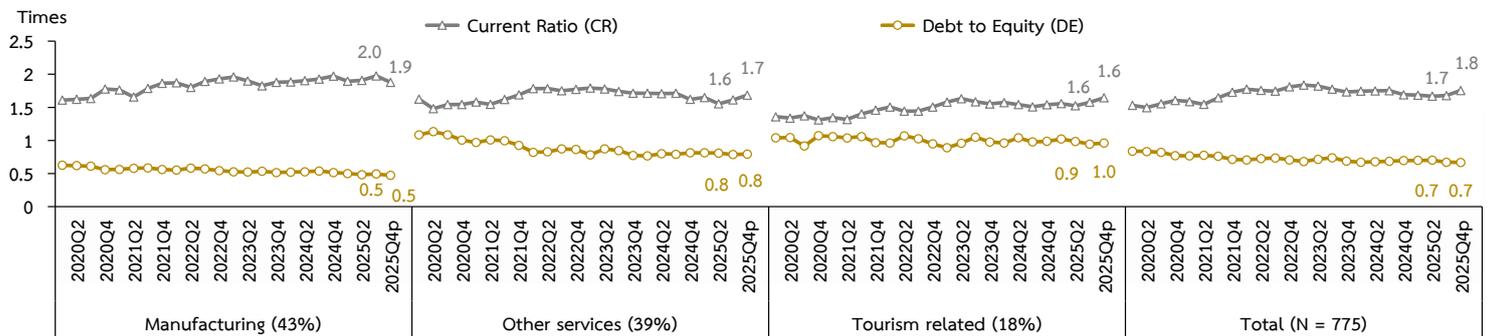


The overall performance of non-financial companies listed on the Stock Exchange of Thailand (SET) and the Market for Alternative Investment (mai) declined from the previous quarter. Operating Profit Margin (OPM) decreased from 7.3 percent to 6.7 percent, reflecting weaker profitability across all manufacturing sectors and non-tourism-related service sectors. **Debt serviceability**, however, remained stable, with the Interest Coverage Ratio (ICR) holding at 4.4. In terms of **liquidity and leverage** conditions also remained broadly stable, with the Current Ratio (CR) and Debt-to-Equity Ratio (DE) remaining at 1.8 times and 0.7 times, respectively.

Operating Profit Margin and Interest Coverage Ratio by Sectors



Current Ratio and Debt to Equity by Sectors



Note: OPMt = EBIT/Revenue x 100 | ICRt = EBIT/Interest Expenditure | CRt = Current assets/Current liabilities | DET = Liabilities/Equities. The solid line represents the value at p50.

Source: Stock Exchange of Thailand database (SETSMART), calculated by the Bank of Thailand.

Bank of Thailand
31 March 2026

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