



KEY HIGHLIGHT

No. 42/2026

- **The Thai economy improved overall in September from the previous month**, driven by continued growth in merchandise exports and private investment, supported by the global technology and artificial intelligence (AI) cycle and investment in data centers in Thailand. Meanwhile, tourism-related activities weakened, in line with declines in both Thai and foreign tourist arrivals. Private consumption moderated, mainly in the services category, as elevated cost of living continued to weigh on consumer spending.
- **The Thai economy improved in the third quarter compared to the previous quarter**, driven mainly by continued growth in merchandise exports as supported by the global AI cycle. Domestic demand also improved, driven by both private investment, particularly in machinery and equipment, as well as higher private consumption, partly supported by government measures. However, tourism-related activities softened in line with lower foreign tourist arrivals, particularly from short-haul markets.
- **Headline inflation increased in September**, driven by higher energy prices in line with rising global oil prices following renewed tensions in the Middle East. Meanwhile, fresh food and **core inflation remained broadly stable** from the previous month.
- **Key issues to monitor:** (1) the durability of the global technology and AI cycle, (2) developments in geopolitical conflicts and international trade protectionist policies, (3) the recovery of the tourism sector, and (4) the impact of flooding and El Niño.

Economic Stability

Headline Inflation

2.82 %

from previous year

Core Inflation

1.50%

from previous year

Current Account Balance

-1.6

Billion USD



Private
Consumption

-2.2%

from previous month



Private
Investment

21.6%

from previous month



Government
Expenditure
(excl. Transfer)

-0.9%

from previous year



Export Value
(excl. gold)

3.7%

from previous month



Import Value
(excl. Gold)

13.6%

from previous month



Number of
Tourist Arrivals

-6.3%

from previous month

The Thai economy improved overall in September from the previous month. Merchandise exports excluding gold increased markedly, driven by electronics exports amid the global technology and AI cycle. Private investment also accelerated significantly, in line with higher imports of data processing equipment related to data centers, which was also reflected in a corresponding increase in manufacturing production. In the tourism sector, foreign tourism receipts increased from the previous month, supported by longer average stays, despite a decline in foreign tourist arrivals, particularly from short-haul markets where demand weakened following the end of the summer school holiday period. Higher travel costs amid rising oil prices also weighed on demand. Meanwhile, private consumption moderated, mainly due to weaker services consumption, particularly spending on hotels and restaurants, reflecting more cautious consumer spending due to elevated cost of living. As a result, tourism-related services activity also slowed. Government spending contracted, following lower disbursements by both the central government and state-owned enterprises.

On the economic stability front, headline inflation increased from the previous month, driven by higher energy prices following increases in domestic retail oil prices, in line with rising global crude oil prices amid renewed tensions in the Middle East. Meanwhile, fresh food inflation and core inflation remained broadly stable from the previous month. The current account registered a deficit, mainly due to a deficit in the services, income, and transfers balance. Overall labor market conditions remained stable. However, the increase in the number of unemployment benefit claimants warrants close monitoring.

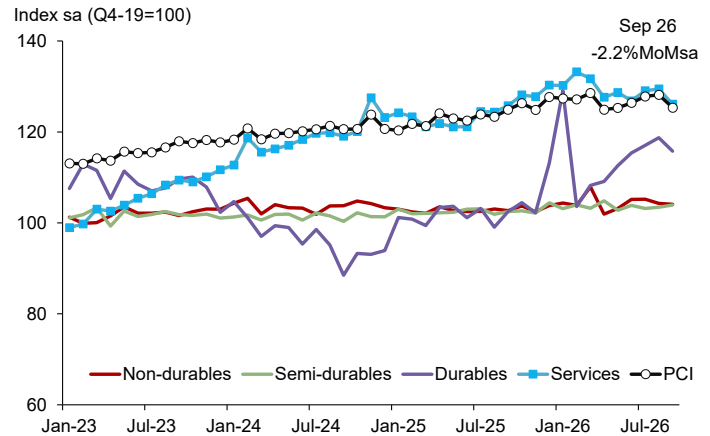
Thai Economic Conditions

Demand Side Indicators

Private Consumption

Private consumption indicators, after seasonal adjustment, declined from the previous month, mainly driven by weaker spending in the **services category**, particularly on hotels and restaurants, in line with the decline in domestic tourism activities. Spending on **durable goods** also decreased, reflecting lower sales of passenger cars and pickup trucks. Meanwhile, spending on **non-durable goods** edged down, as fuel sales declined in line with higher domestic fuel prices, alongside lower sales of consumer goods and alcoholic beverages. However, spending on **semi-durable goods** increased, supported by higher imports of textiles and apparel. **Consumer confidence** declined, reflecting concerns over the impact of flooding toward the end of the month, amid elevated living costs and household debt burdens, as well as uncertainties surrounding geopolitical tensions and global trade policies.

PCI by Major Categories

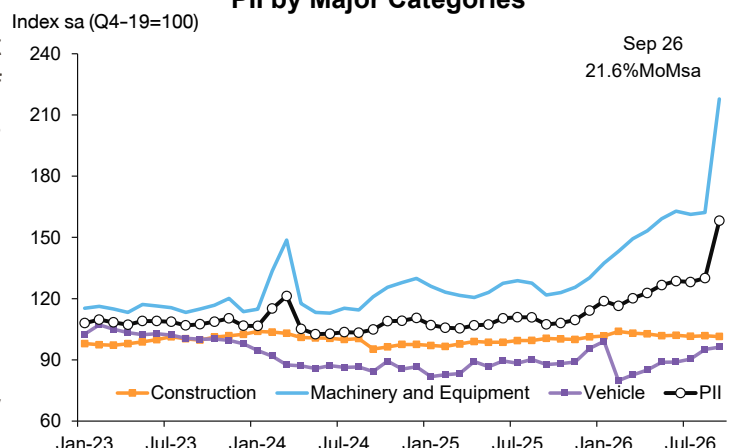


Note: PCI by category reflects domestic expenditures, including those by foreign tourists. However, the aggregate PCI excludes foreign tourist expenditures and includes Thai tourist expenditures abroad to accurately reflect Thai private consumption.
Source: Bank of Thailand

Private Investment

Private investment indicators, after seasonal adjustment, accelerated from the previous month, particularly investment in **machinery and equipment**, driven by higher imports of automatic data processing machines and digital processing units related to investment in AI and data centers. Part of this increase reflected the delivery cycle of equipment for some businesses. Investment in the **vehicles** category also increased, in line with higher registrations of passenger cars and motorcycles. However, investment in **construction** declined, reflecting lower residential construction, particularly single-detached houses and townhouses, while non-residential construction remained broadly stable.

PII by Major Categories

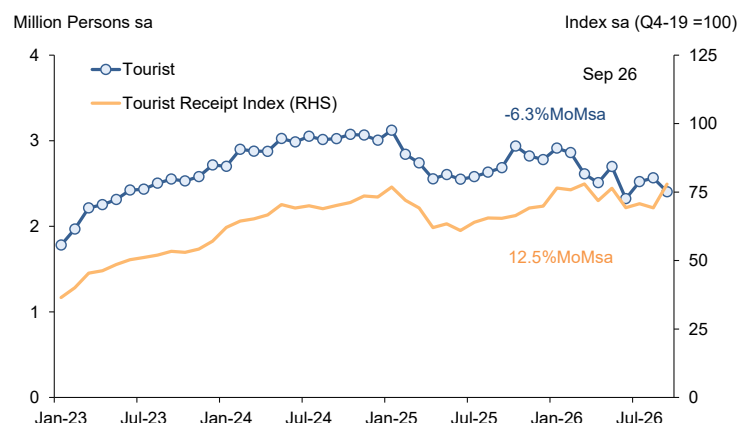


Note: Private Investment Indicators data for the first half of 2025 has been revised to reflect updated information and methodological refinements.
Source: Bank of Thailand

Foreign Tourist Arrivals and Receipts

The number of foreign tourist arrivals, after seasonal adjustment, declined from the previous month, driven mainly by lower arrivals from several short-haul markets amid flight constraints and higher travel costs. Malaysian tourist arrivals also declined amid safety concerns following unrest along Thailand's southern border. Chinese and long-haul tourist arrivals also declined following the end of the summer holiday period. Nevertheless, **foreign tourism receipts, after seasonal adjustment, increased from the previous month**, driven by higher spending per trip as average length of stay increased, consistent with an increase in the share of long-haul tourists in total 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, after seasonal adjustment, increased from the previous month, driven mainly by higher exports of **electronics and electrical appliances**, particularly telecommunications equipment and computers to the U.S., supported by the global technology and AI cycle. Exports of **gems and jewelry** also increased temporarily, reflecting shipments for trade exhibitions in Hong Kong. Exports of **automotive products and parts** also increased, driven by higher passenger car exports to Australia and Japan, as well as tire exports to the U.S. However, exports of some categories declined, including **machinery and equipment**, following lower exports of electrical transformers to the U.S.; **agricultural products**, due to lower durian exports to China; and **petroleum products**, reflecting lower diesel exports to Malaysia and Vietnam.

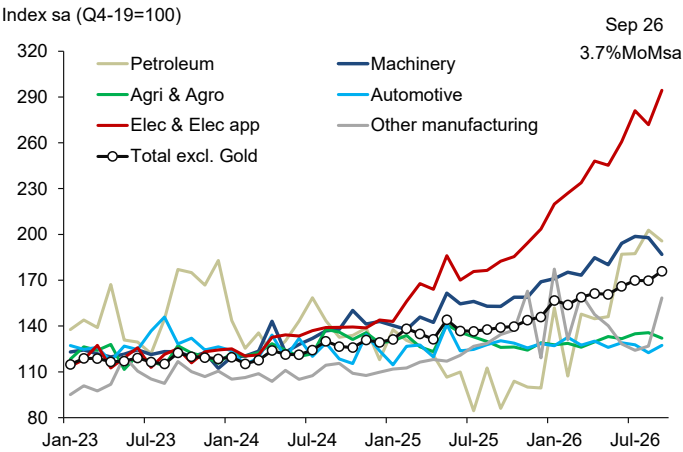
Import Value

The value of merchandise imports excluding gold, after seasonal adjustment, increased markedly from the previous month, driven by higher imports of **raw materials and intermediate goods**, particularly electronic components and electrical appliances from Taiwan. Imports of **consumer goods** also increased, reflecting higher imports of mobile phones and vehicles from China. Meanwhile, imports of **capital goods excluding aircraft** increased, following higher imports of computers as well as machinery and equipment from China. However, **fuel** imports declined, following lower volumes of crude oil imports from the U.S. and the Middle East.

Public Expenditure

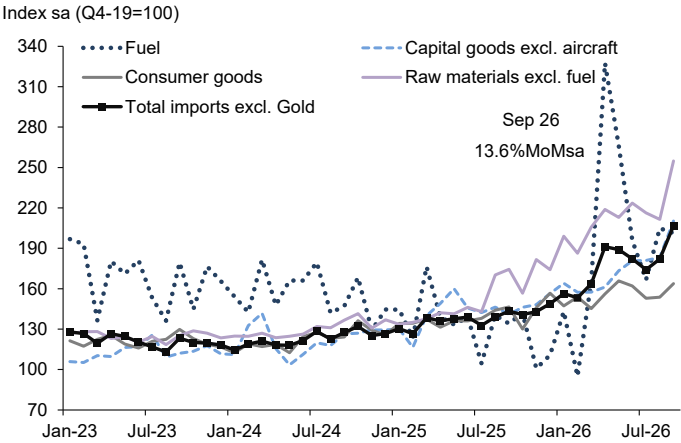
Government spending contracted from the same period last year, reflecting lower disbursements by both the central government and state-owned enterprises. Current expenditure of the central government declined due to lower disbursements for civil servants' medical benefits. Capital expenditure of the central government contracted due to a high base from accelerated disbursements under the FY2025 central budget for economic stimulus. Capital expenditure by state-owned enterprises also contracted, mainly due to lower investment disbursements for infrastructure investment in public utilities and transportation projects.

Thai Export Classified by Products



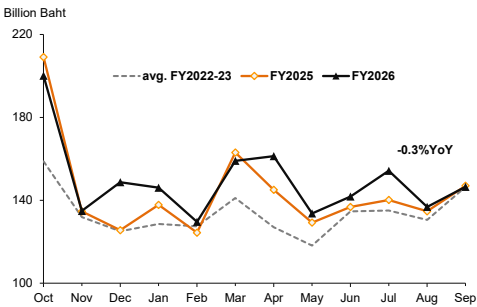
Source: Customs Department Ministry of Finance, calculated by Bank of Thailand

Import Value Index

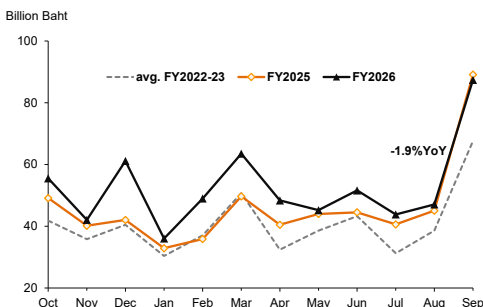


Note: Regrouping to include vehicle parts
Source: Customs Department, Ministry of Finance

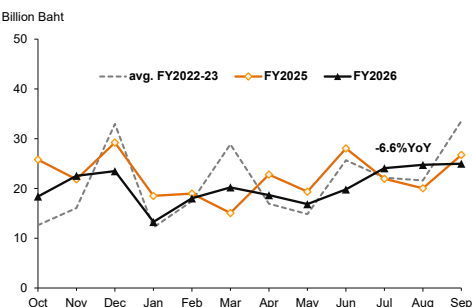
Central Government Current Expenditure (Excl. Subsidies/Grants and other)



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



State Owned Enterprises Capital Expenditure



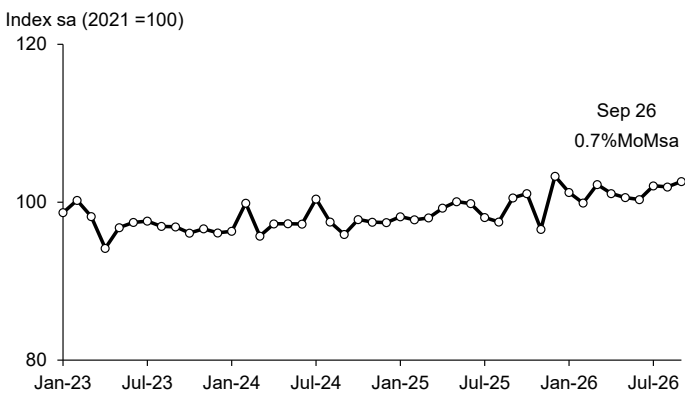
Note: * Excluded expenditure from 1 trillion and 500 billion Baht Emergency Decree loans.
Source: Comptroller General's Department, Fiscal Policy Office, GFMS-SOEs and Bank of Thailand

Supply Side Indicators

Manufacturing Sector

The **Manufacturing Production Index (MPI)**, after seasonal adjustment, increased from the previous month, driven mainly by higher production of electronics, supported by the global technology and AI cycle. Meanwhile, automotive production declined, particularly for pickup trucks, in line with lower pickup truck sales. Steel production also decreased due to inventory destocking from elevated stock levels.

Manufacturing Production Index (MPI)

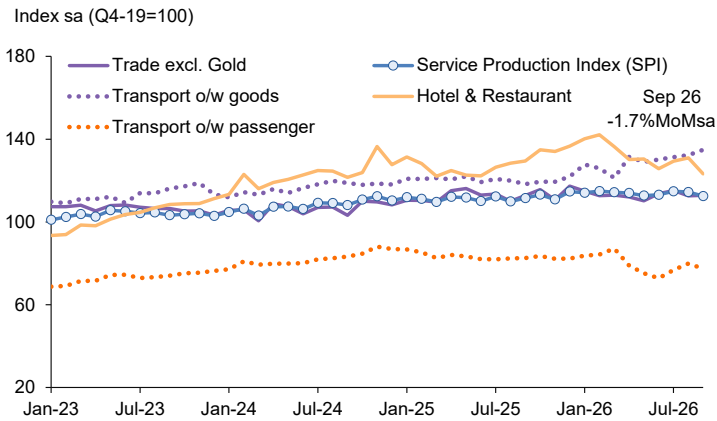


Note: New MPI series has been revised back to January 2021 following the Office of Industrial Economics's update (base year at 2021), with expanded coverage of key electronics products and manufacturers, and calculated by chain link approach.
Source: Office of Industrial Economics, calculated by Bank of Thailand.

Service Sector

Service sector indicators excluding gold-related activities, after seasonal adjustment, declined from the previous month, mainly driven by weaker tourism-related activity, including hotels and restaurants as well as passenger transportation, in line with lower numbers of both Thai and foreign tourists. However, activity in the trade sector remained broadly stable from the previous month, with domestic sales of manufacturing goods increasing while vehicle sales declined. Meanwhile, freight transport activity increased from the previous month, in line with higher merchandise exports and imports.

Service Production Index (SPI) by Sector



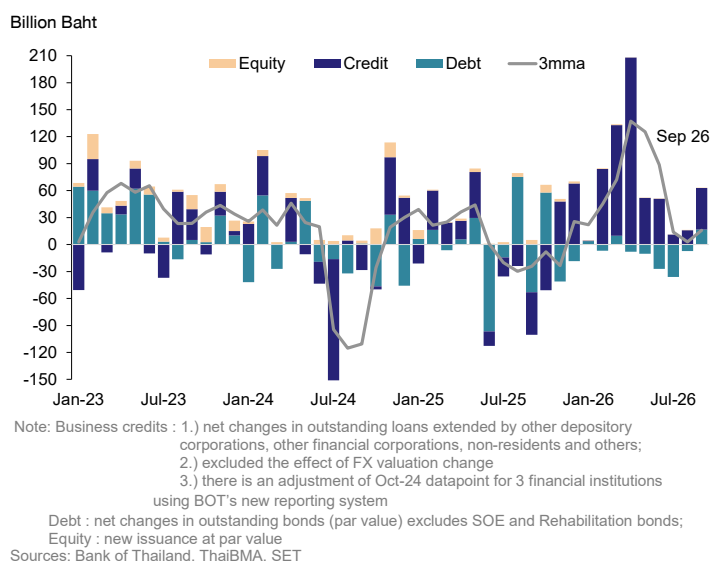
Note: SPI = Service Production Index (Excludes public administration and services, and gold activities)
Source: Bank of Thailand

Monetary Conditions and Economic Stability

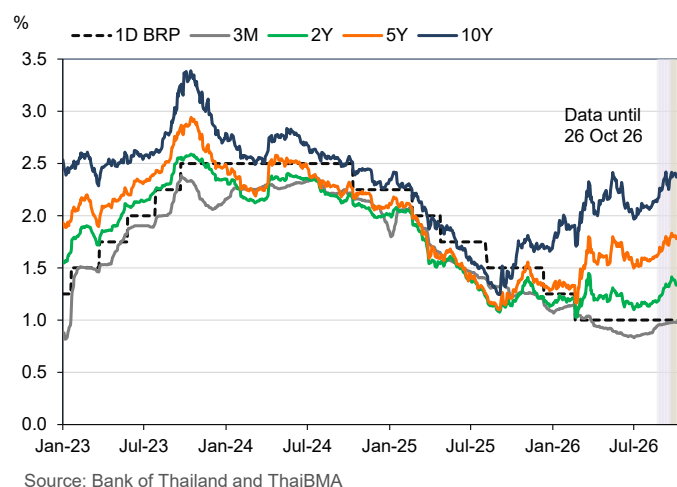
Corporate Financing, Interest Rates and Exchange Rates

Overall corporate financing increased from the previous month. **Net credit financing** rose in September, driven by higher financing in the automotive manufacturing, accommodation, and electronics manufacturing sectors. **Debt financing** through bond markets also increased, mainly from firms in the financial and transportation sectors. **Equity financing** also increased, following fundraising by a paper packaging manufacturer. Regarding **debt financing costs**, both short- and long-term Thai government bond yields declined in September (data as of 26 October 2026), broadly in line with U.S. Treasury yields. This reflected increased demand for safe-haven assets amid concerns over global equity markets conditions, particularly the uncertainty surrounding the performance of technology stocks. In addition, Thailand's September inflation outturn that was lower than market expectations contributed to the decline in bond yields.

Changes in Total Corporate Financing

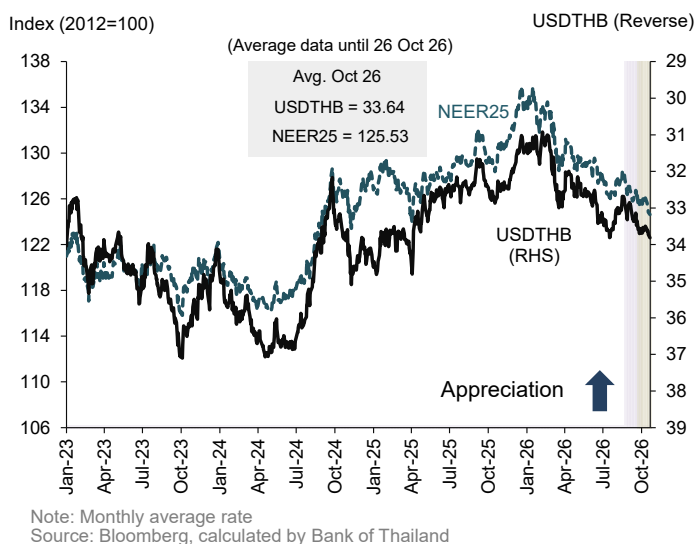


Government Bond Yields

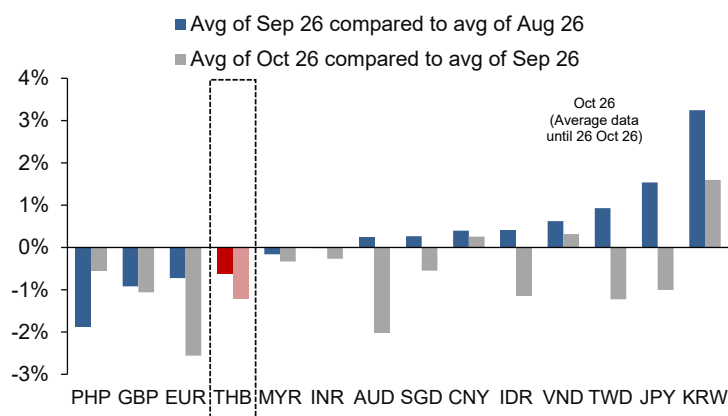


The Thai baht against the U.S. dollar depreciated on average in September and October (data as of 26 October 2026), mainly due to external factors. These included expectations of a more restrictive monetary policy stance by the U.S. Federal Reserve (Fed) amid persistently elevated inflation, as well as higher global oil prices following renewed tensions in the Middle East. The **nominal effective exchange rate (NEER)** also depreciated on average in September and October, in line with rising global oil prices, given Thailand's relatively high reliance on oil imports.

THB and NEER movements



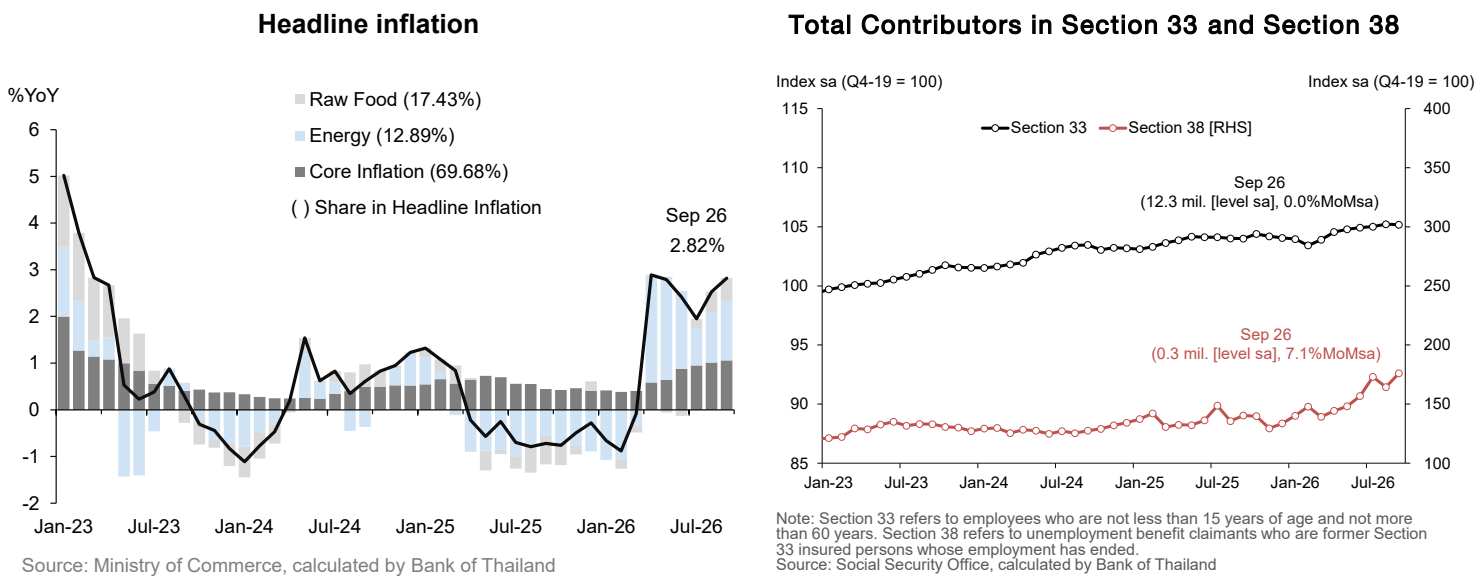
Exchange rate movements compared with peers



Note: Data are presented as period averages. A positive value indicates an appreciation against the U.S. dollar.
Source: Bloomberg, calculated by Bank of Thailand

Economic Stability

Headline inflation increased from the previous month, driven by higher energy prices, following increases in domestic retail fuel prices in line with rising global crude oil prices amid renewed tensions in the Middle East. Fresh food prices remained broadly stable from the previous month, as increase in meat and rice prices were partly offset by lower vegetable prices. **Core inflation remained broadly stable from the previous month**, with higher prices of personal care products and prepared food offset by lower prices of cleaning and household products, following promotional campaigns by businesses. Regarding **labor market conditions, overall employment remained broadly unchanged from the previous month**, as reflected by the relatively stable number of insured persons under Section 33. However, labor market conditions remain vulnerable, as reflected in an increase in the number of unemployment benefit claimants under Section 38. Labor market developments, particularly in sectors facing intense competition, therefore warrant close monitoring. **The current account returned to a deficit**, mainly due to a deficit in the services, income, and transfers balance, reflecting higher repatriation of profit and dividends as well as increased freight expenses. Meanwhile, the trade surplus narrowed from the previous month, mainly due to higher imports of electronic products.



Balance of Payments

Billion USD	2025 ^{P,R}	2025 ^{P,R}				2026 ^{P,R}					
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Aug	Sep	YTD
Trade Balance	33.9	10.0	7.4	11.3	5.2	5.7	-5.6	4.2	1.8	0.5	4.3
Exports (f.o.b.)	334.9	80.8	84.2	86.1	83.7	94.8	98.8	106.4	34.4	37.7	300.0
%YoY	12.8	15.8	15.4	11.4	9.2	17.4	17.3	23.6	25.3	23.5	19.5
Imports (f.o.b.)	301.0	70.8	76.8	74.8	78.5	89.1	104.4	102.2	32.6	37.2	295.7
%YoY	13.4	12.6	17.4	8.6	15.2	25.8	36.0	36.6	31.3	50.1	32.9
Net Services, Income & Transfers	-4.9	4.7	-5.5	-3.6	-0.5	2.2	-6.6	-2.8	0.5	-2.2	-7.2
Current Account	29.0	14.7	1.9	7.7	4.7	7.9	-12.2	1.4	2.4	-1.6	-2.9
Financial Account	21.5	13.6	-0.3	4.8	3.4	9.3	-10.6				
Overall Balance	18.4	3.4	4.8	6.2	4.0	1.4	2.8	0.0	3.1	0.5	4.1

Note: P = Prelim, R = Revised data
Source: Bank of Thailand

Quarterly Review of the Thai Economy

Third Quarter of 2026

The Thai economy improved in the third quarter compared to the previous quarter, mainly driven by the continued growth in merchandise exports excluding gold, as supported by the global technology and AI cycle. Domestic demand also improved, reflecting a significant increase in private investment, particularly in data center investment, as well as higher private consumption across almost all categories. In particular, spending on durable goods increased in line with higher electric vehicle sales, while spending on non-durable goods and services received temporary support from government measures. In line with these developments, there was also a corresponding increase in manufacturing production. Service sector activity edged up slightly, driven mainly by trade and transportation activities. Government spending also expanded from the same period last year, reflecting higher disbursements by both the central government and state-owned enterprises. However, tourism activity moderated, as foreign tourist arrivals declined, particularly from short-haul tourists as demand weakened amid higher travel costs. Meanwhile, foreign tourism receipts remained broadly stable, supported by a longer average length of stay.

On the economic stability front, headline inflation declined from the previous quarter, driven by lower energy prices in line with the temporary decline in global crude oil prices. Meanwhile, fresh food prices increased, reflecting higher meat prices due to adverse weather conditions and rising production costs. Core inflation also increased, mainly due to higher prices of prepared food, reflecting cost pass-through by businesses. The current account returned to a surplus from a deficit in the previous quarter, mainly due to an improvement in the trade balance. Regarding labor market conditions, overall employment in the social security system improved slightly from the previous quarter. However, the rising share of unemployment benefit claimants warrants close monitoring, including the impact of higher costs stemming from the war and intensified competition from imported goods.

Bank of Thailand
30 October 2026

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