

Global and Thailand Economic Outlook: Assessing the Influence of Tariff Policies

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Executive summary



- **Elevated in global uncertainty.**

The global economy will continue to face heightened uncertainty, which adversely affected investment throughout 2025–2026, especially from the to U.S. trade policies

- **Tariff impact is expected to be much clearer from August onward.**

U.S. tariff barriers will begin to weigh on global growth, especially in exports, from Aug onward, with continued pressure into 2026

- **Monetary policy remains supportive, but Fed will be cautious on aggressive rate cuts.**

Strong U.S. labor market and unclear inflation effects from tariffs suggest Fed will be cautious with rate cuts.



- **Thailand's GDP is expected at 1.5% in 2025.**

SCB EIC maintains its Thai GDP forecast at 1.5%, assuming partial U.S. tariff relief—though Thai exports still face higher tariffs than key competitors.

- **Q2 performance boosted by front-loading, but H2 outlook weakens amid tariff hike.**

Stronger-than-expected Q2 indicators driven by early exports ahead of U.S. retaliatory tariffs.

H2 outlook expects to deteriorate as export would likely slowdown significantly following huge front-load over H1 as well as the fact that Thailand may face higher reciprocal tariffs than competitors in the U.S. market.

- **Thailand's economy is expected to expand at a low rate over the next two years**

Key factors weighing on Thai economy going forward: Slow exports, sluggish investment due to high uncertainties, persistent economic scars, and fiscal policy constraints.



- **Two more rate cuts expected in 2025**

SCB EIC forecasts the policy rate to fall to 1.25% by year-end to support the economy amid rising uncertainty.



Global Economy

Trump 2.0 emphasizes the “America First” / “Make America Great Again” agenda, based on the belief that the U.S. has lost its greatness and is facing a crisis of confidence in the government.

Trump 2.0 views the U.S. as having lost its global stature and experiencing a crisis of public trust in government.

Economic problems

Rising trade deficit

Loss of manufacturing jobs

Rising budget deficit / Inefficient public administration

Social and foreign policy issues

Immigrants cause problems related to crime and drugs

The U.S. provides excessive foreign aid

The core objective behind the return of Trump 2.0.

America First / Make America Great Again

Protect U.S. industries
Incentivize reshoring investment
Reduce trade deficit

Increase government revenue from foreign sources
Enhance public sector efficiency

Strengthen energy security
Reduce inflation

Restrict immigration

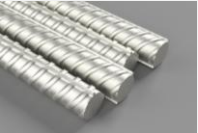




Cut foreign aid and prioritize U.S. interests



The U.S. new modified reciprocal tariffs will be effective on 7 Aug. Some product specific tariffs are also currently in effect, but some are under investigation by the USTR.

Active / Almost Due Tariffs	
Universal tariffs*	Reciprocal tariffs
<p>10% import tariff on goods from almost all countries</p> <p>In effect Apr 5</p>	<p>Modified tariff rates on 72 economies, range 15% - 41%</p> <p>Additional 40% tariffs on transshipped goods</p> <p>In effect Aug 7</p> <p>(Goods in final mode of transit before the deadline will be exempted)</p>

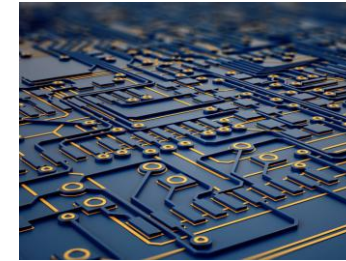
Specific tariffs

Products specific	Country specific
 <p>50% Steel Aluminum + Certain Derivatives of Steel</p>	 <p>Canada 35% Mexico 25% (Non-USMCA origin only)</p>  <p>China 30% (= 20% Fentanyl + 10% Universal tariff)</p>
 <p>25% Auto & Parts**</p>	
 <p>50% Copper *</p> <ul style="list-style-type: none"> • content in semi-finished & copper-intensive products • Copper inputs & scrap (exempted) 	

Possible Incoming Tariff



Pharmaceuticals and Associated Ingredients
(Potentially effective with low rate in 2025 & increase to 200% later)



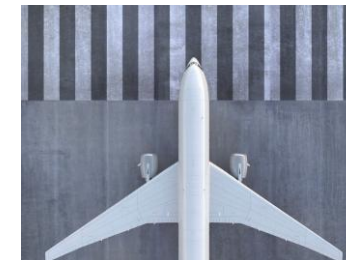
Semiconductors and Chipmaking Equipment
(Potentially 25%)



Timber and Lumber

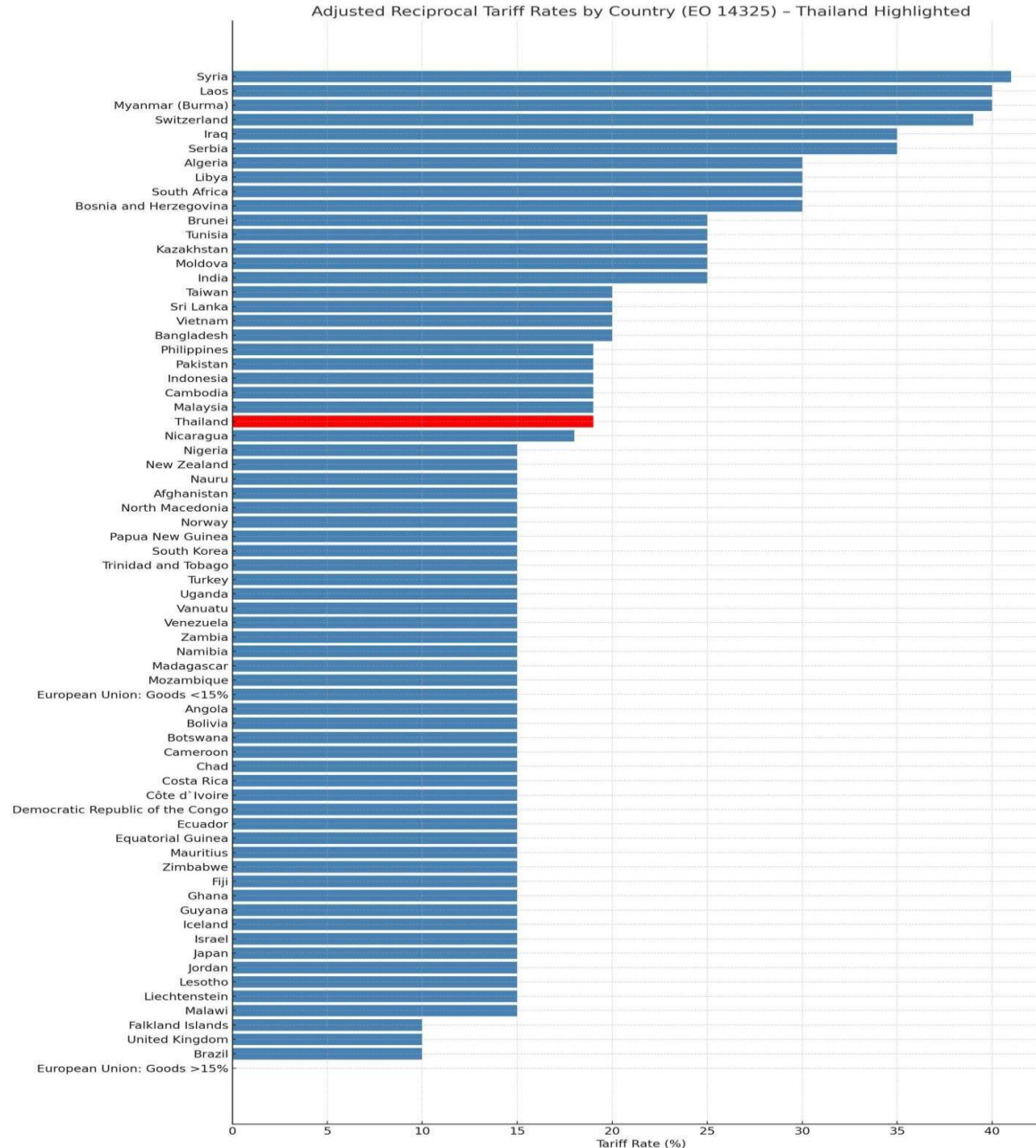


Heavy Trucks



Commercial Aircraft and Jet Engines

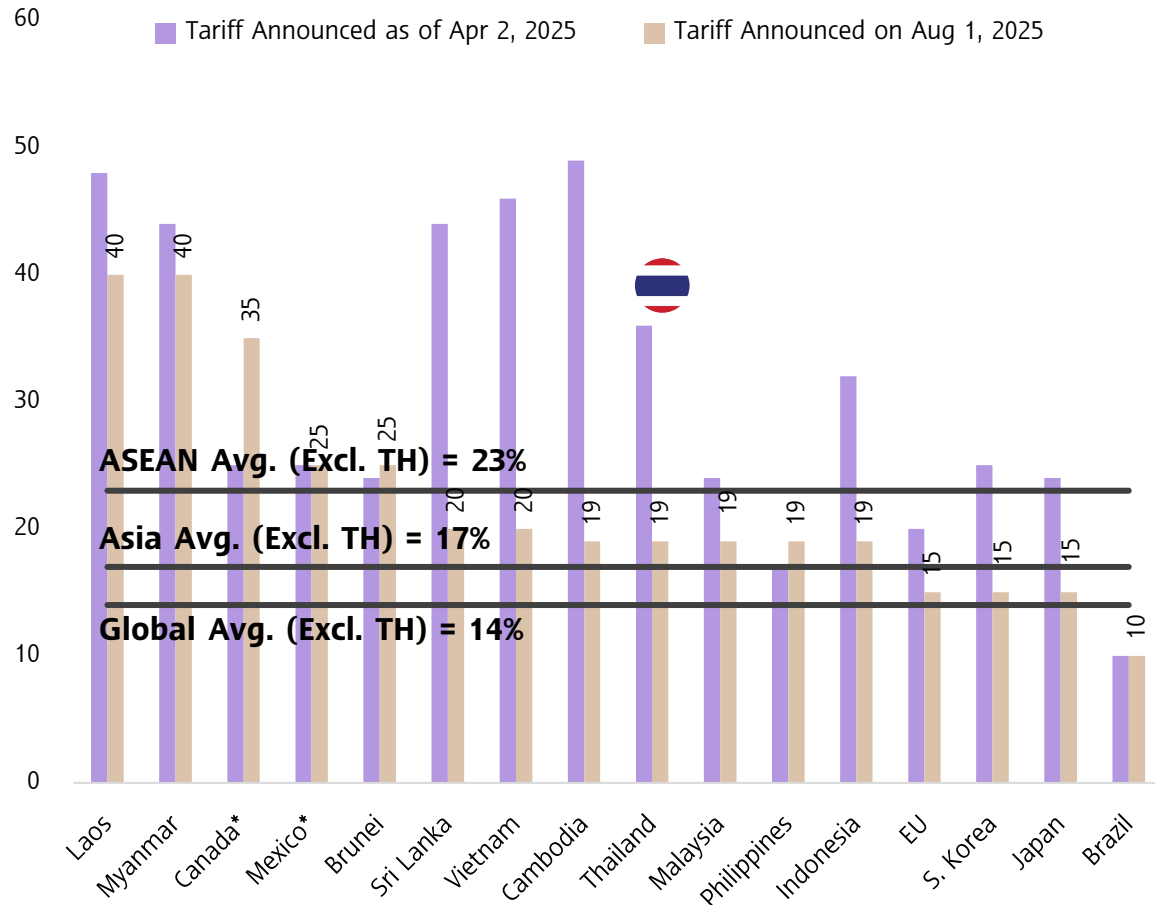
Tariff rates announced on August 1



Thailand faces a lower reciprocal tariff of 19% aligned with many ASEAN peers, but still higher than the global and Asia averages. Over 5M 2025, Thailand's trade surplus with the U.S. ranked lower.

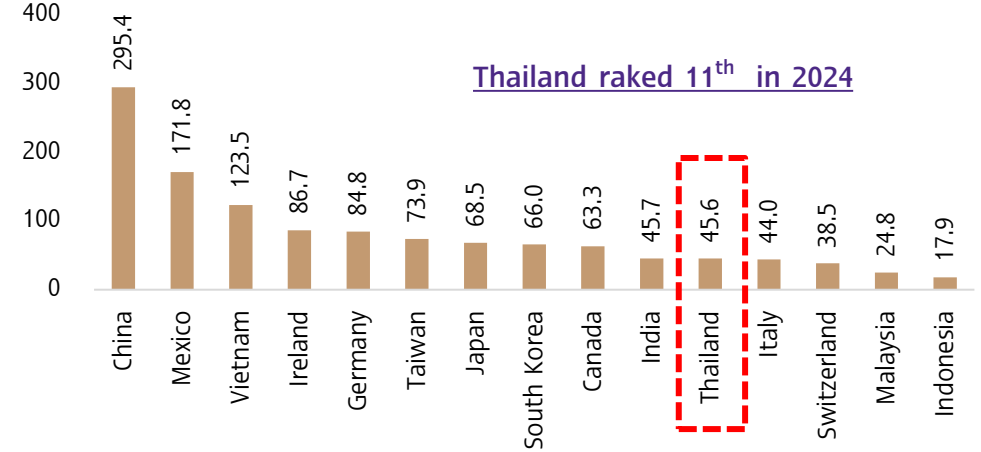
U.S. reciprocal tariff noticed on Aug 1 versus global averages

Unit : % (Including Reciprocal tariffs, Universal tariffs, Country specific tariffs)



Top 15 Countries with the Highest Trade Surplus with the U.S in 2024

Unit: Billion USD



Top 15 Countries with the Highest Trade Surplus with the U.S (5M2025)

Unit: Billion USD










- Note: *may not include products under USMCA

Source : EIC analysis based on data from The White House, Bloomberg, NHK, and HSBC

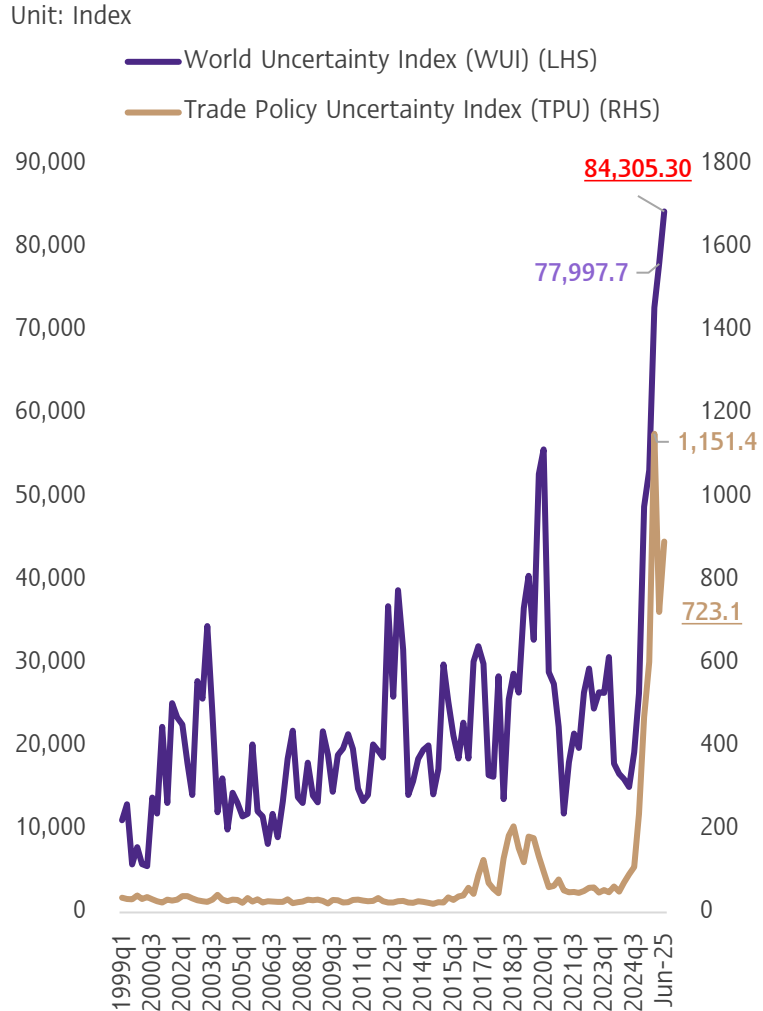
Major trade deals were struck under a common framework with the U.S.

Granting market access, large-scale investments in the U.S., and energy purchases.

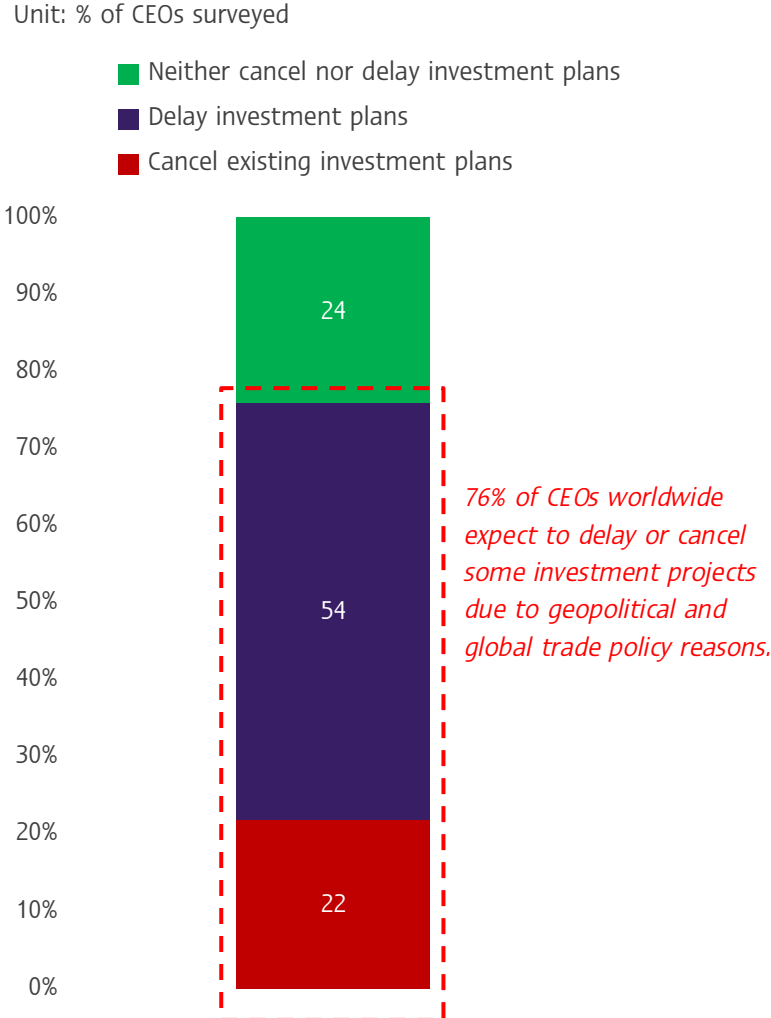
Country	Reciprocal tariff (before)	Negotiated Rate (1 Aug)	Key details of trade agreement with the U.S.
 EU	20%	15%	<ul style="list-style-type: none"> Purchase energy products at 750Bn USD over the next 3 years 600Bn USD investment in the U.S. (various sectors)
 South Korea	25%	15%	<ul style="list-style-type: none"> 350Bn USD investment in the U.S. (including shipbuilding, semiconductors and nuclear energy) Energy purchases 100Bn USD from the U.S. The U.S. will reduce auto tariffs from 25% to 15%.
 Japan	24%	15%	<ul style="list-style-type: none"> 550Bn USD investment in the U.S. (energy infrastructure, semiconductor design and manufacturing, supply of critical minerals, pharmaceutical and medical production, expand commercial and shipbuilding) Market Access for U.S. exports (such as agricultural product 8Bn USD) energy (Alaska LNG), aerospace (100 Boeings), automobiles (lift restrictions on U.S. cars and trucks), industrial goods.
 Indonesia	32%	19%	<ul style="list-style-type: none"> 99% of market access to U.S. goods with a 0% tariff. Import more U.S. energy, agriculture, and aircraft. Ease non-tariff barriers in industrial, agricultural, and digital sectors.
 Vietnam	46%	20%	<ul style="list-style-type: none"> Full market access to U.S. goods with a 0% tariff. Ease non-tariff barriers.
 UK	10%	10%	<ul style="list-style-type: none"> UK reduce product-specific tariffs on UK (such as the first 100k auto exported) and to maintain the 10% universal tariff. UK will open market and increase imports of U.S. goods.
 China	145%	30%	<i>The agreement is not yet concluded.</i>

Higher uncertainty will impact the global economy through various channels, particularly trade and domestic/foreign investment.

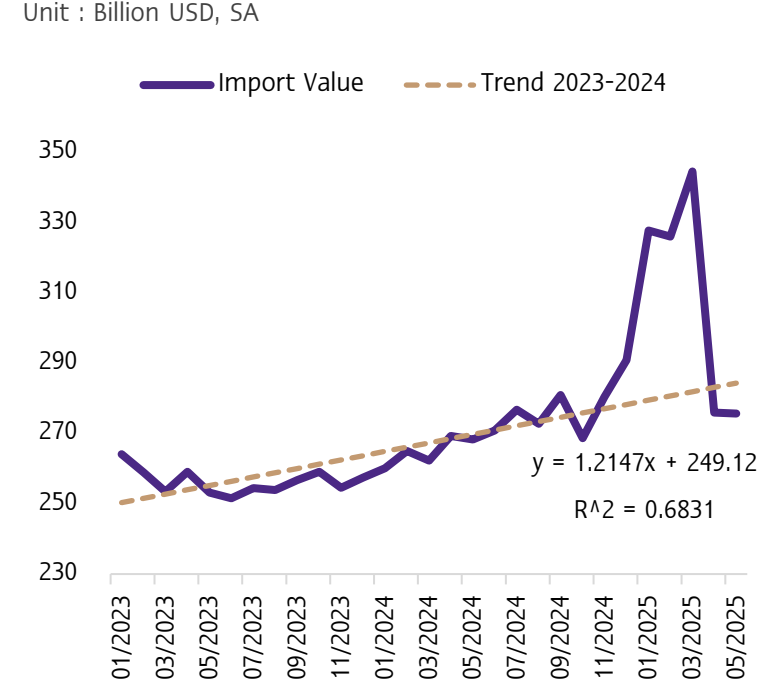
Global uncertainty and global trade policy uncertainty



Global CEO Outlook Survey by EYP (May 2025)



The value of U.S. imports has returned to its trend.



- The U.S. imported goods was USD 169 billion above the historical trend during December 2024 – March 2025.
- U.S. imports in April–May began to fall below the normal trend, averaging USD 7–9 billion lower per month.
- U.S. imports are expected to continue declining

Channels for assessing global economic impacts of trade war

Direct impact

	U.S. economy	Other economies
U.S. customs	Supply-side impact <ul style="list-style-type: none"> Import tariffs Prices Consumption Economic growth 	Demand-side impact <ul style="list-style-type: none"> U.S. imports Exports Economic growth Prices
	Demand-side impact <ul style="list-style-type: none"> Tariffs on U.S. goods Relative prices Exports Economic growth 	Supply-side impact <ul style="list-style-type: none"> Tariffs on U.S. goods Prices/inflation Consumption Economic growth
Retaliatory tariffs from other countries		

Indirect impact

1. Higher uncertainty
2. Surge in foreign goods inflows / more trade protection
3. Declining confidence for consumers and business
4. Difficulties in conducting appropriate monetary policy, esp for US
5. Shifts in efficiency and competitiveness across countries / lower opportunities for export led growth for small open economy

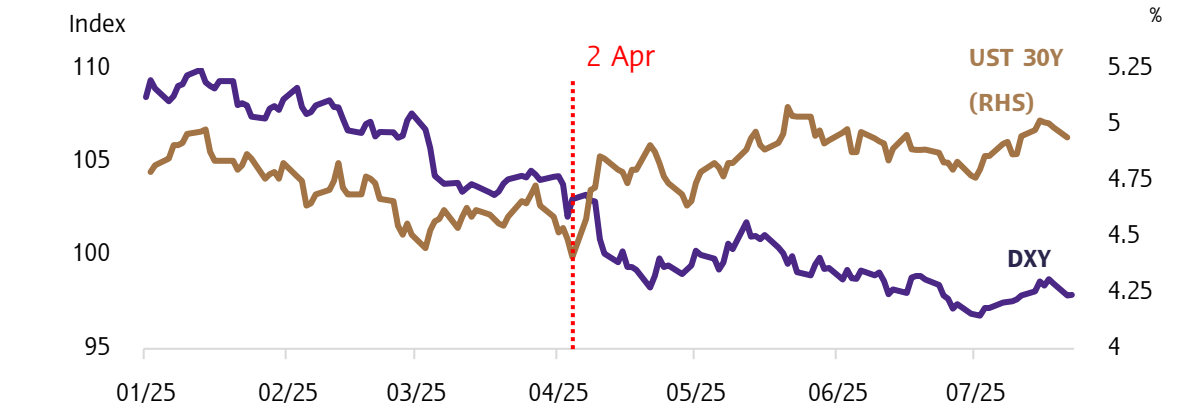
ความไม่แน่นอนในโลกทำให้ตลาดการเงินโลกและราคาสินค้าโภคภัณฑ์ทั่วโลก พันพวนสูง

ตลาดการเงินโลกผันผวนขึ้น ดัชนีเงินดอลลาร์อ่อนค่าสวนทางอัตราผลตอบแทนพันธบัตรสหรัฐฯ ที่ปรับเพิ่มขึ้น สะท้อนความเชื่อมั่นนักลงทุนต่อสินทรัพย์สหรัฐฯ ที่ลดลง

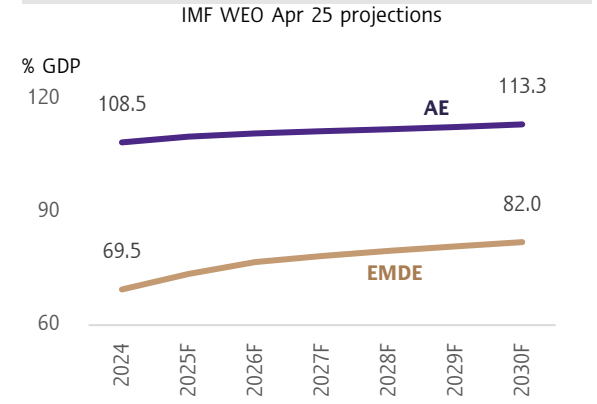
ดัชนีราคาสินค้าโภคภัณฑ์โลกปี 2025 (รายวัน)

หน่วย : ดัชนี (1 ม.ค. = 100)

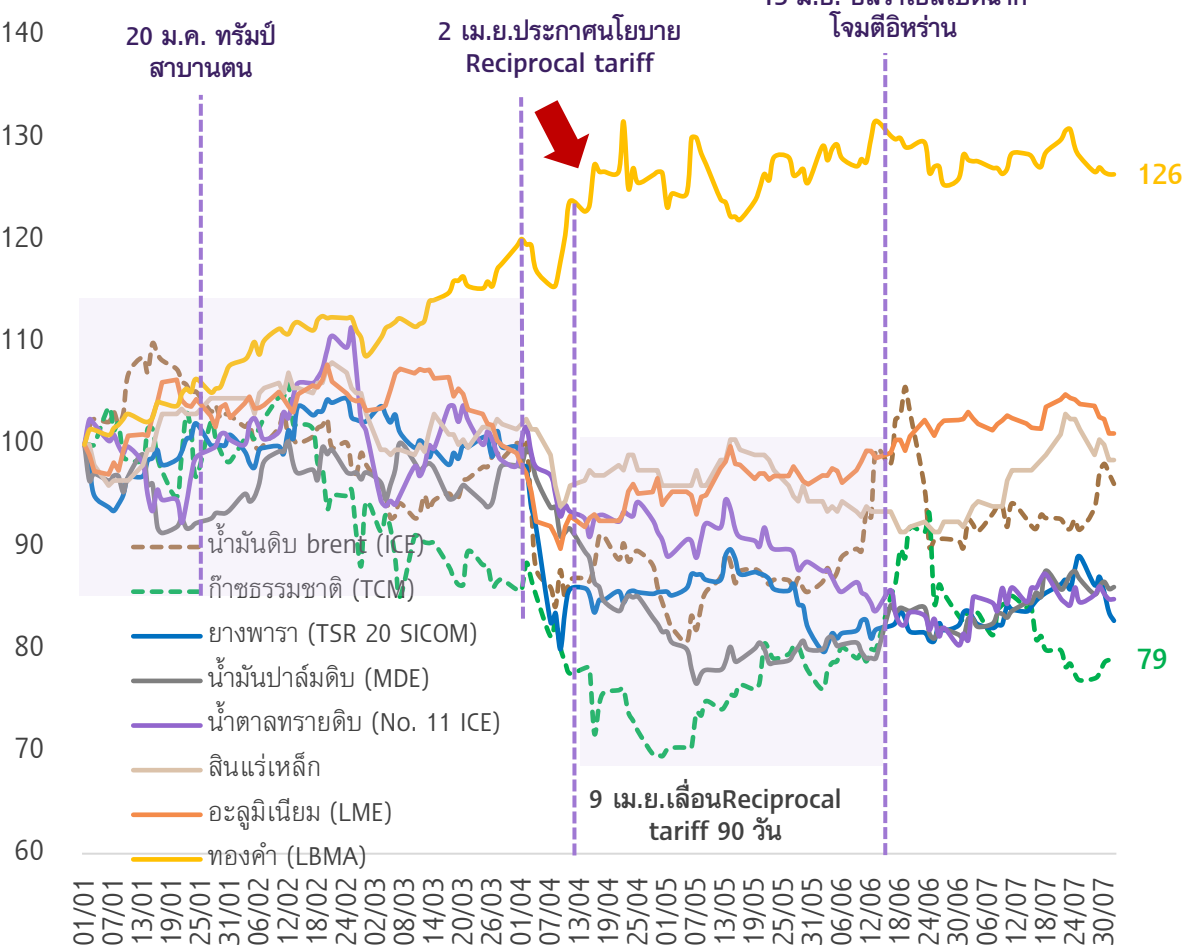
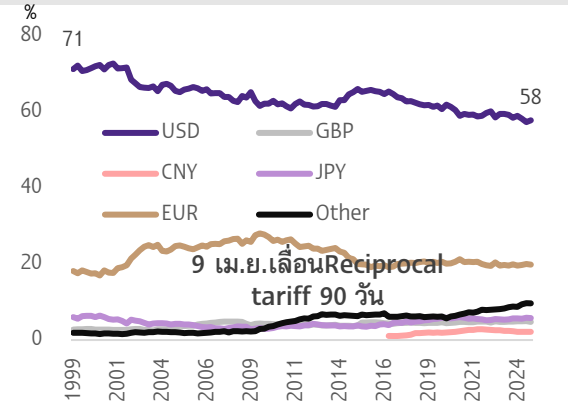
DXY and UST 30Y Yield



General government debt %GDP
IMF WEO Apr 25 projections










Share of currencies in Foreign Reserves



SCB EIC expects global economy to continue slowing due to the U.S. tariff policy. Global inflation is likely to gradually decline in line with economic conditions, except in the U.S.

Global Economic Outlook for 2025–2026 by SCB EIC (as of July 2025)

GDP Growth (%YOY)	2023	2024	2025F	2026F
 Global	2.9%	2.8%	2.4%	2.3%
 US	2.9%	2.8%	1.5%	1.5%
 Eurozone	0.4%	0.9%	0.8%	1.0%
 Japan	1.5%	0.1%	0.9%	0.7%
 China	5.4%	5.0%	4.7%	4%
 India	8.8%	6.7%	6.4%	6.5%
 ASEAN-5*	4.3%	5.4%	4.8%	4.8%

Inflation in World Major Economies

Unit : %

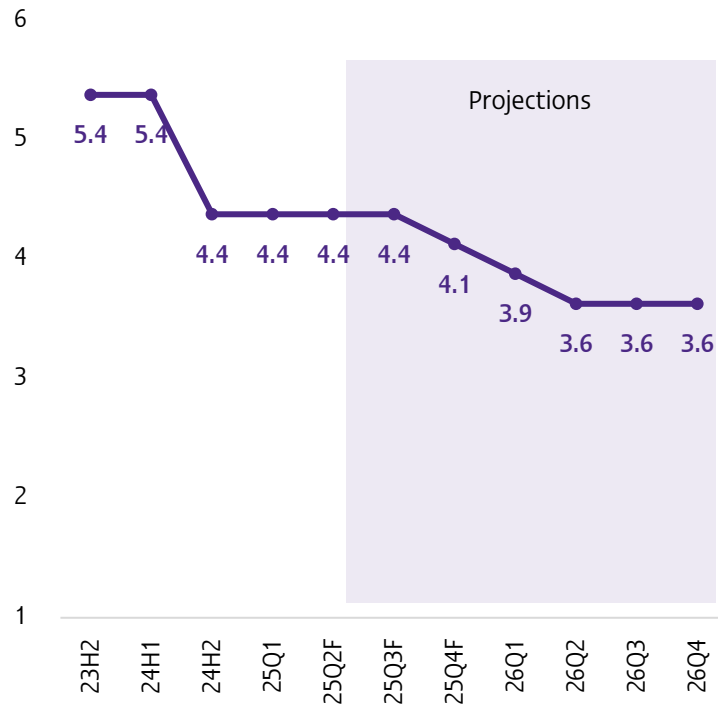
Economies	Target	CPI	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25
US (PCE)	Headline & Core 2%	Headline	2.6	2.7	2.3	2.2	2.4	2.6
		Core	2.7	2.9	2.7	2.6	2.8	2.8
China (CPI)	Headline 2%	Headline	0.5	-0.7	-0.1	-0.1	-0.1	0.1
		Core	0.6	-0.1	0.5	0.5	0.6	0.7
Eurozone (HICP)	Headline 2%	Headline	2.5	2.3	2.2	2.2	1.9	2.0
		Core	2.7	2.6	2.4	2.7	2.3	2.3
Japan (CPI)	Headline 2%	Headline	4.0	3.6	3.6	3.5	3.4	3.3
		Core	2.6	2.6	2.8	3.0	3.2	3.4

U.S. prices have begun to reflect the impact of tariffs in tariff-sensitive categories, particularly toys, apparels and appliances, which have a high import share.

Central banks are expected to ease monetary policy further to support their economies, but the degree of easing will vary depending on the economic and inflationary impacts of Trump's.

U.S. Policy Interest Rate Forecast by SCB EIC

Unit : % per annum



- The Fed is unlikely to rush into cutting interest rates in Q3, as inflationary impact of tariffs remains unclear and labor market data remains strong.
- Expect to resume rate cuts in Q4.

Eurozone Policy Interest Rate Forecast by SCB EIC

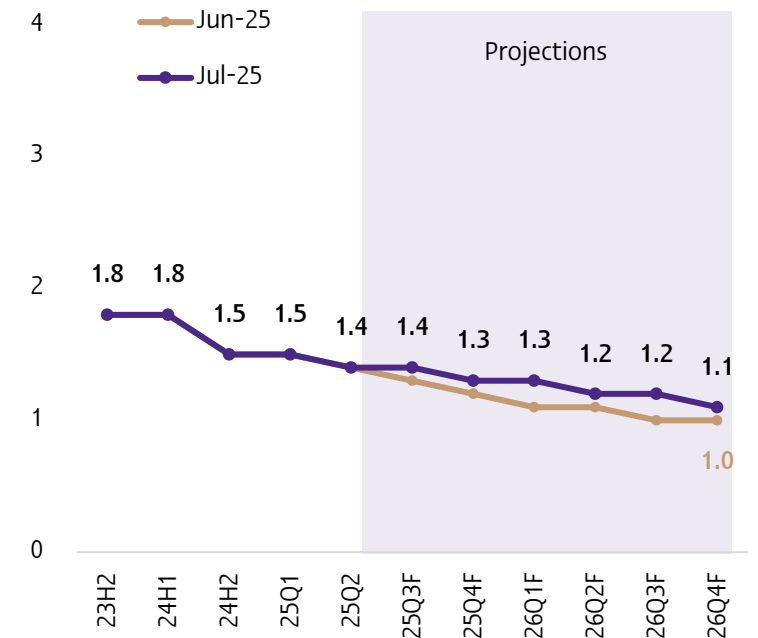
Unit : % per annum, Deposit rate



- The ECB's rate-cutting cycle is nearing its end, having already reduced interest rates by a total of 225 bps.
- It is expected to cut rates by a further 25 bps this year to 1.75% to support the economy amid global trade pressures, while the risk of high inflation remains limited.

China Policy Interest Rate Forecast by SCB EIC

Unit : % per annum, 7-day reverse repo



- The PBOC is now expected to cut rates by 20 bps this year (30 bps previously), as U.S. tariffs on China have been less severe and the Chinese economy remains robust.
- The PBOC has also signaled continued monetary easing in response to domestic structural challenges, with interest rates likely to be further reduced to 1.1% by 2026.



Thai economy

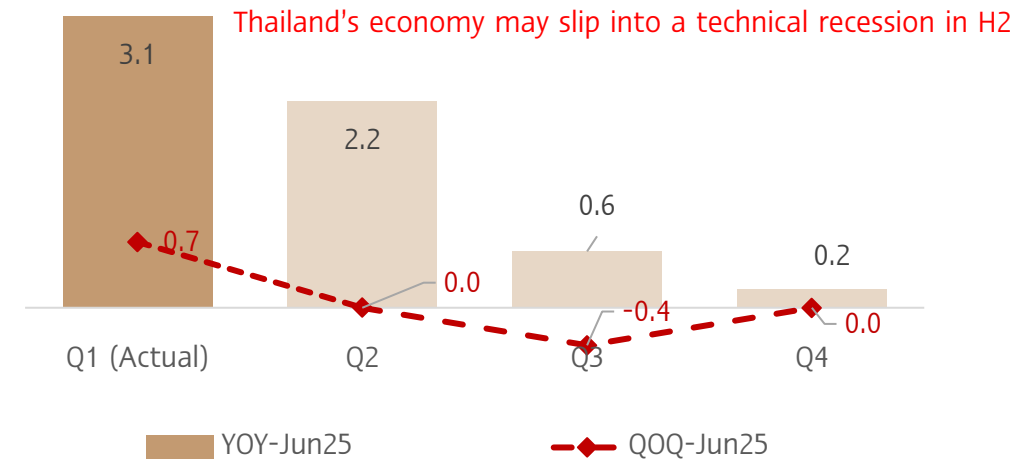
SCB EIC forecasts Thai GDP at 1.5% in 2025, assuming partial U.S. tariff relief. Strong front-loaded exports in Q2 may fade as rising U.S. reciprocal tariffs weigh on H2 growth and 2026 outlook.

Thailand's economic forecast for 2025–2026 by SCB EIC

Medium-term outlook (Baseline)	Unit	2024	2025F	2026F
			As of Jun 2025	
GDP	%YOY	2.5	1.5	1.4
Private Consumption	%YOY	4.4	2.0	2.1
Government Consumption	%YOY	2.5	1.8	1.0
Private Investment	%YOY	-1.6	-2.2	-0.2
Government Investment	%YOY	4.8	5.8	1.5
Export Value of Goods (USD, BOP)	%YOY	5.8	-0.1	-0.8
Import Value of Goods (USD, BOP)	%YOY	6.3	0.8	-0.2
Number of International Tourists	Million	35.5	34.2	35.7
Headline Inflation Rate	%YOY	0.4	0.5	0.4
Policy Interest Rate (End of Year)	%	2.25	1.25	1.00

Quarterly economic forecast for Thailand in 2025 (as of June 2025) by SCB EIC

Unit : %YOY, %QOQ_SA



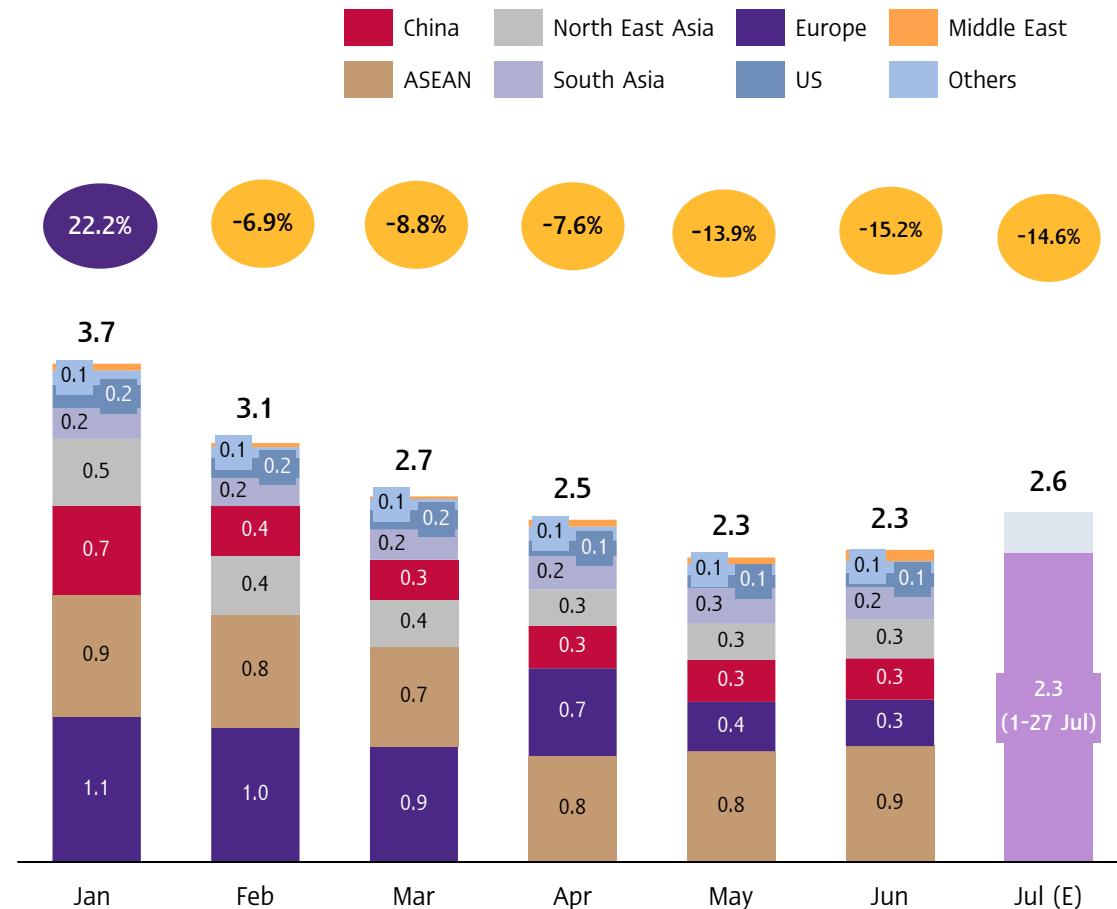
Key factors weighing on Thai economy going forward

- External pressures** – Slowing exports and foreign tourist arrivals, China's flooding, and rising geopolitical tensions.
- High uncertainty** – Weakens sentiment and delays investment decisions.
- Persistent economic scars** – Ongoing deleveraging after prolonged high debt, slow recovery in labor income, and continued deterioration in credit quality.
- Fiscal policy constraints** – Reduced fiscal stimulus ahead and public debt nearing the statutory ceiling.

Thai tourism continues to face heightened risks. While Chinese tourist arrivals have shown modest improvement, ongoing Thailand–Cambodia conflict may undermine travel confidence

As of July 27, 2025, international tourist arrivals to Thailand totaled 18.98 million, representing a -6.2%YOY decline.

Unit : Million people, %YOY



Chinese tourist arrivals are expected to have bottomed out, but the recovery remains slow and gradual.



- Chinese tourist is gradually recovering, driven by increased travel during school holidays and the return of tour groups supported by government subsidies—including programme for up to 1,000 chartered flights from Chinese cities starting in July 2025

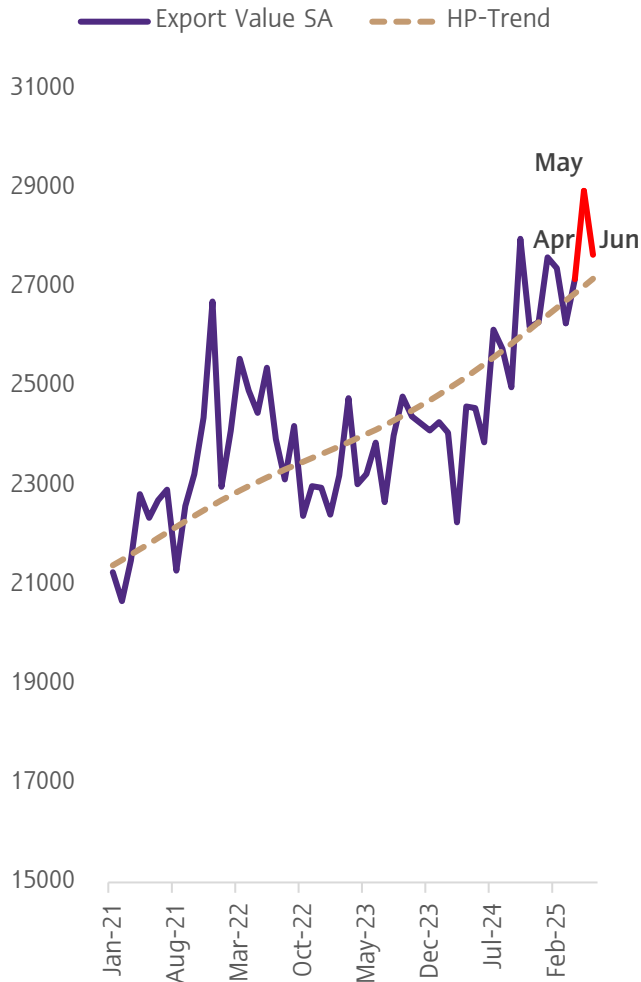
Thailand–Cambodia Conflict has triggered short-term impact on tourism, including increased cancellations and weakened tourist confidence, particularly among Thai travelers

- Significant cancellation rate in provinces adjacent to the Cambodia border – Ubon Ratchathani, Si Sa Ket, Sa Kaeo have reported 100% booking cancellation in late July, mostly from Thai and Asian tourists, according to TAT. Moreover, nearby famous attractions have also been cancelled including Koh Chang (30%), Koh Mak (30%) and Koh Kut (50%-60%).
- Several Countries have issued travel advisories against visiting the Thailand-Cambodia boarder region such as The U.S. Department of State elevated its advisory to "Level 2: Exercise Increased Caution", South Korea, India, Ireland and Israel.

Export growth remained strong in Q2, fueled by front-loaded U.S. imports, while U.S. specific tariffs began to weigh on global trade, especially for export-driven partners.

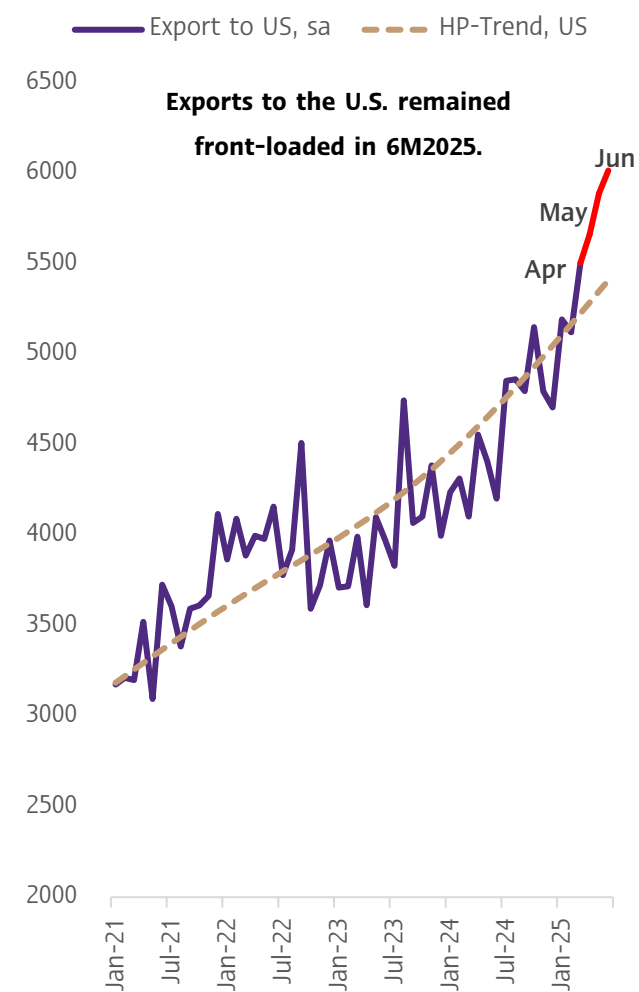
Thailand's Export Value and Trend

Unit : Mil USD, SA



Thailand's Export Value to the U.S. and Trend

Unit : Mil USD, SA



Export indicators of various countries to the U.S.

Unit : %YoY

Economies	%YOY	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25
Japan	Total Export to US	8.1	10.5	3.1	-1.8	-11.0	-11.4
	Vehicle Motors	21.8	13.9	4.1	-4.8	-24.7	-26.7
	Parts of Motor Vehicles	-13.4	0.9	-10.7	-5	-19.0	-15.5
	Steels	-12.8	3.9	-16.6	-29	-1.5	-28.5
South Korea	Total Export to US	-9.5	0.8	2.2	-7	-8.1	-0.5
	Passenger Cars	-27.3	10.5	-8.4	-15.5	-23.5	-12.3
	Steel Products	-13.6	10.1	-7.7	13.7	-5.5	1.9
Vietnam	Total Export to US	4.3	34.2	32.3	34	36.1	31.8
	Electrical Products & Parts	22.4	47.3	74.5	84.3	74.6	78.6
Taiwan	Total Export to US	0.7	65.6	39.8	29.5	87.4	90.9
	Electronic Products	2.2	79.1	46.7	32.6	115.3	118.3

China's Export Value to Selected Key Trading Partners

Unit : %YoY

%YoY	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25
China Total Export	5.5	-2.3	12.2	7.9	4.5	5.6
Export to US	12.1	-9.8	9.1	-21.0	-34.5	-16.1
Export to ASEAN	3.2	8.8	11.6	20.8	14.8	16.8
To Vietnam	-0.5	36.2	18.9	22.5	22.0	23.8
To Thailand	14.6	8.7	27.8	27.9	21.6	27.9
To Indonesia	10.9	-0.4	24.6	36.8	11.0	8.8

The 19% import tariff on Thai export has eased the risk of losing the US market share. However, Thailand's competitiveness remains a key concern, particularly amid intensifying competition within ASEAN.

The structure of Thailand's key trade competitors in the U.S. market and the differences in U.S. import tariff rates.

Thailand's key export products that heavily rely on the U.S. market.		% Share of TH Export to US / TH Total Export to US (50.7%)	% Share of TH export to US / TH Total Export that Product	Top import partners of the United States ranked by their share of U.S. import value (% share of U.S. imports in 2024)							
				1	2	3	4	5	6	7	8
Electronics	Semiconductor	4.6%	67%	Mexico 16%	China* 15%	Malaysia 8%	Thailand 6%	Germany 6%	Taiwan 5%	Singapore 5%	Philippines 5%
	Telephone sets	12.4%	59%	China 45%	Viet Nam 13%	Mexico 9%	India 8%	Thailand 8%	Taiwan 6%	Malaysia 4%	
	Computer's Parts	2.7%	52%	Taiwan 46%	South Korea 13%	China 12%	Viet Nam 12%	Malaysia 7%	Mexico 3%	Thailand 3%	Philippines 2%
	Computer & HDD	11.1%	41%	Mexico 34%	China 26%	Taiwan 19%	Viet Nam 11%	Thailand 5%	Philippines 1%	Malaysia 1%	
	Transmission apparatus	2.05	39%	Viet Nam 22%	China 17%	Thailand 12%	Japan 8%	Taiwan 8%	Mexico 7%	Malaysia 5%	
Machinery & Appliances	Electrical transformers	3.8%	43%	Mexico 21%	China 13%	Thailand 8%	South Korea 6%	Viet Nam 6%	Canada 5%	Taiwan 5%	Japan 5%
	Refrigerators	1.4%	34%	Mexico 43%	China 21%	South Korea 14%	Thailand 7%	Canada 4%	Sector specific tariff 50% of the value of the steel used		
	Printing machinery	1.9%	31%	Japan 22%	Malaysia 17%	China 13%	Thailand 10%	Viet Nam 9%	Mexico 5%	Philippines 4%	
	Air conditioning	2.3%	19%	Mexico 49%	China 20%	Thailand 9%	Canada 9%	South Korea 3%	Japan 3%	Germany 1%	
Auto	Rubber tires	6.5%	48%	Thailand 20%	Mexico 11%	Canada 9%	Japan 8%	Viet Nam 8%	Indonesia 5%	South Korea 5%	Sector specific tariff: 25%
	Motorcycles	0.7%	16%	China 24%	Japan 22%	EU 22%	Thailand 12%	Taiwan 6%			
Others	Prepared / Preserved Fish	1.3%	22%	Thailand 32%	Viet Nam 10%	Ecuador 6%	China 6%	Canada 5%			

Reciprocal tariffs in each of the U.S.'s key trading partner countries

Facing **the highest reciprocal tariffs** compared to other key competitors

30%: CHN	25%: MEX	20%: VTM IND TWN	19%: THA MYS IDN PHL	15%: JPN KOR EU ECU	10%: SGP	Exempt: USMCA
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Facing the **lowest reciprocal tariffs or granted exemptions** compared to other key competitors.

Thailand submitted new proposals for U.S. trade talks but remains cautious on full market access, particularly in agriculture, due to concerns over potential impacts on farmers and businesses.

Sensitivity of Domestic Industries to U.S. Market Access (without import requirements)

Product	Trade Restrictions on US Products	Sensitivity Level*	Description
Corn	Import Tariff 73%	High ●	Thailand's production costs are higher than the US. Current import levels are low. Market liberalization would negatively impact 420,000 farming households but would benefit animal feed producers.
Pork and Offal	Tariff: 40%, Ban: Ractopamine	High ●	Thailand's production costs are significantly higher than the US. Thailand relies entirely on domestic production. Market liberalization would negatively impact 150,000 farming households and pig feed producers but would benefit consumers through lower prices.
Chicken and Offal	Tariff: 30%–40%, Ban: Avian Influenza (HPAI)	High ●	Thailand's production costs are significantly higher the US. Thailand relies entirely on domestic production. Market liberalization would negatively impact domestic producers but would benefit consumers through lower prices.
Beef and Offal	Tariff: 30%–50%, Ban: Ractopamine	Medium ●	Although Thailand's production costs are significantly higher the US, Thailand already imports beef. Market liberalization would intensify competition for premium beef producers but would benefit consumers through lower prices.
Natural Gas	Import Quota Control	Low ●	Although Thailand's production costs are higher than the US, but Thailand imports approximately 53% and prioritizes domestic natural gas. Therefore, there is no impact on producers
Soybeans	No Restrictions	Low ●	Although Thailand's production costs are significantly higher than the US, Thailand relies on imports for nearly 99%, mainly from Brazil, where soybeans are cheaper and have higher protein quality than those from the US.

Thailand's Trade Proposals to the U.S. (as of July 17)

- Zero tariff for nearly 90% of total U.S. products
- Eliminate non-tariff barriers (not yet specified)
- Increase U.S. market access for agriculture and manufacturing products
- Cut taxes for U.S. companies providing digital services in Thailand



Encourage Thai investment in U.S.

e.g. processed agricultural products and energy

Stricter U.S. rules of origin requirements may increase local content requirement from currently 40% to 60-70% depending on negotiations.

Reduce trade surplus with U.S. by 70% in 3 years (faster than the earlier 10- and 5-year proposal), **Balance trade with U.S. within 5 years**

Increase purchases of energy (such as LNG) **aircraft, and agricultural products** (such as corn, soybeans, and barley) **from the U.S.**

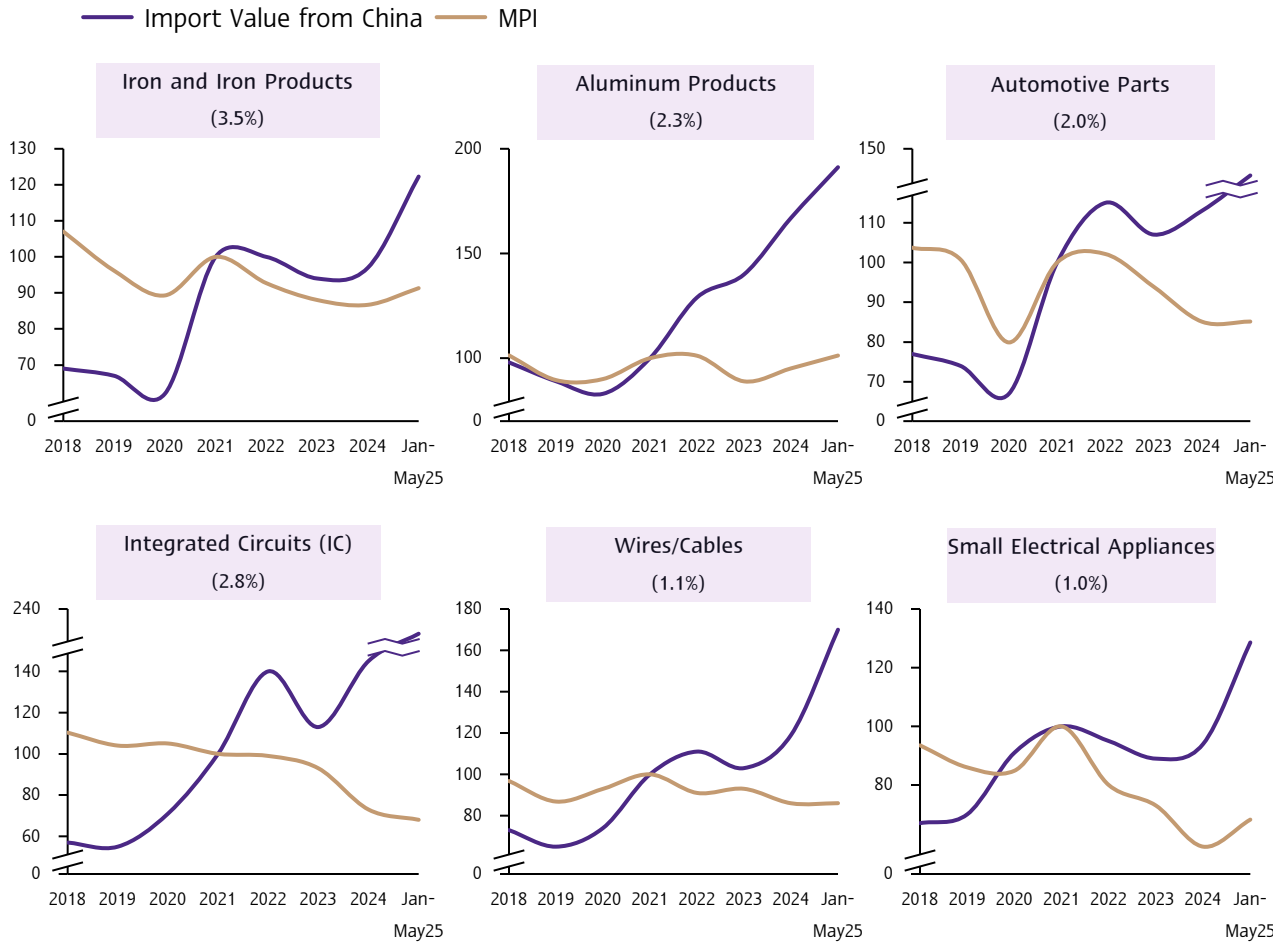
Note : *Sensitivity levels are assessed based on 1) the ratio of production costs in Thailand to US production costs including shipping, 2) Import share of domestic consumption, 3) Number of domestic producers, and 4) other relevant factors.

Source : SCB EIC analysis based on data from Bloomberg, ThaiBPS, interviews with Pichai Chunhavajira through various media, The Art of (Re) deal seminar, USDA, Trade Map, OAE, and CEIC.

Rising Chinese imports pressured on manufacturing recovery. Domestic and export-oriented production is increasingly displaced, weakening ties between production and both domestic and external demand.

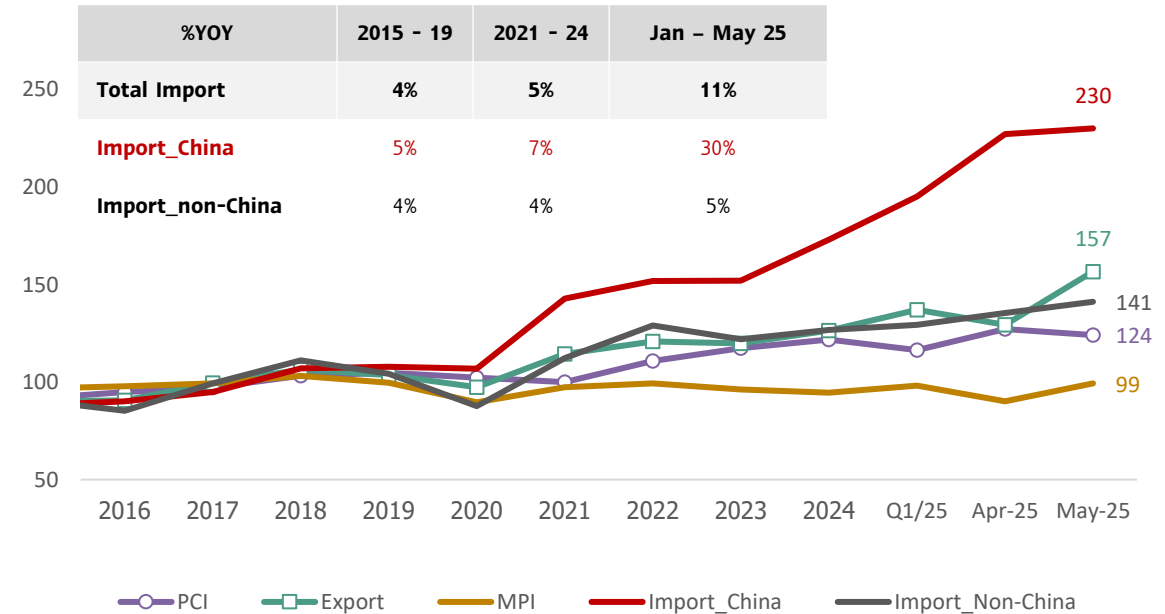
The influx of Chinese imports has pressured on Thai manufacturing recovery.

Unit: Index 2021 = 100 and (%) Share of Domestic Value Added in Production



The Relationship Between Trade, Consumption, and Production in Thailand

Unit: Index_ Average 2015 - 2019 = 100



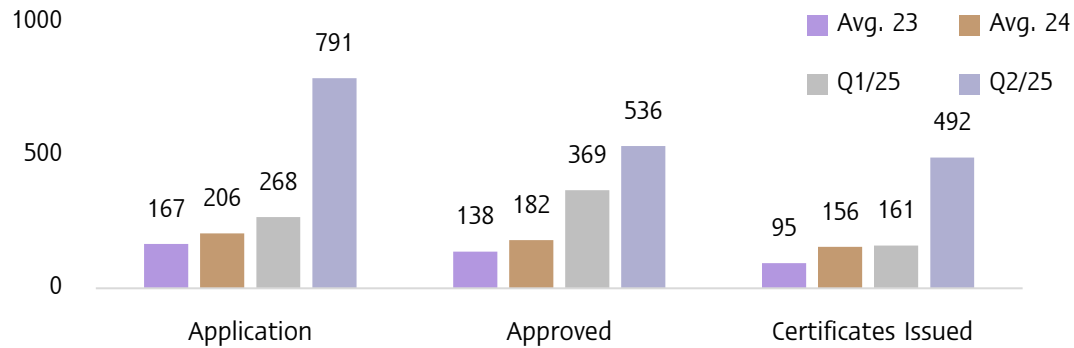
Correlation		Export	Private Consumption Index (PCI)
MPI	2015 - 2020	0.91	0.81
	2021 - 2024	-0.51	-0.60
Import from China	2015 - 2020	0.85	0.87
	2021 - 2024	0.98	0.77

Private investment is expected to contract, as investors delay investment plans in Thailand amid the outcomes of trade negotiations, tighter access to funding, and weakening business confidence.

Investment promotion applications have not yet been affected in Q1/2025.

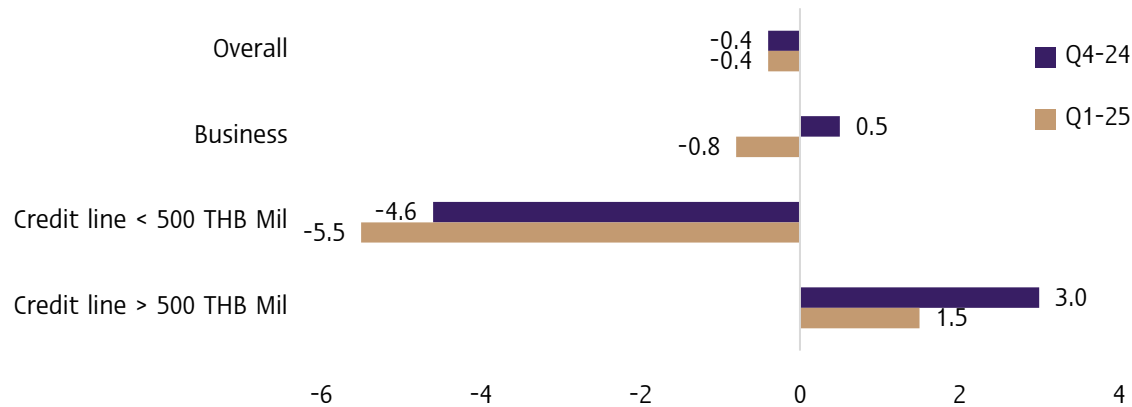
Value of investment promotion applications submitted to the BOI

Unit: Billion THB



Business Loans Growth

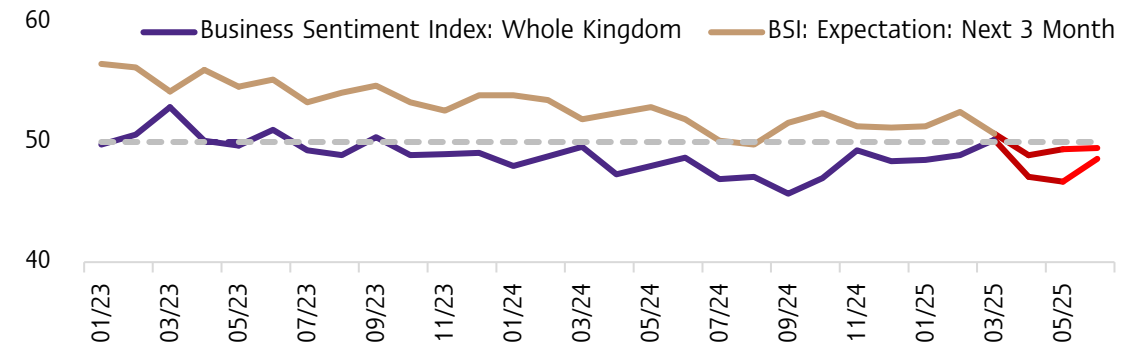
Unit: %YOY



Business confidence has declined since April

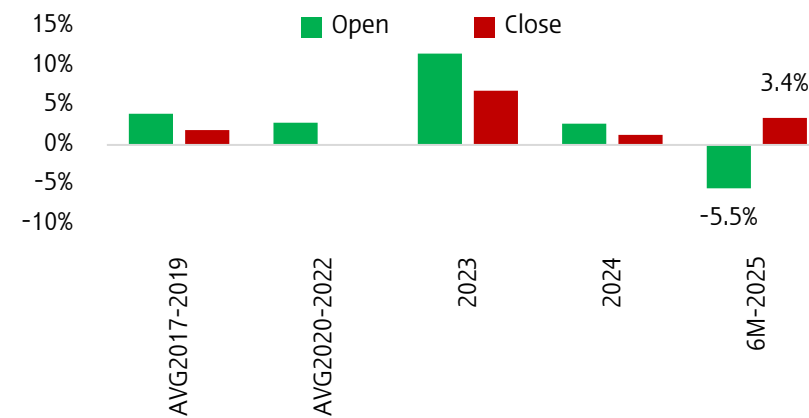
Business Sentiment Index (by BOT)

Diffusion index (<50 worsening, >50 improving)



Number of Business Openings and Closures in Thailand

Unit: %YOY



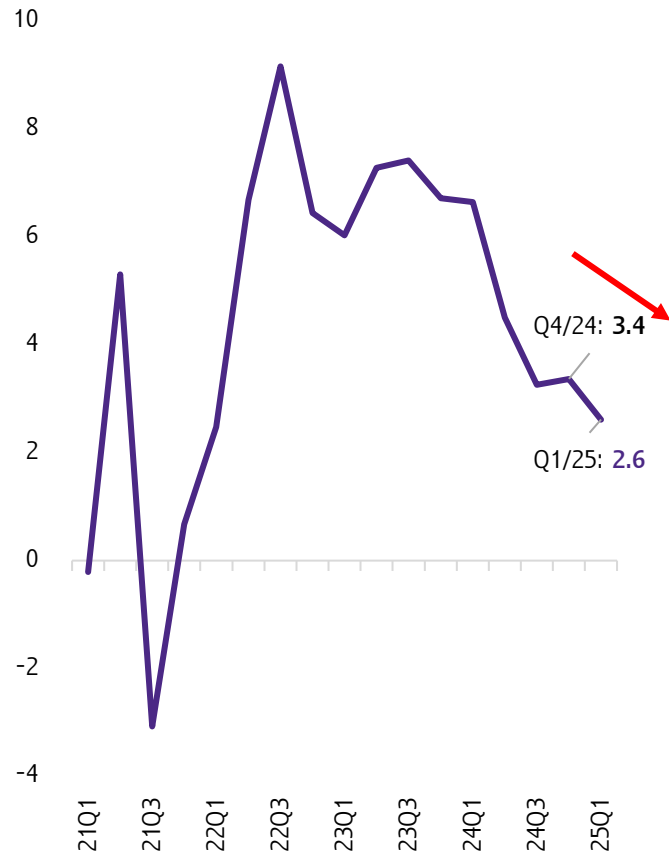
The industries with the highest business closures are agriculture, healthcare and industrial chemical. Meanwhile, the industries with the highest business openings are F&B, EE and power utility.

Private consumption is expected to decelerate, mainly from declining consumer confidence, the postponement of remaining Digital Wallet scheme, and problems of vulnerable households.

Private consumption experienced a broad-based slowdown in Q1 and is expected to decelerate further, as consumer confidence has declined sharply amid heightened economic uncertainty.

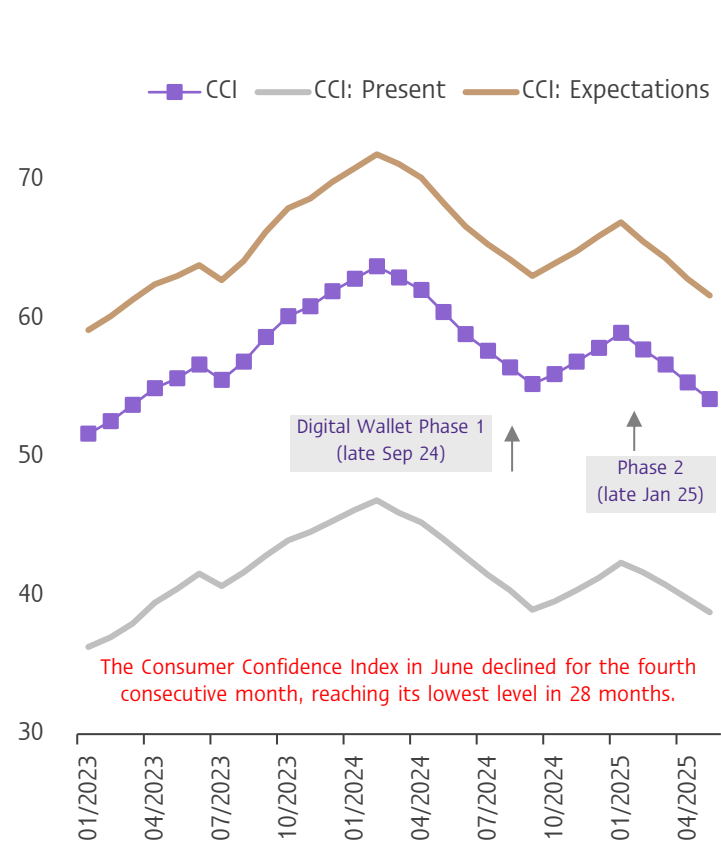
Private consumption (Real)

Unit : %YOY



Consumer Confidence Index by UTCC

Unit: Index



Number of households with income less than expenses (with debt repayments) in 2023 remain high.

Households with a worsening income-to-expense ratio in 2023 compared to 2021.

Sector	Working Status	HH income per month (THB)							
		<10,000	10,001 - 20,000	20,001 - 30,000	30,001 - 40,000	40,001 - 50,000	50,001 - 60,000	60,001 - 100,000	>100,001
Agri	Employers	↓	↓	↓	↓	↓	↓	↓	↓
	Self-employed	↓	↓	↓	↓	↓	↓	↓	↓
	Employees	↓	↓	↓	↓	↓	↓	↓	↓
Service	Employers	↓	↓	↓	↓	↓	↓	↓	↓
	Self-employed	↓	↓	↓	↓	↓	↓	↓	↓
	Employees	↓	↓	↓	↓	↓	↓	↓	↓
Industrial	Employers	↓	↓	↓	↓	↓	↓	↓	↓
	Self-employed	↓	↓	↓	↓	↓	↓	↓	↓
	Employees	↓	↓	↓	↓	↓	↓	↓	↓

income-to-expense (with debt repayments)	<85%	86 - 95%	95 - 100%	>100%
%Household (2023)	45.0%	30.8%	10.6%	13.6%

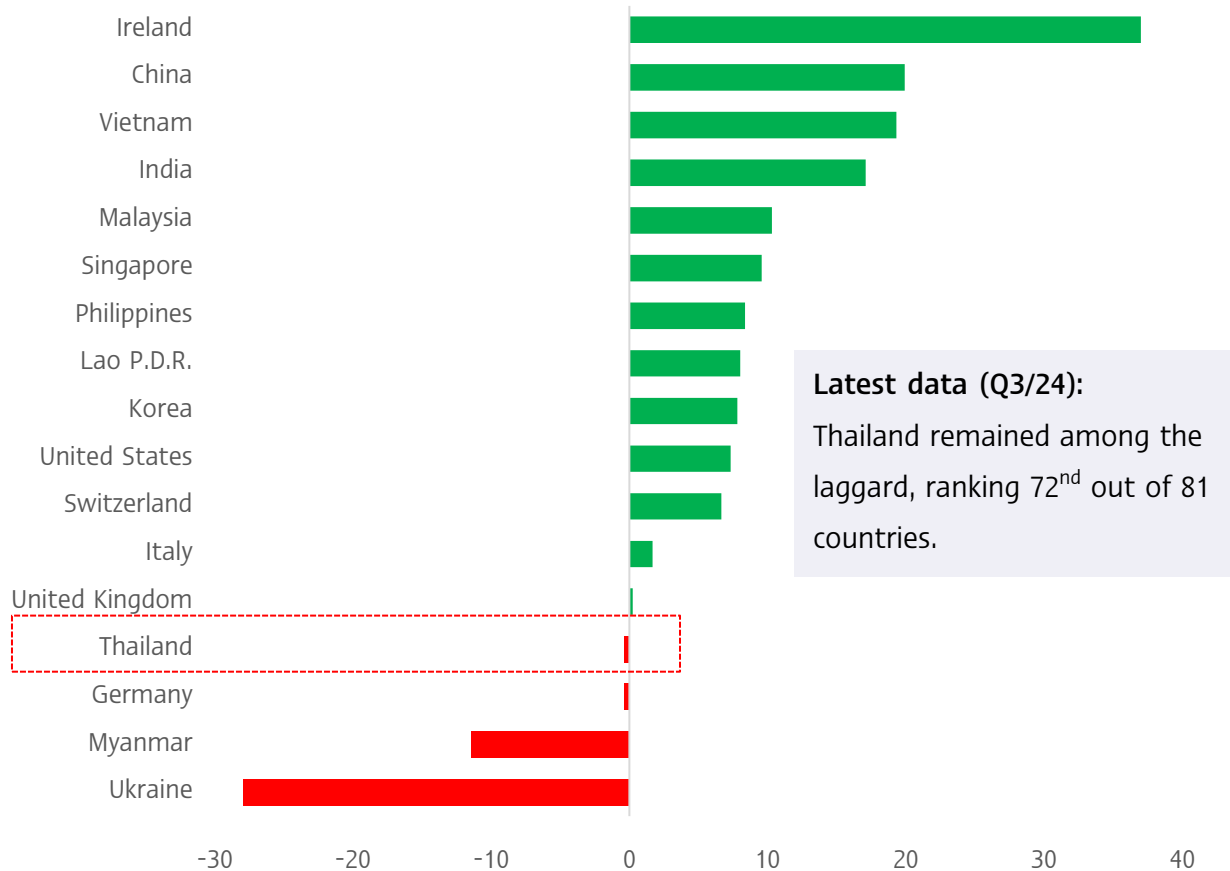
Households with an average income of less than THB 60,000 per month (or less than THB 30,000 per person per month) are highly vulnerable.

Thailand's economic recovery has been sluggish due to economic scars from the pandemic and unresolved structural issues, which continue to hinder the country's long-term growth prospects.

As of the end of 2023, Thailand ranked 162nd out of 189 countries globally in terms of economic recovery from the COVID-19.

The recovery of the economies after the COVID-19 crisis

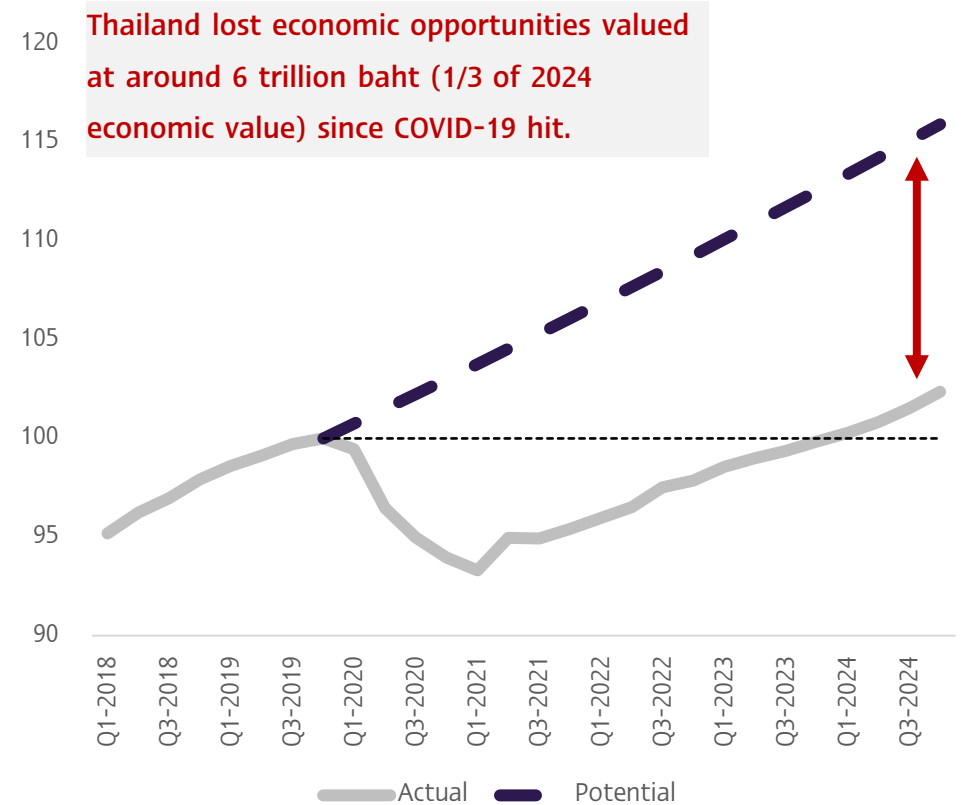
Rolling 4-quarter index as of Q4 2023 compared with Q4 2019



The Thai economy took over 4 years to return to its pre-COVID-19 level.

Thailand's GDP projections under the 3% potential growth

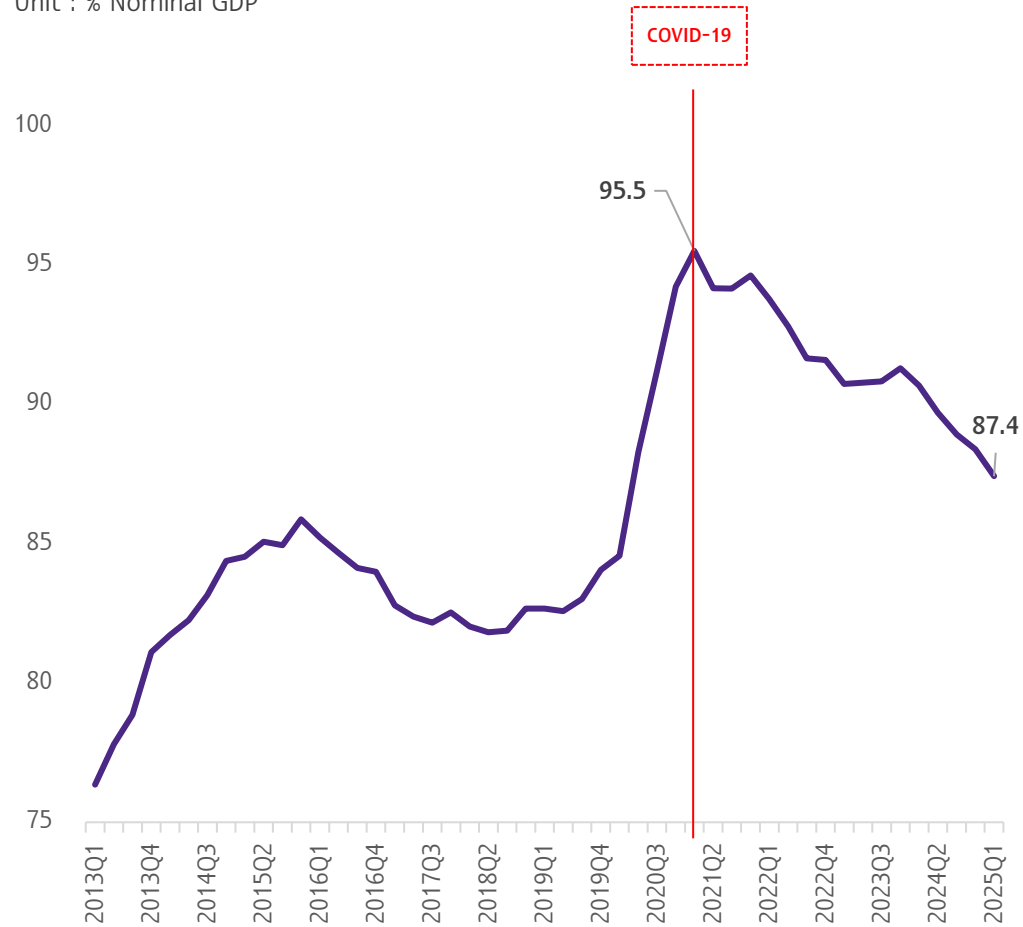
Rolling 4-quarter index (100 = Rolling sum as of Q4 2019)



Household scarring: The ratio of Thai household debt to GDP has gradually declined but remains higher than pre-COVID levels ...

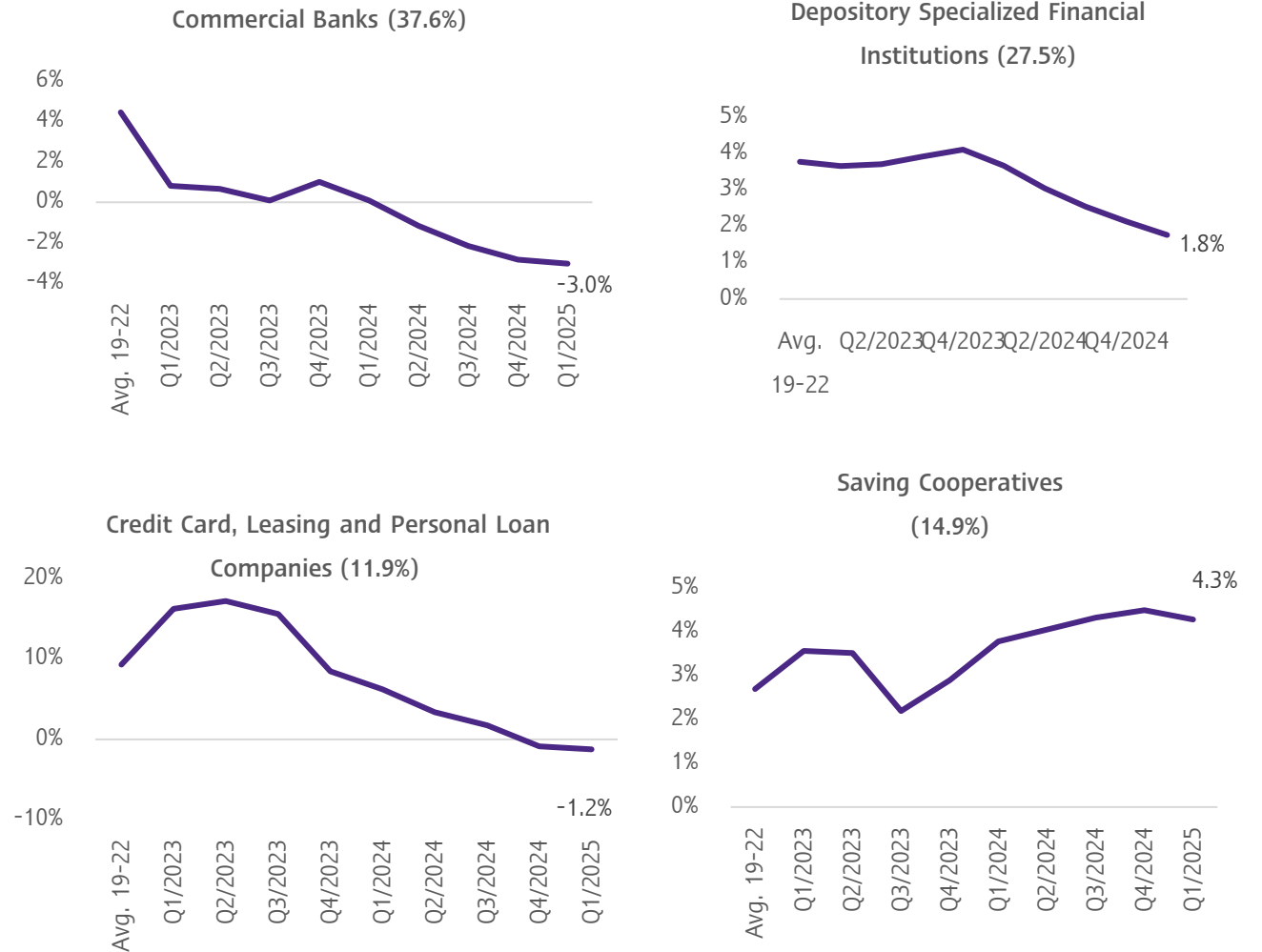
Thailand household debt to GDP

Unit : % Nominal GDP



Growth of loan to household

Unit : %YOY, () Ratio to outstanding loan to household in 1/2025

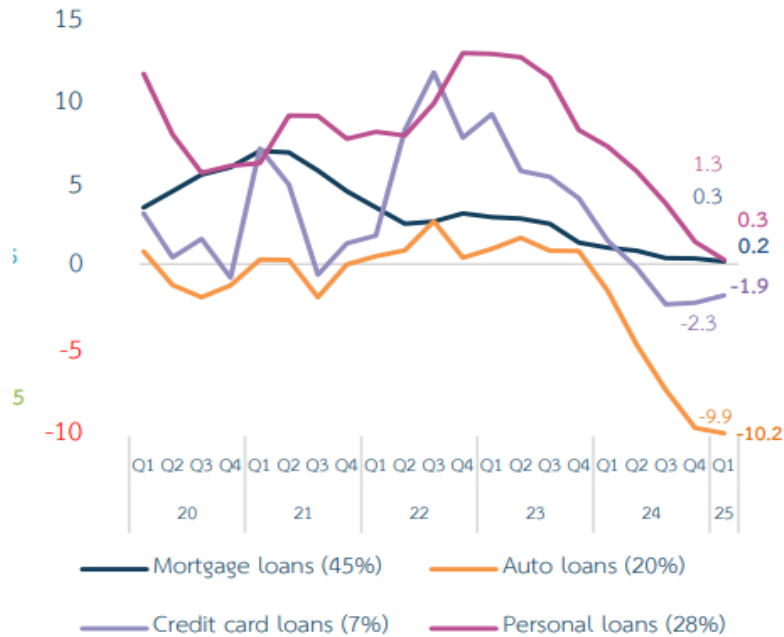


... primarily due to a credit contraction.

Consumer credit contracted

Consumer loan growth by portfolio

Unit : %YOY *for commercial banks and their subsidiaries



Note: (1) Consumer loans are on full consolidation basis.
 (2) Numbers in the parentheses show the proportion of total retail loans.

SM and NPL remain high, especially for auto and mortgage.

SM+NPL for consumer loan under financial institution

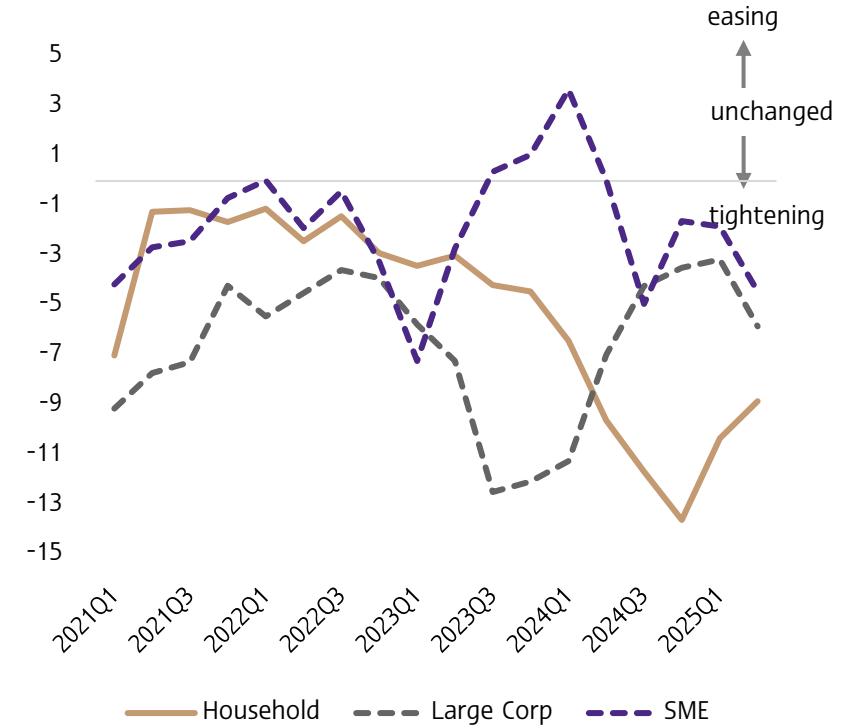
Unit : %SM and NPL outstanding loan *for commercial banks and their subsidiaries

SM and NPL outstanding	Q4/24	Q1/25
Corporate + Consumer	9.76	9.87 ↑
Corporate		
> 500 THB Mn	5.14	5.05
<= 500 THB Mn	19.69	20.62 ↑
Consumer loan	11.21	11.41 ↑
Auto	17.24	17.39 ↑
Mortgage	10	10.26 ↑
Credit card	7.96	8.45 ↑
Personal	9.61	9.67 ↑

Credit standards continue to tighten.

Credit standards (survey by BOT)

diffusion index, 4QMA



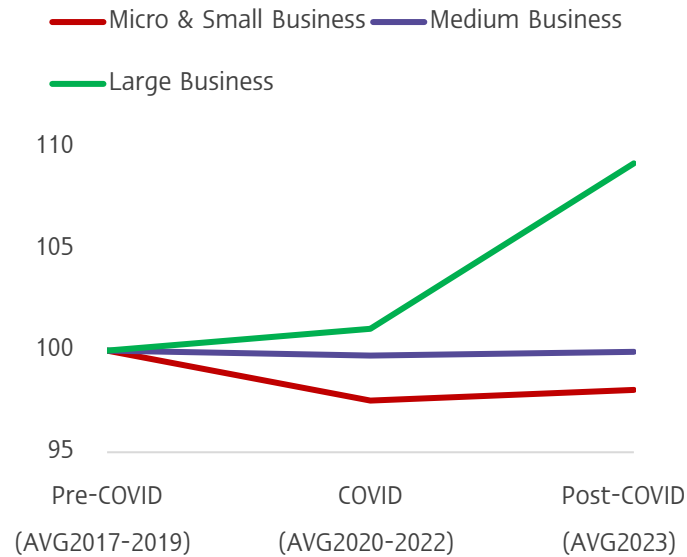
Note: The credit standard data is based on the Credit Conditions Survey by the Bank of Thailand. For individual lending standards, the figures are weighted averages based on the outstanding loan balance of each loan type in the respective quarter. Source: Analysis by SCB EIC using data from the Bank of Thailand and CEIC.

Business Scarring: Overall recovery remains fragile, with revenue recovery showing a widening K-shape pattern

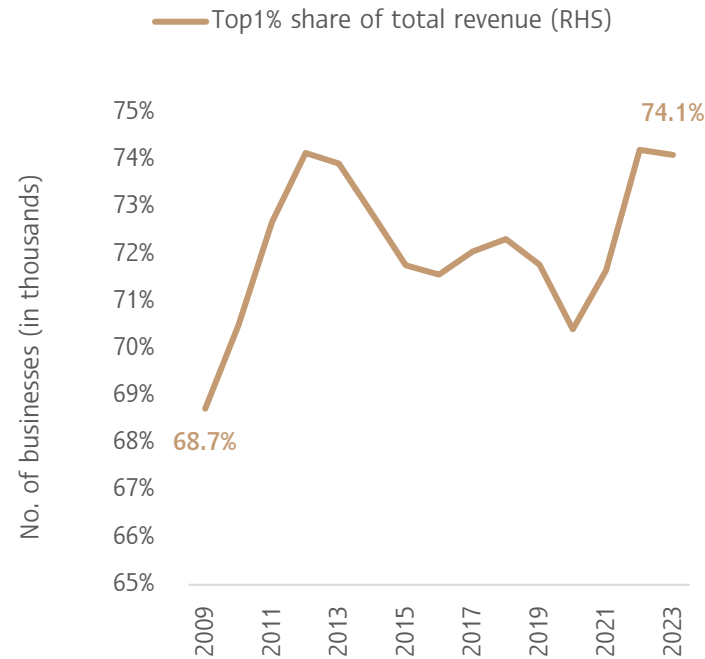
The share of zombie firms remains elevated compared to the pre-COVID period, especially among small businesses

Average Company Revenue by Business Size

Unit: Index (Average per company during 2017–2019 = 100)

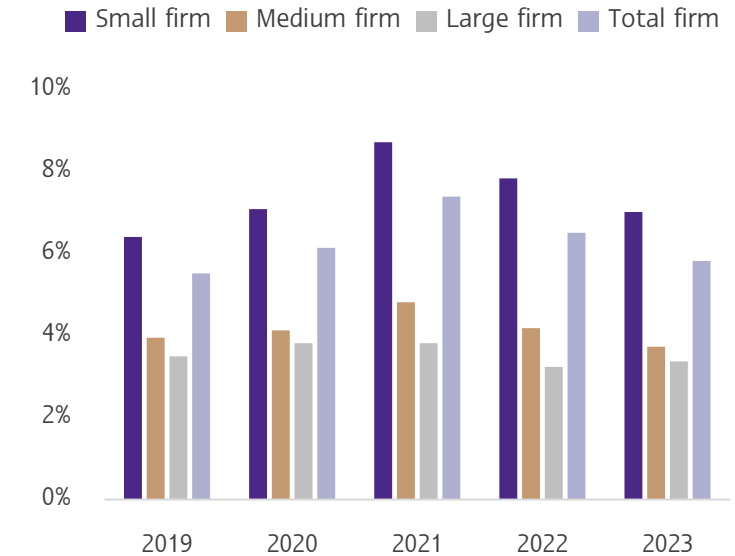


Share of Thai Business Revenue during 2009-2023 by Business Size



Share of Zombie Firms in Thailand

Unit: % of total companies



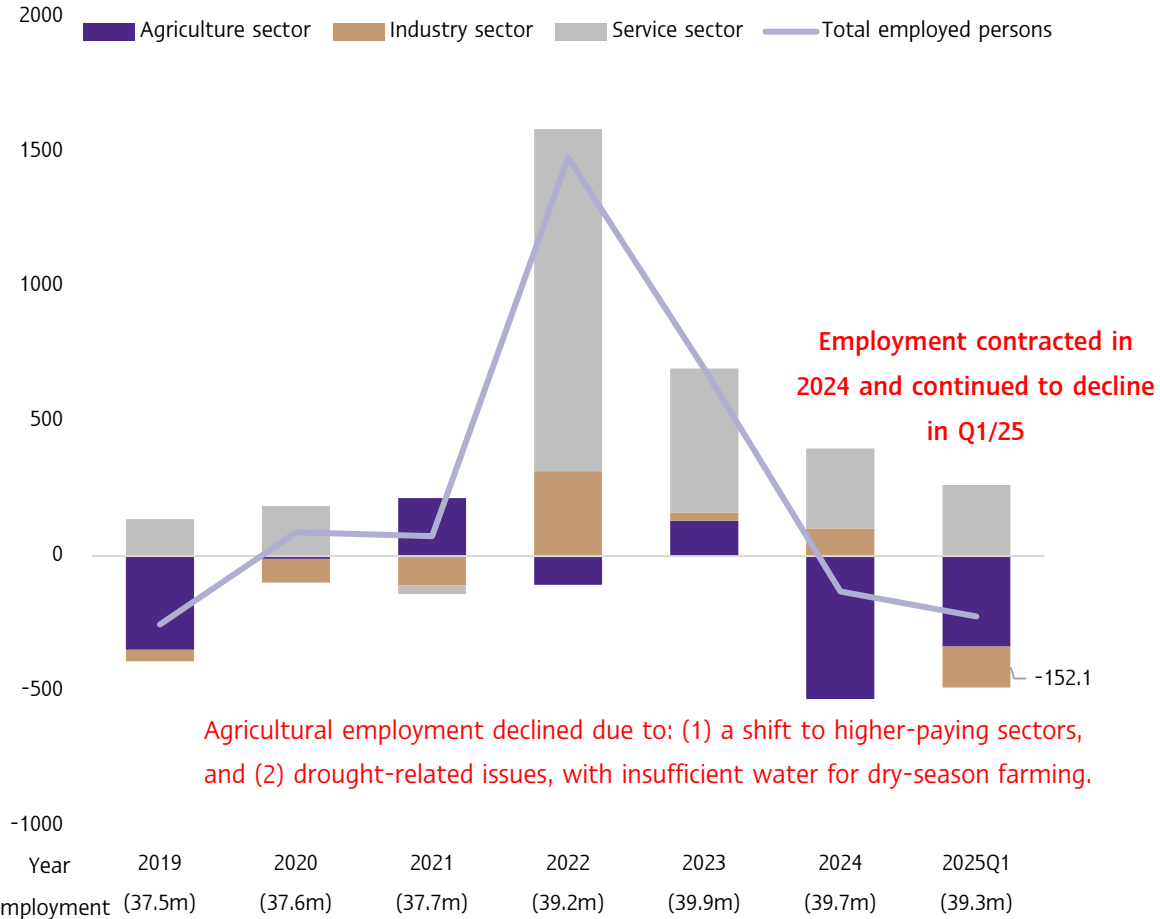
Note: (1) Definition of “Zombie firms”: Companies with an interest coverage ratio (ICR) of less than 1 for three consecutive fiscal years and operating for more than 10 years. (2) Large businesses refer to firms with annual revenue exceeding THB 500 million in the manufacturing sector, or THB 300 million in the trade and services sectors. Medium-sized businesses refer to firms with annual revenue not exceeding THB 500 million in manufacturing, or THB 300 million in trade and services. Small businesses refer to firms with annual revenue not exceeding THB 100 million in manufacturing, or THB 50 million in trade and services.

Source: SCB EIC analysis based on data from the Department of Business Development.

Thailand's labor market became more fragile, with employment continuing to decline, especially in the agricultural and industrial sectors—and slow income recovery

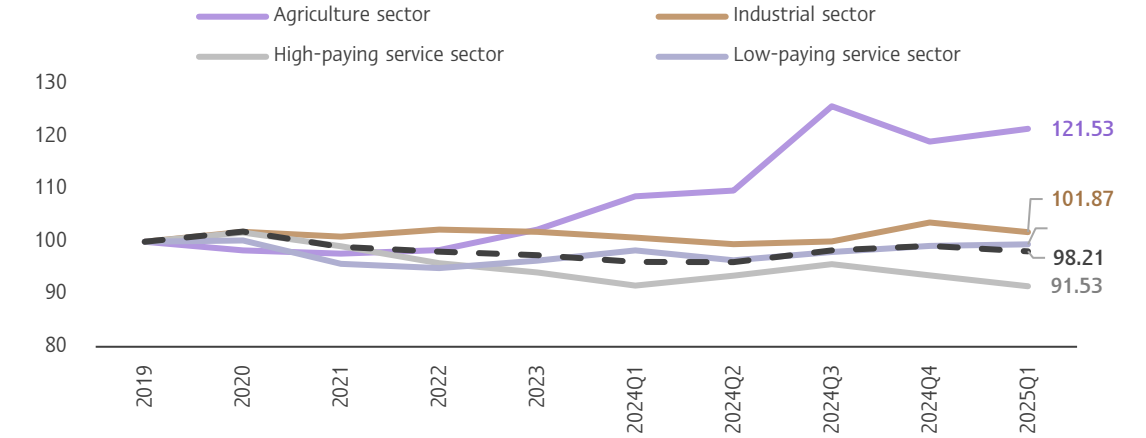
Employment contracted, with the sharpest industrial decline since COVID-19

Unit: Thousand persons, Change from the previous year



Average real income (including OT and bonuses) has not returned to the pre COVID-19.

Unit: Index (2019 = 100), average YOY change in real income



Real wage (2025Q1)	Agriculture	Industrial	High-paying service	Low-paying service	Total
THB/mth	8,209	15,008	21,257	13,443	15,948

- Average working hours declined across all sectors in Q1 and remained below pre-COVID levels.
- Real income has recovered slowly, particularly for workers in the industrial and high-paying service sectors.
- Underemployment rose by 14.4%YOY in Q1 (4.27Mn persons), accounting for 10.8% of employed persons—the highest share since Q1/2021—while the shares of full-time and overtime workers declined.

Phase 3 of the digital wallet scheme postponed and replaced by a 157-billion-baht stimulus plan. SCB EIC views the new plan more cost-effective but emphasizes the importance of effective execution.

Estimated timeline for the implementation of the THB 157Bn economic stimulus (by SCB EIC)

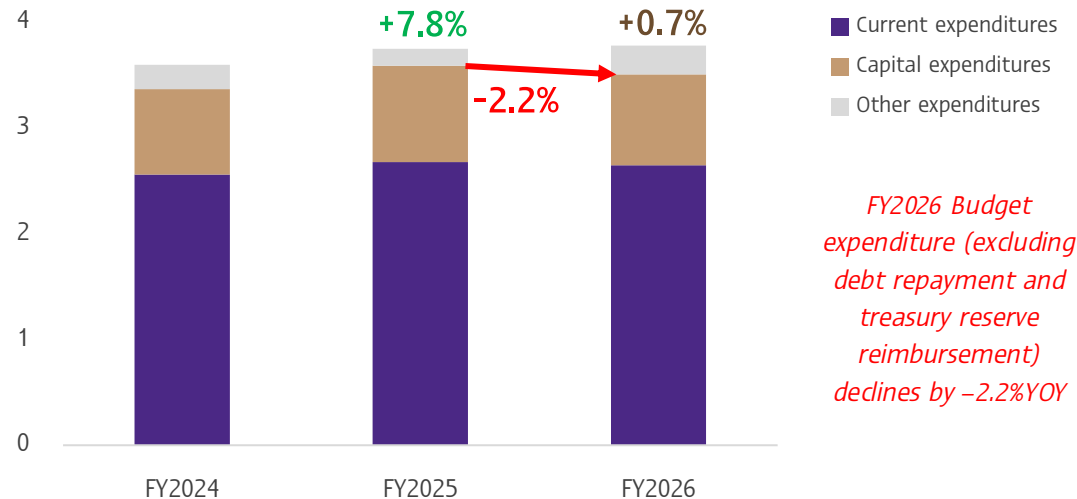
THB 157Bn stimulus budget	2025Q2	2025Q3	2025Q4	2026Q1	2026Q2
Digital Wallet Phase 3 (original plan)	Cabinet approval; Budget disbursement into the economy				
New economic stimulus plan Infrastructure / Tourism /Productivity enhancement / Community economy	THB 115Bn Budget approved by the Cabinet (24 June)	Budget allocation; Project bidding	Budget disbursement into the economy		

More cost-effective scheme
Reduce credit rating downgrade risk

Limited effectiveness with implementation lag

Government Budget for FY2025-2026

Unit: Trillion baht



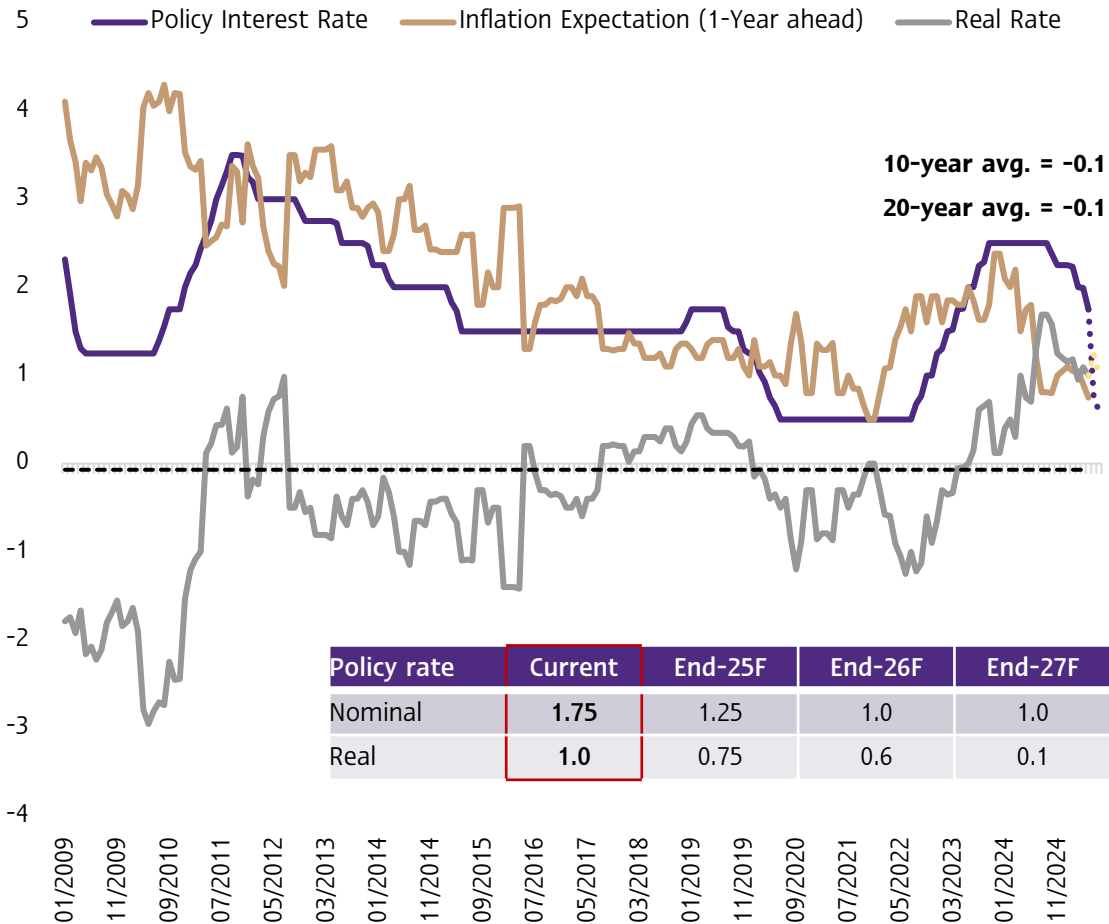
Latest credit rating outlook for Thailand

THA	Moody's (29 Apr 2025)	S&P Global (2 Jun 2025)
Action	<ul style="list-style-type: none"> Rating maintained at Baa1 Outlook downgrade to Negative (from Stable) 	<ul style="list-style-type: none"> Rating maintained at BBB+ Outlook maintained at Stable
Rationale	<ul style="list-style-type: none"> Declining economic potential Weakened fiscal sustainability 	<ul style="list-style-type: none"> Tourism and public investment will help support the economy Digital wallet budget may be reallocated to investment

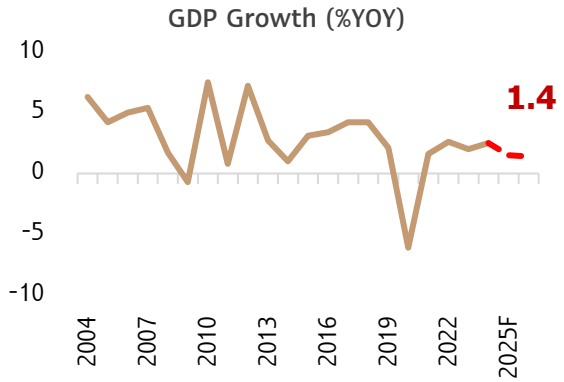
Policy rate is expected to be cut twice more this year, driven by a significant economic slowdown in H2 and ongoing tight domestic financial conditions.

Thailand's policy rate outlook (by SCB EIC)

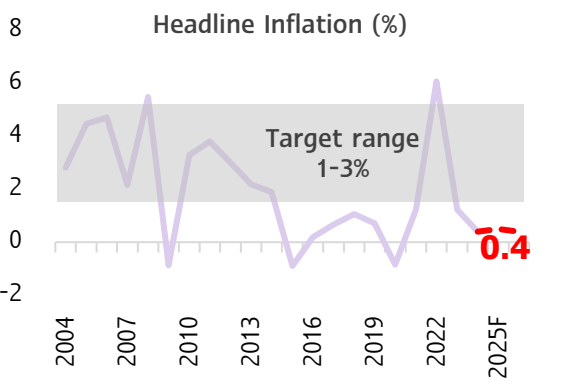
Unit: %,



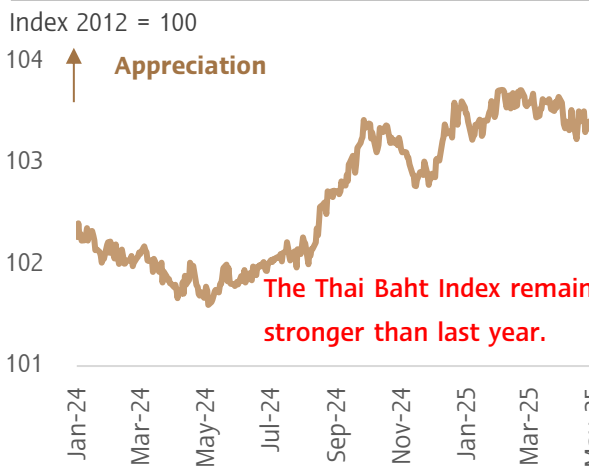
GDP growth below potential



Inflation below target



Nominal Effective Exchange Rate (by BIS)



Thailand's policy rate continues to decline.

- MPC is more likely to cut rates twice more times this year, aligning with a weaker economic outlook than its previous assessment.
- If U.S. talks fail, downside risks may intensify, prompting the MPC to consider more than two rate cuts this year.

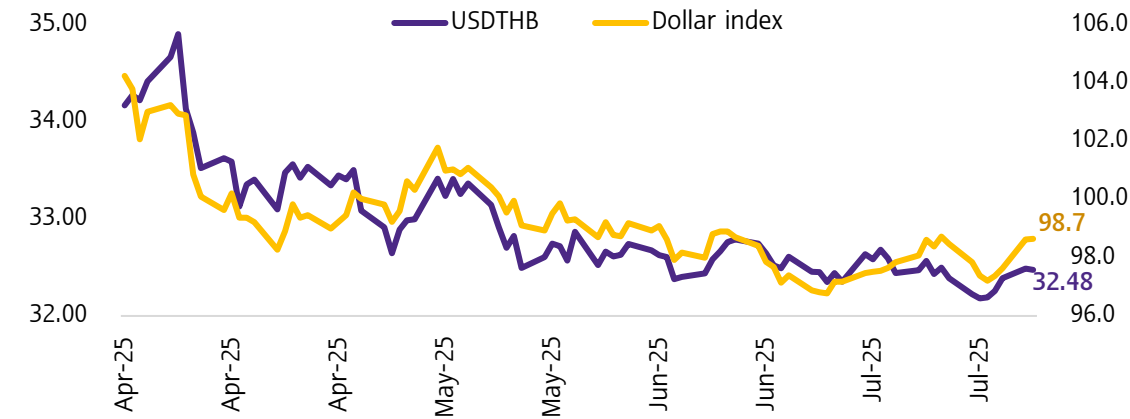
Note: Inflation expectation from Bloomberg Median (2016–present); for the period before 2016, actual headline inflation data for the following year is used.
Source: NESDC, BIS, BOT, and Ministry of Commerce.

เงินบาทอ่อนค่าจากความขัดแย้งระหว่างไทยกับกัมพูชา โดยเงินบาทอ่อนค่าถึงเกือบ 1% นับจากเริ่มมีการปะทะกัน

อย่างไรก็ดี หากเทียบจากต้นปี เงินบาทยังแข็งค่าขึ้นเกือบ 6% สะท้อนภาพเงินดอลลาร์สหรัฐที่อ่อนค่า

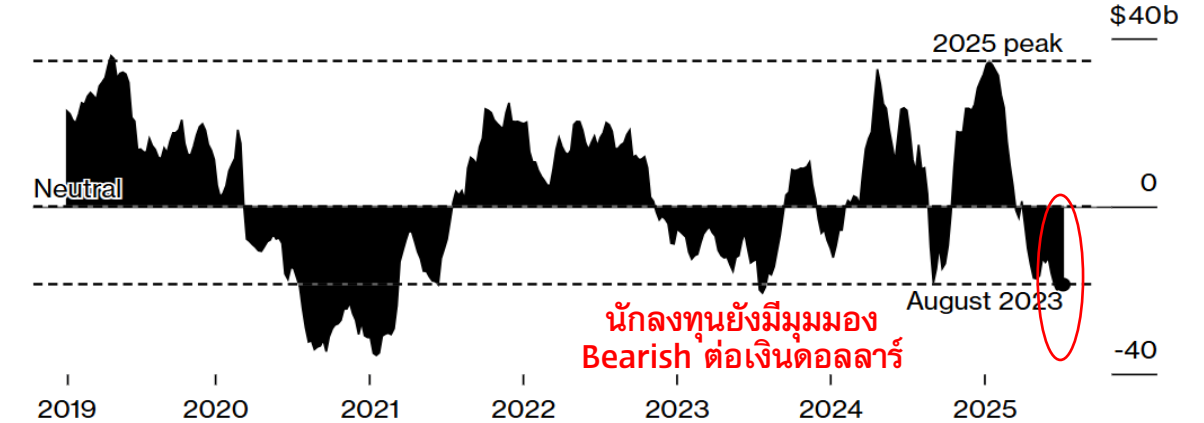
ค่าเงินบาท และดัชนีเงินดอลลาร์สหรัฐ ในไตรมาสที่ผ่านมา

หน่วย : % (ข้อมูล ณ วันที่ 29 ก.ค. 2025)



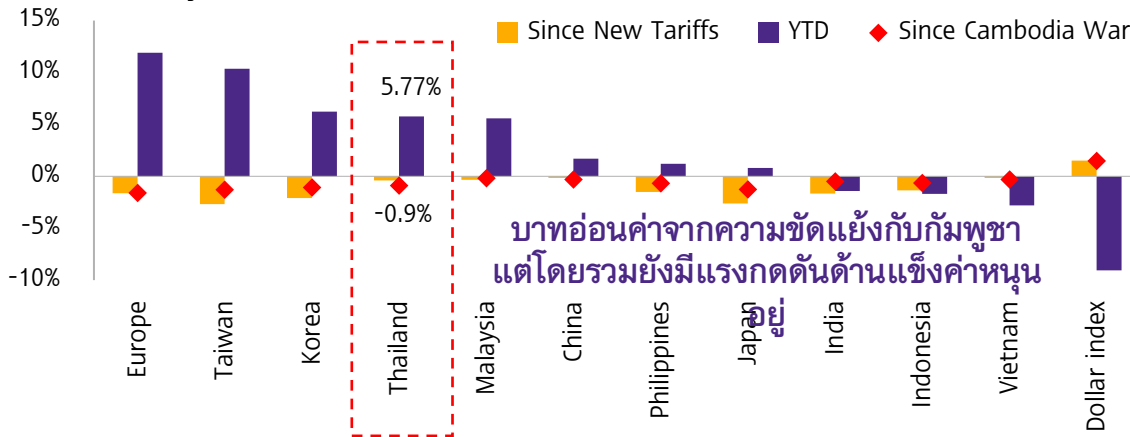
US Dollar Position, Non-commercial traders (from CFTC)

Unit : Billion US Dollar



การเปลี่ยนแปลงของค่าเงินแต่ละสกุล เทียบดอลลาร์สหรัฐ

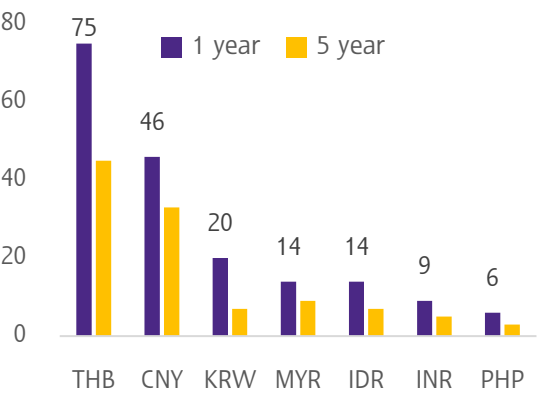
หน่วย : % (ข้อมูล ณ วันที่ 29 ก.ค. 2025)



บาทอ่อนค่าจากความขัดแย้งกับกัมพูชา แต่โดยรวมยังมีแรงกดดันด้านแข็งค่าหุ้น

Correlation ราคาทองกับเงินภูมิภาค

หน่วย : %



- ในระยะสั้น เงินบาทอาจผันผวนและอ่อนค่าได้จากความขัดแย้งกับกัมพูชา การขึ้นภาษีนำเข้าของสหรัฐฯ และเลขเศรษฐกิจสหรัฐฯ ที่ดี
- สิ้นปี มองว่าเงินบาทอาจแข็งค่าได้ มองกรอบปลายปีที่ราว 31.50-32.50 จากแนวโน้มการลดดอกเบี้ย Fed เป็นสำคัญ

มาตรการภาษีของสหรัฐฯ ส่งผลกระทบต่ออุตสาหกรรมส่งออกสำคัญ เช่น อิเล็กทรอนิกส์ เครื่องใช้ไฟฟ้า ยางล้อและชิ้นส่วนยานยนต์ และส่งผลกระทบต่อเมืองมายังเศรษฐกิจโลกและไทยที่ชะลอลงตาม ซึ่งจะกระทบต่ออุตสาหกรรม เช่น ท่องเที่ยว อสังหาที่อยู่อาศัย

ประเมินความเสี่ยงจากมาตรการทางการค้าของสหรัฐฯ ณ 1 ส.ค. 2025 ผ่านช่องทางผลกระทบทั้งทางตรงและทางอ้อม

ประเภทอุตสาหกรรม	ประเมินความเสี่ยงจากมาตรการทางการค้าของสหรัฐฯ						ภาพรวมความเสี่ยง	ประเด็นที่ต้องจับตามอง
	การส่งออก/กำลังซื้อในตลาดสหรัฐฯ	การเสียส่วนแบ่งตลาดสหรัฐฯ ให้คู่แข่งที่โดน tariffs ต่ำกว่า	การส่งออก/กำลังซื้อจากจีน	การดีดลดจากสินค้านำเข้า	กำลังซื้อในประเทศ/เศรษฐกิจไทยชะลอตัว	แนวโน้มการลงทุนภายในประเทศ		
Electronic Components	High	Moderate	Moderate	Moderate	Low	Moderate	<ul style="list-style-type: none"> • อุตสาหกรรมเครื่องใช้ไฟฟ้า จะต้องเผชิญกับความไม่แน่นอนมากขึ้น และต้องมีการพิจารณาโครงสร้างต้นทุนใหม่สำหรับสินค้าในรายการที่สหรัฐฯ เรียกเก็บภาษีตามภาษีหลัก • อุตสาหกรรมคอมพิวเตอร์และชิ้นส่วนอิเล็กทรอนิกส์ เผชิญความเสี่ยงที่รุนแรงขึ้นจากการเก็บภาษีในกลุ่มสินค้าไอทีและ Reciprocal tariffs ในหมวดสินค้าอื่นๆ ที่ถูกเก็บในอัตราที่สูงกว่าคู่แข่ง • อุตสาหกรรมยางล้อและชิ้นส่วนยานยนต์ เผชิญการแข่งขันจากกลุ่ม USMCA ที่ได้รับการยกเว้นภาษีนำเข้าจากสหรัฐฯ และอาจมีส่วนทำให้เกิดการย้ายฐานการผลิตหรือชะลอการลงทุนภูมิภาค ASEAN • อุตสาหกรรมกุ้ง เสียส่วนแบ่งตลาดให้กับคู่แข่งสำคัญในสหรัฐฯ อยู่แล้วตั้งแต่ก่อน Trump 2.0 จากเรื่องต้นทุนการผลิตที่สูงกว่าคู่แข่ง โดยเฉพาะเวียดนาม อินเดีย และเอกวาดอร์ และมีแนวโน้มสูญเสียส่วนแบ่งตลาดเพิ่มเติมให้คู่แข่งที่โดนภาษีต่ำกว่าอย่างเอกวาดอร์ 	
Computer & HDD	High	High	Moderate	Moderate	Low	Moderate		
เครื่องใช้ไฟฟ้า	High	Moderate	Moderate	High	Moderate	Moderate		
ยางล้อและชิ้นส่วนยานยนต์	High	High	Moderate	Low	Moderate	Moderate		
เหล็ก	Moderate	Low	Moderate	High	Moderate	Moderate		
สิ่งทอ	High	High	Low	High	Moderate	High		
ผลิตภัณฑ์พลาสติก	High	Moderate	Moderate	Moderate	Low	Moderate		
หม้อแปลง แบตเตอรี่	High	Moderate	High	High	Moderate	Moderate		
กุ้ง	High	Moderate	High	Moderate	Moderate	Moderate		
เม็ดพลาสติก	Low	Moderate	Moderate	Low	Moderate	Moderate		
อาหารทะเลแปรรูปอื่นๆ	Low	Moderate	Moderate	Moderate	Moderate	Moderate		
พริกผลไม้สดและแปรรูป	Low	Moderate	Moderate	Moderate	Moderate	Moderate		
น้ำตาล	Low	Moderate	Moderate	Moderate	Moderate	Moderate		
ขนส่งและโลจิสติกส์	Moderate	Moderate	Moderate	Moderate	Moderate	Moderate		
ท่องเที่ยวและโรงแรม	Low	Moderate	Moderate	Moderate	Moderate	Moderate		
นิคมอุตสาหกรรม	Moderate	Moderate	Moderate	Moderate	Moderate	Moderate		
อสังหาฯ ที่อยู่อาศัย	Low	Moderate	Moderate	Moderate	Moderate	Moderate		
คลังสินค้า	Low	Moderate	Moderate	Moderate	Moderate	Moderate		
ถุงมือยาง	Low	Moderate	Moderate	Moderate	Moderate	Moderate		

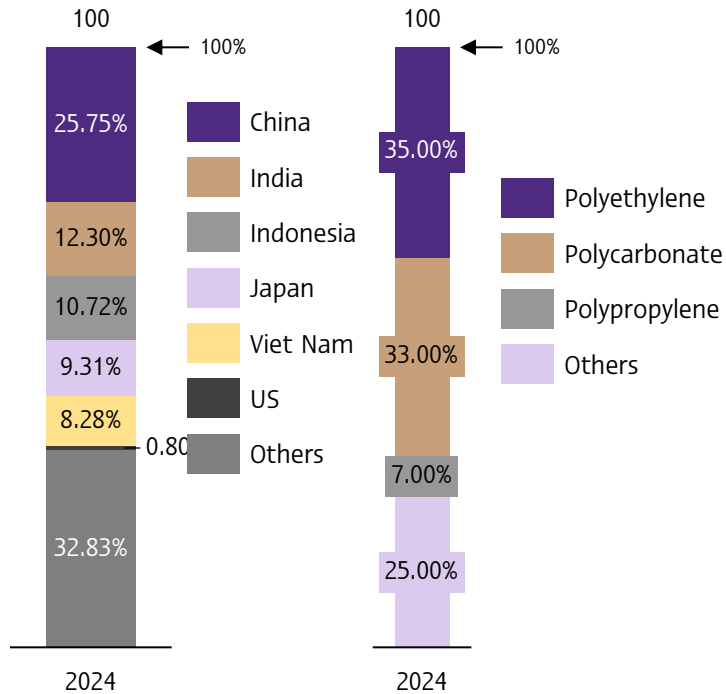
ที่มา : การวิเคราะห์โดย SCB EIC

Positive risk Not relevance Low Moderate Negative risk High

For Petrochemical industry, trade war will lead to lower global demand, exacerbating the overcapacity and low margin problems.

Share of Thai plastic resins export by country and type

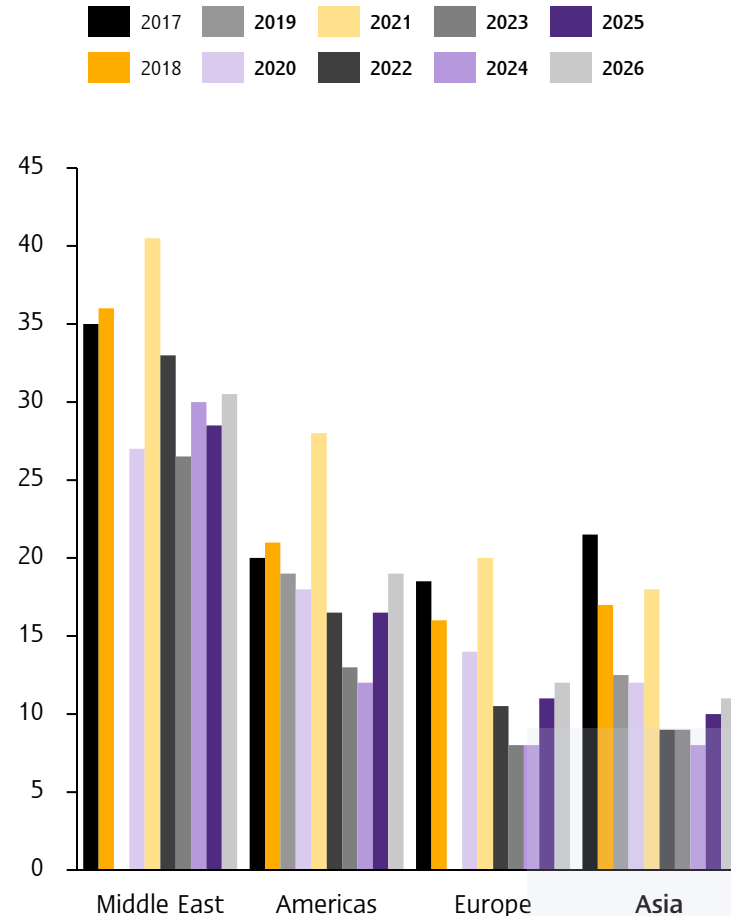
Unit: %



Total Plastic resins export values in 2024
8.6 billion USD

Companies in Asia and Europe have lower EBITDA margins

Unit: %



Impact and Recommendation

Impact

Direct Impact : Limited.

- Thailand’s plastic resin exports are only marginally affected by U.S. import tariffs, as shipments to the U.S. account for less than 1% of Thailand’s total plastic resin export value

Indirect Impact: Reduced Orders from China

- Trade war and slowing demand from Chinese finished good industries could reduce Thai plastic resin exports.

Recommendation

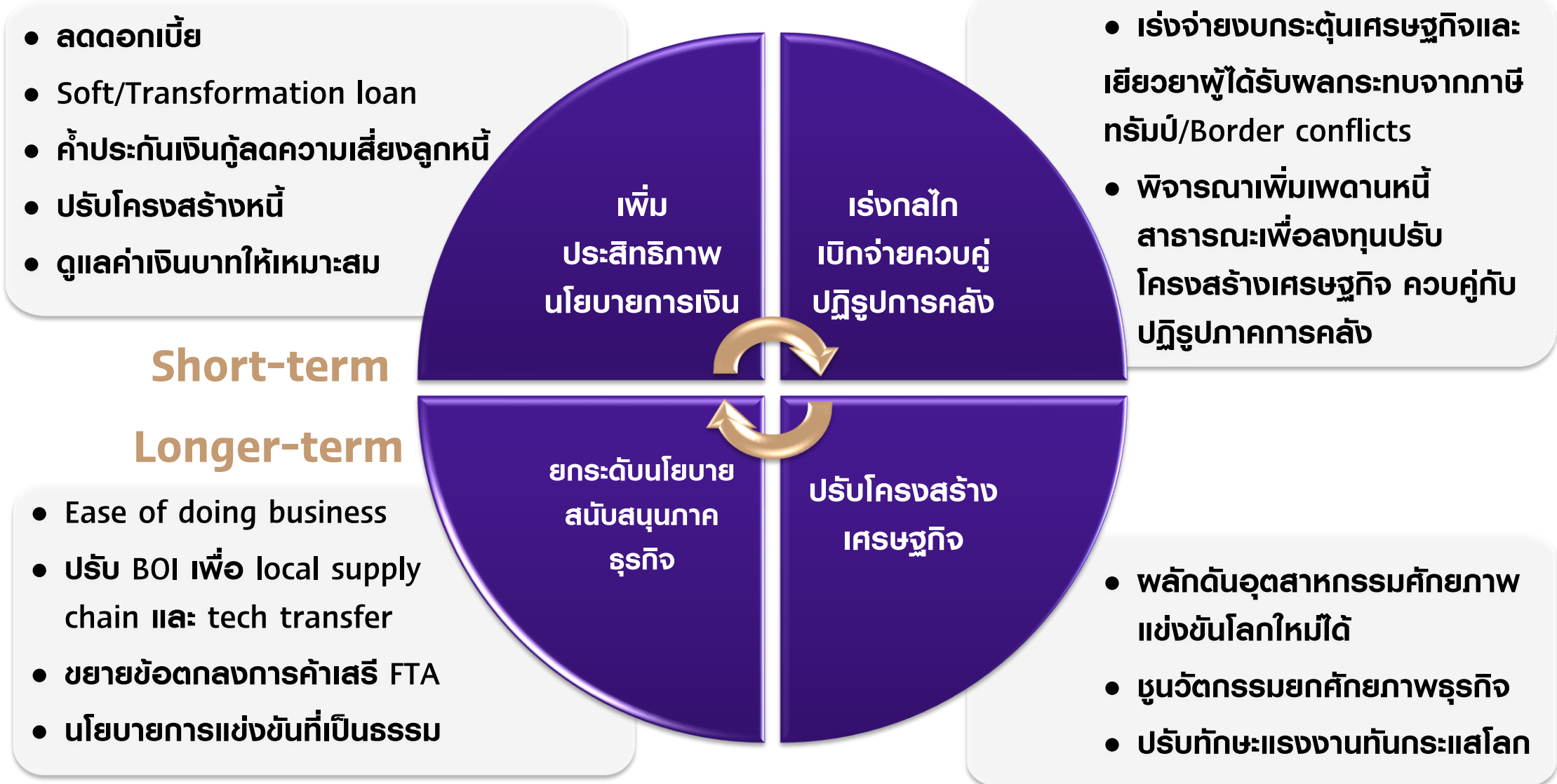
- **Cost optimization**
- **Strategic review of assets**
- **Diversify Export Markets** Reduce reliance on the China market by expanding into alternative destinations such as India and Vietnam.
- **Product Innovation:** Invest in the development of high-value plastic resins and niche specialty products to capture specialized markets.

Note : * HS Code 3901-3914

Source: Analysis by SCB EIC using data from Tradmap, Woodmac and Moody’s

นโยบายภาครัฐจะมีบทบาทหลักในการสนับสนุนปัจจัยภายในของประเทศ

ในระยะสั้นเน้นผ่อนคลายภาวะการเงินและเร่งจ่ายงบกระตุ้นเศรษฐกิจ ในระยะกลางต้องเร่งเพิ่มศักยภาพประเทศ



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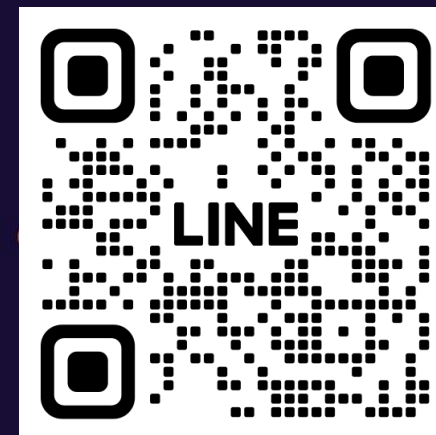


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