

Grant Thornton International Business Report Thailand focus

Q4 results

February 2026

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1 Executive Summary

Executive Summary: IBR Thailand Focus – January 2026

Macroeconomic Overview

- Southeast Asian economies recorded **divergent growth outcomes in Q3 2025** as tariff effects weighed on activity. Vietnam (8.2%) and Malaysia (5.2%) outperformed, while Thailand (1.2%) and the Philippines (4.0%) underperformed, marking their weakest growth since 2021. **With growth drivers softening but inflation remaining low**, central banks retained room to maintain accommodative policy stances.

Regional Performance

- Growth momentum diverged across Southeast Asia in Q3 2025 as tariff effects took hold. **Vietnam and Malaysia led the region**, while **Thailand and the Philippines underperformed**, highlighting widening dispersion in regional economic outcomes.
- Financial market performance **diverged across Southeast Asia in Q3 2025** amid tariff pressures and uneven domestic conditions. **Policy easing and investment inflows supported Vietnam, Malaysia, and Singapore**, while currency depreciation and weakening capital flows weighed on Indonesia, the Philippines, and Thailand.

Business Sentiment

- Survey conducted **between 21 Oct – 1 Dec 2025** and analyzed in collaboration with **Oxford Economics** measuring the sentiment of mid-market business leaders.
- Business optimism declines globally and across the region, while **Thailand's fall in business optimism is markedly more severe**.
- **Global and Thai business leaders are becoming increasingly cautious and less optimistic** about export growth, revenue growth, profitability, employment and investment.

Executive Summary: IBR Thailand Focus – January 2026

Confidence in Thai Economy

- **19% of respondents** were “**very confident**” in economic improvement, a decrease from 31% in the prior quarter.
- Most of the respondents (36%) were “**unsure**” in economic improvement, while 17% were “**not confident at all**”.
- Thai business leaders are being more cautious and less certain about economic improvement.

Key Risks and Structural Challenges

- **US tariff negotiations** continue to undermine market confidence.
- **The ongoing domestic political turmoil and Cambodian border dispute** is negatively impacting business confidence.
- **High household debt** and concerns over **commercial debt quality** remain significant headwinds.
- **Heavy reliance on exports and tourism** exposes the Thai economy to risk during this period of global tension.
- The **rapidly ageing population** continues to be a significant challenge for Thailand.
- Thailand's standing in the Transparency International **Corruption Perceptions Index 2025** of 116 out of 182 countries
- **Low productivity growth** remains a persistent structural challenge for the Thai economy, directly hindering its global competitiveness.
- How will AI reshape the economy?

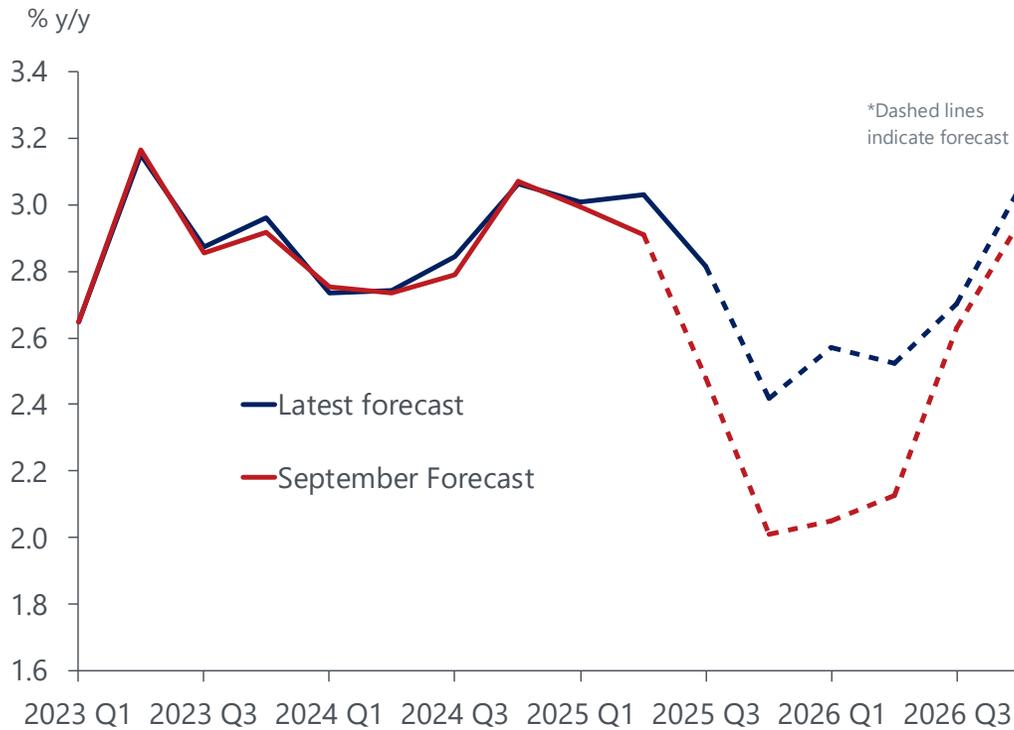
Outlook for 2026

The Thai economy is adapting to a world of predictable uncertainty. While the government strives to stimulate growth, the confluence of domestic political instability, despite the elections in February, elevated geopolitical and global trade tensions, along with persistent structural challenges will continue to dampen overall business confidence. Investor confidence will continue to fall significantly until there is more stability both at home and internationally. This report suggests that Thai businesses fail to see the importance of embracing technology and look for productivity gains that might give them the edge over their competitors. Investing in what matters most: their people, their purpose, and their ability to respond to change. That is how the mid-market will remain the engine of global growth.

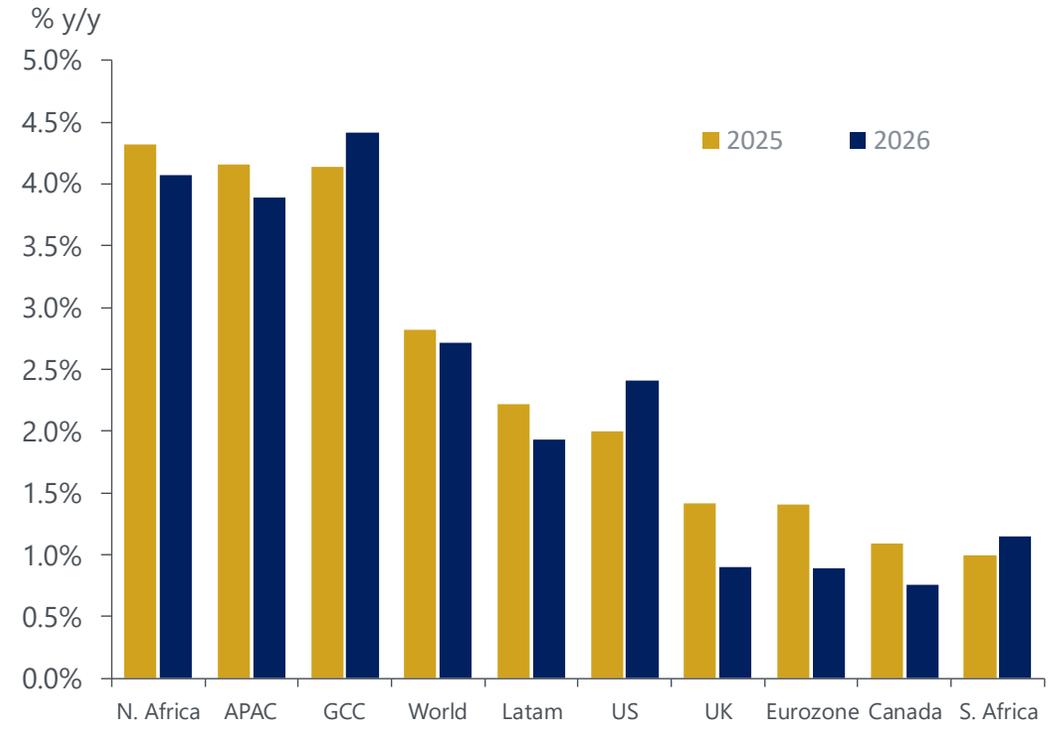
2 Global Background

Global growth eased in Q3, but not as sharply as expected

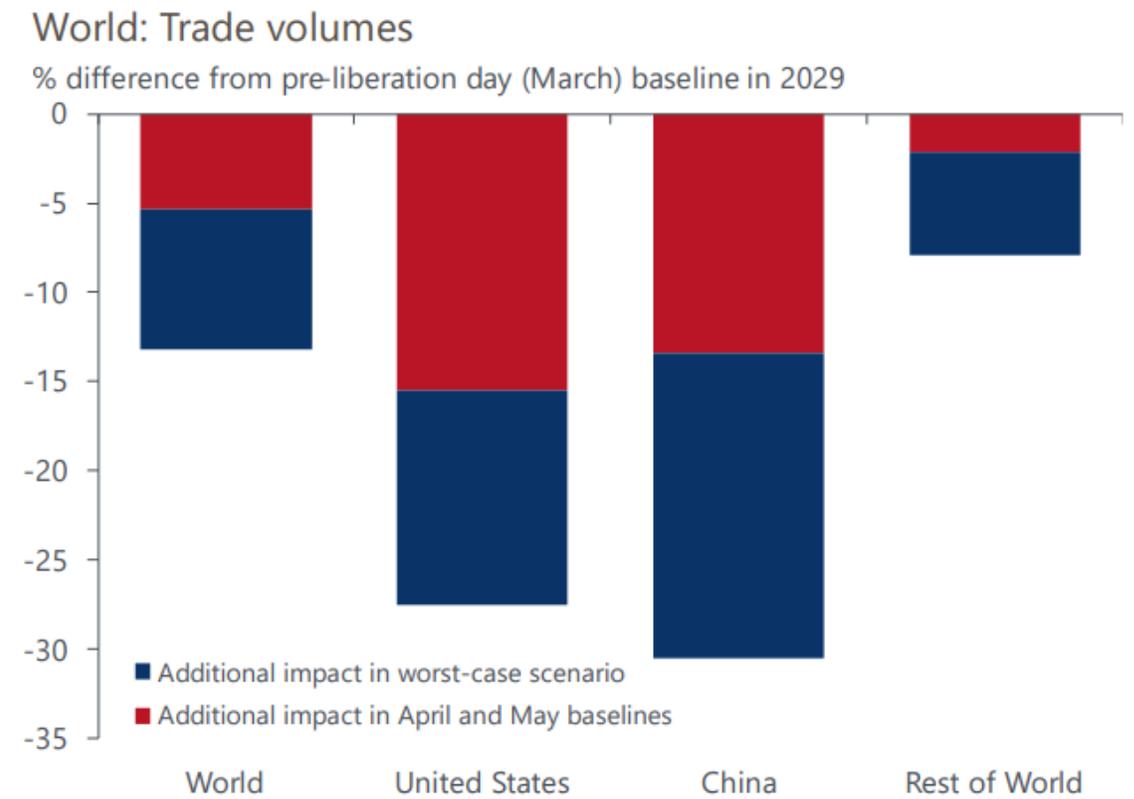
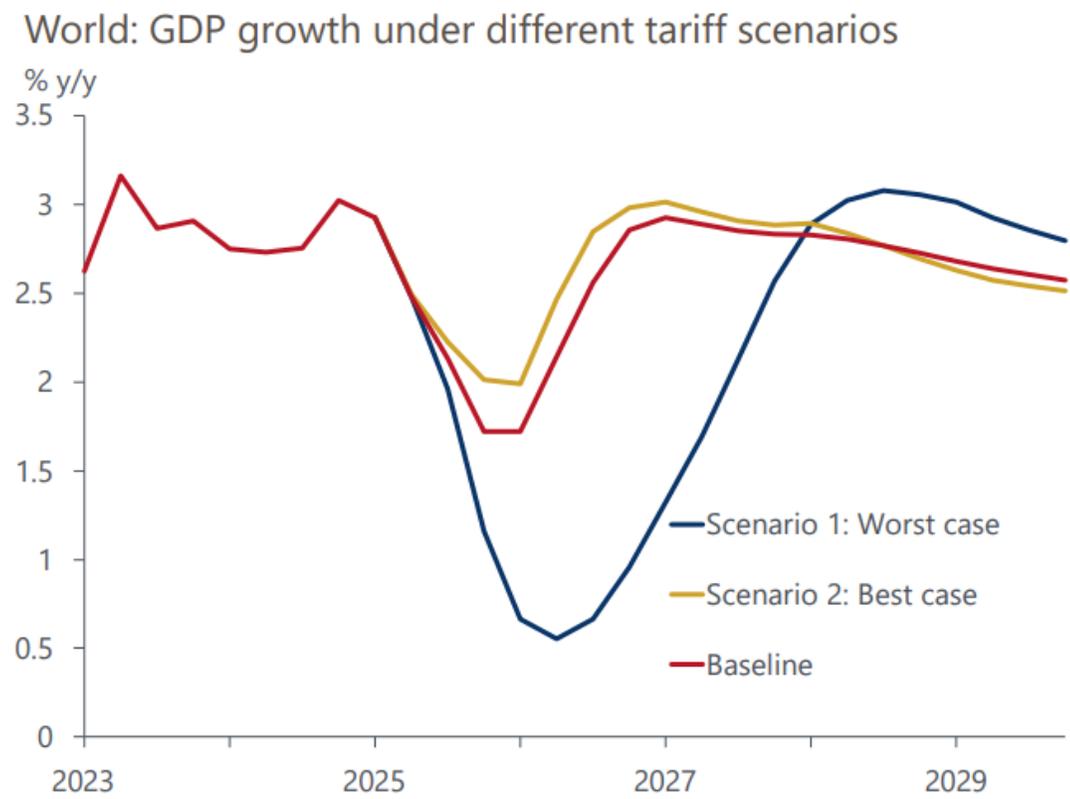
Global: Real GDP growth



Real GDP growth



A 'worst-case' scenario would see the world economy edging closer to a recession

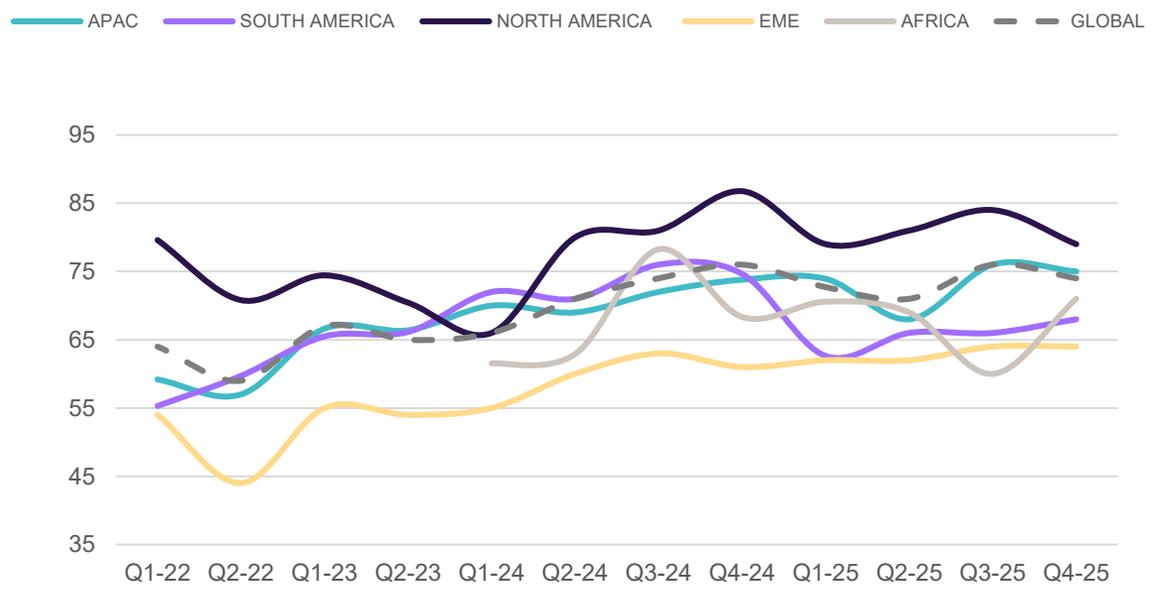


Source: Oxford Economics/Haver Analytics

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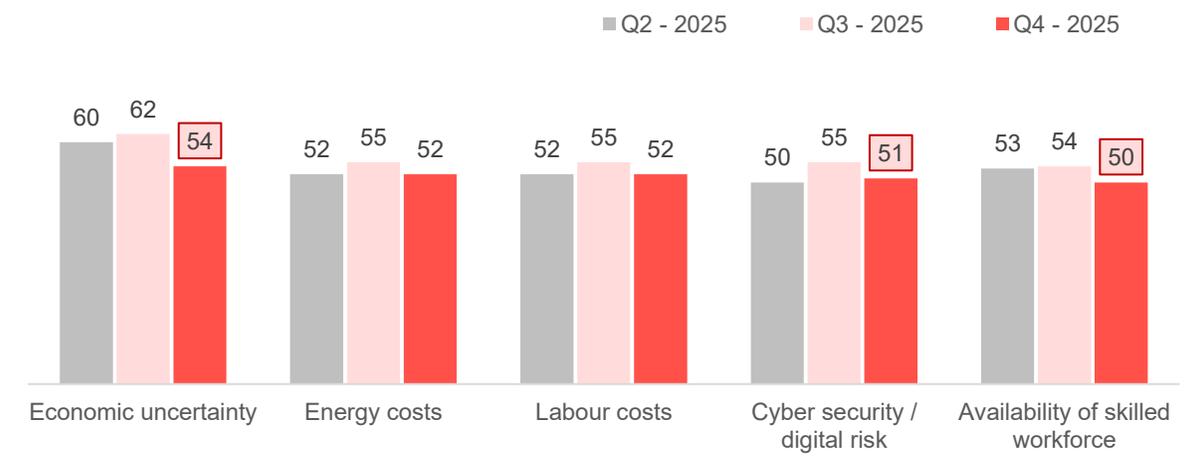
Optimism dims – business leaders are growing uneasy amid rising global uncertainty

Global optimism and uncertainty: Q1 2022 - Q4 2025



Source: Grant Thornton International Business Report (IBR) Q4 2025

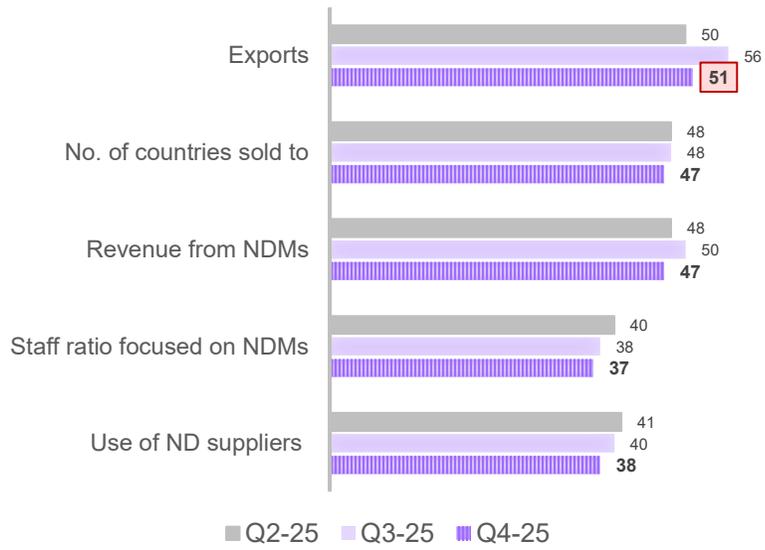
Global business constrains: Q1 2025 – Q4 2025



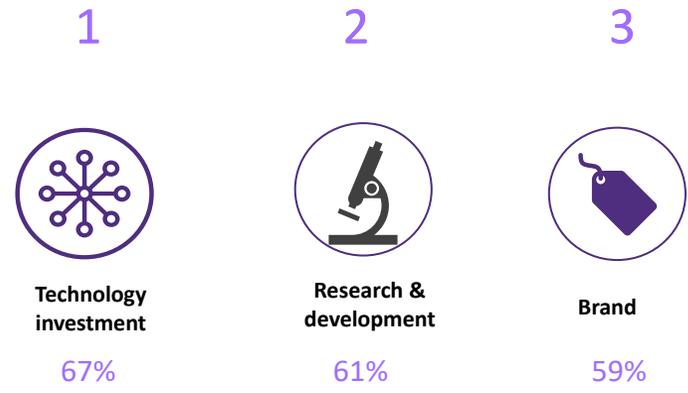
Source: Grant Thornton International Business Report (IBR) Q4 2025

Despite significant global uncertainty and headwinds, global business expectations and investment remain resilient

Global ambitions



Top investment intentions



Source: Grant Thornton International Business Report (IBR) Q4 2025

Source: Grant Thornton International Business Report (IBR) Q4 2025

3 Thailand's Economic Landscape

Thailand's Economic Landscape



GDP:

- **Thailand's GDP 1.2% in Q3 2025**, down from 2.8% in Q2 2025. The services sector grew at a slower pace, as tourism weakened due to fewer international arrivals and financial services growth moderated. to the broader slowdown.
- **Manufacturing and Construction declined** for the first time in 2025, weighing on overall economic activity and contributing



Private Consumption:

- **Private consumption grew steadily by 2.6% in Q3 2025**, but consumer confidence weakened further, falling for the third consecutive quarter to 44.7.



Trade:

- **Export growth slowed to 11.5% in Q3**, down from 15.0% in Q2, as strong performance in the electronics sector was partly offset by contractions in chemical and agricultural exports, following the implementation of new tariffs.
- **Import growth moderated to 12.2% in Q3**, compared with 16.8% in the previous quarter, reflecting softer trade activity and the impact of newly imposed tariffs.

Thailand's Economic Landscape



Industrial Activity:

- **Industrial activity weakened in Q3 2025**, with manufacturing contracting by **1.6% year on year** due to temporary factory maintenance and relocations, reversing growth recorded in Q2.
- **Forward-looking indicators remain strong**, with the manufacturing **PMI consistently in expansionary territory and rising to 56.6 in October 2025**, alongside the largest increase in production in 29 months and a sharp pickup in new orders, pointing to a near-term recovery.



Labour:

- **Labor market strengthened**, with the unemployment rate declining to **0.76% in Q3**, indicating continued resilience despite broader economic fragility.



Inflation:

- Inflation remained subdued in Q3, with **headline inflation at -0.7% for the second consecutive quarter** and **core inflation easing to 0.8%**, driven by persistently low energy prices and leading to a **revised 2025 average inflation forecast of -0.2%**.

Thailand's Economic Landscape



Currency:

- **Currency performance was stable in Q3**, with the baht ending the quarter largely unchanged after a strong Q2 appreciation, but year-to-date gains of 5.9% have raised concerns about reduced competitiveness for exports and tourism.



Policy Rate:

- **The BOT cut the policy rate to 1.5% in August**, aiming to support consumption amid slower growth linked to trade uncertainties and weaker tourism.
- **The BOT kept the policy rate unchanged in October 2025**, allowing the August rate cut to take effect, while remaining ready to adjust policy based on economic and inflation conditions.



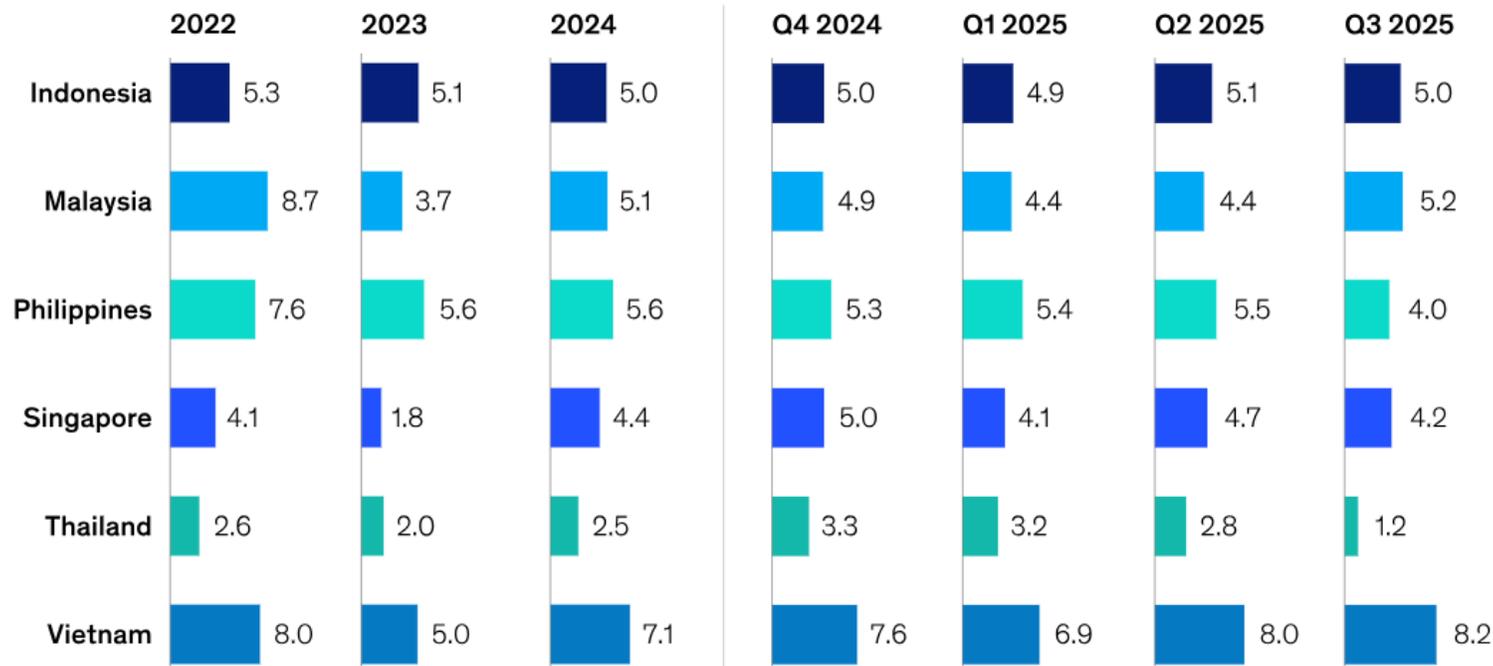
Capital Inflows:

- **FDI declined to 247.7 million baht in Q3 2025**, down from 469.9 million baht in Q2. However, total inflows reached US\$30.4 billion in the first nine months of 2025, representing an 82% year-on-year increase, driven mainly by investments in data centers and smart electronics, with China, Hong Kong, and Singapore as key investors.

Real GDP growth rate vs previous period

Southeast Asian economies delivered a softer third quarter in 2025 as the impacts from tariff implementation took hold.

Real GDP growth rate vs previous period, %



Source: McKinsey & Company

Key Findings

- **Southeast Asian economies recorded a softer third quarter in 2025** as front-loading effects faded and higher tariffs weighed on growth.
- Vietnam remained the region's top performer, accelerating to 8.2% GDP growth, while Malaysia rebounded to 5.2%, its strongest result in over a year.
- Indonesia maintained steady growth at 5.0%, broadly in line with recent quarters, while Singapore eased slightly to 4.2% despite upgrading its full-year outlook.
- In contrast, **Thailand and the Philippines slowed sharply. Thailand's growth fell to 1.2%**, its weakest since 2021, while the Philippines slowed to 4.0%, down from 5.5% previously.



Thailand's Exports VS Industrial Production

Exports growth slowed in Thailand, while manufacturing output contracted for the first time in over a year.

Thailand exports vs industrial production,¹ % value growth



¹Year-on-year change, quarterly, through Q3 2025.
Source: Countries' national statistics offices; Oxford Economics

Source: McKinsey & Company

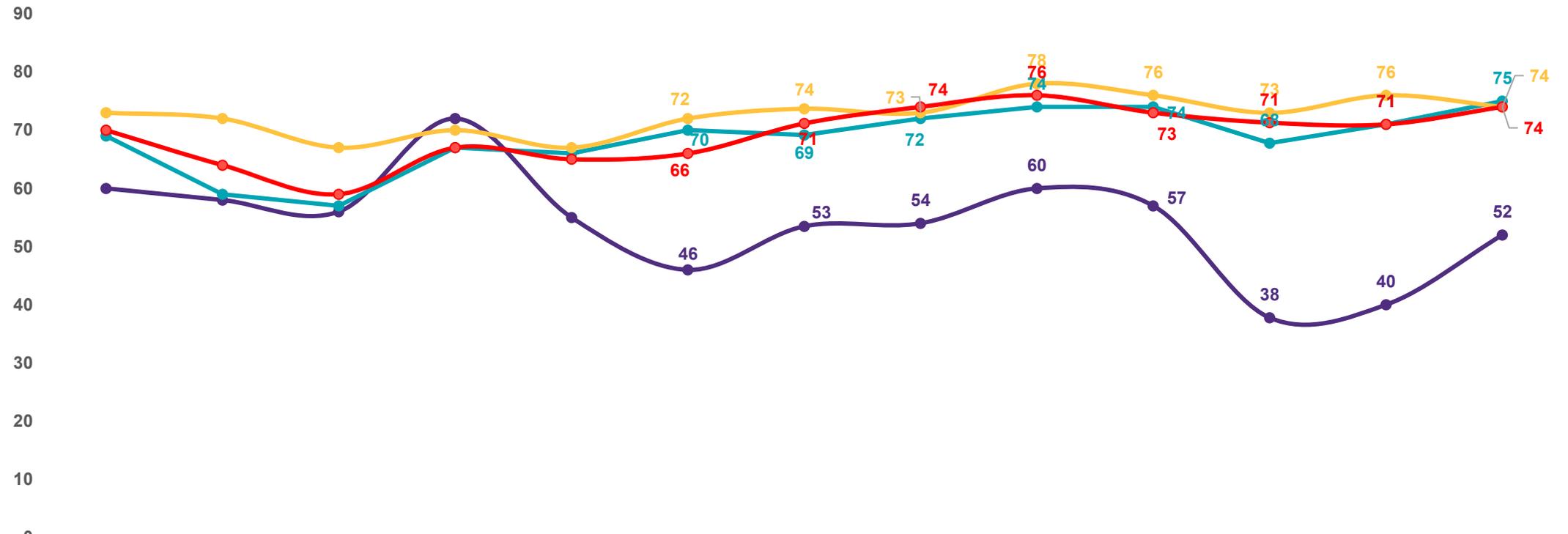
Key Findings

- **Economic growth slowed to 1.2 percent year on year in the third quarter**, the weakest expansion in four years, indicating a continued loss of economic momentum.
- **Exports, manufacturing output, and investment weakened over the quarter**, offsetting resilient household consumption and weighing on overall economic performance.
- **Policy support intensified in response to the slowdown**, with the Bank of Thailand cutting the policy interest rate for the third time in August and economic growth in 2025 projected at 2.0 percent, down from 2.5 percent in 2024.

4 Business Conditions

Optimism

% of businesses expecting an increase over the next 12 months

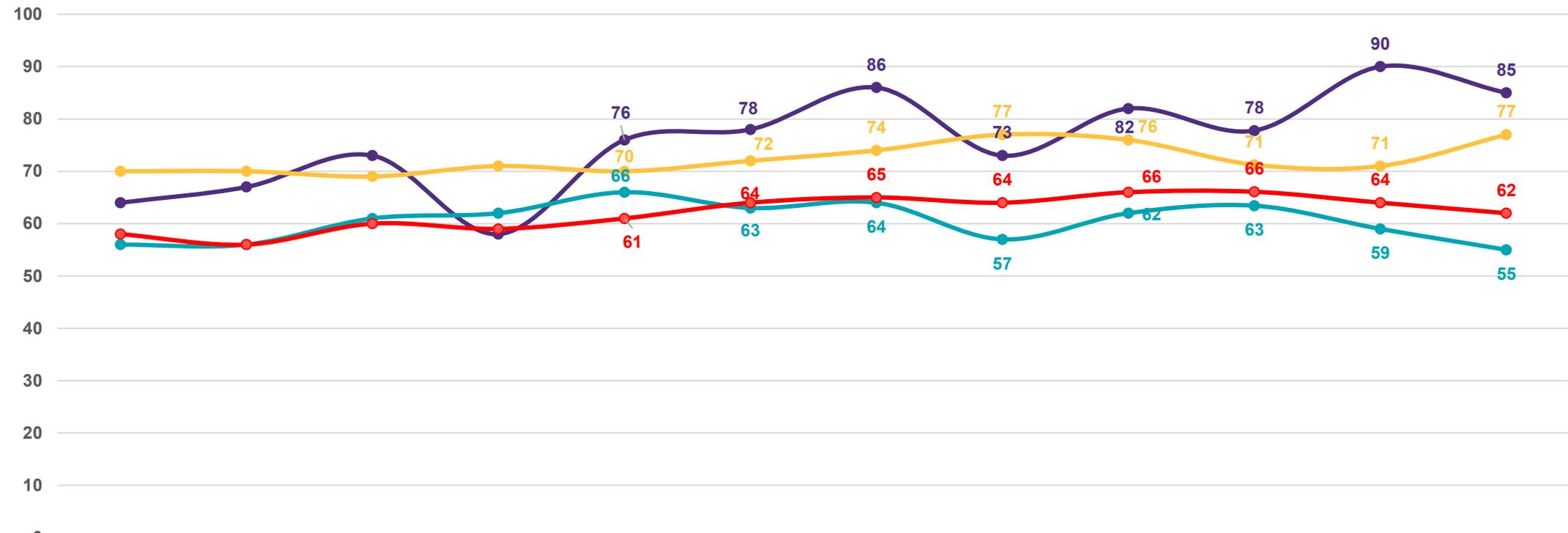


	H2 - 2021	H1 - 2022	H2 - 2022	H1 - 2023	H2 - 2023	Q1 - 2024	Q2 - 2024	Q3 - 2024	Q4 - 2024	Q1 - 2025	Q2 - 2025	Q3 - 2025	Q4 - 2025
Thailand	60	58	56	72	55	46	53	54	60	57	38	40	52
Asia Pacific	69	59	57	67	66	70	69	72	74	74	68	71	75
ASEAN	73	72	67	70	67	72	74	73	78	76	73	76	74
Global	70	64	59	67	65	66	71	74	76	73	71	71	74

Source: Grant Thornton International Business Report (IBR) Q4 2025

Revenues

% of businesses expecting an increase over the next 12 months

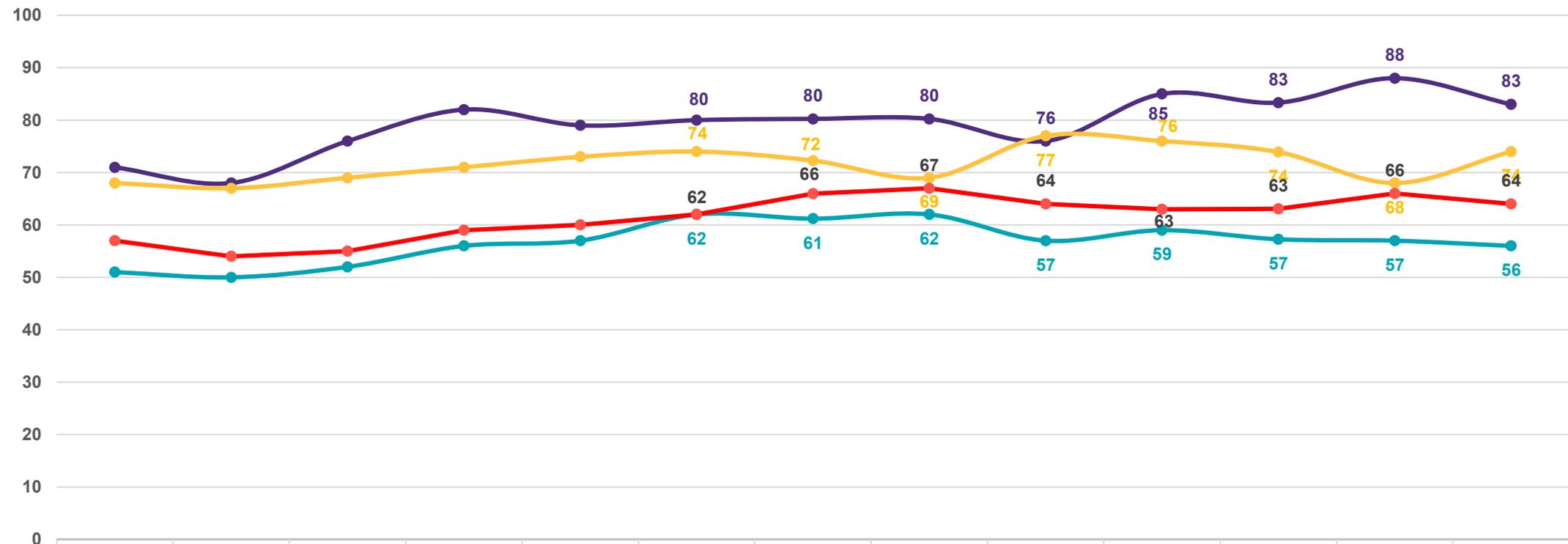


	H1 - 2022	H2 - 2022	H1 - 2023	H2 - 2023	Q1 - 2024	Q2 - 2024	Q3 - 2024	Q4 - 2024	Q1 - 2025	Q2 - 2025	Q3 - 2025	Q4 - 2025
Thailand	64	67	73	58	76	78	86	73	82	78	90	85
Asia Pacific	56	56	61	62	66	63	64	57	62	63	59	55
ASEAN	70	70	69	71	70	72	74	77	76	71	71	77
Global	58	56	60	59	61	64	65	64	66	66	64	62

Source: Grant Thornton International Business Report (IBR) Q4 2025

Profitability

% of businesses expecting an increase over the next 12 months



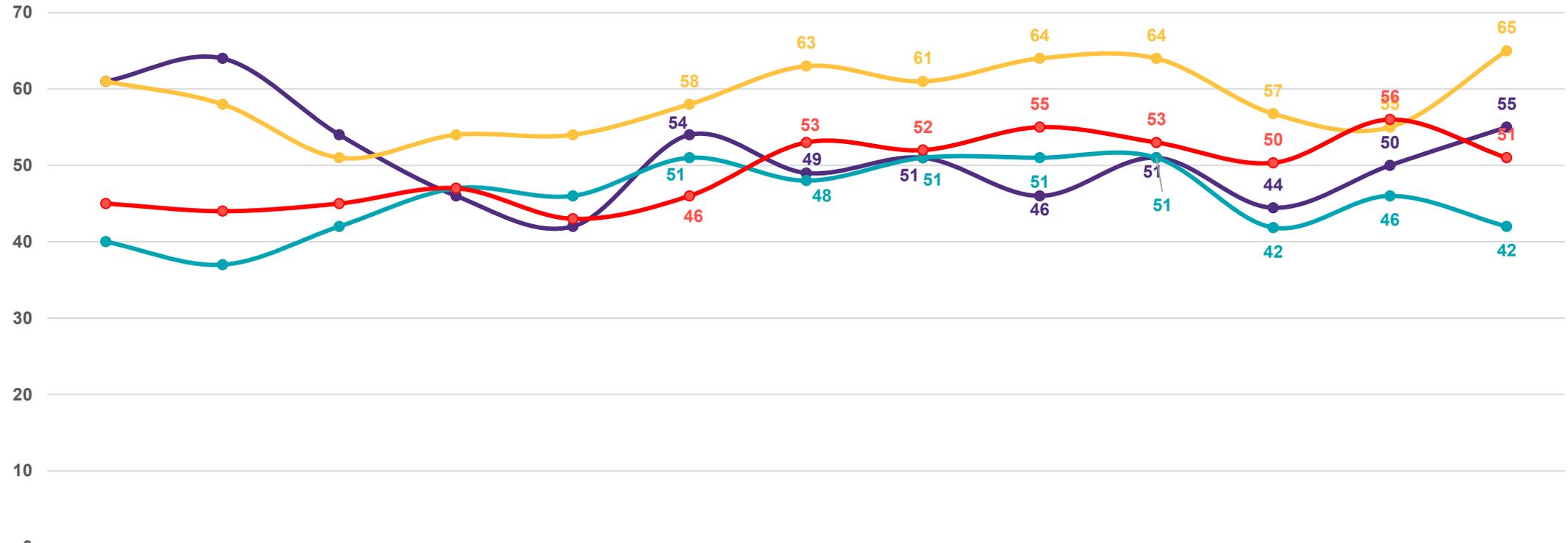
	H2 - 2021	H1 - 2022	H2 - 2022	H1 - 2023	H2 - 2023	Q1 - 2024	Q2 - 2024	Q3 - 2024	Q4 - 2024	Q1 - 2025	Q2 - 2025	Q3 - 2025	Q4 - 2025
Thailand	71	68	76	82	79	80	80	80	76	85	83	88	83
Asia Pacific	51	50	52	56	57	62	61	62	57	59	57	57	56
ASEAN	68	67	69	71	73	74	72	69	77	76	74	68	74
Global	57	54	55	59	60	62	66	67	64	63	63	66	64



Source: Grant Thornton International Business Report (IBR) Q4 2025

Exports

% of businesses expecting an increase over the next 12 months



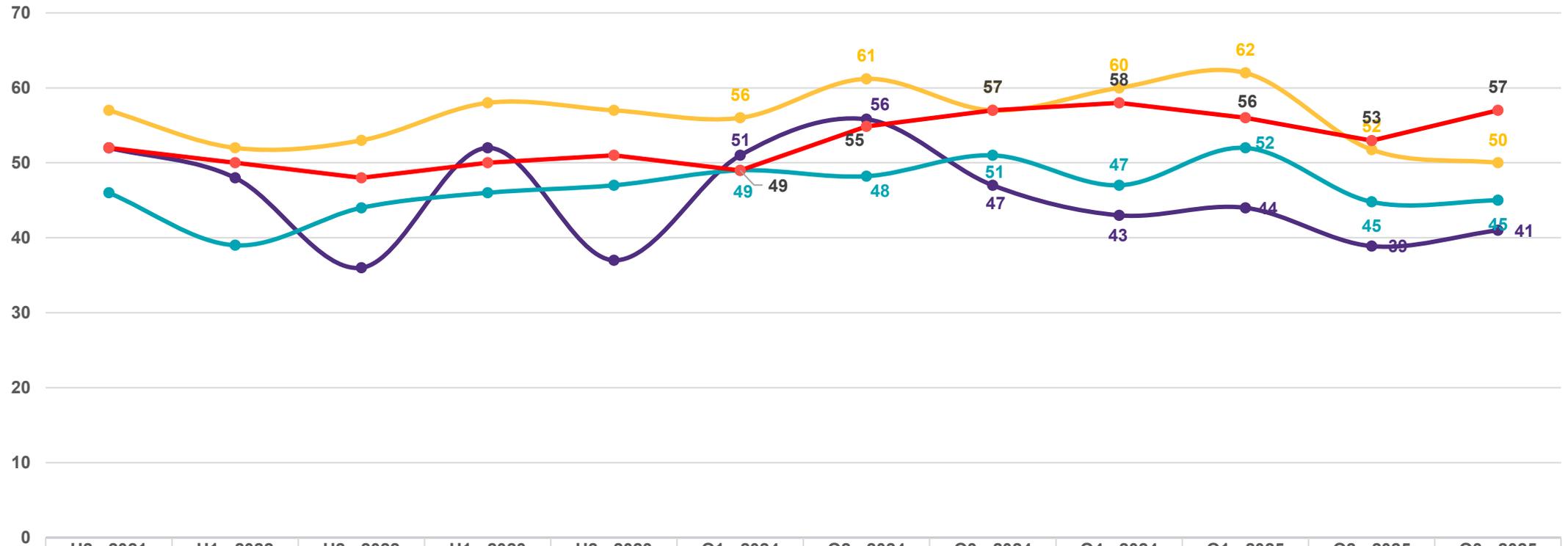
	H2 - 2021	H1 - 2022	H2 - 2022	H1 - 2023	H2 - 2023	Q1 - 2024	Q2 - 2024	Q3 - 2024	Q4 - 2024	Q1 - 2025	Q2 - 2025	Q3 - 2025	Q4 - 2025
Thailand	61	64	54	46	42	54	49	51	46	51	44	50	55
Asia Pacific	40	37	42	47	46	51	48	51	51	51	42	46	42
ASEAN	61	58	51	54	54	58	63	61	64	64	57	55	65
Global	45	44	45	47	43	46	53	52	55	53	50	56	51



Source: Grant Thornton International Business Report (IBR) Q4 2025

Employment

% of businesses expecting an increase over the next 12 months



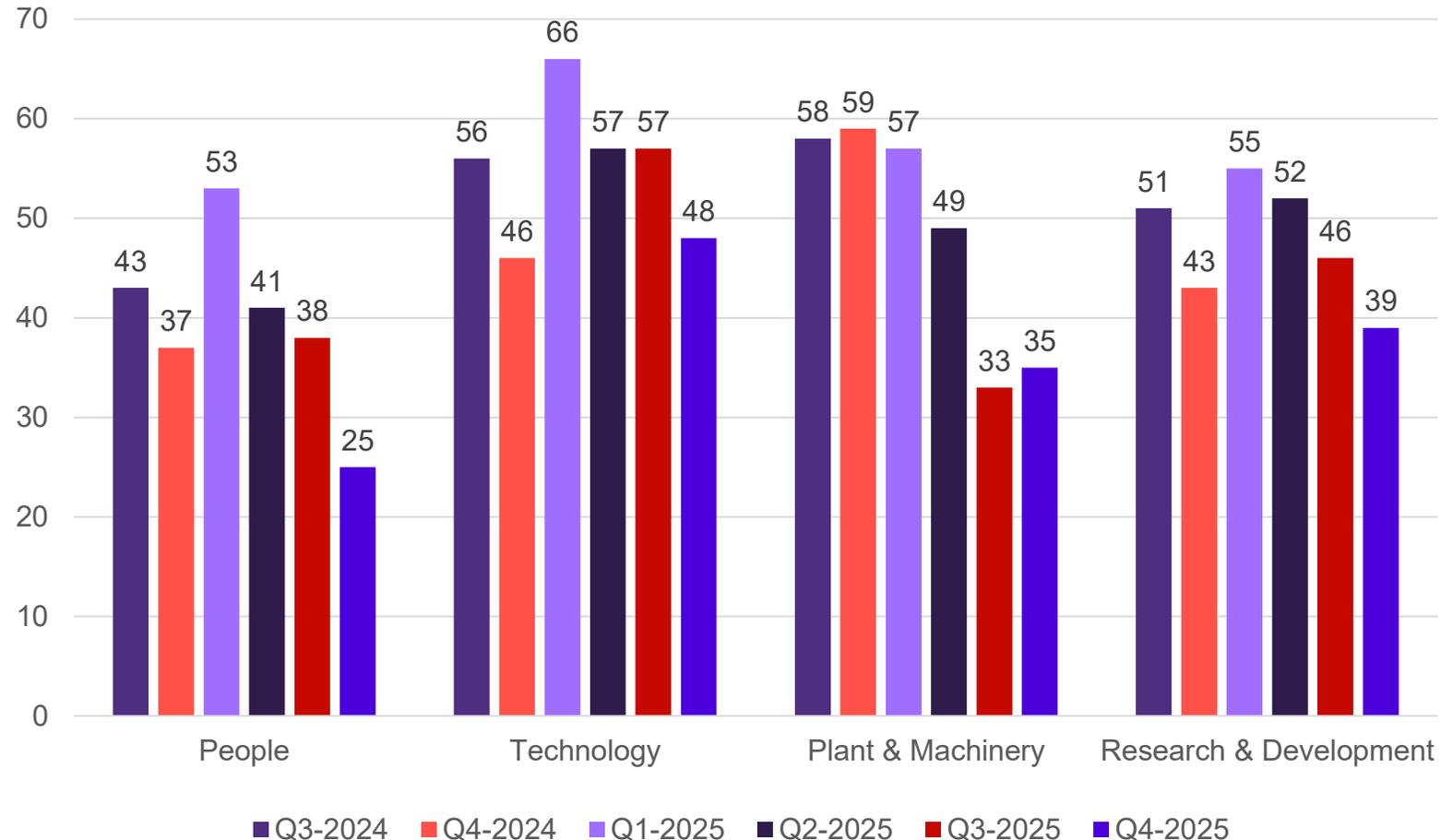
	H2 - 2021	H1 - 2022	H2 - 2022	H1 - 2023	H2 - 2023	Q1 - 2024	Q2 - 2024	Q3 - 2024	Q4 - 2024	Q1 - 2025	Q2 - 2025	Q3 - 2025
Thailand	52	48	36	52	37	51	56	47	43	44	39	41
Asia Pacific	46	39	44	46	47	49	48	51	47	52	45	45
ASEAN	57	52	53	58	57	56	61	57	60	62	52	50
Global	52	50	48	50	51	49	55	57	58	56	53	57

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Source: Grant Thornton International Business Report (IBR) Q4 2025

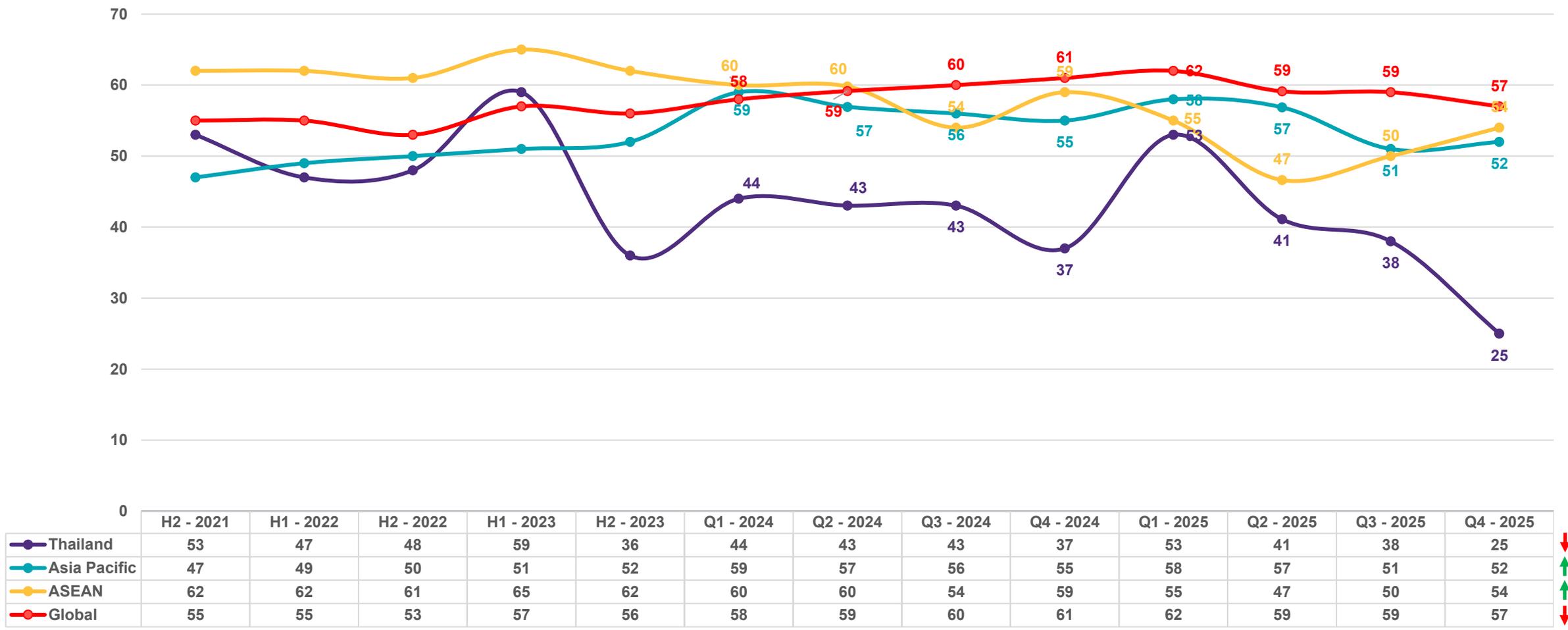
5 Future Investment Intentions

Thailand's economic uncertainty is driving a more cautious approach in human capital, plant and machinery, technology, and R&D



Investment in People

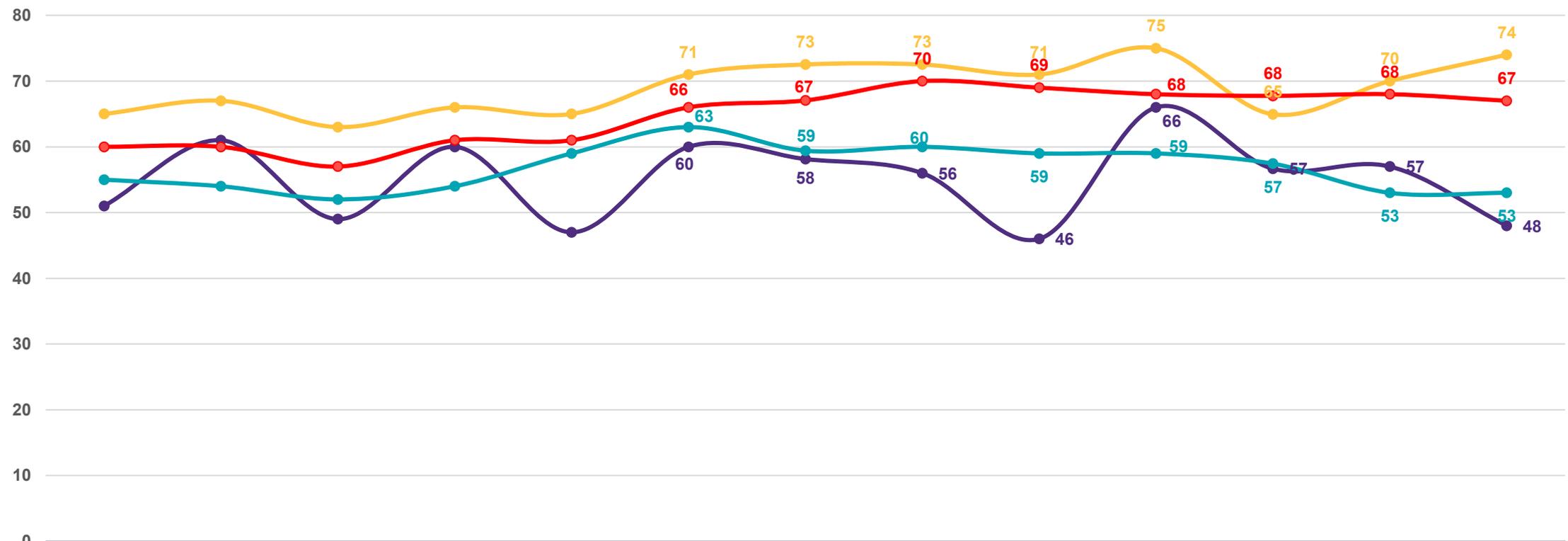
% of businesses expecting an increase over the next 12 months



Source: Grant Thornton International Business Report (IBR) Q4 2025

Investment in Technology

% of businesses expecting an increase over the next 12 months

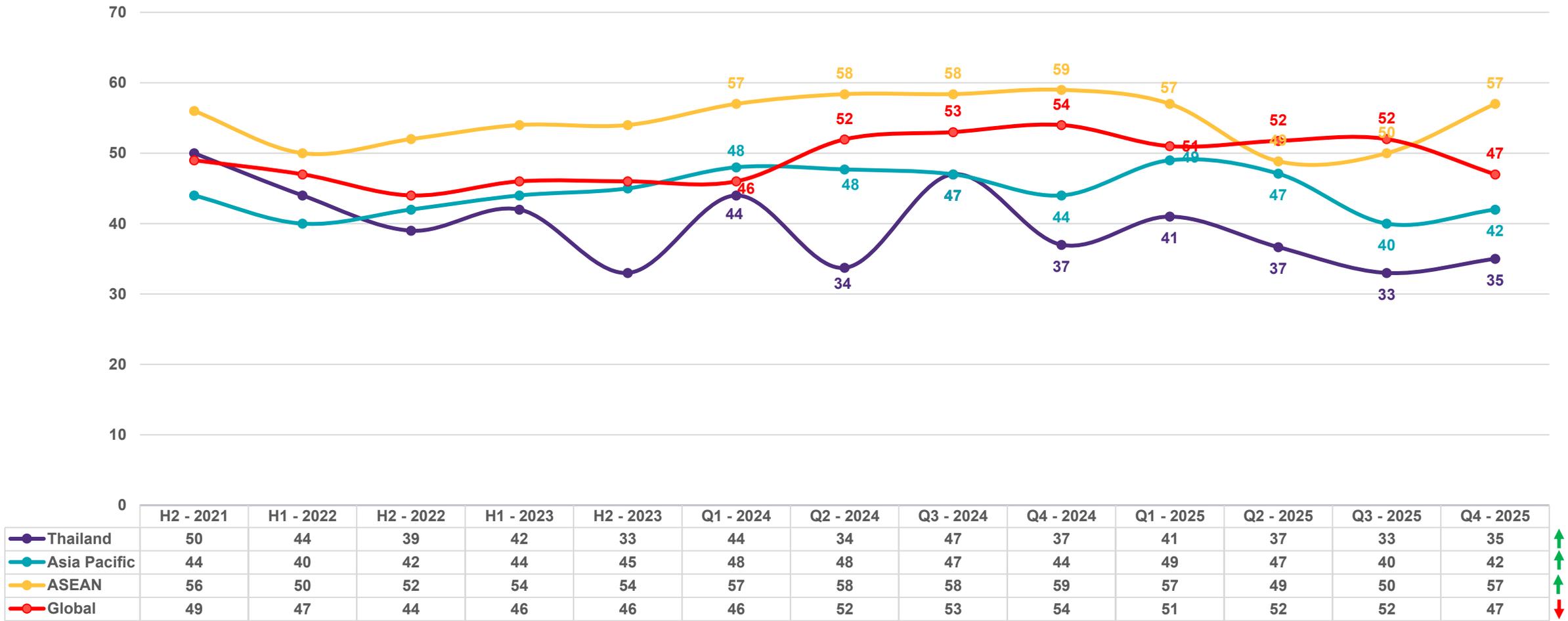


	H2 - 2021	H1 - 2022	H2 - 2022	H1 - 2023	H2 - 2023	Q1 - 2024	Q2 - 2024	Q3 - 2024	Q4 - 2024	Q1 - 2025	Q2 - 2025	Q3 - 2025	Q4 - 2025	
Thailand	51	61	49	60	47	60	58	56	46	66	57	57	48	↓
Asia Pacific	55	54	52	54	59	63	59	60	59	59	57	53	53	=
ASEAN	65	67	63	66	65	71	73	73	71	75	65	70	74	↑
Global	60	60	57	61	61	66	67	70	69	68	68	68	67	↓

Source: Grant Thornton International Business Report (IBR) Q4 2025

Investment in Plant & Machinery

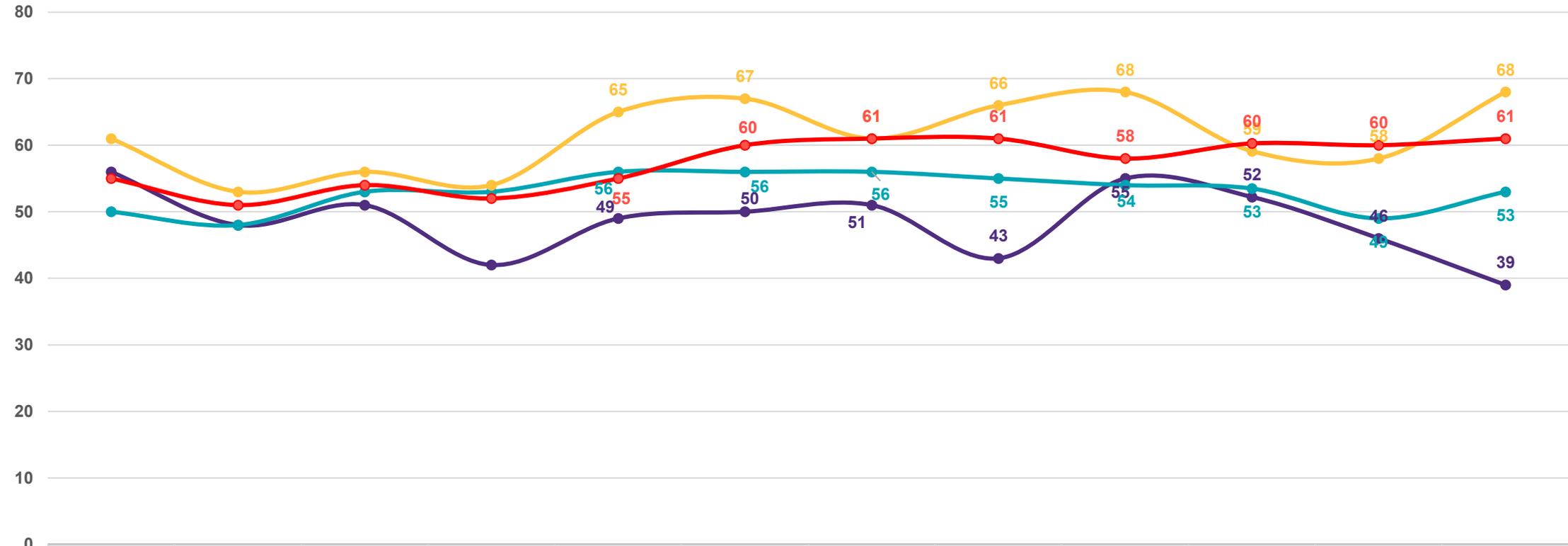
% of businesses expecting an increase over the next 12 months



Source: Grant Thornton International Business Report (IBR) Q4 2025

Investment in Research and Development

% of Future business investment intentions



	H1 - 2022	H2 - 2022	H1 - 2023	H2 - 2023	Q1 - 2024	Q2 - 2024	Q3 - 2024	Q4 - 2024	Q1 - 2025	Q2 - 2025	Q3 - 2025	Q4 - 2025
Thailand	56	48	51	42	49	50	51	43	55	52	46	39
Asia Pacific	50	48	53	53	56	56	56	55	54	53	49	53
ASEAN	61	53	56	54	65	67	61	66	68	59	58	68
Global	55	51	54	52	55	60	61	61	58	60	60	61



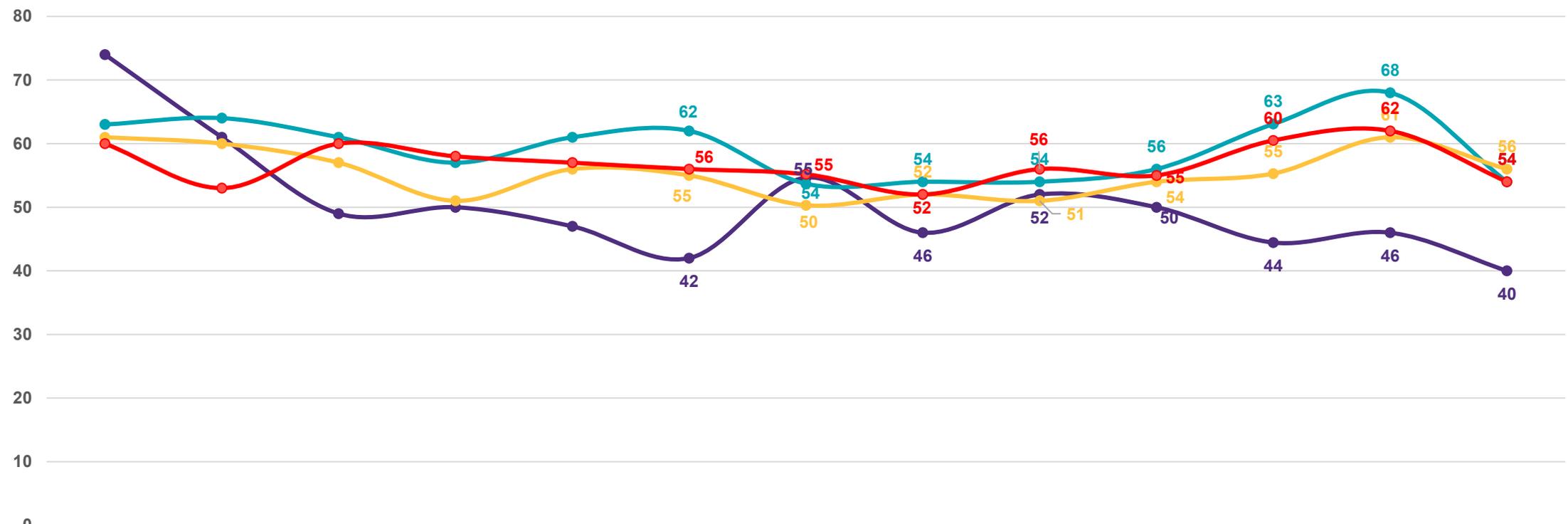
Source: Grant Thornton International Business Report (IBR) Q4 2025

6 Constraints to Business Growth

*The lower the figure the better

Economic Uncertainty

% answering 4 to 5 on a 1-5 scale where 5 is a major constraint



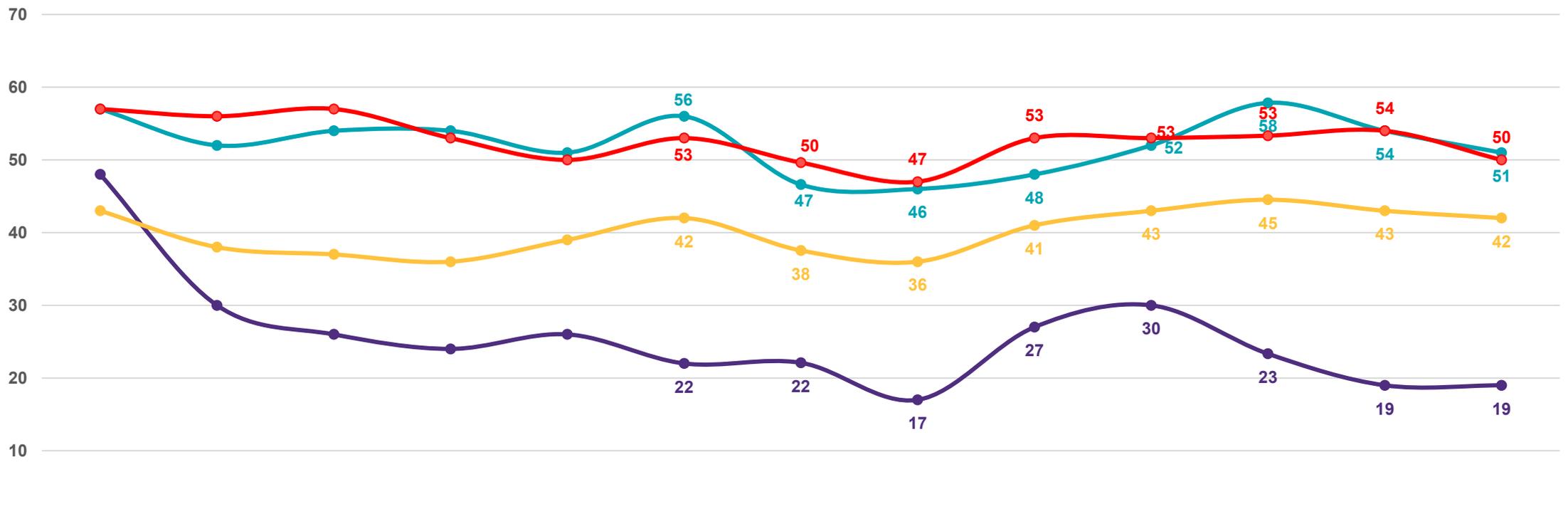
	H2 - 2021	H1 - 2022	H2 - 2022	H1 - 2023	H2 - 2023	Q1 - 2024	Q2 - 2024	Q3 - 2024	Q4 - 2024	Q1 - 2025	Q2 - 2025	Q3 - 2025	Q4 - 2025
Thailand	74	61	49	50	47	42	55	46	52	50	44	46	40
Asia Pacific	63	64	61	57	61	62	54	54	54	56	63	68	54
ASEAN	61	60	57	51	56	55	50	52	51	54	55	61	56
Global	60	53	60	58	57	56	55	52	56	55	60	62	54

Source: Grant Thornton International Business Report (IBR) Q4 2025

*The lower the figure the better

Availability of Skilled Workforce

% answering 4 to 5 on a 1-5 scale where 5 is a major constraint



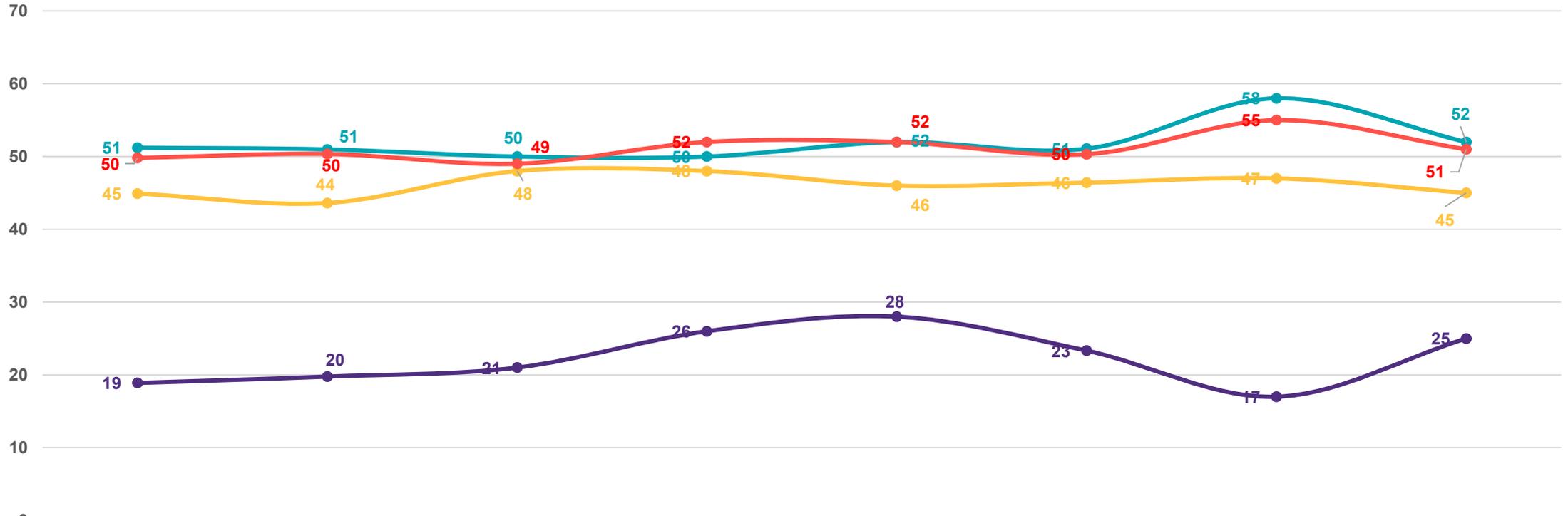
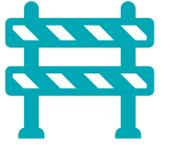
	H2 - 2021	H1 - 2022	H2 - 2022	H1 - 2023	H2 - 2023	Q1 - 2024	Q2 - 2024	Q3 - 2024	Q4 - 2024	Q1 - 2025	Q2 - 2025	Q3 - 2025	Q4 - 2025	
Thailand	48	30	26	24	26	22	22	17	27	30	23	19	19	=
Asia Pacific	57	52	54	54	51	56	47	46	48	52	58	54	51	↓
ASEAN	43	38	37	36	39	42	38	36	41	43	45	43	42	↓
Global	57	56	57	53	50	53	50	47	53	53	53	54	50	↓

Source: Grant Thornton International Business Report (IBR) Q4 2025

*The lower the figure the better

Cyber Security / Digital Risk*

% answering 4 to 5 on a 1-5 scale where 5 is a major constraint



	Q1 - 2024	Q2 - 2024	Q3 - 2024	Q4 - 2024	Q1 - 2025	Q2 - 2025	Q3 - 2025	Q4 - 2025
Thailand	19	20	21	26	28	23	17	25
Asia Pacific	51	51	50	50	52	51	58	52
ASEAN	45	44	48	48	46	46	47	45
Global	50	50	49	52	52	50	55	51

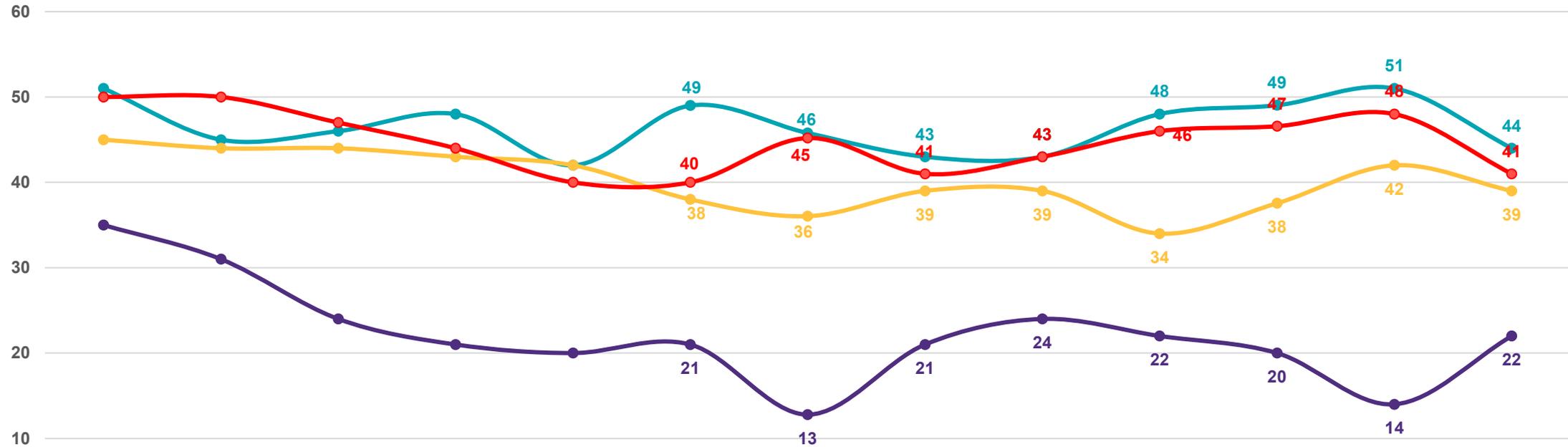
*Cyber Security / Digital Risk was introduced as a new indicator in Q1 2024

Source: Grant Thornton International Business Report (IBR) Q4 2025

*The lower the figure the better

Finance Shortage

% answering 4 to 5 on a 1-5 scale where 5 is a major constraint



	H2 - 2021	H1 - 2022	H2 - 2022	H1 - 2023	H2 - 2023	Q1 - 2024	Q2 - 2024	Q3 - 2024	Q4 - 2024	Q1 - 2025	Q2 - 2025	Q3 - 2025	Q4 - 2025
Thailand	35	31	24	21	20	21	13	21	24	22	20	14	22
Asia Pacific	51	45	46	48	42	49	46	43	43	48	49	51	44
ASEAN	45	44	44	43	42	38	36	39	39	34	38	42	39
Global	50	50	47	44	40	40	45	41	43	46	47	48	41

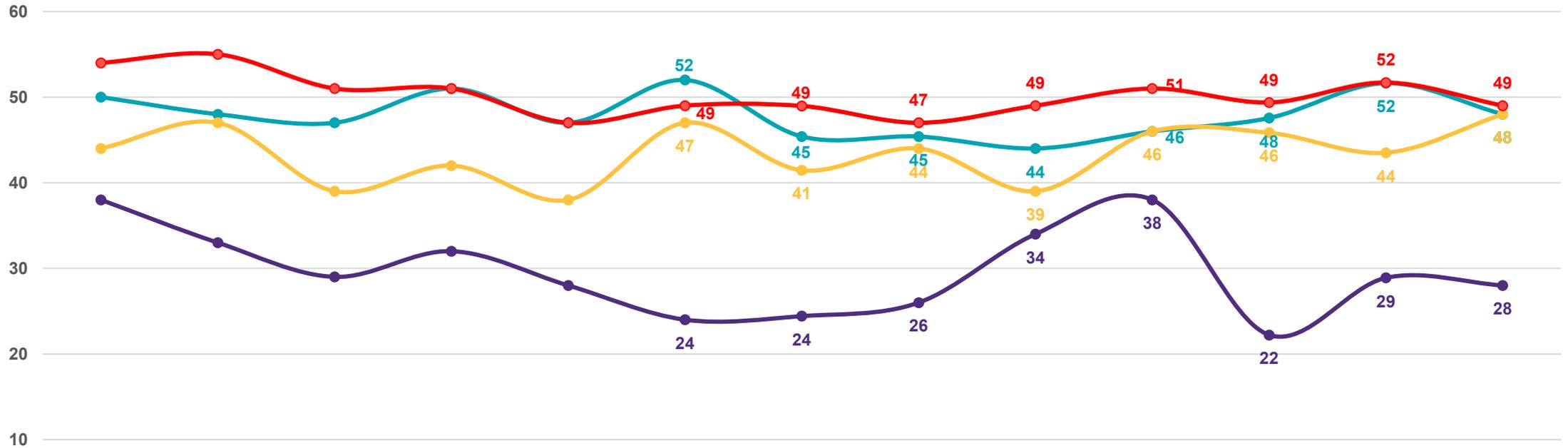
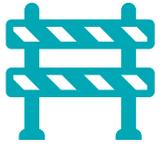


Source: Grant Thornton International Business Report (IBR) Q4 2025

*The lower the figure the better

Regulation & Red Tape

% answering 4 to 5 on a 1-5 scale where 5 is a major constraint



	H2 - 2021	H1 - 2022	H2 - 2022	H1 - 2023	H2 - 2023	Q1 - 2024	Q2 - 2024	Q3 - 2024	Q4 - 2024	Q1 - 2025	Q2 - 2025	Q3 - 2025	Q4 - 2025
Thailand	38	33	29	32	28	24	24	26	34	38	22	29	28
Asia Pacific	50	48	47	51	47	52	45	45	44	46	48	52	48
ASEAN	44	47	39	42	38	47	41	44	39	46	46	44	48
Global	54	55	51	51	47	49	49	47	49	51	49	52	49

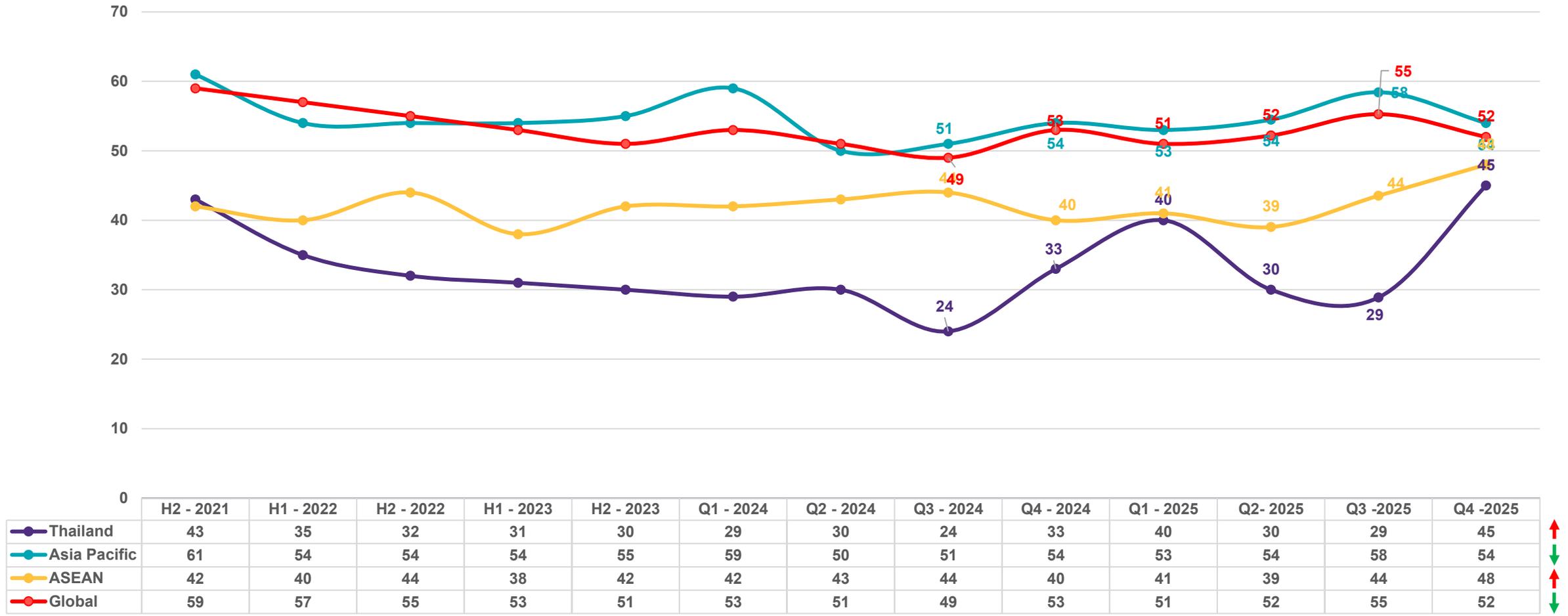


Source: Grant Thornton International Business Report (IBR) Q4 2025

*The lower the figure the better

Labour costs

% answering 4 to 5 on a 1-5 scale where 5 is a major constraint

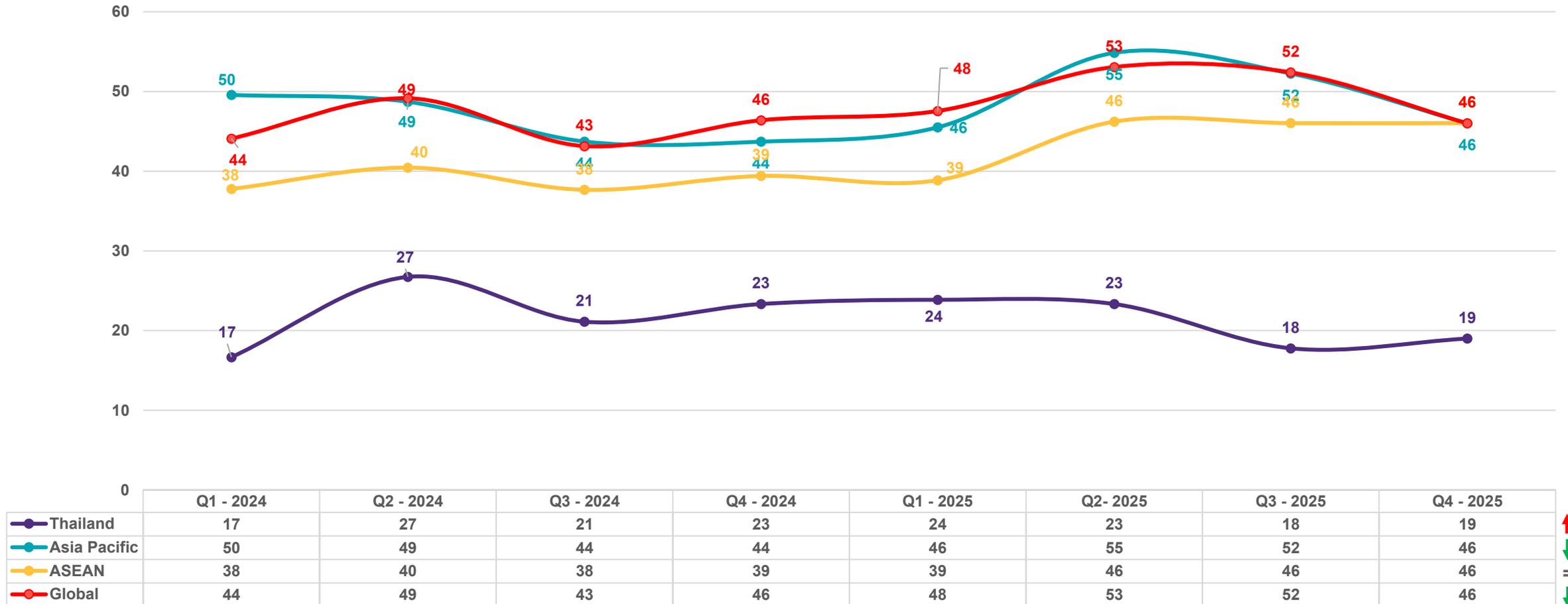


Source: Grant Thornton International Business Report (IBR) Q4 2025

*The lower the figure the better

Geopolitical Disruption

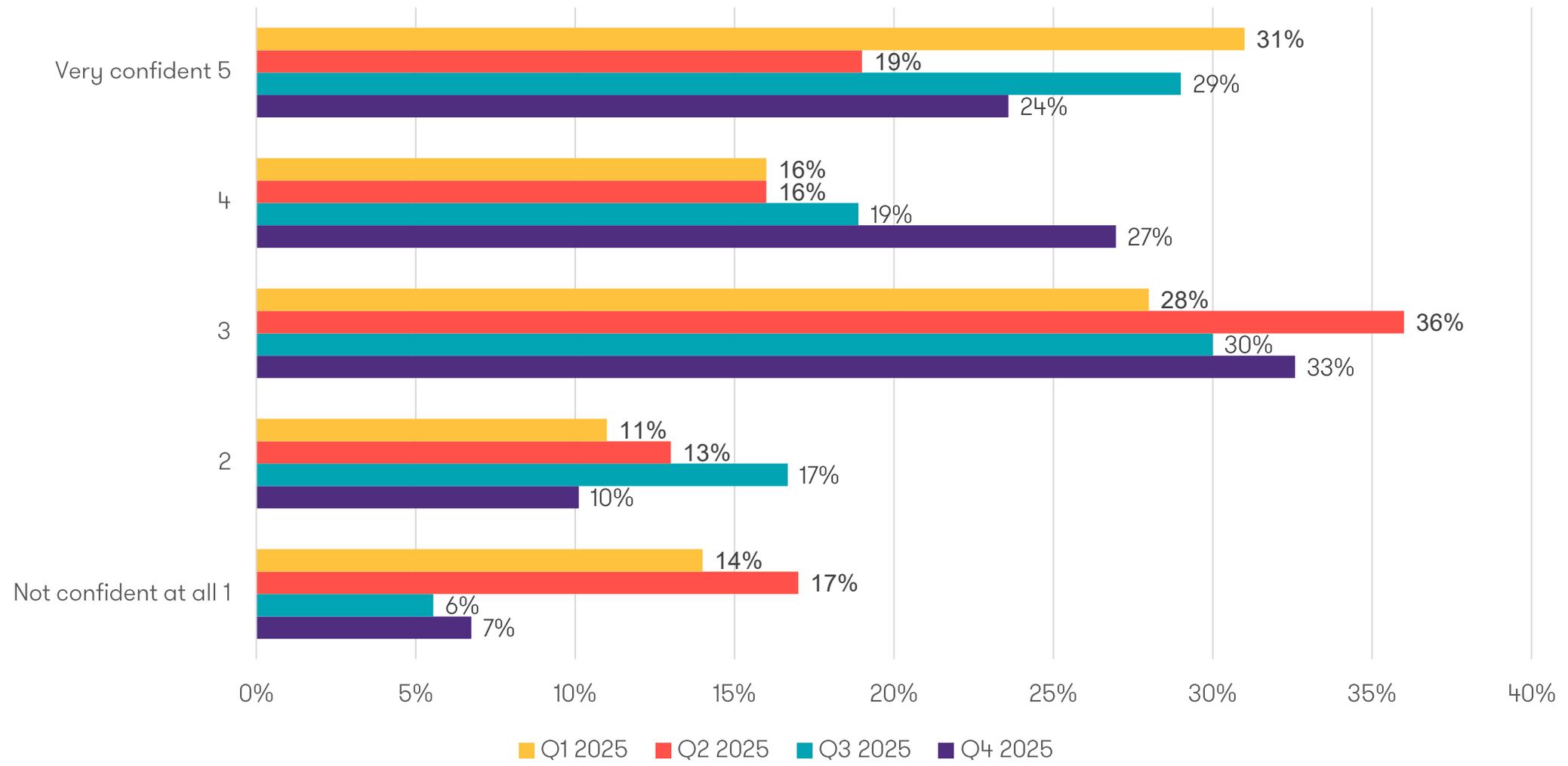
% answering 4 to 5 on a 1-5 scale where 5 is a major constraint



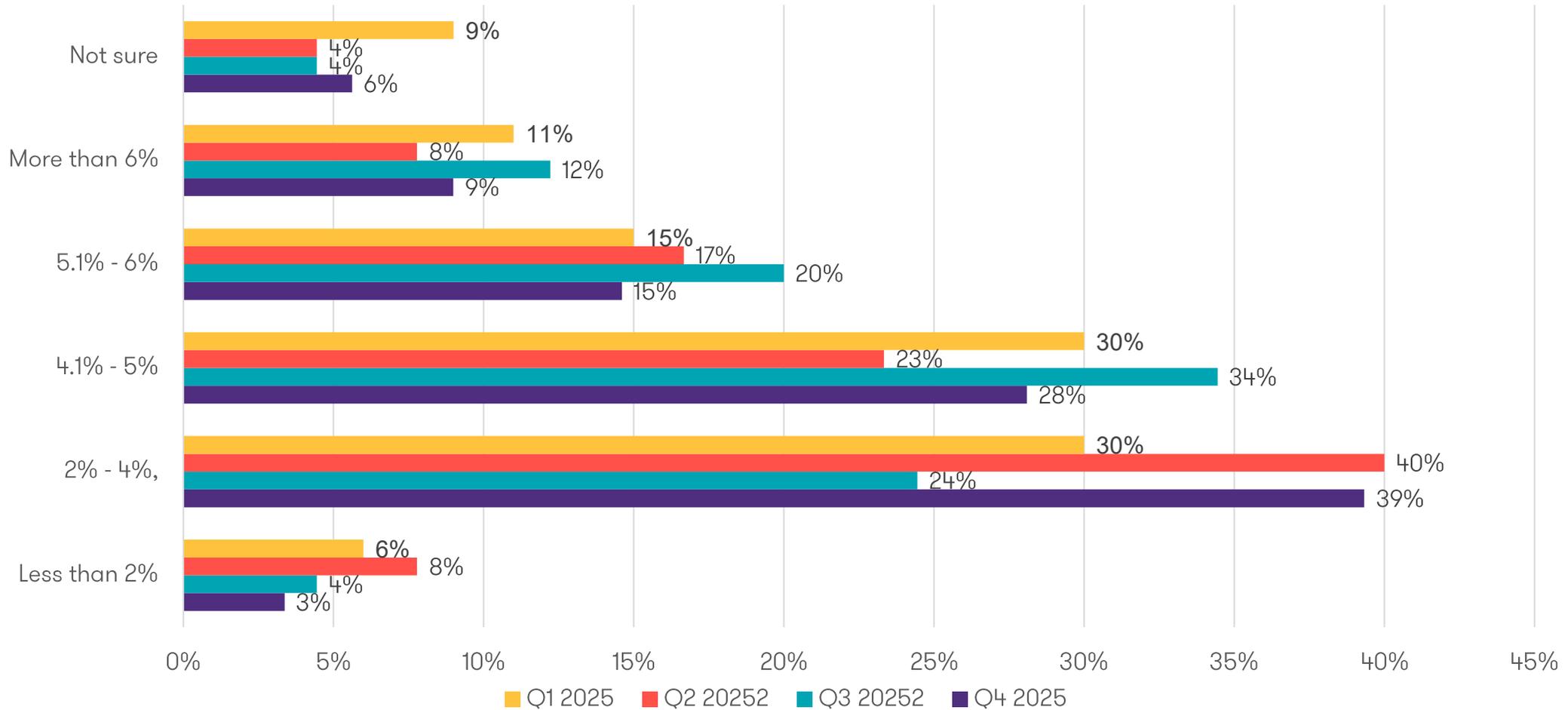
Source: Grant Thornton International Business Report (IBR) Q4 2025

7 Country-specific Questions

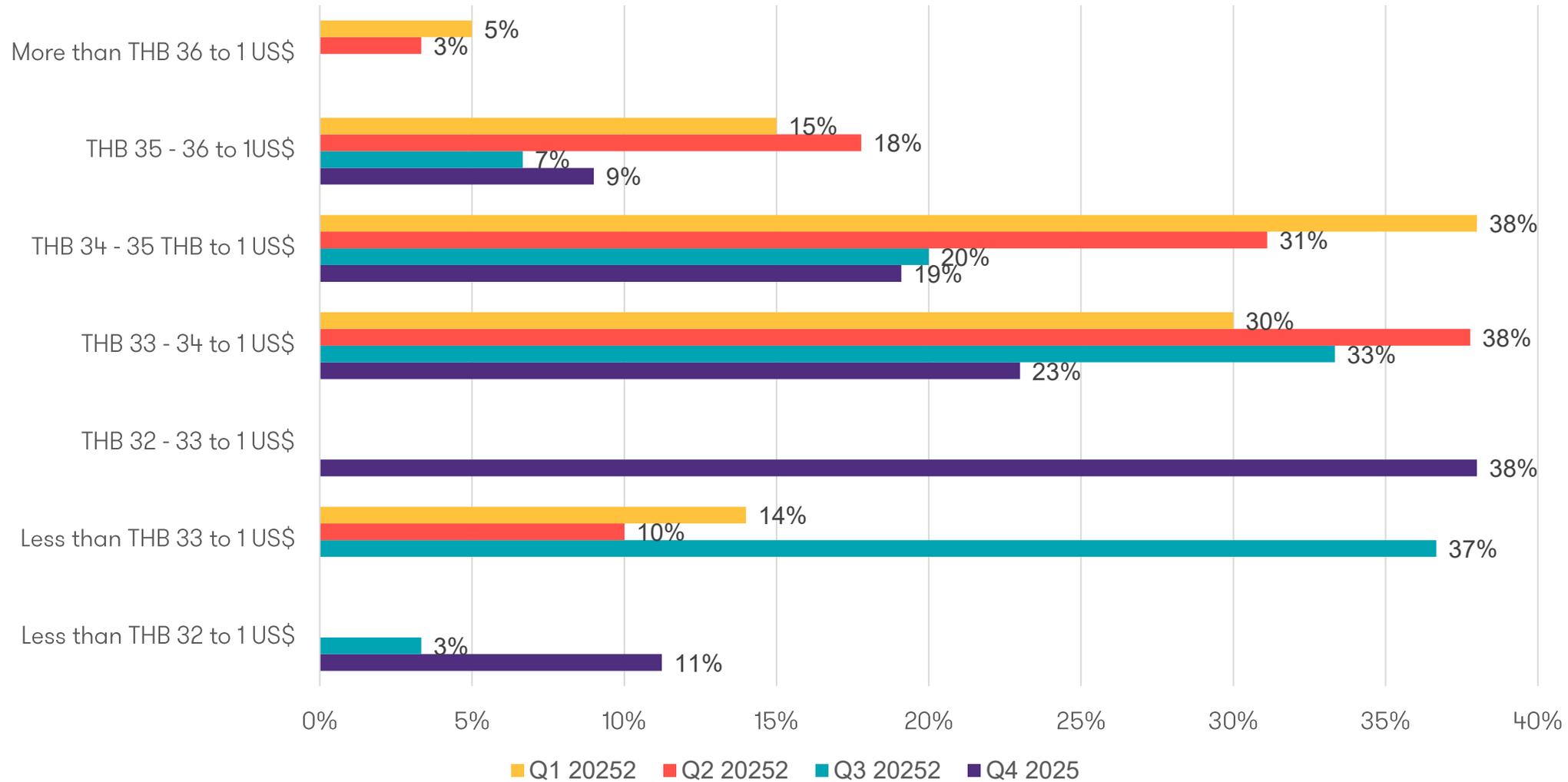
TQ1: How confident are you that the Thai economy will improve in 2026?



TQ2: By how much do you expect the average salary in Thailand to increase in 2026?



TQ3: How strong should the Thai baht be against the US \$?



Future Points to Consider

- US tariff effect
- Geopolitical Disruption / Global economy
- Domestic Politics / Border Dispute
- Thai debt - household and corporate
- Productivity / Artificial Intelligence (AI)



Q&A

10 What is the IBR?

International Business Report (IBR)

What is the IBR?



The Grant Thornton International Business Report (IBR) is a **survey of mid-market businesses**. Launched in 1992, the IBR provides insight into the overall **sentiment** of **4,099 C-Suite-Level Leaders across 35 economies** by assessing business leaders' views and expectations.



Questionnaires are translated into local languages and fieldwork is undertaken quarterly, through **both online and telephone interviews**. The data for this release is from interviews conducted between **16 October – 28 November 2025** with chief executive officers, managing directors, chairpersons, or other senior executives from all industry sectors.



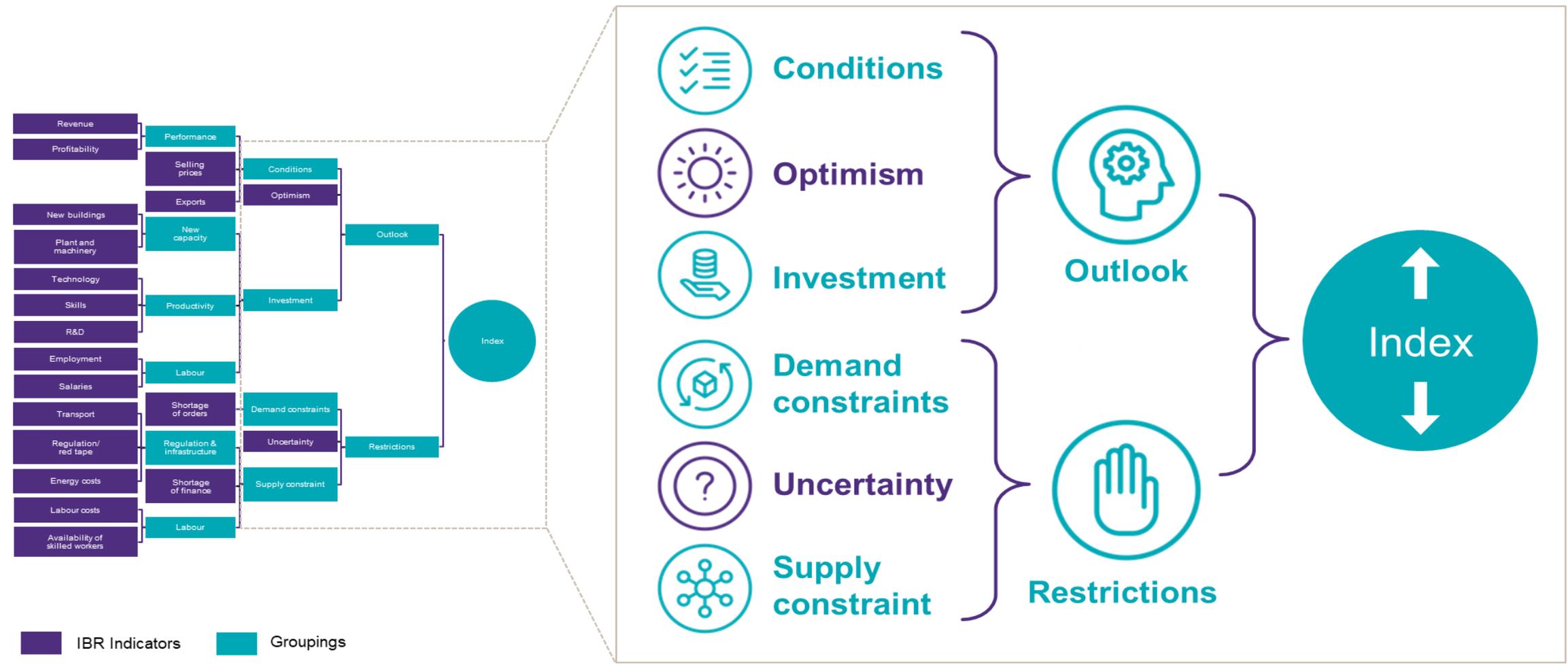
The latest wave of IBR research took place from **16 October – 28 November 2025**. This data relates to the second quarter of the year and should be referred to as 'Q4 2025'. **89 mid-market business leaders in Thailand** were interviewed during this wave of research.



Oxford Economics, a provider of global economic forecasting and quantitative analysis, supports Grant Thornton International Ltd. in analysing and interpreting the results from the IBR after each round of research. They also developed our unique index into mid-market health that was launched in 1992. Among other things, the work on the index involved analysing the indicators, developing the underlying model and calculating the weightings and scores, and testing the correlation between the index and other macroeconomic indicators

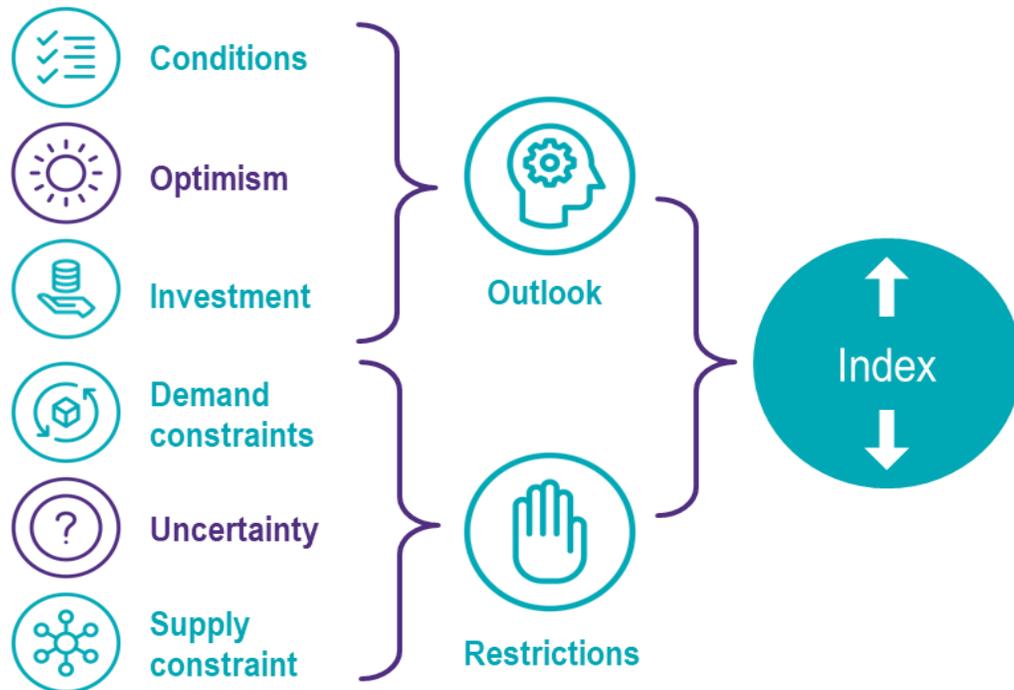
Source: Grant Thornton, Oxford Economics

The IBR Index: Indicators, Elements of Health



How the Index Scoring Works

What is the IBR?



Grant Thornton's Global business pulse is a single figure calculated from an underlying model consisting of 20 forward-looking indicators. The index is calculated every six months and can be compared across time and across different geographies and sectors, to assess the relative health of mid-market firms. The higher the score, the healthier the mid-market, and the greater likelihood of growth.

Outlook:

This sub-index shows the outlook for mid-market businesses and consists of 10 indicators covering future business conditions (including growth), economic optimism, and future investment intentions. **These indicators are scored positively and result in a score for this sub-index of between 0 and 100**

Restrictions:

This sub-index shows the extent of restrictions to mid-market growth and consists of 10 indicators covering demand and supply constraints and economic uncertainty. **These indicators are scored negatively and generate a score for this sub-index of between 0 and -100.**

The final index value is the weighted sum of these two sub-indices and ranges from -50 to +50

- **+50** would represent perfect health with no restrictions, an ideal outlook and the likelihood of high growth in the future
- **-50** would represent dire health, with crushing restrictions, an appalling outlook and the likelihood of decline in the future

Thailand's Sample Size: Deep dive into the 89 respondents

Most respondents are female

33% Male
67% Female

Most respondents are aged between 25 – 44

69%
Aged between
25 - 44

31%
Aged more
than 45

Most respondents are senior positions

45% CEOs/MDs
55% Other senior
positions

Most respondents have revenue of \$50m - < \$250m

34% Less than \$50m
45% \$50m - \$250m
21% More than \$250m

Most respondents have 50 – 149 employees

43% 50 – 149
employees
39% 150 – 299
employees
18% 300+
employees

Source: Grant Thornton International Business Report (IBR) Q4 2025

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