[INTERNAL]

Grant Thornton

# Grant Thornton International Business Report Thailand focus

## Q1 results

May 2026

# Agenda

# 1 Executive Summary

# Executive Summary: IBR Thailand Focus – April 2026

## Macroeconomic Overview

- Southeast Asian economies ended 2025 on a strong note with Q4 growth rebounding broadly. Vietnam (8.5%) and Malaysia (6.3%) led the region, with Singapore (6.9%) and Indonesia (5.4%) also accelerating. Thailand recovered to 2.5% in Q4 after hitting 1.2% in Q3, but its full-year 2025 growth of 2.4% was the weakest in the region.
- The war in Iran in Q1 2026 adds new geopolitical risk - disrupting shipping and raising energy costs. With inflation contained, central banks retain room for accommodative policy.

## Regional Performance

- Growth momentum diverged in Q4 2025. Vietnam and Malaysia led the region, while Thailand delivered its weakest full-year performance since 2021, highlighting widening dispersion in regional outcomes.
- Financial markets diverged in Q1 2026 amid the Iran war and US tariff pressure. Policy easing and FDI inflows supported Vietnam, Malaysia, and Singapore, while currency pressures weighed on the Philippines and Thailand.
- Thailand’s 2025 FDI hit 1,359,9bn baht - up 66% year-on-year – led by digital and E&E, signaling long-term investor confidence.

## Business Sentiment

- Survey conducted from **5 February – 19 March 2026** and analyzed in collaboration with **Oxford Economics** measuring the sentiment of mid-market business leaders.
- Global mid-market optimism fell six points to 68% driven by the war in Iran, with rising concerns over shipping costs (47%), order shortages (48%), and geopolitical disruption (51%).
- Thailand’s fall is markedly more severe – only 19% are very confident in economic improvement, down from 31% last quarter.
- Global and Thai business leaders are becoming increasingly cautious about export growth, revenue, profitability, employment and investment.

# Executive Summary: IBR Thailand Focus – April 2026

## Confidence in Thai Economy

- Only 19% of Thai business leaders are very confident in economic improvement - down from 31% last quarter - as the war in Iran adds new external risk through higher energy costs and shipping disruptions, compounding domestic political uncertainty and the ongoing Cambodian border dispute.

## Key Risks and Structural Challenges

- **The war in Iran** is disrupting the Strait of Hormuz shipping, pushing Brent crude to $113 per barrel in Q2 and raising energy and logistics costs for Thailand's export-dependent economy.
- **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 - Thailand imports around 60% of its oil from the Middle East, making it directly vulnerable to Strait of Hormuz disruption.
- **The rapidly aging population** continues to be significant challenge for Thailand.
- **Low productivity growth** remains a persistent structural challenge - Thailand's GDP growth is forecast at just 1.3% in 2026, among the weakest in Southeast Asia.

## Outlook for 2026

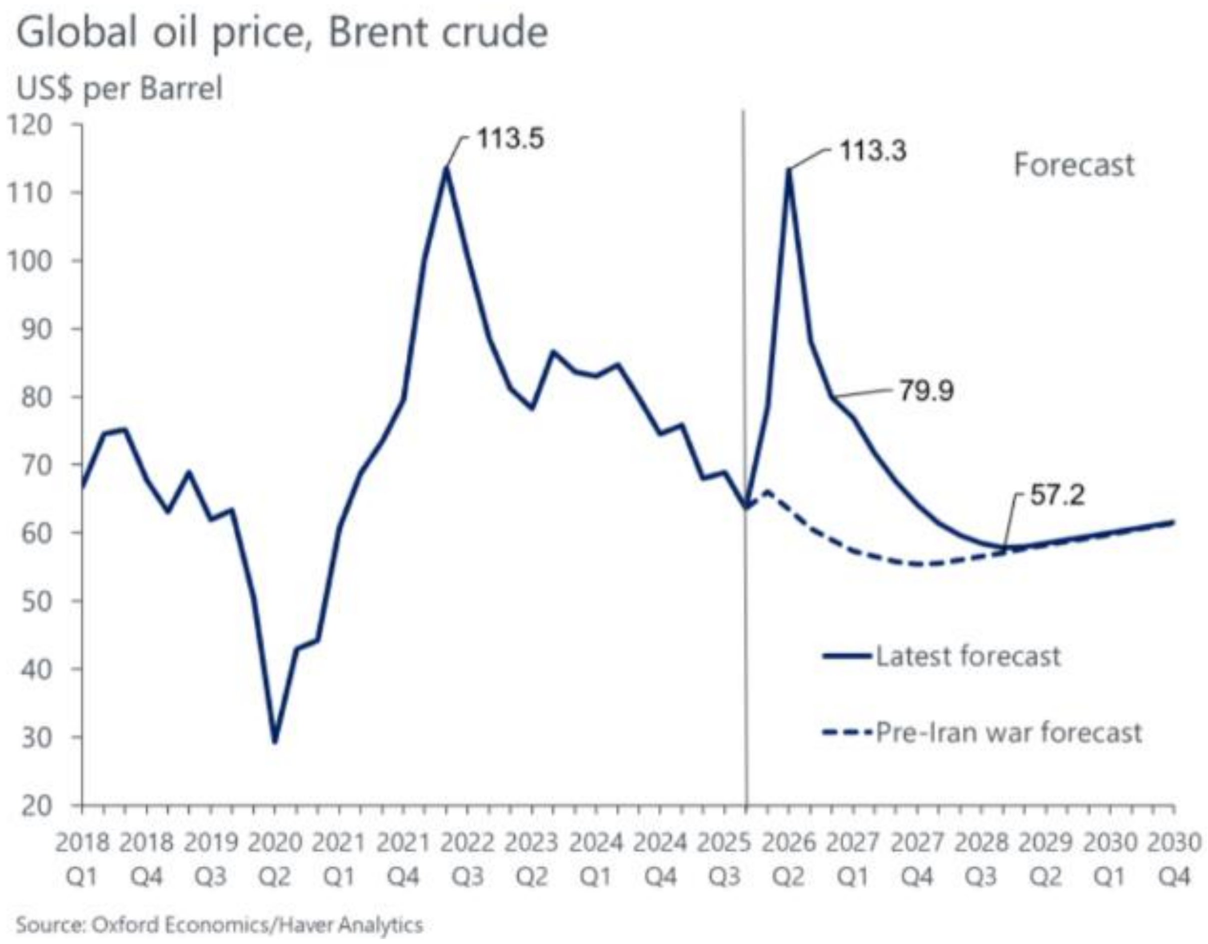
The Thai economy faces compounding uncertainty as the war in Iran, domestic political instability, and elevated trade tensions weigh on business confidence - only 19% of Thai leaders are confident in near-term improvement. Thailand's record FDI of 1,359bn baht in 2025, up 66% year-on-year, signals strong long-term investor belief in Thailand's potential. Businesses must embrace technology and productivity investment to remain competitive. People, purpose, and adaptability will drive mid-market growth.

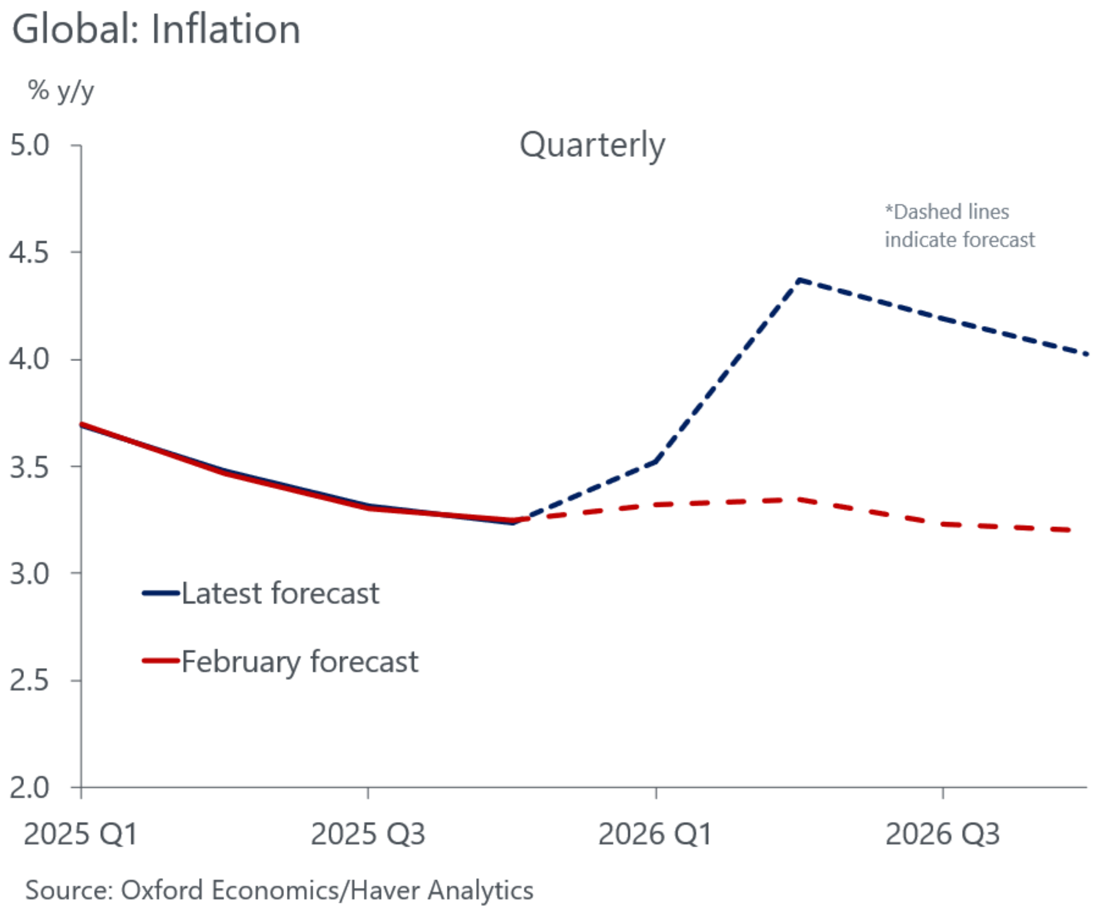
# 2 Global Background

# Latest Forecast Reflects a Meaningful Step Down in Global Growth


Source: Oxford Economics/Haver Analytics

# Global Energy Disruption and Its Inflationary Implications

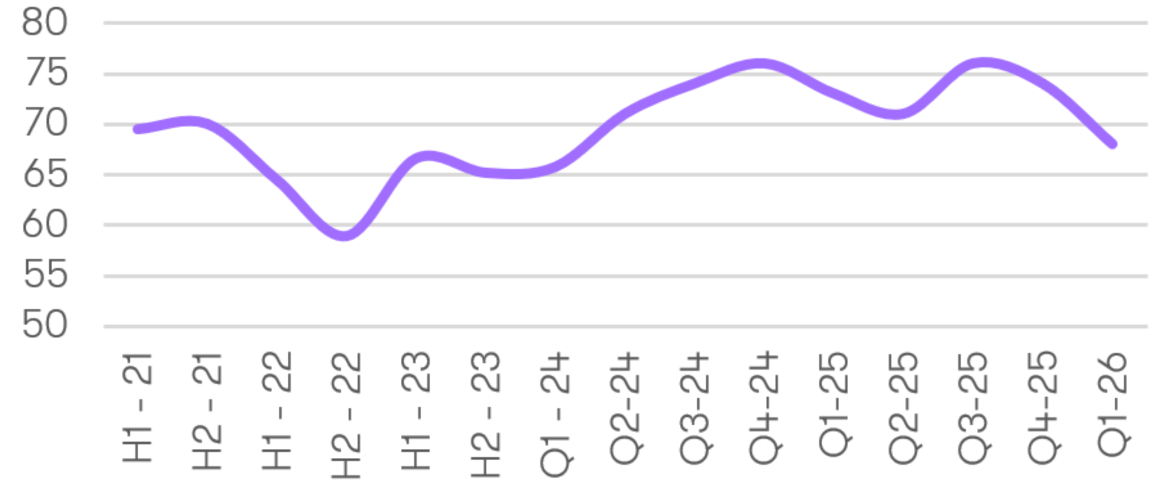


# Cautious Optimism: How Businesses Are Navigating 2026

## Optimism

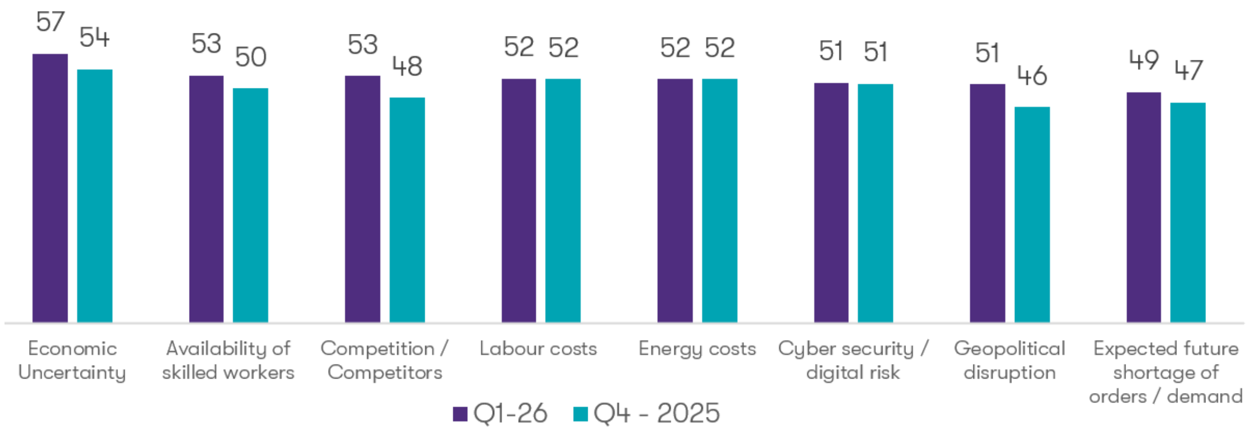
*Business health outlook*




Source: Grant Thornton International Business Report (IBR) Q1 2026

## Top 5 business constraints

*Expected constraints to business growth*

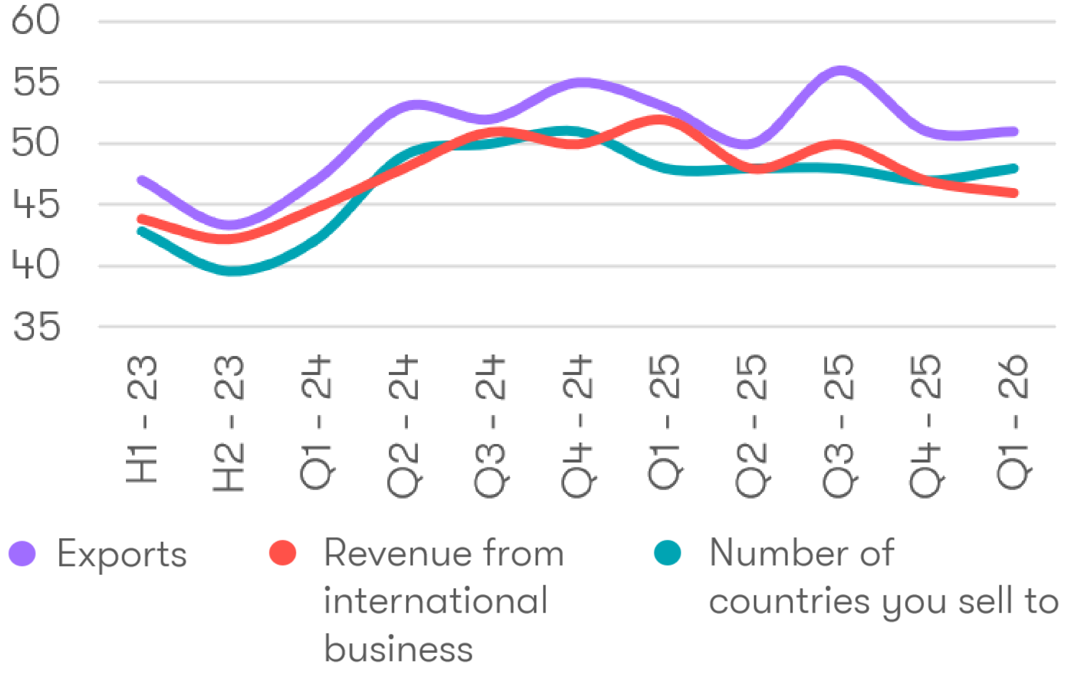



Source: Grant Thornton International Business Report (IBR) Q1 2026

# Global Ambitions Remain Resilient, with Technology Leading Investment Priorities

## Global ambitions

*% of those expecting increase*




Source: Grant Thornton International Business Report (IBR) Q1 2026

## Top 3 investment trends

*% expecting to invest*


Source: Grant Thornton International Business Report (IBR) Q1 2026

# 3 Thailand's Economic Landscape

# Thailand's Economic Landscape

## GDP:

- **Thailand's GDP grew 2.5% year on year in Q4 2025,** recovering strongly from 1.2% in Q3, with all sectors returning to positive growth after a mixed previous quarter.
- Manufacturing and construction rebounded from Q3 contractions, driven by strong E&E demand and increased construction activity, with wholesale trade leading at 6.8% growth.

## Private Consumption:

**- Private consumption grew by 3.3% in Q4 2025,** up from 2.5% in Q3, supported by strengthening domestic demand, stable labour markets, and pre-expiry purchases ahead of the EV subsidy programme conclusion.

## Trade:

- **Export growth moderated to 9.4% in Q4,** down from 11.5% in Q3, with E&E exports recording strong double-digit growth while petroleum and chemical product exports contracted. For the full year 2025, exports expanded by 12.7%
- **Import growth also moderated to 12.2% in Q4,** down from 16.8% in Q3, reflecting softer but still solid overall trade activity.

(McKinsey & Company, Oxford Economics, 2025)

# Thailand’s Economic Landscape

## Industrial Activity:

- **Manufacturing rebounded strongly in Q4 2025,** with the PMI rising to its highest level since May 2023, driven by robust external demand for E&E products, a surge in new orders, and the fastest production growth in over two and a half years.
- **Forward-looking indicators point to continued momentum,** with strong readings for new orders and future output suggesting the sector’s growth could extend into early 2026.

## Labour:

- **Labour market continued to tighten in Q4 2025,** with the unemployment rate declining further to 0.71%, down from 0.76% in Q3, though structural challenges including skills mismatches and youth unemployment remain key areas of concern

## Inflation:

- **Headline inflation remained negative for a third consecutive quarter,** edging up slightly to –0.5% in Q4 from –0.7% in Q3, primarily driven by higher fresh food prices due to flood-related supply disruptions. Full-year 2025 inflation stood at -0.14%, the first annual decline in five years, reflecting low energy prices and government relief measures.

(McKinsey & Company, Oxford Economics, 2025)

# Thailand's Economic Landscape

## Currency:

- **The baht appreciated strongly in Q4 2025,** gaining 2.8% against the US dollar – its strongest level in four years – raising concerns among analysts that its strength may exceed what Thailand's economic fundamentals can support, potentially undermining export and tourism competitiveness.

## Policy Rate:

- **The BOT maintained its policy rate in October 2025,** before implementing two consecutive cuts of 25 basis points each in December 2025 and February 2026, bringing the rate down to 1% - its lowest level since September 2022.
- **The BOT's priority remains supporting the economy,** which is expected to operate below potential in 2026 and 2027, with downside risks to inflation increasing amid declining energy prices and limited demand-driven pressures.

## Capital Inflows:

- **Singapore was Thailand's top FDI contributor in Q4 2025,** followed by China and Hong Kong, with investment concentrated in digital industries and advanced manufacturing, reflecting continued momentum from earlier in the year.

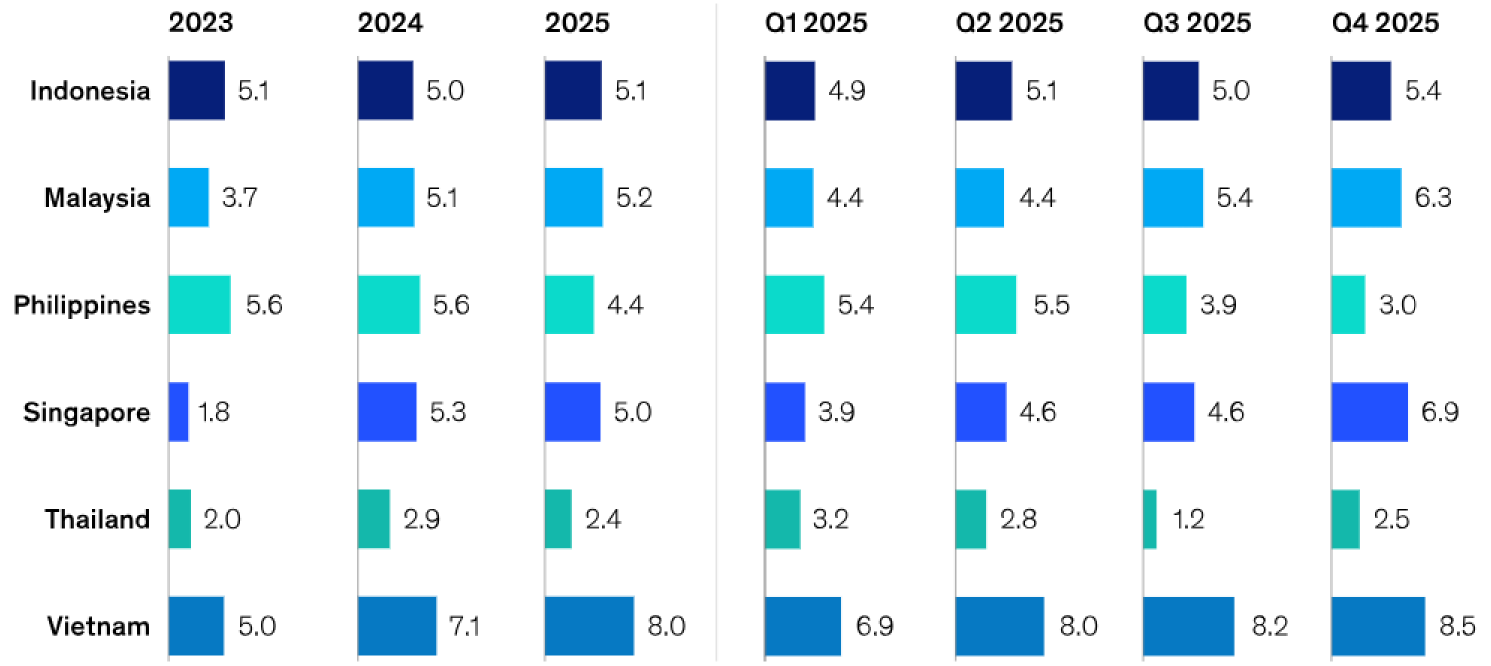


(McKinsey & Company, Oxford Economics, Bangkok Post 2025)

# Real GDP growth rate vs previous period

**Growth rebounded in the fourth quarter of 2025, even though Southeast Asia's annual growth diverged during the year.**

Real GDP growth rate vs previous period, %




Source: McKinsey & Company, Southeast Asia Quarterly Economic Review, Q4 2025

## Key Findings

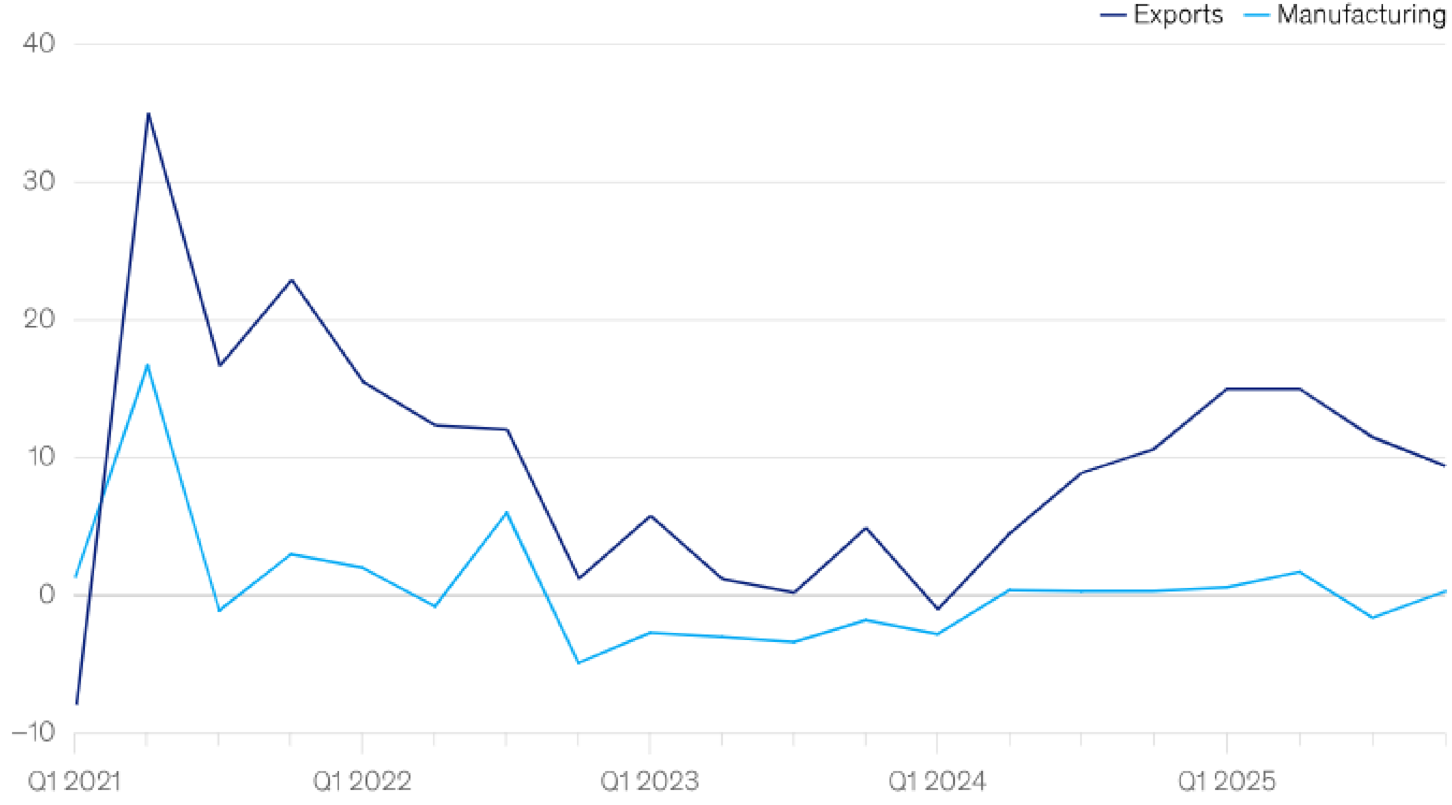
- **Southeast Asian economies ended 2025 on a strong note,** with growth accelerating in almost all countries in Q4, driven by robust global demand reigniting production and export growth engines
- **Vietnam solidified its position as the region's top performer,** accelerating to over 8% GDP growth, with Malaysia and Singapore also gaining significant momentum
- Indonesia rebounded from a soft third quarter, **while Thailand also recovered from its weakest quarter since 2021,** both supported by strong manufacturing and services sectors
- In contrast, **the Philippines experienced a significant slowdown,** with GDP falling to its weakest rate since COVID-19, as domestic challenges dampened consumer and business confidence

Source: McKinsey & Company, Southeast Asia Quarterly Economic Review, Q4 2025

# Thailand’s Exports VS Industrial Production

**Manufacturing output in Thailand rose on strong electrical and electronics demand, helping cushion softer exports.**

**Thailand exports vs industrial production,[1]** % value growth




[1]Year-on-year change, quarterly, through Q4 2025.
Source: Countries’ national statistics offices

Source: McKinsey & Company, Southeast Asia Quarterly Economic Review, Q4 2025

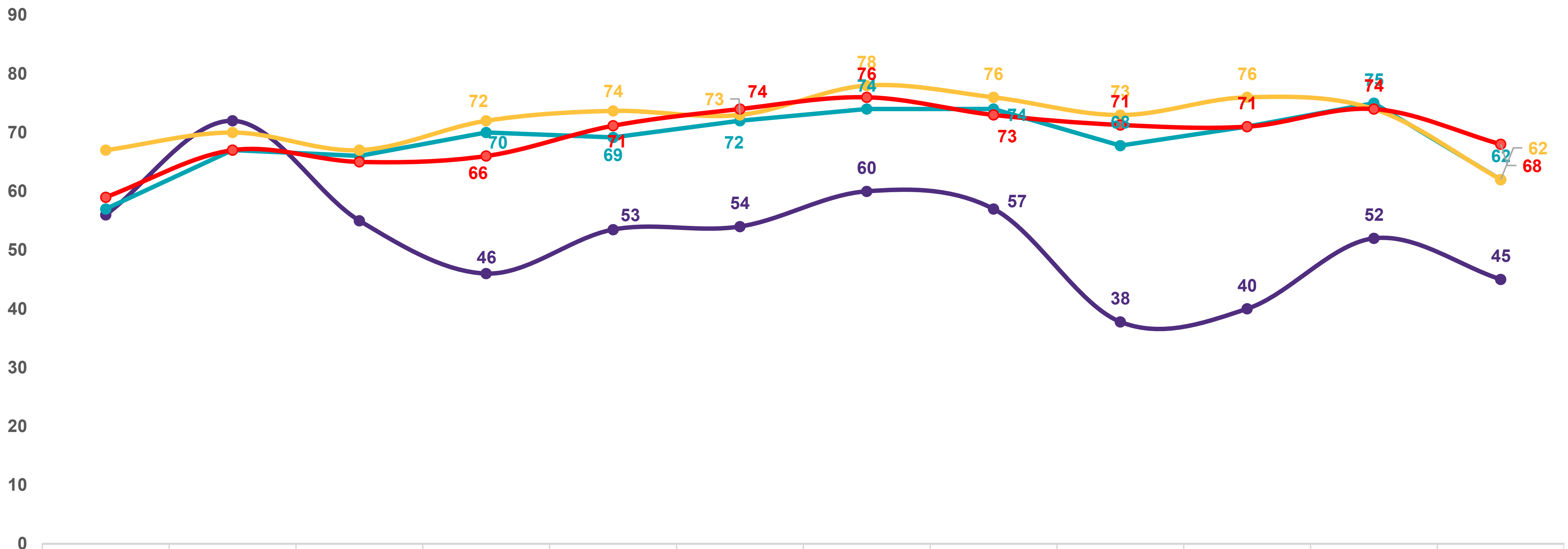
## Key Findings

- **Thailand’s economy grew by 2.5% year on year in Q4 2025,** recovering strongly from the 1.2% growth recorded in Q3, with all sectors posting growth – a significant improvement from the mixed performance of the previous quarter.
- **Manufacturing and construction rebounded from contractions,** supported by robust external demand for electronics and electrical (E&E) products, alongside increased public and private construction activity. Wholesale trade led all sectors at 6.8% growth, while accommodation and food services slowed, reflecting a deceleration in tourism activity.
- **The full-year 2025 GDP expanded by 2.4%,** though this remained slower than the 2.9% growth recorded in 2024, reflecting the drag from the weaker third quarter earlier in the year.

# 4 Business Conditions

# Optimism

## % of businesses expecting a decrease over the next 12 months

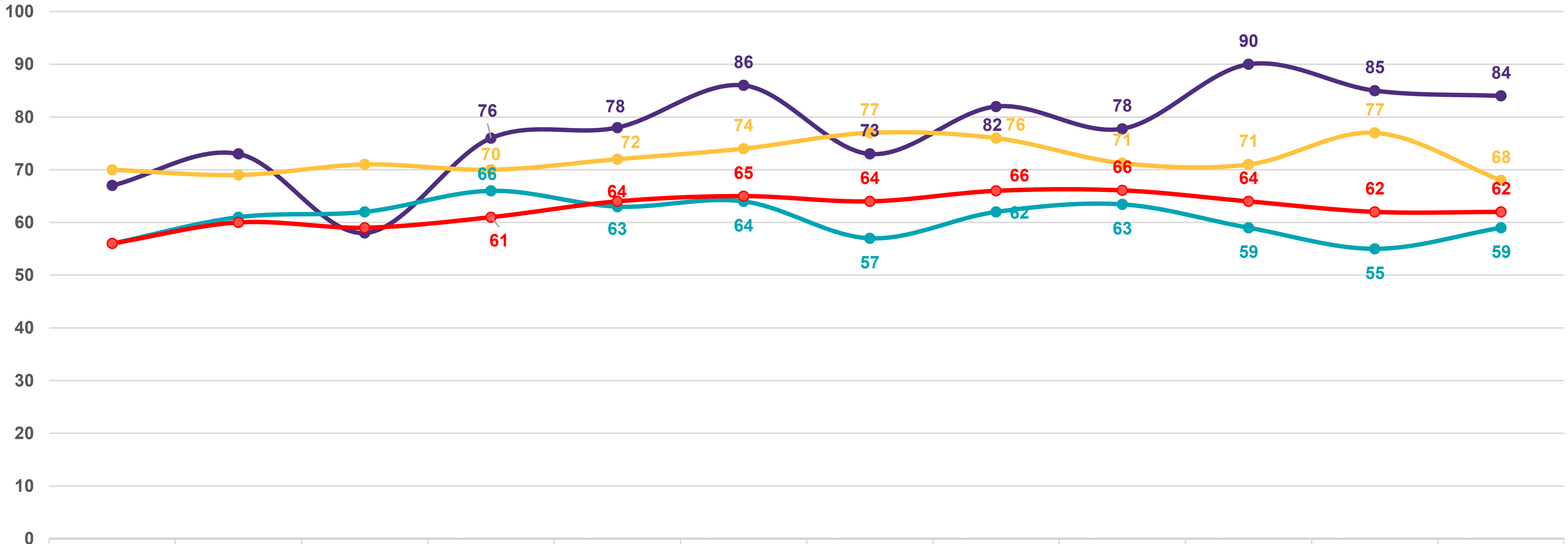



| | H2 - 2022 | H1 - 2023 | H2 - 2023 | Q1 - 2024 | Q2 - 2024 | Q3 - 2024 | Q4 - 2024 | Q1 - 2025 | Q2 - 2025 | Q3 - 2025 | Q4 - 2025 | Q1 - 2026 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Thailand | 56 | 72 | 55 | 46 | 53 | 54 | 60 | 57 | 38 | 40 | 52 | 45 |
| Asia Pacific | 57 | 67 | 66 | 70 | 69 | 72 | 74 | 74 | 68 | 71 | 75 | 62 |
| ASEAN | 67 | 70 | 67 | 72 | 74 | 73 | 78 | 76 | 73 | 76 | 74 | 62 |
| Global | 59 | 67 | 65 | 66 | 71 | 74 | 76 | 73 | 71 | 71 | 74 | 68 |

Source: Grant Thornton International Business Report (IBR) Q1 2026

# Revenues

## % of businesses expecting a change in revenues over the next 12 months

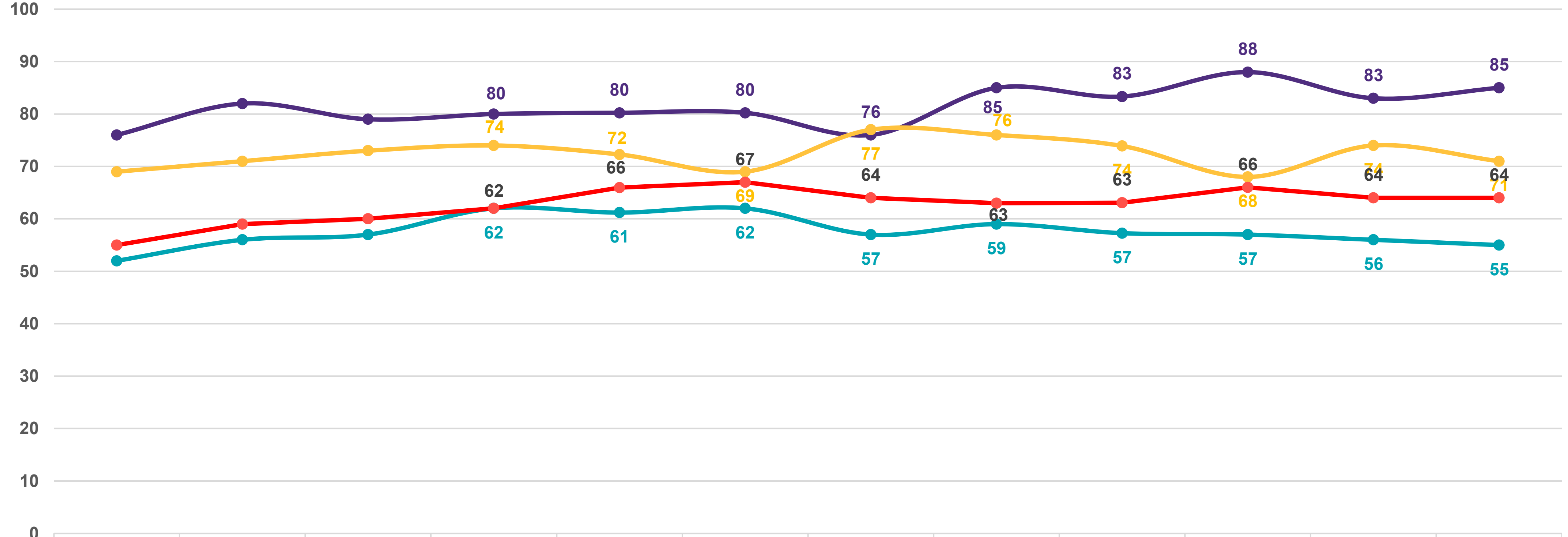



| | H2 - 2022 | H1 - 2023 | H2 - 2023 | Q1 - 2024 | Q2 - 2024 | Q3 - 2024 | Q4 - 2024 | Q1 - 2025 | Q2 - 2025 | Q3 - 2025 | Q4 - 2025 | Q1 - 2026 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Thailand | 67 | 73 | 58 | 76 | 78 | 86 | 73 | 82 | 78 | 90 | 85 | 84 | ↓ |
| Asia Pacific | 56 | 61 | 62 | 66 | 63 | 64 | 57 | 62 | 63 | 59 | 55 | 59 | ↑ |
| ASEAN | 70 | 69 | 71 | 70 | 72 | 74 | 77 | 76 | 71 | 71 | 77 | 68 | ↓ |
| Global | 56 | 60 | 59 | 61 | 64 | 65 | 64 | 66 | 66 | 64 | 62 | 62 | = |

Source: Grant Thornton International Business Report (IBR) Q1 2026

# Profitability

## % of businesses expecting a decrease over the next 12 months

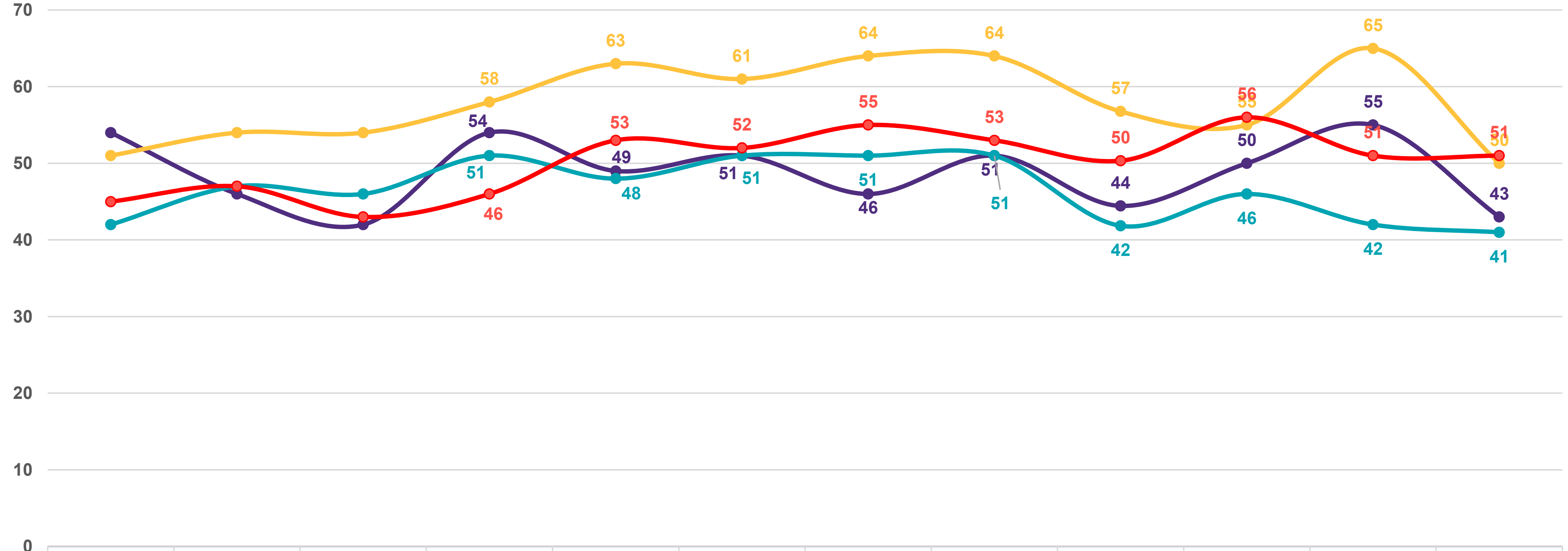



| | H2 - 2022 | H1 - 2023 | H2 - 2023 | Q1 - 2024 | Q2 - 2024 | Q3 - 2024 | Q4 - 2024 | Q1 - 2025 | Q2 - 2025 | Q3 - 2025 | Q4 - 2025 | Q1 - 2026 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Thailand | 76 | 82 | 79 | 80 | 80 | 80 | 76 | 85 | 83 | 88 | 83 | 85 | ↑ |
| Asia Pacific | 52 | 56 | 57 | 62 | 61 | 62 | 57 | 59 | 57 | 57 | 56 | 55 | ↓ |
| ASEAN | 69 | 71 | 73 | 74 | 72 | 69 | 77 | 76 | 74 | 68 | 74 | 71 | ↓ |
| Global | 55 | 59 | 60 | 62 | 66 | 67 | 64 | 63 | 63 | 66 | 64 | 64 | = |

Source: Grant Thornton International Business Report (IBR) Q1 2026

# Exports

## % of businesses expecting a decrease over the next 12 months

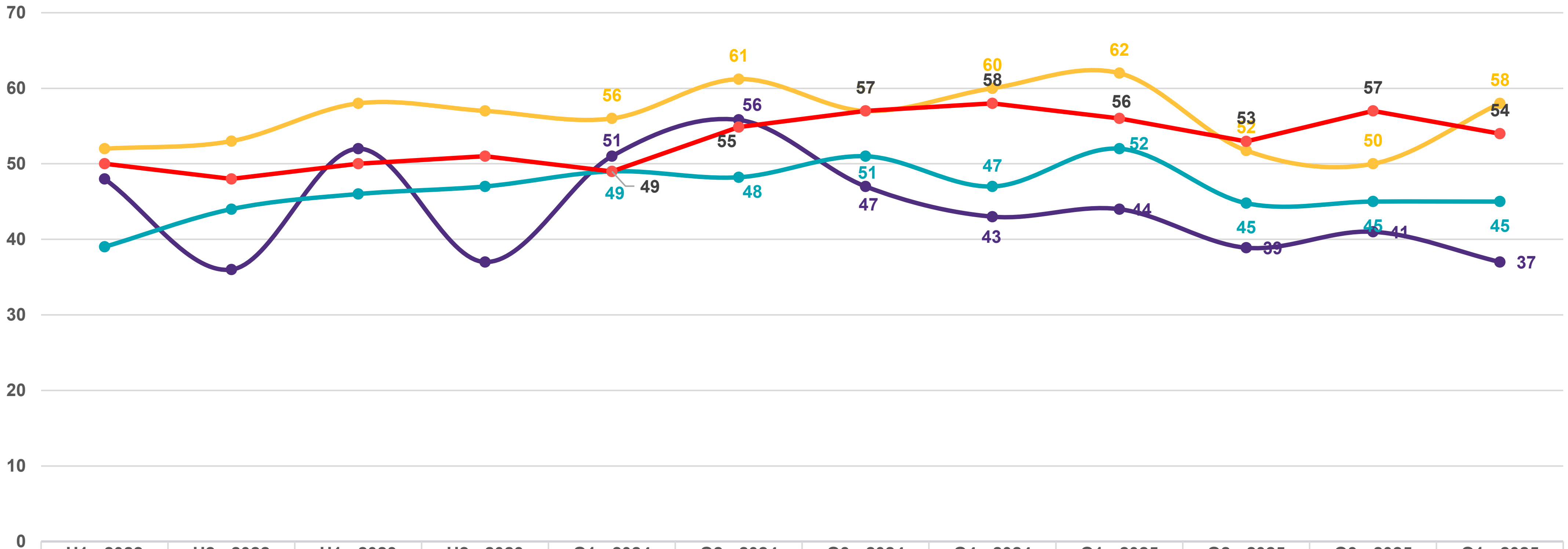



| | H2 - 2022 | H1 - 2023 | H2 - 2023 | Q1 - 2024 | Q2 - 2024 | Q3 - 2024 | Q4 - 2024 | Q1 - 2025 | Q2 - 2025 | Q3 - 2025 | Q4 - 2025 | Q1 - 2026 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Thailand | 54 | 46 | 42 | 54 | 49 | 51 | 46 | 51 | 44 | 50 | 55 | 43 | ↓ |
| Asia Pacific | 42 | 47 | 46 | 51 | 48 | 51 | 51 | 51 | 42 | 46 | 42 | 41 | ↓ |
| ASEAN | 51 | 54 | 54 | 58 | 63 | 61 | 64 | 64 | 57 | 55 | 65 | 50 | ↓ |
| Global | 45 | 47 | 43 | 46 | 53 | 52 | 55 | 53 | 50 | 56 | 51 | 51 | = |

Source: Grant Thornton International Business Report (IBR) Q1 2026

# Employment

## % of businesses expecting a shift in employment over the next 12 months

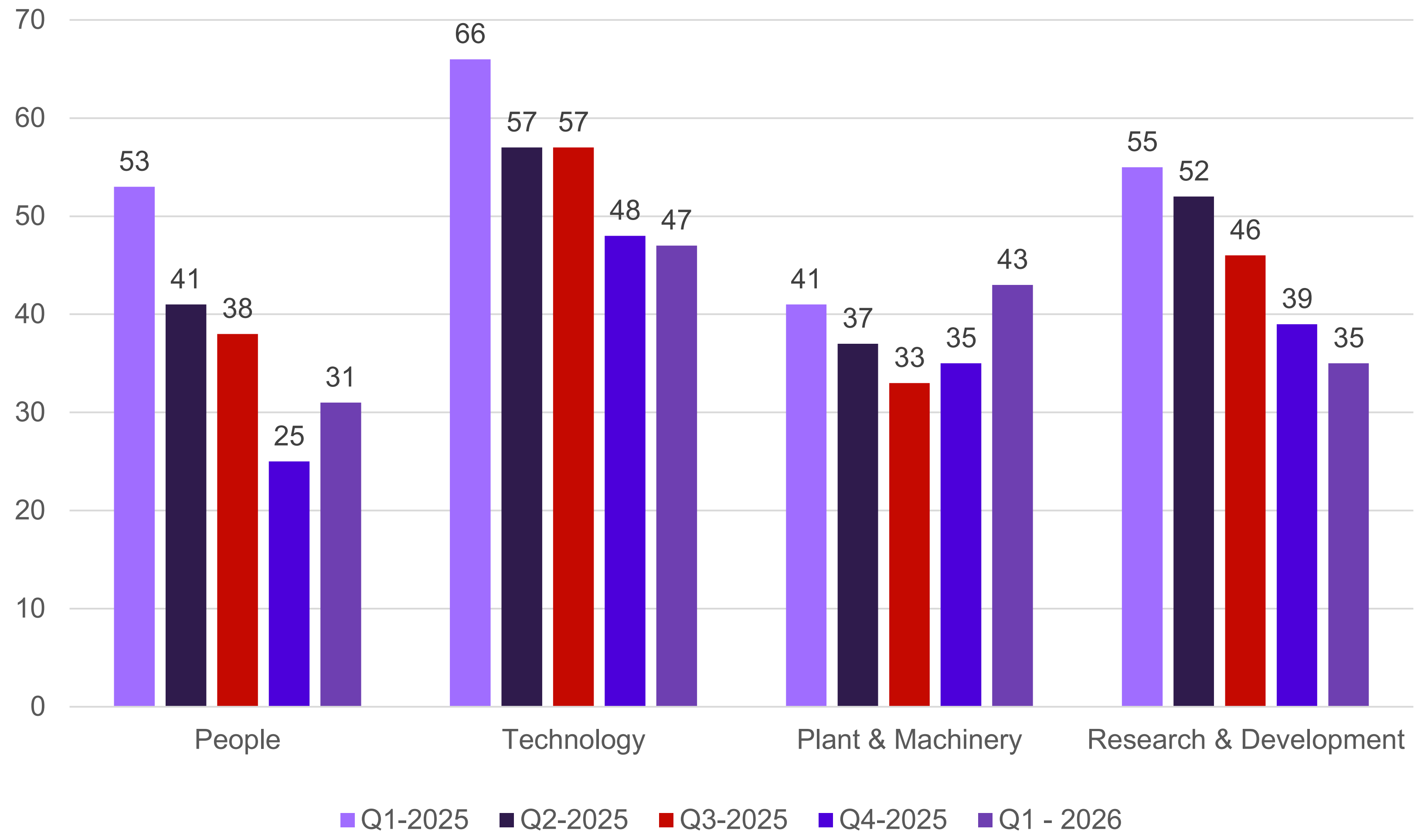



| | H1 - 2022 | H2 - 2022 | H1 - 2023 | H2 - 2023 | Q1 - 2024 | Q2 - 2024 | Q3 - 2024 | Q4 - 2024 | Q1 - 2025 | Q2 - 2025 | Q3 - 2025 | Q1 - 2025 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Thailand | 48 | 36 | 52 | 37 | 51 | 56 | 47 | 43 | 44 | 39 | 41 | 37 | ↓ |
| Asia Pacific | 39 | 44 | 46 | 47 | 49 | 48 | 51 | 47 | 52 | 45 | 45 | 45 | = |
| ASEAN | 52 | 53 | 58 | 57 | 56 | 61 | 57 | 60 | 62 | 52 | 50 | 58 | ↑ |
| Global | 50 | 48 | 50 | 51 | 49 | 55 | 57 | 58 | 56 | 53 | 57 | 54 | ↓ |

Source: Grant Thornton International Business Report (IBR) Q1 2026

# 5 Future Investment Intentions

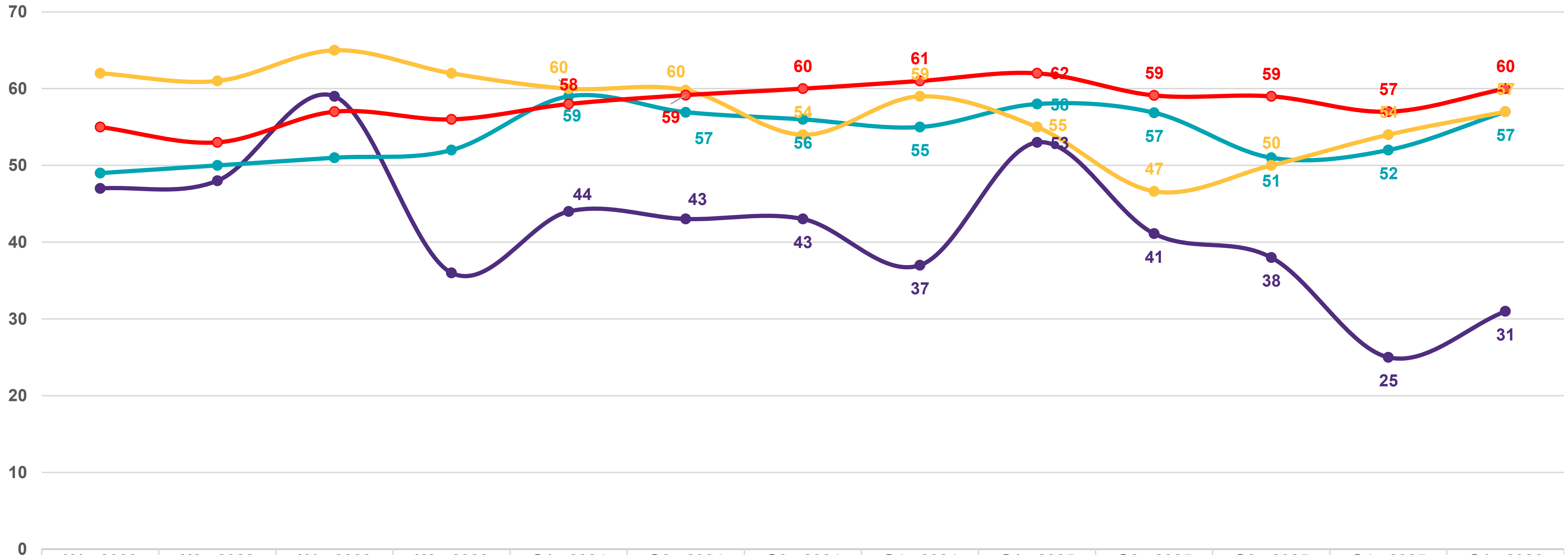
# Thailand's economic uncertainty drives declining investment intentions in people, technology, plant & machinery, and R&D




Source: Grant Thornton International Business Report (IBR) Q1 2026

# Investment in People

## % of businesses expecting an increase over the next 12 months

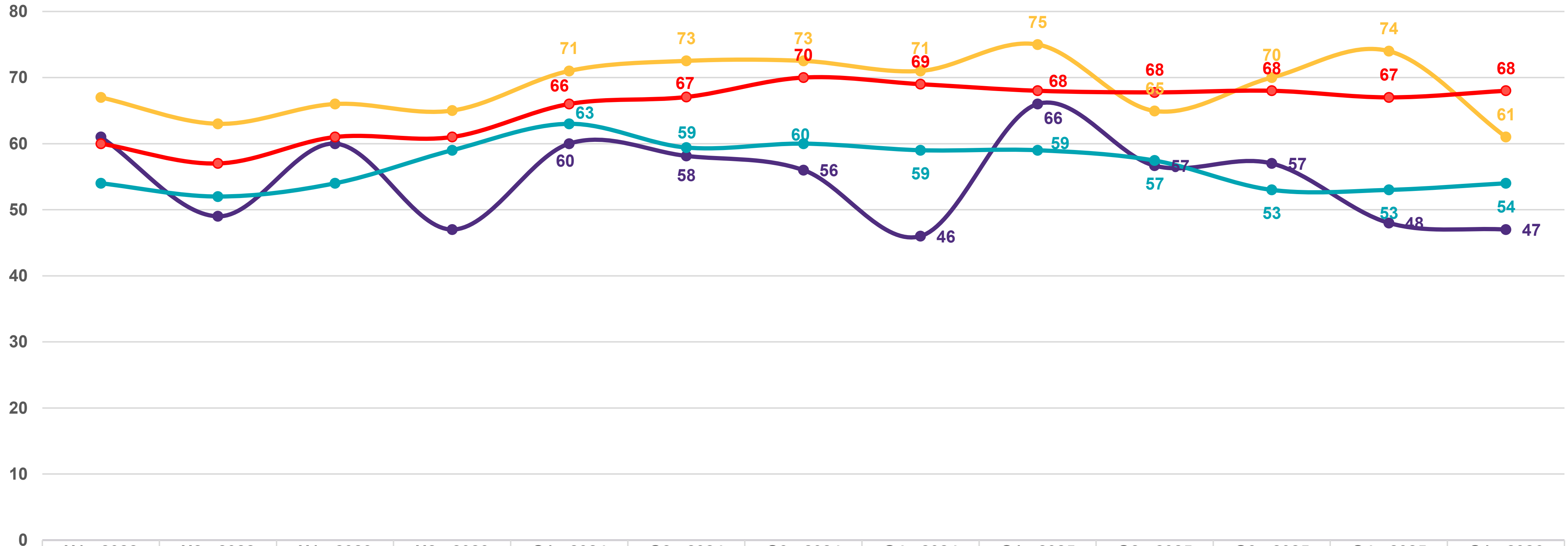



| | H1 - 2022 | H2 - 2022 | H1 - 2023 | H2 - 2023 | Q1 - 2024 | Q2 - 2024 | Q3 - 2024 | Q4 - 2024 | Q1 - 2025 | Q2 - 2025 | Q3 - 2025 | Q4 - 2025 | Q1 - 2026 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Thailand | 47 | 48 | 59 | 36 | 44 | 43 | 43 | 37 | 53 | 41 | 38 | 25 | 31 | ↑ |
| Asia Pacific | 49 | 50 | 51 | 52 | 59 | 57 | 56 | 55 | 58 | 57 | 51 | 52 | 57 | ↑ |
| ASEAN | 62 | 61 | 65 | 62 | 60 | 60 | 54 | 59 | 55 | 47 | 50 | 54 | 57 | ↑ |
| Global | 55 | 53 | 57 | 56 | 58 | 59 | 60 | 61 | 62 | 59 | 59 | 57 | 60 | ↑ |

Source: Grant Thornton International Business Report (IBR) Q1 2026

# Investment in Technology

## % of businesses expecting an increase over the next 12 months

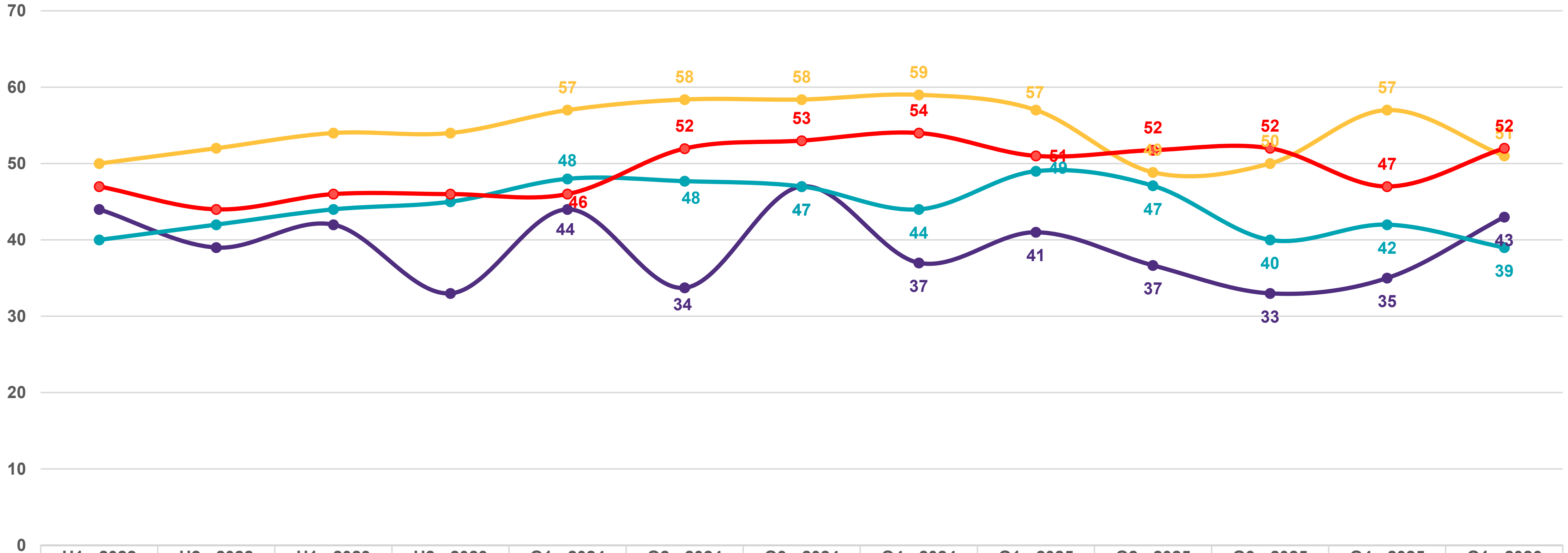


| | H1 - 2022 | H2 - 2022 | H1 - 2023 | H2 - 2023 | Q1 - 2024 | Q2 - 2024 | Q3 - 2024 | Q4 - 2024 | Q1 - 2025 | Q2 - 2025 | Q3 - 2025 | Q4 - 2025 | Q1 - 2026 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Thailand | 61 | 49 | 60 | 47 | 60 | 58 | 56 | 46 | 66 | 57 | 57 | 48 | 47 | ↓ |
| Asia Pacific | 54 | 52 | 54 | 59 | 63 | 59 | 60 | 59 | 59 | 57 | 53 | 53 | 54 | ↑ |
| ASEAN | 67 | 63 | 66 | 65 | 71 | 73 | 73 | 71 | 75 | 65 | 70 | 74 | 61 | ↓ |
| Global | 60 | 57 | 61 | 61 | 66 | 67 | 70 | 69 | 68 | 68 | 68 | 67 | 68 | ↑ |

Source: Grant Thornton International Business Report (IBR) Q1 2026

# Investment in Plant & Machinery

## % of businesses expecting an increase over the next 12 months

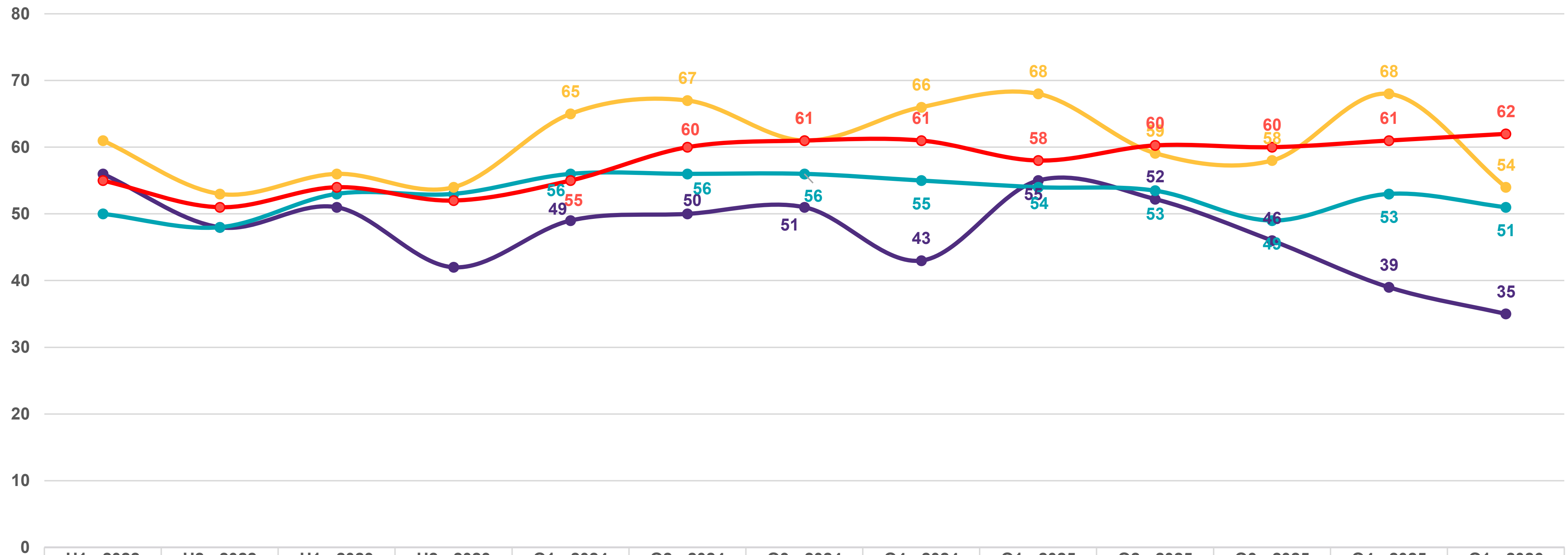



| | H1 - 2022 | H2 - 2022 | H1 - 2023 | H2 - 2023 | Q1 - 2024 | Q2 - 2024 | Q3 - 2024 | Q4 - 2024 | Q1 - 2025 | Q2 - 2025 | Q3 - 2025 | Q4 - 2025 | Q1 - 2026 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Thailand | 44 | 39 | 42 | 33 | 44 | 34 | 47 | 37 | 41 | 37 | 33 | 35 | 43 | ↑ |
| Asia Pacific | 40 | 42 | 44 | 45 | 48 | 48 | 47 | 44 | 49 | 47 | 40 | 42 | 39 | ↓ |
| ASEAN | 50 | 52 | 54 | 54 | 57 | 58 | 58 | 59 | 57 | 49 | 50 | 57 | 51 | ↓ |
| Global | 47 | 44 | 46 | 46 | 46 | 52 | 53 | 54 | 51 | 52 | 52 | 47 | 52 | ↑ |

Source: Grant Thornton International Business Report (IBR) Q1 2026

# 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 | Q1 - 2026 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Thailand | 56 | 48 | 51 | 42 | 49 | 50 | 51 | 43 | 55 | 52 | 46 | 39 | 35 | ↓ |
| Asia Pacific | 50 | 48 | 53 | 53 | 56 | 56 | 56 | 55 | 54 | 53 | 49 | 53 | 51 | ↓ |
| ASEAN | 61 | 53 | 56 | 54 | 65 | 67 | 61 | 66 | 68 | 59 | 58 | 68 | 54 | ↓ |
| Global | 55 | 51 | 54 | 52 | 55 | 60 | 61 | 61 | 58 | 60 | 60 | 61 | 62 | ↑ |

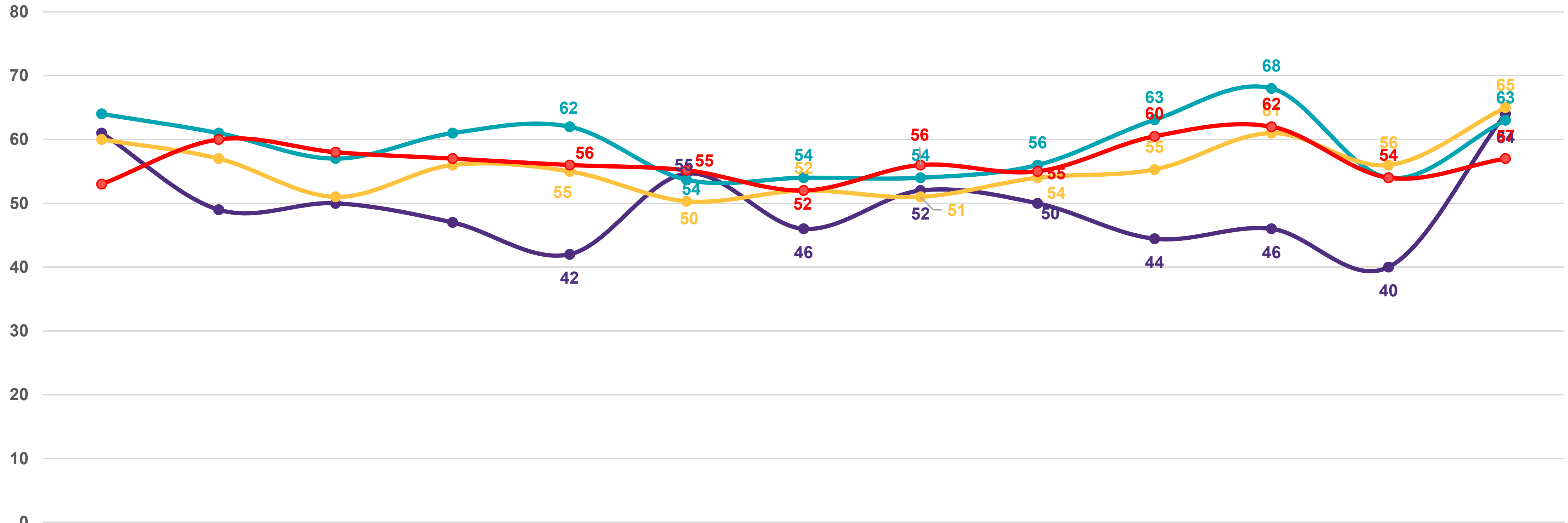
Source: Grant Thornton International Business Report (IBR) Q1 2026

# 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



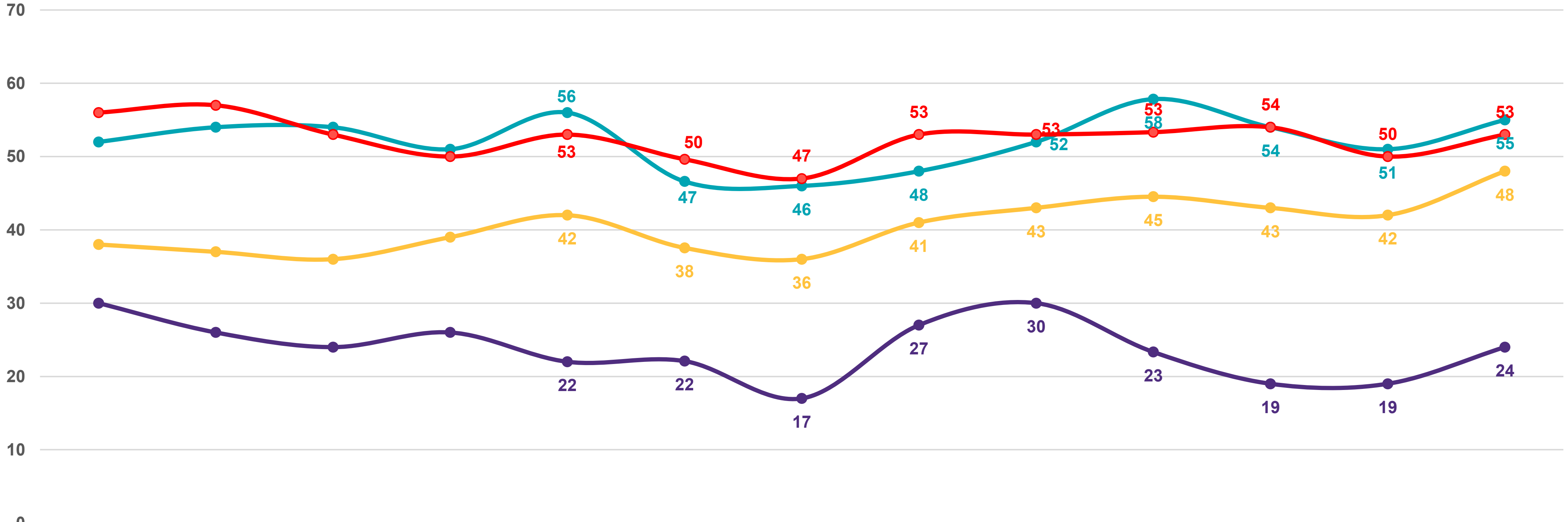

| | H1 - 2022 | H2 - 2022 | H1 - 2023 | H2 - 2023 | Q1 - 2024 | Q2 - 2024 | Q3 - 2024 | Q4 - 2024 | Q1 - 2025 | Q2 - 2025 | Q3 - 2025 | Q4 - 2025 | Q1 - 2026 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Thailand | 61 | 49 | 50 | 47 | 42 | 55 | 46 | 52 | 50 | 44 | 46 | 40 | 64 |
| Asia Pacific | 64 | 61 | 57 | 61 | 62 | 54 | 54 | 54 | 56 | 63 | 68 | 54 | 63 |
| ASEAN | 60 | 57 | 51 | 56 | 55 | 50 | 52 | 51 | 54 | 55 | 61 | 56 | 65 |
| Global | 53 | 60 | 58 | 57 | 56 | 55 | 52 | 56 | 55 | 60 | 62 | 54 | 57 |

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




| | H1 - 2022 | H2 - 2022 | H1 - 2023 | H2 - 2023 | Q1 - 2024 | Q2 - 2024 | Q3 - 2024 | Q4 - 2024 | Q1 - 2025 | Q2 - 2025 | Q3 - 2025 | Q4 - 2025 | Q1 - 2026 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Thailand | 30 | 26 | 24 | 26 | 22 | 22 | 17 | 27 | 30 | 23 | 19 | 19 | 24 |
| Asia Pacific | 52 | 54 | 54 | 51 | 56 | 47 | 46 | 48 | 52 | 58 | 54 | 51 | 55 |
| ASEAN | 38 | 37 | 36 | 39 | 42 | 38 | 36 | 41 | 43 | 45 | 43 | 42 | 48 |
| Global | 56 | 57 | 53 | 50 | 53 | 50 | 47 | 53 | 53 | 53 | 54 | 50 | 53 |

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

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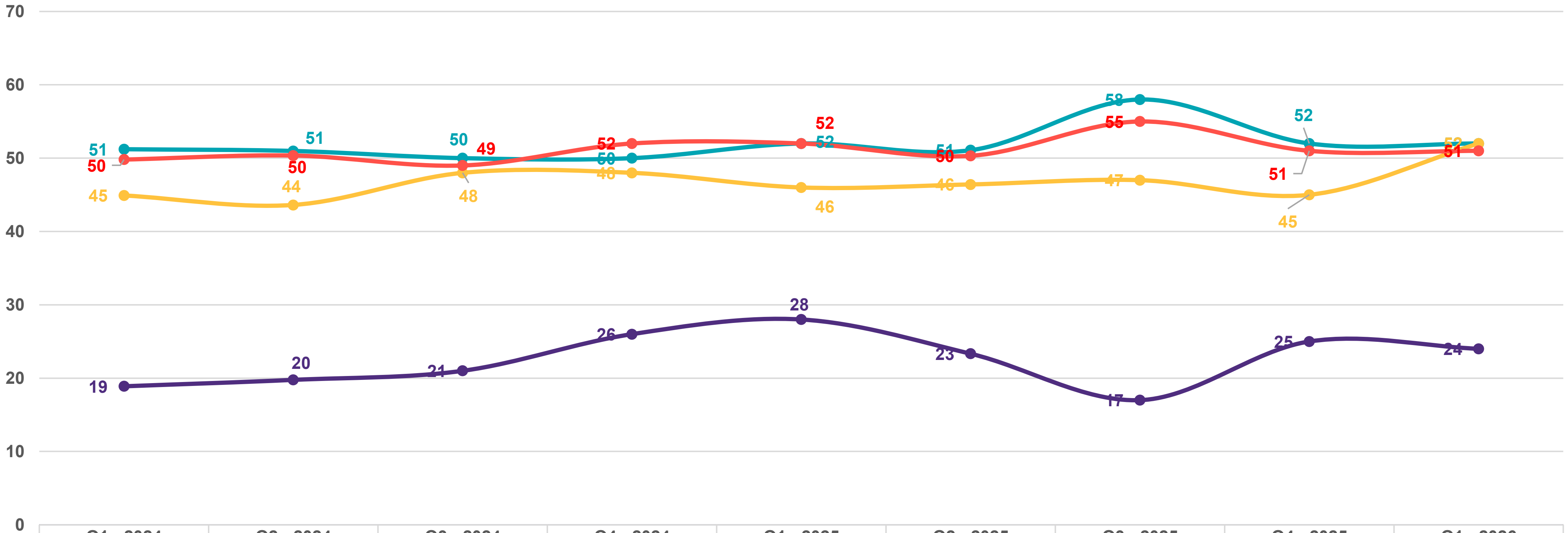
*The lower the figure the better*

# 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 | Q1 - 2026 | |
|---|---|---|---|---|---|---|---|---|---|---|
| Thailand | 19 | 20 | 21 | 26 | 28 | 23 | 17 | 25 | 24 | ↓ |
| Asia Pacific | 51 | 51 | 50 | 50 | 52 | 51 | 58 | 52 | 52 | = |
| ASEAN | 45 | 44 | 48 | 48 | 46 | 46 | 47 | 45 | 52 | ↑ |
| Global | 50 | 50 | 49 | 52 | 52 | 50 | 55 | 51 | 51 | = |

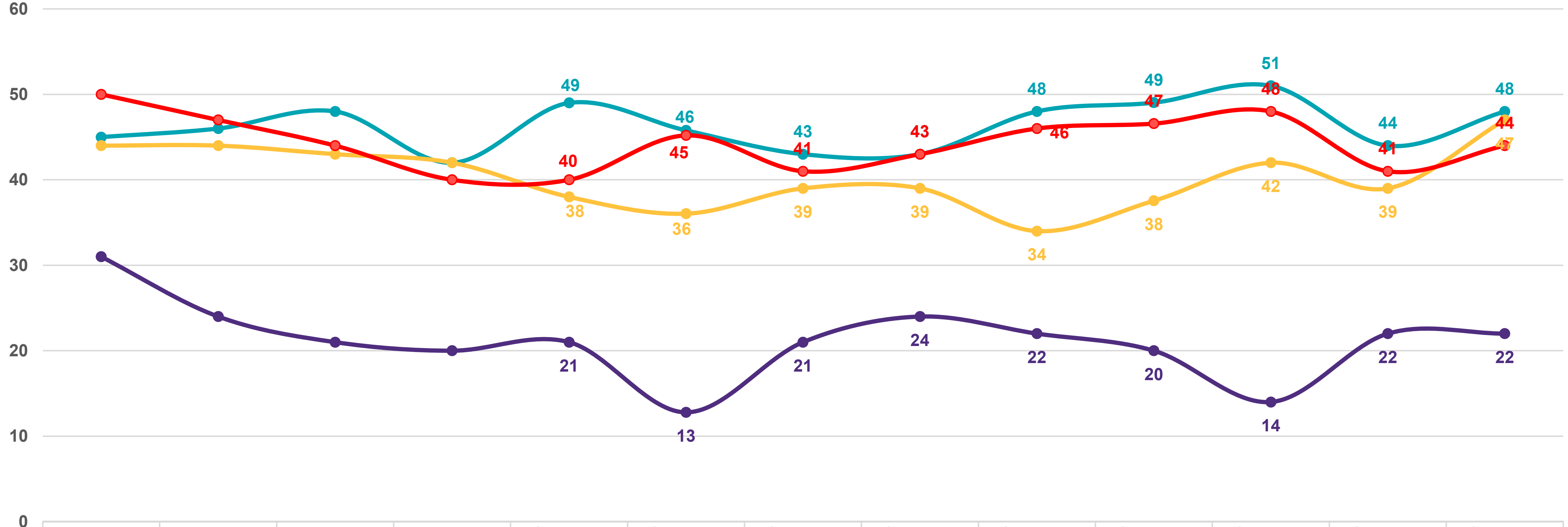
**Cyber Security / Digital Risk was introduced as a new indicator in Q1 2024*

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




| | H1 - 2022 | H2 - 2022 | H1 - 2023 | H2 - 2023 | Q1 - 2024 | Q2 - 2024 | Q3 - 2024 | Q4 - 2024 | Q1 - 2025 | Q2 - 2025 | Q3 - 2025 | Q4 - 2025 | Q1 - 2026 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Thailand | 31 | 24 | 21 | 20 | 21 | 13 | 21 | 24 | 22 | 20 | 14 | 22 | 22 | = |
| Asia Pacific | 45 | 46 | 48 | 42 | 49 | 46 | 43 | 43 | 48 | 49 | 51 | 44 | 48 | ↑ |
| ASEAN | 44 | 44 | 43 | 42 | 38 | 36 | 39 | 39 | 34 | 38 | 42 | 39 | 47 | ↑ |
| Global | 50 | 47 | 44 | 40 | 40 | 45 | 41 | 43 | 46 | 47 | 48 | 41 | 44 | ↑ |

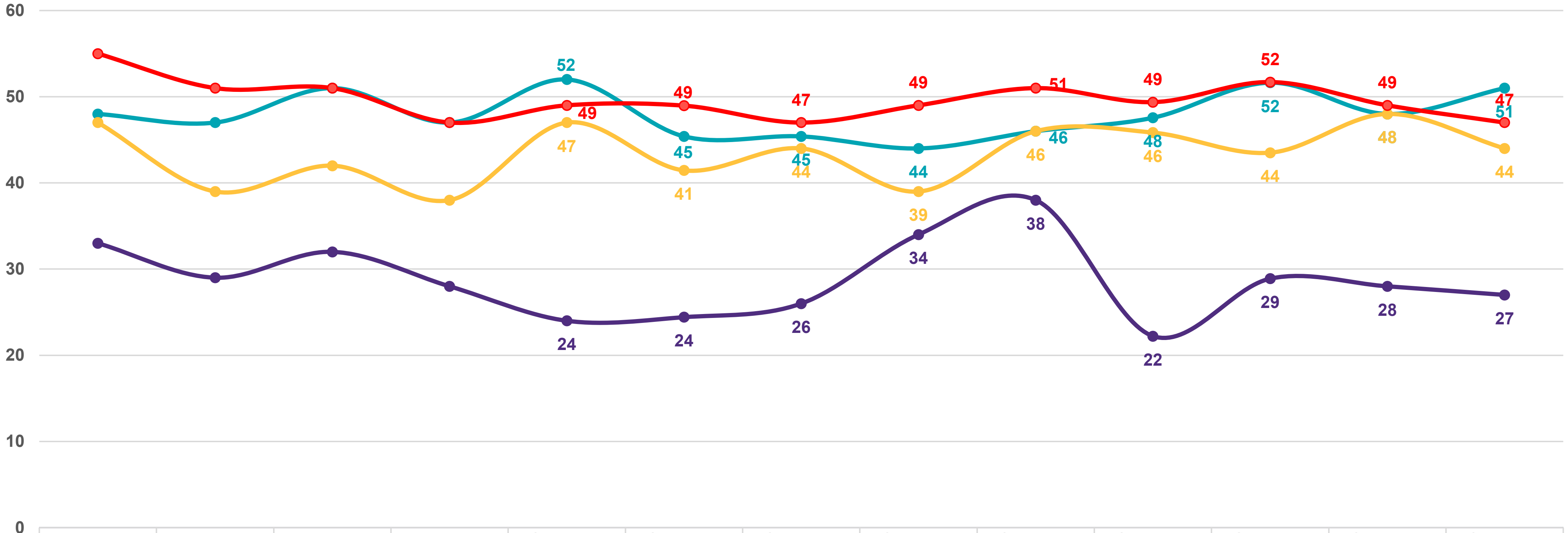
Source: Grant Thornton International Business Report (IBR) Q4 2025

[INTERNAL]

**The lower the figure the better*

# Regulation & Red Tape

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



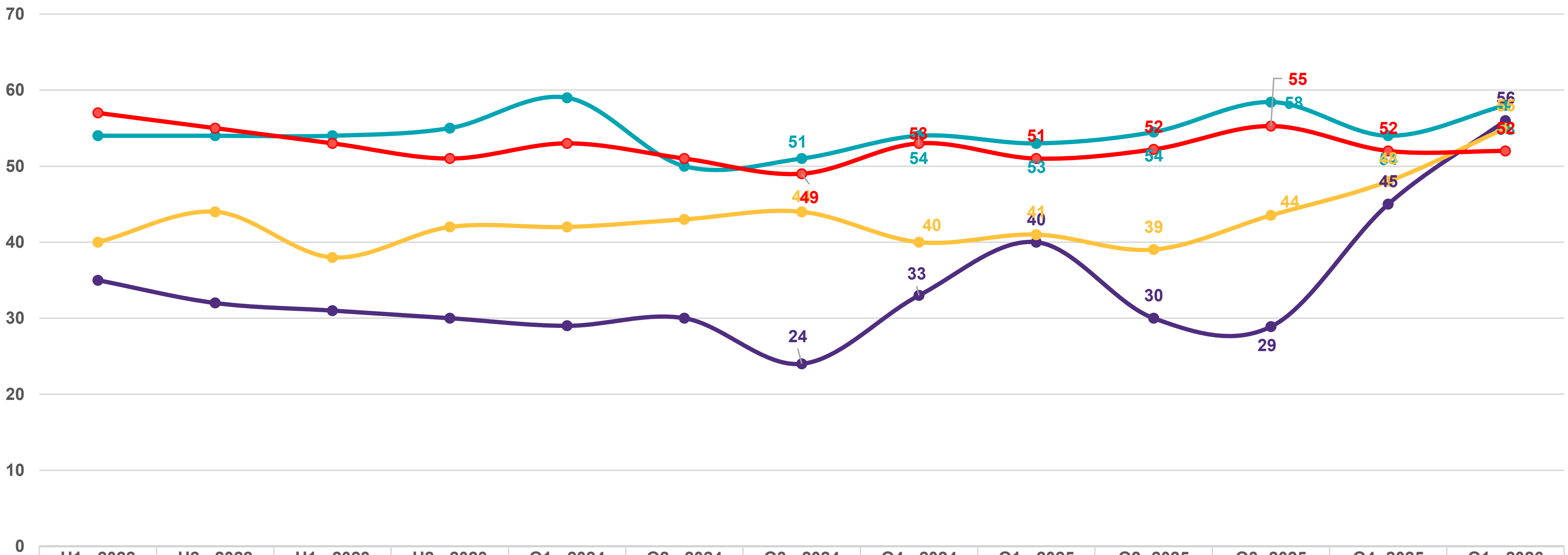

| | H1 - 2022 | H2 - 2022 | H1 - 2023 | H2 - 2023 | Q1 - 2024 | Q2 - 2024 | Q3 - 2024 | Q4 - 2024 | Q1 - 2025 | Q2 - 2025 | Q3 - 2025 | Q4 - 2025 | Q1 - 2026 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Thailand | 33 | 29 | 32 | 28 | 24 | 24 | 26 | 34 | 38 | 22 | 29 | 28 | 27 | ↓ |
| Asia Pacific | 48 | 47 | 51 | 47 | 52 | 45 | 45 | 44 | 46 | 48 | 52 | 48 | 51 | ↑ |
| ASEAN | 47 | 39 | 42 | 38 | 47 | 41 | 44 | 39 | 46 | 46 | 44 | 48 | 44 | ↓ |
| Global | 55 | 51 | 51 | 47 | 49 | 49 | 47 | 49 | 51 | 49 | 52 | 49 | 47 | ↓ |

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




| | H1 - 2022 | H2 - 2022 | H1 - 2023 | H2 - 2023 | Q1 - 2024 | Q2 - 2024 | Q3 - 2024 | Q4 - 2024 | Q1 - 2025 | Q2- 2025 | Q3 -2025 | Q4 -2025 | Q1 - 2026 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Thailand | 35 | 32 | 31 | 30 | 29 | 30 | 24 | 33 | 40 | 30 | 29 | 45 | 56 | ↑ |
| Asia Pacific | 54 | 54 | 54 | 55 | 59 | 50 | 51 | 54 | 53 | 54 | 58 | 54 | 58 | ↑ |
| ASEAN | 40 | 44 | 38 | 42 | 42 | 43 | 44 | 40 | 41 | 39 | 44 | 48 | 55 | ↑ |
| Global | 57 | 55 | 53 | 51 | 53 | 51 | 49 | 53 | 51 | 52 | 55 | 52 | 52 | = |

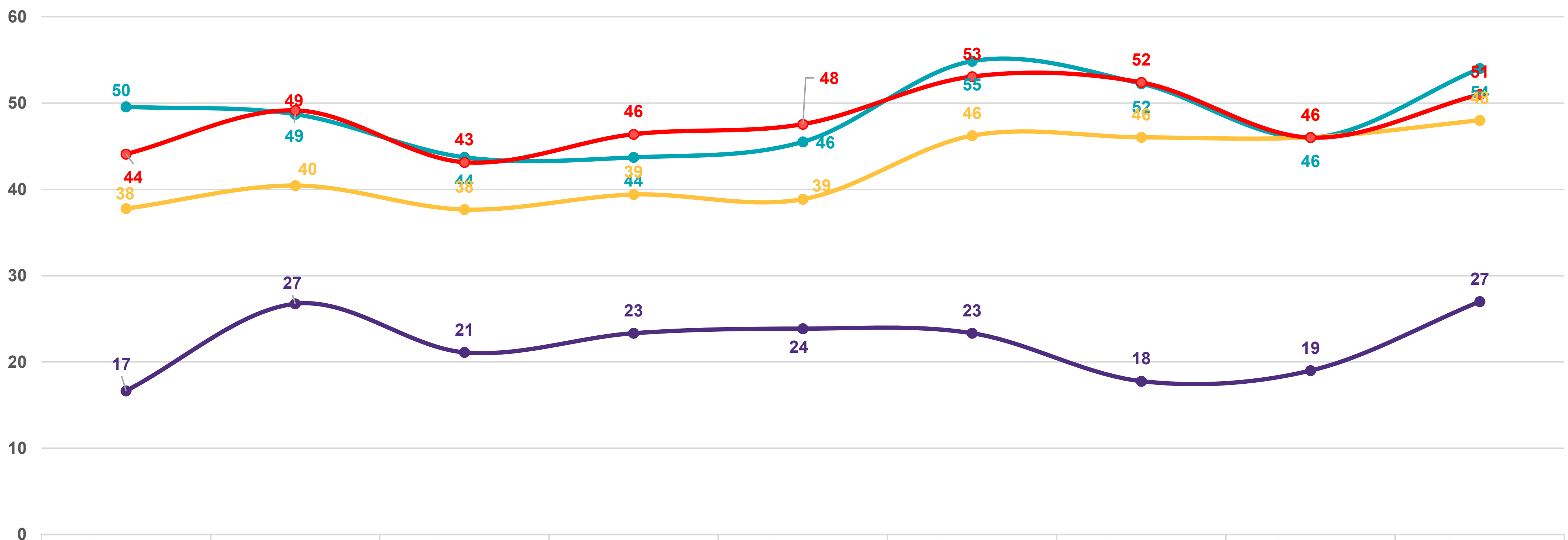
Source: Grant Thornton International Business Report (IBR) Q4 2025

[INTERNAL]

*The lower the figure the better*

# Geopolitical Disruption

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

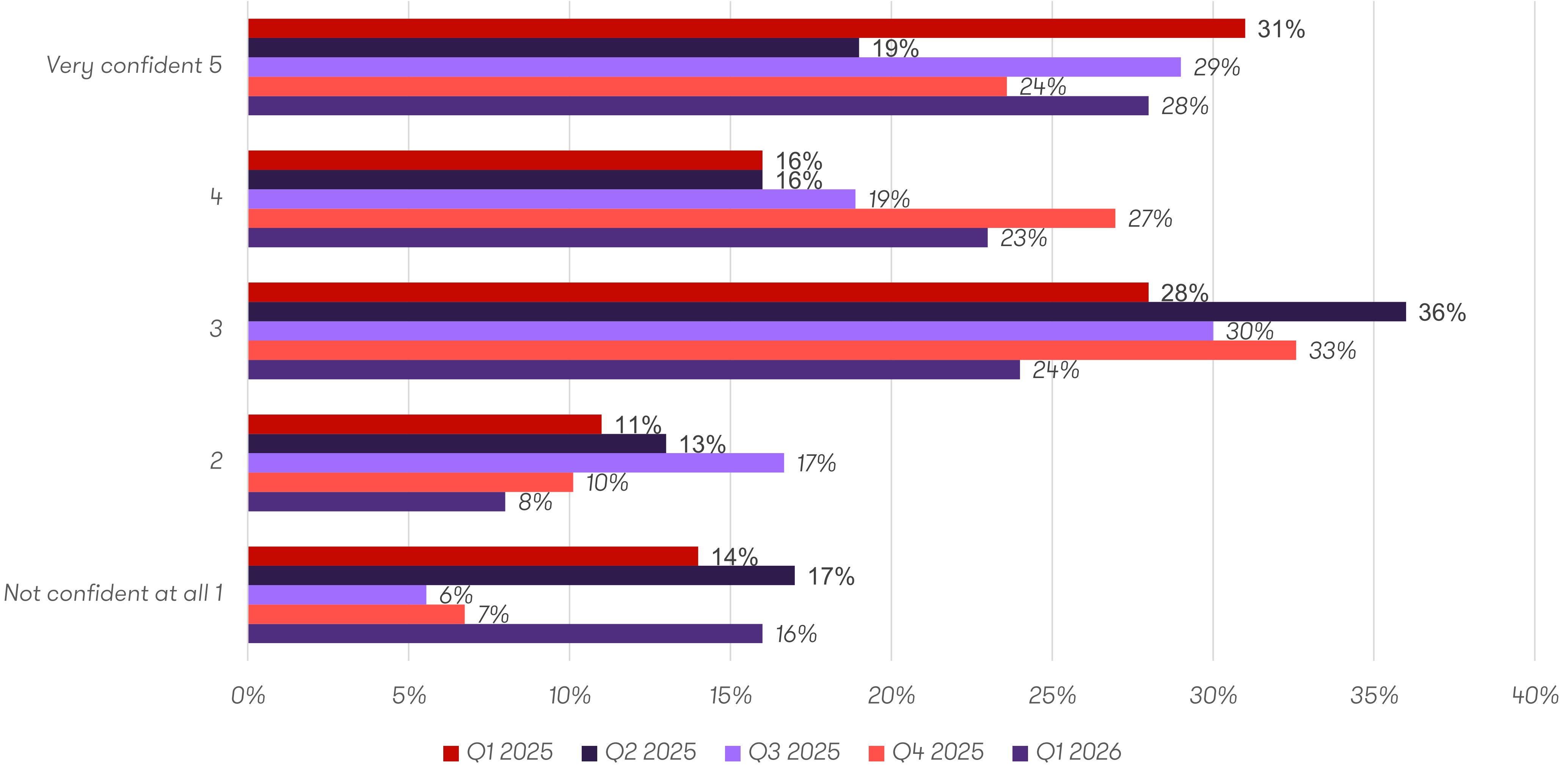



| | Q1 - 2024 | Q2 - 2024 | Q3 - 2024 | Q4 - 2024 | Q1 - 2025 | Q2- 2025 | Q3 - 2025 | Q4 - 2025 | Q1 - 2026 |
|---|---|---|---|---|---|---|---|---|---|
| Thailand | 17 | 27 | 21 | 23 | 24 | 23 | 18 | 19 | 27 |
| Asia Pacific | 50 | 49 | 44 | 44 | 46 | 55 | 52 | 46 | 54 |
| ASEAN | 38 | 40 | 38 | 39 | 39 | 46 | 46 | 46 | 48 |
| Global | 44 | 49 | 43 | 46 | 48 | 53 | 52 | 46 | 51 |

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

# 7 Country-specific Questions

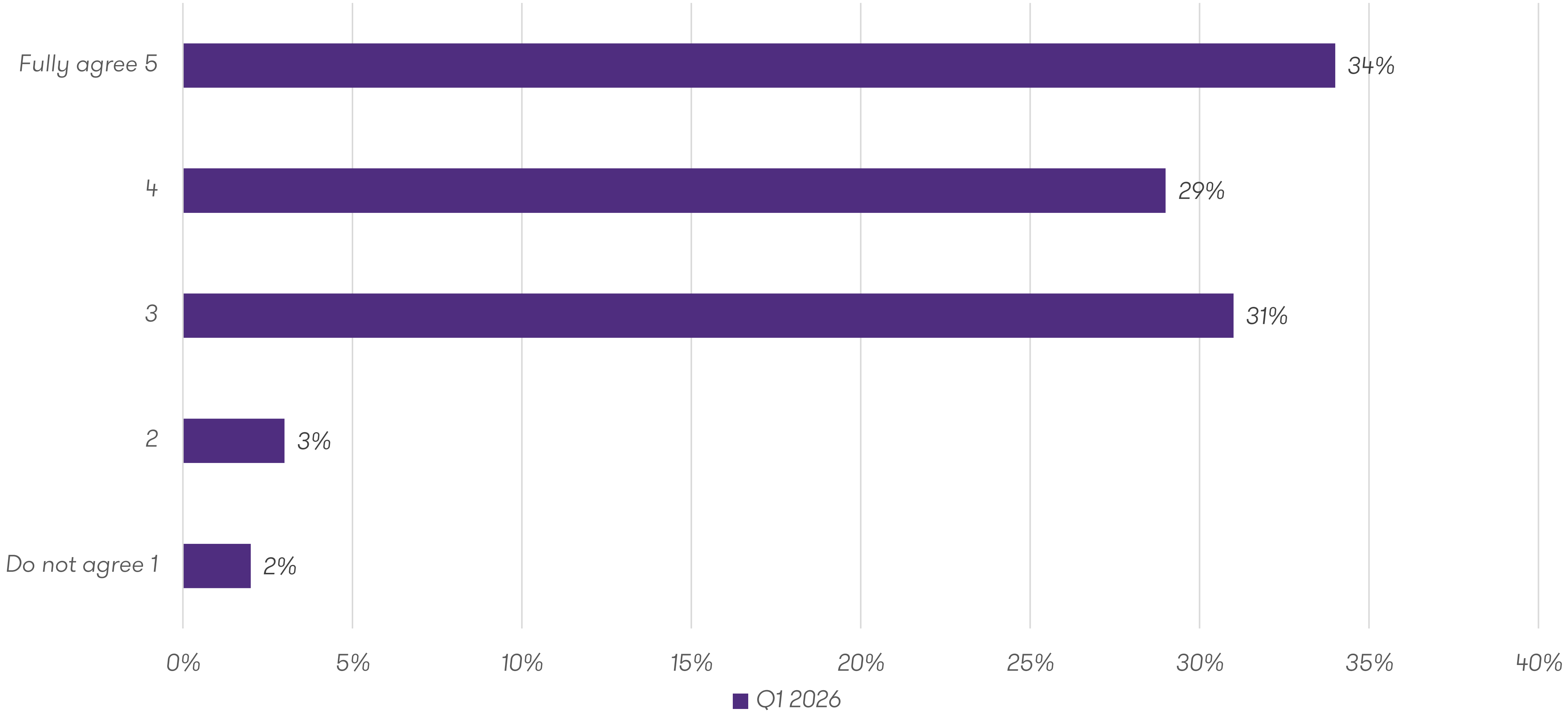
# TQ1: How confident are you that the Thai economy will improve in 2026?





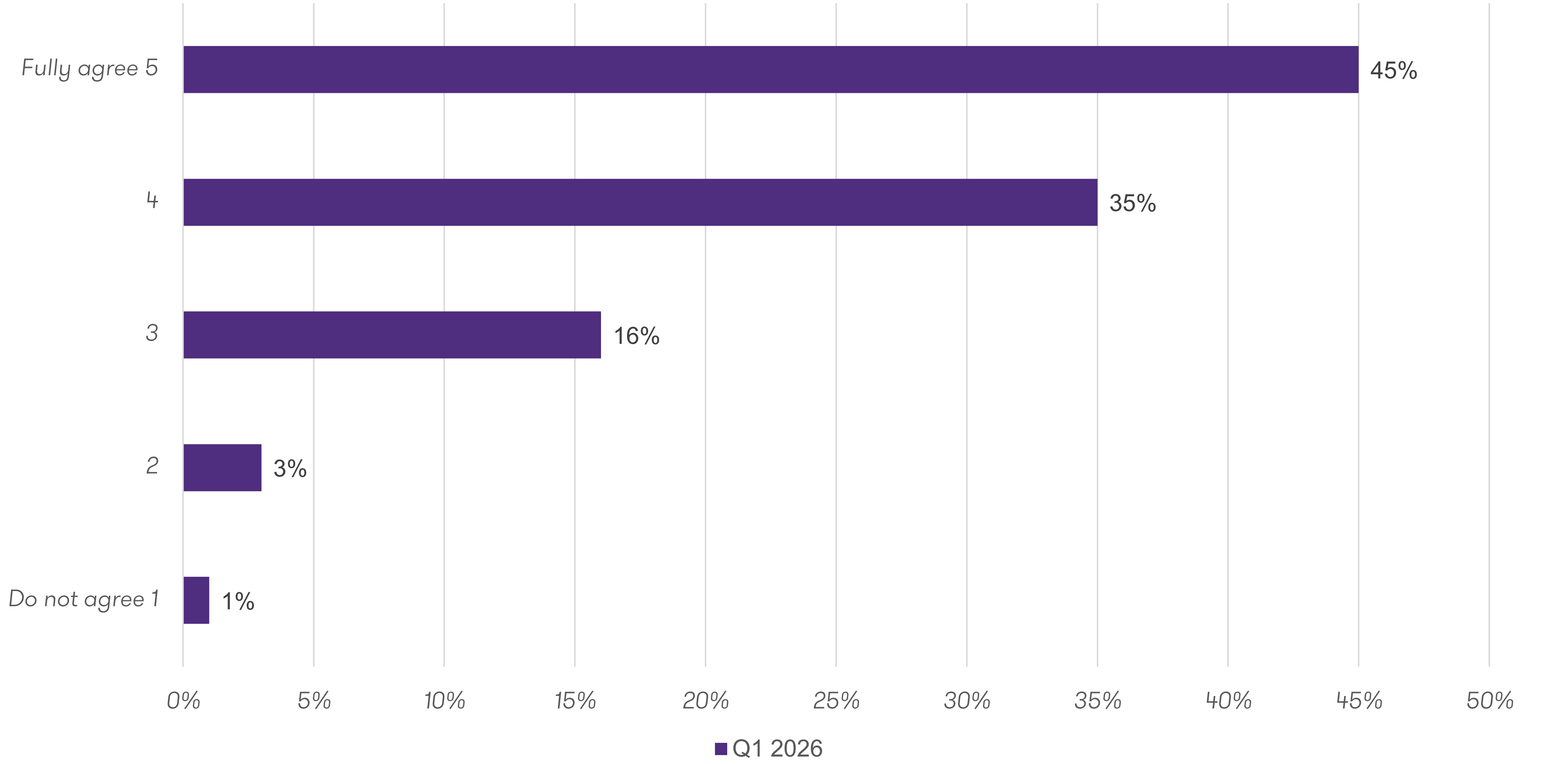

Source: Grant Thornton International Business Report (IBR) Q1 2026

# TQ2: How strongly do you agree that Thai businesses are adopting AI at a sufficient pace?




Source: Grant Thornton International Business Report (IBR) Q1 2026

# TQ3: To what extent do you agree that air pollution is damaging the Thai economy?




Source: Grant Thornton International Business Report (IBR) Q1 2026

# Future Points to Consider

- US Tariffs & Trade Policy Impact
- Middle East Conflict & Energy Price Volatility
- Thai Political Transition & Domestic Stability
- Household Debt & Credit Conditions
- AI Adoption & Digital Transformation

[INTERNAL]

# 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**.**

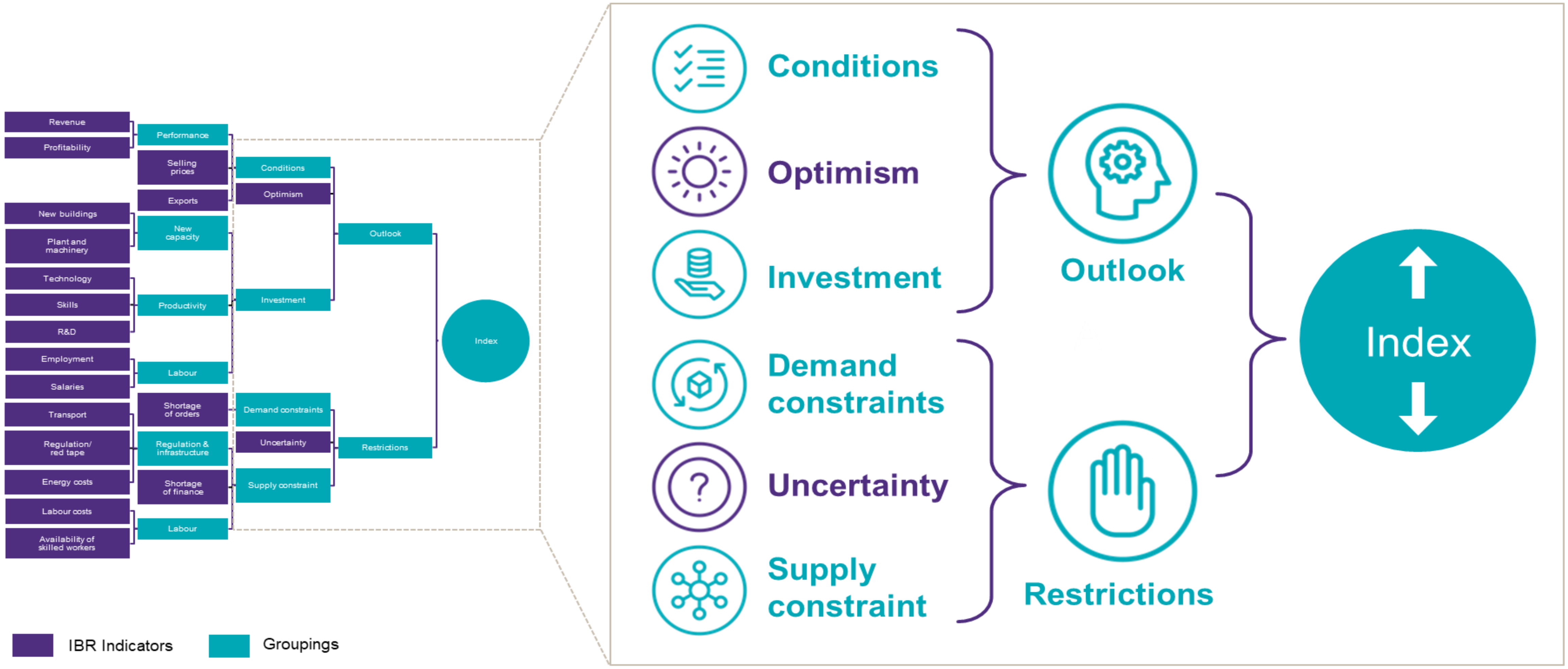
Questionnaires are translated into local languages, and fieldwork is undertaken quarterly, through **both online and telephone interviews**. The data for this release is from interviews conducted between 5 February – 19 March 2026 with chief executive officers, managing directors, chairpersons, or other senior executives from all industry sectors.

The latest wave of IBR research took place from 5 February – 19 March 2026. This data relates to the first quarter of the year and should be referred to as 'Q1 2026'. **86 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

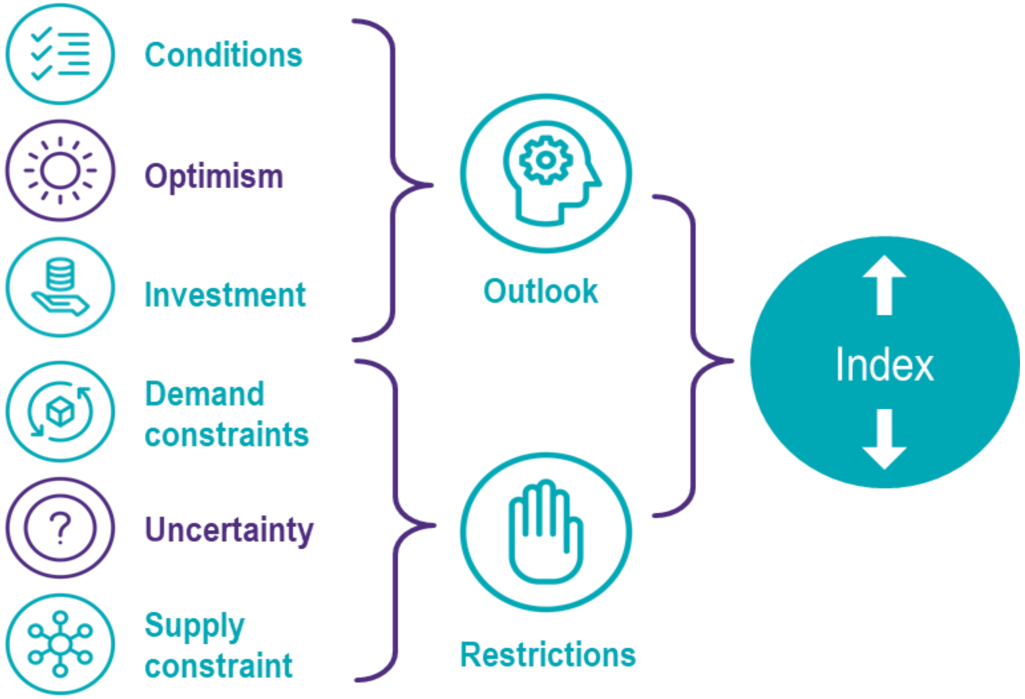
Source: Grant Thornton, Oxford Economics

# 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 86 respondents

Most respondents are female

21% Male

79% Female

Most respondents are aged between 25 – 44

84% Aged between 25 - 44

16% Aged more than 45

Most respondents have Director positions

34% CEOs/MDs

66% Other senior positions

Most respondents have revenue of £40m – <£80m

36% Less than $50m

61% $50m - $250m

3% More than $250m

Most respondents have 50 – 99 employees

53% Under 150 employees

28% 150 – 299 employees

19% 300+ employees

Source: Grant Thornton International Business Report (IBR) Q1 2026

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