

Thailand: Brief Profile

2025

Domestic Economy

- ❖ Thailand is a middle-income country and has the second-largest economy in South-east Asia. Although heavily dependent on foreign tourism, the country has a large goods export sector centred on automotive, machinery and electronics manufacturing.
- ❖ Populist measures and stabilising external demand supported Thailand's economic growth in 2024. Real GDP registered a modest growth from 2.0% in 2023 to 2.5% in 2024, as consumer and business confidence remained subdued.
- ❖ In absolute terms, GDP amounted to US\$ 526.4 billion in 2024, with per capita GDP of an estimated US\$ 7491.7.
- ❖ The consumer price inflation is expected to decelerate from 1.2% in 2023 to 0.4% in 2024, tempered by government subsidies on diesel and utilities prices.
- ❖ Services sector accounted for 58.5% of GDP in 2023, while industry accounted for 32.9% and agriculture accounted for 8.6% of GDP in the same year.

BASIC FACTS

Land area: 514,000 sq km

Population: 70.3 mn (2024, est.)

Language: Thai

Currency: Baht (Bt)

GDP: US\$ 526.4 bn (2024, est.)

Exports: US\$ 300.5 bn (2024, est.)

Imports: US\$ 306.8 bn (2024, est.)

Sovereign Rating: BBB+ (S&P's)

Trade and Current Account Balance

- ❖ Thailand's exports increased to US\$ 300.5 billion in 2024, from US\$ 285.1 billion in 2023, recording a 5.4% increase.
- ❖ Imports also increased to an estimated US\$ 306.8 billion in 2024, recording an increase of 6.3% over the previous year's US\$ 288.5 billion.
- ❖ Accordingly, Thailand's trade deficit is estimated to widen to US\$ 6.3 billion in 2024, as compared to US\$ 3.4 billion in 2023.
- ❖ Thailand's principal exports in 2024 were electrical machinery and equipment accounting for 17.1% of Thailand's total exports. Other major exports include

machinery and mechanical appliances (15.9% of total exports), vehicles other than railway (11.2%), rubbers and articles (6.4%), pearls, precious stones and metals (6.1%), and plastic and articles (4.4%).

- ❖ Electrical machinery and equipment accounted for 21.2% of total imports of Thailand in 2024. Other major imports in 2024 were mineral fuels and oil (16.7%), machinery and mechanical appliances (11.7%), pearls, precious stones and metals (7.0%), iron and steel (3.6%) and vehicles other than railway and tramway (3.5%).
- ❖ USA was the major destination of exports, accounting for 18.3% of Thailand's total exports in 2024. Other important destinations of exports in the same year were China (11.7%), Japan (7.8%), Australia (4.1%), Malaysia (4.1%), India (3.9%), Vietnam (3.9%), and Hong Kong (3.6%).
- ❖ China was the main origin of Thailand's imports, accounting for 26.2% of Thailand's total imports in 2024. Other important destinations of imports in the same year were Japan (9.3%), USA (6.8%), UAE (5.7%), Taiwan (5.7%), Malaysia (4.6%), and South Korea (3%).
- ❖ Current account surplus of Thailand widened to an estimated US\$ 11.1 billion (2.1% of GDP) in 2024 from US\$ 7.4 billion (1.4% of GDP) in 2023.

Foreign Direct Investment, Foreign Exchange Reserves, and Exchange Rate

- ❖ According to UNCTAD's World Investment Report 2024, foreign direct investment (FDI) inflows to Thailand moderated to US\$ 4.5 billion in 2023, compared to US\$ 11.1 billion in 2022.
- ❖ According to the same source, FDI outflows from Thailand increased to US\$ 10.4 billion in 2023, from US\$ 7.4 billion in 2022.
- ❖ Total international reserves increased to an estimated US\$ 237 billion in 2024 from US\$ 224.5 billion in 2023. Reserves would represent an import cover of 8 months in 2024.

- ❖ The currency of Thailand is Baht. The exchange rate depreciated to an estimated Bt 35.3: US\$ 1 in 2024 from Bt 34.8:US\$1 in 2023.

Country Risk Ratings

- ❖ As per Standard & Poor's (S&P) Sovereign Ratings, Thailand was rated BBB+ (considered the lowest investment grade by market participants), with a 'stable' outlook.
- ❖ *Dun and Bradstreet's (DB) Country Risk Indicator*¹, February 2025, rates Thailand as DB4c (slight risk: significant uncertainty over expected returns). The trend of D&B's ratings for Thailand falls under the 'stable' category.
- ❖ According to *Organization for Economic Co-operation and Development (OECD)*² country risk classifications of January 2025, Thailand was placed at '3' category.
- ❖ *Moody's Sovereign Ratings*³ rated Thailand as Baa1 (have speculative elements and are subject to substantial credit risk), with a stable outlook.

Macroeconomic Outlook

- ❖ Real GDP growth in 2025 is expected to contract to 1.8% from 2.5% in 2024, stemming from uncertainty around trade policies and rising risks impacting Thailand's GDP and particularly small and medium-sized enterprises.
- ❖ The consumer price inflation is expected to increase to an average of 0.7% in 2025, from 0.4% in 2024, as a result of a mild improvement in domestic demand compared to the year before.

¹ The DB risk indicator is divided into seven bands (DB1 to DB7, in the increasing order of risk). Each band is further divided into quartiles (a-d, ranging low to high), except the DB7 band.

² The OECD Country Risk Classification measures country credit risk, i.e. the likelihood that a country will service its external debt, on a scale of 0 -7 (where 0 is the lowest risk category and 7 is the highest).

³ Moody's Investor services ranks countries in nine categories Aaa, Aa, A, Baa, Ba, B, Caa, Ca and C, according to increasing order of risk. Numerical modifiers 1, 2, and 3 are appended to each generic rating classification. The modifiers 1, 2 and 3, respectively indicate that the obligation ranks in the higher end, mid-range, and lower end of its generic rating category.

- ❖ The exchange rate is expected to be stable in 2025 to average at Bt 34.5:US\$1, mildly stronger than Bt 35.3:US\$1 in 2024, as the Thai baht is expected to be supported by rising tourism income and a continuing current-account surplus.
- ❖ The current-account surplus is expected to narrow to the equivalent of 1.2% of GDP in 2025, from a surplus of 2.1% of GDP in 2024.

Thailand: Economic Structure

Economic Indicators	2020	2021	2022	2023	2024 ^e	2025 ^f	2026 ^f
GDP (US\$ bn)	500.5	506.2	495.6	515.9	526.4	546.2	556.8
Real GDP growth (%)	-6.1	1.5	2.6	2.0	2.5	1.8	1.6
Consumer price inflation (avg, %)	-0.8	1.2	6.1	1.2	0.4	0.7	0.9
Population (mn)	69.8	70.0	70.1	70.2	70.3	70.3	70.4
Merchandise exports fob (US\$ bn)*	231.6	272.0	287.4	285.1	300.5	303.1	314.7
Merchandise imports fob (US\$ bn)*	206.2	267.3	301.0	288.5	306.8	312.6	326.2
Current-account balance (US\$ bn)	20.9	-10.7	-17.2	7.4	11.1	6.4	6.9
Total international reserves (US\$ bn)*	258.1	246.0	216.6	224.5	237.0	249.6	253.3
Average exchange rate Bt : US\$ Currency of Thailand is Baht (Bt)*	31.3	32.0	35.1	34.8	35.3	34.5	35.0

Note: * Sourced from EIU, ^e Estimate; ^f Forecast

Source: WEO, IMF (April 2025) & EIU Country Report.