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FLASH

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Severe Bangkok floods disrupt urban activity. Economic impact is expected at 0.1-0.2% of GDP, but asset damage could be substantial.

Key event:

One of Bangkok's most severe urban flooding episodes since the 2011 floods, triggering widespread inundation across the city, particularly in low-lying areas of eastern and northern Bangkok.

Krungsri Research extends our sincere concern to those directly and indirectly affected by the flooding in Bangkok and the surrounding metropolitan area.

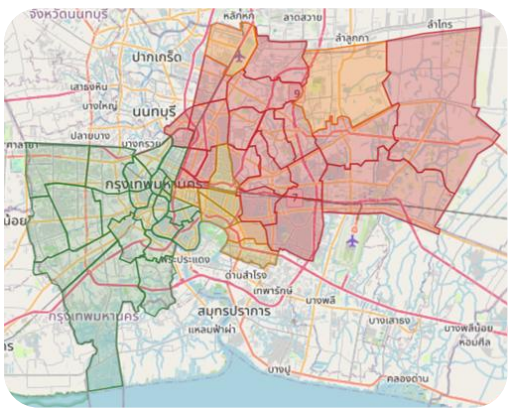
The event marks one of Bangkok's most severe urban flooding episodes since the 2011 floods, although its economic characteristics differ substantially from those observed in 2011. Nearly 300 mm of rainfall was recorded within a 48-hour period, equivalent to about one-fifth of Bangkok's average annual rainfall falling in just two days. This extraordinary volume of rainfall placed significant pressure on the city's drainage systems and led to extensive water accumulation across several districts.

During September 25-26, 2026, widespread rainfall across Bangkok and surrounding provinces led to flooding in many parts of the capital, particularly in low-lying areas of eastern and northern Bangkok. Drainage systems in some locations struggled to accommodate the rapid accumulation of runoff, resulting in prolonged waterlogging in residential communities and along key transport routes.

- **Floodwater accumulation significantly affected transportation networks,** reducing mobility across the city and creating bottlenecks on major routes. Travel times increased as sections of roads became difficult to access, while flooding in residential neighborhoods disrupted commuting patterns and local economic activity.
- **In the most severely affected communities**, water inundated homes, damaged vehicles, and interrupted daily life, imposing substantial costs on affected households.

On September 27, water levels began to recede across many parts of Bangkok as rainfall eased. However, flooding remained severe in several low-lying residential areas in eastern and northern Bangkok, particularly in densely populated communities and adjacent areas in Bang Kapi and Lat Krabang Districts, leaving households stranded and prolonging disruptions to daily life. At the same time, many commercial, financial, and office districts in central Bangkok, together with parts of western Bangkok, experienced relatively limited disruption due to more favorable topography and drainage conditions.

On September 28, rainfall eased, and water levels continued to recede across much of the city. Nevertheless, localized waterlogging persisted in some areas where drainage constraints remained. While flood conditions have generally improved, the situation continues to warrant close monitoring, particularly in vulnerable low-lying communities. **Assuming no renewed episodes of heavy rainfall and the continued operation of drainage systems, floodwaters are expected to gradually subside** and disruptions to economic activity should ease in the coming days.



Source: Traffic and Transportation Department (TTD)

Krungsri Research view:

Flooding disrupts urban services and household activity, while asset losses far exceed GDP impact.

- **The economic impact is concentrated in services-related activities rather than manufacturing.**

The current floods have primarily affected Bangkok (34.0% of Thailand's GDP), where economic activity is heavily concentrated in the service sector. The main transmission channels include disruptions to transportation, retail activity, local commerce, and household mobility. The sectors most exposed are wholesale and retail trade (23.4% of Bangkok's GPP), financial and insurance activities (14.9%), public administration (10.3%), manufacturing (10.2%), accommodation and food services (9.3%), information and communication (6.8%), and transportation and storage (6.5%), which together account for roughly 81% of Bangkok's economic output (see Table 1). Despite disruptions in affected areas, many commercial, financial, and office districts have remained operational, limiting broader spillovers to economic activity.

Table 1: Major business sectors in Bangkok

Sector	% of Bangkok GPP
Wholesale and retail trade	23.4
Financial and insurance activities	14.9
Public administration	10.3
Manufacturing	10.2
Accommodation and food services	9.3
Information and communication	6.8
Transportation and storage	6.5
Total	**81.4**

Source: NESDC

- **The economic profile differs fundamentally from the 2011 floods.**

The 2011 floods persisted for several weeks and affected large parts of the Central region, causing widespread disruptions to households, businesses, transportation networks, industrial production, exports, and supply chains. Economic losses extended well beyond manufacturing, reflecting extensive damage to homes, vehicles, business assets, and consumer activity. By contrast, the current floods are concentrated mainly in Bangkok and nearby provinces, with impacts transmitted primarily through transportation disruptions, weaker retail and services activity, and losses incurred by affected households and local businesses. **While the hardship and asset damage borne by affected communities are substantial, the current episode has not caused the broad-based disruption to industrial production and supply chains seen in 2011.** Consequently, the economic impact is expected to be more localized and less severe than during the 2011 floods.

- **Asset damage may be significantly larger than the GDP impact.**

Under the assumption that flood conditions do not deteriorate materially from current levels, **Krungsri Research estimates that lost output and business interruptions from September floods in Bangkok and vicinity could amount to approximately THB 17.4-38.9 billion, equivalent to around 0.1-0.2% of GDP** (Table 2). **However, damage to physical assets is expected to be substantially larger**, particularly damage to vehicles, property, machinery, equipment, inventories, and other productive assets. While GDP losses reflect forgone economic activity during the disruption period, asset losses represent the destruction of capital accumulated over many years. **Consequently, although the macroeconomic impact is expected to remain manageable, the financial burden on affected households and businesses could prove significantly larger and more persistent.**

Table 2: Estimated Impacts of September's Floods in Bangkok and Vicinity

	Gross Provincial Product (GPP): % of Thai GDP	Lost output and Business Interruptions		Damage to Physical Asset
		Value (THB bn)	% of Thai GDP	% of Provincial Capital Stock
Bangkok	34.0	11.95-26.77	0.06-0.14	0.62-0.84
Vicinity*	13.3	5.41-12.13	0.04-0.06	0.46-0.62
Bangkok and Vicinity	**47.3**	**17.36-38.90**	**0.1-0.2**	**0.56-0.76**

Source: Estimated by Krungsri Research
Note: * includes Sumut Prakarn, Pathum Thani, Sumut Sakhon, Nakhon Pathom, and Nonthaburi

- **Risks remain and warrant close monitoring.**

The baseline assessment assumes that water levels continue to recede and flood conditions gradually stabilize from current levels. Nevertheless, risks remain. If additional heavy rainfall occurs, flooding may persist longer in vulnerable low-lying communities, resulting in further damage to homes, vehicles, and local businesses. Likewise, if flooding spreads to other key business areas, transportation corridors, logistics facilities, industrial zones, or agricultural areas, the economic impact could be larger than currently estimated.

Unlike the 2011 floods, which lasted for an extended period and severely disrupted households, businesses, industrial production, and supply chains, the current floods are primarily affecting urban services, transportation, commerce, and residential communities. While the impact on national GDP is expected to remain relatively contained at around 0.1-0.2%, the losses borne by affected households and businesses, particularly through damage to property, vehicles, and productive assets, are likely to be substantially larger than the decline in economic output alone.

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