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INDUSTRY HORIZON

April 2025



Krungsri Research



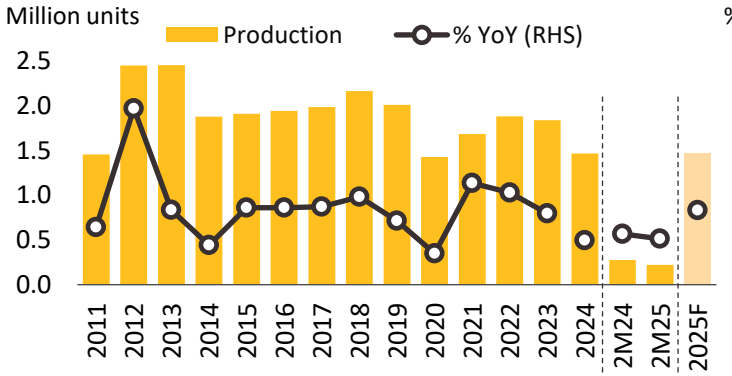
2025 SITUATION & OUTLOOK

US TARIFF IMPACT ON INDUSTRY

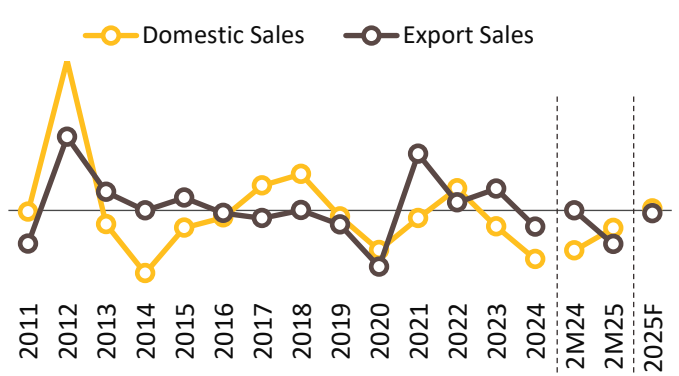
Automobile: Domestic market gradually recover, driven by stimulus measures and easing loan conditions, while exports remain weak amid a global slowdown.

- **In 2M25, total production contracted by -19.3% YoY** to 222,590 units, in line with declines in both domestic and export markets. Some manufacturers are shifting from vehicles to auto parts to meet demand in this market[1/]. *Passenger car and pickup production dropped by -21.8% and -15.1% YoY, respectively*, while *PHEV and BEV production surged by 366.2% YoY (to 4,392 units) and 175.0% YoY (to 3,907 units), respectively*. **Domestic sales fell -9.5% YoY** to 97,405 units, despite early signs of improvement in auto loan approvals[2/]. However, demand remains weak due to subdued purchasing power in the agricultural sector and continued contraction in industrial output (-1.8% YoY in January). **Export volume declined by -18.1% YoY** to 143,644 units, pressured by weak purchasing power in major trading partners and a global oversupply, particularly of low-cost Chinese EVs. Nonetheless, some markets showed growth, including the US (+406.7% YoY), Iraq (+83.8% YoY), Vietnam (+74.5% YoY), and the UAE (+53.1% YoY).
- **In 2025, overall production growth is expected to remain flat at -0.5 to 0.5%,** despite increased BEV production to offset prior import volumes. **Domestic sales are projected to grow by 0.5–1.5%,** driven by: (i) government stimulus measures such as the "Pickup Truck with Loan Guarantee[3/]" program to support financing; (ii) easing of credit conditions by financial institutions as NPL and SML growth slows; and (iii) rising demand for vehicle replacement, supported by higher used car prices due to declining supply[4/]. However, domestic sales may face indirect pressure from US reciprocal tariffs, which could dampen global demand. **Exports are forecast to decline by -1.0 to -2.0%,** with limited direct impact from US tariffs as the US accounts for only 2.3% of Thailand's total passenger car exports. However, indirect effects may include (i) accelerated clearance of global oversupply, particularly from China, and (ii) slower-than-expected demand recovery in key export markets due to weak economic conditions and declining consumer confidence in durable goods. Additionally, key markets like Europe and Australia are tightening emissions regulations for new vehicles with the latter set to enforce these from July 1, 2025.

Automobile Production



Growth in Automobile Sales



Automobile Production and Sales Growth

(Unit: % YoY)

	2023	2024	2M25	2025F
Production	-2.2	-20.2	-19.3	(-0.5) – 0.5
Domestic sales	-8.7	-26.2	-9.5	0.5 – 1.5
Exports	11.7	-8.8	-18.1	(-2.0) to (-1.0)

Source: The Federation of Thai Industries (FTI), Office of Industrial Economics (OIE), Bank of Thailand (BOT), Forecast by Krungsri Research

Note: 1/ For instance, Nissan (Thailand) has streamlined its automobile production by consolidating operations from two factories in Samut Prakan Province into one. The former factory has been repurposed to manufacture automotive parts, including car bodies, plastic components, and stamped parts (Thansettakij, February 17, 2025).

2/ In Q4/2024, the approval rate for auto loans increased by 7.9% compared to the previous quarter. Meanwhile, the outstanding value of NPL and SML for auto loans contracted by -11.5% and -3.4% YoY, respectively (BOT, 2024).

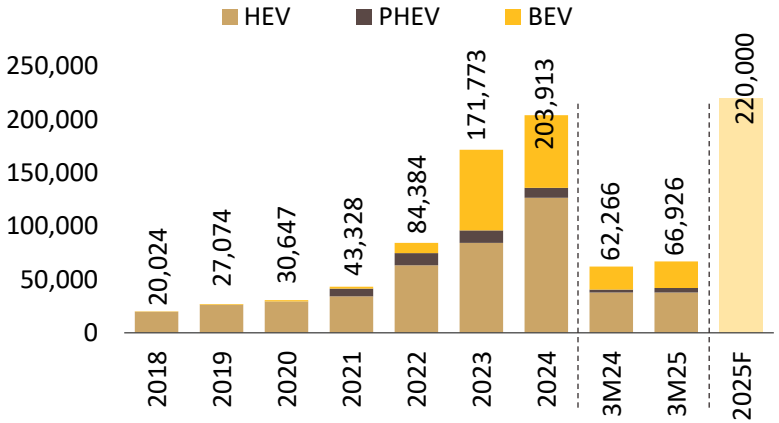
3/ Starting April 1, 2025, the benefits include a waiver of guarantee fees for the first three years, with the Ministry of Finance covering these costs. From the fourth to the seventh year, the guarantee fee will be a modest 1.5% per annum of the guaranteed debt each year. The guarantee period can extend up to seven years or 84 installments, with a maximum guarantee limit of 1.5 million baht per case. (Source: Prachachat Turakij, April 1, 2025)

4/ The number of vehicles entering the auction market began to slow down from Q4 2024. This trend is reflected in the service revenue of Union Auction Public Company Limited, which decreased by -3.6% YoY to 317.6 million baht. Additionally, auction revenue declined by -3.5% YoY to 270.9 million baht in Q4 2024. (Source: Prachachat Turakij, February 19, 2025)

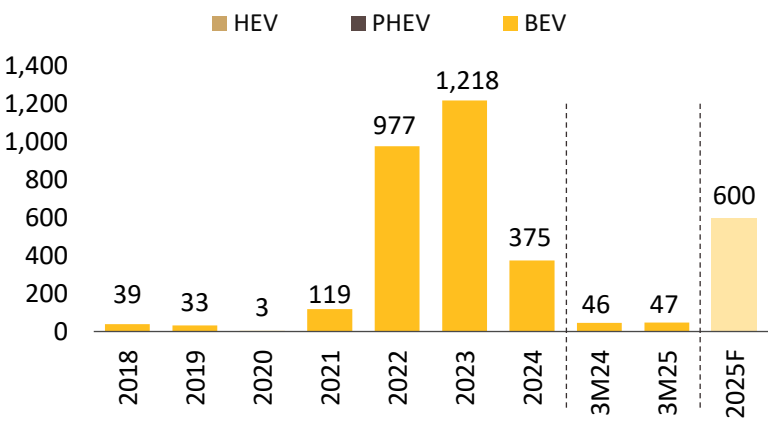
Electric vehicles: EV registrations will maintain growth momentum, driven by supporting measures and improved models, amid price wars intensified by the US tax policy.

- **In 3M25, new registrations of electric passenger vehicles (XEVs) increased by 7.5% YoY** to 66,926 units. BEV registrations rose by 15.9% YoY to 24,996 units, driven by (i) pent-up demand following price reductions and campaigns during the 2024 Motor Expo (Nov–Dec), after a period of delayed consumer purchases amid ongoing price wars, (ii) the continuation of the EV 3.5 incentive scheme, (iii) a growing number of charging stations, and (iv) the launch of new EV models with longer driving range per charge. PHEV registrations surged by 51.7% YoY to 4,109 units, contrasting with a -0.4% YoY decline in HEVs to 37,821 units. This shift reflects Japanese and Chinese automakers accelerating the development of new PHEV models, attracting consumers to choose PHEVs over HEVs. **New electric bus registrations increased by 2.2% YoY** to 47 units, though this growth is modest compared to the significant surges in service deployment over the past two years. In contrast, **new registrations of electric commercial vehicles (e-pickups and e-trucks) dropped by -47.6% YoY** to just 141 units, due to the high base in the previous year and the limited availability of new models.
- **In 2025, new registrations of electric passenger vehicles (XEVs) are expected to total 220,000 units, reflecting a 7.8% increase,** driven by (i) the EV 3.5 measures, (ii) continued development of more efficient models, (iii) lower unit costs and prices despite increased battery capacity, and (iv) the enforcement of Euro 6 standards, which will raise ICE-vehicle prices. However, the market may face risks from potential price wars due to excess supply from China, exacerbated by US reciprocal tariff policies. Meanwhile, **registrations of electric buses and commercial vehicles will rise to 600 and 1,200 units, respectively**, supported by (i) policies encouraging electric pickup trucks and tax reductions for operators purchasing electric buses or trucks[1/], (ii) improved performance for greater commercial use, (iii) expanding charging stations, particularly in rural areas, and (iv) increased electric bus services for the public.

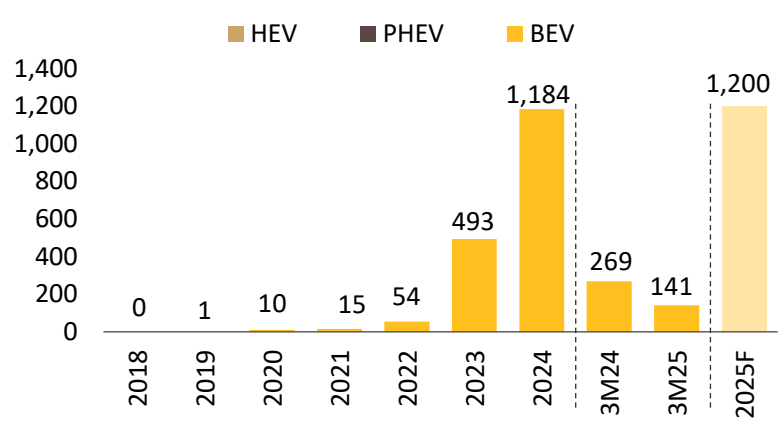
Newly Registered Electric Passenger Cars



Newly Registered Electric Buses



Newly Registered E-pickups and E-trucks



Source: Department of Land Transport (DLT), Forecast by Krungsri Research
Note: 1/ The measures to support the use of large commercial electric vehicles in organizations have been in effect since February 21, 2024, and will continue until 2025. (Source: BOI)

ICs and Electrical Appliances: IC exports will rise in line with the replacement cycle of PCs and smartphones, while electrical appliance exports will be limited by US tariffs.

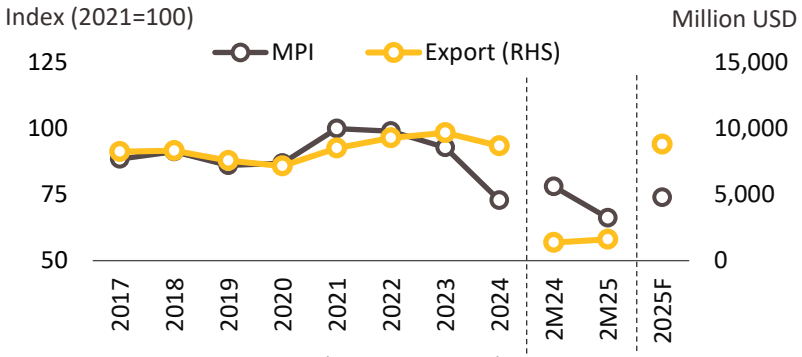
Situation in 2M25

- **ICs: Production declined by -15.2% YoY** due to a sharp rise in IC inventories (+87.7% YoY, averaging 2.9 million units/month) following accelerated production to address the chip shortage that had tightened downstream electronic supply chains. As the shortage eases, oversupply has begun to emerge (PWC, 2021). Meanwhile, **exports rose by 16.5% YoY**, supported by the global industry upcycle driven by new demand for electronics, appliances, smartphones, and PCs.
- **Electrical appliances: Domestic sales rose by 3.2% YoY,** driven by (i) economic and tourism recovery boosting demand for new appliances, (ii) intensified promotional campaigns during the rebound in purchasing power, and (iii) the Easy E-Receipt scheme (Jan 16–Feb 28, 2025). However, air-conditioner sales declined by -14.2% YoY from the 2024 peak during extreme heat. **Exports grew by 12.4% YoY**, supported by recovering demand from key trading partners.

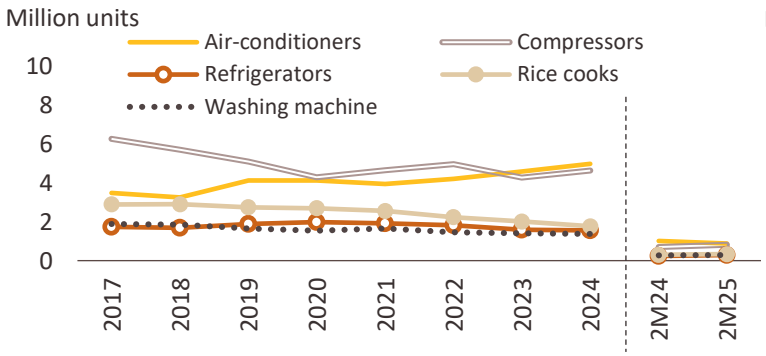
Outlook for 2025

- **Ics: Production and exports are expected to grow by 1.0–2.0%,** supported by increased investment in related industries such as smart electronics, upstream–midstream electronic components, electric vehicles, and data centers. Export growth is further driven by the global upcycle in PCs and smartphones (Gartner, 2024), which continues to boost demand for electronic products[1/], as well as rising global demand for electric vehicles[2/]. However, expansion remains modest, partly due to the US tariff hike, which could directly impact Thailand's IC exports to the US (5.8% of total IC export value) and indirectly affect tproduction of electronic devices and appliances among global trade partners.
- **Electrical appliances: Domestic sales are expected to grow by 1.5–2.5%,** driven by advancements in appliance technology offering greater convenience, including low-cost products from China and premium goods from Japan and South Korea (Euromonitor, 2023), amid continued intense price competition. **Exports may see a slight growth of 0.0–1.0%**, supported by the ongoing global replacement cycle for appliances, but limited by high exposure to the US market (25% market share), which faces tariff hikes, and increased competition from Chinese products seeking to release excess supply.

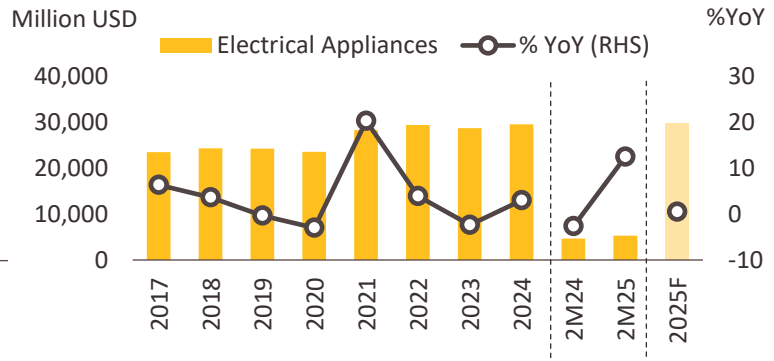
Manufacturing Production Index (MPI) and Exports of ICs



Domestic Sales for Selected Electrical Appliances



Electrical Appliance Exports



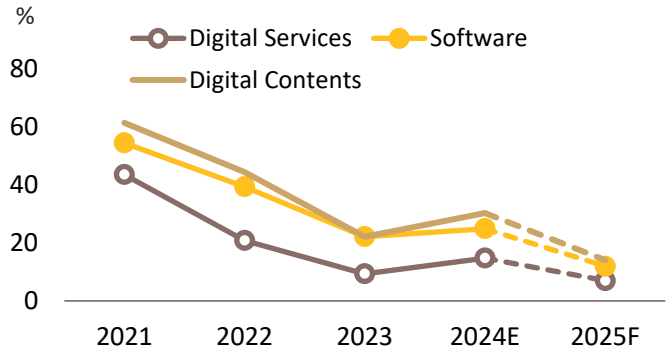
Source: OIE, MOC, Gartner, Forecast by Krungsri Research

Note: 1/ Sales of electronic products are projected to grow at an average annual rate of 5.8% CAGR from 2024 to 2033, according to Precedence Research (2024). This growth is expected to be particularly strong in high-density interconnect PCBs and flexible PCBs.
2/ The IEA forecasts global EV sales to grow by 18.2% annually from 2024 to 2030.

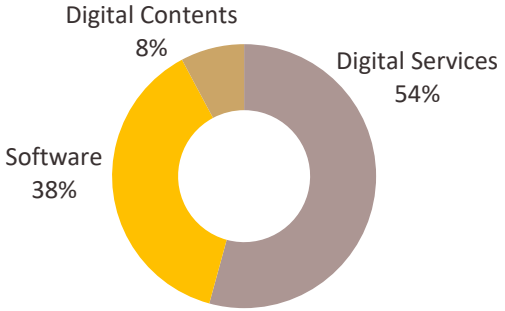
Digital services and software: Revenue will grow, driven by digital and software services from Cloud and AI development, while digital content will see a slower growth.

- **In 1Q25, revenue continued to grow,** driven primarily by **the digital service business**, supported by AI-driven platform development to enhance sales channels, to meet rising demand for agile B2C and B2B management, and to elevate customer experience. *Key contributors included e-delivery, e-retail, fintech, and online media*, with a strategic shift toward integrated services such as live video support and remote diagnostics. **Software development and services** continued to expand, driven by increasing access to cloud computing for big data processing. As business demand focused on customized software with AI-powered security solutions, *revenue primarily comes from customized software, maintenance, and system integration (SI).* Meanwhile, **the digital content business** saw gradual growth, supported by a rising number of gamers, new game launches, and in-game spending promotions, along with a recovery in the tourism and entertainment sectors boosting animation and character-related businesses.
- **Throughout 2025, intensifying global trade tensions have heightened competition in digital technology. Investment in digital services will remain strong,** with BOI-approved investments in digital sectors rising by 375%, and the NESDC forecasting a 9.9% rise in digital investment in 2025. This is driven by cloud, data centers, and AI to support data-driven automation strategies in the private sector, alongside the Cloud First policy aimed at positioning Thailand as a regional digital hub (National Strategy 2018–2037). **The software business** will be supported by increased adoption of SaaS for remote work, e-commerce, and digital payments, as the shift to cloud-based solutions continues to drive innovation in the SaaS market, despite challenges in data security and platform maintenance. However, **the digital content sector** may face slower growth due to weakened purchasing power amid trade war-induced economic uncertainty. **For 2025, total revenue is expected to grow by 6.0% (down from 12.3% in 2024), contributed by digital services (7.0%, down from 14.7%), software (5.0%, down from 10.2%), and digital content (2.0%, down from 5.4%).**

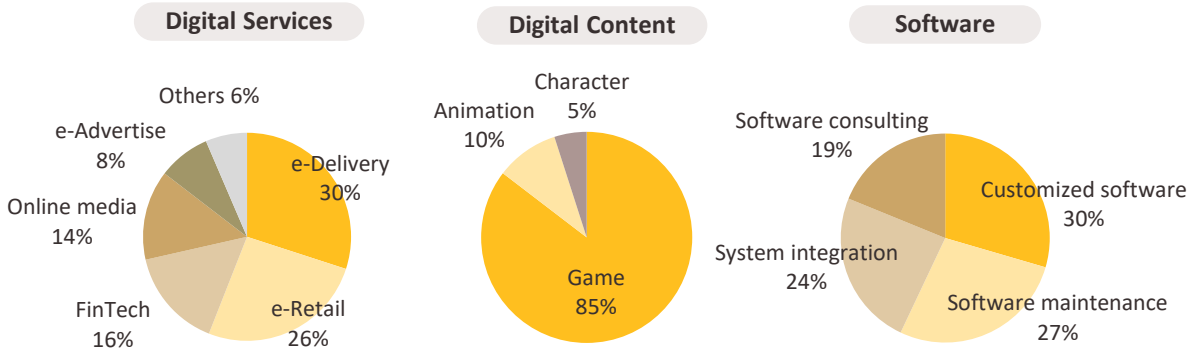
Revenue Growth by Segment



Revenue Share by Major Segment



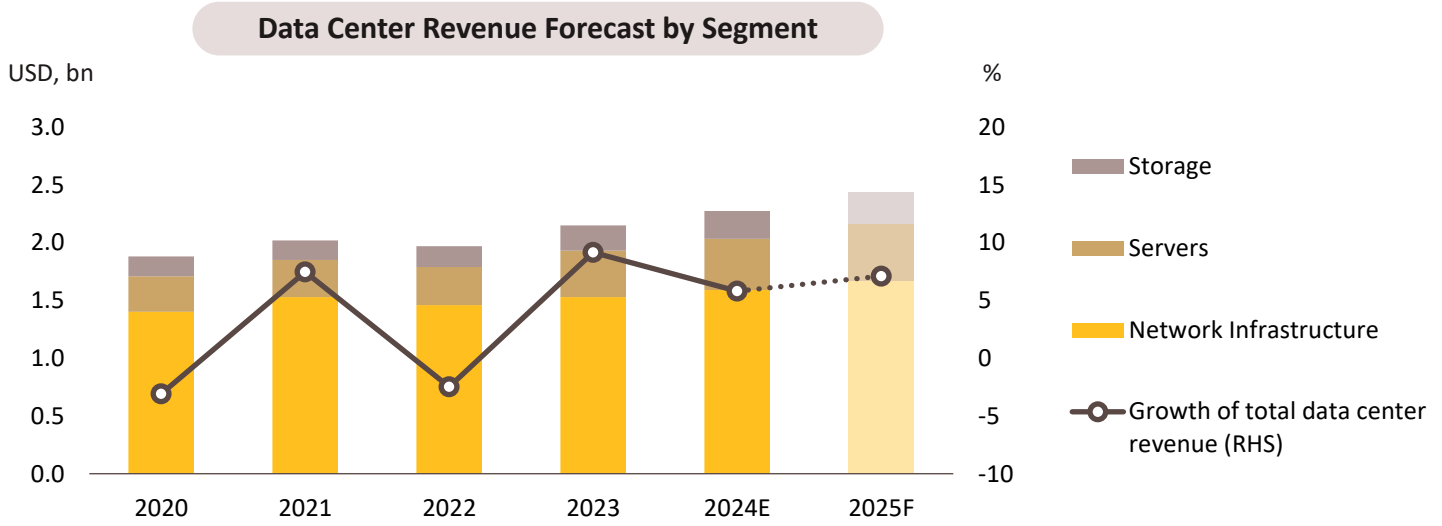
Revenue Share by Type of Business



Source: DEPA, BOI, Krungsri Research
Note: The actual revenue breakdown by business type is available for 2023, the latest year with data.

Data Center: Revenue is forecast to grow strongly with rising demand for cloud services and increasing role of AI across all industries.

- **In 2024, data center revenue is anticipated to increase by 5.5–6.5% to USD 2.27 bn**, reflecting rising demand, particularly from key sectors such as IT & telecommunication and banking, financial services, and insurance (BFSI). The industry's revenue breakdown by segment is as follows: **(i) Network Infrastructure: revenue is expected to expand by 3.5-4.5% to USD 1.59 bn,** driven by expanding investment in digital infrastructure with broader internet connectivity, and the expansion of 5G networks; **(ii) Server System: revenue is expected to grow by 10.0-11.0% to USD 0.44 bn,** driven by the expansion of data processing, cloud services, and competition in the technology market; and **(iii) Storage System: revenue is projected to grow by 10.0-11.0% to USD 0.24 bn,** due to the increasing volume of data, greater adoption of cloud storage, and the growing importance of data for strategic planning.
- **In 2025, total revenue is forecast to grow by 6.5-7.5% to USD 2.44 bn.** The main driving force is the digital transformation across public and private organizations. Notably, foreign investments will increase due to government policies supporting data center investments. **Revenue from network infrastructure businesses will expand by 5.0-5.5% to USD 1.67 bn,** driven by increased internet usage, the ongoing development of 5G networks, and investments by foreign tech companies. **Revenue from the server system segment will grow by 11.0-12.0% to USD 0.49 bn,** driven by increasing cloud adoption, growing application of the Internet of Things (IoT) across industries, and the use of AI and machine learning. **Revenue from storage system businesses is projected to grow by 10.5-11.5% to USD 0.27 bn,** driven by the expansion of big data from the increasing volume of in-depth data storage, the growth of e-commerce and e-payment, and the enforcement of data protection laws, such as the Personal Data Protection Act (PDPA).

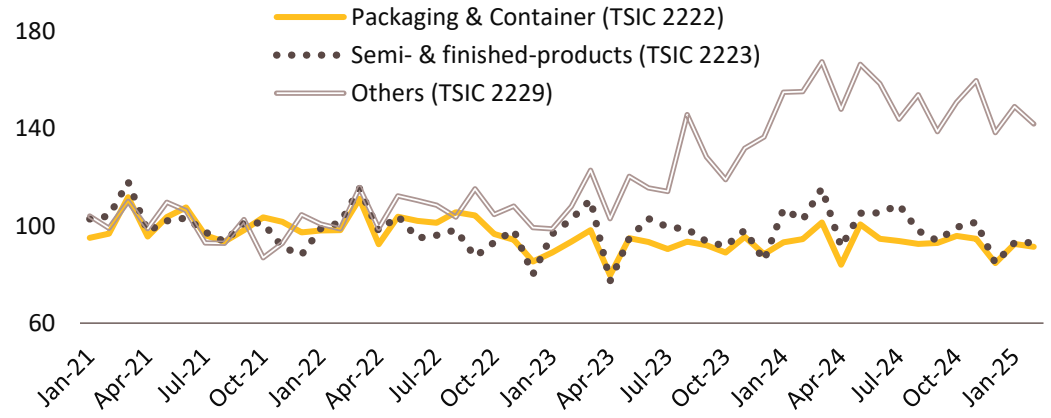


Source: Statista, calculated by Krungsri Research

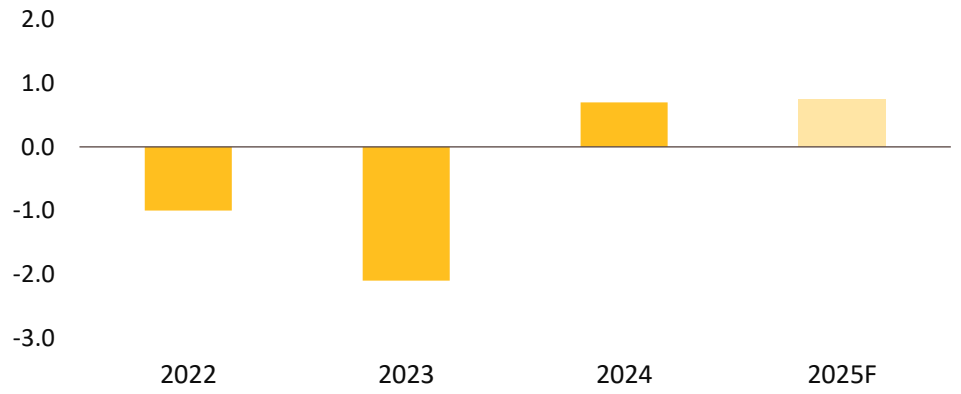
Plastic: Slowing downstream demand and rising trade tensions have constrained revenue growth.

- **In 2M25, the manufacturing production index indicated a decline in plastic manufacturing across all product categories.** The packaging group decreased by -2.1% YoY, while finished and semi-finished plastic products contracted by -11.1% YoY. Other plastic products also dropped by -6.1% YoY. This trend is in line with domestic plastic product sales, such as plastic sacks and other plastic packaging, which fell by -0.5% YoY and -5.6% YoY, respectively. The decline is attributed to a slowdown in downstream plastic industries, including plastic pipes and fittings used in the construction sector, which shrank by -7.8% YoY. However, the export volume of plastic products expanded by 12.4% YoY. Key export markets include the US, which saw significant growth of 61.7%, driven by a rush to import ahead of an anticipated increase in US import tariffs.
- **In 2025, domestic sales of plastic products are expected to grow by only 0.5-1.0% annually,** due to the anticipated slowdown in Thailand's economic growth. At the same time, the US tariff increases on Thai imports are likely to impact demand for plastic products in downstream industries. Additionally, the influx of low-cost plastic products from China into the Thai market, resulting from the US raising tariffs on Chinese imports to a historic high, has made it increasingly difficult for Thai products to compete on price. **Nevertheless, Thailand's plastic product exports are projected to grow steadily by 2.0-3.0%,** supported by the country's relatively lower import tariffs compared to direct competitors such as China and Vietnam. Together, these two countries account for more than 40% of the total plastic product imports into the US, suggesting that Thai plastic products may partially benefit from filling this export gap. However, the industry faces several key challenges, including (i) volatility in plastic resin prices, which are closely tied to global crude oil prices; (ii) growing environmental awareness, which has led to a decline in demand for plastic products; (iii) policy measures aimed at phasing out single-use plastics and the EU's Carbon Border Adjustment Mechanism (CBAM); and (iv) the introduction of plastic taxes on single-use and non-biodegradable packaging, which will raise production costs for businesses. These challenges, combined with intensifying global trade tensions, are expected to constrain the industry's revenue growth.

Plastics Manufacturing Production Index



Sales Growth of Thai Plastic Product (%)

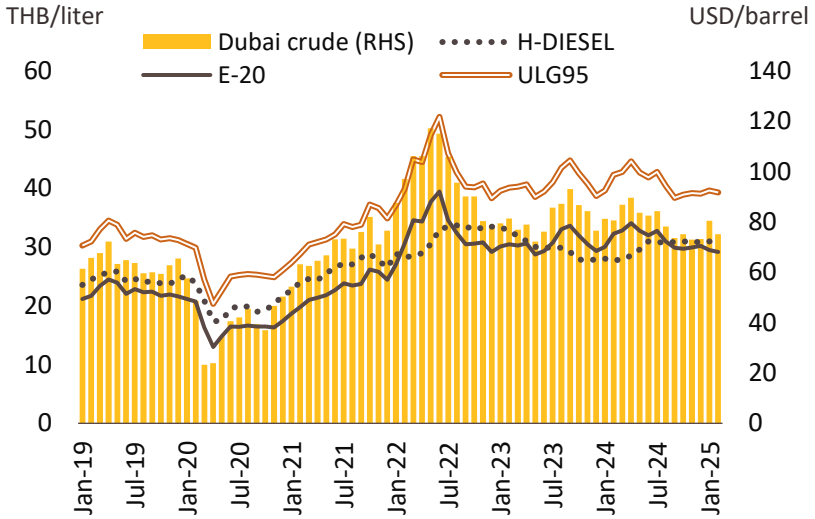


Source: Office of Industrial Economics (OIE), Forecast by Krungsri Research

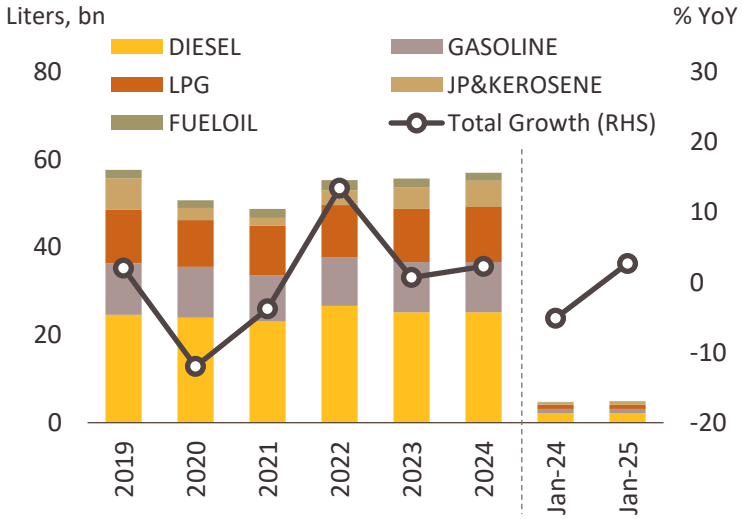
Refinery: Revenue is under pressure due to declining domestic demand for refined products.

- **In 1Q25, Gross refinery margins (GRMs) trended downward compared to the 2024 average,** due to slower global economic growth and concerns over US tariff policies potentially intensifying trade tensions. This was reflected in the Global Composite PMI Output Index, which dropped to 51.5 in February, the lowest in 14 months. Nonetheless, crude oil prices remained elevated, supported by OPEC+ supply cuts aimed at sustaining prices. The average Dubai crude price stood at USD 75.8/bbl, down -7.2% YoY. Refined oil product prices rose only slightly, as supply increased after several Asian refineries resumed operations following maintenance shutdowns. This kept ex-refinery product prices in Thailand for diesel and E-20 stable from 4Q24. In January 2025, domestic demand for refined products grew by 2.7% YoY. Most types of fuel saw increased usage, except for benzene, which dropped by -3.3% YoY. This decline was mainly due to the rising use of EVs and the expansion of public transport, including the new Pink and Yellow electric train lines that have made commuting into the city more convenient.
- **For the remainder of 2025, refineries are expected to face pressure from a slowing economy**. Factors include the impact of a recent earthquake, which has affected tourist confidence to some extent, and intensifying trade tensions that are hurting Thai exports. As a result, demand for refined products is likely to decline across the manufacturing, transportation, and tourism sectors. At the same time, global crude oil prices are expected to come under pressure due to weaker global economic growth, which is lowering oil demand. Crude supply is also expected to rise, as OPEC+ plans to gradually increase production starting in April 2025. As a result, Dubai crude prices in 2025 are projected to average between USD 68–70/bbl. Additionally, a significant increase in refined oil production capacity from China and the Middle East during 2023 and 2024 is expected to push down refined oil prices in Asia, including Thailand, compared to the 2024 average. **As such, Thailand's average refining margin is forecast to fall to USD 3.0–4.0/bbl, slightly down from USD 4.7/bbl in 2024.**

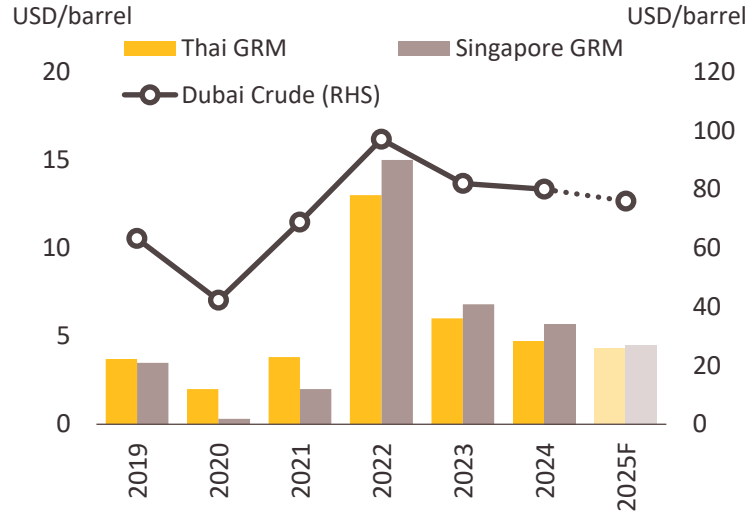
Thailand Petroleum Prices at Refinery



Domestic Petroleum Demand



Gross Refinery Margins

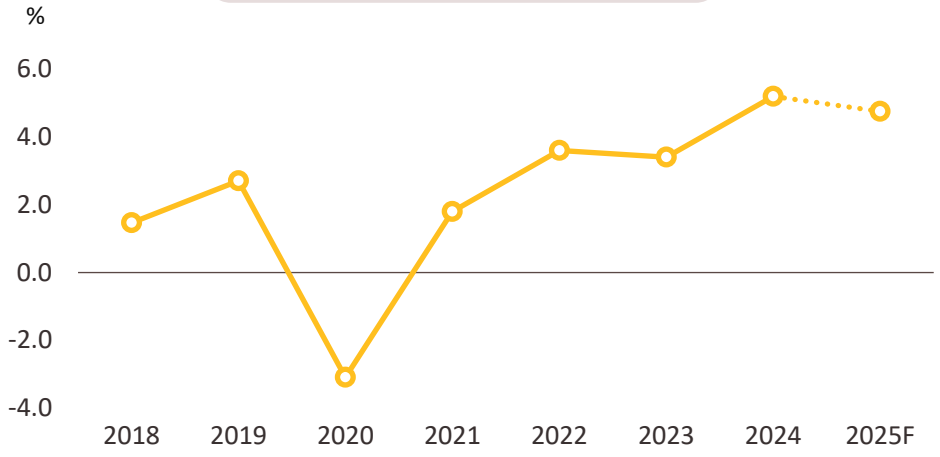


Source: Bloomberg, Energy Policy and Planning Office (EPPO), Forecast by Krungsri Research

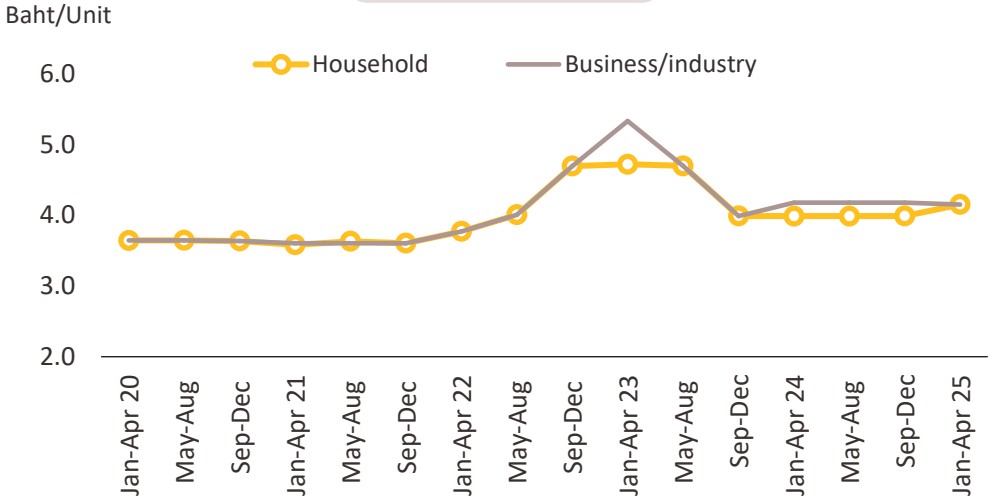
Power Generation: Electricity demand has slowed due to sluggish economic recovery.

- **In 1Q25, electricity demand declined across both residential and business/industrial sectors,** with overall consumption contracting by -7.3% YoY (the latest data available is for two months). However, electricity usage in the IPS[1/] sector (accounting for 18% of total consumption) rose 3.9% YoY in January, reflecting a shift toward self-generation, especially through rooftop solar panel installations to reduce costs. Peak power demand reached 32,882 MW in March, up 1.1% compared to the March 2024 peak.
- **In 2025, power demand is expected to gradually increase** as the Thai economy continues to expand, although at a slow pace. The accumulated number of electric vehicles (PHEV + BEV) is projected to reach nearly 290,000 units in 2025. Government measures to ease energy costs remain in place, keeping the average electricity tariff at THB 4.15/unit for May–August (unchanged from the previous period). However, economic recovery remains slow, trade tensions may impact exports, and more consumers are turning to rooftop solar for long-term cost savings. **For all of 2025, average demand is forecast to grow by 4.5–5.0%,** slightly below 5.2% in 2024.
- **As part of policy and regulatory developments, the government has launched a pilot program for Direct Power Purchase Agreements (Direct PPA), aiming to procure 2,000 MW of renewable electricity by 2025.** This will utilize the Third Party Access (TPA) model for grid connection. Regulatory frameworks for transmission fees and related charges are under development, with commercial transactions expected to begin in 2025. In addition, the Utility Green Tariff (UGT) and Renewable Energy Certificates (REC) are being developed to enhance clean energy accessibility for businesses.

Growth of Electricity Demand



Electricity Price

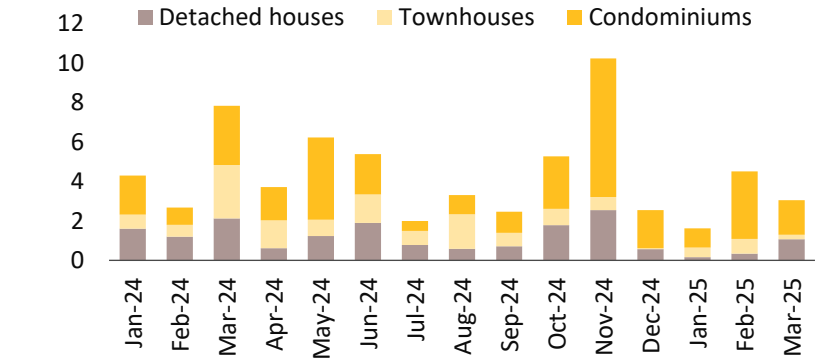


Source: Department of Alternative Energy Development and Efficiency (DEDE), Energy Policy and Planning office (EPPO), Forecast by Krungsri Research
Note: 1/ Refers to private power producers that generate electricity for self-consumption without supplying to the national grid or selling directly to end-user.

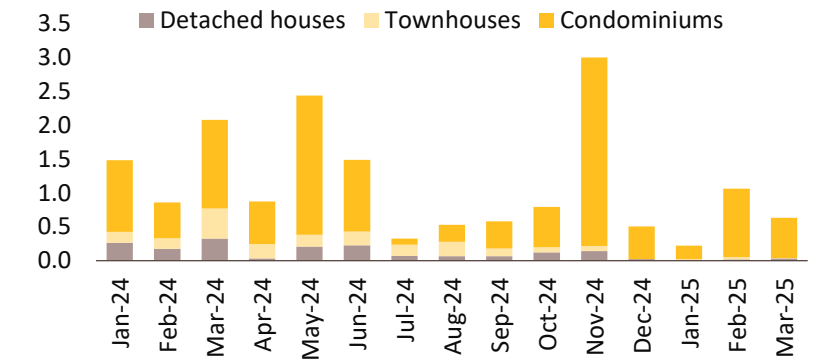
Housing (BMR): Government stimulus will support housing market growth in 2025.

- **In 1Q25, the number of newly launched residential units declined by -38.1% YoY to 9,171 units.** The detached houses and townhouses saw a drop of -68.8% YoY and -63.6% YoY, respectively. In contrast, condominium launches grew by 5.0% YoY as developers introduced new projects to build up presales, following an inventory clearance and slowing launches over the past two years. **Sales of newly launched units totaled 1,909 units, down -56.7% YoY.** The drop spanned all segments, reflecting subdued purchasing power amid ongoing economic uncertainty, which continues to dampen consumer buying decisions.
- **For the remainder of 2025, government stimulus measures are expected to slightly support housing sales.** However, the Thai economy is projected to slow due to rising global trade tensions, weakening purchasing power of middle- to lower-income groups. Persistent household debt will limit buyers' ability to secure mortgage financing from financial institutions. Foreign demand will grow more slowly, especially from Chinese buyers. The March earthquake has deteriorated consumer confidence in high-rise safety, delaying purchase decisions or condominium transfers in the near term. **Nevertheless, the government's measures are expected to support purchasing decisions and drive moderate housing market growth of 1-2% YoY, with newly launched residential supply rising 2-3% YoY.** Key policies include: (i) the relaxed loan-to-value (LTV) regulations[2/] allowing 100% mortgage financing for second homes below THB 10 million and first homes above THB 10 million, and (ii) reduced transfer and mortgage registration fees to 0.01%[3/] for properties up to THB 7 million. These measures will strengthen market sentiment and help with the recovery of the housing sectors as follows:
  - **Low-rise housing:** ***Detached house sales*** are expected to gradually recover, driven by a post-earthquake shift toward low-rise housing due to heightened safety concerns. Demand from high-purchasing-power real buyers remains resilient, particularly among consumers seeking a better quality of life. Meanwhile, ***townhouse sales*** are likely to remain flat as middle- to lower-income buyers continue to face high household debt, limiting their purchasing ability.
  - **Condominiums:** Sales will remain stable, supported by investor and rental demand in central urban areas within the Luxury and Super Luxury[4/] segments. Developers are likely to delay new project launches. Condominiums remain the main residential option in inner Bangkok due to limited land and high development costs, making low-rise housing projects in the area less viable. Moreover, condominium living also suits modern urban consumers who prioritize convenience, mobility, and a city-centric lifestyle.

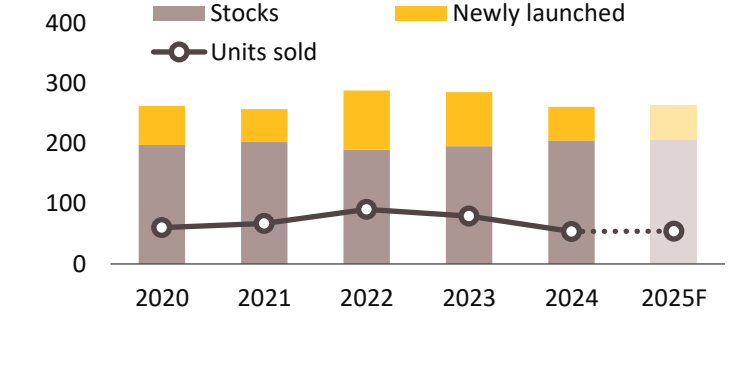
New Supply



Units Sold [1/]



Total Supply

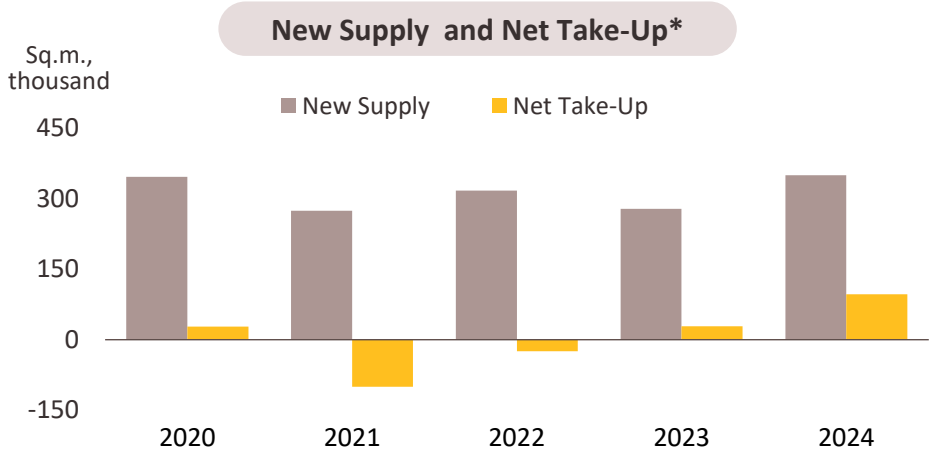


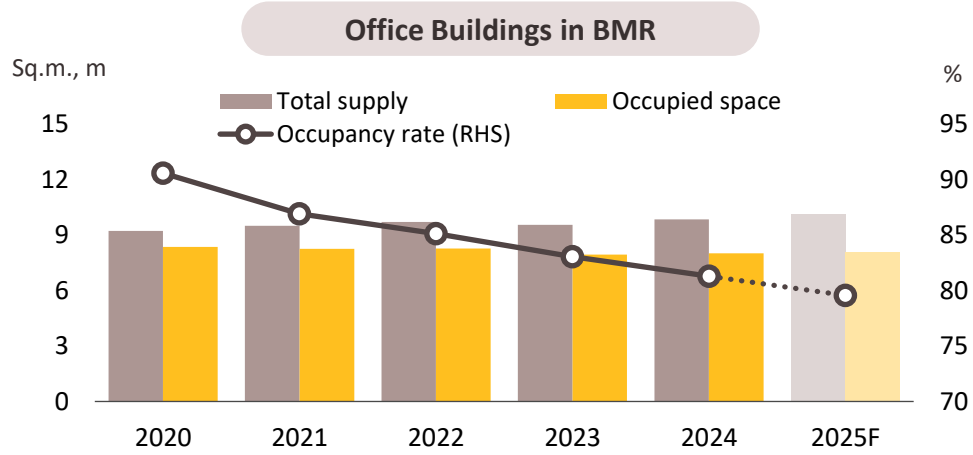
Source: AREA, Ministry of Finance, Forecast by Krungsri Research

Note: 1/ Units sold (sales by month) = units sold of properties newly launched in that month only (i.e., excludes units sold on housing projects launched prior to that month).
2/ Effective between 1 May 2025 - 30 June 2026
3/ The government has reduced registration fees for property transfers and mortgages to 0.01%, down from 2% and 1% respectively until 31 December 2025.
4/ Luxury condominiums are those with a price of THB 250,000-349,999/sq.m., while more expensive units are classified as super luxury.

Office Building (BMR): The occupancy rate is expected to hit a record low due to the fastest rate of growing supply.

- **In 2024,** new office space totaled 349,586 sq.m., an increase of 25.7% compared to 2023. Approximately 60% of this new supply was Grade A+ office space, bringing the total accumulated supply to 9.9 million sq.m., a 3.5% increase from 2023. Meanwhile, occupied space reached 8.0 million sq.m., growing by only 0.9%, driven by companies seeking to upgrade to Grade A offices to enhance their corporate image and attract skilled employees. Coupled with rental rates remaining below pre-COVID-19 levels, the occupancy rate declined to 81.3%, down from 83.1% in 2023. However, net take-up accelerated as more companies required employees to return to the office.
- **In 2025, office space demand is projected to grow by 1.0% compared to 2024,** supported by the gradual economic recovery, driving business expansion and employment growth. In addition, demand will be driven by foreign tenants seeking high-quality, modern office spaces, particularly Grade A and A+ buildings in CBD. Landlords offering green office spaces are expected to command higher rental rates. On the supply side, new office space is expected to rise by 300,000 square meters (+3.0% from 2024), at a faster pace than demand. This increase is driven by the scheduled completion of large-scale mixed-use projects. Notably, 85% of the new supply will be Grade A or higher offices, including flagship developments such as One Bangkok Tower 5 and Central Park Offices. The earthquake that occurred in late March has led tenants to place greater emphasis on buildings with strong safety standards and structural integrity capable of withstanding seismic activity in accordance with international standards. As a result, seismic resilience may become a key consideration in long-term lease negotiations, with tenants potentially requesting structural engineering certifications or seeking rental discounts for buildings that fail to meet earthquake safety criteria. **The average occupancy rate is expected to decline to 79.5%, marking a historic low.** With an influx of office space supply, tenants are likely to gain stronger bargaining power and more favorable lease terms. This shift will put additional pressure on older office buildings—those over 20 years old, which account for more than 60% of the total office supply—to urgently consider structural upgrades or seismic reinforcements in order to maintain competitiveness and instill confidence among tenants.



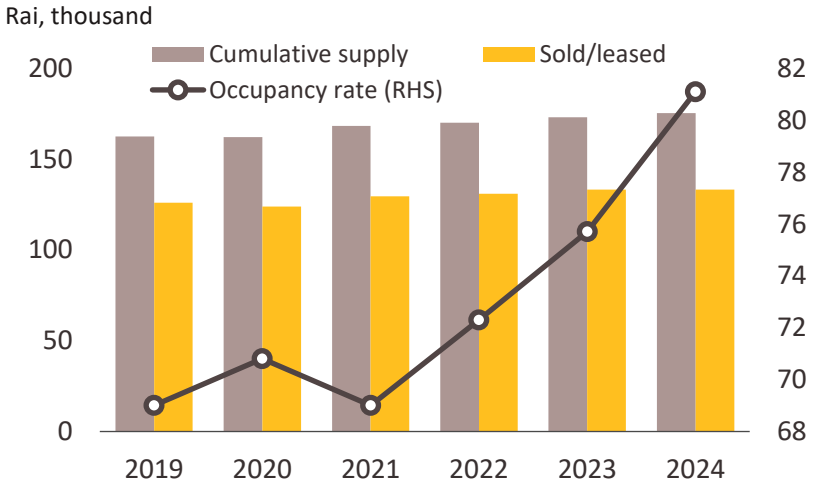


Source: CBRE Research, forecast by Krungsri Research
Note: * The net take-up rate represents the difference between newly occupied space and rented space for which tenants have terminated their leases in that year (square meters).

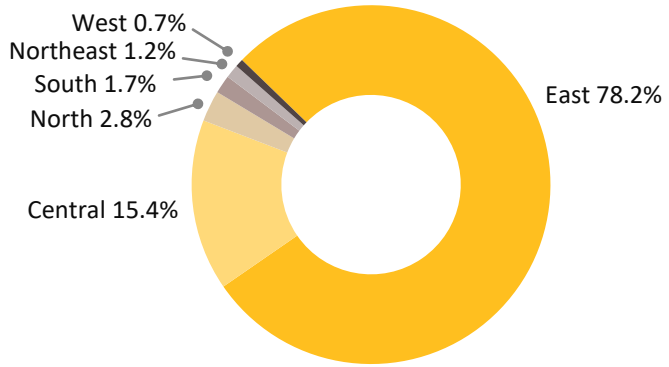
Industrial Estate: Sales and leases will record a limited growth due to US tariff impacts, despite continued investment relocation from China.

- **In 2024, industrial land sales and leases nationwide rose 41.6%** to 7,966 rai, with the Eastern region accounting for 90% of the total (+39.9%), driven by its strategic role in new industries (EEC). This was reflected in rising FDI approvals (+65.7%) and applications (+26.3%) in the area. Three new estates launched (2 in Chonburi, 1 in Nakhon Sawan), adding 2,534 rai and bringing the national total to 71 estates in 17 provinces. The cumulative area reached 175,398 rai (+1.4%), with 133,271 rai available for sale or lease (occupancy rate 81.1%). **In 1Q25, growth momentum is expected to continue**, supported by investments in smart electronics, EVs, components, and data centers, particularly from Chinese investors seeking to avoid US trade risks.
- **In 2025, new industrial land sales and leases are expected to grow at a low pace of 1.0–2.0%** to around 8,100 rai. Growth is constrained by (i) global economic volatility, particularly the impact of the US reciprocal tariff policy on exports, which may dampen domestic and foreign investment, especially in the manufacturing sector, and (ii) the March 2025 earthquake, which temporarily affected investor confidence. The slowdown also reflects a high base in the previous year. However, positive drivers remain, including (i) continued relocation momentum from Chinese, Taiwanese, and Japanese investors seeking to avoid rising geopolitical tensions, and (ii) increased government spending and ongoing progress in infrastructure megaprojects, especially within the EEC.

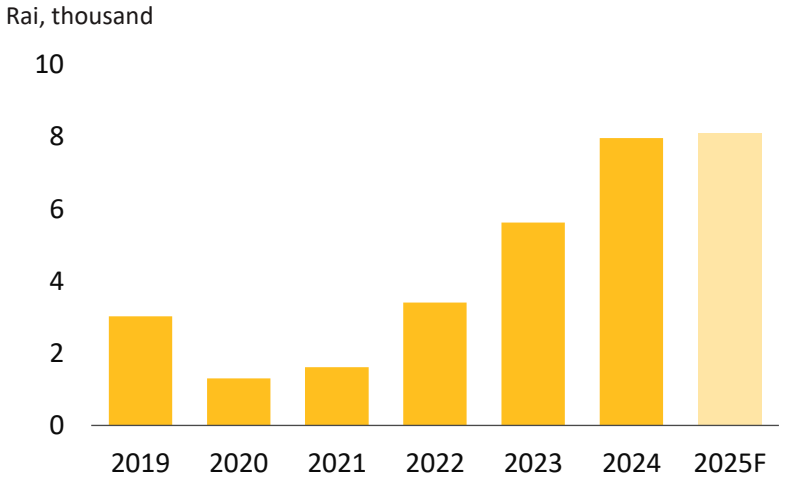
Cumulative Supply and Sales/Leases of Land on Industrial Estates



Industrial Estate Area, by Region (2024)



Industrial Estate Area Sales/Leases Forecast

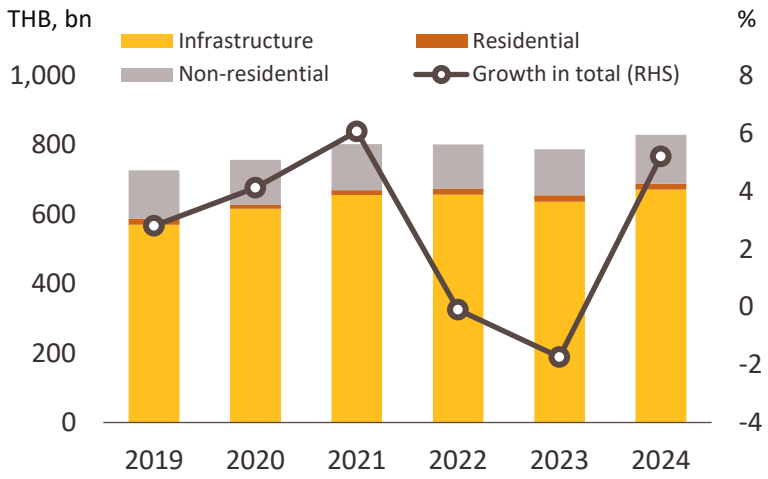


Source: REIC, Forecast by Krungsri Research

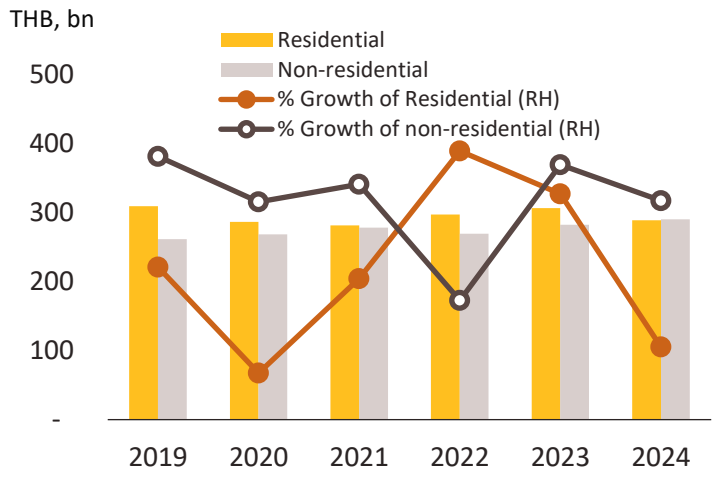
Construction: Overall construction investment is expected to grow modestly, driven by government megaprojects, though delays may arise from the recent earthquake.

- **In 2024, total construction investment increased by 2.2%** to THB 1,407.5 billion, up from 0.6% growth in 2023, driven by a significant acceleration in public sector construction in the second half of the year. Public construction value rose by 5.2% to THB 830 billion, primarily due to ongoing investment in infrastructure projects (81% of public construction investment), which increased by 5.4% following budget disbursements. Meanwhile, private sector construction investment declined by -1.7%, led by a -5.8% drop in residential construction (50% of private construction value), aligning with a -6.8% decrease in newly registered completed housing units nationwide in 2024. **In 1Q25, construction investment is expected to be supported by ongoing public infrastructure projects**, while the private sector investment remains flat, awaiting a recovery in the residential segment despite positive momentum from planned factory construction in modern industries.
- **In 2025, total construction investment is expected to grow modestly by 2.0–2.5%, driven mainly by large-scale government projects**—particularly those related to the EEC and transport infrastructure expansion, especially rail and road. However, some public projects may face delays due to contract reviews and a stricter bidding process for new contractors, following concerns arising from the building collapse during the recent earthquake. This may create opportunities for large Thai contractors to secure more projects and expand their backlog. **Meanwhile, private construction investment is expected to see a mild recovery** as domestic economic pressures and trade tensions continue to dampen purchasing power. Demand for high-rise residential projects may decline, with longer decision-making periods affected by deteriorating sentiment in the aftermath of the earthquake. In contrast, construction of industrial estates and warehouses is expected to grow steadily.

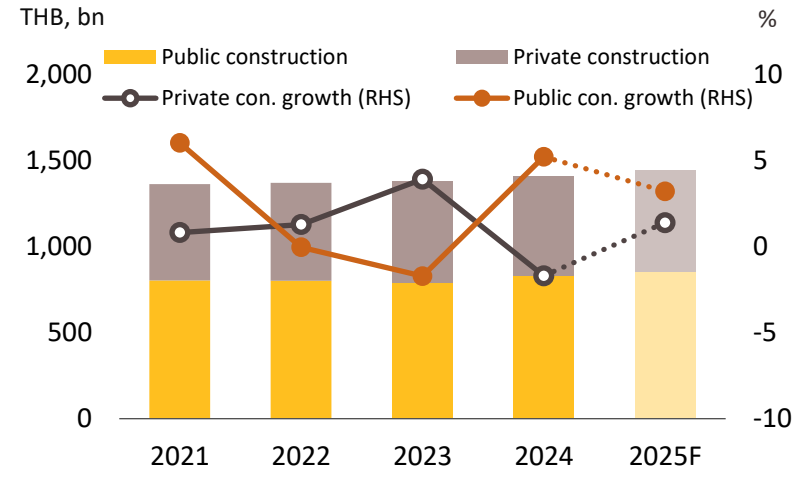
Public Construction Investment Value



Private Construction Investment Value



Construction Investment Value

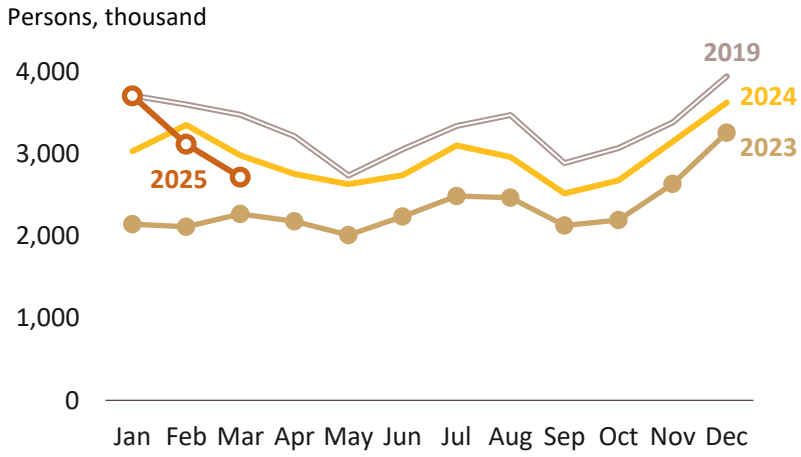


Source: Office of the National Economic and Social Development Council (NESDC), Forecast by Krungsri Research

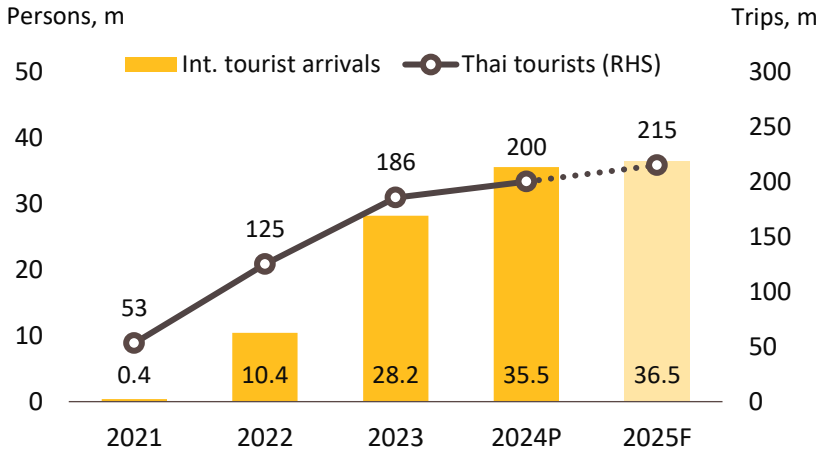
Hotel: International arrivals are expected to reach 36.5 million in 2025, with a limited growth from the Chinese market due to confidence-related concerns.

- **In 1Q25, international tourist arrivals reached 9.55 million, up only 1.9% YoY**, primarily due to a sharp drop in Chinese visitors (14% market share). The decline followed several incidents affecting safety perceptions—from the abduction of a Chinese actor to a neighboring country, to the March earthquake—as well as a shift in travel preference to Japan due to the weak yen. Nevertheless, Chinese tourists remained the largest group at 1.3 million (-24.2% YoY), followed by Malaysia (1.1 million, -1.3% YoY) and Russia (0.7 million, +16.0% YoY). **Domestic tourism saw 50.2 million trips, up 3.4% YoY, pushing the occupancy rate (OCC) to 74.9% (compared to 73.4% in 1Q24).** Phuket recorded the highest OCC at 84.9% (up from 80.7%), driven by rising international arrivals, particularly from Russia and India, benefiting from the visa-free policy effective in the second half of 2024.
- **Throughout 2025, international tourist arrivals are expected to increase at a slower pace,** driven by continued momentum in key markets such as India and Russia, as well as new potential markets, including Eastern Europe and the Middle East. However, Chinese tourist numbers are expected to grow at a slow pace due to several factors: (i) safety concerns following incidents like the building collapse and damages to high-rise structures caused by the earthquake, which are likely to continue dampening confidence, especially during the first half of 2025, (ii) the ongoing US-China trade war undermining consumer confidence and delaying outbound tourism, (iii) aggressive tourism promotions from competing destinations, especially Japan and Vietnam. As a result, **total international arrivals are projected to reach 36.5 million in 2025, up 2.7%. Domestic travel is forecast at 215 million trips, up 7.5%,** supported by ongoing government tourism stimulus measures[1/]. **This should slightly lift the nationwide hotel occupancy rate to 72.0%.**

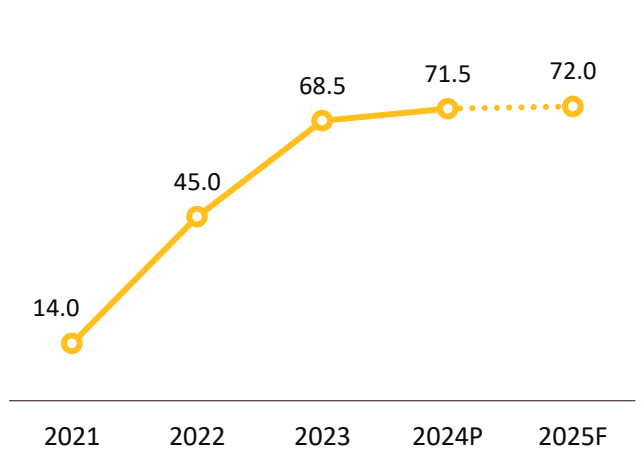
Foreign Tourists in Thailand (Monthly)



Tourist Numbers in Thailand



Occupancy Rate (%)

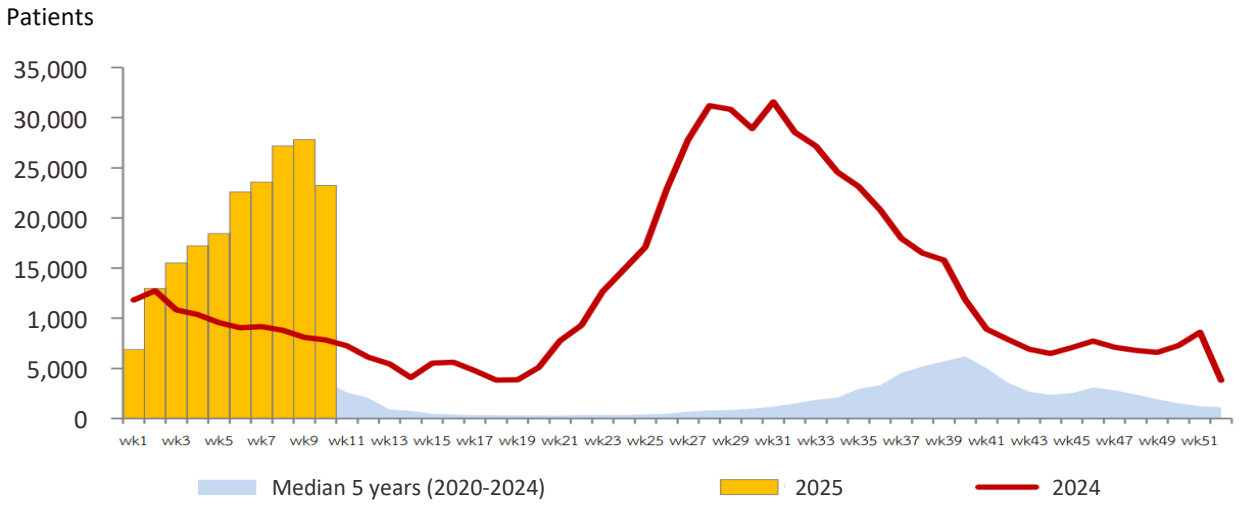


Source: MOTS, forecast by Krungsri Research
Note: 1/ Include tourism stimulus measures, especially the new We Travel Together program: the government covers 40% of hotel costs in major cities and 50% in secondary cities (tourists pay the rest). Valid May–Sep 2025.

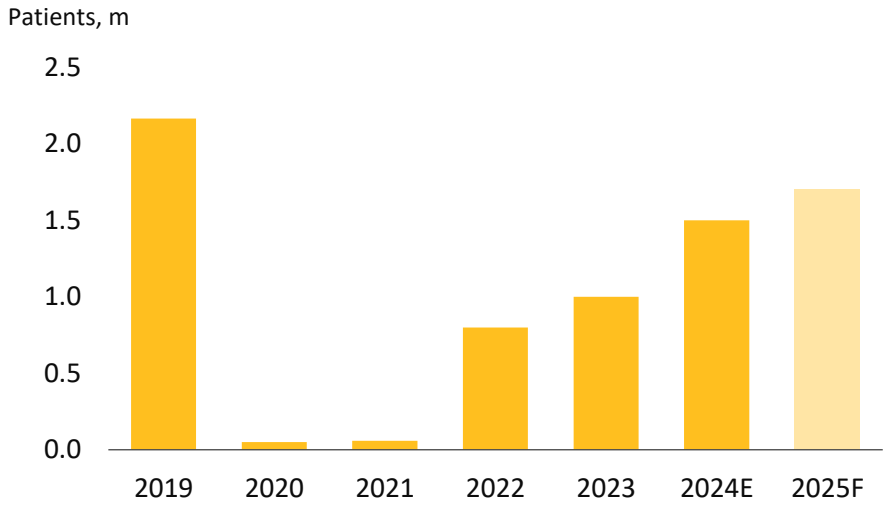
Private hospital: Revenue growth expected to slow slightly due to lower-than-expected foreign patient numbers.

- **Revenue for the first quarter of 2025 is expected to continue growing,** driven by patients with general and seasonal illnesses such as influenza (195,428 patients from January 1 to March 8, higher than the 5-year average). The Social Security Office guarantees payment for high-cost treatments (RW>2) at a rate of 12,000 baht throughout the fiscal year 2025 (up from 8,500 baht), benefiting hospitals that rely on social security income. Foreign patients are seeking treatment for more complex diseases. However, revenue from Middle Eastern patients is limited due to Ramadan in March, leading to a significant decrease in patients from the region. Additionally, patients from Kuwait (supported by their government) have not yet returned to Thai hospitals.
- **Revenue growth for the remainder of the year is expected to be driven by several factors**: ***(i) Thailand's transition to a completely aged society,*** leading to increased healthcare spending due to chronic non-communicable diseases; ***(ii) Revenue from foreign patients, including medical tourists,*** who are more willing to pay higher prices than domestic patients; ***(iii) Fixed payment rates for high-cost treatments by the Social Security Office***, boosting revenue; and ***(iv) Hospital operators continue to expand investments in both the number of branches and the scope of services for complex diseases through specialized treatment centers***, as well as creating demand among service users, such as anti-aging medicine and health care seekers. However, the slowdown in the Thai economy will affect purchasing power, and pressure from health insurance copayment conditions (starting in March) will lead Thai patients to reduce non-essential or non-urgent health expenses. Additionally, revenue from some foreign patients may be impacted by the global economic slowdown from uncertainties in the US trade policies. **These factors are expected to result in revenue growth of 6-8% in 2025, down from 8-10% in 2024.**

Number of Influenza Cases



Number of Foreign Patients in Thailand

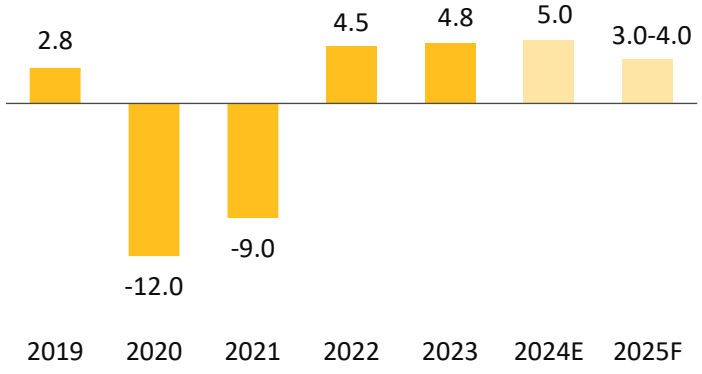


Source: MoPH, Estimated (E) and Forecast (F) by Krungsri Research

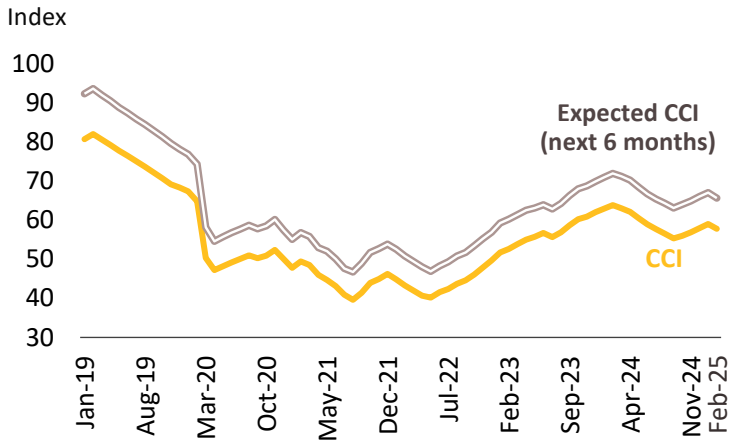
Modern trade: Revenue growth slows due to weak purchasing power recovery and intense competition.

- **In 1Q25, growth in the modern trade industry shows a gradual improvement,** supported by: (i) growth in the tourism, including a 1.9% YoY increase in foreign tourist arrivals. This increased spending in retail stores, especially in food and beverages, fashion, and souvenirs, stimulating retail sales, particularly in tourist areas; (ii) accelerated government budget disbursements through various projects, leading to more jobs and higher incomes; and (iii) stimulus measures such as Easy E-Receipt (January 16 - February 28) and the second phase of the Digital Wallet Top-up program. Retail operators are concerned about cost pressures due to rising wages (with the highest minimum wage of 400 Baht per day in Phuket, Chachoengsao, Chonburi, Rayong, Koh Samui, and Surat Thani, effective from January 1, 2025) and consumers becoming more cautious in spending, particularly for non-essential items.
- **For the remainder of the year, retail sales are expected to grow slowly** due to government stimulus measures such as the Digital Wallet Program (June - July) and the "Travel Thailand Half Price" program, as well as the continued expansion of retail outlets by operators to increase revenue opportunities. However, Thailand's economy is expected to experience slower growth, partly due to the ongoing trade wars that are hindering the recovery of domestic purchasing power. Middle-income consumers, in particular, are increasingly vulnerable due to high household debt (88.4% of GDP as of Q424), prompting more cautious spending focused on essentials like food and daily consumables. Additionally, it is expected that many consumer goods from China will flood the Thai market after the US raised tariffs on Chinese imports significantly, making Thai goods less competitive in price. Moreover, competition from online retailers with many small vendors will erode market share in terms of both customers and revenue. **Therefore, the business is expected to grow at a slower pace with an annual revenue increase of 3.0-4.0% in 2025.**

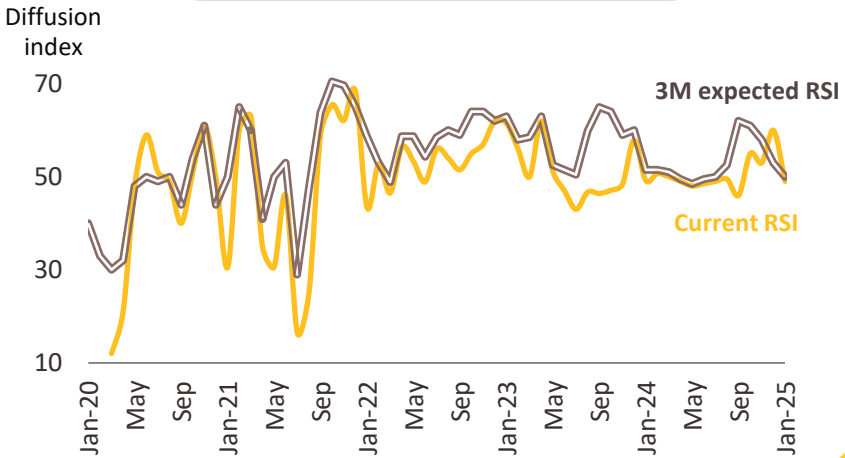
Modern Trade Retail Business Growth (%)



Consumer Confidence Index (CCI)



Retailer Sentiment Index (RSI)

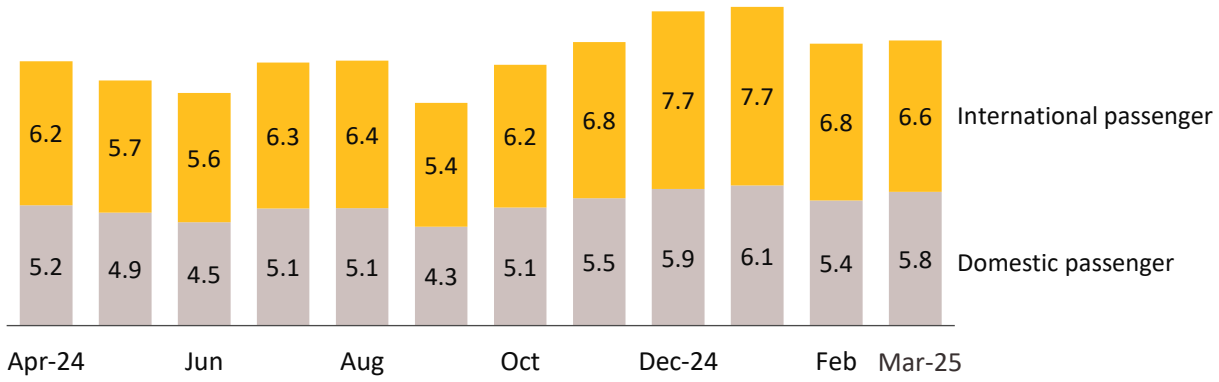


Source: Thai Retailers Association (TRA), Bank of Thailand of Thailand (BOT), The University of the Thai Chamber of Commerce (UTCC), Estimate and Forecast by Krungsri Research

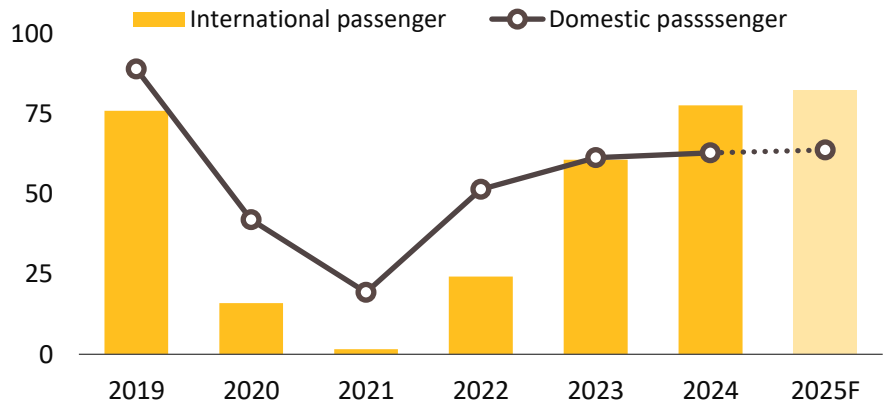
Air Passenger Services: The industry continues to grow due to government tourism stimulus measures amidst economic uncertainty.

- **In 3M25, air passengers in Thailand increased by 5.9% YoY** to 38.3 million, with international passengers up by 6.7% YoY and domestic passengers up by 4.9% YoY. This growth is driven by (i) the demand for short-haul travel during consecutive holidays for both Thai and neighboring foreign tourists (e.g., Chinese New Year, Muslim Eid al-Fitr), leading to a 1.9% YoY increase in foreign tourists and a 4.3% YoY increase in Thai travelers (34.0 million trips in the first two months); (ii) CAAT expedited flight slot allocation at major airports (e.g., Chiang Mai, Phuket, Samui) to facilitate additional flights during festive periods (e.g., New Year slots up by 30-40% YoY); and (iii) AOT provided discounts to airlines that launched new routes or charter flights (from November 1, 2023, to October 31, 2025), offering up to 95% airport service usage in the first year and 75% in the following year to stimulate the aviation market.
- **For the rest of 2025, airline demand is expected to grow gradually,** supported by (i) government tourism measures (e.g., Amazing Thailand Grand Tourism & Sport Year, Thailand Summer Festival during Songkran (April 12-16), Half-Price Thai Travel scheme from May-September, and the opening of Thailand Investment and Expat Services Center (TIESC) to facilitate foreign investors and workers in Thailand. And (ii) enhancements to airport and airline facilities to accommodate more passengers, such as the expansion of the parking apron at Hua Hin Airport (expected completion in 2025). However, the global economic slowdown is likely to impact consumer spending and travel frequency for both domestic and international travelers, resulting in fewer foreign tourists than initially expected (initially projected at 38 million). Additionally, some airlines have postponed new launches (e.g., M-Landarch postponed 'Actual Flight Operation' to June 30 from January 27) and ceased operations (e.g., Thai Smile Airways). **Consequently, air passengers in 2025 are expected to reach 146.3 million, a 4.1% increase from 2024 (89% of 2019 levels), with international passengers up by 6.2% YoY (82.5 million) and domestic passengers up by 1.4% YoY (63.8 million).**

Traffic Movement of Air Passenger in Thailand (Unit: million)



Total Number of Air Passengers in Thailand (Unit: million)

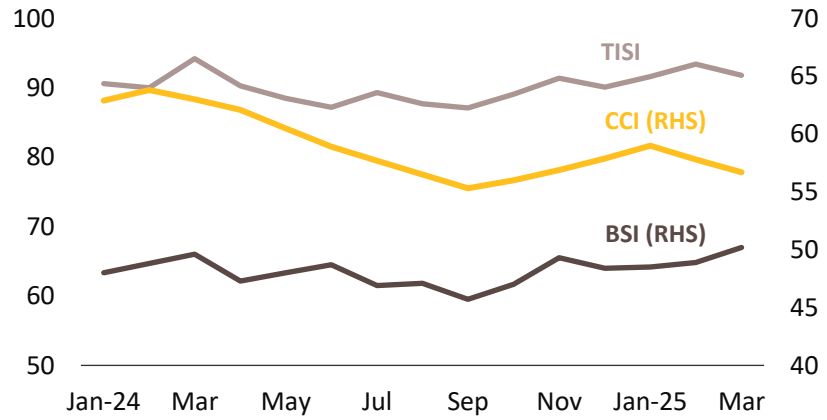


Source: Civil Aviation Authority of Thailand (CAAT), compiled and forecast by Krungsri Research

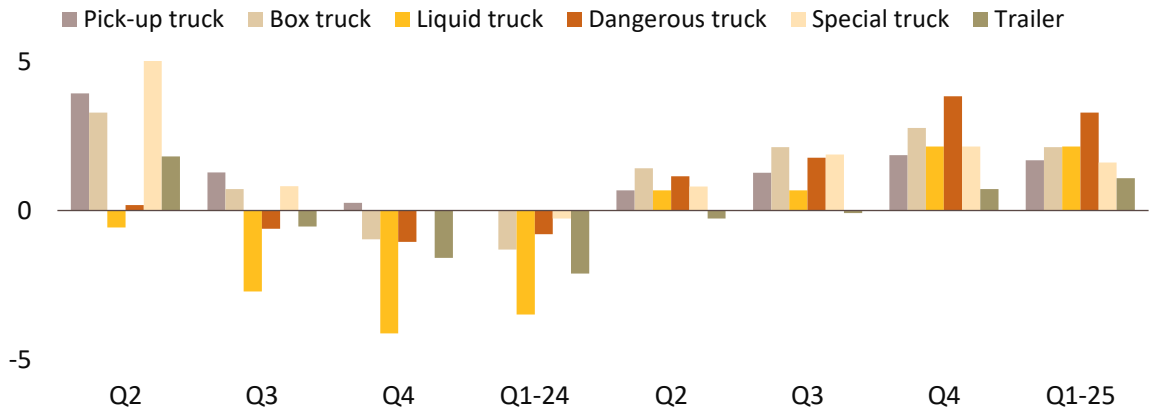
Road freight services: The demand for road freight transport is pressured by purchasing power that is likely to slow down in line with economic trends.

- **In 1Q25, the business sector shows continuous recovery,** reflected by the road freight transport index rising by 1.7% YoY due to increased transport demand from (i) improved business confidence following the recovery of trading sectors (export and import values +13.8% YoY and +6.0% YoY, respectively), while border and transit trade values increased by 10.9% YoY (2M25). Additionally, government measures such as "You Fight, We Help" alleviate debt burdens for businesses. (ii) Economic stimulus measures, such as disbursement of public construction projects, Phase 2 of the digital money handout (10,000 THB per elderly person), retail diesel price reduction, and early-year e-receipt measures, support demand for construction equipment and consumer goods. (iii) The tourism sector continues to grow (foreign tourists +1.9% YoY), leading to higher consumption of goods. However, the slow economic recovery has caused the Thai Industries Sentiment Index (TISI) to decline in the latest March, due to uncertainties driven by US tariff policies. Additionally, the Consumer Confidence Index (CCI) declined for two consecutive months due to concerns such as reduced agricultural income following lower agricultural prices (e.g., rice, sugarcane, and cassava), while some high-income consumers are becoming more cautious with their spending (source: BOT).
- **Demand for road freight transport in the rest of 2025 is expected to increase slowly,** supported by (i) ongoing public and private construction projects, such as the expansion of Suvarnabhumi and Don Mueang airports, construction of the Orange Line mass transit system, and rehabilitation of buildings damaged by earthquakes. (ii) Tourism stimulus policies (e.g., "Half-Price Thai Travel" measures) and public spending (e.g., Phase 3 digital money handouts totaling 27 billion THB) will boost consumption of goods. (iii) The onset of La Niña will provide sufficient rainfall for cultivation, leading to increased agricultural output, supporting higher demand for agricultural and food transport (OAE expects the fruit output in the eastern region in 2025 to increase by 45% YoY). And (iv) the continuous growth of the e-commerce sector at a rate of 8.1% (source: DBD). However, purchasing power is likely to slow down in line with the Thai economic trends and severe global trade wars, which impact Thailand's manufacturing and export sectors, thereby pressuring road freight transport demand to slow down. **As a result, road freight transport volume is expected to grow by 1.0-1.5% in 2025 compared to 2.0% in 2024.**

TISI, BSI and CCI (Index)



Road Freight Transport Index (Base 2015) by type of truck (% Growth: YoY)

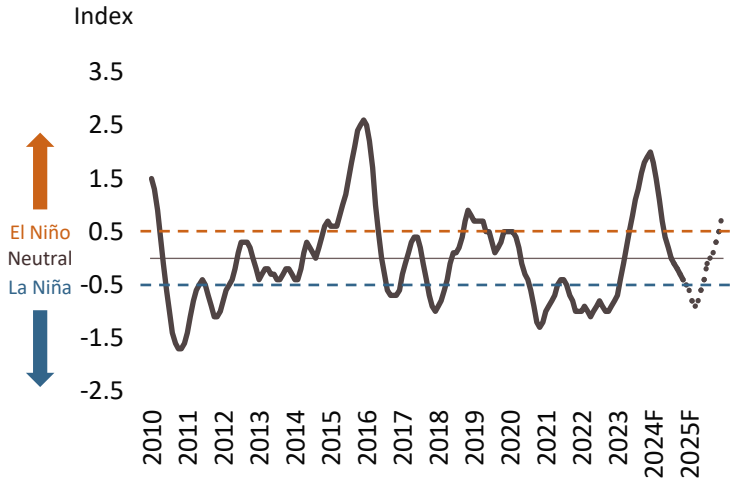


Source: BOT, FTI, MOC, OAE, TPSO, UTCC, compiled and forecast by Krungsri Research

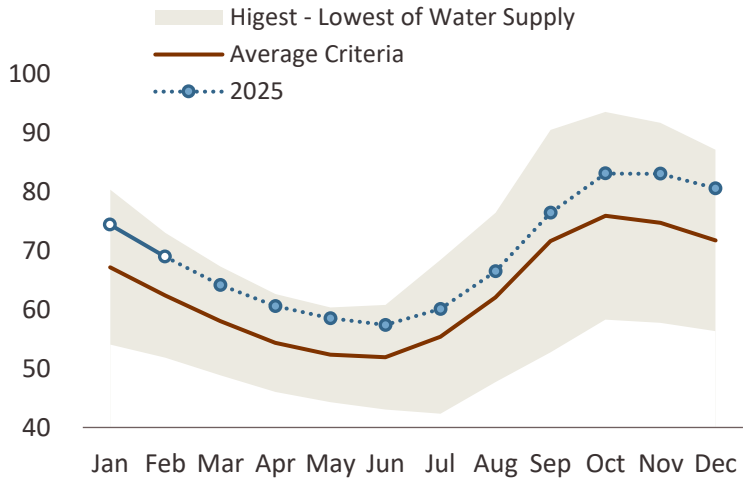
Increasing climate variability is impacting agricultural supply chains, with risks of flood in 2025 due to the onset of La Niña and neutral conditions.

- The Oceanic Niño Index (ONI) is determined by sea-surface temperatures in equatorial regions of the Pacific. A value greater than 0.5 indicates El Niño conditions and a value less than -0.5 reflects the emergence of La Niña. As of January 2025, the ONI stood at -0.6, which is classified as 'Weak La Niña'.
- The effects of La Niña are expected to persist throughout 2025, with impacts on the agricultural sector and the economy:
  1) ***Higher flood risks in 2025***, with annual rainfall rising by 12.0-13.0% above the average, reaching 1,827 mm, compared to the 30-year average of 1,622 mm and the 2011 great flood level of 1,948 mm.
  2) ***Impacts on agricultural output***: The La Niña phenomenon and the expected neutral conditions in 2025 are anticipated to increase rainfall, ensuring sufficient irrigation water and supporting the expansion of cultivated areas. However, excessive water may negatively affect agricultural products, particularly field crops such as rice, corn, sugarcane, and cassava.

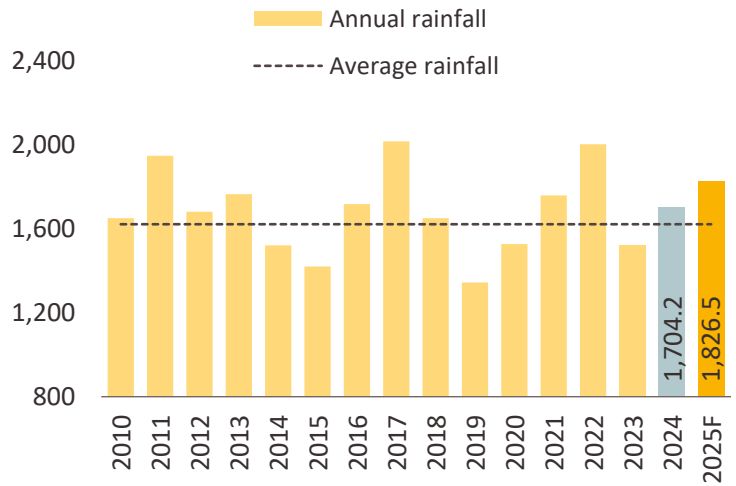
Oceanic Indices



Water Supply in Thailand*



Annual Rainfall in Thailand



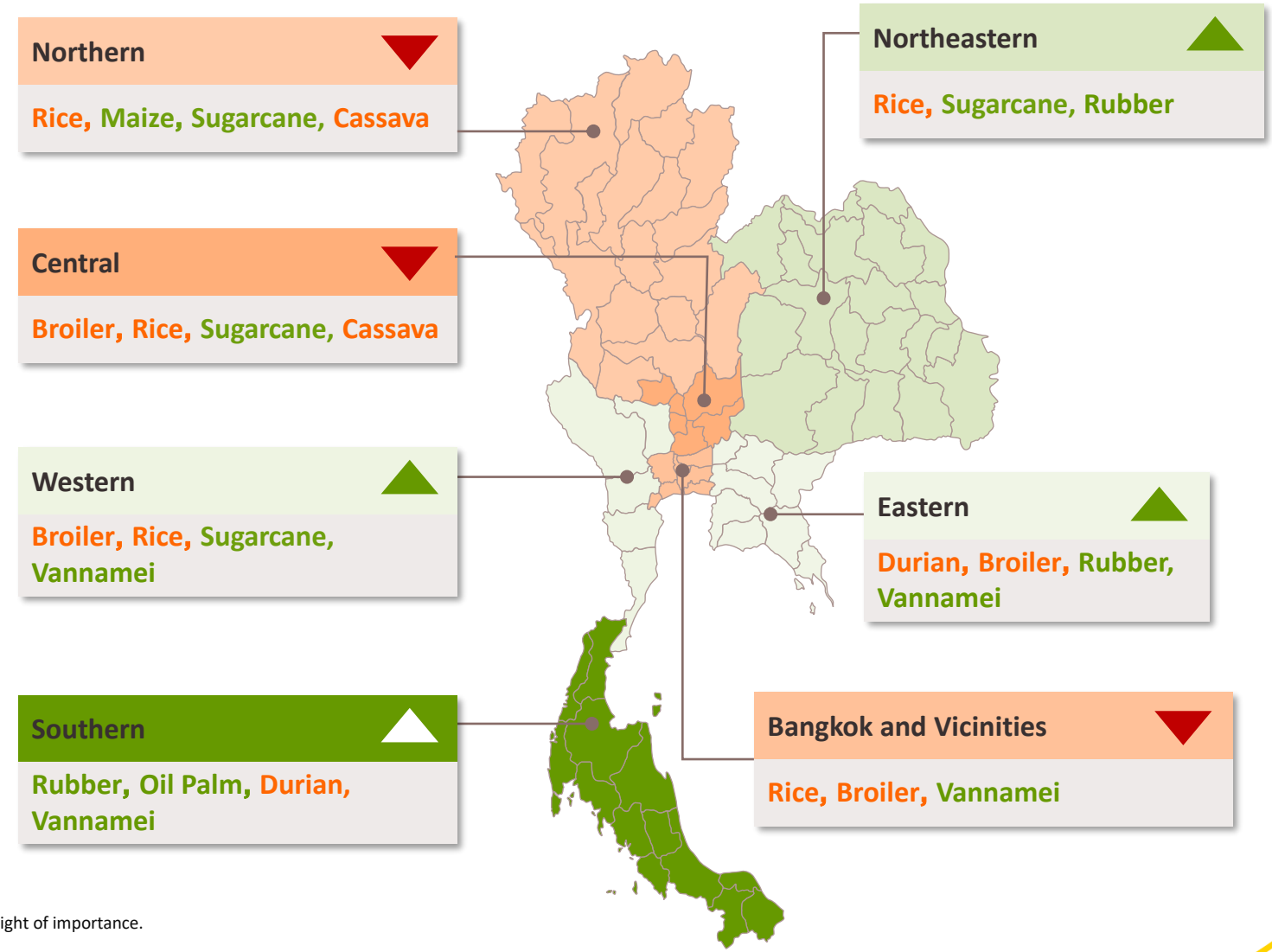
Source: National Oceanic and Atmospheric Administration (NOAA), Thailand Meteorological Department (TMD), Thaiwater, Krungsri Research

Note : * The blue dots of 2025 markers line are the forecast values, and the grey shadow area refers to the highest and lowest levels of water supply in Thailand during Y2011 - Y2024.

In 2025, farm income is expected to rise gradually, driven by output growth from ample water supply, despite falling prices.

Farm incomes should rise through 2025 on expanding output, supported by: (i) sufficient water reserves in dams, with rainfall occurring due to La Niña, and (ii) improved mitigation of plant and animal diseases, resulting in reduced losses. **Meanwhile, agricultural prices decrease** as a result of: (i) a continuous increase in production, and (ii) global competition, which will pressure domestic prices, especially in the northern, central, and Bangkok & vicinity regions, which have been affected by falling prices of white rice and cassava).

In 2025, agricultural output is expected to increase by 1.9-2.9%, while prices will decrease by -0.8% to -1.5%, and as such, farm incomes will grow by 0.8-1.8%.



Regional Box: Color intensity indicates relevance of product, measured by share of total regional farm income.

Smoothed growth (%)

Contract — Expand

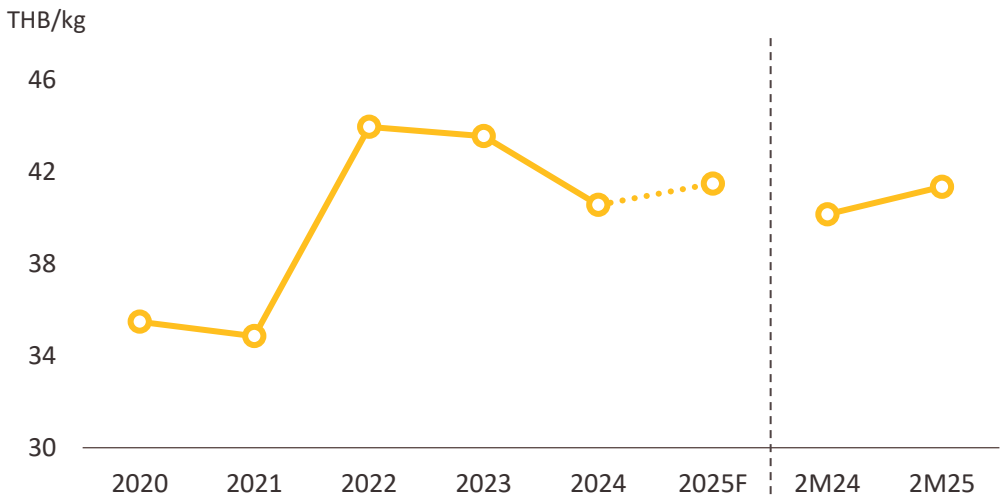
Source: Office of Agricultural Economics (OAE), Krungsri Research

Note: The ranking of key agriculture products in each region is arranged based on their combined weight of importance. Orange indicates a price decrease, while green indicates an increase.

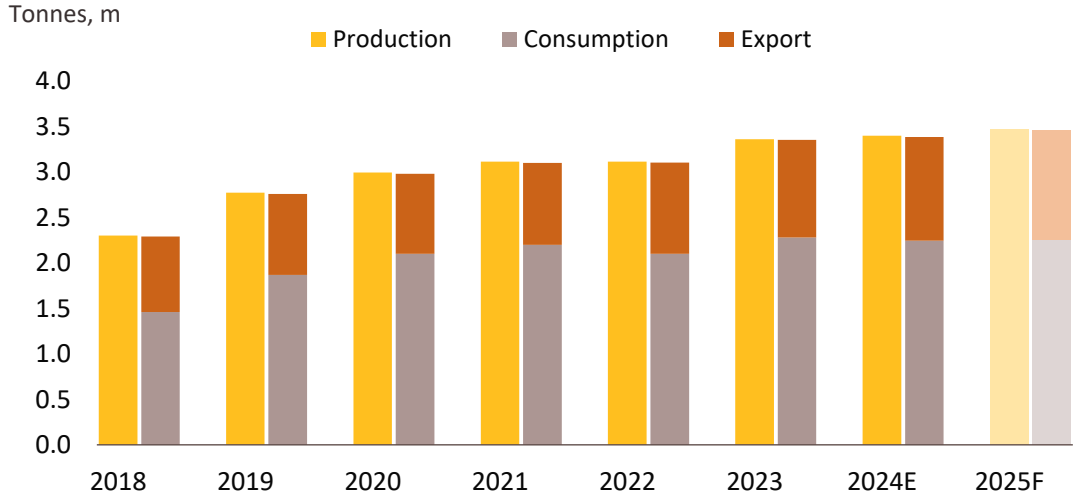
Chilled, Frozen and Processed Chicken Industry: Domestic demand will be supported by economic and tourism recovery, with rising export growth due to market diversification.

- **Output increased by 2.8% YoY over 2M25** as chicken farmers expanded production in response to rising demand from the food and restaurant sectors. Meanwhile, the farmgate chicken price rose by 3.0% YoY. However, **domestic consumption declined by -1.7% YoY** due to continued pressure on local purchasing power amid economic uncertainty, while part of the supply was diverted to exports following a surge in orders. **Export volume rose by 5.9% YoY**, driven by expansion into new markets—especially the Middle East, due to improved trade relations—and growing demand from Japan, the UK, and European countries.
- **In 2025, output is expected to rise by 2.0–2.5% to 3.46–3.48 million tonnes**, driven by a gradual increase in domestic consumption, continued export expansion, and increasing prices that incentivize farmers to boost production. **Domestic demand will increase by 0.5–1.0% to 2.25–2.27 million tonnes,** supported by the recovery in business activity and a rise in tourist arrivals, which is driving growth in the hotel and restaurant sectors. **Exports are projected to grow by 5.0–5.5%, reaching 1.19–1.21 million tonnes,** driven by (i) the continued recovery in demand from key trading partners, particularly Japan and European countries, and (ii) the expansion of trade agreements with new markets, including the Middle East, which has shown strong confidence in the quality of Thai chicken. Meanwhile, Trump's tariff policy is expected to have limited impact, as Thailand's exports are primarily focused on Japan (42%), the UK (18%), China (10%), and Malaysia (8%), with minimal exposure to the US market (less than 0.01%).

Farmgate Prices for Chicken Products



Thai Chicken Industry Forecast

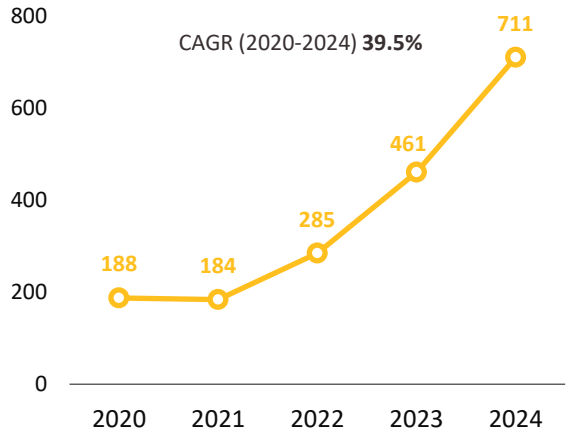


Source: Office of Agricultural Economics (OAE), Ministry of Commerce (MOC), forecast by Krungsri Research

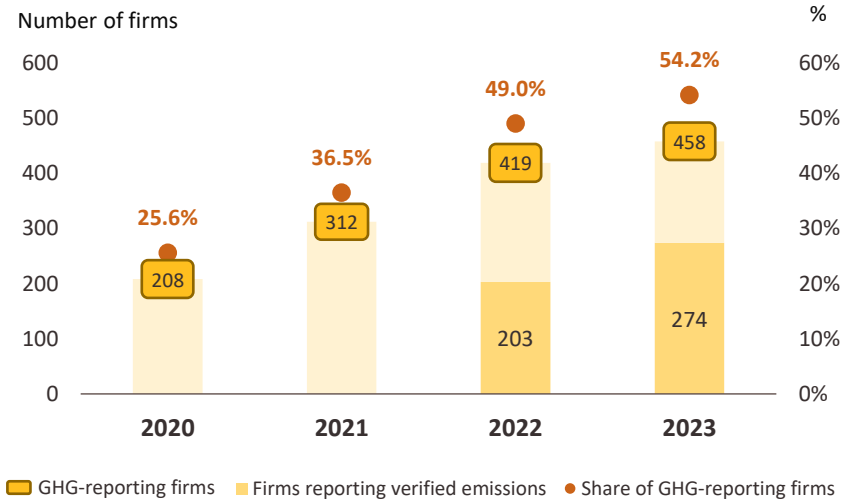
Carbon footprint: Stricter regulations will shift carbon footprint management from an 'option' to a 'mission' for businesses.

- Businesses in Thailand have placed greater emphasis on their carbon footprints, as evidenced by a record **711 organizations certified under the Carbon Footprint for Organizations (CFO)** program by the Thailand Greenhouse Gas Management Organization (TGO) in 2024, a nearly 40% annual increase since 2020. However, **only half of the companies listed on the Stock Exchange of Thailand were able to report their 2023 carbon footprints, and just about one-third reported verified data**. Notably, high-carbon-emitting businesses are more likely to disclose such information, with over 60% of energy and transport firms reporting their GHG emissions.
- **In the coming years, businesses will face increasing pressure to report their carbon footprints due to stricter regulations, evolving trade rules, and rising demand from consumers and business partners**. **High-carbon industries**, such as those affected by the Carbon Border Adjustment Mechanism (CBAM), along with the energy, transportation, and other heavy sectors, will encounter dual pressures: (i) compliance with measurement, reporting, and verification (MRV) requirements, and (ii) the need to reduce emissions to mitigate carbon-related costs. **Meanwhile, low-carbon businesses**, such as those in the consumer goods sector, may face pressure from sustainability-conscious consumers and business partners, who are expected to demand greater environmental responsibility. Nonetheless, businesses that effectively manage their carbon footprints can unlock new opportunities in trade and investment.

Number of Organizations with CFO Labels



Listed Companies Reporting Greenhouse Gas Emissions



Share of Companies Reporting GHG Emissions in 2023, by Industry

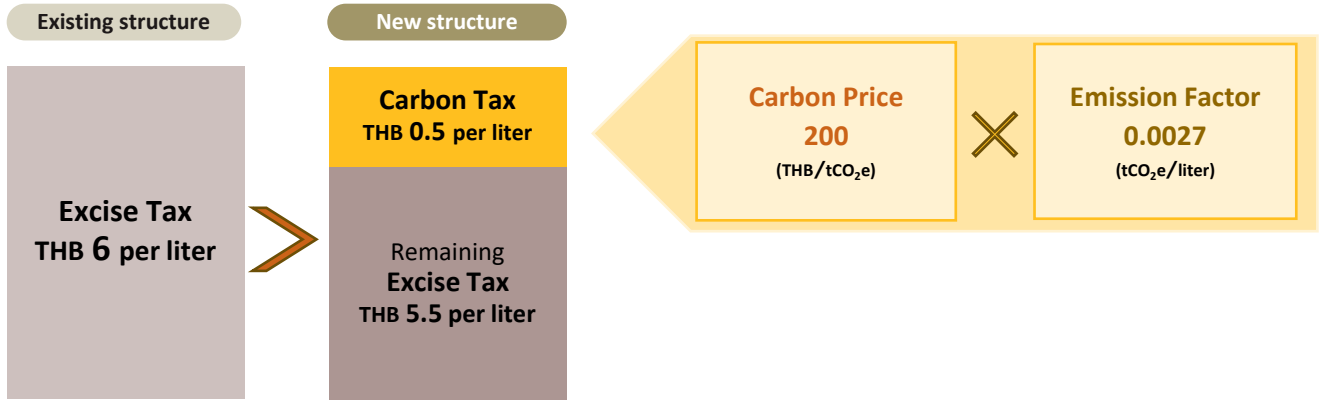
Industry group	Share of GHG-reporting firms to total firms					Average Carbon footprint per firm ($MtCO_2e$)
	All scopes	Scope 1	Scope 2	Scope 3	Verification	
Property & Construction	49.7%	44.4%	49.0%	37.1%	24.5%	1.02
Industrials	55.2%	51.0%	51.7%	30.3%	30.3%	0.43
Agro & Food Industry	66.7%	66.7%	64.0%	38.7%	53.3%	0.35
Services	50.5%	48.4%	45.7%	31.9%	30.3%	0.67
Resources	60.9%	59.4%	59.4%	43.5%	46.4%	10.04
Financials	59.5%	55.7%	57.0%	43.0%	27.8%	0.07
Technology	60.0%	52.3%	55.4%	36.9%	33.8%	0.09
Consumer Products	38.7%	37.1%	35.5%	25.8%	24.2%	0.08
All	**54.2%**	**50.9%**	**51.1%**	**35.3%**	**32.4%**	**1.38**

Source: Thailand Greenhouse Gas Management Organization (TGO), The Stock Exchange of Thailand (SET), and Krungsri Research

Carbon tax: Thailand introduces a carbon tax framework for oil and petroleum products, which is expected to advance trade competitiveness and net-zero goals.

- On January 21, 2025, **the Thai Cabinet approved, in principle, the draft Ministerial Regulation on excise tax rates (draft carbon tax law)**. This law will establish **a carbon pricing mechanism (carbon tax) for oil and petroleum products** subject to excise taxation. The carbon tax will be calculated based on a carbon price, initially set at THB 200 per tonne of CO_2 equivalent, multiplied by the emission factor of each type of oil. **As the law restructures excise taxes to incorporate the carbon tax, it will not affect existing tax rates or retail oil prices.** For example, the existing excise tax for diesel of THB 6 per liter will be divided into the carbon tax of THB 0.5 and the remaining excise tax of THB 5.5. Currently, the legislation is in the process of being published in the Royal Gazette and is expected to be implemented in 2025.
- **The carbon tax is expected to help: (i) prepare businesses, such as those in the iron, steel, and aluminum sectors, for exports to CBAM-enforcing countries like the EU**, which allow cost deductions based on mandatory carbon prices already paid in the exporting country, such as carbon taxes or emissions trading scheme (ETS) payments; **(ii) enhance competitiveness in international trade negotiations** where environmental concerns are increasingly prioritized; and **(iii) support Thailand in achieving net-zero emissions**. **However, businesses, particularly those in the energy, transport, and automotive industries, may face higher costs and competitive challenges as carbon tax rates increase in future phases.**

Example of Carbon Tax Calculation for Diesel



Example of Carbon Tax Rates for Oil Products

Product	Carbon Tax (THB/liter)
Gasoline	0.45
Gasohol E10	0.41
Gasohol E20	0.36
Gasohol E85	0.07
Kerosene	0.50
Jet Fuel	0.50
Diesel B5	0.52
Diesel B10	0.49
LPG	0.64
Fuel Oil	0.62

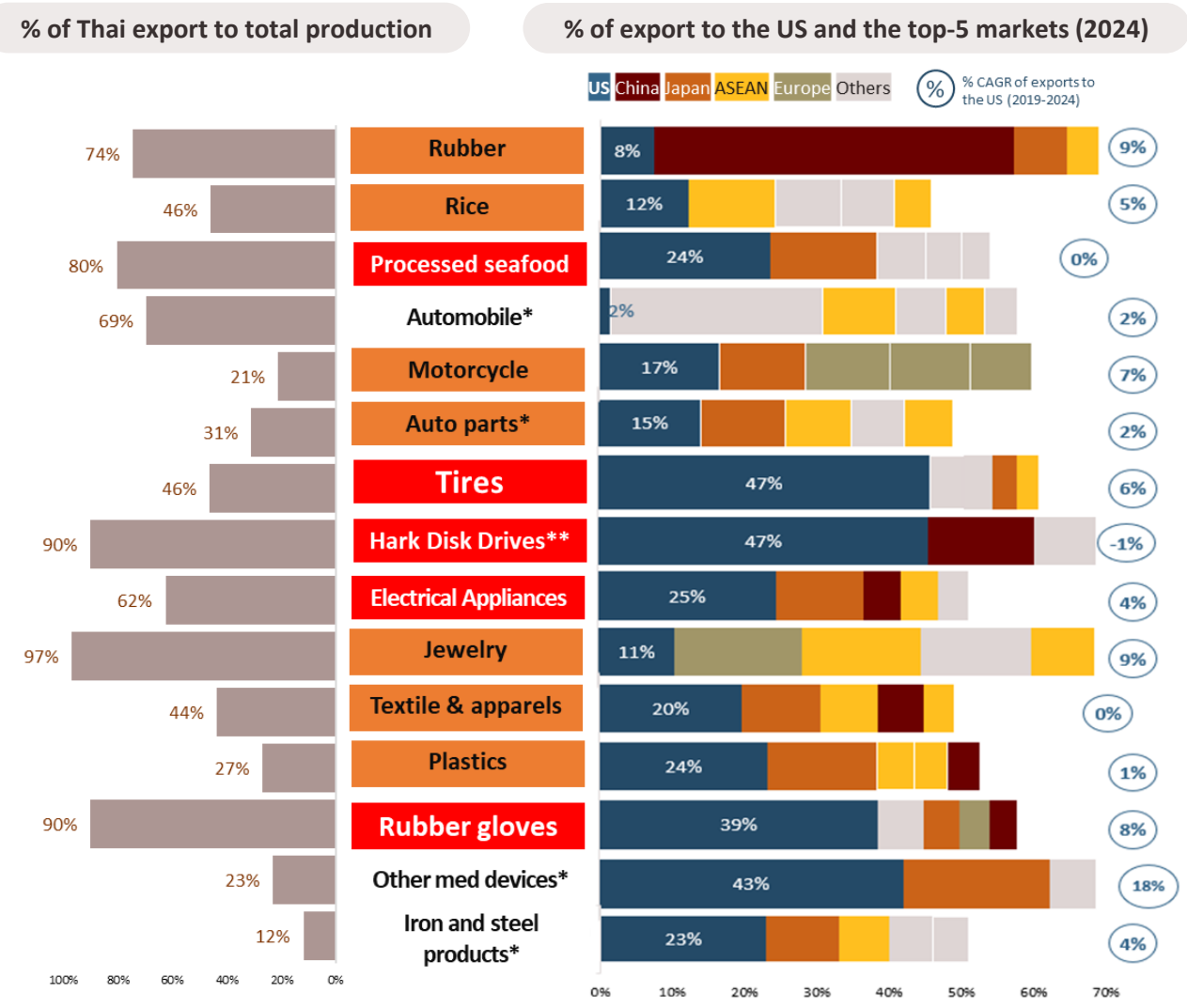
Source: Excise Department and Krungsri Research



2025 SITUATION & OUTLOOK

US TARIFF IMPACT ON INDUSTRY

In the short term, reciprocal tariffs could push Thai exports to near zero growth. Losses could have negative spillover, hurting from agricultural to manufacturing sector



Source: WITS, MOC, Trademap, FTI, OIE, OAE, USDA, PIU NESCD, and Krungsri Research

In the short term, the US reciprocal tariffs could halt Thai export growth, potentially reducing it to near zero this year if no progress is achieved in tariff reduction negotiations. Based on the recent tariffs between the US and Thailand, coupled with other relevant factors, **the following export sectors are expected to experience significant declines:**

High impact:

- **Processed Seafood, Tires, HDDs, Electrical Appliances, Rubber gloves:** Previously, the US has imposed low tariffs on these Thai products, and the US has consistently been the top market for these goods. So, a substantial increase in US tariff rates could severely impact Thai exports and production of these products, which depend on the export market.

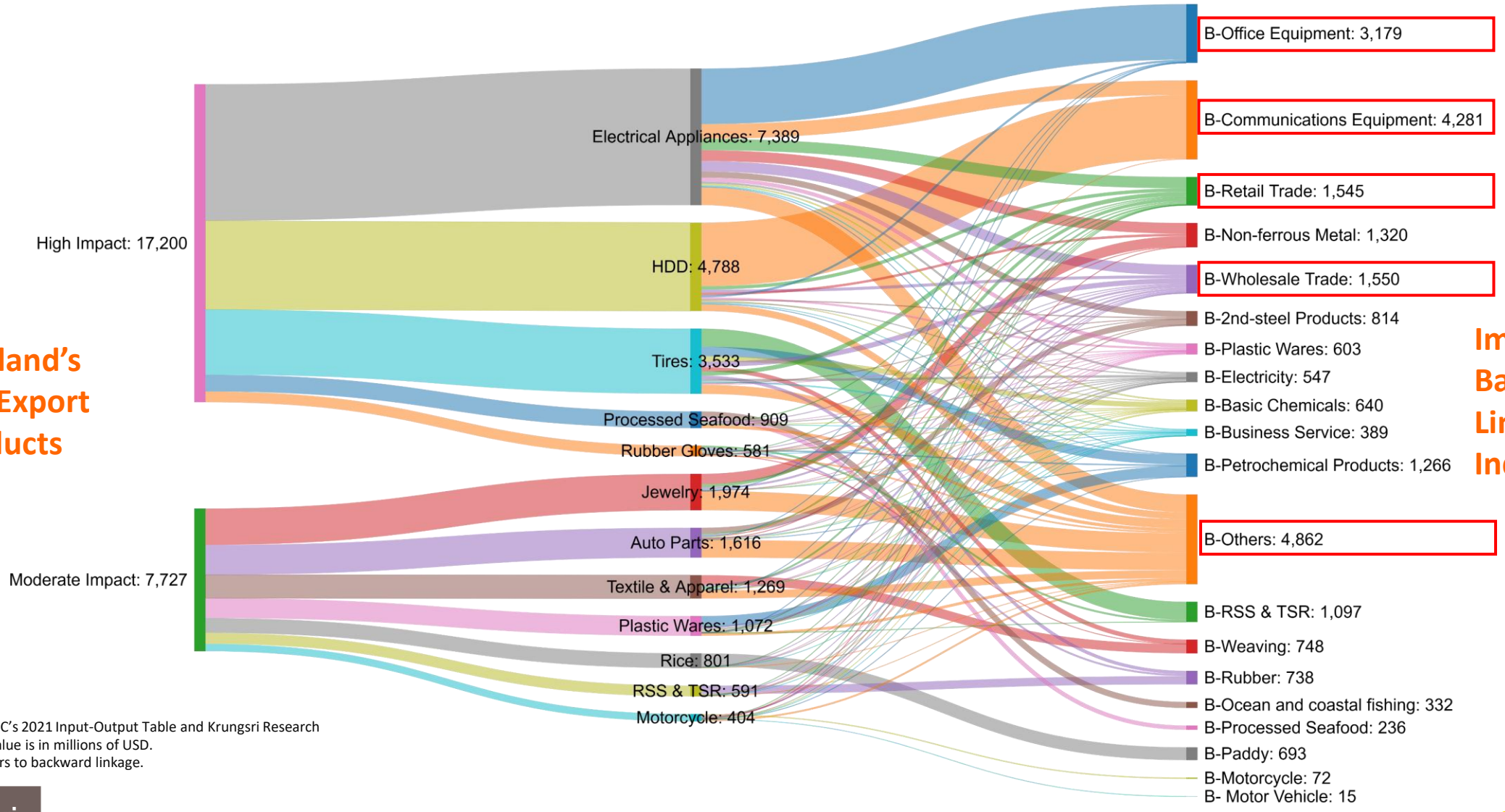
Moderate impact:

- **Rubber, Rice, Motorcycle, Auto parts, Jewelry, Textiles and apparels, Plastics, Other medical devices, and Iron and Steel Products:** While the US remains Thailand's largest market for these goods, other markets hold substantial shares. Or, additionally, Thailand primarily produces these products for domestic use.

These industries, especially processed seafood and tires, could trigger spillover effects along supply chains, negatively impacting both agricultural and manufacturing productions, Thailand's labor market, and overall purchasing power.

Note: ∗ = Not subject to 36% tariff.
∗ For iron, steel, and aluminium products, and auto and parts, tariff rate is at 25% as previously announced.
∗ Medical devices along with semiconductor and other products (copper, wood products, energy, minerals) are also not included, as specific tariff is expected later (Source: MOC, April 6, 2025).
∗∗ Temporary exemption (as of April 12, 2025)

The backward linkage of Thailand's key export products that are expected to be most affected by Trump's reciprocal tariff policy.



Source: NESDC's 2021 Input-Output Table and Krungsri Research
Note: Unit value is in millions of USD.
B- refers to backward linkage.

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