

# MOODY'S

## Thailand Focus 2026 – Panel: Thailand's Macro Resilience

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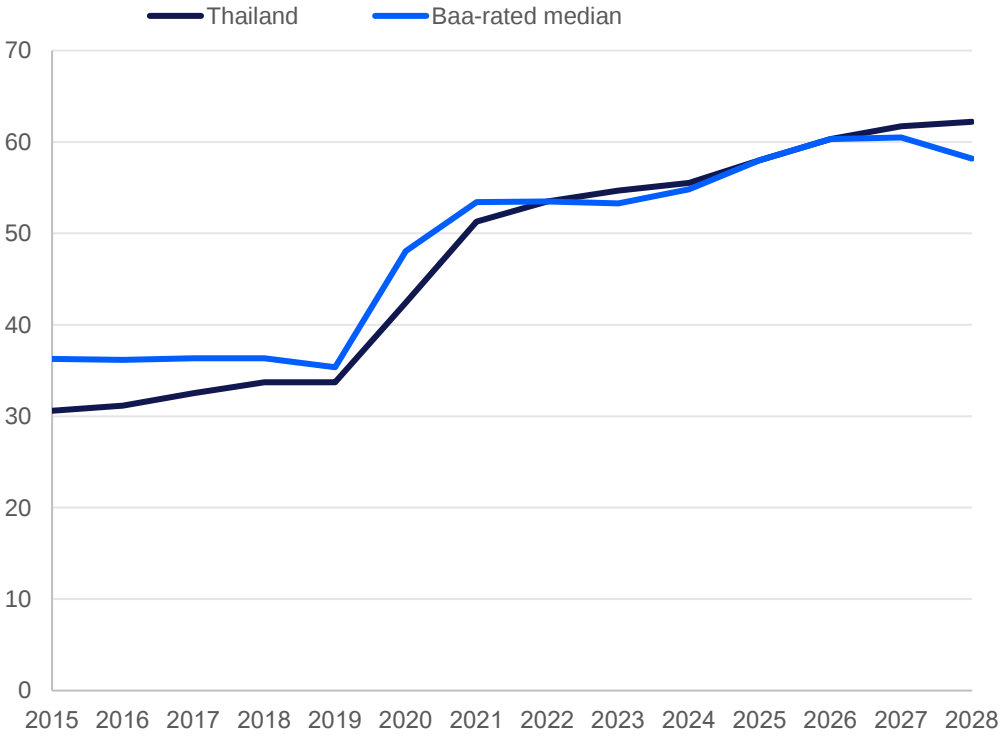
# Question 1

# Thailand's fiscal trajectory will gradually weaken

Debt levels are expected to rise amid pressures from declining long-term growth prospects and limited progress on fiscal reforms

## Thailand's debt burden will continue to increase

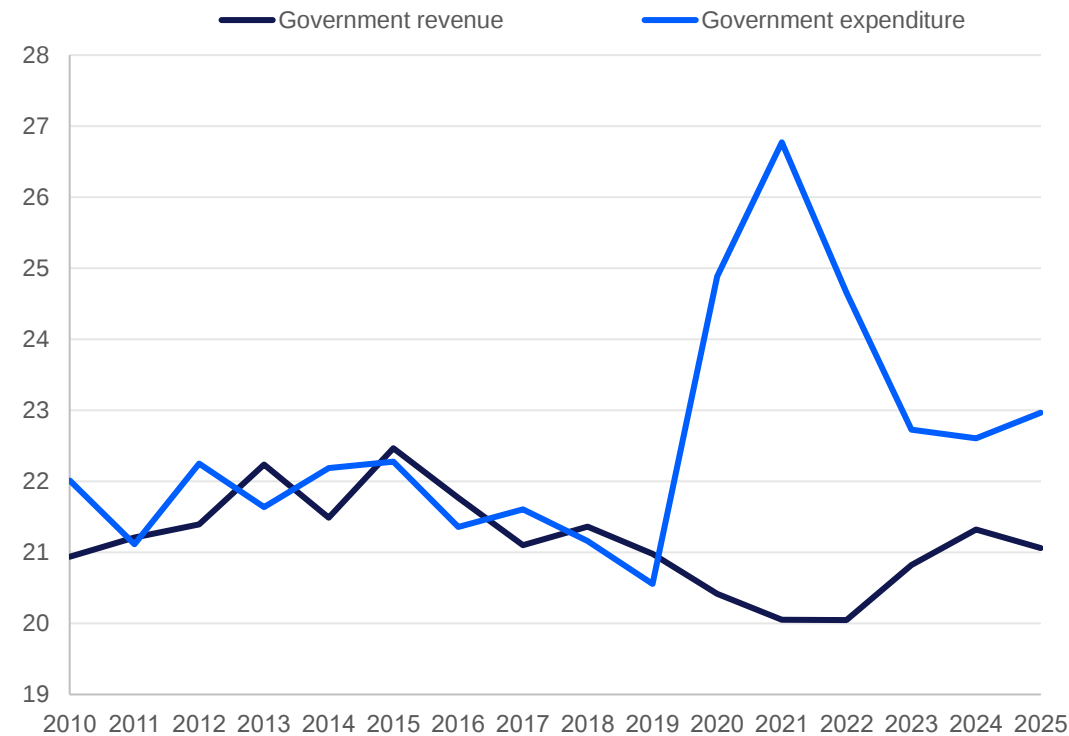
Government debt/GDP (%)



Source: Moody's Ratings

## Government revenue has declined since 2015

% of GDP



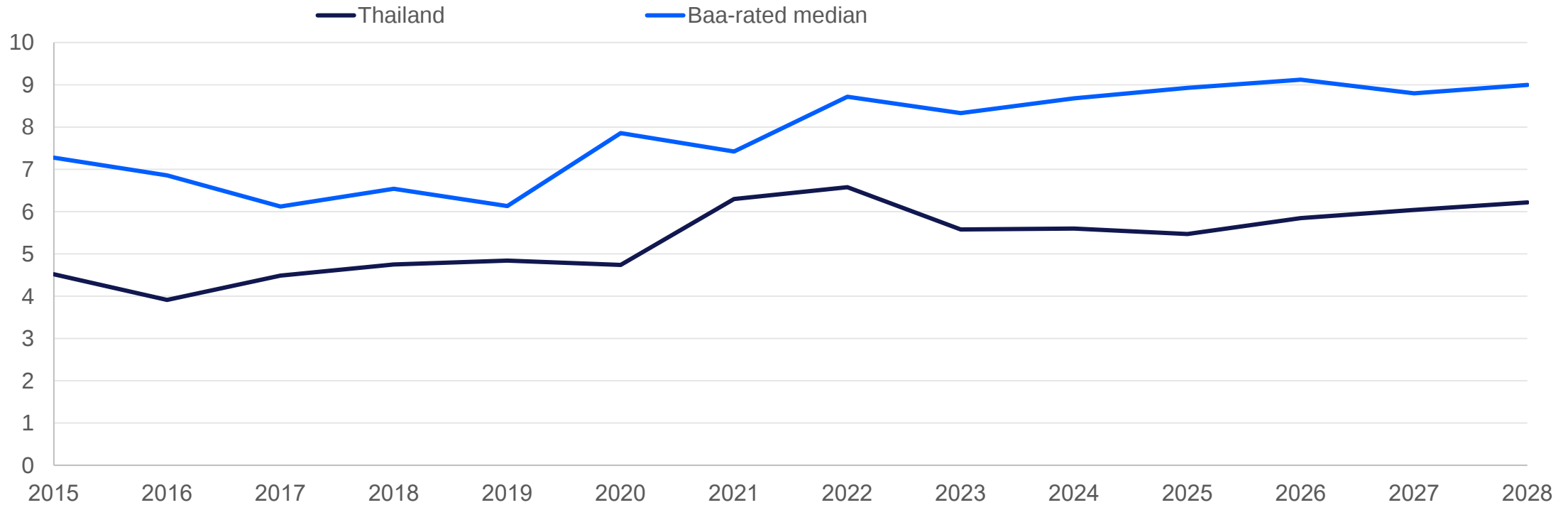
Sources: IMF, Haver Analytics and Moody's Ratings

# Thailand's debt affordability remains stronger than peers

Domestic borrowing costs supported by deep domestic markets and long average maturity

Thailand's debt affordability will gradually weaken, albeit from a stronger position compared to peers

Government interest payments/revenue (%)

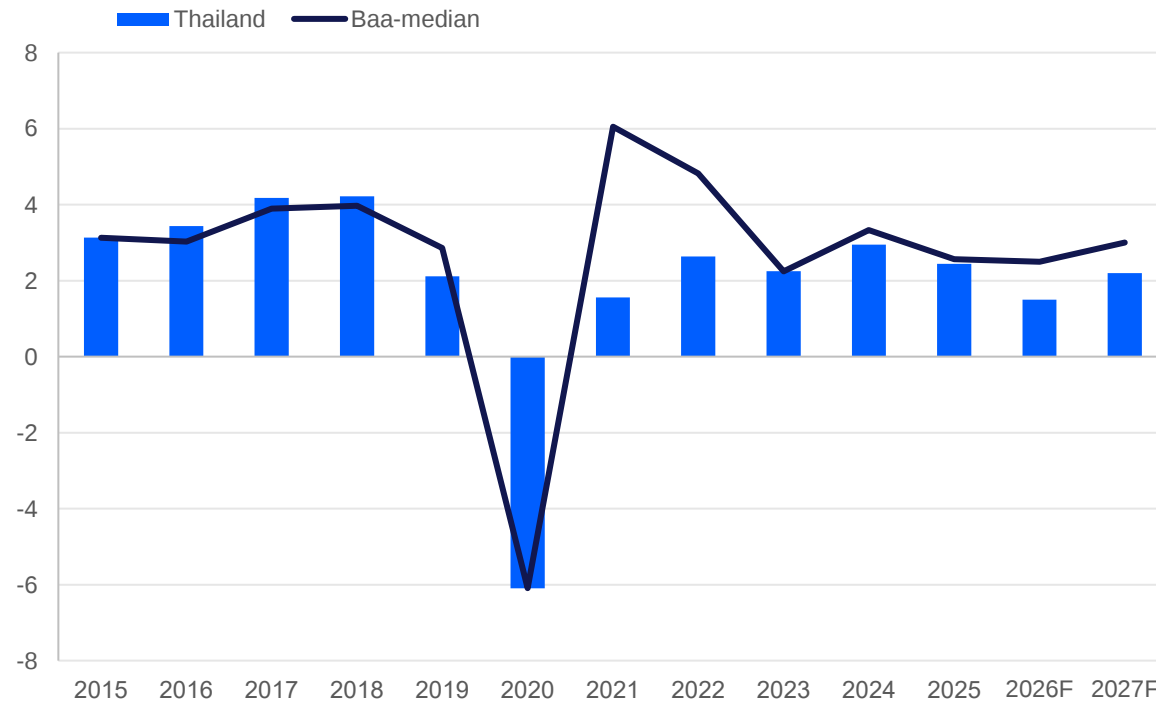


Source: Moody's Ratings

# Question 2

# Growth has deteriorated but remains in line with peers

Thailand's trend growth has been declining  
Real GDP growth (%)



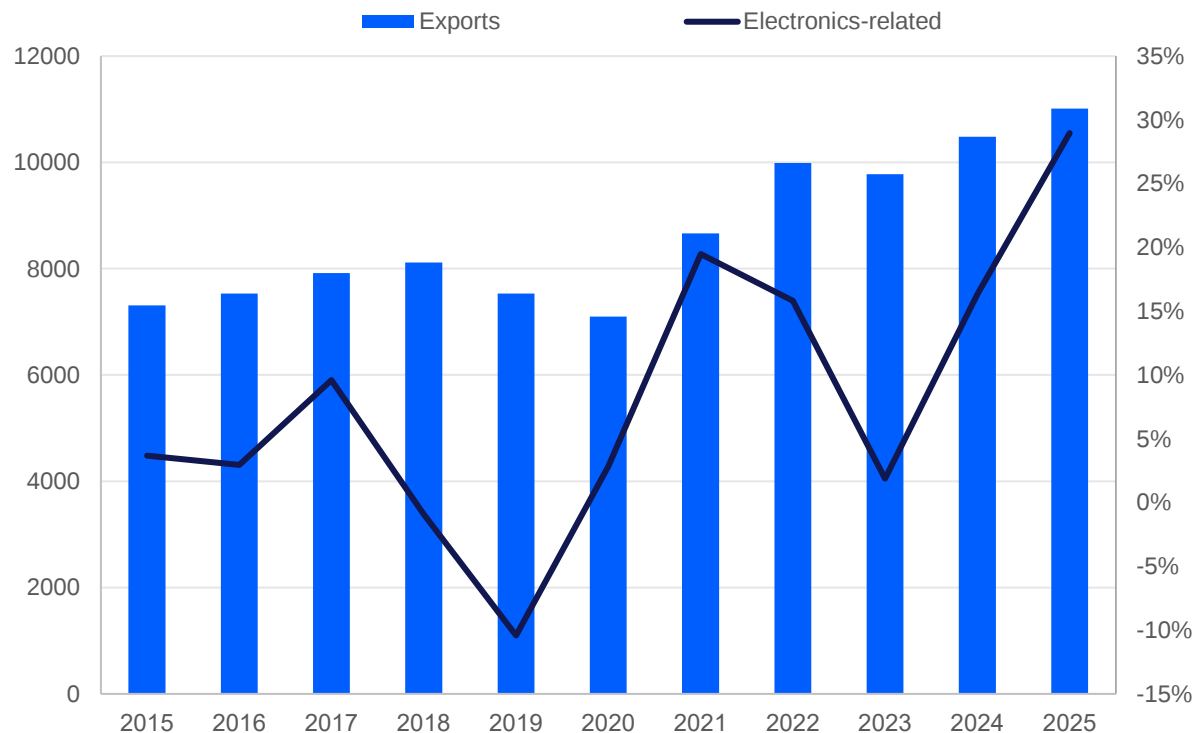
Sources: National Authorities and Moody's Ratings

- Decline in growth over time stems largely from entrenched structural weaknesses and recurring political uncertainty, which have reduced the economy's capacity to recover from shocks.
- Nevertheless, trend growth remains broadly in line with peers, indicating that these constraints have not materially weakened medium-term growth performance relative to comparable sovereigns.

# Electronics-related exports are rising

Demand for electronics and digital infrastructure supports Thailand's export performance

Electronics-related exports have been rising since 2024  
THB, billion



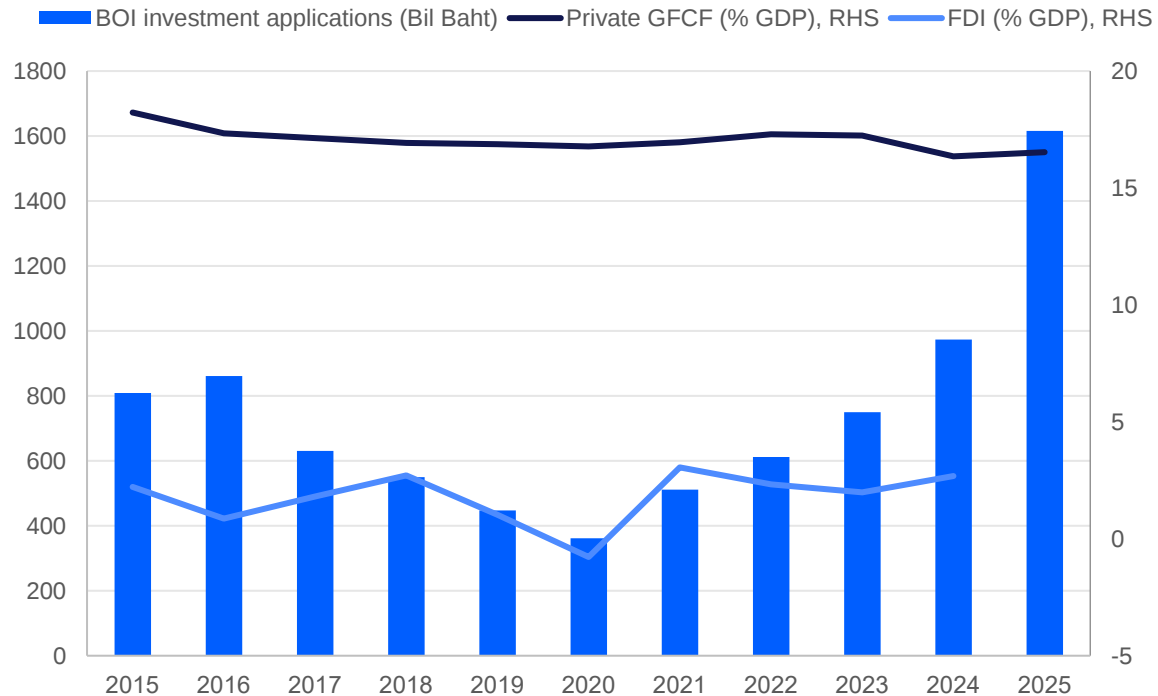
Sources: Ministry of Commerce, Bank of Thailand, Haver Analytics and Moody's Ratings

- Supported by the AI and digital technology up cycle, electronics and electrical products such as computer parts, circuit boards, etc. have been driving Thailand's export growth.
- Thailand is also benefiting from supply-chain diversification, supporting demand for electronics manufacturing and assembly.
- However, external headwinds from geopolitical uncertainty, softer global demand and weak investment sentiment continue to present risks to the sustained growth of the electronics sector.

# Question 3

# Higher investment activity could lift growth prospects

Investment applications have seen an acceleration in 2024-25



GFCF – gross fixed capital formation

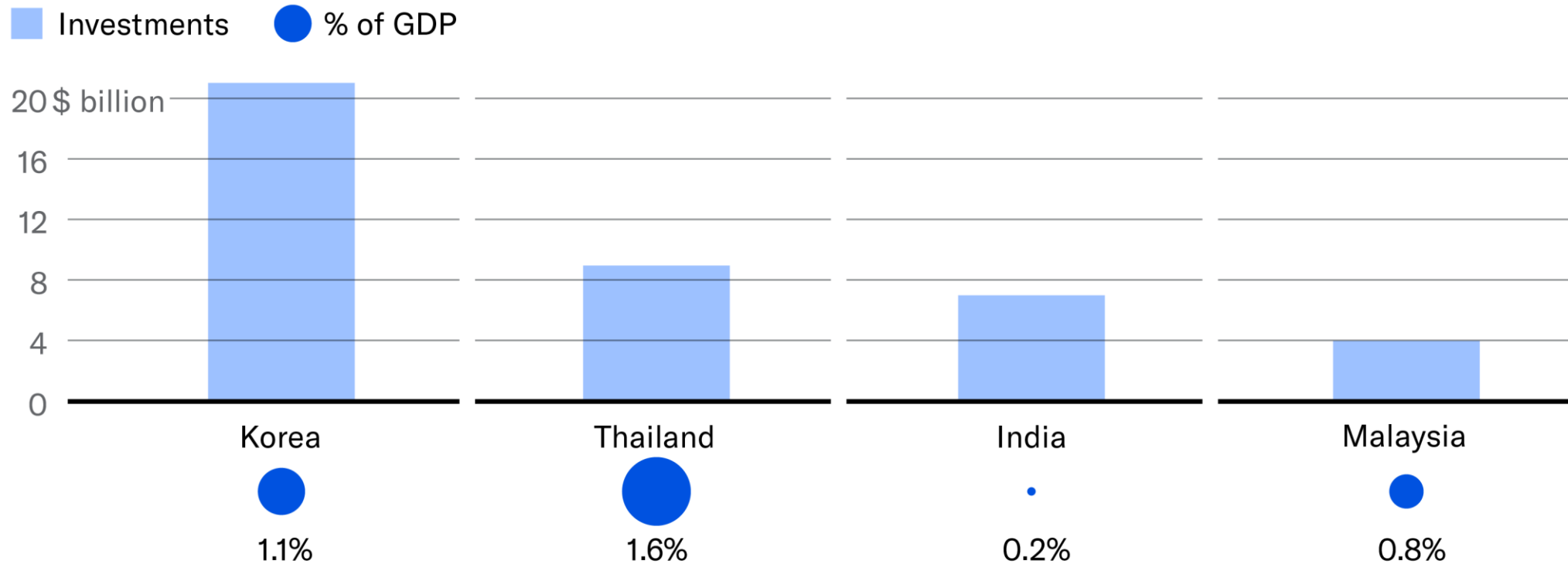
Sources: BOT, BOI, NESDC, Haver Analytics and Moody's Ratings

- Investment applications in Thailand have accelerated over 2024-25 driven by strong interest in **data centers, electronics and electric vehicles**.
- Initiatives such as the Fast Pass aimed at streamlining approvals and implementation of select projects have been supporting strong investment interest, which we expect to extend in 2026.
- While translation of investment applications into capital formation will be gradual, sustained productivity gains and higher value-added production will depend on improvements in infrastructure, power supply and workforce skills.

# AI adoption supports regional data center investments

Thailand's data center investments are amongst the highest compared to regional peers

Foreign investments in data centers, 2025



Sources: UNCTAD and Moody's Ratings

# Question 4

# Thailand's Outlook is Stable

## Factors that could move the rating up or down

### UP

**What could change outlook to positive or prompt an upgrade:**

- » If Thailand were to achieve durable and material improvements in its growth prospects alongside a sustained decline in the government debt burden.
- » This could be driven by meaningful progress in economic and fiscal reforms, supported by a stable political environment, which significantly strengthens growth potential and enhances revenue generation.

### STABLE OUTLOOK

**Stable outlook reflects the view that:**

- » Thailand has shown resilience to external shocks such as US tariffs and the Middle East conflict and our assessment that resulting growth and fiscal risks are broadly comparable to those of similarly rated peers.
- » Improving investment momentum has lowered the risks of material and sustained declines in long-term growth trends. Moreover, reduced political volatility and a stronger likelihood of reform implementation over time are supportive of growth and gradual improvement in fiscal position.

### DOWN

**What could change outlook to negative or prompt a downgrade:**

- » If Thailand's growth and fiscal outlook were to weaken materially beyond current expectations, resulting in its credit metrics deteriorating significantly beyond those of similarly rated peers.
- » This could come from the government's continued delays in addressing structural weaknesses or a material external shock that affects Thailand significantly more than peers.

# Thank you

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