Thailand's Macro Resilience — Fiscal Strength, Debt Sustainability & Sovereign Confidence

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- Dr Santitarn, believe that there three key words we look at Growth; Grow the Economy, Efficiency; Spend every Baht Wisely and Discipline; Stay credible, which supports the fiscal resilience and investor confidence. The fiscal challenges that Thailand is how do we spend in a way that generates growth.
- Thailand structural challenge is growth and the missing link is investment, currently in 2026 the investment to GDP is 24% which is still shy from the 30% target benchmark set, which will bring structure rate to GDP >3%.
- Three Pillars: Stabilize Today, Transition Now, Invest for Tomorrow. Increase clean energy capacity and access, which will attract FDI, invest strategically in infrastructure making it easier for these said investment to become easier, hence unlocking private investment which makes up 75% of investment in Thailand.
- Private investment momentum is already strengthening, with Q2 private investment growth of around 13%, the strongest in roughly 13 years.. A joint public-private partnership to unlock Thailand's growth potential, the sectors to focus on; Quality Tourism, Smart Electronics, Retail and Trading, Agriculture and Food, Medical and Wellness, Creative Economy, Future Mobility. Potentially pushing us to the Top 20 IMD Global Ranking which we are currently sitting on the 26th ranking.
- Thailand's FDI application have been broadening from just data centers and AI infrastructures, spreading to robotics, bio-robotics, renewable energy. The challenge as policymaker right now is to manage these flows especially during this transition from a sector you are good at, to a new sector.
- Resilience with better growth, Marco economic stability. Stronger growth propelled by stronger investment. More inclusive growth, the growth spilling over to the rest of the economy, better jobs for the working class. Sustainable growth, less vulnerability, more energy resistance and less affected by energy shocks.

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- Thailand debt to GDP, 35% before pandemic, this year forecasted 60%**,** Thailand still remains well compared to Baa peers. Thailand’s deb affordability remains stronger than peers, domestic borrowing costs supported by deep domestic markets and long average maturity. Gives investor hope that the government has systems in place to support this.
- Growth is the primary challenge seen in Thailand, aging demographic, skill gap in the work force makes growth harder. Growth in Thailand still in line with Baa peers, which gives us confidence that Thailand has some buffers on the economic side. Export side has continued to support Thailand, especially the global drive for investment in AI/Tech industries. Thailand is also benefiting from supply-chain diversification, supporting demand of electronics manufacturing and assembly.
- Crowding private investment through public investment, running around 16-17% of GDP is below what it needs to be. However the interest in data centers, electronic, etc, could be a clear sign of where the direction of investment are going.
- The regional competitiveness around the export sector for the Asia specific region is only intensifying. A good interaction between private-public sector will be very beneficial and this will depend based on the government support.
- Thailand is attracting relatively high data-center and AI investment as a share of GDP compared with several regional peers. Now Thailand must think of how they can build a foundation how AI can play a larger role in the economy, taking advantages of these opportunities.
- Thailand has shown resilience to external shocks such as US tariffs and the Middle East conflict, however if Thailand were to achieve durable and material improvements in its growth prospect alongside a sustained decline in government debt burden. These developments would be credit positive and could strengthen Thailand’s sovereign credit profile over time.
