



# Grant Thornton International Business Report

Q4 2024

March 2025



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# Thailand's Economic Landscape



## GDP:

- Thailand's economy expanded by **3.0% in Q3**, up from **2.3% in Q2**, driven by **stronger investment, tourism, and exports**.
- The **services sector** led growth, with **transportation & storage up 9.0%** and **accommodation & food services up 8.4%**. **Construction rebounded**, growing **15.5%**, after three consecutive quarters of contraction.
- **Manufacturing & Agriculture: Manufacturing remained flat**, increasing only **0.1%**, while the **agriculture sector contracted for the fourth straight quarter**.



## Private Consumption:

- Private consumption growth slowed to **3.4% in Q3**, down from **4.0% in Q2**, as spending declined across most categories, including food, utilities, clothing, vehicles, and services like healthcare, transport, and entertainment.



## Trade:

- Exports **grew 8.9 percent in Q3**, up from **4.5% in Q2** and reversing a **1.1% contraction in Q1**.
- Imports **grew 11.3 percent in Q3**, a sharp increase from **1.2% in Q2**. Growth was observed across **all import categories**, driven by **higher demand for materials** to support **exports and manufacturing production**.

# Thailand's Economic Landscape



## Industrial Activity:

- **Manufacturing Growth:** The manufacturing sector recorded **back-to-back quarterly growth for the first time since 2022**, though expansion remained slow at **0.1% in Q3**, down from **0.3% in Q2**.
- **Purchasing Managers' Index (PMI) Trends:** remained in **expansionary territory in Q3**, but the pace moderated, declining from **52.8 in July** to **50.4 in September**. It dropped to **50.0 in October**, indicating stagnation, before slightly rebounding to **50.2 in November**.



## Labour:

- Thailand's unemployment rate **edged down to 1.02% in Q3**, from 1.07% in Q2
- As industries evolve, the need for **reskilling and upskilling** remains critical, particularly in **automotive manufacturing**, where the shift from **internal combustion engine vehicles to EVs** requires a more specialized workforce.



## Inflation:

- **Inflation** eased to **0.6% in Q3**, down from **0.8% in Q2**.
- **Key Drivers:** The decline was driven by **slower price increases** in **food, beverages, housing, and utilities**.

# Thailand's Economic Landscape



## Currency:

- **Thai baht surged nearly 12% against the US dollar in Q3**, reaching its strongest level in **31 months**, prompting central bank intervention to **stabilize the currency** due to concerns over its impact on **exports and tourism**
- Since the end of Q3, the baht has **weakened by about 6%**, reflecting shifts in **global economic conditions and geopolitical developments following the US elections**



## Policy Rate:

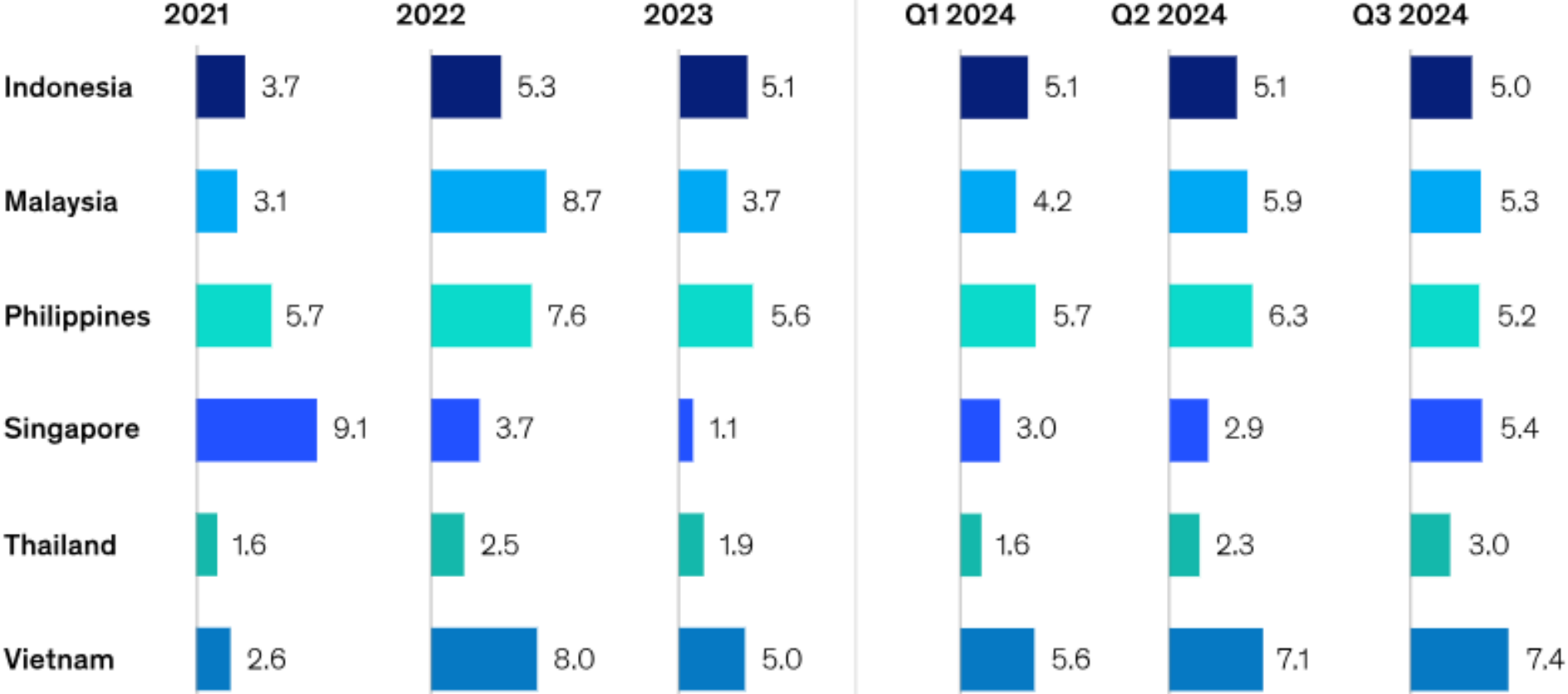
- After keeping the **policy rate unchanged in August 2024**, the **Bank of Thailand cut interest rate by 25 basis points to 2.25% in October**, marking its **first rate cut in over four years**.
- The move aims to **ease the debt burden on borrowers** and **stimulate economic recovery**, with the **next policy review scheduled for December 2024**..



## Capital Inflows:

- **FDI inflows surged to 220.9 billion baht (US \$6.2 billion) in Q3**, up from **156.4 billion baht (US \$4.4 billion) in Q2**.
- Total FDI for the first **nine months reached 546.6 billion baht (US \$15.3 billion)**, a **38% increase from 2023**, driven by **electronics, digital, and automotive sectors**.

# Real GDP growth rate vs previous period, %



Source: Countries' national statistics offices; Oxford Economics

McKinsey & Company



# Thailand exports vs industrial production



Thailand exports vs industrial production,<sup>1</sup> % value growth



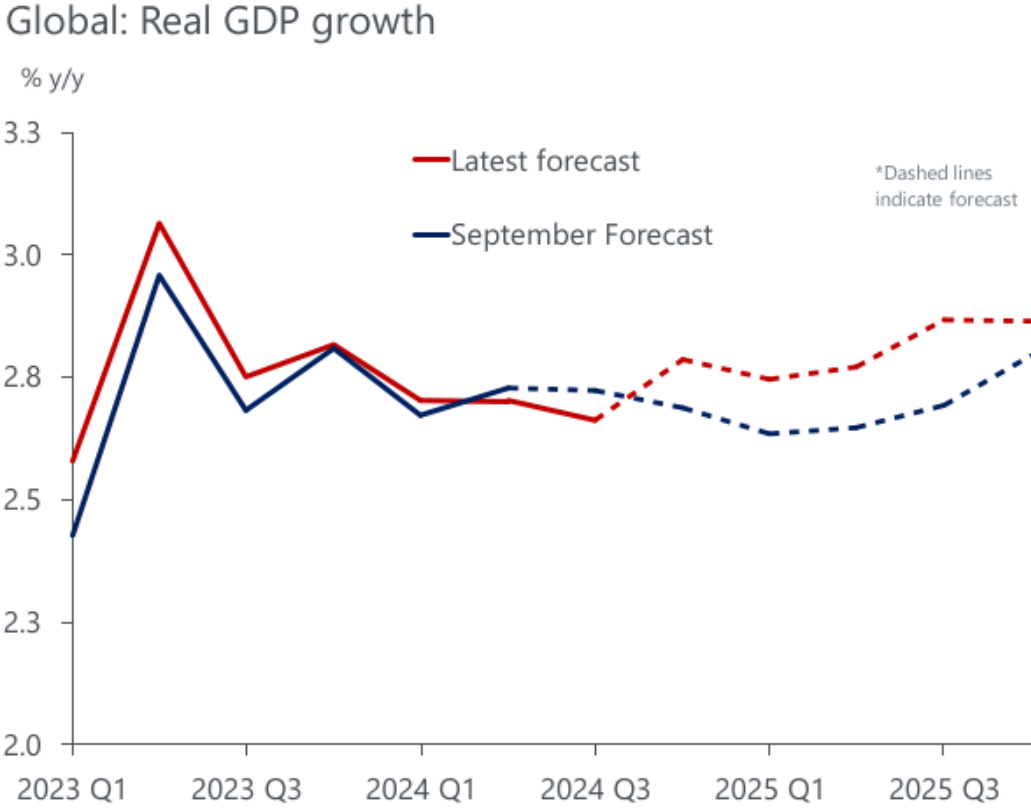
<sup>1</sup>Year-on-year change, quarterly, through Q3 2024.  
Source: Countries' national statistics offices; Oxford Economics

McKinsey & Company

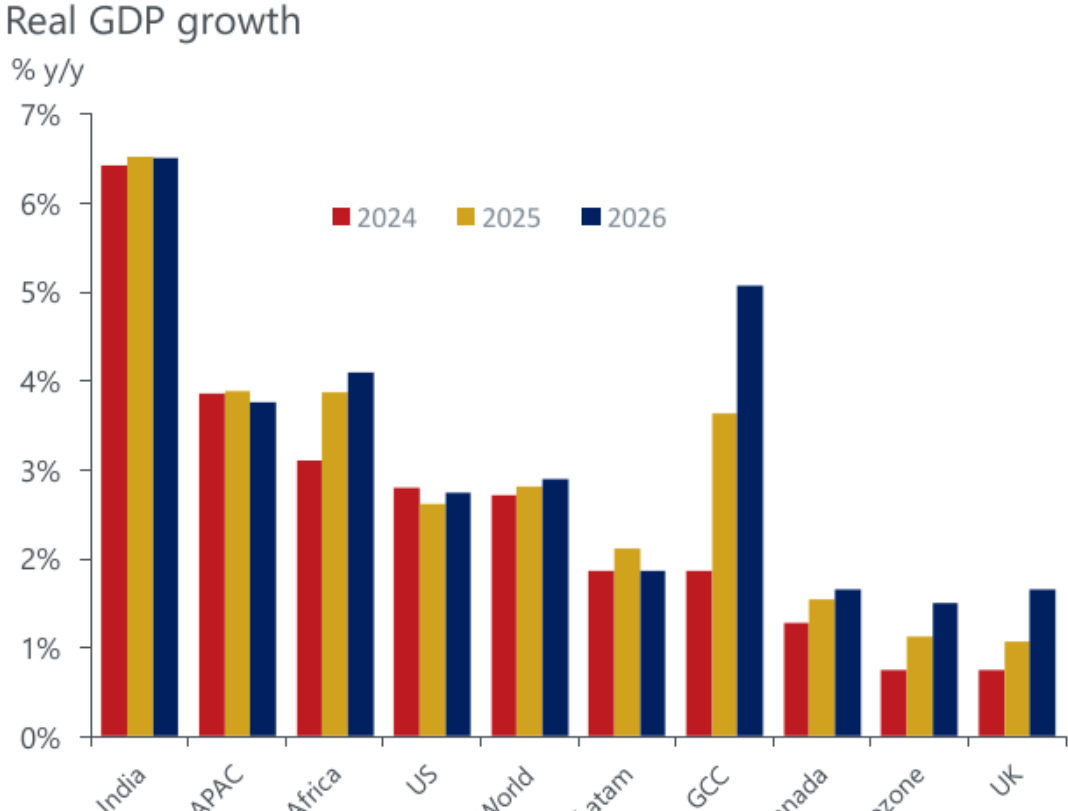
## Key Finding

- Thailand's GDP growth **accelerated to 3.0%** in the third quarter, faster than the 2.3 percent growth in the second quarter, supported by stronger investment, tourism, and exports performance with exports **growing by 4.5%** and production increasing by 0.2% for the first time since 2022.
- Full-year 2024 growth is expected between **2.3% and 2.8%**, driven by tourism recovery, strong domestic and government consumption, investment, and export improvements.

# Global economy set to strengthen in 2025 following upgrade to US outlook



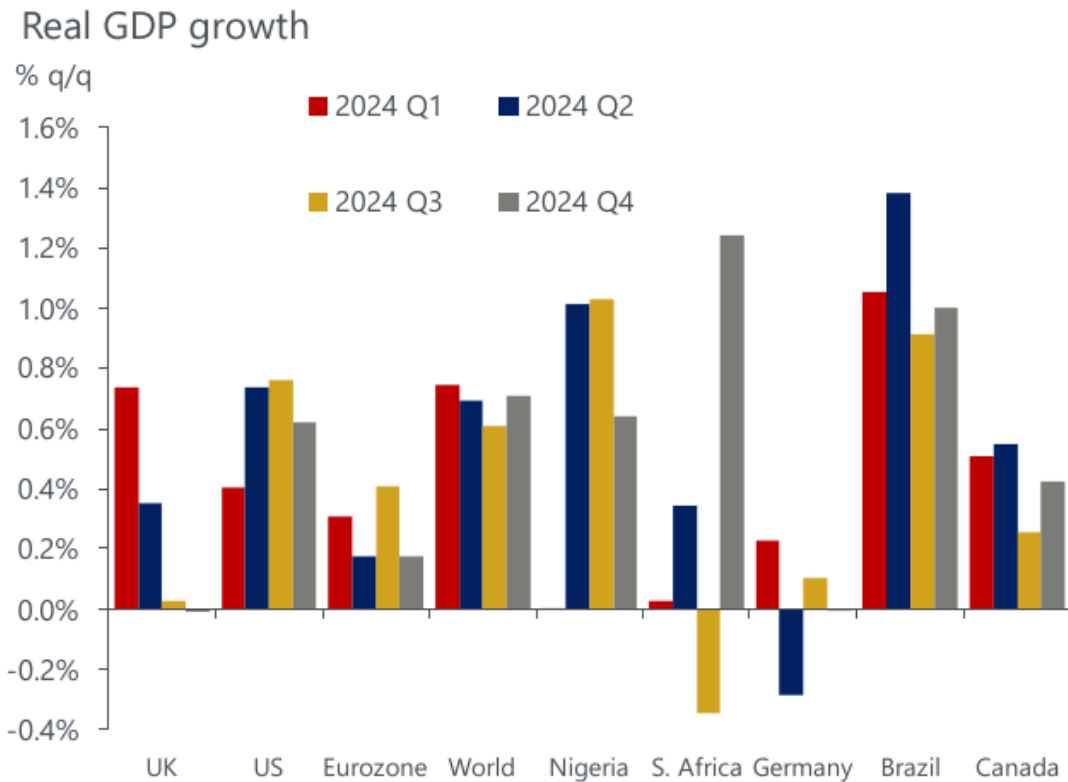
Source: Oxford Economics/Haver Analytics



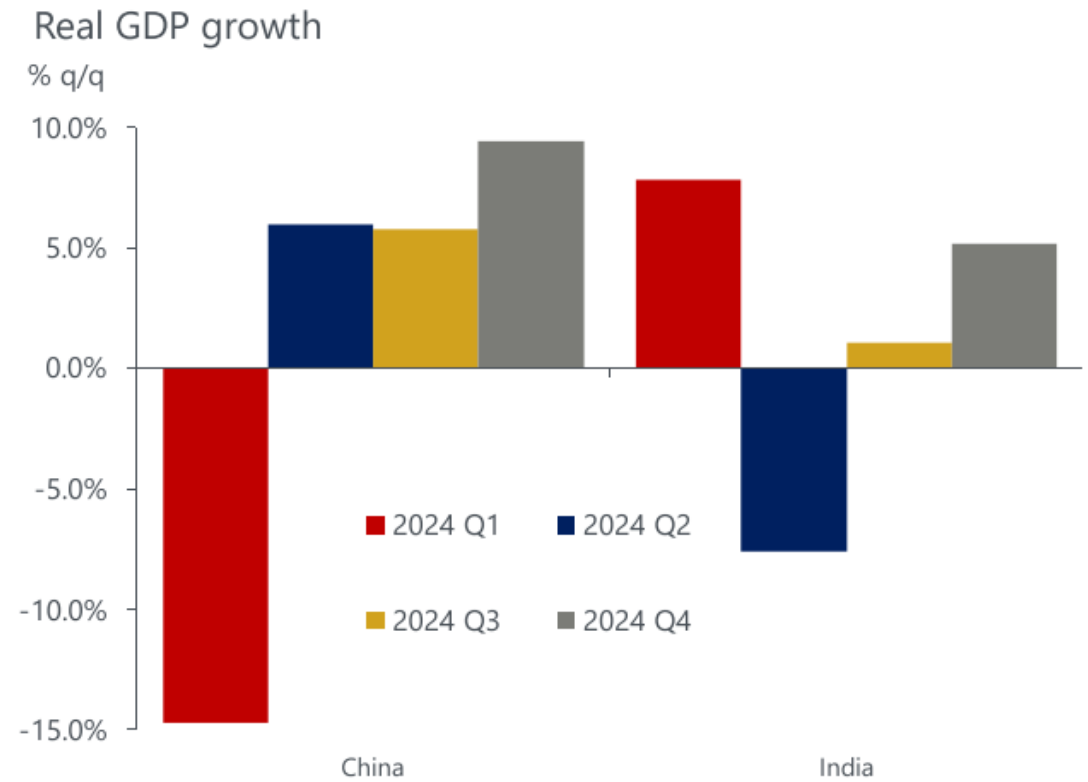
Source: Oxford Economics/Haver Analytics



# Quarterly economic growth has remained modest across most economies this year, whilst China is gaining some momentum after weak Q1



Source: Oxford Economics/Haver Analytics



Source: Oxford Economics/Haver Analytics

# 1 What is the IBR?

# International Business Report (IBR)

## What is the IBR?



The Grant Thornton International Business Report (IBR) is a **survey of mid-market businesses**. Launched in 1992, the IBR provides insight into the overall **sentiment** of around **3,805 C-Suite-Level Leaders across 31 economies** by assessing business leaders' views and expectations.



Questionnaires are translated into local languages and fieldwork is undertaken quarterly, through **both online and telephone interviews**. The data for this release is from interviews conducted between 2 October - 8 November 2024 with chief executive officers, managing directors, chairpersons, or other senior executives from all industry sectors.

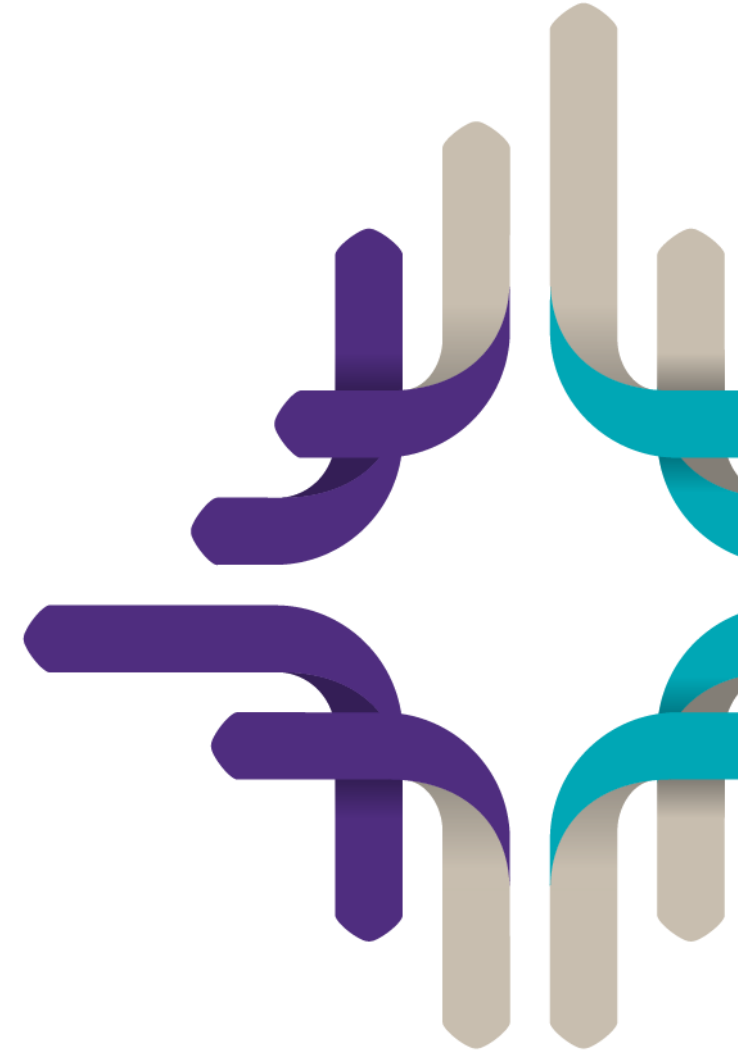


The latest wave of IBR research took place from **2 October - 8 November**. This data relates to the third quarter of the year and should be referred to as 'Q3 2024'. **90 mid-market business leaders in Thailand** were interviewed during this wave of research.



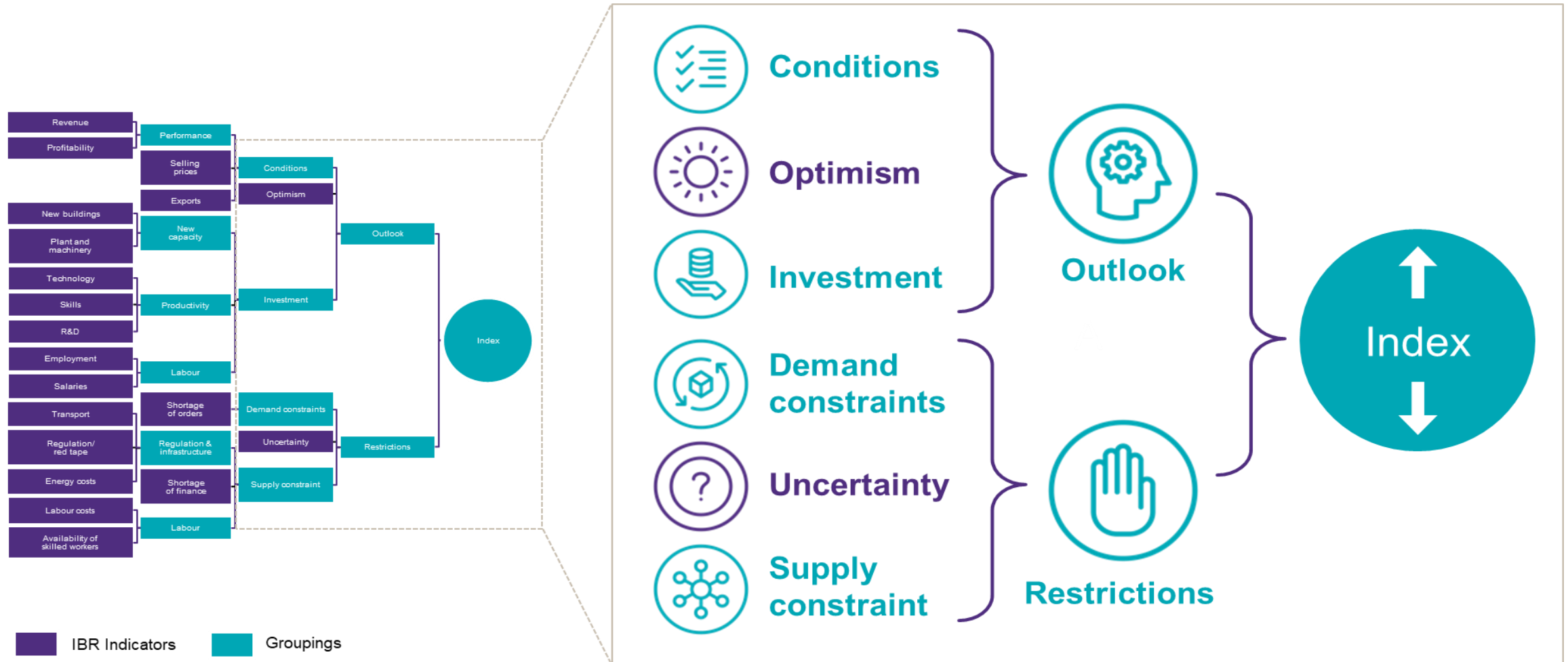
**Oxford Economics**, a provider of global economic forecasting and quantitative analysis, supports Grant Thornton International Ltd. in analysing and interpreting the results from the IBR after each round of research. They also developed our unique index into mid-market health that was launched in 1992. Among other things, the work on the index involved analysing the indicators, developing the underlying model and calculating the weightings and scores, and testing the correlation between the index and other macroeconomic indicators

Source: Grant Thornton, Oxford Economics



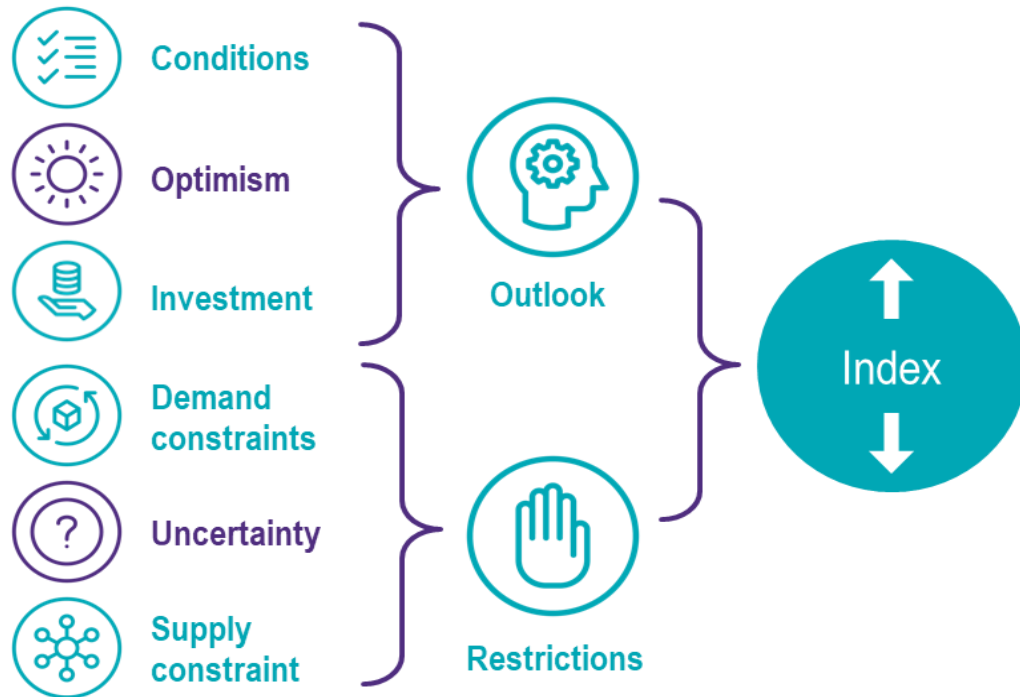


# The IBR Index: Indicators, Elements of Health



# How the Index Scoring Works

## What is the IBR?



Grant Thornton's Global business pulse is a single figure calculated from an underlying model consisting of 20 forward-looking indicators. The index is calculated every six months and can be compared across time and across different geographies and sectors, to assess the relative health of mid-market firms. The higher the score, the healthier the mid-market, and the greater likelihood of growth.

### Outlook:

This sub-index shows the outlook for mid-market businesses and consists of 10 indicators covering future business conditions (including growth), economic optimism, and future investment intentions. **These indicators are scored positively and result in a score for this sub-index of between 0 and 100**

### Restrictions:

This sub-index shows the extent of restrictions to mid-market growth and consists of 10 indicators covering demand and supply constraints and economic uncertainty. **These indicators are scored negatively and generate a score for this sub-index of between 0 and -100.**

The final index value is the weighted sum of these two sub-indices and ranges from -50 to +50

- **+50** would represent perfect health with no restrictions, an ideal outlook and the likelihood of high growth in the future
- **-50** would represent dire health, with crushing restrictions, an appalling outlook and the likelihood of decline in the future

# Thailand's Sample Size: Deep dive into the 90 respondents

Most respondents were female

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**30%** Male  
**70%** Female

Most respondents were CEO and Director level

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**60%** CEOs/MDs  
**33%** Directors  
**7%** Other Senior Positions

Most respondents were aged between 25 – 44

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**83%**  
Aged between 25 – 44

*Only 3 respondents were aged 55+*

Most respondents were from businesses with 50 – 149 employees

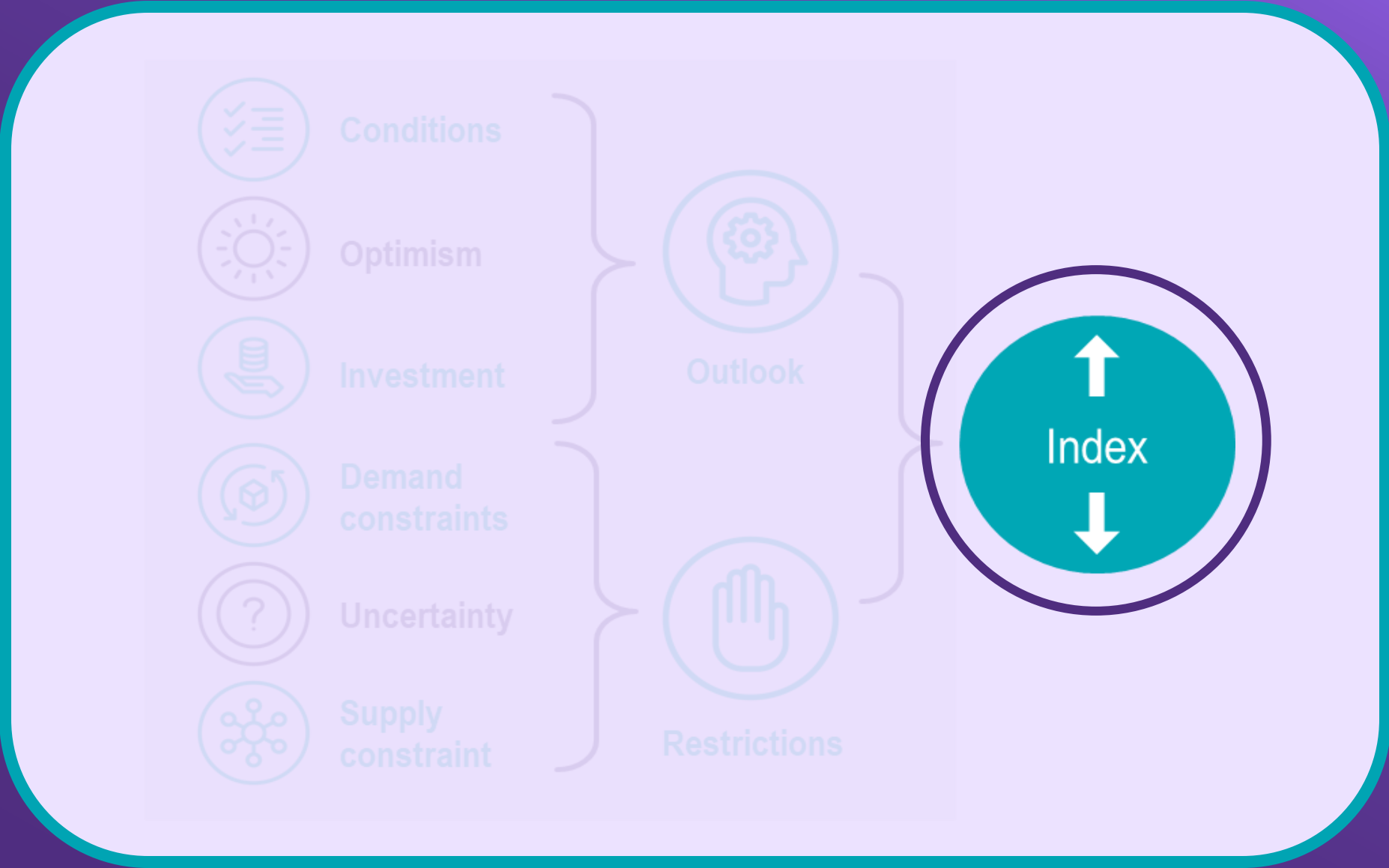
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**47%** with 50 – 149 employees  
**38%** with 150 – 299 employees  
**15%** with 300+ employees

Source: Grant Thornton

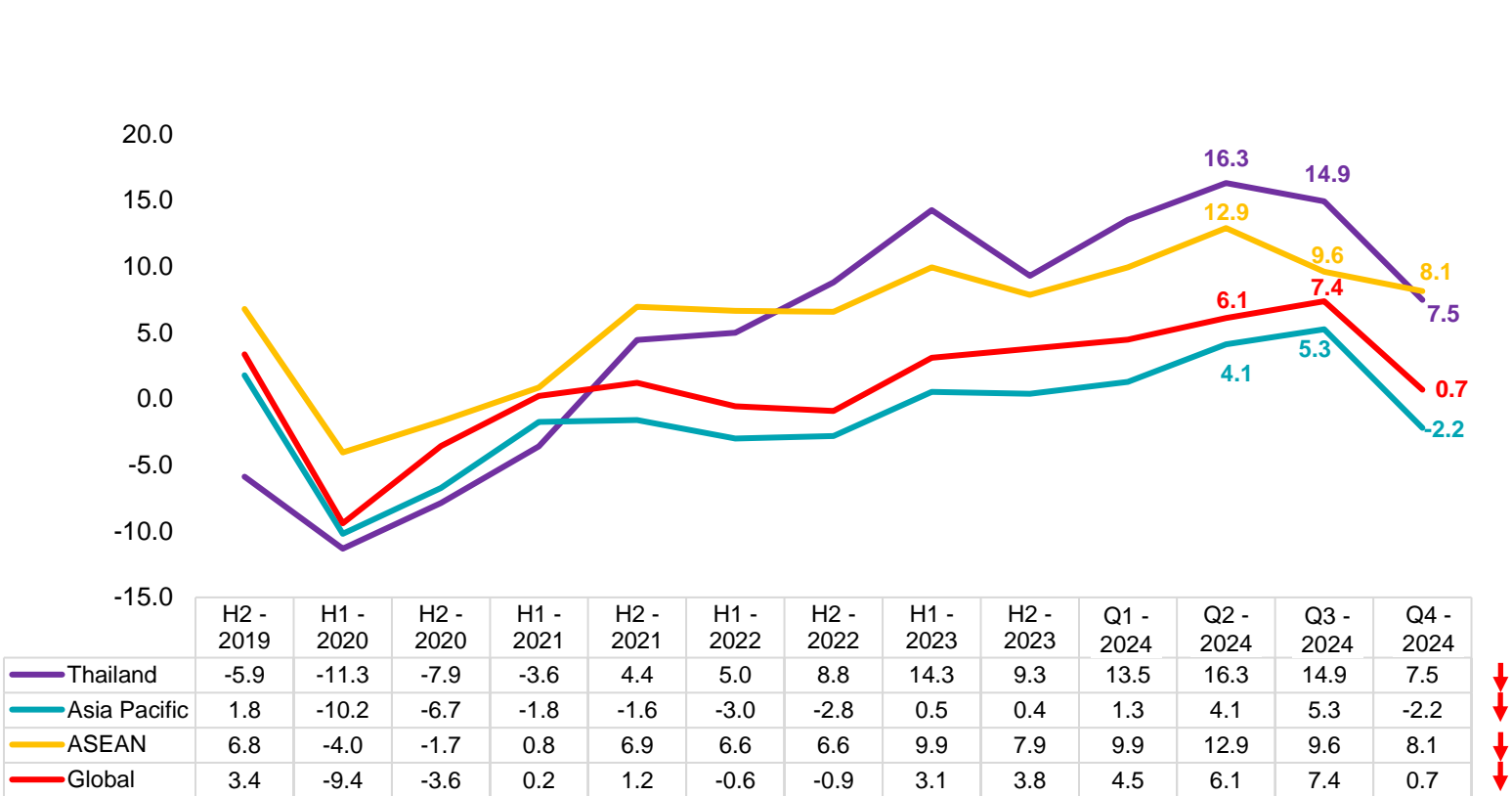


# 2 Business Health in Thailand



# Weaken Business Health in Thailand – Index

The Thai mid-market shows an increase in business health in Q4 2024. The index scores witness business health in Thailand continue to weak as well as APAC and global landscapes.



Source: Grant Thornton, Oxford Economics

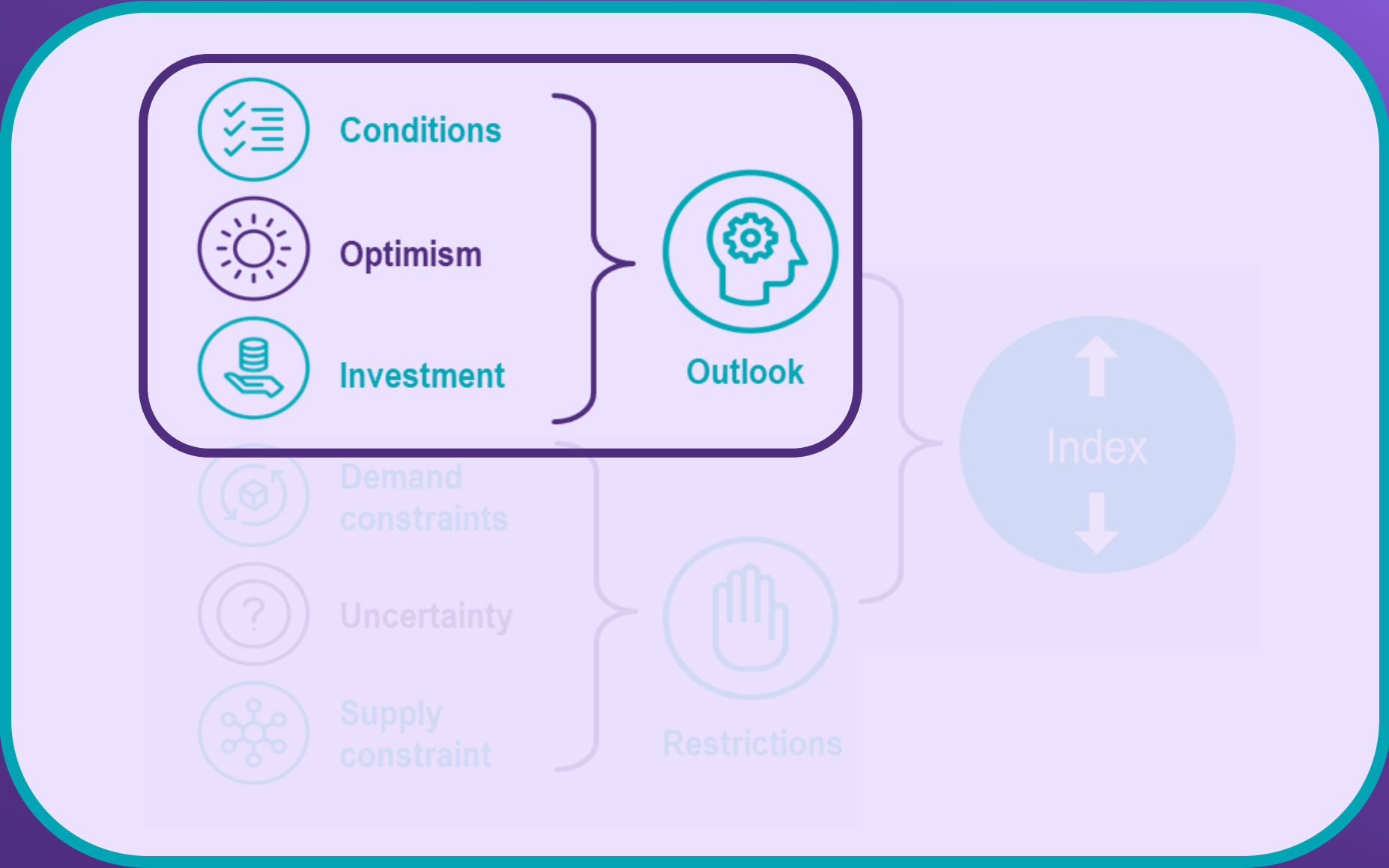
## Business Health

- Global and Asia Pacific indices have weakened to **0.7 and -2.2pp** respectively.
- ASEAN and Thailand indices have fallen to **8.1 and 7.5pp** respectively.
- In Q4 2024, Thailand's index number down by **7.4pp**

**ASEAN Countries:** Indonesia, Malaysia, Philippines, Singapore, Thailand, Vietnam

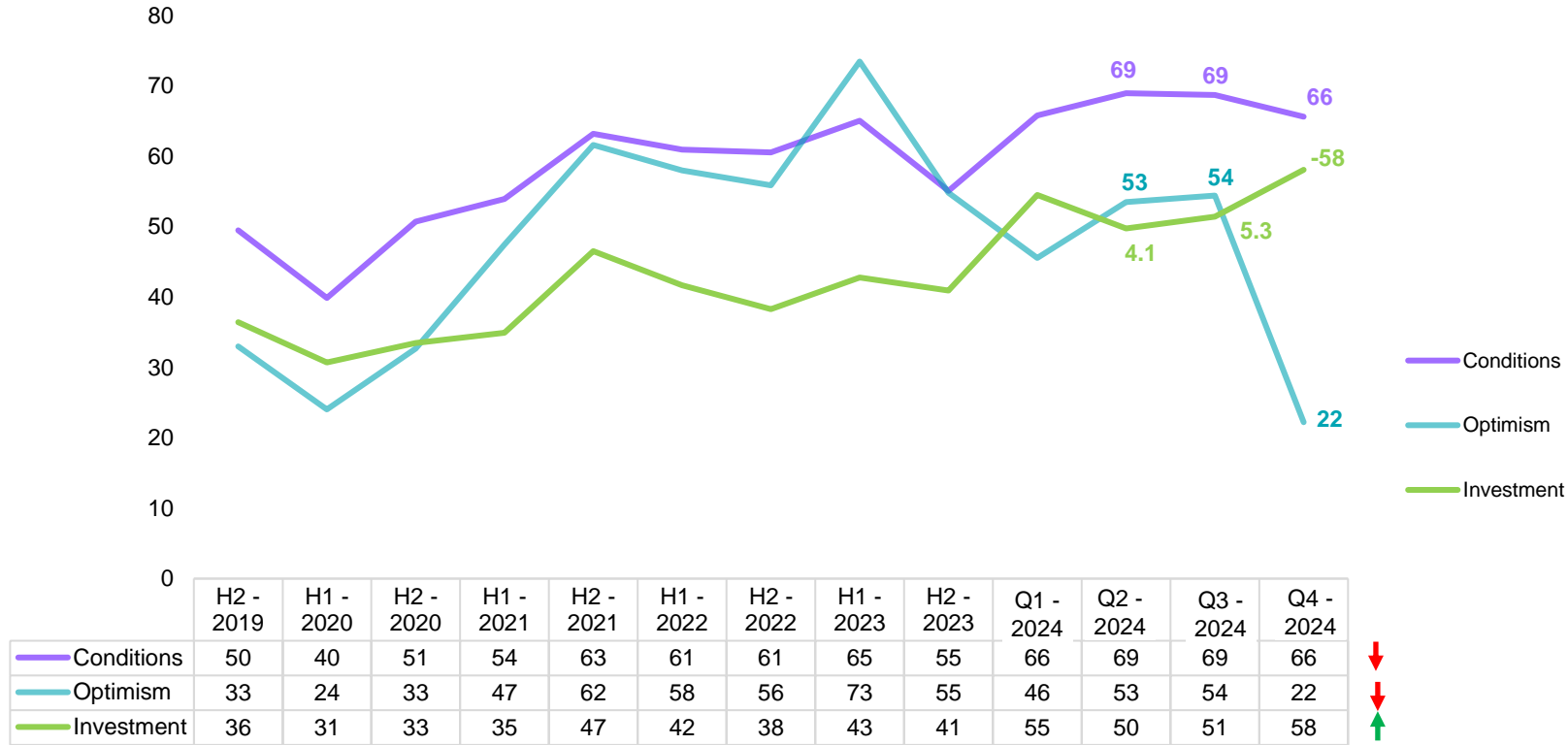
**Asia Pacific:** Australia, China, India, Indonesia, Japan, Malaysia, Philippines, Singapore, South Korea, Thailand, Vietnam





# Thailand: Outlook

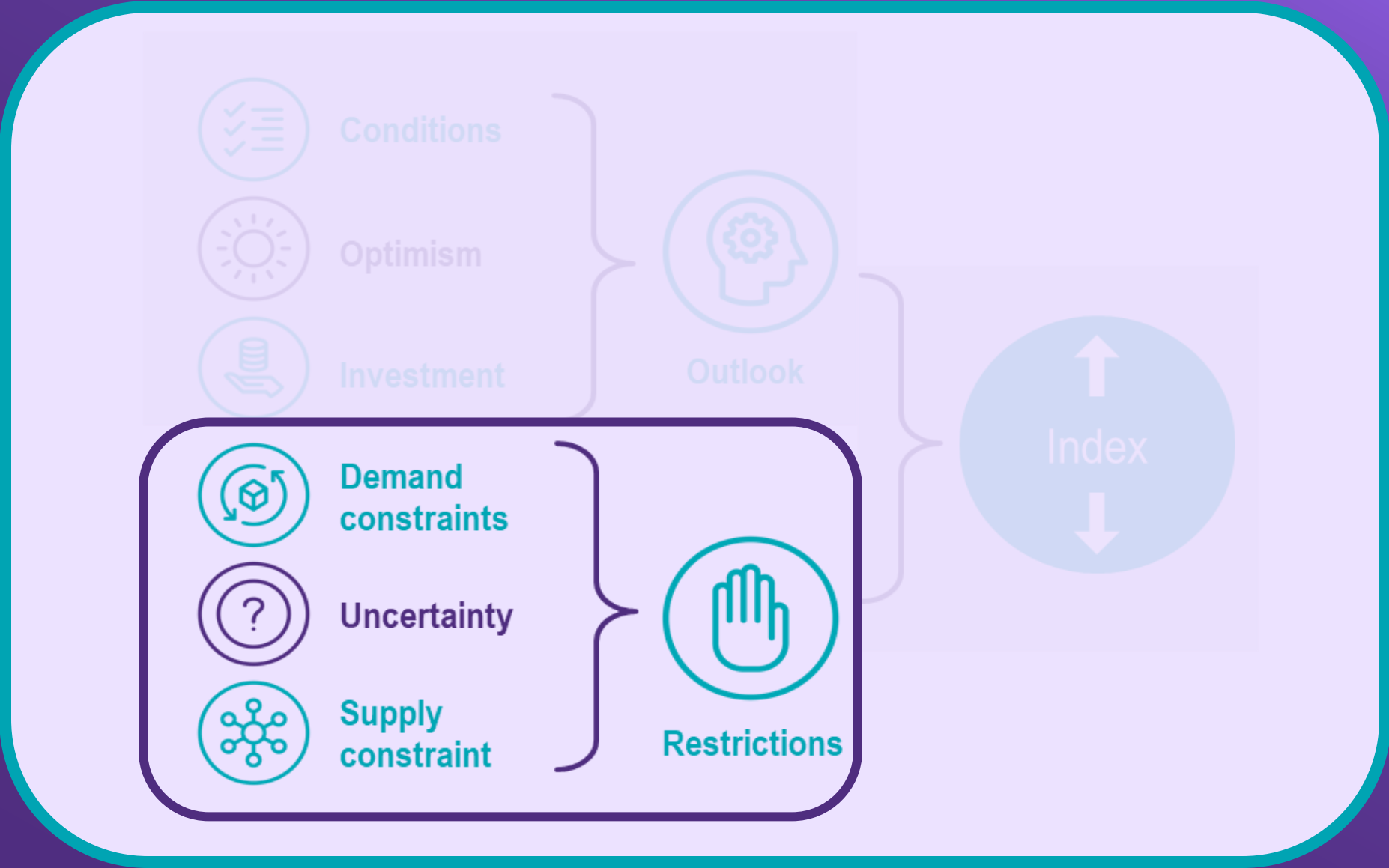
## Conditions, Optimism, and Investment



Source: Grant Thornton, Oxford Economics

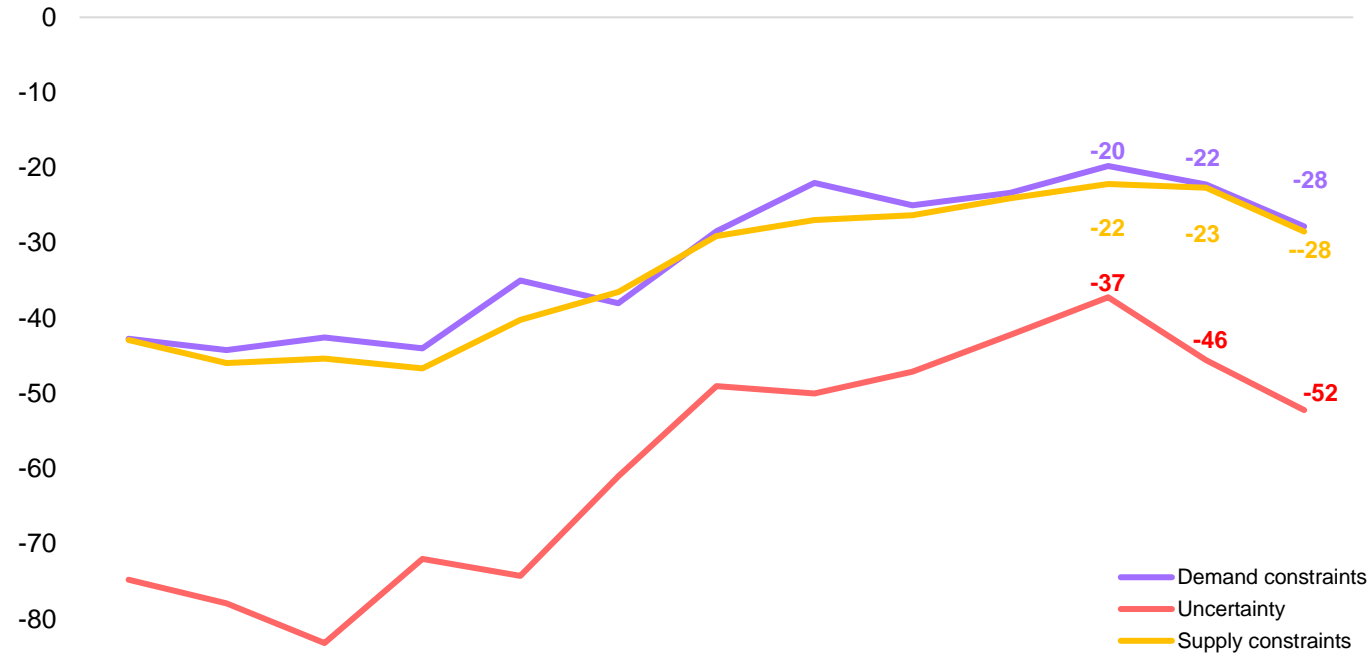
### Outlook

- Business conditions dropped to 66
- Investment intentions grew by 7 percentage point
- Optimism dropped tremendously to 22



# Thailand: Restrictions

## Demand Constraints, Uncertainty, and Supply Constraints



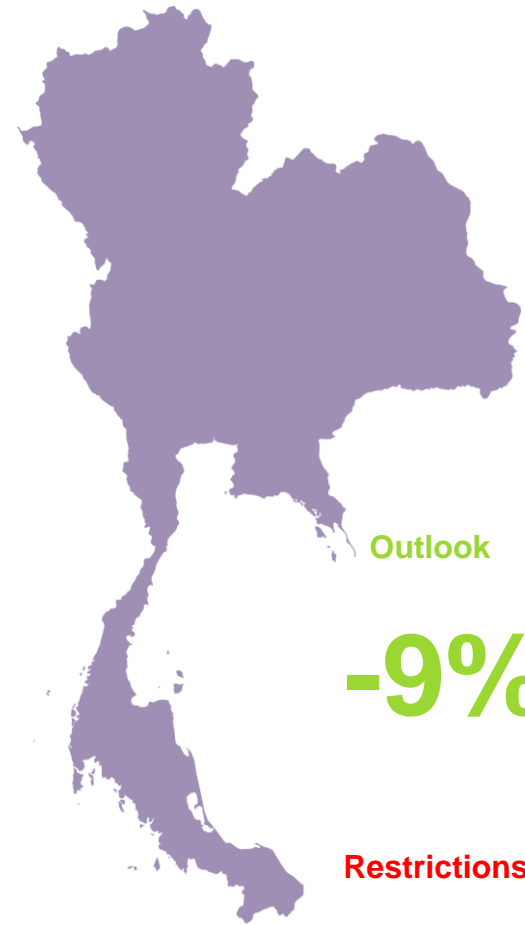
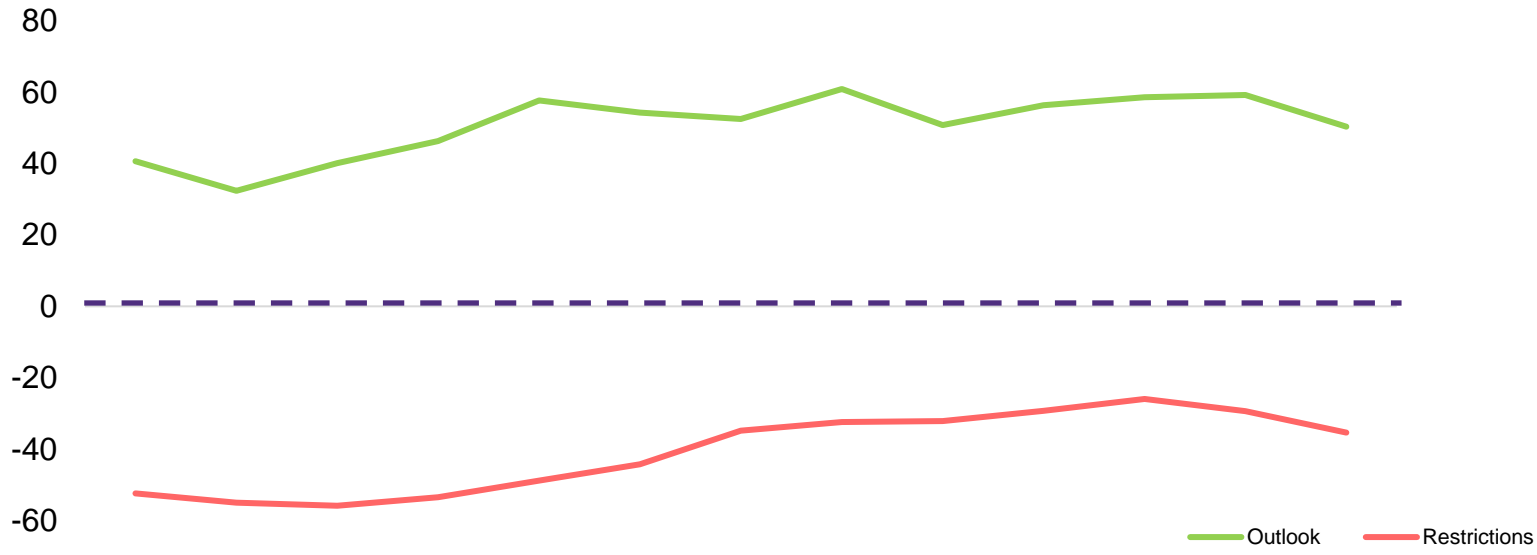
### Restrictions

- Supply Constraints and Uncertainty worsen by 5 and 6 percentage points, respectively
- Demand constraints also worsen -22 to -28pp.



Source: Grant Thornton, Oxford Economics

# Outlook and Restrictions



Outlook  
**-9%** ↓  
 Restrictions  
**-6%** ↓

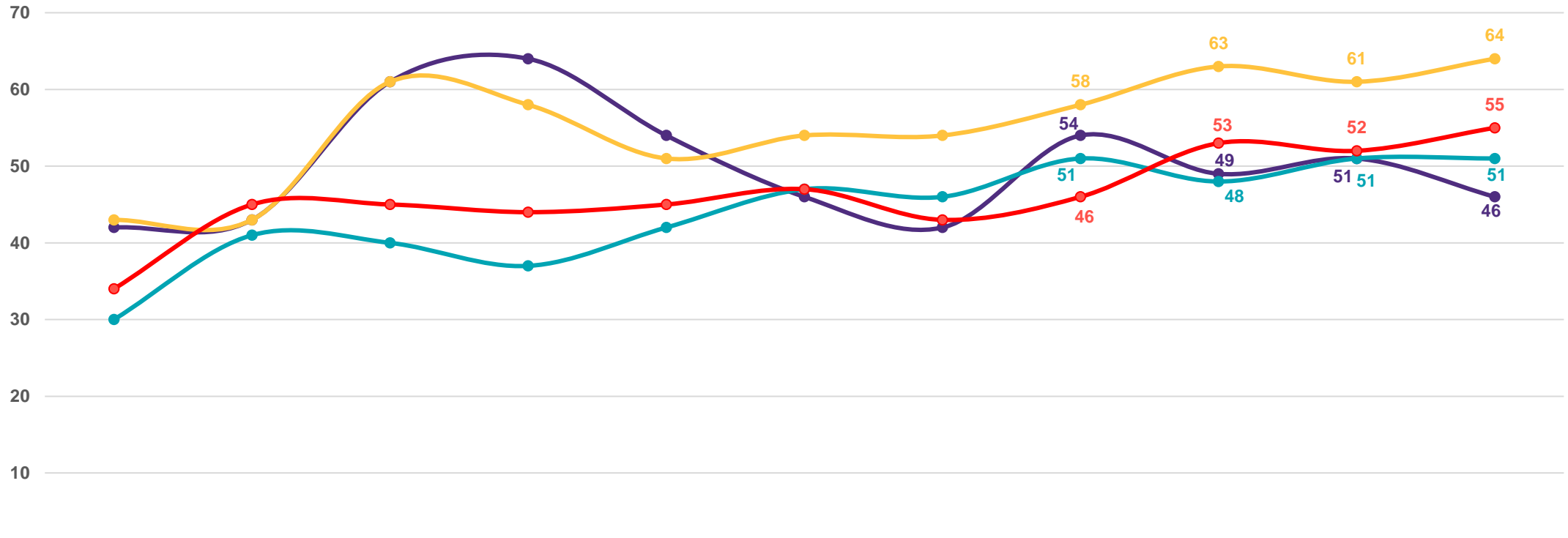
Source: Grant Thornton, Oxford Economics



# 3 Business Conditions

# Exports

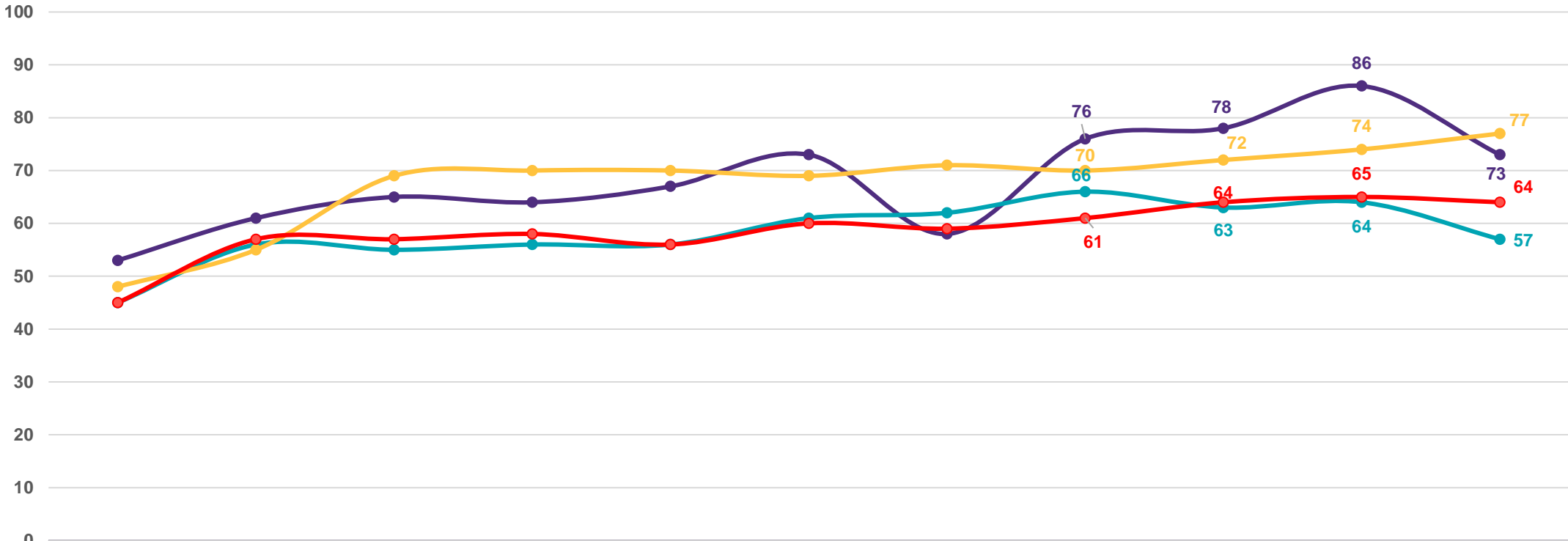
% of businesses expecting an increase over the next 12 months



	H2 - 2020	H1 - 2021	H2 - 2021	H1 - 2022	H2 - 2022	H1 - 2023	H2 - 2023	Q1 - 2024	Q2 - 2024	Q3 - 2024	Q4 - 2024	
Thailand	42	43	61	64	54	46	42	54	49	51	46	↓
Asia Pacific	30	41	40	37	42	47	46	51	48	51	51	=
ASEAN	43	43	61	58	51	54	54	58	63	61	64	↑
Global	34	45	45	44	45	47	43	46	53	52	55	↑

# Revenues

% of businesses expecting an increase over the next 12 months

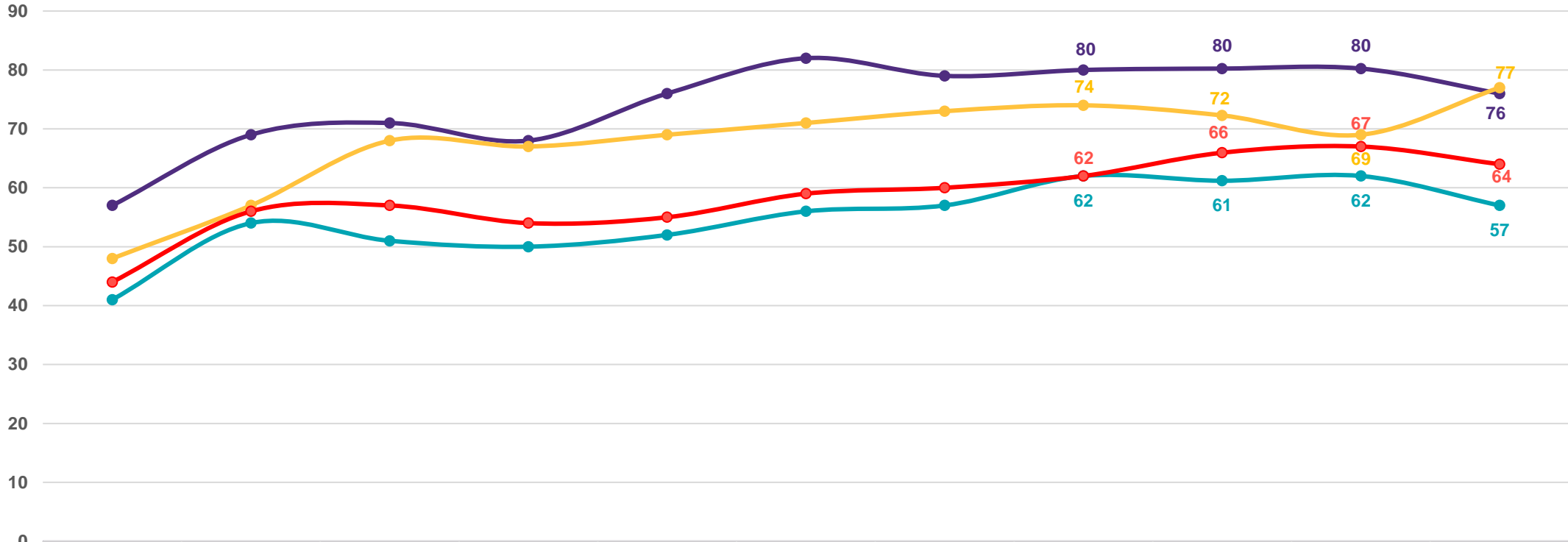


	H2 - 2020	H1 - 2021	H2 - 2021	H1 - 2022	H2 - 2022	H1 - 2023	H2 - 2023	Q1 - 2024	Q2 - 2024	Q3 - 2024	Q4 - 2024
Thailand	53	61	65	64	67	73	58	76	78	86	73
Asia Pacific	45	56	55	56	56	61	62	66	63	64	57
ASEAN	48	55	69	70	70	69	71	70	72	74	77
Global	45	57	57	58	56	60	59	61	64	65	64



# Profitability

% of businesses expecting an increase over the next 12 months

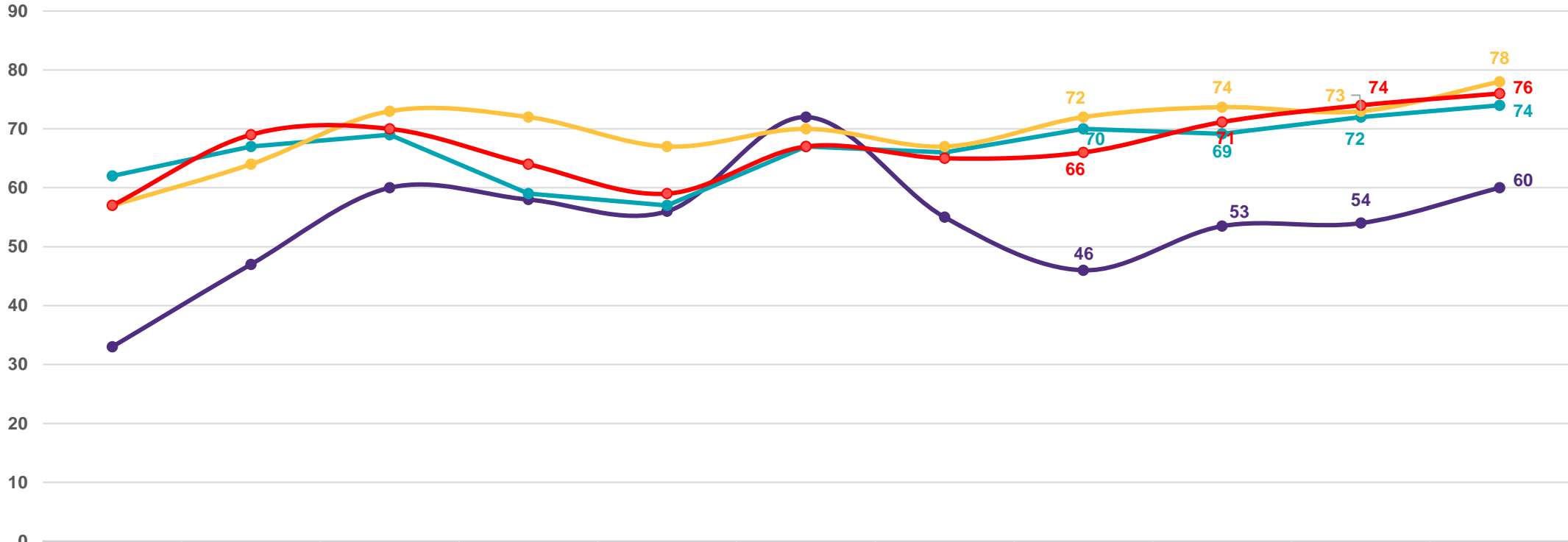


	H2 - 2020	H1 - 2021	H2 - 2021	H1 - 2022	H2 - 2022	H1 - 2023	H2 - 2023	Q1 - 2024	Q2 - 2024	Q3 - 2024	Q4 - 2024
Thailand	57	69	71	68	76	82	79	80	80	80	76
Asia Pacific	41	54	51	50	52	56	57	62	61	62	57
ASEAN	48	57	68	67	69	71	73	74	72	69	77
Global	44	56	57	54	55	59	60	62	66	67	64



# Economic Optimism

% of businesses expecting an increase over the next 12 months



	H2 - 2020	H1 - 2021	H2 - 2021	H1 - 2022	H2 - 2022	H1 - 2023	H2 - 2023	Q1 - 2024	Q2 - 2024	Q3 - 2024	Q4 - 2024
Thailand	33	47	60	58	56	72	55	46	53	54	60
Asia Pacific	62	67	69	59	57	67	66	70	69	72	74
ASEAN	57	64	73	72	67	70	67	72	74	73	78
Global	57	69	70	64	59	67	65	66	71	74	76

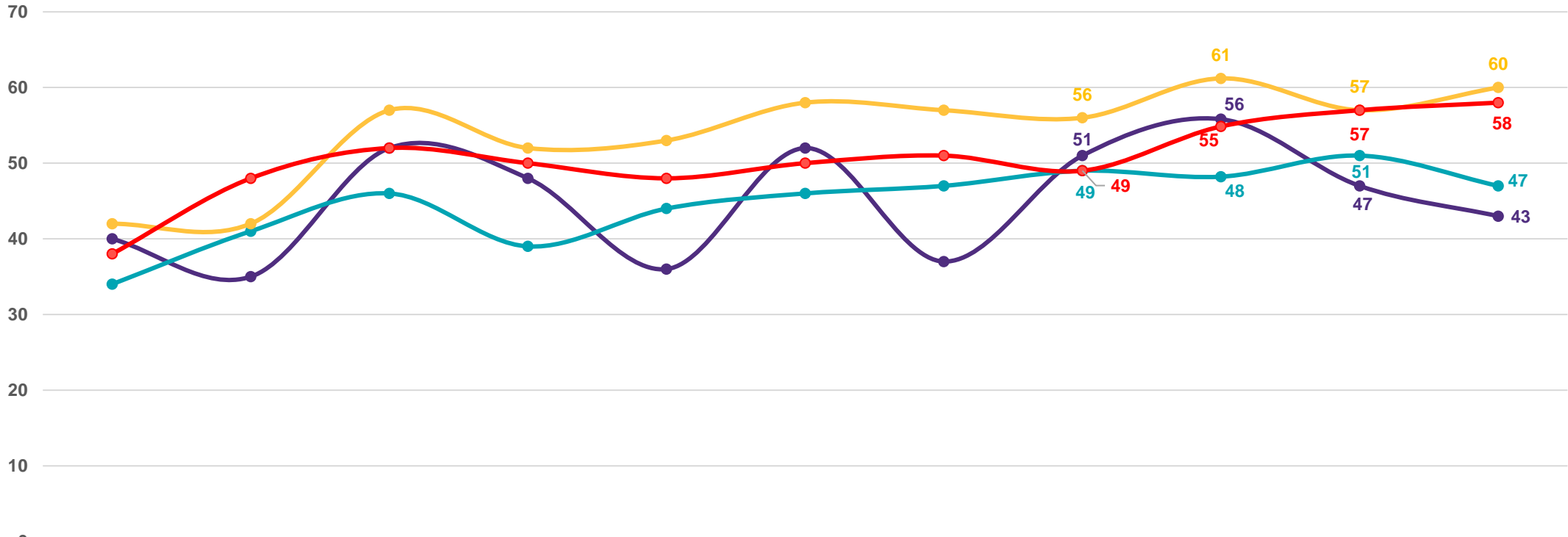




# 4 Future Investment Intentions

# Employment

% of businesses expecting an increase over the next 12 months

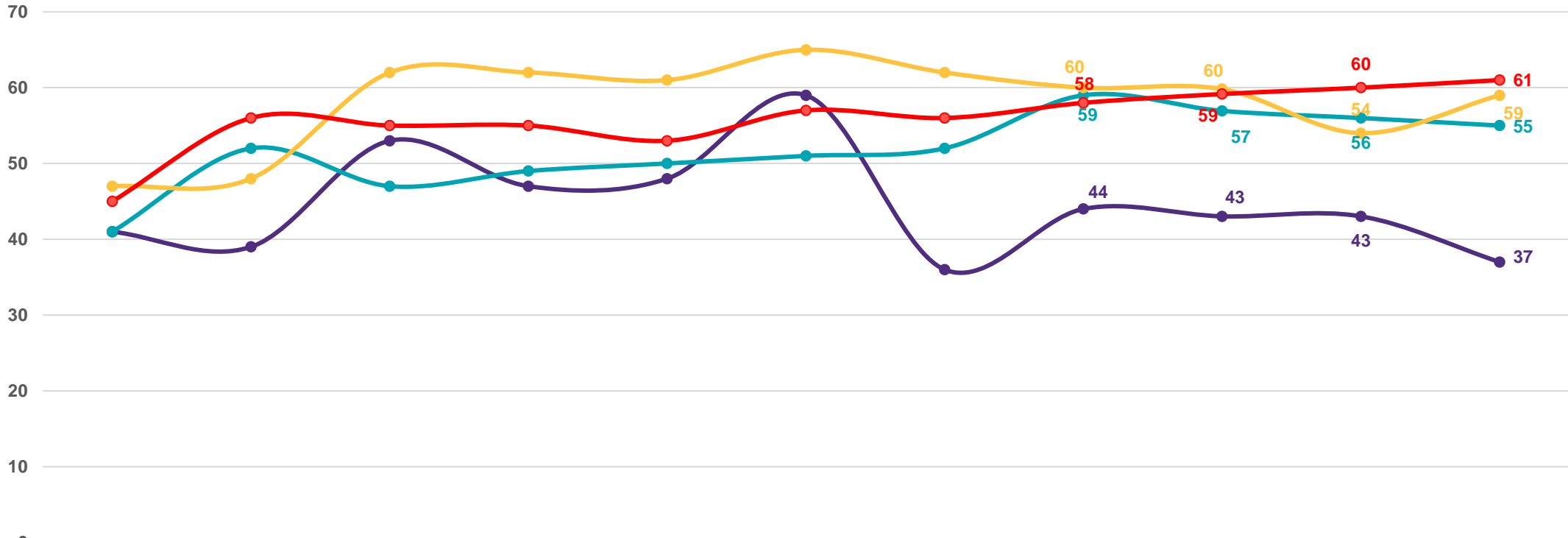


	H2 - 2020	H1 - 2021	H2 - 2021	H1 - 2022	H2 - 2022	H1 - 2023	H2 - 2023	Q1 - 2024	Q2 - 2024	Q3 - 2024	Q4 - 2024
Thailand	40	35	52	48	36	52	37	51	56	47	43
Asia Pacific	34	41	46	39	44	46	47	49	48	51	47
ASEAN	42	42	57	52	53	58	57	56	61	57	60
Global	38	48	52	50	48	50	51	49	55	57	58



# Investment in People

% of businesses expecting an increase over the next 12 months

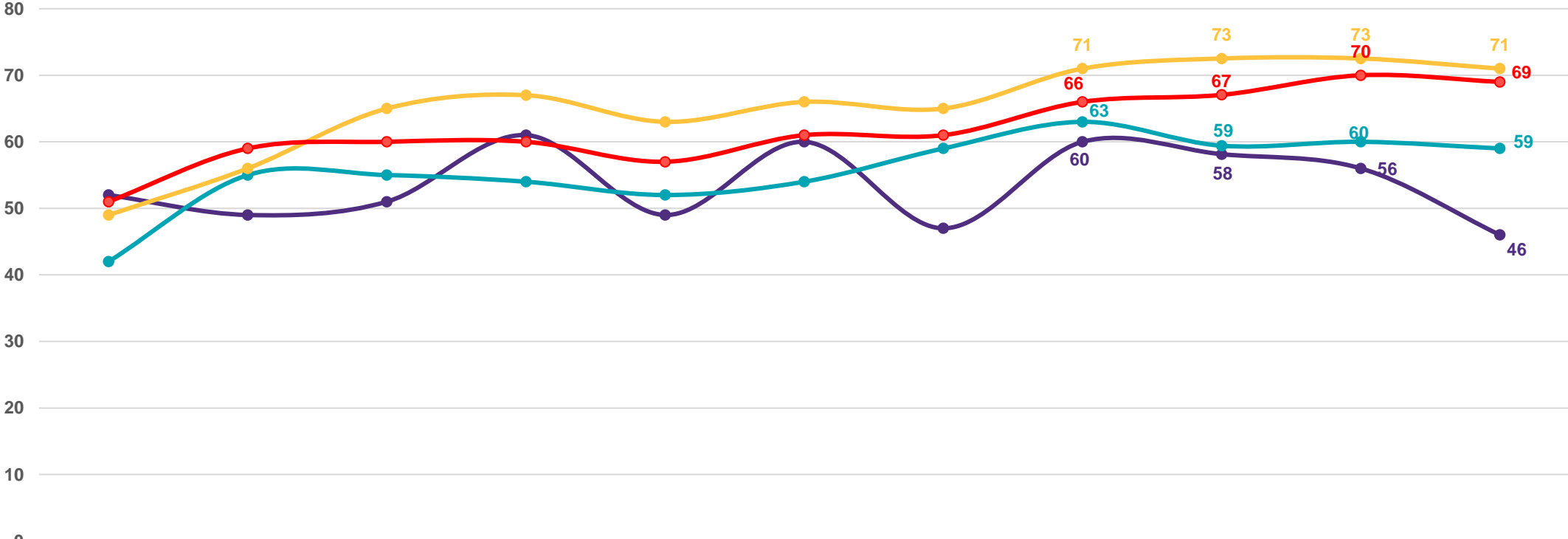


	H2 - 2020	H1 - 2021	H2 - 2021	H1 - 2022	H2 - 2022	H1 - 2023	H2 - 2023	Q1 - 2024	Q2 - 2024	Q3 - 2024	Q4 - 2024
Thailand	41	39	53	47	48	59	36	44	43	43	37
Asia Pacific	41	52	47	49	50	51	52	59	57	56	55
ASEAN	47	48	62	62	61	65	62	60	60	54	59
Global	45	56	55	55	53	57	56	58	59	60	61



# Investment in Technology

% of businesses expecting an increase over the next 12 months

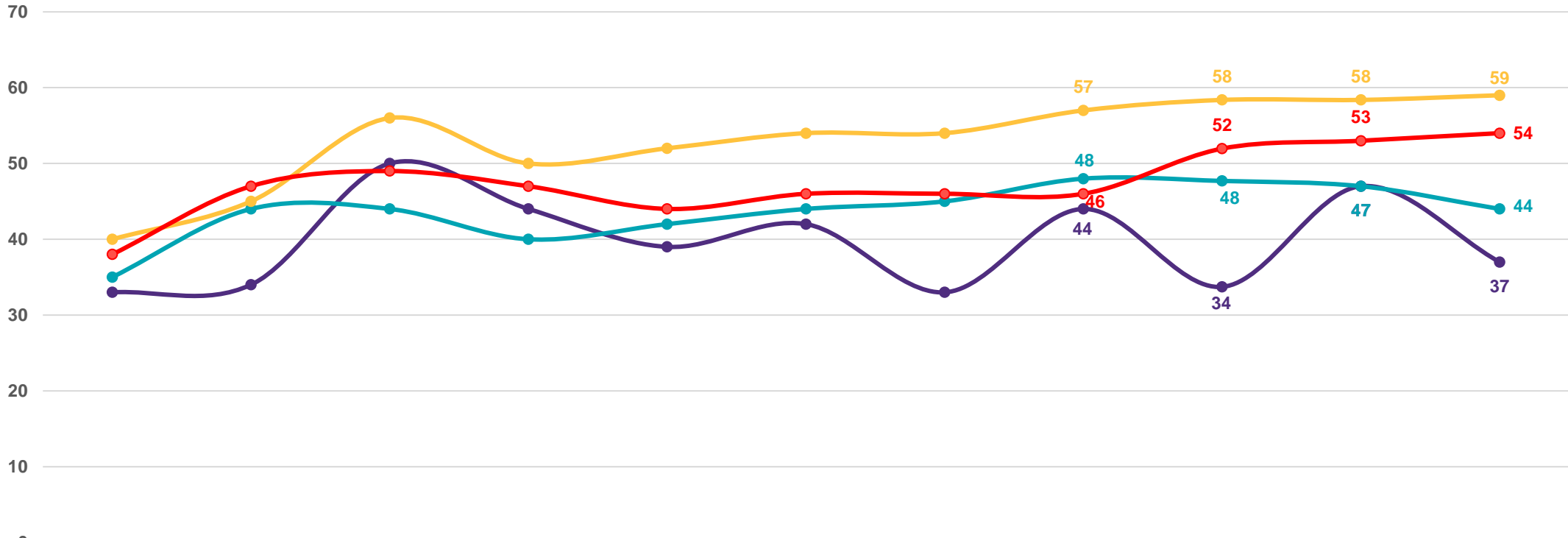


	H2 - 2020	H1 - 2021	H2 - 2021	H1 - 2022	H2 - 2022	H1 - 2023	H2 - 2023	Q1 - 2024	Q2 - 2024	Q3 - 2024	Q4 - 2024
Thailand	52	49	51	61	49	60	47	60	58	56	46
Asia Pacific	42	55	55	54	52	54	59	63	59	60	59
ASEAN	49	56	65	67	63	66	65	71	73	73	71
Global	51	59	60	60	57	61	61	66	67	70	69



# Investment in Plant & Machinery

% of businesses expecting an increase over the next 12 months



	H2 - 2020	H1 - 2021	H2 - 2021	H1 - 2022	H2 - 2022	H1 - 2023	H2 - 2023	Q1 - 2024	Q2 - 2024	Q3 - 2024	Q4 - 2024
Thailand	33	34	50	44	39	42	33	44	34	47	37
Asia Pacific	35	44	44	40	42	44	45	48	48	47	44
ASEAN	40	45	56	50	52	54	54	57	58	58	59
Global	38	47	49	47	44	46	46	46	52	53	54



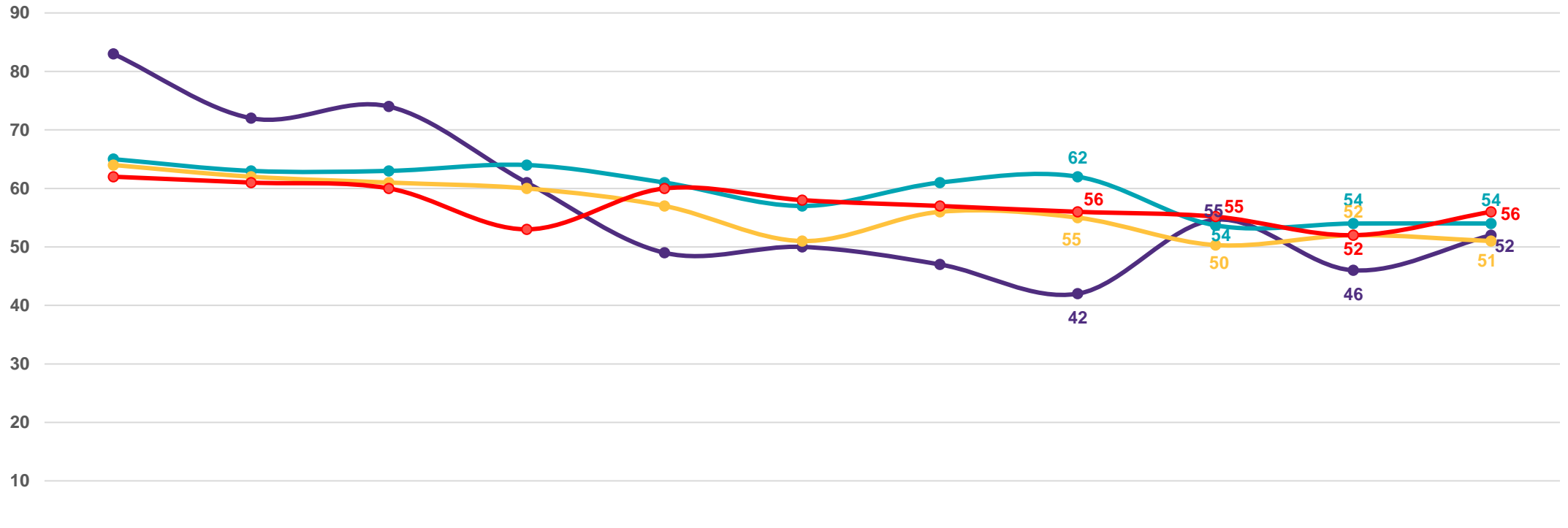


# 5 Constraints to Business Growth

\*The lower the figure the better

# Economic Uncertainty

% answering 4 to 5 on a 1-5 scale where 5 is a major constraint

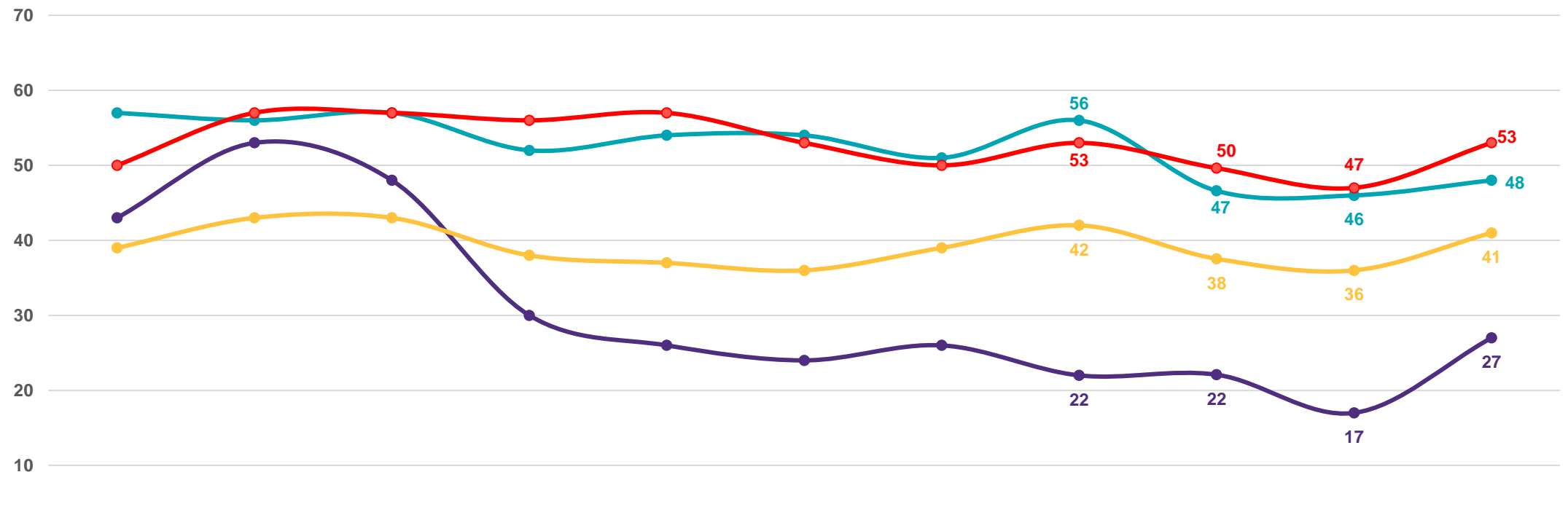


	H2 - 2020	H1 - 2021	H2 - 2021	H1 - 2022	H2 - 2022	H1 - 2023	H2 - 2023	Q1 - 2024	Q2 - 2024	Q3 - 2024	Q4 - 2024	
Thailand	83	72	74	61	49	50	47	42	55	46	52	↑
Asia Pacific	65	63	63	64	61	57	61	62	54	54	54	=
ASEAN	64	62	61	60	57	51	56	55	50	52	51	↓
Global	62	61	60	53	60	58	57	56	55	52	56	↑

\*The lower the figure the better

# Availability of Skilled Workforce

% answering 4 to 5 on a 1-5 scale where 5 is a major constraint

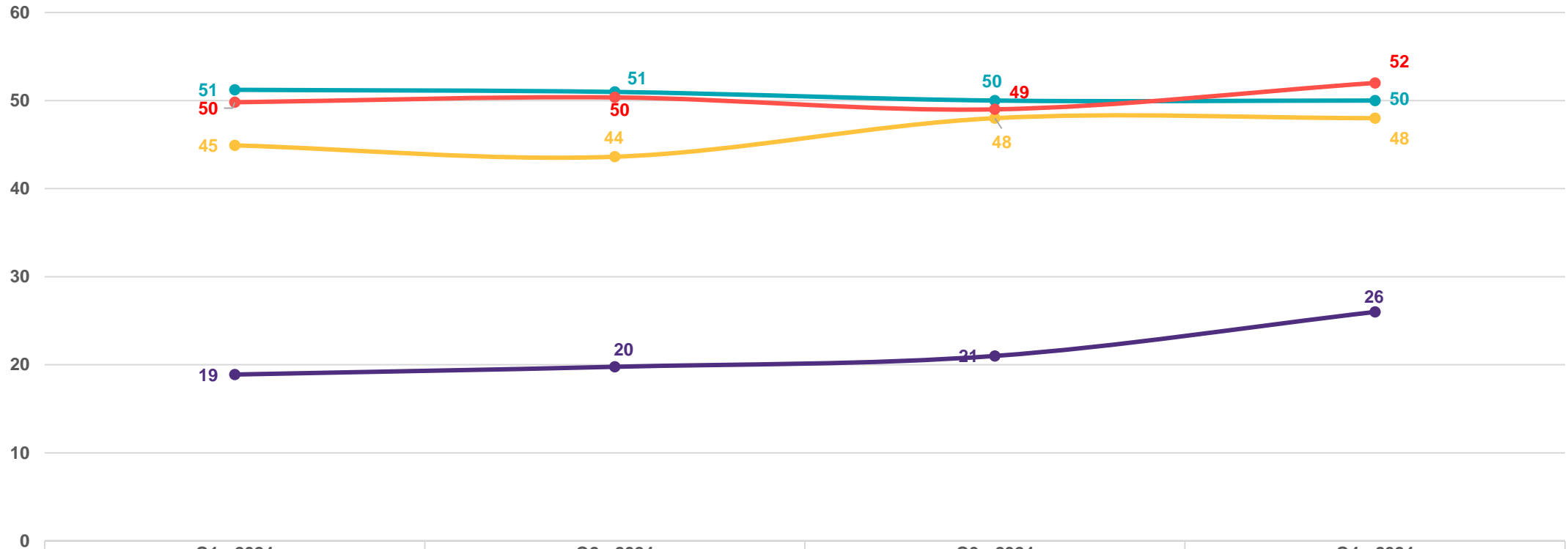
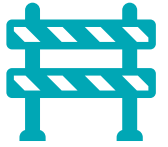


	H2 - 2020	H1 - 2021	H2 - 2021	H1 - 2022	H2 - 2022	H1 - 2023	H2 - 2023	Q1 - 2024	Q2 - 2024	Q3 - 2024	Q4 - 2024
Thailand	43	53	48	30	26	24	26	22	22	17	27
Asia Pacific	57	56	57	52	54	54	51	56	47	46	48
ASEAN	39	43	43	38	37	36	39	42	38	36	41
Global	50	57	57	56	57	53	50	53	50	47	53

\*The lower the figure the better

# Cyber Security / Digital Risk\*

% answering 4 to 5 on a 1-5 scale where 5 is a major constraint



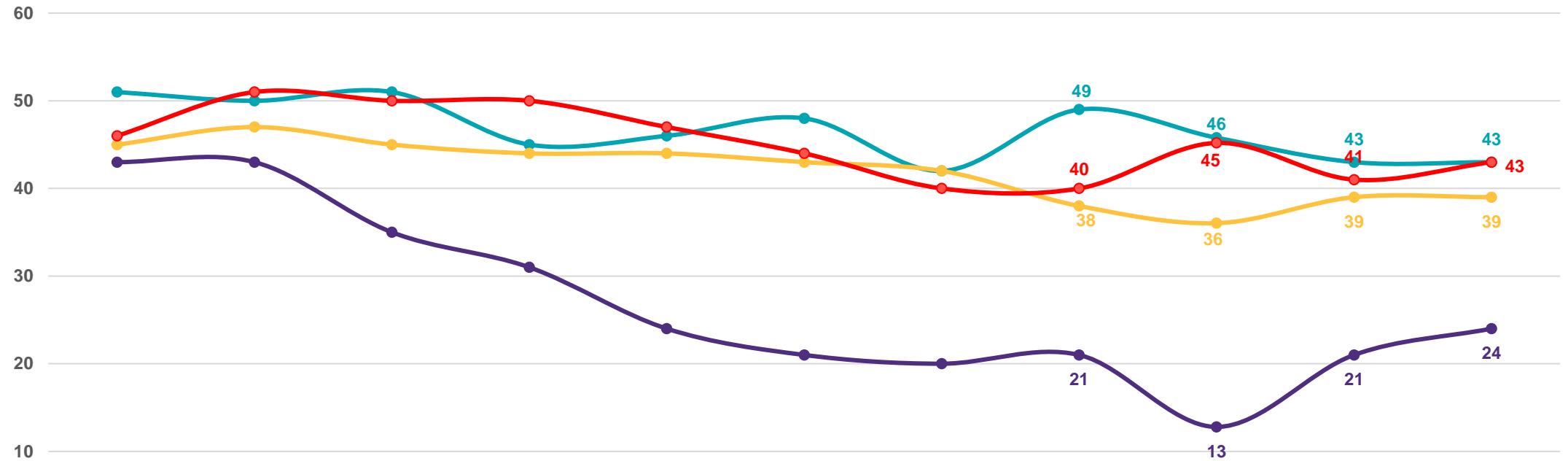
	Q1 - 2024	Q2 - 2024	Q3 - 2024	Q4 - 2024	
Thailand	19	20	21	26	↑
Asia Pacific	51	51	50	50	=
ASEAN	45	44	48	48	=
Global	50	50	49	52	↑

\*Cyber Security / Digital Risk was introduced as a new indicator in Q1 2024

\*The lower the figure the better

# Finance Shortage

% answering 4 to 5 on a 1-5 scale where 5 is a major constraint



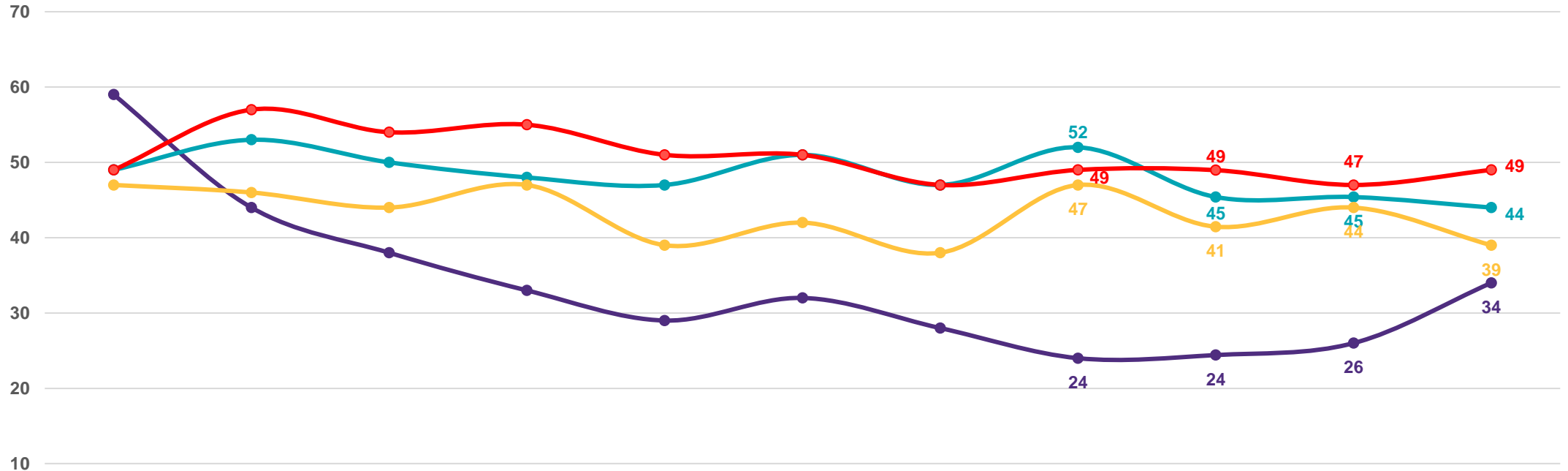
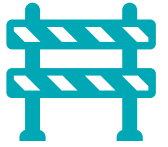
	H2 - 2020	H1 - 2021	H2 - 2021	H1 - 2022	H2 - 2022	H1 - 2023	H2 - 2023	Q1 - 2024	Q2 - 2024	Q3 - 2024	Q4 - 2024	
Thailand	43	43	35	31	24	21	20	21	13	21	24	↑
Asia Pacific	51	50	51	45	46	48	42	49	46	43	43	=
ASEAN	45	47	45	44	44	43	42	38	36	39	39	=
Global	46	51	50	50	47	44	40	40	45	41	43	↑



\*The lower the figure the better

# Regulation & Red Tape

% answering 4 to 5 on a 1-5 scale where 5 is a major constraint

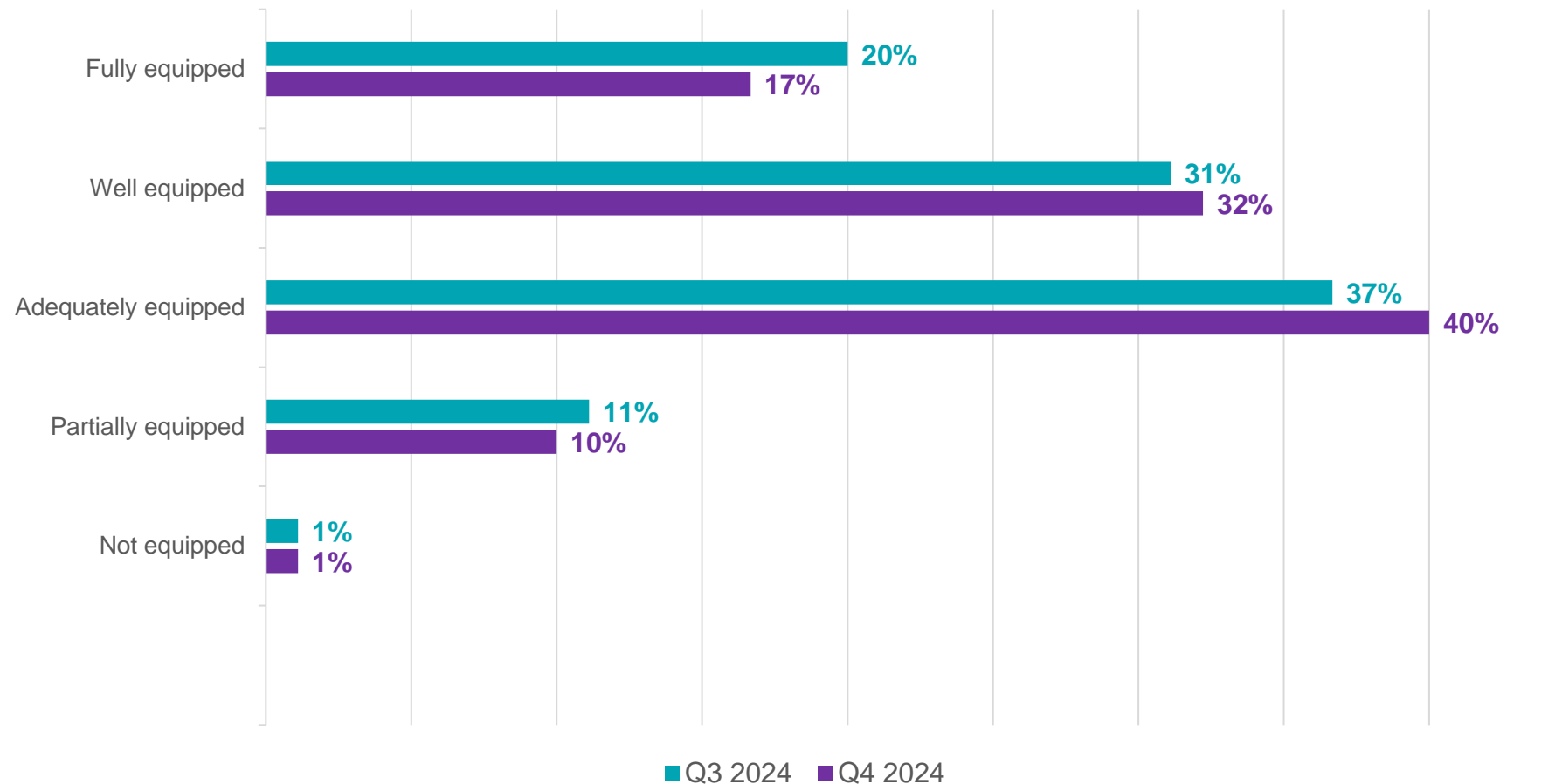


	H2 - 2020	H1 - 2021	H2 - 2021	H1 - 2022	H2 - 2022	H1 - 2023	H2 - 2023	Q1 - 2024	Q2 - 2024	Q3 - 2024	Q4 - 2024
Thailand	59	44	38	33	29	32	28	24	24	26	34
Asia Pacific	49	53	50	48	47	51	47	52	45	45	44
ASEAN	47	46	44	47	39	42	38	47	41	44	39
Global	49	57	54	55	51	51	47	49	49	47	49

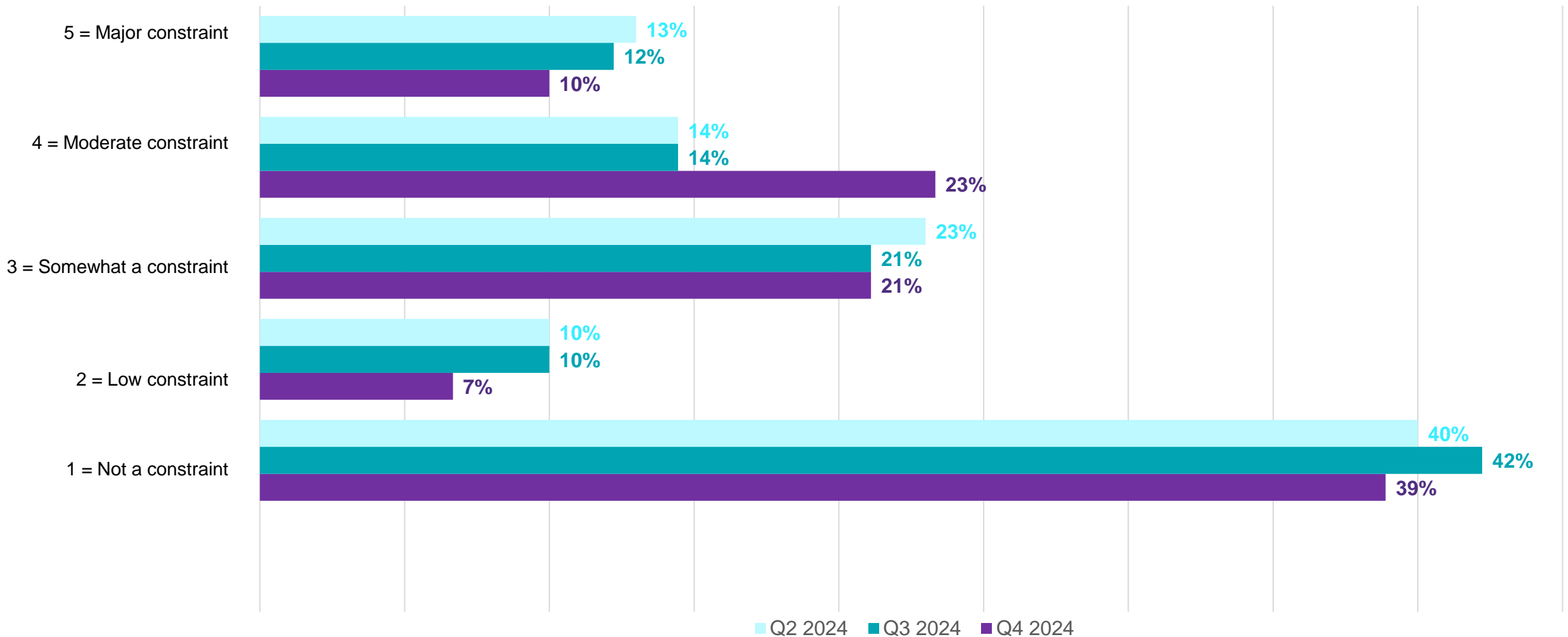


# 6 Country-specific Questions

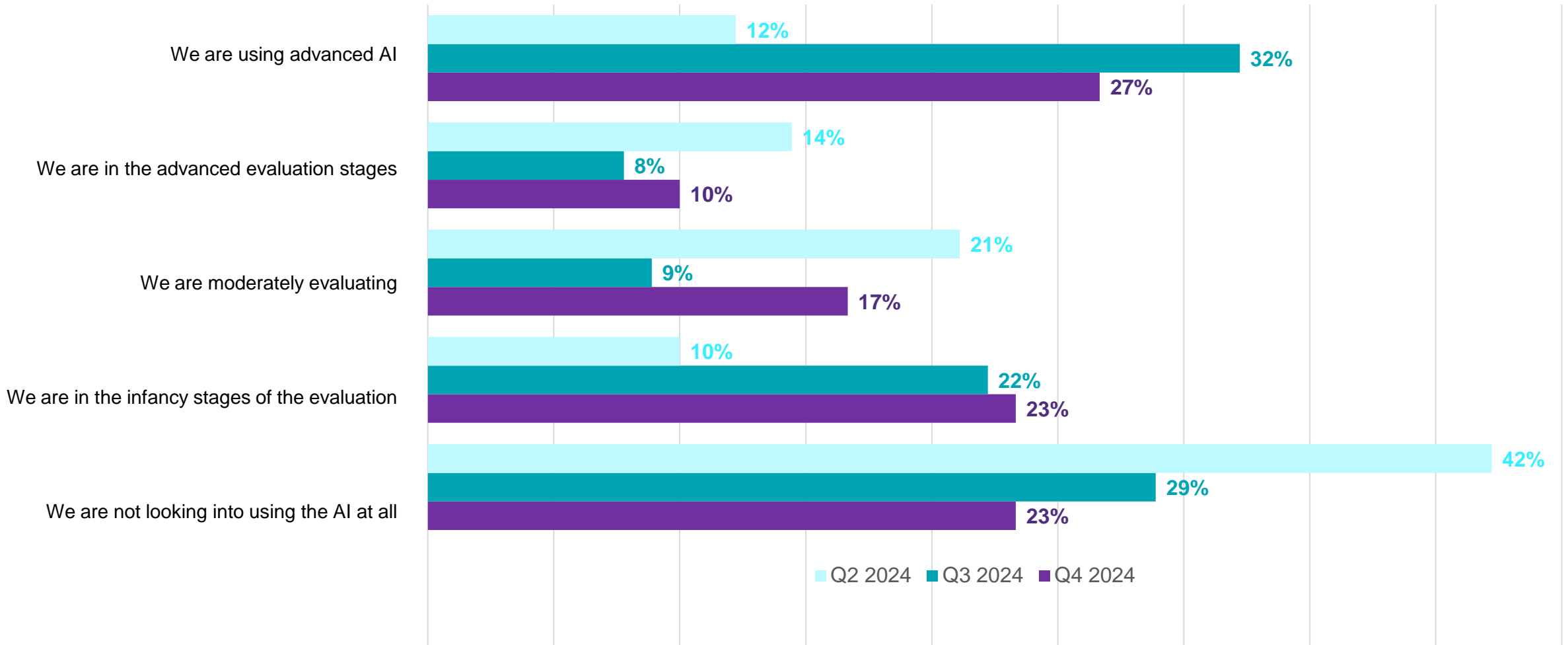
# TQ1: Do you believe the workforce you are currently (or will be) recruiting is equipped with the necessary skills training to fully utilise emerging technologies?



# TQ2: To what extent is Thailand's aging population impacting your business?



# TQ3: Are you evaluating the worth and potential of Artificial Intelligence (AI) in your business?



# Future Points to Consider

The Trump effect

Strength of Thai Baht and interest rates

The Chinese economy

Thai debt-household and corporate

Productivity / Artificial Intelligence (ai)



# Q&A



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