

FitchRatings

25
YEARS
IN THAILAND

FITCH ON Thailand 2026

Global Risks and Regional Economic & Bank Outlook

Global Risks & Outlook for Regional
Economies

Thomas Rookmaaker

30 September 2026



Sovereigns Update - Global Risks & Outlook for Regional Economies

Global Economic Outlook

- World growth holds up well in face of the energy price shock
- Global monetary policy outlook has shifted after Fed regime change
- Global bond yields move higher

Asia-Pacific Sovereign Trends

- APAC generally resilient to global energy shock, but some sovereigns remain vulnerable
- AI boom leads to strong exports, but comes with risks
- Fiscal support and a rise in bond yields could delay consolidation

Thailand Compared with Peers

- Outlook on 'BBB+' rating revised to Stable from Negative
- Increased confidence in broadly stabilizing government debt/GDP
- Nominal growth stronger than expected and policy predictability has improved



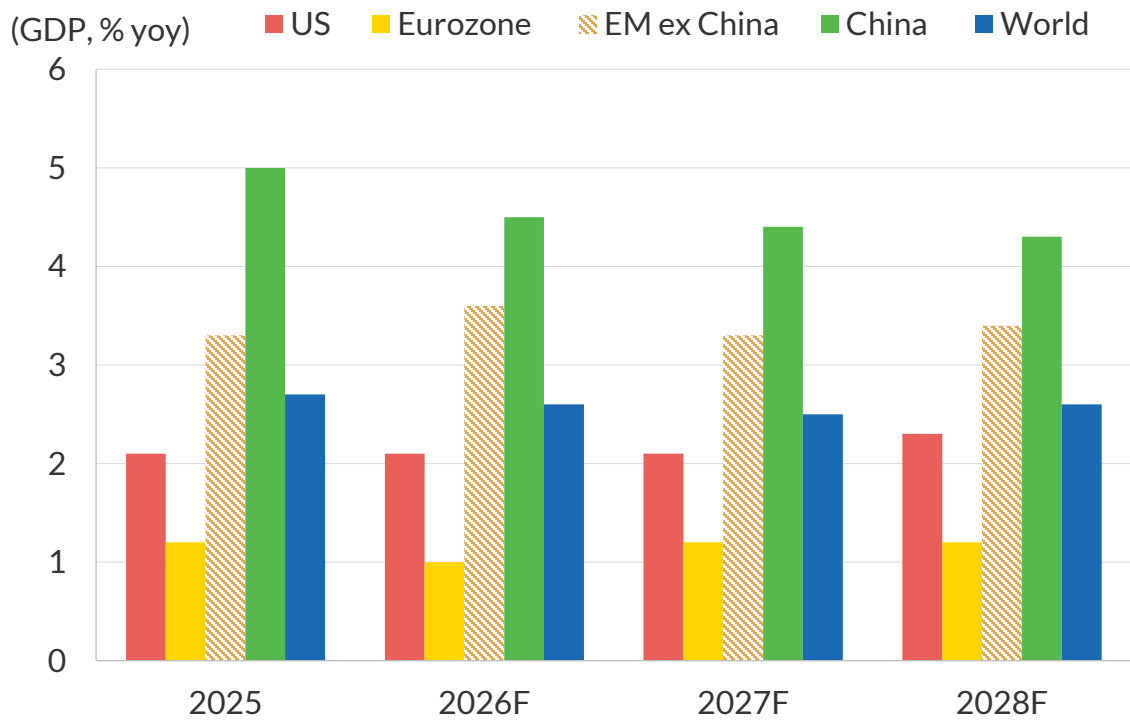


1

Global Economic Outlook

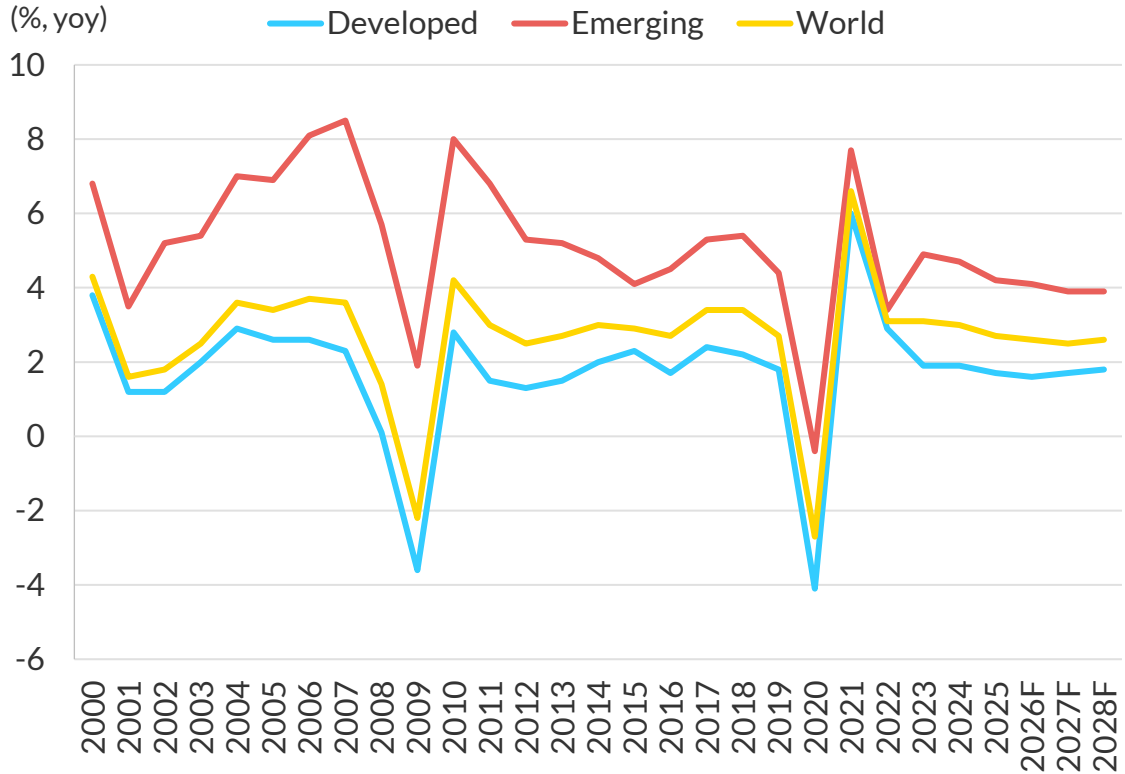
World Growth Slowing Down in Face of Oil Price Shock

September GEO Forecasts



Source: Fitch Ratings' September 2026 Global Economic Outlook (GEO)

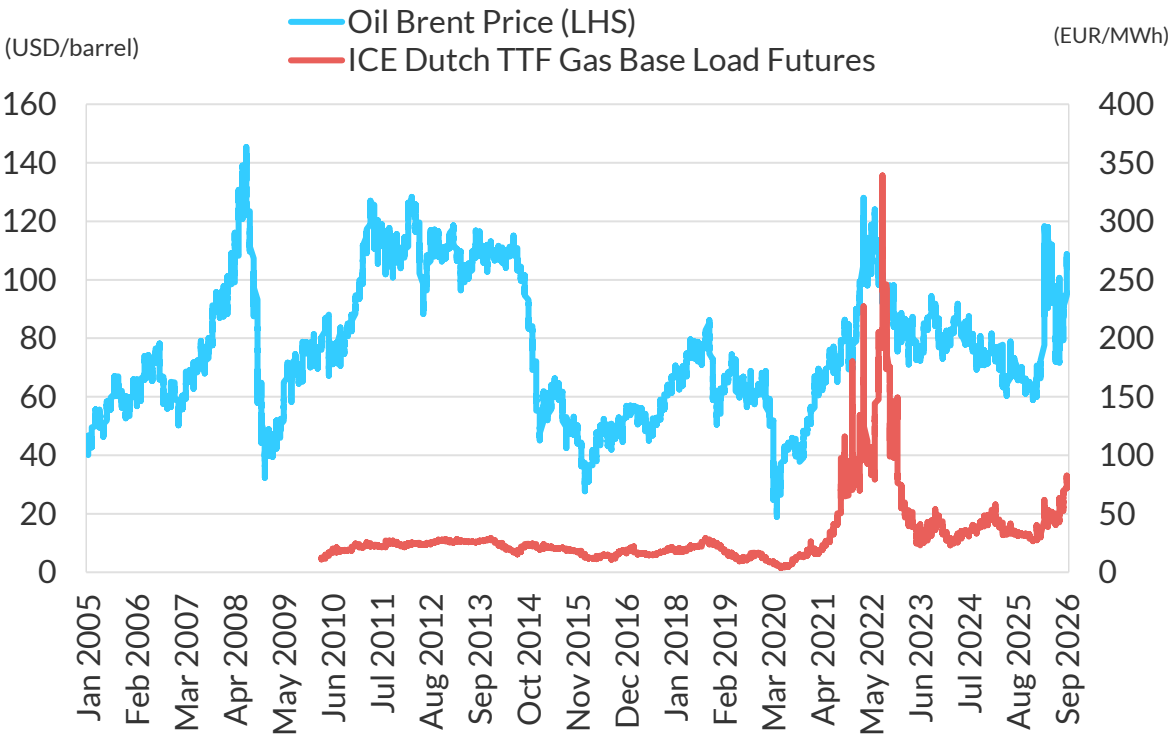
World GDP Growth



Source: Fitch Ratings' estimates

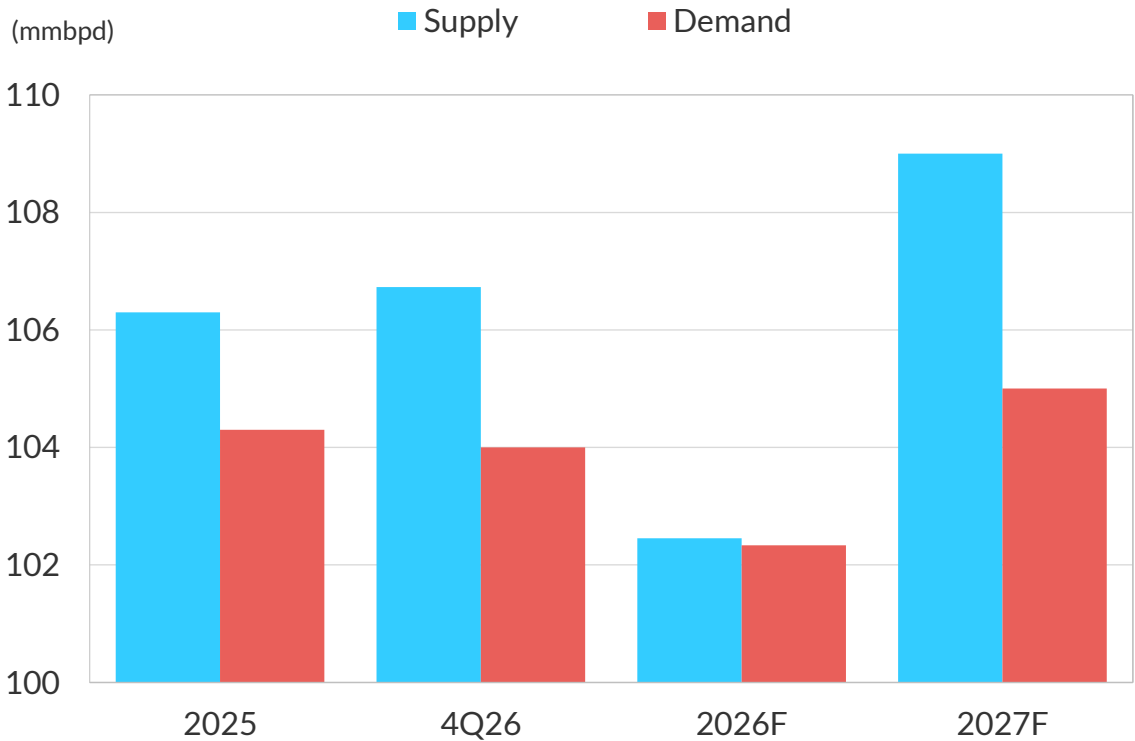
Oil Price Forecast \$87 Annual Average in 2026

Global Oil Prices and European Wholesale Gas Prices



Source: Fitch Ratings, Intercontinental Exchange, Haver Analytics

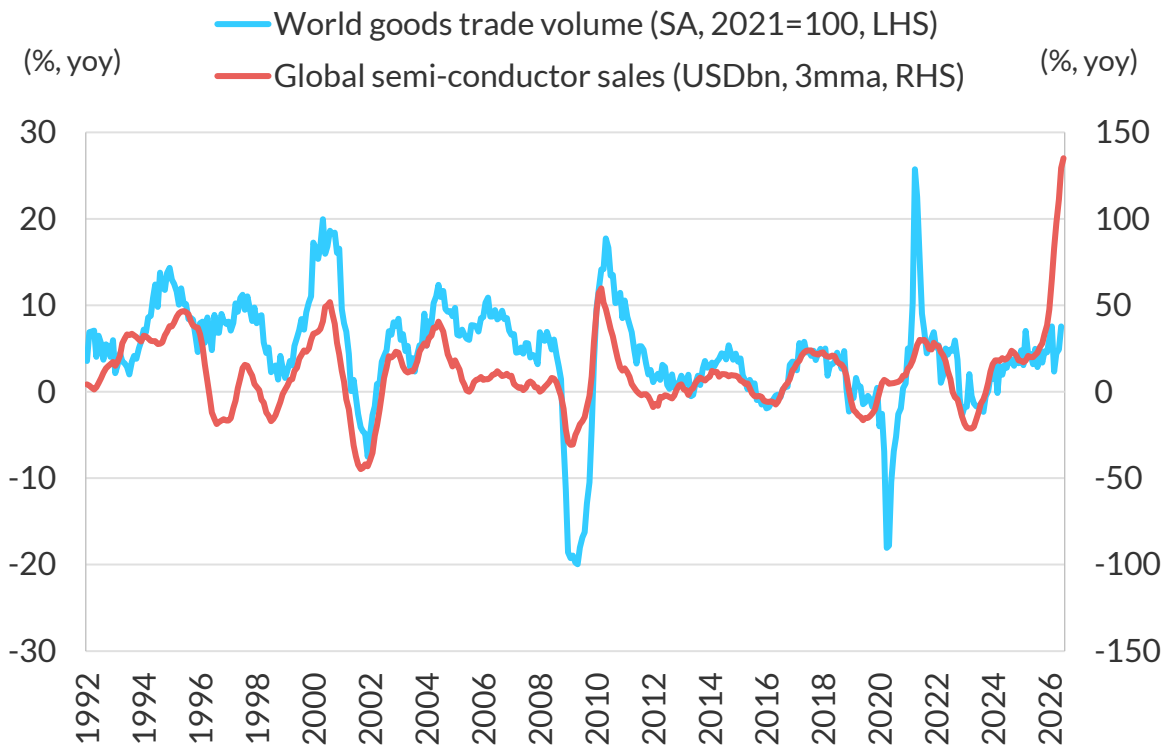
Global Oil Demand and Supply – Fitch Projections



Source: Fitch Ratings, EIA , OPEC

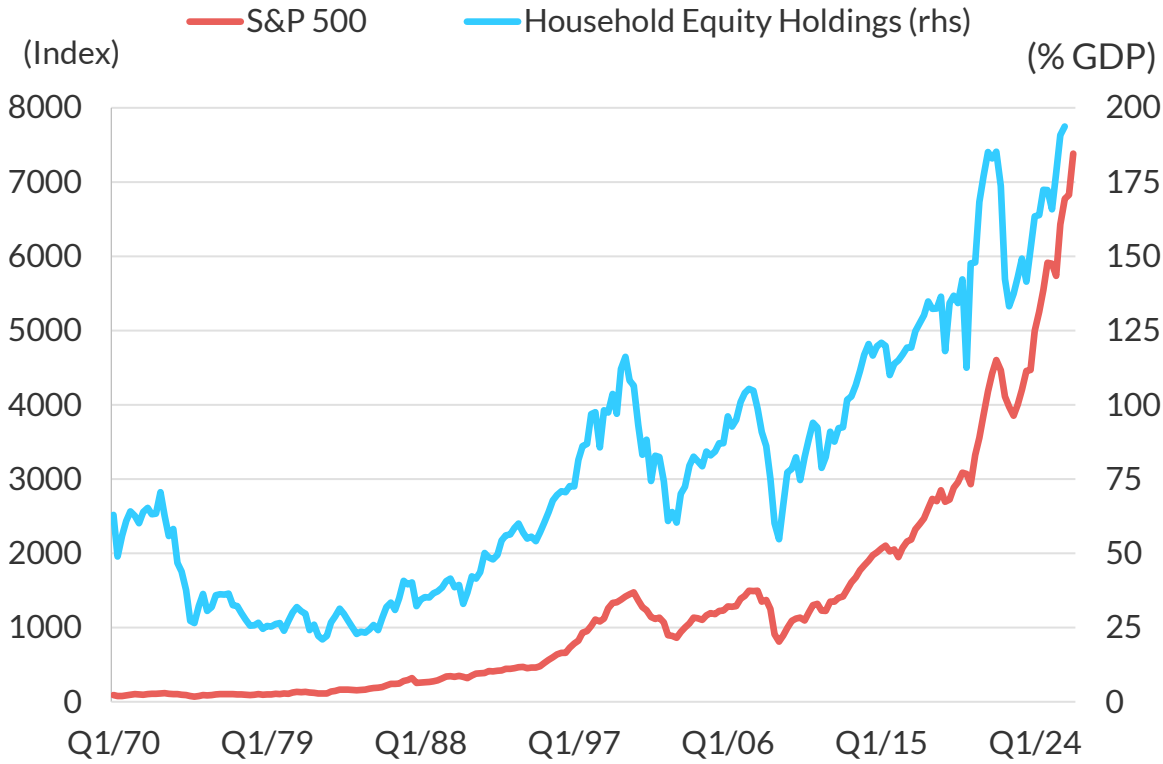
AI-Related IT Capex Boom Causing Surge in Semiconductor Demand

World Trade in Goods and Global Semi-Conductor Sales



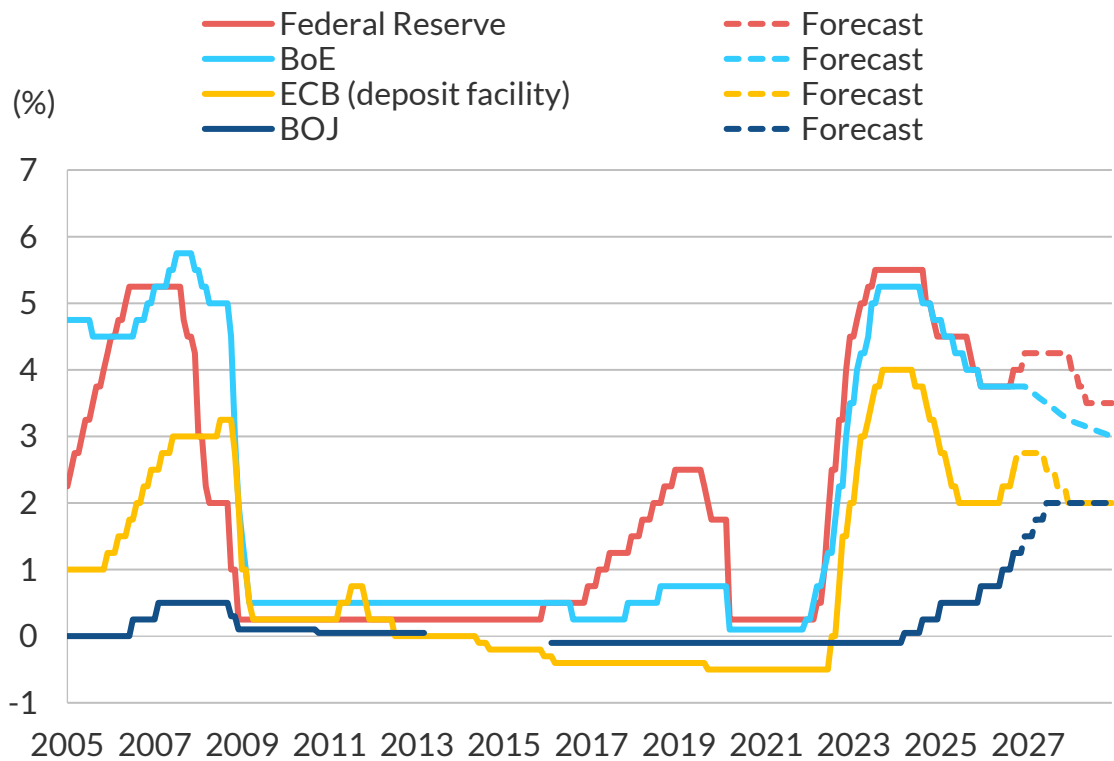
Source: Fitch Ratings, CPB, SIA, Haver Analytics

US Equity Market & Household Equity Wealth



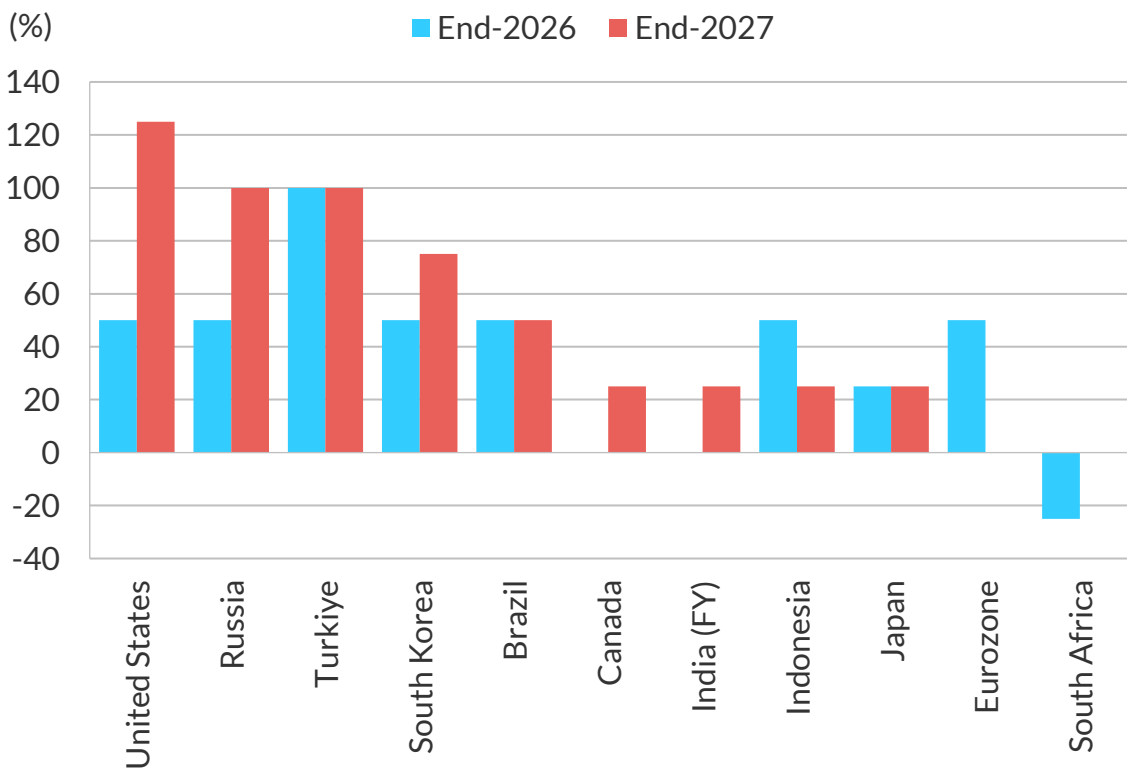
Central Banks Face Challenge of How to Respond to a Supply Shock

Fitch Policy Interest Rate Forecasts



Source: Fitch Ratings, Fed, BOE, ECB, BOJ

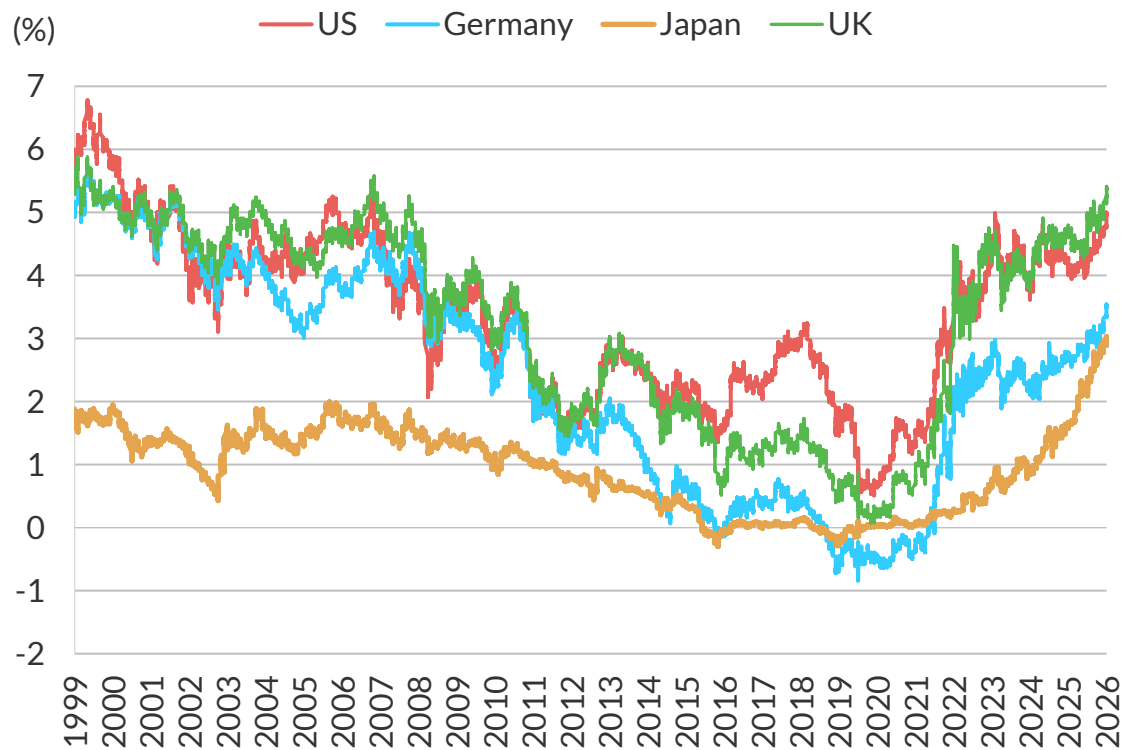
Revisions to Interest Rate Forecasts



Source: Fitch Ratings

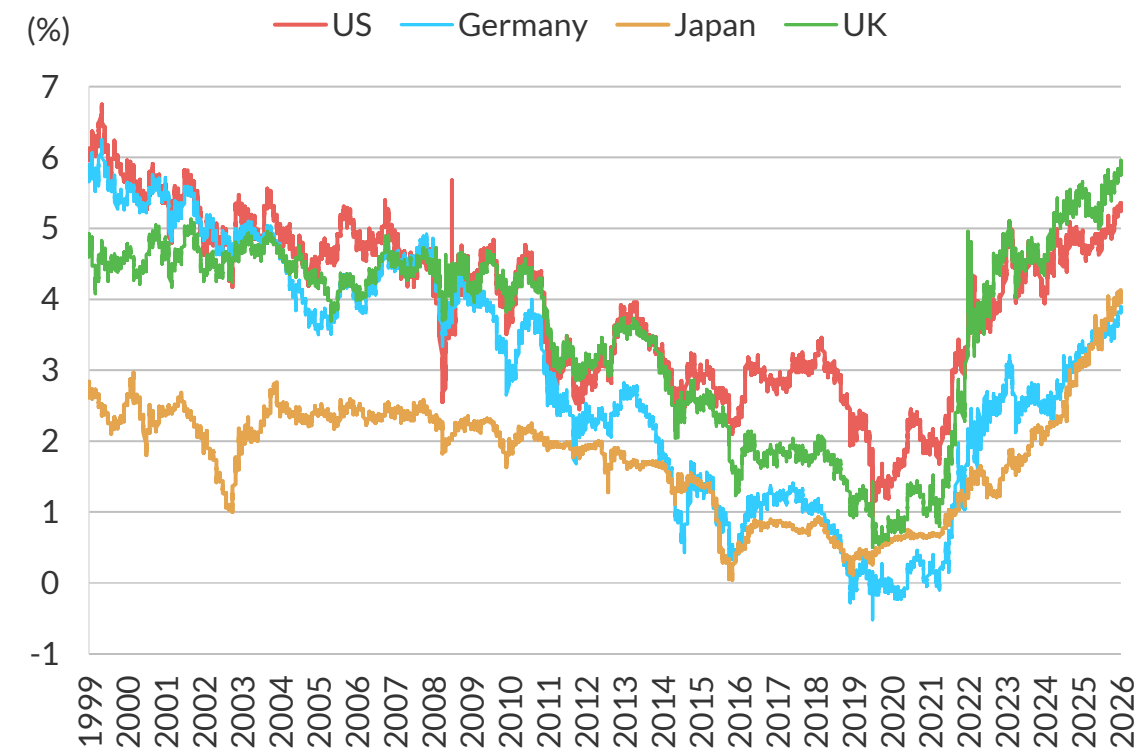
Global Bond Yields Move Higher

Government Bond Yield - 10-Year



Source: Fitch Ratings, LSEG, Ministry of Finance Japan, Haver Analytics

Government Bond Yield - 30-Year



Source: Fitch Ratings, LSEG, Ministry of Finance Japan, Haver Analytics



2

Asia-Pacific Sovereign Trends

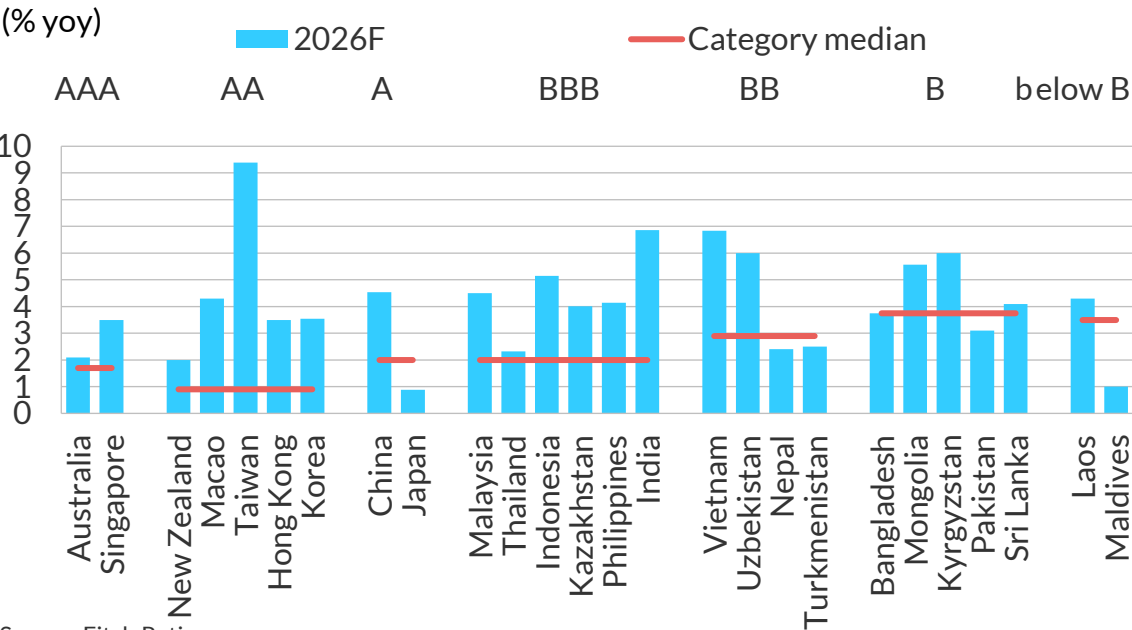
Outlook for Asia-Pacific

Region More Resilient than Expected to Global Energy Shock, Offset by AI-Boom

What to Watch

- AI Boom supports growth in the region, but comes with risks
- Prolonged global energy shock remains a risk; some sovereigns vulnerable
- Continued uncertainty on US tariffs
- Fiscal support and a rise in yields leads to delayed consolidation
- Geopolitical risks: US-China tensions; South China Sea; India-Pakistan

Real GDP Growth Compared to Rating Category Medians



Source: Fitch Ratings

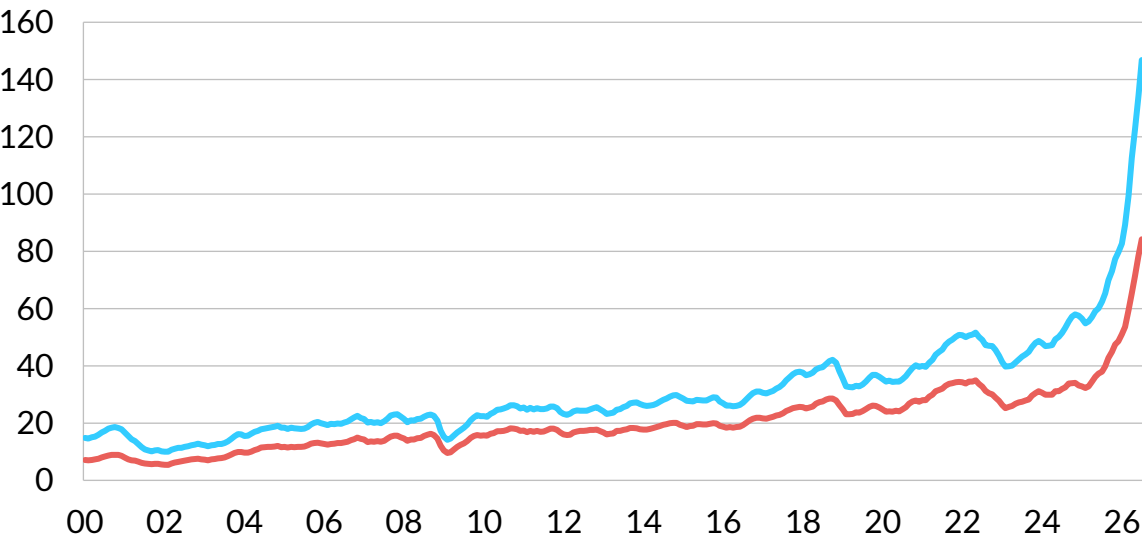
Overview APAC Ratings and Outlooks					
Investment Grade			Sub-Investment Grade		
Australia	AAA	Stable	Vietnam	BB+	Stable
Singapore	AAA	Stable	Uzbekistan	BB	Positive
New Zealand	AA+	Negative	Nepal	BB-	Stable
Macao	AA	Stable	Turkmenistan	BB-	Stable
Taiwan	AA	Stable	Bangladesh	B+	Negative
Hong Kong	AA-	Stable	Kyrgyzstan	B	Stable
Korea	AA-	Stable	Mongolia	B+	Stable
China	A	Stable	Pakistan	B-	Stable
Japan	A	Stable	Sri Lanka	B-	Stable
Malaysia	BBB+	Stable	Laos	CCC+	N/A
Thailand	BBB+	Stable	Maldives	CCC-	N/A
Indonesia	BBB	Negative	Foreign-currency rating actions in 2026:		
Kazakhstan	BBB	Stable			
Philippines	BBB	Negative			
India	BBB-	Stable			
			Positive action		
			Negative action		

AI Exports Offset Negative Impact of Energy Shock

Semiconductor Sales

(USDbn, 3mma)

World Asia-Pacific

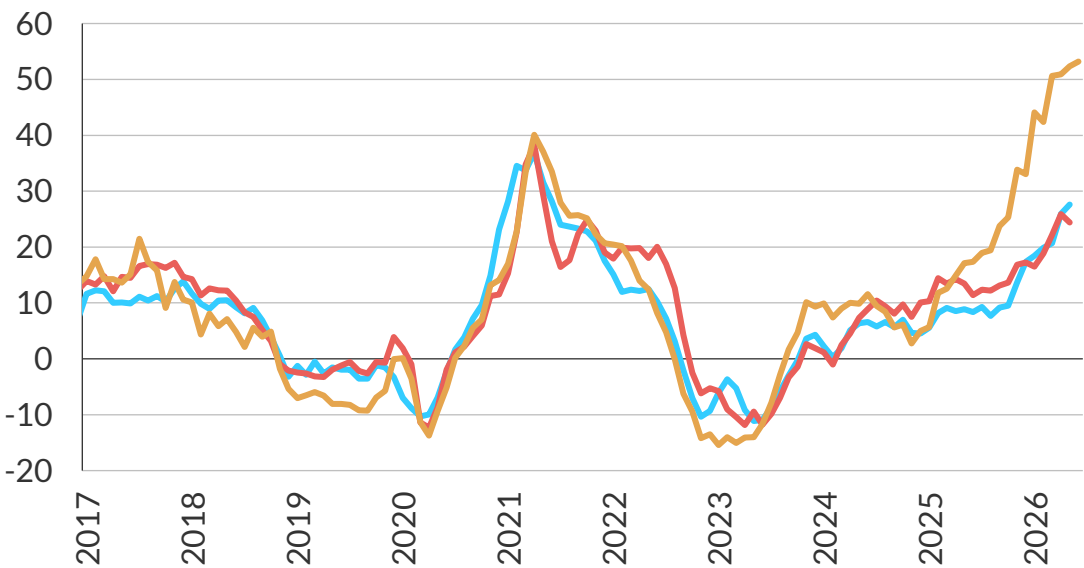


Source: Semiconductor Industry Association, Haver Analytics, Fitch Ratings

APAC Merchandise Exports

(3mma % yoy)

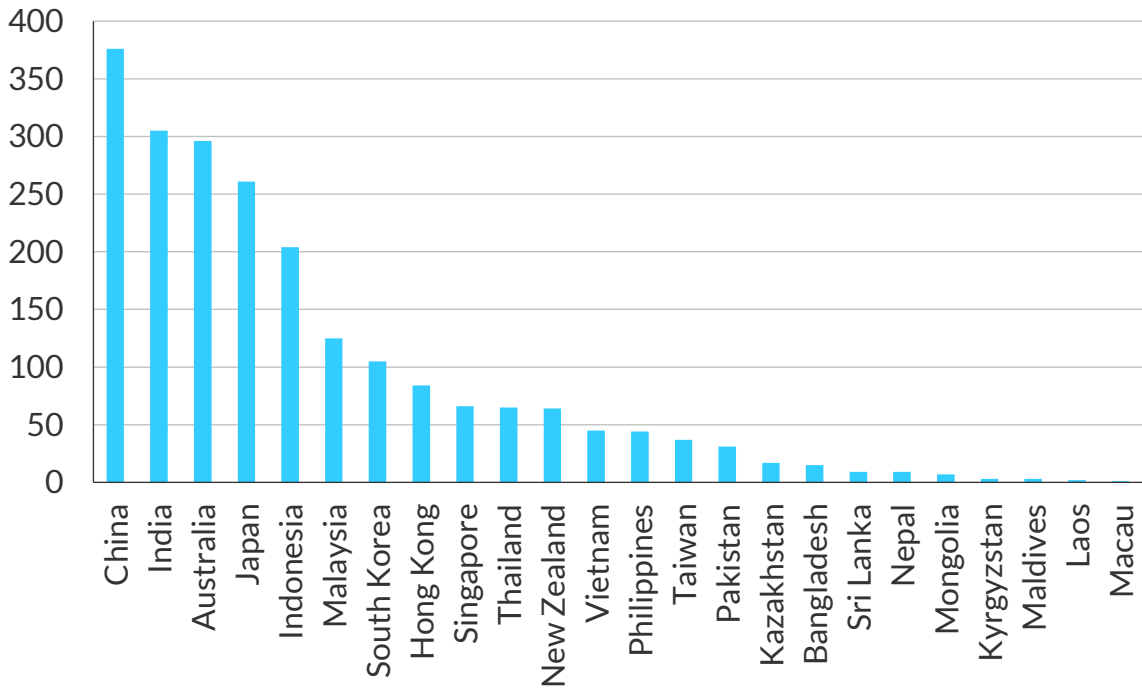
APAC ASEAN Korea & Taiwan



Source: Fitch Ratings, National Authorities, Haver Analytics

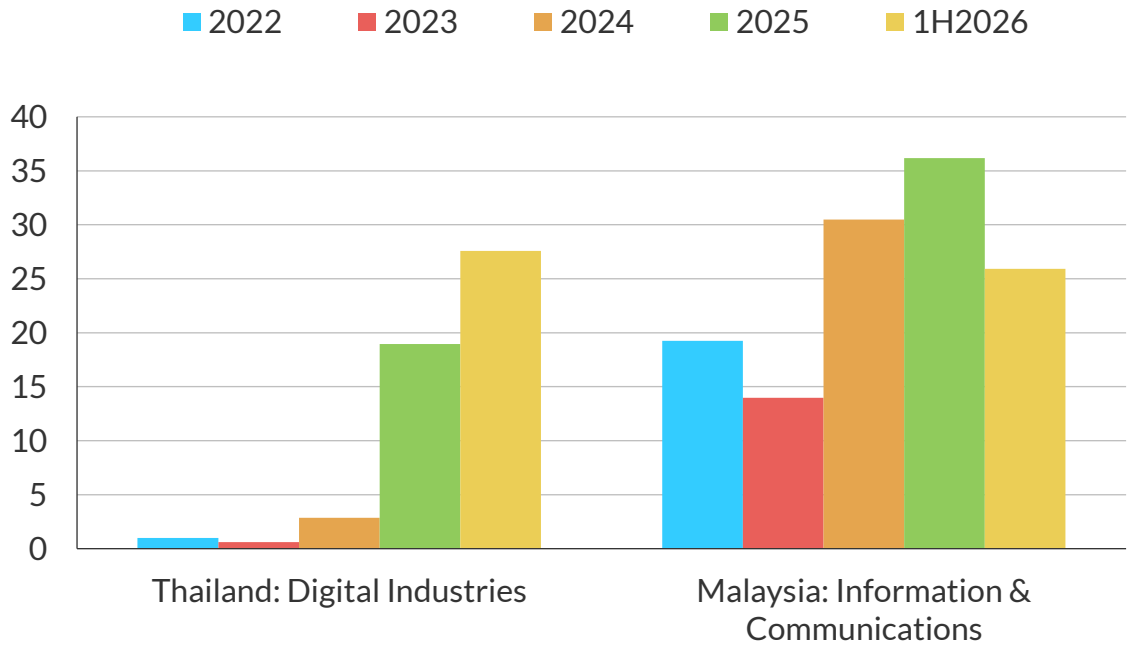
Strong Data Centre Investment

Number of Established Data Centres Across Asia
(#)



Source: DataCenterMap, Fitch Ratings

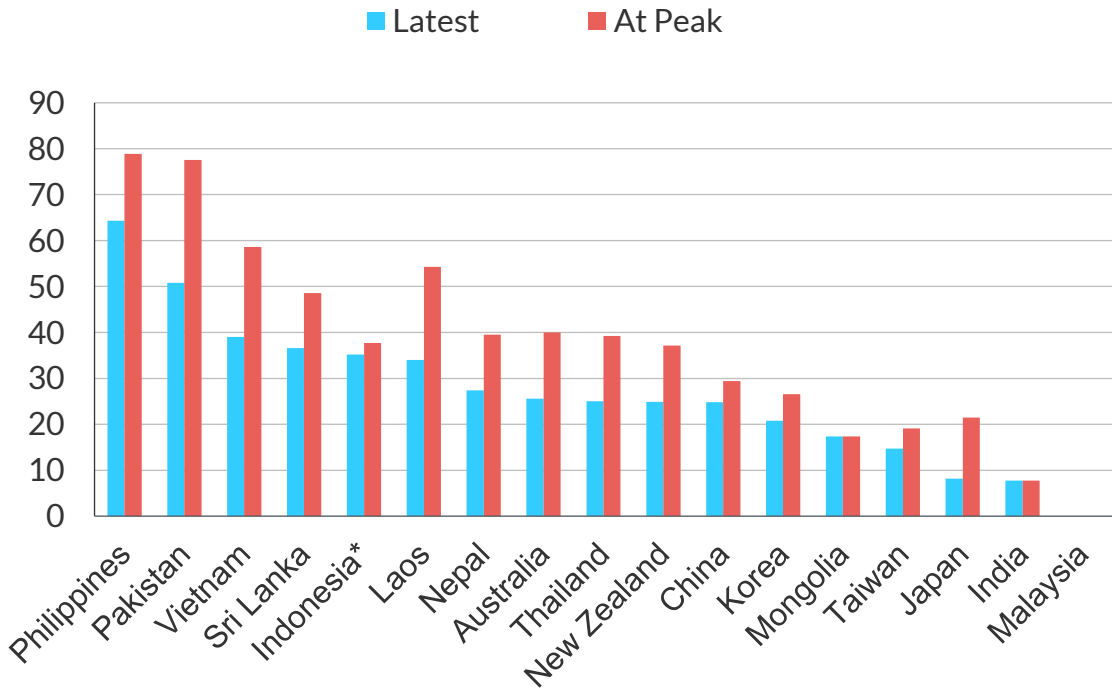
Booming Investment in Data Centres
(Approved investments in relevant sectors, USDbn)



Source: Thailand Board of Investment, Malaysia Investment Development Authority, Fitch Ratings

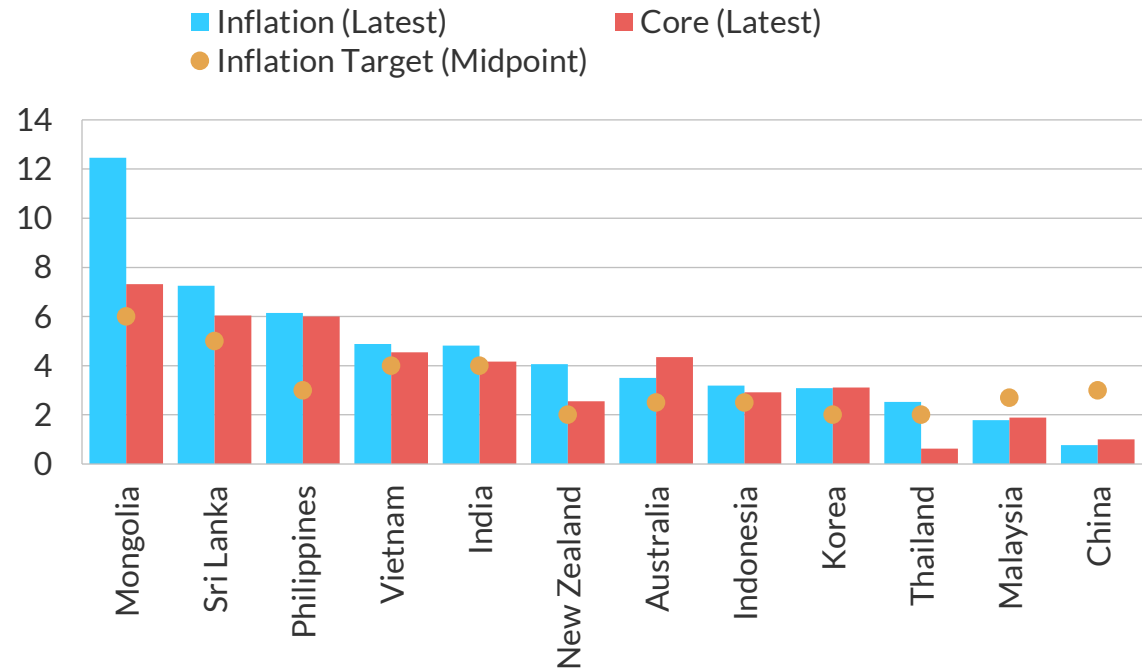
Energy Shock Poses Inflation Challenge, but APAC Showing Resilience

Governments Allow Varying Degrees of Fuel Prices Pass-Through
(% change in gasoline prices since the outbreak of the war)



Note: Pertamina used for Indonesia
Source: Fitch Ratings, Haver Analytics

Inflationary Pressures
(%)

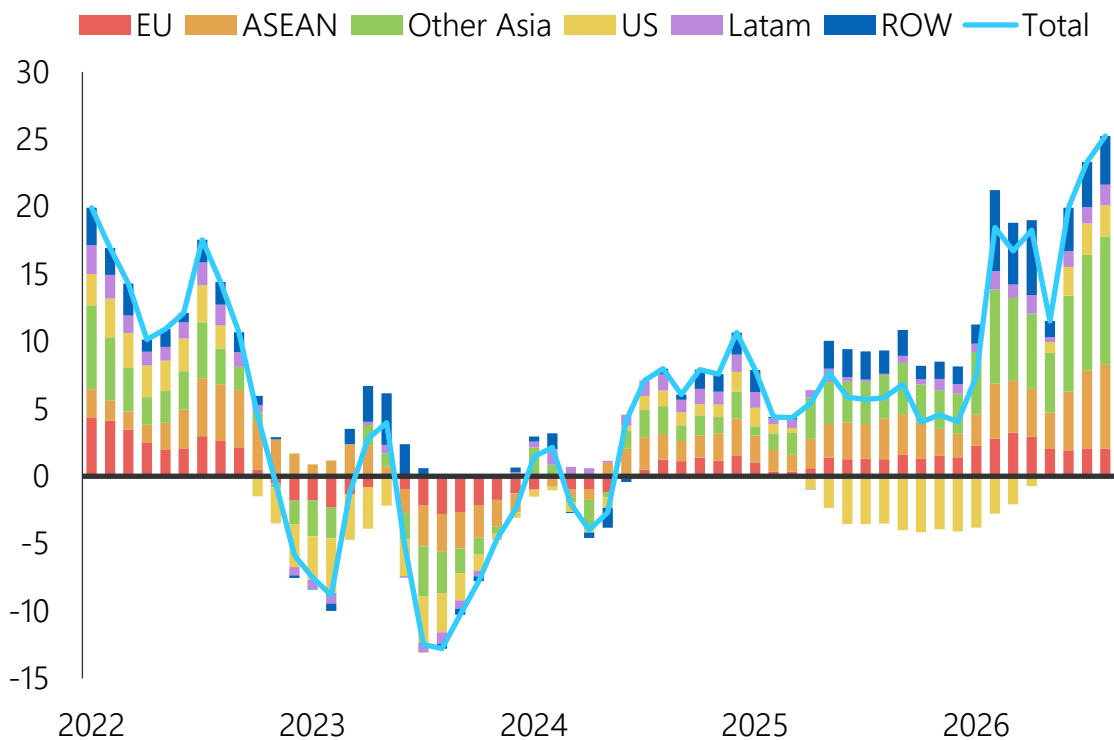


Note: Sole inflation targets used for China and Vietnam, midpoint of BNM CPI forecasts used for Malaysia and inflation target midpoint used for the rest
Source: Fitch Ratings, Haver Analytics

China – Strong Externally Oriented Activity, Weak Domestic Demand

China Export Growth by Region

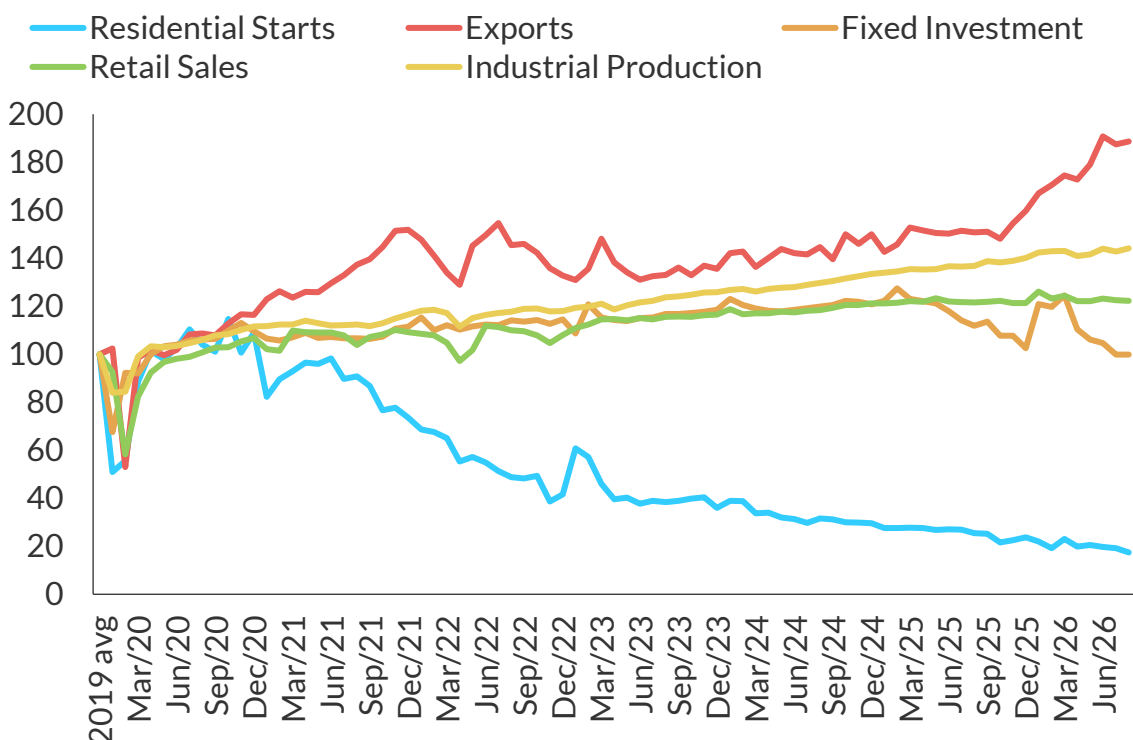
(% yoy contribution)



Source: Fitch Ratings; GACC; Haver

China Activity Indicators

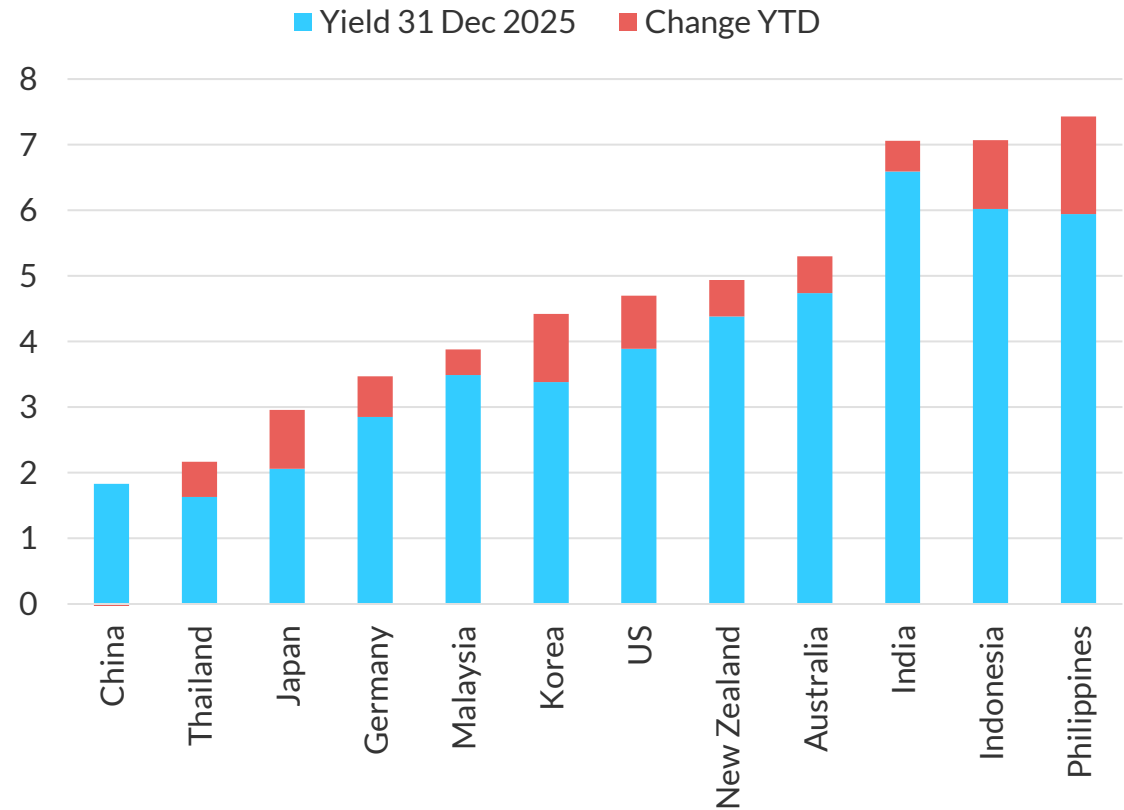
(Index, 2019 avg = 100)



Source: Fitch Ratings; China NBS; GACC

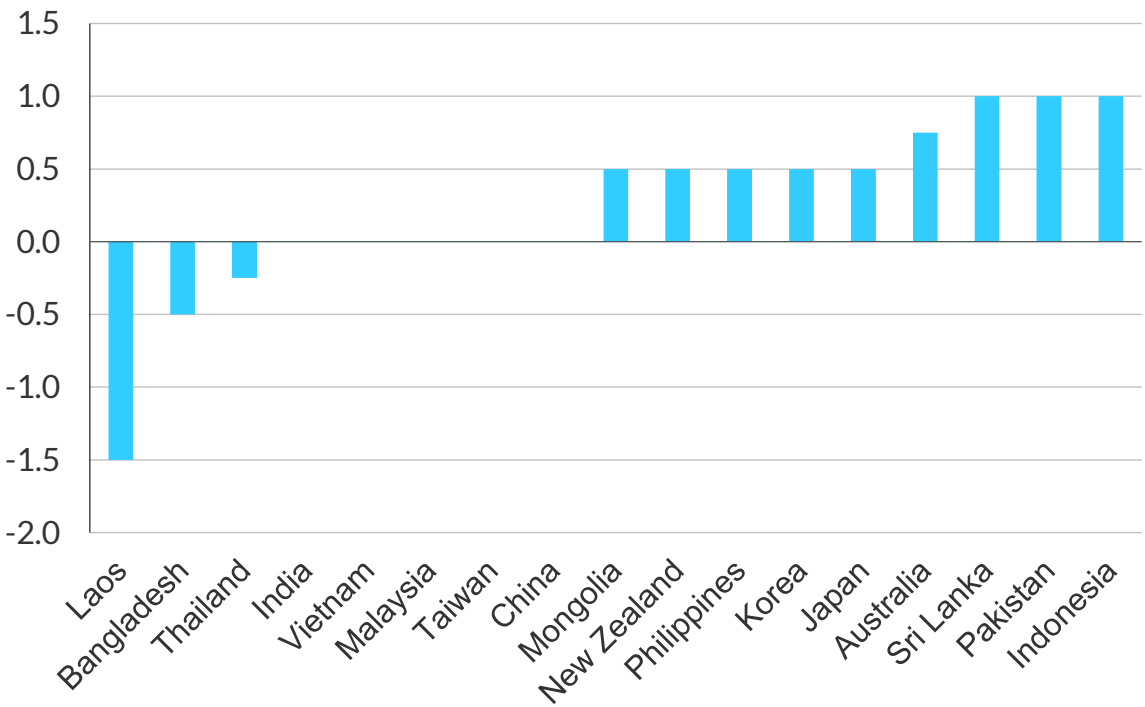
Policy Rates and Yields Mostly Up

10-year Government Yields
(% sinc)



Source: Fitch Ratings, Bloomberg

APAC YTD Policy Rate Change
(%)

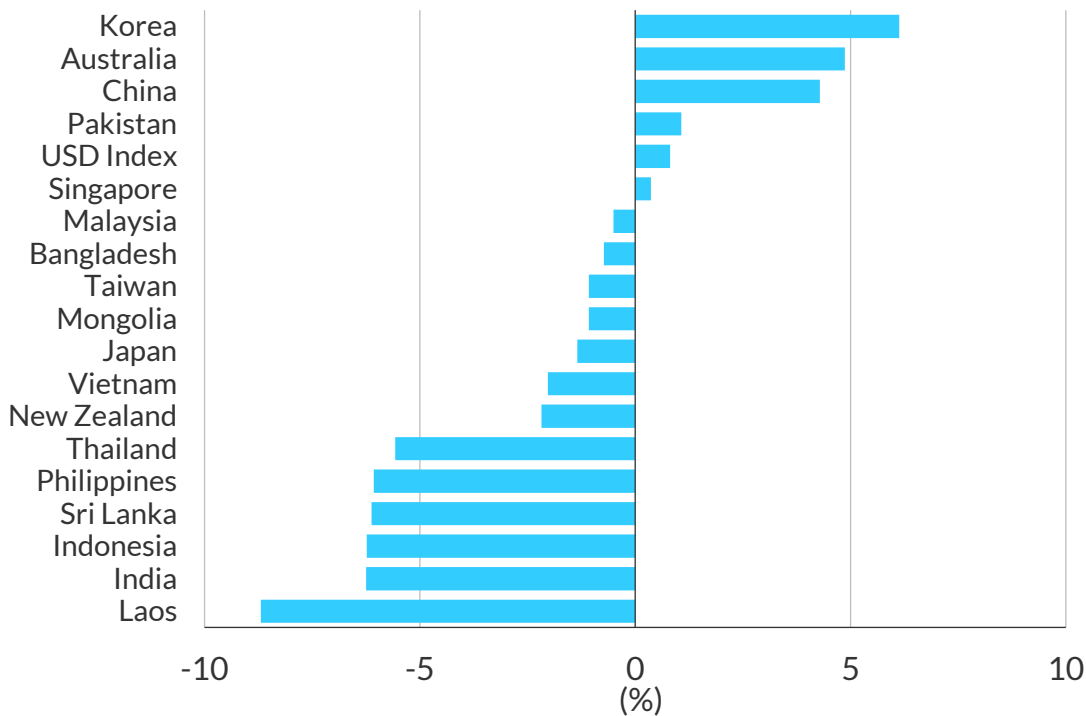


Source: Fitch Ratings, Haver Analytics

Currency Depreciation, but Generally Stronger FX Reserves Buffers

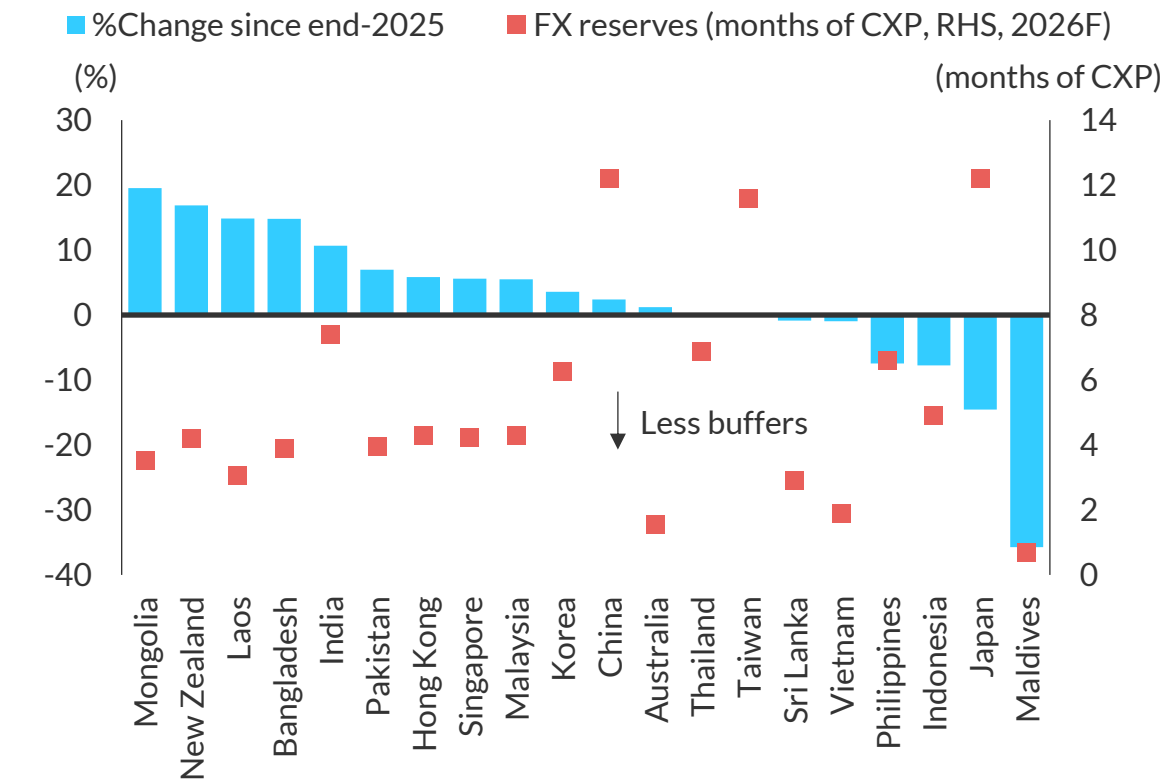
FX Performance - USD Exchange Rates

(% change in YTD 2026)



Source: Fitch Ratings, Haver Analytics

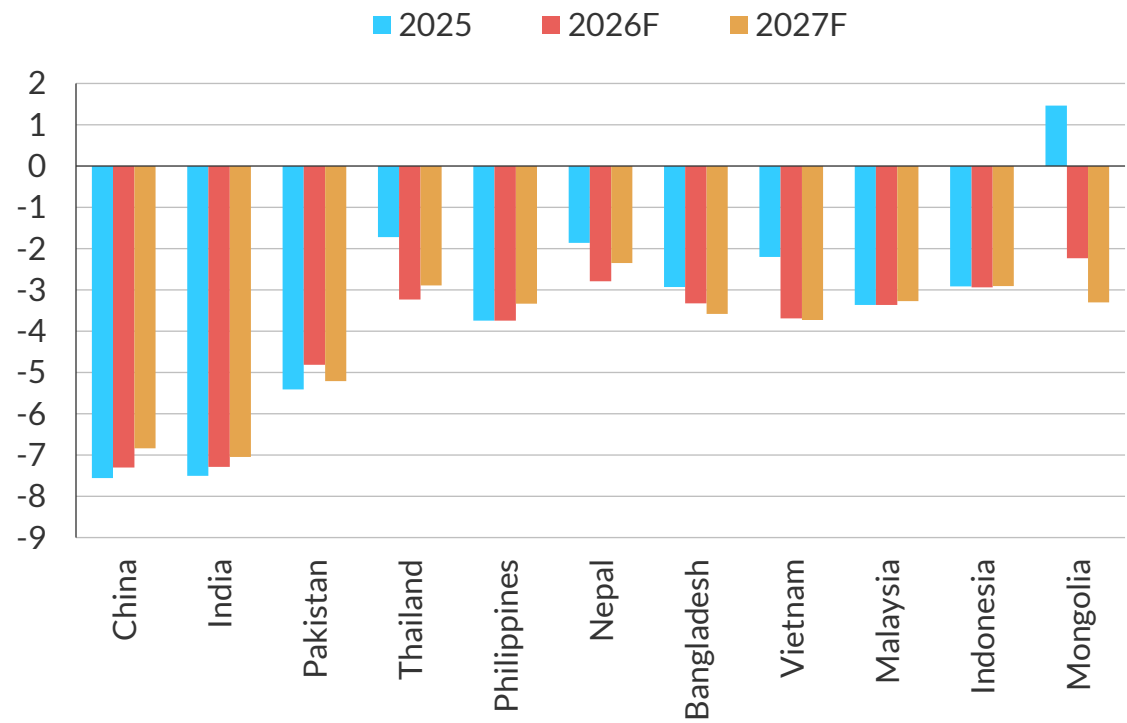
Official International Reserves



Source: Fitch Ratings, Haver Analytics

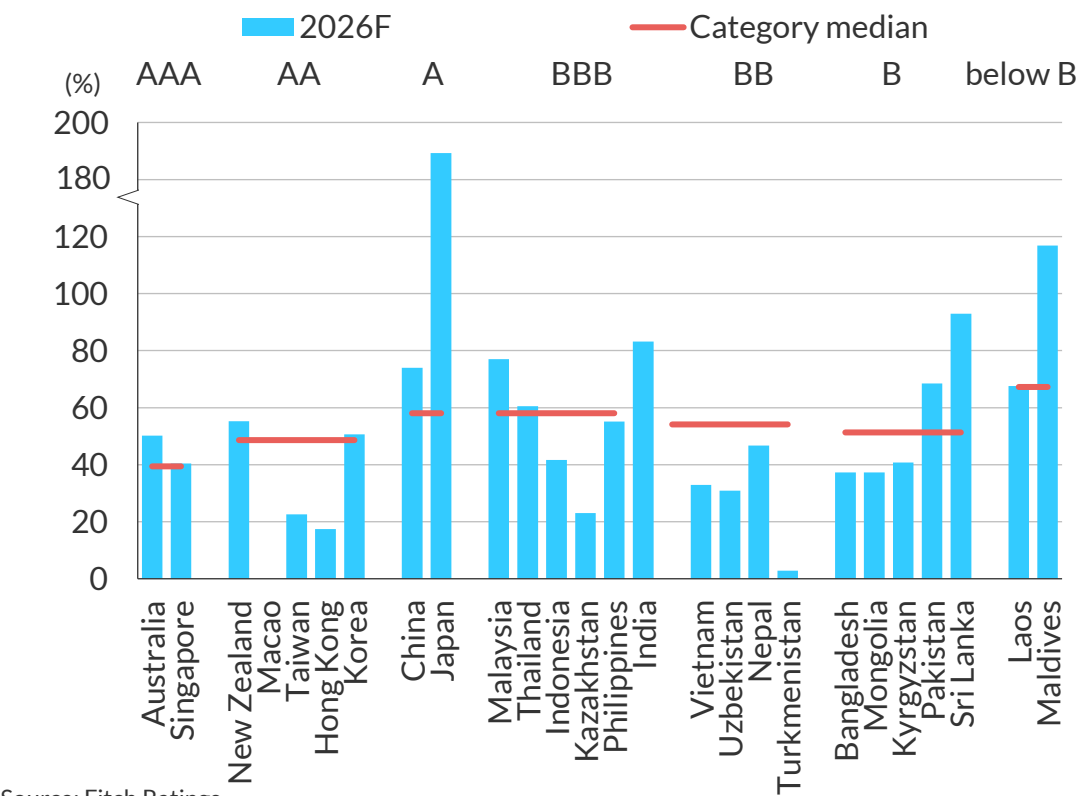
Spending Pressures Likely to Delay Fiscal Consolidation

Fiscal Consolidation Reversed or Slows in Several APAC Countries
(% of GDP)



Source: Fitch Ratings

General Government Debt
(% of GDP)



Source: Fitch Ratings

An aerial photograph of Bangkok, Thailand, showing the Chao Phraya River. In the foreground, there are traditional Thai houses with red roofs and a large white stupa. The river flows through the city, with many boats. In the background, the modern skyline of Bangkok is visible, including the King Power Mahavithayalai Tower.

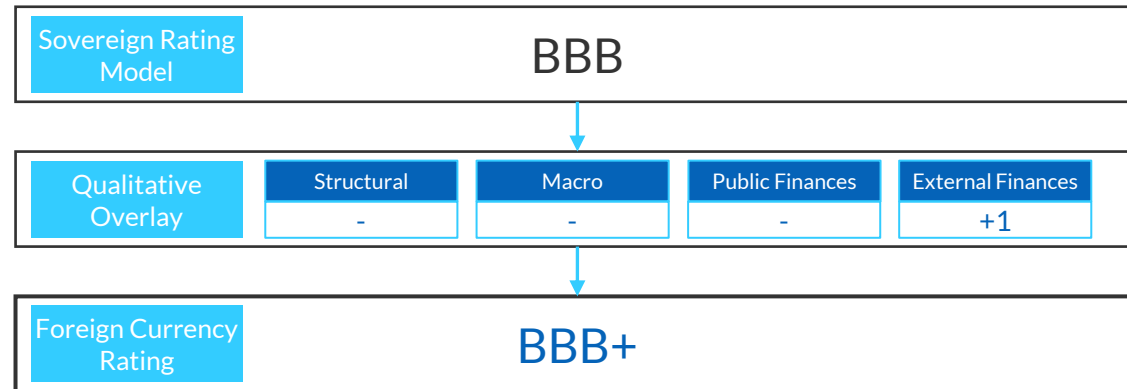
3

Thailand and its Asian Peers

Outlook Revised to Stable from Negative; Rating Affirmed at 'BBB+'

OUTLOOK CHANGE TO STABLE

- **Government Debt Should Stabilise:** General government debt/GDP is more likely to stabilize over the medium term, even though the government has stepped up near-term spending
- **AI-Boom Offsets Energy Shock:** Tourist arrivals are down, but AI-related investment and higher consumption related to government support should underpin growth to some extent
- **Political Uncertainty Reduced:** Coalition government seems to have a stronger grip on power than its recent predecessors, providing a better position to implement medium-term policies



POSITIVE FOR THE RATING

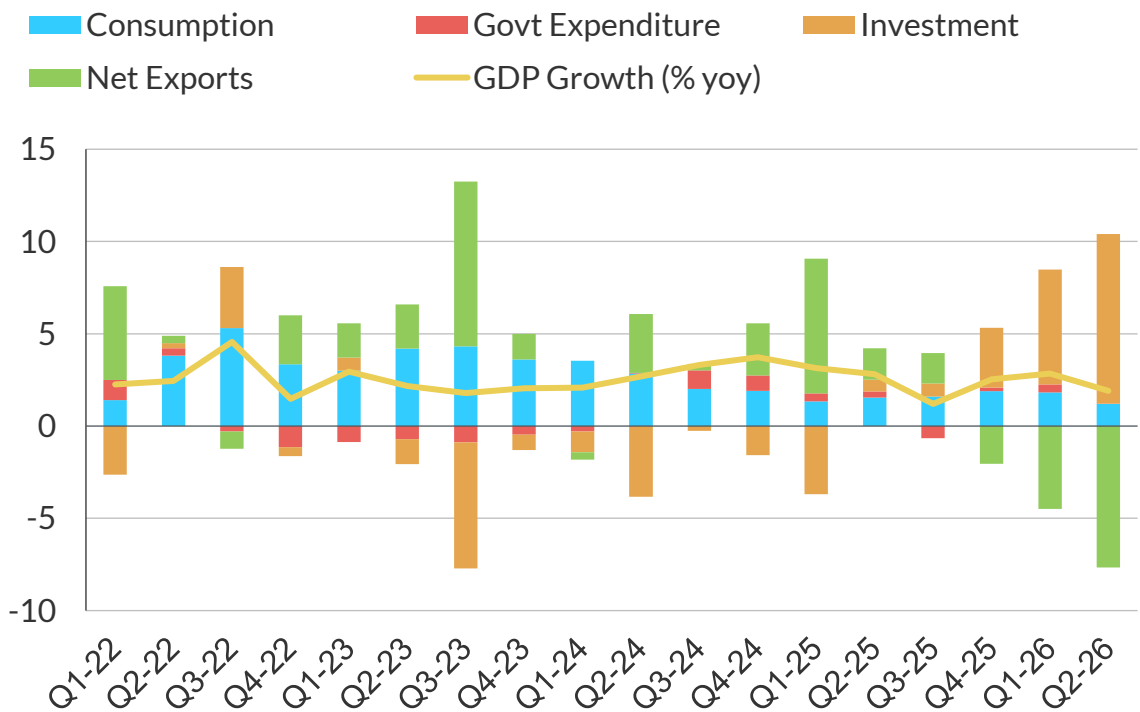
- **Macroeconomic:** Material improvement in medium-term economic growth prospects without a significant rise in non-financial private-sector debt.
- **Public Finances:** Confidence in the government debt/GDP ratio falling significantly over the medium term, for instance due to strong progress in fiscal consolidation.

NEGATIVE FOR THE RATING

- **Public Finances:** Failure to stabilise government debt close to current levels, for example due to insufficient deficit reduction, could lead to a revision of the Outlook to Negative. A further substantial rise in government debt could then lead to a downgrade.
- **Macroeconomic:** A deterioration in medium-term growth prospects, for instance from continued weak tourism receipts or a decelerating investment momentum, or persistent deflationary pressures.

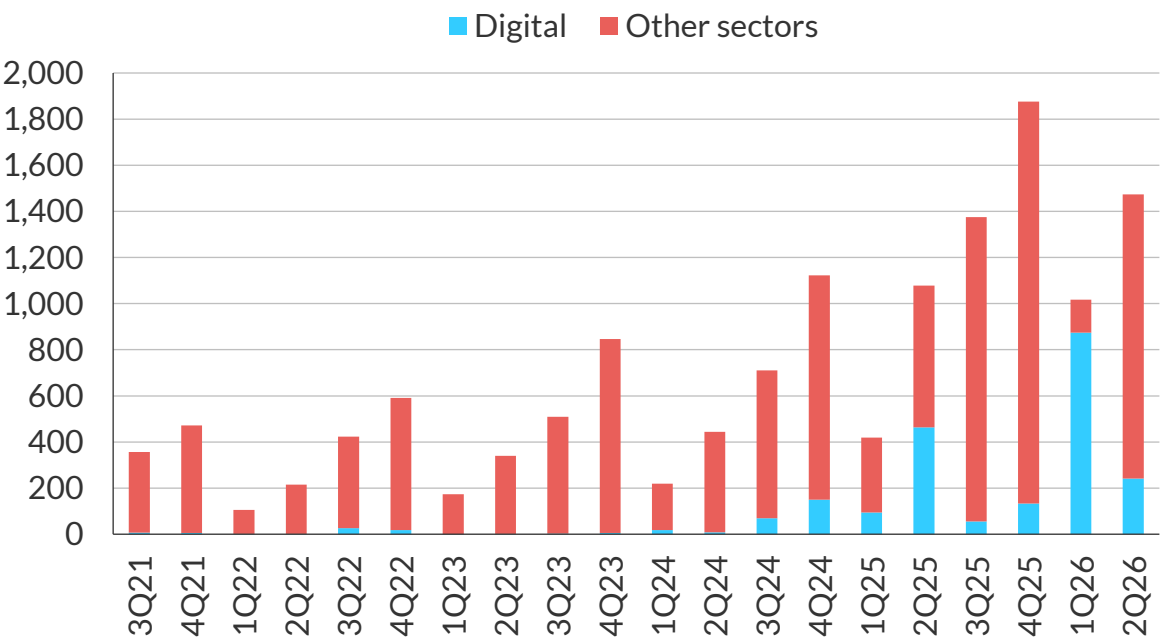
Thailand – Growth Holding Up, Despite Global Energy Shock

GDP Growth and Contributors
(%)



Source: Fitch Ratings, Haver Analytics

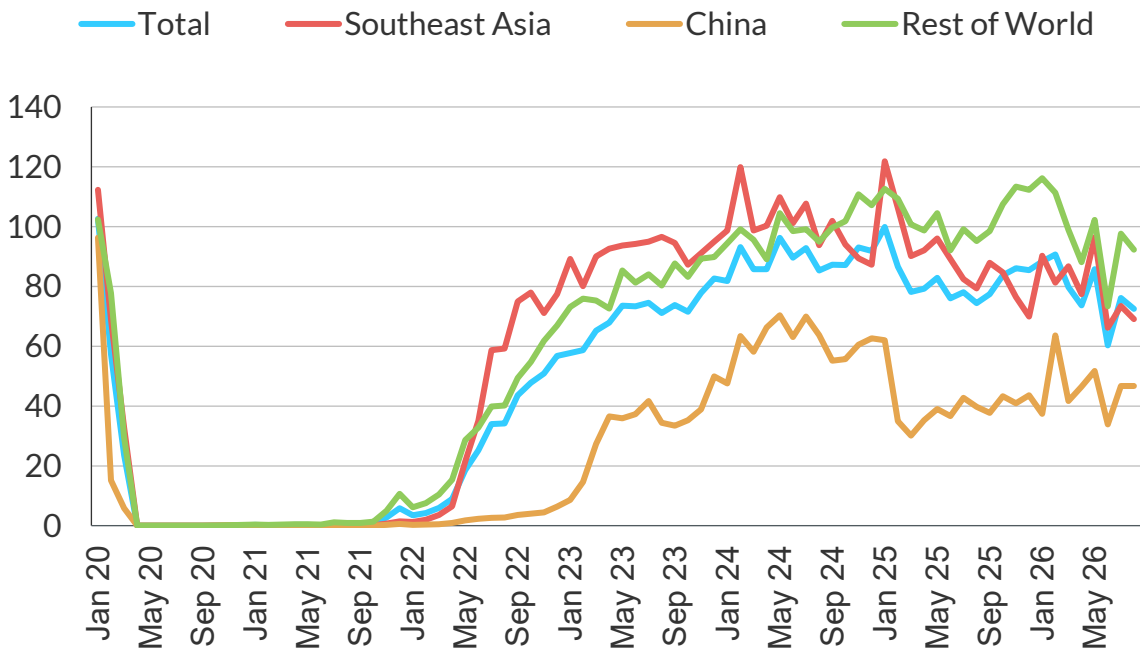
Investment Applications Submitted
(value, THBbn)



Source: Thailand Board of Investment, Fitch Ratings

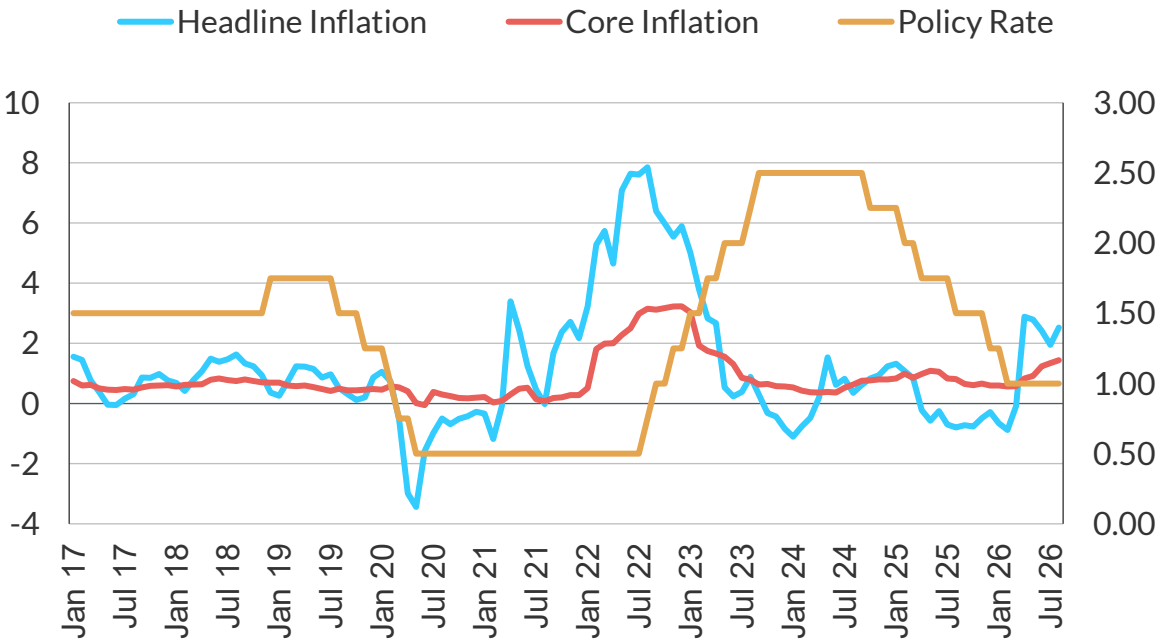
Thailand – Iran War Impact through Tourism and Inflation

Tourist Arrivals by Source Market
(% of 2019 level)



Source: Fitch Ratings, Haver Analytics

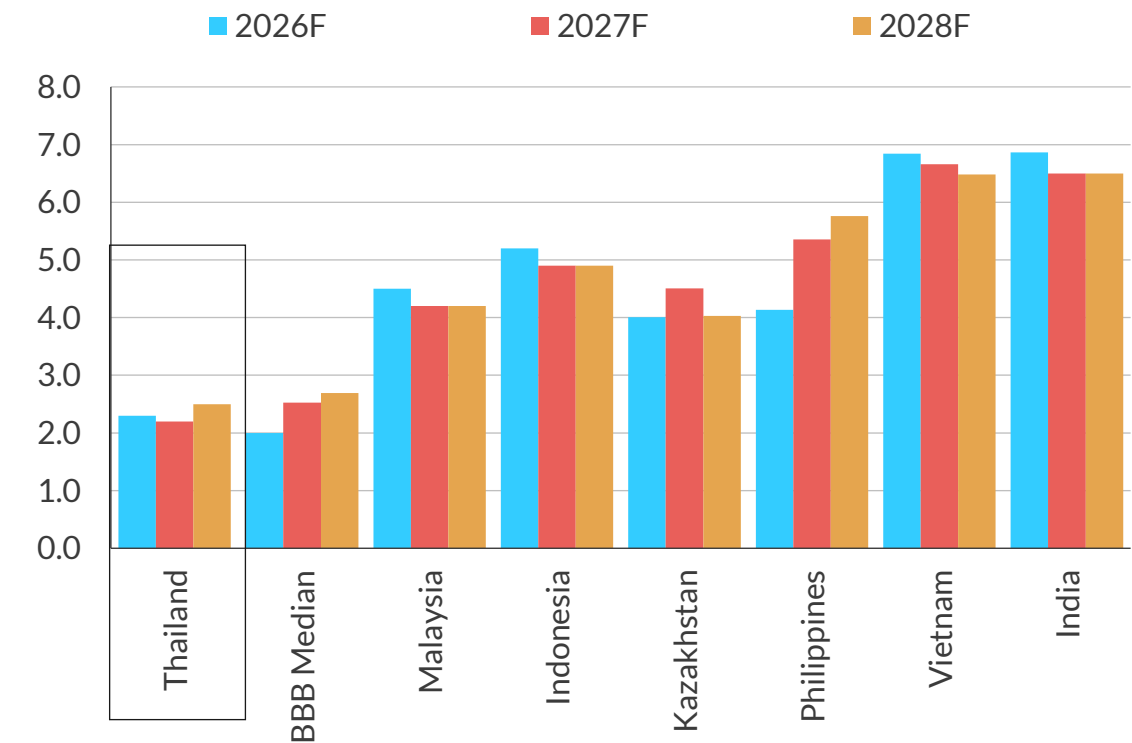
Inflation and Policy Rate
(%)



Source: Fitch Ratings, BoT, Haver Analytics

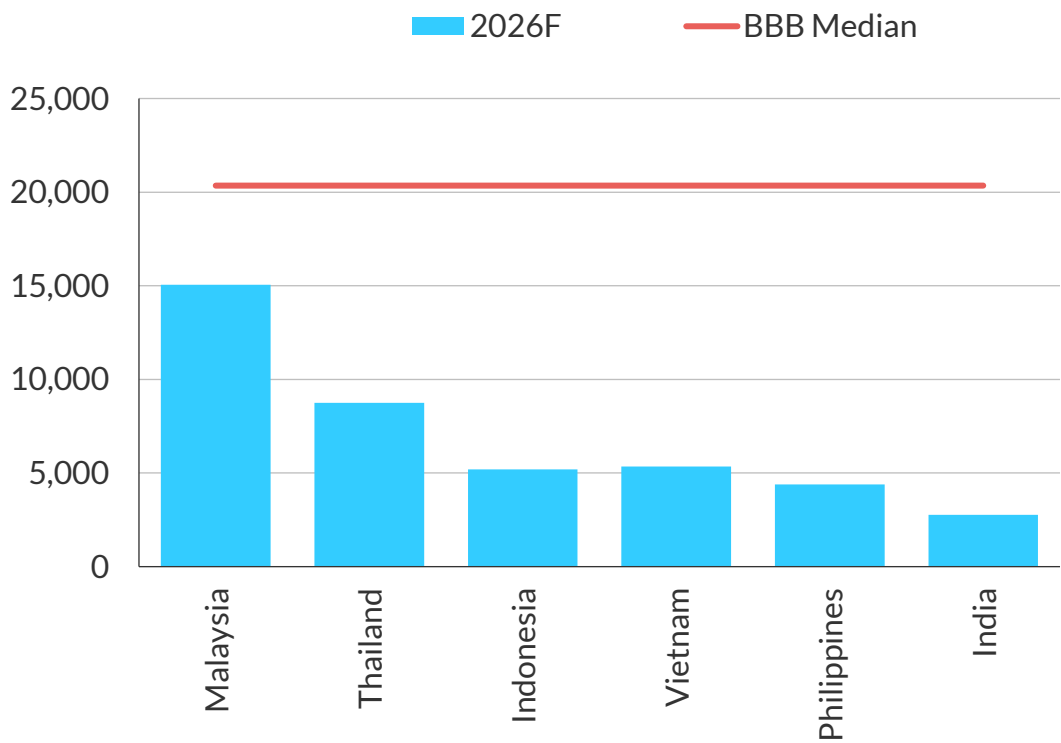
Thailand – Slower Growth than Regional Peers

GDP Growth
(% yoy)



Source: Fitch Ratings

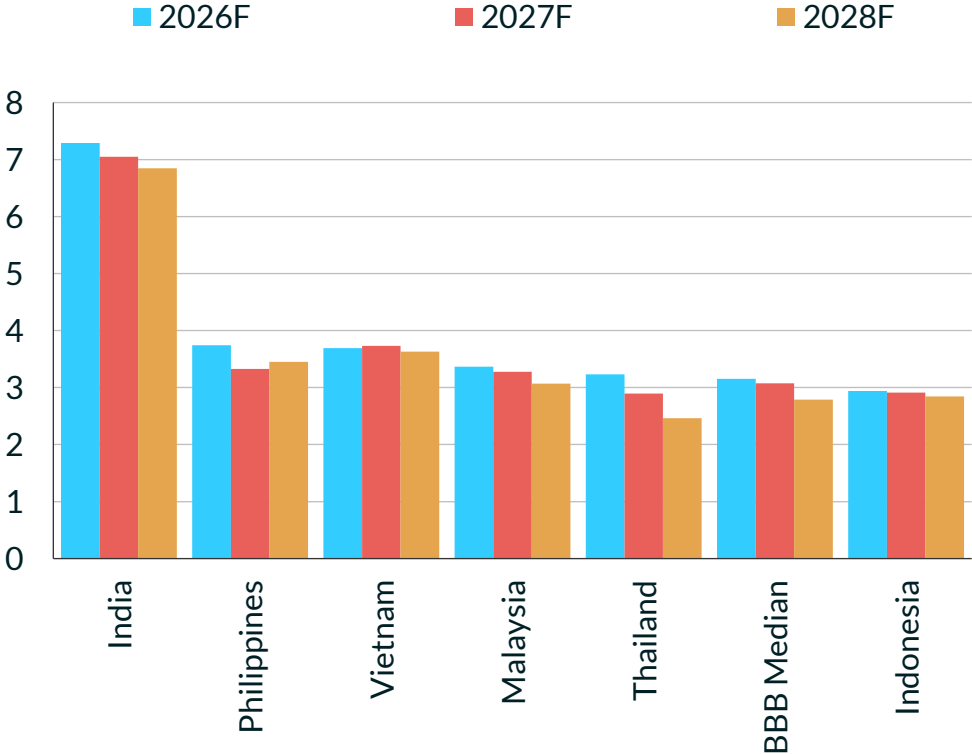
GDP Per Capita
(USD)



Source: Fitch Ratings

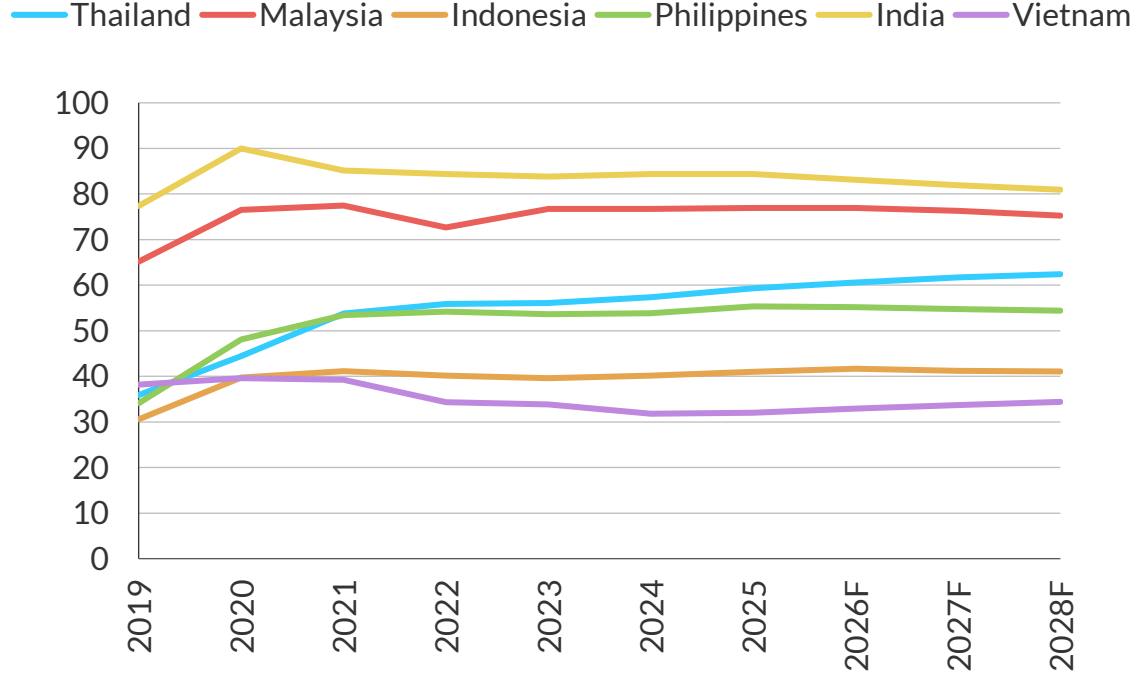
Thailand – Weakening of Public Finances

General Government Fiscal Deficit
(% of GDP)



Source: Fitch Ratings

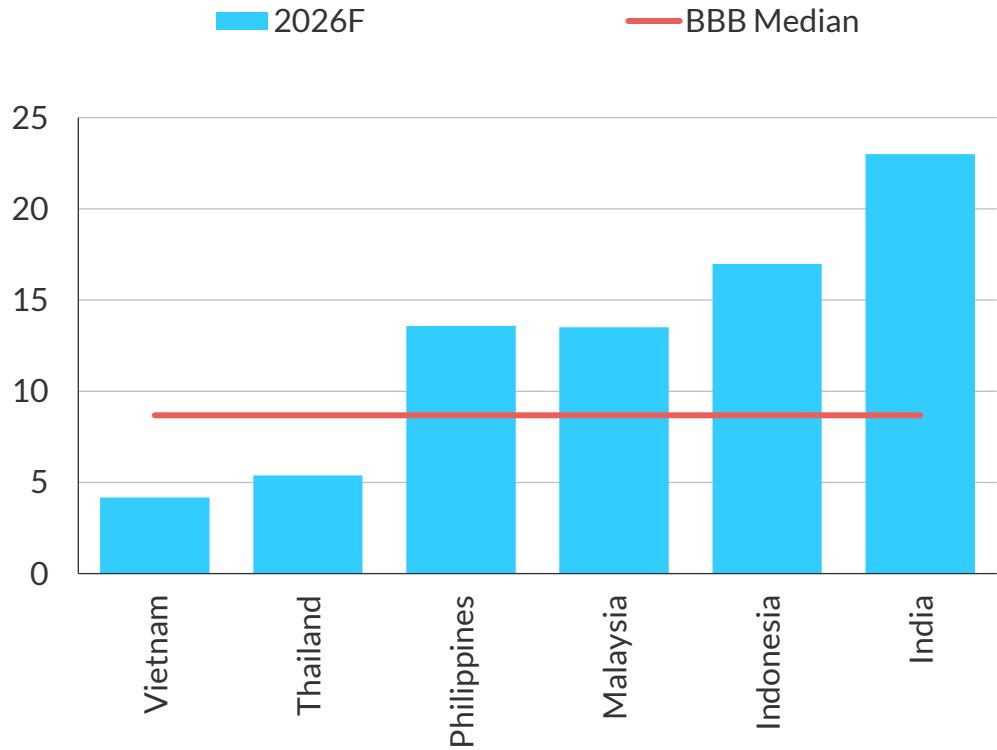
General Government Debt
(% of GDP)



Source: Fitch Ratings

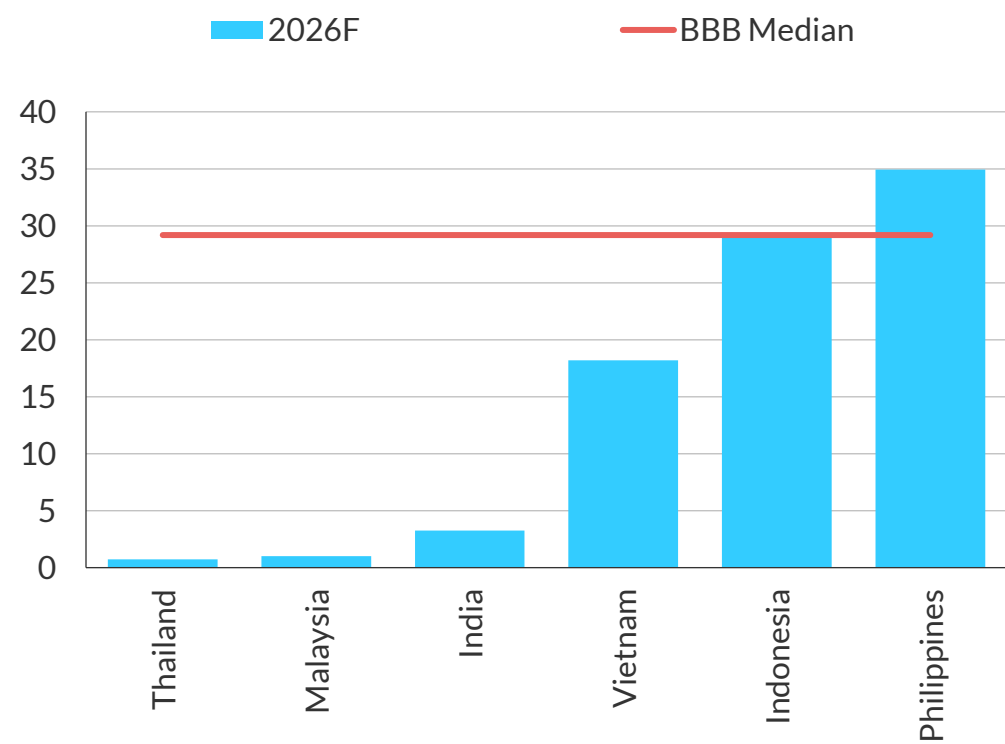
Thailand – Lower Financing Costs a Strength

Government Interest Payments
(% of revenue)



Source: Fitch Ratings

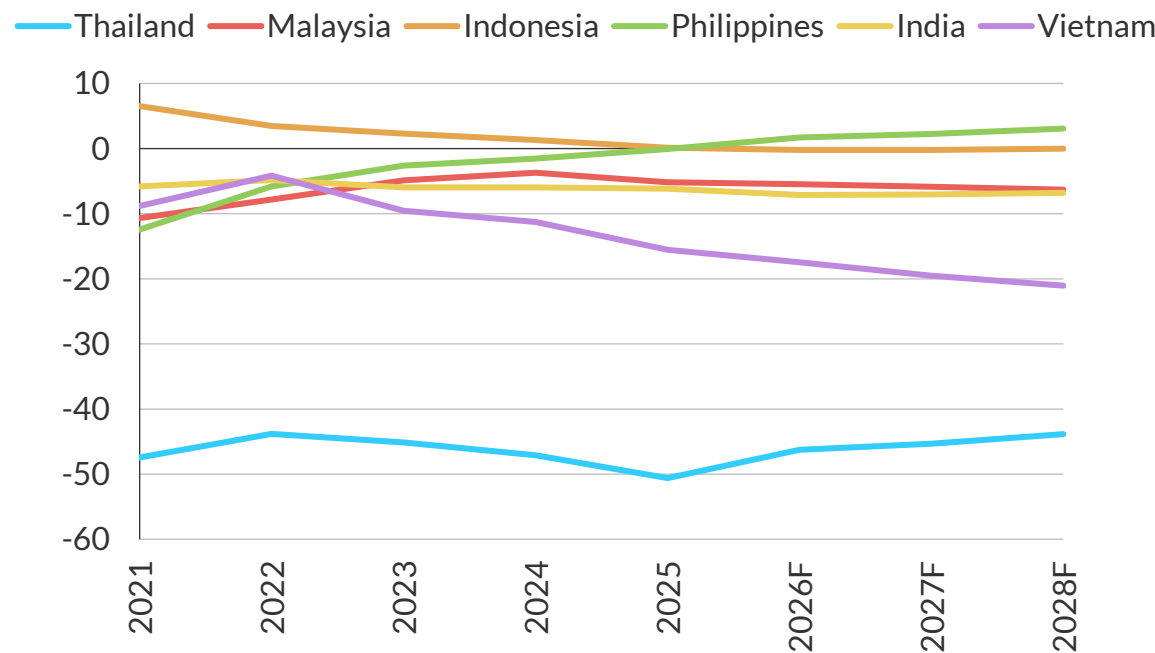
Public Foreign-Currency Debt
(% of total)



Source: Fitch Ratings

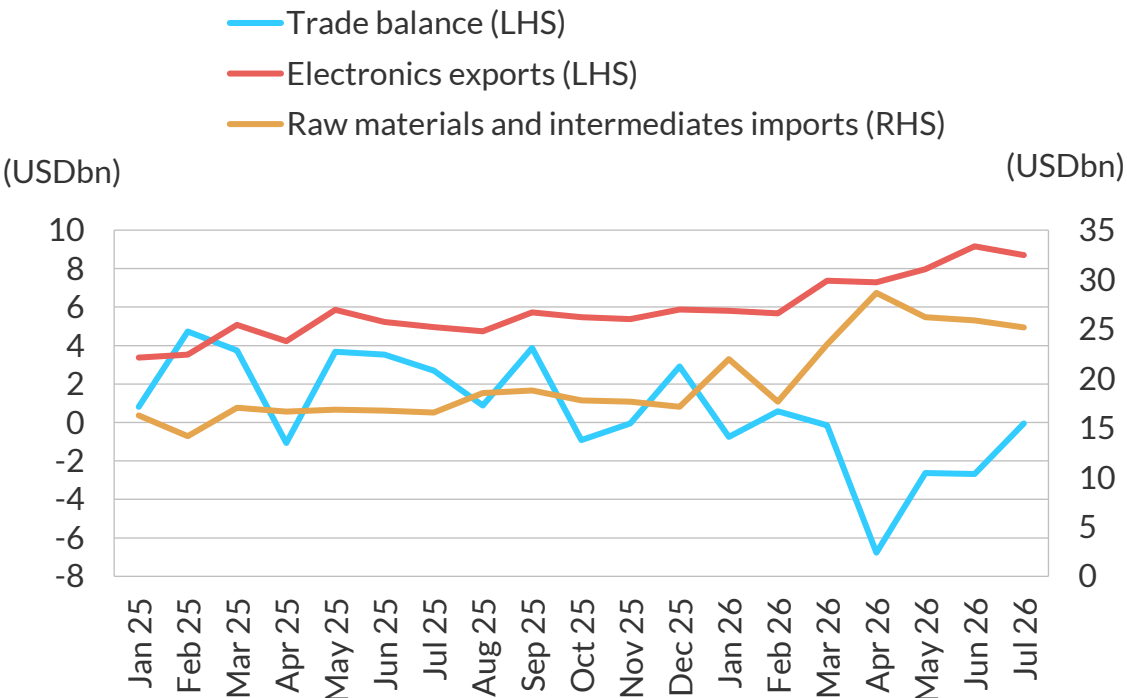
Thailand – External Finances a Strength

Net External Creditor Position
(Net external debt as % of GDP)



Source: Fitch Ratings

Trade: Thailand
(USDbn)

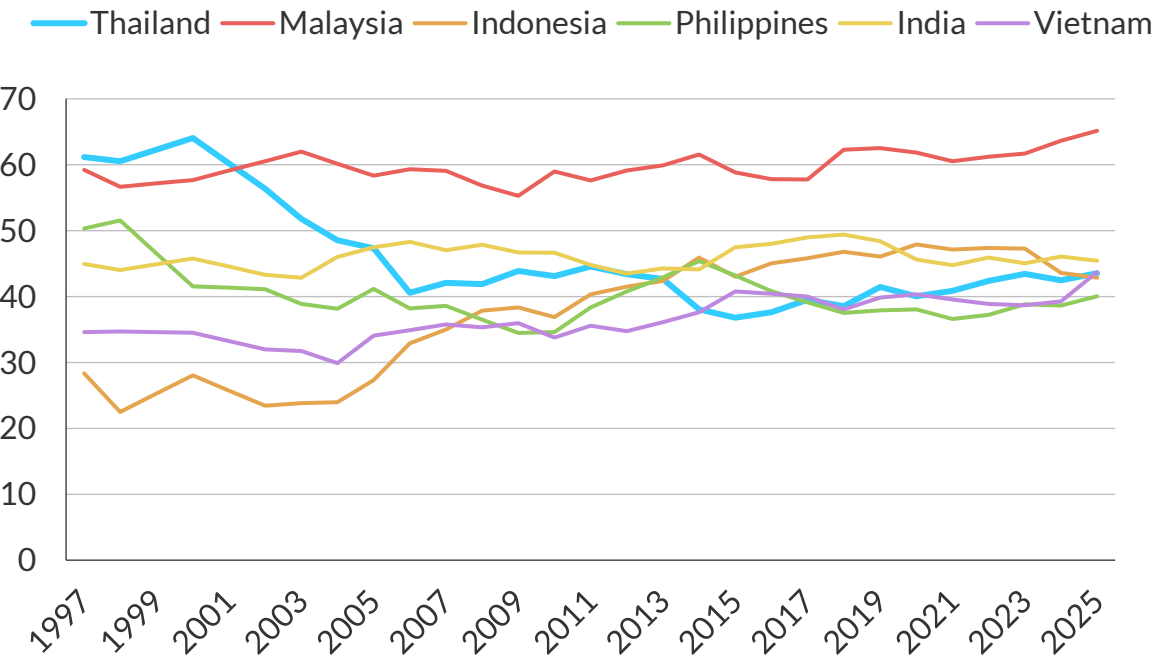


Source: Fitch Ratings, Haver Analytics

Thailand – Governance Indicators Lagging Peers

Governance Scores Compared with Peers

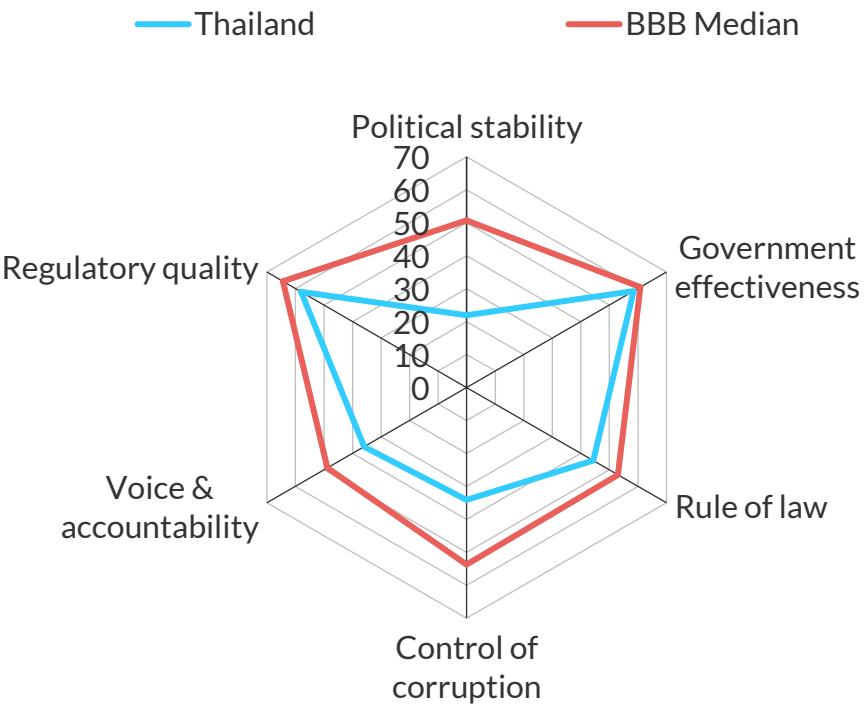
(Percentile rank calculated by Fitch, average of six indicators)



Source: Fitch Ratings, World Bank

Governance Scores

(Percentile rank calculated by Fitch)



Source: Fitch Ratings, World Bank (2025)

All Fitch Ratings (Fitch) credit ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link: <https://www.fitchratings.com/rating-definition-document>. In addition, the following details Fitch's rating definitions for each rating scale and rating categories, including definitions relating to default. Published ratings, criteria, and methodologies are available from this site at all times. Fitch's code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the Code of Conduct section of this site. Directors and shareholders' relevant interests are available at <https://www.fitchratings.com/understandingcreditratingshttps://www.fitchratings.com/site/regulatory>. Fitch may have provided another permissible or ancillary service to the rated entity or its related third parties. Details of permissible or ancillary service(s) for which the lead analyst is based in an ESMA- or FCA-registered Fitch Ratings company (or branch of such a company) can be found on the entity summary page for this issuer on the Fitch Ratings website.

In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed. Fitch Ratings makes routine, commonly-accepted adjustments to reported financial data in accordance with the relevant criteria and/or industry standards to provide financial metric consistency for entities in the same sector or asset class.

The information in this report is provided "as is" without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US\$1,000 to US\$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US\$10,000 to US\$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001.

Fitch Ratings, Inc. is registered with the U.S. Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization (the "NRSRO"). While certain of the NRSRO's credit rating subsidiaries are listed on Item 3 of Form NRSRO and as such are authorized to issue credit ratings on behalf of the NRSRO (see <https://www.fitchratings.com/site/regulatory>), other credit rating subsidiaries are not listed on Form NRSRO (the "non-NRSROs") and therefore credit ratings issued by those subsidiaries are not issued on behalf of the NRSRO. However, non-NRSRO personnel may participate in determining credit ratings issued by or on behalf of the NRSRO.

Copyright © 2026 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved.

MCE-26209 FR_25th Anniversary for Fitch Ratings Thailand

