flow country briefing

Thailand

A country guide

Thailand is a centre of opportunity – as a thriving digital economy and also a gateway to trade across South-East Asia. Its robust exports and private investments have powered growth. Deutsche Bank has been supporting clients along Thailand's trade and investment corridors since 1978

> "In an era of geopolitical fragmentation, Thailand offers a uniquely balanced platform – combining stability, regional integration, and open capital flows"
>
> ***Pimolpa Simaroj, Chief Country Officer, Deutsche Bank Thailand***

Thailand "has rapidly transformed from an economy dominated by agriculture to a modern, industrialised, and export-led one, making its development a success story", reports the World Bank.[1] Living standards have increased substantially since the late 1980s, helped in large part by strong foreign direct investment, but key sectors of tourism and manufacturing have been facing challenges more recently in a less favourable global trading environment (according to the Organisation for Economic Co-operation and Development).[2] With a projected gross domestic product (GDP) for 2026 of US$580bn, Thailand's economy stands at #32 in the world rankings.

Trade, tourism and the digital economy

Thailand's propensity to import more than it exports has been reflected in a negative trade balance in each of the past four years, due in part to higher oil and gas prices. For 2025, total exports reached US$339.6bn, and imports US$349bn.[3] The country's main exports are: electronics, trucks and other vehicles, computers, phones, machinery and agricultural products.

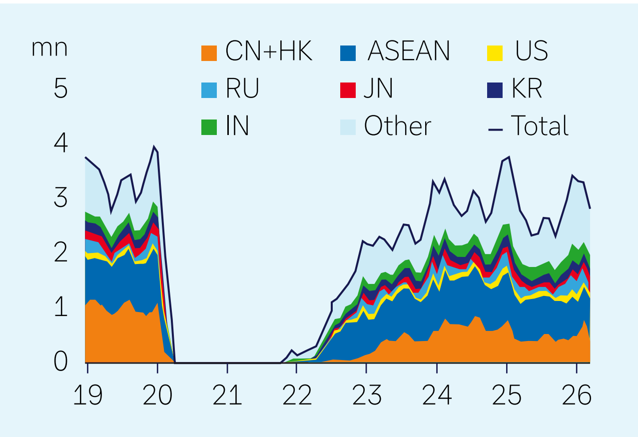

Figure 1: Sources of Thailand's foreign arrivals
Source: CEIC, Deutsche Bank Research

As an important assembly and testing hub within the global semiconductor supply chain, Thailand is both a major importer and exporter of integrated circuits, with finished and assembled circuits being exported. Its top imports are gold and crude oil, although its refining capacity makes it a net exporter of petroleum products.

The country's tourism industry generates around 12% of its GDP and makes an important contribution to inclusive growth, job creation, and poverty reduction. The Tourism Authority of Thailand projects foreign visitors over 2026 at around 30 to 34 million tourists (representing around US$70bn of revenue), although

Key facts

- Ranked third in ASEAN region by GDP, after Indonesia and Singapore
- GDP value for 2025 US$577bn – a 2.4% increase on 2024 and the fifth consecutive year of growth
- Tourism contributes 12% of GDP
- Top trading partners: China, Japan, US
- Population is 70.3 million, but current demographics suggest a decrease by 2050 to around 66 million

this is contingent on the conflict in the Middle East not persisting across the second half of the year.

A prolonged conflict, warns the country's National Economic and Social Development Council, would impact Thailand's economy through five channels: energy supply and prices, production supply chains, international trade, tourism, and money and capital markets.

Looking forward to Thailand's future growth, digital technology is identified as a likely catalyst. According to the World Bank, the country's digital economy already contributes an estimated 6% of GDP and is the second largest in the ASEAN region.

"Financial services, digital payments, fintech, and software and engineering industries have seen some of the fastest rates of job creation over the past decade," the World Bank stated in its July 2025 Thailand Economic Monitor titled *Digital Pathways to Growth*. "The country can leverage its near-universal mobile internet coverage and digital public infrastructure that is among the region's most advanced".[5]

Latest macroeconomic developments

According to Deutsche Bank Research, Thailand enjoyed a strong start to 2026, reporting GDP growth of 2.8% year-on-year (YoY) in Q1. This was led by a robust performance in exports and investment (see Figure 2). Export growth more than doubled to 12.6%, adding 9.3 percentage points, but stronger import growth of 21.1% resulted in an overall worsening net trade contribution.

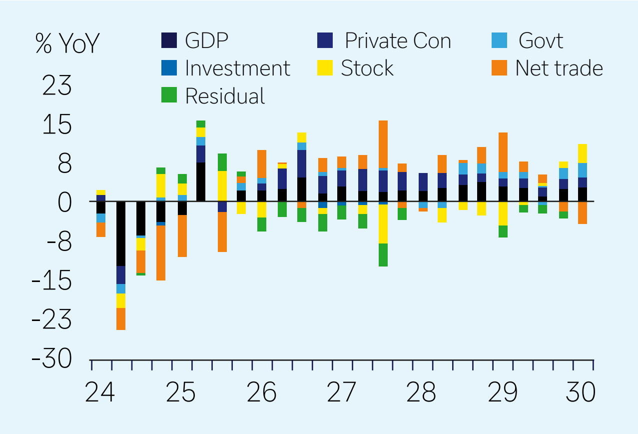

Figure 2: Contributors to Thailand's GDP growth
Source: CEIC, Deutsche Bank Research

Foreign direct investment interest, led by the digital sector, has remained strong, with applications up 273% YoY in Q1. However, the value of those approved was down about 40% in Q1 to US$6.6bn, perhaps reflecting a backlog of projects to be implemented after approvals surged by more than 60% during 2023 to 2025.

Strong fiscal support together with the country's good first quarter looks set to support GDP growth of 2% in 2026 – "well above the International Monetary Fund's forecast of 1.5%, before moving sideways in 2027", according to Deutsche Bank Research.

With growth concerns still dominating policy discussions, the Bank of Thailand (BoT) "is likely to look through the oil shock and keep its policy rate steady at 1% through 2026", especially as the BoT sees no broad-based rise in inflation, Deutsche Bank Research's economists add.

Thailand's inflation outlook is likely to average 2.6% in 2026, before moderating to 2.2% in 2027, according to the economists.

Deutsche Bank in Thailand

Deutsche Bank officially established its presence in Thailand in 1978. From the outset, Deutsche Bank in Bangkok focused on facilitating trade between Thailand and Germany/Europe as well as providing corporate banking services to German and international businesses operating in Thailand. Over time, as Thailand's economy grew and attracted more foreign investment, these services expanded to include financing and advisory services, as well as cash management and foreign exchange solutions under more complex financial transactions. In addition to its international clients, Deutsche Bank has engaged with prominent Thai corporations, offering syndicated loans, capital markets solutions, among other financial services as Thailand's financial market developed.

The Bangkok branch is part of Deutsche Bank's global network to support multinational corporates expanding their business into Thailand, facilitating cross-border trade, investment, financing and cash management. "We leverage the integrated global network as a 'one bank' approach, ensuring collaboration between the Bangkok branch, regional hubs (e.g., Singapore, Hong Kong), and global product teams (e.g., Frankfurt, London, New York)", says Pimolpa Simaroj, Chief Country Officer, Deutsche Bank Thailand. This means that "a Thai client can access Deutsche Bank's global expertise and products as easily as if they were dealing with a local bank".

Global Hausbank in action

For clients operating in Thailand's fast-growing digital economy, the country's restrictive currency regime has long made Thai baht (THB) transactions more complex to manage. Fintech companies processing high daily transaction volumes have faced particular challenges, with each payment subject to rigorous regulatory scrutiny and extensive documentation requirements.

A significant relaxation of foreign exchange controls by the BoT, effective 1 December 2025, is helping address these pain points. The new provision allows banks to conduct comprehensive know your business (KYB) due diligence on non-resident non-financial institutions, giving multinational and overseas companies a more efficient way to operate in Thailand while remaining fully compliant.

For clients, the practical impact is significant. The update removes the need to submit extensive supporting documents for every transaction, reducing delays and administrative workload. It also eases previous checks and limitations on non-resident baht account balances, giving overseas companies greater flexibility to manage capital and liquidity onshore.

Since its inception, Deutsche Bank has actively leveraged this regulatory advancement. "By implementing the permitted KYB framework, we have successfully supported our fintech partners in expanding and optimising their onshore business capabilities, helping them form solutions to ensure operational efficiency and full compliance for their THB transactions," says Kriti Jain, Head of Fintech, Platform and Digital Economy - Coverage APAC & Cash Management Sales at Deutsche Bank.

Key products and services

- Trade finance: vital for facilitating international trade
- Cash management: helping businesses manage cross-border payments efficiently
- Foreign exchange (FX): providing currency exchange services for international transactions
- Lending and syndicated loans: providing financing to large corporations
- Debt Capital Markets (DCM): assisting companies in raising funds through USD bonds
- Advisory services: mergers and acquisitions (M&A) advisory and other corporate finance advice

Deutsche Bank Research Reports referenced:

Asia Macro Insight: Further rate hikes ahead, by Juliana Lee, Kaushik Das, Yi Xiong, Junjie Huang, Deyun Ou

[1] Thailand | World Bank Group

[2] OECD Economic Surveys: Thailand 2025 (EN)

[3] Thai exports in 2025 reach a record of US$339B, marking 12.9% growth

[4] NESDC warns Middle East conflict could hit five Thai economic fronts

[5] Thailand's Digital Future Key to Boosting Growth