

Thailand Country Report

ACFEA 2025 Conference

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Thailand today

- Over 2023–2025, Thailand remains an **upper-middle-income** economy with per-capita output of roughly **USD 7,182** (nominal) and **USD,23 465** (PPP) in 2023.
- Its population has inched **down** from a peak of ~71.7 million in 2023 to **71,619,863** by mid-2025.
- The labour force stands at about **40.7 million**, with **male participation at 74.7 %** and **female at 58.9 %** in 2024.
- **Informal employment** is ~60 %. **Unemployment rate of 0.89 %** in Q1 2025.
- Thailand's **income-inequality** is high, with a Gini coefficient of **43.3 % in 2021**, among the highest in East Asia and the Pacific, underscoring the need for improved social protection and inclusive growth strategies ([WBI](#)). **Wealth inequality** GINI of 90.2 is 4th highest in the world (after Ukraine, Kazakhstan and Egypt).
- Thailand is reaching **“super-aged”** society (by 2030) with profound implications for labor markets, healthcare, pensions, and economic growth.
- Exports totaled **USD 319 billion in 2023**, ranking Thailand 25th globally (export growth accelerated to **+8.7 % year-on-year in December 2024**).
- The current-account surplus widened to **1.4 % of GDP in 2023**, from a deficit of **-3.5 %** in 2022, reflecting export strength and tourism inflows.
- Tourism revenues rebounded to **THB 1.5 trillion in 2024**, approaching pre-pandemic levels, driven by Chinese and regional visitors.

From COVID Contraction to Modest Recovery

- **Thailand's contraction:** GDP plunged 6.1 % in 2020—the steepest post-1997 decline—driven by a halt to international tourism (11.5 % of GDP and 20 % of employment) and strict lockdowns [World Bank](#).
- **Regional comparison:**
 - Philippines: -9.6 % (record collapse); Malaysia: -4.5 % (worst in history)
 - Indonesia: -2.1 % ; Singapore: -4.1 % ; Vietnam: +2.9 %
- This places Thailand among the hardest-hit tourism-dependent economies.

Post-pandemic Growth ([Bot](#))

- **2023:** GDP rose 2.0 %, lifted by domestic consumption and a tourism rebound.
- **2024:** Growth accelerated to 2.5 % as exports and services recovered.
- **2025 forecast:** Projected at 2.3 %, with risks from U.S. tariffs and muted consumption.

Policy Response: Breadth and Gaps

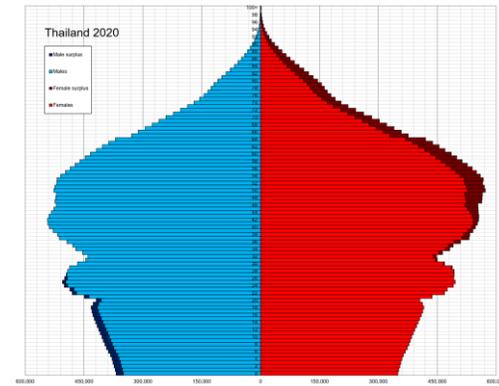
Monetary and Fiscal Measures

- **Bank of Thailand:** Cut policy rates early, provided liquidity facilities and debt-service holidays to formal borrowers. Currently 1.75 % since June 25. ([Reuters](#)).
- **Fiscal packages:** Totaled \approx 12.9 % of GDP (THB 2.3 trillion), covering cash transfers, wage subsidies, and tax relief under the “Active Response and Expenditure Support” program. ([Reuters](#)).
- The government rolled out relief totaling about **THB 2.3 trillion (USD 71.4 billion)**, including cash transfers, wage subsidies, and tax breaks under the COVID-19 Active Response and Expenditure Support Program [adb.org](#).
- However, the scale strained fiscal space—public debt approached **65 % of GDP**—and gaps remained, notably exclusion of many informal and migrant workers, undermining equity and consumption support ([IMG](#)).

Informal-Sector Exclusion

- Informal workers (\approx 50 % of employment) saw incomes fall by 40–80 % but were often ineligible for formal relief schemes, worsening poverty and underemployment and pushing many below the poverty line ([wiego](#)).
- Cash-transfer schemes reached organized informal groups but largely excluded undocumented migrants and unregistered workers, limiting their effectiveness in poverty alleviation.

Demographic Trends



- **Population Size & Growth**
- Thailand's population peaked in 2023 and dropped to 71,667,863 in 2024 (571,646 deaths vs. 462,240 births in 2024).
- **Age Structure & Ageing**
- Children (0–14 years) now make up just **14.7 %** of the population, down from ~19.7 % in 2018, while seniors (60+) have climbed to **22 %** in 2024 & expected to exceed 28 % aged 60+ by 2030 [Population Trends Asia Pacific](#).
- **Fertility & Household Size**
- Total fertility rate plunged to **1.2 births per woman** in 2024—well below the replacement level of 2.1 and among the lowest globally.
- Average household size fell from **3.2 persons** in 2018 to **3.0 persons** by 2022 (down from 5.7 in 1970), reflecting fewer children and more single-person and elderly households [Wikipedia](#).
- **Urbanization**
- The urban share of the population rose from **34.4 %** in 2018 to **47.9 %** in 2022, driven by migration to Bangkok and regional centers [Wikipedia](#).

Factors Behind Thailand's Population Decline

Economic Pressures

- Rising **cost of living**, **housing prices**, and **childcare expenses** discourage younger generations from starting families. Many young Thais delay or forgo marriage and parenthood due to financial insecurity and career priorities.

Cultural and Social Shifts

- Changing attitudes toward family life, especially among urban and educated women, have led to a preference for smaller families or remaining child-free.
- Increased female education and workforce participation correlate with lower fertility rates.

Historical Family Planning Policies

- Thailand's government promoted aggressive birth control campaigns in the 1970s–1990s, which were highly effective. Slogans like "If you have more children, you will become poorer" were widely used. While successful in curbing overpopulation, these policies contributed to long-term fertility decline.

Limited Family Support Policies

- Thailand offers only **98 days of maternity leave**, among the shortest in Southeast Asia.
- Lack of robust parental support, childcare infrastructure, and fertility incentives makes child-rearing less attractive.

Consumption Trends

- **Consumption's Share of GDP:** Household final consumption's share of GDP has declined from 48.9 % in 2019 to 46.18 % in 2023, reflecting slower household-income growth and high debt burdens.
- **Household Consumption Growth**
 - 2023: Final consumption expenditure grew 7.14 % (constant currency)
 - 2024: Private-consumption growth moderated to 4.4 %, still above ASEAN's 4.2 % average
- **Debt & Vulnerabilities:** At end-March 2025, public debt reached THB 12.08 trillion (64.4 % of GDP), below the 70 % sustainability threshold. However, high household debt (\approx 88 % of GDP) continues to constrain spending power and contributes to the declining share of consumption in GDP.
- **Consumer Sentiment:** Consumer confidence is at a two-year low, pressured by political uncertainty alongside high household debt and sluggish wage growth.

Challenges and Issues

- **Living Standards:** Low inflation benefits consumers' purchasing power (and the BOT may consider further easing if growth falters, though risks from U.S. tariffs could constrain room for cuts), but high rents and utility costs in urban areas continue to strain household budgets, especially for lower-income groups.
- **U.S. tariffs:** Possible 36 % levies on Thai exports to address a USD 45.6 billion trade deficit could cut export growth by 4 % in 2025 and force deeper monetary easing ([Reuters](#)).
- **Border Dispute Protests:** Demonstrators demanding Paetongtarn's resignation over a disputed map with Cambodia have drawn thousands in Bangkok, unsettling investors and prompting travel advisories.
- Thailand's current **political uncertainty**—from coalition fragility and contested amnesty bills to street protests—risks delaying key budgets and reforms, undermining investor and consumer confidence, and compounding external shocks such as U.S. tariffs.
- **Market Performance:** The Stock Exchange of Thailand has plunged over 23% in 2025, ranking it among the world's worst-performing markets, as investors price in political and trade-war uncertainties.
- **Cannabis Policy U-Turn: 2022 decriminalization** - Thailand legalized home cultivation and low-THC products, spawning $\approx 14\,000$ dispensaries and a USD 1 billion market by 2025. However, in **June 2025 recriminalization** - recreational use banned and over-the-counter sales restricted—citing youth protection and regulatory concerns.
- **Casino-and-Entertainment Complex:** Draft bill (shelved July 2025) proposed up to five integrated resorts with casinos targeting THB 100 billion+ in new tourism revenue.