

# Summary

## Survey on Business Sentiment of Japanese Corporations in Thailand

### For the 2<sup>nd</sup> Half of 2025

#### <Introduction of the Survey >

JCCB, Japanese Chamber of Commerce Bangkok, has been conducting survey on business sentiment of Japanese corporations in Thailand twice a year for 55 years, since 1971. This survey is the only comprehensive data reflecting the business situation of Japanese corporations in Thailand.

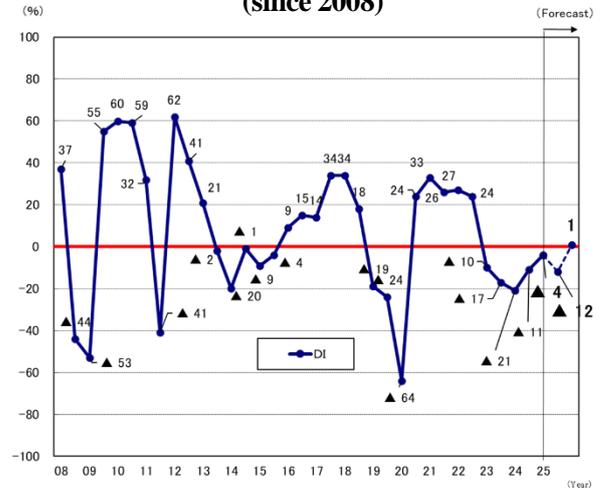
- The survey period was from November 25 to December 16, 2025.
- The questionnaires were handed out to 1,677 JCCB members, of which 521 companies responded (31.1%).
- Press release date: January 27, 2026 (Tue.)

#### 1. Business Sentiment Illustrated by DI (Diffusion Index)

- The business sentiment (DI) is -4 in the first half of 2025, -12 in the second half of 2025 (forecast), and 1 in the first half of 2026 (forecast). The DI forecast for the second half of 2025 (-12) is influenced by factors, such as decline in domestic demand, particularly in automotive-related industries, and the impact of reciprocal tariffs imposed by the U.S.
- The DI forecast for the first half of 2026 reflects a more optimistic sentiment (-12→1) compared to the second half of 2025, influenced by factors such as anticipated increases in demand, including the acquisition of new business across a wide range of industries, despite ongoing concerns about price competition from Chinese products.

#### Historical Change of DI

(since 2008)



#### Business Sentiment

	2025		2026
	H1	H2	H1
Improving (%)	30	27	28
No change (%)	36	34	45
Deteriorating (%)	34	39	27
(Ref.) DI (pt)	-4	-12	1

Industry	Survey this time			No. of firms	
	Result	Forecast			
	25H1	25H2	26H1		
Manufacturing	Food	20	-40	0	10
	Textile	-23	-62	-39	13
	Chemical	5	-13	5	39
	Steel/Non-ferrous metal	-20	-20	-14	34
	General machinery	-47	-20	-26	15
	Electric/Electronics machinery	3	0	12	52
	Transportation machinery	16	-2	8	63
	Others	-5	-20	0	41
	<b>Manufacturing sector total</b>	<b>-2</b>	<b>-13</b>	<b>0</b>	<b>267</b>
Non-manufacturing	Trading	-13	-13	7	93
	Retailer	0	-50	25	4
	Finance/Insurance/Securities	-4	-8	8	24
	Construction/Civil engineering	-24	-24	-6	29
	Transportation/Communication	-23	-17	-17	36
	Others	12	3	6	68
	<b>Non-Manufacturing sector total</b>	<b>-8</b>	<b>-11</b>	<b>2</b>	<b>254</b>
<b>Total</b>	<b>-4</b>	<b>-12</b>	<b>1</b>	<b>521</b>	

H1: The first half of the year, H2: The second half of the year

For the first half of 2026

“Improving” (28%), “No change” (45%), “Deteriorating” (27%)  
**28% - 27% = DI 1**

#### <What is DI? >

##### ◆ DI (Diffusion Index):

**DI = the percentage of those answered "improving" — (minus) the percentage of those answered "deteriorating"**

**A comparison of business performance in a six-month term with its previous term**

## 2. Capital Investment

- The percentage of the firms anticipating “Increase” in their capital investments in 2026 is 23%, whereas 43% of them anticipated “No change” and 19% anticipated “Decrease”.

Industry	No. of firms and (%)				
	Increase	No change	Decrease	Undecided	Total
Food	6 (60)	3 (30)	1 (10)	0 (0)	10
Textile	5 (38)	5 (38)	3 (23)	0 (0)	13
Chemical	18 (46)	13 (33)	7 (18)	1 (3)	39
Steel/Non-ferrous metal	9 (27)	14 (42)	8 (24)	2 (6)	33
General machinery	1 (8)	8 (62)	4 (31)	0 (0)	13
Electric/Electronics machinery	22 (43)	18 (35)	11 (22)	0 (0)	51
Transportation machinery	18 (29)	22 (35)	17 (27)	5 (8)	62
Others	6 (16)	16 (42)	11 (29)	5 (13)	38
<b>Manufacturing sector total</b>	<b>85 (33)</b>	<b>99 (38)</b>	<b>62 (24)</b>	<b>13 (5)</b>	<b>259</b>
Trading	12 (13)	43 (48)	8 (9)	26 (29)	89
Retail	0 (0)	2 (50)	2 (50)	0 (0)	4
Finance/Insurance/Securities	5 (22)	12 (52)	1 (4)	5 (22)	23
Construction/Civil engineering	3 (11)	16 (57)	3 (11)	6 (21)	28
Transportation/Communication	2 (6)	8 (24)	8 (24)	16 (47)	34
Others	8 (13)	36 (57)	9 (14)	10 (16)	63
<b>Non-manufacturing sector total</b>	<b>30 (12)</b>	<b>117 (49)</b>	<b>31 (13)</b>	<b>63 (26)</b>	<b>241</b>
<b>Total</b>	<b>115 (23)</b>	<b>216 (43)</b>	<b>93 (19)</b>	<b>76 (15)</b>	<b>500</b>

Results from the previous survey (first half of 2025)

Manufacturing sector total	86 (33)	114 (44)	47 (18)	10 (4)	257
Non-manufacturing sector total	36 (15)	119 (48)	35 (14)	57 (23)	247
<b>Total</b>	<b>122 (24)</b>	<b>233 (46)</b>	<b>82 (16)</b>	<b>67 (13)</b>	<b>504</b>

(Note) Year-to-year comparison

(Reference) Details of the capital investment in 2026 (multiple answers)

Industry		Unit: No. of firms and (%)									
		New	Expansion	Replacement	Streamlining	DX-related	Environment-related (including decarbonization)	Others	Total	No. of firms	
Manufacturing	Food	3 (30)	4 (40)	6 (60)	2 (20)	5 (50)	2 (20)	0 (0)	22	10	
	Textile	4 (33)	3 (25)	9 (75)	4 (33)	3 (25)	2 (17)	1 (8)	26	12	
	Chemical	7 (18)	3 (8)	28 (74)	12 (32)	3 (8)	6 (16)	3 (8)	62	38	
	Steel/Non-ferrous metal	9 (27)	5 (15)	22 (67)	8 (24)	8 (24)	3 (9)	2 (6)	57	33	
	General machinery	3 (27)	1 (9)	5 (45)	3 (27)	2 (18)	0 (0)	0 (0)	14	11	
	Electrical/Electronic machinery	17 (34)	21 (42)	28 (56)	17 (34)	10 (20)	8 (16)	4 (8)	105	50	
	Transportation machinery	14 (23)	12 (19)	46 (74)	28 (45)	14 (23)	9 (15)	2 (3)	125	62	
	Others	4 (11)	5 (14)	23 (64)	10 (28)	2 (6)	4 (11)	3 (8)	51	36	
<b>Manufacturing sector total</b>		<b>61 (24)</b>	<b>54 (21)</b>	<b>167 (66)</b>	<b>84 (33)</b>	<b>47 (19)</b>	<b>34 (13)</b>	<b>15 (6)</b>	<b>462</b>	<b>252</b>	
Non-manufacturing	Trading	10 (14)	7 (10)	29 (40)	16 (22)	15 (21)	4 (6)	17 (24)	98	72	
	Retail	0 (0)	1 (25)	2 (50)	2 (50)	1 (25)	0 (0)	0 (0)	6	4	
	Finance/Insurance/Securities	4 (25)	1 (6)	10 (63)	2 (13)	5 (31)	0 (0)	2 (13)	24	16	
	Construction/Civil engineering	0 (0)	0 (0)	14 (61)	8 (35)	6 (26)	2 (9)	1 (4)	31	23	
	Transportation/Communication	6 (22)	4 (15)	8 (30)	10 (37)	8 (30)	1 (4)	6 (22)	43	27	
	Others	9 (17)	6 (11)	27 (50)	13 (24)	12 (22)	1 (2)	8 (15)	76	54	
	<b>Non-manufacturing sector total</b>		<b>29 (15)</b>	<b>19 (10)</b>	<b>90 (46)</b>	<b>51 (26)</b>	<b>47 (24)</b>	<b>8 (4)</b>	<b>34 (17)</b>	<b>278</b>	<b>196</b>
<b>Total</b>		<b>90 (20)</b>	<b>73 (16)</b>	<b>257 (57)</b>	<b>135 (30)</b>	<b>94 (21)</b>	<b>42 (9)</b>	<b>49 (11)</b>	<b>740</b>	<b>448</b>	

### 3. Export

#### Export Trend in the first half of 2026 (January-June)

- The percentage of the firms anticipating “Increase” in their exports in the first half of 2026 totaled 35%, while 45% anticipated “No change” and 20% anticipated “Decrease”.

Unit: No. of firms and (%)

Industry	Increase			No change	Decrease			No. of firms		
	> 20%	10-20%	< 10%		< 10%	10-20%	> 20%			
Food	3 (30)	2 (20)	1 (10)	0 (0)	7 (70)	0 (0)	0 (0)	0 (0)	0 (0)	10
Textile	5 (38)	0 (0)	1 (8)	4 (31)	3 (23)	5 (38)	4 (31)	0 (0)	1 (8)	13
Chemical	12 (31)	1 (3)	7 (18)	4 (10)	17 (44)	10 (26)	8 (21)	1 (3)	1 (3)	39
Steel/Non-ferrous metal	6 (18)	3 (9)	0 (0)	3 (9)	23 (68)	5 (15)	1 (3)	2 (6)	2 (6)	34
General machinery	5 (33)	5 (33)	0 (0)	0 (0)	6 (40)	4 (27)	1 (7)	1 (7)	2 (13)	15
Electrical/Electronic machinery	26 (50)	5 (10)	7 (13)	14 (27)	13 (25)	13 (25)	5 (10)	6 (12)	2 (4)	52
Transportation machinery	18 (29)	6 (10)	4 (6)	8 (13)	36 (57)	9 (14)	4 (6)	3 (5)	2 (3)	63
Others	19 (46)	12 (29)	4 (10)	3 (7)	14 (34)	8 (20)	4 (10)	2 (5)	2 (5)	41
Manufacturing sector	94 (35)	34 (13)	24 (9)	36 (13)	119 (45)	54 (20)	27 (10)	15 (6)	12 (4)	267
Results of the first half of the 2025 survey (Manufacturing sector)	76 (33)	5 (2)	26 (11)	45 (20)	98 (43)	55 (24)	30 (13)	13 (6)	12 (5)	229

(Note) Year-to-year comparison

## 4. Exchange Rates

### 4.1 Thai Baht/US Dollar

- Regarding the exchange rates deemed desirable for business operations (Thai Baht/US Dollar), the predominant rates deemed are in a range between “No less than 30.0 but less than 30.5” and “No less than 33.0 but less than 33.5” each selected by 21.8% of respondents, with the median rate at 33.0 baht/US dollar. In addition, the median by industry is 33.0 baht/US dollar for the manufacturing sector and 32.0 baht/US dollar for the non-manufacturing sector.

Thai Baht/US Dollar, No. of firm, and (%)

Industry Baht/US dollar	Manufacturing										Non-manufacturing				Total	
	Food	Textile	Chemical	Steel/Non-ferrous metal	General machinery	Electrical/Electronic machinery	Transportation machinery	Others	Manufacturing sector total	Trading	Retail	Others	Non-manufacturing sector total			
No less than 28.0 but less than 28.5	0	0	0	0	0	0	0	0	0	0	0	1	0	1	1	(0.3)
No less than 28.5 but less than 29.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(0.0)
No less than 29.0 but less than 29.5	0	0	0	0	0	0	1	0	1	0	0	0	0	0	1	(0.3)
No less than 29.5 but less than 30.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(0.0)
No less than 30.0 but less than 30.5	1	1	5	4	4	2	7	6	30	16	2	16	34	64	(21.8)	
No less than 30.5 but less than 31.0	0	0	0	1	0	0	0	0	1	1	0	0	1	2	(0.7)	
No less than 31.0 but less than 31.5	0	0	2	1	0	3	0	0	6	2	0	2	4	10	(3.4)	
No less than 31.5 but less than 32.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(0.0)	
No less than 32.0 but less than 32.5	2	1	1	1	3	7	5	1	21	11	0	8	19	40	(13.7)	
No less than 32.5 but less than 33.0	0	0	0	3	0	1	4	3	11	3	0	1	4	15	(5.1)	
No less than 33.0 but less than 33.5	2	1	6	5	0	7	15	6	42	16	0	6	22	64	(21.8)	
No less than 33.5 but less than 34.0	0	1	0	0	0	1	1	1	4	1	0	1	2	6	(2.0)	
No less than 34.0 but less than 34.5	0	5	8	4	1	7	6	2	33	8	0	0	8	41	(14.0)	
No less than 34.5 but less than 35.0	0	0	0	0	0	0	0	0	0	3	0	0	3	3	(1.0)	
No less than 35.0 but less than 35.5	1	1	5	3	0	9	4	2	25	10	0	2	12	37	(12.6)	
No less than 35.5 but less than 36.0	0	0	0	0	0	1	0	0	1	0	0	0	0	1	(0.3)	
No less than 36.0 but less than 36.5	0	1	1	0	0	0	0	0	2	1	0	0	1	3	(1.0)	
No less than 36.5 but less than 37.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(0.0)	
No less than 37.0 but less than 37.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(0.0)	
No less than 37.5 but less than 38.0	0	0	0	0	0	0	1	0	1	0	0	0	0	1	(0.3)	
No less than 38.0 but less than 38.5	0	0	0	0	0	1	0	0	1	2	0	0	2	3	(1.0)	
No less than 38.5 but less than 39.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(0.0)	
No less than 39.0 but less than 39.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(0.0)	
No less than 39.5 but less than 40.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(0.0)	
No less than 40.0 but less than 40.5	0	0	0	0	0	0	0	0	0	1	0	0	1	1	(0.3)	
No. of firms	6	11	28	22	8	39	44	21	179	75	3	36	114	293		

Average	32.50	33.59	33.04	32.30	31.25	33.36	32.76	32.35	32.80	32.82	29.33	31.45	32.29	32.55
Median	32.50	34.00	33.50	33.00	31.00	33.00	33.00	33.00	33.00	33.00	30.00	31.50	32.00	33.00
Mode	33.00	34.00	34.00	33.00	30.00	35.00	33.00	33.00	33.00	33.00	30.00	30.00	30.00	30.00

(Note) Median is the value at the center of the data distribution, which would exclude any deviation resulting from the number of respondents or the irregularity. low/high values as much as possible. Mode is the value most cited by the respondents and 「#N/A」 (Not Applicable) indicates that all respondents' values differ.

## 4.2 Japanese Yen/Thai Baht

➤ Regarding the exchange rates deemed desirable for business operations (Japanese Yen/Thai Baht), the predominant rates deemed are in a range between “No less than 4.0 but less than 4.1” (33.5%), followed by “No less than 3.5 but less than 3.6” (21.0%), with the median rate at 4.0 yen/baht. In addition, the median by industry is 4.0 yen/baht for both the manufacturing and non-manufacturing sectors.

Japanese Yen/Thai Baht, No. of firm, and (%)

Yen/Baht \ Industry	Manufacturing									Non-manufacturing				Total
	Food	Textile	Chemical	Steel/Non-ferrous metal	General machinery	Electrical/Electronic machinery	Transportation machinery	Others	Manufacturing sector total	Trading	Retail	Others	Non-manufacturing sector total	
No less than 2.2 but less than 2.3	0	0	0	0	0	0	0	1	1	0	0	0	0	1 (0.3)
No less than 2.3 but less than 2.4	0	0	0	0	0	0	0	0	0	0	0	0	0	0 (0.0)
No less than 2.4 but less than 2.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0 (0.0)
No less than 2.5 but less than 2.6	0	0	0	0	0	0	0	0	0	0	0	0	0	0 (0.0)
No less than 2.6 but less than 2.7	0	0	0	0	0	0	0	0	0	0	0	0	0	0 (0.0)
No less than 2.7 but less than 2.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0 (0.0)
No less than 2.8 but less than 2.9	0	0	0	0	0	0	0	0	0	1	0	0	1	1 (0.3)
No less than 2.9 but less than 3.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0 (0.0)
No less than 3.0 but less than 3.1	0	0	2	0	1	4	2	2	11	7	1	6	14	25 (7.6)
No less than 3.1 but less than 3.2	0	0	0	0	0	0	0	0	0	0	0	0	0	0 (0.0)
No less than 3.2 but less than 3.3	0	0	0	0	0	0	0	1	1	0	0	0	0	1 (0.3)
No less than 3.3 but less than 3.4	0	0	4	2	1	1	1	4	13	2	0	5	7	20 (6.1)
No less than 3.4 but less than 3.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0 (0.0)
No less than 3.5 but less than 3.6	0	2	10	6	4	8	15	5	50	9	0	10	19	69 (21.0)
No less than 3.6 but less than 3.7	0	0	0	0	0	0	0	0	0	1	0	0	1	1 (0.3)
No less than 3.7 but less than 3.8	0	0	0	0	0	3	0	0	3	1	0	0	1	4 (1.2)
No less than 3.8 but less than 3.9	0	0	0	0	1	1	1	1	4	2	0	3	5	9 (2.7)
No less than 3.9 but less than 4.0	0	0	0	0	0	0	0	0	0	1	0	0	1	1 (0.3)
No less than 4.0 but less than 4.1	5	6	10	16	1	10	11	8	67	30	1	12	43	110 (33.5)
No less than 4.1 but less than 4.2	0	0	0	1	0	0	1	0	2	1	0	0	1	3 (0.9)
No less than 4.2 but less than 4.3	0	1	1	0	0	4	5	4	15	5	1	2	8	23 (7.0)
No less than 4.3 but less than 4.4	0	1	3	0	0	0	6	0	10	2	0	2	4	14 (4.3)
No less than 4.4 but less than 4.5	0	0	0	1	0	2	1	0	4	5	0	0	5	9 (2.7)
No less than 4.5 but less than 4.6	2	0	2	1	2	3	3	0	13	8	0	3	11	24 (7.3)
No less than 4.6 but less than 4.7	0	0	0	0	0	0	0	1	1	3	0	1	4	5 (1.5)
No less than 4.7 but less than 4.8	0	1	0	0	0	1	0	0	2	0	0	2	2	4 (1.2)
No less than 4.8 but less than 4.9	0	0	0	0	0	1	1	0	2	0	0	0	0	2 (0.6)
No less than 4.9 but less than 5.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0 (0.0)
No less than 5.0 but less than 5.1	0	0	0	0	0	0	1	0	1	1	0	0	1	2 (0.6)
No. of firms	7	11	32	27	10	38	48	27	200	79	3	46	128	328

Average	4.14	4.02	3.76	3.87	3.71	3.86	3.92	3.68	3.85	3.94	3.73	3.77	3.88	3.86
Median	4.00	4.00	3.75	4.00	3.50	4.00	4.00	3.80	4.00	4.00	4.00	3.80	4.00	4.00
Mode	4.00	4.00	3.50	4.00	3.50	4.00	3.50	4.00	4.00	4.00	#N/A	4.00	4.00	4.00

(Note) Median is the value at the center of the data distribution, which would exclude any deviation resulting from the number of respondents or the irregularity. low/high values as much as possible. Mode is the value most cited by the respondents and 「#N/A」 (Not Applicable) indicates that all respondents' values differ.

## 5. Challenges for Corporate Management (multiple answers)

- The top challenge for Japanese companies' corporate management, is “Sluggish domestic demand” (59%), followed by “Severe competition with other companies” (59%), “Increase in total labor cost (37%), and “Foreign exchange rate fluctuation” (27%).

No. of firms and (%)

Previous survey	Current survey	Challenges for corporate management	Manufacturing	Non-manufacturing	Total
2	1	Sluggish domestic demand	156 (58)	151 (59)	307 (59)
1	2	Severe competition with other companies	156 (58)	149 (59)	305 (59)
3	3	Increase in total labor cost	110 (41)	81 (32)	191 (37)
5	4	Foreign exchange rate fluctuation	100 (37)	42 (17)	142 (27)
4	5	Surging prices of raw materials and parts	84 (31)	36 (14)	120 (23)
11	6	Increase in cheap imported products	75 (28)	38 (15)	113 (22)
7	7	Enhancement of business efficiency through digital transformation	46 (17)	51 (20)	97 (19)
8	8	Shortage of engineers	47 (18)	30 (12)	77 (15)
12	9	Quality management	47 (18)	22 (9)	69 (13)
6	10	Changes in products/users' needs	26 (10)	39 (15)	65 (12)
Total			1,005	777	1,782
No. of firms			267	254	521

(Note) Ranks up to top 10

## 6. Requests to the Thai Government

### 6.1 Requests to the Thai Government (multiple answers)

- “Promotion of economic measures (consumption stimulus measures)” (42%) is most requested by the responding companies, followed by “Addressing household debt issues” (32%) and “Improvements in tax refund and tax audit procedures (e.g. the complexity of refund procedures and inconsistencies in implementation among officials)” (28%).
- “Implementation of measures for air pollution” (22%) is also popular among the manufacturing sector, while “Promotion of economic stimulus measures (tax measures)” (22%) is another popular request among the non-manufacturing sector.

No. of firms and (%)

Previous survey	Current survey	Requests to the Thai government	Manufacturing	Non-manufacturing	Total
1	1	Promotion of economic measures (consumption stimulus measures)	105 (45)	81 (39)	186 (42)
-	2	Addressing household debt issues	89 (38)	54 (26)	143 (32)
-	3	Improvements in tax refund and tax audit procedures (e.g. the complexity of refund procedures and inconsistencies in implementation among officials)	64 (27)	59 (28)	123 (28)
3	4	Development of transportation infrastructure	49 (21)	45 (22)	94 (21)
4	5	Implementation of measures for air pollution	52 (22)	39 (19)	91 (20)
4	6	Promotion of economic stimulus measures (tax measures)	34 (14)	45 (22)	79 (18)
12	7	There is no request to the Thai government	27 (11)	43 (21)	70 (16)
8	8	Improvement of tax system implementation (e.g. Corporate Income Tax)	37 (16)	31 (15)	68 (15)
6	9	Promotion of economic stimulus measures (financial assistance)	42 (18)	25 (12)	67 (15)
11	10	Stabilization of monetary policy (exchange rates, interest rates)	47 (20)	19 (9)	66 (15)
Total			977	877	1,854
No. of firms			235	209	444

## 6.2 Recent Improvement in Investment Environment

### (Policy Evaluation, multiple answers)

- The policy area that most of the Japanese firms recognized some improvement recently is the “Digitization of administrative procedure” (20%), followed by “Addressing household debt issues” (16%) and “Development of transportation infrastructure” (14%).

Previous survey	Current survey	Recent Improvement in Policy	No. of firms and (%)					
			Manufacturing		Non-manufacturing		Total	
2	1	Digitization of administrative procedure	33	(21)	31	(20)	64	(20)
-	2	Addressing household debt issues	27	(17)	24	(15)	51	(16)
1	3	Development of transportation infrastructure	19	(12)	25	(16)	44	(14)
8	4	Promotion of economic stimulus measures (consumption stimulus measures)	16	(10)	23	(15)	39	(12)
3	4	Problems concerning work permit and visa issuance	23	(14)	16	(10)	39	(12)
-	6	Development of new incentives for investment in Thailand	20	(13)	10	(6)	30	(10)
6	7	Flood prevention measures	17	(11)	9	(6)	26	(8)
-	8	Improvements in tax refund and tax audit procedures (e.g. the complexity of refund procedures and inconsistencies in implementation among officials)	15	(9)	10	(6)	25	(8)
8	9	Maintenance of public security and safety	12	(8)	10	(6)	22	(7)
5	10	Economic ties e.g. FTA and EPA	8	(5)	12	(8)	20	(6)
Total			286		297		583	
No. of firms			159		156		315	

(Note) Ranks up to top 10

## 7. Tariff Measures imposed by the U.S

(Note: Tariff measures refer to the entire range of tariff measures, including reciprocal tariffs as well as additional tariffs on specific products (such as automobiles and parts, steel, aluminum, etc.))

### 7.1 Impacts of the 19% reciprocal tariff imposed by the U.S. on Thailand

- Regarding impacts of the 19% reciprocal tariff imposed by the U.S. on Thailand, most firms indicated that they experience “No Impact” (44%) and 26% stated that “Overall, received or expects to receive negative impacts”. Meanwhile, 22% pointed out that the impacts remain “Unknown”.

Unit: No. of firms and (%)

Ranking	Impacts of the 19% reciprocal tariff imposed by the U.S.	Manufacturing		Non-manufacturing		Total	
1	No Impact	101	(40)	112	(49)	213	(44)
2	Overall, received or expects to receive negative impacts	81	(32)	42	(18)	123	(26)
3	Unknown	52	(21)	55	(24)	107	(22)
4	Positive and negative impacts are comparable	14	(6)	17	(7)	31	(6)
5	Overall, received or expects to receive positive impacts	4	(2)	4	(2)	8	(2)
No. of firms		252		230		482	

### 7.2 Responses to the reciprocal tariff imposed by the U.S. on Thailand (multiple answers)

- “Maintaining the current situation” (54%) is most cited as responses to the reciprocal tariff imposed by the U.S. on Thailand, followed by “Consulting and Negotiating with business partners regarding prices (Pass through costs to prices of products and services)” (22%), and “Expanding domestic sales channels” (13%).

Unit: No. of firms and (%)

Ranking	Responses to the reciprocal tariff imposed by the U.S. on Thailand	Manufacturing		Non-manufacturing		Total	
1	Maintaining the current situation	101	(50)	93	(59)	194	(54)
2	Consulting and Negotiating with business partners regarding prices (Pass through costs to prices of products and services)	55	(27)	23	(15)	78	(22)
3	Expanding domestic sales channels	26	(13)	21	(13)	47	(13)
4	Absorbing and reducing the increased tariff costs through business optimization	33	(16)	9	(6)	42	(12)
5	Expanding sales channels in export market	19	(9)	17	(11)	36	(10)
6	Considering new suppliers (adjusting supply chain)	16	(8)	14	(9)	30	(8)
7	Relocating production from Thailand to third party countries (including returning production to Japan)	9	(4)	4	(3)	13	(4)
8	Relocating production operations to the U.S.	0	(0)	0	(0)	0	(0)
-	Others	5	(2)	9	(6)	14	(4)
Total		264		190		454	
No. of firms		201		158		359	

### 7.3 Cost pass-through situation

- Regarding the company's cost pass-through situation, most firms stated that “Cost pass-through has neither been implemented nor considered” (60%), and 18% stated that they are “Uncertain whether cost pass-through can be implemented (including currently under negotiation with business partner)”. Meanwhile, 8% pointed out that “Cost pass-through is not possible or unlikely to be implemented”.

Unit: No. of firms and (%)

Ranking	Cost pass-through situation	Manufacturing		Non-manufacturing		Total	
1	Cost pass-through has neither been implemented nor considered	120	(56)	113	(66)	233	(60)
2	Uncertain whether cost pass-through can be implemented (including currently under negotiation with business partner)	42	(19)	28	(16)	70	(18)
3	Cost pass-through is not possible or unlikely to be implemented	24	(11)	8	(5)	32	(8)
4	Cost pass-through has been implemented or is expected to be implemented	16	(7)	12	(7)	28	(7)
5	Cost pass-through is currently under consideration	14	(6)	10	(6)	24	(6)
No. of firms		216		171		387	

### 7.4 Consideration of Responses to Measures to Prevent Trade Circumvention (multiple answers)

- As local content requirements are expected to be negotiated as a measure to prevent trade circumvention, the most frequently cited response regarding the status of consideration of such measures was “No specific measures under consideration,” (61%). This was followed by “Exploring and considering new domestic sales channels (Expanding domestic sales channels)” (16%), and “Exploring and considering new overseas sales channels (Expanding sales channels in export markets)” (13%).

Unit: No. of firms and (%)

Ranking	Consideration of Responses to Measures to Prevent Trade Circumvention (local content requirements)	Manufacturing		Non-manufacturing		Total	
1	No specific measures under consideration	118	(55)	116	(69)	234	(61)
2	Exploring and considering new domestic sales channels (Expanding domestic sales channels)	36	(17)	24	(14)	60	(16)
3	Exploring and considering new overseas sales channels (Expanding sales channels in export markets)	30	(14)	18	(11)	48	(13)
4	Maintaining the current supply chain while passing on additional tariffs to prices	24	(11)	7	(4)	31	(8)
5	Currently exploring and negotiating with local companies to build new supply chain	13	(6)	11	(7)	24	(6)
6	Maintaining the current supply chain while absorbing the additional tariff costs	14	(7)	9	(5)	23	(6)
7	Already maintaining a substantial level of local content ratio	11	(5)	1	(1)	12	(3)
8	Downsizing business operations in Thailand (including reduction of production scale and employees)	4	(2)	3	(2)	7	(2)
-	Others	1	(0)	3	(2)	4	(1)
Total		251		192		443	
No. of firms		215		169		384	

### 7.5 Support Requested Regarding U.S. Tariff Measures (multiple answers)

- Regarding the support requested in response to U.S. Tariff Measures, the most popular choices are “Support provided through tax measures” (35%) and “Updates on the latest information regarding tariff measures” (35%), followed by “Access to information such as on how other companies are addressing the situation” (28%).

Unit: No. of firms and (%)

Ranking	Support Requested Regarding U.S. Tariff Measures	Manufacturing	Non-manufacturing	Total
1	Support provided through tax measures	77 (43)	30 (24)	107 (35)
1	Updates on the latest information regarding tariff measures	64 (36)	43 (34)	107 (35)
3	Access to information such as on how other companies are addressing the situation	45 (25)	41 (32)	86 (28)
4	Support in expanding new domestic sales channels	30 (17)	22 (17)	52 (17)
5	Support in developing sales channels in third-country markets	16 (9)	17 (13)	33 (11)
6	Support in searching for new suppliers	19 (11)	11 (9)	30 (10)
-	Others	7 (4)	7 (6)	14 (5)
Total		258	171	429
No. of firms		179	127	306

## 8. Impacts of border conflicts with Cambodia

### 8.1 Impacts of border closures on land trade

- Regarding the impacts of border closures on land trade, most firms reported that they are “Not experiencing any significant impact” (67%). In contrast, 16% stated that they are “Currently affected, due to having business partners in Thailand” while 9% indicated that they are “Currently affected, due to having business partners in Cambodia”.

Unit: No. of firms and (%)

Ranking	Impacts of border conflicts with Cambodia	Manufacturing	Non-manufacturing	Total
1	Not experiencing any significant impact	190 (71)	160 (63)	350 (67)
2	Currently affected, due to having business partners in Thailand	33 (12)	52 (20)	85 (16)
3	Currently affected, due to having business partners in Cambodia	26 (10)	22 (9)	48 (9)
4	No impact from border closures as land routes are not used	10 (4)	10 (4)	20 (4)
5	Has business partners in Cambodia but experiencing no impact	7 (3)	7 (3)	14 (3)
6	Has business partners in Thailand but experiencing no impact	1 (0)	3 (1)	4 (1)
No. of firms		267	254	521

### 8.2 Specific impacts (multiple answers)

- Among affected companies in Question 8.1, “Increase in logistics lead times” (29%) is the most cited by the respondents as the specific impacts of the Thailand–Cambodia border closures on land trade, followed by “Increase in logistics costs” (24%) and “Decrease in production, procurements and sales in Thailand operations” (19%).

Unit: No. of firms and (%)

Ranking	Specific impacts on the company	Manufacturing	Non-manufacturing	Total
1	Increase in logistics lead times	20 (34)	18 (24)	38 (29)
2	Increase in logistics costs	15 (25)	17 (23)	32 (24)
3	Decrease in production, procurements and sales in Thailand operations	12 (20)	13 (18)	25 (19)
4	Stagnation of human exchange (Revocation of work permits for Thai and Cambodian workers, cancellation of business trips, etc.)	10 (17)	12 (16)	22 (17)
5	Decrease in sales in Cambodia operations	9 (15)	12 (16)	21 (16)
-	Others	2 (3)	6 (8)	8 (6)
Total		68	78	146
No. of firms		59	74	133

### 8.3 Future responses (multiple answers)

- Among affected companies in Question 8.1 , the most common response is “Shift to sea transportation” (23%), followed by “Shift in land transportation routes (Rerouting via Laos or Vietnam)” (14%) and “Reducing or withdrawing Cambodia-related businesses and transactions” (11%).

Unit: No. of firms and (%)

Ranking	Future responses	Manufacturing	Non-manufacturing	Total
1	Shift to sea transportation	18 (31)	12 (16)	30 (23)
2	Shift in land transportation routes (Rerouting via Laos or Vietnam)	13 (22)	5 (7)	18 (14)
3	Reducing or withdrawing Cambodia-related businesses and transactions	8 (14)	7 (9)	15 (11)
4	Shift to air transportation	6 (10)	4 (5)	10 (8)
4	Review of the Business Continuity Plan (BCP), including medium-term plans	4 (7)	6 (8)	10 (8)
6	Relocating some or all operations in Cambodia (such as production, procurement, and sales) to Thailand	3 (5)	2 (3)	5 (4)
7	Relocating some or all operations in Cambodia (such as production, procurement, and sales) to a third country	1 (2)	2 (3)	3 (2)
-	Others	0 (0)	4 (5)	4 (3)
Total		53	42	95
No. of firms		59	74	133

## **9. Regional Headquarters Functions**

### **9.1 Situation of regional headquarters functions in Thailand**

- In response to a question regarding companies' regional headquarters functions in Thailand, 77% of respondents indicated that their company “Does not have regional headquarters functions in Thailand”, while 23% stated that their company “Has regional headquarters functions in Thailand”

Unit: No. of firms and (%)

Ranking	Situation of regional headquarters functions in Thailand	Manufacturing	Non-manufacturing	Total
1	Does not have regional headquarters functions in Thailand	213 (80)	190 (75)	403 (77)
2	Has regional headquarters functions in Thailand	54 (20)	64 (25)	118 (23)
No. of firms		267	254	521

(Reference) Top five countries and regions covered by RHQ functions

1. ASEAN
2. Vietnam
3. Indonesia
4. India
5. Singapore and Malaysia

### **9.2 Specific Regional Headquarters Functions (multiple answers)**

- Among companies that have regional headquarters in Thailand, as reported in Question 9.1, “Sales” (39%) is the most cited as specific regional headquarters functions, followed by “Strategy Planning” (28%) and “Human Resources” (25%)

Unit: No. of firms and (%)

Ranking	Regional Headquarters Functions of the Company	Manufacturing	Non-manufacturing	Total
1	Sales	23 (43)	23 (36)	46 (39)
2	Strategy Planning	14 (26)	19 (30)	33 (28)
3	Human Resources	15 (28)	14 (22)	29 (25)
4	Finance	18 (33)	8 (13)	26 (22)
5	Production	16 (30)	2 (3)	18 (15)
6	Research and Development	9 (17)	2 (3)	11 (9)
7	Public Relations	4 (7)	3 (5)	7 (6)
-	Others	5 (9)	8 (13)	13 (11)
Total		104	79	183
No. of firms		54	64	118

### 9.3 Plans regarding Regional headquarters functions in Thailand in the future

- Regarding the company's plans for regional headquarters functions in Thailand in the future, most firms stated that they have "No plans to establish RHQ functions" (41%), and 26% stated that they "Plan to establish RHQ functions in the future". Meanwhile, 17% pointed out that the plan is still "Unknown".

Unit: No. of firms and (%)

Ranking	Plans regarding Regional headquarters functions in Thailand	Manufacturing	Non-manufacturing	Total
1	No plans to establish RHQ functions	118 (44)	97 (38)	215 (41)
2	Plan to establish RHQ functions in the future	64 (24)	73 (29)	137 (26)
3	Unknown	43 (16)	43 (17)	86 (17)
4	Already has RHQ functions and will maintain the current situation	27 (10)	23 (9)	50 (10)
5	Already has RHQ functions and plans to expand them further	12 (4)	13 (5)	25 (5)
6	Plan to Downsize RHQ functions	3 (1)	5 (2)	8 (2)
No. of firms		267	254	521

### 9.4 Challenges in establishing and operating regional headquarters functions in Thailand (multiple answers)

- The Japanese companies' top choice of challenges in establishing and operating regional headquarters functions in Thailand is "Increase in labor costs" (38%), followed by "Language Barrier" (28%) and "Lack of transparency in administrative procedure" (23%).

Unit: No. of firms and (%)

Ranking	Challenges in establishing and operating regional headquarters functions in Thailand	Manufacturing	Non-manufacturing	Total
1	Increase in labor costs	61 (37)	58 (39)	119 (38)
2	Language Barrier	44 (27)	44 (30)	88 (28)
3	Lack of transparency in administrative procedure	25 (15)	45 (30)	70 (23)
4	No particular challenges	31 (19)	31 (21)	62 (20)
5	Complexity of the tax system	20 (12)	40 (27)	60 (19)
6	High job-hopping rate	21 (13)	24 (16)	45 (14)
7	Unknown	30 (18)	8 (5)	38 (12)
8	High operating costs such as utilities	19 (12)	10 (7)	29 (9)
9	Risk of natural disasters	13 (8)	12 (8)	25 (8)
10	Insufficient infrastructure	12 (7)	9 (6)	21 (7)
Total		286	295	581
No. of firms		163	148	311

(Note) Ranks up to top 10