

EEC Economic Performance in Q1/2025 and the outlook for 2025

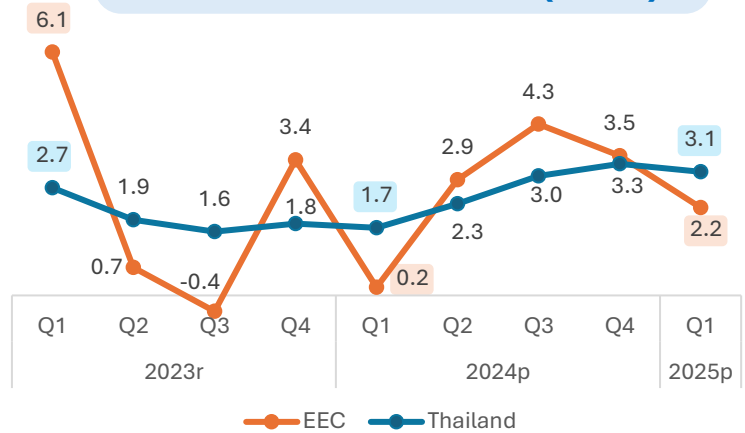
Overview of EEC's economic situation

The EEC's economy grew by approximately 2.2% in Q1, compared to the same period last year.

The economy grew, primarily driven by the service sector—especially tourism—which saw a steady rise in both visitor numbers and revenue, accompanied by increased employment supported by domestic stimulus measures. The export sector also improved, fueled by a surge in purchase orders ahead of the U.S. tariff hike and a recovery in key trading partner economies, particularly in the computer, equipment, and components segment. The agricultural sector continued to expand modestly, supported by sustained demand from importing countries. The government further stimulated the economy by cutting the policy interest rate and accelerating budget disbursement, particularly for infrastructure projects. Despite these positive developments, the economy remained under pressure from stagnant private investment amid global trade uncertainties, a contraction in the real estate sector due to high household debt, and reduced tourist confidence following recent earthquakes and aftershocks.

The EEC's economic outlook for 2025 is expected to grow at a slightly slower pace, with an estimated expansion of 2.6%, down marginally from 2.7% in 2024. This deceleration is largely attributed to the global economic slowdown and the impact of U.S. retaliatory trade measures, which have led to a decline in tourist arrivals and delayed investment decisions in goods and services production, as well as a slowdown in foreign capital inflows. Additionally, private consumption is expected to weaken due to heightened economic uncertainty and persistently high household debt, which continues to weigh on consumer purchasing power.

Gross Product Growth Rate (% YoY)



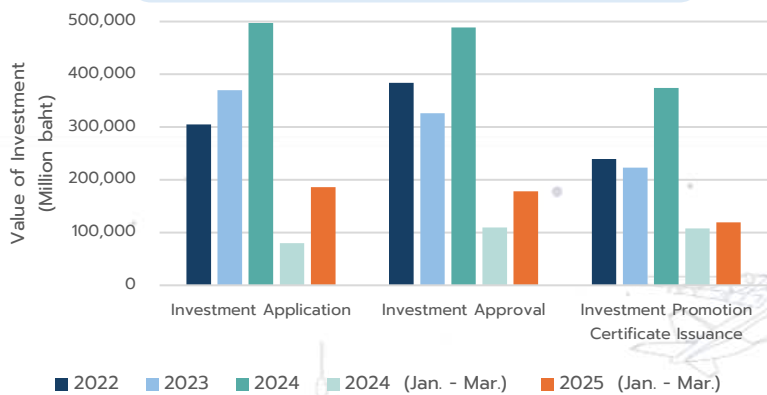
Source: Quarterly compilation by Planning Department, EECO

Note: 2022–2023 data adjusted per NESDC GPP

R : Revised P : Preliminary



Investment Promotion Value in the EEC



Source: Investment promotion information, BOI



Positive factors

- 1. Domestic tourism continues to gain momentum,** supported by government stimulus measures designed to boost travel and consumer spending.
- 2. The reduction in the policy interest rate from 2.25% to 2.00%** has helped lower financial costs and stimulate investment, especially in key target industries such as automotive and parts, electrical appliances and electronics, and biotechnology.
- 3. Global crude oil prices (WTI) have declined,** driven by expanded production capacity from OPEC+ and ongoing trade tensions between the U.S. and China, leading to a slowdown in global oil demand.



Risk factors

- 1. Uncertainty in U.S. Trade Policy:** The imposition of import tariffs on Thai products—reaching up to 37%—has created significant uncertainty. This has adversely impacted Thai exports, especially in the automotive and parts sectors concentrated in the EEC.
- 2. Natural Disasters and Climate Volatility:** Earthquakes, aftershocks, and increasingly erratic weather patterns have disrupted economic activities and undermined foreign investor confidence.
- 3. Tourism Slowdown:** Safety concerns and the onset of the fasting period in several ASEAN and Middle Eastern countries have contributed to a noticeable decline in international tourist arrivals.
- 4. Persistently High Household Debt:** Elevated levels of household debt continue to weigh on domestic consumption and pose risks to broader economic stability.

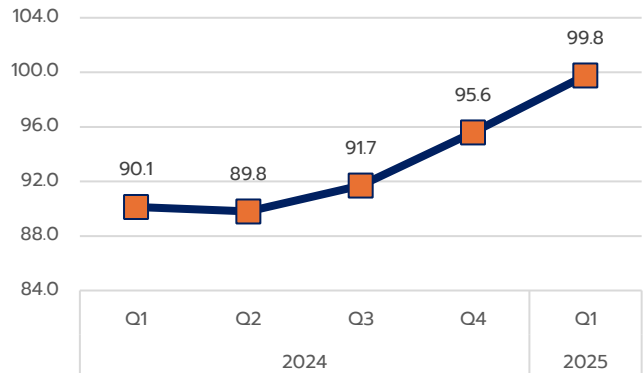
Key factors affecting the EEC's economy

Industrial Investment

“ Industrial Investment within the EEC has remained largely flat, ”
primarily due to uncertainties in U.S. trade policies

that have caused private investors to postpone decisions. Despite this cautious outlook, certain sectors—such as fabricated metal products, machinery and equipment, rubber products, basic metals, chemicals, and computer products—have shown growth, supported by an improved Eastern Industries Sentiment Index and policy measures like lowered interest rates that reduce financing costs and boost business liquidity. However, investment continues to face challenges from persistently high levels of business and household debt, leading to declines in industries linked to domestic consumption, as reflected by negative production trends in automobiles, coke, petroleum refinery products, electrical equipment, and food products.

Eastern Industries Sentiment Index



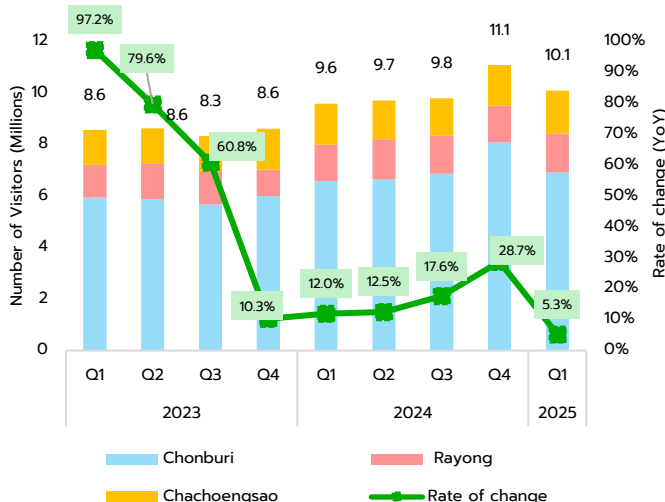
Source: The Federation of Thai Industries

Tourism Sector

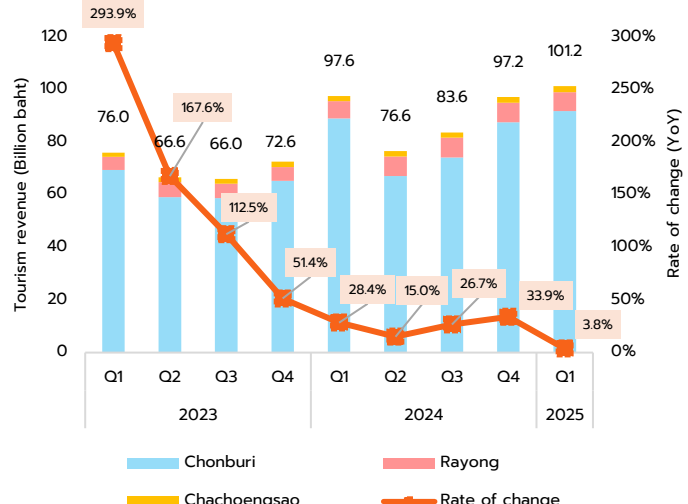
“ The tourism sector in the EEC ”
has continued to expand year-over-year

The total number of visitors reached 10 million, increasing by 5.3% and accounting for 11% of the national total, generating overall revenue of 101.2 billion baht, up 3.8%, which represents 13.6% of Thailand's total tourism revenue. Chonburi remains the primary destination, attracting as much as 68.4% of all visitors. However, despite the growth in visitor numbers and revenue, the tourism sector's expansion has not fully realized its potential, as foreign visitors—the main source of revenue for both the country and the EEC—grew by only 1.3% compared to the previous year. This slow growth is attributed to the global economic slowdown, the impact of increased U.S. import tariffs, and safety concerns following the kidnapping of a Chinese actor in Thailand, which led to a decline in Chinese tourists, a key market, with many choosing alternative destinations such as Singapore, Malaysia, and Japan. In contrast, domestic tourism showed strong growth, increasing by 7.4% year-on-year, supported by national initiatives like the 43rd Annual Thailand Tourism Festival 2025 and local events in the EEC area, including the Pattaya International Kite Festival 2025 and the Pattaya Music Festival 2025.

Number of visitors in the EEC



Revenue from tourism in the EEC



Source: Ministry of Tourism and Sports

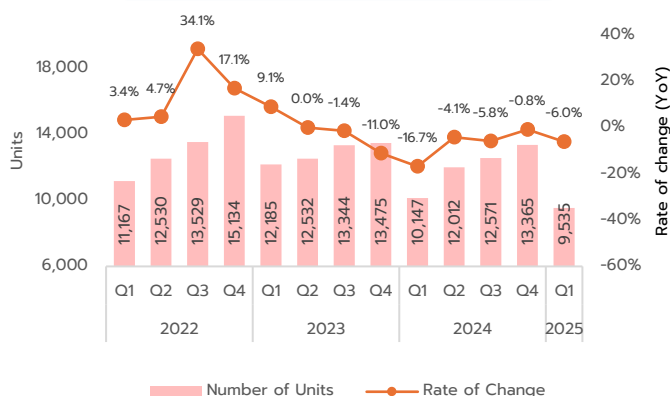
Key factors affecting the EEC's economy

Real Estate Investment

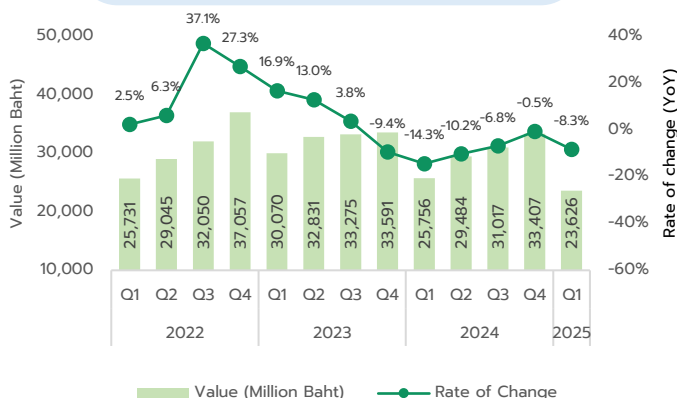
“ The real estate investment has contracted compared to the same period last year, ”

as evidenced by a decline in housing ownership transfers, which fell to 9,535 units—a 6.0% decrease and the lowest level in over 20 quarters. The total value of these transfers also dropped to 23.63 billion baht, down 8.3% year-on-year. In addition, the number of newly registered residential units decreased by 22.6%, with condominium registrations plunging by 61.1% and low-rise housing by 19.0%, signaling a slowdown in both demand and supply. The Housing Developer's Sentiment Index also dropped significantly to 42.0, well below the neutral level of 50.0 and down 6.3 points from the previous year, reflecting pessimism among developers regarding current economic conditions. This decline in confidence spans various dimensions, including business performance, housing sales, operating costs, employment, and new project investments—factors that collectively weigh on the overall expansion of the real estate sector. Meanwhile, consumer confidence has also weakened, particularly due to growing concerns over the safety of high-rise buildings following recent earthquakes and aftershocks, further exacerbating pressure on the sector among both Thai and foreign buyers.

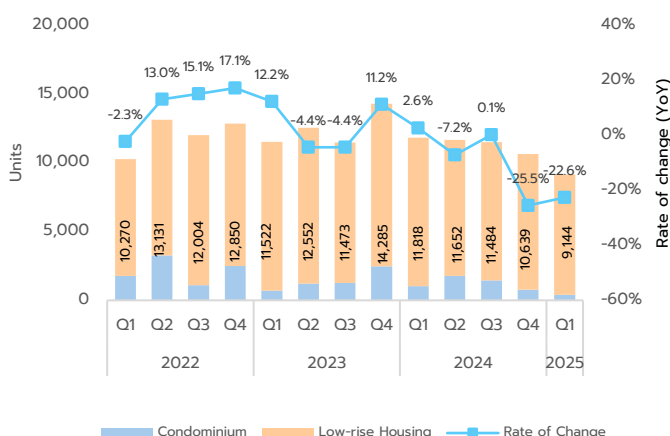
Number of housing ownership transfers



Value of housing ownership transfers



Number of newly registered residential units



Housing Developer's Sentiment Index (Current Situation Index)



Source: Real Estate Information Center, Government Housing Bank

Note: The index midpoint is set at 50.0. A reading above this midpoint indicates that business operators have confidence and a positive outlook on the business situation. Conversely, a reading below 50.0 reflects declining confidence and a more negative perception of the business environment.

Key factors affecting the EEC's economy

Agricultural Production

In Q1 2025, agricultural output showed a slight improvement, driven by increased production of rubber, durian, longan, broiler, and shrimp. However, output of mangosteen, pineapple, and cassava declined. Overall, agricultural production is expected to grow modestly in 2025, supported by rising demand from major importing countries.

Crop

Crop production in the EEC is expected to grow

particularly for rubber, durian, and longan, which have benefited from the La Niña phenomenon in late 2024 that brought optimal rainfall and favorable weather conditions for plant growth. In contrast, production of mangosteen, pineapple, and cassava has declined due to unappealing market prices that have discouraged farmers.

Livestock

Livestock production in the EEC has seen slight growth

driven primarily by increased output of broiler and eggs—key products benefiting from expanded exports to the Middle East, which have significantly boosted overall export volumes. The sector's standardized production systems and strong recognition from trade partners have enhanced market confidence and supported ongoing export expansion. In contrast, pork production remains stable due to policies aimed at reducing the breeding sow population.

Aquaculture

Aquaculture production in the EEC has grown slightly

led by a recovery in whiteleg shrimp—the region's primary aquaculture product—following outbreaks of shrimp diseases in some areas and the global slowdown in shrimp exports experienced last year.

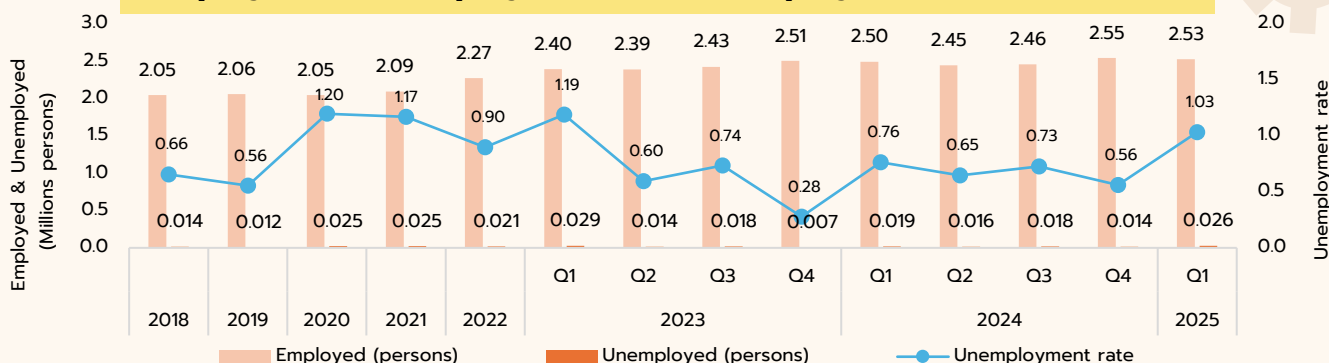
Labor Market

The employment situation in the EEC has improved compared to the same period last year.

The employment situation in the EEC improved this quarter, with the total number of employed persons reaching 2.53 million—an increase of 13% compared to the same period last year. This growth was primarily driven by domestic economic stimulus measures and accelerated government budget disbursements, which helped boost employment in the services sector. In contrast, employment in the industrial and agricultural sectors declined, mainly due to shifts in production processes, the adoption of labor-replacing technologies, and the impact of unpredictable weather conditions on agricultural output. Additionally, rising wages and higher raw material costs prompted many industrial businesses to cut back on hiring as a cost-management strategy amid a still-recovering economy. As a result, the overall unemployment rate rose to 1.03%, reflecting ongoing vulnerabilities in the regional labor market.

In addition, the increase in employment this quarter was largely concentrated among workers with a high school education or lower, with over 111,000 new jobs created for this group. This trend aligns with the growing demand for labor-intensive roles in the service sector, particularly in positions that do not require specialized skills. In contrast, employment among university-educated workers declined by 15,000, highlighting a downward trend in high-skilled job opportunities. This reflects layoffs in the industrial sector, a slowdown in investment in specialized roles, and a persistent mismatch between the supply of graduates and the specific needs of the EEC labor market—particularly in terms of skills, expertise, and disciplines essential to the development of target industries.

Employment, unemployment, and unemployment rate in the EEC



Key factors affecting the EEC's economy

Government Budget Disbursement

“ **Government budget disbursement** showed an increase compared to the same quarter last year ”

Fiscal Year 2025

As of Q2 FY2025,
total budget disbursement
amounted to approximately

6,996.52
million baht

↑ Increased by 259%
compared to the
same period last year

▶ Recurrent Expenditure
3,416.43 million baht

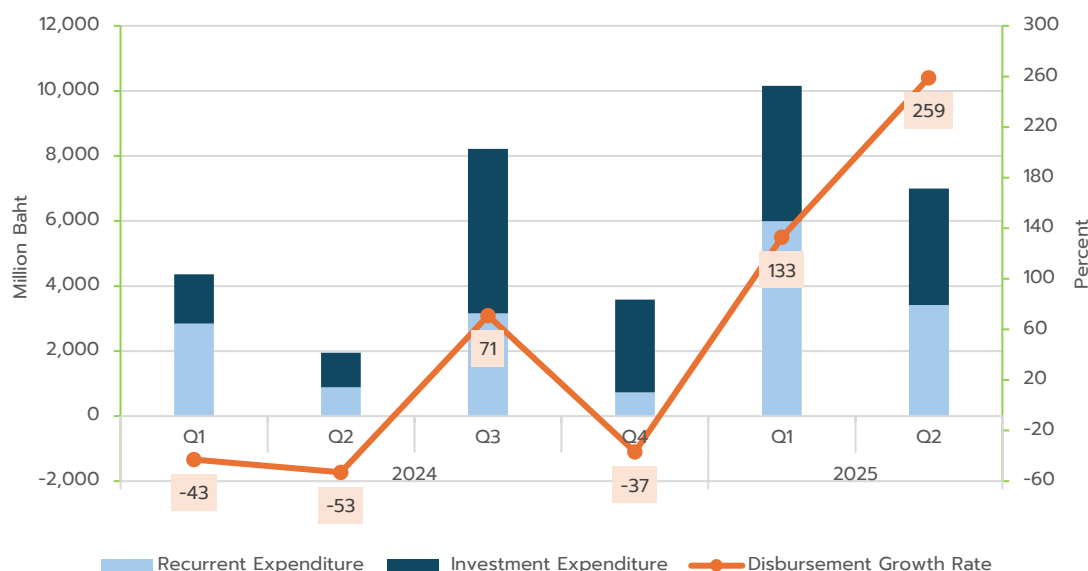
↑ Increased by 284% compared to the
same period last year

▶ Investment Expenditure
3,580.09 million baht

↑ Increased by 238% compared to the
same period last year

In the second quarter of fiscal year 2025 (January–March 2025), government spending for the development of the EEC totaled approximately 6,996.52 million baht – a 259% increase from the same period last year. This sharp rise reflects a low base in the previous year due to delays in the enactment of the Fiscal Year 2024 Budget Act. The spending comprised 3,416.43 million baht in recurrent expenditure (a 284% year-on-year increase, with a disbursement rate of 31%) and 3,580.09 million baht in investment expenditure (a 238% year-on-year increase, with a disbursement rate of 19%).

Disbursement of the Annual Expenditure Budget



Source: GFMS System, Comptroller General's Department

*Note: The graph uses fiscal year data, starting from October 1 of one year to September 30 of the following year.