EEC Economic Performance in Q2/2025 and the outlook for 2025

Overview of EEC's economic situation

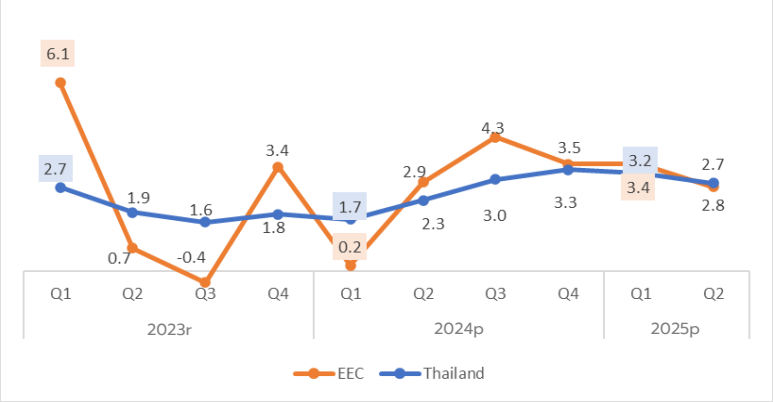
The EEC's economy grew by approximately 2.7% in Q2, compared to the same period last year.

Growth was largely driven by the services sector, particularly tourism, where visitor numbers continued to rise, yet overall revenue declined, reflecting a contraction in per capita tourist spending due to weakened purchasing power amid the global economic slowdown stemming from ongoing trade tensions. Meanwhile, exports showed improvement, most notably in computers, equipment and components, and rubber products, supported by accelerated orders ahead of the U.S. tariff increase in July 2025. The agricultural sector also sustained positive momentum, with rising output meeting both domestic and international demand. Economic performance was further supported by the postponement of U.S. tariff collections and a reduction in the policy interest rate, which provided some relief against prevailing global uncertainties. Nevertheless, the regional economy remained constrained by a slowdown in private investment in certain industries, influenced by geopolitical risks and U.S. trade policies, as well as a continued contraction in the real estate sector, reflecting weakened household purchasing power and heightened concerns regarding future economic prospects.

The economy of the EEC in 2025 is projected to grow by 3.0 percent.

Positive signals are reflected in the investment promotion certificate issuance by the BOI, as well as the beneficial outcome of tariff negotiations with the United States.

Gross Product Growth Rate (% YoY)



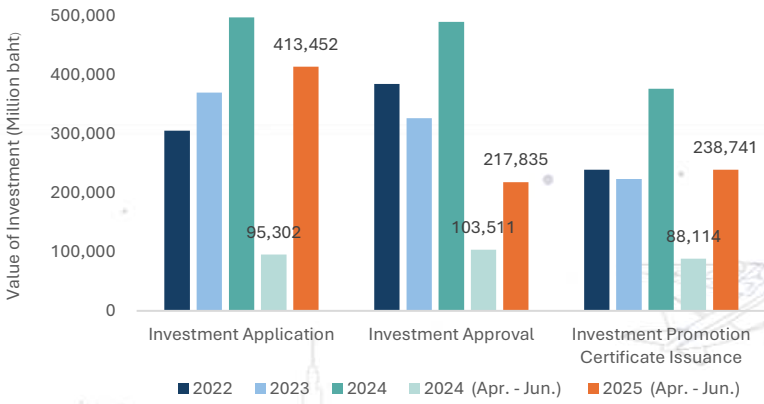
Source: Quarterly compilation by Planning Department, EECO

Note: 2023 data adjusted per NESDC GPP

r : revised p : preliminary



Value of investment promotion in the EEC



Source: Investment promotion information, BOI

Positive factors

1. **The postponement of retaliatory customs duties** has helped maintain the competitiveness of Thai products in the U.S. market and created opportunities for export expansion.
2. **Commercial banks have gradually lowered lending rates** in line with the policy rate cuts, easing the financial burden on businesses and households.
3. **Energy costs have remained stable** due to government price-control measures, such as electricity and diesel subsidies.
4. **The 2025 "Thai Tourism Half-Half" program** has boosted domestic tourism.

Risk factors

1. **The global economy is showing signs of slowing,** under pressure from trade tensions and conflicts in the Middle East, key factors contributing to uncertainty in global economic stability.
2. **Imports from China and cases of misrepresentation** of Thai product origin have increased.
3. **The appreciation of the baht** is affecting export competitiveness.
4. **Household and business debt levels remain high.**

Key factors affecting the EEC's economy

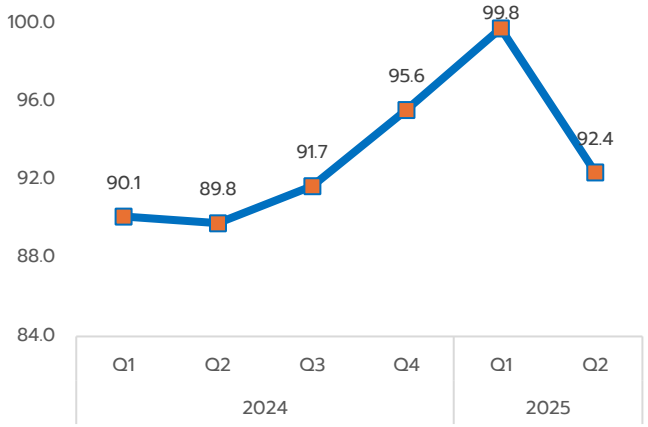
Industrial Investment

"continued to expand compared to the same period last year"

albeit at a slower pace. This was driven by growth in several industrial sectors, including computers and electronic components, automobiles, rubber and plastics, non-metallic mineral products, base metals, and food products. Conversely, sectors such as petroleum products, chemicals and chemical products, machinery, and other equipment experienced a decline.



Eastern Industries Sentiment Index



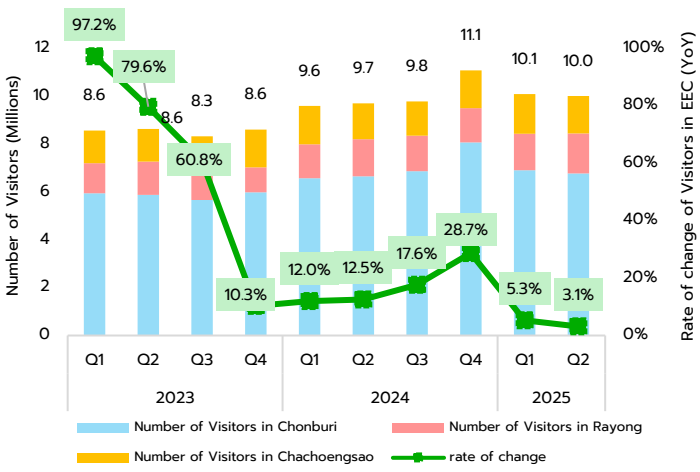
Source: The Federation of Thai Industries

Tourism Sector

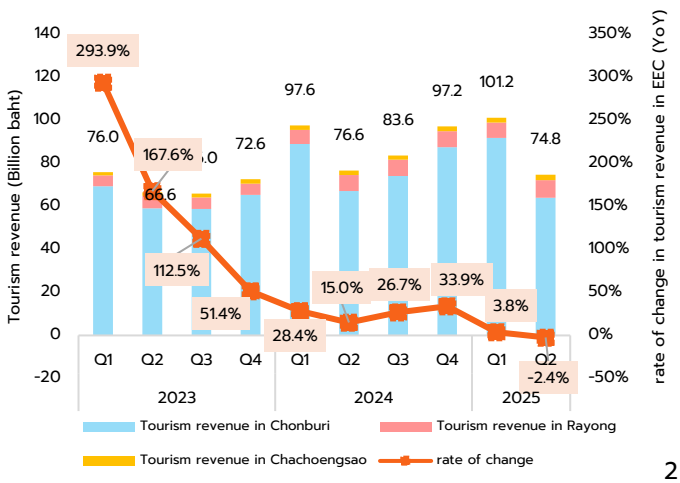
"Tourist numbers increased, but revenue decreased."

Tourist arrivals in the EEC continued to grow, rising 3.1% compared to the same period last year, reaching a total of 10 million visitors, or 11.5% of the country's total. The majority were domestic tourists, supported by government travel promotion measures and ongoing events such as Pattaya Water Festival, EEC Tropical Paradise, Rayong Fruit and Local Products Festival, and various sports competitions, with Chonburi remaining the primary destination, attracting 60.4% of visitors. However, tourism revenue declined by 2.4% due to a drop of over 13% in foreign tourists, particularly from key markets such as China, Malaysia, India, and Russia. This decline was driven mainly by recent incidents, including the abduction of a Chinese actor and an earthquake, which affected traveler confidence. Additionally, competing countries like Vietnam, Japan, and South Korea implemented attractive measures—such as visa exemptions, support for low-cost airlines, and targeted marketing campaigns—drawing tourists away from Thailand.

Number of visitors in the EEC



Revenue from tourism in the EEC



Source: Ministry of Tourism and Sports

Real Estate Investment

"contracted compared to the same period last year."

In the second quarter of 2025, housing ownership transfers totaled 11,125 units, down 7.4% year-on-year, with a total value of 27,018 million baht, a decline of 8.4%. This trend aligns with data on newly registered completed housing, including both low-rise and condominium units, which totaled 11,611 units, a slight decrease of 0.4%. The Housing Developer Sentiment Index (HDSI) also fell to 39.3 points, the lowest level since 2022 and significantly below the neutral 50-point mark, declining 5.9 points compared to the previous year.

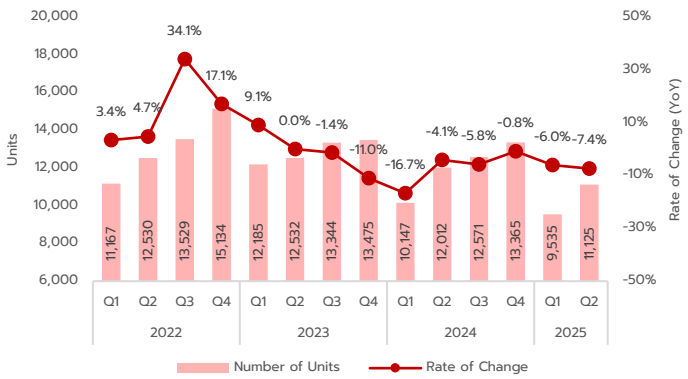
This contraction is driven by both demand and supply side factors. On the demand side, the market is constrained by an economy that has yet to fully recover and persistently high household debt. On the supply side, there remains a substantial inventory of unsold housing units, coupled with rising project development costs, prompting developers to delay investment in new projects.



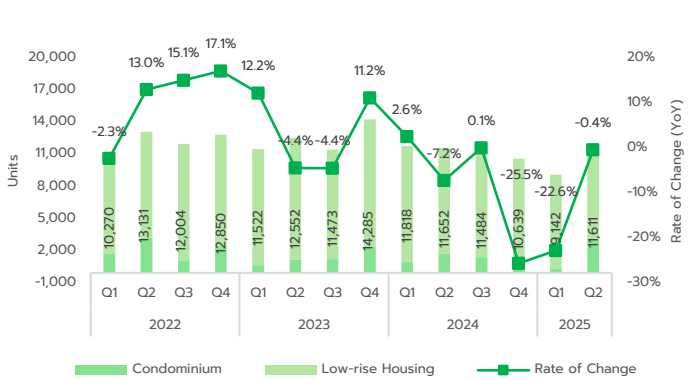
However, the outlook for the next six months suggests that the index is expected to recover to 50.3 points, returning to positive zone. This improvement is supported by government economic stimulus measures, such as reducing transfer and mortgage registration fees for properties priced below 7 million baht to just 0.01%, easing housing loan-to-value (LTV) restrictions, and lowering the policy interest rate, all of which have already been implemented.

These measures are expected to help the real estate sector and related businesses within the supply chain recover, alleviating the problem of lingering inventory and improving housing accessibility for the public. Additionally, they are likely to stimulate employment, construction material demand, and investment in related sectors, thereby supporting the continued economic recovery in the EEC.

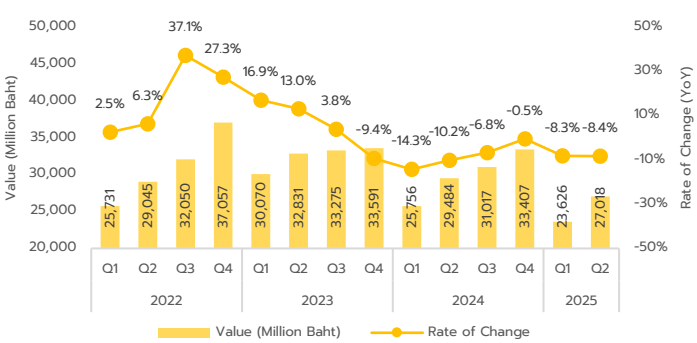
Number of housing ownership transfers



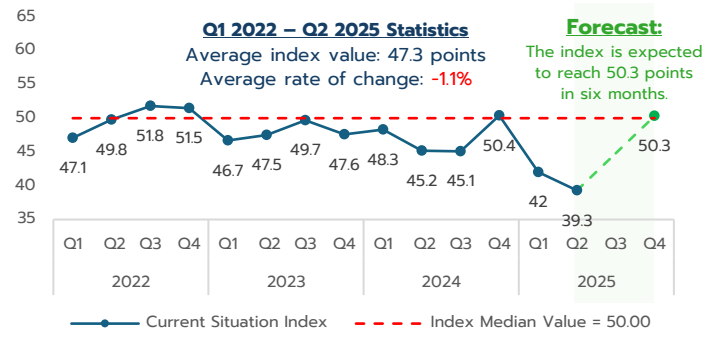
Number of newly registered residential units



Value of housing ownership transfers



Housing Developer's Sentiment Index



Source: Real Estate Information Center, Government Housing Bank

Key factors affecting the EEC's economy

Agricultural Production

"continued to grow steadily"

This growth was driven by the full-season harvest of tropical fruits, while the livestock sector showed signs of recovery, particularly in broiler and egg production. The aquaculture sector also exhibited clear expansion, with increased output of whiteleg shrimp and sea bass meeting rising both domestic and international demands.

Crop and Fruit

Crop and fruit production in the EEC continued to expand,

particularly for durian, mangosteen, and rambutan, which saw high market availability this quarter. Although some quality was affected by irregular rainfall—causing fruit splitting and higher management costs—strong demand from international markets, especially China, remained a key driver. Mangosteen and rambutan production also increased seasonally, while cassava output declined slightly due to drought and mosaic disease. Nevertheless, prices remained favorable, allowing farmers to adapt effectively.

Livestock

Livestock production in the EEC is showing signs of recovery.

Broilers and eggs remain the main livestock products, with production increasing due to the expansion of standard farms and rising export demand, particularly in Asian and Middle Eastern markets. Although pork production has not fully recovered from African swine fever, tight supply conditions have helped maintain prices at levels higher than last year.

Aquaculture

Aquaculture production is showing strong growth.

Whiteleg shrimp production has risen, driven by the recovery of farming systems and favorable weather conditions for aquaculture. At the same time, sea bass output has increased due to the implementation of closed farming systems, which effectively control disease. While simultaneous market releases may temporarily pressure prices, the overall outlook for the fishery sector remains positive, supported by robust demand from both domestic and international markets.

Labor Market

"improved compared to the same period last year."

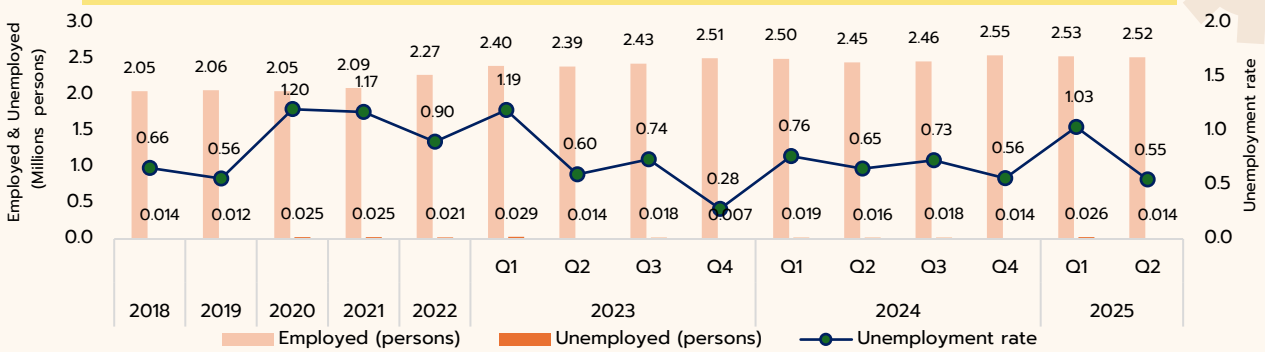
In the second quarter of 2025, total employment reached 2.52 million people, representing a 2.9% increase compared to the same quarter of the previous year. This growth was driven primarily by non-agricultural employment, as outlined below:

- **Services sector** (54.1% share): Employment rose by 3.5%, supported by expansions in public administration, business services, construction, wholesale and retail trade, as well as transportation and warehousing. This aligns with the continued growth in international trade and logistics, alongside government-led construction projects. However, employment in accommodation, food services, and real estate contracted, reflecting the slowdown in tourism and the private property market.
- **Industrial sector** (37.1% share): Employment grew by 3.0%, mainly due to the expansion of manufacturing activities, consistent with the strong performance of merchandise exports fueled by overseas demand.
- **Agricultural sector** (8.3% share): Employment fell by 5.1%, in line with declining prices of major agricultural commodities such as tropical fruits, rice, rubber, cassava, and beef cattle. Livestock products, including pork—one of the EEC's key agricultural outputs—also recorded lower production levels.

In this quarter, the unemployment rate stood at 0.55%, down from 0.65% in the same period last year. The number of unemployed persons was 14,000, compared with 16,000 in the corresponding quarter of the previous year.

Employment in the EEC is expected to continue expanding through Q3–Q4 of 2025, supported by the recovery of the service sector driven by both domestic tourism and an increase in long-haul international visitors, alongside stronger private consumption and government stimulus measures. However, the industrial sector is likely to face headwinds from slowing exports affected by U.S. import tariffs and a decelerating investment outlook in the EEC, which may constrain job growth in industry compared to the service sector.

Employment, unemployment, and unemployment rate in the EEC



Source: National Statistical Office



Key factors affecting the EEC's economy

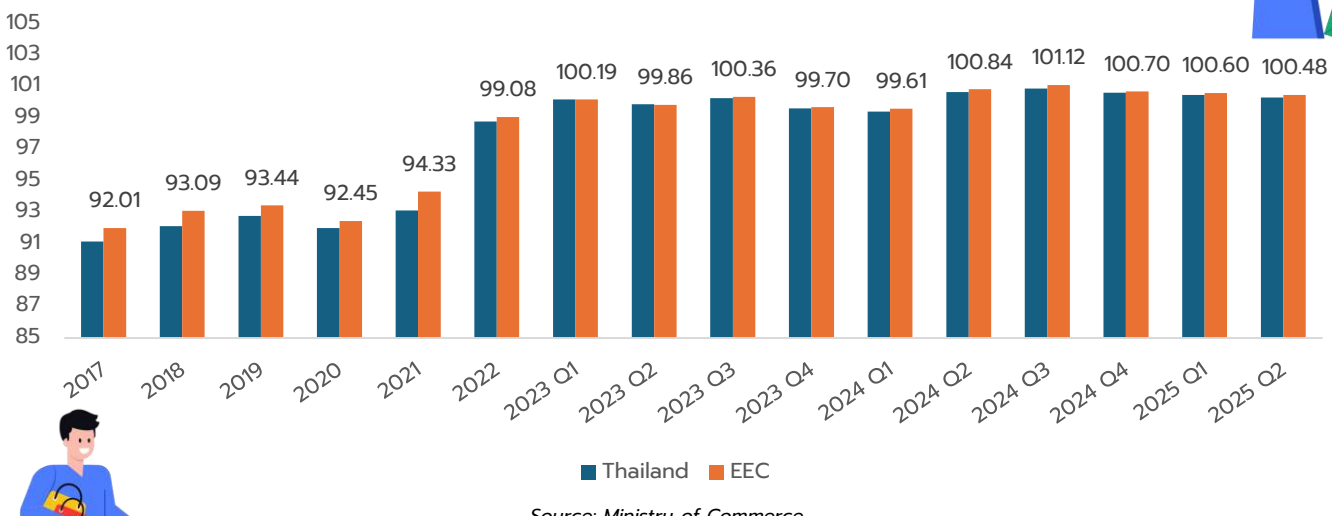
Consumption

"declined slightly compared to the same period last year."

In the second quarter of 2025, the Consumer Price Index (CPI) in the EEC averaged 100.48, down from 100.84 in the same period last year, resulting in a 0.36% year-on-year decline in inflation, mainly due to stable energy prices such as fuel and electricity, along with lower food prices, particularly eggs and dairy products. Meanwhile, the Eastern Region Consumer Confidence Index fell to 56.57 from 63.03 a year earlier, reflecting heightened concerns over U.S. trade policy and domestic political uncertainty. Looking ahead, consumption in the EEC is expected to expand only modestly or remain close to last year's level, with spending concentrated on essential goods, while purchases of luxury goods and services are likely to slow due to ongoing economic uncertainty and concerns about future income.

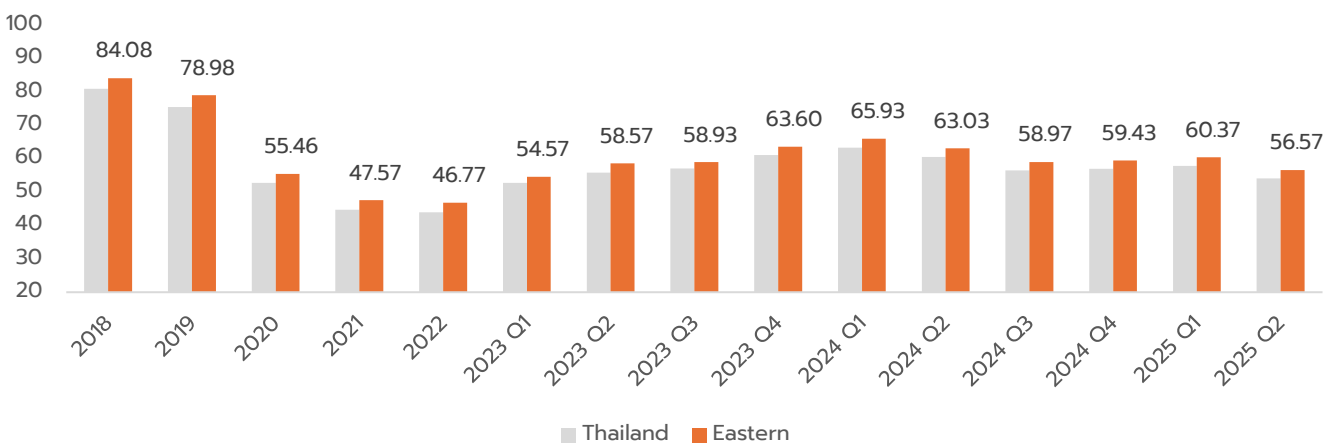


Consumer Price Index



Source: Ministry of Commerce

Consumer Confidence Index



Source: Center for Economic and Business Forecasting, University of the Thai Chamber of Commerce



Key factors affecting the EEC's economy

Government Budget Disbursement

"showed a decrease compared to the same quarter last year"



Fiscal Year 2025

As of Q3 FY2025, total budget disbursement amounted to approximately

7,619.51 million baht

Decreased by 7% compared to the same period last year

▶ Recurrent Expenditure

2,277.82 million baht

Decreased by 28% compared to the same period last year

▶ Investment Expenditure

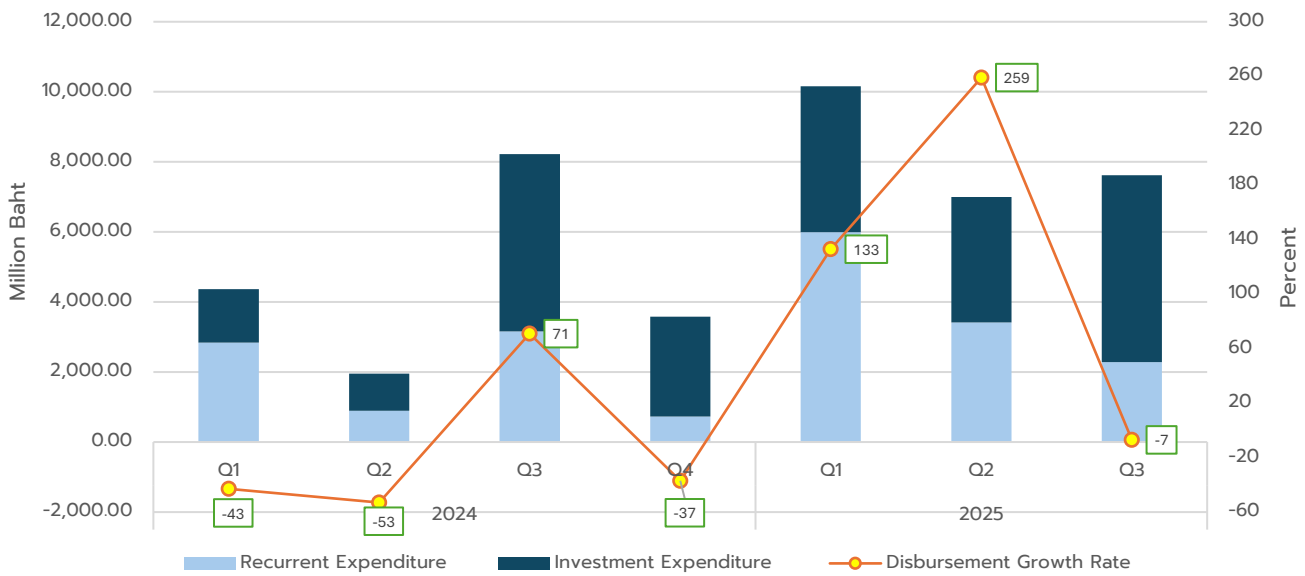
5,341.69 million baht

Increased by 6% compared to the same period last year

In the third quarter of fiscal year 2025 (April–June 2025), government spending for the development of the EEC totaled 7,619.51 million baht, a 7% decline compared to the same period last year, reflecting a high base from accelerated spending following the enactment of the 2024 Annual Budget Act in April 2024. Of this total, recurrent expenditures amounted to 2,277.82 million baht, down 28% year-on-year, while investment expenditures reached 5,341.69 million baht, rising 6% from the same period last year.



Disbursement of the Annual Expenditure Budget



Source: GFMIS 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.