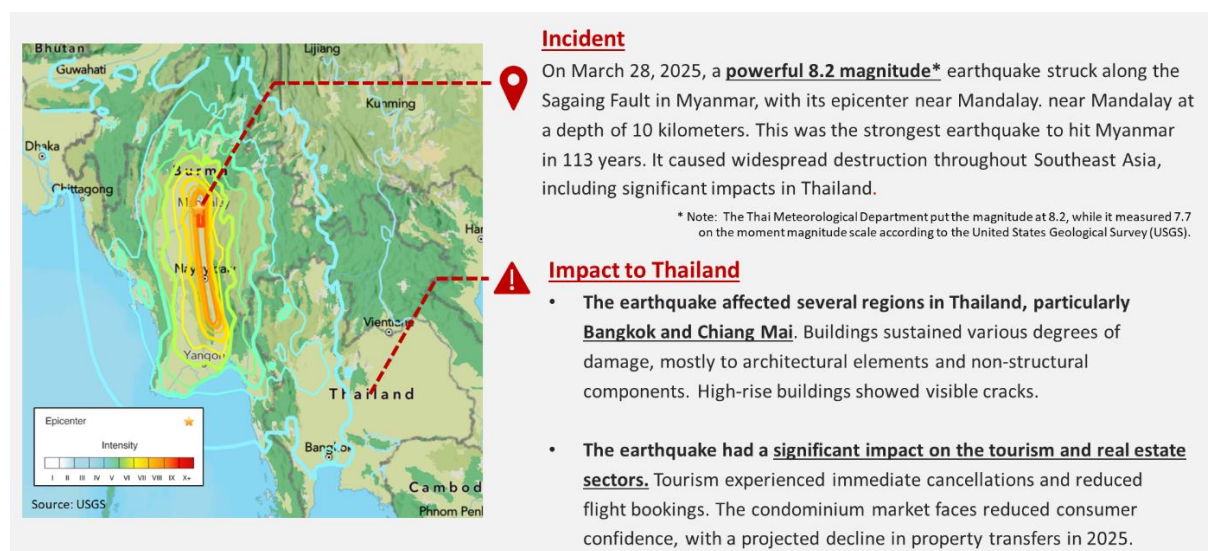


Impact of the Earthquake on Thailand's Real Estate and Tourism Sectors

The 8.2-magnitude earthquake that occurred on March 28, 2025, with its epicenter in central Myanmar, had a severe impact on Thailand, particularly in Bangkok and Chiang Mai provinces, as well as 63 other provinces where tremors were felt. The event caused extensive damage to property, buildings, homes and many important locations, including the loss of life due to the collapse of the new State Audit Office building, which was under construction. Preliminary reports indicate damage in 19 provinces and 103 districts. This widespread damage has significantly affected economic confidence in Thailand.

Figure 1: Summary of the Earthquake Incident and Its Impact on Thailand



Source: LH Bank Business Research analysis based on data from TMD and USGS (Data as of: 4 April 2025)

Analysis:

The impact of the earthquake on the real estate sector has been particularly noticeable in the condominium market where consumer confidence has been directly affected. The tourism sector was also affected as foreign tourists became concerned about the safety of Thailand after news of the earthquake spread around the world. In the two days following the incident, the Thai Hotels Association reported approximately 1,100 room cancellations across the country, with the majority in Bangkok. Meanwhile, the Airline Association of Thailand reported that daily seat bookings have dropped by an average of 40-60%, and some foreign tourists continue to closely monitor the situation in Thailand.

In addition, the President of the Association of Thai Tourism Marketing has made an initial assessment of the impact of the earthquake, projecting that the short-term impact will be severe for a period of 10-14 days, with an estimated loss of about 10-15% of tourists, or about 120,000-150,000 people. This translates into an economic impact of 5-6 billion baht. In the medium term, the impact is expected to continue for 2-16 weeks, with an estimated loss of 300,000-400,000 tourists in the second quarter, worth approximately 12-16 billion baht. Most of the canceled tourists are from the short-haul group, including South Korea, Japan, Taiwan and Vietnam, who had planned to visit Bangkok and the northern region. Meanwhile, the long-haul group, which typically travels to Phuket, Samui, Krabi, Phang Nga, Pattaya and Hua Hin, has not yet been significantly affected. Furthermore, tourist arrivals are expected to return to normal levels in the third quarter, especially during the Songkran festival, when tourist arrivals are expected to recover to 90-95% of normal levels.

Figure 2: Impact of Accommodation and Flight Booking Cancellations on Thailand's Tourism Sector

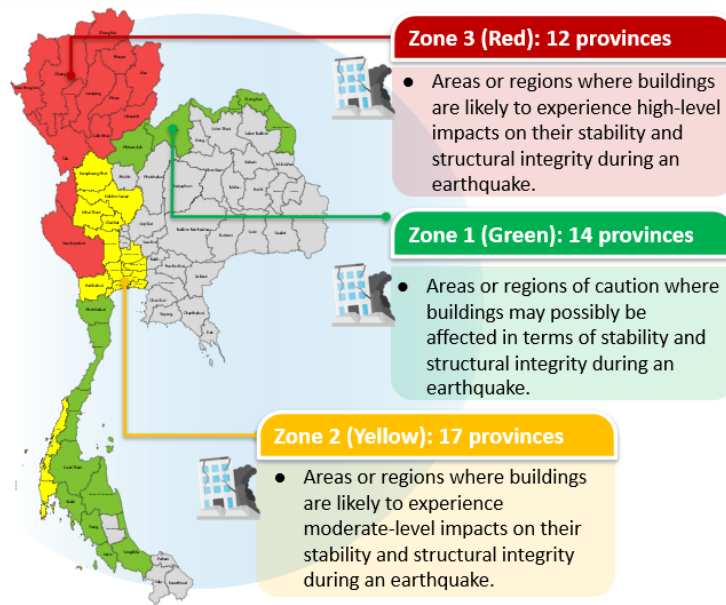


Source: LH Bank Business Research analysis based on data from Thai Hotel Association and Money & Banking (Data as of: 2 April 2025)

Direct Impact on the Real Estate Sector

Impact from the earthquake event shows that the northern region and Bangkok Metropolitan Area were significantly affected, particularly high-rise buildings such as condominiums in these areas, which experienced considerable impact. When examining the accumulated unsold condominium inventory in the northern region, we can see that approximately 93% is concentrated in Chiang Mai, though this represents only 1% of the total unsold condominium inventory nationwide. More than 70% of condominiums are located in Bangkok and its vicinity, which was more severely affected by this earthquake event compared to other areas.

Figure 3: Geohazard Probability Map for Thailand's Seismic Activity

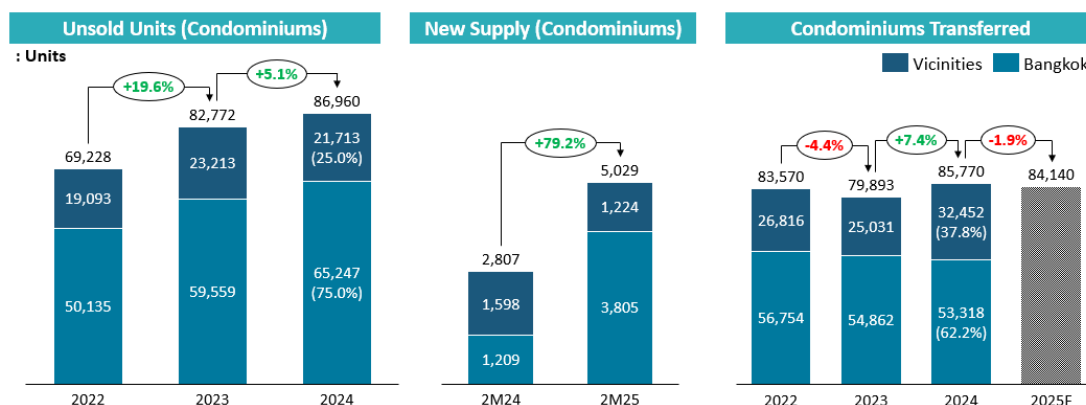


Source: LH Bank Business Research analysis based on data from Royal Gazette

Impact on the real estate sector, especially condominiums, directly affected by this earthquake crisis.

The transfer of condominium ownership rights in Bangkok and surrounding areas in 2025, previously expected to grow this year, may now contract by approximately 1.9% YoY due to declining consumer confidence in high-rise building safety. According to REIC data, in 2024, new condominium ownership transfers in Bangkok and surrounding areas increased by 7.4% to 85,770 units, with growth in metropolitan areas but contraction in Bangkok itself. Accumulated unsold condominium inventory increased to 86,960 units with a total value of 421,065 million baht. These figures were already high prior to the earthquake event and are likely to increase further due to consumers delaying purchasing decisions, with 75% of inventory located in Bangkok. During the first two months of 2025, an additional 5,029 new condominium units entered the market, intensifying competition even further.

Figure 4: Thai Condominium Market Analysis: Accumulated Supply, New Supply, and Ownership.



Source: LH Bank Business Research analysis based on data from REIC (Data as of: 4 April 2025)

The impacts of the earthquake on the condominium market can be categorized into the following main topics:

1. Changes in Consumer Behavior: Consumers are increasingly inclined to purchase low-rise residential properties.

2. Delaying Purchase Decisions: Prospective condominium buyers are likely to postpone their decisions to observe the situation and assess the safety of the projects. This includes waiting for comprehensive inspections of building structural integrity.

3. Investor Group: There is a tendency to delay investments in condominiums due to uncertainties surrounding future resale prices and rental rates, as some tenants may opt to move to low-rise housing instead.

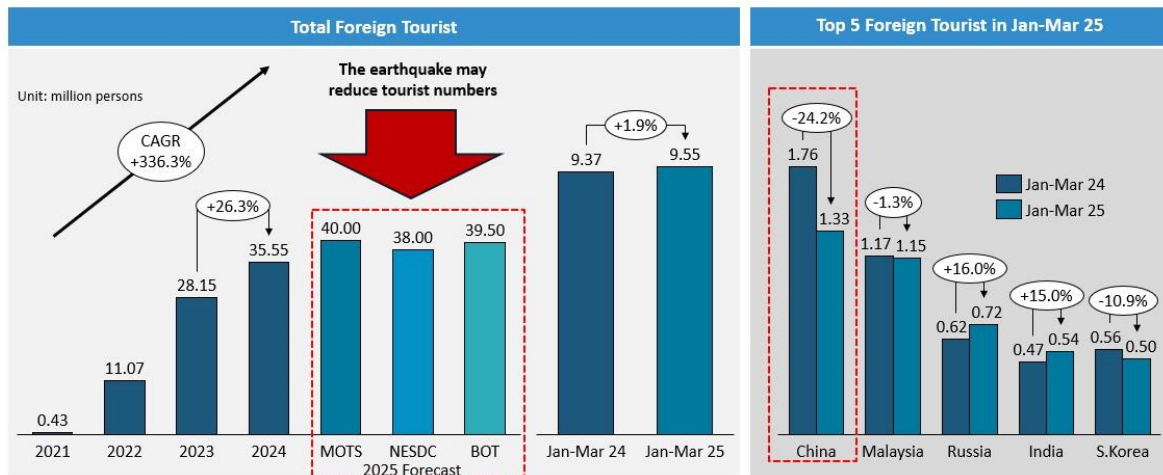
4. Delaying New Project Launches: Real estate developers are likely to postpone the launch of new condominium projects, particularly in areas most affected by the earthquake, such as inner Bangkok.

Government and financial institution assistance measures, such as reducing installment payments or offering principal payment holidays, as well as providing loans for housing repairs, will help alleviate the financial burden on condominium residents. Some of these residents may need to allocate funds for repairing their homes, and these measures will support them in maintaining regular installment payments.

Direct Impact on the Tourism Sector

The tourism sector continues to be challenged by the impact of the earthquake, exacerbating the industry's already slowing performance. This was particularly evident in March, when Chinese tourist arrivals fell by 48.2%YoY, partly due to safety concerns. As a result, the total number of foreign tourists in March was 2.72 million, down 18.8%YoY, the lowest in 3 months. **The latest impact of the earthquake is expected to further reduce tourist arrivals in April**, as tourist confidence has been undermined by foreign media reports and travel advisories issued by various governments due to safety concerns in Thailand. These factors have resulted in some cancellations of accommodation bookings and flights in the 1-2 days following the incident, although no significant cancellations of hotel bookings have been reported. Various agencies from both the public and private sectors believe that the impact will be temporary and short term, pending the assessment of tourist confidence levels after the Songkran festival. Meanwhile, due to these impacts, **the total number of tourists for 2025 is likely to be significantly lower than the Tourism Authority of Thailand's (TAT) target of 40 million visitors**. Nevertheless, Thailand's tourism sector still has opportunities for faster recovery if the government accelerates measures to restore foreign tourist confidence.

Figure 5: Foreign Tourist Trend Projections in Thailand: Earthquake Impact Assessment




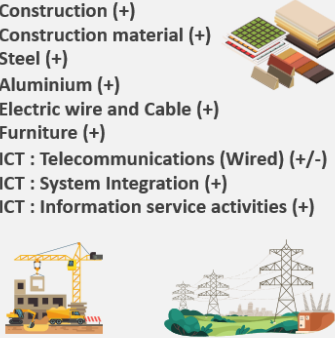


Source: LH Bank Business Research analysis based on data from MOTs, NESDC, BOT (Data as of: 4 April 2025)

Indirect Impact on Other Industries

In terms of the impact on other industries, **the sectors most affected by the earthquake include the real estate industry, particularly residential condominiums**, which suffered direct structural damage, and **tourism-related businesses**, such as serviced apartments, hotels and resorts, which faced immediate cancellations of bookings. **Some industries are experiencing an impact on purchasing power, such as the automotive industry, where vehicle purchases may be delayed as people prioritize home repairs first.** In addition, in the **financial sector, both insurance companies and commercial banks may face impacts that are manageable** as such events are rare in Thailand and most Thai insurance companies spread the risk through reinsurance with foreign companies. Conversely, this natural disaster may lead to increased public awareness of insurance, resulting in higher demand for both fire insurance and industrial all risks (IAR) insurance. In addition, **the construction and construction materials industries are expected to benefit from the earthquake in the short to medium term.** The extensive damage to buildings and structures has created urgent repair needs in both the private and public sectors, which will stimulate employment, construction materials consumption and economic activity in the directly affected areas. In addition, clients are likely to place greater emphasis on safety standards and disaster resilience, providing a competitive advantage to construction companies with experience and structural engineering technology.

Figure 6: Comprehensive Industry Impact Analysis: Structural Damage and Value Chain Implications

The impact of earthquakes on various industries		
High impact	Limited impact	Indirect impact
Real estate <ul style="list-style-type: none"> Residential (Condominium) (-)  Tourism related <ul style="list-style-type: none"> Service apartment (-) Department Stores (-) Convenience stores/Minimarts (+/-) Hotel & Resort (-) Passenger air transport (-) Restaurants (-) 	<ul style="list-style-type: none"> Banking (-) Leasing (-) Insurance (-) Freight transport by road (-) Food products & Beverage (+/-) Car rental (-) Automotive (-) Sale of Automotive (+/-) Wholesale & Retail Trade, except of motor vehicles and motorcycles (-) Electric power generation, transmission and distribution (-) Manufacture of gas; distribution of gaseous fuels through mains (-) 	<ul style="list-style-type: none"> Construction (+) Construction material (+) Steel (+) Aluminium (+) Electric wire and Cable (+) Furniture (+) ICT : Telecommunications (Wired) (+/-) ICT : System Integration (+) ICT : Information service activities (+) 

Note : The impact of earthquakes on various industries Specified in the Appendix

Source: LH Bank Business Research analysis

Implication:

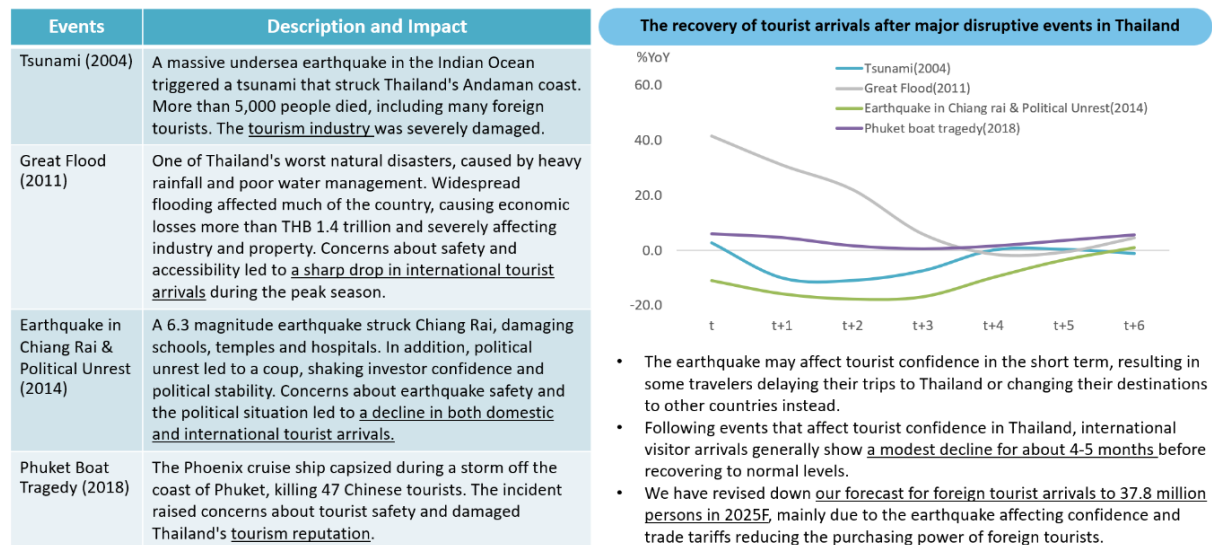
Earthquake Impact on Thai Economy: Short-term Rather Than Long-term Effects

The earthquake event has short-term economic impacts on Thailand through two main channels:

1) Foreign tourist arrivals are likely to slow down in the short term. The recent earthquake may undermine tourists' confidence in Thailand's safety, causing some travelers to delay their visits or redirect their travel plans to other destinations. Historical data from past incidents that have affected tourist confidence - such as the Phuket boat accident or the severe flooding in 2011 - show that foreign tourist arrivals typically decline slightly for about 4-5 months after such events before returning to normal. In this case, we estimate that foreign tourist arrivals could decline by about 500,000-600,000 from the previous forecast of 38.5 million, resulting in an estimated revenue loss of about 31 billion baht, or about 0.17% of GDP.

2) Household spending is expected to decline slightly, but should not have a significant impact on overall consumer spending. While some households will face increased spending on home repairs, the overall economic impact may be mitigated by the government's disaster relief and reconstruction efforts. According to the Ministry of Finance, relief measures for affected individuals and additional stimulus packages are under consideration, with an initial allocation of 150 billion baht. In addition, partial compensation from insurance companies will help ease the financial burden, as more than 5 million residential fire insurance policies nationwide include earthquake coverage. In addition, the Bank of Thailand (BOT) has requested the cooperation of financial institutions to assist affected borrowers by providing liquidity support for housing repairs and business continuity, easing debt repayment conditions, reducing or waiving fees, and restructuring debt obligations.

Figure 7: Tourist Number Recovery Projections for Thailand



Source: LH Bank Business Research analysis based on data from Ministry of Tourism and Sports (Data as of: 3 April 2025)

Government and Private Sector Assistance Measures

In terms of short-term government assistance measures, the Ministry of Finance has accelerated assistance to the public through three main measures: **1) Expanding the government's pre-payment fund to assist disaster victims** - The Department of the Comptroller General has expanded the government's pre-payment fund to assist emergency disaster victims (earthquake case) in Bangkok and 76 provinces under the authority of the Director-General of the Department of Disaster Prevention and Mitigation, amounting to 200 million baht for living and operating expenses; **2) Measures by specialized financial institutions** – 8 state-owned financial institutions have implemented debt moratorium measures, interest rate reductions, and offered loans for repairs, construction of buildings and homes, rehabilitation of businesses, and insurance claims to alleviate public hardship as quickly as possible; and **3) Insurance measures** - The Office of the Insurance Commission has coordinated with the Thai Life Assurance Association, the General Insurance Association, and all insurance companies to urgently monitor the situation and provide assistance to affected people, as well as consider making correct and prompt compensation payments. In addition, other agencies, such as the Ministry of Finance, are preparing to implement measures to waive rental fees on government properties for those affected by the earthquake. **In the next phase, the government is preparing recovery and economic rehabilitation plans and measures with a budget of approximately 150 billion baht, including measures to stimulate the real estate sector.** Loan-to-value (LTV) criteria have already been eased, and additional measures are being considered, particularly reductions in property transfer and mortgage registration fees. Both measures have proven effective during the COVID period, helping the real estate sector grow by approximately 11-12%.

Figure 8: Support Measures from Government and Private Sector

Urgent Measures from the Government	
<p>1) Measures to expand the government's pre-payment fund for disaster victims amounting to 200 million baht for expenses related to livelihood support and operational activities.</p>	<p>2) Measures through State Specialized Financial Institutions from all 8 institutions, covering debt moratorium, interest rate reduction, issuance of loans for repairs, construction of buildings and homes, business rehabilitation, and insurance claim payments to alleviate hardship, with details varying by bank</p>
<p>3) Insurance Measures - The Office of Insurance Commission (OIC) has coordinated with the Thai Life Assurance Association, the General Insurance Association and all insurance companies to urgently monitor the situation and provide assistance to those affected by the earthquake, as well as to ensure accurate and prompt consideration of compensation payments.</p>	

Source: LH Bank Business Research analysis based on data from The Government Public Relations Department (Data as of: 4 April 2025)

Several commercial banks have also expedited measures to support and assist affected individuals.

The Bank of Thailand has requested cooperation from financial institutions and non-bank retail lenders to consider providing assistance to affected individuals. For credit card loans, consideration will be given to reducing minimum payment rates. For regulated personal loans and digital personal loans, emergency temporary credit limit conditions will be considered. For various types of loans, there may be adjustments to terms, reductions or waivers of interest, fees, or debt restructuring, including capital and liquidity assistance to debtors.

To stimulate tourism, the Tourism Authority of Thailand (TAT) is proceeding with the 2025 Songkran Festival to boost tourism and restore confidence. Activities will be organized throughout the country in April, with the main highlight in Bangkok being the Grand Songkran Festival at Sanam Luang from April 11-15, 2025. In addition, the "We Travel Together" (Thiao Khon La Khrueng) project will be promoted to stimulate domestic tourism during the low season.

Regarding monetary policy, there is a high probability that the Monetary Policy Committee (MPC) will consider cutting the policy rate earlier than previously expected due to the impact of the earthquake on confidence and economic recovery. Instead of waiting until the second half of the year, they may implement a cut at the April 20 meeting, with the possibility of at least one additional cut later in the year to support economic recovery amid increasing challenges.

In terms of long-term economic impact, this earthquake may lead to structural developments and changes, particularly with respect to building and construction safety standards, the development of warning systems and natural disaster response mechanisms, and the adaptation of various business sectors to future disaster risks. The real estate and construction sectors may undergo major adjustments as developers may place greater emphasis on safety standards while implementing new technologies and innovations in the design and construction of buildings with improved earthquake resistance. This includes changing development models for residential projects to meet changing market demands. **For the tourism sector, there may be changes in tourism patterns and marketing strategies to address new challenges,** such as developing sustainable and safe tourism, promoting tourism in low-risk areas, or developing digital platforms to provide information and assistance to tourists in emergency situations. The experience of this earthquake could serve as an important lesson for Thailand in developing natural disaster preparedness and improving the long-term resilience of the Thai economy. The government should use this opportunity to develop policies and measures to improve crisis management capabilities in the future, which will help reduce economic damage and strengthen the country's long-term stability.

Appendix

• The impact of earthquakes on various industries

Impact	Sector	Sub-Sector	Impact description
High impact	Real Estate	Residential Real Estate (-)	The impact is expected to be significant as the situation has raised concerns in the property sector, particularly for high-rise and condominium properties. These properties are facing short-term buyer resistance due to concerns about structural integrity and safety. Some consumers have postponed decisions to purchase or transfer ownership. The cumulative supply of condominiums, especially in Bangkok and its metropolitan areas, accounted for 40% of the total unsold residential inventory by the end of 4Q2024. This impact is likely to be temporary if the government and developers implement measures to restore confidence, such as structural inspections, improved safety standards to withstand earthquakes, and transparent communication on building safety. These measures could accelerate the recovery of consumer confidence. In addition, some developers have already started to inspect and upgrade building standards to prepare for the expected aftershocks in the next 1-2 months. These efforts could mitigate the long-term impact on sales and improve overall confidence in the property market.
	Real Estate	Service apartment (-)	This is expected to have a temporary impact due to the decline in tourist arrivals during this period. The main customer group for serviced apartments is foreign tourists in Thailand. The decline in demand for long-term stays has led to a slowdown in business performance. In addition, service apartments that are not fully occupied are unable to generate sufficient income to cover operating costs. Operators are currently focusing on improving building safety standards to increase consumer confidence. This includes preparing for potential aftershocks that may occur in the next 1-2 months, which could help maintain occupancy rates and stabilize the serviced apartment business in the long term.
	Real Estate	Department Stores (-)	Department stores are expected to be significantly affected by the damage to large structures caused by earthquakes. This has led to safety concerns among both shoppers and tenants. The decline in consumer confidence and reduced footfall in shopping centers, particularly in Bangkok and major cities, has affected overall sales. Some operators have begun to review and upgrade building safety standards, such as earthquake resistance, to reassure shoppers and tenants. These efforts are essential to restore confidence and stabilize the department store sector.
	Wholesale & Retail Trade	Convenience stores/Minimarts (+/-)	The impact on convenience stores and minimarts is expected to be less severe than in other sectors due to their smaller size and lower structural risks. However, factors such as work-from-home trends, online shopping and delivery services have led to changes in consumer behavior, with fewer visits to physical stores. Operators are focusing on adapting their business models by expanding online platforms and delivery services to meet changing consumer demands. These adjustments are expected to mitigate the long-term impact and sustain business growth.
	Hotel	Hotel & Resort (-)	The initial impact is expected to be high. However, the effects are likely to be temporary and localized in high seismic risk areas such as Bangkok. The number of tourists staying in hotels could fall by around 20% in the short term due to safety concerns. Hotels in popular tourist destinations outside high-risk areas, such as Phuket, Pattaya and Chiang Mai, are less likely to be affected. Tourism activity is expected to gradually recover as confidence returns. Hotels directly affected by structural damage may face temporary closures for repairs and safety improvements. Operators are focusing on building inspections and upgrading safety standards to reassure guests and restore confidence.

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Impact	Sector	Sub-Sector	Impact description
	Logistic	Passenger air transport (-)	Passenger air transport is expected to be moderately affected, mainly due to temporary flight cancellations and reduced travel demand over the next 4-5 weeks. Concerns about security and aftershocks may lead to a decline in both domestic and international travel. Passenger numbers are expected to fall by around 5% compared to the same period last year. Airports located in high-risk seismic areas, such as Suvarnabhumi and Don Mueang, will prioritize structural inspections and safety upgrades. Airlines are also adapting their operations by offering flexible travel policies, such as free flight rescheduling, to address passengers' concerns.
	Restaurant	Restaurants (-)	The initial impact is expected to be severe, but most of the effects are expected to be temporary. Restaurants and street food vendors in affected areas, such as Bangkok, may experience a sharp drop in customers due to fears surrounding the incident and concerns about potential aftershocks. In addition, the slowdown in tourism in Q2 2025 is likely to add to the challenges faced by these businesses. However, if the situation does not worsen and is managed effectively, such as through safety measures and government support, the restaurant industry is likely to recover in the long term, especially as consumer and tourist confidence returns. Restaurants that adapt well, for example by expanding delivery channels and improving service standards, will have opportunities for growth after this crisis.
Limited impact	Bank	Banking (-)	The impact is expected to be moderate to significant. Most of the impact will be related to debt restructuring and support measures for affected customers, such as interest rate reductions or repayment extensions of up to 12 months. These measures will have an impact on short-term interest income. There will also be a slowdown in lending in high-risk areas, including stricter credit assessments. In addition, increased financial support and assistance to affected companies may lead to an increase in non-performing loans (NPLs) in the short term. Banks will focus on supporting SMEs in the affected areas by providing financial assistance and restructuring loans. If government measures are effectively implemented, such as infrastructure restoration projects or business recovery programs, the banking sector may recover more quickly and contribute to overall economic recovery in the medium term.
	Logistic	Freight transport by road (-)	The initial impact is expected to be moderate due to disruption of transport routes in the affected areas. Economic activity in high-risk areas may slow temporarily, leading to reduced demand for freight services. However, logistics operators are expected to adapt by rerouting shipments or using alternative transport methods. The rise of e-commerce platforms may also help mitigate the long-term impact as consumer demand shifts to online shopping.
	Manufacturing	Food products & Beverage (+/-)	The impact is expected to be moderate, particularly for factories located near high-risk areas, which may face temporary closures due to structural damage or safety concerns. Factories producing basic commodities (e.g. rice, canned goods) are less likely to be affected, as demand for basic commodities remains stable during crises. However, there may be temporary disruptions to the supply chain, such as delays in the transportation of raw materials. Manufacturers are focusing on operational adjustments, including improving safety standards and preparing contingency plans for potential aftershocks. Factories located outside high-risk areas are expected to continue operations without major disruptions, which will help stabilize production levels and ensure an adequate supply of food and beverages during this period.

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Impact	Sector	Sub-Sector	Impact description
	Manufacturing	Automotive (-)	The impact on the automotive industry is expected to be limited. Most of the impact is related to structural safety concerns and reduced car purchases due to consumer caution. This highlights the importance of vehicle repair and maintenance services in the early stages. In 2025, Thailand's automotive industry may face challenges such as slower demand for new cars, especially in high-risk areas, and delays in purchasing decisions. These factors could lead to a decline in new car sales. However, there may be opportunities for growth in areas such as electric vehicles (EVs), which are perceived as safer and more environmentally friendly. In addition, technological advances, promotional campaigns to boost sales and government incentives could help mitigate the long-term impact. Overall, the automotive industry is expected to recover gradually as consumer confidence improves.
	Financing and Leasing	Leasing (-)	The leasing sector is expected to be moderately affected by structural safety concerns and reduced car purchases. Consumers may delay decisions to lease vehicles or equipment due to uncertainty about aftershocks or economic conditions. Leasing companies operating in high-risk areas may face challenges such as reduced demand for new leases and increased requests for debt restructuring from affected customers. However, leasing companies with strong financial positions and effective risk management strategies are likely to recover more quickly. Companies that diversify their portfolios by offering flexible leasing options or focusing on less affected regions may be able to mitigate the long-term impact.
	Insurance	Insurance (-)	The insurance sector is expected to be moderately affected by claims related to property damage and business interruption caused by the earthquake. Property insurance claims are estimated to increase by around 4% of total premiums across all categories. Large insurance companies with robust financial reserves are expected to absorb these impacts effectively. Approximately 95% of claims are expected to come from property policies covering high-risk areas such as Bangkok. Thai insurers generally maintain strong capital adequacy ratios (CARs) of over 100%, which will help ensure overall industry stability despite temporary disruptions.
	Wholesale & Retail Trade	Sale of motor Automotive (+/-)	The impact is expected to be low, with effects on the automotive retail business mostly temporary, stemming from delayed vehicle purchases by those affected by the earthquake. Meanwhile, the auto retail sector continues to face multiple challenges such as high household debt levels, delayed income recovery, and stringent loan approval processes, which limit new vehicle purchases. Regarding motorcycle retail businesses, impacts are largely temporary and result from decreased consumer confidence in Q2/2025 due to safety concerns on roads following the earthquake and aftershocks. However, motorcycle demand and parts repairs may increase due to some people recognizing the advantages of motorcycles over cars during emergencies. Additionally, businesses may benefit temporarily from increased food delivery demand while people remain hesitant to leave their homes. In the long term, as the situation normalizes, motorcycle demand may increase, especially among delivery service providers such as food and parcel delivery workers, which will support overall business growth.
	Service	Car rental (-)	The impact is expected to be moderate. Most of the impact is related to security concerns in high-risk areas, leading to reduced demand for long-term car rentals. Approximately 75% of car rental customers are tourists and the slowdown in tourism has directly affected this sector. In addition, short-term rentals have also declined due to reduced travel activity. However, as confidence gradually returns and tourism recovers, demand for car rental is expected to increase. Operators may need to focus on security measures and fleet maintenance services to reassure customers. Companies that adapt quickly by implementing effective risk management strategies are likely to recover more quickly.

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Impact	Sector	Sub-Sector	Impact description
	Wholesale & Retail Trade	Wholesale & Retail Trade, except of motor vehicles and motorcycles (-)	The impact is expected to be moderate. Most of the impact will be related to supply chain disruptions caused by structural damage at retail locations in high-risk areas. Retailers located in shopping centers or large buildings may face temporary closures or reduced footfall due to security concerns. However, demand for essential goods remains stable or increases slightly during this period. Companies that adapt by expanding online sales channels or offering delivery services are likely to mitigate the long-term impact. The sector's recovery will depend on how quickly consumer and business confidence returns.
	Public Utilities	Electric power generation, transmission and distribution (-)	The impact is expected to be minimal. Most of the impact is related to safety and confidence concerns, as the main infrastructure remains undamaged. Only a small number of power plants in high-risk areas may require additional safety inspections. Concerns about the use of electricity in high-risk areas during aftershocks could temporarily affect demand. Operators are focusing on preparing contingency plans for emergencies, such as conducting structural inspections and improving safety standards to reassure consumers. In addition, improving disaster response systems and communication channels will help restore confidence in the sector.
	Public Utilities	Manufacture of gas; distribution of gaseous fuels through mains (-)	The impact is expected to be minimal. Most of the impact is related to concerns about safety and confidence in high-risk areas such as gas plants and distribution pipelines. Gas production facilities remain operational, and no significant damage has been reported. However, concerns about aftershocks may lead to temporary disruptions in gas demand in affected areas. Operators are focusing on improving safety standards and conducting structural inspections to ensure stability. In addition, transparent communication on safety measures will help restore consumer confidence in the long term.
Indirect impact	Construction	Construction (+)	The impact is expected to be moderate. Most of the impact will be related to delays in construction projects in high-risk areas due to safety concerns or structural damage. Construction activity in Bangkok and surrounding provinces may be temporarily disrupted as operators focus on inspecting structures and upgrading safety standards to meet seismic requirements. In addition, demand for new construction projects may temporarily slow due to reduced investor confidence. However, government measures to restore infrastructure and support SMEs in the affected areas could help accelerate recovery.
	Manufacturing	Construction material (+)	The impact is expected to be moderate due to concerns about structural damage and delayed construction projects in high-risk areas. Demand for construction materials such as cement, steel and concrete may temporarily decline in the second quarter of 2025 but is expected to gradually recover as rebuilding efforts begin. Manufacturers are focusing on ensuring sufficient supply for reconstruction efforts, while improving product quality standards to meet seismic requirements. Operators outside the high-risk zones are likely to experience stable operations, which will help mitigate the long-term impact on the industry.
	Manufacturing	Steel (+)	The steel manufacturing industry is expected to experience minimal to no impact as most steel products such as beams, cement, nails and rebar are not directly affected by structural damage caused by earthquakes. Demand for steel in construction projects may temporarily slowdown in high-risk areas such as buildings, warehouses and infrastructure. However, reconstruction activities in the affected areas will gradually boost demand for steel products. Although demand for steel may decline slightly in the short term, the overall impact on industry is expected to be minimal as structural damage is not widespread.
	Manufacturing	Aluminium (+)	The aluminium manufacturing industry is expected to be minimally affected by the increased use of aluminium in post-earthquake reconstruction and new construction projects. Aluminium remains a key material in construction projects such as windows, doors and roofing. Increasing demand for lightweight and

Impact	Sector	Sub-Sector	Impact description
			<p>durable materials will support the recovery of the aluminium industry during this period.</p>
	Manufacturing	Electric wire and Cable (+)	<p>The electrical wire and cable industry is expected to see a slight increase in demand as a result of reconstruction work in the affected areas. This includes the replacement of damaged electrical systems and the installation of new wiring in affected buildings. The overall impact on manufacturers is expected to be positive, with increased orders for electrical wire and cable products.</p>
	Service	ICT : Telecommunications (Wired) (+/-)	<p>The telecommunications sector is expected to be slightly affected by damage to certain components of the wired infrastructure, such as fiber optic cables and network lines. This has resulted in temporary disruptions to Internet services, particularly in high-risk areas. However, with the growing trend of work-from-home (WFH) arrangements and increased reliance on online platforms during this period, operators are focusing on accelerating repairs and expanding their networks to meet consumer demand. Concerns about aftershocks have also prompted operators to improve security measures for wired communications systems. Meanwhile, mobile networks are expected to play a key role in ensuring connectivity during emergencies.</p>
	Service	ICT : System Integration (+)	<p>The impact is expected to be minimal. In the short term, there will be increased demand for digital security services such as remote working systems, cloud storage and cybersecurity solutions. Businesses are likely to focus on upgrading systems to ensure business continuity and improve security measures following the earthquake. Although there has been no significant damage to ICT infrastructure, concerns about potential aftershocks have prompted organizations to prioritize system reliability and efficiency. In the long term, companies that invest in advanced digital solutions will gain a competitive advantage in adapting to future challenges.</p>
	Service	ICT : Information service activities (+)	<p>The impact is expected to be minimal. In the short term, demand for cloud services will increase significantly as organizations adopt remote working policies and move operations online due to security and aftershock concerns. In addition, businesses are expected to prioritize data backup and disaster recovery solutions to ensure business continuity. The growing reliance on digital services, such as systems integration and cloud computing, is in line with digital transformation trends. Organizations that embrace these technologies are likely to experience long-term growth and resilience in adapting to future disruptions.</p>
	Manufacturing	Furniture (+)	<p>The furniture industry is expected to be moderately affected by concerns over structural damage in high-risk areas. Demand for knock-down furniture and modular designs is likely to increase in Q2 2025 as consumers seek flexible and portable options for rebuilding or relocation purposes. In addition, companies may focus on expanding online sales channels to meet changing consumer behavior during this period. The long-term recovery of the industry will depend on how quickly consumer and business confidence returns.</p>

Source: Compiled by LH Bank Business Research

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Authors:

Business Research,
Land and House Bank PLC

LH BANK BUSINESS RESEARCH



Thanapol Srithanpong, Ph.D.

Head of Business Research



Nuttachat Viroonhausava

Senior Industrial Specialist



Taratnon Sritongterm

Senior Economist



Cheawchan Srichaiya

Senior Industrial Specialist



Wilanda Disorntetiwat

Senior Economist



Watcharapan Niyom

Senior Industrial Specialist



Nawatch Hansuvech

Senior Thematic Specialist



Sri-Ampai Ingkhakitti

Senior Industrial Specialist



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