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KEY SUMMARY

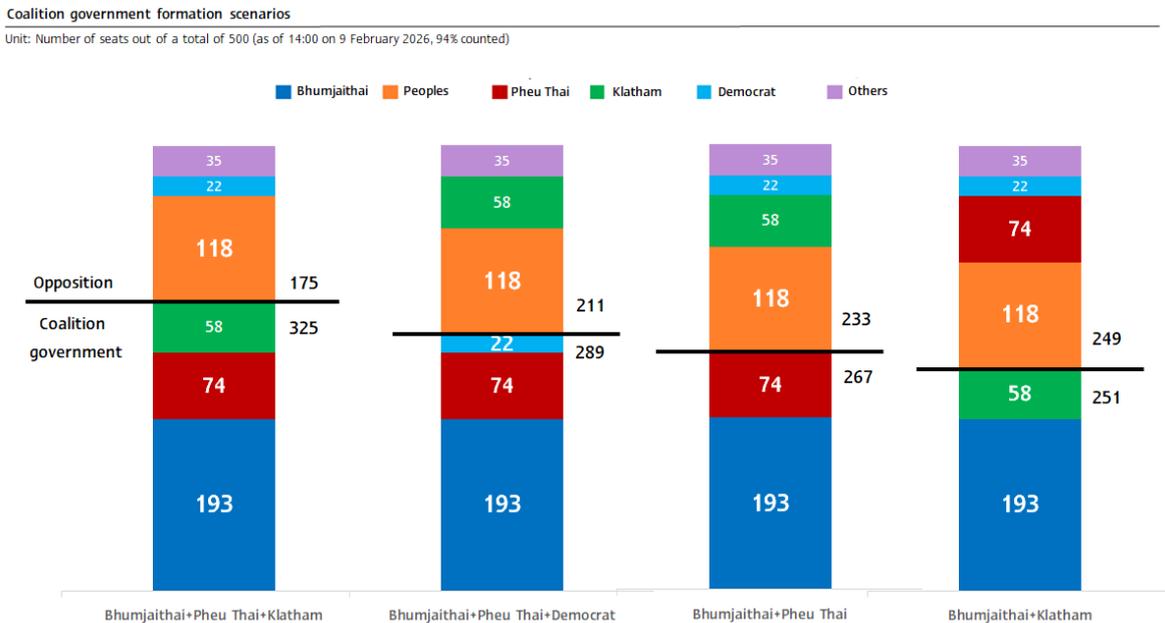
- **SCB EIC assesses that the Bhumjaithai Party's victory in the 8 February 2026 election**, securing 193 seats out of 500 (based on unofficial results from the Election Commission of Thailand, pending official certification), is likely to lead to the formation of a stable government, ensuring policy continuity in public administration and to some extent reducing Thailand's economic risks arising from political uncertainty.
- **The new government is likely to be able to assume office by May**, implying that the process for preparing the FY2027 Budget Bill will be delayed by only 1–2 months. This is broadly in line with SCB EIC's pre-election assessment and therefore is not expected to materially affect SCB EIC's 2026 baseline macroeconomic assumptions, under which the Thai economy is projected to expand by 1.5%.
- **While many of the Bhumjaithai Party's economic policies respond to the country's needs to address structural challenges**—through its “10 Plus” policy package aimed at driving Thailand's economy to return to growth of above 3%—**translating these initiatives into tangible outcomes remains highly challenging amid tighter fiscal constraints**. This will require the government to prioritize and strike an appropriate balance between short-term economic stimulus measures and longer-term structural reform policies.
- **SCB EIC assesses that, if the government can effectively advance a package of economic restructuring policies over the medium term**, alongside strengthening confidence and appropriately managing the budget and implementing fiscal reforms to preserve fiscal space in times of crisis and reduce risks to the country's sovereign credit rating, this **would support economic expansion in the period ahead**.
- **Nevertheless, risks associated with this election remain to be monitored**, particularly the possibility that barcodes on ballot papers could enable identification of voters, which may contravene election-related law and lead to a new election, as well as outcomes of political cases involving the former opposition party.

KEY POINTS

SCB EIC assesses that the formation of a new, stable government is likely to take place quickly following the outcome of the 8 February 2026 election.

The Bhumjaithai Party’s victory in this election provides multiple options for forming a stable majority coalition government, and includes three professional ministers to continue policy implementation, following its win of as many as 193 seats (based on unofficial data from the Election Commission as of 9 February 2026, with 94% counted), a substantial lead over the second-ranked party with 118 seats. The People’s Party is positioned as the leader of the opposition (Figure 1). **Such an election outcome would accelerate the formation of a stable government, reduce Thailand’s political uncertainty, and ensure policy continuity in public administration.**

Figure 1: Scenarios for government formation based on the 8 February 2026 election results



Source: SCB EIC analysis based on data from the Election Commission and various news agencies.

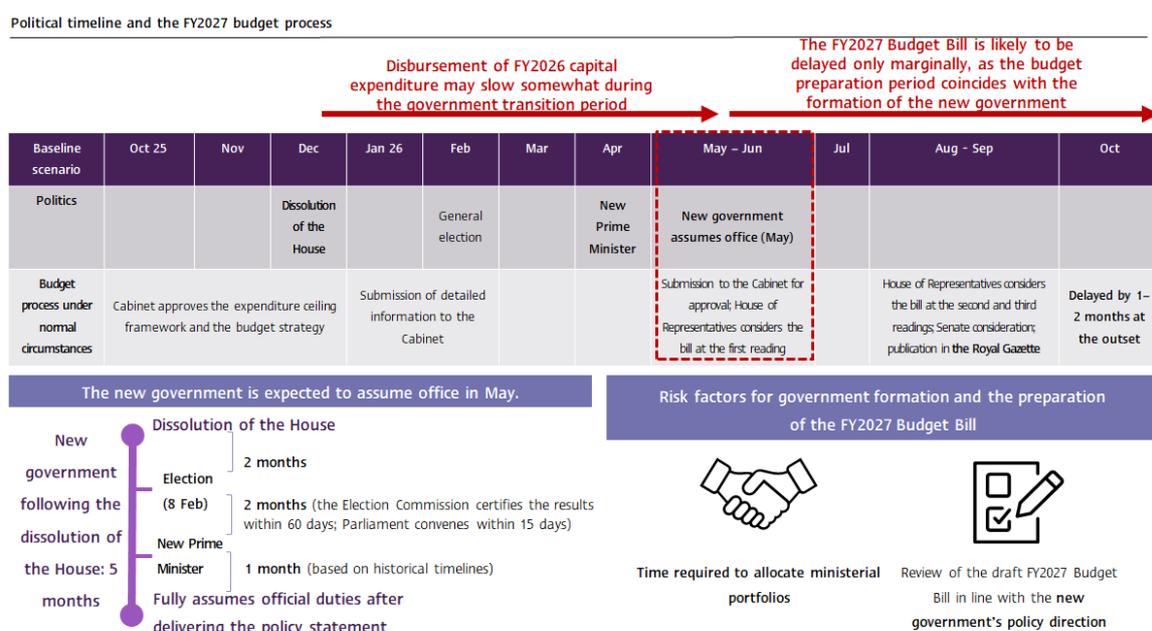
The new government is expected to assume office in May; enactment of the FY2027 budget is likely to be delayed by only 1–2 months.

SCB EIC assesses that this government transition will take five months (2 + 2 + 1). The first two months cover the period from the dissolution of the House on 12 December 2025 to the election on 8 February 2026. It is then expected to take a further two months to select a new prime minister, and an additional one month to form the Cabinet, take the oath of office, deliver the policy statement to Parliament, and commence full operations by May (Figure 2).

Normally, a government transition leads to a decline in the government’s budget disbursement rate, particularly for investment, and entails a risk that enactment of the next fiscal year’s budget bill will be delayed. However, the impact of this transition is not expected to be severe, partly reflecting measures to accelerate budget disbursement and expedite project approvals that the government implemented prior to the dissolution of the House.

For the FY2027 budget process, the budget is likely to be enacted in November 2026, representing only a 1–2 month delay from the normal schedule under which it would take effect on 1 October 2026. This is broadly in line with SCB EIC’s pre-election assessment, as the government transition period overlaps with the period for finalizing budget details. As such, the election outcome reduces downside risks from a materially prolonged delay in the FY2027 budget process (Figure 2).

Figure 2: Timeline for government formation and the preparation of the FY2027 Budget Bill



Source: SCB EIC analysis based on data from the Government House, the Ministry of Finance, and the Bureau of the Budget.

The Bhumjaithai Party targets economic growth of over 3% through its “10 Plus” policy package; however, implementation remains challenging amid tight fiscal constraints.

The Bhumjaithai Party aims to raise Thailand’s economy to return to growth of above 3% again through its “10 Plus” policy package, which covers short-term economic recovery, long-term structural measures to support sustainable growth, and income redistribution to reduce inequality. The package is structured around two main pillars, namely:

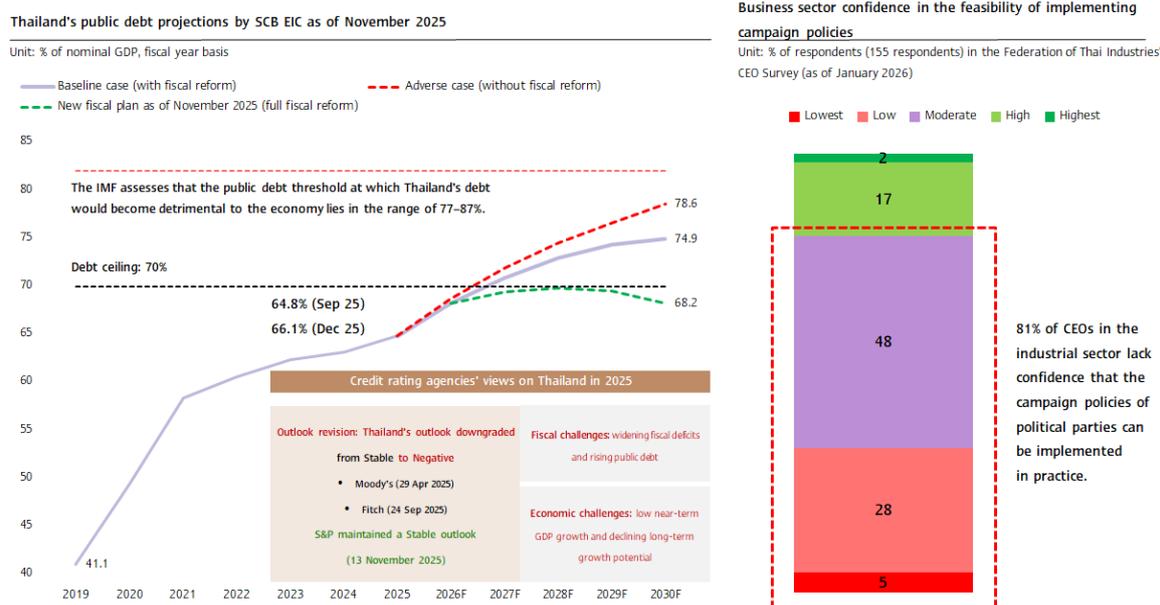
- **Nurturing the foundation and promoting inclusiveness:** (1) “Small People, Small Livelihoods Plus” — debt resolution; “Half-Half Plus” (co-payment scheme) (2) “Senior Citizens Plus” — skills development, income generation, and caregiver support (3) “Community Plus” — secondary-city tourism; produce the right products and sell what one is passionate about (4) “Equal Education Plus” — free learning through platforms and employment opportunities (5) “Made in Thailand; SMEs Plus” — low-interest financing and access to government procurement contracts
- **Enhancing the country’s long-term competitiveness:** (6) “Investment Plus” — raise the investment share to 30% of GDP, with a focus on future industries (7) “Green Economy Plus” — pursue net zero and develop the carbon market (8) “Digital AI Plus” — develop skills and generate income (9) “Trade Plus” — upgrade production and secure global markets (10) “Thailand Plus” — an agile state with faster approvals

SCB EIC’s observations on this policy package:

- **The policy direction remains relatively unclear.** The “10 Plus” package covers a broader set of policies than those the Bhumjaithai Party submitted to the Election Commission together with the estimated budget for campaign policies, which comprised only eight policies and did not include certain initiatives announced on some campaign occasions, such as the Land Bridge project. At the same time, the proposed policies remain broad conceptual frameworks—such as Community Plus, Investment Plus, Trade Plus, and Thailand Plus—which, while reflecting a strategic vision, still lack sufficient operational details, implementation mechanisms, enforcement approaches, as well as concrete benefits and incentives. This limits the ability to assess the potential positive impact on the economy. **It is expected that the policy direction will become clearer after the policy statement is delivered to Parliament.**
- **Many measures under the “10 Plus” package seek to address Thailand’s structural challenges,** such as debt resolution, SME support, public sector reform, and the advancement of digitalization and the green economy. **However, several initiatives continue to emphasize subsidies that deliver mainly short-term benefits,** such as the “Half-Half Plus” (co-payment) scheme. Considering only the eight policies submitted by the Bhumjaithai Party to the Election Commission, with an estimated budget of THB 148 billion per year, around 30% is allocated to such subsidies.

- **Fiscal constraints have tightened further.** Thailand’s public debt stood at 64.8% of GDP at the end of FY2025 and is likely to approach the 70% ceiling over the next 1–2 years. In addition, two credit rating agencies—Moody’s (29 April 2025) and Fitch (24 September 2025)—have already revised Thailand’s sovereign rating outlook to Negative, partly reflecting these fiscal challenges. This will constrain the government’s ability to implement its policy package, particularly populist measures. Most recently, Fitch (11 February 2026) reiterated that political stability and fiscal stability are critical to maintaining the country’s sovereign rating (Figure 3).
- **Achieving policy implementation that delivers positive economic outcomes remains challenging.** The government will need to prioritize and strike an appropriate balance between short-term stimulus measures and longer-term economic restructuring, while accelerating efforts to build confidence among the business sector and credit rating agencies. This should be accompanied by prudent budget management and appropriate fiscal reforms to preserve fiscal space in times of crisis and reduce risks to the country’s sovereign credit rating.

Figure 3: Public debt is nearing the 70% of GDP ceiling, while private sector confidence remains weak.



Source: SCB EIC analysis based on data from the Ministry of Finance, the Secretariat of the Cabinet, and the Federation of Thai Industries.

This election outcome is not expected to materially affect SCB EIC’s 2026 baseline macroeconomic assumptions, as it is broadly in line with pre-election expectations that a new government would be able to assume office in May and that the FY2027 Budget Bill would be delayed by around 1–2 months. However, the Bhumjaithai Party’s strong electoral mandate reduces Thailand’s downside political risks to some extent.

Nevertheless, key risks remain and warrant close monitoring. In particular, barcodes on ballot papers could potentially enable identification of voters, which may contravene election-related law and lead to a new election. Additional risks include concerns over the credibility of reported election results, political cases involving the former Move Forward Party (now the People's Party), and the possibility of further delays in the FY2027 budget process should there be efforts to advance campaign policies of the leading party and coalition partners. SCB EIC is currently assessing the latest economic developments and will publish updated projections within February.

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