FLASH

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During late September to early October 2026, many areas of Thailand experienced prolonged heavy rainfall and widespread flooding. Bangkok was hit by concentrated heavy downpours (rain bombs), with accumulated rainfall of 250–300 mm, resulting in severe waterlogging for several consecutive days. However, **SCB EIC expects the flood situation to gradually ease under the baseline scenario**, although some areas remain at risk from additional heavy rainfall and upstream runoff from the northern region. Meanwhile, the risk of flooding in key economic zones within Bangkok's flood protection system remains limited, as water flows from the northern region are projected to stay well below the levels seen during the 2011 mega flood and have begun to recede.

Households and workers have been affected on a broad scale.

SCB EIC estimates that the floods have cumulatively affected more than 1.48 million Thai households (based on Department of Disaster Prevention and Mitigation data from 16 September to 7 October 2026), equivalent to around 6% of all households nationwide. More than 1.1 million households remain affected. The hardest-hit areas are concentrated in Bangkok and its surrounding provinces, including Samut Prakan and Pathum Thani, as well as key agricultural and industrial production hubs in the Central and Eastern regions, such as Nakhon Nayok, Chonburi, Chachoengsao, Prachin Buri, and Ayutthaya.

In terms of labor impacts, more than 1.69 million workers are estimated to have been affected by transportation disruptions, temporary business closures, and lost working hours. The largest impacts were recorded in Samut Prakan and Bangkok, where approximately 445,000 and 420,000 workers, respectively, were affected, representing around 2% of the country's total workforce.

The most vulnerable groups are service-sector workers and informal workers who rely on daily income, as they face an immediate loss of earnings while simultaneously bearing higher expenses related to transportation, housing, and property repairs. This highlights that the economic impact of flooding depends not only on flood severity, but also on how long workers are unable to resume their normal income-generating activities.

Thailand's economic growth is projected to be lowered by 0.1 pp. this year under the baseline scenario.

The impact on households, workers, and economic activity in flood-affected areas is expected to weigh on Thailand's overall economy. SCB EIC estimates that the floods will reduce Thailand's 2026 economic growth by 0.05–0.1 pp. under the baseline scenario. The main drag will come from lower household income, disruptions to work and transportation, and temporary shutdowns in parts of the manufacturing and services sectors. However, increased spending on essential goods and post-flood repairs is expected to partially offset these losses.

Under a more severe scenario, driven by additional heavy rainfall and stronger-than-expected upstream runoff, but without flooding inside Bangkok's flood protection system, the economic impact could increase to 0.1–0.2 pp. The impact could rise further to 0.15–0.25 pp. if urban areas within Bangkok's flood barriers are flooded again.

While the impact is expected to be far smaller than that of the 2011 mega flood, which reduced Thailand's economic growth by an estimated 3.5–4.0 pp. due to prolonged flooding in multiple industrial estates and widespread disruptions to key manufacturing sectors for more than five months, **the key risk from the current floods lies in their compounded effects on households and SMEs** with already limited liquidity and little capacity to absorb additional financial burdens.

From Reconstruction to Flood Resilience: Strengthening Business Recovery

Businesses have been affected through three main channels: (1) weaker consumer spending power and reduced household expenditure, (2) disruptions to logistics networks and supply chains, and (3) damage to assets, inventories, and business premises.

During the period when flood conditions remain unresolved, retail, durable goods, restaurants, tourism, and real estate businesses are likely to face the greatest demand-side impacts, driven by mobility constraints and consumers' tendency to postpone discretionary spending. Meanwhile, parts of the manufacturing sector may experience disruptions due to delays in raw material transportation and product deliveries across supply chains.

On the other hand, many businesses face direct damage to buildings, machinery, inventories, operating facilities, and agricultural land, increasing the costs of repairs, recovery, and business resumption. These challenges are particularly acute for small businesses with limited financial reserves.

After floodwaters recede, the key risk shifts from physical damage to the recovery of income and liquidity among households and businesses. At the same time, **some businesses may benefit** from stronger demand for essential goods, flood protection materials, household appliances, and related services, as well as

replacement purchases and property repairs driven by pent-up demand. Additional investment in disaster preparedness, including flood protection systems, drainage infrastructure, and other flood resilience measures, could also provide support. **However, the recovery is unlikely to be uniform**, as it will depend on the ability of individual households and businesses to access financing and maintain adequate liquidity.

This flood episode highlights that economic damage is determined not only by flood severity, but also by how quickly households, workers, and businesses can restore income and resume economic activity. Disaster preparedness therefore needs to go beyond mitigating physical damage and focus on strengthening income resilience, liquidity buffers, business continuity, and investment in flood resilience measures. Such efforts will help shorten recovery periods and enhance the economy's ability to withstand future flood events.

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