



NEWS RELEASE

No.2008-C-1070
Nov 27, 2008

R&I changes Outlook to Stable: Thailand

Rating and Investment Information, Inc. (R&I), has affirmed the following ratings:

ISSUER: The Kingdom of Thailand
Foreign Currency Issuer Rating

R&I RATING: BBB+
RATING OUTLOOK: Stable (Changed from Positive)

Domestic Currency Issuer Rating

R&I RATING: A-
RATING OUTLOOK: Stable (Changed from Positive)

RATIONALE:

Based on its judgment that Thailand's economic growth could be expected to accelerate during 2008, supported by a recovery in domestic demand, R&I changed the Rating Outlook for the country's Foreign Currency Issuer Rating and Domestic Currency Issuer Rating to Positive in February 2008. Since then, however, Thailand's economy has exhibited a strengthening deceleration trend driven by international factors, such as inflation that continued until mid-year and confusion in the financial markets, and social turmoil since the spring that has been deeper than anticipated because of dissatisfaction with the political situation. Given the prospects for political and social instability to be prolonged, and the fact the economic slowdown trend worldwide has become more pronounced, the possibility that Thailand will be unable to avoid a further economic slowdown in the future has emerged. Based on these considerations, R&I has changed the Rating Outlook from Positive to Stable.

The Thai government announced that year-on-year expansion in real gross domestic product (GDP) for the third quarter of 2008 was only 4.0%. Although private consumption in the third quarter rose by 2.6% and remains steady, growth in investment slowed to 0.6%. Since the first quarter, the contribution rate of domestic demand to growth by quarter has fallen to 2.5%, 1.5% and 1.2%, respectively. Uncertainty regarding the economy in 2009 has been heightened as well.

The protest movement by the People's Alliance for Democracy (PAD), which is demanding the current administration be dissolved, has grown increasingly extreme. As a result, it appears unlikely for now that the ruling coalition party, centered on the People Power Party (PPP), can maintain an environment that will enable it to implement policies steadily. Should social unrest caused by the unstable political situation, such the takeover and closure of Bangkok's international airport facilities by PAD on November 25, appear likely to escalate further, the situation could also affect activities by foreign enterprises. R&I believes the actualization of such medium to long-term risk factors can not be excluded.

R&I RATINGS:

ISSUER: The Kingdom of Thailand
FOREIGN CURRENCY ISSUER RATING: BBB+
RATING OUTLOOK: Stable (Changed from Positive)

DOMESTIC CURRENCY ISSUER RATING: A-
RATING OUTLOOK: Stable (Changed from Positive)

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