

# *INTERNATIONAL RISK ANALYSTS' RAPPORT 2025*

*A Comprehensive Risk Analysis on the  
social, economic, political, and financial  
state of Thailand and Greece in 2025.*



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# Executive summary

## Country comparison

As Greece is a member of the European Union, it shows increased stability, high law and order and strong democracy. Administrative effectiveness, support for investors and effective regulations do not overcome Thailand's challenges from its military, little democracy and unrest. However, when looking at the seven most important full-scale economic indicators, it shows that Thailand achieves higher results than Greece in five of them such as GDP growth, unemployment, the balance of trade, debt burden and FDI. Greece can keep inflation in check, but it faces long-term challenges in its labor market and a substantial amount of debt.

The adequate performance of banks mitigates the financial risk in Thailand, the wide availability of capital, and the deep financial markets. Nevertheless, the significant amount of debt in households and the dependence on international demand are a concern. The banking sector in Greece is more stable and is protected by the Eurozone currency, but it lacks strong capital markets, available credit, and liquid investments.

## Risk factors

Greece has a stable and dependable political and regulatory system, and their currency is safe, but there are background issues that constrain how much the economy can grow. Thailand is stronger in macroeconomic and financial areas, giving moderate risk and promising investment chances in areas linked to exports and the capital market. Significant demographic challenges are present in both countries, such as an aging population and low birth rates. Thailand depends heavily on informal workers and foreign labor which creates issues in the future, while in Greece young people have a hard time finding work. Environmental aspects and climate conditions increase risks to both nations. The country of Greece is under threat from heatwaves, wildfires and droughts, but Thailand is often hit by flooding and cyclones. Greece is following EU targets on climate governance, but Thailand faces challenges in both implementing rules and preparing its infrastructure.

## Recommendations

Investors seeking to grow their investments may prefer Thailand, while also managing their risk. Conservative investors who want stability in the EU can turn to Greece. Thailand needs to deal with labor informality; a decreasing population and challenges related to climate change. Greece is expected to open up its capital market, ensure better jobs for workers and raise productivity with reforms. Greater aid should go toward managing finances, handling population changes and promoting green construction, to manage future risks in both countries.

# Introduction

It could be argued that country risk, as of today, is more important than it has ever been. The key findings of the 2025 Global Risk Report indicate a decline in optimism among experts across multiple key categories (World Economic Forum, 2025). Their yearly survey of experts denotes a 4% increase in perceived risk for the coming two years, emphasizing the current state-based armed conflicts, extreme weather events, geopolitical polarization and disinformation as the four main drivers of this assessment. In this context, Thailand and Greece offer two contrasting case studies: both have rebounded from major crises yet continue to carry distinct structural vulnerabilities.

With an eye on this increase in global risk, IRA is committed to providing a comprehensive view the Thai and Greek economies. This way we can determine whether these countries, both with relatively high GDP growth (Thailand: 2.7%, Greece: 2.2%) coming out of the Covid-19 crisis, could provide a stabilizing force in their respective regions despite their reputations for fiscal mismanagement (Greece) and regulatory fragility (Thailand). (Allianz Trade, 2025a; Allianz Trade, 2025b). As both these countries have been the center of an economic crisis, and were heavily impacted by the decrease in tourism as a result of the Covid-19 crisis, we at IRA consider it essential to reassess the image of both these countries in an objective and methodical way, in order to possibly adjust these surface level

assessments on the economic and stability of both these countries.

The decades preceding the Asian financial crisis were characterized by impressive economic performance, including low inflation, high savings rates, and rapid growth (Aghevli, 1999). Suddenly, the Thai baht collapsed due to the government's inability to support its dollar peg. The financial crisis that would strike Thailand was seen at the time as a surprising fall from grace. However, with the benefit of hindsight, it became increasingly clear that this positive impression lacked proper risk analysis and insight. Poor financial regulation, corporate governance, weakening exports and more were all present in the years before the crisis hit, and were only communicated by the Thai government less than a year before it commenced. The IMF gave its first support package a month after Thailand had abandoned the baht's peg to the U.S. dollar.

Ten years later, a similar lack of oversight was at the heart of the Greek debt crisis. Well before 2009, Greece ran persistently high budget deficits and accumulated debt (International Monetary Fund, 2013). The adoption of the euro in 2001 led to excessive government spending, and the tax base was too narrow to cover these costs effectively. This all came to a head during the global financial crisis of 2008-2009, which exposed the vulnerabilities inherent in the Greek economy. The growth, which was perpetuated mostly by government spending reliant on cheap foreign lending, was suddenly no longer feasible.

This report aims to provide a comparative analysis of the country risk profiles of Thailand and Greece, assessing which environment offers more favorable conditions for investment in 2025. These two nations, divergent in geography and governance, have both emerged from financial crises and now represent compelling yet contrasting investment landscapes in a year of rising global volatility. Rather than relying solely on headline indicators, we examine a broad range of structural, political, and macroeconomic dimensions that contribute to overall risk exposure.

## Political Risk Analysis

In this chapter we will evaluate the likelihood that political decisions, events, or conditions will affect the stability and economy of a country. Understanding these risks is important for investors, multinational corporations, policymakers, and global development partners. This section of the report compares the political risk environments of Thailand, a Southeast Asian emerging economy, and Greece, a Southern European EU member state, across multiple governance, democracy, and regulatory indicators.

This analysis uses both qualitative and quantitative data from global governance indicators including the World Bank's Worldwide Governance Indicators (WGI), Transparency International's Corruption Perception Index (CPI), the Democracy Index, and the Global Peace Index. A graphical comparison is also provided to compare the two nations in terms of political risk exposure.

### Quantitative Analysis

Thailand scores -0.6 on the Political Stability Index, indicating high political volatility, a legacy of military coups and civil unrest. In contrast, Greece scores 0.1, reflecting moderate stability despite past economic crises. On Government Effectiveness, Greece (0.5) outperforms Thailand (0.2), highlighting stronger institutional capacity in service delivery and policy implementation. In terms of the rule of law, Thailand's CPI score is 36 (on a scale of 0–100), suggesting significant corruption issues, especially in procurement and local governance. Greece performs better at 49, though still below the EU average.

Greece also leads in the Rule of Law Index (0.3) compared to Thailand's -0.3, signifying stronger judicial systems and enforcement mechanisms. In terms of Voice and Accountability, Thailand's score of -0.5 reflects restricted media freedom and political pluralism, worsened by repeated military interventions. Greece scores 0.6, demonstrating open democratic structures and electoral participation. Greece also scores higher on the Democracy Index (7.29) than Thailand (6.32), though both countries

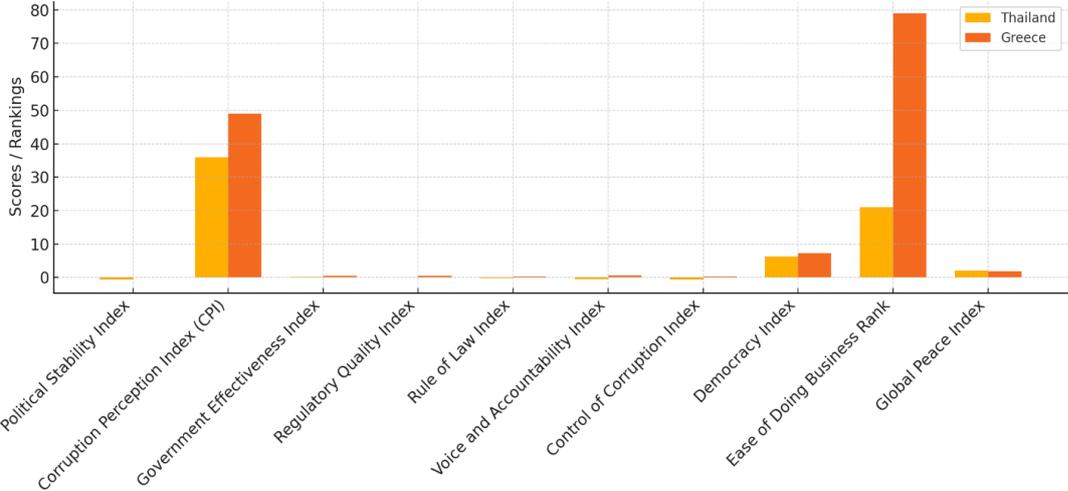
are classified as “flawed democracies.” Thailand’s military influence remains a barrier to full democratic consolidation.

Thailand outperforms Greece in the Ease of Doing Business Rank, ranked 21st globally versus Greece's 79th. This indicates Thailand’s relative advantage in administrative efficiency and entrepreneurship. However, in the Global Peace Index, both countries are nearly identical (Thailand: 2.0, Greece: 1.9). Thailand’s southern insurgencies and political protests contribute to instability, while Greece experiences minor risks associated with regional tensions and economic protests.

Figure 2: Political risk comparison table Thailand and Greece

	Indicator	Thailand	Greece
0	Political Stability	-0.6	0.1
1	Corruption Perception	36.0	49.0
2	Government Effectiveness	0.2	0.5
3	Regulatory Quality	0.1	0.4
4	Rule of Law	-0.3	0.3
5	Voice & Accountability	-0.5	0.6
6	Control of Corruption	-0.6	0.3
7	Democracy Index	6.32	7.29
8	Doing Business Rank	21.0	79.0
9	Peace Index	2.0	1.9

Figure 3: political risk comparison histogram Thailand and Greece



The analysis reveals that Greece exhibits lower political risk, particularly in democratic governance and institutional quality. Reinforced by its EU membership, which requires Greece to meet EU institutions regulatory framework, Greece offers a more stable, transparent, and predictable political environment. Thailand, while economically dynamic and administratively efficient, carries higher political risks due to military interference, institutional fragility, and restricted civic and public freedoms.

## Economic Risk Analysis

The analysis in this section looks at the economic risk profiles for Greece and Thailand using information from the World Bank for 2023. Seven important factors are studied: growth in GDP, inflation, unemployment, public debt, the balance of the budget, trade balance, and foreign direct investment (FDI). They allow for an evaluation of a country’s strengths and weaknesses that determine its investment potential and future economic stability.

## Overview of Risk Scoring Framework

The indicators are evaluated and compared using a standard scoring method. The scale for each metric ranges from 1 to 5, and 1 means there is high economic risk, while 5 means there is low risk. Scores are calculated using standard thresholds in sovereign risk analysis and the results from each country's context. The main indicators and their related scores for 2023 are shown in Figure 1.

Figure 3: Economic Indicator Comparison of Greece and Thailand and Risk Scores

Indicator	Country		Risk Scoring	
	Greece	Thailand	Greece Score	Thailand Score
FDI (% of GDP)	1,27%	1,94%	4	4
GDP Growth	1,89%	2,33%	3	4
Inflation Rate	1,22%	5,87%	4	2
Unemployment Rate	11,07%	0,73%	1	5
Budget Deficit (% of GDP)	-1,32%	-1,98%	2	2
Gross Debt ( % of GDP)	165,15%	62,32%	1	5
Trade Balance (Net Exports-Net Imports) (% of GDP)	-4,74%	1,76%	2	5

Source: World Bank Open Data (2023).

This table is the main part of the comparison. It points out that the two countries have very different risks in macroeconomic terms. The country shows better results in five of the seven areas: GDP growth, unemployment, debt burden, trade balance and FDI inflows. Inflation is better controlled in Greece, but it has worse unemployment and debt problems.

### GDP Growth and Economic Structure

Thailand's economy grew by 2.33 % in 2023 which is higher than Greece's growth rate of 1.89 % (World Bank, 2023). The country's output is well-balanced, with manufacturing, led by electronics and cars, adding around one-third to GDP; agriculture accounts for about 8 %; and tourism, helped by more than 28 million visitors, accounts for nearly 18 %. Having this mix helps Thailand avoid a drop in any one sector, even so, it needs foreign demand to support its economy. Exports of goods make up close to 60 % of GDP and the global slowdown caused shipments to fall by about 5 % last year (OECD, 2023).

The country of Greece is much less varied. Almost 80% of what Greece produces is from services and tourism and shipping make up more than 20% of its GDP (OECD, 2023; Hellenic Statistical Authority, 2024). Food processing and basic textiles make up most of the manufacturing, so the economy's growth depends on tourism and shipping (OECD, 2023). Concentrating in this way makes the economy more at risk from geopolitical events or health emergencies.

Despite export exposure, Thailand's moderate economic growth and a three-pillar economy help keep its overall risk at a moderate 4. Greece gets a risk score of 3 because its growth of 1.89% and heavy reliance on tourism and shipping expose the economy to more global disturbances than a mix of industries would.

### Inflation

Greece had an annual inflation rate of 5.87% in 2023, making it one of the countries with the highest inflation in the euro area that year (World Bank, 2024). Although price growth slowed somewhat in 2023, it was still higher than the European Central Bank's 2% target. The reason for the high rate was

continued high energy costs, rising food prices and the second impact of earlier supply shocks (Alpha Bank Economic Research, 2024).

On the other hand, Thailand's inflation for 2023 was only 1.22%, staying well within the Bank of Thailand's target of 1–3% (IMF, 2024). The reason for the fall from 6% in 2022 was lower fuel and food prices, a stronger baht and less domestic spending (OECD, 2023). The constant price levels encouraged consumers to buy and helped companies make better plans for their expenses.

Because Thailand's inflation is stable and low within the target range, the country is given a score of 4 and faces only minor macroeconomic risk. Greece gets a score of 2, because its inflation of 5.87% indicates that prices are increasing and the market is less stable. Rising inflation makes it more difficult for people to buy goods and adds unpredictability to fast economic decisions. Although both countries improved from last year, Thailand's inflation in 2023 was much more positive.

### **Unemployment**

The unemployment rate in Greece is 11.07% which ranks third highest in the European Union (World Bank, 2023). Nearly a quarter of young people in Greece were out of work, much higher than the average for the euro zone which suggests recent graduates find it tough to land stable jobs. A mismatch between skills and jobs, strict hiring guidelines and lots of micro-enterprises make it difficult for new jobs to be created, while many skilled workers moving abroad ("brain drain") reduce the number of skilled workers available locally (OECD, 2023).

In 2023, Thailand's official unemployment rate was 0.73 percent, the lowest in all ASEAN countries (OECD, 2023). Even so, the figure does not reflect that 55 percent of workers are employed in informal positions without contracts or benefits, most often in agriculture and low-skill services (OECD, 2023). Because rural households depend on farming during certain seasons and many urban workers take on part-time or temporary jobs, the rate of full employment seems higher than it really is (OECD, 2023).

Greece is given a score of 1 on unemployment due to the fact that double-digit unemployment, mainly among young people, means the labour market is risky and demand is low within the country. Thailand is given a score of 5 because there is not much open unemployment, but informal work is still a concern.

### **Public Debt and Budget Deficits**

In 2023, Greece's public debt was 165.15 percent of its GDP, the third-highest among OECD countries (World Bank, 2023). Because its average debt is long-term and much of it comes from Europe, annual expenses are kept low, but it cannot issue more debt when it is needed most. Debt is sensitive to growth shocks: a 1% drop in GDP would lead to a 1.6 percentage point rise in the ratio (European Commission, 2024).

Thailand's debt was 62.32 percent of GDP which is well under the 70 percent ceiling in the Thai framework (Kim, 2025). The majority of Thailand's debt is in baht and stored within the country which lowers the risk of having to refinance. The government spent about 7 percent of its income on interest which left enough money for social and infrastructure projects (Kim, 2025).

In 2023, Greece's budget deficit stood at -1.32 percent of GDP and Thailand's was -1.98 percent. Compared to other countries, these gaps are small, but Greece's deficit is important because of its debt burden, while Thailand's is deliberate and remains sustainable (OECD, 2023).

Greece is given a score of 1 for public debt due to debt that is 165% of GDP, leaving few budget options, whereas Thailand gets a 5 due to debt at 62% of GDP, mainly domestic and restricted by a 70% ceiling. The budget deficits of both countries are given a score of 2: although Greece's gap is -1.3%, Thailand's is -2% and Greece's is considered riskier due to its higher debt.

### **Trade Balance and FDI**

In 2023, Thailand's export earnings were 1.76 percent more than its imports, thanks to strong demand from overseas for electronics, rubber, rice and automotive parts (OECD, 2023). A positive balance ensures that a country has enough foreign money and does not have to borrow from others as much.

The trade deficit in Greece was  $-4.74$  percent of GDP in the same year, pointing to an ongoing gap between what it imports and what it exports (World Bank, 2024). A constant trade deficit can increase a country's risk from changes in the flow of capital or in the prices of traded goods.

Foreign direct investment (FDI) also shows the same situation. Thailand received inflows of 1.94% of its GDP which indicates that overseas investors trust its manufacturing and that it can access the ASEAN market (World Bank, 2024). Despite an increase, Greece attracted only 1.27% of GDP in FDI, as its administration and regulations are still considered quite complicated (OECD, 2023).

Thailand achieves a risk score of 5 for trade balance because the surplus used to pay for imports protects the current account and lowers the country's exposure to borrowing. The country's deficit is rated 2, so it faces higher risks related to external financing. Both countries are rated 4 for FDI; since their inflows are less than 2 percent of GDP, they are considered to have moderate but not insignificant investor interest.

### **Economic Risk Assessment Conclusion**

Using the average of the seven scores, Greece is given an economic-risk index of 2.78 and Thailand an index of 3.44 (the higher the number, the lower the risk). Because of moderate debt, a trade surplus, low unemployment and balanced growth, Thailand's score is in the lower-to-mid risk range, but its performance is influenced by external demand. The country's risk profile is clearly higher, brought about by a huge public debt level, ongoing labour market weakness and a big trade deficit, but this is partly balanced by better price stability and recent reforms. At this time, Thailand's macroeconomic situation is better for investors, but Greece will continue to be vulnerable to shocks until it makes more progress in debt and labour issues.

## **Financial Risk Analysis**

### **Banking sector stability**

Thailand's banking sector is strong (Risk Score: 4 - Low Risk), as its non-performing loan (NPL) ratio remains low at 2.9% in 2024, showing careful lending and effective regulation by the Bank of Thailand (Bank of Thailand 2024). The capital adequacy ratio (CAR) is still strong at 18.5%, which is much higher than the Basel III minimums and provides good protection against economic shocks (IMF 2024). Still, the high level of household debt, which is nearly 90% of GDP, could lead to problems with credit and spending in the future, mainly affecting SMEs and consumer financing (World Bank 2024). Although these issues exist, the banking sector continues to have a stable, low-risk profile (see Annexe A, Figure 1).

Since the height of the sovereign debt crisis, Greece has made its banking system more stable (Risk Score: 3 - Moderate Risk) by lowering its NPLs from over 40% in 2016 to about 7.5% in 2024. The main reason for these improvements is the Hercules Asset Protection Scheme and the increased supervision by the European Central Bank's Single Supervisory Mechanism (ECB 2024; Bank of Greece 2024). Even so, Greek banks are still struggling with low profitability, as their ROA remains below 0.5%, which limits their capacity to lend more to SMEs (ECB 2024). As a result, the banking sector in Greece is considered moderately risky because of ongoing structural issues (see Annexe A, Figure 1).

### **Access to Capital**

Regarding access to capital, Thailand's financial system offers moderate to strong credit availability (Risk Score: 4 - Low Risk), particularly advantageous for larger corporations and urban enterprises. Government-backed initiatives, such as the Thai Credit Guarantee Corporation (TCG), significantly mitigate risks in SME lending (Bank of Thailand 2024). Stable interest rates, averaging 5.4% in 2024, further enhance credit accessibility and affordability for domestic enterprises (IMF 2024). Nevertheless, the high household debt level poses a latent risk, potentially constraining future credit availability, particularly for smaller or less established businesses (World Bank 2024; see Annexe A, Figure 2).

Conversely, Greece faces elevated barriers in credit accessibility (Risk Score: 2 - Elevated Risk), primarily due to stringent lending criteria following prolonged bank deleveraging. Although EU Recovery and Resilience Facility funds have improved public investment liquidity, private sector borrowing remains limited, especially affecting SMEs. Lending rates in Greece averaged approximately 6.5% in 2024, reflecting elevated credit risk premiums and profitability pressures within the banking sector (Bank of Greece 2024; IMF 2024). These higher costs restrict capital access, limit entrepreneurial growth, and constrain broader economic development, categorising Greece's credit access environment as elevated risk (see Annexe A, Figure 2).

### **Capital Market Development**

Thailand's capital markets exhibit significant maturity, earning a low-risk rating (Risk Score: 4 - Low Risk). Market capitalisation consistently surpasses 108% of GDP, indicating substantial depth, broad investor participation, and robust market confidence (World Bank 2024). The Stock Exchange of Thailand (SET) offers a diverse array of instruments, including equities, real estate investment trusts (REITs), derivatives, exchange-traded funds (ETFs), and ESG-aligned financial products. These diverse options attract substantial regional and international investor interest, thereby enhancing liquidity and promoting vibrant financial activity (SET 2024; Thai SEC 2024). Regulatory frameworks set forth by the Thai Securities and Exchange Commission (SEC) further enhance investor protection, transparency, and market stability. Despite this considerable strength, investors should remain vigilant regarding occasional volatility stemming from global economic shifts, changes in foreign investment flows, and geopolitical uncertainties, which can periodically affect market performance and investor sentiment (see Annexe A, Figure 3).

Greece's capital market, however, presents elevated risks (Risk Score: 2 - Elevated Risk). With a market capitalisation of approximately 30% of GDP, the Athens Stock Exchange (ASE) remains relatively shallow and underdeveloped, characterised by low liquidity levels, limited investor participation, and constrained financial diversification (Bank of Greece 2024). Structural issues, including bureaucratic inefficiencies, limited market infrastructure, and weak investor confidence, significantly hinder Greece's capital market performance.

Market reforms and financial innovation progress slowly, despite considerable initiatives driven by the European Union, such as the Capital Markets Union (CMU), aimed at enhancing market integration and depth. These persistent challenges make Greece's financial markets suitable predominantly for investors possessing longer investment horizons, higher risk tolerance, and an acceptance of lower liquidity and limited exit flexibility. Strategic investments may still find value, particularly in privatisation-driven projects and public-private partnerships encouraged by EU support and regulatory alignment (European Commission 2023; see Annexe A, Figure 3).

### **Exchange Rate and Currency Risk**

Thailand operates under a managed float exchange rate regime, resulting in moderate currency volatility (Risk Score: 3 - Moderate Risk). In 2024, the volatility index for the Thai Baht stood at approximately 7.0, reflecting moderate susceptibility to global capital flow shifts, regional geopolitical developments, and fluctuations in international markets such as commodities and interest rates (IMF 2024; Bank of Thailand 2024).

Consequently, investors are required to actively manage their exchange rate exposure through appropriate hedging strategies, including forward contracts, currency swaps, or options. Such proactive risk management is especially critical for import-dependent sectors, export-driven industries sensitive to currency appreciation, and international investors seeking predictable, stable returns in Baht-denominated investments. The Bank of Thailand's proactive monetary policy stance aims to mitigate excessive volatility but does not fully eliminate exchange rate risks for investors (see Annexe A, Figure 4).

Conversely, Greece significantly benefits from its membership in the Eurozone, effectively mitigating currency risk and earning a very low-risk rating (Risk Score: 5 - Very Low Risk). The Euro maintains an extremely low volatility index, close to 1.0, demonstrating exceptional stability, global acceptance, and predictability, substantially lowering currency hedging costs and risks for investors operating

within the Eurozone (ECB 2024). The common currency provides a robust foundation for long-term investment strategies and portfolio diversification without significant exchange rate concerns. However, the trade-off for this considerable currency stability is the absence of an independent national monetary policy. This lack of autonomy constrains Greece's flexibility to adjust domestic monetary conditions in response to localised economic shocks or divergences within the broader Eurozone economy, potentially amplifying macroeconomic risks during periods of economic stress (see Annexe A, Figure 4).

### **Overall Comparative Assessment**

Thailand's overall financial risk profile is moderate-low, with a composite risk score of 3.7. The financial system exhibits robust banking stability, extensive capital accessibility, highly developed and diversified markets, and manageable currency risks. Investors aiming for diversified, growth-oriented investment portfolios in Southeast Asia will find Thailand particularly attractive, provided they proactively manage specific risks, notably high household debt exposure and currency volatility. Continued vigilance and strategic hedging approaches are recommended to optimise investment outcomes.

Greece holds a moderate risk rating with an overall composite score of 3.3. Significant progress has been made in stabilising the banking sector and maintaining low currency risk due to Eurozone membership. Nonetheless, substantial structural limitations remain in credit availability, financial market depth, liquidity, and investor participation. Consequently, Greece is particularly suitable for investors who prioritise stability, regulatory certainty, and long-term engagement within the EU's institutional framework, accepting lower liquidity, restricted market opportunities, and moderate returns in exchange for reduced currency exposure and aligned regulatory conditions (see Annexe A, Figure 5).

## **Social Risk Analysis**

### **Inequality and Poverty**

Moderate income inequality can be seen in Greece, with a GINI of 0.33 and Thailand, with a GINI of 0.35. The poverty rate in Greece is 18.8% which is much higher than the rest of Europe because of the lasting effects of its debt crisis and austerity. Even so, Thailand's low poverty rate (6.3%) highlights that poverty has been addressed effectively in good economic times, yet rural-urban differences and many informal jobs still make some people more at risk.

### **Human Development and Education**

On the Human Development Index (HDI), Greece ranks ahead of Thailand because it has a score of 0.908 in the "Very High" category, while Thailand is 76th with a score 0.798 ("High"). The main reason for this difference is how much education people have. The percentage of adults completing upper secondary education is much higher in Greece (68.6%) than in Thailand (39.4%). Similarly, fewer Greeks (29.5%) have attained tertiary education than do Thai students (17.1%). Lack of equal access to education reflects gaps in abilities needed for jobs and future innovations.

### **Health Outcomes**

Life expectancy is notably higher in Greece (82 years) than in Thailand (76 years), reflecting stronger healthcare access and quality. More stark, however, are adult mortality rates. In Greece, male/female adult mortality rates are 78 (men) and 34 (women) per 1,000 respectively, whereas in Thailand they reach 228 (men) and 97 (women) per 1,000 highlighting persistent health system inequalities, especially affecting men in Thailand due to occupational hazards and lifestyle factors. These disparities point to systemic challenges in preventive care, occupational safety, and access to public health services in Thailand.

### **Labor Market Vulnerabilities**

Risks at work are very significant in both countries, but they appear differently. Unemployment among youth is on the rise, gender equality is weak, the workers are aging and many people work under the table in Greece. Thai society deals with an informal labor market, mistreatment of many workers, a

lack of labor law enforcement and problems with child and forced labor. Both nations face difficulties because of skills mismatch which limits the rate at which their economies become more productive. Both the huge informal sector and the heavy use of vulnerable migrant workers make Thailand's labor market less stable over time. At the same time, Greece's workforce is reducing and there are not enough ways for youth or migrants to bridge the gap.

### **Demographic Pressures**

Both countries face serious issues because of demographic trends. It is predicted that Greece's population will drop from 10 million to 8.8 million by 2050 and 22.5% of its population is currently 65 and over. The fertility rate is just 1.3 children per woman and if nothing is done, loss of economic output could reach 31%. Moreover, Greece has experienced large-scale inward migration, particularly from the Middle East and Africa, which could offer a demographic buffer. However, policy fragmentation and social resistance hinder integration, leaving many migrants economically marginalized and outside formal labor protections. Simultaneously, emigration of youth (brain drain) has reduced the domestic workforce.

Thailand faces even bigger problems in managing its population. In the next sixty years, the population is projected to halve from today's 71 million. Since the birth rate is very low at 0.98 and there are more than 20% people aged 65+, Thailand is approaching a serious demographic problem. Moreover, considering the fact that Thailand is a regional migration hub, hosting millions of labor migrants from Myanmar, Cambodia, and Laos. These workers play a critical role in sectors like construction, agriculture, and services. However, a majority remain undocumented or semi-documented, leaving them outside pension and health insurance systems. If there are no immediate changes in family policy, how people migrate and develop the workforce, the country could see very few workers.

### **How Pension Funding Works and Plans to Strengthen Them**

Public pay-as-you-go (PAYG) pensions work in Greece, funded mostly by the government. In the past, government employees got a wide range of benefits, but the crisis of 2010 made it clear that things could not continue like this. Thereafter, changes promoted by the EU have made sure that new laws give better value for employees by using a notional defined contribution (NDC) model and top-up funded scheme for everyone entering the pension system. Although progress has been made, pension spending in Greece still amounts to nearly 16% of the nation's GDP (OECD, 2023). The system is still under stress because the population is aging and birth rates are low. Sustainability can only be maintained if there is an increase in workforce participation, a strategy for declining populations and migrant workers are integrated in the labor market.

Instead of focusing on one idea, Thailand has a system that uses several ideas. Civil servants are covered by the Government Pension Fund (GPF), the Social Security Fund (SSF) is required for formal private-sector employees and the National Savings Fund (NSF) offers a way for informal workers to save. Most elderly people depend on a small universal older-age allowance, as less than a third qualify for contributory pensions (World Bank, 2022). There is no single plan in Thailand for pensions and because a lot of work is done without getting reported, gaps in coverage get worse. Since Japan's fertility rate is so low at 0.98 and the number of seniors is rising, the system may not survive without adjustments to cover more people and increase incentives for people to save.

## **Environmental and Climate Vulnerability**

Climate-related risks have a strong presence in both Greece and Thailand, but their level of exposure and preparedness is not the same. Because they are climate hotspots in their regions, the nations deal with worsening problems affecting public health, infrastructure, farming and the economy.

### **Climate Vulnerability and Readiness**

The ND-GAIN Index shows that both countries have similar climate vulnerability, but only one has important differences. According to the index, Greece's exposure to environmental risks is moderate, but its capacity to act on them is quite high. Even though Thailand scored 0.411 on vulnerability and

0.490 on readiness, environmental demands are much greater, leaving their infrastructure and governance less prepared.

### **Economic Losses and Climate Disasters**

Both countries have suffered a lot from damage to their economies caused by climate events. The per capita losses caused by climate disasters were most severe in Greece among all EU countries (€91 was lost per resident in 2020 mainly due to wildfires, heatwaves and droughts). One of Asia's deadliest natural events was the 2011 flood in Thailand which damaged the country by a massive €45 billion, pointing out important issues in its urban planning and flood control systems.

### **Climate Risks & Governance and Institutional Response**

Greece's primary climate risks include heatwaves, wildfires, droughts, and sea-level rise, all of which threaten tourism, agriculture, and public health infrastructure. In Thailand, flooding, cyclones, droughts, and rising sea levels pose critical threats, particularly in coastal and lowland urban zones. These risks imperil food production, transport networks, and vulnerable populations.

Greece has adopted comprehensive climate legislation, including targets for carbon neutrality by 2050, aligned with EU frameworks. However, its centralized governance structure limits local flexibility and responsiveness. Thailand, while progressing in climate policy development, still struggles with policy coordination and enforcement, particularly at the local and provincial levels.

## **Conclusion**

The purpose of this report was to look closely at the risk profiles of Thailand and Greece and to provide information about these countries that have endured economic difficulties in the past. As the report indicates, they have distinct risk factors. Thailand is remarkable for its good macroeconomic performance. Its public debt is low, there is less unemployment, there is an excess of exports, and the economy is diverse. Still, roadblocks in its structure, including political instability, high household debt, a decrease in population and the effects of climate change, affect how banks should assess the risks related to Canada. Being part of the EU helps Greece enjoy continuous economic and political stability. On the other hand, it is still troubled by a lack of business variety, a lot of public debt, poor capital markets and high levels of unemployment.

### **Recommendations**

With an eye on these strengths and weaknesses IRA gives the following recommendations. For investors seeking high returns with moderate risk, Thailand offers a diversified economic landscape that specializes in renewable energy and logistics. However, the risks associated with currency exposure should not be overlooked. Greece, on the other hand, shows relatively high growth post-COVID compared to other countries in the EU, but still does not outpace growing markets such as Thailand. It does, however, benefit from EU stability. These relative weaknesses from either country should be addressed with policy. Thailand, for instance, should focus on increasing its population by prioritizing immigrant integration. Furthermore, it should leverage its growing economy to invest in climate protection and address the increasing climate risk. Greece, on the other hand, should focus on reducing its unemployment through youth vocational training and leveraging EU funds for innovation-driven growth. Multilateral institutions could help address some of the gaps in the investment feasibility of either country by providing targeted support. These institutions could help facilitate fiscal transparency through targeted loans.

Due to higher uncertainty worldwide, neither country is risk-free for investments. But both Thailand and Greece have different opportunities which call for specific risk strategies, political knowledge and a long-term effort. If investors and partners understand these differences, they will be well-positioned to succeed over the next ten years.

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## Annex

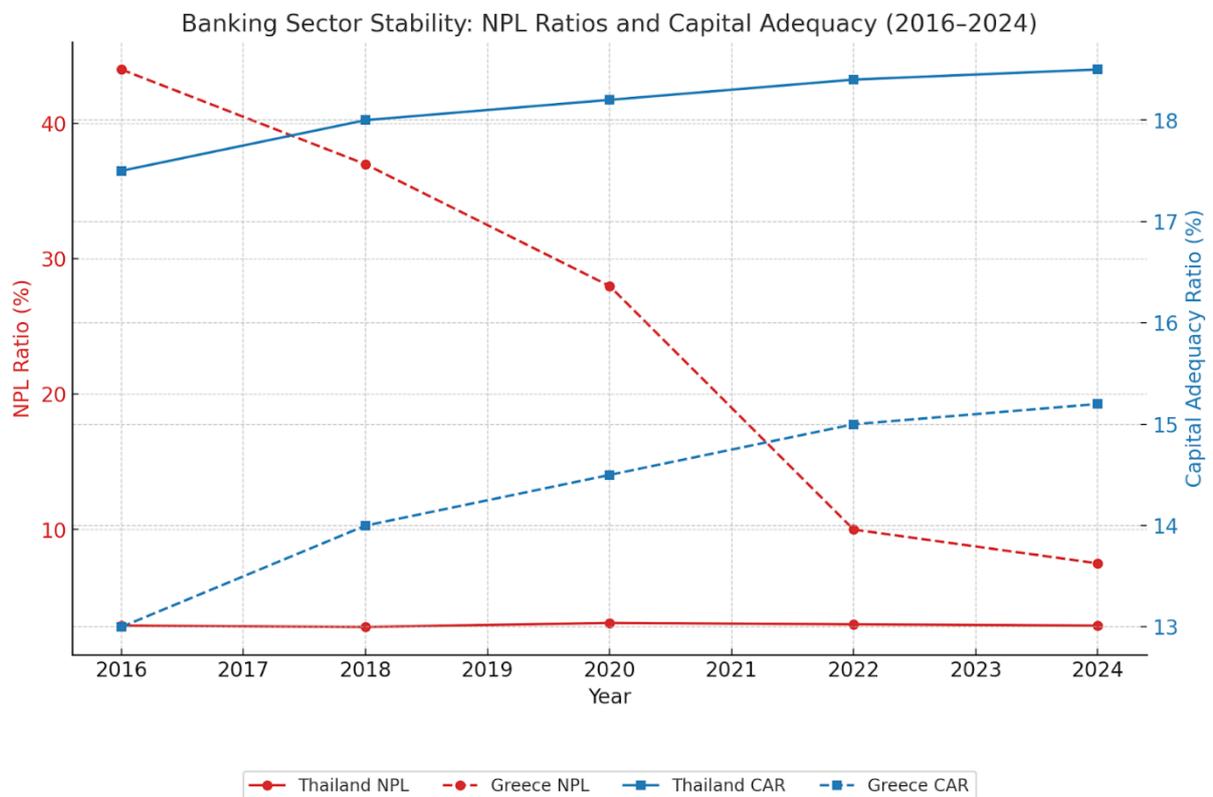


Figure 4: NPL Ratios and Capital Adequacy: Thailand vs. Greece (2016–2024)

This dual-axis line chart illustrates the decline in Greece's NPL ratio from over 40% in 2016 to below 8% in 2024, while Thailand's NPL ratio remained stable around 2.9%. It also tracks the upward trend in capital adequacy ratios (CAR), with Thailand maintaining stronger buffers (~18.5%) than Greece (~15.2%).

Source: Bank of Thailand (2024); Bank of Greece (2024); IMF (2024); ECB (2024).

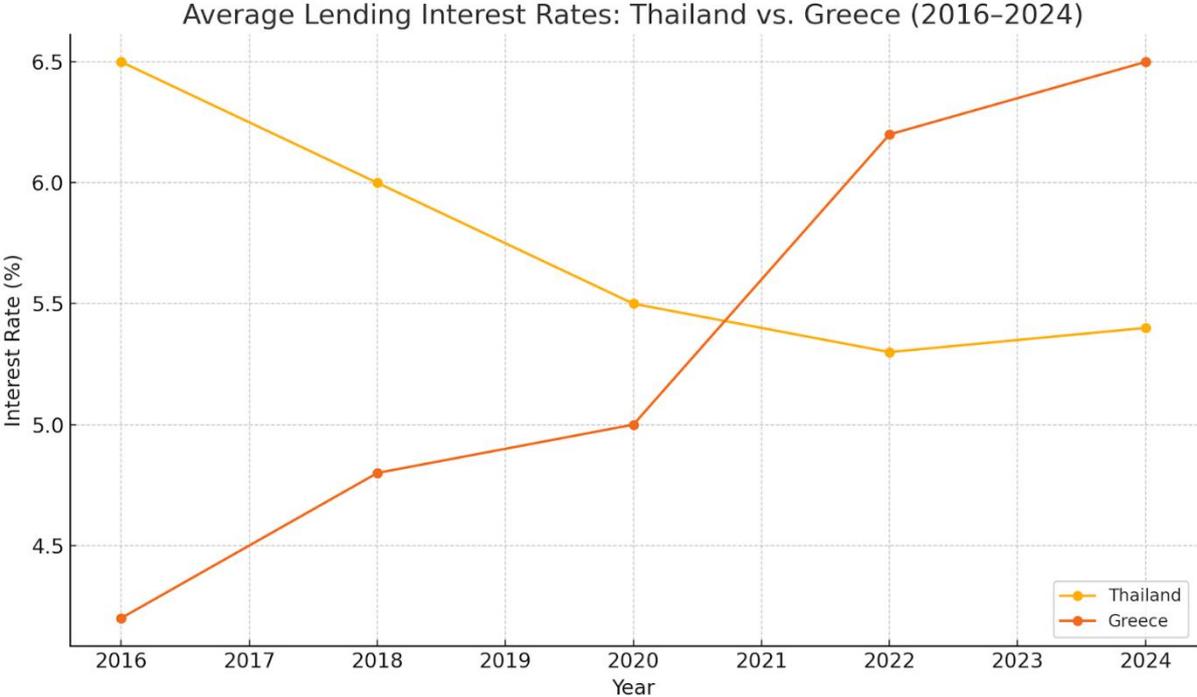


Figure 5: Average Lending Interest Rates: Thailand vs. Greece (2016-2024)

This line graph compares average lending interest rates. Thailand maintains relatively lower and stable rates (~5.4%), while Greece shows a clear upward trend, reaching 6.5% in 2024, reflecting elevated credit costs.

Source: Bank of Thailand (2024); Bank of Greece (2024); IMF (2024).

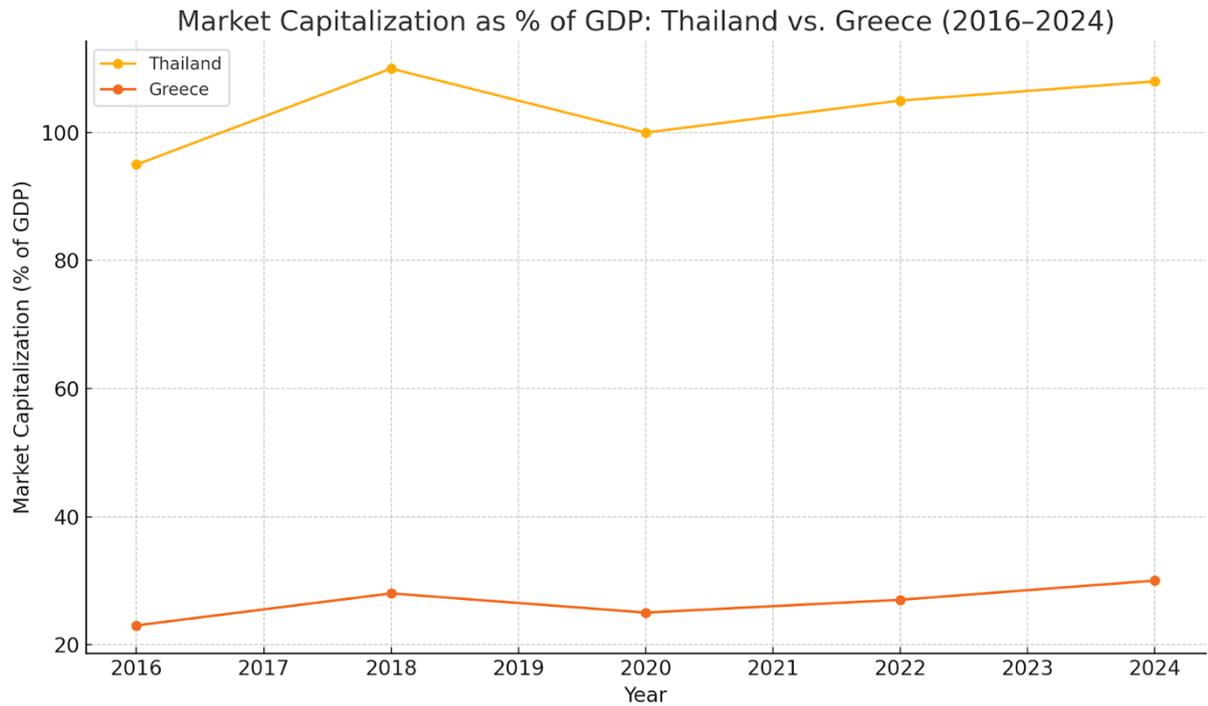


Figure 6: Market Capitalization as a Percentage of GDP: Thailand vs. Greece (2016–2024)

Thailand's capital market consistently exceeds 100% of GDP, reflecting maturity and investor depth. Greece remains below 30%, underscoring limited market size and liquidity.

Source: SET (2024); Bank of Greece (2024); World Bank (2024).

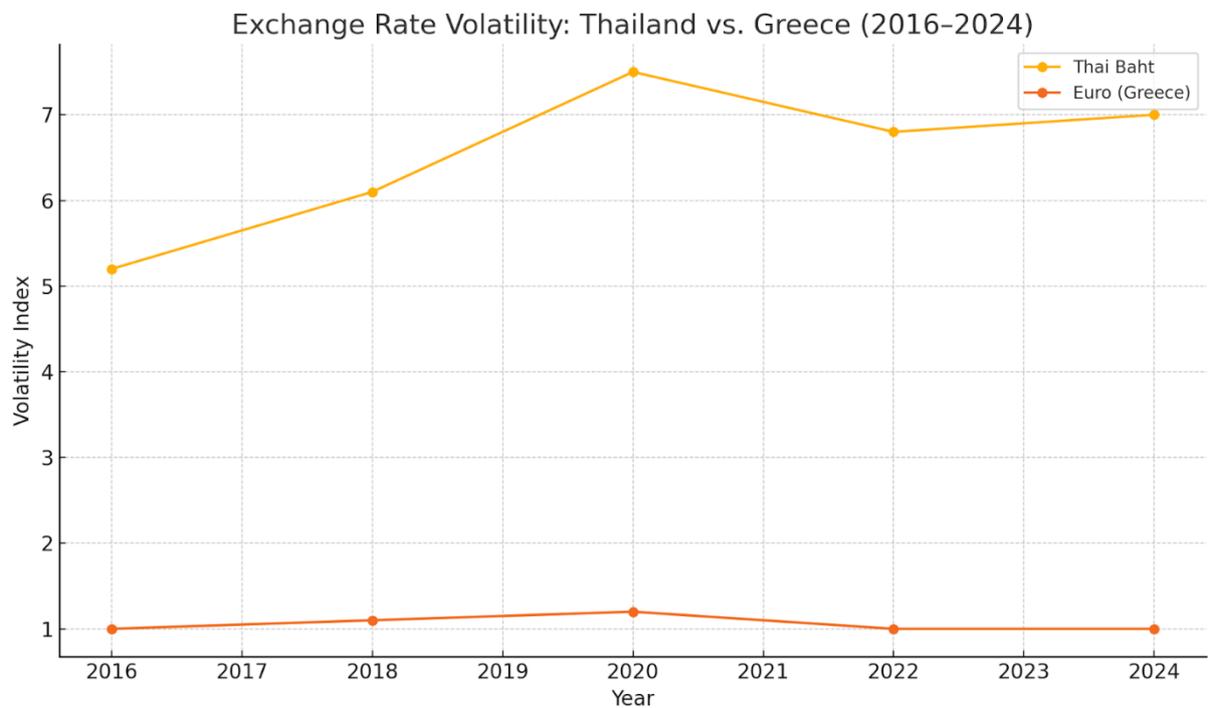


Figure 7: Exchange Rate Volatility Index: Thai Baht vs. Euro (2016–2024)

The Thai Baht exhibits moderate volatility, peaking near 7.5, requiring active currency risk management. The Euro remains consistently stable (~1.0), reflecting minimal volatility for Greece.  
**Source:** IMF (2024); ECB (2024); Bank of Thailand (2024)

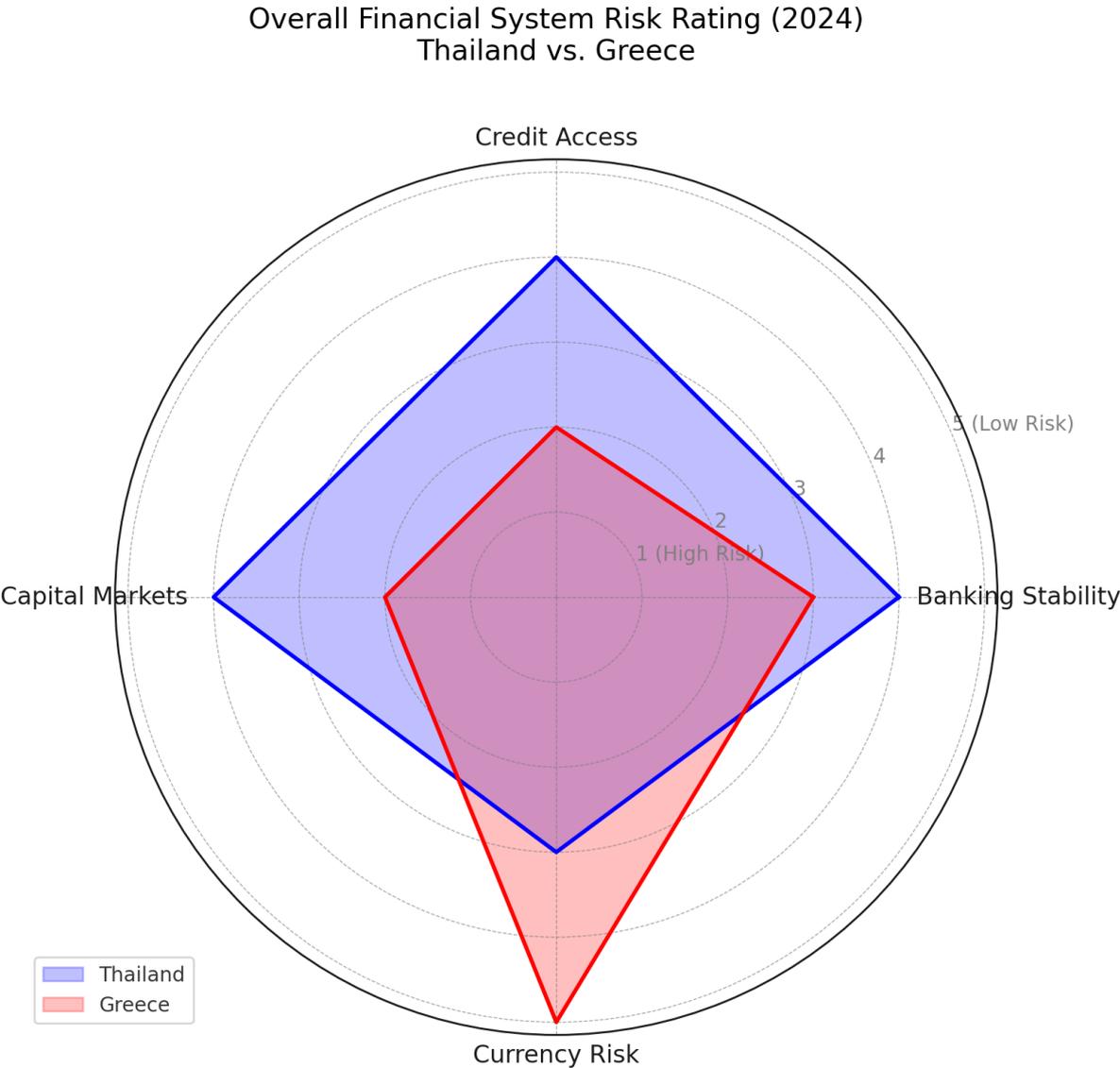


Figure 8.: Composite Financial Risk Ratings: Thailand vs. Greece (2024)

Radar chart comparing banking stability, access to credit, capital market development, and currency risk. Thailand scores higher across most dimensions (score: 3.7), while Greece shows a more conservative profile with higher currency stability but structural credit and market weaknesses (score: 3.3).

**Source:** Author’s assessment based on IMF (2024); ECB (2024); Bank of Thailand (2024); Bank of Greece (2024); SET (2024).