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**COUNTRY  
REPORT**



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### For further information

International Relations & Regional Policy Division

SEV Hellenic Federation of Enterprises

T. +30 211 5006 152

E. [ir@sev.org.gr](mailto:ir@sev.org.gr)

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## 1. General information: Thailand

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### Geography

Thailand is a country in Southeast Asia on the Indochinese Peninsula. With a population of almost 70 million, it spans 513,120 square kilometers (198,120 sq mi). Thailand is bordered to the northwest by Myanmar, to the northeast by Laos, to the southeast by Cambodia, to the south by the Gulf of Thailand and Malaysia, and to the southwest by the Andaman Sea; it also shares maritime borders with Vietnam to the southeast and Indonesia and India to the southwest. Bangkok is the nation's capital and largest city.

- Capital city: Bangkok.

### Population

- Total Population: 71,854,112 (2024)
- Thailand ranks number 20 in the list of countries (and dependencies) by population.
- The population density in Thailand is 141 per Km<sup>2</sup> (364 people per mi<sup>2</sup>).

**Ethnic Origins:** 87.7% White, 4.6% Black, 2.4% Indigenous, 0.2% East Asian, 5.1% other / unspecified

**Religion:** 90% Buddhism, 4% Islam, 3% Christianity, 1% no religion, 1% undeclared.

**Official Language:** Thai

**Government:** Unitary parliamentary constitutional monarchy

**Monarch:** Vajiralongkorn (Rama X)

**Prime Minister:** Srettha Thavisin

**National Currency:** Thai baht (THB)

### Overview

Over the last four decades, Thailand has made remarkable progress in social and economic development, moving from a low-income to an upper middle-income country in less than a generation. As such, Thailand has been a widely cited development success story, with sustained strong growth and impressive poverty reduction. Thailand's economy grew at an average annual rate of 7.5% in the boom years of 1960-1996 and 5% during 1999-2005 following the Asian Financial Crisis. This growth created millions of jobs that helped pull millions of people out of poverty. Gains along multiple dimensions of welfare have been impressive: more children are getting more years of education, and virtually everyone is now covered by health insurance while other forms of social security have expanded.

However, the growth prospects from the export-led model that not long ago powered so much of Thailand's economic growth seem to have diminished significantly, owing to a stagnation in productivity. Average growth in total factor productivity (TFP) stagnated from a high of 3.6% per annum during the early 2000s to just 1.3% during 2009–2017. Private investment declined from more than 40% in 1997 to 16.9% of GDP in 2019, while foreign direct investment flows and participation in global value chains have shown signs of stagnation.

Additionally, the COVID-19 pandemic has dealt a blow to the economy, aggravating the structural challenges. In 2020, the economy is estimated to have contracted by 6.1%. This is sharply steeper than the decline that occurred during the 2008 Global Financial Crisis (0.3% in 2008) and second only to the 7.2% contraction in 1998, the

sharpest full-year economic contraction in the past 25 years. A rapid phone survey by the World Bank implemented from April to June 2021 estimated that more than 70% of households experienced a decline in their income since March 2020, with vulnerable groups being hit hardest.

Thailand has made remarkable progress in reducing poverty from 58% in 1990 to 6.8% in 2020 driven by high growth rates and structural transformation. But 79% of the poor remain in rural areas and mainly in agricultural households. Thailand's poverty reduction slowed from 2015 onwards with poverty increasing in 2016, 2018 and 2020, mirroring a slowing economy, stagnating farm and business incomes and the COVID-19 crisis. It finds that in 2020, the poverty rate was over 3% points higher in rural areas than in urban zones and the number of rural poor outnumbered the urban poor by almost 2.3 million. The distribution of poverty has also been uneven across geographic regions with the poverty rate in the South and in the Northeast almost double the poverty rate at the national level.

According to the Thailand Economic Monitor, Thailand's economy is projected to recover to its pre-pandemic level in 2022, but the pace of growth will be slower-than-expected in 2023 owing to global headwinds. The economy is projected to expand by 3.4% in 2022 and 3.6% in 2023. Growth in 2023 has been revised down by 0.7% point compared to earlier projections reflecting faster-than-expected decline in global demand. Tourism sector recovery and private consumption will remain the major drivers of growth.

Thailand's fiscal response to COVID-19 significantly mitigated the impact of the crisis on household welfare. Poverty is, however, projected to rise to 6.6% in 2022 from 6.3% in 2021 as the COVID-19 relief measures start to be phased out amid elevated inflation. Additional shocks, including a renewed spike in energy prices, may further erode fiscal space unless more targeted and cost-effective social assistance measures are introduced.

Thailand's 2020 Human Capital Index (HCI) of 0.61 indicates that the future productivity of a child born today will be 39% below what could have been achieved with complete education and full health. Thailand is renowned for its universal health care program (UHC) and success in child nutrition, but quality of education remains a weak point for the country's human development. According to the Index, the country ranks high in quantity (expected years) of schooling and in the fraction of children not stunted, but low in education quality—measured by harmonized test scores. Social assistance schemes are fragmented, with untapped opportunities to modernize the level of benefits packages and efficiency.

Aging will directly lead to increased spending needs, through rising public pension and healthcare costs. The combined fiscal costs of the Civil Servant Pension, the Social Security Fund, and the Old Age Allowance are projected to rise from 1.4% of GDP in 2017 to 5.6% in 2060. Long-term aged care and healthcare costs are also expected to rise. The International Monetary Fund (IMF) estimates that public expenditure on healthcare will increase from 2.9% of GDP in 2017 to 4.9% of GDP in 2060 due to aging. The absence of offsetting measures will make it more difficult to maintain fiscal sustainability, which will become a constraint on potential growth.

The increasing frequency of natural disasters is also a threat to sustained economic growth, as it has come at the cost of the environment and inclusion. Greenhouse gas

emissions have risen markedly during this recent period of rapid growth, as has inequality between the country's regions and firms. Thailand is a major marine plastic polluter on land, in river systems, and along coastlines. With the country's National Action Plan on Marine Plastic Debris 2023-2027, and Bio-Circular-Green Economy (BCG Model), Thailand set out the goal to identify public-private-people mechanisms for plastic waste segregation and enhance plastics circularity.

## 2. Economy

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### 2.1. Economic and Political Overview

Thailand is the second largest economy in Southeast Asia after Indonesia, and with an upper-middle income status, serves as an economic anchor for its developing neighbor countries. The country's economy appears resilient and, according to the IMF, is expected to advance at a moderate pace in a post-COVID-19 context, despite domestic political uncertainty. Public investment is projected to remain a key driver, increasing over the next few years, in line with the government's infrastructure plans to attract private investment and a continued improvement of the tourism sector. Due to the COVID-19 pandemic, the country registered negative GDP growth for the first time since 1998, going from +2.3% in 2019 to -6.1% in 2020. The GDP growth rate reached +1.5% in 2021 and +2.8% in 2022. According to the IMF's latest forecast, GDP growth is expected to reach 3.7% in 2023 and +3.6% in 2024, subject to the post-pandemic global economy recovery (IMF, October 2022).

Concerning public finances, the IMF anticipates that the general government deficit will rise to 1% of GDP in 2024, up from an estimated 0.3% in 2023. This increase is attributed to heightened expenditure, accommodating initiatives like the digital cash handout scheme and other measures endorsed by coalition parties during the election campaign. These expenditures are expected to outstrip steady revenue collection as growth strengthens. In 2025, the IMF projects a modest increase in the fiscal deficit to 1.2%, mainly driven by sustained social and capital spending. The debt-to-GDP ratio increased to 61.4% last year, from 60.5% in 2022, and is expected to follow an upward trend in 2024 (62.9%). Thailand's robust external position continues to be a fundamental strength, offering a substantial buffer against tightened global financial conditions and geopolitical risks. In 2023, headline inflation reached 1.5%, benefiting from ongoing efforts to maintain low energy prices and enhancements in global supply chains. As growth strengthens in 2024, headline inflation is anticipated to experience a slight uptick to 1.6%.

The unemployment rate remained very low in 2023 (1.2%) and is projected to stay around 1% over the forecast horizon (IMF). Thailand's official unemployment rate is among the lowest in the world due to the low birth rate, lack of social insurance and informal sector employing the bulk of the workforce (street vendors, motorbike taxis and self-employed). The country's average GDP per capita (PPP) was estimated at USD 20,672 in 2023 by the World Bank. Thailand has made the most progress in ASEAN on eradicating poverty in recent years, with the poverty ratio standing at 6.3% of the population (Asian Development Bank, latest data available).

Table 1: (Thailand Economic Forecasts - 2022-2026 Outlook)

Main Indicators	2022	2023	2024	2025	2026
GDP (billions USD)	495.42	512.19	543.25	579.69	613.50
GDP (Constant Prices, Annual % Change)	2.6	2.7	3.2	3.1	3.0
GDP per Capita (USD)	7,070	7,298	7,731	8,243	8,718
General Government Balance (in % of GDP)	-3.4	-0.9	-1.0	-1.2	-0.9
General Government Gross Debt (in % of GDP)	60.5	61.4	62.9	62.6	62.0
Inflation Rate (%)	n/a	1.5	1.6	1.9	2.0
Unemployment Rate (% of the Labour Force)	1.3	1.2	1.1	1.0	1.0
Current Account (billions USD)	-14.71	-0.84	10.13	15.35	18.66
Current Account (in % of GDP)	-3.0	-0.2	1.9	2.6	3.0

Source: IMF – World Economic Outlook Database, October 2021

## 2.2. SWOT Analysis

### Strengths

- Good regulatory oversight and strong fundamentals in the financial sector have been a key source of economic stability in light of political upheaval.
- Thailand has relatively low levels of bureaucracy in some areas and is very competitive regarding property registration times and construction permit costs.
- Thailand is very open to international trade, boosting demand for Thai products.
- Strategic location as a gateway to South East Asia and its neighbouring markets.

### Weaknesses

- Political instability and frequent changes in government policy can deter foreign investment.
- Limited domestic market and overdependence on exports
- High level of corruption in some sectors
- The tax administration process is onerous and less competitive than regional peers.
- As an export-driven economy, Thailand is vulnerable to exogenous shocks in its key export markets.
- High dependence on commodities imports feeds through to the high costs of production, undercutting the competitiveness of Thai goods internationally.

### Opportunities

- Growing regional and international demand for Thai products and services.

- New coalition government led by business-friendly party.
- There is potential in emerging sectors such as renewable energy and biotechnology.
- Foreign investors can qualify for a range of incentives, such as tax holidays and tariff exemptions, permission to own land or hire foreign experts, and guarantees against price controls.
- The Association of Southeast Asian Nations integration is offering Thai firms more opportunities for investment.
- The government is reforming the business environment, with greater improvement in the ease of starting a business.

### Threats

- Overall government expenditure in Thailand is low and given the fiscal deficit, investment in public infrastructure could be curtailed in the medium term.
- Household debt remains high and financial literacy is relatively low.
- Rising competition from other low-cost manufacturing countries.

### 2.3. Structure of the Economy

Thailand has a labour force of 40.2 million people, out of its 71.6 million population. Its economy is heavily based on agriculture, which contributes 8.8% of the GDP and employs 32% of the active population (World Bank, latest data available). The country is the largest producer of natural rubber in the world and one of the leading producers and exporters of rice; it also possesses sugar, corn, jute, cotton and tobacco among its major crops. Fishing constitutes an important activity as Thailand is a major exporter of farmed shrimp. Traditional farming methods are prevalent, but there's a growing emphasis on modernizing agriculture through technology adoption, such as precision farming and irrigation systems.

The manufacturing sector accounts for 35% of the GDP and is well diversified, employing 23% of the active population (World Bank). The country has established itself as a manufacturing hub in Southeast Asia, attracting foreign investment due to its strategic location, skilled workforce, and robust infrastructure. The Thai industrial sector is diverse and dynamic, encompassing manufacturing, electronics, automotive, and petrochemicals among its key sectors. Emerging sectors within the industrial landscape include renewable energy, biotechnology, and aerospace, reflecting Thailand's efforts to move towards high-value-added industries and technological innovation. Thailand's industrial output declined 5.1% in 2023 due to a significant drop in computer and peripherals, electronic parts, and furniture production (official data).

The tertiary sector contributes to 56.2% of the GDP and employs 46% of the active population (World Bank). Key sectors include tourism, finance, healthcare, education, and telecommunications. Thailand's tourism industry is a major driver of the tertiary sector, attracting millions of visitors annually: according to official governmental

figures, the country welcomed over 28 million international visitors in 2023, generating an impressive income of more than THB 1.2 trillion. The finance sector, centred in Bangkok, serves as a regional financial hub, offering a wide range of banking, insurance, and investment services. Healthcare and education are also prominent sectors, with Thailand being a destination for medical tourism and home to reputable universities and international schools. Emerging areas within the tertiary sector include digital services, e-commerce, and fintech.

*Table 2: Breakdown of Economic Activity By Sector*

Breakdown of Economic Activity By Sector	Agriculture	Industry	Services
Employment By Sector (in % of Total Employment)	31.6	22.5	45.9
Value Added (in % of GDP)	8.8	35.0	56.2
Value Added (Annual % Change)	2.5	-0.7	4.6

*Source: World Bank, Latest Available Data. Because of rounding, the sum of the percentages may be smaller/greater than 100%.*

## 2.4. Investment

Foreign direct investment is an important element of Thailand's economic development, and the country is one of the major FDI destinations in its region. According to UNCTAD's World Investment Report 2023, FDI inflows stood at USD 10 billion in 2022, down by 31.5% compared to the USD 14.6 billion recorded one year earlier but still above the three-year average before COVID. In the same period, the stock of FDI reached USD 306.1 billion, around 57.1% of the country's GDP. As per the Thailand Board of Investment (BOI) figures, applications for investment promotion in 2023 reached a five-year high of USD 24 billion in combined value, an increase of 43% from the previous year's number. In 2023, foreign investors submitted 1,394 applications for investment promotion, marking a 38% increase from the prior year, with combined investment reaching USD 18.9 billion, a 72% surge driven by numerous large-scale projects. Notably, investment applications from China led the FDI sources by value, comprising 430 projects totalling USD 7.4 billion, mainly in electronics and automotive, including EVs. Singapore followed closely with 194 projects amounting to USD 3.5 billion, driven by major initiatives in solar cells and electronics. U.S. investments ranked third with 40 projects totalling USD 2.3 billion, while Japan secured fourth place with 264 projects valued at USD 2.2 billion, reflecting a 60% rise from the preceding year. The BOI's new strategy focused on five priority sectors: BCG (Bio-Circular-Green), electric vehicles (EV), smart electronics, digital, and creative. These sectors collectively garnered 759 applications, amounting to a total investment of USD 14 billion, representing 58% of the overall investment pledges. The Eastern Economic Corridor (EEC), Thailand's premier industrial hub spanning Chonburi, Rayong, and Chachoengsao provinces, remained at the forefront of regional investment, securing USD 13.1 billion, representing 54% of total commitments. Following closely, the central region drew approximately USD 7.4 billion, constituting 31% of the overall investment. Thailand has been a consistent recipient of Chinese investment for some time, and its



geostrategic position as the heart of the ASEAN free trade bloc, with free trade access also to China and India, has made it a hub for many Chinese investors. This has manifested itself primarily in the drive to digital economies and is building Thailand up both as a connectivity hub and as a key node for Asia in new tech. Plenty of money is being both raised and made via Chinese investments into various Thai-based initiatives in crypto, fintech, blockchain, and AI, as well as health care, including medical tourism. This, coupled with extensive infrastructure connectivity plans uniting Thailand to ASEAN, other export markets, and the development of numerous free trade zones on outlying islands is seeing the country take on a highly competitive global role for foreign investment into the South Asian region (ASEAN Briefing, 2023).

Thailand's strategic location in Southeast Asia, coupled with its relatively well-developed infrastructure and skilled workforce, makes it an appealing destination for FDI. The country offers various incentives through the Board of Investment (BOI) to attract investment, including tax breaks and streamlined bureaucratic procedures. However, political instability, bureaucratic red tape, corruption, labour issues, and infrastructure constraints pose challenges for investors. Several Thai statutes impose limitations on foreign ownership in specific sectors, notably in industries such as banking, insurance, and telecommunications. The Foreign Business Act (FBA) delineates the specific business activities reserved for Thai nationals, stipulating that foreign investment in these sectors must not exceed 50% of share capital, except under special permissions or exemptions. Thailand ranks 43rd among the 132 economies on the Global Innovation Index 2023 and 87th out of 184 countries on the 2023 Index of Economic Freedom.

*Table 3: Foreign Direct Investment - UNCTAD, 2022*

Foreign Direct Investment	2020	2021	2022
FDI Inward Flow (million USD)	-4,951	14,641	10,034
FDI Stock (million USD)	304,351	296,270	306,163
Number of Greenfield Investments*	72	79	91
Value of Greenfield Investments (million USD)	2,022	3,926	8,292

Source: UNCTAD, Latest available data

### **Strong points for FDI in Thailand:**

The main assets of the country for attracting foreign investment are:

- The Thai economy's strengths lie primarily in its diversity: agriculture (40% of world production of natural rubber but also rice, sugarcane, and fruits), industry (automotive, food processing electronics), services and tourism are highly developed.
- The workforce is inexpensive, skilled and above all diversified.

- The country's location in the heart of Asia makes it a gateway to Southeast Asia and the Greater Mekong Basin region, where new emerging markets have great economic potential.
- Government policy is generally in favor of investment and encourages free trade: there are, for example, no restrictions in the manufacturing sector or export conditions, just as there are many government agencies helping foreign and domestic investors.

### **Weaknesses in the Thai economy:**

Disadvantages for FDI in Thailand include:

- Lack of infrastructure and innovation
- Political uncertainty
- Strong collusion between economic and political circles and conflicts of interest
- High household debt

### **Government Measures to Motivate or Restrict FDI:**

Thailand, the second largest economy in the Association of Southeast Asian Nations (ASEAN), is an upper middle-income country with pro-investment policies. The Thai Board of Investment (BOI) grants both tax and non-tax incentives to qualifying investment projects in Thailand, available equally to both Thai and foreign investors. The incentives include a corporate income tax holiday, machinery and raw materials import duty incentives, and other non-tax incentives.

- Eight years of corporate income tax exemption (with or without a maximum cap),
- Five years of corporate income tax exemption,
- Three years of corporate income tax exemption.

Other incentives also include:

- Withholding tax exemption for dividend distribution during the tax holiday.
- 100% foreign ownership in certain businesses reserved under the FBA.
- Customs duty exemption or reduction for imported raw materials and machinery.
- Land ownership for foreign companies.
- Withdrawing or remitting money abroad in foreign currency.
- Visa and work permit privileges for expatriates.

Other incentives are available for expenditure in these sectors: R&D in technology and innovation, intellectual property acquisition/licensing fees for commercializing technology developed in Thailand, advanced technology training, development of local suppliers with Thai shareholder(s) holding at least 51% of the total shares, product and packaging designs in Thailand, both in-house and outsourced.

Additional area-based incentives for corporate income tax exemptions are provided to qualified investors in the specific areas that fall under the following categories:

- Decentralization (activities based in the 20 provinces with the lowest per capita income).
- Industrial area development (for qualified projects based in industrial estates).
- Science and technology parks.
- Eastern Economic Corridor areas.
- Four provinces on the Southern border and the four districts in Songkhla.

In support of its “Thailand 4.0” strategy, the government offers incentives for investments in twelve targeted industries: next-generation automotive; intelligent electronics; advanced agriculture and biotechnology; food processing; tourism; advanced robotics and automation; digital technology; integrated aviation; medical hub and total healthcare services; biofuels/biochemical; defense manufacturing; and human resource development.

The Thai government in 2019 passed new laws and regulations on cybersecurity and personal data protection that have raised concerns given to Thai authorities regarding confidential and sensitive information, introducing new uncertainties in the technology sector.

## 2.5. Taxation

### **Company Tax:** 20%

**Tax Rate for Foreign Companies.** A domestic corporation is subject to tax on worldwide income, while a foreign corporation is subject to tax on income generated in Thailand. A foreign company not carrying on business in Thailand is subject to a final withholding tax on certain types of assessable income (e.g. interest, dividends, royalties, rentals, and service fees) paid from or in Thailand, at a rate of 15% (10% for dividends). A tax of 10% is applied to branch profits remitted to the foreign head office. The tax is not restricted to remittances only, but also applies to any transfer or credit of profits to the head office account in the books, even if no funds are actually sent abroad.

**Capital Gains Taxation:** Capital gains are treated as ordinary income and taxed accordingly for corporate income tax purposes. As such, capital losses can be used to offset net taxable profits. Capital gains paid to overseas recipients are subject to a 15% withholding tax, although an exemption may apply to gains derived by investors from certain countries with which Thailand has signed a double taxation agreement.

**Main Allowable Deductions and Tax Credits:** In general, taxes are deductible except corporate income tax and VAT. Interest on money borrowed for the purpose of acquiring profit or business is deductible. Start-up expenses, such as incorporation expenses and registration fees, are deductible when incurred. Bad debts written off are deductible (subject to conditions and procedures), the same as provident fund contributions. Losses may be carried forward to offset profits of the following five accounting periods. The carryback of losses is not allowed. Donations to specified charities or for public benefit, as well as those to education or sports associations, are deductible in the amount actually paid but not exceeding 2% of net profit.

Royalties, management service fees, and interest charges paid at arm's length to foreign affiliates are also deductible.

**Other Corporate Taxes:** A specific business tax (SBT) is collected at fixed rates on the gross revenue of certain businesses not subject to VAT, such as commercial banking, similar financial businesses, and the sale of immovable property, which are taxed at 3%, and life insurance, which is taxed at 2.5%. Certain revenue derived by commercial banks and finance, securities, and credit foncier businesses is taxed at a rate of 0.01%. An additional 10% is levied at the municipal level.

From 2020, a Land and Construction Tax Act replaced the house and land tax and the local development tax. The maximum tax rate depends on the type of land/building and the appraisal value, as follows:

- for land used for agricultural purposes, the progressive tax rates range from 0.01% on land valued up to THB 75 million to 0.1% on land valued above THB 1 billion.
- for land used for residential purposes, the progressive tax rates range from 0.02% on land valued up to THB 50 million to 0.1% on land valued above THB 100 million.
- for land used for commercial purposes, the progressive tax rates range from 0.3% on land valued up to THB 50 million to 0.7% on land valued above THB 5 billion.
- for land that is left unattended or that is not being utilized to the extent appropriate for its nature, the progressive tax rates range from 0.3% to 3% (the tax rate will increase by 0.3% annually if the land is not used).

Stamp duty is levied on different types of documents and instruments, including contracts for the hire of work, loans, share transfers, leases of land or buildings, and insurance policies. Capital duty does not officially exist in Thailand; however, there is a one-time fee when registering a company. Employers are required to contribute 5% of the employee's remuneration to the Social Security Fund (capped at a contribution of THB 750/month).

### 3. Buying and Selling

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#### 3.1. Marketing opportunities

**Consumer Profile:** Thailand has a population of 70.01 million people, out of which 51.4% are women (Data Reportal, 2022). The median age in Thailand is 40.9 years in 2022 (Data Reportal), with 70% of people aged between 15 and 64, 14% over 65, and 16% under 15 years old (World Bank, 2021). There is a strong emphasis on familial connections in Thailand, and often several generations will live under the same roof. However, the average size of household was 3.1 persons per household and only 9% of households consist of six people or more, while 18% of them are one-person households, 45% of houses have two or three people, and 28% have four or five inhabitants (UN, latest data available). 52.9% of the population is urban. The main cities are Bangkok, Chon Churi, Samut Prakan, Chiang Mai, Songkla and Nothaburi (CIA). Unequal education quality is a big challenge, with poorer areas being under-served. Still, Thailand has an adult literacy rate of 93.8%, with 99% of the population having completed primary education. However, only 86% complete

lower secondary education and 47% upper secondary (UNICEF, 2019). Additionally, at the end of lower secondary education, only 50% have a minimum proficiency level in reading and only 46% in mathematics. The level of education of the majority of the population is incomplete secondary education (60%). Nonetheless, Thailand has successfully addressed much of its problem of low access to education that existed before the 1990s by increasing education enrolment rates at almost every education level. Indeed, the tertiary enrolment rate in Thailand is now among the highest in ASEAN.

**Consumer Behavior:** Rising incomes in the country are generating optimism in the population and are increasing consumer demand for a wide variety of products. With the increase in incomes, consumers - particularly wealthier ones - have been spending more on experiences, such as eating out, and travelling. The luxury market has also been growing in the country. Price, quality and availability of service are the key selling factors in Thailand. However, consumers are willing to pay more for their favorite brands, and they rarely switch brands - even if the prices are better. Thai consumers are the most brand-conscious and brand-loyal in Southeast Asia. They also spend more than their neighbors, which is reflected in their higher debt levels. Moreover, consumers tend to indulge and make impulse purchases, instead of saving their money - which is typically seen in other Southeast Asian countries. E-commerce is growing fast, especially informal commerce - such as social media accounts that are makeshift shops. The Covid-19 pandemic accelerated this trend. Online retail sales reached USD 51 billion in 2021, up from USD 46 billion in 2020 (USDA).

### 3.2. Internet and Ecommerce

**Internet access:** According to the Electronic Transactions Development Agency, Thailand currently has around 41 million internet users. Internet penetration in Thailand is currently at 43% and should reach 50% by 2021. Smartphone penetration is 32% and is projected to grow to 40% by 2021. Thailand is among several countries in the Asia Pacific region which are considered mobile first. 66% of all web traffic is mobile, with 44% of traffic divided between all other devices. The most popular search engines in terms of the market share are Google (98.58%), Yahoo! (1.14%), Bing (0.2%), Baidu (0.02%), DuckDuckGo (0.01%) and Yandex Ru (0.01%).

**E-commerce market:** The e-commerce market in Southeast Asia is one of the fastest-growing and most promising, projected to grow to \$11 billion in 2025. The Thai market is currently second largest in the region and expected to grow 22% annually till 2020. The driving factors come from increased internet and mobile phone use as well as improved logistics and e-payment systems. This creates heightened convenience and consumer confidence to shop online. In addition, the quality and reliability of online shopping services have been improved significantly, and the acceptance of e-commerce has increased in the country. In 2017 the total e-commerce market in Thailand was estimated at US\$ 2 billion, and the total revenue is expected to reach US\$ 3.5 billion in 2018. B2B e-commerce in Thailand is also growing rapidly due to internet development and mobile transformation. Cross-border B2C is particularly significant and it's estimated to grow to US\$ 1 trillion by 2020. According to the Electronic

Transaction Development Agency, the sectors using e-commerce platforms to increase their productivity include the food and service sector with 31%, followed by manufacturing at 16%, and retail and wholesale at 15%, respectively.

**3.3. Distribution:** The growth of the Thai retail industry has been largely driven by economic growth. The Covid-19 pandemic negatively impacted the retail sector, which contracted by 6% in 2021, with sales amounting to USD 103 billion (USDA). Inversely, online retail sales reached USD 51 billion in 2021, up from USD 46 billion in 2020 (USDA). E-commerce sales of food and beverage was USD 498 million in 2021, up 14% compared to 2020 (Euromonitor). E-commerce could represent 11% of total retail sales (USDA).

The retail food market structure continues to grow with hypermarkets, supermarkets, cash and carry and convenience stores serving different segments. The latter is continuing to gain market share while traditional retailers gradually decline. Modern food retailing accounts for approximately 70% of total retail sales as the flow of local shoppers has been diverted from wet markets and grocery stores to hypermarkets and supermarkets. Although supermarkets have fewer numbers of outlets compared to larger hypermarkets, their influence on the lifestyles of urbanised Thais, expatriates and upper-income communities has been significant.

Most investments have come from the leading international retail chains such as, among others, hypermarket UK-based Tesco with its Tesco Lotus stores, and cash and carry Netherlands-based Siam Makro. Locally run supermarkets and convenience stores also have increased in numbers and include stores such as Villa Market, Tops Marketplace, Foodland Supermarket, and 7-Eleven.

Most food retailers recently modified their marketing strategies by expanding their private label product offerings, instituting money promotions, providing discounts and starting loyalty programs to attract customers and maintain market share.

**Market share:** Modern food retailing dominates the market with around 70% of total retail sales. According to the latest data from USDA, the retail food market is divided as follows:

- Convenience Stores have experienced a continuous growth in comparison to traditional retailers. Competition in this sector is high as Thailand has a total of 20,323 stores nationwide, with 970 stores opening in 2021 alone. Convenience stores serve ready-to-eat meals and fruits, baked goods, healthy snacks and ready-to-eat fresh fruits and vegetables. The main convenience stores are 7-eleven, Tesco Lotus Express, Mini Big C.
- Supermarkets are highly competitive and are concentrated in Bangkok and in other major provinces. Thailand's supermarket segment has many players including Central Food Retail (Central Food Hall and Tops Supermarket), MaxValu, The Mall Group (Gourmet Market), Villa Market, UFM Fuji, and Foodland. The middle to high income consumers remain the key target segment for supermarkets, driven by a desire for premium products and services.
- Hyper Market/ Cash & Carry. The main ones are: Tesco Lotus Hypermarket, Big C Hypermarket, Siam Makro.

- **On-line Retailing:** Online retail sales reached USD 51 billion in 2021, up from USD 46 billion in 2020, according to the Electronic Transactions Development Agency (USDA). A rapid growth in smartphone penetration and rising internet penetration has allowed Thais to access the internet at their convenience and at fast speeds. COVID-19 accelerated the growth of online grocery purchases.

### 3.4. Customs

**International Conventions:** Member of the World Trade Organization (WTO)

Member of the Organization for Economic Co-operation and Development (OECD)

Party to the Kyoto Protocol

Party to the Washington Convention on International Trade in Endangered Species of Wild Fauna and Flora

Party to the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal

Party to the Montreal Protocol on Substances That Deplete the Ozone Layer

Party to the International Coffee Agreement

**International Economic Cooperation:** Thailand is a member of the following international economic organizations: IMF, Association of Southeast Asian Nations (ASEAN), ICC, Colombo Plan, WTO, Asia-Pacific Economic Cooperation (APEC), G-77, among others.

**Non-Tariff:** Most of the goods can be imported freely. However, certain products require the presentation of a license given by the Ministry of Commerce. This is the case for certain textile items and certain food-processing products. The licenses must be applied for one month before the goods shipment, they are valid for six months and can be extended only once. All food products, pharmaceuticals and cosmetics are subject to a license and must be registered and must seek authorization of the Food and Drug Administration. Excessively burdensome import requirements, price control and phytosanitary measures can impede commerce.

**Customs Duties and Taxes on Imports:** The average rate is 7.2%.

Approximately one-third of Thailand's MFN tariff schedule involves duties of less than 5%, and 30% of tariff lines are MFN duty free, including chemicals, electronics, industrial machinery, and paper.

**Customs Classification:** Thailand uses the Nomenclature of the Harmonised System for the Designation and Codification of Goods.

**Import Procedures:** All goods imported into Thailand must be reported to the Customs department. In order to register for the e-customs system, the importer (either as an individual or business entity) must already possess a 'digital certificate', an electronic signature file used to confirm the identity and authenticity of the sender of electronic documents.

Before importing the goods, it is necessary to check whether the goods require an import permit, and secondly, to ascertain whether the goods are considered "red line". A range of goods require import permits issued by different agencies prior to their arrival. For example, used motor vehicles and motorcycles require a permit from the Department of Foreign Trade, while imports of medicines and

food supplements require permission from the Food and Drug Administration of the Ministry of Health.

General customs clearing procedures for both imports and exports in Thailand require the submission of a Customs' export entry form or import entry form. The form should be accompanied by standard shipping documents, which include: commercial invoice, packing list, bill of lading/airway bill, and letter of credit. Some products may require import/export license and/or authorisation from relevant agencies. These include food products (processed or unprocessed), pharmaceuticals, medical devices, healthcare products, cosmetics, hazardous substances, animals, and some agricultural products. Thailand has already eliminated its requirement of a certificate of origin for information technology imports pursuant to the WTO Information Technology Agreement. The use of a freight forwarder to deal with import and export customs clearing in Thailand is highly recommended.

### 3.5. Transport

**Main Useful Means of Transport:** Within Thailand, commercial transportation may be divided into five principal modes:

- Road 81% of total Thailand domestic freight transportation
- Rail transportation 2%
- Inland waterway 8.5%
- Maritime transport 8.5%

Thailand has a coastline of 3,219 km, more than 250 islands, and over 4,000 km of inland waterways. The Port Authority of Thailand (PAT) is responsible for the development and management of Thailand's major deep-sea ports. Laem Chabang Port is the largest port of Thailand, the 4th largest in the ASEAN region, and the 22nd in the world (2015). It is located in the Eastern Economic Corridor and handles 54% of Thailand's total import and export. The second largest port is Bangkok Port. To increase Thailand's competitiveness, the PAT has invested in modernizing ICT and reporting systems, creating a one-stop shop service center, and increasing the port's capacity. With a mere 8.5% of total freight transport, inland shipping is the second most important type of freight transport in Thailand. The Thai government will further develop river transport by focusing on dredging, building and maintenance of vessels, and port related work.

**Ports:** Thai harbor authority

### 3.6. Suppliers

**Type of Production:** The industry sector accounts for 33.4% of Thailand's GDP. Much industry is focused on the processing of agricultural products (rice milling, sugar refining, textile spinning and weaving, rubber, tobacco and forest products processing), but other major sectors include electronics and car making.

**Multi-sector Directories:**

- Thai Website directory - Thailand's business directory
- Yellow Pages - Business directory in Thailand.
- Zipleaf - Business directory for several countries in the world



## 4. International Trade (doing business)

### 4.1. Imports - Exports

Thailand is an emerging economy and active member of ASEAN; it is very open to international trade, which represents around 134% of its GDP (World Bank, latest data available). According to figures from the Ministry of Commerce, in 2022, the country's main exports were motor cars, parts and accessories (10%), automatic data processing machines and parts (7.2%), precious stones and jewellery (5.2%), rubber products (4.8%), and refined fuels (3.5%); whereas imports mostly comprised crude oil (11.9%), chemicals (7%), machinery and parts (6.9%), electrical machinery and parts (6.7%), electronic integrated circuits (6.3%), iron, steel and products (5.1%).

In 2022, the country's main export partners were the U.S. (16.6%), China (12%), Japan (8.6%), Vietnam (4.6%), and Malaysia (4.4%); conversely, imports came chiefly from China (23.5%), Japan (11.4%), the U.S. (5.9%), the UAE (5.7%), and Malaysia (4.8% - data Ministry of Commerce). On the 15th of November 2020, Thailand signed the Regional Comprehensive Economic Partnership (RCEP) with 14 other Indo-Pacific countries. This free trade agreement is the largest trade deal in history, covering 30 per cent of the global economy. It includes the Association of Southeast Asian Nations (ASEAN: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam) and ASEAN's free trade agreement partners (Australia, China, India, Japan, New Zealand and the Republic of Korea). The RCEP covers goods, services, investment, economic and technical cooperation. It also creates new rules for electronic commerce, intellectual property, government procurement, competition, and small and medium-sized enterprises.

According to WTO data, Thailand exported USD 287 billion worth of goods in 2022 (+5.5% year-on-year), compared with USD 303.1 billion in imports (+13.6%). Concerning services, exports stood at USD 40.5 billion against USD 62.7 billion in imports (+59.5% and +8.3%, respectively). The country had a structurally positive trade balance; however, the trend reversed in 2022, when the World Bank estimated the trade balance to be in deficit by 2.3% of GDP for the first time since 2001. According to preliminary figures by the Ministry of Commerce, throughout 2023, the kingdom's exports declined by 1% compared to the previous year, amounting to USD 284.56 billion, while imports decreased by 3.8% to USD 289.75 billion, resulting in a trade deficit of USD 5.19 billion.

*Table 4: Thailand's Foreign Trade Indicators*

Foreign Trade Indicators	2018	2019	2020	2021	2022
Foreign Trade (in % of GDP)	120.8	109.7	97.8	117.2	133.9
Trade Balance (million USD)	22,388	26,725	40,402	32,354	10,814
Trade Balance (Including Service) (million USD)	44,922	51,047	25,933	-79	-12,296
Imports of Goods and Services (Annual % Change)	8.3	-5.2	-13.9	17.8	4.1

Exports of Goods and Services (Annual % Change)	3.4	-3.0	-19.7	11.1	6.8
Imports of Goods and Services (in % of GDP)	56.0	50.2	46.3	58.6	68.1
Exports of Goods and Services (in % of GDP)	64.8	59.5	51.5	58.6	65.8

Source: World Bank; Latest available data

Table 5: Thailand's Foreign Trade Values

Foreign Trade Values	2018	2019	2020	2021	2022
Imports of Goods (million USD)	248,201	236,260	206,156	266,882	303,191
Exports of Goods (million USD)	252,957	246,269	231,634	272,006	287,068
Imports of Services (million USD)	54,939	56,855	45,466	57,871	62,710
Exports of Services (million USD)	77,474	81,178	30,997	25,438	40,578

Source: World Bank; Latest available data

Table 6: Thailand's Foreign Trade Forecasts

Foreign Trade Forecasts	2023	2024 (e)	2025 (e)	2026 (e)	2027 (e)
Volume of exports of goods and services (Annual % change)	6.4	7.0	4.0	3.9	3.3
Volume of imports of goods and services (Annual % change)	3.1	5.1	4.4	4.2	3.7

Source: IMF, World Economic Outlook; Latest available data

## 4.2. Greece – Thailand Trade Relations

The total value of Greek exports to Thailand in 2023 reached €63,36 million (versus €53,7 million in 2022), presenting an increase of 18%. At the same time, the total value of imports from Thailand amounted to €144,3 million (versus €158,6 million in 2022), showing a decrease of 9%. Our main export categories to Thailand are machinery and transport equipment, food and live animals and chemical and related products.

Table 7: Value of Greek Imports from Thailand (Eurostat, 2024)

IMPORTS - Value in Euro (€)	2021	2022	2023
Food and Live Animals	16.836.410	20.549.233	13.385.696
Beverages and Tobacco	282.805	472.331	958.633
Crude Materials, Inedible, Except fuels	3.097.865	3.820.186	4.931.556
Mineral Fuels, Lubricants and Related Materials	45.583	494.243	3.495.212

Animal and Vegetable, Oils, Fats and Waxes	10.702	18.210	14.833
Chemical and Related Products, N.E.S.	8.117.200	11.711.928	9.659.229
Manufactured Goods Classified Chiefly by Material	21.091.232	26.599.685	25.467.364
Machinery and Transport Equipment	57.489.246	55.607.085	49.883.457
Miscellaneous Manufactured Articles	42.631.998	39.350.205	36.509.130
Commodities and Transactions not Classified Elsewhere in the SITC	:	:	:
<b>Total</b>	<b>149.603.041</b>	<b>158.623.106</b>	<b>144.305.110</b>

*Table 8: Value of Greek Exports to Thailand (Eurostat, 2023)*

<b>EXPORTS - Value in Euro (€)</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Food and Live Animals	22.586.019	12.358.591	13.103.593
Beverages and Tobacco	229.967	203.710	156.635
Crude Materials, Inedible, Except fuels	18.178.892	9.838.458	9.519.286
Mineral Fuels, Lubricants and Related Materials	:	:	9.870
Animal and Vegetable, Oils, Fats and Waxes	720.584	509.989	339.519
Chemical and Related Products, N.E.S.	7.075.166	8.602.903	11.544.596
Manufactured Goods Classified Chiefly by Material	14.121.166	9.655.106	9.814.085
Machinery and Transport Equipment	5.218.043	10.214.183	15.939.517
Miscellaneous Manufactured Articles	717.048	701.773	1.615.540
Commodities and Transactions not Classified Elsewhere in the SITC	1.318.423	:	:
<b>Total</b>	<b>70.165.308</b>	<b>53.744.972</b>	<b>63.364.578</b>

### 4.3. Leading Sectors for Exporters

**Aviation:** Thailand relies on imported aviation equipment and products including aircraft, related parts, maintenance services, airport, and ground support equipment. Thai airlines, heavily impacted by COVID, expect a return to normal operations as international and domestic flights rebound due to rising passenger demand and greater numbers of aircraft. The national-flag carrier, Thai Airways predicts 2023 passenger numbers to be 80% of those in 2019. The airline also has a plan to increase its fleet from 65 to 71 aircraft in 2023,

Despite the challenges in the airline and aviation industry, the Airports of Thailand (AOT) and the Department of Airports remain positive on the recovery of Thai airline industry. AOT continues its airport expansion projects, including connectivity between small cities and Bangkok, with a focus on major tourist attractions. Prior to the COVID-19 pandemic, Thailand's most popular international airport, Suvarnabhumi International Airport (BKK), exceeded its annual 45 million passenger capacity. AOT forecasts that all three major Thai airports BKK, Don Muang (DMK) and U-Tapao (UTP) will see a recovery in passenger traffic to 2019 levels by around 2025. The AOT plans to invest 1 billion in the DMK Terminal 3 development project. The project is in the design phase and is expected to invite bids in 2024. The DMK new terminal is targeted for completion and to begin operations in 2029. The new terminal will increase the airport's capacity from 30 to 50 million passengers per year. From 2019 to 2040, AOT plans to invest 11.66 billion in airport projects in Thailand.

Other aviation support agencies under the Thai government that may initiate procurement projects include the Civil Aviation Authority of Thailand (CAAT) and the Aeronautical Radio of Thailand Ltd. (Aerothai).

Aviation industry development is also part of Thailand's Eastern Economic Corridor (EEC) development project. Thailand's main airport in the eastern seaboard, U-Tapao Airport, will expand and become a maintenance repair and overhaul (MRO) hub for aviation-related industries. The EEC is targeting 7 billion in MRO investment. MRO development will bring in other aviation-related businesses including a customs service center, distribution, logistics, catering, and multimodal transportation. With these developments, Thailand is expected to assume a more important role as a regional hub.

**Defense and Security:** Thailand's National Security Strategy focuses on safeguarding the nation, strengthening the armed forces, maintaining combat readiness, neutralizing the regional arms race among ASEAN countries, and modernizing the country's armed forces. Thailand, the second-largest economy in Southeast Asia, had an annual defense budget of approximately USD 6-7 billion before the pandemic. Post-pandemic defense spending is expected to be around USD 5-6 billion. The lion's share of the budget is reserved for maintaining combat readiness. As a result, the primary expenditures are in upgrading and modernizing existing military equipment. The major drivers of the defense and security industry are political unrest, violence from the insurgency in the southern provinces of Pattani, Yala, and Narathiwat, human trafficking, and occasional border conflicts. The Thai government plans to develop its domestic defense industry to reduce the country's dependence on imports, promote technology transfer, and strengthen national security. Demand for military and defense equipment from allied countries remains

high. In 2023, the Thai government allocated 1% of the country's GDP to defense. An estimated 49% of the defense budget is assigned to the Royal Thai Army, another 20% is allocated to the Royal Thai Navy, and 18% is for the Royal Thai Air Force. The remaining funds are distributed to the Office of the Permanent Secretary, Royal Thai Armed Forces Headquarters, and Defense Technology Institute (DTI).

**Education Services:** Thai students have resumed studying abroad post COVID-19. Thailand has public, private, and international schools. Government schools are free and compulsory for nine years. Preschool is optional, although many Thai children attend kindergarten. Compulsory education begins at the primary level for six years (Prathom 1-6), then moves to lower secondary school for three years (Matthayom 1-3). After this, students can go to an upper secondary school (Matthayom 4-6). As for university, most bachelor's programs take four years to complete. Some programs take five years to complete (e.g., architecture, art, graphic art, and pharmacy). Medicine, dentistry, and veterinary medicine programs take six years of study.

**Energy:** The energy and electricity sector in Thailand is governed by the Ministry of Energy (MOE) and involves multiple agencies: the Department of Alternative Energy Development and Efficiency (DEDE), Department of Energy Business, Energy Policy and Planning Office (EPPO), the Department of Mineral Fuels (DMF), the Department of Energy Business (DOEB), Energy Regulatory Commission (ERC), Electricity Generating Authority of Thailand (EGAT), Metropolitan Electricity Authority (MEA), Provincial Electricity Authority (PEA), Petroleum Institute of Thailand (PTIT), and PTT Public Co., Ltd. The total installed power generating capacity in Thailand is approximately 53 gigawatts as of December 2022 generated by EGAT, independent power producers (IPPs), small power producers (SPPs), very small power producers (VSPPs), and imports. Renewable energy capacity is around 23% of the total installed capacity. Renewable energy in Thailand relies primarily on domestic production, namely solar, wind, small and large hydropower projects, biomass, biogas, and waste-to-energy. The country also imports hydropower from Lao PDR. Thailand has renewed its focus on increasing its renewable energy capacity to meet the country's climate goals of carbon neutrality by 2050 and net zero greenhouse gas emissions by 2065, announced at COP26.

The Royal Thai Government is preparing the Thailand National Energy Plan (NEP), a strategy that envisions the future of Thailand's energy system through the 2040s. The NEP will provide the policy direction for both government agencies and private companies operating in the energy sector. The NEP 2023, which is waiting for approval by the new cabinet, is expected to increase renewable energy used to over 50% in support of carbon and net-zero greenhouse gas emissions goals. In addition to increasing the share of renewables, the NEP aims to promote more efficient energy use, with a goal to cut energy consumption by 30% in 2030 and 40% in 2050. The NEP 2023, will combine and synchronize five action plans: Gas Plan, Power Development Plan (PDP), Alternative Energy Development Plan (AEDP), Oil Plan, and Energy Efficiency Plan (EEP).

Thailand faces energy security challenges. Approximately 60% of electric power in Thailand is generated from natural gas. With domestic gas reserves projected to dry up in the next 10-20 years, liquefied natural gas (LNG) will play a critical role in

ensuring long-term electricity security. Given that diversification of the energy supply is seen as a necessary step towards enhanced national energy security, the government is importing more natural gas and is expanding gas receiving terminals, the regasification system, and gas storage tanks to increase capacity to 26 million metric tons per annum (MMTPA) by 2037.

**Medical Devices and Technology:** With affordable healthcare, well-developed healthcare infrastructure, highly skilled medical professionals, and medical services meeting international standards, Thailand is a leading destination for medical tourism. As of August 2023, the Joint Commission International (JCI) accredited 59 Thai medical institutes which offers diverse medical treatments, ranging from organ transplants to dental and cosmetic surgery.

Thailand's low cost of medical care attracts increasing number of medical tourists. The average medical tourist can expect to save 25% to 75% on various procedures and treatment options. For example, a heart bypass surgery in Thailand costs \$13,000, a facelift costs as low as \$3,000 in Thailand. Hip replacement in Thailand costs about \$7,800.

In addition to low costs, Thailand has highly trained and experienced medical specialists and is well known for quality service. Thailand has also made impressive strides in the use of advanced technologies and treatment options. Furthermore, the country's abundant tourist attractions are another major draw for medical tourists.

According to the 2020-2021 Medical Tourism Index by the International Healthcare Research Center, Thailand ranked 5th out of 46 destinations for medical tourism. Siam Commercial Bank's Economic Intelligence Center has forecasted that Thailand's medical tourism market is valued at \$829 million in 2023 and medical tourists from CLMV countries (Cambodia, Lao PDR, Myanmar, and Vietnam), the Middle East, and China are major sources of foreign patients. Favorite medical treatments among medical tourists include cosmetic surgery, dental treatment, and medical check-up and treatments including MRI, PET/CT scans, mammography, heart surgery, and joint replacements.

According to Krungsri Bank Research Center, Thailand's demand for medical devices connected to healthcare and hygiene will increase in 2023, due to the following factors:

- Increasing rates of illness due to the increasing prevalence of non-communicable diseases, requiring long term care.
- Increasing numbers of foreign tourists seeking healthcare in Thailand.
- Continuous investment in hospitals by private-sector healthcare providers.
- Rising awareness and interest in health and wellness globally.
- Growing demand for medical devices and equipment in Thailand's main export markets.
- Prevalence of government policies promoting Thailand as an international medical hub.

In 2022, the value of Thailand's medical device market was approximately \$7.2 billion. Owing to global recovery from the COVID-19 pandemic, the local production and export of personal protective equipment (PPE) decreased significantly. As a result, Thailand's overall production and export of medical devices decreased by 35% and 39%, respectively. Thailand imported \$784.32 in medical devices from

China, followed by \$478.34 million from the United States, \$218.42 million from Germany, and \$163.1 million from Japan.

**Telecommunications:** The Thai government has ambitions of turning Thailand into a digital infrastructure hub for ASEAN. According to the National Broadcasting and Telecommunications Commission (NBTC), adopting 5G could contribute \$9.3 billion to the Thai economy in 2035, equivalent to 10% of GDP. The Thai government aims for this sector to contribute 25% of national GDP by 2027 through an economic and social transformation scheme known as “Thailand Industry 4.0”. The scheme encourages digital creativity and innovation, the development of new technology, and the transition to a digitally driven economy.

In October 2022, NBTC approved the merger of Thai mobile operators Total Access Communication (DTAC) and True in what was Southeast Asia’s largest ever telecom merger. The new entity, True Corporation, became Thailand’s largest service provider with the aggregation of True’s 33.8 million subscribers with DTAC’s 21.2 million users. The merger left the market with only two major players.

Thailand’s telecom market expects moderate growth due to the stronger private consumption in the second half of 2022. In 2023, consumption continued to grow in line with the broader economy due to strength in the tourism sector. The COVID-19 pandemic inspired widespread adoption of digital solutions in key economic sectors including retail, manufacturing, transport, and distribution. This digital adoption increases demand for devices and technologies incorporating internet of things (IoT) through mobile networks.

Similarly, government policies including the promotion of the digital economy, the development smart cities, and the allocation of 5G frequencies ensures that mobile telecom infrastructure extends across Thailand, stimulating stronger demand from consumers in new parts of the country. Currently, 5G in Thailand is mostly deployed in the internet and network services space. However, 5G has far greater untapped potential. Most Thai businesses, particularly small and medium sized enterprises, are still in the early stages of digital transformation. There are many opportunities for 5G technologies to improve their operations.

## 5. Accessing the local market

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Partnering with a local agent or distributor is the most effective way to enter the Thai market and reach potential Thai buyers. The agent or distributor can facilitate and expedite market entry with their extensive market knowledge, established distribution networks, and relationships with key business and government officials.

## 6. Business Culture and Communication

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**Business Customs:** Business relationships in Thailand are not as formal as those found in Japan, China, Korea, or the Middle East, but neither are they as relaxed and impersonal as is common in the United States. Many business relationships have their foundations in personal contacts developed within the social circles of family, friends, classmates, and office colleagues. Although Thailand is a relatively open and friendly society, it is advisable to approach potential business contacts with an introduction or letter from a known government official or business contact.

The Thai cultural values of patience, respect for status (such as age and authority), and not losing face are significant factors in business relationships as well. Thais feel great pride in their country and have deep respect for tradition. However, observance of traditional formalities may seem inconsistent with the tolerant, relaxed nature of living in Thailand. This can be confusing or frustrating to Westerners who are more informal and more time conscious. Respect for and consideration of one's elders, superiors, and patrons are deeply rooted in the Thai culture and society. Thais are very reluctant to hurt the feelings of others or to openly cause them discomfort. As a result, Thais may not directly express negative answers or reactions. Losing one's composure is losing face and losing others' respect in Thailand. In Transparency International's "Corruption Perception Index (2022)", Thailand ranks 101 out of 180 countries.

**Visa Requirements:** For the most current information on Thailand's entry requirements, please consult the website of the Tourism Authority of Thailand. Travelers must pay a Passenger Service Charge in Thai baht when departing from any of Thailand's international airports; this charge is included in the ticket price for flights from Bangkok's main airport, Suvarnabhumi International.

When a traveler enters the country, Thai Immigration stamps his or her passport with the date on which the traveler's authorized stay in Thailand will expire. Any traveler remaining in Thailand beyond this date without having received an official extension will be assessed an immediate cash fine when departing Thailand. Any foreigner found by police to be out of legal status prior to departure (during a Thai Immigration "sweep" through a guesthouse, for example) will be jailed, fined, and then deported at his or her own expense, and may be barred from re-entering Thailand.

Travelers to Thailand **MUST** arrive with at least six months' validity remaining on their passports or they will be denied entry. In addition, travelers may be refused entry if their passports do not have two or more blank pages remaining; be advised that Thai immigration authorities may not consider the "endorsement" pages found in some older passports as usable for immigration stamping purposes.

Citizens should be aware that private "visa extension services," even those advertising in major periodicals or located close to Immigration offices or police stations, are illegal. Unofficial or illegal visas obtained through illegal service providers can lead to an arrest at the border. Suvarnabhumi International Airport is located 18 miles (30 kilometers) east of downtown Bangkok and is a thirty-minute drive to/from downtown Bangkok in light traffic. Traffic conditions may result in longer drive times. More information is on the Suvarnabhumi Airport website.

**Currency:** Upon arrival in Thailand, money exchange centers are available after clearing the customs checkpoint. The money exchanges are generally located immediately outside of baggage claim/customs at the international airports. There are ATM machines for direct withdrawals and cash advances. Credit cards are widely used in major tourist locations, but small bills should be carried for incidentals and taxis. In recent years, digital payment options have increased in popularity and 94% of consumers in Thailand reported using digital payments across multiple forms,



including QR codes and wallet payments. Digital payments more common than card payments in Thailand.

**Telecommunications/Electric:** Thailand's telecommunication services meet international standards, especially in urban areas like Bangkok. Thailand is the first country in ASEAN to launch 5G services. The Bangkok metro area is served by two fixed-line operators: The National Telecom Agency (NT), a state enterprise, and True Corporation PLC (TRUE), a private company. Local calls are not timed and carry a fixed charge of 3 baht per call (from fixed line number to fixed-line number). Areas outside Bangkok are served by the National Telecom Agency and a private company, TT&T Public Co., Ltd. The fixed-line network has a total capacity of over 8 million lines. In 2022, Thailand had 90.7 million mobile subscribers (130% penetration rate) and 561.21 million internet users (85.3% penetration rate).

## 7. Useful contacts

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### Embassy in Bangkok

Address: Unit No.100/41, 23rd Floor, SathornNakorn Tower, No. 100 North Sathorn Road, Silom Sub-District, Bangrak District, Bangkok 10500.

Tel.: +66 (0) 2 6670090, 91, 92

Fax: +66 (0) 2 6670093

E-mail: [gremb.ban@mfa.gr](mailto:gremb.ban@mfa.gr)

Website: [www.mfa.gr/bangkok](http://www.mfa.gr/bangkok)

Head of Mission: Foivos Georgios ANGELETOS, Ambassador Extraordinary and Plenipotentiary

### Consular Office

Address: Unit No.100/41, 23rd Floor, SathornNakorn Tower, No. 100 North Sathorn Road, Silom Sub-District, Bangrak District, Bangkok 10500

Tel.: +66 (0) 2 6670090, 91, 92

Fax: +66 (0) 2 6670093

Emergency Tel.: +66 (0) 840105060 (only for the case of an emergency of a Greek citizen)

E-mail: [grcon.ban@mfa.gr](mailto:grcon.ban@mfa.gr)

Website: [www.mfa.gr/bangkok](http://www.mfa.gr/bangkok)

Consular Hours: Monday-Friday 10:00-13:00 (upon prior notice)

Head of Consular Office: Mr. Christos Golemi

### Commercial Section

Address: Unit No.100/41, 23rd Floor, SathornNakorn Tower, No. 100 North Sathorn Road, Silom Sub-District, Bangrak District, Bangkok 10500

Tel.: +66 (0) 2 6670090, 91, 92

Fax: +66 (0) 2 6670093

E-mail: [ecocom-bangkok@mfa.gr](mailto:ecocom-bangkok@mfa.gr)

WebSite: <http://www.agora.mfa.gr/ta-grafeia-oikonomikon-emporikon-upotheseon/grafeia-ana-xora/office/869>

Head of Economic and Commercial Office: Mrs Alexandra Christodoulea

## 8. Sources

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- European Commission
- Euromonitor International
- Fitch Solutions: BMI Research
- IMF
- OECD
- Societe Generale
- Statista
- The World Bank Group
- TradingEconomics
- UNCTAD
- StandardTrade
- Doingbusiness
- U.S. Department of Commerce, International Trade Administration
- World Economic Forum

### Financial Institutions

- Eurobank: Export Gate

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