

# THAILAND AUTOMOTIVE MARKET REPORT



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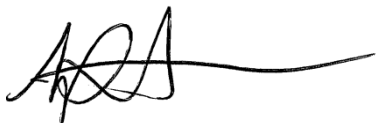
## INTRODUCTION

SMMT helps automotive and mobility companies in the UK grow their business overseas through a programme of international activities. Thailand has been a mainstay of that programme and, through a series of UK exhibition groups over the last three years, we have seen how the Thai automotive sector offers tremendous opportunities for UK firms.

The automotive sector plays an important role in Thailand's economy, positioning Thailand as one of Southeast Asia's key automotive manufacturing hubs. Over the past few decades, the industry has seen significant growth, driven by both domestic demand and a strong export market. Supportive government policies have attracted international companies to Thailand, which is now home to several international vehicle manufacturers, seven major research centres and more than 2,400 suppliers.

This report provides an in-depth analysis of the current state of the Thai automotive sector, including production trends, key market players, and emerging challenges and opportunities including the shift towards electric vehicles.

This report will help UK firms better understand the automotive sector in Thailand and identify growth opportunities for their business. Accordingly, the report includes key considerations and recommendations for UK businesses considering the Thai market.



**Mike Hawes, Chief Executive  
The Society of Motor Manufacturers and Traders (SMMT)**

## FOREWORD

I am delighted that we are working closely with the Society of Motor Manufacturers and Traders (SMMT) to explore opportunities for UK-Thailand collaboration. This Thailand Automotive Sector Report provides an in-depth assessment of the automotive ecosystem in Thailand, with a particular focus on the burgeoning electric vehicle (EV) sector. It examines the development of clean mobility across Thailand, UK commercial opportunities in areas including EV production, charging infrastructure, and capacity building, and discusses potential business and financial models for international partners.

Thailand, as a key automotive player in the ASEAN region, has set an ambitious target through its 30@30 policy, aiming to make the country a production base for EVs by 2030. Yet fossil fuels are still the dominant source of power in the current system. So, we are delighted to support the Thai government's vision to deliver a sustainable energy transition, in line with Thailand's Bio-Circular-Green (BCG) ambitions and its commitment to work towards Net Zero by 2065.

The UK is at the forefront of innovations in energy transition and sustainable infrastructure, and our EV ecosystem has matured significantly in recent years. A key success factor to the UK's growth has been UK grant funds for innovation and pilot projects, which have propelled our businesses to become leaders in zero emission technologies (incl. batteries, motors, and power electronics), connected and autonomous vehicles, lightweight materials, high-performance engineering; and zero emission buses, taxis and commercial vehicles. This aligns seamlessly with the UK's Net Zero ambitions and our plans to ban the sale of new internal combustion engine (ICE) vehicles by 2035.

The Department for Business and Trade is keen to support Thailand's low carbon transportation and energy transition ambitions and has been working alongside UK businesses to connect with Thai partners in building a green transport future. I sincerely hope that this report can serve as a practical guide for our partners, both in the UK and in Thailand, who are interested in tapping into Thailand's clean mobility ecosystem and further supporting the journey to Net Zero. Together, we can drive forward a sustainable future, leveraging our shared expertise and commitment to innovation.

**Ben Morley**  
**Commercial Counsellor and Country Director – Trade**  
**British Embassy Bangkok**

## **REPORT OVERVIEW**

This report describes Thailand's automotive landscape. Highlighting the market opportunities for UK automotive companies arising from Thailand's vehicle production, vehicles in circulation, market trends, and regulatory drivers across different vehicle types. UK automotive companies will understand what needs to be considered before entering Thailand, what the risks and key challenges are, and recommendations on what will be the first steps to take.

## **THAILAND AUTOMOTIVE PRODUCTION OVERVIEW**

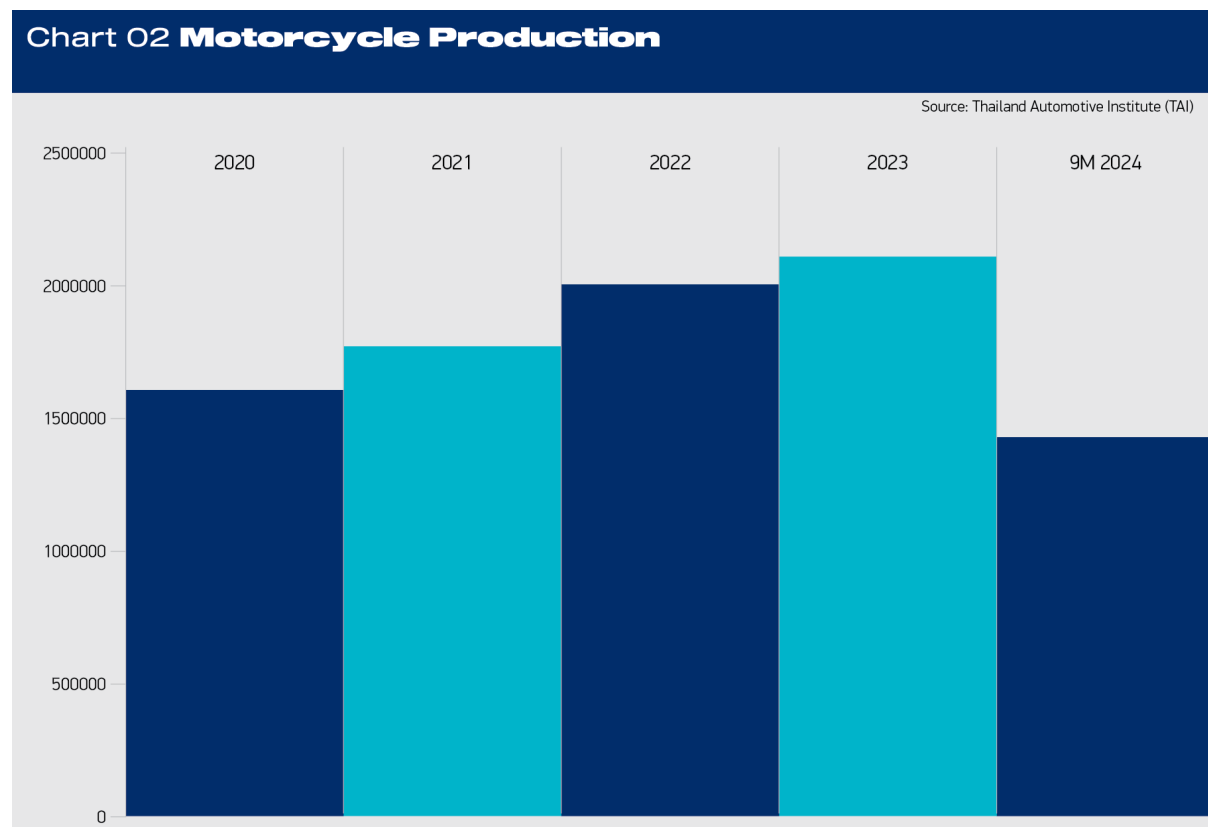
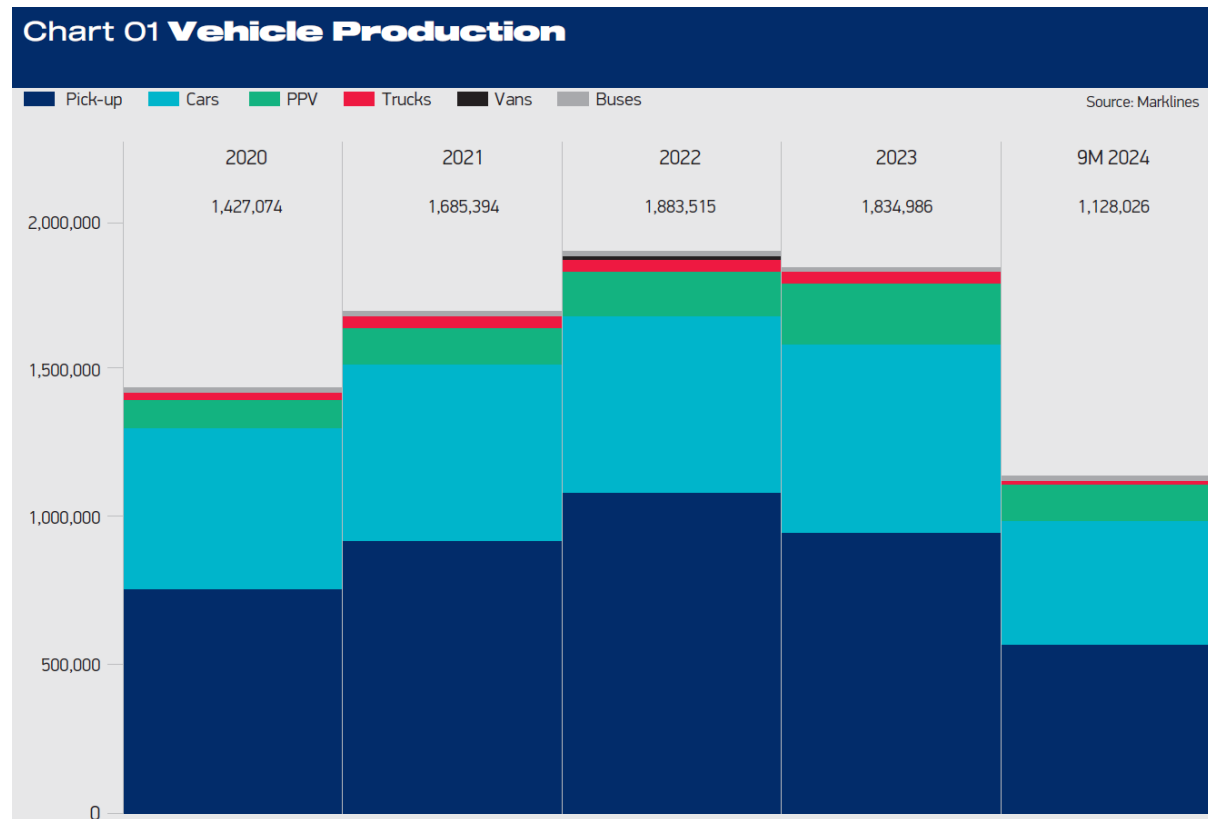
### **From Detroit of Asia to Electric Vehicle manufacturing hub**

Thailand has become a major automotive manufacturing hub and has been called “the Detroit of Asia” for decades. The industry growth that began in the 1960s has been fuelled by consistent government support to attract foreign direct investment (FDI). The introduction of the Board of Investment (BoI) incentives was a pivotal moment, offering tax breaks and fostering local content requirements that bolstered supply chains and encouraged technology transfer.

Thailand's focus on “product champions” such as pick-up trucks in earlier years and later eco-cars (vehicles designed to reduce environmental impact with small engine size), has solidified its competitive edge in automotive supply chains. Recent surges in demand for electric vehicles (EVs) have further diversified the industry. Thailand has an ambitious target to become an EV production hub by 2030. Additionally, export-oriented policies have shifted the industry's focus outward, with export sales averaging 53% of total production between 2007 and 2023.



## Vehicle Production

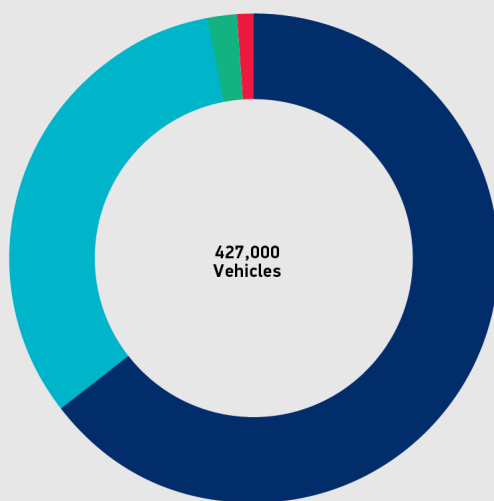


As of September 2024, Thailand's motor vehicle production volume was 1.128 million vehicles (-19% compared to the same period in 2023). This decline reflects both weakening domestic demand, driven by stricter financial criteria and reduced consumer affordability, and softer export performance due to global economic uncertainties. Motorcycle production contracted 12% compared to the same period in 2023.

**Chart 03 Passenger Car Production by Fuel Type for 9M2024**

Source: Department of Land Transport (DLT)

- ICE 65%
- HEV 32%
- BEV 2%
- PHEV 1%

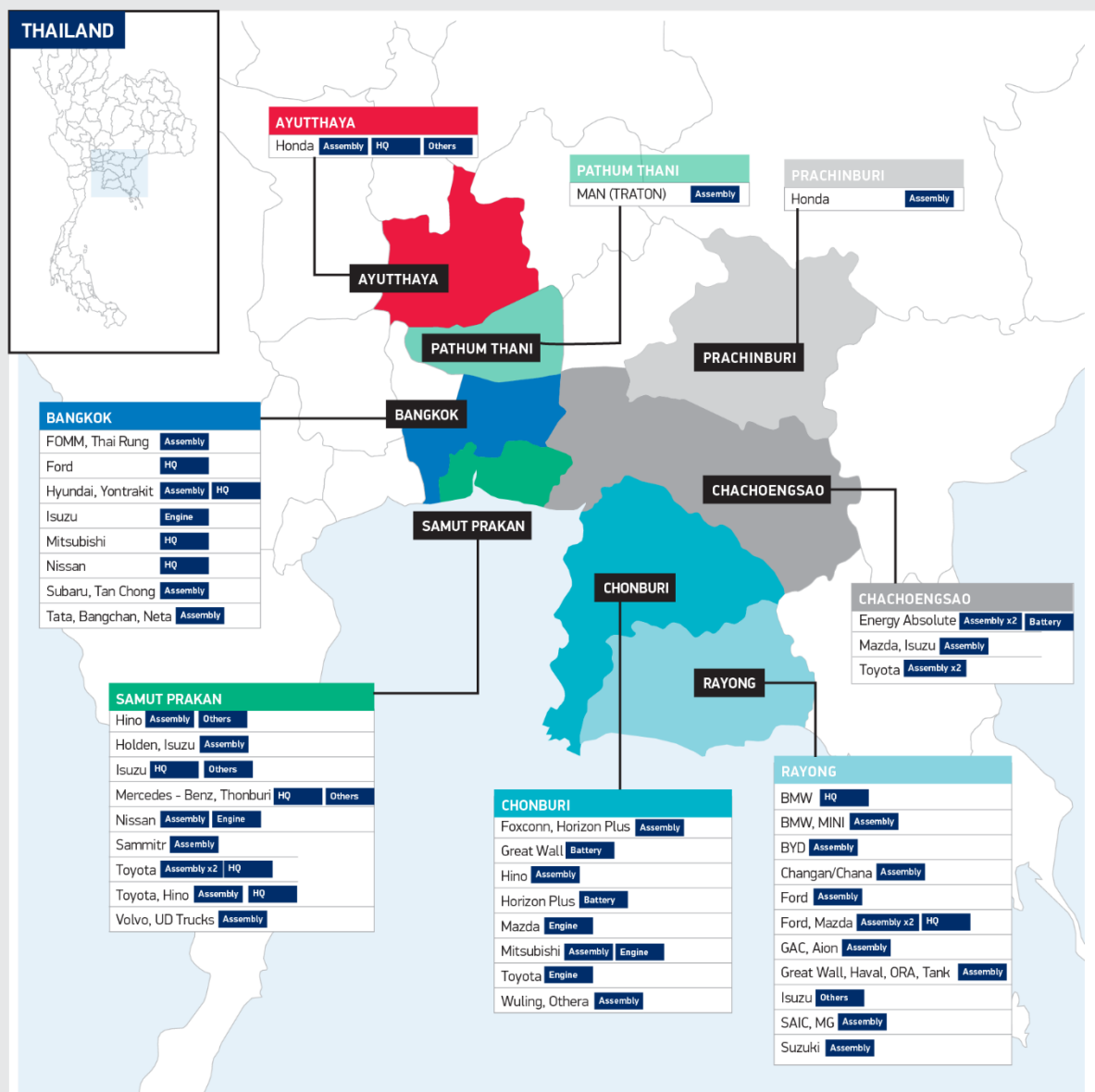


Thailand has 25 car manufacturers (12 foreign-owned, nine joint ventures and four Thai-owned), 26 motorcycle producers (10 foreign-owned, eight Joint Ventures and eight Thai-owned) and several bus and truck manufacturers. Japanese brands, Chinese brands, and American brands are usually 100% foreign-owned or joint ventures with local businesses. Mercedes-Benz relies on a long-term strategic partnership with Thonburi Automotive Assembly, which is a local Thai automotive assembler.

Thailand hosts 57 automotive OEM locations, including 10 headquarters (some located within the plants) and 49 plants. Key assembly hubs are Rayong and Samut Prakan, due to their proximity to deep-sea ports and key logistics routes. Rayong has 11 plants and two headquarters, Samut Prakan has respectively 13 and three.

**Chart O4 Automotive OEM Plant Locations**

Source: Marklines







## Automotive Parts production

Thailand's automotive parts sector consists of 2,415 players categorised into three tiers. Tier-1 manufacturers, responsible for high-quality parts, are 47% foreign-owned, 30% joint ventures and 23% Thai-owned. They produce key components such as engines, electrical systems, transmissions, and body panels. Among them, 54% focus on automobile parts, 28% on motorcycle parts, and 18% on both.

Tier-2 and tier-3 suppliers, provide raw materials and supporting components like rubber parts, metal fasteners, and plastic mouldings, (mostly Thai-owned SMEs). These parts are either "genuine" (following OEM specifications) or aftermarket for budget-conscious buyers. Their production primarily supports tier-1 manufacturers and the aftermarket auto parts market, emphasising cost-effective, less complex components.

**Chart 05 Automotive Parts Local Production**

Source: Marklines, YCP Research and Analysis

COMPONENT	KEY PLAYERS	LOCATIONS
Engines	OEMs	Rayong, Chonburi
Transmissions	OEMs	Samut Prakan
Electrical & Electronics	Denso, Continental, AAPICO Hitech, Bosch	Chonburi, Bangkok
Batteries	Beta Energy Solution, Amita Technology, OEM-linked entities	Rayong, Samut Prakan
Rubber Components	Pongpara Rubber, JR Rubber Parts	Various assembly locations
Fasteners	Bhansali Fasteners, Thai FC-TEC	Various assembly locations

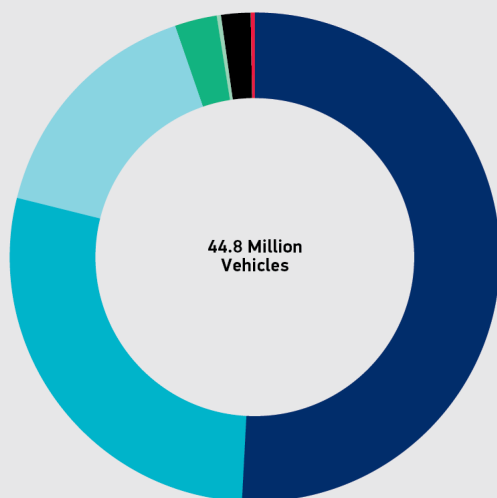
## THAILAND AUTOMOTIVE MARKET OVERVIEW

### Vehicle Landscape

As of September 2024, the total number of vehicles in circulation in Thailand reached 44.8 million vehicles. Motorcycles dominate the landscape (nearly 23 million units), passenger cars follow (12.5 million units - including some pick-ups). Pick-up trucks and vans (majority two-door pick-ups) are the third most numerous vehicles in Thailand (seven million) while trucks and buses make up a smaller share (respectively 1.2 and 0.2 million).

**Chart 06 Vehicles in Circulation by Type as of September 2024**

Motorcycle 51%  
Passenger vehicles 28.1%  
Pick ups 15.8%  
Trucks 2.8%  
Buses 0.3%  
Others 2%  
3-wheeler 0%



Source: Department of Land Transport

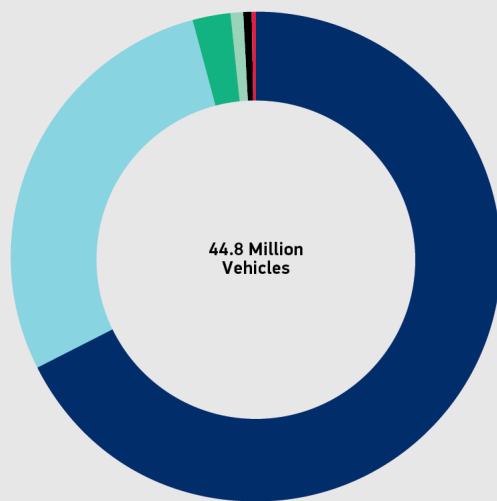
market.

In terms of new vehicle sales, the first nine months of 2024 show a decline across all segments mainly due to the strict financial criteria within the country, slow economic growth, and tighter loan approval processes. These have limited consumers' ability to secure financing for vehicle purchases in Thailand (the rejection rate for new car hire purchase loans has increased from 15% to 20% in the first half of 2024). Motorcycles remain the largest segment (1.3 million units sold), but sales dropped by 11% compared to the same period in 2023. Passenger cars (397,000 units sold) experienced an even steeper decline of 21%. Trucks and buses saw sharper declines of 30% and 27%, respectively. Three-wheelers (3W) registered the most significant drop of 37%, highlighting their shrinking role in the

**Chart 07 Vehicles in Circulation by Fuel as of September 2024**

Petrol 68% HEV 1%  
Diesel 28% BEV 1%  
Others\* 2% PHEV 0%

Source: Department of Land Transport

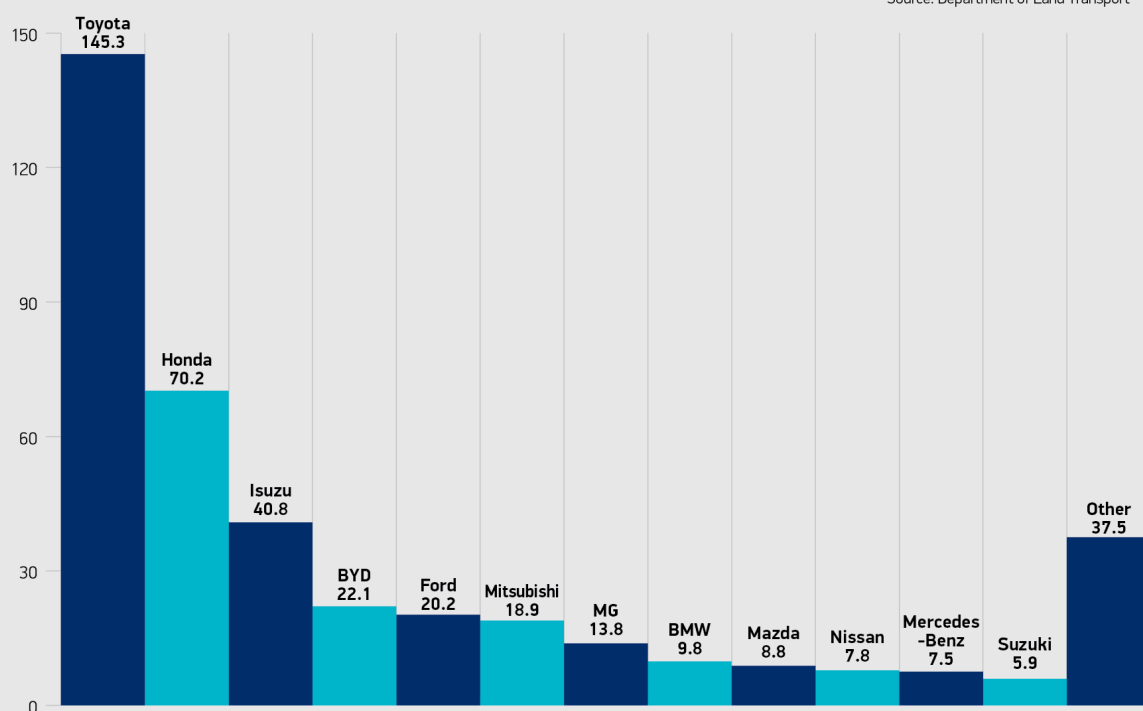


\*Others covers gas, ethanol, hydrogen, not specified

Toyota is the market leader in new passenger car sales with 34.8% market share, followed by Honda with 17.7%, Isuzu with 10.2%, and BYD with 5.6%. In the motorcycle segment, Honda leads overwhelmingly with 80.5% of the market, while Yamaha holds a second position with 13.7%. Vespa follows with 1.7%.

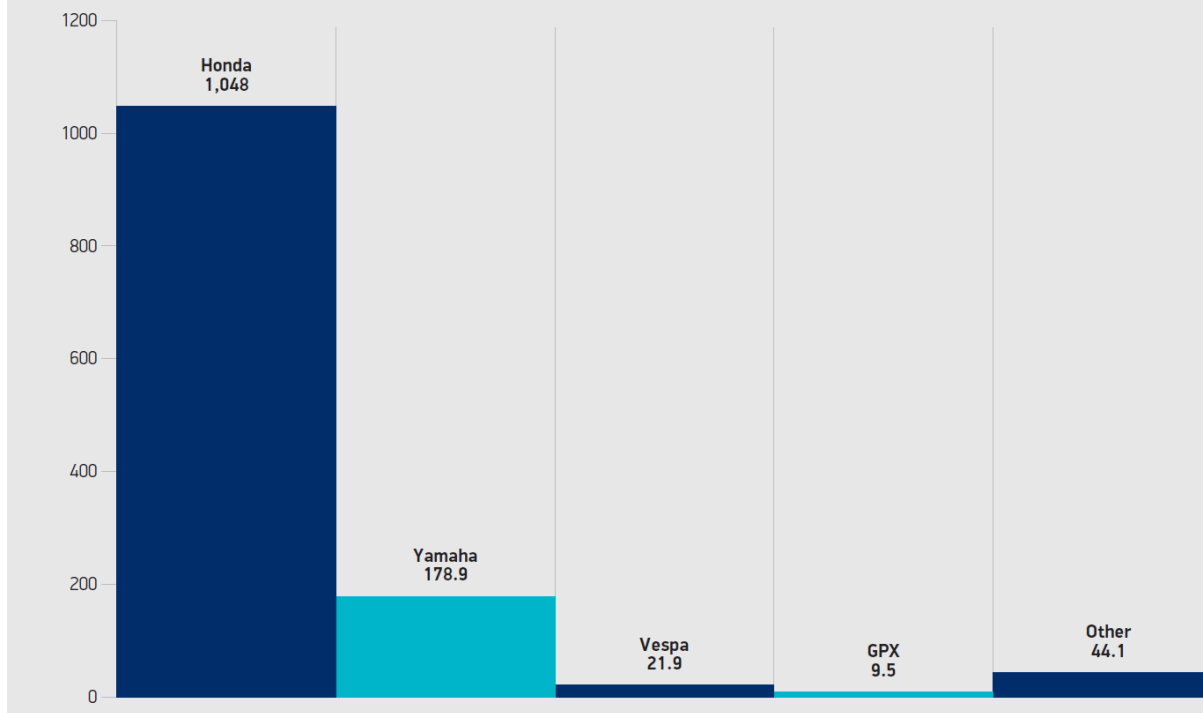
**Chart 08 Key brands of passenger vehicles in Thailand (based on new sales number in thousand units) 9M 2024**

Source: Department of Land Transport



**Chart 09 Key brands of motorcycles in Thailand based on new sales numbers - thousands (9M 2024)**

Source: Department of Land Transport



## Automotive parts outlook

In 2023, Thailand's automotive parts market was valued at approximately £54 billion, with strong demand for tyres, filters and engine components. Emerging growth areas include advanced sensors, EV batteries, and electronics, reflecting a shift towards higher-margin products. The market is divided into two segments: Original Equipment Manufacturer (OEM), accounting for ~51% of sales, and the aftermarket parts, which makes up ~49%. The aftermarket segment continues to expand due to an ageing vehicle fleet and rising vehicle numbers, while OEM growth is expected to accelerate as supply constraints ease by 2024.

Local production supports over 80% of parts used in domestic assembly. However, technology-intensive components such as microcontroller chips and specialised parts are predominantly imported from Japan and China. The aftermarket segment, driven by vehicle age and mileage, relies on a distribution network of service centres, retailers, and garages. Import values for aftermarket parts are rising steadily, with Japan supplying 43%, China 17%, and the United States 8% of these components.

The auto parts industry is projected to grow continuously, supported by global investments in semiconductor production and increasing demand for replacement parts. Key players include Bridgestone, Bosch, NGK Spark Plug, ZF Friedrichshafen AG, and Continental AG. Bridgestone leads in tyre manufacturing, Bosch offers a wide range of components for both OEMs and the aftermarket, and NGK specializes in ignition systems. ZF and Continental focus on advanced technologies and high-performance parts, driving innovation in the sector.

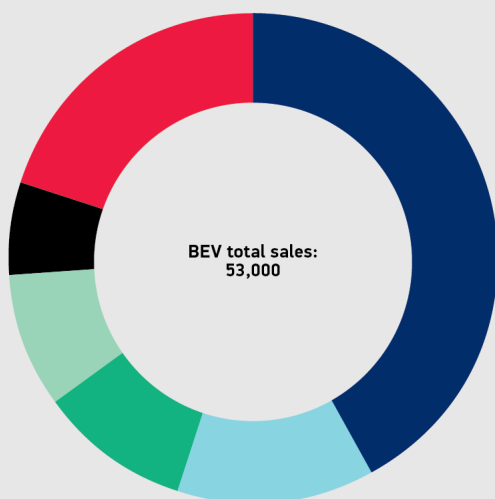
## STATE OF TECHNOLOGY

### Electric Vehicles in Thailand

Between January to September 2023 and the same period in 2024, the adoption rate of four-wheel battery electric vehicles (BEV) rose from 12% to 13%, driven by the wider availability of models and supportive government initiatives such as the EV 3.5 program.

**Chart 10 BEV Passenger Vehicles Brand Share 9M 2024**

BYD 42% MG 13% Neta 10% Deepal 9% Tesla 6% Others 20% Source: Department of Land Transport



This program runs up to 2027 and offers subsidies and tax incentives to encourage both consumers and manufacturers to transition to BEVs. To qualify for these benefits, manufacturers must increase local production to two domestically made EVs for every imported one by 2026, and three by 2027.

This incentivises local manufacturing, lowers costs and enhances accessibility for consumers, thereby boosting the appeal of EVs. Chinese players are leading the BEV market in Thailand.

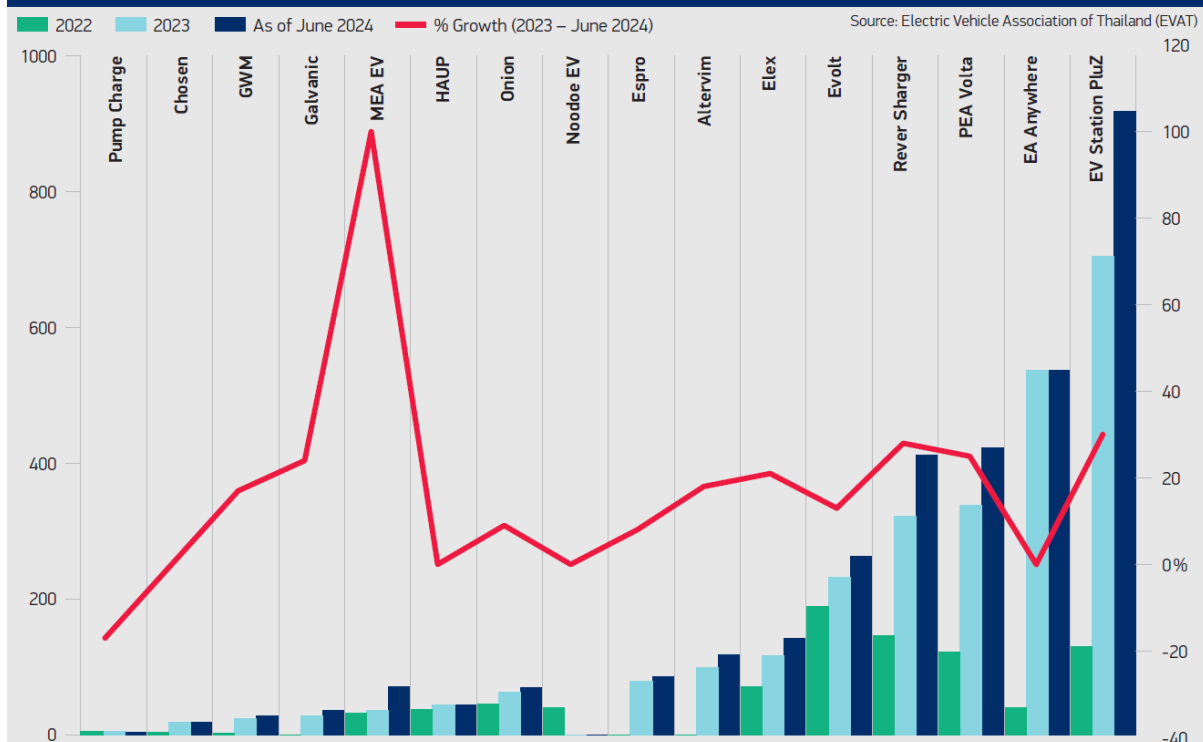


## Charging Infrastructure

As of June 2024, Thailand has over 3,000 charging locations and 10,846 outlets nationwide, with 5,388 AC and 5,458 DC fast chargers, according to the Electric Vehicle Association of Thailand (EVAT). Charging outlets grew by 12% in the first six months of 2024, driven by a 20% increase in DC chargers, favoured for their speed. Despite this growth, most chargers are concentrated in urban areas, limiting inter-provincial EV travel. To address this, Thailand aims to expand DC fast chargers to 12,000 by 2030 and 36,500 by 2035.

Leading the market, EV Station PluZ added 200 locations and 500 outlets in early 2024. Meanwhile, the Metropolitan Electricity Authority (MEA) introduced "Charge Sure by MEA," a certification service ensuring charging station safety and reliability, promoting EV adoption. To further support Thailand to achieve its EV charging station target, The Thailand Board of Investment has played a role by offering tax incentives to stimulate investments in this sector, granting five-year corporate income tax exemptions to stations with at least 40 chargers (25% DC fast chargers) and extending three-year exemptions to smaller operator such as startups, broadening eligibility for investors.

**Chart 11 Number of Location of EV Charging Station**



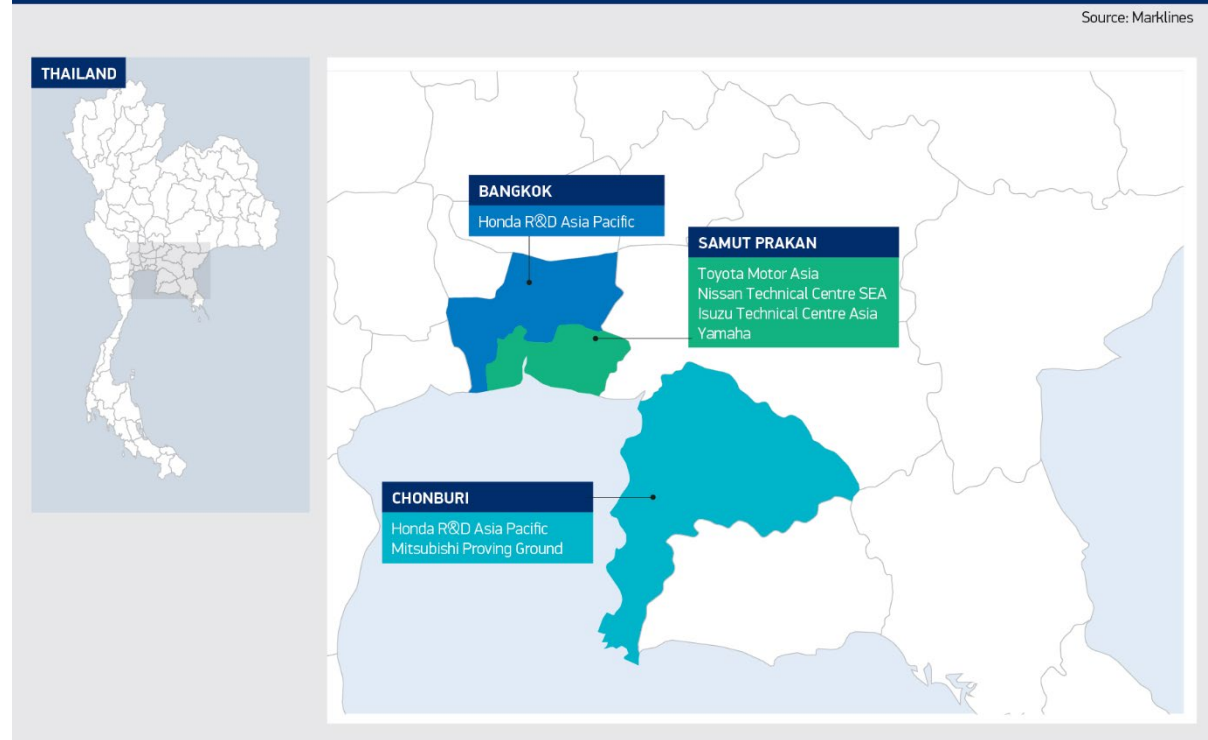
## Automotive R&D Centres in Thailand

Thailand has become a key hub for automotive R&D in Southeast Asia, hosting seven research centres.

- **Toyota Motor Asia:** Only R&D centre in SE Asia; focuses on product planning, design, evaluation, and localisation.
- **Nissan Technical Centre SEA:** Supports ASEAN production; only Nissan R&D centre outside Japan.
- **Isuzu Technical Centre Asia:** Specialises in LCVs and PPVs ; handles planning, design, engineering, and prototyping.
- **Honda R&D Asia Pacific:** Covers planning, design, engineering, and testing for Asia and Oceania; only Southeast Asia presence (plus motorcycle R&D centre).
- **Mitsubishi Proving Ground:** First outside Japan; tests pre-production, noise, vibration, and harshness.
- **Yamaha (motorcycle):** Customises motorcycles for ASEAN market preferences and standards.

Chart 12 **Automotive R&D Centres in Thailand**

Source: Marklines



## Current R&D focused areas of research

By 2030, the Thai Automotive Institute has identified seven key areas of automotive R&D as critical focal points, aligning with current gaps in Thailand's capabilities. These areas are likely to gain government support in the coming years, making them strategic opportunities for UK companies operating in these fields to align with evolving priorities within the country.

1. **Connected Vehicles:** Enhanced connectivity to improve safety and generate additional service-based revenue.
2. **Human-Machine Interface:** Development of digitised and intuitive control systems to streamline driver-vehicle interaction.
3. **E-Mobility:** Increasing electrification of powertrains, aiming to reduce the dominance of internal combustion engines in favour of sustainable electric mobility solutions.
4. **Automated Vehicles:** Transition from partially automated driving to fully self-driving technologies, addressing future demands for advanced mobility.
5. **Digital Industry:** Transformation through predictive analytics and adaptive data, enhancing process efficiency within the automotive sector.
6. **New Distribution Models (Pay-Per-Use):** Introduction of flexible vehicle usage models, such as pay-per-use, tailored for specific customer groups.
7. **Changing Customer Structures:** Shift from individual car ownership to large-scale fleet or group purchasing, driven by mobility-on-demand services.

## POLICY

Thailand's government has implemented policies to bolster its automotive industry in the EV sector. The "EV 3.5 policy", introduced in December 2023, offers subsidies and excise tax reductions for BEVs, including passenger cars, pick-up trucks, and motorcycles.

Additionally, in 2024, the National Electric Vehicle Policy Committee approved a temporary reduction, effective from 2028 to 2032, on excise tax rates for hybrid electric vehicles (HEV).

The EV board has also endorsed incentives aimed at motivating companies to shift their large truck and bus fleets to BEVs. Companies can deduct expenses from the purchases of electric buses and trucks for corporate income tax calculation, for locally manufactured vehicles (deductible twice), and for imported ready-made vehicles (deductible 1.5 times). This incentive is effective until December 31, 2025. These initiatives aim to position Thailand as a leading EV production hub in Southeast Asia.

**Chart 13 EV 3.5 scheme for passenger cars, pick up, and motorcycles**

Source: BOI, YCP Research and Analysis

EV 3.5 TYPE OF VEHICLE	SUGGESTED RETAIL PRICE	BATTERY CAPACITY (kWh)	IMPORT DUTY RATE REDUCTION	EXCISE TAX REDUCTION	SUBSIDY AMOUNT
Electric Passenger Cars*	< THB 2,000,000 (< GBP 46,000)	≥10-49 kWh	Up to 40% reduction (CBU only for 2024-2025)	From 8% to 2%	THB 25,000-50,000 (GBP 575-1,150)
	< THB 2,000,000 (< GBP 46,000)	≥ 50 kWh	Up to 40% reduction (CBU only for 2024-2025)	From 8% to 2%	THB 50,000 -100,000 (GBP 1,150-2,300)
	≥ THB 2,000,000 -7,000,000 (≥GBP 46,000-161,000)	≥ 50 kWh	No duty reduction/ exemption	From 8% to 2%	No subsidy
Electric Pick-Ups (Only domestically manufactured vehicle)	≤ THB 2,000,000 (≤ GBP 46,000)	≥ 50 kWh	No duty reduction/ exemption	No duty reduction/exemption	THB 100,000/unit (GBP 2,300)
Electric Motorcycles (Only domestically manufactured vehicle)	≤ THB 150,000 (≤ GBP 3,450)	≥ 3 kWh	No duty reduction/ exemption	No duty reduction/exemption	THB 10,000/unit (GBP 230)



\*To be eligible for subsidy the manufacturers must offset the imported CBU with local production at the ratio of 1:2 by 2026 1:3 by 2027.

1GBP = ~43.48 THB



## Chart 14 **Tax incentives for EV fleet conversion for commercial vehicles**

Source: EV board committee, YCP Research and Analysis

VEHICLE CLASSIFICATION	CONDITION	TAX INCENTIVE	TIMELINE
<b>EV BUS and Truck</b>   <small>*Including electric trucks for commercial uses such as container trucks, liquid trucks, special trucks, low trucks, as well as electric buses</small>	Vehicles Manufactured domestically	Deduct expenses of 2 times the actual price of the vehicles (without a price ceiling)	Until December 31, 2025
	Imported Vehicles	Deduct expenses of 1.5 times the actual price of the vehicles (without a price ceiling)	Until December 31, 2025

## UK – THAILAND TRADE PARTNERSHIP

Additionally, The UK-Thailand Enhanced Trade Partnership (ETP), signed in September 2024, aims to strengthen trade and investment between the two countries, the scope of focus includes automotive industry. The partnership seeks to boost bilateral trade and investment in the automotive sector through initiatives such as knowledge sharing on decarbonisation, including EVs, aligning international standards, and collaborating on automotive homologation and testing procedures. It offers UK companies the recognition of the UK's vehicle emission testing standards in Thailand, which will facilitate smoother market access for UK-manufactured vehicles. This also includes trade missions and supply chain matching to strengthen ties between the two countries.

The ETP lays the groundwork for future free trade agreements that could enhance opportunities for UK automotive businesses in Thailand, especially within the expanding EV market. UK manufacturers can leverage Thailand's strategic location, supportive policies, and growing demand for EVs to establish production facilities and export throughout the ASEAN region. This agreement makes Thailand an increasingly attractive destination for UK automotive investment.

## OPPORTUNITY AREAS

Thailand's auto parts aftermarket is growing and expected to be worth £35 billion by 2030.

Aftermarket parts represent almost 50% of Thailand's overall auto parts market. Currently the aftermarket segment is valued at £27 billion and expected to grow by 4% CAGR, driven by strong demand for replacement equipment from Thailand's growing national fleet and ageing vehicle population, where approximately 50% of vehicles are over 10 years old.

The aftermarket is expected to reach over £35 billion by 2030. This presents great opportunities for UK companies to collaborate with Thai distributors and workshops, bringing advanced aftermarket solutions to the growing market.

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*[When entering the Thai market] "Local support and language is very important together with fast quote turnaround and short lead times"*

Asia Pacific Managing Director, TR

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**In 2024, the Thai Cabinet has allotted over £164 million to further drive EV growth to meet its 30@30 target of more than 1.1 million BEV sales annually by 2030.**

Thailand's BEV market has been gaining traction since 2022 and is expected to reach over 1.1 million units of BEV sales (including passenger, motorcycle and commercial vehicle) by 2030 as per the government's ambitious 30@30 target, which would represent over 55% CAGR from 2024-2030. The growth in EV adoption driven by domestic adoption and government incentives is expected to create substantial opportunities in the EV parts sector.

**Chart 15 Target, Classification, 2025 (Unit, adoption rate), and 2030 (Unit, adoption rate).**

Source: BOI, YCP Research and Analysis

TARGET	CLASSIFICATION	2025 (UNIT, ADOPTION RATE)	2030 (UNIT, ADOPTION RATE)
ANNUAL SALE TARGET			
 	Passenger car / Pickup car	225,000 (30%)	440,000 (50%)
	Motorcycle	360,000 (20%)	650,000 (40%)
 	Bus & truck	18,000 (20%)	33,000 (35%)
PRODUCTION TARGET			
 	Passenger car / Pickup car	225,000 (10%)	725,000 (30%)
	Motorcycle	360,000 (20%)	675,000 (30%)
 	Bus & truck	18,000 (35%)	34,000 (50%)

As of year-to-date August 2024, The Board of Investment has approved over £78 million worth of EV parts projects and reported a surge in activity, with approved projects for EV auto parts growing by 62% in value and more than tripling in number of projects between Y-o-Y 2023 vs 2024. This signals on-going development of the EV value chain in Thailand. Examples of BOI promoted parts includes both high voltage wire sets and battery parts for EVs. This presents several opportunities for UK companies to supply to these new investments and reach out to established players such as Denso and Summit Auto who have expanded their offerings to include EV parts. UK companies could start by initially participating in tradeshow to enhance brand visibility and further develop relationships locally.

## **PTT group announced its plan to expand its EV charging network by 400% by 2030, reaching 7,000 DC outlets, to support growth EV ecosystem in Thailand**

PTT Group, the largest oil and gas conglomerate in Thailand, owns and operates EV Station PluZ. It is the market leader in EV charging stations in Thailand with over 919 charging stations and 1,718 DC charging outlets. PTT plans to increase DC charging outlets to reach 7,000 outlets by 2030, demonstrating a significant growth of 26% CAGR until 2030. This highlights other opportunities for UK high-tech EV charging station hardware or software service companies to enter Thailand to support this major expansion plan.

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*"We decided to enter Thailand because we saw high growth potential in the local market. Having a native local representative has been a huge help in allowing us to have positive engagement with companies in the market."*

UK electric motor manufacturer

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## THINGS TO CONSIDER FOR UK COMPANIES

### Board of Investment of Thailand Incentives Scheme

Board of Investment of Thailand (BOI) is a government agency under the Ministry of Industry responsible for promoting investment in Thailand. The BOI provides various incentives to both Thai and foreign investors in specific sectors of the economy. BOI approval is not required for foreign business to operate in Thailand, but it enables full foreign ownership, offers incentives such as land ownership rights, import duty exemptions on machinery for R&D and training, and the ability to remit foreign currency abroad. These privileges support enterprises that enhance Thailand's investment landscape. The application process consists of eight steps, where applicants must provide project details and investment plans, which can take up to eight months.

The BOI provides support through Corporate Income Tax exemption for up to 13 years, depending on the activity of the company. In the automotive industry, higher level production such as Completely Knocked Down or Semi Knocked Down is required, rather than distribution and trading activity. It also offers other tax incentives, including exemptions on import and export duties, as well as various non-tax benefits such as exemptions on local content requirements.

### Market entry model

Overseas firms have a range of market entry options including:

- **Partnering with local trade partners:** Explore the market first with less risk and investment, identify trade and support partners, and consider applying for BOI support in parallel, to be ready for the next steps.
- **Acquiring an existing business:** Can offer a shortcut to securing business in market with local expertise and customer networks in place.
- **Establishing their own operations or a joint venture:** Fully leverage UK companies expertise to start building a strong foundation in Thailand market.

Some key questions to understand before entering the market:

- What type of business activity will the company fall into?
- Would that specific business plan or model be eligible for government incentives such as Board of Investment (BOI) promotion?
- What business structure would offer the best financial structure for the company, considering the tax and investment landscape?

## Risks and Challenges for overseas firms

- **Complex Regulatory Landscape:** Regulations impacting the auto sector in Thailand can be open to interpretation. Hence, having a local partner with expertise and familiarity with processes and cultural nuances can help UK companies understand the regulatory landscape.
- **Price-sensitive Market:** Businesses must contend with price sensitivity in the Thai market. Competing with low-cost imports, particularly from China, can be a considerable challenge, as noted by several UK manufacturers operating in the region. UK companies must identify uniqueness and leverage advanced features and technology to compete in the Thai Market.

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*"Price is king in a commoditised market...[Thai buyers] are forced to look to ultra-low cost competitors typically sourced from China' "*

UK electric motor manufacturer

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## Recommendations for UK companies

- **Leverage Local Representative:** Having local on-ground representatives can help ease the initial market entry. Local collaboration and on-ground personnel, who understand cultural and market nuance are essential to stay connected with established networks in Thailand, as well as allowing a faster response to customer inquiries.
- **Focus on Differentiation:** Avoid competing purely on price in the commoditised market. Offer niche, high-value products or services that cannot be easily replicated by low-cost providers, especially Chinese imports.
- **Utilise Support Networks:** Take advantage of the support available from the Society of Motor Manufacturers and Traders and the UK Department for Business and Trade, for help and advice in doing business in Thailand and other markets.

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*"We would like to attribute part of our success in Thailand to the help and support that has been available from both SMMT, with engagements such as the UK pavilion, and the staff at the Bangkok, British Embassy and the international trade team." UK electric motor manufacturer*

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## Key Opportunities for UK Companies

**Growth in Aftermarket Auto Parts:** Thailand's aftermarket auto parts segment, currently valued at £27 billion, is expected to grow at a 4% CAGR and reach £35 billion by 2030. This presents great opportunities for UK companies to collaborate with Thai distributors and workshops, bringing advanced aftermarket solutions to the growing market.

**Electric Vehicle Market Expansion:** A significant opportunity is the growing demand for EV parts in Thailand, driven by the government's ambitious 30@30 target. With the BOI approving over £78 million for EV parts projects and a 62% increase in project value, there is rising demand for components like high voltage wire sets and EV battery parts to both new and established players such as Denso and Summit Auto.

**EV Charging Infrastructure Growth:** EV Charging providers are expanding their coverage. For example, PTT Group aims to increase charging outlets by 400% by 2030, reaching 7,000 DC outlets. Current network includes over 919 charging stations and 1,718 DC charging outlets. This offers opportunities for the supply of hardware and software to support the expanding EV ecosystem in Thailand.

## **CLOSING: SMMT SUPPORT**

SMMT helps companies enter and succeed in overseas markets through our programme of activities and support for members.

Contact the International team to discuss your plans for Thailand or any other market.

**international@smmt.co.uk**

## **Footnotes for reference sources for charts.**

- Motor Vehicle local production by type : Marklines
- Motorcycle local production: Thailand Automotive Institute (TAI)
- Passenger car production by fuel type 9M2024: Thailand Automotive Institute (TAI)
- Production map: Marklines
- Component production: Marklines, YCP Research and Analysis
- Vehicle in circulation by type: Department of Land Transport
- Vehicle in circulation by fuel type: Department of Land Transport
- Brand new sales market share: Department of Land Transport
- BEV Passenger vehicle brand share 9M2024 : Department of Land Transport
- Charging infrastructure source: Electric Vehicle Association of Thailand (EVAT)
- R&D location map: Marklines
- EV 3.5 scheme: BOI, YCP Research and Analysis
- Tax incentives for EV fleet conversion for commercial vehicles: EV board committee, YCP Research and Analysis
- 30@30 targets: BOI, YCP Research and Analysis



**THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED**

71 Great Peter Street, London, SW1P 2BN

Tel: +44 (0)20 7235 7000

E-mail: [communications@smmt.co.uk](mailto:communications@smmt.co.uk)



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[www.smmt.co.uk](http://www.smmt.co.uk)

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