

DOING BUSINESS GUIDE **Thailand**





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1. Why Thailand

An aerial night view of a modern city skyline, likely Bangkok, Thailand. The image shows several prominent skyscrapers with their windows illuminated, reflecting the city lights. The sky is a deep blue, and the overall scene conveys a sense of a bustling, modern urban environment.

Thailand presents significant opportunities as a large, upper-middle-income economy. The nation, having made impressive strides to modernise, now has the second-largest GDP in ASEAN and is a key regional business hub. Its strategic location provides easy access to large and fast-growing Asian markets and the country is a major driver of intra-regional trade. Thailand has developed strong urban centres that are home to a rapidly growing middle class. As a relatively open economy, Thailand provides opportunities for Australian businesses across a range of consumer and industrial sectors.



1.1. Economy overview

Over the past four decades, Thailand has made significant progress to move from a low-income to an upper middle-income country. The country has a strong foundation for future progress as it transitions from an economic model focused on goods export to growth driven by manufacturing, tourism, services, technology and investment.

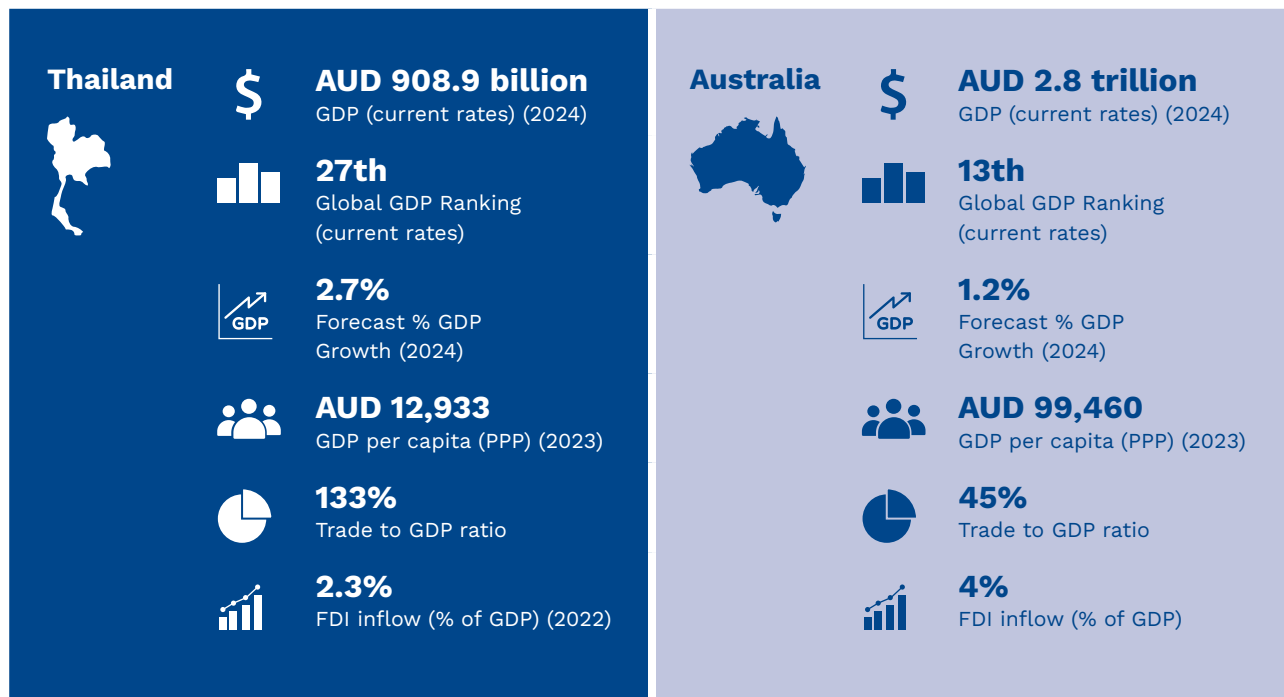
As one of the most open economies globally, Thailand has 14 Free Trade Agreements with 18 countries, including Australia. The two countries have long-standing and deep connections and formal diplomatic relations were established in 1952. Australia and Thailand cooperate in a broad range of areas, including trade and investment, defence, law enforcement, counterterrorism, education, agriculture, migration, tourism, energy and climate change.

Australia and Thailand enjoy a substantial commercial relationship, underpinned by the Thailand-Australia Free Trade Agreement (TAFTA). Since TAFTA came into force on 1 January 2005, trade in goods has more than doubled. Two-way trade in goods and services was worth approximately AUD 30.8 billion (THB 730 billion) in 2022-23, making Thailand Australia' 3rd largest trading partner in Southeast Asia and 10th largest overall.

Thailand is also a member of the Regional Comprehensive Economic Partnership (RCEP), which came into force early 2022. This trade agreement with 14 other Indo-Pacific countries will enable Thailand to deepen its economic integration within the broader region.

Thailand has been identified as a key market for two-way trade and investment in the Australian Government's [Southeast Asia Economic Strategy to 2040](#). More information on the bilateral relationship is available in [Section 5.1](#) and from the Department of Foreign Affairs and Trade's [Thailand Country Brief](#).

Comparing key indicators: Thailand and Australia



Source: IMF and World Bank

Thailand's GDP growth is projected at between 2 to 3 per cent annually over the next two years, up from 1.9 per cent in 2023. Key factors driving this growth include increased momentum from government expenditure and public investment, continued recovery of the tourism sector after Covid-19, favourable growth in private consumption, and expansion of exports in line with the global trade recovery.

The middle class is projected to grow rapidly as economic development in the country sees income levels rise and higher value-added jobs become more available. By 2040, the middle class is projected to

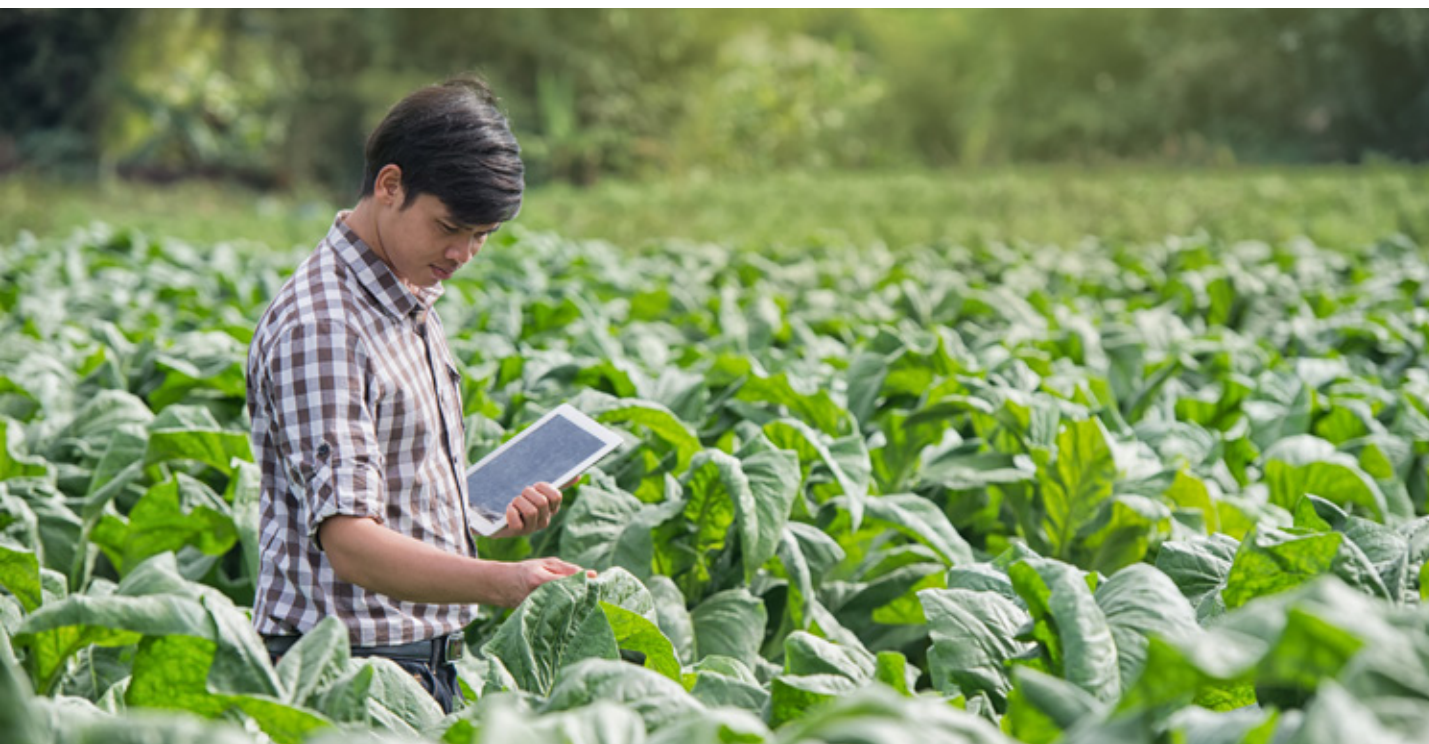
account for 39 per cent of the total population, up from 36 per cent in 2022. Thailand hopes to further grow its middle class by transitioning its traditional manufacturing-base to a digital economy.

The Thai government has implemented key policies to improve its digital infrastructure, grow its ICT skills base and expand the digitisation of key industries beyond services. It is also partnering with technology companies and regional partners to grow investment in the digital sector. This presents opportunities for Australian businesses to invest and participate in Thailand's economic future.

Figure 1: Real GDP Growth - Thailand and world average (2016-2026f), %



Source: IMF



1.2. Sectoral snapshots

Thailand's growth trajectory presents opportunities for Australian trade and investment, particularly in sectors that align with the country's economic development priorities and its growing consumer class. This section provides a short overview of prospective sectors.



Education

Thailand's push to digitise its economy is creating additional demand for high-quality education. The country has low English proficiency, which the government is trying to address by adopting an international curriculum and growing the availability of foreign teachers. There is strong potential for Australia to collaborate with Thailand to improve the calibre of its English teachers and curriculum. Australia's education system is well-regarded in Thailand and the country ranks as one of Australia's top ten source countries for international students. Vocational education will play a significant role in the government's policy to transition to high value services. In the next decade, over eight million workers in Thailand will be required to shift from traditional manufacturing jobs to 'green jobs' that require a higher professional skill set. The Australian Government has a long-standing education and training partnership with Thailand focused on vocational education and training (VET), innovation and digital tools for online capacity-building, and research. Austrade has identified opportunities in **higher education, vocational education and training, and English language intensive courses for overseas students.**



Food and agribusiness

As disposable incomes grow, Thailand is experiencing increasing demand for international foods, including Australian-made products. This is especially prevalent in the packaged food and beverage segment, where the emerging middle-class consumer base is keen to spend on small indulgences for premium categories like ice cream, chocolate, 100 per cent fruit juices, coffee and crackers. Demand for high-quality, imported fresh produce and wine is also growing and Australian companies have a good reputation as suppliers of clean, healthy, premium products. Thailand's Bio-Circular-Green Industry (BCG) sector presents opportunities for Australian businesses in areas such as smart farming, plant factories, precision agriculture, aquaculture, and healthy food production (including prebiotics, probiotics and nutraceuticals). Austrade has identified key market opportunities in **dairy, horticulture, meat and livestock, packaged foods, seafood, and wine and beverages.**



Health and medical

Healthcare in Thailand is high quality, and the country currently ranks 31st on the 2023 Legatum Prosperity Index and 5th on the Global Health Security Index. Since 2002, Thailand has had a universal public healthcare system that offers mostly free medical treatment to 98 per cent of the population. The country's ageing population will spur further growth of the health sector. Thailand's digital health transformation saw the digital health market grow 27 per cent from 2020 to 2022. Dietary supplements are also popular in Thailand, with well over half of the population regularly using vitamin and mineral supplements. It is anticipated that the value of Thailand's nutrition and supplements market will reach AUD 1.22 billion (THB 28.75 billion) by 2030, up from AUD 762.94 million (THB 17.97 billion) in 2022, growing at a compound annual growth rate of 6.64 per cent. Austrade has identified key areas of opportunities which include **complementary medicine**, **biotech** and **digital health**.



Green economy

Thailand has committed to achieve a 40 per cent reduction in emissions by 2030, carbon neutrality by 2050 and net zero by 2065. Thailand also aims to be a regional hub for the production of electric vehicles, which provides scope for two-way trade and investment to expand battery manufacturing capacity. Thailand has revised its National Adaptation Plan to enhance climate resilience in water resource management, agriculture and food security, tourism and a range of other sectors. Thailand's clean energy transition presents opportunities to provide project engineering, design, construction and advisory services, and technology. There is strong growth in data centres in Thailand and these are also looking for power-saving technology. This market could be worth up to AUD 15.3 billion (THB 359.4 billion) per year by 2030. Austrade has identified **renewable energy solutions** as a key opportunity for Thailand.





Infrastructure, transportation and cities

The Thai government has made improving infrastructure a priority and it has invested close to AUD 169.87 billion (THB 4,000 billion) over the last two decades. Of this, AUD 42.72 billion (THB 1.0 trillion) was invested in infrastructure projects under Public-Private Partnerships (PPPs). Thailand's Eastern Economic Corridor (EEC) project aims to develop three eastern provinces (Chonburi, Rayong and Chachoengsao) into a leading ASEAN economic zone and technological manufacturing hub. The country also aims to develop 100 smart cities by 2024. Despite progress, Thailand still faces an infrastructure gap and the Global Infrastructure Hub estimates a further AUD 152.58 billion (THB 3.59 trillion) in infrastructure investment is required by 2040. Over the short-term, this presents opportunities for Australian investors in the early stages of PPP infrastructure projects, including highways, airports and waterways. Over the medium- to long-term, opportunities are likely across architecture, consultancy and engineering services, construction and project management. Austrade has identified infrastructure as an opportunity, including **sustainable building solutions** for Thailand.



Technology

Under Thailand's National Digital Blueprint and Thai 4.0 policies, which target industrial-scale digital transformation and development of a digital economy, technology will play a crucial role in shaping Thailand's economic future. Establishing a Government Data Centre and Cloud (GDCC) facility is a cornerstone of this strategy. Designed to be a secure and reliable data storage and processing facility, it will provide critical infrastructure for the initiative. The country's digital industry includes five main sectors: software, hardware and smart devices, digital services, telecommunication and digital content. Digital services showed the highest demand, driven by a growth in the value of fintech and health tech businesses in line with global trends. This presents opportunities for IT consulting, legal support, digital content, software and infrastructure development. Thailand's growing cybersecurity market also presents opportunities for businesses across software, telecommunications and hardware. The size of the cybersecurity market is estimated to grow from AUD 680.54 million (THB 16.02 billion) in 2024 to AUD 1.33 billion (THB 31.32 billion) by 2029. Austrade has identified **critical technology** solutions as opportunities for Australian businesses.



Professional and financial services

Thailand's professional and financial services sector is undergoing a period of transformative change post COVID-19 as the country embraces a shift to a digital economy and grows its position as a regional hub. The Thai government continues to streamline its financial sector, aiming to make it open and sustainable. Issuances of virtual bank licenses, debt restructuring and digital capability enhancement are all being driven by regulatory and policy support. The Bank of Thailand is also harnessing digital technology to provide open competition, open infrastructure and open data. It is expected to approve 30 virtual bank licences in mid-2024. A one-year grace period will allow selected banks to refine their operations and prepare for an official launch in 2025. This presents opportunities for Australian companies to provide consulting and legal support, accounting services and fintech development.



Mining equipment, technology and services (METS)

Thailand's mining sector is undergoing a period of growth and national GDP from mining in Thailand increased to AUD 1.89 billion (THB 44.65 billion) in the first quarter of 2024. The Thai government is also actively pushing for lithium exploration and production to become a regional hub for EV production and battery development, both for vehicles and energy storage. It plans to start producing lithium from a new mine as early as 2026. It has also signalled the potential for growth through further exploration. Thailand permits majority (60%) Australian ownership of mining operations under TAFTA. An Australian company presently operates a gold mine in Thailand while another is planning to construct and operate a nickel sulphate plant. METS export and investment opportunities for Australian companies are likely to grow, especially given limited in-market capability in mining technology and services in Thailand.



Tourism

Tourism is a key sector for Thailand's economy. Prior to COVID-19 it contributed nearly 20 per cent of GDP with close to 40 million visitors annually. Thailand has implemented policies to recover its tourism sector after the pandemic and aims to grow tourism revenue to AUD 148.64 billion (THB 3.5 trillion) and attract an extra 21.7 million foreign tourists to Thailand. Sustainable tourism is also gaining traction in Thailand and the government has set a goal to earn AUD 219.57 million (THB 5.17 billion) from sustainable tourism. There are opportunities for Australian businesses to provide training, investment and consulting services in the tourism sector. The Thailand-Australia Free Trade Agreement (TAFTA) also allows majority (up to 60 per cent) Australian ownership of major restaurants or hotels in Thailand over a certain size and value.

2. Understanding Thailand

An aerial night photograph of a city, likely Bangkok, showing a complex multi-level highway interchange. The roads are filled with traffic, creating long, bright orange and yellow light trails that curve and loop through the urban landscape. The surrounding city is densely packed with buildings, many of which are illuminated with various lights, including some with bright green and blue signage. The overall scene is a vibrant display of urban infrastructure and activity at night.

Entering a new market requires knowing what makes that market unique. An understanding of Thailand's business culture and risk profile provides a solid foundation from which to explore opportunities.



2.1. Business culture

Cultural intelligence is key to achieving sustainable business outcomes. Being able to read cultural clues and respond appropriately helps develop relationships, communicate effectively and build trust. While cultural and communication norms are changing as virtual modes of engagement increase, core cultural values remain an important factor in business. Not understanding the particularities of doing business in Thailand can lead to missed opportunities, delays and lost engagements.

Communication

Relationships and mutual trust are key to business success in Thailand and in-person communication rather than phone or email is preferred for discussions related to business. A polite, personable approach to business receives the best response. While small talk is appreciated, frankness is not, and positive language is key while asking questions or delivering answers.











As is common throughout Southeast Asia, communication in Thailand can often be indirect,

especially when dealing with conflict or negotiations. This means patience can often be required when reaching a business agreement or resolving a conflict. As open criticism or disagreement can cause a loss of face, it is important to remain calm, considered and diplomatic in commercial interactions.

Handshakes are the normal business greeting for exchanges with foreigners. However, Thais will often raise their hands as if in prayer to greet one another. Thai names can be long, so are often shortened to a nickname. It is preferred to use this name once introduced. The gender-neutral term 'Khun' is used before a given name when addressing someone.

Many Thais have a good grasp of written English, though their speaking and listening abilities will vary. It is essential to use clear, plain and jargon free English while speaking. Sometimes, the help of a translator may be necessary. Staying connected with Thai stakeholders through multiple communication channels is key to building relationships and understanding cultural context. Although in-person meetings are key, the use of instant messaging apps like Telegram, Line, WhatsApp and Messenger is widespread.

Navigating culture in business – the importance of core cultural values


Core cultural values	Country	
	Australia	Thailand
Direct communication		
Group focus		
Hierarchical approach		
Relationship focus approach		
Risk taking		

 Very high

 High

 Medium

 Low

 Very low



Relationships

The strength of a business relationship can have a significant impact on commercial outcomes in Thailand. Although these can be more social and personal than in Australia, building relationships with Thai partners can take time. It is considered rude to begin business discussions without first engaging in small talk. Thais build business relationships by both entertaining and being entertained. Embrace invitations to eat and drink with counterparts and, when appropriate, reciprocate. The host will usually pay for everyone. Avoid pushing too soon or too hard to initiate serious business conversations as it is important to build the relationship first.

Thai companies are cautious and prefer long-term partnerships. Regular in-person contact is essential, and winning over the trust of a Thai company can entail repeat pitches. Be personable and talk about shared interests and important aspects of your business partner's life, like children or hobbies. Being open and friendly is important, as Thai business culture values personal connections above potential profits or the bottom line.

Hierarchy

Thailand follows a strong hierarchical structure both in society and the workplace, which is based on age, position and experience. Individuals adhere to this hierarchy and decision-making often follows a top-down approach. Sensitive or difficult conversations are expected to be initiated by someone with higher authority and blame is often passed to those who are more senior in business settings.

For foreign businesses, it is important to be aware of this social structure and show respect to those in positions of authority. Addressing people by their correct titles and using formal language is vital. Thai professionals will often judge someone's position within a hierarchy based on age, experience, and role. Having a business card helps clearly state credentials and position and enables Thais to gauge a person's rank in an organisation for smoother interactions.

During a meeting, you should address the most senior person with whom you have a relationship. If senior officials are present, it is expected that they will meet with someone of a similar rank in the other organisation. Avoid filling in periods of silence as it is common for careful consideration to be made before a response is given in business discussions. These actions can help foreign businesses navigate Thailand's often complex business landscape.

The importance of partnerships

Successfully navigating Thailand's business landscape often requires local talent, knowledge and expertise, and partnerships form an important model for doing business. It is critical to find the right business partner in Thailand. Their local knowledge of business customs, costs of doing business, and business rules can help you successfully do business in Thailand.

Building a partnership requires having relationships in place that can facilitate introductions. After identifying a potential partner, it is essential to conduct due diligence. This includes understanding their customers and clients, their reach across Thailand, the support they can offer for product localisation and in-market reputation. It is essential to undertake reference checks and risk assessments before formalising any local partnerships. Australian businesses can review Thailand's centralised [Tax Identification Portal](#) and the [Department of Business Development](#) as part of a comprehensive company background check.

The strength of a local partnership brings advantages across multiple aspects of a commercial operation, from procurement and contracting to gaining credit. Importantly, a local partner can often assist with bureaucratic requirements, including company and product-specific registration processes. Building a long term and sustainable partnership takes time and patience. Austrade and AustCham Thailand can help identify potential partners in Thailand (more details can be found in [Section 5.2](#)).

For a more detailed understanding of business culture, business etiquette, and building long term and sustainable partnerships to deliver strong business outcomes visit the Asialink Business Academy.

2.2. Managing risks

Thailand offers significant opportunities for informed and well-prepared Australian businesses, but doing business in any new market can involve a range of uncertainties. These should be identified and mitigated as much as practicable – and managed carefully once business operations are established.

Risk factors in Thailand



Economic – including the potential for government default (sovereign risk), fiscal, monetary and exchange rate risk.

What this means for your business in Thailand

Thailand's economic outlook is stable, and Fitch Ratings has defined the country's Long-Term Foreign-Currency Issuer Default Rating (IDR) at 'BBB+'. S&P also rates Thailand at BBB+, with real GDP growth of 3.93 per cent.

Thailand's ratings reflect its robust external finances and sound macroeconomic policy framework, balanced against some weaker structural features compared with 'BBB' category peers, including lower per capita income and World Bank governance scores.

Thailand uses a managed-float exchange rate regime. The Bank of Thailand supervises foreign exchange transactions and businesses relating to foreign means of payment to maintain exchange rate stability, help facilitate private sector operations, and develop the overall financial market and economy in Thailand.

Potential mitigations for foreign exchange risk include forward contracts, foreign currency options and utilising foreign bank accounts and loans to manage currency inflows and outflows. Seek advice on the level of currency risk and potential mitigations.



Political – including the potential for political instability and restrictive government policies.

What this means for your business in Thailand

Political risk in Thailand is moderate. Thailand's democracy status is considered weak according to BTI's Political Transformation Index, which measures a country's state of political transformation on five criteria. It has a weak rule of law and a higher government monopoly on the use of force. Thailand's overall ranking on the political transformation index is 93 out of 137 countries.

The political environment is characterised by tensions between establishment and progressive actors. Thailand has a long history of military coups and there is risk of political violence.

Consider performing political risk due diligence for any major investments and be mindful of political affiliations of potential partners. For significant investments, political risk insurance may provide potential mitigation.



Corruption – including the potential for bribery, embezzlement and conflicts of interest.

What this means for your business in Thailand

Thailand scores a low 35 out of 100 in Transparency International's Corruption Perceptions Index. Government integrity ranks 38.7 according to the Heritage Foundation's Index of Economic Freedom, which is on par with Vietnam and Indonesia. Public corruption remains a challenge in Thailand.

Corruption in the judiciary is a high risk for businesses operating in Thailand. Businesses indicate that irregular payments and bribes are commonly made to obtain favourable judicial decisions.

The Office of the National Anti-Corruption Commission (NACC) is Thailand's principal agency for corruption prevention and suppression. The NACC's National Corruption Deterrence Center (CDC) reported 1,553 corruption cases with project values totalling over AUD 5.94 billion (THB 140 billion) between January 19, 2022, and the end of January 2024.

You should familiarise yourself with Australia's foreign corruption and bribery legislation, and ensure you have a robust anti-corruption strategy.



Regulatory – including the potential for regulations that increase the cost of doing business, reduce the attractiveness of an investment or change the competitive landscape.

What this means for your business in Thailand

Thailand scores 59th in its economic freedoms according to the Heritage Foundation's International Index of Economic Freedom, which is classified as mostly unfree. The country ranks 87 out of 176 countries on the overall index, below its Southeast Asian neighbours Singapore, Brunei, Malaysia, Indonesia and Vietnam.

Within the Index's categories, Thailand's business and trade freedom is moderate and indicates an open trade approach with other countries. The country scored 70.3 in business freedom and 72.8 in trade freedom. Thailand's investment freedom is also moderate at 55, which indicates that there are regulatory restrictions on foreign investments in the country. This ranks below Malaysia and Singapore but above Indonesia and Vietnam.

A trusted local partner can help you understand, navigate and secure complex regulatory processes.



Intellectual property (IP) – including the potential for weak or underdeveloped IP protections and enforcement mechanisms.

What this means for your business in Thailand

Thailand scores a low 38.3 per cent in the U.S. Chamber of Commerce International IP Index. It ranks in the lower quartile of countries in the index. Thailand's IP weaknesses include inadequate patent protection and gaps in patentability for high-tech arts, including life sciences and CII; and high physical counterfeiting and digital piracy rates; software piracy is estimated at 64 per cent.

In recent years, Thailand has taken proactive efforts to combat intellectual property infringement, which has demonstrated visible improvements. The 2022 Copyright Act amendments introduced a notice-and-takedown scheme and additional remedies for the circumvention of technological protection measures, including the manufacture, sale, rental, or importation of circumvention devices. The 2022 Thailand Research and Innovation Utilization Promotion Act improves the technology transfer environment.

Registration for patents, trademarks and copyrights can help mitigate IP risk. Continual product development and brand updates can deter counterfeiting. Technology solutions such as RFID tags and QR codes to authenticate products can add an extra layer of protection.



Geopolitical – including the potential for trade relationships, security partnerships and territorial disputes to impact business activities.

What this means for your business in Thailand

Thailand skilfully navigates US-China tensions through strong relationships with both countries and by adhering to ASEAN centrality. The ongoing conflict in neighbouring Myanmar has so far had little impact on Thailand. Like many trade-exposed countries, geopolitical tensions can increase the risk of higher commodity prices and impact the government's balance sheet.

Boards and leadership teams should familiarise themselves with geopolitical issues that may impact a business and, if relevant, develop plans in response to potential scenarios. Companies may also wish to seek external advice.



Supply chain – including the quality of infrastructure, levels of corruption, corporate governance, supply chain visibility and timeliness.

What this means for your business in Thailand

Supply chain risk is moderate with Thailand ranking 64 out of 130 countries in the FM Global Resilience Index 2024. This indicates that the country has quality infrastructure and logistics.

In the last decade, the government invested close to AUD 169.87 billion (THB 4,000 billion) in infrastructure. According to the World Bank, investment in PPP infrastructure projects in Thailand amounted to AUD 42.72 billion (THB 1.0 trillion) over the past two decades. However, Thailand still faces an infrastructure gap. The Global Infrastructure Hub estimates there will be an infrastructure spending gap of up to AUD 152.58 billion (THB 3.59 trillion) by 2040, if infrastructure investment does not accelerate.

Potential mitigations include supplier diversification, holding additional inventory, and implementing new operating models and processes. Technology is also providing improved analytics, sensors and automation.



Climate – including the potential for extreme weather events and rising sea levels to impact trade routes, supply chains and infrastructure.

What this means for your business in Thailand

Thailand ranks as the 102nd most vulnerable country out of 185 nations in the University of Notre Dame ND-Gain Index. Thailand is developing policies to respond to climate change but its adaptation needs and urgency to act are high.

Floods are the greatest natural hazard facing Thailand in terms of the economic and human impact from climate change according to the World Bank Climate Risk Report. Thailand is cited as one of the ten most flood-affected countries in the world. Drought and cyclone also represent major hazards. All may intensify in future climate scenarios.

Thailand placed climate change at the highest policy level in its 20-Year National Strategy (2018-2037) and has also developed a Climate Change Master Plan (2015-2050), which aims to make Thailand resilient to the impacts of climate change and achieve low carbon growth through sustainable development.

Identifying and mitigating climate change risks should be embedded in all elements of a company's strategy and operating model.

3. How to enter the market?



Understanding a foreign business environment is key to a successful market entry. This chapter focuses on important considerations for businesses looking to enter Thailand, including market entry models for exporters and investors, common business structures and how to adapt a product or service for the local market.



3.1. Exporting to Thailand

Thailand was Australia's fourteenth largest export destination in 2023, with total exports reaching AUD 11 billion. Resources and agricultural products dominate Australia's exports, but emerging trends are presenting opportunities for a range of sectors, including food and agribusiness, education and skills, hospitality and METS. Over 3,000 Australian companies export to Thailand and around 200 maintain a physical in-country presence.

Market entry models for exporting goods and services

Choosing an appropriate market entry model is essential for businesses looking to export to Thailand. Any choice should be informed by factors such as the overarching business strategy, target sector, and business size and maturity. It is important to note that market entry models frequently evolve over time.

Market entry model	Usually suited for
A. Direct exporting	Exporting products when more control is desired over distribution, marketing and sales
B. Agents and distributors	Exporting products when less control is desired over brand, marketing and sales
C. Online sales	Selling products via e-commerce

A. Direct exporting

In direct exporting, businesses sell directly to a Thailand customer from Australia. Exporting directly to Thailand requires a significant level of involvement in the export process, including market research, marketing, distribution, sales, product registration and approval, import-export licencing and receivables.

Direct exporting has some advantages, including:

- Greater control of commercial processes, including sales
- Better margins, as middlemen are avoided
- More direct customer relationships

While there are benefits, direct exporting can ultimately involve higher establishment costs in Thailand. It may be necessary to employ dedicated in-house staff and other resources to manage the complexities of exporting and sales. Businesses that use this model may need to consider ways to offset these costs, including employing an agent or distributor to handle local product registrations, while maintaining control over other aspects of the business such as marketing and supply chain management.

A direct export approach should be supported by references, brochures, catalogues and other product and business information. It also requires businesses to engage with customers regularly to build awareness and understanding of the products they are selling on an exporter's behalf. In return, a retailer's understanding of the Thailand market can help with product development, pricing and marketing. Selling directly to local retailers can generally cut commissions, reduce travel costs and create an effective conduit to market.

B. Agents and distributors

Many Australian firms doing business internationally rely on agents or distributors. The roles of agents and distributors differ, and they can vary across industry. It is therefore critical that roles and responsibilities are clearly defined early in any agreement.

Agents: Agents act as representatives of suppliers and do not take ownership of the products they sell. They are usually paid on a commission basis, which provides an incentive for them to drive sales. Being based in Thailand, they will often represent several complementary products or services. They can be retained exclusively as the sole agent for a company's goods or services or as one of several agents for the exporter.

Distributors: Unlike agents, distributors buy the goods from exporters and then resell them to local retailers or direct consumers. In some cases, a distributor may sell to other wholesalers who then on-sell to retailers or consumers. Distributors may carry complementary and competing lines and usually offer after-sales service. They earn money by adding margins to product prices. Distributor margins are generally higher than agent fees because distributors have costs associated with carrying inventory, marketing and extending credit for customers.

Choosing an agent or distributor: Whether a business decides to use an agent or distributor, building a close working relationship is essential. Due diligence when selecting an agent or distributor is important. Companies should ask for trade references and seek a credit check through a professional agency. It is best to meet any potential agents or distributors in Thailand. This will give them an opportunity to demonstrate knowledge of the market and build a business relationship.

WHEN CHOOSING AN AGENT OR DISTRIBUTOR, DO THEY...?

- ✓ Demonstrate an understanding of the products and prices of your competitors?
- ✓ Have a depth of experience in your sector and sub-sector?
- ✓ Have a depth of knowledge of the local market and sub-market?
- ✓ Demonstrate an understanding of consumer / customer trends?
- ✓ Have access to sales and / or marketing channels most relevant for your product?



C. Online sales

The rapid growth of Thailand's e-commerce market – it is now the dominant sales channel in the country – makes it an attractive and essential channel to sell products and services online. With an estimated market value of AUD 89 billion (THB 2 trillion) in 2023, the market has grown at a compound 11.1% per annum since 2019 and is estimated to be worth AUD 101.4 billion in 2024. It is presently the second largest e-commerce market in Southeast Asia after Indonesia.

Government policies to support the digital economy are assisting this growth. Thailand plans to provide free broadband internet to all villages, growing its digital economy from the current 12 per cent of GDP to 30 per cent by 2027. A development plan is underway to increase domestic network bandwidth by upgrading existing international submarine cable systems. A 13,000 square kilometre hi-tech zone nearby Bangkok, called Digital Park Thailand, is also under construction. Many new companies are entering Thailand's e-commerce market, which is expected to drive competition and widen the cross-border e-commerce opportunities in the future.

Accessing digital consumers: The COVID-19 pandemic helped grow online sales and a growing middle class and strong internet and mobile phone penetration have maintained the momentum. Over 85 per cent of the population now has access to the internet. The country also has over 97 million active cellular mobile connections, equivalent to a mobile

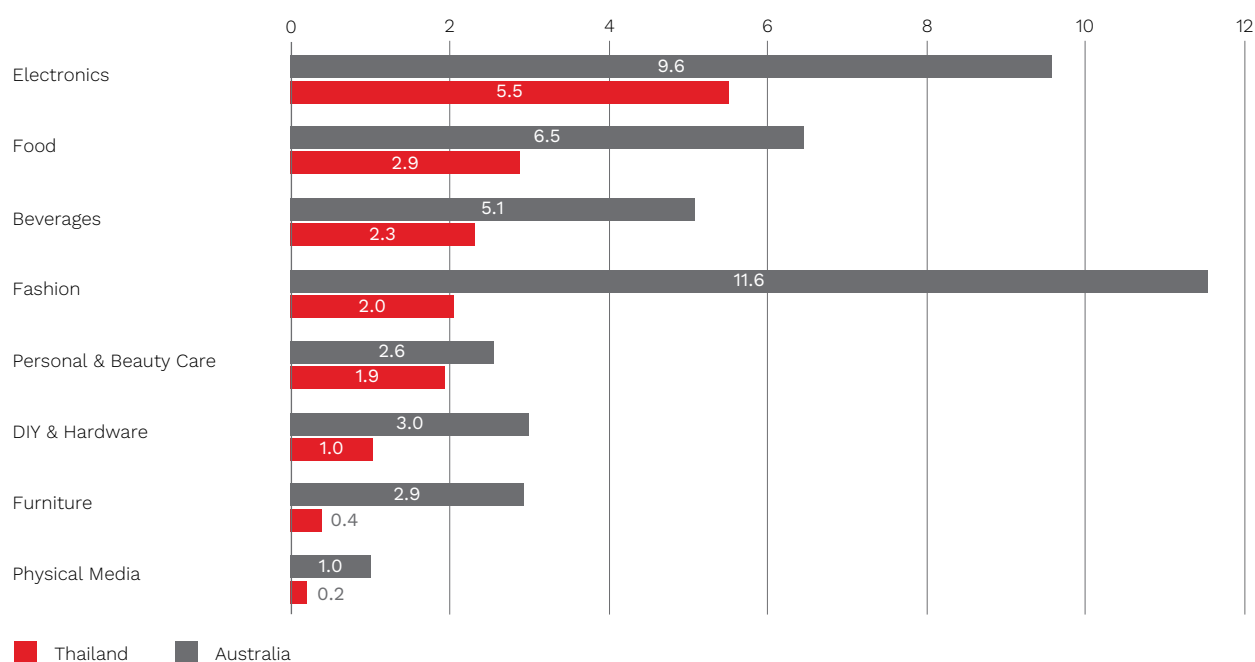
phone penetration rate of 136.1 per cent. Over 92 per cent of consumers in Thailand shopped online in the past six months. Effective marketing is vital to establish trust and brand loyalty, particularly among young consumers and those discovering online retail for the first time.

Top product categories for online sales include electronics, food, beverages, fashion, beauty care and hardware. Mobile devices account for more than 80 per cent of total online sales in Thailand, with mobile wallets used for 23 per cent of these transactions. Thailand's total mobile wallet adoption is expected to reach 63 per cent by 2025.

Search engines: Search engines are a key tool for product and service research in Thailand. Over 86 per cent of internet users use search engines each month and 44.3 per cent visit social networks to look for information about brands and products. Google is the dominant search engine, followed by Bing, Yahoo and Yandex.

Search engine	Market share (%)
Google	97.72
Bing	1.33
Yahoo	0.77
Yandex	0.04

Figure 2: E-commerce spending on consumer goods (2023), AUD billion



Source: We Are Social

Online sellers and marketplaces: Online marketplaces have become a popular way to enter the Thai market. Shopee is the dominant marketplace, followed by Lazada and Amazon. Other well-known e-commerce sites are Kaidee and AliExpress. These sites provide access to an existing customer base, online infrastructure, logistics capabilities and marketing services. Businesses should take time to evaluate and compare fees, competition and customer reviews of Thailand's online marketplaces.

Social media: Over 88 per cent of Thailand's internet users use social media and Thailand has over 49 million active social media identities, equivalent to 68.3 per cent of the population. Of the country's social media users, 32.3 per cent are using it to find inspiration for things to do and buy, 31.1 per cent are finding products to purchase and 24 per cent use it to see content from their favourite brands. The most used social media platforms in Thailand include Facebook, Line, TikTok, Facebook Messenger and Instagram.

Platform	Key product range	Market share (%)*	Address
Shopee	Electronics, fashion, health and beauty, home and living, groceries, mother and baby, automotive, sports, stationery, books	59.88	shopee.co.th
Lazada	Electronics, fashion, homeware, children's items, health and beauty, sports, travel essentials	21.90	lazada.co.th
Amazon	Electronics, beauty, home and kitchen, sports and outdoors, toys and games, health, household and baby care	2.14	amazon.com
Kaidee	Property, cars, motorcycles, electronics, fashion, agricultural products, furniture, sports	2.12	kaidee.com
AliExpress	Electronics, watches, home and garden, sports and outdoors, vehicles, fashion, health and beauty, children	1.92	th.aliexpress.com

*By site traffic



3.2. Investing in Thailand

Investment environment

Thailand's government has numerous policies that support foreign direct investment (FDI). Along with its strategic location, high quality infrastructure and excellent digital connectivity, this makes it an attractive market for foreign investment. However, companies should be aware of the Foreign Business Act (FBA), which prescribes a number of business sectors like communications, transportation and deposit-taking banking that are not open to foreigners without additional licenses or exemptions.

FDI inflows accounted for 2.03 per cent of Thailand's GDP in 2022 and total FDI stock stood at AUD 467.16 billion (THB 11.0 trillion). This is likely to grow as local and foreign businesses seeking investment privileges in Thailand hit a five-year high in 2023, according to the Board of Investment (BOI), with applications to the agency up by 43 per cent over the previous year. Total applications from local and foreign investors amounted to AUD 36.31 billion (THB 855.38 billion). On its own, FDI reached AUD 28.38 billion (THB 668.49 billion) in 2023, a 72 per cent increase compared to 2022.

Much of the new investment is in the five sectors the Thai government has prioritised for advanced development. These are bio-circular-green industries, electric vehicles, smart electronics, digital industries, and creative industries. Together, they attracted 759 applications, worth a combined AUD 21.05 billion (THB 495.98 billion) of investment, or 58 per cent of the total value of investment pledges. China was the leading foreign investor in Thailand in 2023, with Singapore second and the United States third.

Thailand's Board of Investment (BOI) is the main government agency responsible for promoting foreign investment into the country. It provides incentives, services and information for foreign companies. The Eastern Economic Corridor Office (EECO) can also offer similar incentives for investors in the EEC.



THE THAILAND GOVERNMENT OFFERS A RANGE OF BUSINESS INCENTIVES TO ENCOURAGE FOREIGN INVESTMENT.

- **Activity-based incentives:** These are granted based on the level of importance of the activity of a business and can include tax and non-tax incentives. These are listed below:

Company Group	Corporate income tax incentive	Import duty exemptions for machinery	Import duty exemptions on raw materials used in R&D	Import duty exemptions on raw materials for export	Non-tax incentives
A1+	10 to 13 years (no cap)	Yes	Yes	Yes	Yes
A1 – Companies engaged in knowledge-based activities	8 years (no cap)	Yes	Yes	Yes	Yes
A2: Companies engaged in infrastructure for Thailand's development and activities using advanced technology	8 years	Yes	Yes	Yes	Yes
A3: Companies engaged in high technology activities important to Thailand's development	5 years	Yes	Yes	Yes	Yes
A4: Companies engaged in activities that add value to domestic resources	3 years	Yes	Yes	Yes	Yes
B: Companies engaged in activities that are important to Thailand's value chain	No	Yes	Yes	Yes	Yes

- **Incentives for research and development, semiconductors and smart packaging:** A range of tax and non-tax incentives are available for businesses in these sectors. Tax incentives include:

Investments	Additional corporate income tax exemption cap (%)
R&D of technology and innovation	300
Donations to the Technology and Human Resources Development Fund, educational institutions, specialised training centres in science and technology	100
Training or job training to develop skills in technology and innovation for students studying science and technology	200
License fees paid for technology developed in the country	200
Training in advanced technology	200
Development of local suppliers with not less than 51 per cent Thai shareholding in advance technology training or technical assistance	200
Product or packaging design, whether in-house or outsourced in the country as approved by the BOI	200

Additional years of tax exemption may also be added to these standard tax incentives.



- **Non-tax incentives:** These are available to some companies and include permission to own land, permission to bring in skilled foreign workers, permission to remit money abroad in foreign currency and permission for foreign nationals to enter Thailand to study investment opportunities.
- **Tax incentives for investments in local startups:** This includes individual income tax or corporate income tax (CIT) exemption for profits derived from the transfer of shares in Thai startups. The startup must operate in one of the 12 government-promoted industries.
- **Incentives on decentralisation:** The Thai government provides added incentives to companies that have operations in one of 20 regional provinces including Nakhon Phanom, Surin and Sakhon Nakhon.
- **Incentives for establishing an international business centre:** As part of Thailand's policy to make Thailand a regional business hub, a range of tax benefits are offered to companies in the International Business Centre (IBC) regime. These depend on a company's size.

More information on these can be found on the website of the [Thailand Board of Investment](#).

Investment rules and regulations

As a member of the World Trade Organization, Thailand adheres to the national treatment principle and provides equal treatment for local and foreign investors. However, foreigners may be restricted from engaging in certain business activities under the Foreign Business Act (FBA).

This Act, and related sections of other legislation, prohibits FDI into certain sectors and limits foreign ownership to 49% in others. The foreign investment limitations in the FBA can be waived for companies that obtain Board of Investment (BOI) sponsorship in sectors covered by a BOI remit. Full details are listed by the [BOI](#), but restrictions include:

- Business activities that are strictly prohibited to foreigners because of special reasons, such as newspaper, television broadcasting and land trading.
- Business activities that concern national security or safety, or could affect arts, cultures, traditions, customs, folklore handicrafts or natural resources and environment, such as the production and trading of firearms, domestic transportation and mining.
- Business activities that Thai nationals are not yet ready to compete in with foreigners, such as retail, wholesale and provision of certain services.

In addition to the FBA, foreigners may also be subject to other specific laws that impose foreign investment restrictions. For example, the Financial Institution Business Act (FIBA) requires a financial institution operating financial businesses in Thailand to have at least 75 per cent of its total number of issued shares with voting rights held by Thai nationals and at least three-quarters of its directors be of Thai nationality.

The Land Transport Act 1979 imposes similar requirements for a company applying for a licence to operate fixed route transport, non-fixed route transport and transport by a small vehicle. Foreigners are also prohibited from owning a plot of land in Thailand under the Land Code and may be restricted from engaging in businesses that require land ownership in Thailand.

Market entry models for investing

Choosing an appropriate market entry model is essential for businesses looking to invest in Thailand. A business' size, sector and growth strategy will help determine which market entry model fits best. Investment models frequently evolve over time as businesses enter and expand in a market.

Market entry model	Usually suited for
A. Limited partnership	Establishing a specific business project with a Thai partner
B. Representative office	Exploring the market
C. Regional office	Conducting business in Thailand on behalf of the foreign head office.
D. Branch office	Conducting commercial activities on behalf of the parent company
E. Private limited company	Establishing a local business with full ownership
F. Joint venture	Establishing a specific business project with a Thai partner
G. Public-private partnership	Establishing a long-term business arrangement with the Thai Government



A. Limited partnership

A limited partnership is a simple way to establish a business presence if a company has a trusted Thai partner. Under a limited partnership, one or more partners must have limited liability, and one or more partners must have unlimited liability. Limited partnerships must be registered, and the contributions from the partners with limited liability must be in money or property.

The managing partner must be an unlimited partner. If the managing partner is a foreigner, they must obtain a valid, non-immigrant business visa and a work permit. Limited partnerships can be up to 49 per cent foreign owned without a Foreign Business License. However, a Foreign Business License is required if the foreign partner invests more than 49 per cent of the capital.

Step	Procedure	Timeframe
1	Submit application for registration to the District Registration Office, paying the relevant government fees and ensuring that all necessary data and documents conform to the applicable laws	7 days

B. Representative office

Opening a representative office (RO) can be a useful and economical first step to explore business opportunities in Thailand. Representative offices cannot conduct direct commercial or revenue generating activities such as the execution of contracts, receipt of funds, sale or purchase of goods, or provision of services. However, representative offices can provide a wide range of support activities to head offices back in Australia. A representative office is often easier to establish than a branch office. They are a common form of presence in Thailand for foreign companies, particularly those in the early stages of a market entry strategy.

A representative office is not liable for Thai taxation but must receive a subsidy from its head office to cover all in-country expenses. A representative office is still required to obtain a Corporate Tax Identification number and submit income tax returns along with audited financial statements to the Revenue Department and the Department of Business Development.

Establishing a representative office in Thailand

Step	Procedure	Timeframe
1	Submit application to the Department of Business Development (DBD) under the Ministry of Commerce (MOC) with required documents	2-4 months
2	Once DBD approves the application and provides the certificate of establishment, obtain a tax ID card and VAT certificate from the Revenue Department	



C. Regional office

Under the Thai Foreign Business Act (FBA), A.D. 1999, foreigners who engage in certain business sectors, including any service business, require a Foreign Business License (FBL). Companies that fall under this classification that want to explore business opportunities in Thailand may open a Regional Office. These are considered the same legal entities as their head offices and perform business in Thailand on behalf of a head office abroad. Similar to a RO, Regional Offices are restricted from earning income, purchasing, selling and negotiating.

Establishing a Regional Office in Thailand

Step	Procedure	Timeframe
1	Apply for a Foreign Business License from the Foreign Licensing Department of the MOC	2-4 weeks
2	Apply for a permit to establish a regional office at the Alien Business Section of the Department of Commercial Registration at the Ministry of Commerce	

D. Branch office

Establishing a branch office (BO) in Thailand allows a 100 per cent foreign-owned company to establish a trading entity that can engage in the commercial activities that are prohibited for ROs and regional offices. A BO can buy and sell products and services and enter into contracts. BOs are also allowed to earn income, open bank accounts, raise local financing and hire employees. A BO's liabilities that arise from its business activities in Thailand will not be limited within Thailand but extend to the head office overseas.

A BO structure in Thailand is similar to a limited company. Both are allowed to engage in trading activities and earn income in Thailand. However, a BO has no shareholders or directors. Foreign businesses seeking to establish a branch office have to meet the requirements specified under the FBA and must verify that its business activities in Thailand fall within the scope of regulations and laws. Establishing a BO can be time consuming and has high establishment costs.

Establishing a branch office in Thailand

Step	Procedure	Timeframe
1	Apply for a Foreign Business License from the Foreign Licensing Department of the MOC	2 to 6 months



E. Private limited company

A private limited company is the most popular business structure in Thailand among foreign businesses, entrepreneurs and investors looking to expand into the country. It provides a variety of opportunities, including the ability to purchase property, live or work in Thailand.

Foreign investors seeking to establish a private limited company need to navigate a number of restrictions under the Foreign Business Act (FBA). Foreign ownership of a limited company is capped at 49 per cent, so a Thai national or nationals must own the majority of the company's shares. The FBA also reserves some business activities exclusively for Thai nationals and prohibits various business activities to foreigners.

Some exceptions to the restrictions set out in the FBA so allow foreigners to own a private limited company in Thailand where they would otherwise be prohibited. These include if a company obtains a Foreign Business License, gains Board of Investment promotion, obtains a license from the Industrial Estate Authority of Thailand or obtains a Certificate of Business Operations (this is only applicable to Americans, Australians, Japanese and nationals from ASEAN countries engaged in specific businesses).

Establishing a private limited company in Thailand

Step	Procedure	Timeframe
1	Register the company name with the Department of Business Development (DBD)	3 months
2	File a Memorandum of Association	
3	Convene a statutory meeting	
4	Register company with the MOC	
5	Tax registration	

F. Joint venture

A joint venture (JV) is commonly used by foreign investors who wish to engage in business in Thailand, although it can be complicated to establish. It is an agreement between two or more parties to work together on a short-term or long-term project. A JV is a profit-seeking business and in Thailand it can be jointly established by:

- A company and another company, or
- A company and a juristic partnership (a partnership registered under Thai law), or
- A juristic partnership and another juristic partnership, or
- A company and/or a juristic partnership with an individual, an ordinary partnership, a juristic person or a group of people.

JVs can be an effective way to undertake research and development, create a new product or provide a new service. A local Thai partner can provide knowledge and contacts, as well as a realistic assessment of risk.

Each party is responsible for the profits, losses and costs associated with the activity. However, a JV is an independent entity, separate from the parties' other businesses. Under Thai law, JVs are established by a contractual legal agreement between the parties. A typical agreement should include details on the:

- Legal basis for the agreement
- Purpose of the joint venture
- Structure, governance and obligations of the joint venture
- Division of profits and losses
- Ownership of intellectual property
- Disagreement or dispute resolution processes
- Leave or termination conditions.

A JV can be unincorporated or incorporated. If it is incorporated, a JV must apply for a tax identification number to make joint tax submissions. If the JV has a majority of foreign shareholders, it must also obtain a Foreign Business License, be registered under the Foreign Business Act, and create a branch office in Thailand.

Establishing a joint venture in Thailand

Step	Procedure	Timeframe
1	Prepare the Memorandum of Association for the JV company	1-3 months
2	Prepare the various incorporation forms; holding the statutory meeting; and payment of capital contributions by the shareholders	
3	Incorporate the JV at the MOC	



G. Public-Private Partnership

A Public-Private Partnership (PPP) is a contractual arrangement between the Thai Government and the private sector. Under a PPP, the private sector can build, operate and maintain public infrastructure facilities and provide services traditionally delivered by government. These projects must require private sector funding and be valued at over THB5 billion (AUD206 million). Examples of these are roads, airports, bridges, hospitals, schools, railways, and water and sanitation projects.

Thailand has implemented measures to grow PPPs in the country to help develop an ambitious pipeline of mega infrastructure projects to increase connectivity and support economic development in the region. These projects include multiple rail developments, expressways, hospitals and ports.

The Public-Private Partnership Act was enacted in 2019 to improve the investment framework for PPP projects in Thailand. The PPP Act aims to increase transparency, grow domestic and international investment and streamline the PPP review and approvals process. Thailand presently has 189 PPP projects with a total investment value of AUD68.4 billion. Most of these projects are presently in the electricity sector, water and sewerage and railways.

Establishing a PPP in Thailand

Step	Procedure	Timeframe
1	Relevant Thai ministry issues a Request for Proposal invitation to tender for a PPP project	6 – 12 months
	Submission of a tender proposal to the Thai ministry responsible for project approval	
2	Shortlist of suitable applications	
	Selection of tenderer through a competitive bidding process	
3	Cabinet approval of selection results and draft investment contract developed	
4	Project Agreement negotiation	
5	Project Agreement execution	

3.3. Go to market strategy

Success in Thailand requires businesses to tailor their product or service to the Thai market. This should be based on detailed analysis of consumer trends, price consciousness, branding, marketing and advertising, and payment methods.

Thailand has moved from a low-income to an upper middle-income country in the last four decades and the country's middle class is expected to account for 39 per cent of the population by 2040. Understanding the characteristics, aspirations and spending habits of this emerging group of consumers is crucial for businesses looking to tap into the segment.

Thailand is expected to see a rise in its median age due to a declining birth rate and increasing life expectancy. Millennials (born between 1981 and 1996) and Gen Zs (born between 1997 and 2012) will become the predominant population cohort by 2040. These groups, with rising incomes and inherited wealth, will

gain significant purchasing power and are expected to lead consumer trends. Generation Alpha (born after 2012) is also expected to emerge as a prominent consumer group as it starts to enter the job market and shape consumption patterns.

These groups are concerned about climate change and the impact their everyday actions have on the environment. They also value quality over quantity and are willing to spend more for quality items rather than increase their purchase volumes. Over two-thirds of Thai consumers are trying to lead a minimalistic lifestyle, with Gen X leading this trend.

Businesses entering Thailand should adjust their value propositions to cater to these middle-class consumer profiles. Responding to more discerning spending habits by introducing tiered product lines, differentiating product offerings and avoiding product portfolio stagnation can help businesses succeed in the competitive Thai market.

Consumer trends in 2023

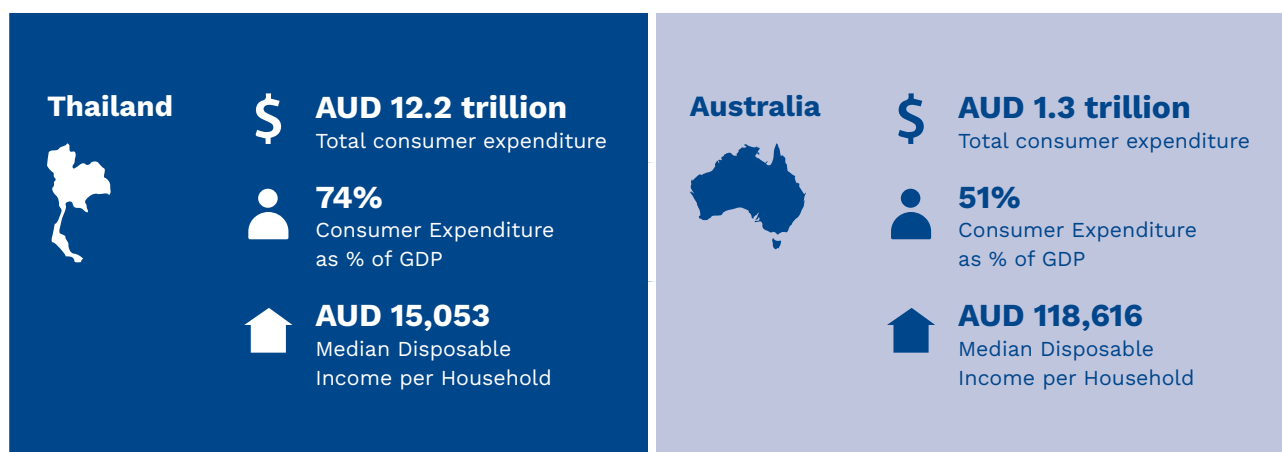
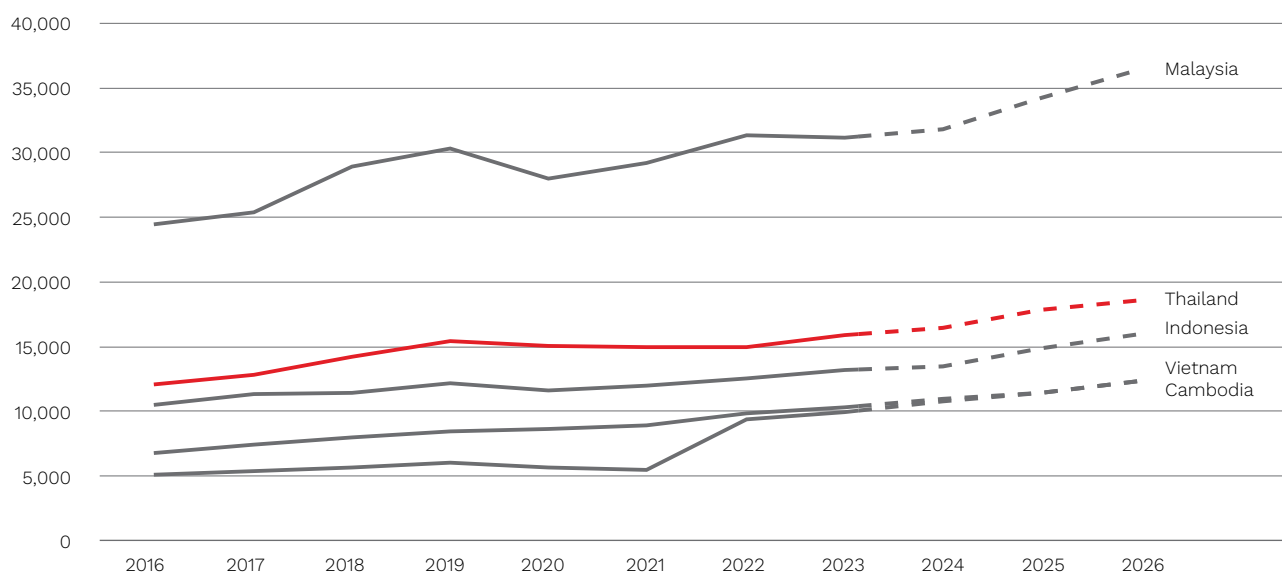


Figure 3: Median disposable income per household (2016-2026f), AUD, current prices



Source: Euromonitor International

Price consciousness

Thailand has seen strong growth in GDP per capita and it has recovered from a fall during COVID-19 to reach AUD 10,944 (THB 257,767) in 2023. Despite this growth, Thai consumers are grappling with a severe cost of living crisis. Inflation in Thailand reached 6.1 per cent in 2022, reducing people's purchasing power and increasing debt. The government has introduced several measures to mitigate the crisis, such as subsidies and price controls, but the situation remains challenging.

Although many Thai consumers are seeking higher quality goods, they are keen to secure better prices and shopping deals. Cost effectiveness remains a significant consideration with 37% of Thai consumers expressing a preference for finding bargains.

Businesses must remember that price points designed for the middle class in one market may be out of reach for the middle class in another - slight price modifications to an already successful product can significantly boost sales.

Branding

Branding is an essential part of product differentiation, and companies need to research and understand the specific tastes of consumers to achieve success. Thai consumers value high-quality brands. While this can be a disadvantage for new brands entering the market, targeted promotional campaigns can build a product's reputation and reach.

In some sectors Australian businesses enjoy a branding advantage by virtue of their products being made in Australia. Thai consumers trust Australian products and Australian companies have a reputation as suppliers of clean, healthy and high-quality goods

and services. An emphasis on Australian origin can be a marketing tool for businesses expanding into Thailand, particularly in the food and beverage and agricultural sectors. Austrade's [Nation Brand toolkit](#) provides a range of free branding assets for businesses looking to export.

Marketing

A trade show can be a useful starting point for marketing in Thailand. These are productive ways to reach out to new consumer bases and potential clients, while also offering insights into the operations of competitors. Thailand hosted over 140 trade shows in 2023 and 2024, covering areas including fintech, sustainability solutions, food and hospitality and electronics.

Sales promotions may also help establish your brand with high-impact campaigns. Providing special discounts and events centred on your brand can be an effective way to build consumer loyalty and product awareness – particularly in sectors that are crowded with incumbents.

Digital marketing methods are also common given Thailand's high smartphone penetration rate. Email, text, search engine optimisation and social media marketing are now integral parts of a comprehensive marketing campaign. Direct marketing to share information about products and services with consumers through traditional and online channels, including online advertisements, email, websites, cell phones, television, catalogues, radio and newspapers is also effective.

Any marketing and promotional efforts – at trade shows, sales promotions or anywhere else – should translate information into Thai to ensure the greatest reach.



Advertising and media

Television and print advertisements remain a trusted marketing source across Southeast Asia. However, Thailand's digitally savvy population is driving the uptake of mobile technologies and increasing the reach of digital advertising (**Figure 4**). The number of social media users in Thailand is expected to reach 62 million by 2025 and advertisements on YouTube reached 70 per cent of all internet users in 2023. With companies spending a combined AUD 760 million on social media advertising in Thailand in 2023, a digital strategy is now an essential part of any advertising campaign.

Advertising regulations in Thailand are governed by several statutes, both general and specific. The Consumer Protection Board monitors all forms of advertising and labels for violations of the Consumer Protection Act (CPA).

A 2023 update to the CPA introduced rules to reduce misinformation in advertising in Thailand. All advertising statements must be in Thai, must be easy to see, hear or read, and must not be misleading. Any advertisements in a foreign language must also have a Thai translation. When translating from English,

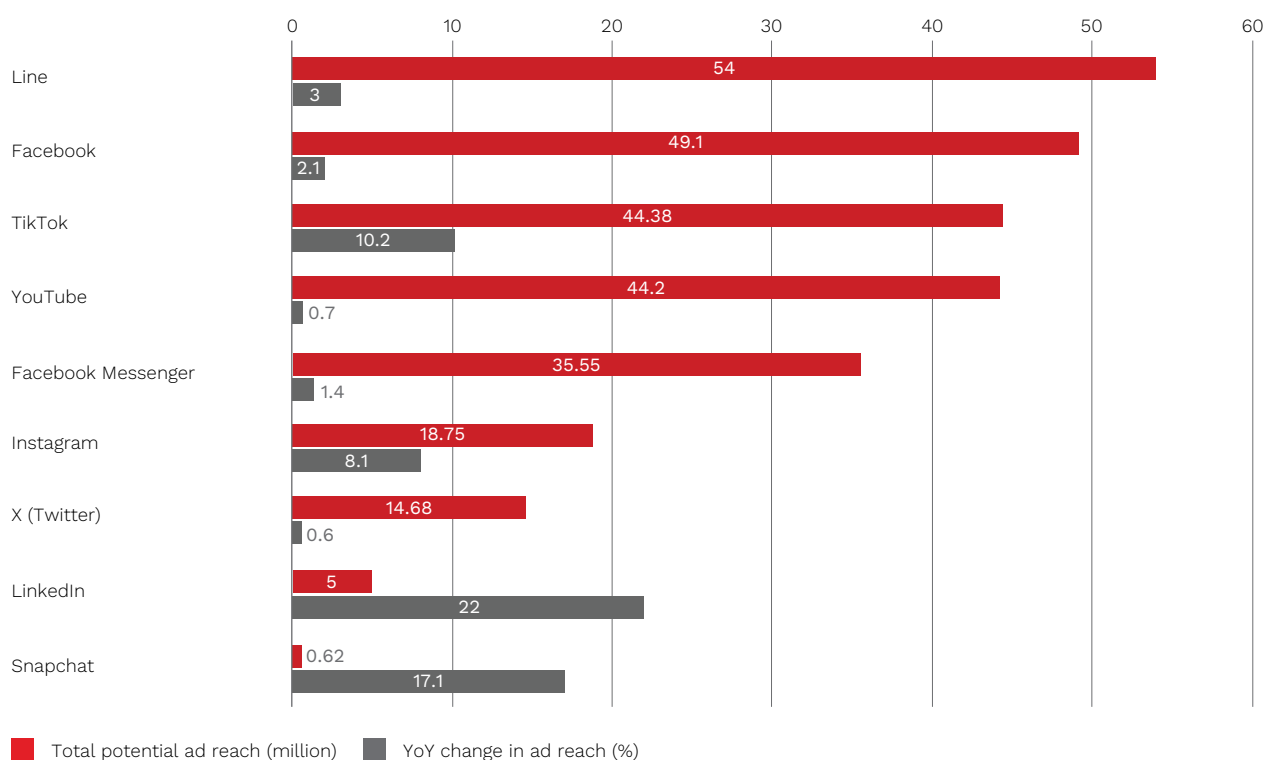
care should be taken to ensure cultural and linguistic sensitivities. Local interpreters can aid in ensuring the suitability of your campaign.

Companies that advertise must also ensure all information is factual. Under the CPA, any descriptions in advertisements, including volume, size or elements, must reflect the actual product or service being sold. Advertising media, such as platform service providers that allow users to share or post prohibited content, can also be held liable for false and exaggerated advertising.

There are no specific rules for digital advertising, but distorted, forged, or false online advertisements that could harm others may be subject to criminal charges under the Computer-related Crime Act. Direct marketing is governed by the Direct Sales and Direct Marketing Act, which aims to protect consumers from direct sales and marketing business operators. Sales promotions are also subject to various statutes.

Australian businesses looking to promote their products or services in Thailand can seek professional help from local and international advertising and media agencies.

Figure 4: Digital advertising audiences in Thailand (2023)



Source: We are Social

Digital Payments

Digital payments in Thailand are popular. Over half of all Thais now use digital payments regularly and this number is expected to increase to two-thirds by 2028. The number of mobile wallet transactions has also grown rapidly, up from 2 billion in 2021 to 3.1 billion in 2023. The total transaction value of Thailand’s digital payments market is projected to reach AUD 59.93 billion (THB 1.41 trillion) in 2024 and reach AUD 80.06 billion (THB 1.88 trillion) by 2028.

The Thai central bank, the Bank of Thailand, has actively helped grow the digital payments market. Its PromptPay mobile banking and payments system, which allows users to transfer money using a mobile phone or national ID number, has underpinned this growth. Introduced in 2017, the PromptPay system is now being used in many markets in Asia, including Cambodia, Hong Kong, Malaysia, Japan and Singapore. Based on the success, the Bank of Thailand now aims to further grow digital payments in Thailand, and develop a cross-border digital payments system.

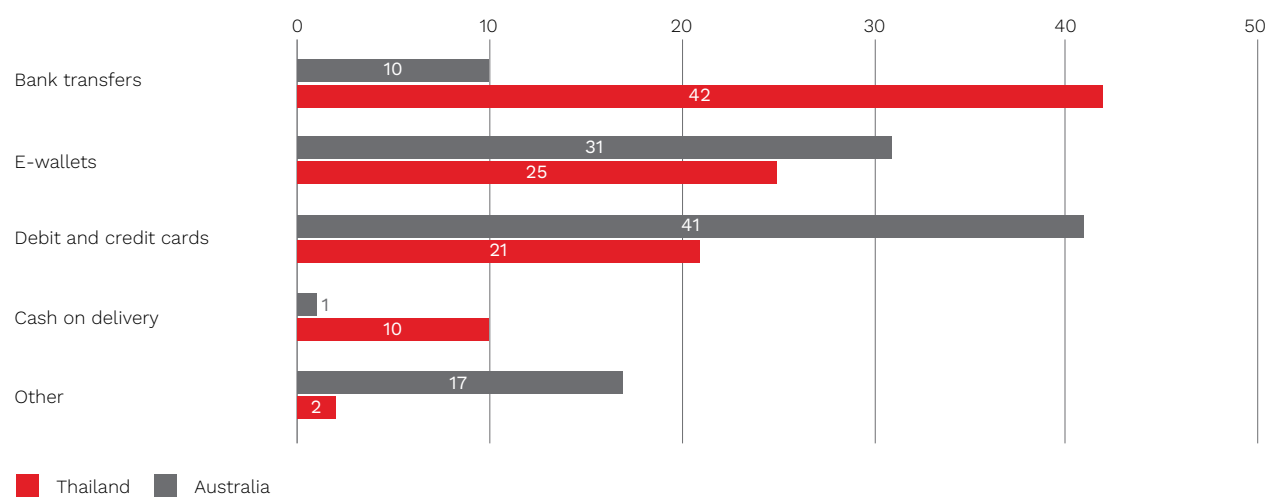
Despite the growth in digital payments, cash on delivery is still common, especially in less developed regions of Thailand. The most popular B2C digital payment methods in Thailand include e-wallets, bank transfers, debit and credit cards, and cash on delivery (Figure 5).

The most popular e-wallets include True Money, LINE Pay, and ShopeePay. The number of mobile wallet users is forecast to reach 68 million by 2025, signifying strong growth of digital payments in the country.

A substantial number of Thai consumers rely on smartphones for their internet access, which gives businesses an opportunity to broaden their e-commerce footprint and provide a user-friendly mobile shopping experience. Investing in accessible mobile applications and seamless mobile payment solutions can help boost these online sales.

Digital payments can also make financial transactions safer, cheaper and more convenient. As digital payment options continue to expand and evolve in the Thai market, businesses should integrate them into their business model.

Figure 5: Payment methods for B2C e-commerce (2023), %



Source: We are Social:

3.4. Developing your market entry strategy

A well-considered market entry strategy should take a systematic approach that supports long-term success. This section summarises the factors businesses should consider when formulating an approach to the Thailand market into a series of key questions.

Asialink Business provides advisory services and capability training programs to help organisations understand and access opportunities in Asian markets. For any questions about any aspect of a Thailand market entry strategy, please [contact us](#). Austrade's Thailand office also provides services and support to Australian businesses with an interest in Thailand (details can be found in [Section 5.2](#)).

CALIBRATING AMBITION



- What is your company's aspiration for the market?
- What are the challenges and risks you will need to mitigate?

CONSUMERS



- What is the current or potential demand for your product or service in Thailand?
- Who are the primary customers / consumers for your product or service in the market?
- How will you tailor your product or service to local preferences?

COMPETITORS



- Who are your competitors in the market, and what is their offering?
- How does your product or service compare to competitors on price?

SALES, BRAND AND MARKETING



- What is your unique value proposition for the market?
- What is the ideal mix of marketing and sales channels to reach your target customers?
- Is your marketing strategy aligned with your identified consumer base and value proposition?

MODE OF ENTRY



- What is the right market entry model for your business?
- What are the specific geographies you should target?

DELIVERY PARTNERS



- Does your team have the right mix of skills and expertise to support your market entry?
- What partnerships will contribute to your business' success in the market?
- What external advice do you need to commission?

OPERATING MODEL



- What changes do you need to make to your business across areas such as operations, HR, finance and IT?

4. Business practicalities



Australian businesses need to be aware of business practicalities when operating in Thailand. The information in this chapter presents an overview of the main areas that need to be considered. These include regulations, customs duties, taxation and accounting, employment law and banking.



4.1. Laws and regulations

Land and property rights

A valid address is required to establish a business in Thailand. Office or factory space can be found independently or through a local real estate agent.

Ownership of land in Thailand is governed by the Land Code Act. Under this law, foreigners are not allowed to own land in Thailand. However, there are some structures that enable foreign ownership. The most common is to establish a Limited Company to own the land on a person's behalf. Foreigners are also permitted to own a house or a structure on a piece of land and can lease land for up to 99 years. Once a leasehold is established, the foreigner can apply for a permit to build a structure. These leasehold arrangements are common in Thailand.

Some foreign corporations operating in Thailand can also obtain special privileges and exemptions for land ownership through the Board of Investment (BOI) under the Investment Promotion Act or other relevant acts.

In late 2022, the Thai cabinet approved a draft ministerial regulation that allows foreigners to purchase land in Thailand as individuals. Although not yet ratified, once implemented this regulation grants direct ownership of land to eligible foreign investors. These include:

- Foreign individuals with at least AUD 1.52 million (THB 35.94 million) in assets.
- Retirees with a personal income of at least AUD 122,072 (THB 2.87 million) per year.
- Workers from well-established overseas companies.
- Highly skilled professionals in targeted industries.

The land must be located in specific areas, such as Bangkok or Pattaya city, and must be outside designated military safety zones. Foreign investors should hold long-term resident visas and have invested at least AUD 1.69 million (THB 40 million) in Thailand through government bonds, real estate investment trusts (REITs), infrastructure bonds, or eligible companies at least three years before applying to buy land.

Australian businesses should conduct thorough due diligence before investing in Thai real estate. Consulting legal experts familiar with Thai property laws is essential.

Cybersecurity

Cybersecurity laws and regulations are managed by the Thai **National Cyber Security Committee of Thailand** (NCSA). From 2025, all critical information infrastructure operators (CIIOs) in Thailand must implement baseline cybersecurity protection measure in their data and information systems.

CIIOs are designated by the relevant industry regulator and include companies that provide or are involved in providing 'critical services'. These sectors include national security, public services, banking and finance, IT and telecommunications, transportation and logistics, energy and public utilities and public health.

Australian businesses in any sector should ensure they have appropriate policies and systems in place to protect themselves against cyber security threats. More information on cyber security for Australian businesses can be found at the Australian Signals Directorate's Australian Cyber Security Centre (**ASD's ACSC**).

Intellectual property (IP)

Thailand's legal framework supporting intellectual property is underdeveloped. As a member of the World Trade Organization (WTO) and World Intellectual Property Organization (WIPO), Thailand generally complies with international IP standards established by the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). While it is also a signatory to the Paris Convention, the Berne Convention, the Madrid Protocol and the WIPO Copyright Treaty, there is still uncertainty around patent protection, compulsory licenses and design rights.

Recent efforts by the Thai government to improve the awareness and enforcement of IP laws in Thailand has seen progress on the protection of IP in the country. However, companies are advised to consider obtaining intellectual property rights protection in Thailand before introducing their products or services to the Thai market. They should also seek advice from local IP law experts before disclosing technologies or IP business information to potential local partners.

The **Department of Intellectual Property** (DIP) oversees and administers Thailand's IP system. A local address and a local agent or attorney are generally required when filing IP applications in Thailand. Non-residents of Thailand can only register by granting a Thai resident power of attorney. The DIP has implemented a series of e-services and introduced fast-track programs for patent and trademark registrations. Applicants must comply with four conditions, including that the total number of goods and services must not exceed 30 items, but there is no additional fee for this fast-track service.

The main intellectual property rights (IPR) and IPR-related rights in Thailand are invention patents, petty patents, product design patents, trademarks, copyrights, geographical indications (GI), trade secrets, semiconductor topography rights and right related to plant varieties.



Protection	Detail	Duration
Invention Patents	The inventor or the designer is the first owner. If the inventor or the designer creates these IPRs in the course of employment or under a commission, the first owner is the employer unless agreed otherwise. The patent applicant must be a Thai national or a national of a country which allows Thai nationals or juristic persons whose head offices are registered in Thailand to apply for a patent, or a person domiciled in Thailand or carrying out industrial or commercial activities in Thailand or in a country which is a member of an international patent convention of which Thailand is a member.	20 years from the application filing date, not renewable.
Petty Patents		6 years from the application filing date, extendable for 2 additional periods of 2 years each.
Product Design Patents		10 years from the application filing date, not renewable.
Trademarks	The creator who creates the trademark or the person who first files an application for its registration is the first owner. If the creator creates the trademark in the course of employment or under a commission, the employer owns the trademark unless agreed otherwise. The owner of the trademark can apply for its registration with the TMO.	10 years from the registration date, renewable for a period of 10 years each.
Copyrights	If the author creates the copyright work in the course of employment or under a commission, the first owner of the copyright work is the author unless agreed otherwise.	The literary work is valid for the lifetime of the author plus 50 years from the death of the author.
Geographical Indications	Persons who can register GIs are: (1) the government agency, a state agency, a state enterprise, a local government organisation or other public body with the status of a juristic person, whose area of responsibility embraces the geographical origin of the goods; (2) a natural person, a group of persons or a juristic person, who engages in trade in connection with the goods for which the GI is used and has a residence in the geographical area of the goods; (3) a group or organisation of consumers consuming the goods for which the GI is used.	No validity limit.
Trade Secrets	Trade secrets, such as data, formulas, or other confidential information used in business, may be protected in Thailand if the owner provides appropriate measures to maintain the secrecy.	No validity limit.
Semiconductor Topography Rights		No validity limit.
Plant Varieties	Thailand is not a member of the International Convention for the Protection of New Varieties of Plants (UPOV). However, Thailand has the Plant Variety Protection Act, which is administered by the Plant Variety Protection Office within the Ministry of Agriculture. The Act provides some protection for plant breeder's rights, but it does not comply with the UPOV standards.	No validity limit.

Violation of IP and enforcement options:

IP rights disputes in Thailand can be complex. Businesses seeking to enforce their IP rights in Thailand have three options:

- Administrative enforcement
- Criminal enforcement
- Civil enforcement
- Customs enforcement

In Thailand, the Central Intellectual Property and International Trade Court (CIPITC) is a specialised court that adjudicates IP disputes, including infringement and invalidity issues. If legal action by a non-resident is required, a power of attorney will be needed to be granted to a Thai representative. If such action is necessary, businesses are advised to seek advice from local IP law experts. Businesses can also consult [IP Australia](#) for advice.

4.2. Customs duties

Import duties and tariffs

Thailand is a member of the World Trade Organization (WTO). The country imposes Most-Favoured-Nation (MFN) import tariffs on goods and services from other WTO members. These rates vary by product. The simple average MFN tariff rate for imports was 9.8 per cent in 2023. The simple average for agricultural products was 27 per cent and non-agricultural products was 7.1 per cent. There is binding tariff coverage for 76.9 per cent of Thai imports, with an average bound tariff rate of 26.6 per cent.

Australian exports to Thailand qualify for preferential rates under the Thailand-Australia Free Trade Agreement (TAFTA), the ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA) and the Regional Comprehensive Economic Partnership (RCEP). The TAFTA has eliminated tariffs and quotas on almost all goods exports from Australia to Thailand.

Thailand uses the ASEAN Harmonized Tariff Nomenclature (AHTN) 2022 for the classification of import tariffs. To find the tariff rate for specific goods, visit the Department of Foreign Affairs and Trade's FTA Portal at ftaportal.dfat.gov.au/. For up-to-date information visit customs.go.th. For specific import tariff details visit itd.customs.go.th.

Calculations and payments

Thailand follows the WTO Valuation Agreement on imported goods. Import duty is calculated by multiplying the imported good's dutiable value by the corresponding import duty rate. The dutiable value of imported goods is typically based on the cost, insurance and freight (CIF) level under the International Commercial Terms (incoterms).

Import duty is payable once the vessel carrying the imported products arrives in Thailand, and customs procedures for imports into Thailand are similar to most countries.

Other taxes and charges

There is a 7 per cent Value Added Tax (VAT) imposed on all goods imported into Thailand. Additionally, Thailand imposes an excise tax on select goods at the time of import. The rates are ad valorem, and vary based on the product. Many of the products on which VAT is imposed are considered to be 'luxuries'. These include automobiles, motorcycles, perfumes and cosmetics, some types of beverages (alcoholic and non-alcoholic) and tobacco products.

Export duties

Export duties are only charged items that include raw silk, rubber, animal hides and wood products. There are quotas for the export of products such as textiles and apparel.

Import and export regulations

Thailand's Ministry of Commerce (MOC) regulates trade in Thailand. Its primary trade regulations are the Customs Act, the Foreign Business Act and the Trade Competition Act.

The import of certain goods is restricted in Thailand on grounds of health or security. The MOC bans the export of products such as unmilled rice and rice bran. Thailand also imposes an export license requirement for the export of certain goods such as sugar, rice, seeds, gold, cattle, coffee and wood. A list of controlled imports and exports can be found at the Thai Customs website.

Thailand uses a national single window (NSW) to simplify trade processes – the NSW brings together 38 government agencies, ministries and private bodies to reduce procedural times and costs for traders.



4.3. Taxation

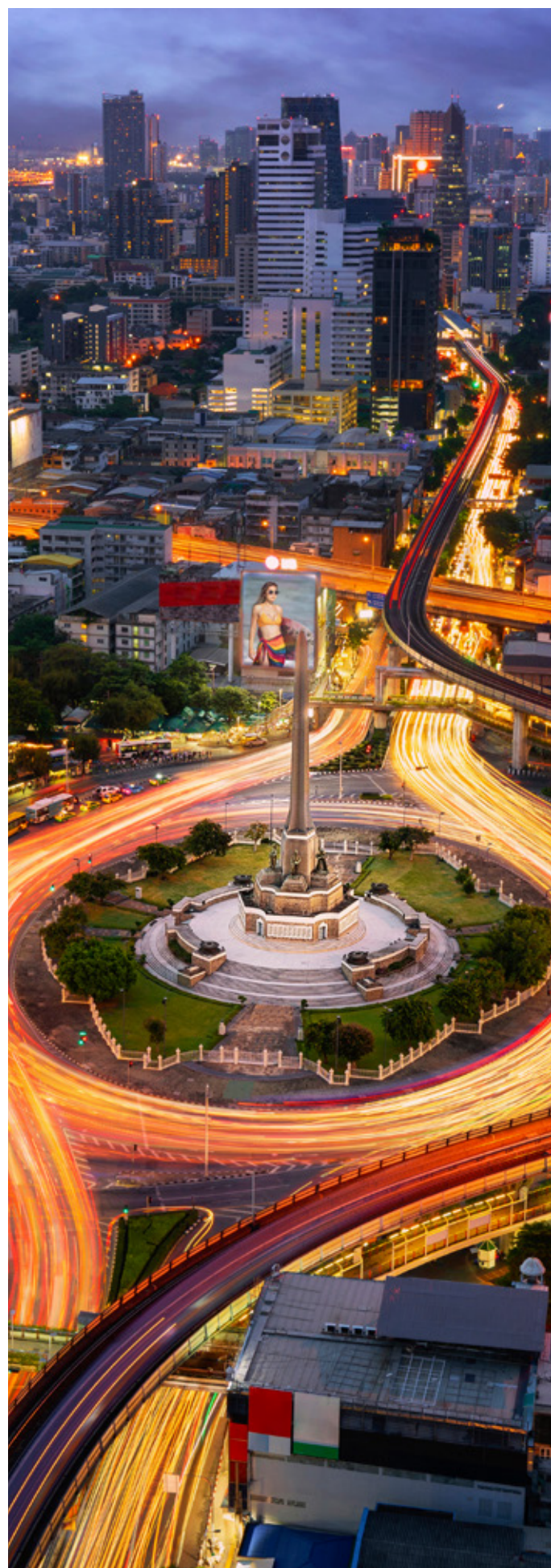
Thailand imposes a wide range of taxes including personal, corporate and petroleum income tax. Indirect taxes are also common and include a value added tax, specific business tax, excise tax and stamp duties.

Thailand's Revenue Department administers the personal income tax, corporate income tax, petroleum income tax, value added tax, specific business tax and stamp duties. The Customs Department administers customs duties and the Excise Department at the Ministry of Finance oversees excise tax.

This section provides an overview of the taxes Australian businesses can expect to face when operating in Thailand. Not all applicable taxes are covered in this guide and the information provided is of a general nature. Businesses should seek professional tax advice for understanding the taxes specific to their activities.

Table 1: Overview of Thailand's taxes for businesses

Tax	Tax rate (%)
Corporate income tax	20%
Capital gains tax	20%
Withholding	
Dividends	10%
Royalties	15%
Interest	15%



Corporate Income Tax (CIT)

Businesses are subject to the tax rates imposed under the Revenue Code. The standard CIT rate is 20 per cent. Companies incorporated in Thailand pay tax on their global income.

Any company that is incorporated overseas is taxed in Thailand on profits it makes from business conducted in the country. A foreign company without any business in Thailand is subject to a final withholding tax (WHT) on certain income types, such as interest, dividend, royalties, rentals and service fees that are either received from Thailand or in the country. If an Australian company is not deemed to be a tax resident in Thailand, it can benefit from the double-tax avoidance treaty between the two countries.

Companies that have paid-in capital of under AUD 212,224 (THB 5 million) and revenue of less than AUD1.27 million (THB 30 million) are taxed at the following rates:

Net profit	Tax rate (%)
<THB 300,000 (AUD 12,741)	Nil
THB 300,001 (AUD 12,741) – THB 3,000,000 (AUD 127,407)	15%
Over THB 3,000,000 baht (AUD 127,407)	20%

Thailand imposes a separate petroleum income tax on foreign companies that are involved in oil exploration and production, either under a concession or on a production sharing or service contract. Companies under a concession are taxed at 50 per cent of net profit, while companies in production sharing agreements are taxed 20 per cent of the proportion of their annual net profit that is derived from petroleum operations. Companies that are subject to petroleum income tax are exempt from paying other taxes and duties on income.

Personal income tax (PIT)

Individuals residing in Thailand for 180 days or more in any tax year are classified as tax residents under Thai law. Any Thai tax resident must pay PIT on income from both within Thailand as well as from abroad. A non-resident is liable to pay PIT only on income generated from sources in Thailand.

Thailand employs a progressive tax system. The highest tax rate payable for residents and non-residents is 35 per cent. Australia has a double taxation agreement (DTA) with Thailand which aims to avoid double taxation on personal income and the petroleum income tax. Individuals are advised to seek advice from a professional with knowledge of tax law in Thailand and Australia to ensure compliance with the DTA.

Individuals are subject to the following progressive tax rates.

Table 2: Personal income tax rates

Individual tax rates – Employment income

Net income (THB)	Tax rate (%)
0 to THB 150,000 (AUD 6,370)	Exempt
THB 150,001 (AUD 6,370) to THB 300,000 (AUD 12,741)	5%
THB 300,001 (AUD 12,741) to THB 500,000 (AUD 21,235)	10%
THB 500,001 (AUD 21,235) to THB 750,000 (AUD 31,852)	15%
THB 750,001 (AUD 31,852) to THB 1,000,000 (AUD 42,469)	20%
THB 1,000,001 (AUD 42,469) to THB 2,000,000 (AUD 84,938)	25%
THB 2,000,001 (AUD 84,938) to THB 5,000,000 (AUD 212,345)	30%
Over THB 5,000,000 (AUD 212,345)	35%

Indirect taxes

Value-added tax: Thailand imposes a value-added tax (VAT) of 7 per cent on the sale of goods and provision of services, reduced due to the COVID-19 pandemic until 30 September 2024, from the standard rate of 10 per cent earlier. This does not include goods such and services such as groceries, education, healthcare, property leasing and the sale of real estate. Additionally, non-resident electronic service providers and platform operators generating more than AUD 76,400 (THB 1.8 million) per year from the provision of services to non-VAT-registered customers must register for VAT and pay VAT.

Specific business tax (SBT): Some businesses in Thailand are required to pay SBT where gross revenue is not subject to VAT. These include financial businesses such as commercial banking, and those that involve the sale of immovable property and life insurance. Tax rates range from 0.1 to 3.0 per cent.

Land and building tax: This new tax came into effect at the start of 2020, replacing the local maintenance tax and household and land tax. Any individual or business that owns or possess either land or buildings is subject this tax. This includes land for agricultural processes, aquatic animal farming, livestock farming, residential use and others. The tax rates range from 0.15 to 1.2 per cent.

Carbon tax: In 2024, the Thai government announced that it will implement a carbon tax by 2025 to reduce carbon emissions. Specific details have yet not been released but the government has said any carbon tax will be levied on emissions at source, and will start with oil products, at a rate of AUD 8.48 (THB 200) per metric tonne.

4.4. Audit and accountancy

Auditing and accountancy play a vital role in enhancing transparency and accountability in a business, especially one engaged in a foreign market. It increases business performance by identifying risks and highlighting areas for improvement.

Accounting standards

Local and foreign businesses are required to comply with the Thai Financial Reporting Standards (TFRS), which are based on IFRS Accounting Standards. The Federation of Accounting Professions (TFAC) is the official body that sets standards in the country.

Public companies operating in Thailand must follow TFRS, while private companies usually use the TFRS for non-publicly accountable entities (NPAEs), although they could choose to adopt TFRS instead if they want to. Foreign companies in Thailand may choose to apply IFRS standards.

Statutory audits

All companies incorporated in Thailand must keep accounting records and be audited annually. Documents must be maintained in Thai. If documents are prepared in another language, Thai translations must be enclosed.

All businesses operating in Thailand, including partnerships, joint ventures and branches of foreign companies, must prepare financial statements. For foreign companies, the timeframe to file statements is no later than 150 days from the end of the fiscal year, which typically runs from 1 January to 31 December.

An independent certified auditor is required to audit and certify all financial statements, and must include an auditor's opinion, which is mandatory when filing financial statements.

Books and records

Businesses must follow accounting procedures set out in the Civil and Commercial Code, the Revenue Code and the Accounts Act. The books can be prepared in any language provided a translated is provided in Thai.

Companies have to prepare balance sheets and profit and loss accounts each accounting year. They must retain their books of accounts for at least five years or seven years, depending on business activity.

Annual General Meetings (AGMs)

Companies must hold their AGMs at least once a year, within four months from the end of the fiscal year.

Quality control

Thailand's Securities and Exchange Commission (SEC), which is a member of the International Forum of Independent Audit Regulators, directly supervises and regulates auditors of entities such as listed companies, brokers, dealers, collective investment schemes and asset management companies. It additionally monitors audit firms' quality control and ensuring that auditing and accounting standards are employed.

Other entities' auditors are regulated by the Federation of Accounting Professions (TFAC).



4.5. Employing workers

Doing business in Thailand will often require employing local and foreign workers. Understanding Thailand's labour market regulations, recruitment methods and country-specific management styles is crucial to build and support an effective team.

Labour market

Skill level: Thailand has a large but relatively under-skilled workforce. It is faced with a skills shortage, with a high share of young adults that have below-threshold foundational skills such as reading and computing. The Thai government is aware of the skills shortage and is working to improve the standards of education and access to learning. Thailand's literacy rate is 94 per cent and although only 53.6 per cent of Thais have completed lower secondary schooling, and 39.6 per cent have completed upper secondary schooling, these percentages are rising rapidly.

Thailand's labour force participation rate stood at 68.2 per cent in 2023, and its unemployment rate was 0.7 per cent in 2023.

Employment contracts: Most Thai employment contracts are fixed-term or permanent contracts. An employment contract in Thailand applies to both full-time and fixed-term employees. According to Thai law, a contract can either be oral or in writing, but any contract should be in writing to ensure the terms of employment are clear. If there is no clearly defined contract in place, the Thai legal system can often rule in favour of an employee. Contracts of employment should include the responsibilities of an employee, compensation and benefits and termination requirements.

Minimum wage: Minimum wages in Thailand range from AUD 14 (THB 330) to AUD 15.4 (THB 363) per day, depending on the work and region. Provinces such as Bangkok, Nakhon Pathom, Nonthaburi, Pathum Thani, Samut Prakan and Samut Sakhon have higher minimum wages than others, but the differences are marginal.

Human resources and employment law: The Labour Protection Act B.E. 2541 (1998) is the primary legislation covering Thailand's labour landscape, and it sets out the terms and conditions of employment for various types of workers. Other acts that cover different aspects of employment include the Labour Relations Act (No. 2) B.E. 2518 (1975), the Workmen's Compensation Act of 1994, the Thai Civil and Commercial Code and the Employment Jobseeker Protection Act B.E. 2528 (1985).

Working hours: Thailand has clear laws and guidelines relating to working hours and employee compensation. The daily cap is set at 8 hours per day, and the weekly cap is 48 hours. There are some variations by sector, such as in healthcare and manufacturing. Thailand's labour law mandates a rest period of at least 1 hour after a work period of 5 consecutive hours.

Holidays: Upon completing a full year of employment, an employee is entitled to a paid annual leave of at least 6 working days. They are additionally entitled 3 days of personal business leave per year.

Overtime: Overtime is capped at an additional 36 hours over and above the 48 standard hours of employment per week. If employees work more than the standard 8 hours on a regular workday, they must be compensated additionally at a rate of 150 per cent of the employee's hourly wage.

Contract type	Type of work	Contract period
Fixed-term employment contract	<ul style="list-style-type: none">• Work on a temporary basis with a predetermined start and end date.• Projects outside an employer's scope of trade or business.• Seasonal work.	Employment period pre-determined by the employer.
Permanent or open-ended employment contracts	Ongoing employment that allows an employee to continue working as long as an employer's requirements are met.	Only a start date, and no end date. The relationship may be terminated by an employee or employer at any time, subject to the contract, rights and obligations under law, and the employer's Work Rules and Regulations.

Overtime Rates

Type of overtime	Rate of pay
Weekdays	Overtime payment of 1.5 times the hourly rate.
Weekends	Overtime payment of 1.5 times the hourly rate.
Weekends (outside working hours)	Overtime payment of 3 times the hourly rate.

Sick leave: Employees are allowed up to 30 days of sick leave in a year. Employers can require a medical certificate if an employee takes more than 3 consecutive days off due to illness.

Social, health and unemployment insurance contributions:

It is mandatory for employers to register any employee aged between 15 and 60 with the Workmen Compensation and Social Security Fund (SSF). The contribution rate for both employers and employees is 5 per cent, capped at AUD 31.83 (THB 750) per month. Foreigners working in Thailand are entitled to the same benefits. The benefits granted to those registered with SSF include injury, sickness, maternity, disability, death, child, old-age and unemployment benefits (with some exceptions).

Ending employment: An employer can terminate an employee's contract with legal cause without any notice or payment in lieu of the standard notice period. For the termination of an employment contract without legal cause, an employer must provide written notice to the employee of at least one pay cycle. The employer also has the option to pay the employee for the notice period.

Severance pay: Employees who have worked for more than 120 days at a company are entitled to severance pay in the event of termination of employment at the following rates:

Length of service	Severance pay
More than 120 days but less than 1 year	30 days
Between 1 and 3 years	90 days
Between 3 and 6 years	180 days
Between 6 and 10 years	240 days
Between 10 and 20 years	300 days
20 years or more	400 days

Recruiting staff

Online advertising: Online job advertisements are an effective way to access talent in Thailand. There are several useful websites in Thailand for online advertising:

- **JobBKK** is a popular platform with more than 3.1 million registered Thai users, covering most industries.
- **JobsDB** is one of Southeast Asia's most frequented job portals, and is popular in Thailand.
- **ThaiJob** is an affordable platform that covers the broad Thai workforce.
- **WorkVenture** is a popular board for candidates with academic, professional or technical qualifications. The job portal has more than 300,000 registered users, of which more than 90 per cent have a university degree.

Executive search and recruitment: Executive search firms can provide tailored searches for more senior roles. International firms such as Michael Page, Robert Walters, SmartCruit and JAC Recruitment have offices in Thailand.

Work permits: Foreigners who want to work in Thailand must have a non-immigrant work visa as well as a work permit. Individuals must first possess a non-immigrant visa, which is essential to apply for a work permit. Work permits allow foreigners to work and operate businesses in Thailand as either skilled professionals or employers. Any foreign business entities that want to apply for a work permit can do so if they bring at least AUD 113,100 (THB 3 million) per employee into Thailand.

Pass type	Who is it for?
Non-immigrant B Visa (Business visa)	The most common type of visa issued to foreigners to work in Thailand as an employee as well as operate businesses
Non-immigrant B-A Visa (Business approved visa)	This visa type is usually granted to those who invest in a business in Thailand
Non-immigrant IB visa (Investment and business visa)	For foreigners who intend to work for companies or projects being promoted by the Board of Investment of Thailand
Non-immigrant M visa (Media visa)	For foreigners looking to work in the media industry
Non-immigrant O Visa (Accompanying family members)	For the family members of foreigners granted a work visa
Smart visa	A new kind of visa issued to skilled professionals, investors, startup entrepreneurs, executives and their family members

4.6. Banking

Foreign companies establishing a commercial presence in Thailand will need a local bank account to conduct business in the country. Foreign companies may open accounts denominated in the Thai baht or foreign currencies.

The following documentation is required for foreign companies that want to open a bank account in Thailand. After this documentation is provided, a meeting with the manager of the bank's local branch is required:

- Company registration certificate copy
- Stamped minutes of board meeting authorising the opening of the account and designating signatories
- Company tax ID card
- ID or passport of every board member and shareholder with more than a 25 per cent share
- Copy of the articles of association and the memorandum of association
- Form BOJ 3, which is the official record of the company's registration details, or Form BOJ 4 (if amendments to the registration details have been made)
- Shareholder list

Companies can open either local currency denominated corporate accounts, or those denominated in foreign currencies. Financial institutions in Thailand are classified into depository and non-depository corporations.

Table 3: Financial Institutions in Thailand

Institutions	Details
Commercial banks	Commercial banks are the chief intermediaries that take deposits and provide loans to the household and business sectors
Specialised financial institutions	These are established through specific laws, with the objective of facilitating government objectives such as promoting economic development, or supporting investment
Saving cooperatives and credit unions	An organisation that takes deposits and makes loans. They are established on a voluntary basis by members who are engaged in the same trade or live in the same community
Money market mutual fund	Mutual funds that mainly invest in bank deposits, short term debt or government bonds and corporate debentures with a repayment period of less than 1 year



Australian banks in Thailand

ANZ is the only Australian bank in Thailand that supports institutional and corporate clients. It has local and foreign currency corporate banking capabilities, and provides clients with basic banking needs, core payment and cash management solutions and international trade products. It also provides access to onshore and offshore markets products for foreign exchange.

Foreign exchange controls

The Thai baht is almost freely convertible. It is fully convertible for current account transactions and most capital flows are free. However, the Bank of Thailand continues to supervise foreign exchange transactions and business activity related to foreign exchange to maintain exchange rate stability. It does this through a managed-float exchange rate regime.

All foreign exchange transactions in Thailand must happen through commercial banks and authorised non-banks such as money changes, money transfer agents and other companies that have been granted


forex licenses. There is no limit on the amount of foreign currency that can be brought into Thailand. Any person receiving foreign currencies from overseas must sell the funds to an authorised bank or deposit into a foreign currency account within 360 days of receipt.

Foreign currency can be purchased from authorised banks if documentation showing international trade or investment operations are presented. For companies that conduct business in foreign currencies, derivative transactions are permitted to hedge against currency risk.

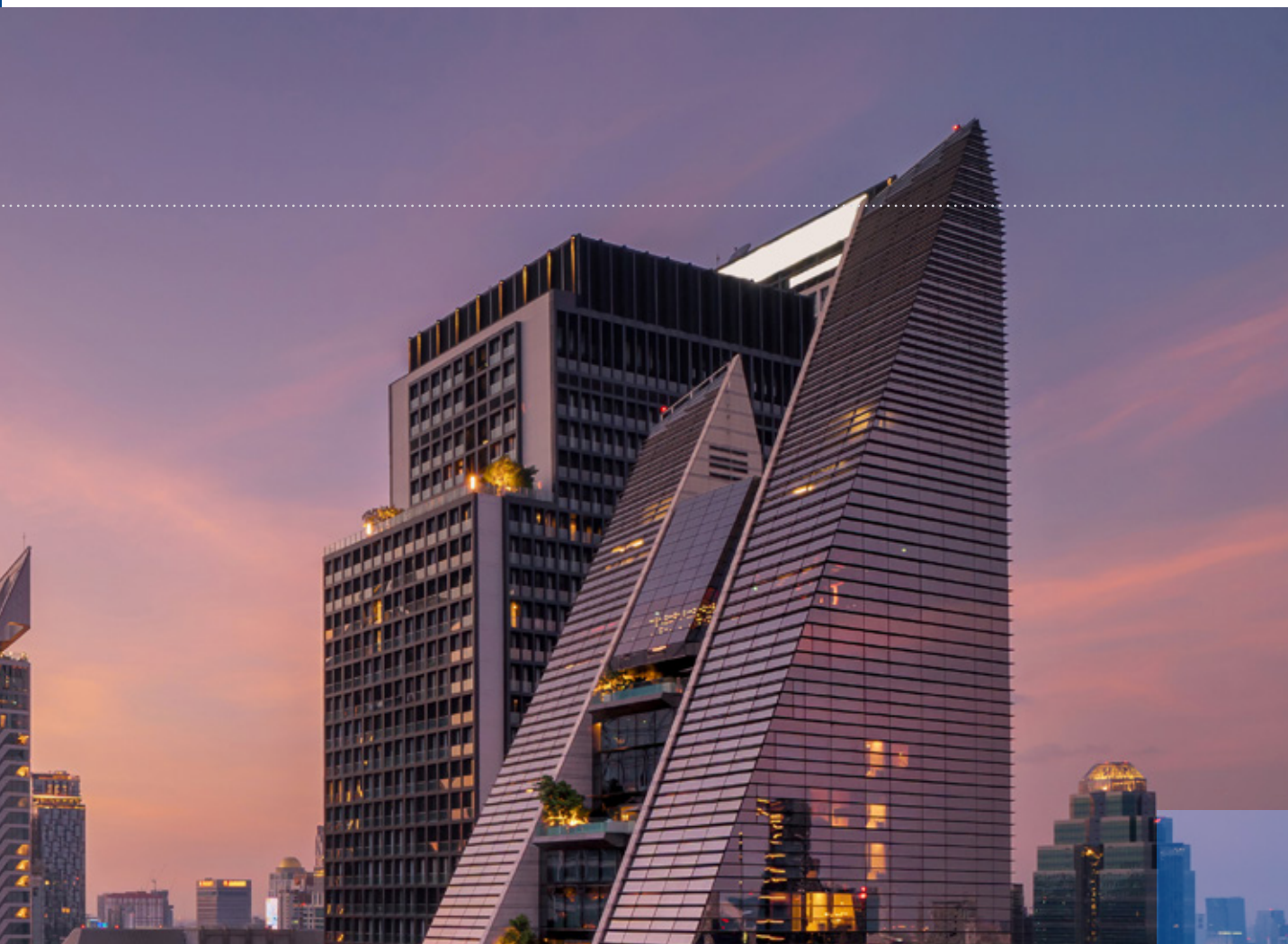
It is permitted to repatriate investment funds and repay overseas loans, provided supporting documents are submitted to an authorised bank. Any amount of AUD 1.53 million (USD 1 million) or more received either for the export of goods or the provision of services overseas must be converted into Thai baht immediately on payment within 360 days of receipt, the amount must be either deposited into a foreign currency account with an authorised bank or sold. Importers can purchase or withdraw foreign currencies from their own accounts for the payment of imports once they provide supporting documents.



5. Appendices



Understanding the relationship between economics, politics and government can give businesses an edge when entering a new market. This chapter provides general information on political and legal structures, relevant government agencies, key economic zones and the bilateral relationship with Australia.



5.1. Country information

Politics and government

Thailand is a constitutional monarchy that is modelled on the Westminster system of government, divided between the executive, legislative and judicial branches. Thailand has seen multiple military coups and constitutions, with a to-and-fro between military rule and elected governments.

The King is the head of state, and while the executive branch of the government is headed by the Prime Minister, the King continues to exercise significant influence over the political system. The King is revered in Thailand and under a law known as *lese majeste* it is illegal to defame, insult or threaten the monarch. Anyone found guilty of such acts can be imprisoned for between three and 15 years.

The Prime Minister is supported by various other ministers, and deputy ministers and permanent officials of various ministries. The Prime Minister is selected by the House of Representatives, whose President recommends his/her name to the King for appointment. As the head of the government, the Prime Minister is responsible for the administration of all government agencies.

The Parliament, also known as the National Assembly, is the law-making body of government, and it is comprised of the House of Representatives (the lower house comprised of 500 members) and the Senate (the upper house, comprised of 200 members). While members to the House of Representatives are directly elected by the public (400 through a first-past-the-post system and 100 through party list proportional representation), the members of the new Senate were elected following three rounds of elections at district, provincial and national levels in June 2024.

There has been significant upheaval in Thai politics over the past decade. There is currently a broad coalition of 12 parties in government. The current government’s policy platform includes restructuring sovereign debt, offering cash transfers to 50 million Thai people via a digital wallet, protecting domestic SMEs on e-commerce platforms and reducing energy costs, amongst others. Although the government is popularly elected, the Thai military remains a key player in politics and retains significant sway over the democratic process.

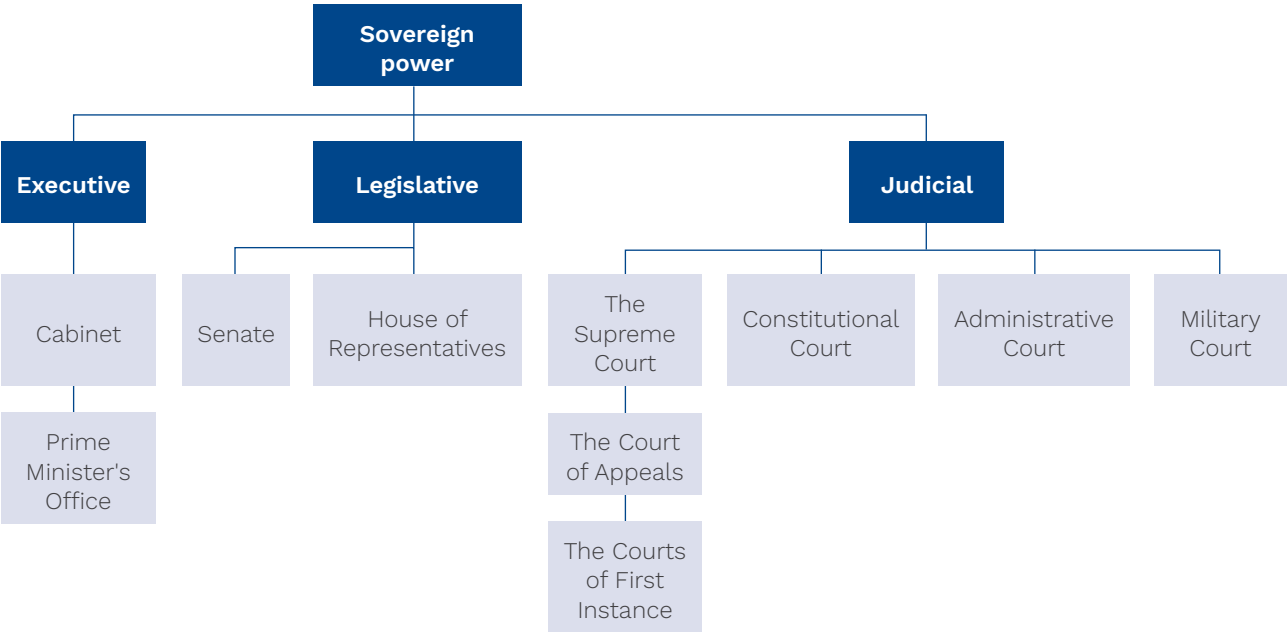
Legal system

Thailand’s legal system is a hybrid, although it predominantly has a civil law legal system.

The traditional bases of the legal system are rooted in the ancient Hindu Code of Manu, which have been localised to suit Thai custom. It is also influenced by the French civil system and is statute based as a result, with several similarities to codes seen in European civil law.

The Thai constitution is the supreme law of the state, and assigns the responsibility of trying and adjudicating cases to the courts, of which they are four types: the Constitutional Court, the Courts of Justice, the Administrative Courts and the Military Courts. Of these, the Courts of Justice rule on most types of cases – there are three levels of the Courts of Justice, namely the Courts of First Instance, the Courts of Appeal and the Supreme Court of Justice.

Thailand’s government and judicial structure



Key government agencies

Key government agencies and industry associations will need to be consulted throughout the process of setting up a business in Thailand. Some of these agencies can also be useful for providing advice and initiating contacts.

The main agencies and their areas of authority relating to foreign businesses are:

Government agency	Responsibilities	Website
Department of Business Development (DBD)	DBD is Thailand's national regulator for business entities, offering assistance and business development under the MOC.	dbd.go.th/en
Board of Investment (BOI)	The BOI, an agency under the Office of the Prime Minister, promotes foreign investment in Thailand by offering information, services and incentives to potential investors. Companies can contact the BOI can receive a Foreign Business Certificate and information on foreign investor investments and tax benefits from BOI.	boi.go.th/en
The Securities and Exchange Commission (SEC)	The SEC is primarily responsible for policy relating to capital markets, and issues regulations on public companies.	sec.or.th/EN
Stock Exchange of Thailand (SET)	The SET is Thailand's only stock exchange.	set.or.th/en
The Revenue Department (RD)	The RD collects taxes in accordance with the Revenue Code's laws and regulations.	rd.go.th/english
Bank of Thailand (BOT)	The BOT is the central bank – it is responsible for issuing banknotes, formulating monetary policy and providing banking facilities for financial institutions.	bot.or.th/th
Ministry of Labour (MOL)	The MOL oversees labour administration and protection, in addition to skills development and employment promotion in Thailand. The MOL can assist companies with staff recruitment and provide information on labour standards.	mol.go.th/en
National Science and Technology Development Agency (NSTDA)	The NSTDA, a government agency under the Office of the Prime Minister, supports R&D in science and technology. Companies can contact the NSTDA for further information on innovations and R&D in Thailand.	nstda.or.th/en
Eastern Economic Corridor Office of Thailand (EECO)	The EECO aims to encourage investment, boost innovation and advance technologies in Thailand. Companies can consult the EECO to develop projects or invest in areas located in the EEC.	eeco.or.th/en
Thai Customs	Thai Customs (also known as the Customs Department) is responsible for collecting duties and taxes related to imports and exports.	customs.go.th

Free trade and special economic zones

Thailand has over 20 special economic zones (SEZs) to facilitate trade and transshipment. Most of the SEZs are located close to the borders with Malaysia, Cambodia, Laos and Myanmar, and have good road and sea connectivity to China. The SEZs are categorised as first phase, which started in 2015, and second phase, which started after 2016.

Phase 1 SEZs

The phase one SEZs consist of five provinces, 10 districts and 36 sub-districts.

Province	District	Sub-district
Tak SEZ	Mae Sot district	Mae Sot, Mae Tow, Ta Sai Luad, Phra That Pha Dang, Mae Gasa, Mae Pa, Mae Ku, Mahawan
	Phob Phra district	Phob Phra, Chong Kab, Valet
	Mae Ramad district	Mae Ja Rao, Mae Ramad, Ka Ne Jue
Mukdahan SEZ	Muang district	Sri Bun Ruang, Mukdahan, Bang Sai Yai, Kam Ar Huan, Na Si Nuan
	Wanyai district	Bang Sai Noi, Cha Note, Wanyai, Bongkham
	Don Tan district	Pho Sai and Don Tarn
Sakaeo SEZ	Aranyaprathet district	Ban Dan, Pa Rai, Tha Kam
	Wattananakorn district	Pak Kha
Trat SEZ	Khlong Yai district	Khlong Yai, Had Lek, Mai Rood
Songkla SEZ	Sadao district	Sadaom Samnak Kham, Samnak Taew, Padang Bazar

Phase 2 SEZs

The phase two SEZs consist of five provinces, 12 districts and 55 sub-districts.

Province	District	Sub-district
Chiang Rai SEZ	Chiang Khong district	Krueng, Boon Ruang, Rim Khong Vieng, Sri Don Chai, Sa Tan, Huaykho
	Chiang Saen district	Baan Saew, Pa Sak, Mae Ngern, Yo Nok, Vieng, Sri Don Moon
	Mae Sai district	Koh Chang, Baan Dai, Pon Ngam, Pong Pha, Mae Sai, Vieng Pang Kam, Sri Muang Chum, Huay Krai
Nongkhai SEZ	Muang district	Kai Bok Wan, Nai Muang, Baan Duer, Phra Tat Bang Puan, Pho Chai, Pon Sawang, Mee Chai, Vieng Kook, See Kai, Nong Kom Kor, Hat Kam, Hin Ngom
	Sakrai district	Sakrai
Nakhon Panom SEZ	Muang district	Gu Ru Ku, Tha Kho, Na Sai, Na Raj Kwai, Nai Muang, Baan Pueng, Pho Tak, Nhong Yat, Nhong Saeng, Art Samart
	Tha U district	Non Tarn, Ram Raj, Vern Phra Baht
Kanchanaburi SEZ	Muang district	Kang Sian, Baan Kao
Narathiwat SEZ	Muang district	Khok Kian
	Tak Bai district	Jae Hae
	Yi Ngor district	La Han
	Wang district	Loh Jood
	Su Ngai Ko Lok district	Su Ngai Ko Lok

Source: Acclime

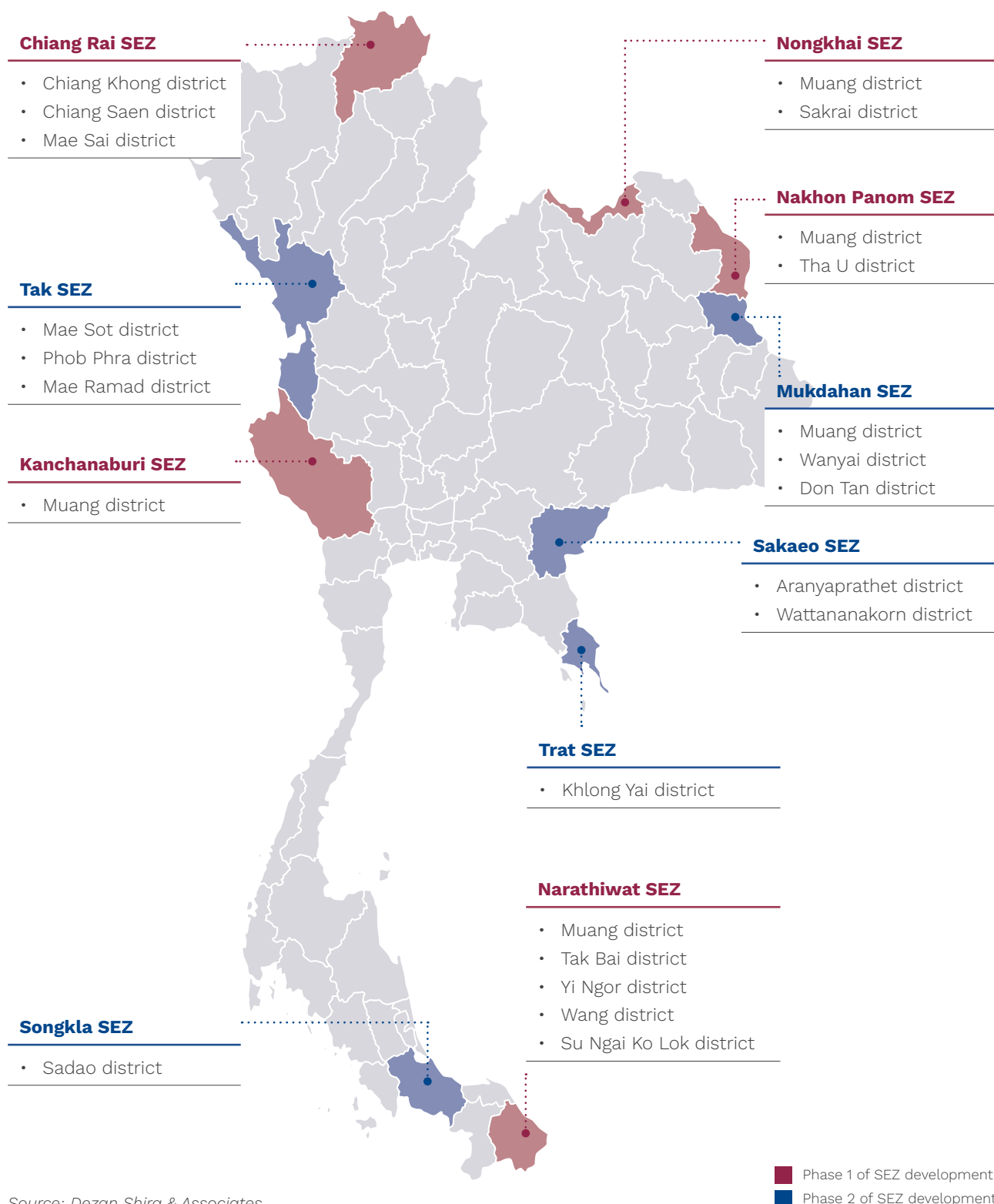
Companies that conduct businesses in the SEZs are able to access simpler registration procedures and streamlined bureaucracy, full foreign ownership and tax incentives.

The Thai SEZs prioritise specific industries and investment projects by foreigners are reviewed individually. Foreign entities that want to register companies in the SEZs are required to meet criteria that includes paid capital of at least AUD 94,605

(THB 2.22 million), securing a lease agreement for space for manufacturing or warehousing and demonstration that their operations will result in more exports or technology transfers into Thailand.

Thailand also currently has 62 general industrial zones (GIZs) that are typically focused on industrial activities. Companies registered in these are provided exemptions import duties and VAT on imports.

Locations of the special economic zones in Thailand



Source: Dezan Shira & Associates

Thailand-Australia bilateral relationship

Thailand and Australia have enjoyed deep ties since formal diplomatic relations were established in 1952. Cooperation between the two countries is built on a range of shared interests, such as commerce, trade and investment, defence, counter-terrorism, education, agriculture, tourism, energy and climate change.

The two countries signed a Joint Declaration in November 2020, which elevated the relationship between them to that of a Strategic Partnership, which builds on the earlier Agreement on Bilateral Cooperation. In November 2022, Australia and Thailand signed a Strategic Economic Cooperation Arrangement (SECA) MOU, which aims to strengthen government-to-government cooperation in key economic sectors.

Australia and Thailand share deep commercial and trade ties. The Thailand-Australia Free Trade Agreement continues to support mutual cooperation. The two countries are additionally both party to the Regional Comprehensive Economic Partnership (RCEP) too, which is an FTA between 15 Asian economies, and are parties to the agreement establishing the ASEAN-Australia-New Zealand FTA (AANZFTA). Two-way trade in goods and services between Thailand and Australia has continued to grow, and Thailand is Australia's 10th largest trading partner globally.

Further information on the bilateral relationship between the two countries is available from [DFAT](#).



5.2. Useful contacts and support resources

Government organisations

Australian Department of Foreign Affairs and Trade (DFAT)

dfat.gov.au/geo/thailand

DFAT manages Australia's international network, including in Thailand. Australia has an Embassy in Bangkok, and a Consulate-General in Phuket.

Austrade

austrade.gov.au

Austrade is the Australian Government agency responsible for facilitating international trade and investment. Austrade can provide advice on the market, potential in-market partners and export marketing services. Austrade has an office in the Australian Embassy in Bangkok.

Export Finance Australia

exportfinance.gov.au

EFA provides information, support and export finance solutions to Australian businesses looking to expand overseas.

Business and industry associations

AustCham Thailand

austchamthailand.com

The Australian Chamber of Commerce in Thailand represents and promotes Australian businesses operating in Thailand. AustCham coordinates a regular program of business seminars, networking and social functions for the business community in Thailand.

Australia Thailand Business Council

aust-thai.org.au

The Australia Thailand Business Council promotes bilateral trade and investment opportunities between Australia and Thailand. It offers networking and cultural awareness programs, and a B2B supply chain consultancy service for Australian businesses looking to enter Thailand.

Export Council of Australia

export.org.au

The Export Council of Australia is the peak industry body for the Australian export community.

Programs and support

Go Global Toolkit

export.business.gov.au

Information, tools and support to grow your business globally through a range of digital platforms for every stage of the export journey.

Export Market Development Grants (EMDG)

austrade.gov.au

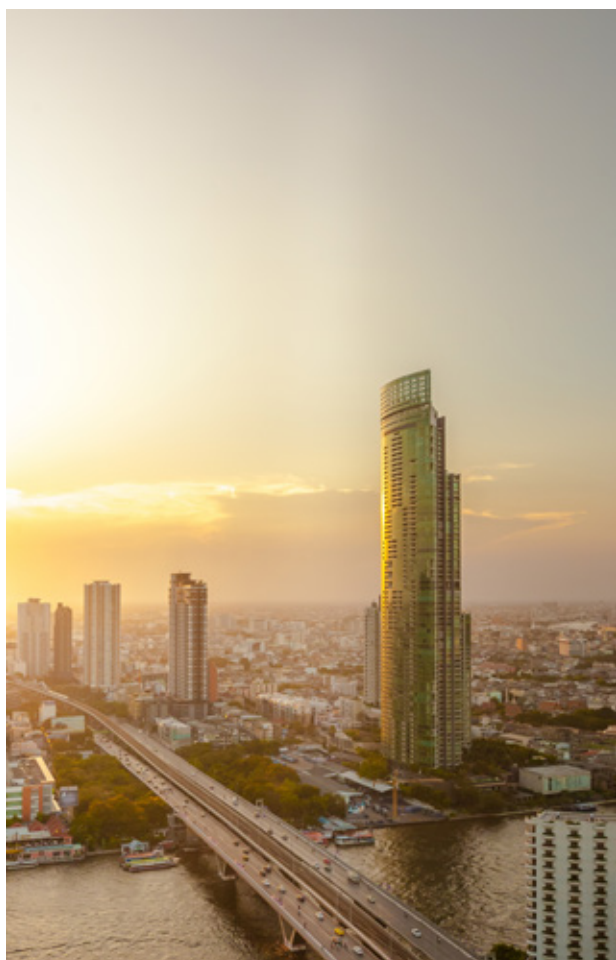
Austrade seeks to help small to medium Australian enterprises grow their exports in international markets through their EMDG grant program.

Industry Growth Program

industry.gov.au

The Industry Growth Program supports innovative SMEs undertaking commercialisation or growth projects in the National Reconstruction Fund priority areas.

State or territory government trade and investment agencies may also run programs and provide support to businesses looking to expand into international markets. Please consult your relevant state or territory agency for more information.



5.3. References

A select list of sources used in the development of this publication are included below.

Acclime	Herbert Smith Freehills
ANZ	Heritage Foundation
Asia Law Network	HSBC
Asian Development Bank	IFRS Foundation
Associated Press	IMF
Association of Banks in Singapore	International Comparative Legal Guide
AustCham Thailand	International Federation of Accountants
Australian Department of Foreign Affairs and Trade	International Forum of Independent Audit Regulators
Australian Taxation Office	International Labour Organization
Australian Trade and Investment Commission (Austrade)	Join Horizons
Australian Government Department of Education	Juslaws & Consult
Australian Government GoGlobal Toolkit	King & Wood Mallesons
Bangkok Post	Legal Thai
Bank of Thailand	Lexology
BDO Thailand	Lloyds Bank
BTI Transformation Index	Mahanakorn Partners
Business Law Journal	Market Research Thailand
Chambers and Partners	McKinsey & Company
Climate Knowledge Portal	Nichimura & Asahi
Compliancia	NNRoad
Dezan Shira and Associates	Notre Dame Global Adaptation Initiative
DBS	Odin Tax
DLA Piper	Office of the National Economic and Social Development Council, Thailand
Euromonitor	OOSGA
EY	OpenGov
Export Finance Australia	PwC
Factory Mutual Insurance	Royal Thai Consulate-General
Freedom House	Royal Thai Embassy
FitchRatings	Siam Legal
GlobalLex	S&P Global
Google	StartUp in Thailand
GSL Law & Consulting	StatCounter
Healy Consultants	Tech in Asia
	Telecom Review Asia
	Tetra Global Consultants
	Thai Customs

Thailand Board of Investment

Thailand Business News

Thailand Government Public Relations Department

Thailand Integrated Tariff Database

Thailand Law Forum

Thailand Law Online

Thailand Revenue Department

The ASEAN Post

The Heritage Foundation

Themis Partner

The Nation

The Star

Tilleke & Gibbins

Transparency International

S&P Global

United Nations Council of Trade and Development

UNESCAP

University of Melbourne

US Chamber of Commerce

US Department of State

US International Trade Administration

COUNTRY Government (various sources)

Transparency International

Wage Indicator Foundation

We Are Social

Workello

World Bank

World Economic Forum

World Free Zones Organization

World Trademark Review

5.4. A note on currency

All money amounts are in Australian dollars unless otherwise indicated.

Exchange rate used is the historical rate for the previous twelve months.

1 USD = 1.5258 AUD

1 USD = 35.9407 THB

1 AUD = 23.5603 THB

1 THB = 0.04246 AUD

5.5. Acknowledgements

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Department of Foreign Affairs and Trade

AustCham Thailand

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5.6. Disclaimer

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