Thailand’s Automotive Crossroads

– Navigating Crisis and the Electric Revolution

YAMADA Consulting & SPIRE

Summary

Thailand’s automotive industry is undergoing a major transformation as the country shifts from its traditional role as a regional ICE vehicle manufacturing hub toward electrification.

Production has fallen sharply since 2022 due to weak domestic demand and reduced export activity. Despite these headwinds, substantial investment continues to flow into the sector, primarily for EV assembly, batteries, and key components, as major Chinese manufacturers establish local production facilities.

The transformation presents compelling opportunities across the EV value chain for players who can navigate the intensifying competition and rapid technological change.

Contents

I. Automotive Industry Snapshot

Production

1.46 Million Units (2025)
-11% CAGR (2023-2025)

1st rank in ASEAN **10th rank** in GLOBAL

Production share by type of vehicle (2025)

1-ton pickup truck	Passenger car (incl. SUV)	PPV	Heavy truck & bus
49%	37%	12%	2%

Export

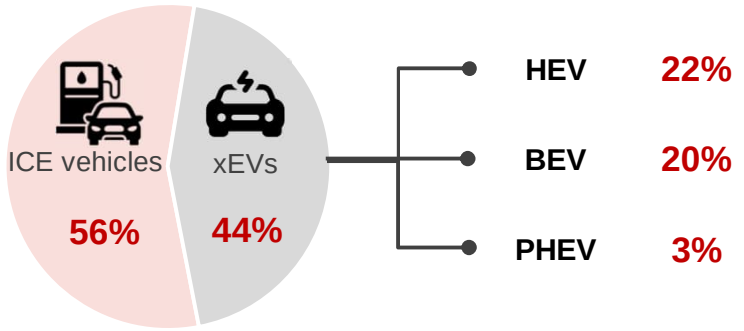
0.93 Million Unit in 2025
-8% CAGR (2023-2025)

Export share (%): Vehicle type		Export share (%): Major market	
1-ton pickup truck	61%	Asia	28%
Passenger car (incl. SUV)	25%	Australia & New Zealand	27%
PPV	14%	Middle East	21%

Domestic Market

0.63 Million Units* (2025)
-13% CAGR (2023-2025)

New registrations by vehicle type (2025)



New competitive landscape

Top 5 brands in **2021**			Top 5 brands in **2025**		
#1	Toyota	33%	#1	Toyota	37%
#2	Isuzu	23%	#2	Honda	12%
#3	Honda	11%	#3	Isuzu	11%
#4	Mitsubishi	7%	#4	BYD	7%
#5	Mazda	5%	#5	Mitsubishi	4%

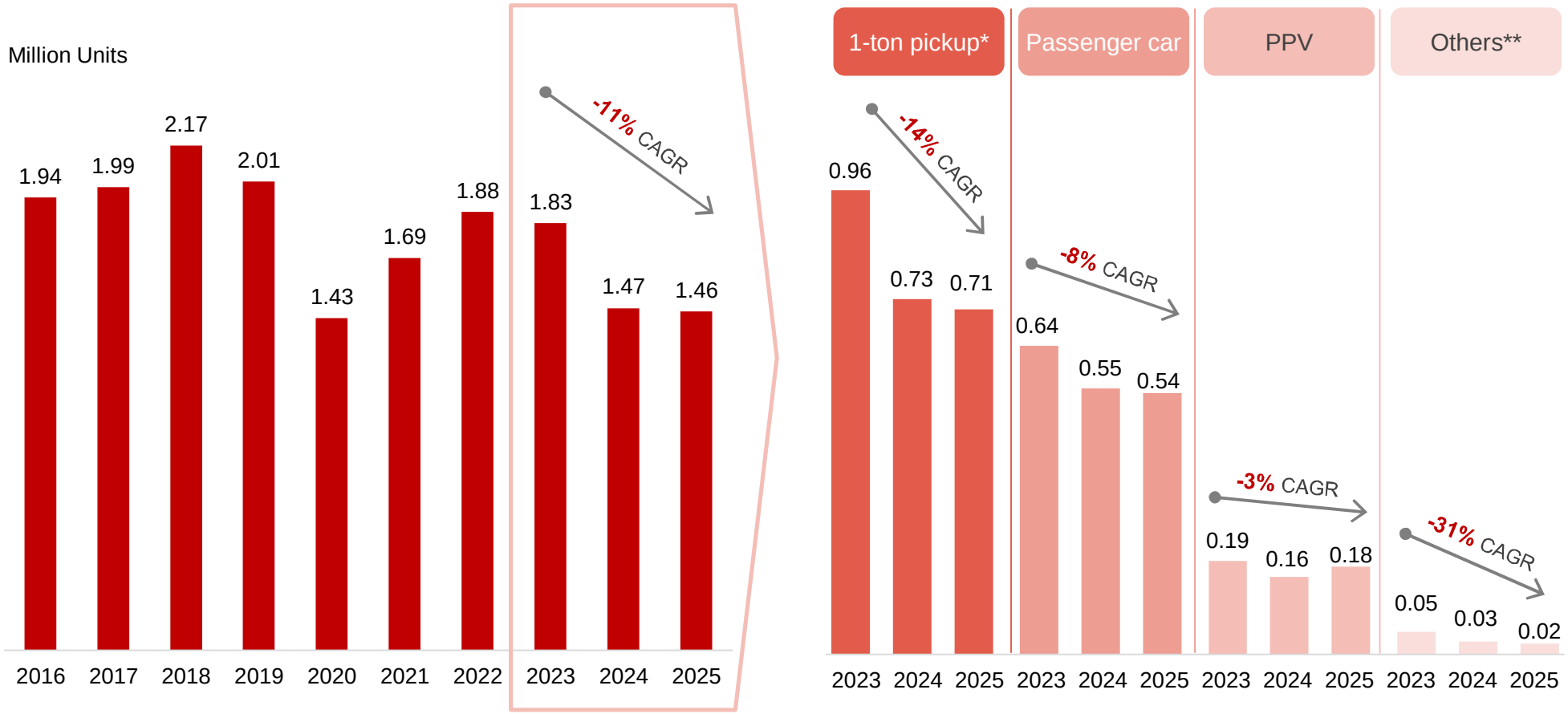
Note: *The number refers to the newly registered vehicles, which cover passenger car, 1-ton pickup truck, PPV, and other commercial cars e.g. bus, heavy truck. Motorcycles and tricycles are excluded.

Source: The Federation of Thai Industries, Thai Automotive Institute, Department of Land Transport

II. Recent Industry Trend: Production Plummets

- Automobile production in Thailand has declined substantially since 2022, with a CAGR of -11%.
- A sharp decline has been observed in the production of 1-ton pickup trucks and other commercial vehicles, driven by weak domestic demand resulting from the economic slowdown and reduced export activity.

Thailand automobile production trends



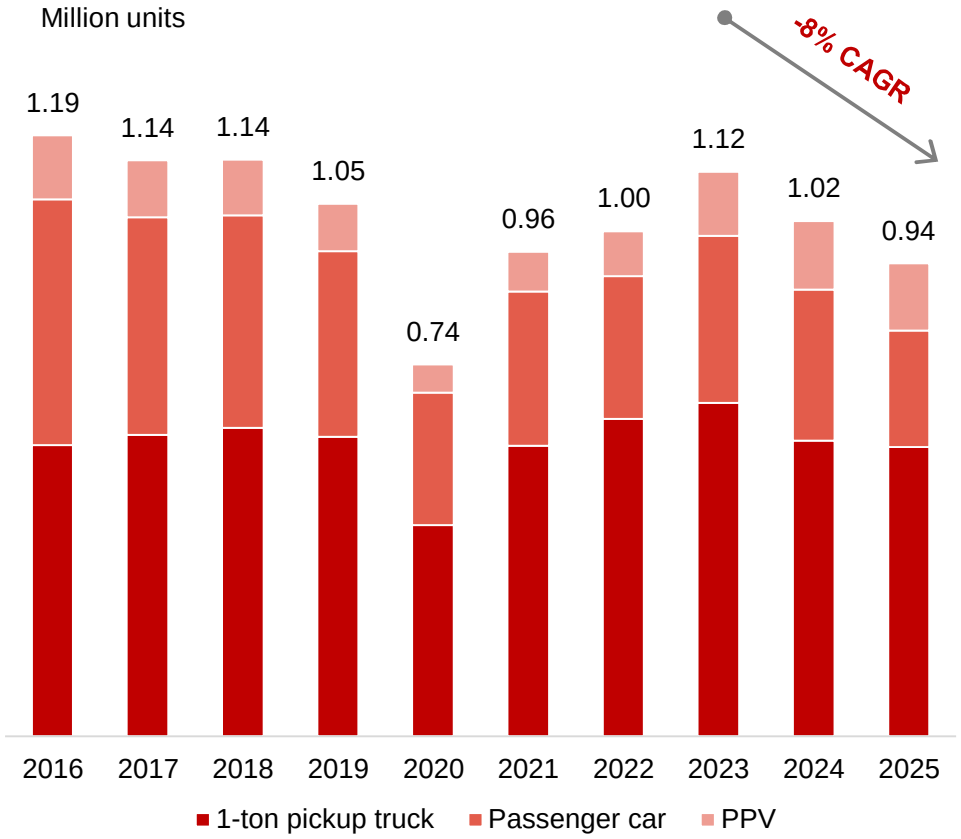
Note: * Single-cab and double-cab pickup trucks are included.
** Others include vans, buses, and heavy-duty trucks.

Source: The Federation of Thai Industries

II. Recent Industry Trend: Declining Export Performance

- Thailand's automobile exports recovered after COVID-19, but fell sharply in 2025, largely due to sluggish demand among trading partners and reduced production of ICE vehicles for export.

Thailand automobile export volume by vehicle type



	2025 Share	CAGR 2023-25
1-ton pickup truck	61%	-7%
Passenger car	25%	-17%
PPV	14%	+3%

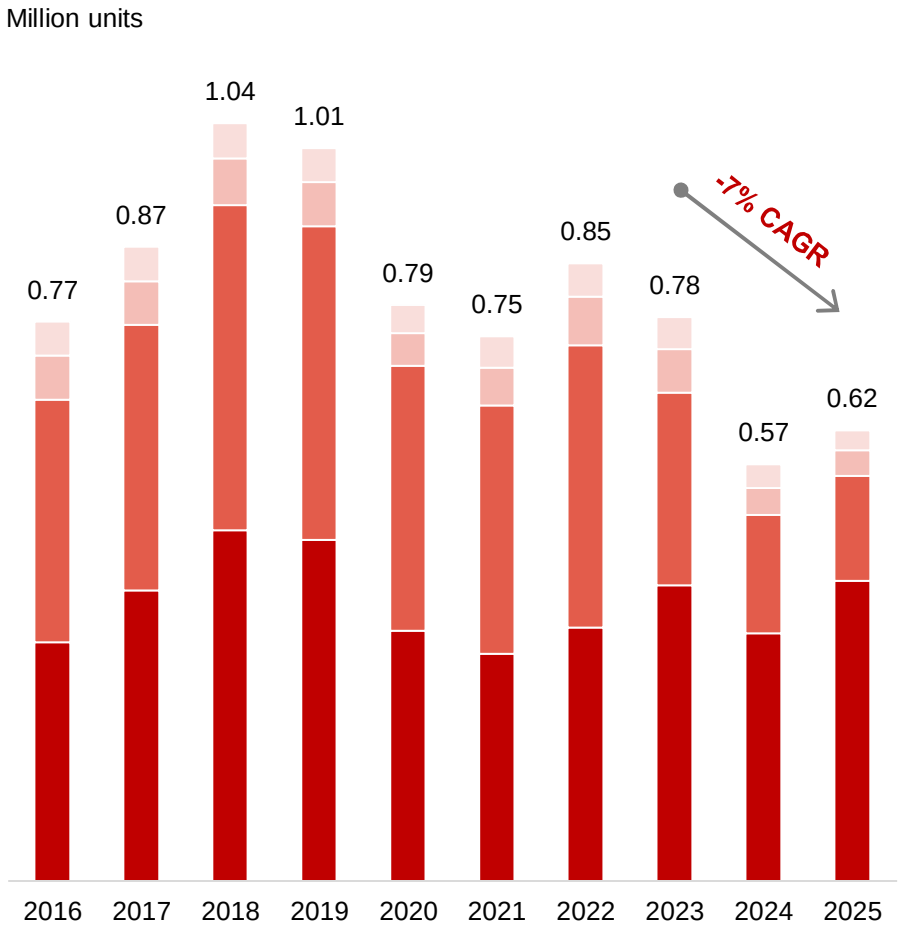
- Exports of 1-ton pickup trucks have continued to fall since 2023, primarily because of the global economic slowdown.
- Passenger car exports have declined sharply because several auto makers have stopped producing certain ICE models for export in response to reduced demand for ICE vehicles.
- PPV exports grew during 2024-2025 due to greater popularity and multi-purpose utility.

Source: Thai Automotive Institute

II. Recent Industry Trend: Domestic Sales Contraction

- Thailand's domestic car sales fell to a 10-year low in 2024 to below 600,000 units, primarily because of high household debt and tighter credit conditions.
- Commercial vehicles, particularly 1-ton pickup trucks, were the most severely affected.

Thailand automobile domestic sales by vehicle type



	2025 Share	CAGR 2023-25	
Passenger car	66%	+1%	• Passenger car sales declined amid high household debt and tighter lending, but partially rebounded toward pre-COVID levels, supported by a surge in demand for electric vehicles.
1-ton pickup truck*	24%	-18%	• Pickup truck sales plunged in 2024–2025 to under half of pre-COVID volumes. • Because the segment relies mainly on farmers and small business owners, which hit hard by the economic slump, its recovery will likely lag behind passenger cars.
PPV	6%	-16%	• PPV demand has been eroded by consumer shifts toward HEVs and EVs, prompting buyers to switch vehicle types.
Others**	4%	-15%	• Meanwhile, sales of other commercial vehicles have been hit by subdued economic activity.

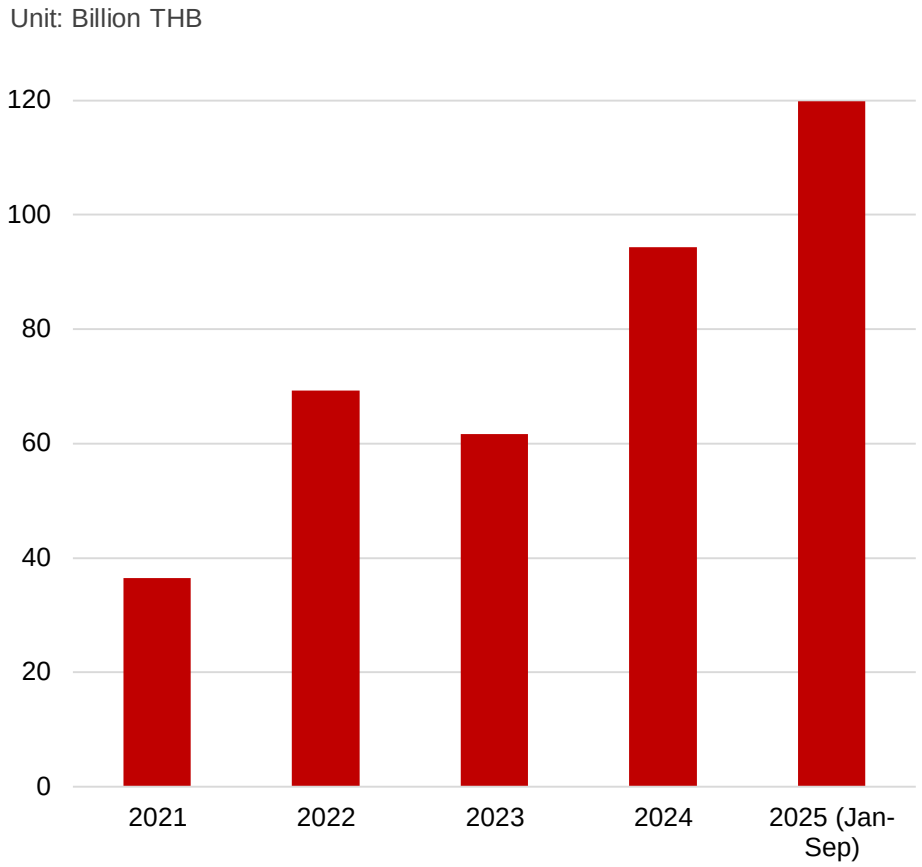
Source: Thai Automotive Institute

Note: * Single-cab and double-cab pickup trucks are included.
** Others include vans, buses, and heavy-duty trucks.

II. Recent Industry Trend: Scaling Up Investment

- Thailand's automotive industry continues to attract growing investment.
- Growth is occurring not only among EV-related manufacturers but also in general automotive parts, especially universally used items like tires, which have expanded notably.

Investment in automotive industry (2021-2025)*



Note: * The investment value of BOI-promoted automotive projects covers vehicle assembly and parts/component manufacturing, includes only passenger cars and commercial vehicles, motorcycles are excluded.

Source: BOI

- Despite the sales slumps, the BOI has approved roughly THB 380 billion (about USD 11.2 billion) for the automotive sector over the last five years.
- The investments are concentrated primarily in EV assembly, battery production, and key equipment such as traction motors, chargers, battery management systems, and motor control units.

  During 2022-2023, investments in EV assembly, particularly from Chinese manufacturers, surged significantly as a result of the EV 3.0 policy measures.

  During 2024-2025, investments in the EV supply chain continued to rise to support the local content requirements of EV assembly.
  From 2026 onward, Japanese manufacturers are expected to expand investment in hybrid electric vehicles for both domestic and export markets.
- Investment in common vehicle parts and components has also risen, particularly in tires, transmission components, brake systems, and safety systems, to support the country's expanding vehicle production capacity.

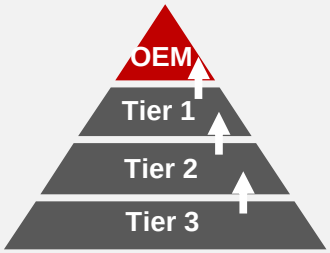
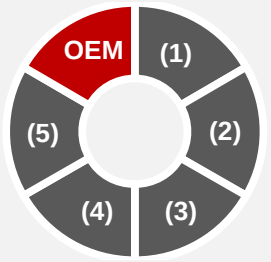
Examples of large investment projects (2024-2025)

- **Sunwoda** plans to invest approximately THB 50 billion in battery cell manufacturing and is also considering launching an EV battery recycling business in Thailand to strengthen its supply chain and manage end-of-life batteries.
- **Continental** has invested about THB 13 billion to expand its tire plant in Thailand, boosting annual production by 3 million tires to serve customers domestically and across the Asia-Pacific region.

II. Recent Industry Trend: Supply Chain Restructuring and Disruption (1/2)

- EV's dramatically reduce mechanical complexity, while increasing dependence on critical minerals and high-tech components.
- This shift transforms traditional linear supply chains into circular networks and increased vertical integration.

Supply Chain Structure: ICE vehicles vs EVs

	Conventional ICE Vehicles	EVs
Complexity & parts	• High mechanical complexity: ~30,000–40,000 parts overall ICE vehicle powertrain: ~200-2,000+ moving parts. For examples: o Engine: pistons, valves, camshafts, crankshafts o Fuel system: fuel pumps, injectors, filers o Exhaust system: exhaust manifold, catalytic converter, muffler o Transmission system: gears, clutches, synchronizers	• Low mechanical complexity: ~3,000–4,000 parts, but greater reliance on critical minerals, rare earths, and advanced electronics. • EV powertrain: ~20-25 moving parts Key components: o Battery pack o Electric motor o Reduction gears o Inverter (DC-AC converter) o Battery Management System (BMS) o On-Board Charger
Supply chain model	 Tier 1: supplies complex systems Tier 2: supplies sub-components (e.g. pistons, valves, pumps) Tier 3: supplies raw materials (e.g. steel, plastic, rubber) and basic parts (e.g. bolts, nuts, wires) • **Linear/ Hierarchical:** The product flow begins with raw materials from Tier 3 suppliers, moves to Tier 2 for components, then to Tier 1 for complete systems, which are supplied to OEMs. • **Japanese dominance**: Focused on long-term tier relationships. • **Fragmentation**: A large number of tier 2 and 3 suppliers (>1,000), which heavy focus on casting and machining.	 (1) IT supplies (2) Online player (3) Telcom companies (4) Device manufacture (5) Auto parts supplies • **Circular/ networked structure:** More interconnected and less strictly hierarchical, enabling flexible and rapid production, different inventory profiles, and greater product diversity. • **Chinese dominance:** Focused on fast and vertical integration (e.g. in-house cell production, JV with miners) • **Concentration:** Low number of suppliers as the R&D Focus on electronics and software

Source: BOI, TDRI, online articles

II. Recent Industry Trend: Supply Chain Restructuring and Disruption (2/2)

- Thailand's EV transition threatens 1,000-1,200 SMEs that produce ICE-specific components
- Manufacturers of universal parts remain viable but face intensified competition.

ICE components hit hard

- The shift to electric vehicles has eliminated many ICE components, reducing the typical vehicle parts count from about 30,000 to roughly 3,000, and has severely disrupted the traditional auto-parts industry.
- It is estimated that roughly 1,000-1,200 companies produce parts that are completely disappearing in an EV. These firms are primarily SMEs involved in engine casting, forging, and metal machining.

Common vehicle parts still competitive

- The manufacturers of common vehicle parts and components that are compatible with both ICE vehicles and EVs, *like brakes, suspension, tires, steering, HVAC, safety systems, infotainment, basic electricals, and seats*, are gaining from increasing EV production.
- However, they will face intense competition from Chinese suppliers, whose advantages typically include lower costs, faster market entry, and greater emphasis on quality and bundled solutions.

Case examples of recent moves by auto parts manufacturers

Company	Strategic Moves
Somboon Advanced Technology	• Leveraged metal-forming and casting expertise to enter agricultural machinery and robotics components • Entered the EV market via partnerships, targeting niche segment
AAPICO Hitech	• Shift focus to EV-compatible body parts and chassis frames • Partner with Changan Automobile to manufacture and supply components and set up dealership operations
Thai Summit Group	• Established a JV with Wuhu Yuefei to supply interior components to Toyota's future EV lines

Source: Federation of Thai Industries, public news, company's website and annual report

II. Recent Industry Trend: EV Battery Localization

- Thailand's investment incentives have attracted major Chinese battery manufacturers to establish local production facilities in support of the expanding EV industry.

Battery localization

- To position Thailand as a BEV production hub, the government is actively recruiting EV parts manufacturers to strengthen competitiveness through localized supply chains.
- Batteries, which account for roughly 40% of an EV’s cost, are a primary focus.
- The authorities have introduced eligibility criteria for EV 3.0 and 3.5 incentives that require the use of domestically produced batteries and key components, and BOI-approved projects that achieve more than 40% local content qualify for additional tax benefits.
- These incentives have attracted investment in EV components and batteries, with substantial Chinese investment into Thailand over the past several years.
- Most EV assemblers in Thailand are Chinese firms; they typically source components from Chinese suppliers or create their own low-cost supply chains, especially in the battery segment, where Chinese players are particularly active.

Large EV battery investment projects in thailand

Manufacturer	Partnership	Battery Type / technology	Annual Capacity
BYD	-	• LFP • Blade Battery • Cell-to-Pack (CTP)	~150,000 units*
Changan	-	• LFP • Cell-to-Pack (CTP)	100,000–200,000 units
Omoda & Jacoo (Chery)	-	• LFP • Battery pack	~50,000 units*
Sunwoda	-	• Battery cell	n/a
HASCO-CP	• JV: SAIC Motor (CH), CP Group (TH)	• LFP • Cell-to-Pack (CTP)	50,000 packs
SVOLT Energy Technology	• JV: SVOLT (CH), Banpu NEXT (TH)	• LFP / NMC • Short Blade L600 cells • Cell-to-Pack (CTP)	60,000 packs
NV Gotion	• JV: Gotion Hi-Tech (CH), Nuovo Plus (TH)	• LFP • Battery module and pack	2 GWh
A C Energy Solution (PTT)	• Strategic cooperation**: • CATL (CH)	• LFP • Semi-solid state • Cell-to-Pack (CTP)	55,000 packs

Note: * Battery pack and assembly are integrated into the assembly plant, so annual capacity is estimated from the EV production capacity.
**CATL supplies CTP production line to Arun Plus and shares the knowledge and technologies of CTP battery pack manufacturing.

 Source: BOI, public news

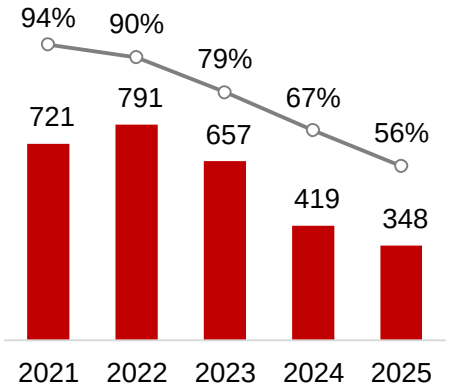
III. Domestic Market Dynamics: HEV & BEV as a Market Drivers

- Thailand's auto market is rapidly shifting from ICE vehicles to electric vehicles
- BEVs are leading growth, driven by strong government incentives, while HEVs are gaining traction as a transitional option for range-conscious buyers.

New registered automobiles by engine types in Thailand

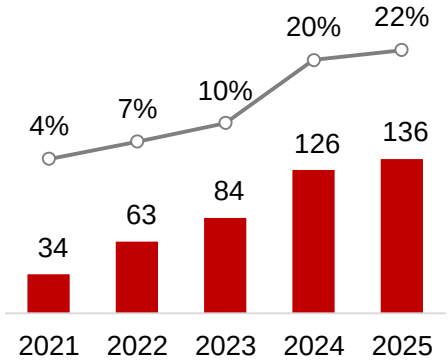
-17% (CAGR) | xEV **+59%** (CAGR)

ICEs



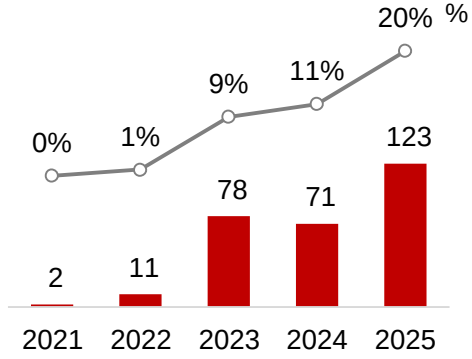
- ICE vehicles sales declined significantly between 2023 and 2025.
- Many drivers have switch to EVs, while others deferred purchases until EV models and prices stabilize, which has depressed ICE demand.

HEVs



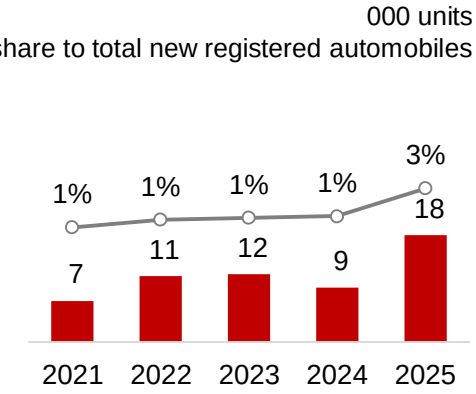
- Hybrid electric vehicles (HEVs) have become more popular due to its advantage of energy saving feature.
- Many drivers have switched from ICE vehicles to HEVs rather than other types of EVs, due to concerns about BEV quality and range anxiety, falling resale values, and charging inconveniences.

BEVs



- The large increase in BEV sales in 2023 was driven by strong government support aimed at turning Thailand into an EV production hub.
- This prompted automakers to increase BEV output and steep discounting driving the sharp rise in BEV numbers.

PHEVs



- PHEV adoption in Thailand remains stagnant, holding only a single-digit market share. Causes include:
  - ✓ **Price:** PHEVs are more expensive than ICEs and HEVs.
  - ✓ **Market position**: Positioned between HEVs and BEVs, PHEVs lack clear value proposition; buyers often prefer regular hybrids for simplicity.

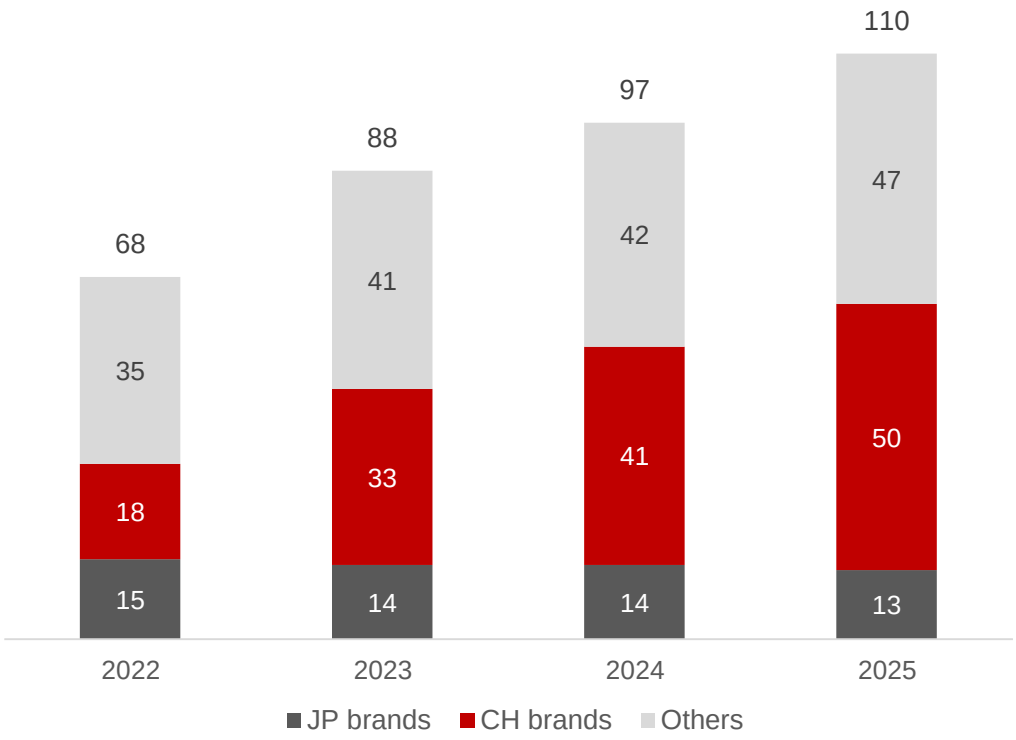
Note: Automobiles include passenger car, pick-up truck, van, truck, and bus.

Source: Department of Land Transport

III. Domestic Market Dynamics: Proliferation of Chinese Brands

- Since 2023, Thailand's auto market has rapidly diversified, driven mainly by a surge of Chinese EV brands expanding across price segments and gaining consumer acceptance.

Brand count of new vehicle sales by manufacturer nationality



Note: The figure in the chart above shows the number of brands represented among newly registered vehicles, which including passenger cars, SUVs, pickup trucks, and vans. The number cover both locally produced and imported models.

- Since 2023, the range of automotive brands in Thailand has grown, largely because of an influx of Chinese brands, especially in the EV sector.
- The number of Chinese car brands sold in Thailand rose from 18 in 2022 to 50 in 2025, most of which are BEVs.
- Chinese EV manufacturers have expanded internationally in search of revenue amid fierce domestic competition and oversupply.
- Chinese manufacturers have expanded their presence in Thailand by operating multiple brands targeted at distinct market segments. By offering differentiated products across price and feature ranges, they have increased market penetration and broadened consumer choice.
- At the same time, Thai buyers have become more receptive to Chinese brands because of their advanced technology and competitive pricing. Beyond the well-known names, numerous smaller or lesser-known Chinese brands have also been imported and sold in Thailand over the past three years.

Source: YCST calculation (using data released by the Department of Land Transport)

III. Domestic Market Dynamics: The Shift in Consumer Preferences

- Thai consumers increasingly favor SUVs, are more accepting of Chinese car brands, and expect advanced features at affordable prices.

More acceptance of Chinese brands

- Thai consumers' attitudes toward Chinese carmakers have rapidly changed from wary to broadly accepting. As shown in the market share of 22% in 2025 from 4% in 2021.
- A 2024 Deloitte survey found that 64% of Thai consumers are willing to try new car brands, one of the highest rates in Southeast Asia.
- The high level of openness is driven by three primary factors which are access to new technologies, allure of trying something new, and affordability.

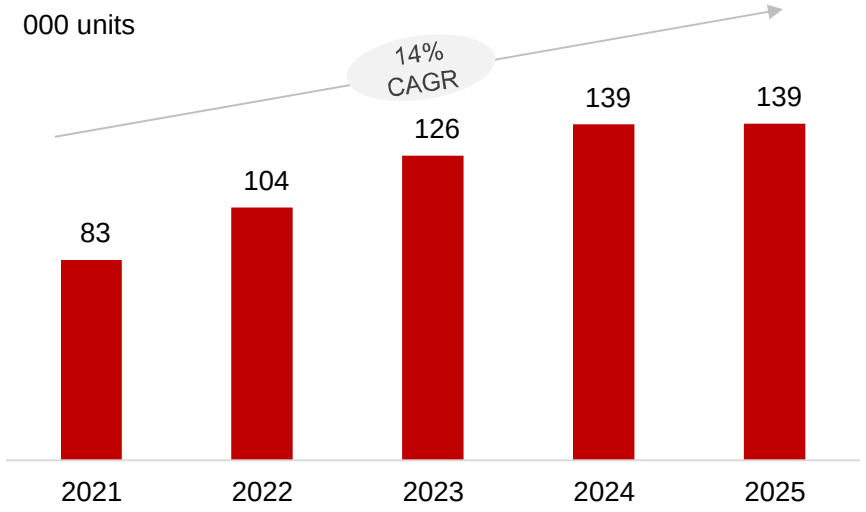
Expectation of advanced features

- Features once exclusive to luxury cars are now expected in mass-market models priced below 1 million THB, driven by the high standard set by Chinese EV offerings.
- Thai buyers increasingly expect modern design and sophisticated functionality as standard, e.g. large infotainment touchscreens, smartphone connectivity, and advanced driver-assistance systems (ADAS), particularly by younger customers.

Shift toward SUVs

- Despite slow growth in overall passenger-car sales, demand for SUVs is rising as Thai consumers increasingly prefer them over sedans.
- This shift is driven by two main factors: SUVs are viewed as more practical for Thailand's varied terrain and occasional flooding, and they project a lifestyle image that particularly appeals to younger buyers.

Number of new registered SUVs*



Note: * The number of newly registered SUV models from major brands, including Toyota, Honda, BMW, BYD, Mazda, Haval, Mitsubishi, Nissan, Deepal, and others.

Source: Department of Land Transport, public news

IV. Competitive Landscape: Japanese vs Chinese Market Share

- Chinese automakers are rapidly gaining share, driven by BEV advantages and price competition, while Japanese OEMs have lost share overall; leading brands (Toyota, Honda) have held ground by promoting HEV.

Share of automobile sales in Thailand by brand origins

	2021	2025
Japanese Brands	92%	72%
Chinese Brands	4%	22%
Others	4%	6%

Market share & focused vehicle of major JP and CH brands

Origin	Top manufacturers	Mkt share*		Focused vehicle**			
		2021	2025	ICE	HEV	PHEV	BEV
JP	Toyota	**33%**	**37%**				
	Honda	**11%**	**12%**				
	Isuzu	23%	11%				
	Mitsubishi	7%	4%				
	Ford	4%	3%				
CH	BYD	0%	7%				
	SAIC Motor (MG)	4%	4%				
	GWM	0%	2%				
	GAC Aion	0%	2%				
	Changan	0%	2%				

Note: * Sales CAGR and market share are based on newly registered vehicles, covering passenger and commercial cars; motorcycles are excluded.
**Color shows each manufacturer's vehicle-type share in its domestic sales in 2025.

>70-100% >50-70% >20-50% 5-20%

The great shift in Thailand automotive market

- Although Japanese brands still lead Thailand's automotive market, their share has fell from 92% in 2021 to 72% in 2025, a 20-percentage-point decline in four years.
- Chinese brands have capitalized on this gap, growing from 4% in 2021 to a substantial 22% in 2025.
- The shift correlates with Thailand's large BEV subsidies, which heavily favored imported BEVs (mostly Chinese) while Japanese brands were slower to transition.

Japanese Defenders vs Chinese Challengers

- Not all Japanese automakers are suffering equally from the shift of the market.
- Between 2021 and 2025, Toyota and Honda expanded their shares among leading brands, when demand for HEVs surged as replacements for ICE models.
- Isuzu's share plunged from 23% to 11%, largely because the company depends on diesel pickup trucks and has yet to introduce HEV or BEV pickups to the mass market.
- Entry of Chinese manufacturers accelerated rapidly, and their price competitiveness enabled them to dominate the BEV segment.
- Leading Chinese automakers have gained the market share through aggressive pricing, sleek and modern designs, and advanced EV technology, e.g. ADAS.

Source: YCST calculation (using data released by the Department of Land Transport)

IV. Competitive Landscape: Key Strategies of Chinese Manufacturers

- Chinese manufacturers are capturing Thailand's market by leveraging vertical integration to control costs, delivering premium technology at affordable prices, and deploying multi-brand strategies.

Key strategies of Chinese manufacturers to gain market presence in Thailand

Vertical Integration

Chinese automakers are highly vertically integrated and often rely on in-house or pre-established suppliers, enabling stronger control over costs and supply chains.

- **BYD:** The company manufactures between **75% and 85%** of its vehicle components in-house. Its EV assembly facility in Thailand combine battery assembly and power transmission systems.
- **Changan**: Its manufacturing facility in Thailand operates end-to-end production, from body welding and painting to engine and battery assembly.

Value Over Price (Through Technology)

Chinese brands are competing on features and technology. Chinese EVs with the price starting at 600,000 THB offer features previously reserved for premium European cars, such as full LCD dashboard, advanced driver-assistance systems (ADAS), AI-based voice control, and large touchscreens, superior battery technology, etc.

- **Chery:** The OMODA C5 EV, priced at about 649,000–699,000 THB, features 17 advanced ADAS safety systems, a 24.6-inch dual screen, and 50W wireless charging.
- **GWM:** The ORA Good Cat GT, with a starting price of 859,000 THB, features intelligent driver-assistance systems such as Auto Emergency Braking, the Wisdom Dodge System (which detects and avoids large vehicles), intelligent parking, voice commands, and more.

Multi-brand Strategies

Chinese automakers create multiple brands to target distinct customer segments (budget, mainstream, premium, EV-only) without diluting a single brand's positioning. Each brand can pursue a specific price point, design language, or tech focus. Therefore, consumers gain more choices and price points, especially in EVs and low-cost models.

Manufacturer	Brand portfolio in Thailand
BYD	BYD, DENZA
Changan	CHANGAN, DEEPAL, AVATR
Geely	GEELY, ZEEKR, RIDDARA
Chery Automobile	CHERY, JAECOO, OMODA
GWM	ORA, GWM, HAVAL, GWM TANK, POER

Source: Public news, summarized by YCST

IV. Competitive Landscape: Recent Moves of Japanese Manufacturers

- To counter market-share declines, Japanese automakers are executing various approaches for crisis management.
- Recent movements focus on consolidation, hybrid defensive positioning, and leverage Chinese alliances for cost efficiency.

Recent moves of Japanese manufacturers to navigate crisis in Thailand

Production Consolidation

Japanese automakers are reducing ICE production capacity to address oversupply and improve capital efficiency. They are moving away from full-lineup manufacturing to focus on high-volume models.

- **Honda:** Ceased vehicle assembly at its Ayuthaya plant and consolidated operations into its Prachinburi plant.
- **Nissan:** Suspended one plant in Samut Prakarn and consolidated production into a single facility. The halted plant is being converted into a parts manufacturing for body and stamped parts.

HEV as a Transitional Approach

Japanese automakers are aggressively positioning HEVs as a bridge technology for Thai consumers, who are wary of EV resale value and charging infrastructure.

- **Toyota:** Is aggressively pricing and promoting hybrid models such as the Yaris Cross HEV, Camry HEV, and Corolla Cross HEV.
- **Honda** has rolled out e:HEV versions of all popular models as City, HR-V, CR-V, Accord to retain customers.

Alliance with Chinese Manufacturers

Japanese automakers are forming strategic partnerships with Chinese manufacturers to accelerate their EV transition. By leveraging Chinese EV technology and supply chains, they aim to reduce production costs and introduce competitive BEV models to the Thai market.

- **Toyota**: Sourcing more components from Chinese suppliers in Thailand aiming to cut EV costs by up to 30%.
- **Honda**: Formed JV with Dongfeng and GAC to build BEVs in China. Its first BEV model, e:N1 sold in Thai market are imported from its plant in China.
- **Mazda**: Entered a strategic partnership with Changan to leverage its advanced EV technology. Its first BEV model launched in Thailand, Mazda 6e, shares a platform with the Deepal L07 and is imported from China.

Source: Public news, summarized by YCST

V. Automotive Industry Transition Policy: Key Measures to Promote BEV Industry

- Thailand's BEV policy includes tax cuts and subsidies to encourage EV adoption, along with investment incentives to attract manufacturing and develop the EV ecosystem, such as charging infrastructure and EV parts production.

To promote BEV adoption

- Since 2022, Thailand has offered incentives, including direct subsidies and reductions in excise and import taxes, to make BEVs more price-competitive with ICE vehicles.
- The manufacturers receiving these incentives are required to commit to initiating local BEV production.

Subsidies & tax incentives	
Cash Subsidies per vehicle	2022-2023: THB 70,000–150,000 2024: THB 50,000–100,000 2025: THB 35,000–75,000 2026-2027: THB 25,000–50,000
Excise tax	Cut from 8% to 2%
Import tax	Reductions of 20–40%

To promote BEV production

- High tax incentives are being provided to BEV producers to develop the country into a regional BEV manufacturing hub.

Investment incentive:

- 3-8 years CIT exemption for manufacture of BEV (include passenger car, truck, and bus)
- An additional 2-year, 50% CIT exemption for manufacturers that use 40% local content.

To promote BEV ecosystem

- To strengthen the supply chain and prepare infrastructure for widespread EV adoption, substantial tax incentives are also being offered to EV parts manufacturers and charging-station operators.

Investment incentive:

- 3-5 years CIT exemption for EV charging station and battery swapping station
- 5-8 years CIT exemption for key EV parts* and battery manufacturing

Note: * Key parts such as traction motor, transmission system, battery management system, motor control unit, EV charging device, inverter, battery cooling system, etc.

Source: BOI

V. Automotive Industry Transition Policy: Key Measures to Support HEV Manufacturing

- In 2024 the government introduced a policy to support hybrid (HEV) and mild-hybrid (MHEV) vehicles.
- The measure, an excise tax cut, aims to protect the current supply chain and facilitates the transition, particularly for Japanese manufacturers

<table>
<tr><th></th><th></th><th>HEV</th><th>MHEV*</th></tr>
<tr><td>Incentives</td><td></td><td>• Maintain excise tax at 6-9% from 2026 to 2032 (replacing the earlier planed rate that had been set to rise 2% every 2 years)
<table><tr><th>CO2 emission</th><th>Excise tax rate</th></tr><tr><td>Not exceeding 100 g/km</td><td>6%</td></tr><tr><td>101-200 g/km</td><td>9%</td></tr></table></td><td>• Maintain excise tax at 10-12% from 2026 to 2032
<table><tr><th>CO2 emission</th><th>Excise tax rate</th></tr><tr><td>Not exceeding 100 g/km</td><td>10%</td></tr><tr><td>101-200 g/km</td><td>12%</td></tr></table></td></tr>
<tr><td rowspan="3">Condition & requirement</td><td>Investment</td><td>• The manufacturers must make actual investments at least THB 3 billion from 2024 to 2027.</td><td>• The manufacturers will be required to make actual new investments of not less than 1 billion baht by 2026 and not less than 5 billion baht in total from 2024 to 2028.</td></tr>
<tr><td>Using domestic parts</td><td>• From 2026 onward: Must use battery packs produced in Thailand
• From 2028 onward: Must use key parts produced in Thailand</td><td>• From 2026 onward:
o Must use Battery Packs produced in Thailand
o Must have key part producing process of not less than 4 out of 5 parts: (1) Cylinder Head, (2) Cylinder Block (3) Crankshaft, (4) Camshaft, (5) Connecting Rod
• From 2028 onward: Must use designed key part, which is traction motor or any equipment enhancing propulsion, produced in Thailand.</td></tr>
<tr><td>Safety system installation</td><td colspan="2">• Must installed Advanced Driver-Assistance System (ADAS) at least 4 out of 6 systems
1) Advanced Emergency Braking System (AEB)
2) Forward Vehicle Collision Warning Systems (FCW)
3) Lane Keeping Assistance Systems (LKAS)
4) Lane Departure Warning System (LDW)
5) Blind Spot Detection (BSD)
6) Adaptive Cruise Control (ACC)</td></tr>
</table>

Note: * MHEV or Mild Hybrid Electric Vehicle is a hybrid electric vehicle where the electric system operates below 60V.

Source: BOI

VI. Future Outlook & Opportunities

- Thailand’s automotive industry is at a critical juncture, with electrification reshaping the competitive landscape and creating new opportunities across the value chain.

Future Trends

Continued BEV Expansion

- Consistent with global trends, EV production and adoption in Thailand are expected to increase, driven by policy support and declining battery costs.

	2030 Target
BEV production	725,000*
BEV utilization	440,000*
DC Fast charging	12,000

* Passenger car and pickup

Charging Infrastructure Surge

- Demand for charging infrastructure is projected to increase substantially, driven by a rapid rise in EV adoption. The charging network is expanding rapidly but still faces a significant infrastructure gap as demand outpaces installation.

HEV Growth (as a Bridge Technology)

- HEVs are expected to expand, driven by supportive policies and consumer concerns about BEVs' range anxiety and limited parts-and-service infrastructure.

Advanced Features as Standard

- ADAS, large touchscreens, smartphone connectivity becoming expected features across all segments, driven by Chinese EV benchmark and government policy.

Challenges

- Intense competition from Chinese OEMs and suppliers with price and technology advantages
- Rapid technology disruption requiring continuous adaption
- Infrastructure gaps e.g. charging coverage in rural areas
- Supply chain localization requirements

Key Opportunities

Battery Ecosystem

- Cell & pack manufacturing
- Battery refurbishment
- Maintenance services and recycling

EV & Universal Components

- Key EV parts e.g. traction motors, inverters, BMS
- Common parts compatible with both EVs and ICE vehicles e.g. brakes, suspension, HVAC, tires, safety systems

Electronics & Control Systems

- Automotive PCBs, power electronics (inverters, DC/DC converters) and sensor clusters for driver-assistance and autonomous driving aids

Charging Infrastructure

- Charging stations
- Equipment e.g. charger devices, home charging solution, public charging solution, especial fast/ super fast charging.

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Contact Information

YAMADA Consulting & Spire (Thailand) CO., Ltd.