



Doing Business in Thailand

Thailand is the second largest economy in Southeast Asia and strategically located to serve markets in the region and beyond. Besides an attractive production base, its 66 million-strong population provides an interesting consumer market. The Netherlands is Thailand's largest EU investor and an important trading partner with a reputation in those areas which Thailand takes a particular interest in. These include agriculture & food, water & maritime, energy transition, and green & smart cities.

Thailand is the second largest economy in Southeast Asia after Indonesia, with a Gross Domestic Product (GDP) of US\$495.2 billion (2022). It is an upper middle income country with an open, export-orientated economy in which exports account for two-thirds of the GDP. Services contribute around 58% of the GDP, while the industrial and agricultural sector constitutes around 33% and 9% of the GDP, respectively.

The country is strategically located to serve markets in Southeast Asia and nearby powerhouses such as China and India. Its membership of the Association of Southeast Asian Nations (ASEAN) provides businesses in Thailand the advantages of the ASEAN Economic Community, the 10-nation single market of over US\$3.3 trillion and 660 million consumers. Thailand is a WTO member and has free trade agreements (FTA) with China, Japan, South Korea, India, Australia, New Zealand, Chile, Peru and Hong Kong, as well as under the Regional Comprehensive Economic Partnership (RCEP), an FTA among the 15 Asia-Pacific nations of ASEAN, China, Japan, South Korea, Australia and New Zealand. It is negotiating an FTA with the EU.

The 20-year national strategy (2018-2037) aims for Thailand to become a developed country with security, prosperity and sustainability by 2037. The government has introduced 'Thailand 4.0', a combination of promoting industrial transformation and establishing an Eastern Economic Corridor (EEC).

Policy development

Twelve targeted industries are selected to serve as fresh and more sustainable growth engines. The first five, usually referred to as the 'S-curve' industries, are: next-generation automotive; intelligent electronics; advanced agriculture and biotechnology; food for the future; and high-value and medical tourism. The others, so called the 'new S-curve', are: automation and robotics; aviation and logistics; medical and comprehensive healthcare; biofuel and biochemical; and digital. And the latest additions are defense and education.

The EEC, an area-based development initiative to enhance the well-known Eastern Seaboard, focuses on the three Eastern provinces, namely Rayong, Chonburi and Chachoengsao. It is planned to be areas of concentration for investments in the targeted industries. The country's transport and logistics infrastructure will be upgraded to connect the EEC region with markets of the Asia Pacific, the Indian Ocean Rim, and beyond. For more information about the EEC, please see our [Factsheet Eastern Economic Corridor](#).

In addition, the government introduces the Bio-Circular-Green (BCG) economic model to support economic sustainability and create competitive advantage through wise use of resources with no or minimal impact on the environment.

The three components of the BCG are described as: “Bioeconomy” production of renewable biological resources and conversion into products; “Circular economy” building resources for reusing and recycling; and “Green economy” driving sustainable development including societal, economic and environmental success and balance.

Capitalizing on the country’s strengths in biological diversity, resources, and cultural richness, the BCG focuses on driving innovation and technology-led developments in four priority areas: food and agriculture; energy, material, and biochemicals; medical and wellness; and tourism and the creative economy.

Priority areas

Despite Thailand’s modest economic growth amidst domestic and global challenges, the country’s strategic development and location with supportive policy direction provide various business opportunities for Dutch businesses.

Areas for cooperation between the Netherlands and Thailand are linked to our shared challenges having long coastlines, densely populated deltas and large agricultural production. This is in particular the case for those focusing on sustainable agriculture, water management, energy transition, and green & smart cities.

Agriculture & food

In Thailand, rice, rubber, cassava, sugarcane, maize, tropical fruit (pineapple, durian) and oil palm are still the key economic crops with 90% of cultivated land utilization. The agricultural sector contributes 8% to GDP and employs 13 million people or one third of the labor force. The more than 50,000 F&B processors & factories contributes to another 4% of the GDP. Thailand is the 11th largest food exporter in the world and 2nd in Asia. The country is an international leading exporter of poultry meat, rice, sugar, seafood & fisheries, tropical fresh & processed fruits, and cassava.



Due to the impact of agriculture on global climate change and natural resources degradation (loss of biodiversity), the BCG economic model is launched to create more sustainable resilient food systems with less impact on climate change and environment.

Due to shortage of farm labor, limited financial resources and less new (young) farmers, improved technology & innovations (precision and digital agriculture) are essential tools for farmers to ensure their future productivity. Moreover, to maintain its significant position in the global agricultural and food market Thailand has to improve the safety (micro biological as well as chemical) and sustainability of its agricultural products.

Water and Maritime

Recognising that Thailand is among the most vulnerable countries to the adverse impact of climate change and is constantly facing extreme weather events such as flood and drought, the National Water Resources Management Plan (2018 -2037) calls for an increased investment to develop the water sector in a more comprehensive and integrated way.

The development of industrial clusters in the EEC also raise a demand for water both in terms of volume and specialized properties. This provides an interesting opportunity for Dutch water technologies related to industrial water supply and wastewater management. For more information, please see [Factsheet Water Sector in Thailand](#).



Photo credit: TCEB

In addition, Thailand strives to become a regional logistic hub by developing new deep-sea ports with IoT integrated syncromodal to link the Southeast Asian mainland with the country’s strategic location situated between the Pacific and Indian Oceans. Therefore, Thailand is looking for advisory services in water transport network development, maritime HR development, and the supply of technology in port development, dredging, shipbuilding and repairing and harbor logistics.

Energy transition

Thailand is a net importer of energy and raw materials, while dealing with pollution and biodiversity challenges at the same time. The government has long been promoting energy efficiency and renewable energy to reduce the use of fossil fuels and the environmental impact from traditional energy sources.

In Thailand’s Integrated Energy Blueprint, renewables is targeted at 30% of the energy consumption by 2037, from 12% currently. Renewable energy development in Thailand includes solar, wind, hydropower plants, biomass, biogas, biofuels (ethanol, biodiesel), municipal solid waste, and geothermal power. Experts foresee solar has the greatest potential for further increases in capacity, followed by hydro. The country also has a high potential for biopower, arising from an abundance of feedstock resources.

Thailand is in the early stages of transition, though many concrete steps are taken towards decarbonization. To achieve its ambitious target of carbon neutrality by 2050 and net-zero GHG emissions by 2065, more investments in carbon capture storage and alternative energy are projected. Carbon pricing and hydrogen are also on the government’s radar.

Green & Smart Cities

'Smart city' is an important element of Thailand 4.0 policy, aiming to enhance economic, infrastructural, technological and social well-being. Led by the Digital Economy Promotion Agency, seven domains are set to achieve the resident's quality of life and sustainability: smart environment, smart mobility, smart energy, smart people, smart governance, smart living, and smart economy. The first batch of Smart City Thailand pilot cities was introduced in late 2018, comprising of Phuket, Chiang Mai, Khon Kaen, Chachoengsao, Chonburi, Rayong and Bangkok.



Bangkok is a home of over 10 million people and a magnet for tourists and foreign expats. The city has a modern network of infrastructure. However, like in other urbanized megacities, there is much room to improve. Dutch companies can offer smart solutions in many areas such as air quality improvement, urban planning & development, sustainable transport, and smart living solutions.

Do's and don'ts in Thailand

Be prepared

Before coming to Thailand, good preparation is essential. Get to know more about the country, its economic and political climate and its culture. Make good use of the knowledge and services available from government authorities and branch organizations. Talk to entrepreneurs with experience with doing business in Thailand, for example via the Netherlands-Thai Chamber of Commerce or Stichting Thailand Zakelijk.

Build relationships

Building and maintaining good relationships is essential for doing business in Thailand. A reliable local partner can considerably speed up the preparatory works and facilitate the establishment of contacts.

Understand business etiquette

- Do prepare some business cards, as they are important and widely used.
- The polite term of address for Thai people, men or women, is "Khun", followed by the first name (i.e. Mr. Napat Meesuk, so call him Khun Napat).
- Handshakes are common when Thais greet foreigners; however, since body contact in Thai culture is kept to a minimum, handshakes tend to be brief, especially with women. "Wai", a slight bow with the palms pressed together is the Thai greeting.

- English is business language; however, in case of meetings with SMEs, it is recommended to have a reliable interpreter(s) for profound business discussions.
- The safe dress code is to go formal and use conservative colors.
- Do not be surprised if Thai people are smiling or laughing, even if you feel that the circumstances do not warrant such behavior.
- Do show up exactly on the agreed time either for dinner or working meetings, especially at meetings with the authorities and introductory/first business meetings.
- Do avoid conflict (loss of face). Be patient: very often things do not move at the same pace as in the Netherlands.
- Do follow-up immediately in writing any agreement you feel you may have reached. Yes, may not mean "yes". It may mean "yes, I understand what you are saying".
- During and around "Songkran", the Thai New Year's holiday which takes place from 13 to 15 April, everything in the country is put on hold, including business.

Know your challenges

- Business laws in Thailand reserve certain rights only for Thai nationals. Foreign business ownership are generally allowed up to 49% in a company engaged in restricted businesses. See the [BOI Quick Guide to Starting a Business in Thailand](#).
- Make sure you do due diligence prior to entering into contracts or other commercial arrangements and don't underestimate the need for quality checks. Grey areas cannot always be clarified, and should be recognized as a potential risky element.
- Outdated or unclear regulations are common challenges in Thailand. Seek proper (legal) advice, in particular regarding customs and tax issues.
- Intellectual property rights protection and enforcement remain to be a concern, including lengthy procedures.
- Thailand has strict immigration rules. It is illegal to work with a tourist visa. Getting a non-Immigrant Visa "B" (business and work) is a timely procedure and requires proof of business conduct.
- Corruption can pose a serious barrier for doing business in Thailand. Corruption is a criminal offence in both Thailand and the Netherlands, even if it takes place abroad. For more information on avoiding corruption, see [RVO's CSR Passport](#).
- Thailand is approaching general elections in a few months. Policies are subject to change.





Official name	The Kingdom of Thailand
Government type	Constitutional Monarchy Head of State: HM King Maha Vajiralongkorn Bodindradebayavarangkun Head of Government: General Prayut Chan-o-cha
Area	514,000 km ² (15 times bigger than the Netherlands), coastline 3,219 km
Population	66 million (2022)
Main cities	Bangkok (capital, metropolitan area 10 mil.), Nakhon Ratchasima, Ubon Ratchathani, Khon Kaen, Chaing Mai
Time difference	+ 6 hrs. (NL winter time), + 5 hrs. (NL summer time)
Currency	Thai Baht (THB); EUR 1 = THB 37.5 (01/03/2023)
GDP growth rate	2.6% (2022), 1.5% (2021), -6.1% (2020), 2.1% (2019), 4.2% (2018)
Foreign Investment Position	2022 Q3: Foreign Direct Investment USD 272.4 bn ; Thai Direct Investment Overseas USD 173.0 bn
Trade volume	2022: USD 590.3 bn (export: USD 287.1 bn, import USD 303.2 bn) China (USD 105.1 bn), US (USD 65.5 bn), Japan (USD 59.3 bn), EU (USD 41.0 bn)
Inflation	2022: Headline 6.1% ; Core 2.5%
World Competitiveness Ranking	33/63 (2022), 28/63 (2021), 29/63 (2020)
Ease of Doing Business	21/190 (2020), 27/190 (2019), 26/190 (2018)
Corruption Perception Index	101/180, score 36 (2022), 110/180, score 35 (2021), 104/180, score 36 (2020)
Membership	WTO, ASEAN, APEC, BIMSTEC
Free Trade Agreements	AEC/ASEAN, ASEAN-China FTA, ASEAN-Japan, ASEAN-Korea, ASEAN-Australia-New Zealand, ASEAN-India ASEAN-Hong Kong, TH-Australia, TH-New Zealand, TH-Japan, TH-Peru, TH-Chile, TH-India, RCEP
Major exports	Cars, automotive parts and accessories; computers and parts; precious stones and jewelry; rubber products; polymers in primary forms
Major imports	Crude oil; chemicals; machinery and parts; electrical machinery and parts; electronic integrated
Netherlands-Thailand	FDI: NL is the biggest cumulative EU investor in Thailand (total USD 16.8 bn as of 2022 Q3) NL is the 2nd EU trading partner for Thailand (trade volume 2022: USD 6.8 bn)

We support your business

The Netherlands Embassy in Bangkok offers active support to Dutch companies already present in Thailand and Dutch companies interested in doing business in Thailand. Our main services include the following:

- Monitoring business opportunities.
- Providing information on sectors and rules and regulations.
- Providing list of potential business partners.
- Organising meetings with relevant authorities at local, provincial or government level.
- Supporting trade missions and visiting programs to Thailand.
- Trouble shooting and advising on market access barriers.
- Advising on available instruments and services.
- Promoting Dutch business in Thailand.

The Netherlands government supports enterprises which implement Corporate Social Responsibility (CSR). Enterprises should put in place a process to integrate social, environmental, ethical and human rights concerns into their business operations and core strategy in close collaboration with their stakeholders. For more information, please see the [RVO's CSR Passport](#).

Trade Fairs

A wide variety of regional and domestic trade fairs is organised in Thailand throughout the year. The Netherlands Embassy occasionally organises activities, such as the Netherlands pavilion or networking event. Please contact us for more information on relevant trade fairs and the Embassy's events.

Business Support Instruments

The Netherlands Government has developed several instruments to support Dutch companies in doing business in Thailand. For more information, please visit the Thailand page of the Netherlands Enterprise Agency (RVO) at [Zakendoen in Thailand](#).

'NL Exporteert' is a free app designed for entrepreneurs with international ambitions. It provides information on events, the do's and don'ts of doing business, economic data and financing possibilities. The app is available in the App Store (iOS) or via Google Play.

Other relevant contacts

- Netherlands Enterprise Agency (RVO): www.rvo.nl
- The Netherland-Thai Chamber of Commerce (NTCC): www.ntccthailand.org
- Stichting Thailand Zakelijk (STZ): www.thailandzakelijk.com
- NLinBusiness: <https://nlinbusiness.com>
- Invest International: <https://investinternational.nl/>

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