

# NOTA CONGIUNTURALE THAILANDIA 2024



**Ufficio di Bangkok**



Ministero degli Affari Esteri  
e della Cooperazione Internazionale

**ITCA**   
ITALIAN TRADE AGENCY

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Dati

Nome completo	Thailandia (Regno di Thailandia / Kingdom of Thailand)
Forma di governo	Monarchia Costituzionale
Lingue ufficiali	Thai
Capitale	Bangkok
Valuta	Thai Baht
Fuso orario	UTC+7
Prefisso telefonico	+66
PIL (in miliardi di US dollari)	514.9B USD (2023)
Export di beni e servizi (% PIL) Export of goods and services (% GDP)	280.20 billion USD, 54.42PIL (2023)
Import di beni e servizi (% PIL) Import of goods and services (% GDP)	263.23 billion USD, 51.12PIL (2023)

Popolazione

Popolazione totale	66 milioni (Apr. 2024)
Popolazione delle aree urbane	
Bangkok	5.46 million (Apr. 2024)
Nakorn Ratchasima	2.62 milion (Apr. 2024)
Struttura di età	
Meno di 14 anni (Maschi 5,156,357/ Femmine 4,873,817)	15.29% (Apr. 2024)
15-24 anni (Maschi 4,131,692/ Femmine 3,952,001)	12.32% (Apr. 2024)
25-54 anni (Maschi 14,489,998/ Femmine 14,782,745)	44.62% (Apr. 2024)
55-64 anni (Maschi 4,255,480/ Femmine 4,900,352)	13.96% (Apr. 2024)
Più di 65 anni (Maschi 3,917,988/ Femmine 5,146,533)	13.82% (Apr. 2024)
Età media	41.5, anni (2024 est.)

Tasso di crescita	0.17% (2024 est.)
Tasso di natalità	9.9 nati /1,000 popolazione (2024 est.)
Tasso di mortalità	8 morti /1,000 popolazione (2024 est.)
Aspettativa di vita	
Maschi	75.2 anni (2024 est.)
Femmine	81.3 anni (2024 est.)

#### **Mercato del lavoro**

Forza lavoro	40.54 milioni (Feb 2024)
Disoccupazione	0.81% (Q4/2023)
Salario minimo	Tra 330 e 370 Thai Baht/giorno (2024 est.)

#### **Alfabetizzazione (capacità di lettura e scrittura per cittadini con età superiore ai 6 anni)**

Capacità di lettura e scrittura	93.8% (2021)
Maschi	95.2% (2021)
Femmine	92.4% (2021)

#### **Superficie**

Superficie totale	513.120 sq. Km.
Acqua	2.230 kmq.
Terra	510.890 kmq.
Aeroporti	38 aeroporti (7 aeroporti internazionali)
Ferrovie	4.429 km.
Stradali	390.026 km.

*Fonte: Elaborazioni Osservatorio Economico MAECI su dati Economist Intelligence Unit e Fondo Monetario Internazionale, World Bank, Board of Investment Thailand. 2024, Office of Registration Administration; Department of Provincial Administration of Thailand, Bank of Thailand (BOT), 2024*

# 1. ECONOMY OF THAILAND (2024)

The Thai economy in 2023 grew by 1.9%, decelerating from 2.5% in 2022. On the expenditure side, private consumption favorably expanded by 7.1%, accelerating from 6.2% in 2022. Meanwhile, private investment and export of services expanded by 3.2% and 38.3%, slowing from 4.7% and 59.9% in 2022, respectively. Nevertheless, export of goods decreased by 1.7%, from a -5.4% decline in 2022. Similarly, public investment dropped by 4.6%, continuing from a -3.9% decline in 2022.

In terms of the production side, accommodation and food service activities sector, agriculture, forestry production, and fishery sector, wholesale and retail trade sector, and transport and storage services sector expanded by 18%, 1.9%, 3.8% and 8.4%, increasing from 34.5%, 2.5%, 3.7%, and 8% in the preceding year.

Nonetheless, the manufacturing sector declined by -3.2%, compared with a -0.7% growth in the preceding year. Similarly, the construction sector decreased by -0.6%, continuing from a 2.4% contraction in 2022

In 2023, GDP value at current prices was USD513 billion, increasing from USD495 billion US dollars in 2022. GDP per capita was USD7,331.5 per person per annum, increasing from USD7,094.1 per person per annum in 2022.

For economic stability, the unemployment rate was at 0.98%, headline inflation was at 1.2%. Additionally, the current account registered a surplus of 1.3% of GDP.

The Thai economy is expected to grow at 2.6 and 3.0% in 2024 and 2025, respectively. This economic expansion will be supported by

(1) an improvement in the tourism outlook in terms of both the number of foreign tourists and spending per head;

(2) continued expansion of private consumption despite having been some moderation from high growth last year; and

(3) an acceleration of public expenditure in the remainder of the year. In contrast, exports of goods are anticipated to recover only gradually in the second half of this year. (Forecast as of 10 April 2024)

Source: Office of the National Economic and Social Development Council

## Unemployment

In the second quarter of 2023, there are an average of 430,000 unemployed people, equivalent to an unemployment rate of 1.1% which is decreasing compared to the same period of 2022 when unemployment was 550,000 people or 1.4% with a stable trend compared to the first quarter of 2023 with unemployment of 420,000. people or 1.1%

Thailand's unemployment rate in 2024 is expected to reach 1.1%, up from 0.8% the previous year. The jobless rate has been rising in tandem with demand for migrant workers.

Source: National Statistical Office of Thailand

### **E-commerce, telecommunications**

In the beginning of 2024, Thai e-commerce market was valued around USD25 billion, ranking as the second highest in Southeast Asia after Indonesia. It is estimated that this year, the market will reach a value as high as USD27 billion at the end of this year from the following factors; -

- 1) the intensified competition from new e-commerce platforms
- 2) the correlations between commerce and content creator
- 3) growing of online retail trends which lead to omni-channel experience
- 4) The cost of online advertising will continue to rise consistently and will be increasingly shifted to Retail Media Ecommerce.

Source: Kasikorn Bank Research Center

### **Financial stability**

At the end of February 2024, Thailand's public debts was equivalent to 62.48% of GDP. Inflation is currently low due to supply factors and government subsidies but is expected to gradually rise towards the target range by the end of 2024. The majority of the Committee believes that the current policy interest rate supports macro-financial stability, but its impact on structural issues is limited. While most members voted to keep the rate unchanged, two members proposed a 0.25 percentage point cut to address Thailand's lower growth potential and ease debt burdens for borrowers, with ongoing monitoring of economic uncertainties.

Headline inflation is projected at 0.6 and 1.3% in 2024 and 2025, respectively. Meanwhile, core inflation is forecasted to be at 0.6 and 0.9% in 2024 and 2025, respectively. The downward revision in inflation is due to lower prices of specific raw food items and reduced energy prices from extended government subsidies. Excluding subsidies, recent inflation readings remained positive. Inflation is expected to reach the target by year-end. Ongoing monitoring of geopolitical tensions and energy prices affected by subsidies is advised.

Overall financial conditions are stable with private sector funding costs steady. Total loans are growing, but at a slower pace due to repayments. New loans are still being granted, showing normal credit activity. However, some SMEs and low-income households face tighter credit conditions. Non-performing loans are expected to rise gradually, but a surge is unlikely. The Committee is concerned about high household debt and advocates for debt reduction to bolster the financial system in the long term. Monetary policy's impact on financial access is limited. The Committee supports targeted measures like Responsible Lending initiatives by the Bank of Thailand.

The baht depreciated more against other regional currencies due to Federal Reserve's policy and domestic factors, increasing its volatility. The Committee will closely monitor foreign exchange market fluctuations.

The monetary policy framework aims for price, growth, and financial stability. Most Committee members believe the current rate supports growth and stability. Uncertainties persist, especially regarding exports, budget disbursement, and fiscal stimulus. The Committee will monitor these factors and consider growth and inflation when deciding future monetary policy.

(Fonte: Bank of Thailand, 2024)

### **Economic Outlook 2024 (2<sup>nd</sup> Quarter)**

The Thai economy in the second quarter of 2024 expanded by 2.3%, accelerating from 1.6% in the first quarter. In the first half of 2024, the economy grew by 1.9%.

On the **expenditure** side, private consumption favorably expanded by 4.0%, decelerating from a -6.9% expansion in the previous quarter. Private consumption expenditures rose 4.0%, down from 6.9% last quarter. Service spending increased by 6.0%, while non-durable goods grew 3.6%. Durable goods fell 6.5%. Consumer confidence dropped to 54.3. Government consumption edged up 0.3%, with social transfers rising 6.9%. Overall, private consumption expanded 5.4% in Q1 2024.

Total **investment** fell 6.2% for the third consecutive quarter, with private investment down 6.8%, driven by an 8.1% drop in machinery and equipment. Construction investment declined 2.2%, while public investment decreased by 4.3%. In Q1 2024, total investment fell 5.1%, with private investment down 0.9% and public investment down 16.7%.

In **foreign trade**, export value reached USD73.315 billion, up 4.5% from a previous 1.1% decline. Export volume rose 2.7%, driven by agricultural and manufacturing products, with notable increases in rice (53.0%) and computers (147.9%). Meanwhile, imports totaled USD.67.777 billion, increasing 1.2%, but import volume fell 0.9%. As a result, the trade balance recorded a surplus of USD5.5 billion, improving from USD1.6 billion in the previous quarter.

**Manufacturing** returned to growth, while accommodation, food services, wholesale, retail trade, and transportation expanded. However, agriculture and construction contracted, with the agriculture sector declining 1.1%. Major crops like paddy and fruits saw significant decreases, but sugarcane and oil palm grew. The Agricultural Price Index rose 10.7%, boosting farmer income by 8.9%. Overall, the agriculture sector fell 1.9% in Q1 2024.

The manufacturing sector grew by 0.2%, rebounding from a 2.9% decline, with domestic-oriented industries expanding 2.5% while export-oriented ones contracted. Positive growth was seen in oil palm and animal food, while motor vehicles and electronic components fell. Capacity utilization decreased to 57.79%.

**The accommodation and food services sector** rose 7.8%, supported by 8.131 million international tourists, leading to tourism receipts of USD16.9, a 28.5% increase overall.

**Wholesale and retail trade** grew 3.0%, supported by domestic consumption and tourism recovery, while construction declined 5.5%. For Q1 2024, wholesale and retail trade expanded 3.7%, and construction fell 11.2%.

The **unemployment rate** rose to 1.07%, with headline **inflation** at 0.7% and core inflation at 0.4%. The current account surplus was USD2.6 billion, and international reserves reached USD224.3 billion. **Public debt** stood at 63.5% of GDP.

The Thai economy is projected to grow 2.3–2.8% in 2024. Private consumption is expected to increase by 4.5%, with inflation between 0.4–0.9%. This economic expansion is supported by; -

- (1) the continual recovery of tourism sector;
- (2) the favorable growth of domestic private consumption;
- (3) the high momentum from government consumption and public investment; and
- (4) the gradual return to an expansion of goods exports in line with the global trade recovery.

Source: Office of the National Economic and Social Development Council

### **Eastern Economic Corridor (EEC)**

As part of the Government's development strategy, the project relating to the development of the Eastern Economic Corridor (EEC) is central, a large industrial area in eastern Thailand which covers the territory of 3 provinces: Chachoengsao, Chonburi and Rayong.

The project includes several components in terms of physical and digital infrastructure, highways, an international airport, sea ports, high-speed railways and access to one of the most famous cities for tourism, such as Pattaya.

The EEC is set to receive investments in ten key industry sectors: Next Generation Automobiles; Intelligent Electronics; Medical Tourism and Wellness Tourism; Agriculture and Biotechnology; Food; Digital; Robotics for industry; Logistics and Aviation; Medical Sector; Biofuel and Biochemistry.

The EEC is divided into the following development zones:

- The Special EEC Zone: Eastern Airport City
- Eastern Economic Corridor of Innovation: EECi
- Digital ParkThailand: EECd
- Smart Park
- Hemaraj Eastern Seaboard 4 Industrial Estate



To date, the EEC project has aroused the interest of many foreign governments and institutions including

Japan: Ministry of Economy, Trade and Industry, KOBE Biomedical Innovation Cluster (KBIC), Japan International Cooperation Agency, HITACH;

China: Industrial and Commercial Bank of China (ICBC), Hong Kong Trade Development Council (HKTDC);

Various MOUs have also been signed for possible collaborations with the following foreign investors:

MOU between the EEC office (Eastern Economic Corridor Office of Thailand - EECO) and Alibaba Group to launch 4 areas of collaboration among which there is an investment of approximately 11 billion Baht for the development of digital hubs in the EEC area.

The EEC is one of the useful tools to implement the Thailand 4.0 program: a development plan proposed by the Thai government aimed at increasing the country's economy for the next 20 years. The main objective is to increase added value in the production of goods and services in Thailand to avoid the so-called "Middle Income Trap".

The implementation of the EEC indicates the government's determination to diversify the country's economy, historically dependent on heavy industry and manufacturing, and agriculture. Specifically, it requires a significant change in the structure of the economy: shifting the focus from the quantity of industrial activities to quality; creating a new structure of the value-based economy.

### **International organizations**

In addition to the WTO, Thailand is a member of APEC (Asia-Pacific Economic Cooperation), ASEM (Asia-Europe Meeting), ASEAN (Association of South East Asia Nations), AFTA (Free Trade Area established within ASEAN), the Cairns Group and the EALAF (East Asia-Latin America Forum), and RCEP (Regional Comprehensive Economic Partnership) which entered into force on 1 January 2022, after being signed in November 2020.

Thailand hosted APEC 2022 on November 12, 2022, with the theme "Open. Connect. Balance", supporting its priorities to develop the region towards inclusive and sustainable growth, with the aim of leading APEC towards a sustainable and balanced post-COVID-19 era through the concept of Bio, Circular and Green Economy, known as the BCG economic model.

### **Multilateral trade agreements**

Thailand gained access to GATT in 1982 and subsequently to the WTO in 1995. It is a member of the United Nations, UNCTAD, FAO, World Bank, International Monetary Fund, International Finance Corporation, Asian Development Bank and Asian Infrastructure Investment Bank.

The country is also actively engaged in a series of sectoral agreements in the specific sectors of coffee, jute, rubber, sugar, tropical wood, coconut, copper.

### **Regional Agreements**

**ASEAN.** ASEAN members cooperate in economic, cultural and social matters with each other and with non-member countries called ASEAN dialogue partners such as Australia, Canada, the European Union, Japan, New Zealand, the Republic of Korea and the United States. Italy has been a development partner of ASEAN since September 2020.

**AFTA.** The objective of the Asian Free Trade Area (AFTA) is to reduce customs tariffs on all goods whose production and/or agricultural process originates within ASEAN. Thailand and some ASEAN countries have also reduced customs tariffs on raw materials, increasing the competitiveness of domestic industries in relation to non-member countries.

The 6 original signatory countries of the agreement have reduced tariff duties to a maximum of 5% for almost all products. Few products still with tariffs above 5% belong to sensitive product lists (Sensitive List). The latest signatory countries of ASEAN, Vietnam, Laos, Myanmar and Cambodia, have aligned themselves with the almost total reduction of customs tariffs progressively starting from 2006.

**ASEAN ECONOMIC COMMUNITY (AEC).** The AEC officially entered into force on 31 December 2015 and is a program aimed at creating a stable, prosperous and competitive region in which free trade of goods, services, work, investments and free flows of capital can be achieved: an economic development in balance and a reduction in poverty and social disparities.

**ACMECS.** Regional organization that brings together the five countries bordering the three main rivers of South-East Asia: Thailand, Cambodia, Laos, Myanmar and Vietnam.

Thailand, being one of the ten ASEAN countries, benefits from the Free Trade Agreements signed by the group:

ASEAN-Australia-New Zealand, ASEAN-China, ASEAN-India, ASEAN-Japan, ASEAN-Korea, BIMSTEC.

Thailand has also signed and most recently ratified (November 2020) the **RCEP**, a free trade agreement between the 10 ASEAN countries and China, South Korea, Japan, Australia and New Zealand. The agreement entered into force on January 1, 2022.

The bilateral agreement with China, the so-called **CAFTA**, represented a big step forward given the enormous commercial potential of such a partnership. In fact, the area became one of the largest free trade areas in the world.

## **Pending Agreement**

### Thailand-EU FTA

Since the process of 2013 Thailand-EU FTA negotiation was terminated due to the seizure of power in May 2014, by Gen Prayuth Chan-o-cha, EU and Thailand agreed to relaunch negotiations with first round in September 2023.

If everything goes as planned, Thailand and the EU could sign a free trade agreement by 2025, in what is another example of the European Union's increasing engagement in the Indo-Pacific region. Thailand is considering as Europe's strategic hub as the Southeast Asian region's second-largest economy, as a gateway to promote trade and investment in the boarder region.

### Transpacific Partnership (CPTPP).

Thailand is also evaluating, albeit with great caution, a possible FTA agreement with the European Union, whose negotiations were interrupted by the EU after the 2014 coup. Technical contacts are underway between the EU and Thailand to a deeper knowledge of the FTA agreement scheme, the respective regulatory frameworks and for an assessment of Thailand's actual level of ambition with respect to an FTA negotiation. A possible agreement would reduce the significant barriers to entry into the Thai economy in terms not only of duties but of investments and regulators.

## **Bilateral trade agreements**

Thailand-Peru, Thailand-New Zealand, Thailand-Australia, Thailand-India, Thailand-Japan, Thailand-Chile

A "Treaty of Amity and Economic Relations" is in force with the USA which concerns issues such as foreign investments (exemption of US citizens and businessmen from the restrictions imposed by the Foreign Business Act), patents, dispute resolution, trade policies and taxation.

## 2. ECONOMIC RELATIONSHIPS AND BILATERAL INVESTMENTS

There are around 100 Italian companies present in the country, particularly in the capital and consumer goods sector.

Since 2015 and on the initiative of our Embassy in Bangkok, the Italy-Thailand Business Forum (ITBF) has been held annually, bringing together over 40 large and medium-sized companies.

### Italian investments in Thailand

According to information from the Foreign Investment Promotion Division, Thailand Board of Investment (BOI), Italian investments in Thailand during January 2023 to June 2024 include the approval of 8 projects from Italy for a total value of USD76.80 million.

The top 3 industries with the highest investment value are machinery and vehicles industry with estimated value of USD74.06 million, Metal and Material Industry with estimated value of USD2.20 million, and creative industry with estimated value of USD162,000.

### Italy Investment Projects Submitted to BOI (1Jan 2023 – 30 June 2024)

Unit: Million USD	
	1 Jan 2023 – 30 June 2024
<b><i>Net Application</i></b>	
No. of projects	5
Total Investment	35.16
Total Registered Capital	8.10
- Italy	8.08
- Thai	0.019
<b><i>Application Approved</i></b>	
No. of projects	8
Total Investment	76.82
Total Registered Capital	2.75
- Italy	2.73
- Thai	0.019

Note: Italy Investment projects refer to projects with Italy capital of at least 10%.

### Italy Investment Projects Submitted for Promotion Classified by Sector Series 2023

Unit: Million USD

	1 Jan 2023 – 30 April 2024	
	No. of Projects	Investment
Agricultural, Food and Biotechnology Industries	0	0.00
Medical Industry	0	0.00
Machinery and Vehicles Industry	2	32.68
Electrical Appliances and Electronics Industry	0	0.00
Metal and Material Industry	1	2.26
Chemical and Petrochemical Industry	0	0.00
Public Utilities	0	0.00
Digital Industry	1	0.029
Creative Industry	1	0.162
High Value Service	0	0.00
Activities from another Policy Series that cannot be Converted to Groups above	0	0.00
<b>Total</b>	<b>5</b>	<b>35.15</b>

Note: 1) Italy Investment projects refer to projects with Italy capital of at least 10%

2) Series 2023 refers to sector classification according to the 5-Year Investment Promotion Strategy (2023-2027)

3) Excluding all withdrawn applications until 15/05/2024

### Italy Investment Projects Approved by BOI Classified by Sector Series 2023

Unit: Million USD

	1 Jan 2023 – 30 April 2024	
	No. of Projects	Investment
Agricultural, Food and Biotechnology Industries	0	0.00
Medical Industry	0	0.00
Machinery and Vehicles Industry	4	74.06
Electrical Appliances and Electronics Industry	1	0.38
Metal and Material Industry	1	2.2
Chemical and Petrochemical Industry	0	0.00
Public Utilities	0	0.00
Digital Industry	1	0.029

Creative Industry	1	0.162
High Value Service	0	0.00
Activities from another Policy Series that cannot be Converted to Groups above	0	0.00
<b>Total</b>	<b>8</b>	<b>76.80</b>

Note: 1) Italy Investment projects refer to projects with Italy capital of at least 10%

2) Series 2023 refers to sector classification according to the 5-Year Investment Promotion Strategy (2023-2027)

3) New policy launched in September 2010 effects previous figures related to sector (activity code)

4) Excluding all withdrawn applications until 15/05/2024

### Thai investments in Italy

There are not many Thai companies that invest in Italy. Most of them are medium-sized companies and small-scale Thai restaurants and massage parlors of Thais who move to live in Italy and often collaborate with Italians. As for the large Thai companies that invest in Italy, the most relevant is Central Group, which in 2011 invested approximately 260 million euros in the Italian La Rinascente.

*Remarks: More investment statistics can be searched from the information source on the BOI website: [https://www.boi.go.th/index.php?page=statistics\\_condition\\_promotion](https://www.boi.go.th/index.php?page=statistics_condition_promotion)*

## 3. THAILAND – ITALY (2024; January to May)

### Exchange between Thailand and the world

According to data from the local Ministry of Finance, in the period: January to May 2024, Thailand recorded an increase in trade with the rest of the world of +2.18%, compared to the same period last year.

For Thailand, Italy becomes the 25th significant trade partner (0.89% SOM), 24th export destination (0.82% SOM) and 23th supplier (0.96% SOM).

### Exchange between Thailand and Italy

According to ISTAT, data from January to May 2024, the value of trade between Thailand and Italy is accounted for at 1.74 billion euros, decreasing -4.78% compared to 2023, same period.

#### 3.1 Italy import from Thailand

According to ISTAT, the value of Italy imports from Thailand in the first 5 months of 2024 amounted to 944.6 million euros (-6.15% compared to 2023, same period).

The structure of Thai exports is mainly characterized by the following n. 10 categories of goods:

1. Macchinari e apparecchiature n.c.a.
2. Prodotti alimentari
3. Apparecchiature elettriche e apparecchiature per uso domestico non elettriche
4. Prodotti delle altre industrie manifatturiere
5. Computer e prodotti di elettronica e ottica; apparecchi elettromedicali, apparecchi di misurazione e orologi
6. Altri mezzi di trasporto
7. Autoveicoli, rimorchi e semirimorchi
8. Articoli in gomma e materie plastiche
9. Prodotti agricoli, animali e della caccia
10. Prodotti chimici

Below is the table containing the first 19 aggregate categories of goods (SH2)

Interscambio commerciale in valore Italia-Thailandia per Pseudo-sottosezioni 'Ateco 2007'-Gennaio-Maggio 2024 (ISTAT data - ICE Bangkok processing)				
(Values in Euro, cumulative data)				
No	Divisions	IMP2023 (Jan-May)	IMP2024 (Jan-May)	Var. % Imp Value
1	CK28-Macchinari e apparecchiature n.c.a.	205,996,922	180,302,813	-12.47%
2	CA10-Prodotti alimentari	103,836,251	127,090,838	22.40%

3	CJ27-Apparecchiature elettriche e apparecchiature per uso domestico non elettriche	112,095,884	104,212,713	-7.03%
4	CM32-Prodotti delle altre industrie manifatturiere	112,118,707	101,871,571	-9.14%
5	CI26-Computer e prodotti di elettronica e ottica; apparecchi elettromedicali, apparecchi di misurazione e orologi	129,600,206	86,005,990	-33.64%
6	CL30-Altri mezzi di trasporto	67,931,187	83,243,165	22.54%
7	CL29-Autoveicoli, rimorchi e semirimorchi	50,131,594	73,732,259	47.08%
8	CG22-Articoli in gomma e materie plastiche	68,169,677	51,337,155	-24.69%
9	AA01-Prodotti agricoli, animali e della caccia	24,241,969	37,690,544	55.48%
10	CE20-Prodotti chimici	39,500,870	27,432,247	-30.55%
11	CH25-Prodotti in metallo, esclusi macchinari e attrezzature	21,076,564	14,666,165	-30.41%
12	CH24-Prodotti della metallurgia	19,298,009	12,162,197	-36.98%
13	CB13-Prodotti tessili	17,467,814	9,561,077	-45.26%
14	CB15-Articoli in pelle (escluso abbigliamento) e simili	9,434,171	9,233,770	-2.12%



15	CG23-Altri prodotti della lavorazione di minerali non metalliferi	9,688,526	8,102,711	-16.37%
16	CB14-Articoli di abbigliamento (anche in pelle e in pelliccia)	6,455,687	6,797,591	5.30%
17	CA11-Bevande	1,712,862	4,187,687	144.48%
18	CM31-Mobili	3,157,268	2,633,762	-16.58%
19	CC16-Legno e prodotti in legno e sughero (esclusi i mobili); articoli in paglia e materiali da intreccio	1,087,534	1,891,138	73.89%
20	EE38-Prodotti delle attività di raccolta, trattamento e smaltimento dei rifiuti; prodotti dell'attività di recupero dei materiali	110,259	754,331	584.14%
21	BB08-Altri minerali da cave e miniere	174,187	405,911	133.03%
22	CF21-Prodotti farmaceutici di base e preparati farmaceutici	2,203,363	349,134	-84.15%
23	VV89-Merci dichiarate come provviste di bordo, merci nazionali di ritorno e respinte, merci varie	486,491	312,675	-35.73%
24	CC17-Carta e prodotti di carta	267,662	185,805	-30.58%
25	AA03-Prodotti della pesca e dell'acquacoltura	158,357	175,325	10.72%
26	JA58-Prodotti delle attività editoriali	109,290	174,067	59.27%

27	RR90-Prodotti delle attività creative, artistiche e d'intrattenimento	16,499	46,075	179.26%
28	RR91-Prodotti delle attività di biblioteche, archivi, musei e di altre attività culturali	3,206	32,859	924.92%
29	AA02-Prodotti della silvicoltura	0	0	0.00%
30	BB07-Minerali metalliferi	0	0	0.00%
31	CA12-Tabacco	0	0	0.00%
32	CC18-Prodotti della stampa e della riproduzione di supporti registrati	0	0	0.00%
33	CD19-Coke e prodotti derivanti dalla raffinazione del petrolio	0	0	0.00%
34	JA59-Prodotti delle attività di produzione cinematografica, video e programmi televisivi; registrazioni musicali e sonore	1,279	0	0.00%
<b>Total</b>		<b>1,006,532,295</b>	<b>944,591,575</b>	<b>-6.15%</b>

### 3.2 Italy export to Thailand

In the first 5 months of 2024, Italy export to Thailand is decreased (-3.10%) compared to the previous year, accounting for a total value of 800.6 million euros.

The product structure is characterized by the following categories of goods, listed based on the export value:

1. Macchinari e apparecchiature n.c.a.
  2. Computer e prodotti di elettronica e ottica; apparecchi elettromedicali, apparecchi di misurazione e orologi
  3. CM32-Prodotti delle altre industrie manifatturiere
  4. Articoli in pelle (escluso abbigliamento) e simili
  5. Prodotti chimici
  6. Prodotti alimentari
  7. Articoli di abbigliamento (anche in pelle e in pelliccia)
  8. Altri mezzi di trasporto
  9. Prodotti della metallurgia
  10. Prodotti farmaceutici di base e preparati farmaceutici
- Below is the table containing the first 19 aggregate categories of goods (SH2)

Interscambio commerciale in valore Italia-Thailandia per Pseudo-sottosezioni (ISTAT data - ICE Bangkok processing)				
(Values in Euro, cumulative data)				
No	Divisions	EXP2022 (Jan-May)	EXP2023 (Jan-May)	Var. % Imp Value
1	CK28-Macchinari e apparecchiature n.c.a.	199,768,374	182,127,525	-8.83%
2	CI26-Computer e prodotti di elettronica e ottica; apparecchi elettromedicali, apparecchi di misurazione e orologi	83,823,799	70,074,032	-16.40%
3	CM32-Prodotti delle altre industrie manifatturiere	82,489,951	68,443,758	-17.03%

4	CB15-Articoli in pelle (escluso abbigliamento) e simili	58,663,984	66,701,242	13.70%
5	CE20-Prodotti chimici	56,958,874	59,465,316	4.40%
6	CA10-Prodotti alimentari	39,339,648	45,008,653	14.41%
7	CB14-Articoli di abbigliamento (anche in pelle e in pelliccia)	21,114,626	36,978,756	75.13%
8	CL30-Altri mezzi di trasporto	26,065,455	33,847,461	29.86%
9	CH24-Prodotti della metallurgia	37,420,449	33,023,591	-11.75%
10	CF21-Prodotti farmaceutici di base e preparati farmaceutici	28,415,333	31,024,449	9.18%
11	CJ27-Apparecchiature elettriche e apparecchiature per uso domestico non elettriche	35,872,940	27,462,026	-23.45%
12	CL29-Autoveicoli, rimorchi e semirimorchi	31,095,769	23,936,791	-23.02%
13	EE38-Prodotti delle attività di raccolta, trattamento e smaltimento dei rifiuti; prodotti dell'attività di recupero dei materiali	13,775,314	21,396,899	55.33%
14	CG22-Articoli in gomma e materie plastiche	22,397,350	20,379,940	-9.01%
15	CH25-Prodotti in metallo, esclusi macchinari e attrezzature	22,945,059	18,343,050	-20.06%

16	CB13-Prodotti tessili	18,446,749	16,073,490	-12.87%
17	CG23-Altri prodotti della lavorazione di minerali non metalliferi	15,284,268	14,467,053	-5.35%
18	CA11-Bevande	12,472,513	10,085,569	-19.14%
19	CM31-Mobili	8,656,368	8,507,865	-1.72%
20	CC17-Carta e prodotti di carta	3,377,773	4,691,158	38.88%
21	BB08-Altri minerali da cave e miniere	1,395,126	3,033,953	117.47%
22	CC16-Legno e prodotti in legno e sughero (esclusi i mobili); articoli in paglia e materiali da intreccio	2,540,568	1,823,928	-28.21%
23	AA01-Prodotti agricoli, animali e della caccia	2,403,863	1,483,630	-38.28%
24	JA58-Prodotti delle attività editoriali	830,066	890,296	7.26%
25	JA59-Prodotti delle attività di produzione cinematografica, video e programmi televisivi; registrazioni musicali e sonore	19,217	736,595	3733.0%
26	CD19-Coke e prodotti derivanti dalla raffinazione del petrolio	291,859	404,452	38.58%
27	RR90-Prodotti delle attività creative, artistiche e d'intrattenimento	192,882	57,227	-70.33%

28	AA02-Prodotti della silvicoltura	50,496	42,442	-15.95%
29	AA03-Prodotti della pesca e dell'acquacoltura	30,617	31,029	1.35%
30	CA12-Tabacco	0	22,276	100.00%
31	CC18-Prodotti della stampa e della riproduzione di supporti registrati	4,800	14,450	201.04%
32	RR91-Prodotti delle attività di biblioteche, archivi, musei e di altre attività culturali	8,752	1,739	-80.13%
33	BB07-Minerali metalliferi	1,063	0	-100.00%
34	VV89-Merci dichiarate come provviste di bordo, merci nazionali di ritorno e respinte, merci varie	0	0	0.00%
<b>Total</b>		<b>826,153,905</b>	<b>800,580,641</b>	<b>-3.10%</b>

## 4. MAIN SECTORS OF COMMERCIAL INTEREST FOR ITALY

**Automation and robotic systems** – The spread of the pandemic, economic difficulties, and the reduction in the cost of technological equipment are encouraging industries to increasingly apply automation systems and robotics in production lines. According to the general secretary of the Board of Investment (BOI), the automation of robotic systems can save on production costs and increase the competitiveness of entrepreneurs.

In 2022, the Board of Investment Office (BOI) said that the investment trends of the 12 affected sectors are on the rise, especially the robotics and automation industry which is expected to continue growing in 2023. In this case, the BOI has measures to increase efficiency in order to encourage the adoption of automation to drive investment in the sector where the entrepreneur will receive an increasing additional benefit for 50-100% if he uses up to 30% of domestic products.

The Robotics market in Thailand is expected to reach a revenue of USD124.10 million in 2024. The dominant segment in this market is Service robotics, with a projected market volume of USD85.77 million in the same year. Looking ahead, the revenue is forecasted to grow at an annual growth rate (CAGR 2024-2028) of -0.53%, resulting in a market volume of US\$121.50m by 2028.

Thailand is emerging as a key player in the robotics market, with a focus on developing advanced automation solutions for industries such as manufacturing and agriculture.

**Electric Vehicle (EV)** – Thailand's Electric Vehicles market is projected to reach a revenue of USD1,103.0m in 2024. This market is expected to experience an annual growth rate (CAGR 2024-2028) of 5.06%, resulting in a projected market volume of USD1,344.0m by 2028. The unit sales of Electric Vehicles market in Thailand are expected to reach 27.32k vehicles in 2028.

Furthermore, the volume weighted average price of Electric Vehicles market in Thailand is expected to be USD50.5k in 2024. Thailand is rapidly emerging as a key player in the electric vehicle market, with government incentives and a growing charging infrastructure driving significant adoption.

Highly beneficial government policies that largely reward both investors in the EV industry supply chain and car buyers have accelerated Thailand's emergence as an EV hub. The Thailand Board of Investment (BOI) provides tax exemptions ranging **from 3 to 11 years** for all types of electric vehicle production, including BEV platforms. Additionally, the BOI offers financial incentives for the construction of EV-related infrastructure, especially charging stations, in an effort to accelerate the expansion of the domestic EV market.

Additionally, the Thai government is providing subsidies that, depending on the model and battery capacity, are expected to reduce the cost of electric vehicles by between \$2,000 and \$4,400 per vehicle.

Investment commitments in the automotive and component industries increased more than fourfold from a year earlier to the equivalent of \$1.2 billion in the first quarter of 2022. Proof positive of Thailand's clean energy goals is its broader commitment to sustainability and the fight against climate change. At the national level, the government has embraced an all-encompassing, environmentally friendly growth model known as Bio Circular Green Economy, or BCG. And throughout 2022, Thailand is looking to lead the world in one similar direction during his year as president of the Asia-Pacific Economic Cooperation Forum (APEC).

On the electric vehicle front, Thailand's commitment is further illustrated by involvement of the State through PTT, a Fortune 500 company owned by the Ministry of Finance which boasts an annual turnover of 51 billion dollars, represents 13% of the market capitalization of the Stock Exchange of Thailand. Today, PTT is not only developing clean energy cars with Foxconn, but also making major investments in battery research and development, electric vehicle charging stations and an electric vehicle rental platform.

A Mercedes-Benz sedan rolls off the production line at Thonburi Automotive's Assembly Plant in Samut Prakan, near Bangkok, which will produce fully electric Mercedes-EQS models by the end of 2022, another milestone for production electric vehicles in the automotive hub of Southeast Asia.

Auto giants including Toyota Motor Corp of Japan, Great Wall Motor and SAIC Motor of China have also signed up to a government incentive plan to boost sales of electric vehicles with manufacturing in Thailand.

**E-commerce and digital economy** – Thai retailers had been actively pursuing digital transformation even before the pandemic, establishing online channels and leveraging data analytics. The COVID-19 outbreak in 2020 led to a surge in online shopping, particularly in B2C and B2B e-commerce, due to social distancing measures.

Factors such as increased internet and mobile phone usage, enhanced logistics, and e-payment systems boosted convenience and consumer confidence in online shopping. The E-Commerce Association of Thailand projects the market value to grow from USD23.4 billion in 2022 to USD26.5 billion in 2023 and USD32 billion in 2025. Mobile devices drive over 80% of online sales, with mobile wallets accounting for 23% of transactions, expected to reach 63% adoption by 2025.

Thailand's mature e-commerce market sees over half the population as regular online shoppers, with fashion items leading at 60%, followed by personal care at 43.2%, and food & beverage at 34.6%, as per the Consumer Report Thailand 2023.

**Renewable and clean energy** – The energy market in Thailand is poised for growth due to rising global energy demand driven by population growth and economic development. The shift towards cleaner, sustainable energy sources such as solar, wind, and hydropower is expected to accelerate, leading to a gradual decline in the reliance on fossil fuels despite their continued significance, particularly in fossil-dependent countries.



In 2023, natural gas was the leading source for power generation in Thailand, producing around 129 thousand gigawatt hours, followed by coal and lignite. Thailand has surveyed and discovered 2 natural gas sources, one in the sea near the Gulf of Thailand and the other on land in Nam Phong District, Khon Kaen Province, which have been utilized since the year 1981. Gas is used as fuel for electricity generation and in industrial plants to replace the use of coal and fuel oil.

The total power generated in the country was approximately 223 thousand gigawatt hours during that period. Thailand has abundant energy resources, including multiple natural gas production sites. However, natural gas production volumes have been fluctuating, reaching nearly 26 billion cubic meters in 2023.

Besides natural gas, crude oil and coal are also essential for energy production in Thailand. Crude oil sources are located in various regions of the country, while coal production has been declining annually despite available resources. The Thai government is currently promoting the expansion of renewable energy production like hydropower and solar energy.

Renewable energy capacity will increase by two terawatts in the Asia Pacific region over the next decade, driven by population growth, strong economic performance and significant market potential. Southeast Asia will play an important role in this growth, with the region's electricity demand expected to double by 2040, double the global average rate.

Thailand has currently installed renewable energy capacity of more than 15 GW, contributing around a third of the overall energy mix. This is expected to increase to 63 Gigawatts and a share of 39% by 2030, potentially positioning the country as one of Southeast Asia's regional leaders in renewable energy.

In its recent report, *Riding the Renewables Wave in Asia Pacific*, Boston Consulting Group (BCG) explores this substantial growth potential. The region's renewable capacity is expected to grow at a world-leading rate of 7% year-on-year. This marks an investment of USD3.7 trillion over the next 20 years under stated policy goals, more than the commitments of North America and Europe combined.

Attempts to foster a post-pandemic green recovery offer a valuable path to more sustainable energy systems in Southeast Asia, expanding government revenues by up to 30% through the elimination of coal subsidies and creating fertile ground for investors and operators.

Solar and wind technologies will drive regional growth in renewable energy, with 24% annual growth in installed capacity, turning Asia Pacific into the second largest offshore wind market. This will be driven by geographic advantages in a region with significant wind potential, coupled with strong early-stage development returns.

Thailand has a relatively diverse installed renewable energy base, not relying on a single primary generation source such as hydropower or solar like many regional neighbors. Hydropower as of 2019 contributed 30% of the 51 GW of existing renewable capacity, with solar providing 28%, biomass 27% and wind 15%. The challenge of such diversification may be achieving scale in each individual technology.

This diverse base offers a valuable opportunity to exploit the cost benefits of a range of renewable technologies. Recent expansion has focused particularly on wind and solar technologies, with impressive annual growth of 89% and 83% respectively over the past decade.

Recently, PTT Plc, Thailand's leading oil conglomerate, partnered with Foxconn, the Taiwan-based multinational electronics manufacturer Hon Hai Precision Industry Co, to begin the development of an electric vehicle (EV) manufacturing plant worth of 1-2 billion dollars, in the Eastern Economic Corridor.

The electric vehicle factory will be developed to serve end-to-end operations involving the design, manufacturing and assembly of electric vehicles, as well as the production of key components for electric vehicles. The initial production target is set at 50,000 cars per year. The volume will increase to 150,000 per year in the next phase.

The President and CEO of PTT said that this initiative will not only help increase business potential on the world stage but will also respond to government policy to promote the production of electric vehicles, which is set to be a rapidly growing industry.

The electric vehicle manufacturing plant is designed to use Foxconn's cutting-edge technology for the development of electric vehicles under Foxconn's Mobility-In-Harmony concept. Foxconn's hardware and software technology will significantly reduce the time used for the design phase of electric vehicles and the production cost of electric vehicles, which will ultimately increase competitiveness in the electric vehicle market.

## **CONSTRUCTION AND INFRASTRUCTURE**

According to the report by the Krungsri research center, in 2022 the Russia-Ukraine war and the increase in oil and raw material prices will damage the construction industry, especially steel and cement. Between 2023 and 2024, construction investment is expected to grow by 4.5-5.5% per year.

Government megaprojects, especially those related to the Eastern Economic Corridor (EEC), will accelerate industrial activity in order to complete Phase 2 of the EEC Transport Infrastructure Development Plan for 2022-2026. Progress in infrastructure projects, economic recovery and consumer purchasing power will also increase private sector investment in residential and commercial projects. Furthermore, larger companies will have the opportunity to expand into markets in neighboring countries, where economic growth and infrastructure investments are creating new business opportunities.

From 2024 to 2026, construction contractors can anticipate a favorable business environment with a 3.0-4.0% annual growth in construction spending. Government spending on construction is expected to grow by 3.5-4.0%, driven by the Action Plan on Thailand Logistics Development 2023-2027, focusing on megaprojects like those in the Eastern Economic Corridor (EEC). Private construction in residential and commercial sectors will also see improvements with 3.0-3.5% growth, supported by a stronger economy, increased consumer spending, and progress on government infrastructure projects. Challenges include rising labor and material costs, elevated

transport expenses due to higher fuel costs, and the imperative for contractors to invest in technology to reduce consumption and waste to address climate change and achieve net-zero goals in the long term.

In 2023, spending on construction by the **public sector** fell -2.2% to USD21.61 billion in line with a contraction in some large-scale infrastructure projects.

Spending on infrastructure projects (81% of all spending on public construction) dropped by -3.6% to a total of USD17.45 billion in the period, with projects delayed at all stages from the making of disbursements to work schedules, especially for a -22.0% drop in 4Q2023 (compared to 10.3% expansion in 4Q2022). The projects that recorded expansion in the construction investment value included ongoing project development, especially works on metro systems such as:

- 1) the MRT Pink Line (Khae Rai-Minburi, 98.9% complete);
- 2) the MRT Pink Line (Sirat-Muang Thong Thani extension, 44.6% complete, as of January 2024); and
- 3) the MRT Purple Line (Tao Pun-Rat Burana (Kanchanaphisek Road), 24.6% complete, as of December 2023).

In addition, ongoing work in the EEC included:

- 1) phase 3 of the development of Map Ta Phut Port (73.0% complete, as of December 2023); and
- 2) phase 3 of the development of Laem Chabang Port, where some land reclamation work was completed on 1 October 2023, with the remainder scheduled for completion in June 2024, and the entire project due to be finished in June 2026.

Other public construction projects included the construction of offices, for which budget allocations increased 3.2% to USD3.65 billion. This was a turnaround from -3.8% drop in 2022, when spending contracted -5.0% YoY due to the cashflow problems and labor shortages that COVID-19 had inflicted on many SMEs.

Meanwhile, investment in **private construction** totaled USD16.24 billion, up 3.9% on stronger activity in the industrial and commercial segments.

In the period, residential housing attracted investments worth USD8.44 billion, or 52% of all spending on private-sector construction. Investment in the segment was thus up 3.1% YoY on the improved outlook for the economy and recovery in the tourism sector. This relative slowdown was in line with the -5.8% YoY nationwide contraction in the number of new units completed and registered in 9M23, though in the Bangkok Metropolitan Region and the four major provinces of Chiang Mai, Chonburi, Khon Kaen and Phuket, the decline was at the faster rate of -7.4% YoY. This slowdown was caused by:

- 1) the impact of inflation and the rising cost of living on overall consumer spending power;
- 2) the recent cycle of rate hikes and increased caution among lenders over the release of new credit; and

- 3) ongoing labor shortages that impacted progress on some developments, especially those undertaken by SMEs.

Non-housing construction covers work on properties for use by the commercial, services, transport and industrial sectors, and over 2023, spending on these rose 4.9% to USD7.79 billion. This was caused in particular by a recovery in investment that then supported an increase in spending on industrial and office properties on industrial estates, most notably in the EEC.

**Agri-food and wines** – The HORECA business sector, encompassing hotels, restaurants, cafes, and catering establishments, has demonstrated swift post-COVID19 recovery, experiencing growth in various dining channels such as bars, coffee shops, restaurants, food trucks, takeout services, and home delivery. This growth has not only attracted foreign tourists but also the local Thai population. The market value of HORECA industry accounted around USD27 billion in 2022 and is expected to expand 10-20% per year. The market is divided into 54% hotels, 40% restaurants, and 6% coffee, bakery, and ice cream.

In this case, the import of Italian F&B products in 2023 accounted for USD159.76 million (5.66% CAGR), showing substantial growth especially for wine (USD13.82 million – 8.66% SOM – 25.17% CAGR) and pastry products (USD10.98 million - 6.88% SOM – 56.15% CARG), compared to last year. In these categories, the value of wine imports from the world to Thailand are equal to USD112.83 million with Italy in 3rd place (12.26% SOM) behind France (31.5% SOM) and Australia (28.04% SOM). Meanwhile, the value of pastry products imports from the world to Thailand are equal to USD309.20 million with Italy in 6th place.

In terms of Agri-Food products, Brazil, China, and the United States are the main suppliers of agri-food products, while Italy ranks 21st, behind Netherlands. Other European countries included in this category for example France and Germany, ranked 14th and 19th respectively.

In addition to wine, we highlighted the significant import products from Italy for examples olive oil (USD8.53 million – 5.34% SOM / 6.57% CAGR); chocolate (USD6.44 million – 4.04% SOM / - 32.41% CAGR); pasta (USD7.78 million – 4.87% SOM / 6.67% CAGR); cheese and curd (USD7.97 million – 4.99% SOM / 40.56% CAGR); Starches (USD6.55 million – 4.1% SOM / 27.71% CAGR); water (USD4.5 million – 2.82% SOM / 37.8% CAGR); sugars (USD734,737 – 0.46% SOM / -75.7% CAGR); coffee and tea (USD1.38 million – 0.87% SOM / 0.87% CAGR).

On the contrary, meat consumption recorded a decrease since the DLD's announcement on the delay in the import of pork related to swine flu from the beginning of 2022.

Fonte: Ministry of Commerce