

Thailand



Trade and investment relationship with Australia

Two-way trade A\$27.7b (2022)	Two-way investment: A\$15b (2022)	Students 19,362 (2022)	Visitors 52,650 (2022)
Two-way trade in goods A\$25.4b (2022)	AUS investment in Thailand: A\$4.8b (2022)	Diaspora 81,740 (2021)	Outbound visitors 241,830 (2022)
Two-way trade in services: A\$2.2b (2022)	Thailand investment in AUS: A\$10.4b (2022)		

Multilateral/Regional	Bilateral
WTO – member; APEC – member; RCEP – party; AANZFTA – party; IPEF – founding member	Strategic Partnership; Thailand–Australia Free Trade Agreement; Strategic Economic Cooperation Arrangement

Diplomatic and economic relations

Australia and Thailand have longstanding economic, political, defence and people-to-people ties, characterised by large flows of travellers and students. The two countries collaborate on cyber, counter-narcotics, people smuggling and countering human trafficking. The Strategic Economic Cooperation Arrangement aims to strengthen government-to-government economic cooperation, improve regulatory settings and encourage business connections. Australia has three free trade agreements with Thailand; the Thailand–Australia Free Trade Agreement is one of Australia’s oldest and has high utilisation rates.

Outlook to 2040

Thailand’s economic forecast to 2040 is steady, with projected real GDP growth of over 3 per cent annually for the next five years, before falling by 2030 to around 2 per cent (to be maintained out to 2040). The fall in growth is in part due to Thailand’s ageing population (the over-65-year-old demographic will rise from 13 per cent in 2020 to 26 per cent in 2040). Thailand’s labour force is projected to decline from 39 million in 2020 to 35 million in 2040. Improving female workforce participation rates, policy reform (especially in education and agriculture), liberalising skilled migration and boosting private sector investment will likely be necessary to ensure economic growth.

Sectors to watch

Agriculture and food

Increased consumer affluence will continue to fuel demand for premium food and beverages.

Australia is seen as a reliable and reputable supplier of high-quality agricultural products. There are opportunities for Australian businesses to export ingredients for use in manufacturing food products.

Green energy transition

Thailand has committed to achieve a 40 per cent reduction in emissions by 2030, carbon neutrality by 2050 and net zero emissions by 2065. These goals present opportunities for Australian investment in green technology. Thailand also aims to be a regional hub for the production of electric vehicles, which provides scope for two-way trade and investment to expand battery manufacturing capacity.

Education and skills

Australian education institutions are well placed to assist Thai students to upgrade their skills, including through micro-credentials in areas such as tourism and hospitality, IT, cybersecurity, construction and food production. Thailand is Australia’s sixth-highest source of international students. Research and postgraduate research training also offer opportunities for Australia’s tertiary education sector.

Digital economy

Thais are some of the most active users of new technology; 67 per cent use social media. The e-commerce market is worth more than 770 billion baht (A\$34 billion) and Thailand is aiming for the digital economy to contribute a quarter of GDP by 2028. Australia is pursuing digital economy cooperation with Thailand to further strengthen digital trade rules and facilitate digital trade.



Raise awareness

- Establish an outward investment mission program targeting institutional investors to deepen understanding of opportunities in Thailand
- Work with major Thai customers, purchasers and importers of Australian products to invest in supply chains related to their businesses
- Match Australian tech businesses' capability with digital economy opportunities in Thailand
- Profile opportunities in the Thai energy sector to Australian energy businesses
- Attract more tertiary, VET, English-language and school students from Thailand
- Expand tourism promotion and build industry capability to meet demand from Thailand



Remove blockages

- Encourage cooperation in recognition of qualifications between Thailand and Australia
- Review the Thailand–Australia Free Trade Agreement to improve investment and services market access
- Support domestic reforms to help Thailand meet CPTPP standards for any future accession bid
- Advocate reform of Thailand's Foreign Business Act
- Continue to work with the Greater Mekong Subregion Energy Transition Task Force to advance cross-border electricity trading
- Facilitate commercial education and training matching between Australian education providers and Thai institutions and businesses



Build capability

- Draw on Australian Government expertise to support economic reform in Thailand (e.g. Australian Competition and Consumer Commission and Productivity Commission)
- Continue to support Thailand to improve water management, including water allocation policies to better meet needs of business, consumers and agricultural users
- Deploy Australian experts to provide technical assistance and support agriculture policy development
- Deploy experts from Australian agencies (e.g. CSIRO, Australian Energy Regulator, Australian Energy Market Operator and the Department of Climate Change, Energy, the Environment and Water) to support policy development for energy and climate resilience in Thailand
- Encourage Australian businesses in Thailand that deliver training to expand programs with help from VET providers
- Connect alumni with Australian and Thai businesses



Deepen investment

- Focus investment promotion initiatives on Thailand
- Continue to fund work with Thailand's Royal Irrigation Department through the Mekong–Australia Partnership on climate-resilient and sustainable water management
- Invest in the Mekong–Australia Partnership to provide capacity building to advance cross-border electricity trading and support Thailand's implementation of its Bio-Circular-Green Economy model
- Foster connections between medical innovation hubs in Australia and Thailand