



“The New Horizon”

"Benefits from supply chain relocation and renewed investments: EV industries"

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Summarized by SET Research Team

Mr. Narit Therdsteeerasukdi, Secretary General, Thailand Board of Investment (BOI)

- Thailand is one of the completed supply chains in regional automobile industry, over 2,000 multi-national automotive-related companies was established in country, resulting Thailand to be 1st rank of automotive producer in ASEAN, 10th in the world, about 1.8 million cars in 2022 and 1st rank of automotive parts exporter in ASEAN, 15th in the world. This industry also be one of the key sectors driving Thailand economy, accounting for 6% of the GDP, millions of workforces and contributing almost 10% of national export value.
- As Thai government has aiming Thailand to be the world-class EV production hub, they announce vision for EV ecosystem called '30@30', to produce Battery electric vehicles (BEV) at least 30% of total car production capacity in 2030, supporting demand across the ecosystem such as parts & components, battery and charging facilities.
- This year, BOI has been invested in EV ecosystem around 34,000 million THB for promoting 280,000 units of BEV production (equivalent to 1/3 of '30@30' target), Changan Automobile and GAC Aion will submit application in second half of year as well. In addition, 19,000 million THB for Electric battery projects, 6,000 million THB for EV's parts & components and 4,500 million THB for about 11,000 charging stations have been granted.
- Since global supply chain disruption was occurred by the geopolitical tensions and upcoming global challenges, Thailand is a 'conflict-free zone' safe and resilient country, providing comprehensive infrastructure and robust supply chain together with carbon neutrality target supported by renewable

energy. These competitive advantages of Thailand will attract MNC for relocation or diversification supply chains especially the automotive and EV industries in the next decade.

- BOI recently launches new strategy prioritizing EV as one of top target for investment and constructs comprehensive measures to promote EV ecosystem both supply-side and demand-side, including tax exemption, import duties exemption and cash subsidy. In addition, BOI also provides supports for industry such as organized 'SUBCON', the largest industrial subcontracting event in APAC, collaborated with BOT developing 'HQ BIZ PORTAL' one-stop service consultation for international company's regional headquarter establishment and introduced Long-term Resident Visa (LTR) attracting high potential foreigners to support the human-ware for EV related products in the future.

Ms. Pratarnporn Phornprapha, Vice CEO, Rever Automotive Company Limited

- Global EV adoption is increasing 14% growth in 2022 due to post-COVID demand for private car and higher oil price, 14 million of EV cars adoption or 30% growth in 2023 is predicted. Thailand has also experienced a rapid growth in adoption, from 22,000 last year to 32,000 in June 2023.
- For domestic EV Market, Thai EV market is becoming competitive, driven by a growing number of brands entering the market. The 150,000 subsidy and favorable excise taxes have played a pivotal role in incentivizing consumer adoption. As the EV market expands, awareness of EV's environmental benefits and the ease of use is increasing, leading to higher adoption rates.
- Climate change concerns are driving adoption, with the younger generation and shifting awareness of climate-related challenges. The EV industry's focus on battery recycling and second-life usage is creating opportunities to address electronic waste and support the sustainable growth of the EV ecosystem.
- The charging infrastructure in Thailand is improving, with plans to have around 1,110 charging points by the end of the year. This expansion aims to cater to consumer travel habits and the growing adoption of commercial EVs, setting the stage for a more dynamic charging ecosystem.
- Green energy transition is key driving factor. The shift to green energy is crucial for long-term sustainability in the EV sector. While challenges related to energy grid management exist, the commitment to renewables and opportunities in waste management and battery recycling contribute to a promising outlook for the future of EVs in Thailand. However, "Greenflation" is global trend refers to a rise in prices of raw materials and energy as a result of the green transition.
- Some challenges that draw back the adoption of EV are misconception in warranty, battery life, electronic waste, availability of charging infrastructure nationwide etc.