THAILAND'S "GREEN RUSH": CHINA, JAPAN AND KOREA'S BATTLE FOR THAILAND'S ELECTRIC VEHICLE MARKET

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In 2023, China emerged as a dominant force in the electric vehicle (EV) market, capturing nearly 60% of global new car registrations and ranking as the second-largest EV exporter. In Southeast Asia, Thailand led EV sales with a 79% market share, heavily influenced by Chinese automakers who held an 82% market dominance in the battery electric vehicles (BEVs) sector. In 2024, BYD held a 40% market share in Thailand's EV market with Hozon Auto and SAIC Motor controlling 35%. Facing intense competition from Chinese and Korean companies, Japanese firms managed to capture less than 1% of the EV market. The EV market in Thailand is galvanised by competition between these three players. The competition is emerging across three dimensions: productive capacity, price competition and green coalition formation. While Chinese companies have already established significant partnerships in Thailand, Japanese and Korean companies are focusing on niche segments and forming strategic alliances. However, Thailand's EV market faces uncertainties due to economic challenges, such as household debt, durability of incentives and limited charging infrastructure, potentially affecting its growth trajectory.

(Click on the link to read the above in Chinese, French and Spanish)

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***Chinese*:**

泰国的“绿色潮流”：泰国电动汽车市场的中日韩之争

2023年，中国在电动汽车(EV)市场中成为主导力量，占据了全球新车注册量的近60%，并成为全球第二大电动汽车出口国。在东南亚，泰国以79%的市场份额领跑电动汽车销售，这一趋势源于中国汽车制造商的重要影响，他们在电池电动汽车(BEV)领域占据了82%的市场主导地位。到2024年，比亚迪在泰国的电动汽车市场占有40%的市场份额，而哪吒汽车和上汽集团则共同控制了35%。在这场中日韩企业的激烈竞争中，日本公司仅占据不到1%的电动汽车市场。泰国的电动汽车市场因这三方的竞争而焕发活力。竞争主要集中在三个方面：生产能力、价格竞争和绿色联盟的形成。尽管中国公司已经在泰国建立了重要的合作伙伴关系，日韩公司则专注于细分市场并形成战略联盟。然而，由于家庭负债、激励措施难以持久和有限的充电基础设施等经济挑战，泰国的电动汽车市场仍然面临不确定性，而这可能会影响其增长轨迹。

***French*:**

LA "RUÉE VERS LE VERT" DE LA THAÏLANDE: LA BATAILLE ENTRE LA CHINE, LE JAPON ET LA CORÉE POUR LE MARCHÉ DES VÉHICULES ÉLECTRIQUES EN THAÏLANDE

En 2023, la Chine est devenue une force dominante sur le marché des véhicules électriques (VE), captant près de 60% des nouvelles immatriculations de voitures dans le monde et se hissant au deuxième rang des exportations de VE. En Asie du Sud-Est, la Thaïlande était en tête des ventes de VE avec une part de marché de 79%, fortement influencée par les constructeurs automobiles chinois qui dominaient le marché avec de 82% des parts dans le secteur des véhicules électriques à batterie (VEB). En 2024, BYD détenait une part de marché de 40% sur le marché thaïlandais, suivi par Hozon Auto et SAIC Motor détenant 35%. Confrontées à une intense concurrence des entreprises chinoises et coréennes, les entreprises japonaises ont captant moins de 1% du marché. Le marché des VE en Thaïlande est galvanisé par la concurrence entre ces trois acteurs. La compétition émerge selon trois dimensions : la capacité productive, la concurrence par les prix et la formation de coalitions vertes. Alors que les entreprises chinoises ont déjà établi des partenariats significatifs en Thaïlande, les entreprises japonaises et coréennes se concentrent sur des segments de niche et forment des alliances stratégiques. Cependant, le marché des VE en Thaïlande fait face à des incertitudes en raison de défis économiques, tels que la dette des ménages, la durabilité des incitations et une infrastructure de recharge limitée, pouvant potentiellement affecter sa trajectoire de croissance.

***Spanish*:**

LA “FIEBRE VERDE” DE TAILANDIA: LA BATALLA DE CHINA, JAPÓN Y COREA POR EL MERCADO DE VEHÍCULOS ELÉCTRICOS EN TAILANDIA

En 2023, China emergió como una fuerza dominante en el mercado de vehículos eléctricos (VE), capturando casi el 60% de las nuevas matriculaciones de automóviles a nivel mundial y clasificándose como el segundo mayor exportador de VE. En el sudeste asiático, Tailandia lideró las ventas de VE con una cuota de mercado del 79%, influenciado en gran medida por los fabricantes de automóviles chinos que mantuvieron un dominio del 82% en el sector de vehículos eléctricos a batería (BEV). En 2024, BYD mantuvo un 40% de cuota de mercado en el mercado de VE de Tailandia, con Hozon Auto y SAIC Motor controlando el 35%. Frente a una intensa competencia de empresas chinas y coreanas, las empresas japonesas lograron capturar menos del 1% del mercado de VE. El mercado de VE en Tailandia está impulsado por la competencia entre estos tres actores. La competencia está surgiendo en tres dimensiones: capacidad productiva, competencia de precios y formación de coaliciones verdes. Mientras que las empresas chinas ya han establecido asociaciones significativas en Tailandia, las empresas japonesas y coreanas se están enfocando en segmentos de nicho y formando alianzas estratégicas. Sin embargo, el mercado de VE de Tailandia enfrenta incertidumbres debido a desafíos económicos, como la deuda de los hogares, la durabilidad de los incentivos y la infraestructura de carga limitada, lo que podría afectar su trayectoria de crecimiento.

Executive Summary

1. China has become one of the leading electric vehicle (EV) markets, accounting for nearly 60% of all new car registrations in the world in 2023. It has also been the second largest EV exporter in the world since 2021.

2. In Southeast Asia, Thailand had the largest market share of EV sales, accounting for almost 79% of all EVs sold in Southeast Asia in the first quarter of 2023. Although Chinese automakers only made up 11% of market share in Thailand's automotive market in 2023, they captured a substantial 82% of the market share for Battery Electric Vehicles (BEVs) in the country.

3. In the Thai EV market, BYD is the key player with a 40% share in 2024. Hozon Auto and SAIC Motor control a combined market share of approximately 35%. In contrast, Japanese companies had less than one per cent of the market share in EV sales in 2023.

4. Thai EV market is characterised and galvanised by an intense competition between Chinese, Japanese and Korean auto companies. A bevy of major Chinese car companies enjoyed the first mover advantage in Thailand's green rush to invest in EV assembly plants and factories for electric batteries.

5. Japanese and Korean companies are also entering the fray to build EV manufacturing bases in Thailand. Japanese companies, in particular, are investing heavily in the pickup truck segment where they already have a competitive advantage. Thailand has become a much sought-after export base for the Southeast Asian market and beyond.

6. The competition has led to price cuts between Chinese and Japanese automakers. In 2023 and 2024, Chinese auto companies offered enormous discounts of up to 140,000 to 160,000 baht, to which most Japanese companies countered with equally colossal discounts and promotions.

7. Chinese companies established their beachhead in the Thai EV market by forging "green" coalition or business partnerships with powerful local market players. In response, leading Japanese car companies have formed a strategic alliance amongst themselves and initiated collaboration with local companies in decarbonisation.

8. With a continuous contraction of its automotive market in 2024, the Thai EV market faces an uncertain future. Its rosy prospects are constrained by crippling household debts (partially fuelled by auto loans), sustainability of generous incentives over time and insufficient charging infrastructure to support the expansion of the EV market.