

**Deloitte.**

Thailand's  
Economic Outlook  
Mid-Year 2024

Clients & Markets, July 2024

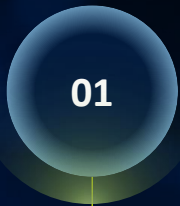


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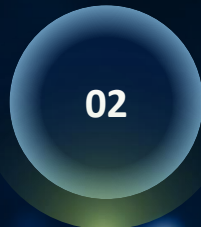


You can navigate any topic by simply clicking the icons.

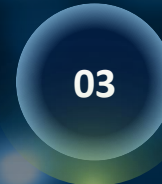
Global Economy  
2H2024



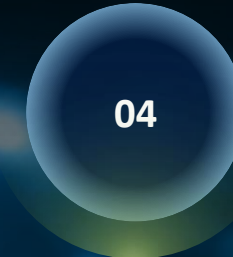
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# Global Economy 2H2024



The **global economy** is projected to grow at the same pace 3.2% for both 2024 and 2025 due to high borrowing costs and reduced government support, as well as longer-term issues stemming from the pandemic, geopolitical tensions, and sluggish productivity gains. Global headline inflation is forecasted to grow 5.9% in 2024 and 4.5% in 2025.



Source: Deloitte Analysis, IMF WEO Apr 2024

Note:

<sup>1</sup> Asia refers to Emerging and Developing Asia

<sup>2</sup> ASEAN refers to ASEAN-5; Indonesia, Malaysia, Philippines, Singapore, Thailand

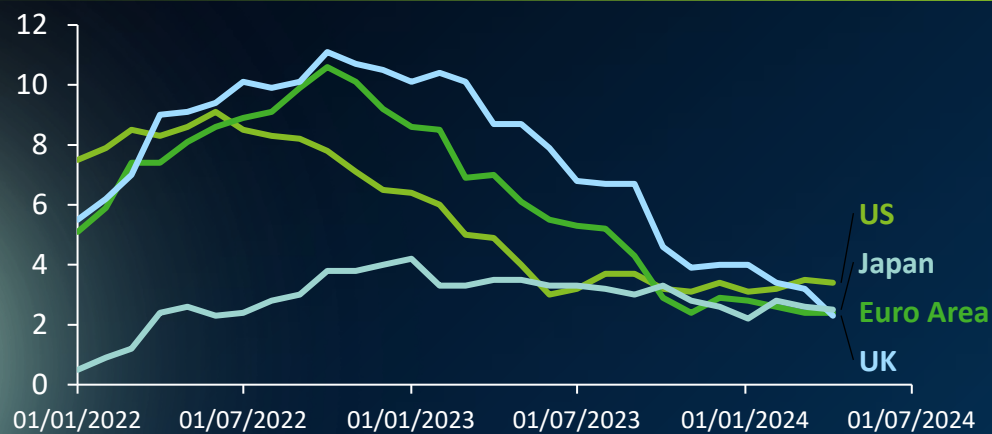
# Key Takeaways and Watchlist in 2024



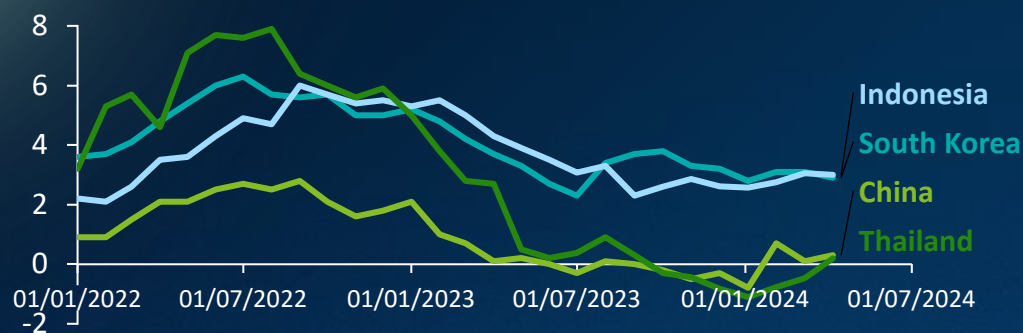
Inflation alleviates across most regions. Japan raised interest rates in March for first time in 17 years, from -0.1% to a range of 0%-0.1%.

## Inflation Rate

### Developed countries

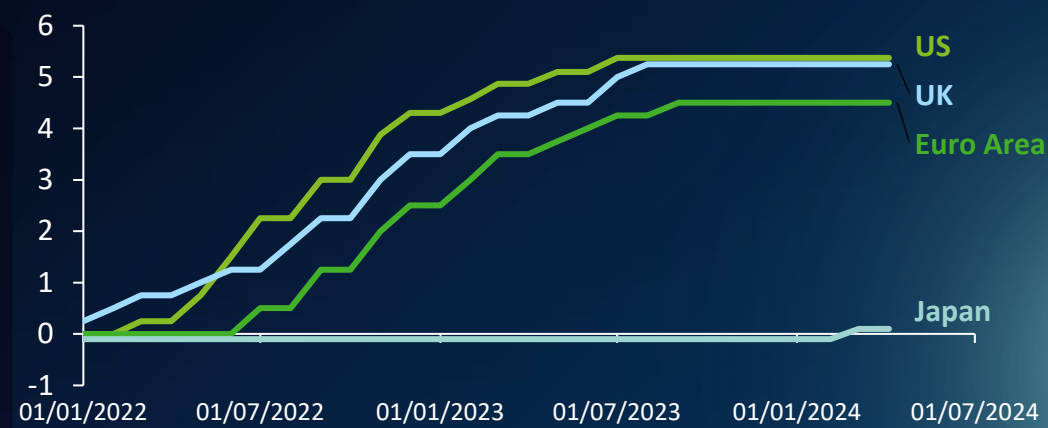


### Developing countries & Emerging markets

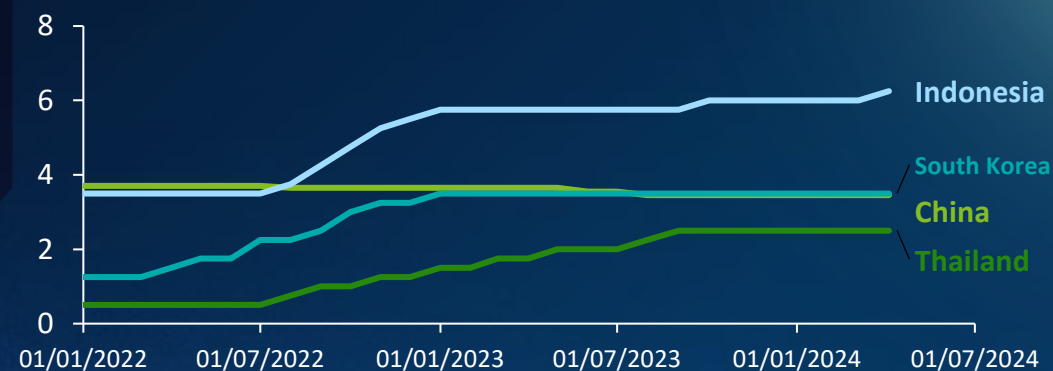


## Policy Rate

### Developed countries

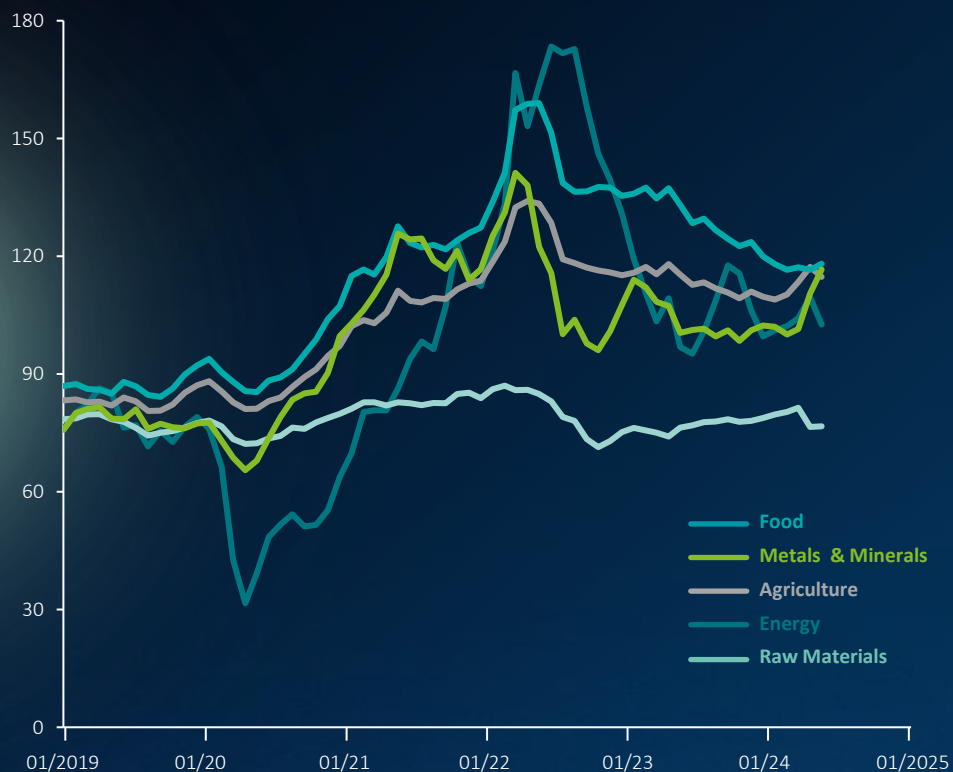


### Developing countries & Emerging markets



Rice prices remain high as partly due to India's rice export restriction in mid-2023, which limited the global supply. Oil prices to climb in 2024, with Brent crude averaging \$84 per barrel, up from \$83/bbl last year, reflecting the recent geopolitical instability and a tight supply-demand balance.

### Commodities Price Index (2010=100)



Source: Deloitte Analysis, World Bank

### Commodities Price

Unit: US dollars



02

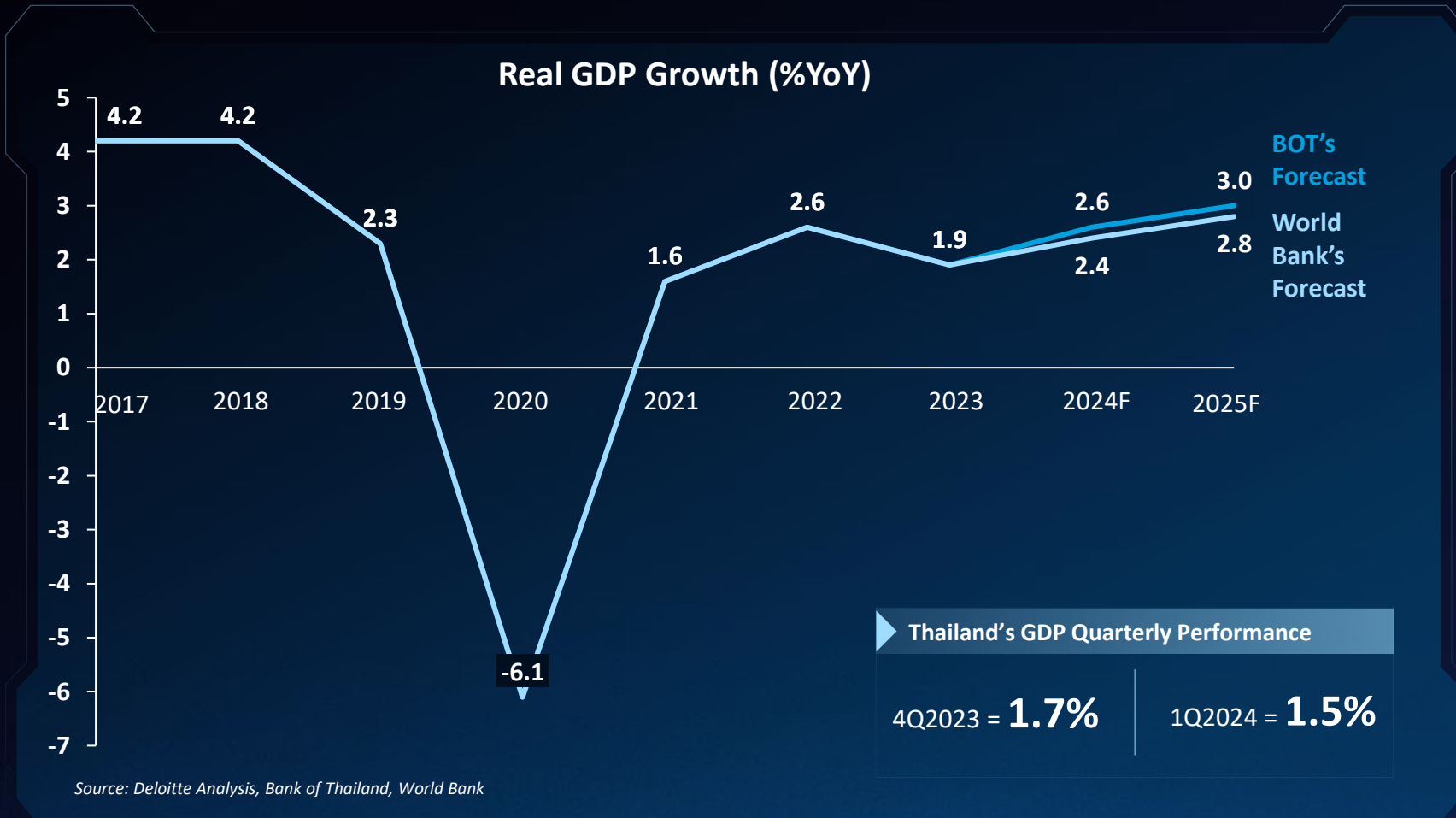
# Thai Economy 2H2024





# Thailand's Economic Outlook

2024 GDP growth is projected to be mainly driven by the continuous expansion of domestic consumption, and the recovery of the tourism sector. However, high household debt would remain be the headwind of the domestic demand.



## Key Factors to be Monitored



- +** Expanding domestic consumption and tourism
- Recovering export
- High household debt
- Climate condition impacting lower crop yields in agricultural sector

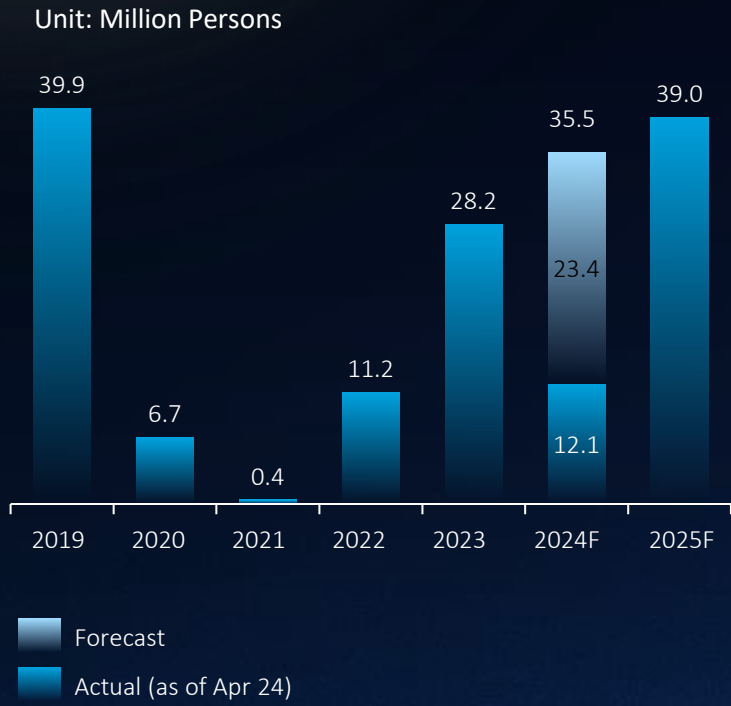
## Thailand's Economic Outlook

Private consumption and tourism would still be the main contributor for 2024 GDP. Export is expected to rebound in 2024 at 3.9% but would drop to 3.2% next year.



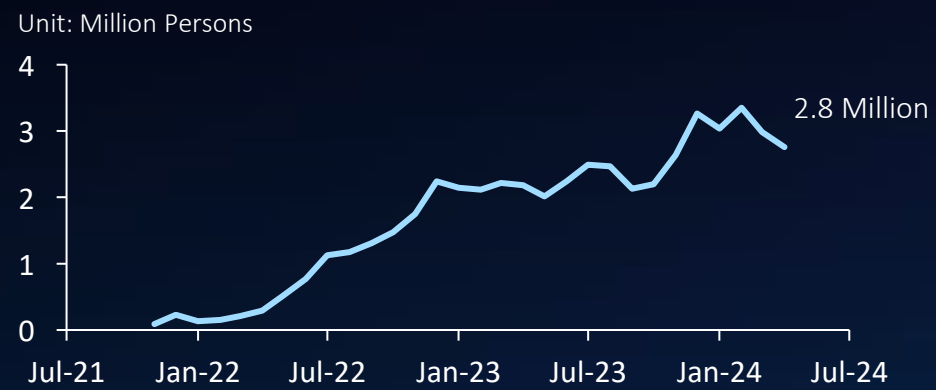
Tourism in Thailand is recovering. This year, the number of Chinese tourists has returned to the highest level compared to 2023.

### Foreign tourist arrivals Forecast

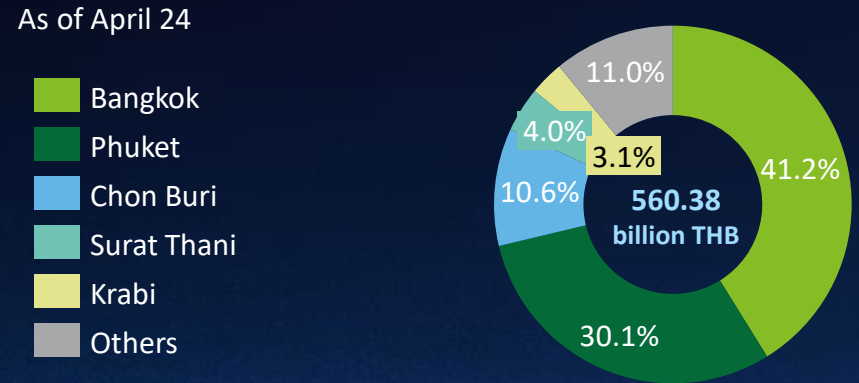


Source: Deloitte Analysis, Bank of Thailand, MOTS, TAT, NESDC

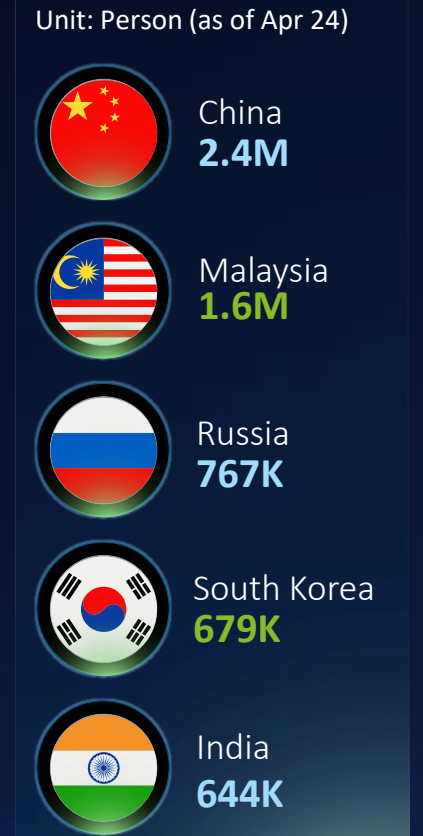
### Foreign tourist arrivals by Month



### Top 5 provinces received income from foreign visitors



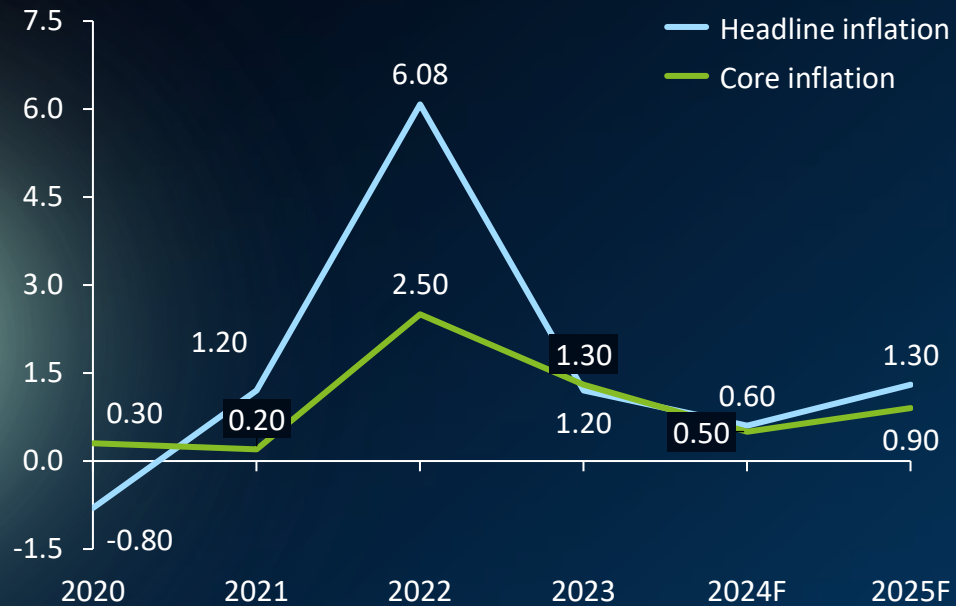
### Top 5 Tourist Arrivals to TH by Nationality



# Inflationary indicators within Thailand have consistently remained at low levels.

Inflation is likely to be within the target range by the end of this year, after being in negative territory earlier due to the low base from last year.

### Core and Headline Inflation – Annually (%)

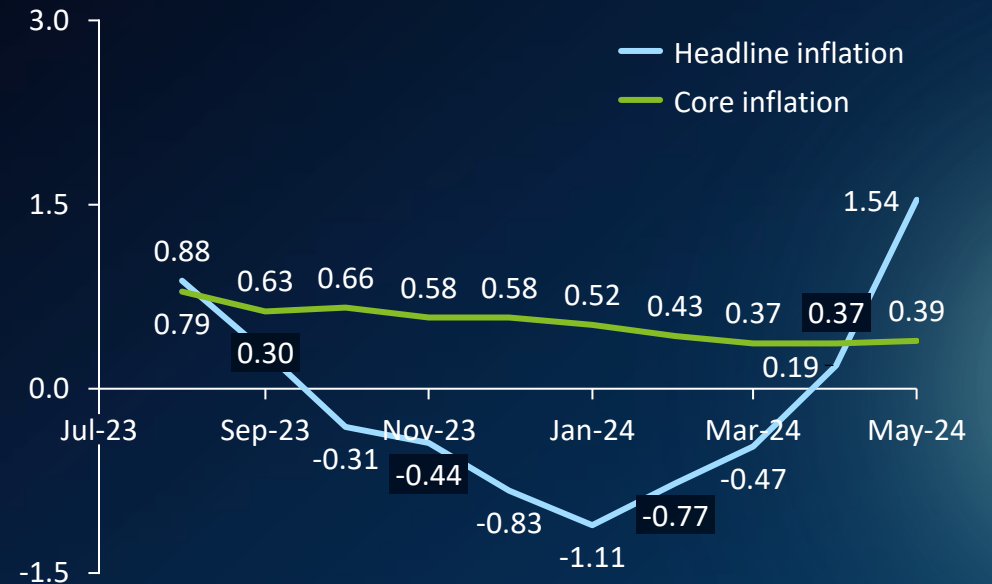


**Inflation in May 24 = 1.54%**

Rising inflation contributed by

- Rising food prices such as pork, eggs, and fruits, due to hot weather conditions have resulted in a decrease in the amount of produce entering the market.
- The increase in energy prices includes electricity, gasoline, and gasohol.

### Core and Headline Inflation – Monthly (%)



**Watchlist**

- Direction of government economic policies
- Global food and energy prices

Concern over the Thai economy's uneven recovery, along with rising living costs, contributed to a decline in the Consumer Confidence Index to 51.9 in April and rose to 52.4 in May from expanding tourism activities.

Private Consumption Index (Seasonally Adjusted)



Consumer Confidence Index (CCI)



Source: Deloitte Analysis, Bank of Thailand, TPSO

Thai Industries Sentiment Index in May 2024 decreased to 88.5, down from 90.3 in the previous month.

### Thai Industries Sentiment Index



Source: Deloitte Analysis, FTI

#### + Positive Factors

- Demands for consumer goods during the opening semester of 2024; i.e. footwear, leather products
- Food security crisis in nations favorably impacted Thailand's food exports.
- Higher export from weaker baht

#### - Negative Factors

- Weak domestic consumption and purchasing power
- A rise in fuel prices, impacting on manufacturing costs
- The presence of price competition from foreign goods in both domestic and ASEAN markets
- The instability of weather conditions due to climate change

#### 3-month Forecast watchlist

- Geopolitical tensions
- Increase in the minimum wage by 400 baht nationwide

## Thai Industries Sentiment Index by Performance

The May 2024 TISI declined across several industries and below 100. Compared to April 2024, Electricity saw higher sentiment, while metal, ceramics, granite and marble experienced a decline.

100

### Declined TISI

#### Tightrope

- Automotive parts
- Automotive
- Aluminum
- Petroleum refinery
- Renewable energy

Declined  
TISI but  
above 100

#### Red Flag

- Jewelry
- Cement
- Roof and equipment
- Petrochemical
- Glass
- Ceramic
- Granite and marble
- Boat maintenance
- Sawmill
- Wood and plywood
- Furniture
- Sugar
- Herb
- Chemical
- Rubber
- Plastic
- Dairy supplement
- Creative craft
- Biotechnology
- Palm Oil
- Metal casting
- Environmental management
- LPG Exploration and Production

Declined  
TISI and  
below 100

### Increased TISI

#### Rising Star

- Air conditioner
- Food & Beverage
- Digital
- Pharmaceutical
- Medical equipment manufacturer
- Electricity
- Cosmetics
- Packaging
- Paper

Increased  
TISI and  
above 100

#### Mastering

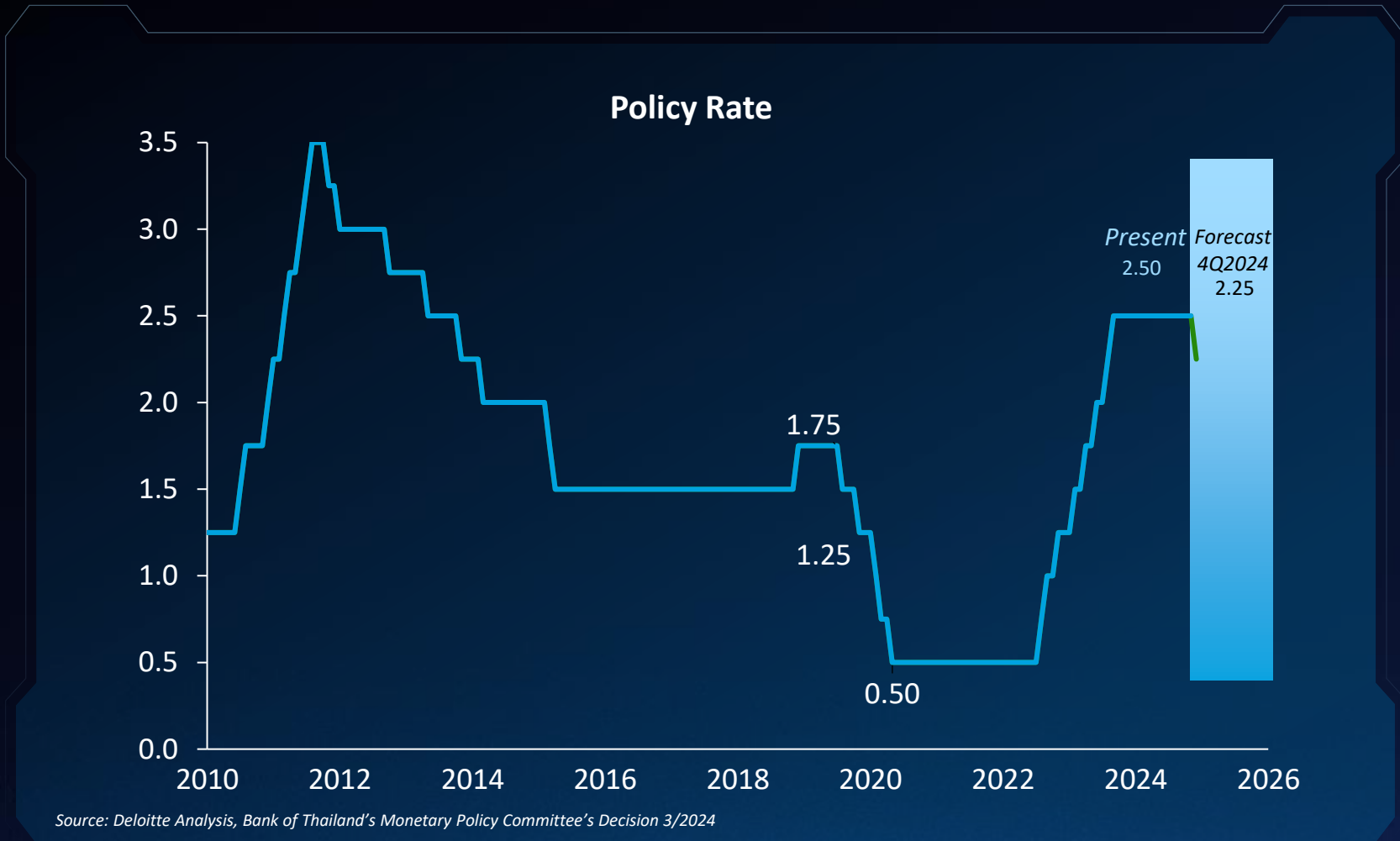
- Apparel
- Leather
- Shoes
- Agricultural machine
- Gas
- Metal
- Machine
- Electronics
- Textile

Increased  
TISI but  
below 100

Note: As of May 2024  
Source: Deloitte Analysis, FTI

## Policy Rate

The Monetary Policy Committee (MPC) voted 6 to 1 to maintain the policy rate at 2.50%, with 1 member favoring a 0.25% cut.



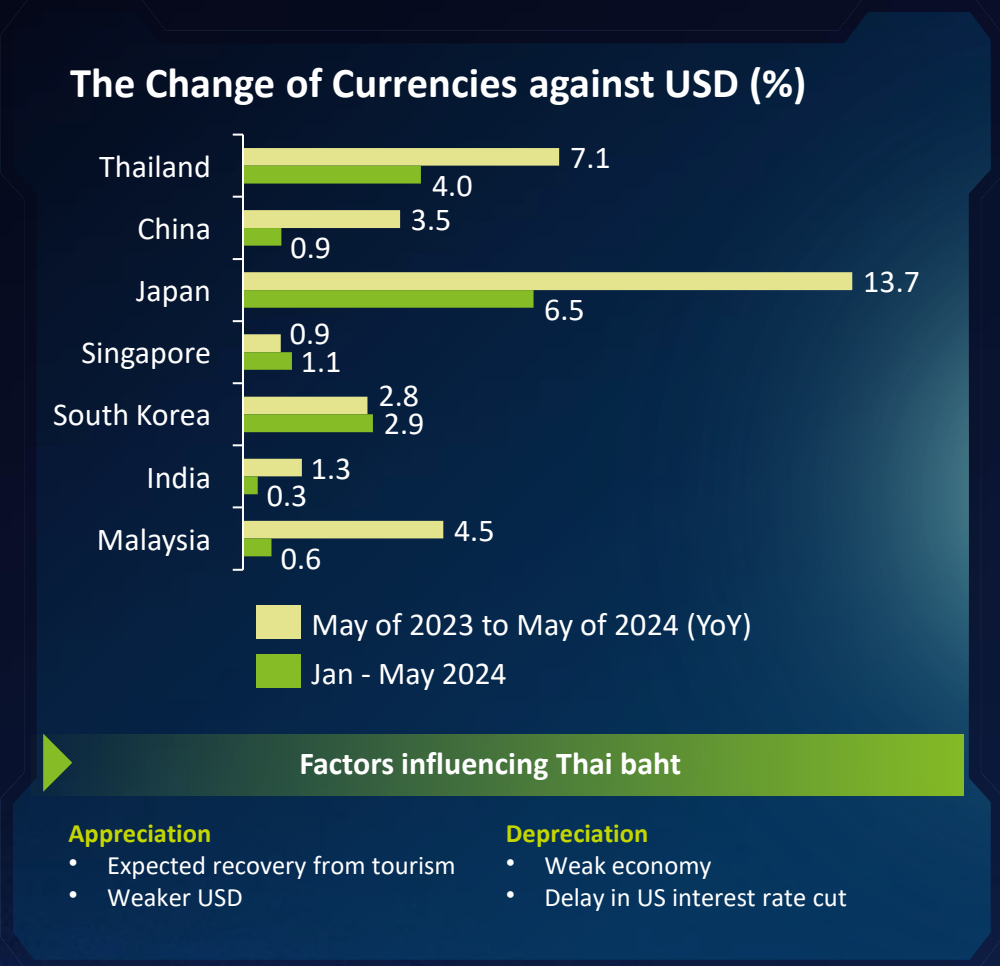
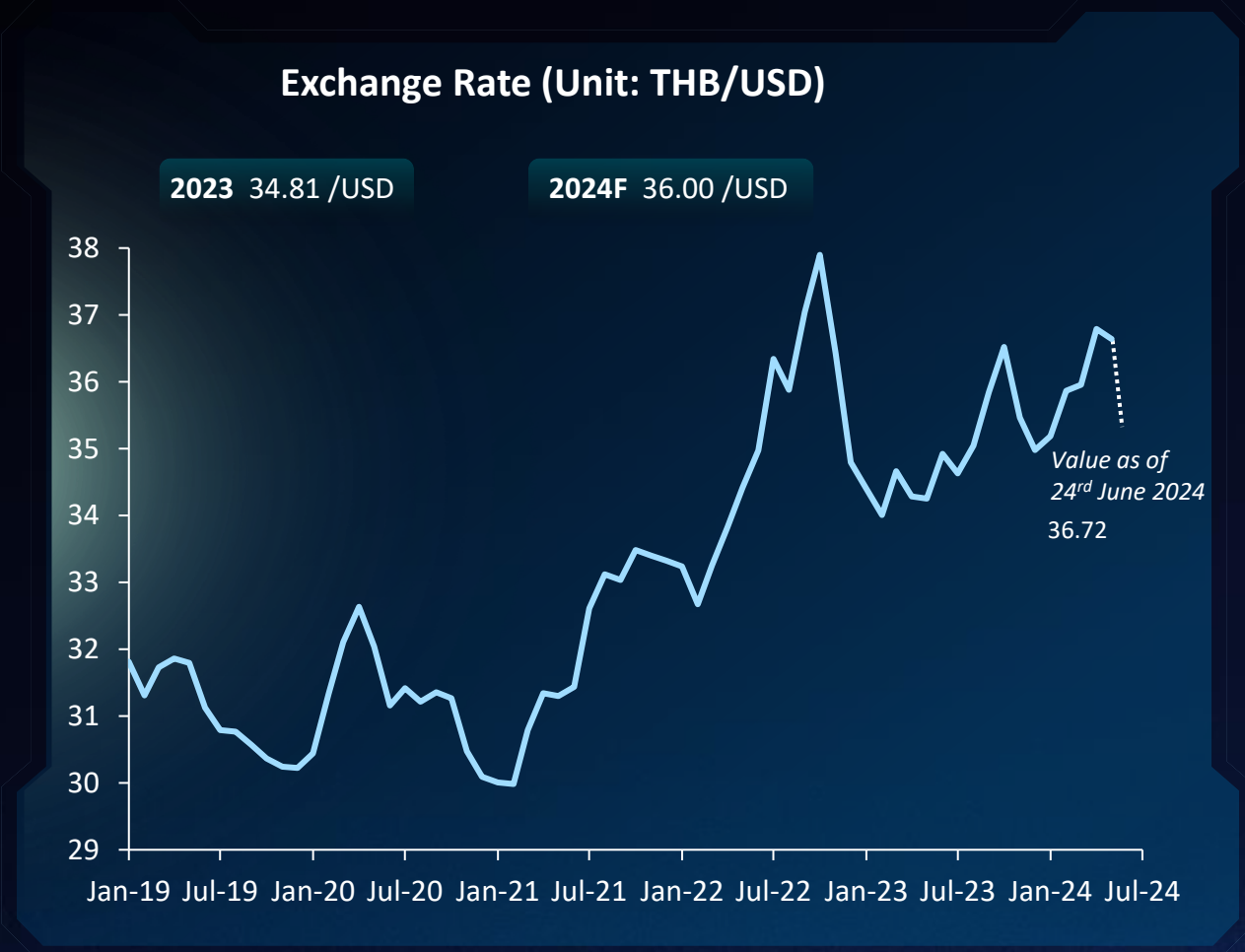
### MPC's Perspective:

- Thailand's economy continues to expand thanks to domestic spending and tourism; however, export growth struggles due to heightened competition. The Committee sees the current interest rate as appropriate for economic growth and stability.
- The Committee flagged high household debt levels as a concern, emphasizing the need for credit growth to align with debt reduction for long-term financial stability. SMEs' access to credit is also crucial for economic growth, and the committee encourages targeted measures like credit guarantee schemes.



## Exchange Rate

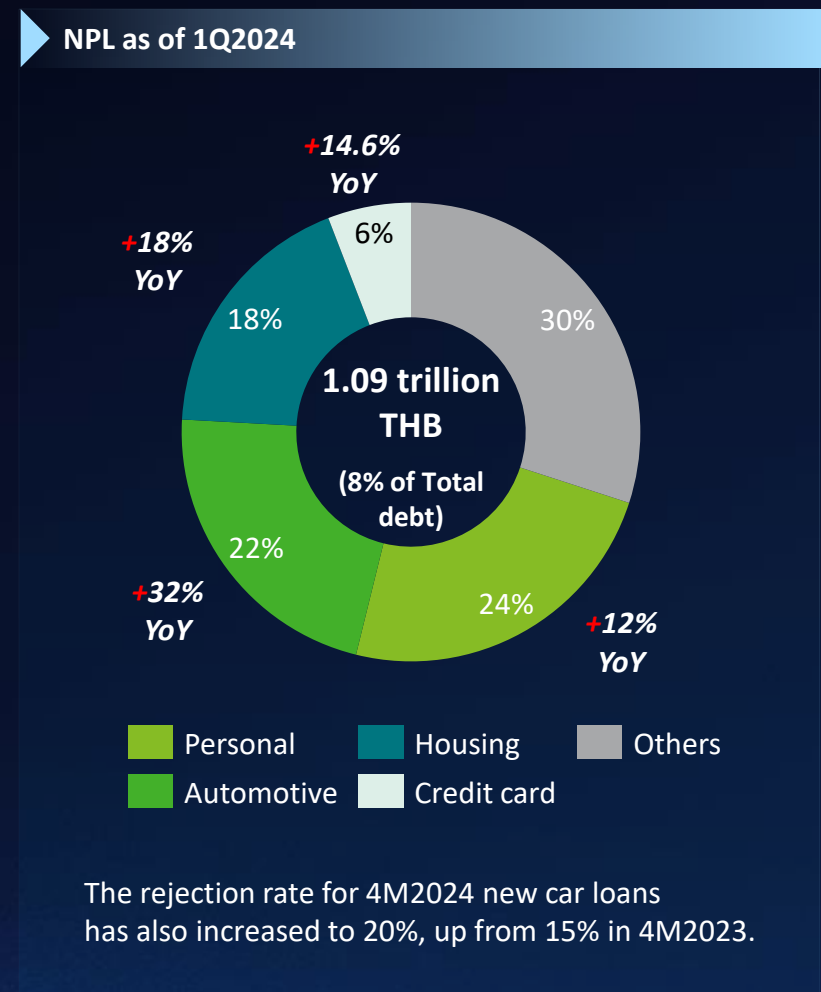
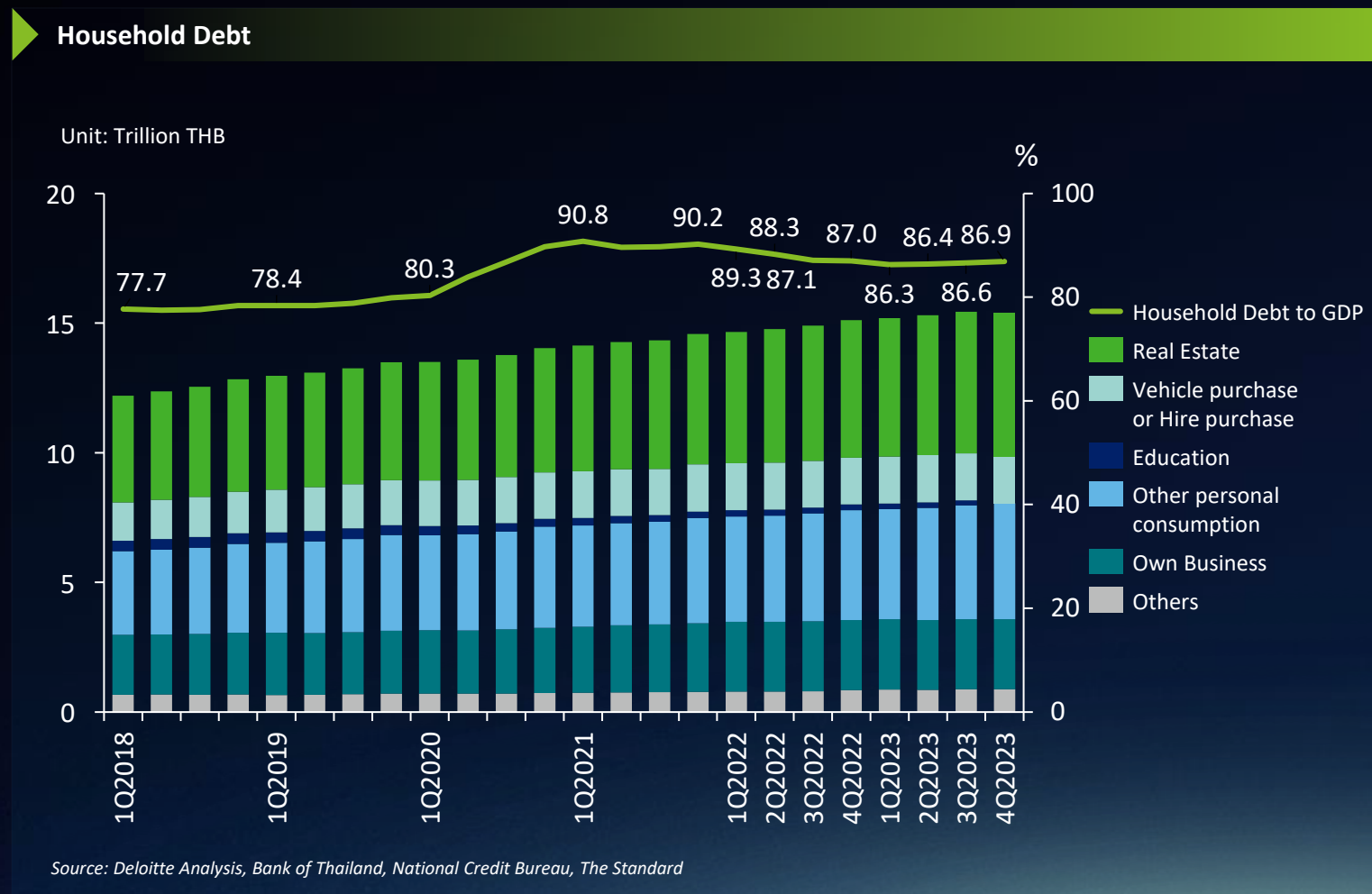
Thailand's slow economic growth and delayed US rate cuts weigh heavily on the baht. In addition, year-over-year values in all 7 regions below depreciated in response to the strong US dollar.



Source: Deloitte Analysis, Bank of Thailand, Federal Reserve, Fiscal Policy Office

## Household debt remains high at 86.9% to GDP. (91.3% at adjusted rate)

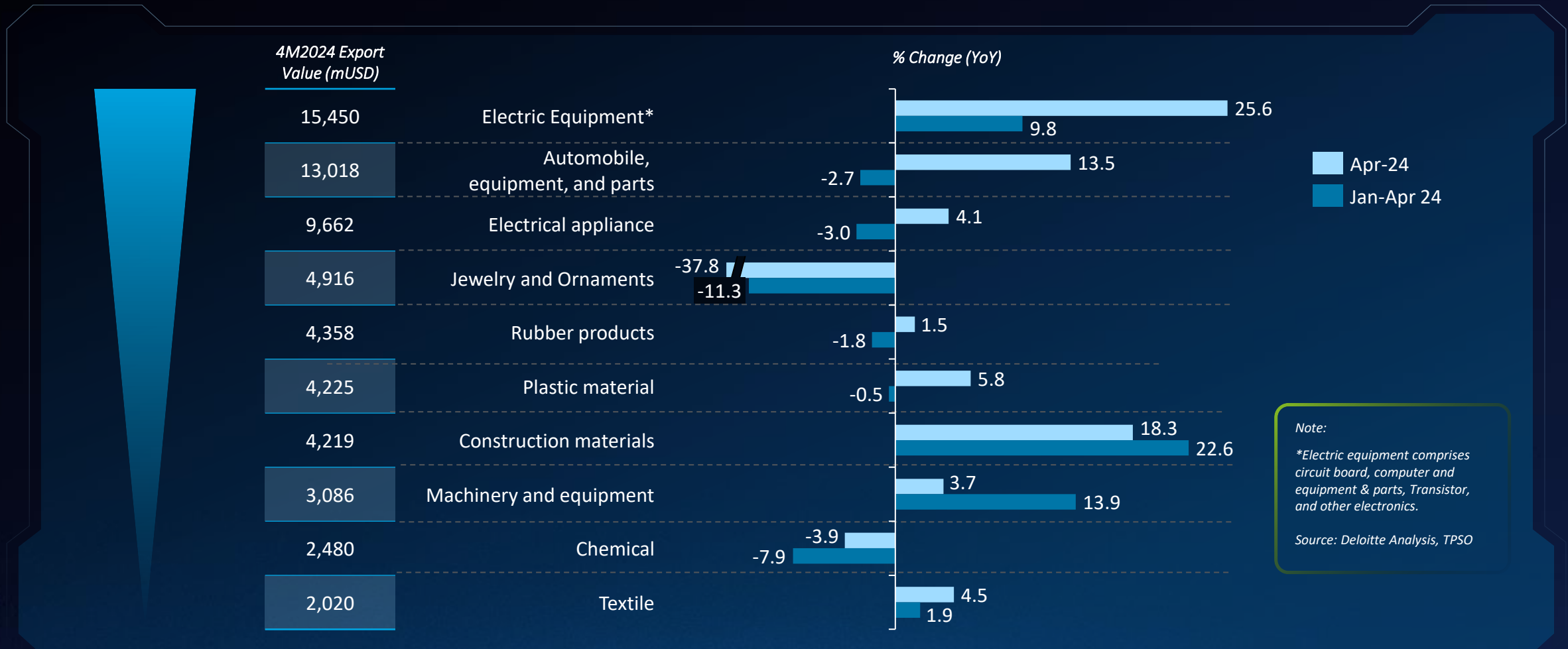
Non-productive loan such as Other Personal Consumption significantly contributed to total household debt. Besides, non-performing loans (NPLs) reached 1.09 trillion THB in March 2024.



# 10 Key Industrial Exports for Apr 2024

**Industrial export** grew 9.2% in April 2024. Significant growth in Automobile, equipment, and parts was contributed by the markets of Australia, the Philippines, the US, Saudi Arabia, and Indonesia.

Thailand's **overall export** rose by 6.8% while exports of real sector (excluding gold, oil-related products, and weaponry) increased by 11.4%.



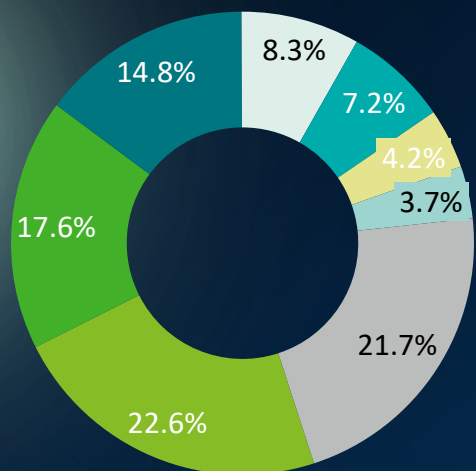
# 4M2024 Thailand's Export Destinations

Most major export markets rebounded after contracting in the previous month (March 2024), in line with signs of global manufacturing expansion. However, exports to China and Japan continued to contract.

## Percentage Contribution

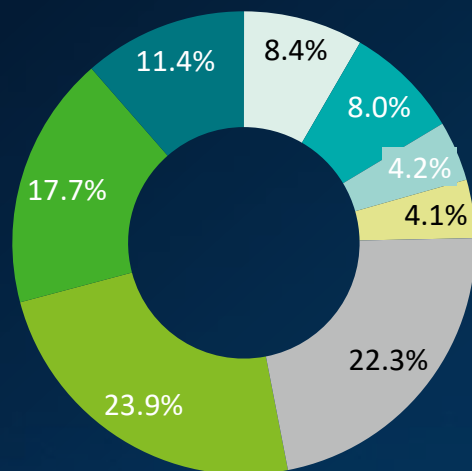


Apr 2024



Total Export Value  
23,279 mUSD

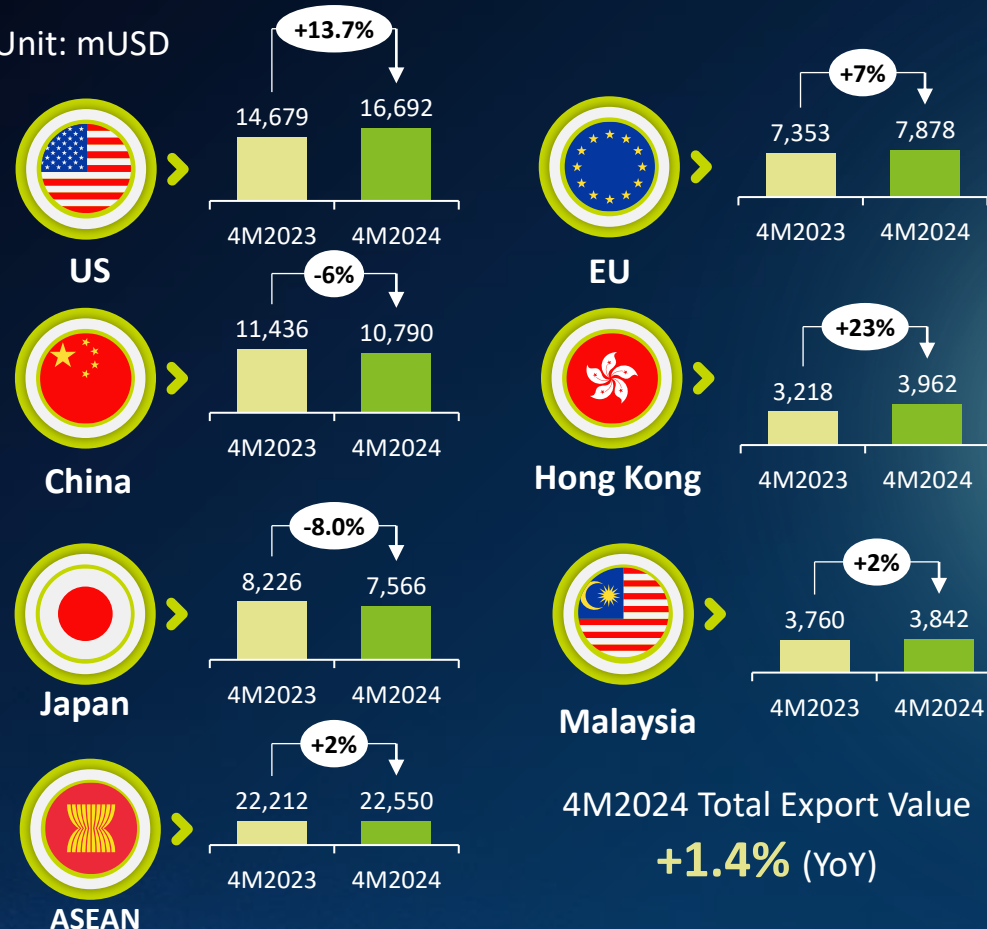
Jan-Apr 2024



Total Export Value  
94,274 mUSD

## 4M2024 Percentage Change (YoY)

Unit: mUSD

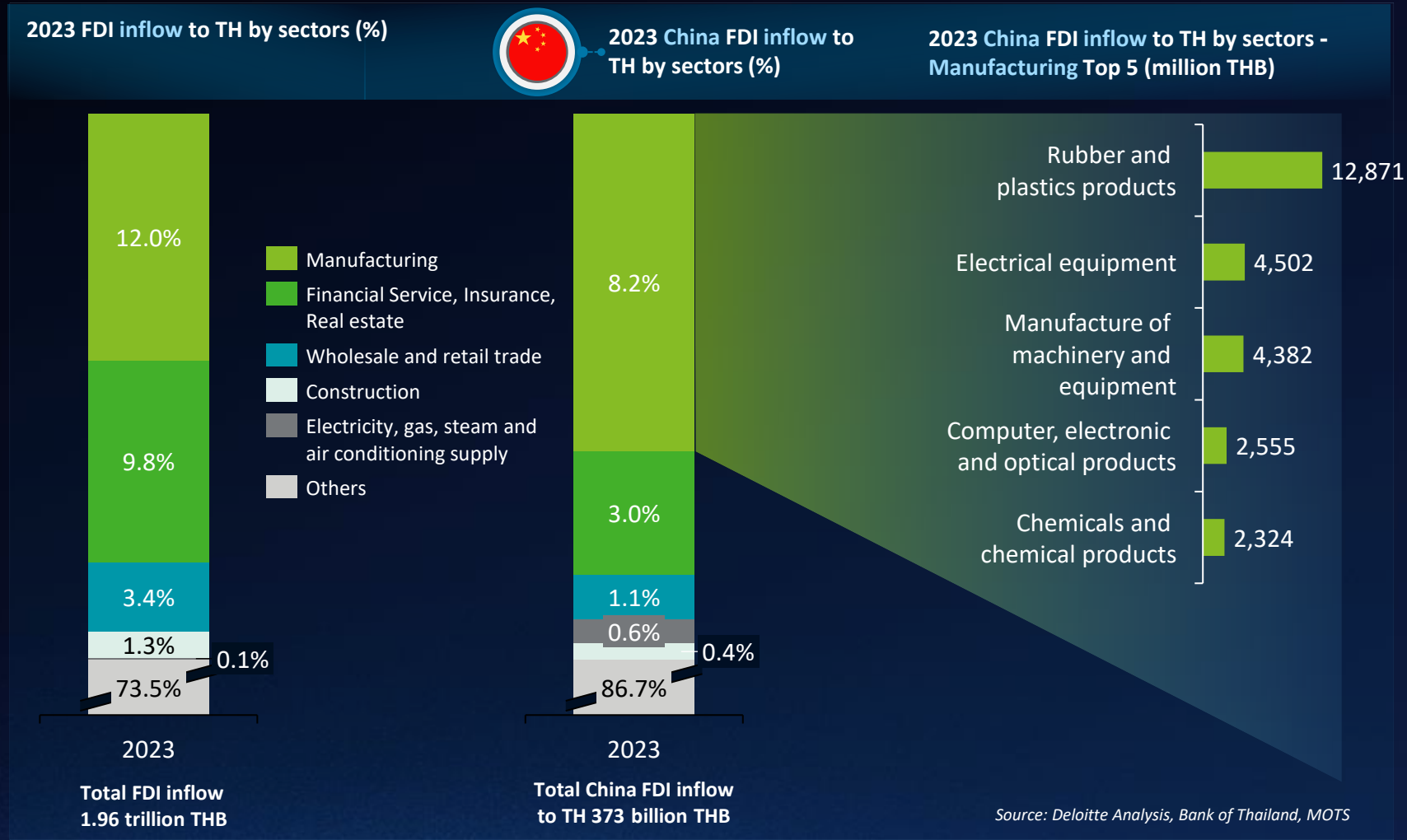
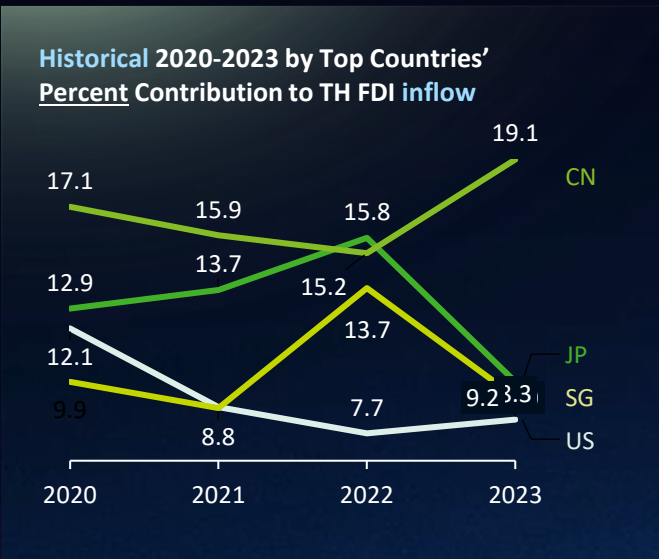
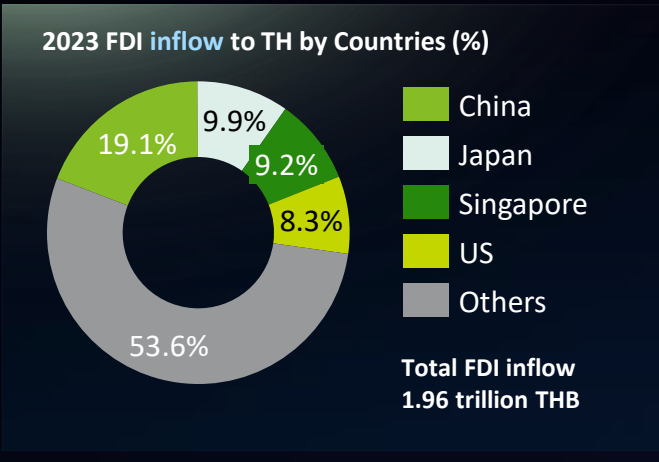


4M2024 Total Export Value  
**+1.4% (YoY)**

Source: Deloitte Analysis, TPSO

# 2023 FDI inflow had been mostly contributed by Manufacturing sector, followed by Financial Service, Insurance, and Real Estate sectors. China's manufacturing top FDI inflow are Rubber and plastic products.

Compared to previous years, China's contribution to Thailand's FDI inflows has skyrocketed.

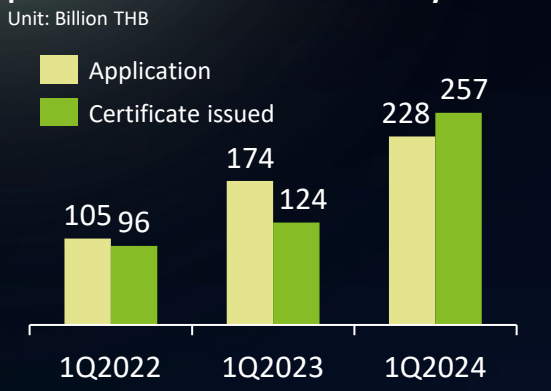


Source: Deloitte Analysis, Bank of Thailand, MOTs

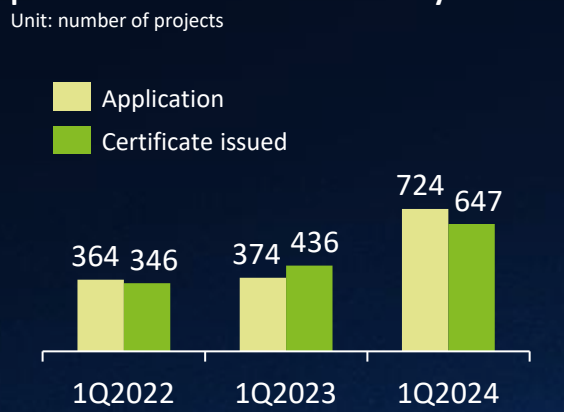
# 1Q2024 Foreign Direct Investment in Thailand is experiencing an upward trend.

In 1Q2024, FDI applications reached 724, representing a 94% increase from the previous year, and an increase of 31% in combined investment value to 228.21 billion THB, mainly driven by electrical appliance.

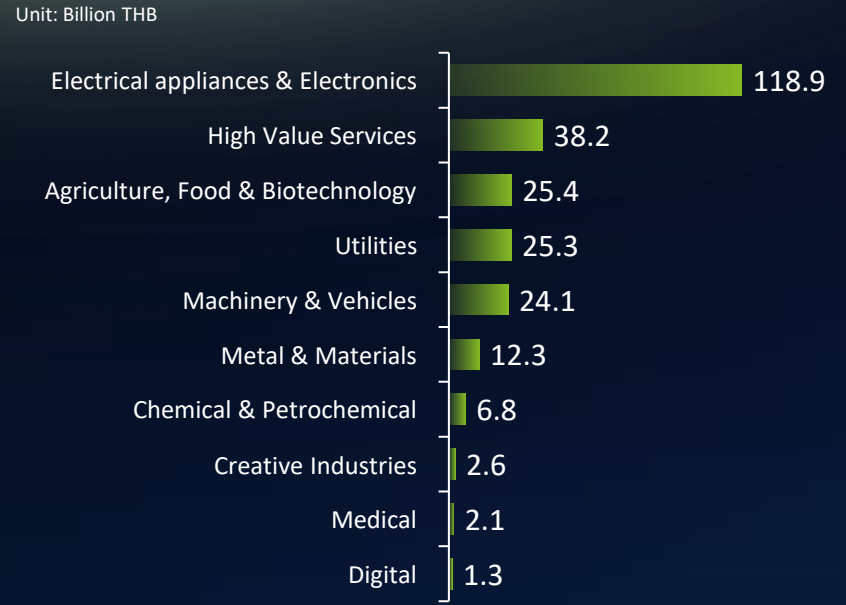
**1Q2022-1Q2024 BOI FDI application and promotion certificate issued – by Value**



**1Q2022-1Q2024 BOI FDI application and promotion certificate issued – by Volume**



**1Q2024 BOI FDI Promotion Certificate Issued by Sector**



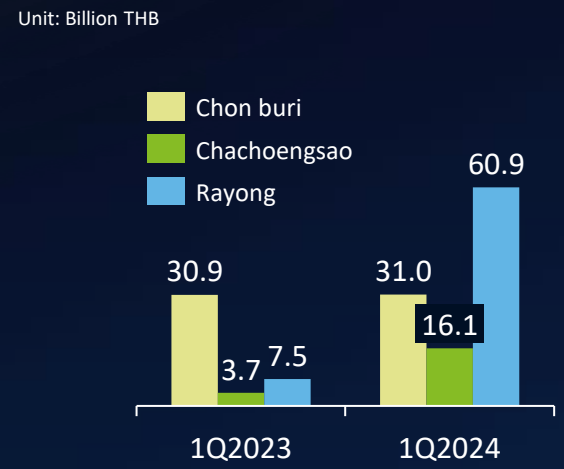
**1Q2024 Total: 257 Billion THB (107% YoY)**

**Remarks**

- Sample of Creative Industries: Manufacture of technical fiber or functional fiber, garments and household textiles, film, manufacture of musical instrument ,etc.
- Sample of High Value Services: Trade and investment support office, human resource development, tourism, logistics, etc.

Source: Deloitte Analysis, BOI

**1Q2023 - 1Q2024 BOI FDI Promotion Certificate Issued in EEC**



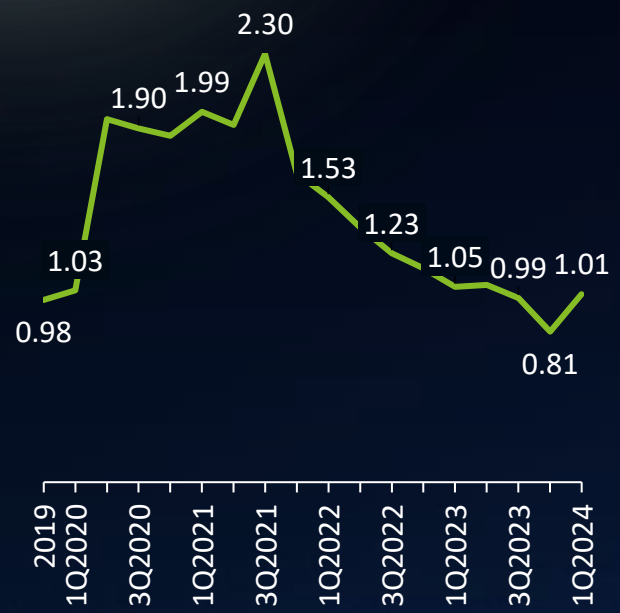
**EEC 1Q2023 Total: 42 Billion THB**  
**EEC 1Q2024 Total: 108 Billion THB**

## Employment and Unemployment rate situation in Thailand

Although the numbers of insured persons under section 33 has improved since the Covid-19, the number of unemployed people nationwide increased by 39,070 from 397,360 in March 2024 to 436,430 in April 2024. Of the unemployed people in April, about 235,100 have never worked before. The unemployment rate for 1Q2024 was at 1.01 and stood at 1.1% in April 2024.

**Thailand's Unemployment Rate**

Unit: %



**Numbers of insured persons – Section 33 in Thailand's Social Security System**

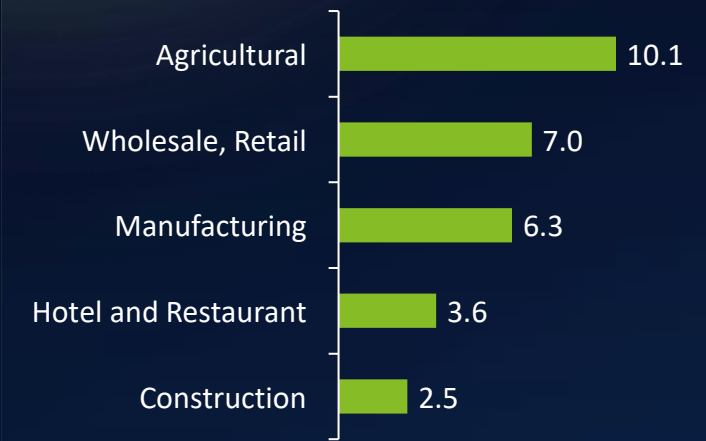
Unit: Million person

The unemployment situation has improved since the COVID-19.



**Top 5 of Employed by Activities – in April 2024**

Unit: Million person



Source: Deloitte Analysis, Bank of Thailand, NSO

03

# Thailand's Immigrant Situation

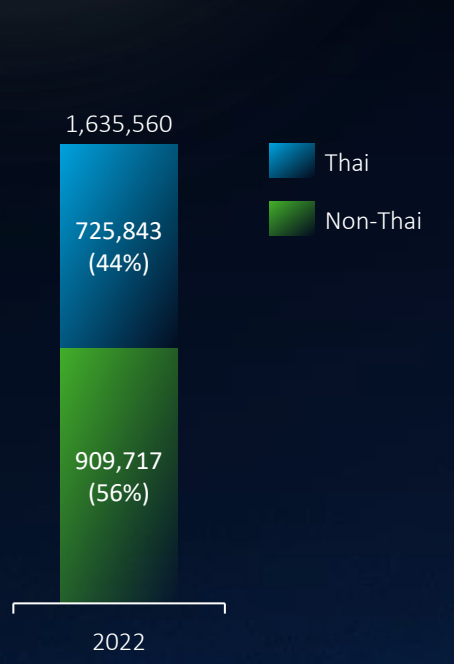


# Foreign Workers in Thailand's Labor System

Over the past 10 years, the number of employees who are insured persons under Section 33 in Thailand has grown by 15%, from 10.2 million people in 2014 to 11.9 million people in 2023 (+1.6 million persons). However, more than 55% of the increase in the registered workers is due to the growth in the number of foreign workers. Moreover, the proportion of foreign workers under the Section 33 has been increasing, from 4% in 2014 to 11% in 2023. Plus, the top 8 nationalities of migrant workers in Thailand in 2023 were, in order: Myanmar, Cambodia, Laos, China, Japan, Philippines, India, and the UK. The number of workers from Myanmar, Cambodia, Laos, and China increased the most, while the number of workers from the United Kingdom and Japan decreased.

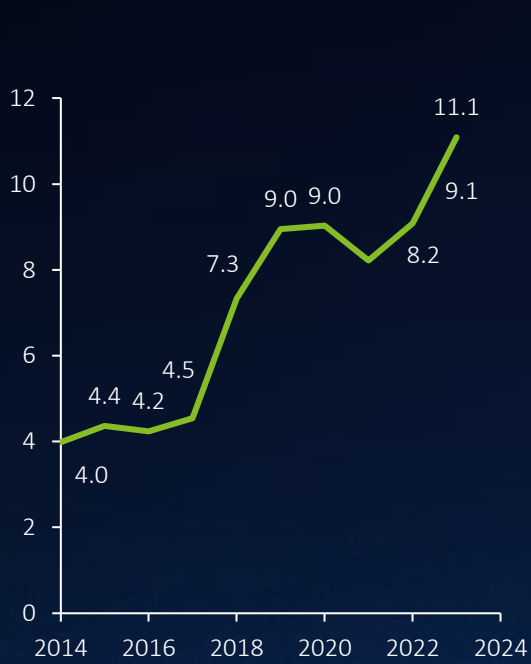
**The increase in the number of registered workers between 2014 and 2023.**

Unit: Person



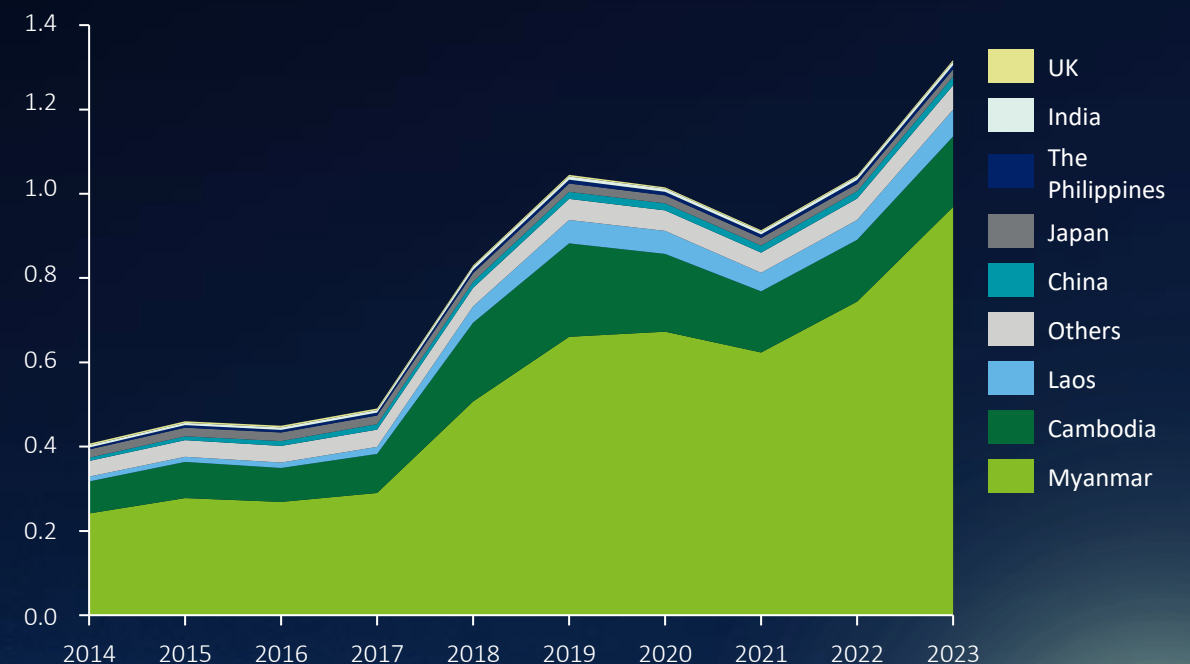
**Percentage of foreign workers who are insured persons under Section 33 between 2014 and 2023.**

Unit: %



**Number of foreign workers who are insured persons under Section 33 between 2014 and 2023 – By Nationality**

Unit: million Person



Source: Dr. Tanisa Tawichsri - PIER, Social Security Office

## Types of work permit

The Department of Employment, Foreign Workers Administration Office has indicated the type of work permit in Thailand as follows:

### Section 59 - Permanent

▶ Received permission to stay in the Kingdom and work under the announcement of the Revolutionary Council.

### Section 59 - General

▶ A foreigner who has the domicile in the Kingdom or is permitted to enter into the Kingdom temporarily under the law on immigration which is not for tourism or transit through the Kingdom may work in the work which is not prohibited for foreigners from working under related Section and shall obtain a work permit.

### Section 59 - Through Memorandum of Understandings

▶ Cambodia, Myanmar, and Lao PRD workers under Memorandum of Understandings with neighboring countries

### Section 62 - Under the Law on Investment Promotion

▶ Work in the Kingdom under the law on investment promotion, and the related laws

### Section 63/1 - Minorities

▶ Being born in the Kingdom but has not been granted with the nationality under the Announcement of the Revolutionary Council, has been granted with the status of legal migrant under the notification of the Ministry of Interior issued under the law on immigration.

### Section 63/2 - According to the Cabinet resolution

▶ Work permits in the case where the Minister under the law on immigration permits a foreigner to enter Thailand under the law on immigration for the groups of foreigner under the Cabinet resolution of February 7, 2024, or October 3, 2023.

### Section 64 - Work permits with regards to border type

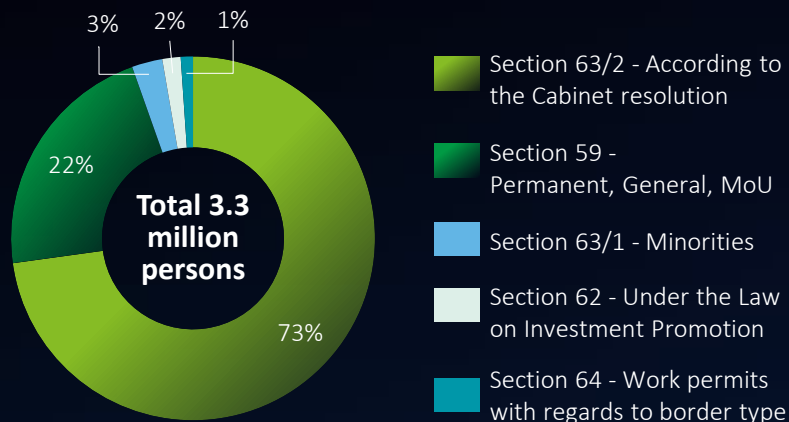
▶ Worker being of nationality of the country having common boundary with Thailand: Cambodia, Myanmar, and Lao PRD, who enters into Thailand with border pass or other document in the same way, may be permitted to work in Thailand temporarily through the specified period or season within the area which is specified.

Source: Deloitte Analysis, Department of Employment, Foreign Workers Administration Office, E-READI

# The number of authorized foreign workers in Thailand as of April 2024

The number of foreign workers as of April 2024 rose 21.2% year-over-year (YoY), with the highest contribution coming from work permit section 63/2 at 509,973 persons. This increase was supported by the additional volume from the Cabinet resolution of October 3, 2023. Section 59 followed, with an increase of 46,635 persons.

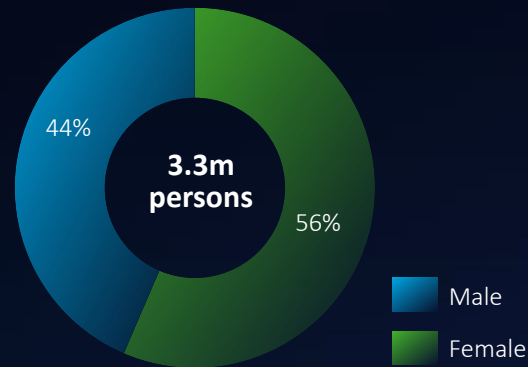
Percentage of work permit – By type



The number of foreign workers under section 59 by sub-categories

Permanent	General	MoU
<b>5</b>	<b>125,017</b>	<b>598,391</b>

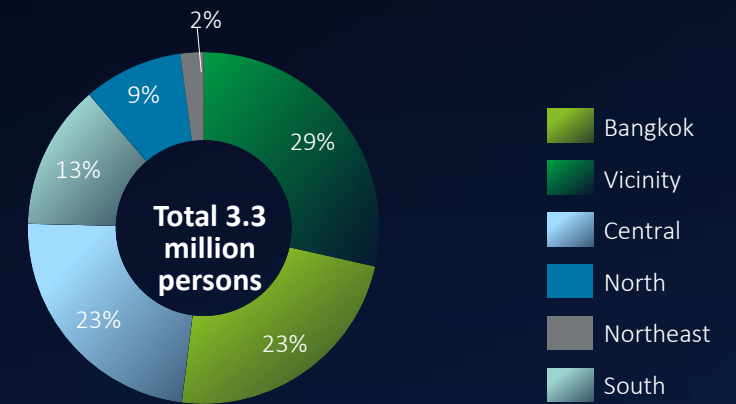
Percentage of work permit – By gender



Remark:

Gender in this data is biologically categorized.

Percentage of work permit – By area



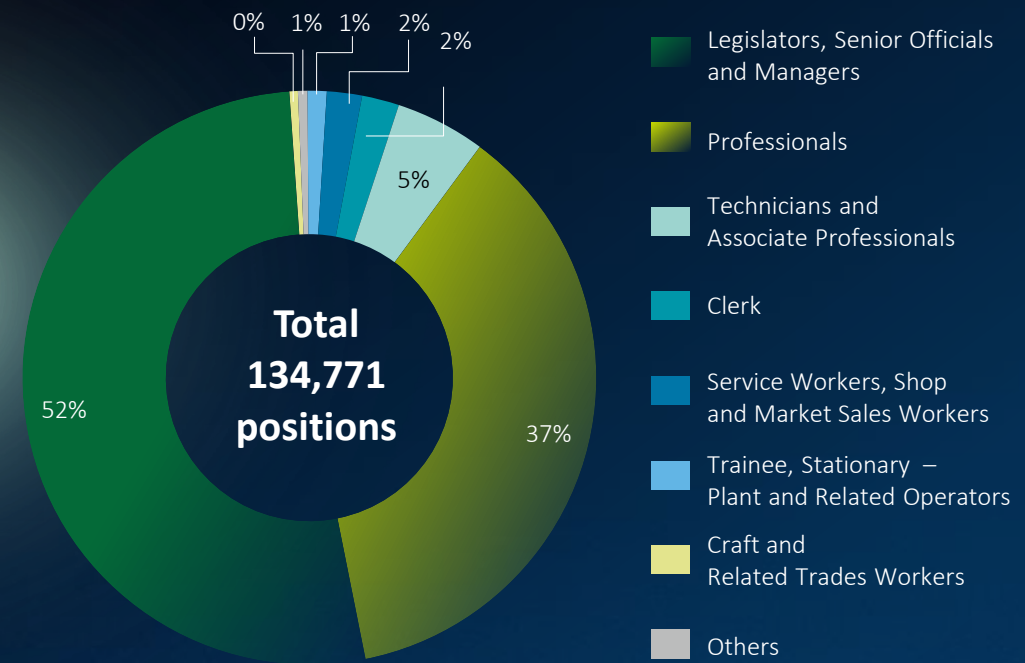
Province with the highest number of foreign workers in each region

Vicinity- Samut Sakhon	Central- Chon Buri
<b>285,324</b>	<b>207,707</b>
North - Chiang Mai	Northeast - Nakhon Ratchasima
<b>152,111</b>	<b>28,613</b>
South - Surat Thani	
<b>108,624</b>	

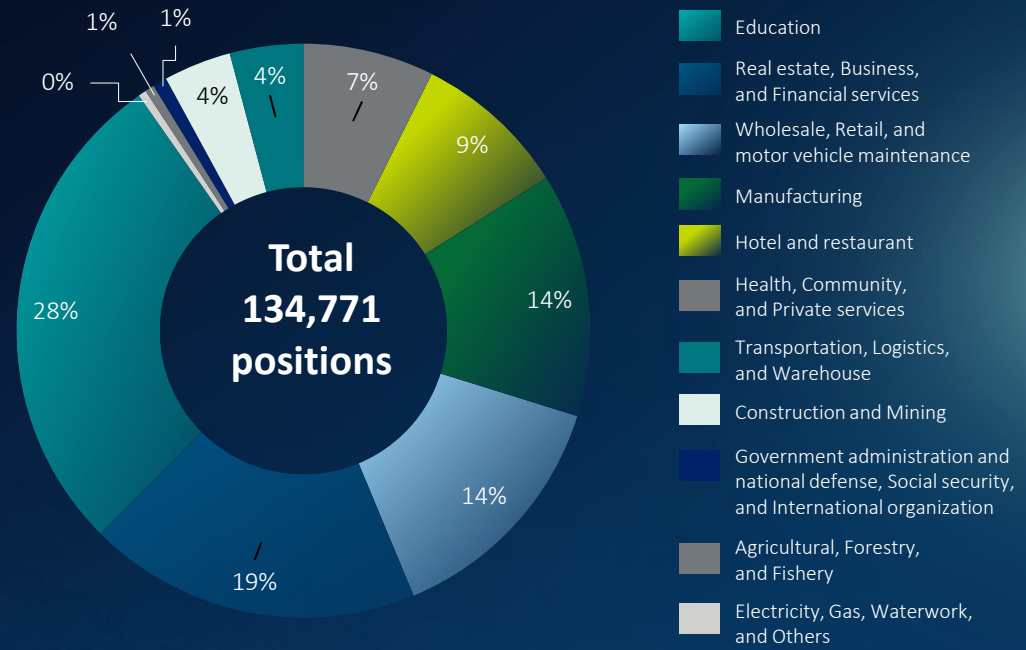
## Percentage of work permit: Section 59 - General

The number of work permit under Section 59 - General increased 13.9% YoY (16,426 positions) with the increase of Legislators, Senior Officials and Managers by 14.2% YoY (8,722 positions) whereas Professionals rose 10.9% YoY (4,877 positions). For sectors, government administration and national defense, social security, and international organization rose 75% YoY (459 positions) whereas, construction increased 38% YoY (1,413 positions).

Percentage of work permit under Section 59 (General) – By Occupation



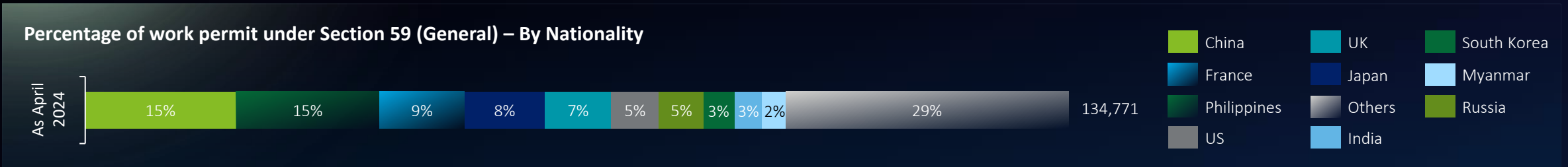
Percentage of work permit under Section 59 (General) – By Sector



Source: Deloitte Analysis, Department of Employment, Foreign Workers Administration Office

## Percentage of work permit: Section 59 - General

Chinese has the largest share in Section 59 – General, mostly in the professions of Legislators, Senior Officials and Managers. They are also concentrated in the manufacturing industry. In contrast, Filipinos are most heavily represented in the education sector.



**Percentage of work permit under Section 59 (General) – Breakdown of the top 3 nationalities by Occupation**

Occupation	Nationality (Position)		
Legislators, Senior Officials and Managers	Chinese (12,659)	Japanese (8,698)	Indian (8,087)
Professionals	Filipinos (16,228)	British (5,165)	Chinese (4,837)
Technicians and Associate Professionals	Chinese (1,939)	Filipinos (721)	Indian (497)
Clerk	Chinese (513)	Filipinos (506)	Russian (430)
Service Workers, Shop and Market Sales Workers	Indian (722)	China (237)	Japanese (160)
Trainee, Stationary – Plant and Related Operators	Chinese (245)	Indian (162)	Filipinos (135)
Craft and Related Trades Workers	Chinese (197)	Indian (70)	Japanese (30)

**Percentage of work permit under Section 59 (General) – Breakdown of the top 3 nationalities by Sector**

Sector	Nationality (Position)		
Education	Filipinos (15,232)	British (4,815)	American (3,270)
Real estate, Business, and Financial services	Russian (3,812)	Chinese (2,841)	Japanese (2,684)
Wholesale, Retail, and motor vehicle maintenance	Chinese (4,491)	Indian (4,056)	Japanese (2,027)
Manufacturing	Chinese (5,805)	Japanese (2,689)	Indian (2,229)
Hotel and restaurant	Indian (1,657)	Filipinos (1,122)	Chinese (893)
Health, Community, and Private services	American (1,077)	Korean (931)	Chinese (833)
Transportation, Logistics, and Warehouse	Chinese (1,225)	Japanese (620)	Indian (436)
Construction and Mining	Chinese (1,668)	Japanese (642)	Indian (494)
Government administration and national defense, Social security, and International organization	Chinese (127)	American (111)	Filipinos (104)
Agricultural, Forestry, and Fishery	Chinese (115)	Japanese (98)	Indian (40)
Electricity, Gas, Waterwork	Chinese (88)	Japanese (37)	Indian (23)

Source: Deloitte Analysis, Department of Employment, Foreign Workers Administration Office

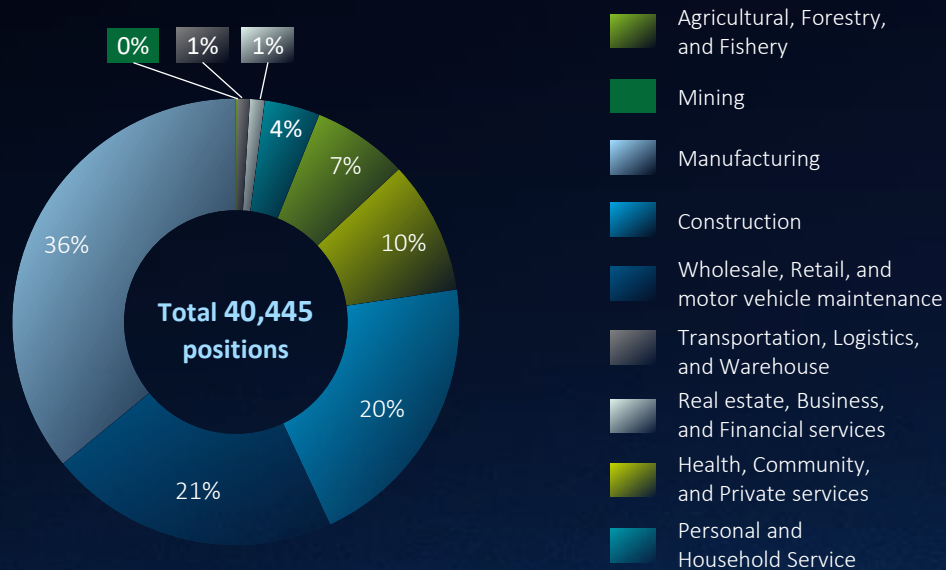
## Percentage of work permit: Section 59 - Through Memorandum of Understandings

Myanmar holds the highest share in Section 59 – MoU and the highest share by nationality in the manufacturing sector. Meanwhile, Lao nationality holds the highest share in the wholesale, retail, and motor vehicle maintenance sector, while Cambodian nationality holds the highest share in the manufacturing industry.

Percentage of work permit under Section 59 (MoU) – By Nationality



Percentage of work permit under Section 59 (MoU) – By Sector

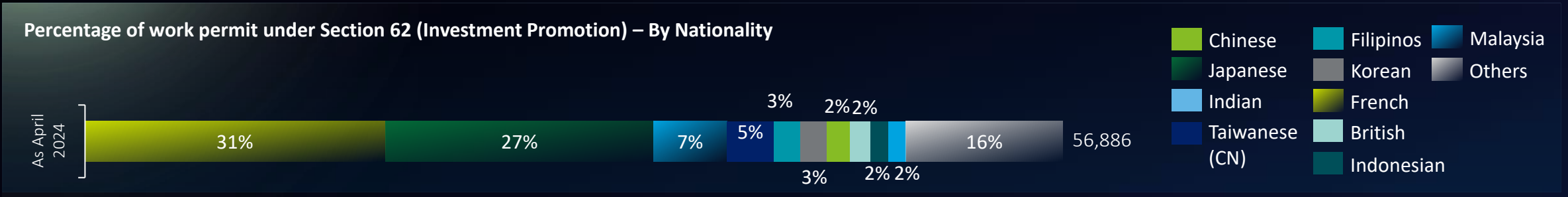


Percentage of work permit under Section 59 (MoU) – By Sector and Nationality

Sector	Nationality (Position)			
	Myanmar	Lao	Cambodian	Vietnamese
Agricultural, Forestry, and Fishery	263	1,569	967	-
Mining	11	9	7	-
Manufacturing	8,048	2,375	4,110	-
Construction	4,244	565	3,438	-
Wholesale, Retail, and motor vehicle maintenance	1,891	4,632	1,974	-
Transportation, Logistics, and Warehouse	259	42	80	-
Real estate, Business, and Financial services	9	346	76	-
Health, Community, and Private services	1,112	1,946	849	-
Personal and Household Service	28	1,423	172	-

## Percentage of work permit: Section 62 – Under the Law on Investment Promotion

Chinese holds the highest share in most positions except Legislators, Senior Officials and Managers where Japanese holds the highest share. Japanese also has the highest contribution in Real estate, Business, and Financial services.



**Percentage of work permit under Section 62 (Under the Law on Investment Promotion) – Breakdown of the top 3 nationalities by Occupation**

Occupation	Nationality (Position)		
Legislators, Senior Officials and Managers	Japanese (11,069)	Chinese (5,189)	Taiwanese (CN) (1,935)
Professionals	Chinese (2,178)	Japanese (1,617)	Indian (1,001)
Technicians and Associate Professionals	Chinese (6,775)	Japanese (2,086)	Indian (949)
Clerk	Chinese (745)	Japanese (536)	Filipinos (129)
Service Workers, Shop and Market Sales Workers	Chinese (109)	Japanese (32)	Indian (32)
Plant and Related Operators	Chinese (1,531)	Japanese (146)	Indian (134)
Craft and Related Trades Workers	Chinese (937)	Indian (128)	Japanese (112)

**Percentage of work permit under Section 62 (Under the Law on Investment Promotion) – Breakdown of the top 3 nationalities by Sector**

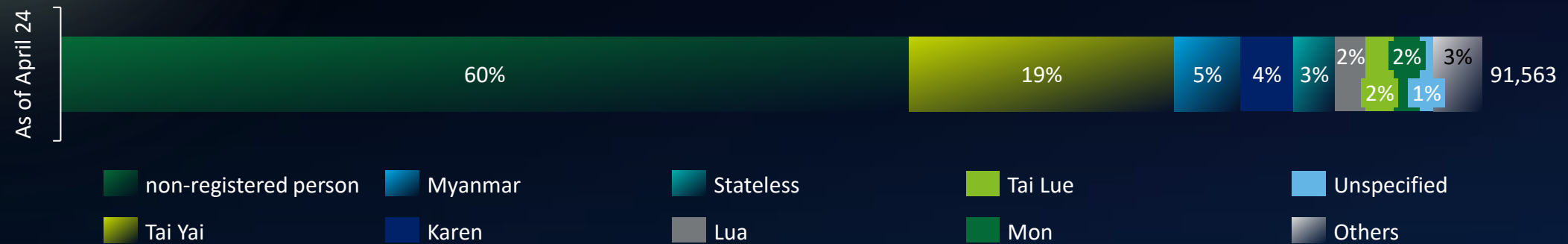
Sector	Nationality (Position)		
Education	British (50)	Filipinos (9)	French (5)
Real estate, Business, and Financial services	Japanese (2,258)	Chinese (1,237)	Indian (979)
Wholesale, Retail, and motor vehicle maintenance	Japanese (1,480)	Chinese (1,242)	Indian (314)
Manufacturing	Chinese (12,575)	Japanese (10,066)	Taiwanese (CN) (2,228)
Hotel and restaurant	Indian (74)	French (47)	Japanese (35)
Health, Community, and Private services	Japanese (947)	Indian (250)	Chinese (191)
Transportation, Logistics, and Warehouse	Chinese (465)	Indian (398)	Japanese (391)
Construction and Mining	Chinese (305)	Japanese (164)	Indian (76)
Government administration and national defense, Social security, and International organization	Japanese (149)	Chinese (31)	Indian (9)
Agricultural, Forestry, and Fishery	Chinese (69)	Japanese (38)	Indian (14)
Electricity, Gas, Waterwork	Chinese (1,326)	Japanese (46)	Indian (29)

Source: Deloitte Analysis, Department of Employment, Foreign Workers Administration Office

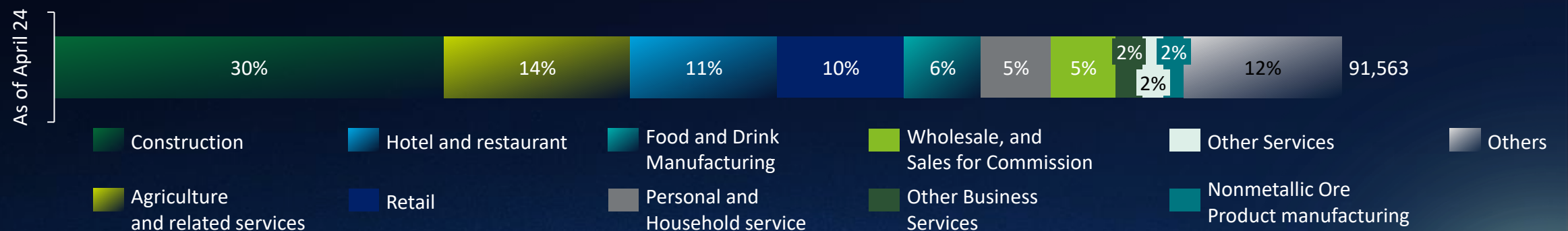
## Percentage of work permit: Section 63/1 – Minorities

The majority of work permit under section 63/1 for minorities contribute to the construction sector, followed by agriculture and related services.

### Percentage of work permit under Section 63/1 (Minorities) – By Nationality



### Percentage of work permit under Section 63/1 (Minorities) – By Sector





## Percentage of work permit:

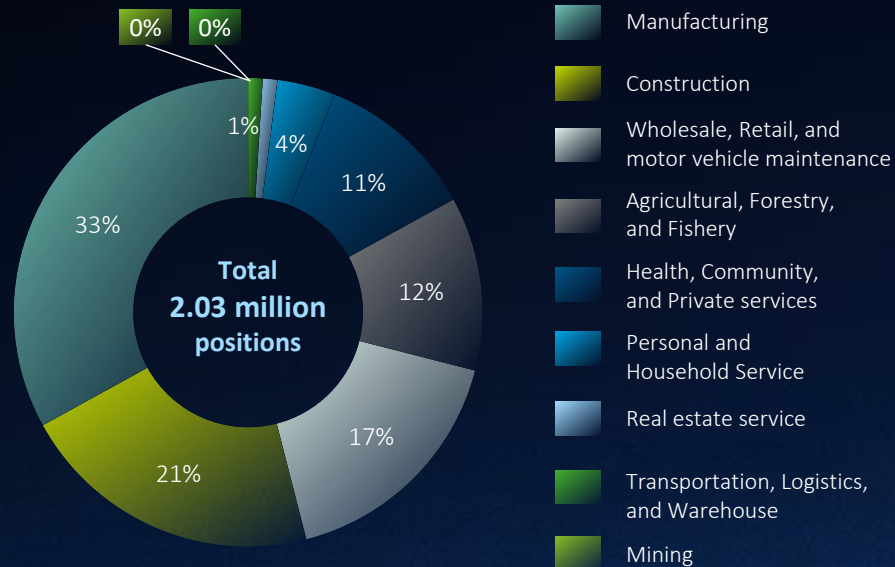
### Section 63/2 – According to the Cabinet resolution of February 7, 2024, or October 3, 2023.

Myanmar has the largest share of the work permit under the section 63/2 - Cabinet resolution. Both Myanmar and Cambodian are primarily employed in Manufacturing, and Construction, while Laos and Vietnam are mainly engaged in Wholesale, Retail, and motor vehicle maintenance.

Percentage of work permit under Section 63/2 (According to the Cabinet resolution) – by Nationality



Percentage of work permit under Section 63/2 (According to the Cabinet resolution) – by Sector



Percentage of work permit under Section 63/2 (According to the Cabinet resolution) – by Sector and Nationality

Sector	Nationality (Position)			
	Myanmar	Cambodian	Lao	Vietnamese
Agricultural, Forestry, and Fishery	246,454	35,569	18,739	367
Mining	1,492	149	33	-
Manufacturing	661,657	50,654	15,877	1,056
Construction	428,919	129,710	9,193	105
Wholesale, Retail, and motor vehicle maintenance	345,018	40,212	27,709	1,543
Transportation, Logistics, and Warehouse	13,749	3,815	295	20
Real estate service	20,615	2,213	2,406	12
Health, Community, and Private services	226,233	24,535	9,079	391
Personal and Household Service	86,542	5,337	12,122	184

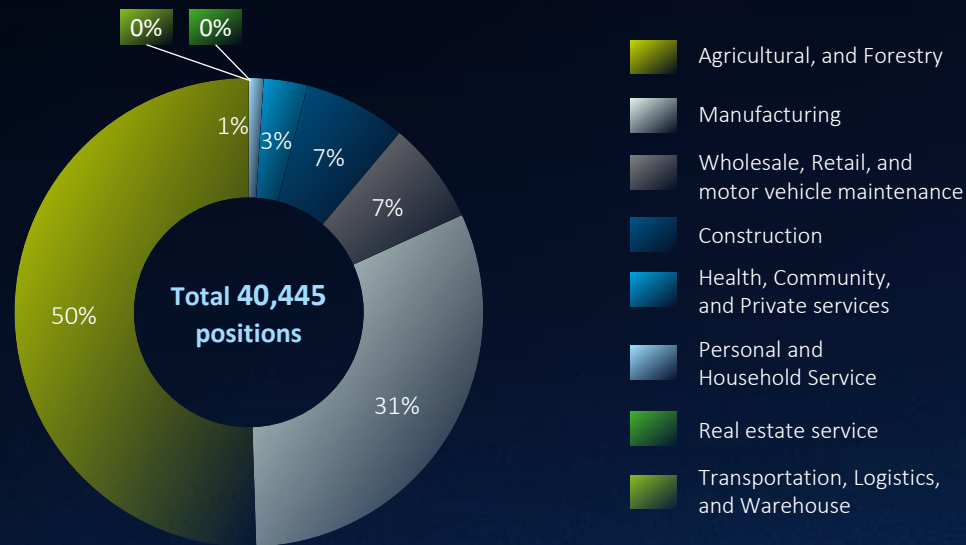
## Percentage of work permit: Section 64 - Work permits with regards to border type

Cambodian holds the highest share in work permit under section 64 with regards to border type are primarily employed in agricultural and forestry sector, while Myanmar are mainly engaged in manufacturing.

Percentage of work permit under Section 64 (Work permits with regards to border type) – by Nationality



Percentage of work permit under Section 64 (Work permits with regards to border type) – by Sector



Percentage of work permit under Section 64 (Work permits with regards to border type) – by Sector and Nationality

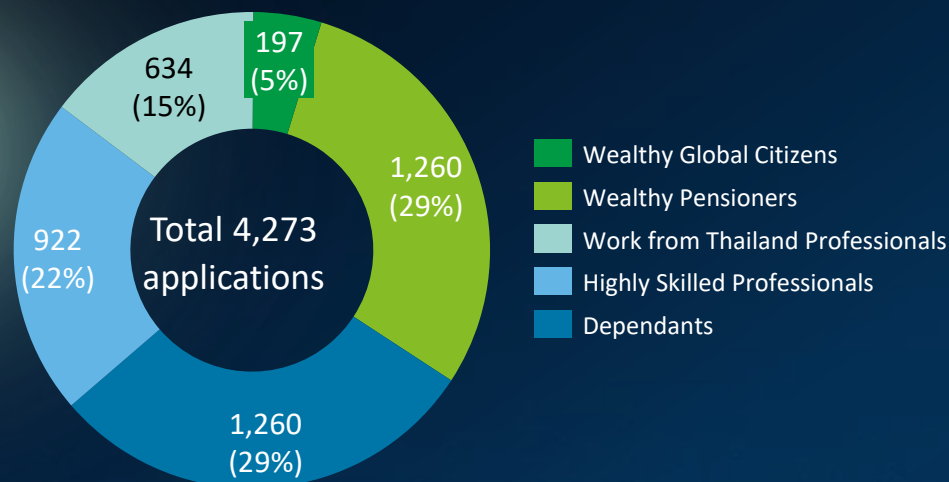
Sector	Nationality (Position)		
	Myanmar	Cambodian	Lao
Agricultural, and Forestry	23	3,219	-
Manufacturing	1,577	410	-
Construction	142	334	-
Wholesale, Retail, and motor vehicle maintenance	112	375	-
Transportation, Logistics, and Warehouse	7	12	-
Real estate service	1	22	-
Health, Community, and Private services	65	129	-
Personal and Household Service	13	57	-

## Thailand's Long-Term Resident (LTR) Visa program to attract the target foreign group to stimulate economy and improve talent resource.

Thailand launches LTR visa targeting wealthy or talented residents and remote workers with tax benefits. This visa aims to attract 1 million skilled foreigners over 5 years, boosting investment and economic growth.

### LTR Visa Applications by Type

Period: 1 Sep 2022 – 31 May 2024



### Benefits to LTR Visa Holders

- 10 years renewable visa Permission will be granted to stay in Thailand
- Exemption from 4 Thais to 1 foreigner employment requirement ratio
- Fast Track Service at International Airports in Thailand
- 90-day report extended to 1-year report and exemption of re-entry permit
- Multiple re-entry permit
- Permission to work in Thailand (Digital Work permit)
- 17% Personal income tax for Highly-skilled professionals
- Tax exemption for overseas income
- Immigration and work permit facilitation services at One Stop Service Center for Visa and Work Permit

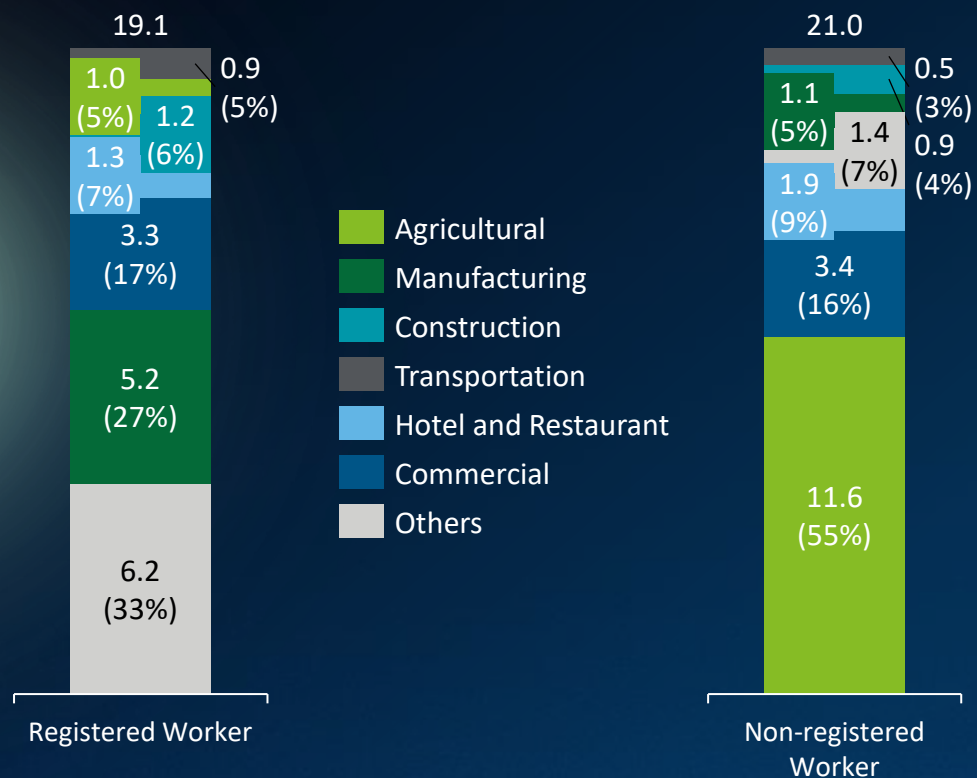
Source: Deloitte Analysis, LTR-BOI

## Will the Thai labor market require **greater reliance on foreign workforce?**

In 2023, the number of employed persons in Thailand was 40.09 million. This comprised 19.13 million registered workers (47.7%) and 20.96 million non-registered workers (52.3%). In addition, more than 55.4% of the non-registered workers were in the agricultural sector, while most registered workers were in manufacturing.

### Number of 2023 Thai registered and non-registered workforce

Unit: million person



### Median age of 2023 worker by sector and type

Unit: Year

Sector	Registered worker	Non-registered worker	Total
Agricultural	45	53	52
Industrial	37	51	40
Service	40	47	43
All	39	51	46

Non-registered workers have a median age that is 12 years higher than formal workers overall, suggesting that many at retirement age are still working. In addition, compared to other ASEAN countries, the median age of the workforce in most countries is lower than Thailand.

With Thailand's aged society, higher median age of workers, and rising inflow of foreign workers, Thailand's workforce might rely more on workers from abroad, which will further impact to Thailand's economic activities and businesses such as manufacturers extending their product lines specifically to foreign workforce, rising related professional services such as immigration and compliance services.

04

# Topical Views from Our Expert



## Short-Term Business Visa for Japanese Businesspeople: Considerations for Work Activities

The Thai Ministry of Interior has announced a visa exemption (free visa) for Japanese businesspeople, allowing them to stay in Thailand for up to 30 days without a visa. This policy is in effect from January 1, 2024, to December 31, 2026. To be eligible for the free visa, Japanese businesspeople must meet the following conditions:

- Hold a Japanese passport or passport-equivalent document
- Enter Thailand temporarily for no more than 30 days
- Engage in business or work that is necessary, urgent, or specific in nature. They must provide documentation or evidence of their business or work activities, such as appointment letters, invitations, or relevant certificates, to obtain authorization from immigration officers.



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It is important to note that the nature of the work or business activities to be performed in Thailand must not fall under the definition of "work" as defined in the Alien Employment Administration Act B.E. 2560 ("Act") and its amendments in B.E. 2561. If the activities are considered work, a work permit is required under this law. For necessary, urgent, or specific work, the Department of Employment has issued a notification clearly defining the types of work that fall under this category. Examples include: attending training seminars or giving special lectures on academic subjects, conducting occasional internal audits, monitoring and troubleshooting technical problems, inspecting product quality or goods, reviewing or improving production processes, installing, inspecting, testing, or repairing machinery, consulting on machinery repairs

In these cases, aliens must notify the registrar of the Department of Employment by submitting a form for reporting necessary, urgent, or specific work under Section 61 of the Act (Form Bt. 34) before starting work. The maximum duration of work is 15 days. If the work is not completed within 15 days, an extension can be requested for another 15 days, for a total of no more than 30 days.

#### Additional Considerations

Another issue to consider is what types of business contacts can be made without being considered work and what businesspeople can do without a work permit. According to the Act, "work" is defined as "any occupation, whether or not with an employer." Therefore, the extent to which business contacts can be made without being considered employment must be carefully considered on a case-by-case basis. The Department of Employment has not yet issued any regulations or announcements to support or clarify the nature of business contacts for Japanese businesspeople under the Ministry of Interior's free visa announcement. Therefore, if the Department of Employment considers that the business activities are work and a general work permit is required, this may not be in line with the intention of granting a free visa to Japanese businesspeople to stimulate the economy and may not facilitate their entry for business contacts and work in a proper and genuine manner.

**Recommendations for Companies and Organizations** Companies or organizations that intend to invite Japanese businesspeople to Thailand should consider the following:

- Whether the nature of the work or business activities to be performed by the businessperson in Thailand falls under the definition of "work"
- Whether the businessperson can conduct business without a work permit
- Whether the businessperson is coming to perform necessary and urgent work that requires notification to the registrar of the Department of Employment
- Whether the work requires a general work permit. The short-term business visa cannot be used to apply for a general work permit. If a general work permit is required, a Non-Immigrant Type B (Working/Employment) visa must be obtained from a Thai embassy or consulate overseas.

By carefully considering these factors, companies and organizations can ensure that Japanese businesspeople are able to comply with Thai immigration regulations and work effectively in Thailand.

## How Deloitte can help

### Strategic services



#### Immigration lab.

Using Deloitte's immigration building block methodology, we will help design an immigration program that meets current and identified future needs.



#### Workforce planning.

We can analyze specific geographic expansion plans, evaluate immigration needs, and design a supporting workforce program.



#### Compliance review.

During periods of political uncertainty or impending immigration changes, our specialists can recommend changes that we understand will reflect compliance requirements.



#### Digital strategy.

We will help create innovative solutions—such as video briefings, interactive videos, immigration assessments, and digital content delivery—to enhance employee and recruiter experience.



#### Compliance impact lab.

This exercise evaluates how a significant change in a country's political make-up or immigration rules may affect your organization and immigration compliance controls.



#### Immigration advisory services.

We can offer immigration advice related to mergers and acquisitions, crisis management, and emergency planning and evacuation.



#### Global workforce lab.

This lab seeks to answer strategic questions around the objectives and operational support of your mobile workforce.

## How Deloitte can help

### Operational services



#### Immigration training.

We can create country-specific training that covers immigration compliance and visa requirements, processing, timeframes, and cost.



#### On-site support.

Our Deloitte resources can work as a part of your mobility/HR team to support program analysis, design, and implementation, or providing temporary support during a busy period or resource gap.



#### Robotic Process Automation (RPA).

We can help design and implement RPA technologies, for example, automating the immigration assessment process.



#### Procedure review audit.

We can review your immigration and legal procedures, highlighting key gaps.



#### Multimedia communications.

We can design and implement intuitive and engaging digital communications, for example, using gamification best practices.



#### Operations review.

We can identify opportunities to enhance operations and look for ways to increase efficiency.



#### Immigration dashboards.

Our specialists can design analytic dashboards to track immigration status and generate strategic workforce insights.



#### Document management.

We can help with document management including legalization and attestation.



#### Compliance support.

We can help obtain employment and business visas for employees of corporate and private clients, as well as permit renewals, cancellations, and de-registrations.



# Contributors

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Topical Views from  
Our Expert



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