



EVs incentives to be effective from 2024 to 2027

In order to promote the adoption and manufacturing of Electric Vehicles (“EVs”), the Thai cabinet officially approved the EV incentives from 2024 to 2027 incentives on 19 December 2023. These measures will come into effect from January 1, 2024, with the aim of bolstering the electric vehicle ecosystem. The incentives comprise the reduction of excise and customs taxes, along with subsidies outlined as follows:

- For EV cars with battery units not exceeding 50 kWh and a retail price below THB 2,000,000, subsidies of THB 50,000 are given. For EV cars with battery units exceeding 50 kWh, subsidies of THB 100,000 are provided. Additionally, the tax incentives include the reduction of excise tax from 8 percent to 2 percent and a customs tax reduction of not more than 40 percent.
- EV cars with a retail price over THB 2,000,000 but not exceeding THB 7,000,000 are entitled to a tax incentive of excise tax deduction, reducing it from the rate of 8 percent to 2 percent from 2024 until 2027.

However, for the effective promotion of investment in Thailand, manufacturers must produce an EV car in Thailand in accordance with the ratio set forth below:

- Importation of 1 EV car shall result in the production of 2 EV cars in Thailand by the end of 2026; or
- Importation of 1 EV car shall result in the production of 2 EV cars in Thailand by the end of 2027.

Apart from the tax incentives and subsidies for EV cars, electric motorcycles with a battery unit of 3 kWh or more and a retail price not exceeding THB 150,000 shall be entitled to subsidies of THB 10,000 and an excise tax deduction to 1 percent from 2024 until 2027. However, these subsidies will only be provided to electric motorcycles that are manufactured in Thailand.