

The Thai government has set aside THB 24 billion for incentives to increase domestic production of battery cells for electric vehicles (EVs)



On 2 February 2023, Mr. Supattanapong Phanmeeaow, a Deputy Prime Minister and the Minister of Energy, as the Chairman of the National Electric Vehicle Policy Committee, attended the National Electric Vehicle Policy Committee (EV Board) Meeting No. 1/2023 together with senior executives of relevant departments and revealed that the EV Board had considered measures to support battery production which aimed at promoting manufacturing base for EVs in Thailand.

The EV board meeting approved in principle measures to support the production of batteries by granting excise tax privileges by reducing from 8 percent to 1 percent and taking important measures such as financial support

of 24,000 million baht for the production of cell batteries in Thailand as important components in the production of electric vehicles. The grant depends on the size of the battery factory and the specific energy capacity of the battery. Subsidies of 400-600 baht/kWh will be provided to battery factories producing less than 8 GWh. For battery factories above 8 GWh, they will receive subsidies between 600-800 baht/kWh due to the limited budget. The funding will be based on the principle of “first-come, first-served.”

The EV Board has also given significant consideration to topics including the following:

- how to increase the manufacturing of ICEs, which make up a sizable portion of the nation's automobiles to be able to switch to producing cars that are powered by electricity.
- the creation of a subcommittee to oversee the transformation of used cars into electric vehicles (EV conversion).

- the recognition of the development of encouraging the use of electric vehicles by the government sector.
- measures to assist the development of charging stations and encourage the demand-supply relationship.

The government has set a target of making 30% EV cars out of the total car production by 2030.