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Thailand's State Enterprises Face Structural Reforms Ahead of OECD Accession

Thailand's state-owned enterprises (SOEs) are expected to undergo significant reforms as the country advances its efforts to join the Organisation for Economic Co-operation and Development (OECD). The reforms aim to align Thailand's public sector with OECD standards, particularly in the areas of corporate governance, transparency, and fair competition.

According to a source from the Ministry of finance, Thailand is in the process of drafting initial agreements for OECD accession, with a memorandum expected to be submitted by December 2025. As part of this process, both government agencies and state enterprises will need to adopt OECD-aligned practices. The State Enterprise Policy Office (SEPO) is leading this effort by preparing regulatory changes, including the enforcement of market-based pricing for procurement—even in internal transactions between state enterprises and their subsidiaries.

The OECD has also raised concerns about the variety of legal forms under which Thai SOEs operate. These include statutory bodies such as the Electricity Generating Authority of Thailand (EGAT), public or private limited companies like PTT, and public organisations such as the National Science and Technology Development Agency (NSTDA). The OECD generally prefers a standard corporate format—specifically, limited companies—for greater consistency and accountability. Transitioning to this structure could pose challenges for Thailand, particularly regarding the status and benefits of employees in certain agencies.

In addition to regulatory reform, Thai agencies are working with the OECD across multiple sectors. From 23-25 June 2025, representatives from the National Economic and Social Development Council (NESDC) participated in a Strategic Foresight workshop with OECD experts to assess emerging global trends and their implications for Thailand's 14th National Economic and Social Development Plan (2028–2032).

Thailand officially submitted a letter of intent to join the OECD in 2023, becoming the first ASEAN country to do so. Currently, only Japan and South Korea are members from Asia, while Indonesia is in the application process. OECD accession is a lengthy process that typically spans seven to eight years following submission of a formal application. In the meantime, the Thai government is expected to push forward with reforms to demonstrate its commitment to OECD principles and readiness for membership.

Should you have any question, please do not hesitate to contact us via info@bgloballaw.com