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Thailand Considers Increasing Import Duties on Luxury Goods

Thailand's Customs Department is reviewing the possibility of increasing import duties on luxury goods as part of efforts to enhance government revenue and reconsider the country's previous policy of positioning itself as a regional "shopping paradise." Current import duty rates on luxury products vary significantly by category—for example, handbags are subject to a 20% duty, clothing 30%, watches 5%, cosmetics 30%, while certain items such as jewellery may be duty-free—raising questions about the consistency and policy rationale behind the existing tariff structure.

The proposed review also comes amid broader reforms to Thailand's customs and tax framework. Since 1 January 2026, imported goods of any value—previously exempt if valued at THB 1,500 or less—have become subject to import duties and value-added tax under new de minimis tax collection rules. According to the Customs Department, this measure has already resulted in increased tax collection and reduced under-declaration of import values for low-value goods ordered through cross-border e-commerce platforms.

In the longer term, the Customs Department is considering proposing amendments to the Customs Act to allow the Minister of Finance to set a unified import duty rate for parcel shipments or e-commerce goods, potentially ranging between 30% and 40%. In the short term, the government may issue ministerial notifications to increase import duty rates on certain products up to their statutory maximum levels where the applied rates have previously been reduced.

From a legal and commercial perspective, these developments reflect the government's intention to strengthen tax enforcement and create a more level playing field for domestic businesses, particularly small and medium-sized enterprises affected by low-cost imports sold through online channels. If implemented, higher duties on luxury goods and cross-border e-commerce products could affect importers, retailers and online platforms operating in Thailand, requiring businesses to reassess pricing strategies, supply chains and customs compliance obligations.

Furthermore, the proposed policy direction may also signal a shift in Thailand's trade and fiscal strategy, balancing trade liberalisation under existing free trade agreements with the need to protect domestic industries and maintain tax revenue. Businesses engaged in cross-border trade should therefore closely monitor potential regulatory developments, particularly any amendments to the Customs Act or ministerial notifications that may alter import duty rates and customs compliance requirements.

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