

# 2025

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Survey Report

## **EXPECTATIONS AND CHALLENGES OF AN EU-THAILAND FREE TRADE AGREEMENT (FTA):**

Perspectives from European Business in Thailand



# Contents

About the Survey	1
Acknowledgements	3
Executive Summary	4
<b>Chapter 1</b>	
<b>2025 EXPECTATIONS AND CHALLENGES OF AN EU-THAILAND FTA: PERSPECTIVES FROM EUROPEAN BUSINESS IN THAILAND</b>	<b>9</b>
A) High-level Changes the European Businesses Expect From an EU-Thailand FTA	10
B) Key Topics European Business Considers important in the Context of FTA	14
C) Optimising New Investment Area: SERVICE LIBERALISATION	16
D) Addressing Operational Barriers: Customs Procedures and Rules of Origin	18
E) Digital Trade and Data Flows	20
F) Intellectual Property (IP) Protection and Enforcement	21
G) Limited Access to Government Procurement	23
H) Competition, Level Playing Field, and State-Owned Enterprises	24
<b>Chapter 2</b>	
<b>PRIORITIES AND RECOMMENDATIONS RELATED TO THE EU-THAILAND FTA BY EACH SPECIFIC SECTOR</b>	<b>25</b>
<b>RESPONDENTS' BACKGROUND</b>	<b>30</b>

# About the Survey

A comprehensive EU–Thailand Free Trade Agreement would reinforce Thailand’s role as a key European trade and investment hub in ASEAN, support job creation, higher-value production, and help both partners advance sustainable economic transitions as well as boost competitiveness and resilience.

The European Union (EU) is Thailand’s fourth-largest trading partner, accounting for 7.1% of the country’s trade in goods in 2024; Thailand is the EU’s 28th largest trading partner, representing 0.8% of the EU’s goods trade. The EU is also the second-largest investor in Thailand after Japan, and Thailand remains one of the most important destinations for European investment within ASEAN.

Ongoing EU–Thailand FTA negotiations are expected to deepen and diversify these economic ties by lowering tariffs, improving market access for goods and services, strengthening investment protections, and promoting regulatory cooperation. The agreement could increase bilateral trade and investment, attract higher-value European Foreign Direct Investment (FDI), and make Thai supply chains more resilient and better integrated with European markets. It would also create new opportunities in priority areas such as digital trade, green technologies and sustainability, public procurement, and SME access to export platforms benefiting Thai exporters in sectors like automotive, electronics, processed foods, agriculture and seafood, while giving the EU firms improved access for goods and services.

The 2025 edition of the survey report, **“Expectations and Challenges of an EU–Thailand Free Trade Agreement (FTA): Perspectives from European Business in Thailand,”** has been prepared to support the continued negotiations between the European Union and Thailand toward a modern and comprehensive Free Trade Agreement.

Building on the 2024 edition, where businesses were first asked about the high-level changes they expected from the FTA, the 2025 survey continues this line of inquiry to track how those expectations are evolving. As interpretations of the FTA's scope become more refined, survey findings offer deeper insights into what European firms view as the most impactful outcomes ranging from tariff elimination and improved market access to regulatory simplification, digital trade, enhancing services trade and investment liberalisation. These areas include:

- **Market Access and Trade in Goods**
- **Customs Procedures and Rules of Origin (RoO)**
- **Digital Trade and Cross-border Data Flows**
- **Intellectual Property (IP) Protection and Enforcement**
- **Competition Policy and the Role of State-Owned Enterprises (SOEs)**

By focusing on these topics, the report illustrates where improvements are mostly needed, and how an FTA could unlock potential growth, reduce uncertainty, and create a more level playing field for European businesses.

The survey was developed by the European Association for Business and Commerce (EABC), also known as the European Chamber of Commerce Thailand, with the support of the European bilateral Chambers of Commerce in Thailand and the Delegation of the European Union to Thailand.

## Methodology

The survey was conducted from October to November 2025. Online questionnaires were distributed by the European bilateral Chambers in Thailand to their European business members and directly by EABC to its members. Responses were collected from various business sectors, informing the analysis presented in this report.

# Acknowledgements

EABC would like to extend our gratitude to the European bilateral Chambers of Commerce in Thailand (shown below) for their support in distributing and sharing the survey to their networks.

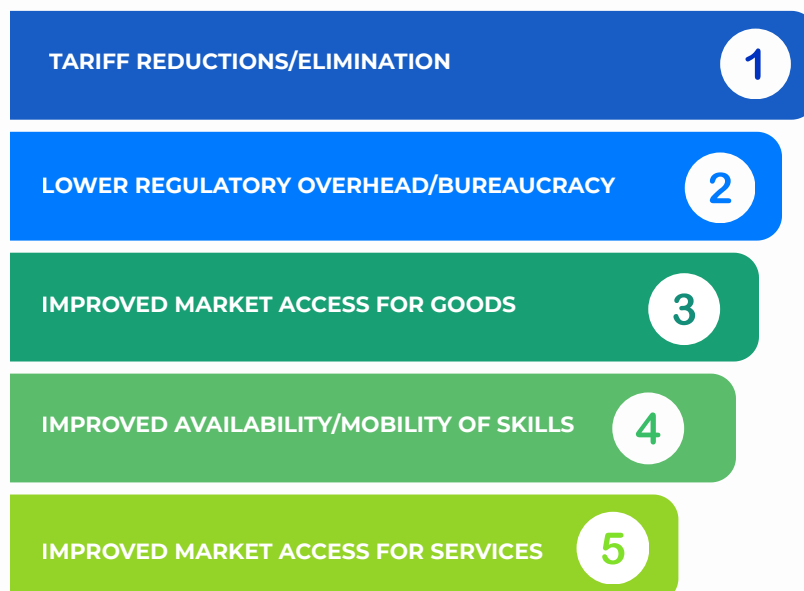
- ADVANTAGE AUSTRIA
- Belgian-Luxembourg Thai Chamber of Commerce (BeLuThai)
- British Chamber of Commerce Thailand (BCCT)
- EU-ASEAN Business Council (EU-ABC)
- Franco-Thai Chamber of Commerce (FTCC)
- German-Thai Chamber of Commerce (GTCC)
- Hellenic-Thai Chamber of Commerce (HTCC)
- Irish-Thai Chamber of Commerce Thailand (ITCC)
- Netherlands-Thai Chamber of Commerce (NTCC)
- Polish Investment and Trade Agency (PAIH)
- Spanish-Thai Chamber of Commerce (SPTCC)
- Swiss Thai Chamber of Commerce (STCC)
- Thai European Business Association (TEBA)
- Thai-Finnish Chamber of Commerce (TFCC)
- Thai-Italian Chamber of Commerce (TICC)
- Thai-Norwegian Chamber of Commerce (TNCC)
- Thai-Swedish Chamber of Commerce (SweCham)
- The Romanian-Thai Chamber of Commerce (RTCC)

# Executive Summary

This report presents the findings of the EABC 2025 Survey, “Expectations and Challenges of an EU–Thailand Free Trade Agreement (FTA): Perspectives from European Business in Thailand.” The survey gathers insights from European businesses across a wide range of sectors operating in Thailand, focusing on their expectations for the EU–Thailand FTA, their top priorities, and the regulatory and market access barriers that must be addressed. The results reflect a strong desire for the agreement to deliver practical, long-term benefits. Practically, in the face of global trade uncertainty and ongoing domestic operational challenges.

Support for the FTA remains strong. Over 76% of respondents expressed confidence that the EU–Thailand FTA will improve their business operations within two years of its entry into force. Nevertheless, many respondents emphasised that credible implementation is essential to enhance confidence. Their priorities go beyond short-term facilitation of access, but rather seek practical, substantive functional reforms that sustainably streamline the business environment.

Five key priority areas were highlighted where the agreement is expected to deliver meaningful impact and help promote a more sustainable and predictable trade environment. Collectively, these priorities reflect a clear message: for the FTA to succeed, it must deliver more than tariff reductions. European businesses are seeking progress on regulatory consistency, transparency, and access areas where improvements can help unlock Thailand’s full potential as a regional trade and investment hub.



## Customs and Trade Facilitation is Important to European Business Operating in Thailand

While tariff reduction remains a core expectation, particularly for sectors closely integrated with global supply chains and subject to the EU market's high regulatory standards businesses made it clear that lowering tariffs alone is not enough. Persistent non-tariff barriers, including complex customs procedures, unclear documentation, and regulatory misalignment, continue to undermine the full potential of trade liberalisation, limiting the benefits that both Thailand and the EU could offer.

Across industries, firms consistently call for a simplified, digitalised, and transparent customs environment, where procedures are predictable and enforcement is consistent. This sentiment is clearly reflected in the survey results: **“Customs and Trade Facilitation”** received the highest average importance score among all related topics covered in the agreement. A signal that operational efficiency is just as important as tariff cuts.

The results show that European businesses view the EU–Thailand FTA not just as a tariff-reduction mechanism, but as a foundation for long-term regulatory clarity and reform. If implemented effectively, the FTA has the potential to improve Thailand's trade infrastructure, boost investor confidence, and strengthen the country's position in global supply chains.

See next page for treemapping of Key Topics European business considers important in the context of FTA.

1

## CUSTOMS & TRADE FACILITATION

Streamlined customs processes and tariff reductions are essential to reduce barriers, lower costs, and improve trade flow under the EU–Thailand FTA.

## REGULATORY FAIRNESS & REGULATORY COOPERATION

2

Closer alignment with international standards is key to reducing compliance burdens and levelling the playing field for European firms in Thailand

## TRANSPARENCY & GOOD REGULATORY PRACTICES (GRP)

3

Essential to reduce uncertainty, ensuring fair treatment, and facilitate market entry and operations under the EU–Thailand FTA.

4

## TECHNICAL BARRIERS TO TRADE (TBT)

Where divergent standards and certification requirements raise compliance costs. Businesses view alignment with international standard as important to reducing delays, duplication, and ensuring smoother market access under the FTA.

5

## PROTECTION OF INTELLECTUAL PROPERTY RIGHTS (IPR)

Stronger enforcement and streamlined IP systems are important to research, and innovation. Businesses expect clearer legal protections, faster registration processes for patents and trademarks, and improved mechanisms to counter infringement.

6

## SUSTAINABILITY & TRADE (LABOUR, ENVIRONMENT & EU GREEN REGULATIONS)

Reflect support for responsible practices, labour protections as a need to adapt to evolving EU regulations to maintain long-term market access and compliance.

7

## COMPETITION POLICY, SOEs, AND PUBLIC PROCUREMENT

The importance of fair competition and equal treatment in government-related markets. Access to public procurement is seen as necessary steps to build trust, ensure market fairness, and attract greater foreign investment.

8

## DIGITAL TRADE AND DATA FLOWS

Growing recognition of the importance of cross-border data movement and digital standards in the evolving dynamics of international trade.

9

## SANITARY AND PHYTOSANITARY (SPS) MEASURES

Relevant for sectors such as agriculture and food, where alignment with international standards is essential for ensuring market access and maintaining product safety.

The 2025 survey highlights the areas where European businesses expect the EU–Thailand FTA to deliver the most meaningful impact—not only through tariff reductions, but through regulatory improvements that address persistent operational barriers. These are the key areas where business respondents see the greatest opportunities for reform and practical implementation of the FTA.

- **Services Liberalisation for New Investment and Expansion**

Businesses view the liberalisation of high-skilled services as critical to attracting new investment and addressing skill shortages. Easing restrictions on foreign ownership, simplifying work permit and visa procedures, and improving mobility for professionals are seen as essential steps to support expansion and innovation.

- **Addressing Operational Barriers: Customs and Rules of Origin**

Customs Procedures and Rules of Origin (RoO) where Reducing customs complexity and aligning RoO requirements with current market realities would help lower compliance costs and accelerate the movement of goods. This is especially relevant to sectors like automotive, electronics, and logistics.

- **Digital Trade and Data Flow**

In digital trade, the most pressing concern identified was ensuring free and secure cross-border data flows, followed by the need for platform regulations to align with EU standards or the international standard, protection of source code, and recognition of e-signatures and electronic trust services. These are foundational to competitiveness in finance, ICT, and professional services.

- **Strengthening Intellectual Property (IP) Protection and Enforcement**

Stronger and more efficient IP protection, particularly around copyrights, patents, and enforcement at the border is seen as a cornerstone of business confidence, especially in order to attract innovative and technology-driven industries.

- **Limited Access to Government Procurement**

As many firms reported barriers to participating in Thailand's public procurement processes. These include unclear eligibility rules, restrictions on direct foreign supply, non-transparent procedures, and rigid pricing mechanisms. Greater transparency and open access are considered essential to improving trust and enabling fair competition in public tenders.

- **Competition, Level Playing Field, and State-Owned Enterprises (SOEs)**

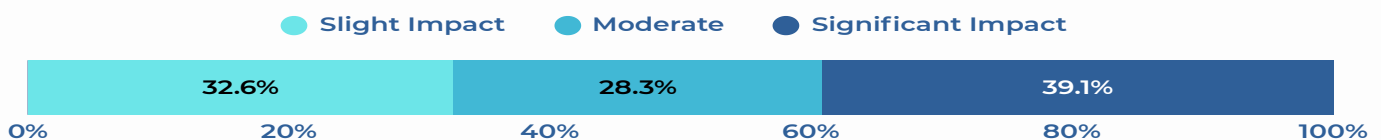
Concerns were raised about preferential treatment for SOEs, including exemptions from competition rules and procurement privileges, which undermine a level playing field in sectors such as pharmaceuticals, logistics, and manufacturing. Businesses emphasised that improving transparency, ensuring fair competition, and aligning procurement and competition frameworks with international standards would be essential for enhancing investment confidence and enabling the FTA to deliver long-term benefits.

Overall, the survey confirms that European businesses view the EU–Thailand FTA as a timely and necessary agreement with significant potential to enhance trade and investment. However, unlocking its full benefits will depend on effective regulatory reform, consistent enforcement, and close collaboration between public authorities and the private sector. Continued stakeholder engagement and practical implementation will be essential to translating the agreement into meaningful improvements in Thailand's business environment and supporting the sustainable inclusive economic growth.

# CHAPTER 1

## 2025 EXPECTATIONS AND CHALLENGES OF AN EU-THAILAND FTA: PERSPECTIVES FROM EUROPEAN BUSINESS IN THAILAND

### Potential Impact of an EU-Thailand FTA on the Business Planning

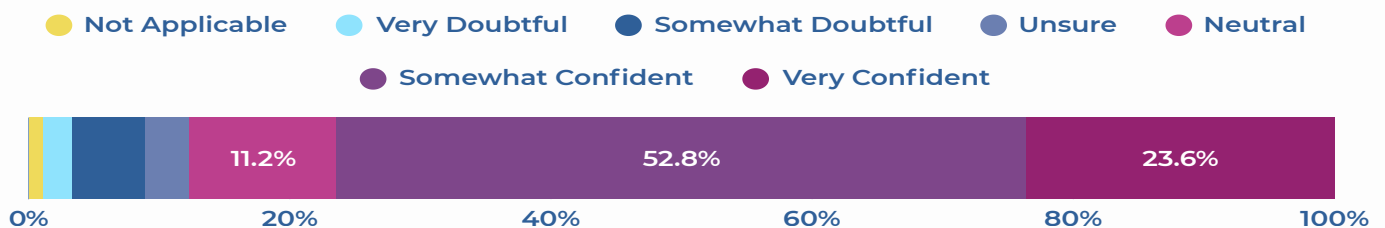


*Remark: Rating Scale Question.*

Over 67% of respondents expect the EU-Thailand Free Trade Agreement (FTA) to have a moderate to significant impact on their business, suggesting that European firms are broadly optimistic about the agreement's potential benefits.

### Where Major Operational Challenges Persist, the FTA is seen as a Strategic Opportunity

Respondents are Confident in the FTA to Improve doing Business in Thailand within two years

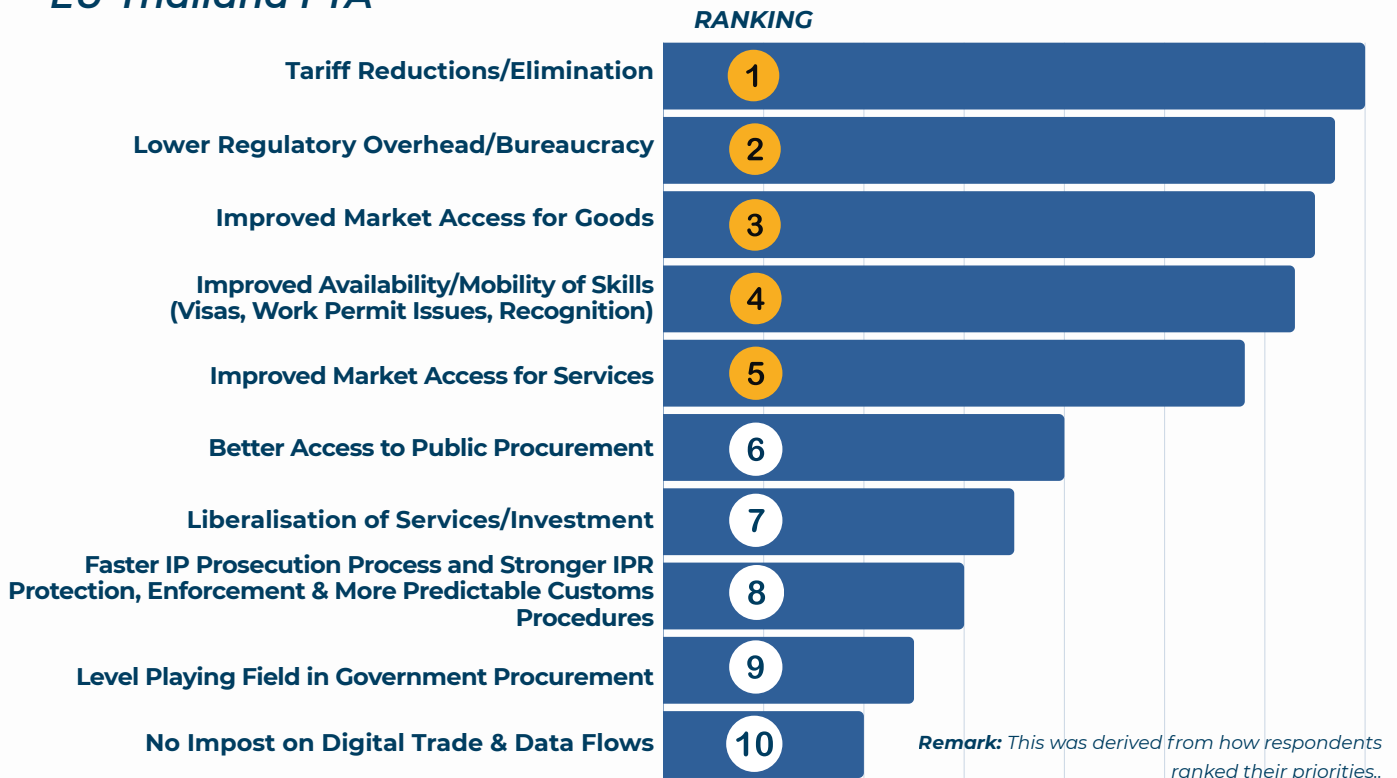


*Remark: Rating Scale Question.*

Over 76% of respondents expressed their confidence that the EU-Thailand FTA will improve their business within two years of its entry into force. This illustrated the business' perspectives on how the EU-Thailand FTA can shape the challenges that the companies face in the Thai market, particularly around customs procedures, market access barriers, regulatory burdens, and restrictions in service sectors.

Beyond general expectations, the 2025 survey delves deeper into priority areas that would strongly require reform, ranging from goods and services liberalisation to more technical yet high-impact domains such as customs and trade facilitation, digital trade, intellectual property protection, public procurement access, and competition and State-Owned-Enterprises (SOEs) related. These areas also reflect where firms believe the FTA can deliver the most meaningful and lasting impact.

## A) High-level Changes the European Businesses Expect From an EU-Thailand FTA



Among the TOP 5 Priorities from the survey, additional details of feedback are summarised as follows:

### 1) Tariff Reductions and Elimination

- High Tariffs are key obstacles of business operations, especially in the Automotive, Agriculture, Pharmaceutical, and Food & Beverage sectors.

Respondents reiterated that tariff elimination is essential to enhance competitiveness, especially in the situation that the exports from other countries like Japan, China, and South Korea already gain benefits of tariff elimination from their established free trade agreements with EU. For the EU products such as large-scale farm machinery and auto-parts, tariff reduction and elimination would enhance market opportunities and encourage competitive pricing.

Tariff reduction for exports to the EU would help Thai-made goods gain a stronger foothold in European markets. In the logistics and manufacturing sectors, lower import duties can help drive investment and improve supply chain efficiency. To fully realise the benefits of tariff reductions, it is also important to address non-tariff barriers in parallel such as, complex procedures of product approval and rising excise taxes.

## 2) Regulatory Overhead and Bureaucracy

- Complex, inconsistent, and burdensome bureaucratic processes were observed as a major challenge of business operation in Thailand.

The current regulatory framework, covering customs procedures, work permits, and product approvals, financial services is often perceived as complex and lacking clarity.

Some challenges were elaborated as follows:

- **Technical Barriers to Trade (TBTs)**, including redundant testing and licensing requirements, especially in sectors like automotive and insurance.
- **Inconsistent Customs Procedures**, standardising customs procedures and their application by officials would reduce unpredictable delays and mitigate compliance and commercial risks for imports of high-value goods.
- **Work Permit and Company Registration Processes** are observed as bureaucratic, time-consuming, and costly.
- **Delays in Enlisting to the National Reimbursement Lists**, especially for healthcare-related products.

SMEs are disproportionately affected by regulatory misalignment between the EU and Thailand which increases their compliance costs and administrative burdens. Respondents additionally recommended:

- **Standard Harmonisation**, especially in adherence with international acceptance of UN and EU regulations.
- **Clarity in the Implementation Guidelines**, greater clarity is needed on how both sides will implement provisions related to technical barriers to trade (TBTs) and sustainability. Since TBTs can unintentionally restrict trade through differing standards or conformity requirements, consistent and transparent implementation is key. This also includes aligned approaches to civil and labour rights, where mutual understanding across agencies can help reduce complexity and support smoother, more predictable outcomes under the agreement.
- **Streamlined and Transparent Procedures to Minimise Delays**, reduce transaction costs, and support a more competitive production environment.

Reducing unnecessary red tape and non-tariff barriers was viewed as essential for Thailand to become a more attractive production-hub and investment destination for European businesses.

### 3) Improvement of Market Access for Goods

- **Non-Tariff Barriers** such as inconsistent product standards, complex certification, and customs delays would continue to limit trade despite tariff reductions.

**Clearer and more consistent rules and guidance on HS Codes**, including an easier transshipment declaration, broader acceptance of electronic and English-language documents, and clearer guidance on rules of origin and self-certification are essential, especially for exporters and manufacturers.

- **Pharmaceuticals sector highlight the need for streamlined market access**, including transparent and enhanced reimbursement frameworks and the addressing of unnecessary protectionist measures.

Removing regulatory bottlenecks and aligning procedures with EU practices would enhance competitiveness and attract more investment.

### 4) Improvement of Availability/Mobility of Skills

- Restrictive visa and work permit processes are a major barrier to talent mobility between the EU and Thailand.

**Businesses emphasised the need for faster, clearer, and more consistent procedures**, especially for longer-term visas, business owners, and skilled personnel in high-demand fields like STEM and digital sectors.

**Companies suggested that certain Labour Regulations**, including the 1:4 local-to-foreign worker ratio, should be reviewed to allow greater flexibility for sectors facing skills shortages, while maintaining safeguards for local employment.

Improving mutual recognition of qualifications and easing visa processes for EU professionals would enhance competitiveness, enable smoother international collaboration, and support Thailand's ambitions to become a regional hub for innovation.

## 5) Improvement of Market Access for Services

- Access to Thailand's Service Sector remains slow and limited.

**Respondents suggested to Liberalise the sector**, particularly by allowing more foreign ownership and easing visa and work permit rules for business owners, especially in fields of engineering.

The **Thailand's Foreign Business Act** should be reviewed to align with EU standards and reduce barriers to investment helping ensure a level playing field and reducing excessive paperwork.

**Improved access to innovative services**, such as pharmaceuticals and digital solutions, are critical to enhance competitiveness and consumer benefits.

## B) Key Topics European Business Considers Important in the Context of FTA



**Remark:** Rating scale question.

5.00 being most important and 0.00 being Not applicable/related to your business

**1 Customs and Trade Facilitation:** Streamlined customs processes and tariff reductions are essential to reduce barriers, lower costs, and improve trade flow under the EU–Thailand FTA.

**2 Regulatory Fairness & Regulatory Cooperation:** Closer alignment with international standards is key to reducing compliance burdens and levelling the playing field for European firms in Thailand. Fair and cooperative regulatory environment would ultimately benefit both parties in the long term.

**3 Transparency & Good Regulatory Practices (GRP):** GRP is essential to reduce uncertainty, ensuring fair treatment, and facilitate market entry and operations under the EU–Thailand FTA.

4

**Technical Barriers to Trade (TBT):** TBT remains a key concern, especially where divergent standards and certification requirements raise compliance costs. Businesses view alignment with international standard as important to reducing delays, duplication, and ensuring smoother market access under the FTA.

5

**Protection of Intellectual Property Rights (IPR):** Stronger enforcement and streamlined intellectual property systems are important to enable research, innovation, competitiveness, and investment. To fully unlock these benefits, businesses expect clearer legal protections, faster registration processes especially patents and trademarks, and improved mechanisms to counter infringement.

6

**Sustainability and Trade (Labour, Environment, and EU Green Regulations):** These areas reflect support for responsible practices, labour protections, and a need to adapt to evolving EU regulations to maintain long-term market access and compliance.

7

**Competition Policy, SOEs, and Public Procurement:** The importance of fair competition and equal treatment in government-related markets. Addressing SOE privileges, increasing transparency, and improving access to public procurement are seen as necessary steps to build trust, ensure market fairness, and attract greater foreign investment.

8

**Digital Trade and Data Flows:** Growing recognition of the importance of cross-border data movement and digital standards in the evolving dynamics of international trade.

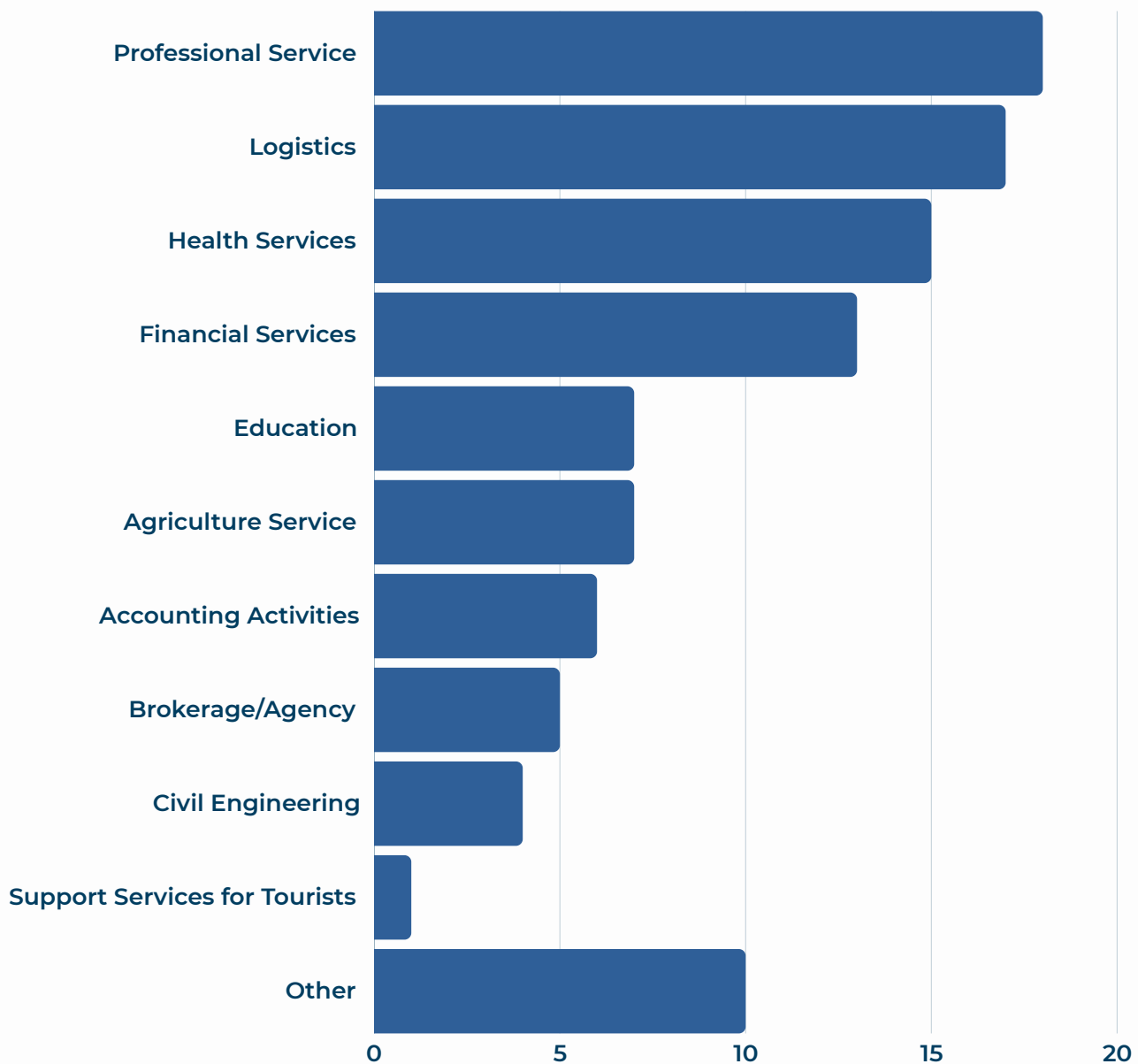
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**Sanitary and Phytosanitary Measures (SPS):** Appear to be a lower priority for most businesses in Thailand. However, they remain highly relevant for sectors such as agriculture and food, where alignment with international standards is essential for ensuring market access and maintaining product safety.

*Remark: Related topics have been grouped for clarity—item 6 combines Labour and Environment Standards with Trade Impacting Sustainability, while item 7 consolidates Competition Policy & SOEs with Public Procurement.*

### C) Optimising New Investment Area: SERVICE LIBERALISATION

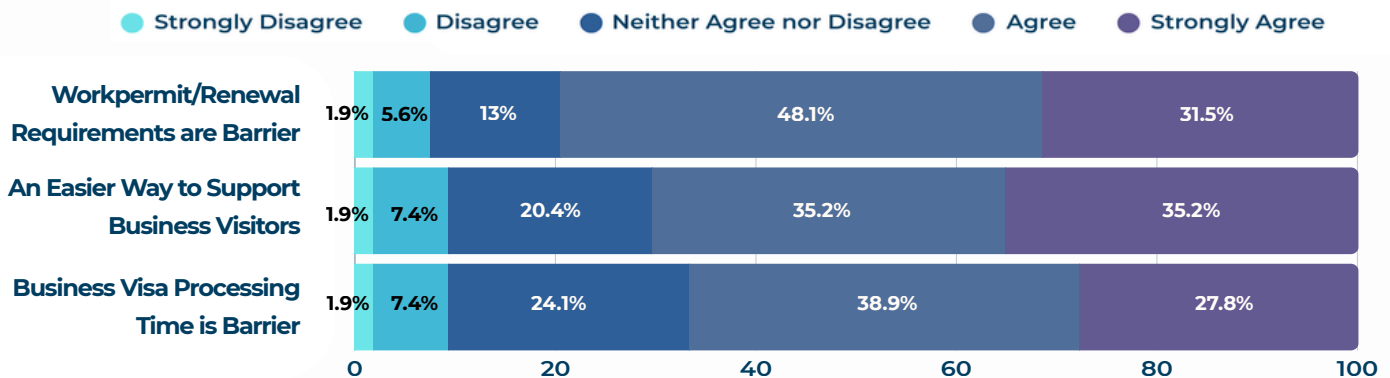
Beyond the clear benefit of tariff reduction, improved market access for goods and services emerged as one of the most important outcomes expected from the EU–Thailand FTA. The prioritised area in business perspective on service liberalisation is illustrated as below, reflecting where businesses face the most constraints and see the greatest opportunities for growth.



**Remark:** Multiple responses allowed.

*“Other” includes infrastructure, advanced manufacturing, farm equipment, sectoral ownership, and furniture imports.*

Among these, **Professional Services**, which cover broad service areas, were most frequently cited, underlining their strategic role in supporting broader business operations and investment opportunities. To optimise investment in the service sector, this area is closely tied to long-standing challenges related to the mobility of people and skills.



*Remark: Rating Scale Question  
Figures are rounded to one decimal place; therefore, percentages do not total 100%*

The key concern to mobility of people and skills are relevant to the complexity of work permit and renewal processes. This is followed by the need for streamlined support for business visitors and faster visa processing.

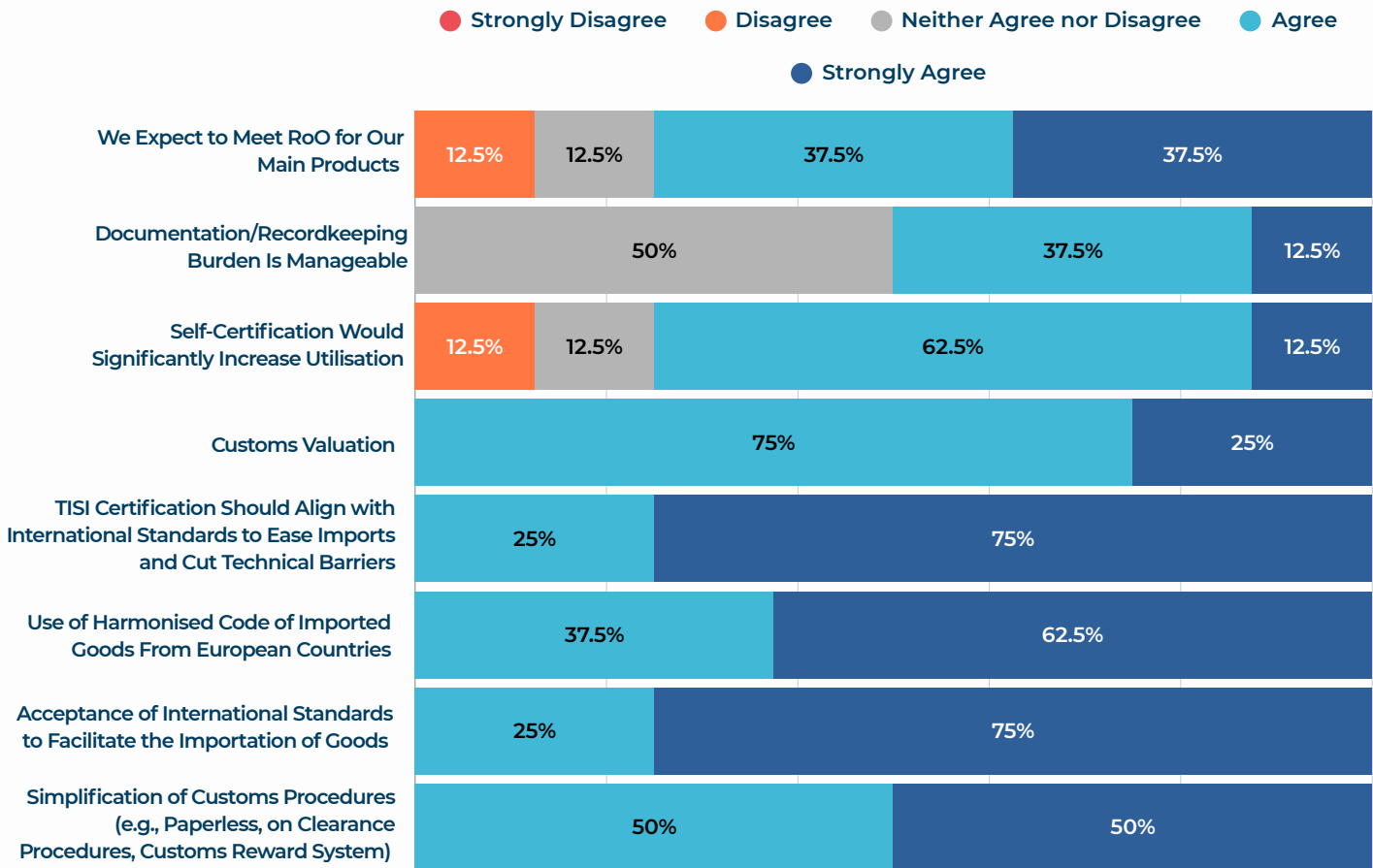
These three areas were identified as essential for attracting and retaining talents and skilled personnel which are critical for many businesses, particularly those reliant on international expertise, engineering capacity, and technology-related talent.



Thailand’s shortage of skilled professionals in areas such as engineering and digital technology highlights the need for targeted reforms. Respondents additionally suggested improved access to public procurement, enabling foreign firms to supply specialised services and technical expertise.

These observations indicate that addressing structural and regulatory barriers through the FTA could both expand services market access and help alleviate domestic skills shortages and talent gaps, thereby fostering innovation and strengthening long-term competitiveness.

## D) Addressing Operational Barriers: Customs Procedures and Rules of Origin



*Remark: Rating Scale Question.*

**Customs Procedures and Rules of Origin (RoO)** remain primary concerns for European businesses operating in Thailand. A substantial majority of respondents indicated they expect their principal products to qualify under RoO provision in the FTA, yet the administrative burden of documentation and record-keeping continues to be a significant concern, about half of respondents consider these obligations manageable.

There is broad support for harmonisation of Thai certification requirements, notably those of the **Thai Industrial Standards Institute (TISI)**, with international norms and for adopting global standards to facilitate imports and streamline customs clearances. These reflect a clear consensus among businesses.

Further along the customs and conformity, the responses illustrated strong demand for **regulatory alignment and procedural simplification**. For instance, in the **automotive sector**, repeated testing and licensing extend homologation timelines and increase compliance costs.



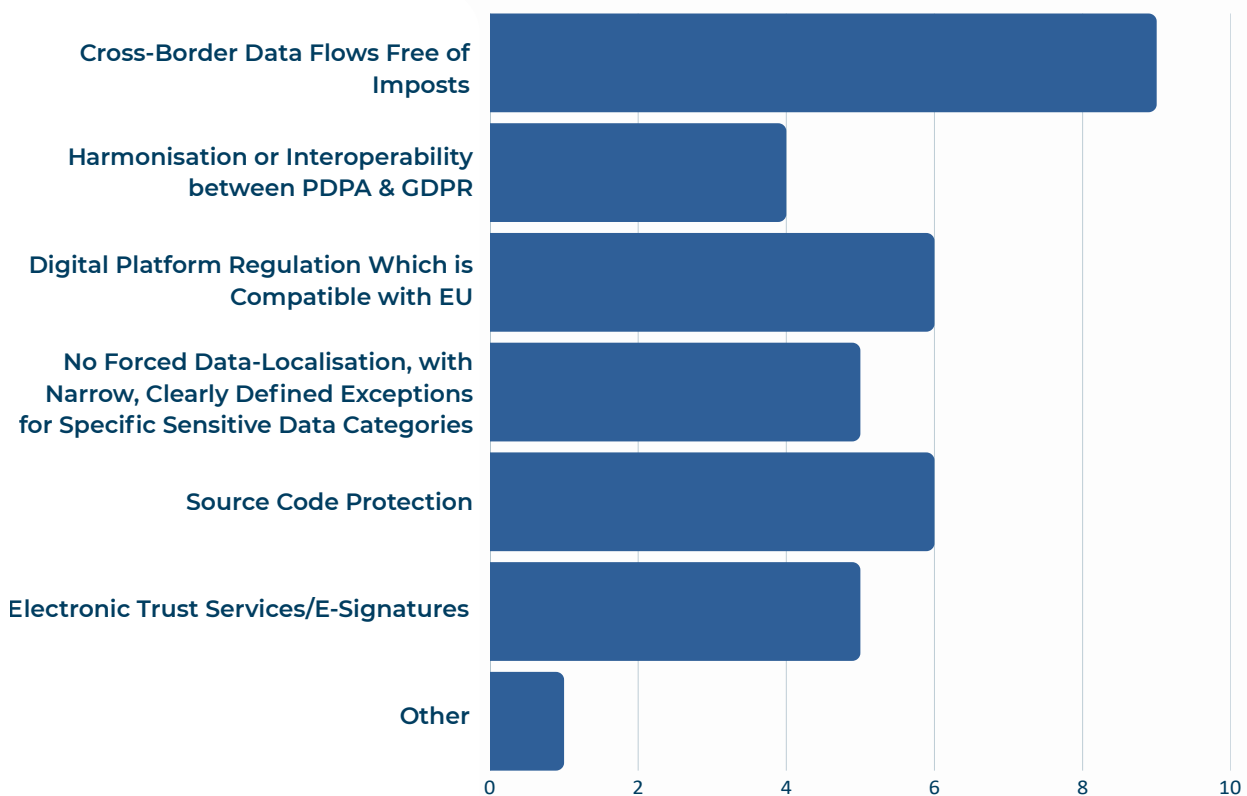
To address these issues, businesses proposed several key reforms could be highlighted as follows:

- Transition period on the reduction of customs duties with clear timelines (e.g., 1, 3, 5, 10 years)
- Streamlined administrative procedures, including digital certificates of origin, English-language documentation, and compatibility with modern logistics models
- A unified electronic customs document for all formalities
- Full digitisation and increased transparency to reduce delays, compliance risk, and costs

## E) Digital Trade and Data Flows

The most concern among respondents is ensuring cross-border data flows free of imposts, followed by platform regulations compatible with EU standards, source code protection, and recognition of e-signatures and electronic trust services.

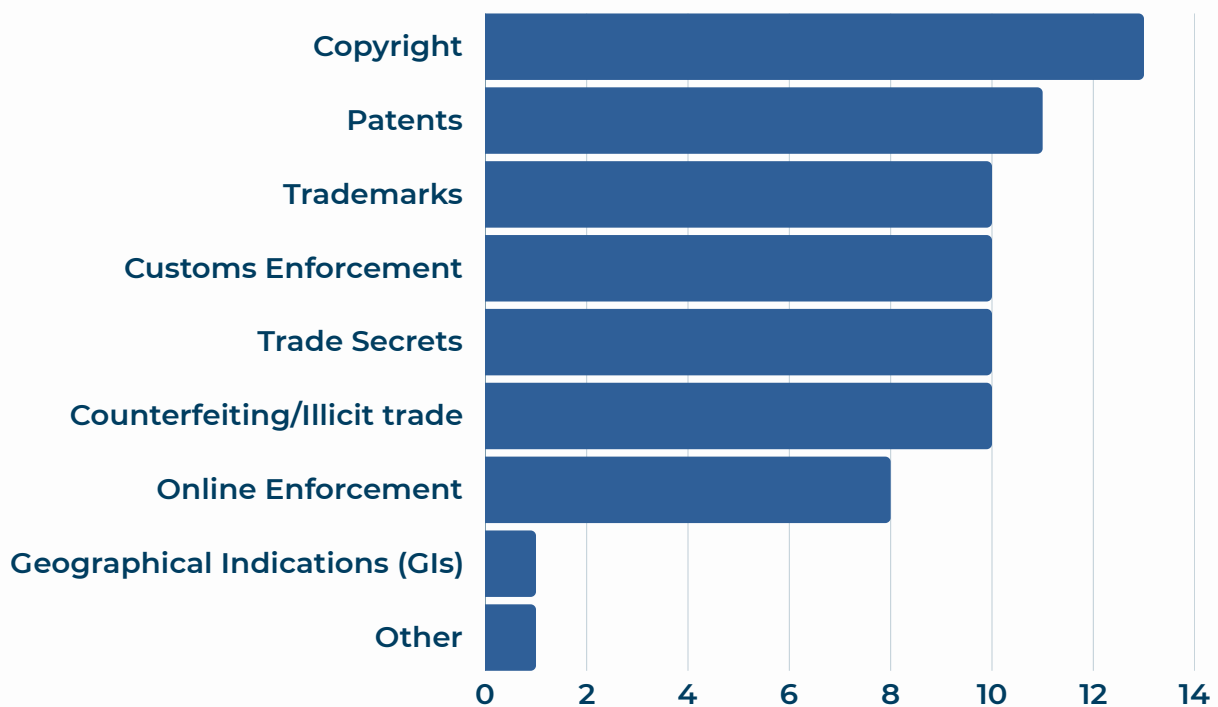
Respondents also emphasised the importance of avoiding forced data localisation and called for interoperability between Thailand’s PDPA and the EU’s GDPR to ease compliance burdens.



**Remark:** Multiple responses allowed. “Other” includes EU-ready digital product passports for companies.

## F) Strengthening Intellectual Property (IP) Protection and Enforcement

The survey illustrated needs for stronger and more efficient IP systems and frameworks to support innovation, market access, and bolster enforcement under the EU–Thailand FTA. Copyright and Patents emerged in the high-rank priority, followed by trademarks, enhanced customs enforcement, trade secret/ data protection and addressing counterfeiting/ illicit trade.



*Remark: Multiple responses allowed.*

This feedback signals a clear demand for IP reforms as a core component of the FTA, both to protect innovations and enhance business environment in Thailand.

**The survey disclosed some suggestions as follows:**

**Patents:** Acceleration of patent approval timeframe especially, establishment of patent linkage systems, and regulatory data protection.

**Trademarks:** Acceleration of trademark registration processes and enhancing enforcement.

**Customs Enforcement:** More effective *ex officio* actions against infringing goods, including those violating patents or designs.

**Online Enforcement:** Effective and faster mechanisms to takedown illegal cases and more clarification of responsibilities of the online platforms.

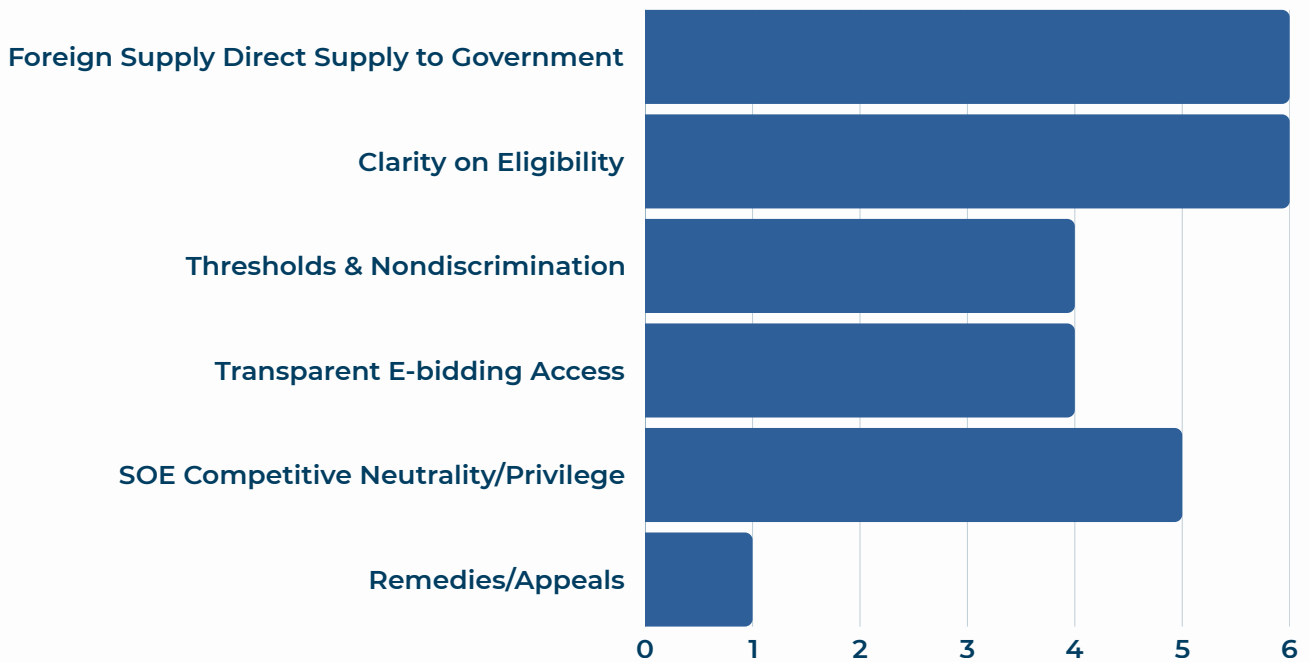
**Trade Secrets:** Stronger legal safeguards to protect confidential business information.

**Counterfeiting and Illicit Trade:** Enhancing enforcement to combat widespread infringement concerns.

**Geographical Indications (GIs):** Facilitating cross-border GIs recognition.

**Other:** Enforcement of **Plant Variety Protection (PVP)** and Thailand's accession to **UPOV** standards to encourage innovation in plant sciences.

## G) Limited Access to Government Procurement



*Remark: Multiple responses allowed.*

There are several practical challenges businesses face when accessing Thailand’s government procurement which if unlocked, it can enhance business operation and investment. Among the most cited were restrictions on direct foreign supply to government, and lack of clarity on eligibility, followed by state-owned enterprises competitive neutrality and privilege.

Respondents additionally disclosed that the challenges such as non-transparent procurement procedures, restrictive price-setting mechanisms like the Maximum Procurement Price (MPP), and limited access for foreign firms to compete in public tenders reduce the ability of high-quality foreign suppliers to participate in the procurement. Improving transparency, setting clear eligibility criteria, and enabling more open competition would be key to ensuring government procurement is aligned with international standards and supporting broader trade and investment initiatives in the long term.

## *H) Competition, Level Playing Field, and State-Owned Enterprises*

Preferential treatments of local conglomerates, procurement privileges to State-Owned Enterprises (SOEs) and concerns in enforcement of competition regulations were identified in the survey and remain among the most prominent concerns for many businesses. Respondents disclosed that SOEs have also been exempted from key regulations, such as competition law, and benefit from preferential treatment in pricing and government procurement. For instance, the Government Pharmaceutical Organization (GPO) was cited as being exempted from competition law that can lead the concern in level playing field and competitive neutrality.

Sectors like pharmaceuticals, logistics, and manufacturing have been affected. Addressing these imbalances through stronger enforcement of fair competition principles is seen as necessary in fostering a more open and predictable business environment under the EU–Thailand FTA.

## Chapter 2

# Priorities and Recommendations Related to the EU-Thailand FTA by Each Specific Sector



### AGRICULTURE

- Prioritising significant tariff reductions and simplifying export procedures to improve EU market access.
- Considering tariff elimination for large-scale farm machinery especially those that cannot be manufactured domestically.
- Aligning licensing and registration requirements for agricultural inputs (notably crop-protection products) with international practices.
- Facilitating longer-term visas and streamlined work permit processes to support seasonal and technical professional needs.



### AUTOMOTIVE

- Removing redundant technical barriers (homologation, repeated testing) through acceptance of UN regulations / E-mark to reduce lead times and costs.
- Tariff reduction to level the playing field with other countries that have FTAs with Thailand (Japan – JTEPA, ASEAN-Japan, China – ACFTA, South Korea – KTEPA).
- Ensuring that there are no offsetting measures (e.g., higher excise taxes) to optimise the benefit of tariff reduction.
- Considering service liberalisation measures (e.g., Foreign Business License (FBL) exemptions) to promote technology transfer and foreign investment.



### CROSS-SECTORAL

- Focus on regulatory alignment, practical implementation guidance, and SME-oriented simplification to reduce compliance costs.
- Addressing non-tariff barriers (standards, certification, customs procedures) to ensure tariff reductions are realised in practice.
- Strengthening legal certainty (licensing, IP, dispute resolution) to foster investor confidence.



## DIGITAL

- Ensuring binding disciplines on cross-border data flows, e-commerce facilitation, and digital trade openness.
- Supporting mobility of STEM/digital talent and skills development.
- Reducing regulatory overlap and enhancing procedural transparency to accelerate trade in digital services.
- Services liberalisation to enable innovation and global market integration.
- Ensuring strong and enforceable intellectual property protections to safeguard digital innovation and cross-border digital trade.
- Upholding robust trade and sustainable development commitments to support responsible digital supply chains, labour standards, and sustainable digital transformation.



## FOOD & BEVERAGES

- Tariff elimination or substantial reducing high import duties to support competitiveness and incentivise local manufacturing investment.
- Addressing sectoral regulatory constraints (alcohol rules, selling bans, zoning) and streamline market entry procedures.
- Facilitating visa/work-permit arrangements to support operations and talent mobility.



## HEALTHCARE & PHARMACEUTICALS

- Tariff reductions for pharmaceuticals and related health products to improve price competitiveness and support access to innovation.
- Streamlining and enhancing market access and reimbursement procedures (including alternative financing mechanisms such as confidential risk-sharing).
- Strengthening IP protection related to pharmaceuticals.
- Ensuring transparent procurement rules to enable fair competition, particularly vis-à-vis SOE privileges.



## INSURANCE

- Optimising service liberalisation in the insurance sector by identifying relevant policy or regulatory reforms to ensure effective implementation and maximise sectoral benefits.



## INTELLECTUAL PROPERTY RIGHTS

- Enhance IP enforcement capacity and address patents backlogs to provide predictable legal outcomes for rights holders.



## IMPORT, WHOLESALE & RETAILS

- Prioritising tariff reductions and elimination of unnecessary bureaucracy and non-tariff barriers to improve cost competitiveness and consumer prices.
- Facilitating foreign firms' participation in public procurement and removing restrictive foreign ownership barriers where appropriate.



## MANUFACTURING & INDUSTRY

- Securing phased tariff liberalisation and alignment of Rules of Origin, HS codes, and FTA privilege administration (e-COO, English documentation) to facilitate smoother import procedures and improve market access for Thai-made products to the EU.
- Modernising and digitising customs procedures to enhance transparency, consistency and predictability, including clearer guidance and more uniform application of rules, particularly for high-value imports.
- Encouraging use of self-certification where feasible and clarify regional cumulation rules to further simplify import processes.
- Reforming foreign investment rules and streamline visa processes to ensure access to technology and skilled personnel; public procurement access should be explored as a growth channel.
- Reforming foreign investment and business regulations, including aspects of the Foreign Business Act, and streamlining visa frameworks to facilitate two-way talent mobility between the EU and Thailand.



## SERVICES (CONSULTING SERVICES)

- Reducing bureaucratic impediments to cross-border services (visa/work permits, ownership limits, FBL rules) to enable foreign specialists to operate effectively in Thailand.
- Facilitating greater foreign ownership or targeted investor exemptions to address talent shortages and improve market access while reducing administrative burdens.
- Prioritising services liberalisation to enable the effective operation of international consultancy and professional services firms.



## SERVICES (FINANCIAL SERVICE)

- Improving regulatory frameworks (notably for insurance) to support market liberalisation and cross-border provision of services.
- Considering targeted exemptions or streamlined licensing to encourage technology transfer and foreign participation.



## SERVICES (LEGAL SERVICE)

- Improving market access for legal and advisory services by reducing restrictions and unnecessary regulatory barriers.



## TECHNOLOGY / ICT

- Tariff reduction to improve competitiveness against non-EU suppliers and increase EU export potential.
- Simplifying overlapping customs and regulatory requirements to shorten delays and lower operating costs.
- Considering liberalised ownership rules and visa exceptions for entrepreneurs and technical owners to address engineering shortages.



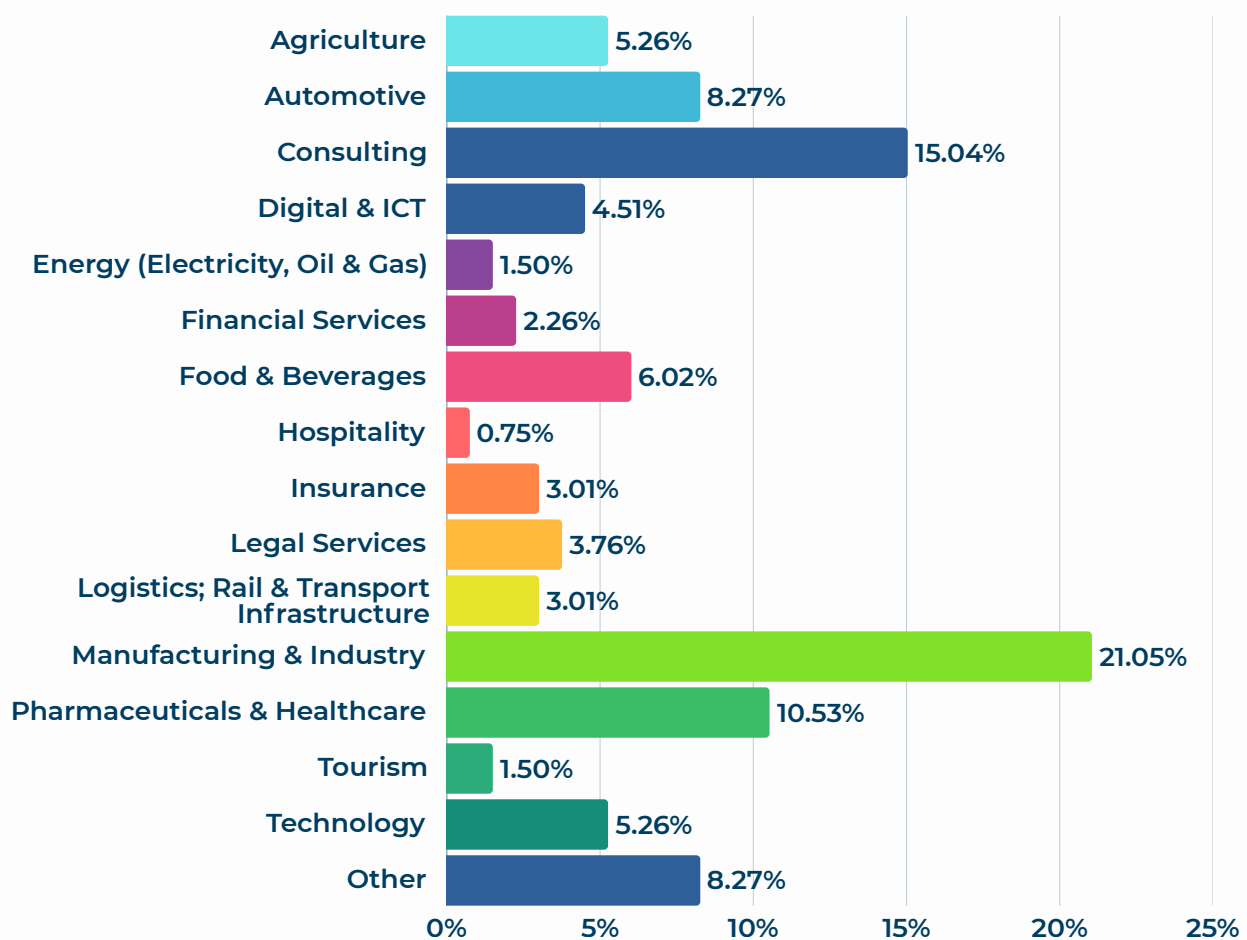
## TRANSPORT, LOGISTICS, RAIL AND ROAD

- Ensuring customs and infrastructure readiness to accommodate increased trade volumes resulting from tariff liberalisation.
- Simplifying company registration and work-permit processes to reduce administrative barriers and improve ease of doing business.
- Reassessing ownership restrictions in service provision (e.g., 51% Thai requirement), where justified to improve service efficiency and competitiveness.

## RESPONDENTS' BACKGROUND

This survey represented a diverse cross-section of Enterprise types and Industry involvement. The aim was to better understand the expectations, challenges, and preparedness of these businesses with respect to the proposed EU–Thailand Free Trade Agreement (FTA).

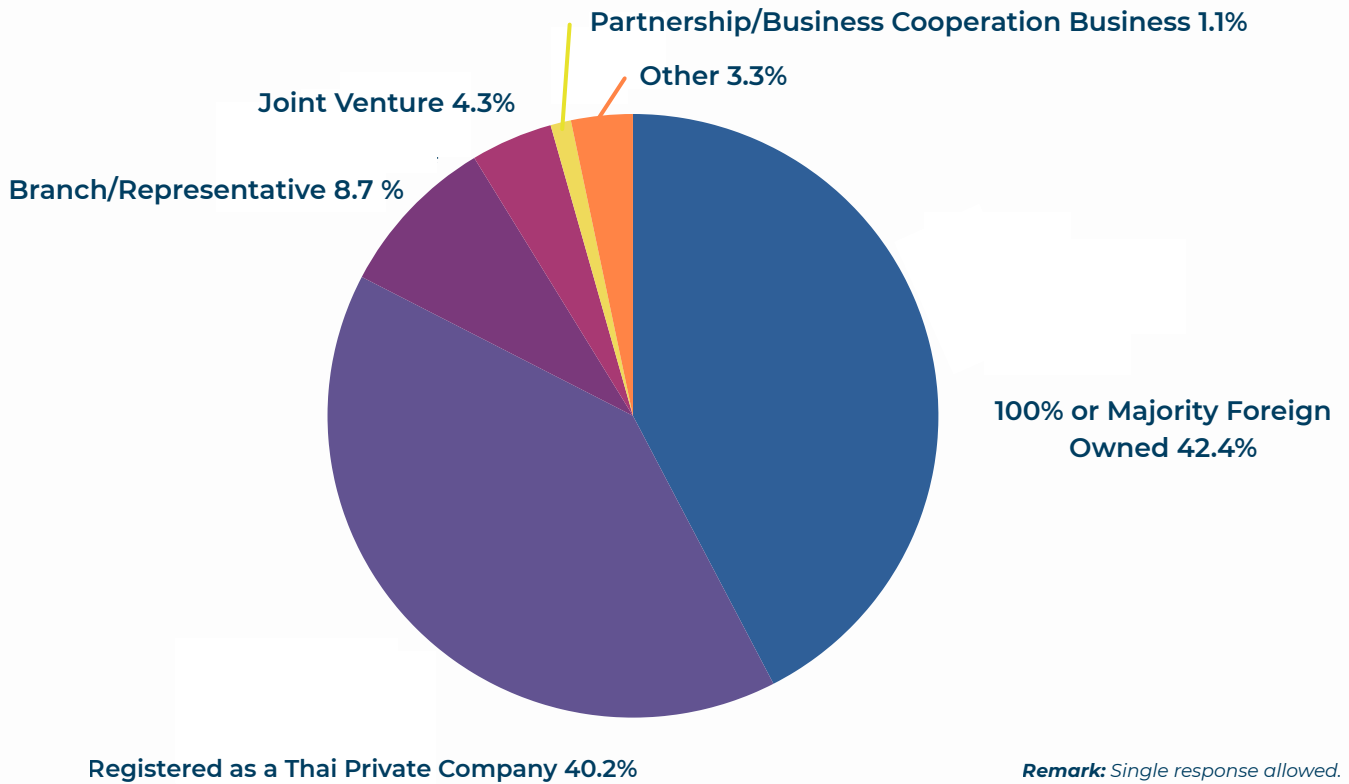
### The Business Sectors of The Respondents



*Remark: Respondents could select more than one business sector; therefore, percentages do not total 100%*

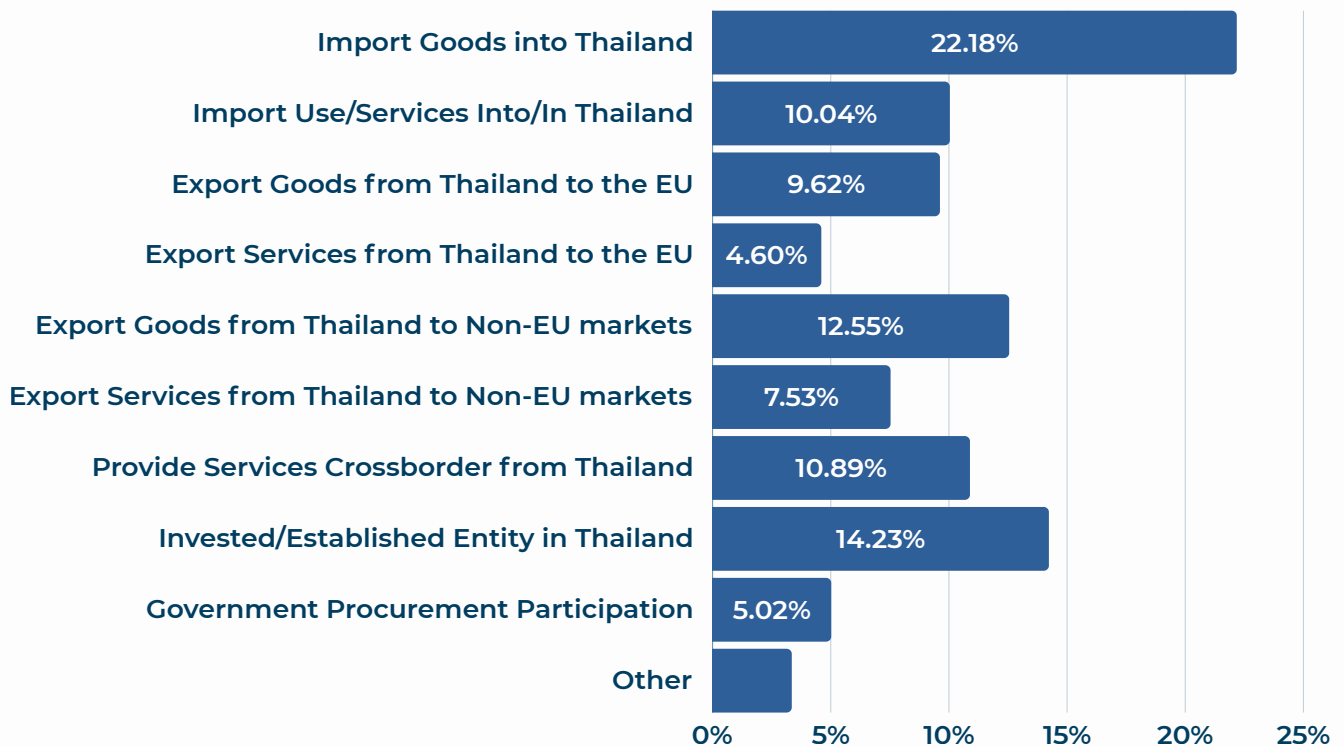
This distribution highlights the cross-sectoral interest in the FTA, particularly from industries exposed to trade procedures, regulatory frameworks, and international market access and barrier. In sectors like manufacturing, automotive, and consulting, respondents were more likely to expect the FTA to bring substantial changes.

## Enterprise Type and Ownership of Respondents



Most respondents operate as either majority foreign-owned firms or Thai-registered private companies, with smaller shares including branch offices, joint venture, and others such as sole proprietorships and entities under the Thai-U.S. Amity Treaty. This reflects a diverse mix of business models in Thailand's investment landscape.

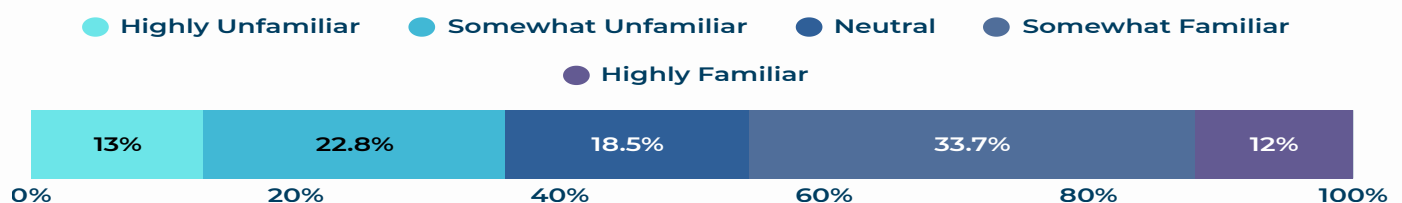
## Business Operations of Respondents in Thailand



**Remark:** Respondents could select more than one business operations; therefore, percentages do not total 100%

The foundations of these expectations highlight an overview of respondents' trade activities and their familiarity with the EU–Thailand FTA. Most businesses reported active involvement in cross-border trade and investment particularly in importing goods, exporting to both EU and non-EU markets, and providing cross-border services indicating that the majority are directly exposed to trade procedures and regulations.

## Familiarity of Respondents to The EU-Thailand FTA



**Remark:** Rating Scale Question.

Respondents demonstrated a moderate level of familiarity with the FTA, reflecting a generally informed business base. This also suggests that expectations of impact are shaped by both the relevance of the agreement to their operations and their awareness of its content.

## ABOUT US

The European Association for Business and Commerce (EABC), known as European Chamber of Commerce Thailand, established in 2011, aims to be the unified voice of the European business community in Thailand. EABC's objectives are to advocate member interests, to support European business in Thailand and to promote Thailand as an attractive partner for European foreign investment and trade. EABC acts as the European chamber of commerce in Thailand, covering all EEA (European Economic Area) states, and the UK not just EU states.

The EABC is committed to working closely with European businesses, the Royal Thai Government, the EU Institutions, and the Chambers of Commerce as well as counterparts in Thailand, in ASEAN, and in Europe. Every year EABC issues a position paper with recommendations by the European business community in Thailand for the Thai government.

Our main activities include carrying out policy and advocacy dialogues, building consensus, providing support to European businesses about trade and investment, and organising key events to foster opportunities for European businesses in Thailand.

## Our Contact Information



### Phone

Tel: +66 26279108

Mobile: +66 990069251



More information on the report, please contact

E-Mail: [advocacy@eabc-thailand.org](mailto:advocacy@eabc-thailand.org)



More information on the EU-Thailand FTA

<https://www.eabc-thailand.org/an-eu-thailand-free-trade-agreement/>

EABC European Business Position Paper 2025

<https://www.eabc-thailand.org/wp-content/uploads/2025/05/2025-European-Business-Position-Paper.pdf>