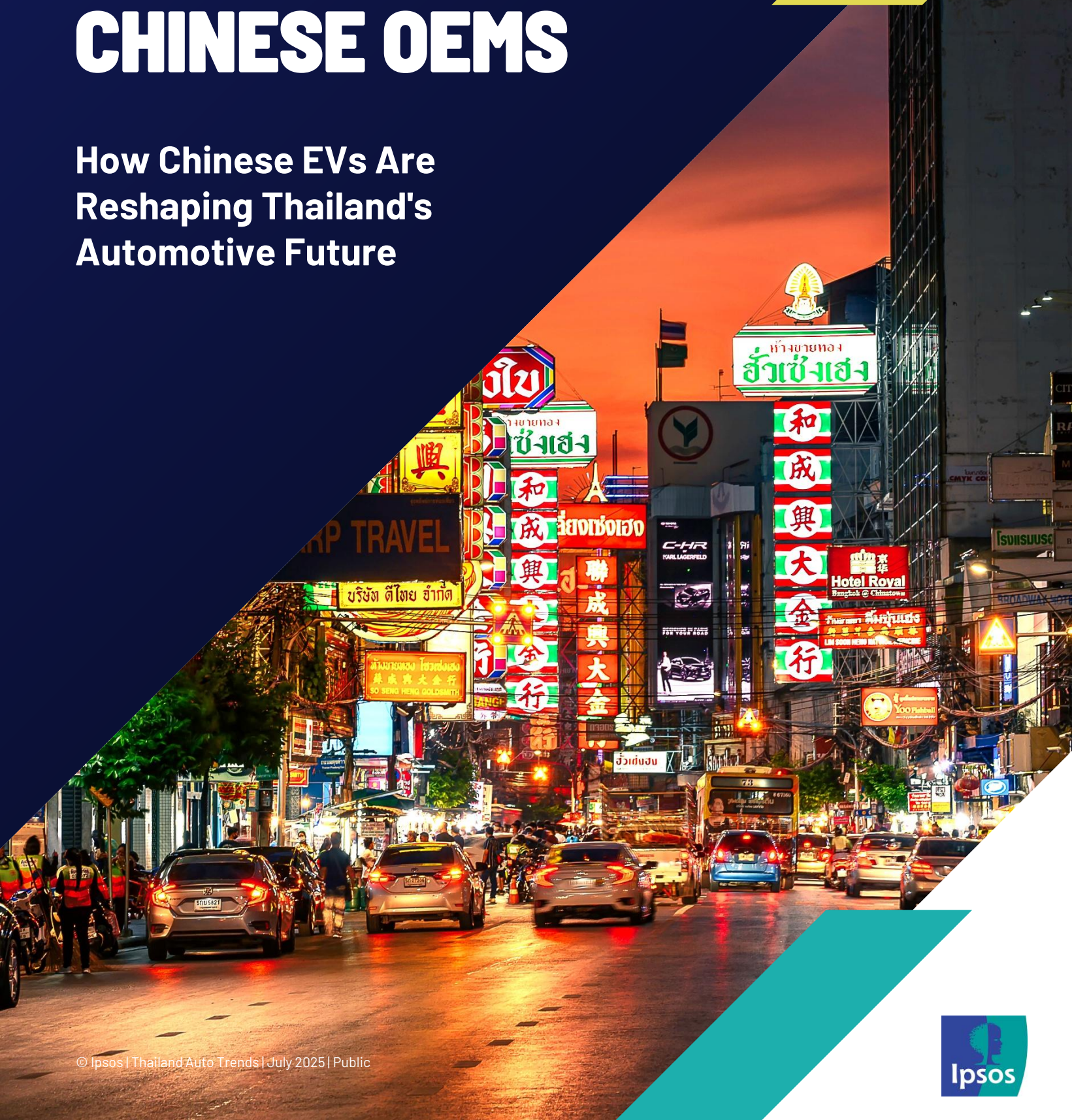


THAILAND AUTO TRENDS: THE RISE OF CHINESE OEMS

How Chinese EVs Are
Reshaping Thailand's
Automotive Future





While Thailand's automotive market has long been open to global players, it is the recent and rapid influx of Chinese OEMs that is fundamentally altering the competitive landscape.



Thailand



Thailand's automotive market is experiencing a dynamic transformation. Fueled by the rapid growth of the Southeast Asian economy, Thailand has implemented a series of attractive policies, opening its doors to global automakers. Within this increasingly competitive landscape, Chinese original equipment manufacturers (OEMs) are making significant inroads. This paper analyses the current state of Thailand's automotive market, focusing on the performance of Chinese OEMs and exploring the factors driving their popularity among consumers.

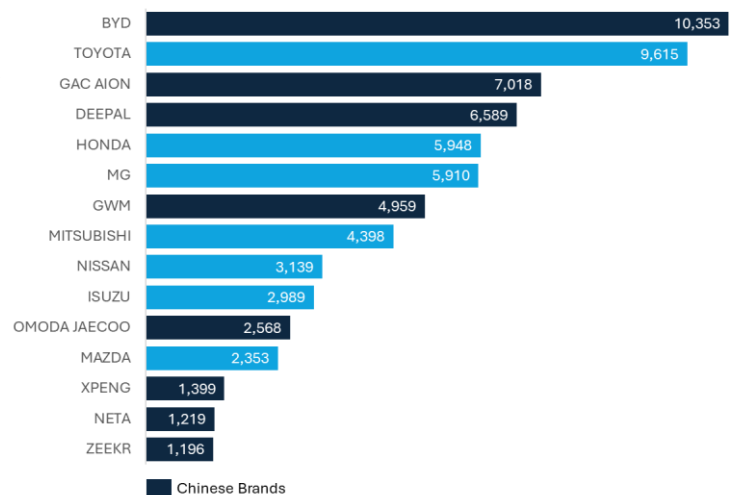
While overall automotive sales in Thailand have dipped to 2009 levels, hampered by high household debt and tightened lending practices, the electric vehicle (EV) segment is experiencing a remarkable surge. Q1 2025 witnessed a significant increase in EV (BEV+PHEV+HEV) sales, reaching 67,000 units, representing 40.2% of total automotive sales and a 7% year-on-year growth. **Among them, hybrid models accounted for 62% of the market share and were the main driver of sales growth.** This impressive growth is largely attributed to supportive government policies and the proactive market entry of Chinese EV brands.

In 2024, the Thai government set an ambitious target of 30% EV market share by 2026 – driven by purchase subsidies, tax breaks, and investments in charging infrastructure. This target has already been surpassed, underscoring the enormous potential of the Thai EV market. However, these subsidies are likely to be gradually phased out in the coming years. Given the current price competitiveness of Chinese EV offerings, questions arise regarding the future trajectory of EV prices post-subsidy and the subsequent impact on market share. Increased market competition is inevitable, compelling existing and prospective market entrants to refine their strategic approaches to targeting, product development, and pricing.

Chinese brands have effectively penetrated the Thai market by introducing a range of **stylish and affordable EVs**, with some models priced **below 1,000,000 THB (approximately €26,400)**. They have quickly cracked the market dominated by Japanese brands with a diverse portfolio of competitively priced and feature-rich models and catalysed the transformation of the local EV market. The April 2025 Bangkok Auto Show provided a compelling illustration of this trend: from March 26 through April 6, 2025, during the run of the Bangkok Auto Show, **BYD** led all brands with 10,353 new vehicle orders while **GAC** garnered third place with 7,018 orders, and **Deepal** coming fourth with 6,589 units. Notably, **8 of the top 15 brands** by new vehicle orders during this period were from Chinese brands, although their sustained post-launch performance remains to be seen.



2025 Bangkok International Motor Show: New Vehicle Orders
March 26 to April 6, 2025



Beyond affordability, consumers associate these new EV models with **modernity, innovation**, and a wealth of **high-tech features**, directly addressing consumer needs:

- **Aesthetics:** Varied consumer preferences for aesthetics generally fall into three categories: minimalist, sporty, and innovative, with high-budget consumers often demanding more from a vehicle's appearance.
- **In-Car Features:** Advanced in-car features are a key driver of EV purchasing decisions. Consumers seek reliable navigation systems, sophisticated Advanced Driver-Assistance System (ADAS) functionalities, and comprehensive infotainment options to enhance both the driver and passenger experience. EVs boasting these features often garner higher satisfaction rates compared to their internal combustion engine counterparts.

Despite these advantages, consumer perceptions of Chinese brands are not without reservations, as concerns persist regarding:

01

Aftersales Service

Questions remain regarding the expertise of technicians in servicing these newer technologies and potential delays in obtaining needed parts.

02

Battery Quality

Given Thailand's tropical climate, concerns exist about battery longevity, performance in extreme weather conditions (e.g., heavy rain and flooding), and safety, particularly the risk of battery fires.

03

Software Reliability

Consumers seek assurances regarding the long-term stability and functionality of the software systems in Chinese EVs, including regular updates to address bugs and introduce new features.

04

Resale Value

Lower prices make the car more affordable to consumers when purchased new but will also lead to lower resale values when the car enters the used vehicle market.



The appeal of Chinese EVs' modern design and technology is tempered by consumer concerns over after-sales support and resale value.



The arrival of Chinese brands has undoubtedly accelerated the transformation of Thailand's automotive market. As EV technology continues to evolve and consumer demands diversify, Chinese automakers have demonstrated agility and innovation in their market strategies.

Although the entry of Chinese brands has catalysed a significant transformation in Thailand's automotive market, it does not imply they have become market leaders; rather, it marks a solid beginning. Given the current conditions, Thailand's infrastructure is **not yet** equipped to support the mass adoption of purely electric vehicles. The current market is predominantly led by hybrid models, signaling a potential transition phase from traditional internal combustion engines to full electric vehicles. Additionally, **Thailand's tightening financial landscape and the ongoing macroeconomic slowdown may further impact the market.** Rapid shifts towards electric vehicles could also pose challenges to the vast workforce within Thailand's automotive industry.

While Chinese electric vehicles have recently made a mark in the Thai market, **they are yet to achieve full penetration into the mainstream market.** Historically, Japanese brands have maintained a stronghold in the Thai market. Their robust **brand equity** and **deep-seated market trust** ensure they remain the preferred choice for consumers. These original equipment manufacturers (OEMs) rely on extensive supply chain networks centered around internal combustion vehicle production, and thus, choose **not to engage in direct price wars with Chinese brands.**

Given the transitional nature of the market and the continued dominance of **hybrid vehicles**, Japanese automakers are focusing on offering **competitively priced hybrid models, enhanced with innovative features.** Strategic collaborations with Chinese companies, such as those between Nissan and Dongfeng, and Toyota and Huawei, have enabled them to launch cost-effective models to retain and bolster their market share.

Against this backdrop, for long-term success in the Thai market, manufacturers—whether from China, Japan, Korea or any other origin—must pay close attention to the entire automotive ecosystem. If price competition is not managed, it could threaten the health of the industry and hurt OEMs’ financial performance. Manufacturers need to balance developing local workforce skills and investing in R&D to bring the Thai consumer the product value they require and avoid succumbing to price as the sole discriminator.



To drive product and marketing strategies, investing in consumer’s research enables brands to differentiate. Ipsos specialises in supporting manufactures in this process and are happy to help you explore a holistic understanding of markets and consumer requirements in support of your growth initiatives.

Endnotes:

1. MHESI launches EV initiatives to position Thailand as EV production hub – Office of National Higher Education Science Research and Innovation Policy Council
2. <https://www.motorshow.in.th/en/news/46th-bangkok-international-motor-show-en/>
3. <https://www.ainvest.com/news/japanese-automakers-partner-chinese-tech-firms-smarter-evs-2504/>
4. [Thailand Light Vehicle Registration Q1 2025: Market Transformation & EV Surge - Proliance - Automotive Data Analytics Solutions](#)

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