

Thailand's Department of Business Development predicts a surge in new business registrations by 2024

The Department of Business Development (DBD) forecasts a notable rise in new business registrations for 2024, anticipating figures between 90,000 and 98,000. This projection marks a 5-15% increase and is attributed to several key factors including the progress of the digital wallet handout policy, measures to attract foreign investment, and the government's plans to stimulate tourism.

Key Drivers of Growth

DBD Director-General Auramon Supthaweethum highlighted that the long-term resident visa scheme and corporate income tax exemptions for foreign companies conducting business in Thailand are significant incentives driving this growth. Additionally, the use of investment budgets following the disbursement of the fiscal 2025 budget, which began on April 26, is expected to further boost new business registrations.

The government's strategy to enhance tourism in the second half of 2024 is also anticipated to have a positive impact on related sectors, such as hotels, restaurants, and logistics firms. Mrs. Auramon specifically noted the expected increase in business registrations linked to the tourism industry as a result of these initiatives.

Challenges and Economic Factors

Despite the optimistic outlook, several factors could influence the rate of new business registrations. These include household and corporate debt levels, inflation, ongoing geopolitical tensions, and delays in the spending of expenditure and investment budgets.

In the first half of the year, new business registrations experienced a slight decline of 1.9%, totaling 46,383, with a combined registered capital of 145 billion baht, a 66.1% decrease compared to the same period last year. Mrs. Auramon attributed this decrease to the high-base effect in 2023, driven by the economic recovery post-pandemic, an increase in tourism-related businesses, the expansion of private consumption and exports, and the implementation of the government's stimulus policies.

Sector-Specific Trends

The DBD's target for new registrations includes 44,000-47,000 businesses, with the service sector expected to account for around 57% of these registrations. The wholesale/retail sector is projected to represent 32.6%, while the manufacturing sector is anticipated to make up 10.2%.

The department remains confident that the combination of favorable government policies and economic incentives will foster a robust environment for new business growth throughout 2024.

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