Industrial

Market Research

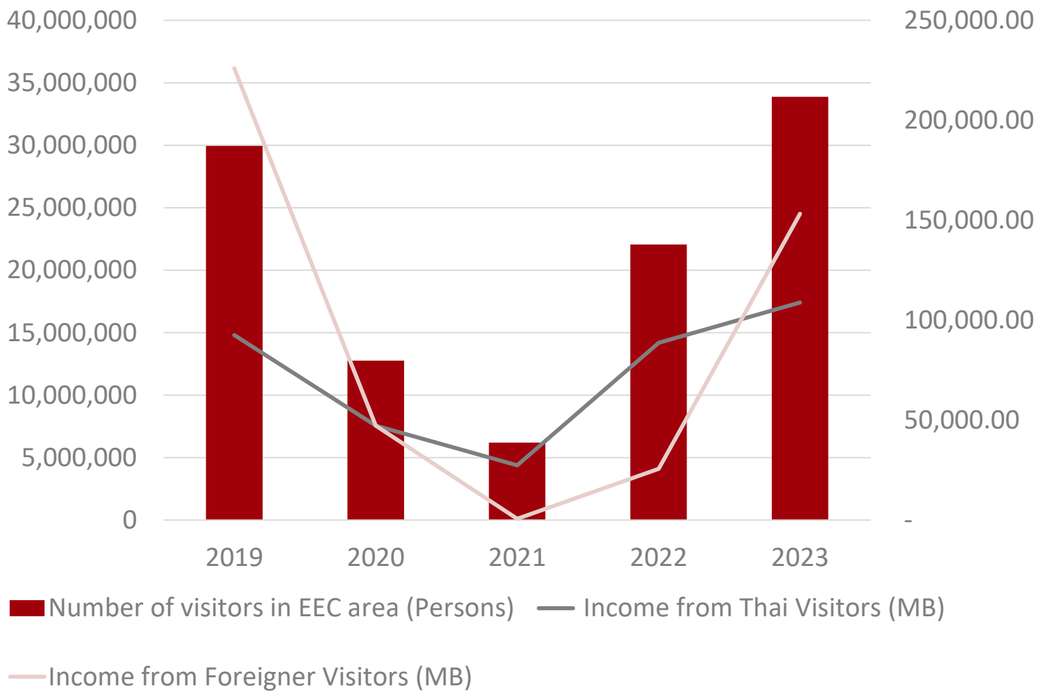
The Eastern Special Development zones is unlocking investment potential by bridging two dynamic economic zones with the GBA.

Highlight

- EEC’s economy in Thailand – The Industries confidence index in the Eastern region and consumer confidence index have slightly increased as the COVID-19 situation is better and the government declares it endemic. Foreign tourist arrivals have increased, economic activity has stabilized, and domestic demand has improved. Furthermore, increased confidence among entrepreneurs benefits the manufacturing sector and industrial.
- The number of international investors in 2023 increased YOY which Japan is the most investors in the EEC’s area.
- The urgent goals in 2023: EEC Long term Visa, EEC Fundraising Venue, Ready to start construction in High-speed railway (connect 3 Airport), Establishing an EEC business Centre and livable city, etc.
- In 2023, each project will be increased by adapting it to a new target industry (new S curve) and having the EEC Cluster Fair 2023 to drive the investment policy to create the new pin of Thai investment in the EEC area.

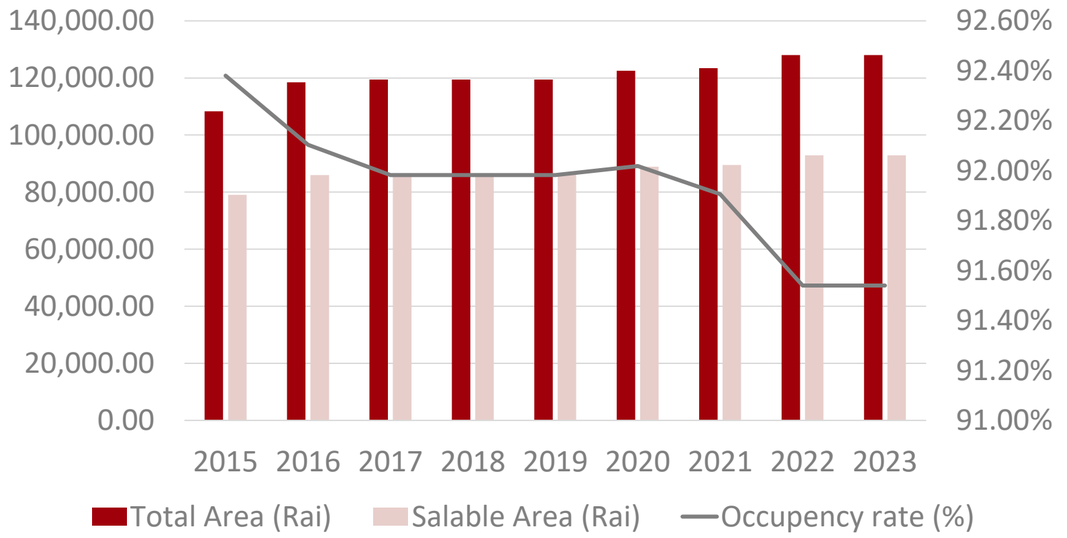
EEC’S Economy

The EEC economy is expanding in 2023. Many factors impact the EEC’s economy. Firstly, the recovery of tourism and the economy in Thailand. From graph below, it shows that The Number of visitors in the EEC area increased from 33,868,868 to 22,058,245 in 2023 affecting the revenue from Thai and Foreign visitors too. However, the recovery of the Thai economy and income from the tourism sector will be a backlash to support domestic consumption and new investment in the EEC. Secondly, the industrial confidence index in the EEC area, which stands at 92.6%, is up from 89.27% in 2022. This is the result of the one-year action plan and urgent goal in 2023, which includes an EEC Long term Visa, High-speed railway, or EEC Cluster Fair 2023 to attract investment in the EEC area and led to higher industry confidence of investors. Lastly, the government’s economic stimulus efforts have led to an increase in consumer expenditure. In 2023, consumption is on the rise, which aligns with the rising consumer confidence index.



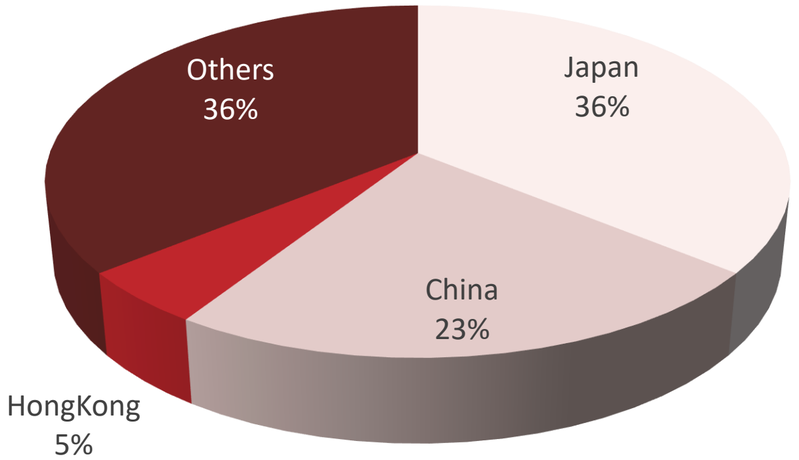
Supply

In 2023, the new supply of the EEC zone (Rayong, Chachoengsao, and Chonburi) was slowing to 127,981.34 rai, the same as the previous year. Some projects are still processing in 2023 and will be finished in 2024 and 2025 such as EGCO Rayong Industrial Estate, BlueTech City, etc. The supply of the EEC in our survey basket remained stable at 92,900.34 rai, accounting for 91.54% of the occupancy rate. The graph demonstrated that the occupancy rate in this business is fairly good because each year the occupancy rate was better than 90% although the number of industrial estates increased. However, the trend of EEC was still increasing due to the recovery of tourism, transportation, infrastructure, EEC long-term Visa or EEC cluster Fair 2023. Furthermore, industrial estates create new projects to support newcomers and emerging enterprises. As a result, many new businesses are looking to invest in industrial property in each province. This was intended for both Thai and foreign entrepreneurs.



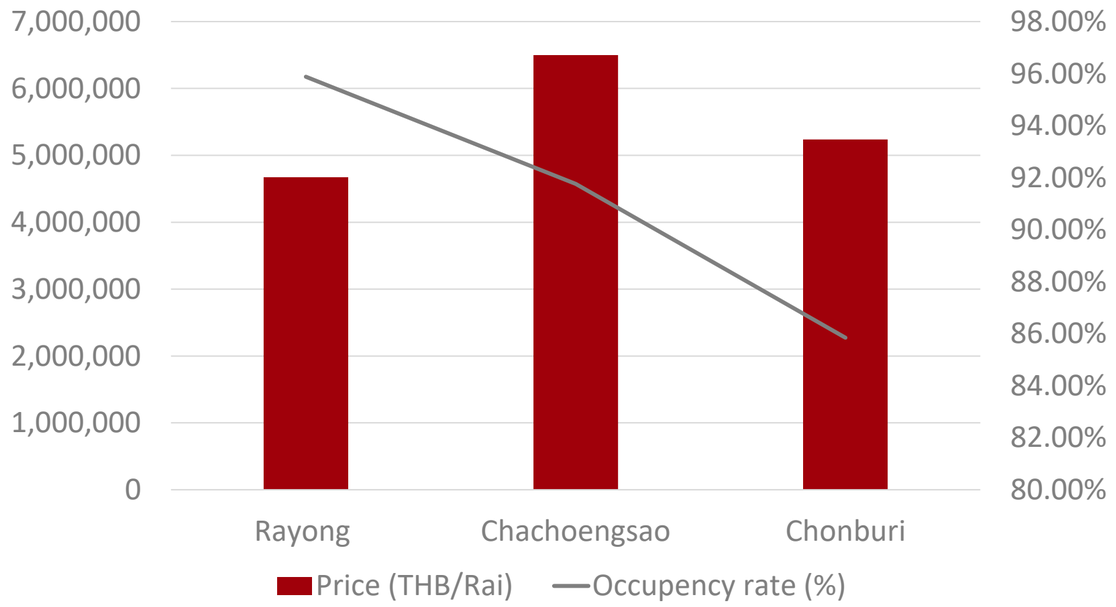
Demand

There are 120 foreign investors interested in investing in the EEC area, accounting for 20% of the number of foreign investors in Thailand, which increased from 2022. The investment value in the EEC area is THB19,531 million, accounting for 20% of the total investment. The country with the largest number of investors at 43 investors was Japan with total funds committed of THB6,853-million-baht, China with 28 investors total fund of THB3,927 million, and Hong Kong with 6 investors total fund of THB4,046 million, followed by 43 other countries with total fund of THB4,705 million. Many companies contribute to the development of the nation's infrastructure. There was a significant increase in both employment and economic growth. Furthermore, the EEC Long-term VISA is a strategy intended to prepare investors to invest in the region. The Visa is designed for business owners in special economic development zones who work in specific industries, such as experts, executives, and professionals, as well as their spouses and dependents. Furthermore, the government encourages investment in the EEC area by organizing the EEC Cluster Fair 2023 to push the investment policy, identifying 5 clusters and 12 target industries to attract investors from across the world.



Demand

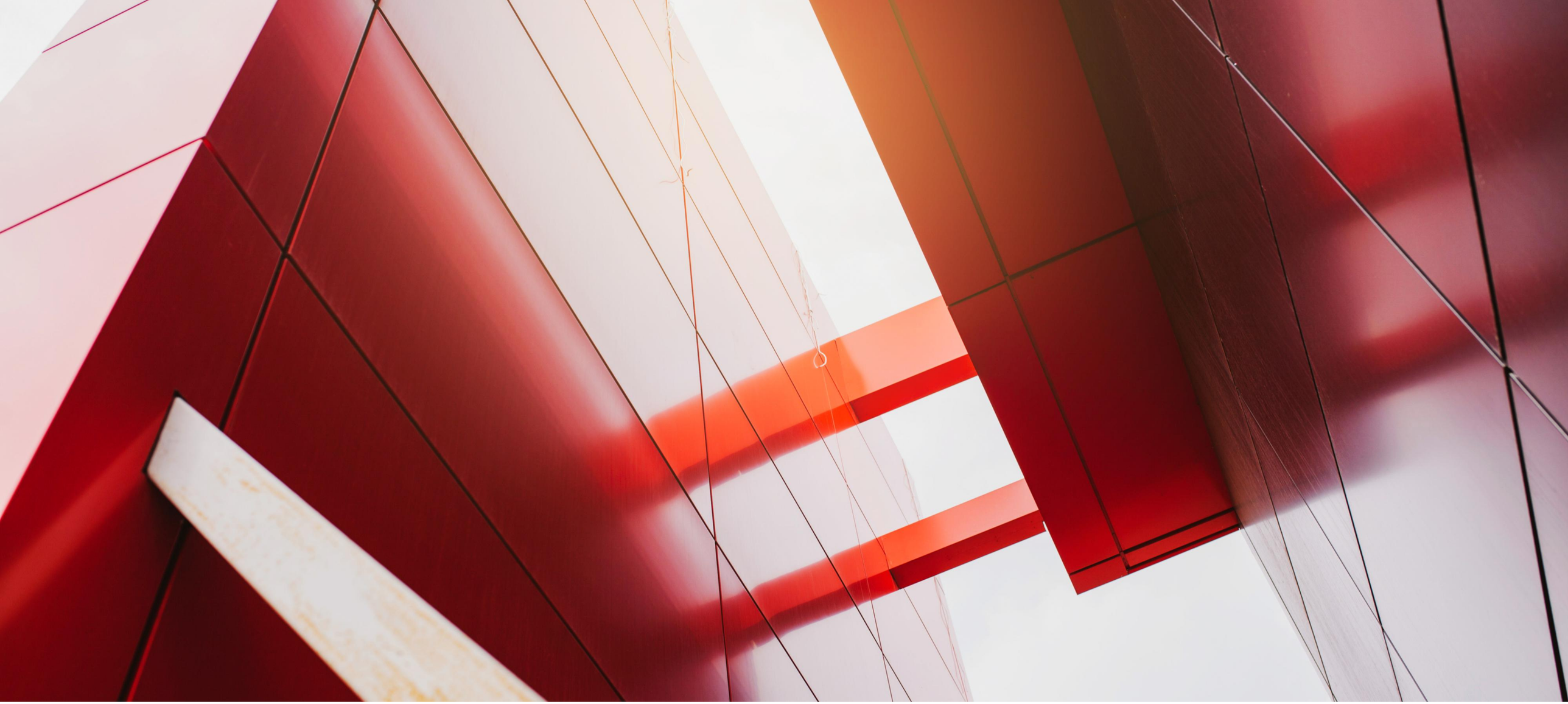
The government allows foreign corporations to possess 100% of the land in real estate, but only in EEC-specified areas and for those investing in the industrial sector. The demand for land in the EEC zone has increased dramatically, and as a result, the land price has increased too. The graph demonstrated that the land price in Chachoengsao was the highest when compared to Rayong and Chonburi, at THB6,500,000 per rai. On the other side, the occupancy rate revealed that Rayong had the highest level of investor interest, with 95.88%, followed by Chachoengsao (91.76%) and Chonburi (85.85%).



Outlook

The overall outlook for the EEC economy in 2024 is expected to improve from 2023 due to the increasing consumption and tourism sectors in Thailand. The EEC region will be transformed into the country's high-tech industrial powerhouse, with 12 planned S-curve industries, including new-generation vehicle manufacturing and smart electronics. Moreover, many industrial estates will be completed in 2024 and 2025, including Blue Tech City, Rojana Nongyai, Smart Park, Pin Thong Industrial Park 5 (expansion), and Nong Lalok. Those projects will attract many international investors to invest in the EEC area, as well the rebirth of a new technology industry (the New S-curve)* that will affect the productivity and growth of countries in the future.

**Remark New S curve industry means The 12 targeted S-curve industries are cars; smart electronics; affluent, medical and wellness tourism; agriculture and biotechnology; food; robotics for industry; logistics and aviation; biofuels and biochemicals; digital; medical services; defense; and education development.*



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