



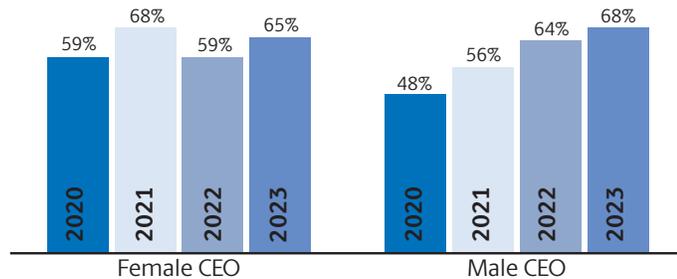
THAILAND



PATH TO RECOVERY

Men-led SMBs in Thailand have been recovering steadily from the COVID downturn, while women-led SMBs have seen fluctuations. For example, by 2022, 59 percent of women-led firms registered positive revenue growth, 68 percent in 2021, and 59 percent again in 2020 (figure 1).

% of SMBs with positive revenue growth in 2020-23, by gender of CEO (figure 1)



E-commerce Trends and Challenges

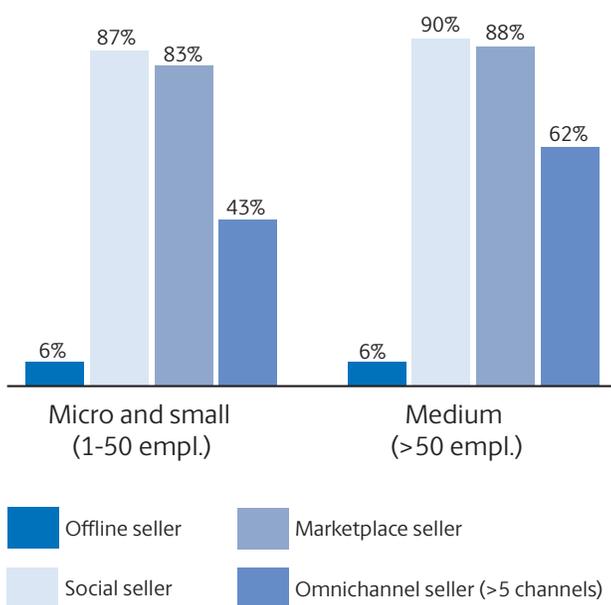
Primary e-commerce challenges in 2023

As many as 83 percent of micro and small enterprises in Thailand used some type of marketplace to sell their goods and services. 43 percent of micro and small firms, and 62 percent of medium firms were omnichannel sellers (figure 2).

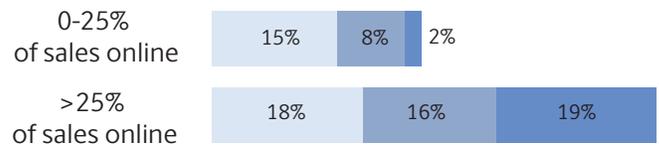
Is e-commerce a priority?

In turn, e-commerce is enabling Thai SMBs to engage in trade and access new markets: 53 percent of firms that use e-commerce intensively diversified their export markets in 2021-22 (figure 3). By 2022, 36 percent of micro and small businesses and 43 percent of medium businesses exported to three or more markets, up from 32 percent for micro and small firms, and down from 46 percent in 2020 (figure 4).

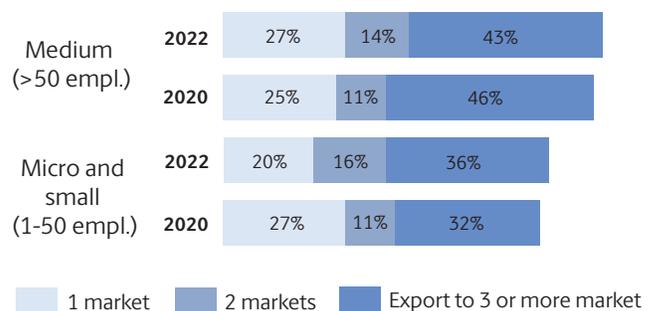
Use of digital marketing and sales channels in 2022, by firm size (figure 2)



% of SMBs that diversified export markets in 2022 from 2020, by online sales intensity (figure 3)



Number of export markets in 2020 and 2022, by firm size (figure 4)

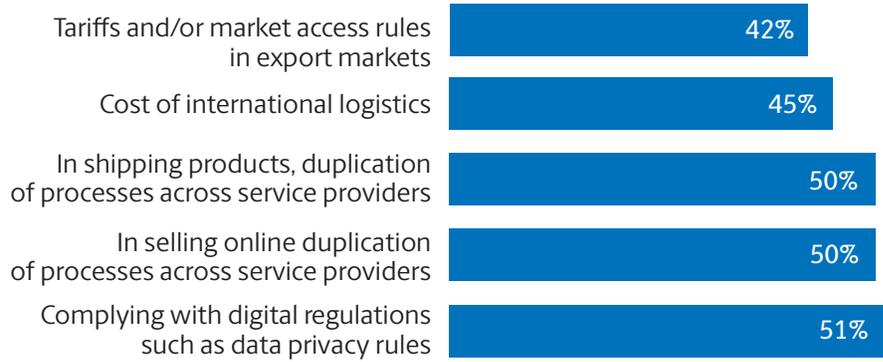




Challenges for SMBs

Complying with digital regulations continues to be a challenge for Thai firms toward growth through trade and e-commerce. About 50 percent of the surveyed SMB exporters cited duplication of processes across services providers when selling online and shipping products, cost of international logistics, and market access rules in export markets as “extremely important barriers” (figure 5).

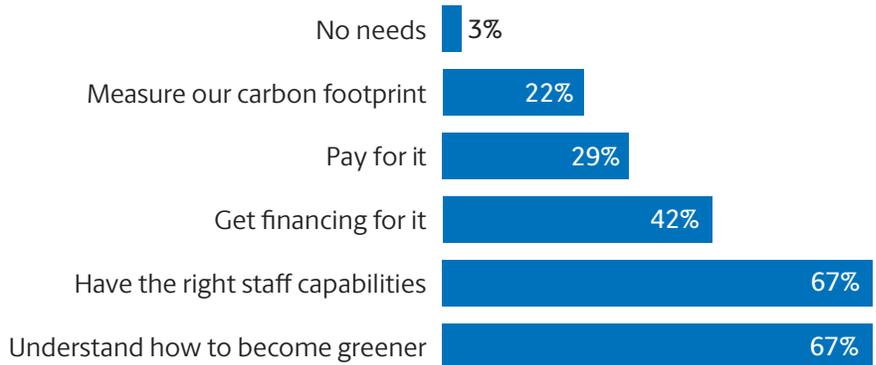
Top-5 “extremely important” challenges facing SMBs revenue growth and exports in 2023-24 (figure 5)



SMBs need to become more sustainable.

To make their green transition, SMBs call for a better understanding of the ways in which they can become greener and access to the right staff capabilities to make their operations greener (figure 6).

SMBs needs to become more sustainable (figure 6)



Policy Recommendations



Resiliency: To ensure SMB resiliency, governments should focus on reducing trade costs through simplification of trade processes, trade liberalization, and improvements in logistics quality.



Gender: To support the continued growth of women-led SMBs, promote women’s access to digital technologies, financing, and new export markets.



E-commerce and Trade: To encourage SMB exports through e-commerce, ensure quality internet connections and capacity-building to grow presence on global online marketplaces, and digitized trade processes to streamline online seller-SMBs to export



Sustainability: Support SMBs with their green transition through awareness-building on optimal methodologies to green their businesses, measurement of their carbon footprint, and financing.