



The Government Announces Policy to Advance the Net Zero Target by 15 Years:

A Major Turning Point Reshaping the Future of Thai Industry

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KEY SUMMARY

On 29 September 2025, the government under Prime Minister Anutin announced a new policy to accelerate Thailand's Net Zero target by 15 years, moving the timeline forward from 2065 to 2050. In the government's

policy statement delivered to the National Assembly, the Prime Minister declared the commitment to transition Thailand towards a low-carbon society, setting a revised target for the country to achieve net zero greenhouse gas emissions by 2050, instead of the previous goal of 2065.

This policy marks a major shift in Thailand's climate agenda since the nation first committed to a Net Zero target before the international community in 2021. The acceleration of the Net Zero timeline by 15 years represents a significant turning point that will reshape the future of Thai industry. The government has sent a clear signal that: "Reducing greenhouse gas emissions is not an option, but the pathway for the survival of the Thai economy in the future world."

Advancing the Net Zero target to 2050 represents a critical step in enabling Thai industries to transition toward a low-carbon economy in line with global trends. Retaining the original 2065 target would have resulted

in Thailand achieving Net Zero 15 years later than 111 other countries, thereby posing the risk of exclusion from future global trade networks. This is because countries and companies with a Net Zero 2050 target are increasingly inclined to purchase goods and services only from nations and businesses that have set a Net Zero timeline no later than their own.

Accordingly, the announcement of the new 2050 target—consistent with recommendations from a 2024 study by SCB EIC—serves as a key mechanism to accelerate private sector adaptation in alignment with international standards. The transition to a low-carbon economy will require sustained and substantive government support throughout the next 25 years.

While the new target represents a significant advancement for Thailand, in the global context it merely signifies a "return to international standards," comparable to countries such as Japan, the European Union, and Vietnam, which have already announced Net Zero 2050 commitments. This new target therefore presents both a challenge and a critical imperative for Thai enterprises to accelerate their adaptation efforts.

The Net Zero 2050 target will create both opportunities for certain industries to expand and pressure for others to accelerate their transition in response to increasing domestic challenges. Under the Net Zero 2050 policy, industries that contribute to reducing greenhouse gas emissions are expected to experience growth, driven by rising demand for relevant goods and services. These include:

1. Industries within the renewable and clean energy supply chain
2. Industries related to enhancing energy efficiency
3. Industries within the electric vehicle supply chain
4. Waste management industries
5. Bio-based materials industries
6. Low-carbon fuel industries
7. Carbon capture and storage (CCS) technology industries

Conversely, industries with high greenhouse gas emissions will face greater domestic pressure.

Previously, Thai businesses were already under pressure from international trading partners that had set Net Zero targets 15 years ahead of Thailand. The government's announcement of the Net Zero 2050 target will intensify such pressures domestically through the phased introduction of new measures, such as carbon taxation and the enforcement of an emissions trading system (ETS).

These measures will accelerate the need for high-emission industries—such as oil and gas, fossil-fuel power generation, steel, cement, chemicals, and internal combustion engine automobiles—to adapt within a shortened timeframe of 15 years if they are to sustain growth in a low-carbon economy. Encouragingly, several companies in Thailand have already set Net Zero 2050 targets.

Entrepreneurs must begin to seriously reduce greenhouse gas emissions within their business operations while also seeking new business opportunities arising from the Net Zero 2050 target. Pressure from both domestic and international sources has made greenhouse gas reduction an unavoidable imperative for businesses seeking long-term sustainable growth. Entrepreneurs can initiate this process through five key steps:

1. Assess the organization's greenhouse gas emissions
2. Set emission reduction targets in line with international standards
3. Identify appropriate technologies and strategies for emission reduction, considering both cost and feasibility
4. Implement measures to reduce greenhouse gas emissions
5. Monitor and report progress transparently to build stakeholder confidence

In addition, entrepreneurs should leverage this opportunity to expand into industries with strong potential in a low-carbon economy, such as participating in the supply chain of clean energy, electric

vehicles, or bio-based materials. They should also utilize green finance or transition finance to develop new products and services, such as low-carbon agricultural products or sustainability-focused hotel businesses.

At the same time, the government must accelerate the introduction of concrete support measures to encourage businesses and households to adopt low-carbon practices. Such measures should encompass two key areas:

1. **Incentive measures for those with capacity but lacking motivation to transition**—for example, increasing targets for renewable energy procurement, reducing electricity purchases from fossil fuels, and providing tax credits for industries utilizing clean energy.
2. **Support measures for vulnerable groups lacking resources**—such as providing education and awareness, offering low-interest loans for small businesses, or granting financial assistance to low-income households for energy-efficient home improvements.

The design of policies that address this diversity of needs will be a critical factor in driving the nation towards achieving Net Zero in a meaningful and sustainable manner.

The Net Zero 2050 policy is not solely an environmental issue but a matter of the survival of Thai industries on the global stage. Businesses that adapt in a timely manner will gain a competitive advantage, while those that lag behind may be left at a disadvantage. Therefore, the business sector must take action now and integrate carbon reduction as a core component of their primary strategies.

KEY POINTS

On 29 September 2025, the government under Prime Minister Anutin announced a new policy to accelerate Thailand's Net Zero target by 15 years, moving the goal forward from 2065 to 2050. In the government's policy statement to the National Assembly, the Prime Minister declared Thailand's commitment to transition into a low-carbon society as a means of addressing challenges in international trade, by setting the target of achieving net zero greenhouse gas emissions by 2050, compared to the previous target of 2065.

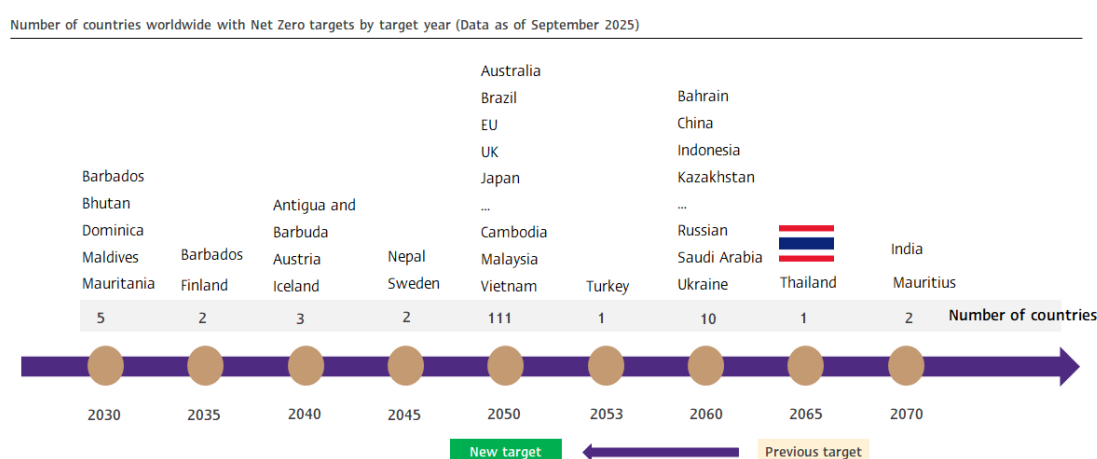
This policy represents a major shift in Thailand's climate agenda since the country first committed to a Net Zero target before the international community in 2021.

The acceleration of the target by 15 years constitutes a significant turning point that will reshape the future of Thai industry, as the government has delivered a clear signal that: “Reducing greenhouse gas emissions is not an option, but the pathway for the survival of the Thai economy in the future world.”

The government’s decision to advance the Net Zero target by 15 years will support the Thai private sector in adapting in line with the global pace of transition. Retaining the original 2065 target would have resulted in Thailand achieving Net Zero 15 years later than 111 other countries, placing the nation at risk of being excluded from future global trade networks. This is because countries and companies with a Net Zero 2050 target are increasingly inclined to procure goods and services only from nations and businesses whose Net Zero commitments are no later than their own.

The new Net Zero 2050 policy, consistent with recommendations from the 2024 study by SCB EIC, will serve as a key mechanism to support the adaptation of the Thai private sector in keeping pace with global developments. Transitioning to a low-carbon economy will require sustained collaboration across all sectors over the next 25 years, as the private sector alone cannot drive this transformation to success without substantive government support. While the new target represents progress, in the global context Thailand is merely “returning to international standards,” in line with countries such as Japan, the European Union, and Vietnam, which have already announced Net Zero 2050 commitments (Figure 1).

Figure 1: Advancing the Net Zero target by 15 years will support the Thai private sector in adapting in line with the global pace of transition.



Source: SCB EIC analysis based on data from the Net Zero Tracker

The Net Zero 2050 policy is expected to drive growth in industries that contribute to reducing greenhouse gas emissions, in response to rising demand for related goods and services. These include:

1. Industries within the renewable and clean energy supply chain, such as solar power plants and solar panel manufacturing
2. Industries related to improving energy efficiency, such as the electronics sector
3. Industries within the electric vehicle supply chain, including electric vehicle manufacturers, battery producers, and charging station operators
4. Waste management industries, such as recycling businesses and waste and wastewater management services
5. Bio-based materials industries, such as bioplastics
6. Low-carbon fuel industries, including hydrogen and Sustainable Aviation Fuel (SAF)
7. Carbon capture and storage (CCS) technology industries

Most of these sectors are already designated as New S-Curve target industries promoted by the Thai government, with support measures extended to both producers and consumers. For example, renewable energy power plants and electric vehicle manufacturers are granted an eight-year corporate income tax exemption, while consumers purchasing electric vehicles receive government subsidies ranging from THB 50,000 to THB 100,000.

In contrast, industries with high greenhouse gas emissions will face intensified domestic pressure to transition to a low-carbon economy 15 years earlier than originally planned. Even prior to the announcement of the Net Zero 2050 policy, Thai industries were already under pressure from global trading partners to achieve Net Zero 15 years ahead of the national target. The Net Zero 2050 policy will now add further domestic pressure through government measures to be introduced progressively, such as renewable energy procurement targets, the imposition of carbon taxes, and the enforcement of an Emission Trading System (ETS). These measures will compel high-emission industries to accelerate their transition by 15 years, including the oil and gas industry, fossil-fuel power generation, chemicals, construction materials (steel and cement), aluminum, transportation, and internal combustion engine automobiles. These industries can continue to grow only if they successfully align with the pathways of the low-carbon economy. At present, several large corporations in Thailand have already begun adapting. For example, Gulf

Development, one of the country's major power producers, has set a target to achieve Net Zero by 2050. Similarly, the PTT Group has also announced its Net Zero 2050 commitment, accompanied by clear and concrete greenhouse gas reduction strategies that are already being implemented. The next challenge, therefore, lies in accelerating the adaptation of small- and medium-sized enterprises so they can move forward toward achieving the target within the same timeframe.

Entrepreneurs must begin to seriously reduce greenhouse gas emissions in their business operations while simultaneously seeking new business opportunities arising from the Net Zero 2050 target. Pressure from both domestic and international sources has made emission reduction an unavoidable task for businesses that aim to achieve long-term sustainable growth. Entrepreneurs can initiate this process through the following five steps:

1. **Assess organizational greenhouse gas emissions** – This step enables businesses to identify which activities within their operations require emission reductions.
2. **Set organizational emission reduction targets** – Targets should align with industry practices or standards, such as the Science Based Targets initiative (SBTi), which is widely recognized internationally as a framework for establishing Net Zero commitments.
3. **Identify technologies and strategies for emission reduction** – Businesses must evaluate both the cost-effectiveness and feasibility of adopting different technologies and approaches.
4. **Implement greenhouse gas reduction measures** – This involves creating internal mechanisms to ensure the effectiveness of emission reduction plans, such as linking executive compensation to the achievement of emission reduction results.
5. **Monitor, evaluate, and publicly report progress** – Continuous disclosure of results to stakeholders is necessary to build trust and demonstrate ongoing commitment.

In addition, entrepreneurs should actively pursue new business opportunities, whether by integrating into the supply chains of the seven growth industries identified earlier, or by leveraging sources of green finance and transition finance to develop new products and

services that support the low-carbon economy. Examples include the production of low-carbon agricultural goods or the establishment of green hotels.

At the same time, the government must accelerate the introduction of concrete support measures to drive businesses and households toward adopting low-carbon practices.

Government measures will serve as a critical mechanism to ensure that the transition—requiring both time and collective efforts from all sectors—can ultimately be achieved.

Support measures can be divided into two main categories:

1. Incentive measures for businesses and consumers who possess the necessary resources but lack sufficient motivation to adapt. Examples include increasing renewable energy purchase targets, reducing electricity purchases from fossil fuels, and granting tax benefits to industries that replace fossil fuel usage with renewable energy.
2. Assistance measures for businesses or consumers lacking essential resources for adaptation. Examples include providing knowledge and technical support, offering low-interest loans to entrepreneurs with limited investment capital, and extending financial assistance to low-income households to enable energy efficiency improvements in residential buildings.

In summary, the Net Zero 2050 policy is a critical strategy for safeguarding the competitiveness of the Thai economy in a rapidly changing world, as low-carbon standards will become a key condition for global trade in the future. Countries and businesses that fail to adapt in time will be excluded from supply chains and lose economic opportunities, while those that take action today will gain advantages in accessing new markets, securing green finance, and building long-term sustainability. Conversely, those who delay may face higher adjustment costs and greater risks of being left behind. Achieving Net Zero 2050 is therefore not solely a government objective, but a “new game” that requires participation from all sectors. The government must urgently introduce clear and comprehensive support measures to accelerate the transition and ensure inclusivity, while businesses must treat carbon reduction as a core strategy rather than merely a matter of image.

In the future global economy, those who adapt first will be the true winners in the low-carbon economy.

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