



M# METALS FOCUS

Spotlight on Thailand



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Chapter 1

- Thailand is one of the most prominent trading hubs in Southeast Asia, with a mature gold market, underpinned by a strong cultural significance of gold.
- Jewellery demand remains important, but is modest in comparison with physical investment, which represents 80% of total demand.

Executive Summary

Thailand's gold market is one of the most mature and dynamic in Southeast Asia, supported by deep cultural ties to gold, a liberal policy environment and strong retail participation.

Limited access to formal financial services and past economic shocks, including the 1997 East Asian Financial Crisis, helped cement gold as a trusted store of value. Thailand is now among the most open markets globally for bullion trading, with no import or export duties. In 2024, the country imported 196t of gold and exported 113t, underscoring its role as a regional hub.

Retail investment accounts for around 80% of Thailand's consumer gold demand. Volumes have grown steadily, rising from 29t in 2021 to an estimated 51t in 2025. Most purchases are in 96.5% purity bars and jewellery, reflecting the close link between savings and adornment.

The investment market is increasingly digital. Major dealers and banks now offer online trading platforms that appeal to younger, tech-savvy investors. More than half of transactions take place online, reducing the need for physical storage and improving accessibility. Banks have also expanded their presence by partnering with bullion dealers to reach new investors. A defining feature of Thailand's retail market is its two-way trading culture, with consumers routinely buying and selling gold on short-term moves, which boosts liquidity.

Jewellery demand remains culturally important, but modest relative to retail investment, totalling just 8t in 2025 compared with 51t of coin and bar demand. Younger consumers favour lower caratages, modern designs and gemstone-set pieces influenced by fashion and social media. Even so, exports remain the backbone of the industry. Key destinations include the US, Hong Kong, India and the Middle East.

It is also worth commenting briefly on gold mining in Thailand, although this is not covered any further in this Spotlight. This is dominated by a single operation, the Chatree gold mine, operated by Akara Resources, a subsidiary of Kingsgate Consolidated. Between 2001 and 2016, the mine produced a total of 56t of gold and 311t of silver. Operations were halted from 2017 to 2021 after the key processing licence was not renewed. Following a successful legal process and negotiations with the Thai government, the Metallurgical Licence was renewed for the maximum five-year term allowed under Thai law. Consequently, operations restarted in March 2023 before reaching full capacity in Q4.24. Mining is currently undertaken on the Quartz Lease and the expansion of the main A pit. Doré is delivered to Precious Metal Refining Co. Ltd for refining under the same commercial terms agreed in 2016. In fiscal year (FY) 2025, the mine produced 2.3t of gold and 19.4t of silver, with gold output forecast at 2.6-3.0t for FY2026.

Chapter 2

- Thailand imported 196t of gold and exported 113t in 2024, highlighting its significance as a regional hub for bullion trade.
- Thailand imposes no import or export custom duty and VAT on gold bullion.
- A 7% VAT is imposed on the full value of imported gold jewellery to support domestic manufacturing.

Introduction and Regulations

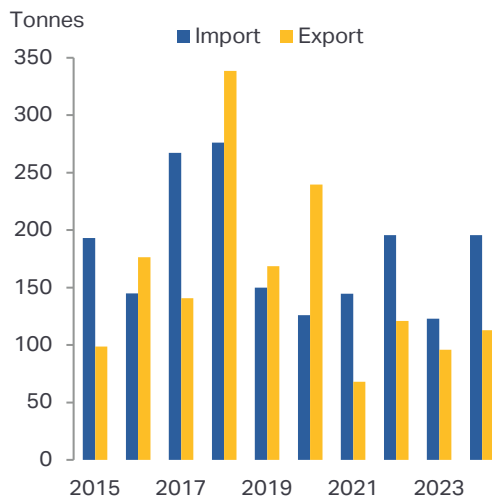
Thailand has a vibrant and well-established precious metals market, shaped by a unique set of economic and social factors. Historically, the limited reach of traditional financial products and relatively low levels of financial literacy across both urban and rural areas led many Thai consumers to view gold as a key savings instrument. This preference became even more significant during the 1997 East Asian financial crisis. At the time, the collapse of the Thai baht severely impacted household finances, and gold emerged as a reliable means of safeguarding wealth. Its liquidity also provided a lifeline, as consumers were able to easily convert their gold holdings into cash to meet urgent financial obligations. This experience reinforced the role of gold in the Thai economy and prompted the government to adopt a broadly liberal stance toward the metal.

This supportive policy environment has facilitated the free flow of gold in and out of the country. Today, Thailand stands out as one of the most open markets for precious metals. Each year, Thai consumers purchase between 50 to 60t of gold in the form of jewellery and investment bars, with retail investment making up around 80% of the total. However, this activity has fallen over the years due to a shift towards online trading, with gold also facing competition from other investment products like cryptocurrencies and equities.



Traditional 965 gold chains by Iris Gold (an Ausiris Gold company)

Thai Gold Bullion Imports/Exports



Source: S&P Global

Most gold sold in Thailand is of 965 purity. This differs from other major gold-consuming countries like India, China or Turkey, where varying purities are sold and there is a clearer distinction between jewellery and investment products. In Thailand, jewellery and investment bars are often sold as a combination, one common example being a gold chain paired with a pendant in bar form.

Thailand's gold imports routinely exceed its domestic consumption. This is because there are no restrictions on gold exports, which allows bullion traders to freely re-export gold. For instance, in 2024, Thailand imported 196t of gold but exported 113t, highlighting its role as a regional bullion trading hub.

On the regulatory front, the Bank of Thailand (BoT) issues licences for gold trading. The requirements to obtain such a licence are relatively straightforward. The applicant must be a company registered in Thailand, have a credible track record in gold trading, and be in operation for a reasonable period of time. While there is no fixed duration, the BoT assesses applications on a case-by-case basis. Additionally, the applicant must be a member of a recognised Thai trade association. Thailand grants a single, unified licence that permits the import of gold in any form, bullion, doré, or jewellery.

Thailand's tax structure is equally liberal. There is no import or export duty on gold bullion, making it an attractive location for both domestic and international trade. However, Value Added Tax (VAT) does apply in certain cases. Specifically, 7% VAT is levied on the full value of imported gold jewellery, a measure designed to protect local manufacturers. As a result, most gold jewellery purchased in Thailand is fabricated locally.

The VAT treatment of domestically produced jewellery is more nuanced. For plain gold jewellery, the VAT is levied only on the value added component, in other words the making charges and the price spread.

For example, if a piece is sold at THB 51,640 and bought at THB 51,590 with making charges of THB 1,100, the VAT would be calculated on THB 1,150 resulting in just THB 81 of VAT, equivalent to around 0.2% of the total value. However, studded jewellery attracts the full VAT on the sale price. For instance, a THB 100,000 studded gold item would incur THB 7,500 in VAT, making it considerably more expensive. This explains the stronger consumer preference for plain, locally made gold jewellery.

Chapter 3

- Thailand has seen a growing transition from physical to digital gold investment, with nearly half of all transactions now carried out online.
- Several Thai banks have partnered with bullion dealers to offer gold investment products, with dealers sourcing and banks handling marketing and distribution.

Retail Investment

Introduction

Gold holds a deeply rooted position in Thai society, serving both cultural and financial functions. Beyond its ceremonial and ornamental value, gold plays acts as a safe-haven asset, particularly during periods of political or economic uncertainty. This role was reinforced during the 1997 East Asian Financial Crisis, when the Thai baht collapsed and the country's equity market imploded. More recently, during the pandemic, many Thai households turned to gold as the most reliable asset to help preserve their wealth.

Historically, limited access to banking services and a lack of financial literacy meant that gold was often the most accessible and trusted form of savings for the Thai population. Over time, this tradition has evolved into a well-established investment culture where gold continues to occupy a central role in both rural and urban households.

Bar and Coin Profile

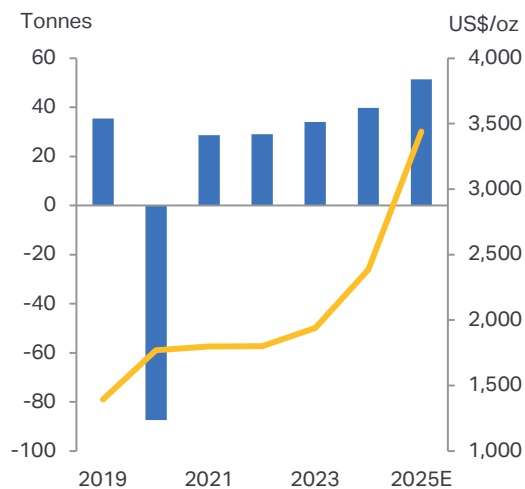
In recent years, Thailand's physical gold investment market has displayed remarkable strength. Annual retail investment rose from 29t in 2021 to an estimated 51t in 2025. This growth places Thailand among the top global markets for gold bar and coin demand.

While the recent uptrend appears impressive, it must be viewed against the backdrop of a substantial contraction between 2011 and 2019, when retail investment fell by 68% to 35t due to falling gold prices and a shift by investors towards other financial assets. By contrast, the renewed growth in recent years follows a period of heavy divestment during the COVID-19 pandemic, when Thai investors became net sellers, liquidating more than 87t of gold holdings to navigate the economic downturn and cover daily expenses. The speed and efficiency with which investors were able to sell gold and access liquidity underscored once again the asset's vital role in Thai society as a readily convertible store of value.

A distinctive feature of Thailand's gold market lies in its unique purity standard. Unlike many Asian markets that prefer 999 or 9999 purity for bullion and coins, Thai gold typically adheres to a 96.5% purity standard for both jewellery and small investment bars. Kilobars, however, are usually produced in 9999 purity.

This dual-standard system reflects the close relationship between Thailand's jewellery fabrication and investment markets. The 965 standard allows for an easier conversion between investment bars and jewellery, reinforcing the link between adornment and savings motives. Many investors even purchase bars and coins paired with a simple gold chain, allowing them to wear their investment as jewellery a unique feature of Thai consumer behaviour that blurs the line between utility and ornamentation. Thailand's investment gold market is dominated by large and long-

Thai Retail Gold Investment



Source: Metals Focus

established bullion houses, including Ausiris Gold, Hua Seng Heng, MTS Group, and YLG Bullion International. These firms import Good Delivery bars, recast them into locally branded kilobars or smaller minted bars, and distribute them through an extensive network of retail gold shops.

Bangkok remains the central hub of the country's gold trade, accounting for more than 80% of wholesale transactions. The concentration of trade in the capital has facilitated efficient price discovery and liquidity, while also enabling major bullion dealers to act as market makers and intermediaries for both wholesale and retail clients.

Gold bars and coins in Thailand are traditionally sold in baht-weight units, where 1 baht equals 15.24 grams. Popular bar sizes include 1, 2, and 5 baht, while coins are typically available in 0.5, 0.25, and 0.125 baht denominations.

Retail margins on bars and coins usually range from 0.5% to 3%, depending on product size and sales channel. Smaller denominations usually carry higher premiums due to higher fabrication and distribution costs. Among Thailand's most popular investment products is the "bar-and-chain" combination, where the bar (often 2–5 baht) is mounted as a pendant on a chain.

In contrast to gold, silver investment in Thailand remains extremely modest, largely due to taxation policies. While gold investment products are exempt from value-added tax (VAT), silver ones are subject to 7% VAT, significantly reducing their competitiveness. However, with gold prices achieving record highs, some investors have started to diversify into silver. Over the past year, there have been ongoing discussions within the industry and government about rationalising VAT on silver to bring it into line with gold. If implemented, this could stimulate growth in Thailand's silver investment market.

Two major structural developments have transformed Thailand's gold market in recent years:

1. The rapid expansion of online gold investment;
2. The entry of banks into precious metals.

Thailand has witnessed an important shift from physical to digital gold investment. Major bullion dealers and gold retailers now operate online trading platforms, enabling customers to buy, sell, and store gold digitally. This transformation has been particularly appealing to younger generations, who prefer the convenience and security of online investment. Digital platforms eliminate the need for physical storage, as gold is held securely by the platform operator, either domestically or overseas. For many leading dealers, over half of their investment transactions now occur online.

The second development concerns the involvement of commercial banks in gold trading. Several have partnered with bullion dealers to offer gold

investment products to their customers. Under these arrangements, bullion dealers manage the back-end operations, such as sourcing and logistics, while banks handle marketing and distribution. This collaboration has expanded gold's reach to a new demographic of investors, particularly clients accustomed to financial products offered through the banking system.

A distinctive feature of the Thai market is the active two-way nature of gold trading. Unlike many countries, where gold is typically purchased as a long-term holding, Thai consumers frequently engage in short-term buying and selling, sometimes within days or weeks. This behaviour is driven by a high degree of price sensitivity and the perception of gold as both a savings instrument and a liquid trading asset. When prices rise sharply, consumers are quick to sell and realise gains; conversely, during price dips, they often repurchase. This dynamic, two-way flow underpins the market's liquidity and distinguishes Thailand as one of the most vibrant retail trading environments across Asia.



Investment Bars and Coins, YLG Bullion

Chapter 4

- While traditional buyers prefer plain 96.5% gold jewellery, younger consumers are shifting towards 18- or even 14-carat fashion pieces.
- The country hosts a long-standing and well-established jewellery export industry, which in 2024 shipped a record total of \$2.9bn.

Jewellery Market

Introduction

Thailand's jewellery sector is both traditional and dynamic, reflecting its deep cultural roots as well as growing modern influences. Bangkok serves as the epicentre of the jewellery trade, hosting thousands of retail shops and wholesalers. As noted earlier, gold jewellery plays a dual role in Thai culture, it is both an object of adornment and a store of wealth. Such purchases tend to coincide with auspicious occasions such as weddings, New Year celebrations, and religious ceremonies. In rural areas, jewellery ownership often correlates with agricultural income cycles, where farmers convert surplus earnings into gold during good harvests.

Despite its cultural significance, Thailand's retail investment far exceeds its jewellery consumption. In 2025, the former reached 51t, compared with 19t of jewellery fabrication and just 8t of jewellery consumption. This dichotomy also distinguishes Thailand from many other Asian markets.

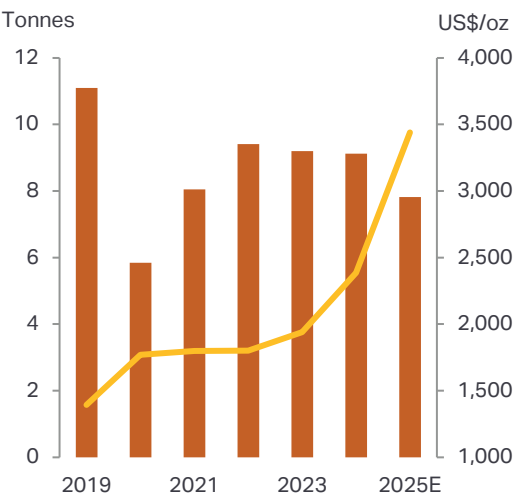
Jewellery Consumption

The Thai jewellery market is gradually evolving, influenced by generational change and urbanisation. While older consumers continue to favour traditional 96.5% plain gold jewellery, younger and more urban buyers increasingly prefer modern designs, lower caratages, and gem-set pieces. Millennial consumers are showing greater interest in diamond and



965 gold pendants by Iris Gold (an Ausiris Gold company)

Thai Gold Jewellery Consumption



Source: Metals Focus

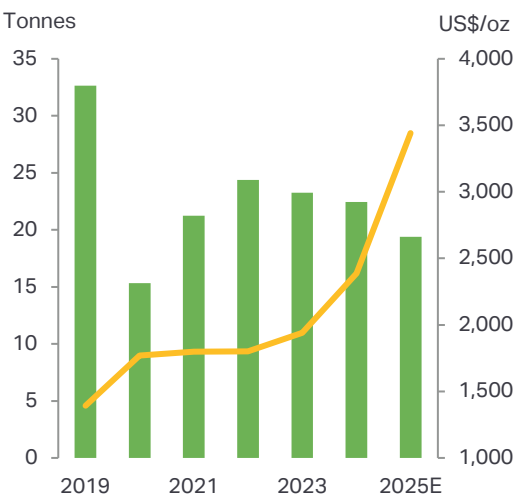
gemstone-studded jewellery, typically in 18- or 14-carat gold, reflecting a shift away from investment-oriented purchases to fashion-driven consumption.

The rise of social media has further transformed jewellery retailing. Platforms such as Facebook, Instagram, and LINE have become increasingly important sales channels, enabling both small jewellers and established brands to engage directly with consumers nationwide. Cities like Bangkok and Chiang Mai are also witnessing growing demand for lightweight, contemporary jewellery suited for everyday wear, further signalling a gradual change in consumer tastes.

Jewellery Exports

While domestic consumption is modest, exports form the backbone of Thailand's jewellery industry, making it one of the world's leading jewellery exporters. The country's competitive strengths lie in its skilled craftsmanship, cost efficiency, and robust supply chains. Exports are dominated by gold, silver, and gemstone-studded jewellery, with principal destinations including the US, Hong Kong, India, and the Middle East. In addition, Thailand also holds a prominent position in the coloured gemstone trade, particularly in rubies and sapphires. The Bangkok Gems and Jewellery Fair remains a cornerstone of the international industry calendar, showcasing Thailand's capabilities and connecting domestic manufacturers with global buyers.

Thai Gold Jewellery Fabrication



Source: Metals Focus



Blue sapphire diamond necklace by Prakaipetch Gems

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