

India-Thailand trade and financial flows

Moderate import dependency on Thailand; alternate sourcing options across ASEAN and other regions

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Thailand has emerged as India's fourth-largest trading partner within ASEAN countries. Imports from Thailand have growth five-fold as against marginal growth in exports resulting in the second highest trade deficit among ASEAN countries.

India has moderate import dependency on Thailand for certain sectors; however, they are not critical and can be substituted.

India's trade with ASEAN* nations has expanded at a compounded annual growth rate (CAGR) of 5% over the past decade. However, this growth has been uneven. Imports have nearly doubled, while exports have seen only modest gains. Thailand has emerged as India's fourth largest trading partner within ASEAN, yet it ranks second in terms of trade deficit. The deficit has widened five-fold, driven by a 9% CAGR in imports compared to just 3% in exports.

India maintains moderate import dependency on Thailand. However, the same is not critical due to India's ability to diversify sourcing across ASEAN and other regions for most of the categories.

On the investment front, Thailand has become the leading ASEAN source of Foreign Direct Investment (FDI) into India, with growing contributions in infrastructure, real estate, agro-processing, electronics, automotive, hospitality, and renewable energy sectors. Additionally, Indian tourists ranked third among international visitors to Thailand in 2024, strengthening the services trade.

The deepening corporate and bilateral engagement between India and Thailand reflects a strategic partnership that supports regional integration, innovation, and enhanced ASEAN connectivity.

Merchandise trade

- **Imports:** Thailand's share in the total Indian merchandise imports was 2% in FY2025. Dependence on Thailand is very high for imports across 28 product categories including precious metals, chemicals, plastic and agri Imports. However, Thailand's role is not considered critical as most of the imports are diversifiable and India has alternative sourcing options within ASEAN and other regions.
- **Exports:** Thailand's share in the total Indian merchandise exports was 1% in FY2025. Dependence on exports to Thailand is high for some items like metals and agri. However, as the share of these items is small, the same is not critical from an aggregate perspective.
- India's share in Thailand's total imports is marginal at 2% and in exports stands at almost 4%. However, Indian trade is not significant for Thailand, except some metals, agri and textile products

* Note: ASEAN stands for the [Association of Southeast Asian Nations](#), is a regional intergovernmental organisation comprised of ten Southeast Asian countries. ASEAN was established to promote economic, political, and security cooperation among its member states.

The FDI from Thailand in India has not been significant; however, it has increased substantially in the recent years.

Presence of Indian corporates in Thailand and vice versa is also prominent, strengthening their economic partnership, promoting regional integration, innovation, and enhancing ASEAN connectivity.

Financial flows

- Since April 2000, Thailand has contributed USD 1.5 billion towards the total FDI equity inflow into India, giving it a rank of 27 among all the countries in the world. Investment from Thailand in India has increased in the recent years (USD 1.0 billion of USD 1.5 billion mentioned above) and is mainly in infrastructure, real estate, agro processing, electronics, automotive, food processing sectors, hotel hospitality sector and renewable energy sector.
- Thailand's contribution is insignificant to India's remittances or migrant stock; however, Indian tourists are the 3rd largest group to visit Thailand in 2024 strengthening the services trade.

Bilateral agreements

- The bilateral ties are multifaceted and cover a wide spectrum of areas including trade and investment, Defence and security, connectivity, culture and tourism, education, science and technology, and people-to-people exchanges.

corporate presence

- The presence of Indian corporates in Thailand is significant in sectors like automotive manufacturing, steel and metals, chemicals, pharmaceuticals, IT services, and banking/finance. Similarly, Thai corporates have presence in India in sectors like agro-industry and food processing, infrastructure and construction, automotive components, electronics, and hospitality



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Analytical Contact Details

Name	Designation	Email	Contact Number
Aditi Nayar	Chief Economist and Head – Research and Outreach	aditin@icraindia.com	0124 - 4545 385
Madhura Nejjur	Assistant Vice-President	madhura.nejjur@icraindia.com	022 - 6114 3417
Rahul Agrawal	Senior Economist	rahul.agrawal@icraindia.com	022 – 6114 3425
Aarzo Pahwa	Economist	aarzo.pahwa@icraindia.com	0124 – 4545 835
Tiasha Chakraborty	Senior Associate Economist	tiasha.chakraborty@icraindia.com	0124- 4545 848
Isha Sinha	Associate Economist	isha.sinha@icraindia.com	022 – 6114 3445





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Business Development/Media Contact Details

Name	Designation	Email	Contact Number
L Shivakumar	Chief Business Officer	shivakumar@icraindia.com	022-61693304
Sai Krishna	Head - Research Sales and Investor Connect	sai.krishna1@icraindia.com	9840774883
Rohit Gupta	Head Business Development – Infrastructure Sector	rohitg@icraindia.com	0124-4545340
Vivek Bhalla	Head Business Development – Financial Sector	vivek.bhalla@icraindia.com	022-61693372
Vinita Baid	Head Business Development – East	vinita.baid@icraindia.com	033-65216801
Shivam Bhatia	Head Business Development – Corporate Sector – North & South	shivam.bhatia@icraindia.com	0124-4545803
Sanket Kulkarni	Head Business Development – Corporate Sector – West	sanket.kulkarni@icraindia.com	022-6169 3365
Naznin Prodhani	Head - Group Corporate Communications & Media Relations	communications@icraindia.com	0124-4545860





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