

# Thailand

## General Information

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### ETS Description

Thailand has been considering economic instruments to incentivize GHG emissions reductions for several years. The 2018 “National Reform Plan” mandated the Thai government to begin developing and implementing such instruments, laying the groundwork for the country’s first Climate Change Act. The final draft of the Act is expected to be submitted for cabinet and parliamentary approval in 2025, with enforcement anticipated in 2027. Proposed economic instruments include an ETS, a carbon tax on products, carbon border adjustment on imported products (relevant to the ETS), and a regulated market for carbon credits.

Under the current draft act, the National Committee on Climate Change (NCCC) will develop the “Climate Change Master Plan”, serving as the national framework for climate change mitigation and adaptation. The draft also gives primary supervisory authority to the Department of Climate Change and Environment (DCCE).

The draft act establishes annual MRV of GHG emissions and removals for covered entities. Ministerial regulations will define the activities and gases subject to reporting obligations. The DCCE will manage the GHG reporting system, which will include an electronic platform to standardize reporting criteria and methodologies. This system will underpin the four carbon pricing instruments outlined in the draft act.

The Thailand Greenhouse Gas Management Organization (TGO) will establish industry-specific GHG ceilings and reduction targets aligned with Thailand’s NDC. The proposed ETS will function within this ceiling framework, managed by the DCCEE under the Subcommittee on Supervision of the Trading System (Subcommittee). According to the draft act, covered entities must surrender sufficient allowances annually to meet their compliance obligations under the cap.

The DCCE will develop and periodically update allocation plans every three to five years, incorporating a mechanism for the progressive reduction of allowances in the system. The allocation plans will define the following for each allocation period:

- the scope of covered activities and gases;
- annual caps;
- the maximum number of carbon credits allowed for compliance; and
- allocation methods, including the share of allowances to be auctioned for each sector.

The Subcommittee will revise and approve allocation plans, specifying allowances allocated to each covered entity for each period. The Subcommittee will also issue regulations governing the ETS, including:

- rules for holding and trading allowances;
- limits on banked allowances; and
- eligibility criteria for carbon credits used for compliance.

The DCCE will establish a registry for covered entities and allowances. It will also establish or authorize an operator for a GHG emissions allowance trading center, as regulated by the Subcommittee.

Between February and March 2024, the DCCE conducted a public hearing on the draft act, gathering input from over 1,500 participants. Following revisions based on this feedback, the draft underwent the review by the DCCE Subcommittee and public hearing again in November 2024. The finalized draft is scheduled for cabinet and parliamentary submission by 2025, with the Act expected to take effect

in 2027.

The DCCE will develop subsidiary laws to implement the mechanisms established by the Climate Change Act, such as the ETS, regulations for carbon credit markets and the GHG reporting and verification system.

The TGO initiated the Thailand Voluntary Emissions Trading Scheme (Thailand V-ETS) in 2013 to test MRV systems, cap-setting, allocation procedures, and trading infrastructure for 12 GHG-intensive sectors, allowing entities to use domestic offset credits for partial compliance. Since 2021, TGO has collaborated with the Eastern Economic Corridor Office to pilot an ETS in the Eastern Economic Corridor, focusing on stakeholder engagement, capacity building, and technical support for T-VER project development.

### ETS Status

under consideration

### Jurisdictions

Thailand

## Emissions & Targets

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### Overall GHG Emissions excl. LULUCF (MtCO<sub>2</sub>e)

385.9 MtCO<sub>2</sub>e (2022)

### GHG reduction targets

**By 2030:** Unconditional 30% reduction compared to BAU; 40% reduction compared to BAU conditional on adequate and enhanced support (Updated NDC, 2022)

**By 2050:** Climate neutrality (Updated NDC, 2022)

**By 2065:** Net-zero GHG emissions (Updated NDC, 2022)

## Other Information

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### Institutions involved

**Thailand Greenhouse Gas Management Organization (Public Organization):** Autonomous public agency responsible for developing, implementing, and managing Thailand's climate change mitigation programs and projects.

**Department of Climate Change and Environment (DCCE):** Central government agency in charge of supervising Thailand's missions and operations related to climate change, while also coordinating with public and private agencies on climate change issues.

**National Climate Change Policy Committee:** Proposed interministerial committee in charge of the national mitigation and adaptation policy.

**Subcommittee on Supervision of the Trading System:** Interministerial committee with supervising and normative mandates for the ETS implementation.

### Regulatory Framework

[Thailand's Long-Term Low Greenhouse Gas Emission Development Strategy \(November 2022\)](#)

[Draft Climate Change Act \(March 2024\)](#)

[Report on public hearing of the draft Climate Change Act \(May 2024\)](#)

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