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Thailand's Silver Industry: Record Trade, Structural Challenges, and the Road Ahead

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Foreword: Two Giants of Silver

India and Thailand occupy uniquely complementary positions in the global silver ecosystem. India is the world's second largest physical silver investment market and a powerhouse of domestic silverware and jewelry consumption, while Thailand is the leading exporter of sterling silver jewelry, commanding around 23% of global silver jewelry supply. Together, they have shaped Asian silver trade for decades.

From 2025 into early 2026, the landscape has been transformed by soaring prices, booming investment demand, record breaking trade exhibitions, and a sharp bilateral trade dispute that has tested the foundations of the India–Thailand commercial relationship. This report reviews Thailand's market, investment boom, export dynamics, the FTA dispute with India, and the signal sent by the latest Bangkok Gems & Jewelry Fair.

Part I: Thailand's Silver Market — A Year of Superlatives

The 2025–2026 silver cycle has been one of the most dramatic in recent memory. Silver traded between USD 32–40/oz from May to July 2025 before surging to around USD 50 in October. In early 2026, prices spiked further: in Thailand, silver hit a 10 year high of THB 3,626/oz on 28 January 2026 amid a global squeeze on physical supply and safe haven buying driven by geopolitical risk.

By late February, as the Bangkok Gems and Jewelry Fair opened, prices had corrected to around USD 74/oz—still extraordinarily elevated but off the peak. Over the year to mid March 2026, silver prices rose more than 140%, creating a paradoxical environment: record revenues for exporters, but squeezed volumes and cautious buyers. Structurally, the global picture remains tight. The silver market is expected to be in deficit for a sixth consecutive year in 2026, around 67 million ounces, forcing reliance on above ground inventories and keeping physical markets under pressure.

Part II: Thailand's Investment Silver Boom

One of the most significant shifts has been the rapid rise of domestic investment demand for physical silver. Traditionally, Thai savers overwhelmingly favoured gold, supported by the dense network of gold shops in Bangkok's Yaowarat district. Silver was mainly an industrial input for jewelry manufacturing.

That is now changing. Bangkok's precious metals hub is seeing growing interest in fine silver (99.9%) bars as an investment option. Price shocks around Brexit (2016), Russia's invasion of Ukraine (2022) and the 2025 US tariff reset — which pushed silver to a 13 year high — have gradually pulled more Thai investors into silver as a store of value. Dealers report queues and strong repeat buying, especially among younger, digitally connected investors following global markets in real time.

After surging more than 150% in 2025, silver hovered around USD 73/oz in early 2026, suggesting not just a cyclical rally but a potential repricing of silver as both industrial metal and monetary asset. Globally, physical silver investment is projected to rise about 20% in 2026 to a three year high of roughly 227 million ounces. Thailand is participating meaningfully in this trend, with domestic bar and coin sales at record levels.

Part III: Silver Jewelry Exports — High Value, Pressured Volumes

Thailand's silver jewelry sector posted outstanding headline results. Exports rose 31.6% year on year to USD 2.52 billion in 2025, according to the Gem and Jewelry Institute of Thailand (GIT). However, volumes



shipped to key markets such as the US, Germany, Australia and the UK actually declined. The export value growth was driven primarily by higher prices rather than higher tonnage, with implications for capacity utilisation, employment and long term supply chain planning.

The US accounts for about 29% of Thai silver jewelry exports, creating concentration risk at a time of shifting US tariff and trade policies. The Thai Silver Exporters Association has stressed the need to rebalance this exposure. The Middle East — especially the UAE — has emerged as a top priority growth corridor, while Southeast Asian markets are being cultivated to build more diversified demand.

Part IV: The India Question — FTA Dispute and Its Fallout

The most consequential recent development in Thailand–India silver trade was India's import restriction of September 2025. From 24 September, imports of silver and unmounted jewellery were shifted from the "free" to "restricted" category until 31 March 2026, requiring prior licences from DGFT.

This followed a dramatic surge in duty free imports from Thailand under AITIGA: India brought in USD 219 million of Thai silver jewellery in April–June 2025, up 330% from USD 50.9 million a year earlier, with July alone up 288.5% to USD 142.7 million. The Thai industry concedes that some transshipment abuse occurred, with non Thai silver routed via Thailand, but legitimate manufacturers have absorbed most of the damage. The situation was exacerbated when a 50% combined US tariff on Indian goods in 2025 prompted several Indian jewellery makers to shift production to



Thailand and then export finished goods back to India and the US—legal under rules of origin, but politically sensitive. Thai factories became collateral casualties in a broader policy backlash.

Industry leaders nonetheless see a route forward. Mr Kittisak Udomdangaram, Advisor to the Thai Silver Exporters Association (TSEA), Director at AGJA, Managing Director of Silver Bar Co. Ltd., and shareholder of Moonlight Bullion Refinery Co. Ltd., views the crisis as an opportunity to reset the relationship on a more transparent footing. He argues for stronger proof of genuine Thai manufacture, tighter traceability and responsible sourcing standards, and structured dialogue through regional bodies to restore confidence in Indian regulators' and buyers' eyes. He also highlights a wider strategic opening: as Indian manufacturers diversify production in response to US tariffs, Thailand's free trade architecture, artisan base and regulatory familiarity make it a natural manufacturing hub—provided the trade framework is stabilised. Resolving the AITIGA silver dispute is therefore a prerequisite for a deeper, more durable India–Thailand partnership in precious metals.

Part V: The 73rd Bangkok Gems & Jewelry Fair — India at the Centre

The 73rd Bangkok Gems & Jewelry Fair (BGJF), held from 22–26 February 2026 at QSNCC, underscored Thailand's enduring centrality to the global trade. Opened by Her Royal Highness Princess Sirivannavari Nariratana Rajakanya and organised by DITP and GIT, the fair spanned over 53,000 square metres, hosting 1,222 companies from 19 countries across 2,794 booths, including more than 200 in the International Zone.

Total trade exceeded 4.75 billion baht—its highest level ever and well above the 3.5 billion baht target—despite extreme precious metal price volatility. International visitors accounted for 61% of attendance from 118 countries, reinforcing Bangkok's status as Asia's premier gems and jewellery trading platform.

For the India Silver Conference, one fact is especially telling: India was the single largest visitor nation, ahead of Myanmar, China, Japan and Sri Lanka. Indian buyers drove strong demand in coloured stones, silver and fine jewellery, diamonds and machinery. Their robust presence, even amid India's restriction

on Thai silver jewellery imports, signals deep, underlying confidence in Bangkok as a sourcing hub. Many travelled specifically to explore workarounds—bespoke manufacturing contracts, enhanced origin certification, and a greater focus on categories not affected by DGFT rules—indicating that, while the policy environment is challenging, commercial appetite for Thailand–India collaboration in silver remains very much intact.



Conclusion: Two Nations, One Opportunity

The India–Thailand silver relationship is under strain, but its fundamentals remain compelling. Thailand offers manufacturing scale, artisanal excellence, ASEAN linked supply chains and a neutral, respected trading platform in the Bangkok Gems fair. India offers the world's most dynamic consumer market for silver jewelry and silverware, along with fast growing investment demand.

Industry bridge builders like Mr Kittisak Udomdangaram will be crucial in turning current friction into a more transparent, resilient framework. For delegates at the India Silver Conference, the message from Bangkok is clear: despite a turbulent year, Thailand remains Asia's foremost silver partner — and it is ready to build a more durable, mutually beneficial future with India.

