

Investing in Thailand



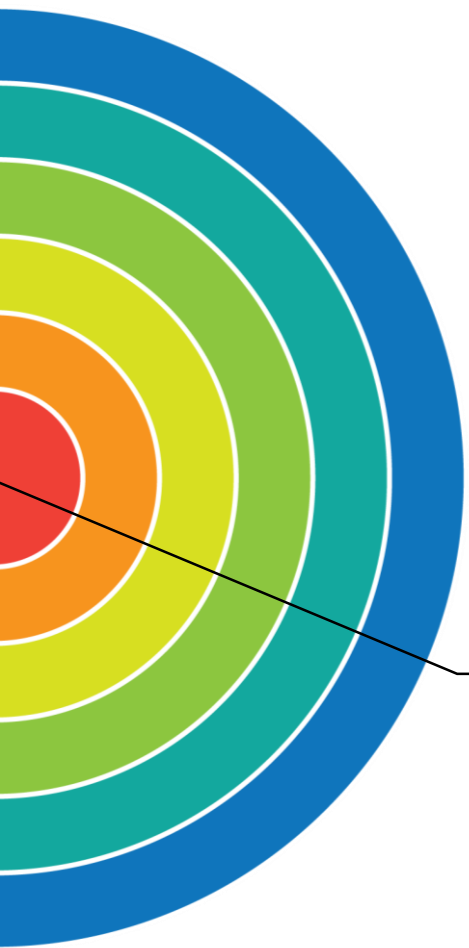
Duangjai Asawachintachit

Secretary General

Thailand Board of Investment

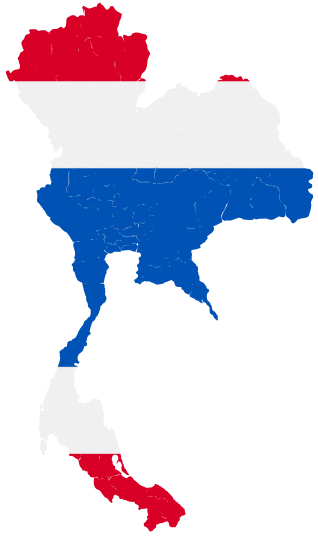
1st April 2019

**Asia & Africa Italian Chamber
of Commerce Summit**

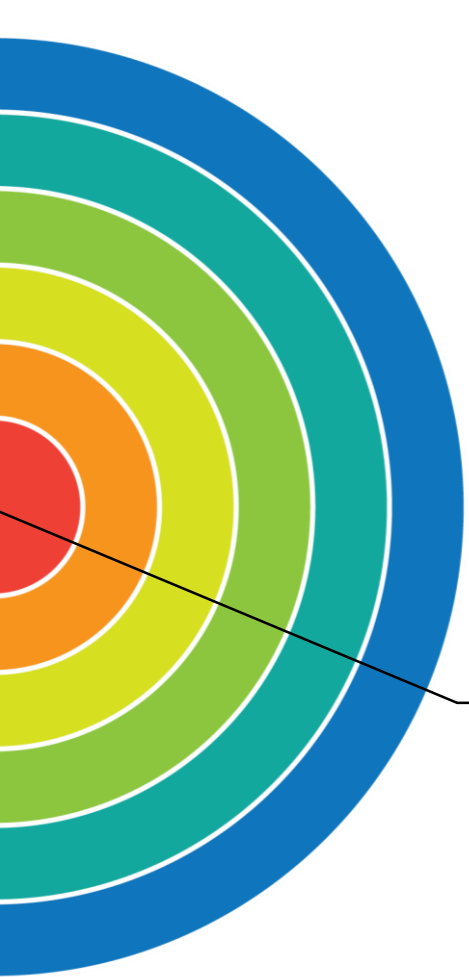


Thailand at a Glance

Thailand's Economic Overview and Outlook for 2019



(% YOY)	2017	2018	Projection 2019
GDP	4.0	4.1	3.5-4.5
Investment	1.8	3.8	5.1
Private	2.9	3.9	4.7
Public	-1.2	3.3	6.2
Export of goods	9.8	7.7	4.1
Volume	6.0	4.2	3.1
Import of goods	13.2	14.3	6.1
Volume	7.2	8.2	4.6
Current Account to GDP	11.0	7.4	6.2
Inflation	0.7	1.1	0.5-1.5



Why Thailand?

Thailand: the Crossroads of ASEAN



Strategic Location Gateway to ASEAN

“We are surrounded by the world’s economic powerhouses”



ASEAN Economic Community

643 million population
(11% of world population)



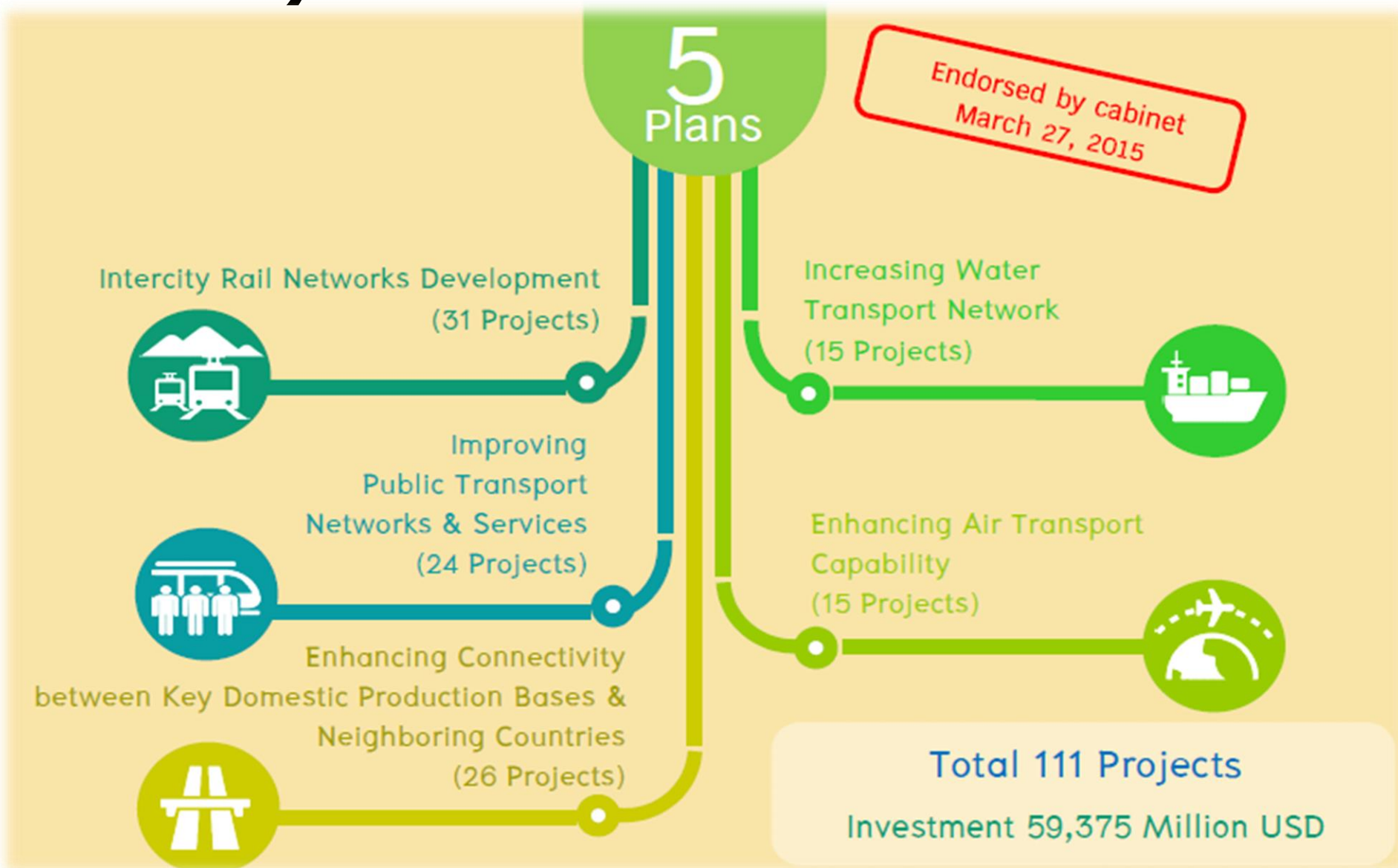
Regional Comprehensive Economic Partnership *(RCEP)

ASEAN+6



3.5 billion population
(55% of world population)

Thailand's Infrastructure Development Strategy (2015-2022)



Source: Ministry of Transport

Thailand's Infrastructure Development Strategy (2015-2022)



High Speed Rail: Bangkok-Ra Yong
 Linking 3 International Airport
 Don Muang – Suvarnabhumi - U Ta Pao
 Accommodate 100,000 passenger/day

Laem Chabang Deep Sea Port
 To accommodate 18 M. TEU/year
 To accommodate 3 M. exported car units/year
 To rank world's no. 10 port

Map Ta Phut Port
 To serve 10,285.7 US M. investment in petrochemical over the next 5 years

Sattahip Port
 To accommodate 3 M. investors & tourists/ year
 Add economic value of 131.4 US M./year



Double Track Railway
 Chachoengsao-Khlong 19-Kaeng Khoi
 Connecting industrial area & ports

Motorway No. 7 Bangkok – Ban Chang: Pattaya – Mab Ta Phut (32 km)
 To support related industries between Laem Chabang – Map Ta Phut & U-Tapao International Airport

Motorway No. 61
 Laem Chabang – Nakhon Ratchasima 288 km

Motorway No. 72
 Chonburi-Trad 216 km

U-Ta Pao International Airport
 Accommodate more than 3 mil passenger/yr
 Aerotropolis on area 575 Rai
 Maintenance Repair & Overhaul Centre (MRO)

Digital Infrastructure : Submarine Cable



Increase border capacity
2,300 GB



Expand existing capacity
1,770 GB



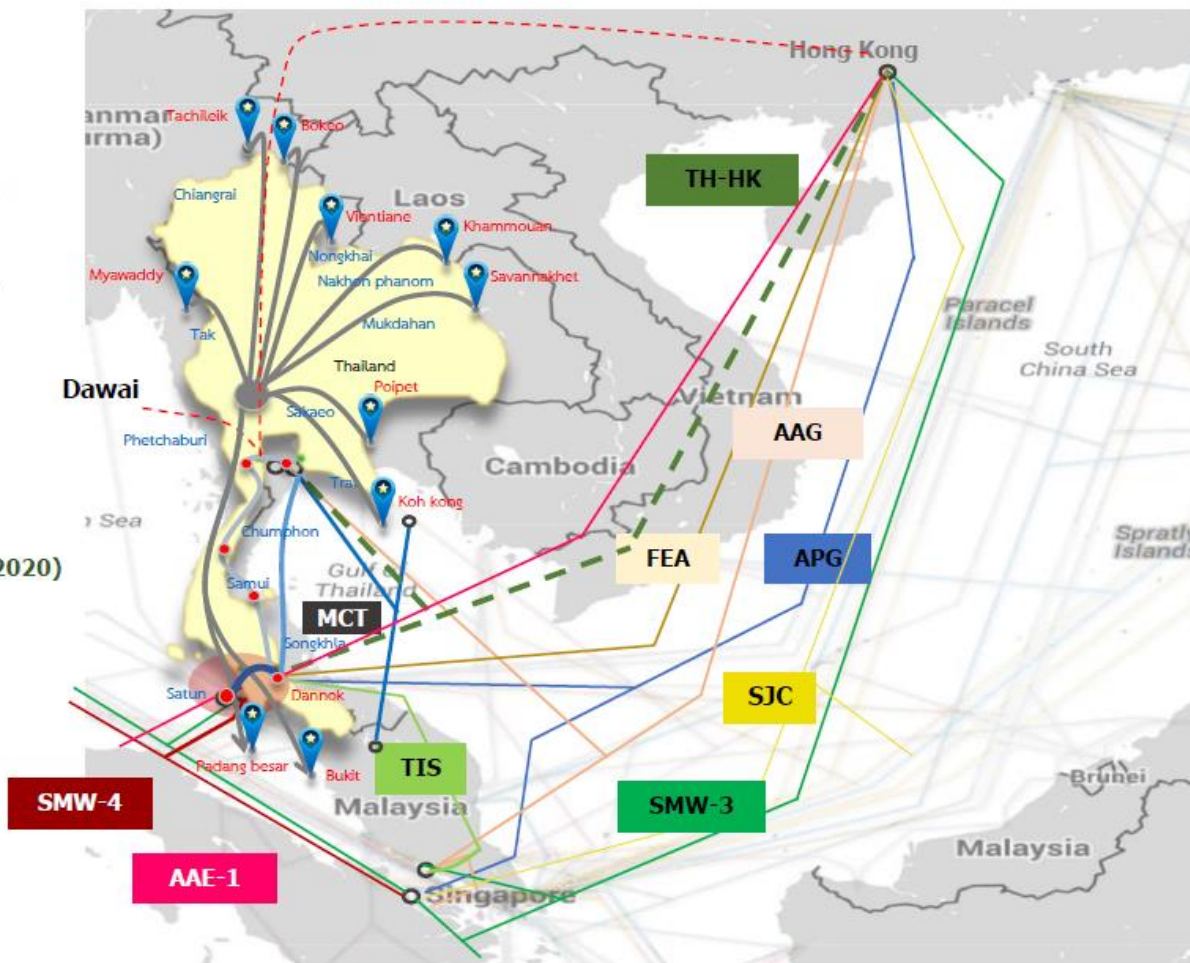
Build new route
TH - HK

NGDC's Existing Submarines

- 1 FEA
- 2 SeaMeWe-3
- 3 TIS
- 4 SeaMeWe-4
- 5 AAG
- 6 SJC^{1/}
- 7 APG
- 8 AAE-1
- 9 TH-HK (by 2020)

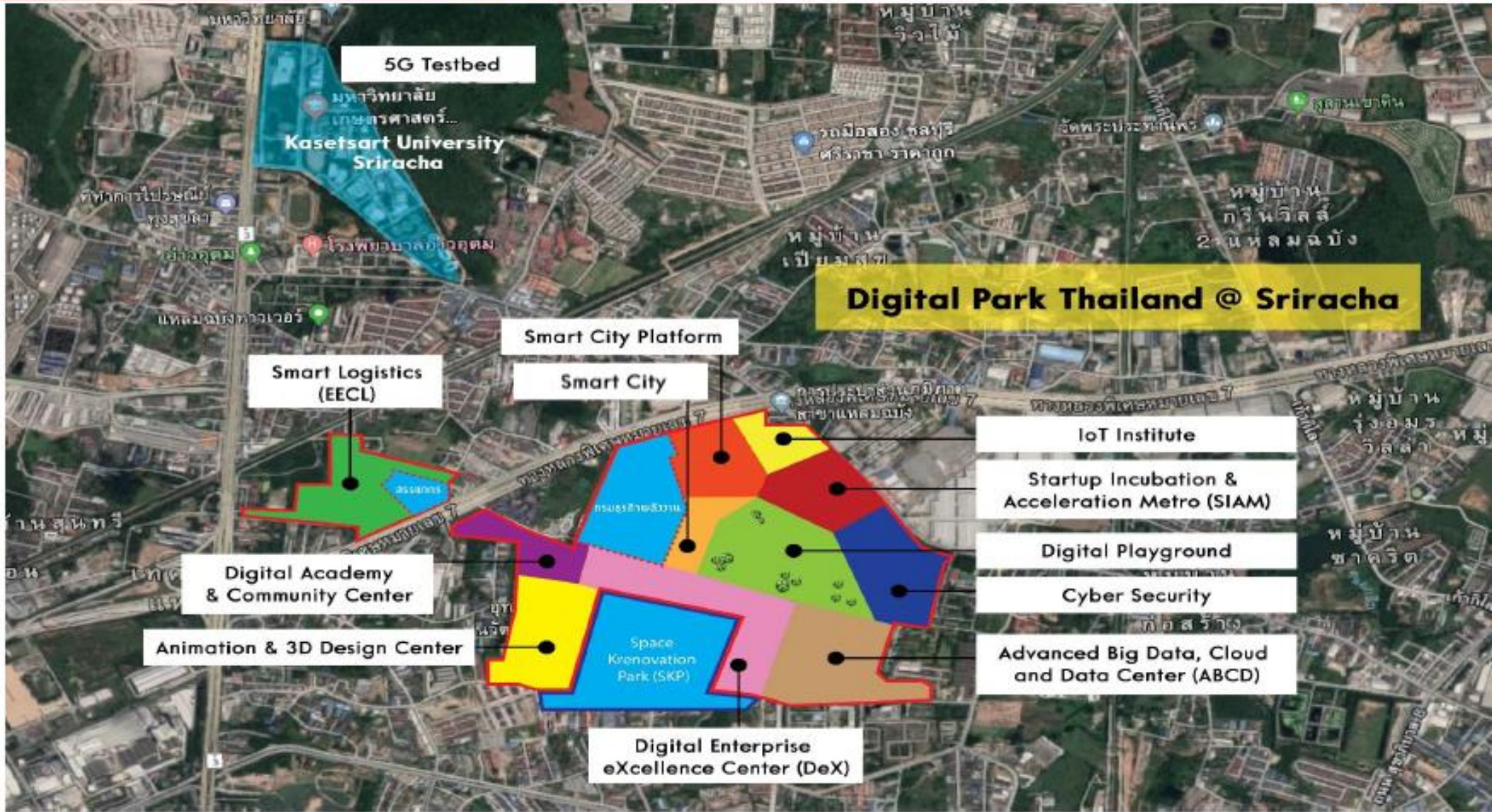
Private Sector's Submarine

- 1 MCT



Country	Systems	Stations
Cambodia	2	1
Laos	0	0
Myanmar	3	2
Viet Nam	5	2
Thailand	9*	4
Malaysia	12	6
Singapore	14	5
Brunei	3	2
Philippines	8	7
Indonesia	5	5

EECd : Digital Park Thailand @ Sriracha (328 Acres)



Eastern Economic Corridor of Innovation (EECi)

EECi is the Science/Innovation Zone that generate an “innovation ecosystem”, supporting innovative R&D and involving the government, private-sector organizations, universities and local communities.

Location

1. ARIPOLIS & BIOPOLIS
@Wangchan Valley, Rayong



Phase 1: 350 Rai

2. SPACE KRENOVAPOLIS
@ Si Racha, Chonburi

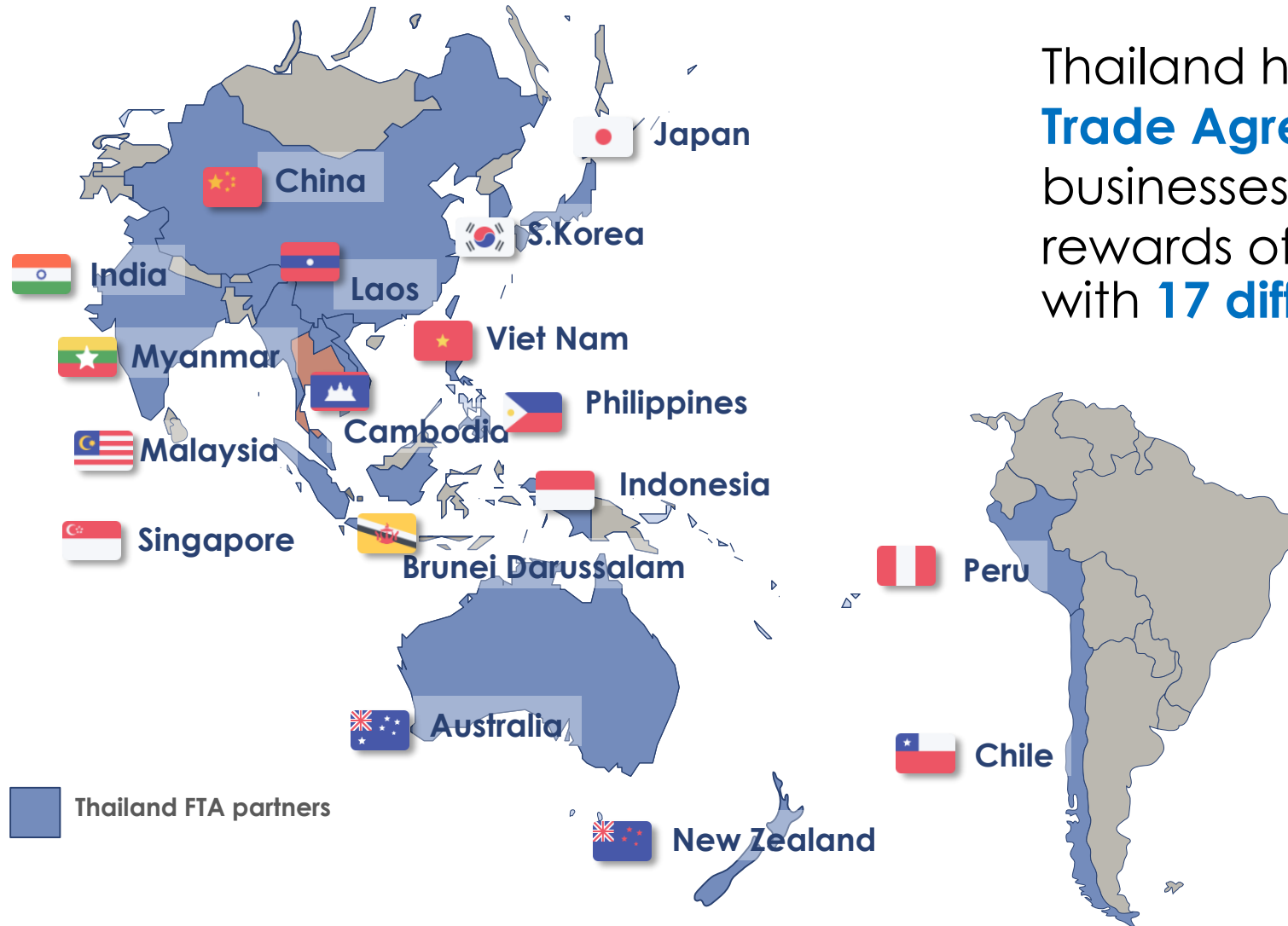


EECi Network



- 63 Members: 23 universities, 21 private-sectors organizations, 11 government agencies and 6 international research institutes.
- Signing MOU with PTT Plc on 15 December 2017 to strengthen the development of PTT’s Wang Chan Valley in Rayong and EECi

Thailand's FTA Network



Thailand has implemented **12 Free Trade Agreements (FTAs)**, enabling businesses in Thailand to earn the rewards of almost tariff-free trade with **17 different nations**.

Thailand's Competitiveness

The Global Competitiveness Index 4.0 2018 Rankings



40th  **38th**
2017 2018



WORLD BANK GROUP

Doing Business in Thailand

3rd in ASEAN

Score: 77.39  **78.45**
2018 2019

Low Cost of Living



Low Corporate Income Tax



Low Cost Office Space



Low Cost Office Space



TAX



Well-Equipped Industrial Estates

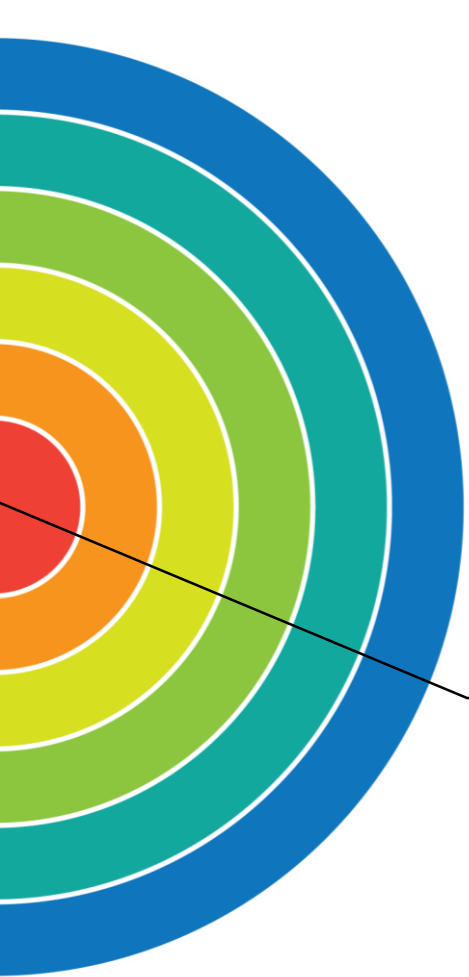


Well-developed Infrastructure



Well-developed Infrastructure





BOI Investment Incentive Schemes

BOI's Incentives to Investors



100% Foreign Ownership



Attractive Investment Tax Incentives

- Corporate income tax exemption (up to 13 years)
- Exemption of import duties on machinery
- Exemption of import duties on raw materials used in the manufacture of exports
- Exemption of import duties on materials used for R&D purposes



Investment-Related Services

Investment Promotion Measures

Competitiveness Enhancement

Technology and Innovation

- Priority Industry and Services
- Research and Development
- Thailand Investment Year

Potential Area Development

- Eastern Economic Corridor (EEC)

Capital Market Development

- SET/MAI Listing Incentives



Human Capital

- Domestic HR Development
- Attracting Foreign Talents (smart visa)

Productivity Enhancement & Environment Protection

- Automation
- Digitalization
- Renewable energy/energy savings
- Alleviation of environmental impacts
- R&D & engineering design

Decentralization/ Inequality Reduction

- Special Economic Development Zones (SEZs)
- Border Provinces in Southern Thailand
- 20 Provinces with lowest per capita income
- SMEs Incentives
- Grassroots Economy Development



Activity-based / Technology-based Incentives

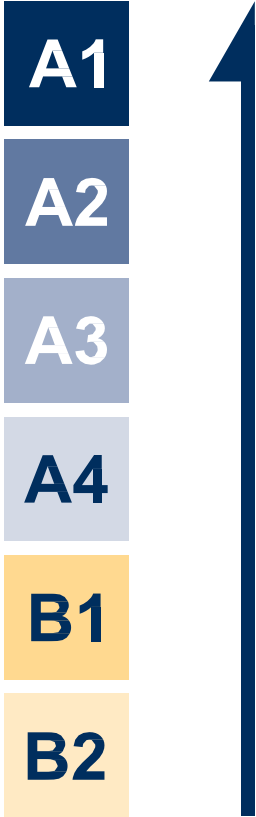
Incentives are largely based on several key factors
i.e. level of technology, role in supply chain

8 YEARS

Activity-based

Targeted Core Technologies

INCENTIVES



Bio-based & Medical



Advanced Industries



Basic & Supporting



High Value Services

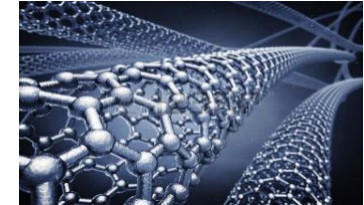


Creative & Digital

CIT Exemption for 10 years



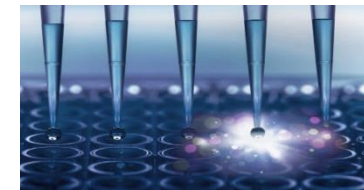
Biotech



Nanotech



Digital



Advanced Material Technology

Competitiveness Enhancement Incentives

Additional 1-3 years of tax holidays can be granted if expenditures/investments in the following categories reach the minimum threshold.



Research & Development



Donations to technology and human resource development funds, educational institutions, training centers, R&D institutes or governmental agencies in the S&T field



IP acquisition/licensing fees for technology developed in Thailand



Advanced technology training



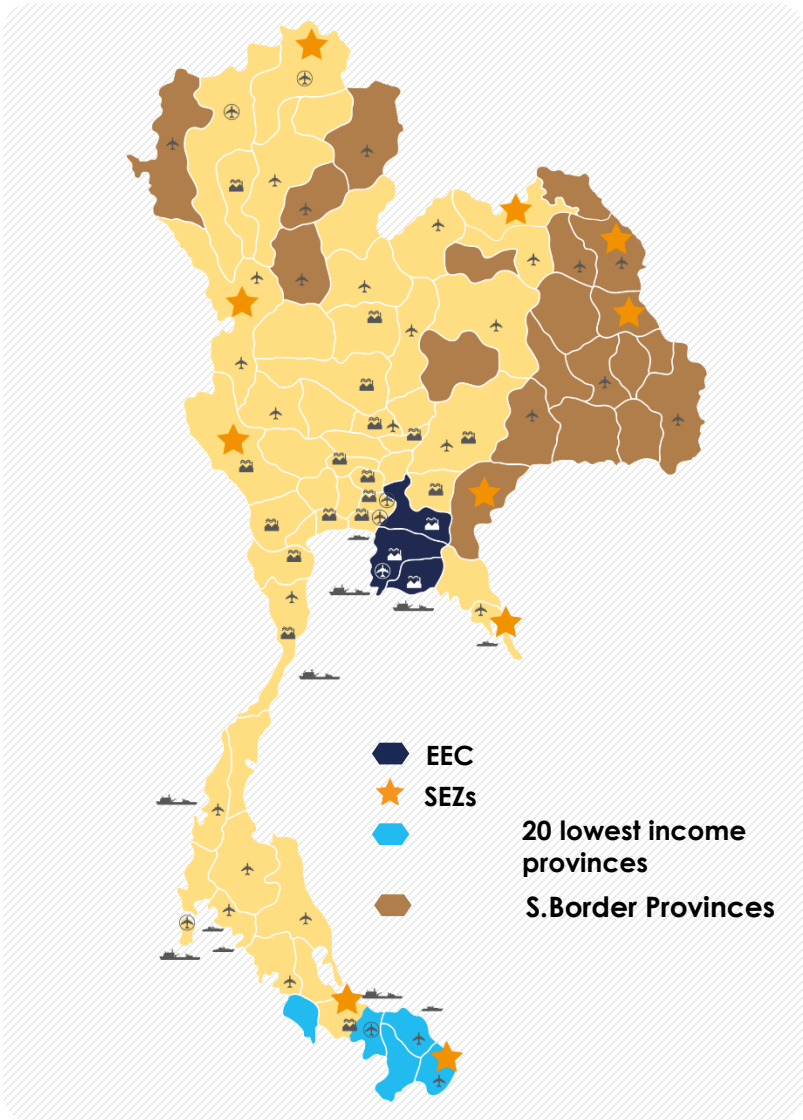
Development of local suppliers



Product & packaging design

Area-based Incentives

Additional Incentives for the Targeted Areas



Eastern Economic Corridor (EEC)
Chachoengsao, Chonburi and Rayong

Special Economic Development Zones (SEZs)
Tak, Sa kaew, Trat, Mukdahan, Songklah, Nongkhai, Narathiwat, Chiang Rai, Nakhon Panom, Kanjanaburi (10 provinces, 23 districts, 90 sub-districts)

20 Provinces with lowest per capita income
Kalasin, Chaiyaphum, Nakhon Phanom, Nan, Bueng Kan, Buri Ram, Phrae, Maha Sarakham, Mukdahan, Mae Hong Son, Yasothon, Roi Et, Si Sa Ket, Sakhon Nakhon, Sa Kaew, Sukhothai, Surin, Nong Bua Lamphu, Ubon Ratchatani and Amnatcharoen)

Border Provinces in Southern Thailand
Narathiwat, Pattani, Yala and Satun and 4 districts (Jana, Na Thawee, Saba Yoi, Dhepha) in Songkhla

BOI Support Measures for the Eastern Economic Corridor - EEC (Chonburi, Rayong and Chachoengsao)

- ✓ Eligible activities (Activities entitled to 5 to 8 years of CIT exemption)
- ✓ Located in the designated areas
 1. Promoted Zones for Specific Industries; Eastern Economic Corridor of Innovation: **EECi***, Digital Park Thailand: **EECd**, EEC Aerotropolis: **EEC-A**
 2. Promoted Zones for Targeted Industries (announced by EEC) 21 designated industrial estates with focus on targeted S-curve industries
 3. Other Industrial Estates + Industrial Parks in the EEC
- ✓ Must have cooperation with educational institutions to develop human resource
- ✓ Applications must be submitted by **the end of 2019**



* Projects are allowed to be temporarily located in the **designated science parks** (Bangkok, Chiang Mai, Khon Kaen and SongKhla) **and must be relocated to the EECi by 30 December 2023**

BOI Special Package for EEC (CIT)

	Basic Package	EEC Package
EECi, Eecd EEC Aerotropolis	Industries of Focus 10 years 8 years 5 years <hr/> Other Targeted Industries 10 years 5-8 years	13 years 12 years 7 years + 50% (5 years) <hr/> 11 years Basic + 50% (3 years)
Promoted Zones for Targeted Industries	Industries of Focus 10 years 5-8 years <hr/> Other Targeted Industries 10 years 5-8 years	12 years Basic + 50% (5 years) <hr/> 11 years Basic + 50% (3 years)
Other Industrial Estates/ Industrial Parks in EEC	All Target Industries 10 years 5-8 years	11 years Basic + 50% (3 years)

Examples of Cooperation with Educational Institutions

WiL

Work-integrated Learning

“Schools in Factories” Model (STI Office,
Ministry of Science and Technology)

CE

Cooperative Education Program

University-Level
Apprenticeship Programs

DVT

Dual Vocational Training Program

Vocational College-Level
Apprenticeship Programs

SVT



Special Vocational Training Program in EEC



Productivity Enhancement Measure



Replace or upgrade machinery for energy conservation, alternative energy utilization, reduction of environmental impacts



Replace or upgrade machinery for efficiency enhancement, e.g. Automation, Digitalization

Applications must be submitted by

30 December 2020

Invest or spend in R&D / advanced engineering designs



Upgrade production line to acquire international agricultural industrial standard



Incentives: 3-year CIT exemption on the revenue of an existing project with the total tax exemption amount capped at 50% of investment in productivity enhancement (In case of investment in automation, the cap will be raised to 100% if minimum 30% local industrial linkages are reached.)

Thailand Investment Year Package

NEW

Objectives

To stimulate investments targeted industries that will drive economic transformation

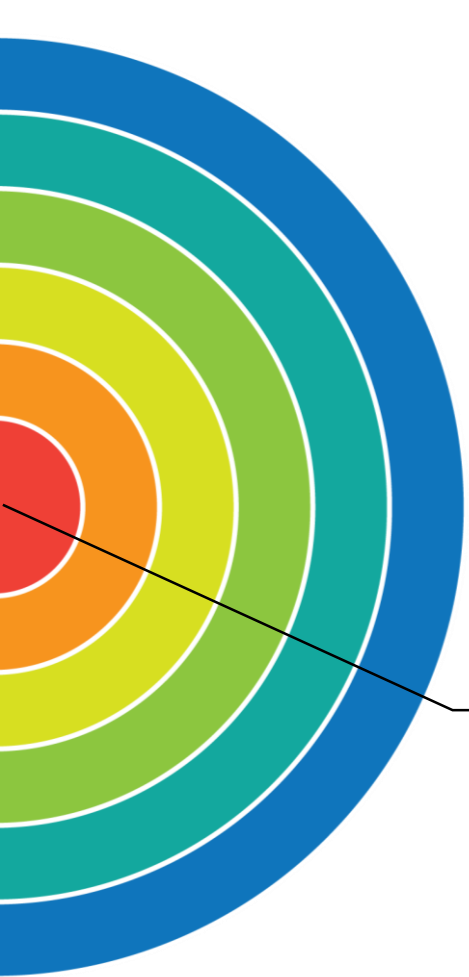
Additional Incentives

CIT reduction

50%
3 years

Criteria

- Total investment value (excluding land and working capital) **≥ 1 Billion THB**
- Activities in categories entitled to **5 to 8 years of CIT exemption (Group A1-A3)**
- Located **outside Bangkok**
- No extension** of project implementation deadlines (from acceptance of promoted status to operation startup)
- Application submitted during **19 November 2018 – 30 December 2019**



Investment Facilitation

The SMART Visa

The **SMART Visa** is a type of visa designed to attract highly skilled manpower and investors to help accelerate the development of the country's targeted industries.

Visa holders will be granted **exemptions from the work permit requirement** and **entitled to additional privileges**.

**Launched since
Feb.1, 2018**



Affluent, Medical & Wellness Tourism



Agriculture & Biotechnology



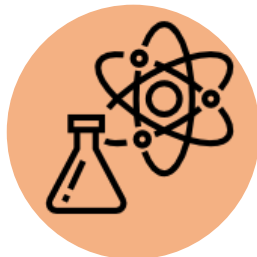
Food for the Future



Automation & Robotics



Aviation & Logistics



Biofuels & Biochemicals



Digital



Medical Hub



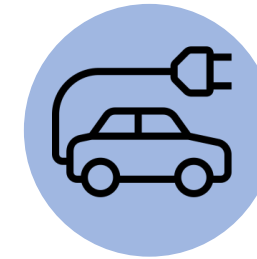
Alternative Dispute Resolution



Human Resource Development in Science & Technology



Environmental Management & Renewable Energy



Next-Generation Automotive



Smart Electronics

SMART Visa



SMART "T"
Talents



SMART "I"
Investors



SMART "O"
Spouse and Children



SMART "S"
Startups



SMART "E"
Executives

Privileges for SMART Visa



Maximum 4 years
Visa *Except Smart S



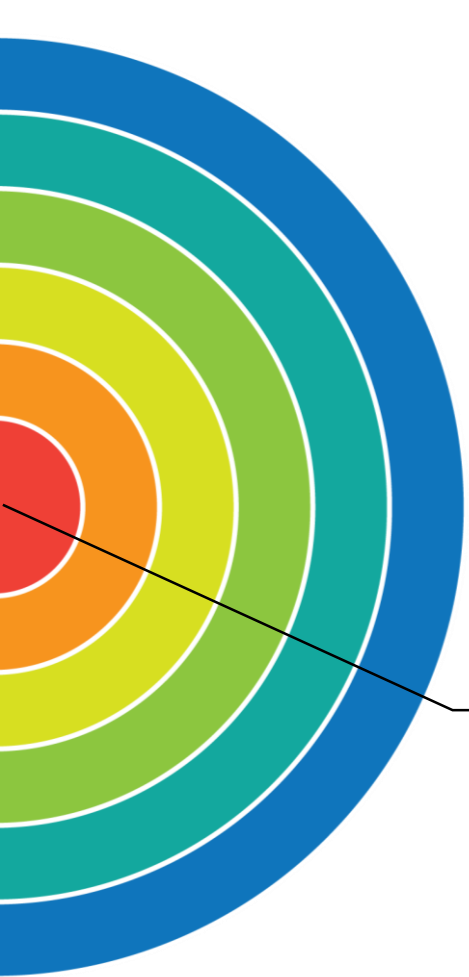
Permission to
work with no
work permits
required



No re-entry
and work permit
required



Fast Track Service



Sectors of Opportunities

Sectors of Opportunities

Aerospace & Logistics: Aerospace Parts, MRO, Training Institute



Next-Generation Automotive: EV and EV Parts

Smart Electronics: Hi-tech Parts & Components, Electronic Design, Smart Electronic Systems for Household Digital Economy



Automation & Robotics: Machinery, Industrial Robots

Agriculture and Biotechnology/Food for the Future



Medical Hub: Medicine, Medical Devices, Medical Services



www.boi.go.th

- Thank you -