



INVESTMENT SERVICES CENTER
THE BOARD OF INVESTMENT
OFFICE OF THE PRIME MINISTER

555 Vibhavadi-Rangsit Road, Chatuchak 10900 Tel. 0 2553- 8111, Fax: 0 2553-8222

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**Long-term economic potential drives Thailand ranking up
in global FDI Confidence Index**

Thailand's ranking in the A.T. Kearney Foreign Direct Investment (FDI) Confidence Index 2017 has been improved to 19th ranking thanks to the country's long-term economic potential and committed support from the Thai government, including attractive investment promotion incentives and tools.

China ranked 3rd in the index while Japan ranked 6th and Singapore ranked 10th.

The Index indicated that investor confidence in Thailand is growing as 21% as the respondents in this year's survey said they were optimistic about Thailand's economic outlook over the next three years. This is contributed mainly to the country's commitment to provide pleasant environment for investors, especially in terms of regulatory improvement, political and economic stability and investment promotion.

Respondents also cited the Board of Investment's detailed plans to provide tax and non-tax incentives as major factors convincing them of long-term confidence in the country. Not to mention the government's clear economic and social development plan aiming at increasing national competitiveness.

Mrs. Hirunya Suchinai, Secretary General of the Board of Investment (BOI), said: "The improved ranking shows that investors' confidence in Thailand is increasing. We see this trend growing steadily considering increasing FDI applications."

FDI applications to Thailand in 2016 grew by 69% in both number of projects and in dollar terms compared to that in 2015. Most of the investment went to software industry, one of the target industries under the Thai government's goal to move the country towards digital economy. Meanwhile, significant investment has also been injected into automotive and parts industry, which is one of Thailand's core strengths.

In addition to the government's many public infrastructure projects investment that significantly improve investors' confidence, BOI has introduced various measures to enable investors to make decision easier.

Among others are promotional incentives for R&D, people development and technology and innovation sectors. Maximum incentives plus additional 1-3 year tax holiday are given to those investing in such areas. Meanwhile, the government has put more emphasis on people development by encouraging partnership and cooperation among Thai organizations, both in the government and private sectors, and foreign investors to support people development through trainings, as well as apprenticeship, technology and knowledge transfer.

Thailand Board of Investment also set up a one-stop service center to facilitate visa and work permit application that promotes the inflow of foreign skilled workers and experts.

In early 2017, two important acts were enforced. The amended Investment Promotion Act allows BOI to provide new incentives, such as an extension of corporate income tax from currently up to 8 years to 13 years, an extension of 50% tax reduction for up to 10 years and import duty exemption on goods imported for R&D purpose.

The Competitive Enhancement Act, meanwhile, provides financial support and corporate income tax exemption for up to 15 years and granted capital for projects that meet the specific criteria of investment promotion.

"The Index reflects the fact that BOI is on the right track. Our measures and incentives, which are developed based on investors' insight, have strong weight in their decision making process," said Hirunya.

For more information, please contact thailandinvestmentyear@gmail.com or visit www.boi.go.th