



BOI's Investment Incentives for Modern Agriculture and Food Industry

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Deputy Secretary General
Office of the Board of Investment

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10 Factors to Impact Economic Planning and Investment in the Next 5 Years



1. Decarbonization : ESG, Environmental Standards
2. Geopolitical Conflict
3. Supply Chain Disruption
4. Technology Disruption
5. OECD Tax Rules : Global minimum tax

6. Economic Growth and Middle-Income Trap
7. Economic Inequality
8. Aging Society
9. Availability of Human Resource
10. Technology and Innovation Capabilities

Factors to Influence Decisions on Investment Locations in the Future



Decision Factors for Investment Location Selection

- ✓ Market Opportunities
- ✓ Infrastructure and Logistics
- ✓ Readiness of Human Resource
- ✓ Regulation supports
- ✓ Supporting Industrial Base
- ✓ Optimal Cost
- ✓ Government Incentives





Thailand's Competitive Strength in Attracting Foreign Direct Investment



- Excellent infrastructure (electricity, water supply, roads, telecommunications, ports, airports, and industrial estates), especially in the EEC area
- Readiness of the supporting industries
- Overall high quality of workforce
- Creativity & Hospitality
- Competitive incentives
- Good relationship with all countries
- Competence in providing renewable energy to the business
- Outstanding resilience in crisis management (as in the case of COVID-19 management, resulting in industrial sector's overall uninterrupted operations).

Agenda



01 BOI Investment Promotion
under Previous Strategy













02 BOI's Next Move

03 Sector of Opportunities:
Modern Agri and Food

04 BOI Supporting Services

Investment Promotion in Targeted Industry

From 2015 - Sept 2022, the applications for investment promotion reached **12,626 projects** and contributed to **USD 146.6 Billion** in investment. Out of the total amount, investment in targeted industries reached **USD 51,591 Billion**.

Existing Industries		New Industries		
	Automobile and Parts	USD 13,245.96 M.	 Medical Industry	USD 3,904.62 M.
	Petrochemicals/Chemicals	USD 13,113.53 M.	 Biotechnology	USD 2,047.56 M.
	Electrical/Electronics	USD 12,735.60 M.	 Digital Industry	USD 1,963.01 M.
	Agriculture and Food	USD 9,229.28 M.	 Aviation	USD 455.35 M.
	Tourism	USD 4,352.84 M.	 Automation / Robotics	USD 175.21 M.
			 Education	USD 78.44 M.
			 Defense Industry	USD 25.47 M.

Other industries : electricity and water production, logistics and transportation, Industrial estate development, and IBC, with a total investment value of **USD 50,572.60 M.**

Note: Exchange Rate from Bank of Thailand as of May 17, 2023 (1 USD = 34.3384 THB)

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Sector of Opportunities:
Modern Agri and Food

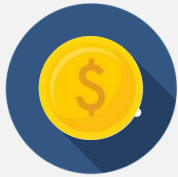
04

BOI Supporting Services

BOI's Role: To Drive the Investment to the New Economy

About BOI

BOI is a government agency under the Office of the Prime Minister



Promoter

drives and promotes investment in private sector in alignment with the country's development strategy & the changing world context



Integrator

integrates Government support tools such as tax, finance, and non-tax incentives in a whole package



Facilitator

coordinates with agencies to develop the ecosystem & facilitate ease of investment & eliminates problems/ obstacles



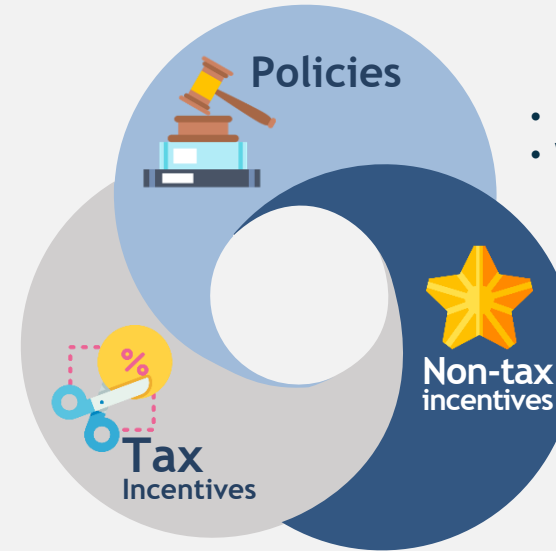
Connector

links large-scale with small-scale enterprises, Thais with foreigners, across industries & locations to expand business opportunities

Overseas Offices



BOI's Investment Promotion Measures



- Land ownership
- Work permit & visa facilitation
- 100% foreign ownership
- No local content requirements

- No export requirements
- No restrictions on foreign currencies

- Corporate income tax exemption up to 13 years
- 50% Corporate income tax reduction for 5 years
- Exemption of import duties on machinery
- Exemption of import duties on raw or essential materials imported for exports
- Exemption of import duties on goods imported for R&D
- Double deduction for the cost of transportation, electricity and water
- 25% deduction for the cost of installation or construction of facilities

New BOI Strategies

01

Restructure Industries and Strengthen Supply Chains

02

Accelerate Industrial transformation to Smart and Sustainable industries

03

Promote Thailand as an International Business Hub and the Regional Gateway for Trade and Investment

04

Enhance the competitiveness of SME and Startups and connect to global markets

05

Promote Investment Based on the Potential of Each Area to Generate Inclusive Growth

06

Encourage businesses to invest in community development programs

07

Promote Thai overseas Investment to Expand Business Opportunities

9 Measures for Investment Promotion under the New Strategies

(Effective on January 3, 2023 onwards)

1. Investment Promotion measures for Targeted Industries
2. Competitive Enhancement Measure
3. Retention & Expansion Program
4. Relocation Program
5. Investment Stimulation Measures for Economic Recovery
6. Smart & Sustainable Industry Upgrade Programs
7. Investment Promotion Measures for SMEs
8. Area-based Promotion Measures
9. Social and Local Development Investment Programs



Restructure the industries by upgrading the “Conventional Industries in which Thailand excels”, Developing new industries in which Thailand has potential, and strengthening the supply chains

Upgrade Conventional Industries



Build New Industries

- **Agriculture** → Smart Farming / Plant Factory
- **Food** → High value Food such as Alternative Protein
- **Tourism** → Affluent, Long-term, Medical/Wellness
- **Automobile** → Electric Vehicles (EV)
- **Electronics** → Upstream & Smart Electronics
- **Petrochemicals/Chemicals** → Bio-based, Specialty, CCUS
- **Energy** → Renewable Energy, Hydrogen
- **Textiles and Fashion** → Functional Textile, ODM/OBM

- Healthcare & Medical Industry
- Digital Industry
- Automation and Robotics Industry
- Aerospace Industry
- Defense Industry
- Creative & Soft Power Industry



Priority Industries
for the Next 3 Years

- **BCG (Including Food and Agriculture)**
- **EV**
- **Smart Electronics**
- **Digital Industry**
- **Creative Industry**

Core Tech



New Eligible Investment Promotion Activities

New Eligible Investment Promotion Activities

EV Related Activities



such as manufacture of Fuel Cell Electric Vehicles (FCEV), manufacture of parts and components for the fuel cell system, battery swapping station services.

Activities Related to New Energies



such as hydrogen production from water using circular renewable energy, including related products such as green ammonia, production of hydrogen from hydrocarbon or fossil fuels, and hydrogen-based electricity/steam generation.

Activities related to future foods



such as manufacture of novel food, organic food and food with health claims.

Aerospace-related activities:



such as manufacture of maintenance equipment and ground support equipment, manufacture of mechanical or electronic parts for satellites, design and development of systems for satellites and ground stations and launching or launching control system

Effective from January 3, 2023 onwards

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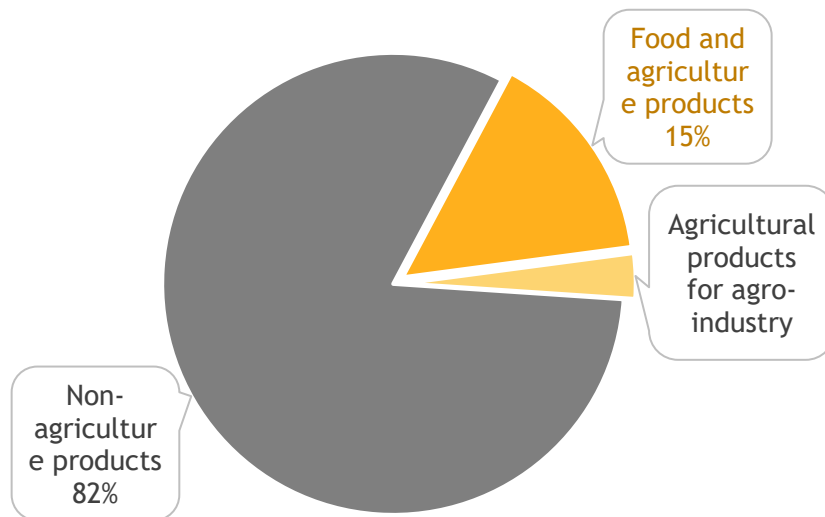
Food and agricultural products are major share of Thailand's Export

Food and Agriculture Products Export Value

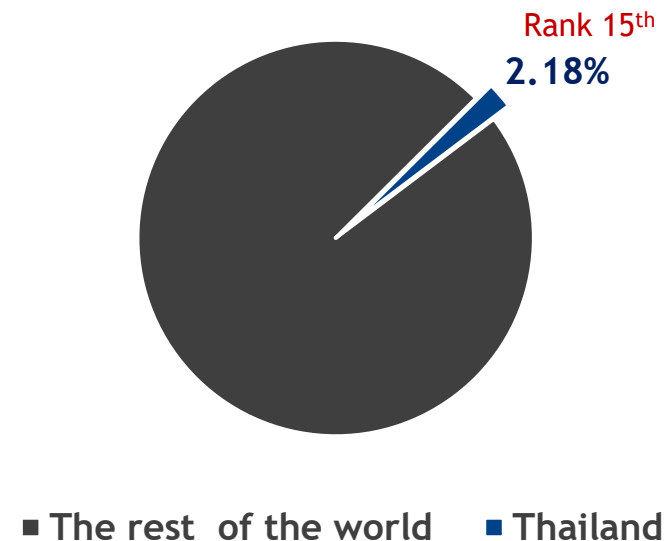
Unit: USD Billion



Proportion of Food and agriculture product export in 2022



World's Market Share for Food Export in 2022



Thailand is accounting for 2.18% of total world food export and being ranked 15th by value

Agriculture Sector Challenges and Technological Potential Solutions: Labor Shortage

Labor in agriculture sector are reducing and facing shortage

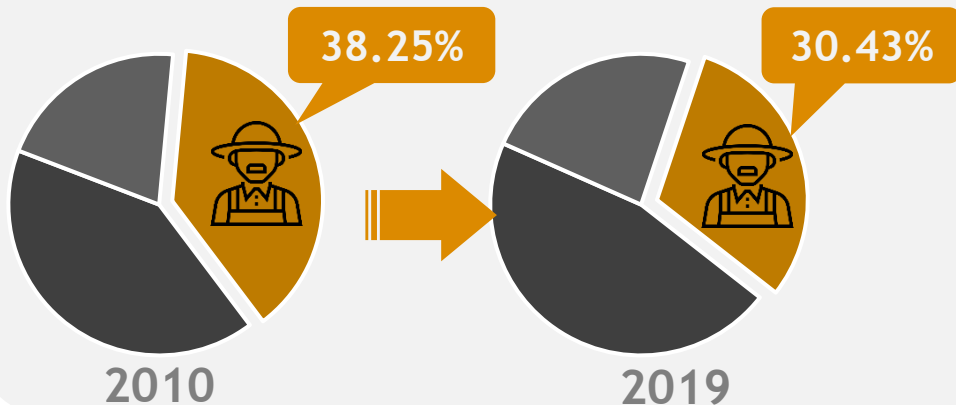
1. Elderly to population ratio rise which indicate the labor reduction

13% in 2010



Predicted:
27.02% in 2030

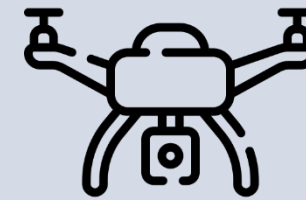
2. Reduction in agriculture sector labor proportion.



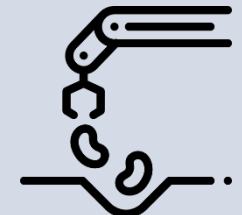
Advanced Technology can mitigate this pain point by substituting human labor



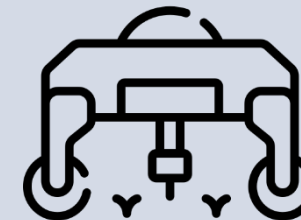
Crop Scientist



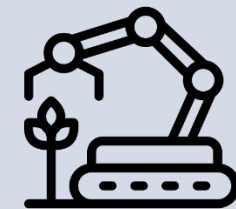
Drone



Crop Seeding Robot



Weeding Robot



Harvesting Assistance

Agriculture Sector Challenges and Technological Potential Solutions: Need Production Planning and Management

Thailand has room for improvement in agriculture product planning and management

Thailand is on par with among Asia-Pacific countries for agricultural production efficiency with 1.5% TFP.

1. High cost of production



2. Low to medium farm activities productivity

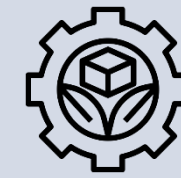


To address this issue, innovative solutions, such as Enterprise Resource Planning (ERP), can be utilized to achieve higher efficiency, profitability, and complete traceability



Input

Geographical
Integration
System



Processing

Legacy System
& Smart
Devices



Market

E-market, IoT,
MIS Report,
Payment
Gateway

Opportunity: **Advanced Technology, Management System, Digital Technology** can be leveraged to improve the agriculture supply chain in Thailand



Input



Production



Processing



Distributor



Markets



Consumer

Cloud Data Base

Agricultural data base management

Automatic watering system

Smart Farming, Environmental monitoring system

Unmanned Aerial Vehicle (UAV)

Smart-Warehouse system

Product processing by advance technology

GPS system

E-commerce

Smart Label

New Opportunity: Alternative Protein, Future Food: Plant Based

Current Market Situation in Thailand

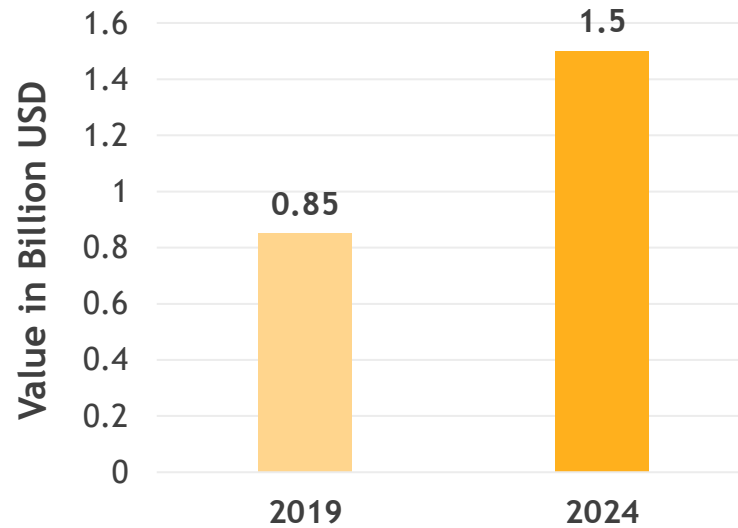
Only **12%** of Thailand's population currently eat vegetarian food



Future Opportunities and market Forecast

53% of Thai's consumer want to reduce meat consumption
45% of Thai's consumer interest in vegetarian and change to consume plant-based food

Forecast of plant-based food market value in Thailand



Existing business in Plant-based food production



Nestle
Good food, Good life

New Opportunity: Alternative Protein : Future Food : Insect (2)

Current Market Situation in Thailand

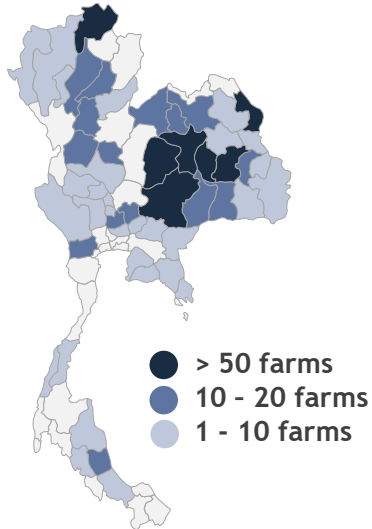
Insect Ecosystem

53,216

Insect Farm
Business

25

Insect
Processing
Business



Cricket farm location in Thailand

Future Opportunities and Market Forecast

World Insect Market Forecast

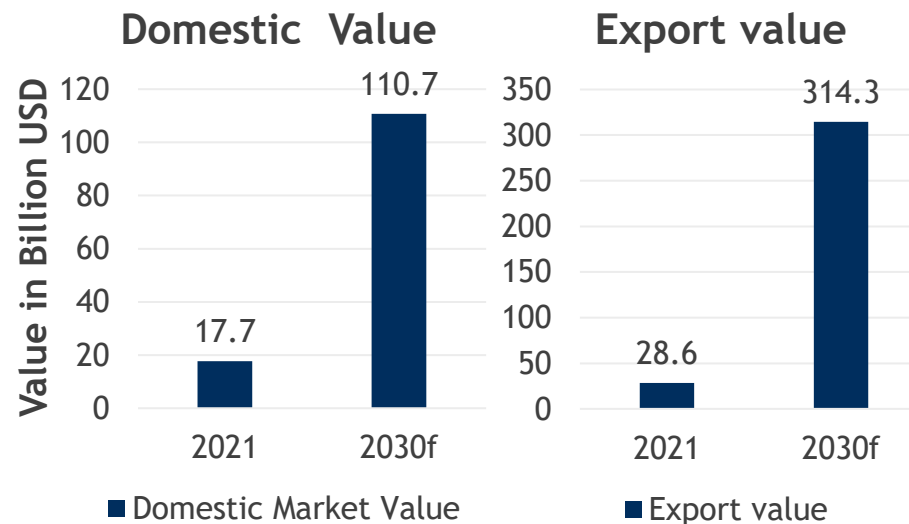
338.56

Billion USD market value in North America by 2029 from 30.86 billion USD in 2021

390

Million people in EU are expected to consume protein from insect by 2030

Thailand Insect Market Forecast



Existed Startup in Thailand



JR UNIQUE FOODS





BOI Incentives for the **Agri-Food** Industries

Eligible to receive up to an 8-year corporate income tax (CIT) exemption on business operating in:

8 Year



Manufacture of Organic Starch or Organic Flour



Adoption of Advanced Technologies

e.g., fruit ripeness sensor, radio frequency pest control, nuclear magnetic resonance in grading, packing, storage



Biotechnology related

Seed industry and improvement of plant, animal or microorganism breeding using biotechnology



Manufacture of Future Food

e.g., food with health claims, novel food, organic food, medical food



Manufacture of Therapeutic Pet Food



Adoption of Smart Farming Systems

such as the use of sensors, drones, or greenhouses

5 Year



Manufacture of Food, Beverage and Seasoning ingredients

excluding alcoholic beverages, caffeinated drinks, bakery products and candies



Manufacture of Oil or Fat from plants or animals, except soybeans



Investment in Plant Factories

Food Innopolis represents as supporting factors of Agritech

Food Innopolis is a global food innovation hub at Thailand Science Park established for R&D supporting of food through collaboration between public, private, and universities to build a well-developed ecosystem.

Privileges & Incentives



CIT exemption 8 years
+ 50% reduction 5 years



Tax exemption for
imported R&D equipment



Special permit to own Land &
permanent resident visa



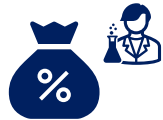
Talent Mobility Program



Work integrated
learning (Wil)



Advanced technology
training



200% tax deduction For
RD&I expenditures



Co-Investment in business
Technology and innovation



One stop solution center
For RD&I services



Other RD&I
Incentive packages

Nationwide resources

3,000

Researchers

9,000

Food factories

150

food research labs

20

Pilot plants

70

Universities

10,000

Students



Targeted Industries

- **International Business Center (IBC)** including Treasury Center, International Trading Business
- **International Procurement Center (IPO)**
- **Trade and Investment Support Office (TISO)** including Business & Digital Support Services
- **International Transportation and Logistics**
- Other supporting businesses *(to be identified)*

Integrated Government Supports

- **Tax incentives** by the Revenue Department and **Non-tax Incentives** by the BOI
- **Reduced Personal Income Tax** by the Revenue Department
 - **15%** for foreigners working in IBC businesses
 - **17%** for foreigners working in the EEC
 - **17%** for highly skilled professionals working under the LTR scheme
- **Visa and Work Permit Facilitation Services** under the LTR, Smart Visa schemes, and Sections 24-26 of the Investment Promotion Act.

Recommended Actions

- **Establish OSS for Regional Headquarters** in collaboration of the **BOI, Revenue Department, Business Development Department, and BOT**, co-providing services with the "One Stop Service Center for Visa and Work Permit" (BOI, Immigration, and Labor) at Chamchuri Square Building, Bangkok
- Facilitate more trade avenues through FTAs
- Allow for more service sector liberalization, working with the Business Development Dept.
- Improve the visa, work permit, and license application processes to make them more convenient, working with OPDC and related agencies

HQ Biz Portal as a Tool to Support Regional Offices

Thailand's HQ Biz Portal

HQ BIZ PORTAL

Enhancing Thailand's position as a
REGIONAL HEADQUARTERS DESTINATION

Why HQ in Thailand? HQ Journeys in Thailand HQ Incentives & Licenses FAQs

SUBMIT APPLICATIONS

ONE-STOP CONSULTATION with
• Thailand Board of Investment (BOI)
• Revenue Department (RD)
• Department of Business Development (DBD)
• Bank of Thailand (BOT)

online & onsite
BOOK A SESSION

HQ BIZ PORTAL is set up in collaboration of Thailand's key government agencies.



Objectives

- To support the approval and submission processes
- To reduce process and time for obtaining license of regional office operation

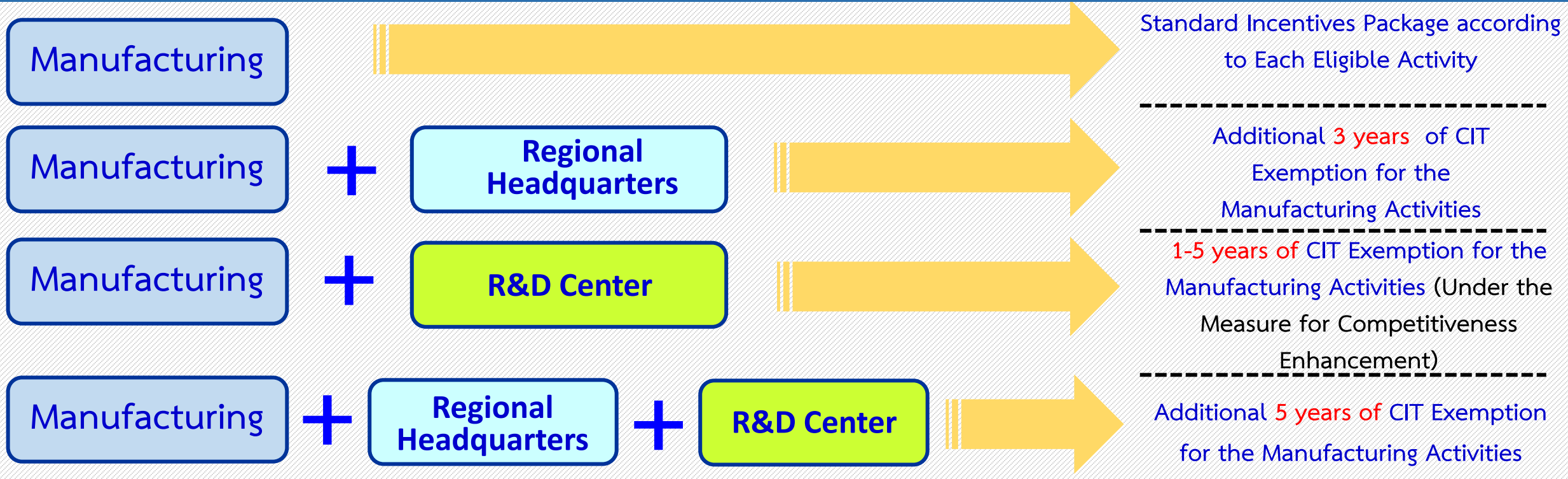
Available Services

Information Center

Consultation Service

Relocation Program

Objective : To stimulate comprehensive relocations of business operations including manufacturing facilities, regional headquarters and R&D centers to Thailand.



Conditions: A company can apply by adding a new Regional Headquarters (IBC) and/or the R&D center to its existing manufacturing activities or apply for a promotion on manufacturing activities together with its IBC, and/or the R&D center as one project.

- The IBC / R&D Center must start their servicing operations within 3 years after the date of investment promotion certificate issuance or the submission date of applications for project amendments.
- The Regional Headquarters/R&D Center must operate their essential functions as approved by the BOI
- Applications must be submitted by 2023.

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Long-Term Resident Visa

4 Types of Long-Term resident Visa



Wealthy Global Citizen



Wealthy Pensioner



Work-From Thailand Professional



Highly Skilled Professionals

Targeted industries for the **High-Skilled professional** category are as follows :

Existing Targeted Industries

- Automotive Industry
- Electronics Industry
- Affluent Tourism Industry
- Agricultural, Food and Biotechnology Industry
- Automation and Robotics Industry
- Aviation, Aerospace and Space Industry
- Biofuels and Biochemicals Industry
- Digital Industry
- Medical Industry
- Defense Industry
- Circular Economy



Transportation and Logistics Industry

NEW



Petrochemical and Chemical Industry

NEW



International Business Center (IBC)

NEW



High-skilled professionals with specialized skills in a specific area who work in other industries operated by foreigners

NEW

Long - Term Resident Visa Privileges



10-year visa & Permission to work in Thailand



Fast Track Service at International Airport



90-day report extended to 1-year report and exemption of re-entry permit



Permission to Work in Thailand (Digital Work Permit)



17% Personal Tax Exemption for Highly-skilled Professionals



Facilitation Services at One Stop Service Center



Exemption from 4 Thais : 1 foreigner employment requirement ratio

Remarks: The LTR visa will be granted for 5 years at a time and can be renewed every 5 years if qualifications are met.

One Start One Stop Investment Center (OSOS)



Consolidating staff from numerous investment-related agencies



Easing & speeding procedures for new investors



Provides comprehensive information and advice on establishing operation in Thailand



Provides useful contacts with key public and private organizations



1-Stop for visas & work permits In 3 hours



Assist investors with various applications

More Convenience
Less Time
More Efficiency!



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