Investment Opportunities in Thailand

Ms. Ajarin Pattanapanchanai
Senior Executive Investment Advisor
Thailand Board of Investment
Thailand in Brief

Region: Southeast Asia
Population: 67.8 million
Literacy Rate: 96%
Religion: Buddhism 95%
Labor Force: 39.5 million
Per capita GDP (2011): CA$5,056
International Reserve: US$138.4 Bil.

Note: Exchange rate CA$1=Bt30.84 in 2011
## ECONOMIC PROJECTIONS 2011-13

<table>
<thead>
<tr>
<th>Economic Projections</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) GDP growth (percent y-o-y)</td>
<td>0.1</td>
<td>6.0</td>
<td>5.8</td>
</tr>
<tr>
<td>2) Export, FOB value (percent y-o-y)</td>
<td>16.4</td>
<td>9.2</td>
<td>14.6</td>
</tr>
<tr>
<td>3) Import, CIF value (percent y-o-y)</td>
<td>24.7</td>
<td>17.0</td>
<td>12.4</td>
</tr>
<tr>
<td>4) Trade account (billion US. dollar)</td>
<td>23.5</td>
<td>9.8</td>
<td>16.4</td>
</tr>
<tr>
<td>5) Current account (billion US. dollar)</td>
<td>12.3</td>
<td>-2.1</td>
<td>-0.9</td>
</tr>
</tbody>
</table>

## TOP 10 EXPORTS IN 2009 – 2012 (Jan-Apr)

<table>
<thead>
<tr>
<th>Product</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012 (Jan-Apr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive and parts</td>
<td>11.12</td>
<td>17.71</td>
<td>16.98</td>
<td>6.32</td>
</tr>
<tr>
<td>Computer and parts</td>
<td>16.02</td>
<td>18.84</td>
<td>17.06</td>
<td>6.03</td>
</tr>
<tr>
<td>Refine fuels</td>
<td>6.30</td>
<td>7.80</td>
<td>10.09</td>
<td>4.22</td>
</tr>
<tr>
<td>Precious stones and jewelry</td>
<td>9.76</td>
<td>11.65</td>
<td>12.30</td>
<td>3.93</td>
</tr>
<tr>
<td>Rubber</td>
<td>4.31</td>
<td>7.90</td>
<td>13.18</td>
<td>3.34</td>
</tr>
<tr>
<td>Rubber products</td>
<td>4.49</td>
<td>6.43</td>
<td>8.39</td>
<td>2.79</td>
</tr>
<tr>
<td>Plastic resins</td>
<td>4.46</td>
<td>6.34</td>
<td>8.80</td>
<td>2.73</td>
</tr>
<tr>
<td>Chemical products</td>
<td>4.47</td>
<td>5.78</td>
<td>8.29</td>
<td>2.66</td>
</tr>
<tr>
<td>Integrated circuits</td>
<td>6.44</td>
<td>8.07</td>
<td>7.91</td>
<td>2.10</td>
</tr>
<tr>
<td>Machinery and parts</td>
<td>3.33</td>
<td>4.88</td>
<td>6.11</td>
<td>2.05</td>
</tr>
<tr>
<td>Others</td>
<td>81.74</td>
<td>99.91</td>
<td>119.70</td>
<td>35.40</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>152.43</strong></td>
<td><strong>195.31</strong></td>
<td><strong>228.83</strong></td>
<td><strong>71.56</strong></td>
</tr>
</tbody>
</table>

*Source: Ministry of Commerce, as of May 28, 2012*
WHY THAILAND
Global Ranking

- 2nd Largest ASEAN Economy
- 19th Largest Global Manufacturer
- 33rd Largest Global Exporter
- 35th Largest Global Economy
Thailand: Highly Ranked

#3 in Asia Public Sector Efficiency

#4 in Asia for Corporate Governance

#10 worldwide as priority FDI host country

#17 worldwide for Ease of Doing Business

#3 Easiest Place in Asia to Do Business
Thailand offers Best Expat Experience and a Low Cost of Living

Top Destinations for Expat Experience 2012 (HSBC)

1. Thailand

2010 COL Survey (Mercer)

- Thailand 121st lowest cost

Source: Expat Explorer Survey 2010, HSBC and Mercer Consulting
AFFORDABLE OFFICE SPACE

Total Occupation Costs
Dollar / Square Foot / Year

<table>
<thead>
<tr>
<th>City</th>
<th>CA$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tokyo (Inner Central)</td>
<td>122.33</td>
</tr>
<tr>
<td>Mumbai, India</td>
<td>106.38</td>
</tr>
<tr>
<td>Singapore</td>
<td>80.97</td>
</tr>
<tr>
<td>Shanghai (Pudong)</td>
<td>54.07</td>
</tr>
<tr>
<td>Ho Chi Minh City</td>
<td>43.22</td>
</tr>
<tr>
<td>Kuala Lumpur</td>
<td>28</td>
</tr>
<tr>
<td>Bangkok</td>
<td>24.79</td>
</tr>
<tr>
<td>Guangzhou</td>
<td>23.82</td>
</tr>
<tr>
<td>Manila</td>
<td>19.99</td>
</tr>
</tbody>
</table>

Note: Exchange rate US$1 = Bt30.49 and CA$1=Bt30.84 in 2011
Source: CB Richard Ellis, Global Office Rents, Q1, 2011
Cities ranked according to gross value of index
Source: UBS/Prices & Earnings, August 2011
CORPORATE INCOME TAX RATE REDUCTION

Reduction of corporate income tax rate from 30% of net taxable profit to

• 23% for the accounting year starting from 1 January 2012.

• 20% for the accounting year starting from 1 January, 2013.

Source: Royal Decrees, www.rd.go.th
Free Trade Agreement

**ASEAN**
• +570 million pop.
• US$1.3 trillion GDP (2007)

**ASEAN+3**
• +2 billion pop.
  (1/3 world pop.)
• US$9 trillion GDP
  (16% of world GDP)

**ASEAN+6**
• 3.3 billion pop.
  (>50% world pop.)
• US$12.25 trillion GDP
Infrastructure

• 7 international airports
  - In 2009, 53.9 million passengers, 1.1 million tons of cargoes
  - **Suvarnabhumi Airport** – Capacity: 45 million passengers and 3 million tons of cargo per year

• Over 70,000 km Highway Systems

• 6 Deep Sea Ports & 2 International River Ports
  - Capacity over 10 million TEUs
  - **Laem Chabang Sea Port** – Capacity: 10.8 million TEUs, with additional 8 million TEUs expansion
  - **e-Customs facilities**

• 4,346 km Rail links to Malaysia & Singapore

• 60 Industrial Estates
IPR Framework

- Thailand has 8 intellectual property-related laws, all of which are consistent with international standards:
  - Copyright Act of 1994
  - Trademark Act of 1991, as amended by the Trademark Act (No.2) of 2000
  - Trade Secret Act of 2002
  - Protection of Geographical Indication Act of 2003
  - Plant Varieties Protection Act of 1999
  - Traditional Medicine and Practice Act of 1999
Investment Promotion Policy
Liberal Investment Policy

- No restrictions on foreign currency remittances
- No export requirement
- No foreign equity restrictions in manufacturing sectors and promoted services sector
- No local content requirement
BOI SUPPORT SERVICES

- Investment Matchmaking Program
- 1-Stop for visas & work permits: work permits in 3 hours
- Industrial Subcontracting Services
- Global Sourcing program (BUILD Unit)
- ASEAN Supporting Industry Database
- Interaction with other govt. agencies on behalf of investors
- Country desks
- Overseas offices

www.boi.go.th
Basic BOI privileges and Measures

Tax Incentives

- Corporate income tax holidays up to 8 yrs
  - Additional 50% reductions of corporate income tax for 5 yrs may apply in zone 3
- Import duty reductions or exemptions on machinery and raw materials
- Double deduction of public utility costs
- Deductions for infrastructure construction/installation costs

Non-Tax Incentives

- Land ownership rights for foreign investors
- Permission to bring in foreign experts and technicians
- Work permit/visa facilitation

One-Stop-Shop
Visas & Work Permits are issued in 3 hours
THANK YOU

www.boi.go.th