

Investment Opportunities in Thailand



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Deputy Secretary General
Thailand Board of Investment

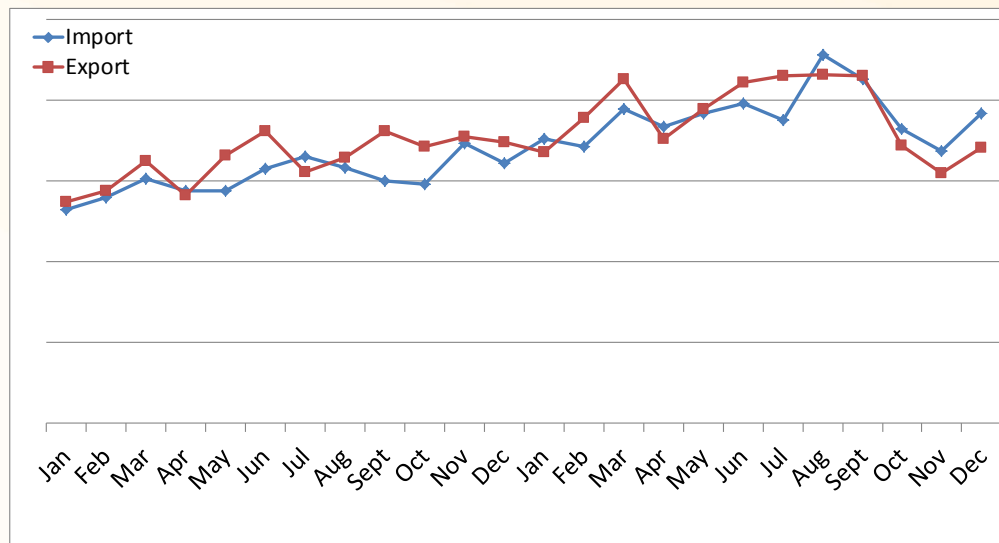
Thailand in Brief



Population: 67 Million
Labor Force: 39 Million
Per capita GDP(2011): CA\$5,056

Import : Export, 2010 - 2011

Unit: CA\$ million



ECONOMIC PROJECTIONS 2011-13

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





WHY THAILAND

Global Ranking

2nd Largest
ASEAN
Economy

19th Largest
Global
Manufacturer

35th Largest
Global
Economy

33rd Largest
Global
Exporter



The World Bank Ranks
Thailand the 3rd Easiest
Place in Asia to do Business
and 17th in the World

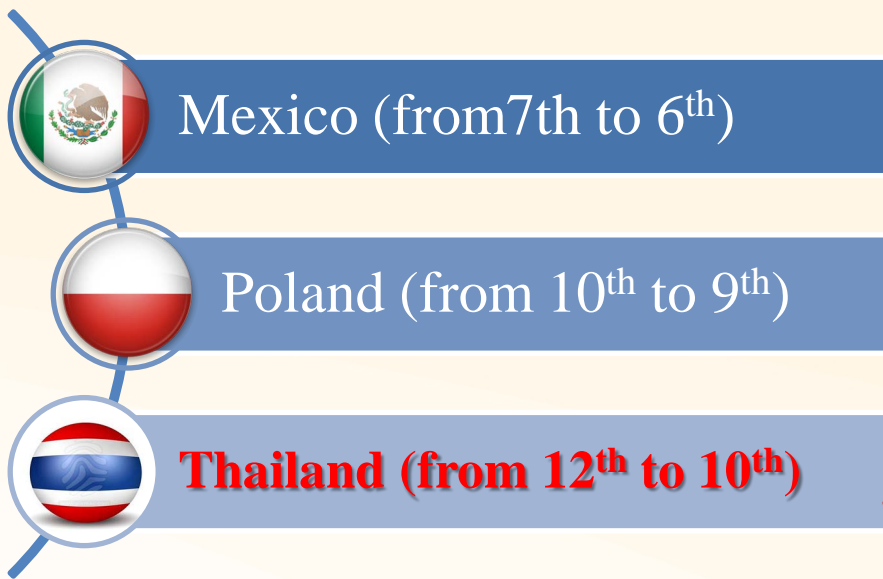


Doing business in a
more transparent world



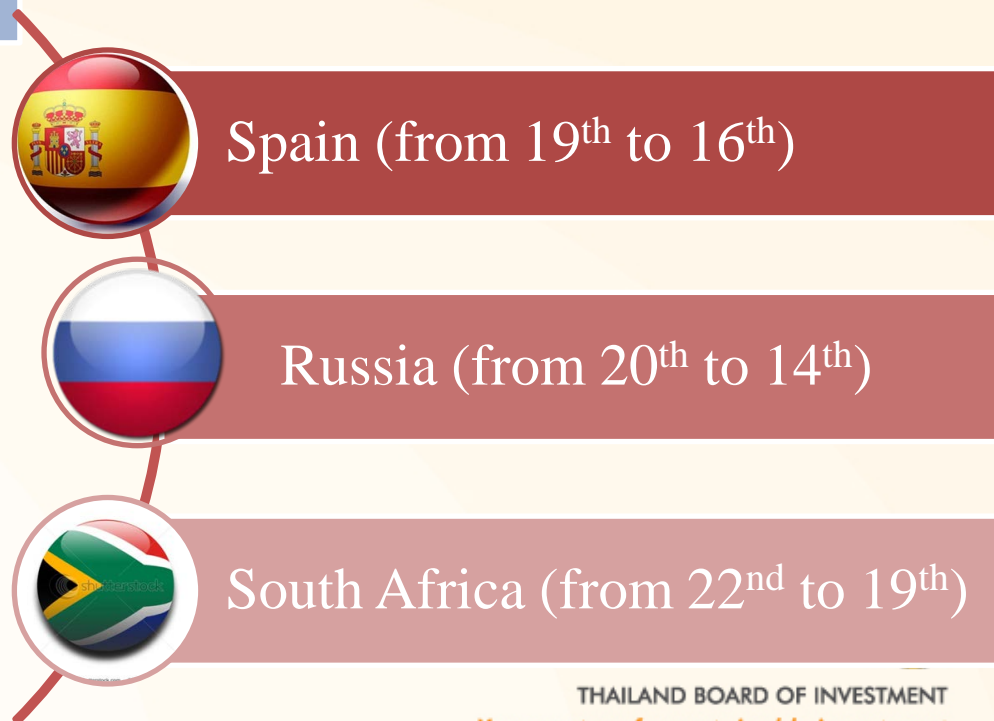
Thailand:
Ranked by UNCTAD as the 10th
most attractive
destination in the world





EXPECTED CHANGE IN MANUFACTURING COMPETITIVENESS IN 5 YEARS

MOVING UP



Source: Deloitte and US Council on Competitiveness-
2010 Global Manufacturing Competitiveness index; Deloitte Touche
Tohmatsu, Oct 6, 2011

Thailand offers Best Expat Experience and a Low Cost of Living

Top Destinations for Expat Experience 2012 (HSBC)

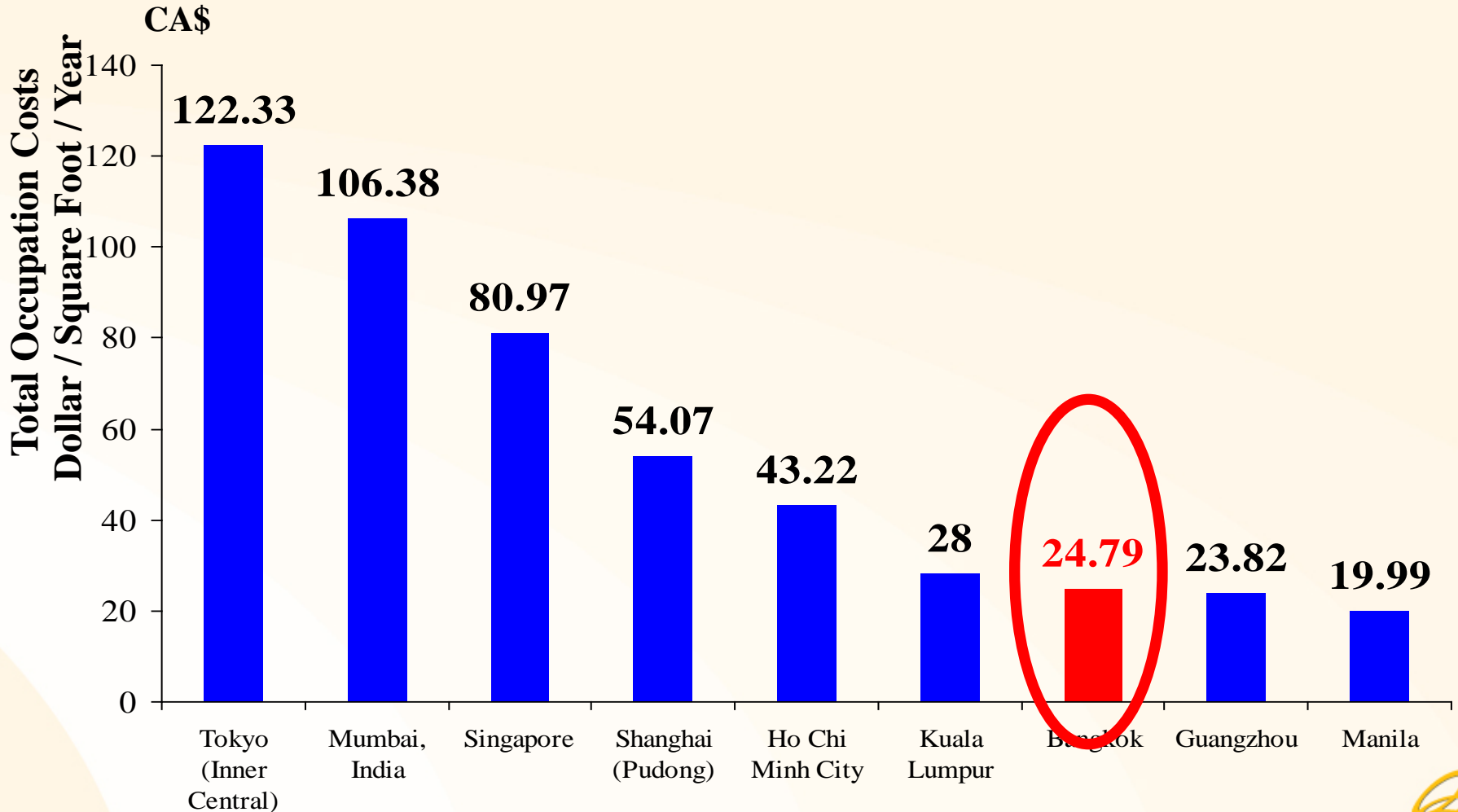
1. **Thailand**
2. Canada
3. Bahrain

2010 COL Survey (Mercer)

- **Thailand 121st lowest cost**



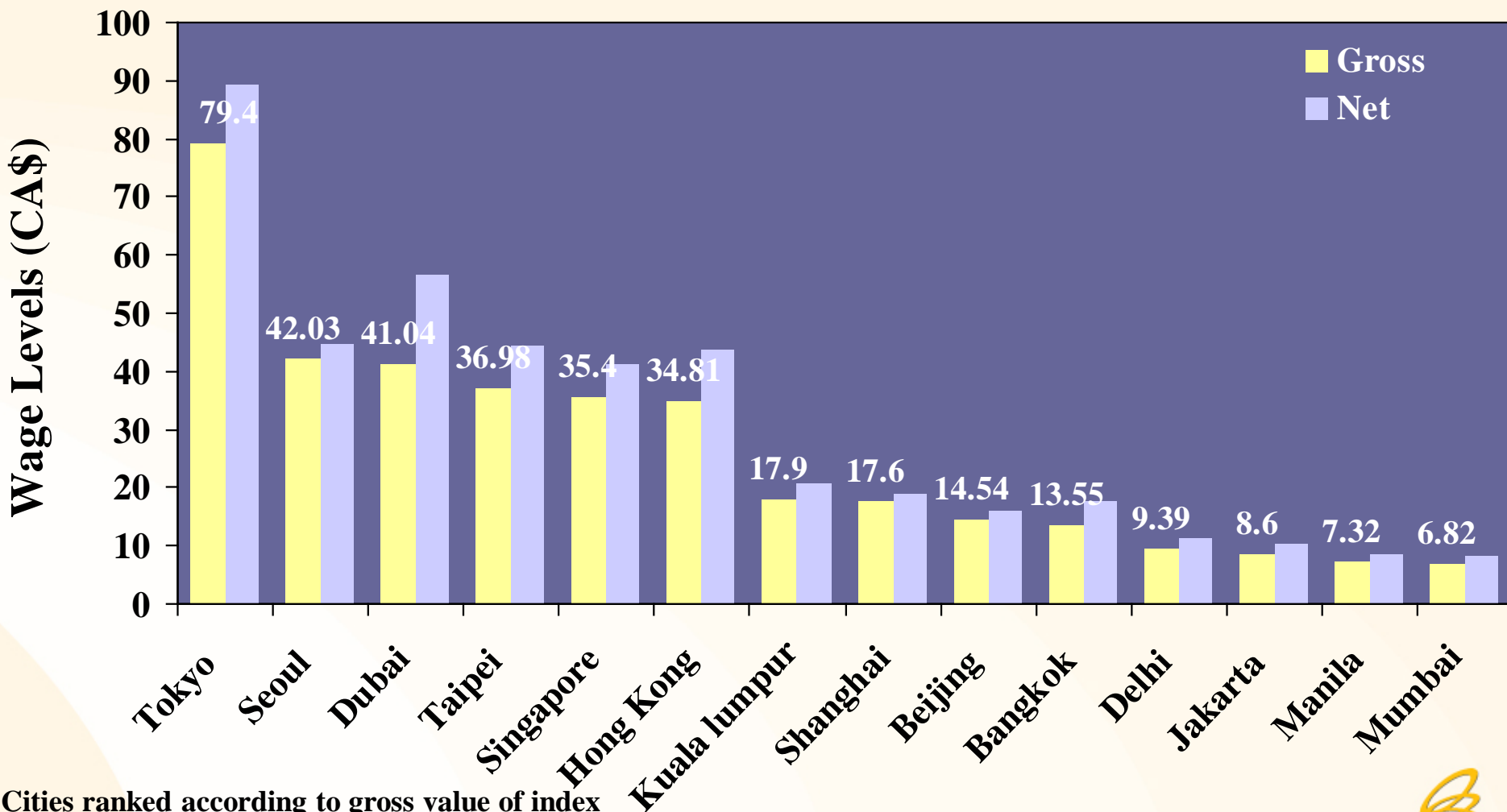
AFFORDABLE OFFICE SPACE



Note: Exchange rate US\$1 = Bt30.49 and CA\$1=Bt30.84 in 2011

Source: CB Richard Ellis, Global Office Rents, Q1, 2011

WAGE COMPARISON 2011



Cities ranked according to gross value of index
Source: UBS/Prices & Earnings, August 2011

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Note: Exchange rate US\$1 = Bt30.49 and CA\$1=Bt30.84 in 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.

Free Trade Agreement

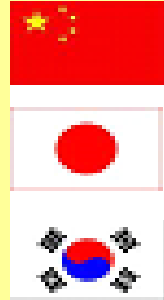
ASEAN



- +570 million pop.
- US\$1.3 trillion GDP (2007)

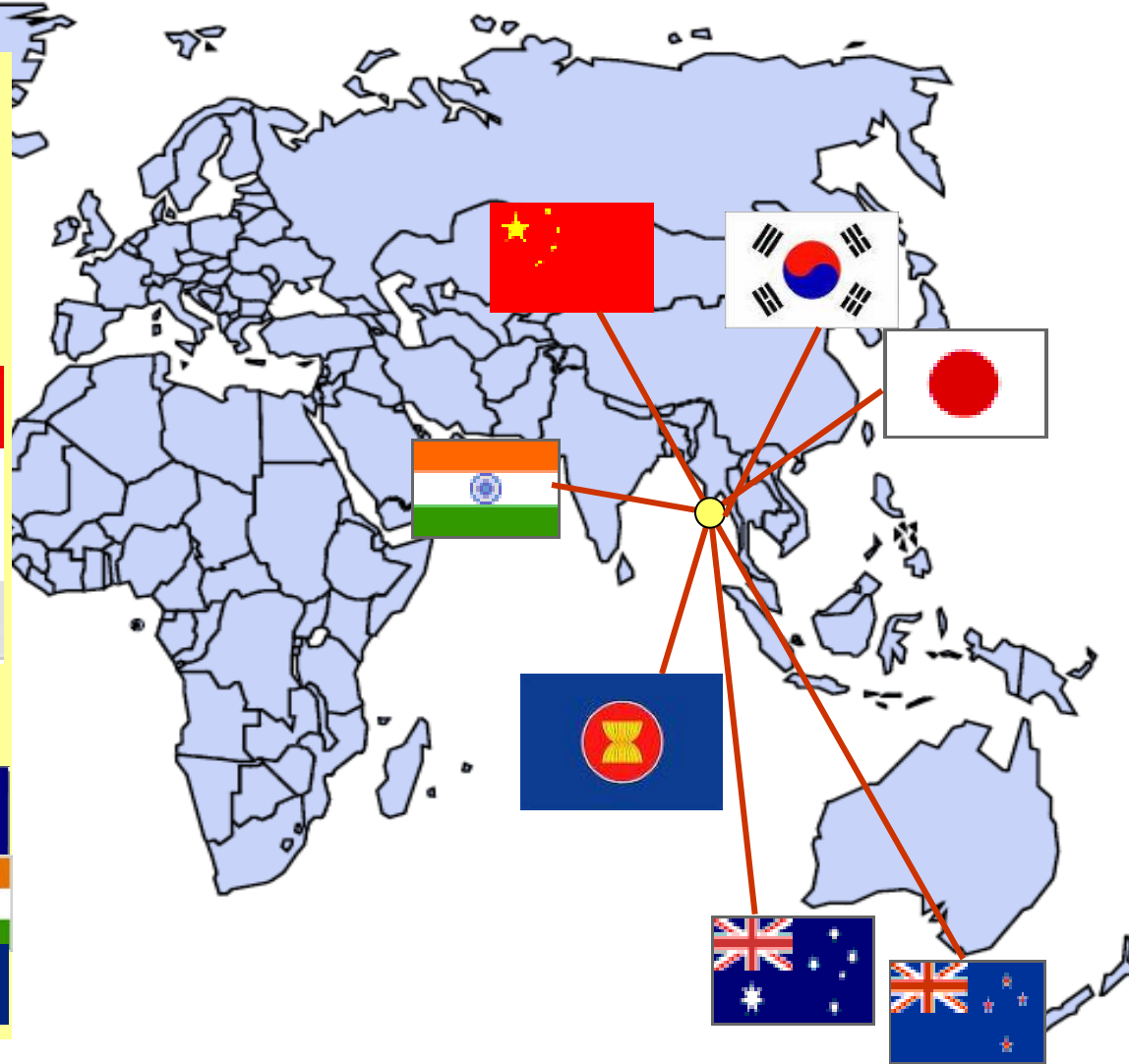
ASEAN+3

- +2 billion pop.
(1/3 world pop.)
- US\$9trillion 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**

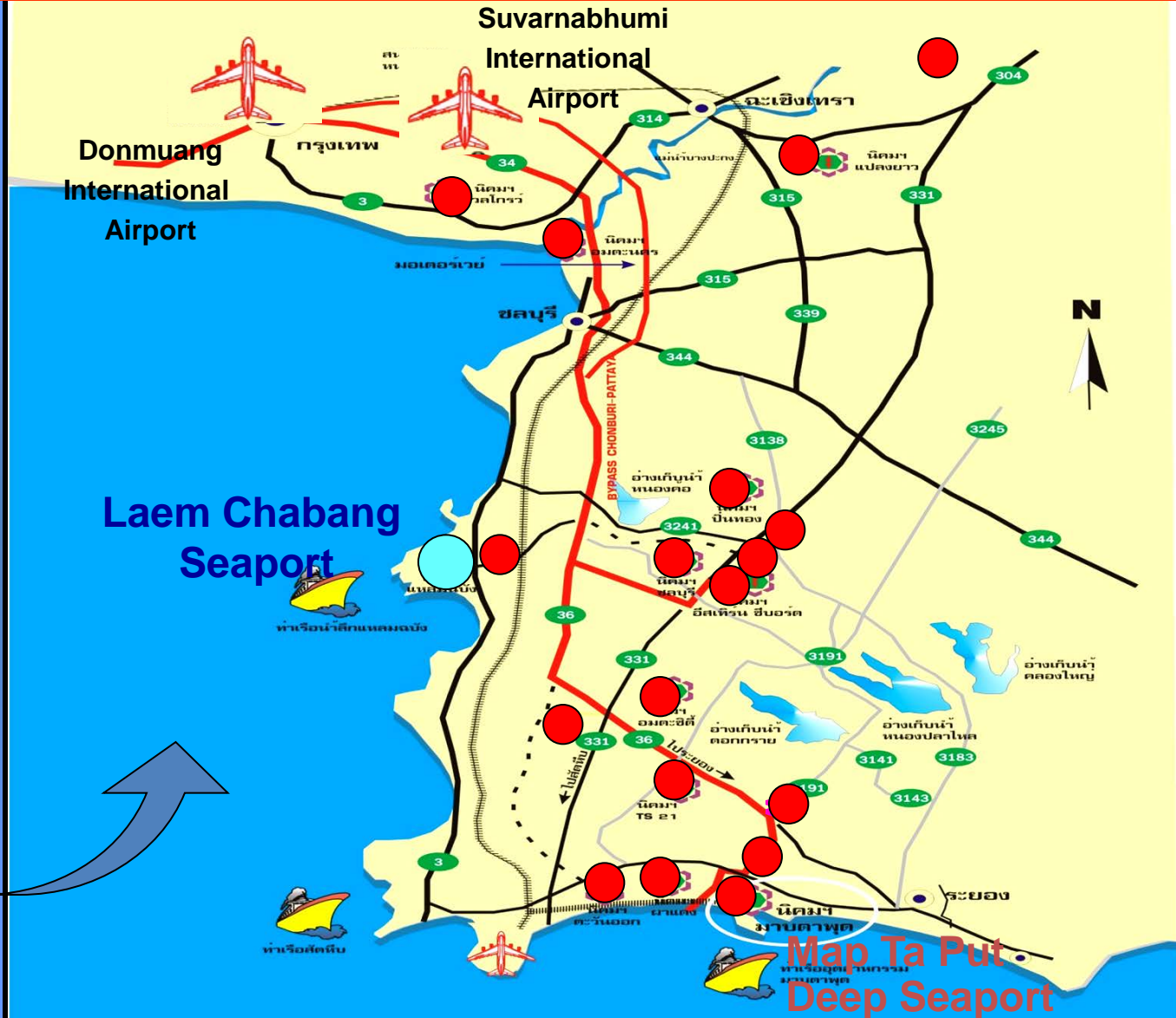
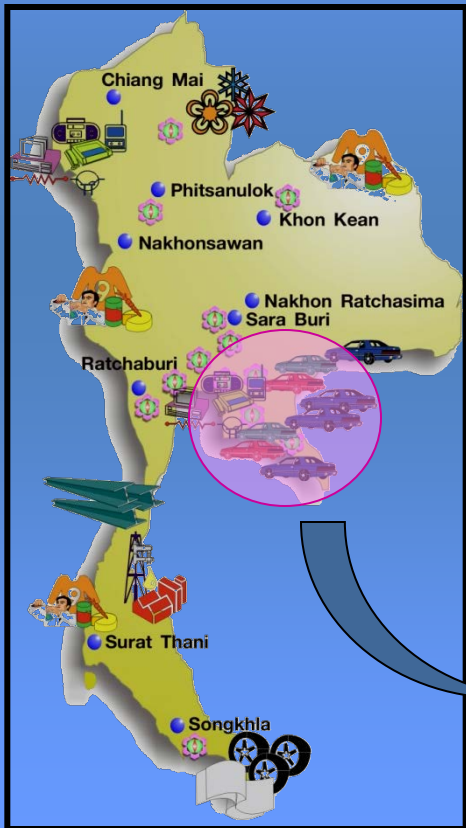
- **4,346 km Rail links to Malaysia & Singapore**

- **60 Industrial Estates**



Efficient Logistics Network

Seaport - Land Transport - Airport



GMS Infrastructure Development



-  North-South Corridor
-  North-Eastern Corridor
-  East-West Corridor
-  Southern Corridor
-  Central Corridor
-  Southern Coastal Corridor



THAILAND BOARD OF INVESTMENT
Your partner for sustainable investment

IPR Framework

- Thailand has 8 intellectual property-related laws, all of which are consistent with international standards:
 - Copyright Act of 1994
 - Patent Act of 1979, as amended by the Patent Act (No.3) of 1999
 - Trademark Act of 1991, as amended by the Trademark Act (No.2) of 2000)
 - Act for the Protection of Layout-Designs of Integrated Circuits 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
Vendors meet customers program
(BUILD Unit)**

ASEAN Supporting Industry Database

**Interaction with other govt. agencies
on behalf of investors**

Country desks

Overseas offices

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

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Non-Tax Incentives

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

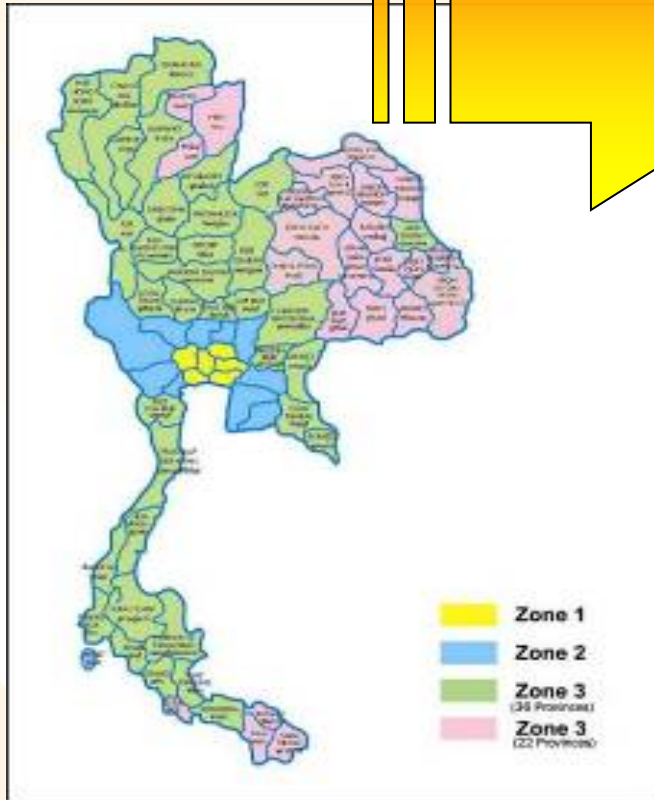
One-Stop-Shop

Visas & Work Permits are issued in 3 hours



Zone and Sector Matrix

Zones



Sector Matrix: Incentives to strengthen competitiveness

Strategic or Priority Industries

Maximum incentives regardless of zone

(machinery import duties
exemption, 8 years tax holiday)

e.g. R&D, alternative energy,
software, machinery, biotech,
aviation, hi-tech industry

Zone-Based Incentives:

Lower to higher

Zone 1 → Zone 2 → Zone 3

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Success Stories of Canadian Companies



AIR CANADA

STANLEY



NORMERICA INC.



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THAILAND'S AUTOMOTIVE INDUSTRY OVERVIEW

Thailand:
12th largest automobile producer in the world in 2010

Target:
Top-10 by 2015, when local capacity projected at **3.1 million** units

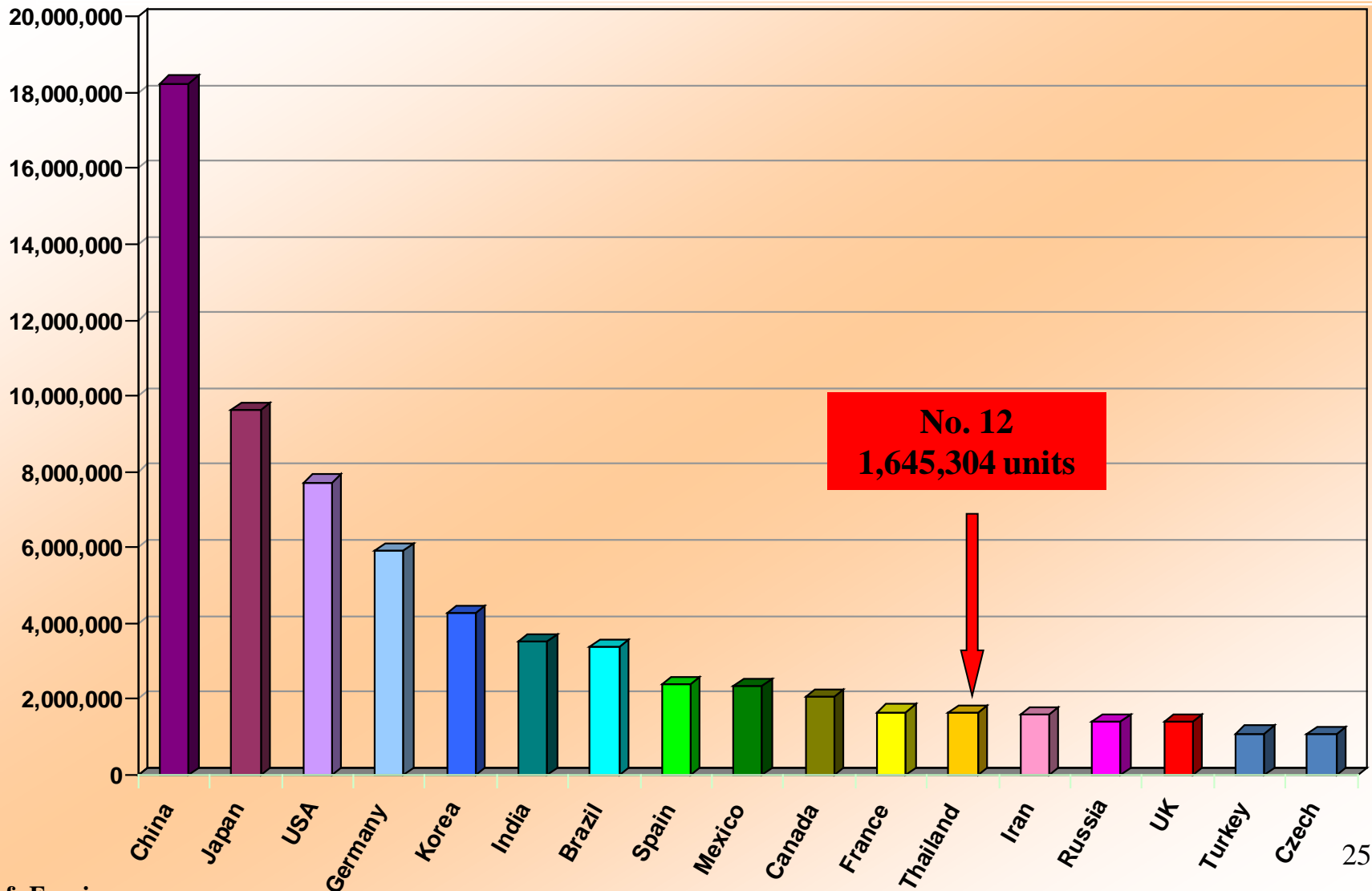
Output:
13 assemblers

- In 2011 production 1.45 mil. units
- In 2010 production 1.6 mil. units (50% for export)

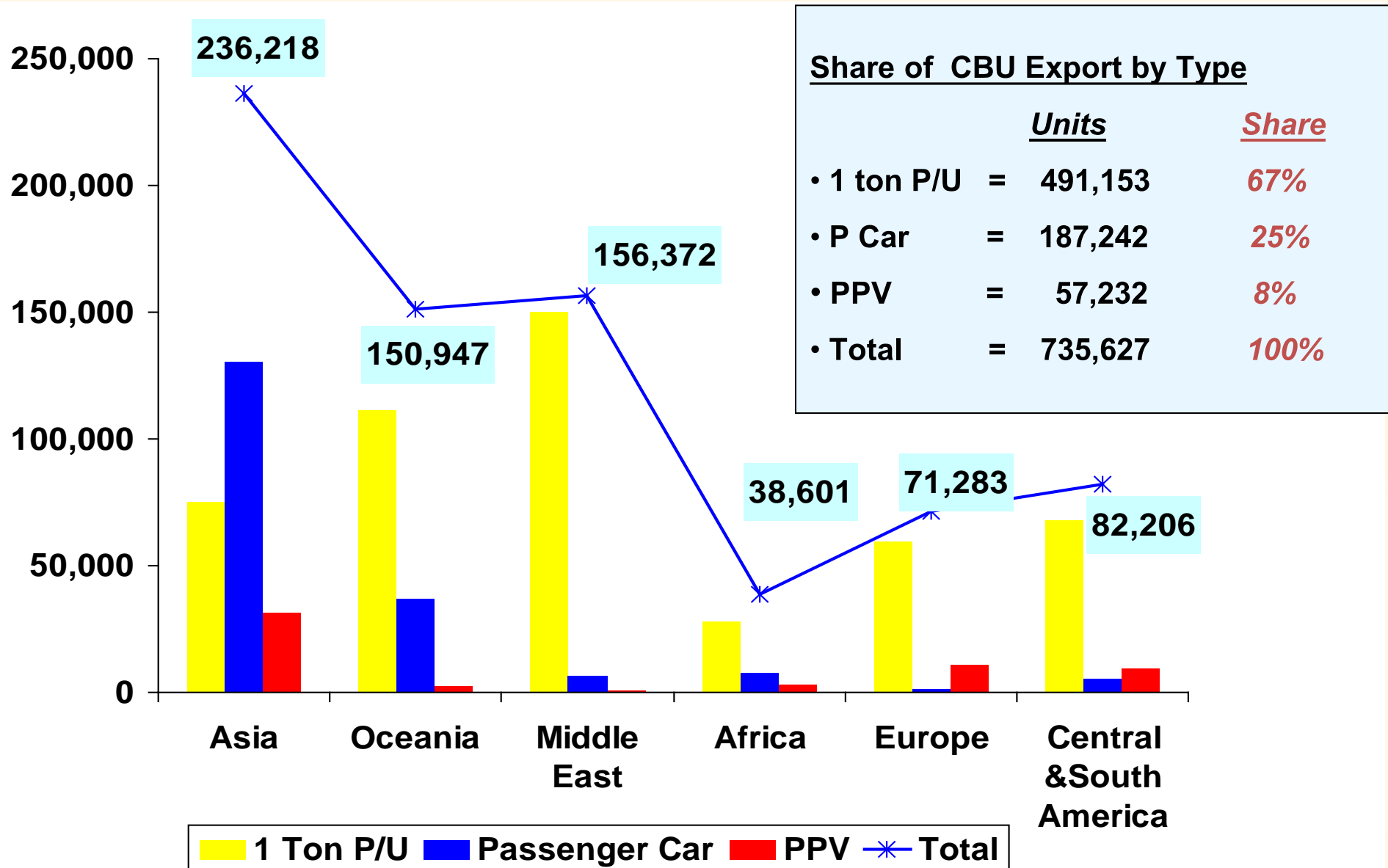
High local content :
80-90% for pick-up and **30-70%** for passenger car



Automobile Production by Country 2010



CBU Export by Region 2011



Parts Production in Thailand

- **Engines**
 - Diesels, Gasoline, Motorcycles
- **Engines Components**
 - Starters, Alternators, Filters, Hoses, Gears, Flywheels
- **Body Parts**
 - Chassis, Bumpers, Fenders, Hoods, Door Panels
- **Brake Systems**
 - Master Cylinders, Drums, Discs, Pads, Linings
- **Steering Systems**
 - Steering Wheels, Gears, Columns, Pumps, Linkages
- **Suspensions**
 - Shocks, Coils, Ball Joints
- **Transmissions**
 - Gears, Casting, Rear Axles, Drive Shafts, Propeller Shafts
- **Electrical/Electronics**
 - Alternators, Starters, Speedometers, Lamps, Motors, Flashers Relays
- **Interiors/Exteriors**
 - Seats, Mats, Weather Strips, Console Boxes
- **Others**
 - Windshields, Seat Belts, Radiators, Wheels, Compressors

BOI'S PRIORITY ACTIVITIES FOR AUTOMOTIVE PARTS INDUSTRY

Incentives

- **8-yr Tax holidays any location**
- **5-year 50% reduction of corporate income tax**
- **Import duty Exemption on Machinery**

ABS Braking System

Substrate for catalytic converters

Electronic fuel injection systems

Automobile transmission

Battery for electric-powered vehicles

Traction motor for automobile such as hybrid or fuel cell cars

Electronic Stability Control(ESC)

Regenerative Braking System

Electric air conditioning system for automobile

Rubber tires for vehicles

Aircraft tread tires

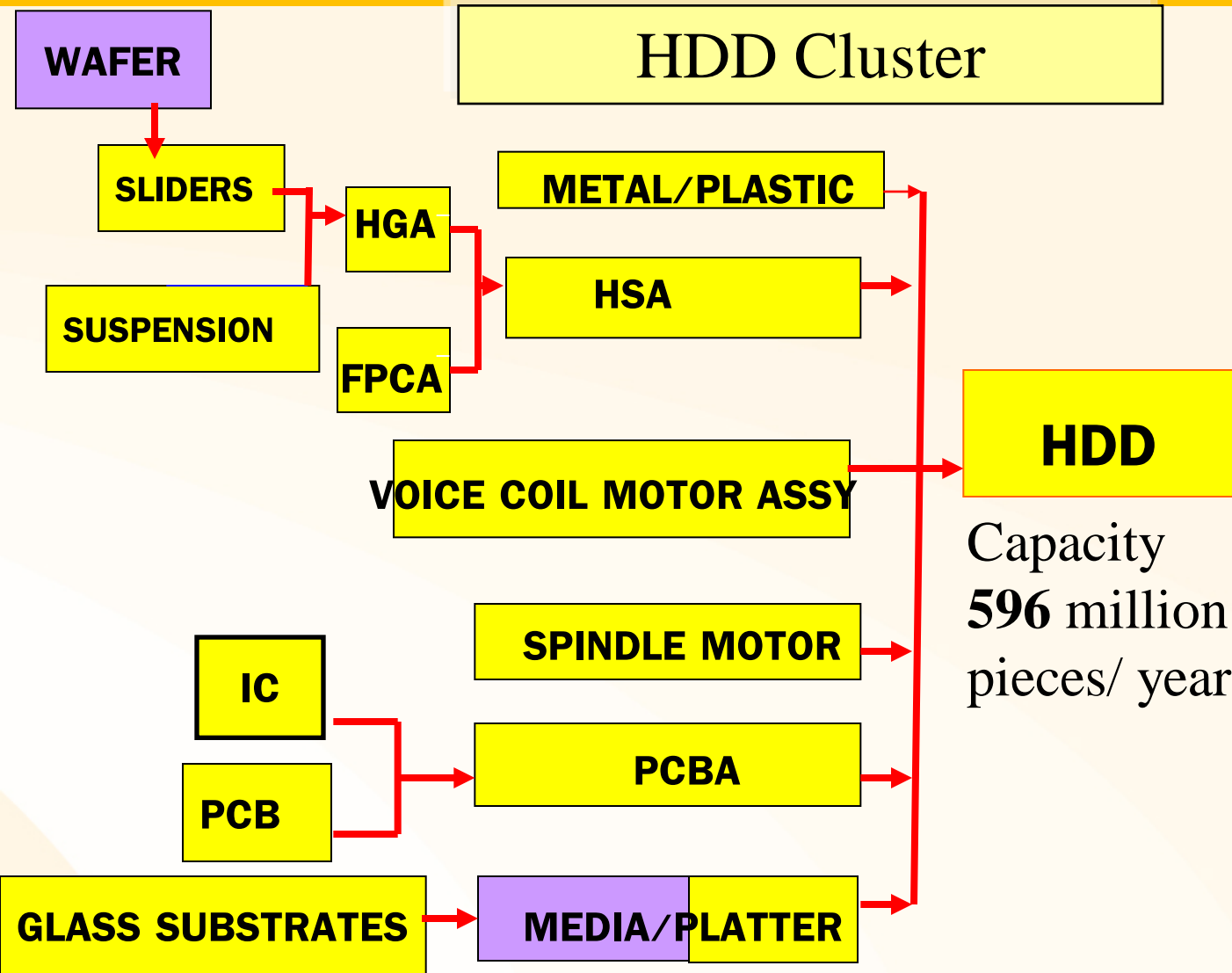
Electronics & Electrical Industry

Major Industrial Sector of Thailand

- Thailand is the 13th Export Rank in the World
- E&E exports ~ US 52 Billion in 2010
- Thailand is the world's largest producer of HDDs
- A leading country in the manufacture of Integrated Circuits and White Goods
- Strong supporting industries for electrical appliances
 - Compressors, motors, plastic and metal parts



Thailand #1 HDD Manufacturer



Major Semiconductor Companies in Thailand

IC Capacity 105,000 million pieces



OKI



SONY



TOSHIBA



Thailand Aviation Industry



Factors Supporting Thai Aviation Industry

- Growing aviation industry
- Full support from the government : maximum incentives from BOI
- Not much different technical standards among countries
- A capable and efficient skilled work force
- Cost-effective inputs
- Other support industries are widely available and developed: stainless steel and aluminum fabrication, fiberglass application technology, and polymer supply



Major Companies in Thailand



Supports for North America Investors

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Think Asia, Invest Thailand

GEARED FOR THE FUTURE

Thank You!

