



Gateway

Think Asia, *Invest Thailand*

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Economic Overview



Economic Performance 2010 and Outlook 2011

Economic Projections	2009	2010e	2011e
1) GDP (at 1988 price)	-2.3	8.0	3.0-5.0
2) Export, FOB value (percent y-o-y)	-14.0	28.5	11.0-14.0
3) Import, CIF value (percent y-o-y)	-25.2	36.8	15.0-18.0
4) Industrial Capacity Utilization (%)	61.0	63.4	NA
5) Core/ Headline Inflation	0.3/-0.9	1.0/3.3	2.5/3.5*

*average



Top 10 Exports in 2007 – 2011 (Jan)

Unit: Bt Billion

	2008	2009	2010	2010 (Jan)	2011 (Jan)	Growth (yoy)
Motor cars, parts and accessories	513.15	378.35	561.11	39.20	46.48	18.58
Automatic data processing machines and parts	605.31	545.47	596.67	53.47	42.62	-20.28
Rubber	223.63	146.19	249.26	22.07	31.50	42.77
Polymers of ethylene, propylene, etc., in primary forms	181.16	151.98	200.32	14.11	19.46	37.98
Rubber products	149.89	152.80	203.43	15.04	18.51	23.05
Electronic integrated circuits	237.97	219.51	255.32	18.52	17.96	-2.98
Printed matters	47.81	53.31	65.78	7.19	17.91	148.99
Refine fuels	259.74	184.62	223.13	10.80	16.18	49.89
Chemical products	141.69	152.21	182.46	13.27	15.70	18.30
Rice	203.22	172.21	168.19	14.86	15.54	4.59
Others	3,287.79	3,037.95	3,470.74	244.09	259.21	6.19
Total	5,851.37	5,194.59	6,176.42	452.61	501.08	10.71

Source: MOC, as of Feb 21, 2011



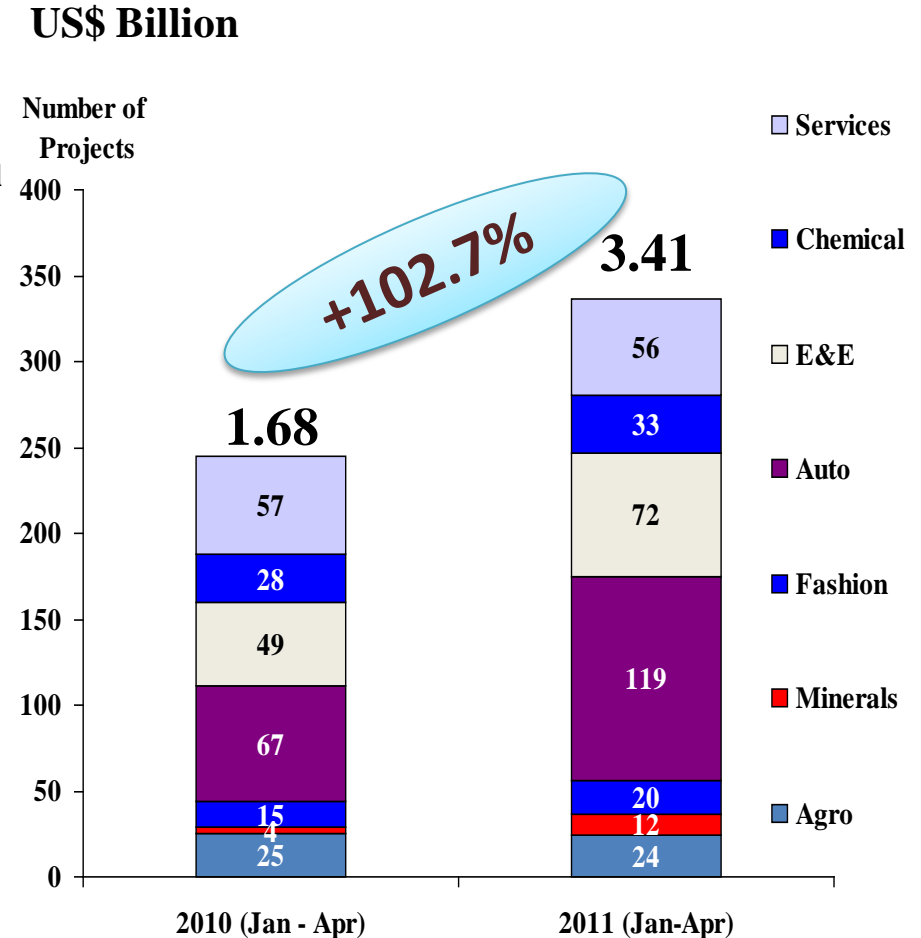
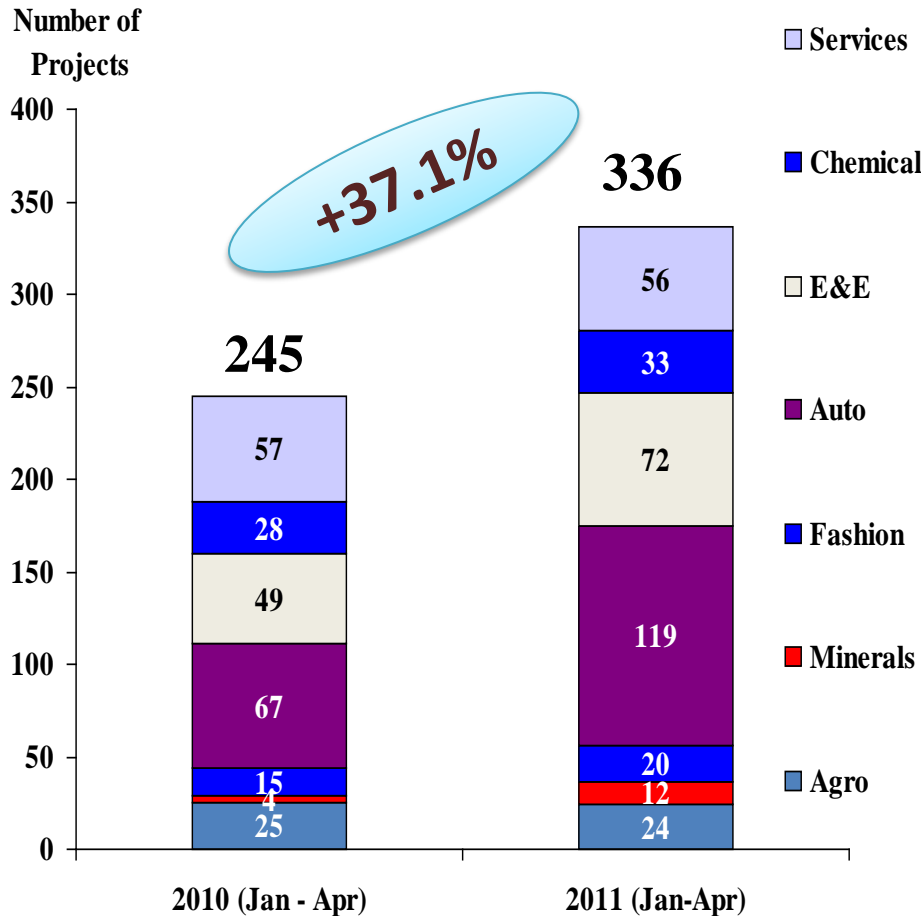
Investment Trend

Comparison of Net Foreign Applications for Investment

Jan-Apr 2010 vs Jan-Apr 2011

Number of Projects

Amount Invested



Sample of Norwegian Investments

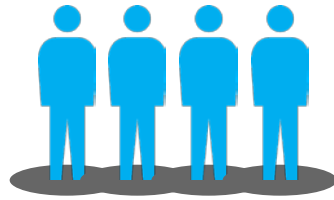


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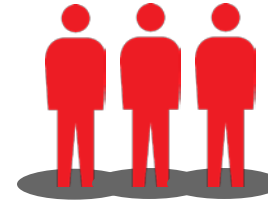
Market Potential



Demographic and Economic



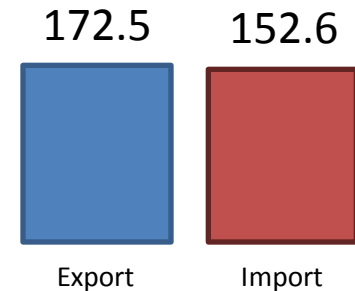
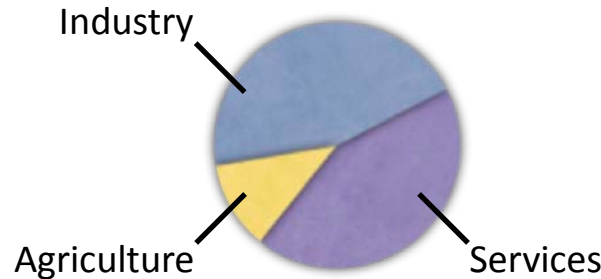
67 Million People



Labor 38.95 Million



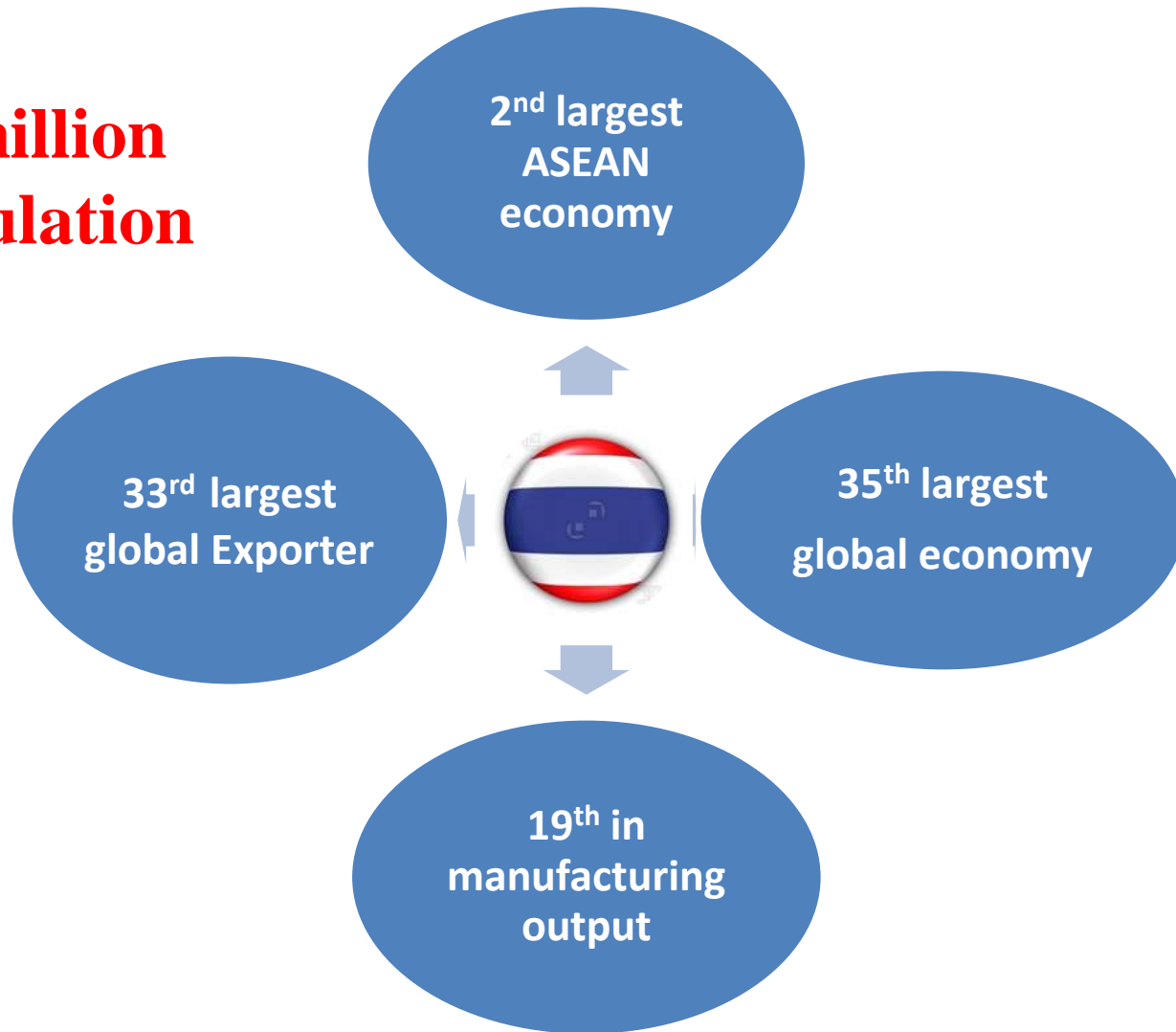
GDP 320 Billion USD



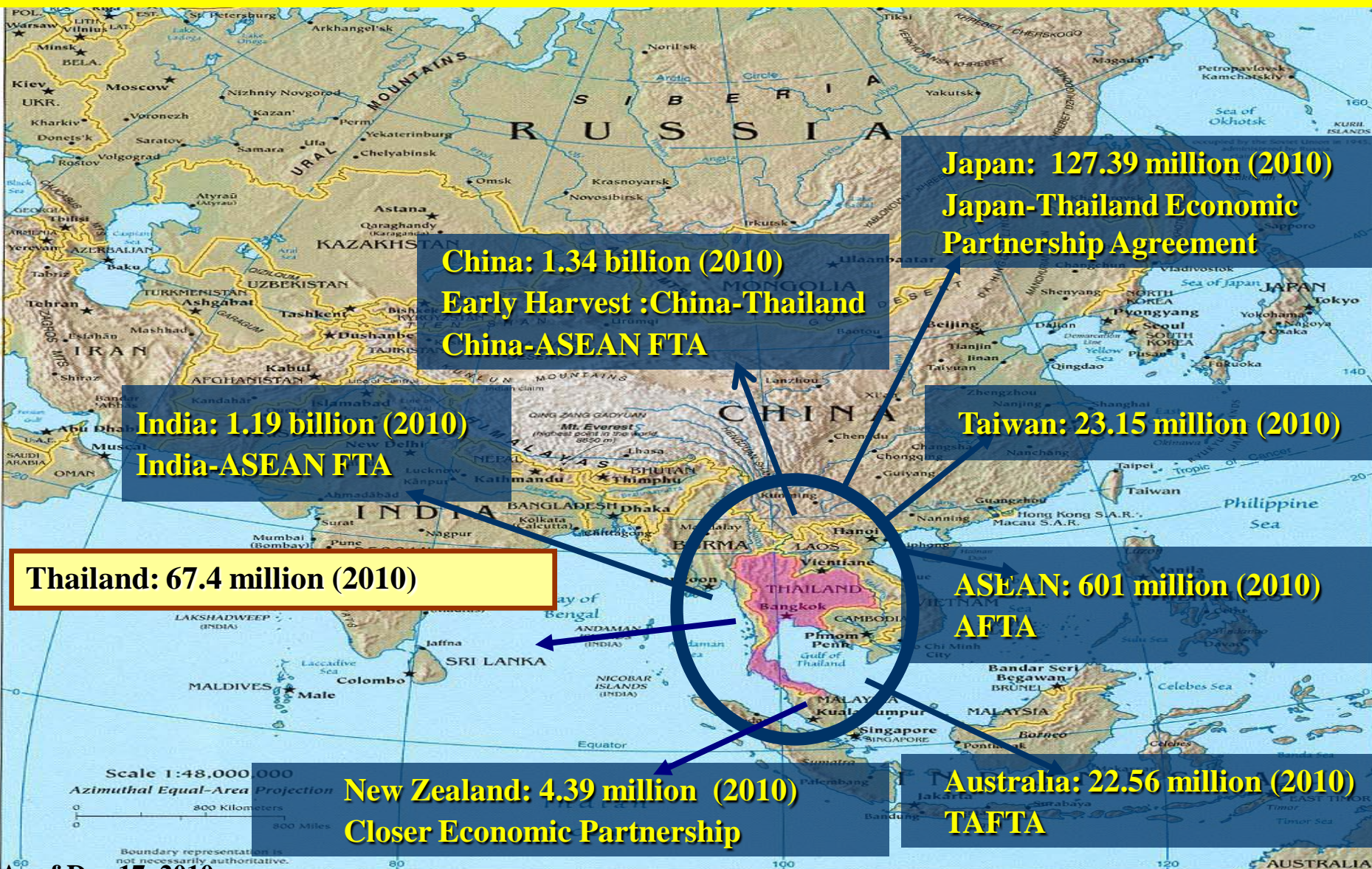
Export & Import
(Billions USD)

A Strong Economic Base

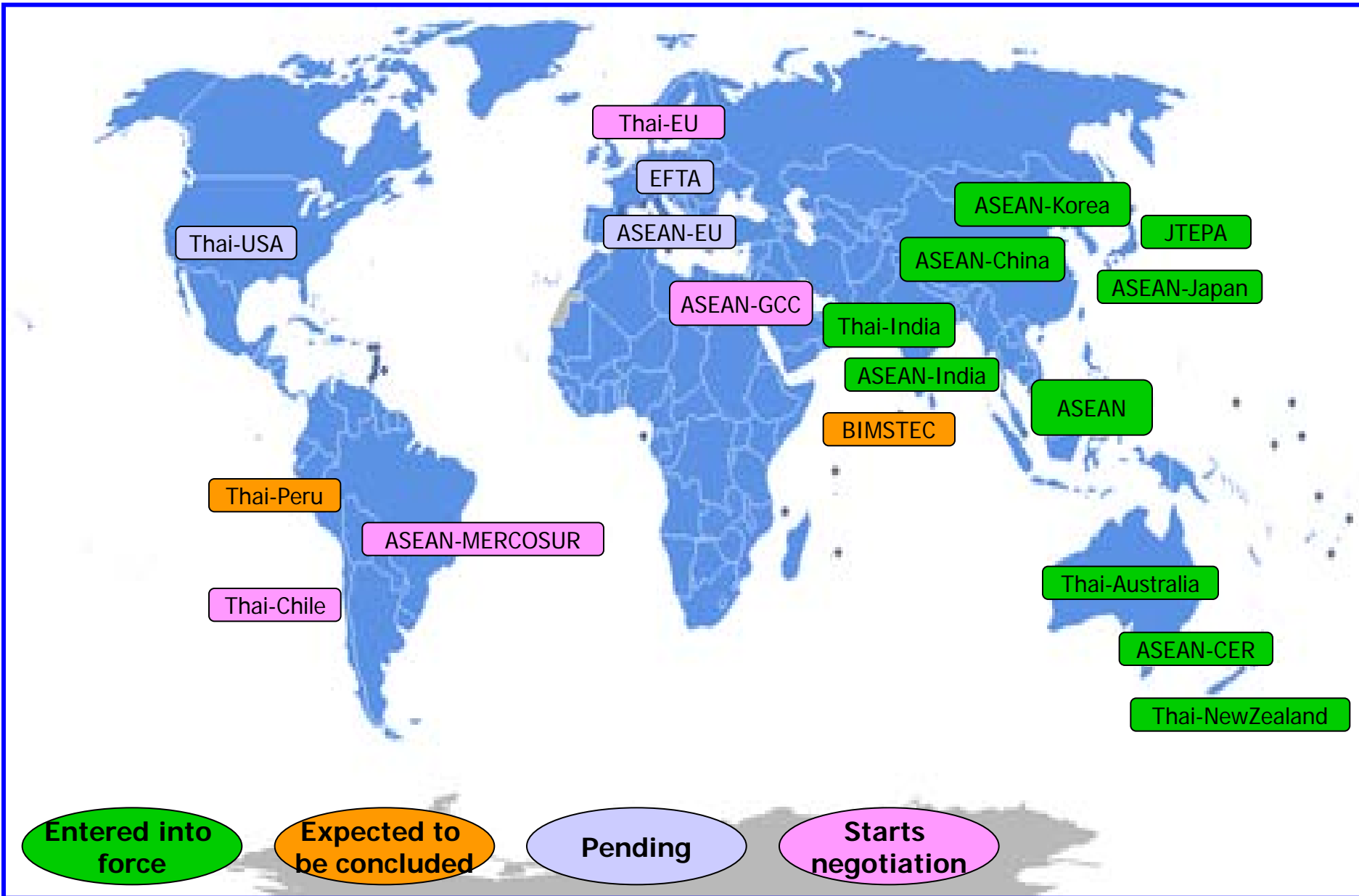
**67 million
population**



Hub of Access to Regional Markets (Countries and populations)



An Expanding FTA Regime





Investment Environment

Thailand ranks third in all of Asia

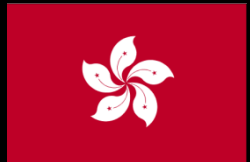
Ease of Doing Business Index

Singapore



Rank 1

Hong Kong



Rank 2

Thailand



Rank 3

Thailand is easier to do business in

Ease of Doing Business Index

China



←----- Rank 79

India



←----- Rank 135

Thailand



←----- **Rank 19**



Liberal Investment Policy

- No restrictions on foreign currency remittances**
- No foreign equity restrictions in manufacturing sector**
- No export requirement**
- No local content requirement**



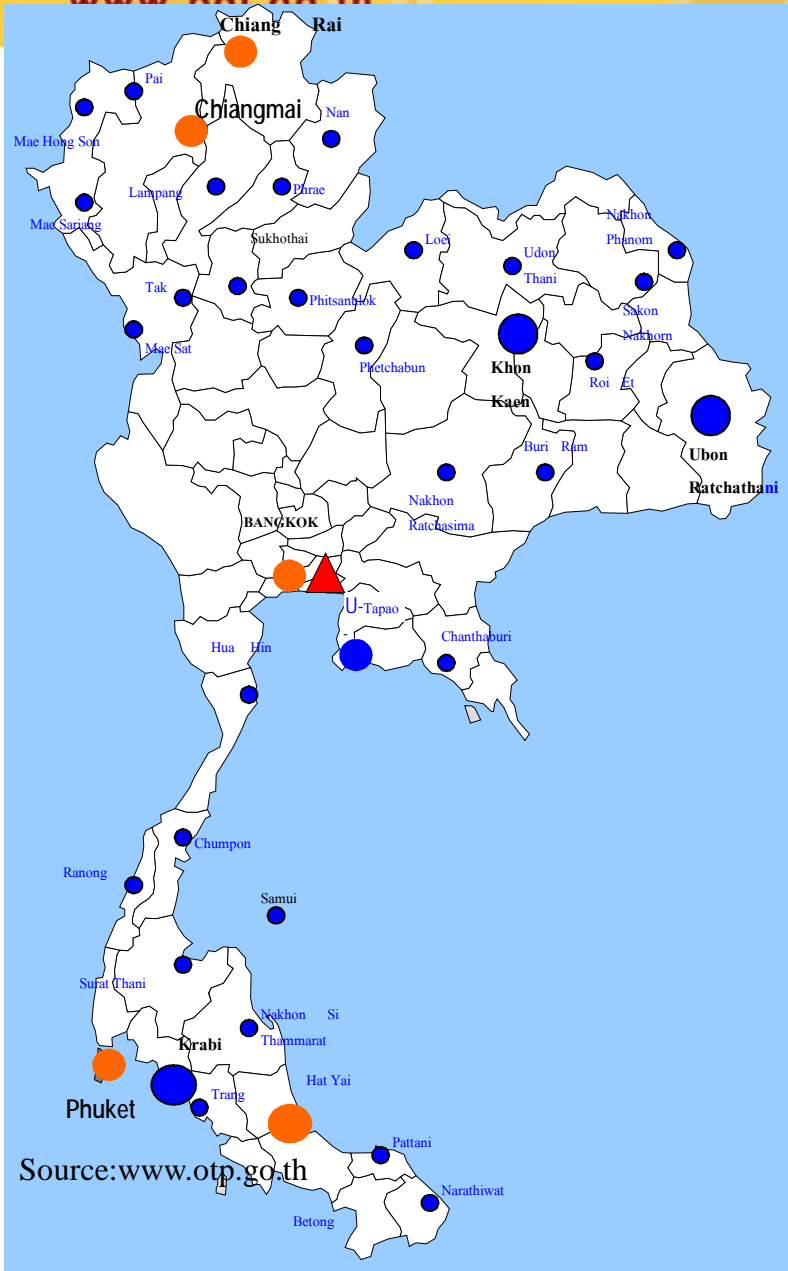
Infrastructure and Quality of Life



Airport

Thailand has 37 commercial airports:

- 27 domestic airports
- 6 international airports (Chiang Mai, Chiang Rai, Phuket, Hat Yai, Udon Thani, and Suvarnabhumi)
- 3 airports operated by private sector comprising of Trat, Samui and Sukhothai Airports
- 1 airport operated by Navy which is U-Tapao International Airport



Source: www.otp.go.th

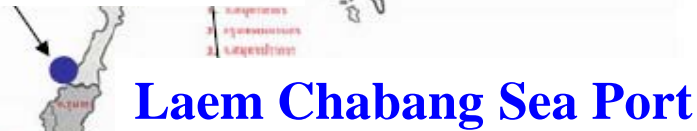
Ports



Bangkok Sea Port



Ra Nong Sea Port



Songkla Sea Port

Phuket Sea Port

Ports	Capacity/Year
Bangkok	1.3 million TEUs.
Laem Cha Bang	7.4 million TEUs.
Chiang Saen	120,000 tonnes.
Chiang Kong	15,000 tonnes.
Map Ta Phut	2.0 million tonnes.
Songkla	160,000 TEUs/ 600,000 tonnes.
Phuket	450,000 tonnes

Source: NESDB, updated the figure from Thailand Transport Portal in Jan 2010, PAT, Map Ta Phut Port, Ranong Port and Phuket Port as of Jul 12, 2010

Easy and Improving Transport

Rail: 4,346 km rail links to Malaysia, Singapore; Bangkok Light Rail expansion plan for 137 km 2006-2012

Transnational RR linking China and SE Asia, covering 615 km at 200km/hr



High-Speed Rail

September 14, 2010

The Cabinet approved and gave consent to a coordinating committee to consider the implementation of PPPs and conduct a market sounding session for high speed rail projects.

December 2, 2010

The Government organized a market sounding session for the development of two initial HSR projects: Northern route (Bangkok-Chiangmai) and Eastern route (Bangkok-Chachoengsao-Rayong).

For further information, please contact www.sepo.go.th.

Modern Industrial Estates

➤ Thailand has over 50 Industrial estates, zones and parks nationwide



Map of basic infrastructure sites and industrial parks in and around Bangkok



-  **304 Industrial Park**
-  **Amata Industrial Estate**
-  **Asia Industrial Estate**
-  **Gateway City Industrial Estate**
-  **Hemaraj Land and Development PLC**
-  **Laem Chabang Industrial Estate**
-  **Map Ta Phut Industrial Estate**
-  **Padaeng Industrial Estate**
-  **Ping Thong Industrial Estate**
-  **Rojana Industrial Park**
-  **Wellgrow Industrial Estate**
-  **International School & University**
-  **Golf Course**
-  **Hospital**

A Great Work Environment

Many of Thailand's Industrial Estates offer a complete lifestyle: schools, medical facilities and recreation

The positive investment sentiment...encouraged industrial property developers to construct new IEs to cater to market demand.

Around 6,400 acres of new IEs are scheduled to complete in 2011. *CBRE Asia MarketView 2010*



Making Thailand the Best Expat Experience

Top Destinations for Expat Experience 2010

1. Thailand
2. Canada
3. Bahrain
4. Spain
5. South Africa
6. France
7. Bermuda
8. Australia
9. Malaysia
10. Switzerland



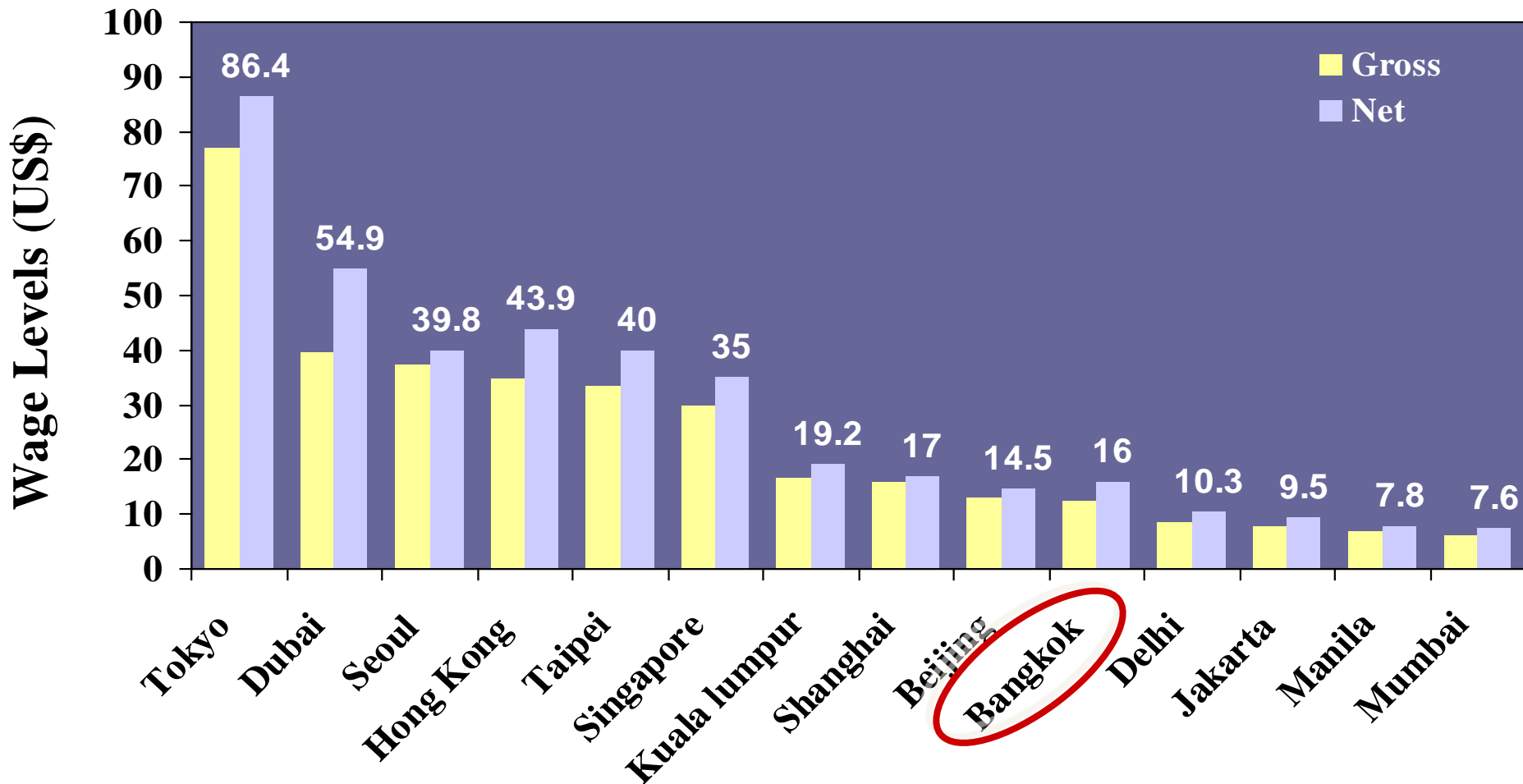
Source: Expat Explorer Survey 2010, HSBC
as of Nov 24, 2010 (4,127 respondents)



Costs of Doing Business

With Competitive Wages

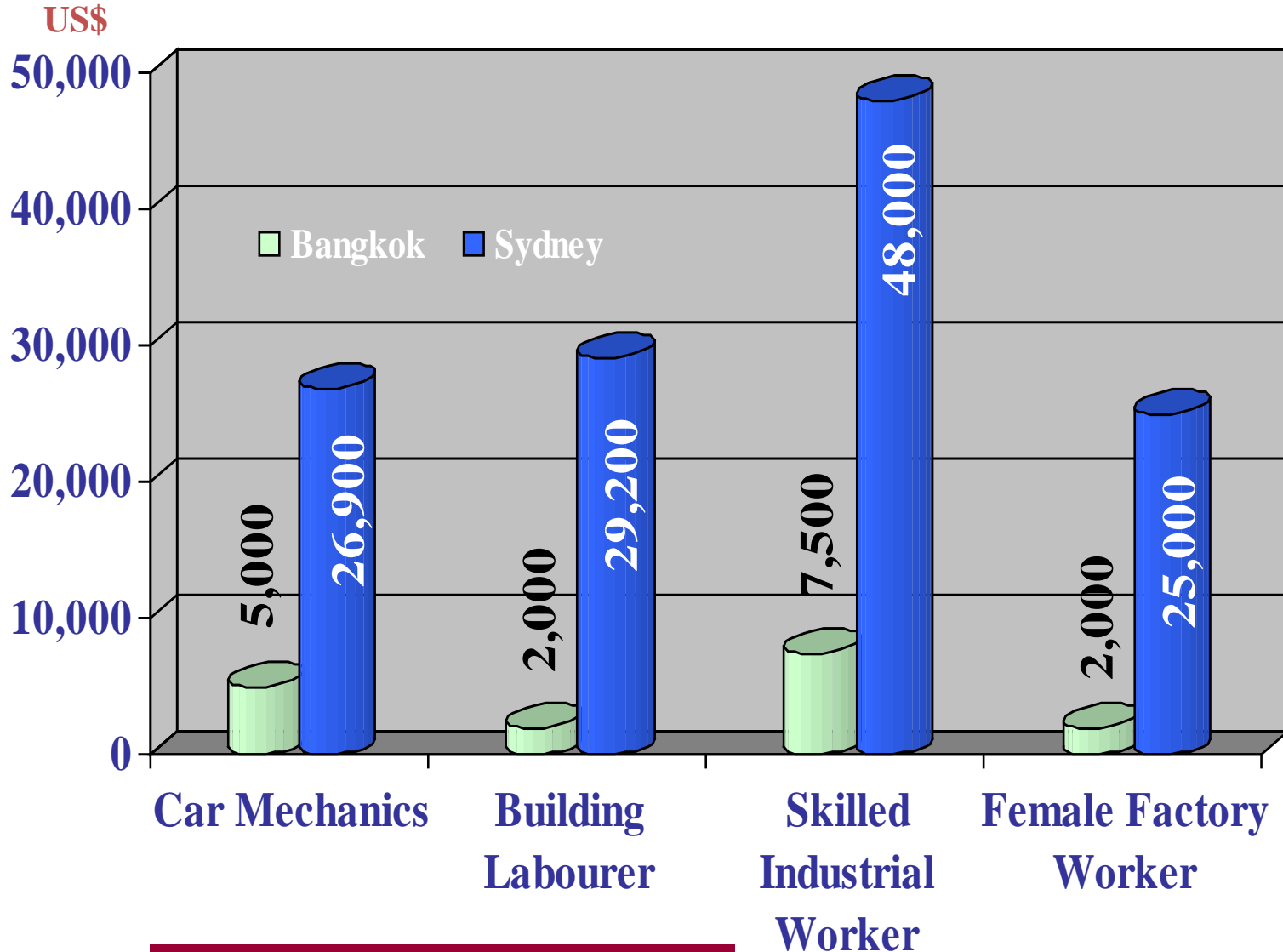
Wage Comparison 2010



Cities ranked according to gross value of index
Source: UBS/Prices & Earnings Nov 2010



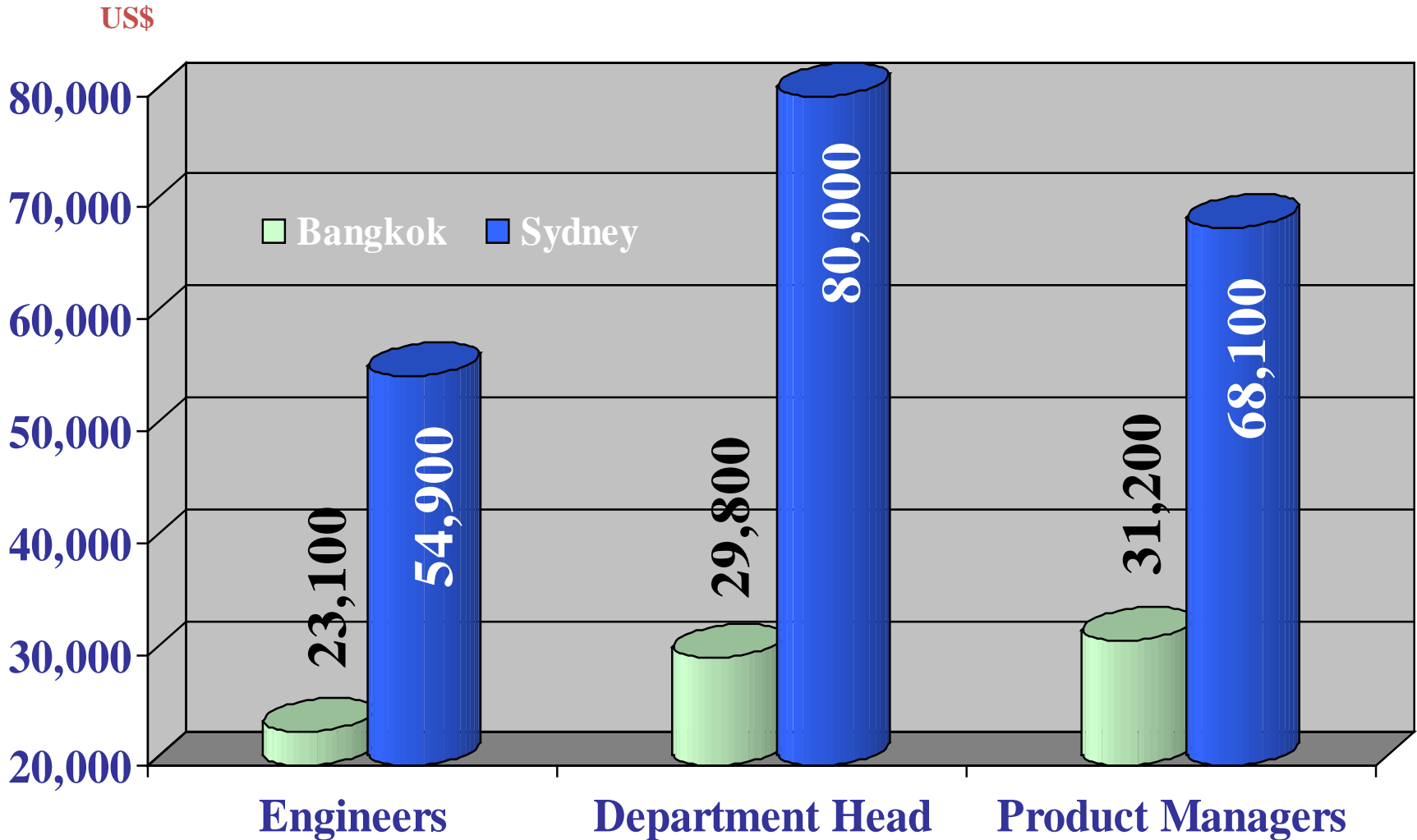
Gross Income per Year Comparisons



Source: UBS Prices and Earnings 2009



Gross Income per Year Comparisons



A Low Cost of Living

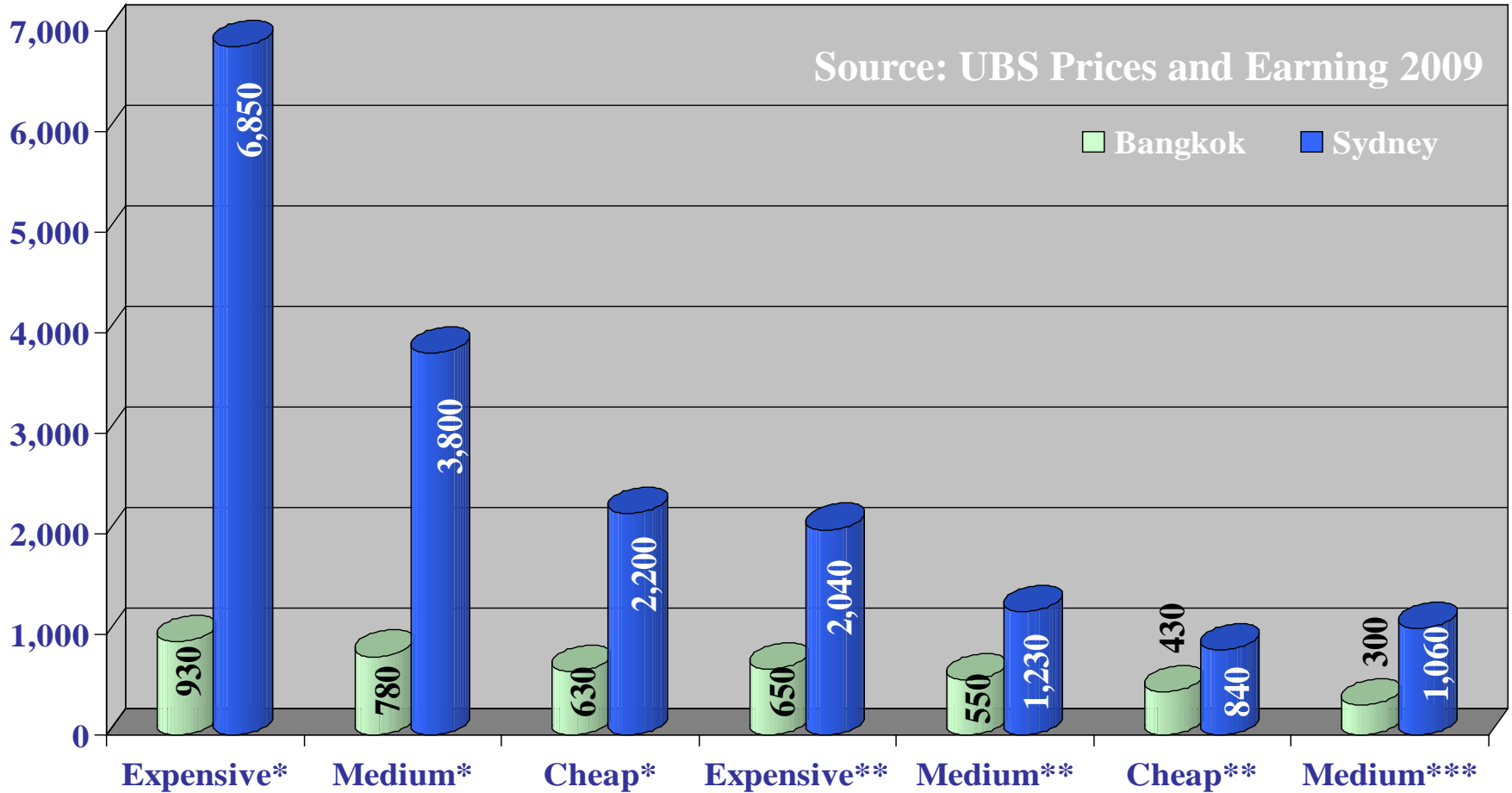
Mercer 2010 Cost of Living Survey

Cities	Country	Ranking (March 2010)
Tokyo	Japan	2
Osaka	Japan	6
Hong Kong	Hong Kong	8
Beijing	China	16
Singapore	Singapore	11
Shanghai	China	25
Taipei	Taiwan	78
Jakarta	Indonesia	94
Hanoi	Vietnam	121
<i>Bangkok</i>	<i>Thailand</i>	<i>121</i>



Apartment Rent

US\$



*Furnished 4-room apartment **Unfurnished 3-room apartment ***Average rent prices (monthly gross rents) for a majority of local households.



Taxation

A Competitive Tax System

Total Tax and Social Security Contributions
as Percentage of Gross Wages



Taxation

- **Corporate income tax**
 - **0, 10%** for regional operating headquarters
 - **20-30%** for net profits (for firms with capital of ≤ 5 million baht)
 - **30%** of net profits (for other firms)
- **VAT – 7%**
- **Remittances: 10%** of gross remittances
- **Withholding: 10-15%**
- **Personal income: 0-37%** (sliding scale)

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Investment Policies



No restrictions on
foreign currency

100% foreign
ownership

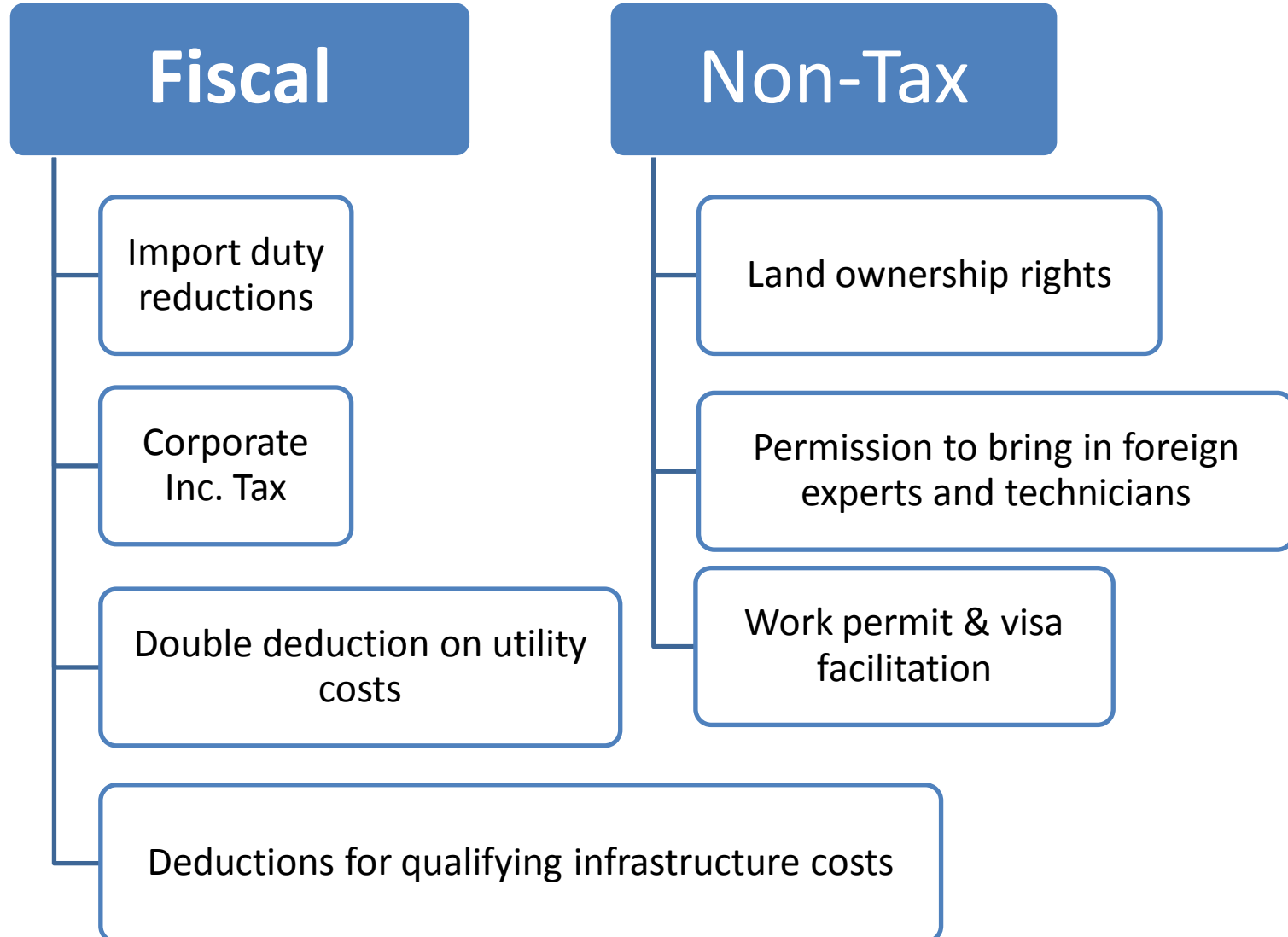
LIBERAL INVESTMENT REGIME

No export
requirements

No local content
requirements



BOI's Investment Incentives

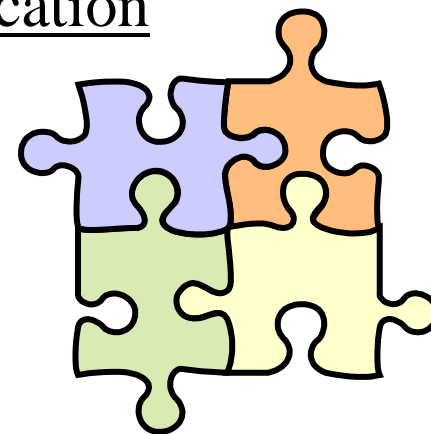




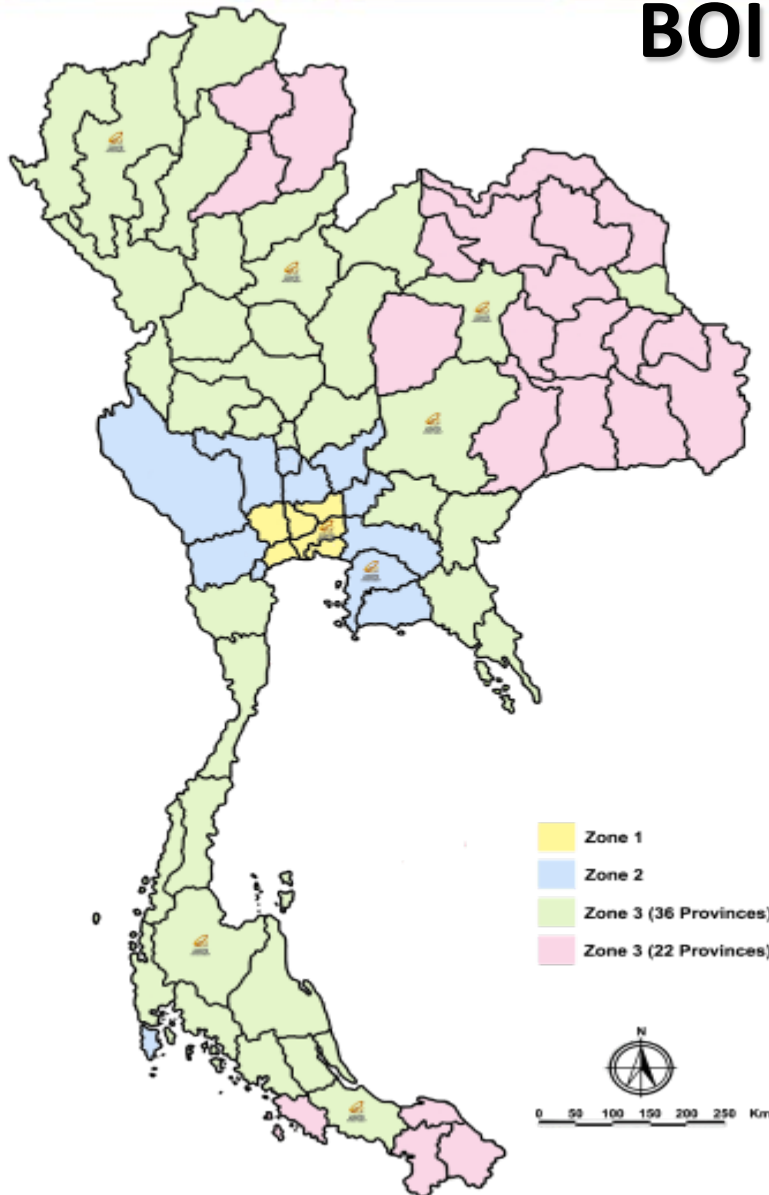
Major BOI Incentives Schemes

- Decentralization
 - Incentives vary according to zones
- Priority activities receive
 - 8-year corporate income tax exemption and exemption of import duties on machinery regardless of location
- Sector-specific policies
- Optional incentive scheme
 - STI Scheme
- Special temporary measures:

“Investment Promotion Policies for Sustainable Development”

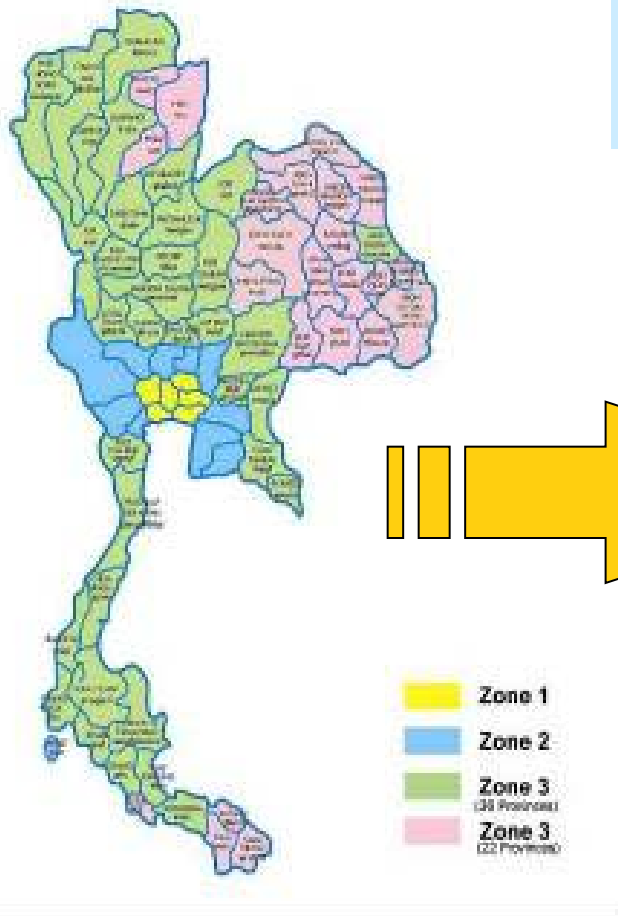


BOI Zone-Based Incentives



- **Zone 1:** Bangkok, Samut Prakan, Samut Sakhon, Nakhon Pathom, Nonhtaburi and Pathum Thani
- **Zone 2 :** Ang Thong, Ayutthaya, Chachoengsao, Chon Buri, Kanchanaburi, Nakhon Nayok, Phuket, Ratchaburi, Rayong, Samut Songkhram, Saraburi, and Suphanburi
- **Zone 3:** remaining 58 provinces

From Zone-Based to Sectoral Approach



**Sector Matrix:
Incentives to
strengthen
competitiveness**

**Strategic or Priority
Activities**

- Maximum incentives regardless of location
- Customized packages

Zone-Based

Incentives:

- Zone 1
- Zone 2
- Zone 3



Examples of Priority Activities

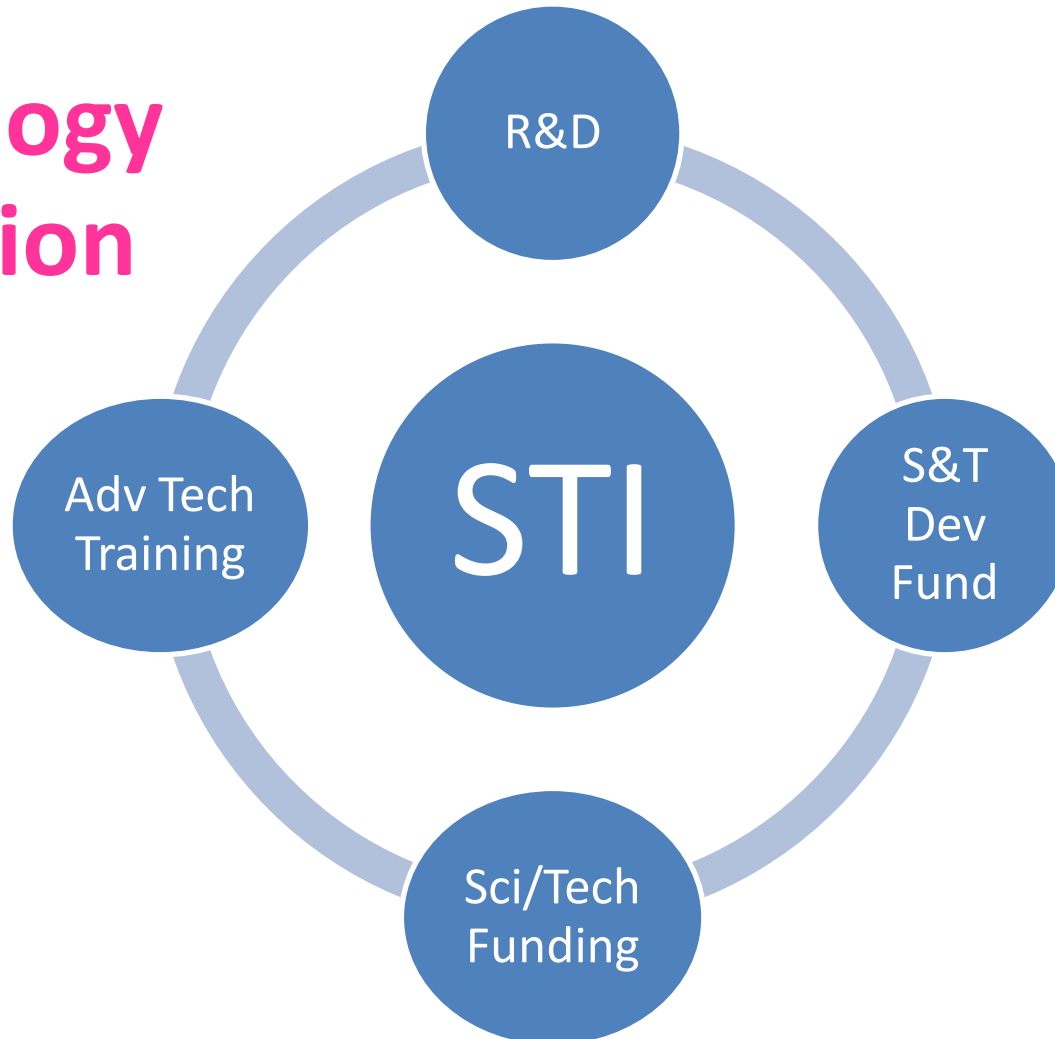
- Agriculture and agro-industries
- R&D
- Software development
- Molds & Dies
- Biotechnology
- Alternative energy
- Manufacture of hi-tech products e.g. advanced ceramics
- Waste recycling & recovery

Additional Incentive Package for STI:

Skills

Technology

Innovation



New Policies for 2010-2012

“Investment for Sustainable Development”

Application submission deadline: **December 31, 2012**

1. Special incentives for 3 groups of targeted activities

- 1) Manufacture of eco-friendly material and product, e.g. bioplastics**
- 2) Energy saving and alternative energy**
- 3) High technology activities e.g. industrial electronics, electronic parts for vehicles, biotech, nano-tech, functional fiber etc.**

Incentives

- Exemption of import duties on machinery**
- 8-year exemption of corporate income tax with no cap**
- 5-year 50% reduction of corporate income tax on net profit**
- 10-year double deduction of transportation, electricity and water supply costs**
- deduction from net profit of 25% of investment in infrastructure installation and construction costs in addition to normal capital depreciation**

New Policies for 2010-2012

“Investment for Sustainable Development”

2) Measure to promote energy conservation, alternative-energy utilization or reduction of environmental impacts

Incentives

- Import duty exemption on machinery.
- 3-year corporate income tax exemption on the revenue of existing projects, accounting for 70% of the investment under this measure excluding cost of land and working capital.

New Policies for 2010-2012

“Investment for Sustainable Development”

3) Measure to promote production efficiency improvement by technology upgrade for manufacturing of new products

Incentives

- Exemption from import duties on machinery, regardless of zone.
- Exemption from corporate income tax for 3 years, regardless of zone. The benefit from this exemption may not exceed 100% of the project's investment value.



BOI Tax Incentives for Rubber Tires for Vehicles

Manufacture of vehicle parts

Incentives

- **Exemption of import duties on machinery**
- **8-year exemption of corporate income tax with no cap**
- **5-year 50% reduction of corporate income tax on net profit**
- **10-year double deduction of transportation, electricity and water supply costs**
- **Deduction from net profit of 25% of investment in infrastructure installation and construction costs, in addition to normal capital depreciation**

Application submission deadline: 31 December 2012



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**

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THAILAND BOARD OF INVESTMENT



Automotive Industry



Key Highlights for the Auto Industry

Thailand:
12th largest
automobile
producer in
the world

Target:
Top-10 by
2014, when
local capacity
projected at
2.3 million
units

Output:
12 assemblers
with a
combined
production of
1,645,304
units in 2010
(56% for
export)

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

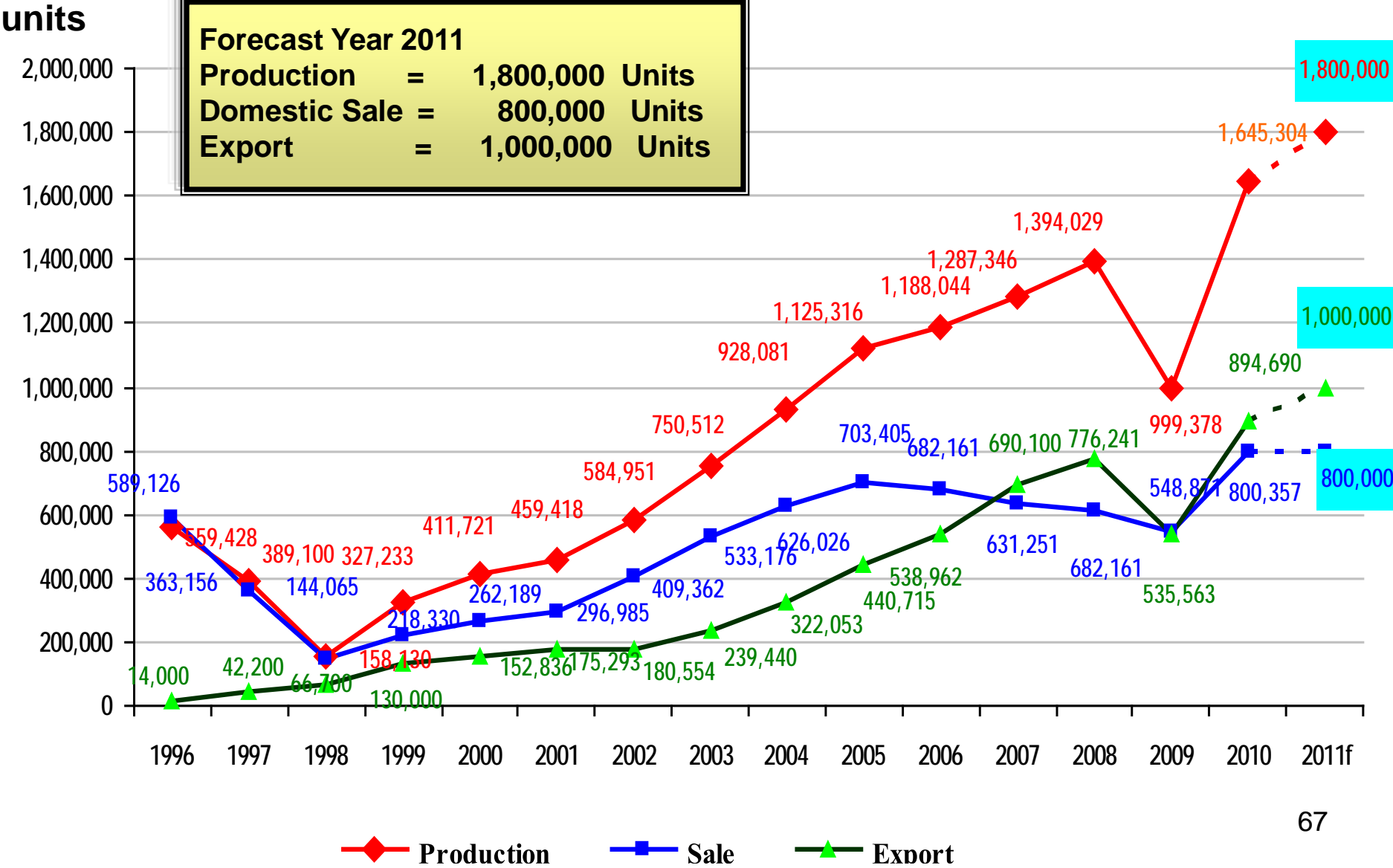
The automotive industry have been enjoying growth in 2010

- **Domestic car sales volume: 800,357 units**
***45.8% year over year increase**
- **Manufactured cars: 1,645,304 units**
***64.63% year over year increase**
- **Exports: 894,690 units**
***62.06% year over year increase, with a total value of \$117.5 million**

Thailand Automotive Industry Growth

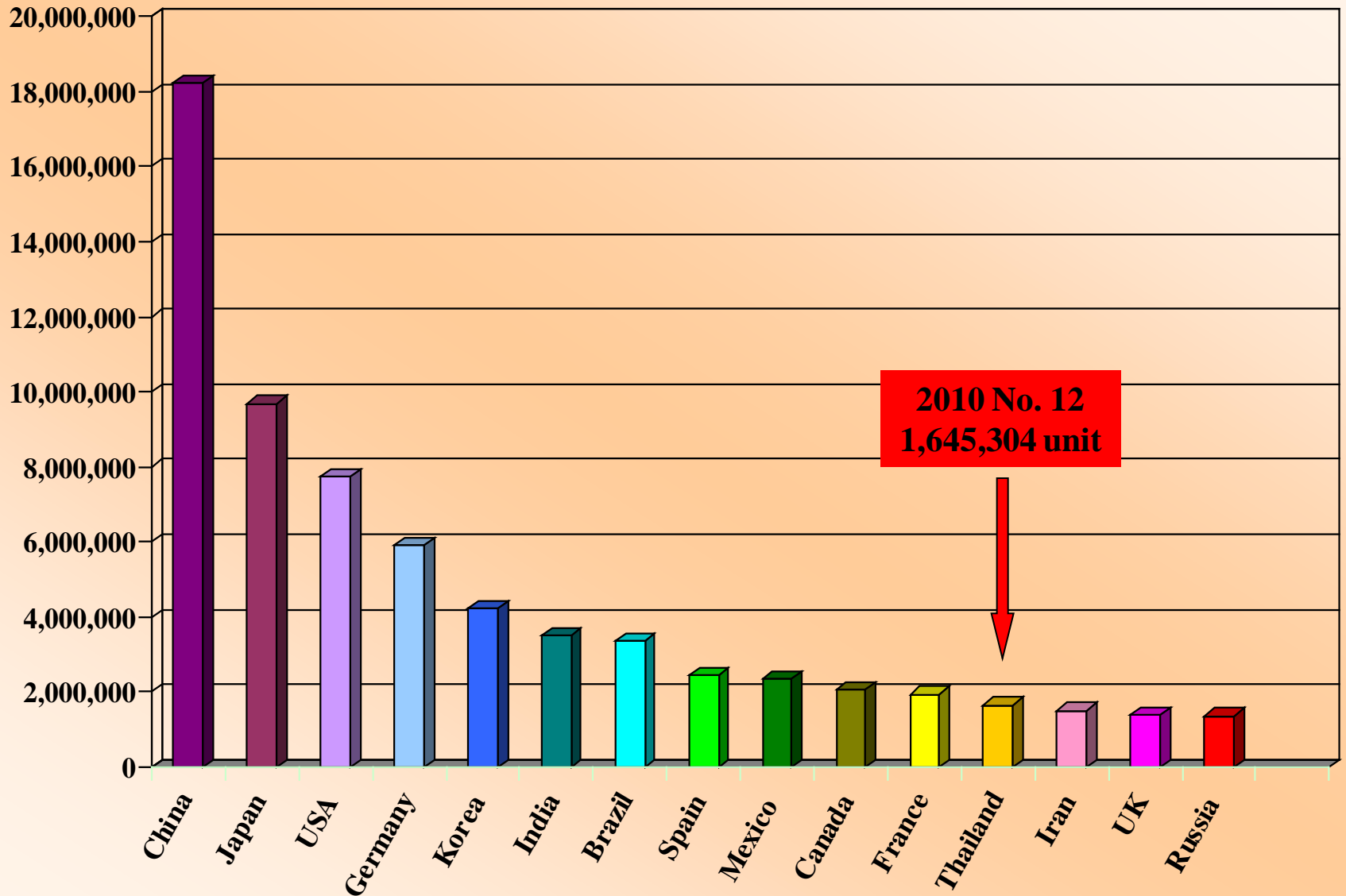


Forecast Year 2011
Production = 1,800,000 Units
Domestic Sale = 800,000 Units
Export = 1,000,000 Units

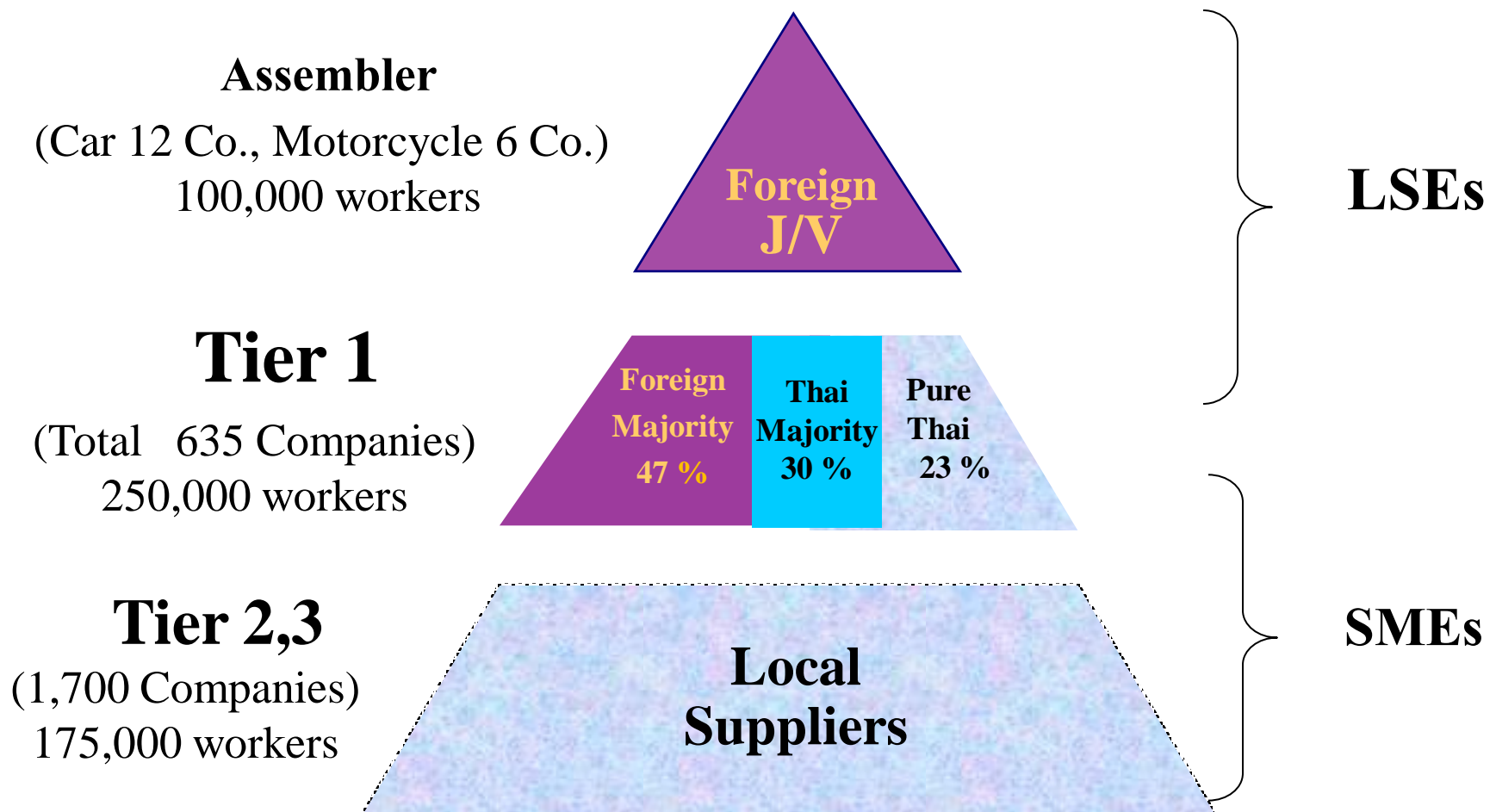


Thailand Ranked #12

2010 Automobile Production



Structure of Thai Automotive Industry

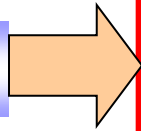


[* LSEs : Large Scale Enterprises SMEs : Small & Medium Enterprises]

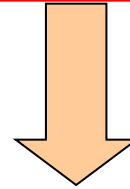
The data updated in July 2010 by TAI

Promoting Fuel Efficiency Vehicles

Eco-Car Project



-Quality Product compatible with environment, fuel efficiency and safety , in line with global trend



- **Fuel consumption : ≤ 5 litres per 100 km**
- **Emissions : Euro 4 or higher, with CO₂ emissions ≤ 120 grams per km**
- **Safety : full front- and side-impact protection based on UNECE specifications**



Thailand's Automobile Production Forecast 2011

Production	2011	2010	Change (%)
Export	1,000,000	895,000	11.73
Domestic Sales	800,000	750,000	6.67
Total	1,800,000	1,645,000	9.42

Production Capacity: 2.4 million (2011), 3.0 million (2014)

Estimated Automobile Production Capacity 2014

	2010	New Investment	2014 Estimate
Toyota	780,000	100,000	880,000
Mitsubishi	300,000	107,000	407,000
Nissan	220,000	66,000	286,000
Ford & Mazda	350,000	200,000	550,000
Honda	240,000	-	240,000
Isuzu	220,000	-	220,000
GM	160,000	-	160,000
Suzuki	-	138,000	138,000
Others	139,000	-	139,000
TOTAL	2,409,000	611,000	3,020,000

Top 100 Global Suppliers 2009 Active in Thai Automotive Industry

Japanese Global Suppliers	
1. Denso	48. Keihin
3. Aisin Seiki	49. Stanley
14. Toyota Boshoku	50. Mitsubishi
16. Yazaki	51. NTN
17. Sumitomo	55. Panasonic
19. Hitachi	60. Showa
22. CalsonicKansei	66. Mitsuba
23. JTEKT	78. Asahi Glass
27. Toyoda Gosei	89. Nissin Kogyo
31. NHK Spring	91. Alpine
32. TS Tech	96. Pioneer
33. Koito	99. Exedy
34. NSK	
37. Takata	
43. Bridgestone	
44. Tokai Rika	
	28 Companies

Other Global Suppliers	
2. Robert Bosch	57. Goodyear
4. Continental	58. Antolin
8. Johnson Control	67. Draexlmaier
9. Delphi	90. Hayes Lemmerz
10. ZF	95. Inergy
11. TRW	100.3M
13. Valeo	
15. Lear	
18. BASF	
21. Visteon	
25. Mahle	
26. Dana	
28. Autoliv	
40. Michelin	
47. Federal-Mogul	
53. GKN Driveline	
	22 Companies

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BOI FAIR 2011 THAILAND

โลกสดใส ไทยยั่งยืน

งานแฟร์ที่ยิ่งใหญ่ที่สุดในประเทศไทย

10-25 พฤศจิกายน 2554

อิมแพค เมืองทองธานี

www.boifair2011.com



10 - 25 November 2011

**IMPACT Exhibition and
Convention Center**

**Organized by Thailand
Board of Investment**

Objectives



- 1. To celebrate the auspicious occasion of the 84th birthday of His Majesty the King.**
- 2. To highlight the achievements of Thai industry in the areas of technology and innovation.**
- 3. BOI Fair 2011 will give wide exposure to the Thai industrial sector's commitment to serving society and preserving the natural environment and build confidence.**
- 4. To provide an opportunity for members of the industrial community to meet, conduct business, and network.**

Theme

“Going Green for the Future”





General Information

Show date : 10 - 25 November 2011 (16 Days)

Venue : IMPACT Exhibition and Convention Center
(237,000 sq.m)

- Outdoor Pavilions 166,000 sq.m

- Indoor Exhibition 60,000 sq.m

- Government agencies 11,000 sq.m
and Seminar

Exhibitors: 84 Outdoor Pavilions and more than 3,000 Indoor
Booths

Visitors : More than 5 million visitors expected

GROW YOUR INVESTMENT OPPORTUNITIES HERE

THAILAND, A PERFECT LOCATION FOR YOUR BUSINESS TO GROW AND BEAR FRUIT

Think Asia, Invest Thailand



THAILAND BOARD OF INVESTMENT