



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

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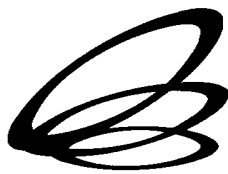
Digital industry is set to disrupt Thai economic model to compete in the digitally connected world

Thailand's endeavor to establish an enriched eco-system to nurture digital economy development has begun to show concrete results. Pays off. The country's digital industry is thriving with booming domestic entrepreneur community, venture capital investors as well as influx of international startups and tech giants. During the first half of 2018 alone, foreign direct investment (FDI) application in digital industry for investment incentives from the Board of Investment of Thailand (BOI) is among the top of the Thai government's 10 targeted growth engine industries, amounting to \$US 204 million from 68 projects.

Digital industry is set to be a significant driver of Thai economic transformation. The key benefits brought about by digital development, including streamline business operation, introduce new business models, improve production efficiency and productivity, support human resource development, and all contributing the country's overall competitiveness.

In building up a sustainable eco-system to support digital industry, the Thai government leverages a holistic approach with 5 areas of focus – digital infrastructure, digital manpower, digital development, cyber security and e-Government. Rapid progress is currently ongoing in each of these areas. The state-provided free high-speed internet network in 24,700 villages throughout the country is about to complete-by end of 2018. Submarine optical fiber cable installation project initiated by the National Broadcasting and Telecommunication Commission (NBTC) is slated to bring cross-border link between Malaysia, Cambodia and Thailand by year 2020. The development of Digital Park Thailand (EECD), one of the flagship developments under the EEC scheme intended to be a new industrial estate aiming to be the destination for digital business and global digital ventures, is set to start right away after finalizing its bidding process in November 2018. Thailand's Cybersecurity Bill, submitted to the Cabinet's approval in September 2018, will bring about the setting up of the Cybersecurity Excellence Centre in the Digital Park Thailand.

While digital infrastructure is being strengthened, BOI's promotional packages help attract and accelerate foreign investments. Foreign investors in digital industry will enjoy a wide range of tax and non-tax incentives for projects of business investment related to the enhancement of digital technologies and advanced computer skills in such activities as software development, digital services and digital infrastructure. Tax incentives include an exemption of corporate income tax for up to eight years, and exemption of import duty for machinery and import duty on raw or essential materials used in manufacturing exported products. Non-tax incentives



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include the permission to own land, to acquire relevant visas and work permits for foreign experts, and to take or remit foreign currency abroad.

Thailand's recently launched SMART Visa program, offered to foreign experts, executives, entrepreneurs and investors who wish to enter into the Kingdom of Thailand to work or to invest in the country's targeted industries, is also a key supporting factor in enhancing the kingdom's attractiveness in drawing science and technology experts, senior executives, investors and startups.

The number of foreign investment projects in Thai digital industry has continued to increase over the recent years. Several committed investment projects from global technology companies have been granted BOI's incentives and support measures. Among the major testimonial projects are Cloud Service projects, including one from Chinese tech giant Huawei Technologies; a high-performance submarine cable project to connect Thailand with three major hubs in Asia -- Singapore, Hong Kong and Japan, co-invested by True Corp and Southeast Asia – Japan 2 consortium (SJC2) and NEC Corporation; and a 1data center project in Amata Nakorn Industrial Estate, Chonburi Province from Digital Port Asia, a leading provider of data center with Japan's NTT Communications Corporation as major shareholder.

According to Digital Port Asia's Chief Commercial Officer Kriengsak Charoonsrisawat, "We anticipate our business footprint in Thailand will grow even larger with supporting policies such as Thailand 4.0, the EEC Scheme."

True Digital Park, the largest digital innovation hub in Southeast Asia with distinctive and complete startup ecosystem, has managed to secure partnership with several global technology companies like Google, Amadeus, Amazon Web Services, Ericsson, Huawei Technologies and ZTE.

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