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**Think Asia, Invest Thailand**

**Thailand**, a perfect place for your business to grow



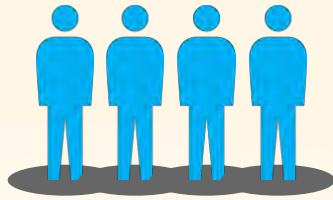
**Secretary General  
Dr. Atchaka Sibunruang  
Thailand Board of Investment  
July 21, 2011**

# Outline of Presentation

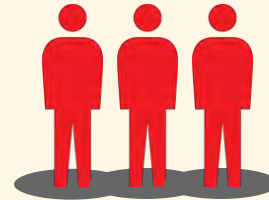
- **Economic Overview**
- **Investment Trend**
- **Investment Promotion Policy**
- **BOI Services**

# Economy Overview

# Demographic and Economic



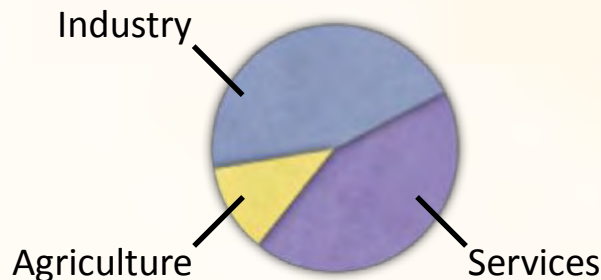
67 Million People



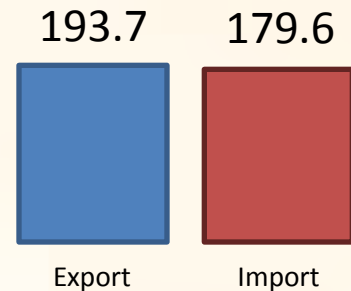
Labor 38.95 Million



GDP US\$317.8 Billion



Sector share of GDP



Export & Import  
(Billions US\$)

# Economic Performance 2010 and Outlook 2011

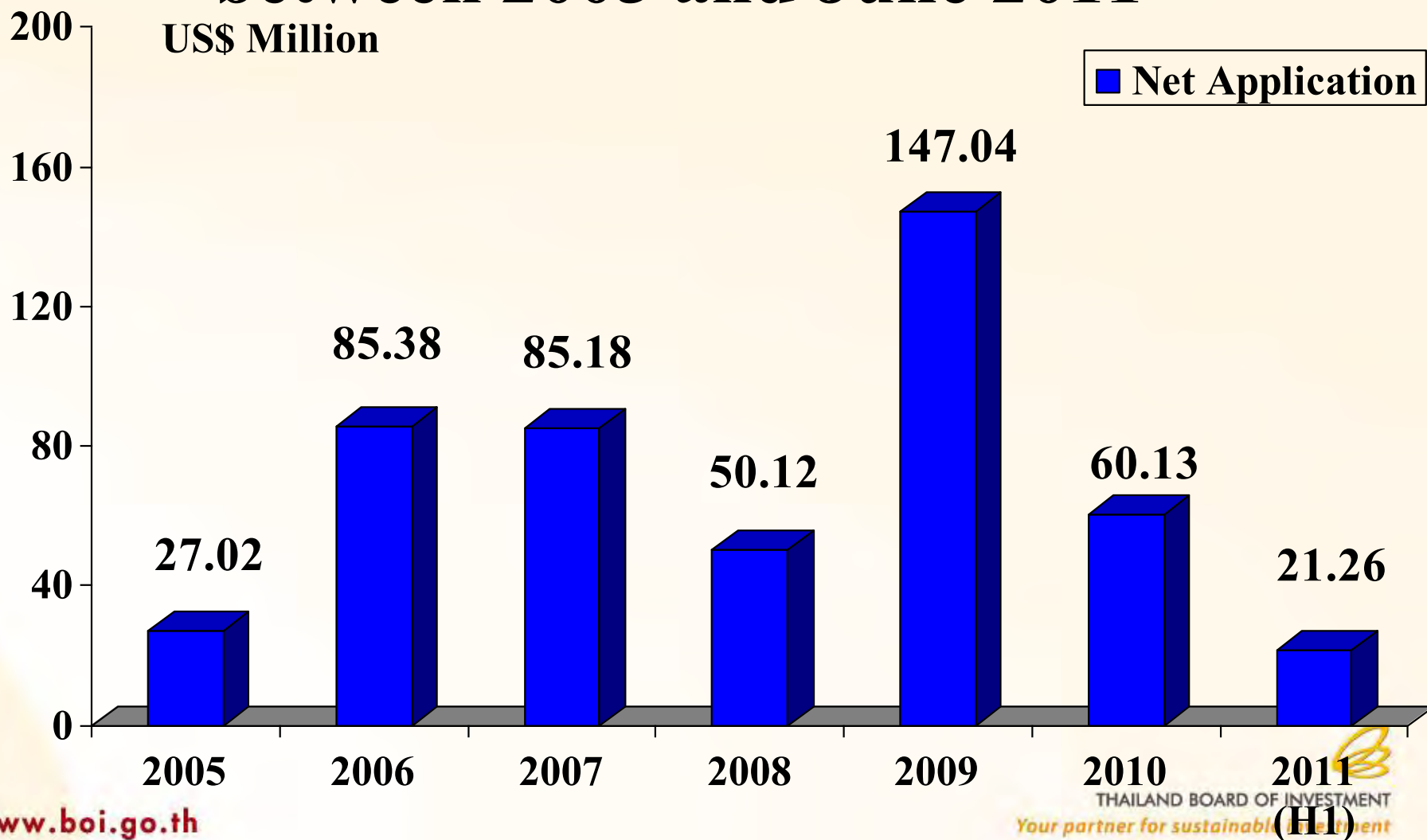
<b>Economic Projections</b>	<b>2009</b>	<b>2010</b>	<b>2011E</b>
<b>GDP Growth</b>	<b>-2.3</b>	<b>7.8</b>	<b>4.1</b>
<b>Export, FOB value (percent y-o-y)</b>	<b>-14.0</b>	<b>28.5</b>	<b>20.4</b>
<b>Import, CIF value (percent y-o-y)</b>	<b>-25.2</b>	<b>36.7</b>	<b>24.6</b>
<b>Industrial Capacity Utilization(%)</b>	<b>61.0</b>	<b>63.4</b>	<b>NA</b>
<b>Core/Headline Inflation</b>	<b>0.3/-0.9</b>	<b>1.0/3.3</b>	<b>2.3/3.9*</b>
<b>Unemployment rate(%)</b>	<b>1.50</b>	<b>1.04</b>	<b>NA</b>

# Top 10 Exports in 2008 – 2011 (Jan - May)

Unit: US\$ Billion

	2008	2009	2010	2010 (Jan- May)	2011 (Jan- May)	Growth (yoy)
Automatic data processing machines and parts	18.38	16.02	18.84	7.56	7.44	-1.63
Motor cars, parts and accessories	15.59	11.12	17.71	6.95	7.15	2.83
Precious stones and jewellery	8.27	9.76	11.65	4.58	5.54	20.84
Rubber	6.79	4.31	7.90	2.90	5.48	89.17
Polymers of ethylene, propylene, etc., in primary forms	5.52	4.46	6.34	2.30	3.69	59.98
Chemical products	4.31	4.47	5.78	2.21	3.41	54.42
Electronic integrated circuits	7.24	6.44	8.07	3.00	3.34	11.01
Rubber products	4.55	4.49	6.43	2.44	3.26	33.37
Refine fuels	7.91	5.43	7.07	2.39	3.19	33.37
Rice	6.20	5.05	5.34	2.02	2.88	42.72
Others	93.01	80.89	100.18	38.62	48.53	25.65
<b>Total</b>	<b>177.78</b>	<b>152.43</b>	<b>195.31</b>	<b>74.99</b>	<b>93.90</b>	<b>25.22</b>

# Trend of Indian Investment in Thailand between 2005 and June 2011



# Principal Exports to India

Unit: US\$ Million

Description	2008	2009	2010	2010 (Jan-May)	2011 (Jan-May)	% Growth YOY
Chemical products	134.2	288.8	476.5	184.6	342.9	85.72
Polymers of ethylene, propylene, etc in primary forms	327.9	315.1	446.5	169.4	214.8	26.82
Precious stones and jewellery	155.4	139.1	236.4	53.1	160.0	201.48
Spark-ignition reciprocating internal combustion piston	142.1	148.4	236.4	82.8	114.0	37.80
Motor cars, parts and accessories	186.2	160.3	262.2	101.7	108.6	6.78
Others	2,399.4	2,172.0	2,735.6	1,174.5	1,194.8	1.73
<b>Total</b>	<b>3,345.1</b>	<b>3,223.8</b>	<b>4,393.6</b>	<b>1,766.0</b>	<b>2,135.2</b>	<b>20.90</b>



# Principal Imports from India

Unit: US\$ Million

Description	2008	2009	2010	2010 (Jan-May)	2011 (Jan-May)	% Growth YOY
Jewellery including silver bars and gold	414.6	279.4	314.5	115.7	270.2	133.44
Chemicals	261.5	204.6	236.1	103.2	128.1	24.09
Machinery and parts	117.5	127.2	226.0	85.4	112.5	31.78
Other metal ores, metal waste scrap, and products	367.2	132.3	249.7	84.8	103.0	21.41
Vegetables and vegetable products	326.6	189.8	177.3	74.6	94.5	26.63
Others	1,142.4	794.4	1,049.2	440.6	570.3	29.44
<b>Total</b>	<b>2,629.7</b>	<b>1,727.6</b>	<b>2,252.7</b>	<b>904.4</b>	<b>1,278.6</b>	<b>41.37</b>



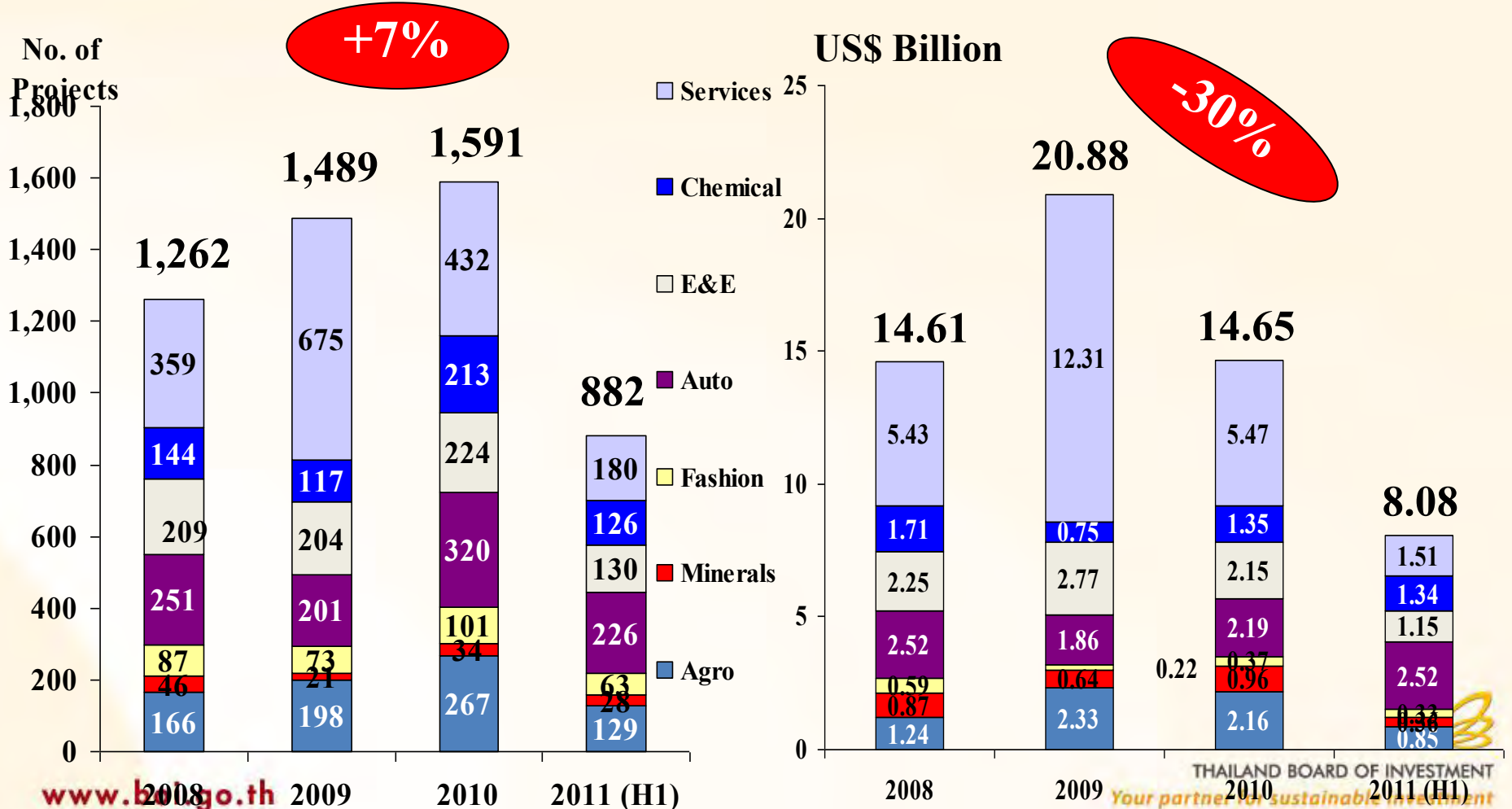
# Investment Trend

# Comparison of All Net Applications for Investment Promotion 2008 – 2011 (H1)

(Includes Foreign and Domestic Projects)

## Number of Projects

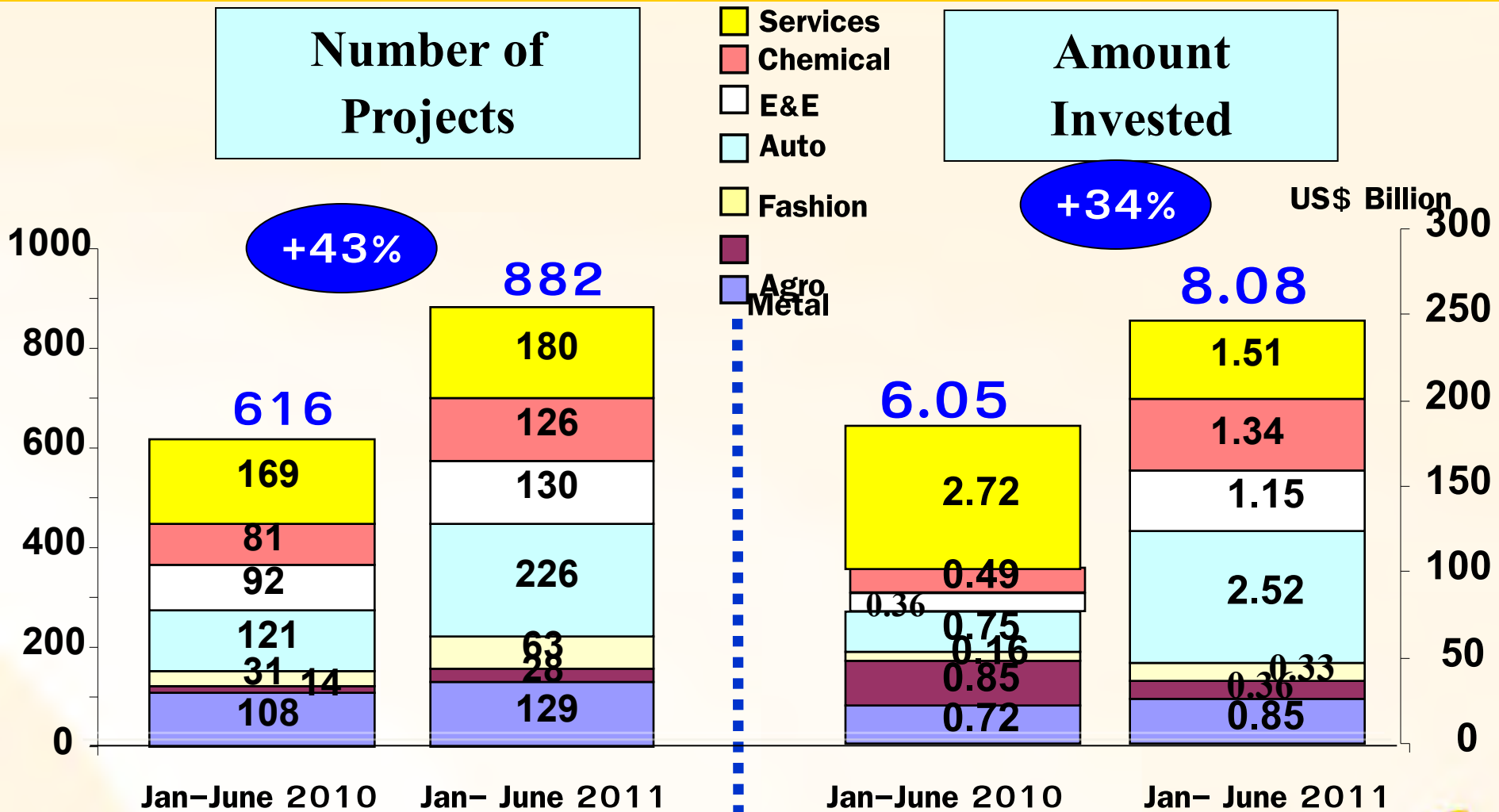
## Amount Invested



Source: BOI, as of 21 July 2011 Exchange rate: US\$1=Bt30.56 in Q1,2011

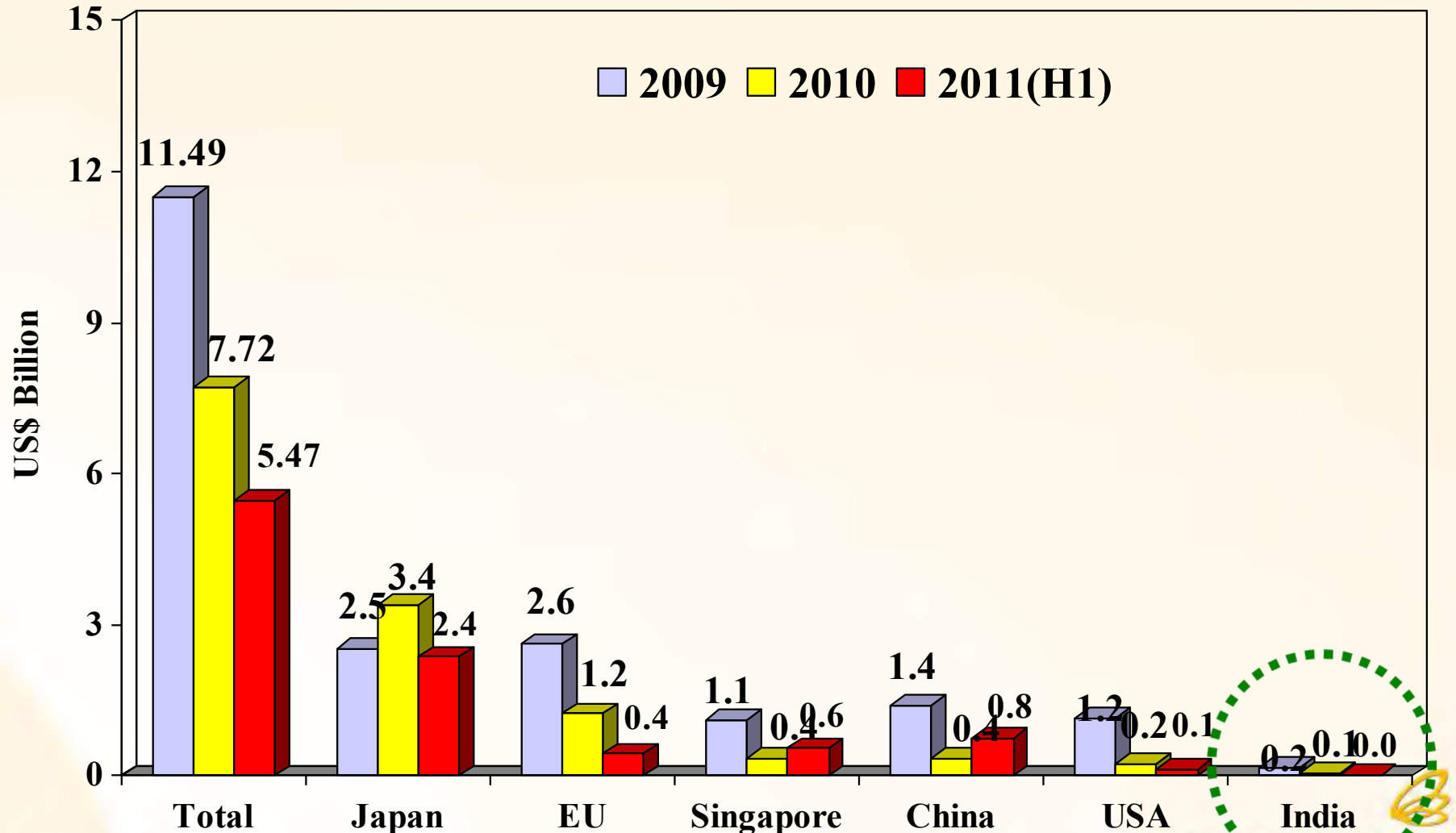
# Comparison of All Net Applications for Investment Promotion 2011 (H1)

## Increased 34%



Source: BOI, as of 21 July 2011 Exchange rate:US\$1=Bt30.56 in Q1,2011

# Foreign Direct Investment Applications



# Examples of Major Indian Investments Approved by BOI

Company Name	Activities
Alva Aluminium Ltd	Aluminium Alloy Ingot
Bharat Hotels	Hotel
Birla Group	Textile, Carbon Black
Indorama Polymers Public Co.,Ltd	PET Resin
Linaria Chemicals (Thailand) Ltd	Anti-Bacterial Agents and Anti-Tuberculosis Agents
N.T.S Steel Group	Hot or cold rolled stainless steel sheets
Polyplex (Thailand) Public Co.,ltd	Silicone Coated Film
Rajratan Thai Wire Co.,Ltd	Tire Bead Wire
Saraff Energies Ltd	Electricity from stem power
Tata Motors (Thailand) Ltd	Pick-Up Truck
Tata Technologies (Thailand) Ltd	R & D (Automotive)
Tata Consultancy Services (Thailand) Ltd	Trade and Investment Support Office
Thai – Indo Steel Co., Ltd	Stainless Steel Billets
SRF Technical Textiles	Tyre cord, BOPET Film (Biaxially Oriented Polyester film)

Source: BOI as of July 2011

# Investment Policies

# Liberal Investment Policy

**1**

**No Restrictions on  
Repatriation of Profits**

**2**

**100% Foreign Ownership\***

**3**

**No Export requirements**

**4**

**No local content  
requirement**

*\*some restrictions apply*



# List of BOI activities eligible for Investment Promotion



Agriculture and Agricultural products



Mining, Ceramics, and Basic metals



Light Industry



Metal products, machinery and transport equipment



Electronics industry and electronic appliances



Chemicals, paper and plastic



Services and public utilities

**129 sub-items are eligible for investment promotion**

# Criteria for Project Approval

- Minimum investment amount of at least 1 million baht (excluding land cost and working capital)
- Value-added for at least 20 percent of sales revenues
- A debt-equity ratio (D/E) of less than 3 to 1
- Utilization of modern production processes and new machinery (used machinery must be less than 10 years old and certified by relevant parties)
- Adequate environmental protection systems

# Criteria for Foreign Shareholding

- Projects in agriculture, animal husbandry, fisheries, mineral exploration and mining and service businesses under List One of the Foreign Business Act B.E. 2542: Thai nationals must hold shares totaling not less than 51 percent of the registered capital
- Manufacturing projects: there are no equity restrictions for foreign investors
- The Board may set the amount of shares eligible to be held by foreign investors on promoted projects when deemed appropriate

# Investment Incentives

## TAX Incentives

- **Import duty reductions or exemptions on machinery and raw materials**
- **Corporate income tax holidays up to 8 years; additional 50% reductions for 5 years**
- **Double deduction of public utility costs**
- **Deductions for construction/installation costs infrastructure**

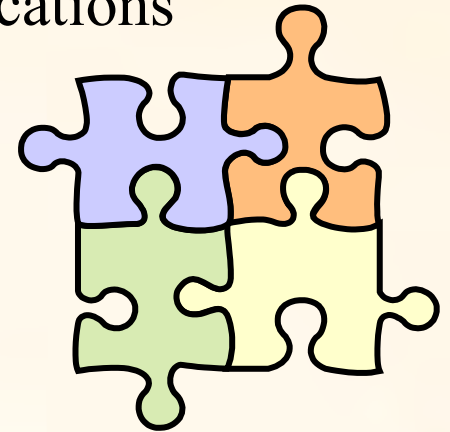
## NON-TAX Incentives

- **Land ownership rights for foreign investors**
- **Permission to bring in foreign experts and technicians**
- **Work permit & VISA facilitation**

# Major BOI Incentives Schemes

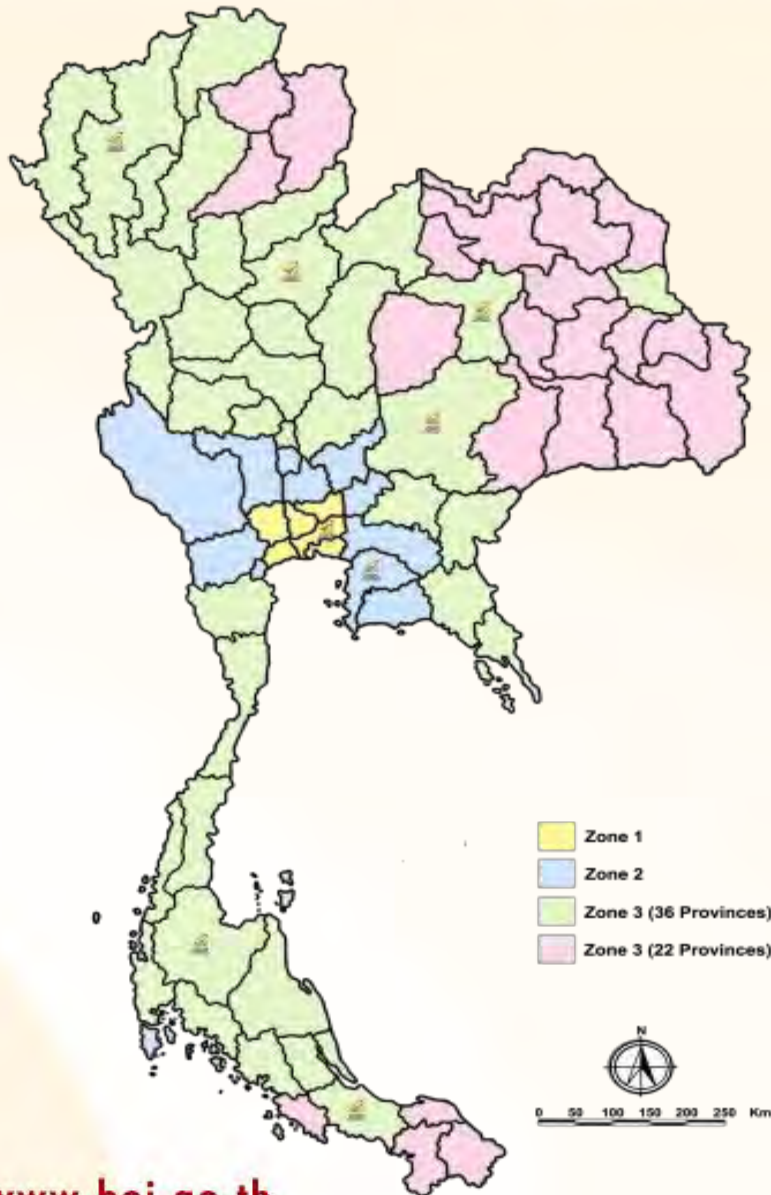
- Decentralization
  - Incentives vary according to zones
- Priority activities
  - 8-year corporate income tax exemption and exemption of import duties on machinery regardless of locations
- Sector-specific policies
- Optional incentive scheme
  - STI Scheme
- Special temporary measures:

**“Investment Promotion Policies  
for Sustainable Development”**



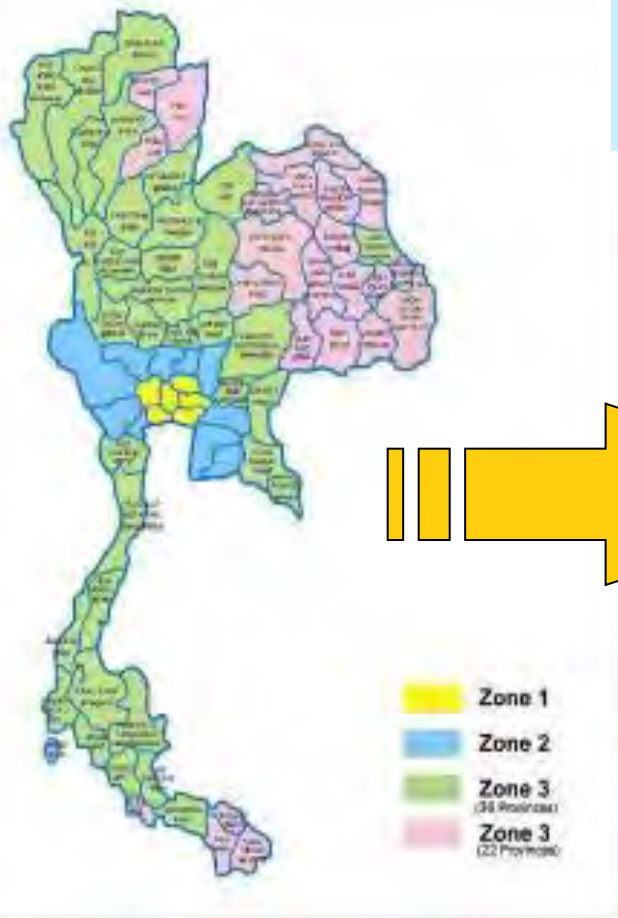
# BOI Zoning Zone-Based Incentives

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



Source: Thailand Board of Investment

# 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



# **Additional Incentive Package for STI (Skill, Technology & Innovation)**

**Privileges will be based on the project's total investment in STI expenditures in any of the following 4 categories:**

**R&D**

**Adv Tech  
Training**

**SciTech  
Funding**

**S&T Dev  
Fund**

# Requirement and Additional Incentive for STI Activities

STI Expenditure	Additional Incentives
1% of total sales for the first 3 years of operations or at least 150 million baht	1 year (uncapped)
2% of total sales for the first 3 years of operations or at least 300 million baht	2 years (uncapped)
3% of total sales for the first 3 years of operations or at least 450 million baht	3 years (uncapped)

Note: 1. Investment ceiling uncapped. Corporate income tax holiday may not exceed eight years.

2. Exemption of import duty on machinery

# **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**

# BOI Services

## **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**

# One Start One Stop Investment Center



**More Convenience,  
less time,  
more efficiency!**



**One Start One Stop Investment Center  
18th Floor, Chamchuri Square Building  
319 Phayathai Road, Pathumwan  
Bangkok 10330, Thailand  
Domestic Call: 0 2209 1100, Inter. Call: (66 2) 209 1100  
Email: [osos@boi.go.th](mailto:osos@boi.go.th)**

# Services at OSOS

- Staff from relevant agencies will also be available for consultations on a range of topics.
- Help investors with applications to make sure investors know what is required to:
  - Register a company
  - Apply for investment promotion privileges
  - Obtain a foreign business license
  - Tax registration
  - Complete an environmental impact assessment
  - Obtain utilities, etc.
- OSOS staff will also accept applications for things such as corporate name registration, corporate tax ID numbers, VAT registration, foreign business licenses, investment promotion incentives, etc.



**BOI  
FAIR  
2011  
THAILAND**

โลกสดใส ไทยยั่งยืน  
งานแฟร์ที่ยิ่งใหญ่ที่สุดในประเทศไทย

10-25 พฤศจิกายน 2554  
อิมแพ็ค เมืองทองธานี  
[www.boifair2011.com](http://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 84<sup>th</sup> birthday of His Majesty the King.
2. To highlight the achievements of Thai industry in the areas of technology and innovation, as these will greatly enhance efficiency and industrial competitiveness and result in new, environment-friendly production.
3. To build confidence in the Thai economy, while also improving the country's image; BOI Fair 2011 will give wide exposure to the Thai industrial sector's commitment to serving society and preserving the natural environment.
4. To provide an opportunity for members of the industrial community to meet, conduct business, and network.

## Theme

# “Going Green for the Future”

โลกสดใส ไทยยั่งยืน





# General Information

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

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

- Outdoor : Lakeside 166,000 sq.m
- Challenger 1-3 60,000 sq.m
- Hall 9 11,000 sq.m

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

**Visitors :** More than 5 million visitors expected

**Think Asia, Invest Thailand**

GEARED FOR THE FUTURE

*Thank You!*

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