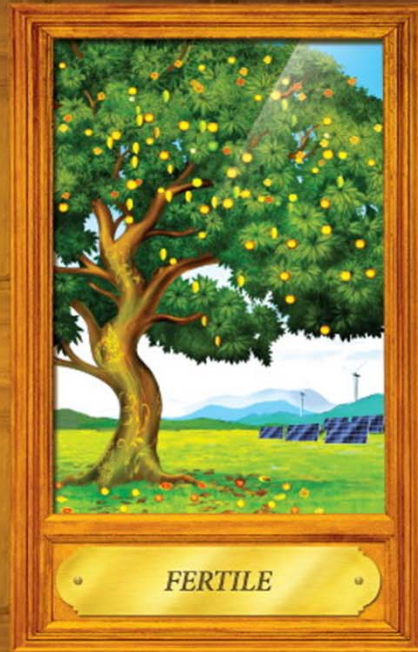


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**Secretary General
Dr. Atchaka Sibunruang
Thailand Board of Investment
June 2011 Zurich**

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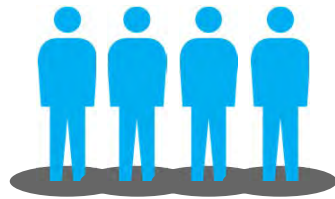


THAILAND BOARD OF INVESTMENT

Economy Overview



Demographic and Economic



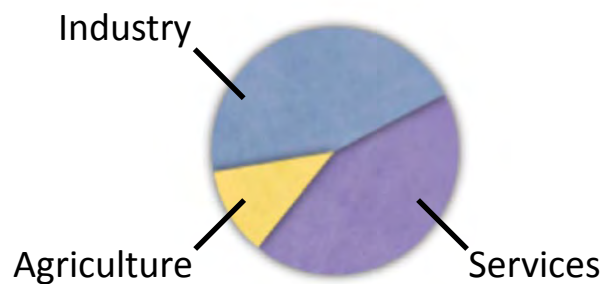
67 Million People



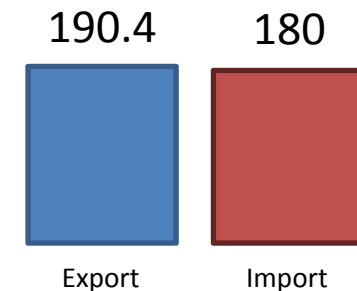
Labor 38.95 Million



GDP 311.47 Billion CHF

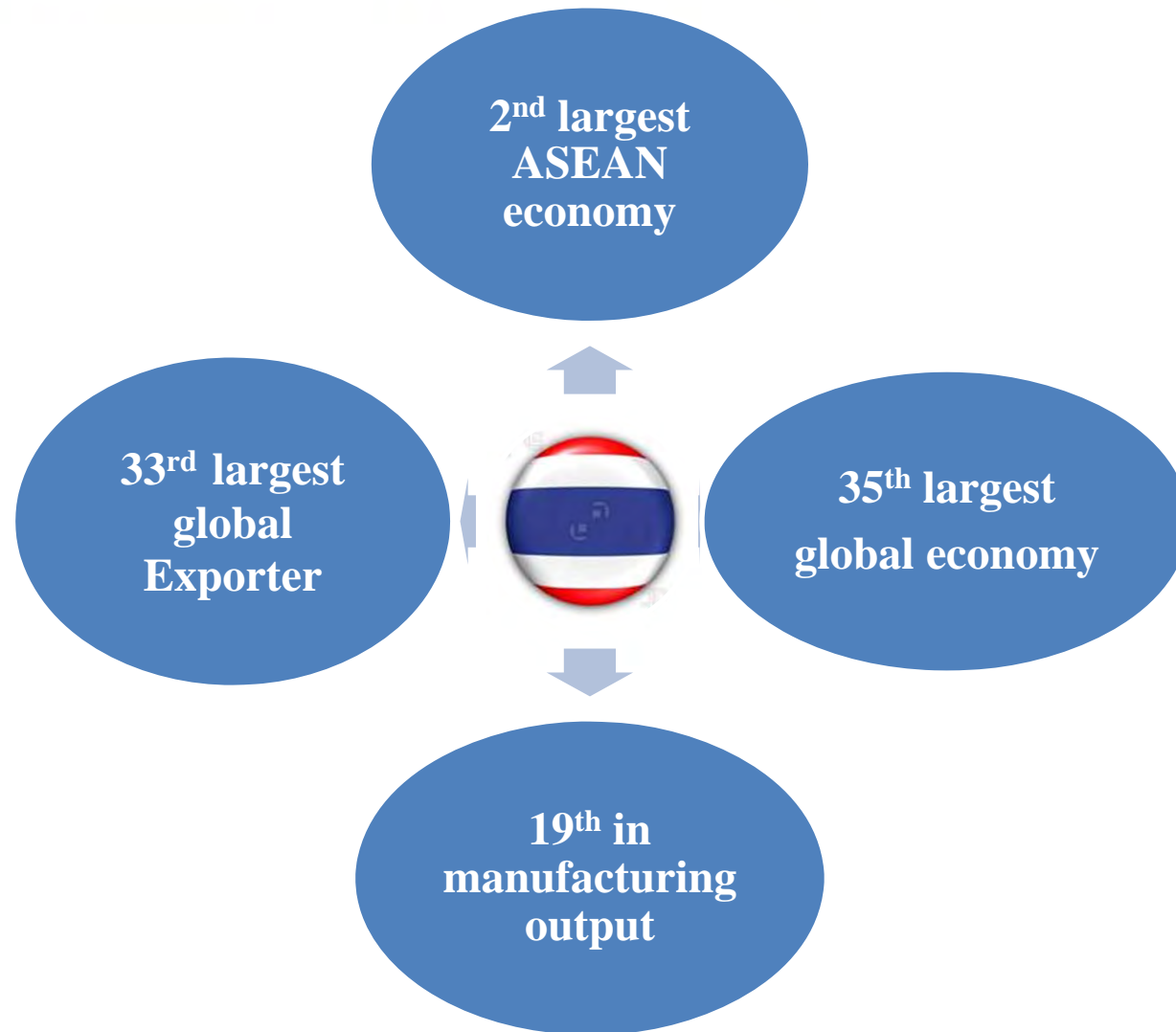


Sector share of GDP



Export & Import
(Billions CHF)

A Strong Economic Base





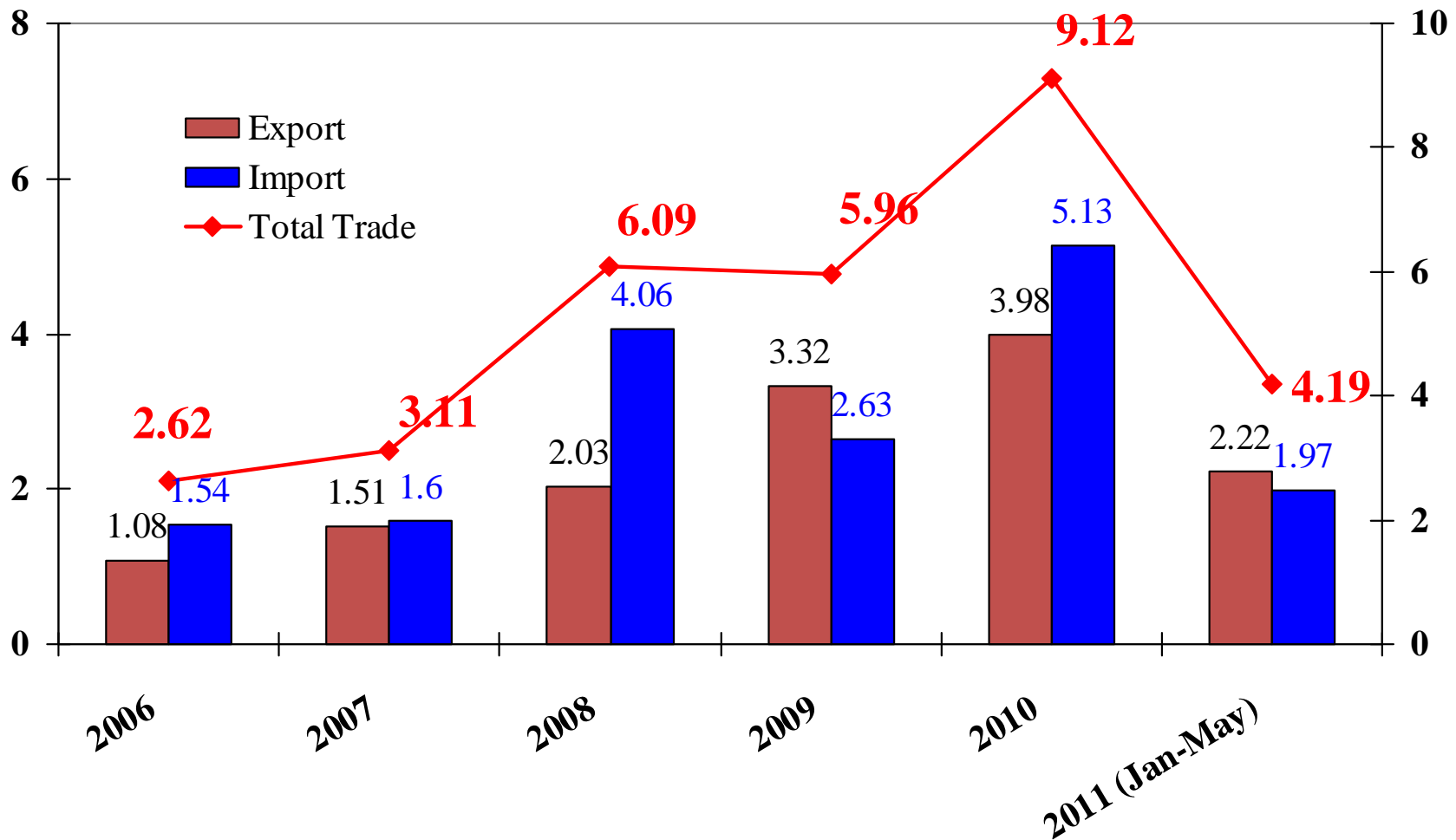
Economic Performance 2010 and Outlook 2011

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

Source: Bank of Thailand, as of April 2011

Thailand – Switzerland Trade 2006 – 2011 (Jan-May)

CHF Billion



Source: MOC, as of June 22, 2011 BOT/ Exchange rate CHF 1: Bt 32.44 in Q1, 2011



Principal Exports to Switzerland

Unit: CHF Million

Description	2008	2009	2010	2010 (Jan- May)	2011 (Jan- May)	% Growth (YOY)
Precious stones and jewellery	1,303.17	2,789.63	3,345.04	1,420.08	1,880.83	32.45
Clocks, watches and parts thereof	259.51	163.50	204.04	69.02	111.01	60.84
Parts of aircraft and accessories thereof	77.48	18.16	46.60	0.62	44.42	7,107.86
Machinery and parts thereof	16.05	17.11	30.47	20.06	18.31	-8.74
Automatic data processing machines and parts thereof	29.49	40.98	43.91	14.18	16.34	15.22
Others	348.26	294.15	314.60	113.52	145.17	27.88
Total	2,033.96	3,323.52	3,984.66	1,637.48	2,216.08	35.34

Source: MOC, as of June 22, 2011 BOT/ Exchange rate CHF 1: Bt 32.44 in Q1, 2011



Principal Imports from Switzerland

Unit: CHF Million

Description	2008	2009	2010	2010 (Jan-May)	2011 (Jan-May)	% Growth (YOY)
Jewellery including silver bars and gold	2,955.49	1,718.69	4,066.61	1,981.07	1,475.21	-25.53
Clocks, watches and parts thereof	329.68	221.24	249.46	84.73	140.27	65.54
Machinery and parts	190.59	170.54	155.36	47.21	76.45	61.93
Chemicals	45.42	41.55	102.97	38.60	69.07	78.95
Medicinal and pharmaceutical products	121.93	148.74	163.83	59.32	53.31	-10.12
Others	416.42	333.92	394.19	152.76	157.18	2.89
Total	4,059.54	2,634.67	5,132.42	2,363.68	1,971.48	-16.59

Source: MOC, as of June 22, 2011 BOT/ Exchange rate CHF 1: Bt 32.44 in Q1, 2011

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Investment Trend

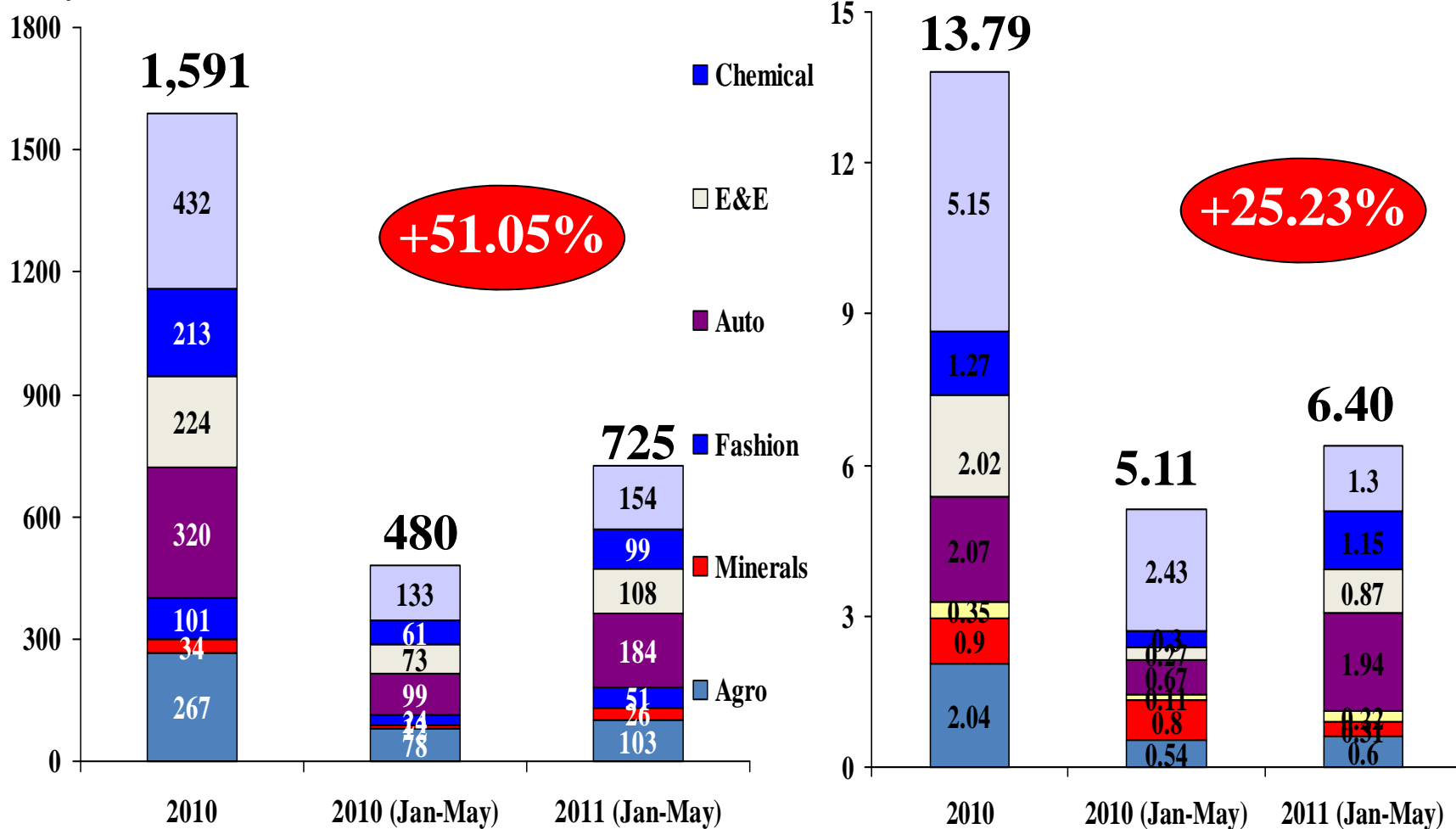
Comparison of All Net Applications for Investment Promotion (Includes Foreign and Domestic Projects)

Number of
Projects

Number of Projects

Services CHF Billion

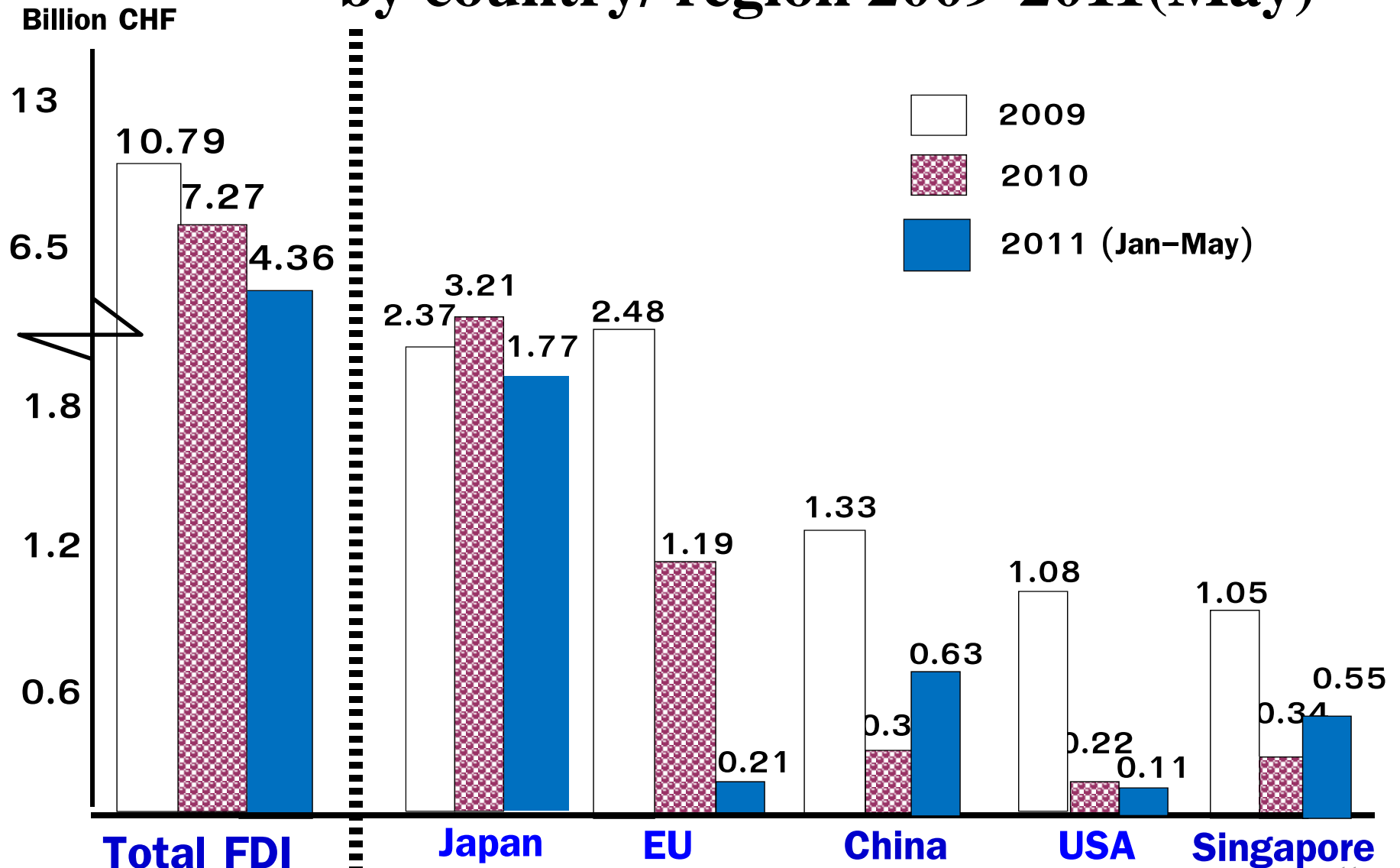
Amount Invested



Source: BOI, as of 14 June 2011 CHF1=Bt32.44 in Q1,2011



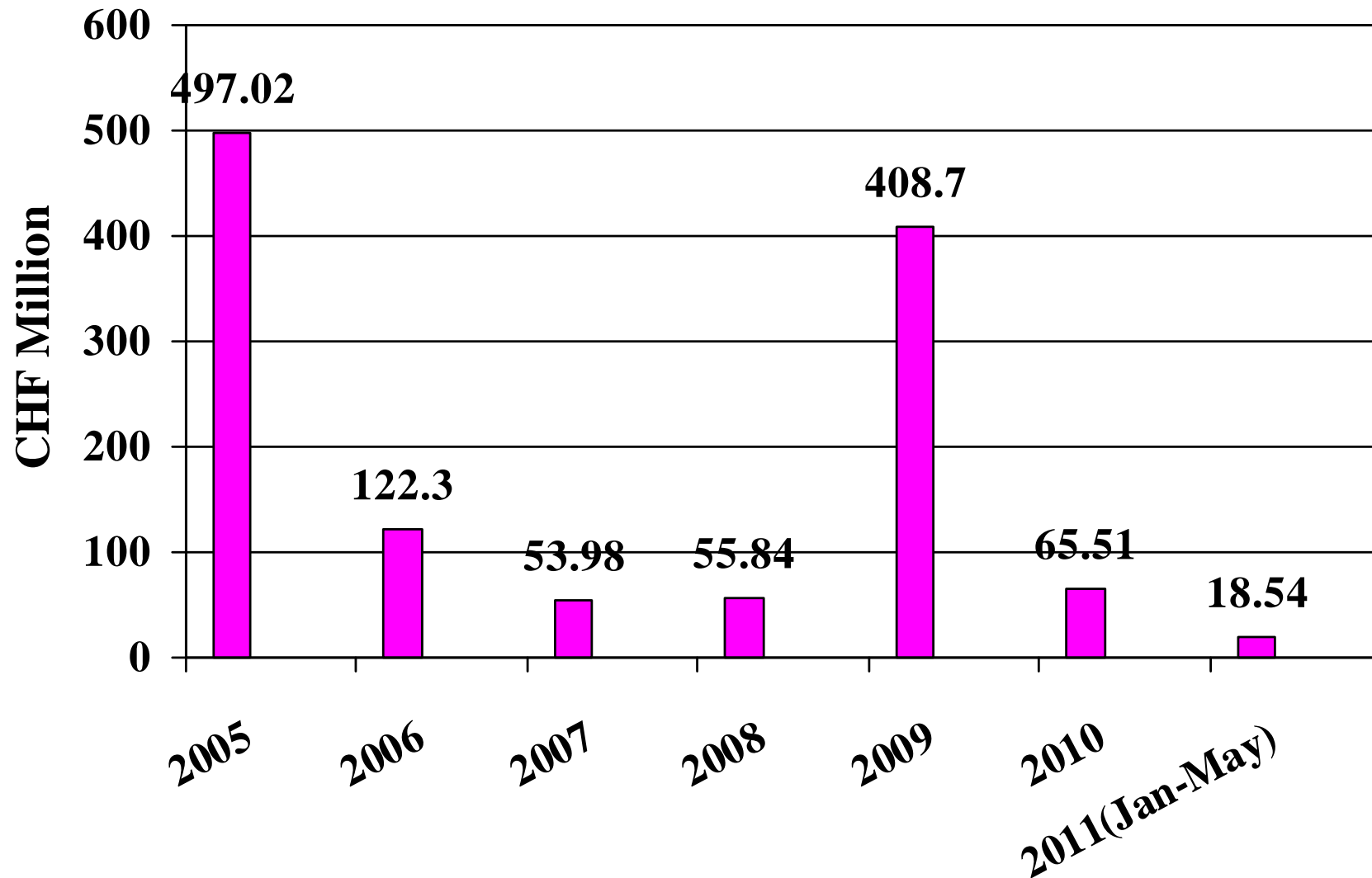
Foreign Investment applications by country/ region 2009-2011(May)



Note: CHF1=Bt32.44 in Q1,2011



Trend of Swiss Project Applications





Swiss Investment Applications

Totals by Sector: 2005 – 2011 (Jan-May)

Sector	Projects	CHF Million
Agriculture	6	222.85
Minerals and Ceramics	1	0.41
Light Industry	17	88.09
Auto and Metal Processing	18	353.52
Electrical and Electronics	13	301.84
Petrochemicals, Chemicals	10	80.35
Services and Infrastructure	19	174.83
TOTAL	84	1,221.89



Sample of Swiss Investments in Thailand

Company Name	Invest (CHF Million)	Product
ETA (Thailand) Co.,Ltd	120.25	Watch Parts; Watch Movements
Cerebos (Thailand) LTD.	33.77	Birdnest beverages
Siam Tyre Phra Pradaeng Co.,Ltd	77.63	Rubber Tire
Nestle (Thai) Ltd	62.50	Animal Feed; Non-dairy Creamer
NESTLE ROH (THAILAND) LTD.	22.32	Regional Headquarters
Bernina (Thailand) Co.,Ltd	15.89	Embroidery Module; Pre-Assemblies & Spareparts for Embroidery Modules; Sewing Machine;Electro-Mechanical Module; Automatic Buttonholer; Needle Bar Module; Needle Control Module;Feed Module
OLIC (Thailand) Ltd	4.80	Sweetener Powder; Disposable Bedding

Source: BOI, as of Feb 4, 10 BOT/ Exchange rate CHF 1: Bt 32.44 in Q1, 2011

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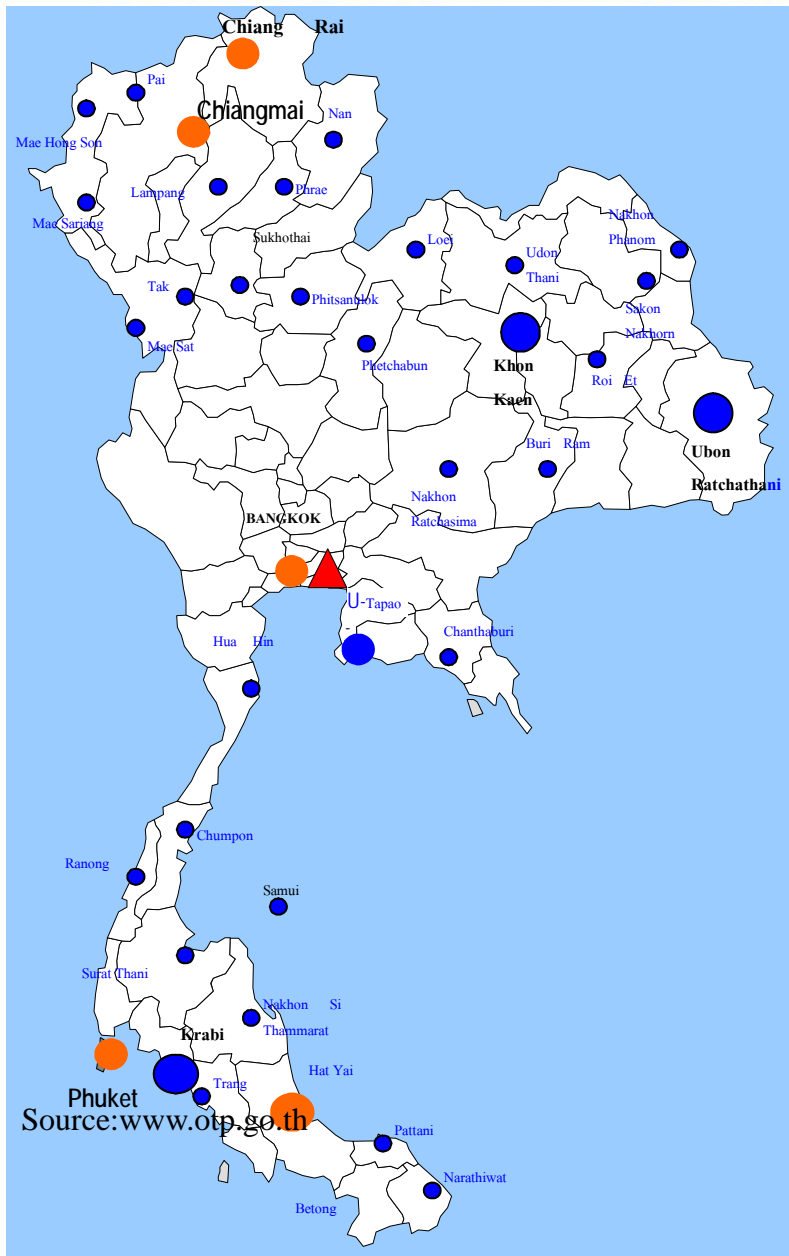
Infrastructure and Business Environment



Airport



- 37 commercial airports, including 6 international airports (Chiang Mai, Chiang Rai, Phuket, Hat Yai, Udon Thani, and Suvarnabhumi)



Ports



Bangkok Sea Port



Mabtaphut Sea Port

Ra Nong Sea Port



Laem Chabang 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

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

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



Rail System Connecting from South China-Laos-Thailand

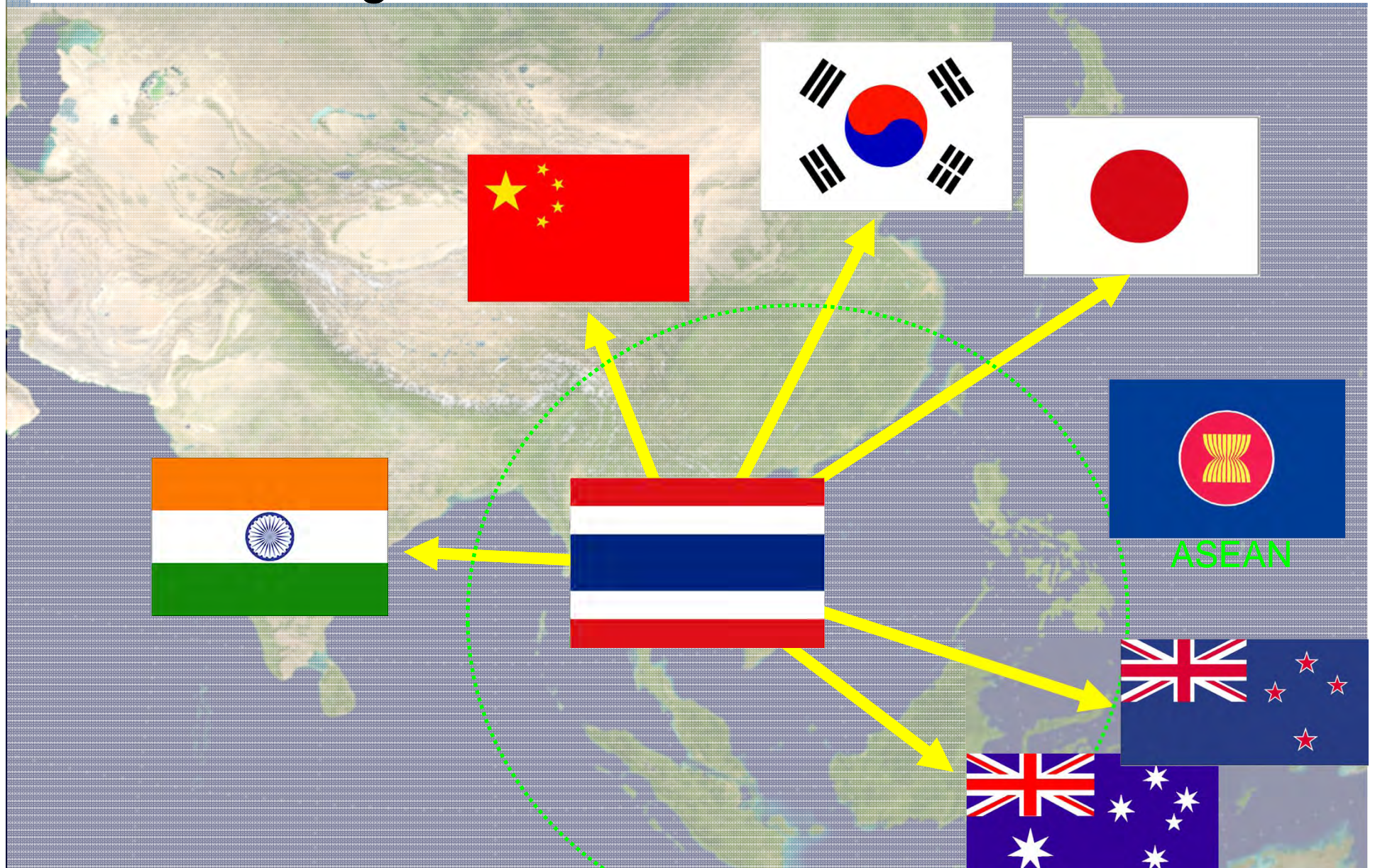


The cabinet approved the draft Memorandum of Understanding (MOU) on 7 Sept 2010, the timeframe of construction and a finish date has yet to be made clear. This will depend on the new government's policy.

According to the plan, the first two routes has to be expedited are:

- 1) **Nong Khai-Bkk (615 km)**, for an investment: Bt170 billion,
- 2) **Bkk-Padangbaesar (982 km)**, for an investment: Bt230 billion.

Strategic Center with aggressive pursuit of Free Trade Agreements





ASEAN COMMUNITY

AC : 2015



AEC Declaration

AEC Blueprint
Strategic Schedule

Thailand is easier to do business in

Ease of Doing Business Index

China



←----- Rank 79

India



←----- Rank 135

Thailand



←----- **Rank 19**

Thailand ranks third in all of Asia

Ease of Doing Business Index

Singapore



Rank 1

Hong Kong



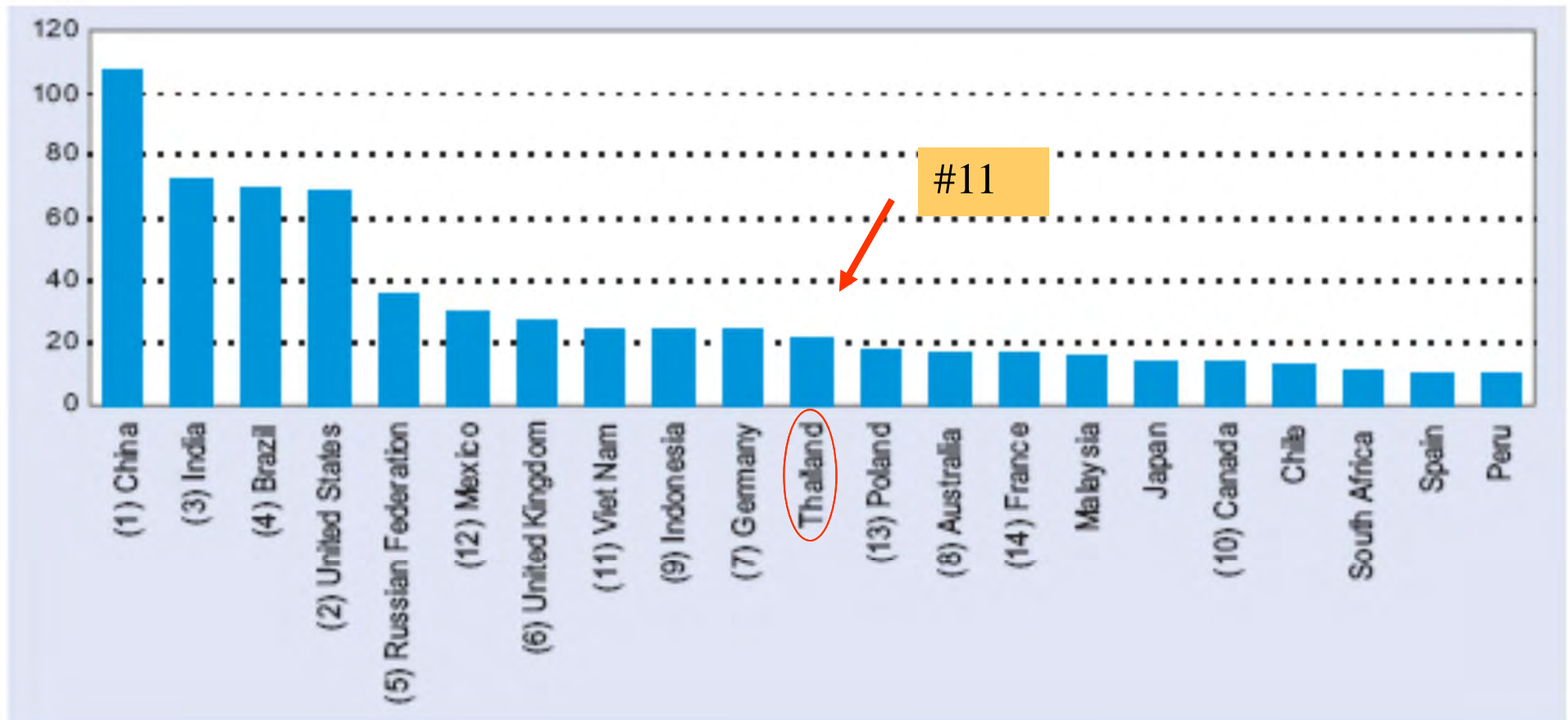
Rank 2

Thailand



Rank 3

Top Priority Host Economies for FDI For the 2010-2012 Period



Source: UNCTAD

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)

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THAILAND BOARD OF INVESTMENT

Investment Policies



No restrictions on
foreign currency

100% foreign
ownership

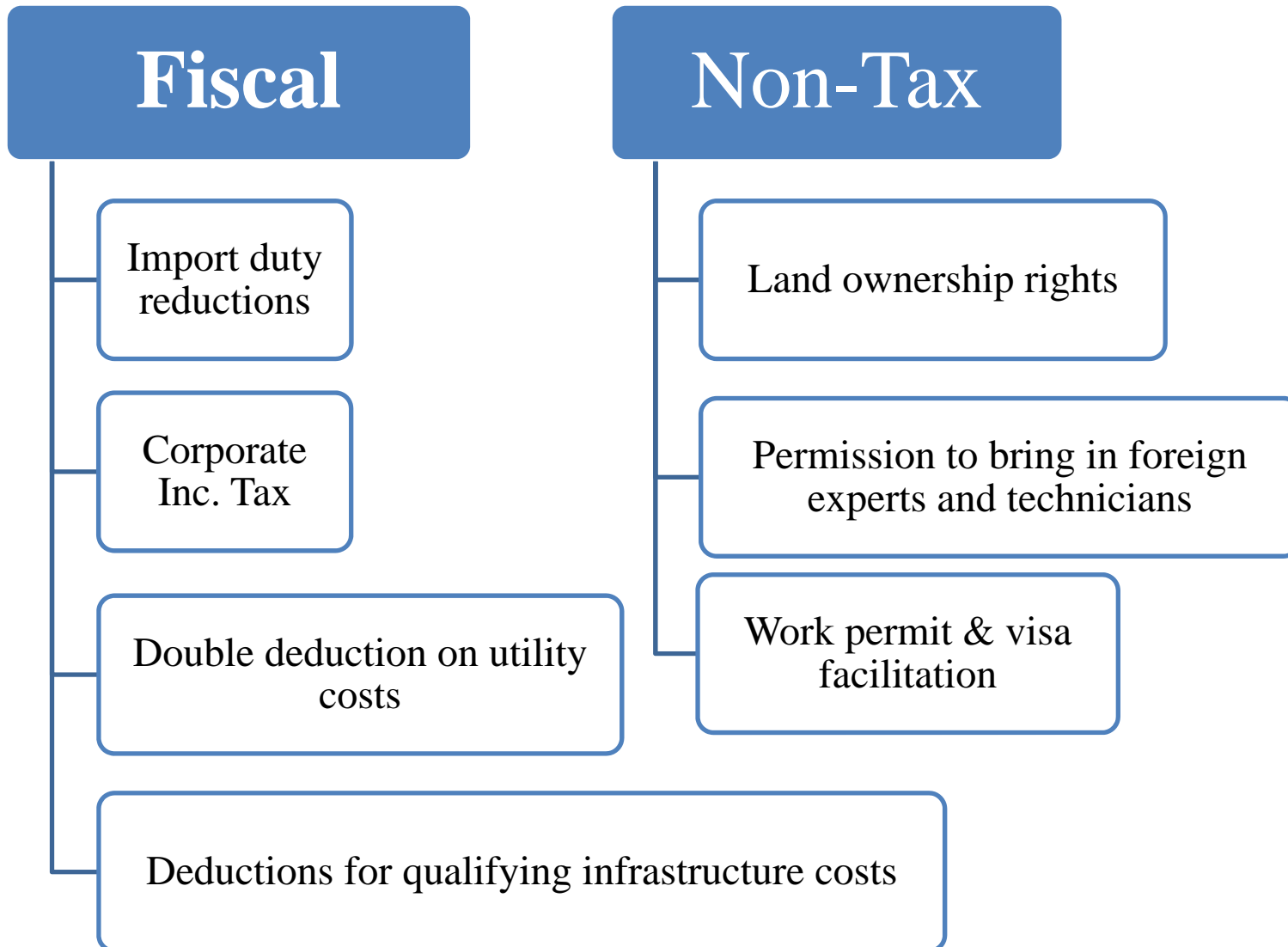
**LIBERAL INVESTMENT
REGIME**

No export
requirements

No local content
requirements



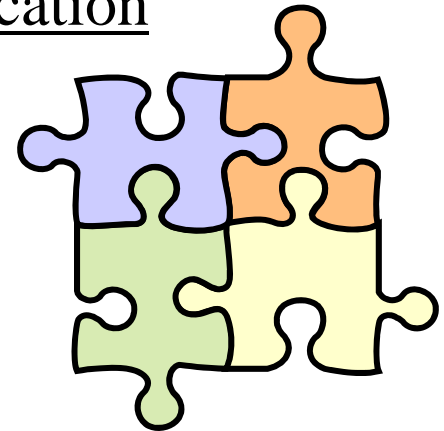
BOI's Investment Incentives



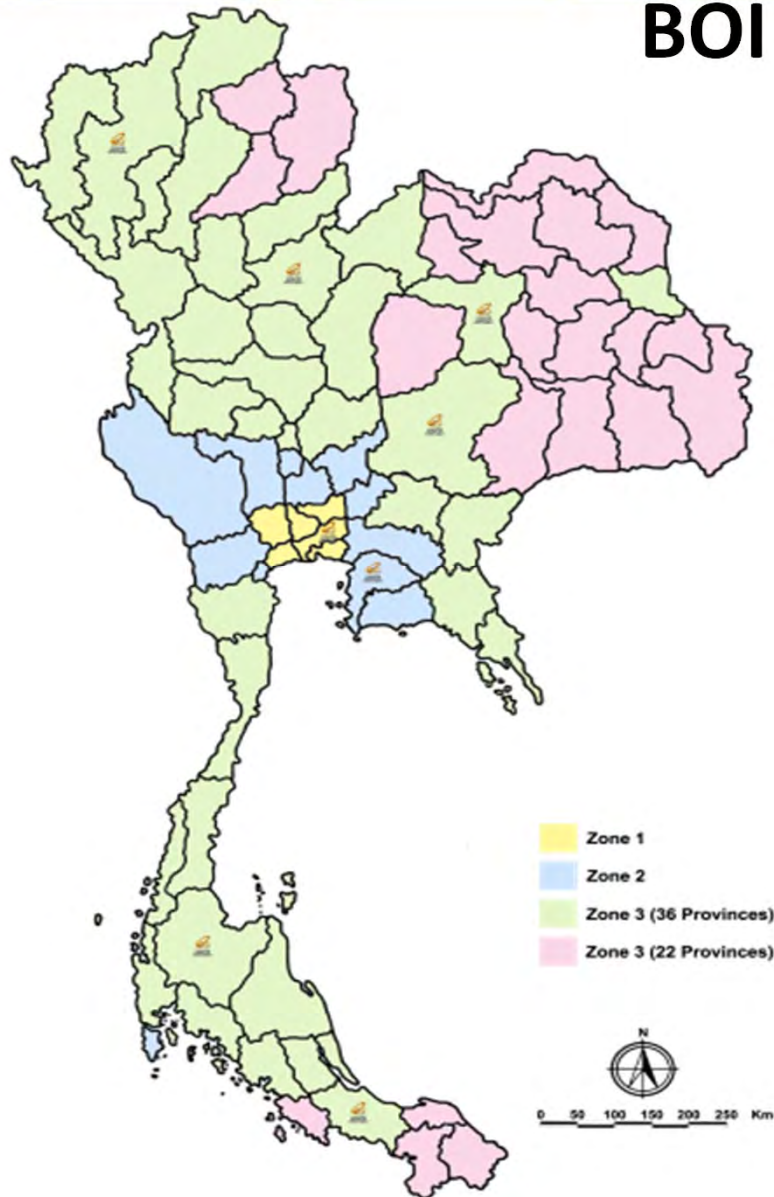
Major BOI Incentives Schemes

- 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



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

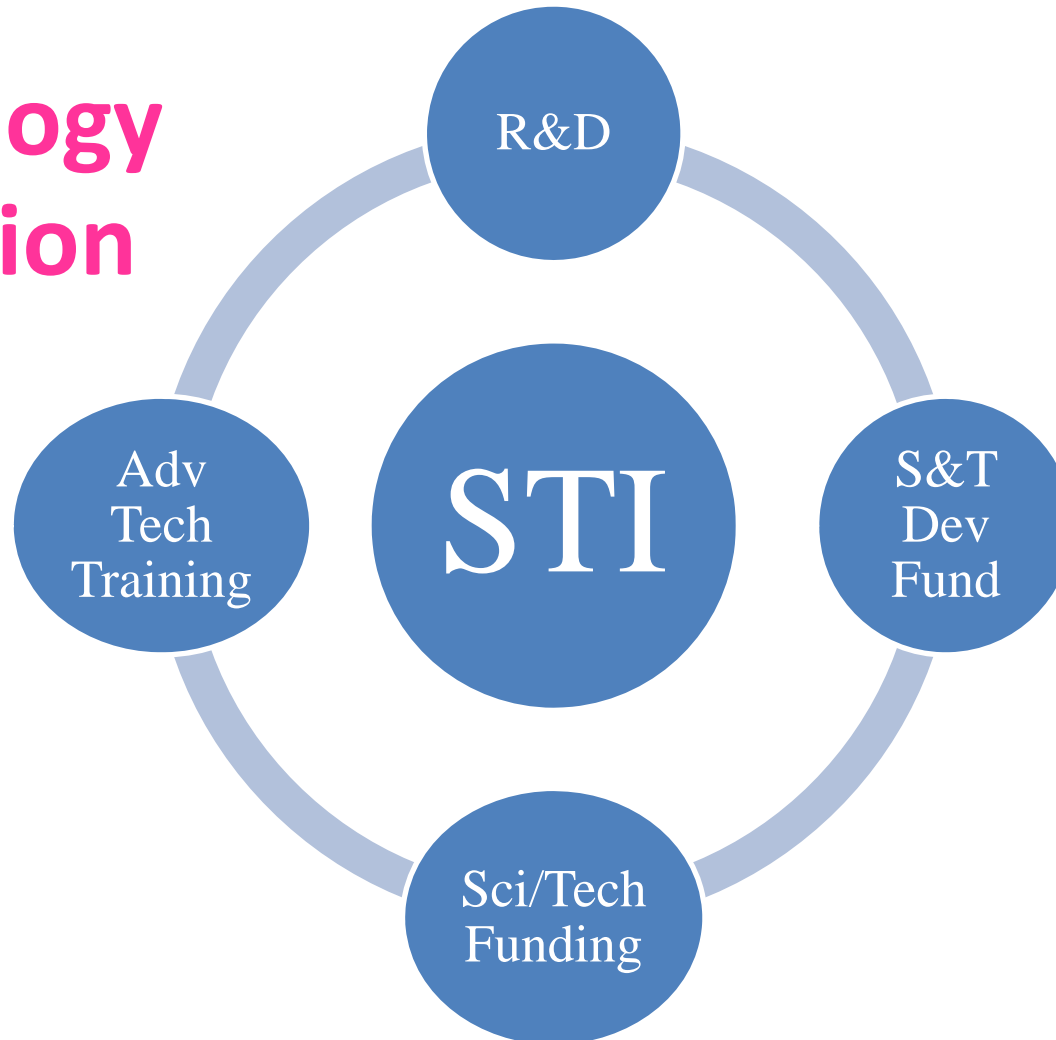


Additional Incentive Package for STI:

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.

Sectors for Investment



Automotive



Biotech



Alternative
Energy



E&E



Agro-
Industry



Oil/Gas



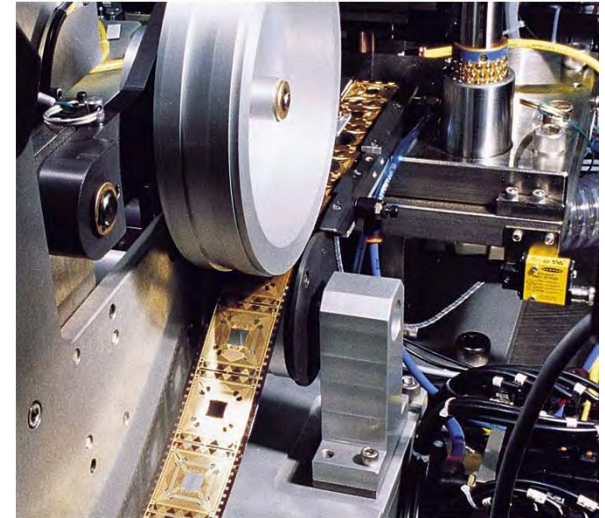
ICT



Machinery



- Thailand continues to industrialize, but is dependent on foreign industrial machinery for the immediate future.
- High demand for:
 - Automotive machinery
 - Molds & Dies
 - Food and farm machinery
 - Alternative energy/energy conservation machinery
- 2010: Imported machinery 11.28 billion CHF (11.98 billion USD)
- 2010: Exported machinery 10.67 billion CHF (11.32 billion USD)





Top 5 Machinery and Parts Imports, 2010

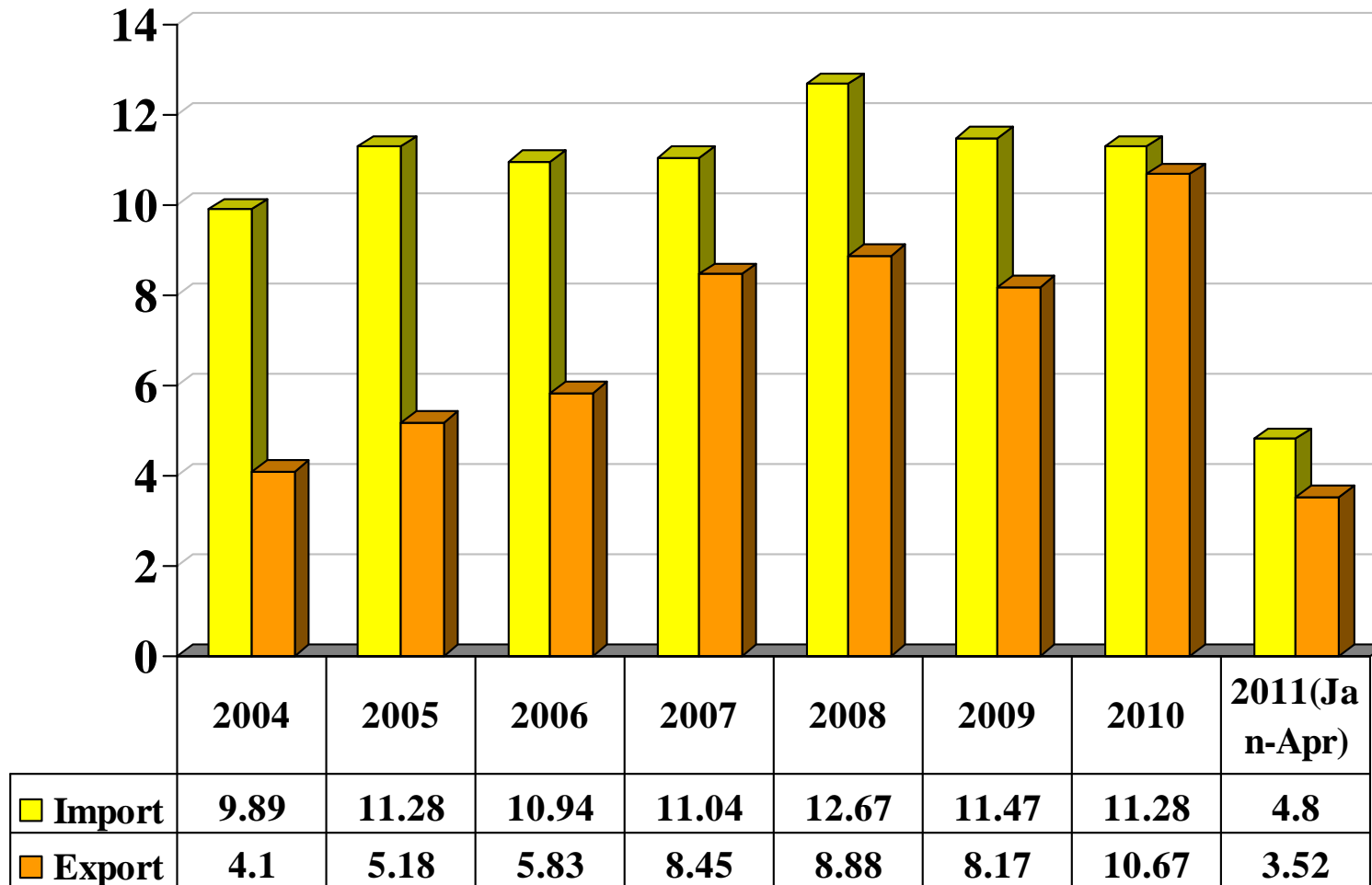
HS Code	Description	CHF Billion
8543	Electrical machines and apparatus, having individual functions	1.39
8414	Air or vacuum pumps, air or other gas compressors and fans	1.20
8443	Printing machinery used for printing by means of the printing type, blocks	1.01
8411	Turbo-jets, turbo-propellers and other gas turbines	0.95
8479	Machines and mechanical appliances having individual functions, not specified/ included elsewhere	0.91

Top 5 Machinery and Parts Exports, 2010

HS Code	Description	CHF Billion
8443	Printing machinery used for printing by means of the printing type, blocks	1.70
8414	Air or vacuum pumps, air or other gas compressors and fans	1.58
8418	Refrigerators, freezers and other refrigerating or freezing equipment	1.55
8543	Electrical machines and apparatus, having individual functions	1.14
8429	Self-propelled bulldozers, angledozers, graders, levellers, scrapers, mechanical shovels, excavators	0.58

Industrial Machinery and Parts, Imports and Exports, 2004 – 2011(Jan-Apr)

CHF billion



Source: www.moc.go.th, as of 16 June 2011 Note: CHF1=Bt32.44in Q1, 2011

Food Processing



- **Food exports in 2010: 24.74 billion CHF**
- **Example of Investment opportunities:**
 - Fast food
 - Healthy food and beverage
 - Food ingredients
- **Major Incentives**
 - 8 years corporate income tax exemption (with cap)
 - Import duties machinery exemption

Rate: 1CHF=32.44 THB

Biotechnology



Example of eligible activities

- Seed & Plant R&D
- Biopharmaceutical agents
- Diagnostic kits for health, agriculture, food and environment
- Biomolecule & bioactive compounds using microorganisms, plant cells and animal cells
- Raw materials and/ or essential materials used in molecular biological experiment
- Biological substances analysis and/ or synthesis services

Major incentives

- Exemption of import duty on machinery
- Exemption of 8-year-CIT without cap
- 50 % reduction of CIT on the net profit generated from investment for 5 years after the exemption period (incentive under sustainable investment policy-application must be submitted by December 2012)



R&D

Eligible activities

- Basic research
- Applied research
- Experimental development

Incentives

- Exemption of import duty on machinery and equipment
- 8 years corporate income tax holidays
(without cap)

Market demand:

- Currently 1,300 software development companies
- Import about 70 % of market
- Export <US \$ 130 million (CHF)>

Example of eligible activities:

- Enterprises software/ Embedded software/
Animation/ Web-based applications

Major incentives:

- 8 years corporate income tax exemption (without cap)
- Import duties machinery exemption



Trade and Investment Support Office (TISO)

Example of Eligible Activities

- Consulting services to affiliates
- Engineering services
- Wholesaling, installation, maintenance, repairs of machinery & equipment etc.

Non-tax incentives

- 100 % foreign ownership
- Land ownership
- Visa & work permit support for foreign experts



New Package of Regional Operating Headquarters

Benefit	Benefit
<p>For portion of income from OVERSEAS OPERATIONS</p> <p>0% CORPORATE INCOME TAX for 15 years</p>	<p>For portion of income from LOCAL OPERATIONS</p> <p>10% CORPORATE INCOME TAX for 15 years</p>
Key Conditions	
<ul style="list-style-type: none"> - In 1st fiscal year, have one operating company in another country; a second within 3rd year; a third within 5th year - Have annual expenses in Thailand of Bt15 million, or have invested at least Bt30 million in Thailand - By end of 3rd year, 75% of ROH personnel to be qualified staff, and 5 persons earning at least Bt2.5 million annual salary and benefits per person - All companies must be real operating companies with a physical presence and staff 	

Benefit
<p>For income of EXPATRIATE EMPLOYEES</p> <p>15% PERSONAL INCOME TAX for 8 years</p>
Key Conditions
<p><i>In addition to conditions for income from overseas and local operations:</i></p> <ul style="list-style-type: none"> - Income generated from services to overseas companies must be at least 50% of total revenues

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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



We are here to Serve you!

- **Parts and component sourcing assistance**
- **Visas and work permits: processed within 3 hours**
- **Entry for experts and technicians**
- **Liaison with other government agencies**



One Start One Stop Investment Center



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



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319 Phayathai Road, Pathumwan

Domestic Call: 0 2209 1100, Inter. Call: (66 2) 209 1100

Email: osos@boi.go.th



Services at OSOS

- **Staff from relevant agencies available for consultations on a range of topics.**

- **Help investors with applications to make sure investors know what is required to:**
 - **Apply for investment promotion privileges**
 - **Obtain a foreign business license**
 - **Tax registration**
 - **Complete an environmental impact assessment**
 - **Obtain utilities, and much more**



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- ❖ **10 - 25 November 2011**
- ❖ **IMPACT Exhibition and Convention Center**
- ❖ **Organized by Thailand Board of Investment**
- ❖ **More than 5 million visitors expected**

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

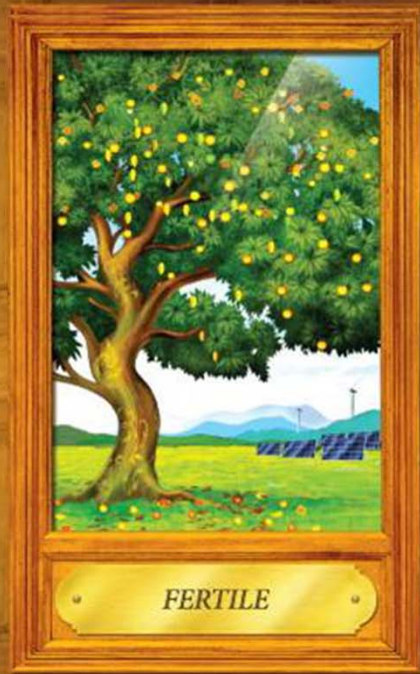
Exhibitors: 84 Outdoor Pavilions and more than 3,000 Indoor Booths

Visitors : More than 5 million visitors expected

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THANK YOU