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Think Asia, Invest Thailand

Thailand, a perfect place for your business to grow



**“How the BOI is Moving to Assure Executives that Thailand Remains
a Prime Investment Location in Southeast Asia”**

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Presentation Outline

- Flood Impact & Challenges for Thailand
- BOI's Flood Relief Measures
- Why Still Thailand?
- BOI Fair 2011 “Going Green for the Future”



Flood Impact & Challenges for Thailand

Flood Impact on BOI-Promoted Companies

Number of projects	1,775
Investment Values (million baht)	624,000
% of total investment for the past 10 years	9



Challenges for Thailand

- How to recover quickly to reduce economic & social pains as much as possible
- How to continue momentum of industrial development as clusters of supply chain in automotive, HDD, food, etc
- How to prevent the flood from happening again & to reduce its impacts

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THAILAND BOARD OF INVESTMENT

BOI's Flood Relief Measures

1. Measures regarding Machinery and Raw Materials (1/2)

1. To avoid flood damage of machinery and raw materials:

- Machinery and raw materials can be moved from the factory to another location or exported in case of emergencies, and permission can be sought from the BOI later.

2. To minimize business disruption:

- Their factory can be allowed to temporarily relocated elsewhere to continue their production for the period of 6 months from the application submission date. This temporary relocation period can be extended if necessary.
- Their manufacturing process can be allowed to be outsourced partially or wholly.
- The companies are allowed to export their machinery to be used for overseas production.
- The BOI cooperates with the Department of Employment and the Embassies to facilitate Thai workers of the flood-affected companies to go and work in the overseas production base.
- The BOI , the Ministry of Labor and the Immigration Bureau help facilitate companies to bring in foreign experts and technicians to rehabilitate the factories

1. Measures regarding Machinery and Raw Materials (2/2)

3. To reduce tax burden on import duty on machinery & raw materials

- The importation of machinery for replacement is entitled to duty-free. (submission deadline: by the end of June 2012).
- Raw materials imported damaged by the flooding can be counted as part of the waste allowance without any tax burden.
- **Additional incentives are in the pipeline.**

Relief Measures for Non-BOI Companies

- Exemption of import duty on replacement machinery and equipment
- Exemption or reduction of the import duty on CBU or CKD for domestic assembly to alleviate the shortage of automobiles in the domestic market
- 150% tax deduction for investment in the new machinery (under consideration by the Ministry of Finance)



A Way Forward

Long Term Plan for

Flood Prevention

Government Action, Long-term phase

The establishment of 2 committees :

1. the Strategic Formulation Committee for Reconstruction and Future Development (SCRF)
2. the Strategic Formulation Committee for Water Resources Management (SCWRM)

Objectives:

1. To set direction for the rehabilitation and development of the country
2. To prevent flooding in the long run

CEO Forum

- Date** Tuesday 17 January 2012
- Time** 09.00-15.00 hrs.
- Place** Crystal Hall, Plaza Athenee Hotel,
Bangkok



CEO Forum

Long-term flood prevention
action plans will be announced
and detailed at this event.



Why Still Thailand?

Investor's Confidence: after the flood

“...Toyota is not considering shrinking its operations here, if anything we hope to expand.”

Toyota President, Akio Toyoda

“...we believe the country's relatively strong and flexible fiscal position could absorb this fiscal burden.”

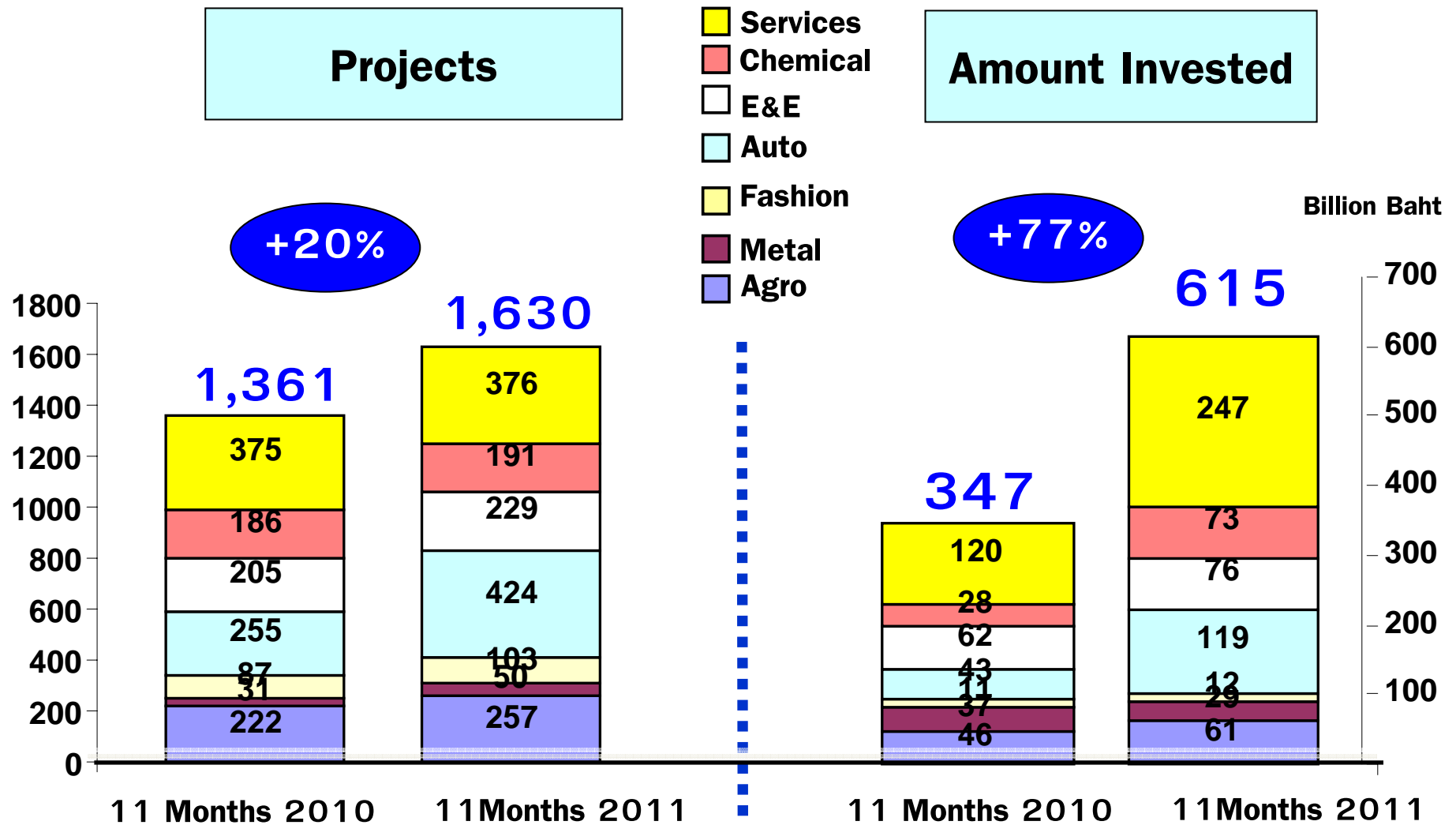
S&P credit analyst Takahira Ogawa



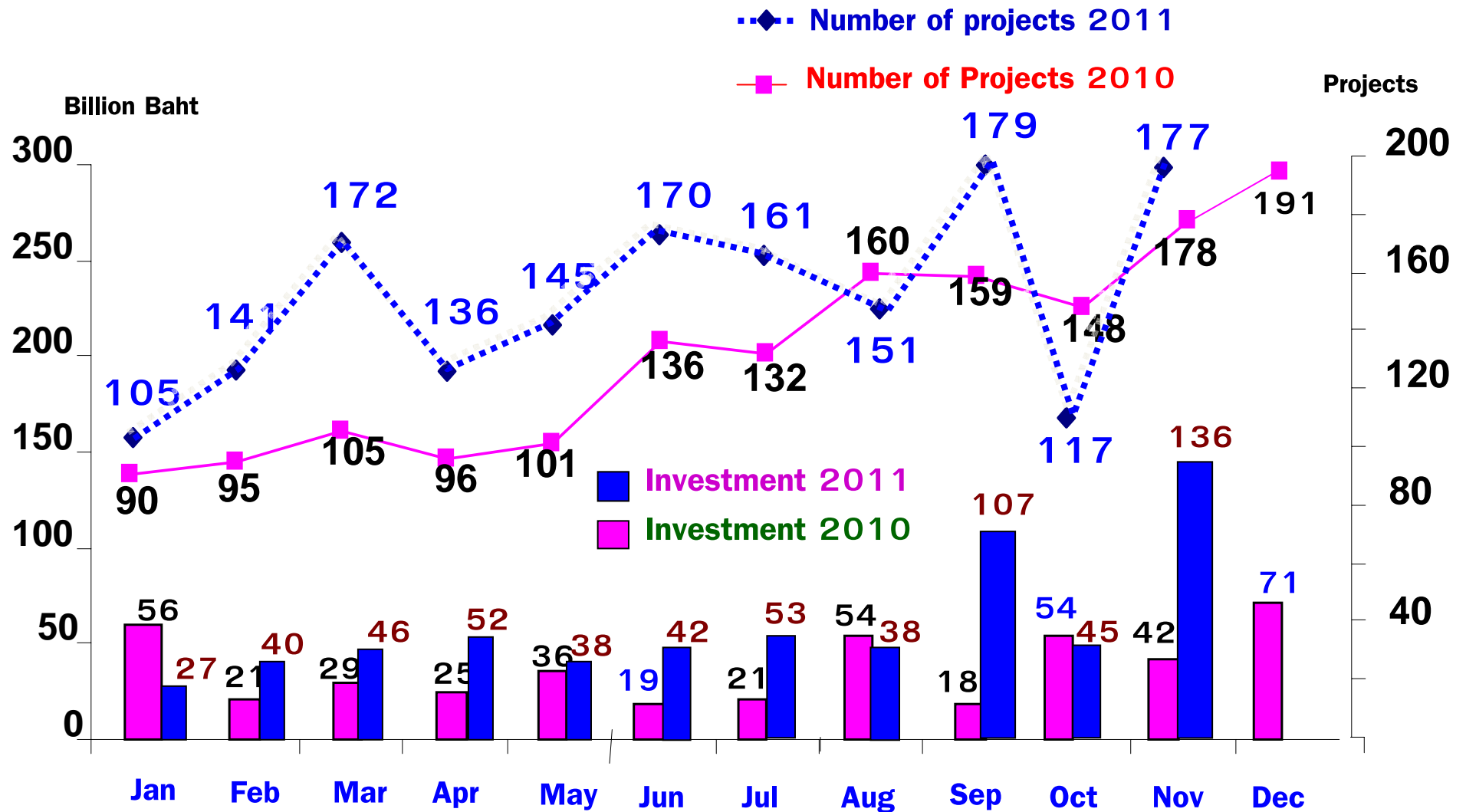
Thailand's Strengths

- Strong economic fundamentals
- Corporate Income Tax Reform: 30% (present) , 23%(Jan 1, 2012), 20%(Jan 1, 2013)
- Ease of Doing Business: # 17 out of 183 countries around the world / # 2 in South East Asia
- Low Cost of Living and office rents
- Major industrial areas still remained untact

Value of Investment Promotion Applications By Industry 2010 – 2011 (Jan-Nov)

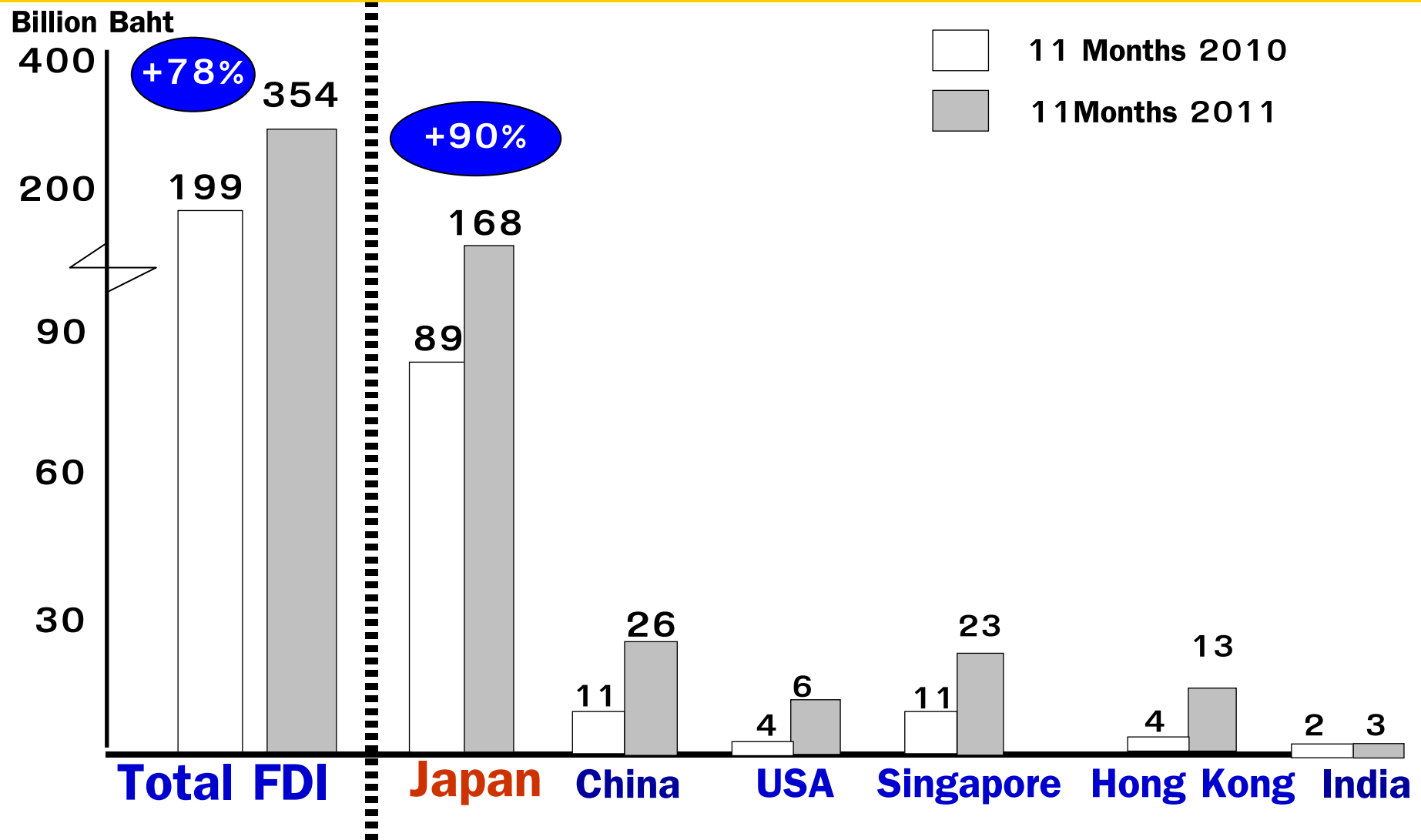


Projects and Value of Net Applications Submitted 2011 (Jan-Nov)



Japan Remains No. 1 Investor in Thailand

Foreign Direct Investment Applications



BOI Fair 2011: Going Green for the Future

5-20 January 2012



Flood-related activities:

- Consumer goods sales
- House repair consultation services
- Donation to help flood victims

Media Communication Plan

TV



i.e. CNN, BBC and CNBC

Print



i.e. The Economist, Forbes, The Nikkei, Time

Online



i.e. FT.com, CNBC.com, BBC.com

Out of home



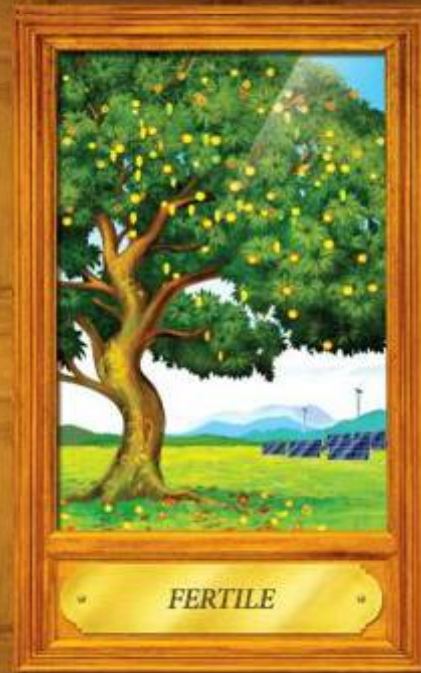
i.e. Domestic and International Airports'

Light boxes

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THANK YOU