

# TIR

## DYNAMICS OF HUMAN RESOURCES DEVELOPMENT IN THAILAND



# CONTENTS

02

BOI NET APPLICATION

03

COVER STORY

05

INDUSTRY FOCUS

07

SHORT ARTICLE

08

COMPANY INTERVIEW

10

BOI'S MISSIONS & EVENTS

11

THAILAND ECONOMY AT-A-GLANCE

12

ABOUT BOI

## BOI NET APPLICATION

JANUARY-JUNE 2019



**TOTAL INVESTMENT**  
**758**  
Projects  
**US \$7,518.10**  
Million



**TOTAL FOREIGN INVESTMENT**  
**468**  
Projects  
**US \$4,756.59**  
Million

## FOREIGN INVESTMENT BY TARGET SECTORS



## MAJOR FOREIGN INVESTMENTS

Unit: US\$ (US\$ = 30.94 THB as of 19 July 2019)

Note: Investment projects with foreign equity participation from more than one country are reported in the figures for both countries. Statistics on net applications are adjusted whenever applications are returned to applicants due to insufficient information.



**1**  
**JAPAN**  
**114** Projects  
**US \$1,372.14**  
Million



**2**  
**PEOPLE'S REPUBLIC OF CHINA**  
**81** Projects  
**US \$784.68**  
Million



**3**  
**SWITZERLAND**  
**10** Projects  
**US \$369.84**  
Million



**4**  
**HONG KONG**  
**32** Projects  
**US \$246.12**  
Million



**5**  
**SINGAPORE**  
**57** Projects  
**US \$243.50**  
Million



**6**  
**NETHERLANDS**  
**25** Projects  
**US \$177.28**  
Million



**7**  
**TAIWAN**  
**27** Projects  
**US \$155.98**  
Million



**8**  
**AUSTRALIA**  
**8** Projects  
**US \$104.07**  
Million



**9**  
**SWEDEN**  
**4** Projects  
**US \$76.73**  
Million



**10**  
**VIETNAM**  
**2** Projects  
**US \$57.69**  
Million

# THAILAND: AN INVESTMENT DESTINATION WITH QUALITY HUMAN RESOURCES

Human Resource Development (HRD) is a critical component of an increasingly interconnected world. Thailand’s recent growth in this area has made it an ideal place to invest in human capital resources development. Thailand’s remarkable progress in economic and social development has transformed the country’s status to an upper-middle income economy in less than a generation, as categorized by the World Bank. Correspondingly, poverty rates have declined from 67 percent in 1986 to less than 8 percent in 2019. Thailand has a large and resilient HRD and training market that is ready for further investment.

## THAILAND’S CURRENT HRD LANDSCAPE

Thailand is ready to support your business. It has the skilled and knowledgeable human resources necessary to support successful business investments. With a growth rate of 4.1 percent in 2018 and a stable economy that remains resistant to global economic uncertainty, Thailand is uniquely capable of providing human resources to businesses. Additionally, the Kingdom ranks first in ASEAN on the UN’s 2019 Sustainable Development Goals at 73 points, which affirms its achievement on key indicators such as quality education, decent work, economic growth, and poverty reduction. This impressive ranking reinforces the country’s competitive position in human capital development and favorable investment climate.



## OPPORTUNITIES FOR CONTINUED HRD GROWTH IN THAILAND

The Government of Thailand plays a significant role in aligning HRD needs with the country’s economic opportunities by enhancing workforce development while balancing regional industrial development with social and economic needs. The Kingdom’s leaders are committed to upgrading education to better prepare the workforce with the re-skilling, training, and education necessary to be competitive in an increasingly digitalized and complex world. Recent research in HRD education conducted by the School of Human Resource Development, National Institute of Development Administration (NIDA) revealed that Thailand’s most-needed HRD investments and enhancements include, but are not limited to, enhancing skills in digital technologies and communication, talent management to support the future needs of the market, HRD consulting, and building practical and innovative organizational cultures.

Examples of market opportunities in HRD include organizational support for workforce training, development, and knowledge sharing. The World Economic Forum’s *The Future Of Jobs Report 2018* specified that business leaders across industries need to formulate a comprehensive workforce strategy to meet upcoming challenges as we move into the Fourth Industrial Revolution. Currently, 48 percent of business leaders have yet

to integrate a skill enhancement program to support employees in acquiring new skills or workers in improving their capabilities.

## BOI’S ROLE IN UPSKILLING THE WORKFORCE

The BOI provides attractive incentives to investors in human resources development. Investments in vocational training centers, high potential academics, institutions for higher education and innovation, and incubation centers receive eight years’ Corporate Income Tax exemption. The BOI supports investments in maker spaces and fabrication laboratories for innovation and prototyping with five years’ Corporate Income Tax exemption and additional non-tax incentives. The BOI also promotes investment in co-working spaces with non-tax incentives. In addition, the BOI offers incentives for investors to upskill the workforce, including merit for comprehensive enhancement. Investors can receive an additional 100% on top of the Corporate Income Tax exemption in the standard incentives package if they donate to technology and human resource development funds, educational institutes, specialized training centers, R&D institutes or governmental agencies in the science and technology field. Furthermore, if investors conduct advanced technology training, they will receive an additional 200% cap for Corporate Income Tax exemption on top of the standard incentives received from the BOI. The maximum benefit under the merit for comprehensive enhancement

## SMART VISA TYPE



TALENT



INVESTOR



EXECUTIVE



START UP  
ENTREPRENEUR



SPOUSE AND  
LEGITIMATE  
CHILDREN  
(OTHER)  
OF  
SMART VISA  
HOLDERS

scheme is three years. The BOI has also introduced the Smart Visa to attract foreign talent to Thailand in order to accelerate the development of the country's ten targeted industries. There are four main categories under the Smart Visa: talents, investors, startups and executives. Smart Visa holders will be granted exemptions from work permit requirements and families of these four main categories will receive Smart Visa.

### **NETWORK OF SUPPORTING ORGANIZATIONS**

Apart from the BOI, there are many supporting government agencies to support human resource development in Thailand.

### **MINISTRY OF HIGHER EDUCATION, SCIENCE, RESEARCH AND INNOVATION (MHESI)**

Collaboration programs are supported by administrative offices under the MHESI. Formed in May 2019, the MHESI, formerly the Ministry of Science and Technology (MOST), the Ministry of Science and Technology with Office of the higher Education Commission (OHEC) and the National Research Council of Thailand, works closely with other government agencies and the private sector in Thailand and overseas. The goal of the MHESI is to prepare Thai youth for future HRD in order to meet the demand of next generation innovators in Thailand, both in terms of research and development and promoting economic benefits. The MHESI is responsible for managing higher education in Thailand and producing skilled human resources in response to future needs. This new ministry works to upskill Thailand's manpower with the skills and capabilities needed for Thailand to become a value-based, innovative, and technology-driven economy under the "Thailand 4.0" vision.

### **OFFICE OF THE NATIONAL HIGHER EDUCATION, SCIENCE, RESEARCH AND INNOVATION POLICY COUNCIL (ONES)**

The Office of the National Higher Education, Science, Research and Innovation Policy Council (ONES) oversees both the Talent Mobility and Work-integrated Learning programs, which are part of the conceptual framework to foster the development of science, technology and innovation (STI).

### **TALENT MOBILITY PROGRAM (TM)**

Talent Mobility is a collaborative program that provides research-matching services between the public and private sectors. The program's key objective is to enhance business competency in research and development, particularly in the science, technology and innovation areas, due to the shortage of R&D personnel in the industrial sector. The program creates opportunities to mobilize R&D personnel from academic and research institutions to work either full-time or part-time in private companies. Since its establishment in 2013, approximately 1,500 researchers have collaborated with over 350 organizations. The TM clearing houses were established with regional hubs throughout the country to manage TM databases and facilitate match-making activities.

### **WORK INTEGRATED LEARNING (WIL)**

WIL is a term given to educational activities that integrate academic learning and practical application in the workplace through combination of academic and work-related activities. The WIL blueprint provides collaborative educational services in the fields of science, technology and innovation between educational institutions and the private sector through Public Private Partnerships (PPP), which work to create qualified workers at vocational and undergraduate levels. Students generally receive one to two years of occupational training in the workplace integrated with classroom learning to gather the skills required for work in advanced industries.

### **OFFICE OF THE VOCATIONAL EDUCATION COMMISSION (OVEC)**

The Dual Vocational Training (DVT) program is under the supervision of OVEC, which administers 416 institutions across Thailand that produce and develop professional manpower through vocational certificates, diplomas in technical education, and bachelor's degrees in various fields of technology. OVEC also oversees operations at the provincial level and links institutions together to enhance knowledge.

### **DUAL VOCATIONAL TRAINING (DVT)**

Based upon agreements with private organizations, state enterprises and government agencies, the DVT program combines vocational education with integrated curriculum, training, testing,

and evaluation. The program works to enhance students' industry knowledge and practical working experiences in the areas of science and technology. The DVT program provides a bridge between vocational education institutes and employers, both public and private, to ensure that syllabi, courses and internships are applicable to current work environments and that students gain industry-relevant skills. Participating companies must develop curriculums that meet the standards and quality assurance specified by OVEC.

### **OFFICE OF THE HIGHER EDUCATION COMMISSION (OHEC)**

Under the MHESI, OHEC is responsible for the development and administration of cooperative education. OHEC governs Thailand's higher education provision, creates development plans, and oversees the nation's universities and 170 higher education institutions at both undergraduate and graduate levels. The OHEC currently manages Thailand's Cooperative Education program.

### **COOPERATIVE EDUCATION PROGRAM**

The Cooperative Education program combines classroom-based education with practical work experience in participating companies. The program aims at equipping undergraduate students with real-world work experience through industry-university collaborations in order to build knowledge and skills for graduates in specialist areas to support market demand and contribute to the needs of the new labor market.

### **INVESTMENT PROSPECTS**

The improvement of Thailand's public infrastructure and facilities, combined with the country's continual support for regional integration, particularly the Eastern Economic Corridor (EEC), presents significant opportunities for HRD in Thailand. HRD is a fundamental element of the Kingdom's economic future. Additional investment in Thailand's HRD will further its status as an investment location of choice with capable human resources. There are openings for continued investment in the academic, HRD, and training sectors that will advance Thailand's status in the world economy while creating more opportunities for investors.



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# A PRIME INVESTMENT OPPORTUNITY IN HUMAN RESOURCES DEVELOPMENT

## THE WORKFORCE OF THE FUTURE

The World Bank announced Thailand's reclassification from a lower-middle to an upper-middle income country in July 2011. This may sound reassuring, but Thailand has been a middle-income country since the 1950s, a situation known as the 'middle-income' trap. The Thai Government is now pushing to free Thailand from the middle-income trap and to become a high-income country. To achieve this, the Thai Government introduced Thailand 4.0, a sector-specific vision to transform the Thai economy through innovation and cutting-edge, dynamic technology. Thailand 4.0 emphasizes security, wealth and sustainability. Labor skills and the employee market will change, and low-skilled employees will be retrained and upskilled. Thailand's continuous effort to accelerate human resource development is critical to the country's success. Thailand must build the capacity of its workers and shift its human resources from productive manpower to an innovative workforce. In order to transform its citizens into the workforce of the future, Thailand must train its workers in specialized skills.

The EEC is a Special Economic Zone where models and centers for Human Resource including the EEC Model (previously the Sattahip Model), the EEC's Human Resource Development Center (EEC-HDC), and Digital Park are currently being implemented.

## THE EEC MODEL (PREVIOUSLY SATTAHIP MODEL)

One of the successful HRD models in Thailand is the Sattahip model (now the EEC Model), which drives economic growth by providing vocational students to meet the demand of targeted industries. The model focuses on cooperation between the government and private firms to implement work-integrated learning. This undertaking has demonstrated success through both Work-integrated Learning (WiL) and DVT program. For example, the DVT has improved innovation through the Vocational College and Apprenticeship Program, while (WiL) has enhanced skills through the Schools in Factories Model. Expansion of these programs and development of new projects will transform Thailand's education system into one that effectively prepares students for an innovative economy.

## THE EEC'S HUMAN RESOURCE DEVELOPMENT CENTRE (EEC-HDC)

According to the Eastern Economic Corridor Office (EECO), more than 475,000 skilled workers will be needed for key industries in Thailand between 2019 and 2023. EEC-HDC was founded to provide targeted industries with the skilled workforce they need. The Center is responsible for studying the demand from each industry and designing training curricula for two projects to equip future workers with the innovative skills demanded by industry. Following the success of the Sattahip model, the first project aims to promote vocational education in the EEC region and to implement (WiL) for training programs that require further specialization. The second project aims to produce skilled workers to meet the demand of the S-Curve industrial sectors. EEC-HDC is off to a strong start; the center has already collaborated with more than 400 educational institutes and received assistance from international experts.



### DIGITAL PARK THAILAND: WORK-LEARN-PLAY

The Work-Learn-Play concept aims to promote the Digital Park Thailand, a flagship project of the EEC, as a strategic digital hub for the S-Curve industries. There are three main zones within the park: the private sector innovation space, the digital talent space, and the smart living space. To complete the EEC system, the government established the Eastern Economic Corridor of Innovation to support research and development from the government sector, the private sector, local communities, and universities. With a dynamic ecosystem of research and innovation, the EEC will empower Thailand's workforce to contribute to an innovative future economy.



### PUBLIC AND PRIVATE SECTOR COLLABORATION

To support the government's Thailand 4.0 initiative, the EEC has facilitated crucial collaboration between the public and private sectors. The government, as well as the private sector, have recognized that it is necessary to develop Thailand's workforce to meet the rising demand for highly-skilled workers in the ten target industries selected for their ability to enhance the development of economically significant activities and to increase investment potential.

The target industries will help create a more sustainable future for Thailand by focusing on human resource development and the acquisition and development of new technologies. These ten industries include next-generation automotive, smart electronics, affluent medical and wellness tourism, food for the future, agriculture and biotechnology, automation and robotics, digital industry, medicine, biofuels and biochemicals, and aviation and logistics.

The workforce demanded by these industries includes, but is not limited to, technicians, engineers, specialists, researchers, scientists, accountants, lawyers, and managers. Developing an innovative workforce will require providing training programs with ready-to-work skills, adjusting the current education curricula,

strengthening applicable programs and courses to match future requirements, and importing experts to become trainers and mentors.

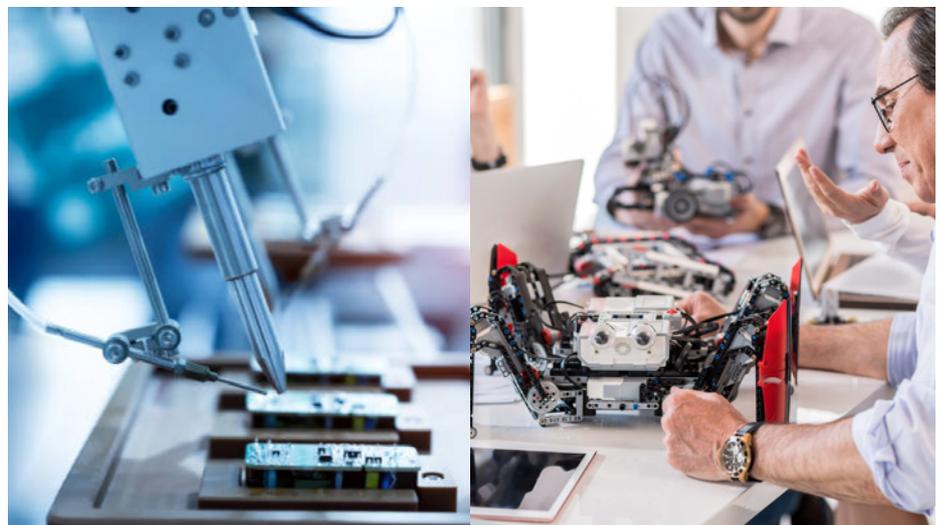
### BOI HRD SUPPORT IN EEC

To meet the demand for highly skilled workers in these industries, the government is encouraging investors to collaborate with local educational or training institutes in their efforts to equip young graduates with the skills of the future. To support the government's goals, the BOI has significantly upgraded its investment incentive package. Investors in the EEC that support educational institutes to develop human resources can receive up to 13 years of Corporate Income Tax exemption and a 50

percent Corporate Income Tax reduction for five years.

### A PRIME INVESTMENT OPPORTUNITY

Investors can expect lucrative returns due to the demonstrated success of several training models, strong support from the BOI, public and private sector collaboration, strong government support, and the BOI's appealing investment incentives. Substantial investments from the private sector coupled with the government's commitment to human resource development will accelerate Thailand's journey to Thailand 4.0. Investors in Thailand's human resources can be confident in their financial decision as the country develops its workforce for the future.



# BUILDING A FUTURE-READY WORKFORCE THROUGH COLLABORATION

According to the OECD Multi-Dimensional Country Reviews (MDCR) published in 2018, higher education and lifelong learning are fundamental to equip Thailand's workforce for the future. The Government of Thailand recognizes the importance of human resource development to address the demand for tomorrow's skills and labor market challenges. The World Education News & Reviews (WENR) reports that public and private collaborations between Thai and international organizations are on the rise.. Thanks to smart economic policies, Thailand is making strong progress in fulfilling its labor force for 4IR.

## EMPOWERING HUMAN CAPITAL IS A PRIORITY

Thailand's 20-Year National Strategy sets out public sector frameworks and directions to achieve its vision under the slogan of "Stability, Prosperity, and Sustainability." The national development plan specifies the advancement and empowerment of human capital as one of the key strategies towards enhancing human resource development in an innovation-driven economy.

As such, Thai government agencies have been working closely with the education sector to enhance collaboration with the private sector and joint educational cooperation and training networks including bilateral collaborations with international education institutions, the exchange of knowledge between the public and private sectors, as well as multilateral training agreements.

## EDUCATIONAL INSTITUTE COLLABORATION HIGHLIGHTS

This edition showcases some of the exciting collaborations in the EEC between Thai educational institutes and global partners in enhancing skills to meet the needs of future industries.

### KMUTT AND HEWLETT PACKARD ENTERPRISE (HPE)

King Mongkut's University of Technology Thonburi (KMUTT) partners with HPE Thailand to support Thailand 4.0 in the EEC by developing a high performance computing prototype for artificial intelligence (AI) to support the medical hub and smart city sectors in the EEC.

### BURAPHA UNIVERSITY AND MITSUBISHI

Mitsubishi Electric Factory Automation (Thailand) Co., Ltd. has signed a Memorandum of Understanding (MOU) with Burapha University to develop and accelerate educational standards in automation technology and to coordinate on manpower development based on the concept of the e-Factory solution, a prototype of a smart factory that utilizes AI technology and industrial robots to operate the intelligent factory system. The project aims to enhance capabilities and transfer knowledge to students and automation personnel for industries in the EEC.

### AMATA University in the EEC

As companies in the EEC require highly-skilled workers, AMATA

University at AMATA City in Chonburi collaborates with National Taiwan University to enhance human resource development by introducing the Master of Science in Engineering program, which focuses on intelligent manufacturing systems, under the initiative of Thai Ministry of Education to elevate education in the EEC.

### AIHM IN ACADEMIC ASSOCIATION WITH LES ROCHES

The Asian Institute of Hospitality Management (AIHM), in academic association with Les Roches Global Hospitality Education, have partnered to provide world-class education and training in Thailand under a Swiss curriculum. With two campuses, one in Bangkok and one in Chonburi, the program is developing aspiring leaders in the hospitality sector.



# BMW MANUFACTURING (THAILAND): A LEADING GLOBAL AUTOMOTIVE PRODUCER

## MR. UWE QUAAS

CEO AND MANAGING DIRECTOR OF BMW MANUFACTURING (THAILAND)

### WHY THAILAND?

In 1999, the BMW Group AG setup a manufacturing operation in Thailand with an investment value of US \$162.23 million. In 2006, BMW received a free zone privilege from the BOI, which enabled BMW to expand its production. Mr. Uwe Quaas, CEO and Managing Director of BMW Plant in Rayong, stated that the factors that spurred BMW to invest in Thailand include its strategic location as the gateway to Asia and human capabilities to support BMW's strategic goals and objectives in the Asian market.

According to Mr. Quaas, the BMW plant's capacities will continue to grow in the future under a clear strategy aimed at enhancing both human resources and technological expertise.

Throughout 2018, BMW Manufacturing (Thailand) laid the foundations for future production through advanced training and qualification programs on the assembly of high voltage batteries (HVB) for the BMW plug-in hybrid models, in partnership with the DRÄXLMAIER Group.

### A FOCUS ON PRODUCTION EXCELLENCE

BMW takes pride in being a flexible and market-responsive automotive manufacturer. Currently, BMW assembles both cars and motorcycles using a one-roof concept. This flexible production strategy can adapt to market fluctuations by working closely with counterparts at BMW headquarters and local parts suppliers to evaluate and monitor



**“BMW plant’s capacities will continue to grow in the future under a clear strategy aimed at enhancing both human resources and technological expertise”**

(also known as Sattahip Technical College) and the Chitralada Vocational Program at the Chitralada Technology Institute. Since the program was introduced in 2015, BMW has recruited 82 apprentices and accepted 20 graduated apprentices into the BMW

workforce. This system, called the EEC Model (formerly Sattahip Model), allows BMW to develop the future workforce with necessary and relevant skills in technology and manufacturing.

Mr. Quaas expanded on BMW's investment in training, stating, “to train the workers of tomorrow, BMW integrates the latest technology, such as HVB assembly, into our trainings.” BMW trainings include the latest technological topics, such as Mechanical Components for Mechatronics and Computer Aided Design (CAD) /Computer Aided Manufacturing (CAM)/Computer Numerical Control (CNC). BMW also teaches Automated Guide Vehicle Program Coding in collaboration with the Thai German-Graduate School of

market situations and respond quickly to changes. Mr. Quaas illustrated this by describing how BMW worked with a supplier in setting up the high voltage battery plant for all locally assembled BMW Plug-in Hybrid Electric Vehicles (PHEVs) after pre-indicators showed a positive market growth in this segment. By monitoring all pre-indicators with thorough business analysis and financial feasibility studies, BMW can react quickly to a dynamic market environment.

Another key success factor for BMW in Thailand is the focus on human resource investment at the Rayong Plant. The BMW Dual Excellence in Education vocational training program on Mechatronics is implemented in conjunction with two partner colleges, the Thai-Austrian Technical College



Engineering (TGGs), and PHEV battery technology for apprentice students. Through these programs, BMW envisions Thailand to be an automotive production hub for ASEAN.

**“...to train the workers of tomorrow, BMW integrates the latest technology, such as HVB assembly, into our trainings.”**



#### **HUMAN RESOURCE DEVELOPMENT AND A CORE COMMITMENT TO DEVELOP AND TRAIN STAFF**

BMW emphasizes leadership, problem solving, and English language skills for all job functions. BMW's leadership development program uses both international trainers, qualified by BMW Group for training at other BMW Group entities worldwide, as well as local trainers for soft skills like language proficiency. BMW provides English and German language programs to all associates. This gives the company confidence that BMW's Thai staff have the necessary skills to succeed in a competitive environment.

BMW Group also has other programs that support HRD, such as vocational training, talent management, leadership, and mentorship programs. Under the talent management program, 35 to 40 Thai students are selected per year to become BMW interns. Through the leadership program, BMW develops Thai team leaders and managers by building skills to enhance their capacities. Finally, the mentorship program coaches the local management team to prepare for their future career advancement in the company.

**BMW group has confidence in Thailand's workforce and believes in the competitiveness of its people to build the necessary skills for the automotive sector.**

#### **BOOSTING THAILAND'S WORKFORCE COMPETITIVENESS AND DEVELOPING SKILLS IN THE AUTOMOTIVE SECTOR**

BMW Group has confidence in Thailand's workforce and believes in the competitiveness of its people to build the necessary skills for the automotive sector. Mr. Quaas mentioned that “there has been an increase in the number of graduates and qualified vocational workers, yet it is anticipated that Thailand will continue to experience skilled labor shortages due to a growing demand for higher skill levels and advancements in technology particularly in relation to intensive manufacturing.”

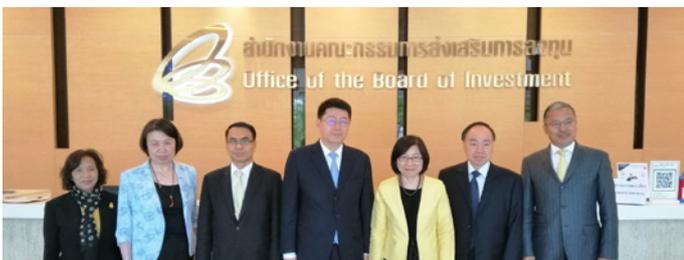
This possible shortage is the driving force behind the Royal Thai Government and the BOI policy of enhancing vocational training. Efforts to encourage public-private partnerships in engineering and technical training, in addition to government incentives for education, are being widely promoted.





### BOI POLICIES UPDATE FOR DANISH COMPANIES

**20 JUNE 2019** Ms. Duangjai Asawachintachit, Secretary General of the BOI, presented updates on the BOI policies and new measures to a group of Danish companies at the Royal Danish Embassy, Thailand. H.E. Uffe Wolffhechel, Ambassador of the Royal Danish Embassy, Thailand provided a warm welcome and delivered the opening remarks at the seminar. The seminar was attended by both Danish companies and other companies interested in investing in Thailand.



### VISIT FROM CHINA INVESTMENT COOPERATION

**3 JULY 2019** Ms. Duangjai Asawachintachit, Secretary General of the BOI, and Mr. Chokdee Kaewsang, Deputy Secretary General of the BOI, welcomed a delegation led by Mr. Peng Chun, Chairman of the China Investment Cooperation (CIC), a sovereign wealth fund from the People's Republic of China. The CIC is responsible for managing the country's international reserves and investment fund both in the People Republic's of China and abroad. The CIC sees Thailand's potential as an investment destination and requested to be briefed on Thailand's investment environment and to discuss Thailand's investment policies and opportunities. Representatives from the CIC provided information on the CIC's fund management policies both domestically and overseas.



### HONG KONG: INVESTMENT GUIDELINE BRIEFING

**9 JULY 2019** Mr. Chokedee Kaewsang, Deputy Secretary General of the BOI, presented to a delegation from Hong Kong interested in investing in Intelligent Automation in Thailand. The seminar, held at the Intercontinental Hotel, Bangkok. The delegation was led by the Hong Kong Trade Development Council (HKTDC) with over 40 participants from the Hong Kong business community. The seminar was a success and attracted interest from potential investors from Hong Kong.



### DIGITAL THAILAND: ACCELERATING YOUR TECHNOLOGY BUSINESS IN ASIA

**11 JULY 2019** The BOI office in Los Angeles, USA organised a seminar, "Digital Thailand: Accelerating Your Technology Business in Asia," in San Francisco, USA. The seminar promoted investment in the Thai Digital Industry to American companies. The BOI was honored to have industry experts such as Mr. Chanin Khaochan, Director, and Mr. Chatchai Khunpitiluck, Deputy Director of Information Management Center, Digital Economy Promotion Agency (DEPA), share insights and investment opportunities regarding the Thai Digital Industry. The seminar raised significant interest from many potential American companies in investing in the Thai Digital Industry.



### VISIT FROM VIETNAM-THAILAND FRIENDSHIP ASSOCIATION

**27 JUNE 2019** Mr. Chuwong Dangkhunasombat, Director General of the Thai Overseas Investment Promotion Division at the BOI, welcomed delegation from Vietnam led by Mr. Tat Kuang Ngok, the former Minister of Fisheries from 1996 to 2007 and the current the President of the Vietnam-Thailand Friendship Association. Over 70 participants took part in the delegation and received updates from the BOI on investment policies, opportunities and further discussions on investments in both nations.



### NEW HOT SPOT IN ASIA: EASTERN ECONOMIC CORRIDOR

**10 JULY 2019** Dr. Ratchanee Wattanawisitporn, Director of the BOI office in Frankfurt, Germany led a group of Thai delegations to attend the 14<sup>th</sup> Asia-Pacific Forum Bayern, organized by the IHK Nürnberg and held at Stadthalle in Fürth, Germany. Dr. Ratchanee presented on the seminar topic, "New Hot Spot in Asia: Eastern Economic Corridor" to over 300 participants. The BOI received interest from potential German companies wishing to invest in Thailand as a result of the seminar.

## KEY ECONOMIC FIGURES



GDP (2018)

**US \$506.2**



GDP PER CAPITA (2018)

**US \$7,462**

### GDP GROWTH



### INVESTMENT GROWTH



### EXPORT VALUE GROWTH



UNEMPLOYMENT 2019\*

**1.1%**



HEADLINE INFLATION 2019\*

**1%**

Source: NESDB

\*Forecast under Source: NESDB, add Bank of Thailand

## MARKET PROFILE 2018



POPULATION

**69.6**  
Million

MINIMUM WAGE PER DAY

**THB 308-330**

\$ APPROXIMATE

**US \$9.95-10.67**

Source: United Nations and Ministry of Labor

## INTERNATIONAL COMPETITIVENESS

Source: WEF, IMD and World Bank

WEF GLOBAL COMPETITIVENESS INDEX



2018 **38<sup>th</sup>**  
2017 **40<sup>th</sup>**

IMD WORLD COMPETITIVENESS YEARBOOK



2019 **25<sup>th</sup>**  
2018 **30<sup>th</sup>**

WORLD BANK EASE OF DOING BUSINESS



2018 **27<sup>th</sup>**  
2017 **41<sup>st</sup>**



TIME TO SET UP BUSINESS:

**4.5** DAYS

## EXPORT FIGURES

EXPORT VALUE (USD million)

JANUARY-JUNE



### TOP 10 EXPORT MARKETS

	Rank	Value (USD Million)	Share
	USA	16,326.7	13.0%
	China	14,055.4	11.2%
	Japan	12,561.6	10.0%
	Vietnam	6,252.2	5.0%
	Hong Kong	5,858.5	4.7%
	Malaysia	5,385.4	4.3%
	Australia	5,028.5	4.0%
	Indonesia	4,539.1	3.6%
	Singapore	4,488.9	3.6%
	India	4,166.7	3.3%

### TOP 10 EXPORTS

	Goods / Products	Value (USD Million)	Share
1:	Motorcars and Parts	13,987.9	11.15%
2:	Computers and Parts	8,916.8	7.11%
3:	Precious Stones and Jewellery	7,392.4	5.89%
4:	Rubber Products	5,571.5	4.44%
5:	Plastic Beads	4,767.1	3.8%
6:	Chemical Products	4,045.7	3.23%
7:	Refined Fuels	3,801.4	3.03%
8:	Electronic Integrated Circuits	3,738.2	2.98%
9:	Machinery and Parts	3,703.8	2.95%
10:	Air Conditioner and Parts	3,164.8	2.52%

Source: Ministry of Commerce

## EXCHANGE RATES

(Data as of 19 July 2019)

Source: Bank of Thailand  
Note: JPY currency is for 100 Yen

\$	£	€	¥	¥
THB 30.94	THB 34.2	THB 38.0	THB 28.1	THB 4.4

## TAX RATES

Source: The Revenue Department

CORPORATE INCOME TAX:	PERSONAL INCOME TAX	VAT	WITHOLDING TAX
<b>20%</b>	<b>35%</b>	<b>7%</b>	<b>1 - 10%</b>

## BOI OVERSEAS OFFICES



### HEAD OFFICE, OFFICE OF THE BOARD OF INVESTMENT

555 Vibhavadi-Rangsit Road., Chatuchak, Bangkok 10900, Thailand  
Tel: (+66) 2553 8111 Fax: (+66) 2553 8222 Email: head@boi.go.th

#### BEIJING

**Thailand Board of Investment,  
Beijing Office**  
No.21 Guanghua Road,  
Chaoyang District, Beijing,  
P.R. China 100600  
Tel: +86 10 8531 8755-57  
+86 10 8531 8753  
Fax: +86 10 8531 8758  
Email: beijing@boi.go.th

#### LOS ANGELES

**Thailand Board of Investment,  
Los Angeles Office**  
Royal Thai Consulate-General,  
611 North Larchmont Boulevard,  
3<sup>rd</sup> Floor Los Angeles  
CA 90004, USA  
Tel: +1 323 960 1199  
Fax: +1 323 960 1190  
Email: boila@boi.go.th

#### SEOUL

**Thailand Board of Investment,  
Seoul Office**  
#1804, 18<sup>th</sup> Floor,  
Daeyungak Tower 25-5,  
1-ga, Chungmu-to, Junggu  
100-706, Korea  
Tel: +82 2 319 9998  
Fax: +82 2 319 9997  
Email: seoul@boi.go.th

#### FRANKFURT

**Thailand Board of Investment,  
Frankfurt Office**  
Investment Section,  
Royal Thai Consulate-General  
Bethmannstr. 58,5.0G 60311  
Frankfurt am Main  
Federal Republic of Germany  
Tel: +49 69 92 91 230  
Fax: +49 69 92 91 2320  
Email: fra@boi.go.th

#### MUMBAI

**Thailand Board of Investment,  
Mumbai Office**  
Royal Thai Consulate-General  
12<sup>th</sup> Floor, Express Towers,  
Barrister Rajni Patel Marg,  
Nariman Point Mumbai  
400021, India  
Tel: +91 22 2204 1589  
+91 22 2204 1590  
Fax: +91 22 2282 1525  
Email: mumbai@boi.go.th

#### SHANGHAI

**Thailand Board of Investment,  
Shanghai Office**  
Royal Thai Consulate General,  
No. 18, Wanshan Road,  
Changning District, Shanghai  
200336, P.R. China  
Tel: +86 21 5260 9876  
+86 21 5260 9877  
Fax: +86 21 5260 9873  
Email: shanghai@boi.go.th

#### GUANGZHOU

**Thailand Board of Investment,  
Guangzhou Office**  
Royal Thai Consulate-General  
No.36 Youhe Road, Haizhou  
District, Guangzhou 510310  
P.R. China  
Tel: +86 20 8385 8988  
ext. 220-225  
+86 20 8387 7770  
(Direct Line)  
Fax: +86 20 8387 2700  
Email: guangzhou@boi.go.th

#### NEW YORK

**Thailand Board of Investment,  
New York Office**  
7 World Trade Center  
250 Greenwich Street,  
Suite 34F New York,  
NY 10007, USA  
Tel: +1 212 422 9009  
Fax: +1 212 422 9119  
Email: nyc@boi.go.th

#### STOCKHOLM

**Thailand Board of Investment,  
Stockholm Office**  
Stureplan 4C, 4<sup>th</sup> Floor  
114 35 Stockholm, Sweden  
Tel: +46 8 463 1158  
+46 8 463 1174  
Fax: +46 8 463 1160  
Email: stockholm@boi.go.th

#### OSAKA

**Thailand Board of Investment,  
Osaka Office**  
Royal Thai Consulate-General  
Bangkok Bank Building,  
7<sup>th</sup> Floor 1-9-16 Kyutaro-Machi,  
Chuo-ku Osaka 541-0056,  
Japan  
Tel: +81 6 6271 1395  
Fax: +81 6 6271 1394  
Email: osaka@boi.go.th

#### SYDNEY

**Thailand Board of Investment,  
Sydney Office**  
Suite 101, Level 1, 234 George  
Street, Sydney, NSW 2000,  
Australia  
Tel: +61 2 9252 4884  
Email: sydney@boi.go.th

#### HANOI

**Thailand Board of Investment,  
Hanoi Office**  
26 Phan Boi Chau Str.,  
Hoan Kiem, Hanoi, Vietnam  
Tel: +81 24 3823 5092-4  
Email: hanoi@boi.go.th

#### JAKARTA

**Thailand Board of Investment,  
Jakarta Office**  
Royal Thai Embassy,  
Jl. DR Ide Anak Agung Gde  
Agung Kav. E3.3 No.3 (Lot 8.8),  
Kawasan Mega Kuningan,  
Jakarta 12950, Indonesia  
Email: jkt@boi.go.th

#### PARIS

**Thailand Board of Investment,  
Paris Office**  
8 Rue Greuze 75116  
Paris, France  
Tel: +33 156 902 600-01  
Fax: +33 156 902 602  
Email: par@boi.go.th

#### TAIPEI

**Thailand Board of Investment,  
Taipei Office**  
Taipei World Trade Center  
Room:3E40 No.5 Xinyi Rd.,  
Sec.5, Taipei110 Taiwan R.O.C.  
Tel: +81 2 2345 6663  
FAX: +81 2 2345 9223  
Email: taipei@boi.go.th

#### TOKYO

**Thailand Board of Investment,  
Tokyo Office**  
8<sup>th</sup> Floor, Fukuda Building West,  
2-11-3 Akasaka, Minato-ku,  
Tokyo 107-0052 Japan  
Tel: +81 3 3582 1806  
Fax: +81 3 3589 5176  
Email: tyo@boi.go.th



## ABOUT BOI

The Office of the Board of Investment (BOI) is the principle government agency that operates under the Prime Minister's Office for the purpose of encouraging investment in Thailand. We at the BOI serve as the professional contact points for investors, providing them with useful investment information and services. We offer business support and investment incentive to foreign investors in Thailand, including tax and non-tax incentives. A few non-tax incentives include granting land ownership to foreigners and facilitating visas and work permits. Besides serving the needs of overseas investors, we also offer consultation services to Thai investors who are interested in investment opportunities abroad.



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