

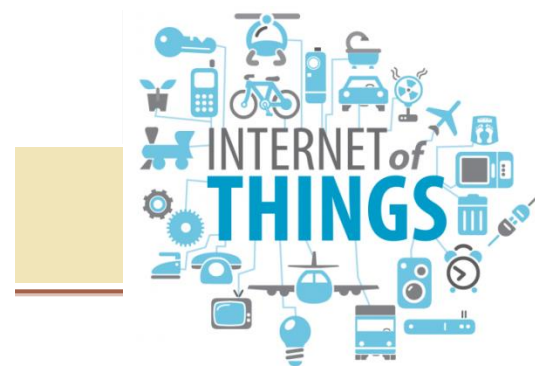
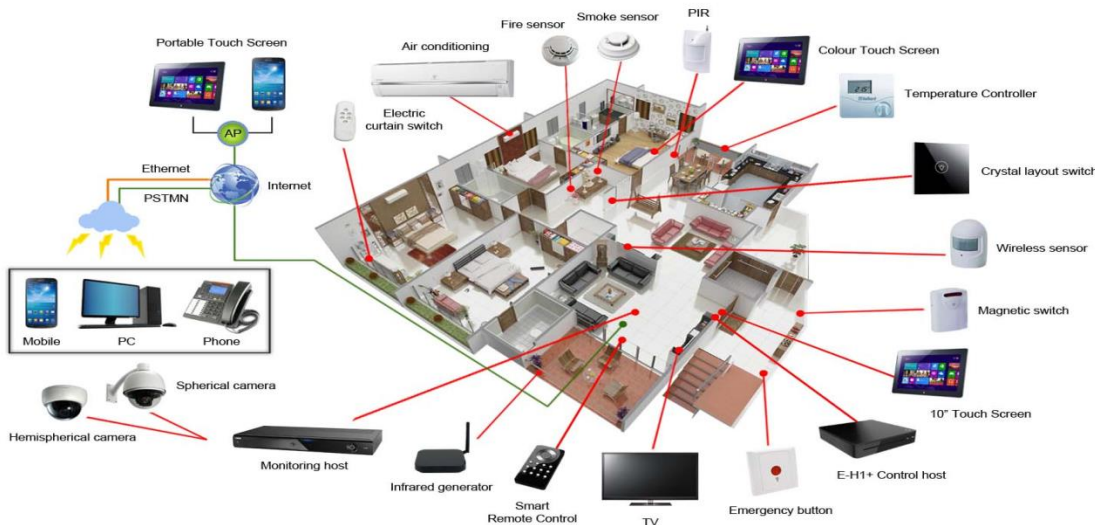
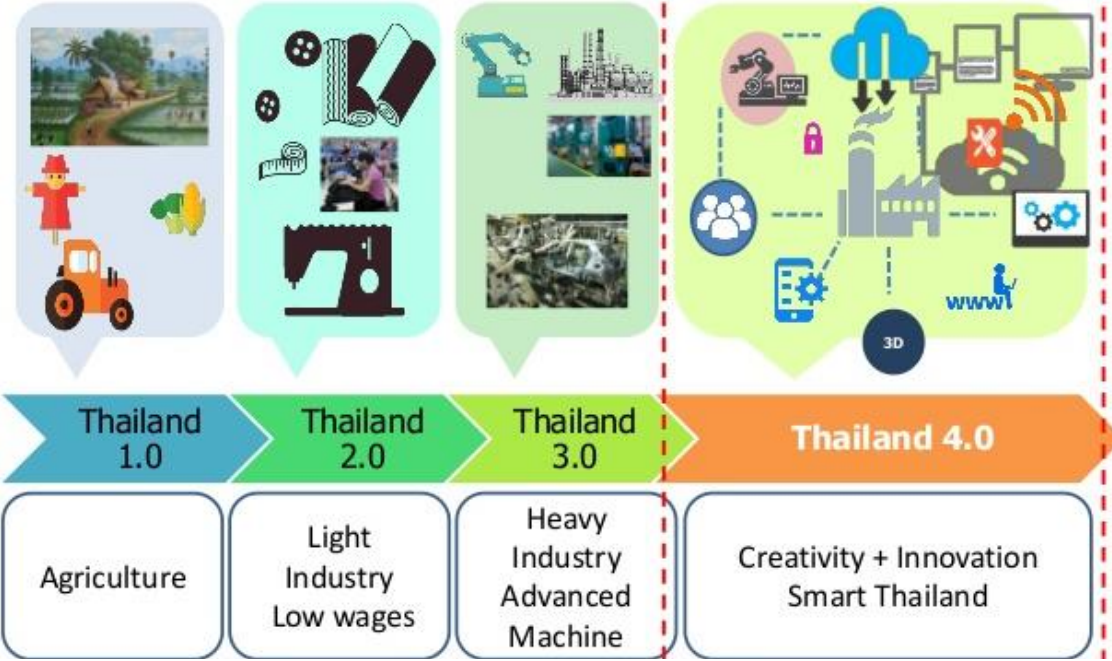
Office of the Board of Investment
***Thailand Investment Climate and Policy
on Software Industry***

Presented by

VANNIPA PIPUPCHAIYASIT
SENIOR INVESTMENT PROMOTION OFFICER

November 2016

Thailand 4.0 (Smart Industry + Smart City + Smart People)

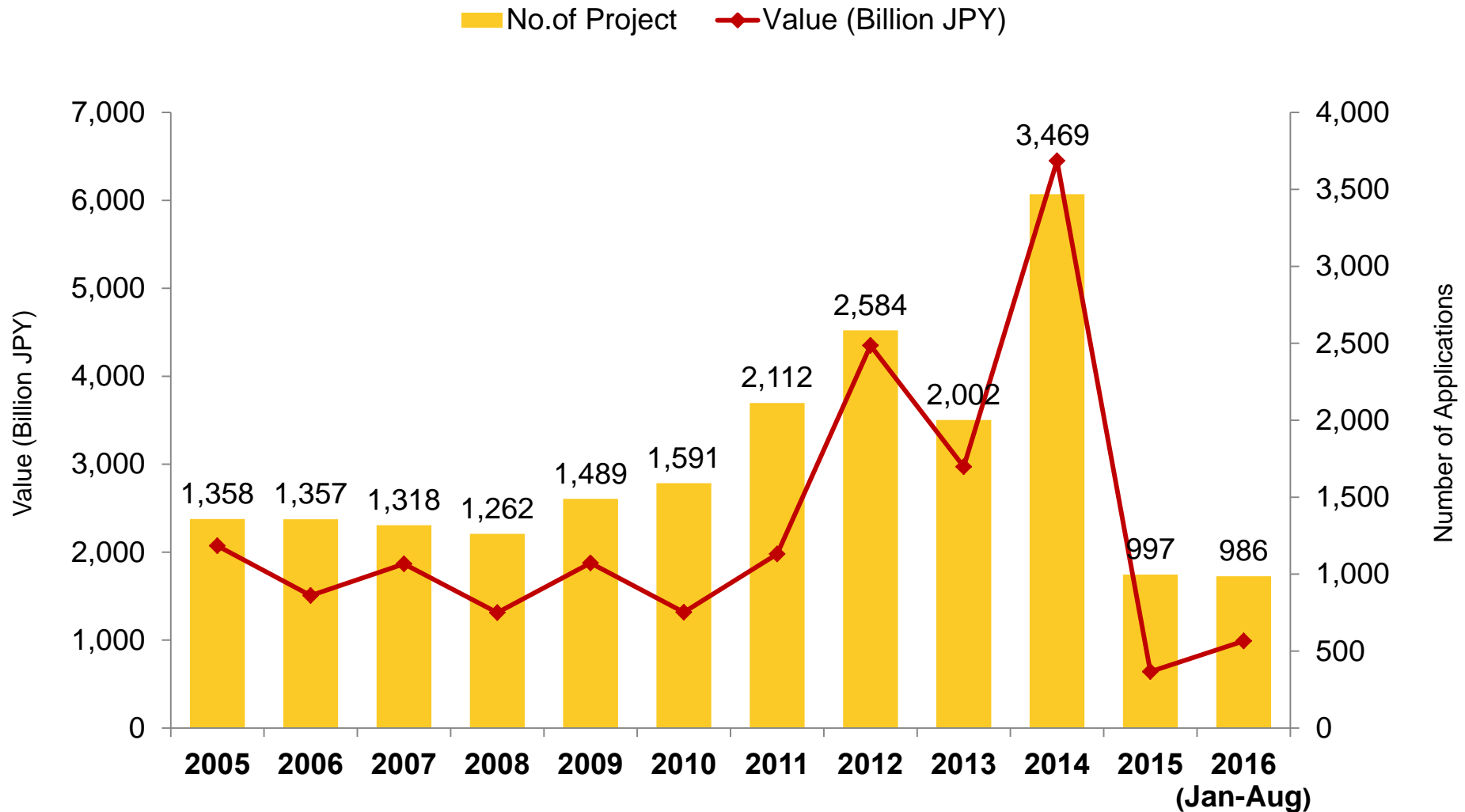






- 1 Thailand's Investment Outlook**
- 2 Thailand's New Targeted Industries
- 3 Investment Opportunities for ICT Industry in Thailand
- 4 How to do business in Thailand & Investment Incentives
- 5 BOI Services

Net Applications Submitted 2005 – 2016 (Jan-Aug) (Includes Foreign and Domestic Projects)

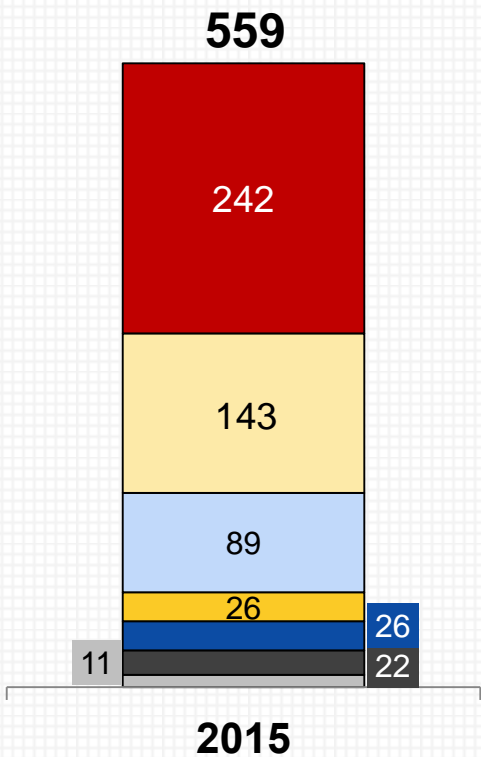


Sources: BOI; Exchange rate (BOT, Aug 1 2016): 1 JPY = 0.34 THB

Foreign Direct Investment in 2015 (by Sector)

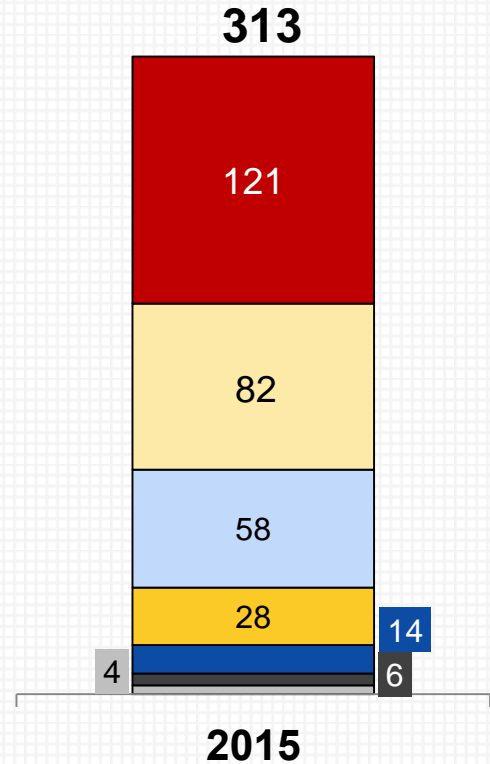
Number of Projects

- Services
- Electric & Electronic
- Metal & Machinery
- Agricultural
- Light Industries/Textiles
- Chemical & Paper
- Minerals & Ceramics



Amount Invested (Billion JPY)

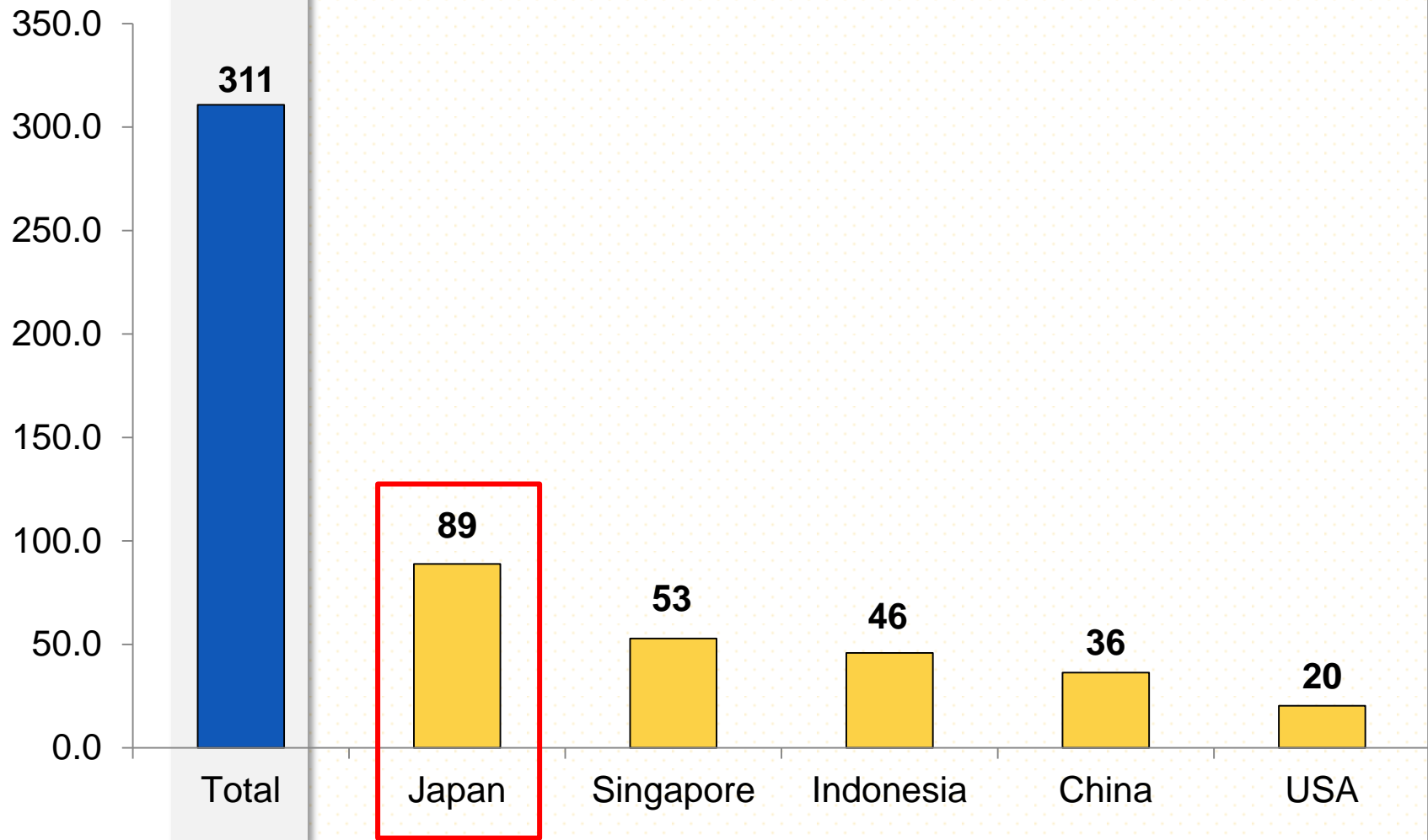
- Services
- Electric & Electronic
- Metal & Machinery
- Agricultural
- Light Industries/Textiles2
- Minerals & Ceramics
- Chemical & Paper



Sources: BOI; Exchange rate (BOT, Aug 1 2016): 1 JPY = 0.34 THB

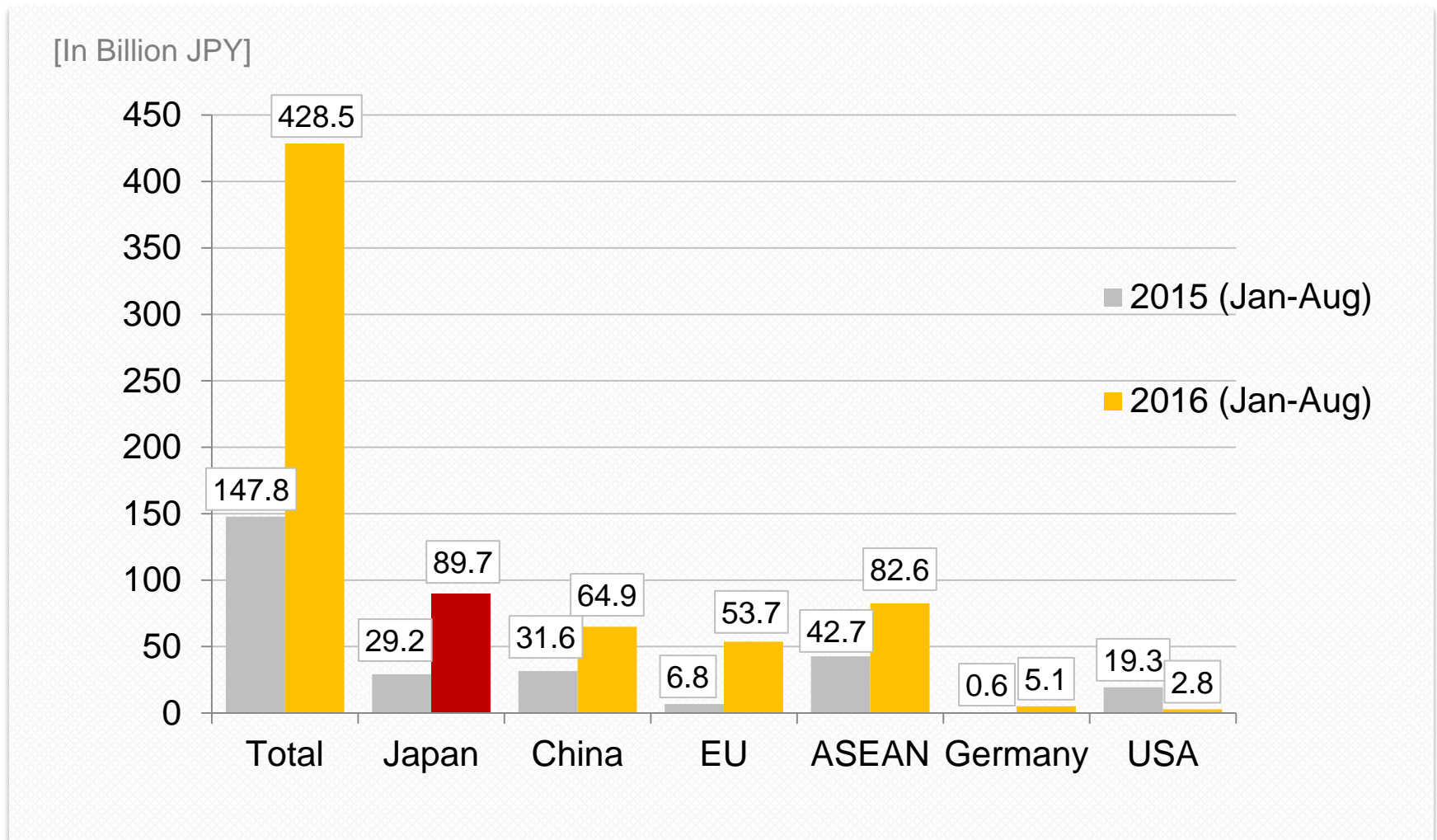
Foreign Direct Investment in 2015 (by Country)

[In Billion JPY]



Sources: BOI; Exchange rate (BOT, Aug 1 2016): 1 THB = 2.92 JPY

Foreign Direct Investment 2015 (Jan-Aug) vs. 2016 (Jan-Aug) by Country



Sources: BOI; Exchange rate (BOT, Aug 1 2016): 1 JPY = 0.34 THB

Applications from Software Companies (2009-2016 (Jan-Aug))

Software Activities

- Software
- Embedded Software
- Enterprise Software and/ or Digital Content



Total Software Applications from 2009 to 2016(Jan-Aug)

	No. Projects	JPY Million
Net Applications	525	12,297

Sources: BOI; Exchange rate (BOT, Aug 1 2016): 1 JPY = 0.34 THB

Applications from Japanese Software Companies (2009-2016 (Jan-Aug))

Software Activities

- Software
- Embedded Software
- Enterprise Software and/ or Digital Content



Total Japanese Software Applications from 2009 to 2016(Jan-Aug)

	No. Projects	JPY Million
Net Applications	100	1,876

Sources: BOI; Exchange rate (BOT, Aug 1 2016): 1 JPY = 0.34 THB

Examples of Japanese Software Companies in Thailand



Nadia



D Y M



1 Thailand's Investment Outlook

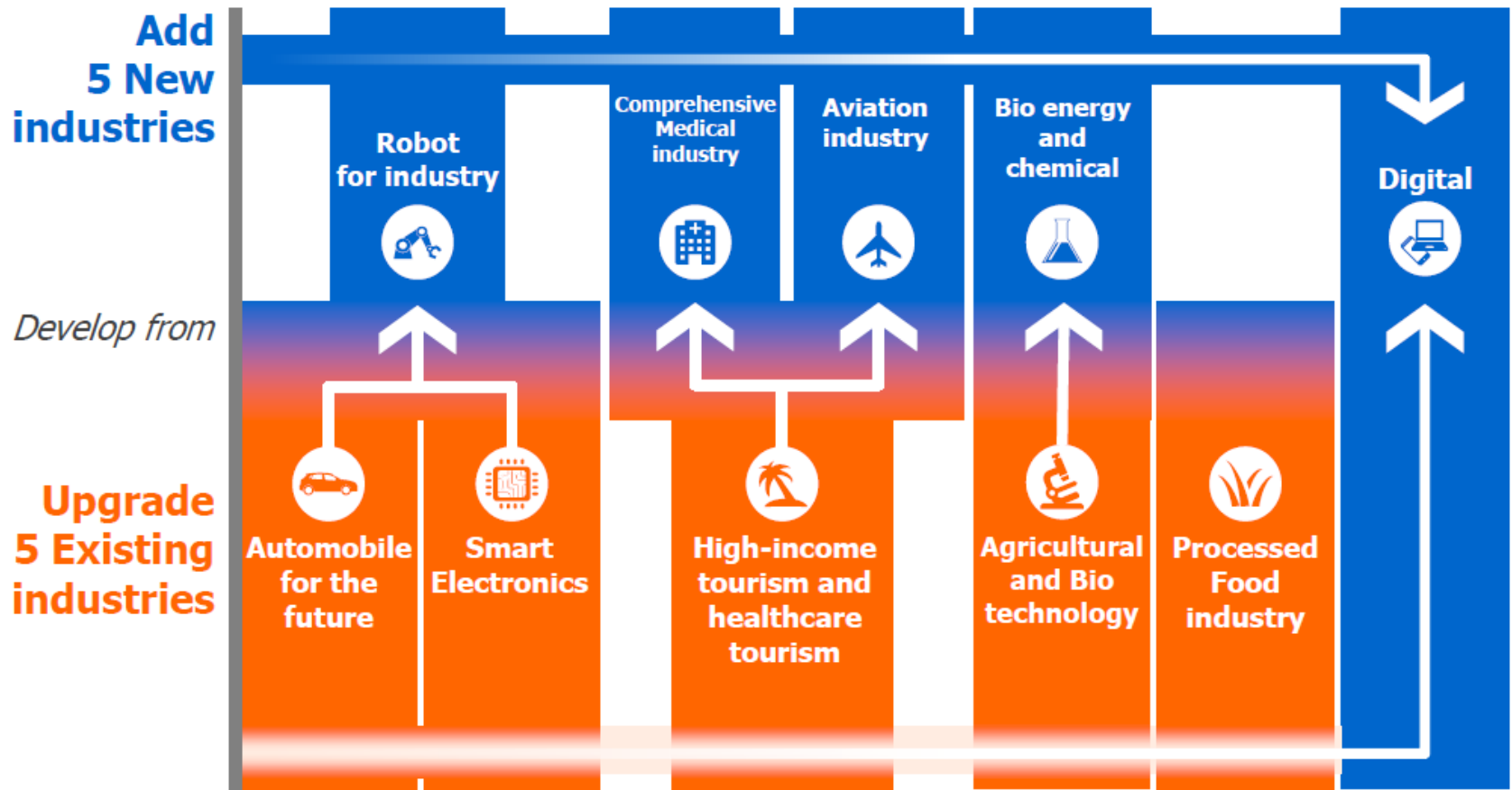
2 Thailand's New Targeted Industries

3 Investment Opportunities for ICT Industry in Thailand

4 Investment Incentives

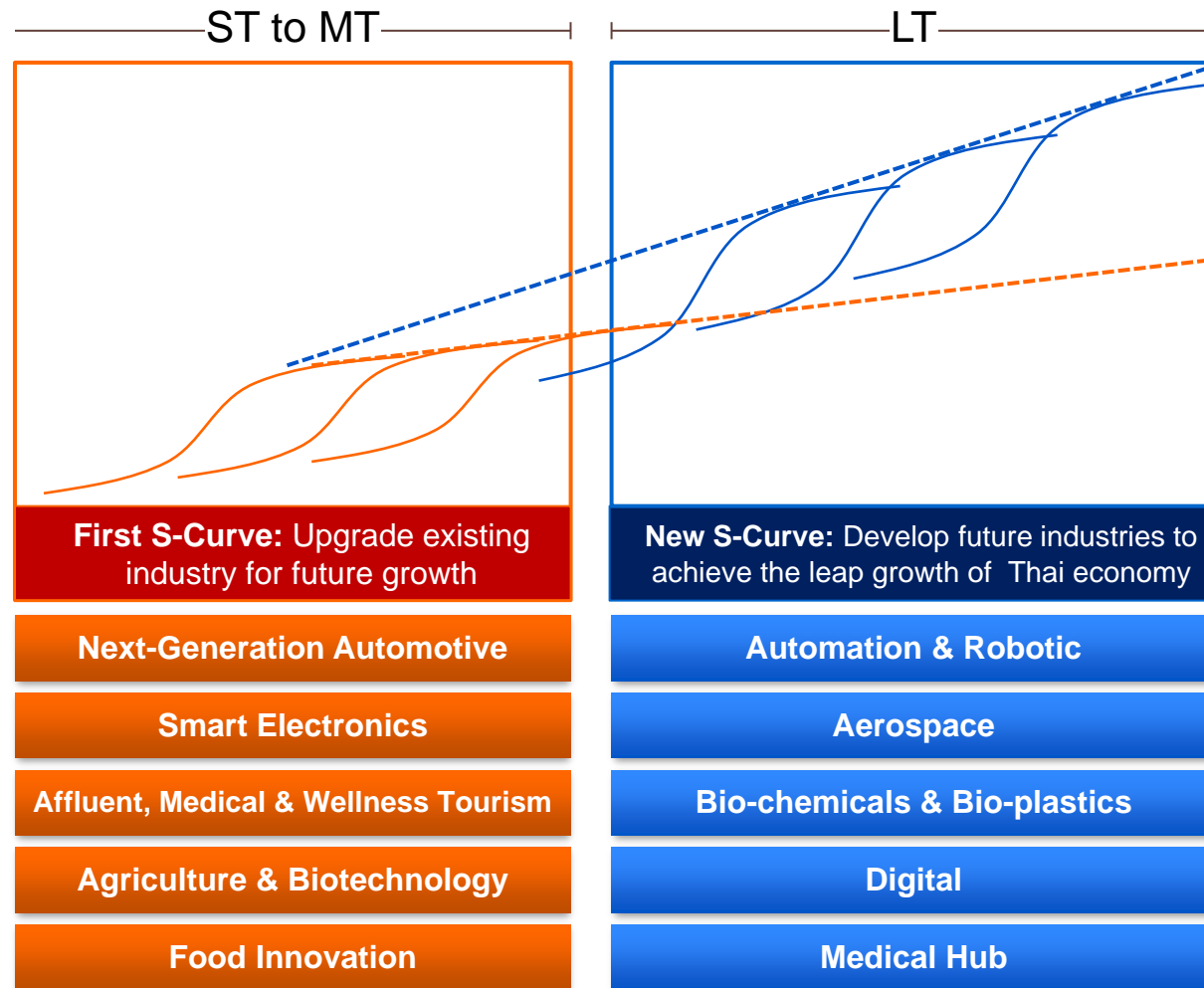
5 BOI Services

New Industries Development Stems from Advancement of the Existing Industries



S-Curve: 10 Targeted Industries

Enhance existing 5 industries + New 5 industries



Note: ST = Short term MT = Medium term LT = Long term

5 New Industries

1



Robotics

Design and manufacturing robots for automotive and electronics factories across ASEAN

2



Medical hub

Robust international medical hub involving leading-edge medical services, medical device manufacturing and pharmaceutical production

3



Aerospace

End-to-end aviation hub that covers manufacturing, assembling, testing, and maintenance of aircrafts including navigation skill hub of ASEAN

4



Bio-chemicals & Bio-plastics

ASEAN leader in bio-chemicals and 2nd and 3rd generation bio-fuel

5



Digital

Start as enabler for consumers, businesses and government; later development into distinct sector focused on industry 4.0 solutions providers and digital animation

1 Thailand's Investment Outlook

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10 Promoted Industries by BOI

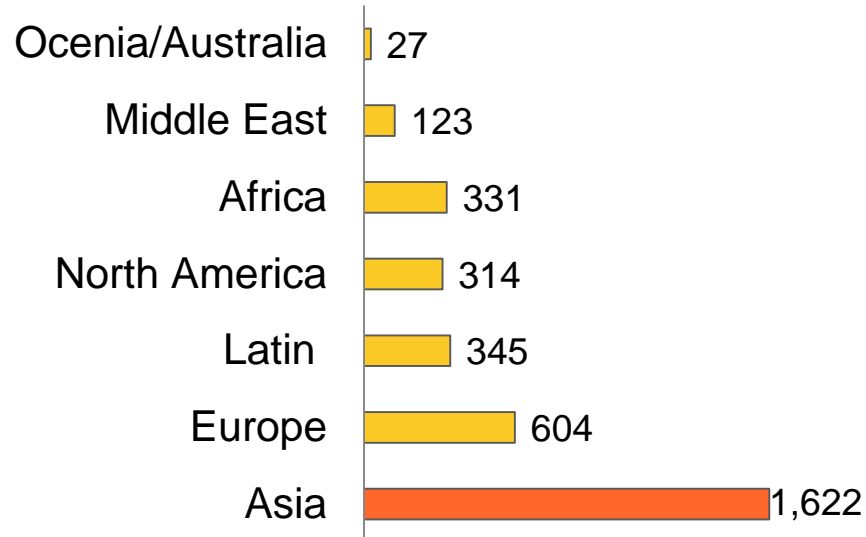


Global Internet Users

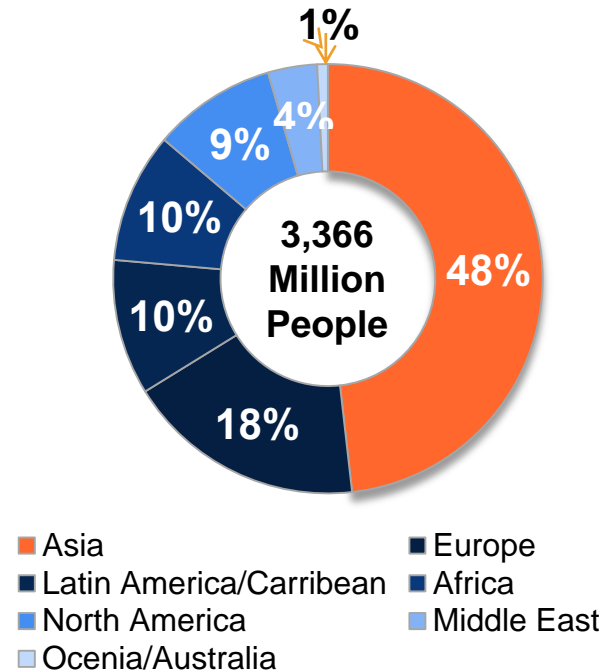
Internet Use in Asia is the Highest

Internet Users in the World by Geographic Regions

[Unit: Million People]



World Internet Users by Region

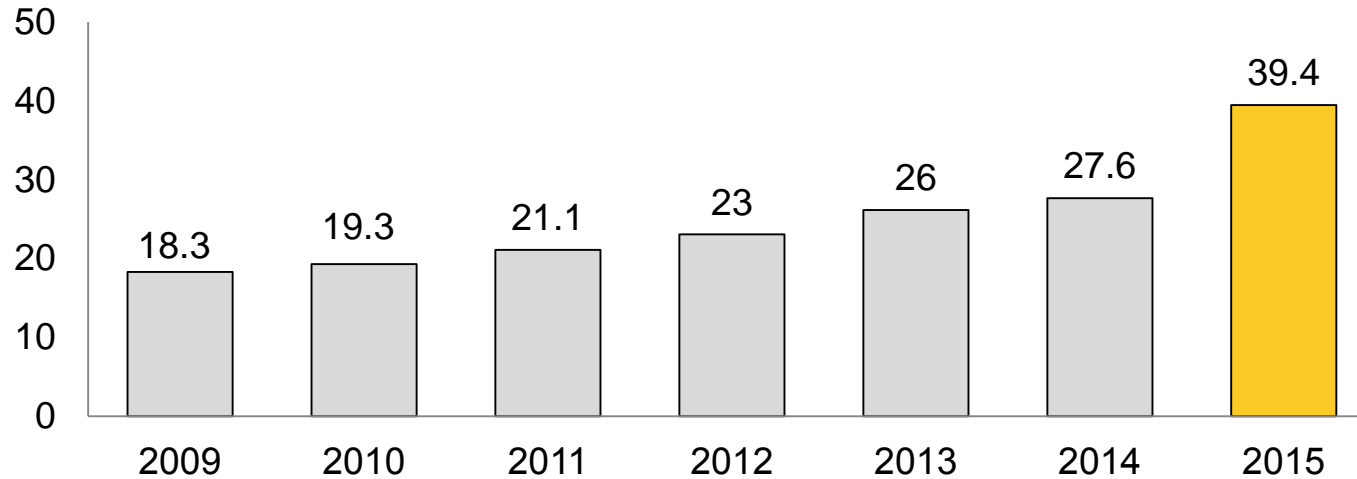


Source: Internet World Stats, November 2015

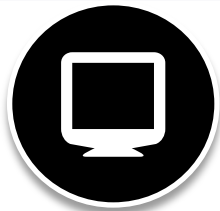
Use of Internet and Devices in Thailand

Number of Internet User in Thailand

[Unit: Million People]



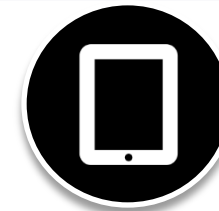
Number of information technology users by used information technology devices 2015



19,012,197
Personal computer



9,508,293
Notebook

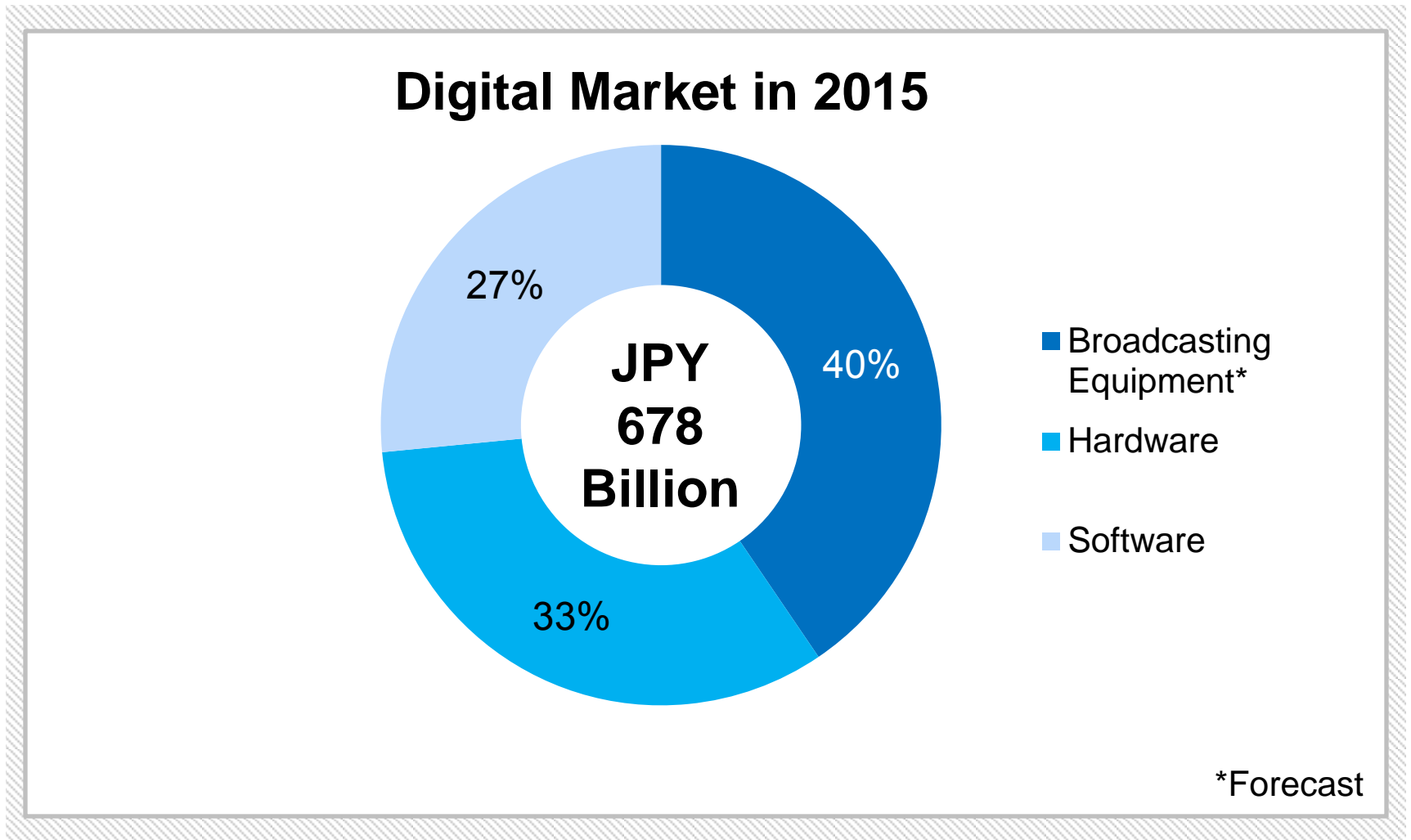


7,592,914
Tablet

Source: National statistic office, 2015 , National Broadcasting and Telecommunications Commission

Thailand's Digital Market in 2015

[Value in Billion JPY]

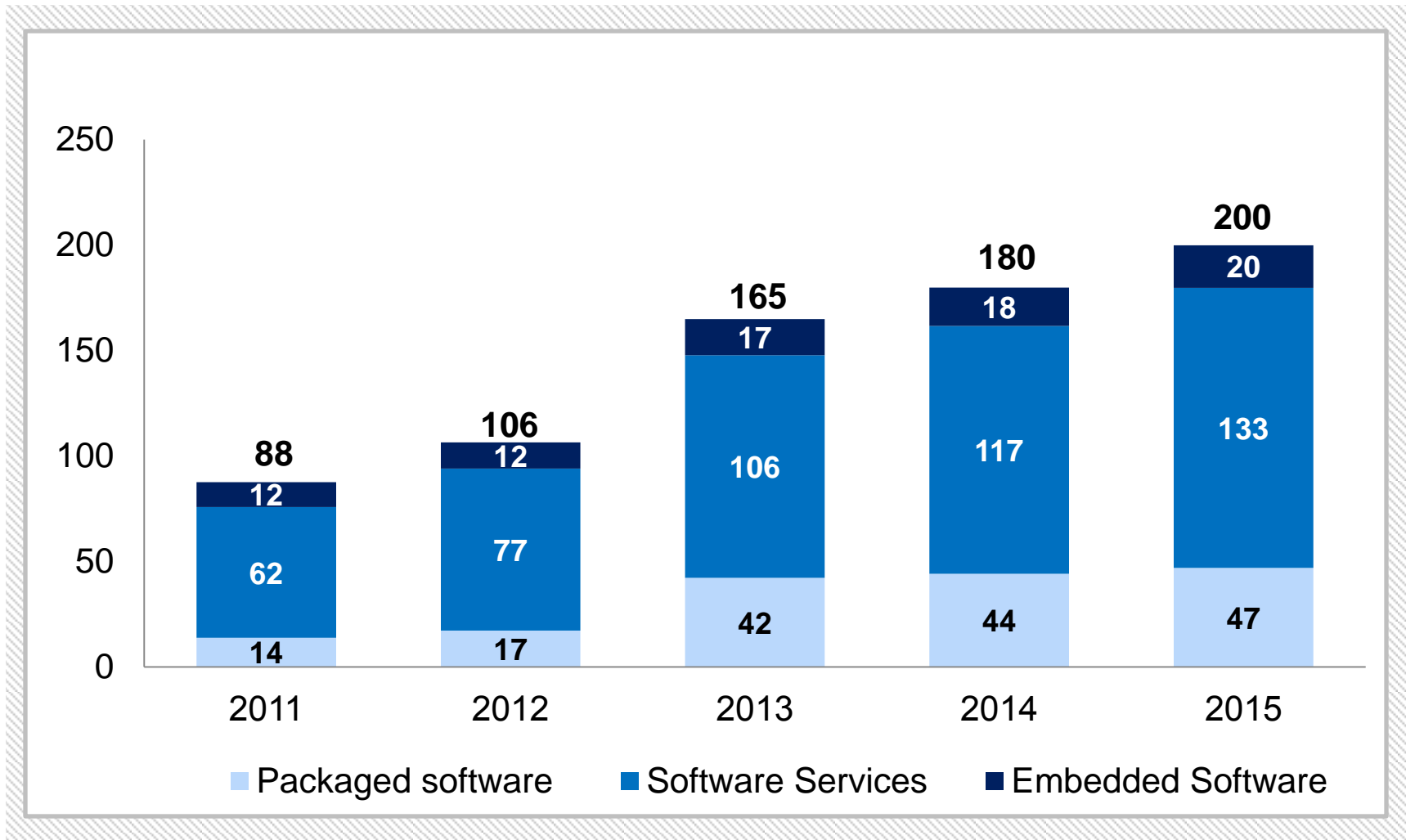


Sources: NECTEC, SIPA, Ministry of Information and Communication Technology, 2015

Sources: Exchange rate (BOT, Aug 1 2016): 1 JPY = 0.34 THB

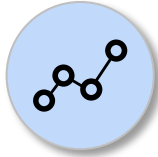
Thailand's Software Production Value

[Value in Billion JPY]



Sources: Exchange rate (BOT, Aug 1 2016): 1 JPY = 0.34 THB

Investment Opportunities for the Digital Industry in Thailand



Enterprise software



Embedded software



Animation and computer-generated imagery



Web-based applications and interactive applications



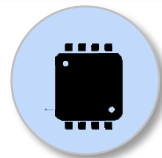
Multimedia video conferencing applications



Entertainment software for mobile platforms, online games or Windows-based games



E-learning content via broadband or multimedia



Embedded system design



High value-added software



Digital services











Innovation incubation center



E-commerce

Opportunities and Trends in Thai E-commerce Environment

Digital Lifestyle Thai Population

1	Internet users	 38 Million Source : Nectec , 2015	5	E-payment	 2,466 Trillion JPY Source : Bank of Thailand, 2014
2	Mobile subscribers	 83.6 Million Source : Nectec , Q420155	6	E-commerce	 22,60 Trillion JPY Source : National Statistical Office, 2014
3	Line users	 33 Million Source : Tech in Asia; LINE, Oct 2015	7	Internet banking	 <ul style="list-style-type: none"> • 8,943,950 Accounts • 5,035 Billion JPY transaction amount
4	Facebook users	 35 Million Source : Zocialinc.com, April 2015	8	Mobile banking	 <ul style="list-style-type: none"> • 3,711,382 Accounts • 380 Billion JPY transaction amount Source: Bank of Thailand, 2014

Digital Growth Trends 2015



Number of active **internet users**
47%

Number of active **social media user**
42%

Number of active **mobile social media user**
36%

Number of active **mobile subscription**
15%

Source: Nectec, InternetLivestats, InternetworldStats, Tencent, Vkontakte, LiveInternet, GSMAntelligent (2015)

Opportunities for Start-up Companies

Thailand Tech Startup Association

The only one stop service knowledge center for business tech startups in Thailand

STARTUP
THAILAND

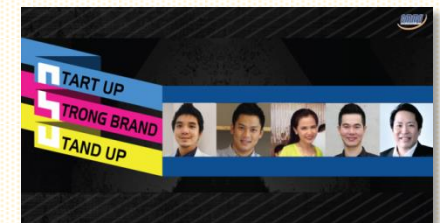


Example of Events:

Measurable Metrics for Startup

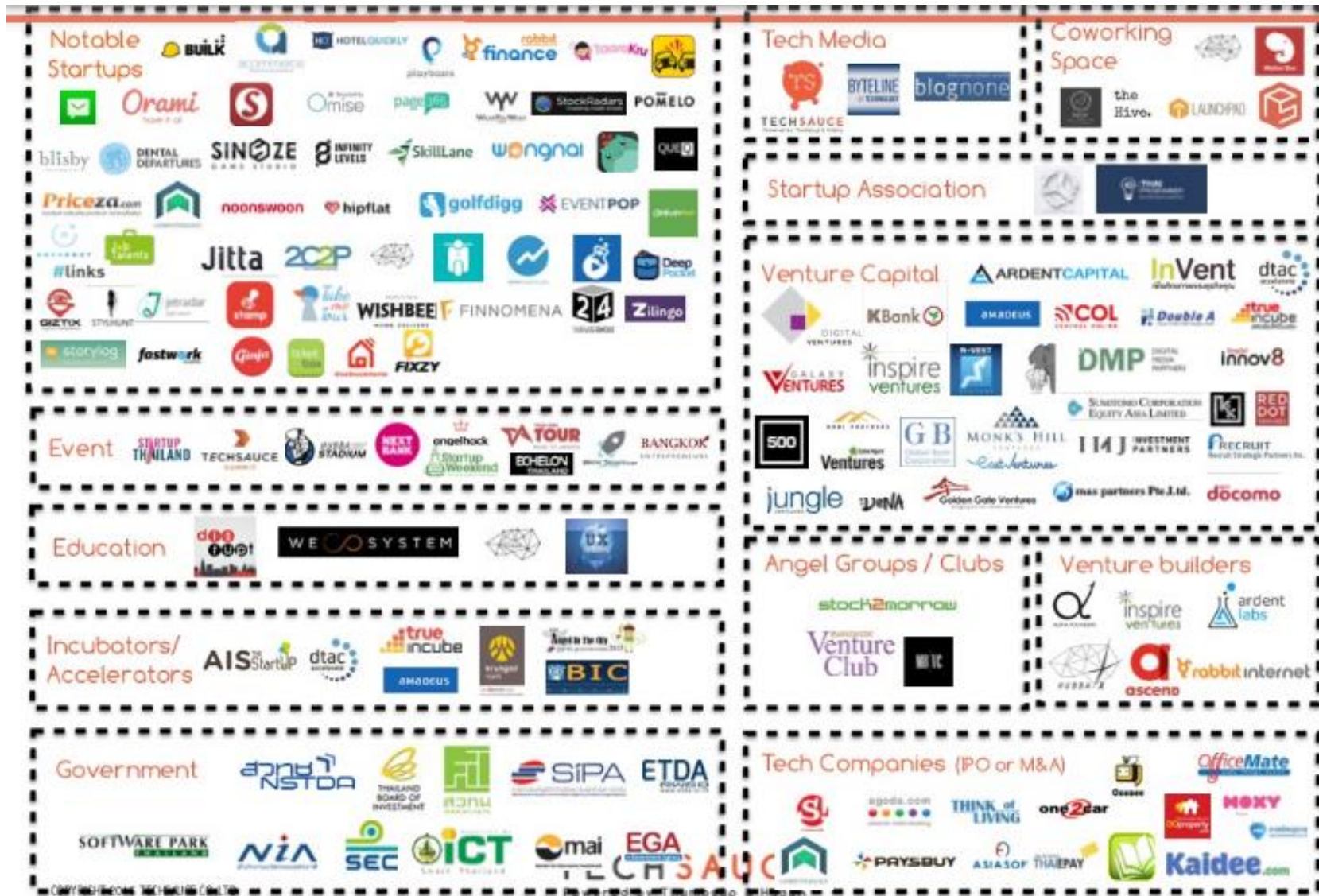
Ways to Raise Funds and the Next Steps

Start Up, Strong Brand, Stand Up



Source: www.startupthailand.org

Thai Tech Startup Ecosystem



Source: Techsauce, 2016

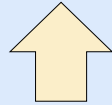
Thai Tech Startup Ecosystem

<i>As of (Q1 2016)</i>	From 2012	From 2015	To June 2016
Funded startups	3	59+	72+
Total funds raised by Thai startups	JPY 215 m	JPY 8,890 m	JPY 11,100 m+
Biggest investment round by Thai startups	JPY 205 m	JPY 1,100 m	JPY 1,541 m
Total funds raised by VCs	JPY 719 m+	JPY 8,118 m+	USD 8,118 m+
VCs & Corporations that invested in Thailand	1	56+	60+
Active angel investors in Thailand	2	30+	30+
Exits	0	6	8
Accelerators	1	5	7

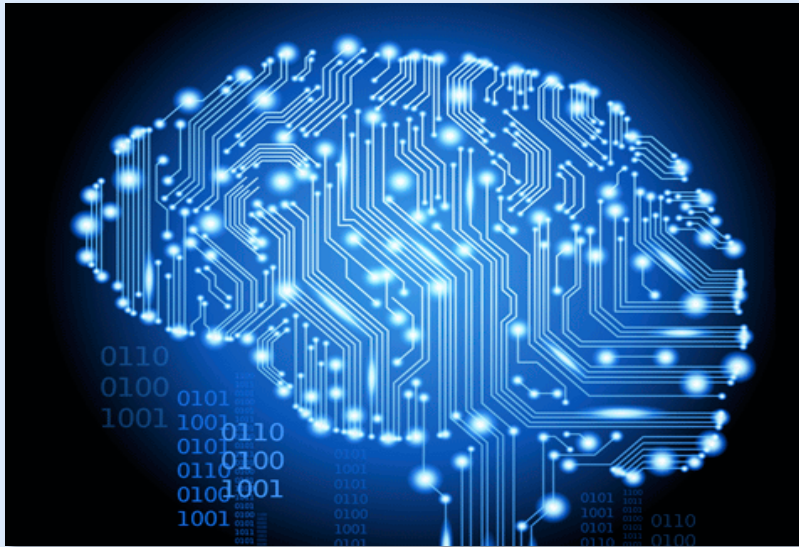
Source: Techsauce, 2016, Exchange rate (BOT, Aug 1 2016): 1 JPY = 0.34 THB

Thailand's Telecommunications Infrastructure Development Plans

Project Objective



Enhance basic telecommunications and drive the economy and digital society.



Improve telecommunications infrastructure to **support the digital economy**



Enhance high-speed internet systems to help develop the domestic economy



Enhance international connectivity with Thailand as a hub for the region

Activity 1: Expand High-speed Internet Systems



Nationwide **coverage** to **facilitate** domestic **economic** development



12 months
(100%)
30,000 villages

1



Local employment (at least JPY 4,932 million)

2



Procurement of domestic materials (approximately JPY 11,817 million)

3



Growth in the telecommunications industry

4



Promotion of local products via e-commerce

5



Support the gaining of household income, both in the local agricultural and industrial sectors

Sources: Exchange rate (BOT, Aug 1 2016): 1 JPY = 0.34 THB

Activity 2: Enhance the Efficiency of International Internet Systems to Become the ASEAN Regional Internet Connectivity Hub

Hub for ASEAN Regional Internet Connectivity

**Citizens/
Customers**



Internet services become cheaper

Service Providers



Expenses for transactional circuits become cheaper

Risk Management



Decrease dependency on connectivity through neighboring countries

Digital Economy



Promote digital economy which will help enhance business performance of other sectors and improve the country's competency

Private Companies

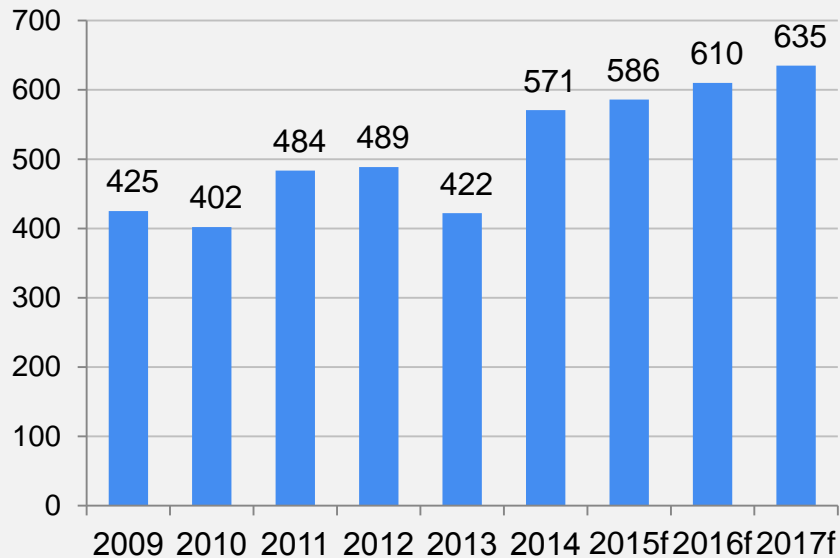


Help develop the Digital Cluster that will stimulate innovation and investment in new industries, increasing the country's GDP

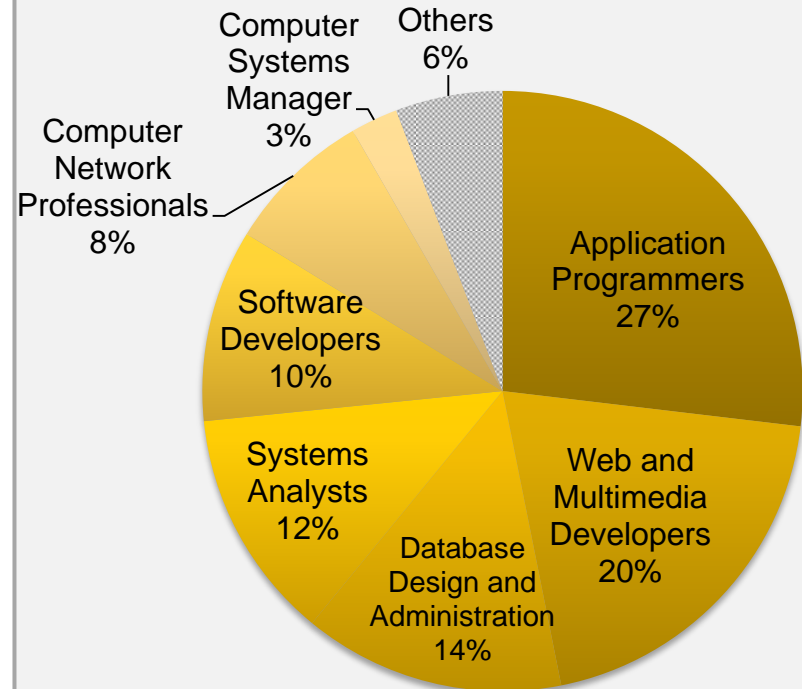
ICT Practitioners and Specialists in Thailand

Total ICT Professionals

[Unit: Thousand People]



ICT Practitioners and Specialists



Sources: National Statistical Office, 2015

Thailand's Digital Centers

Digital Centers



Software Park Thailand

www.swpark.or.th



IT Park, Bangkok



Innovation Cluster 1, Thailand Science Park

sci-park@nstda.or.th



IT Square, Bangkok

<http://www.itsquareonline.com>



Samui IT Complex

<http://www.isamui.com>



E-saan SW Park

<http://www.esswpark.org>



Kaen Nakorn Office Park

<http://www.ko-park.com>

Key Players in Thai Software Industry

Government



Ministry of Information and Communication Technology (MICT)



Software Industry Promotion Agency (SIPA)



National Electronics and Computer Technology Center (NECTEC)



National Science and Technology Development Association (NSDTA).



Thailand Software Process Improvement Network (Thailand SPIN)



Thailand Knowledge Park



Office of Knowledge Management and Development (OKMD)



Software Park Thailand



The Thai Federation of ICT Technology Association (TFIT)

Private



สมาคมอุตสาหกรรมซอฟต์แวร์ไทย
The Association of Thai Software Industry



Internet Bandwidth Providers in Thailand

Providers



Speed

20 Mbps / 4 Mbps
50 Mbps / 10 Mbps
100 Mbps / 10Mbps

15 Mbps / 1 Mbps
30 Mbps / 10 Mbps
50 Mbps / 20 Mbps
100 Mbps / 25 Mbps
200 Mbps / 50 Mbps

20 Mbps / 10 Mbps, 25 Mbps / 10 Mbps
35 Mbps / 15 Mbps, 45 Mbps / 20 Mbps
55 Mbps / 25 Mbps

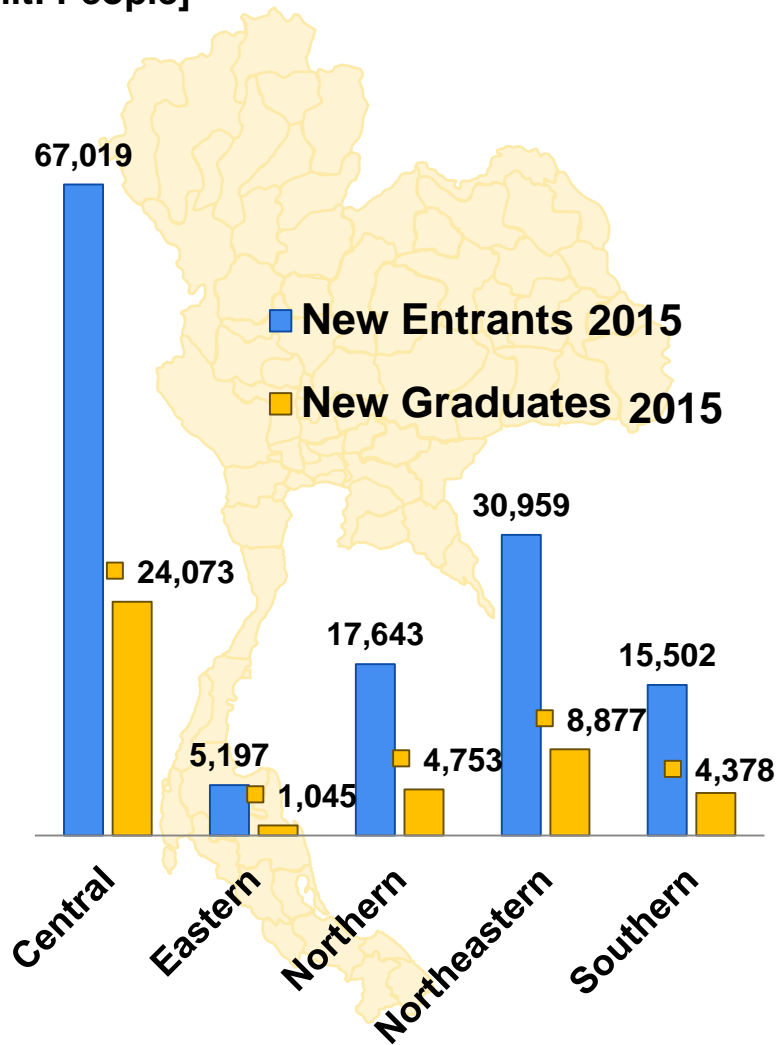
7 Mbps – 10 Mbps / 1 Mbps, 15 Mbps / 1.5 Mbps,
30 Mbps / 3 Mbps, 50 Mbps / 5 Mbps,
100 Mbps / 10 Mbps, 200 Mbps / 15 Mbps,
1,000 Mbps / 15 Mbps



Workforce Availability in Information Technology

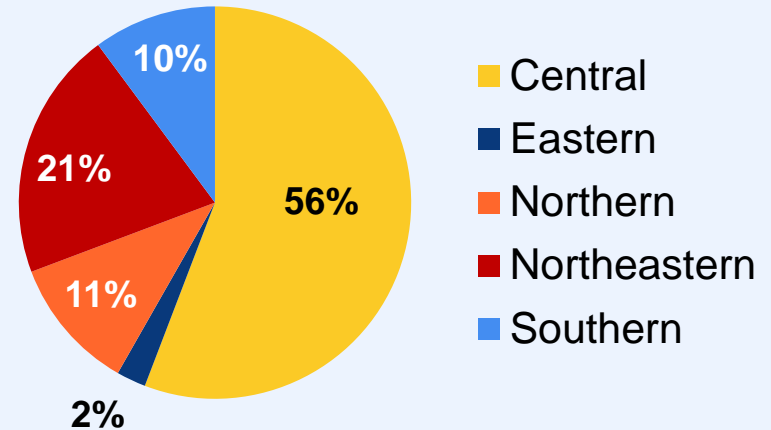
Major in Thailand

[Unit: People]

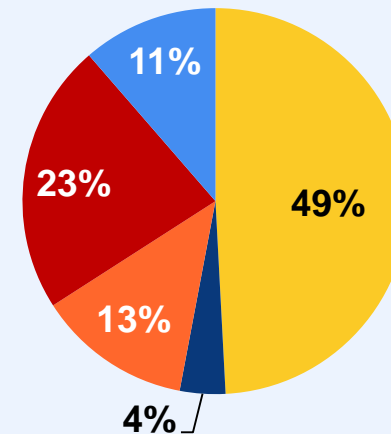


Source: Office of the Higher Education Commission, 2016

New Graduates 2015



New Entrants 2015



Information Technology Programs offered in Thailand

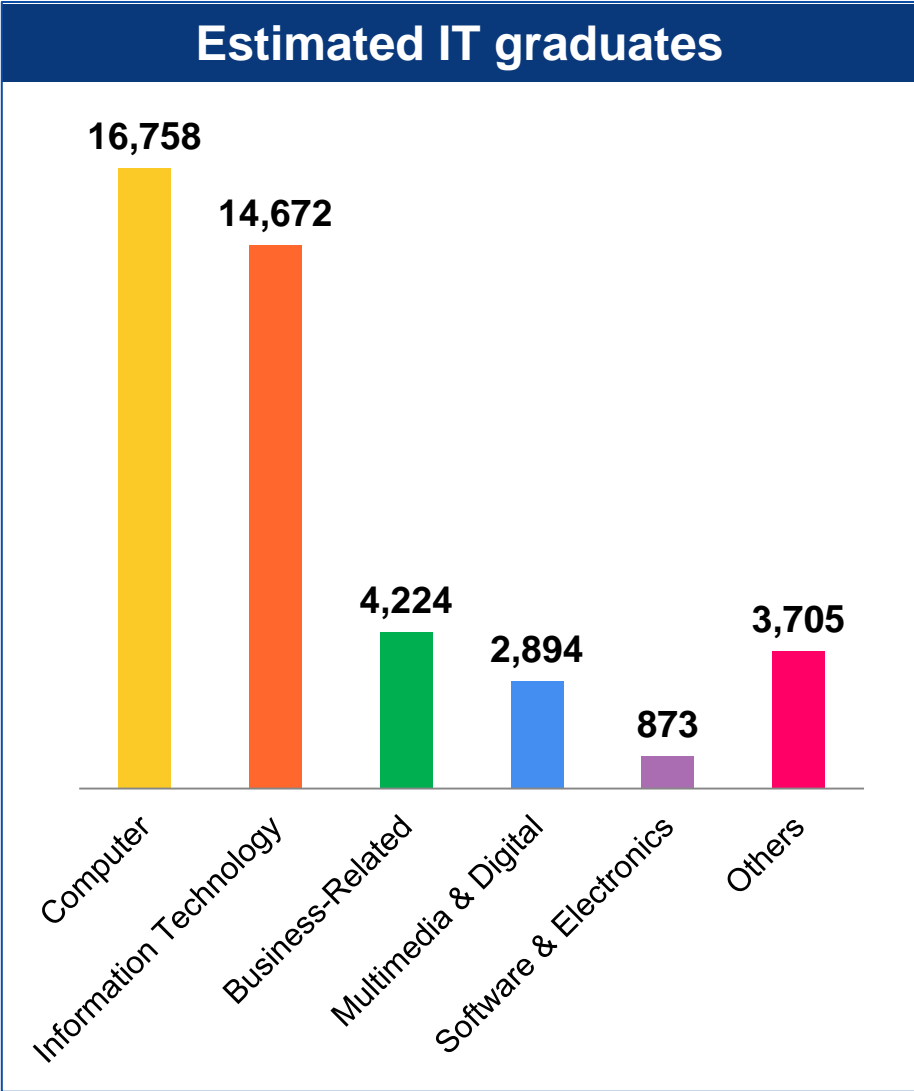


Programs & Faculty

Architectural Technology
Computer Animation
Computer Engineering
Computer for Business
Computer Information Systems
Computer Science
Computer Study
Computer Technology
Digital Media
Electronics Business
Graphic Design
Information Technology
Information Technology Communication
Information Technology for Business
Multimedia Technology
Software Engineering
Etc.

Source: Office of the Higher Education Commission, 2016

Estimated Numbers of Thai IT graduates 2015



- Computer**
 - Computer Engineering
 - Computer Information Systems
 - Computer Science
 - Computer Technology

- Information Technology**
 - Information Technology communication
 - Information Technology Science

- Business-Related**
 - Computer Business
 - Information Technology for Business

- Multimedia & Digital**
 - Graphic Design
 - Digital Media
 - Multimedia Technology

- Software & Electronics**
 - Software Engineering
 - Electronics Engineering
 - Software and Electronics

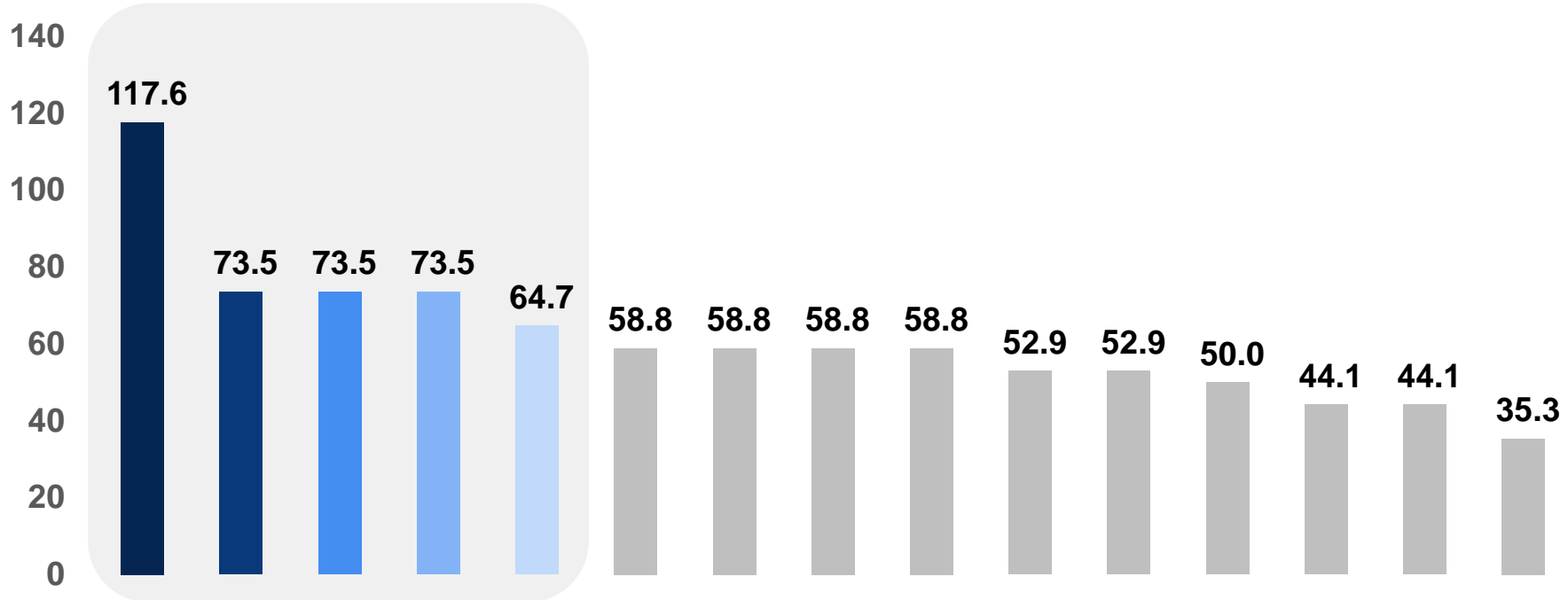
- Others**
 - Architectural Technology
 - Information Technology for Sports
 - Industrial Information Technology

Source: Office of the Higher Education Commission, 2016

Estimated Salary of Thai IT Graduates 2016

Category 1 :Base Salary > 600 USD

[Unit: in thousand JPY]



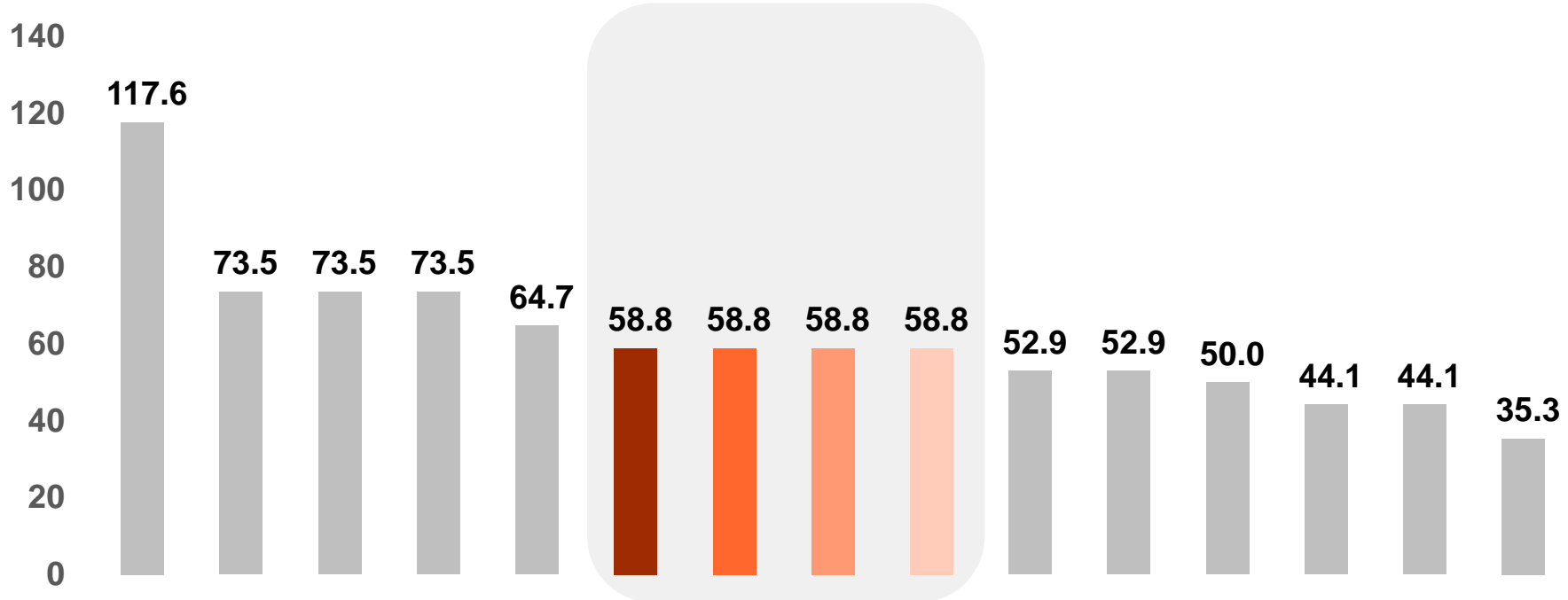
System Analyst	SAP/CRM/ERP/ Data Warehouse Consultant
IT Auditor	System Administrator/ System Engineer
Software Engineer	

Source: ISM Tech, 2016; Exchange rate (BOT, Aug 1 2016): 1 JPY = 0.34 THB

Estimated Salary of Thai IT Graduates 2016

Category 2 :Base Salary Around 558 USD

[Unit: in thousand JPY]



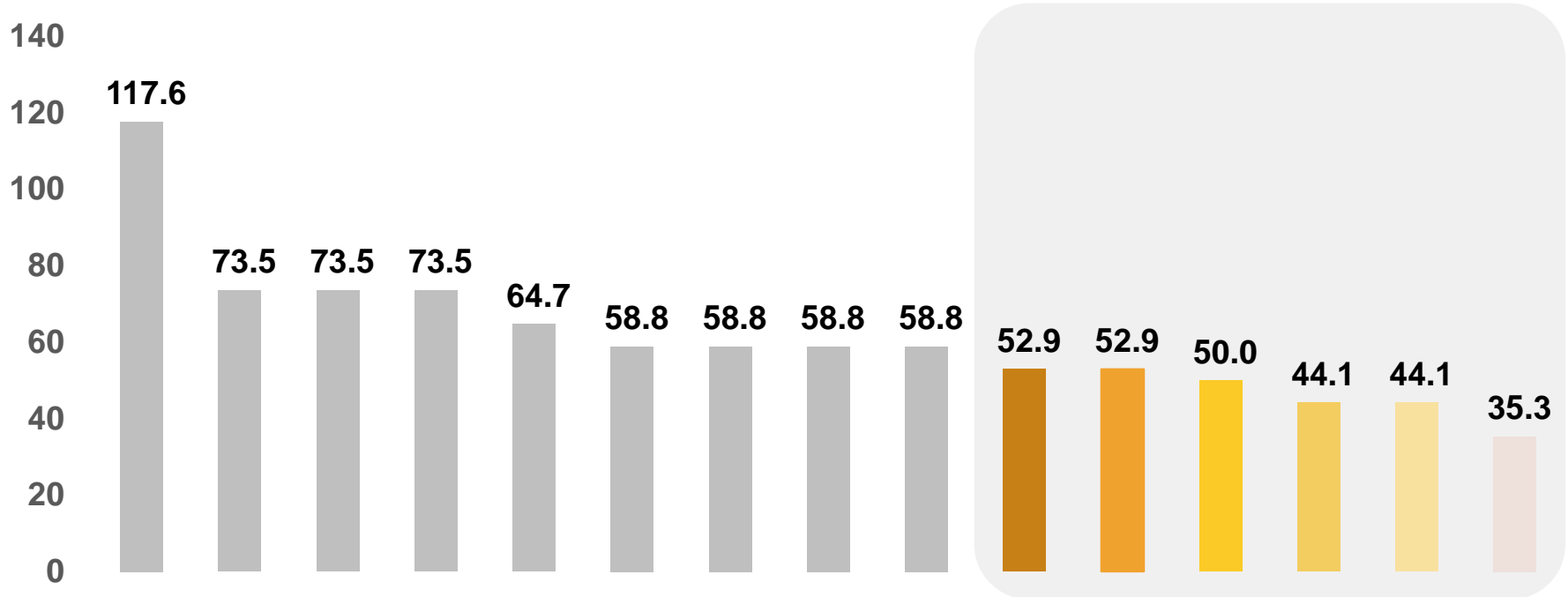
■ IT Security Analyst	■ Software Tester
■ Network Administrator / Network Engineer	■ Database Administrator






Source: ISM Tech, 2016; Exchange rate (BOT, Aug 1 2016): 1 JPY = 0.34 THB

Estimated Salary of Thai IT Graduates 2016

Category 3 : Base Salary below 558 USD

[Unit: in thousand JPY]



 IT Application Support	 Web Designer
 Social Media Content Editor	 IT Support/Sales IT
 Programmer	 Web Master

Source: ISM Tech, 2016; Exchange rate (BOT, Aug 1 2016): 1 JPY = 0.34 THB

Samples of Universities in Thailand with Information Technology Major [1/2]



Chulalongkorn University

- Computer Science
- Computer Science and Information Technology
- Computer Engineering
- Software Engineering



King Mongkut's Institute of Technology Ladkrabang

- Computer Innovation Engineering
- Information Technology
- Computer Science



Prince of Songkla University

- Computer Engineering
- Software Engineering
- Information and Communication Technology Program
- Digital Media



Khon Kaen University

- Computer Engineering
- Computer Science

Samples of Universities in Thailand with Information Technology Major [2/2]



King Mongkut's University of Technology North Bangkok

- Electronics Engineering Technology
- Information and Production Technology Management
- Information Technology
- Data Communication and Networking



Kasetsart University

- Computer Engineering
- Computer Science
- Information Technology
- Electrical and Computer Engineering



Rangsit University

- Computer Engineering
- Computer Science
- Computer Game Multimedia
- Information Technology Service Science
- Information Management
- Creative Media Technology
- Media Informatics



Mahidol University

- Computer Engineering
- Computer Science
- Game Technology and Gamification
- Cyber Security and Information Assurance

Salary for IT Position [1/3]

IT Positions

Job Position	Experience	Salary	
		Baht	JPY
Application Developer / Software Engineer / Programmer / Programmer Analyst (.NET, XML, Java, Java EE, C#, MySQL, PHP, Ruby, Ajax, OOP tools, etc.)	2 – 3 years	30,000 – 45,000	88,235 – 132,353
	3 – 7 years	45,000 – 70,000	132,353 – 205,882
	7 – 10+ years	70,000 – 120,000+	205,882 – 352,941+
Programmer / Analyst (RPG/400, COBOL)	5 – 7+ years	55,000 – 75,000+	161,765 – 220,588+
System Analyst (salary varies with technical or application-specific skills)	5 – 7 years	55,000 – 75,000+	161,765 – 220,588+
		55,000 – 70,000	161,765 – 205,882
Mobile Developer (iOS SDK, Android SDK, UI / UX development)	2 – 3 years	30,000 – 45,000	88,235 – 132,353
	3 – 5 years	50,000 – 70,000+	147,059 – 205,882+
Web Designer / Graphic Designer	3 – 5 years	35,000 – 50,000	102,941 – 147,059
Digital Marketing / Search Specialist (SEM, SEO, PPC, etc.)	2 – 5 years	35,000 – 50,000	102,941 – 147,059
Digital Marketing Manager	5 – 10+ years	55,000 – 80,000+	161,765 – 235,294+
Business Analyst (liaise between users and IT; not technology-specific)	5 – 7+ years	50,000 – 70,000+	147,059 – 205,882+
Business Intelligence Developer / Data Modeler (Cognos, SAS, Business Objects, Hyperion, QlikView, Crystal Report, ETL, etc.)	5 – 7 years	55,000 – 75,000	161,765 – 220,588
Implementation Consultant ERP / Business Intelligence / Data Warehouse (SAP, Oracle, Dynamics, SharePoint, Cognos, Business Objects, Teradata, etc.)	5 – 7 years	55,000 – 70,000	161,765 – 205,882
	7 – 12 years	70,000 – 150,000	205,882 – 441,176
DBA (Oracle, SQL-Server)	5 – 7+ years	55,000 – 80,000	161,765 – 235,294

Source: The Excise Department, as of July 2016 and ISM Technology Recruitment Ltd., Salary review 2015, as of July 2016

Salary for IT Position [2/3]

IT Positions

Job Position	Experience	Salary	
		Baht	JPY
Data Architect / Data Scientist (higher end of salary range includes “Big Data” experience, e.g. Hadoop, Hive, Netezza, Redshift, Teradata, etc.)	12 – 15 years	140,000 – 250,000+	411,765 – 735,294
Software Development Manager	10 – 12+ years	120,000 – 150,000+	352,941 – 441,176+
Cloud Technology Architect	10 – 15 years	130,000 – 170,000	382,353 – 500,000
Helpdesk / IT Support	3 – 5 years	110,000 – 150,000+	323,529 – 441,176+
IT Auditor, with certifications (CISA, CPA, COBIT, etc.)	10 – 12+ years	100,000 – 150,000	294,118 – 441,176
Presale Technical Consultant (Network / System Engineer, Cloud / Virtualization Consultant, for an IT vendor)	7 – 12+ years	70,000 – 100,000+	205,882 – 294,118+
Network Engineer / Network Operations Center, with relevant certifications (CCNA, JNCIA, CompTIA Network+, etc.)	3 – 5 years	35,000 – 50,000+	102,941 – 147,059+
Network Administrator / Telecom Engineer, with relevant certifications	5 – 7+ years	50,000 – 70,000	147,059 – 205,882
System Engineer / System Administrator, with relevant certifications (MCSE, MCSA, SCCM, SCOM, CompTIA Server+, etc.)	3 – 5 years 5 – 7 years	50,000 – 55,000 55,000 – 65,000	147,059 – 161,765 161,765 – 191,176
Network Security Administrator, with vendor or other relevant certifications (Cisco, Checkpoint, CompTIA Security+, etc.)	5 – 7 years	50,000 – 70,000	147,059 – 205,882

Source: The Excise Department, as of July 2016 and ISM Technology Recruitment Ltd., Salary review 2015, as of July 2016

Salary for IT Position [3/3]

IT Positions

Job Position	Experience	Salary	
		Baht	JPY
Infrastructure Manager, with vendor or other relevant certifications (CCNP, MCSE, CompTIA Network+, etc.)	7 – 10+ years	70,000 – 90,000+	205,882 – 264,706+
Senior Infrastructure Manager / Data Center Manager	10 – 15 years	120,000 – 150,000	352,941 – 441,176
Project Manager / Service Delivery Manager, with certifications (PMP, ITIL etc.)	10 – 12+ years	110,000 – 160,000+	323,529 – 470,588+
Release Manager / Configuration Manager	10 – 15 years	120,000 – 170,000	352,941 – 500,000
Project Director / Program Director	15 – 20 years	200,000 – 300,000	588,235 – 882,353
IT Manager (salary varies significantly by industry and by the size of IT department and IT infrastructure)	10 – 12 years	90,000 – 150,000	264,706 – 441,176
IT Director / Digital Technology Director / Mobile Technology Director	15+ years	180,000 – 250,000+	529,412 – 735,294+
Chief Information Officer / Chief Technology Officer (often includes some regional responsibility)	15 – 20+ years	250,000 – 400,000+	735,294 – 1,176,471+

Source: The Excise Department, as of July 2016 and ISM Technology Recruitment Ltd., Salary review 2015, as of July 2016

Content

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How To Do Business in Thailand

To Do Business in Thailand-Why BOI?

- To invest without BOI, foreign investors have to follow the *-Foreign Business Act-* under Ministry of Commerce.
- To invest under *-Investment Promotion Act* (BOI)- under the Office of the Prime Minister, foreign investors will be granted more privilege and benefit.

Foreign Business Act,
Ministry of Commerce

Shareholder's structure: Thai 51% Foreign 49%

Thailand Board Of Investment

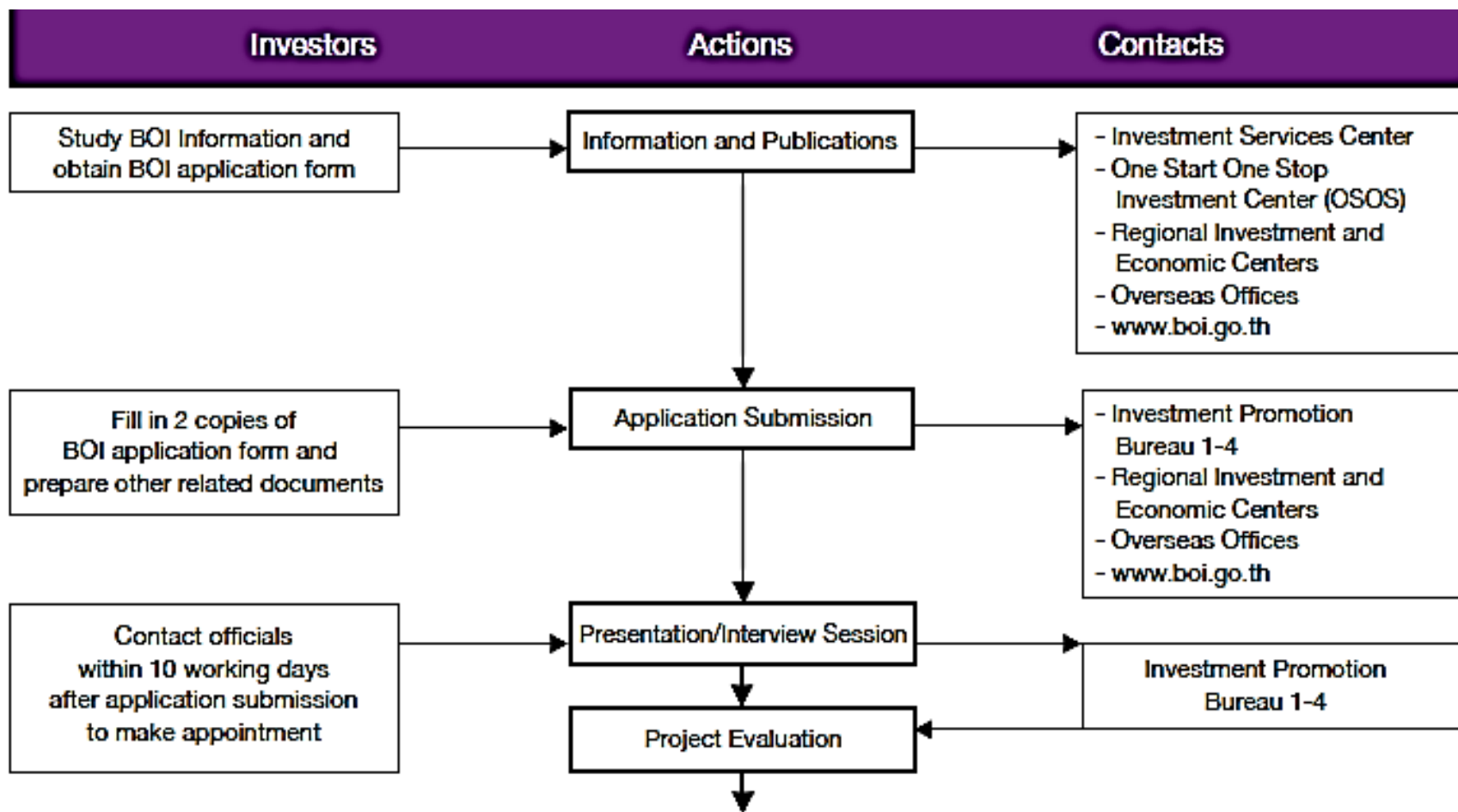
Shareholder's structure: Foreign 51%-100%

*Foreign Business Act and the BOI

- BOI allows foreign equity participation up to 100 percent in all activities eligible for investment promotion
 - except those specified in list 1 whereby BOI has already required Thai majority ownership, and in activities that fall under specific laws such as telecommunications, and marine, air and land transport.
- Companies receiving or seeking BOI investment promotion will not be subject to the proposed ownership rule revision, except where already specified

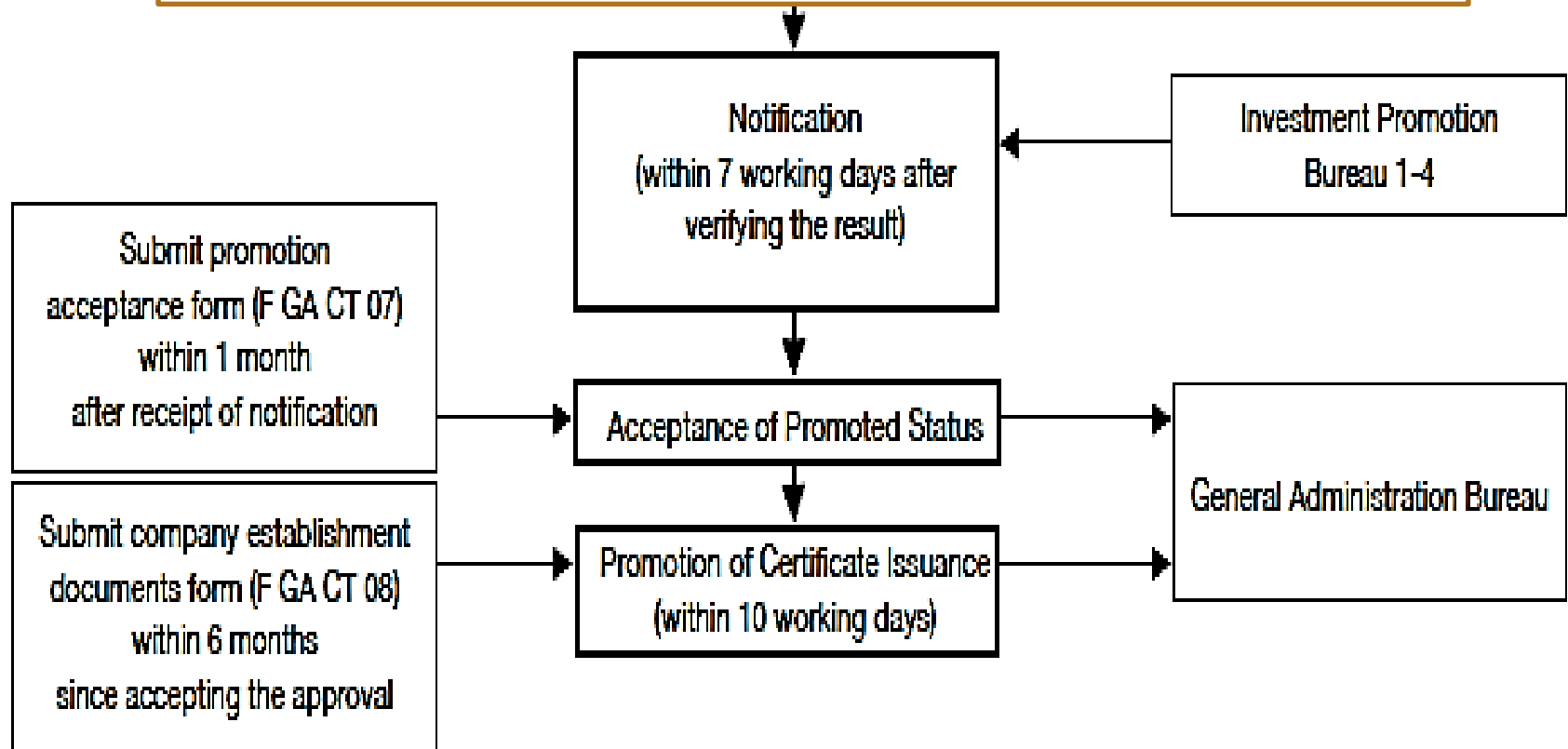
To Apply BOI

BOI applicants can apply as a person or as a company.



Within 15-40 working days

Approval/Non-approval



BOI's General Incentives

Tax Incentives	Non-Tax Incentives
<ul style="list-style-type: none"> • Exemption/reduction of import duties on machinery (Section 28/29) • Reduction of import duties for raw or essential materials (Section 30) • Exemption of corporate income tax on the net profit and dividends derived from the promoted activity (Section 31 and 34) • A 50 percent reduction of the corporate income tax (Section 35(1)) • Double deduction from the costs of transportation, electricity and water supply (Section 35(2)) • Additional 25 percent deduction of the cost of installation or construction of facilities (Section 35(3)) • Exemption of import duty on raw or essential materials imported for use in production for export (Section 36) 	<ul style="list-style-type: none"> • Permit for foreign nationals to enter the Kingdom for the purpose of studying investment opportunities. (Section 24) • Permit to bring into the Kingdom skilled workers and experts to work in investment promoted activities (Section 25 and 26) • Permit to own land (Section 27) • Permit to take out or remit money abroad in foreign currency (Section 37)

BOI's Liberal Investment Regime & Attractive Investment Incentives

Policy

100% foreign ownership

No local content requirements

No export requirements

No restriction on foreign currency

Tax Incentives

Import duty exemptions/reductions

Corporate income tax exemption for up to 8 years

50% reduction of corporate income tax for up to 5 years

Double deduction on utility costs

Deductions for qualifying infrastructure costs

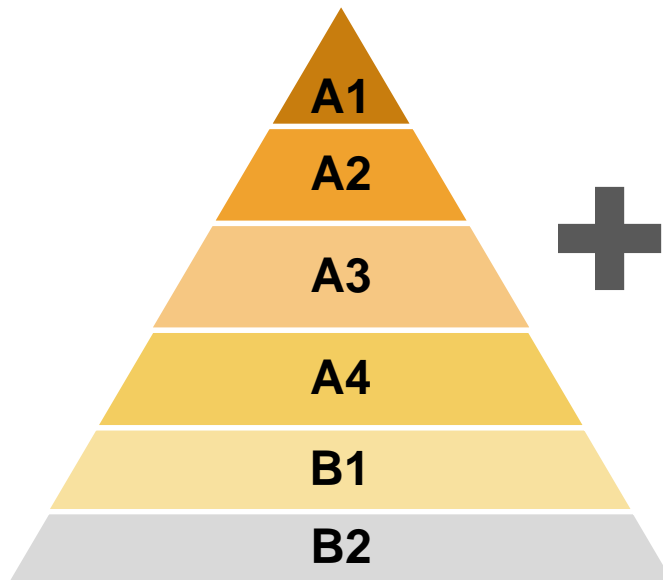
Facilitation

Land ownership rights

Work permit & visa facilitation

Current Investment Promotion Measures

Activity-based Incentives



Additional Incentives

Merit-based Incentives

6 Activities:

- R&D
- Technology Fund Donation
- IP Licensing Fee
- Advanced Technology Training
- Local Suppliers Development
- Product & Packaging Design

Area-based Incentives

- Industrial estates / promoted industrial zones
- Science and technology parks
- 20 provinces with lowest per capita income
- 4 southern border provinces + 4 districts in Songkhla
- 10 Special Economic Zones
- **Cluster-based Investment** : Super Cluster / other clusters

Activity-based Incentives

	Exemption of Corporate Income Tax	Exemption of Import Duty on Machinery	Exemption of import duty on raw material imported for use in production for export	Non-Tax
A1	8 years (no cap) + Merit	✓	✓	✓
A2	8 years + Merit	✓	✓	✓
A3	5 years + Merit	✓	✓	✓
A4	3 years + Merit	✓	✓	✓
B1	0 year + Merit (for some activities)	✓	✓	✓
B2	-	-	-	✓

Merit-based Incentives

'Merit on Competitiveness Enhancement'

Types of Eligible Investment / Expenditure

Additional Cap

1	R&D: in-house, outsourced in Thailand or joint R&D with overseas institutions	200%
2	Donations to Technology and Human Resources Development Fund, and giving support to educational institutes, specialized training centers, R&D institutes or governmental agencies in S&T field	100%
3	IP acquisition/licensing fees for commercializing technology developed in Thailand	100%
4	Advanced technology training	100%
5	Development of local suppliers with at least 51% Thai shareholding (advanced technology training or/and technical assistance)	100%
6	Product & packaging Design: in-house or outsourced in Thailand, as approved by the Board	100%

Area-based Incentives



Targeted Areas

Promoted Industrial Zones or Estates

Science and Technology Park

20 provinces with lowest per capita income

Border Provinces in Southern Thailand

Special Economic Development Zone

Corporate Tax Exemption Incentives

Additional CIT exemption for 1 year

Additional 5-year 50% CIT reduction (for 7 activities)

- 3 additional years of CIT exemption
- In case of A1-A2 (8-year CIT exemption) additional 5-year 50% CIT reduction will be granted

8-year CIT exemption (no cap) and 5-year 50% CIT reduction

Targeted Activities

8-year CIT exemption and 5-year 50% CIT reduction

General Activities

- 3 additional years of CIT exemption
- In case of A1-A2 (8-year CIT exemption) additional 5-year 50% CIT reduction will be granted

Area-based Incentives

The 20 Provinces with Lowest Per Capita Income

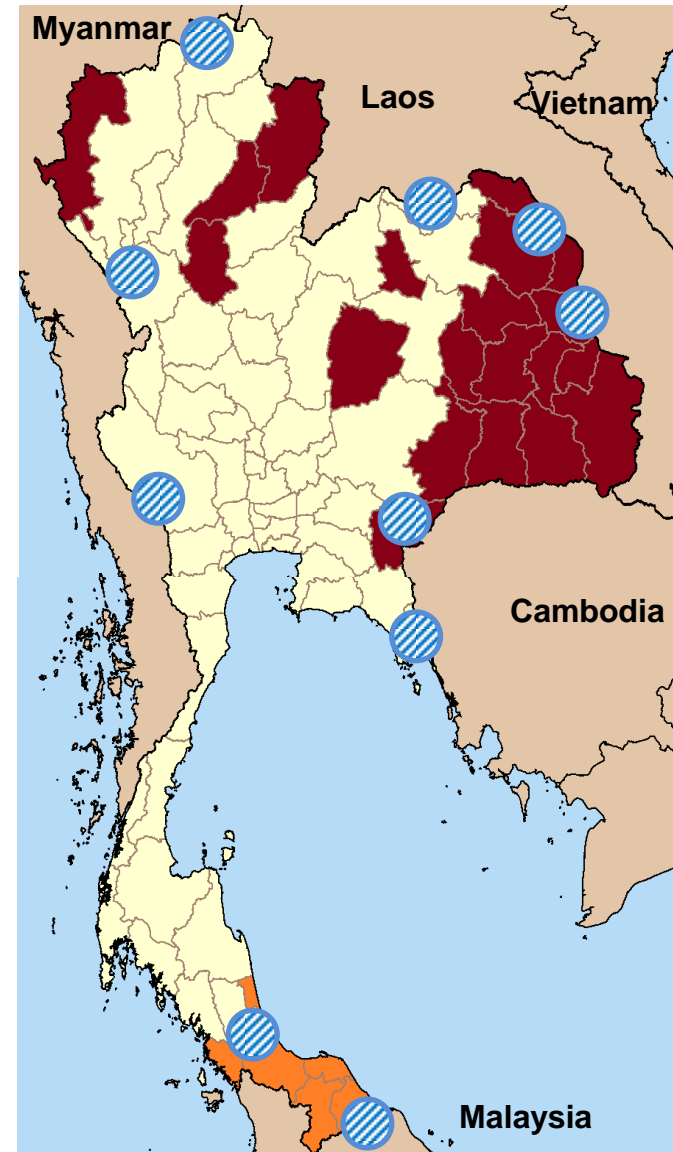
1. Kalasin
2. Chaiyaphum
3. Nakhon Phanom
4. Nan
5. Bueng Kan
6. Buri Ram
7. Phrae
8. Maha Sarakham
9. Mukdahan
10. Mae Hong Son
11. Yasothon
12. Roi Et
13. Si Sa Ket
14. Sakhon Nakhon
15. Sa Kaew
16. Sukhothai
17. Surin
18. Nong Bua Lamphu
19. Ubon Ratchatani
20. Amnatcharoen

Southern Border Provinces

(Narathiwat, Pattani, Yala, Satun and 4 districts of Songkhla)

Special Economic Zones

(10 provinces, 23 districts, 90 sub-districts) -
(Tak, Sa Kaew, Trat, Mukdahan, Songkhla, Nong Khai, Narathiwat, Chiang Rai, Nakhon Phanom, Kanchanaburi)





Investment Promotion (Cluster Packages)

Cluster Development

Objectives of the Cluster Development

1

To strengthen the industry value chain

2

To build investment competency

3

To decentralize development to regional and local areas

4

To create business opportunities for SMEs

Important Cluster Qualifications

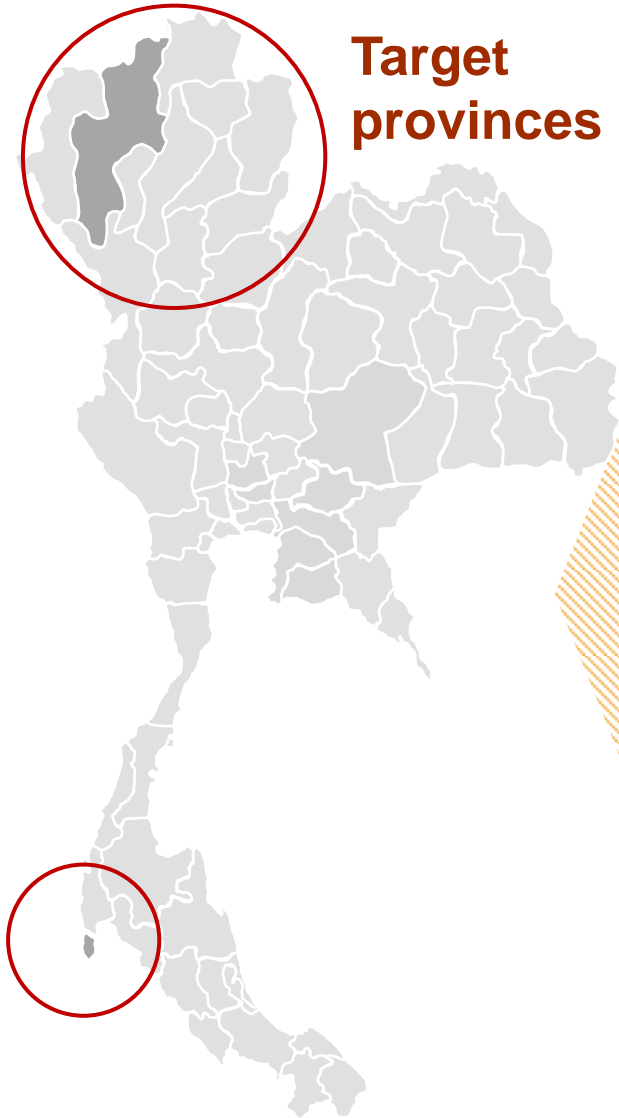
1. **Centralization of industries** in an area that is strategically appropriate for the development of a specific industry
2. **Linkage in all industrial compositions** to strengthen the value chain and increase industrial competitiveness
(Manufacturers in the upstream-midstream-downstream industry, supporting industry, academic and research institutions, government agencies, private organizations and other associated compositions)
3. **Interconnectedness with local economies**, e.g. local employment, raw materials from local sources, linkage with local SMEs

Incentives for Cluster-based Investment

Incentives	Super Cluster	Other Clusters
Tax	<ul style="list-style-type: none"> ✓ 8-year corporate income tax exemption and additional 5-year reduction of 50% ✓ Import duty exemption on machinery ✓ Personal income tax exemption for renowned specialists who work in the specified areas, both Thais and foreigners 	<ul style="list-style-type: none"> ✓ 3-8 year corporate income tax exemption and an additional 5-year reduction of 50% ✓ Import duty exemption on machinery
Non-Tax	<ul style="list-style-type: none"> ✓ Permission to own land ✓ Permission to bring in foreign experts and technicians 	
JPY 29.4 Billion Fund	<ul style="list-style-type: none"> ✓ To facilitate investors in areas such as R&D, Technology and Human Resource Development of targeted industries. **Remark: The cabinet has approved in principle the Ministry of Finance proposal to set up a 10-billion-baht (29.4-billion-JPY) fund to promote the targeted 10 “new engine” industries 	

Digital Industry in Cluster

**Target
provinces**



2 Pilot Provinces : Chiang Mai and Phuket

Target Activities

- **Software** (High Value-added Software, Digital Services, Innovation Incubation Center)
- **Cloud Service**
- **Data Center**
- **Software Park**
- **Movie Town**
- **Thai Motion Picture Production and Motion Picture Supporting Services**

Infrastructure in Chiang Mai and Phuket

Chiang Mai



Chiang Mai International Airport
(Flying direct to many countries)

High Speed Internet
(FTTx - Fiber to Home)

BOI /SiPA Chiang Mai
(Supporting for IT investors)

Co-working Space for IT
(More than 10 places)

Chiang Mai Rajabhat University

Phuket (2nd IT City in Thailand)



Phuket International Airport
(Flying direct to many countries)

High Speed Internet
(FTTx - Fiber to Home)

BOI /SiPA Phuket
(Supporting for IT investors)

Co-working Space for IT
(More than 10 places)

Phuket Rajabhat University

Source: SiPA

Cost of Doing Business in Chiang Mai and Phuket

Cost of Doing Business

- Office Rental (Monthly Rate)
- House and Condo for Rent (Monthly Rate)
- Water rate for General Use
- Electricity rate for General use
- Fuel Costs

Chiang Mai [In JPY]



17,646 – 73,525

1 house = 23,527 – 117,650
 Condo 30 sq. meter = 14,757

[JPY/ Cubic Meter]
 29.5

[JPY/ KWH]
 7.4 – 12.6

[JPY/ 1liter]
 Gasoline (1liter) = 86.4
 Diesel Oil (1liter) = 62.2

Phuket [In JPY]



17,646 – 88,240

1 house = 10,000 – 235,300
 Condo 30 sq. meter = 17,645

[JPY/ Cubic Meter]
 29.5

[JPY/ KWH]
 7.4 – 12.6

[JPY/ 1liter]
 Gasoline (1liter) = 86.4
 Diesel Oil (1liter) = 62.2

Source: SIPA, Pwa, Pttplc, PEA , DDproperty; Exchange rate (BOT, Aug 1 2016): 1 JPY = 0.34THB

IT Monthly Salary in Chiang Mai and Phuket

IT Positions	Chiang Mai (Salary rate is lower than Bangkok 20%) [In JPY]		Phuket (Salary rate is the same as in Bangkok) [In JPY]	
	0-5 years	>5 years	0-5 years	>5 years
1. Programmer	40,037 – 94,201	94,201 – 235,487	50,039 – 117,749	117,749 – 294,366
2. QA Engineer/ Software Tester	47,095 – 105,975	105,975 - 188,391	58,869 – 132,466	132,466 - 235,487
3. System Engineer	51,811 – 117,749	117,749 – 211,939	64,756 – 147,183	147,183 – 264,932
4. Network Engineer	51,811 – 117,749	117,749 – 211,939	64,756 – 147,183	147,183 – 264,932
5. Software Engineer	58,869 – 117,749	117,749 – 235,381	72,531 – 147,183	147,183 – 294,366
6. System Analyst/ Business Analyst	94,201 – 141,296	141,296 – 235,381	117,749 - 176,618	176,618 – 294,366
7. Project Manager	-	117,749 – 282,592	-	147,183 – 252,235
8. IT Manager	-	141,296 – 235,487	-	176,618 – 294,366

Job Search:

Jobnorththailand.com, Jobsdb.com

Phuketall.com, Jobsdb.com

Source: SIPA, Adecco 2016; Exchange rate (BOT, Aug 1 2016): 1 JPY = 0.34 THB

BOI Activities for ICT Industry [1/2]

Category	Incentive
5.7 Software 5.7.1 Embedded software	A1
5.7.2 Enterprise software and/or digital content <u>Digital content includes:</u> <ul style="list-style-type: none">• Animation, Cartoons & Characters• Computer Generated Imagery (CGI)• Web-Based Applications and Cloud Computing• Interactive Applications• Games: Windows-based, Mobile Platform, Consoles, PDAs, Online Games, Massive Multi Player Online Games (MMOG)• Wireless Location Based• Service Content• Visual Effects• Multimedia Video• Conferencing Applications• E-Learning Content via Broadband and Multimedia	A3 (Not subject to CIT cap)

Source: BOI Announcement 2557 Effective as of 1 January 2015

Category	Incentive
<p>5.8 E-commerce</p>	<p>B2 (Not eligible for merit based incentives)</p>
<p>7.9.2.2 Software Parks</p>	<p>A1</p>
<p>7.9.2.3 Data center industrial estates or industrial zone</p> <p>* Requirement</p> <ul style="list-style-type: none"> Projects planning need to have at least 3,000 square meters of service area space. Co-location facilities are required to have temperature and humidity control systems, as well as fire protection systems and other backup systems in case the utility power fails. 	<p>A1</p>
<p>7.10 Cloud service</p> <p>* Requirement</p> <ul style="list-style-type: none"> Cloud service business must be located at least 2 data centers in Thailand that possess the ISO/IEC 27001 (data center) certification. These data centers are required to have a main communication network and a back-up network connecting all related data centers, with a minimum speed of 10 Gbps. Cloud service company must certify with the ISO/IEC 27001 (cloud security) and ISO/IEC 20000-1 (cloud service) standards, in order to increase business competency. 	<p>A1</p>

Source: BOI Announcement 2557 Effective as of 1 January 2015

Additional Amendments of Eligible Activities for Digital Cluster [1/5]

Activities

5.6.2 Embedded System Design

Conditions

1. Projects must have expenses for salaries for electronics design personnel of at least 1,500,000 baht per year.
2. Revenue derived from sales or the provision of services that are directly related to a promoted business or which are from downstream production for commercial purposes, either carried by the promoted companies of subcontractors, shall be regarded as revenue of such promoted businesses.
3. If projects are located in the promoted Science and Technology Parks, or are approved by the Board, projects shall be granted a 50 percent corporate income tax reduction on net profit for a period of 5 years, beginning from when the corporate income tax exemption period expires.

Source: BOI Announcement 2559 Effective as of February 29, 2016 onwards.

Additional Amendments of Eligible Activities for Digital Cluster [2/5]

Activities

5.7.3 High Value-Added Software

- Develop and provide analysis and data management software services, including big data, data analytics and predictive analytics software
- Develop information security and cyber security software
- Develop system software for advanced-technology devices, including business process management
- Develop industrial software used to support manufacturing

Conditions

1. Projects must have expenses for salaries for IT-personnel of at least 1,500,000 baht per year.
2. Projects must include software development processes as specified or approved by the Ministry of Information and Communication Technology.
3. Projects with an investment of 10 million baht or more (excluding cost of land and working capital) must obtain a quality standard certificate from SIPA or receive a Capability Maturity Model Integration (CMMI) quality standard certificate or any equivalent standard within two years from the full operation startup date. If the project fails to meet such conditions, one-year corporate income tax exemption shall be withdrawn.
4. Revenue derived from sales or the provision of services that are directly related to a promoted software business shall be regarded as revenue of such promoted businesses.

Source: BOI Announcement 2559 Effective as of February 29, 2016 onwards.

Additional Amendments of Eligible Activities for Digital Cluster [3/5]

Activities

5.9 Digital Services

- Software platform
- Managed service
- Digital architecture design service
- Digital services such as FinTech, DigiTech, MedTech, AgriTech, etc.

Conditions

1. Projects must hire digital specialists and have capital investment (excluding cost of land and working capital) not less than 1,000,000 baht.
2. Projects must include digital service processes as approved by the Board.
3. Projects with an investment of 10 million baht or more (excluding cost of land and working capital) must be certified with ISO 20000 or other quality standard certificate as approved by the Ministry of Information and Communication Technology within two years from the full operation startup date. If the project fails to meet such conditions, one-year corporate income tax exemption shall be withdrawn.
4. Revenue derived from sales or the provision of services that are directly related to a promoted digital service business shall be regarded as revenue of such promoted businesses.
5. Projects must gain approval from the Ministry of Information and Communication Technology before applying for investment promotion.

Source: BOI Announcement 2559 Effective as of February 29, 2016 onwards.

Additional Amendments of Eligible Activities for Digital Cluster [4/5]

Activities

7.9.2.1 Science and Technology Park

Conditions

1. Projects must have an Entrepreneurship Incubation Center.
2. Projects must have domestic and international communications and telecommunication systems.
3. Continuous back-up of electricity supply must be installed.
4. Projects must have other facilities as approved by the Board.

Source: BOI Announcement 2559 Effective as of February 29, 2016 onwards.

Additional Amendments of Eligible Activities for Digital Cluster [5/5]

Activities

7.9.2.4 Innovation Incubation Center

Conditions

1. Projects must have high-speed fiber optic (FTTX) main communications systems.
2. Continuous back-up of electricity supply must be installed.
3. Projects must have mentors to provide business consultation.
4. Projects must have plans to establish technology ecosystem or technology community.
5. The total service area must not be less than 300 square meters.
6. Projects must have technical or technology development training sessions as approved by the Board.

Source: BOI Announcement 2559 Effective as of February 29, 2016 onwards.

Content

- 1 Thailand's Investment Outlook
- 2 Thailand's New Targeted Industries
- 3 Investment Opportunities for ICT Industry in Thailand
- 4 Investment Incentives
- 5 BOI Services**

BOI Offers Manifold Support Services

BOI Support Services



Investment Matchmaking Program

**1-Stop for visas & work permits:
work permits in 3 hours**

**Subcontracting Development
Program by 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 (OSOS)



- More convenience
- Less time
- More efficiency!



One Start One Stop Investment Center (OSOS)

18th Floor, Chamchuri Square Building,
319 Phayathai Road, Pathumwan,
Bangkok Thailand

Tel. 02-209-1100 (domestic), +662-209-1100 (international)

Email. osos@boi.go.th

One Start One Stop Investment Center (OSOS)

Our Services



- 1 Facilitate business negotiation**
- 2 Easing & speeding procedures for new investors**
- 3 Assist investors with various applications**
- 4 Consolidating staff from numerous investment-related agencies**
- 5 Visa & work permit renewal across the hall**

Note: Applications that OSOS could assist include register a company, obtain investment promotion privileges and foreign business license, complete an EIA report, permission to use land for industrial operations, utilities, etc.

BUILD Activities Aid Investors



ASEAN Supporting Industry Database (ASID)

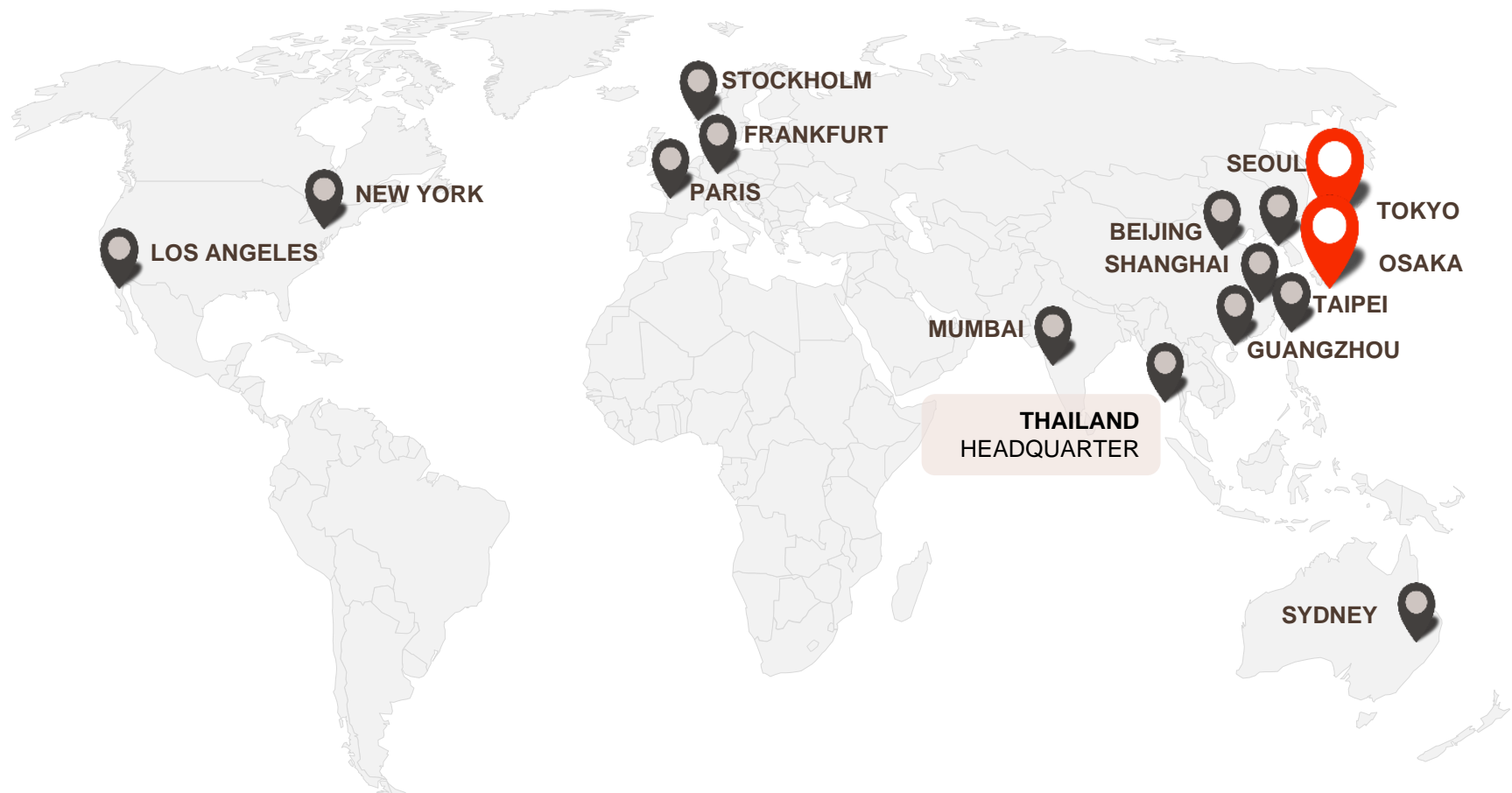


ASEAN Supporting Industry Database (ASID)

- Information and profiles of companies in supporting industries and manufacturers of parts and components in 10 ASEAN countries
- ASID can be easily accessed via the internet at www.asidnet.org
- Contact: BOI Unit for Industrial Linkage Development (BUILD)
Email: build@boi.go.th
Tel: + 66 553 8111 ext. 7

Where to Contact BOI

BOI Overseas Offices



BOI Office in Japan (Tokyo)



Thailand Board of Investment

Tokyo

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