

Thailand Investment Year for Korean Investors

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Secretary General
Thailand Board of Investment (BOI)

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**WHAT COMES
TO MIND WHEN YOU
THINK OF THAILAND?**



TEMPLES



THAI FOOD



RICH CULTURES



ISLAND RESORTS



SHOPPING



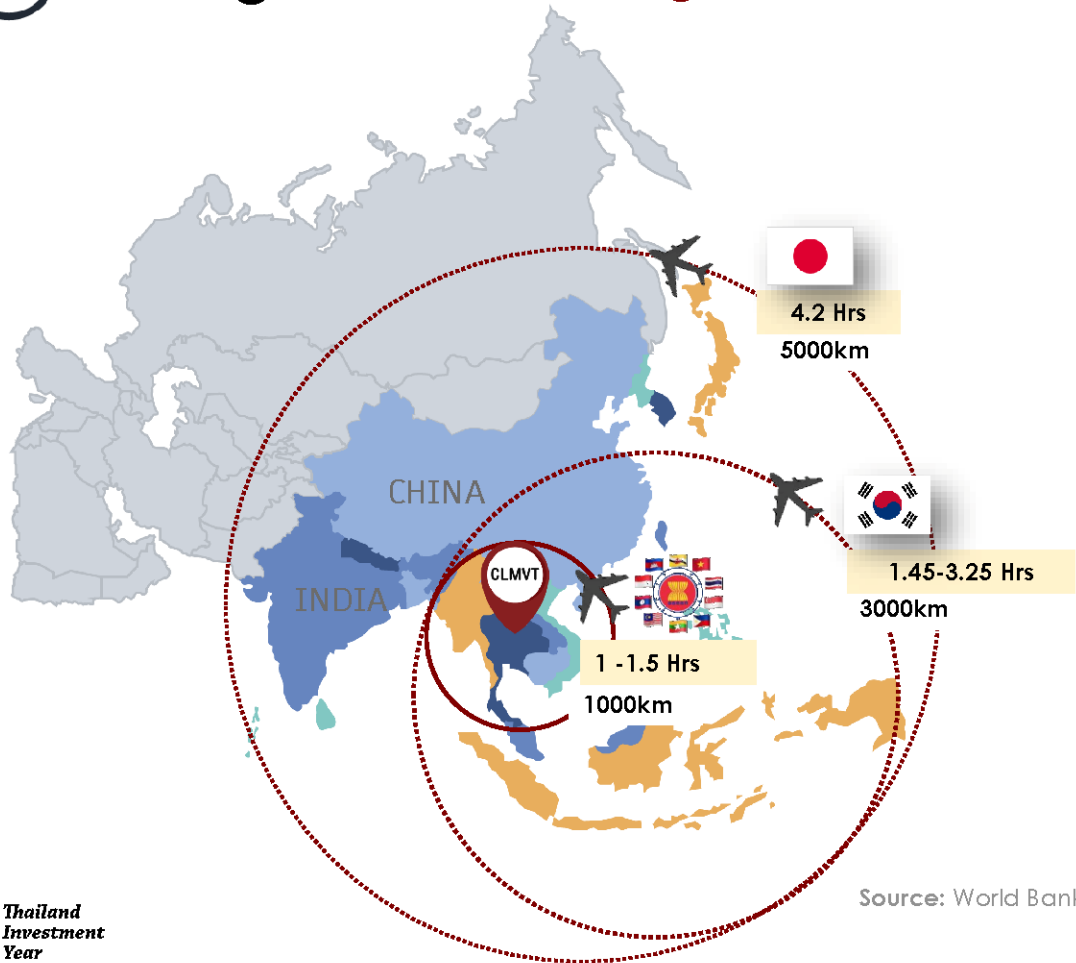
BEAUTIFUL BEACHES

**But, Thailand has
more to offer...**

But Thailand has more to offer...



① Strategic Location: Right in the Heart of CMLVT, ASEAN & ASIA



CLMVT
242 mil. Consumers
Within **1,000 KM**

ASEAN
645 mil. Consumers
Within **3,000 KM**

ASIA
4.6 bil. Consumers
Within **5,000 KM**

Source: World Bank Data 2018

① Strategic Location: Right in the Heart of a Fast-Growing Region - **CLMVT**



Population
(million)

242

GDP Growth
(%)



8.2

FDI
(USD)



52 bil.

Import



12.7%

(540 bil. USD)

Export



9.9%

(535 bil. USD)



2 Connectivity and Infrastructure: Land Connectivity



GMS Economic Corridors

Completed:

- North-South (Completed)
- South (Completed)
- East-West (Completed)

Ongoing:

- North-South
- South
- East-West
- East-West Potential Extension

GMS TSS Corridors*

- Current Transport Corridor
- Potential Extension

2 Connectivity and Infrastructure: Infrastructure Development Plan

Transport Infrastructure Development Strategy 2015-2022



Plan 1: Intercity Rail Networks Development

- 1.1 Tracking and Facilities
- 1.2 Double Track & Development



Plan 2: Improving Public Transport Networks & Services

- 2.1 Implementation of 10 Metro Lines
- 2.2 Construction of Roads & Bridges
- 2.3 Procurement of 3,183 NGV Buses and Depots



Plan 3: Enhancing Connectivity between Key Domestic Production Bases & Neighboring Countries

- 3.1 Accessibility to Agriculture & Tourist Areas
- 3.2 Connectivity between Hub & Key Production Bases
- 3.3 Connectivity between Gateways
- 3.4 Promoting Seamless Multi-Modal Transport



Plan 4: Increasing Water Transport Network

- 4.1 Inland Port Development
- 4.2 Coastal Port Development



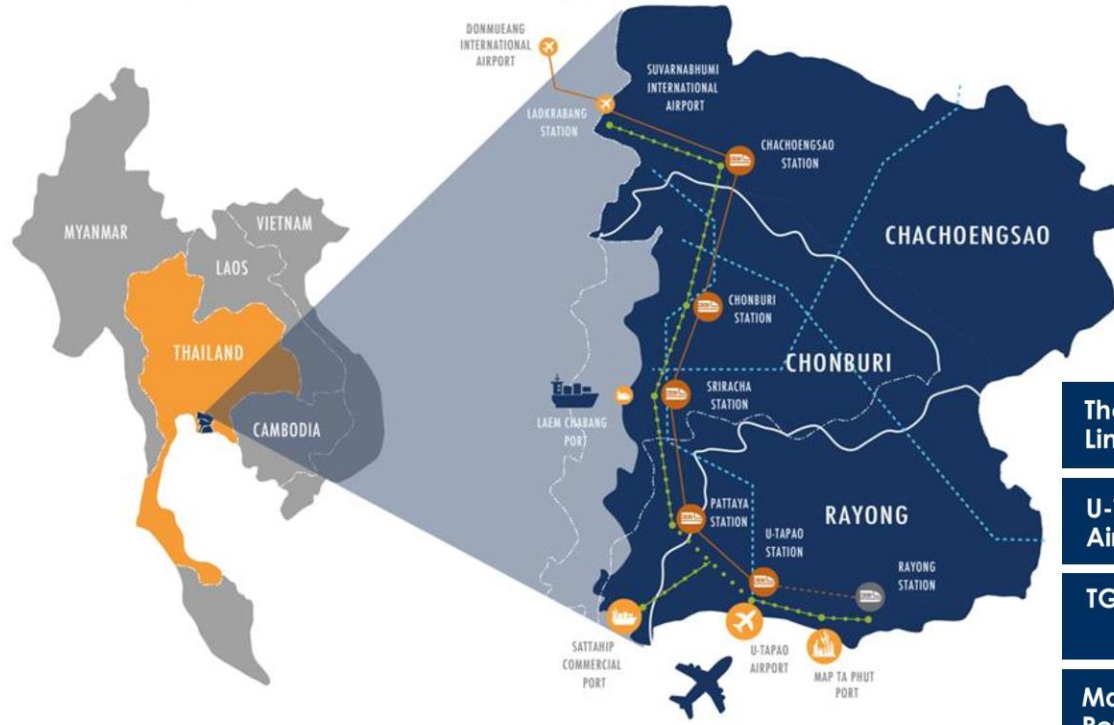
Plan 5: Enhancing Air Transport Capability

- 5.1 Airport Capacity Expansion
- 5.2 Enhancement in Air Traffic Management Capacity
- 5.3 Increased Fleet Utilization
- 5.4 Air Transport Industrial Park
- 5.5 Human Resource Development



110 Projects: Investment Cost 63.76 bil USD

2 Connectivity and Infrastructure: Key Infrastructure Projects in Eastern Economic Corridor (EEC)



The High Speed Rail Linking 3 Airports



U-Tapao International Airport



TG MRO Campus



Map Ta Phut Industrial Port Phase 3



Laem Chabang Port Phase 3



Expected Operation	
2023	State Railway of Thailand
2023	Royal Thai Navy
2022	Thai Airways International PCL
2025	Industrial Estate Authority of Thailand
2023	Port Authority of Thailand

2 Connectivity and Infrastructure: **Industrial Estates & Parks**

57

Industrial Estates in **16** Provinces

- Chonburi (15)
- Rayong (12)
- Samut Prakarn (5)
- Chachoengsao (4)
- Ayutthaya (3)
- Bangkok (3)
- Samut Sakhon (3)
- Lamphun (2)
- Saraburi (2)
- Song Khla (2)
- Pichit (1)
- Ratchaburi (1)
- Sa Kaeo (1)
- UdonThani (1)
- Nong Khai (1)
- PrachinBuri (1)

25

Industrial Zones and Parks in **10** Provinces

- Rayong (5)
- Samut Prakarn (5)
- Bangkok (3)
- Chonburi (2)
- Chachoengsao (2)
- Saraburi (2)
- Ayutthaya (2)
- Nakhon Ratchasima (2)
- PrachinBuri (1)
- Pathum Thani (1)

③ Strong Supply Chain: Automotive



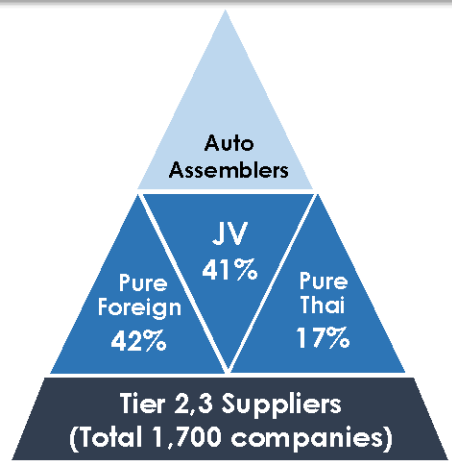
1st Automotive Producer in ASEAN



12th Automotive Producer in the World



Thailand Automotive Structure



Assemblers: (18 car makers and 8 motorcycle makers)

Motorcycle	Passenger & Pick-up	Vehicles Assemblers	Dealer and Service Center
(8 companies, 8 factories)	(18 companies, 24 factories)	(100,000 workers)	(200,000 workers)

Tier 1 Suppliers: (476 auto part companies)

Vehicle Parts	Vehicle & Motorcycle Parts
	Engines, Drivetrains, Steering, Suspensions, Brake Wheels, Tires, Bodyworks, Interiors, Electronics and Electric systems.

Tier 2,3 Suppliers: (1,700 companies)

SME (Local Suppliers)
(1,700 companies)
Stamping, plastics, rubber, machining, casting, forging, function, electrical, trimming

3 Strong Supply Chain: Smart Electronics



3rd E&E Exporter
in ASEAN



13th E&E Exporter
in the World

KEY PLAYERS

HDD:



IC:



maxim
integrated.



Smart Appliances:



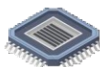
ELECTRICAL

COMPANIES

431

WORKERS

96,532



**ELECTRICAL
PARTS**

666

189,342



ELECTRONICS

561

369,985



TRADERS

310

16,439



**SUPPORTING
INDUSTRIES**

332

53,380

③ Strong Supply Chain: Petrochemicals



1st Petrochemical Producer in ASEAN



16th Polyethylene Producer in the World

Infrastructure



453 Sites

Exploration & Production



Feedstock

OIL & GAS
Refining, Marketing & Distribution



Upstream, Intermediate and Downstream

UPSTREAM AND INTERMEDIATE PETROCHEMICALS



DOWNSTREAM PETROCHEMICALS



3 Strong Supply Chain: Bio-Based Industry



3rd Crude Palm Oil Producers in ASEAN



7th Crude Palm Oil Producers in the World



KEY ETHANOL PRODUCERS






















KEY BIOPLASTIC PRODUCERS

BIOMONOMERS

BIOPLOYMERS

BIOPLASTIC CONVERTERS

4 Easy Market Access: Domestic Market

Digital Lifestyle Thai Population

Internet users



47 Million

Source : NBTC , 2018

E-payment



US\$3.09 Trillion

Source : Bank of Thailand, 2018

Mobile subscribers



83.6 Million

Source : NBTC, 2018

E-commerce



US\$101.54 Billion

Source : ETDA, 2018

Line users



44 Million

Source : Thumsup.com; LINE, May 2019

Internet banking



- 23,125,388 Accounts
- US\$203,932.95 Million transaction amount

Source: Bank of Thailand, 2018

Facebook users



52 Million

Source : brandbuffet.com, Jan 2018

Mobile banking



- 37,973,421 Accounts
- US\$117,375.89 Million transaction amount

Source: Bank of Thailand, 2018

Source : NBTC, Dec 2018, US\$ = 31.02 THB as of 23 July 2019

Digital Growth Trends 2018

Number of active.



Internet users



47%

Social media users



75%

Mobile social media users



64%

Mobile subscriptions



98%

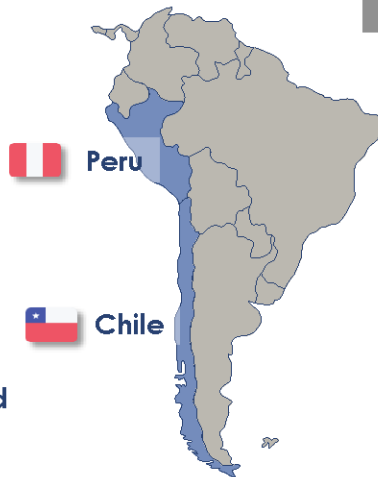
4 Easy Market Access: **Regional and International Market**

Thailand has implemented **13 Free Trade Agreements (FTAs)**, enabling businesses in Thailand to earn the rewards of almost tariff-free trade with **18 different nations**.



UNDER NEGOTIATION

RCEP



5 Strong Startup Ecosystem



6 Quality of Life



STANDARD OF LIVING AT THE RIGHT COST

Ranking of Thailand among
its top 21st best country in
the world for expatriate.



LIVABLE COMMUNITY



2nd best city for finance and housing for expats.

75% are satisfied with the financial situation,
17 percentage points more than global average
(58%).



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INTERNATIONAL SCHOOLS IN THAILAND



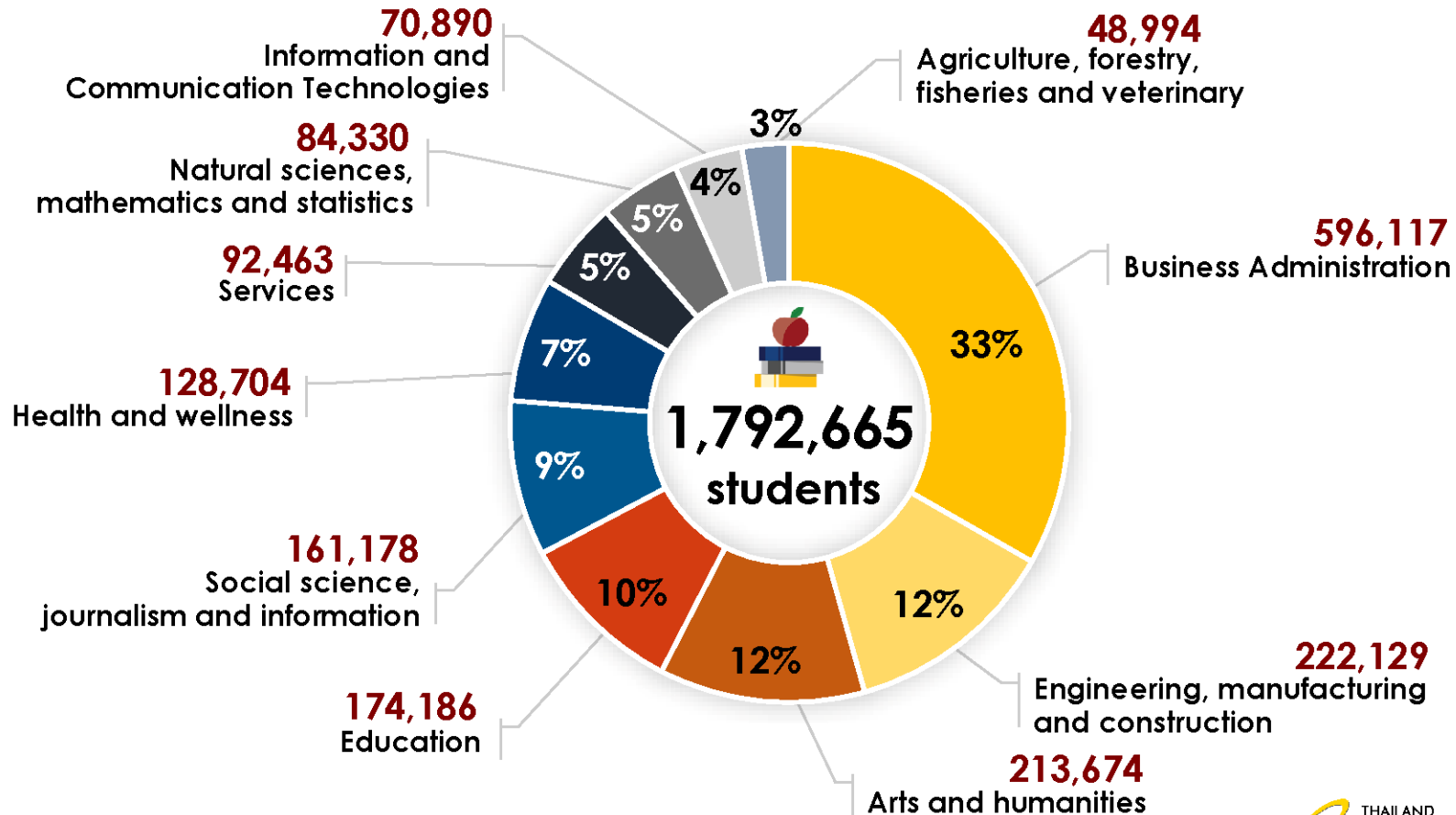
AFFORDABLE & HIGH-QUALITY HEALTH CARE FACILITIES

Well-positioned to be the
medical hub of Asia.

Outstanding medical Services

Various internationally
accredited medical facilities.

7 Quality Workforce: Higher Education Statistics 2018



8 Strong Government Support - Ease of Doing Business

Thai government is committed to improving laws and regulations to meet international standards, promoting trade facilitation and ensuring consistency.



Prior to the Reform
27.5 days to set up
business in Thailand



After to the Reform
4.5 days to set up
business in Thailand



	2017	Change in Rank	2018
	72.53 46th		26th 77.44



Starting a Business

78th 36th



Getting Electricity

37th 13th



Getting Credit

82nd 42nd



Protecting Minority Investors

27th 16th



Paying Taxes

109th 67th



Enforcing Contracts

51st 34th

8 Introduction to Thailand Board of Investment



BOI is a government agency
under the Office
of the Prime Minister

8 Investment Tax Incentives

(under the revised Investment Promotion Act 2017)

- ☑ Corporate income tax exemption
- ☑ 50% reduction of corporate income tax after the expiry of tax exemption period (for projects in investment promotion zones only)
- ☑ 50% reduction of corporate income tax
- ☑ Investment tax allowance
- ☑ Double deduction of public utilities
- ☑ 25% Deduction of qualified infrastructure costs
- ☑ Exemption of import duties on machinery
- ☑ Exemption of import duties on raw materials used in the manufacture of exports
- ☑ Exemption of import duties on materials used for R&D purposes



8 BOI Tax Incentive Scheme

STANDARD INCENTIVE

ADDITIONAL INCENTIVE

Bio-based & Medical

Advanced Industries

Basic & Supporting

High Value Services

Creative & Digital



Activity-based

Area-based

- Eastern Economic Corridor (EEC) 3 provinces
- Special Economic Zone (SEZ) 10 provinces
- Southern Border (4 provinces, 4 districts)
- 20 Provinces with the Lowest per Capita Income
- Industrial Estates/Zones
- Science and Technology Parks (Science Park, Food Innopolis, Space Krenovation Park: SKP)

Merit-based

- Research & Development (R&D)
- Support academic/research institutes, or technology and human resource development funds
- IP licensing fee
- Advanced technology training
- Development of Local suppliers
- Product and packaging design

Agenda-based

- Productivity Enhancement

8 Productivity Enhancement Measure



Replace or upgrade machinery for energy conservation, alternative energy utilization, reduction of environmental impacts



Replace or upgrade machinery for efficiency enhancement, e.g. **Automation, Digitalization**

Invest or spend in **R&D/ advanced engineering designs**



Upgrade production line to acquire international agricultural industrial standard



Incentives

Applications must be submitted by **30 December 2020**



- **Exemption of import duties on machinery**
- **3-year CIT exemption** on the revenue of an existing project with the total tax exemption amount capped at 50% of investment in productivity enhancement (In case of investment in automation, the cap will be raised to 100% if minimum 30% local industrial linkages are reached.)

8 Thailand Investment Year Package

Objectives

To stimulate investments targeted industries that will drive economic transformation

Corporate Tax Incentives



5 or 8 Years
100% Exemption
CIT (with cap)



3 Years
50%
Reduction
CIT

Criteria



- Total investment value (excluding land and working capital) \geq 1 Billion THB
- Activities in categories entitled to **5 to 8 years of CIT exemption (Group A1-A3)**
- Located **outside Bangkok**
- **No extension** of project implementation deadline
(from acceptance of promoted status to operation startup)

Application Submission Deadline: **30 December 2019**

8 SMART VISA (Launched February 1, 2018)

Taking Thailand to New Heights with Foreign Talents and Technologies



⑧ One Start One Stop Investment Center (OSOS)



Consolidating staff from numerous investment-related agencies



Easing & speeding procedures for new investors



Provides comprehensive information and advice on establishing operation in Thailand



Provides useful contacts with key public and private organizations



1-Stop for visas & work permits In 3 hours



Assist investors with various applications

More Convenience
Less Time
More Efficiency!



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Korean Companies Present in Thailand:

POSCO





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