



INVESTMENT SERVICES CENTER
THE BOARD OF INVESTMENT
MINISTRY OF INDUSTRY

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Press Release

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Total 2012 investment promotion applications reach Bt1.4 trillion

The total value of investment applications in 2012 reached a new record high of Bt1,464.2 billion, a 131 percent increase over last year. Moreover, investment value in 2013 is expected to continue to grow, announced Industry Minister Prasert Boonchaisuk. The Board of Investment (BOI) also affirms that the new tax incentive offerings will be competitive.

The service and public utilities sector won the biggest share, with 790 projects applying for investment incentives, followed by metals, auto parts, machinery, chemicals, paper, plastics and electronics & electrical appliances, said the Industry Minister.

In 2012, the number of investment applications reached 2,582 projects, a 29.7 percent increase over last year's 1,990 projects. The total value reached Bt1,464.2 billion, a significant increase of 131 percent compared to Bt634.2billion the previous year. Total investments for 2012 generated 348,866 jobs, a 61.6 percent increased from 215,845 jobs in 2011.

The most attractive industries have been service and public utilities, with 790 new projects valued Bt607.8 billion; metal products, machinery and auto parts, with 610 projects valued Bt255.4 billion; chemicals, paper and plastics, with 327 projects valued Bt234.8 billion; electronics & electrical appliances, with 347 projects valued Bt167.6billion; agriculture & agricultural products, with 331 projects valued Bt94.8 billion; mining, ceramic and down-stream steel products, with 75 projects valued Bt58.9 billion and light industry with 102 projects valued Bt45 billion.

There are more than 274 large-scale projects applying for investment promotion, with a total value of Bt1,049.4 billion. Most of these big projects are in alternative energy, automobiles and auto parts, service and utilities, air transportation services, electronics, petrochemicals, medical equipment, etc.

Mr. Prasert Boonchaisuk, the Industry Minister is confident that the number of investment applications from foreign investors would continue to expand in 2013 as geographically Thailand's location is well served as regional production base that is easy to access to the rest of the region when AEC come into force in 2015. Moreover, in 2013, the

BOI will be more focus on promoting businesses that will enhance Thailand's economic competitive advantages instead of focusing only on the number of projects and investment value.

In addition, the seminar for public hearing hosted by BOI on the topic, "NEW INVESTMENT PROMOTION STRATEGY FOR THAILAND'S SUSTAINABLE GROWTH", held on 14 January 2013, attracted about 1,400 people, showing the private sector's interest in BOI's recently adjusted investment promotion measures.

The BOI scheduled to host 5 five public hearings. The first one was held in Bangkok on 14 January 2013 at the Queen Sirikit National Convention Center, Ratchadapisek Road, from 8:00 to 17:00 hrs. Subsequently, the event will be hosted at the Zine Hotel in Chonburi on 24 January, The Impress Hotel in Chiang Mai on 4 February, the Sima Thani Hotel in Nakorn Ratchasima on 11 February, and the Diamond Plaza Hotel in Surat Thani on 18 February 2013.

Under the new investment promotion strategy, the BOI set goals to enhance the country's competitiveness and industrial production supply chain as well as to establish new industrial clusters in each of country's regions or along the border to ensure broad income distribution. In connection with its duty to help reduce the country's financial burden, the BOI will optimize tax benefit efficiency. In addition, the agency is committed to improving the business environment and focusing more on facilitation as well as barrier reducing.

Mr. Udom Wongwiwatchai, the BOI's Secretary General, also added that the draft investment promotion strategy will focus on restructuring Thailand's industrial sector to move the country to become a knowledge-base economy and advanced technology production hub. The new strategy will emphasize adding value to domestic resources. He stated that the BOI viewed these revisions as necessary for the country. And the incentive offering including corporate income tax benefits is still necessary in order to compete with other countries in attracting more investment.

Another change under the new strategy is to shift the BOI's approach from promotional zoning to promoting new industrial clusters, such as a halal food cluster, a rubber industry cluster, a fashion industry cluster, an aviation industry cluster and a science and technology cluster.

Mr. Wongwiwatchai was confident that the new investment promotion strategy would not adversely affect Thailand's attractiveness to investors. He strongly believed that tax incentives offered by the Thai government are very competitive and can effectively attract investment in the target industries.
