

The background is an aerial photograph of a city at dusk or dawn. A river flows through the center, with several tall skyscrapers on the right side. The sky is filled with soft, golden light from the setting or rising sun. Overlaid on the image are several large, semi-transparent geometric shapes: a yellow triangle pointing right, a dark blue triangle pointing left, and a white triangle pointing down. A yellow diagonal line runs from the top right towards the center.

BOI

Opportunities &
Investment Support Measures
for **Healthcare**
Industry in Thailand

27 July 2023

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Deputy Secretary General,
Thailand Board of Investment

AGENDA

01

Investment Support
Measures

02

Opportunities/Incentives

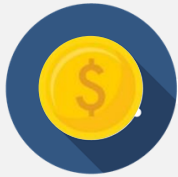
03

BOI Services

BOI's Role: To Drive the Investment to the New Economy

About BOI

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



Promoter

drives and promotes investment in private sector in alignment with the country's development strategy & the changing world context



Integrator

integrates Government support tools such as tax, finance, and non-tax incentives in a whole package



Facilitator

coordinates with agencies to develop the ecosystem & facilitate ease of investment & eliminates problems/ obstacles



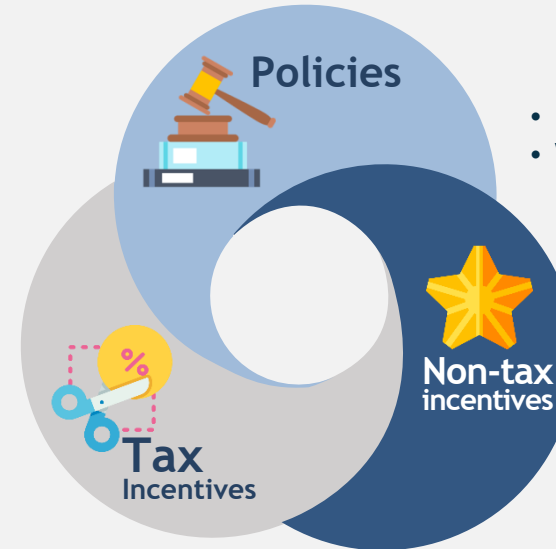
Connector

links large-scale with small-scale enterprises, Thais with foreigners, across industries & locations to expand business opportunities

Overseas Offices



BOI's Investment Promotion Measures



- Land ownership
- Work permit & visa facilitation
- 100% foreign ownership
- No local content requirements
- No export requirements
- No restrictions on foreign currencies

- Corporate income tax exemption up to 13 years
- 50% Corporate income tax reduction for 5 years
- Exemption of import duties on machinery
- Exemption of import duties on raw or essential materials imported for exports
- Exemption of import duties on goods imported for R&D
- Double deduction for the cost of transportation, electricity and water
- 25% deduction for the cost of installation or construction of facilities

9 Measures to drive the “New Strategies” for the vision of “New Economy”

New Economy

Promote investment leading to a new economy and secures a better future for the next generations.

Innovative

Competitive

Inclusive



1. Industry Restructuring



2. Smart & Sustainability



3. International Business Hub



4. SMEs & Startup



5. Area-based Investment



6. Investment for Community & Society



7. Thai Overseas Investment

- 1. Investment Promotion measures for Targeted Industries (Major Upgrades)
- 2. Competitive Enhancement Measure (Upgrade)
- 3. Retention & Expansion Program (New)
- 4. Relocation Program (New)
- 5. Investment Stimulation Measures for Economic Recovery (Upgrade)

Included in Measure 1 - 4

8. Area-based Promotion Measures (Upgrade) (New)

Revenue Department's Packages (Major Upgrades)

9. Social and Local Development Investment Programs (Major Upgrades)

7. Investment Promotion Measures for SMEs (Extension)

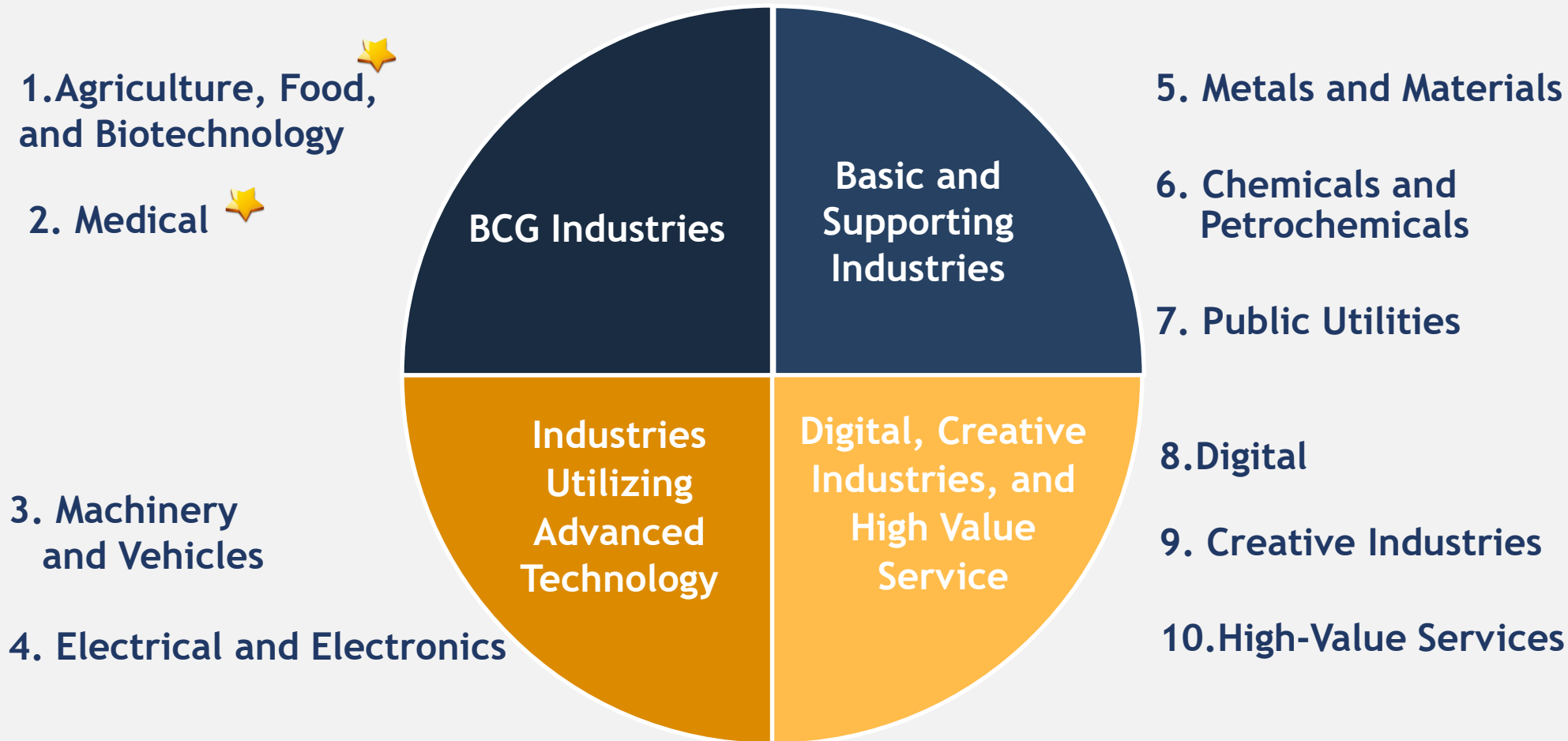
[Startup : promotion from measure #1 and Grant from Competitiveness Fund]

6. Smart & Sustainability Industrial Upgrade Programs (Upgrade)

Promotion Strategy
(2023-2027)

Investment Promotion measures for Targeted Industries

10 New Categories of Promoted Industries



Investment Promotion measures for Targeted Industries

			Exemption CIT	Exemption Import duties on machinery	Exemption of import duties on raw materials used in R&D	Exemption of Import duties on raw materials used in production for export	Non-tax incentives	
13 years	CIT exemption	A1+	Upstream high Technology and Innovation Development includes targeted core technology development	13 + Merit*	✓	✓	✓	✓
		A1	Knowledge-based activities focusing on R&D and design to enhance the country's competitiveness	8 + Merit*	✓	✓	✓	✓
		A2	Infrastructure activities for the country's development, activities using technology to create value-added, with no or very existing investments in Thailand	8 + Merit	✓	✓	✓	✓
		A3	High technology activities which are important to the development of the country, with a few investments already existing in Thailand	5 + Merit	✓	✓	✓	✓
		A4	Activities with lower technology than A1-A3 but which add value to domestic resources and strengthen the supply chain	3 + Merit	✓	✓	✓	✓
		B	Supporting industry that does not use high technology, but is still important to the value chain	- + Merit	✓**	-	✓	✓
0 year								

Incentives are based on several key factors including level of technology, role in supply chain, and location.

*No maximum exemptible CIT ** Depends on Activities
Source: Thailand Board of Investment

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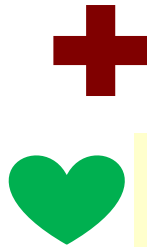
03

BOI Services

Target Industries and Technologies under 5 Year New Investment Strategy

Upgrade Conventional Industries

- Agriculture → Smart Farming / Plant Factory
- Food → **High value Food such as Alternative Protein**
- Tourism → Affluent, Long-term, Medical/Wellness
- Automobile → Electric Vehicles (EV)
- Electronics → Upstream & Smart Electronics
- Petrochemicals/Chemicals → Bio-based, Specialty, CCUS
- Energy → Renewable Energy, Hydrogen
- Textiles and Fashion → Functional Textile, ODM/OBM



Build New Industries

- **Healthcare & Medical Industry**
- Digital Industry
- Automation and Robotics Industry
- Aerospace Industry
- Defense Industry
- Creative & Soft Power Industry



Priority Industries for the
Next 3 Years

- BCG
- EV
- Smart Electronics
- Digital Industry
- Creative Industry

Core Tech

Bio Tech

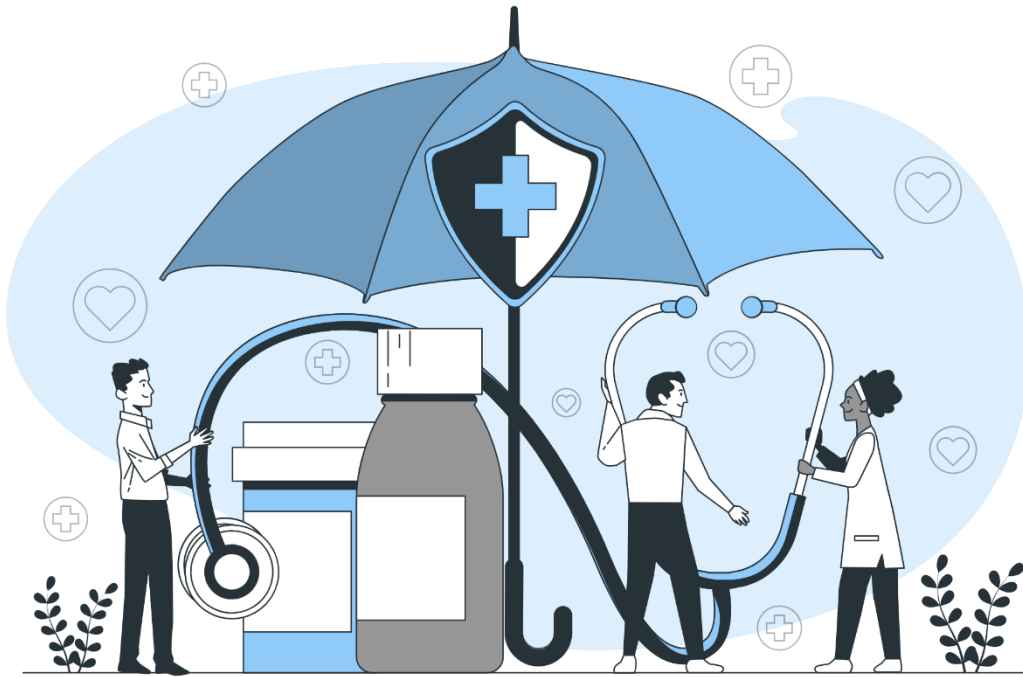
Nano Tech

Material Tech

Digital Tech

Energy Tech

Sector of Opportunities



Healthcare Sector

○ Medical Device

○ Medical Service

○ Hospital

○ Biotechnology

New Eligible Investment Promotion activities in Food Industries and Green Energy

- Target New Activities related to future foods: Eligible for high incentives than normal food.
 - Manufacture of medical food
 - Manufacture of novel food
 - Manufacture of organic food
 - Manufacture of food with health claims.

Effective from November 3, 2022 onwards



BOI Incentives for the **Agri-Food** Industries

Eligible to receive up to an 8-year corporate income tax (CIT) exemption on business operating in:

8 Year



Manufacture of Organic Starch or Organic Flour



Biotechnology related

Seed industry and improvement of plant, animal or microorganism breeding using biotechnology



Manufacture of Future Food

e.g., food with health claims, novel food, organic food, medical food

5 Year



Manufacture of Food, Beverage and Seasoning ingredients

excluding alcoholic beverages, caffeinated drinks, bakery products and candies

Sector of Opportunities : **Medical Industry**



38,512

Healthcare Providers

2.2 Billion USD

Trade in Medical Devices

411

Private Hospitals

5-7%

Growth in Medical Device between 2022-2023

61

JCI Accredited Hospital

Save 50%-80% medical fees

Compared with European countries

178

GMP Accredited Conventional Medicines Manufacturers

Avg. **2 million** patients visits annually



Medical Device

- Regents and Test Kits
- Medical Robotics
- Hospital Hardware



Pharmaceuticals

- Generic Drugs
- Biopharmaceuticals
- Vaccines



Medical Services

- Telemedicine
- Rehabilitation Center
- Clinical Trial

Thailand is ramping up investments in national quality infrastructure

7th Best Healthcare System in the World

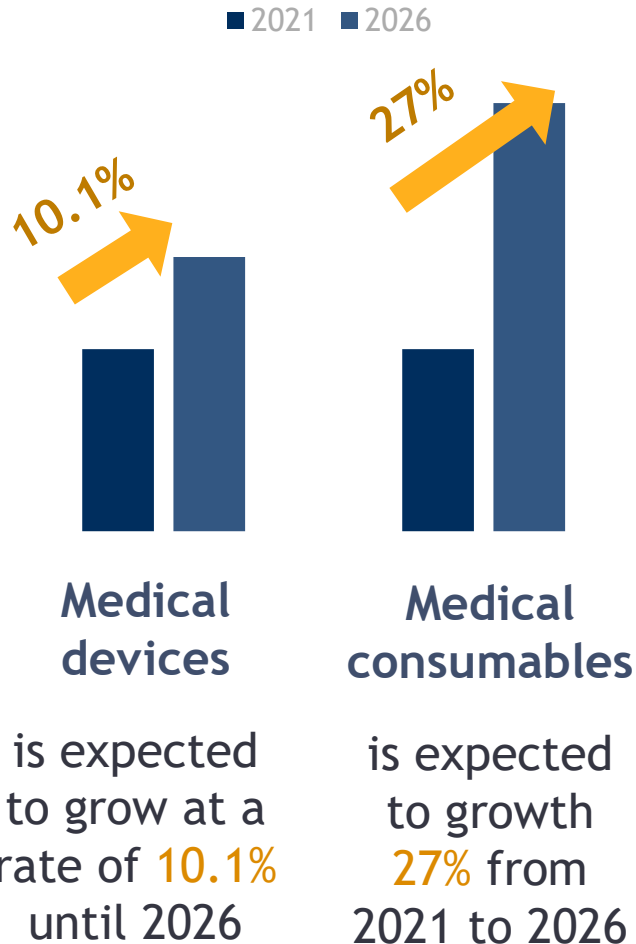
Think Resilience

THINK THAILAND

Source: Health Care Index by Country 2023 Mid-Year https://www.numbeo.com/health-care/rankings_by_country.jsp

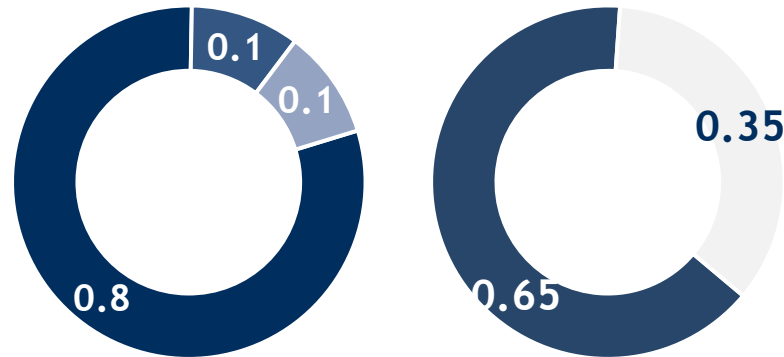
The domestic medical device market expand significantly

Market Expansion



Market structure

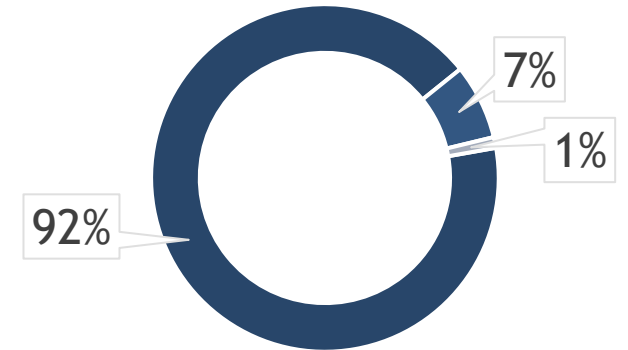
Considered as moderately fragmented market



80-90% of medical device revenue is from imports

65% of revenue contributed by a public hospital

Market demand



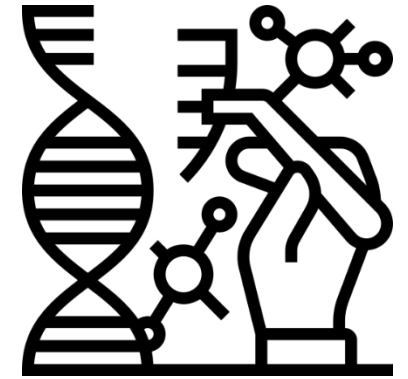
- Medicals Consumables and Equipment
- Medical Supplies and Equipment
- Reagents and Diagnostic Kits

Medical consumables and equipment contribute to 92% share of total Thai medical device export

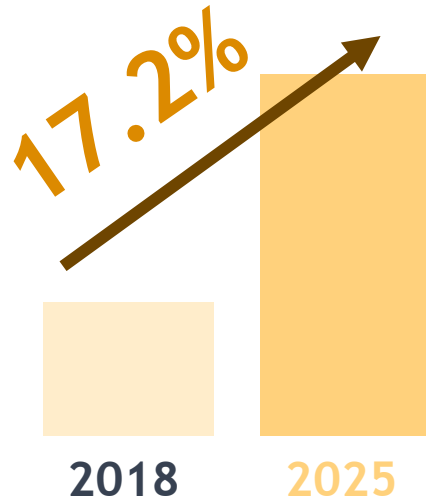
Future potential products
Medical consumables and equipment, dental and orthopedic products

Biopharmaceutical Opportunities remain bright in the market

Biopharmaceuticals are a type of pharmaceutical product that is produced using living organisms or derived from living organisms. It will be an **important part of the pharmaceutical industry** since they have played a significant role in the development of new treatments for a wide range of medical conditions

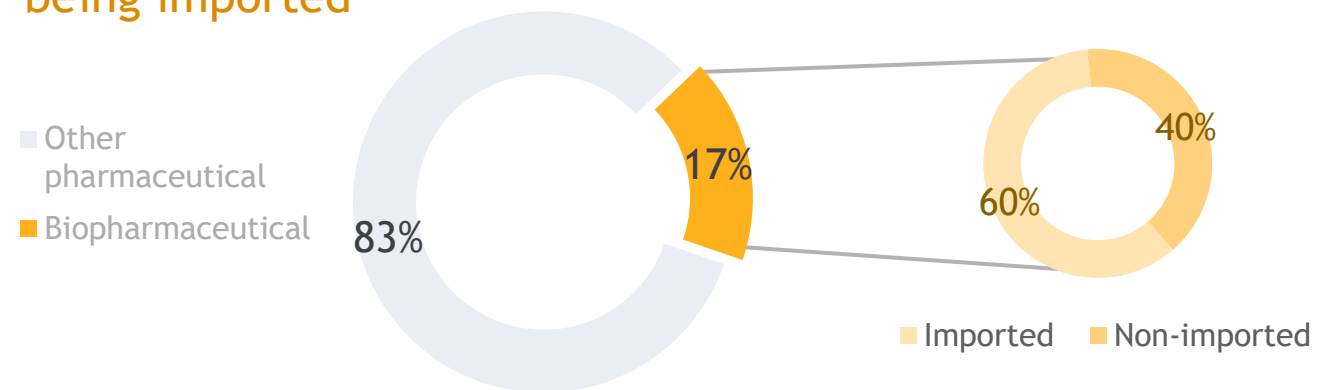


Biopharmaceutical opportunities in Thailand



The **biopharmaceutical** market in the **Asia-Pacific** region is predicted to grow by **17.2%** from 2018 to 2025.

In 2022, **Thailand's pharmaceutical market** has a value of 5.5 billion USD, with more than 1 billion USD being **biopharmaceutical** products and over **60%** of these products being imported



Thailand medical tourism exhibited a robust recovery after COVID-19



25-28 million

Forecasted number of total foreign tourists in 2023



7-10 million

Forecasted number of Chinese tourists in 2023



Supporting policy

Extended non-immigrant visa for long stay tourist policy

New Medical hub











In 2022, the revenue from medical tourism has recovered to **80%** of its pre-COVID levels. Despite a decrease in the number of tourists by half, it is expected that the revenue will reach the **same amount** in 2023.



Expected private hospital income growth at **8-10%** in 2023

Expected growth for medical device market **5-7%** in 2023

International Medical Companies Operating Business in Thailand

Logo	Company Name	Product and Service
	ESSILOR MANUFACTURING (THAILAND) COMPANY LIMITED	Prescription lenses
	Molnlycke Health Care (Thailand) Co., Ltd.	Wound care product, surgical product, gloves
	Cardinal Health 222 (Thailand) Ltd.	Healthcare service, Medical Products and Supplies, Pharmaceutical Products
	Thai Otsuka Pharmaceutical Co., LTD.	Medical device, Pharmaceutical products
	Greiner Bio-One Thailand Ltd.	laboratory products
	Reckitt Benckiser Healthcare Manufacturing (Thailand) Co., Ltd.	Hygiene, Health and nutrition
	NIPRO (THAILAND) CO., LTD.	Medical devices
	HOYA OPTICS (THAILAND) LTD.	Manufacturing Optical Products
	BENCHMARK ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED	Electronic manufacturing services
	QUASAR MEDICAL (THAILAND) CO., LTD.	Medical devices

BOI's Investment Incentive: Medical & Healthcare Sector

Group A1

- Clinical Research Center (CRC)
- Contract Research Organization (CRO)

Group A2

- Manufacture of high risk or high technology medical devices
- Manufacture of targeted medicines
- Manufacture of active pharmaceutical ingredients
- Specialty Medical Center

Group A3

- Manufacture of other medical devices :
- Manufacture of conventional medicines
- Senior hospital
- Traditional or Applied Thai medical public service

Group A4

- Manufacture of medical devices made of fabrics or fibers
- Manufacture of medical device parts
- Hospital
- Senior/dependent care center

Group B

- Health Rehabilitation Center

CIT Exemption

8 Years
(no cap)

8 Years

5 Years

3 Years

-

Other Exemption

Exemption of import duties on raw materials used in R&D

Exemption of import duties on raw materials used in production for export

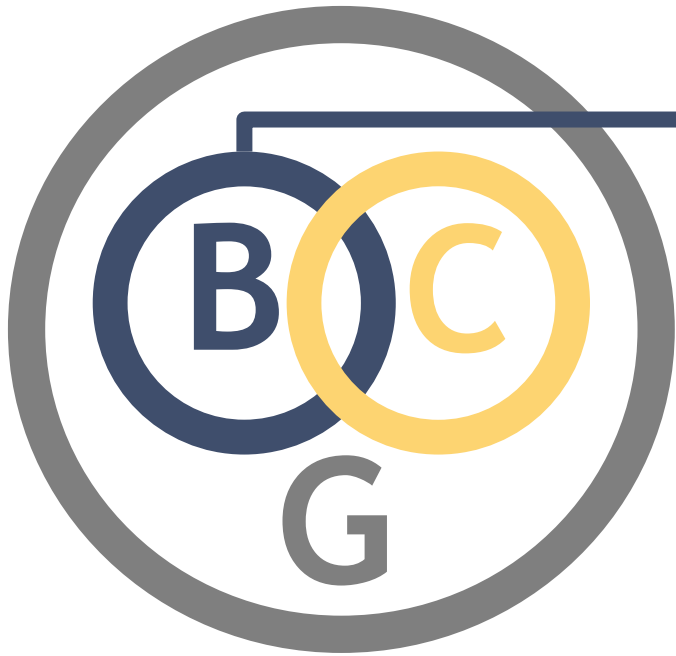
Exemption of import duties on machinery

Non-tax incentive

- Permit to own land
- Permit to bring into the Kingdom skilled workers and experts to work in investment promoted activities
- Permit for foreign nationals to enter the Kingdom for the purpose of studying investment opportunities
- Permit to take out or remit money abroad in foreign currency

* Each activity have different conditions to receive incentive.

The advancement of biotechnology plays a pivotal role in supporting the excellence of the Thai healthcare sector



As part of the **BCG economy**, **biotechnology** plays a critical role in supporting the healthcare sector in terms of advancements in personalized medicine, development of innovative therapies, genetic engineering, and the production of biopharmaceuticals.

Apart from the availability of **raw materials** and **richness in biological diversity**, Thailand has further bolstered its healthcare sector by harnessing the power of **genomics** through the implementation of initiatives such as genomic sequencing, precision medicine programs, and collaborations in genetic research.

Example of Genomics Center in Thailand



Thailand
Genome
Sequencing
Center



Siriraj
Genomics



Excellence Center
for Genomics and
Precision Medicine



Center for
Medical
Genomics

Availability of Raw Materials Strengthening the BCG Economy

Home of biodiversity in the world

Thailand is part of what is called the Indo-Burma 'biodiversity hotspot'.

Indo-Burma ranked

8th most bio-diverse region in the world.

Thailand ranked

3rd in Southeast Asia for the diversity of the ecology.

Top producers and exporters of raw materials in the world



Sugarcane

- Production (Million Tons)
- World Ranking in Production
- Export (Million Tons)
- World Ranking in Export
- Total number of Industry
- Industry using Biochemical Technology
- Proportion (%)

7.6

5th

3.6

3rd

41

1

2.4%



Cassava

30.0

7th

10.0

1st

112

1

0.9%



Palm Oil

3.1

3rd

0.5

10th

20

1

5.0%



Thailand is one of the top producers and exporters of sugarcane, cassava, oil palm. The country is ready to be the center of bio-related industries due to the availability of raw materials.

Genomics will be a new engine of Thailand's high-value medical industry

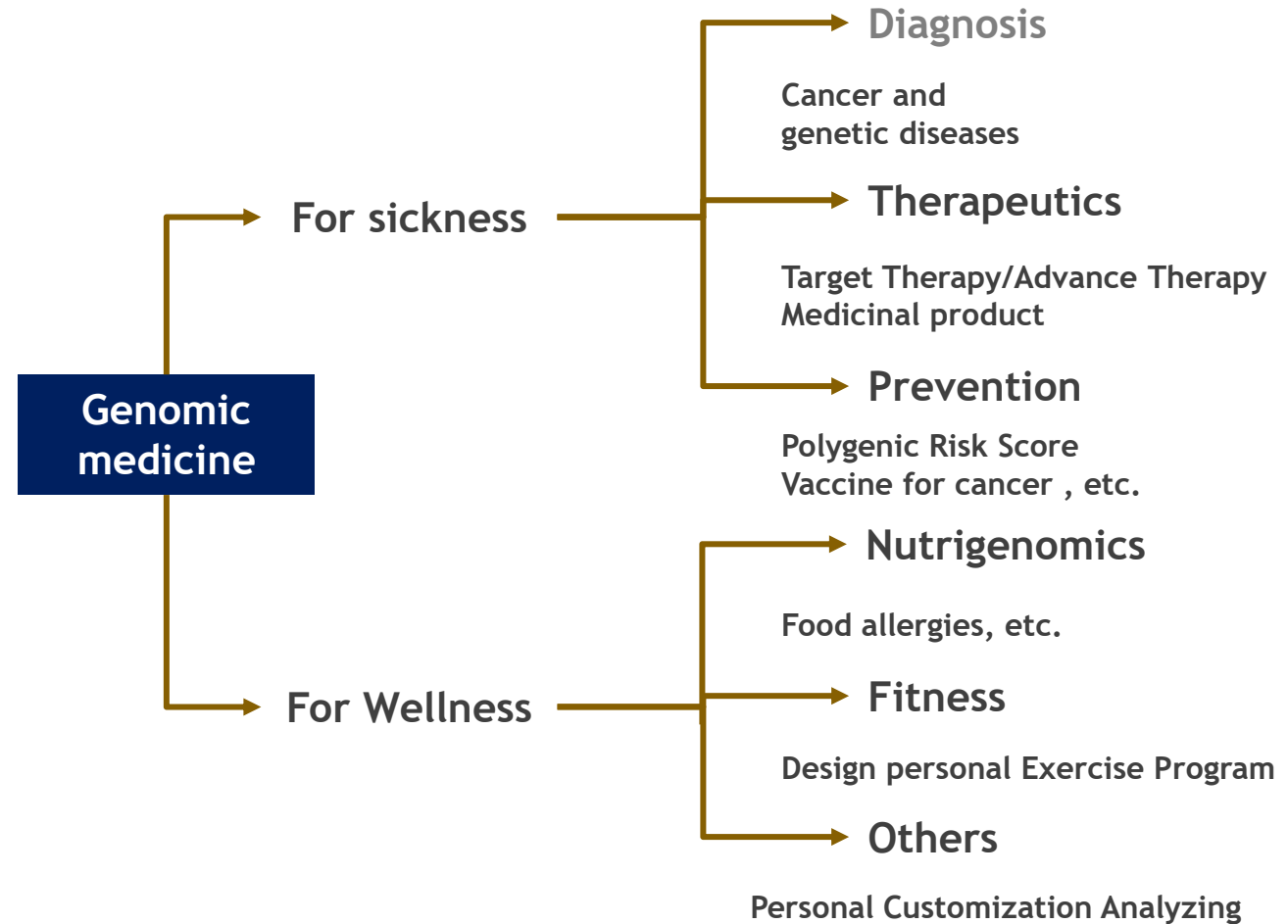
Genomic medicine

Genomic Medicine studies how our genes (DNA) related to our health. The genomics investigation could be run through **effective diagnosis and personalized treatment** to investigate how the individual can improve their health.

Thai Government's effort

- The government effective “Geonomics Thailand 2021-2024” to be used as a national genomics plan
- Work under The Ministry of Public Health
- Used as a tool to strengthen Thailand's medical industry to attract global FDI, especially in EEC Areas.
- Approved around USD 128 million to support the national genomics plan

The usage of Genomic medicine



BOI Eligible Activities for Biotechnology

Manufacturer of

Biopharmaceutical agents

Diagnostic kits for health, agriculture, food and environment

Biomolecule & bioactive compounds using microorganisms, plant cells and animal cells

Raw Materials and/or essential materials used in molecular biological experiment

Investment Incentives

- 8 Years CIT exemption (with no cap)
- Exemption of import duties on machinery
- Exemption of import duties on raw materials used in production for export
- Non-tax incentives

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BOI Services

Long-Term Resident Visa

4 Types of Long-Term resident Visa



Wealthy Global Citizen



Wealthy Pensioner



Work-From Thailand Professional



Highly Skilled Professionals

Targeted industries for the **High-Skilled professional** category are as follows :

Existing Targeted Industries

- Automotive Industry
- Electronics Industry
- Affluent Tourism Industry
- Agricultural, Food and Biotechnology Industry
- Automation and Robotics Industry
- Aviation, Aerospace and Space Industry
- Biofuels and Biochemicals Industry
- Digital Industry
- Medical Industry
- Defense Industry
- Circular Economy



Transportation and Logistics Industry

NEW



Petrochemical and Chemical Industry

NEW



International Business Center (IBC)

NEW



High-skilled professionals with specialized skills in a specific area who work in other industries operated by foreigners

NEW

Long - Term Resident Visa Privileges



10-year visa & Permission to work in Thailand



Fast Track Service at International Airport



90-day report extended to 1-year report and exemption of re-entry permit



Permission to Work in Thailand (Digital Work Permit)



17% Personal Tax Exemption for Highly-skilled Professionals



Facilitation Services at One Stop Service Center



Exemption from 4 Thais : 1 foreigner employment requirement ratio

Remarks: The LTR visa will be granted for 5 years at a time and can be renewed every 5 years if qualifications are met.

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