

# Investment Opportunity for Automotive & EV Industries

## Office of the Board of Investment

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20 June 2024

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# Agenda

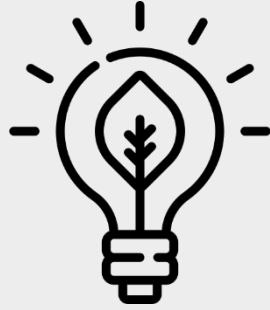
01

**Thailand's  
Automotive Industry**

02

**BOI Incentives  
for Automotive Industry**

# Thailand Government Target and Next-Generation Automotive Development



## Reduce Green houses Gas Target



Carbon Neutrality  
By 2050



Net-Zero Greenhouse  
Gas Emission  
By 2065



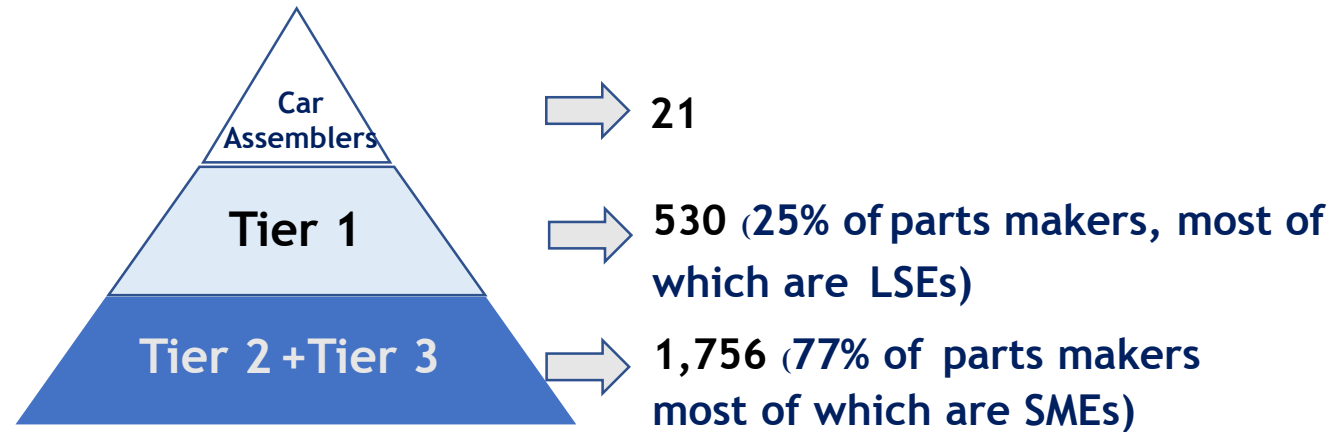
## Future Industry



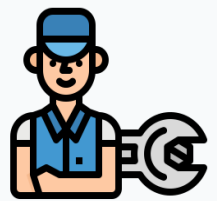
## Next-Generation Automotive

# Significance and Direction of the Automotive Industry

- Thailand is **No.1 automobile manufacturer in ASEAN** and ranks **No. 10 globally.** ( Production of 1.9Million Cars/Year)
- Automobiles and parts are Thailand's **No.1 export products.**  
(In 2023, the export value totaled **1.05 trillion baht**, accounting for **11% of Thailand's total export value**)
- **Number of supply chain producers: over 2,300.**



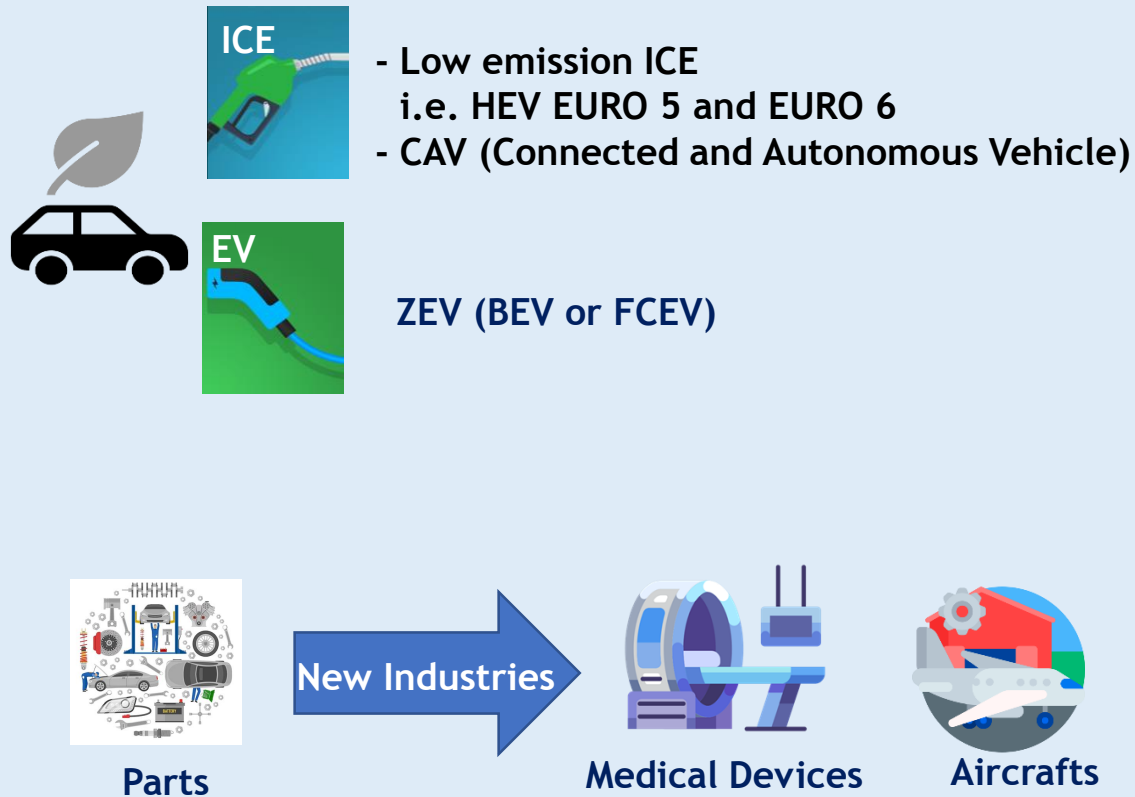
- **Number of employment: 800,000-900,000 people**



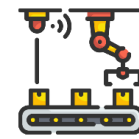
- 100,000 in automobile manufacturing and assembly
- 200,000 in dealership
- 500,000 in parts production

# Direction of the Automotive Industry

## The Automotive Industry is in Technological Transition



## Needs for Transition



Upgrading machinery using new technologies for transitioning to new industries.

Installing automation systems or robotics to enhance efficiency.



Applying digital technology to enhance the production efficiency and advance the operation process



Obtaining international standard certification to accommodate the new industries.



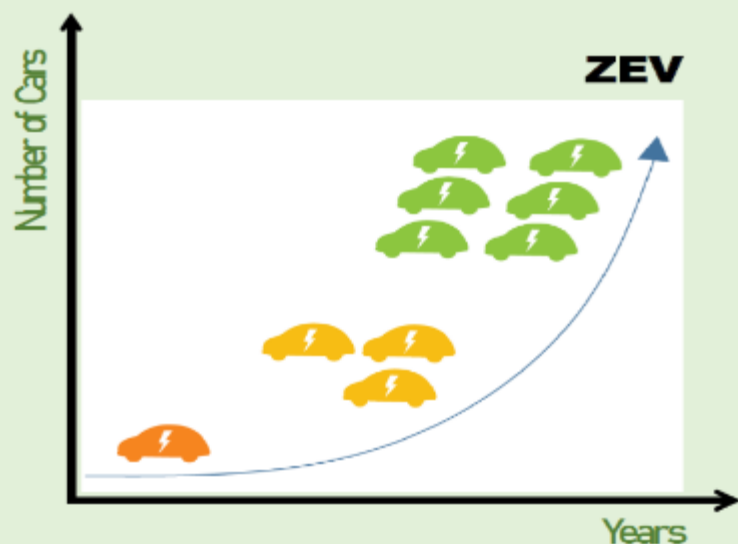
**Personnel Training:** for innovation, technology, and related courses designed to advance industry capabilities.



# ZEV: Utilization & Production Target for Thailand

**Target 30 @ 30**

**Year 2030**  
30% of the Car Production  
in Thailand is “ZEV”



Target	Classification	Volume of ZEV (Year)	
		2025	2030
Utilization	Passenger Car / Pickup	225,000 (30%)	440,000 (50%)
	Motorcycles	360,000 (20%)	650,000 (40%)
	Bus / Truck	18,000 (20%)	33,000 (35%)
Production	Passenger Car / Pickup	225,000 (10%)	725,000 (30%)
	Motorcycles	360,000 (20%)	675,000 (30%)
	Bus / Truck	18,000 (35%)	34,000 (50%)

Source: The Plan of the National Electric Vehicle Policy Committee

# Thai Government Supports for Evs

## Institutional Infrastructure

### Environment:



Department of Industrial Work to prepare EV battery end-of-life plan



Pollution Control Department to enact Acts for EV battery end-of-life management

### Infrastructure:



Ministry of Energy to subsidy Charging Station



TISI to proceed on National Automotive and Tire Testing Facility

### Safety & Standards:



TISI to proceed on standards of EV charging system, electromagnetic compatibility, battery for EV and DC meter for billing system charging Station

## Government Incentives

### BOI Package:

- HEV, PHEV, BEV, FCEV
- Platform + Key Parts
- Charging & Swapping Station

### HR Development:

- Skilled Labor

### Special Tax Rate:



- Special Excise Tax Rate
- Import Duty Exemption on imported BEV for BOI Promoted companies

## Market Stimulus

### Domestic Market Stimulation:

- Target of 20% use of BEV in Public procurement
- AOT to use more PHEV, BEV
- IEAT, MOST to use BEV
- EPPO promotes Taxi Conversion to BEV
- Fine Arts Department to use BEV at large national heritage sites
- EV Stimulation Package by the Ministry of Finance (EV3/EV3.5)



# Agenda



01 Thailand's  
Automotive Industry

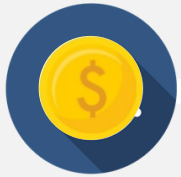
02 BOI Incentives  
for Automotive Industry



# 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



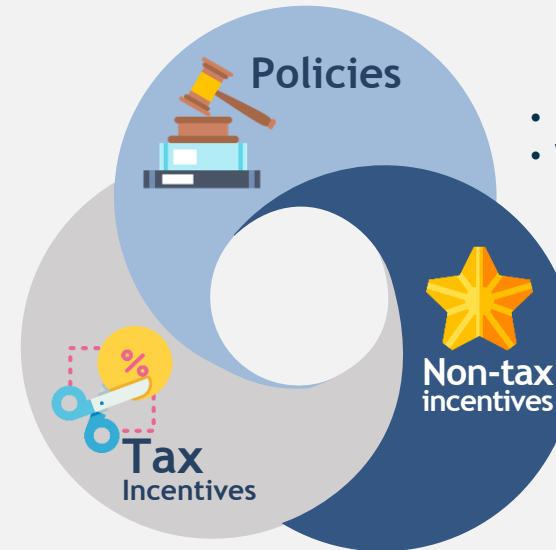
### Connector

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

# Investment Promotion measures for Targeted Industries



# BOI Promotion on Automotive

BOI promotes every various types of **Automotive and Parts.**



## INCENTIVES



Exemption  
CIT

Exemption  
Import duties on  
raw materials  
Used in R&D



Exemption  
Import duties on  
machinery



Exemption  
Import duties on  
raw materials

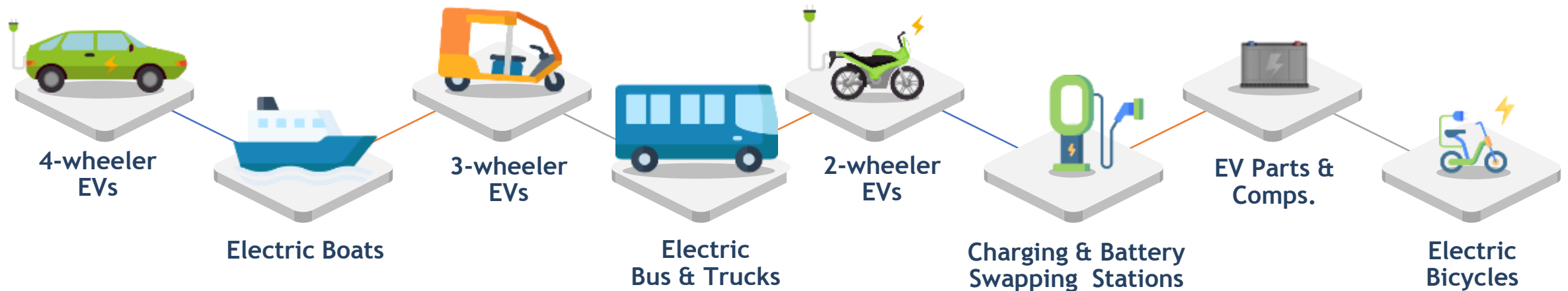


Non-tax  
incentives

CIT Exemption:  
**3 - 13 years**

# BOI Promotion on Battery Electric Vehicles (BEV)

BOI promotes every various types of **battery electric vehicles (BEV)**, including **BEV platforms** and Development of **Software & Digital Platform** with an aim of developing the country as Asia's manufacture hub of EVs.



## INCENTIVES



Exemption  
CIT

Exemption  
Import duties on  
raw materials  
Used in R&D



Exemption  
Import duties on  
machinery



Exemption  
Import duties on  
raw materials



Non-tax  
incentives

*CIT Exemption:*  
**3 - 13 years**

# Promoted Projects on Electric Vehicles (Passenger Car)

78,950.4 MB.\*

25 Projects\*\*  
19 Companies

877,694  
Cars

HEV  
(30,392.1 MB.)

7 Projects  
(7 Companies)

317,955

PHEV  
(9,263.9 MB.)

7 Projects  
(7 Companies)

159,689

BEV  
(39,294.3 MB.)

18 Projects  
(18 Companies)

400,050

(Source: BOI Information Database (BIS) as of 31<sup>st</sup> May 2024)

Promoted  
Projects \*\*  
**25**

Certificate Issuance  
(Projects)  
**17**

Started Production  
(Brands)  
**11**



- Remarks:
- \* Investment Values excluding Cost of Land and Working Capital
  - \*\* 1 company can be promoted more than 1 project. 1 project can be manufactured more than 1 type of the EVs.
  - Isuzu is promoted under the category of general automobile due to the limitation of complying with the conditions in category EV.



# Electric Vehicle Industry Investment Promotion Results

## Investment Promotion Approval Statistics

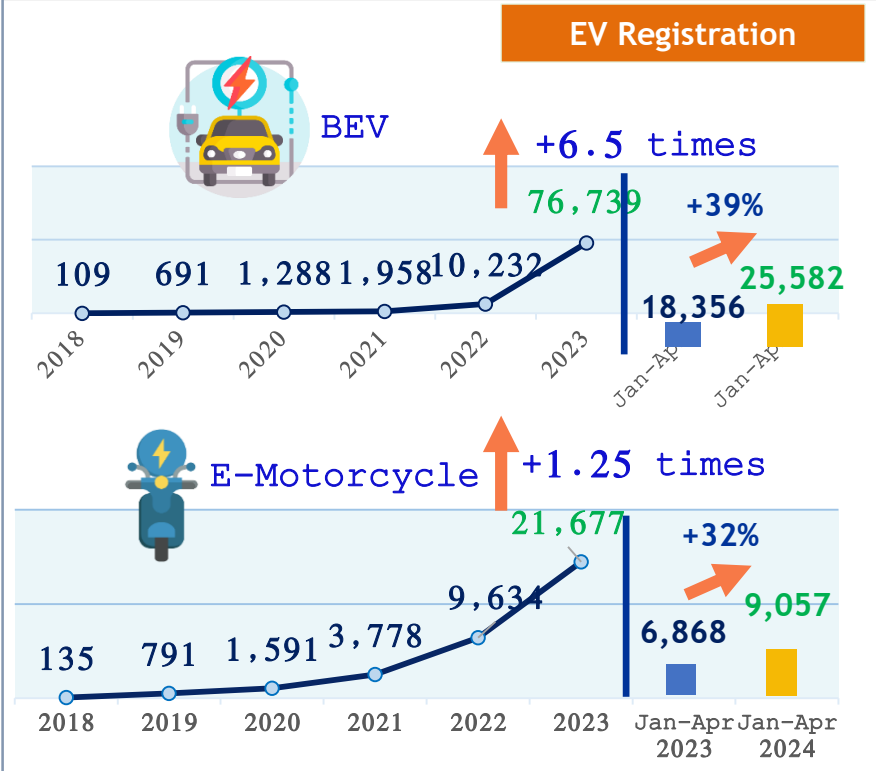
Product	No. of Projects	Capacity	Investment (mil. baht)
BEV	18 projects (18 companies)	400,050 units/yr	39,294
E-Motorcycle	12 projects (12 companies)	537,240 units/yr	918
E-Bus/E-Truck	3 projects (3 companies)	4,835 units/yr	2,206
Battery	42 projects (35 companies) <ul style="list-style-type: none"> <li>• 25 projects for EV Battery</li> <li>• 17 projects for High-density battery</li> </ul>	15,685 MWh 12,574 MWh	26,468
Essential e-parts	22 projects (21 companies) ex. Traction Motor, BMS, DCU, On-board Charger	-	6,166
Charging Station	19 projects (17 companies) <ul style="list-style-type: none"> <li>• Total</li> <li>• Quick Charge</li> </ul>	19,782 charger 6,737 charger	5,616

As of 4 June 2024

**80,668** million baht

## New registrations for BEVs

Government support measures significantly stimulate EV market





# Investment Promotion Measure to Upgrade Automotive Industry



- The measure aims at enhancing the efficiency in the automotive industry through the adoption of **automation and robotics**.
- Eligible applicants must be either existing companies or new entrants engaging in the manufacture of **ICE, HEV, PHEV**.



## Incentives

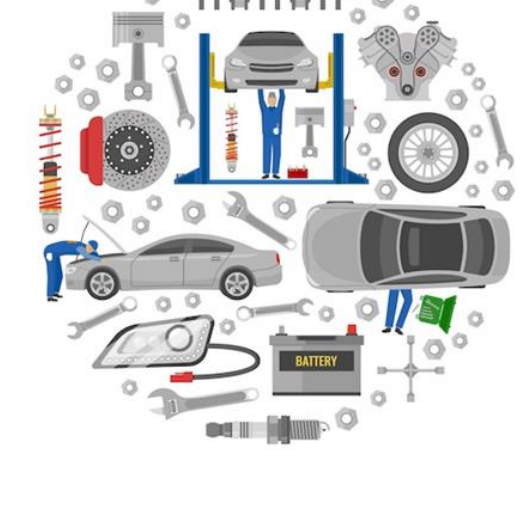
- **3-year tax holidays with a cap of 50%** of the investment capital in automation and robotics system.

**OR**

- **3-year tax holidays with a cap of 100%** of the investment capital in automation and robotics system, in case of investment at least 30% in machinery or systems with a linkage or support to the local automation industry.

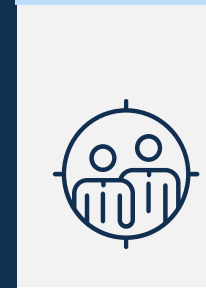
## Investment Promotion Measure to Upgrade the Automotive Parts Industry

Scope	Measure
<ul style="list-style-type: none"> <li>The measure applies to the existing BOI-promoted as well as Non-BOI-promoted projects</li> </ul>	<ul style="list-style-type: none"> <li>BOI-promoted projects</li> </ul>



**Effective on Announcement  
Date to End of 2025**

## Scope



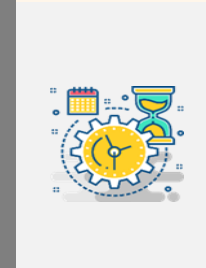
- The measure applies to the existing BOI-promoted as well as Non-BOI-promoted projects currently operating in activity 3.4 (manufacture of engines, equipment, or parts) and activity 3.5 (manufacture of vehicle parts). For existing BOI-promoted projects, the corporate income tax exemption/reduction must have already expired or not have been granted.
- Investment in the upgrade  $\geq 1$  million baht (excluding the cost of land and working capital)

## Incentives



- **Exemption from duties on imported machinery**
- **Exemption from corporate income tax for 3 years at 50% of the capital investment in upgrading**, inclusive of expenditures related to upgrading or obtaining of standard certification for new industries. (If using domestic automation systems  $\geq 30\%$ , corporate income tax exemption will be granted at 100% of the investment.)
- **The corporate income tax period will start following the first revenue derivation after the promotion certificate issuance.**

## Conditions



- Applicants must submit a plan to upgrade and transition to the new industry under the criteria specified by the Office, including machinery upgrading for efficiency enhancement, obtaining new industry standard certification, and training personnel in related courses to facilitate the upgrading.
- Project implementation must be completed within 3 years after the promotion certificate issuance.

# Thailand : Regional Talent Hub

## Promotion Measure for Comprehensive HRD Supply Demand

HRD

- **Vocational Training Institute:** 8-year CIT exemption
- **Corporate Academy in the Target Disciplines:** 5-year CIT exemption for the parent company.

STEM OSS  
Platform  
By MHESI

- **BOI :** incentives for students internship under the Dual Vocational Education or WiL.
- **BOI :** Advanced tech training grant
- **Revenue Dept. :** Tax deduction for expenses on hiring tech personnel (1.5 times) and for training in the targeted curriculum (2.5 times)

Talent  
Attraction

- **Attract high potential foreigners** through LTR visa, Smart visa and Sections 24-26 of the BOI Act.
- **One Stop Service for Visa and Work Permit**



# 日本でのお問い合わせ先 Japan's Contact Information

## BOI東京事務所



### Key Contact Person

タイ王国大使館経済・投資事務所  
公使（経済・投資）  
ガノッポーン ショーティパーン



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## BOI大阪事務所



### Key Contact Person

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There are countless reasons  
to INVEST in Thailand

ありがとう  
THANK YOU



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