



BOI's Current Investment Policies

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OSAKA

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Focus of Current Investment Promotion Policies

Technology and Innovation

- Priority Industry and Services
- Research and Development

Human Capital

- Domestic HR Development
- Attracting Foreign Talents



Targeted Area Development

- Eastern Economic Corridor (EEC)
- Border Special Economic Zones

Productivity Enhancement

- Automation
- Digitalization
- Renewable energy/energy savings
- R&D & engineering design

BOI's Investment Incentives

Policy

100% foreign ownership

No local content requirements

No export requirements

No restriction on foreign currency

Tax Incentives

Exemption of import duties on machinery

Exemption of import duties on raw or essential materials imported for export

Exemption of import duties on goods imported for R&D

Corporate income tax exemption up to 13 years

50% CIT reduction within 10 years

Sector-based incentive

Up to 8 yrs.

Tax holiday for targeted industries in accordance with the Seven-Year Investment Promotion Strategy (2015-2021)

Technology-based Incentives

Up to 13 yrs. Tax holiday for core technologies or R&D projects

Non-Tax Incentives

Land ownership rights

Work permit & visa facilitation

Activity-based / Technology-based Incentives



Incentives are largely based on several key factors
i.e. level of technology, role in supply chain

Activity-based



Bio-based & Medical



Advanced Industries



Basic & Supporting



High Value Services

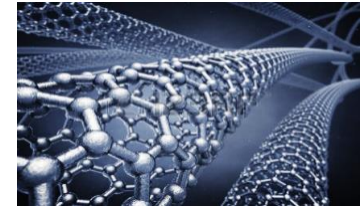


Creative & Digital

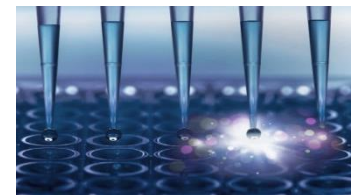
Targeted Core Technologies



Biotech



Nanotech



Advanced Material Technology



Digital

Competitiveness Enhancement Incentives

(Merit-based Incentives)



Additional years of tax holidays can be granted if expenditures/investments in the following categories reach the minimum threshold.



R&D: In-house, outsourced in Thailand or joint R&D with overseas institutes



Donations to technology and human resource development funds, educational institutions, training centers, R&D institutes or governmental agencies in the S&T field



IP acquisition/licensing fees for technology developed in Thailand



Advanced technology training

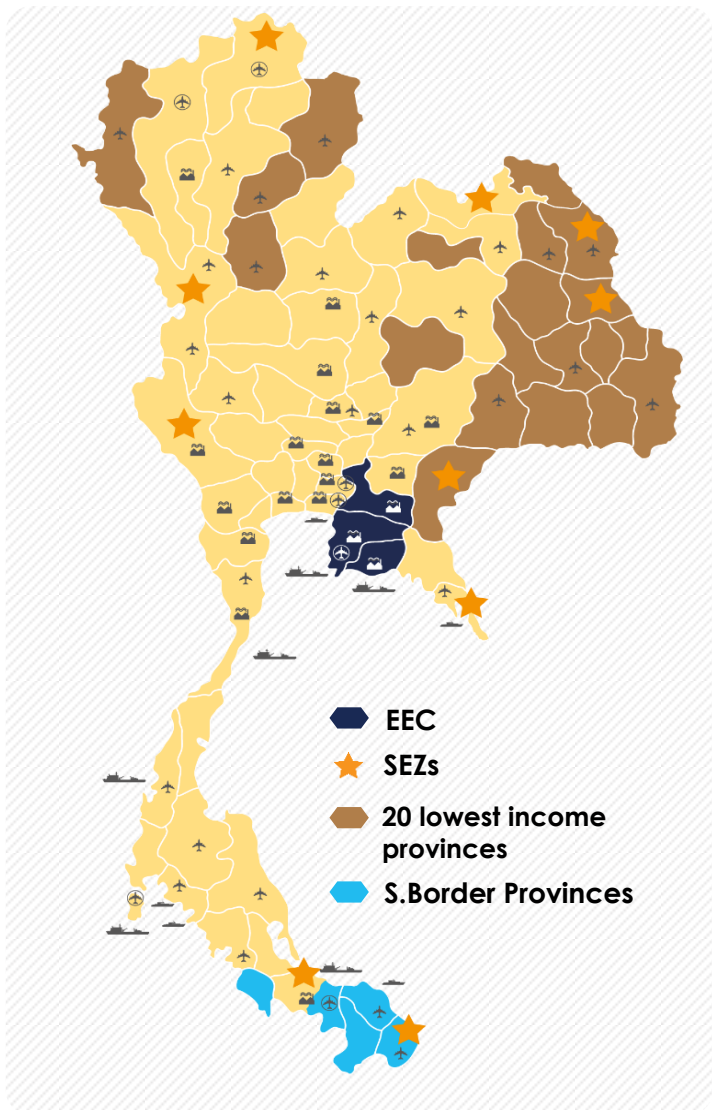


Development of local suppliers in advanced technology training and technical assistance



Product & packaging design: In-house or outsourced in Thailand

Targeted Areas



Eastern Economic Corridor (EEC)

Chachoengsao, Chonburi and Rayong



Special Economic Development Zones (SEZs)

Tak, Sa kaew, Trat, Mukdahan, Songklah, Nongkhai, Narathiwat, Chiang Rai, Nakhon Panom, Kanjanaburi (10 provinces, 23 districts, 90 sub-districts)



20 Provinces with lowest per capita income

Kalasin, Chaiyaphum, Nakhon Phanom, Nan, Bueng Kan, Buri Ram, Phrae, Maha Sarakham, Mukdahan, Mae Hong Son, Yasothon, Roi Et, Si Sa Ket, Sakhon Nakhon, Sa Kaew, Sukhothai, Surin, Nong Bua Lamphu, Ubon Ratchatani and Amnatcharoen)



Border Provinces in Southern Thailand

Narathiwat, Pattani, Yala and Satun and 4 districts (Jana, Na Thawee, Saba Yoi, Dhephia) in Songkhla

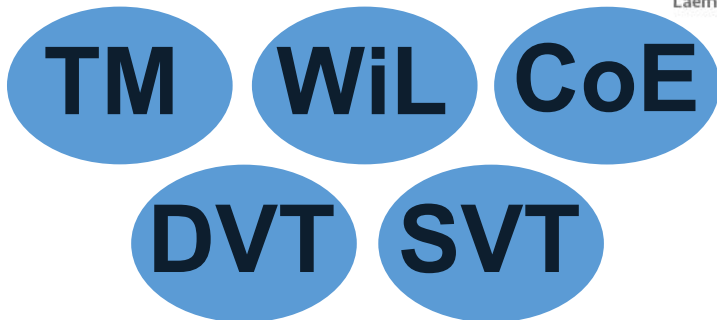


Targeted Area Development: Eastern Economic Corridor (EEC)



Additional years of corporate income tax exemption or reduction are available for investments located in the EEC if they are:

- Engaged in the designated activities
- Located in the designated areas
- Engaged in a co-operative education program with an educational institution



Designated Areas Eligible for the BOI Special Package for EEC

1. Promoted Zones for Specific Industries (announced by EEC)

- Eastern Economic Corridor of Innovation: **EECi** (under the Ministry of Science and Technology) *
- Digital Park Thailand: **EECd** (under the Ministry of Digital Economy and Society)
- EEC Aerotropolis: **EEC-A**

2. Promoted Zones for Targeted Industries (announced by EEC)

- **21 designated industrial estates** with focus on targeted S-curve industries

3. Other Industrial Estates + Industrial Parks in the EEC

* Projects are allowed to be temporarily located in the designated science parks and must be relocated to the EECi by 30 December 2023

Promoted Zones for Targeted Industries

TFD 2

Chachoengsao
1 estate

21 areas

Chonbur
12 estates

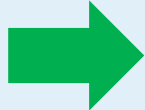


**3 areas for
Medical Industry**

Rayong
8 estates

- Yamato Industries
- Amata City 1
- Amata City 2
- Pinthong 1-5
- Hemaraj Chonburi 1-2
- Hemaraj Eastern Sea Board 2-3

- Smart Park
- Hemaraj Eastern Sea Board 1, 4
- Hemaraj West (Map Ta Phut)
- Eastern Sea Board (Rayong)
- Hamaraj Rayong 36
- Amata City
- CP Rayong

BOI Special Package for EEC (corporate income tax)

	Basic Package		EEC Package
EECi, EECd, EEC Aerotropolis	Industries of Focus		10 yrs.
	8 yrs.		13 yrs.
	5 yrs.		12 yrs.
			7 yrs. + 50% (5 yrs.)
	Other Targeted Industries		Basic + 50% (3 yrs.)
Promoted Zones for Targeted Industries	Industries of Focus		10 yrs.
	5-8 yrs.		12 yrs.
			Basic + 50% (5 yrs.)
	Other Targeted Industries		Basic + 50% (3 yrs.)
Other Industrial Estates/ Industrial Parks in EEC	All Targeted Industries		10 yrs.
			11 yrs.
			Basic + 50% (3 yrs.)

Cooperation with Educational / Research Institutions



TM

Talent Mobility Program

Connects universities or government research institutions with the industry sector in finding talents in the field of science, technology, and innovation

WiL

Work-integrated Learning

Provides collaborative educational services between educational institutes and the private sector in the form of Public Private Partnerships (PPP)

DVT

Dual Vocational Training Program

Facilitates vocational educational institutes to form agreements with private firms in creating effective curriculums, training, testing, and evaluation for students in order to gain practical working experiences

CoE

Cooperative Education Program

(for graduate study, university and college) Provides structured method of combining classroom-based education with practical working experience and academic credits.

**SVT
(EEC)**

Special Vocational Training Program in EEC

Special vocational education project in the Eastern Economic Corridor (Developed from the "Sattahip Model")

SMART VISA from February 1, 2018



Taking Thailand to New Heights with Foreign Talents and Technologies



The **Smart Visa** Program is intended to attract experts, senior managers, and investors to work or invest in technology companies to help develop the 10 targeted industries which will, in turn, drive technology and innovation in Thailand.

Revisions of Smart Visa Criteria (Cabinet Decision on 6th November 2018)



Additional Targeted Categories



Alternative Dispute Resolution

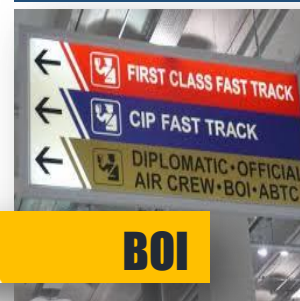


Human Resource Dev. in Science and Technology



Environmental Management and Renewable Energy

Additional Incentives



Access to a fast-track service at **6 international airports**

(Suvarnabhumi, Don Mueang, Phuket, Chiang Mai, Chiang Rai, Hat Yai)

More Relax Qualification



General Case

~~Monthly salary $\geq 100,000$ THB~~



Income per month $\geq 100,000$ THB

Experts having an employment contract with a **Startup** or **Retired experts**

Income per month $\geq 50,000$ THB

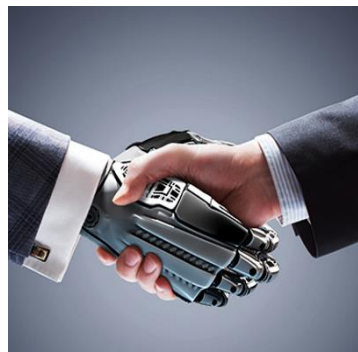
Measures to Promote Productivity



3-year tax holidays to existing firms making investments on



Replacing or upgrading machinery for energy conservation, alternative energy utilization, reduction of environmental impacts



Replacing or upgrading machinery for efficiency enhancement, e.g. Automation, Digitalization

R&D / Advanced engineering designs



Obtaining sustainability certification or international agricultural industrial standards



Thailand Investment Year Package

(1/2)



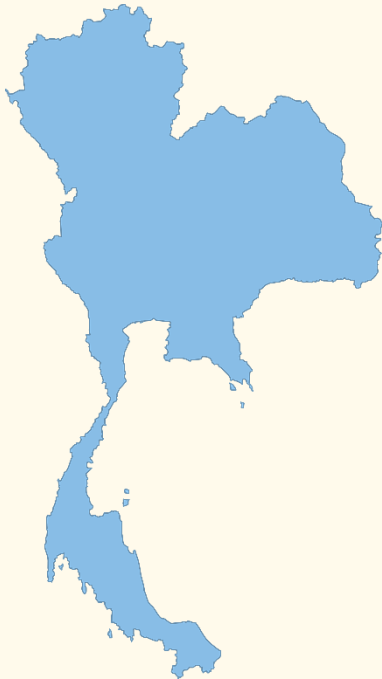
- Application submitted during **19 November 2018 – 30 December 2019**
- Total investment value (excluding land and working capital) \geq **1 Billion THB**
- Activities in categories entitled to **5 to 8 years of CIT exemption**

Remarks: No extension of project implementation deadline
(from acceptance of promoted status ~ full operation submission)

Thailand Investment Year Package

(2/2)

Targeted Area



All areas in Thailand

(*Except for Bangkok)

Targeted Activities (Examples)

A1

(8 yrs.
No cap)

- Manufacture of aircraft or aircraft parts
- Production of electricity/steam from garbage
- Research and development
- Biotechnology related activities

A2

(8 yrs.)

- Manufacture of parts for Hybrid Vehicle, EV, and PHEV
- Manufacture of technical fiber or functional fiber
- Manufacture of advanced technology electrical products (with own-design process)

A3

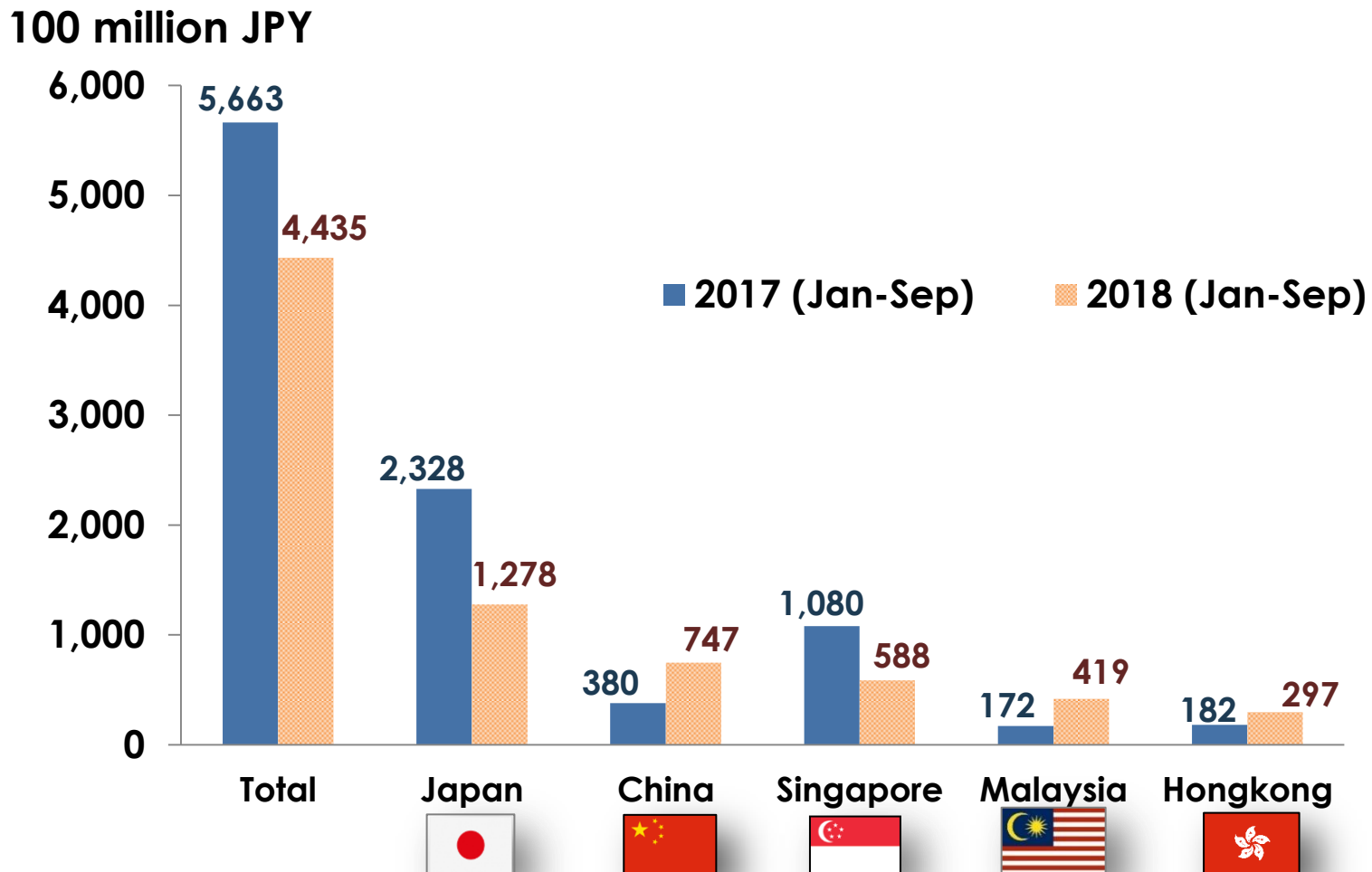
(5 yrs.)

- Manufacture of low-risk medical devices (except for medical devices made of fabrics or fibers)
- Manufacture of onboard devices or equipment in aircraft
- Digital Service (i.e Managed Service, Fintech, MediTech, AgriTech)

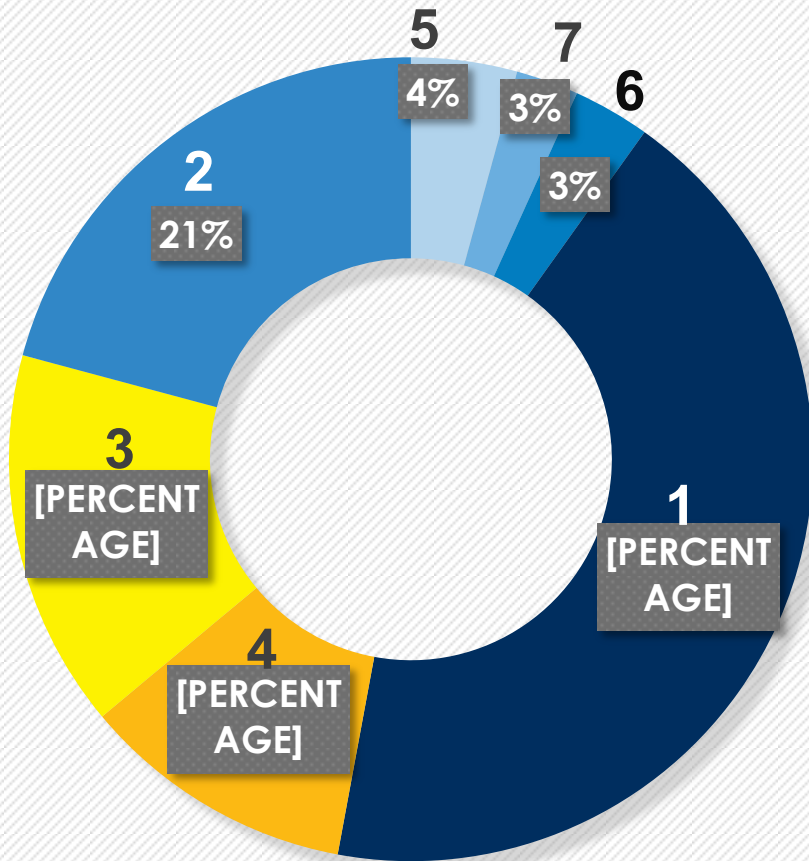
✕ Except for an activity which does not have a permanent location, such as, Air transportation services and maritime transportation services.

Foreign Direct Investment Amount (Jan-Sep 2018)

The Japanese investment ranks the first among the FDI Inflow to Thailand (account of 29% of total FDI)



Japan Net Application Submitted by Sector in 2018 (Jan-Sep)



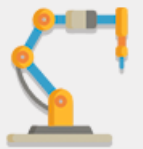
- 1. Metal Products and Machinery**
(82 projects, 54,990 million JPY)
- 2. Services**
(89 projects, 26,610 million JPY)
- 3. Chemicals, Paper**
(19 projects, 19,410 million JPY)
- 4. Electric and Electronic Products**
(31 projects, 14,080 million JPY)
- 5. Agricultural Products**
(4 projects, 5,440 million JPY)
- 6. Light Industry**
(6 projects, 3,960 million JPY)
- 7. Minerals and Ceramics**
(9 projects, 3,220 million JPY)

Sectors of Opportunity for Japanese Companies



Automotive and Automotive Parts

Advanced Material



Machinery, Automation and Robotics

Medical Devices and Equipment



Electronics and Electrical Products

Aerospace Parts and MRO



Chemicals and Specialty Chemicals

High-valued Services

e.g.: TISO, IBC, R&D, Software Development, Electronic Design,



BOI Services

One Start One Stop Investment Center (OSOS)



More Convenience,
less time,
more efficiency



Industrial Linkage Development Division
(ILDD)

For more information



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