

AgriTech and FoodTech Industry: Opportunities in Thailand

Sithee Tanboonteck
Thailand Board of Investment, Sydney Office



Agenda



01 Why Thailand

02 Introducing BOI

03 AgriTech and FoodTech Industry Promotion

04 Investment Facilitation

Thailand the Strategic Channel to the Region

LOCATION & MARKET ACCESS

Within 5,000 km, Business have access to
4.6 Billion consumers in Asia

CLMVT

242



Million consumers
Within 1,000 km

ASEAN

645



Million consumers
Within 3,000 km

ASIA

4.6



Billion consumers
Within 5,000 km



Thai Economy at a Glance

Key Economic Figures



GDP (2020*)

US\$ 506.4 Billion



GDP per Capita (2020*)

US\$ 7,328.2 / Year

GDP Growth



2021*f
2.5-3.5%

Note: *Estimated value | Source: NESDC
(Data as of March 2021)

Market Profile

(2019)



Population



66.56

Million



Minimum Wage

THB 313 - 336

US\$ Approximate

US\$ 9.98-10.71

Source: Ministry of Labour

International Competitiveness

Global Competitiveness

2018 : 38th 2019 : 40th

Source: World Economic Forum

World Digital Competitiveness

2019 : 40th 2020 : 39th

Source: IMD

Ease of Doing Business

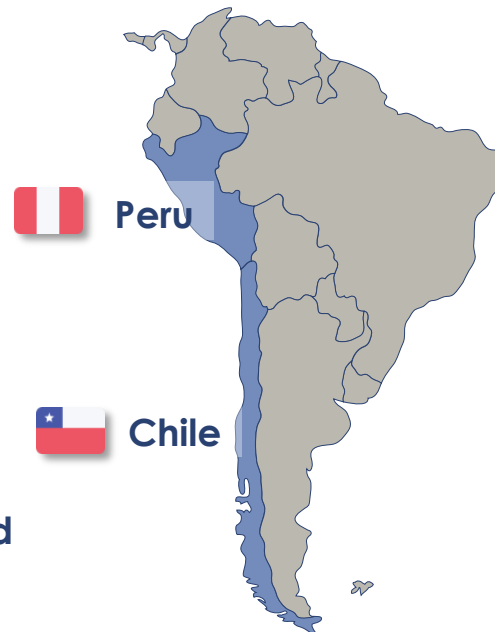
2019 : 27th 2020 : 21st

Source: World Bank

Thailand's FTA Network



Thailand has implemented **13 Free Trade Agreements (FTAs)**, enabling businesses in Thailand to earn the rewards of almost tariff-free trade with **17 different nations**.



Transport Infrastructure Connecting Thailand with the Rest of ASEAN



Intercity Rail Network

Tracking & Facilities Improvement

Dual Track Development



Public Transport Network & Services

Implementation of Metro Lines

Construction of Roads & Bridges

Procurement of NGV Buses and Depots



International Connectivity Hub

Accessibility to Agriculture & Tourist Areas

Connectivity Between Hub & Key Production Bases

Connectivity between Gateways

Promoting Seamless Multi-Modal Transport



Water Transport Network

Inland Port Development

Coastal Port Development



Air Transport Capability

Airport Capacity Expansion

Enhancement in Air Traffic Management Capability

Increased Fleet Utilization

Air Transport Industrial Park

Human Resource Development

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Thailand Board of Investment (BOI)



ABOUT BOI

The Office of the Board of Investment (BOI) is the principle government agency that operates under the Prime Minister's Office for the purpose of encouraging investment in Thailand. We at the BOI serve as the professional contact points for investors, providing them with useful investment information and services. We offer business support and investment incentive to foreign investors in Thailand, including tax and non-tax incentives. A few non-tax incentives include granting land ownership to foreigners and facilitating visas and work permits. Besides serving the needs of overseas investors, we also offer consultation services to Thai investors who are interested in investment opportunities abroad.



BOI Promotion Incentive

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 5 years

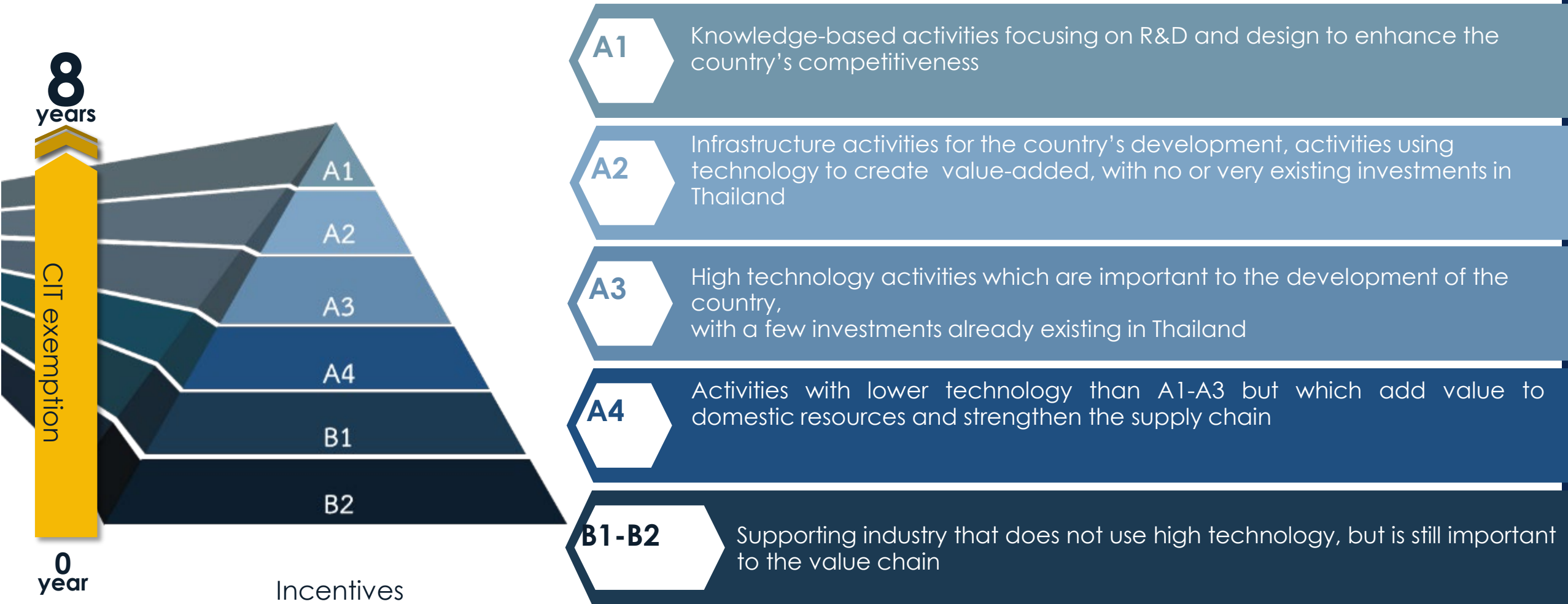
Non-tax Incentives

Land ownership

Work permit & visa facilitation

Activity-based Incentives

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



BOI Investment Incentive Scheme

Product/Activity-based

- Bio & Medical Industries
- Advanced Industries
- Basic & Supporting Industries
- High Value Services
- Creative & Digital Industries



Technology-based

- Biotechnology
- Nanotechnology
- Advanced Material Technology
- Digital Technology



Merit-based

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

Area-based

- EEC (3 provinces)
- 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)

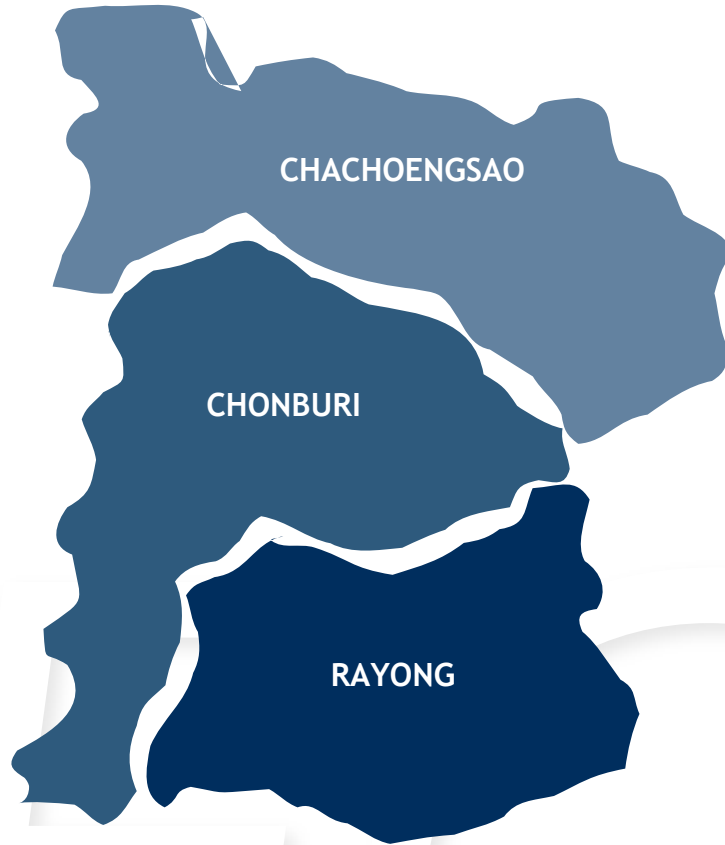
Agenda-based

- Productivity Enhancement

Incentive Packages for Investment in Targeted Activities and Targeted Locations in the EEC Area



- Chachoengsao
- Chonburi
- Rayong



Targeted Locations:

Investment projects must be located in Chachoengsao, Chonburi or Rayong.

Targeted Activities:

- New incentives target investment projects that qualify for at least 5-year tax holidays (i.e. Group A1, A2, A3), including Technology and Innovation Development activities under Section 8.
- Does not apply to activities that have no specific location or those required to be located in areas outside EEC.

Application Periods:

- Projects located in the EEC general area must submit applications by December 2021
- Projects located in EECi, EECd, EECa or EEDmd are eligible for the incentives with no application deadline.

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Targeted Industries



Bio, Circular
& Green



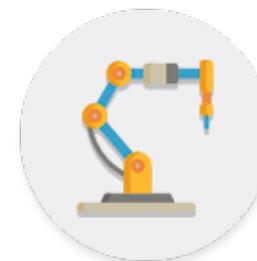
Medical Hub



Digital



Biofuels &
Biochemicals



Automation
& Robotics



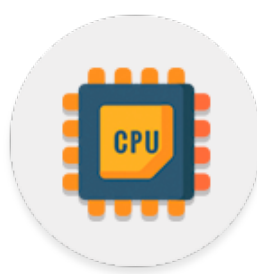
Aviation &
Logistics



Human Resource
Development
and Education



Agriculture
and Biotechnology



Smart
Electronics



Affluent, Medical
and Wellness Tourism



Next-Generation
Automotive



Food
for the Future



Opportunities for FoodTech Industry with the Strong Food Supply Chain

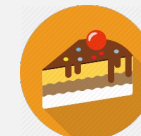
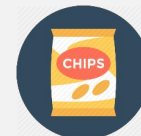
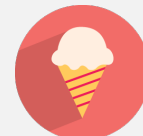
Country's Engine of Growth



Food industry as one of **key growth engines** in-line with the “**Thailand 4.0**” economic model.

Thailand as An Important Exporter and Market

The food industry contributed roughly **more than 20%** of country's GDP.



Strong Food Supply Chain



Basic : agriculture, livestock, and sea products
Intermediate : dairy products, milling, sugar, or frozen seafood
Processed Food : processed meat, seafood, fruits, vegetables

Opportunities for Future Food Industry

Medical Food

Novel Food



Functional Food

Organic Food

Pandemic-Driven Changes in Food Consumption



Opportunity for the Thai Food Industry



Focus Areas

Businesses

New Entrepreneurs,
Industrial-Scale Farming,
Foods Startups,
Organic Food Technology



Innovations

Future Food,
Functional Food,
Novel Food, Packaging



Marketing Platforms

Big Data Management,
Online Tools, Food Expos



Food Standards

Traceability, Food Safety Plus,
Reduced Environmental
Footprints



Source: The Ministry of Industry
*1US\$ = 31THB as of 31 March 2021



The AgriTech in Thailand Has Potential to Develop with Attention and Support from the Government and Stakeholders

Active Roles of Government Agencies in AgriTech

- Develop technologies and online platforms
- Modernize agricultural sectors
- Enhance farmers in smart-farming capabilities

Trends in People and Private Sectors for Smart Farmers

- Organic Farm adopts smart irrigation technology and smart sensors.
- Implements IoT for remote sensing via satellite and weather prediction.

Example of Thailand's Investment Opportunities in AgriTech

Software

Provide precise information about an individual farmer's land

Blockchain

offer investors to become a co-creator

Cloud

Farm management service for more efficient production

IoT & Security

the application of predictive analytics on real-time data.



Food Innopolis: The Global Food Innovation Hub with a Variety of Supporting Services for Food Investors



Global Food Innovation Hub, Gateway to ASEAN

One-Stop Service Center



FI Academy

training service and capacity development for food industry personnel



FI Sensory Evaluation

a specialty center for sensory evaluation



FI Talent

facilitates the relocation of food research and development personnel from public to private sectors.



FI Pilot Plant

provides instrument service for pilot plant's manufacturing



FI Nutrition

provides a research and development service center for food, nutrition and food safety



FI Global Network

Linkage with international knowledge resources



FI-FDA

offers consultation and guidance service, as well as food registration service with the Food and Drug Administration

BOI's Incentives for the Agri-food Industry

1 Manufacture of Medical Food and Food Supplements



**8-year
CIT
Exemption**

2 Adoption of Advanced Technology

such as fruit ripeness sensor, radio frequency pest control and nuclear magnetic resonance in grading, packaging and storage of plants, vegetables, fruits or flowers



**8-year
CIT
Exemption**

3 Manufacture of Biomolecule And Bioactive Substance Using Microorganism, Plant Cells or Animal Cells



**8-year
CIT
Exemption**

4 Seed Industry and Improvement of Plant, Animal or Microorganism Breeding Using Biotechnology



**8-year
CIT
Exemption**

5 Manufacture of Oil or Fat From Plants or Animals (Except Soybean)



**5-year
CIT
Exemption**

6 Manufacture of Food, Beverage and Seasoning Ingredients excluding alcoholic beverages, caffeinated drinks, bakery products and candies



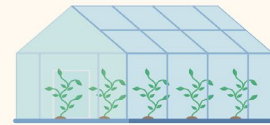
**5-year
CIT
Exemption**

7 Adoption of Smart Farming Systems such as the use of sensors, drones, or greenhouses



**5-year
CIT
Exemption**

8 Investment in Plant Factories

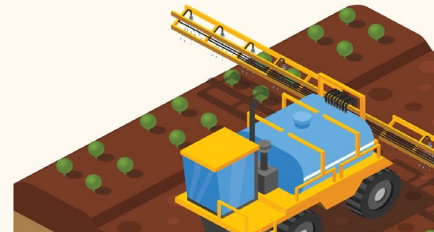


**5-year
CIT
Exemption**

9 Manufacture of Animal Feeds Which Comply with Food Safety Standards such as Iso 22000



**5-year
CIT
Exemption**



- 8-year CIT exemption for adoption of advanced technology such as fruit ripeness sensor, radio frequency pest control and nuclear magnetic resonance in grading, packaging and storage of plants, vegetables, fruits or flowers
- 8-year CIT exemption for the manufacture of biomolecule and bioactive substance using microorganism, plant cells or animal cells
- 8-year CIT exemption for seed industry and improvement of plant, animal or microorganism breeding using biotechnology

- 5-year CIT exemption for manufacture of oil or fat from plants or animals (except soybean)
- 5-year CIT exemption for the manufacture of food, beverage and seasoning ingredients, excluding alcoholic beverages, caffeinated drinks, bakery products and candies
- 5-year CIT exemption for the adoption of smart farming systems such as the use of sensors, drones, or greenhouses
- 5-year CIT exemption for investment in plant factories
- 5-year CIT exemption for the manufacture of animal feeds which comply with food safety standards such as ISO 22000

Investment Incentives for Agriculture and Food (1)

Activities	Group	CIT exemption	Exemption of import duties on machinery	Exemption of import duties on raw materials used in production for export	Non-tax incentives
1.11 Manufacture of natural extract or products from natural extracts (except medicine, soup, shampoo, toothpaste and cosmetics)					
1.11.1 Natural extracts using advanced technology or Products produced from natural product extracts using advanced technology in a continuous manner within the same project	A2	8 years	✓	✓	✓
1.11.2 Natural extracts or Products from natural product extracts in a continuous manner within the same project	A3	5 years	✓	✓	✓
1.11.3 Products from natural product extracts in core projects exclude the extraction process	B1	-	✓	✓	✓

Investment Incentives for Agriculture and Food (2)

Activities	Group	CIT exemption	Exemption of import duties on machinery	Exemption of import duties on raw materials used in production for export	Non-tax incentives
1.12 Manufacture of active ingredients from natural raw materials	A2	8 years	✓	✓	✓
1.17 Manufacture or preservation of food, beverages, food additives or food ingredients using modern technology	A3	5 years	✓	✓	✓
1.18 Manufacture of medical food or food supplements	A2	8 years	✓	✓	✓
1.24 Plant factory	A3	5 years	✓	✓	✓
7.11 Research and development	A1	8 years*	✓	✓	✓
7.12 Biotechnology	A1	8 years*	✓	✓	✓



Investment Incentives for Smart Farming

Activities	Group	CIT exemption	Exemption of import duties on machinery	Exemption of import duties on raw materials used in production for export	Non-tax incentives
1.23 Manufacture of modern agricultural products or services related to modern agriculture e.g. detection or tracking systems, resources regulation systems (such as water, fertilizers, medicines) and smart greenhouse systems	A3	5 years CIT exemption (No designated maximum exemptible CIT)	✓	✓	✓

BOI's Digital Industry Promoted Activities



Software & Digital Services

Application Games Marketplace IoT
 XTech Platform Cyber Security Big Data/AI
 FinTech Cloud-Computing Animation AR/VR

Activities

Activity-based incentives

Software Development

5-8 YRS

Digital Services
 e.g. AgriTech

5 YRS

E-Marketplace

Non-tax



Digital Infrastructure

Cloud Service Submarine Cable Data Center
 Maker Space / Fabrication Lab Co-Working Space
 Innovation Incubation Center Digital Park

Digital Park/ Data Center
 Cloud Services/ IIC

5-8 YRS

Maker Space/ Fab Lab

Submarine Cable

Co-Working Space

Non-tax

AgriTech & FoodTech Promoted Projects



Low Sugar Fruit Juice



Plant-Based Meat



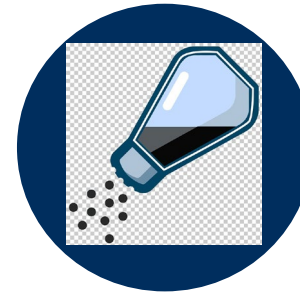
Protein Powder from Insect



Shrimp Farm Management



Agriculture Data Analytic Platform



Seasoning Powder and Sauces

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BOI Facilitation Services



One Start One
Stop Investment
Center (OSOS)



SMART
VISA



BOI Facilitation
Initiatives



BOI
E-Services

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!*



18th Floor, Chamchuri Square
Building, 319 Phayathai
Road, Pathumwan
Bangkok 10330, Thailand

Tel: 66(0)2 209 1100
Fax: 66(0)2 209 1199
Email: osos@boi.go.th



SMART Visa

Taking Thailand to New Heights with Foreign Talent and Technology



Privileges for SMART Visa



Maximum **4 years** Visa
*Except Smart S



Permission to
work with no
work permits
required



No re-entry
required



Fast Track Service at
International Airports

BOI Facilitation Initiatives



Highly
Qualified
Specialists and
Researchers



Private Sector
Support in
Science and
Technological
Fields

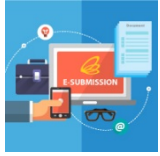


Support Industrial Linkages

Assist SMEs in achieving
Industrial Standards

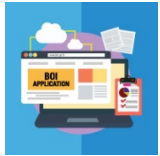
Business Matching Events

BOI e-Services



E-Submission

This service aims to temporarily facilitate documents submission during the spread of Covid-19



E-Investment Promotion (BOI Application)

Business operators can submit their investment promotion applications via the e-Investment Promotion System



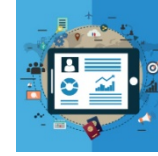
Helpdesk

Due to the Covid-19 situation, BOI offered online meeting services apart from our regular e-services, emails, calls, and BOI NEWS Facebook Page



Promotion Certification System

Service aims to facilitate business operators who apply for BOI investment promotion.



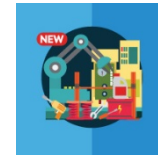
Single Window Visa and Work Permit System

Permission for foreign nationals to enter the Kingdom must be conducted through the Single Window for Visa and Work Permit System

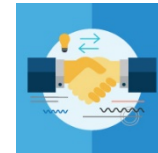


Smart Visa

SMART Visa is offered to foreign experts, executives, entrepreneurs and investors who wish to work or to invest in Thailand's targeted industries



Electronic Machine Tracking (EMT)



Sourcing and Joint Venture Form

Business operator can register this form for company matching service

BOI OVERSEAS OFFICES





Thailand Board of Investment, Sydney Office

Suite 101, Level 1

234 George Street, Sydney

New South Wales, 2000

AUSTRALIA

Tel: +61 2 9252 4884

+61 2 9252 4882

Email: sydney@boi.go.th

