

Investment Opportunities in Thailand's New Economy: **Thailand Investment Promotion Strategy 2023-2027**

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Agenda

01

**Introduction to Thailand
Board of Investment**

02

BOT's 5-years
Investment Strategies

03

Sector of Opportunities
and Incentives

04

Other Supports from BOT

Introduction to Thailand Board Of Investment (BOI)

About BOI



Information and advice on establishing operations in Thailand



Coordinate between the foreign business community and other public agencies



Business Support Services for Investors: incentives, sourcing, and SMEs' competitiveness development

OVERSEAS OFFICES



BOI Investment Promotion Measures



Policy

- 100% foreign ownership
- No local content requirements
- No export requirements
- No restriction on foreign currency



Tax Incentives



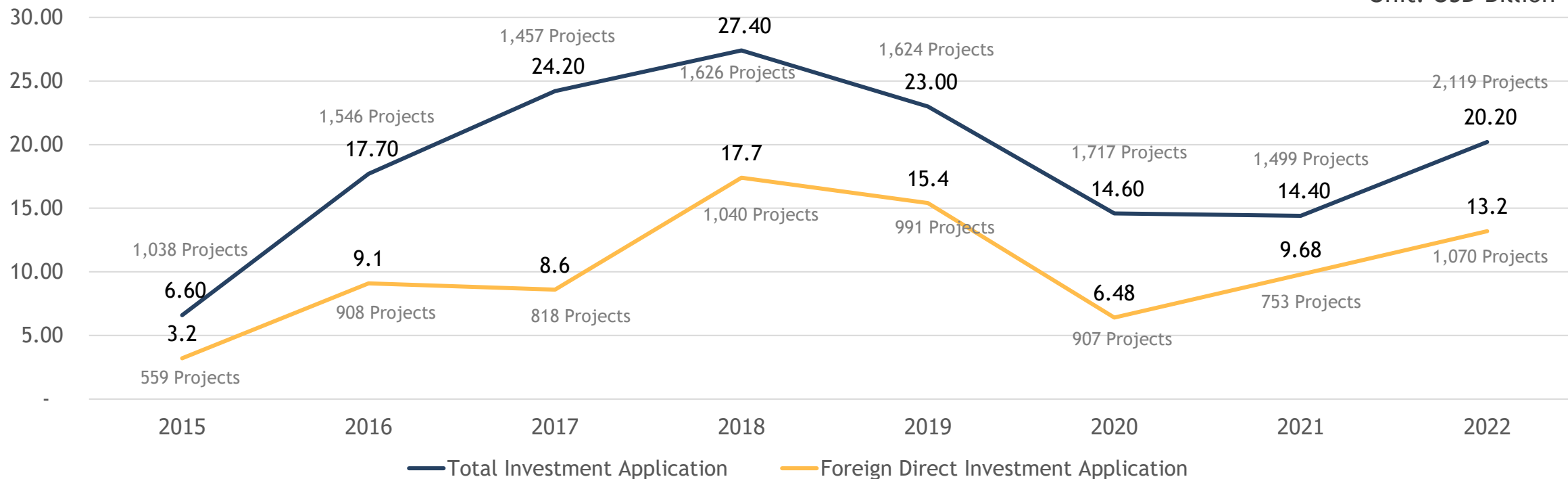
Non-tax Incentives

- Land ownership
- Work permit & visa facilitation

- 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

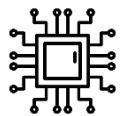
BOI Investment Application 2015-2022

Unit: USD Billion



FDI Application by Industry in 2022

1st



Electric and Electronic Products
USD 3.89 Billion

2nd



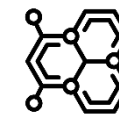
Metal Products and Machinery
USD 3.7 Billion

3rd



Services
USD 2.4 Billion

4th



Chemicals and Paper
USD 1.3 Billion

5th



Agricultural Products
USD 0.9 Billion

6th



Light Industries/Textiles
USD 0.6 Billion

7th



Minerals and Ceramics
USD 0.2 Billion

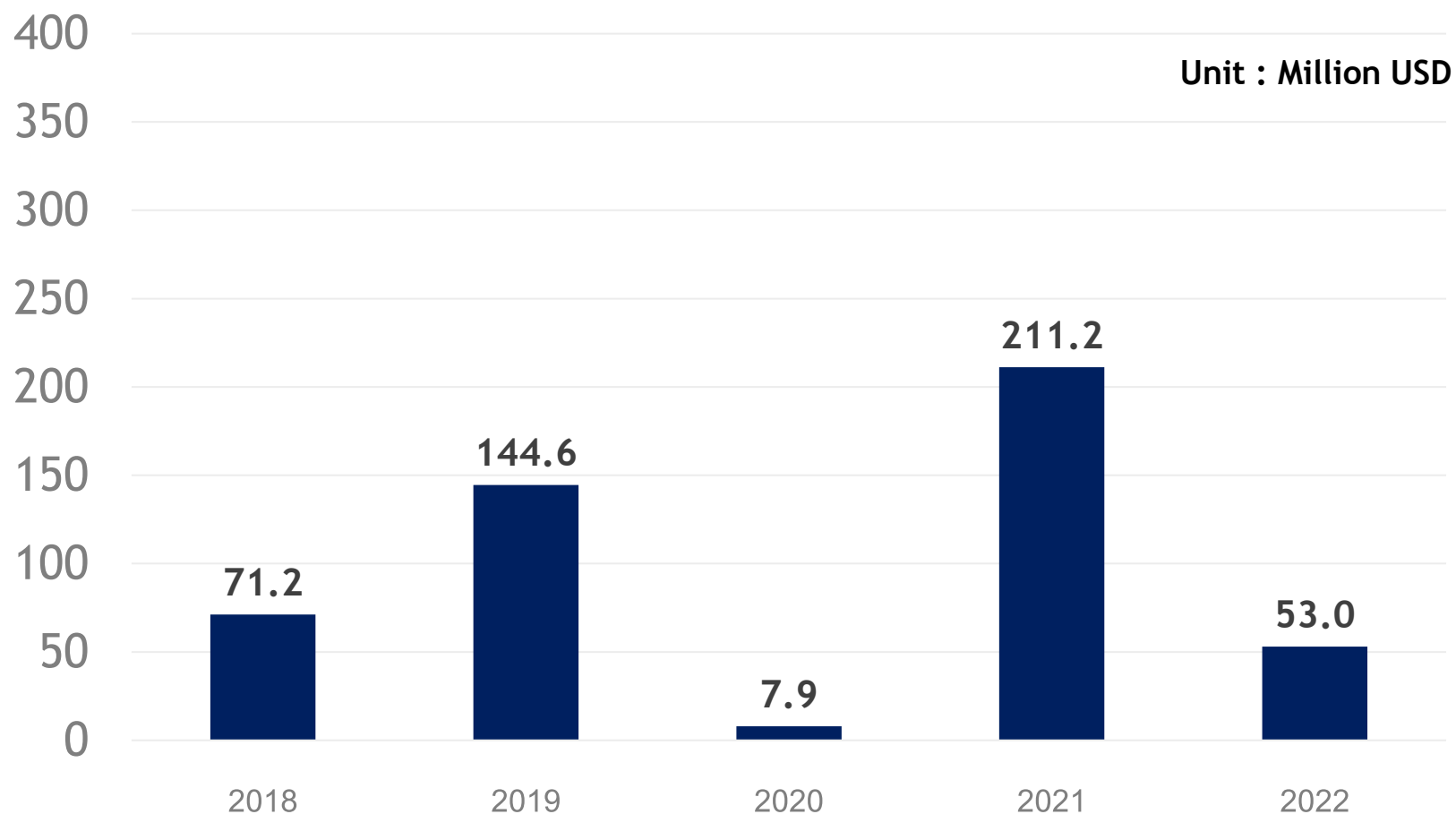
Note: Exchange Rate from Bank of Thailand as of January 26, 2023 (1 USD = 32.8627)

Source : Thailand Board of Investment



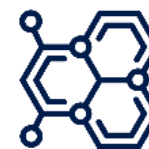
Investment Applications in Australia and New Zealand

FDI Application in Australia and New Zealand



Highest Investment Value

1st



Chemical and Paper Industry

192 Million USD

2nd



Agricultural Products

105 Million USD

3rd



Metal Products and Machinery

90 Million USD

Note: Exchange Rate from Bank of Thailand as of January 26, 2023 (1 USD = 32.8627)

Source : Thailand Board of Investment

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Investment Opportunities in Thailand



Opportunity
Thailand

- Digital Tech & Infrastructure
- R&D Center
- New S-Curve Industries
(EV, Smart Electronics, Automation etc.)

Tech Hub

- Food Security
- Renewable Energy
- Bio-based Industries
- Healthcare & Medical
- Tourism

BCG Hub

- Highly-skilled Professionals
- Remote Workers
- High Net Worth

Talent Hub

**Regional
HUB**

**Logistics &
Business Hub**

- Regional Connectivity
- Regional Headquarters
- Intl Business Process Outsourcing

Creative Hub

- Soft Power
- Design
- Film Production
- Digital Content
- Games & e-Sports
- Fashion & Lifestyle



The Target of “Investment Promotion Strategy for the New Economy” (2023-2027)

The new investment promotion strategy (2023-2027) is based on 3 concept, promoting investment that transform the Thai Economy into the “New Economy”

An economy driven by **technology, innovation, and creativity.**

Innovative

Competitive

An economy that is highly **competitive, resilient and producing high growth**

Inclusive

An economy that signifies **environmental and social sustainability, opportunity creation, and economic disparity reduction**



7 Pillars and 9 Measures to Drive the Investment to the New Economy

New Economy

Innovative

Competitive

Inclusive



1. Industry Restructuring

- 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)



2. Smart & Sustainability

6. Smart & Sustainability Industrial Upgrade Programs (Upgrade)



3. International Business Hub

Included in Measure 1 - 4



4. SMEs & Startup

7. Investment Promotion Measures for SMEs (Extension)

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



5. Area-based Investment

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



6. Investment for Community & Society

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



7. Thai Overseas Investment

Revenue Department's Packages (Major Upgrades)

First Pillar of “Investment Promotion Strategy for the New Economy”

1

Restructure the industries by upgrading the “**Conventional Industries in which Thailand excels**”, Developing new industries in which Thailand has potential, and strengthening the supply chains

Upgrade Conventional Industries

- **Agriculture** → Smart Farming / Plant Factory
- **Food** → High value food, e.g. 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

Core Tech

Bio Tech

Nano Tech

Material Tech

Digital Tech

Energy Tech

Priority Industries
for the Next 3 Years



BCG



EV



Smart
Electronics



Digital



Creative Industry

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



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

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

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

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

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



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Other Supports from BOI



BOI Investment Incentive Scheme

Basic Incentives

Activity-Based

- Agriculture, Food and Biotechnology
- Medical
- Machinery and Vehicles
- Electrical and Electronics
- Metal and Materials
- Chemicals and Petrochemicals
- Public Utilities
- Digital Industries
- Creative Industries
- High-Value Services

≤ 13 years CIT exemption



Additional Incentives

Merit-Based

- Research & Development (R&D)
- Support academic / research institutes, 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
- 4 Special Economic Corridors
- Southern border provinces
- 20 provinces with lowest income
- Industrial Estates/Zones
- Science and Technology Parks (TSP, Food Innopolis, Space Krenovation Park)
- Yothee Medical Innovation District

Agenda-based

- Investment Stimulation Measure for Economic Recovery
- Smart and Sustainable Industry Measure
- Social and Communal Development Measure
- Comprehensive Relocation Measure
- Retention and Expansion Measure
- Measure to Support the Establishment of Highly-skilled Professional Development Institutes

BOI's Basic Incentive Packages

Non-tax Incentives

A

B

		Tax Incentives			
		Exemption CIT	Exemption Import duties on machinery	Exemption Import duties on raw materials	
A	A1+	10 - 13 years (no cap)	✓	✓	✓
	A1	8 years (no cap)	✓	✓	✓
	A2	8 years	✓	✓	✓
	A3	5 years	✓	✓	✓
	A4	3 years	✓	✓	✓
B	B	—	✓	✓	✓

- Visa/Work permit facilitation
- Permit to own land
- Permit to take out money abroad in foreign currencies with no ceiling

10 Sections of Activities Eligible for Promotion

Section 1

Agricultural, Food and
Biotechnology Industries



Section 5

Metal and
Material Industry



Section 9

Creative Industry



Section 2

Medical Industry



Section 6

Chemical and
Petrochemical Industry



Section 10

High Value Service



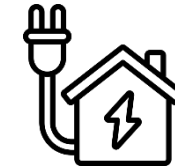
Section 3

Machinery and
Vehicles Industry



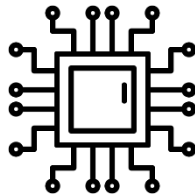
Section 7

Public Utilities



Section 4

Electrical Appliances
and Electronics industry



Section 8

Digital Industry



**400 +
Eligible activities**

Examples of New Activities Eligible for Investment Promotion

EV Related Activities



- manufacture of Fuel Cell Electric Vehicles (FCEV),
- manufacture of parts and components for the fuel cell system
- battery swapping station services

Activities Related to New Energies



- production of Hydrogens, and its related products such as Green Ammonias from water via renewable energy
- production of hydrogen from hydrocarbon or fossil fuels
- production of electricity or electricity and steam from hydrogen

Activities related to future foods



- manufacture of novel food
- manufacture of organic food
- manufacture of food with health claims

Aerospace-related activities



- manufacture of ground support equipment
- manufacture of mechanical or electronic parts for satellites
- design and development of systems for satellites and ground stations
- space launching services or manufacture of launch mission control system



Sectors of Opportunities



Digital



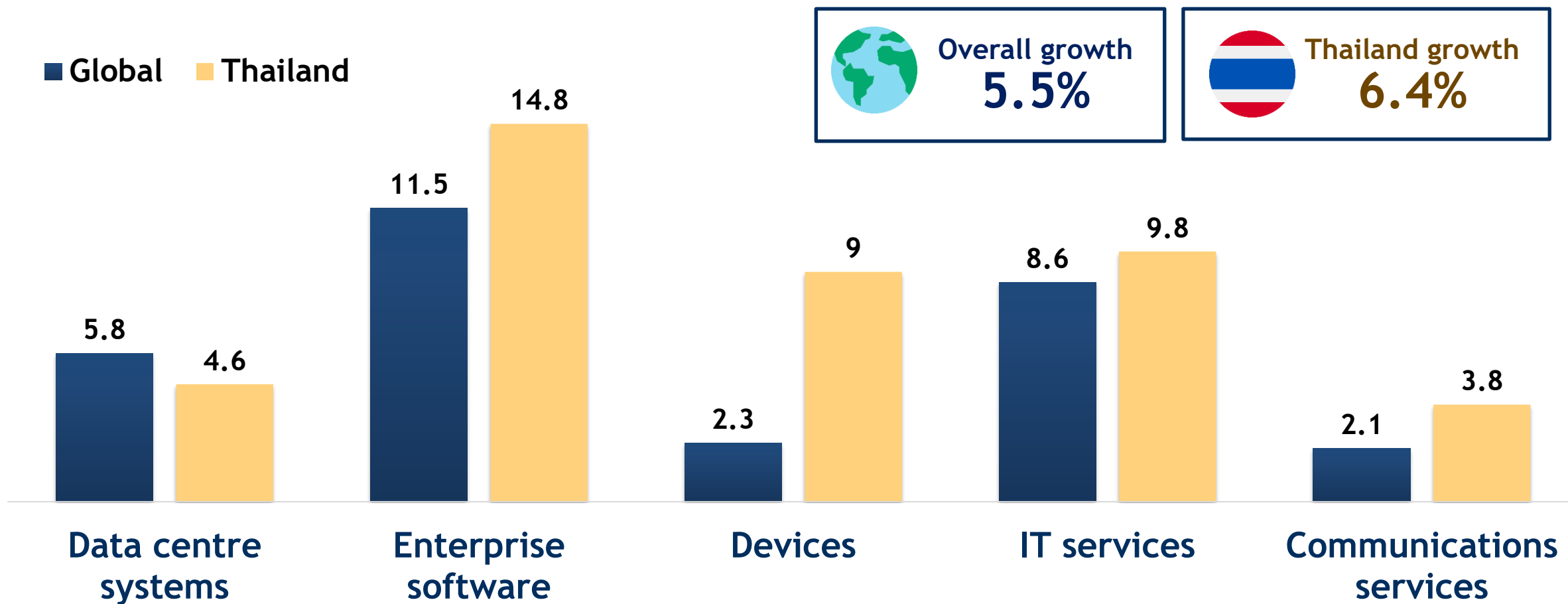
FoodTech &
AgriTech



Education &
Vocational
Institute

Thailand IT Spending 2022

IT Spending Forecast Growth by Segment (%)

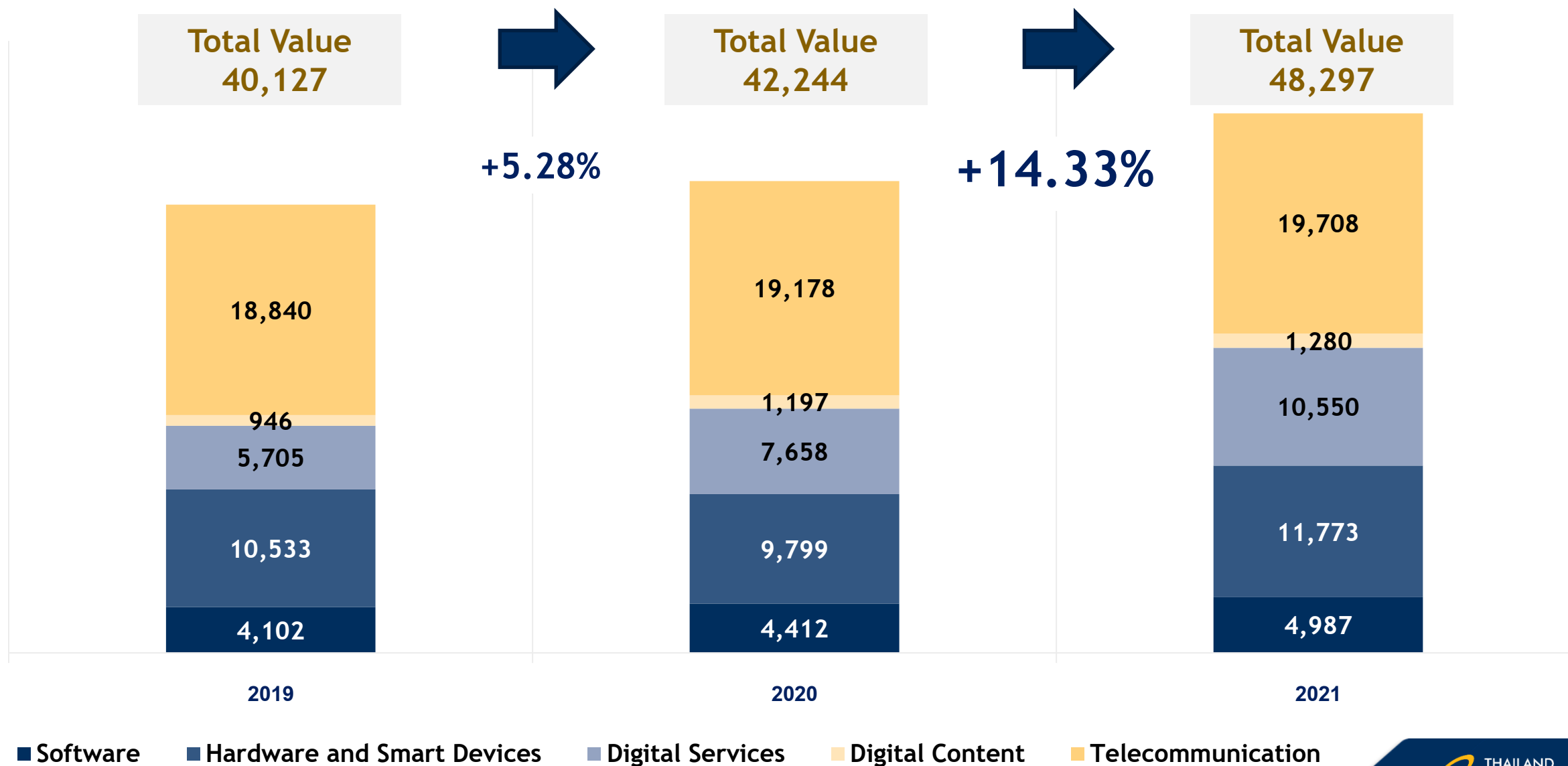




Industry value of Thailand Digital Economy 2019-2021



Unit: USD Million



Note: Exchange Rate from Bank of Thailand as of January 26, 2023 (1 USD = 32.8627)
Source: Digital Economy Promotion Agency



Forecasted Industry value of Digital Economy 2022-2024



Unit: USD Million

Sector	2022	2023	2024	Growth (%)		
				2022	2023	2024
Software	5,570	6,244	6,987	+11.7%	+12.1%	+11.9%
Hardware and Smart Devices	12,256	12,942	13,874	+4.1%	+5.6%	+7.2%
Digital Services	13,820	17,096	21,113	+31%	+23.7%	+23.5%
Big data	571	666	757	+17.5%	+16.5%	+13.8%

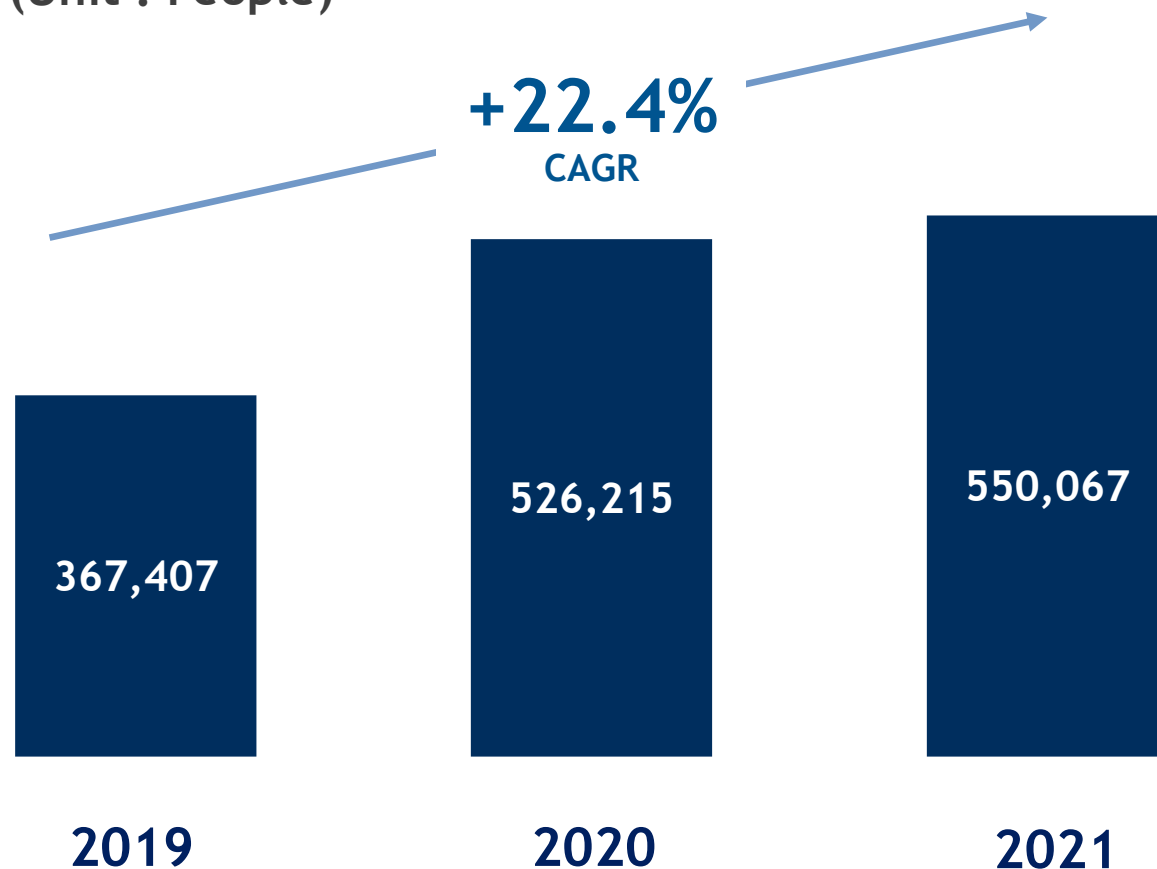
Note: Exchange Rate from Bank of Thailand as of January 26, 2023 (1 USD = 32.8627)

Source : Digital Economy Promotion Agency

Labor Force in Digital Industry

Total Number of Labor in digital industry

(Unit : People)



Key Takeaways

- Upward trend in total number of labor in Thailand with CAGR 22.4 %
- Hardware and smart services sector represented 57% of total number of labor
- Digital services sector demonstrated the highest growth in total number of labor at 26.5%



Investment Incentives for Digital Industry

Digital Activities



8 years CIT Exemption for:

- Development of Software, Digital Platform, or Digital Content

Digital Infrastructure



8 years CIT Exemption (with no cap) for:

- Data center
- Cloud service
- Innovation Park

8 years CIT Exemption for:

- International high-speed marine communication circuits

Digital Ecosystem (Supporting Business)



8 years CIT Exemption (with no cap) for:

- Vocational Training Center
- High-potential academies and institutions for higher education

5 years CIT Exemption for:

- Maker space or fabrication laboratory

No CIT Exemption for:

- Co-working space

Smart City



8 years CIT Exemption for:

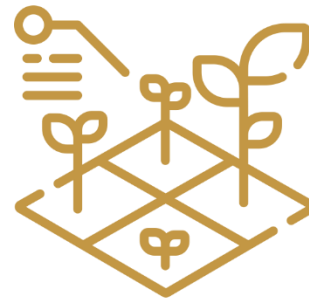
- Smart City Area Development
- Smart City System Development



Sector of Opportunities



Digital



FoodTech &
AgriTech



Education &
Vocational
Institute



Thailand's food tech offers attractive opportunities

Food technology is a technology helping in process improvement of food's quality, delivery, and related process, which have a global market value over **250 Billion USD**.

Business Opportunities

- 1 Food delivery Platform**
Platform such as GrabFood, Line Man, Food Panda and Gojek
- 2 On-demand Food Discovery & Ordering**
Platform for restaurant searching and reservation such as Yelp and Wongnai
- 3 Smart Kitchen Appliance**
Easing food cooking processes such as setting up IOT system with kitchen appliance or automation system in McDonald
- 4 Supply and Waste Management**
SCM in restaurant such as algorithm Eden from Walmart
- 5 Meat Substitute**
Vegetables, soybeans, and other ingredients will replace the meat

Support Factors



Health-Conscious Trends



Aging Society



Demand of Delivery Services



Environmental friendliness



Product's uniqueness

Implementing AgriTech to Advance Smart Farming

Key Components of Smart Farming

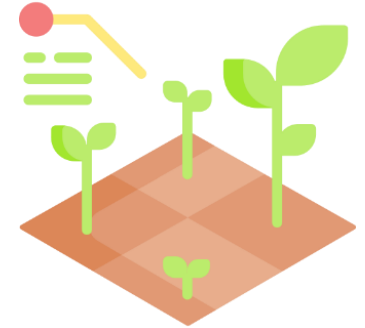


Data

Combine with



Technology

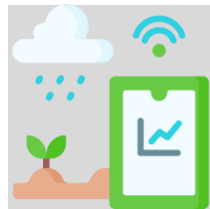


Smart Farming

Example of Technology Use in Smart Farming



Drone



Climate Condition
Monitoring



Greenhouse
Automation



Predictive
Analytic



Cattle Monitoring

BOI Incentives for the Agri-food Industry

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



Manufacture of **Organic Starch or Organic Flour**



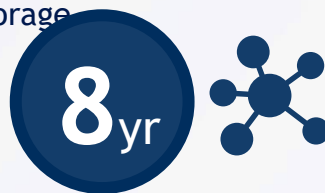
Manufacture of **Future Food**
e.g. food with health claims, novel food, organic food, medical food



Manufacture of **Therapeutic Pet Food**



Adoption of **Advanced Technologies**
e.g. fruit ripeness sensor, radio frequency pest control, nuclear magnetic resonance in grading, packing, storage



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



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



Manufacture of **Food, Beverage and Seasoning ingredients** excluding alcoholic beverages, caffeinated drinks, bakery products and candies



Manufacture of **Oil or Fat** from plants or animals, except soybeans



Investment in **Plant Factories**

Investment Incentives for the Agri-food Industry



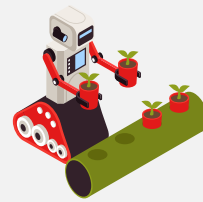
Upstream Agriculture

- Economic forest plantation and Energy crop plantation (A1)
- Animal propagation or animal husbandry (A3)
- Slaughtering (A3)
- Deep sea fishery (A3)



Processed Agricultural Products

- Starch (A2 - A4)
- Oil or fat (A3)
- Tanneries or leather finishing (A3)
- Natural rubber products (A2)
- Food, beverage, food additive, food ingredient or dietary supplement (A3)
- Future food (A2)
- Sugar (A4)
- Animal feed or food ingredients (A2 - B)
- Products from agricultural by-products or agricultural waste
Fuel or pharmaceutical grade alcohol from agricultural products, including agricultural scrap or waste (A3)
- Natural extracts or products from natural extracts (A2 - A3)



Modern Agriculture

- Plant or animal breeding (A3)
- Modern agricultural products or services related to modern agriculture (A1 - A4)
- Plant Factory (A3)



Supporting Agriculture Industry

- Biological fertilizer, organic fertilizer, nano-coated organo chemical fertilizer and bio-pesticide (A3)
- Crop drying and silo facilities (A2 - B)
- Grading, packaging and storage of plants, vegetables, fruits, or flowers (A4 - B)
- Cold storage, or cold storage and cold storage transportation (A4 - B)
- Trading center for agricultural goods (A3)
- Digital trade center for agricultural products (A3)



Sector of Opportunities



Digital



FoodTech &
AgriTech



**Education &
Vocational
Institute**



Target activities for Human Resources Development

Activities	Conditions	Incentives
10.7.1 Vocational training center	<ul style="list-style-type: none">Project must have teach or train technical courses in specific fields, including design training center, as approved by the Board.Project must have necessary equipment, vocational training lab, and others.	A1 (8 years no cap)
10.7.2 High-potential academies and institutions for higher education	<ul style="list-style-type: none"><u>High-potential academies</u><ol style="list-style-type: none">Project must be high-potential academy, which focuses on science and technology education.Project must be located in the Eastern Economic Corridor (EEC) or other special economic zones for high-potential academies designated by the Cabinet.Project must comply with rules and regulations as approved by the Board.<u>High-potential institutions for higher education</u><ol style="list-style-type: none">Project must be high-potential institutions for higher education. In case of foreign investment, projects must be approved by the Commission for High-potential Foreign Higher Education Institutions.Project must be located in the Eastern Economic Corridor (EEC) or other special economic zones for high-potential institutions for higher education designated by the Cabinet or other zones designated by the Commission for High-potential Foreign Higher Education Institutions.Project must comply with rules and regulations as approved by the Board.	

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Other Supports from BOT

Long-Term Resident Visa (LTR)

4 Types of Long-Term resident Visa

- 01 Wealthy Global Citizen
- 02 Wealthy Pensioner
- 03 Work-From Thailand Professional
- 04 Highly-skilled Professional

Long - Term Resident Visa Privileges

- 10* years renewable visa for applicant and maximum 4 dependents including spouse and children (under 20 years old)
- Exemption from 4:1 employment ratio
- Access to immigration and work permit services at One Stop Service Center for Visa and Work Permit
- 90-day report extended to 1-year report and exemption of re-entry permit
- Permission to work in Thailand (Digital Work permits will be granted to the visa holder and spouse)
- Other benefits i.e. 17% Personal income tax for Highly-skilled professionals



LTR Visa Status as of January 31, 2023



178
(7.1%)

Wealthy Global
Citizens



882
(35%)

Wealthy
Pensioners



678
(26.9%)

Work-from-
Thailand
Professionals



334
(13.3%)

Highly Skilled
Professionals



447
(17.7%)

Dependents

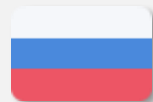
Top 5 Nationalities applying Thailand LTR Visa



American
454



Chinese
283



Russian
239



British
213



German
137



Australian
111



New Zealand
17

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!**



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