

INVESTMENT OPPORTUNITIES IN THAILAND

**DUANGJAI ASAWACHINTACHIT
DEPUTY SECRETARY GENERAL
THAILAND BOARD OF INVESTMENT
AUGUST 2012
AUSTRALIA**

THAILAND IN BRIEF

Thailand in Brief



Population: 67 Million
Labor Force: 39 Million

2nd largest economy
in ASEAN



THAILAND is the world's
•17th largest manufacturer
•20th largest exporter of goods
•33th largest economy

Per capita GDP (PPP)
(2011): US\$ 9,700

Thailand is an upper
middle income country

Note: Exchange rate: A\$1=Bt31.46 in 2011

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ECONOMIC PROJECTIONS OF 2012 (AS OF JUNE 2012)

Projections (percent y-o-y)	2011	2012f	
		Average	Range
Economic Growth Rate	0.1	5.7	5.2 - 6.2
Real Consumption Growth	1.3	5.1	4.6 - 5.6
Real Investment Growth	3.3	12.7	11.7 - 13.7
Export Volume of Goods and Services	9.5	8.0	7.0 - 9.0
Import Volume of Goods and Services	13.6	13.4	12.4 - 14.4
Trade Balance (US\$ Billion)	23.5	7.4	6.4-8.4
- Export Value of Goods and Services	16.4	12.8	11.8 - 13.8
- Import Value of Goods and Services	24.7	22.3	21.3 - 23.3
Current Account (US\$ Billion)	12.3	-1.3	(-0.4) - (-3.3)
- Percentage of GDP	3.4	-0.4	(-0.1) - (-0.9)
Headline Inflation	3.8	3.5	3.0 - 4.0
Core Inflation	2.4	2.3	1.8 - 2.8
Unemployment Rate (% of total labour force)	0.7	0.6	0.5 - 0.7

Source: Fiscal Policy Office, Ministry of Finance as of June 2012

THAILAND'S TOP 10 IMPORTS IN 2008 – 2011

Unit: A\$ Billion

	2008	2009	2010	2011
Crude oil	31.85	20.93	24.76	32.02
Machinery and parts	15.76	13.23	17.01	19.35
Jewelry including silver bars and gold	9.39	5.98	10.15	19.31
Chemicals	13.35	9.48	12.81	14.47
Iron, steel and products	14.56	8.05	11.92	13.48
Electrical machinery and parts	11.37	10.28	12.37	12.94
Electronic integrated circuits	9.72	8.86	10.96	9.79
Other metal ores, metal waste scrap, and products	8.45	5.19	7.64	8.68
Computers, parts and accessories	8.26	7.47	8.30	8.34
Parts and accessories of vehicles	4.24	3.68	6.01	6.31
Others	62.55	53.13	64.20	76.94
Total	189.51	146.27	186.14	221.64



Note: Exchange rate: A\$1=Bt31.46 in 2011

Source: Ministry of Commerce, as of January 23, 2012



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PRINCIPAL IMPORTS FROM AUSTRALIA

Unit: A\$ billion

Description	2009	2010	2011	2011 (Jan)	2012 (Jan)
Crude oil	1.02	2.00	1.97	0.30	0.11
Other metal ores, metal waste, scrap and products	0.67	0.66	0.83	0.05	0.06
Vegetables and vegetable products	0.22	0.22	0.30	0.02	0.06
Iron, steel and products	0.08	0.24	0.38	0.01	0.03
Natural gas	0.03	0.09	0.15	-	0.02
Others	2.16	2.80	4.05	0.58	0.10
Total	4.19	6.01	7.69	0.97	0.39



Source: MOC, as of March 16, 2012 Exchange rate: A\$1 = Bt31.46 in 2011



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THAILAND'S TOP 10 EXPORTS IN 2008 – 2011

Unit: A\$ Billion

	2008	2009	2010	2011	Growth (voy)
Automatic data processing machines and parts	19.24	17.34	18.96	16.33	-13.91
Motor cars, parts and accessories	16.31	12.03	17.83	16.26	-8.84
Rubber	7.11	4.65	7.92	12.62	59.30
Precious stones and jewellery	8.71	10.61	11.66	11.80	1.21
Refine fuels	8.26	5.87	7.09	8.88	25.22
Polymers of ethylene, propylene, etc., in primary forms	5.76	4.83	6.37	8.43	32.44
Rubber products	4.76	4.86	6.47	8.04	24.35
Chemical products	4.50	4.84	5.80	7.95	37.04
Electronic integrated circuits	7.56	6.98	8.11	7.57	-6.72
Rice	6.46	5.47	5.35	6.23	16.60
Others	97.30	87.64	100.74	115.09	14.24
Total	185.98	165.10	196.30	219.19	11.66



Note: Exchange rate: A\$1=Bt31.46 in 2011

Source: Ministry of Commerce, as of January 23, 2012



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PRINCIPAL EXPORTS TO AUSTRALIA

Unit: A\$ billion

Description	2009	2010	2011	2011 (Jan)	2012 (Jan)
Motor cars, parts and accessories	2.32	3.25	2.47	0.20	0.14
Precious stones and jewellery	2.23	1.53	0.73	0.01	0.08
Refine fuels	0.12	0.12	0.18	0.03	0.04
Air conditioning machine and parts thereof	0.33	0.39	0.35	0.02	0.03
Prepared or preserved fish, crustaceans, molluscs in airtight	0.22	0.25	0.29	0.02	0.03
Others	4.05	3.92	3.64	0.26	0.26
Total	9.28	9.44	7.66	0.55	0.57



Source: MOC, as of March 16, 2012 Exchange rate: A\$1 = Bt31.46 in 2011

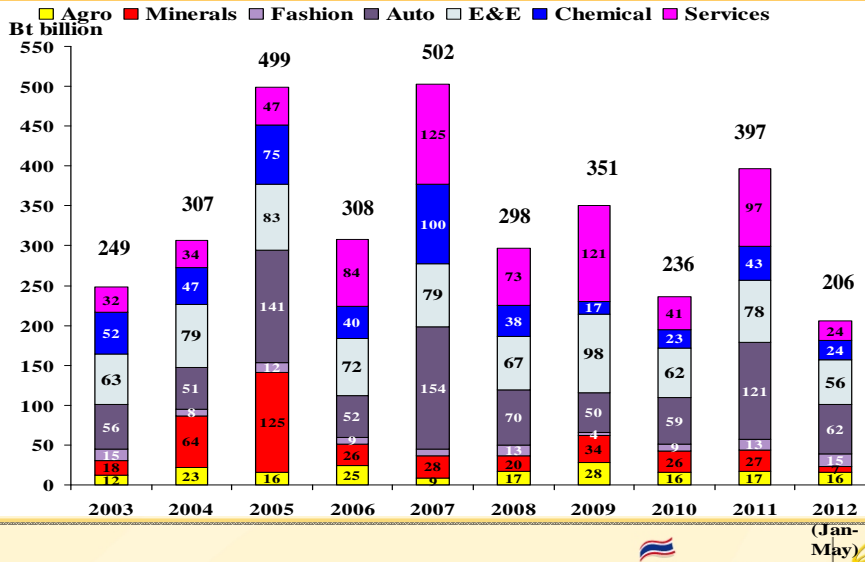


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NET FOREIGN APPLICATIONS SUBMITTED 2003-2012 (JAN-MAY) BY SECTOR



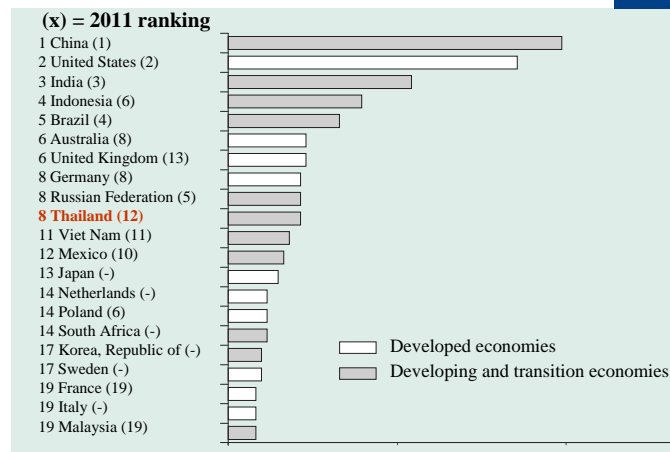
Source: BOI, as of June 27, 2012

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TNCS' TOP PROSPECTIVE HOST ECONOMIES FOR 2012-2014

(PERCENTAGE OF RESPONDENTS SELECTING ECONOMY
AS A TOP DESTINATION)



Source: UNCTAD Top host economies for FDI 2012-2012 as of July 12, 2012

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Australian Investment Applications Totals by Sector: 2006 – 2012 (Jan-Apr)

Sector	Projects	A\$ Million
Minerals and Ceramics	3	163.42
Metal Products and Machinery	43	117.38
Agricultural Products	14	92.50
Light Industries/Textiles	19	69.04
Chemicals and Paper	9	56.75
Services	28	29.81
Electric and Electronic Products	19	21.78
TOTAL	135	550.68

Source: BOI, as of May 24, 2012 Note: Exchange rate: A\$1=Bt32.72 in Q1, 2012

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EXAMPLES OF AUSTRALIAN INVESTMENT IN THAILAND



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COST-COMPETITIVE LOCATION

World Bank Thailand among the easiest places in Asia to do Business *and 17th in the World*

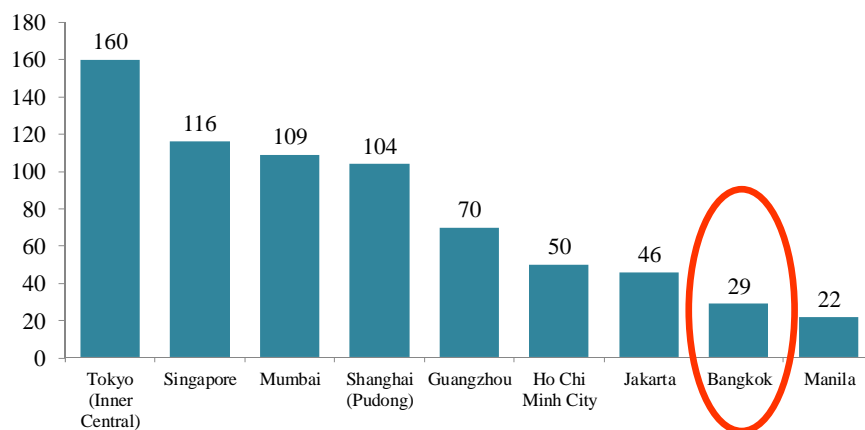
2012		2012	
1	Singapore	11	Finland
2	Hong Kong	12	Saudi Arabia
3	New Zealand	13	Canada
4	United States	14	Sweden
5	Denmark	15	Australia
6	Norway	16	Georgia
7	United Kingdom	17	Thailand
8	Korea, Rep	18	Malaysia
9	Iceland	19	Germany
10	Ireland	20	Japan



Source: Doing Business 2012

AFFORDABLE OFFICE SPACE

A\$/sq ft/annum



Source: CBRE Market View Asia Pacific Office, Q1/2012 as of June 13, 2012
Note: US\$1=31.29 and A\$1=Bt31.60 in Q2, 2012

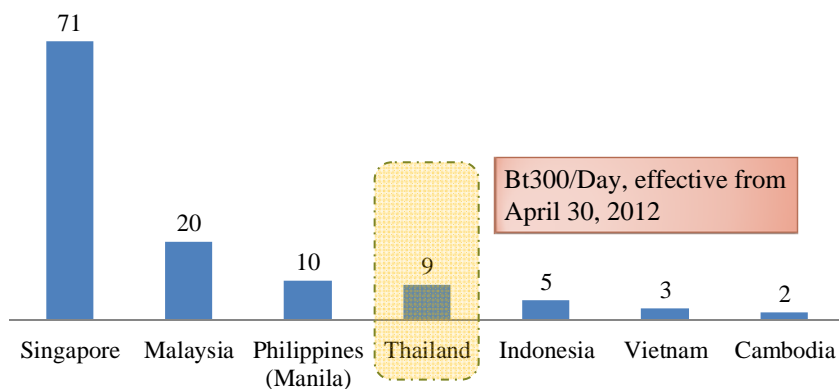
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ASEAN LABOR'S MINIMUM WAGE RATE

ASEAN Min. Wage Rate (A\$/Day)

■ A\$/Day



Source: www.bles.dole.gov.ph as of Jun 28, 2012
Note: US\$1=31.29 and A\$1=Bt31.60 in Q2, 2012

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THAILAND'S INFRASTRUCTURE: TRANSPORTATION SECTOR



Road

- National highway: 63,100 km.
- Rural road: 39,254 km.
- Local road: 101,845 km.



Water

- Total international deep sea port: 6 ports
- Laem Chabang: 7.7 Million TEUs/Year
- Bangkok: 1.34 Million TEUs/Year



Rail

- Single track: 3,885 km.
- Double & third track: 234 km.



Air

- Total: 36 airports
- Suvarnabhumi airport: 45 Million /Year
- Don Muang airport: 36 Million /Year
- Phuket airport: 6.5 Million /Year
- Chiang Mai airport: 8 Million /Year



Source: NESDB, as of July 10, 2012

Map of basic infrastructure sites and industrial parks in and around Bangkok



INFRASTRUCTURE DEVELOPMENT PLAN (2012-2020)

Sector	Amount (Billion US\$)	Share (%)
1. Land transport	46.66	65
2. Air and marine transport	4.71	6
3. Energy	15.86	22
4. Telecommunications	1.12	2
5. Utility	3.72	5
Total	72.06	100

Source: NESDB and Ministry of Finance, Mar 2012

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High Speed Train



Route	From	To	Distance	Budget (€Billion)
North	Bang Sue	Chiang Mai	745 km.	5.57
North-East	Bang Sue	Nong Khai	615 km.	2.37
East	Makkasan	Rayong	330 km.	1.75
South	Bang Sue	Hua Hin	225 km.	1.98



Source: NESDB, as of March 25, 2011
Note: €1=Bt40.64 in Q1, 2012

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2011 EXPAT EXPERIENCE

Countries	Overall Experience	Overall Setting up	Overall Integration	Overall Quality of Life
Thailand	1	4	12	1
Canada	2	7	8	2
South Africa	3	3	11	5
Malaysia	4	10	16	4
Philippines	5	12	17	3
Australia	6	2	5	10
Spain	7	11	1	9
New Zealand	8	1	21	8
Belgium	9	20	19	6
United States	10	9	9	16

Source: Expat Explorer Survey 2011, HSBC Nov.

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MARKET POTENTIAL

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ASEAN Connection

Thailand

- 67 million population
- GDP (2011) USD 351 Billion



ASEAN

- GDP (2011): US\$2,112.4 Bn*
- GDP per capita: US\$3,376
- GDP Growth: 5.7% and 6.4% in 2011-2012
- Population: 600 million people
- Area: 4.46 million km2



ASEAN+3

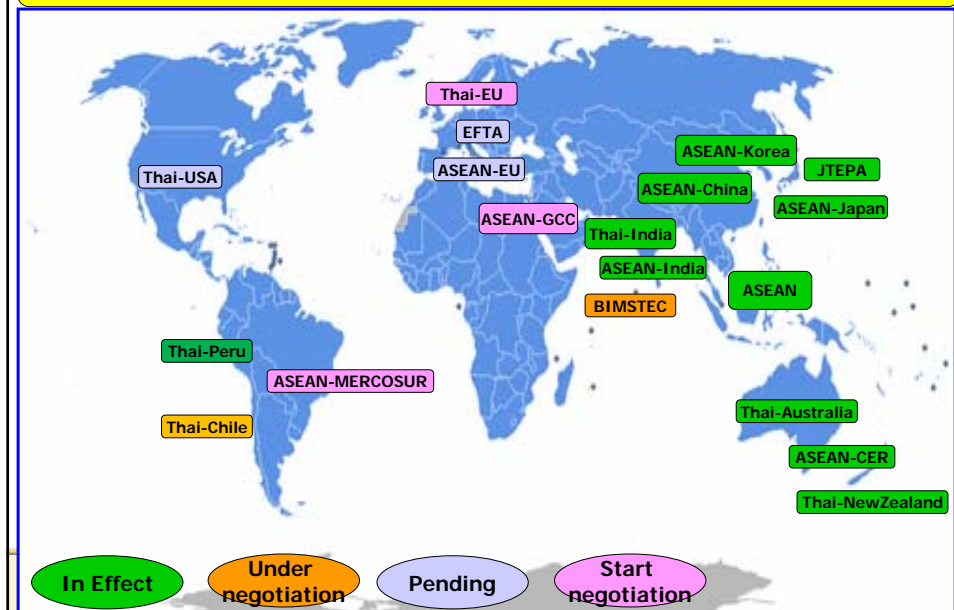
- +2 billion pop.(1/3 world pop.)
- US\$9 trillion GDP (16% of world GDP)



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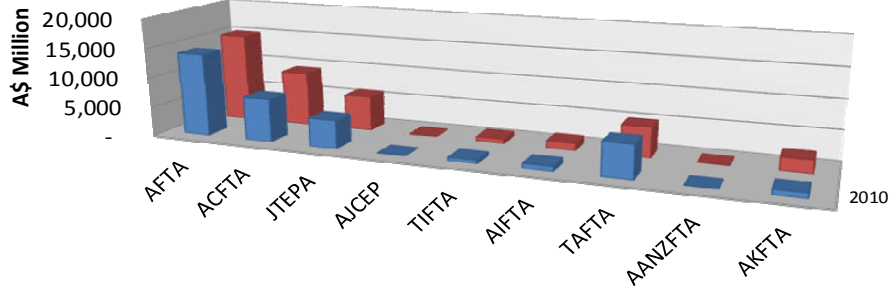
Thailand's FTA and Trade Partners



Source: Department of Foreign Trade, www.thaifta.com, CIA Factbook, as of Jun 7, 2012

THAILAND'S **EXPORTS** WITH FTA PARTNERS, 2010-2011

Thailand's Exports with ASEAN+1 & FTAs, 2010-2011



	AFTA	ACFTA	JTEPA	AJCEP	TIFTA	AIFTA	TAFTA	AANZFTA	AKFTA
■ 2010	13,886	7,300	4,725	26	561	867	5,558	26	871
■ 2011	15,032	9,269	5,980	48	741	1,212	4,987	91	2,193

Source: www.moc.go.th as of July 03, 2012
Note: US\$1=31.29 and A\$1=Bt31.60 in Q2, 2012

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DOING BUSINESS IN THAILAND

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Thailand and the BOI offer:



TAXATION

- Corporate income tax
 - 0, 10% for regional operating headquarters
 - 15-23% for net profits (for firms with capital of \leq 5 million baht)
 - 23% of net profits (for other firms)
- VAT – 7%
- Remittances: 10% of gross remittances
- Withholding: 10-15%
- Personal income:
 - 0-37% (sliding scale)
 - 15% flat rate for expats working for regional operating headquarters

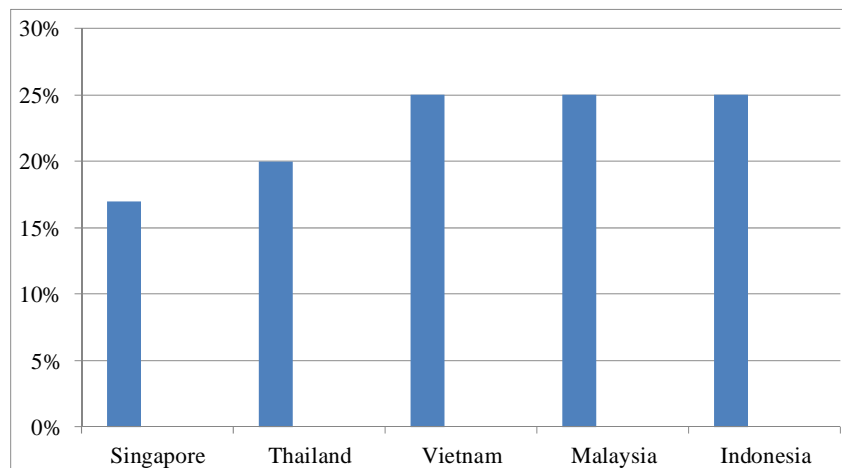
Tax Package of Regional Operating Headquarters

Benefit	Benefit	Benefit
For portion of income from OVERSEAS OPERATIONS	For portion of income from LOCAL OPERATIONS	For income of EXPATRIATE EMPLOYEES
0% CORPORATE INCOME TAX for 15 years	10% CORPORATE INCOME TAX for 15 years	15% PERSONAL INCOME TAX for 8 years
Key Conditions		Key Conditions
<ul style="list-style-type: none"> - In 1st fiscal year, have one operating company in another country; a second within 3rd year; a third within 5th year - Have annual expenses in Thailand of Bt15 million, or have invested at least Bt30 million in Thailand - By end of 3rd year, 75% of ROH personnel to be qualified staff, and 5 persons earning at least Bt2.5 million annual salary and benefits per person - All companies must be real operating companies with a physical presence and staff 		<p><i>In addition to conditions for income from overseas and local operations:</i></p> <ul style="list-style-type: none"> - Income generated from services to overseas companies must be at least 50% of total revenues

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ASEAN CORPORATE INCOME TAX 2013



Source: KPMG

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BASIC BOI PRIVILEGES AND MEASURES

Tax Incentives

- ❑ Corporate income tax holidays up to 8 yrs
 - Additional 50% reductions of corporate income tax for 5 yrs
- ❑ Import duty reductions or exemptions on machinery and raw materials
- ❑ Double deduction of public utility costs
- ❑ Deductions for infrastructure construction/installation costs

Non-Tax measures

- ❑ Land ownership rights for foreign investors
- ❑ One Stop Services Center (OSOS)
- ❑ Work permit/visa facilitation for foreign experts and technicians

One-Stop-Shop

Visas & Work Permits are issued in **3 hours**

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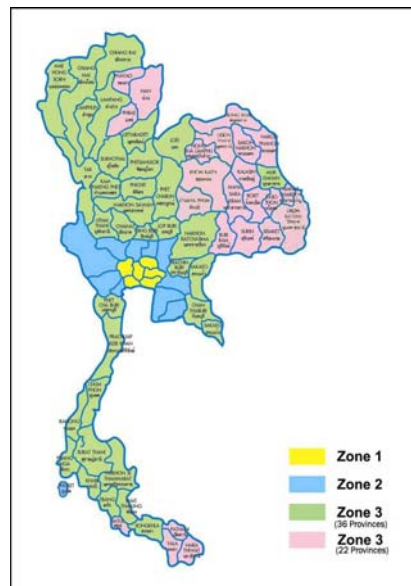
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BOI ZONING AND INCENTIVES

Zone: 1 2 3
 Incentives: Lower ➔ Higher

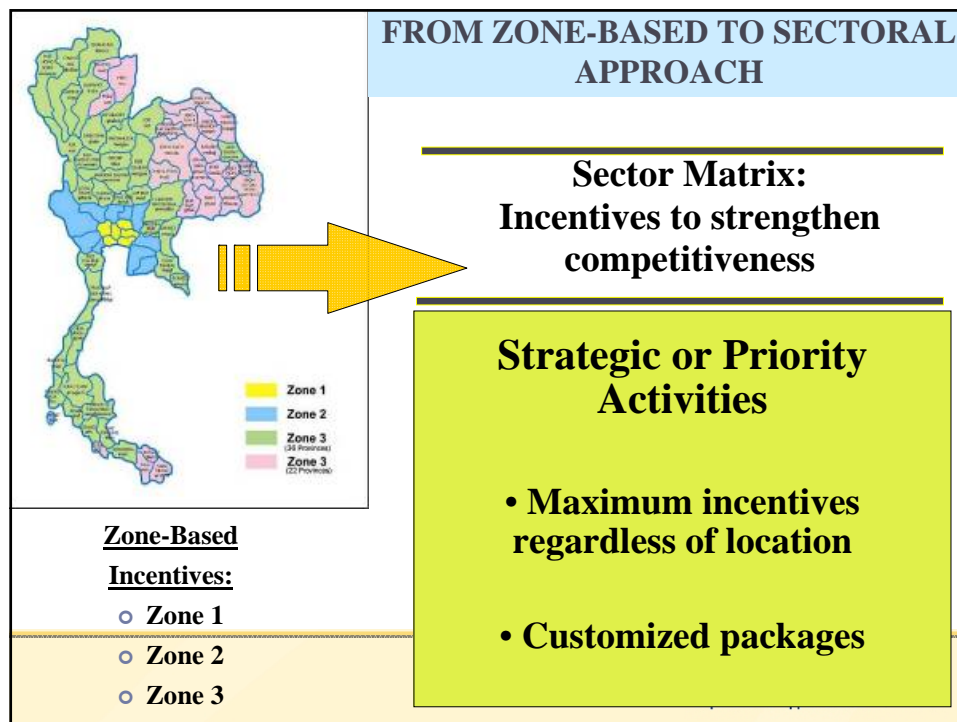
Import Duty Privileges	Outside I.E	Inside I.E
Zone 1	50% Reduction	50% Reduction
Zone 2	50% Reduction	Exempt
Zone 3	Exempt	Exempt

Corporate Income Tax	Outside I.E	Inside I.E
Zone 1	No Privilege	3 years
Zone 2	3 years	7 years
Zone 3	8 years	8 years



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EXAMPLES OF PRIORITY ACTIVITIES

- Agriculture and agro-industries
- R&D
- Software development
- Molds & Dies
- Biotechnology
- Alternative energy
- Manufacture of hi-tech products e.g. advanced ceramics
- Waste recycling & recovery

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STI INCENTIVES (OPTIONAL)

Criteria

Investments and expenditures on:

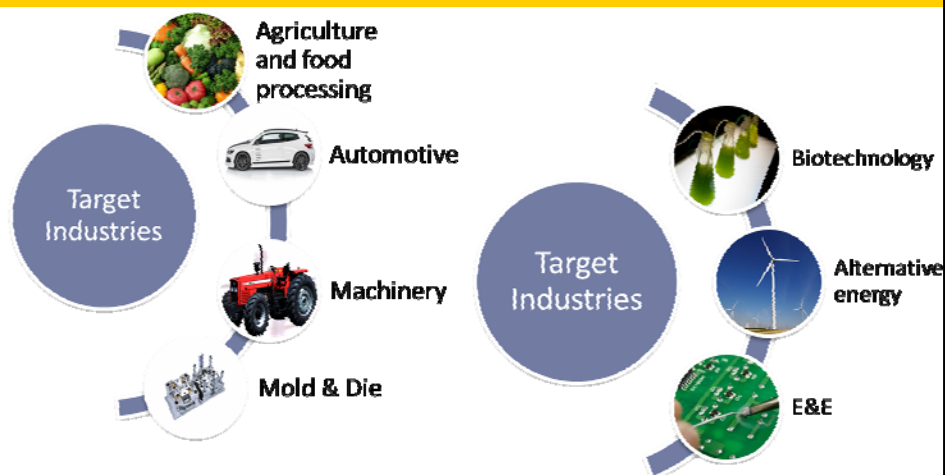
- Research and development or design
- Advanced technology training
- Funding educational and research institutions
- Contribution to Science and Technology Development Fund

Required STI Investment & Expenditures	Additional Year of Corporate Income Tax	Exemption of Import Duties on Machinery	Removal of Corporate Income Tax Exemption
1% of the first 3 years' sale or at least Bt150 million, whichever is less	1	✓	✓
2% of the first 3 years' sale or at least Bt300 million, whichever is less	2	✓	✓
3% of the first 3 years' sale or at least Bt450 million, whichever is less	3	✓	✓

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Sectors of Opportunity



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THAILAND AUTOMOTIVE INDUSTRY



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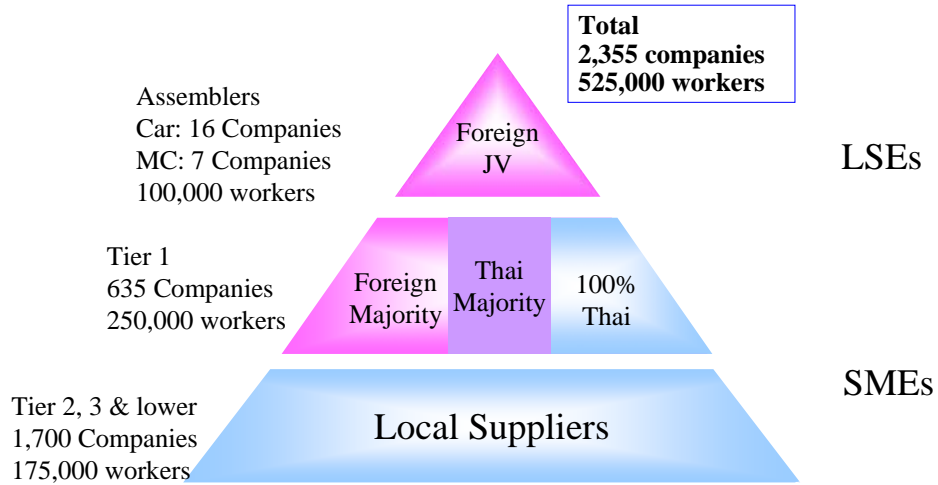
Thailand's Automotive Industry Overview

Thailand: 14th largest automobile producer and 7th largest automotive exporter in the world in 2011	Target: Top-10 by 2014, with the expected output of 2.3 million units	Output: 14 assemblers with a combined production of 1,457,795 units in 2011 (50.46% for export)	High local content : 80-90% for pick-up and 30-70% for passenger car
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Structure of Thailand Automotive Industry

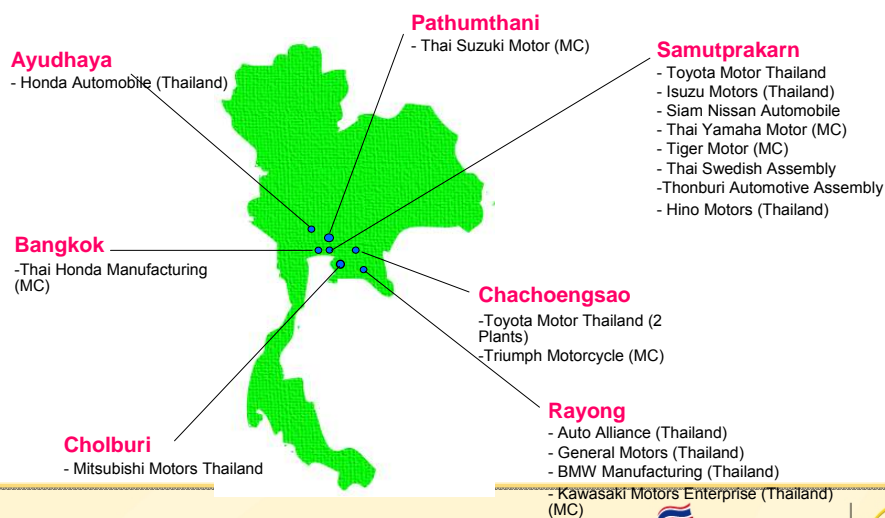


Source: TAI, Last updated 2010

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MAPPING OF AUTO-ASSEMBLERS



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Mapping of Auto Parts Manufacturers

Pathumthani

Total suppliers: 39

Body Parts: 18%, Engine Parts: Electrical Parts: 13% each, Suspension & Brake Parts: 10%, Drive, Transmission & Steering Parts: Accessories: 8% each, Other: 31%

Bangkok

Total suppliers: 232

Body Parts: 9%, Engine Parts: Electrical Parts: Drive, Transmission & Steering Parts: Accessories: 6% each, Suspension & Brake Parts: 4%, Mold&Die: 3%, Other: 60%

Samutprakarn

Total suppliers: 158

Body Parts: 22%, Electrical Parts: 15%, Engine Parts: Drive, Transmission & Steering Parts: 8% each, Suspension & Brake Parts: 5%, Mold&Die: 4%, Accessories: 3%, Other: 36%

Rayong

Total suppliers: 41

Body Parts: 24%, Engine Parts: Drive, Transmission & Steering Parts: 15% each, Suspension & Brake Parts: 12%, Electrical Parts: 10%, Accessories: 7%, Mold&Die: 2%, Other: 15%

Chonburi

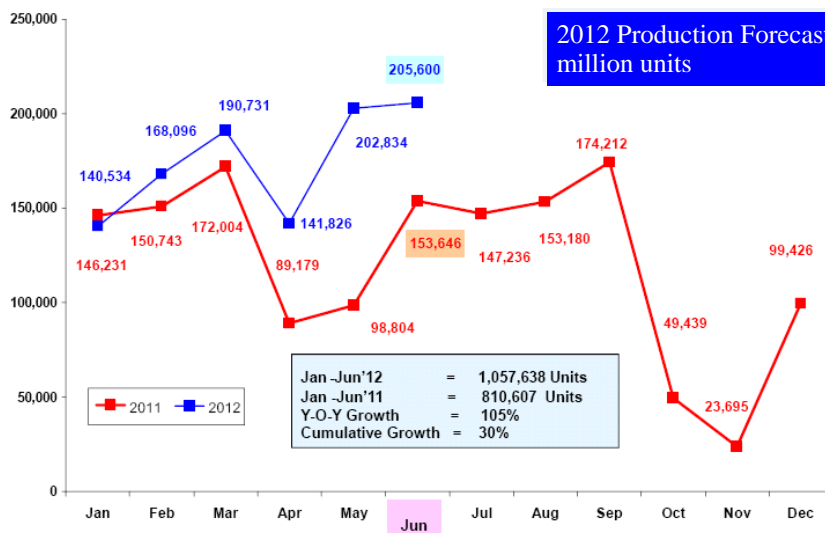
Total suppliers: 55

Body Parts: 25%, Engine Parts: 22%, Drive, Transmission & Steering Parts: 15%, Electrical Parts: 9%, Accessories: 5%, Suspension & Brake Parts: 4%, Mold&Die: 4%, Other: 16%

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Car Production in 2012 (Jan-June)



Source: Thailand Automotive Institute

Estimated Production Capacity

	2012	Investment	2015
Toyota	700,000	200,000	900,000
Ford & Mazda	500,000	-	500,000
Mitsubishi	400,000	100,000	500,000
Isuzu	220,000	100,000	320,000
Honda	240,000	-	240,000
Nissan	240,000	-	240,000
Suzuki	135,000	65,000	200,000
GM	160,000	-	160,000
Others	80,000	-	80,000
TOTAL	2,675,000	465,000	3,140,000

Forecasted by TAI Feb 2012

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Top 100 Global Suppliers 2010 Active in Thailand

Japanese Global Suppliers		Other Global Suppliers	
2. Denso	46. Bridgestone	1. Robert Bosch	44. Federal-Mogul
4. Aisin Seiki	49. Tokai Rika	3. Continental	47. Michelin
13. Yazaki	57. Showa	6. Faurecia	50. GKN Driveline
15. Sumitomo	61. Mitsuba	7. Johnson Control	52. Goodyear
16. Toyota Boshoku	66. Asahi Glass	8. ZF	56. Grupo Antolin
18. CalsonicKansei	72. Stanley	11. TRW	58. Bayer
19. JTEKT	74. Akebono Brake	12. Delphi	59. TI Automotive
20. Hitachi	82. Sanden	14. Lear	65. Draexlmaier
28. Toyota Gosei	84. F-Tech	17. BASF	67. American Axle
33. NTN	92. Alpine	21. Valeo	73. Rieter Auto.
34. NSK	94. Pioneer	22. Visteon	84. F-Tech
35. Mitsubishi	98. Omron	23. Autoliv	86. Hayes Lammerz
39. NHK Spring		25. Mahle	93. 3M
40. Koito		27. Dana	
41. TS Tech		31. BorgWarner	
43. Takata		36. Teneco	
28/29 Companies		29/71 companies	

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Opportunities: Components Needed in Thailand

- ✓ Automatic Transmissions
- ✓ Continuously Variable Transmissions (CVT)
- ✓ Traction motors for automobiles
 - ✓ e.g. hybrid or fuel cell cars
- ✓ Regenerative Braking System
- ✓ Electronic Stability Control (ESC)
- ✓ Automotive Electronics



Source: BoI Announcement No.2/2553, as of April 23, 2010

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Future Plans

- 3rd Product Champion (after one-top pick up trucks and eco cars)
- Focus on eco-friendly products
 - Electric Vehicles
 - Hybrid
 - Renewable energy
 - Raising energy efficiency
- Thailand as a “Big Bikes” Hub
 - Existing players-Triumph, Ducati, Kawasaki



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Machinery

Economic transition from labor intensive to knowledge-based is creating great demand

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OPPORTUNITIES IN MACHINERY

- Thailand continues to industrialize, but is dependent on foreign industrial machinery for immediate future.
- High demand for:
 - Food and farm machinery
 - Alternative energy/energy conservation machinery
 - Textile machinery
 - Automotive machinery
 - Mould & Die Industry



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OPPORTUNITIES IN AGRO-MACHINERY

- High demand for **drying, cooling and purifying machines**; **fruit, vegetable and cereal processing machines**, and also for **animal feeding**.



- More than 10,000 food-processing companies create a high demand for **packaging machinery** such as **filling, closing, sealing, wrapping and labeling machines**



BOI priority 8-year income tax holiday for processing and farm machinery (no cap)

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FOOD PROCESSING EQUIPMENT

- An abundance of investment opportunities in machinery used in the **packaging of agricultural products**, such as **filling, closing, sealing, wrapping and labeling machines**.
- Bt10.33 billion was (approx. AUD 303 million) spent in 2011 on importing machinery into Thailand for this purpose, and Bt1.11 billion was spent on machinery for the preparation of meat and poultry.



Source: Ministry of Commerce, as of Feb 2, 2012

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OPPORTUNITIES IN ALTERNATIVE ENERGY/ENERGY CONSERVATION MACHINERY

- Manufacture of **energy-saving machinery/equipment**
- Manufacture of **machinery/ equipment using alternative energy**



**BOI Priority Activities – 8 years (uncapped)
corporate income tax holiday, duty free machinery**



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OPPORTUNITIES IN TEXTILE MACHINERY

- Thailand dependent on **imported textile machinery, particularly bleaching, dyeing, printing, finishing machinery.**
- Investment opportunities also in : **Packaging, test and control equipment, production machinery**

Other Machinery Needed

Machinery for recycling businesses
Machinery for metal industries
Electrical control systems
Large plastic injectors



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SPECIFIC INDUSTRIAL MACHINERY NEEDED:

- Turning machines
- Drilling machines
- Milling machines
- Grinding machines
- Machine Centers
- Gear Cutting & Finishing Machines
- Die Sinking EDMs
- Wire Cut EDMs
- Laser Beam Machines
- Plasma Arc Cutting Machines
- Electron Beam Machines
- Broaching Machines

**BOI Priority Activities-8 years
corporate income tax holidays, duty free machinery**

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PRIORITY ACTIVITY: MOULD & DIE INDUSTRY

- Manufacture of *machinery and equipment*
- Manufacture of *moulds and dies and parts*
- Manufacture of *jigs and fixtures*
- Manufacture of *industrial machinery*:

**Turning machines, Drilling machines,
Milling machines, Grinding machines, Machine centers**

Privileges:

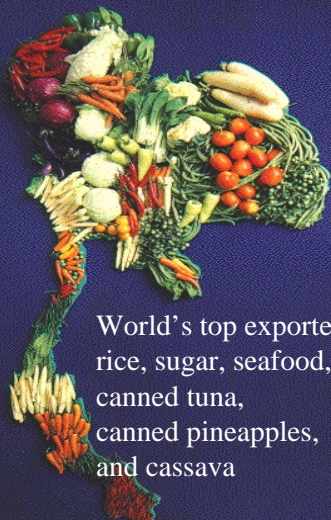
- Classified as a priority activity
- Exemption of machinery import duties
- 8-year cap-free corporate income tax exemption



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THAILAND'S AGRO INDUSTRY



World's top exporter of rice, sugar, seafood, canned tuna, canned pineapples, and cassava

- Thailand was the **first** country in Southeast Asia to adopt **agricultural biotechnology**.
- The processed food sector accounts for nearly **15%** of the national manufacturing output and contributes 52% of food exports, **Bt965** billion (A\$30.53 bn) in 2011.
- There are approximately **10,000** food processing companies in Thailand producing annual earnings of about A\$**25** billion.
- The 2011 export value of agricultural products was **Bt892** billion (A\$28.22 bn).

Source: National Food Institute and Ministry of Commerce, as of 21 February 2012
Note: A\$1=Bt31.60 in Q2, 2012

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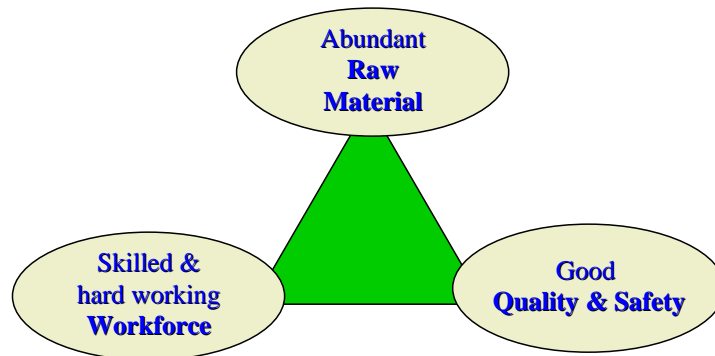
2011 THAILAND'S TOP FOOD EXPORT AND WORLD'S RANKING

THAILAND
12th in total food exports



STRENGTHS OF THAI FOOD INDUSTRY

> 80% of raw materials used by the food industry are locally sourced at low prices



Size of workforce now > 39.5 million
Minimum Daily Wage Bt300 (Bangkok)

GMP and International Standard
Good Manufacturing Practices is a mandatory measure for 54 types of food products

Source: Thailand Food Industry Outlook, Commercial Section, Royal Danish Embassy Mar 2011 Exchange rate: SEK1=Bt4.59 in Q1, 2012

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 **THAILAND**
BOARD OF
INVESTMENT

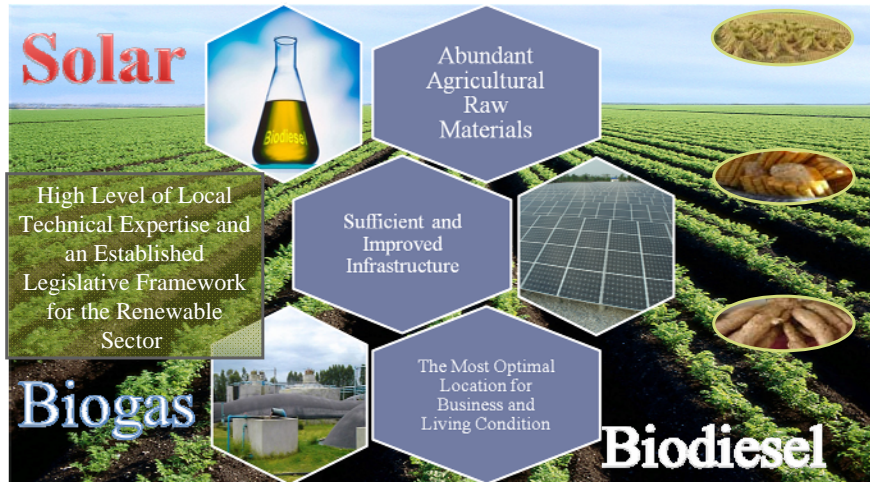


Renewable Energy

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 **THAILAND**
BOARD OF
INVESTMENT

GROWING OPPORTUNITIES: RENEWABLE & ALTERNATIVE ENERGY



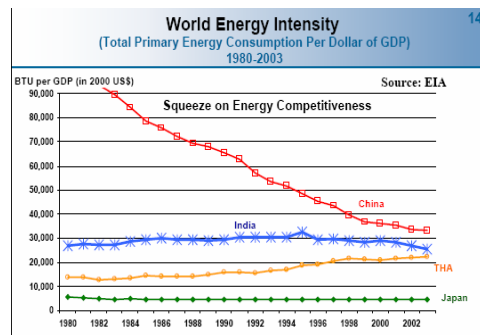
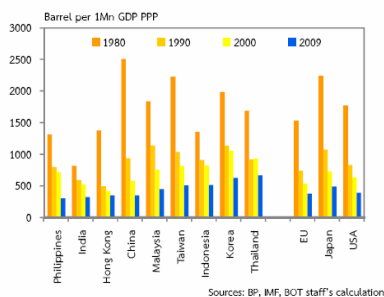
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Energy

- 60% of energy required is imported.
- Thailand has among the highest oil intensity in the world while relying more than 80% of its oil from imports.
- 70% of electricity is generated by using natural gas.

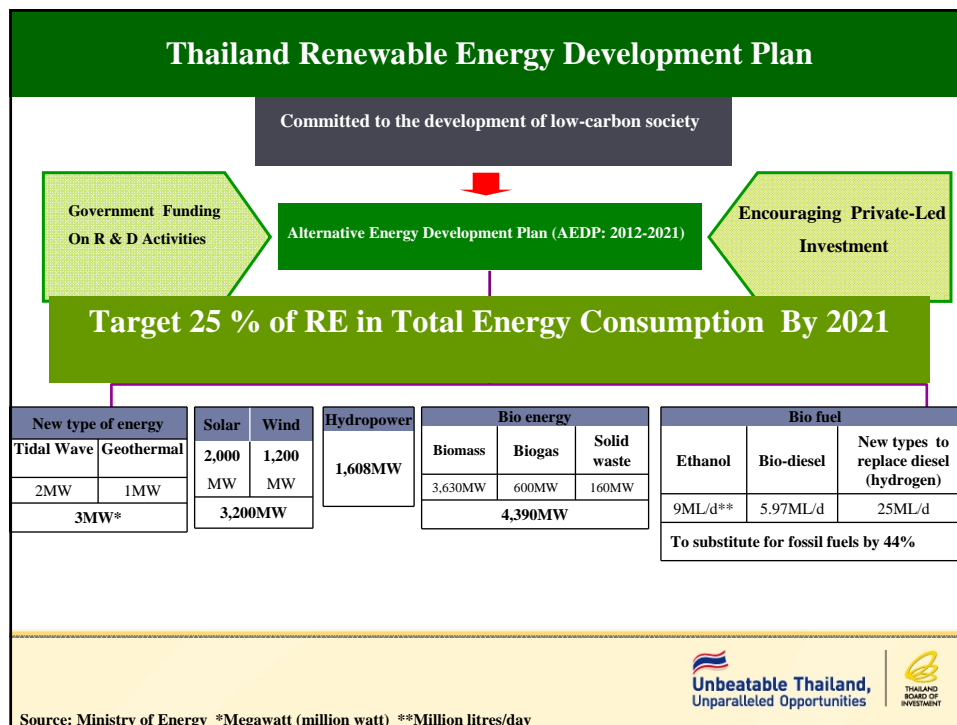
รูปที่ 3 Oil Intensity



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Source: 2012 Thailand Economic Outlook: Implications from the European Debt Crisis and the 2011 Flood / BOT as of Feb 8, 2012



Plentiful Supply of Raw Materials/Feedstock

- **Thailand is # 1 exporter of cassava/tapioca products and # 2 exporter of sugar in the world → availability of raw materials for ethanol.**
 - *Forecast available feedstock for ethanol: 3.7 mil. tons of cassava (out of 28.9 mil. tons)**
- **Thailand is a leading exporter of rice and other crops → availability of biomass feedstock if technology from cellulosic to liquid fuel is commercial.**
- **Large agro-industry such as tapioca, palm oil, modern farming & food processing → opportunities for bio-gas business combined with waste treatment units**
- **Promoting plantation of fast growing crops for power generation**
- **Yearly average photometry of 18.2 MJ/ m2 per day**

Strong Government Support

- Attractive tax incentives for alternative power producers
- Adder scheme
- Some direct subsidy (10-30%) on biogas, MSW, Solar-hot water projects
- Soft Loans for renewable energy
- Government Co-investing scheme (“ESCO Fund”)

BOI POLICIES TO PROMOTE RENEWABLE ENERGY

Incentives:

- Import duty exemption on machinery all zones, except Bangkok
- 8-year-corporate income tax exemption without being subject to a corporate income tax exemption cap, all zones except Bangkok
- 50% reduction of CIT on the net profit generated from investment for 5 years after the exemption period
- Double deductions for transportation, electricity and water costs for 10 years from the date of first income derivation from promoted activity
- Deduction of infrastructure installation or construction costs from net profit in addition to normal depreciation of not more than 25% of the project
- Applications must be submitted within Dec 31, 2012

“ADDER” : FEED-IN PREMIUMS

Fuel	Adder (B/kWh)	Supporting period (Year)
<input type="checkbox"/> Biomass - Installed capacity <= 1 MW - Installed capacity > 1 MW	0.50 0.30	7 7
<input type="checkbox"/> Biogas (all categories of production sources) <input type="checkbox"/> - Installed capacity <= 1 MW <input type="checkbox"/> - Installed capacity > 1 MW	0.50 0.30	7 7
<input type="checkbox"/> Waste (community waste, not hazardous industrial waste, and inorganic waste) - AD & b LFG - Thermal Process	2.50 3.50	7 7
<input type="checkbox"/> Wind power - Installed capacity <= 50 kW - Installed capacity > 50 kW	4.50 3.50	10 10
<input type="checkbox"/> Mini and micro hydropower - capacity 50-200 kW - capacity < 50 kW	0.80 1.50	7 7
<input type="checkbox"/> Solar power	6.50	10

Source: DEDE's Presentation by Deputy Director-General, as of Feb 21, 2012

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HIGH VALUE ADDED SERVICES

- **Services Industry account for about 50% of GDP**
- **Ample opportunities:**
 - Regional Operating Headquarters
 - Software development
 - Distribution Centers/Business Process Outsourcing
 - Logistics hub
 - Aircraft repair
 - Long-stay tourism facilities
 - Film & Entertainment



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BOI SERVICES

BOI SUPPORT SERVICES



Investment Matchmaking Program

**1-Stop for visas & work permits:
work permits in 3 hours**

**Industrial Subcontracting Services
Vendors meet customers program
(BUILD Unit)**

ASEAN Supporting Industry Database

**Interaction with other govt. agencies
on behalf of investors**

Country desks

Overseas offices



ASEAN SUPPORTING INDUSTRY DATABASE (ASID)

www.asidnet.org

- Information and profiles of companies in supporting industries and manufacturers of parts and components in 10 ASEAN countries

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One Start One Stop Investment Center



**More Convenience,
less time,
more efficiency!**

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319 Phayathai Road, Pathumwan
Domestic Call: 0 2209 1100, Inter. Call: (66 2) 209 1100
Email: osos@boi.go.th**



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THANK YOU

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