



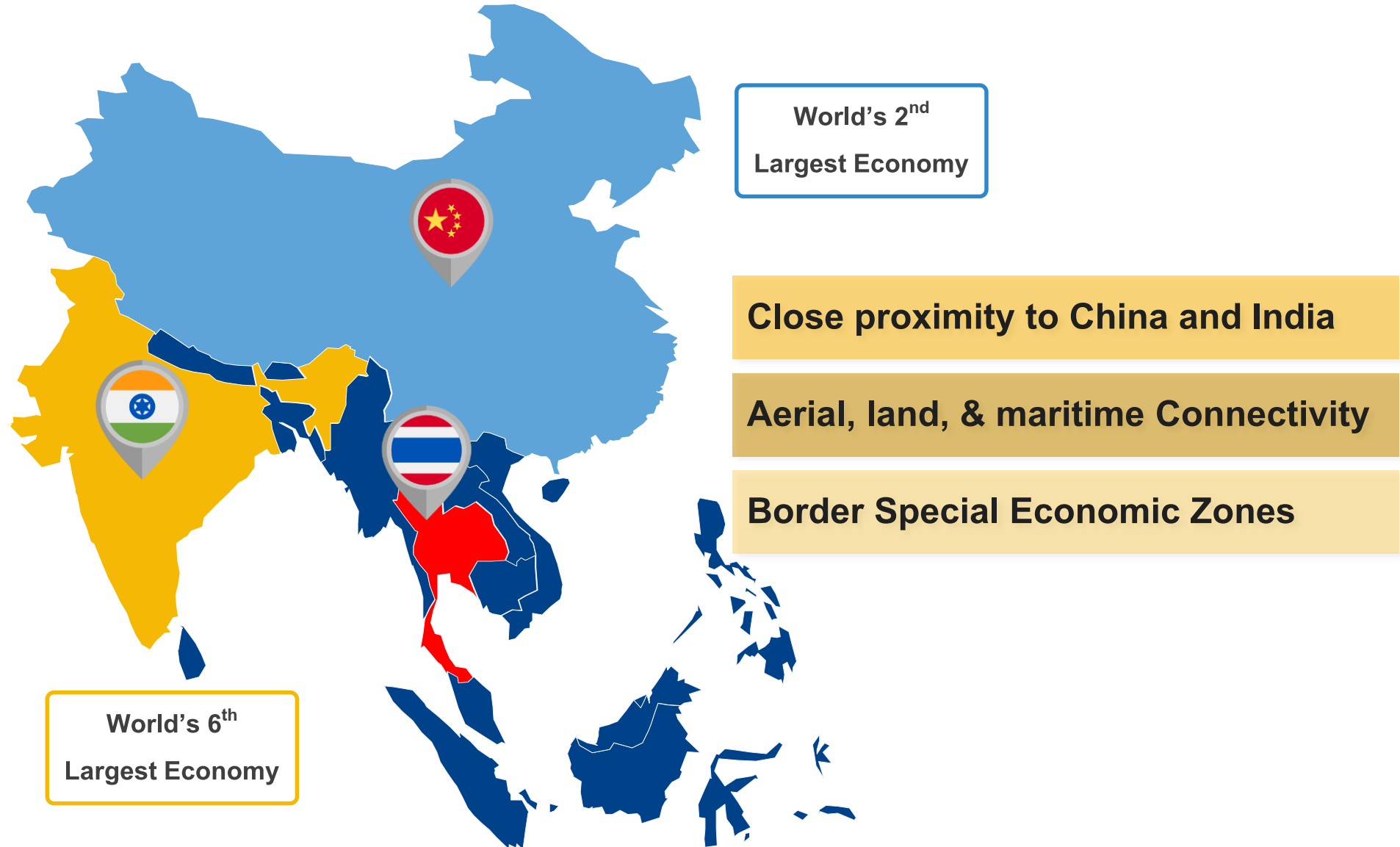
# BOI Supporting Measures for Investment in Thailand

7 November 2018

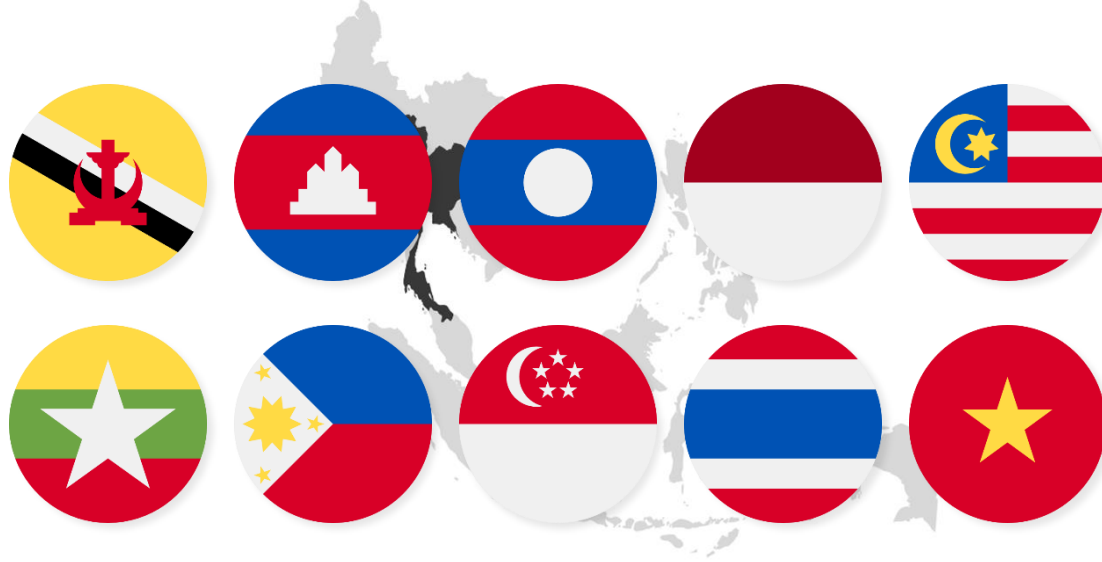
**Duangjai Asawachintachit**

Secretary General,  
Thailand Board of Investment

# Invest Thailand, Opportunity Beyond the Border of ASEAN



# Thailand, ASEAN, and RCEP



## ASEAN +3



## ASEAN +6



**Year 2017**

**Thailand**

**ASEAN**

**RCEP**

**(ASEAN + 6 = 16)**

**GDP Value**

1.23 Trillion USD

7.93 Trillion USD

49.44 Trillion USD

**GDP Share**

0.97% of World GDP

6.2% of World GDP

55.3% of World GDP

**Total Population**

69 Million

643 Million

3,558 Million

**Population Share**

0.9% of World Population

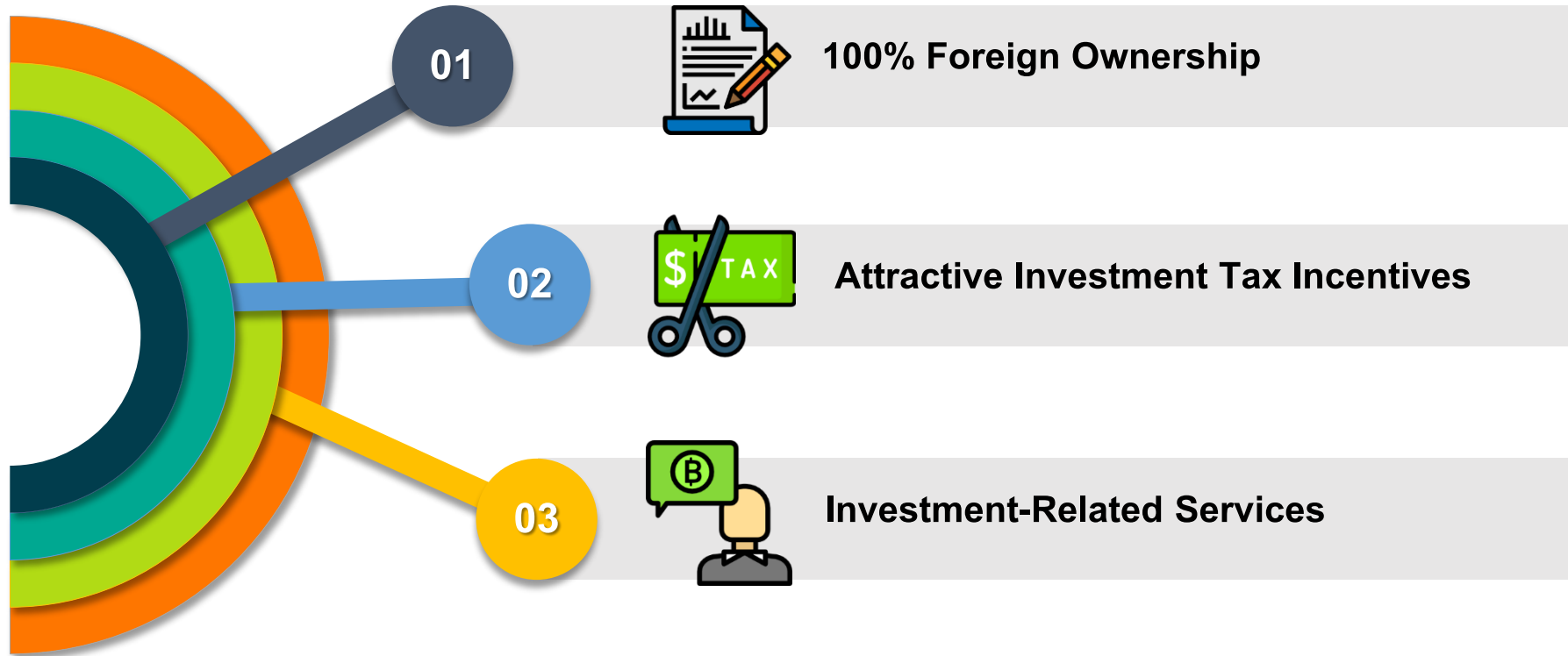
11% of World Population

48.2% of World Population


Note: ASEAN consists of ten members: Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam

RCEP is a proposed free trade agreement (FTA) between ASEAN and the six Asia-Pacific states: Australia, China, India, Japan, South Korea and New Zealand


# BOI's Support to Investors




# Attractive Investment Tax Incentives

 Corporate income tax exemption

 50% reduction of corporate income tax

 Investment tax allowance

 Double deduction of public utilities

25% Deduction on the cost of installation and construction of facilities 

Exemption of import duties on machinery 

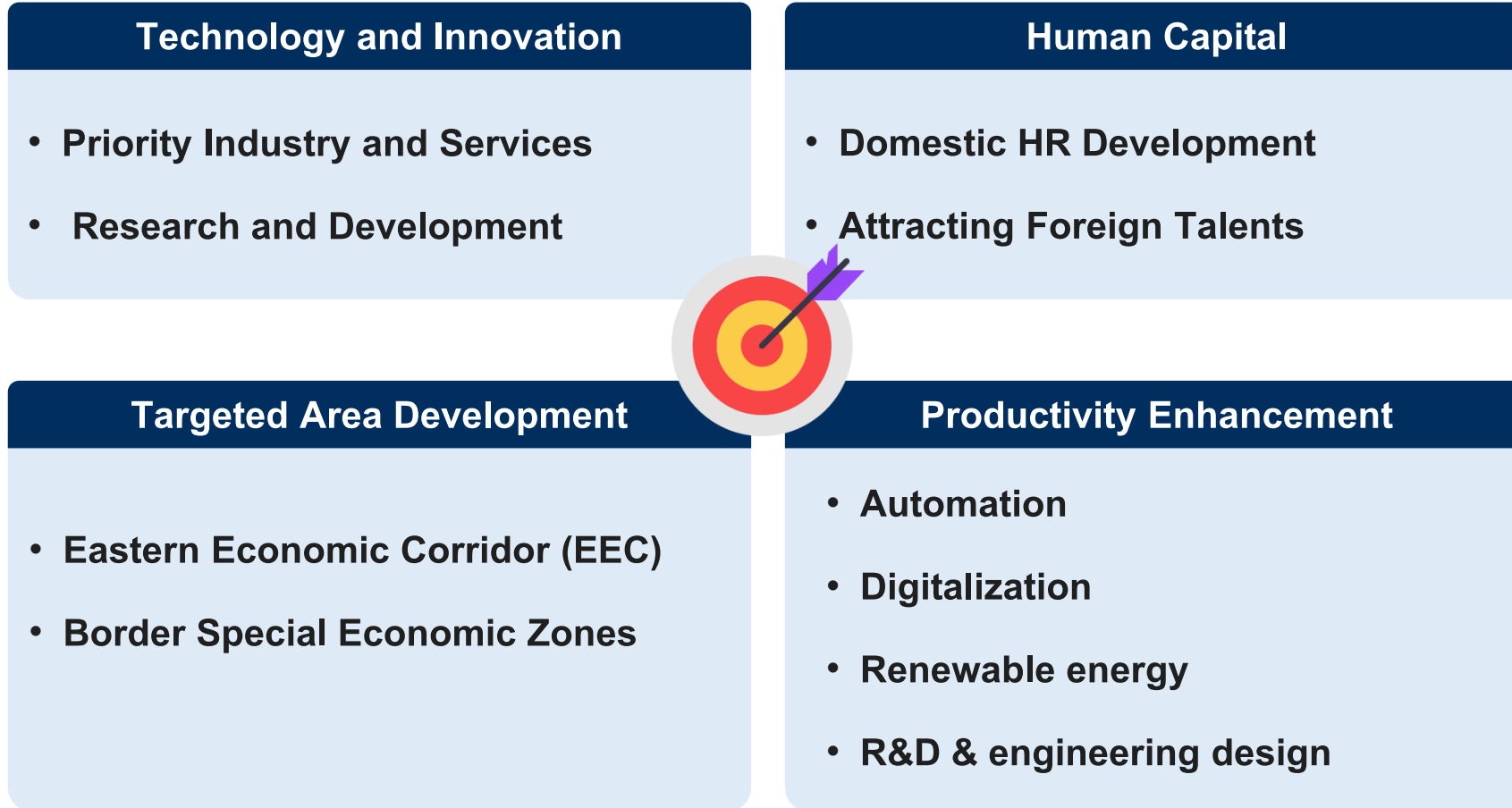
Exemption of import duties on raw materials used in the manufacture of exports 

Exemption of import duties on materials used for R&D purposes 

Matching funds for R&D and advanced training in strategic pioneer investment projects 



# Focus of Current Investment Promotion Policies



# Activity-based Incentives

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

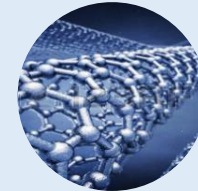
-  Bio-based & Medical
-  Advanced Industries
-  Basic & Supporting
-  High Value Services
-  Creative & Digital

## Targeted Core Technologies

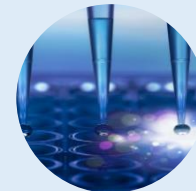
Biotechnology



Nanotechnology



Advanced Material  
Technology



Digital Technology





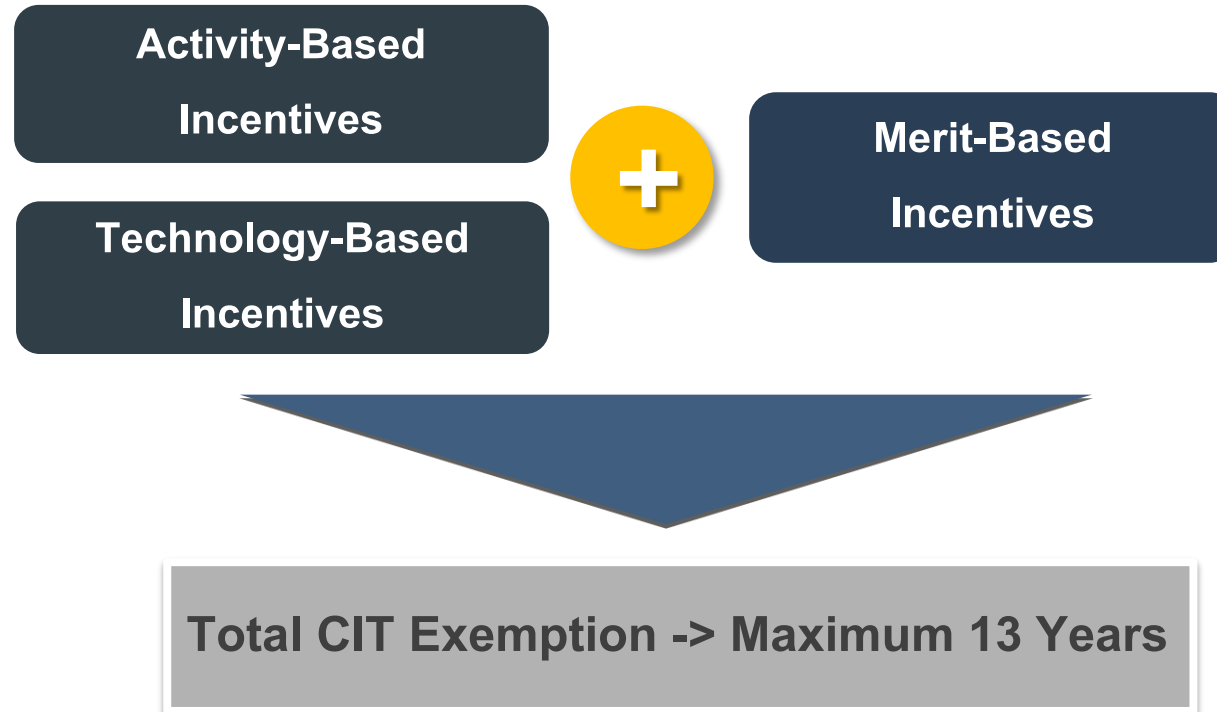
## Competitiveness Enhancement Incentives (Merit-Based Incentives)

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

1. R&D: In-house, outsourced in Thailand or joint R&D with overseas institutions
2. Donations to technology and human resource development funds, educational institutions, specialized training centers, R&D institutes or governmental agencies in the S&T field
3. IP acquisition/licensing fees for commercializing technology developed in Thailand
4. Advanced technology training
5. Development of local suppliers with at a least 51% Thai shareholding in advanced technology training and technical assistance
6. Product & packaging design: In-house or outsourced in Thailand



## Optional Scheme: Merit-Based Incentives



## Area-based Incentives



### 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)



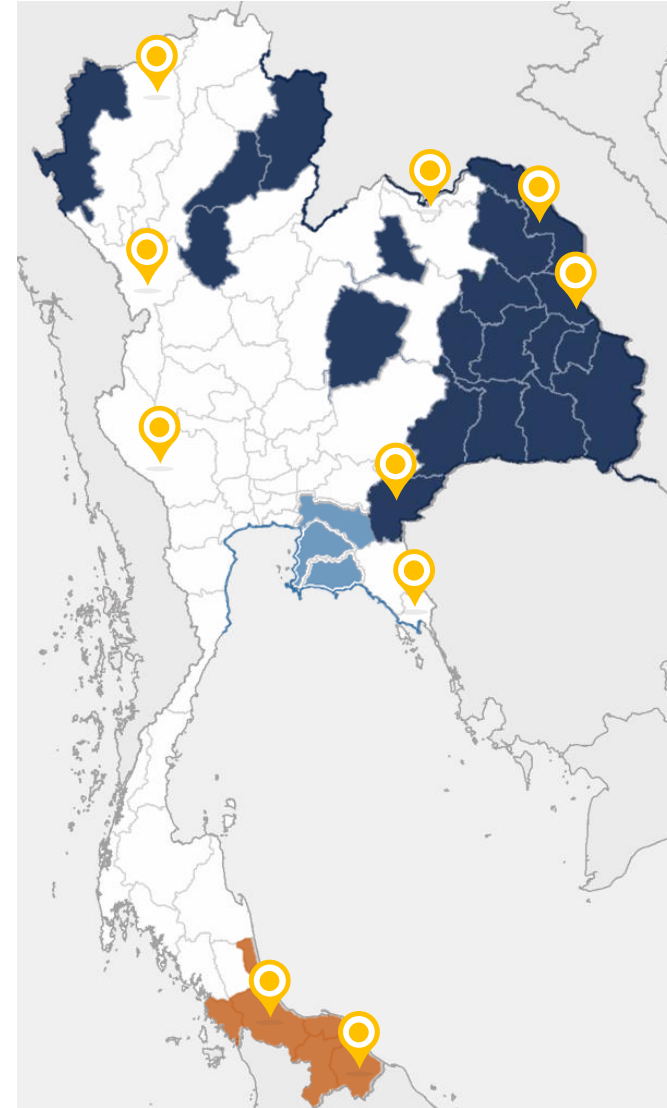
### Border Provinces in Southern Thailand

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



### The 20 Poorest Provinces

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



## BOI Support Measures for the EEC

An additional incentive package (additional years of corporate income tax exemption or reduction) is 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

# Eligible Activities for the EEC Package

**Targeted Industries  
in the EEC**

**S-Curve  
Industries**

**+**

**Activities Supporting  
S&T**

**+**

**Basic  
Infrastructure**

**117**

**Categories in Total**

## 5 New S-Curve



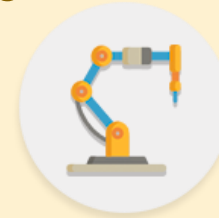
**Biofuels and  
Biochemical**



**Digital Economy**



**Medical Hub**



**Automation  
and Robotics**



**Aviation  
and Logistics**

## 5 First S-Curve



**Agricultural  
and Biotechnology**



**Smart Electronics**



**Affluent Medical  
& Wellness Tourism**



**Next-Generation  
Automotive**



**Food for The Future**

# Designated Areas for the BOI Special Package for EEC

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

1.
  - 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)

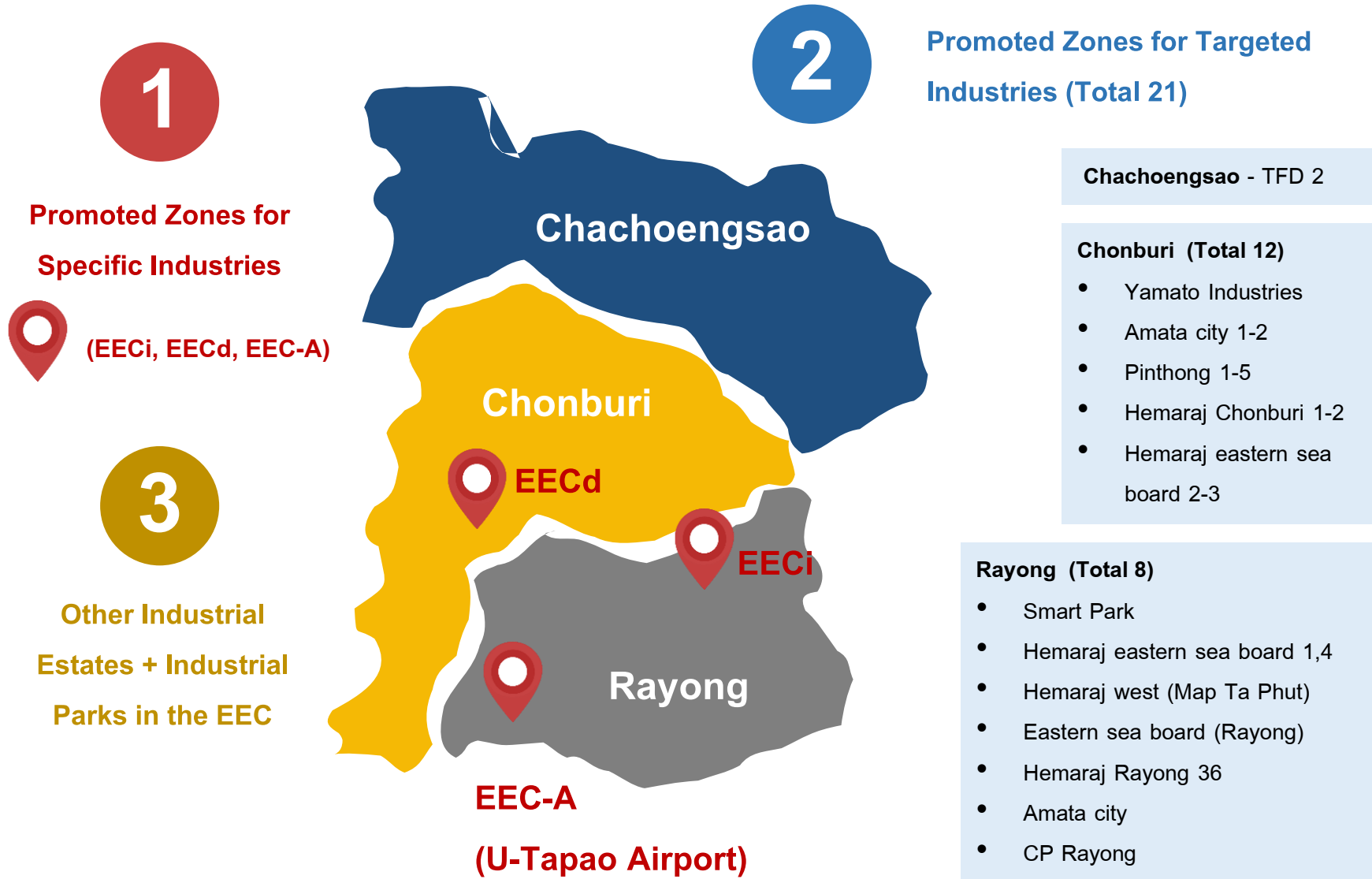
## 2. Promoted Zones for Targeted Industries (announced by EEC)

2. 21 designated industrial estates with focus on targeted S-curve industries

## 3. Other Industrial Estates + Industrial Parks in EEC

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

# Designated Areas Eligible for the BOI Special Package for EEC



# BOI Special Package for EEC (Corporate Income Tax)

	Basic Package	EEC Package
EECi, Eecd EEC Aerotropolis	<b>Industries of Focus</b> 10 years 8 years 5 years	13 years 12 years 7 years + 50% (5 years)
	<b>Other Targeted Industries</b> 10 years 5-8 years	11 years Basic + 50% (3 years)
Promoted Zones for Targeted Industries	<b>Industries of Focus</b> 10 years 5-8 years	12 years Basic + 50% (5 years)
	<b>Other Targeted Industries</b> 10 years 5-8 years	11 years Basic + 50% (3 years)
Other Industrial Estates/ Industrial Parks in EEC	<b>All Target Industries</b> 10 years 5-8 years	11 years Basic + 50% (3 years)

## Cooperation with Educational / Research Institutions

**TM**

**Talent Mobility Program (TM)** - 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** - 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**

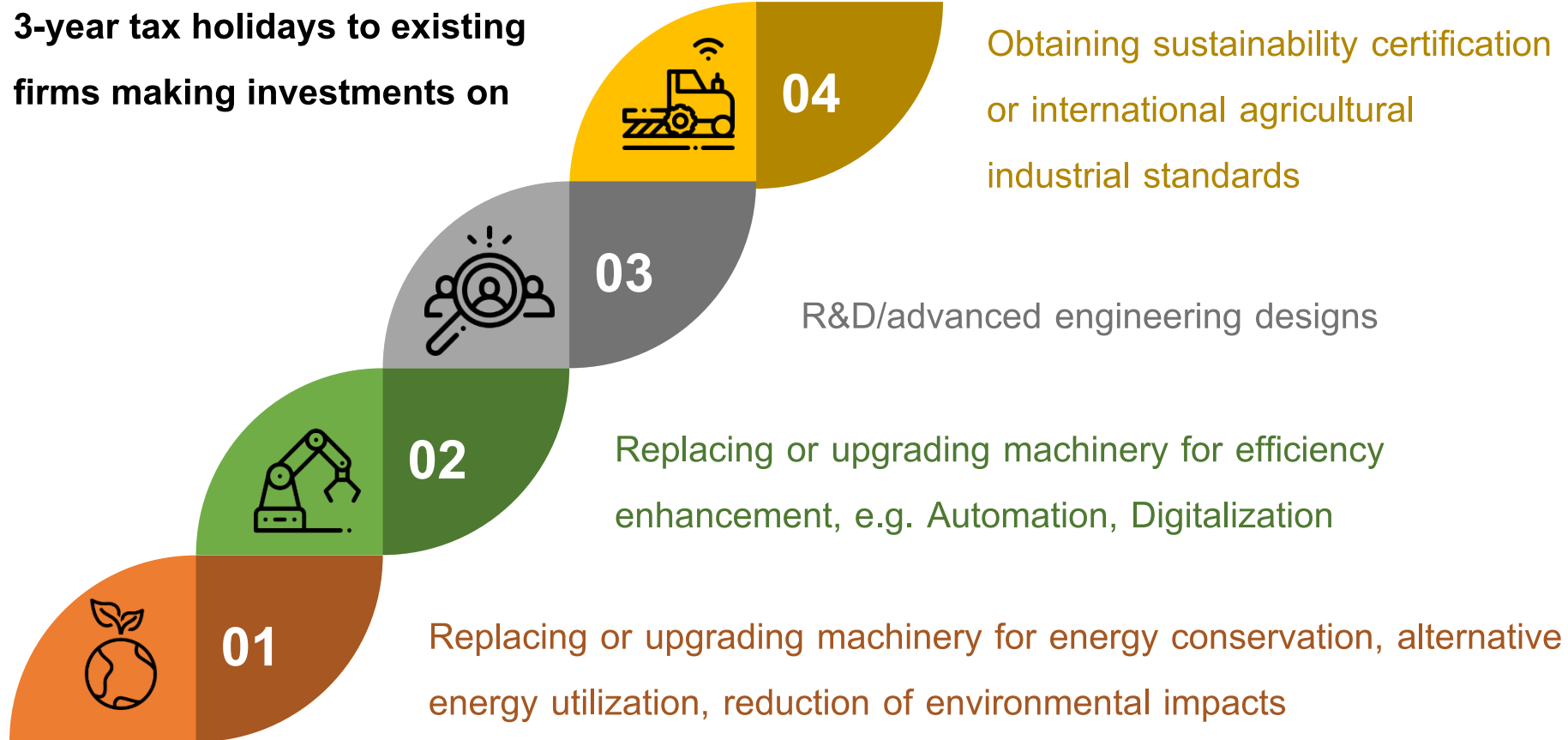
**Co-operative Education** - (for graduate study, university and college) Provides structured method of combining classroom-based education with practical working experience and academic credits.

**NEW**

**Special vocational education project in the Eastern Economic Corridor**  
(Developed from the “Sattahip Model”)

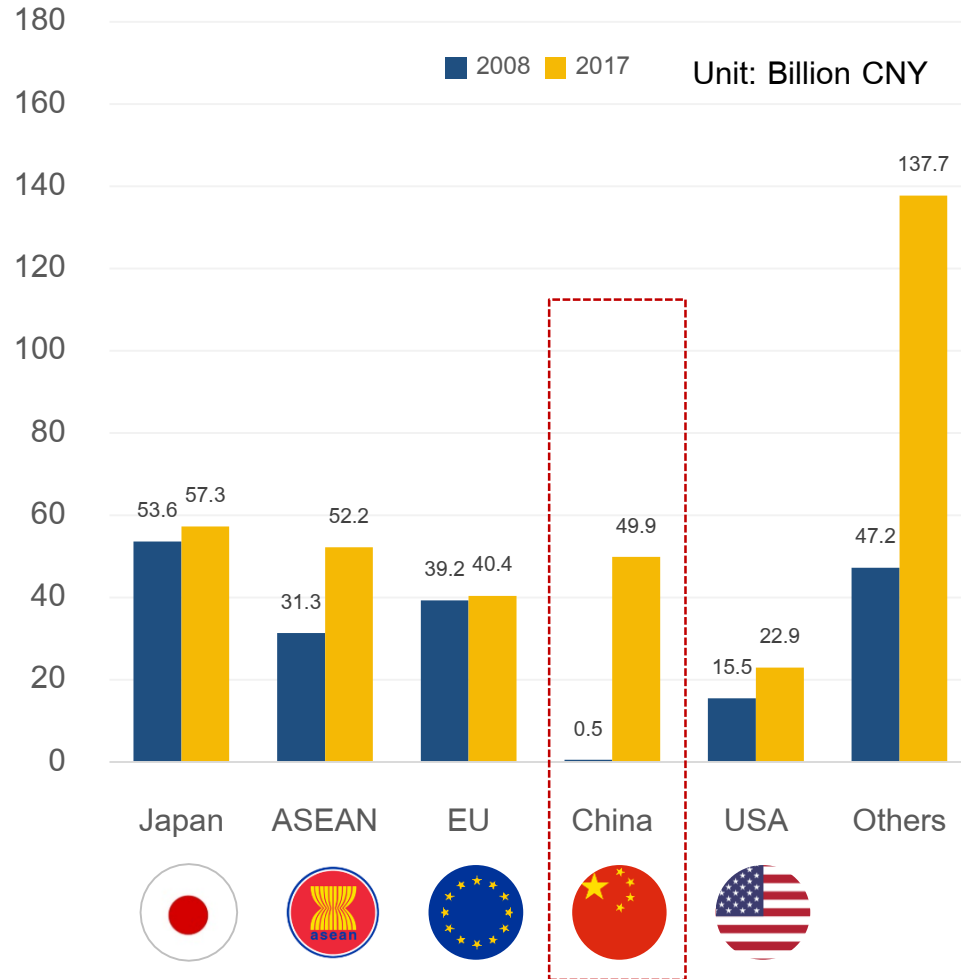


# Agenda Based: Measures to Promote Productivity

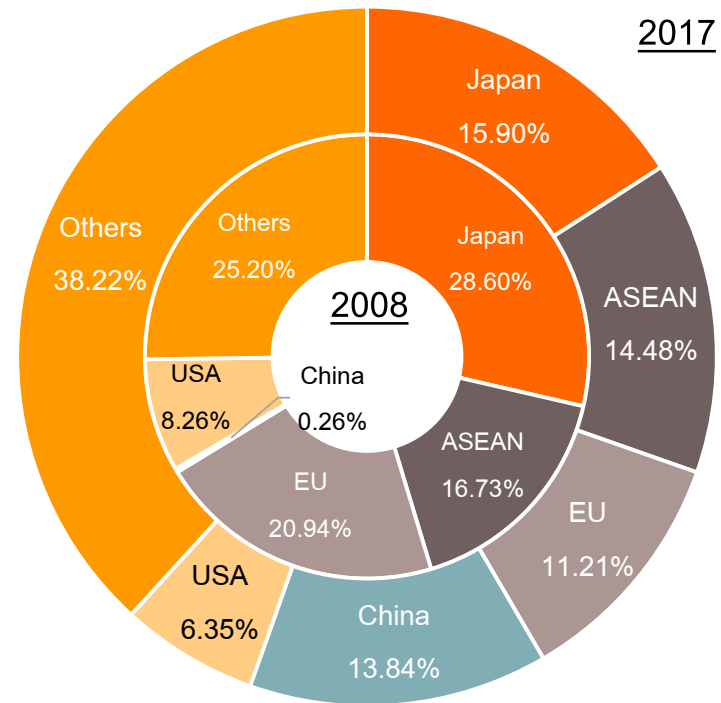


# FDI Inflow from China increased from 0.26% in 2008 to 13.57% in 2017

Thailand FDI Inflow in 2008 and 2017



Proportion of Thailand FDI Inflow (2008 and 2017 Comparison)



Note: BOT Exchange Rate as of 31 October 2018, 1 CNY = 4.838 THB

Source: Bank of Thailand

## Example of BOI Promoted Chinese Companies

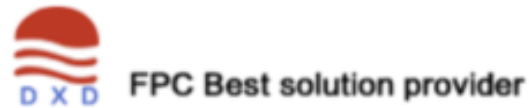


Haier



inspur 浪潮

Holley



ZTE

SENTURY

CIMC 中集





# One Start One Stop Investment Center



**Consolidating staff**  
from numerous investment-related agencies



**Provides comprehensive information and advice** on establishing operations in Thailand.



**Easing & speeding procedures** for new investors



**Assist investors with** various applications



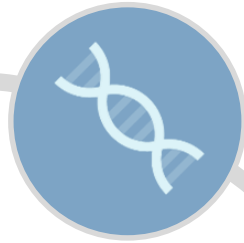
**Provides useful contacts** with key public and private organizations

# 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.



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## Supply Chain Development Service

- Help identify potential part and component makers
- Arrange one-to-one meetings with potential suppliers
- Organize the annual subcontracting fair (Subcon Thailand) and business matching
- Focus on electronics, automotive, machinery, automation, medical device and aviation





# Thank You

For more information

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