

# Investment Opportunities and BOI support for Medical Sector

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HEALTH

MEDICAL

HEALTH



# Introduction to The Board of Investment (BOI)

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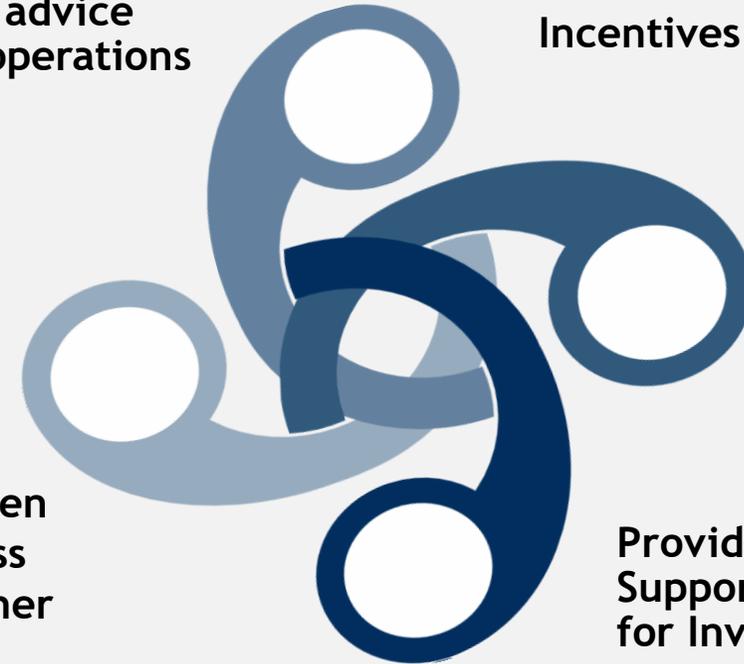
BOI is a government agency  
under the Office of  
the Prime Minister

Provides comprehensive  
information and advice  
on establishing operations  
in Thailand

Coordinates between  
the foreign business  
community and other  
public agencies

Grants Investment  
Incentives

Provides Business  
Support Services  
for Investors



# Introducing BOI



THAILAND  
BOARD OF  
INVESTMENT

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Provides comprehensive information and advice  
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Grants “Tax-based incentives” and “Non-Tax  
incentives

Provides Business Support Services for Investors



## Tax Incentives

- Exemptions / Reductions of Corporate Income Tax
- Exemptions / Reductions of Import Duties on Machinery
- Reduction of Import Duties on Raw Materials
- Exemption of Import Duties on R&D Materials
- Double Deduction on Cost of Transportation, Electricity and Water
- 25% Deduction on Installation or Construction of Facilities
- Exemption of Import Duty on Raw Materials Used in Production for Export



## Non-Tax Incentives

- Permit for Foreign National to Enter Kingdom to Study Investment Opportunities
- Permit to bring in Skilled Workers and Experts to Work in Investment Promoted Activities
- Permission to Own Land
- Permit to Remit Money Abroad in Foreign Currency
- No Local Content Requirement
- No Export Requirements
- No Restriction on Foreign Currency
- Visa Facilitation

# BOI Investment Incentive Scheme

## Standard Incentives

### Activity-Based



**≤ 8 years CIT exemption**

### Technology-Based

- Targeted Core Technologies -



Bio-Technology      Digital Technology      Nano-Technology      Advanced Material Technology

**10 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
- Southern border provinces 20 provinces with lowest income
- Industrial Estates/Zones
- Science and Technology Parks (Thailand Science Park, Food Innopolis, Space Krenovation Park)

# BOI's Basic Incentive Packages

10  
years



CIT exemption

0  
year

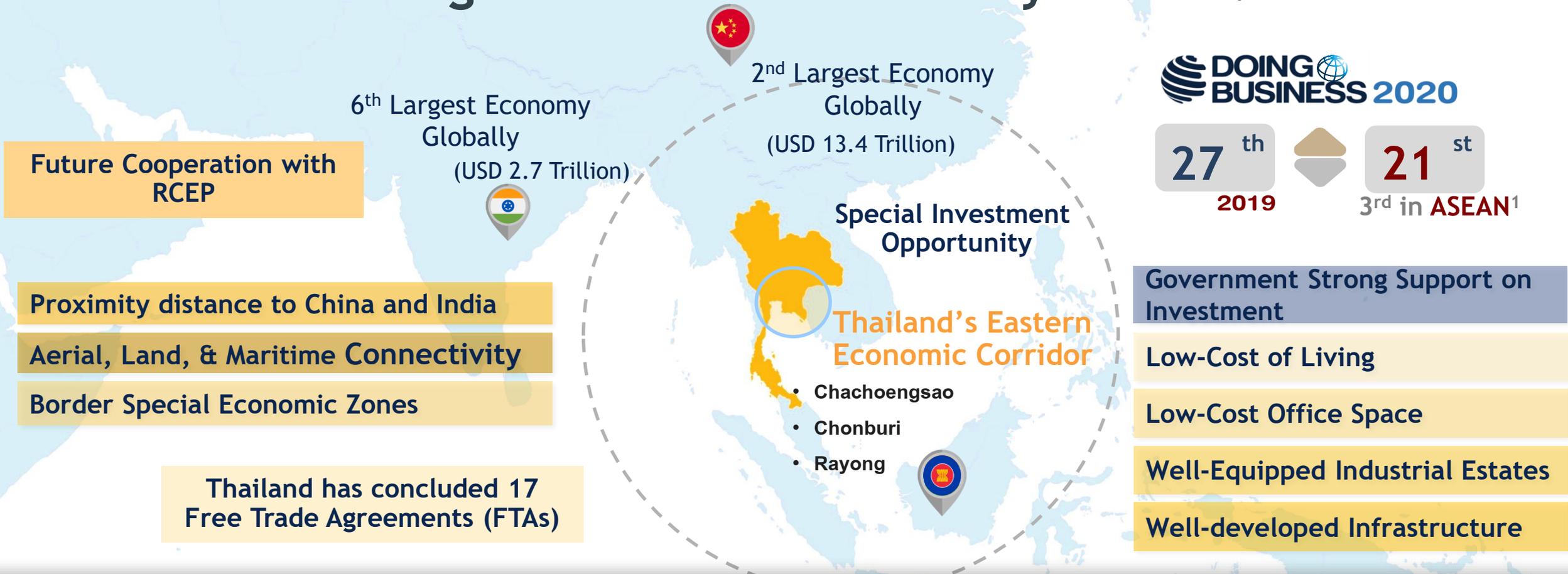
		Exemption CIT	Exemption Import duties on machinery	Exemption Import duties on raw materials	Non-tax incentives
Section 8	Technology and Innovation Development includes targeted core technology development	10 years + Merit no cap	✓	✓	✓
A1	Knowledge-based activities focusing on R&D and design to enhance the country's competitiveness	8 years + Merit no cap	✓	✓	✓
A2	Infrastructure activities for the country's development, activities using technology to create value-added, with no or very existing investments in Thailand	8 years + Merit	✓	✓	✓
A3	High technology activities which are important to the development of the country, with a few investments already existing in Thailand	5 years + Merit	✓	✓	✓
A4	Activities with lower technology than A1-A3 but which add value to domestic resources and strengthen the supply chain	3 years + Merit	✓	✓	✓
B1	Supporting industry that does not use high technology, but is still important to the value chain	- years + Merit	✓	✓	✓
B2	Supporting industry that does not use high technology, but is still important to the value chain	- years	-	✓	✓

Incentives are based on several key factors including level of technology, role in supply chain, and location.



**Why Thailand?**

# Thailand's Strategic Location As Gateway to Asia.



## The Thai Market

- Population: 69.79 Million <sup>1</sup>
- Middle Class Consumers: 52 Million<sup>2</sup>

## CLMVT

- 242 Million Consumers<sup>3</sup>
- Within 1,000 KM

## ASEAN Economic Community

- 645 Million Consumers<sup>4</sup>
- 5<sup>th</sup> Largest Economy Globally (USD 3.2 Trillion)
- ASEAN FTA / ASEAN Connectivity

## Greater Asia Region

- 4.6 Billion Consumers<sup>5</sup>
- Within 5,000 KM



# Medical Investment Opportunities in Thailand



# 12 Targeted Industries

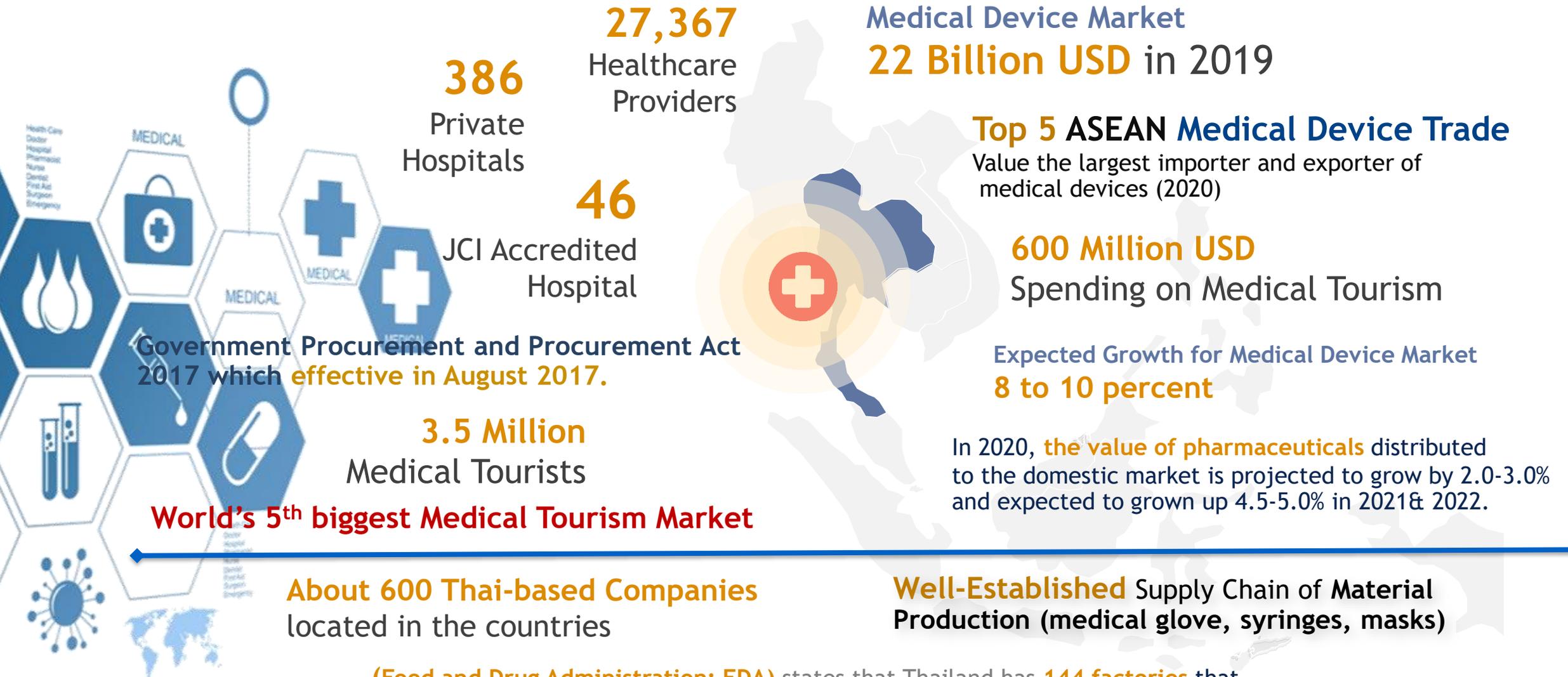
**6 future industries**

**Biofuels & Biochemicals**      **Digital**      **Medical Hub**      **Robotics**      **Aviation & Logistics**      **Defense**

**6 existing industries with potential**

**Agriculture and Biotechnology**      **Smart Electronics**      **Affluent, Medical and Wellness Tourism**      **Next-Generation Automotive**      **Food for the Future**      **Human Resource Development and Education**

# Thailand Medical Landscape at a Glance



(Food and Drug Administration: FDA) states that Thailand has **144 factories** that manufacture modern drugs that are certified (Good Manufacturing Practice: GMP) (as of February 2020).

# Thailand as a Medical Hub

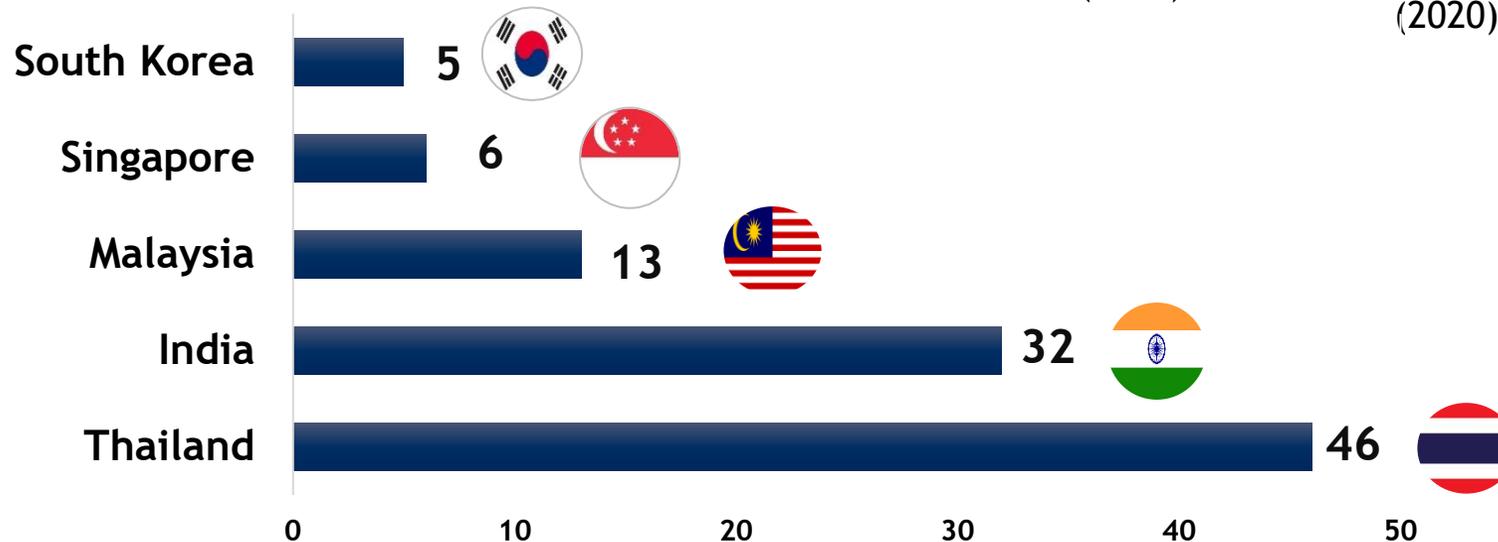


## World Leading Medical

According to international standards, well trained medical professionals Thailand has hospitals that receive numerous accreditations by Joint Commission International (JCI) with attractive price and modern technology in treatment.



## Number of Hospitals Certified JCI Standard



## Thailand's Medical Tourism Industry Ranked 5th in the World

### 2020-2021 MTI Overall Ranking



Medical Tourism Industry (2020)



Quality of Facilities & Services (2020)



Destination Environment (2020)



Best Health System (2019)



Index Total Score Tourism Health

# Thailand Medical Industry Supply Chain

## Supplier Industries



Agricultural



Chemical



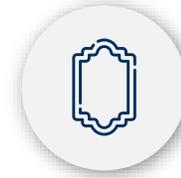
Metalworking



Textile



Ceramic



Glass and Mirror



Rubber

### Pharmaceutical Industry

Herb

Active/ Inactive Ingredients

Conventional Medicine

Traditional Medicine

### Medical Food Industry

Agricultural Product

Food

Medical Food

### Medical Device Industry

Parts and Components

Medical Devices

### Medical Services

Hospital

Clinic

Medical University

Others

# Competitiveness of the Thai Supply Chain in the **Medical Device Industry**



## **Leader in Raw Materials Production**

Thailand is among the global leader in natural rubber production. Furthermore, AICHE (2019) noted that Thailand has one of the most well-developed petrochemical sector in Asia.



## **Presence of Global Players**

InvestASEAN (2019) showed that Thailand is home to the production site of 5 of the world's 18 largest healthcare MNEs. Many more of which has strong long been present in Thailand.



## **Large Commercial Network Domestically and Internationally**

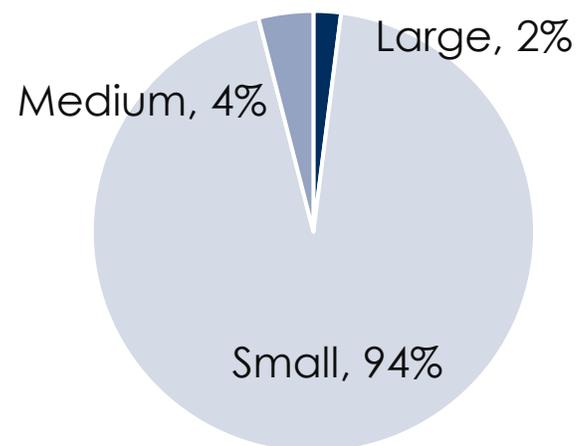
According to Krungsri Research (2020), Thailand is the largest importer and exporter of medical devices.

# Thai Medical Device Manufacturers

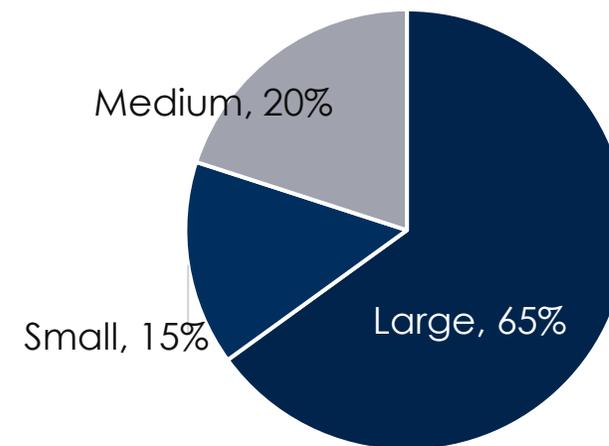
## Number of Manufacturers

	Single-use Item	210
	Durable Item	146
	Reagents and Test Kits	28
	Software and Services	32
	Other	131

## Number by Size



## Revenue by Size



There is room to invest in Thai medical device industry, especially products with high technology and innovation.

Note: The figure shown is collected by MEDIU, OIE.

Think Resilience

THINK THAILAND

Source: MEDIU, Krungsri Research, and Business Online

# Medical Device Industry's Characteristics

- Local production in Thailand is limited to consumables and basic medical devices.
- Thailand is a major producer of latex products such as surgical gloves and catheters



สำนักงานคณะกรรมการอาหารและยา  
กระทรวงสาธารณสุข

Medical devices need to be classified, registered and approved by the Thai Food and Drug Administration prior to import to Thailand.

# Demand Driven Factor: Thailand's Medical Sector Market



## Aging Society

Thailand's proportion of citizens aged over 60 is one of the highest in ASEAN leads to higher demand for healthcare.



## Increase in Illness

Especially heart disease, stroke, cancer and diabetes (due partly to the increasing number of elder people)



## High Growth in Health Goods and Medical Service

The growth of consumer spending on health goods and medical services in Thailand is greater than the growth of domestic economy and spending on most other categories



## Government Policy

Government promotes investment in medical device sector and intend to establish Thailand as a medical hub and a base for exports of medical devices.



## Investment in New Hospital

Existing hospital operators plan to invest in new hospitals and medical equipment that will support continuous growth in demand for medical devices in Thailand



## Increase in Foreign Patients

Tourists come to Thailand for medical treatment in Thai hospitals because of credibility, quality and standard of medical treatment



# Thailand as The Future Trend of Medical Industry

## Medical Tourism market in Thailand 2024



The value will be worth up to 500,000 Million Baht (\$ 15,959 Million)



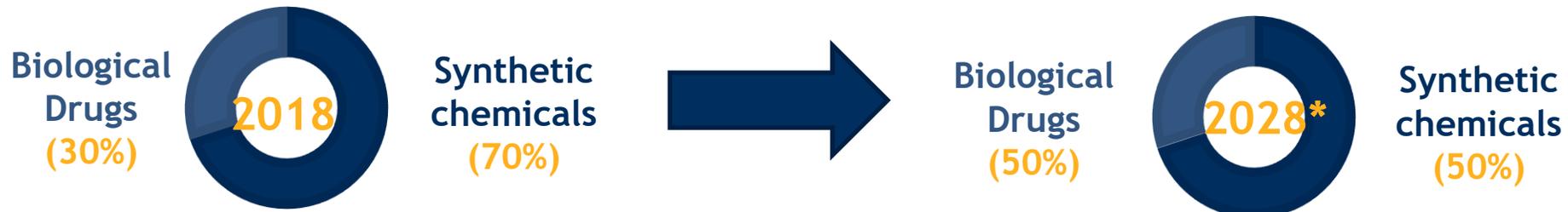
Average annual growth 13.7%



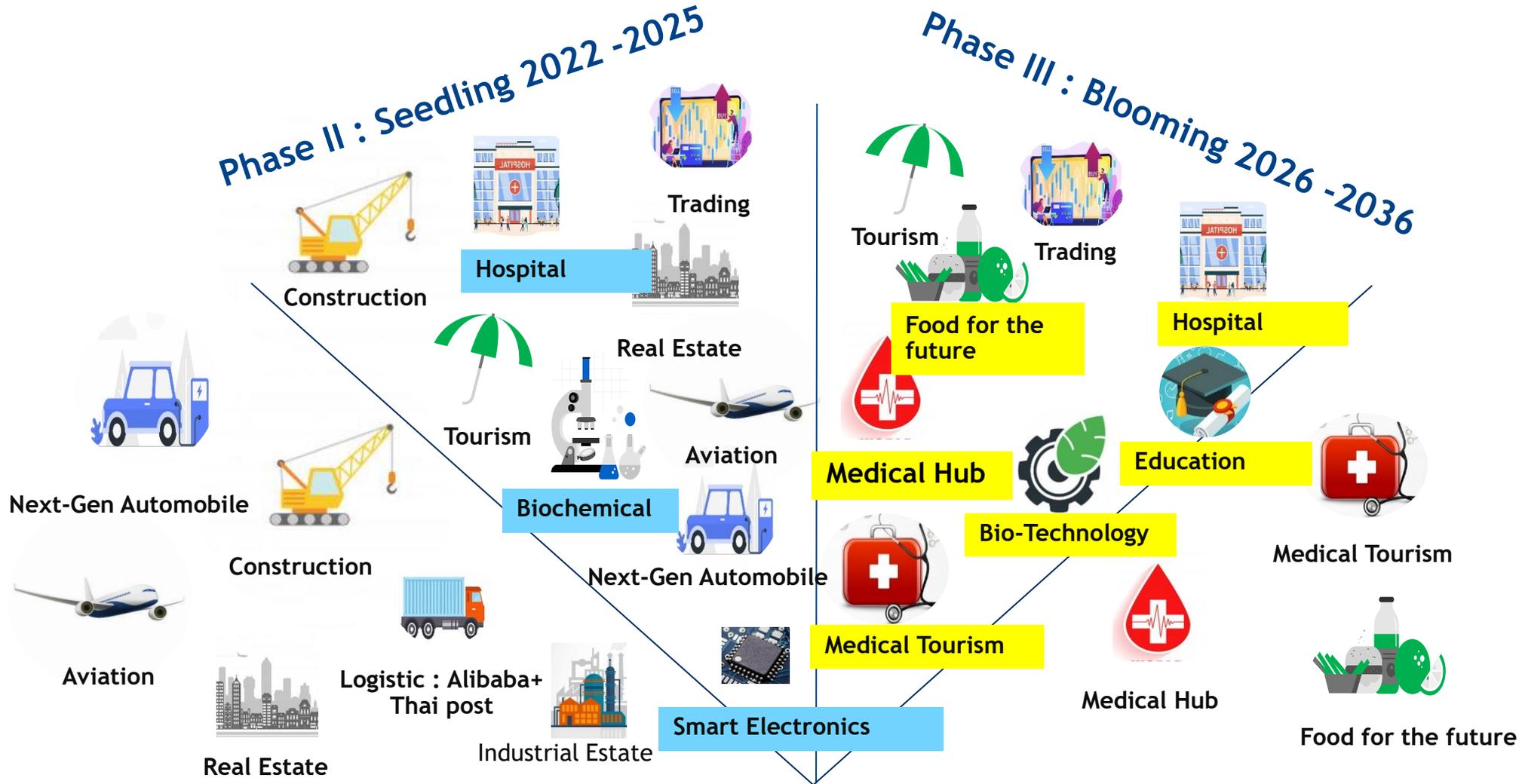
## EEC As a Central of Economic Area

- Eastern Economic Corridor (EEC): New Growth Hub. Medical Industry is one of the target in EEC area which will lead Thailand to be the hub of medical tourism and medical care in ASEAN and world.
- Thailand Concerned growth green economy as ecosystem will be adjust to medical industry.
- Technology will be more effective and used after covid 19 ( AI, Robotics).

## Thailand's Pharmaceutical Market share



# Business Opportunities offered by in the EEC Area



Phase I : Planting 2017-2021

Phase IV : Harvesting 2037

# Investment Incentive for the **Medical Device Industry**

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
Manufacture of <b>high-risk</b> or <b>high-technology medical devices</b> , (e.g. x-ray machine, MRI machine, CT scan machine and implants) or medical devices that are commercialized from public sector research or collaborative public-private sector research					
In case projects include R&D and innovation	A1	8 years CIT exemption (no cap)	✓	✓	✓
In case projects not include R&D and innovation	A2	8 years CIT exemption	✓	✓	✓
Manufacture of other medical devices (except for medical devices made of fabrics or fibers)	A3	5 years CIT exemption	✓	✓	✓
Manufacture of medical devices made of fabrics or fibers, e.g. gowns, drapes, caps, face masks, gauze and cotton wool	A4	3 years CIT exemption	✓	✓	✓

See additional conditions at [https://www.boi.go.th/upload/content/BOI-A%20Guide\\_EN.pdf](https://www.boi.go.th/upload/content/BOI-A%20Guide_EN.pdf) (English ver.) or [https://www.boi.go.th/upload/content/BOI\\_A\\_Guide\\_Web\\_Th.pdf](https://www.boi.go.th/upload/content/BOI_A_Guide_Web_Th.pdf) (Thai ver.)

Source: Thailand Board of Investment

# Investment Incentive for the **Pharmaceutical Industry**

Activities	CIT Exemption	Exemption of import duties on machinery	Exemption of import duties on raw materials used in production for export	Non-tax incentives
Manufacture of Active pharmaceutical ingredients	<b>8 years</b> CIT exemption	✓	✓	✓
Manufacture of Medicine				
Manufacture of targeted medicine	<b>8 years</b> CIT exemption	✓	✓	✓
Manufacture of conventional and traditional targeted medicines	<b>5 years</b> CIT exemption	✓	✓	✓

See additional conditions at [https://www.boi.go.th/upload/content/BOI-A%20Guide\\_EN.pdf](https://www.boi.go.th/upload/content/BOI-A%20Guide_EN.pdf) (English ver.) or [https://www.boi.go.th/upload/content/BOI\\_A\\_Guide\\_Web\\_Th.pdf](https://www.boi.go.th/upload/content/BOI_A_Guide_Web_Th.pdf) (Thai ver.)

# Investment Incentive for the **Medical Service Sector**

Activities	CIT Exemption	Exemption of import duties on machinery	Exemption of import duties on raw materials used in production for export	Non-tax incentives
Medical Centers of Excellence (targeted illnesses only)	<b>8 years</b> CIT exemption	✓	✓	✓
Hospitals (in the designated provinces)	<b>8 years</b> CIT exemption	✓	✓	✓
Traditional Thai medical centers	<b>5 years</b> CIT exemption	✓	✓	✓
Transportation services for patients, doctors, or medical equipment	<b>5 years</b> CIT exemption	✓	✓	✓
Health rehabilitation centers	-	✓	✓	✓

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**Think Resilience**

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# Investment Incentives for Biotechnology

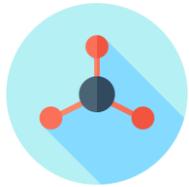
## Biotechnology Research and Development

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
7.12.1 Research and development activity and/or manufacturing of <b>seed industry, improvement of plant, animal or microorganism using biotechnology</b>	A1	8 years CIT exemption (No designated maximum exemptible CIT)	✓	✓	✓
7.12.2 Research and development activity and/or manufacturing of <b>biopharmaceutical agent</b> using biotechnology					
7.12.3 Research and development and/or manufacturing of <b>diagnostic kits for health, agriculture, food and environment</b>					
7.12.4 Research and development and/or manufacturing of <b>bio-molecule and bioactive substance using microorganism, plant cell and animal cell</b>					
7.12.5 <b>Manufacturing of raw materials and/or essential materials</b> for molecular biological research and development, experiments, testing or quality control services and/or production of biological substances					
7.12.6 <b>Biological substance analysis and/or synthesis services</b> and/or quality control services and/or product validation services					



# BOI Support 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!*



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For More Information



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