

# CHROMALLOY (THAILAND) LTD.



*A global technology leader with strong roots in Thailand*

Chromalloy has been providing integrated solutions to original equipment manufacturers (OEMs), commercial airlines, and militaries as well as oil, gas, and power companies for over 60 years. They are one of the world's largest providers of repairs, parts and advanced coatings for gas turbine engines. Their repair and services facility in Thailand began operations in 1991.

Mr. Chan Kwai Wan, Regional General Manager of Chromalloy Thailand, mentioned three major factors that attracted the company to invest in Thailand. "First, Thailand has competitive labor costs compared to other countries in the region. Second, Thailand is situated at the center of the Indochina peninsula which provides strong advantages in reducing conversion costs and time. Thirdly, the country also offers excellent accessibility to all major ports in the vicinity".

Thailand's air traffic is rising at three times faster than that of the global market. It increased an average of 12.86% annually for aircraft and 17.02% for passengers from 2014–2016. From its 38 commercial airports, Thailand served over 119 million passengers in 2016. This increase in air traffic, plus the global expansion of low cost airlines benefits Thailand's multi-billion dollar aircraft service, maintenance, repair and overhaul (MRO) sector.

Global MRO expenditures are expected to grow to over US\$109 billion by 2027 according to Oliver Wyman Research Company. Commercial airlines' MRO expenses are estimated to reach US\$12 billion by 2024 in the Asia-Pacific region, and approximately 6.3% of that expenditure is presently forecast to occur in Thailand, according to the Ministry of Transport. This leaves room for substantial growth for additional multinational MRO companies looking to expand into the Asia Pacific region, as well as the expansion of activities of existing companies already in Thailand. To further support and provide the most effective and efficient services possible, Chromalloy is examining further potential investments in advanced technologies and processes, as well as the company's physical facilities.

***“ Our investments in Thailand align well with Chromalloy's quality and productivity requirements while supporting the strong market growth in the region.”***

**Chan Kwai Wan  
Regional General Manager  
of Chromalloy Thailand.**

## Supporting Policies from the Government

Thailand is increasingly being recognized as an ideal manufacturing base. To further strengthen the overall competitiveness in aviation, the government plans to improve U-Tapao airport as Asia's MRO hub. As Thailand's air traffic has grown at a dramatic rate, exceeding Suvarnabhumi Airport's maximum capacity, AOT began the Suvarnabhumi Airport Development Project valued at ฿62,503 million, with completion scheduled for 2019. The Don Mueang International Airport Master Plan is currently in the 3rd phase, with the goal of further increasing the airport's passenger, cargo and runway capacity.

## Attractive BOI Incentives

The Thailand Board of Investment (BOI) offers a wide range of tax and non-tax incentives for projects that meet national development objectives.

Tax-based incentives include an exemption or reduction of import duties on machinery and raw materials, as well as corporate income tax exemptions of up to eight years. Non-tax incentives include permission to bring in expatriates, own land and take or remit foreign currency abroad.

Additional information about specific activities relating to the aviation industry can be found by clicking [here](#) or contacting the BOI's Investment Promotion Division 2.

