



# Investment Opportunities in Thailand

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# OUTLINE

- Macroeconomic outlook
- Why Thailand
- Investment promotion policy and incentives
- Outlook of potential sectors
- Outward Investment promotion policy

## Thailand Facts



**Region:** Southeast Asia

**Population:** 67.8 million

**Literacy Rate:** 96 %

**Religion:** Buddhism 95 %

**Labor Force:** 39.5 million

**GDP 2010:** +7.8% (~US\$ 330 billion)

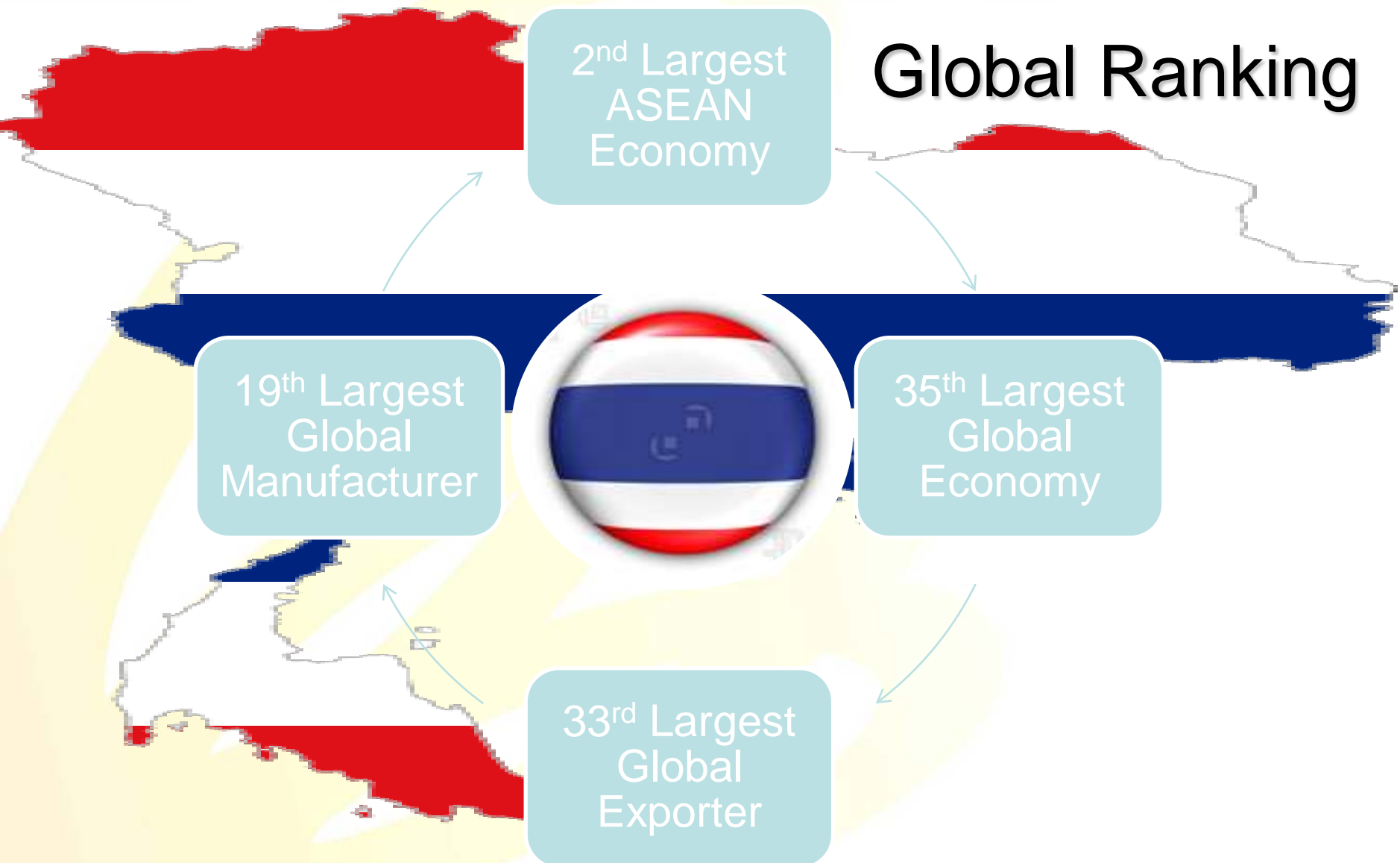
**GDP per capita 2010:** US\$4,721

**GDP by sector:** Industry 44%

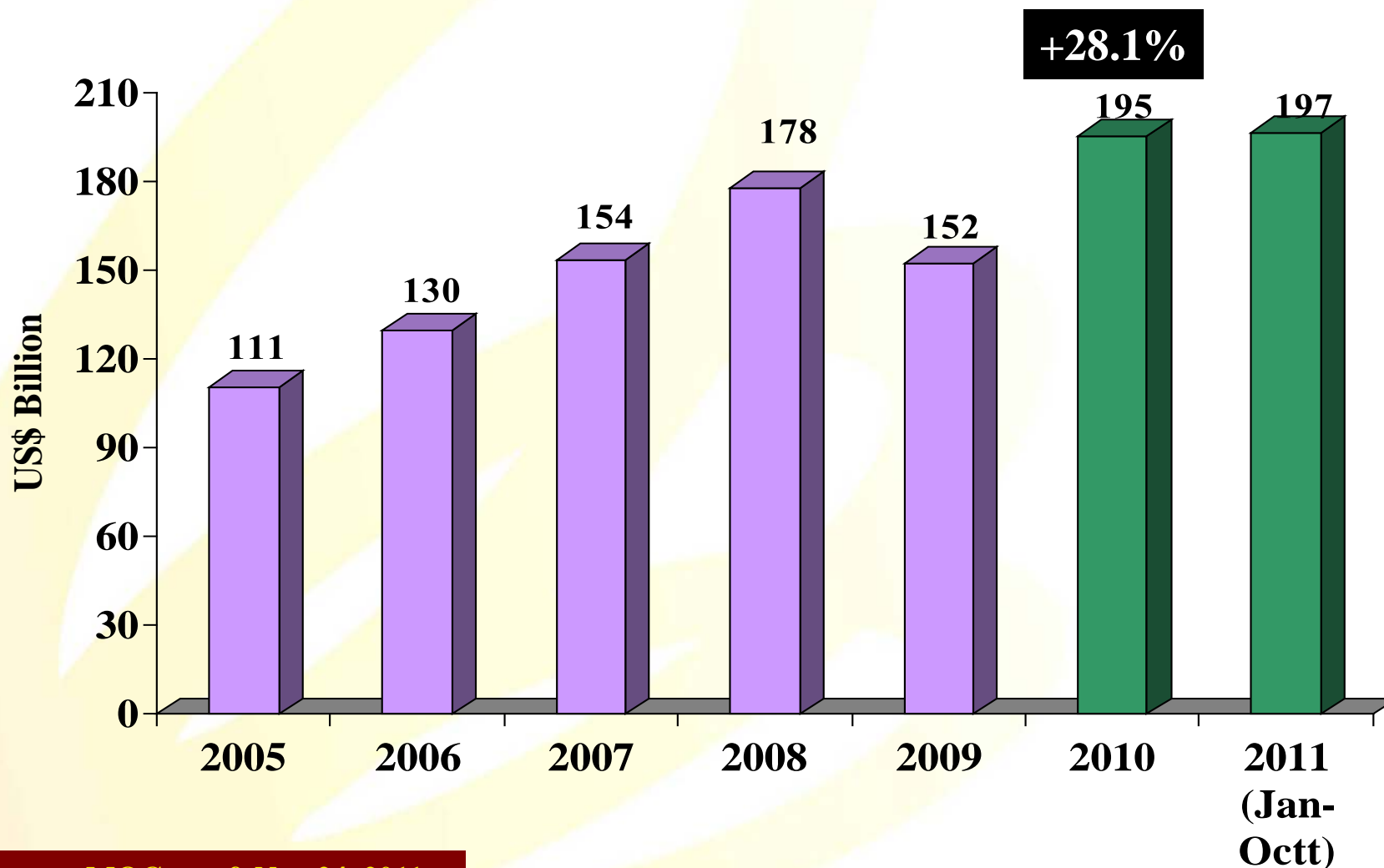
Services 44%

Agriculture 12%

**International Reserve:** US\$138.4Bil.



## Thailand's Export Growth



# Top 10 Imports in 2009–2011 (Jan-Oct)

Unit: US\$ Billion

	2009	2010	2011 (Jan-Oct)	Growth%
Crude oil	19.11	23.91	27.20	48.27
Machinery and parts	12.07	16.73	16.38	19.64
Jewellery	5.48	9.88	15.98	87.16
Chemicals	8.67	12.59	12.84	24.08
Iron, steel and products	7.38	11.73	11.61	21.98
Electrical machinery and parts	9.39	12.16	11.31	13.07
Integrated circuits	8.11	10.76	9.10	1.37
Metal ores, metal, and products	4.75	7.51	7.79	26.94
Computers, parts and accessories	6.83	8.15	7.54	10.70
Vehicles parts	3.37	5.91	5.43	12.42
Others	48.50	63.10	67.31	29.81
<b>Total</b>	<b>133.66</b>	<b>182.42</b>	<b>192.50</b>	<b>29.14</b>

Source: MOC, as of November 23, 2011



## Top 10 Exports in 2009–2011 (Jan-Oct) Unit: US\$ Billion

	2009	2010	2011 (Jan-Oct)	Growth%
Computer and parts	16.02	18.84	15.37	-1.31
Vehicle and parts	11.12	17.71	15.33	2.79
Rubber	4.31	7.90	11.31	81.60
Jewellery	9.76	11.65	10.72	12.28
Refine fuels	5.43	7.07	7.70	32.89
Plastic resins	4.46	6.34	7.41	44.57
Integrated circuits	6.44	8.07	7.08	5.73
Chemical products	4.47	5.78	6.97	50.78
Rubber products	4.49	6.43	6.96	32.58
Rice	5.05	5.34	5.63	39.34
Others	80.89	100.17	102.29	24.07
<b>Total</b>	<b>152.43</b>	<b>195.31</b>	<b>196.77</b>	<b>22.80</b>

Source: MOC, as of Nov 24, 2011

# Major Export Partners between 2009- 2011 (Jan-Oct)

Unit: US\$ Billion

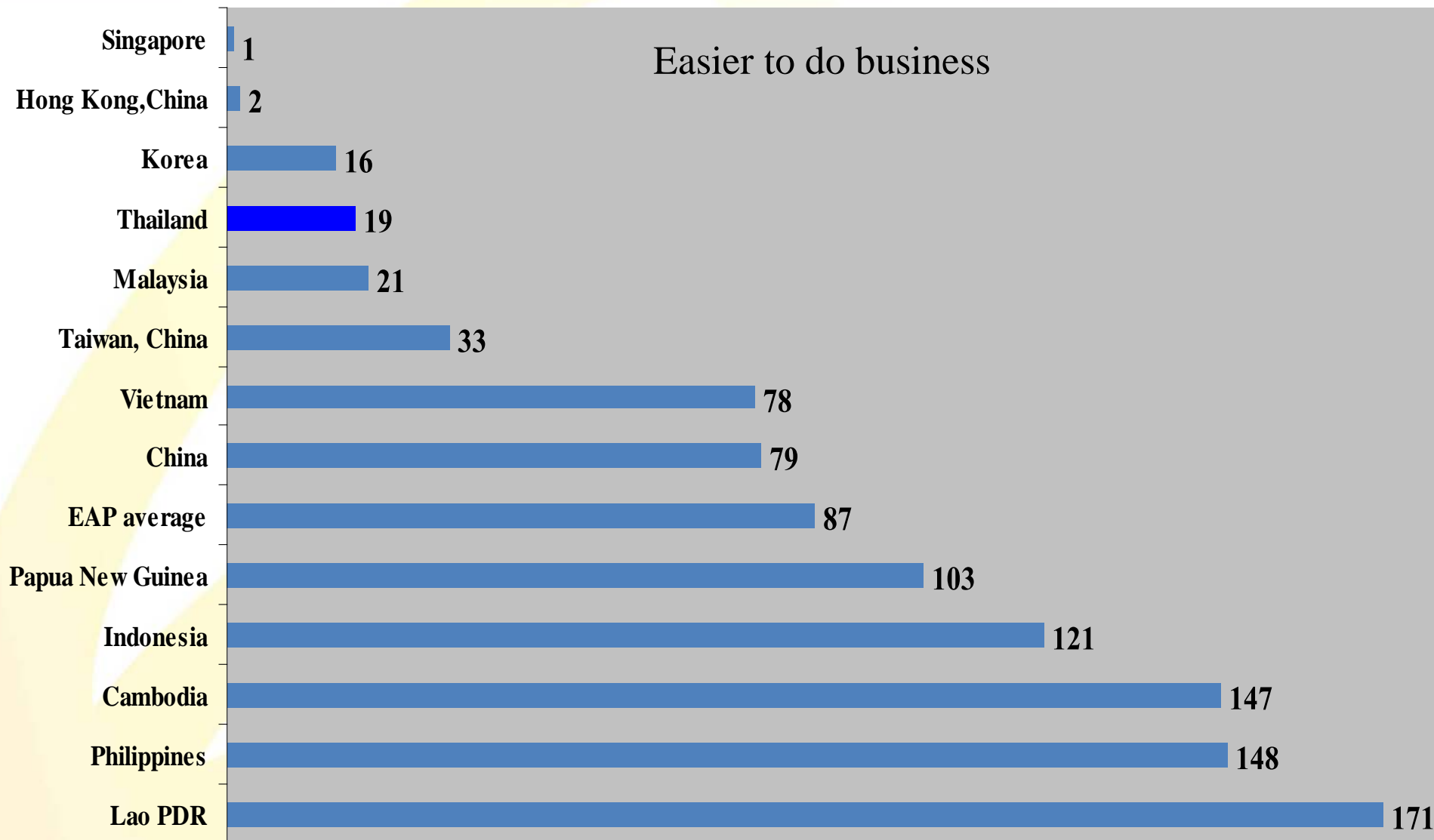
	2009	2010	2011 (Jan-Oct)	Growth (%)
China	16.12	21.47	23.55	35.60
Japan	15.72	20.42	20.97	26.02
U.S.A.	16.66	20.20	18.61	11.85
Hong Kong	9.48	13.13	14.19	38.27
Malaysia	7.66	10.57	10.69	21.53
Others	86.78	109.52	108.75	20.13
<b>Total</b>	<b>152.43</b>	<b>195.31</b>	<b>196.77</b>	<b>22.80</b>



# Ease of Doing Business 2011

www.boi.go.th

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Source: Doing Business 2011, World Bank, as of Nov 25, 2010

More difficult to do business

# Expatriate Experience 2010

## Top Destinations for Expatriate Experience

1. Thailand
2. Canada
3. Bahrain
4. Spain
5. South Africa
6. France
7. Bermuda
8. Australia
9. Malaysia
10. Switzerland



Source: Expatriate Explorer Survey 2010, HSBC  
as of Nov 24, 2010 (4,127 respondents)

# Mercer 2010 Cost of Living Survey

www.doi.go.th

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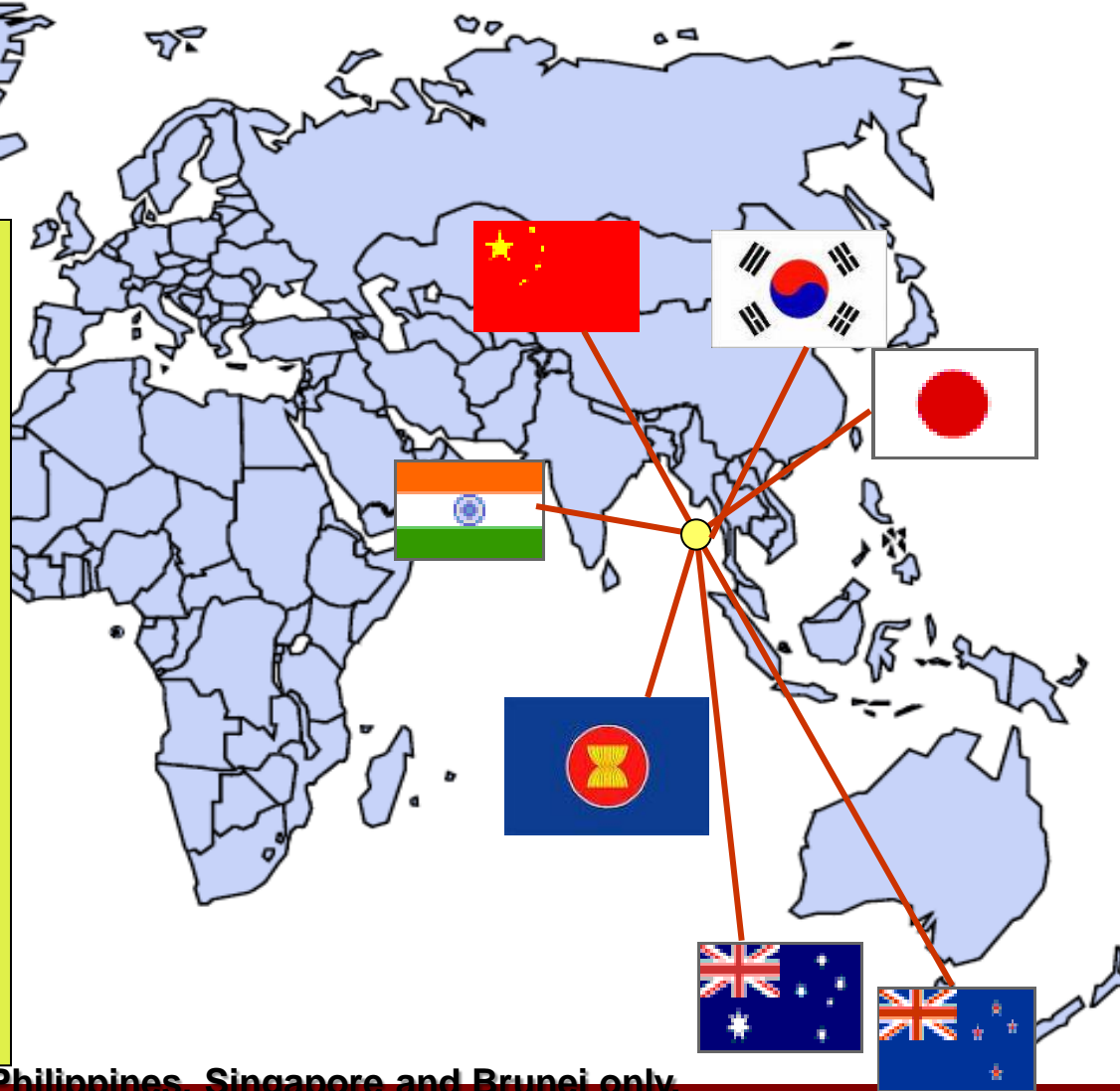
Cities	Country	Ranking Cost Most to least (March 2010)
Tokyo	Japan	2
Osaka	Japan	6
Hong Kong	Hong Kong	8
Beijing	China	16
Singapore	Singapore	11
Paris	France	17
Rome	Italy	26
Jakarta	Indonesia	94
Hanoi	Vietnam	121
<b>Bangkok</b>	<b>Thailand</b>	<b>121</b>

Source: World Cost of Living Survey 2010, Mercer Human Resource Consulting as of Jul 1, 2010

# Free Trade Agreement

## Entered into force

- AFTA\*
- ASEAN-China
- ASEAN-Japan
- ASEAN-India
- ASEAN-S.Korea
- ASEAN-Australia-NZ
- Thailand-Peru
- Thailand-Australia
- Thailand-New Zealand
- Thailand-India
- Thailand-Japan



Note: \* Thailand, Malaysia, Indonesia, Philippines, Singapore and Brunei only.

# Infrastructure- Transportation



# Infrastructure

- **7 international airports**

- In 2009, 53.9 million passengers, 1.1 million tons of cargoes
- **Suvarnabhumi Airport** – Capacity: 45 million passengers and 3 million tons of cargo per year

- **Over 70,000 km Highway Systems**

- **6 Deep Sea Ports & 2 International River Ports**

- Capacity over 10 million TEUs
- **Laem Chabang Sea Port** – Capacity: 10.8 million TEUs, with additional 8 million TEUs expansion
- **e-Customs facilities**

- **4,346 km Rail links to Malaysia & Singapore**

- **60 Industrial Estates**





# GMS Infrastructure Development



-  North-South Corridor
-  North-Eastern Corridor
-  East-West Corridor
-  Southern Corridor
-  Central Corridor
-  Southern Coastal Corridor

**GMS  
CORRIDORS**

# ***Inward Investment Promotion Policy***

# Liberal Investment Policy

- ☐ **No restrictions on foreign currency remittances**
- ☐ **No export requirement**
- ☐ **No foreign equity restrictions in manufacturing sectors and promoted services sector**
- ☐ **No local content requirement**

# 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 may apply in zone 3
- ❑ Import duty reductions or exemptions on machinery and raw materials
- ❑ Double deduction of public utility costs
- ❑ Deductions for infrastructure construction/installation costs

## Non-Tax Incentives

- ❑ Land ownership rights for foreign investors
- ❑ Permission to bring in foreign experts and technicians
- ❑ Work permit/visa facilitation

### **One-Stop-Shop**

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



## *BOI Investment Services*

- ❑ BOI is a Full Service Investment Center
  - ☞ We provide comprehensive information on opportunities in Thailand
- ❑ Industrial Subcontracting assistance (BUILD)
  - ☞ Free sourcing assistance to your specifications
  - ☞ International standards
- ❑ Investment Facilitation Unit
  - ☞ We assist you with other government agencies
  - ☞ Even with your utility connections

# Investment Opportunities in Thailand

## Biotechnology



## Food Processing

## E & E



## Automotive & Parts



# Thailand: World's Leader in Agro-Based

- World's No.1 producer of natural rubber, rice, cassava & tapioca
- Top exporter of seafood, canned tuna, chicken meat, canned pineapples
- World's top exporter of sugar

## Food Industry

- Thailand was the first country in Southeast Asia to adopt agriculture biotechnology.
- Approximately 9,000 food processing companies in Thailand
- Thai food factories comply for food safety standards : GMP, ISO, HACCP, and TQM

# Electronics and Electrical Industry

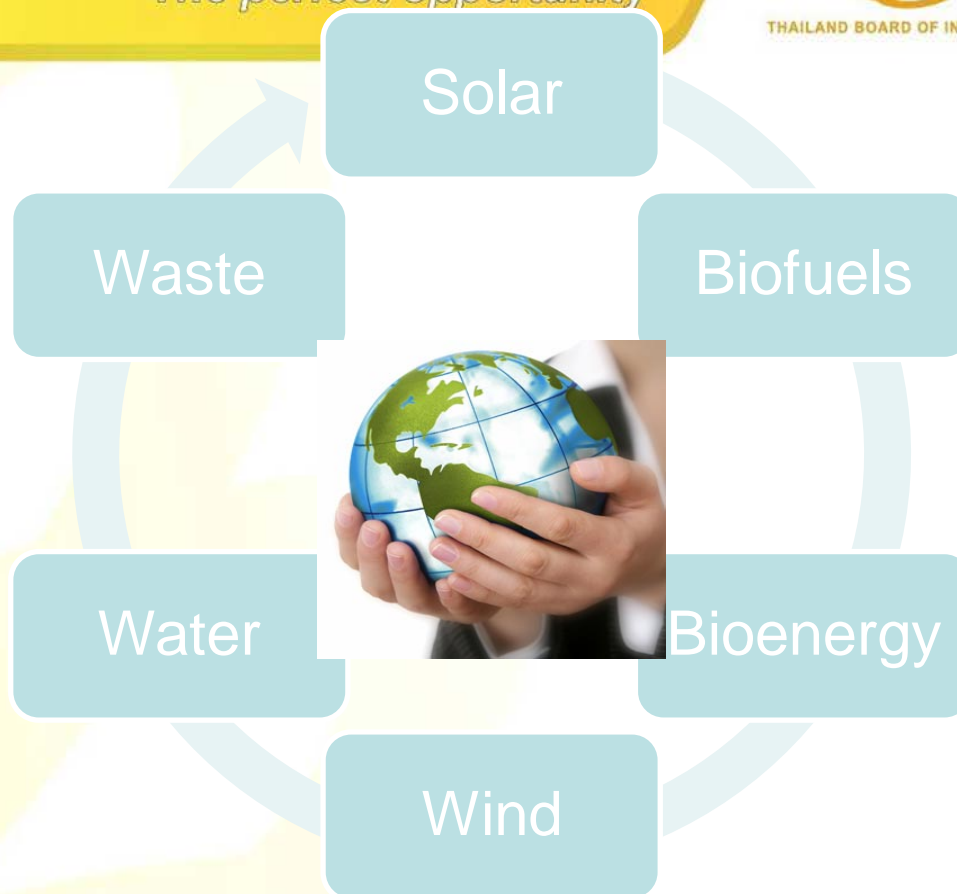
- Thailand is the 13th Export Rank in the World
- E&E exports ~ US 52 Billion in 2010
- Thailand is the world's largest producer of HDDs
- A leading country in the manufacture of Integrated Circuits and White Goods
- Strong supporting industries for electrical appliances
  - Compressors, motors, plastic and metal parts



# Thailand: Auto Hub of Asia

- Largest auto producer in Southeast Asia, 12 largest producer in the world: capacity 2.4 million unit in 2011
- World's 2nd largest producer and market of pickup trucks.
- 16 assemblers: production in 2010~ 1.65 mil. units  
55% exports to more than 150 countries
- Strong Supporting Industry: more than 2,300 companies
  - 635 suppliers of Tier 1 with combination of multinational, JV and domestics companies
  - 1,700 suppliers mainly domestics companies
- High Local content : 80-90% for pick up and 30-70% for passenger car

## Renewable Energy



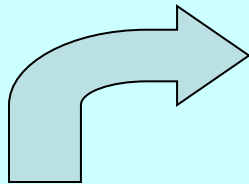
### **National Policy to Promote Renewable Energy**

**Target : To increase the share of renewable energy to 8% by the year 2011 and 20% by 2022**

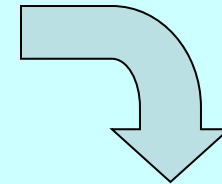
# ***Outward Investment Promotion Policy***

## Policy to Promoted Thai Oversea Investment (TOI)

**Create good network in targeted countries**

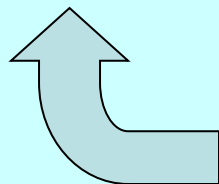


**Decrease risk  
in TOI**

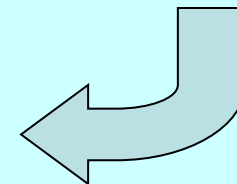


**Offer incentives to TOI**

**Train Thai investor's  
readiness in TOI**

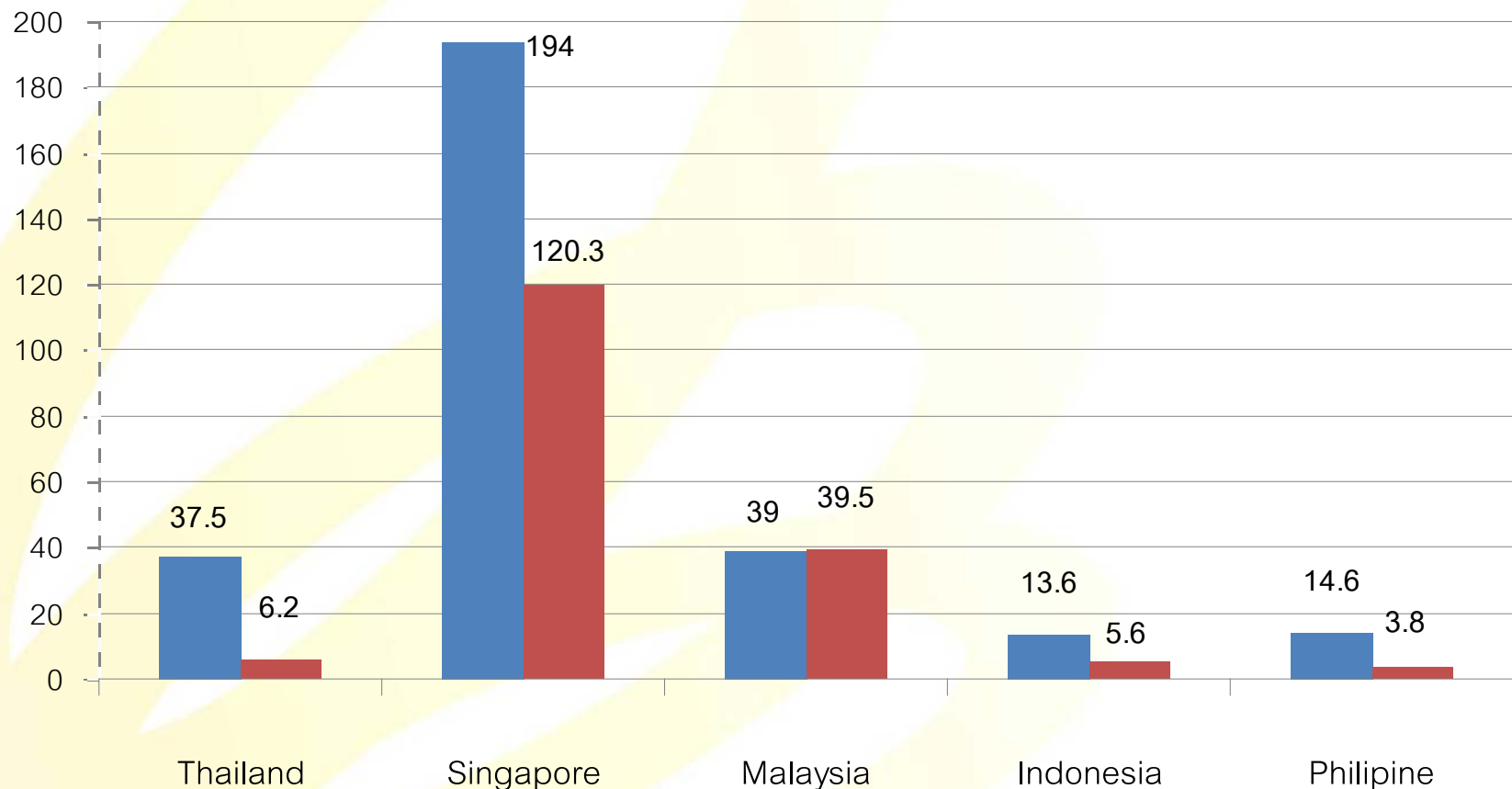


**Facilitate services and  
trouble solutions for TOI**





## FDI & OFDI Accumulated in 2009



Source: UNCTAD

# Potential Outward Investment Business

- (1) Agriculture and Food
- (2) Textiles, garments and jewelery
- (3) Automobile Parts
- (4) Construction
- (5) Services & Tourism : Restaurant, Hotel, Spa
- (6) Plastics processing

# THANK YOU

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**WHERE SUCCESS STORIES BEGIN**

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