



Thailand Investment Promotion Policy: NEW Economy, NEW Opportunities

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Thailand Board of Investment (BOI), Frankfurt Office

29 September 2023

The Hague, Netherlands



01

**Why Thailand &
Investment Landscape**

02

BOT and The New Investment
Promotion Strategies

03

Sector of Opportunities

04

BOI Supporting Services



Thailand's Competitive Strength in Attracting Foreign Direct Investment



Excellent infrastructure especially in the EEC area



Readiness of the supporting industries



High quality workforce



Creativity & Hospitality



Competitive incentives



Good relationship with all countries



Competence in providing renewable energy to the business



Outstanding resilience in crisis management

Thailand's Strategic Location Makes it an Investors' Gateway to Asia.



2nd Largest Economy Globally
(USD 13.4 Trillion)

6th Largest Economy Globally
(USD 2.7 Trillion)

Future Cooperation with RCEP

Proximity distance to China and India

Aerial, Land, & Maritime Connectivity

Border Special Economic Zones

Thailand has concluded 17 Free Trade Agreements (FTAs)

20% Corporate Income Tax

Low-Cost of Living

Low-Cost Office Space

Well-Equipped Industrial Estates

Well-developed Infrastructure

Special Investment Opportunity

Thailand's Eastern Economic Corridor

- Chachoengsao
- Chonburi
- Rayong

The Thai Market

- Population: 69.79 Million¹
- Middle Class Consumers: 52 Million²

CLMVT

- 242 Million Consumers³
- Within 1,000 KM

ASEAN Economic Community

- 645 Million Consumers⁴
- 5th Largest Economy Globally (USD 3.2 Trillion)
- ASEAN FTA / ASEAN Connectivity

Greater Asia Region

- 4.6 Billion Consumers⁵
- Within 5,000 KM

Source: ^{1,3}World Bank (2020), ²Deloitte (2016), ⁴ASEAN key finger 2020, ⁵World Meters (2019), ASEAN Key_Figures_2020

Thailand at a glance

International Ranking



World
Competitiveness
Ranking

33

2022
(total 64 countries)



30

2023
(total 64 countries)

Economic Snapshot

66.09

million population

2.6

% GDP growth
in 2022



2.7-3.7

% GDP growth
Forecasted in 2023

0.88

Unemployment rate

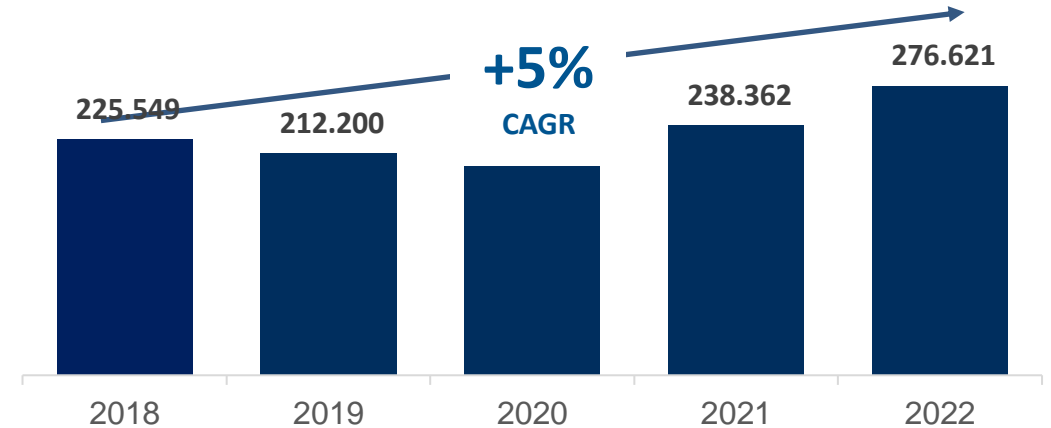
5.1

Real Private
Investment growth

2nd

Largest Economy in
Southeast Asia

Export Value (Euro Million)



Top 5 Highest Exports & Trade Partners

Unit: Euro



Automotive
27.2 billion



Computer
25.6 billion



Jewelry
14.3 billion



Rubber products
13.3 billion



Plastics
10.2 billion



China
102.5 billion



USA
63.4 billion



Japan
59.4 billion



Malaysia
26.3 billion



Vietnam
20.5 billion












Thailand: Ranking 2nd in 2023 Best Countries for Starting a Business

Survey by



Start a Business Rankings

	<p> India</p> <p> #1 in Start a Business Rankings #2 out of 85 in 2022</p> <p>Located in Southeast Asia, India sits on a peninsula that extends between the Bay of Benga... READ MORE ▾</p>	<p>GDP \$3.39 trillion</p> <p>POPULATION 1.42 billion</p> <p>GDP PER CAPITA, PPP \$8,379</p>
	<p> Thailand</p> <p> #2 in Start a Business Rankings #3 out of 85 in 2022</p> <p>Thailand, which translates to "land of the free," is the only Southeast Asian nation that d... READ MORE ▾</p>	<p>GDP \$495 billion</p> <p>POPULATION 71.7 million</p> <p>GDP PER CAPITA, PPP \$20,672</p>
	<p> China</p> <p> #3 in Start a Business Rankings #1 out of 85 in 2022</p> <p>Home to one of the world's oldest civilizations, China has been ruled by the Communist... READ MORE ▾</p>	<p>GDP \$18.0 trillion</p> <p>POPULATION 1.41 billion</p> <p>GDP PER CAPITA, PPP \$21,476</p>

5 particular attributes

- ❖ affordable
- ❖ Bureaucratic
- ❖ cheap manufacturing costs
- ❖ connected to the rest of the world
- ❖ provides easy access to capital

The Reach of Thailand's Current and *Potential* FTA Network

FTAs/RTAs Already Entered Into Force

ASEAN Free Trade Area

Thailand-**India** Free Trade Area

Thailand-**Australia** Free Trade Agreement (TAFTA)

ASEAN-**China** Free Trade Area

Thailand-**New Zealand** Closer Economic Partnership

Japan-Thailand Economic Partnership Agreement

ASEAN-**Japan** Comprehensive Economic Partnership

ASEAN-**Korea** Free Trade Area

ASEAN-**India** Free Trade Area

ASEAN-**Australia-New Zealand** Free Trade Area

Thailand-**Peru** Closer Economic Partnership

Thailand-**Chile** Free Trade Agreement

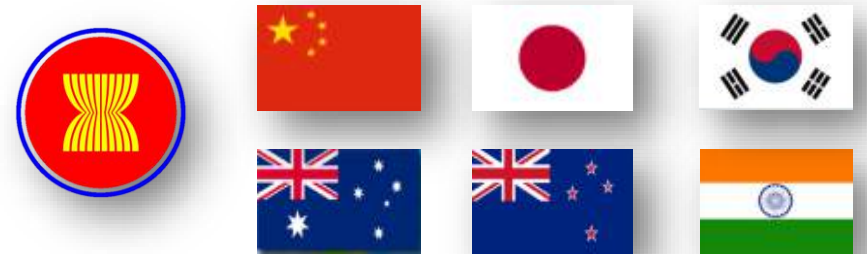
The ASEAN - **Hong Kong**, China Free Trade Agreement



Regional Comprehensive Economic Partnership (RCEP)

An agreement between ASEAN and its free trade agreement (FTA) partners to enter into force on 1 January 2022

RCEP Members

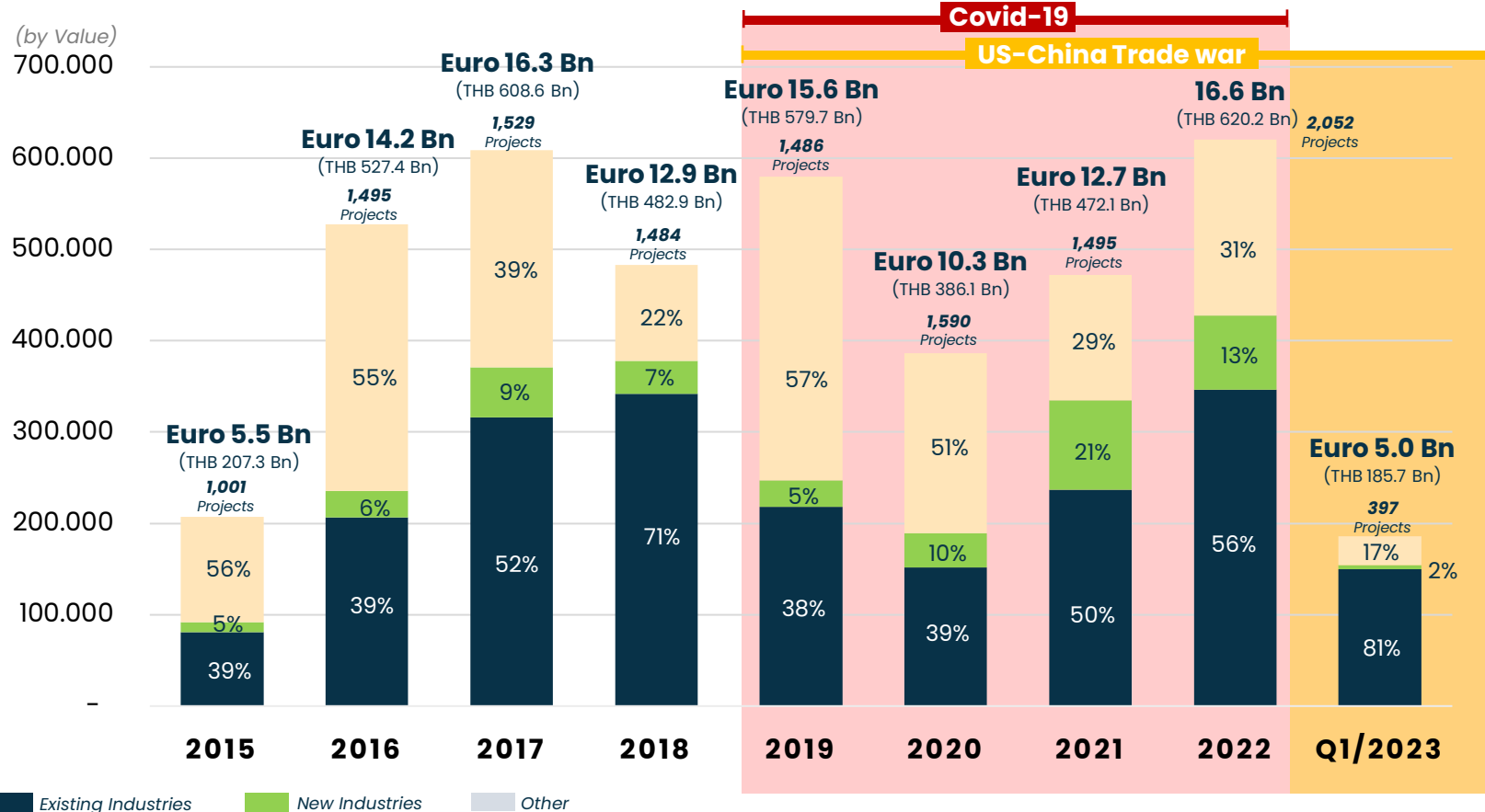


Under Negotiation


- Thailand-EU / Thailand-EFTA
- Thailand-Pakistan / Thailand-Turkey / Thailand-Sri Lanka/ Thailand-UAE


Investment Promotion (2015-2022)


12,132 projects
Euro 105.0 Billion



TOP 3 Industries

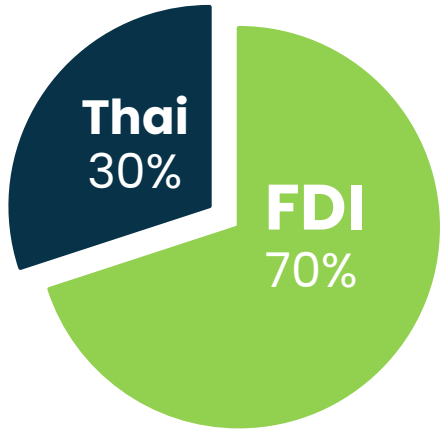
- 

Automotive and Parts
12,785 Mn Euro
731 Projects
- 

Electronics Appliances & Electronics
12,635 Mn Euro
911 Projects
- 

Petrochem. & Chemicals
12,303 Mn Euro
637 Projects


BOI FDI Status 2022





1,070 projects

Euro 11.62 Billion

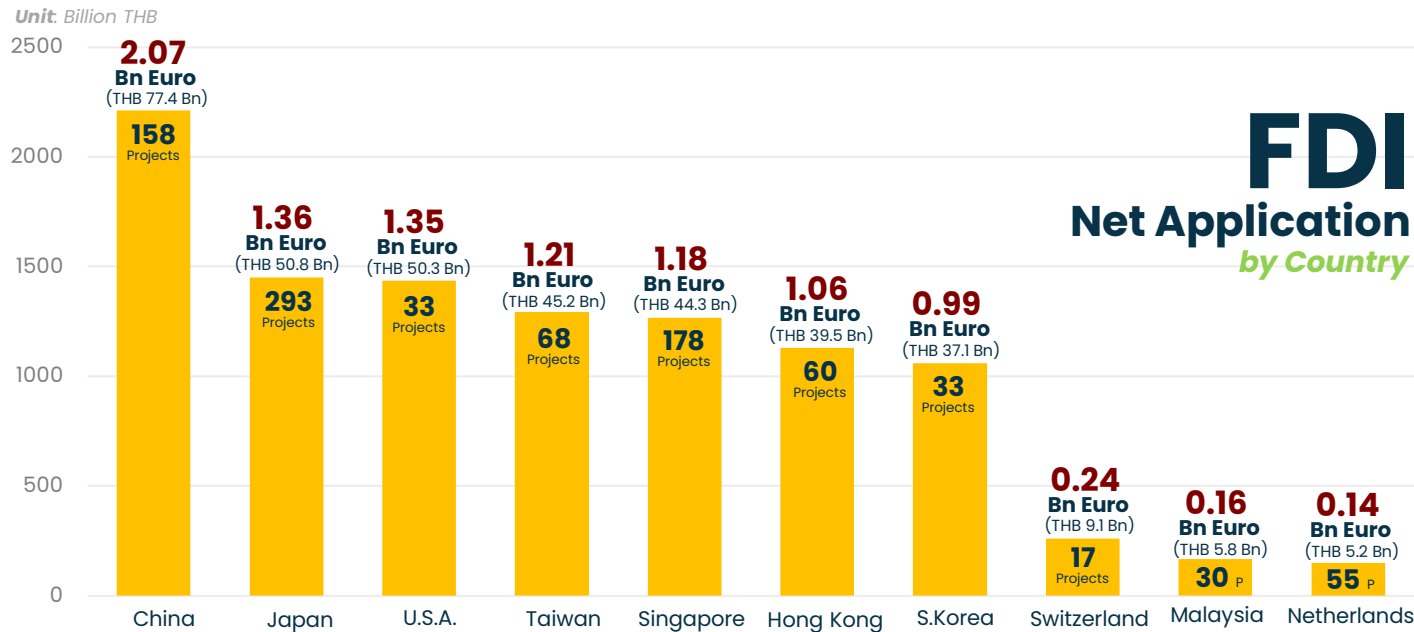
TOP 3 Industries

1.  **E&E**
3,389 Mn Euro
153 Projects

2.  **Automotive and Parts**
2,646 Mn Euro
125 Projects

3.  **Digital**
1,051 Mn Euro
73 Projects

FDI Net Application by Country

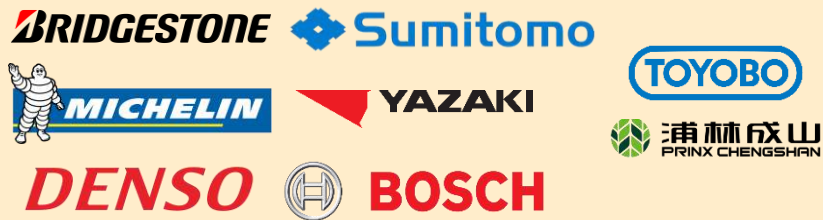


Thailand is a Destination for International Companies Second Home

Automotive



Auto Parts



Smart Electronics



Petrochemical



Food & Beverage



Bio-Base



Top 10 European countries in terms of Thailand's Investment Value in 2023 (January-June)



Rank	Countries	FDI in Thailand	No. of Projects	(Unit: Euro)
1 st	Germany	156 M.	13	
2 nd	Belgium	145 M.	1	
3 rd	Norway	144 M.	6	
4 th	Netherlands	137 M.	23	
5 th	France	76 M.	7	
6 th	Switzerland	77 M.	3	
7 th	Luxembourg	32 M.	1	
8 th	Spain	26 M.	1	
9 th	United Kingdom	3 M.	9	
10 th	Sweden	2 M.	3	



Note: Exchange Rate from Bank of Thailand as of September 30, 2023 (1 Euro = 38.46 Baht)

Source: Thailand Board of Investment

▶ Success Stories of Dutch Companies in Thailand



NXP Semiconductors





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BOI Supporting Services



BOI's Role: To Drive the Investment to the New Economy

BOI

is a government agency under the Office of the Prime Minister



Promoter

drives and promotes investment in private sector in alignment with the country's development strategy & the changing world context



Integrator

integrates Government support tools such as tax, finance, and non-tax incentives in a whole package



Facilitator

coordinates with agencies to develop the ecosystem & facilitate ease of investment & eliminates problems/ obstacles



Connector

links large-scale with small-scale enterprises, This is with foreigners, across industries & locations to expand business opportunities

New investment Opportunities

Upgrading Existing Industries



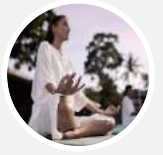
Electrical & Electronics



Agriculture & Food



Automotive & Parts



Tourism



Petrochemical & Chemicals

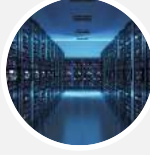
Building New Industries



Biotechnology



Medical



Digital



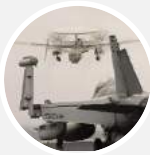
Automation & Robotic



Aerospace



Education



Defense Industry

Priority Industries for the Next 3 Years



BCG



EV



Smart E&E



Digital



Creative



Regional Headquarters

Other Industries

Infrastructure

R&D Center

Advanced Materials

Energy/ RE/ Hydrogen

Supporting Industries & Services

BOI's Investment Incentives

Tax Incentives

- Corporate income tax (CIT) exemption up to 13 years
- 50% reduction in corporate income tax after the expiry of the tax exemption period
- Exemption of import duties on machinery
- Exemption of import duties on raw materials (used in the manufacture of exports and for R&D purposes)

Non-Tax Incentives



BOI Investment Incentive Scheme

Standard Incentives



Activity-based Incentives

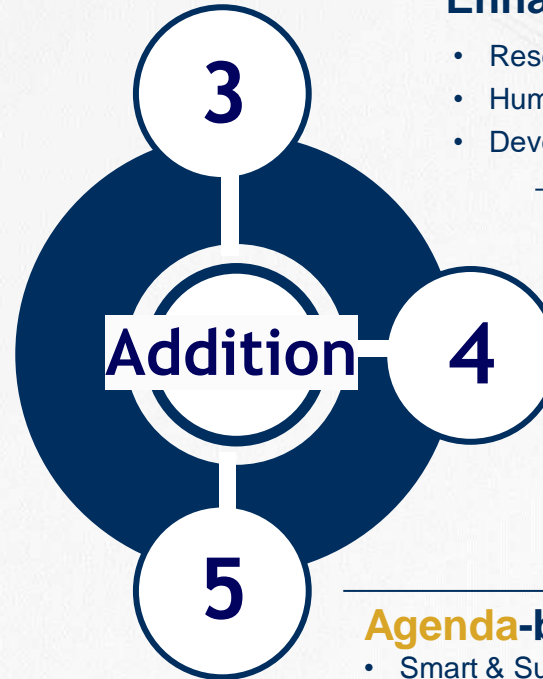
- Agriculture, Food & Biotechnology
- Medical
- Machinery and Vehicles
- Electrical and Electronics
- Metal and Materials
- Chemicals and Petrochemicals
- Public Utilities
- Digital Industries
- Creative Industries
- High-Value Services

Incentive

≤ 13-YEAR CIT EXEMPTION



Additional Incentives



Merit-based Incentives for Competitive Enhancements

- Research and Development
- Human Resource Development
- Development of Business Operators' Potentials

Area-based Incentives

- EEC 3 provinces
- SEZ 10 provinces
- Economic corridors
- Southern border provinces
- 20 provinces with lowest income
- Industrial Estates/Zones
- Science and Technology Parks (TSP, Food Innopolis, Space Krenovation Park)
- Medical Innovation District

Agenda-based Incentives

- Smart & Sustainability Industrial Upgrade Programs
- Relocation Program
- Retention & Expansion Program
- Establishment of Institutes for Advanced Skill Personnel Development
- Investment Stimulation Measures for Economic Recovery
- Social and Local Development Investment Programs

Standard Product-Based Incentive Packages

		Exemption : CIT	Exemption: Import duties on machinery	Exemption: Import duties on raw materials	Non-tax incentives
13 years CIT exemption 0 year	A1+	Upstream industries utilizing advanced technology and innovation, and targeted technology development activities (biotechnology, nanotechnology, advanced material technology), with technology transfer in collaboration with academic/research institutes.	10- 13 (no cap) + Merit ✓ years	✓	✓
	A1	Knowledge-based activities focusing on R&D and design to enhance the country's competitiveness	8 (no cap) + Merit ✓ years	✓	✓
	A2	Infrastructure activities for the country's development, activities using technology to create value-added, with no or very little existing investments in Thailand	8 + Merit ✓ years	✓	✓
	A3	High technology activities which are important to the development of the country, with few investments already existing in Thailand	5 + Merit ✓ years	✓	✓
	A4	Activities with lower technology than A1- A3 which add value to domestic resources and strengthen the supply chain	3 + Merit ✓ Years	✓	✓
	B	Supporting industries that do not use high technology, but are still important to the value chain	1 + Merit ✓ years	✓	✓

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

Smart & Sustainable Industrial Upgrade Programs

Smart

Sustainable



Automation and Robotics



Digital Technology



Industry 4.0



Energy Conservation, Alternative Energy, Environmental Impact Reduction



International Standards of Sustainability such as GAP, FSC, PEFCs, ISO 22000

Efficiency Improvement for Existing Projects

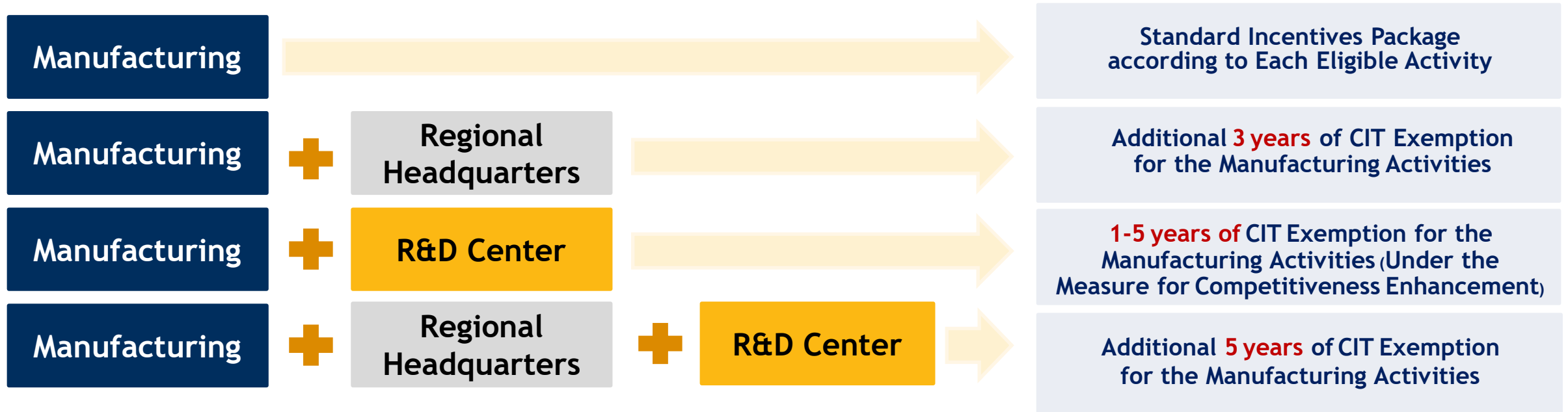
3 years
Exemption CIT **50%* or 100%**
**depending on the conditions of the investment value in efficiency enhancement.*

New Investment of Group B with upgraded Operations

3 years
Exemption CIT **50%* or 100%**
**depending on the conditions of the investment in automation and robotics systems or Industry 4.0 manufacturing standards.*

Relocation Program

Objective : To stimulate comprehensive relocations of business operations including manufacturing facilities, regional headquarters and R&D centers to Thailand.



- **Conditions:** A company can apply by adding a new Regional Headquarters (IBC) and/or the R&D center to its existing manufacturing activities or apply for a promotion on manufacturing activities together with its IBC, and/or the R&D center as one project.
- The IBC / R&D Center must start their servicing operations within 3 years after the date of investment promotion certificate issuance or the submission date of applications for project amendments.
- The Regional Headquarters/R&D Center must operate their essential functions as approved by the BOI
- **Applications must be submitted by 2023.**

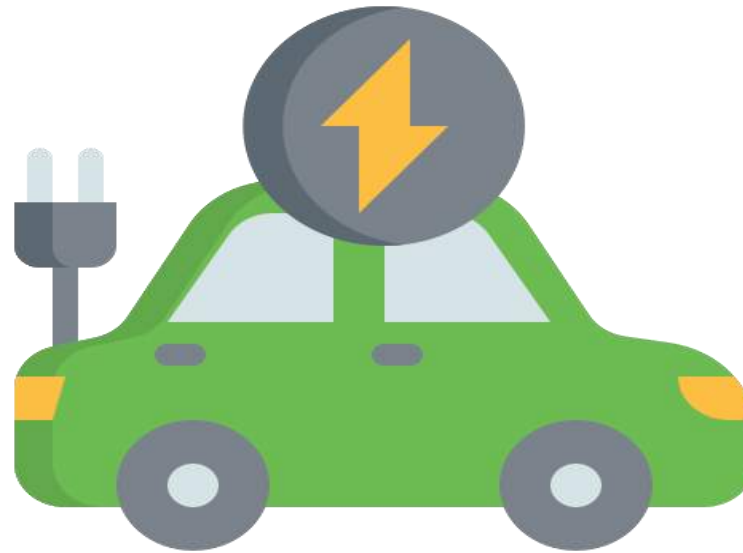


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Automotive & EV Industry

Thailand continuously accelerates its next-generation automotive industry as an Automotive Hub in ASEAN



1st

Automotive Producer in ASEAN



10th

Automotive Producer in the World



1.88 Million Units in 2022

World Ranking



5th

Light Commercial Car Producer



15th

Heavy Commercial Car Producer



18th

Passenger Car Producer



20th

Heavy bus Producer

Complete Supply Chain of the Automotive Industry

1,700 Companies

Supporting Industries

Thailand has strong supporting industries ranging from plastic, rubber and metal parts, tires, interior parts, seat, electric parts, electronics parts, safety system etc. which help complete the country's automotive supply chain.

720 Tier-1 Operators
> 1,100 Tier-2 and Tier-3 Operators

Auto Parts Industry

1st

Exporter of all types of auto parts in ASEAN

5th

Exporter of Tires Globally

12th

Exporter of Engines Globally

14th

Exporter of Automobile Parts Globally

23 Automobile Companies
12 Motorcycle Companies

Automotive Production and Assembly

10th

Automotive Producer Globally

Current Product Champion



One-ton Pickup



Eco-car

Next-generation Product



Electric Vehicle

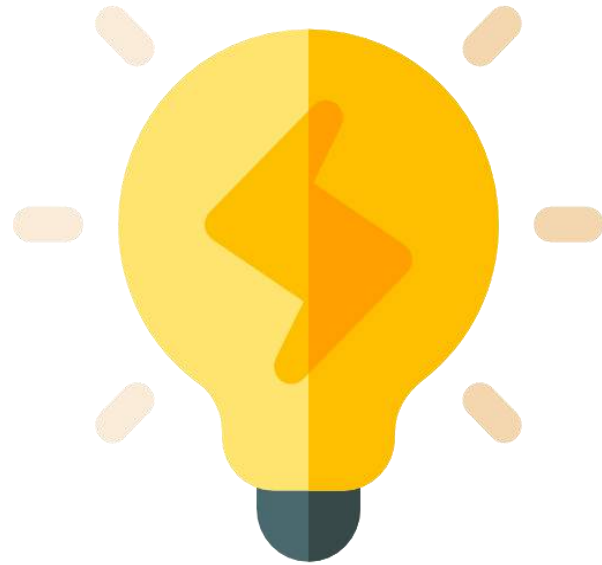


Promoted Projects on Electric Vehicles



Projects in process



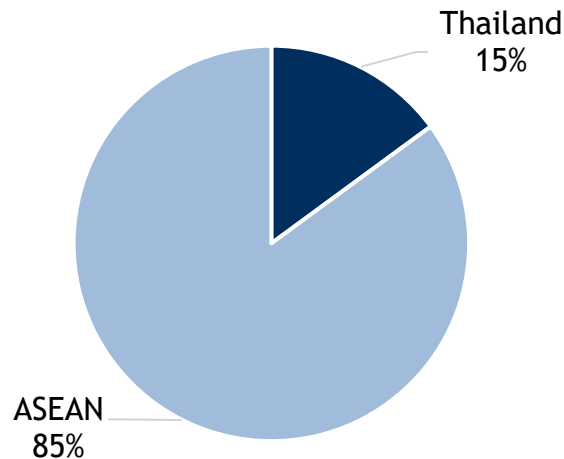


Smart Electronics

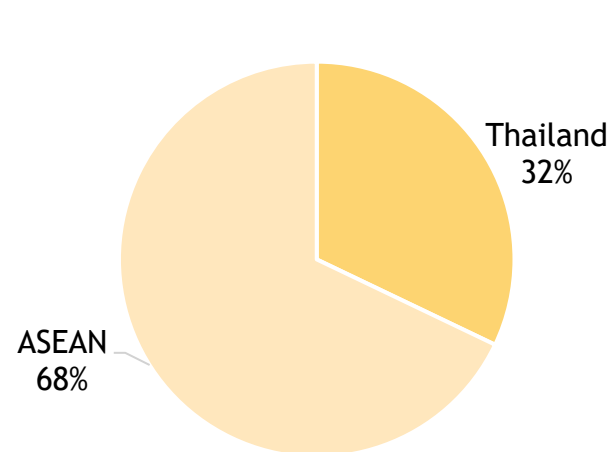
Thailand also has strong position amongst ASEAN

Thailand is one of the major manufacturing hubs for the E&E sector and also is a significant hub for hard disk drive (HDD) production on a global scale. From 2.4 million jobs in the E&E industry in ASEAN, Thailand is accounted for 15% of total employment or around 362,000 jobs (ranked 3rd in ASEAN)

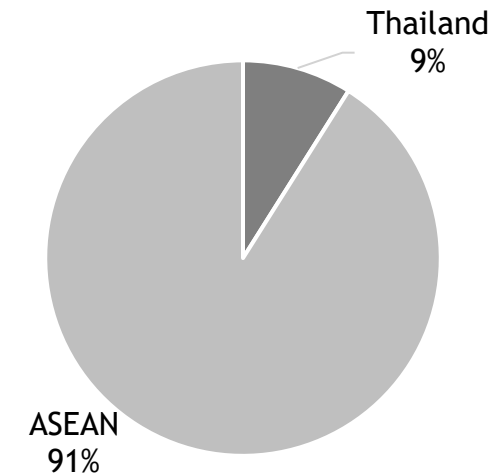
Employment



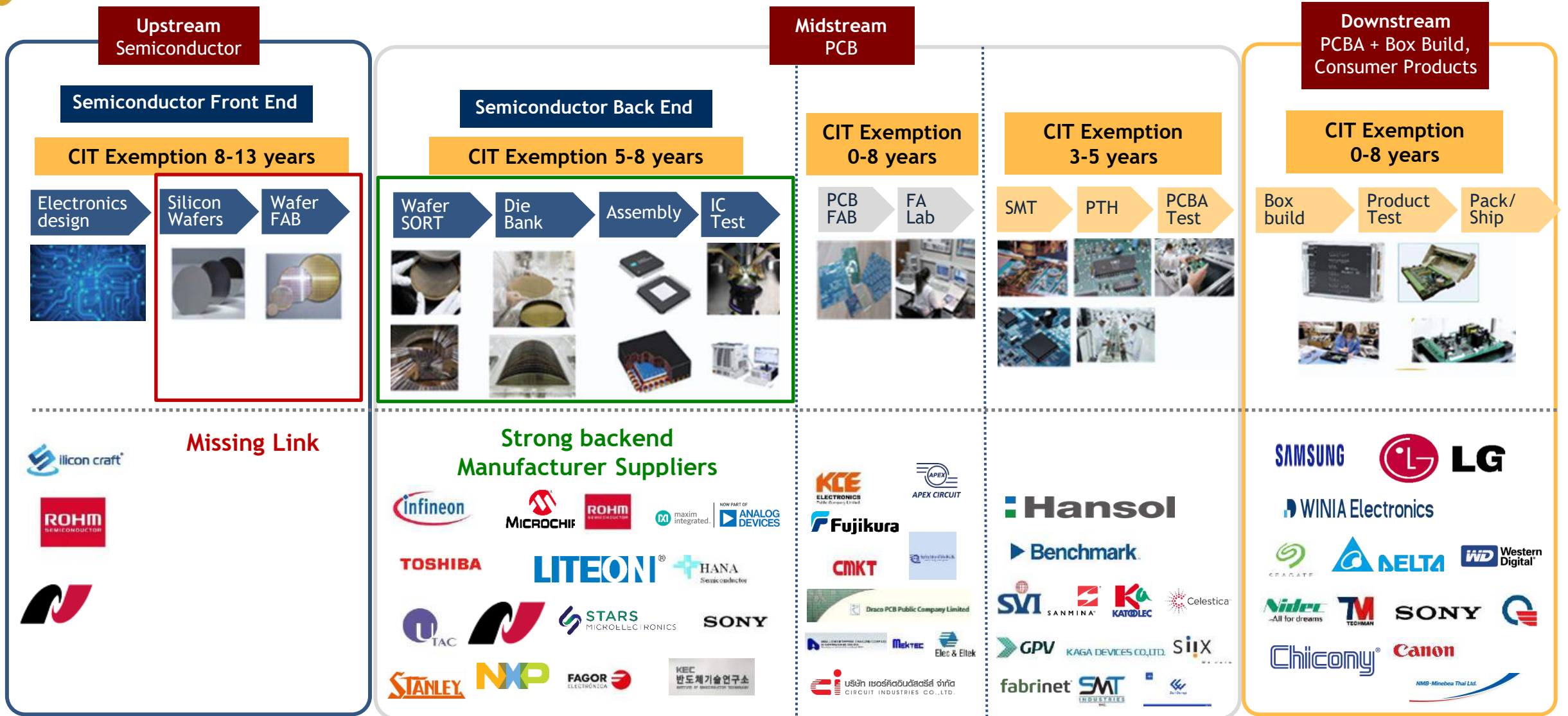
Manufacturing



Exports



Comprehensive semiconductor supply chain in Thailand



Supporting Industries

Mold

Metal part and component

Plastic part and component



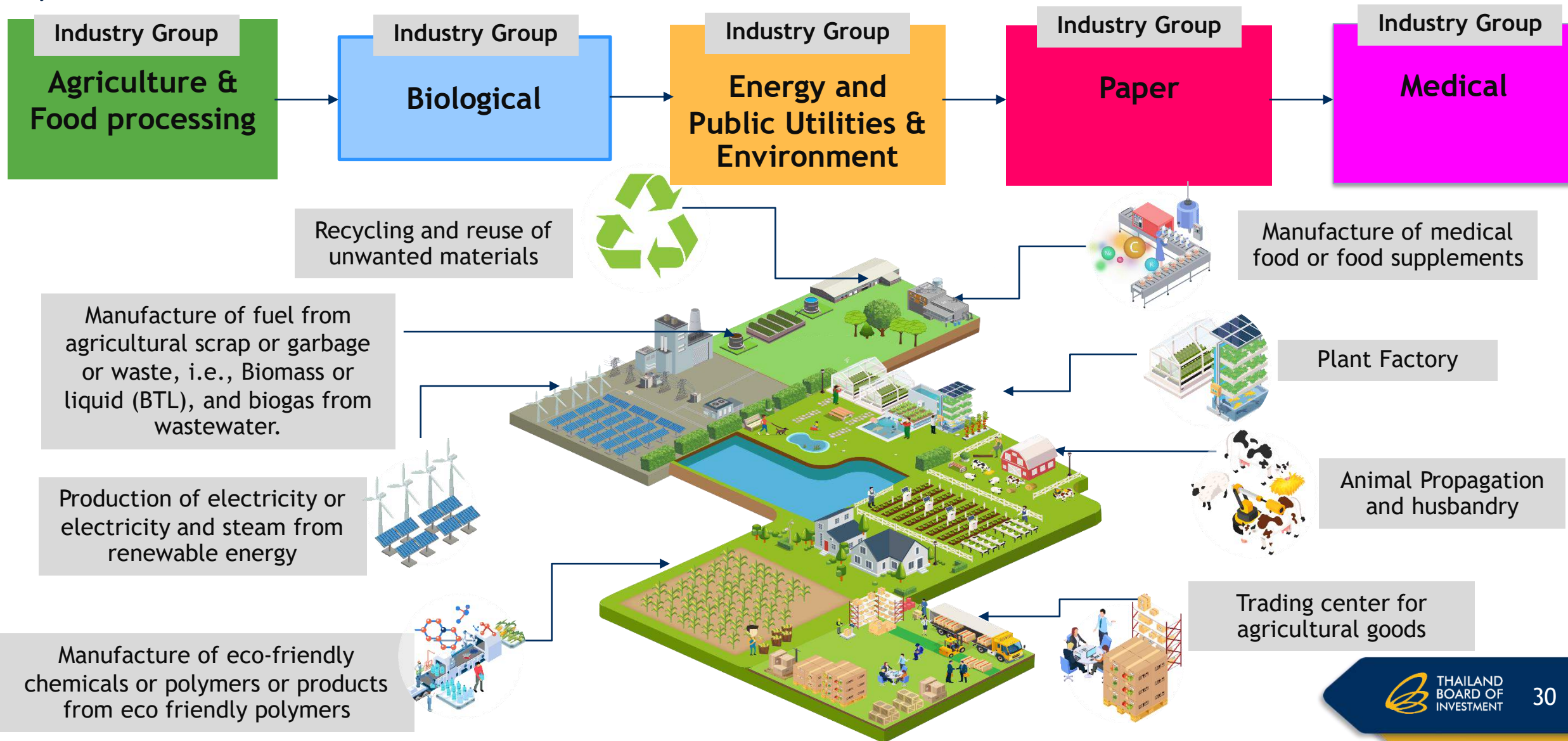
Sector of Opportunities



BCG Economy

Samples of BOI-promoted projects under the concept of BCG

activities as BCG concept that can apply to BOI



Samples of BOI-Promoted Project under **Agri-food** Industry



Manufacture of **Organic Starch or Organic Flour**



Adoption of **Advanced Technologies**

e.g. fruit ripeness sensor, radio frequency pest control, nuclear magnetic resonance in grading, packing, storage

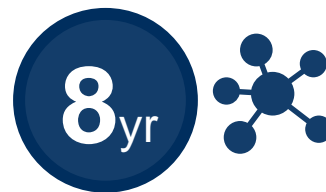


Manufacture of **Food, Beverage and Seasoning ingredients** excluding alcoholic beverages, caffeinated drinks, bakery products and candies



Manufacture of **Future Food**

e.g. food with health claims, novel food, organic food, medical food



Biotechnology related **Seed industry and improvement of plant, animal or microorganism breeding using biotechnology**



Manufacture of **Oil or Fat** from plants or animals, except soybeans



Manufacture of **Therapeutic Pet Food**



Adoption of **Smart Farming Systems** such as the use of sensors, drones, or greenhouses



Investment in **Plant Factories**



Hub of International Business

Trade and Investment Support Office : TISO



Business Concept for Sales and Customer Services Office/ Representative Office

Scope of TISO



Monitoring/Serviceing
Associated Enterprises



Engineering & Technical
Services (except those
related to Architecture &
Civil Engineering)



WHOLESALE

Wholesaling Products
Manufactured in Thailand



Advisory Services on
Business Operation
(except those that buy/ sell
securities/ FX exchange etc.)



Businesses Related to
Machinery, Engines,
Tools & Equipment
(e.g., importing for
wholesaling, training
services, installation,
maintenance and repair,
calibration)



International Business
Process Outsourcing
whose services are
provided through
telecommunication
networks
(e.g., administrative
services, finance &
accounting services,
human resources, etc.)



Information Services on
Good Sourcing

International Business Center: IBC

Business Concept for Regional Operation Headquarters (ROH)

Scope of IBC

- ❖ A company incorporated under Thai laws that **provide services to its associated companies** in overseas countries and/or in Thailand.

(Providing services at least 1 country outside Thailand)

- ❖ Including International Trade
 - **Activities** : Out-In, In-In, In-Out, Out-Out
 - **Finished goods** are included.
 - Selling in Thailand must be **Wholesale** only.



Investment Incentives for TISO & IBC

TAX INCENTIVES



Only for IBC

- Exemption of import duty on machinery used for **R&D and training** services in IBC project
- Reduction of personal income tax to 15% for expatriates working in an IBC



NON-TAX INCENTIVES

- 100% foreign shareholding
- Right to own land
- VISA and Work permit



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One Start **One Stop** Investment Center **(OSOS)**

- **Comprehensive information** and advice on establishing operation in Thailand
 - **1-Stop for visas** & work permits in 3 hours
 - **Easing & speeding** procedures for new investors
- **Database** of useful contacts: public & private organizations
 - Other applications for investors

More Convenience
More Efficiency
Less Time

Contact us:



18th Floor, Chamchuri Square
Building, 319 Phayathai Rd.,
Pathumwan, Bangkok 10330,
Thailand



Tel: 66(0)2 209 1100



Email: osos@boi.go.th

Make Thailand your home

with 10-year **LTR visa** for Long-Term Residents



Wealthy Global Citizens



Wealthy individuals holding at least USD 1 million in assets and investment in Thailand



Wealthy Pensioners



Retirees aged 50 years and older who have an annual pension or stable income



Work-from-Thailand Professionals



Remote workers working for well-established companies overseas



Highly Skilled Professionals



Professionals or experts in targeted industries working for business entities or higher education institutes or research centers or specialized training institutions in Thailand or Thai government agencies



Dependents



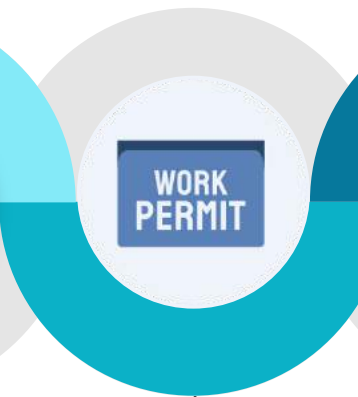
Spouse and children under 20 years old of LTR visa holders
(Maximum 4 dependents in total per one LTR visa holder)

Privileges to be offered to LTR visa holders

10 years renewable
visa



Exemption from
4 Thais : 1 foreigner
employment
requirement ratio



Permission to
work in Thailand (Digital
Work permit)



90-day report extended to
1-year report
AND exemption
of re-entry permit



17% Personal income tax
rate **for Highly skilled
professionals** and tax
exemption from oversea
income



Fast Track Service at
International Airports
in Thailand



Immigration and work
permit facilitation
services at One Stop
Service Center for Visa
and Work Permit



LTR Visa Status as of June, 2023

4,230
Applications



Wealthy Global
Citizens

265
(6.3%)



Wealthy
Pensioners

1,297
(30.6%)



Work-from-
Thailand
Professionals

1,106
(26.1%)



Highly Skilled
Professionals

639
(15.1%)



Dependents

930
(21.9%)

Top 3

applicants applying
for Thailand LTR Visa



Europe



1,919



U.S.A.



700



China



456

HQ Biz Portal as a Tool to Support Regional Offices

The screenshot shows the HQ BIZ PORTAL website. At the top, it says "HQ BIZ PORTAL" in large letters. Below that, it says "Enhancing Thailand's position as a REGIONAL HEADQUARTERS DESTINATION". There are four main navigation buttons: "Why HQ in Thailand?", "HQ Journeys in Thailand", "HQ Incentives & Licenses", and "FAQs". To the right of these buttons is a "SUBMIT APPLICATIONS" button. At the bottom, there is a "ONE-STOP CONSULTATION" banner with the text "with Thailand Board of Investment (BOI), Revenue Department (RD), Department of Business Development (DBD), Bank of Thailand (BOT)". To the right of this banner is a "BOOK A SESSION" button with the text "online & onsite".

HQ BIZ PORTAL is set up in collaboration of Thailand's key government agencies.



Objectives

- To support the approval and submission processes
- To reduce process and time for obtaining license of regional office operation

Available Services

Information Center

Consultation Service



TEMPLES



THAI FOOD



BEAUTIFUL BEACHES



RICH CULTURES

Thank You

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