



# Investment Supportive Measures for Medical and Healthcare Industry

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**Mr. Suthiket Thatpitak-kul**

Executive Director  
Investment Promotion Division 1  
Thailand Board of Investment (BOI)

A close-up, blue-tinted microscopic image of a surgical incision, showing a sharp metal instrument cutting through tissue.

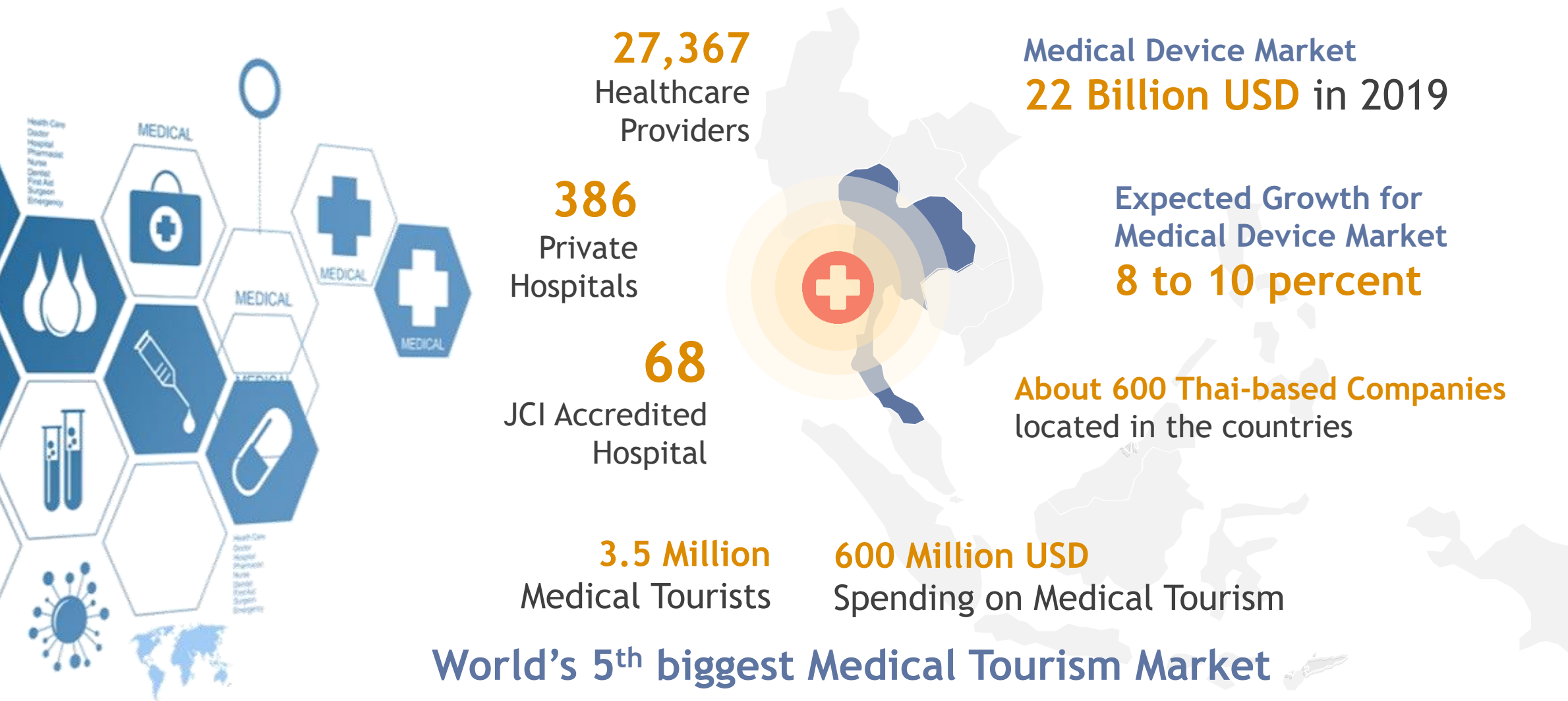
# AGENDA

## 1 Opportunities in Medical and Healthcare Industry

## 2 Investment Supportive Measures



# Thailand Medical Landscape at a Glance (before COVID-19 situation)





# Thailand as a Regional Leader in Health System

2021 GHS Score

GHS

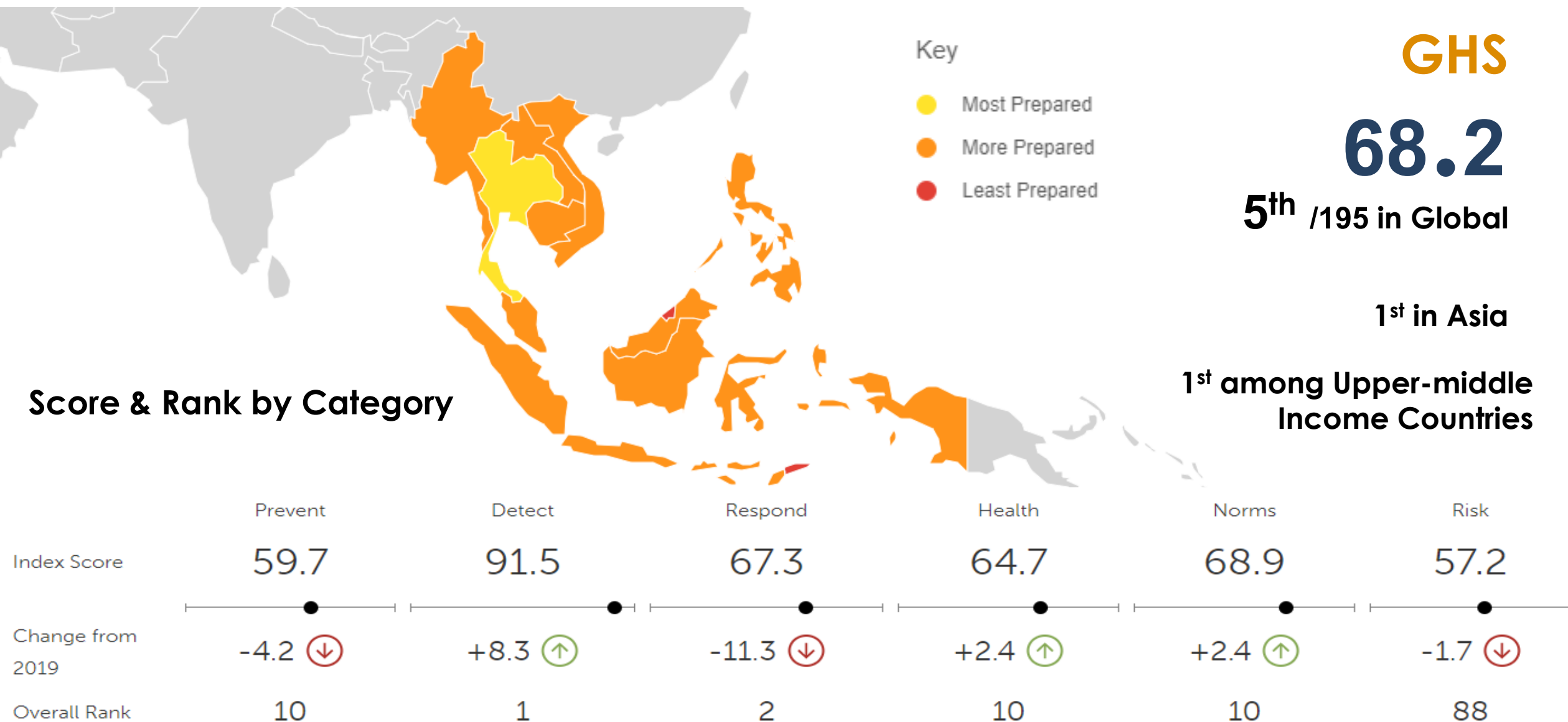
68.2

5<sup>th</sup> /195 in Global

1<sup>st</sup> in Asia

1<sup>st</sup> among Upper-middle  
Income Countries

## Score & Rank by Category





# 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

# 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



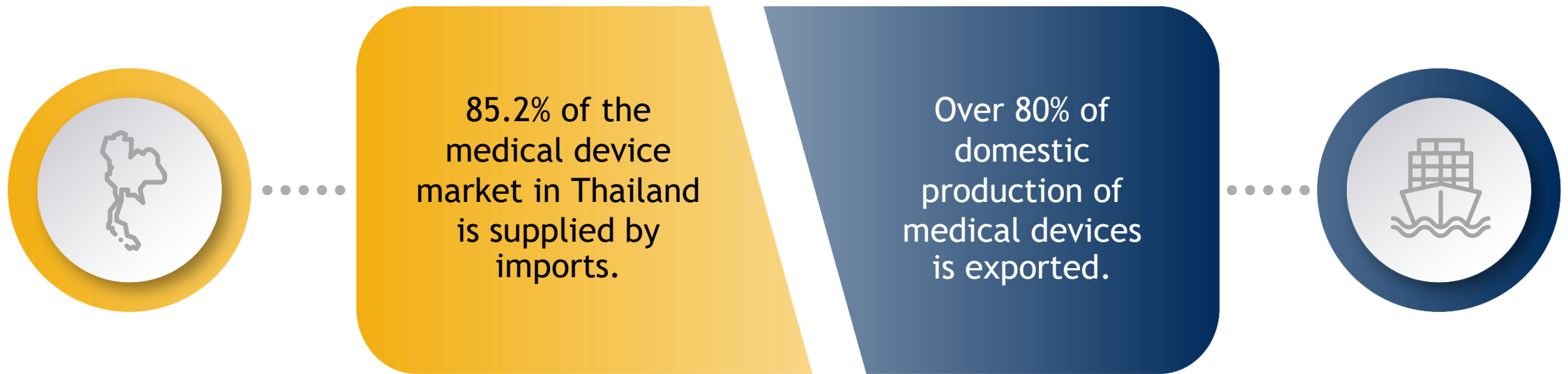
## Increase in Foreign Patients

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



# 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



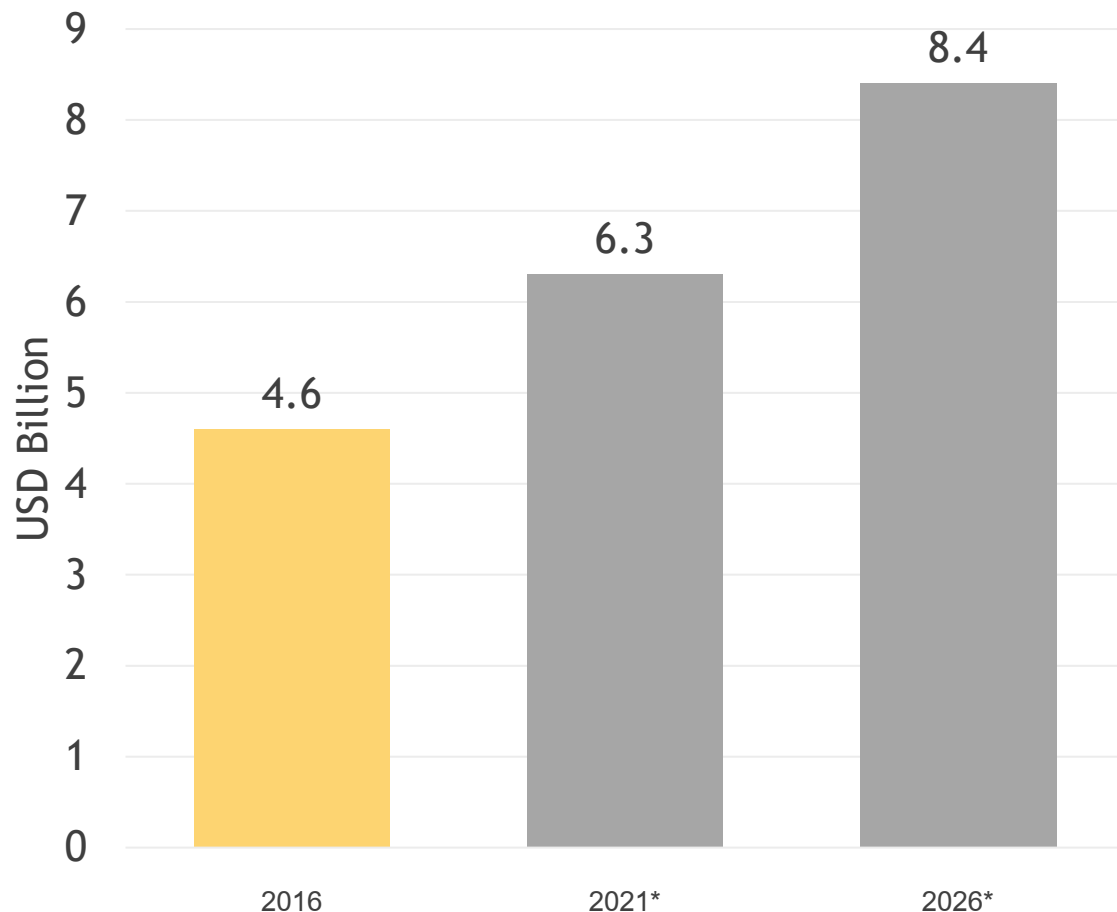
สำนักงานคณะกรรมการอาหารและยา  
กระทรวงสาธารณสุข

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

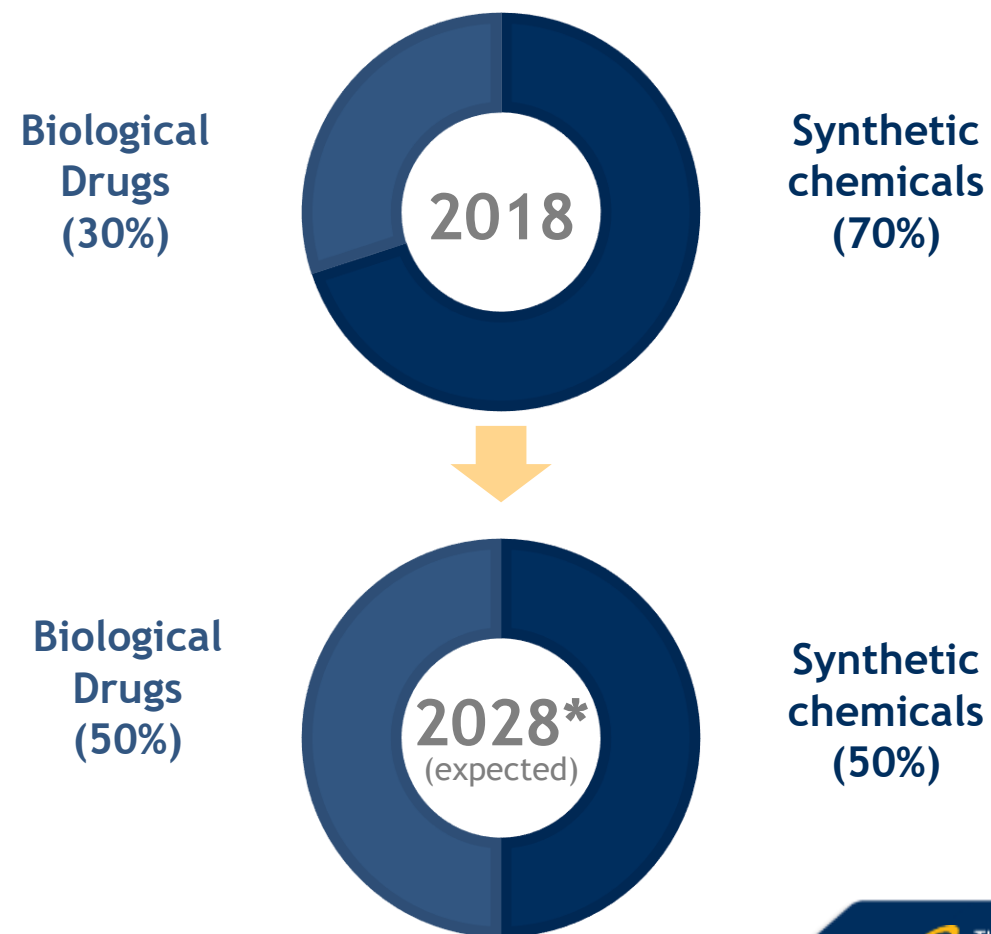


# Growth of Pharmaceuticals Market in Thailand

## Thailand Pharmaceutical Market Value



## Thailand's Pharmaceutical Market share





# AGENDA

**1** Opportunities in Medical and Healthcare Industry

**2** Investment Supportive Measures

# Introduction to the BOI



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

Provides comprehensive  
information and advice on  
establishing operations  
in Thailand

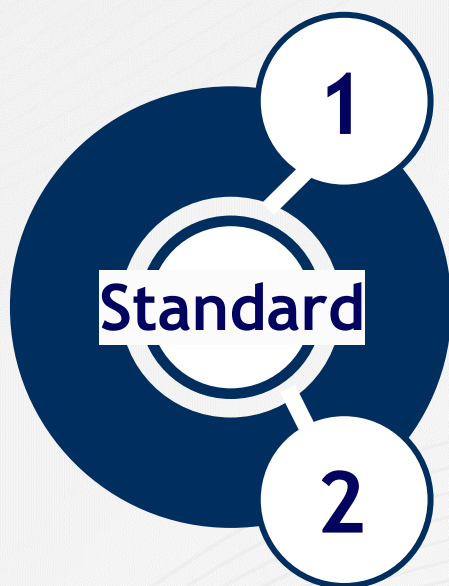
Coordinates between  
the foreign business  
community and other  
public agencies

Grants Investment  
Incentives

Provides Business  
Support Services  
for Investors

# BOI Investment Incentive Scheme

## Standard Incentives



### Activity-based Incentives

- Bio and Medical Industries
- Advanced Manufacturing Industries
- Basic and Supporting Industries
- Digital, Creative Industries, and High Value Services

≤ 8 YEARS CIT EXEMPTION

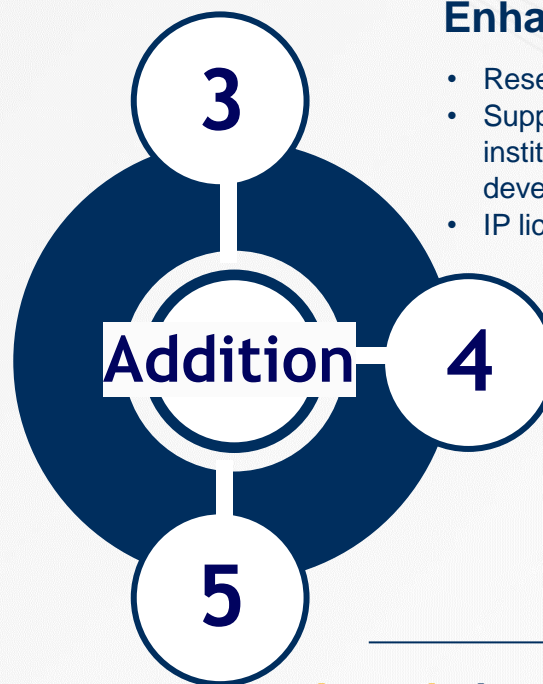
### Technology-based Incentives

- Biotechnology
- Nanotechnology
- Advanced Material Technology
- Digital Technology

10 YEARS CIT EXEMPTION



## Additional Incentives



### Merit-based Incentives for Competitiveness Enhancement

- Research & Development (R&D)
- Support academic / research institutes, or technology and HR development fund
- IP licensing fee
- Advanced technology training
- Development of local suppliers
- Product and packaging design
- Donations to technology & human resource development funds

### Area-based Incentives

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

### Agenda-based Incentives

- Investment promotion measures for companies listed in the Stock Exchange Of Thailand (SET) and the Market for Alternative Investment (MAI)
- Efficiency enhancement measure
- Measures to Support Grassroot Economy Development



# Standard Product-Based Incentive Packages

8  
years



CIT exemption

0  
year

	Defination	Exemption CIT	Exemption Import duties on machinery	Exemption Import duties on raw materials	Non-tax incentives
A1	Knowledge-based activities focusing on R&D and design to enhance the country's competitiveness	8+ Merit years 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+ Merit years	✓	✓	✓
A3	High technology activities which are important to the development of the country, with a few investments already existing in Thailand	5+ Merit years	✓	✓	✓
A4	Activities with lower technology than A1-A3 but which add value to domestic resources and strengthen the supply chain	3+ Merit years	✓	✓	✓
B1	Supporting industry that does not use high technology, but is still important to the value chain	- + Merit years	✓	✓	✓
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.



# 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	✓	✓	✓



# 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 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	-	✓	✓	✓

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.)

**Think Resilience**

**THINK THAILAND**



# 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					

# 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



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18<sup>th</sup> Floor, Chamchuri Square  
Building, 319 Phayathai  
Road, Pathumwan  
Bangkok 10330, Thailand

Tel: 66(0)2 209 1100  
Fax: 66(0)2 209 1199  
Email: [osos@boi.go.th](mailto:osos@boi.go.th)



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 Thailand (Head Office):  
555 Vibhavadi-Rangsit Road.,  
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Thailand


 (+66) 2553 8111


 (+66) 2553 8315


 head@boi.go.th


 Paris Office:  
Ambassade Royale de  
Thaïlande 8 Rue Greuze,  
75116 Paris, France

 + 33 1 56 90 26 00-01


 + 33 1 56 90 26 02


 par@boi.go.th


 Stockholm Office:  
Östermalmstorg 1, 4<sup>th</sup> Floor  
114 42 Stockholm,  
Sweden

 + 46 8 463 1158, + 46 8 463 1174


 + 46 8 463 1160

 stockholm@boi.go.th

 Frankfurt Office:  
Liebfrauenberg 26, 60313  
Frankfurt am Main,  
Federal Republic of Germany

 + 49 069 9291 230

 + 49 069 9291 2320

 fra@boi.go.th