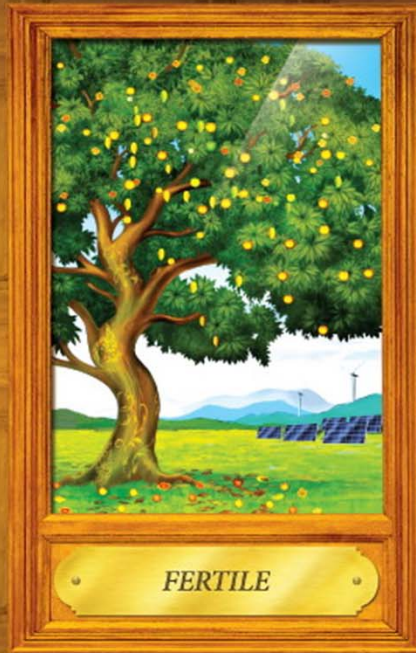


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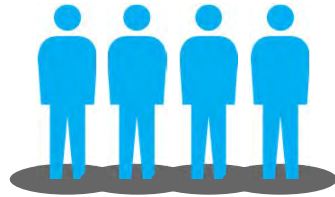


**Secretary General  
Dr. Atchaka Sibunruang  
Thailand Board of Investment  
June 2011 Edinburgh**

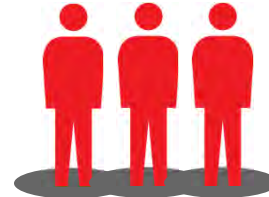


# Economy Overview

# Demographic and Economic



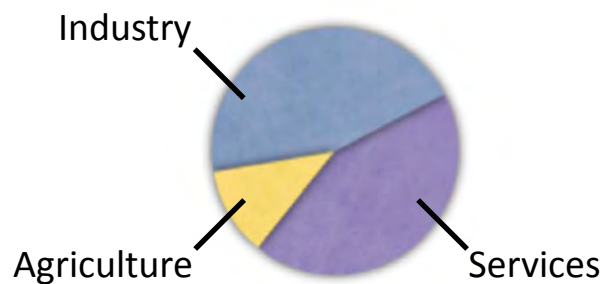
67 Million People



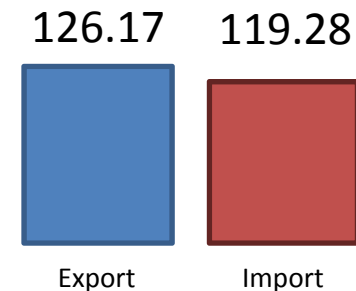
Labor 38.95 Million



GDP £206.42 Billion

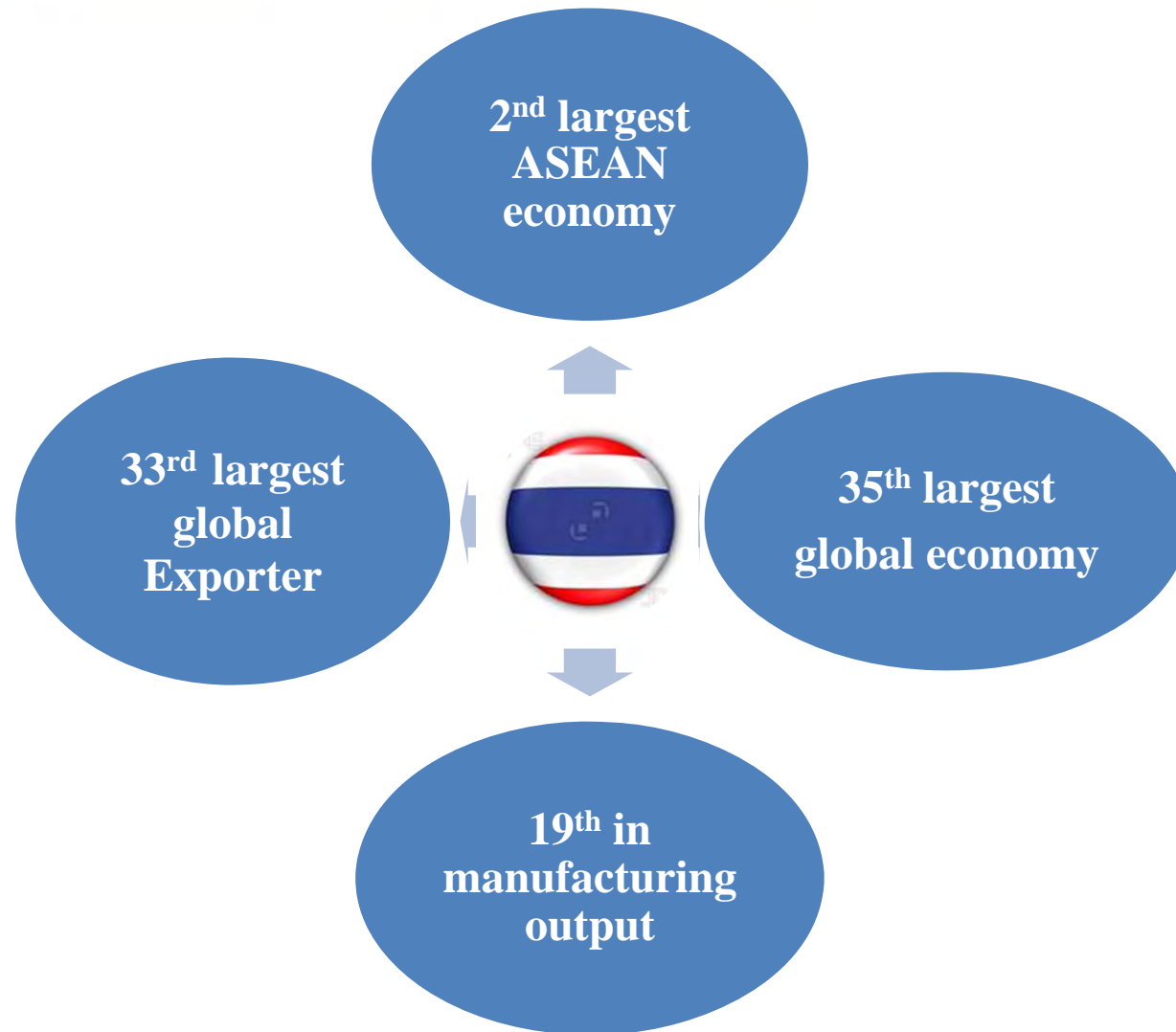


Sector share of GDP



Export & Import  
(Billions £)

# A Strong Economic Base



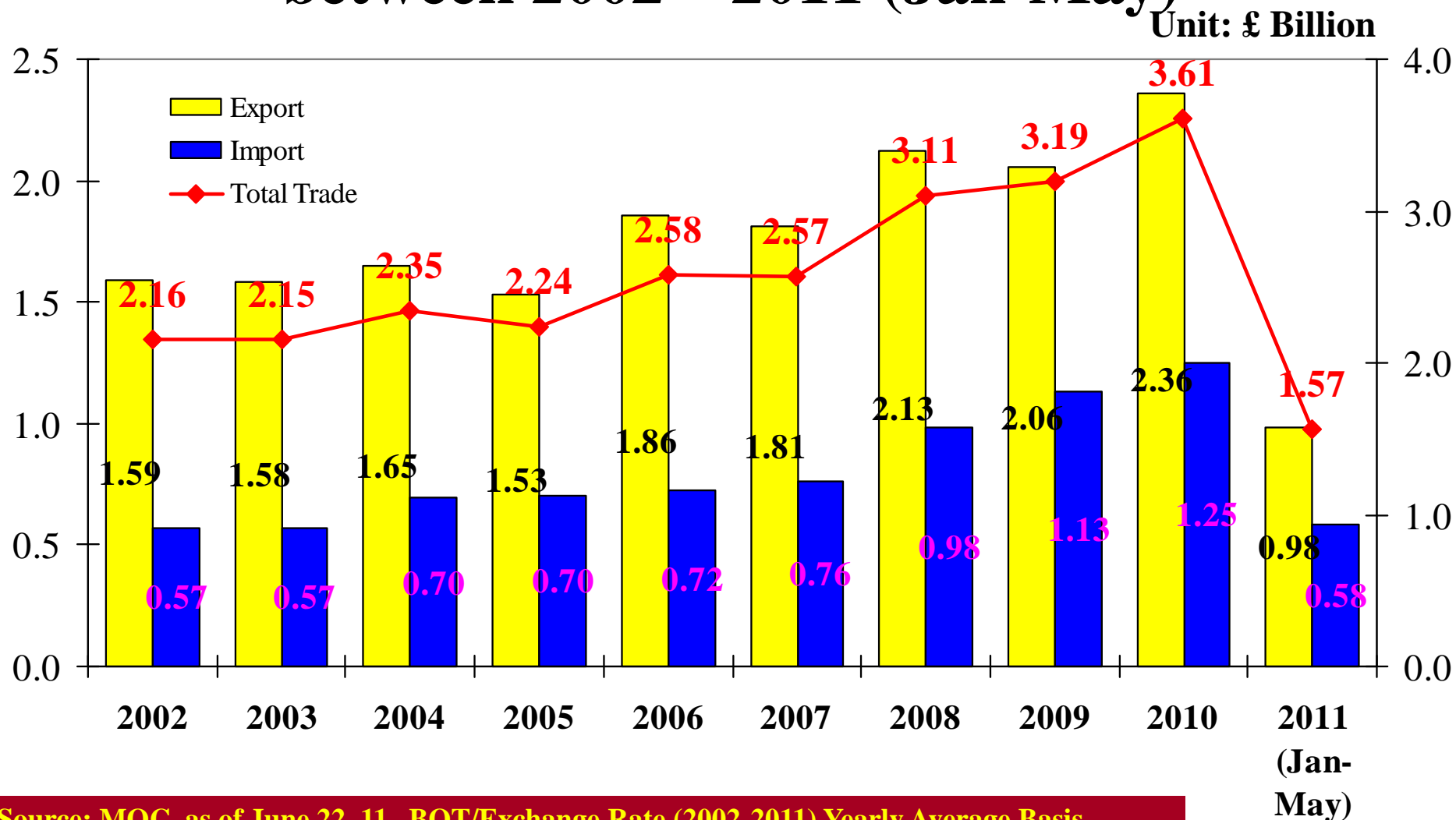
## Economic Performance 2010 and Outlook 2011

Economic Projections	2009	2010	2011E
<b>GDP Growth</b>	<b>-2.3</b>	<b>7.8</b>	<b>4.1</b>
<b>Export, FOB value (percent y-o-y)</b>	<b>-14.0</b>	<b>28.5</b>	<b>20.4</b>
<b>Import, CIF value (percent y-o-y)</b>	<b>-25.2</b>	<b>36.7</b>	<b>24.6</b>
<b>Industrial Capacity Utilization(%)</b>	<b>61.0</b>	<b>63.4</b>	<b>NA</b>
<b>Core/Headline Inflation</b>	<b>0.3/-0.9</b>	<b>1.0/3.3</b>	<b>2.3/3.9*</b>
<b>Unemployment rate(%)</b>	<b>1.50</b>	<b>1.04</b>	<b>NA</b>

Source: Bank of Thailand, as of April 2011



## Thailand – U.K Trade between 2002 – 2011 (Jan-May)



Source: MOC, as of June 22, 11 BOT/Exchange Rate (2002-2011) Yearly Average Basis



# Principal Exports to U.K

Unit: £ million

Description	2008	2009	2010	2010 (Jan-May)	2011 (Jan-May)	% Growth
Prepared poultry	249.85	265.95	319.93	119.58	136.04	13.76
Motor cars, parts and accessories	198.03	64.88	183.99	77.66	76.78	-1.14
Precious stones and jewellery	160.36	139.91	145.79	53.77	70.69	31.46
Electronic integrated circuits	78.36	77.30	117.75	41.23	59.23	43.67
Prepared or preserved fish, crustaceans, molluscs in airtight containers	75.73	84.85	101.12	31.89	53.38	67.38
Others	1,362.97	1,426.27	1,494.36	586.38	587.12	0.13
<b>Total</b>	<b>2,125.30</b>	<b>2,059.15</b>	<b>2,362.93</b>	<b>910.52</b>	<b>983.24</b>	<b>7.99</b>

Source: MOC, as of June 23, 11 BOT/Exchange Rate (2002-2011) Yearly Average Basis

# Principal Imports from U.K

Unit: £ million

Description	2008	2009	2010	2010 (Jan-May)	2011 (Jan-May)	% Growth
Machinery and parts	195.30	336.89	360.53	148.63	161.78	8.85
Iron, steel and products	51.45	132.62	87.71	74.69	63.87	-14.48
Computers, parts and accessories	67.50	86.60	92.11	40.02	42.21	5.46
Beverages, mineral water, aerated water and spirits	75.64	71.12	93.38	36.82	40.63	10.35
Medical and pharmaceutical products	34.21	35.12	42.78	21.05	27.84	32.27
Others	556.21	471.18	573.17	230.66	245.50	6.43
<b>Total</b>	<b>980.31</b>	<b>1,133.53</b>	<b>1,249.68</b>	<b>551.86</b>	<b>581.82</b>	<b>5.43</b>

Source: MOC, as of June 23, 11 BOT/Exchange Rate (2002-2011) Yearly Average Basis



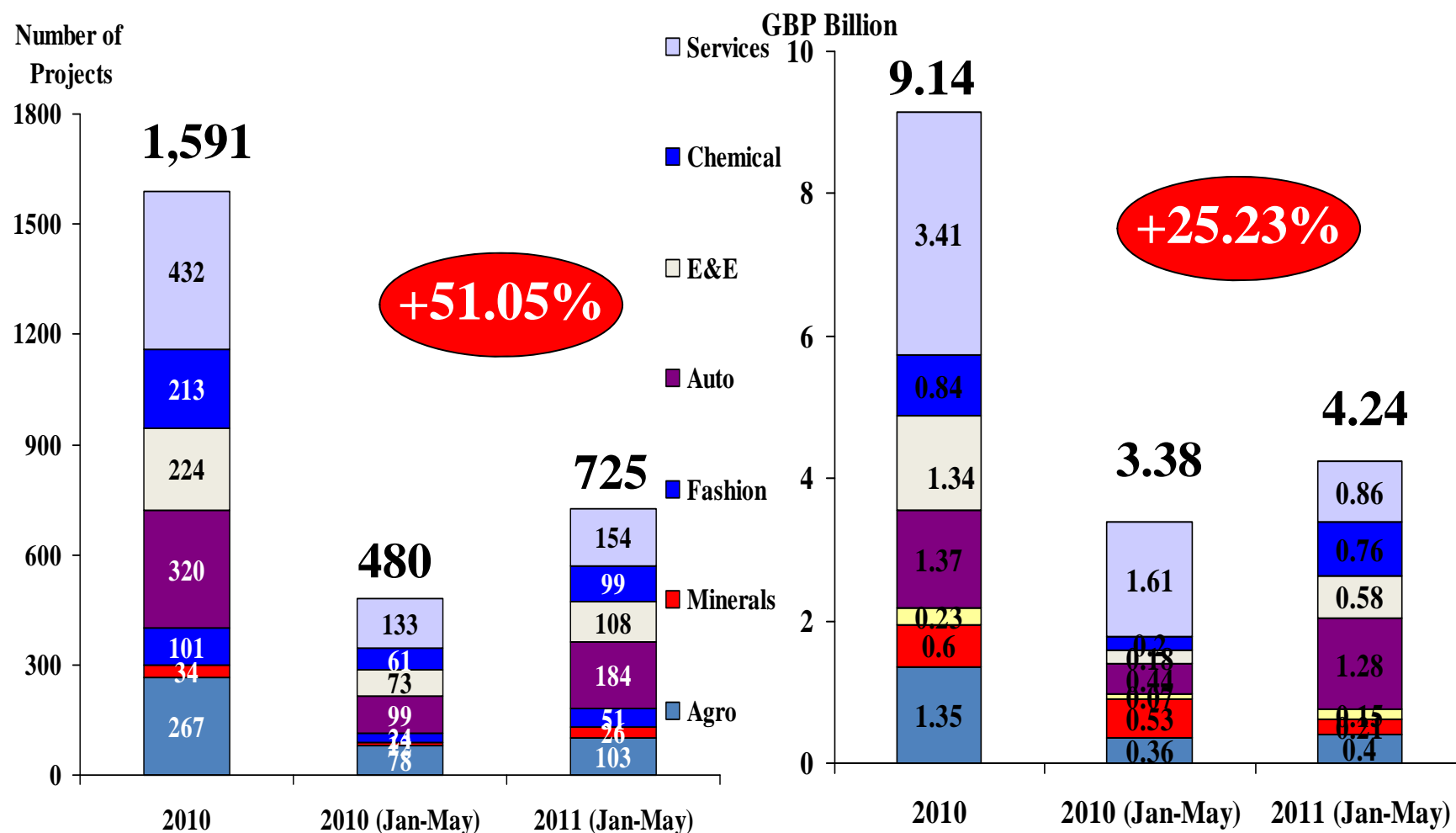


# Investment Trend

# Comparison of All Net Applications for Investment Promotion (Includes Foreign and Domestic Projects)

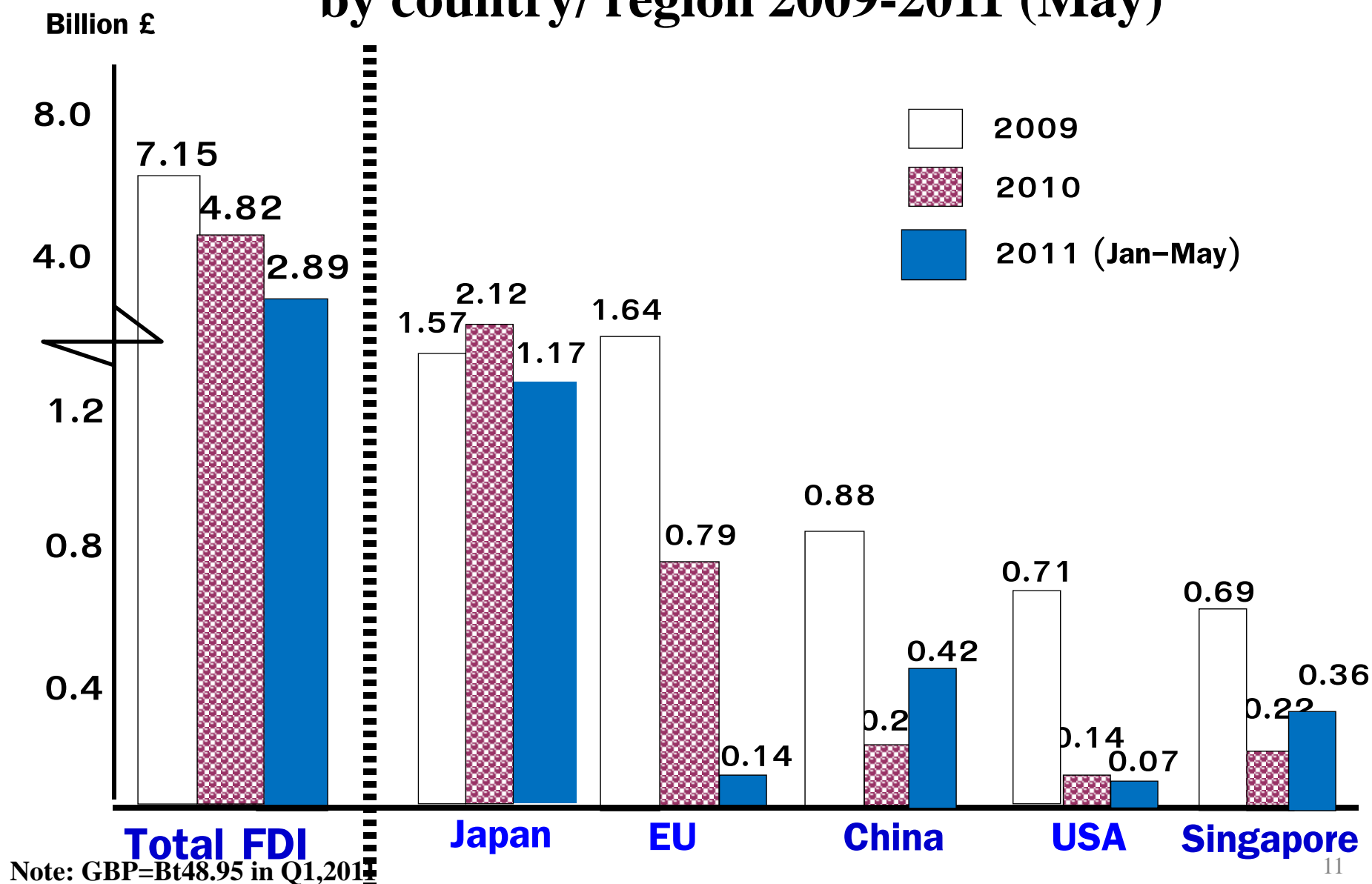
## Number of Projects

## Amount Invested

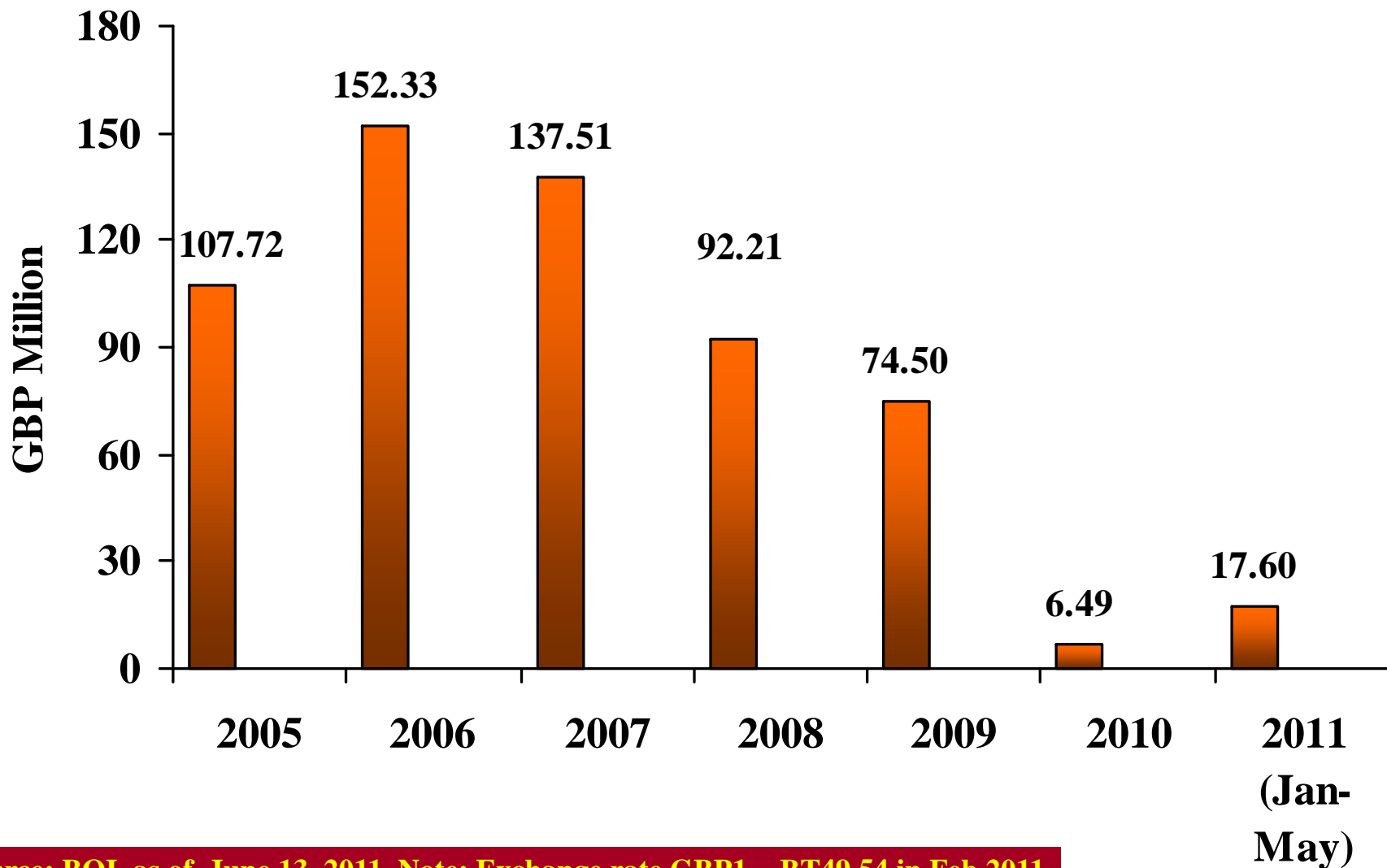


Source: BOI, as of 14 June 2011 GBP=Bt48.95 in Q1,2011

# Foreign Investment Application by country/ region 2009-2011 (May)



# Trend of U.K Investment Applications



Source: BOI, as of June 13, 2011 Note: Exchange rate GBP1 = BT49.54 in Feb 2011



# U.K Investment Applications

## Totals by Sector: 2005 – 2011 (Jan–May)

Sector	Projects	£ Million
Agriculture	9	21.85
Minerals and Ceramics	5	95.75
Light Industry	22	26.00
Auto and Metal Processing	32	161.29
Electrical and Electronics	39	61.69
Petrochemicals, Chemicals	4	3.06
Services and Infrastructure	50	218.70
<b>TOTAL</b>	<b>161</b>	<b>588.35</b>



# Samples of U.K Investments in Thailand

Company	£ Million	Products
Hana Semiconductor (Ayutthaya) Co., Ltd	60.71	IC (Integrated Circuit)
A.T. Biopower Co.,ltd	58.50	Electricity Power from Bio Mass; Steam
Triumph Motorcycles (Thailand) Ltd	51.68	Motorcycle (4 stroke); Motorcycle Engine
GKN Driveline JTEKT Manufacturing	18.22	Drive Shaft; Drive Shaft Components
TI Automotive (Thailand) Ltd	16.17	Fuel Tank Assemblies; Fuel Pump Module; Brake & Fuel Bundle Assembly
TI Automotive ROH (Thailand) Ltd	0.04	Regional Headquarters
Technicolor (Thailand) Ltd	8.07	Motion Picture Film Processing & Printing Service
Reuters Software (Thailand) Ltd	4.75	Software
Tesco Global Employmited Ltd	4.39	Regional Headquarters

Source: BOI BOT/Exchange Rate : GBP1 = BT48.97 (2010)





# **Infrastructure and Business Environment**

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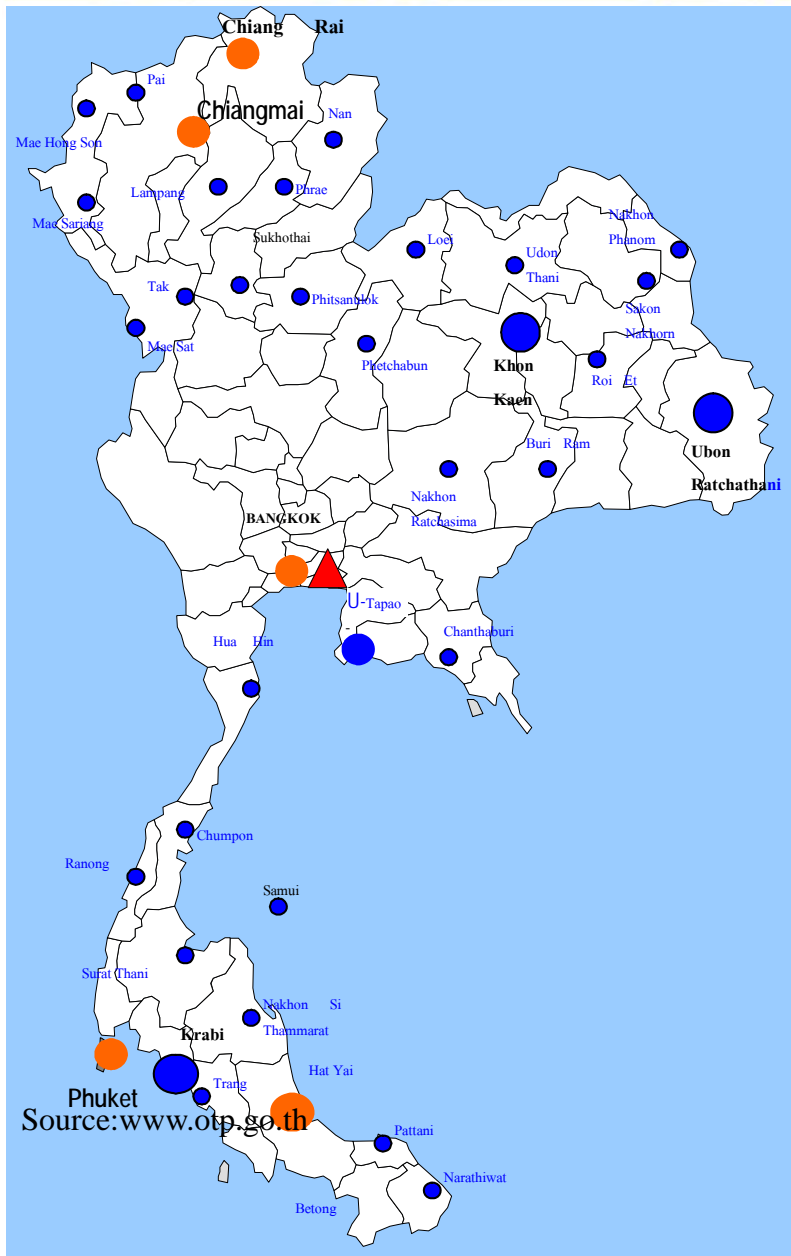


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# Airport



*37 commercial airports including 6 international airports (Chiang Mai, Chiang Rai, Phuket, Hat Yai, Udon Thani, and Suvarnabhumi)*



Source: [www.otp.go.th](http://www.otp.go.th)

# Ports



Ports	Capacity/Year
Bangkok	1.3 million TEUs.
Laem Cha Bang	7.4 million TEUs.
Chiang Saen	120,000 tonnes.
Chiang Kong	15,000 tonnes.
Map Ta Phut	2.0 million tonnes.
Songkla	160,000 TEUs/ 600,000 tonnes.
Phuket	450,000 tonnes

Source: NESDB, updated the figure from Thailand Transport Portal in Jan 2010, PAT, Map Ta Phut Port, Ranong Port and Phuket Port as of Jul 12, 2010



# Modern Industrial Estates

➤ Thailand has over 50 Industrial estates, zones and parks nationwide



# Map of basic infrastructure sites and industrial parks in and around Bangkok





# Easy and Improving Transport

**Rail:** 4,346 km rail links to Malaysia, Singapore;  
Bangkok Light Rail expansion plan for 137 km 2006-2012

Transnational RR linking China and SE Asia, covering 615 km at 200km/hr





## Rail System Connecting from South China-Laos-Thailand

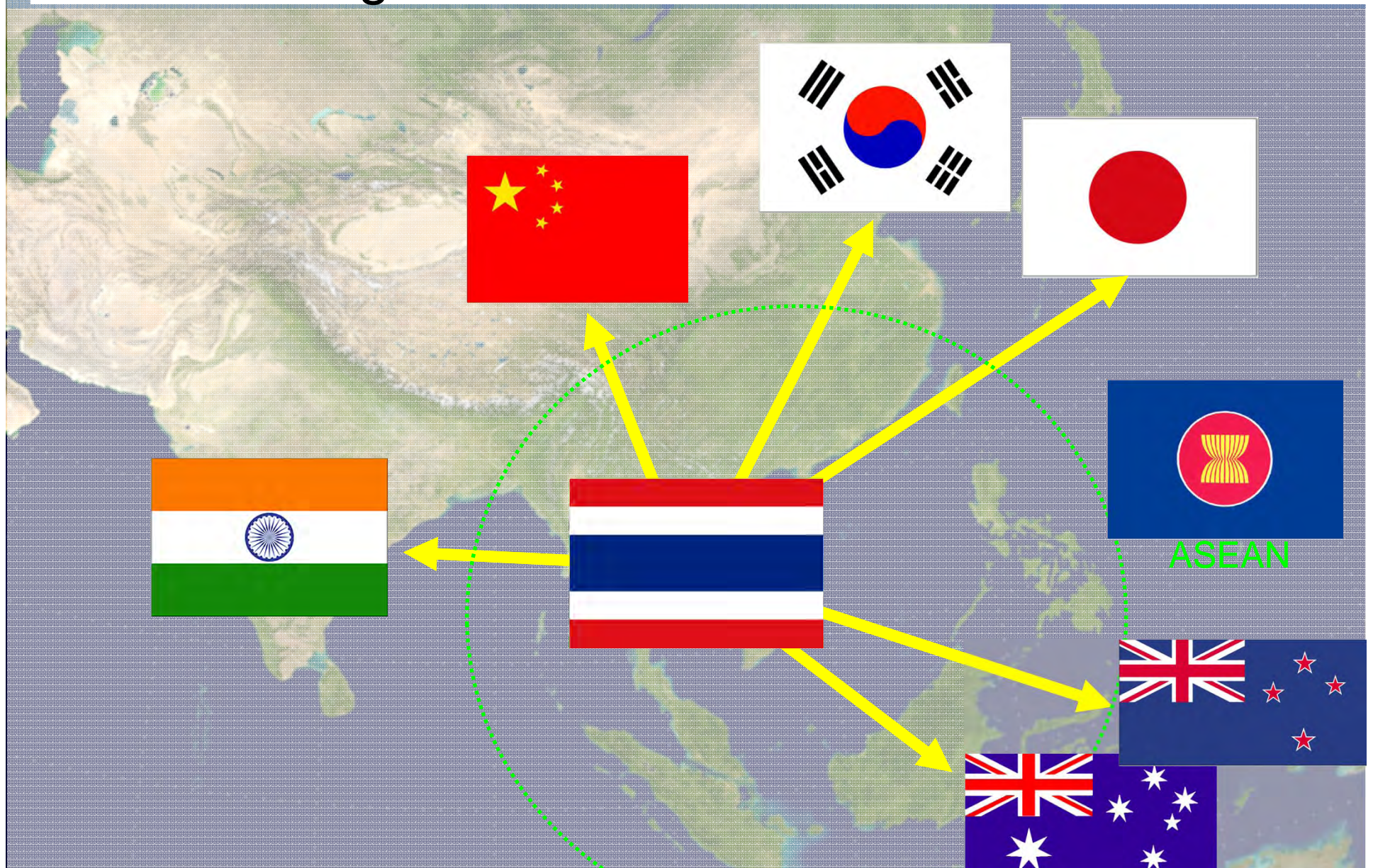


The cabinet approved the draft Memorandum of Understanding (MOU) on 7 Sept 2010, the timeframe of construction and a finish date has yet to be made clear. This will depend on the new government's policy. According to the plan, the first two routes has to be expedited are:

- 1) **Nong Khai-Bkk (615 km)**, for an investment: Bt170 billion,
- 2) **Bkk-Padangbaesar (982 km)**, for an investment: Bt230 billion.



# Strategic Center with aggressive pursuit of Free Trade Agreements







# ASEAN COMMUNITY

## AC : 2015

AEC Declaration

AEC Blueprint  
Strategic Schedule

# Thailand is easier to do business in

Ease of Doing Business Index

China



←----- Rank 79

India



←----- Rank 135

Thailand



←----- **Rank 19**

# Thailand ranks third in all of Asia

Ease of Doing Business Index

Singapore



Rank 1

Hong Kong



Rank 2

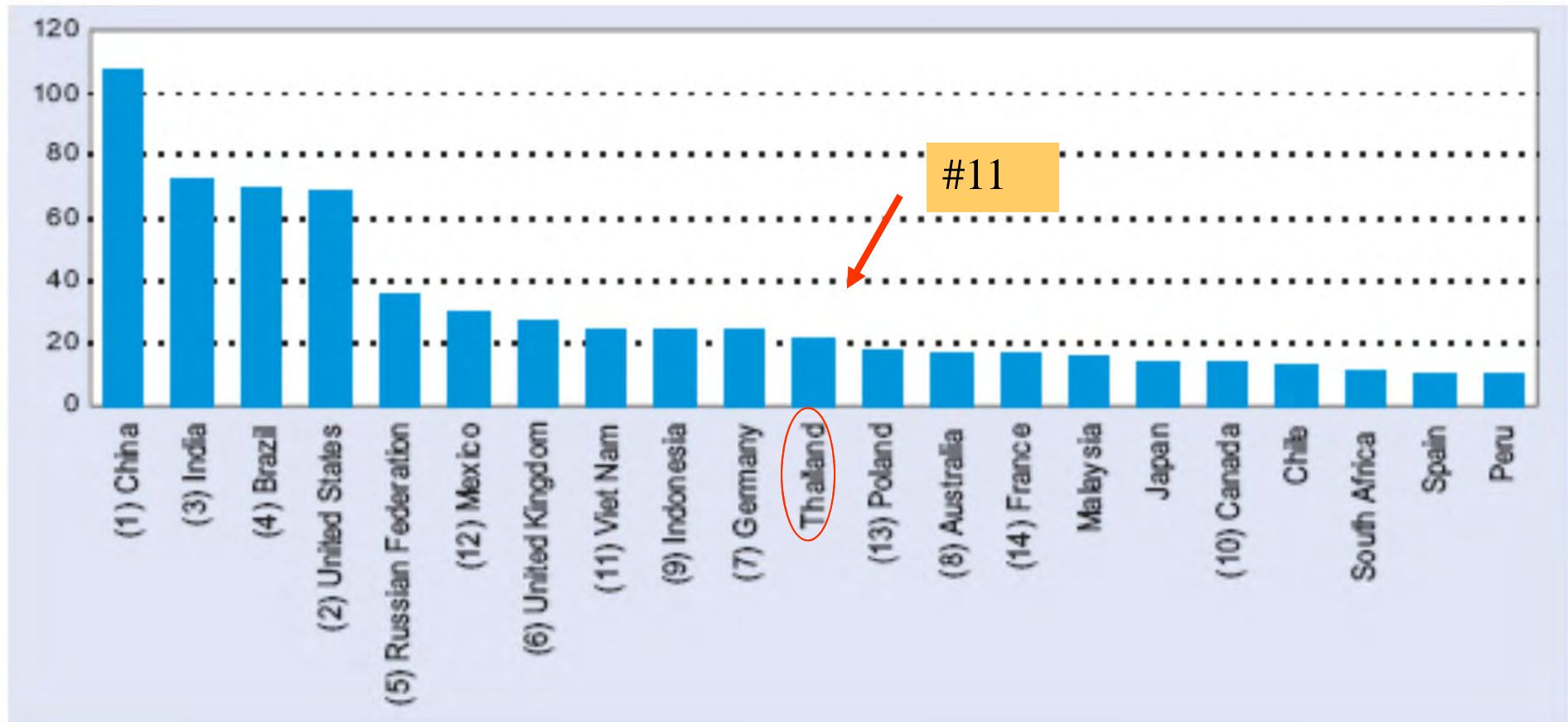
Thailand



Rank 3



# Top Priority Host Economies for FDI For the 2010-2012 Period





# Making Thailand the Best Expat Experience

## Top Destinations for Expat Experience 2010

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



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



# Investment Policies



No restrictions on  
foreign currency

100% foreign  
ownership

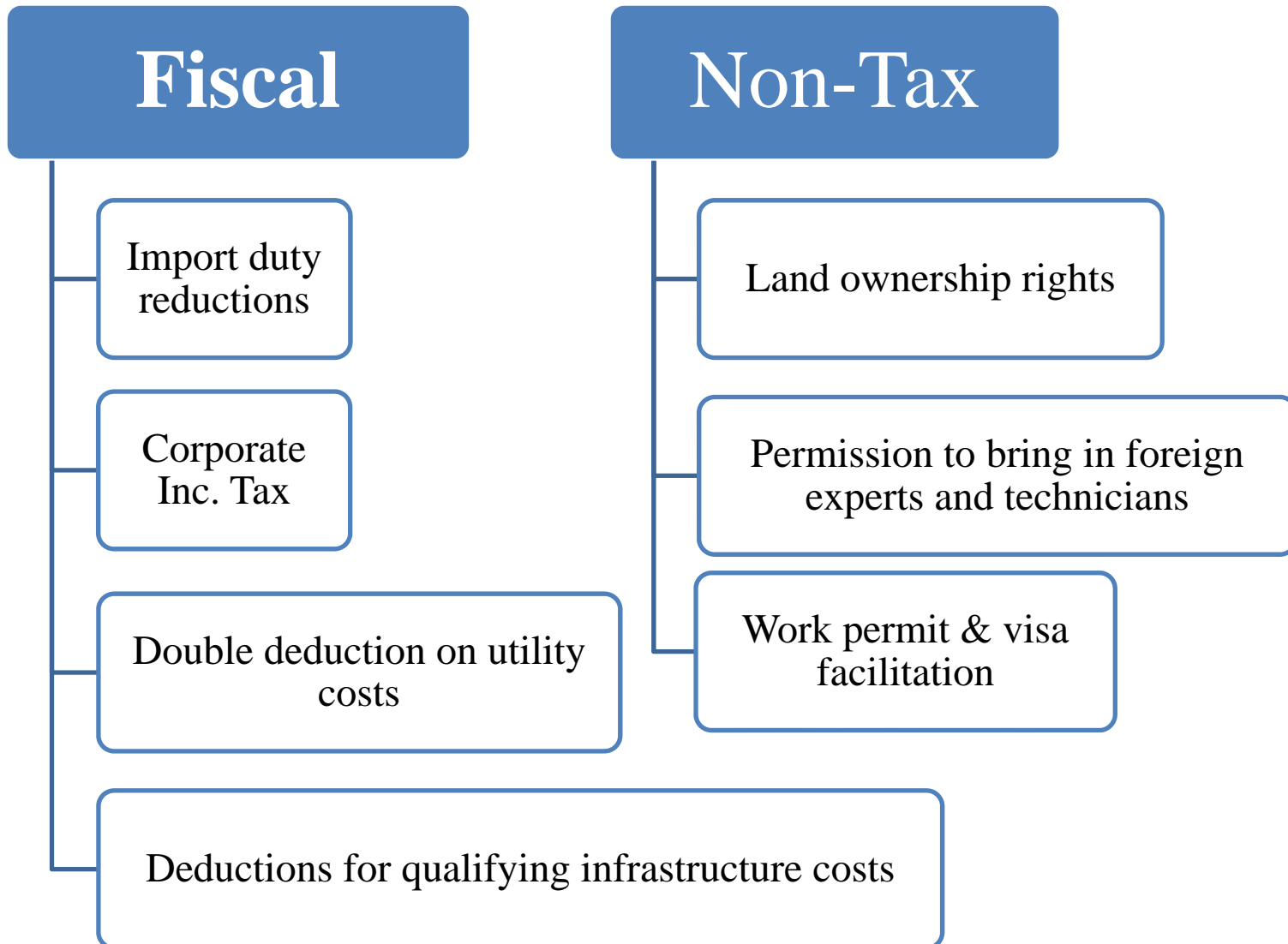
**LIBERAL INVESTMENT  
REGIME**

No export  
requirements

No local content  
requirements



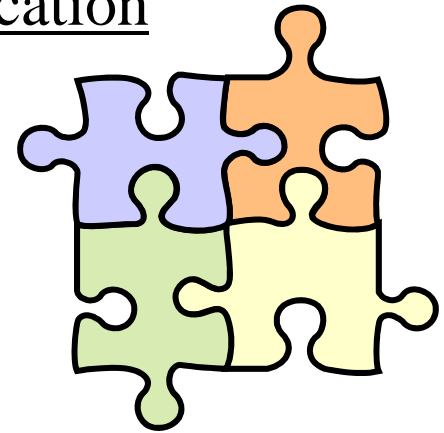
# **BOI's Investment Incentives**



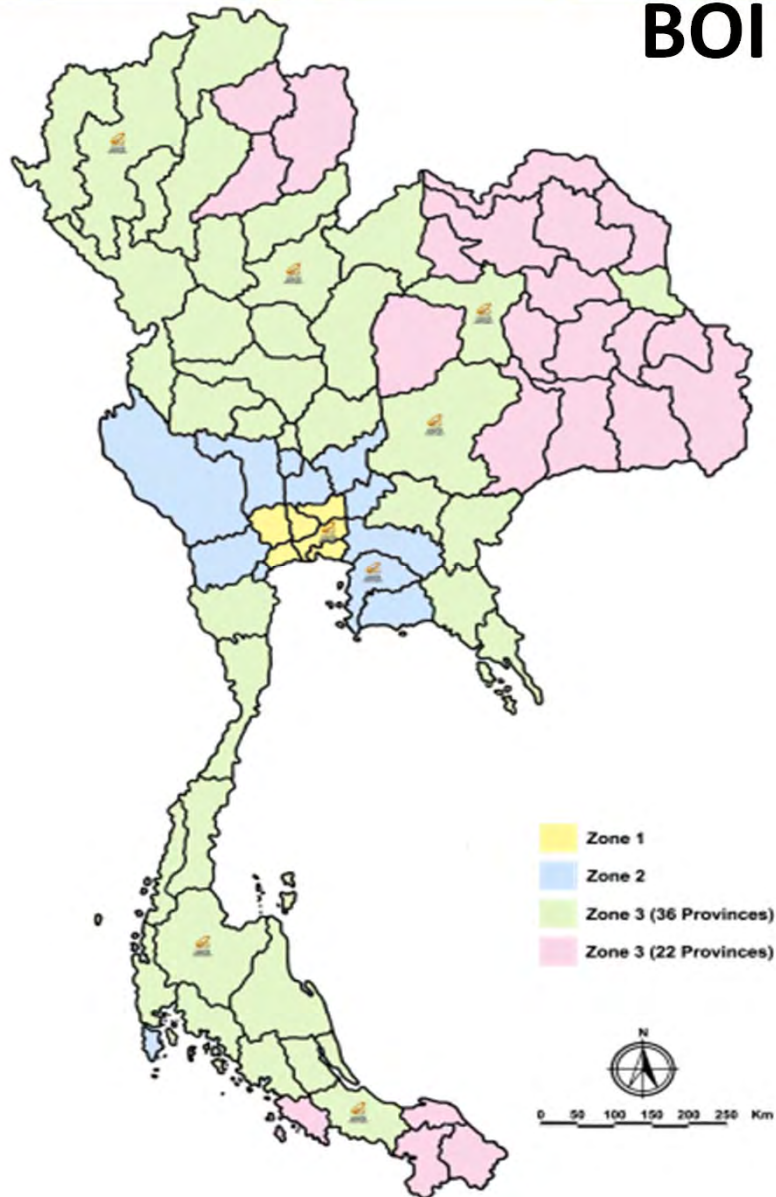
# Major BOI Incentives Schemes

- Decentralization
  - Incentives vary according to zones
- Priority activities receive
  - 8-year corporate income tax exemption and exemption of import duties on machinery regardless of location
- Sector-specific policies
- Optional incentive scheme
  - STI Scheme
- Special temporary measures:

**“Investment Promotion Policies  
for Sustainable Development”**



# BOI Zone-Based Incentives



- **Zone 1:** Bangkok, Samut Prakan, Samut Sakhon, Nakhon Pathom, Nonhtaburi and Pathum Thani
- **Zone 2 :** Ang Thong, Ayutthaya, Chachoengsao, Chon Buri, Kanchanaburi, Nakhon Nayok, Phuket, Ratchaburi, Rayong, Samut Songkhram, Saraburi, and Suphanburi
- **Zone 3:** remaining 58 provinces



## Examples of Priority Activities

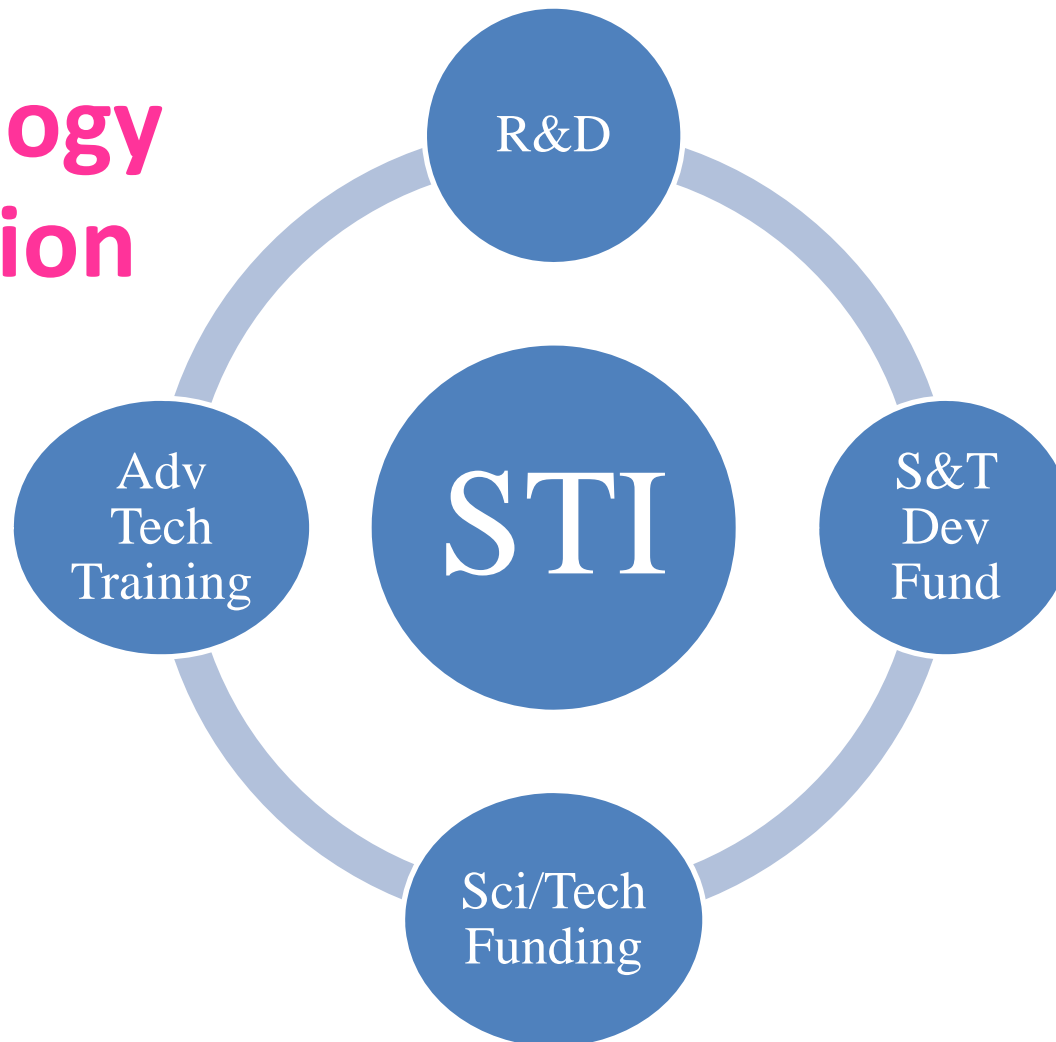
- Agriculture and agro-industries
- R&D
- Software development
- Molds & Dies
- Biotechnology
- Alternative energy
- Manufacture of hi-tech products e.g. advanced ceramics
- Waste recycling & recovery

# Additional Incentive Package for STI:

**Skills**

**Technology**

**Innovation**



# **New Policies for 2010-2012**

## **“Investment for Sustainable Development”**

Application submission deadline: **December 31, 2012**

### **1. Special incentives for 3 groups of targeted activities**

- 1) Manufacture of eco-friendly material and product, e.g. bioplastics**
- 2) Energy saving and alternative energy**
- 3) High technology activities e.g. industrial electronics, electronic parts for vehicles, biotech, nano-tech, functional fiber etc.**

### **Incentives**

- Exemption of import duties on machinery**
- 8-year exemption of corporate income tax with no cap**
- 5-year 50% reduction of corporate income tax on net profit**
- 10-year double deduction of transportation, electricity and water supply costs**
- deduction from net profit of 25% of investment in infrastructure installation and construction costs in addition to normal capital depreciation**

## **New Policies for 2010-2012**

### **“Investment for Sustainable Development”**

**2) Measure to promote energy conservation, alternative-energy utilization or reduction of environmental impacts**

#### **Incentives**

- Import duty exemption on machinery.
- 3-year corporate income tax exemption on the revenue of existing projects, accounting for 70% of the investment under this measure excluding cost of land and working capital.

# **New Policies for 2010-2012**

## **“Investment for Sustainable Development”**

### **3) Measure to promote production efficiency improvement by technology upgrade for manufacturing of new products**

#### Incentives

- Exemption from import duties on machinery, regardless of zone.
- Exemption from corporate income tax for 3 years, regardless of zone. The benefit from this exemption may not exceed 100% of the project's investment value.

# Sectors for Investment



Automotive



Biotech



Alternative  
Energy



E&E



Agro-  
Industry



Oil/Gas



ICT

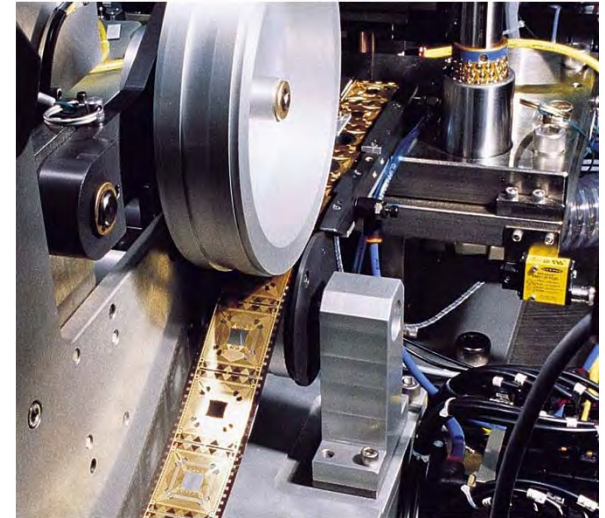


# Machinery



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- Thailand continues to industrialize, but is dependent on foreign industrial machinery for the immediate future.
- High demand for:
  - Automotive machinery
  - Molds & Dies
  - Food and farm machinery
  - Alternative energy/energy conservation machinery
- 2010: Imported machinery 7.33 billion GBP (11.98 billion USD)
- 2010: Exported machinery 6.93 billion GBP (11.32 billion USD)





## Top 5 Machinery and Parts Imports, 2010

HS Code	Description	£ billion
8543	Electrical machines and apparatus, having individual functions	0.92
8414	Air or vacuum pumps, air or other gas compressors and fans	0.80
8443	Printing machinery used for printing by means of the printing type, blocks	0.67
8411	Turbo-jets, turbo-propellers and other gas turbines	0.63
8479	Machines and mechanical appliances having individual functions, not specified/ included elsewhere	0.60

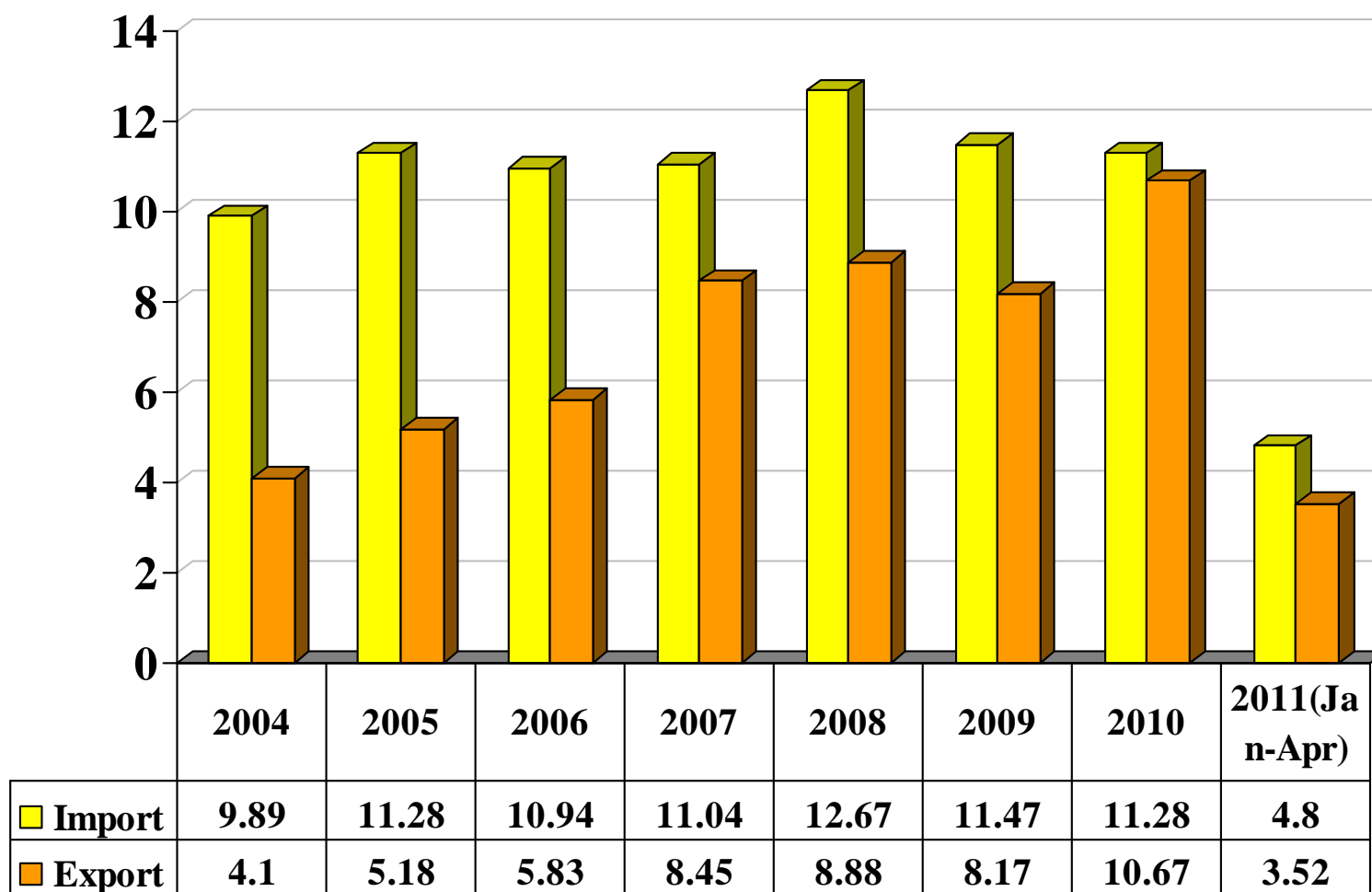
## Top 5 Machinery and Parts Exports, 2010

HS Code	Description	£ billion
8443	Printing machinery used for printing by means of the printing type, blocks	1.13
8414	Air or vacuum pumps, air or other gas compressors and fans	1.05
8418	Refrigerators, freezers and other refrigerating or freezing equipment	1.03
8543	Electrical machines and apparatus, having individual functions	0.75
8429	Self-propelled bulldozers, angledozers, graders, levellers, scrapers, mechanical shovels, excavators	0.39

Source: [www.moc.go.th](http://www.moc.go.th), as of 28 January 2011 Note: GBP1=Bt48.95 in Q1, 2011

# Industrial Machinery and Parts, Imports and Exports, 2004 – 2011(Jan-Apr)

CHF billion



Source: [www.moc.go.th](http://www.moc.go.th), as of 16 June 2011 Note: CHF1=Bt32.44in Q1, 2011

# Food Processing



Rate: 1GBP=49.34 THB

- **Food exports in 2010: 16.24 billion GBP**
- **Example of Investment opportunities:**
  - Fast food
  - Healthy food and beverage
  - Food ingredients
- **Major Incentives**
  - 8 years corporate income tax exemption (with cap)
  - Import duties machinery exemption

# Biotechnology

## Example of eligible activities

- Seed & Plant R&D
- Biopharmaceutical agents
- Diagnostic kits for health, agriculture, food and environment
- Biomolecule & bioactive compounds using microorganisms, plant cells and animal cells
- Raw materials and/ or essential materials used in molecular biological experiment
- Biological substances analysis and/ or synthesis services

## Major incentives

- Exemption of import duty on machinery
- Exemption of 8-year-CIT without cap
- 50 % reduction of CIT on the net profit generated from investment for 5 years after the exemption period  
(incentive under sustainable investment policy-application must be submitted by December 2012)



# R&D

## Eligible activities

- Basic research
- Applied research
- Experimental development

## Incentives

- Exemption of import duty on machinery and equipment
- 8 years corporate income tax holidays  
(without cap)

## **Market demand:**

- Currently 1,300 software development companies
- Import about 70 % of market
- Export <US \$ 130 million >

## **Example of eligible activities:**

- Enterprise software/ Embedded software/ Animation/ Web-based applications

## **Major incentives:**

- 8 years corporate income tax exemption (without cap)
- Import duties machinery exemption



# Trade and Investment Support Office (TISO)

## Example Eligible Activities

- Consulting services to affiliates
- Engineering services
- Wholesaling, installation, maintenance, repairs of machinery & equipment etc.

## Non-tax incentives

- 100 % foreign ownership
- Land ownership
- Visa & work permit support for foreign experts

## New Package of Regional Operating Headquarters

Benefit	Benefit
For portion of income from OVERSEAS OPERATIONS	For portion of income from LOCAL OPERATIONS
<b>0% CORPORATE INCOME TAX for 15 years</b>	<b>10% CORPORATE INCOME TAX for 15 years</b>
Key Conditions	
<ul style="list-style-type: none"> <li>- In 1<sup>st</sup> fiscal year, have one operating company in another country; a second within 3<sup>rd</sup> year; a third within 5<sup>th</sup> year</li> <li>- Have annual expenses in Thailand of Bt15 million, or have invested at least Bt30 million in Thailand</li> <li>- By end of 3<sup>rd</sup> year, 75% of ROH personnel to be qualified staff, and 5 persons earning at least Bt2.5 million annual salary and benefits per person</li> <li>- All companies must be real operating companies with a physical presence and staff</li> </ul>	

Benefit
For income of EXPATRIATE EMPLOYEES
<b>15% PERSONAL INCOME TAX for 8 years</b>
Key Conditions
<p><i>In addition to conditions for income from overseas and local operations:</i></p> <ul style="list-style-type: none"> <li>- Income generated from services to overseas companies must be at least 50% of total revenues</li> </ul>



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THAILAND BOARD OF INVESTMENT

# BOI Services



## **BOI Support Services**



**Investment Matchmaking Program**

**1-Stop for visas & work permits:  
work permits in 3 hours**

**Industrial Subcontracting Services  
Vendors meet customers program  
(BUILD Unit)**

**ASEAN Supporting Industry Database**

**Interaction with other govt. agencies  
on behalf of investors**

**Country desks**

**Overseas offices**



# **We are here to Serve you!**

- **Parts and component sourcing assistance**
- **Visas and work permits: processed within 3 hours**
- **Entry for experts and technicians**
- **Liaison with other government agencies**





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less time,  
more efficiency!**



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**Email: [osos@boi.go.th](mailto:osos@boi.go.th)**



# Services at OSOS

- **Staff from relevant agencies available for consultations on a range of topics.**
- **Help investors with applications to make sure investors know what is required to:**
  - **Apply for investment promotion privileges**
  - **Obtain a foreign business license**
  - **Tax registration**
  - **Complete an environmental impact assessment**
  - **Obtain utilities, and much more**



- ❖ **Thailand's Biggest Fair Ever!**
- ❖ **10 - 25 November 2011**
- ❖ **IMPACT Exhibition and Convention Center**
- ❖ **Organized by Thailand Board of Investment**
- ❖ **More than 5 million visitors expected**

THINK ASIA, INVEST THAILAND

## Theme



“Going Green for the Future”



## General Information



**Show date :** 10 - 25 November 2011 (16 Days)

**Venue :** IMPACT Exhibition and Convention Center (237,000 sq.m)

- Outdoor : Lakeside 166,000 sq.m
- Challenger 1-3 60,000 sq.m
- Hall 9 11,000 sq.m

**Exhibitors:** 84 Outdoor Pavilions and more than 3,000 Indoor Booths

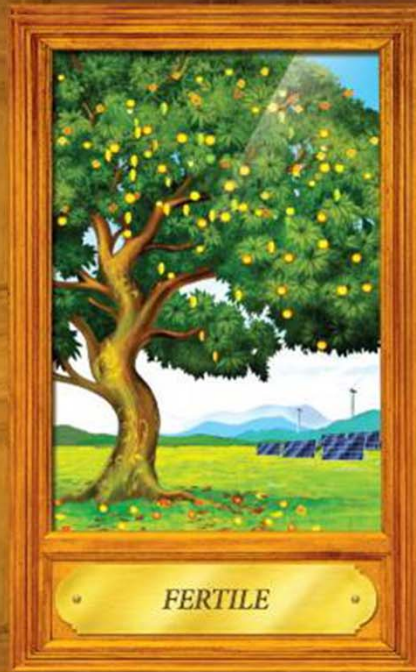
**Visitors :** More than 5 million visitors expected



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THANK YOU