



# Thailand Investment Promotion Policy: NEW Economy, NEW Opportunities

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*Brussels, Belgium*



# 01 Why Thailand & Investment Landscape

## 02 BOI & 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.



2<sup>nd</sup> Largest Economy Globally  
(USD 13.4 Trillion)

6<sup>th</sup> 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 Million<sup>1</sup>
- Middle Class Consumers: 52 Million<sup>2</sup>

## CLMVT

- 242 Million Consumers<sup>3</sup>
- Within 1,000 KM

## ASEAN Economic Community

- 645 Million Consumers<sup>4</sup>
- 5<sup>th</sup> Largest Economy Globally (USD 3.2 Trillion)
- ASEAN FTA / ASEAN Connectivity

## Greater Asia Region

- 4.6 Billion Consumers<sup>5</sup>
- Within 5,000 KM

Source: <sup>1,3</sup>World Bank (2020), <sup>2</sup>Deloitte (2016), <sup>4</sup>ASEAN key finger 2020, <sup>5</sup>World 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

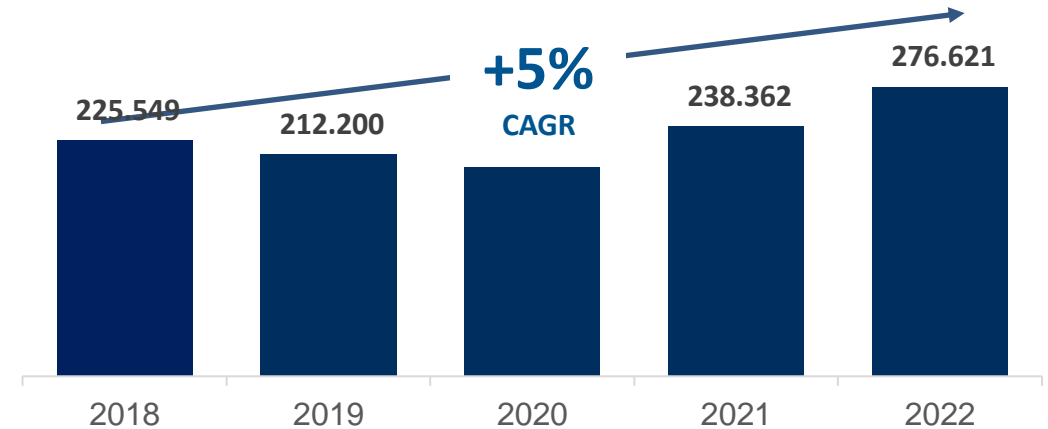
**5.1**

Real Private  
Investment growth

**2<sup>nd</sup>**

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 2<sup>nd</sup> in 2023 Best Countries for Starting a Business

Survey by



## Start a Business Rankings

	 <b>India</b> #1 in Start a Business Rankings #2 out of 85 in 2022 Located in Southeast Asia, India sits on a peninsula that extends between the Bay of Bengal and the Indian Ocean. <a href="#">READ MORE</a>	GDP \$3.39 trillion POPULATION 1.42 billion GDP PER CAPITA, PPP \$8,379
	 <b>Thailand</b> #2 in Start a Business Rankings #3 out of 85 in 2022 Thailand, which translates to "land of the free," is the only Southeast Asian nation that did not have a communist government. <a href="#">READ MORE</a>	GDP \$495 billion POPULATION 71.7 million GDP PER CAPITA, PPP \$20,672
	 <b>China</b> #3 in Start a Business Rankings #1 out of 85 in 2022 Home to one of the world's oldest civilizations, China has been ruled by the Communist Party since 1949. <a href="#">READ MORE</a>	GDP \$18.0 trillion POPULATION 1.41 billion GDP PER CAPITA, PPP \$21,476

## 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

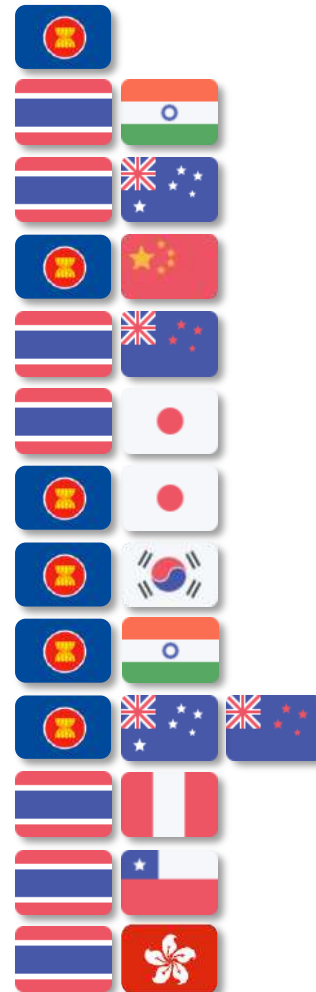
ASEAN-**India** Free Trade Area

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

Thailand-**Peru** Closer Economic Partnership

Thailand-**Chile** Free Trade Agreement

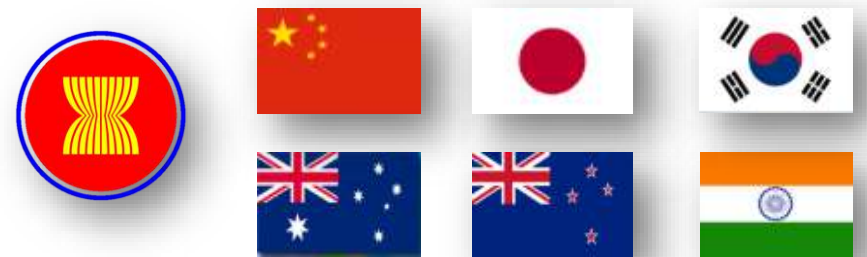
The ASEAN - **Hong Kong**, China Free Trade Agreement



## 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

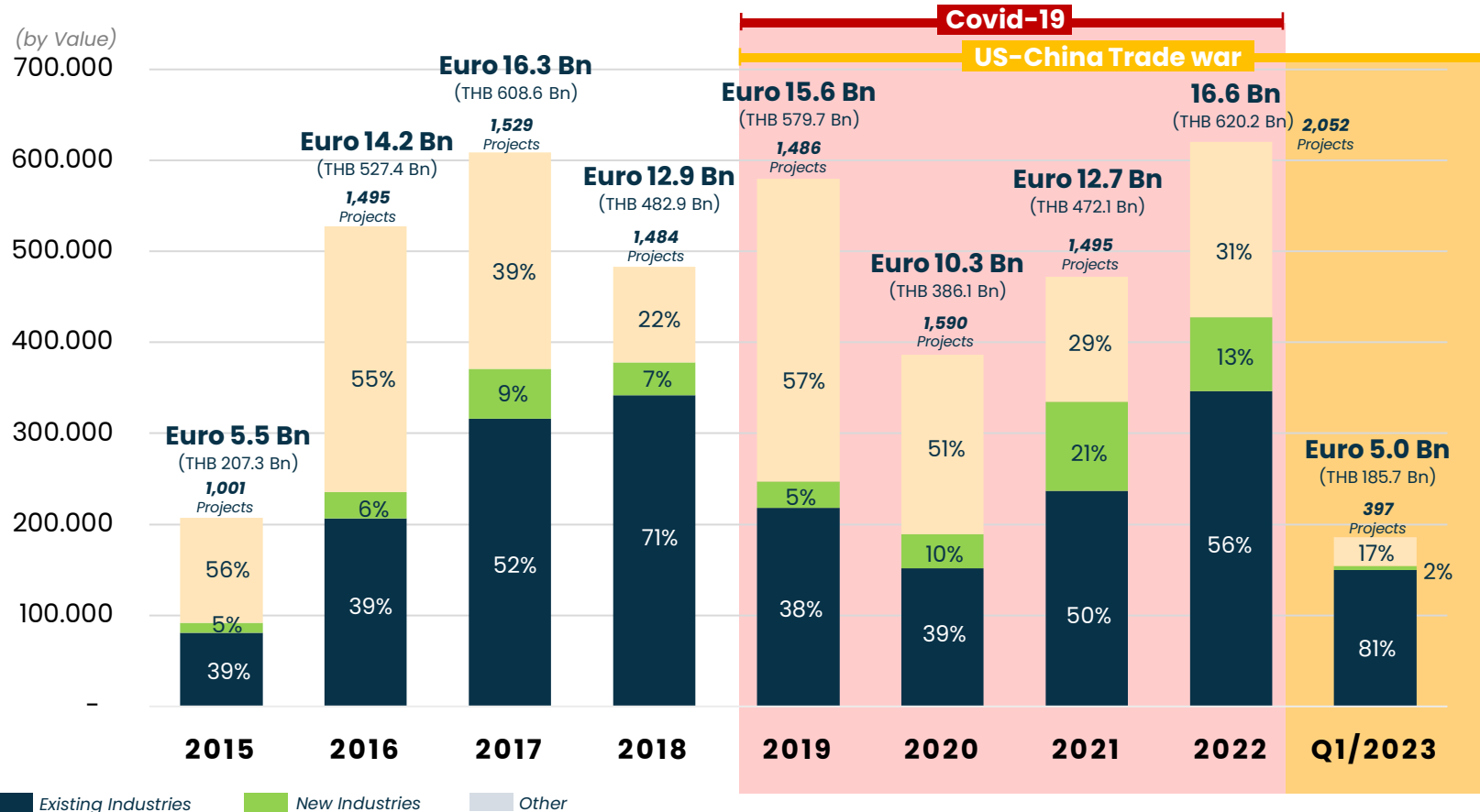


### Under Negotiation


- 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**

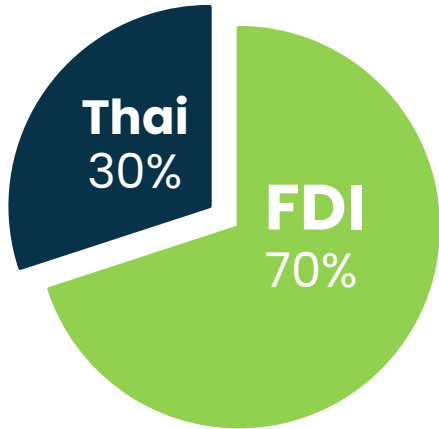
**12,635 Mn Euro**  
**911 Projects**
- 

**Petrochem. & Chemicals**

**12,303 Mn Euro**  
**637 Projects**




# BOI FDI Status 2022



**1,070** projects

**Euro 11.62** Billion

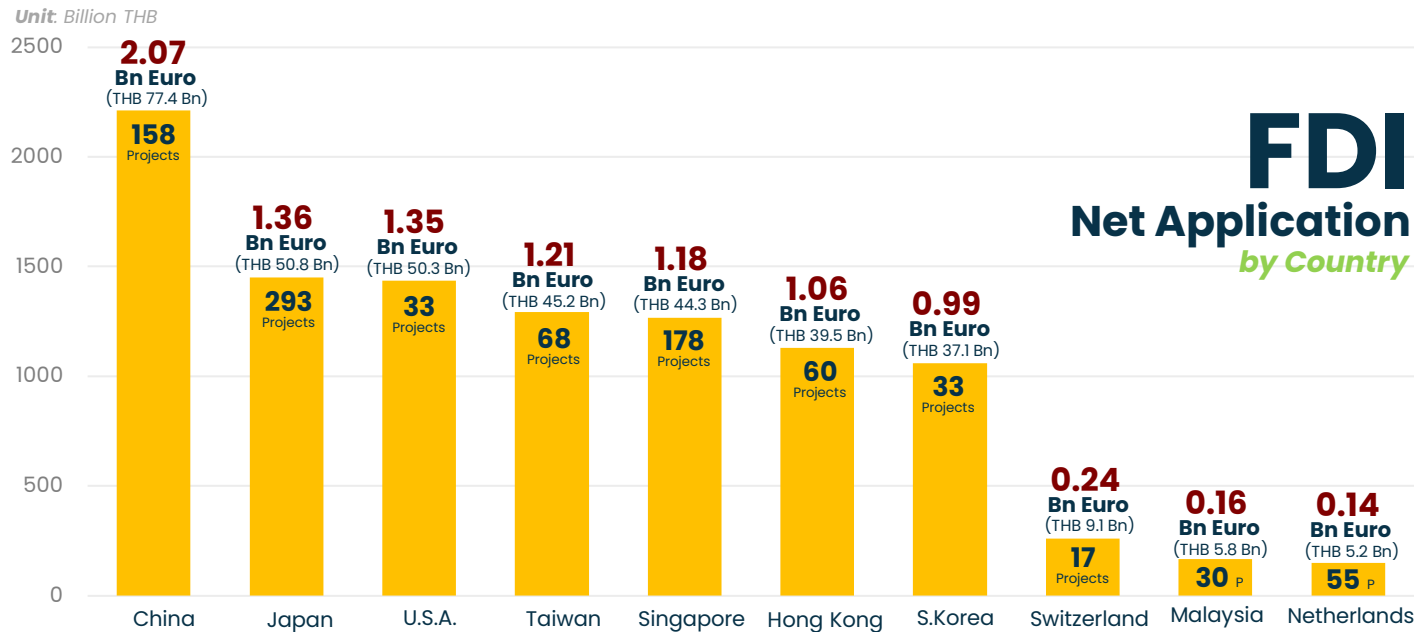
## TOP 3 Industries

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

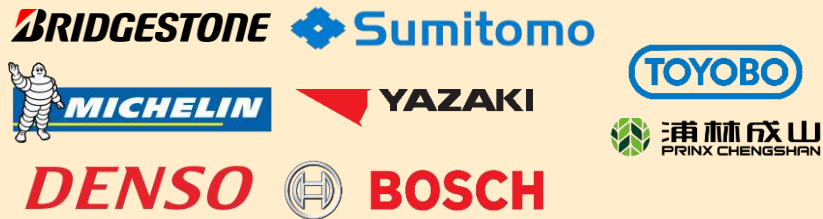


# Thailand is a Destination for International Companies Second Home

## 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 <sup>st</sup>	Germany	156 M.	13	
2 <sup>nd</sup>	Belgium	145 M.	1	
3 <sup>rd</sup>	Norway	144 M.	6	
4 <sup>th</sup>	Netherlands	137 M.	23	
5 <sup>th</sup>	France	76 M.	7	
6 <sup>th</sup>	Switzerland	77 M.	3	
7 <sup>th</sup>	Luxembourg	32 M.	1	
8 <sup>th</sup>	Spain	26 M.	1	
9 <sup>th</sup>	United Kingdom	3 M.	9	
10 <sup>th</sup>	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 Belgian Companies in Thailand





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# 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**



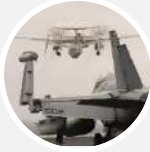
**Automation & Robotic**



**Aerospace**



**Education**



**Defense Industry**

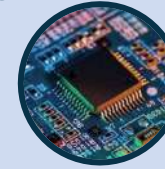
## Priority Industries for the Next 3 Years



**BCG**



**EV**



**Smart E&E**



**Digital**



**Creative**



**Regional Headquarters**

## Other Industries

**Infrastructure**

**R&D Center**

**Advanced Materials**

**Energy/ RE/ Hydrogen**

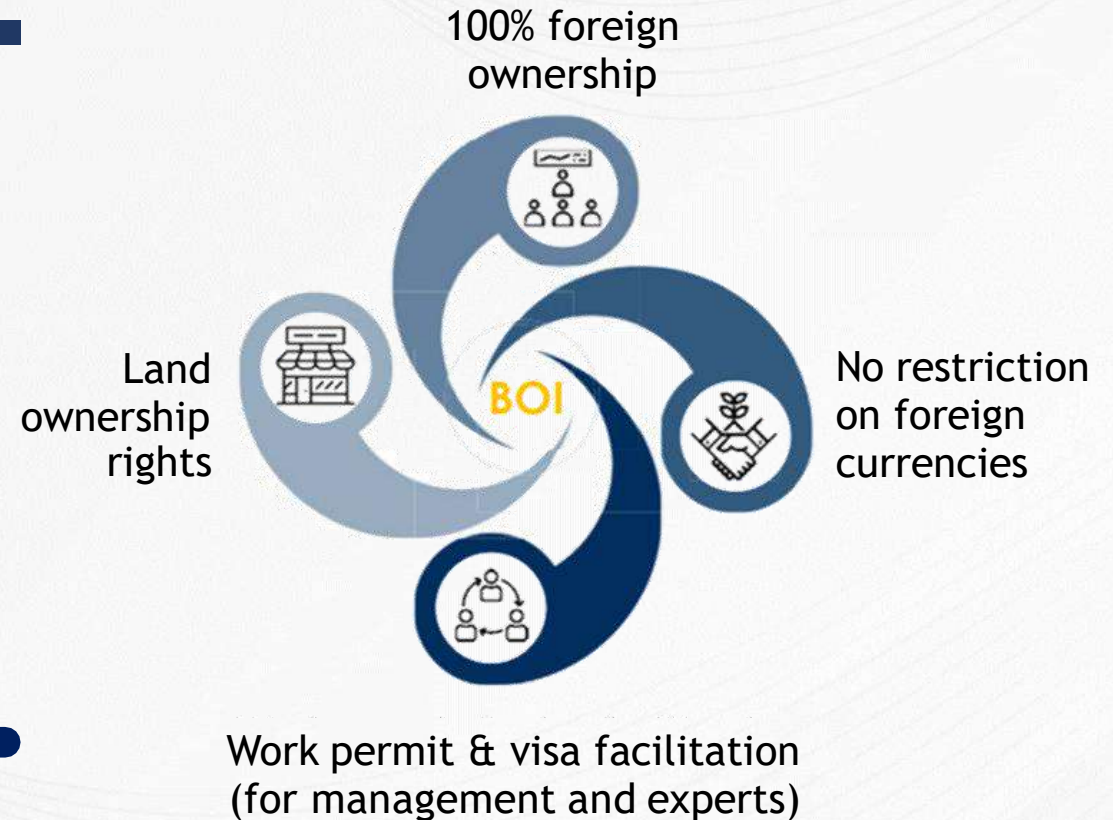
**Supporting Industries & Services**

# 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

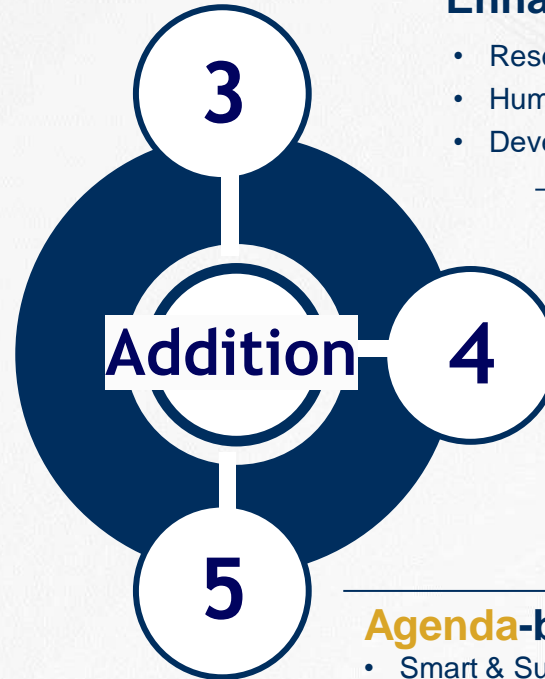
- Agriculture, Food & Biotechnology
- Medical
- Machinery and Vehicles
- Electrical and Electronics
- Metal and Materials
- Chemicals and Petrochemicals
- Public Utilities
- Digital Industries
- Creative Industries
- High-Value Services

### 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
<b>13</b> years  <b>CIT exemption</b>  <b>0</b> year	<b>A1+</b>	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.	<b>10- 13</b> (no cap) + Merit ✓	✓	✓
	<b>A1</b>	Knowledge-based activities focusing on R&D and design to enhance the country's competitiveness	<b>8</b> (no cap) + Merit ✓	✓	✓
	<b>A2</b>	Infrastructure activities for the country's development, activities using technology to create value-added, with no or very little existing investments in Thailand	<b>8</b> + Merit ✓	✓	✓
	<b>A3</b>	High technology activities which are important to the development of the country, with few investments already existing in Thailand	<b>5</b> + Merit ✓	✓	✓
	<b>A4</b>	Activities with lower technology than A1- A3 which add value to domestic resources and strengthen the supply chain	<b>3</b> + Merit ✓	✓	✓
	<b>B</b>	Supporting industries that do not use high technology, but are still important to the value chain	<b>1</b> + Merit ✓	✓	✓

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**

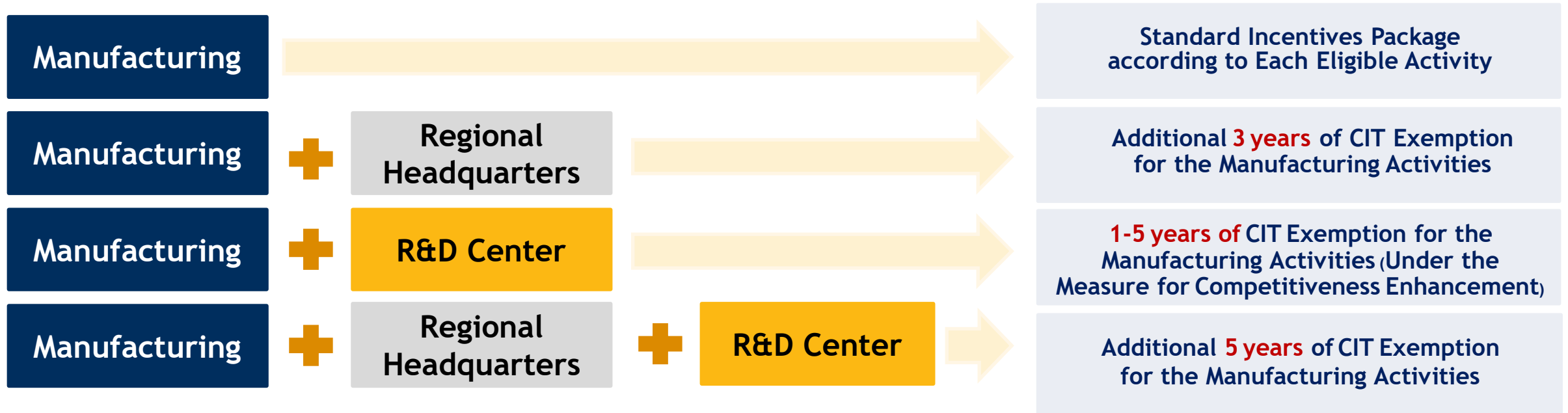
**3** years  
**Exemption CIT**   
*\*depending on the conditions of the investment value in efficiency enhancement.*

**New Investment of Group B with upgraded Operations**

**3** years  
**Exemption CIT**   
*\*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.**

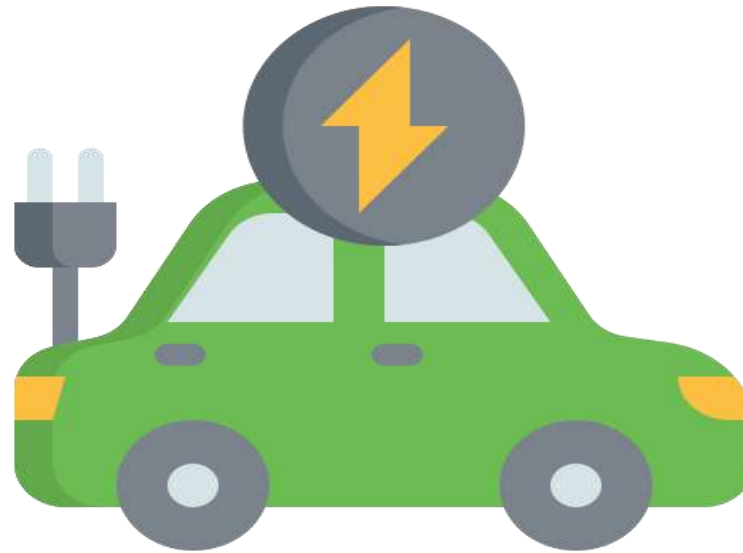


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## Automotive & EV Industry

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



**1<sup>st</sup>**

Automotive Producer in ASEAN



**10<sup>th</sup>**

Automotive Producer in the World



**1.88 Million Units in 2022**

## World Ranking



**5<sup>th</sup>**

Light Commercial Car Producer



**15<sup>th</sup>**

Heavy Commercial Car Producer



**18<sup>th</sup>**

Passenger Car Producer



**20<sup>th</sup>**

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

1<sup>st</sup>

Exporter of all types of auto parts in ASEAN

5<sup>th</sup>

Exporter of Tires Globally

12<sup>th</sup>

Exporter of Engines Globally

14<sup>th</sup>

Exporter of Automobile Parts Globally

23 Automobile Companies  
12 Motorcycle Companies

Automotive Production and Assembly

10<sup>th</sup>

Automotive Producer Globally

Current Product Champion



One-ton Pickup



Eco-car

Next-generation Product



Electric Vehicle





# Promoted Projects on Electric Vehicles



mazda



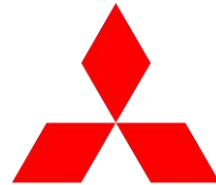
HONDA



GWM



Mercedes-Benz



MITSUBISHI  
MOTORS



GAC MOTOR



TOYOTA



长安汽车  
CHANGAN



ABSOLUTE ASSEMBLY CO.,LTD



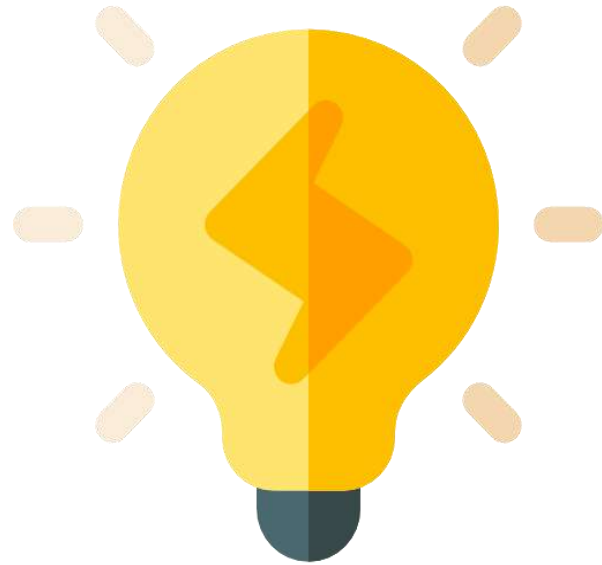
Projects in process



CHERY



GEELY

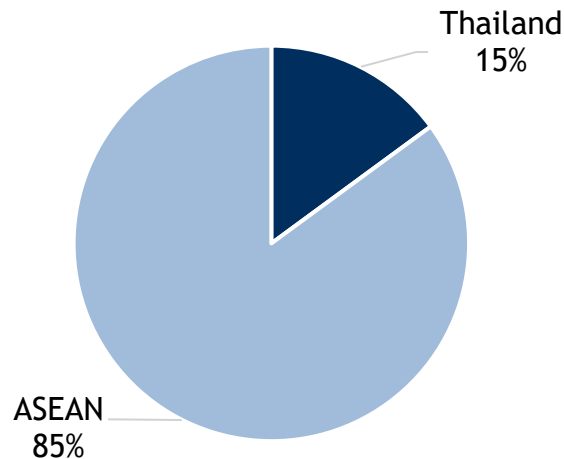


## Smart Electronics

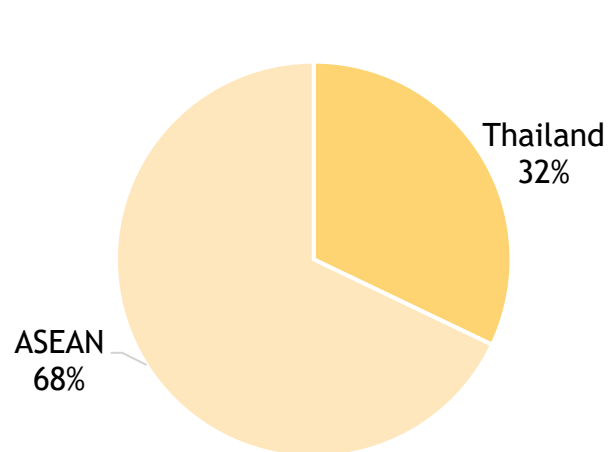
# Thailand also has strong position amongst ASEAN

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)

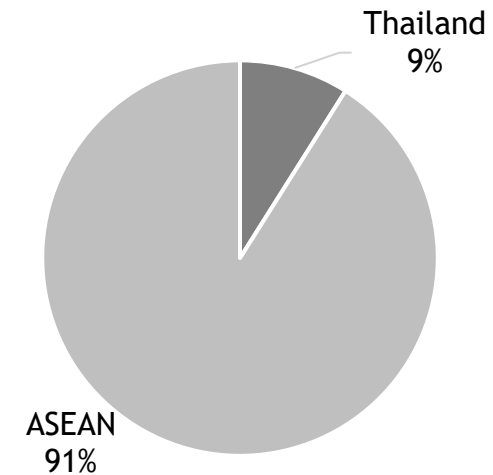
### Employment



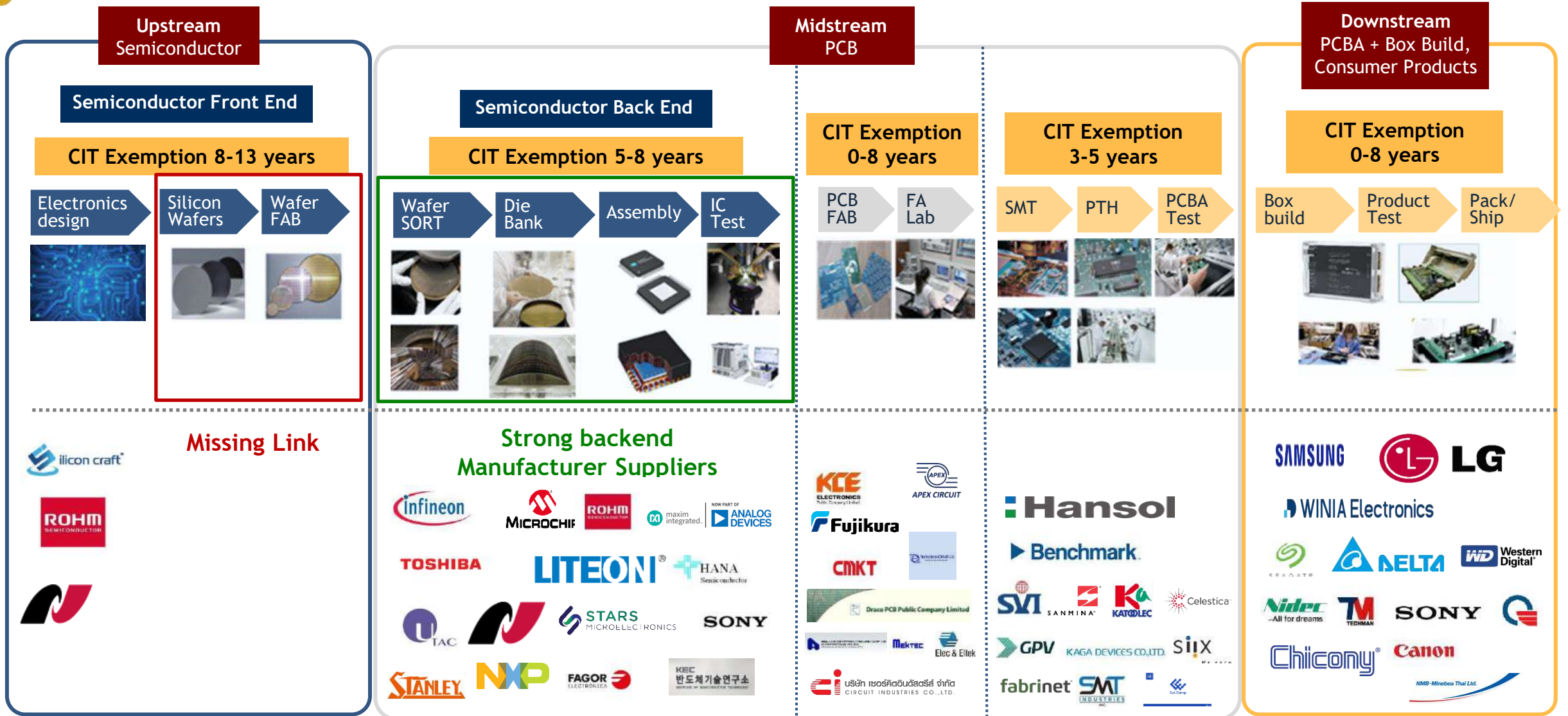
### Manufacturing



### Exports



# Comprehensive semiconductor supply chain in Thailand



Supporting Industries



Mold

Metal part and component

Plastic part and component





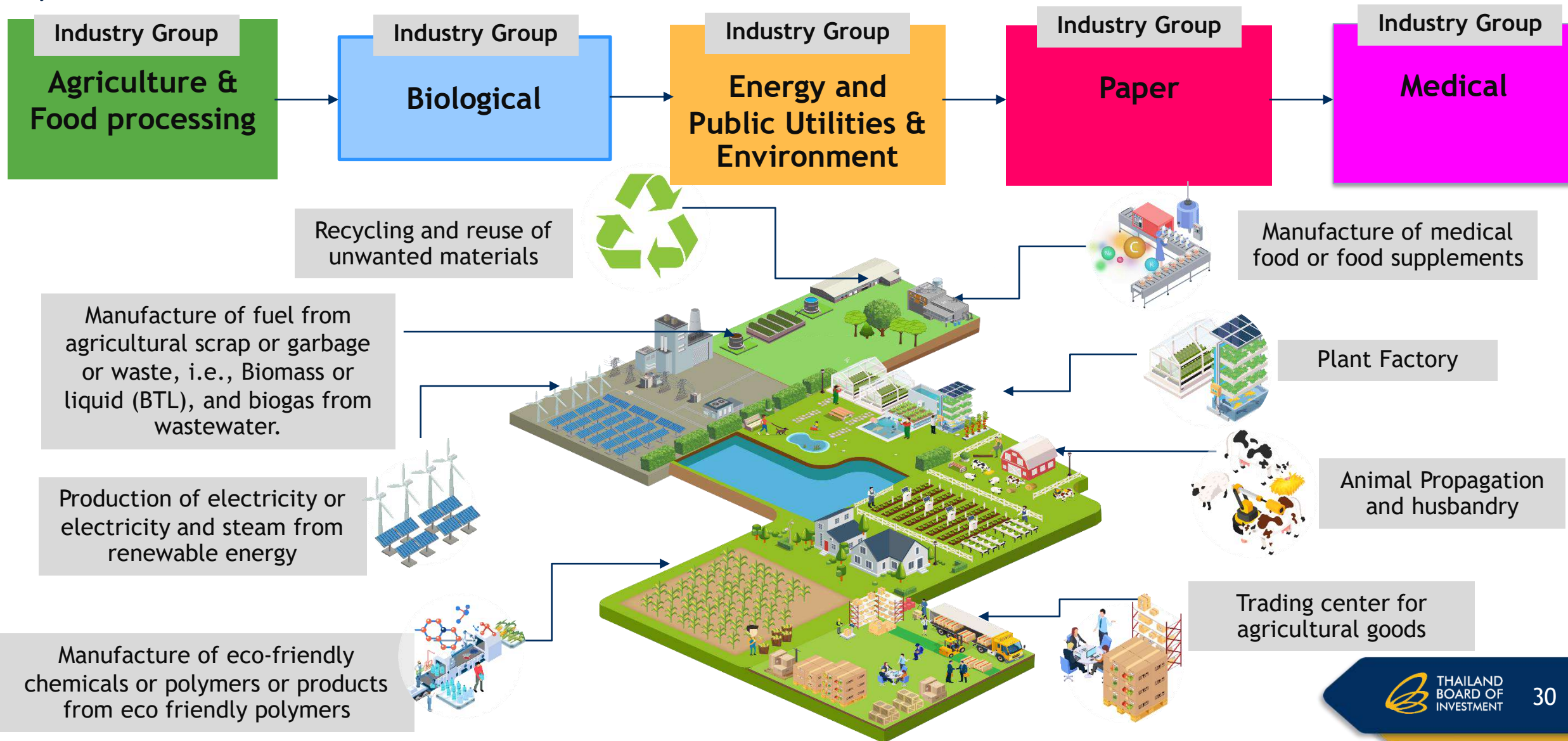
# Sector of Opportunities



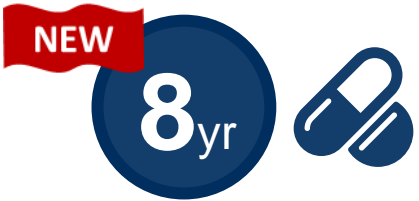
## BCG Economy

# 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

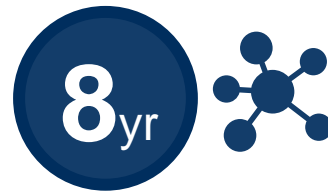


Manufacture of **Food, Beverage and Seasoning ingredients** excluding alcoholic beverages, caffeinated drinks, bakery products and candies



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)**

**More Convenience**  
**More Efficiency**  
**Less Time**

- **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

## Contact us:



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



Tel: 66(0)2 209 1100



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



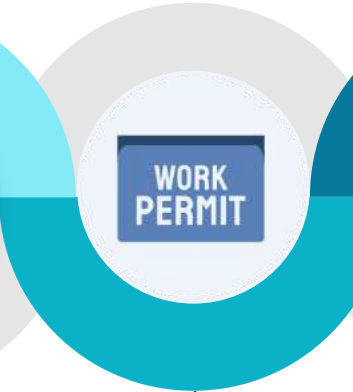
Spouse and children under 20 years old of LTR visa holders  
(Maximum 4 dependents in total per one LTR visa holder)

# Privileges to be offered to LTR visa holders

10 years renewable  
visa



Exemption from  
4 Thais : 1 foreigner  
employment  
requirement ratio



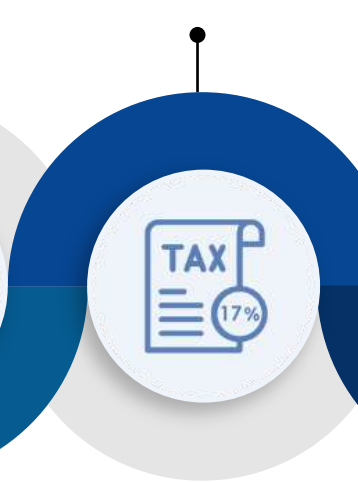
Permission to  
work in Thailand (Digital  
Work permit)



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 overseas  
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 white letters on a blue background with a city skyline. 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". A "SUBMIT APPLICATIONS" button is also visible. 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)" and a "BOOK A SESSION" button with "online & onsite" written above it.

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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