



BOI Incentives and Support Measures for Medical Industry in Thailand

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Why invest in Medical Industry in Thailand



Thailand's **Medical Device** at a Glance



Thailand become a **Medical and Wellness** destination

World's best medical tourism by
worldsbesthospitals.net

5th

7th

World's biggest Medical Tourism Market

World's best countries' health
security and capabilities by
Global Health Security Index
(GHS Index)

5th

8th

World's best public healthcare
system by NUMBEO

2.33 Patient beds per 1000 population



1,279
million EUR
Medical Tourism
Market Size
in 2021



5 Days Average length of stay in hospital

0.51 Physicians per 1000 population



2.85 Nurses per 1000 population

Sizable **healthcare market** with good support infrastructures



19.8

Billion EUR healthcare spending in 2020 with expected growth rate (CAGR) of 7.6%.



16%

of healthcare expenditures were contributed to pharmaceutical sales



149

149 modern drugs manufacturing factories that meet Thai Manufacturing Practice requirements (as of Oct 2021)

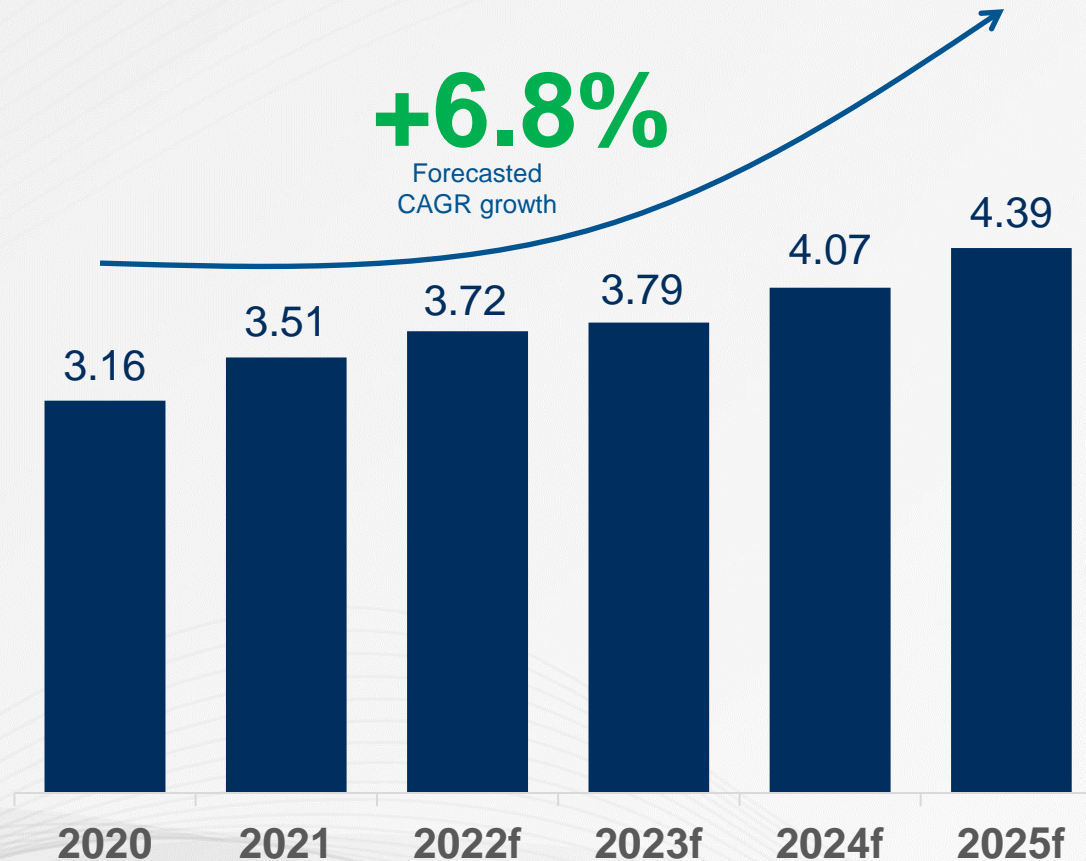


Well-Established

supply chain for medical equipment and production (medical glove, syringes, masks)



Sizeable pharmaceutical market



Unit: billion EUR

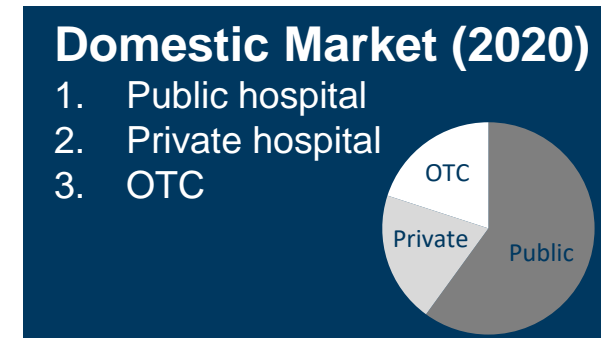
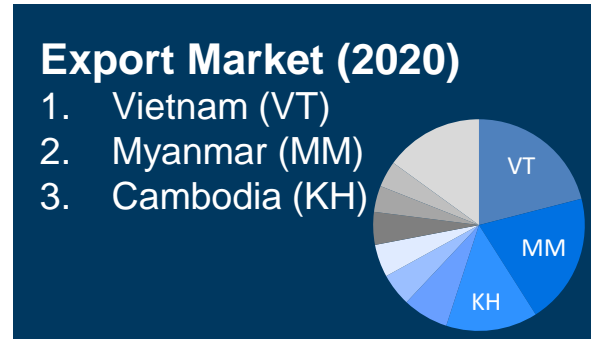
Driven by:

1. Rising concern over personal health and wellness
2. Aging of Thai society
3. Broad coverage provided by the Universal Health Coverage scheme
4. Return of foreign patients to Thai hospital

Well-established supply chain in **pharmaceuticals industry**

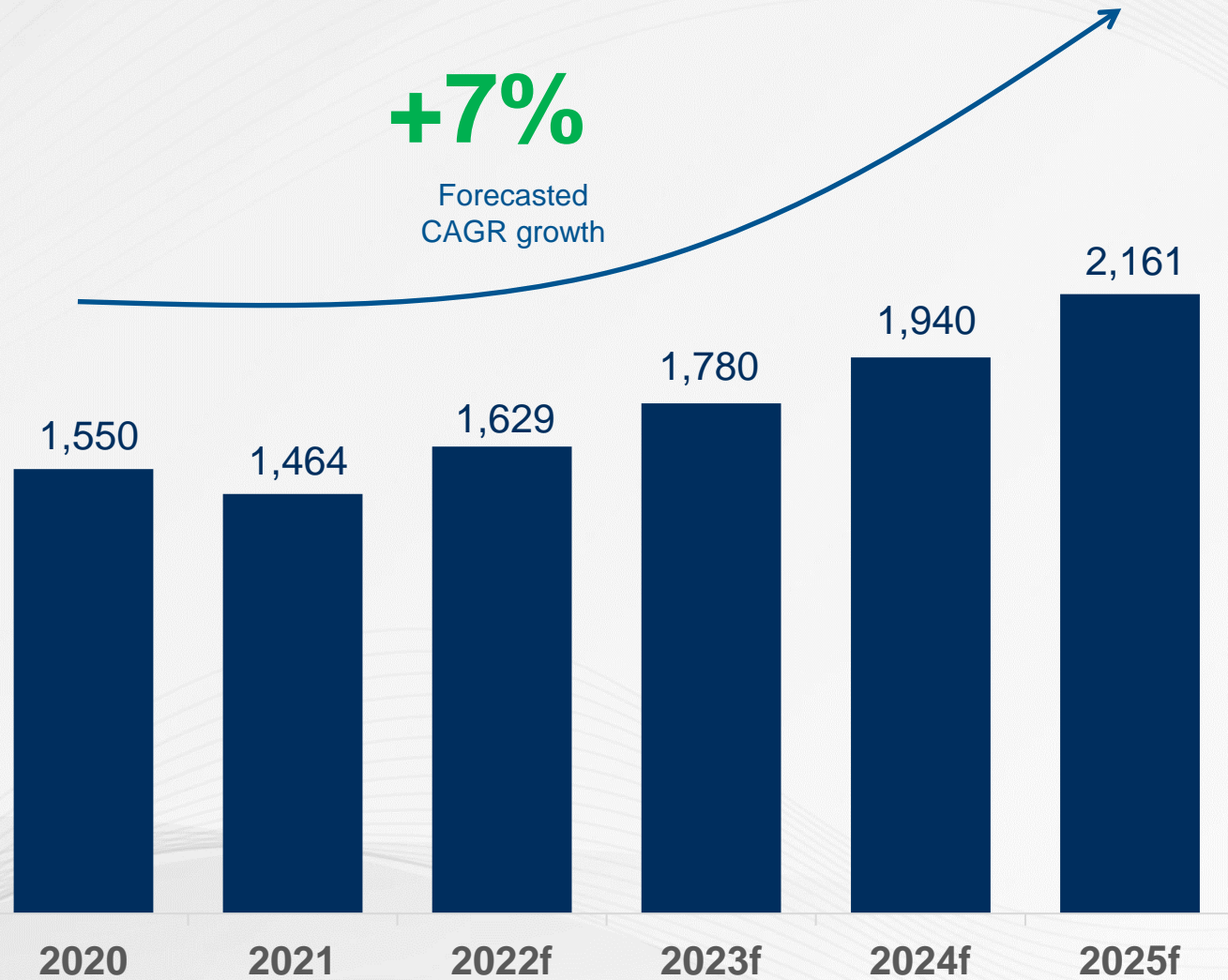


Pharmaceutical players in Thailand



Sources: Krungsri Research, Ministry of Public Health

Sizeable **medical device market**

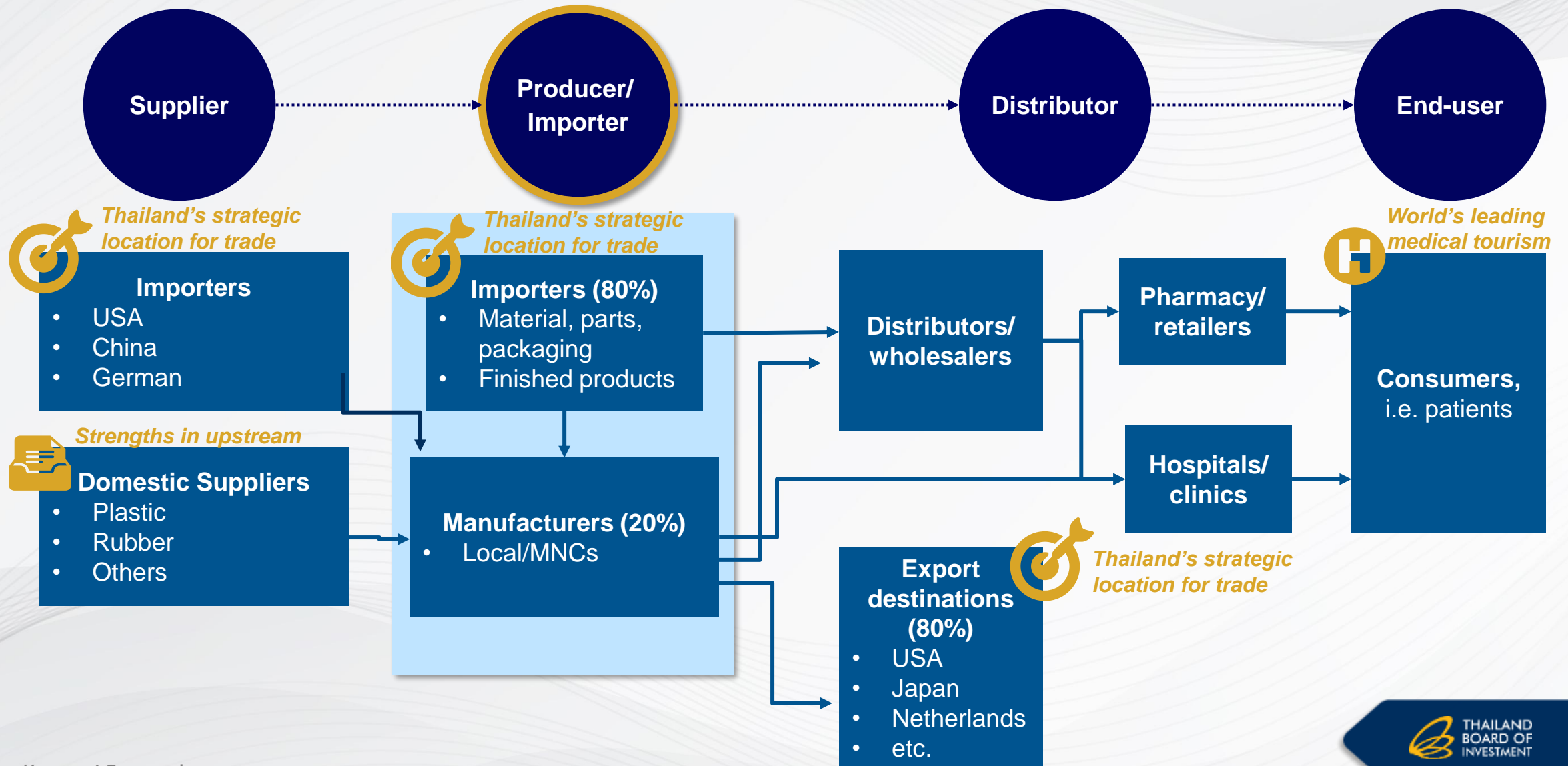


Unit: million EUR

Driven by

- Growing private sector
- Government incentives
- Return of medical tourism (Post COVID-19)

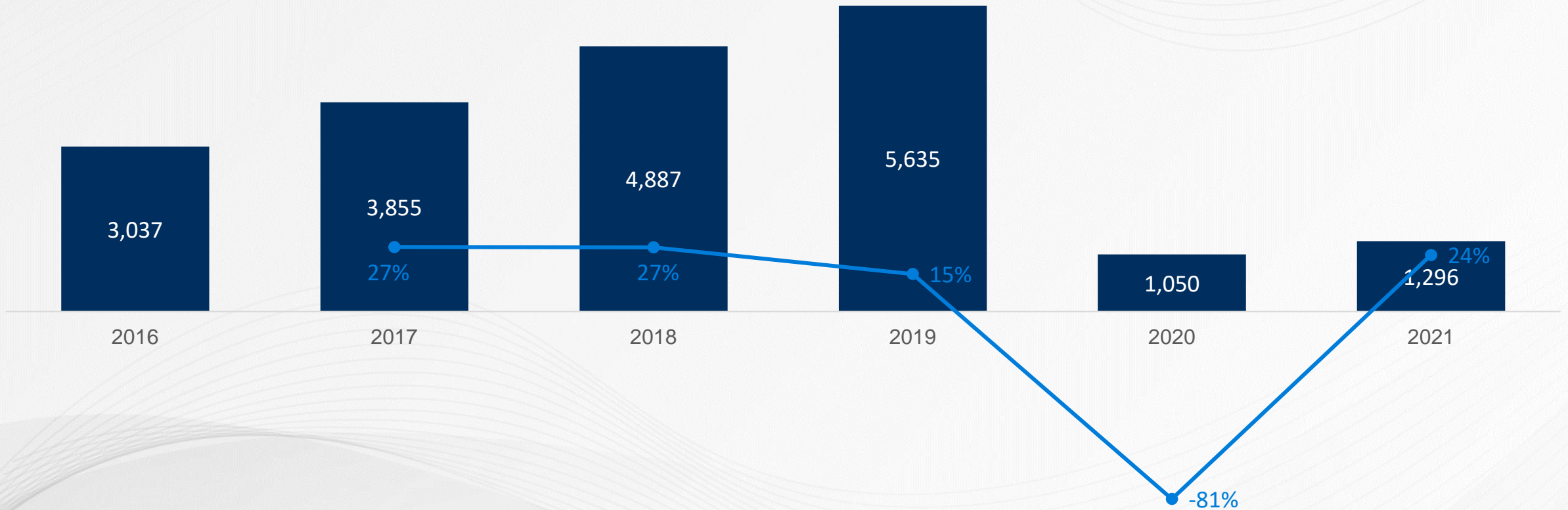
Growable trend of both upstream & downstream businesses in the **medical device**'s supply chain



Thailand medical tourism industry has shown a recovery sign

Medical Tourism in million EUR

■ = Medical Tourism in million EUR ● = year-to-year percentage change

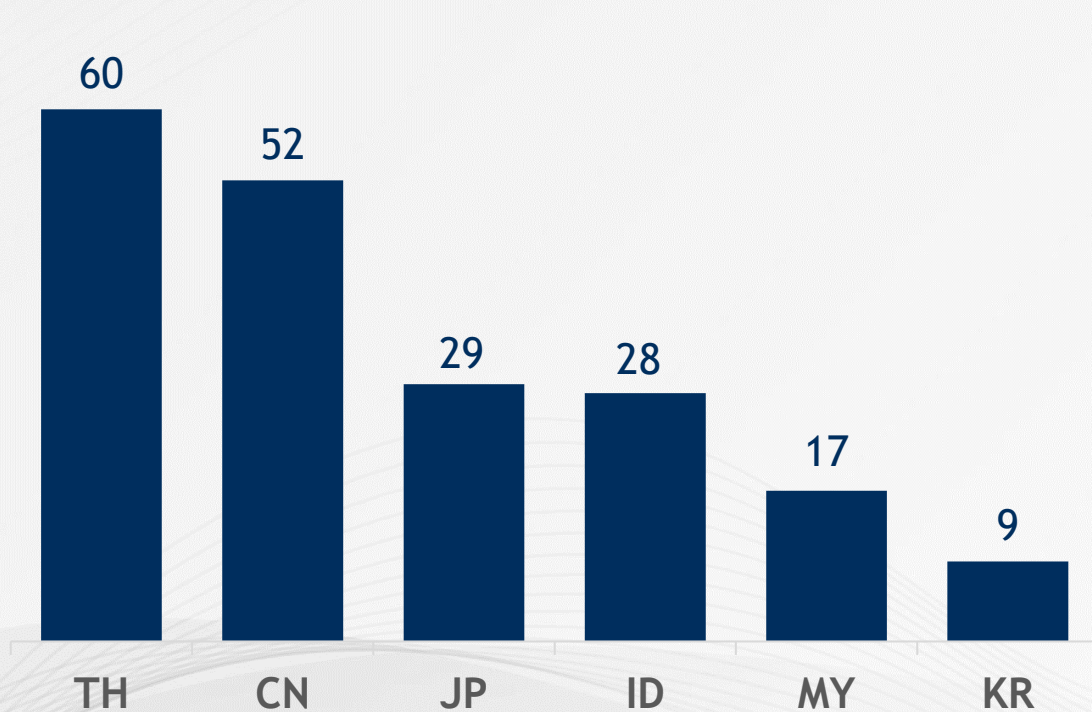


Thailand is ranked among the top destination for medical tourists

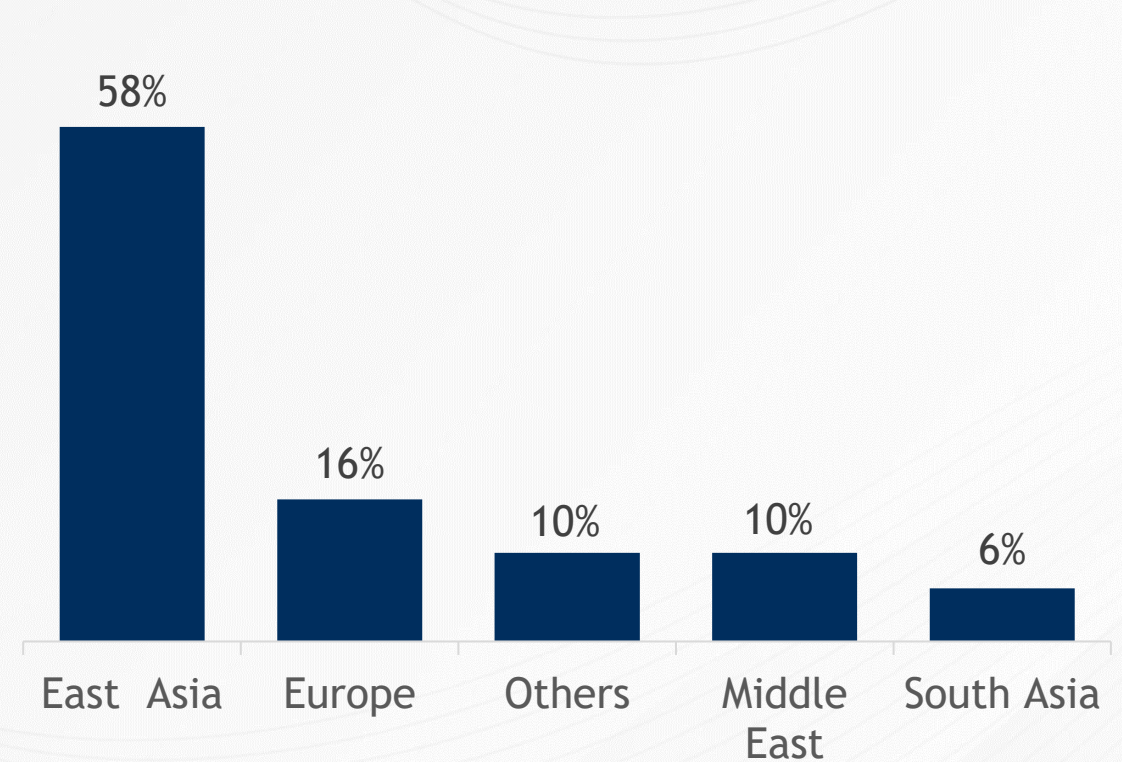
Market Size 1,296 million EUR in 2021

World's 7th biggest Medical Tourism Market

Number of Hospitals Certified JCI Standard



Distribution of medical tourists by regions



Note: TH stands for Thailand, CN stands for China, JP stands for Japan, ID stands for Indonesia, MY stands for Malaysia, KR stands for South Korea

Sources: Euromonitor, Joint Commission International, Fortunebusinessinsights

Supporting Institutions

There are many institutions and organizations who support technological development and facilitate entrepreneurs in the medical industry

Example of Clinical Trial Centers in Thailand



Thai Red Cross Society



National Cancer Institute



Institute of Dermatology Thailand



Institute of Gastroenterology and Hepatology



Chula Clinical Research Center



Clinical Trial Unit (CTU), Chiang Mai University



Mahidol-Oxford Tropical Medicine Research Unit



Siriraj Clinical Research Center



Shoklo Malaria Research Unit

Etc.

Example of Institutional with Technology Development Support



National Science and Technology Development Agency



Food and Drug Administration



Ministry of Public Health



THAIMED



National Electronics and Computer Technology Center



TCELS



National Innovation Agency



Biotec



Ministry of Higher Education, Science, Research and Innovation



Genomics Thailand



Thailand's Science Park



National Omics Center

Etc.



BOI Incentives for Pharmaceutical Industry



Incentives Under The Investment Promotion Act

In order to obtain investment promotion, the BOI applicant must follow the conditions prescribed by BOI as specified in the BOI promotion certificate in which the following incentives will be granted

Tax Incentives

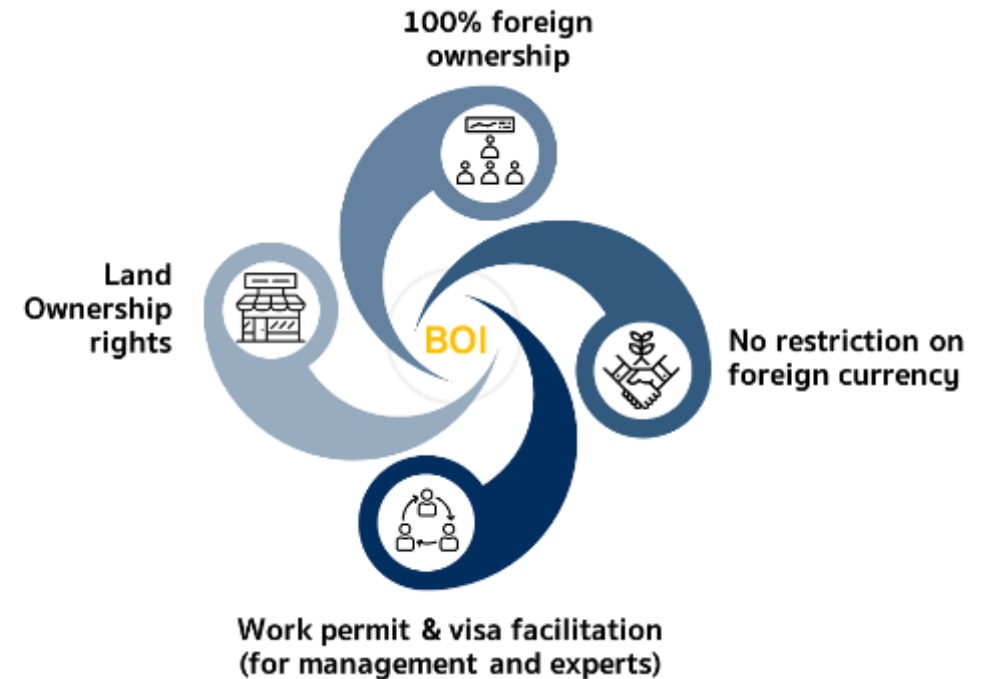


- Corporate income tax (CIT) exemption
- 50% reduction of corporate income tax after the expiry of tax exemption period
- 50% CIT reduction within 10 years*
- Investment Tax Allowance (ITA)*
- Exemption of import duties on machinery
- Exemption of import duties on raw materials (used in the manufacture of exports and for R&D purposes)

** in case of no CIT exemption*



Non-Tax Incentives



BOI Investment Incentive Scheme

Standard Incentives

Activity-Based



≤ 8 years CIT exemption

Technology-Based

- Targeted Core Technologies -



Bio-
Technology

Digital
Technology

Nano-
Technology

Advanced
Material
Technology

10 years CIT exemption



Additional Incentives

Merit-Based

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

Area-Based

- 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, AIT, TISTR)

Agenda-based

- Investment Stimulation Measure
- Productivity Enhancement Measure
- Measures to support Grassroots Economy Development

The list of activities eligible for BOI promotion covers a wide range of businesses, not only s-curve industries.

BOI's Basic Incentive Packages

10
years



CIT exemption



0
year

		Exemption CIT	Exemption Import duties on machinery	Exemption Import duties on raw materials	Non-tax incentives
Section 8	Technology and Innovation Development includes targeted core technology development	10 years + Merit no cap	✓	✓	✓
A1	Knowledge-based activities focusing on R&D and design to enhance the country's competitiveness	8 years + Merit 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 years + Merit	✓	✓	✓
A3	High technology activities which are important to the development of the country, with a few investments already existing in Thailand	5 years + Merit	✓	✓	✓
A4	Activities with lower technology than A1-A3 but which add value to domestic resources and strengthen the supply chain	3 years + Merit	✓	✓	✓
B1	Supporting industry that does not use high technology, but is still important to the value chain	- years + Merit	✓	✓	✓
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 **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 Vaccines (Must Include Biotechnology in Production)	8 years CIT exemption (No Cap)	✓	✓	✓
Manufacture of Active Pharmaceutical Ingredients (API) with GMP/PICS Manufacturing	8 years CIT exemption	✓	✓	✓
Manufacture of Targeted Medicines with GMP/PICS Manufacturing	8 years CIT exemption	✓	✓	✓
Manufacture of Conventional Medicines with GMP/PICS Manufacturing	5 years CIT exemption	✓	✓	✓
Manufacture of Medical Food	8 years CIT exemption	✓	✓	✓

See additional conditions at 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 (Thai ver.)
Source: Thailand Board of Investment

Investment Incentive for **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
Contract Research Organization (CRO) / Contract Research Center (CRC)	8 years CIT exemption (No Cap)	✓	✓	✓
Specialty Medical Centers (Targeted Illnesses Only)	8 years CIT exemption	✓	✓	✓
Hospitals (in the Designated Provinces)	8 years CIT exemption	✓	✓	✓
Senior Hospitals	5 years CIT exemption	✓	✓	✓
Transportation Services for Patients, Doctors, or Medical Equipment	5 years CIT exemption	✓	✓	✓
Senior/Dependent Care Centers	3 years CIT exemption	✓	✓	✓
Health Rehabilitation Centers	-	✓	✓	✓

See additional conditions at https://www.boei.go.th/upload/content/BOI-A%20Guide_EN.pdf (English ver.) or https://www.boei.go.th/upload/content/BOI_A_Guide_Web_Th.pdf (Thai ver.)

Source: Thailand Board of Investment

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 high-risk or high-technology medical devices , (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	✓	✓	✓


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Source: Thailand Board of Investment

Additional Area-based Incentives


Yothi Medical Innovation District, a new initiative of the National Innovation Agency (NIA) aims to build on Thailand's internationally recognized medical capacity in terms of personnel, knowledge and technology.






YMID


Yothi Medical Innovation District




7 Hospitals



7,000 beds




4,600 medical
staffs




6 medical
schools

Incentives*



+5 years



**50%
reduction
of CIT**

Example of institutions within YMID











Note: * only eligible for companies involve in collaboration with educational or research institutions in the area to develop deep tech and the relevant human resources in the target industry. For more detail

Source: YMID, BOI

Thank You

Think **Resilience**
Think **Thailand**

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