

Investment Opportunities in Thailand

25 June 2020

Sonklin Ploymee

Executive Director

Industrial Linkage Development Division

Thailand Board of Investment

AGENDA

01

General Economic
Situation of Thailand

02

Infrastructure
Development in Thailand

03

BOI Investment Incentives
and Services

04

Investment from Australia
and New Zealand

05

Sector of Opportunities

Thailand Economic Statistics



Thailand GDP¹

USD 523.99 Billion (THB 16,879 Billion)

Greater than CLMV Combined



GDP Growth 2019²

Annual Growth Rate 2.4%

GDP per capita USD 7,723.53



2nd Highest Household Consumption in ASEAN⁴

USD 246.11 Billion²

52 Million Middle Class Consumers³



Among Top 3 Export Bases in ASEAN

Exports totaled USD 245.71 Billion in 2019⁵

Top 5 Highest Exports (2019)⁵

Million USD

Product Category	Value (Million USD)	Percentage
Motor Cars, Parts and Accessories	26,230.55	(11.1%)
Computers and Parts	18,212.51	(7.4%)
Precious Stones and Jewelry	17,527.20	(6.4%)
Natural Rubber Products	10,796.01	(4.6%)
Plastics	8,824.70	(3.7%)

Top 5 Major Trading Partners (2019)⁵

Million USD

Country	Value (Million USD)
USA	30,146.27
China	29,105.60
Japan	28,010.39
Vietnam	11,648.65
Malaysia	11,263.57

Note: Exchange Rate 1 USD = 32.2121 THB (As of May 2020, Bank of Thailand)

Source: ¹NESDC (2020), ²World Bank (2018), ³Deloitte (2016), ⁴The Economist Intelligence Unit (2016), and ⁵Ministry of Commerce

Location & Market Access



8th Largest Economy Globally
(USD 2.7 Trillion)

5,000 KM



2nd Largest Economy Globally
(USD 13.4 Trillion)

3,000 KM

1,000 KM



Thailand Market

- Population: 69 Million¹
- Middle Class Consumers: 52 Million²

Cambodia, Laos, Myanmar, Vietnam, Thailand

- 242 Million Consumers³
- Within 1,000 KM

ASEAN Economic Community

- 645 Million Consumers⁴
- Within 3,000 KM
- 5th Largest Economy Globally (USD 3.0 Trillion)

Greater Asia Region

- 4.6 Billion Consumers⁵
- Within 5,000 KM

Thailand's Competitiveness Rankings



Index	Year	Score	Global Ranking	Asia Ranking	ASEAN Ranking
Ease of Doing Business Index	2020	80.1	21	5	3
Global Competitiveness Ranking 4.0	2019	68.1	40	8	3
Logistics Performance Index Ranking	2018	3.41	32	9	2
IMD World Competitiveness Index	2020	75.387	29	9	3
IMD World Digital Competitiveness Ranking	2019	68.43	40	8	3
Global Talent Competitiveness Index	2019	53.84	43	10	4
Global Innovation Index	2019	38.63	43	8	4
Inclusive Development Index *	2018	4.24	17	2	2

Note: * Ranking in Emerging Economies Group

Source: World Bank, IMD Business School, INSEAD, World Intellectual Property Organization and World Economic Forum

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Thailand's Infrastructure Development Strategy (2015-2022)

5 Key Programs: to reduce logistics and transportation costs and Improve the competitiveness of the economy

Infrastructure Development Programs for 2015-2022 (USD 53.4 billion*)

1. Expansion of the inter-city rail network (USD 13.8 billion)

2. Highway capacity enhancement (USD 14.6 billion)

3. Development of mass transit systems in Bangkok Metropolitan Region (USD 20.8 billion)

4. Air transport capacity enhancement (USD 1.4 billion)

5. Development of the maritime transport network (USD 2.8 billion)



Railway

Upgrade railway networks

- Increase **double-track** railways
- Build 1.435-meter standard gauge



Road

- Expand highways to 4 or more traffic lanes
- Develop facilities along the main roads such as container yards



Mass Transit

- Extend mass transit railway system
- Acquire 3,183 NGV buses



Water & Air

- Enhance sea ports capacity
- Enhance airport capacity
- Establish aviation industrial estates

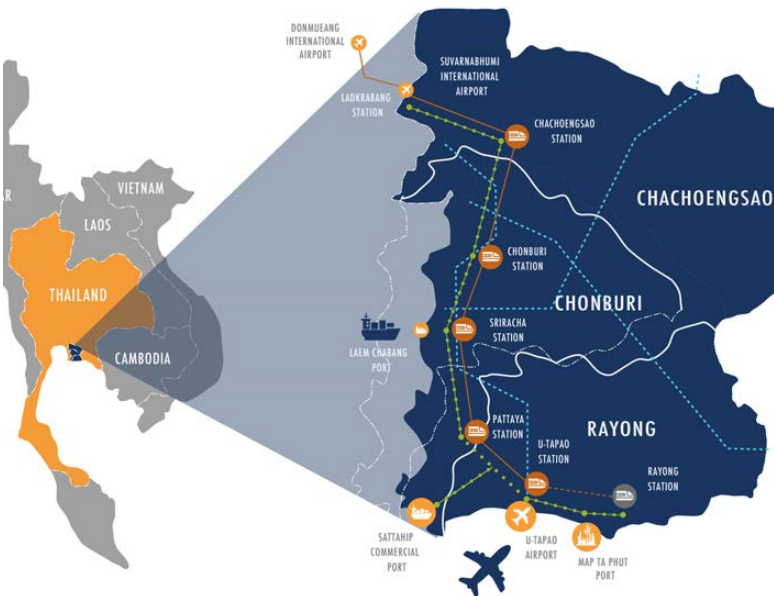


Eastern Economic Corridor: Logistics Hub in ASEAN

USD 49.9 Billion Investment across 3 Eastern Provinces Chachoengsao, Chonburi and Rayong

5 Special Promotional Zones

1. Eastern Airport City (EECa)
2. Digital Park Thailand (EECd)
3. High-Speed Rail Ribbon Sprawl (EECh)
4. Innovation Platform (EECi)
5. Medical Hub (EECmd)



Expected Operation

2022



Thai Airways International PCL
TG MRO Campus

2023



State Railway of Thailand
The High Speed Rail Linking 3 Airports



Royal Thai Navy
U-Tapao International Airport

2025



Port Authority
Laem Chabang Port Phase 3



Industrial Estate Authority of Thailand
Map Ta Phut Industrial Port Phase 3

Source: EEC (2019), ASEAN Briefing (2018)

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Sector of Opportunities

Introduction to the BOI



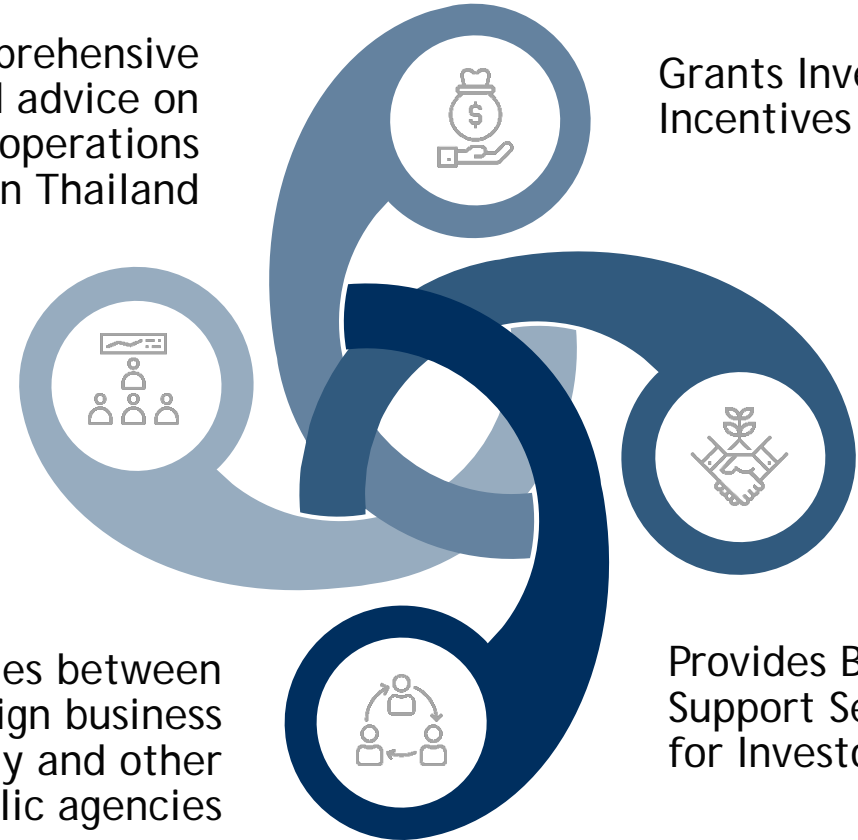
BOI is a government agency under the Office of the Prime Minister

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



Overview of BOI Incentives

Policy

100% foreign ownership

No local content requirements

No export requirements

No restriction on foreign currency

Tax Incentives

Exemption of import duties on machinery

Exemption of import duties on raw or essential materials imported for export

Exemption of import duties on goods imported for R&D

Corporate income tax exemption up to 13 years

50% CIT reduction within 10 years

Non-tax Incentives

Land ownership

Work permit & visa facilitation

BOI Investment Incentive Scheme

Standard Incentives

Activity-Based (>300 activities)



≤ 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
- Domestic 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

Agenda-Based

- Measures for Enhancement of Production Efficiency
- MAI Support
- SMEs Promotion
- Support to Small and Community Enterprise

Announcement of the Board of Investment No. 3/2563



Investment Stimulation Measure

Entitled to 50% Corporate Income Tax Deduction for a period of 5 years as from the date the corporate income tax exemption expires.

Conditions

- 1
 - Applied to Activities eligible for promotion with ≥ 5 years corporate income tax exemption
 - No permanent location and locating in special economics zone activities are ineligible**
 - Activities with over than 8 years corporate income tax exemption are ineligible

2



Extension of time of machine importation



Extension of time for full operation commencement

3

Required Actual Investment Capital

6 Feb 20 - 30 Dec 20
 \geq THB 500 Million

or

6 Feb 20 - 30 Dec 21
 \geq THB 1,000 Million

4

Effective on the projects that apply for promotion from January 2, 2019 to the last working day of 2020.

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



1-Stop for visas & work permits In 3 hours



Assist investors with various applications

*More Convenience
Less Time
More Efficiency!*



18th 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







SMART VISA

Taking Thailand to New Heights with Foreign Talent and Technology



Privileges for SMART Visa

-  Maximum 4 years Visa
*Except Smart S
-  Permission to work with no work permits required
-  No re-entry required
-  Fast Track Service at International Airports

BOI (BUILD) : Industrial and Investment Linkage

BUILD Supports

- Online Database/Website BUILD Platform
- Free Sourcing Services
- Customized Business Matching
- Local Sourcing Events
 - Vendors Meet Customers Sourcing Events
 - Sourcing Market Place Center
 - Knowledge Enhancement for Local Vendors through Competitiveness Development Seminar
- International Sourcing: Exhibit Thai Vendors Potential at International Exhibitions
- SUBCON THAILAND - biggest Subcontract Exhibition in ASEAN



The New Normal of BOI's Activities During COVID-19 Pandemic

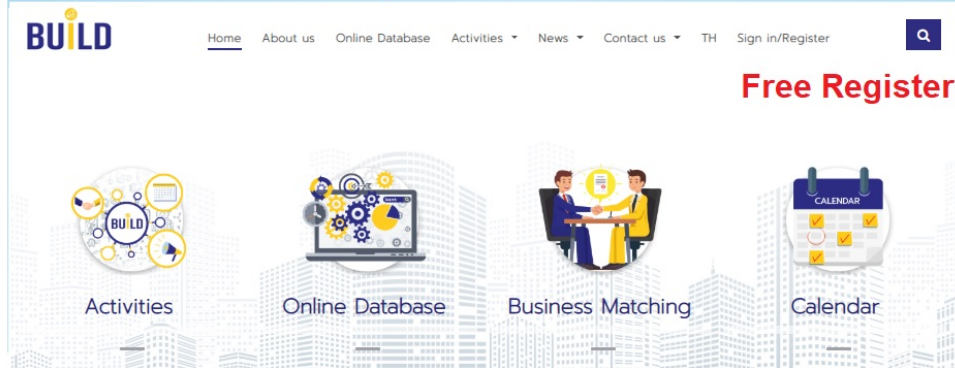


BUILD's E - LINKAGE Business Matching Online Activity

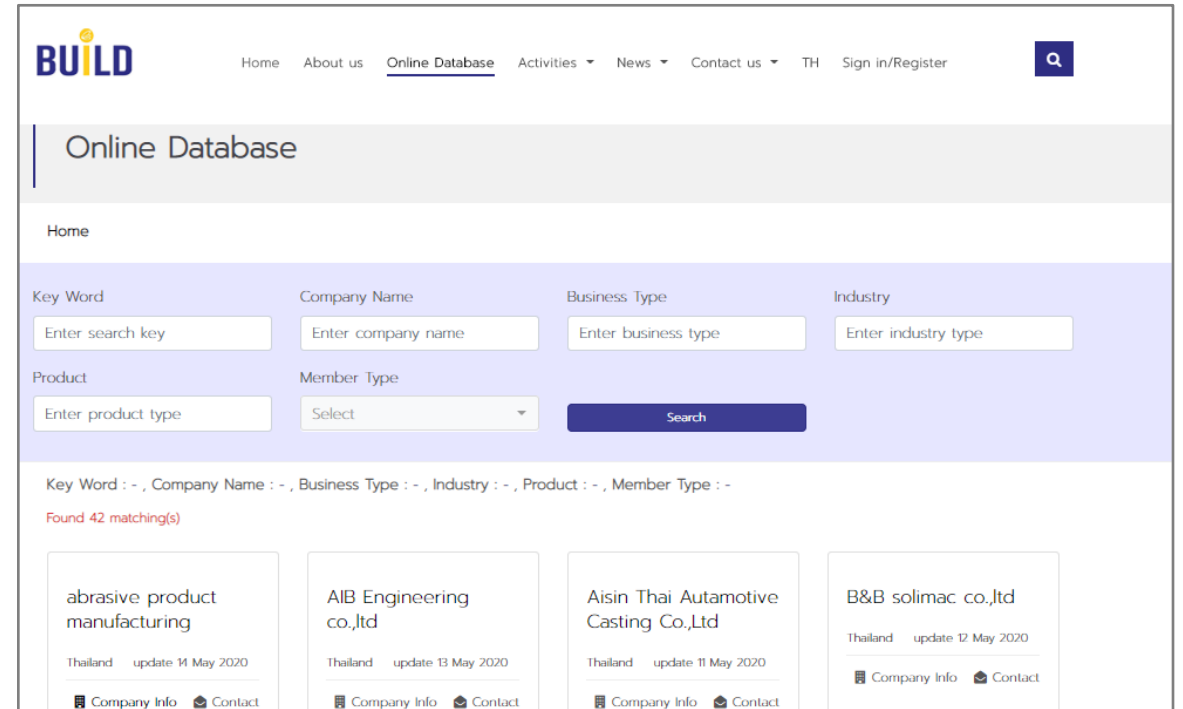


Now available on Website

<https://build.boi.go.th>



<https://build.boi.go.th/EN/sourcing-data>



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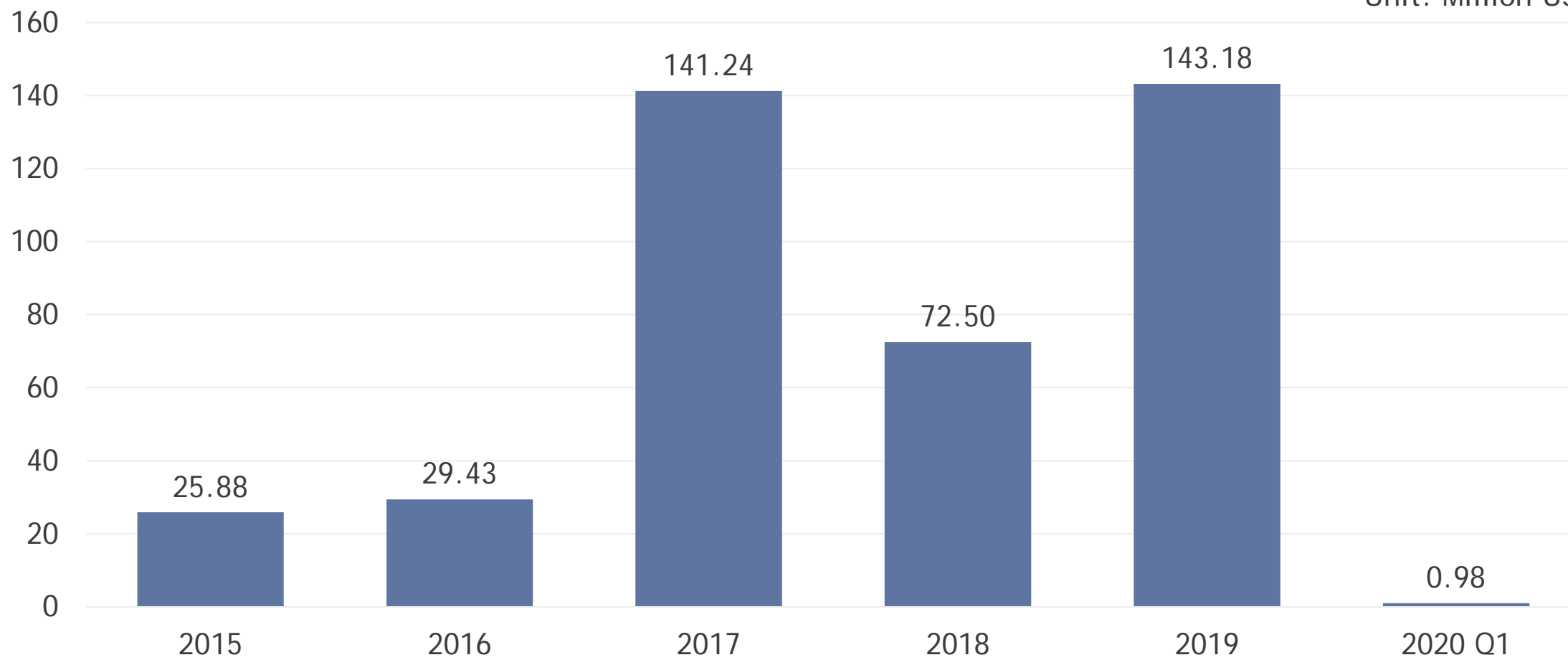
Sector of Opportunities



Investment Projects from Australia (2015-2020 Q1)

Australia Investment Projects submitted to BOI

Unit: Million USD



Note: Exchange Rate 1 USD = 32.2121 THB (As of May 2020, Bank of Thailand)

Source: Thailand Board of Investment



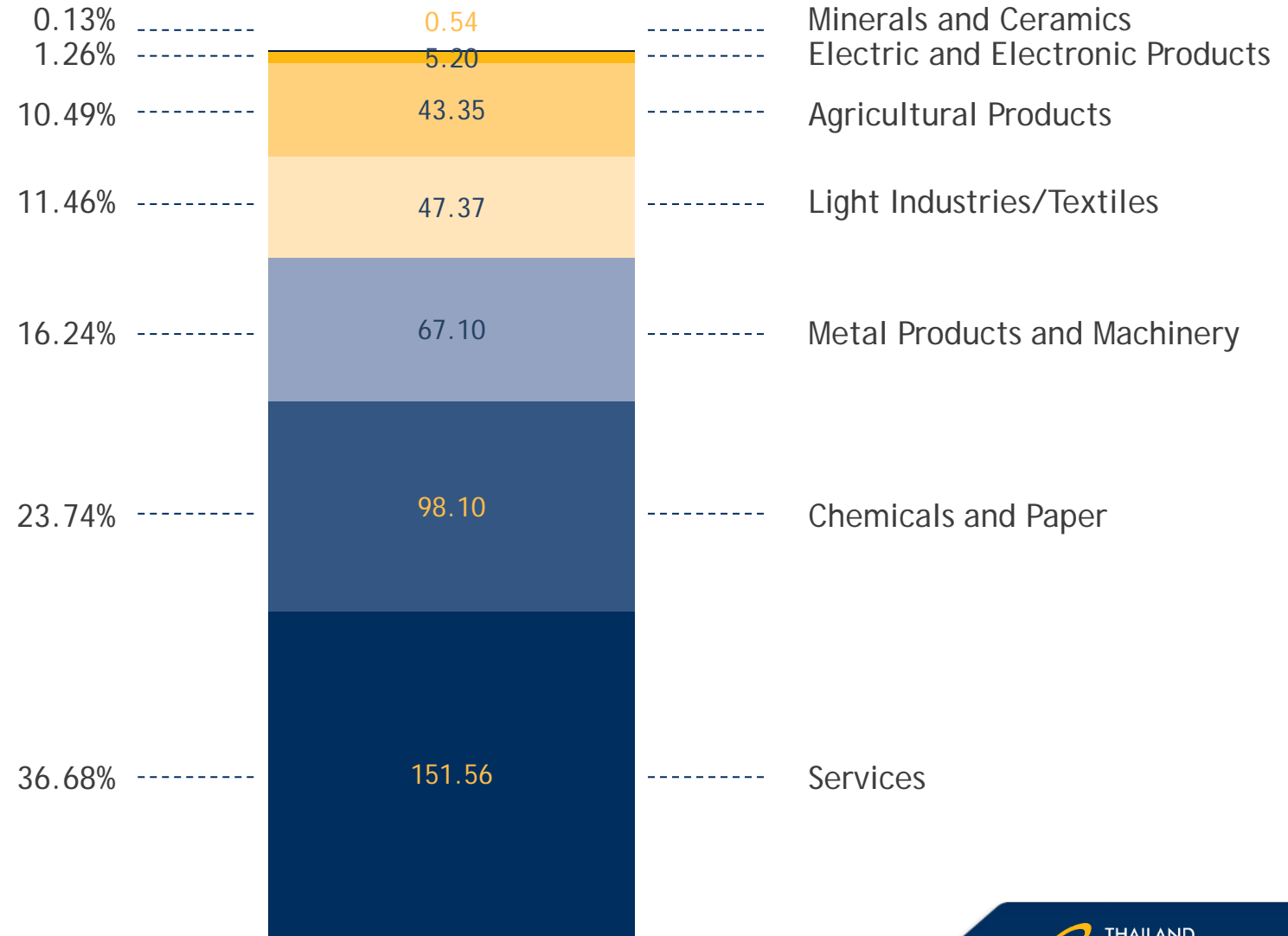
Australia Investment Classified by Sector (2015-2020 Q1)

Total Investment Projects Submitted for Promotion During 2015-2020 Q1

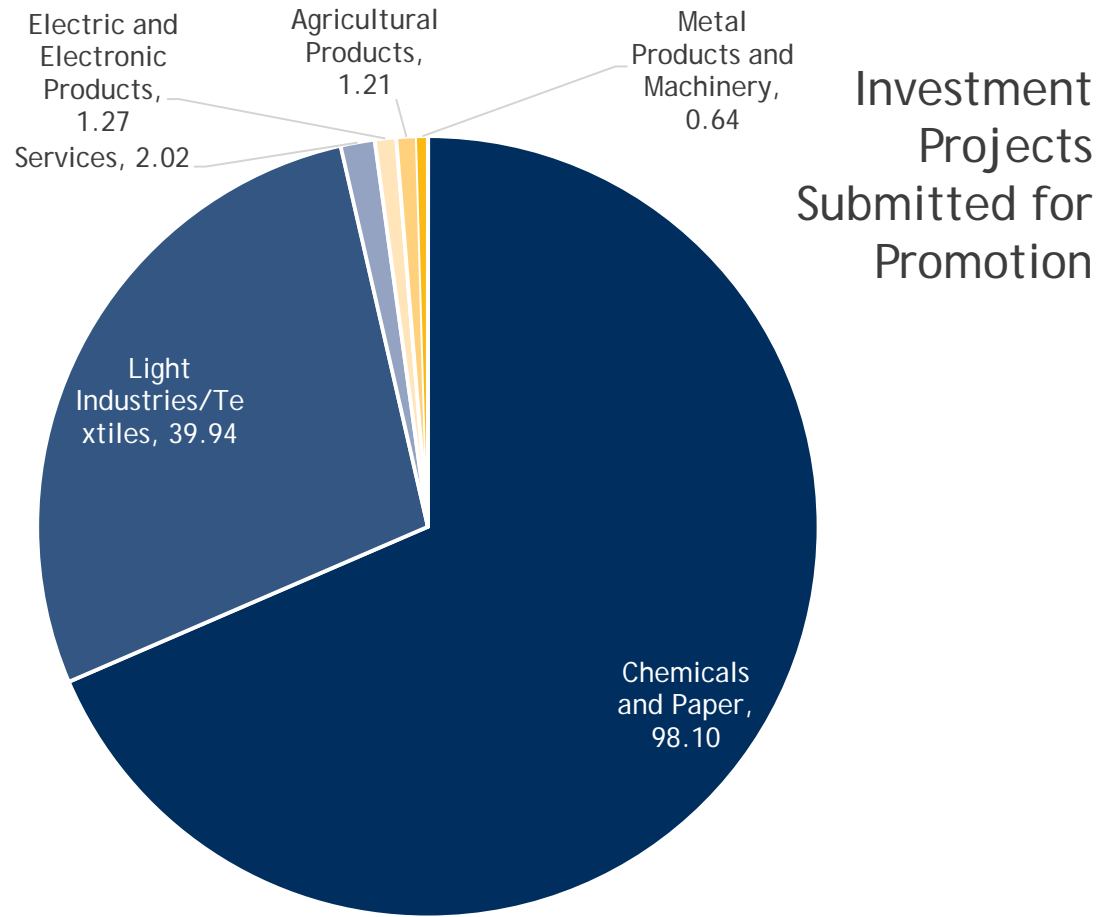
413.21
Million USD

* Only data from January to March 2020

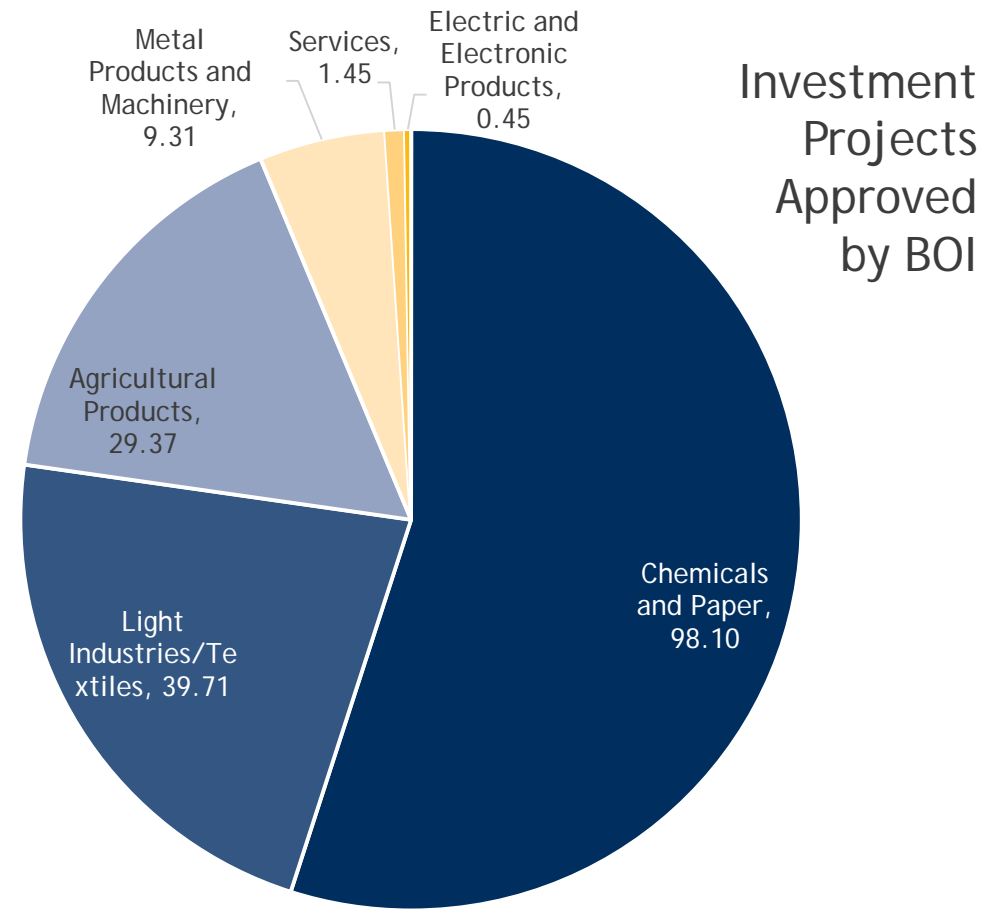
Unit: Million USD



Investment Projects from Australia in 2019



Total Investment: USD 143.18 Million



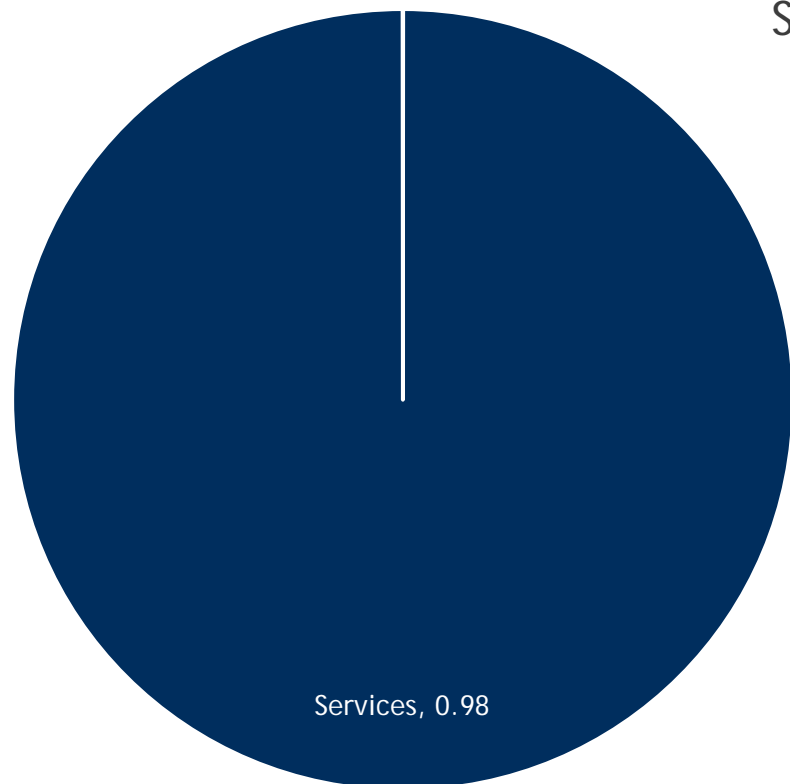
Total Investment: USD 178.39 Million

Note: Exchange Rate 1 USD = 32.2121 THB (As of May 2020, Bank of Thailand)
Source: Thailand Board of Investment



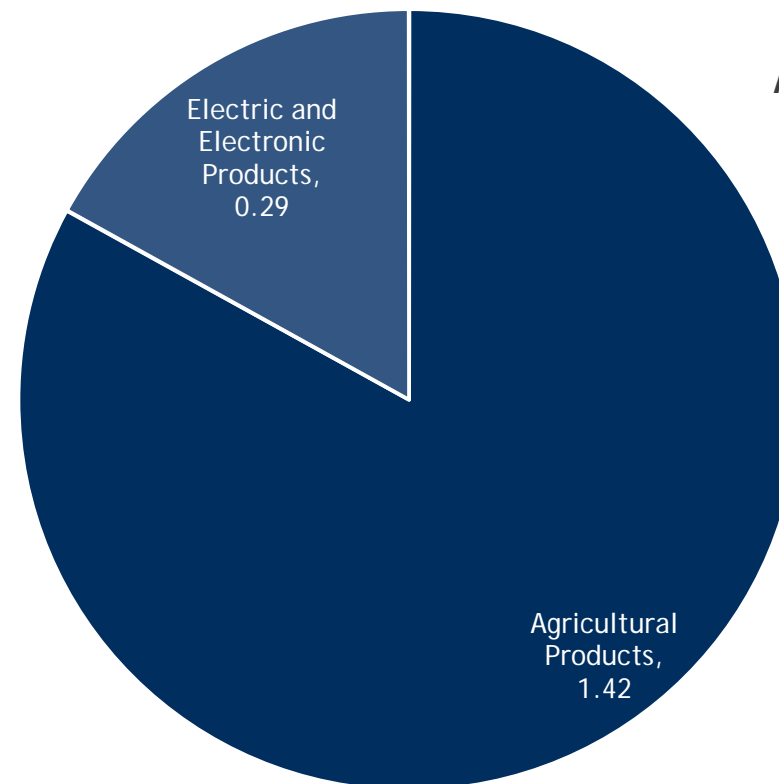
Investment Projects from Australia in 2020 Q1

Investment Projects Submitted for Promotion



Total Investment: USD 1.05 Million

Investment Projects Approved by BOI



Total Investment: USD 1.70 Million

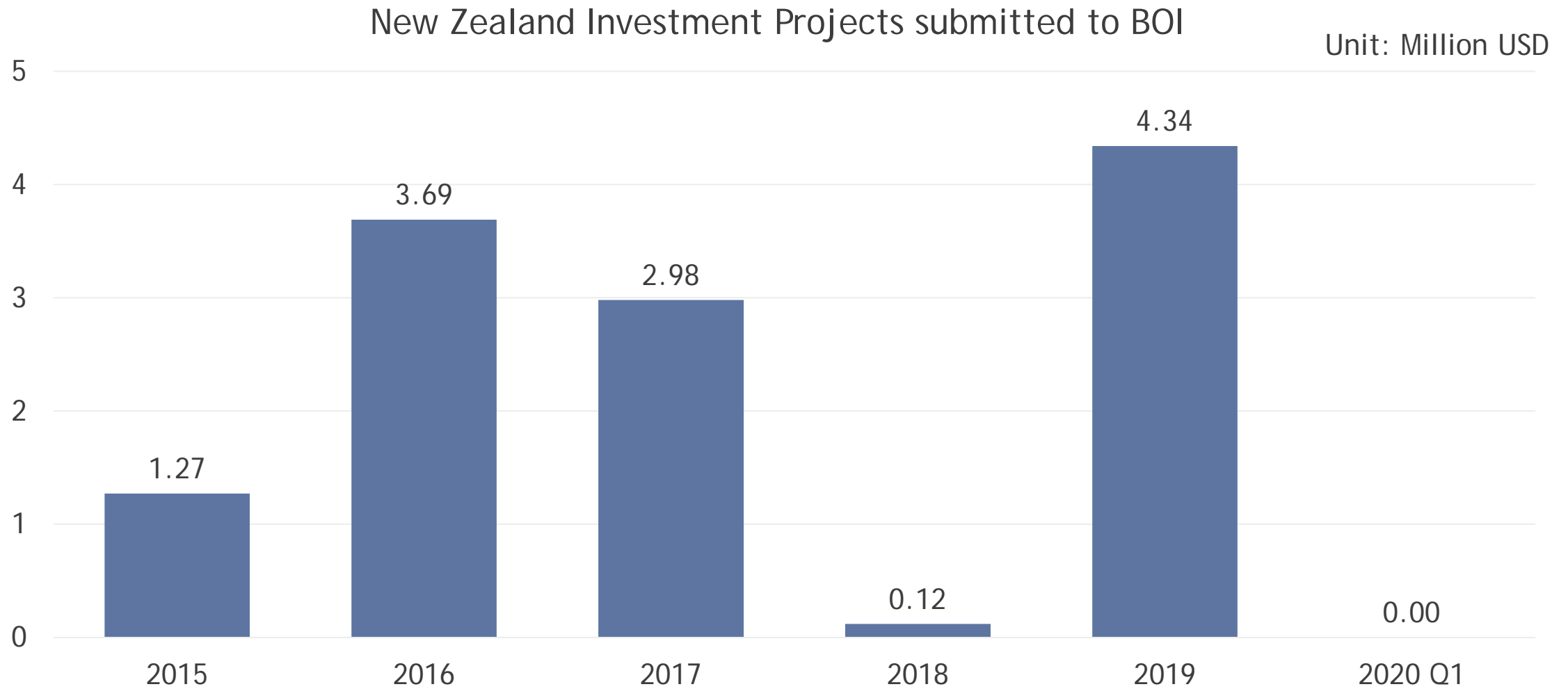
Note: Exchange Rate 1 USD = 32.2121 THB (As of May 2020, Bank of Thailand)
Source: Thailand Board of Investment

Major Australian Companies in Thailand





Investment Projects from New Zealand (2015-2020 Q1)



Note: Exchange Rate 1 USD = 32.2121 THB (As of May 2020, Bank of Thailand)

Source: Thailand Board of Investment

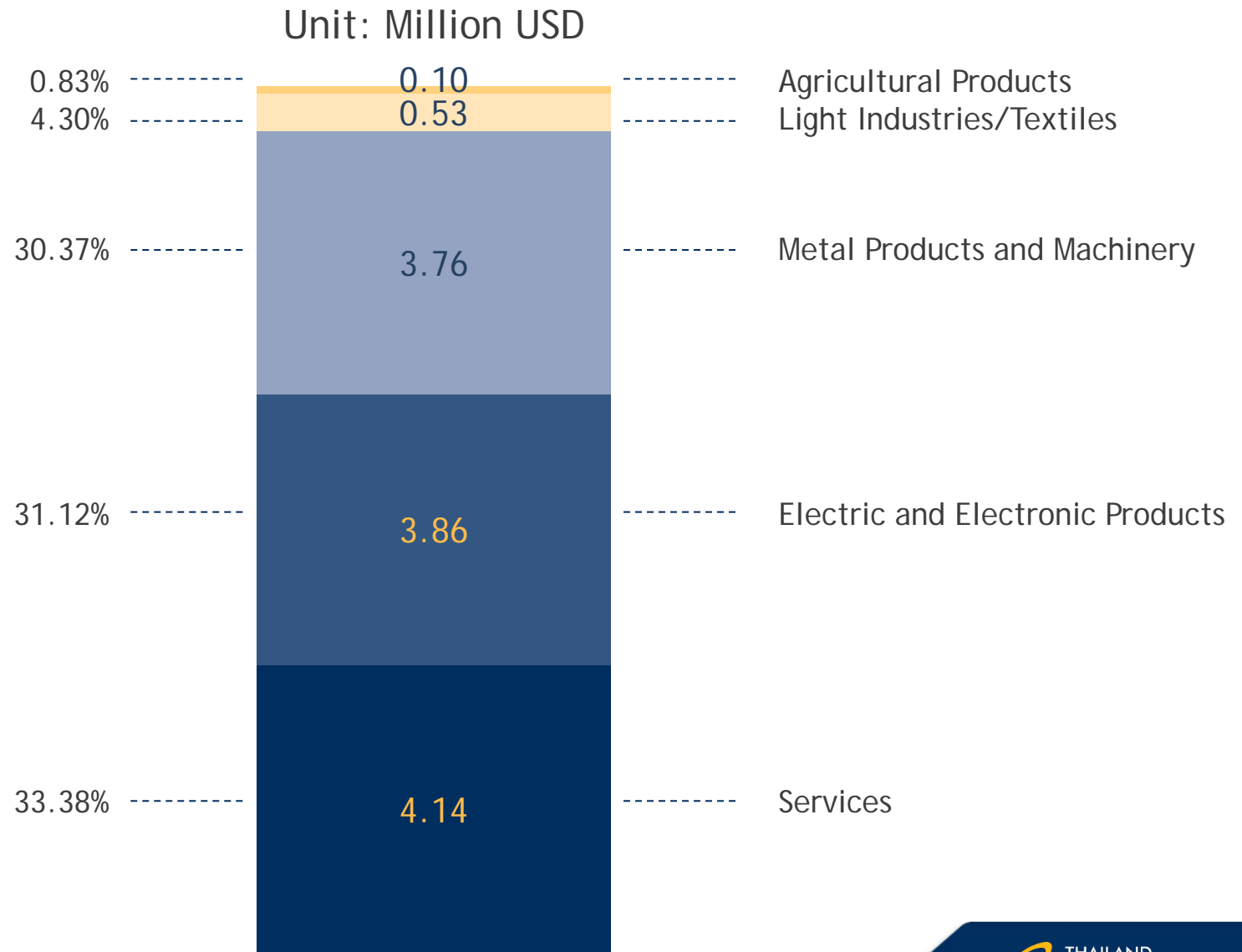


New Zealand Investment Classified by Sector (2015-2020 Q1)

Total Investment Projects Submitted for Promotion During 2015-2020 Q1

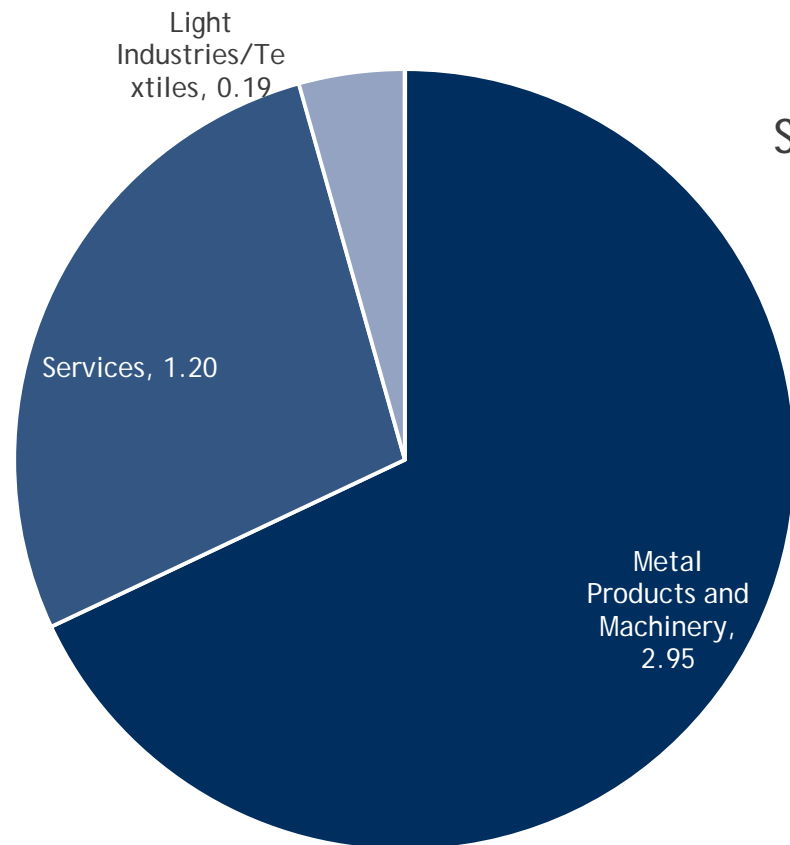
12.39
Million USD

* Only data from January to March 2020

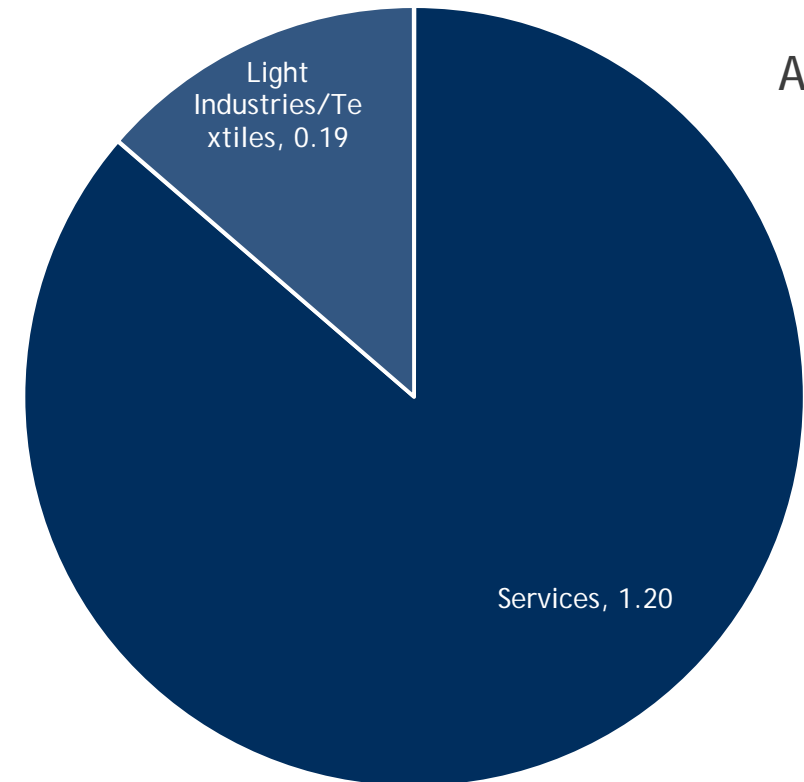




Investment Projects from New Zealand in 2019



Investment Projects Submitted for Promotion



Investment Projects Approved by BOI

Total Investment: USD 4.34 Million

Total Investment: USD 1.36 Million

Note: Exchange Rate 1 USD = 32.2121 THB (As of May 2020, Bank of Thailand)
Source: Thailand Board of Investment

Major New Zealand Companies in Thailand



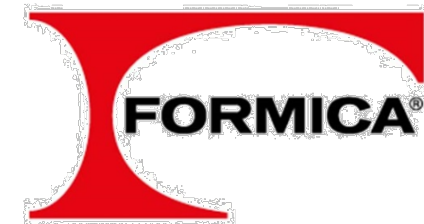
Baldwin
Boyle Group



THE BEAUMONT
PARTNERSHIP



Karilac



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Sector of Opportunities

Sector of Opportunities: Digital Industries



Digital Industries



Advanced Manufacturing

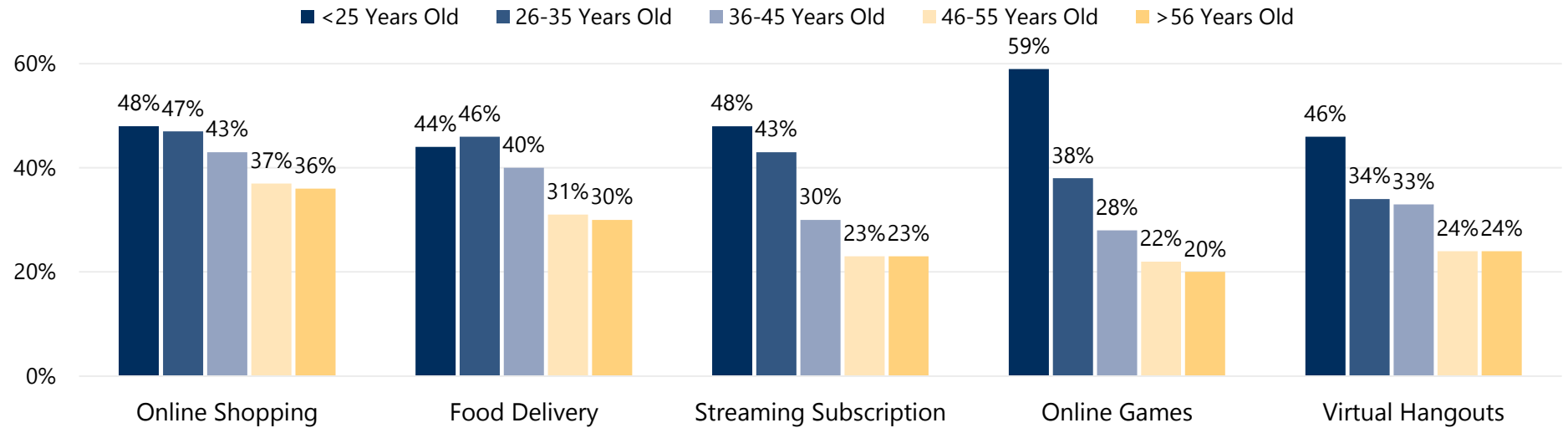


Medical and MedTech



Agriculture and Biotech

Thai Consumer Claims on Higher Consumption of Digital Products & Services



E-Commerce Uses and Streaming Subscription Increase After the Covid-19



15.77

Million new paid subscribers globally



479%

Increase in number of uses in Thailand



122%

Increase in number of uses in Thailand



100%

Increase in courier average income in Thailand

Sector of Opportunities: Advanced Manufacturing



Digital Industries



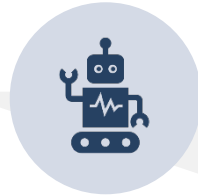
Advanced Manufacturing



Medical and MedTech



Agriculture and Biotech



Robotics



Automated System



Artificial Intelligence

Highly intelligent system is a key enabler of the production line and factories of tomorrow. Robotics, Automation and AI can reverse the cycle of low profitability across industries through three channels:

Intelligent Automation

Labor and Capital Augmentation

Innovation Diffusion

Example of industries in Thailand advancing their manufacturing process:



Hard Disk Drive Industry



Automotive Industry



Food Processing Industry



Rubber Industry



Medical Device Industry

Sector of Opportunities: Medical and Medical Technology



Digital Industries



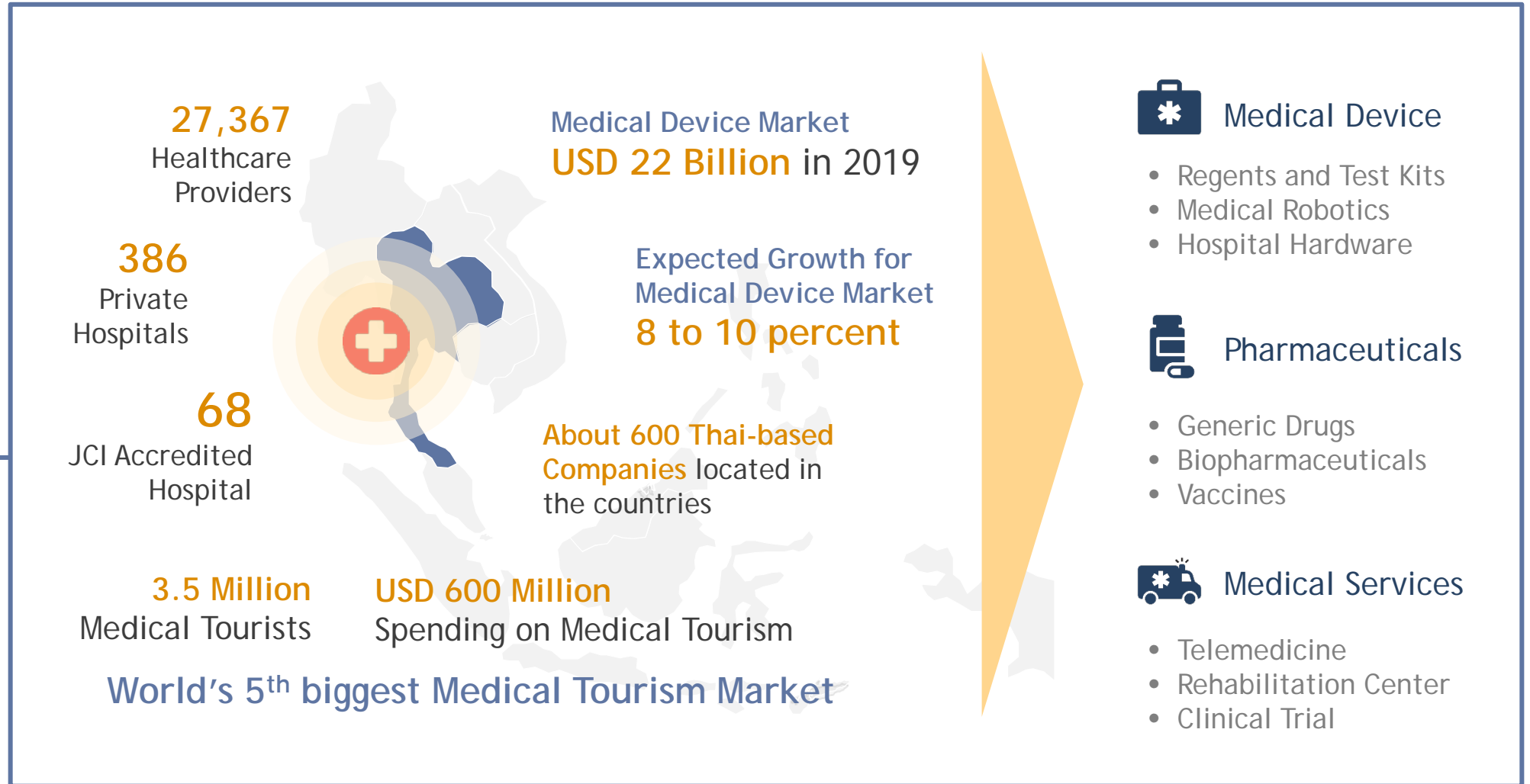
Advanced Manufacturing



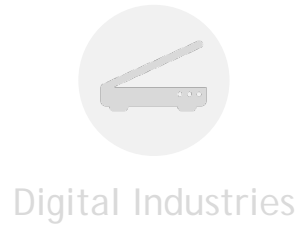
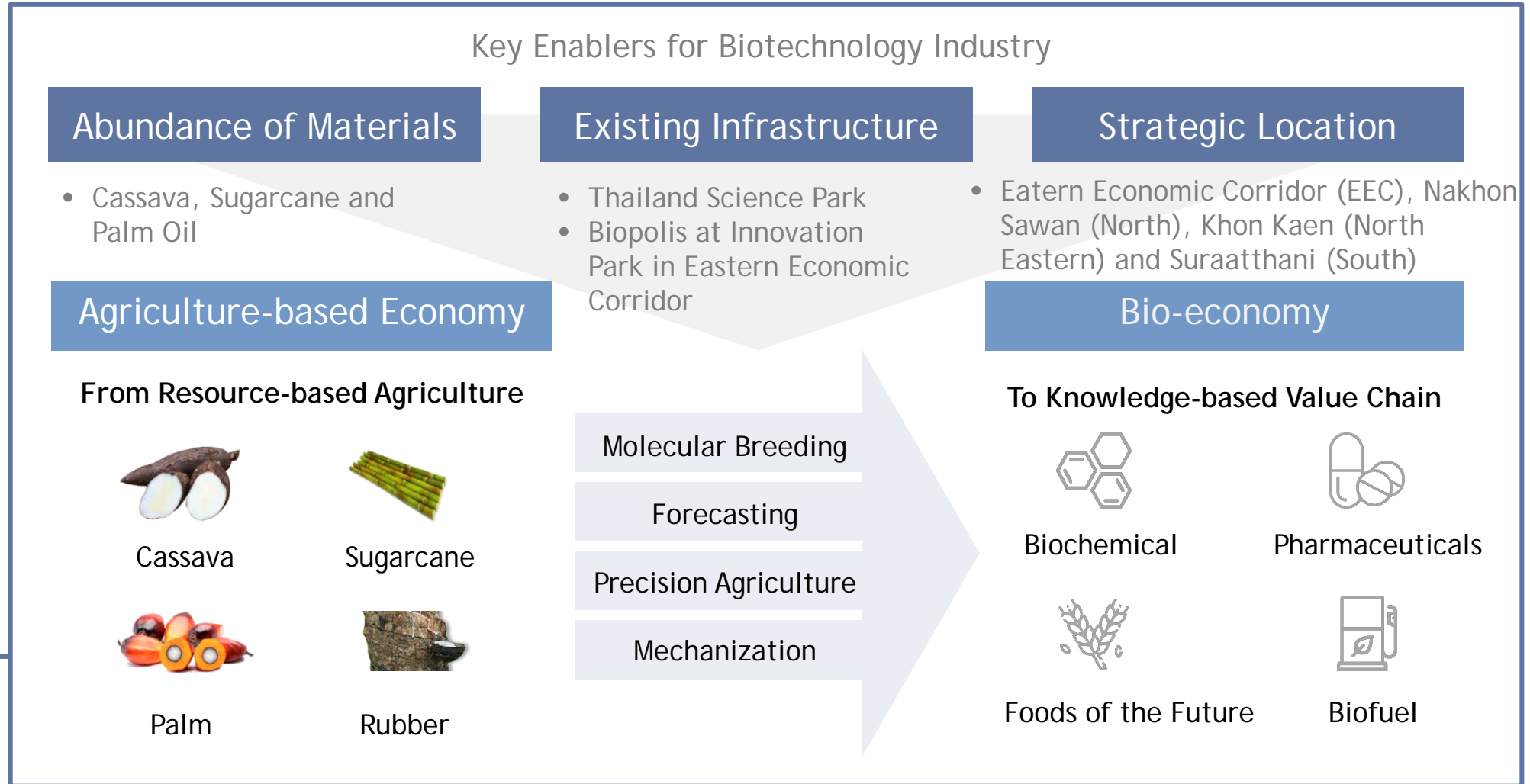
Medical and MedTech



Agriculture and Biotech



Sector of Opportunities: Agriculture and Biotechnology



Discovering Opportunities in Service Sector: Education



Education

International School Market in Thailand



Research & Development

Regulation for the Establishment of an International School

Private School Act



- Foreign equity must be less than 50% and the number of foreign shareholders must less than 50% of the total number of shareholders
- The manager of a private school must also be a Thai national

Private Higher Education Institute Act



- The number of foreigners on the council of a private higher education institute must be less than 50% of the total number of competent members.

Exemption in EEC Areas



International Business Center

Sector of Opportunities



Higher Education and Vocational Education Offering Courses to Support S-curve Industries

Note: * During 2010-2017, ** 2017 Data

Exchange Rate 1 USD = 32.2121 THB (As of May 2020, Bank of Thailand)

Resource: Source: ISC Research, Office of Private Education Commission an EEC Office

Discovering Opportunities in Service Sector: Research & Development



Education



Research & Development

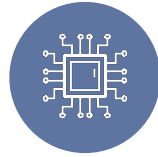


International Business Center

Targeted Core Technologies with 10-year Tax Incentives from BOI



Bio Technology



Digital Technology



Nano Technology



Advanced Material Technology

Supporting Facilities and Organizations for Research & Development



Thailand Science Park (including Food Innopolis which is located within the Park) in Khlong Luang, Pathum Thani



3 Regional Science Parks

- Northern Science Park (Chiang Mai)
- North Eastern Science Park (Khon Kaen)
- Southern Science Park (Songkhla)



EEC Development including Digital Park, Aripolis, Biopolis and Space Krenovapolis



Discovering Opportunities in Service Sector: International Business Center



Education



Research & Development



International Business Center

Why Thailand ?



Strategic Location



Access to Market



Business Friendly Nation



Competitive Resources



High Standard of Living

Incentive offered by Public Agencies



- Exemption for import duty on machinery
- Permission for skilled personnel
- 100% foreign ownership
- Permission to own land



กรมสรรพากร
THE REVENUE DEPARTMENT


- CIT reduction
- Revenue subject to corporate income tax reduction
- Personal income tax reduction (PIT reduction)
- Specific business tax exemption
- Withholding tax exemption





ธนาคารแห่งประเทศไทย
BANK OF THAILAND

- Reduce transaction costs
- Facilitate MNCs to centralize all treasury management
- Purchase/sales FX both for itself and group companies
- Lend and borrow FX to/from group companies
- Etc.




 Thailand (Head Office) :
555 Vibhavadi-Rangsit Road.,
Chatuchak, Bangkok 10900,
Thailand

 (+66) 2553 8111

 (+66) 2553 8315

 head@boi.go.th

 Sydney Office:
Suite 101, Level 1, 234 George
Street, Sydney, NSW 2000,
Australia

 + 61 2 9252 4884

 + 61 2 9252 4882

 sydney@boi.go.th



Ms. Netnapa Pukdeerux
BOI Sydney Director