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Mr. Uwe Quaas

CEO And Managing Director, BMW Manufacturing (Thailand)

### **Global Automotive Producer**

The BMW Group AG is a German multinational company that was founded in 1916, which produces automobiles and motorcycles marketed under the brands BMW (cars) and BMW Motorrad (motorcycles), as well as MINI and Rolls-Royce. The company established a manufacturing operation located in the Eastern Seaboard area of Rayong, Thailand, in 1999 with an initial investment value of US\$162.23 million, and which began producing vehicles the following year. In 2006, BMW received free zone privileges from the BOI, which enabled BMW to expand its manufacturing operations. The most recent ฿1.1 billion expansion, announced in 2015 by Jurgen Maidl, BMW's senior vice president for logistics, brought their total investment in the Rayong plant to ฿3.7 billion. Between 2013 and 2016, BMW Manufacturing Thailand was the

only one of its kind—worldwide—to house production of three different brands under one roof: BMW, MINI, and Motorrad. The highly-skilled craftsmanship and uncompromising attention to detail that is prominent in the Thai culture have been integrated



into the manufacturing process, so that BMW's renowned world-class quality is

guaranteed in each and every vehicle they build. It is also worth noting that BMW Manufacturing Thailand currently produces zero waste to landfills, and the company continues to strive for increasingly eco-friendly behaviors.

Mr. Uwe Quaas, CEO and Managing Director of BMW Manufacturing (THAILAND) stated that the major factors that spurred BMW to invest in Thailand include its strategic location as the gateway to Asia, and its human resource capabilities to support BMW's strategic goals and objectives in the Asian market. According to Mr. Quaas, the BMW plant's capacities will continue to grow in the future under a clear strategy aimed at enhancing both human resources and technological expertise. For example, in 2018, BMW Manufacturing (Thailand) laid the foundations for future electric vehicle production through advanced training and qualification programs on the assembly of high voltage batteries (HVB) for BMW's plug-in hybrid models, The company has

implemented BMW's Dual Excellence in Education vocational training program on Mechatronics in conjunction with two partner colleges, the Thai-Austrian Technical College and the Chitralada Vocational Program at the Chitralada Technology Institute. Since beginning the program in 2015, BMW has recruited 82 apprentices, and accepted 20 graduates into the BMW



workforce. This system allows BMW to develop a future workforce with the necessary and relevant skills in technology and manufacturing which will be needed as the company continues to expand and evolve. BMW also teaches Automated Guide Vehicle Program Coding in collaboration with the Thai German-Graduate School of Engineering (TGGS).



### **Support from Public Sector**

The government of Thailand currently has many large infrastructure improvements under way which will enable the Kingdom to maintain its leadership position in the automobile industry while enhancing its ability to become a global center for green automotive production. Included in their ฿895.8 billion (\$25.2 billion) development plan are 36 major infrastructure projects covering rail, roadways, air transport and seaport expansions, which will further interconnect all regions of Thailand, as well as enhancing connections to

neighboring countries. There are also several free trade agreements in place to enable companies to easily do business across international borders, such as the ASEAN Free Trade Agreement (AFTA) and the Thailand - Australia Free Trade Agreement (TAFTA). The Thai government continues to work towards negotiating additional free trade agreements that will make the Kingdom even more attractive as a major destination for global multinational enterprises looking to capitalize on the country's memberships in these free trade partnerships

### **Attractive BOI Incentives**

The Thailand Board of Investment (BOI) offers a wide range of tax and non-tax incentives for projects that meet national development objectives. Tax-based incentives include an exemption or reduction of import duties on machinery and raw materials, as well as corporate income tax exemptions of up to eight years. Non-tax incentives include permission

to bring in expatriates, own land and take or remit foreign currency abroad.

Recognizing the importance of the automotive sector, tax incentives are granted to approved projects in numerous automotive activities, including manufacture of vehicle parts; manufacture of rubber tires for vehicles; manufacture of automobile engines; manufacture of motorcycles; manufacture of fuel cells; and general automotive manufacturing.

Additional information about specific manufacturing activities relating to automotive industry can be found by clicking [here](#) or contacting the BOI's Investment Promotion Division 2.

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