

Advance Robotics for Industrial and Domestic Use

# KUKA ROBOTICS (THAILAND) LTD.

Re-imagining the Future of Automation

---



## Background

KUKA Robotics (Thailand) is the local subsidiary of the German multinational KUKA AG, a leading manufacturer of industrial robots and solutions for factory automation, originally founded in 1898 and which now has 25 subsidiaries worldwide. It is the market leader in robotics for the automotive industry, with over 26% market share worldwide, along with a rapidly growing share of the market for automation solutions in general industry. KUKA Thailand established its office in Bangkok in 2015, and has since

---

---

experienced a fourfold increase in its employee count since it was first established in the country.

## **Why Thailand**

Mr. Martin Wenzel, Chief Executive Officer of Kuka Thailand, mentioned four major factors that attracted the company to Thailand.

*“First, Thailand is strategically located at the center of Southeast Asia, so the company can use Thailand to serve the manufacturing hub of the region directly.*

*Second, Thailand ranked 12<sup>th</sup> in manufacturing countries in the world. This provides a unique opportunity in this market for us. As a manufacturing country, the industrial sector places tremendous significance on robotics and automation.*

*Third, as many industries in Thailand are labor-intensive, there is the chance for robotics to play a large and important role in the country to enhance its productivity, competitiveness and support in the labor shortage.*

*Finally, there is Thailand 4.0, the country’s new economic model, which aims to transform Thailand into an innovation and values-based country.”*

## **Vision for the Future**

Kuka sees an enormous opportunity for future growth as the Thai government has made it a priority to expand local industry’s value-added activities by supporting each sector to use more robotics and automation systems. For example, the food and beverage, and consumer goods industries have together generated more than 50% of total revenues for the company in Thailand to date. For the last decade, imports by neighboring countries of

---

food and beverages have grown by 27% annually. This presents a profitable growth opportunity for the Thai food and beverage sector which acts as the main exporter to these countries. Mr. Wenzel believes that these companies will play an important role in pushing the company's future revenue growth into double-digits as they are taking significant steps to develop and expand their manufacturing capabilities, and demanding technologies and applications for which Kuka, as a significant key driver of Industry 4.0 solutions, can supply.

*“Thailand was too important for us not to come.”*

**Mr. Martin Wenzel**  
Chief Executive Officer of Kuka Thailand

### **Supporting Policies from the Government**

As one of the government's targeted future industries, the government and education centers are focused on supporting the automation and robotics industry. There are numerous research centers actively engaged in robotics research and development and workforce training, including The Institute of Field Robotics (FIBO), the Center for Biomedical and Robotics Technology (Bart Lab), the Intelligent Robotics and Mechatronics Laboratory (SKUBA), as well as the Regional Center of Robotics Technology at Chulalongkorn University. The government's “Thailand 4.0” ambition to create an environment fostering a digital-based economy will also lead to enhanced opportunities for future investments in this sector.

### **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 robotics and automation sectors, tax incentives are granted to approved projects in numerous related activities, including software development and services provisioning such as big data and business process management, IT and cyber-security, software for controlling and/or connecting advanced technology equipment and devices, automation machinery and/or automation equipment, and design engineering, and assembling of robots or automation equipment or parts.

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

-----