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FUTURE FOUNDATIONS:

Fortifying Thailand's Infrastructure for Tomorrow



BOI NET APPLICATION

January-December 2023









Total Investment
2,307 Projects
USD 23.58 Billion



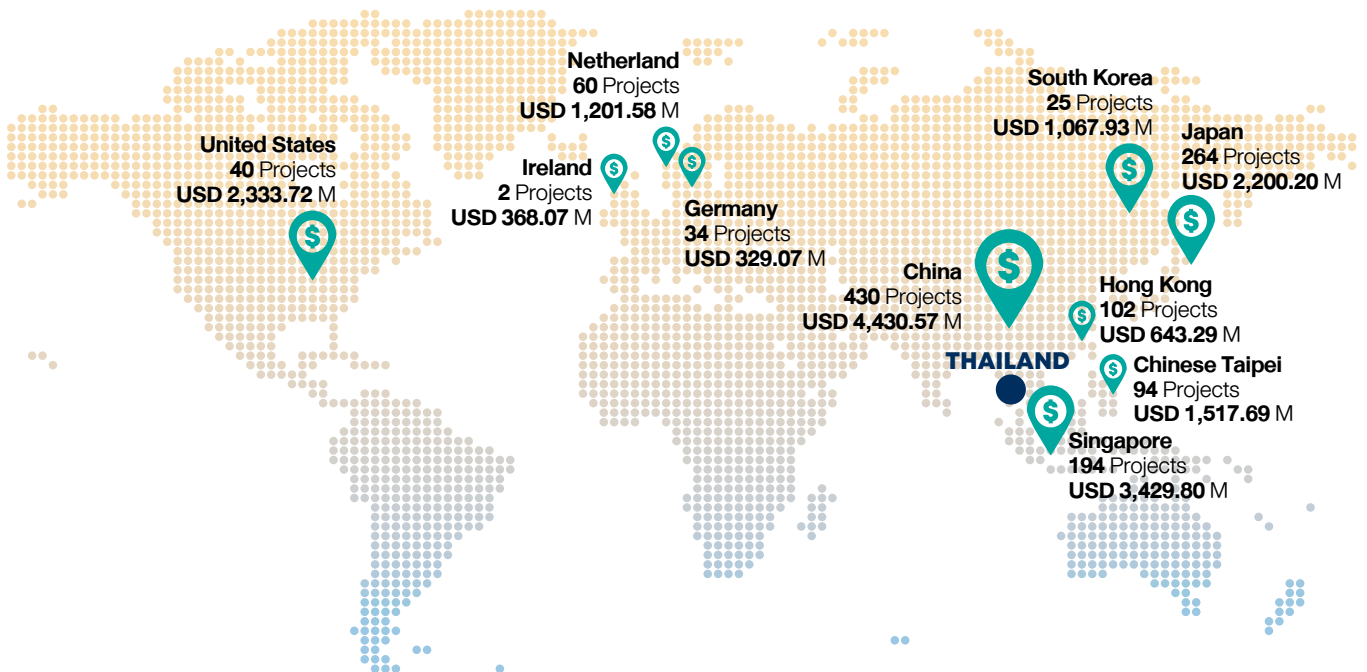
Total Foreign Investment
1,394 Projects
USD 18.44 Billion



FOREIGN INVESTMENT BY TARGET SECTORS

First S-Curve	New S-Curve
 <p>Electronics 240 Projects USD 9,460.62 M</p>	 <p>Biotechnology 14 Projects USD 591.73 M</p>
 <p>Automotive 187 Projects USD 1,755.39 M</p>	 <p>Digital 80 Projects USD 166.23 M</p>
 <p>Petrochemicals & Chemicals 103 Projects USD 1,157.99 M</p>	 <p>Medical 25 Project USD 131.18 M</p>
 <p>Agriculture & Food Processing 96 Projects USD 964.66 M</p>	 <p>Automation & Robotics 15 Projects USD 82.64 M</p>
 <p>Tourism 8 Projects USD 358.23 M</p>	 <p>Aerospace 4 Projects USD 30.72 M</p>

FOREIGN INVESTMENT BY MAJOR ECONOMIES



Unit: USD (1 USD = 35.974 THB as of 4 March 2024)

Note: Investment projects with foreign equity participation from more than one economy are reported in the figures for both economies. Statistics on net applications are adjusted whenever applications are returned to applicants due to insufficient information. For more details, please visit www.boj.go.th

CONTENT



Cover Story

Corridors of Power:
Thailand's Golden Gateway to Prosperity



Industry Focus

Logistics Unleashed: Steering Thailand
Toward Global Connectivity



Policy Highlight

How BOI's Incentives are Powering
the Southern Expansion



Executive Talk

A Bridge Not Too Far:
Gateway to a Silver-Lined Future



Company Interview

Beyond Warehousing: Omega Bangna Logistic Campus
with a Vision to Transform Thailand's Logistics



Thai Economy at A Glance





Corridors of Power: Thailand's Golden Gateway to Prosperity

Thailand, strategically nestled at the heart of Southeast Asia, serves as a vital bridge between the Indian and Pacific Oceans. Enabling swift access to both local and global markets, notably China, India, and the ASEAN region, this prime positioning has made the country a preferred gateway for international commerce. Powered by an open-market framework, progressive trade policies, and a roster of free trade agreements, Thailand has matured into a leading manufacturing hub for international firms. However, in the face of evolving global dynamics, Thailand recognizes the urgency of honing its competitive edge if it is to sustain its forefront position. Achieving this entails refining its business environment, simplifying procedures for investments, and driving advances in technology and innovation. Additionally, the Thai government is embarking on significant infrastructure projects, designed to elevate the country's attractiveness to further investment.

Designed to modernize Thailand's industry as part of a drive to develop an innovative economy and enhance the country's competitiveness, the Eastern Economic Corridor (EEC)—located in the Eastern provinces of Rayong, Chonburi, and Chachoengsao—stands as a beacon of economic growth. Since its inception in 2018, the EEC has contributed over 49.3 billion US dollars to the country's economy¹. Embarking on a visionary trajectory, Thailand aims to solidify its position as Asia's premier gateway with the groundbreaking introduction of the 'Landbridge' project, aimed at connecting the Indian and Pacific Oceans.

¹ 'Between 2018-2022, the EEC attracted approximately 1.8 trillion baht (USD 49.3 billion), exceeding the 1.7 trillion baht (USD 46.6 billion) target.' - Eastern Economic Corridor Office

Building on its Success to Create a Closer and More Connected EEC

Aside from attracting substantial investments across its targeted sectors, the EEC has overseen the progress of four major public-private partnership infrastructure projects totaling over 18.34 billion US dollars (658.89 billion Thai baht) in investments. Notably, the expansion of U-Tapao International Airport, located in Rayong province and poised to ascend to the position of Thailand's third major international airport, has garnered investments exceeding 5.70 billion US dollars. Set to break ground this year, the project is slated for completion by 2027. When completed, the construction of passenger terminals, a second runway and taxiway, a cargo logistic center, an aviation training center, and an airport city will see the upgraded airport welcoming up to 60 million passengers annually.

Further enhancing the region's infrastructure, the High-Speed Rail project will connect Thailand's three major airports, reducing travel time between Don Mueang, Suvarnabhumi, and U-Tapao to less than an hour, with the route expected to be operational by 2027. Concurrently, waterway projects such as the Map Ta Phut Industrial Port Phase 3 and Laem Chabang Deep Seaport Phase 3 are also progressing steadily, with anticipated completion by 2027.

Looking forward, the Royal Thai Government remains steadfast in its commitment to supporting the EEC's continued growth. Last November, the Government approved a draft masterplan for the EEC's development over the next five years (2023–2027). With a focus

on attracting 500 billion Thai baht or 13.945 billion US dollars of new investments, optimizing infrastructure efficiency, and fostering sustainable community development, the EEC promises a bright future for businesses and investors alike.

Landbridge: Connecting the Continents

While the EEC continues to stand as one of Thailand's flagship projects, the country is also gearing up for a major drive to elevate its geostrategic significance through the ambitious development of the Southern Economic Corridor (SEC). At the heart of this endeavor lies the 'Landbridge' project, a monumental initiative aimed at bridging the geographical expanse that currently divides the Indian and Pacific Oceans.

Under the Royal Thai Government's visionary plan, two ports will be constructed on opposite coasts: Ranong on the Andaman Sea and Chumphon on the Gulf of Thailand. Embracing the concept of 'One Port Two Sides', these ports will be seamlessly connected by an approximately 89.35-km corridor comprising a six-lane motorway, double-track railway, and two-lane service road. This infrastructure mega-project

will incorporate both at-grade and elevated sections as well as tunnels through mountainous areas.

As the flagship project of the SEC and southern Thailand's first deep seaport, the Landbridge aspires to serve as a pivotal gateway for cargo transport and trade exchanges within the region and beyond. Additionally, it aims to establish itself as an alternative transshipment hub bridging the Indian and Pacific Oceans, thereby reducing transport time and costs for feeders by avoiding traffic congestion on other maritime routes, such as the Strait of Malacca. Moreover, the Landbridge also aims not only to foster connectivity but also to evolve into a Free Economic Zone (FEZ) and a hub for maritime green fuel, with the ambitious goal of achieving decarbonized port status by 2030.

The construction of a 6-lane motorway and service road will facilitate transportation between the two Southern provinces, paving the way for the development of a port industry corridor. With its potential for industrial estates and special economic zones, this area is poised for growth. The double track railway will be split into standard gauge lines, facilitating





transshipment between ports, and meter gauge lines, connecting to the country's primary railway and the Greater Mekong Subregion (GMS) network. Additionally, provisions are being made for future pipeline transportation projects to meet impending demands. This extensive mega-project is set to not only catalyze the nation's economic advancement but also foster new opportunities and significantly improve the quality of life for the local communities.

To support this massive undertaking, the Royal Thai Government is primed to enact SEC legislation and establish an SEC Office to facilitate investment through full-fledged incentives, benefits, and promotional measures. Concurrently, the 'Thailand Landbridge Roadshow' has embarked on a global tour, spanning from the US to the Middle East and across Asia, eliciting positive feedback from prospective foreign investors worldwide.

More Forward-Thinking with Integrated Corridor

Alongside the SEC's progress, the other three regional economic corridors across the country are also making significant strides. The Northern Economic Corridor (NEC) is now embracing the 'Creative LANNA' concept to position itself as a hub of the creative economy. This initiative focuses on fostering creative ecosystems, enhancing creative products and services, and investing in research and development in the creative economy in provinces like Chiang Mai, Chiang Rai, Lamphun, and Lampang. Industries such as digital technology, product design centers, cultural hubs,

and modern agricultural and food industries are the primary targets under this visionary approach.

In the northeastern region, the Northeastern Economic Corridor (NeEC) is witnessing development in cities like Korat, Khon Kaen, Udon Thani, and Nong Khai. The aspiration is to establish the region as a new frontier for bio-industry. Encouraging investments in agriculture, bio-technology, and relevant industries with a strong emphasis on leveraging high-technology and innovation has become a focal point. Furthermore, the NeEC stands to benefit from the potential China-Lao-Thai high-speed railway, making investments in this area particularly appealing.

Lastly, located in the western reaches of the country, the Central Western Economic Corridor (CWEC) lies and encompasses provinces such as Phra Nakhon Si Ayutthaya, Nakhon Pathom, Suphan Buri, and Kanchanaburi. Leveraging its close proximity to Bangkok, abundant natural resources, and existing industrial infrastructure, the CWEC is poised to become a stronghold for high-tech and agricultural industries. Its goals include seamlessly connecting Bangkok and its environs, including the EEC. Additionally, it aims to serve as a prime destination for local tourism, with a focus on historical excursions.

Similar to the SEC, Thailand's Board of Investment has developed a comprehensive range of incentives for potential investors to access the extensive opportunities within all these economic corridors. More information about the incentives can be found in the 'Policy Highlight' section.

Seamless Connectivity

In the current dynamic landscape, the EEC and the four regional economic corridors are unfolding in harmony. Thailand is orchestrating a comprehensive plan for these transformative endeavors. The government is steering with unwavering commitment to ensure that all these corridors stand as beacons of readiness for forthcoming investments.

Delving into the strong connection between the EEC and SEC, Thailand is crafting the logistics plan to link the EEC seamlessly with the SEC. The Government envisions a comprehensive development of infrastructure, spanning railways, highways, seaports, dry ports, airports, and industrial estates along the route from the EEC through Bangkok, onwards to the SEC, and extending to the southernmost reaches of the country.

The combined potential of the EEC and Landbridge projects is emerging as a powerful catalyst for Thailand's continued economic development. Embracing these initiatives not only signifies a leap forward in economic growth but also serves as a testament to Thailand's unwavering commitment to harnessing the strategic benefits of its geographical positioning.

As Thailand welcomes prospective partners from across the globe to all these projects, it invites collaboration on leveraging the unparalleled advantages afforded by its geographical location. Together, we can chart a course towards more prosperous economic development, forging a brighter future for Thailand and its global partners alike. ■

Logistics Unleashed: Steering Thailand Toward Global Connectivity



Home to over 66 million residents, Thailand is the second-largest market in Southeast Asia, after Indonesia. Its strategic location in the critical core of the continental Indochina peninsula, surrounded by the dynamically growing neighboring economies of Cambodia, Lao PDR, Myanmar, and Vietnam (CLMV), also places more than 175 million additional residents within 1,000 kilometers of Thailand's borders. As an integral member of the ASEAN community, Thailand's strong trade and investment links also connect it to the almost 700 million consumers who live within the 10-state political and economic union. Looking beyond its strategic position at the heart of ASEAN, Thailand offers straightforward access to the two mega-economies of India and China, with economic transactions in business, investment and international trade facilitated through an outstanding logistical infrastructure of ports, highways, railways, and airports.

Aside from these burgeoning market opportunities, Thailand has established a robust infrastructure that underscores the high performance of its logistics industry. According to the 2023 Logistics Performance Index (LPI), Thailand was ranked as one of the top three performing countries in the ASEAN region, based on its streamlined customs, world-class infrastructure, international shipments, logistics quality and competence, and tracking & tracing, as well as the timesaving

aspects of its trade facilitation¹. As of December 2023, there were more than 40,000 registered logistics firms in the country, with foreign investment in logistics amounting to over 41 billion Thai Baht, representing a 42.77% share of the Thai logistic industry².

A Hub of Export and Interconnected Networks

In addition to its role as a dynamic hub for numerous supply chains, particularly in electronics, automobiles, petrochemicals,

and integrated circuits, Thailand stands out as a prime exporter. Indeed, Thailand's exports of automobiles and integrated circuits place it among the top 10 countries with the highest export volumes in those sectors, while it is also ranked 13th for exports of electronics and electrical appliances. These rankings not only reinforce Thailand's position as a key export hub in Southeast Asia but also highlight the significant impact it has on the global market.

¹ Office of the National Economic and Social Development Council

² Ministry of Commerce



While its prowess in manufacturing exports is impressive, Thailand is also emerging as a key exporter in the global food supply chain. According to the Federation of Thai Industries, the country’s food exports increased by 4.6% in the first 3Q of 2023, reaching a value of 1.16 trillion Thai Baht and placing Thailand as the world’s 12th largest food exporter on the back of the growing demand for food from the ASEAN region and South Asia³. Additionally, cold chain logistics in Thailand during the first 3Q of 2023 recorded 10.8% YoY growth for poultry products at 2.4 million tonnes.

Overall, Thailand’s exports account for 80% of its Gross Domestic Product, buoyed by the strategic advantage of having signed 15 free trade agreements (FTAs) with 19 major economies. Additionally, Thailand is actively engaged in negotiations on more

than ten FTAs, encompassing both new agreements and enhancements to existing ones, demonstrating its commitment to fostering free trade and catalyzing economic expansion. The reduction in tariffs and the opening of market opportunities resulting from these agreements are set to benefit the export of products from Thailand and its partner countries, showcasing the potential for significant growth in the logistics industry to accommodate future demand.

Advancements in Hard and Soft Infrastructure

Thailand’s world-class infrastructure has been continually improving as it consistently strives to enhance and support the influx of foreign investors and traders through the many projects already completed as well as those in the pipeline. Looking first to the Eastern Economic Corridor (EEC),

Laem Chabang Port has been expanded to promote waterway logistics with an increased capacity of 18 million TEUs⁴, while high-speed rail connections to three major international airports have also been initiated and supported by the Thai government as it seeks to promote the expansion of this key industrial estate, which is expected to stimulate at least a 3% growth in private investment in the EEC⁵.

Second, the mega “Landbridge” project within the Southern Economic Corridor (SEC) is currently in the process of seeking investment and offers exciting potential. With the aim of shortening sailing times between the Indian and Pacific Oceans, this critical land bridge will connect ports on Thailand’s Andaman Coast and the Gulf of Thailand with 94 kilometers of highways and double-track rails. Located in the provinces of Ranong and Chumphon, the two

⁴ Eastern Economic Corridor Office

⁵ Krungsri Research

ports each possess a logistical capacity of up to 20 million TEUs, or 40 million TEUs in total. Once operational, this land bridge will offer a 4-day saving in water transportation times compared to the traditional sailing route through the Malacca Strait.

In addition to representing a significant boost to Thailand's logistics, the land bridge will also establish Thailand as a new gateway connecting the EEC, Greater Mekong Subregions (GMS), ASEAN regions and Bay of Bengal Initiative for Multi-sectoral Technical and Economic Cooperation (BIMSTEC). Factoring in the ongoing construction of the Thailand-China Railway project, Thailand is also set to benefit from much improved land access to Southern China, which will significantly enhance the comprehensive connectivity to ports and other infrastructure within both the EEC and SEC. The international connectivity provided by Thailand's enhanced transportation infrastructure will be strategically advantageous to the country's efforts to inspire confidence in traders and

industries and encourage them to do business in Thailand.

Moreover, corresponding with the current environment of digital disruption and advancing technologies, the Thai Customs Department has established and utilized the Harmonized System (HS), which facilitates access to all necessary customs and tariff information and procedures, ensuring that entrepreneurs can confidently understand their pre-determined tariff measures on imported goods. Also, the National Single Window (NSW) has been implemented to facilitate freight procedures and streamline the process down to only 20 seconds per TEU, thereby saving 95% of the time consumed on traditional procedures. Additionally, the NSW has successfully reduced unnecessary burdens and opportunity costs from customs for entrepreneurs by up to 2.5 billion Thai Baht annually .

In summing up, following on from the Thai economy's successful recovery from the COVID-19 pandemic, Thailand has continued to leverage the country's strategic location to

improve its competitiveness and attract potential foreign investment. The expansion and enhancement of Thailand's water, land, rail, and air infrastructure has enabled it to grow and strengthen its connectivity both within ASEAN and to the major economies across the wider region. Thailand's strategic location together with the support provided by the Thai government make it is a destination of choice for global companies and supply chains, driving both production and exports. Finally, the mega construction projects aimed at facilitating trade and increasing the capacity of Thailand's logistic sector together with the introduction e-Customs services will continue to enhance the country's position as an attractive hub serving the ASEAN region. Taken together, these factors can only strengthen the trust and confidence that international investors and traders have when selecting Thailand as the strategic location of choice for their industries and logistical operations in the heart of Southeast Asia. ■





How BOI's Incentives are Powering the Southern Expansion

Recognizing the importance of enhancing the country's potential to expand its trade and investment opportunities and strengthen its competitiveness in the changing global economic and social landscape, Thailand has formulated the Second Strategy on Building Competitiveness under the country's 20-Year National Strategy (2018–2037). This strategy aims to develop infrastructure, improve the environment for the development of future industries and services, and empower the public sector to promote and support entrepreneurs in driving the new economy. However, the country's economic growth must be accompanied by an increase in the income and well-being of people from all social groups. Supporting income distribution to reduce inequality among its citizens is, therefore, a crucial focus of the Thai government's vision. In light of this, Thailand has formulated a master plan under the Ninth National Strategy on the Development of Special Economic Corridors, which is deemed a pivotal tool in comprehensively fostering economic and social prosperity at both regional and local levels.

In September 2022, the Cabinet approved the designation of special economic zones in four regions, with the Southern Economic Corridor (SEC) identified as the focal area for development in the southern part of the country. The SEC aims to become a central hub, connecting trade and logistics not only with the main economic zones of Thailand but also with the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC). Furthermore, it will also serve as a base for developing the bio-industry and high-value agricultural processing,

as well as for upgrading the quality and standards of tourism to international levels. The initiative covers four provinces in the upper south of Thailand, comprising Chumphon, Ranong, Surat Thani, and Nakhon Si Thammarat.

The Cabinet resolution has also outlined support measures to stimulate investment in the SEC from entrepreneurs. The various aspects encompassed by these measures include regulatory reform to facilitate business operations, financial support, the development of key infrastructure, workforce and entrepreneur capacity enhancement, the research and development of technology and innovation, as well as tax and non-tax benefits. The resolution also calls for the promotion and integration of cooperation from relevant agencies to create an ecosystem conducive to the promotion of targeted industries in the future.

The Board of Investment (BOI), serving as the primary agency for driving investment in the country, acknowledges the importance of equitable income distribution and is initiating measures to foster economic expansion and inclusive growth nationwide. Following the success in the EEC areas, the BOI is extending its promotion to additional areas across the country. In 2023, the BOI declared the Announcement of the Board of Investment No. 18/2565, aiming at nurturing the development of four economic corridors, including the SEC.

Recognizing the strategic importance of the SEC for agriculture, tourism, and industry, and its role as a gateway linking international trade and logistics, the BOI is committed to promoting the development of the SEC by offering various privileges, effective from January 3, 2023 onwards. Investors in targeted industries who invest in the SEC area will receive additional benefits if they develop human resources or conduct research and development in accordance with specified criteria. These conditions include:

- 1) Human resource development through cooperation with educational institutions, including Work-integrated Learning (WiL),





Cooperative Education (CE), or collaboration to develop Thai human resources in approved fields. To qualify for this privilege, the number of students or university students admitted to vocational training shall not be less than 10% of the total number of employees or shall not be less than 40 persons, whichever is lower.

2) Research and development with an investment or R&D expenditure of at least 1% of total sales in the first 3 years or at least 200 million baht, whichever amount is lower.

For A1+ activities which meet the conditions for human resource development or research and development, they will receive an additional 2 years of corporate income tax exemption, extending the original period of 10–13 years. Meanwhile, A1–A4 activities will receive a 50% corporate income tax reduction for an additional 3 years following the conclusion of the initial corporate income tax exemption period, in addition to the original exemption period of 3–8 years.

At the same time, to drive research, technology, and innovation development, and to connect with the development of the SEC area, the BOI is also promoting and nurturing technology businesses through the granting of benefits in the Southern Thailand Science Park (STSP) located at Prince of Songkla University. The activities of eligible businesses are divided into 2 groups:

1) Target Core Technology Development Activities, which will be exempt from corporate income tax for 2 years in addition to the normal period without any limit on the amount.

2) Research and Development, Scientific Laboratories, Biotechnology, Calibration Services, Engineering Design, Vocational Training Centers, and Electronics Design, which will receive a 50% corporate income tax reduction for 5 years in addition to the normal period.

The purpose of this support is to encourage entrepreneurs in the area to apply scientific, technological, and innovative knowledge, as well as to propel research results into commercial use, thereby creating added value for targeted businesses in the area.

In addition to providing spatial benefits, the BOI is also offering incentives based on the type of business. This applies to industries such as agriculture and food, biotechnology, tourism, and health tourism, all of which are designated target industries according to the BOI's investment promotion strategy. This also includes logistics and infrastructure development, which are key elements for driving the development of the

SEC area and connecting trade and investment, both domestically and internationally. Entrepreneurs who invest in commercial airports, maritime transportation services, rail transport, and distribution centers which utilize smart systems will be exempt from corporate income tax for 8 years. Entrepreneurs who invest in air transport services, loading/unloading facilities for cargo ships, and international distribution centers (IDCs) will be exempt from corporate income tax for 5 years. Entrepreneurs who invest in pipeline transportation (except for water pipeline) and distribution centers (DCs) will not be exempt from corporate income tax, but they will still be exempt from import duties under the specified conditions. They will also receive the same non-tax benefits as the other types of activities mentioned above, such as permits to enter the Kingdom, permits to bring in skilled workers and experts, permits to own land, and permits to take out or remit money abroad in foreign currency.

Overall, in addition to promoting targeted industries, the BOI is also trying to stimulate investment in various businesses that help create an environment conducive to business operations and strengthen the supply chain from upstream to downstream. It is believed that these actions will help develop the area in a continuous and systematic manner, in line with the principles of sustainable development, and in a way that is truly consistent with the conditions and potential of the upper southern region. This will lead to increased competitiveness and drive economic growth for the country as a whole, as set out in the National Strategy. ■

A Bridge Not Too Far: Gateway to a Silver-Lined Future

In a seamlessly connected world, transportation has become a pivotal mechanism driving both domestic and international economies. Thailand, strategically positioned in Southeast Asia, has perennially served as a point of connection in the region. In pursuit of its ambition of evolving into a logistics hub, Thailand has continuously promoted investments in land, water, and air infrastructure. Among its current flagship endeavors is the Land Bridge Project, which aims to create transportation routes connecting both sides of the ocean, creating seamless transportation routes and driving investment in its Southern Economic Corridor (SEC). With such significant potential, this project has already garnered substantial interest from domestic and international sectors alike



Investing in the Land Bridge and developing the Southern Economic Corridor extends beyond mere implementation at the project level; it involves establishing a network that transcends domestic boundaries, propelling regional and global development. ”

Dr. Punya Chupanit
Director General of the Office of Transport
and Traffic Policy and Planning

One of the key agencies spearheading the efforts for the Land Bridge Project is the Office of Transport and Traffic Policy and Planning (OTP). Today, we are honored to host an interview with Dr. Punya Chupanit, the Director General of the OTP, who provides insights into the project, its ongoing operations, and the anticipated outcomes.

Q: What is the history behind the Land Bridge Project, and how will it benefit the country's economic development?

A: The Land Bridge Project is a crucial component of the Southern Economic Corridor (SEC) development plan, launched upon Cabinet approval in 2018. Its overarching goal is to propel economic growth in the southern region, encompassing facets such as trade and investment, infrastructure development, and tourism. The Office of Transport and Traffic Policy and Planning (OTP) has been assigned to study the feasibility of the project in order to position Thailand as

a regional transportation and logistics hub capable of seamlessly accommodating cargo ships from both sides of the ocean and integrating land and water transportation networks.

The Land Bridge Project aims to establish a transportation route connecting Chumphon and Ranong Ports, which is an alternative route intended to alleviate traffic congestion in Malacca Strait. Furthermore, it is slated to become Thailand's trade gateway to ASEAN and China via the railway network that is currently under construction. In effect, the Land Bridge Project is poised to complete Thailand's transportation network, while also offering an alternative shipping route to the increasingly-congested Malacca Strait.

Overall, the Land Bridge Project encompasses the construction of two deep-sea ports, a motorway, and a double-track railway. The project will be implemented in four phases, with a total investment of approximately one trillion baht, or 27.8 billion US dollars. In addition to investing in key infrastructure, the development of the Southern Economic Corridor entails promoting port industries and commercial areas. The SEC will be designated as a hub for goods distribution, transshipment activities, oil storage, as well as a host of industries and services including parts assembly, automotive, megatrend, food, logistics, housing, and entertainment businesses. This will help stimulate the economy both regionally in the south and on a national scale.

For the Land Bridge Project investment model, the government will be responsible for land expropriation for the project and will then subsequently allow the

private sector, including foreign and local investors, to invest in the project. The bidding process for the ports and the land transportation system will be consolidated into a single contract, allowing for a singular investor, potentially in the form of a joint venture, contingent upon negotiations between the private sector and business stakeholders. This approach aims to ensure the seamless interconnectivity and cohesive operation of all project components as a unified entity. Upon completion of all four phases of investment, Ranong Port and Chumphon Port are each expected to achieve a maximum container handling capacity of 20 million TEUs, representing a combined capacity of 40 million TEUs. The entire cargo handling system will be fully automated to facilitate efficient transportation planning and mitigate the risks of double handling issues.

The Land Bridge Project primarily targets feeders that transport goods between the Pacific and Indian Oceans. This need arises from the existing high traffic congestion in the Malacca Strait, where the annual passage of ships has surged to 100,000 and is projected to escalate further to a maximum of 122,000 ships by 2030. The project therefore serves as an alternative that helps to alleviate congestion in the Malacca Strait, and to avoid the risks of sea robberies and ship accidents. According to OTP estimates, ships opting for the Land Bridge are anticipated to save an average of 4 days in transit times and reduce costs by approximately 15%. Simultaneously, successful advancement of the project is poised to generate up to 280,000 jobs in the region and increase the country's GDP from 4% to 5.5% per year. In terms of the project's anticipated payback period, it is expected to be 24 years.

Q: What is the current status of project implementation?



A: The development of the Southern Economic Corridor (SEC) Act is set as the OTP's priority, as the progression of infrastructure and Landbridge projects in the four provinces of Ranong, Chumphon, Surat Thani, and Nakhon Si Thammarat hinges on the specifics of this legislation. Similar to the 2018 Eastern Economic Corridor (EEC) Act, this legislation is poised to establish a governing authority to oversee the special economic zone and define the criteria for dispensing incentives

to attract investment. The EEC has been used as a case study to identify and address potential challenges and obstacles and to find solutions applicable to the SEC.

The draft of the SEC Act is undergoing a review and discussion phase. Following the enactment of the Act, all infrastructure projects will undergo an environmental impact assessment and will be opened for international bidding. The bidding process is anticipated to start around 2025, with the announcement of the winners expected by no later than 2026.

Q: What industries does the OTP see as potential industries for investment in the Southern Economic Corridor?

A: The implementation of the Land Bridge Project will entail the construction of crucial infrastructure, including ports, motorways, and double-track railways. This is anticipated to foster seamless transportation integration, both within and beyond the region, thereby elevating it to the status of a logistics hub. At the same time, the Southern Economic Corridor also holds the potential to catalyze investments across diverse sectors, such as tourism, smart cities, green industries, financial services, and industrial estate development. The corridor may evolve into various specialized industrial promotion zones, encompassing sectors like the fishery and seafood processing industry, cold chain, Halal industry, rubber and oil palm advanced processing industry, and prospective smart industries.



Q: What are the challenges in advancing the project, and what are the OTP's approaches to dealing with them?

A: The Land Bridge Project, being a large-scale megaproject, inevitably poses challenges with potential impacts on local communities, particularly farmers facing land expropriation at below-market prices, fishermen impacting decreased fishing, and potential environmental repercussions from extensive infrastructure construction. However, the OTP believes that advancing the Southern Economic Corridor Act and establishing a responsible authority are crucial steps to effectively tackle arising issues. This includes ensuring fair compensation for land expropriation, establishing conditions for entrepreneurs to integrate affected fishermen into the labor market, and implementing comprehensive environmental control measures. In addition, the legislation will clearly define the roles and responsibilities for relevant agencies, fostering collaborative integration and unified direction among all stakeholders.

Q: Is there anything else the OTP wants to share with interested investors? How can they contact the office?

A: Investing in the Land Bridge and developing the Southern Economic Corridor extends beyond mere implementation at the project level; it involves establishing a network that transcends domestic boundaries, propelling regional and global development. It also goes beyond transforming the global production and transportation system for industrial and agricultural goods, not just developing general infrastructure. Therefore, we can be assured that this driving force will not only facilitate appropriate and sustainable economic growth but also enhance Thailand's competitiveness amid the evolving dynamics of the global landscape.

For investors interested in investing in the Land Bridge Project, the Office of Transport and Traffic Policy and Planning serves as the primary coordinator and is eager to provide comprehensive insights on the matter. Various channels for more information are provided to reach out: by email at r35.otp@gmail.com or through telephone numbers: (+66) 2-2151515, (+66) 2-2156687, (+66) 2-2155410. Interested parties can also reach out to Thai consulates in foreign countries for additional information. ■

Beyond Warehousing: Omega Bangna Logistic Campus with a Vision to Transform Thailand's Logistics



“

Thailand presents a dynamic opportunity for foreign investors, thanks to its thriving economy, vibrant culture, and potential to become a regional hub. We encourage investors to consider relocating here. ”

Mr. Uten Lohachitpitaks
Group CEO of Pruksa Holding PCL

Recognizing the increasing demand for warehouse spaces due to the global supply chain's ongoing expansion, the rapid rise of e-commerce and omnichannel retail activities, and the search for innovative and advanced logistics solutions, Pruksa Holding (PSH), in partnership with CapitaLand Investment (CLI) and Ally Logistic Property (ALP), has established a new subsidiary to operate a smart distribution center under the name Omega Bangna Logistic Campus. Through this strategic partnership, Omega Bangna Logistic Campus is perfectly positioned to enhance Thailand's logistics competitiveness and support the industry's transformation toward more advanced and sustainable approaches. Today, we are joined by Mr. Uten Lohachitpitaks Group CEO of PSH, Mr. Charlie Chang Co-Founder and CEO of Ally logistic Property, and Mrs. Patricia Goh MD of CapitalLand investment as we invite them to discuss the exciting opportunities that Omega Logistic Campus offers to Thai society.



Mr. Charlie Chang
Co-Founder and CEO of
Ally Logistic Property



Mrs. Patricia Goh
MD of CapitalLand

Q: What are the primary goals and objectives of Omega Bangna Logistic Campus in the Thai market?

A: The primary goals and objectives of Omega Bangna Logistic Campus in the Thai market revolve around redefining the concept of logistics infrastructure. We aim to transition beyond traditional warehouse models by offering ‘infrastructure as a service’. Traditional warehouses typically start from 10–15 thousand square meters, and companies must pay for the entire space regardless of usage, leading to inefficiencies and increased consumer costs due to underutilized space.

Omega Bangna Logistic Campus addresses these inefficiencies by operating with a different model. As we use 67 automated cranes and offer our infrastructure as a service, the benefits of our economies of scale are passed on to our customers—the more we operate, the lower the costs we can charge. This approach also allows for greater flexibility; companies no longer need to commit to large areas for warehouse space. Instead, they can utilize space as needed, breaking these needs down into pallets and paying only for the pallets they use, akin to a subscription model. Thus, in addition to offering lower-cost storage compared to self-investment, our customers are freed from concerns about expanding or reducing space. As Omega Bangna Logistics Campus invests in complete infrastructure, we provide flexible plans, whether clients wish to increase or decrease usage. We aim for the cost savings from our operations to be passed on to the consumers accordingly.

Furthermore, Omega Bangna Logistic Campus offers additional advantages over traditional models. Our facilities are designed with a greater height—14 meters compared to the conventional 13 meters—allowing for more efficient operations. We also alleviate the burden of purchasing, installing, and maintaining automation systems by managing these aspects on behalf of our clients.

Beyond the physical infrastructure, Omega Bangna Logistic Campus supports clients with a comprehensive digital offering, including applications, dashboards, and monitoring systems, all of

which are digitalized. This holistic approach allows companies to leverage Omega Bangna Logistic Campus’s advanced logistics solutions without the need to invest in their own infrastructure, ultimately leading to greater efficiency and reduced costs for those companies.

Q: What were the reasons behind the company’s decision to establish itself in Thailand?

A: The decision to establish Omega Bangna Logistic Campus in Thailand was influenced by several factors. ALP had been addressing similar logistics challenges in Taiwan and noted that many of its main clients—Taiwanese businesses—were also operating in Thailand. This connection made Thailand a logical next step for expansion.

Moreover, Thailand’s status as a major hub in Southeast Asia presents an ideal strategic position for launching operations. The country is recognized not only for its central role in the region but also for the inefficiencies in its logistics management, which Omega Bangna Logistic Campus aims to address. Notably, Thailand is known for significant traffic problems and high transportation costs, which are among the highest in the region. Additionally, the investment in warehousing relative to Thailand’s GDP is significantly higher compared to other Southeast Asian countries. By establishing Omega Bangna Logistic Campus in Thailand, we aim to alleviate these issues, reducing congestion and transportation expenses, thus contributing to the overall efficiency of the logistics sector. Another critical reason for choosing



Thailand is the country's role as a manufacturing base for numerous international companies, making it a potential high-demand market due to its status as an export hub. With Southeast Asia, including Thailand and Malaysia, experiencing growing GDPs and benefiting from global economic strategies like the China Plus One policy, there is an increase in manufacturing and purchasing power within these populations. This economic growth translates into higher demand for efficient logistics solutions.

Q: What is the plan for Omega Bangna Logistic Campus to doing businesses in Thailand?

A: Omega Bangna Logistic Campus's business strategy in Thailand is primarily centered on the retail sector, including both traditional retailers and domestic e-commerce platforms. Additionally, we are fully equipped to support import and export activities for manufacturers, allowing them to store finished products and inventory, such as automotive raw materials, in our warehouses ready for distribution. The first warehouse is strategically

located in Bangna-Trad, close to both seaports and airports, to facilitate efficient product transfers to international partners. This location aligns with our goal to support both domestic and international logistics needs effectively.

Looking ahead, Omega Bangna Logistic Campus is considering expansion beyond the Thai market to an international scale, leveraging our existing network that connects Thailand with Malaysia and Taiwan. Plans are also in place to expand our operational sites, particularly near industrial zones within the EEC, to better accommodate the growing logistics demands and enhance our overall service capability in the region.

Q: How do you see the role of Omega Bangna Logistic Campus in the evolution of Thailand's logistics and infrastructure sectors?

A: Omega Bangna Logistic Campus aims to play a transformative role in Thailand's logistics and infrastructure sectors by addressing the prevalent inefficiencies and challenges within the industry's supply chain.

Currently, the industry suffers from fragmentation; each company operates its own warehouse, leading to inefficient use of space, repeated handling and transfer of goods, and increased risk of loss or inaccuracies in delivery. These inefficiencies not only complicate the supply chain but also inflate the costs passed on to consumers. Our approach is analogous to the shift from private servers to cloud computing; we seek to consolidate and integrate logistics processes, using technology and innovative business models to lay the foundation for next-generation infrastructure. By centralizing logistics services, Omega Bangna Logistic Campus reduces redundancy and promotes more efficient goods management, contributing to improved living standards through lower consumer costs.

Furthermore, Omega Bangna Logistic Campus is committed to addressing environmental concerns, notably the carbon emissions associated with traditional warehousing and distribution. Conventional practices, where each entity maintains separate warehousing leading to multiple transport



trips, result in high carbon outputs. Our model significantly shortens the supply chain by centralizing operations, enabling digital transfers within the facility and reducing unnecessary movement. Additionally, by optimizing transport schedules to avoid peak traffic times, such as conducting transfers at night, Omega Bangna Logistic Campus not only streamlines logistics but also contributes to reduced traffic congestion and lower emissions. In this way, Omega Bangna Logistic Campus aspires to set a new standard for sustainable and efficient logistics in Thailand.

Q: What is your view on the Landbridge project and the development of the Southern Economic Corridor?

A: The Landbridge project, with its extensive scope, is on Omega Bangna Logistic Campus's radar. We acknowledge its potential to elevate Thailand's status as a central hub for Asia, connecting numerous shipping lines and transportation companies. Omega Bangna Logistic Campus is observing this development keenly and plans to be an integral part of this evolution by facilitating reductions in logistics costs. This involvement is expected to lower transportation and storage expenses while promoting automation across the sector.

Q: What are the biggest challenges you foresee in the logistics and infrastructure sectors in Thailand?

A: The main challenges in Thailand's logistics and infrastructure sectors are rooted in resistance to innovation and



a prevailing short-term mindset. The cheap labor market in Thailand makes many companies hesitant on moving toward automation, unsure of its benefits. This resistance is significant, and changing this mindset is challenging. Support from government agencies, like the BOI, could help by incentivizing companies to adopt smarter, technologically advanced approaches. Providing incentives could encourage a gradual shift towards smarter logistics solutions, overcoming the current reluctance to move away from traditional practices.

Q: What support did you receive from the BOI? What do you expect from the BOI in the future?

A: The Omega Bangna Logistic Campus has been promoted by the BOI under the 'Distribution Centers with Smart Systems' category and has been granted corporate income tax exemptions, import duty exemptions on machinery, and permission to bring in foreign skilled workers and experts, all of which we greatly appreciate. However, we believe that for the logistics sector to truly advance, these incentives should extend beyond our company to

include other entities within the ecosystem. By offering similar incentives to companies that commit to smart upgrades, the BOI can stimulate a collective willingness to innovate and adopt more advanced technologies. This broader incentive structure would encourage a more comprehensive industry transformation.

Q: What are your last words to foreign investors who are interested in investing in Thailand?

A: Thailand presents a dynamic opportunity for foreign investors, thanks to its thriving economy, vibrant culture, and potential to become a regional hub. The incentives provided by the Thai government are conducive to business, fostering a welcoming environment for foreign investment. Looking ahead, we aim to collaborate more closely with the government to advance our goals. We encourage investors to consider relocating here and leveraging the efficiencies offered by Omega Bangna Logistic Campus, which can enhance competitiveness for many companies. This is an ideal time to explore the potential and advantages of investing in Thailand. ■

THAI ECONOMY AT A GLANCE

Key Economic Figures



GDP Growth



Source: NESDC
(Data as of March 2024)

Unemployment



Inflation (2023)



Source: National Statistical Office, MDES

Investment Growth



Export Value of Goods Growth



Source: NESDC
(Data as of March 2024)

Market Profile (2023)



Minimum Wage
THB 330-370

US\$ Approximate
USD 9.17-10.29

Source: Ministry of Labour



Export Figures

Export value (USD million)

Jan-Dec 2021: 238,195.49

Jan-Dec 2022: 276,782.17

Jan-Dec 2023: 272,666.33

Top 10 Export Markets (Jan-Dec 2023)

Rank	Value (USD Million)	Share
United States	46,843.90	17.18%
China	32,714.63	12.00%
Japan	23,628.38	8.67%
Australia	11,618.34	4.26%
Malaysia	11,377.82	4.17%
Vietnam	10,731.14	3.94%
Hong Kong	10,630.61	3.90%
Singapore	9,829.47	3.60%
India	9,688.87	3.55%
Indonesia	9,619.88	3.53%

Top 10 Exports (Jan-Dec 2023)

Goods / Products	Value (US\$ million)	Share
Vehicles and Parts	29,732.14	10.90%
Computers and Parts	17,095.90	6.27%
Jewelry Products	14,172.04	5.20%
Rubber Products	12,689.36	4.65%
Refined Fuel	9,812.83	3.60%
Integrated Circuits	9,275.05	3.40%
Plastic Pellets	8,501.61	3.12%
Machinery and Parts	8,419.91	3.09%
Chemical Products	7,716.32	2.83%
Iron, Steel and Products	6,674.11	2.45%

Exchange Rates

(As of March 2024)



Source: Bank of Thailand

Tax Rate

Corporate Income Tax: 0 - 20%

Personal Income Tax: 5 - 35%

VAT: 7%

Withholding Tax: 1 - 15%

Source: the Revenue Department
(As of March 2024)

ABOUT BOI

The Office of the Board of Investment (BOI) is the principle government agency that operates under the Prime Minister's Office for the purpose of encouraging investment in Thailand. We at the BOI serve as the professional contact points for investors, providing them with useful investment information and services. We offer business support and investment incentive to foreign investors in Thailand, including tax and non-tax incentives. A few non-tax incentives include granting land ownership to foreigners and facilitating visas and work permits. Besides serving the needs of overseas investors, we also offer consultation services to Thai investors who are interested in investment opportunities abroad.

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