

TIR

THAILAND INVESTMENT REVIEW

Issue 5/2024

THAI-WAVE: Building Success through Innovative Influence



BOI NET APPLICATION

January - September 2024













Total Investment
2,195 Projects
USD 21.31 Billion

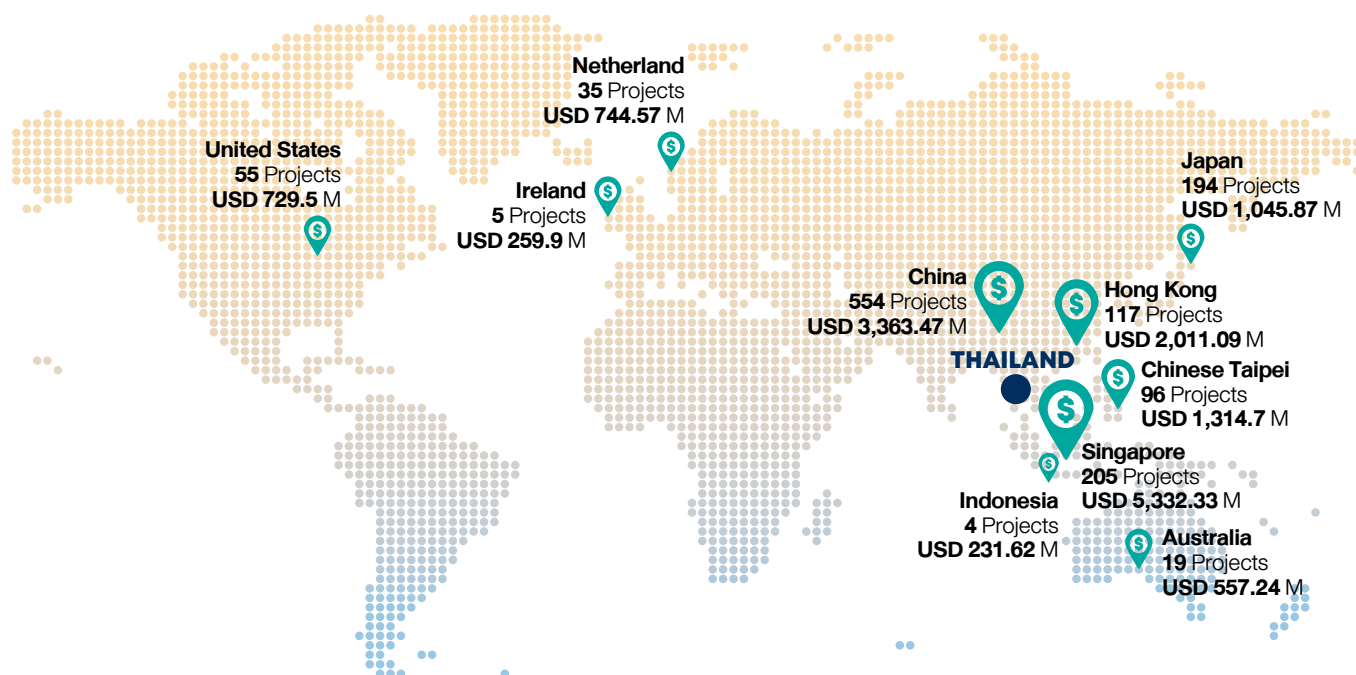


Total Foreign Investment
1,449 Projects
USD 16.12 Billion

FOREIGN INVESTMENT BY TARGET SECTORS

First S-Curve	New S-Curve
 Electronics 266 Projects USD 5,347.43 M	 Digital 70 Projects USD 2,661.54 M
 Automotive & Parts 180 Projects USD 1,916.79 M	 Medical 29 Project USD 180.7 M
 Petrochemicals & Chemicals 138 Projects USD 914.8 M	 Automation & Robotics 14 Projects USD 395.18 M
 Tourism 14 Projects USD 383 M	 Biotechnology 12 Projects USD 109.25 M
 Agriculture & Food Processing 80 Projects USD 504.78 M	 Aerospace 7 Projects USD 36.83 M

FOREIGN INVESTMENT BY MAJOR ECONOMIES



Unit: USD (1 USD = 33.9135 THB as of 31 October 2024)

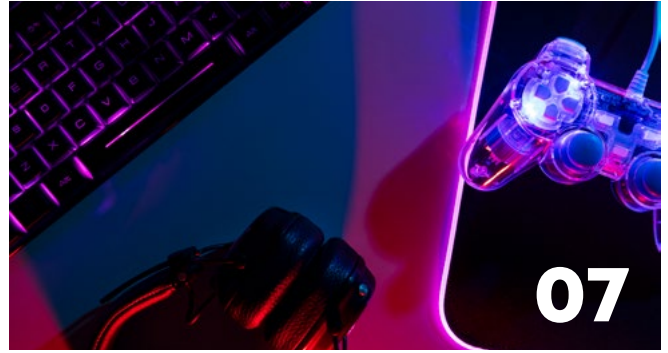
Note: Investment projects with foreign equity participation from more than one economy are reported in the figures for both economies. Statistics on net applications are adjusted whenever applications are returned to applicants due to insufficient information. For more details, please visit www.boi.go.th

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Thai Economy at A Glance





New Digital Playground: The Launching Pad for Thailand's Soaring Modern Economy

Driven by the continuous development of both hard and soft infrastructure, Thailand has rapidly become a key player in Southeast Asia's digital economy. Through a blend of government-led initiatives and strategic investments in technology, the nation is positioning itself as a hub for digital innovation, connectivity, and regional economic integration. By implementing policies designed to attract foreign direct investment (FDI), expanding telecommunications networks, and establishing robust legal frameworks for digital governance, Thailand is building a strong foundation for a forward-looking and resilient digital economy.

Spearheaded by Prime Minister Paetongtarn Shinawatra, the introduction of a comprehensive digital economy policy on September 12, 2024 marks a significant step in Thailand's journey towards becoming a digital economy, aiming to attract foreign direct investments in critical sectors such as data centers, semiconductor production, chip manufacturing and design, cloud services, and artificial intelligence (AI).

A Robust Telecommunications Infrastructure: Expanding National Connectivity

Known as the "Net Pracharat" project, one of the most significant initiatives under Thailand's new digital economy policy reflects the country's commitment to the development of its telecommunication infrastructure. Initiated in 2016, the project has expanded high-speed internet access across the country, particularly in rural and previously

underserved areas. Under this initiative, fiber-optic cables have been laid to connect villages across the country and free Wi-Fi hotspots have been installed, delivering internet speeds of 100/50 Mbps to over 9.8 million users. Each month, approximately 2.7 million devices connect to this network, a testament to its widespread adoption. This commitment to infrastructure development also extends to critical public institutions, with over 1,600 schools and hospitals now benefiting from the enhanced connectivity.

In addition to the benefits it has delivered on a national level, the Net Pracharat project has also earned international recognition, receiving first place in the Information and Communication Infrastructure category at the 2019 World Summit on the Information Society (WSIS). Presented by the International Telecommunication Union (ITU), this award highlights Thailand's dedication to bridging the digital divide and ensuring that Thai citizens, regardless of geographic location, have access to the opportunities presented by a connected world.

Thailand as an ASEAN Digital Hub: Strengthening Regional Connectivity

While building on its national achievements, Thailand's aspirations extend beyond its own borders, as it seeks to become a digital hub for ASEAN. A vital component of this vision is the country's extensive submarine cable network which facilitates international data transmission and supports the region's growing demands for data-driven services.

Currently, Thailand operates 8 submarine cables, with the latest expansion of the Asia Direct Cable (ADC) expected to be operational in the fourth quarter of 2024. The ADC spans 9,400 kilometers, connecting Thailand to major regional markets such as Singapore, Hong Kong, Japan, and the CLMV countries (Cambodia, Laos, Myanmar, and Vietnam), exemplifying Thailand's commitment to strengthening its digital infrastructure. The advanced technology embedded in the ADC enhances Thailand's capacity to support emerging technologies like International

Content Providers, AI, 5G, the Internet of Things (IoT), smart cities, and big data, thereby positioning the country as a magnet for international tech firms and content providers.

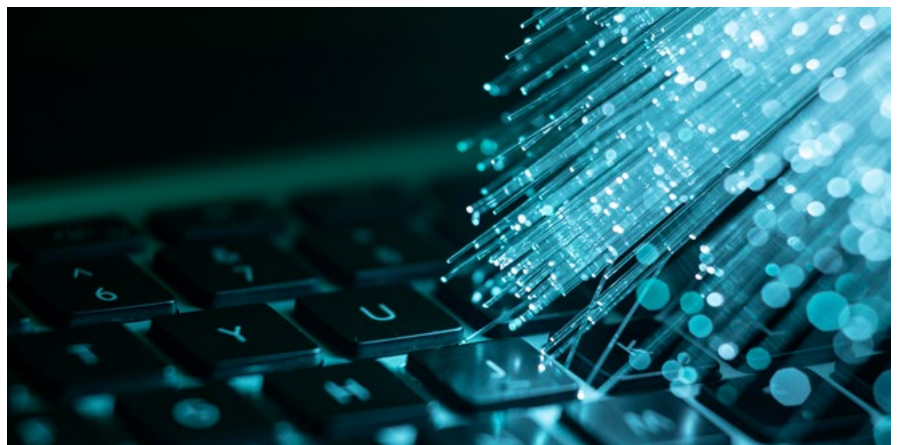
Legal and Regulatory Support: Strengthening Digital Governance

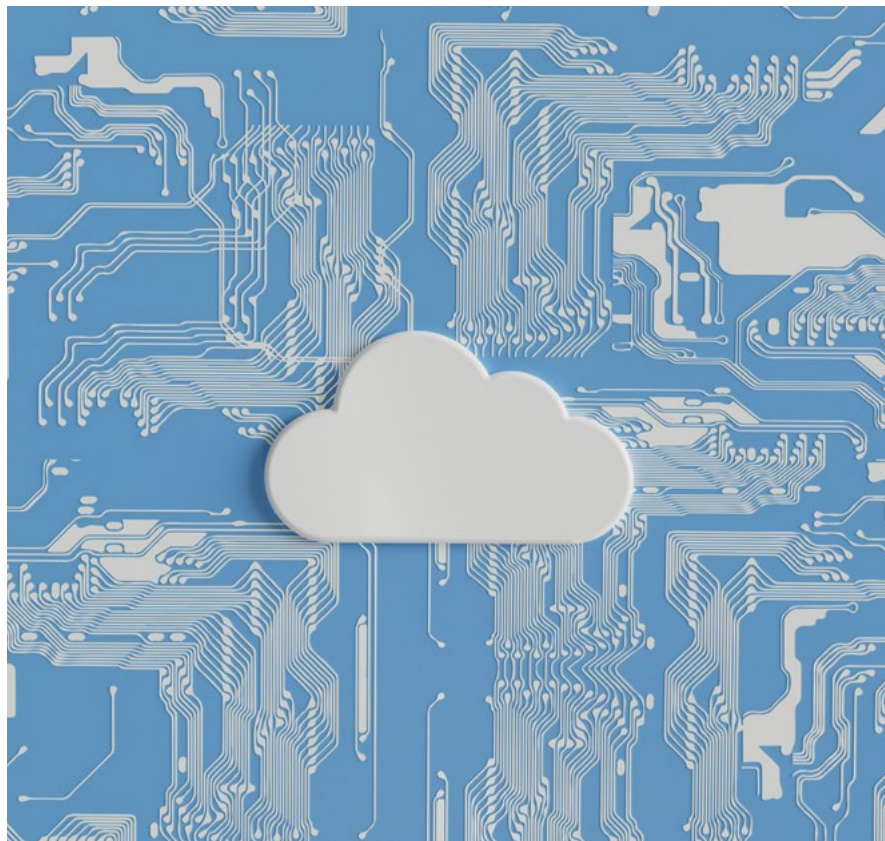
As Thailand's digital economy grows, the need for a robust legal and regulatory framework becomes increasingly important. To ensure the secure and regulated growth of the country's digital economy, the government has implemented several key legislative measures, including the Electronic Transaction Act, the Computer Crime Act, the Personal Data Protection Act (PDPA), the Cyber Security Act, the Digitalization of Public Administration and Services Delivery Act, a Royal Decree on Supervision of Service Businesses Relating to Digital Identification and Authentication Systems, and a Royal Decree on the Operation of Digital Platform Service Businesses. These legislative measures address essential aspects of the digital economy, such as digital transactions, data protection, and cybersecurity, ensuring that both businesses and

individuals can exchange data and conduct online transactions with confidence.

A notable innovation in this space is the Digital ID initiative, known as "ThaID", developed by the Department of Provincial Administration (DOPA) under the supervision of the Ministry of Interior. ThaID allows Thai citizens to authenticate their identities digitally, reducing reliance on physical documentation and simplifying access to government services. By 2025, the government plans to fully integrate all public e-services with the Digital ID system, revolutionizing how citizens interact with the government and significantly improving service delivery.

In addition to these initiatives, the Electronic Transactions Development Agency (ETDA) has established the Digital Law Center, a hub for expertise in ICT law. This center provides guidance to both the public and private sectors with the aim of ensuring that Thailand's legal framework evolves in line with the rapidly changing digital economy. This proactive approach to legal governance ensures that the country remains at the forefront of ICT governance, fostering trust and security in its digital ecosystem.





Data Centers and Cloud Services: The Backbone of a Growing Digital Economy

Thailand's strategic location, coupled with its favorable regulatory environment, has made the country an attractive destination for data center and cloud service investments. As of 2024, Thailand ranks fourth in Southeast Asia in terms of the number of data centers, with the country's investments in this sector predicted to grow significantly in the coming years. By 2027, the data center and cloud services market are projected to reach USD 7.8 billion, contributing 1.1% to Thailand's GDP.

Thailand's Cloud First policy also underscores the government's commitment to integrating cloud services into government operations, migrating all public systems to cloud platforms, accelerating the

country's digital transformation and further solidifying Thailand's position as a leader in Southeast Asia's digital economy. To support the implementation of this policy, the government also appointed an ad hoc advisory group called "Cloud First Committee".

Over the years, Thailand has attracted significant investments in data center and cloud services from a number of global players. The key investors in data centers in Thailand include Amazon Web Services (AWS), which has committed to a massive 200-billion-baht investment by 2037, with an initial phase of three data centers built at a cost of over 25 billion baht. Australia's NextDC has also invested 13.7 billion baht, while Singapore's STT GDC and Evolution Data Center have contributed 4.5 billion and 4 billion baht worth of investments, respectively. Microsoft has also announced plans to establish a new data center in Thailand and

has committed to training more than 100,000 people with AI skills by 2025.

In the cloud services arena, Alibaba Cloud leads the way with a 4-billion-baht investment, followed by Huawei Technologies with over 3 billion baht already committed. Local companies like True Internet Data Center, Internet Thailand, and the GSA joint venture (Gulf, Singtel, AIS) also play pivotal roles in this sector. Most recently, Google has announced a USD 1 billion (around 35 billion baht) investment to build a data center and boost its cloud services in Thailand. Google's investment is expected to create 14,000 jobs and contribute USD 4 billion (about 140 billion baht) to the economy by 2029. The commitments made by these global powerhouses mark a transformative period for Thailand's digital infrastructure, positioning it for long-term growth in the global digital economy.

A Digital Leader in Southeast Asia

As Thailand continues to prioritize connectivity, digital governance, and the adoption of cutting-edge technologies, its "New Digital Playground" is set to strengthen the nation's integration with global markets. This digital transformation will not only fuel sustainable economic growth but also elevate the standard of living for Thailand's citizens, equipping the country to meet future challenges head-on. With a forward-thinking approach and strategic partnerships between the public and private sectors, Thailand is positioning itself not only as a regional digital hub but also as a future global digital leader, driving innovation and economic prosperity well into the future. ■

Changing the Game: Thailand's Creative Edge in the Digital Arena

Driven by a strategic vision that blends digital innovation with cultural richness, Thailand is rapidly emerging as a powerhouse in the world's digital and creative industries. With its emphasis on both the public and private sectors, the country's new government has unlocked fresh opportunities in these fields by fostering an environment of innovation while also tapping into the country's strong cultural foundation. In this respect, the role of Thailand's rich cultural assets in its globally recognized creative exports is being further enhanced by advancements in the country's digital infrastructure, paving the way for exciting developments in the field of digital content creation with a distinctive Thai flavor.

The growing international recognition of Thailand's thriving digital ecosystem is particularly evident in its creative industry. In 2022, Thailand's creative industries contributed 1.28 trillion baht to the country's economy, accounting for 7.39% of Thailand's GDP¹ and marking a significant milestone in the country's ascent to the position of a global leader in the creative landscape.

Digital Content Boom: Gaming, Series, and Animation

Alongside Thailand's robust economic growth, its digital content industry is undergoing a transformative expansion, with

gaming, series, and animation emerging as central pillars of both economic development and cultural influence. These sectors, while captivating domestic audiences, are also making notable strides on the global stage, presenting vast opportunities for international investment and partnerships.

Beginning with the gaming sector, Thailand has firmly established itself as a global player. Ranked 19th in the world and 2nd in ASEAN, the country's gaming industry generated USD 1.1 billion in revenue in 2022, closely following Indonesia's USD 1.8 billion. The remarkable growth in this sector has been driven

primarily by the surge in mobile gaming, as increasing smartphone penetration has led developers to focus on mobile platforms. Popular titles such as Garena RoV, PUBG Mobile, and Free Fire dominate the market and have played their part in propelling Thailand's gaming industry into a highly competitive global position. This focus on mobile gaming not only highlights Thailand's adaptability but also opens up avenues for international investors seeking to capitalize on this dynamic sector.

Shifting to the realm of series and film, Thailand's success in this sector is equally impressive. The global appeal of Thai series, particularly through platforms like



¹ <https://data.cea.or.th/>

Netflix, is undeniable. Productions such as *Hunger* have garnered international acclaim, demonstrating Thailand's ability to produce content that resonates with global audiences. This success is further exemplified by *Master of the House*, which became the first Thai series to top Netflix's Global Top 10 TV (Non-English) list, marking a milestone in Thailand's entertainment industry. Additionally, *How to Make Millions Before Grandma Dies*, Thailand's submission for the Oscars, highlights the country's rising stature in the global film industry. The film grossed over \$50 million worldwide and set records in Singapore, Malaysia, and Indonesia, becoming the most successful Thai film of all time in those countries. Its success caught the attention of Netflix, which acquired streaming rights for Southeast Asia, further showcasing Thailand's growing influence in the global entertainment market.

Two more industries experiencing increased demand, both domestically and internationally, are animation and character design, with these two sectors poised to achieve

substantial growth of 6% and 8%, respectively, between 2024 and 2026. The character design sector, in particular, has witnessed a surge in local production and consumption, offering fertile ground for collaboration with global brands and investors. As Thailand continues to develop its animation capabilities, the country is emerging as a global hub for innovative, culturally rich digital content, positioning itself at the forefront of creative industries and offering significant potential for foreign investment.

Government Support: Fueling Thailand's Digital and Creative Ecosystem

To maintain a robust ecosystem and support the expansion of the digital and creative industries, the Thai government has been instrumental in nurturing these sectors through strategic initiatives aimed at fostering local talent and attracting foreign investment. One such initiative is the "Content Lab" program. First launched in 2023 by the Creative Economy Agency (CEA), this program was designed to enhance the skills and capabilities of creators in the film, series, and digital content

industries. After its successful debut, the program expanded in 2024 to include five diverse projects, targeting four main groups of content creators through incubation programs and business development opportunities. These initiatives aim to elevate Thai content to meet both domestic and international market demands, reinforcing Thailand's soft power and enhancing the competitiveness of its creative industries. The continued focus on the "Content Lab" program, which includes workshops for scriptwriting, animation, and project pitching, exemplifies the government's commitment to establishing the creative content and media industries as key economic pillars.

In addition to the creative content sector, Thailand's government is also advancing its digital economy through support from the Digital Economy Promotion Agency (DEPA). The agency's DEPA Fund offers comprehensive assistance to both startups and established digital businesses. The fund is geared towards promoting digital innovation and helping businesses integrate digital technologies, ensuring that Thailand remains competitive in the global market. Programs such as the Digital Transformation Fund and the Digital Startup Fund are pivotal in creating an environment in which entrepreneurs and digital startups can thrive. Additionally, DEPA's emphasis on building a robust digital workforce through its Digital Manpower Fund further strengthens Thailand's digital ecosystem, preparing the next generation of professionals to contribute to the country's burgeoning digital economy.





The Board of Investment (BOI) has played a pivotal role in attracting foreign investment to Thailand's digital and creative industries, securing 147 projects worth 20,237 million THB in 2023 and 133 projects worth 104,095 million THB by Q3 2024. This surge underscores Thailand's growing appeal as a top investment destination. The BOI offers a range of tax and non-tax incentives, including additional corporate income tax (CIT) exemptions for activities with elements of research and development (R&D). Furthermore, the government is enhancing digital talent development through initiatives like the Digital Nomad Visa, officially known as the Destination Thailand Visa (DTV), which has been effective since July 2024. The DTV is designed for remote workers, freelancers, and consultants, allowing them to live and work in Thailand for up to five years, further bolstering the country's digital ecosystem.

Vision Forward: A Soft Power-Driven Digital Economy

With a strong ecosystem and robust government backing, Thailand envisions a soft power-driven digital economy anchored by two key initiatives: One Family One Soft Power (OFOS) and the Thailand Creative Content Agency (THACCA). These programs aim to reskill and upskill 20 million individuals across all age groups, from children to seniors, in areas such as arts, design, gaming, and AI. By focusing on both traditional cultural sectors and emerging digital technologies, Thailand seeks to create a workforce that not only preserves its cultural heritage but also drives innovation in the global market. The THACCA initiative will also provide vital infrastructure, research and development funding, and tax incentives to support the growth of 11 key sectors, including film, music, e-sports, and design.

With its strong digital infrastructure, forward-thinking government initiatives, and a growing pool of skilled talent, Thailand is fully primed to change the game as a global hub for the digital and creative industries. From gaming and film to animation and design, Thailand's unique blend of cultural richness and cutting-edge digital advancements positions it perfectly for international success in the exciting fields of innovation and creativity. As the world increasingly looks toward Asia for the next wave of digital transformation, Thailand stands ready to take center stage, offering a dynamic ecosystem that invites global investors and innovators to be part of its bright future. ■



Digital Transition: Driven by Innovation and Creativity

In pursuit of becoming a regional Digital Economy Hub, the Thai government is accelerating its efforts to enhance Thailand's digital competitiveness and drive the country's transition into an economy driven by innovation and creativity. To achieve these goals, the government recognizes the importance of creating an environment conducive to the development of the digital economy. This has led to the initiation of key projects, such as the Cloud First Policy, which focuses on efficient data management and improving government operations to ensure security, comprehensiveness, and accessibility. However, beyond laying the groundwork for the government's digital growth, driving the country's transformation also requires strong support from the private sector, particularly from both the digital and creative industries.

For this reason, the government is committed to the comprehensive promotion of related industries, particularly by attracting investment for digital businesses and startups, with the aim of fostering the development of innovative products and services that align with the shifting dynamics of the global market. As a key driver and supporter of digital industry and innovation development, the Digital Economy Promotion Agency (DEPA) has introduced several assistance and subsidy measures. One of the key initiatives is the DEPA Digital Startup Fund, which promotes the commercialization of digital products and services. DEPA also supports startups through its Angel Fund, offering funding of between 50,000 and 5,000,000 THB per recipient, with a project duration of up to three years. So far, DEPA has supported at least 165 startups and plans to assist at least 20 more in 2024 through this initiative.

In addition to DEPA providing funding and other support for digital businesses and startups through its various mechanisms, other government agencies are also driving efforts to enhance access to additional

funding sources for digital-related businesses. The Securities and Exchange Commission (SEC) has established guidelines to support capital market fundraising for developing businesses, such as SMEs and startups, through the creation of the LIVE Exchange. This platform enables SMEs and startups to raise funds from professional investors, such as PE trusts, venture capital firms, and individuals with ties to the company, including directors, executives, employees, and major shareholders. Businesses that secure funding through this channel will have the opportunity to develop further and potentially grow to a level where they can become listed on the Market for Alternative Investment (MAI) and the Stock Exchange of Thailand (SET) in the future.

At the same time, the Revenue Department has also taken steps to promote investment in startups by introducing a capital gains tax exemption. Under this initiative, both Thai and foreign investors are exempted from paying individual and corporate income tax on profits from the sale of shares in Thai startups, with a focus on investments in 14 targeted

industries. With this tax incentive effective from now until June 30, 2032, it is expected to strengthen startups and tech companies in Thailand, stimulate investment in the country, and create both direct and indirect employment opportunities in the future.

For its part, the Thailand Board of Investment (BOI) has also been promoting investment in the digital industry by offering both tax and non-tax incentives. For businesses utilizing high levels of technology or innovation, such as data centers, cloud services, and innovation parks, an eight-year corporate income tax exemption is being offered with no cap. Meanwhile, businesses involved in the development of software, digital platforms, or digital content, as well as international high-speed marine communication circuits, smart city development, and smart city system development, will also receive an eight-year corporate income tax exemption. Businesses that support the startup ecosystem, such as makerspaces or fabrication laboratories, will receive a five-year corporate income tax exemption. In addition to directly promoting investment in the digital industry, the BOI provides benefits for businesses that promote the use of digital technology to enhance efficiency under the Smart & Sustainable Industry initiative. Existing projects aimed at improving efficiency will receive a three-year corporate income tax exemption, limited to 50% of the investment amount used for efficiency enhancements.

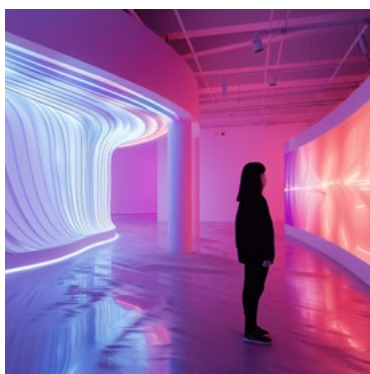
The BOI has also been promoting investment in the creative industry, including areas such as creative product design and development, Thai motion picture production, motion picture support services, and industrial zones for motion picture production. Eligible businesses will benefit from a corporate income tax exemption of up to eight years. In the tourism industry, which is one of the country's target sectors under the soft power policy, the BOI supports tourism-related businesses such as ferry services, tour boat port



services, Thai cultural centers, open zoos, museums, amusement parks, racetracks, cable cars, cruise terminals, and man-made attractions. It also supports tourism-related services such as hotels, convention halls, and international exhibition centers. Eligible businesses in this sector will receive a corporate income tax exemption of up to five years.

With the related aim of positioning Thailand as a global event destination and tourism hub, the BOI has also offered benefits for businesses organizing major international events with a minimum investment of 100 million THB, including music festivals, sports events, and various other events. These businesses will receive exemptions on import duties for machinery, as well as visa and work permit facilitation for foreign personnel. The benefits will be granted for a period of three years, starting from the issuance date of the promotion certificate.

In addition to the aforementioned investment promotion initiatives, the Thai government has implemented a variety of measures to establish the country as a hub for the creative cultural industry. These initiatives include promoting foreign film productions in Thailand by offering a cash rebate of 15-20% on eligible expenditures incurred in the country for a period of two years, with a maximum rebate of 150 million THB per project. Additionally, there is a five-year personal income tax exemption for foreign actors involved in film productions in Thailand. With the Thai government committed to transitioning the country's economy into one that is driven by innovation and creativity, several agencies are working tirelessly to establish the best environment in which to achieve these goals. Taken together, the many initiatives already implemented demonstrate the government's steadfast commitment to creating opportunities for both Thai and foreign investors to drive the growth of the digital and creative industries in the country. ■





Inspired Insights: CEA's Vision for Thailand's Creative Economy

With its rich national heritage enjoying international recognition, it is hardly surprising that Thailand is one of the world's major exporters of culture. Under the country's new soft power policy, recent efforts have aimed to enhance the role of Thailand's creative culture in driving the economy by leveraging its highly sought-after cultural capital to generate economic value and promote greater global awareness of Thai culture through various industrial mechanisms. As one of the key agencies continuously advancing Thailand's creative industries, the Creative Economy Agency (Public Organization), or CEA, is now taking a more proactive approach to align with the government's core policies. Today, we have the great honor of hearing from Dr. Chakrit Pichyangkul, Executive Director of the Creative Economy Agency, who will share his perspectives on the development of the country's creative industries and discuss the CEA's role in enhancing the global competitiveness of Thailand's creative industries.



The popularity of Thai content on international streaming platforms reflects strong global demand, opening opportunities for co-production, distribution, and promotion of Thai creative content.”

Dr. Chakrit Pichyangkul
Executive Director of the Creative Economy Agency

What role does the CEA play in supporting businesses in the creative industries?

The CEA plays a role in promoting creative industries by focusing on creative professionals and business development, resulting in industry expansion and economic growth. Currently, the creative industries, as defined by the CEA, encompass 15 sectors of varying sizes, each with its own unique strengths, weaknesses, and growth potential. Since the CEA does not function as a regulator with the authority to amend regulations, it supports the industry by enhancing the capacities of creative professionals and entrepreneurs and connecting creative industry needs with the relevant agencies and organizations responsible for addressing these needs.

In Thailand's case, to achieve its greenhouse gas emission goals for 2050 and 2065, it is necessary to generate at least 51% of the country's electricity from renewable energy sources by 2037. However, setting these figures must be done with careful consideration. If the proportion of renewable energy is set too high, it could affect the country's energy security. This is because the production of certain types of renewable energy, such as solar or wind power, is highly variable depending on weather, which could result in periods where the energy capacity does not meet demand at that time.

What policies and measures are currently in place to promote creative industries?

Over the past year, the CEA has implemented various policies to continually support the potential of the creative industries. A key project currently underway is the expansion of Thailand Creative & Design Centers (TCDCs). Currently, four regional TCDCs operate in different regions, and the CEA is collaborating with local public and private organizations to establish 10 new TCDCs nationwide, expected to open to the public in 2025. This expansion is being pursued through collaborations between the CEA, local governments, and private agencies or organizations across 10 strategic provinces nationwide. These new TCDCs serve as incubation centers for talent development, offering training to upskill and reskill individuals. This initiative ultimately adds value to local assets and the creative industries, contributing to the overall economy. Additionally, the CEA is pursuing policies to promote the country's soft power in alignment with the government's vision, aiming to enhance Thailand's influence on the global stage.

This includes increasing the country's familiarity, reputation, and international influence, as well as promoting cultural and heritage dimensions, which are central to the agency's mission.

Beyond its overarching policies to drive the creative industry as a whole, the CEA has also implemented targeted initiatives to enhance the potential of individual sectors with significant spillover effects—those that not only drive their own economic growth but also boost productivity, innovation, and development across other sectors. For example, in fiscal year 2024, with plans to continue in fiscal year 2025, the agency has been promoting talented artists on the global stage within the music industry through the Music Exchange project. Additionally, the CEA is the first agency to organize a content marketplace specifically for the film industry with our flagship Content Lab project, aiming to attract investors interested in supporting projects with potential for film development. By focusing on sectors with high spillover effects, the CEA seeks to maximize its impact on the nation's creative economy.





Which industries does the CEA view as being strong or having the best growth potential?

The CEA has recognized that several industries hold significant potential and growth opportunities if provided with the right support, including the music industry. While Thai artists are highly talented, they lack sufficient international platforms to showcase their work. To address this, we are working to promote these artists on global stages through the Music Exchange project. Once they apply for and are accepted into international festivals, they can request support from us. Simultaneously, the CEA invites key players in the music industry to visit Thailand's major music festivals and explore collaborative business opportunities with Thai artists.

The advertising industry is another sector with high value and potential. Thai companies regularly submit advertisements to the Cannes Lions International Festival of Creativity, a global advertising festival held in Cannes, France, where they consistently win awards each year. Young creatives have also been submitting their work to the Young Cannes Lions competition—a segment of the Cannes Lions designed to spotlight emerging talent and young professionals aged 30 and under. Recognizing this potential, the CEA has collaborated with partner organizations to host national competitions that select young creatives as the country's representatives. This initiative aims to elevate Thailand's advertising and content industries on the global stage.

Content industries in Thailand stand out for their uniqueness and significant growth potential, serving as a driving force for promoting Thailand's soft power. Thai films and series, in particular, are increasingly gaining global recognition. For example, *How to Make Millions Before Grandma Dies* (marketed in Thai as หลานม่า or Lahn Mah) has achieved box office success, while *Master of the House* (marketed in Thai as สืบสันดาน or Suep Sandan) is a series that received funding from platforms to produce

streaming content and ranked number one globally on Netflix. Additionally, Thai studios have produced highly popular films and series that are licensed for distribution on streaming platforms, highlighting the growing influence of Thai content in international markets. Thailand's animation industry also stands out, especially in outsourced production, with the potential to evolve into producing original content in the future.

What are the key challenges facing Thailand's creative industries or digital content industry today?

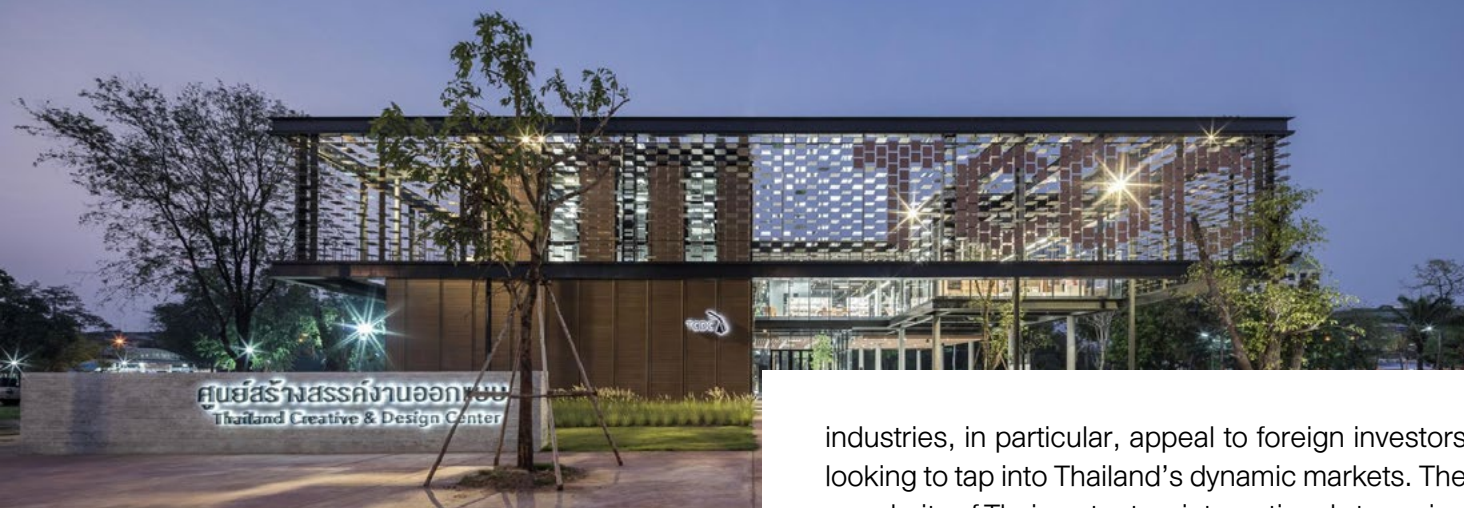
Many of Thailand's creative industries still need enhancement in several areas to strengthen their competitive capabilities, which is where the CEA can provide support and promotion. The film industry, for example, faces gaps in scriptwriting and needs to elevate its scriptwriting standards. The music industry also requires further integration into international networks, which can be achieved through initiatives such as exporting Thai artists and inviting foreign producers to collaborate on Thai music. This approach would help leverage the talents of Thai artists to meet the demands of the global market.

For the animation industry, strengthening scriptwriting and storytelling will help elevate its overall potential. Similarly, in the gaming industry, enhancing character design at early stages will create unique differentiators for Thai games.

The CEA recognizes the importance of building capabilities in these industries, which is why it has initiated various projects, as mentioned here. One such project is the Content Lab, aimed at elevating Thailand's content industries to an international level. Combined with other CEA initiatives that connect Thai entrepreneurs to global markets, this demonstrates the agency's comprehensive efforts throughout the entire process—from talent development at early stages to facilitating the final stage of trading goods and services.

In your view, what opportunities are there for foreign investors to participate in Thailand's creative industry, and what key points should investors consider if they are interested in investing in the creative industries and digital content?

Thailand's creative industries are diverse, with high growth potential and significant spillover effects in content sectors like film, series, music, gaming, and animation. Supported by the CEA, the film and series



industries, in particular, appeal to foreign investors looking to tap into Thailand's dynamic markets. The popularity of Thai content on international streaming platforms reflects strong global demand, opening opportunities for co-production, distribution, and promotion of Thai creative content. Thai films and series now garner millions of views across Asia, with international collaboration widely encouraged.

Given the outstanding creative talent in Thailand, there are significant opportunities to attract foreign investment, particularly in talent development and co-production ventures within the content industry that can strengthen the entire value chain. The success of Thai artists, directors, and production teams on international platforms underscores the country's creative potential. This talent pool, combined with competitive production costs and diverse filming locations, makes Thailand an attractive destination for international content production companies looking to establish regional hubs or collaborate on content creation.

Government incentives and supportive policies further enhance Thailand's appeal for film and series investors. Thailand offers cash rebates of up to 15-20% for international productions as part of the government's film production incentive measures, with plans to expand this to 20-30% in the near future, along with streamlined filming approvals. This makes Thailand a cost-effective destination with access to skilled local talent and resources. Additionally, 466 international productions were filmed in Thailand in 2023, and 399 in 2024¹, significantly boosting the economy.

Thailand also boasts advanced infrastructure, from sound stages to VFX studios, supported by a skilled workforce in filmmaking and animation. Additionally, Thailand's OTT video market revenue is projected to grow from 816.22 million USD in 2024 to 1,086.94 million USD in 2029². This growth fuels demand for locally produced digital content, creating prime opportunities for investment in innovative formats within Thailand's creative industry. ■

¹ Data is collected between January-November 2024, <https://sites.google.com/tfo.dot.go.th/filmingthailand-th/statistic?pli=1>

² Statista



Bringing Ideas to Life: A Deep Dive into M2 Animation

For over two decades, M2 Animation has been garnering international acclaim for its high-caliber TV series, game trailers, and cinematic productions. With its state-of-the-art studios and teams of skilled artists, the Danish-led powerhouse offers a full suite of in-house production services, from concept development to final delivery, consistently exceeding client expectations with its quality and creativity. Now firmly established as a global leader in the field of computer-generated imagery, M2 Animation has earned numerous prestigious awards, a testament to its commitment to excellence and innovation.



“With continued government support and a growing pool of skilled artists, Thailand is well-positioned to become a leading animation destination in Asia.”

Owen Hurley
Head of Studio

A central part of this journey is M2 Animation's Bangkok studio, which has been instrumental in shaping the company's success. As the animation industry continues to evolve, M2 Animation's dedication to staying at the forefront remains unwavering. Today, we are joined by Owen Hurley, Head of Studio, who will share insights into how M2 Animation sustains its reputation for excellence and innovation in a dynamic global landscape.

What led M2 Animation to choose Thailand, and how has the local environment supported your success?

Thailand has proven to be an excellent choice for M2 Animation, offering a unique combination of skilled talent, a supportive business climate, and a rich culture of creativity. The Thai workforce is technically very proficient and incredibly adaptable, and we've found that local artists bring a fresh perspective and strong work ethic to every project. Thailand's time zone and infrastructure also enable us to collaborate seamlessly with international clients. Over the years, the local environment has helped us build a resilient, innovative team that can adapt to the rapidly evolving needs of the global animation industry.

Can you share insights into M2 Animation's past and current projects?

M2 Animation has been fortunate to work on a highly diverse range of projects, from animated series and feature films to commercial work for globally recognized brands. We've contributed to much-loved franchises and had the opportunity to collaborate with major studios and streaming platforms. Currently, we are engaged in an exciting mix of ongoing series work, utilizing cutting-edge



technologies and innovative storytelling techniques. At the same time, we're working on bids for new projects with top studios in North America, Europe, and Japan. One of our key strategic partners and clients is Games Workshop, with whom we are producing script-to-screen films and developing fresh IP. We have also produced series for LEGO, Apple TV+, Disney Jr., and NBC Universal. Our portfolio reflects our versatility and dedication to innovation, storytelling, and high-quality animation, with projects spanning multiple genres and styles. You can view our work for these clients on our website at <https://m2animation.com/>.

What are the main challenges in the animation industry today, and how has M2 adapted to them in Thailand?

One of the biggest challenges in the animation industry today is the fluctuation in demand and project timelines, which can lead to unpredictable workloads. The competitive global market requires studios to maintain high standards while managing costs effectively, and the downturn in greenlit projects coming from what were the mainstays of the industry in the US has left many studios struggling. At M2, we've adapted by fostering strong, diverse client relationships and building a versatile team that can scale efficiently. We've also prioritized the adoption of new technologies and animation techniques, in order to find more efficient ways to tell stories. Being based in Thailand gives us an edge with operational flexibility, which allows us to respond swiftly to changing client needs.

How has government support, especially from the BOI, benefited your company?

M2 Animation has enjoyed significant benefits from BOI incentives over the past 8 years. We received an 8-year corporate income tax exemption granted by the Board of Investment (BOI) in recognition of the high-value, high-profile projects we have produced. This exemption acknowledges M2 Animation's contributions to the economy by fostering innovation, boosting industry growth, and creating employment opportunities within the local community.

As a multi-national studio, we're fortunate to be able to use the BOI's "Single Window" system, which makes it easier and faster to get visas and work permits for our skilled foreign employees. This streamlined process helps us quickly recruit talented non-Thai team members without any hassle. In our fast-paced industry, having the right skilled staff to start on time is crucial for the success of our projects.

Our partnership with the BOI allows us to bring in foreign experts who train our Thai staff, helping to address the skill shortage in Thailand's animation industry. Knowledge sharing and mutual education within our team are core to the M2 Animation brand and vision.

Through the BOI, we are also committed to hiring individuals with disabilities, partnering with the Department of Empowerment of Persons with Disabilities. It adds unique experiences and perspectives to our positive company culture, showcasing our commitment to diversity and equality, which is something we truly value as a company!



As a member of the Thai Animation and Computer Graphics Association, M2 supports education by offering internships that provide students with hands-on experience. We aim to align students' skills with industry needs, and over the past 10 years, we've welcomed five talented graduates each year. These internships give students the chance to develop essential practical skills for the animation industry, like software proficiency, teamwork, and project management, helping them become more competitive in the job market.

Thanks to the BOI, we have the opportunity to connect with academic institutions and invite them to visit our office, where they can gain insights into the animation production process. We are also able to engage with universities through career guidance booths and we collaborate with other studios to share information and support each other. This demonstrates our wholehearted commitment to the animation and film community. Plus, it helps us discover and nurture future talent and many of our long-term employees began their journey with us as interns.

We're really grateful for our BOI membership, especially since qualifying for support has become tougher. We're excited about the many future collaborations ahead.

What are your thoughts on Thailand's creative and digital industry strategy?

Thailand's emphasis on developing its creative and digital industries aligns well with M2's vision. The country's soft power strategy, which promotes



Thai culture and creativity, has brought increased international attention to Thailand as a vibrant creative hub. This has created opportunities for M2, as more global clients recognize the value of partnering with Thai-based studios. Additionally, the government's support for the digital sector has paved the way for collaborations and innovations that have enhanced our service offerings and broadened our client base.

What is your outlook on the future of Thailand's animation industry and growth opportunities?

The future of the animation industry in Thailand looks promising. With continued government support and a growing pool of skilled artists, Thailand is well-positioned to become a leading animation destination in Asia. We see opportunities for growth in real-time animation and interactive content, especially as the demand for video game art and animation rises globally. There's also potential for collaboration with other Thai studios and educational institutions to further build the local talent pipeline. At M2 Animation, we're excited to contribute to this growth and explore new ways to bring Thai creativity to the world stage. ■

THAI ECONOMY AT A GLANCE

Key Economic Figures



GDP (2023)
USD 513.5 Billion



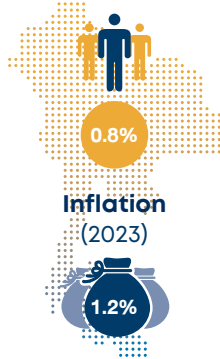
GDP per Capita (2023)
USD 7,331.5 / Year

GDP Growth



Source: NESDC
(Data as of July 2024)

Unemployment



Source: National Statistical Office, MDES

Investment Growth



Export Value of Goods Growth



Source: NESDC
(Data as of July 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 2022: 293,602.04
Jan-Dec 2023: 289,236.08
Jan-Sep 2024: 234,652.72

Top 10 Export Markets (Jan-Sep 2024)

Rank	Value (USD Million)	Share
United States	42,694.67	18.19%
China	27,795.13	11.85%
Japan	18,314.88	7.81%
Malaysia	9,852.23	4.20%
Australia	9,779.98	4.17%
Hong Kong	9,019.20	3.84%
Vietnam	9,001.69	3.84%
India	8,988.11	3.83%
Singapore	8,031.20	3.42%
Indonesia	7,521.89	3.21%

Top 10 Exports (Jan-Sep 2024)

Goods / Products	Value (US\$ million)	Share
Vehicles and Parts	24,484.99	10.43%
Computers and Parts	18,469.47	7.87%
Jewelry Products	13,063.06	5.57%
Rubber Products	10,707.83	4.56%
Machinery and Parts	7,832.52	3.34%
Refined Fuel	7,239.77	3.09%
Plastic Pellets	6,948.86	2.96%
Integrated Circuits	6,699.58	2.86%
Chemical Products	6,495.81	2.77%
Teleprinters, Telephone Sets & Parts	6,275.76	2.67%

Exchange Rates (As of 31 October 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 July 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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