



Opportunity Thailand & Supporting Incentives for Investment

Sanlaya Aksharamat, Director

Thailand Board of Investment (BOI), Frankfurt Office

Athens, Greece

14 May 2024

Agenda

01 Thailand's Economic and Investment Landscape

02 BOI's Incentives & Support Measures

03 Our Supporting Services

Thailand's Competitive Strength in Attracting Investment



Low cost of living
Low cost of Office Space
20% Corporate Income Tax



Excellent infrastructure
Well-Equipped Industrial Estates



Strong supply chain
(supporting industries)



High Quality Workforce &
Business-friendly Environment



High Potential Domestic
Market and Moderate Cost



Competitive incentives
and Government supports



Competence in providing
renewable energy to
the businesses



Resiliency & Neutrality

Strategic Landscape

in both location and International Cooperation



ASEAN
2nd
Largest
Economy

66
Million
population

530
Billion USD
GDP

CLMVT

300 Million
Consumers
(within 1,000 km)

ASEAN

670 Million
Consumers
(within 3,000 km)

15 FTAs with
19 Countries

RCEP new



Peru



Chile



Australia



New Zealand

Thailand FTA partners

Noted: Exchange rate 25 April 2024
(1 EUR = 40.0883 Baht), Bank of Thailand

1st



India



Thailand



China



Mexico



USA



Philippines



Vietnam



Brazil



Malaysia



Spain

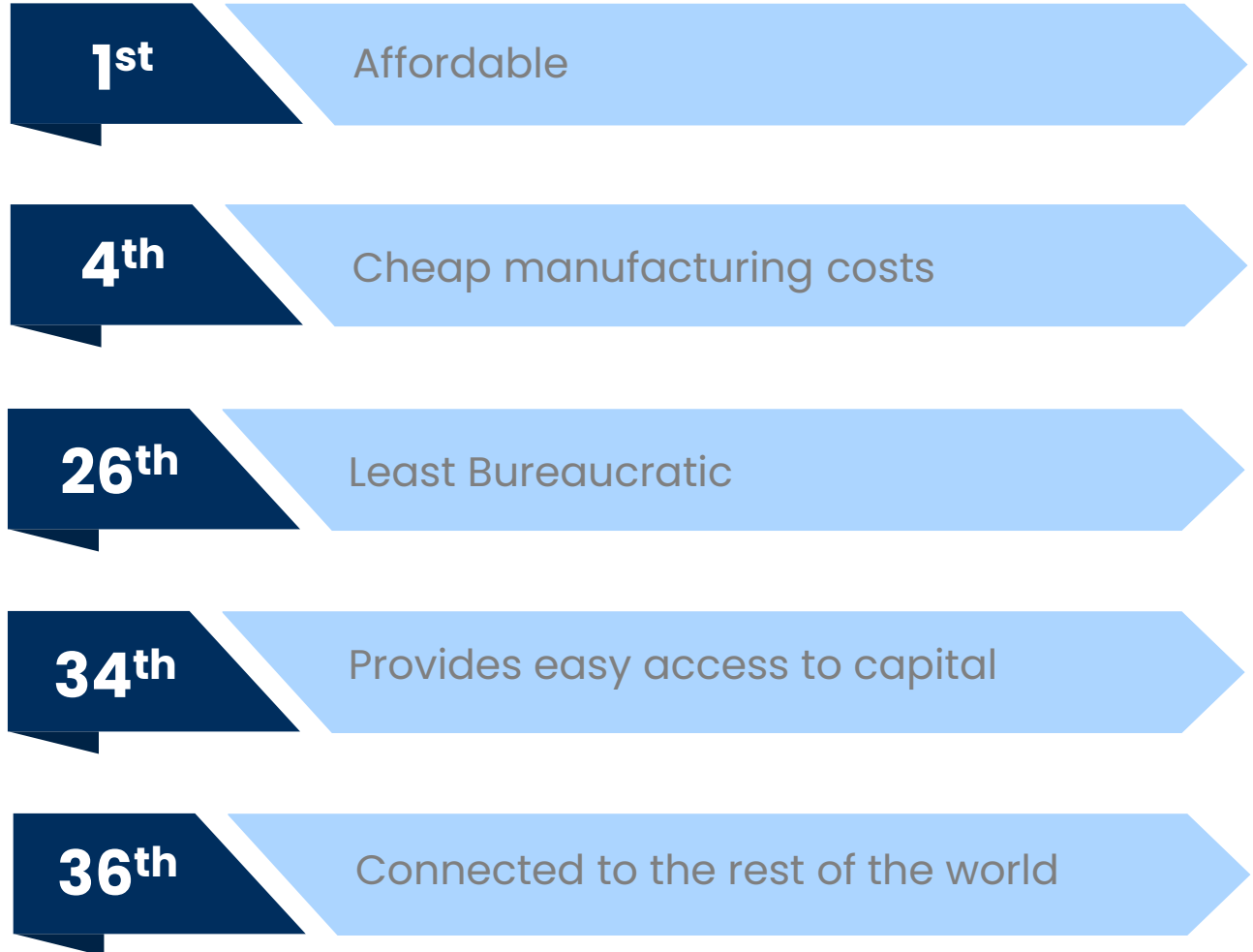
From 87 countries

Thailand ranks #2 in the 2023 best countries for starting a business

Survey by



5 attributes:

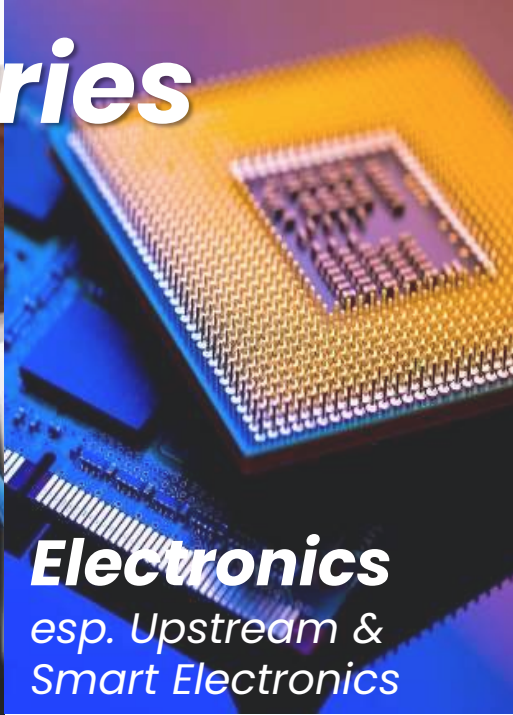


5 Strategic Industries

BCG



Automotive
esp. EV



Electronics
esp. Upstream &
Smart Electronics



**Digital &
Creative**



RHQ & IBC
(Regional Headquarters
and International
Business Center)

Upgrading Existing Industries:



Automotive
and parts



Smart E&E



Petrochem/
Chem



Agriculture
and Food



Tourism

Building New Industries:



Healthcare
and Medical



Biotech



Digital



Automation
and Robotics



Aviation and
Aerospace



Education



Defense
Industry

Other industries:

- Infrastructure
- R&D Center
- Advanced Materials
- Energy/ ER/ Hydrogen
- Supporting Industries and Services

Thailand is a Destination for International Companies Second Home

Automotive



Petrochemical



Auto Parts



Food & Beverage



Smart Electronics



Bio-Base



Top 10 countries in terms of Thailand's Investment Value in 2023

Rank	Countries	FDI (Unit: Euro)	No. of Projects
1 st	PRC (China)	3,981 M.	430
2 nd	Singapore	3,082 M.	194
3 rd	U.S.A	2,097 M.	40
4 th	Japan	1,977 M.	264
5 th	Taiwan	1,364 M.	94
6 th	Netherlands	1,080 M.	60
7 th	Korea	959 M.	25
8 th	Hongkong	578 M.	102
9 th	Ireland	331 M.	2
10 th	Germany	296 M.	34

TOP 5 FDI by Target Industry



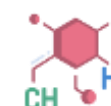
Electric and Electronic Products
 THB 340,340 Mn.
 USD 9,247 Mn.

2nd



Automotive and Parts
 THB 63,149 Mn.
 USD 1,716 Mn.

3rd



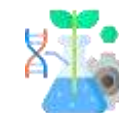
Petrochemicals and Chemicals
 THB 41,658 Mn.
 USD 1,132 Mn.

4th



Agricultural and Food Processing
 THB 34,703 Mn.
 USD 943 Mn.

5th



Biotechnology
 THB 21,287 Mn.
 USD 578 Mn.

Agenda

An aerial photograph of a city skyline at sunset. The sky is filled with vibrant orange and yellow clouds, transitioning into a deep blue at the top. The city below is densely packed with various buildings, including several prominent skyscrapers. The lighting is warm, suggesting the sun is low on the horizon.

01 Thailand's Economic and Investment Landscape

02 **BOI's Incentives & Support Measures**

03 Our Supporting Services

BOI's Role: To Drive the Investment to the New Economy

About BOI

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



Promoter

drives and promotes investment in private sector in alignment with the country's development strategy & the changing world context



Integrator

integrates Government support tools such as tax, finance, and non-tax incentives in a whole package



Facilitator

coordinates with agencies to develop the ecosystem & facilitate ease of investment & eliminates problems/obstacles



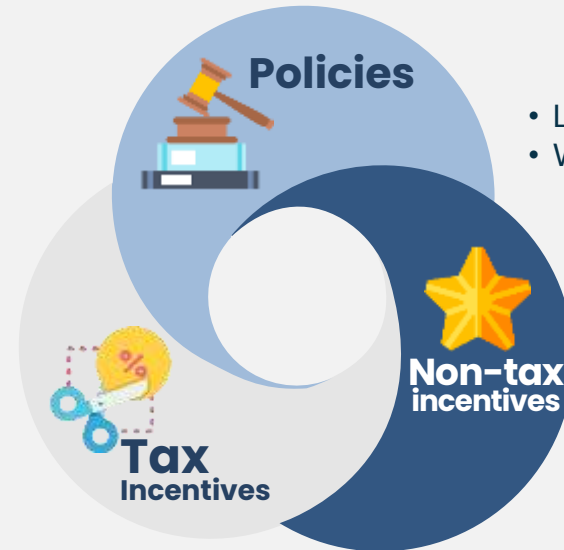
Connector

links large-scale with small-scale enterprises, Thais with foreigners, across industries & locations to expand business opportunities

Overseas Offices



BOI's Investment Promotion Measures



- Land ownership
- Work permit & visa facilitation
- 100% foreign ownership
- No local content requirements
- No export requirements
- No restrictions on foreign currencies

- Corporate income tax exemption up to 13 years
- 50% Corporate income tax reduction for 5 years
- Exemption of import duties on machinery
- Exemption of import duties on raw or essential materials imported for exports
- Exemption of import duties on goods imported for R&D
- Double deduction for the cost of transportation, electricity and water
- 25% deduction for the cost of installation or construction of facilities

BOI Investment Incentive Scheme

Basic Incentives



Activity-Based

- Agriculture, Food & Biotechnology
- Medical
- Machinery and Vehicles
- Electrical and Electronics
- Metal and Materials
- Chemicals and Petrochemicals
- Public Utilities
- Digital Industries
- Creative Industries
- High-Value Services

Incentive:

≤13 years
CIT exemption



Additional Incentives

Competitiveness Enhancement

- *Research & Development (R&D)*
- *Support academic/ research institutes, or technology and human resource development fund*
- *IP licensing fee*
- *Advanced technology training*
- *Development of local suppliers*
- *Product and packaging design*

Area-Based

- *EEC 3 provinces*
- *SEZ 10 provinces*
- *4 Special Economic Corridors*
- *Southern border provinces*
- *20 provinces with lowest income*
- *Industrial Estates/Zones*
- *Science and Technology Parks (TSP, Food Innopolis, Space Krenovation Park)*
- *Yothee Medical Innovation District*

Agenda-Based

- *Investment Stimulation Measure for Economic Recovery*
- *Smart and Sustainable Industry Measure*
- *Social and Communal Development Measure*
- *Comprehensive Relocation Measure*
- *Measure to Support the Establishment of Highly-skilled Professional Development Institutes*
- *Retention and Expansion Measure*

Examples of Activities Eligible for Investment Promotion

EV Related Activities



- such as
- Manufacture of parts and components
 - Charging station, battery swapping station services
 - Manufacturing of BEV, PHEV, HEV
 - Manufacture of Fuel Cell Electric Vehicles (FCEV)

Digital Activities



- such as
- Software development
 - Digital platform
 - Digital content
 - Cloud services
 - Data center

Activities related to Agricultural & Food



- such as
- Manufacture or preservation of food, beverages, food additives, food ingredients, bakery
 - Manufacture of Pet food, animal feed, animal ingredient

BCG- Related Activities



- such as
- Waste treatment & waste management or disposal
 - Recycling and reuse unwanted material
 - Biomass Power Plant
 - Biodegradable/ Bioplastics
 - Eco-friendly chemicals or polymers
 - Eco-packaging, packaging from agri-waste

Medical- Related Activities



- such as
- Manufacture Medical devices & equipment
 - Vaccine & Biosimilar
 - Herbal medicines and products
 - Biomaterial medicines
 - Clinical research

Make “**THAILAND**” Headquarters Destination

- 1) BOI has been promoting Headquarters activities since 2000
- 2) BOI promotion category: “**INTERNATIONAL BUSINESS CENTER (IBC)**”
- 3) Scope activity: Providing **services to its associated companies** in overseas countries and/or in Thailand.
 - ***including International Trade***

Products: Finished goods, raw materials, parts and components

Trading activities: wholesale in Thailand and/or export

e.g. IN-IN, OUT-IN, IN-OUT, OUT-OUT, OUT-IN-OUT

Scope of Services under IBC

1. **General business management, business planning and business cooperation**
2. **Procurement of raw materials and Parts (Information only)**
3. **Research and development of product**
4. **Technical support**
5. **Marketing and sales promotion**
6. **Human resources management and training**
7. **Financial advisory**
8. **Economic and investment analysis and research**
9. **Credit management and control**
10. **Treasury Center (TC)**
11. **International Trade business**
 - Product:** Finished goods, raw materials, parts and components
 - Trading activities:** Export or domestic sales (only wholesale)
12. **Lending to associated enterprises outside scope of “Treasury Center” which can be implemented under the exchange control laws, for example:**
 - Lending of *foreign currency loans* to associated enterprises in foreign countries
 - Lending of *Thai baht loans* to associated enterprises in Thailand
 - Lending of *Thai baht loans* to associated enterprises in Vietnam and countries bordering Thailand with the requirement of using them for trading and investment in Thailand or in aforementioned countries only
13. **Office Building or factory building rental service for associated enterprises**
14. **Other supporting services as approved by the Board**

Required Conditions and Incentives for IBC

Required Conditions

- **≥ 1 mil. THB investment** (*excluding cost of land and working capital*)
- **≥ 10 mil. THB paid-up registered capital**
- **≥ 10 skilled employees required/ ≥ 5 skilled employees required for only TC)**
- **Operating International Trade business or office building or factory building rental service must cover at least one more activity of 1-10 (previous slide).**
- **Project offering loans to associated enterprises must cover at least one more activity of 1-9 (previous slide).**

BOI's Incentives



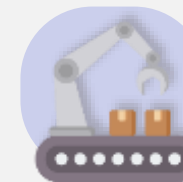
Majority or 100% foreign ownership



Visa & Work permit facilitation



Permission to own land



Exemption of import duty on machinery/equipment used for used for R&D and training services in IBC project

Note: Not eligible for import duty exemption on raw material or essential materials and additional merit-based privileges.

Make “**THAILAND**” a hub for Trading and Customer Services

- 1) BOI promotion category: “**Trade and Investment Support Office (TISO)**”
- 2) Scope activity: Providing **support services for domestic and/or overseas customers**

- **including Trade**

Products: *Finished goods, raw materials, parts and components*

Trading activities: only *wholesale Products Manufactured in Thailand*

Trade and Investment Support Office: TISO

"Same as IBC"

Providing **support services** for domestic and/or overseas customers



Monitoring/ Servicing Associated Enterprises



Advisory Services on Business Operation

(except those that buy/ sell securities/ FX exchange etc.)



Information Services on Good Sourcing

Engineering & Technical Services

(except those related to Architecture & Civil Engineering)



Businesses Related to Machinery, Engines, Tools & Equipment

(e.g., importing for wholesaling, training services, installation, maintenance and repair, calibration)



WHOLESALE

Wholesaling Products Manufactured in Thailand



International Business Process Outsourcing

providing through telecommunication networks (e.g., administrative services, finance & accounting services, human resources, etc.)

Required Conditions and Incentives for TISO

Required Conditions

- **≥ 1 mil. THB investment** (*excluding cost of land and working capital*)
- **≥ 10 mil. THB annual selling and administrative expenses**
Examples of selling and administrative expenses (according to P.N.D. 50):
 - *Personnel expenses*
 - *Electricity, water and telephone*
 - *Depreciation of assets*
 - *Interest payment*
 - *Rent*
 - *Fare and travelling and accommodation*
 - *Freight and transportation*
 - *Repair*
 - *Entertainment*
 - *Commission*
 - *Advertisement and sales promotions*
 - *Consultancy service fees*
 - *etc.*

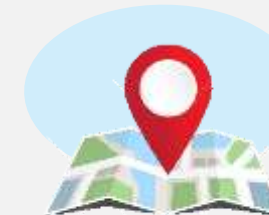
BOI's Incentives



Majority or 100% foreign ownership



Visa & Work permit facilitation



Permission to own land

Comparison between IBC and TISO

	Activities	Targeted Customers	Conditions
IBC	1. Servicing to group companies (e.g. business planning)	1. Group companies	<ul style="list-style-type: none"> • ≥ 1 MB investment • ≥ 10 MB for registered cap. • ≥ 10 skilled workers • Other specific conditions
	2. Trading	2. No limitation on group of customers	
TISO	1. Servicing to group companies (Same as IBC)	1. Group companies	<ul style="list-style-type: none"> • ≥ 1 MB investment • ≥ 10 MB for annual selling & Admin expenses • Other specific conditions
	2. Advisory 3. Information of good sourcing 4. Technical support 5. Business related to M/C 6. Wholesale for products manufactured in Thailand 7. IBPO	2.-7. No limitation on group of customers	

Note: Incentives for IBC include Non-Tax Incentives + Exemption on import duties on M/C used for R&D and Training
 Incentives for TISO include Non- Tax Incentives

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Government Support:

To Drive the “Investment Promotion Strategy for the New Economy”

Comprehensive Services for Pre & Post-investment



Information and Advice
on investment and
business establishment
in Thailand



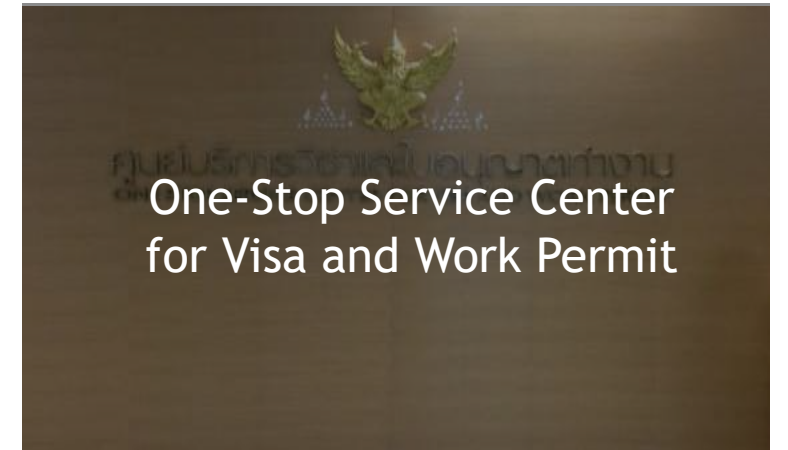
Coordination Services
before investors and
government agencies



Online Services for
investment promotion,
incentive utilization requests,
and operation reports



Matching Services for
Businesses and Joint-
venture Partner



Make Thailand your home

with 10-year **LTR visa** for Long-Term Residents



Wealthy Global Citizens



Wealthy individuals holding at least USD 1 million in assets and investment in Thailand



Wealthy Pensioners



Retirees aged 50 years and older who have an annual pension or stable income



Work-from-Thailand Professionals



Remote workers working for well-established companies overseas



Highly Skilled Professionals



Professionals or experts in targeted industries working for business entities or higher education institutes or research centers or specialized training institutions in Thailand or Thai government agencies



Dependents



Spouse and children under 20 years old of LTR visa holders
(Maximum 4 dependents in total per one LTR visa holder)

Industrial Linkage Activities: Support We Provide.

1 Industrial linkage Activities

2 Sourcing and Joint Venture and Partner

3 Business Matching

**4 Connecting Domestic Parts Manufacturers
(Local Exhibition/ SUBCON Thailand)**

**5 Connecting foreign parts manufacturers
(International Exhibition)**

Business Matching & Sourcing

Business Matching

BUILD organizes and co-organizes many business matching events to offer great chances for both foreign or local buyers and suppliers to meet and discuss possibilities to be a business partners. Business matching sessions are held regularly throughout the year with build foreign government network and held in Thailand and during international roadshows.



Sourcing

BUILD provides sourcing service free of charge to both Thai and foreign buyer to source parts and components in Thailand by identifying potential supplier. If required, one-on-one meeting can also be arranged.



Email: sourcing@boi.go.th

CLICK



SUBCON THAILAND

15 -18 May 2024

@BITEC Bangna, Bangkok, Thailand

ASEAN'S MOST IMPORTANT INDUSTRIAL SUBCONTRACTING AND BUSINESS MATCHING EXHIBITION

- Manufacturer of industrial parts for automotive, electrical etc.
- Business matching opportunities with buyers from abroad that has been invited by the BOI.
- Combine buyers of industrial parts from leading domestic and international companies invited by the BOI.
- Industry seminars of the future with the new S-curve industry innovation exhibition.

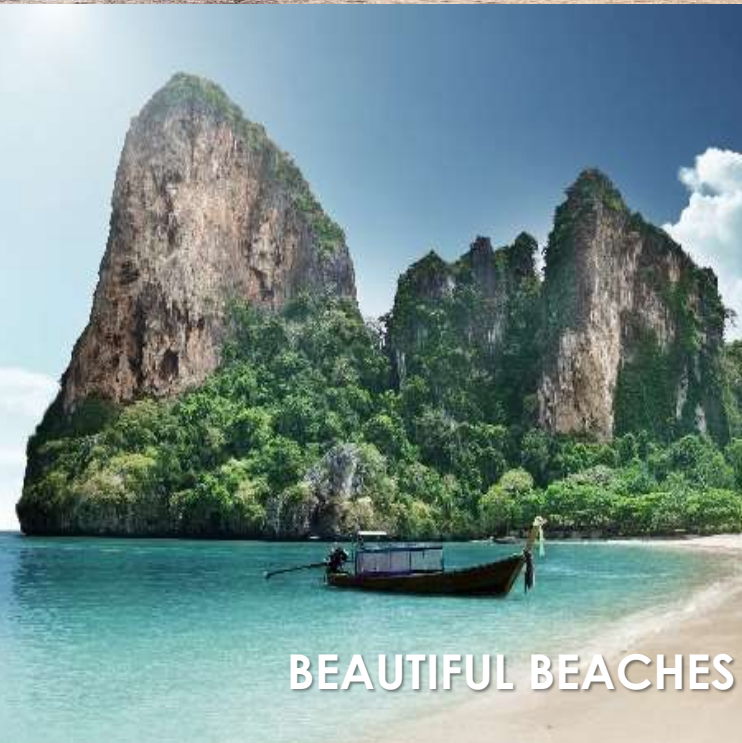




TEMPLES



THAI FOOD



BEAUTIFUL BEACHES



RICH CULTURES

Thank You

**Thailand Board of Investment (BOI)
Frankfurt Office**

Investment Section,
Royal Thai Consulate-General
Liebfrauenberg 26,
60313 Frankfurt am Main,
Federal Republic of Germany

Tel: (+49) 069 9291 230

E-mail: fra@boi.go.th

Website: <https://www.boi.go.th>

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

