

Office of the Board of Investment

Shining a Spotlight on Thailand's Dynamic Investment Opportunities



New Delhi

March, 10

Contents

1	Thailand at a Glance
2	Investment Incentives
3	Opportunities in Solar Power
4	BOI Services

Thailand is a liberal market economy that welcomes and nurtures foreign business investment.



**12th Largest
Agriculture Output**

**16th Largest
Manufacturing Output**

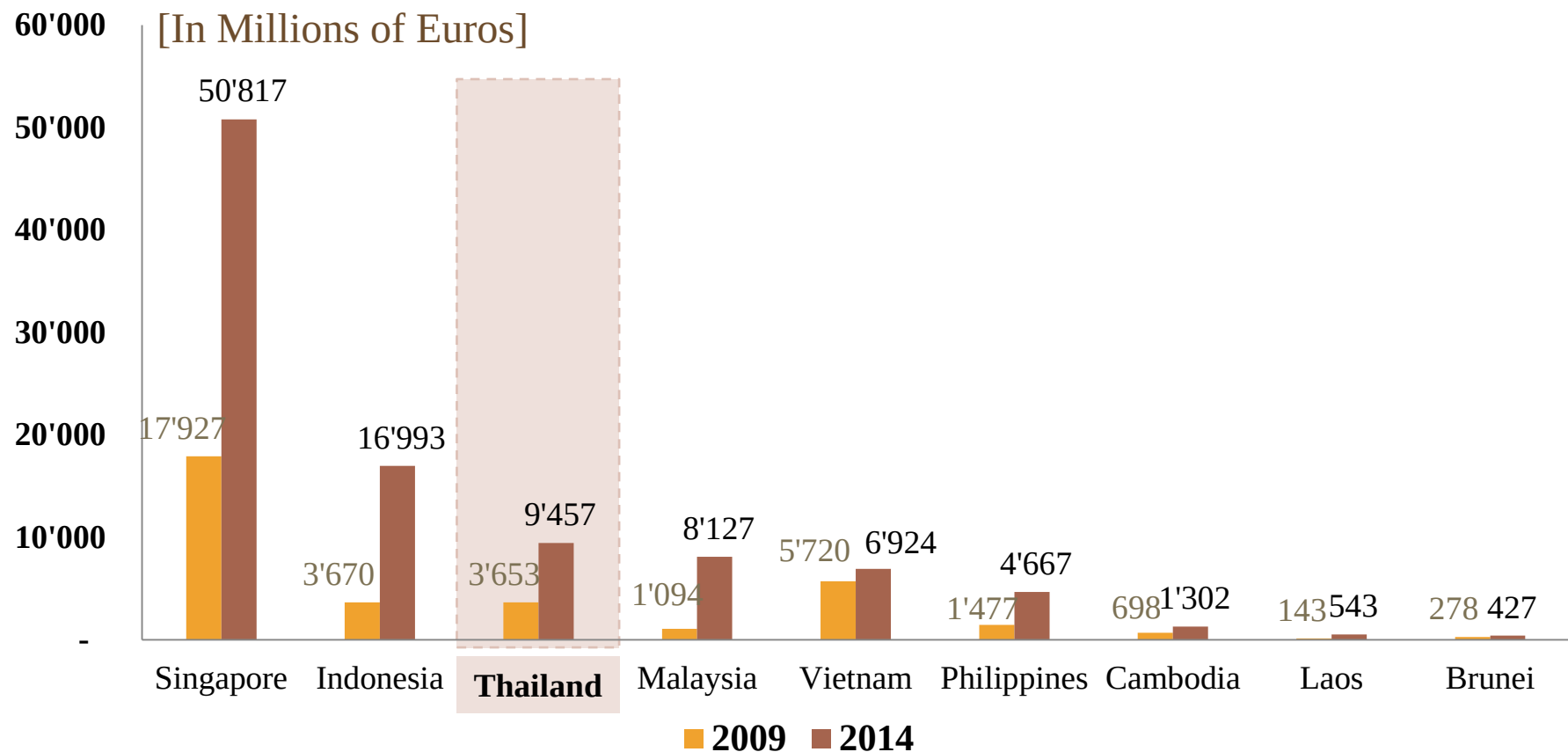
**24th Biggest Economy
by purchasing power**

**27th
Biggest Exporter**

**33rd
Biggest Economy**

**35th
Largest Services Output**

FDI Inflows, by Region and Economy, 2009-2014



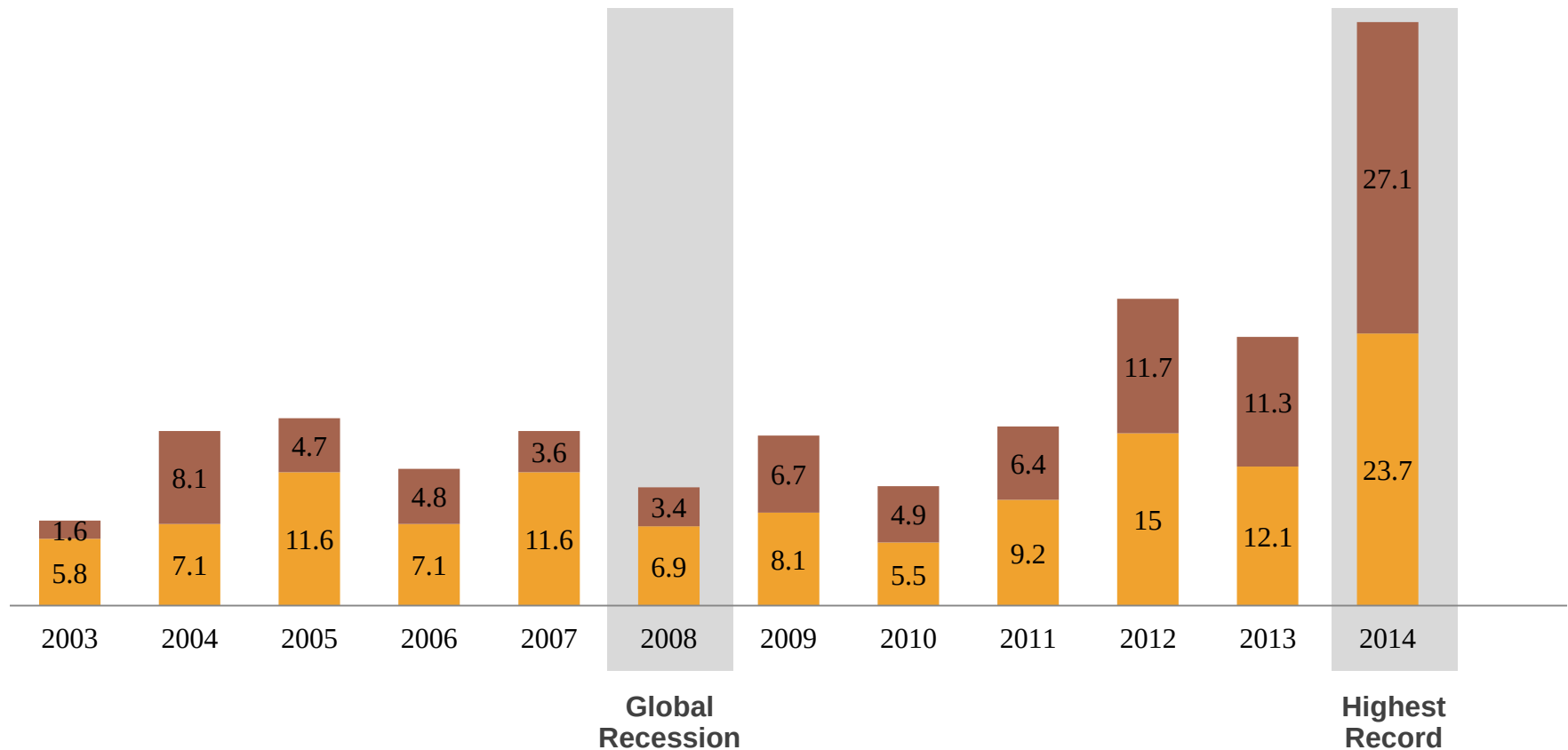
Region/ country	FDI Inflows					
	2009	2010	2011	2012	2013	2014
South-East Asia	34,720	79,135	70,393	81,381	94,891	99,994
Thailand	3,653	6,884	899	6,900	10,548	9,457

Value of Applications Submitted 2003-2014

(Comparison of Total investment and FDI)

[In Billions Euros]

■ FDI ■ Total net application



Rankings of Thailand around the world

**UNCTAD ranks Thailand
8th as a top prospective host
economy 2013-2015**



Country	Rank
China	1
USA	2
Indonesia	3
India	4
Brazil	5
Germany	6
United Kingdom	7
Thailand	8
Vietnam	9
Russian Federation	10

**World Economic Forum ranks
Thailand 32th out of 144
economies for global
competitiveness index 2015-2016**



Country	Rank
Switzerland	1
Singapore	2
US	3
Germany	4
Netherlands	5
Japan	6
...	...
Thailand	32
Spain	33
Kuwait	34

Contents

1 Thailand at a Glance

2 Investment Incentives

3 Opportunities in Solar power

4 BOI Services

BOI's Liberal Investment Regime & Attractive Investment Incentives

Policy

100% foreign ownership

No local content requirements

No export requirements

No restriction on foreign currency

Tax Incentives

Import duty exemptions/reductions

Corporate income tax exemption for up to 8 years

50% reduction of corporate income tax for up to 5 years

Double deduction on utility costs

Deductions for qualifying infrastructure costs

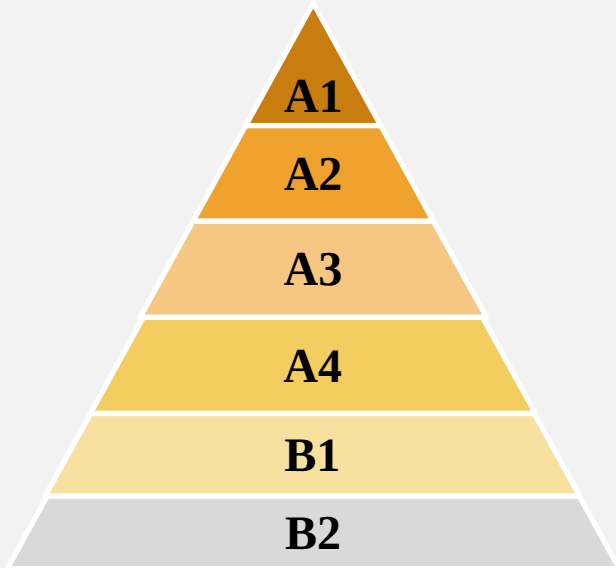
Facilitation

Land ownership rights

Work permit & visa facilitation

How Investment Incentives Are Granted

Activity-based Incentives



- **Exemption of import duties on machinery**
- **Up to 8 years of corporate income tax exemption**



Merit-based Incentives

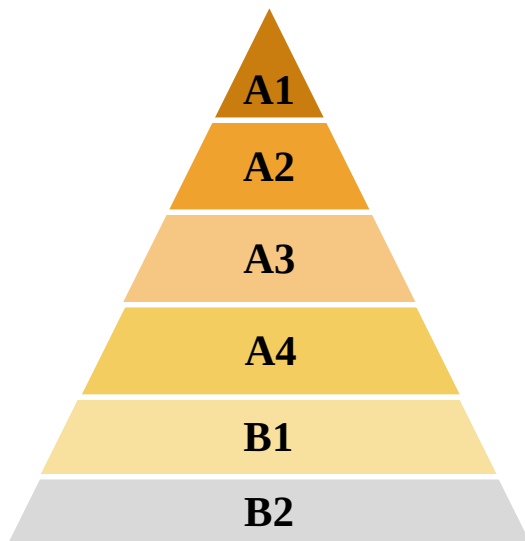
1. Competitiveness Enhancement

2. Decentralization

3. Industrial Area Development

Grant additional incentives to encourage more investment/expenditures that benefit the country or overall industry

Activity-based Incentives



A1: Knowledge-based activities, focusing on **R&D and design** to enhance the country's competitiveness

(**8-year CIT** exemption **without cap**, exemption of import duty on machinery/raw materials and non-tax incentives)

A2: Activities in **infrastructure** for the country's development, activities using **advanced technology** to create value-added investments, with none or very few existing investments in Thailand

(**8-year CIT** exemption, exemption of import duty on machinery/raw materials and non-tax incentives)

A3: **High technology** activities which are important to the country's development, with a few investments already existing in Thailand

(**5-year CIT** exemption, exemption of import duty on machinery/ raw materials and non-tax incentives)

A4: Activities with **lower technology than A1-A3** but add value to domestic resources and strengthen supply chain

(**3-year CIT** exemption, exemption of import duty on machinery/raw materials and non-tax incentives)

B1/B2: Supporting industries that **do not use high technology** but are still important to the value chain

(**B1** : Exemption of import duty on machinery/raw materials and non-tax incentives
B2 : Exemption of import duty on raw materials and non-tax incentives)

Merit-based Incentives (1/2)

‘Merit on Competitiveness Enhancement’

Additional CIT exemption will be granted in case of investment/ expenditure in

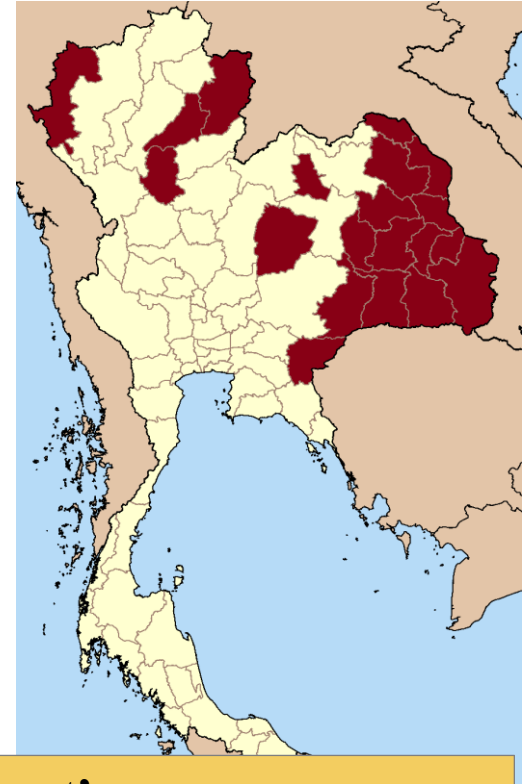
- 1** R&D: in-house, outsourced in Thailand or joint R&D with overseas institutions
- 2** Donations to Technology and Human Resources Development Fund, and giving support to educational institutes, specialized training centers, R&D institutes or governmental agencies in S&T field
- 3** IP acquisition/licensing fees for commercializing technology developed in Thailand
- 4** Advanced technology training
- 5** Development of local suppliers with at least 51% Thai shareholding (advanced technology training or/and technical assistance)
- 6** Product & packaging Design: in-house or outsourced in Thailand, as approved by the Board

Merit-based Incentives (2/2)

‘Merit on Decentralization’

The 20 Poorest Provinces

- | | |
|------------------|---------------------|
| 1. Kalasin | 11. Yasothon |
| 2. Chaiyaphum | 12. Roi Et |
| 3. Nakhon Phanom | 13. Si Sa Ket |
| 4. Nan | 14. Sakhon Nakhon |
| 5. Bueng Kan | 15. Sa Kaew |
| 6. Buri Ram | 16. Sukhothai |
| 7. Phrae | 17. Surin |
| 8. Maha Sarakham | 18. Nong Bua Lamphu |
| 9. Mukdahan | 19. Ubon Ratchatani |
| 10. Mae Hong Son | 20. Amnatcharoen |



‘Merit on Industrial Area Development’

- Projects located in industrial estates or promoted industrial zones are granted **1 additional year of corporate income tax exemption.**
- There are over 60 industrial estates/parks in Thailand.

Contents

1 Thailand at a Glance

2 Investment Incentives

3 Opportunities in Solar Power

4 BOI Services

Alternative Energy Development Plan (AEDP) 2012-2021

AEDP 2012-2021, targeting to replace 25% of total fossil-fuel consumption with RE at the end of 2021.

Renewable Energy (13,924 MW)

Solar power	3,000 MW
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Wind power	1,800 MW
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Hydro power	324 MW
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MSW	400 MW
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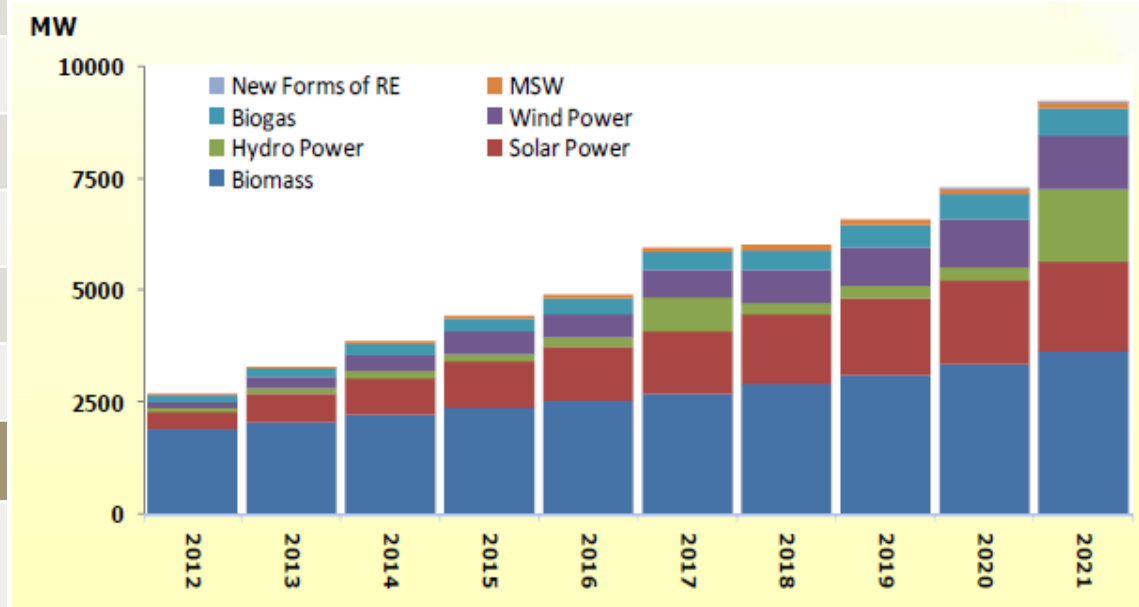
Biomass	4,800 MW
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Biogas	3,600 MW
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New forms of RE (3 MW)

Geothermal energy	1 MW
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Wave and Tides	2 MW
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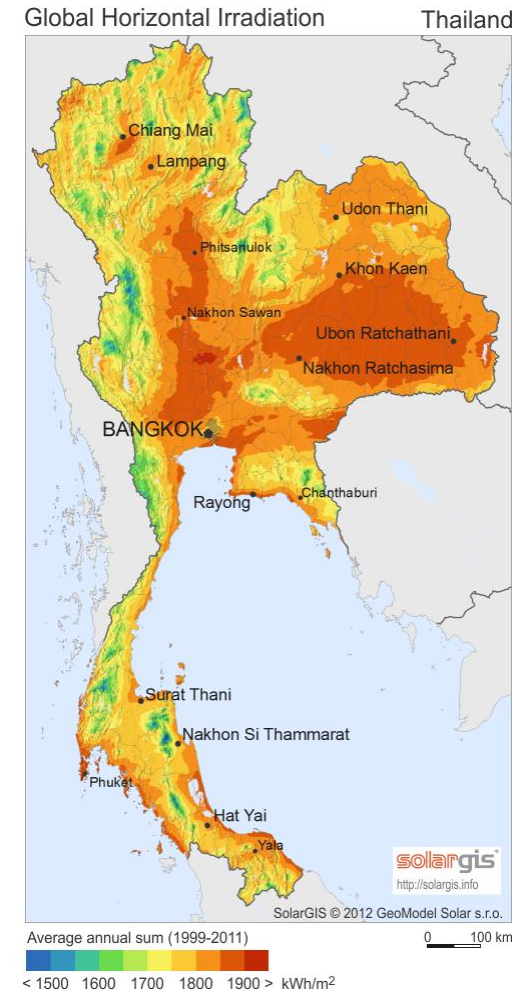
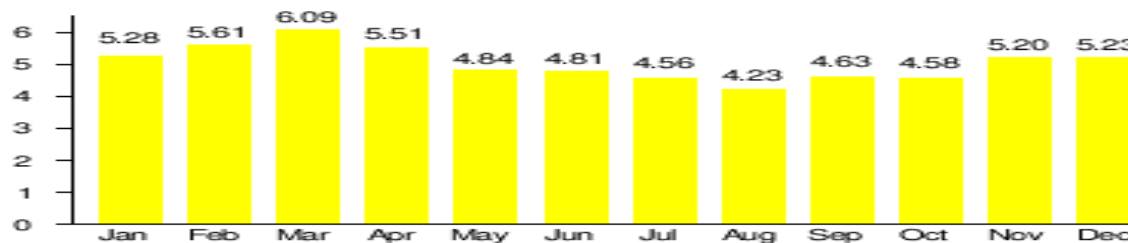
Solar Power in Thailand

FACT

- Targeted to reach 6,000 MW by 2036.
- In 2013 installed PV capacity nearly doubled and reached 704 MW by the end of the year.
- In 2015, total capacity of 2,500 – 2,800 MW.
- More solar power capacity than all the rest of SEA.

Potentiality

- Great potential in most part of the country.
- Lags behind the US, but is ahead of Japan.
- Daily insolation in Bkk with an average of 5.04 hours of sun per day.



Contents

1 Thailand at a Glance

2 Investment Incentives

3 Sector of Opportunities

4 BOI Services

BOI Support Services

BOI Support Services



Investment Matchmaking Program

**1-Stop for visas & work permits:
work permits in 3 hours**

**Subcontracting Development
Program by BUILD Unit**

**ASEAN Supporting Industry
Database**

**Interaction with other govt. agencies
on behalf of investors**

Country desks

Overseas offices



18th Floor, Chamchuri Square Building

319 Phayathai Road, Pathumwan

Domestic Call: 0 2209 1100, Inter. Call: (66 2) 209 1100

Email: osos@boi.go.th

One Start One Stop Investment Center (OSOS)

1

**Easing & speeding
procedures for new investors**

2

**Assist investors with
various applications;**

3

**Visa & Work permit renewal
across the hall**

38 Government agencies under One-roof

- Register a company
- Obtain investment promotion privileges
- Obtain a foreign business license
- Complete an EIA report
- Permission to use land for industrial operations
- Utilities, etc.

