

# 2023 Taiwan-ASEAN India Strategic Investment Partnership Forum

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# Several factors contribute to Thailand becoming a promising investment destination

## Economic Growth

- GDP estimated around 4.53 trillion BHT (130 billion USD)
- GDP Growth Forecasted (2022) 2.6% to 2.7-3.7% (2023)
- Second largest economy in Southeast Asia

## Promising Market

- Home to 66.09 million in population
- Increase in private consumption growth from 0.6% (2021) to 6.3% (2022)

## Sophisticated Industrial base

- 66 Industrial Estates in 16 provinces
- Over 60% located in Eastern Economic Corridor (EEC)

## Market Access

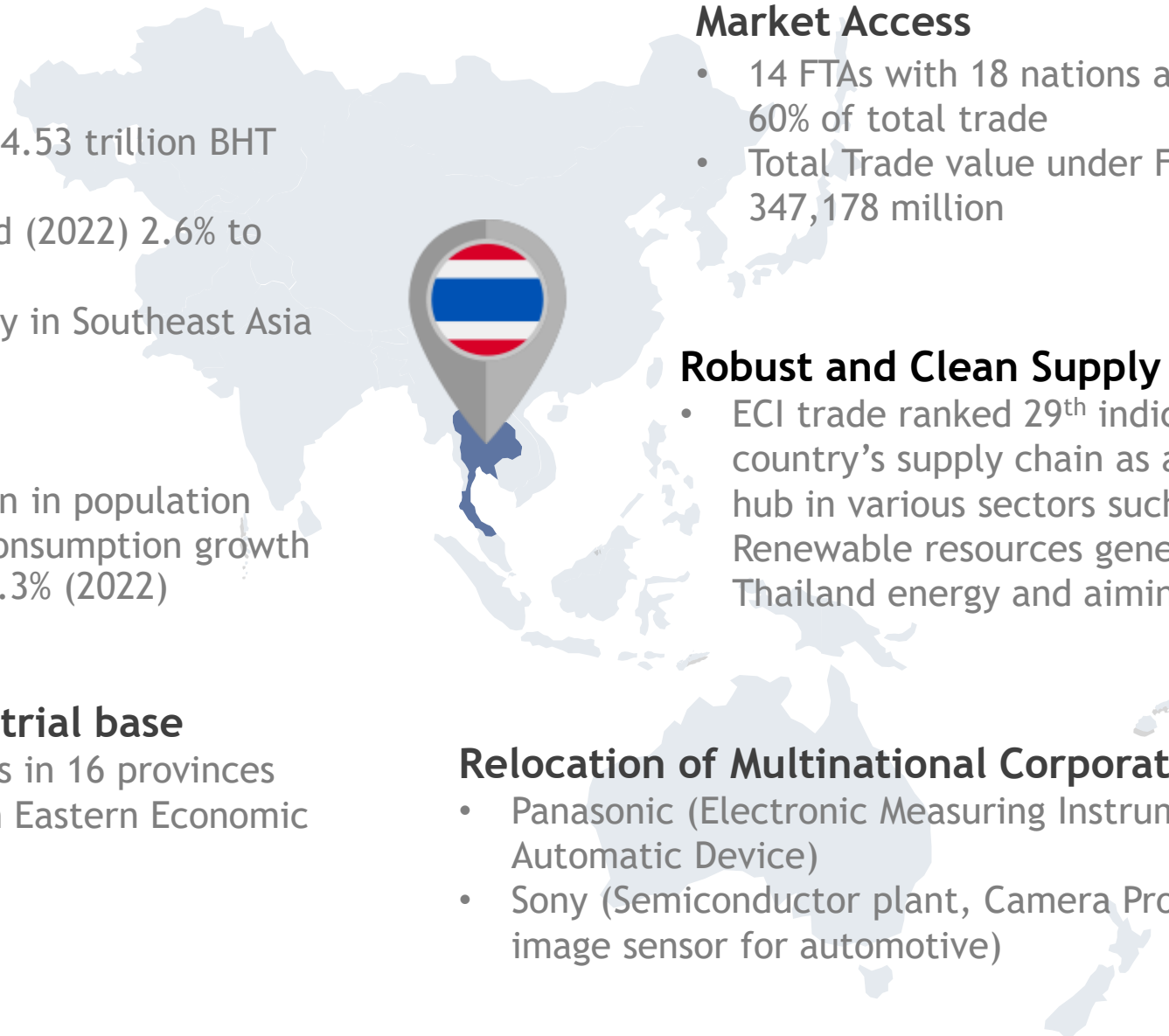
- 14 FTAs with 18 nations accounting for 60% of total trade
- Total Trade value under FTAs around USD 347,178 million

## Robust and Clean Supply Chain

- ECI trade ranked 29<sup>th</sup> indicating the robust of the country's supply chain as a regional manufacturing hub in various sectors such as automotive and E&E
- Renewable resources generate around 15% of Thailand energy and aiming to achieve 30% by 2037

## Relocation of Multinational Corporations

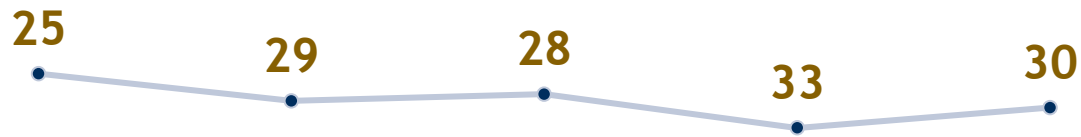
- Panasonic (Electronic Measuring Instrument and Automatic Device)
- Sony (Semiconductor plant, Camera Production, image sensor for automotive)



# Thailand's Improvement on Global Ranking

## IMD World Competitiveness Ranking

2019 2020 2021 2022 2023



—●— Thailand Ranking

|                       | Thailand |         | Asia Pacific | Thailand Ranking* |
|-----------------------|----------|---------|--------------|-------------------|
|                       | 2022     | 2023    | 2023         | 2023              |
| <b>IMD Score</b>      |          |         |              |                   |
| Economic Performance  | 55.05    | 62.25 ▲ | 59.90        | 16 <sup>th</sup>  |
| Government Efficiency | 56.26    | 60.78 ▲ | 60.25        | 24 <sup>th</sup>  |
| Business Efficiency   | 59.88    | 70.88 ▲ | 61.32        | 23 <sup>rd</sup>  |

## THE WORLD BANK Logistics Performance Index (LPI)

## Logistics Performance Index (LPI)

2012 2014 2016 2018 2023



—●— Thailand Ranking

| LPI Score               | Thailand |       | East Asia and Pacific | Thailand Ranking* |
|-------------------------|----------|-------|-----------------------|-------------------|
|                         | 2018     | 2023  | 2023                  | 2023              |
| Customs                 | 3.14     | 3.3 ▲ | 2.61                  | 31 <sup>st</sup>  |
| Infrastructure          | 3.14     | 3.7 ▲ | 2.51                  | 25 <sup>th</sup>  |
| International Shipments | 3.46     | 3.5 ▲ | 2.47                  | 22 <sup>nd</sup>  |
| Logistics Competence    | 3.41     | 3.5 ▲ | 2.66                  | 38 <sup>th</sup>  |

# With Thailand's strengths, investors' reshoring will be the "right" shoring choice

Geoeconomic Fragmentation is now impacting every part of the world. War, pandemics, and trade tension lead to uncertainties in the global economy. Therefore, Thailand's competitive advantages such as strategic location, good relationships with all nations, excellent infrastructure, and robustness in the supply chain allow the country to become one of the most attractive locations for offshore services in the world.



Source: expatnetwork, Kearney, Insead, internationals.org

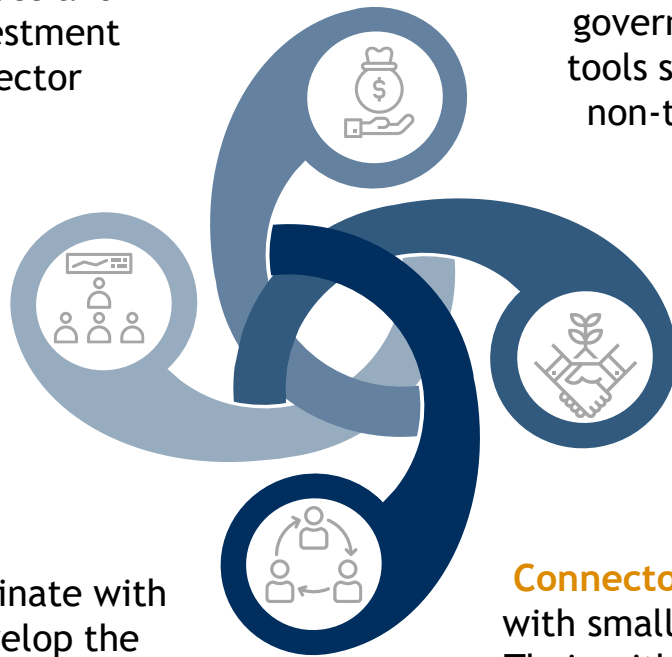
# Introduction to Thailand Board of Investment



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

**Promotor** drives and promotes investment in private sector

**Integrator** integrates government support tools such as tax and non-tax incentives



**Facilitator** coordinate with agencies to develop the ecosystem and facilitate ease of investment

**Connector** links large-scale with small-scale enterprises, Thais with foreigners, across industries and locations

## Tax Incentives

Exemption / Reduction of

- Corporate Income Tax up to 13 years
- Import Duties on Machinery-Raw Materials-Raw Materials Used in Production for Export-R&D Materials

## Non-tax Incentives

Permit to

- Foreign National to Enter Kingdom to Study Investment Opportunities / Bring in Skilled Workers and Experts / Own Land / Remit Money-Abroad in Foreign Currency / Visa Facilitation

No

- Local Content Requirement / Export Requirements / Restriction on Foreign Currency

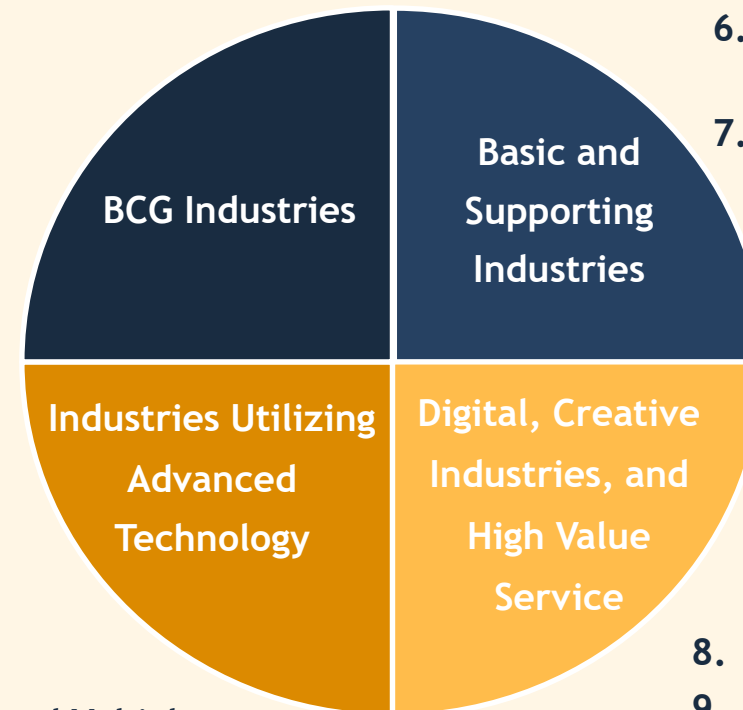
# Investment Promotion Measures for Targeted Industries

## 7 Categories of Promoted Industries (Active since 1993)

1. Agriculture and Agricultural Products
2. Minerals, Ceramics, and Basic Metals
3. Light Industries
4. Metal Products, Machinery, and Transportation Equipment
5. Electrical Appliances and Electronics
6. Chemicals, Plastics, and Paper
7. Services and Public Utilities


## 10 New Categories of Promoted Industries

1. Agriculture, Food, and Biotechnology
2. Medical
5. Metals and Materials
6. Chemicals and Petrochemicals
7. Public Utilities



3. Machinery and Vehicles
4. Electrical and Electronics
8. Digital
9. Creative Industries
10. High-Value Services

# Investment Promotion Measures for Targeted Industries

|   |            |  | Exemption<br>CIT                        | Exemption<br>Import duties on<br>machinery | Exemption of import<br>duties on raw<br>materials used in R&D | Exemption of Import duties<br>on raw materials used in<br>production for export | Non-tax<br>incentives |
|---|------------|--|---|--|---|---|-----------------------|
| <b>13</b><br>years<br><br><br><b>CIT exemption</b><br><br><b>0</b><br>year | <b>A1+</b> | Upstream high Technology and Innovation Development includes targeted core technology development  | <b>13</b> + Competitiveness* ✓<br>years | ✓  | ✓   | ✓   | ✓                     |
|   | <b>A1</b>  | Knowledge-based activities focusing on R&D and design to enhance the country's competitiveness   | <b>8</b> + Competitiveness* ✓<br>years  | ✓  | ✓   | ✓   | ✓                     |
|   | <b>A2</b>  | Infrastructure activities for the country's development, activities using technology to create value-added, with no or very existing investments in Thailand | <b>8</b> + Competitiveness* ✓<br>years  | ✓  | ✓   | ✓   | ✓                     |
|   | <b>A3</b>  | High technology activities which are important to the development of the country, with a few investments already existing in Thailand                        | <b>5</b> + Competitiveness* ✓<br>years  | ✓  | ✓   | ✓   | ✓                     |
|   | <b>A4</b>  | Activities with lower technology than A1-A3 but which add value to domestic resources and strengthen the supply chain  | <b>3</b> + Competitiveness* ✓<br>years  | ✓  | ✓   | ✓   | ✓                     |
|   | <b>B</b>   | Supporting industry that does not use high technology, but is still important to the value chain   | <b>—</b> + Competitiveness* ✓           | ✓  | ✓   | ✓   | ✓                     |

Incentives are based on several key factors including level of technology, role in supply chain, and location.

# Retention & Expansion Program and Relocation Program

## Retention & Expansion Program

Objective: To incentivize the existing companies to continue their manufacturing bases and investment in Thailand

### Incentives for Expansion Projects

*(In Addition to the Standard Benefits)*

**Group A1+**  
*(basic incentives of CIT exemption for 10-13 years)*

**+ additional CIT exemption for 3 years** (not more than 13 years in total)

**A1, A2**  
*(basic incentives of CIT exemption for 8 years)*

**+ 50% CIT reduction for 5 years**

**B, A3, A4**  
*(basic incentives of CIT exemption for 0-5 years)*

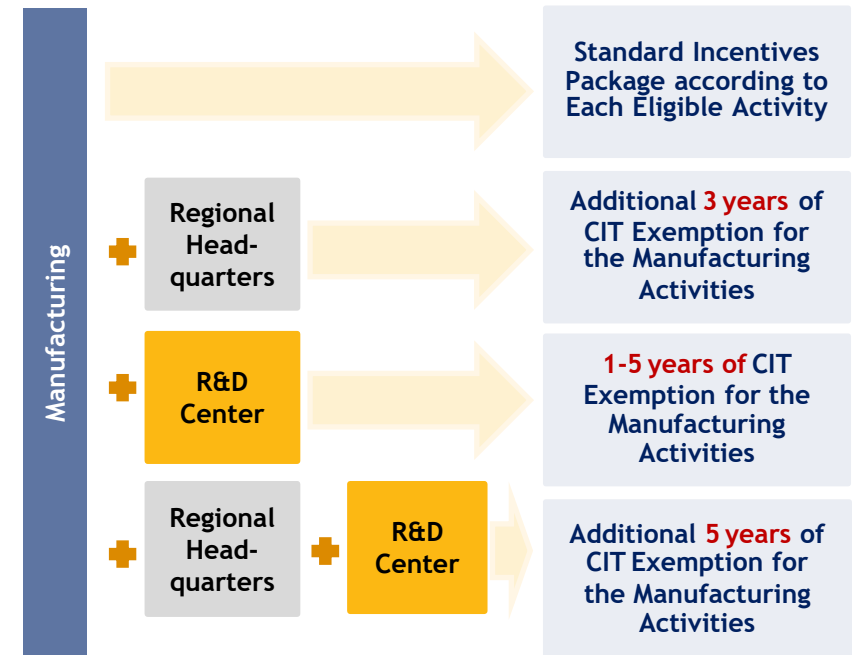
**+ additional CIT exemption for 3 years**



**Applications must be submitted by 2023**

## Relocation Program

Objective: To stimulate comprehensive relocations of business operations including manufacturing facilities, regional headquarters and R&D centers to Thailand.







# Thailand's E&E and Semiconductor Landscape



## Key Highlights

**3.55%**

Contribution to the **global exports** in 2022

**1<sup>st</sup>**

**Top exporter of electronic printed circuits among ASEAN members, valued at USD 2.18 Billion**

**12<sup>th</sup>**

**Largest global exporter of electronic IC, valued at USD 19.15 Billion in 2022**

**3%-4%**

The value of IC exports will **strengthen annually** over 2023-2025

## In the First half of 2023

### Top 5 Export Destination of Semiconductor in Thailand

**1<sup>st</sup>**

Hong Kong

**2<sup>nd</sup>**

Singapore

**3<sup>rd</sup>**

Japan

**4<sup>th</sup>**

USA

**5<sup>th</sup>**

Taiwan

### BOI Applications in E&E sector

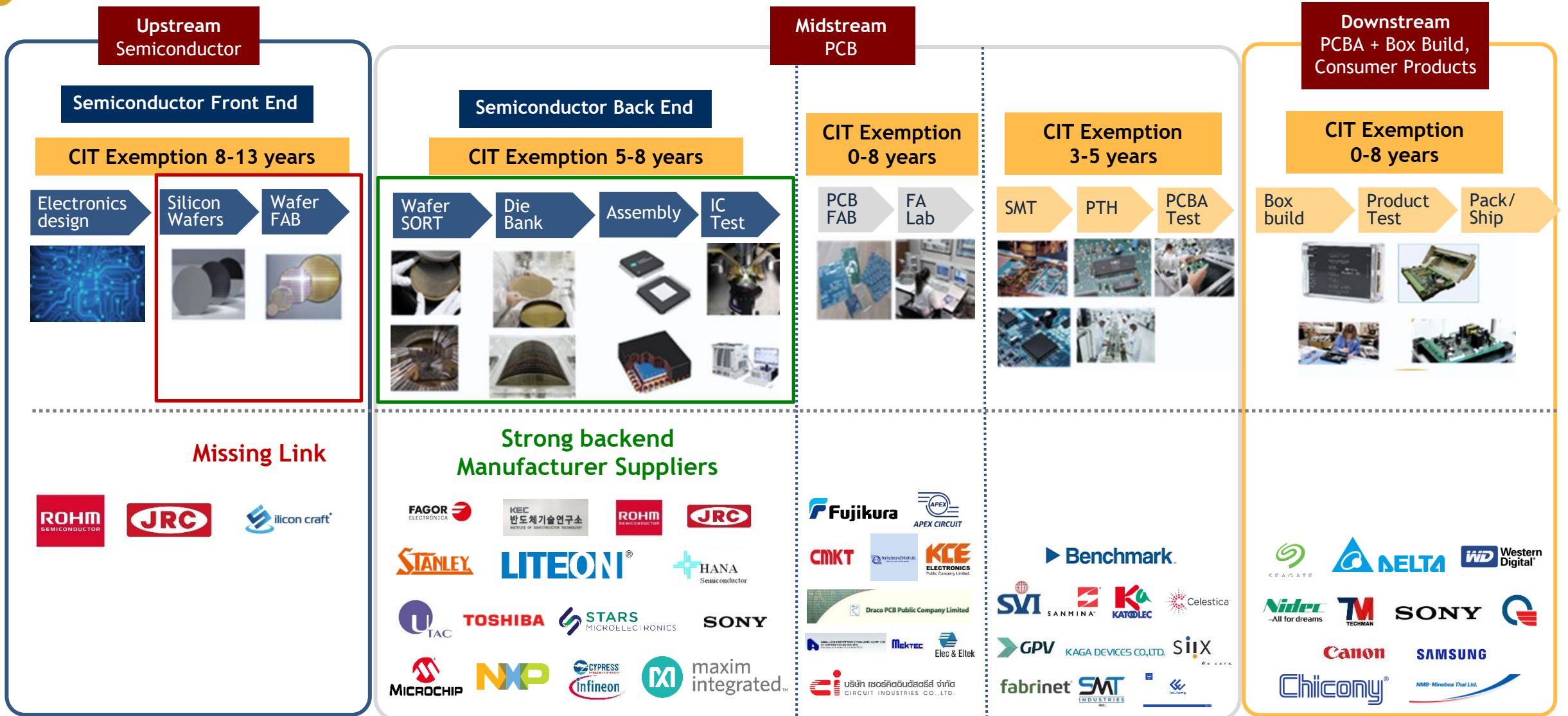


Investment Application  
**106 Projects**



Investment Value  
**USD 4.66 Billion**

# Comprehensive Electronics supply chain in Thailand



Supporting Industries



Mold

Metal part and component

Plastic part and component



# Thailand as manufacturing base for major semiconductor companies

**Western Digital**

Founded: 2007  
 Locations : 2 Locations

- Ayutthaya
- Prachinburi

Product : HDD and HGA manufacturing

**CCET**  
 NEW KINPO GROUP

Founded: 1989  
 Locations : 2 Locations

- Samutsakhon
- Phetchaburi

Product : Electronic, Automation, and IT

**STARS**  
 MICROELECTRONICS

Founded 1995 ; Location : Ayutthaya

**STANLEY**

Founded 1987 ; Location : Pathum Thani

**HANA**  
 Semiconductor

Founded 1978 ; Location : Ayutthaya, Lamphun

**ADI**  
 ANALOG DEVICES

Founded 2000 ; Location : Chonburi

**TOSHIBA**

Founded 1990 ; Location : Prachinburi

**NXP**

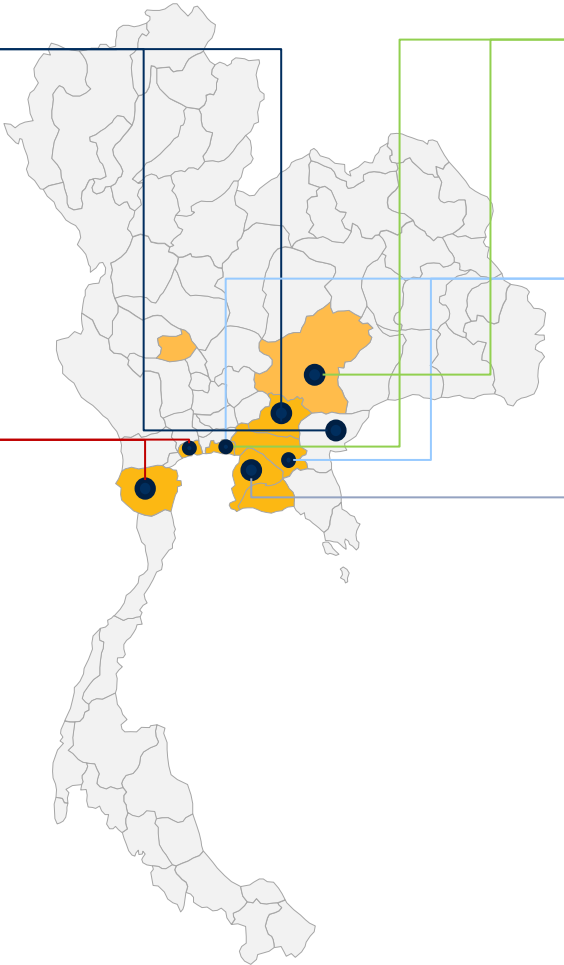
Founded 1974 ; Location : Bangkok

**SONY**

Founded 2003 ; Location : Pathum Thani

**MICROCHIP**

Founded 1995 ; Location : Chachoengsao



**SEAGATE**

Founded: 1983  
 Locations : 2 Locations

- Korat
- Samutprakarn

Product : HDD and HGA manufacturing

**DELTA**

Founded: 1988  
 Locations : 2 Locations

- Samutprakarn
- Chachoengsao

Product : Electronics, Automation, and IT

**FOXCONN**

Founded: TBC  
 Locations : Chonburi

Product : EV Manufacturing (JV with PTT)

**U-TAC**

Founded 1973 ; Location : Bangkok, Chachoengsao

**N**

Founded 1989 ; Location : Lamphun

**Infineon**

Founded 1984 ; Location : Nonthaburi

**ROHM**  
 SEMICONDUCTOR

Founded 2003 ; Location : Pathum Thani

Source: McKinsey & Company

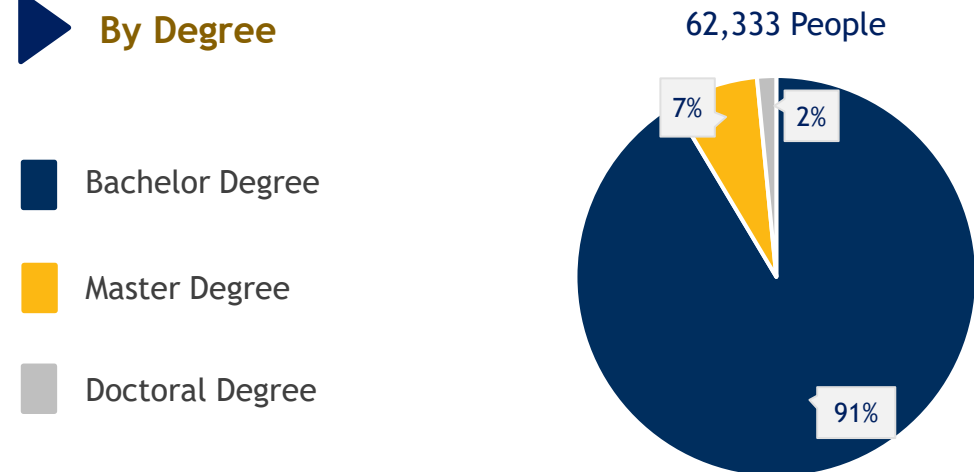
# Thailand's education system supplies a high-skilled workforce to Electronics industry

There was total 62,333 graduates from science, technology, and engineering field in 2021

## By Faculty



## By Degree



Top graduates operating in **Product development** of Semiconductor by field of study in 2021



Top graduates operating in **Process improvement** of Semiconductor by field of study in 2021



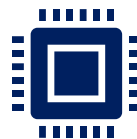
Noted : \* The number included Bachelor degree, Master Degree, and Doctoral degree  
 Source : Office of National Higher Education Science Research and Innovation Policy Council

# Recruitment system from STEM talent pool allows company to access human resources of Thailand

## Accessible Experienced STEM Workforce



Thai Microelectronics Center: TMEC  
Under Thailand's National Science and  
Technology Development Agency (NSTDA)



A specialty foundry for customized  
MEMs and various other sensors  
using semiconductor technologies



Operated by 70 skilled and experienced  
workforce in the semiconductor industry who  
are flexible to work with the private sector

## Early recruitment service for STEM Workforce

Salary of new graduate in STEM education (undergraduate degree) starts at \$430



Company:  
Submit request for  
STEM workforce



STEM Plus  
Platform



STEM Talent Pool :  
Coordinate with key agencies  
over 66 universities and post  
the job notification



STEM OSS:  
Identify and supply  
list of potential  
STEM candidates



Company:  
Start recruitment process  
including interview

# One Start One Stop Investment Center (OSOS)

BOI have a One Start, One Stop Investment Center which help to speed the process for investors for submitting application, contacting with related agencies, Smart Visa and work permits within 3 hours. The OSOS is located in the center of Bangkok Central Business District.

*More Convenience, Less Time  
More Efficiency!*



Consolidating staff from numerous investment-related agencies



Easing & speeding procedures for new investors



Provides comprehensive information and advice on establishing operation in Thailand



Provides useful contacts with key public and private organizations



1-Stop for visas & work permits In 3 hours



Assist investors with various applications

## Contact us



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# LTR Visa for Long-Term Residents and Its Privileges

LTR visas will be offered to four categories of individuals: **Wealthy Global Citizens, Wealthy Pensioners, Work-from-Thailand Professionals, and Highly-Skilled Professionals.** Spouses and dependents of LTR visa holders will also qualify for the same visas.



# LTR Visa Status as of July 11, 2023

**4,341**  
Applications



**274**  
(6.3%)  
Wealthy Global  
Citizens



**1,318**  
(30.4%)  
Wealthy  
Pensioners



**1,130**  
(26.0%)  
Work-from-  
Thailand  
Professionals



**657**  
(15.1%)  
Highly Skilled  
Professionals



**962**  
(22.2%)  
Dependents

## Top 3 applicants applying for Thailand LTR Visa

**1<sup>st</sup>**



Europe  
1,353

**2<sup>nd</sup>**



American  
719

**3<sup>rd</sup>**



Chinese  
469





# BOI e-Services

IN-PERSON CLINIC AND ONLINE CLINIC



[view more](#)



E-SUBMISSION



[view more](#)



SINGLE WINDOW  
Visa and Work Permit System  
(E-EXPERT SYSTEM OLD VERSION)



[view more](#)



SMART VISA



[view more](#)



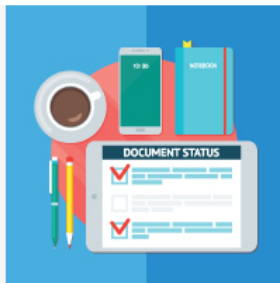
E-INVESTMENT PROMOTION  
(BOI APPLICATION)



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BOI DOCUMENT TRACKING  
SYSTEM (DOC TRACKING)



[view more](#)



E-LAND



[view more](#)



ELECTRONIC MACHINE  
TRACKING  
(EMT)



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RMTS ONLINE



[view more](#)



E-EXTEND (SECTION 36)



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PROMOTION CERTIFICATE  
SYSTEM



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E-TAX



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THAILAND  
BOARD OF  
INVESTMENT

# For More Information



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