



Thailand: New production hubs - opportunities for German suppliers

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Agenda

01

Why Thailand?

02

BOI's Incentives & Support Measures

03

Our Supporting Services



Thailand's Competitive Strength in Attracting Investment



Strategic Location



Excellent infrastructure especially in the EEC area



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

Thailand's Strategic Location As Gateway to Asia

Proximity distance to China and India

5th Largest Economy Globally

2nd Largest Economy Globally

Thailand has 13 Free Trade Agreements (FTAs) entry into force (18 countries)

Regional Comprehensive Economic Partnership (RCEP) 15 countries



Thailand : ASEAN's 2nd Largest Economy

20% Corporate Income Tax

Low-Cost of Living

Low-Cost Office Space

Well-Equipped Industrial Estates

Well-developed Infrastructure

The Thai Market

- Population: 66 Million
- Middle Class Consumers: 52 Million²

CLMVT

- 300 Million Consumers
- Within 1,000 KM

ASEAN Economic Community

- 670 Million Consumers
- 5th Largest Economy Globally (USD 3.2 Trillion)
- ASEAN FTA / ASEAN Connectivity

Greater Asia Region

- 4.6 Billion Consumers
- Within 5,000 KM

Market Access: Regional Comprehensive Economic Partnership (RCEP)

RCEP Market snapshot

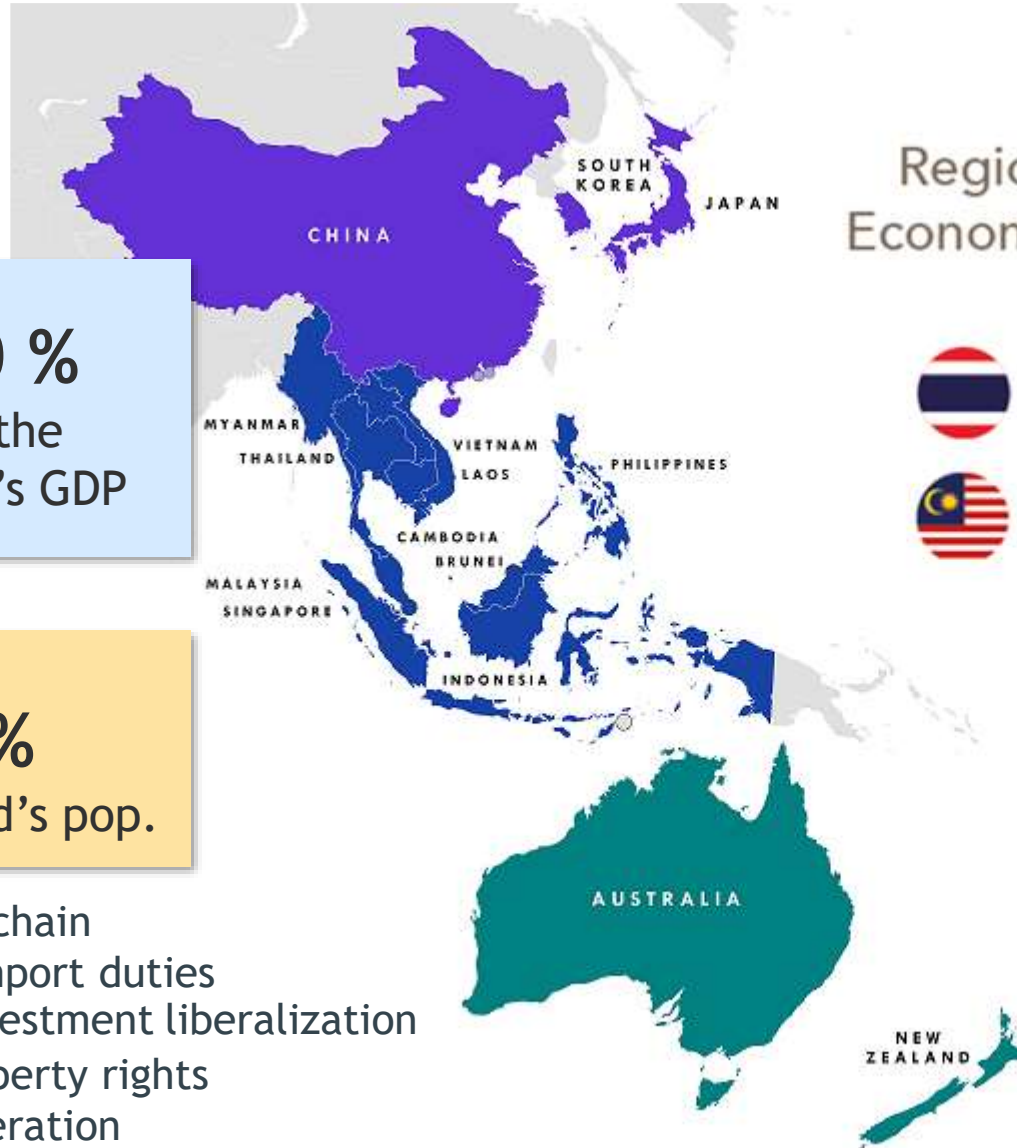
GDP

\$26.2
Trillion US
(35,104 Trillion KRW) **30 %**
of the world's GDP

Population

2.2
Billion people **30 %**
of the world's pop.

- Strengthening regional value chain
- Elimination or reduction of import duties
- Promotion and facilitation investment liberalization
- Protection of intellectual property rights
- Economic and technical cooperation



Regional Comprehensive Economic Partnership (RCEP)

ASEAN



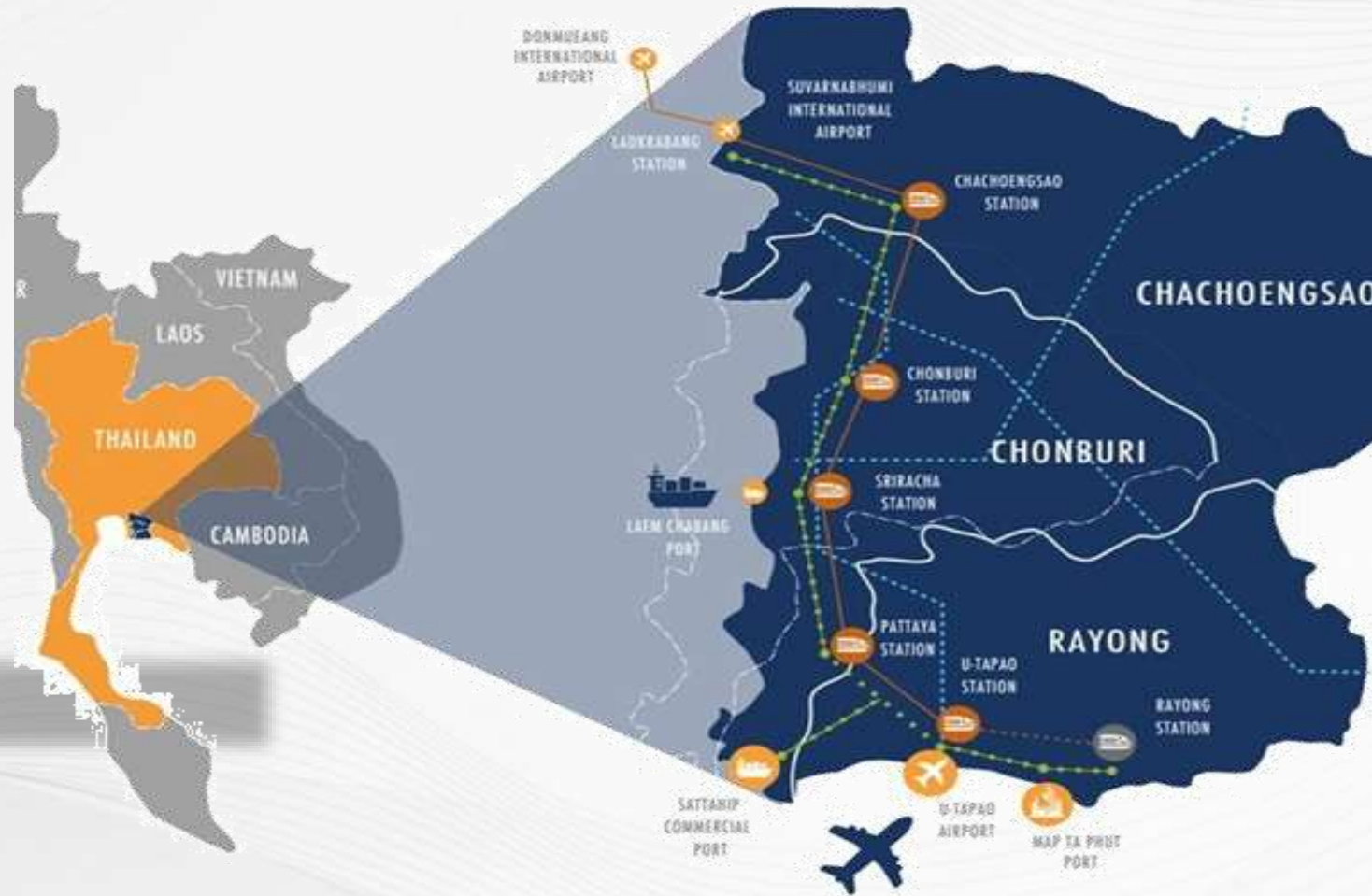
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Source: South China Morning Post, Nikkei Asian Review
Note: Exchange Rate as of 28 April 2023. 1 USD = 1,339.87 KRW

Eastern Economic Corridor(EEC): Logistics Hub in ASEAN

USD 49.9 billion investment across 3 Eastern Provinces - Chachoengsao, Chonburi and Rayong



EEC's Key Infrastructure Projects

LAEM CHABANG DEEP SEAPORT PHASE 3

Start Operation: **2026**

- Capacity : Increase container throughput to 18 million TEU/year
- Increase the capacity of roll-on / roll-off to 3 million cars/year
- Increase the ratio of goods shipment via trains to 30%
- Automatic Container Management System



U-TAPAO INTERNATIONAL AIRPORT

Start Operation: **2027**

- Capacity: 60 million passengers / year
- Facilities: Passenger Terminal/ Ground Transportation Center/ Cargo Terminal/ MRO/ Free Trade Zone/ Training Center for Aeronautical Personnel



HIGH-SPEED RAIL

Start Operation: **2027**

- Connectivity : 5 Provinces, 3 Airports with 9 stations
- Distance : 220 km
- Train Maximum Speed : 250 km/hour
- Travel Time : Within 60 minutes



MAP TA PHUT INDUSTRIAL PORT PHASE 3

Start Operation: **2027**

- Overall Port's Capacity: 31 million tons / year (After Development)
- Liquid Natural Gas port: 11 million tons / year
- Future Projects
 - Liquid Material Port: 4 million tons / year
 - Warehouse, Power plant & Related Business















Targeted Industries

Existing Industries

New Industries

Priority Industries for the Next 5 Years

-  Automobile and Parts
-  Electronics/Electrical
-  Petrochemicals/Chemicals
-  Agriculture and Food
-  Tourism

-  Medical Industry
-  Biotechnology
-  Digital Industry
-  Aerospace
-  Automation / Robotics
-  Education
-  Defense Industry



BCG



EV



Smart
Electronics



Digital



Creative
Industry

+ Regional Headquarters, Infrastructure, Supporting Industries etc.

Core Tech

Bio Tech

Nano Tech

Material Tech

Digital Tech

Energy Tech

Thailand is a Destination for International Companies Second Home

Automotive



Petrochemical



Auto Parts



Food & Beverage



Smart Electronics



Bio-Base



Promoted Projects on Electric Vehicles



mazda



HONDA



GWM



Mercedes-Benz



MITSUBISHI
MOTORS



GAC MOTOR



TOYOTA



长安汽车
CHANGAN



ABSOLUTE ASSEMBLY CO.,LTD



Projects in process



CHERY



GEEELY

Sample of German Investment in Thailand



Mercedes-Benz



BOSCH



DRÄXLMAIER



brose
Excellence in Mechatronics

Continental

Leistritz

MAHLE

FRESENIUS



LANXESS
Energizing Chemistry



EVONIK
Leading Beyond Chemistry

BASF
We create chemistry

SCHAEFFLER



klöckner pentaplast

SIEMENS



infineon **KNAUF**



ZIEHL-ABEGG **KRONES**

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Our Supporting Services

Introduction to the BOI



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

Provides comprehensive
information and advice on
establishing operations
in Thailand

Coordinates between
the foreign business
community and other
public agencies

Grants Investment
Incentives

Provides Business
Support Services
for Investors

BOI Offers Investors Highly Competitive Investment Tax Incentives and Non-tax Incentives



Tax Incentives

- Exemptions / Reductions of Corporate Income Tax
- Exemptions / Reductions of Import Duties on Machinery
- Reduction of Import Duties on Raw Materials
- Exemption of Import Duties on R&D Materials
- Double Deduction on Cost of Transportation, Electricity and Water
- 25% Deduction on Installation or Construction of Facilities
- Exemption of Import Duty on Raw Materials Used in Production for Export



Non-Tax Incentives

- Allow 100% foreign ownership
- Permission to Own Land
- Visa & work Permit Facilitation
- Permit to bring in Skilled Workers and Experts to Work in Investment Promoted Activities
- No Export Requirements
- No Local Content Requirement
- Permit for Foreign National to Enter Kingdom to Study Investment Opportunities
- Permit to Remit Money Abroad in Foreign Currency

Investment Promotion measures for ¹⁵Targeted Industries

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
- Retention and Expansion Measure
- Measure to Support the Establishment of Highly-skilled Professional Development Institutes

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

Sales and Customer Services Office



Trade and Investment Support Office : TISO



**Monitoring/Serviceing
Associated Enterprises**



**Engineering & Technical
Services** (except those
related to Architecture &
Civil Engineering)



WHOLESALE

**Wholesaling Products
Manufactured in Thailand**



**Advisory Services on
Business Operation**
(except those that buy/ sell
securities/ FX exchange etc.)



**Businesses Related to
Machinery, Engines,
Tools & Equipment**
(e.g., importing for
wholesaling, training
services, installation,
maintenance and repair,
calibration)



**International Business
Process Outsourcing**
whose services are
provided through
telecommunication
networks
(e.g., administrative
services, finance &
accounting services,
human resources, etc.)



**Information Services on
Good Sourcing**

Regional Operation Headquarters



INTERNATIONAL BUSINESS CENTER : IBC

International Business Center : IBC (Headquarters Scheme)

- ❖ Providing services to its associated companies in overseas countries and/or in Thailand.
- ❖ Including International Trade
 - Products : Finished goods, raw materials and parts
 - Wholesale in Thailand and/or export
 - IN-IN, OUT-IN, IN-OUT, OUT-OUT, OUT-IN-OUT



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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



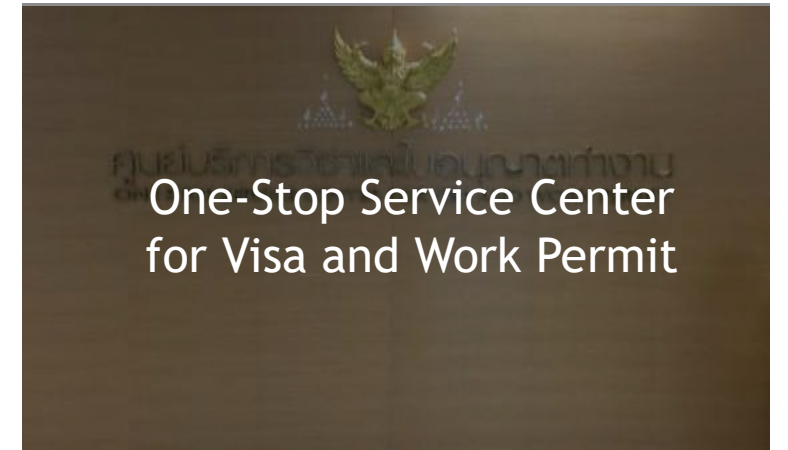
Coordination Services
before investors and
government agencies



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



Matching Services for
Businesses and Joint-
venture Partner



HQ Biz Portal

Thailand's HQ Biz Portal

HQ BIZ PORTAL

Enhancing Thailand's position as a
REGIONAL HEADQUARTERS DESTINATION

Why HQ in Thailand? HQ Journeys in Thailand HQ Incentives & Licenses FAQs

SUBMIT APPLICATIONS

ONE-STOP CONSULTATION

with

- Thailand Board of Investment (BOI)
- Revenue Department (RD)
- Department of Business Development (DBD)
- Bank of Thailand (BOT)

online & onsite

BOOK A SESSION

HQ BIZ PORTAL is set up in collaboration of Thailand's key government agencies.



Objectives

- To support the approval and submission processes
- To reduce process and time for obtaining license of regional office operation

Available Services

Information Center

Consultation Service

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)

LTR Visa Status as of June 7, 2023

3,985
Applications



253
(6.3%)

Wealthy Global
Citizens



1,247
(31.3%)

Wealthy
Pensioners



1,039
(26.1%)

Work-from-
Thailand
Professionals



596
(15.0%)

Highly Skilled
Professionals



850
(21.3%)

Dependents

Top 3 applicants applying for Thailand LTR Visa

1st



Europe
1,783

2nd



American
672

3rd



Chinese
433

BOI (BUILD): Industrial and Investment Linkage

BUILD Supports

- Online Database/Website BUILD Platform
- Free Sourcing Services
- Customized Business Matching of Part Sourcing, Joint Venture, Technical Assistance, Partner
- Local Events Support
 - Vendor Meet Customer Sourcing Events
 - Sourcing Market Place Center
 - Networking Enhancement
 - Exclusive Seminar for Local Vendor Knowledge Enhancement & Competitiveness Development
- International Sourcing: Exhibit Thai Vendor Potential at International Exhibitions
- SUBCON THAILAND - biggest Subcontracting Exhibition in ASEAN





TEMPLES



THAI FOOD



BEAUTIFUL BEACHES



RICH CULTURES

Thank You

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