



BOI Thailand 2018

January, 2018

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EXECUTIVE SUMMARY

This guide has been prepared for the best interest of the present and potential BOI promoted companies in Thailand. Though, it doesn't cover exhaustively the subjects, it does intend to answer questions related to BOI 2018 planning and strategies, whereby helping businesses to invest wisely in Thailand.

INTRODUCTION

Under the present investment promotion, the Board of Investment in Thailand promotes around 40 business activities in 8 different sections. They are;

1. Mining, ceramics and basic metals
2. Metal products, machinery and transport equipment
3. Agriculture and agricultural products
4. Light industry
5. Technology and innovation development
6. Services and public utility
7. Electronic industry and electric appliances
8. Chemical, paper and plastics

It is expected that the BOI investment promotion will extend sevenfold in the year 2018. The paper elaborates the eligibility for BOI registration, BOI incentives and extended BOI investment promotion. Also, it speaks of the Thailand's Eastern Economic Corridor and the focused industry, whereby assisting the readers (potential BOI companies) to understand BOI in-depth, their agendas for 2018 and targeted industries.

1. Who can Apply for BOI Registration?

- Thai or foreign companies
- Manufacturing and other service activities

2. BOI Tax Incentives

1. Exemption of corporate income tax for up to 13 years
2. Corporate income tax reduction
3. Investment tax allowance – deduction up to 70% of the capital invested on the net profit
4. Duty exemption on the materials that are imported for the research and development purposes and related testing
5. Import duty exemption on machinery

3. BOI Investment Promotion Extended Sevenfold

- **100 Business Activities Instead of 40:** The BOI has agreed to cover more than 100 business activities. However, the list of these businesses has not been released yet.
- **Improvements for Already Existing 40 Business Activities:** Some conditions have been relaxed for the business activities.
- **Tax Incentives Extended:** The corporate income tax (CIT) exemption is increased to 200 percent from 100 percent, for various activities that are eligible for tax holidays.
- **Lowest Per Capita Income in 20 Provinces:** SMEs eligible for 8-year tax holidays are likely to receive 50 percent reductions for another 5 years.
- **Human Resource Development Tax Holidays:** Extra two years of tax holidays other than the normal incentives and 50 percent of CIT reduction for yet another 5 years under some condition in EEC.
- **EEC Promotion Scheme:** Certain activities in the EECi, i.e., Eastern Economic Corridor of Innovation and the EECd, i.e., Digital Park Thailand, will obtain some special EEC tax incentives.
- **Additional Merit-based Incentives:** IP licensing fees, research and development, advanced technology training and product and packaging design and some other

activities enhance competitiveness that will receive significant relaxed investment and expense conditions, limited to SME.

4. Thailand's Easter Economic Corridor Targeted for the Year 2018

4.1. The New Growth Hub in the Kingdom- Why?

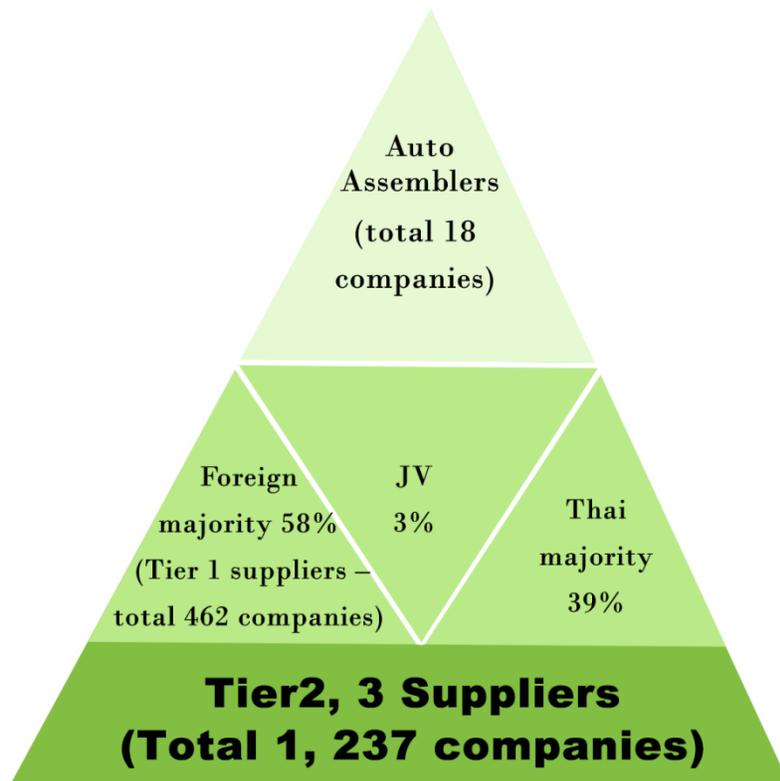
- a) Strategic location
- b) Excellent atmosphere
- c) Infrastructure linkage

A combined public and private investment of minimum 1.5 trillion baht has been targeted in the first 5 years. However, let's take a look at the sectors of opportunity;

4.2. Automotive Industry

Target to manufacture almost 3,500,000 units by 2020

4.2.1. Thailand's Automotive Structure



4.2.2. Major Players of Automotive Industry in Thailand



Source: Board of Investment

4.2.3. Industrial Opportunities of Thailand Automotive Industry

- Hi-tech vehicle parts and components
- Eco-car parts
- Passenger cars
- E85
- Big-bike, 4-stroke engine motorcycle
- NGV vehicles

4.3. Agriculture and Food Industry

4.3.1. Why Agricultural Products?

- Abundant resources and biodiversity
- Thailand is the #1 exporter in the world
- Strategic location for food industry

4.3.2. Focused Sectors of Food

- Healthy and functional food including nutraceuticals, specialty food and healthy fat and oils
- High value added food products including fruits and vegetables, premium seafood and aquaculture, premium meat and poultry and food ingredients
- Supporting business for food innovation such as, consume research, consultancy, and packaging
- IT, e.g. big data analysis and food geoinformatics service

4.4. Medical Industry

4.4.1. Opportunities in Thailand

- Medical services
- Pharmaceutical sectors
- Medical devices

Conclusion

To promote more number of businesses in Thailand 4.0, 2018, the Board of Investment is lending their hand for support services including investment matchmaking program, subcontracting development program by BUILD unit, Interaction with other government agencies on behalf of the investors, country desks, overseas offices, ASEAN supporting industry database and one-stop for visas and work permits in three hours.

About the Company

Konrad Legal is a Bangkok-based law firm offering a wide range of legal solutions from, Thailand company registration, assisting businesses with CIT to Thailand BOI. The team of immigration lawyers does not only have in-depth know-how of the immigration, but also know how to implement it and the impact on the processing. The company extends their services to post business-setup like accounting, auditing and taxation, etc.

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