

Why Thailand for Investment Destination



***Mr Choowong Tangkoonsombati,
BOI Paris Director,
Thailand Board of Investment***

Content

1 Thailand at a Glance

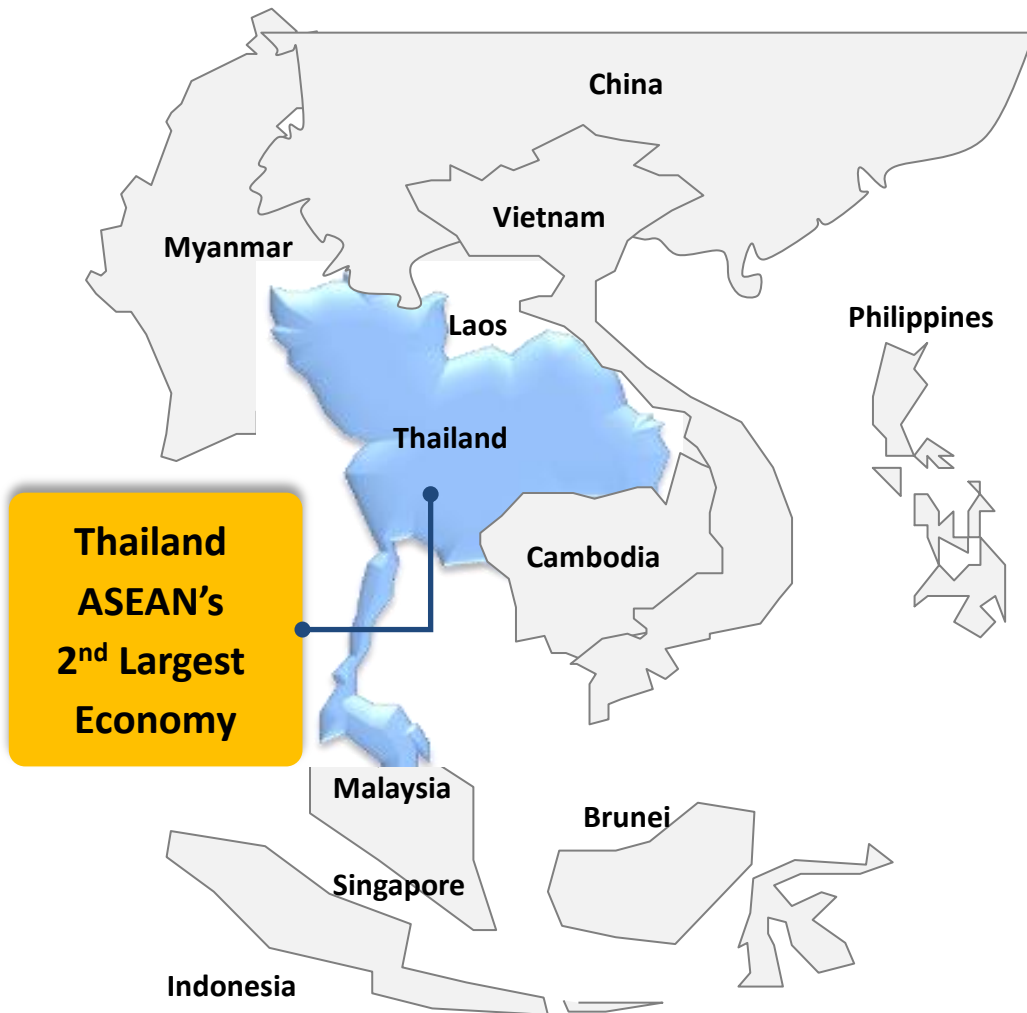
2 Thailand as the ASEAN Hub

3 Investment Incentives

4 Investment Opportunities in Thailand

5 BOI Services

Thailand's Economic Overview in 2016



Source: Economist 2015 Pocket World Figures



1 GDP (2016p): USD 397.6 billion
GDP (per capita): USD 5,893.9
Growth: 3.2%
Population : 67 millions

Source: NESDB, Nov 2016



2 UNCTAD ranks Thailand **8th** as a top prospective host economy 2014-2016

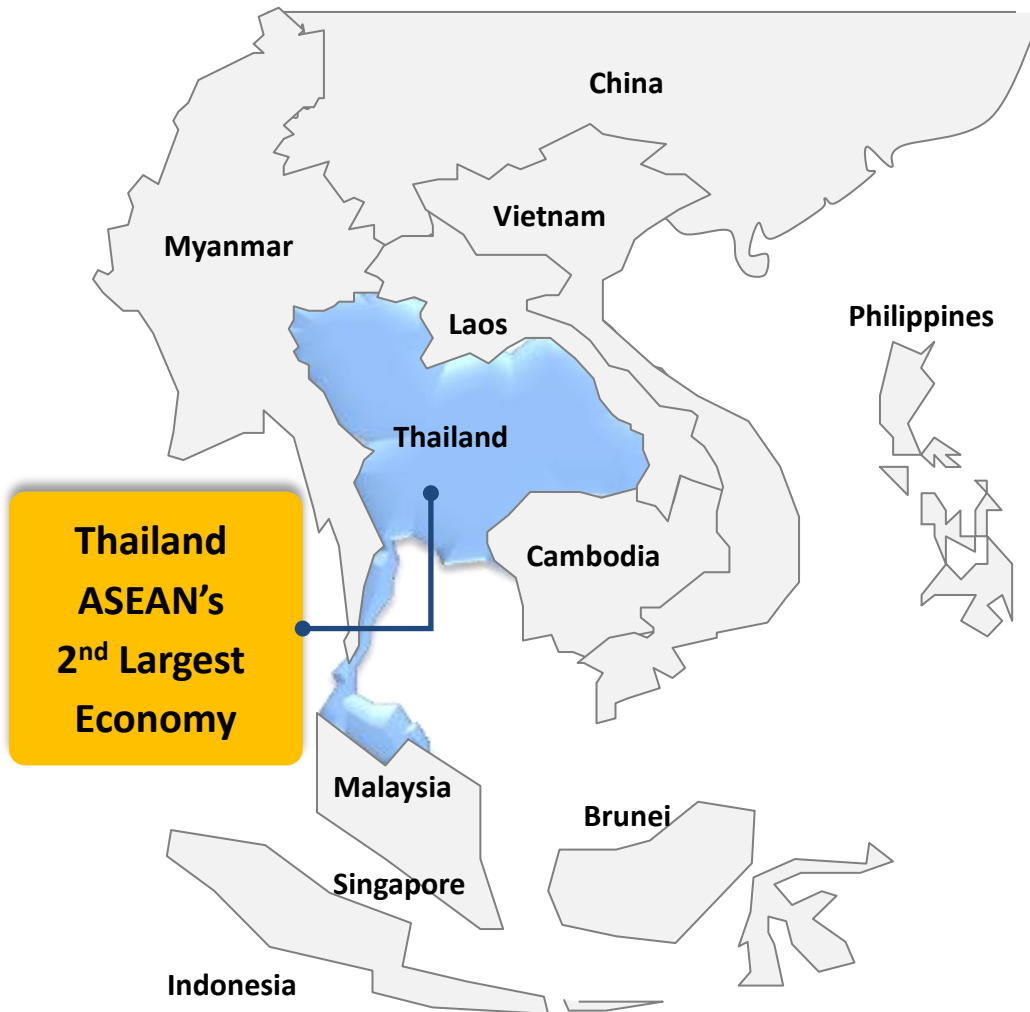
Source: UNCTAD, 2016



3 World Bank ranks Thailand **2nd** for its ease of doing business among East Asia's emerging economies

Source: World Bank, 2016

Thailand's Globally Established Position



12th Largest
Agriculture Output

16th Largest
Manufacturing Output

24th Biggest Economy
by purchasing power

27th
Biggest Exporter

33rd
Biggest Economy

35th
Largest Services
Output

Source: Economist 2015 Pocket World Figures

Thailand Plays a Vital Role in the Global Supply Chain



2nd in HDD Exports



7th Rubber Tire Exports



12th Automotive Production



5th largest Petrochemical Complex in Asia

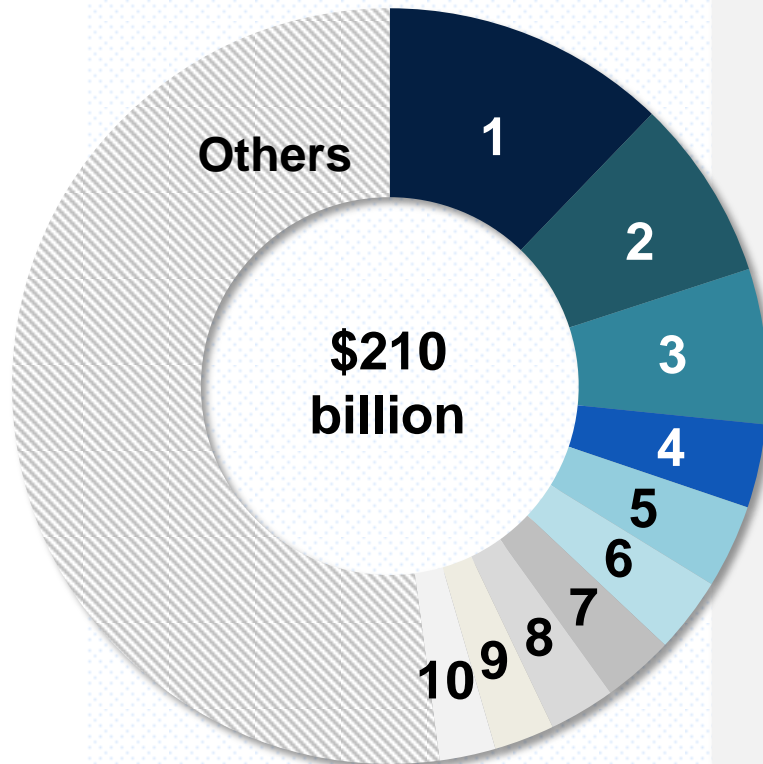
Automotive is #1 Export Value

Top 10 Exports 2016: 48% of Total Export Value (\$210 billion)

[billion USD]

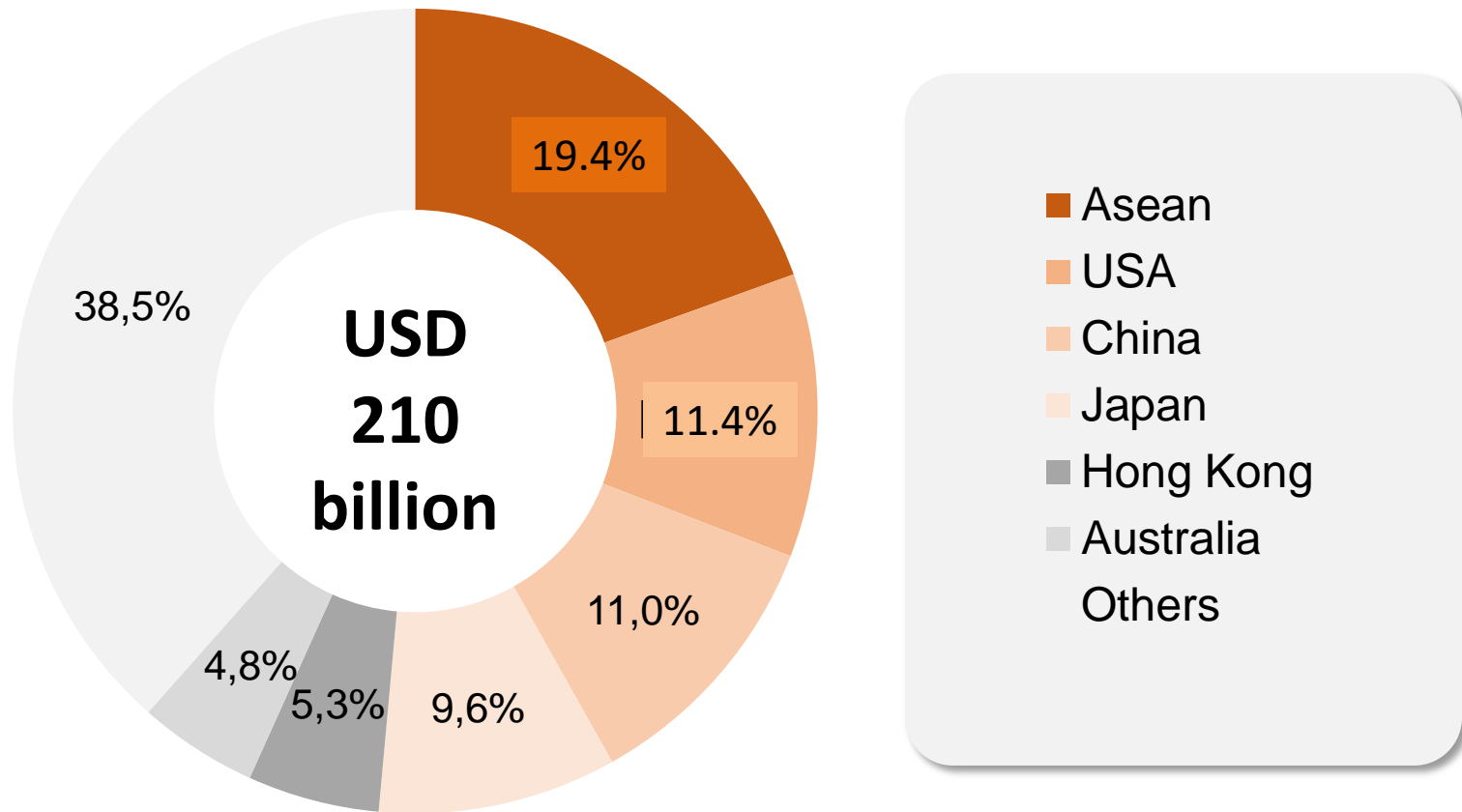
Top 10 Exports: \$101 billion

1. Motor cars, parts and accessories (12.2%)
2. Automatic data processing machines and parts (7.8%)
3. Precious stones and jewelry (6.6%)
4. Electronic integrated circuits (3.6%)
5. Plastics resin (3.6%)
6. Machinery and parts (3.2%)
7. Rubber products (3.1%)
8. Chemical products (2.8%)
9. Refined fuels (2.6%)
10. Iron and steel and their products (2.4%)



Source: Ministry of Commerce

Thailand's Major Export Markets 2016



Source: Ministry of Commerce (MOC) **Note :** Exchange rate (BOT, Jan 4 2017): 1 USD = 35.89 THB

Content

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3 Investment Incentives

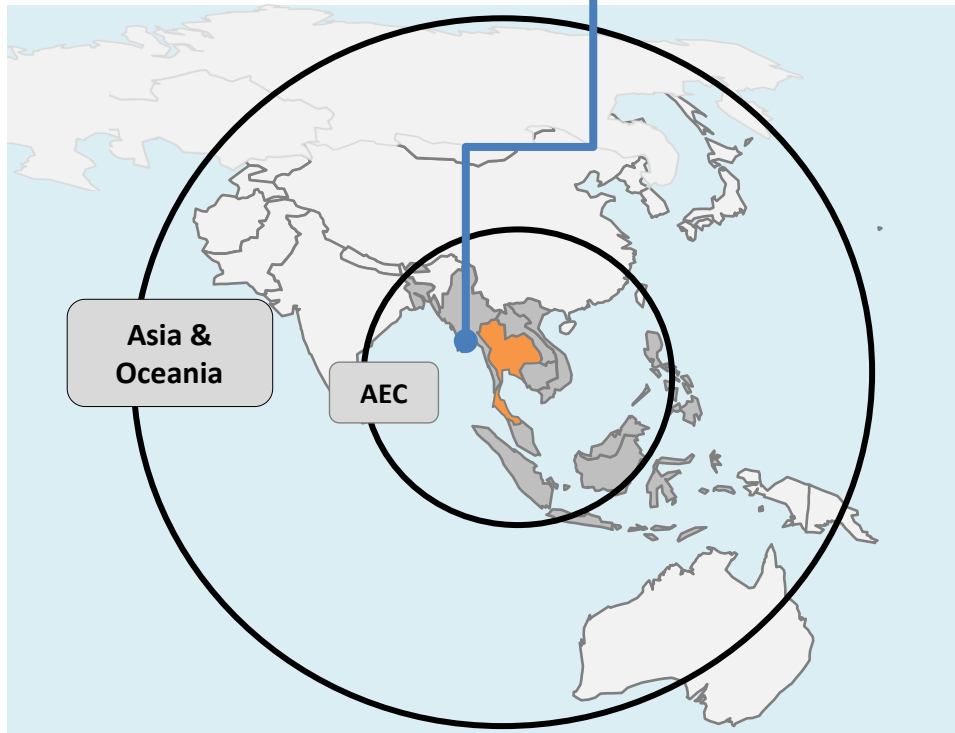
4 **Investment Opportunities in Thailand**

5 BOI Services

Thailand: the Crossroads of ASEAN

Strategic Location Gateway to ASEAN

**“We are surrounded by
the world’s economic powerhouses”**



ASEAN Economic Community



633 million population
(9% of world population)



GDP: USD 2.4 trillion
(2% of world’s GDP)



Regional Comprehensive Economic Partnership *(RCEP)



3.3 billion population
(50% of world population)



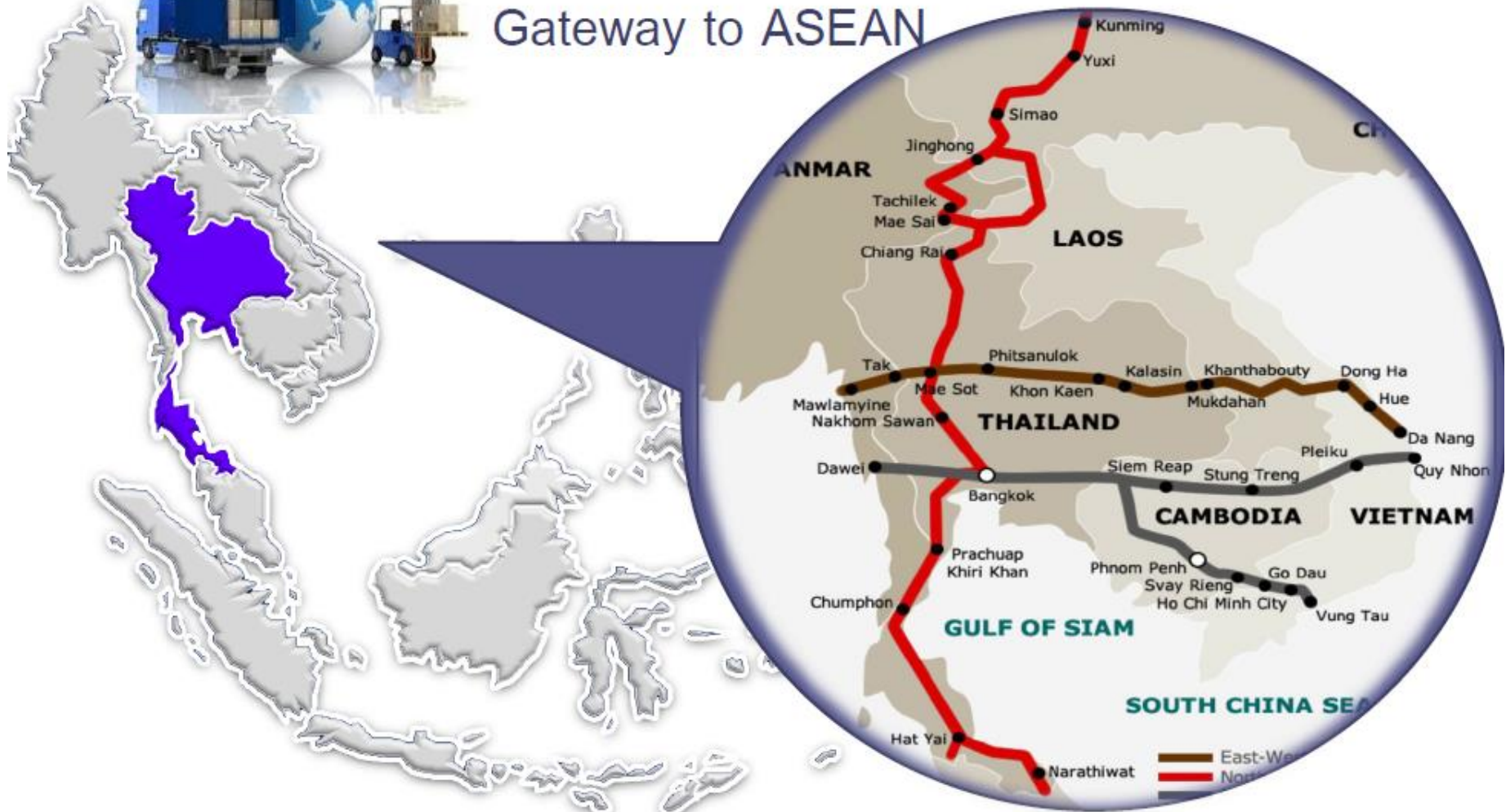
GDP: USD 21 trillion
(28% of world’s GDP)

Thailand: Well Developed Regional Connectivity



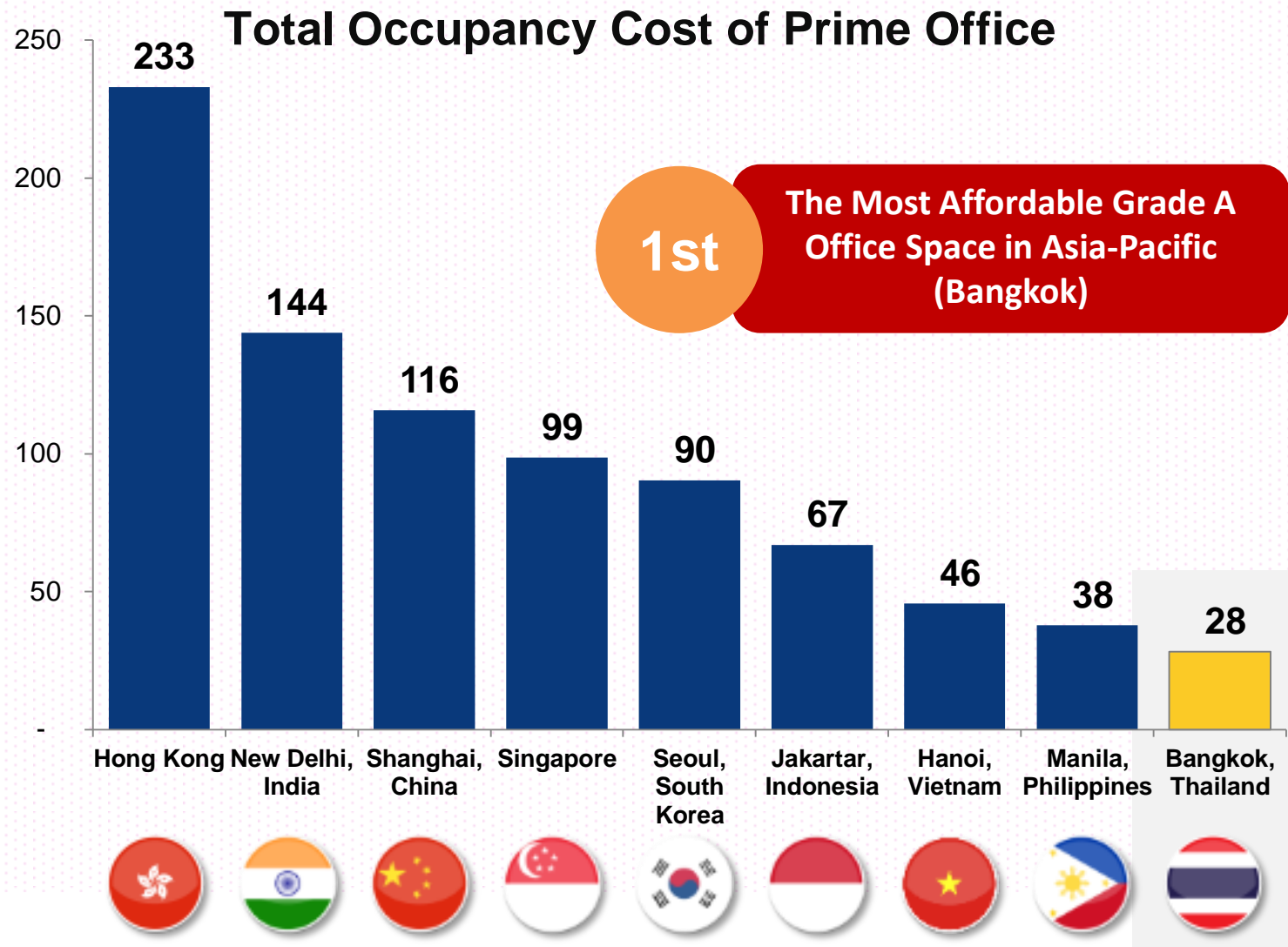
Strategic Location :

Gateway to ASEAN



Affordable Office Spaces

[Unit: EUR/sqf/y]

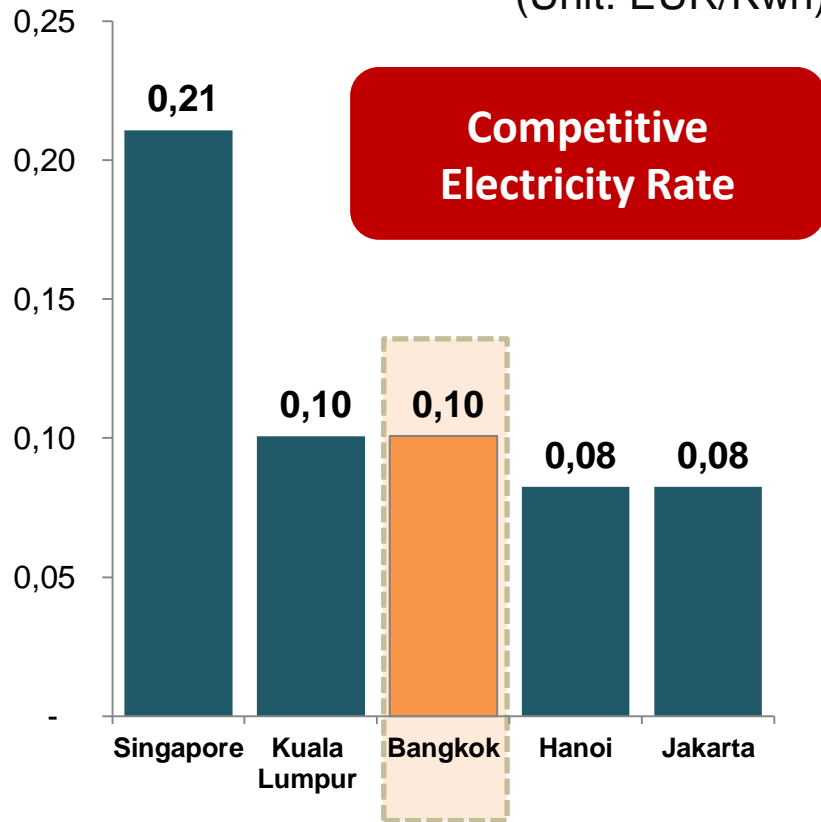


Source: Colliers International, 2015, CBRE's Prime Office Occupancy Costs, 2015

Utilities price is very competitive against neighboring countries

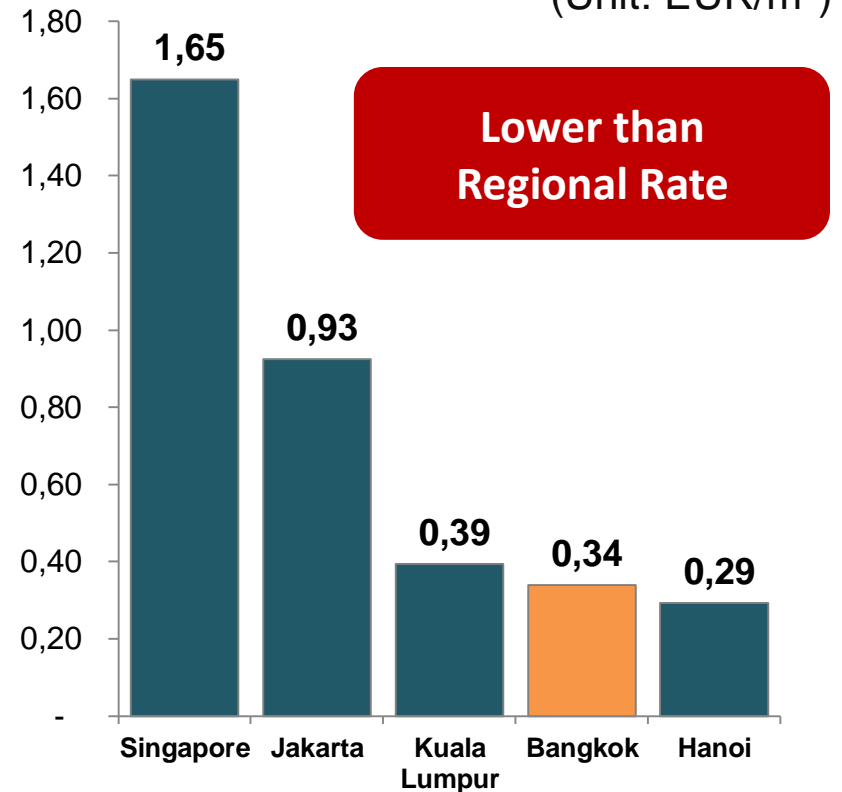
Electricity Rate

(Unit: EUR/Kwh)



Water Rate

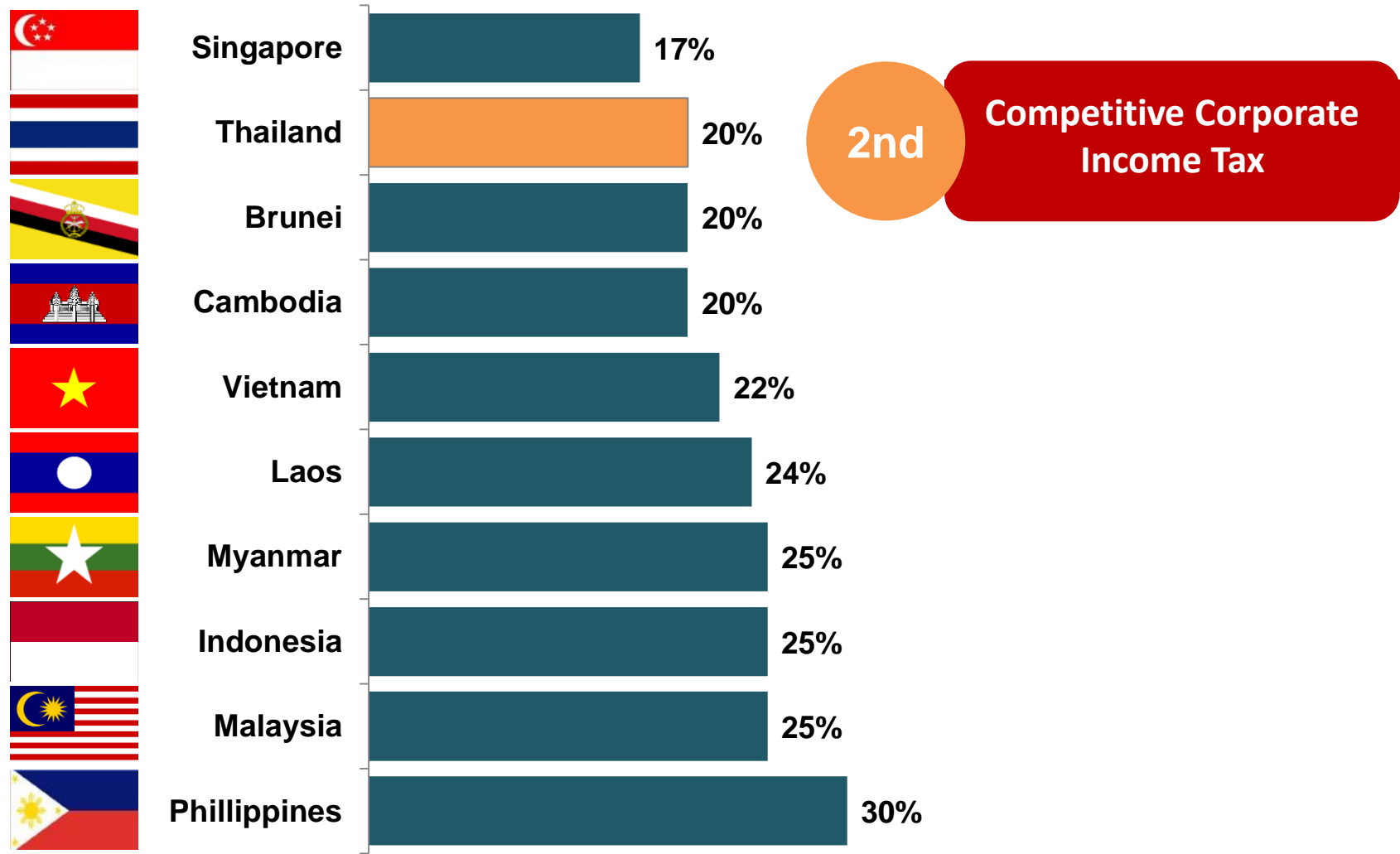
(Unit: EUR/m³)



Source: JETRO 23rd comparative Survey of Investment-Related Cost Comparison in Major Cities and Regions in Asia & Oceania

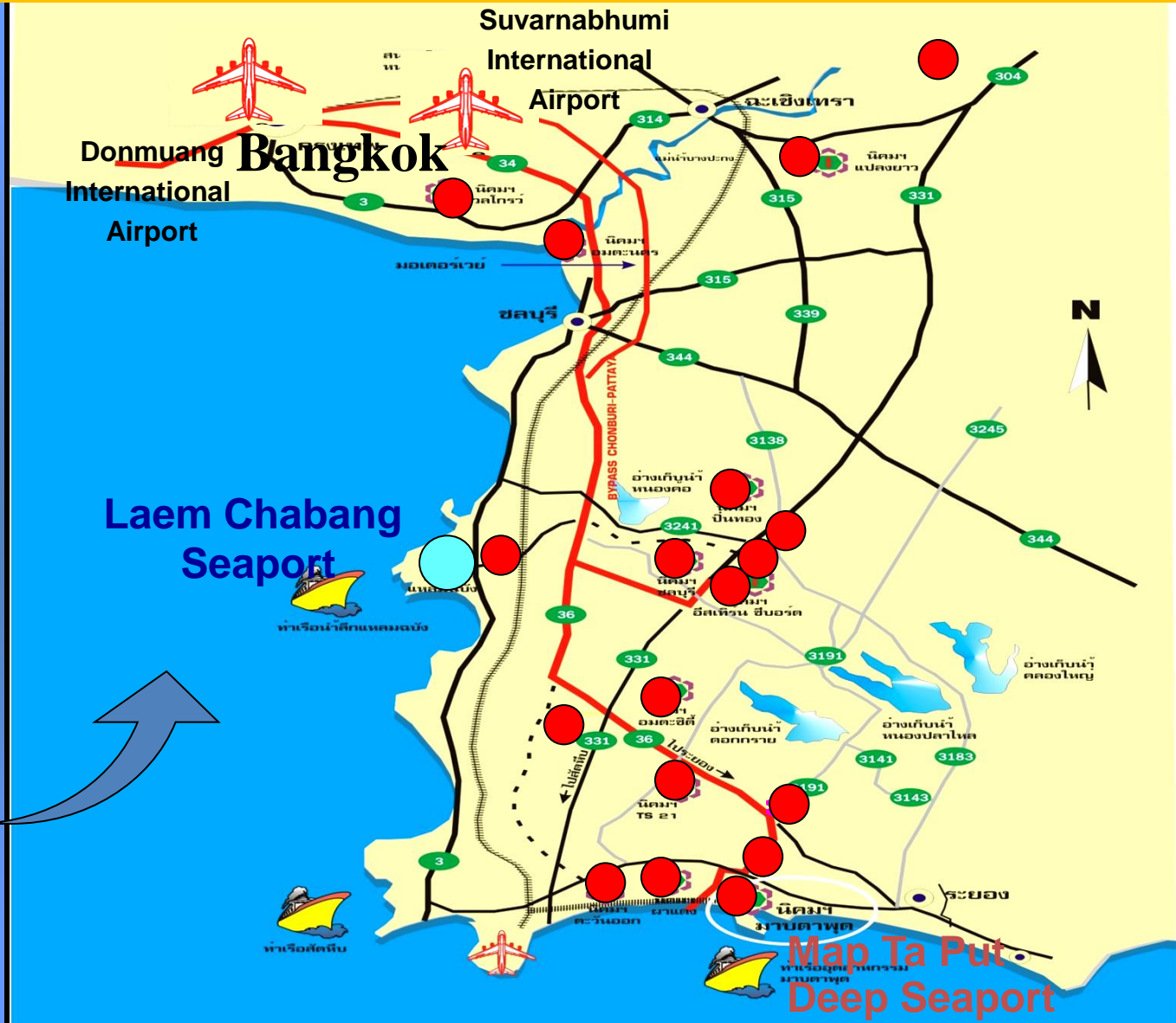
Competitive Corporate Income Tax

[Unit: %]



Source: ¹Deloitte's Taxation of AEC, as of 2015

Efficient Logistics Network Seaport - Land Transport – Airport



Thailand's Infrastructure Development Strategy (2015-2022)

5 Key Programs: to reduce logistics and transportation costs



Improve the **competitiveness** of the economy

Infrastructure development programs for 2015-2022 (USD 53.4 billion*)

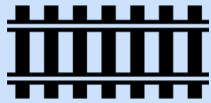
1. Expansion of the **inter-city rail network** (USD 13.8 billion)

2. **Highway** capacity enhancement (USD 14.6 billion)

3. Development of **mass transit systems** in Bangkok Metropolitan Region (USD 20.8 billion)

4. **Air transport** capacity enhancement (USD 1.4 billion)

5. Development of the **maritime transport network** (USD 2.8 billion)



Railway

- **Upgrade** railway networks
- Increase **double-track** railways
- Build **1,435-meter standard gauge**



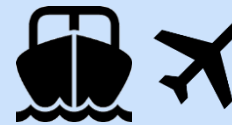
Mass Transit

- Extend **mass transit railway** system in Bangkok and vicinity
- Acquire **3,183** natural gas vehicle (NGV) buses



Road

- Expand highways to **4 or more traffic lanes**
- Develop **facilities** along the main roads such as container yards



Water & Air

- Enhance **sea ports capacity**
- Enhance **airport capacity**
- Establish **aviation industrial estates** with Thailand as a regional center of the MRO** industry

Source: Office of Transport and Traffic Policy and Planning, Ministry of Transport, as of 21 December 2015

Note: *1 USD = 35.84 THB **Maintenance Repair and Overhaul

Thailand's Industrial Estates: First-Class

Attractive destination for various global industrial development projects that focus on a wide range of manufacturing processes.

12th

**World's Best Economic Zone
(Industrial Estate of Thailand)¹**

**More than 70
industrial estates**
spread across all
regions in Thailand²



**More than 256
million square
meters** of cumulative
supply of industrial
estates²



The Eastern Seaboard Industrial Region³



25% of Thailand industrial GDP



26 industrial estates/ zones



2 international deep-sea ports

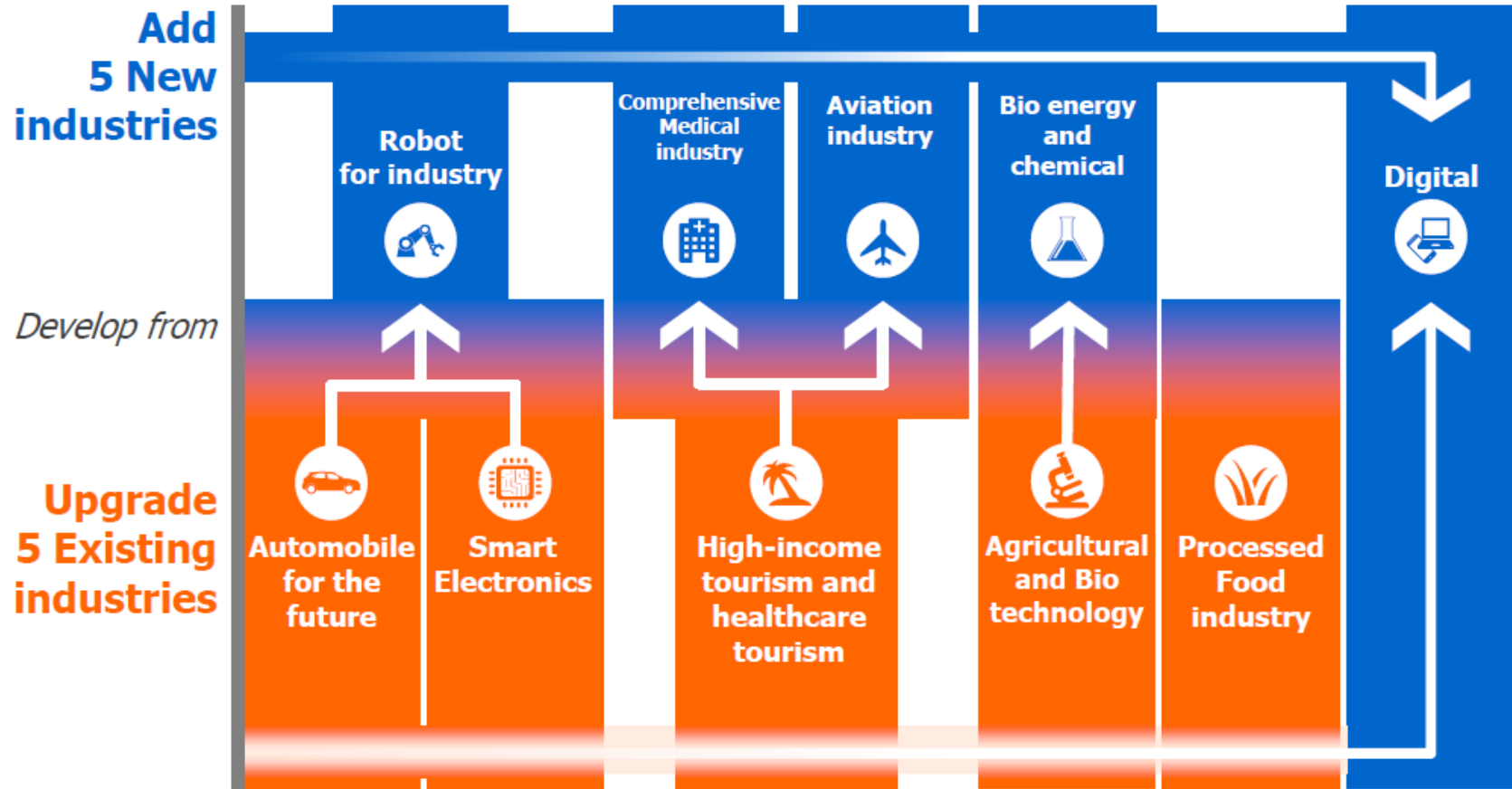


Double-track line connecting to
other zones*

Source: ¹Financial Times, 2012, ²Colliers International; ³I-EA-T & Ministry of Transport of Thailand.

Note: *The project has been approved by the cabinet and is under construction.

New Industries Development Stems from Advancement of the Existing Industries



Investment Opportunities in Thailand

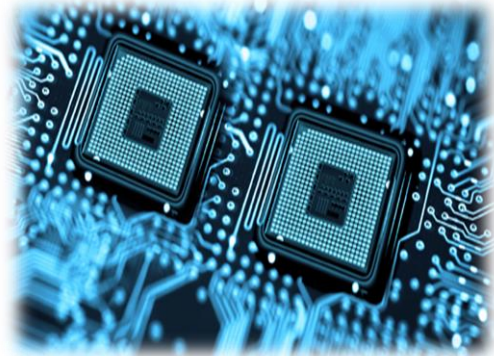
Food



Aerospace



ICT



Automotive



Automation and Robotics



IHQ/ITC



20-year demand for new passenger and freight aircraft



20,242 single-aisle aircraft
+724 aircraft over GMF 2012



7,273 twin-aisle aircraft
+299 aircraft



1,711 very large aircraft
+5 aircraft

29,226 new aircraft
+1,028 aircraft

Passenger aircraft (≥ 100 seats)

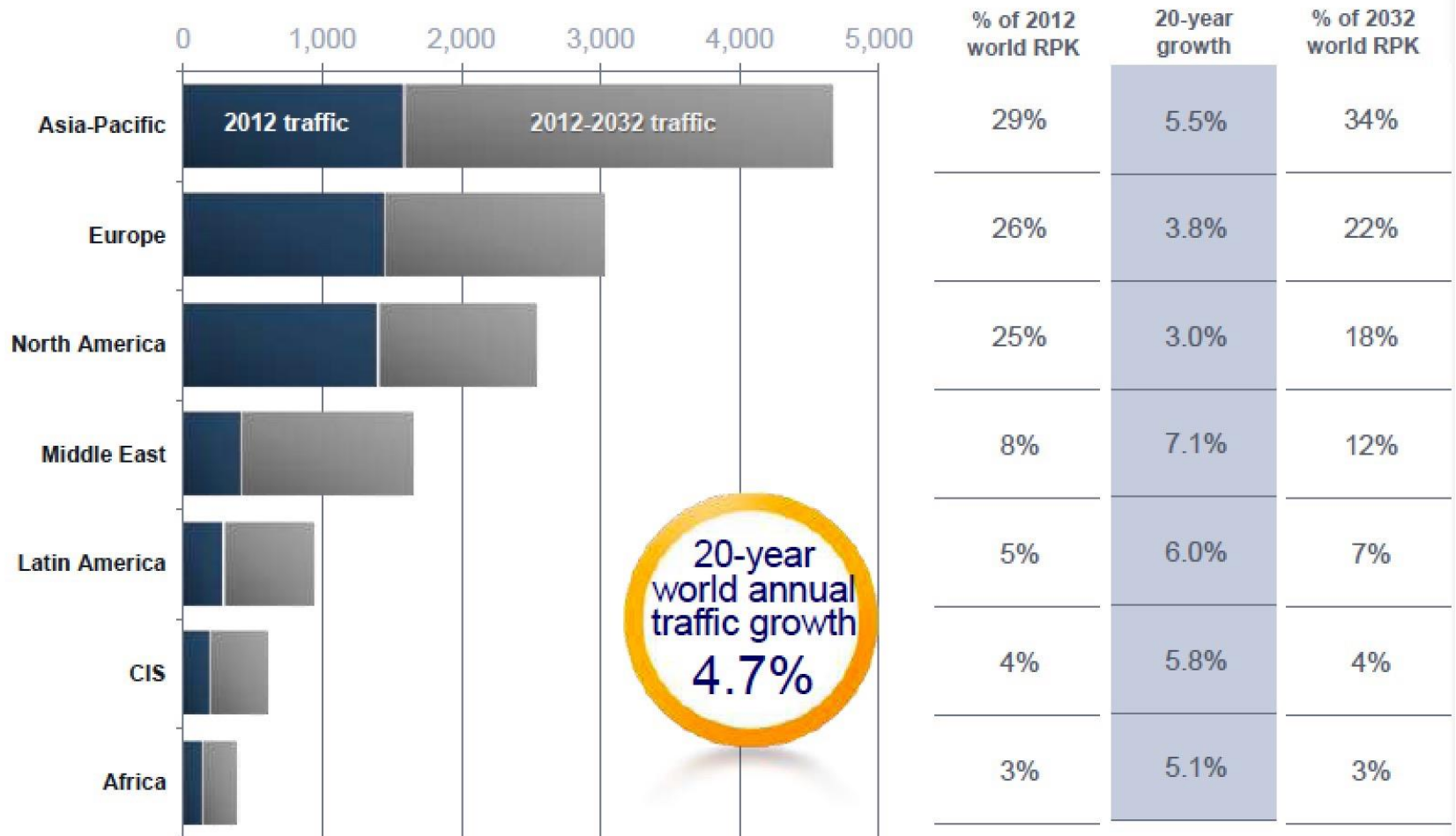
Jet freight aircraft (>10 tons)

Market value of \$4.4 trillion

Source: Airbus 2014

Asia-Pacific to lead in world traffic by 2032

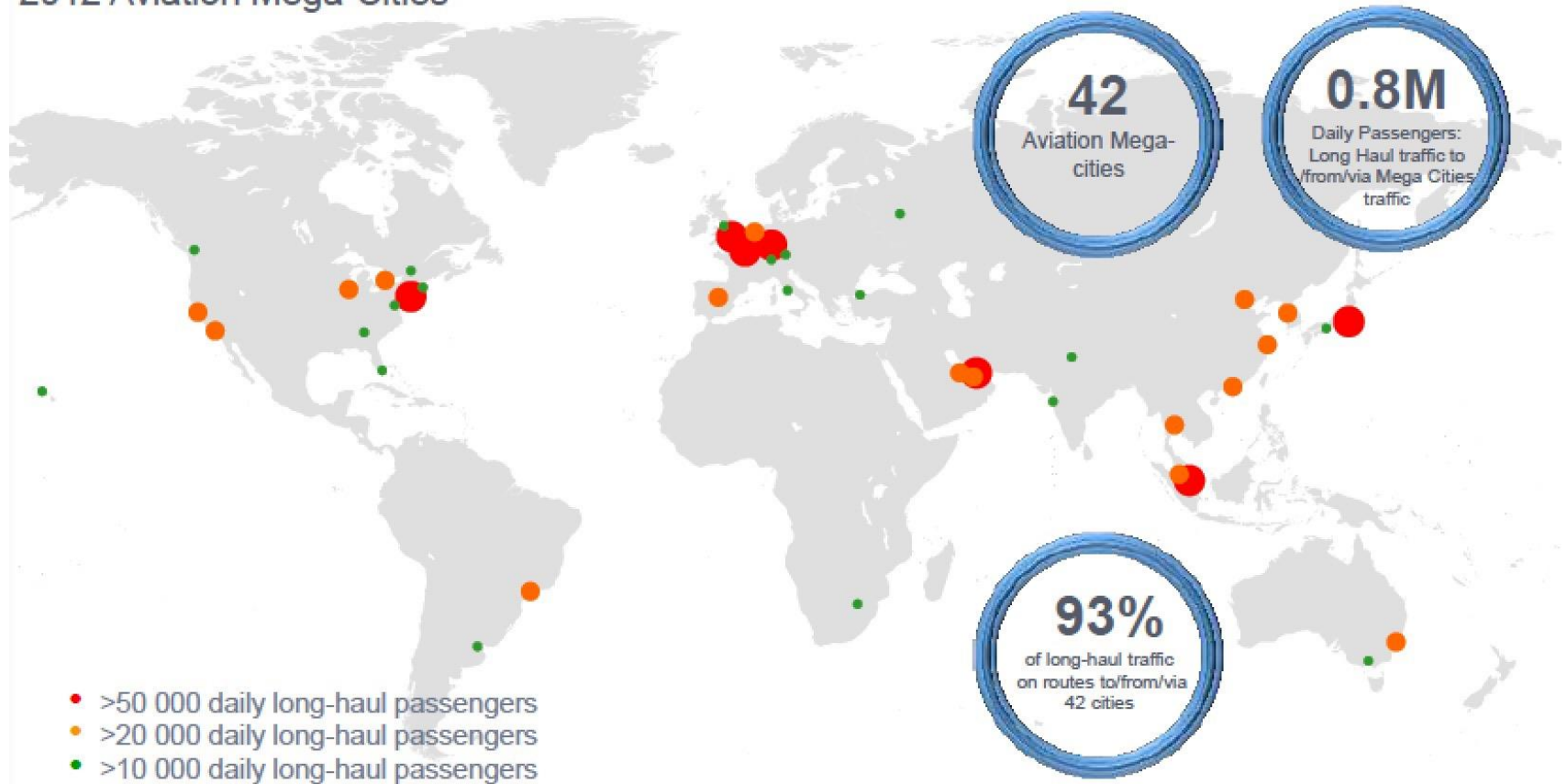
RPK traffic by airline domicile (billions)



Source: Airbus 2014

42 cities in the world handle more than 10,000 long haul passengers per day ...

2012 Aviation Mega-Cities

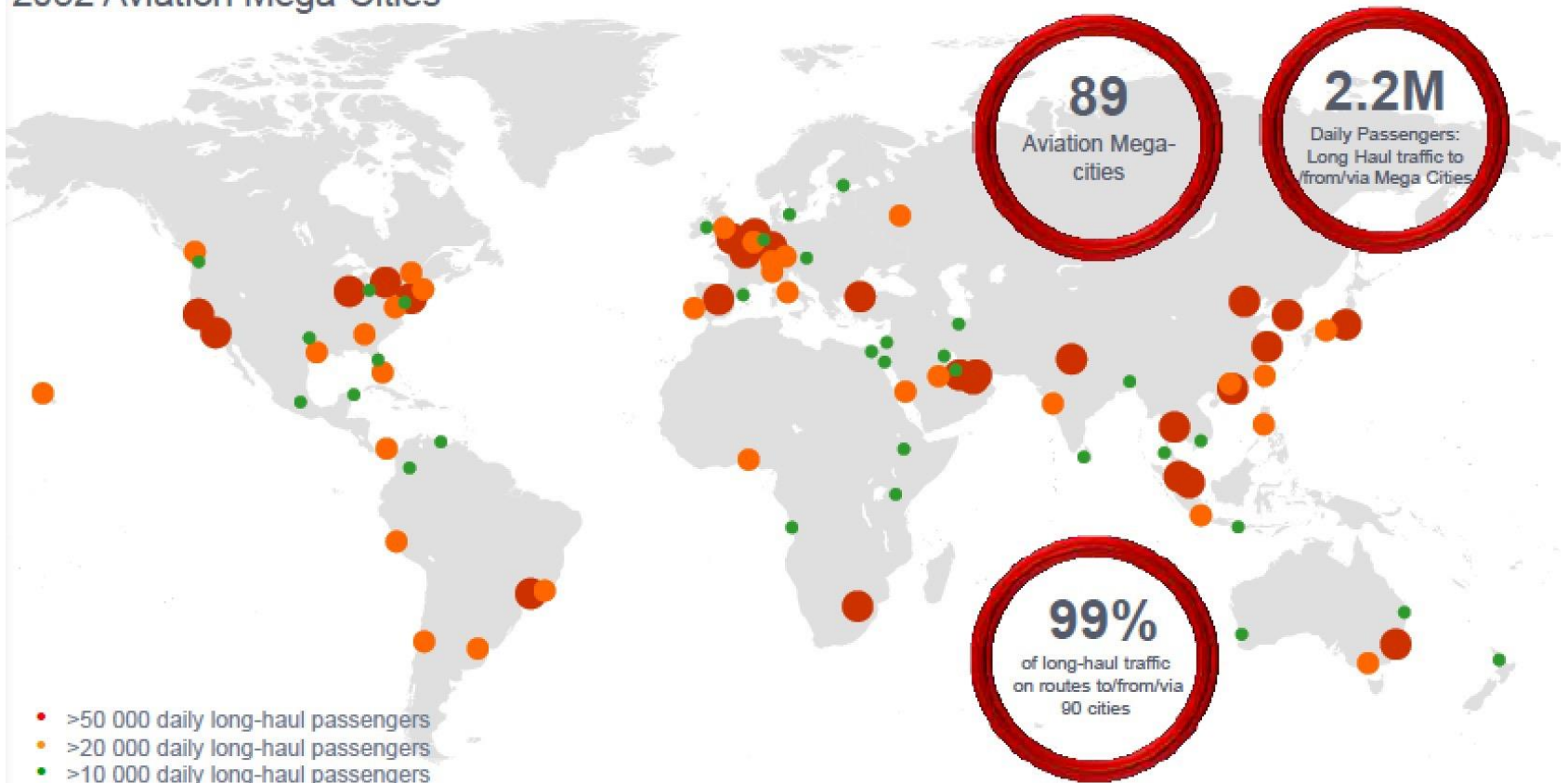


Long-haul traffic is concentrated on a few main aviation centres

Source: Airbus 2014

By 2032 there will be 90 Mega-cities

2032 Aviation Mega-Cities



Long-haul traffic is more and more concentrated on main aviation centres

Source: Airbus 2014

Aerospace Sector



Aviation is 1.5% of GDP



Passenger traffic of 87.5 million in 2014



1.4 million tons cargo throughputs in 2014*



Globally certified aircraft maintenance and internally accepted aviation training schools

Thailand Aerospace Supply Chain



Cabin Interiors

- ✓ Cabin Interiors
- ✓ Galleys
- ✓ Aircraft seats parts
- ✓ Seats electrical harness

Aerostructures

- ✓ Composites
- ✓ Sheet metal
- ✓ Machining
- ✓ Electrical harness

Equipment

- ✓ PCBs

* Fiscal year (October 2013-September 2014) as of Jul 10, 2015

2014 Thailand's Air Transport Stats

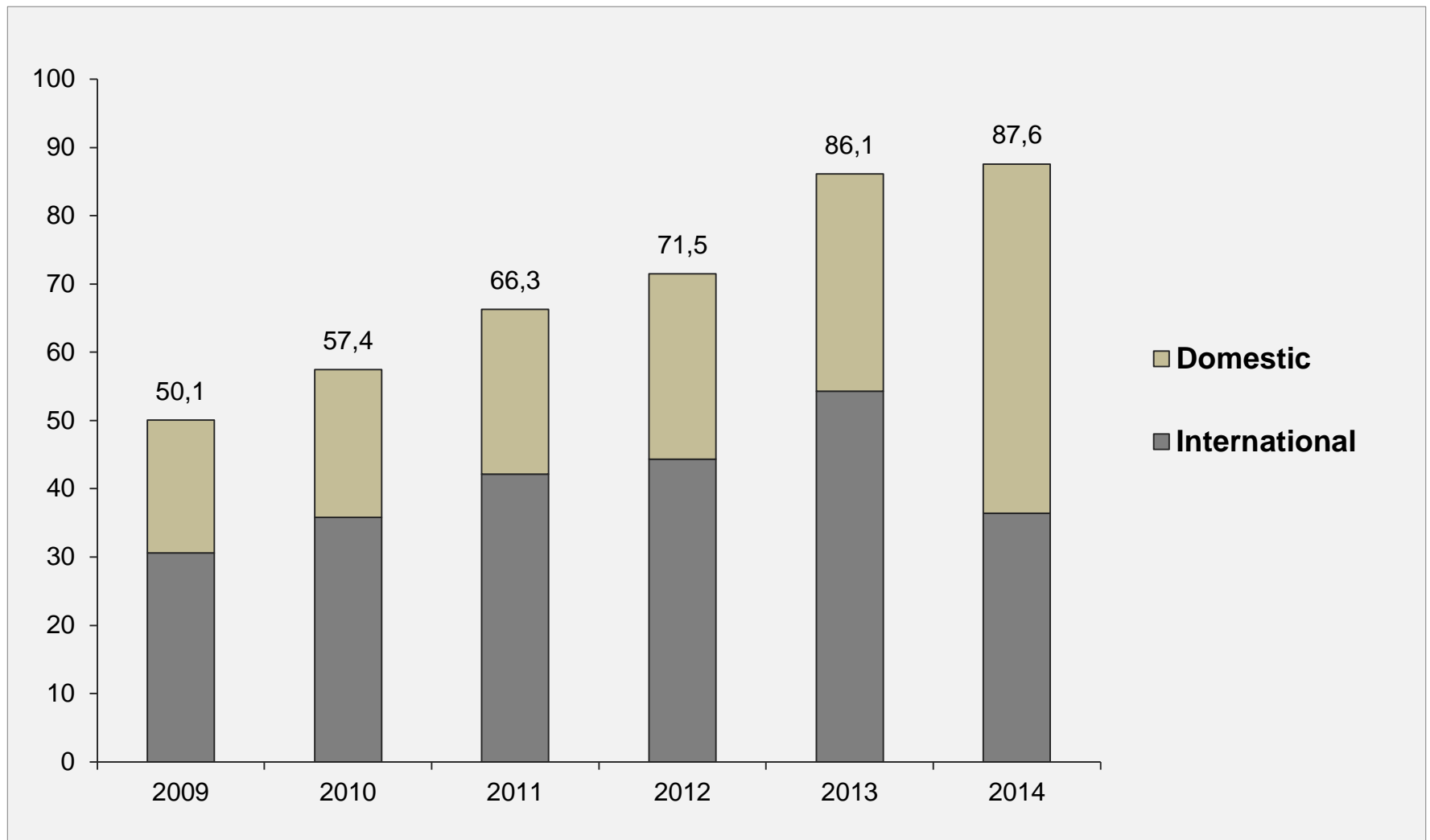
Airport	Total Movement			Change (%)		
	Passenger (Million)	Aircraft Movement	Freight (Ton)	Passenger	Aircraft Movement	Freight
Suvarnabhumi	46,497,257	292,932	1,230,881	-8.65	1.71	-0.09
Don Mueang	19,349,941	161,831	24,058	24.33	19	38.76
Chiang Mai	6,213,446	49,679	18,659	20.12	20.30	1.13
Chiang Rai	1,291,708	10,029	3,708	22.57	45.73	-18.77
Hat Yai	2,944,259	20,965	12,090	19.42	22.92	-18.16
Phuket	11,275,805	74,501	39,652	2.70	6.13	16.51
Total	87,572,416	609,937	1,329,048	1.67	9.03	0.60

Source: Airports of Thailand Plc (AoT) , as of Jul 10, 2015

* Fiscal year 2014 (Oct 2013-Sep 2014)

Air Passenger Movement in Thailand, 2009-2014

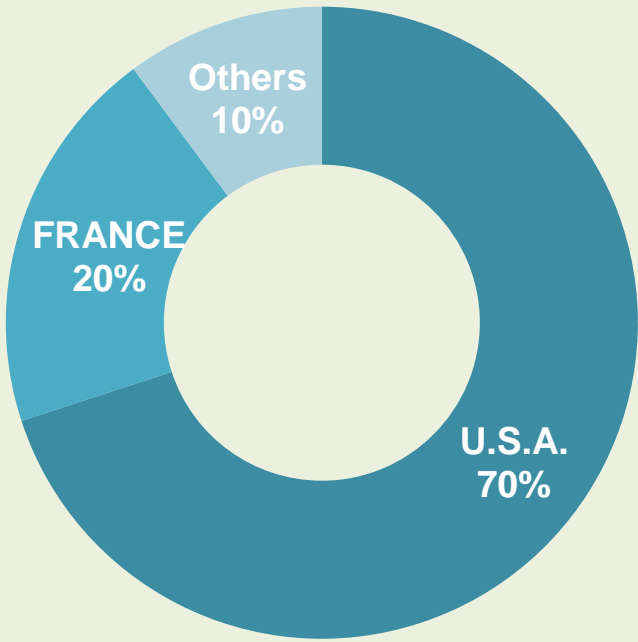
[In million passengers]



Source: Airports of Thailand Plc (AoT) , as of July 10, 2015

* Fiscal year 2014 (Oct 2013-Sep 2014)

Thailand's Major Aircraft, Spacecraft and Parts Import Market, 2014



Source: www.moc.go.th as of Jul 10, 2015

Aircraft Maintenance Capabilities

Suvanabhumhi International Airport

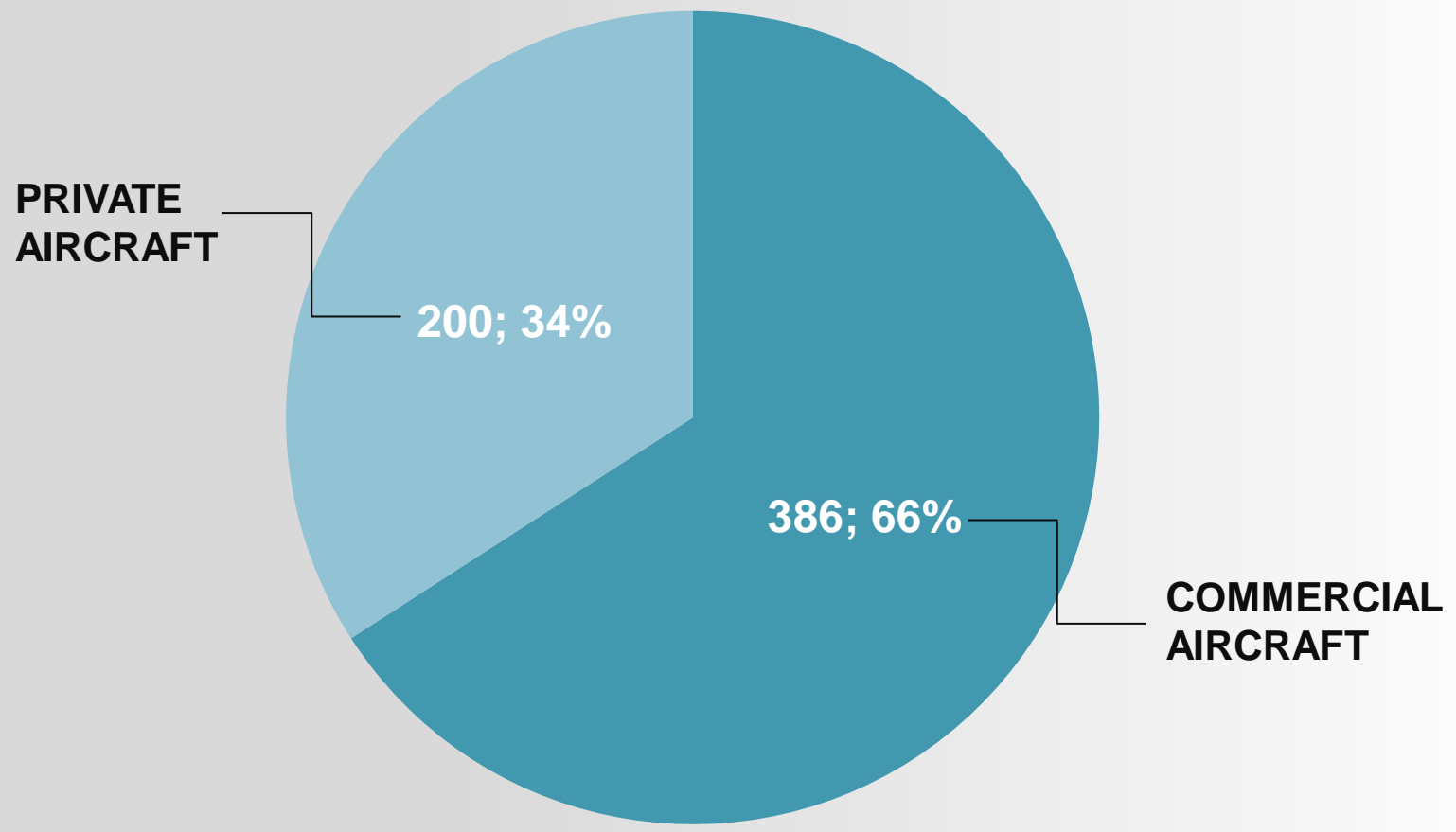
- ✓ Technical support for small aircraft up to B747,A380
- ✓ Landing gear change
- ✓ Wheel & brake workshop
- ✓ Sheet metal workshop
- ✓ Painting shop
- ✓ NDT shop
- ✓ Welding shop
- ✓ Emergency shop
- ✓ Tools & equipment repair workshop
- ✓ GSE workshop
- ✓ New hangar for A-Check to C-Check
- ✓ MCC to handle all problems of line maintenance

*Joseph C. Berenato,
chairman and chief
executive officer,
Ducommun Incorporated*

“We chose Thailand for our first production facility outside the U.S. because of the quality of its workforce, favorable laws and central location in Southeast Asia.”



386 Commercial Aircraft Registered Operators in Thailand*



Source: BOI Announcement 2557 3 December 2014, Effective as of 1 January 2015

Thailand's Airport Development Progress, 2015



SUARNABHUMI Airport

Suvarnabhumi Airport Development Project (Phase II) - The six year, US\$2 billion development includes construction of a satellite passenger terminal. It will increase annual capacity up to 60 million passengers by 2017.



DON MUAENG Airport

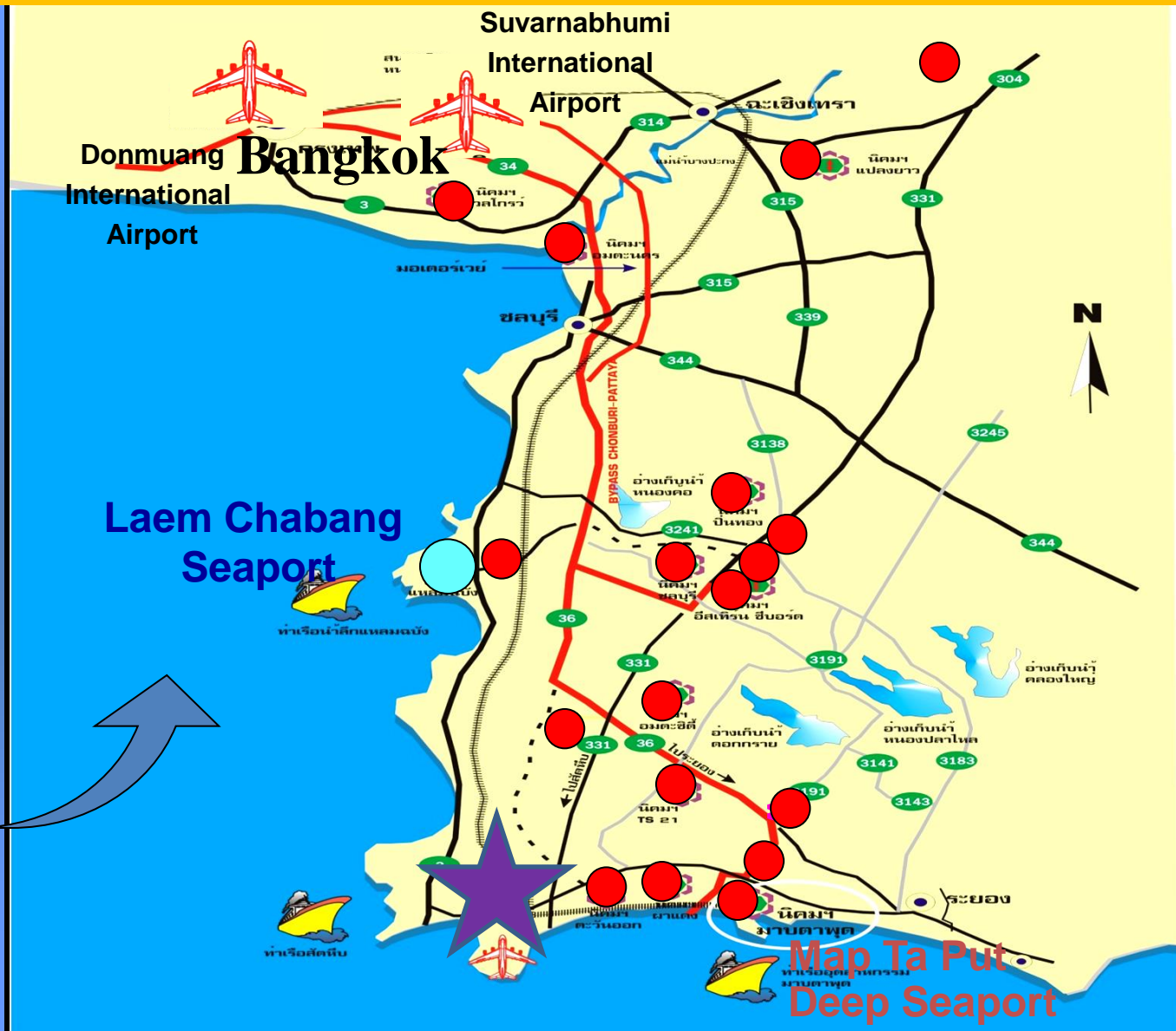
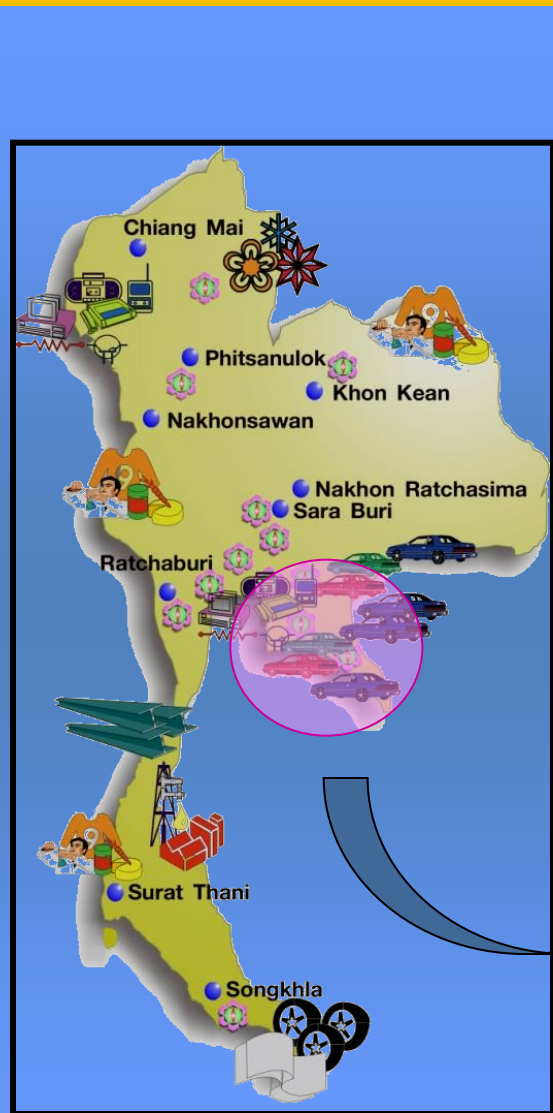
Development plan for Don Muang will boost capacity from 20 million passengers per year to 27.5 million. The plan entails the upgrade of Terminal 2 and the No.5 contact gate building, as well as the modernization of facilities in Terminal 1.



PHUKET International Airport

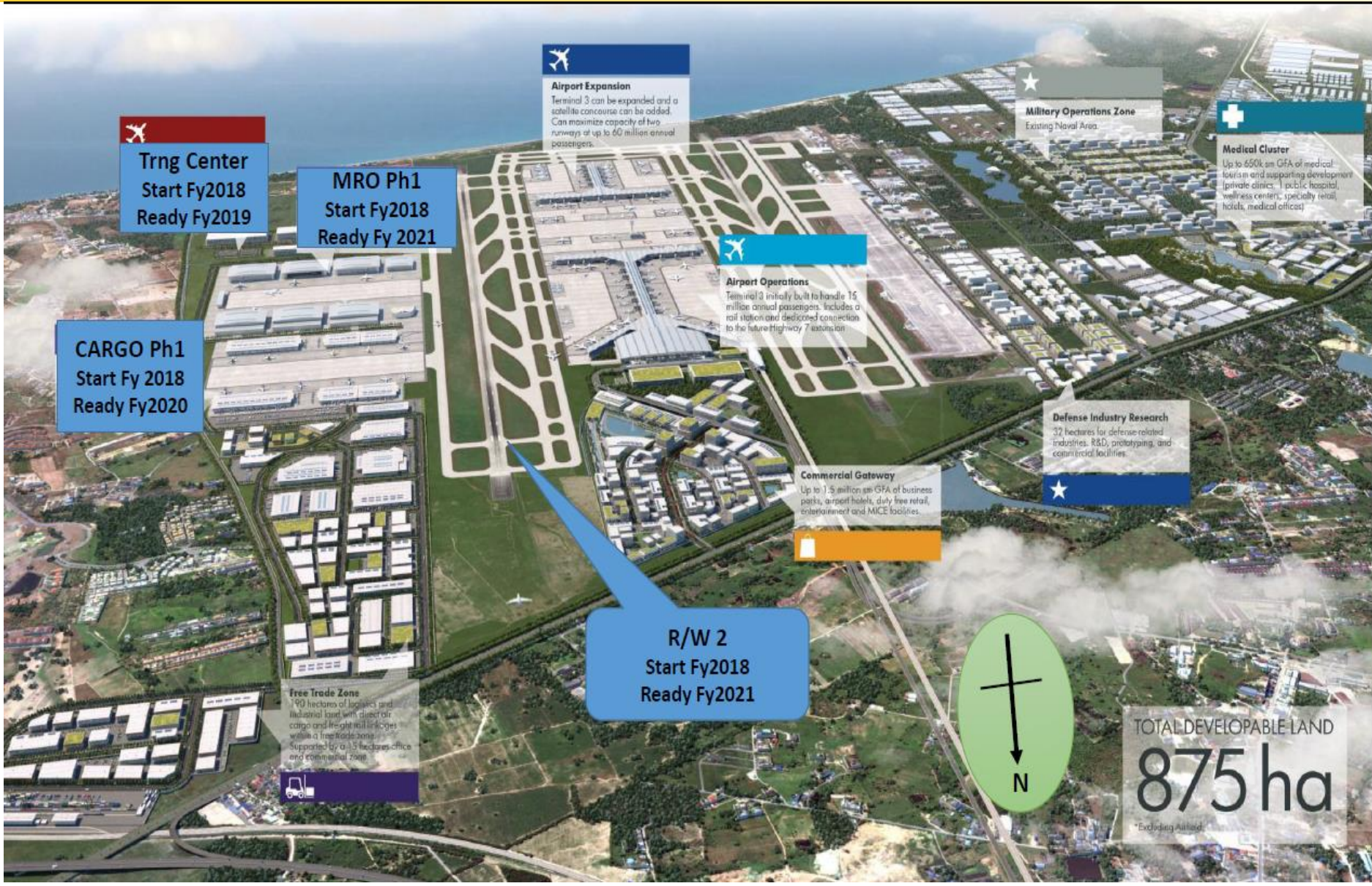
Expansion of Phuket International Airport is underway and scheduled for completion in 2017. Developments include a new terminal and renovation of the existing terminal, and will increase capacity from 11.5 million passengers per year to 12.5 million.

Efficient Logistics Network Seaport - Land Transport – Airport



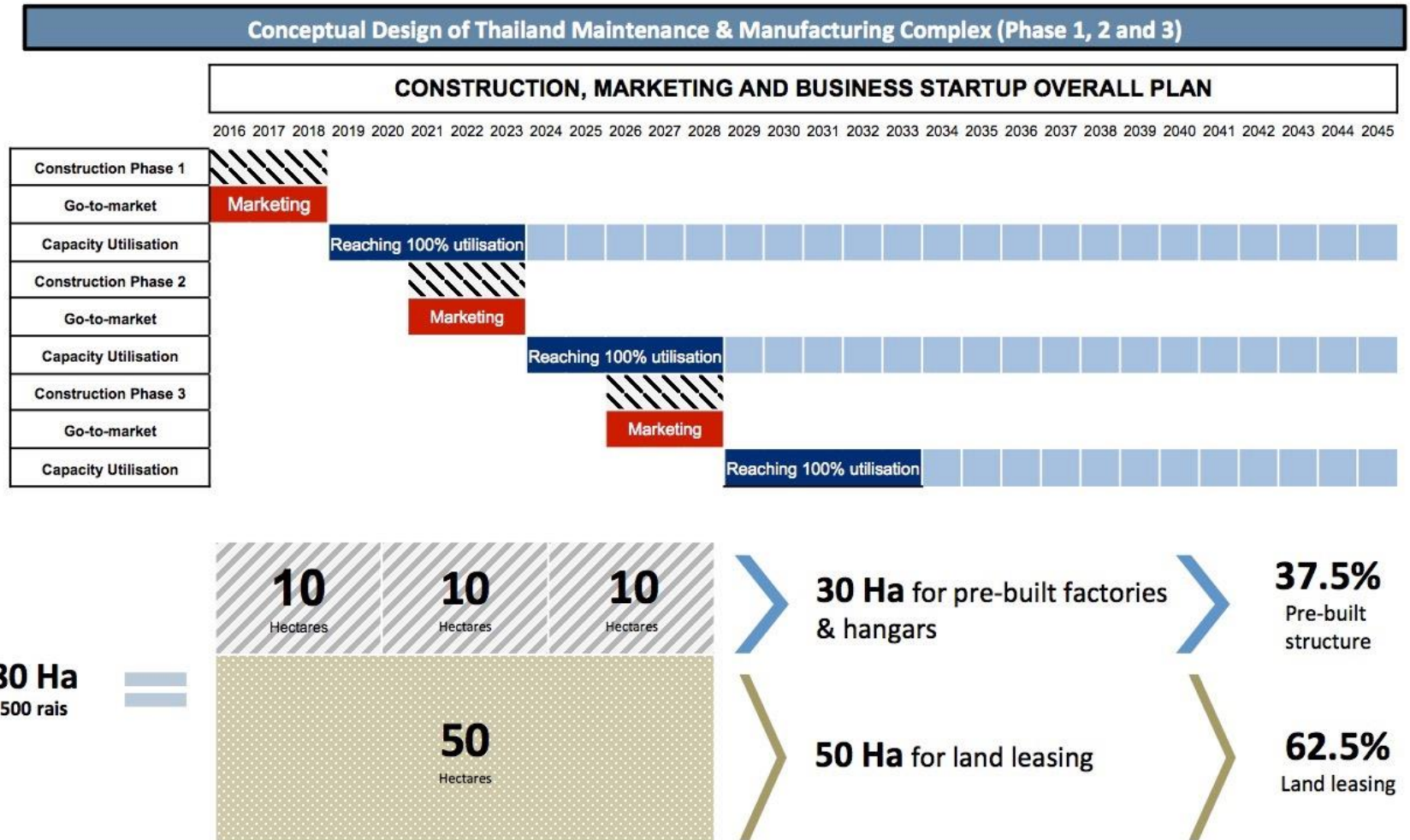
Map Ta Put
Deep Seaport

U-TAPAO AIRPORT PROJECT EXPANSION



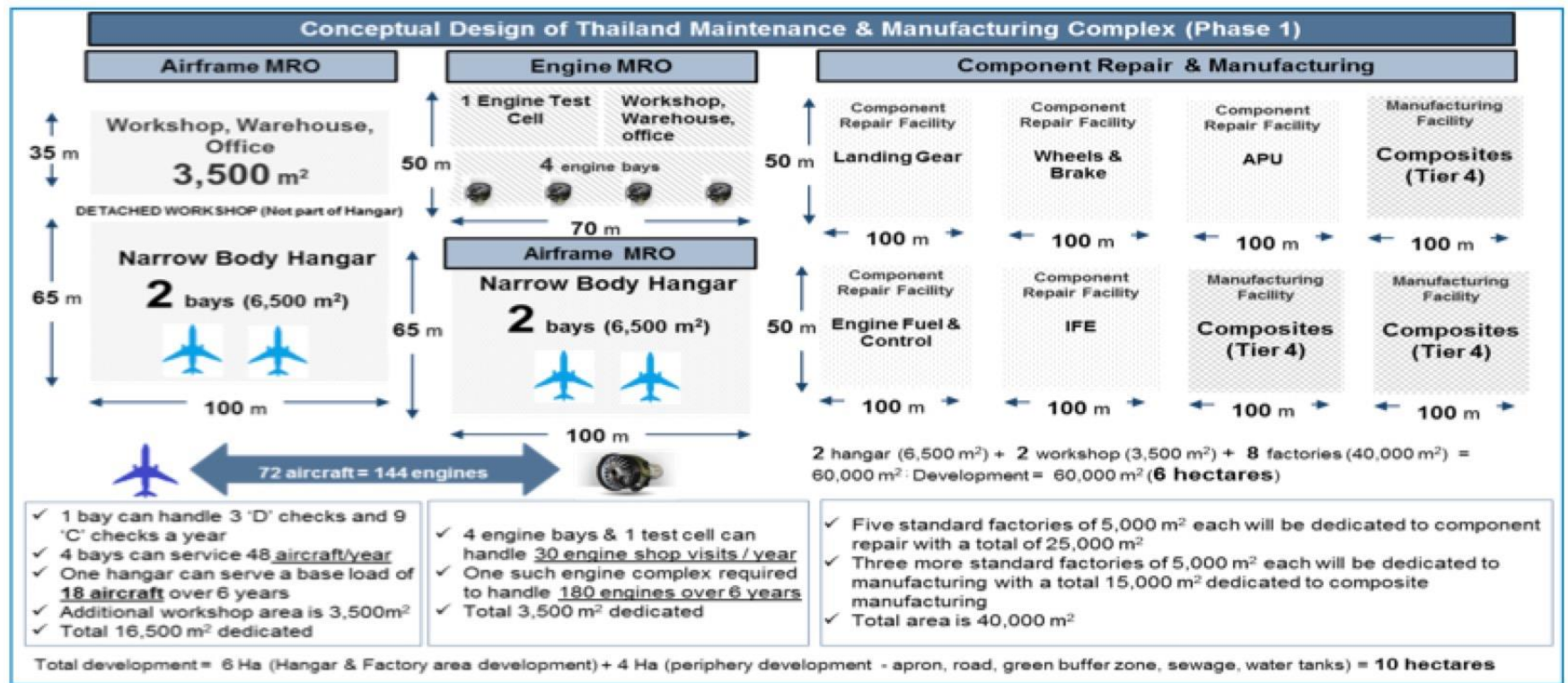
Thailand Aerospace Roadmap

Manufacturing and Maintenance Complex



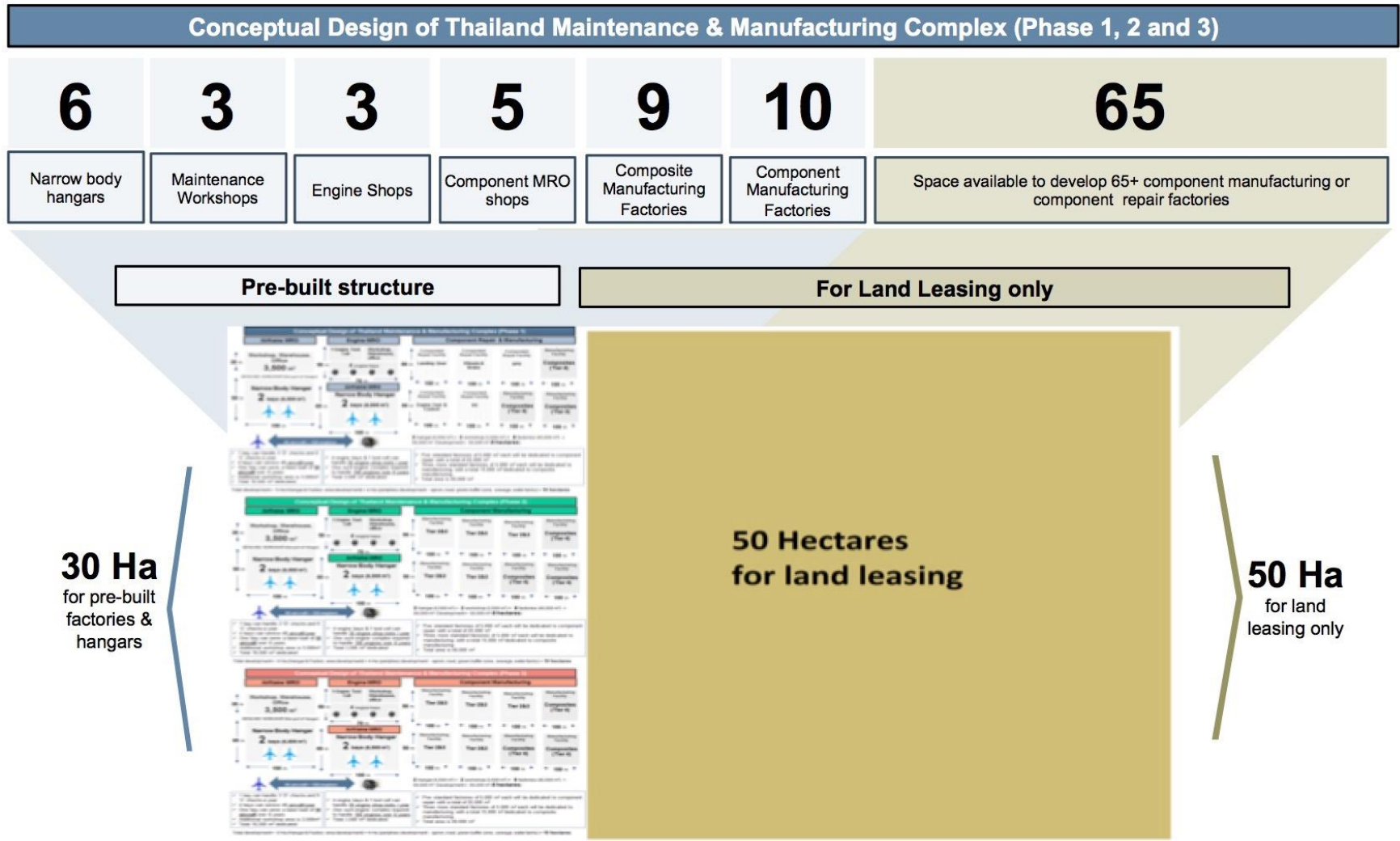
Thailand Aerospace Roadmap

Manufacturing and Maintenance Complex



Thailand Aerospace Roadmap

Manufacturing and Maintenance Complex



Aerospace Industry in Thailand

Advantages



- ✓ Linkage industries such as automotive and electronics



- ✓ Competitive wage compared with Singapore and Malaysia.



- ✓ Lower aircraft landing/takeoff/parking fees than some countries, such as Singapore



- ✓ Obtain BOI privileges to reduce the financial burden of starting business



- ✓ Strategic location among AEC



- ✓ Government policy to promote Thailand as an aircraft maintenance and manufacturing center

Where to Contact BOI



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