

Investing in Thailand Aviation Industry : Opportunities and Incentives

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1 Strategic Location

- Strategically located in the heart of Asia and poised to become a central hub for commercial aviation in the region

2 Shift East and Increasing Demand

- Asia's rising demand for air travel is shifting the global aviation landscape eastward
- Thailand's rise in number of passengers and number of flights as well as the growing of overall market size in aviation and aerospace sector

3 Growth Opportunities

- Opportunities for expansion in higher tiers of aviation manufacturing with the increasing air fleet
- Continued investment in infrastructure ex. U-Tapao International Airport under the Eastern Airport City (EECa)



4 Robust Supply Chain

- Key international aircraft manufacturing companies already operate in Thailand
- Expertise in Original Equipment Manufacturers (OEMs) and Manufacturing and Maintenance, Repair, and Overhaul (MRO) services

5 Government Support

- BOI incentives (tax, non-tax, financial)
- Comprehensive Govt measures to support the vision to become aviation hub and logistic hub

6 Safety & Resiliency

- Conflict-free Zone for Multinationals' Investment
- Low risk of natural disasters
- Resilience & Crisis response

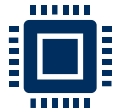




Years of Significant Growth in Investment

Unit: Million USD



FDI Application in 2023

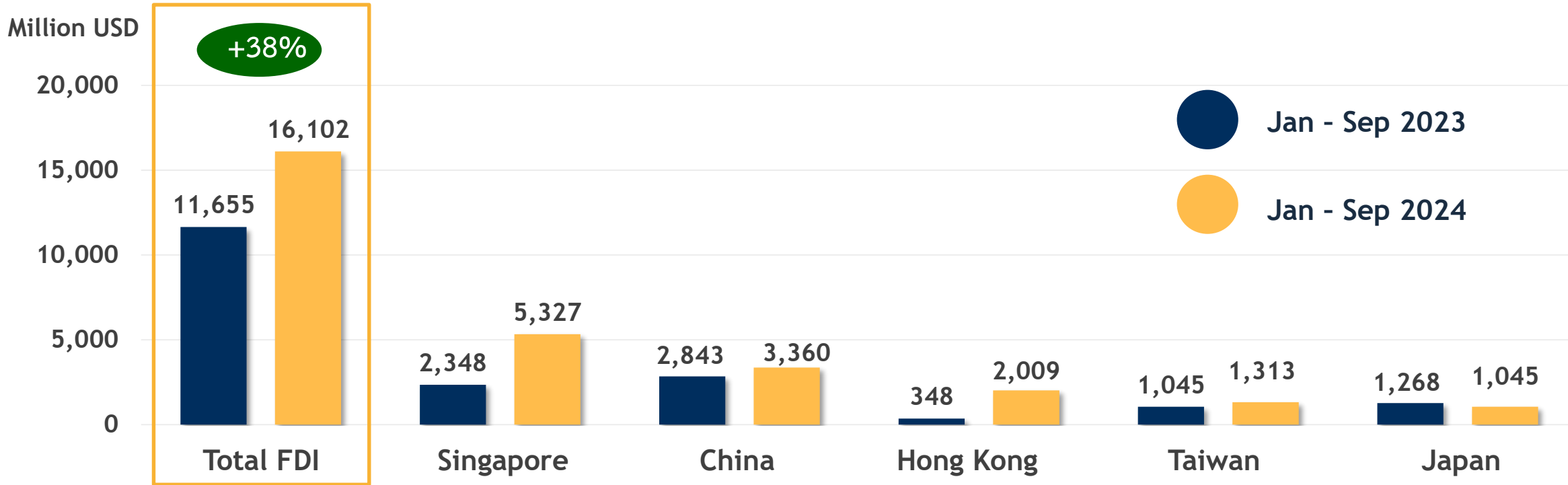
Top 5 FDI Application by Industry in 2023

1 st		Electrical Appliances and Electronics industry	USD 10,026 Mn
2 nd		Machinery and Vehicles industry	USD 2,495 Mn
3 rd		Agricultural, Food and Biotechnology industries	USD 1,627 Mn
4 th		Chemical and Petrochemical Industry	USD 1,471 Mn
5 th		High Value Service	USD 1,230 Mn

Top 5 FDI Application by Country in 2023

1 st		PRC (China)	USD 4,695 Mn
2 nd		Singapore	USD 3,635 Mn
3 rd		USA	USD 2,473 Mn
4 th		Japan	USD 2,332 Mn
5 th		Taiwan	USD 1,608 Mn

FDI Application in 2024 (Q3)



Highest Investment Sector in 2024 (Q3)

- 1**

Electric and Electronic Products
5,342 Mn USD
266 Projects
- 2**

Machinery and Vehicles Industry
2,870 Mn USD
298 Projects
- 3**

Digital Industry
2,659 Mn USD
70 Projects
- 4**

High Value Service
1,244 Mn USD
176 Projects
- 5**

Metal and Material Industry
1,232 Mn USD
201 Projects

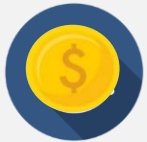


BOI's Role: To Drive the Investment to the New Economy

About BOI

BOI

is a government agency under the Office of the Prime Minister



Promoter

drives and promotes investment in private sector in alignment with the country's development strategy & the changing world context



Integrator

integrates Government support tools such as tax, finance, and non-tax incentives in a whole package



Facilitator

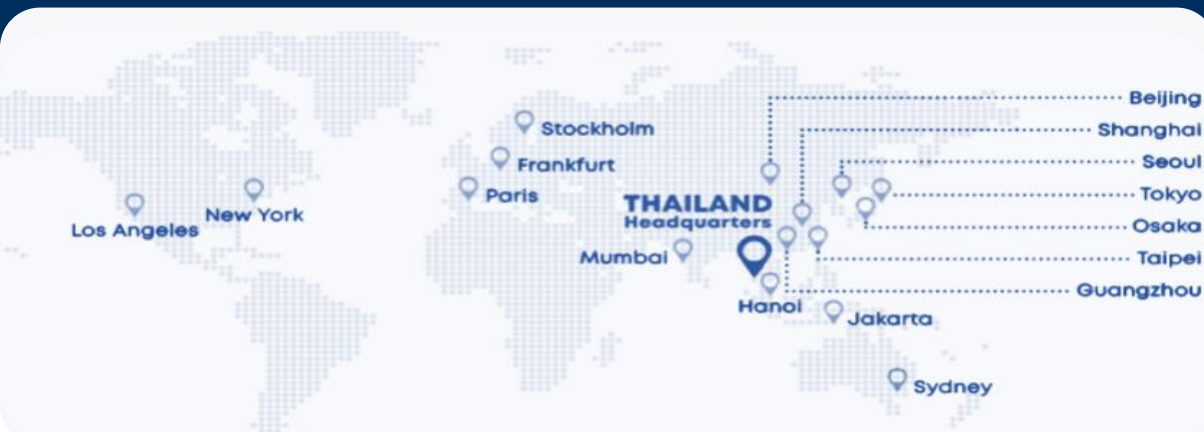
coordinates with agencies to develop the ecosystem & facilitate ease of investment & eliminates problems/obstacles



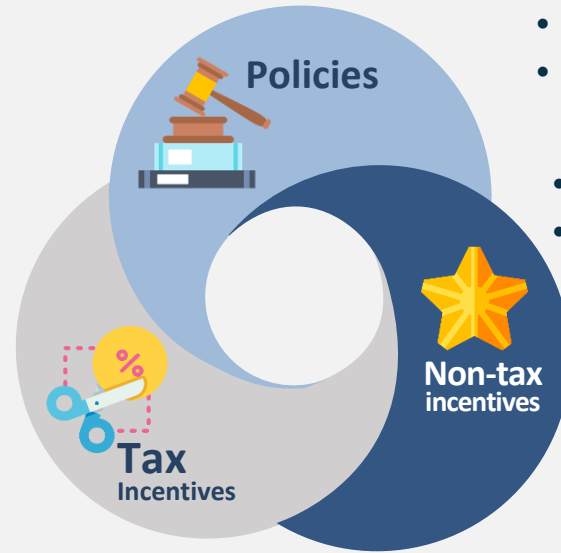
Connector

links large-scale enterprises, Thais with foreigners, across industries & locations to expand business opportunities

Overseas Offices



BOI's Investment Promotion Measures

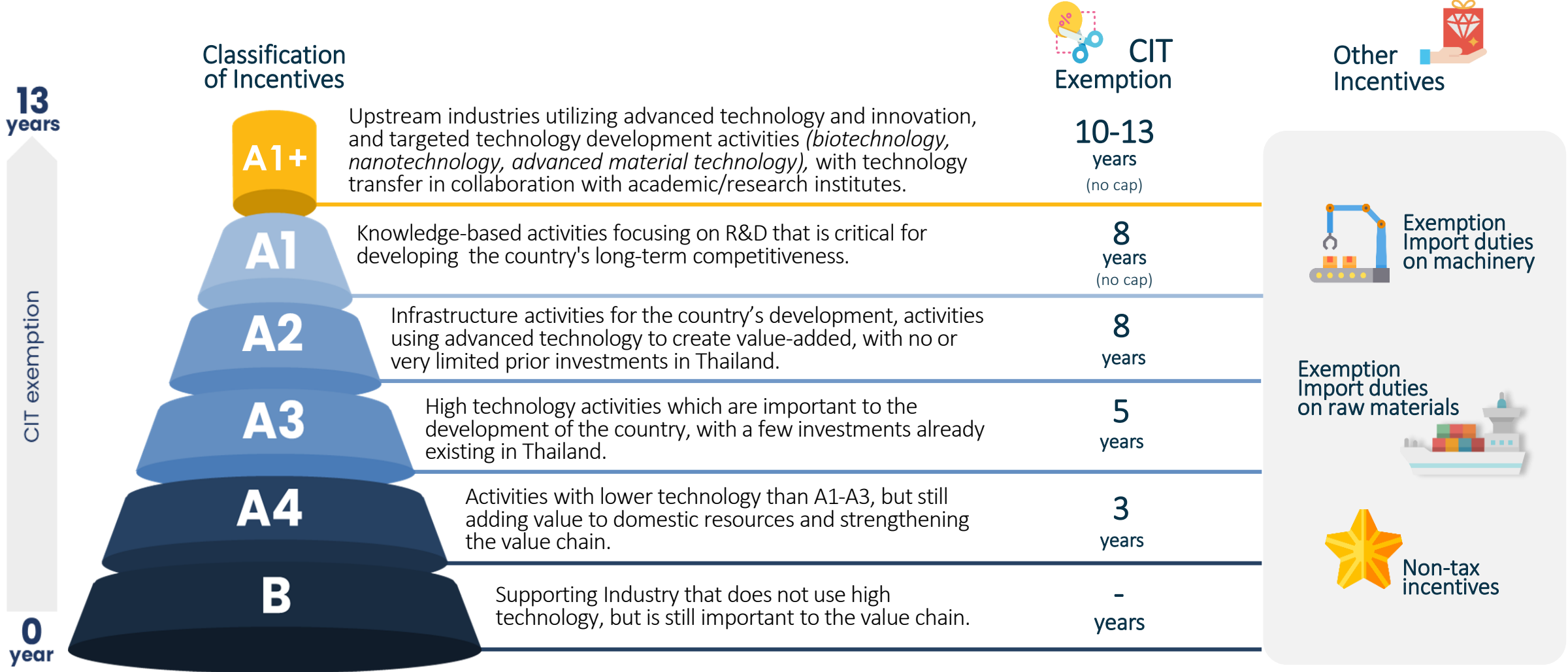


- 100% foreign ownership
- No local content requirements
- No export requirements
- No restrictions on foreign currencies
- Land ownership
- Work permit & visa facilitation

- Corporate income tax exemption up to 13 years
- 50% Corporate income tax reduction for 5 years
- Exemption of import duties on machinery
- Exemption of import duties on raw or essential materials imported for exports
- Exemption of import duties on goods imported for R&D

Financial Support for Technology Development & Training
by Competitiveness Enhancement Fund

Investment Promotion measures for Targeted Industries



BOI and Investment Promotion Strategy for the New Economy

The new investment promotion strategy (2023-2027) is based on 3 concept, promoting investment that transform the Thai Economy into the “New Economy”

End-to-End Services for both
Pre- and Post- Investment

Whole Package Incentives
(Tax + Non-tax + Financial
Incentives)



Ecosystem &
Ease of Investment

Target: To promote investment that transform
the Thai economy into the “New Economy”

Innovative

An economy driven by
technology, innovation, and
creativity.

Competitive

An economy that is highly
competitive, resilient and
producing high growth

Inclusive

An economy that signifies
environmental and social
sustainability, opportunity creation,
& economic disparity reduction

7 Pillars of Investment Promotion Strategy for the New Economy

01

Restructure industries and strengthen supply chains

02

Accelerate transitions to smart & sustainable industries

03

Promote Thailand as an “Intl Business Hub” and a “Regional Trade and Investment Gateway”

04

Strengthen Competitiveness of SMEs and Startups and connect them to the World

05

Promote investment based on the potential of each area to generate inclusive growth.

06

Promote Development of Community and Society

07

Promote Thai Overseas Investment to Expand Business Opportunities

9 New Investment Promotion measures

effective on Jan 3rd, 2023 onwards

1. *Promotion of Targeted Industries*
2. *Competitiveness Enhancement Program*
3. *Retention & Expansion Program*
4. *Relocation Program*
5. *Investment Stimulation Measure for Economic Recovery*
6. *Smart & Sustainable Industrial Upgrade Program*
7. *Investment Promotion Measure for SMEs*
8. *Area-based Promotion Measure*
9. *Social and Local Development Investment Program*

Basic Incentives

Activity-Based

- Agriculture, Food and Biotechnology
- Medical
- Machinery and Vehicles
- Electrical and Electronics
- Metal and Materials
- Chemicals and Petrochemicals
- Public Utilities
- Digital Industries
- Creative Industries
- High-Value Services

≤ 13 years CIT exemption



Additional Incentives

Merit-Based

- 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

Existing Industries



Future Mobility



Soft Power

New Industries



Green Economy



Digital Economy



Medical and Wellness



Financial Hub



Aviation Hub



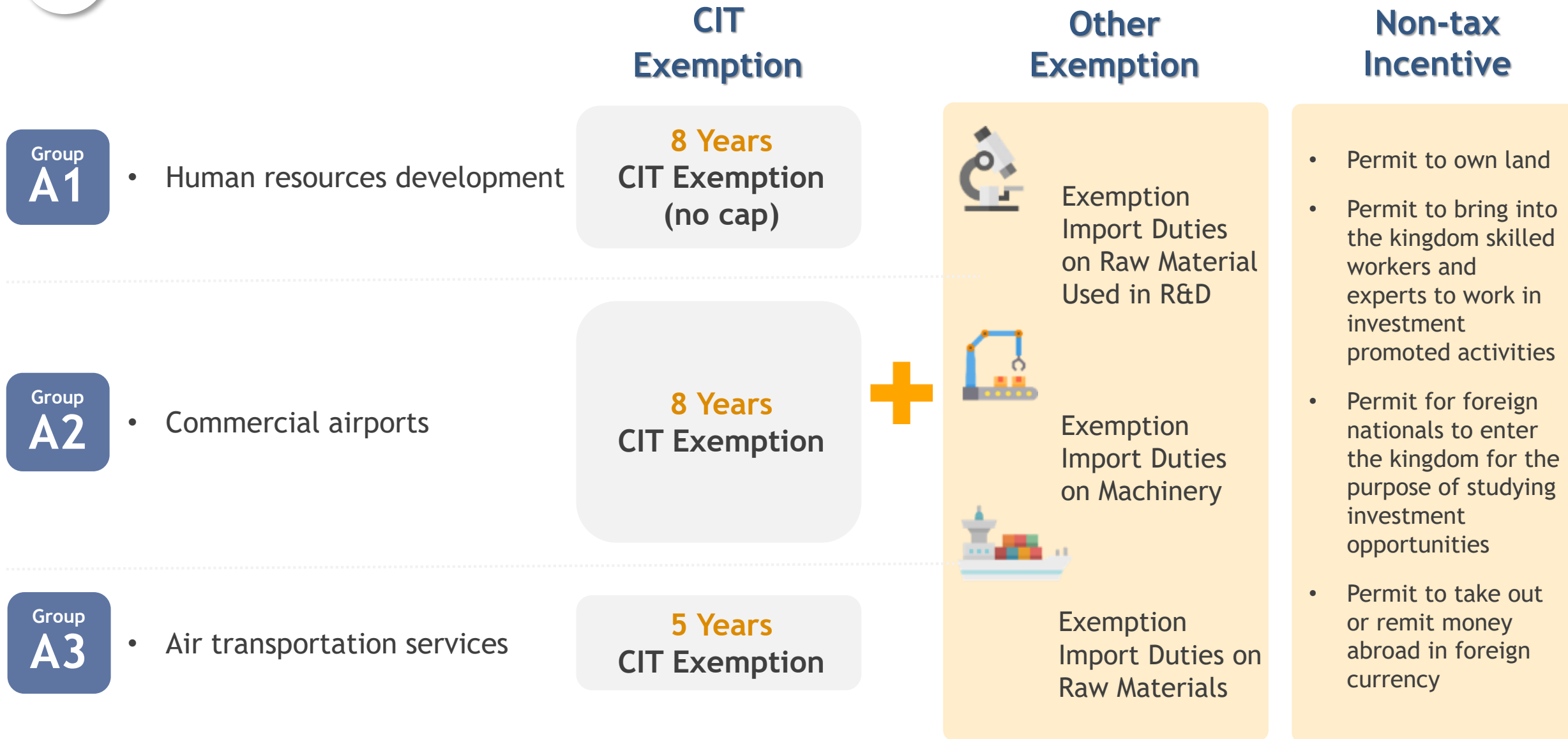
Logistic Hub



Aviation Hub

The government aims to promote the country to become regional **aviation hub** and **logistics hub** through the increase in both public and private investment. The current development include the **new airports development** and the **upgrade of existing airports**

BOI's Investment Incentive: Aviation and Air Transportation



BOI's Investment Incentive: Space and Aerospace Industry

Group A1

- Manufacture of aircrafts or aircraft parts
- Manufacture of space equipment
- Design and development of system or software related to satellites and ground stations
- Space launching services or manufacture of launch mission control systems

CIT Exemption

8 Years
CIT Exemption
(no cap)

Group A2

- Repair of aircraft or aircraft parts
- Manufacture of mechanical parts and/or electronic parts for satellites or space objects of various form
- Aerospace support activities

8 Years
CIT Exemption



Group A3

- Manufacture of onboard devices or equipment

5 Years
CIT Exemption

Group A4

- Repair of onboard devices or equipment
- Manufacture of ground support equipment and ground support service

3 Years
CIT Exemption

Other Exemption



Exemption
Import Duties
on Raw Material
Used in R&D



Exemption
Import Duties
on Machinery



Exemption
Import Duties on
Raw Materials

Non-tax Incentive

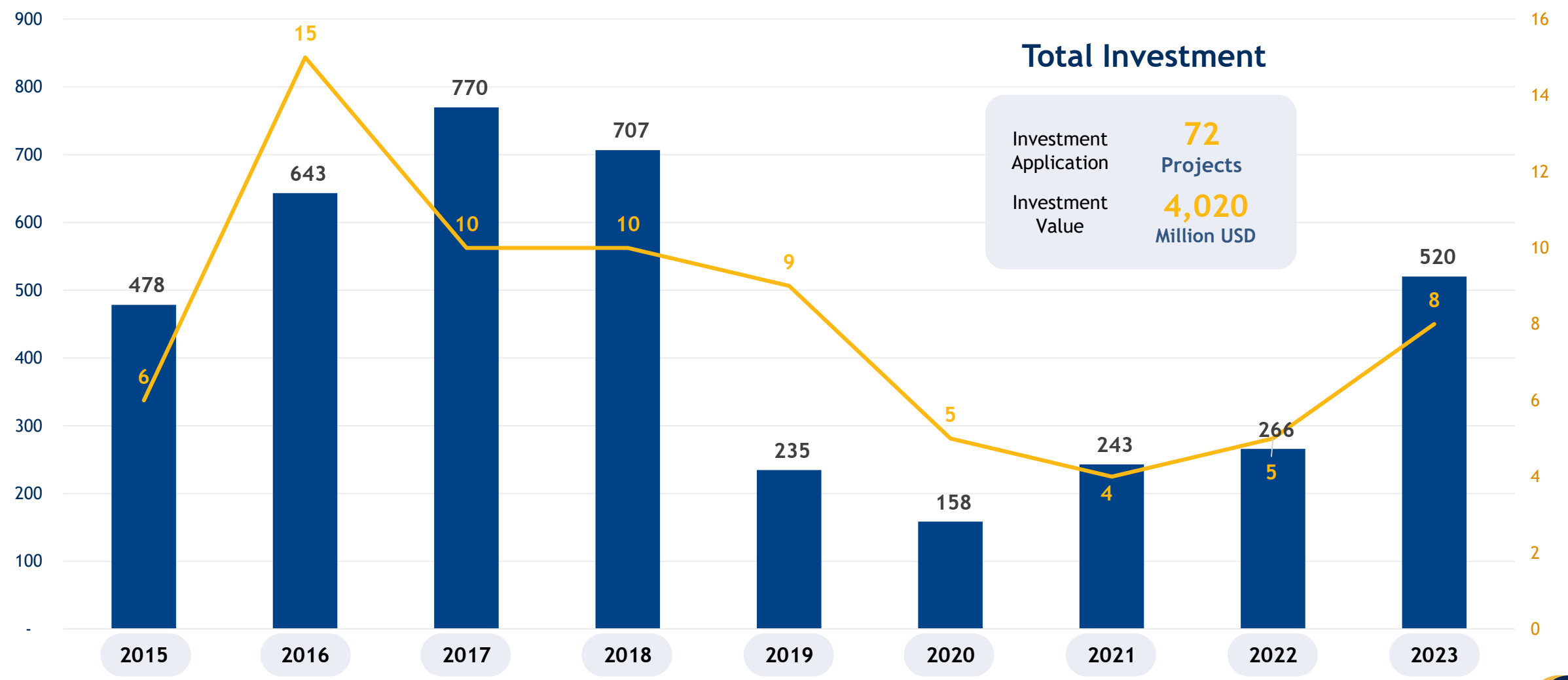
- Permit to own land
- Permit to bring into the kingdom skilled workers and experts to work in investment promoted activities
- Permit for foreign nationals to enter the kingdom for the purpose of studying investment opportunities
- Permit to take out or remit money abroad in foreign currency



Investment Applications for Air Transportation Services

Investment Value
(Million USD)

Investment Application
(Projects)



Note: Exchange Rate from Bank of Thailand as of October 11, 2024 (1 USD = 33.4761 THB)

Source: Thailand Board of Investment

BOI's First-Class Service to Facilitate all Investors



One Start One Stop Investment Center (OSOS)

To facilitate investors along the investment application process, provide insight information, advice, and useful agency contact's channel



17
Oversea offices



7
Regional offices
In Thailand



The Long-Term Resident (LTR) Visa program offers a variety of tax and non-tax benefits to LTR visa holders, specifically targeting four distinct groups

- 1 Wealthy Global Citizen
- 2 Wealthy Pensioner
- 3 Work-from-Thailand Professional
- 4 Highly Skilled Professionals

So far, a total of **7,322** applications have been received



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



ธนาคารแห่งประเทศไทย

This aims to support the approval and submission processes, reduce process and time for obtaining license of regional office operation

The major services consist of Information Center and Consultancy Service



THAILAND
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INVESTMENT

For More Information



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