

# TIR

Thailand Investment Review

Powering the New Normal

Meet the LTR Visa

Succeeding in the Post-Covid Era

## Positioned for Growth

Thriving in the Post-Covid Economy



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THAILAND  
BOARD OF  
INVESTMENT



## Powering the New Normal

**With an improving pandemic situation and lower rate of infections, the government moved to reopen the country at the beginning of May loosening quarantine restrictions for fully vaccinated travellers in a move widely supported by the business community and population, and which will give an important boost to the tourism sector, further instilling confidence in the wider economy.**

The reopening is a further sign of a post-pandemic recovery that is slowly gathering pace providing business and investment opportunities for investors worldwide. The BOI has focused on a group of targeted sectors to attract investment flows that contribute to advancing innovation in industries in support of the BCG economy, an important part of Thailand's national agenda, to achieve sustainable growth benefiting the country's long-term economy.

**Thailand's exports hit USD 69.9 billion in the first quarter of 2022.**

### A HUB FOR MEDICAL INNOVATIONS

With a rapidly aging population, and strong interest worldwide for advanced, accessible and more affordable medical services, the BOI recently unveiled new categories to drive Thailand's efforts in becoming a global medical hub. These include senior care centers, clinical trials, and clinical research which cover two sub-activities: clinical research organizations (CROs) and clinical research centers (CRCs), all of which are eligible for respective corporate tax exemptions. A stronger emphasis is being made to encourage the development of drugs, and





technological and medical breakthroughs through increased home-grown research and development in Thailand.

### A PLATFORM FOR SMART GROWTH

There is an equal focus on ensuring that Thailand becomes a foundation for advanced industries through smart electronics. The pandemic has only underscored the need for this crucial sector, which serves as an important building block and platform supporting other growth industries. A specific focus of the BOI is on semiconductors, with incentives that were announced to support their manufacturing, both in front and back-end investments, as well as related industries to further strengthen Thailand's electronics supply chain amid ongoing global challenges and supply chain disruptions.<sup>1</sup>

In a sign of the resilience of the broader sector, in the first six months of 2021, the electrical appliances and electronics industry attracted the most investment among Thailand's target sectors with 77 projects worth 61 billion baht, growing 136% from the year-earlier period. This is indicative of the country's robust upstream industry supply chain contributing to the success of the E&E sector.

### DRIVING INTEGRATION AND TRANSFORMATION

And as electric vehicles gain prominence, a rapid convergence is set to take place with the need for smart electronic parts

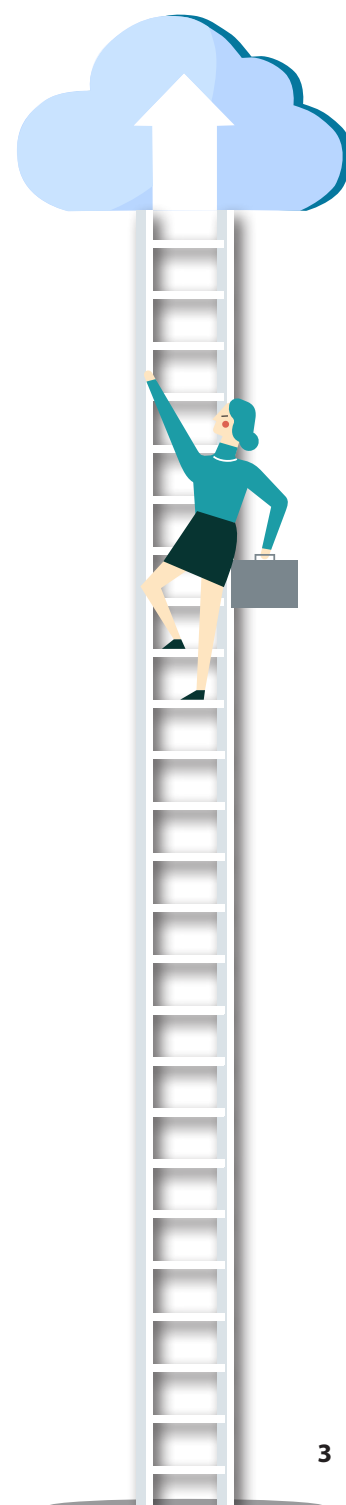
and equipment. And with the largest automotive industry in Southeast Asia, Thailand is set to transition further up the technology and innovation value chain as the BOI promotes EVs. Notably, with Honda aiming to go all-electric by 2040, Honda Automobile (Thailand) is reportedly looking into building an EV battery factory in the country, as other domestic players, such as Energy Absolute, are already building a sizeable position in this growth market.

### SOLUTIONS IN THE CLOUD

In adapting to the new normal and the rapid shift to all things digital and online, the BOI is fully behind the Data Center and Cloud industry, which will amplify growth in the digital sector, serving as the backbone for Thailand's digital transformation. Moreover, it meets the needs of Thailand's rapidly growing e-business market and the accelerated digital adaptation of Thai consumers and businesses large and small in utilizing online and digital tools in areas such as remote work, healthcare and business transactions to name a few. e-Conomy SEA 2021 noted the "exponential growth in digital consumers (who intend to continue using digital services)" adding that Thailand saw nine million new digital consumers (up to the first half of 2021).<sup>2</sup> With the uptake in digital tools, these trends, which look set to grow in the future, continue to drive demand for data center and cloud services, with the increasing need for speed, agility, global reach and scalability. ■

**Looking at 2025, Thailand's overall internet economy will likely reach US\$57B in value, growing at 17% CAGR.**

Source: e-Conomy SEA 2021



source: <sup>1</sup>Asean Briefing.

<sup>2</sup>e-Conomy SEA 2021.



## Meet the LTR Visa

**To broaden investments and improve the country's competitiveness by enhancing Thailand's attractiveness as a regional hub for living and doing business for 'high-potential' foreigners, the government approved a 'long-term resident (LTR)' visa, providing a new avenue for people around the world interested in moving to stay and work in Thailand – that cuts red tape while improving the benefits available to four groups: wealthy global citizens, retirees, highly-skilled professionals, and professionals working remotely from Thailand.**

The LTR VISA has a validity period of ten years (five years renewable), with an option of obtaining work permits once the visas are received, and no longer requires the 90-day notification standard with conventional work permits.

To qualify, wealthy global citizens and retirees must show an average income of at least US\$80,000 for the two years prior to applying for the visa and have a health insurance policy providing coverage of at

least US\$50,000 for a minimum of ten months starting from the application date or social security coverage of medical expenses in Thailand.

Highly skilled professionals or specialists working from Thailand must show an employment or service contract with a domestic or foreign business and provide proof of five-years work experience in the relevant sector within ten years of the application date.

As an added incentive, personal income tax is being waived for three of the four groups: wealthy global citizens, retirees, and professionals working remotely in Thailand, as each is considered an investor.

In terms of eligibility requirements, the minimum investment for high-income earners is US\$500,000 in either government bonds, property, or foreign direct investment. In addition, this group must have a minimum income of US\$80,000 over the previous two years before applying for the visa and hold at least US\$1 million in assets.

Foreign retirees qualify at 50 years of age and must have an annual income of



**Thailand is the most popular choice for companies planning expansion into new Southeast Asian markets, with 23% intending to enter the market in the next two years.**

Source: HSBC Navigator: SEA in Focus





US\$40,000 and invest US\$250,000 in government bonds, foreign direct investments, or real estate.

Remote-working professionals in Thailand require a minimum annual income of US\$40,000 in the past two years, a Master's degree or above or own intellectual property and have at least five years of work experience in the relevant fields of their current employment over the past 10 years.

The NESDC estimates the long-term visa policy will draw one million arrivals, generate one trillion baht in domestic spending, boost investment by 800 billion baht and increase tax revenue by 270 billion baht over a five-year period.

With the elimination of the 'Sandbox' and 'Test and Go' programs as of May 1, along with the need to quarantine and undertake an RT-PCR test, the immediate response has been enthusiastic with roughly 300,000 visitors entering Thailand in the first week. And as Thailand repositions its tourism industry to a new, more sustainable model, the government's targeted focus on advanced industries supporting the BCG economy while welcoming foreign investors is set to help the country achieve resiliency. ■

For further details about the LTR, please visit [https://www.boi.go.th/upload/content/LTR\\_website\\_May2022.pdf](https://www.boi.go.th/upload/content/LTR_website_May2022.pdf)

**One million foreign LTR visitors are expected to stay in Thailand.**

Source: Finance Minister Arkhom Termpitayapaisith.



## Succeeding in the Post-Covid Era

### TYSON FOODS

Tyson Foods Inc. is one of the world's largest food companies and a recognized leader in protein. Headquartered in the US, Tyson Foods innovates protein to make it more sustainable, tailoring food everywhere it's available. Tyson APAC's operations span the region, including Thailand, Malaysia, Australia, Singapore, and Japan, and produce innovative products across different types of protein such as poultry, and plant-based produce, supporting customers in channels and food services across 25 countries.

Furthermore, Tyson Foods has applied to be an International Business Center (IBC), an agency



// Thailand has transformed into a major base for global food production supported by its existing, well-established supply chain and extensive government support. //

**Tan Sun,**  
President Tyson Foods APAC

under the Thai government which provides a range of support for applicants, allowing Tyson Foods APAC to strengthen its operations, enhancing the efficiency in supporting the company's growth aspirations, in line with the government's plans to transform Thailand into a global food production hub, said Tan Sun, President Tyson Foods APAC.

As part of this initiative, Tyson Foods APAC is investing in data, analytics, automation, and digitization (DAAD) across its facilities. Apart from operational efficiencies, these investments also facilitate the development of human capital which can boost the capabilities of Tyson's personnel and the industry.

### ENERGY ABSOLUTE

Mr. Somphote Ahunai is the CEO of Energy Absolute, Thailand's leading alternative energy company, which includes a diverse product range including EVs, over 1,600 charging stations in Thailand, and platforms to manage energy, with a market capitalization of over 200 billion baht. In looking at the energy industry, however, Mr. Somphote notes that environmental concerns come to mind and in response, Energy Absolute is looking to expand and offer the world's first

green PCM creating a valuable source of revenue.

Mr. Somphote shared that Energy Absolute's growth ceiling has considerable room to further expand, with newer products, such as solar energy, potentially overtaking existing revenues comprised mainly of biodiesel, whereby the latter looks to only account for 5% of future earnings. Aside from expansion to other forms of energy, Energy Absolute is planning to boost its digital platforms bundling its services producing higher barriers to entry, giving the company

an important advantage over its competitors. With expansions into other forms of energy and the current growth potential, Absolute Energy's rapid ascent as a major global player in the energy sector is within reach.

// We are relentlessly transforming for growth – a few years from now, our new businesses will generate 90% of the group's revenue. //

**Mr. Somphote Ahunai**  
CEO of Energy Absolute





## 2C2P

Mr. Aung is the CEO of 2C2P, a Singaporean-based e-commerce payment system, and the first payment provider to support the Government of Thailand in stimulating economic growth. During the pandemic, increased preferences for digital banking allowed 2C2P to become a significant player in supporting payments. 2C2P boomed during the Covid-19 period as online shopping became the new normal, further improving their payment processes to better cater to consumer preferences.

2C2P's main selling points are its expertise in Southeast Asian markets, the ability to reduce the costs for regional connectivity, and removing the need for an intermediary. 2C2P believes that ASEAN can be connected through a single payment network accommodating all transactions. The Southeast Asian market has yet to achieve its full growth potential, with trade volumes in e-commerce still capable of achieving its ceiling. Digital payment services in Thailand are growing continuously, which allows 2C2P to maintain its position as a dominant player in facilitating payment transactions and services.



Mr. Aung Kyaw Moe,  
Founder and CEO of 2c2p

//Thailand is the perfect hub for us to expand our focus on fintech contributing to our digital transformation regionally and globally.//



Mr. Piyachart  
Ratanaprasartporn,  
CEO of 2c2p Thailand

services in all forms from Business-to-Business (B2B), Business-to-Customer (B2C) as well as Customer-to-Customer (C2C), allowing for expansive coverage as the company excels as a leading logistics provider. While the pandemic has affected consumer behaviors, Mr. Ng nevertheless believes that post-Covid demand for domestic deliveries will be explosive, allowing Kerry Express to achieve continued and massive growth.

Mr. Ng stated that the geographic location of Thailand is indisputable, located in the center of Southeast Asia, with broad access to the world's fastest-growing markets. Compared to neighboring countries, Thailand offers a favorable economic landscape for the retail and e-commerce sectors, complementing Kerry Express' operation with relatively unrestricted low operating costs, enabling Kerry Express to integrate these advantages into its operations. Despite the heightened uncertainties from the pandemic, Kerry Express is bullish on its long-term growth trajectory. ■

## KERRY EXPRESS

Mr. Alex Ng is CEO of Kerry Express, a Hong-Kong based logistics company that since its launch, has experienced tremendous growth, currently employing a 40,000-strong workforce, and providing

//At Kerry Express, we promised to make our customers happier and improve our services, while speeding through Covid-19 with minimal time on paperwork and red tape. Thailand always allows us to achieve so much. //

Mr. Alex Ng  
CEO of Kerry Express



# BOI NET APPLICATION

(January-March 2022)



## TOTAL INVESTMENT

**378 Projects**

**US\$ 3,224.71 Million**



## TOTAL FOREIGN INVESTMENT

**198 Projects**

**US\$ 2,250.86 Million**

## FOREIGN INVESTMENT BY TARGETED SECTOR

### First s-curve



#### Electronics

**23 Projects**

**US\$ 279.63 M**



#### Agriculture & food processing

**16 Projects**

**US\$ 106.82 M**



#### Automotive

**27 Projects**

**US\$ 1,210.87 M**



#### Petrochemicals & chemicals

**14 Projects**

**US\$ 28.13 M**

### New s-curve



#### Biotechnology

**1 Project**

**US\$ 107.75 M**



#### Digital

**23 Projects**

**US\$ 7.16 M**



#### Aerospace

**1 Project**

**US\$ 0.23 M**



#### Medical

**2 Projects**

**US\$ 16.40 M**



#### Automation & Robotics

**1 Project**

**US\$ 0.44 M**

## FOREIGN INVESTMENT BY MAJOR ECONOMIES

- ❶ **TAIWAN** US\$ 1,079.74 Million 10 Projects
- ❷ **JAPAN** US\$ 401.54 Million 45 Projects
- ❸ **CHINA** US\$ 389.10 Million 27 Projects
- ❹ **UNITED STATES** US\$ 60.46 Million 9 Projects
- ❺ **SINGAPORE** US\$ 53.03 Million 40 Projects
- ❻ **UNITED KINGDOM** US\$ 50.59 Million 1 Project
- ❼ **SWITZERLAND** US\$ 50.21 Million 3 Projects
- ❽ **THE NETHERLANDS** US\$ 30.17 Million 16 Projects
- ❾ **NORWAY** US\$ 20.30 Million 1 Project
- ❿ **DENMARK** US\$ 18.29 Million 3 Projects



Unit: US\$ (US\$= 34.338 THB as of 29 April 2022)

Note: Investment projects with foreign equity participation from more than one country are reported in the figures for both countries / Statistics on net applications are adjusted whenever applications are returned to applicants due to insufficient information.

For more details, please see link [http://www.boi.go.th/index.php?page=Report\\_investment](http://www.boi.go.th/index.php?page=Report_investment)





## KEY ECONOMIC FIGURES



**GDP** (at current)  
US\$ **505.43** Billion



**GDP per Capita** (2022p)  
US\$ **7,636**

### GDP Growth



Note\*: Estimate Value  
Source: NESDC Data as of 17th May 2022

### Unemployment

**1.53%**  
2022Q1



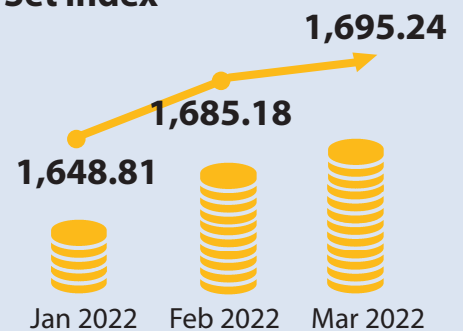
### Headline Inflation

**4.2-5.2%**  
2022

### Policy rate

**0.5%**  
Mar 2022P

### Set index



## TRADE STATISTICS (Jan-Mar 2022)

### EXPORT

US\$ **69,935.48** Million

### IMPORT

US\$ **71,834.53** Million

### TOP 5 EXPORT MARKETS (March 2022)

Rank	Value (US\$million)	Share
<b>UNITED STATES</b>	4,150.37	15.45%
<b>CHINA</b>	2,985.49	11.12%
<b>JAPAN</b>	2,114.14	7.87%
<b>SWITZERLAND</b>	1,782.52	6.64%
<b>SINGAPORE</b>	1,174.69	4.37%

### TOP 5 IMPORT MARKETS (March 2022)

Rank	Value (US\$million)	Share
<b>CHINA</b>	5,331.97	20.63%
<b>JAPAN</b>	3,212.39	12.43%
<b>UAE</b>	2,202.02	8.52%
<b>UNITED STATES</b>	1,285.69	4.98%
<b>MALAYSIA</b>	1,213.40	4.70%

## MARKET PROFILE

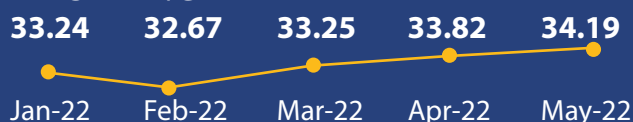


2020\*  
**Population**  
**66.19** Million

**Minimum Wage**  
THB **313-336**  
**US\$ Approximate**  
**9.12-9.79**

Source: Ministry of Labour

## EXCHANGE RATE



## TAX RATE

Corporate Income Tax: **0-20%**  
Personal Income Tax: **5-35%**  
Vat: **7%**  
Withholding Tax: **1-15%**

Source: The Revenue Department



# THERE ARE COUNTLESS REASONS TO INVEST IN THAILAND

The Office of the Board of Investment is a government agency that promotes investment in Thailand. The BOI acts as a professional contact point for investors on business support and investment incentives, both inbound to Thailand and for Thai overseas investments.

Explore more at [boi.go.th](http://boi.go.th)



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