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# Transformation – ASEAN's Future

Thailand Chapter

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Partner

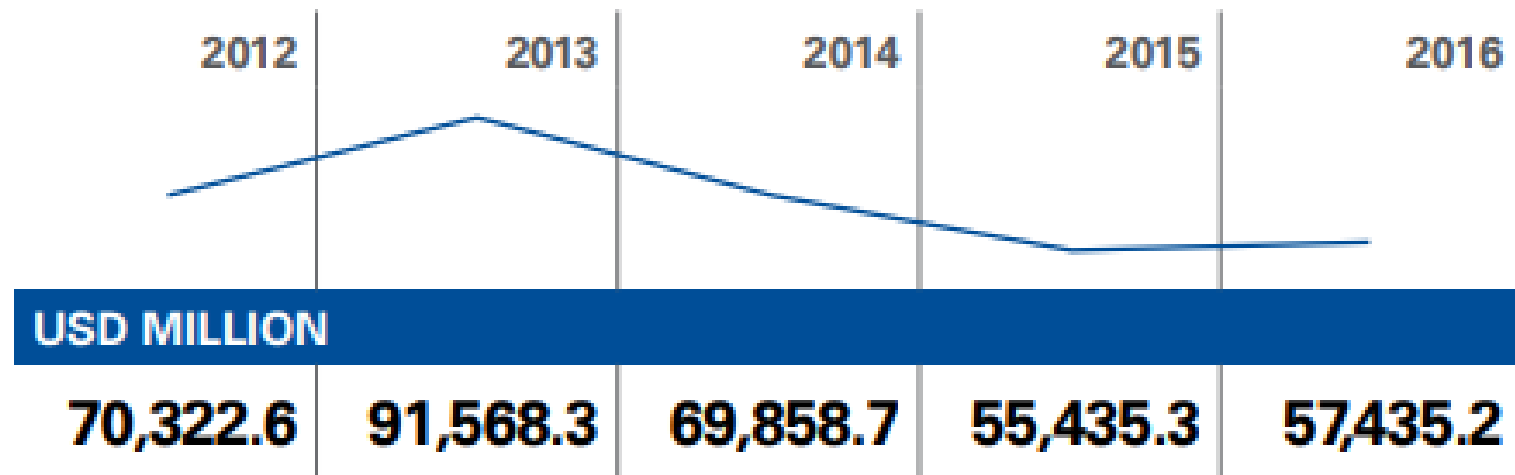
# An ASEAN OVERVIEW

- ▶ Outward investment into ASEAN by China grew from 1.8 billion USD and 71.6 billion USD from 2006 to 2016. USD 13 billion invest into Southeast Asia's startups since 2015 by Chinese companies.
- ▶ 9 billion USD of the 13 billion USD came from ASEAN Unicorns.
- ▶ East Ventures, an early stage venture fund with 4 unicorns in its portfolio, has offices in Jakarta, Tokyo and San Francisco but has invested in Singapore, Indonesia and Thailand as well.

# Thailand

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## Foreign direct investment inflows



Source: Bank of Thailand

# Thailand

## Main FDI investors



Japan  
**USD 10.4 bil**



China  
**USD 9.0 bil**



Hong Kong  
**USD 5.0 bil**



Singapore  
**USD 3.7 bil**



Germany  
**USD 3.4 bil**

*Source: Bank of Thailand. Figures as of 2016.*

# Thailand: 4.0 and more

- ▶ Thailand is moving towards becoming a service-based economy with the aid of technology.
  - Regulatory Reform
  - Better IP Rights
  - Sustained Growth
  - Digital economy – 5 key industries
  - Lower unemployment rates
  - Tax incentives
  - Trade Agreements – bilateral and regional

# Thailand: Emerging Industries and future focus

## 5 New S-Curve



**Biofuels  
and Biochemical**



**Digital Economy**



**Medical Hub**



**Automation  
and Robotics**



**Aviation  
and Logistics**

## 5 First S-Curve



**Agricultural  
and Biotechnology**



**Smart Electronics**



**Affluent Medical  
and Wellness Tourism**



**Next-Generation  
Automotive**



**Food for The Future**

# Thailand: Legal Impacts

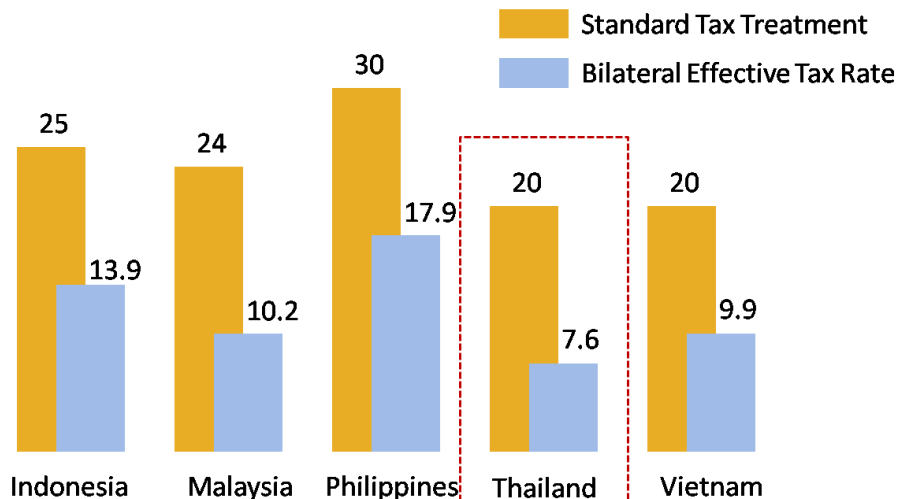
## BOI Investment Incentive Scheme



# Thailand 4.0 + EEC

- ▶ Designed to allow for the Special Economic Zones to offer more attractive incentive sand further 4.0 plans

Bilateral Effective Tax Rate of 5 ASEAN Countries in 2017



Bilateral Effective Tax Rates are estimated by assumption of General investment ( Machinery 60% Buildings 40%), Equity Financing and Repatriation in the form of dividends.

Cite : Estimated by Athiphat Muthitacharoe



# Thailand 4.0 + EEC

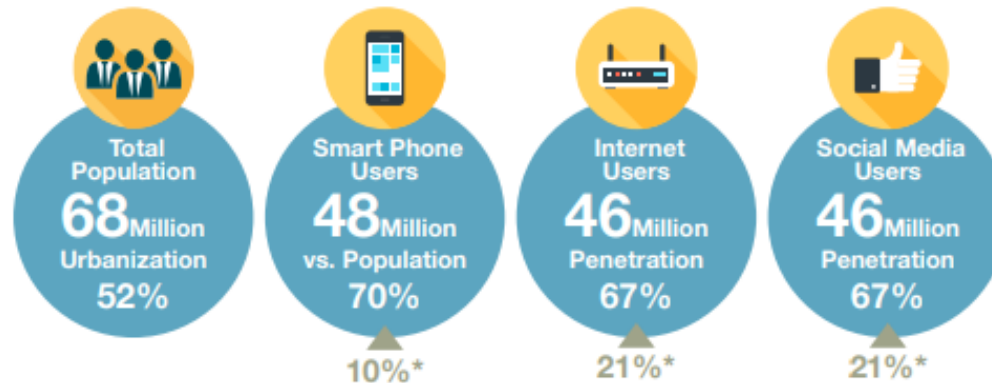
## New Investment Promotion Measures in the EEC -starting January 1, 2018

- Applications must be submitted by the end of 2019
- Must have cooperation with academic institution / research institution / Center of Excellence to develop human resource and improve the level of technology

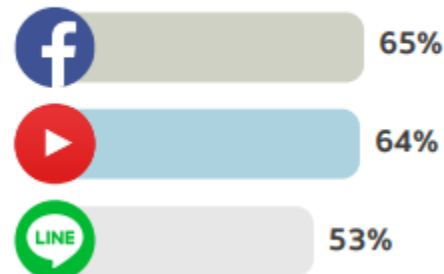
Area-based	Condition
1. Promoted Zones for Specific Industries (EECi, EECd, EEC Aerotropolis)	<u>No. of apprentices:</u> ≥ 10 % of all employees hired or at least 50
2. Promoted Zones for Specific Targeted industries	<u>No. of apprentices:</u> ≥ 5 % of all employees hired or at least 25
3. Other Industrial Estates/ Industrial Parks in EEC	

**Note:** Projects applied for this measure shall not receive additional incentive under merit on Industrial Area Development.

# Thailand Digital Market Landscape



## National Social Media Penetration

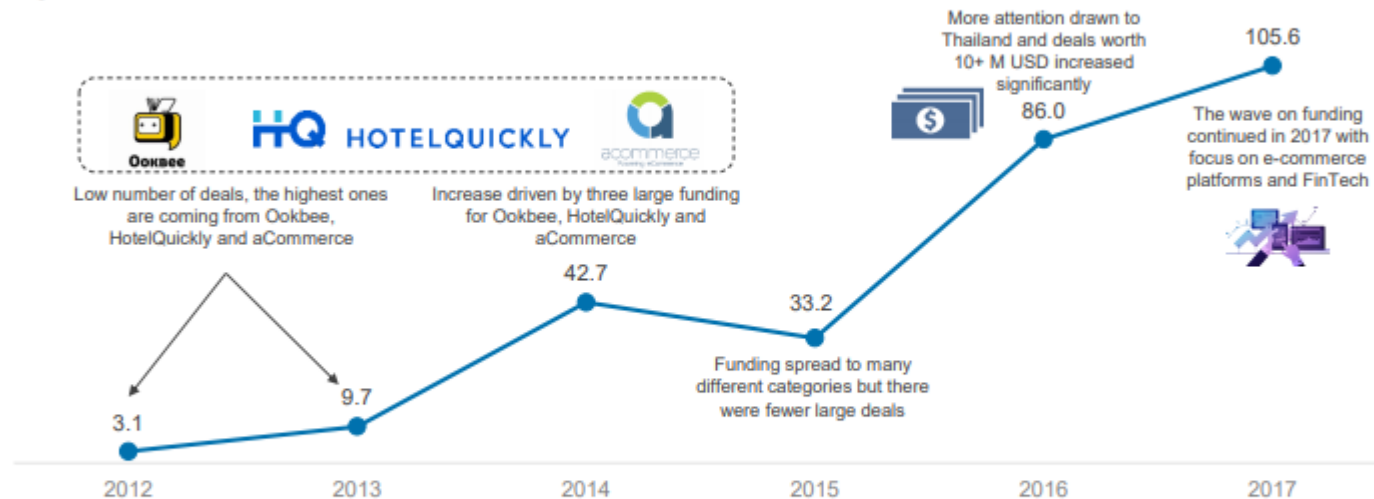


► Source: **Thailand Board of Investment**  
[www.boi.go.th](http://www.boi.go.th)

# Thailand: Startup scene

## STARTUPS IN THAILAND HAVE EXPERIENCED HIGH GROWTH IN FUNDING OVER THE PAST YEARS

FUNDING RAISED IN THAILAND STARTUP\*  
MUSD



\*the data doesn't take undisclosed funding rounds into account



- ▶ Thailand as a market has a low base of funding which explains the high growth
- ▶ Trend is clear and positive but also volatile since the increase is driven by a few number of players

SOURCE: TECHSAUCE, TECH IN ASIA

# Thailand: Key Startup Sectors

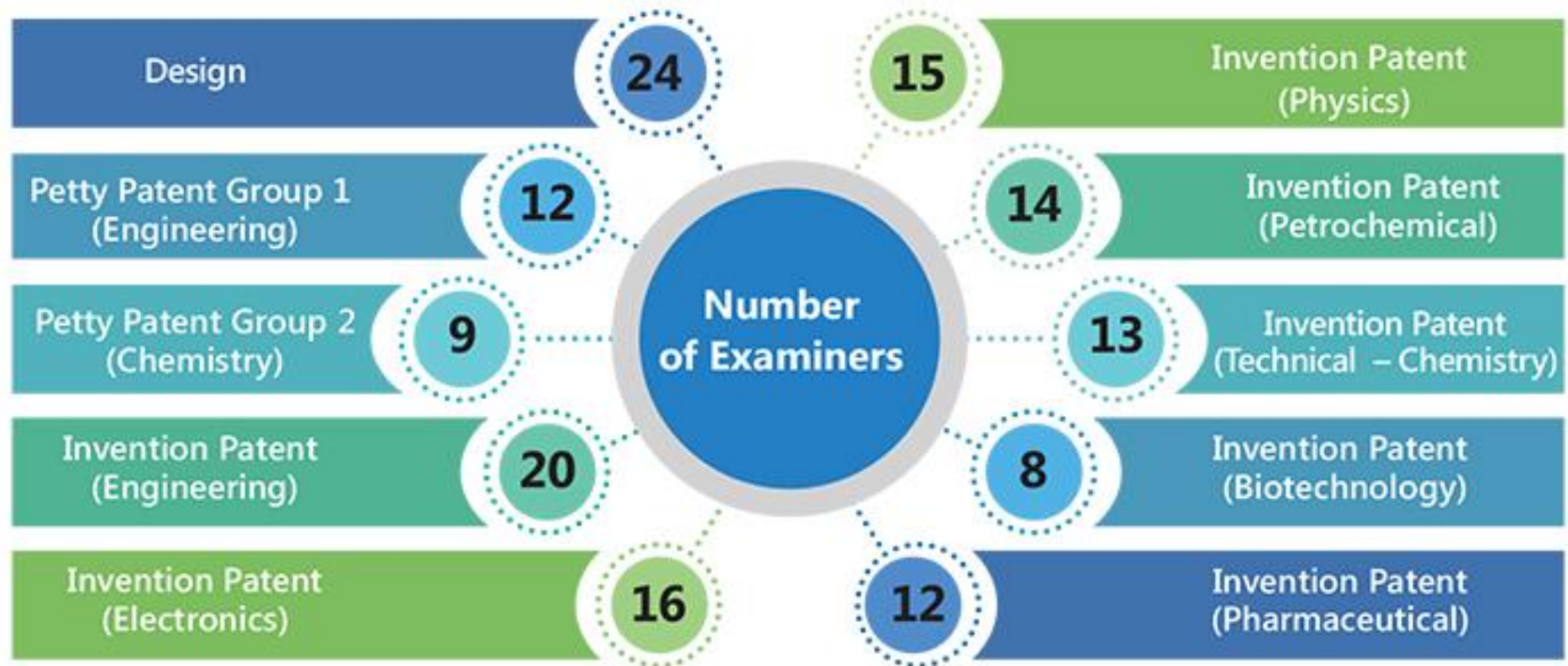


# Thailand: IP Perspectives

- ▶ S curve industries directly require IP protection.
- ▶ 20 year road map released by Department of Intellectual Property on January 26, 2017.
  - Clear backlog of patent cases – successfully improved over the past year, especially for pharmaceuticals and biotechnology.
  - Increase number of provinces with Geographical Indications.
  - Discussions regarding amendments to new Patent Act still ongoing.
- ▶ Thai FDA releasing new regulations to help protect cosmetic companies from parallel imports.





# Thailand: Clearing patent backlog

Thai Patent Office Examiner Groups (August 2017)



# Intellectual Property Laws



Thailand's IP laws	Status
<ul style="list-style-type: none"> <li>• Patent Act B.E. 2522 (1979) amended (No. 2) B.E. 2535 (1992),(No.3) B.E.2542 (1999)</li> </ul>	
<ul style="list-style-type: none"> <li>• Trademark Act B.E. 2534 (1991) amended (No. 2) B.E. 2543 (2000), (No. 3) B.E. 2559 (2016)</li> </ul>	
<ul style="list-style-type: none"> <li>• Copyright Act B.E. 2537 (1994) amended (No. 2, 3) B.E. 2558 (2015), (No.4) B.E. 2561 (2018)</li> </ul>	
<ul style="list-style-type: none"> <li>• Protection of Layout-Designs of Integrated Circuits Act B.E. 2543 (2000)</li> </ul>	
<ul style="list-style-type: none"> <li>• Trade Secret Act B.E. 2545 (2002) amended (No. 2) B.E. 2558 (2015)</li> </ul>	
<ul style="list-style-type: none"> <li>• Geographical Indication Protection Act B.E. 2546 (2003)</li> </ul>	
<ul style="list-style-type: none"> <li>• Optical Disc Production Act B.E. 2548 (2005)</li> </ul>	

# Thailand: IP Suggestions

- ▶ Better design patent protection for GUIs (Graphical User Interfaces).
- ▶ Even more cooperation between Thai FDA and DIP to encourage protection of IP in the S curve industries.





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