Competing for the Future: How Thailand Can Win the Next Wave of High-Value Investment

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Mr. Narit Therdsteerasukdi, Secretary General, Thailand Board of InvestmentX

- Thailand’s investment momentum is being driven by both external and internal factors. On the external side, geopolitical tensions and the restructuring of global supply chains are prompting investors to seek locations that are stable, reliable, resilient, sustainable, and ready to “plug and play.” Thailand is well positioned as an investment destination, supported by its strategic location at the heart of ASEAN and geopolitical neutrality.
- The rapid growth of AI technology is another major driver of investment, creating rising demand for AI infrastructure and supporting components across semiconductors and advanced electronics. Recent investment in Thailand has expanded into areas such as photonics technology, advanced PCBs, high-capacity hard disk drives, and AI servers, as well as supporting systems for data centers, including cooling systems, power supply, network equipment, and software and system management platforms. ESG and sustainability are also shaping investment trends, driving opportunities in areas such as clean energy, bio-based industries, and green technologies.
- On the internal side, Thailand has strengths and advantages for investors, including well-developed physical and digital infrastructure, reliable electricity, strong potential for clean energy, and more than 80 industrial estates nationwide. Thailand also has robust supply chains, particularly in the automotive and electronics industries, as well as a high-quality workforce that is ready to upskill and upgrade to support emerging industries.
- The changing industry mix reflects the increasing interconnectedness of technologies. AI is no longer a standalone technology but is becoming embedded across industries, from automotive and medical devices to automation, machinery, and robotics. As industries such as semiconductors, electronics, PCBs, AI, and automotive become increasingly interconnected, this creates new opportunities for Thailand.

- Looking ahead over the next 3-5 years, AI supply chain, including semiconductors and electronics, will be a key driver of the next wave of FDI. The growth of AI, smart vehicles, and other smart technologies will drive greater demand for semiconductor and electronic components. A national strategy for semiconductors and advanced electronics will be proposed to help accelerate the development of Thailand's electronics ecosystem.
- To remain competitive in high-value investment, Thailand needs to focus on three priorities: people, supply chain development, and ease of doing business. On talent, BOI is pursuing a "build and buy" approach by developing local talent while attracting global talent through BOI Visa, Smart Visa, and Long-Term Resident Visa schemes, alongside university initiatives in areas such as semiconductor engineering, data center engineering, and aerospace engineering. Thailand also needs to upgrade supply chains for emerging industries and reduce obstacles to investment through mechanisms such as FastPass Programme.
- Thailand has the potential to become a hub for advanced manufacturing and high-value services. Looking toward 2035, investment will play an important role in supporting the government's broader economic ambitions, including raising Thailand's economic growth potential to above 3%, becoming one of the world's top 20 most competitive economies by 2030, and achieving high-income country status within 12 years. Ultimately, success should not be measured only by the amount of FDI attracted, but by building an ecosystem in which global companies, Thai enterprises, and Thai people can work together to innovate and grow together.

Mr. Wei Khoe Lim, Senior Vice President and Managing Director, Infineon Technologies ThailandX

- Infineon's market capitalization has recently surpassed EUR 100 billion, making it one of Germany's 10 largest companies. This reflects the market's recognition of Infineon's role in powering AI-driven businesses and digital transformation. AI remains in its early stages and presents significant growth opportunities. Infineon continues to focus on digitalization and decarbonization, with mobility and energy identified as key growth segments. Although EV sales in the industry have remained relatively flat, automotive revenue of Infineon continues to grow as vehicles become increasingly digital, with higher software and semiconductor content in each vehicle.
- Thailand facility will become Infineon's next-generation and largest backend hub, nearly twice the size of the company's current largest backend hub. The state-of-the-art facility will leverage advanced technology and automation, strengthen Infineon's global manufacturing network, support future revenue growth, and create demand for technicians, engineers, and other highly skilled workers.
- Thailand's competitive advantages include strong government support for semiconductors and advanced electronics, a favorable business environment, workforce development, a strategic location in Southeast Asia, and a growing economy. To strengthen Thailand's competitiveness, Infineon highlighted the need to streamline regulations and import/export procedures, digitalize paper-based processes, and continue investing in power infrastructure, particularly reliable, high-quality electricity to support semiconductor manufacturing, advanced electronics, and data centers.

- Looking toward 2035, Infineon sees ecosystem development and local partnerships as critical to Thailand's long-term success. The company aims to deepen collaboration with local suppliers and SMEs, encourage strategic partners to establish operations in Thailand, and build a strong local ecosystem that supports sustainable business growth.

Dr. Prong Kongsubto, Chief of Staff and Senior Director for External Affairs, Lumentum Thailand

- Lumentum established its factory in Thailand around eight years ago, initially with only a few hundred employees, and is expected to reach 10,000 employees soon, making Thailand Lumentum's largest facility worldwide. As a company specializing in photonics and advanced communications, Lumentum's recent growth has been driven by AI, cloud, and telecommunications, with increasing adoption of photonics, optics, and advanced communications as traditional copper-based connectivity faces limitations, particularly in AI and data-center applications.
- Thailand's key strengths include its long-established manufacturing base and experience in EMS, OSAT, and PCB manufacturing, providing a foundation for moving up the value chain. The government's long-term policy direction for semiconductors and advanced electronics, together with BOI incentives, supports this transition, while emerging technologies such as AI, data centers, EVs, and clean energy create new opportunities.
- Green technology and clean energy, as well as the relocation and diversification of global supply chains, present further opportunities for Thailand to attract investment and develop a broader ecosystem. Education also has an important role in supporting the move up the value chain through upskilling and reskilling programs. Thailand also has soft-power advantages, including its hospitality and service-oriented culture, a stable and harmonious workforce, cultural adaptability, craftsmanship, respect for education and upskilling, and a high quality of life for expatriates and visitors.
- As Lumentum expands in Thailand, the focus is not only on increasing manufacturing capacity but also on developing the broader ecosystem and strengthening local supply chains. This includes bringing suppliers into Thailand and creating opportunities for local companies and SMEs to participate in the company's growth.
- To support future growth, Thailand needs to continue improving infrastructure and ease of doing business, while strengthening collaboration between the government and private sector. Talent remains a key challenge, particularly as Thailand currently lacks dedicated photonics curricula. Lumentum is working with the government and universities to develop photonics labs and curricula, including upskilling programs and degree-level education.
- Looking toward 2035, success should be measured not only by the amount of FDI attracted, but also by how effectively investment generates a broader ecosystem, develops local companies and suppliers, and contributes to GDP growth.