

# Foreign Film Production in Thailand from 2003 to 2015

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## ABSTRACT

Since the 1960s Thailand has succeeded in positioning itself as the leading Southeast Asian nation to host foreign film-related projects. Every year hundreds of foreign feature films, documentaries, commercials, TV programs, music videos, and other film-related products are shot in the kingdom. Thus, foreign film production is a crucial factor in the condition of the Thai film industry and an important generator of revenue. Using a variety of marketing tools, the Thailand Film Office promotes the country as an attractive choice for foreign talent and film production companies. Furthermore, an increasing number of Thai screen talents and crews play key roles in foreign film-related productions. Foreign production companies usually collaborate with domestic firms that specialize in providing the services required by their international counterparts. This paper takes stock of recent foreign film production in Thailand and explores the support international filmmakers receive. It reviews the following: statistics about foreign film production and revenue generated, the role of the Thailand Film Office, rules and regulations of foreign filmmaking in Thailand, and the role of Thailand-based film production service companies. Results of the analyses include: the number of foreign productions and the generated revenue increased significantly between 2003 and 2015. The Thailand Film Office is active in promoting Thailand as a top film location destination, facilitates the application process for shooting permits, and provides straightforward rules and regulations that foreign filmmakers must follow. Thai film production service companies are also vital to the success of foreign film-related projects. Moreover, the outlook for the number of foreign film productions in Thailand and the revenue generated by this industry is positive due to the country's established reputation as a film destination hub, modern film equipment, and a new financial incentive scheme that was implemented in 2017.

**Keywords:** Thailand Film Office, Foreign film production, Production services

## 1. INTRODUCTION

When foreign filmmakers conduct film projects in Thailand, they spend capital on Thai crews, screen talents, coordinators, shooting permits, accommodation, transportation, catering, export fees for the film materials, and so on. Therefore, foreign filmmaking in Thailand makes a substantial contribution to the Thai economy and supports thousands of jobs in Bangkok and across the nation. According to the Thai Film Office (March 2016), in 2015 Thailand's revenue amounted to THB 3.164 billion (US\$95.339 million) thanks to expenditures by foreign filmmakers. In 2012 Oxford Economics looked at the Thai film industry, including foreign film productions and film-induced tourism. Its report attested to Thailand's strong efforts in keeping up with international film production technologies, and high standard equipment and studio facilities. It also emphasized Thailand's broad appeal due to its wide range of landscapes, including coastlines, reefs, rivers, lakes, mountains, jungles, villages and cities. The high production standards and the diversity of landscapes were found to be the main reasons for the significant increase in the number of foreign film-related projects in Thailand as well as the strong growth in revenue generated by this industry. The report gave a positive outlook for the number of foreign productions, the film service industry that is tied to foreign productions, and the inflow of capital into the Thai economy via this industry (Oxford Economics, 2012, p. 12).

This paper analyzes significant developments in foreign filmmaking in Thailand between the years 2003 and 2015. The objectives are to provide an updated view of the current situation and to make an informed prediction about the future of this industry.

The research questions are the following: (1) What were the main developments in foreign

film production in Thailand in the specified timeframe? (2) What is the situation of this industry as of 2015? (3) What is its future outlook?

An important limitation needs to be mentioned. One may assume that many tourists choose Thailand as a travel destination because they were inspired by a Thailand-set film or TV program. For instance, Brzeski (2013), citing a Kasikorn Bank study and projections by tourist organizations, suggested that the popularity of the box office hit *Lost in Thailand* (China, 2012) would lead to a rise of Chinese tourists to Thailand in 2013. The Thailand Board of Investment (January 2014) noted that this film received financial support by The Ministry of Tourism and adds that "the movie stimulated great interest amongst Chinese audiences regarding the Kingdom, which resulted in a surge of tourist arrivals from mainland China." However, Oxford Economics (2012, p. 13) observed that, with the exception of one study by Sirianguk (2005), no in-depth research has gone into the area of film-induced tourism to Thailand. Thus, it is unclear to what extent popular films such the *Man with the Golden Gun* (US, 1974), *The Beach* (US, 2000), *The Hangover Part II* (US, 2011) or even *Lost in Thailand* (China, 2012) were decisive factors in tourists' decision-making processes regarding their intention to visit the kingdom. Consequently, while film-induced tourism is an underlying goal of the Thailand Film Office and a worthy research topic, to limit the scope of this paper it cannot be explored here.

## 2. BACKGROUND

Table 1 shows the number of foreign film-related productions realized in Thailand between the years 2003 and 2015.

In the years 2003 to 2015 Japan, averaging 137 film-related productions annually, has been the most active country. However, a substantial

**Table 1. Countries and Number of Foreign Productions Filmed in Thailand, Year 2003-2015**

Year	Japan	India	Korea	Hong Kong	United States	China	Australia	Taiwan	Europe*	UK*	Others*	Total	%
2003	154	31	23	17	15	12	13	6	67	N/A	50	388	-19.33%
2004	147	36	13	28	21	12	16	9	85	N/A	74	441	+13.66%
2005	165	44	26	24	22	5	20	6	95	N/A	85	492	+11.56%
2006	142	72	42	21	21	21	27	1	75	N/A	69	491	-0.20%
2007	154	92	39	25	22	8	18	6	102	N/A	57	523	+6.52%
2008	134	123	26	23	25	8	10	3	106	N/A	68	526	+0.57%
2009	108	108	27	20	25	16	8	10	96	N/A	78	496	-5.70%
2010	123	128	41	24	22	22	8	16	79	12	103	578	+16.53%
2011	113	107	47	24	35	33	15	9	97	22	104	606	+4.84%
2012	149	125	33	37	27	24	6	1	73	32	129	636	+4.95%
2013	140	150	29	38	34	29	22	7	71	41	156	717	+12.74%
2014	133	107	22	28	26	37	18	2	85	37	136	631	-11.99%
2015	119	125	34	29	42	48	19	7	108	45	148	724	+14.74%
Ave.	137	96	30.9	26	25.9	21.1	13.9	6.4	85.5** (2010-15)	31.5** (2010-15)	129.3** (2010-15)	--	--

Source: adapted from Thailand Film Office (June 2009, p. 2; June 2010, p. 1; March 2016).

Notes:

\* The separated category for UK productions was used starting from 2010.

\*\* In 2003-2009, it was not clear if UK films were categorized under 'UK' or 'Others', therefore only the data from 2010-2015 was used.

decline from 149 productions in 2012 to 119 in 2015 can be observed. From 2003 to 2015, Indian productions averaged 96 annually. Yet it is important to observe that from 2003 to 2008 Indian productions quadrupled to reach triple digits, where they have stayed since. Thus, from 2008 to 2015 Indian productions averaged 121.6 annually. In 2010, 2013, and 2015 the total number of Indian film-related productions was greater than Japan's. This suggests that in the future the total number of Indian film-related productions in Thailand could again surpass that of the Japanese. The strong Indian numbers for the current decade were predicted by Rosenberg (2010).

From 2003 to 2015 three countries averaged similar numbers: Korea realized 30.9 projects, Hong Kong 26, and the United States 25.9. They are followed by China, averaging 21.1 productions. The comparatively modest numbers for China and the US could be explained by their strong domestic film industries, their own variety of landscapes and cultures, viewer expectations, and in the case of the US, the distance to Thailand.

From 2003 to 2015 Australia averaged 13.9 productions annually, and Taiwan 6.4, respectively. These numbers are modest and fluctuate much from year to year. Considering the fact that many Australians visit Thailand every year, one would have expected more films to be shot in the kingdom.

The categories *Europe*, *UK*, and *Others* are problematic. While the period of 2003-2009 does not include a separate column for the UK, 2010-2015 does. Consequently, in 2003-2009 it is unclear whether the United Kingdom was included in the column for *Europe* - which would make sense - or in the column for *Others*. Thus, Table 1 shows the total annual average only for the years 2010 to 2015, when Europe averaged 85.5 productions, the UK 31.5 and other countries 129.3. These numbers show that the UK is an important film producer in Thailand. Since the averages for *Europe* and *Others* are high, a detailed breakdown of these categories would be helpful but has not been made available. Historically, Germany and France, followed by Denmark and Sweden, have been the

**Table 2. Countries and Number of Foreign Productions Filmed in Thailand, Year 2007-2015**

Year	Adver- tising	Docu- mentary	TV-related categories					Music Video	Feature Film	Others*	Total	Revenue (mill.Baht)	
			TV program	Sensitive content	Game show/ reality	Drama	Series						
2007	198	229	N/A	N/A	N/A	N/A	32	42	22	N/A	523	1,073.00	
2008	184	197	N/A	N/A	N/A	N/A	48	69	28	N/A	526	2,023.00	
2009	166	181	N/A	N/A	N/A	N/A	52	60	37	N/A	496	898.00	
2010	255	178	N/A	N/A	N/A	N/A	46	50	49	N/A	578	1,869.15	
2010	255	178	34	4	0	6	2	50	49	0	578	1,869.15	
2011	296	155	67	8	0	4	7	34	35	0	606	1,226.45	
2012	314	122	80	8	3	6	9	41	53	0	636	1,781.93	
2013	346	150	86	6	0	7	8	47	67	0	717	2,173.35	
2014	294	159	74	6	1	1	7	44	41	4	631	1,934.18	
2015	329	176	62	8	9	1	16	57	63	3	724	3,164.30	
Ave.	264.7	171.9	67.2	6.7	2.2	4.2	8.2	49.3	43.9	0.8	--	--	
			(2010-15)	(2010-15)	(2010-15)	(2010-15)	(2010-15)	(2010-15)	(2010-15)				
			Average for all TV programmes: 73.5 (2007-15)										

Source: Adapted from Oxford Economics (2012, p. 12.); Thailand Film Office (2012; March 2016).

\* Originally published by Thailand Film Office; data is no longer available. Revenue in millions of Thai Baht.

European countries with most feature film productions, documentaries, and TV programs made in Thailand every year, which is why these countries combined should make up a clear majority of European film productions in Thailand.

As the annual average numbers show, the overall number of productions has almost doubled from the lowest of 388 in 2003 to the highest of 724 in 2015. The considerable drop from 717 productions in 2013 to 631 in 2014 could be attributed to the *coup d'état* on 22 May 2014, the demonstrations and instability that preceded it, and restrictions imposed by the new government after the *coup*. Many international events scheduled to be held in Bangkok, such as concerts and conferences, had to be cancelled in the second half of 2014 due to security concerns. Thus, some foreign film projects were probably put on hold or moved to other countries. The notion that the demonstrations and coup were major reasons for the decline in foreign film projects is held by Mackey (2015), who posits: "A military coup in the southeast Asian nation led to a 12 percent slip in the total number of overseas productions filmed in the country." Other factors that can influence the number of productions include the

economic situation in a foreign filmmaker's native country, Thailand's economic situation, the state of the global economy, fluctuations in currency exchange rates, and changing tastes of the target audiences.

Tables 2 shows the number of foreign productions completed in Thailand and the annual revenue achieved from 2007 to 2015. In 2007-2009, TV productions are put into one category, i.e. *TV Series*. In 2010-2015, however, TV productions has been divided into five separate categories.

Advertising, with an annual average of 264.7 productions, is the strongest category. The overall increase from numbers below 200 in the years 2007 to 2009 to numbers close to or above 300 since 2011 is significant.

Regarding documentaries, the annual average from 2007 to 2015 was 171.9. Note the constant decline from 2007, when the number of documentaries peaked at 229, to 2012, when the low point of only 122 documentaries was reached. The number of documentaries later increased gradually to the above-average figure of 176 in 2015.

The annual average of all TV categories combined from 2007 to 2015 is 73.5. In 2012 and 2013 more than 100 TV-related productions were completed, making these the strongest years for this category. With 67.2 productions, the category *TV Program* (2010-15) clearly surpassed the other TV-related categories, even when they are combined.

The annual average of music videos lies at 49.3 productions with the peak of 69 in 2008 and the low point in 2011 with only 34 videos.

The annual average of feature films is 43.9 films. The quantity tripled from 22 films in 2007 to 63 in 2015. The relatively modest numbers of 35 films in 2011 and 41 in 2014 may have been caused by the floods and the coup, as most likely some feature films planned to be shot in Bangkok encountered problems. 2013 with 67 films and 2015 with 63 were the best years so far.

From 2007 to 2015 the revenue almost tripled from THB 1.073 billion (US\$32.329 million) to THB 3,164 billion (US\$95.339 million). Note the sharp rises from 2007 to 2008 and from 2014 to 2015. The steep drop from 2008 to 2009 may have been caused by the global financial crisis.

### 3. THE THAILAND FILM OFFICE

The Thailand Film Office is a government agency operating under the Department of Tourism, which in turn belongs to the Ministry of Tourism and Sports. Its duties are diverse and include (1) developing and implementing plans to attract a high number of foreign filmmakers; (2) approving applications, issuing shooting permits, and monitoring foreign film crews' work in progress; (3) coordinating with other government agencies; (4) ensuring that foreign films portray Thailand, its cultures and arts respectfully; and (5) promoting Thailand as a film location destination and as an attractive holiday destination for tourists.

In line with its duties, the Thailand Film Office provides foreign filmmakers with guidelines for the steps they must take to complete their project, facilitates contact between foreign filmmakers and Thai coordinators who will help them with logistics and other matters, and promotes Thailand as a film location destination through activities and the dissemination of information.

In October 2011, the Thailand Film Office (2012) conducted a worldwide survey to evaluate the effectiveness of its marketing strategy, to reach out and meet the needs of international filmmakers, and to improve its marketing strategies based on the survey results. 6,000 participants were asked about their awareness of the Thailand Film Office magazine advertising, e-magazine, website, Facebook page, Twitter page, booths at festivals and markets, and other tools such as promotional calendars. They were also asked about their awareness of news articles regarding the Thailand Film Office and the Department of Tourism. 69% of the respondents were aware of the marketing materials, the top three being the e-magazine (27.2%), the website (19%), and the booths at festivals and markets (14.5%).

The two main suggestions called for more information about locations on the website and about films being shot in Thailand. Many filmmakers were also interested in financial incentives. It is likely that the survey results prompted the Thailand Film Office to give more depth to its e-magazine and to start the Thailand International Film Destination Festival and the Amazing Thailand Film Challenge in 2013. The call for financial incentives has also been heard (see below, section 6).

In April 2009 the Thailand Film Office began publishing the e-magazine *Film in Thailand*. Until 2012 it appeared monthly. Since 2013 it has gained in length and substance but the number of annual issues was reduced to three to four. As a

promotional tool the magazine includes various features, e.g. introductions of the staff, news from the private sector, reviews of specific locations, cultural traditions and activities to be filmed, reports about important visitors from abroad, film workshop reports, interviews with film industry insiders, the Thailand Film Office's participation in film-related events abroad and in Thailand, and so on. It consistently highlights the benefits to foreign firms of filming in the kingdom.

Since 2013 the Thailand Film Office has been organizing the annual Thailand International Film Destination Festival. The event serves as a vehicle to promote Thailand as a top location for foreign filmmakers. It does so through a series of screenings of films that were shot in Thailand (mainly new commercial and independent productions), guest appearances of directors, actors and producers, and an award ceremony to honor the winners of the so-called The Amazing Thailand Film Challenge. Sixty young filmmakers from around the world are invited to make short films in Thailand with the best ones receiving an award. The film budgets, accommodation and flights are sponsored by the Thailand Film Office. It is an event designed for industry people to network and for aspiring filmmakers to showcase their talent.

#### 4. RULES AND REGULATIONS

The website of the Ministry of Foreign Affairs gives interested foreign filmmakers important guidelines and instructions. They outline the procedures before the arrival, while filming in Thailand is underway, and after principal photography has ended. The website also informs filmmakers about important expenses. The following is a brief overview of the key steps.

Before the film crew arrives in Thailand, the producer should hire a Thailand-based coordinator for assistance, as this coordinator knows the procedures to acquire the filming permits. The

coordinator may be a representative of a Thai film production service company and takes care of a range of issues: the cooperation with government agencies, the preparation of all required documents, the obtaining of work permits, and the completion of tax payment forms. The coordinator can also be put in charge of other aspects of the project, such as the arrangement of transportation, accommodation, catering, film equipment, local talent, and studio rentals. Later, the coordinator helps the foreign crew with all issues to be considered during and after shooting the film.

The foreign production company requests the permission to film in Thailand either from abroad or from within the country. Completed applications, signed by the foreign film producer and the local coordinator, can be submitted to a Royal Thai Embassy or Consulate, the Office of the Tourism Authority of Thailand, the Thai Trade Center, or the Film Board of Thailand. Companies planning to shoot TV programs, TV commercials, documentaries or music videos need to apply for permits at the One-Stop-Service Center. Larger types of productions, for instance TV dramas and feature films, require that the application be made directly at the Thailand Film Office. Depending on the scale and purpose of the production the approval process takes from a few days to two weeks.

Many documents must be submitted along with the application form, for instance the script, the shooting schedule, the itinerary, the list of shooting dates and locations, the name list of the crew, and so on. The content of the script is important and must first be approved. The foreign filmmakers must proceed with caution and respect because their film "should not subvert or affect the traditions, culture, morals, national security, public order, environment, rules and regulations of government agencies or the dignity of Thailand" (Ministry of Foreign Affairs, 2012). Thai filmmakers and television producers have to follow a number of censorship laws regarding the depiction of the royal family, the Thai national flag,

and all religions. When it comes to a sensitive and acceptable portrayal of Thailand, these laws also apply to foreigners (see Fotiadis & Englander, 2010). After the Film Board of Thailand has approved the script, the filmmakers can still make changes but must get renewed approval.

After the permission has been granted, the local coordinator has to apply for a work permit for film crew members intending to work in Thailand for fifteen or more days. The Alien Occupation Control Division, the Department of Employment and the Thailand Film Board cooperate on the matters of work permit approval.

Also, foreign filmmakers need to be aware that the import and export of equipment must be done according to regulations set by the Customs Department. Thus, they should check whether their country is a member of the ATA Carnet Treaty<sup>1</sup>. If it is and if their equipment is for professional use only, it can be temporarily imported under the ATA Carnet Law, in which case no duty or tax applies.

While film production in Thailand is underway, foreign filmmakers have to adhere to further rules. First, the film crew has to inform the Film Board of Thailand of its arrival. Then, a Film Board representative is appointed to accompany the production team. This officer (or officers in case of large productions) oversees the film production process and makes sure the crew follows the approved script. The representative must receive the location and shooting schedule at least two days before the date of filming at that particular location, and any changes to the script while the shoot is ongoing must be approved via this official.

After principal photography has ended, all filmed materials must be presented to the representative to get the seal of approval, which confirms that the production was completed in accordance with Thai laws.

Foreign filmmakers must be keenly aware of the details of expenses. These include fees to cover the service of the Film Board representative. The fees depend on the genre of the film and the shooting locations. The foreign film production company pays for the representative's expenses (transportation, accommodation, meals) and pays him/her a daily fee of THB 2,000 (US\$60). In the case of a large production, such as a feature film, two or more representatives will be present on the set and will have to be paid. The export fee per 100 meters of film is THB 100 (US\$3) to be paid to the Censorship Section, Royal Thai Police Department. Finally, each foreign crew member and screen talent has to pay income tax at the rate of 5 to 37%, depending on their income. This tax has to be withheld and remitted according to Revenue Department regulations.

This overview of rules and regulations demonstrates that foreign filmmakers inevitably have to hire a Thailand-based coordinator who can assist with paperwork and advise the filmmakers regarding the rules and regulations. Many film production service companies have specialized in this area of support.

## 5. FILM PRODUCTION SERVICE COMPANIES

Up until the late 1990s most foreign films shot in Thailand were produced by foreign companies and filmed with foreign crews. This began to change around the year 2000, when an increasing number of Thai film crews and Thailand-based production service companies became involved in production of foreign films, not least because the foreign filmmakers recognized the high skill levels of Thai crews. The Thailand Film Office (2013) lists 390 coordinators, i.e. 254 companies and 136 individuals, as well as another 23 companies for related services. The large number of coordinators is indicative of the following: First, there is a big need for film production services in Thailand. Also, the demand for production

<sup>1</sup> The acronym ATA stands for "Admission Temporaire/Temporary Admission". The ATA Carnet Treaty, first established in 1961 by the World Customs Organization, is an internationally valid customs form that allows for the duty-free and tax-free import and export of goods for up to one year.

services has led to the startup of many companies that are in competition with each other and, depending on their strategic orientation, are very much dependent on their involvement in foreign film projects. Third, since the Thailand Film Office lists these companies publicly, there has to be cooperation and agreement between this governmental institution and the private sector.

It appears that at one point many companies were united. Film in Thailand magazine (Thailand Film Office, September 2009, p. 2-3) included an interview with Sasisupa Sungvaribud, who was then president of the Foreign Film Production Services Association (FSA). The FSA counted seventy private sector companies and individuals specialized in film production services. They served as advocates for the development of Thailand as a top film location destination and interacted with the Thailand Film Office and other government agencies, giving them feedback about the state of things in the industry in order to assure fruitful cooperation on all levels. However, the association seems to have become inactive in 2010 or 2011 and was not replaced.

Living Films, De Warrenne Pictures, and Benetone Films are Thailand's leading film production service companies. They have been involved in the majority of high-budget foreign films shot in Thailand.

Chiang Mai-based Living Films was involved in the making of *The Medallion* (US, 2003; with Jackie Chan), *Bangkok Dangerous* (US, 2008; with Nicolas Cage), *The Hangover: Part II* (US, 2009; with Bradley Cooper and Zach Galifianakis), *Shanghai* (US, 2010, with John Cusack and Gong Li), *Teddy Bear* (Denmark, 2012; with Kim Kold), *No Escape* (US, 2015; with Pierce Brosnan and Owen Wilson), and many other high-profile productions. The company has emerged as the solid leader of film service companies in Thailand. On its comprehensive website the company states: "We can help with

virtually any aspect of filmmaking in Thailand," and introduces itself as an experienced facilitator of all phases of film production in Thailand (Living Films, 2017). In fact, Living Films provides services for feature films, documentaries, commercials, corporate films, music videos and still photography, and can assist with all logistics and during the post-production phase. Moreover, it has eight film directors on its roster who are trained to shoot material in many different genres, and have specialized in various areas, such as live action, special effects, comedy, visual effects, and so on.

In recent years, De Warrenne Pictures (2017), helmed by its founder Thomas Waller, has provided production services for *Survivor Philippines* (The Philippines & the UK, 2010), *Elephant White* (US, 2011; with Djimon Hounsou and Kevin Bacon), *Glory Days* (US, 2014), *Patong Girl* (Thailand & Germany, 2014), *White Lotus* (Australia & Thailand, 2016), *Mechanic: Resurrection* (US, 2016; with Jason Statham, Jessica Alba and Tommy Lee Jones), and several more. It has functioned as production company and distributor of Thai and foreign films, including *Soi Cowboy* (Thailand, 2008), *Sop-mai-ngeap* (Thailand, 2011; a.k.a. Mindfulness and Murder), *Patong Girl* (Thailand & Germany, 2014) and *Petchakat* (Thailand, 2014; a.k.a. The Last Executioner). Thus, De Warrenne Pictures is also much involved in the making of Thai films because of its strategy to be a leader in domestic as well as international filmmaking.

Benetone Films (2017) provides film production services, directors and cinematographers, and operates in Thailand and the US. Since 2003 the company has been involved in the making of more than 80 films, among them Bollywood romance and action films and 800 TV commercials. Indian films line-produced by Benetone Films include *Bombay to Bangkok* (India, 2008), *Golmaal Returns* (India, 2008), *Toonpur Ka Superhero* (India, 2010), and *Ek Ta Tiger* (India, 2012). The company has also produced films such as *A Stranger in Paradise*



(US, 2013), *Pernicious* (US, 2014), *Ghost House* (US, 2016), and several more.

There are several other Thailand-based companies of the size and reach of De Warrenne Pictures and Benetone Films. With a field counting close to 400 service companies competing in the same market, it is a challenge for each company to find its own niche. Each company tries to stand out, for instance by specializing in specific genres or by building strong partnerships with companies from selected countries.

## 6. ANALYSIS AND DISCUSSION

Strengths include Thailand's well-developed infrastructure, the wide availability of technical equipment and studios, well-trained and experienced crews, a solid number of experienced production service companies, a healthy competition among the production service companies, clear guidelines and rules provided by the Thailand Film Office, the collaboration between the service industry and foreign film production companies, and Thailand's reputation as a hospitable country. Many foreign actors prefer working in Thailand rather than in other tropical countries, and Thailand has a proven track-record of hosting large numbers of foreign film projects, including Hollywood blockbusters, since the 1960s. Furthermore, Indian, Japanese and Chinese film producers may choose Thailand because of the manageable distances from those countries.

Weaknesses include the fairly straightforward yet time-consuming administrative processes for foreigners to realize a film project in Thailand. Secondly, while foreign filmmakers can choose from a great number of service companies to help them, it may be rather challenging for young companies to attract mid-sized to large film projects.

Opportunities can be expected to arise from the new financial incentive scheme, Thailand's ability

to respond quicker than most other nations in the region to developments in film technology, and synergies between Thai film crews and their foreign counterparts.

Threats include a rekindling of political conflicts, currency fluctuations, a strong Thai Baht, foreign investor's withdrawal of funds from Thailand, the weakening of the world economy, the increasing competition from Malaysia, as well as haze and flooding in parts of the country during certain months. Moreover, a lower number of foreign film projects realized in Thailand can threaten the job security of Thais working for film production service companies and post production facilities.

Acknowledging the need to get foreign film and TV producers to choose Thailand over other countries, in 2015 the Thai government approved a rebate for international film and TV productions that spend THB 1.5 million (US\$45,194) or more in Thailand. In this financial incentive scheme foreign film producers can get a cash rebate of 15 to 20% on their local expenses. If a film uses Thai talent (i.e. cast and crew) in key roles, it may receive another 3% rebate, and if a film promotes Thailand extensively, it may obtain an extra 2% rebate. Banks (2016) observe that an upper limit has yet to be determined so that one large production does not get all the money allocated for the rebates. Frater (2015) mentioned that "the scheme [would] be capped at US\$2.86 million per year". Citing a government's spokesperson Frater wrote that this figure could be revised annually. It remains to be seen whether the rebate fund will be large enough to lure high-profile productions to Thailand.

The incentive scheme started in January 2017, and, according to Goundry (2015), the first rebates will be paid out in 2018. He also suggested that the incentive plan is a reaction by Thai authorities to the overall drop in numbers of foreign feature films, TV shows and commercials shot in Thailand since 2013. However, this assumption may not be

accurate because the revenue figures dropped from 2013 to 2014 but recovered significantly and reached a new high in 2015. Frater (2015) also wrote that a reason for the rebate scheme is the decline of revenues in the film industry. He saw another reason in the fact that parts of the film industry lobbied the government for several years to design and implement an incentive scheme.

Other countries, such as Australia and Malaysia, already offer such rebates. In the case of Malaysia, it may go up to 30%. Thus, it does not come as a surprise that Thailand has had to take similar steps in order to stay competitive. Frater (2015) added that more and more experienced Thai crews are lured to Malaysia where they can work in places such as the new studio in Iskandar. In this sense, the financial incentive scheme is also an attempt to secure Thai film crews' jobs domestically.

The overall goal of the incentives is to increase the production revenue. Frater (2015) wrote that the Ministry of Tourism and Sports "believed the incentive would generate additional revenues of [US]\$43 million to [US]\$57 million to the country". Other anticipated benefits are the further development of the skills of local film crews and, indirectly, the continued promotion of Thailand as a tourist destination.

## 7. CONCLUSION

The analysis of statistics from the Thailand Film Office shows that the number of foreign film productions in Thailand and the revenue achieved through these foreign productions have increased significantly between 2003 and 2015, despite significant temporary setbacks which can be attributed to domestic political turmoil, value fluctuations of the Thai Baht, Malaysia as a growing competitor in this market, and other reasons.

The Thailand Film Office is keen on promoting Thailand as a film location destination and does

so in creative and innovative ways, for instance, through the Thailand International Film Destination Festival, the Film in Thailand e-magazine, and the promotion of Thailand abroad at film festivals and expos.

The rules and regulations set for foreign filmmakers are easily available, transparent and clear. When foreign filmmakers hire a Thailand-based coordinator, for example from a local film production service company, and when they follow the prescribed steps and rules, the completion of their project in Thailand should be successful.

There is a considerable competition of hundreds of film production service companies in Thailand. While a few companies, such as Living Films, De Warrenne Pictures, and Benetone Films have established themselves as the industry leaders, smaller companies have to try to occupy niches. Furthermore, the so-called Foreign Film Production Services Association was once established but appears to have become inactive.

Thailand's reputation as a film location destination is strong and the long-term outlook is positive. It has positioned itself well to attract film-related projects from all around the world. There are unpredictable threats, such as a strong Thai Baht and renewed political and social unrest. A weakness has been the lack of a financial incentive scheme in order to stay competitive; however, in 2015 the plan for such a scheme was approved and took effect in January 2017, turning this weakness into a vital opportunity.

Based on the findings presented above, the following suggestions can be made:

- (1) The Thailand Film Office should hold the Thailand International Film Destination Festival and The Amazing Thailand Film Challenge in a specific month every year so as to avoid clashes with other major film events.

They should announce and promote these events well ahead of time to stir up interest. In order to attract a wider audience, the festival should not only screen current films but also include classics, as was the case in the years 2013 and 2014 but not so since then. Likewise, the Film in Thailand e-magazine should be issued regularly, e.g. quarterly, and distributed through many channels, because this would assure the consistent interest by the public and professionals.

- (2) The film statistics provided by the Thailand Film Office should be published quarterly and be more detailed. For instance, categories such as *Others* and *Europe* should be split up into individual countries. This would be beneficial concerning the marketing of Thailand as a film location destination in relevant countries and would help researchers draw more precise conclusions.
- (3) The revival of the Foreign Film Production Services Association or a similar professional organization is called for if this industry wants to speak with one voice.
- (4) The artistic quality of many foreign feature films made in Thailand is mediocre. Many films put action scenes before plot and character development. In support of cinema as art, the Thailand Film Office should try to lure feature film projects to the country by directors and producers with a proven track-record of artistic films.
- (5) Oxford Economics (2012) emphasized “the fact that Thailand is already seen as a significant tourism destination in its own right. As such film and TV productions may only have a limited ability to induce foreign visits. However more research is required on this topic” (p. 13). This conclusion is correct. The influence of foreign film productions made in Thailand on people’s decision to choose it as a travel destination is difficult to measure. Nevertheless, the Department of Tourism could commission a study to determine the

relationship between foreign films and film-induced tourism to Thailand, to further develop its support of foreign filmmaking in Thailand.

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