



INVESTMENT SERVICES CENTER
THE BOARD OF INVESTMENT
MINISTRY OF INDUSTRY

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PRESS RELEASE

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BOI extends measures for sustainable development

Investment in country's competitiveness and environmental protection is key

Board of Thailand Board of Investment (BOI) gives a green light to launch the first round of investment promotion measures after its recent approval of policy focus on sustainable investment. With these measures, BOI expects to boost investment in areas related to country's competitiveness and environmental protection while maintaining help for SMEs in supporting industry.

Dr. Atchaka Sibunruang, BOI Secretary General, revealed after the board meeting chaired by Prime Minister Abhisit Vejjajiva, that the board approved the plan to relaunch five promotional measures that expired last year but have potential to contribute to sustainable development, enhance the country's competitiveness in science and technology, encourage existing investors to improve quality of their manufacturing as well as reduce environmental impact. Interested investors shall submit their applications for special investment incentives before December 31, 2012. New additional investment promotion measures are scheduled to be discussed the next board meeting.

The measures approved by this board meeting include:

1. **Extended measures from Thailand Investment Year 2008-09 program for 3 target industries** namely 1.1 activities related to energy conservation and alternative energy 1.2 activities related to manufacturing eco-friendly materials and products 1.3 activities related to high technology. Major incentives that will be granted are exemption of import duties on

machinery and equipment, 8-year exemption of corporate income tax (except the projects located in Bangkok) and 50% reduction of corporate income tax for five years.

2. **Measure to promote machinery upgrading to conserve energy or reduce environmental impacts.** This measure aims to encourage companies to invest in machinery upgrade for more energy efficiency use, for use of alternative sources of energy or for less environmental impact use. Applicants must submit their machinery upgrade plan which must be implemented within three years after the promotion certificate is issued. Approved projects will be granted 3-year exemption of corporate income tax on the existing operation. The total amount of corporate income tax to be exempted must not exceed 70% of total value of investment in machinery upgrade.
3. **Measure to promote technology upgrade for manufacturing of new products.** This measure aims to encourage investors to make efficient use of their machinery as well as to be able to expand to a higher value product line while increasing revenue and maintaining employment. Qualified investors must invest in upgrading the existing manufacturing line for new product(s). The product(s) manufactured from the upgraded line must be different product(s) and must be given different name from the existing product(s). Approved projects will be granted exemption of import duties on machinery, exemption of corporate income tax on new product(s) for three years regardless of zone.
4. **Measure to promote environmental conservation-related investment.** This measure aims to encourage factories, especially oil refineries, gas separation, power plants, chemical and petrochemical plants, mineral and basic metal factories, to pay more attention to their environmental management. Existing companies, either BOI- or non-BOI promoted, can apply for these special investment incentives on the condition that environmental-conservation plan must be completely implemented within three years after the promotion certificate is issued. Approved projects will be granted exemption of import duties on

machinery and equipment, exemption of corporate income tax for a period of 3 years totaling up to 70% of investment in reducing impacts on environment.

5. **Exemption of import duties on raw materials or the benefits according to Article 36 (1) and (2) for existing companies.** This measure aims to help ease manufacturers' tax burden, bank assurance fees, raw material import duty interest, etc. Four supporting industries eligible for this incentive are manufacture of automobile parts, manufacture of plastic products or plastic coated products, manufacture of electronics and electrical parts and manufacture of electrical appliances and parts. BOI will grant one-year exemption of import duties on raw materials used in the manufacture for export.

BOI, in addition, is working on new measures for sustainable investment which are inclusive of four measures: 1) measures to develop human resource that contribute to knowledge-based industries 2) measures to build competitiveness in science and technology 3) measures to promote environmental- and community-friendly investment 4) measures to build industry and services on cultural uniqueness and creativity.
