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## PRESS RELEASE

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### BOI Revises SME Promotion Schemes

*More eligible activities and conditions removed*

Thailand Board of Investment (BOI) agreed to launch new investment promotion measures for SMEs, adding more activities eligible for investment incentives and promotions to 57 and removing restricting conditions to further support Thai SMEs from various industries.

Dr. Atchaka Sibunruang, BOI Secretary General, revealed after the recent board meeting chaired by Prime Minister Abhisit Vejjajiva that the Board agreed to increase the types of activities eligible for the BOI incentives and privileges for SMEs from 10 to 57 to cover a wider range of SMEs.

“Over the past 5 years, only 146 SMEs projects valued at Bt 8,414 million have been granted the BOI promotion. The promoted projects are mostly in 2 sectors, namely food preservation and plant/vegetable/fruit/flower grading packing & storage since there were only 10 activities eligible for the investment promotion under the SME schemes. Now that we expanded the list to cover 57 activities covering a wide range of industries and services, more SMEs will be able to apply for the BOI’s incentives and privileges. This will enhance SMEs’ competitiveness and improve their production capabilities.” added BOI Secretary General.

The BOI also lifted the condition imposed on creative industries which require that projects receive OTOP certificates or a local product standard certificate from Thai Industrial Standards Institute (TISI), or approval by the sub-committee of the Office of Small and Medium Enterprises Promotion.

In addition, to apply for the SME promotion schemes, the investors are now allowed to use their used local machinery at the maximum value of Bt 10 million and the newly invested machinery not less than 1/4 of their used machinery value. However, the total investment value of the project, excluding cost of land and working capital, must not exceed Bt 20 million. The condition is set to prevent large investment projects from exploiting this measure.

The SME promotion schemes are temporary measures and will be expired by the end of 2011. These schemes cover every sector that BOI is currently promoting including agriculture and agricultural products, mining, ceramics and basic metals, light industry, metal products, machinery and transport equipment, electronics and electrical appliances, chemicals, paper and plastics, services and public utilities.

Examples of the SME eligible activities are plant propagation and breeding, manufacture of biological fertilizers or organic fertilizers, animal breeding and husbandry, manufacture of products from herbs, ceramic products and tiles, glass and glass products, textiles or parts, shoes or parts, bags or parts, sports equipment or parts, stationery, toys, music instruments, machinery and equipment, vehicle parts, electrical and electronics equipment, plastic products and printing activities.

Hotel projects with minimum 40 rooms which located in zone 3 , excluding Had Yai district, Mueng District of Chiangmai Province, Hua Hin district, Cha Am district, Samui Island district, Phanga and Krabi province, are also eligible for the investment incentives and promotions under the SME schemes.

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