

(Unofficial Translation)

ANNOUNCEMENT OF THE OFFICE OF THE BOARD OF INVESTMENT

NO. POR. 10/2540

MEASURES TO SUPPORT INVESTMENT IN THE CURRENT SITUATION

In order to restore Thailand's economy and to implement local industry's competitiveness, the Office of the Board of Investment, with the consent of the Board of Investment on April 27, 1997, has declared new measures to strengthen investment in the current situation as follows :-

1. To assist BOI promoted firms located in zone 1 and 2 to expand their investment activities on the same property as the existing projects, the following criteria will be designated :-
 - 1.1 The project must have high economic value, such as increasing the value of exports or generating employment to a substantial level.
 - 1.2 Additional corporate income tax exemption will be provided according to the zone in which the project is located.
2. To facilitate BOI promoted firms to export their products , the following privileges will be granted :-
 - 2.1 Import duty exemption on raw material or essential material used to produce for export , with no minimum export requirement.
 - 2.2 Renewal of privileges of import duty exemption, on raw or essential material used for export , will be granted to those whose privileges had expired.
3. To encourage BOI-promoted firms to fully utilize its existing machinery, additional production capacity will be allow to include in its promotion certificates by ;
 - 3.1 increasing production by an increase in working hours will receive the same income tax exemption as the existing capacity.
 - 3.2 allowing BOI promoted companies to increase production to reflect the real capacity of machinery. Machinery used in this additional production will also receive import duty exemption or reduction effective on the date the application is submitted.
4. To enable BOI-promoted firms to increase capital, the BOI , on a case by case basis, will relax the foreign equity limits on joint-venture projects in zone 1 and 2 , by allowing foreign shareholders to hold up to 100% of equity if they receive the consent of Thai shareholders.
5. In the case where the interpretation of this announcement is not clear, the final decision will be made by the Secretary-General.

Effective as of October 27 , 1997

Announced on December 3 , 1997

Staporn Kavitanon

Secretary-General of the Board of Investment