

(Unofficial Translation)

Board of Investment Announcement

No. Sor 1/2549

Re: Promotion of the Manufacture of Medicine and/or Active Ingredients in Medicine

It is deemed appropriate to modify the policy to promote investment in the manufacture of active ingredients used in the production of pharmaceutical products in order to encourage domestic medicine producers to improve their existing businesses, to invest in new projects, and to strengthen their knowledge of pharmaceutical technology used in the production of medicinal products.

By virtue of Paragraph 2, Section 16 of the Investment Promotion Act, B.E. 2520, the Board of Investment hereby announces that the provisions under activity 6.8, on the list of activities eligible for investment promotion in the manufacture of the active ingredients in pharmaceutical products that is attached to Board of Investment Announcement No. 2/2543, dated August 1, 2543, regarding types, sizes, and criteria of activities eligible for investment promotion, shall be revoked and replaced with the following:

Activity	Conditions
6.8 Manufacture of Medicine and/or Active Ingredients in Medicine	<ol style="list-style-type: none">1. Exemption from import duty on machinery, regardless of zone2. Exemption from corporate income tax, as follows:<ul style="list-style-type: none">- A 5-year corporate income tax exemption will be granted if the project is located in Zone 1- A 6-year corporate income tax exemption will be granted if the project is located in Zone 2- A 7-year corporate income tax exemption will be granted if the project is located in an industrial estate or promoted industrial area in Zone 2- An 8-year corporate income tax exemption will be granted if the project is located in Zone 33. Other rights and privileges shall be granted according to Board of Investment Announcement No. 1/25434. The promoted project must achieve GMP standards prescribed by PIC/S within two years of the date the project commences operations

In the case of investment to improve an existing promoted project, the project will be allowed to use existing machinery. However, the value of the existing machinery will not be recognized as an investment, and will not be incorporated into the cap amount for corporate income tax exemption, and such project will not receive any additional rights and privileges for investment to develop Skills, Technology & Innovation – STI.

Effective December 8, 2005

Announced March 20, 2006

(Somkid Jatusripitak)
Deputy Prime Minister
Acting Chairman of the Board