

(Unofficial Translation)
Board of Investment Announcement
No. 2/2548
Up-stream Steel Production Promotion Policy

In order to promote steel production in Thailand, by virtue of Section 16 and Section 31 Paragraph 2 of the Investment Promotion Act of B.E. 2520, as amended by the Investment Promotion Act (No.3) of B.E. 2544, the Board of Investment hereby issues this announcement prescribe the criteria and conditions for investment promotion of manufacture of steel as follows.

1. Manufacture of up-stream steel including intermediate steel with production process continued from up-stream steel production within the same project shall be classified priority activity of special importance and benefit to the country and shall be eligible for the following privileges.
 - Exemption of import duty of machinery regardless of zone
 - Exemption of corporate income tax for 8 years with no cap on the amount of corporate tax exemption according to Section 31, Paragraph 2, regardless of zone.
 - For factories located in investment promotion zone (zone 3), to be eligible for privileges as prescribed in Section 35(1), (2) and (3).
2. Projects investing in steel industry that produces up-stream steel must maintain debt to equity ratio not exceeding 2:1.
3. Name and criteria of activity 2.9 and 2.10 under category 2 of the list of activities eligible for investment promotion attached to the Board of Investment Announcement No. 2/2543 dated August 1, 2000 regarding the activities, sizes and conditions of activities eligible for investment promotion shall be as follows.

Activity	Conditions
2.9 Manufacture of up-stream steel and intermediate steel 2.9.1 Manufacture of up-stream steel, including Hot Metal, Pig Iron, Sponge Iron, Direct Reduction Iron-DRI, Hot Briquetted Iron (HBI)	<ol style="list-style-type: none"> 1. To be classified as a priority activity of special importance and benefit to the country and to be exempted from corporate income tax for 8 years without being subject to any cap on the amount of corporate income tax exemption as prescribed in Section 31, Paragraph 2, regardless of zone. 2. If located in investment promotion zone (zone 3), to be eligible for privileges as prescribed in Section 35(1), (2) and (3).
2.9.2 Manufacture of intermediate steel, including Slab, Billet and Bloom	<ol style="list-style-type: none"> 1. To be eligible for privileges as prescribed in Board of Investment Announcement No. 1/2543 2. Limited to manufacture of intermediate steel continued from

	<p>manufacture of up-stream steel within the same project, it is classified as a priority activity of special importance and benefit to the country and to be exempted from corporate income tax for 8 years without being subject to any cap on the amount of corporate income tax exemption as prescribed in Section 31, Paragraph 2, regardless of zone. Besides, if located in investment promotion zone (Zone 3), project shall be eligible for privileges as prescribed in Section 35 (1), (2), (3)</p>
<p>2.10 Manufacture of down-stream steel 2.10.1 Manufacture of long steel products such as steel wire rods, wires, shafts, and bars 2.10.2 Manufacture of flat rolled steel products such as hot and cold rolled stainless steel sheets, steel plates, hot or cold rolled steel sheets, and coated steel sheets</p>	

Effective from December 27, 2004 onward.

Announced on February 11, 2005

General

(Chawalit Yongchaiyut)
Deputy Prime Minister
Acting Chairman of the Board