

(Unofficial Translation)
based on
Board of Investment Announcement
No. 12/2552
Special Measures to Stimulate Investment during Thailand Investment Year 2008-2009

In order to improve the efficiency of investment promotion and to achieve the targets under Thailand Investment Years 2008-2009,

By virtue of section 16 paragraph 2, section 31 paragraph 2, and section 35 of Investment Promotion Act B.E. 2520, the Board of Investment hereby announces as follows:

1. The following announcements shall be repealed:
 - (1) The Board of Investment Announcement No. 2/2551, regarding special measures to stimulate investment during Thailand Investment Year 2008-2009
 - (2) The Board of Investment Announcement No. 3/2552, regarding additional activities under the special measures to stimulate investment during Thailand Investment Years 2008-2009
2. All areas throughout the country (except Bangkok) shall be designated as Investment Promotion Zone until December 31, 2009.
3. The following 6 categories shall be classified as priority activities eligible for special privileges under Thailand Investment Year measures.
 - 3.1 Activities related to energy saving and alternative energy, that is,
 - Activity 1.18 Manufacture of alcohol or fuel from agricultural products, including scrap, garbage and/or waste
 - Activity 4.2.3 Manufacture of energy-conserving machinery or equipment and machinery or equipment which uses alternative energy
 - Activity 4.14 Manufacture of Natural Gas Vehicles (NGV) and machinery and equipment that use natural gas
 - Activity 4.15 Manufacture of fuel cells
 - Activity 5.5.10 Manufacture of solar cells and raw materials for solar cells
 - Activity 7.1.1 Production of electricity or steam power
 - For cases that use alternative energy, such as energy from agricultural material, biogas and wind energy
 - Activity 7.2 Natural Gas service stations
 - 3.2 Activities that involve high technology, that is,
 - Activity 2.5.3 Manufacture of advanced ceramics
 - Activity 3.1.1 Manufacture of natural or synthetic fibers
 - Functional fiber

Activity 3.9 Manufacture of medical equipment

Activity 3.10 Manufacture of scientific equipment

Activity 4.2 Manufacture of machinery, equipment and parts as follows:

- Manufacture of moulds & dies and parts
- Manufacture of jigs and fixtures
- Manufacture of industrial machinery, i.e., turning machines, drilling machines, boring machines, milling machines, grinding machines, machining centers, gear cutting & finishing machines, die sinking EDMs, wire cut EDMs, laser beam machines, plasma arc cutting machines, electron beam machines, broaching machines, and deburring machines
- Manufacture of equipment or materials for high precision machining processes, namely, cutting, milling, turning, grooving, shaving, grinding, polishing and threading
- Manufacture of farm machinery and equipment and food processing machinery
- Manufacture of transmission for tractors

Activity 4.9 Manufacture, repair or conversion of aircraft, including aircraft parts and equipment or onboard equipment

Activity 4.10 Manufacture of vehicle parts

- Automatic Transmissions
- Continuously Variable Transmissions (CVT)
- Traction motors for automobiles; e.g., hybrid or fuel cell cars
- Electronic Stability Control (ESC)
- Regenerative Braking Systems

Activity 5.4.3 Manufacture of industrial electronics

Activity 5.4.4 Manufacture of telecommunication equipment

Activity 5.5 Manufacture of electronic parts and/or equipment or parts and/or equipment used for electronic apparatus

- Flat panel displays, such as LCD panels, OLED panels etc.
- Semiconductors such as IC, diode, sensor, actuator etc.
- Hard Disk Drive and Hard Disk Drive parts
- Parts for telecommunication equipment
- Electronic parts for vehicles
- Parts for agricultural electronics

Activity 5.6 Manufacture of material for microelectronics

Activity 5.7 Electronic design

Activity 7.18 Human resource development

Activity 7.19 Biotechnology

Activity 7.20 Research and development

Activity 7.21 Scientific laboratories

Activity 7.22 Calibration services

3.3 Activities related to manufacture of eco-friendly material and product, including

Activity 6.3 Manufacture of eco-friendly chemicals

Activity 6.4 Manufacture of eco-friendly products

3.4 Activities related to the mega-projects in water resources management and transportation and logistics sectors, that is,

Activity 2.9 Manufacture of pre-stressed concrete products for public utilities projects

Activity 2.14 Manufacture of steel pipes or stainless steel pipes

- Must be capable of producing pipes with diameter of 1,200 mm. and above

Activity 4.2 Manufacture of machinery, equipment and parts

- Water pump with intake pipe of not less than 30 inches

Activity 4.8 Manufacture of trains or electric trains or equipment or parts (only with rail system)

Activity 6.12 Manufacture of plastic or plastic coated products

- Plastic pipe with capacity to produce pipes with diameter of 1,200 mm. and above

Revenue eligible for promotion under this measure must derive from mega-projects in water resource management and transportation and logistics sectors.

3.5 Activities related to tourism and real estate, that is,

Activity 7.3 Tourism promotion services that are eligible for tax incentives and located in the tourism-related service industrial zones

Activity 7.4 Activities to support tourism that are eligible for tax incentives and located in the tourism-related service industrial zones

Activity 7.8.8 Movie towns

Activity 7.8.11 Service industrial zones that allocate 80% of the total project area for tourism-related activities

3.6 Activities that use agricultural products as raw materials and use high technology, that is,

Activity 1.11.10 Manufacture of medical food

Activity 4.10 Manufacture of vehicle parts

- Manufacture of rubber tires

4. Rights and benefits for the activities under No. 3 shall be as follows:

4.1 Exemption of import duty on machinery

4.2 Exemption of corporate income tax for eight years without cap

4.3 Fifty percent reduction of corporate income tax on the net profit generated from the investment for not more than five years from the end of the incentive period under section 13, paragraph 1 or 2 as the case may be, or from the date of the first income derivation from the promoted activity in case the promoted person does not receive corporate income tax exemption.

4.4 Double deduction for transportation, electricity and water costs for 10 years from the date of first income derivation from promoted activity.

4.5 Deduction of infrastructure installation or construction costs from net profit in addition to normal depreciation of not more than 25% of the investment in promoted project which can be made from the net profit of one or several years within 10 years from the date of first income derivation from promoted activity

5. An application for promotion must be submitted by December 31, 2009.

6. Projects that have already submitted an investment promotion application since January 1, 2008 onwards but have not yet generated income from promoted activity prior to the effective date of this announcement are entitled to apply for the rights and benefits under these special measures.

Effective from September 14, 2009 onwards

Announced on October 15, 2009

(Mr. Abhisit Vejjajiva)
Prime Minister
Chairman of the Board of Investment