

(Unofficial Translation)  
based on  
**Announcement of the Board of Investment  
No. 1/2553  
SMEs Investment Promotion Policy**

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Pursuant to the Board of Investment Announcement No. 10/2552, dated 15 October 2009 the types, sizes, conditions and rights and benefits of activities eligible for investment promotion;

to promote and strengthen Thai SMEs to international standards, by virtue of Section 16 and Section 31 Paragraph 2 of the Investment Promotion Act of B.E. 2520 amended by Investment Promotion Act (No. 3) B.E. 2544, the Board of Investment hereby announces the Board of Investment Announcement No. 6/2546 dated October 16, 2003 regarding policy on promotion of SMEs in Thailand be repealed and replaced with the following:

1. Identify activities and conditions for SMEs projects which shall be classified as priority activities that have special benefit and significance to the country, namely,

1.1 Agriculture and agricultural products, including:

- Activity 1.1 Plant propagation and development
  - without condition on plant research and development process
- Activity 1.4 Manufacture of biological fertilizers, organic fertilizers or soil conditioner
- Activity 1.5 Animal breeding or Animal husbandry
- Activity 1.7 Crop drying and silo facilities
- Activity 1.10 Tanneries, leather finishing, or fur dressing
- Activity 1.11 Manufacture or preservation of food or food ingredients, using modern technology (except drinking water and ice cream)
- Activity 1.12 Manufacture of oil or fat from plants or animals
- Activity 1.13 Manufacture of flour or starch made from plants, dextrin or modified starch
- Activity 1.14 Grading, packaging and storage of plants, vegetables, fruits or flowers, using modern technology
- Activity 1.15 Manufacture of products from herbs including soap, shampoo, toothpaste and cosmetics
- Activity 1.16 Manufacture of natural rubber products
- Activity 1.17 Manufacture of products from agricultural byproducts or waste
- Activity 1.19 Cold storage or cold storage and cold storage Transportation

1.2 Mining, ceramics and basic metals

- Activity 2.5 Manufacture of ceramics
  - Activity 2.5.1 Ceramic products (except earthenware)
  - Activity 2.5.2 Ceramic roof tiles
  - Activity 2.5.3 Advanced ceramics
- Activity 2.6 Manufacture of glass or glass products

- Activity 2.7 Manufacture of fire-resistant materials or heat insulation (except lightweight brick, lightweight concrete block and aerated concrete block)
- Activity 2.8 Manufacture of gypsum board or gypsum products
- Activity 2.15 Manufacture of iron or steel casting
  - Only casting of metal parts using induction furnace
- Activity 2.16 Manufacture of forged steel parts
- Activity 2.17 Rolling, drawing, casting or forging of nonferrous metals

### 1.3 Light industry

- Activity 3.1 Manufacture of textile products or parts
  - Activity 3.1.3 Manufacture of fabrics
  - Activity 3.1.6 Manufacture of garments
  - Activity 3.1.7 Manufacture of parts or accessories for garments
  - Activity 3.1.8 Manufacture of household textiles
- Activity 3.3 Manufacture of shoes or parts
- Activity 3.4 Manufacture of luggage or parts
- Activity 3.5 Manufacture of sports equipment or parts
- Activity 3.6 Manufacture of products from leather or artificial leather
- Activity 3.7 Production related to the gem and jewelry industry
- Activity 3.11 Manufacture of stationery or parts
- Activity 3.12 Manufacture of toys
- Activity 3.13 Manufacture of musical instrument
- Activity 3.14 Manufacture of artificial goods (except made from restricted trees)
- Activity 3.15 Manufacture of furniture or parts (except made from restricted trees)

### 1.4 Metal products, machinery and transport equipment

- Activity 4.1 Manufacture of hand tools and measuring tools
- Activity 4.2 Manufacture of machinery, equipment and parts
- Activity 4.3 Manufacture of metal products, including metal parts
- Activity 4.4 Surface treatment or anodized surface treatment
- Activity 4.5 Heat treatment
- Activity 4.6 Building or repair of ships
- Activity 4.7 Manufacture of electric-powered vehicles (only those that cannot register under Motor Vehicle Act of B.E. 2522)
- Activity 4.10 Manufacture of vehicle parts
- Activity 4.16 Repair of vehicle parts, electrical or electronic equipment
- Activity 4.17 Repair of industrial machinery or equipment
- Activity 4.18 Manufacture, repair or maintenance of containers
- Activity 4.19 Fabrication of metal structure products or platform repair

### 1.5 Electronic industry and electrical appliance

- Activity 5.1 Manufacture of electrical equipment for industrial use
- Activity 5.2 Manufacture of electrical products
- Activity 5.3 Manufacture of parts or equipment used for electrical products

- Activity 5.4      Manufacture of electronic products
  - Activity 5.5      Manufacture of electronic parts and/or equipment  
or parts and/or equipment used for electronic apparatus
- 1.6 Chemicals, paper and plastics
- Activity 6.12      Manufacture of plastic or plastic coated products
  - Activity 6.15      Manufacture of fiber or paper articles
  - Activity 6.16      Production of printed matter
- 1.7 Service and public utilities
- Activity 7.4.3      Hotels
    - Projects located in zone 1 and 2 including Hat Yai district, Muang district of Chiang Mai, Hua Hin district, Cha-am district, Samui Island district, Phangnga province and Krabi province are not eligible for investment promotion under this measure.
    - Must have at least 40 rooms
2. Conditions:
- 2.1 The size of investment must not be less than 500,000 baht (excluding cost of land and working capital).
  - 2.2 Thai nationals must hold not less than 51% of the registered capital.
  - 2.3 The debt to equity ratio must not exceed 3:1.
  - 2.4 The use of local used machinery worth not more than 10 million bath in the project shall be allowed. The investment in new machinery must not be less than one fourth of the value of the used machinery.
  - 2.5 Investment in each project must not exceed 20 million baht (excluding cost of land and working capital). In total, the company must have net fixed assets or investment size (excluding cost of land and working capital) of not more than 200 million baht.
  - 2.6 Application for investment promotion under this measure must be submitted within December 31, 2011.
3. Rights and benefits:
- 3.1 Exemption of import duty on machinery regardless of zone
  - 3.2 Eight-year corporate income tax exemption without cap on the amount of corporate income tax exemption regardless of zone
  - 3.3 Other privileges shall be granted according to the Board of Investment Announcement No. 1/2543 dated August 1, 2000.

Effective from November 16, 2009 onwards

Announced on January 5, 2010

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