

**Announcement of the Office of the Board of Investment**  
**No. Por. 7/2542**  
**Definitions of Components, Equipment, Spare Parts, and Other Things Including Raw**  
**Materials and Essential Materials**

Although the investment promotion legislation defines the term "machinery", it does not specify the definition of components, equipment, spare parts, and other things including raw materials and essential materials. This has resulted in difficulties in administering the investment promotion scheme.

With a view to achieving clarity in administering the investment promotion legislation and by virtue of section 13 of the Investment Promotion Act of B.E. 2520 amended by the Investment Promotion Act (No. 2) of B.E. 2534, the Office of the Board of Investment, empowered by the Board of Investment, hereby defines components, equipment, spare parts, and other things including raw materials and essential materials as follows:

1. Components refer to parts that can be assembled into machinery, and the machinery will not function if any of these parts are disassembled such as machinery motors, forklift wheels, conveyer belts, sewing machine tables, printing rollers, computer units, and control panels. Components also include items that are required for a machinery test run.

2. Equipment refers to parts that are must be used with the machinery so that the machinery can perform the desired functions; however, the machinery can still function without these parts. Examples of equipment are chucks, bits, footdrops, sewing machine needles, lathes, soldering iron tips, machinery software, automatic feeding devices, molds and dies, jigs and fixtures, capillary tubes, and testing boards.

2.1 Molds and dies or equipment performing similar functions refer to production or process models on which products are formed in a desired shape and have contacts with the final product. They also include master molds and dies used in making molds and parts and accessories such as molds, punches, dies, punching dies, formers, lasts, patterns, e-pins, and core pins.

2.2 Jigs and fixtures refer to devices for guiding a tool or holding machine work in place for mass production.

3. Tools refer to any instruments or apparatus or those applied with machinery such as hammers, wrenches, scissors, screwdrivers, small electric drills, manuals, and blueprints.

4. Instruments refer to things or devices that boost the efficiency of machinery such as pins, needles, gowns for clean rooms, safety glasses, fire-fighting devices, fire extinguishers, finger cots, sand paper, adhesive tape, grinding stones, grinding metal balls, patterns, flannel, carbon paper, marker pens, sticky mats, and wrist-tape.

5. Pre-fabricated factory structures refer to pre-fabricated structures that are installed or assembled into factories which can be knocked down or moved but exclude unfinished structures such as cut tee, H-beams, steel channels imported in the bar shape and modified and drilled for fixing and assembling into a factory structure.

6. Spare parts refer to components, equipment, tools, instruments or parts of machinery that replace the ones that are damaged or worn out.

7. Raw materials refer to inputs that are present in or incorporated into the final product, and these inputs need not be present in the final product in the same form in which they entered the production process such as milk packaging boxes, pineapple juice cans, plastic pellets, chemicals, packaging materials, sizing materials, and carrier tape.

8. Essential materials refer to goods which are not machinery or raw materials but must be consumed in production, mixing, and assembly to achieve efficiency, quality and standards, to reduce losses, and to enhance productivity such as grinding dust, vanishing solution, lubricating oil, surface treatment solution, cleaning metal or non-metal balls, chalk, bleaching agents, catalysts, oil, coal, fuel, and energy.

The Office of the Board of Investment shall adhere to the criteria above as general guidelines in granting approval. In case of classification problems, the decision of the Secretary-General shall be deemed final.

Announced on November 12, 1999.

Staporn Kavitanon  
Secretary General, Board of Investment