



INVESTMENT SERVICES CENTER
THE BOARD OF INVESTMENT
MINISTRY OF INDUSTRY

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Press Release

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Thai and foreign business operators share views on BOI's new strategies

The Thailand Board of Investment (BOI) aims to promote 10 groups of target industries and stop promoting labour-intensive businesses or those causing adverse environmental impact. Comments and recommendations from the private sectors on the new BOI's new policy will be collected by the end of February 2013 and incorporated into the policy before it becomes effective in June 2013.

The BOI recently held the first public hearing and investors' seminar on the topic, A New Investment Promotion Strategy to Drive Thailand's Sustainable Growth, with 1,500 representatives from Thai and foreign companies attending and sharing their opinions on the new BOI investment policy. Four more seminars and public hearings will be held throughout the country later.

Mr. Prasert Boonchaisuk, the Industry Minister, revealed that the opinions and comments from private sector representatives collected at the public hearings and seminars will be considered and used for policy revision. The BOI aims to restructure the Thai economy for sustainable development and to overcome the middle income trap through competitiveness development and value creation in the industrial sector and also by promoting new industrial clusters in the regions to create new investment concentration and improving of facilitations for investors, including both inward and outward investment.

The BOI hopes to complete and present the new policy to the Board, chaired by Deputy Prime Minister and Finance Minister Kittirat Na Ranong, in March. Once approved, the new investment policy under the new strategic direction will become effective in June 2013.

Mr. Udom Wongwiwatchai, the BOI's Secretary General, said that under the new policy, the BOI is to focus on promoting 10 industries, which are 1.) Basic infrastructure and logistics (e.g. industrial zone, power generation from natural gas, tap water or water resources for industrial purposes, transportation and mass transit, commercial airport and logistics center); 2.) Basic industries (e.g. steel, petrochemicals, pulp and paper, machinery); 3.) Medical device and scientific equipment (e.g. medical services, medicine, medical food, scientific equipment); 4.) Alternative energy and environmental services (e.g. power generation from renewable energy sources, bio-fuel, recycling, wastewater treatment and industrial waste disposal services, Energy Services Companies: ESCO); 5.) Services that support the industrial sector (e.g. R&D, HRD, engineering design, software, calibration services, ROH, trade and investment support office); 6.) Advanced core technology (e.g. biotechnology, nanotechnology, advanced material technology); 7.) Food and agricultural processing industry (e.g. processed food, food additives, herbal extracts, plant propagation and development, products from natural rubber); 8.) Hospitality & wellness (e.g. tourism and sports promotion activities, Thai motion picture production and related supporting services, dedicated health centers, retirement homes and care centers); 9.) Automotive and other transportation equipment (e.g. cars, motorcycles, trains, electric trains, aircraft, shipbuilding and maintenance); and 10.) Electronic and electrical appliances (e.g. electronic design, organics & printed electronics, HDD & SSD and parts, solar cells, white goods)

The 10 focus industrial sectors cover around 130 industries, of which about 100 types of target businesses will enjoy exemption from corporate income tax. Another 30 types of business will get the tax exemption on import duties on machinery and raw material imports, as well as other non-tax-related incentives such as permits to own land and permits to bring into the kingdom skilled workers and experts to work in investment-promoted activities.

Under the new policy, the BOI will no longer support businesses that provide low added value, apply low technology or have low complexity of production processes, including those that have low linkage with other industries and those that are labour-intensive and environmentally unfriendly, those that consume high energy, and those that have a monopoly in concession-type of business activities.

Mr. Wongwiwatchai also mentioned that businesses that encourage development, such as R&D and environmental protection will be given an extension of corporate income tax exemption for 1 to 3 years. Moreover, the zone-based promotion will be changed to new regional industrial clusters. Some examples of new regional industrial clusters are Food Processing, Halal Food Processing, Rubber, Fashion, Aerospace, and Science & Technology clusters, etc.
