



INVESTMENT SERVICES CENTER

THE BOARD OF INVESTMENT

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## Press Release

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### **BOI approves “Seven-Year Investment Strategy” Special investment incentives offered for SMEs**

**The Board of Investment (BOI) has approved its “Seven-Year Investment Strategy” (2015-2021), with a focus on promoting investments that create value for Thailand and those that have a positive impact on society and the environment. Measures were also approved to upgrade Thai SMEs’ capability.**

Mrs. Hirunya Suchinai, acting secretary general of the Thailand Board of Investment (BOI), revealed after the BOI Board meeting, chaired by Prime Minister Prayuth Chan-ocha, that the Board approved the Seven-Year Investment Strategy (2015-2021). The vision of the new strategy is to promote inbound value-added investments and Thai investments overseas to enhance the country’s competitiveness and overcome the so-called middle-income trap.

The new investment promotion policy will give priority to investments that are beneficial to and supportive of the country’s overall development strategy. These industries include high-tech and creative industries, service industries that support the development of a digital economy, and industries that utilize local resources. The BOI zoning system will be abolished under the new policy, although investment projects located in 20 lower-income provinces, as well as projects in industrial estates, will be offered special incentives.

The list of eligible activities still includes most activities which are significant to the supply chain and have the potential to be strengthened. In addition, the number of such activities has not been significantly reduced, as there are still more than 200. Corporate income tax privileges will be granted to 180 of them and the rest will receive non-tax incentives along with exemption on import duties on machinery and raw materials used for export products. The list of eligible activities will be announced on the BOI website said Mrs. Hirunya.

Eligible business activities are divided into two groups. Group A includes those that are important to support national economic restructuring. BOI offers corporate income tax exemption to encourage more investment and to enhance the country's competitiveness. Group B consists of activities that do not employ high technology, but still are important to the value chain. BOI will offer non-tax incentives, as well as tax privileges related to machinery and raw materials.

The new policy will be effective for applications submitted from January 1, 2015.

#### **Advantages for 38 SME activities**

According to Mrs. Hirunya, the Board meeting also agreed on a policy to enhance SME capacity building in order to strengthen their competitiveness at the international level. 38 eligible activities from the Seven-Year Investment Strategy will be selected for SMEs to receive incentives. The measure will offer an additional two-year corporate income tax exemption to enhance their competitiveness and encourage investment. This policy will be effective from January 1, 2015 to December 31, 2017.

#### **Special border areas investment promotion**

Mrs. Hirunya added that the Board also agreed with the policy to promote investment in special border areas. Investment projects located in the five special economic development zones will receive an additional three-year corporate income tax exemption on top of basic incentives. These special zones include areas within the five provinces of Tak, Trad, Sa Kaeo, Songkhla and Mukdahan.

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