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PRESS RELEASE

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EEC investment gets a boost under adjusted promotional scheme

To maintain investment momentum while positive economic growth trend is strong, Thailand Board of Investment (BOI), in its latest board meeting chaired by Prime Minister Prayut Chan-ocha, has extended application submission period and adjusted investment incentive scheme in the Eastern Economic Corridor (EEC) that helps investors start and expand their investment in the new growth hub with more benefits. Meanwhile, BOI board also agreed to opened a new investment category – “Trade and Product Development Center” to draw more investment to the 10 Special Economic Zones (SEZs) and make Thailand the region’s trade, investment, and logistics hub, said Ms. Duangjai Asawachintachit, Secretary General of the Board of Investment.

The new package for the EEC will be effective from 1 January 2018 and the deadline for application submission is 30 December 2019. In addition, the adjusted EEC investment promotional scheme aims at encouraging companies’ participation in human resource development through co-operation with educational institutes or research institutions. The scheme consists of three different incentive packages as follows:

1) For investments in “Special Industry Promotion Zones” in EEC, namely the Eastern Airport City (U-Tapao Airport), the Eastern Economic Corridor of Innovation (EECi) and the Digital Park Thailand (EECd): BOI will grant, on top of the normal package, additional two more years of corporate income tax (CIT) exemption. The total CIT exemption period can exceed eight years when combined with activity-based incentives. At the end of the CIT incentive period, the investors will also enjoy 50 per cent CIT reduction for another five years.

2) For investments in “Target Industry Promotion Zones” that will be established specifically to support target industries within EEC: BOI will grant 50 per cent CIT reduction for another five years after the CIT exemption period.

3) **For Investments in target industries located in Industrial Estates or BOI-promoted Industrial Zones within EEC:** BOI will grant 50 per cent CIT reduction for another three years after the CIT exemption period.

Establishment on “Trade and Product Development Center” promotion

In addition to EEC, the BOI intends to boost investment in special economic zones (SEZs) along the borders. The BOI board therefore agreed to open a new investment category – “Trade and Product Development Center” to draw more investment to the 10 Special Economic Zones (SEZs).

The new category will enhance SME’s ability to increase quality or develop new products, to expand logistics and distribution channels and to increase market opportunities by capitalizing on the geographical strength of the 10 SEZs which have already established a border trade link with neighboring countries. The new category requires that this center will provide SMEs with product development support and services. This will result in economic expansion in the area and eventually make Thailand the region’s trade, investment and logistics hub.

Application submission for the establishment of the Trade and Product Development Center in the 10 SEZs is opened now until 30 December 2018 to expedite the rapid investment.

Under this category, two investment promotional packages are as follows:

1) **Trade and Product Development Center located in SEZs:** BOI will grant eight years of CIT exemption with a cap equivalent to the investment amount excluding land cost and working capital, with additional 50 per cent CIT reduction for another five years at the end of the CIT exemption period.

2) **Trade and Product Development Center located outside SEZs:** On condition that the investors must also invest in at least one project in SEZ in parallel, the BOI will grant up to five years of CIT exemption with a cap equivalent to the investment amount, excluding land cost and working capital, of the project located in SEZs.

Encourage SMEs to raise funds in MAI

BOI encourages SMEs to be listed on Thailand’s Market for Alternative Investment (MAI), which will increase SMEs’ capability and opportunity to achieve sustainable growth and have greater access to funds that will enable them to expand in the international market. For SMEs being listed on MAI, the BOI will increase the ceiling for corporate income tax exemption to 200 percent of a project’s total investment. This measure will become effective from 1 January 2018 – 30 December 2020.

For more information, please contact thailandinvestmentyear@gmail.com or visit www.boi.go.th