PRESS RELEASE

No. 122/2018 (O.54)

30 October 2018

BOI's incentive schemes set to support
Infrastructure development for EEC

To drive concrete development of the Eastern Economic Corridor (EEC), Thailand's Board of Investment has recently approved investment incentive scheme for the bidding winners of U-Tapao Airport's Passenger Terminal 3 and Digital Park Thailand (EECd) development projects, two among six major development projects in EEC.

With the biddings for the development of both projects planned for late 2018, BOI has offered the incentive scheme to attract more investors to participate in the biddings. The investment incentive scheme is aimed to increase investors' confidence and success opportunity.

When completed, the two projects will play a key role in moving the EEC forward as a new regional business hub and accelerate the government's plan to transform Thai economy.

The bidding winner of U-Tapao Airport's Terminal 3 development project will be granted exemption of import duty on machinery and 8-year corporate income tax (CIT) exemption. In case the developer has cooperation with an educational institution to develop human resources, and BOI will grant 50% reduction of CIT for another three years under the EEC investment incentive scheme.

The U-Tapao Airport's Terminal 3 is part of the Aerotropolis development project. Under public-private partnership format, the Aerotropolis would include the construction of a 7.1 billion-USD (233-billion-baht) Passenger Terminal 3 which will increase the airport's passenger handling capacity from 5 million passengers to 22 million passengers in 2033, and increase flight handling capacity from currently 25,000 units per year to 120,000 aircraft per year by 2033. When completed, the project will cover additional passenger terminals, cargo zone, cargo & logistics village, commercial gateway, MRO zone, and the aviation training center.

While the development of Aerotropolis is taking shape, the government is working on other infrastructure development to build seamless road, rail, sea and air transportation network. Such infrastructure development includes the construction of the 6.8 billion USD (224-billion baht) high-speed train linking the three airports -- Don Mueang Airport, Suvarnabhumi Airport and U-Tapao, the 4.7-billion-USD (155-billion-baht) development of Laem Chabang Port Phase 3 which increases container throughput from 7.7 million TEUs per year to 18.1 million TEUs per year, and 306-million-USD (10.1-billion-baht) Map Ta Phut Port Phase 3 which be able to handle 19 million additional tons of cargo (petrochemicals and natural gas) upon completion.

The development of U-Tapao Airport, high-speed train, Laem Chabang Port, Map Ta Phut Industrial Port and MRO Center are included in the Public-Private-Participation (PPP) fast track program which shortens bidding process from 40 months to 8-10 months.

For the bidding winner of the Digital Park Thailand or EECd, BOI will grant import duty exemption on machinery and CIT exemption for eight years. The investment project including cooperation with the educational institution to develop human resources will enjoy an additional four-year tax holiday.

EECd is designed to become the center for digital industry and investment of the region, which will promote commercialized digital innovations that drive Thailand 4.0 transformation. EECd will also plays an important part in making Thailand the trade and investment hub for the region's digital business. Targeted activities for EECd include software development, digital services, digital park, data center, innovation incubation center, cloud service, R&D, and relevant services.

The Digital Park Thailand will have comprehensive digital infrastructure, including high-speed optic fiber network, innovation infrastructure such as living lab, and other facilities to support business activities. Built as a Smart City, the EECd will be fully equipped with advanced digital systems, such as face recognition security system, smart tap water system, 5G testing area, etc.

****