



INVESTMENT SERVICES CENTER

THE BOARD OF INVESTMENT

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## PRESS RELEASE

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### **BOI board approves policy to promote Thailand as a medical hub and measure to promote 3 southern districts**

Secretary-general Hirunya Suchinai revealed after the BOI board meeting chaired by Prime Minister General Prayut Chan-o-cha that the board agrees with promotion measure to promote the manufacturing of pharmaceuticals and medical devices to strengthen the industry's competitiveness, which counted as one of Thailand targeted industries.

This will enhance Thai health security by providing easy access to medicine and medical devices while reducing the import of these products.

Pharmaceutical manufacturing which was previously not eligible to receive corporate income tax (CIT) exemption, will receive a five-year CIT exemption. However, a project submitted application within 2017 will receive CIT exemption for up to eight years.

The board also includes medical devices manufacturing in the list of SMEs promotion activities, as a result, SMEs projects will receive an additional two-year CIT exemption.

The investment promotion incentive for hospital business will be proceeded upon the finalization of National Health charter.

#### **Investment promotion for three southern districts**

The board also approved an investment promotion measure to develop 3 districts in 3 southern provinces as follows: Nong Chik district of Pattani province will be developed as an Agricultural Industrial City, Betong district of Yala province will become a Sustainable

Development City and Sungai Kolok district of Narathiwat province will be promoted as an International Border City.

More incentives are offered to new projects investing in these three areas than those offered to investment projects in the four southern provinces and four districts of Songkhla.

They include a double deduction of logistics, electricity and water costs for 20 years (up from 15 years), 90% import duty deduction for raw materials for manufacturing products to be sold in Thailand for 10 years (up from five years), and a 10-year exemption of import duty for raw materials for manufacturing products for export (up from five years)

Moreover, projects that were previously ineligible for investment promotions in the three southern areas are now eligible.

They include the manufacture of animal feed or mixes for animal feed; manufacture of construction materials and pre-stressed concrete products for public utility projects (excluding manufacturing of ceramic roof tiles and wall and floor tiles); manufacture of body care products such as soap, shampoo and toothpaste (excluding cosmetics); manufacture of plastic parts for consumer products such as plastic packaging; manufacture of products from pulp paper and paper such as cartons; and factory development for industrial plants and/or warehouses.