

Investment Promotion Policy for Investment in Special Economic Zones

In order to create economic connectivity with neighboring countries and support integration of the ASEAN Economic Community, the Board has issued Announcement of the Board of Investment No.4/2557, Investment Promotion in Special Economic Zones especially border areas both in and around industrial estates which will be granted incentives, as follows:

Incentives for activities on BOI General list	Incentives for targeted activities for Special Economic Zones (13 targeted industries)
3-year additional exemption of corporate income tax (CIT), not exceeding 8 years in total	Exemption of corporate income tax up to 8 years
Projects with activities in Group A1 or A2 which are already granted 8-year CIT shall receive additional 50% reduction CIT for 5 years.	Additional 50% corporate income tax exemption for 5 years.
<ul style="list-style-type: none"> - 10-year double deductions from the costs of transportation, electricity, and water supply - 25% deduction of the cost of installation or construction of facilities (apart from normal depreciation deduction) - Exemption of import duties on machinery - Exemption of import duty on raw materials imported, used in production for export. - Non-tax incentives i.e. permission to own land and permission to bring in experts to work. 	Same incentives

Special Economic Zones in accordance with the Announcement of the Policy Committee of Special Economic Development Zones consist of:

1. Tak Special Economic Zone consists of 14 sub-districts with border areas in 3 districts in Tak
 - 8 sub-districts in Mae Sot District: Mae Sot, Mae Tow, Ta Sai Luad, Phra That Pha Dang, Mae Gasa, Mae Pa, Mae Ku and Mahawan.
 - 3 sub-districts in Pob Phra District: Phob Phra, Chong Kab and Valet
 - 3 sub-districts in Mae Ramad District: Mae Ja Rao, Mae Ramad, Ka Ne Jue

2. Mukdahan Special Economic Zone consists of 11 sub-districts with border areas in 3 districts in Mukdahan
 - 5 sub-districts in Muang District: Sri Bun Ruang, Mukdahan, Bang Sai Yai, Kam Ar Huan and Na Si Nuan
 - 4 sub-districts in Wanyai District: Bang Sai Noi, Cha Note, Wanyai and Bongkham
 - 2 sub-districts in Don Tan District: Pho Sai and Don Tarn

3. Sa Kaew Special Economic Zone consists of 4 sub-districts with border areas in 2 districts in Sa Kaew
 - 3 sub-districts in Aranyaprathet District: Ban Dan, Pa Rai and Tha Kam
 - 1 sub-district in Wattananakorn District: Pak Kha
4. Trat Special Economic Zone consists of 3 sub-districts in Klonyai District in Trat: Khlong Yai, Had Lek, and Mai Rood
5. Songklah Special Economic Zone consists of 4 sub-districts in Sadao District in Songklah: Sadao, Samnak Kham, Samnak Taew, Padang Bazar
6. Chiang Rai Special Economic Zone consists of 21 sub-districts in 3 districts
 - 7 sub-districts in Chiang Khong district: Krueng, Boon Ruang, Rim Khong, Vieng, Sri Don Chai, Sa Tan, HuayKho
 - 6 sub-districts in Chiang Saen district: Baan Saew, Pa Sak, Mae Ngern, Yo Nok, Vieng, Sri Don Moon
 - 8 sub-districts in Mae Sai district: Koh Chang, Baan Dai, Pong Ngam, Pong Pha, Mae Sai, Vieng Pang Kam, Sri Muang Chum, Huay Krai
7. Nongkhai Special Economic Zone consists of 13 sub-districts in 2 districts
 - 12 sub-districts in Muang district: Kai Bok Wan, Nai Muang, Baan Duer, Phra Tat Bang Puan, Pho Chai, Pon Sawang, Mee Chai, Vieng Kook, See Kai, Nong Kom Kor, Hat Kam, Hin Ngom
 - 1 sub-district in Sa Krai district : Sa Krai
8. Nakhon Panom Special Economic Zone consists of 13 sub-districts in 2 districts
 - 10 sub-districts in Muang district: Gu Ru Ku, Tha Kho, Na Sai, Na Raj Kwai, Nai Muang, Baan Pueng, Pho Tak, Nhong Yat, Nhong Saeng, Art Samart
 - 3 sub-districts in Tha U Ten district: Non Tarn, Ram Raj, Vern Phra Baht
9. Kanjanaburi Special Economic Zone consists of 2 sub-districts in Muang district: Kang Sian, Baan Kao
10. Narathiwat Special Economic Zone consists of 5 sub-districts in 5 districts
 - 1 Sub-district in Muang district: Khok Kian
 - 1 sub-district in Tak Bai district: Jae Hae
 - 1 sub-district in La Han district: Yi Ngor
 - 1 sub-district in Wang district: Loh Jood
 - 1 sub-district in Su Ngai Ko Lok district: Su Ngai Ko Lok

Cases for general activities eligible for BOI promotion located in Special Economic Zone which will receive additional corporate income tax, as follows:

Incentives for projects in Special Economic Zone	A1	A2	A3	A4	B1	B2
Activity-based CIT exemption	8 yrs. (no cap)	8 yrs.	5 yrs.	3 yrs.	x	x
Additional CIT Exemption	x	x	3 yrs.	3 yrs.	3 yrs.	3 yrs.
Total CIT Exemption	8 yrs.	8 yrs.	8 yrs.	6 yrs.	3 yrs.	3 yrs.
Additional 50% CIT reduction for a period of 5 years.	✓	✓	x	x	x	x

Cases for target activities in 13 groups of industries for Special Economic Zones* which will receive additional corporate income tax in accordance with the Policy Committee of Special Economic Development Zones as follows:

Incentives for projects in Special Economic Zone	A1	A2	A3	A4	B1	B2
Activity-based CIT exemption	8 yrs. (no cap)	8 yrs.	8 yrs.	8 yrs.	8 yrs.	8 yrs.
Additional 50% CIT reduction for a period of 5 years.	✓	✓	✓	✓	✓	✓

* Application must be submitted by December 31, 2018

Targeted Activities for Special Economic Zones

The Policy Committee of Special Economic Zones has currently stipulated targeted industries for Special Economic Zones, for the first 5 Special Economic Zones. Each zone will have different targeted activities depending on local potential, limitation and needs, which are categorized in 13 groups, as follows:

Industries	Tak	Sa Kaew	Trat	Mukdahan	Songkhla	Chiang Rai	Nong Khai	Nakhon Phanom	Kanchanaburi	Narathiwat
1. Agricultural, fishery and related industries	✓	✓	✓	✓	✓	✓	✓	✓	✓	*
2. Ceramics	✓							✓	✓	
3. Textile, garment, and leather industries	✓	✓			✓	✓	✓	✓	✓	
4. Furniture manufacturing	✓	✓			✓	✓		✓	✓	

Industries	Tak	Sa Kaew	Trat	Mukdahan	Songkhla	Chiang Rai	Nong Khai	Nakhon Phanom	Kanchanaburi	Narathiwat
5. Gem and jewelries	✓	✓				✓		✓	✓	*
6. Medical equipment manufacturing	✓	✓				✓		✓	✓	
7. Automotive, machinery, and parts	✓	✓						✓	✓	
8. Electrical appliances and electronics	✓	✓		✓				✓	✓	
9. Plastic production	✓	✓				✓		✓	✓	
10. Medicine production	✓	✓				✓		✓	✓	
11. Logistics	✓	✓	✓	✓	✓	✓	✓	✓	✓	
12. Industrial estates/zones	✓	✓	✓	✓	✓	✓	✓	✓	✓	
13. Tourism related industries.	✓	✓	✓	✓	✓	✓	✓	✓	✓	

* Incentives are provided under the investment promotion scheme for border provinces in Southern Thailand. Investment projects in Narathiwat will be relaxed on conditions stipulated on activities eligible for promotion according to Investment Promotion Policy for Investment in SEZ.

Additional Target Activities in the SEZs

Industries	Tak	Sa Kaew	Trat	Mukdahan	Songkhla	Chiang Rai	Nong Khai	Nakhon Phanom	Kanchanaburi	Narathiwat
1. Crop drying and silo facilities	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2. Manufacture of products from agricultural by-products or agricultural waste	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3. Manufacture of fabricated metal for industrial or construction work	✓	✓		✓	✓	✓	✓	✓	✓	✓
4. Production of printed matter	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5. Manufacture of animal feed production and animal food ingredients	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6. Manufacture of construction materials and prestressed concrete for public utilities	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7. Manufacture of body care products such as soap, shampoo, toothpaste and cosmetics	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8. Manufacture of plastic products for consumer goods such as plastic packages	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9. Manufacture of goods from paper pulp or paper such as paper boxes	✓	✓		✓	✓	✓	✓	✓	✓	✓
10. Factory Development for Industrial Plant and warehouses	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

(More details on these targeted industries will be in the List of Targeted Industries to Promote in the Special Economic Development Zones, as appended)



List of Targeted Industries to Promote in the Special Economic Zones

To promote investment in Special Economic Zones, especially border areas both in and around industrial estates, to create economic linkages with neighboring countries, and to prepare for the formation of the ASEAN Economic Community, the Board of Investment hereby issues BOI Announcement No. 4/2557 and the list of targeted industries being promoted in the Special Economic Zones, in accordance with the Announcements of the Board of Investment Nos. 1/2558, 2/2558, 3/2558, 4/2558, 5/2558.

Section 1: Agriculture and Agricultural Products

List of Targeted Industries to Promote in Special Economic Development Zones	Activities Eligible for Investment Promotion	Conditions
Agro-industry, fisheries and related businesses	1.4 Crop drying and silo facilities	
	1.5.1 Livestock and aquatic animal propagation	Projects must use modern technology, e.g. closed house system, evaporative cooling system, automatic watering and feeding system, vector control measure and system, and sensor system for tracking and counting animals.
	1.5.2 Livestock husbandry or aquaculture (except for shrimp)	Projects must use modern technology, e.g. closed house system, evaporative cooling system, automatic watering and feeding system, vector control measure and system, sensor system for tracking and counting animals, and effective environmental protection and impact reduction system.
	1.6 Slaughtering	Projects must use modern technology e.g. stunning method, shackle, cold storage, chilling system, meat quality and contaminant inspection.
	1.8 Grading, packaging and storage of plants, vegetables, fruits or flowers	Projects using modern technology, e.g. color sorter, vapor heat treatment to kill fruit fly eggs, or seed coating
	1.9 Manufacture of modified starch or starch made from plants that have special properties	
	1.10 Manufacture of oil or fat from plants or animals (except for soybean oil)	<ol style="list-style-type: none"> 1. Manufacture of crude or semi-refined oil from plants must start from agricultural produce. 2. Manufacture of refined oil from plants must start from agricultural produce or crude oil.

List of Targeted Industries to Promote in Special Economic Development Zones	Activities Eligible for Investment Promotion	Conditions
	1.11 Manufacture of natural extracts or products from natural extracts (except for medicine, soap, shampoo, toothpaste and cosmetics)	
	1.14.1 Manufacture of primary processed rubber	
	1.15 Manufacture of products from agricultural by-products or agricultural waste (except for those with uncomplicated production processes, e.g. drying, dehydration)	
	1.17 Manufacture or preservation of food, beverages, food additives or food ingredients using modern technology (except for alcoholic beverages)	<ol style="list-style-type: none"> 1. Projects with only mixing or dilution process shall not be promoted. 2. Projects with fermentation process must use starter cultures that have supporting study or research.
	1.19 Cold storage, or cold storage and cold storage transportation	
	1.20 Trading centers for agricultural goods	<ol style="list-style-type: none"> 1. Total area must not be less than 50 rai. 2. The area for operations and services related to agricultural goods must not be less than 60% of the total land area. Space must be allocated for agricultural exhibition or trade, auction centers, cold storage and silos. 3. Inspection, grading and pesticide residue inspection services for agricultural products must be provided.
	1.22 Manufacture of animal feed production and animal food ingredients*	

* It shall not received 50% reduction of corporate income tax for 5 years

Section 2: Ceramics

List of Targeted Industries to Promote in Special Economic Development Zones	Activities Eligible for Investment Promotion	Conditions
Ceramic products manufacturing	2.4.3 Manufacture of Ceramic Products (except Earthenware and Ceramic Tiles)	Project must have firing process.
	2.17 Manufacture of construction materials and pre-stressed concrete for public utilities*	

* It shall not received 50% reduction of corporate income tax for 5 years

Section 3: Light Industry

List of Targeted Industries to Promote in Special Economic Development Zones	Activities Eligible for Investment Promotion	Conditions
Textile, clothing, and leather manufacturing	3.1.1 Manufacture of natural or synthetic fibers	Projects must use domestic scraps or waste only.
	3.1.2 Manufacture of yarn or fabric	
	3.1.4 Manufacture of garments, clothing accessories, and household textiles	
	3.2 Manufacture of non-woven fabric or hygienic products made of non-woven fabric	
	3.3 Manufacture of bags or shoes or products made of leather or artificial leather	
	3.4 Manufacture of sports equipment or parts	
Manufacture of furniture or parts	3.6 Manufacture of furniture or parts	

List of Targeted Industries to Promote in Special Economic Development Zones	Activities Eligible for Investment Promotion	Conditions
Gems and jewelry manufacturing	3.8 Manufacture of gems and jewelry or parts including raw materials and prototype	
Medical device manufacturing	3.11 Manufacture of medical devices or parts	

Section 4: Metal Products, Machinery and Transport Equipment

List of Targeted Industries to Promote in Special Economic Development Zones	Activities Eligible for Investment Promotion	Conditions
Automotive, machinery and parts manufacturing	4.4 Manufacture of multi-purpose engines and equipment	
	4.5.2 Machinery, equipment and parts and/or repair of mould and die	Projects must have part forming process and/or with engineering design.
	4.5.3 Assembling of machinery and machinery equipment	Projects must have assembling process as approved by the Board.
	4.8.17 Manufacture of other vehicle parts	
	4.12 Manufacture of motorcycles (except less than 248 cc engine displacement)	<ol style="list-style-type: none"> 1. Project must have structural welding process and spray painting process. 2. Investment plan for manufacturing and utilization of parts must be submitted and approved by the Board of Investment.
	4.14 Fabrication industry or platform repair for petroleum industry	

Section 5: Electronics and Electrical Appliances Industry

List of Targeted Industries to Promote in Special Economic Development Zones	Activities Eligible for Investment Promotion	Conditions	
Electronics and electrical appliances manufacturing	5.1 Manufacture of electrical products		
	5.2.2 Manufacture of LED lamps		
	5.2.3 Manufacture of compressors and/or motors for electrical appliances		
	5.2.4 Manufacture of wire harnesses		
	5.2.5 Manufacture of parts and/or equipment for other electrical products		
	5.3.5 Manufacture of audio visual products		
	5.3.6 Manufacture of office electronics		
	5.3.7 Manufacture of other electronic products		
	5.4.6.2 Manufacture of hard disk drives and/or parts (excluding top covers, base plates or peripherals)	The cost of refurbishment of existing machines shall be regarded as an investment and will be taken into account in the calculation of corporate income tax exemption cap. The original cost of existing machines shall not be regarded as an investment.	
	5.4.6.3 Manufacture of top covers, base plates or peripherals for hard disk drives		
	5.4.12 Manufacture of flexible printed circuits and/or multi-layer printed circuit boards and/or parts	The manufacturing processes must be approved by the Board.	
		5.4.13 Manufacture of other memory storage equipment	

List of Targeted Industries to Promote in Special Economic Development Zones	Activities Eligible for Investment Promotion	Conditions
	5.4.14 Manufacture of printed circuit board assembly (PCBA)	
	5.4.17 Manufacture of parts for audio visual products	
	5.4.18 Manufacture of parts for office electronics	
	5.4.19 Manufacture of parts for other electronic products	

Section 6: Chemicals, Paper and Plastics

List of Targeted Industries to Promote in Special Economic Development Zones	Activities Eligible for Investment Promotion	Conditions
Plastics manufacturing	6.6 Manufacture of plastic products for industrial goods	Must have plastic forming process.
	6.7.1 Multilayer plastic packaging	Must integrate more than 2 layers of plastics.
	6.7.2 Aseptic plastic packaging	Must be certified with ISO 14611 level 7 (Clean Room) or Federal Standard 209 E Class 10000 or above or an equivalent international standard within 2 years from the full operation start-up date.
	6.7.3 Antistatic plastics packaging	Must be certified with ISO 14611 level 7 (Clean Room) or Federal Standard 209 E Class 10000 or above or an equivalent international standard within 2 years from the full operation start-up date.
	6.8 Manufacture of plastic products from recycled plastic.	

List of Targeted Industries to Promote in Special Economic Development Zones	Activities Eligible for Investment Promotion	Conditions
Pharmaceuticals manufacturing	6.10 Manufacture of medicine	<ol style="list-style-type: none"> 1. For conventional medicine projects, such promoted projects must achieve GMP standard prescribed by PIC/S within two years from the full operation start-up date. 2. For traditional medicine projects, such promoted projects must achieve GMP standard within two years from the full operation start-up date. 3. For the improvement of existing projects, existing machinery can be used in the promoted project, but its value shall not be included in the investment amount eligible for corporate income tax exemption.
Production of printed matter	6.14.2 Production of printed matter	Must have printing and designing process using Digital Media Software in the project.
Manufacture of body care products such as soap, shampoo, toothpaste and cosmetics	6.15 Manufacture of body care products such as soap, shampoo, toothpaste and cosmetics	
Manufacture of plastic products for consumer goods	6.16 Manufacture of plastic products for consumer goods	
Manufacture of plastic products for consumer goods	6.17 Manufacture of pulp or paper, i.e., paper boxes	

Section 7: Service and Public Utilities

List of Targeted Industries to Promote in Special Economic Development Zones	Activities Eligible for Investment Promotion	Conditions
Logistics businesses	7.1.3 Container yards or inland container depots (ICD)	
	7.4.1 Distribution Center: DC	<ol style="list-style-type: none"> 1. The paid-up registered capital must not be less than 10 million baht. 2. Must provide a goods storage facility that is controlled by a modern computerized system.
	7.4.2 International distribution Center (IDC)	<ol style="list-style-type: none"> 1. The paid-up registered capital must not be less than 10 million baht. 2. Must provide a goods storage facility that is controlled by a modern computerized system. 3. International distribution center projects will have additional conditions, as follows: <ol style="list-style-type: none"> 3.1 Must have a minimum investment (excluding cost of land and working capital) of at least 100 million baht 3.2 The center must distribute goods to at least 1 country.
Industrial zones or industrial estates	7.9.1.1 Industrial zones or industrial estates	<ol style="list-style-type: none"> 1. Total land area of the project must not be less than 500 rai. 2. Factory-designated area must not be less than 60 percent and not more than 75 percent of the total area, except projects with a total area of over 1,000 rai, whose factory-designated area must be approved by the Board of Investment. 3. Other conditions as specified by the Board are as follows:

List of Targeted Industries to Promote in Special Economic Development Zones	Activities Eligible for Investment Promotion	Conditions
		<p>3.1 The main road</p> <ul style="list-style-type: none"> - If the total area is over 1,000 rai, the road must have four lanes of not less than 30 meters wide, including road surface of not less than 14 meters wide, traffic island and pavement of not less than 2 meters wide each side and road shoulder or surface wide enough for an emergency stop. - If the total area is over 500 and up to 1,000 rai, the road must have two lanes with road not less than 20 meters wide, including road surface of not less than 7 meters wide and pavement of not less than 2 meters wide each side and a road shoulder or surface wide enough for an emergency stop. <p>3.2 The minor road must have a surface of not less than 8.5 meters wide and a shoulder of not less than 2 meters wide each side.</p> <p>3.3 Wastewater treatment must be suitable for wastewater characteristics and according to legal effluent standards. Projects must have a post-treatment effluent pool.</p> <p>3.4 Wastewater discharge system must be completely separate from rainwater discharge system.</p> <p>3.5 Projects must have an approved system of collection and elimination of garbage, as approved by the Board.</p>

List of Targeted Industries to Promote in Special Economic Development Zones	Activities Eligible for Investment Promotion	Conditions
		<p>3.6 Factories located in industrial zones must be according to target industries and forbidden industries specified in the environmental impact assessment report approved by the Expert Review Committee of the Office of Natural Resources and Environmental Policy and Planning (ONEP).</p> <p>3.7 The zone must provide factories located in the zone with sufficient public utilities, electricity, water, telephone service and post office.</p> <p>3.8 The zone must develop about 25 percent of its total land area, or as approved by the Board, for public utility services within two years from the date of investment promotion certificate issuance.</p>
	7.9.1.2 Gem and jewelry industrial zones	<ol style="list-style-type: none"> 1. The total area must not be less than 100 rai. 2. Area for operations related to gems or jewelry must not be less than 40 percent of the total area. 3. Projects must have a sales area for gems and jewelry. 4. Projects must provide appropriate security systems. 5. Projects must have meeting rooms, exhibition halls and business centers.

List of Targeted Industries to Promote in Special Economic Development Zones	Activities Eligible for Investment Promotion	Conditions
	7.9.1.3 Logistics Park	<ol style="list-style-type: none"> 1. The total area must not be less than 200 rai and the project must invest in establishing a warehouse for lease or sale with a total area of not less than 50,000 square meters. 2. Must be located either within 50 kilometers of a port, an airport, a customs checkpoint and an inland container depot (ICD) or in a Free Zone. 3. Projects must designate some or the entirety of its area as a Free Zone. 4. Projects must have a station to load and unload containers, or a truck terminal and a container depot that can handle at least 50 containers. 5. Projects must install main telecommunication infrastructure that provides hi-speed communications that link the logistics park to domestic and international communication hubs. 6. Thai nationals must hold not less than 51 percent of the total registered capital. 7. Projects must be approved by relevant government agencies.
Businesses that Support Tourism	7.22.1 Ferry services or tour boat services or tour boat renting	Must be approved by relevant government agencies.
	7.22.2 Tour boat port services	Must have facilitating equipment, such as boat lifting equipment, inland boat deck, or boat garage for maintenance purpose.
	7.22.3 Amusement parks	<ol style="list-style-type: none"> 1. Must have a minimum investment (excluding cost of land and working capital) of not less than 500 million baht. 2. The project details must be approved by the Board.

List of Targeted Industries to Promote in Special Economic Development Zones	Activities Eligible for Investment Promotion	Conditions
	7.22.4 Cultural centers or arts and crafts centers	Must have a minimum investment (excluding cost of land and working capital) of not less than 30 million baht.
	7.22.5 Open zoos	<ol style="list-style-type: none"> 1. Must have a minimum investment (excluding cost of land and working capital) of not less than 500 million baht, with a total area of not less than 500 rai. 2. Project details must be approved by the Board. 3. Fifteen percent of the total area must be allocated as green area and another fifteen percent as car park.
	7.22.6 Aquariums	<ol style="list-style-type: none"> 1. Projects must have a minimum investment (excluding cost of land and working capital) of not less than 100 million baht. 2. An environmental impact assessment report must be submitted within 12 months after the issuance of its investment promotion certificate.
	7.23.3 International exhibition centers	<ol style="list-style-type: none"> 1. Indoor exhibition area must not be less than 25,000 square meters. 2. Every hall must have a business meeting room.
	7.23.4 Health rehabilitation centers	<ol style="list-style-type: none"> 1. Must use medical technology for medical treatment and health rehabilitation. 2. Must have continuous rehabilitation programs, including overnight treatment.
	7.24 Factory Development for Industrial Plant and Warehouse*	

* It shall not received 50% reduction of corporate income tax for 5 years