



INVESTMENT SERVICES CENTER
THE BOARD OF INVESTMENT
MINISTRY OF INDUSTRY

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Press Release

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BOI extends unskilled foreign worker employment and support for production capacity increase measures

BOI announced it would allow 101 companies registered with the Ministry of Labour to continue hiring unskilled foreign workers until 31 December 2012, extended from 31 May 2012 as per an earlier announcement. In addition, incentives for machinery and technology improvement for increased production capacity will also be extended until the end of this year. The two measures are part of the government's efforts to help manufacturers affected by the massive flood last year.

M.R. Pongsvas Svasti, the Minister of Industry, revealed after the BOI Board meeting chaired by Deputy Prime Minister and Finance Minister Kittirat Na-Ranong that the board had approved the proposal to allow BOI promoted companies to hire unskilled foreign workers until the end of the year. This will help reduce the impact from the labour shortage in the country. The measure is temporary because the meeting considered Thailand to be moving from labour-intensive to high technology industries so that the need for unskilled labour would be less in the long run. As a result, the board resolved to maintain its policy of not promoting the employment of unskilled foreign workers.

As the BOI had earlier relaxed its measure allowing the 101 BOI-promoted companies which have registered with Ministry of Labour to hire unskilled labour until 31 May 2012, the state agency further extended this period until the end of this year. The extension was aimed at giving the entrepreneurs sufficient time to prepare for the changes and ease the burden caused by last year flood.

Considering this as a significant agenda for the country, the Board will further discuss this issue with related government agencies in order to prevent or find a solution to possible future labour shortage problems.

The BOI Board of Directors also approved an extension of its policy to promote machinery and technology improvement to boost production capacity. This is viewed as a significant step in enhancing the country's competitiveness and investment. The policy was initially scheduled to end on 31 December 2011 and will be extended until 31 December 2012.

With the aim of encouraging entrepreneurs to invest in new machinery for productivity improvement – automated production systems, for example – the ministry offers import duty exemption for machinery imported for this purpose. In addition, participating investors will be entitled to three-year corporate income tax exemption, which is subject to a 70% cap on total investment (not including land and working capital). The tax exemption is based on existing business revenue. The measure will be in effect until 31 December 2012.
