



INVESTMENT SERVICES CENTER  
THE BOARD OF INVESTMENT  
MINISTRY OF INDUSTRY

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## Press Release

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### **BOI extends 2 years permission to 101 promoted companies to employ foreign unskilled labour and an investment promotion scheme for project invests in southern provinces**

**Thailand's Board of Investment (BOI) approved to extend 2 more years permission for 101 promoted companies to employ foreign unskilled labour and also extend investment promotion scheme to boost investment in the three southern provinces on the border between Thailand and Malaysia.**

Mr. Prasert Boonchaisuk, the Industry Minister, revealed after the BOI Board meeting that under the relief measure on foreign unskilled labour employment, BOI allows 101 promoted companies to continue hiring foreign unskilled labourers until 31 December 2014. However, the companies are required to propose a concrete plan to gradually reduce the number of foreign unskilled workers to BOI by 28 February 2013. During the extended period, they must implement a plan to reduce the number of foreign unskilled workers by 25 percent every six months until no foreign unskilled labour is hired on 1 January 2015. Any companies that fail to implement the plan as proposed will have their corporate tax exemption terminated.

BOI also approved to extend the investment promotion scheme for investment in three southern provinces while expanding the investment promotional area to also cover Satun and four districts in Songkhla province-- Jana, Natawee, Saba-Yoi, and Tepa. It is hoped that these extensions will further boost the economy in the three provinces along the Thailand-Malaysia border, including Pattani, Yala and Narathiwat.

The benefits that investors receive under this measure include exemption from import duties on machinery, an 8-year corporate income tax exemption, and reduction of transport, electricity and water supply expenses by two times the actual costs for 15 years starting from the date that the business begins to generate income.

From 2004 to October 2012, the total number of investment applications in these areas remained low, with only 16 projects totaling Bt2.62 billion in value.

**Flood relief measures not extended**

The BOI considered that the flood relief measure, which offers exemption on import duties for machinery replacement until 31 December 2012, shall not be rescheduled. The BOI noted that a large number of flood-affected companies had applied for the incentive. Moreover, most of them have already recovered and completely resumed production.

The total number of projects that have applied for flood relief incentives is 190 projects, with a total value of Bt139.8 billion. The total number of approved projects is 127 with a total value of Bt77.62billion. There were 457 projects applying for tax exemption for flood-damaged machine replacement, totaling Bt108.87 billion.

**Import duties on molds exemption period extended**

Mr. Wongwiwatchai added that the meeting also extended import duty exemption period for imported molds until 31 December 2013, but only for those that cannot be produced in Thailand. The meeting considered that mold production requires very advanced technology which is not available locally and that the demand for molds remains high.

Other measures, which were scheduled to end on 31 December 2012 and will be extended until 31 December 2013, include promotional privileges on sustainable development investment. Under the adjusted measure, new investment projects will be eligible for existing conditions while the projects, which invest in machinery replacement for optimized energy efficiency or alternative energy, will be entitled to corporate tax exemption on 50 per cent of the total investment value, not including land cost and revolving capital.

Lastly, the BOI also extended the promotion scheme for promoted companies to list on the Stock Exchange of Thailand and Market for Alternative Investment (MAI) to 31 December 2013.

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