



INVESTMENT SERVICES CENTER
THE BOARD OF INVESTMENT
MINISTRY OF INDUSTRY

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Press Release

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Application for eco car phase 2 scheme opens Manufacture must begin within 2019

Application for investment promotion for Phase 2 of the Eco Car Scheme is now open until 31 March 2014. Successful applicants are required to begin production in 2019. The Thailand Board of Investment plans to invite all car companies to the briefing on details of the project within the next 2 weeks.

Minister of Industry Mr. Prasert Boonchaisuk said that the Thailand Board of Investment or BOI had officially announced the investment promotion scheme for Eco Car Phase 2 on 30 September 2013 with the aim of boosting the Thai automotive industry. Interested car makers can apply for the promotion from now until 31 March 2014.

Eligible applicants will have to make an investment of at least Bt6,500 million in their projects and operate a complete manufacturing line, covering vehicle assembly, auto parts and engine manufacturing. The production volume must be at least 100,000 cars per year (from the 4th year of operation).

The engines used in the cars produced under this scheme must pass the Euro 5 standard with less than 100 grammes of carbon dioxide emission per kilometer. Fuel consumption must be less than 4.3 liters per 100 kilometers while displacement must be 1,300 cc for gasoline engines, and 1,500cc for diesel engines.

Mr. Prasert added that current car makers granted promotional privileges under the Eco Car Scheme Phase 1 have three options for business expansion -- 1) applying for investment promotion for Eco Car Phase 2 under the new conditions but with a minimum investment value of Bt5,000 million; 2) applying under the Eco Car Phase 1 scheme for business expansion and then granted corporate income tax exemption for

the remaining promoted years; 3) applying for production expansion for both Phase 1 and Pphase 2 and receiving corporate income tax exemption for the remaining promoted years.

"Phase 2 of the Eco Car Scheme will offer equal opportunity for every car maker who is ready and interested in joining this project. This will enable the country to boost the automotive industry through fair competition. Therefore, companies that have never applied for Phase 1 of the Eco Car investment promotion scheme can now apply right away. Manufacturing under the new scheme must begin by 2019," said Mr. Prasert.

The BOI plans to invite car companies to attend a briefing on the conditions for manufacture under Eco Car Phase 2 within the next two weeks.

Mr. Udom Wongviwatchai, BOI's Secretary General, said that the BOI will invite every eligible company to join this briefing to learn first-hand from the BOI the project details for clear understanding.

Under the phase 2 project, successful applicant will get a 6-year corporate income tax. Those making more than Bt500 million investment in part supplier development within five years will enjoy additional one-year tax exemption. Those making more than Bt800 million on auto parts manufacturing development within five years will get additional 2-year exemption of corporate income tax. They will also get other privileges such as an exemption of import duty on machinery, same as the eco car phase 1.
