



INVESTMENT SERVICES CENTER
THE BOARD OF INVESTMENT
MINISTRY OF INDUSTRY

555 Vipavadee Rangsit Road, Chatuchuck 10900 Tel. 0 2553- 8111, Fax : 0 2553-8222

Press Release

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BOI announces incentives for SMEs' capability enhancement projects and machinery efficiency improvement

Thailand Board of Investment (BOI) approved a new promotional incentive package to help small and medium enterprises (SMEs) increase capabilities. The BOI also approved a new promotional incentive package to help existing SMEs enhance their machinery efficiency in order to boost their competitiveness.

Minister of Industry Mr. Prasert Boonchaisuk revealed after a meeting of the Board of Investment (BOI) held on 7 October 2013 that interested companies will have to apply for the incentives before 31 December 2014.

The privileges for SME capability enhancement projects will be offered to companies with more than 51% Thai shares, a minimum investment value of Bt500,000 (excluding cost of land and working capital), and net fixed assets (excluding cost of land and working capital) of no more than Bt200 million. Successful applicants will receive an eight-year corporate tax exemption and import duty exemption on new machinery.

The promotion is offered to SMEs in 39 business categories distributed in four groups, as follows:

1. Value added products businesses: agriculture sector, covering 13 businesses ranging from plants to animal breeding, bio and organic fertilizer manufacturing, food processing, and rubber manufacturing, etc.

2. Business in main supporting industries that require high operation skills, including 16 types encompassing producers of machinery, vehicle parts, electronics, electronic appliances, plastic manufacturing, and publications, etc.
3. Creative businesses, of which 7 types are specified, including fabrics, clothes, jewelry and accessories, furniture, software, product design, etc.

4. Services and tourism, which fall into 3 types, and includes businesses like hotels, cultural arts centers, Thai motion pictures production and related supporting services etc.

Moreover, the BOI also approved another promotion measure to support SMEs to enhance and improve their machinery's efficiency. Not only BOI-promoted SMEs can apply for the promotion but also non BOI-promoted ones, by presenting their plans for improvements of this kind, such as system upgrades to ensure machinery automation, etc.

Promoted SMEs regardless of location will be granted import duty exemptions on machinery, and a 3-year corporate income tax exemption, which is limited at 50 percent of the investment value (excluding cost of land and working capital). The corporate income tax exemption will be derived from earning of existing promoted project. But the privileges and benefits cannot be used at the same time as those machinery improvement privileges offered by the Revenue Department.
