



INVESTMENT SERVICES CENTER
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PRESS RELEASE

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BOI agrees on new measures to reduce impacts from labor shortage issues and promote the agricultural sector

The Thailand Board of Investment (BOI) agreed at its monthly board meeting with proposed measures to increase competitiveness through digital technologies in order to enable investors to mitigate the impacts of labor shortage. The BOI has also pledged to promote comprehensive agricultural activities by encouraging cooperation between entrepreneurs and local communities. In addition, the BOI has announced a list of targeted industries located at industrial estates for specific targeted industries within the Eastern Economic Corridor (EEC). These targeted industries will be eligible for investment promotional incentives.

Ms. Duangjai Asawachintachit, BOI's Secretary General, said after the board meeting, which was chaired by Prime Minister Prayut Chan-ocha, that the board agreed with measures aimed at improving digital competency across the nation so as to help businesses reduce impacts from labor shortage and minimum wage increase.

Under the new measure, the Measures to Promote Improvement of Production Efficiency are expanded to cover the use of digital technology. As a result, investors will enjoy an exemption of corporate income tax on existing projects for three years within the limit of 50 percent of the total investment value excluding cost of land and working capital.

At the same time, the government will promote the enhancement of digital technologies and advanced computer skills, such as Big Data Analysis and Internet of Things. As part of this measure, businesses investing in such activities will receive an additional exemption from corporate income tax totaling 200 percent of their investment or the expense value of related advanced skill trainings.

More business and local community cooperation for a stronger agricultural sector

To encourage local communities to add value to their agricultural products and increase the prices of domestic agricultural products, the board has agreed to further promote investments in the agricultural sector. For those applying for promotional incentives within 2018, the government will relax production-related conditions and increase incentives for businesses that improve agricultural efficiency and add value to agricultural products.

Such eligible activities include production of biological fertilizers, organic fertilizers, nano-coated organic chemical fertilizers and bio-pesticides, plant or animal breeding, grading, packaging and storage of plants, vegetables, fruits or flowers, manufacture of natural rubber products, manufacture of products from agricultural by-products or agricultural waste, manufacture of fuel from agricultural products, manufacture of natural extracts or products from natural extracts, manufacture of preservation of food, beverages, food additives or food ingredients using modern technology, cold storage, or cold storage and cold storage transportation, and trading center for agricultural goods.

Promotion schemes include two categories:

- 1) **Medium-sized businesses investing in specified agricultural activities:** The minimum investment value will be lowered from the usual 1 million baht to 500,000 baht (excluding land and working capital). Investors will be allowed to employ some domestically used machinery for this project and receive an exemption of corporate income taxes for 5-8 years (not exceeding 200 percent of the total investment value, excluding cost of land and working capital.)
- 2) **Investors supporting or co-working with local communities by investing in specified agricultural activities:** Each project, which must have a minimum investment value of no less than 1 million baht, will receive a 3-year exemption of corporate income taxes based on incomes from existing projects. The cap on tax exemption is no more than 100 percent of the total investment value, excluding cost of land and working capital.

List of targeted industries at “Industrial Estates for Specific Targeted Industries” within the EEC

Following the investment promotion scheme for the EEC, which becomes effective on 1 January 2018, BOI has announced a list of targeted industries for “Eastern Aviation City or Aeropolis, the Eastern Economic Corridor of Innovation (EECi), the Digital Park Thailand (EECd)” and “Other Industrial Estates/Industrial Parks”. At this meeting, the BOI approved a list of specific targeted industries for the “Industrial Estates for Specific Targeted Industries”. This latest announcement will make the targeted industries for each industrial estate effective immediately after the EEC Policy Committee announces “Industrial Estates for Specific Targeted Industries”. Such specific targeted industries include the S-Curve industries as well as science and technology support activities.

Promotion of ethanol manufacture

The meeting approved Impress Ethanol Co, Ltd. which produces ethanol. The Thai-Malaysian joint venture will be responsible for manufacturing of 99.5 percent of ethanol produced in Thailand. With a 2,970 million baht investment in Phanom Sarakham District in Chachoengsao province, the company will produce 109.5 million liters of ethanol per year, using 700,000 tons of cassava.

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