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สำนักงานคณะกรรมการส่งเสริมการลงทุน
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BOI approves Thailand Plus incentives to expedite investment relocation New package also encourages workforce development and STEM education

Thailand BOI today approved a set of new incentive measures aimed at attracting foreign business to relocate and expedite large-scale investment as well as strengthening workforce development. These new measures include an enhanced incentive package for projects worth at least 1 billion of investment, additional incentives for companies engaged in human resource development, and revised incentives to encourage corporates to set up STEM education or vocational training institutions.

Ms. Duangjai Asawachintachit, Secretary General of Thailand Board of Investment (BOI), revealed after the board meeting, chaired by Prime Minister Prayut Chan-ocha, that the board agreed with measures under the “Thailand Plus Package” which was endorsed at the economic ministers meeting on Sept. 6, 2019. These measures cover two key areas as follows:

1. **Measures to accelerate investment** and expedite large-scale projects in targeted industries. An additional 50% reduction of corporate income tax for a period of 5 years will be offered to investment projects located outside Bangkok that are in the targeted industries (those eligible for 5-8 year corporate income tax exemption). Applications must be submitted to BOI by the end of 2020 and at least one billion baht of investment must be realized by the end of 2021.

2. **Measures to develop human resources** and build up the high skilled workforce, crucial to investment decisions. These measure aim at encouraging companies to provide training and apprenticeship programs as well as incentivizing corporates to establish professional training/educational institutions in science, technology and engineering (STEM). The details of these measures are as follows:

2.1 Training and apprenticeship support: Investment or expenses related to human resource development can be included in the calculation of corporate tax exemption ceiling, with no minimum threshold. Two categories of investment or expenses in HR development can benefit from these measures:

1. 100% of the actual expenses related to apprenticeship programs such as Dual Education, Cooperative Education or Work-Integrated Learning programs will be included in the calculation of corporate income tax exemption.

2. 200% of actual expenses related to providing employees with advanced STEM training, both in-house and external, will be included in the calculation of corporate income tax exemption given that these training courses must be endorsed by the Ministry of Higher Education, Science, Research and Innovation, or the Eastern Economic Corridor Office (in case of educational/training institutions located in EEC).

Applications for these additional incentives must be submitted by the year 2021 and before the end of the project's corporate tax exemption period.

2.2 Measures to support private sector investment in the establishment of human resource development institutions. Corporates (parent companies) in any business not related to educational or training institutions, when investing in the establishment of STEM education or vocational training institutions endorsed by the Ministry of Higher Education, Science, Research and Innovation, will be eligible to receive a 5-year corporate tax exemption for 100% of the investment fund used for the establishment of the institution. As for the educational or training institutions, they will receive exemption of import duty on machinery. Applications must be submitted by the year 2021 and applicants must be engaged in the BOI eligible activities under the current investment promotion scheme.

Approval of Chana district of Songkhla province as the fourth model city

The BOI approved Chana district of Songkhla province as the fourth model city, following the policy to promote investment under the Model City Project. The project aims to create cross-border economic linkage to countries such as Malaysia and Singapore and support the industrial development in Thailand's southern provinces. Investors in Chana district will receive the same incentives already granted for investments in the three other model cities, namely Nong Chik district in Pattani province, Betong district in Yala province and Su-ngai Kolok district in Narathiwat province. The investment incentives include an 8-year corporate tax exemption for new projects and 5-year for existing projects, and other special privileges such as a 90% reduction of normal import tax for a period of 10 years for raw materials or necessary materials needed for manufacturing products for the domestic market.

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