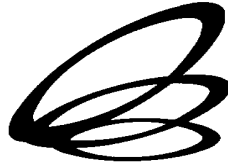


ศูนย์บริการลงทุน

สำนักงานคณะกรรมการส่งเสริมการลงทุน

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THE BOARD OF INVESTMENT

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**Thailand BOI Approves New EV Package,
and Over 35 Billion Baht in Large Investment Projects**

The Thailand Board of Investment (BOI) today approved the roll out of a comprehensive set of incentives covering all major aspects of the electric vehicles (EV) supply chain, with a focus on battery electric vehicles (BEVs), local production of critical parts, and the inclusion of commercial vehicles of all sizes as well as ships. The board also approved 35.7 billion baht (USD1.1 billion) worth of large investment projects in several sectors.

“In line with the Government policy to promote electric vehicles across the board, and to answer the radical changes underway in the global car industry, the BOI today approved a package that will accelerate the development of EV production and related supply chain in Thailand, and allow the entire sector to move into higher gear,” Ms Duangjai Asawachintachit, Secretary General of the BOI, said after a board meeting chaired by Prime Minister Gen Prayut Chan-ocha.

New Package for EV

The new promotion package, which replaces the first EV package which expired in 2018, covers a comprehensive range of electrical vehicles, namely passenger cars, buses, trucks, motorcycles, tricycles, and ships. Incentive schemes for these different types of electric vehicles can be summarized as follows:

- Four wheelers: Qualified projects with a total investment package worth at least 5 billion baht will be granted a 3-year tax holidays for PHEVs, but as for BEVs, an 8-year corporate income tax exemption period will be offered and will be extendable in case of R&D investment/expenditures. As for qualified projects with total investment worth less than 5 billion baht, 3-year tax holidays will be granted on PHEVs and BEVs, but the tax holidays period for BEVs can be extended if the project meets the set requirements, such as production commencement by 2022, additional part production, minimum production of 10,000 units within 3 years, and R&D investment/expenditures.

- Motorcycles, three-wheelers, buses and trucks: Qualified projects will be granted 3-year corporate income tax exemption, extendable if meeting additional requirements.
- Electric-powered ship production projects, for vessels with less than 500 gross tonnage, will be eligible for 8 years of corporate income tax exemption.

The BOI also approved to add four more types of EV parts in the list of critical parts, namely high voltage harness, reduction gear, battery cooling system and regenerative braking system. These four categories will all receive 8 years corporate tax exemptions.

To promote local EV battery production, the BOI also approved additional incentives for the production of both battery modules and battery cells for the local market by granting a 90% reduction of import duties for 2 years on raw or essential materials not available locally.

The BOI has previously approved 26 projects producing electric vehicles of various types, including 5 hybrid electric vehicles (HEVs), 6 plug-in hybrid electric vehicles (PHEVs) and 13 BEVs, and 2 E-Bus projects, with a combined production capacity of over 566,000 units per year, BOI data shows. So far, seven of those projects have started commercial operations, namely majors like Nissan, Honda and Toyota for HEVs; Mercedes Benz and BMW for PHEVs; and new comers FOMM and Takano for BEVs. The agency also approved 14 projects to make critical parts for EVs, including 10 battery production projects.

Clinical Research

In order to boost Thailand's competitiveness in health care and to strengthen the country's medical hub status, the BOI approved new incentives to promote clinical research, covering both Contract Research Organization (CRO) and Clinical Research Center (CRC) operations, with 8 years corporate income tax exemptions.

To qualify, the project must spend no less than 1.5 million baht per years on salaries of newly hired researchers who are Thai nationals or invest no less than 1 million baht (not including cost of land, working capital, and vehicles) in the project.

Senior Care Hospitals and Services

In order to prepare for the ageing society, the BOI approved to grant tax benefits for senior or dependent care service businesses.

- Senior care hospitals will receive 5-year corporate income tax holidays on the condition they have a capacity of at least 50 beds.
- Senior or dependent care services will enjoy 3-year corporate income tax holidays on the condition they have a capacity of at least 50 beds, and Thai nationals hold no less than 51% of the capital.

Reinstatement of the International Procurement Office category

The BOI approved the reinstatement of the International Procurement Office (IPO) category with the aim to strengthen Thailand's position as the regional business and investment hub.

IPO businesses will get import duty exemptions on machinery and raw materials for use in production for exports, as part of the policy to promote the development of the country's supply chain.

Extension of the Productivity Improvement Measure

The deadline for applications to the benefits provided under the **Productivity Improvement Measure** which covers four measures, has been extended by two years to end 2022. The package of measures, which incentives include a 50% corporate income tax exemption for 3 years, has also been renamed, by deleting the word "production" from its initial name, to make it clear that the measures apply to both the manufacturing and service sectors.

Also, the terms of the measure previously limited to investments in the upgrade of agroindustry operations has been expanded to promote Sustainable Development in related activities in the supply chain, such as furniture factories and paper mills, to encourage the implementation of international sustainability standards, such as the Food Safety Management System (ISO 22000) and Sustainable Forest Management System (ISO 14061).

The four measures under the Productivity Improvement Measure aim to promote energy conservation and alternative energy utilization, production efficiency improvement through machinery upgrade, research and development, engineering designs for efficiency improvement, and sustainable development.

Project approvals

The details of the six large scale projects approved today by the BOI are as follows:

- 1) An agro-processing project received approval for an investment of 5.1 billion baht, located in Sa Kaew Province
- 2) Auto Alliance (Thailand) Company Limited received approval for a plug-in hybrid electric vehicles (PHEV) and battery electric vehicles (BEV) production project to be located at the Eastern Seaboard Industrial Estate in Rayong Province. The project, with an investment value of 3.2 billion baht, will have an output of 5,000 PHEVs and 1,000 BEVs per year, for distribution in the domestic market.
- 3) Amata B.Grimm Power 1 Company Limited received approval for a power generation, steam and demineralized water production project, with an investment value of 6 billion baht. The project, located at Amata City Chonburi Industrial Estate in Chonburi Province, will have a capacity of 157.32 megawatts of electricity, 75 tons / hour of steam and 1,566 cubic meters / day of demineralized water.
- 4) Amata B.Grimm Power 2 Company Limited received approval for a power generation and steam production project, with an investment value of 5.4 billion baht. The project, located at Amata City Chonburi Industrial Estate in Chonburi Province, will have a capacity of 157.32 megawatts of electricity and 75 tons / hour of steam.
- 5) Glow SPP1 Company Limited received approval for a power generation and steam production project, with an investment value of 11.3 billion baht. The project, located at Asia Industrial Estate in Rayong Province, will have a capacity of 290 megawatts of electricity and 120 tons / hour of steam.
- 6) Bangkok Cogeneration Company Limited received approval for a power generation, steam and demineralized water production project, with an investment value of 4.7

billion baht. The project, located at Map Ta Phut Industrial Estate in Rayong Province, will have a capacity of 162 megawatts of electricity, 90 tons / hour of steam and 250 cubic meters / hour of demineralized water.

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