

(Unofficial Translation)

Announcement of the Board of Investment

No. 1/2546

Re: Exemption of Import Duty on Replacement Machinery

In order to allow investors to enhance production efficiency and product quality, as well as reduce production costs, in order to raise international competitiveness,

By virtue of Sections 16 and 28 of the Investment Promotion Act B.E. of 2520, as amended by the Investment Promotion Act (No. 2) of B.E. 2534, the Board of Investment hereby prescribes the criteria for granting rights and privileges for exemption from import duty on replacement machinery, as follows:

1. Investors that have been promoted by the BOI in the textile, footwear, or food-production industries or investors in those industries that have not been promoted are eligible to apply to receive rights and privileges for exemption of import duty on replacement machinery within 31 December 2004.

2. The increase in manufacturing capacity that results from the replacement machinery shall not be more than 50% of that of the replaced machinery.

3. Replacement machinery must be new, the value of which shall not be less than 1 million baht. This criterion also applies to additional machinery that is not for purposes of replacement. Consideration shall also be given to issues of energy conservation, pollution reduction, and product quality improvement.

4. Permission for the importation of replacement machinery shall be granted only once.

5. Replaced machinery shall not be distributed internationally.

6. Requests for machinery importation shall be filed by 31 December 2004, and importation shall take place within 2 years from the approval date.

This Announcement shall be effective from 2 May 2003, onwards.

Announced on 2 May 2003.

(Mr. Somkid Jatusripitak)
Deputy Prime Minister
Acting President of the Board