

(UNOFFICIAL TRANSLATION)

**ANNOUNCEMENT OF THE OFFICE OF THE BOARD OF INVESTMENT
NO. POR. 9 / 2541**

Short-term Investment Promotion Measures

In order to help revitalize manufacturing, trade and investment, the Office of the Board of Investment, under section 13 and section 16 of the Investment Promotion Act B.E. 2520, and with the consent of the Board of Investment, announced the following measures:

1. In order to generate more export-oriented activities, projects on the BOI List of Activities Eligible for Promotion (No. 2/1993), that were previously required to be located in Zone 2 or 3, may now be located in Zone 1 or Zone 2, providing that at least 80 percent of all sales each year are from exports. BOI incentives will be provided based on the location of the projects.

2. In order to improve the efficiency of production, all BOI-promoted projects are allowed to import replacement machinery duty-free, providing that:

- o The applicant must be an existing BOI-promoted project;
- o At least 80 percent of all sales each year are from exports;
- o The value of imported replacement machinery must not be less than one million baht;
- o The additional capacity of the replacement machinery should not be more than 50 percent of the original machinery; and
- o Machinery may be imported duty-free one time only, and it must take place prior to December 31, 1999.

1. BOI-promoted projects that have high economic value will be permitted to expand their operations on the same premises, if at least 80 percent of all sales generated by the expansion project each year are from exports, and if the expansion project employs at least 500 workers or at least 50 percent of the existing work force. Approved expansion projects will receive a three-year corporate tax exemption for projects in Zone 1, while projects in Zone 2, outside industrial estates or promoted industrial zones, will receive a five-year corporate tax exemption.

These three measures are short-term measures, and applications must be submitted no later than December 31, 1999.

Effective on June 10, 1998.

Announce on August 31, 1998

Staporn Kavitanon

Secretary-General of the Board of
Investment