INVESTMENT POLICIES

WHY Thailand?
1. Strategic Location & Connectivity
2. Strong Economic Fundamentals
4. Excellent Infrastructure
5. Attractive Incentives

Revised Investment Promotion Act (effective as of 25 Jan 2017)
- Exemption of CIT up to 13 years for R&D, advance technology and innovation
- 50\% reduction of CIT up to 10 years
- Investment Tax Allowance
- Special packages for targeted core technology
- 100-300 \% tax deduction for R&D expenses and technology and workforce development

Competitiveness Enhancement Act (effective as of 14 Feb 2017)
- Exemption of CIT up to 15 years
- 10,000 million Baht matching fund for targeted industries
- Import duty exemption.
- All other privileges under old and revised IPA.

The EEC Act (entered into force on 15 May 2018)
- Exemption from corporate income tax for up to 13 years and 17\% personal income tax which is the lowest in ASEAN
- Matching grants for investment, R&D, innovation, human resource development for targeted industries
- Smart Visa Issuance for Talents, Foreign Investors, Foreign Executives and Startups
- International university establishment in high technology field

Incentives (BOI)
- Grant additional incentives to encourage investment that benefit the country or overall industry
- Merit-based
- Activity-based
- Includes...
  - 0 - 8 years of CIT Exemption
  - 30\% tax deduction on R&D investment
  - Exemption of import duties on machinery
  - Smart Visa for investors/experts/startups

Special Economic Zones (SEZ)
- SEZ's border provinces
- Chiang Rai
- Tak
- Kanchanaburi
- Nong Khai
- Nakorn Panom
- Mukdahan
- Sa Kaeo
- Trat
- Song Khla
- Narathiwat

2019 Thailand Investment Year
- Special Investment Measures
  - Objectives: To stimulate investments in targeted industries that will drive economic transformation
- Additional Incentives
  - CIT reduction 50\% 3 Years

Special Economic Zones
- Super Clusters
  - More than
  - INCENTIVES - 8 years of CIT Exemption + 50\% reduction for further 5 years
  - Food Innoopolis
  - Digital Parks
  - Automotive and Parts
  - Eco-friendly Petrochemicals and Chemicals
  - Medical
  - Electrical Appliances, Electronics and Telecommunication Equipment

Targeted Industries
- Each zone with different targeted activities depending on competencies
- 1. Agricultural, fishery and targeted industries
- 2. Ceramic products
- 3. Textile, garment, and leather industries
- 4. Manufacture of furniture
- 5. Gems and jewelry
- 6. Medical equipment
- 7. Automotive, machinery and parts
- 8. Electrical appliances and electronics
- 9. Plastics
- 10. Medicine
- 11. Logistics
- 12. Industrial estates/zones
- 13. Tourism related industry

Other Clusters
- INCENTIVES - 3-6 years of CIT Exemption + 50\% reduction for further 5 years
- More than
- 1. Total investment value (excluding land and working capital) ≥ 1 Billion THB
- 2. Activities in categories entitled to 5 to 8 years of CIT exemption [Group A1-A3]
- 3. Located outside Bangkok

Department of International Economic Affairs (March 2019)