

**Investment Promotion in
Special Economic
Development Zones (SEZ)
Thailand**

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Thailand Investment Promotion in Special Economic Development Zones (SEZ)



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AIM

In accordance with the government's policy **to develop areas connected to neighboring countries and to support connectivity among ASEAN countries**, the BOI has identified areas (districts and subdistricts) in 10 provinces to become Special Economic Development Zones, including Tak, Mukdahan, Sa Kaeo, Trat, Songkhla, Chiang Rai, Nong Khai, Nakorn Phanom, Kanchanaburi, and Narathiwat.

Thailand Board of Investments: <http://www.boi.go.th>

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- 5 The BOI Investment Promotion Measure
- 5 BOI Incentives

Currently

Investors have shown increased interests in investing in distribution centers and labor-intensive industries in the Special Economic Development Zones, due to an abundant supply of labor and an easy access to neighboring countries in terms of distribution and import of goods, raw materials and parts.

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The ideal businesses or industries

The ideal businesses or industries for the Special Economic Development Zones are especially labor-intensive industries, industries which require raw material supply from neighboring countries, cross-border trading business with warehouses and distribution centers, tourism and services industries to support the development of the local communities in the SEZs.

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Investment projects

Investment projects in the Special Economic Development Zones will receive various government support, including tax incentives, facilitation services from numerous agencies, as well as the establishments of “One Stop Service: OSS” etc. For selected investment activities, tax incentives and other benefits will be offered to investors, e.g., incentives under the measures from the Office of the Board of Investment or BOI

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The BOI Investment Promotion Measure

The BOI Investment Promotion Measure in the Special Economic Development Zones has divided activities eligible for promotion into two groups as follows:

1. General Activities on the BOI List which consist of more than 200 activities eligible for promotion.

http://www.boi.go.th/newboi/index.php?page=eligible_activities&language=en

2. BOI Targeted Activities in 13 Industries which consist of 62 activities eligible for promotion e.g. activities in garment, textile, leather, plastic and tourism related industries etc.

http://www.boi.go.th/newboi/index.php?page=pdf_page&menu_id=692&language=en

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BOI Incentives

1. General Activities	2. Targeted Activities (in 13 industries)
3-year additional exemption of corporate income tax, not exceeding 8 years in total	Exemption of corporate income tax up to 8 years
Projects which are already granted 8-year exemption of corporate income tax shall receive additional 50% reduction on corporate income tax for 5 years.	Additional 50% corporate income tax exemption for 5 years

- 10–year double deduction from the costs of transportation, electricity, and water supply
- 25% deduction of the cost of installation or construction of facilities (apart from normal depreciation deduction)
- Exemption of import duties on machinery
- Exemption of import duty on raw materials used in production for export.
- Permission to employ foreign unskilled labor
- Non-tax incentives e.g. permission to own land and permission to bring in experts to work etc.



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