Contact Addresses:

- Office of the National Committee on Special Economic Zone Development (NC-SEZ)
  Office of the National Economic and Social Development Board
  962 Krung Kasem Road, Pomprab, Bangkok 10100
  Tel. +66 2280 2740 Fax. +66 2280 2743 Email: thai-sez@nesdb.go.th

- One Start One Stop Investment Center (OSOS), Board of Investment (BOI)
  18th Floor, Chamchuri Square Building, Phayathai Road, Pathumwan Bangkok 10330
  Tel: +66 2209 1100 Fax: +66 2209 1199 Email: osos@boi.go.th

- One Stop Service Investment Centers in 10 SEZs
  - Tak Tel. +66 55 532 263 Fax. +66 55 532 263 Email: taksez08@gmail.com
  - Mukdahan Tel. +66 42 614 777 Fax. +66 42 614 777 Email: mukdahan-sez@moi.go.th
  - Sa Kaeo Tel. +66 37 425 353 Fax. +66 37 425 127 Email: sakaeosez@moi.go.th
  - Trat Tel. +66 39 511 300 Fax. +66 39 511 282 Email: trat-sez@moi.go.th
  - Songkhla Tel. +66 74 211 565 Fax. +66 74 211 904 Email: oss.songkhlagmail.com
  - Nong Khai Tel. +66 42 990 462 Fax. +66 42 990 462 Email: oss.nongkhail@gmail.com
  - Narathiwat Tel. +66 73 532 026 Fax. +66 73 532 024 Email: narathiwat-sez@moi.go.th
  - Chiang Rai Tel. +66 53 150 181 Fax. +66 53 150 194 Email: chiangrai-sez@moi.go.th
  - Nakhon Phanom Tel. +66 42 532 888-90 Fax. +66 42 532 888-90 Email: nakhonphanom-sez@moi.go.th
  - Kanchanaburi Tel. +66 34 512 399 Fax. +66 34 512 208 Email: oss.kanchanaburi@gmail.com
The National Committee on Special Economic Zone Development (Chaired by the Prime Minister of Thailand)

The National Committee on Special Economic Zone Development (NC-SEZ)

Decision-Making Mechanism
- Cabinet

Risk
- People’s acceptance
- Budget allocation
- Environment and Natural Resources
- Security
- Human trafficking and illegal migrant workers
- Collaboration with neighboring countries

Principle
- Implement projects under inclusive approach
- Role of Government (granting incentives/provide necessary infrastructure/facilitate investment), Private sector (investment) people (participate & gain benefits)
- SEZ development must not have negative impacts on environment, natural resources, society, security, and relationship with neighboring countries
- Being flexible & adjustable according to circumstances
- SEZ areas are designated by administrative boundary

Operational Guideline
- Encourage and facilitate investment in SEZ
- Promote economic activities in accordance with each area’s potential
- Provide economic & social infrastructure: transportation, border-crossing, electricity, water, safety, public health, labor, and environment
- Enhance participation of people & other development partners
- Strengthen efficiency of community enterprise and private sector in SEZ
- Manage natural resources and environment in SEZ

Operational Plan
- Work Plan
  - Incentives
  - Infrastructure and customs checkpoints
  - Labor management
  - Improvement of health services for border residents, including health insurance for migrant labor
  - Government land for rent in industrial or service activities
  - Security
  - Natural resources and environmental management

Budget Plan
- Integrated Budget Plan
  - 2015: 2,165 Mb.
  - 2016: 6,959 Mb.
- Infrastructure and Customs Checkpoints Budget Plan
- HR Plan
  - Responsible agencies working under 6 sub-committees of the NC-SEZ

SEZ Management Mechanism

Vision
- Emerging economic gateway connecting neighboring countries and better people’s quality of life
- Promote concrete & balance development for emerging border economic areas, improve quality of life and solve security problems

Goal
- 1. Prosperity contribution & quality of life improvement
- 2. Sustainable area growth
- 3. Competitive enhancement

Obj.
- Emerging economic gateway connecting neighboring countries and better people’s quality of life
- Promote concrete & balance development for emerging border economic areas, improve quality of life and solve security problems
- 1. Prosperity contribution & quality of life improvement
- 2. Sustainable area growth
- 3. Competitive enhancement
Thailand’s Special Economic Zones

In 2015, Thailand commenced the establishment of special economic zones (SEZs) in 10 provinces.

- The first phase SEZs are located in 5 provinces, namely Tak, Mukdahan, Sa Kaeo, Trat, and Songkhla.
- The second phase SEZs are located in 5 provinces, namely Nong Khai, Narathiwat, Chiang Rai, Nakhon Phanom, and Kanchanaburi.

<table>
<thead>
<tr>
<th>Special Economic Zones</th>
<th>Area</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>sq.kms.</td>
</tr>
<tr>
<td>Total 10 SEZ area</td>
<td>6,220.05</td>
</tr>
<tr>
<td>Tak</td>
<td>1,419.00</td>
</tr>
<tr>
<td>Mukdahan</td>
<td>578.50</td>
</tr>
<tr>
<td>Sa Kaeo</td>
<td>332.00</td>
</tr>
<tr>
<td>Trat</td>
<td>50.20</td>
</tr>
<tr>
<td>Songkhla</td>
<td>552.30</td>
</tr>
<tr>
<td>Nong Khai</td>
<td>473.67</td>
</tr>
<tr>
<td>Narathiwat</td>
<td>296.042</td>
</tr>
<tr>
<td>Chiang Rai</td>
<td>1,523.63</td>
</tr>
<tr>
<td>Nakhon Phanom</td>
<td>495,743.75</td>
</tr>
<tr>
<td>Kanchanaburi</td>
<td>794.79</td>
</tr>
</tbody>
</table>

| Remarks: Initial Investment cost

Objectives
To build production bases connecting with those of ASEAN countries, and to promote the economic development of the provinces of Thailand along its border areas.

Strategies
- To establish new economic zones, particularly in border areas, through the utilization of the connectivity with Thailand's neighboring countries.
- To develop infrastructures, to provide investment incentives, and to set up one stop service centers.
- To encourage SMEs' investment in the SEZs, and Thai investment in the neighboring countries in activities related with activities in the SEZs.
- To systematize cross-border economic activities including the management of foreign workers from the neighboring countries and other necessary issues.

A Special Economic Zone is an area designated by the National Committee on Special Economic Zone Development (NC-SEZ) which the Thai government will provide necessary infrastructures, investment incentives, cross-border management of daily foreign workers, one stop service centers, and other necessary activities.

1 The National Committee on Special Economic Zone Development (NC-SEZ) is comprised the Prime Minister of Thailand as the chairperson, the Chiefs of relevant government organizations as committee members, and Office of the National Economic and Social Development Board as secretariat.

Terms and Conditions of Foreigners’ Land Hire According to Hire of Immovable Property for Commerce and Industry Act B.E. 2542

- An investor entitles to hire land in duration of more than 30 years but not exceed 50 years. When the period of hire is expired, the said period may be renewed, but it must not exceed 50 years from the date of the agreement made by the letter and the hirer.
- In case of the business eligible for BOI promotions according to the Investment Promotion Act B.E. 2520, the promoted person shall be permitted to own land in order to carry on the promoted activity to such an extent as the Board deems appropriate. In the case where the promoted person who is a foreign national under the Land Code dissolves his promoted activity or transfers it to another person, he shall dispose of the land he has been permitted to own within one year of the date of dissolution or transfer.

Foreign Workers
- Permission for foreign workers commuting to Thailand for daily work, or work within a period of 7 days.
- Provision of skill training for both Thai and foreign workers.

One Stop Services (OSS)
- The consideration of an investment application shall require 40 working days for approval.
- The consideration of work permit for a foreign worker shall require 1 working day for approval.

Initial Investment on Infrastructure and Customs Checkpoints during 2015 – 2016

<table>
<thead>
<tr>
<th>Border Areas</th>
<th>Initial Investment during 2015-2016 (million Baht)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Transportation (roads-bridges-railways ports-airports)</td>
</tr>
<tr>
<td>Tak</td>
<td>2,223</td>
</tr>
<tr>
<td>Sa Kaeo</td>
<td>217</td>
</tr>
<tr>
<td>Trat</td>
<td>352</td>
</tr>
<tr>
<td>Mukdahan</td>
<td>690</td>
</tr>
<tr>
<td>Songkla (Sadao and Padang Be sa)</td>
<td>27</td>
</tr>
<tr>
<td>Nong Khai</td>
<td>9</td>
</tr>
<tr>
<td>Chiang Rai</td>
<td>594</td>
</tr>
<tr>
<td>Nakhon Phanom</td>
<td>703</td>
</tr>
<tr>
<td>Narathiwat</td>
<td>4</td>
</tr>
<tr>
<td>Kanchanaburi</td>
<td>2</td>
</tr>
<tr>
<td>TOTAL</td>
<td>4,821</td>
</tr>
</tbody>
</table>

Initial Investment on Infrastructure and Customs Checkpoints during 2015 – 2016

Remarks: Initial Investment cost
10 Additional Target Activities in Special Economic Zone

**Target Activities**

- Crop drying and silo facilities
- Manufacture of products from agricultural by-products or agricultural waste
- Metal fabrication industry
- Production of printed matter

**Target activities not on the list of BOI’s Investment Promotion activities, but receiving incentives for investment in SEZs**

- Manufacture of animal feed or mixes for animal feed
- Manufacture of construction materials and manufacture of high-pressure concrete for public utilities work (except for roof-tile, ceramics and tiles)
- Manufacture of body care products, e.g. soap, shampoo, toothpaste (except for cosmetic products)
- Manufacture of plastic products for consumer goods
- Manufacture of pulp or paper articles
- Factory development of industrial plants and/or warehouses

**Target activities on the list of BOI’s Investment Promotion activities**

- Exemption of corporate income tax for a period of 8 years and 50 percent reduction of corporate income tax for an additional period of 5 years.
- Exemption of corporate income tax for a period of 8 years (An application must be submitted by the end of June 2016)

**Incentives provided by the Customs Department for Free Zone and Bonded Warehouse**

<table>
<thead>
<tr>
<th>Incentives</th>
<th>Free Zone</th>
<th>Bonded Warehouse</th>
</tr>
</thead>
<tbody>
<tr>
<td>Import duty exemption on machinery</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Import duty exemption for raw materials used in manufacturing export products</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Export duty exemption</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Duty exemption on waste disposal</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>VAT exemption for raw materials used in manufacturing export products</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>VAT exemption for import and export products</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>No limitation on a period of products storing</td>
<td>✓</td>
<td>not more than 2 years</td>
</tr>
</tbody>
</table>
1. Tak Special Economic Zone

The Tak SEZ with total area of 1,419 sq.kms. (886,875 rai) covers 14 sub-districts along the border area of Mae Sot, Phop Phra, and Mae Ramat districts

- 426 kms. from Bangkok via Asian Highway No. 1 and Asian Highway No. 32
- Mae Sot permanent crossing point ranked first in terms of border trade value between Thailand and Myanmar (excluding import value of natural gas through Sangkhla Buri).

- Transport
  - Availability of a commercial airport.
  - Road connecting with Myanmar through the 1st Thai-Myanmar friendship bridge and highway no.85 in Myanmar
  - 17.35 kms. from Myawaddy Industrial Zone in Myanmar.
  - 560 kms. from Yangon, the economic center of Myanmar, linking onwards to India and Southern China.
  - The 2nd Thai-Myanmar friendship bridge across Moei/Thaungyin River and a new crossing point are under construction.

Investment Promotion Measures

### Investment and Financial Incentives

**BOI’s incentives for target activities established in the SEZs**

#### Incentives

<table>
<thead>
<tr>
<th>Corporate Income Tax</th>
<th>Announcement of the Board of Investment No. 4/2557</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exemption of corporate income tax for a period of 8 years, with a corporate income cap not exceeding 100 percent of investment (excluding cost of land and working capital).</td>
<td></td>
</tr>
<tr>
<td>A 50 percent reduction of the normal rate of juristic person income tax on the net profit deriving from the promoted activity for a period of 5 years counting from the expiry date of the corporate income tax exemption.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Incentives</th>
<th>Double the deductible costs of transportation, electricity and water supply for a period of 10 years counting from the date in which revenue is generated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permission to deduct 25 percent of investment costs on the installation or construction of facilities used counting from the date the revenue is generated.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Import Duty</th>
<th>Exemption of import duty for machinery.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exemption of import duty for raw materials and essentials used in the production of products for export for a period of 5 years.</td>
<td></td>
</tr>
</tbody>
</table>

| Employment of Foreign workers | Permission to employ foreign unskilled workers in the promoted project, according to the conditions prescribed by the Board. |

| SMEs | Eligible for benefits according to the BOI Announcement No. 4/2557 with applicable criteria and conditions of the BOI Announcement No. 8/2558 |

#### Incentives provided by the Revenue Department

(For projects/activities that are not on the list of BOI’s Investment Promotion activities)

<table>
<thead>
<tr>
<th>Incentives</th>
<th>Royal Decree on Tax Reduction (No. 591, B.E. 2558)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Income Tax</td>
<td>Reduction from 20 % to 10 % for 10 accounting periods</td>
</tr>
</tbody>
</table>

**Target Activities**

- Agricultural, fishery and related industries
- Ceramic products
- Textile, garment, and leather industries
- Manufacture of Furniture
- Gems and jewelry
- Medical equipment
- Automotive, machinery, and parts
- Electrical appliances and electronics
- Plastic
- Medicine
- Logistics
- Industrial estates/zones
- Tourism related industry
The Kanchanaburi SEZ with total area of 260.79 sq.kms. (162,993.75 rai) covers 2 sub-districts along the border area of Mueang Kanchanaburi district.

- 128 kms. from Bangkok via highway no. 4 and 323.
- Ban Phu Nam Ron permanent crossing point linking to Htee Khee crossing point of Dawei (Myanmar).

**Transport**

- A Laem Chabang Port - Bang Yai (Nonthaburi) – Ban Phu Nam Ron (Kanchanaburi) motorway is in process.
- 150 kms. from Kanchanaburi (Thailand) to Dawei Special Economic Zone (Myanmar), and 400 kms. from Laem Chabang Port (Thailand) to Dawei deep-sea port (Myanmar).

- High potential to become the western economic gateway of the GMS Southern Economic Corridor (SEC).
- Phu Nam Ron customs checkpoint is planned to facilitate cross-border logistic activities.

**Logistic Hub and Production Base along Dawei-Eastern Sea Board (ESB) corridor**

**Target Activities**

- Agricultural, fishery and related industries
- Ceramic products
- Textile, garment, and leather industries
- Manufacture of Furniture
- Gems and jewelry
- Medical equipment
- Automotive, machinery, and parts
- Electrical appliances and electronics
- Plastic
- Medicine
- Logistics
- Industrial estates/zones
- Tourism related industry
2. Mukdahan Special Economic Zone

The Mukdahan SEZ with total area of 578.5 sq.kms. (361,542 rai) covers 11 sub-districts along the border area of Muang Mukdahan, Wan Yai, and Don Tan districts.

- 642 kms. from Bangkok via highway No. 2, 207, 202, 2169 and 212.
- Mukdahan permanent crossing point ranked second in terms of border trade value between Thailand and Lao PDR (Savannakhet).

**Transport**
- Access to Lao PDR through the 2nd Thai-Lao PDR friendship bridge (Mukdahan-Savannakhet)
- Access to the Danang port in Vietnam via Route 9 (520 kms.)
- Access to Southern China, and Far East Countries (Japan, South Korea, and Taiwan)
- Potential linkage with Savan-Seno Special Economic Zone in Savannakhet (Lao PDR).

**Trade and Distribution Center, and Multimodal Transport**

**Target Activities**
- Agricultural, fishery and related industries
- Electrical appliances and electronics
- Logistics
- Industrial estates/zones
- Tourism related industry
The Nakhon Phanom SEZ with total area of 794.79 sq.kms. (495,743.75 rai) covers 13 sub-districts along the border area of Mueng Nakhon Phanom and Tha Uthen districts.

- 740 kms. from Bangkok via highway no. 1 and highway no. 2
- The 3rd Thai-Lao PDR friendship bridge – Lao PDR (route 12) - Vietnam - South China is the shortest route to South China.
- 16 kms. from Khammouane (Lao PDR), 300 kms. from Ha Tinh (Vietnam), 650 kms. from Hanoi (Vietnam), and 1,029 kms. from Chongzuo (Southern China).

Transport
- Availability of Nakhon Phanom Airport
- End of the Dual-Track Railway line
- Cross-border logistics and transport center to facilitate economic activities.
- Polen Hal linkage with Thakhek Specific Economic Zone and Phoukhyo Specific Economic Zone in Lao PDR.

International Trade and Transport Gateway to China and Vietnam

Target Activities
- Agricultural, fishery and related industries
- Ceramic products
- Textile, garment, and leather industries
- Manufacture of Furniture
- Gems and jewelry
- Medical equipment
- Automotive, machinery, and parts
- Electrical appliances and electronics
- Plastic
- Medicine
- Logistics
- Industrial estates/zones
- Tourism related industry
The Sa Kaeo SEZ with total area of 332.0 sq.kms. (207,500 rai) covers 4 sub-districts along the border area of Aranyaprathet and Watthana Nakhon districts.

- 260 kms. from Bangkok via Highway No. 304.
- Aranyaprathet permanent crossing point ranked first in terms of border trade value between Thailand and Cambodia.
- Transport
  - 250 kms. from the Laem Chabang port.
  - Access to Cambodia via Route 6, and Phnom Penh via Route 71
- Potential linkage with 3 SEZs in Cambodia, namely (1) Poipet-O’neang SEZ, (2) Sanco-poipet SEZ, and (3) SEZ in Sisophon

3. Sa Kaeo Special Economic Zone

Agro-Processing Center and Multimodal Transport

Target Activities
- Agricultural, fishery and related industries
- Textile, garment, and leather industries
- Manufacture of Furniture
- Gems and jewelry
- Medical equipment
- Automotive, machinery, and parts
- Electrical appliances and electronics
- Plastic
- Medicine
- Logistics
- Industrial estates/zones
- Tourism related industry
8. Chiang Rai Special Economic Zone

The Chiang Rai SEZ with total area of 916.2 sq.kms. (572,629 rai) covers 21 sub-districts along the border area of Mae Sai, Chiang Saen and Chiang Khong districts.

- 785 kms. from Bangkok via highway no. 1.
- Availability of 6 permanent crossing points linking with Myanmar and Lao PDR.

**Transport**
- Road connection to Myanmar via the 1st and 2nd Thai-Myanmar friendship bridges (Mae Sai-Thachilek).
- Road connection to Lao PDR via the 4th Thai-Lao PDR Friendship Bridge (Chiang Khong – Huay Xai).
- Availability of Mae Fah Luang International Airport (Chiang Rai)
- Chiang Saen Commercial Port linking with Southern China through Mekong River (300 km.)

- Strategic location on the GMS North-South Economic Corridor (Route 3A and Route 3B).
- Close to Lao PDR’s Golden Triangle Economic Area.

**Trade, Tourism and Logistics Center**

**Target Activities**
- Agricultural, fishery and related industries
- Textile, garment, and leather industries
- Manufacture of Furniture
- Gems and jewelry
- Medical equipment
- Plastic
- Medicine
- Logistics
- Industrial estates/zones
- Tourism related industry
4. Trat Special Economic Zone

The Trat SEZ with total area of 50.2 sq.kms. (31,375 rai) covers 4 sub-districts along the border area of Khlong Yai district.

- 420 kms. from Bangkok via Motorway no. 7 (Bangkok-Chonburi), Route 344, 3 and 31.
- Ban Hat Lek permanent crossing point connecting to Koh Kong Province in Cambodia.

**Transport**
- Availability of a commercial airport
- Access to Laem Chabang Port in Thailand (340 km.) and to Sihanoukville Port in Cambodia (250 km.)
- Potential linkage with Koh Kong Special Economic Zone in Cambodia

**Trade and Distribution Center, Multimodal Transport, and Regional Tourist Hub**

**Target Activities**
- Agricultural, fishery and related industries
- Logistics
- Industrial estates/zones
- Tourism related industry
The Narathiwat SEZ with total area of 235.17 sq.kms. (146,995.62 rai) covers 5 sub-districts along the border area of Mueang Narathiwat, Tak Bai, Waeng, and Su-ngai Kolok districts.

- 1,141 kms. from Bangkok via Asian Highway no. 18 and 2.
- Availability of 3 border crossing points (Su-ngai Kolok, Tak Bai and Buketa) linking with Eastern Malaysia. The border crossing points have advantages of locations to be developed in to Thailand’s Southern gateways to ASEAN through the eastern region of Malaysia.

**Transport**
- Road connection to Malaysia via Asian Highway No. 18 which further connects to Singapore
- Availability of a railway system consisting of (1) Bangkok - Hat Yai - Padang Besa (Thailand) – Butterworth (Malaysia) - Singapore (2) Bangkok - Had Yai - Su-ngai kolok (When a railway linkage between Su-ngai kolok railway station – Pasemat railway station is available, the railway transport can link onwards to Malaysia and Singapore)
- Availability of Narathiwat Airport
- Availability of commercial port for fishery and wood products, consumer goods and other merchandise.

### Trade and Production Base linking with Malaysia

- Agricultural, fishery and related industries
- Alternative energy
- Logistics
- Tourism related industry

### Example of Potential Activities

- Agricultural, fishery and related industries
- Alternative energy
- Logistics
- Tourism related industry
5. Songkhla Special Economic Zone

The Songkhla SEZ with total area of 552.3 sq.kms. (345,187.5 rai) covers 4 sub-districts along the border area of Sadao district.

- 950 kms. from Bangkok via Asian Highway no. 4 and no. 2.
- Sadao permanent crossing point (connecting to Kedah State of Malaysia) ranked first in terms of border trade value between Thailand and Malaysia, and Padang-Besar permanent crossing point (connecting to Perlis State of Malaysia) ranked second.

- Transport
  - International airport in Hat Yai district.
  - Deep-sea port and access to Penang and Klang ports in Malaysia.
  - Road and rail networks linking to Malaysia and Singapore via Sadao and Padang-Besar.

- Rubber base, seafood processing and electronics industries, and Thai-Malaysian co-production

- In Malaysia, availability of manufacturing industries along the border, road and rail networks linking to Thai-Malaysian border.

Processing Industries for Export, and Multimodal Transport

Target Activities

- Agricultural, fishery and related industries
- Textile, garment, and leather industries
- Manufacture of Furniture
- Logistics
- Industrial estates/zones
- Tourism related industry
6. Nong Khai Special Economic Zone

The Nong Khai SEZ with total area of 473.67 sq.kms. (296,042 rai) covers 13 sub-districts along the border area of Mueang Nong Khai and Sakhrai districts.

- 615 kms. from Bangkok via highway no.2 (Mitrapap road).
- Nong Khai permanent crossing point ranked first in terms of border trade between Thailand and Lao PDR.

- **Transport**
  - Availability of a commercial airport in Udonthani Province (adjacent to Nong Khai Province) (53 kms.)
  - Access to Lao PDR by road (through the 1st Thai - Lao PDR. Friendship Bridge) and railway.
  - Potential linkage with SEZs in Vientiane (Lao PDR) such as
    - Vientiane Industrial and Trade Area
    - Saysetha Development Zone
    - Thatluang Lake Specific Economic Zone
    - Longthanhl- Vientiane Specific Economic Zone

**International Trade and Service Center, and Multimodal Transport**

**Target Activities**

- Agricultural, fishery and related industries
- Textile, garment, and leather industries
- Logistics
- Industrial estates/zones
- Tourism related industry
6. Nong Khai Special Economic Zone

The Nong Khai SEZ with total area of 473.67 sq.kms. (296,042 rai) covers 13 sub-districts along the border area of Mueang Nong Khai and Sakhrai districts.

- 615 kms. from Bangkok via highway no. 2 (Mitrapap road).
- Nong Khai permanent crossing point ranked first in terms of border trade between Thailand and Lao PDR.

**Transport**
- Availability of a commercial airport in Udonthani Province (adjacent to Nong Khai Province) (53 kms.)
- Access to Lao PDR by road (through the 1st Thai - Lao PDR Friendship Bridge) and railway.

**Potential linkage with SEZs in Vientiane (Lao PDR) such as**
- Vientiane Industrial and Trade Area
- Saysetha Development Zone
- Thatluang Lake Specific Economic Zone
- Longthanh- Vientiane Specific Economic Zone

**Target Activities**
- Agricultural, fishery and related industries
- Textile, garment, and leather industries
- Logistics
- Industrial estates/zones
- Tourism related industry
The Songkhla SEZ with total area of 552.3 sq.kms. (345,187.5 rai) covers 4 sub-districts along the border area of Sadao district.

- 950 kms. from Bangkok via Asian Highway no. 4 and no. 2.
- Sadao permanent crossing point (connecting to Kedah State of Malaysia) ranked first in terms of border trade value between Thailand and Malaysia, and Padang-Besar permanent crossing point (connecting to Perlis State of Malaysia) ranked second.

**Transport**
- International airport in Hat Yai district.
- Deep-sea port and access to Penang and Klang ports in Malaysia.
- Road and rail networks linking to Malaysia and Singapore via Sadao and Padang-Besar.
- Rubber base, seafood processing and electronics industries, and Thai-Malaysian co-production
- In Malaysia, availability of manufacturing industries along the border, road and rail networks linking to Thai-Malaysian border.

**Target Activities**
- Agricultural, fishery and related industries
- Textile, garment, and leather industries
- Manufacture of Furniture
- Logistics
- Industrial estates/zones
- Tourism related industry
The Narathiwat SEZ with total area of 235.17 sq.kms. (146,995.62 rai) covers 5 sub-districts along the border area of Mueang Narathiwat, Tak Bai, Waeng, and Su-ngai Kolok districts.

- 1,141 kms. from Bangkok via Asian Highway no. 18 and 2.
- Availability of 3 border crossing points (Su-ngai Kolok, Tak Bai and Buketa) linking with Eastern Malaysia. The border crossing points have advantages of locations to be developed in to Thailand’s Southern gateways to ASEAN through the eastern region of Malaysia.

**Transport**
- Road connection to Malaysia via Asian Highway No. 18 which further connects to Singapore
- Availability of a railway system consisting of (1) Bangkok - Hat Yai - Padang Besa (Thailand) – Butterworth (Malaysia) - Singapore (2) Bangkok - Had Yai - Su-ngai kolok (When a railway linkage between Su-ngai kolok railway station – Pasemat railway station is available, the railway transport can link onwards to Malaysia and Singapore)
- Availability of Narathiwat Airport
- Availability of commercial port for fishery and wood products, consumer goods and other merchandise.

**Trade and Production Base linking with Malaysia**

**Example of Potential Activities**
- Agricultural, fishery and related industries
- Alternative energy
- Logistics
- Tourism related industry
4. Trat Special Economic Zone

The Trat SEZ with total area of 50.2 sq.kms. (31,375 rai) covers 4 sub-districts along the border area of Khlong Yai district.

- 420 kms. from Bangkok via Motorway no. 7 (Bangkok-Chonburi), Route 344, 3 and 31.
- Ban Hat Lek permanent crossing point connecting to Koh Kong Province in Cambodia.
- **Transport**
  - Availability of a commercial airport
  - Access to Laem Chabang Port in Thailand (340 km.) and to Sihanoukville Port in Cambodia (250 km.)
  - Potential linkage with Koh Kong Special Economic Zone in Cambodia

**Trade and Distribution Center, Multimodal Transport, and Regional Tourist Hub**

**Target Activities**

- Agricultural, fishery and related industries
- Logistics
- Industrial estates/zones
- Tourism related industry
The Chiang Rai SEZ with total area of 916.2 sq.kms. (572,629 rai) covers 21 sub-districts along the border area of Mae Sai, Chiang Saen and Chiang Khong districts.

- 785 kms. from Bangkok via highway no. 1.
- Availability of 6 permanent crossing points linking with Myanmar and LaoPDR.

**Transport**
- Road connection to Myanmar via the 1\textsuperscript{st} and 2\textsuperscript{nd} Thai-Myanmar friendship bridges (Mae Sai-Thachilek).
- Road connection to Lao PDR via the 4\textsuperscript{th} Thai-Lao PDR Friendship Bridge (Chiang Khong – Huay Xai).
- Availability of Mae Fah Luang International Airport (Chiang Rai)
- Chiang Saen Commercial Port linking with Southern China through Mekong River (300 km.)
- Strategic location on the GMS North-South Economic Corridor (Route 3A and Route 3B).
- Close to Lao PDR’s Golden Triangle Economic Area.

**Trade, Tourism and Logistics Center**

**Target Activities**
- Agricultural, fishery and related industries
- Textile, garment, and leather industries
- Manufacture of Furniture
- Gems and jewelry
- Medical equipment
- Plastic
- Medicine
- Logistics
- Industrial estates/zones
- Tourism related industry
3. Sa Kaeo Special Economic Zone

The Sa Kaeo SEZ with total area of 332.0 sq.kms. (207,500 rai) covers 4 sub-districts along the border area of Aranyaprathet and Watthana Nakhon districts.

- 260 kms. from Bangkok via Highway No. 304.
- Aranyaprathet permanent crossing point ranked first in terms of border trade value between Thailand and Cambodia.

**Transport**
- 250 kms. from the Laem Chabang port.
- Access to Cambodia via Route 6, and Phnom Penh via Route 71
- Potential linkage with 3 SEZs in Cambodia, namely (1) Poipet-O’neang SEZ, (2) Sanco-poipet SEZ, and (3) SEZ in Sisophon

**Agro-Processing Center and Multimodal Transport**

**Target Activities**
- Agricultural, fishery and related industries
- Textile, garment, and leather industries
- Manufacture of Furniture
- Gems and jewelry
- Medical equipment
- Automotive, machinery, and parts
- Electrical appliances and electronics
- Plastic
- Medicine
- Logistics
- Industrial estates/zones
- Tourism related industry
The Nakhon Phanom Special Economic Zone covers a total area of 794.79 sq.kms. (495,743.75 rai) and covers 13 sub-districts along the border area of Mueng Nakhon Phanom and Tha Uthen districts.

- **Transport**
  - Availability of Nakhon Phanom Airport
  - End of the Dual-Track Railway line
  - Cross-border logistics and transport center to facilitate economic activities.
  - Polen Hal linkage with Thakhek Specific Economic Zone and Phoukhyo Specific Economic Zone in Lao PDR.

**International Trade and Transport Gateway to China and Vietnam**

**Target Activities**
- Agricultural, fishery and related industries
- Ceramic products
- Textile, garment, and leather industries
- Manufacture of Furniture
- Gems and jewelry
- Medical equipment
- Automotive, machinery, and parts
- Electrical appliances and electronics
- Plastic
- Medicine
- Logistics
- Industrial estates/zones
- Tourism related industry
2. Mukdahan Special Economic Zone

The Mukdahan SEZ with total area of 578.5 sq.kms. (361,542 rai) covers 11 sub-districts along the border area of Muang Mukdahan, Wan Yai, and Don Tan districts.

- 642 kms. from Bangkok via highway No. 2, 207, 202, 2169 and 212.
- Mukdahan permanent crossing point ranked second in terms of border trade value between Thailand and Lao PDR (Savannakhet).

- Transport
  - Access to Lao PDR through the 2nd Thai-Lao PDR friendship bridge (Mukdahan-Savannakhet)
  - Access to the Danang port in Vietnam via Route 9 (520 kms.)
  - Access to Southern China, and Far East Countries (Japan, South Korea, and Taiwan)
- Potential linkage with Savan-Seno Special Economic Zone in Savannakhet (Lao PDR).

Target Activities
- Agricultural, fishery and related industries
- Electrical appliances and electronics
- Logistics
- Industrial estates/zones
- Tourism related industry
10. Kanchanaburi Special Economic Zone

The Kanchanaburi SEZ with total area of 260.79 sq.kms. (162,993.75 rai) covers 2 sub-districts along the border area of Mueang Kanchanaburi district.

- 128 kms. from Bangkok via highway no. 4 and 323.
- Ban Phu Nam Ron permanent crossing point linking to Htee Khee crossing point of Dawei (Myanmar).

**Transport**

- A Laem Chabang Port - Bang Yai (Nonthaburi) – Ban Phu Nam Ron (Kanchanaburi) motorway is in process.
- 150 kms. from Kanchanaburi (Thailand) to Dawei Special Economic Zone (Myanmar), and 400 kms. from Laem Chabang Port (Thailand) to Dawei deep-sea port (Myanmar).
- High potential to become the western economic gateway of the GMS Southern Economic Corridor (SEC).
- Phu Nam Ron customs checkpoint is planned to facilitate cross-border logistic activities.

**Logistic Hub and Production Base along Dawei-Eastern Sea Board (ESB) corridor**

**Target Activities**

- Agricultural, fishery and related industries
- Ceramic products
- Textile, garment, and leather industries
- Manufacture of Furniture
- Gems and jewelry
- Medical equipment
- Automotive, machinery, and parts
- Electrical appliances and electronics
- Plastic
- Medicine
- Logistics
- Industrial estates/zones
- Tourism related industry
Investment and Financial Incentives

BOI’s incentives for target activities established in the SEZs

**Incentives**

**Corporate Income Tax**
- Exemption of corporate income tax for a period of 8 years, with a corporate income cap not exceeding 100 percent of investment (excluding cost of land and working capital).
- A 50 percent reduction of the normal rate of juristic person income tax on the net profit deriving from the promoted activity for a period of 5 years counting from the expiry date of the corporate income tax exemption.

**Other Incentives**
- Double the deductible costs of transportation, electricity and water supply for a period of 10 years counting from the date in which revenue is generated.
- Permission to deduct 25 percent of investment costs on the installation or construction of facilities used counting from the date the revenue is generated.

**Import Duty**
- Exemption of import duty for machinery.
- Exemption of import duty for raw materials and essentials used in the production of products for export for a period of 5 years.

**Employment of Foreign workers**
- Permission to employ foreign unskilled workers in the promoted project, according to the conditions prescribed by the Board.

**SMEs**
- Eligible for benefits according to the BOI Announcement No. 4/2557 with applicable criteria and conditions of the BOI Announcement No. 8/2558

**Incentives provided by the Revenue Department**

(For projects/activities that are not on the list of BOI’s Investment Promotion activities)

**Incentives**

**Corporate Income Tax**
- Reduction from 20% to 10% for 10 accounting periods

1. Tak Special Economic Zone

The Tak SEZ with total area of 1,419 sq.kms. (886,875 rai) covers 14 sub-districts along the border area of Mae Sot, Phop Phra, and Mae Ramat districts

- 426 kms. from Bangkok via Asian Highway No. 1 and Asian Highway No. 32
- Mae Sot permanent crossing point ranked first in terms of border trade value between Thailand and Myanmar (excluding import value of natural gas through Sangkhla Buri).

**Transport**
- Availability of a commercial airport.
- Road connecting with Myanmar through the 1st Thai-Myanmar friendship bridge and highway no.85 in Myanmar
- 17.35 kms. from Myawaddy Industrial Zone in Myanmar.
- 560 kms. from Yangon, the economic center of Myanmar, linking onwards to India and Southern China.
- The 2nd Thai-Myanmar friendship bridge across Moei/Thaungyin River and a new crossing point are under construction.

**Target Activities**
- Agricultural, fishery and related industries
- Ceramic products
- Textile, garment, and leather industries
- Manufacture of Furniture
- Gems and jewelry
- Medical equipment
- Automotive, machinery, and parts
- Electrical appliances and electronics
- Plastic
- Medicine
- Logistics
- Industrial estates/zones
- Tourism related industry
10 Additional Target Activities in Special Economic Zone

Target Activities

Target activities on the list of BOI’s Investment Promotion activities:
- Crop drying and silo facilities
- Manufacture of products from agricultural by-products or agricultural waste
- Metal fabrication industry
- Production of printed matter

Target activities not on the list of BOI’s Investment Promotion activities, but receiving incentives for investment in SEZs:
- Manufacture of animal feed or mixes for animal feed
- Manufacture of construction materials and manufacture of high-pressure concrete for public utilities work (except for roof-tile, ceramics and tiles)
- Manufacture of body care products, e.g. soap, shampoo, toothpaste (except for cosmetic products)
- Manufacture of plastic products for consumer goods
- Manufacture of pulp or paper articles
- Factory development of industrial plants and/or warehouses

Incentives provided by the Customs Department for Free Zone and Bonded Warehouse

- Import duty exemption on machinery
- Import duty exemption for raw materials used in manufacturing export products
- Export duty exemption
- Duty exemption on waste disposal
- VAT exemption for raw materials used in manufacturing export products
- VAT exemption for import and export products
- No limitation on a period of products storing

Exemption of corporate income tax for a period of 8 years, and 50 percent reduction of corporate income tax for an additional period of 5 years.

Exemption of corporate income tax for a period of 8 years (An application must be submitted by the end of June 2016)
Thailand’s Special Economic Zones

The establishment of special economic zones (SEZs) in 10 provinces.

- The first phase SEZs are located in 5 provinces, namely Tak, Mukdahan, Sa Kaeo, Trat, and Songkhla.
- The second phase SEZs are located in 5 provinces, namely Nong Khai, Narathiwat, Chiang Rai, Nakhon Phanom, and Kanchanaburi.

**Objectives**

To build production bases connecting with those of ASEAN countries, and to promote the economic development of the provinces of Thailand along its border areas.

**Strategies**

- To establish new economic zones, particularly in border areas, through the utilization of the connectivity with Thailand’s neighboring countries.
- To develop infrastructures, to provide investment incentives, and to set up one stop service centers.
- To encourage SMEs’ investment in the SEZs, and Thai investment in the neighboring countries in activities related with activities in the SEZs.
- To systematize cross-border economic activities including the management of foreign workers from the neighboring countries and other necessary issues.

**A Special Economic Zone** is an area designated by the National Committee on Special Economic Zone Development (NC-SEZ)1 which the Thai government will provide necessary infrastructures, investment incentives, cross-border management of daily foreign workers, one stop service centers, and other necessary activities.

---

Terms and Conditions of Foreigners’ Land Hire According to Hire of Immovable Property for Commerce and Industry Act B.E. 2542

- An investor entitles to hire land in duration of more than 30 years but not exceed 50 years. When the period of hire is expired, the said period may be renewed, but it must not exceed 50 years from the date of the agreement made by the letter and the hirer.
- In case of the business eligible for BOI promotions according to the Investment Promotion Act B.E. 2520, the promoted person shall be permitted to own land in order to carry on the promoted activity to such an extent as the Board deems appropriate. In the case where the promoted person who is a foreign national under the Land Code dissolves his promoted activity or transfers it to another person, he shall dispose of the land he has been permitted to own within one year of the date of dissolution or transfer.

**Foreign Workers**

- Permission for foreign workers commuting to Thailand for daily work, or work within a period of 7 days.
- Provision of skill training for both Thai and foreign workers.

**One Stop Services (OSS)**

- The consideration of an investment application shall require 40 working days for approval.
- The consideration of work permit for a foreign worker shall require 1 working day for approval.

**Initial Investment on Infrastructure and Customs Checkpoints during 2015 – 2016**

<table>
<thead>
<tr>
<th>Border Areas</th>
<th>Transportation (roads-bridges-railways ports-airports)</th>
<th>Customs Checkpoints</th>
<th>Public Utilities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tak</td>
<td>2,223</td>
<td>123</td>
<td>168</td>
<td>2,514</td>
</tr>
<tr>
<td>Sa Kaeo</td>
<td>217</td>
<td>268</td>
<td>123</td>
<td>608</td>
</tr>
<tr>
<td>Trat</td>
<td>352</td>
<td>68</td>
<td>-</td>
<td>419</td>
</tr>
<tr>
<td>Mukdahan</td>
<td>690</td>
<td>59</td>
<td>261</td>
<td>1,009</td>
</tr>
<tr>
<td>Songkla (Sadao and Padang Be sa)</td>
<td>27</td>
<td>1,151</td>
<td>87</td>
<td>1,266</td>
</tr>
<tr>
<td>Nong Khai</td>
<td>9</td>
<td>85</td>
<td>58</td>
<td>152</td>
</tr>
<tr>
<td>Chiang Rai</td>
<td>594</td>
<td>30</td>
<td>-</td>
<td>624</td>
</tr>
<tr>
<td>Nakhon Phanom</td>
<td>703</td>
<td>58</td>
<td>-</td>
<td>761</td>
</tr>
<tr>
<td>Narathiwat</td>
<td>4</td>
<td>-</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>Kanchanaburi</td>
<td>2</td>
<td>4</td>
<td>-</td>
<td>6</td>
</tr>
<tr>
<td>TOTAL</td>
<td>4,821</td>
<td>1,844</td>
<td>697</td>
<td>7,362</td>
</tr>
</tbody>
</table>

Remarks: Initial Investment cost
Emerging economic gateway connecting neighboring countries and better people’s quality of life

Promote concrete & balance development for emerging border economic areas, improve quality of life and solve security problems

1. Prosperity contribution & quality of life improvement
2. Sustainable area growth
3. Competitive enhancement

The National Committee on Special Economic Zone Development (Chaired by the Prime Minister of Thailand)

Decision-Making Mechanism

- Cabinet
  - The National Committee on Special Economic Zone Development (NC-SEZ)

Risk

- People’s acceptance
- Budget allocation
- Environment and Natural Resources
- Security
- Human trafficking and illegal migrant workers
- Collaboration with neighboring countries

Principle

- Implement projects under inclusive approach
- Role of Government (granting incentives/provide necessary infrastructure/facilitate investment), Private sector (investment) people (participate & gain benefits)
- SEZ development must not have negative impacts on environment, natural resources, society, security, and relationship with neighboring countries
- Being flexible & adjustable according to circumstances
- SEZ areas are designated by administrative boundary

Operational Guideline

- Encourage and facilitate investment in SEZ
- Promote economic activities in accordance with each area’s potential
- Provide economic & social infrastructure: transportation, border-crossing, electricity, water, safety, public health, labor, and environment
- Enhance participation of people & other development partners
- Strengthen efficiency of community enterprise and private sector in SEZ
- Manage natural resources and environment in SEZ

Operational Guideline

- Work Plan
  - Incentives
  - Infrastructure and customs checkpoints
  - Labor management
  - Improvement of health services for border residents, including health insurance for migrant labor
  - Government land for rent in industrial or service activities
  - Security
  - Natural resources and environmental management

- Budget Plan
  - Integrated Budget Plan
    - 2015: 2,165 Mb.
    - 2016: 6,959 Mb.
  - Infrastructure and Customs Checkpoints Budget Plan

- HR Plan
  - Responsible agencies working under 6 sub-committees of the NC-SEZ

SEZ Management Mechanism

- Sub-Committee on Privileges, Designated Areas, and Investment-Related OSS
- Sub-Committee on OSS on Labor, Public Health and Security
- Sub-Committee on Infrastructure and Customs Checkpoints
- Sub-Committee on Land Acquisition and Management
- Sub-Committee on Marketing Promotion
- Sub-Committee on Steering the Development of SEZs