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BOI Launches Support Measures in Response to U.S. Tax Policy

In response to the U.S. government's implementation of reciprocal tariff measures, Thailand's Board of Investment (BOI) has introduced a comprehensive policy package titled "Enhancing the Competitiveness of Thai Entrepreneurs for the New Global Era." The initiative addresses two key objectives: strengthening the competitiveness and resilience of Thai businesses, particularly through robust domestic supply chains, and mitigating risks associated with foreign trade policies by regulating investment in sensitive sectors.

The policy comprises five core measures:

1. SME Efficiency Enhancement – Support for Thai SMEs registered with the Office of Small and Medium Enterprises Promotion (OSMEP) to invest in machinery upgrades, automation, digitalization, and energy-saving technologies.
2. Promotion of Local Content – Encouragement of local component usage in key industries such as electric vehicles and home appliances, requiring companies to obtain "Made in Thailand" (MiT) certification from the Federation of Thai Industries.
3. Stricter Manufacturing Criteria – Heightened scrutiny of production processes in sectors vulnerable to trade policy impacts, with a requirement for substantial transformation of primary raw materials into finished products.
4. Investment Regulation in Targeted Sectors – Oversight of investment in certain industries to protect domestic markets and maintain fair competition.
5. Employment Policy Adjustment – revisions of conditions for hiring foreign personnel. Companies with over 100 employees must ensure that at least 70% of their workforce are Thai nationals, encouraging knowledge transfer and local employment.

In addition to the five announced measures, the BOI is formulating additional targeted support for entrepreneurs impacted by U.S. tariff increases. These forthcoming initiatives aim to preserve Thailand's competitiveness as an investment hub, with a particular emphasis on high value-added export-oriented industries such as food, rubber products, automotive parts, electronics, electrical appliances, machinery, and gems and jewelry.

Should you have any question, please do not hesitate to contact us via info@bgloballaw.com