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Investment Promotion Measures for Thai–Foreign Joint Ventures in Automotive Parts Manufacturing

The Board of Investment (BOI) has introduced new investment promotion measures aimed at encouraging foreign investors in the automotive parts sector to collaborate with Thai entrepreneurs through joint venture structures. The policy is intended to expand business opportunities for Thai companies and enhance domestic technological capabilities in line with modern automotive industry trends.

New investment promotion applications must meet the following conditions:

1. The project must fall under Category 3.4 (manufacture of engines, equipment, or parts) and/or Category 3.5 (manufacture of vehicle parts)
2. A new legal entity must be incorporated after the effective date of the announcement and must be structured as a joint venture between a foreign juristic person and a Thai juristic person. The Thai juristic person must hold at least 20% of the registered capital throughout the corporate income tax incentive period. The Thai shareholder must have operated in the automotive and auto parts industry for at least 3 years prior to the application date and must have at least 60% Thai natural person shareholding.
3. The project must have a minimum investment of THB 100 million, excluding land costs and working capital.
4. Applications must be submitted from the first working day of 2026 until the last working day of 2027.

Eligible projects will receive an additional corporate income tax exemption of up to 3 years, provided that the total exemption period does not exceed 8 years.

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