

## **EXIM Thailand Launches EXIM Special Zone Credit and Soft Loan for Machinery Modification and Promotion of Investment for Thai Brand Innovation Development in Special Zones and S-curve Industries**

Mr. Pisit Serewiwattana, President of Export-Import Bank of Thailand (EXIM Thailand), revealed that Thai export in 2018 has tended to continue its growth pace. This is regarded as a crucial period for Thai export to switch to products with higher value added. EXIM Thailand has thus introduced a credit facility called “**EXIM Special Zone Credit**” to support and promote investment in infrastructure projects and development of advanced production technology, innovation and S-curve industries to upgrade Thai goods and enhance Thai brands on global markets. Target customers are entrepreneurs who aspire to make investment in the Eastern Economic Corridor (EEC) covering Chachoengsao, Chonburi and Rayong provinces and those who aim for business start-ups, business expansion or business transformation in Special Economic Zones (SEZ), border provinces, industrial estates, industrial parks and industrial zones of both public and private sectors. Today, EEC houses altogether 29 industrial estates with a total investment value of more than 505 billion US dollars and is production base of more than 3,700 factories and center of automobile and parts and petrochemicals manufacturing where entrepreneurs are eligible for several benefits, such as tax benefits and other investment incentives and facilities.

**EXIM Special Zone Credit** is a *long-term credit facility* for business investment or expansion with a special rate of the prime rate -1.75% p.a. (equal to 4.50% p.a.) in years 1-3, combined with a *revolving credit* for liquidity enhancement with a maximum credit line of 1.5 times the long-term credit amount. Interest rate is offered at not exceeding prime rate -1.50% p.a. (equal to 4.75% p.a.) with a minimum rate of 4.00% p.a. Maximum loan tenor is 15 years including a grace period of up to 2 years. Entrepreneurs with investment in the EEC will further be eligible for interest rate reduction by another 0.25% p.a.

EXIM Thailand President further said that EXIM Thailand also collaborated with Ministry of Industry, Small and Medium Enterprise Development Bank of Thailand (SME Development Bank), Office of Small and Medium Enterprise Promotion (OSMEP) and Government Savings Bank (GSB) in rendering “**Soft Loan for Machinery Modification Phase 2**” under the Transformation Loan project for business strengthening pursuant to the Cabinet resolution. The soft loan is aimed to finance SMEs’ business expansion or modification and their long-term working capital requirement to enhance liquidity in business operation. Target SMEs are those in the 10 S-curve industries and other related industries. Maximum credit line per customer is 15 million baht and the interest rate chargeable is 4.00% p.a. for a maximum loan tenor of 7 years including a grace period of up to 1 year.

“To ensure stable and sustainable income, Thai exporters need to offer high-quality value-added products that match consumers’ purchasing power and preferences. It is thus necessary and worthwhile to upgrade technology and promote manufacturing industries to generate innovative products. In view of this, the government has designated areas under investment promotion for this purpose. Meanwhile, EXIM Thailand has consistently developed products and services to be offered in collaboration with both public and private sectors to Thai entrepreneurs, particularly SMEs, in accessing government support in form of tax benefits and networks for linkage to broader ranging business sectors. This will help fortify and drive social and economic growth engines right from the rural level to the urban and national levels,” added Mr. Pisit.

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