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Case Study: Gemopolis Free Zone*

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Mr. Prutti Vasikasin

## Abstract

The gem and jewelry industry has been ranked as one of Thailand's top ten export categories every year since 1970. The Thai gem and jewelry sector is considered to be export oriented. Since the industry relies on imported materials, the export processing zone should play a significant role in increasing the competitiveness of the industry. In this work, the motivation for choosing the location for a gem and jewelry exporter in Thailand was investigated, as well as how Gemopolis Free Zone helps gem and jewelry exporters. The role of Gemopolis Free Zone is not to compensate for an anti-export bias created by the ISI policy scheme because, in Thailand, gem and jewelry products, except for finished products, are already free from import tariffs. When comparing benefits between BOI and Gemopolis Free Zone, the competitiveness of firms inside and outside the Free Zone are almost identical, unless the firm is outsourcing jewelry business. Thus, exporter firms that can get privileges from BOI are usually large firms located outside the zone, while newly established firms or small firms which cannot get privileges from BOI choose to locate in Gemopolis Free Zone. Therefore, in the Thai gem and jewelry industry, most exporters do not have to rely on EPZ, only a specific group of exporters benefit from EPZ.

**Keywords:** Export processing zone, Gemopolis Free Zone, Thailand's Gems and Jewelry Industry

## **1. Introduction**

Thailand's gem and jewelry industry plays a significant role in the world market. Thailand is well-known as a major colored gemstone manufacturing center and sourcing hub (BOI, 2014). It has been a leader in the heat treatment technique to improve the color and clarity of colored gemstones. Thai craftsman are also proficient and precise when it comes to cutting and polishing. In addition to the colored stones market, Thailand serves as a hub for diamond polishing for the world's leading manufacturers. Most of the polished diamonds are of medium size (GIT, 2014). In Thailand, the gem and jewelry industry is labor-intensive and relies on skilled craftsmanship, beautiful designs and modern technology to produce jewelry that is competitive in international markets. Export products from the gem and jewelry industry account for 80 percent of total products. Clearly, the gem and jewelry sector of Thailand can be considered an export oriented industry.

The export processing zone (EPZ) is a fenced-in industrial estate specializing in manufacturing for exports that offers firms free trade conditions and a liberal regulatory environment (Madani, 1999). The Thai government created the EPZ scheme to improve the competitiveness of Thailand-based manufacturers and encourage exports by removing tariffs for parts, materials, machines or components imported for use in the manufacturing process. Since the gem and jewelry industry in Thailand is characteristically export oriented, the industry should benefit from the privilege of tax exemptions on imported materials granted by the EPZ. One of the Free Zones for gem and jewelry export firms is Gemopolis Free Zone. Therefore, the aims of this study are to compare export ability between gem and jewelry firms inside and outside of Gemopolis Free Zone and to study the motive behind manufacturers' decisions regarding the factory location.

## **2. Export Processing Zone**

### **2.1. Role of EPZ policy**

From the end of World War II to the 1970's, many developing countries were using import-substitution industrialization (ISI) to promote their domestic manufacturing sector and to promote economic growth. ISI is an economic policy which governments utilize to try to

replace imported products with domestic production by applying high tariffs on imported products to protect their domestic firms until they are ready to compete in the world market. Unfortunately, infant industries have to import intermediate goods, machines and capital from foreign countries. As a result, ISI based competitiveness is reduced because high tariffs make the cost of production higher. The ISI scheme also discourages exports by protecting import-substituting industries; countries draw resources away from the actual or potential resource sectors, thus creating the situation of foreign exchange shortages in the host economy. The failure of ISI strategy made many countries change their trade policy and became more liberalized from the mid-1980's onward (Krugman et al, 2012). With EPZ, the host economy can enjoy the benefits from foreign direct investment (FDI) and can increase foreign exchange without the need to liberalize the whole economy. EPZ grants access to inputs used at the price of the global market for manufacturing products, thus increasing competitiveness in the global market. (ILO, 1998; Jayanthakumaran, 2003).

EPZ is used to compensate for the anti-export bias created by the ISI policy regime (Aggarwal,2005), as the host economy can still retain their ISI policy. This is because ISI in many countries are tied to many powerful political groups (Krugman et al, 2012), as stated in a World Bank discussion paper (1992): "A successful EPZ may just easily conserve an inward oriented industrial structure in the host country if it generates enough export earnings and creates employment, thus prolonging the time period in which the country can pursue a protectionist policy."

## **2.2. Thailand economic policy up to the adoption of the EPZ scheme**

Thailand has been considered as one of the fastest growing economies of the developing countries. Previously, the Thai government implemented various instruments to stimulate economic growth. In the period of the 1960's, after the first National Economic and Social Development plan was implemented in 1961 by the Sarit government, Thailand used ISI as the main instrument to promote economic growth. This plan was implemented to reduce dependence on foreign goods and to promote and protect local industries by imposing high tariffs against import products, export taxes and providing production subsidies to domestic producers (Virgill, 2009). However, Thailand faced the problems of trade deficits due to increases in imports of capital and intermediate goods. In order to resolve these issues, the

government then enacted the third of the National Economic and Social Development plans. Its objective was to reduce the national trade deficit by promoting manufacturing exports as an industrial strategy, through the Investment Promotion Act and Export Promotion Act, by having tax exemptions on imported inputs for manufacturing for export production, no business taxes on export products, and refunding all taxes in the promotion process (Komin, 1989, cited in Zhu 1992). Other than as described above, the Thai government also established an industrial estate in 1969. To improve the management of industrial estates, the government then founded the Industrial Estate Authority of Thailand (I-EA-T) in 1972. I-EA-T is in charge of the establishment of industrial estates throughout the country. Moreover, the government also planned to set up EPZ inside the industrial estates to improve the competitiveness of export goods. The first EPZ in Thailand was established in 1982 at the Lat Krabang Industrial Estate (BIAP, 1982 cite in Zhu 1992). Thus far, Thailand is an export reliant country in which 65% of its GDP comes from international trade activities (MOC, Thailand 2016).

In 2007, Thailand changed the name of EPZ to Industrial Estate Authority of Thailand (I-EA-T) Free Zone due to the adoption of the Agreement on Subsidies and Countervailing Measures (ASCM) at the conclusion of the WTO Uruguay round (Gibbon et al, 2008). According to the Customs Department of Thailand, the Free Zone scheme is used to improve the competitiveness of Thailand-based manufacturers and encourage exports by removing tariff for parts, materials, machines or components imported for use in the manufacturing process. At the same time, Thailand can benefit from the use of Thai labor, services and inputs as well.

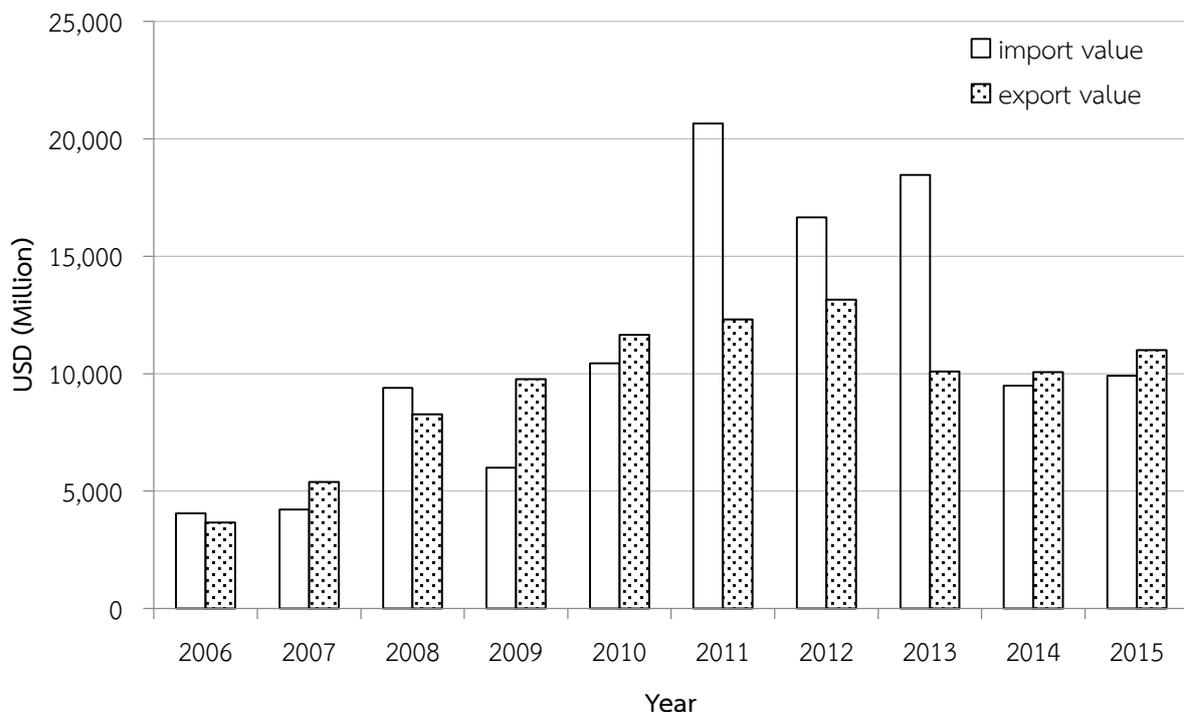
### **3. Thai Gem and Jewelry Industry**

Thailand is one of the most important colored stone trading hubs. Rough colored stones and polished colored stones from all around the world are brought here for trade, especially in Chantaburi, which utilizes the famous heat treatment method to improve quality and increase the value of colored stones. For the diamond industry, even though Thailand is not the center of polished diamonds, Thailand has its own unique diamond cut called Bangkok-cut (Lekvisit, 2006). Being one of the world's trading hubs helps the expansion of the production base of the jewelry industry because a variety of inputs used in

jewelry making can be found in the country. Thailand is also one of the most important handmade jewelry production bases. The Thai jewelry industry relies on skilled craftsmen. Thai craftsmen possess the delicate skills needed for the industry and are suited for making unique and high value jewelry. In addition, Thailand possesses unique techniques used in the gem and jewelry industry.

Export income from gems and jewelry contribute a great deal to the country's economy. The gem and jewelry industry has been ranked as one of Thailand's top ten exports every year since 1970. In 2015, exports from this sector were ranked as the third most important export products next to car and computer components, accounting for 5.13 percent of the country's gross exports. The industry acquired a trade surplus in 2015 with the value of USD 1,081.09 million, as shown in Figure 1 (GIT, 2015). The industry's exports have been growing from USD 3,667.92 million in 2006 to USD 10,993.35 million with a total share of 3.7 percent of world export value in 2015 (GIT, 2015).

Figure 1. Thailand's Gem and Jewelry Import and Export Value 2006-2015.



Source: Ministry of Commerce, data calculation by the Gem and Jewelry Institute of Thailand

### 3.1. Export market

Table 1 lists the top five countries for Thailand’s gem and jewelry export market. The highest export value in 2015 was Hong Kong with the value of USD 2,318 million and a share of 21.39 percent. Thailand was ranked 13<sup>th</sup> of Hong Kong’s gem and jewelry imports with a market share of 1.9 percent. The key value products in the Hong Kong market are polished diamonds, gold jewelry, polished precious stones and polished semi-precious stones.

Switzerland was the second most important export market with a value of USD 1,929 million and a share of 16.59 percent. The market gained 57.33 percent growth as the export value of unwrought or semi-manufactured gold, the key product with almost 88 percent share, grew 74.16 percent. Thailand was ranked 13<sup>th</sup> in Switzerland’s import of gem and jewelry products with a market share of 1.9 percent.

The United States was the third most important export market for gems and jewelry with a market share of 11.92 percent with a total value of USD 1, 288 million. The major export product to the market was jewelry with a market share of 75 percent. The United States is the largest export market for silver jewelry.

**Table 1. Top 5 Thailand’s gem and jewelry export market**

Value (Million USD)

Year	Hong Kong	Switzerland	USA	Cambodia	Germany
2013	2,639	931	1,319	282	530
2014	2,497	1,310	1,360	463	611
2015	2,318	1,929	1,288	879	618

Source: UN Comtrade Database <https://comtrade.un.org/>

### 3.2. Importance of the industry to employment

In terms of employment, the gem and jewelry industry is a labor intensive industry. This involves the use of skill, expertise and precision in the production process, especially in the polished colored stones industry, which cannot be performed by machines. Therefore, this

industry relies on huge amounts of labor. From an employment survey in 2010 by University of Thai Chamber of Commerce (UTCC), it was found that there were 865,656 direct employees in the industry: 40.5 percent or 350,938 employees in the upstream industry, 306,008 workers (35.3 percent) in the middle stream industry, and 208,710 workers (24.2 percent) in the downstream industry. The numbers of businesses in the industry in Thailand currently is 1642. Ninety percent of them are small and medium size enterprises (SMEs), while only 10 percent are large enterprises. In 2014, the gem and jewelry industry was the first ranked export product among all other products of SMEs, with a share of 13.6 percent. Most of the enterprises are located in Bangkok and old gem mining places, such as Chantaburi or Kanchanaburi (GIT, 2014).

#### **4. Government Policy**

Since 1976, the Thai government has provided various methods to develop and promote the gem and jewelry business in Thailand. With support from the Board of Investment (B.O.I.), Thailand's gem and jewelry industry has been promoted to increase its potential and international competitiveness by offering attractive benefits to investors. As previously mentioned in Section 2.2, I-EA-T is responsible for industrial estates and Free Zones. For the gem and jewelry business, the government approved the construction of Gemopolis to be a cluster of manufacturing, trade and exports of gems and jewelry. Later on, in 2008, Gemopolis was granted the status of "Free Zone" by I-EA-T and has been supported by three key government agencies, including B.O.I, I-EA-T and Thai Customs (The Thailand Board of Investment, 2008).

The government also established a gem and jewelry development institute under the control of the Department of Industrial Promotion (DIP) on 12 September 1989 to be a center of skill development for high skill labor, especially for goldsmiths and jewelers, to develop the gem and jewelry industry by suggesting policies and regulations and also to be a bridge organization between the government and private organizations.

Another approach to promote the gem and jewelry industry is to be the host of Bangkok Gems and Jewelry Fair (BGJF), the biggest gem and jewelry exhibition in ASEAN and the fifth largest gem and jewelry fair in the world. It was first held in 1985 and was co-organized by

the Ministry of Commerce, Department of International Trade Promotion (DITP) along with the Jeweler's Association. BGJF is held twice a year, usually around February and September, in Bangkok at Impact Arena.

#### **4.1. Trade protection policy**

Starting from 1977, the government removed import tariffs on rough diamonds and rough colored stones (unpolished) to increase employment of polishers and help the development of the polished diamond industry. Later on, in 1980, the Thai government removed import tariffs and business taxes on polished diamonds and colored stones to expand the jewelry setting industry and promote Thailand as a world trade hub of gems and diamonds. In 1994, the government removed import tariffs on gold, because gold is regarded as a currency, and reduced import tariffs on silver and platinum to 1%. Import tariffs on both silver and platinum were removed later in 1999 (Chiang Mai University, 2002). Currently, only products falling into the category of finished products are being taxed by import tariffs (HS7113-7118, Table 2).

Exporters, for those products still having import tariffs, can use the duty drawback scheme under section 19 BIS to obtain a refund of customs duty paid on imported goods where those goods have undergone production, mixing, assembling, or packing and then are exported to a foreign port. Only the person who is the legal owner of the goods at the time the goods are exported, or a person to whom this right has been assigned, is eligible to make a claim for duty drawback.

Other than reducing and removing import tariffs on gem and jewelry products, the Thai government allows VAT exemption on diamonds and gemstones, including imitations of those gem stones used in export manufacturing. In 1997 and later on in 2000 unwrought gold, silver and platinum also received VAT exemption

Table 2. Thailand Import tariff article of Chapter 71

Product	Import tariff percentage
1.Articles of jewelry (HS7113)	20
2.Articles of goldsmith's and silversmith's wares (HS7114)	20
3.Other articles of precious metal (HS7115)	5-20
4.Articles of natural or cultured pearl (HS7116)	20
5.Imitation jewelry (HS7117)	20
6.Coin (HS7118)	20

Source: [https://infocenter.git.or.th/GemDB\\_BE/upload/content/12072016.1644121\\_tariff\\_Thailand\\_59.pdf](https://infocenter.git.or.th/GemDB_BE/upload/content/12072016.1644121_tariff_Thailand_59.pdf)

#### 4.2. Board of Investment of Thailand (BOI):

The Board of Investment of Thailand (BOI) has duties and powers to promote investment. It was established in 1960 under the Act of the Promotion of Industrial Investment. At first, the name of BOI was “the Board of Industrial Investment” but it was changed in 1972 by deleting the word “industrial” with its new role covering other sectors such as agriculture and services.

BOI offers both tax and non-tax incentives under the Investment Promotion Act, B.E. 2520 (A.D. 1977). However, in order to obtain investment promotion, the BOI applicant must follow the conditions prescribed by the Board of Investment as specified in the BOI promotion certificate in which the following incentives are granted: (Table 3, BOI, 2015)

Table 3. Privileges from BOI

Tax Incentives	Non-Tax Incentives
<ul style="list-style-type: none"> <li>- Exemption/reduction of import duties on machinery (Section 28/29)</li> <li>- Reduction of import duties for raw or essential materials (Section 30)</li> <li>- Exemption of corporate income tax and juristic person income tax. (Section 31 and 34)</li> <li>- A 50 percent reduction of the corporate income tax (Section 35(1))</li> <li>- Double reduction from the costs of transportation, electricity and water supply (Section 35(2))</li> <li>- Additional 25 percent deduction of the cost of installation or construction of facilities (Section 35 (3))</li> <li>- Exemption of import duty on raw or essential materials imported for use in production for export (Section 36)</li> </ul>	<ul style="list-style-type: none"> <li>- Permit for foreign nationals to enter the Kingdom for the purpose of studying investment opportunities. (Section 24)</li> <li>- Permit to bring into the Kingdom skilled workers and experts to work in investment promoted activities (Section 25 and 26)</li> <li>- Permit to own land. (Section 27)</li> <li>- Permit to take out or remit money abroad (Section 37)</li> </ul>

Source: A guide to the Board of Investment 2015

#### 4.3 Bonded warehouse for manufacturing:

Business operators interested in establishing a bonded warehouse for manufacturing are exempted from the payment of import taxes and duties provided the goods imported and stored in such bonded warehouse are used in the process of producing, mixing or assembling and are then exported, regardless of being exported in the same nature as imported or in the nature of having been produced, mixed, assembled as other goods or transferred to other bonded warehouses or sold to importers, under a drawback scheme under Section 19 BIS or to those entitled for tax and duty exemption under the Customs Tariff Decree or other relevant laws. However, the imported goods shall be subject to taxes

and duties if they are removed from the bonded warehouse for manufacturing for domestic consumption. In case where the imported goods stored in the bonded warehouse have not been used, it is necessary for the importers to establish that the goods are exported within a two-year period after the importation, regardless of being stored in the same nature as imported or in the nature of having been produced, mixed, or assembled as other goods (Thailand Custom Department, 2009).

#### **4.4 Industrial Estate Authority of Thailand (I-EA-T):**

The Industrial Estate Authority of Thailand operates under the Ministry of Industry. It is responsible for the development and establishment of industrial estates, where factories for various industries are well-organized and clustered together. There are 2 types of industrial estate zones: General Industrial Zone and I-EA-T Free Zone. General Industrial Zones offer only non-tax privileges such as the right to own land in an industrial estate, the right to bring in foreign workers and family and the right to remit money abroad. The I-EA-T Free Zone receives non-tax privileges similar to the General Industrial Zone with additional tax privileges which are:

1. The right to receive exemptions on import duty and value-added tax (VAT); as well as excise tax on machinery, equipment, raw materials and supplies used in production
2. The right to receive exemptions of export duty and value-added tax (VAT); as well as excise tax on imported materials for use in production or for commercial operation
3. The right to receive exemptions of export duty and value-added tax (VAT); as well as excise tax on raw materials, products and by-products

Export manufacturing firms or reprocessing/assembling for export firms are eligible for establishment inside I-EA-T Free Zones. (I-EA-T, 2016).

#### **4.5 Gemopolis Industrial estate:**

Gemopolis industrial zone was established in 1990 with the objective to be Thailand's gem and jewelry cluster. It was granted the status of "Free Zone" by the I-EA-T in 2008. Product

categories allowed to operate in Free Zones are gems, jewelry, watches, lenses, eye glasses, spectacles, medical equipment, telecommunication accessories, IT, computers, electric & electronic accessories, sports equipment, stationery & toys. Gemopolis offers prime facilities and infrastructure. It is located west of Suvarnabhumi Airport, 4 km. away from the airport terminal, thus reducing logistic costs for exporters ("Gemopolis Industrial Estate ::::: I.G.S. PCL.", 2009).

To receive the full benefits offered from Gemopolis Free Zone, firms are required to submit petitions to both BOI and I-EA-T. BOI can only grant the privilege of exemption of corporate income tax, while I-EA-T can grant the rest of the privileges. Incentives for firms operated inside Gemopolis Free Zone are as follows:

1. Exemption of corporate income tax for 4 or 7 years for manufacturing activities.
2. Exemption of income tax on dividend income for 4 or 7 years
3. Exemption of import duty and VAT for :
  - Raw materials, semi-manufactured products, essential materials, and components
  - Machinery, tooling & equipment
  - Finished products & merchandise, etc.
4. Exemption of VAT on purchasing from domestic suppliers for item 3 above
5. Open-ended period for storage of items 3 & 4
6. Production formula list not required
7. 100% share ownership for foreign investors
8. Foreign investors are entitled to own land and property in Gemopolis
9. Foreign investors are entitled to own land and property for executive residences, experts, and workers outside Gemopolis
10. Expedited permission to bring in experts and family
11. Permission to remit foreign currency out of the country

## **5. Results and Discussion**

### **5.1 In-Depth Interview**

While searching for the contact information of companies inside Gemopolis Free Zone, it was noticeable that firms located inside Gemopolis Free Zone are SMEs. Most of them are jewelry manufacturing firms and some are outsourcing jewelry manufacturing firms. Most of the firms are making jewelry according to designs from customers, while only a few design their own jewelry. According to fieldwork interviews, all of the interviewees are 100 percent export firms and most of them are newly established firms. The method of transporting their products is by airplane because jewelry is small and export by air freight is faster and safer than by sea freight. Therefore, the location of Gemopolis Free Zone which is situated nearby Suwannabhumi airport is easy and convenient for transporting jewelry. They also suggested that they chose to locate their firms inside Gemopolis Free Zone because they receive exemptions from import duties on materials used for manufacturing or outsourcing. Despite that, according to Thailand's import tariff article 71, most of the materials used in jewelry making are not subject to import tariffs, interviewees insist that they still have to pay. For foreign owners, the reason for them to choose Gemopolis Free Zone is not just the benefit from tax incentives, but the Free Zone allows them to have 100 percent ownership of land and property. One of the interviewees pointed out that establishing a company inside the Free Zone makes it easier to find materials for manufacturing by getting them from another company inside of the Free Zone. The interviewees suggested that it is a difficult and complicated process for SMEs to get benefits from BOI. As a result, they did not bother to apply for BOI privileges. One interviewee also made a comment on overlapping benefits from BOI with other policies.

For the interview of firms outside Gemopolis, firms with conditions similar to those inside Gemopolis, which are jewelry making firms that export 100 percent of their product, were chosen in order to be comparable between each other. Jewelry making firms outside the Free Zone have both their own designs and manufacture by order from customers. They stated that they receive privileges from BOI which cover all import tariffs they have to pay for raw and intermediate materials. Similar to the firms inside Free Zone, they export their products by air freight. The reasons why they do not establish or relocate their firms inside Gemopolis Free Zone is because their factories were located outside before 2008 when Free

Zone status was granted to Gemopolis and the cost of relocation of the factory is too high and not worth the benefits from Gemopolis Free Zone.

## 5.2 Result Analysis

In the past, while host country can retain their ISI policy, the EPZ scheme can be used to help the host economically be able to export by offering duty free import tariffs for materials used for manufacturing. As mentioned in Table 2, most of materials used in gem and jewelry products are not subject to import duties except for finished products. Gemopolis Free Zone only benefits a small group, for example, outsourcing firms importing finished products and then later re-exporting out to their customers. Therefore, in the Thai gem and jewelry industry, most exporters do not have to rely on EPZ, only a specific group of exporters benefit from EPZ. However, in practice, from in-depth interviews, firms both inside and outside of Gemopolis Free Zone stated that they must pay import duty for materials used in the manufacturing process. Thus, the privileges of exemption of import duties are relevant when asking for the reasons regarding where they chose to locate their firms.

From the in-depth interviews, it was discovered that exporting firms outside Gemopolis Free Zone can get privileges from BOI. They stated that the privileges from BOI cover everything they need. Benefits granted by BOI are quite similar to Gemopolis Free Zone. However, there are a small number of differences between them which are as follows (Table 4):

1. The duration of exemption from corporate income tax granted by BOI is 3 years for the gem and jewelry industry or 6 years if the firm is located in the 20 provinces with the lowest per capita income (Thailand Board of Investment, 2015). While in Gemopolis Free Zone, the duration is 4 years or 7 years for relocation of a factory ("Gemopolis Industrial Estate ::::: I.G.S. PCL.", 2009).
2. BOI does not offer exemption on VAT when purchasing raw material, semi-manufactured products, essential materials, components, machinery, tool and equipment and finished products when purchasing said items from a domestic supplier.

3. The firms inside Gemopolis Free Zone are not required to list production formulas.
4. The exemption of import duty for machinery from Gemopolis Free Zone does not have duration as long as the firm is located inside the zone, while from BOI there is duration of 5 or 8 years.
5. Gemopolis Free Zone offers open-ended periods for storage of imported items, while bonded warehouses offer a limited time of only 2 years.

Unfortunately, the process to receive privileges from BOI is not an easy task. From the interviews, it was learned that most of the firms inside Gemopolis Free Zone did not ask for benefits from BOI because of the complicated and lengthy procedure, thus they chose to locate their firms inside Gemopolis Free Zone instead. In contrast, exporting firms outside of Gemopolis Free Zone are mostly large firms or long-established firms because they have enough credibility to get approval from BOI.

**Table 4. Benefit from BOI compared with Gemopolis Free Zone**

Benefit	BOI	Gemopolis Free Zone
1.Exemption of corporate income tax	For 3 or 6 years	For 4 or 7 years
2. Exemption of income tax on dividend income	Yes	For 4 or 7 years
3. Exemption of import duty and VAT for <ul style="list-style-type: none"> <li>● raw materials, semi-manufactured products, essential materials, and components</li> <li>● Machinery, tooling &amp; equipment</li> <li>● Finished products &amp; merchandise, etc.</li> </ul>	Yes but exclude finished products	Yes

Benefit	BOI	Gemopolis Free Zone
4. Exemption of VAT on purchasing from domestic suppliers from 3.	No	Yes
5. Open-ended period for storage of items	No	Yes
6. Production formula list not required	No	Yes
7. 100% share ownership for foreign investors	Yes	Yes
8. Foreign investors entitled to own land and property	Yes	Yes
9. Expedited permission to bring in experts and family	Yes	Yes
11. Permission to remit foreign currency out of the country	Yes	Yes
12. Double deduction from the costs of transportation, electricity and water supply	Yes	No
13. Exemption from export duty	Yes	Yes

Source: Based on the author's analysis.

## 6. Conclusion

The role of Gemopolis Free Zone as an EPZ is not to compensate for anti-export bias created by the ISI policy scheme because in Thailand gem and jewelry products, except for finished products, are already free from import tariffs. Thus, Gemopolis Free Zone only benefits small exporter companies, such as outsourcing firms. Thailand's gems and jewelry industry is supported by either BOI or I-EAT. BOI can grant privileges to exporters who are

not located in the Free Zone, whereas the privileges of exporters in Gemopolis Free Zone are mostly from I-EA-T, except for the exemption from income tax. When comparing benefits between BOI and Gemopolis Free Zone, the costs of production of firms inside and outside Free Zone are almost identical, unless the firm is outsourcing jewelry business. This leads to the motive behind firms choosing the locations of their factories. Mostly, large or long-established firms, commonly located outside Gemopolis Free Zone, have enough credibility to get approval from BOI. In addition, the firms outside Gemopolis Free Zone were established long before the Free Zone status was granted to Gemopolis in 2008. Also, the cost of relocation of firms is too high, thus they choose to remain outside the Free Zone. For newly established firms which cannot get privileges from BOI, Gemopolis Free Zone is an alternative way to improve their competitiveness. Therefore, in the Thai gem and jewelry industry, most exporters do not have to rely on Gemopolis Free Zone, only a specific group of exporters benefit from it.

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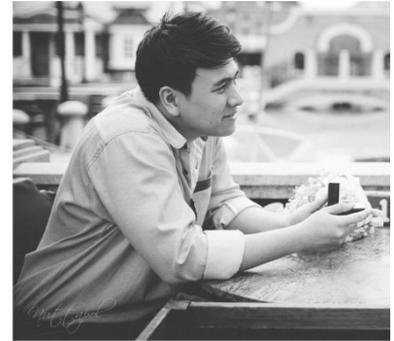
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- 2010-2013: Bachelor of Arts, Historical Studies, Faculty of Humanities, Ramkhamhaeng University. Thailand.  
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- 2010-2011: Tour Guide at Let's Go Travel Co. Bangkok, Thailand

## About

### **Thammasat Institute of Area Studies (TIARA)**

Thammasat Institute of Area Studies as one of the most active institute in Thammasat University has a long history of academic excellence. Starting out as an institute named Thai APEC Study Centre, the institute focus basically on conducting research and to advise the government in the matter of policy making. One of such example is research and training collaborations with the Office of National Broadcasting and Telecommunication Commission (NBTC). Later on, the institute grown to accommodate another Institute namely Australian Study Centre (ASC) and renamed to Thammasat Institute for Study of International Cooperation (TISIC). With this new structure, the Institute expands its research base to include that of Australia and New Zealand. Master of Arts in Asia Pacific Studies (MAPS) coming up as a result of years of experience in conducting research and academic exchanges through the above mention institutes. The Master program was officially launched in 2015 with its first batch already producing some of the best works for the institute.

In line with the University wide restructuring, in 2015, the Institute underwent a major revamp to include 3 more area studies institutes namely Indian Studies Centre, Russian and CIS Studies Centre and ASEAN Studies Centre. With the consolidation of these 3 new area study centres, the institute therefore renames Thammasat Institute of Area Study (TIARA). The institute will continue what it do best, to continue producing high quality academic excellence and hope with the new restructuring, the institute will be able to achieve more in the coming years.

For more information on TIARA, you can visit our website at <http://www.apecthai.org/>

## About

### **Master of Arts in Asia-Pacific Studies Program (MAPS)**

Master of Arts in Asia Pacific Studies (MAPS) program is an up and coming area study based master degree in Thailand. Focusing on Asia Pacific Studies, MAPS is a multidisciplinary graduate program that helps interested students to have an in depth understanding of this dynamic region. With a strong foundation of academic curriculum and high quality facilitators across all academic backgrounds, Master of Arts in Asia Pacific Studies will guide students through the disciplines of Politics, Economics, International Law and International relations to give a well-rounded understanding of Asia Pacific. These advanced courses offer a more in depth examination of questions and problems specific to the Asia Pacific region. Our graduates go on to pursue careers in academia, business organisations, government and wide array of organisations, both local and international.

Our students will also have the chance to familiarise with the academic settings in a sense that through their thesis course, student will be exposed to all kinds of academic scrutiny such as thesis defend and comprehensive thesis writing course. Nearing to the end of the program, student will be given a chance to showcase their hard labour at an International Conference held specially to facilitate the students learning curve. In the end, the works that they put their heart and soul into will become the pride of the program as each one of them, despite their different backgrounds; can come up with a thorough and deep analysis of particular research program concentrated on Asia Pacific and finally contribute to the literature on Asia Pacific Studies.

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