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5 Development Agendas Highlighted in New Transformative-led Investment Policy

- ***Core technology, talents, infrastructure, enterprise and target industries identified as key engines to drive Thailand 4.0 model success***
- ***New investment incentive scheme designed to attract more investment***

To drive the country development towards value-based economy driven by innovation, known as Thailand 4.0 initiative, the Thai government has identified 5 agendas of transformative-led investment to support economic reform that will bring the country out of the middle income trap.

Speaking at the opening of the “**Opportunity Thailand 2017**” seminar held by Thailand Board of Investment, Prime Minister Gen. Prayut Chan-ocha reaffirmed the country’s commitment to the Thailand 4.0 initiative with many concrete projects and plans being drawn during the past two years in order to restructure Thai economy.

“Considering that Asia is an integral part of the global economy, Thailand has been making significant transformative shifts to drive the country to become the “center for trade and industrial investment in the region”. To achieve this goal and to strengthen its competitiveness, Thailand has to go through economic, social, education and legal reform while enhancing national security in order to become a value-based economy.

“Investment and private sector participation play a crucial part in this transformation. The country’s investment policy will therefore be based on “investment-led Transformation” with focus in 5 development agendas, namely **core technology** such as biotechnology, **human resource** for enhanced competency, **infrastructure**, **enterprise** and **target industries** especially in the Eastern Economic Corridor (EEC) which will become the most advanced economic development center in ASEAN.

“To fully facilitate more investment and private sector participation, the government has accelerated the investment in modern infrastructure and the amendment of Investment Promotion Act to ensure sufficient support,” said the Prime Minister.

Deputy Prime Minister Dr. Somkid Jatusripitak also told 2,500 international investors and business leaders attending the seminar that throughout the past two years in office, the Thai government has been working closely with the private sector in addressing major economic and investment challenges to enhance Thailand’s competitiveness and make the country one of the world’s highly attractive investment destinations.

“We have improved logistic system and invested extensively in industrial infrastructure, promoted target industries, developed potential areas (EEC) to support future industries, introduced new investment tool, enhanced human resource development and promoted technology and innovation,” said Dr. Somkid.

“All these can be seen from the development of the rail and road network, high-speed train network and airports, laid out the foundation for digital economy like the Smart City and the Digital Park Thailand development. Five new industries have been identified to become the New Growth Engines for our economy that included automation and robotics, aviation, digital, bio-industry and medical services.

“Different ministries and organizations will make a determined effort to drive local and foreign investments, especially in R&D and innovation. Investment in these areas will provide building blocks for enhanced local technical capabilities in five key technology groups, namely food, agriculture and biotechnology; health, wellness and biomedical; smart devices and robotics-mechatronics; Digital, IoT, artificial intelligence and embedded technology; and Creative, cultural and high-value services,” Dr. Somkid said.

Given its importance in setting pleasant investment climate, the government has amended the Investment Promotion Act, allowing the country to offer better incentives to investors who invest in targeted core technology groups, such as Biotechnology, Nano-technology, Advanced Materials technology and Digital technology, as well as Enabling technology support services. According to Secretary General Mrs. Hirunya, under the amended investment law, a corporate income tax (CIT) exemption period is extended from 8 years to 13 years for the abovementioned projects which also accordant with merit-based activities.

The Competitive Enhancement Act meanwhile offers up to 15 years of corporate income tax exemption for target industry. It provides for the Competitive Fund worth Baht 10 billion to support R&D and human resource development.

“We are confident that all these New Engines for Growth will help promote greater investment and enable us to establish Growth for People and to make Thailand an Innovation Driven Society. The long term and active collaboration between the government and private sector, meanwhile will drive a sustainable development of Thailand along the “Thailand 4.0” model,” said Hirunya.

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