

# MINISTRY PUSHES R&D INVESTMENT

THE NATION

Thailand is steering more investment into research and development in the agro-industrial and renewable-energies sectors, as well as into global warming, according to Science and Technology Ministry permanent secretary Pornchai Rujiprapra.

The Ministry's aim is to raise spending on R&D from its current level of 0.21 per cent of gross domestic product (GDP) to 1 per cent, so as to foster innovation and support the Thai economy as it moves into higher value-added production.

"The government is seeking to catalyse more private sector investment in two types of R&D: research in existing types of industries in Thailand as well as towards industries of the future, such as renewable energies," Pornchai said.

Speaking exclusively to the global publishing, research and consultancy firm Oxford Business Group (OBG), Pornchai said he was confident in the prospects for commercial innovations in Thailand because of the quality of human resources and the competitive advantages of the country's existing industrial base.

Specifically, the national strategy for enhancing human resources in science and technology includes a scholarship programme that supports more than 3,000 students who are undertaking overseas studies. Most of them attend leading universities like Oxford and Cambridge in the United Kingdom and Ivy League universities in the United States such as the Massachusetts Institute of Technology, Stanford and Caltech.

Besides absorbing advanced knowledge from abroad, local man-



power development is also driven by placing those with overseas training in national research agencies and universities, and through collaboration between public and private universities, including Chulalongkorn, Thammasat, the Asian Institute of Technology, Kasetsart, Mahidol, King Mongkut's Universities of Technology at Thong Buri and North Bangkok and King Mongkut's Institute of Technology Lat Krabang.

As well, the ministry provides a stimulus package to promote innovation that includes policy support, grants and soft loans.

"We must capitalise on our competitive advantages by investing in R&D. It is our goal that we invest in research and innovation in the advanced-industrial clusters, including the food and agricultural sector, and for example, rice, rubber and bioplastics," Pornchai said.

"The outcomes of these innovative projects will not only strengthen the global competitiveness of Thai industries, but also benefit the rural economy by improving agricultural productivity and increasing farm-product prices. Combined

with innovative projects aimed at improving the living standards of the rural population, dual-track development using science and technology will pave a sustainable path to future economic growth" he said.

Oxford Business Group is working with the Science and Technology Ministry on the production of a chapter dedicated to research and innovation in "The Report: Thailand 2011", OBG's guide to the country's economic activity and investment opportunities, to be published in partnership with the Board of Investment (BoI).

Pornchai said that strong tax incentives offered by the BoI for investment in research were attractive to both local and foreign investors. Working alongside the BoI and the Ministry of Finance in promoting R&D in Thailand, the permanent secretary identified a number of high-profile international companies, including Michelin and Toshiba, who have located certain R&D activities in Thailand.

He said the combination of incentives for regional operating headquarters and for R&D was crucial to the attractiveness of Thailand as a research base.

"We realise that to escape the middle-income trap, Thailand must invest in research to stay ahead in the international economy. We plan to become an innovation hub in Southeast Asia, capitalising on a well-trained science-and-technology workforce, science-and-technology training services, cost effectiveness in R&D, a foreign-direct-investment-friendly policy, government support and incentives for investment and our well-known hospitable culture," Pornchai said.