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PRESS RELEASE

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BOI's incentives to boost investment in food innovations

After the Board of Investment (BOI) announced earlier this year a new policy to offer investment incentives to seven more "Food Innopolis" projects nationwide, Thailand's food industry has embarked on a transformation journey.

BOI recently announced to include seven more sites that the Ministry of Science and Technology classifies as Food Innopolis extension projects in the BOI-promoted area, in addition to the existing Food Innopolis initiatives located at the Thailand Food Science Park in Pathum Thani province.

The seven more sites are those in Kasetsart University, Chulalongkorn University, Mahidol University, and King Mongkut University of Technology Thonburi in Bangkok, and Chiang Mai University, Khon Kaen University and Prince of Songkhla University in the provinces.

Each of these Food Innopolis has different specialization. For example, Food Innopolis in Chiang Mai University is specialized in healthy and functional food, the one in Prince of Songkhla University is specialized in seafood and Halal foods, the one in Kasetsart University is specialized in advanced test, and the one at Chulalongkorn University is specialized in food safety, functional ingredients, and dairy innovation cluster.

According to BOI's incentive scheme given to such targeted activities as agricultural and food research and development, biotechnology, animal and plant breeding, and scientific testing services, the incentives range from 5-10 years of corporate income tax exemption depending on the type of business and the level of technological advancement. To make this industry more attractive, BOI has offered addition incentives to top up from normal package. The additional incentives such as 50% corporate income tax holiday for five years or an additional two more years of income tax holiday will also be available.

The policy has received warm welcome from the National Science Technology and Innovation Policy Office (STI). Dr. Kitipong Promwong, Secretary General of STI, appreciated the measures, saying it would stimulate more investment in science, technology, and innovation. It will also support the government's policy to transform Thailand into an advanced economy driven by innovations.

Food innovation is identified as one of the pillars for bioeconomy, which is a key driver of sustainable development, utilizing Thailand's rich biodiversity and strong base of manufacturing industry.

In addition, the global demand for food innovation has been increasing due to changing consumer lifestyle, rising needs for medical foods and functional foods, such as special foods for cancer patients or people with diabetes, organic food for health-conscious persons, and foods for athletes.

In response to this trend, research and development (R&D) spending in the private sector has significantly been increasing from 59.44 billion baht in 2015 to 91.0 billion baht in 2016. According to STI, the largest money seeds spent in R&D went into food industry in 2015 and the trend has continued strong.

To keep this momentum going, The Thai government has allocated 800-million-baht budget for R&D strategy management project, known as "Spearhead". This project, responsible by STI, encourages the private sector's participation in product development and add value to existing products, with key focus in five products including food, agriculture, biotechnology and medical technology; digital economy and information; logistic system; high-value services and energy.

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