



THAILAND BOARD OF INVESTMENT

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## **Medical Devices: a new investment opportunity in Thailand**

Thailand is promoting medical technology and innovation development in order to maintain people's quality of life.

Like other countries, Thailand is facing increasing longevity and low fertility, so the government and private sectors have been working closely to commercialize and bring innovations from laboratories to the people.

Mrs. Hirunya Suchinai, Director General of Thailand Board of Investment, said: "Medical device industry plays a significant role in the government's economic reform and a balanced and sustainable development policy to achieve national prosperity and people's happiness. Medical device therefore is prioritized as the target industry which is eligible to special incentive package.

"Coupled with the fact that Thailand is strategically located in the center of ASEAN and that the world's economic power is shifting to Asia, investing in Thailand's medical device industry would give investors a not-to-be-missed opportunity."

At the recent "Opportunity Thailand 2017" seminar held by Thailand's Board of Investment, executives from leading government organizations and companies working to commercialize their medical technologies shared their experiences and explored new investment opportunities.

Key figures joining the panel discussion were Dr. Nares Damrongchai, CEO of the Thailand Center of Excellence for Life Sciences (TCELS); Dr. Kriskrai Sithseripratip, head of the medical devices laboratory at the National Science and Technology Development Agency (NSTDA); Dr. Supot Tiarawut, director of the industrial liaison program at Chulalongkorn University's faculty of engineering; Chalermpon Punnotok, CEO of CT Asia Robotics; and Naruepon Techawatanawana, CEO of Cosmo Group Plc, the parent company of Cosmo Meditec.

Dr. Nares, who chaired the discussion, said success in medical technology and innovations required investment, people, commercialization and networks. TCELS was established to broaden Thailand's research base through advanced medical robotics projects and has observed many interesting projects taking shape.

Dr. Kriskrai said NSTDA has been working with many organizations including Chulalongkorn Hospital and Siriraj Hospital in research and development of medical devices and technology.

These include applying 3D printing technology to develop medical implants for skull, jaw and hip prosthetics, the invention of microneedles and silk microneedles, and the development of medical robotics.

Mr. Chalermpon, whose CT Asia Robotics company exports “Dinsow” robots to Japan and Europe, said Thailand has strong capability in engineering and medicine. The integration of these two capabilities will bring greater benefits to the country and investors.

Mr. Naruepon, whose Cosmo Meditec company produces shoulder joint prosthetics, said: “The development of medical devices in Thailand is only at its early stage. The country still needs more innovations for the industry. That means more opportunities to grow this industry while Thailand wants to create world-class medical devices. The Board of Investment has been assisting us in expanding our business through tax and non-tax incentives.”

According to the latest promotional incentives, investment in manufacturing of medical food or food supplements and high-risk or high-technology medical device or those commercialized from public sector research medical industry is subject to obtain A2-tier incentives including 8-year corporate income tax exemption plus merit-based incentives under which specific activities like research, technology and innovation development will be eligible for additional expenditure deduction of up to 200% cap.

The investment incentives are part of the Thai government’s progressive policy to help the country become a hub of wellness and medical services within 10 years. Its strategic plan, executed from 2016-25, proposes to turn Thailand into a medical hub in four major areas: wellness, medical services, academics and products. The medical device and technology sector has also been prioritised as the top target for investment.

With the government’s assistance and incentive schemes, the medical device sector in Thailand has attracted incremental investment. In the second half of 2016, investment applications increased from 4.41 billion baht in July to 6.88 billion in December.

While research-based technology and innovations are taking shape, investors in the medical device industry believe there is a need for more investments that will accelerate innovations and commercialisation of inventions.

Seminar panellists agreed that Thailand’s medical device industry still needs partnerships with world-class investors and manufacturers to enhance technology and know-how transfer that would accelerate the speed of development. One of the most important areas that needs urgent investment is standardization. Most innovations and technologies developed in Thailand are practical and efficient but the country needs to invest more in lab testing and standard certification facilities.

Dr. Supot said the country also needs more investment in biomedical grade materials that will support further medical device research and development as well as enhance national competitiveness.

“Thailand is also a country renowned for its hospitality, a preferred home for people to live when they are getting older. The country has great medical offerings in terms of both facilities (hospitals, clinics, etc) and people (physicians, nurses, researchers, etc). Coupled with the country’s aim to become the medical hub of Asia, the opportunity opens wide for the medical industry here,” said Mr. Naruepon.

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