



“We expect that government sectors will join us in creating sustainability for Thai natural rubbers. And most importantly, Thai rubber farmers' earnings should be increased.”

Dr. Banja Junhasavasdikul

Chairman of the Board of Directors of Innovation Group

Innovation Group (Thailand) Ltd.

### An Organization Inspired by Technology

Starting from a small trading company which was established in 1984, Innovation Group has developed to become a current technology leader in the production of polymers for the automotive, electronics, electrical appliance and various other polymer industries, providing them with a wide range of advanced rubber and polymer products. The Innovation Group is comprised of ten affiliated operating companies with businesses related to providing chemicals and other raw materials, and the development and manufacture of plastic, rubber, polymer, rubber compounds, plastic compounds, molded rubber parts, as well as the manufacture of rubber and plastic molds. The group continually advances its technology through its research and development efforts, which provide the foundations for the company's business development and growth. Their research labs are the backbone of their business groups, having enabled them to advance from their original role of chemical supplier, to become a polymer supplier, and now to be the product OEM of many diverse industries. The knowledge gained from their research continuously adds tremendous value to the

Innovation Group businesses. Apart from research lab, initiatives to support Thai rubber farmers are also another contributor to the continued success of the Innovation Group. Despite being the world's largest producer of natural rubber with diverse range of rubber related industries available, Thailand still has little control over its own rubber price, due to increasing competition from neighboring countries such as Cambodia, Laos, Myanmar and Vietnam. So a new strategy has been developed to help support rubber farmers in Thailand in dealing with this challenge. The “TRANG Model” – a short name for the “Driving Thai Natural Rubber to World Class Industry through Innovation” project as designated by the Innovation Group – has been launched for this purpose. This project is a collaborate effort between:

The Innovation Group,

The Rubber Authority of Thailand, and

The six members of the Rubber Fund Cooperative of Palian Network,

uniting to develop Thai natural rubber for the global market.



### Vision for the Future

Innovation Group's vision for the future can be summarized as having the goal of being recognized and trusted by their partners as a global value creator in polymer technology by providing high performance solutions. Of course, one of the most important partners in this value chain are the Thai farmers whose plantations provide the raw material (rubber latex) utilized in the majority of the products the company produces. With the TRANG Model, the Innovation Group has identified four key areas of improvement where they believe they can assist Thai rubber farmers to be more successful, namely:

Marketing Improvements,

Technical Improvements,

Quality Improvements and

Distribution Improvements

With the idea and the goodwill in hand, the Innovation Group reached out to the BOI for consultation. The

group's initiatives coincided with BOI's Investment Promotion Measure for Grassroots Economy. The TRANG Model thus became a pioneer project for getting this support from the BOI to assist Thai rubber farmers.

### Supporting Policies from the Government

Thailand's 20-year Agriculture and Cooperatives Strategies (2017-2036) defines the government's vision for the future of smart farming in the kingdom. It has three primary objectives, to give farmers greater financial security, to create a more prosperous agriculture segment, and to emphasize sustainable agricultural resource management. Driven by the national policy, a steering committee under the Ministry of Agriculture and Cooperatives (MOAC) was created in 2018 to spearhead the development of smart farming in the kingdom. Among the government organizations involved in the effort are the Ministry of Higher Education, Science, Research and Innovation (MHESI), the Ministry of Digital Economy and Society (MDES) and the Ministry of Commerce (MOC), all of whom collaborate with corporate partners from various industries. Under the government's "Thailand 4.0" development initiative, the government seeks to support companies engaged in research and development, innovation, and utilization of advanced agricultural methodologies through investment incentives and human resource development efforts designed to develop a knowledge-centric workforce, and accelerate growth in future innovation and technological advancement.

## Attractive BOI Incentives

For companies considering forming new or expanding existing businesses in Thailand, the Thailand Board of Investment (BOI) offers a wide range of tax and non-tax incentives for projects that meet national development objectives. Tax-based incentives include an exemption or reduction of import duties on machinery and raw materials, as well as corporate income tax exemptions. Non-tax incentives include permission to bring in expatriates, own land and take or remit foreign currency abroad. For companies engaged in activities that help to further develop local agricultural economies, a special promotion package, the Investment Promotion Measure for Grassroots Economy, provides for a 3-year corporate income tax exemption of up to 120 percent of the investment capital (excluding land cost and working capital) for income from current operating businesses. Projects that are promoted pursuant to this measure can also apply for incentives under other measures.

Additional information about specific activities relating to the advanced agricultural industry can be found by clicking [here](#) or contacting the BOI's Investment Promotion Division 1.

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