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**PRESS RELEASE**

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## **Investors say consistent policy, infrastructure and skilled labor are crucial to economic transformation**

Foreign investors in targeted industries have suggested that consistent investment policies, good infrastructure and capable human resources were the key driving forces for Thailand to maintain its competitive advantages and to succeed in its plan to transform its economy.

At a recent seminar titled “Thailand Taking off to New Heights” held by the Thailand Board of Investment (BOI), which drew more than 3,000 participants, key investors in the digital technology, food manufacturing and research and development industries explained that they appreciated the Thai government’s support and valued the country’s investor-friendly economic environment. They insisted that these supports should remain in place for the sake of future growth.

“Japanese companies have been the No.1 investors in Thailand for a long time,” said Mr. Soji Sakai, President of the Japanese Chamber of Commerce (JCC), Bangkok. “Today Japan’s investments in Thailand account for 39 percent of the total FDI in the country. We are here because of the strong long-term relationships between the two countries, the attractive and stable investment policies introduced by the Thai government, and the extensive Thai industrial clusters within ASEAN and local supply chains.”

He explained further that Japanese investors considered the country’s great infrastructure – including its major airports, sea ports and good road networks, as well as stable electric supply – as major factors that boosted investors’ confidence in the country.

“Our recent survey of investors showed that around 25 percent of the respondents have specific investment plans within four years while another 50 percent said they were considering investment in Thailand in the future,” Mr. Saki said. “For Japanese investors to continue and expand businesses in Thailand, we expect good infrastructure, connectivity with neighboring countries in the CLMV region, consistent investment policy and a great pool of talents,” he added.

Ms. Angel Zhao, Head of Alibaba Globalization Leadership Group, Alibaba Group, echoed Mr. Sakai’s viewpoints. “We see that flexible policies, well-established infrastructure, new talents and innovations are key drivers of the digital economy,” she noted.

She welcomed the government's plan to transform Thailand into a digital economy, pointing out that Thailand boasted strong potential to grow its e-commerce activities given its good mobile, internet and digital infrastructure. The Chinese conglomerate's e-commerce platform, she added, can help bring Thai products to the global market with greater efficiency. At present, an increasing number of Thai products, such as beauty products, are becoming very popular in China and at other Asian markets. In addition, Alibaba is ready to provide e-commerce and technology training to Thai SMEs to equip them with more skills to succeed at the global market, Ms. Zhao said.

The food and agricultural industry is another area where Thailand can be a dominant factor globally, said Mr. Alan Willits, Chairman of Cargill Asia Pacific Holdings Pte. Ltd. Willits cited four major reasons – strategic location, good infrastructure, skilled workforce and investor-friendly environment – as the major factors that have been driving Cargill's success in Thailand throughout its presence on the local market in the past 50 years. Cargill currently has 14 offices and employs 17,000 people around Thailand.

Mr. Willits noted that research, development, and innovation were important in increasing the productivity and income of farmers. Skills training and the adoption of new technologies, such as Internet of Things (IoT) will help people in the agricultural sector transform themselves into "smart farmers". Technology will also play an important role in addressing the challenges that the nations of the planet face in global food security.

Mr. Duncan Yu, Executive Vice President of the BGI Group, a leading research house, agreed at the seminar that research and development were crucial to economic and social development. New understanding and discoveries in science and technology will help Thailand improve the health and the quality of life of people and also support economic development. The Population Genome project, for example, will help ASEAN governments handle thalassemia and reduce neonatal deafness. In the agricultural sector, new knowledge on food science and technology can improve productivity and the quality of farm products and aquaculture.

It is with such views in mind that the Thai government, which understands investors' concerns and needs, has made infrastructure development as well as research and development top priorities, said Deputy Prime Minister Dr. Somkid Jatusripitak. The government has been investing in mega projects such as the electric train network in Bangkok and outskirts, a dual-track railway system and a high-speed train that will connect Thailand with neighboring countries more efficiently. Ongoing improvements of Suvarnabhumi, Don Muang and U-Tapao airports are also part of infrastructure development, Somkid added.

In the Eastern Economic Corridor (EEC), which is designed to be the key driver of Thailand's economic transformation, the government has introduced a 236-billion baht high-speed train project that will link the three airports together. Another 200 billion baht will be spent on expanding U-Tapao International Airport and the Eastern Airport City. More than 260 billion baht will be invested in the expansion of Laem Chabang Seaport and Map Ta Phut Seaport.

To support the transformation of the digital economy, the government has continued to invest in digital infrastructure, ensuring that all the 75,000 villages nationwide have access to broadband internet soon. Such infrastructure development will also increase efficiency in education,

healthcare and many other public services. At the same time, people and digital skills development will be promoted through cooperation with the private sector in education and training. E-government and the adoption of technology in public services will also be expanded to encourage everyone to become integral part of the country's digital economy.

BOI, as the government's arm in promoting investment, has supported such development through extensive investment incentives packages. These incentives range from corporate income tax exemption to import duty exemption. Non-tax incentives include land ownership and permission to bring in foreign experts. Under the current incentive scheme, technology and people are top priorities. As a result, additional incentives are given to projects with additional investment to adopt or develop new technology, research and development as well as human resource development.

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