



**“We've received tax promotions privileges from the BOI for our machinery and automotive parts activities which have helped increase our available working capital.”**

**C.C. AUTO PART CO., LTD**

- Mr. Boonlert Chaowoi, President

## **From automotive parts to machinery and precision medical equipment**

Established in May of 1990 in Bang Phli, Thailand, C.C. Auto Part Co.,Ltd. quickly became a successful supplier to the automotive industry of precision auto parts, as at the time there were few auto parts producers in Thailand to supply the high domestic demand. They would have likely continued down that road were it not for the speed bump created by the Asian Financial Crisis of 1997. In 1996, the company made the fateful decision to move their factory from their original location at Bang Phli to their new location in Bang Nam Prio District, Chachoengsao, and make a significant investment in upgraded machinery. A year later their production effectively came to a halt as a result of the Asian financial crisis and its impact on the domestic automotive industry.

Fortunately, one of the major responses of the Thai government was to organize an industrial development project under the direction of the Department of Industrial Promotion, Ministry of Industry. The goal of this project was to help domestic manufacturing industries raise their competitiveness through the Manufacturing Development to Improve Competitiveness Program (MDICP). The company participated in the first round of training courses which lead to changes in their business operations and strategy, and eventually lead them to expand into other business areas in order to both increase their opportunities and to diversify their risk.

According to Mr. Boonlert Chaowoi, president of C.C. Auto Part Co.,Ltd., *"We learned about product marketing, industrial*

*quality standards, and effective machinery maintenance in the MDICP course. One of the most important things to know in the production business is that the production process needs to run continuously, regardless of market variability. We therefore decided to create our own products by getting into the medical industry in 2000, becoming one of the first Thai entrepreneurial companies to enter this industry."*

### **The Company Today**

In 2008, the company decided to expand into yet another business area, which was the production and distribution of steel cutting machines in order to obviate the need to import such machinery into Thailand. The company has seen that the greater opportunity for future growth in Thailand comes from being primarily an auto parts producer to becoming a medical equipment and precision machinery producer. Presently, C.C. Auto Part produces and distributes three major product groups, which are auto parts, medical supplies, and machinery.



### **Supporting Policies from the Government**

Mr.Boonlert has said that for the future the company is preparing to apply for BOI promotion in the medical device industry, which is a targeted industry that is actively being promoted by the BOI.

Presently, C.C. Auto Part is already a manufacturer and distributor in the medical device industry, primarily for dental equipment. Under the C.C. Auto Part brand, there are currently a total of 38 dental device products. For the future, the company is preparing to expand their production of medical supplies to include medical devices and products for the elderly, which they see will be a large and growing market.

Even though the public and private sectors are beginning to awaken the needs of the elderly in society, there is presently little

of it produced in Thailand. Most of the equipment is imported from abroad. The starting point for C.C. Auto Part is producing wheelchairs for hospital patients and the elderly which are designed to be easy to carry, and fold-able. They are also developing an electric powered wheelchair for use by the elderly who need to take care themselves



Mr.Boonlert said *“The main obstacles to past development in the medical device and equipment industry group of Thai entrepreneurs has been the lack of support from the domestic market. Despite local products being available to replace some imported products, hospitals and medical personnel have still chosen to use imported equipment. In 2019, the government began to require public hospitals to buy 100%*

*locally produced products where such products are available.”*

*“Government policy formulation directly affects the ability of Thai medical device and equipment industry manufacturers to grow because public hospitals are one of the biggest medical markets in Thailand. Moreover, the BOI currently provides tax exemption for machinery on the medical device industry. It should have measures to encourage domestic markets to use medical device products produced in Thailand as well. There are not more than 100 companies that produce such medical devices,”* said Boonlert.

### **Attractive BOI Incentives**

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 of up to eight years. Non-tax incentives additionally include permission to

bring in expatriates, own land and take or remit foreign currency abroad.

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

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