



555 Vibhavadi-Rangsit Road, Chatuchak 10900 Tel. 0 2553- 8111, Fax: 0 2553-8222

14 February 2019

Thailand's promotion of advanced technology and eco-system development enables local producers to fly higher

Thailand has been experiencing a gradual shift from a manufacturing to a high-value manufacturing economy after the country has put all its efforts into promoting the use of advanced technology, science, and innovation in parallel with the development of infrastructure and the right business ecosystem to drive economic development with the targeted industries as the main catalysts.

The Thai government has identified targeted industries that will support the national transformation into an advanced economy driven by science, technology, and innovation. Some of these targeted industries are automation and robotics, aviation and logistics, biofuel and biochemicals, digital technology and medical hub. The investments in Thailand's targeted industries will help enhance national and business competitiveness because a technological disruption has strong impacts on how an economy develops, and the way modern businesses operate.

Being the government's arm in facilitating and promoting investments, Thailand's Board of Investment (BOI) has supported the country's economic transformation by continuously improving its promotional incentives to strengthen Thailand's position as a preferred investment destination and to draw more investments in the targeted industries. Thanks to the country's comprehensive investment ecosystem ranging from infrastructure development to attractive promotional measures and continuous government support, Thailand has welcomed new investment worth over 900 billion baht in 2018, 25% higher than expected.

What's even more exciting than high investment value is how local businesses are taking this opportunity to turn themselves from ordinary local manufacturers into suppliers of high-value advanced-technology products.

C.C. Auto Part Co., Ltd. is among local companies that have enhanced their capabilities. The BOI-promoted company first started an automotive part production before it decided to adopt advanced technologies and explore new markets. Currently, C.C. Auto Part is on its way to becoming a fast-growing manufacturer of dental equipment and medical instruments.

Another example is C.C.S. Advance Tech Co., Ltd., the first Thai aerospace and aviation part supplier that has been certified by AS9100 and NADCAP, a well-known international aerospace



555 Vibhavadi-Rangsit Road, Chatuchak 10900 Tel. 0 2553- 8111, Fax: 0 2553-8222

standard. Starting out as a local lathe shop, producing molds and automotive parts, the company has improved its skills and capabilities to become a producer of semiconductors, hard disk drives and lately aerospace parts.

Based on its expertise in metal part manufacturing, the company became an aerospace part supplier for a leading international company. Since then, the company has been improving its knowledge, skills and expertise in aerospace and aircraft part manufacturing. Its commitment has paid off as the BOI-promoted C.C.S. Advanced Tech became Thailand's first Thai company to be awarded quality certificates. It produces and supplies sensing, landing lights, lights, seats, etc. Today, its client lineup includes global aerospace leaders like Boeing, Airbus, Bombardier and many more.

Ketan Pole, CEO of C.C.S. Advance Tech Co. Ltd., said that through transformation from a lathe shop to aerospace part manufacturer, the company has enjoyed a 400% revenue growth in the past four years and expected to achieve revenues of 725 million baht by 2023. Considering the trend that the world's aviation industry is growing quickly with over 41,000 aircraft in demand in the next 20 years, approximately half in the Asia Pacific region, the future of this industry is bright.

"Thailand's tourism industry is very strong. It has good infrastructure, high technology, attractive incentives from BOI, good machines, and mature manufacturing industries. All of these make Thailand a very attractive and competitive base for the aerospace part industry," said Pole.

C.C.S. Advance Tech is a BOI-promoted company under the manufacture and repair of aircraft or aircraft parts. It enjoys a 8-year corporate income tax holiday as well as an import duty exemption for machinery and on raw material used to produce for export.

"It is important for Thailand to continue to support local companies to enhance their capability through advanced technology adoption. Once these companies upgraded their capability and become advanced manufacturers, you will surely enjoy a strong economy and enhanced national competitiveness," added Pole.

The first wave of a solid transformation has already been taking shape, with BOI's promotional incentives serving as a catalyst. The success of these innovative companies will inspire more businesses to explore investment opportunities and follow in their footsteps. When change comes on a larger scale, an economic transformation will follow, thus enhancing national competitiveness.

#