

INVESTMENT SERVICES CENTER THE BOARD OF INVESTMENT OFFICE OF THE PRIME MINISTER

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Thailand promotes AI, robotics technology to spur industry 4.0 readiness

Thailand-based manufacturers should seize the opportunity offered by the government's investment promotion policy to enhance production efficiency and industry 4.0 transformation by embracing and implementing artificial intelligence (AI) and robotics technology, speakers told a seminar held recently by Thailand Board of Investment (BOI) and UBM Asia in Bangkok.

"The future of production will be mass customization where data-driven AI and adaptable factory is the answer for survival," Dr. Siridej Boonsaeng, Dean of the College of Advanced Manufacturing Innovation, King Mongkut's Institute of Technology Ladkrabang, said at a seminar titled "Connecting Manufacturing Industry with AI Technology."

The forum was a part of Intermach, ASEAN's Leading Industrial Machinery & Subcontracting Exhibition, and Subcon Thailand – Industrial Subcontracting Exhibition, held at BITEC, earlier this month.

"The Industry has reached the tipping point where it will be difficult to expand without deploying AI and robotics technology," added Mr. Phonkrit Thaveesoontorn, a speaker from the BOI.

Manufacturers should appraise investment in AI and robotics technology to enhance production efficiency, which will in turn increase the competitive edge of the industry itself, Mr. Phonkrit said. To spur changes, Thailand offers incentives both to the demand side, manufacturers and factory operators, and to the supply side that provides AI and robotic- enabled services from processing and control system design to installation and commissioning, he said.

"Now is the opportune time to invest since AI, robotics and automation is one of the 10 S-Curve industries targeted by the government to drive economic growth into the future," he added.

The BOI offers attractive privileges to support investments in the target industries. The promotion packages focus on technology, the more a project involves advanced technology, as in the case of AI and robotics, the more likely it is to receive higher investment incentives, including corporate income tax exemption of up to 13 years.

To encourage the growth of the Thai automation sector, e.g. the supply side, while helping to improve overall industry efficiency, e.g. the demand side, investments in which the value of linkages to the Thai automation industry reaches at least 30% of total value of the automation system can enjoy a 3-year corporate tax exemption of up to 100% of the investment, provided that they apply for BOI approval by the end of 2020, Mr. Phonkrit said.

BOI data shows that in the past 3 years Thailand-based manufacturers have increasingly become aware of the need to modernize their machinery to increase production efficiency. From 2016 - 2018, the BOI awarded investment incentives to a total of 36 efficiency improvement projects with a combined value of 5.22 billion baht (164 million US dollars).

In 2018 alone, 11 robotics and automation manufacturing investment projects were approved by the BOI, amounting to a total of 1.46 billion baht.

Looking forward, Dr. Siridej views that important AI opportunities for Thailand are in the agriculture sector. Self-driving farm vehicles and the process of sorting and grading agricultural products which involve complicated factors of random shape and variation are suitable tasks for AI to replace human when required, he said.

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