

## OIE Unveils Mid-year Performance, Promotes Industrial Development Plans, and Boosts Potential to Overcome COVID-19 Crisis

The Ministry of Industry's Office of Industrial Economics (OIE) announces its mid-year performance for fiscal year 2021 (from October 2020 to March 2021), and how the S-Curve and New S-Curve projects, which are aimed to drive three potential industries and four future industries, respectively, are progressing. The OIE also suggests approaches to development within the BCG Model and under the circular economic policy, which will be piloted in provincial areas and intended to set new business models. The OIE adds that it is now proposing a plan to add value to oil palms and palm oil to support the development of the oleochemical industry and satisfy demands for bioeconomy in global markets. In the second half of the year, the OIE will continue developing an ecosystem, as it is driving Thailand to become the hub of smart electronic device and system production in ASEAN.

Mr. Thongchai Chawalitpichaet, Director General of the Office of Industrial Economics (OIE), said that the OIE reported its key performance in the first six months of fiscal year 2021, on a macro basis and a branch basis and within the scope of its policy. With regard to **next-generation automobiles**, which are part of the S-Curve potential industry development project, the OIE has issued its second notification prescribing essential production processes of goods in duty-free or free-trade zones as an attempt to alleviate effects from the COVID-19 pandemic and promote investments that rely on intensive technologies in the production of goods for export or domestic sale. The OIE has also issued its fourth notification to promote the local manufacturing of electric cars, which is aligned with the policy to drive investments in the next-generation automotive industry as part of the 20-Year National Strategy and the Ministry of Industry's Future Industrial Development Plan. As for the **smart electronics industry**, the OIE has made Electronics Industry Development Action Plan Phase 1, which will be put into action from 2021 to 2027, with intention to establish and develop an ecosystem where Thailand will be the hub of smart electronic device and system production in ASEAN. The OIE hopes to propose the plan to the cabinet this year. For the **agricultural biotechnology industry**, the OIE, as the secretary of the subcommittee in charge of raising the competitiveness of the entire oil palm and palm oil industry under the Thailand Oil Palm Board, proposes **approaches to the addition of value and raising of the competitiveness of the overall oil palm and palm oil industry** through five

measures dealing with six products. Thailand will see the development of its oleochemical industry throughout the supply chain, as value will be added to the oil palm and palm oil industry, and environmental friendliness will be ensured. This agrees with the development under the concept of bioeconomy. These approaches include **boosting the potential of the pineapple processing industry** to ensure that it meets quality standards, and support research on how technology and innovation will be utilized to add value to the entire pineapple industry, to ensure income rise for both farmers and entrepreneurs throughout the supply chain.

For the New S-Curve project, which addresses future industries, the OIE is driving the development of the **robotic and automation industry**, which is gradually progressing. Steps are being taken in accordance with the roadmap to ensure that Thailand develops its own technologies. This will improve the country's competitiveness and leadership in the production and use of robots and automated systems in ASEAN. In the **biofuel and biochemical industries**, the OIE has established measures to promote the use of biodegradable plastics by issuing 42 certificates for the manufacturers of 11 biodegradable plastic products that were sold from 2019 to 2021. The OIE is also speeding up its attempt to improve the capability of the **comprehensive medical industry** through the production of business operators involved in the manufacturing of medical devices and technical material prototypes. It is now working on the development of 12 products that are the prototypes of medical materials, equipment, and devices. It is also making Medical Device Industry Development Action Plan Phase 1 to be put into action from 2021 to 2027, with an aim to improve quality and raise standards, and ensure universality and stability, and that Thailand will become an essential manufacturing center. For the **machinery and agricultural machinery industries**, the OIE has been working on Thai Machinery Industry Development Action Plan Phase 1 to be implemented from 2022 to 2027 with an aim to raise the manufacturing capacity among Thai entrepreneurs, ensure that these machines are user-friendly for farmers who use these machines, and reduce needs for import. These two action plans will be proposed to the cabinet this year.

**Mr. Thongchai Chawalitpichaet** added that to ensure that the development plans for these industries are connected and systematically driven, the OIE, as the operator in the **Integrated Plan for the Development of Future Industries and Services**, has been continuously working with relevant agencies, with a goal for the industrial-sector GDP to grow 3.8%, and the industrial-sector manufacturing productivity to rise 1.0%. For fiscal year 2022, the OIE has proposed a budget of

873.0646 million baht to the Bureau of the Budget for consideration. The proposal is expected to be included in the agenda item regarding the consideration of drafted acts at the end of May.

In addition, the government has announced that the Bio-Circular-Green Economic (BCG) Model is included in the national agenda, with an aim for the sustainable growth of the country. The OIE is assigned to establish Guidelines for the **Development of Thai Industries in Accordance with the Concept of Circular Economy** for the steel industry and the tire industry. The OIE also takes part in the drive for economic development under the BCG Model on a nationwide basis and within the Ministry of Industry, and makes plans to drive industrial development in accordance with the circular economic concept to be piloted in potential target product lines in upper northern provinces, to ensure new manufacturing models that are based on comprehensive and efficient use of resources, from the manufacturing process, consumption, waste treatment, and reuse of materials. The OIE will promote circular business models, and build circular startups.

As for its mission to provide information, advice, and alerts regarding the industrial economy, the OIE has published the **Purchasing Managers Index (PMI)**, which is widely used in more than 40 countries to monitor and analyze the trends of the industrial economic condition and be informed about economic trends. The PMI index can be published in a timely manner and without delay. Public and private sector agencies, and entrepreneurs, can use this data in their business planning, and predict leading variables that reflect the economic cycle. For the development and improvement of services, in accordance with the Digital Government policy, the OIE collaborates with agencies within the Ministry of Industry to **establish a system that will improve the notification form and ensure that factory business information can be provided within a single form**. Recently, 22 training sessions, either through face-to-face communication or teleconference, on this single form were arranged for officers at the Ministry of Industry, provincial-based Ministry of Industry officers, and business operators across the country. For foreign affairs, the OIE has signed the **Regional Comprehensive Economic Partnership (RCEP)** with regard to sales that will open chances for Thai products, such as fishery goods, tapioca starch, pineapple, coconut water, paper, electrical components, plastics and chemicals, auto parts and bicycles, to penetrate markets, based on the rules of the same product origin. This will establish a regional investment network as a gigantic economic partner in the world.

**Mr. Thongchai Chawalitpichaet** also said that the OIE has been appointed as a key agency to prepare the organization of activities, including the **Asia-Pacific Economic Cooperation (APEC) forum**, which will be hosted in Thailand in 2022. The OIE will present development issues that are in accordance with the BCG Economy Model and the well-being concept, as preparation for the recovery from the pandemic. The OIE also plans to propose a meeting in the automotive industry and the chemical industry to be held under the supervision of the Committee on Trade and Investment, for which a budget for fiscal year 2022 has been set up.

**Mr. Thongchai Chawalitpichaet** concluded that the OIE emphasizes the strengthening and development of Thailand's industrial economy in line with the Government 4.0 practices. In the second half of the year, it will accelerate, direct, and follow up on the above activities to ensure that the targets are achieved. With the COVID-19 pandemic, some officers are now working from home. Therefore, the OIE has developed work systems to support and facilitate their home-based working to ensure smooth, fast, and timely delivery, as they work together to drive the development of the country's industrial economy, and speed up spending to meet the government policy.

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