

The Office of Industrial Economics (OIE) presents the operation results in the past 6 months with 5 major projects, and exposes 5 urgent plans in the future.

The OIE presents operation results in the past 6 months with 5 major projects to enhance Thai industry to competition on the world stage, and establish the Center of Excellence for the National Future Strategy and encourage plan of new industries development of the future.

Mr.Siriruj Chulakaratana, Director General of the Office of Industrial Economics (OIE), revealed operations results of the OIE in the past 6 months (October 2015 - March 2016), as follows.

1. Improvement of Manufacture Industrial Index (MPI) to reflect economic sector accurately and updateable, and is used as a measure of the economic conditions according to contexts changed. Therefore the improved MPI is a tool with efficiency to monitor or evaluate the industrial economy of the country better, and develop distribution channels through a smart phone for easy to searching industrial information. The details can be accessed at website: www.oie.go.th. The next phase of operations include a selection examples reflexed of the manufacturing sector, which improved better, preparing ISIC Revision 3 are 4, update annual revise, and etc.

2. Empowerment of competitiveness of 10 target Industries of the future. OIE has been assigned to propose the cabinet to cabinet approve that the 10 Target Industries are mechanical drivers for the economy of the future (New Engine Growth). They include; 1) Next Generation Automotive, 2) Smart Electronics Industry, 3) Affluent, Medical and Wellness Tourism Industry, 4) Agriculture and Biotechnology Industry, 5) Food processing Industry, 6) Robotics Industry for Industries, 7) Aviation and Logistics Industry, 8) Biofuels and Biochemical Industry, 9) Digital Industry and 10) Comprehensive Medical Industry, in order to develop in the same direction and help Thailand's entire industry to grow systematically, which aims to boost Thai economy to be Digital Economy and Bio Economy in the future.

3. Cluster-based Special Economic Development Zones Policy, the OIE has been assigned to act as a secretary of the Committee of the Cluster-based Special Economic Development Zones Policy Acceleration and as the secretaries of 10 subcommittees. The results of operations of the committee and subcommittee included determination of target products and target countries to persuade, as well as determination of investment support measures. For policy of textile and garment cluster, at current, the subcommittee of the Cluster-based Special Economic Development Zones Policy Acceleration of the textile and garment cluster has determined target products such as Functional Textile included Sport Wear and Uniform, and Sustainable Fashion included textiles with environmentally friendly and textiles for the elderly, as well as unlocking business of tanning and dyeing which is a bottleneck in the development of textile and garment in order to entrepreneurs can establish and expand manufactures, and benefits from the BOI under the given conditions. The Association of Thai Textile Bleaching Dyeing Printing and Finishing Industries will hold the annual general meeting on this 21st May, to create understanding and encourage investment.

For VAT regulation improvement to comply with the Consignment system or goods consignment in the mall, in order to increase liquidity for enterprises, especially SMEs, the subcommittee of the Cluster-based Special Economic Development Zones Policy Acceleration of the textile and garment cluster has discussed with the relevant authorities.

Currently, the Joint Standing Committee on Commerce, Industry and Banking (JSCCIB) is considering a push of law draft for consignment which is the first version in Thailand. The Revenue Department is studying the new law issuing along with proposals from the private sector, and is considering the announcement of director general No.8 and No.82 to facilitate the SMEs. For an improvement of vocational education certification regulation to can transfer to a vocational education system in Europe, it is under consideration by the Office of the Higher Education Commission (OHEC) and the Office of the Vocational Education Commission (OVEC).

For the operation in next phase, the subcommittee of the Cluster-based Special Economic Development Zones Policy Acceleration of the textile and garment cluster will expedite measures on the Sourcing Hub, which aims Thailand to be Sourcing Hub of ASEAN.



In addition, the subcommittee of the Cluster-based Special Economic Development Zones Policy Acceleration of the agro-processing cluster has also agreed to push major target products in 4 group, including 1) Extracts from natural raw materials, 2) Active ingredients from natural raw materials, 3) Medical food and dietary supplements and 4) Natural Rubber Products. The subcommittee has urged a review of the transfer of the mission of the Food and Drug Administration (FDA) on the application, expedites construction of the Rubber City in Songkhla, and study the possibility of extending the establishment of Rubber City in Rayong and Kanchanaburi.

For the operation in next phase, the subcommittee will discuss with the Ministry of Agriculture in order to expedite the upgrading comprehensive agricultural products standards on the traceability systems and investment approach for chicken and breeds, including products from By Product in the fishing industry.

After the area for clusters and super clusters has been defined, in order to prepare policies and strategies for industrial development in the areas of border provinces to meet with government policy and to develop industry in the areas of border provinces with potential to have results in practice concretely, the OIE has carried out the project of action plan preparation to develop industry in the areas of border provinces with potential according to government policy, such as Chiang Rai and Nakhon Phanom. The provinces have high potential and are set in the development plans of the special economic development zone of the government. The plan is expected to be completed about the end of 2016. The activities are carried out to the Ministry of Industry has strategy and approach of industrial development, and action plan for industrial development in the special economic development zone, Chiang Rai and Nakhon Phanom corresponded to the industrial potential in the area and the country development direction in overall, as well as linking developing with neighboring countries. It can attract investment from abroad to invest in the areas and results to contribute to and improve the economy in the areas and the overall economy of the country. It is the most important tool to enhance the competitiveness of Thai industry in the future. For a draft of the Special Economic Zones Act. B.E. ..., it is under revise in cooperation with the Industrial Estate Authority of Thailand (IEAT).



4. Driving master plan of enhancing the production efficiency and productivity of the industrial sector, B.E. 2559-2564, to increase competitiveness for the industry sector to be competitive on the global stage with 3 strategies as follows.

- Enhancing the industrial productivity through the use of technology and innovation, and management system.
- Enhancing the labor productivity to have skills to respond to the change of the industrial sector.
- Developing environmental factors to support and advocate for increasing productivity.

In fiscal year 2017, the OIE has proposed to request a budget of 1,017 million baht, and the Bureau of the Budget has approved the request to set a limit of 543 million baht, and in 2018 it will increase more matters relating with innovation and standard.

5. Developing industrial innovative networking to that the industrial sector is as an authority with leading role to determine direction of the innovation development of the country, by creating Platform/Community of industrial enterprises to achieve exchange and cooperation of the industrial network including food industry, and electrical and electronics industries, which are model industries in the first year under a group named www.innothai.net, by operation through channel of Line application and Facebook. In addition, the database system under a group named. www.innothai.net, in order to be easy to search information, research, funding and benefits for industrial enterprises and innovation needs information of the industrial sector.

The operation of next phase are considering to extending the network to other industries such as agro-processing group and technology group, as well as inviting financial institutions to join the network.

Action Plans for a major operation in the future include;

1. Promotion of the production of next generation automotive such as hybrid cars and electric cars. Now the OIE is under gathering detailed information about investment plans with proposals in order to Thailand is as a production hub of the next generation automotive. After a meeting with the 11 car manufacturers, it is expected to can propose to the Minister of Industry and the Prime Minister as soon.



2. The Consignment will be pushed for revision of the VAT regulation to cover all industries to support entrepreneurs, especially SMEs entrepreneurs.
 3. Recommendations on policy and strategic of industrial development in areas according to the potential of the country, which the industrial sector must be linked with agriculture and services sectors in all aspects.
 4. Study on the establishment of the Center of Excellence for the National Future Strategy includes;
 - Information Unit of the future
 - Future Simulation Research Unit
 - Organizations Enhancement Unit
 5. Developing industrial innovative networking will be performed in collaboration with the Ministry of Science and the Ministry of Commerce to encourage links between the innovation sector and the manufacturing sector systematically.
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