

Statement by
H.E. Prof. Pornpetch Wichitcholchai
President of the National Legislative Assembly
At the General Debate on the Theme of “Parliamentary Leadership in
Promoting Peace and Development in the Age of Innovation
and Technological Change”
during the 139th Assembly of the Inter-Parliamentary Union
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Mr./Madam President,
Excellencies,
Ladies and Gentlemen,

1. As unstoppable global science and technology development is moving at such a swift pace, strategic planning that focuses on selected key technological sectors of interest to Thailand and its industries is essential. To this end, Thailand has launched “*Thailand 4.0*” policy, a holistic roadmap to guide the transformation of the Thai economy towards value-based economy driven by creativity and innovation. The approach is part of the government’s agenda for economic reforms and also the 20-year National Strategy formulated under the principle of “*Sufficiency Economy Philosophy*”(SEP), in line with the UN Sustainable Development Goals (SDGs), especially SDG 9.

2. Our fundamental goal is to put in platforms to help the country overcome the middle-income trap by the *new growth engine* that emphasizes on utilizing new core technologies, creativity and innovation in focused industries; such as New S-Curve Industries, namely aerospace, mechatronics, automation and robotics, biotechnology and nanotechnology. Thailand 4.0 model also aims at moving Thailand towards transitioning to a digital economy in order to generate 25 percent of GDP through the digital industries by 2027.

Mr./Madam President,

3. Placing innovative and research capabilities at the central focus of *Thailand 4.0* initiatives, Thailand has increased the funding and pushed tax incentives to induce the private sector to invest in Research and Development (R&D) in order to originate innovation and boost long-term national competitiveness. Presently, the country’s budget for R&D investment has expanded from 0.62 percent of the GDP in 2016 to 0.78 percent of last year’s GDP with proportion of private investment at 70 percent as targeted. Thailand wants to drive the total budget for R&D spending to be at least 1 percent of GDP within the next 2 years. By 2022, the ratio should be 1.5 percent, and 2 percent by 2032.

4. Correspondingly, a special economic zone, called the *Eastern Economic Corridor (EEC)* has been designated under the NLA's recent legislation to attract foreign investment projects in innovative targeted industries and is already equipped with privileges and R&D incentives on R&D-led manufacturing.

5. In keeping with the government's Thailand 4.0 vision, the National Legislative Assembly (NLA) has been, over the past 4 years, reforming outdated laws and revising of new laws to build a stronger legal foundation for the future technology by adopting numerous legislations which have further strengthened Thailand's innovation policy, such as the *Investment Promotion Act* that enables the country to provide support in forms of tax incentives through the BOI of Thailand, with an investment budget of 1 percent of GDP planned in the next 2 years.

6. With the belief that preparing for Thailand 4.0 requires the collaboration of every sector to step forward in using STI to tune up the economy, the NLA has approved the 2017 "*National Competitiveness Enhancement for Targeted Industries Act*" aiming to boost up Thailand's competitiveness in targeted industries, as well as to encourage, through tax incentives and R&D fund, the strategic investment in industries using new technology and innovation, such as biotechnology, advanced manufacturing, creative and digital industries.

**Mr./Madam President,
Excellencies,
Ladies and Gentlemen,**

7. The NLA firmly believes that STI is essential for knowledge-based economic growth and should be put at the top of our national development agenda. Parliaments have the duty to promote and support the people to create and innovate, as these are the key drivers that will help us overcome problems of poverty, inequality and inequitable access to opportunities. I am certain that through enhancing STI with collaboration at local, national and international levels, we can uphold our inclusive and balanced growth for a sustainable future.

8. Thank you for your kind attention.

Drafted by
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