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R&D spending in Thailand is down this year and next because of the pandemic, but government incentives still hold potential. **3**

# R&D outlays limited by pandemic

NXPO chief pushes for government effort to bump up spending to 2% of GDP by 2027

**SUCHIT LEESA-NGUANSUK**

**S**pending on R&D in Thailand is forecast to be limited by the pandemic, staying below 1% of the country's GDP until next year, according to the Office of National Higher Education Science Research and Innovation Policy Council (NXPO).

NXPO president Kitipong Promwong said R&D spending was estimated at 0.91% of GDP last year and it is expected to reach 0.94% this year and 0.96% next year.

Some 193 billion baht was spent on R&D in Thailand in 2019, or 1.14% of GDP, up 5.9% from a year earlier, Mr Kitipong said, citing a study jointly conducted by NXPO and the National Research Council of Thailand.

Of the total amount, 77% or 149 billion baht was attributed to the private sector, while the remaining 23% was spent by the government sector.

He said the private sector's R&D spend centred on economic-driven tasks, while the government sector's

spend mainly concerned four major areas: quantum technology, space science and technology, high-energy physics and molecular biology.

The food industry spent the most on R&D in 2019 at 32.3 billion baht, followed by the petroleum and petrochemical industry at 11.9 billion and financial and insurance services at 11.5 billion.

In 2019, there were 166,788 full-time researchers in Thailand — a ratio of 25 researchers per 10,000 people in the country. A total of 115,543 or 69% of

full-time researchers were working in the private sector.

Mr Kitipong said the target is for the ratio to reach 40 researchers per 10,000 people in 2027.

He said the pandemic caused most private firms to reduce their R&D spend, keeping the total below 1% of GDP during 2020-22. However, R&D spending is expected to recover in the future, said Mr Kitipong.

Without government stimulus measures, R&D spending is unlikely to reach 2% of GDP in 2027 as planned, but is

forecast at 1.46% instead, he said.

If the pandemic is controlled, this would be a boon for R&D investment, said Mr Kitipong. With strong market competition, businesses would gear up for more R&D spending.

From 2022 to 2023, various measures are available to increase R&D spending, such as several state research funds, tax incentives and the unlocking of complex regulations, he said.

The government can play a role in supporting R&D investment by the private sector, such as fostering an ecosystem conducive to investment, providing matching funds, offering infrastructure assistance, easing complex regulations as well as coaching new entrepreneurs on how to proceed with marketing and fundraising, said Mr Kitipong.

"We are still confident R&D spending in Thailand will reach 2% of GDP in 2027, thanks to the strong capability of the private sector," he said. "We have academic strengths at Thai universities and our bio-based food products are on par with those from other nations."