



Start-ups in line for incentives

The Information and Communication Technology (ICT) Ministry is considering tax incentives for companies investing in tech start-ups in an attempt to stimulate long-term investment.

The ministry plans to spend 100 million baht to promote Thailand's tech start-up industry, said vice-minister Pansak Siriruchatapong.

The 100-million-baht budget will come from its 3.7-billion-baht 2015 fiscal year budget under the One Tablet per Child project.

"We will seek approval from the cabinet for the spending next week," Mr Pansak said.

The move is part of the government's policy to promote the country to become a digital hub in Asean. "Thailand's tech start-up industry is at the beginning of an S curve," said Mr Pansak.

The ICT Ministry is on the verge of pushing out a slew of marketing campaigns to support the growth of tech start-ups and create a start-up ecosystem.

The ministry is also gathering the views of tech firms in order to provide the right incentives to fit their requirements.

Incentives could include a special economic zone for tech start-ups and issuing work permits for foreign technical professionals in Thailand.

Having such incentives in place would encourage the creation of tech start-ups.

"We want to build Thailand as a paradise for tech start-ups," Mr Pansak said.

Tech start-ups and innovation will help drive the country's economy as a key engine of economic growth, he added.

Nattawut Pungjarernpong, fund manager of 500 Tuktuk Co, a Bangkok-based venture capital firm, said Thailand's start-up industry is just beginning to blossom, attracting leading venture capital funds in Southeast Asia.

He urged policymakers to promote tech start-ups by providing more incentives to attract both local and foreign investors.

Thaddeus Siong, co-founder of e27 Media Co, the organiser of the Echelon Thailand conference, said Thailand can play a bigger role to support other start-ups in the sub-Mekong region.

"We expect at least US\$1 billion worth of funds will invest in tech start-up companies in Asia-Pacific this year," he said.

Chatamon Poldul, executive director of the Thailand Tech Startup Association, said as of November Thai tech start-ups could raise funds of \$54.5 million from 53 projects, compared with only three projects worth \$2.1 million in 2012.

Last week, the cabinet approved exemptions from corporate income tax and dividend tax for 10 years for venture capital firms to promote start-ups.

To be eligible, they must invest in food and agriculture; energy saving and clean energy; textiles; advanced materials; biotechnology; health and medical; tourism and creativity; cars and auto parts; electronics and computer software; and research and innovation.

