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Rapid Developments in Thailand's Aviation Industry: New Policies, Attractive Incentives and Simplified Regulations

Bangkok, Thailand, 15 January 2018 – With rapid expansion in Thailand fleet size and growing focus of global aerospace companies towards APAC region for Commercial MRO and Manufacturing activities, Thailand's Aerospace Sector is set to undergo significant changes in Policy and Regulatory landscape to promote Thailand as an ideal destination for aerospace manufacturing and MRO investments in the region.

“The cumulative MRO revenue over next 20 years could range between US \$14.5 Billion and US \$23.0 Billion in Thailand while the manufacturing output could potentially be worth around US \$50 Billion over the same period. With the right value proposition in place, it is estimated that as many as 24,200 jobs could be created in the aerospace industry”, said Ramesh Tanjavuru, Consultant at Frost & Sullivan.

With the inclusion of Aviation sector in the new S-curve policy, the government has clearly signalled its intention to establish Thailand as the regional Aerospace hub for manufacturing and MRO activities. Thailand currently offers extensive financial grants for projects related to R&D, innovation and human resource development to encourage new technology and high impact investments in aerospace sector. In addition, the Board of Investments Thailand offers highly competitive tax-incentives for promoted aerospace activities.

In collaboration with the Civil Aviation Authority of Thailand (CAAT), Frost & Sullivan will be hosting a Market Sounding Briefing on Future plans on Policies, Regulations and Initiatives in determining critical success factors for Thailand to promote aerospace investments on 15th January 2018 in Bangkok, Thailand from 8.30am – 12.00pm.

Dr. Chula Sukmanop, Director of Civil Aviation Authority of Thailand sees the importance of the study results. “The government is set to boost aerospace MRO and manufacturing sectors with changes in three key focus areas, working towards developing a National Aerospace Roadmap for Thailand. The primary focus is to develop aviation policies and initiatives that impact the growth of the aerospace industry followed by enhancing the effectiveness of institutions through simplified regulations. In line with policies and regulations, the government will further promote aerospace investments with relevant incentives and funding programs for the overall industry growth in Thailand.”

“Thailand’s existing aerospace capabilities lie mostly in the wide-body segment with Thai Airways being the leading player and there is plenty of scope to develop MRO capabilities for narrow-body aircrafts. There are only few component MRO players with significant gap between demand and supply of high-value components such as Wheels & Brakes, Auxiliary Power Unit, IFE components, Engine Fuel & Control and Landing Gear. In the domain of aerospace manufacturing, Thailand’s expertise is currently in Tier 3 and Tier 4 manufacturing for original equipment manufacturers (OEMs). While there are many opportunities to further develop these segments, Thailand is also an attractive destination for contract manufacturers in Tier 2”, said Ramesh.

With Aerospace MRO and manufacturing being highly global industries, the development of these industries can take place anywhere in the world where capacity is developed with adequate certifications and quality control in place in collaboration with strong government support, global industry players and a qualified supply of talent pool from higher learning institutes.