

**GOVERNMENT**

A THAI aircraft at Suvarnabhumi airport's maintenance centre. More funds will be set aside for the centre. SOMCHAI POOMLARD

# Aviation plan gets green light

CHATRUDEE THEPARAT

The cabinet yesterday approved an aviation development plan proposed by the Transport Ministry in a bid to upgrade Thailand to a regional aviation hub in Southeast Asia.

Kobsak Phutrakul, assistant minister to the Prime Minister's Office, said the development plan will be split into three phases. The first phase (2017-21) will focus mainly on building a maintenance and repair centre for Thai Airways International (THAI) and enhancing Thailand's private capabilities in making aircraft and spacecraft parts.

The second phase (2022-26) calls for the expansion of the maintenance and repair centre and the establishment of aviation clusters. The third phase (2027-31) involves setting up the Aeropolis at U-tapao airport and upgrading Thailand's aviation capabilities to design and manufacturing.

The Board of Investment last October expanded its promotional areas for aviation clusters in an effort to make it more attractive to investors. It scrapped requirements that industries supporting

the aviation cluster must be located in those 14 provinces with airports or otherwise built close to airports in order to receive privileges.

Aviation is one of the 10 targeted industry clusters the government is ambitious to promote.

The others are next-generation cars; smart electronics; affluent, medical and wellness tourism; agriculture and biotechnology; food; robotics for industry; logistics and aviation; biofuels and biochemicals; digital; and medical services.

Mr Kobsak said the global aviation industry is expected to pivot to the Asia-Pacific region from the US and Europe, given the region's economic growth and proliferating low-cost airlines.

He said the government's preliminary study had found that appropriate activities for Thailand include the maintenance and repair centre at U-tapao airport, development for original equipment manufacture and human resource development for the aviation industry.

Mr Kobsak said U-tapao airport has strong potential to establish the

maintenance and repair centre, as it is located in the Eastern Economic Corridor. The government is also expediting the high-speed rail network connecting Bangkok and Rayong and the motorway linking Pattaya and Rayong.

Meanwhile, the cabinet also reported that the budget disbursement in the first four months of the government's fiscal 2017 totalled 1.10 trillion baht, accounting for 40.5% of the total fiscal budget.

The disbursement of investment budget amounted to 110 billion baht, some 23.9% of the total investment budget, and the disbursement of the regular budget totalled 995 billion baht or 45.6% of the total.

Nathaporn Chatusripitak, an adviser to Commerce Minister Apiradi Tantraporn, said the cabinet had also approved 31.5 billion baht worth of lending measures to help ease financial hardship for farmers and entrepreneurs in the 12 southern provinces hit by flooding.

The lending facilities will be offered via the Government Savings Bank, SME Development Bank and the Bank for Agriculture and Agricultural Cooperatives.