EXPERIENCE
THAILAND

CREATIVITY • DIVERSITY • OPPORTUNITY
EXPERIENCE THAILAND

- A MATURING DEMOCRACY
- A VIBRANT ECONOMY
- TRADE AND INVESTMENT OPPORTUNITIES
- THE WORLD’S PREMIER TRAVEL DESTINATION
- THAILAND AND THE WORLD
Message from
Her Excellency Ms. Yingluck Shinawatra
Prime Minister of the Kingdom of Thailand

The general elections held in Thailand on 3 July 2011 marked the beginning of a new chapter in the Kingdom’s efforts to achieve reconciliation and greater democratisation. The enthusiasm shown by the Thai people whose participation in the electoral process produced the highest voter turnout in the Kingdom’s history is testament that participatory democracy continues to mature in Thailand.

Having attained a clear and strong mandate, the Government is fully committed to promoting reconciliation and the rule of law as well as improving the well-being of the Thai people. As we move forward, Thailand will work closely with our friends around the world to strengthen existing partnerships as well as forge new ones, cementing our reputation as one of Asia’s most vibrant trade and investment hubs as well as the world’s favourite holiday destination.

While the recent floods have affected the livelihood of a large number of people as well as some industrial and agricultural land, the Kingdom’s economic fundamentals remain strong. The Government has attended to the people’s immediate needs and embarked on a long-term strategy for rehabilitation and reconstruction, including that of a comprehensive water management system. By seizing this opportunity to make Thailand more disaster-resistant, I am confident that Thailand will remain resilient and emerge in an even stronger position to bolster its robust economy, providing new opportunities and continuing on its path towards sustainable growth and development.

Despite the various challenges faced, Thailand is expected to see a fast recovery due to a growing domestic market based upon a rising middle class, an open and flexible approach to trade and investment, a strategic location with extensive infrastructure and easy access to regional markets, a service-oriented culture and a quality workforce supplying creativity and dedication. The Government will enhance these fundamentals and will implement responsible and solutions-based, pro-growth policies, designed to raise our level of competitiveness as well as the people’s standard of living, complementing the common objective of the ten ASEAN Member States to build a vibrant Community by 2015, turning the region into a single market and production base that is more integrated and connected.

Finally, I trust that you will find this information package useful and that you will have the opportunity to “Experience Thailand” for yourself soon.

(Yingluck Shinawatra)
Prime Minister of the Kingdom of Thailand
A nation of over 67 million, the Kingdom of Thailand is steeped in history. Its people’s sense of identity is closely linked to Buddhism and the institution of monarchy which dates back more than 700 years. While proud of its independence, rich heritage and tradition, the country has adapted to and embraced the rapid change brought about by globalisation.

Despite recent political challenges, Thailand has demonstrated its commitment to participatory and multi-party democracy and has emerged stronger after the general elections held in July 2011. Today, Thailand is ready to move forward toward a better and brighter future.

Thailand’s dynamic economy has shown remarkable resilience despite the global economic and financial crisis, with growth registering 7.8 per cent in 2010. In 2011, as a result of the massive floods, the Thai economy is expected to grow by 1.5 per cent, down from the original projection of 3.5-4.0 per cent.

However, due to the Government’s 3R’s strategy to rescue, restore and rebuild, as well as on the back of rising domestic and global demand, growth is expected to rebound back to around 4.5-5.5 per cent in 2012. Thailand’s foreign reserve remains one of the highest in the world rising to over USD 175 billion in December 2011, while its benchmark SET Index remains one of the most resilient in the region if not the world.

Its strong economic fundamentals, skilled labour force, growing creative economy and commitment to free and open markets will only see the country grow stronger.

Thailand has also long been recognised as one of the top tourist destinations in the world. With its stunning landscapes, diversity, rich cultural heritage, world-class cuisine and developed infrastructure, the Kingdom attracts more than 18 million visitors every year. Above all else, its celebrated hospitality leaves a lasting impression on international travellers and keeps them coming back year after year.

As an open and vibrant society, Thailand will continue to offer opportunities for businesses, investors and visitors, all of whom will be welcomed and greeted with the world-renowned Thai smile.
The Kingdom
Thailand, situated in mainland Southeast Asia, is a regional hub of business and transportation and the gateway to the Association of Southeast Asian Nations (ASEAN), with its combined market of around 600 million people.

Geography
- Land: 513,115 sq. km.
- Population: 67.2 million
- Capital: Bangkok (Thailand’s largest city, with over 11 million inhabitants)
- Climate: Tropical monsoon
- Average Temperature: 27˚C

Religion
- Buddhism (89%), Islam (10%), Christianity (0.7%), others (0.3%)

National Language: Thai

Currency: Thai baht (THB)
- (31 THB = 1 USD (as of December 2011))

National Flag
- The national flag comprises five horizontal bands of red, white and blue. The central blue band represents the monarchy. It is hemmed by two white and two red bands representing religion and the nation, respectively.

Form of Government
Parliamentary democracy with a constitutional monarchy.

Economy

<table>
<thead>
<tr>
<th></th>
<th>2012 projection (USD)</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP</td>
<td>380.2 billion</td>
<td>4.5 - 5.5</td>
</tr>
<tr>
<td>GDP (Per capita)</td>
<td>5,598.3</td>
<td>6.5</td>
</tr>
<tr>
<td>Exports</td>
<td>270.0 billion</td>
<td>19.0</td>
</tr>
<tr>
<td>Imports</td>
<td>256.6 billion</td>
<td>25.0</td>
</tr>
</tbody>
</table>

International Reserves: USD 175.1 billion
(as of 30 December 2011)

GDP Composition by Sector:
- Agriculture (8.3%)
- Manufacturing (40.0%)
- Hotel and retail trade (13.3%)
- Construction and mining (4.4%)
- Services (34.0%)

Source: NESDB and NSO (21 November 2011)

Rankings
Tourism
- Bangkok is 1st in the top 10 “World’s Best Cities” rankings for the second consecutive year
  Source: Travel + Leisure’s World’s Best Award 2011
- Bangkok is the 3rd most visited city in the world
  Source: MasterCard Worldwide Index of Global Destination Cities 2011
- Bangkok ranked 20th in the Top 25 Global Cities of 2011
  Source: 2011 Citi Index
- Koh Phi Phi Don ranked 4th in the 25 Top Destinations in Asia; Bangkok ranked 9th; Koh Tao ranked 11th; Chiang Mai ranked 13th; Pattaya ranked 25th
  Source: Trip Advisor Traveler’s Choice Award 2011
- Chiang Mai named 10th best city in the world for tourists
  Source: Lonely Planet’s top 10 cities for 2011
- Bangkok ranked 2nd in Top Cities in Asia with Chiang Mai coming in 4th and Phuket ranked 3rd in Best Islands in Asia with Koh Samui coming in 10th
  Source: Condé Nast Traveler 2011 Readers’ Choice Awards
- Thailand ranked 2nd Best Spots for Medical Adventure
  Source: Lonely Planet 2010
- Thailand ranked 1st in Best Quality of Life for Expatriates for the second consecutive year
  Source: 2011 HSBC Expat Experience Award
- Thailand awarded the title of “Best Tourist Country 2010” for the ninth consecutive year
  Source: Travel News Magazine (Sweden)

Business
- 2nd in Southeast Asia and 17th in the world for “Ease of Doing Business”

Main Products
- World’s largest hard disk drive producer and exporter
- World’s largest natural rubber producer and exporter
- World’s largest rice exporter
- World’s 2nd largest sugar exporter
- World’s 12th largest automotive manufacturer

Source: Ministry of Commerce and Thailand Board of Investment (BOI) (2011)
Thailand is a maturing democracy with a government that is transparent, accountable and adheres to the principle of good governance. As Thais become ever more politically aware and active, they are also playing an increasingly important role in transforming the country into a true participatory democracy. Despite the political challenges of the past few years, the latest general elections on 3 July 2011 attracted the highest voter turnout in Thailand’s history, reaffirming the country’s ability to mature into a full-fledged democracy. The Yingluck Shinawatra Government – backed by a firm mandate – has pledged to foster harmony and pursue reconciliation with a view to enabling the further economic, social and political development of the country.
Thailand is a parliamentary democracy with a constitutional monarchy. As the only Southeast Asian nation to have maintained its independence during the colonial period of the late 19th and early 20th centuries, Thailand is blessed with a stable monarchical system dating back several centuries. This revered institution lies at the core of Thailand’s cultural heritage and is the linchpin of Thailand’s national identity, a source of stability and pride for the Thai people.

A peaceful transition from absolute to a constitutional monarchy took place in 1932 when sovereign power came to belong to the Thai people, with the King as Head of State. The administration of the country is carried out by the Council of Ministers headed by the prime minister under a parliamentary system similar to the British system of constitutional monarchy.

While the King is above politics and discharges his role in accordance with the constitution, he has devoted his life to improving the well-being of all Thais through thousands of successful royally initiated projects in such areas as irrigation, farming, drought and flood alleviation, reforestation, crop substitution, alternative energy, public health, distance learning and employment creation. Through such a role, the Thai monarchy has contributed to uplifting the livelihood of Thais throughout the nation, particularly those in rural areas, and complemented development efforts undertaken by the government. Meanwhile, the King’s “sufficiency economy” philosophy has provided guidance for all Thais, rich and poor, to be able to survive the uncertainties of the increasingly turbulent global economy.

Despite changes in political leadership, the past decades have witnessed remarkable continuity in policy direction, providing a predictable framework for investors and businessmen. Regardless of which political party is in office, Thailand has always been committed to certain
fundamental policy principles, namely, friendly relations with all its neighbours, an active role in ASEAN, and a responsible and constructive foreign policy. On the economic front, the Kingdom has always adopted sound macroeconomic policies with fiscal and monetary prudence, an open market economy, hospitality towards foreign investors and tourists and the improvement of the country’s infrastructure to increase competitiveness and achieve sustainable development. These policies are underpinned by national political consensus as well as the strength and continuity of the civil service, which oversees the implementation of policies and enforcement of laws throughout the country.

**THREE POLICY OBJECTIVES AS ANNOUNCED IN PRIME MINISTER YINGLUCK SHINAWATRA’S POLICY STATEMENT TO THE NATIONAL ASSEMBLY ON 23 AUGUST 2011**

1. To bring about a strong and balanced economic structure for the country, which will be an important basis for sustainable growth with quality.
2. To bring about a Thai society that is reconciled, based on the rule of law which meets international standards, whereby all Thais are treated equally.
3. To prepare Thailand for the arrival of the ASEAN Community in 2015, by strengthening the country in the political-security, economic and socio-cultural aspects.
As with many democracies, Thailand has seen periods of political turbulence. Nonetheless, Thailand’s political history reflects an unwavering commitment towards democratic development. Despite periods of political unrest and intermittent military interventions in the past, the country has always returned to the path of greater democratisation.

Thailand’s people and civil society organisations are assuming increasingly greater roles in political activities, exercising the rights and freedoms that are part of democracy as stipulated in the constitution.

Independent organisations such as the Constitutional Court, the Election Commission, the National Anti-Corruption Commission and the National Human Rights Commission have firmly established their roles as independent agencies to ensure oversight of state powers.

Decentralisation has also enabled people in different parts of the country to voice their opinions through their locally elected administrators. This is with a view to ensuring that people are closely linked to the central government and are more actively involved in shaping and implementing national policies and agendas.

As the country’s democratic institutions grow ever stronger, principles such as good governance, accountability, transparency, the rule of law and respect for human rights have become increasingly embedded in Thai society.
The Government is firmly committed to promoting national reconciliation and unity in order to cement stability and move the country forward. In this connection, the Government fully supports the work and mandate of the Truth for Reconciliation Commission of Thailand (TRCT) and has established the Committee to Coordinate and Follow-up on Actions Taken to Implement the Recommendations of the Truth for Reconciliation Commission of Thailand (ITRCT).

Given that economic disparities are an underlying source of discontent in society, the Government is determined to ensure fair distribution of income and equal access to finance and economic opportunities. Meanwhile, the people’s standard of living will be raised by enhancing domestic consumption and creating balance and strength in the macroeconomic system.

Fostering harmony and peace in the Southern Border Provinces is also high on the Government’s agenda. Participation, fairness, justice, economic and social development along with the decentralisation of local governance will feature prominently in efforts to better the lives of the people in the South.

The Government is committed to fulfilling the democratic aspirations of the Thai people and will be expediting political reform with broad based participation of the people to ensure that the exercise of political power is based on the rule of law. The Government will exercise the authority entrusted to it by the people with accountability, by being open to suggestions as well as scrutiny with a view to fostering a common understanding among Thais and bridging the differences through democratic means, with due respect for the people’s rights and freedoms under the constitution.
1. Foster reconciliation and harmony among people in the nation, restore democracy and uphold the democratic system with the King as Head of State.

2. Prevent and define solutions to drug problems as a “national agenda” by adhering to the rule of law to crack down on and penalise producers, dealers, influential persons and wrong doers by strictly enforcing laws.

3. Prevent and fight against corruption in the public sector by adhering to transparency and good governance which are universally accepted norms to ensure the effective use of resources for national development and the true benefit of the nation.

4. Promote integrated water management and promptly expand irrigation areas by expediting effective water management at the national level to prevent floods and droughts; support the agricultural sector by constructing large, medium and small irrigation systems.

5. Return peace and security to people’s lives and property in the Southern Border Provinces along with alleviation of poverty, narcotic drugs and dark forces by following His Majesty the King’s advice to “Understand, Reach Out and Develop” as the principle of peaceful conduct by emphasizing the promotion of co-operation in all sectors of society in the region.

6. Restore relations and develop co-operation with neighbouring countries and other countries so as to boost economic growth in the region, address border issues via diplomatic procedures based on relevant treaties and laws, pursue the obligation to integrate into an ASEAN Community in 2015 in the political-security, economic and socio-cultural aspects, as well as link intra-regional and inter-regional transportation.

7. Alleviate difficulties of people and entrepreneurs as a result of inflationary pressure and high oil prices.

8. Raise people’s standard of living by enhancing domestic purchasing power and creating balance and strength with quality in the macroeconomic system.

9. Reduce corporate income tax to 23 per cent in 2012 and to 20 per cent in 2013 so as to increase competitiveness of the private sector, to broaden the tax base and to support entry to the ASEAN Community in 2015.

10. Improve people’s access to sources of funding; provide support for micro-credit provision, especially credit for low-income earners; increase public welfare to take care of the community; provide sources of funding to entrepreneurs and people.

11. Raise the prices of agricultural produce and enable farmers to gain access to sources of investment by ensuring that prices of agricultural produce remain reasonably stable, reflecting global market price mechanisms, by utilising marketing management and futures markets.

12. Increase income generation from domestic and in-bound tourism by proclaiming 2011-2012 as the “Miracle Thailand” Year and invite foreign tourists to join in the celebrations on the auspicious occasion of His Majesty the King’s 84th Birthday Anniversary.

13. Support development of folk arts and crafts in order to promote and create local identity and local products.

14. Further develop the health insurance system and increase the efficiency of the 30 Baht universal healthcare system.

15. Procure tablet PCs for schools by initially distributing tablet PCs to first-year primary school students for the 2012 academic year, as well as develop appropriate content in accordance with the approved curriculum that can be installed on the tablet PCs.

16. Expedite political reform with broad based public participation by the appointment of an independent constitution drafting committee to draft a new constitution to ensure that the exercise of political power is based on the rule of law.
Thailand is the second largest economy in Southeast Asia and has enjoyed a solid foundation that has enabled the country to get through a series of global economic and financial crises. The country is now financially healthy, with fiscal and monetary tools that can address economic situations in an efficient and appropriate manner. As a testament to Thailand’s recent achievement in almost doubling its per capita income during the past decade, the World Bank upgraded the country’s income categorisation from a lower-middle income economy to an upper-middle income economy.
Following the 2008 global financial crisis, the Thai economy showed resilience by posting satisfactory growth, while many other larger economies around the world slipped into a recession. In 2011, the country’s gross domestic product (GDP) is expected to grow by 1.5 per cent, lower than the previous projection of 3.5 - 4.0 per cent as the result of flood crisis. Total investment is expected to increase by 4.7 per cent, while exports should rise by 17.2 per cent. The country’s international reserves stood at USD 175.1 billion in December 2011. While many countries are experiencing difficulties dealing with high public debt level, Thailand’s public debt-to-GDP stands at a modest 40.2 per cent. In 2012, Thailand is expected to rebound from the flood crisis, with projected GDP growth between 4.5 to 5.5 per cent, given the Government’s 3R’s strategy to rescue, restore and rebuild following the floods as well as rising domestic and global demand.

### Thailand’s GDP Growth Rate

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011 Projection</th>
<th>2012 Projection</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP (USD Billion)</td>
<td>263.3</td>
<td>317.8</td>
<td>355.4</td>
<td>380.2</td>
</tr>
<tr>
<td>GDP (%)</td>
<td>-2.3</td>
<td>7.8</td>
<td>1.5</td>
<td>4.5-5.5</td>
</tr>
<tr>
<td>GDP per capita (USD per year)</td>
<td>3,936.0</td>
<td>4,720.6</td>
<td>5,257.9</td>
<td>5,598.3</td>
</tr>
</tbody>
</table>

Source: Office of the National Economic and Social Development Board, 21 November 2011

### Thailand’s International Reserves

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit: USD Billion</td>
<td>138.4</td>
<td>172.1</td>
<td>175.1</td>
</tr>
</tbody>
</table>

Source: Bank of Thailand

(30 December 2011)
Thailand is a free-market economy, characterised by private sector firms serving a strong domestic market with a growing middle class and producing goods for export in a variety of sectors. The main drivers of the Thai economy are its robust industrial and service sectors, while the agricultural sector remains significant to the Thai economy and way of life. Also vital to the economy is the role of small and medium enterprises (SMEs), which enjoy strong financial support from the Government. Over the past several decades, Thailand has successfully followed a model of export-led growth. Between 1970 and 2010, total Thai exports enjoyed two digit growth per annum (in US dollar term) on average.

<table>
<thead>
<tr>
<th>Items</th>
<th>2009</th>
<th>2010</th>
<th>2011 Projection</th>
<th>2012 Projection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export (USD Billion)</td>
<td>150.7</td>
<td>193.7</td>
<td>226.9</td>
<td>270.0</td>
</tr>
<tr>
<td>Export (%)</td>
<td>-14.0</td>
<td>28.5</td>
<td>17.2</td>
<td>19.0</td>
</tr>
<tr>
<td>Import (USD Billion)</td>
<td>118.1</td>
<td>161.4</td>
<td>205.3</td>
<td>256.6</td>
</tr>
<tr>
<td>Import (%)</td>
<td>-25.2</td>
<td>36.7</td>
<td>27.2</td>
<td>25.0</td>
</tr>
<tr>
<td>Trade Balance (USD Billion)</td>
<td>32.6</td>
<td>32.2</td>
<td>21.7</td>
<td>13.5</td>
</tr>
<tr>
<td>Current Account Balance (USD Billion)</td>
<td>21.9</td>
<td>13.7</td>
<td>7.7</td>
<td>4.5</td>
</tr>
<tr>
<td>Current Account to GDP (%)</td>
<td>8.3</td>
<td>4.4</td>
<td>2.2</td>
<td>1.2</td>
</tr>
<tr>
<td>Inflation/CPI (%)</td>
<td>-0.9</td>
<td>3.3</td>
<td>3.8</td>
<td>3.5-4.0</td>
</tr>
</tbody>
</table>

Source: Office of the National Economic and Social Development Board, 21 November 2011
As a member of ASEAN, Thailand plays an active role in promoting connectivity and forging greater co-operation between ASEAN member states and economies beyond the 10-nation Association. Looking beyond its immediate neighbouring countries, Thailand has signed free trade agreements with China, India, Japan, Australia and New Zealand, thereby boosting bilateral trade by reducing tariffs.

Thailand’s strategic location as a gateway to the heart of Asia has made the country a regional center for international travel and trade, as well as a hub for various industries, of which the most notable is the automotive industry. Thailand is currently the largest automotive producer in Southeast Asia and the 12th largest in the world.

Not only is Thailand’s economy heavily focused on exports, but its domestic consumption has also been expanding significantly in recent years thanks to its growing middle-class. Thailand is a key player in the ASEAN economy, enjoying a prime location that provides easy access to a market of over half a billion people in Southeast Asia plus at least 200 million consumers in southern China. The country’s geographical advantage and strong ties with major markets have helped ensure its sustainable growth. In 2011, total export value should reach USD 226.9 billion, a 17.2 per cent growth. Exports of Thai products to new emerging markets have also risen steadily. In 2010, China was Thailand’s largest export market with exports reaching USD 21.4 billion, a 33.2 per cent increase from 2009, while trade value between Thailand and India reached USD 6.6 billion, increasing 34.2 per cent from the year before.

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Following the 1997 financial crisis, Thailand restructured its financial system. The resulting strong economic fundamentals helped minimise the far-reaching impact of the global financial meltdown in 2008. In fact, the International Monetary Fund issued a report in September 2010 that noted the strength of Thai financial institutions and the nation's macroeconomic policy.

Looking ahead, the Thai Government is committed to preparing the country for the challenges and uncertainties that lie ahead for the world economy. A series of macroeconomic and microeconomic policies will be implemented to strengthen the country’s financial standing and improve the quality of life of the Thai people. For example, an increase in the national minimum wage will greatly enhance the lives of the low-income population and generate spending and in turn help stimulate growth. In addition, the Government is directing its attention to improving transportation infrastructure both in Bangkok, with expanded public transportation rail lines, and throughout the country, including an extensive railway and highway systems and further development of Laem Chabang Deep Seaport.

The Government is also focusing on the further enhancement of Thailand’s competitiveness through enlarging the pool of skilled labour by equipping them with advanced knowledge. Small and medium enterprises will be encouraged via incentives to focus on greater use of technology.

With a supportive public sector as well as solid economic fundamentals, a free-market economy, a vibrant industrial sector, strong financial institutions and expanding regional partnerships, the Thai economy will continue to prosper.

**Onward and Upward**

**Thailand's Flood Situation: The Road to Recovery**

The flooding in Thailand in 2011 caused by the extraordinary amount of torrential rain from five successive storms was the worst in recent Thai history, posing an immediate and long-term challenge for the Kingdom. It is therefore imperative that the country recovers as quickly as possible. To this end, the Government has begun work on a comprehensive, multi-billion US dollar relief and recovery plan.

In the short-term phase, restoration efforts have been undertaken and will be completed within one year to rehabilitate affected areas through measures such as drainage of industrial sites, the provision of financial assistance and loans. Visa application and employment licensing procedures have been eased for affected businesses while the Board of Investment of Thailand (BOI) is considering the extension of the incentive period and the investment benefits for affected investors.

In the long-term phase, the Government has set up two strategic committees for reconstruction and future development as well as water resources management by inviting respected experts from various fields to formulate a strategy for the country’s rehabilitation so as to provide confidence to investors about Thailand’s water management system and its future economic potential. Development of the water management system, new infrastructure, implementation of comprehensive land-use planning and revision of laws and regulations on water resource management will show investors that Thailand is committed to doing what it takes to remain the region’s premier investment location.
1. Key Macroeconomic Policies

- Ensure the fair distribution of income for the majority of citizens and work towards high and stable economic growth by implementing economic policies that promote fair income distribution and sustainable economic expansion, achieve full employment and maintain price stability.
- Promote access to finance that is fair and responsive to the various needs of all citizens, and also one that is a financial source for entrepreneurs and an alternative saving option, especially for low-income citizens.
- Improve domestic financial institutions by encouraging them to be socially responsible to the majority of citizens and the disadvantaged and enabling them to provide services that are responsive to changes in financial innovation and people's evolving needs due to developments in the economic and social environment, with efficiency and lower service charges.
- Reform the tax structure to enhance national competitiveness, ensure fairness and promote resource efficiency.

2. Key Policies on Income Generation

- As an urgent policy to be implemented in the first year, alleviate difficulties of people and entrepreneurs as a result of inflationary pressure and high oil prices.
- Raise people's standard of living by enhancing domestic purchasing power and creating balance and strength with quality in the macroeconomic system.
- Reduce corporate income tax to 23 per cent in 2012 and to 20 per cent in 2013 so as to promote the competitiveness of the private sector, broaden the tax base and support entry to the ASEAN Community in 2015.
- Improve people's access to sources of funding by providing support for micro-credit provision, especially credit for low-income earners, increasing public welfare to take care of the community and providing sources of funding to entrepreneurs and people.
- Expand the role of agricultural and food businesses that have long been the country's national income and employment sources; support Thailand as high quality food production and food trade hubs that are able to meet with the demand of consumers with high income and unique preferences; develop Thailand as a centre for the marketing of agricultural produce and food, including rice, sugar and cassava, so as to become the Kitchen of the World of high standard.
- Promote energy, petroleum and renewable energy industries as a new industry strategy, enabling these industries to generate income from domestic demand and increase employment.
- Enhance competitiveness and broaden market access for industries, domestic services and business of small and micro community enterprises by integrating them into the creative economy so as to produce goods and services with high value and quality while promoting a knowledge-based, skill-based and creative society.
- Encourage expansion of Thai entrepreneurs' investment in neighbouring countries that are able to supply labour and factors of production to bring forth economic prosperity for Thailand and the region.
- Promote and expand integration in the areas of economics, trade, investment and finance to enhance mutual benefits under cooperative frameworks and international trade agreements - bilateral and multilateral, putting in place preparedness measures, and enabling businesses and citizens to search for new opportunities and become more resilient.

3. Key Economic Restructuring Policies

- As an urgent policy to be implemented in the first year, promote integrated water management and promptly expand irrigation areas by expediting effective water management at the national level to prevent floods and droughts and supporting the agricultural sector by constructing large, medium and small irrigation systems.
- Raise the price of agricultural produce and enable farmers to gain access to sources of investment by ensuring that prices of agricultural produce remain reasonably stable, reflecting global market price mechanisms, by utilizing marketing management and futures markets.
- Develop value-added agro-industries to increase competitiveness in the world market by promoting production of new, high-profit products and employing full value-chain processing techniques to maximise the added-value, developing the marketing system at every stage, improving product quality and international reputation, developing regional and product-based business groups to enhance the ability to compete and create opportunities to be the price setter, particularly in the rice market, expediting negotiations on agreements that set the world market's standards for food and agricultural products, promoting Thailand as the Kitchen of the World both in terms of agricultural products and Thai food and supporting overseas agricultural investment.
- Improve domestic industrial sector competitiveness by increasing productivity, promoting energy efficiency, providing access to cheaper capital and improving product quality and standards to gain international recognition.
- Develop the industrial sector into a creative industry based on knowledge, technology and local wisdom to replace labour-intensive industry by promoting innovation based on Thai culture to generate income for the country, such as the movie production industry, Thai food industry, sports industry, tourism industry and design industry.
- Develop and promote the agro-processing industry based on knowledge, creativity, local wisdom and innovation to create added value and improve products to meet international safety and quality standards, as well as create opportunities for market expansion, for example, organic farming produce and Halal food, to increase farmers' income.
- Expedite development of the industrial sector so that it is eco-friendly, socially responsible and can co-exist with the community by improving production technology, reducing resource use and lowering greenhouse gas emissions in accordance with the principle of reduce, reuse and recycle.
- Develop service industries with growth potential to expand production and marketing bases at the regional level, by increasing variety, value and competitiveness of their services, generating income from abroad and domestically, such as from tourism, healthcare services, meetings and exhibitions, international education, construction, film business, fashion design, jewellery, freight services, information technology and communications, sports and recreation and creative products based on a fusion of cultural and traditional knowledge with new technology.
The Kingdom of Thailand offers unrivalled trade and investment opportunities. With strong economic fundamentals, extensive infrastructure, a strategic location in the heart of Southeast Asia, progressive foreign investment policies and the unmatched hospitality of the Thai people, Thailand ranked 2nd in Southeast Asia and 17th in the world on the World Bank’s Ease of Doing Business Index 2012.

The Thai Government is fully committed to promoting and enhancing trade and investment opportunities, improving the country’s business environment and offering added value to investors. Moreover, the improved political climate in Thailand, following the general elections in July 2011, will only improve business sentiment.
Southeast Asia, home to more than half a billion consumers and a GDP in excess of USD 2.06 trillion, is a massive market that will become even more robust with the realisation of the ASEAN Community in 2015.

Thailand has advocated greater connectivity – the building and upgrading of transportation through land, sea and air, as well as telecommunications networks which will facilitate greater economic activities and help distribute wealth and other benefits of development more evenly across the region. With Asia currently displaying unmatched market growth, greater linkages with and convenient access to other regional economic giants such as China, India, Japan and the Republic of Korea make Thailand an attractive investment destination.

Thailand’s free trade agreements open up access to a market of some 2.8 billion consumers. It is currently improving the efficiency of international and border trade by introducing electronic systems, particularly for one-stop-service centres, one-lane service, joint single inspection points, e-commerce and e-logistics in order to maximise the benefits of trade agreements with other economies.

GATEWAY TO SOUTHEAST ASIA
**Ease of Investment**

Thailand’s infrastructure is on par with international standards. Modern industrial estates, communication facilities, IT networks, and logistics systems ensure optimum business conditions and cost-efficient operations.

For long-term development and competitiveness, infrastructure outside of the capital and key cities is being further developed. This includes a diversified transportation system that will link the country’s road, rail, water and air networks. Business operators will benefit greatly from the development of the nationwide dual-track railway system and the further expansion of road networks.

**Attractive Investment Incentives**

Thailand’s Board of Investment (BOI) and other government agencies offer a range of investment incentives, from duty exemptions or reductions to support services, as well as an array of government-promoted activities to help businesses in Thailand compete and prosper.

In Bangkok, the BOI operates its One Start One Stop Investment Centre. The centre consists of representatives from a number of agencies to assist potential investors and business owners on a range of issues, such as obtaining a foreign business license or registering a company.

In 2010, the BOI approved more than 1,500 projects worth more than USD 16.3 billion. During the first eleven months of 2011, the BOI approved nearly 1,500 projects worth over USD 13.1 billion. Going forward, priority will be given to projects that promote sustainability for Thailand’s key industries, including high technology, agriculture and agricultural products, mines, ceramics and metals, light industries, heavy machinery and transport equipment, electronics and electrical appliances, chemicals, paper and plastic, services and infrastructure.
NET INVESTMENT APPLICATIONS SUBMITTED TO THE THAILAND BOARD OF INVESTMENT

<table>
<thead>
<tr>
<th>Items</th>
<th>2009</th>
<th>2010</th>
<th>2010 (Jan-Nov)</th>
<th>2011 (Jan-Nov)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No of Projects</td>
<td>Total Investment (USD Million)</td>
<td>No of Projects</td>
<td>Total Investment (USD Million)</td>
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<td></td>
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<tr>
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<tr>
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<td>12,540.00</td>
<td>432</td>
<td>5,566.67</td>
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</table>

Source: International Affairs Bureau, Board of Investment as of December 2011

Note: 1) Approval date in a particular month might include projects submitted prior to or in that month because the approval process takes approximately 60 days
2) Statistics do not include application submitted for 1) relocation; 2) BOI privilege-transferred; and 3) existing projects applying for non-tax incentive only according to BOI announcement No. Por. 3/2541
3) Exchange rate: 1 USD = 30 THB (average exchange rate in 2011)

INVESTMENT APPLICATIONS APPROVED BY THE THAILAND BOARD OF INVESTMENT

<table>
<thead>
<tr>
<th>Items</th>
<th>2009</th>
<th>2010</th>
<th>2010 (Jan-Nov)</th>
<th>2011 (Jan-Nov)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No of Projects</td>
<td>Total Investment (USD Million)</td>
<td>No of Projects</td>
<td>Total Investment (USD Million)</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>1,003</td>
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<td>5,033.33</td>
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<tr>
<td><strong>Sector</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Agricultural Products</td>
<td>155</td>
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<tr>
<td>Minerals &amp; Ceramics</td>
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<tr>
<td>Metal Processing</td>
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<td>1,886.67</td>
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<tr>
<td>Electronics &amp; Electrical</td>
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<tr>
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<tr>
<td>Service &amp; Infrastructure</td>
<td>344</td>
<td>4,093.33</td>
<td>454</td>
<td>6,120.00</td>
</tr>
</tbody>
</table>

Source: International Affairs Bureau, Board of Investment as of December 2011

Note: 1) Net application statistics do not include those applications that are returned to applicants
2) Approval date in a particular month might include projects submitted prior to or in that month because the approval process takes approximately 60 days
3) Statistics do not include application submitted for 1) relocation; 2) BOI privilege-transferred; and 3) existing projects applying for non-tax incentive only according to BOI announcement No. Por. 3/2541
4) Exchange rate: 1 USD = 30 THB (average exchange rate in 2011)
Thailand’s key industrial sectors continue to grow and the country is proudly earning its position in the world arena as:

- World’s largest hard disk drive producer and exporter
- World’s largest natural rubber producer and exporter
- World’s largest rice exporter
- World’s 2nd largest sugar exporter
- World’s 12th largest automotive manufacturer.

Apart from building the foundation for successful business operations, Thailand as a trade and investment destination is also backed by strong supporting industries.

The Government has taken important steps to facilitate the setting up of businesses in Thailand by streamlining procedures to make the Kingdom more investor-friendly. In addition, human resources development and skills training are promoted to ensure that Thai workers are attuned to the market demands of the 21st century. With a skilled workforce, Thailand has abundant resources to support the service industry and is a major exporter of specialists to countries where Thai businesses are making new investments.
1. Attract foreign investment in the manufacturing and service sectors that require high value technology and are environmentally friendly, as well as provide technology transfer for Thais; attract investment in building public infrastructure and new cities in appropriate areas; and amend rules and regulations to provide an environment that facilitates investment and investors.

2. Promote a policy of free and fair competition to prevent monopolisation of markets; promote and support the role of public and private organisations working on consumer protection; improve legislation and other measures to ensure fair treatment of consumers; and assure private entrepreneurs of the protection of intellectual property rights of Thai products overseas.

3. Bolster the confidence of both domestic and foreign investors through improvement in laws and regulations that promote trade and investment in the agriculture, industrial and service sectors; improvement in import regulations to prevent unfair trade, dumping and products that do not comply with quality and safety standards; and move towards healthy and sustainable economic growth that distributes economic benefits evenly and remains resilient to current and future global economic transformations.

4. Support Thai investment overseas in areas where Thai entrepreneurs have potential, including investment in manufacturing plants, contract farming, opening of branches abroad and fostering relationships with foreign partners in order to establish strong Thai business networks overseas; promote and support setting up of Thai restaurants by Thai nationals abroad, in line with the ‘Thai Kitchen to the World’ and ‘Thailand: Food Kitchen of the World’ policies.

5. Improve investment promotion measures to include the extension of incentives to businesses in the agriculture, industrial and service sectors, including in tourism and sports, with emphasis given to creative, environmentally friendly, technologically advanced and socially responsible business enterprises.

6. Support proactive market expansion aimed at maintaining presence in traditional markets while penetrating emerging markets in order to lessen the degree of export dependence on traditional markets, through the promotion of exports of goods and services to emerging markets, namely China, India, the Middle East, Africa and Eastern Europe, while maintaining market share in traditional markets; accelerating the development of skills, technology and scientific knowledge that are vital to sustaining competitiveness at the global level, in order to ensure sustainable growth of the country in the future, as well as promote awareness and recognition of Thai products and services among foreign consumers.

7. Develop goods and services that create new income-generating opportunities, as well as meet the demands and preferences of global consumers, taking into account the concepts of innovation-driven creative economy, utilisation of local wisdom, and environmental considerations; reduce costs through the development of distribution networks linking rural production bases with markets of all levels, with emphasis on improving connectivity to bolster Thailand’s position as the region’s gateway to global markets; develop and promote Thailand as an international hub for trade in goods and services, as well as a global hub for Halal food production and exports.

8. Broaden and deepen international economic linkages in trade, investment and marketing through multilateral and bilateral cooperation frameworks and free trade agreements, by expediting the utilisation of existing agreements, setting out appropriate measures to prevent the negative impacts that may arise, providing remedies for those adversely affected, as well as creating awareness and understanding of various economic cooperation frameworks in order to facilitate the development of goods and services in compliance with the relevant rules and standards.

9. Expedite the establishment of Special Economic Development Zones in areas with high potential, with particular attention given to border provinces, in order to promote trade, marketing, investment, employment and sourcing of raw materials from neighbouring countries, making full use of ASEAN’s regional connectivity.
The Kingdom of Thailand has long been a favourite holiday destination for travellers from all over the world. The rich assortment of attractions and wide array of landscapes make the country a unique vacationing locale. From pristine beaches to mountain ranges, ancient temples to gleaming skyscrapers, authentic street food that costs next to nothing to glamorous restaurants not unlike any found in a European capital - Thailand has it all.

To top it off, the charming Thai hospitality is a key ingredient that keeps travellers coming back for more.

Tourism is one of the most important drivers of the Thai economy, contributing over five per cent to the country’s GDP. In 2010, 15.93 million international travellers visited Thailand. In 2011, the number of foreign visitors is expected to rise by over 18 per cent to 18.8 million, with a significant increase in travellers from Asia, Oceania and the Middle East. To help promote growth, the Thai Government has launched the “Miracle Thailand” campaign. Running through 2012, the campaign invites foreign tourists to take part in a number of spectacular celebrations to commemorate His Majesty the King’s 84th Birthday Anniversary in December 2011.
Winning the Hearts of Tourists

Thailand consistently tops travel surveys as one of the world’s most popular tourist destinations. For the second year running, Travel + Leisure travel magazine named Bangkok the world’s best city in its “World’s Best Awards” 2011. The MasterCard Worldwide Index of Global Destination Cities 2011 named Bangkok the third most visited city in the world by international tourist arrivals, ahead of all other metropolises in Asia. Also, it is a common occurrence that several of Thailand’s world-class hotels and resorts are named to top 100 lists of leading travel publications.

Gateway to Asia

Thailand has the fortunate distinction of being strategically located in the heart of Southeast Asia. As such, it is considered a main travel hub for the entire region. Bangkok’s Suvarnabhumi Airport is one of the busiest in Asia, welcoming more than 42 million passengers in 2011. Bangkok is served by hundreds of domestic and international flights each day, connecting Thailand to most major cities in the world. The recently opened Airport Rail Link now makes travel to and from the terminal a breeze. The rail system is also connected to the city’s extensive skytrain and subway networks, allowing for a more convenient and efficient way for travellers to reach the airport. Outside of Bangkok, the country boasts a well-developed infrastructure for travel, including extensive highway, rail and bus networks.

Unparalleled Hospitality

Affectionately known as the “Land of Smiles” for the friendly and easy-going nature of its people, Thailand boasts an unparalleled tradition of hospitality that is known and loved by visitors from all over the world. For centuries, the beaming Thai smile and the charm of the mystical landscape has beckoned tourists back to the Kingdom time and time again.
NATURAL WONDERS

Thailand’s natural wonders are truly diverse, ranging from the pristine beaches of the islands in the southern provinces to the lush foliage of the dense tropical forests in the northern and western regions. The Andaman Sea and the Gulf of Thailand feature some of the world’s most stunning beaches and dive sites, often leaving travellers spoilt for choice. Heading further north, mountain ranges and hills form a stunning backdrop for a day of trekking riding atop an elephant – Thailand’s national symbol and most cherished animal.

RICH HERITAGE

Thailand’s rich history dates back hundreds of years and makes Thai culture one of the world’s most fascinating. Ancient sandstone temples, many of which are World Heritage sites, are found throughout the predominantly Buddhist country. In fact, more than 400 ornate temples are located in Bangkok alone. Gilded temple spires and shiny skyscrapers make the Bangkok skyline truly unique and majestic. Throughout the year, locals and travellers enjoy colorful festivities that reflect the country’s rich history and the ‘Thais’ fun-loving nature. Songkran and Loy Kratong are two of the most popular festivals. During Songkran, people joyously toss water on one another to bless each other and relieve the heat during the height of Thailand’s summer on the occasion of Thai New Year celebration in April. While for Loy Krathong in November, hand-made floats are set adrift on Thailand’s many rivers, streams and canals to let go of the bad parts of oneself and bring good luck as well as to honour and thank the Goddess of Water.

AWARD-WINNING ACCOMMODATION

Thailand possesses an astounding array of excellent accommodation, from quaint hostels for cost-conscious backpackers to lavish five-star hotels that rival any in the world. Data from 2010 showed that there were slightly more than 5,420 hotels and guesthouses in Thailand, constituting 303,154 guest rooms. Bangkok alone is home to about a fifth of all guest rooms in the Kingdom. A recent trend has seen the emergence of so-called “home stay” accommodation. This has become a low-cost and attractive alternative because it allows for travellers to gain an authentic experience of Thai family life.
Delightful culture

Thailand’s culture is truly one of the world’s most unique. While largely based on Theravada Buddhism, concepts originating from the Chinese, Indian, Khmer and Europeans have also had a significant influence, due in large part to the country’s tradition of openness and its geographical location. The effects of these influences can be seen throughout the Kingdom, from arts and architecture, to language and food. With locales including one of the most vibrant cities in the world, along with stunning beaches, lush jungles and mountainous regions, each area of Thailand has its own character with distinctive local customs, arts, music, festivities and culinary traditions. This rich cultural heritage and diverse environment has endowed its people with expertise and creativity in the arts, handicrafts and design that is both inspirational and unique. Thai culture stresses compassion, tolerance and openness, and it is these traits that have allowed Thai people to become receptive to new ideas, thereby enriching Thai society and adding to its charm.

Culinary delight

Of all Thailand’s exports, its food is perhaps the most well known and beloved. As such, the country’s culinary tradition is one of the biggest draws for international travellers. In Bangkok and cities across the country, street food stalls are available around the clock to dish up delectable servings of Thai standards. In addition to food stalls and traditional shop-house eateries frequented by locals, the country features top-notch restaurants serving international cuisine at surprisingly reasonable prices. Thailand - with its large expatriate population - has the diverse range of international cuisine to match. Thai food’s popularity is clearly spreading – a recent article in CNNGO.com named four Thai dishes to its list of the “World’s 50 most delicious foods”, with Massaman curry taking the coveted top spot.
From traditional handicrafts to the most luxurious international brands, shopping in Thailand offers something for everyone. Throughout Bangkok, shopping malls, impromptu street hawkers and open-air markets dot the landscape. Perhaps the best-known shopping destination in the country is the maze-like weekend market, called Chatuchak. Here, vendors selling traditional hand-made goods share the space with young fashion designers and artists. The most picturesque shopping destination is one of the country’s many floating markets, where boat vendors in traditional straw hats sell vibrantly coloured fruits and vegetables, among other exotic goods.

MICE

Thailand is fast emerging as a hub for MICE (meetings, incentives, conventions, events) tourism, owing to its world-class venues and state-of-the-art facilities. Bangkok, Chiang Mai, Phuket and Pattaya are leading the way as prime locations for large-scale meetings and events, where delegates can also enjoy the many attractions from beaches to temples and authentic Thai cuisine.

Health & wellness

Each year, Thailand welcomes throngs of so-called ‘medical tourists’ who travel to the Kingdom to take advantage of the country’s many internationally accredited medical facilities at a fraction of the prices they would pay at home. With state-of-the-art technology, highly qualified medical professionals and excellent service, Thailand is one of the world’s top medical tourism destinations. To accommodate this influx of medical tourists, many Bangkok hospitals have dedicated entire wings to travellers from Europe, Japan, the Middle East and North America, staffing them with doctors who speak the respective languages.
1. As an urgent policy to be implemented in the first year, expeditiously increase income generation from domestic and in-bound tourism by proclaiming 2011-2012 as the “Miracle Thailand” Year and invite foreign tourists to join in the celebrations on the auspicious occasion of His Majesty the King's 84th Birthday Anniversary.

2. Promote tourism, including domestic tourism by Thais, by developing tourism and tourist destinations and ensuring traveller’s safety under all circumstances, supporting ecotourism, cultural tourism, medical tourism and spas with high quality and value addition, and setting a target to double tourism revenue within five years.

3. Promote the development of infrastructure to support tourism, expedite improvement in the standard of facilities, safety and hygiene, with consideration given to accessibility to tourist destinations for the disabled and the elderly.

4. Develop, restore, and revive existing natural, historical and cultural tourist destinations by promoting the development of new destinations in areas with potential for linking nature, culture and local lifestyles, in accordance with the tourism development plan, which sets the framework for the development of tourist destinations, and encouraging investment by the private sector and local administration.

5. Raise and maintain the standard for tourism services to meet international standards by improving the standards of personnel in the tourism sector and public services in order to attract and be able to efficiently service the market for quality tourists.

6. Promote the market for quality tourists, both inbound and domestic, through proactive marketing strategies targeting various groups in Thailand and abroad by making Thailand a world-class tourist destination, a centre for international meetings and exhibitions, as well as a medical tourism hub, and improving efficiency in issuing visas, waiving visa fees for visitors from Thailand’s FTA partner countries, or those with trade and investment relations with Thailand and waiving visa requirements for tourists from target countries.

7. Promote tourism activities to add value to the tourism sector by improving the quality of tourism services, promoting Thailand as a filming location and supporting Thailand’s bid to host international events.

8. Promote inter-agency co-operation to provide quality service to tourists by improving the quality of tourism personnel to meet demands, revising laws and regulations and improving the effectiveness of law enforcement to facilitate tourism, ensuring safety, preventing the exploitation of tourists, resolving environmental problems and developing a sustainable tourism industry.

9. Improve marketing and public relations by promoting the roles of local administration and the private sector in designing marketing and public relations policies and strategies to make Thailand a globally recognised tourist destination.

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**International Tourist Arrivals to Thailand by Region 2009-2011**

<table>
<thead>
<tr>
<th></th>
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<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>East Asia</td>
<td>7,076,190</td>
<td>-6.91</td>
<td>8,167,164</td>
<td>15.42</td>
<td>7,277,467</td>
<td>9,289,474</td>
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<td>9.42</td>
<td>3,861,809</td>
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<td>12.63</td>
<td>14,116,649</td>
<td>17,105,283</td>
<td>21.17</td>
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</table>

Source: Department of Tourism, Ministry of Tourism and Sports
The Royal Thai Government has adopted an outward-looking foreign policy that emphasises the promotion of mutually-rewarding relations with all countries through bilateral, sub-regional, regional and multilateral frameworks. In particular, Thailand has sought to deepen and broaden co-operative endeavours with neighbouring countries as well as to strengthen partnership at all levels with strategic countries and economic partners around the world.

In addition, the Kingdom will further strengthen regional co-operation, particularly within the Association of Southeast Asian Nations (ASEAN), and promote – as an active and responsible member of the international community – interaction with the global community in a wide spectrum of issues – from trade and development to peace and security, from the promotion and protection of democratic values and human rights to the conservation and preservation of our natural environment, and from food and energy security to human security and humanitarian issues.
Strengthening Co-operation with Neighbouring Countries

Once a net recipient of foreign aid, Thailand is now an emerging donor country, with several initiatives being implemented to facilitate sustainable development within the region in general and the sub-region in particular. Through bilateral, sub-regional and regional frameworks, Thailand will enhance technical co-operation and capacity-building, sharing with others our experience and best practices in various areas such as agriculture, health, water management, tourism and education.

The Greater Mekong Sub-region (GMS), comprising Cambodia, Lao PDR, Myanmar, Thailand, and the provinces of Yunnan and Guang Xi of the People’s Republic of China, seeks to enhance connectivity with a view to promoting sub-regional competitiveness and a greater sense of community. Thailand is committed to pushing for substantial progress of the GMS and has been actively involved with several infrastructure development projects, as well as human resources development programs.

In 2003, another initiative called the Ayeyawady–Chao Phraya–Mekong Economic Cooperation Strategy (ACMECS) was established. Co-operation under this framework is aimed at helping reduce economic disparities within the sub-region. To this end, Thailand has been co-operating with its neighbours through a number of bilateral and joint projects with Cambodia, Lao PDR, Myanmar and Vietnam.

Recent developments in the region have also led to co-operation with other countries such as Japan, the Republic of Korea and the United States of America that brings together the sub-region and these respective countries in collective undertakings based on shared goals and aspirations to advance sustainable development in the area.

Thailand has also been providing humanitarian assistance to its neighbours during times of hardship. When parts of Myanmar was struck by Cyclone Nargis in 2008, Thailand was among the first countries to send in rescue and medical teams as well as emergency humanitarian supplies, and later helped rebuild the country’s infrastructure.
Focusing on ASEAN Community Building

Thailand has been a major player in contributing to the progress of ASEAN – the grouping which it co-founded with Indonesia, Malaysia, the Philippines and Singapore in 1967 and presently includes ten countries in Southeast Asia. In addition to being ASEAN's birthplace where the Bangkok Declaration was signed, Thailand took the initiative to transform ASEAN into a Free Trade Area, a single market of around 600 million people. Moreover, Thailand has endeavoured to realise the goal of creating an ASEAN Community by working with other member countries to make ASEAN a more people-centred organisation, encourage respect for human rights, enhance ASEAN's constructive role in international fora and expand co-operation with other countries and regions through various co-operative frameworks.

From July 2008 to December 2009, Thailand had the honour of serving as the ASEAN Chair, during which it pursued the above aspirations. It was also during Thailand's chairmanship that the ASEAN Charter, which formalises ASEAN as a legal entity and sets forth its guiding principles and structure, came into force on 15 December 2008. Another important milestone during the Thai chairmanship was the establishment of the ASEAN Intergovernmental Commission on Human Rights (AICHR) in October 2009, marking the first step in ensuring that the ASEAN Community will develop into a caring and sharing community.

Thailand is determined to remain active in promoting physical and cultural connectivity within ASEAN and beyond with a view to linking Southeast Asia with East Asia and South Asia, creating a market of approximately three billion people and promoting mutual understanding across cultures. This would complement the free trade agreements (FTAs) between Thailand and ASEAN on the one hand, and other countries or regional groupings such as China, India, Australia, New Zealand and Japan, on the other.
THAILAND along with other ASEAN member countries – emphasising the open and outward-looking nature of the organisation – have been promoting close co-operation with Dialogue Partners and other strategic alliances, including within the framework of the ASEAN Plus Three which includes the People’s Republic of China, Japan and the Republic of Korea, and the East Asia Summit (EAS), with such countries as Australia, India, New Zealand, the Russian Federation and the United States of America also actively taking part. These have resulted in a number of new initiatives, including those helping to strengthen financial stability within the region to prevent a recurrence of the 1997 Asian financial crisis. With the rise of China and India, and given the increased importance of Asia as the engine of growth for the next millennium, these intra-Asian co-operative endeavours will be significant in the global fora.

THAILAND has also been a key player in the Asia Pacific Economic Co-operation (APEC) forum since its establishment in 1989. The Kingdom remains committed to APEC’s goals of free and open trade and investment in the Asia-Pacific. Meanwhile, Thailand continues to actively pursue co-operation under the multilateral trading system under the World Trade Organization (WTO) as well as to support the successful conclusion of the Doha Round of negotiations.

ADDRESSING GLOBAL CHALLENGES

Since its entry into the United Nations in 1946 as the organisation’s 55th member, Thailand has been responsibly working in partnership with all UN agencies to address global challenges and agendas – from terrorism to peacekeeping to human security and humanitarian assistance, and from infectious diseases to the environment and climate change. It also recognises the necessity of spreading the message of peace, tolerance and harmony, through such efforts as interfaith dialogue. Its foreign policy will continue to promote the voice of moderation to ensure better understanding among the peoples of the world.

Human security and human rights are key pillars of Thailand’s foreign policy. Thailand was successfully elected to the Human Rights Council (HRC) for the first time for the term 2010-2013. Furthermore, in June 2010 Thailand was elected, by acclamation, as the President of the Council for a period of one year. The fact that Thailand has been elected both as a member and then President of the HRC clearly reflects the global community’s confidence in Thailand and its human rights policy and standards.
Committed to promoting the principles and ideals of democracy, Thailand is ready to share experiences of its democratic development with other countries. In this regard, the Kingdom looks forward to continue playing a constructive role in the HRC, to which Thailand will stand for election once again for the term 2015 - 2017, as well as in other relevant international fora, including the Community of Democracies.

Thailand once served as non-permanent member of the United Nations Security Council (UNSC) in 1985-1986 and has presented its candidature for a seat in the UNSC as a non-permanent member for the term of 2017-2018. Thailand is confident that as a member of the UNSC, it can work closely and constructively with other members in strengthening multilateralism, peace and security for the benefit of the international community as a whole.

Thailand believes that conflict prevention through preventive diplomacy is the most efficient way to maintain international peace and security, as well as to uphold human rights. Over the past two decades, Thai military and police officers as well as civilian personnel have served in various UN peacekeeping missions around the world in countries as near as Cambodia, Timor-Leste and Nepal and as far away as Bosnia and Herzegovina, Burundi, Sierra Leone, Sudan and Haiti.

Thailand attaches great importance to fostering international partnership to attain the UN Millennium Development Goals. Having faced the devastating effect of a natural disaster itself in the aftermath of the tsunami in December 2004, Thailand has also been doing its part in providing humanitarian assistance – in cash and in kind – to those affected by natural disaster around the world, including, among others, victims of the Haiti earthquake in January 2010 and the earthquake and tsunami that struck Japan in March 2011.

As a responsible member of the international community, Thailand has also played its part in sharing experiences with other developing countries through bilateral and trilateral frameworks, such as projects on HIV/AIDS prevention and on crop substitution as part of the efforts to tackle the narcotic drug problem. On the environmental front, Thailand has designated addressing the problem of climate change as a national priority, having it incorporated in the country’s Eleventh National Economic and Social Development Plan for the years 2012-2016 with the aim of moving Thailand towards a Low Carbon Society. As a Non-Annex I Party under the United Nations Framework Convention on Climate Change (UNFCCC), Thailand has seriously implemented various voluntary policies and measures to address both the adaptation and mitigation components of climate change.

Thailand’s progress and well-being are intertwined with that of the region and the global community. The Kingdom is firmly committed to moving forward in partnership with its neighbours, ASEAN and the rest of the world in addressing global challenges and promoting peace, diversity and harmony.
1. As an urgent policy to be implemented in the first year, expeditiously restore relations and develop co-operation with neighbouring countries and other foreign countries so as to boost economic growth in the region, in particular expeditiously address border issues via diplomatic procedures based on relevant treaties and laws, pursue the obligation to integrate into an ASEAN Community in 2015 in the political-security, economic and socio-cultural aspects, as well as link intra-regional and inter-regional transportation.

2. Expedite the promotion and development of relations with neighbouring countries by enhancing co-operation between the public sector, private sector, people and the mass media in order to cultivate mutual understanding and instill closeness among all sectors which will lead to expanded co-operation in the areas of economics, trade, investment, tourism promotion, transportation and others under sub-regional frameworks so as to promote good neighbourly relations.

3. Create unity and promote co-operation among ASEAN countries in order to realise the goal of creating an ASEAN Community, as well as promote co-operation with other countries in Asia through various co-operative frameworks, and prepare all sectors for the move towards becoming an ASEAN Community by 2015 in the political-security, economic and socio-cultural areas.

4. Take on a creative role and promote the national interest in international organisations, specifically at the United Nations and regional organisations in order to preserve peace and security, promote the democratic process, human rights, humanitarianism, the environment and sustainable development, as well as co-operate to address all transnational issues that affect human security.

5. Strengthen co-operation and strategic partnership with countries, groups of countries and international organisations that play important roles in global affairs in order to boost confidence in Thailand, as well as build capacity and immunity for the Thai economy.

6. Encourage people-to-people contacts with foreign countries, as well as promote a positive image and technical co-operation with developing countries so that people, governments and the international community will have positive attitudes toward the Thai people and Thailand.

7. Promote public awareness and understanding of border issues and global changes that affect Thailand so as to forge consensus in the formulation and implementation of foreign policy.

8. Support ”People Diplomacy” to safeguard the interests of Thai nationals, as well as protect Thai nationals and Thai workers abroad, specifically those employed and living overseas, in addition to strengthening and promoting the role of Thai communities in preserving their Thai identity.

9. Utilise regional connectivity within the ASEAN region and sub-regions in order to expand the economic base in terms of production and investment, prioritising the development of provinces and groups of provinces situated along the economic corridors and border areas.

10. Co-ordinate the work of government agencies overseas in accordance with the ”Team Thailand” policy in order to carry out foreign affairs efficiently, effectively and with high quality.

11. Promote close co-operation with Muslim countries and international Islamic organisations to create a correct understanding of Thailand’s endeavours to resolve the issue of the Southern Border Provinces, as an important internal issue, by following His Majesty the King’s advice to ”Understand, Reach Out and Develop.”