

# TRADE AND INVESTMENT OPPORTUNITIES

As the finest strands of Thai silk are woven together to create a rich tapestry of colours, we have put together all the elements that can brighten up trade and investment opportunities in Thailand.

\* Work of Thai traditional art by the SUPPORT Training Center at Chitralada Villa of Dusit Palace



## Think Asia, Invest Thailand

Thailand has so much to offer to those looking for business opportunities both within Thailand and throughout Asia. Over the years, it has maintained a welcoming environment for foreign trade and investment. The current government has recently reaffirmed its strong support to the trade and investment communities by reducing trade and investment barriers while also further enhancing the country's business and investment climate.

### Asian Hub

With Asia currently displaying unmatched market growth, trade and business opportunities in Thailand promise big rewards. Asian giants China and India are now reversing the global power balance and changing the patterns of international trade and business. By 2020, it is projected that Asia will comprise almost half of the world's economy.



in 2015. Economically, ASEAN is envisioned as a community of connectivity, a single market and production base, making ASEAN a more dynamic and stronger segment of the global supply chain.

Thailand's convenient access to the giant markets of China and India, as well as to other East Asian countries such as the Republic of Korea and Japan, brings this huge consumer market to even bigger proportions. In addition, Thailand's friendly relations and expanding free trade agreements with other countries further open up trade access to three billion consumers.

Thailand's strategic location in Southeast Asia, being the gateway to Indochina and given its pivotal role in the Association of Southeast Asian Nations (ASEAN), offers significant opportunities for trade and investment. Southeast Asia is already home to more than 570 million consumers – a huge market that is expected to gain even more strength when the ASEAN vision of One Community materialises

In order to optimally utilise its free trade agreements with other economies, Thailand 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 systems. Additionally, it will seek to improve and accelerate the tariff appeals process.

## Doing Business 2010 Economy Rankings

No.	Economy	Ease of Doing Business Rank		Starting a Business	Protecting Investors	Paying Taxes	Trading Across Borders	Enforcing Contracts	Closing a Business
		2010	2009						
1	Singapore	1	1	4	2	5	1	13	2
2	Hong Kong, China	3	4	18	3	3	2	3	13
3	Thailand	12	13	55	12	88	12	24	48
4	Malaysia	23	20	88	4	24	35	59	57
5	Taiwan, China	46	61	29	73	92	33	90	11
6	China	89	83	151	93	130	44	18	65
7	Vietnam	93	92	116	172	147	74	32	127
8	Brunei	96	88	153	119	22	48	160	37
9	Indonesia	122	129	161	41	126	45	146	142
10	India	133	122	169	41	169	94	182	138
11	Philippines	144	140	162	132	135	68	118	153
12	Cambodia	145	135	173	73	58	127	141	183

Source: World Bank's Ease of Doing Business Survey, Doing Business 2010 Report



## Easy Business

Thailand's infrastructure is being continually developed to world-class standards in order to support the growth and development of key economic sectors. Modern industrial estates, communication facilities, and logistics systems help achieve cost-efficient business operations.

For long-term development and competitiveness, the current administration has also expressed intention to further improve the national infrastructure. This includes developing a diversified transport system that links the country's road, rail, water and air transportation networks. Business operators will greatly benefit from the development of the nationwide dual-track railway system and the further expansion of the road network.

These national infrastructure improvements are geared towards further enhancing the country's logistics system, by linking regional and international production bases in the country with Laem Chabang Deep Seaport and Suvarnabhumi International Airport.

## Invest Thailand

The Thai government has declared 2009 as the "Thailand Investment Year", a special time when investment in key target sectors will receive maximum benefits from the government through the Thailand Board of Investment (BOI). The current emphasis is on investment in priority industries such as infrastructure development, renewable energy and agro

industry. Given the volatile energy market, people are now already looking forward to plenty of opportunities in Thailand as far as alternative fuel is concerned because of the country's broad and strong agricultural base.

### Thailand Investment Year promotion packages are offered to investors in six key industries:

- Activities related to energy conservation and alternative energy
- Activities related to high technology
- Activities related to manufacturing eco-friendly materials and products
- Activities related to mega-projects
- Activities related to tourism and real estate
- Activities related to high technology agro-business

Thailand's Southern Seaboard Development Project also offers many investment opportunities. It is strategically located on Thailand's southern peninsula, with harbours facing the Andaman Sea and Indian Ocean on the west, and the Gulf of Thailand and South China Sea on the east. This area has close proximity to Malaysia, Indonesia, Singapore, India and the world's major shipping routes through the Straits of Malacca. A portion of this development project will be set aside for industrial estates for such industries as steel, power generation and inland transportation.



## Foreign Investment Projects Submitted to BOI

	2004	2005	2006	2007	2008
Total investment (no. of projects)	1,268	1,358	1,357	1,317	1,262
Total Investment (mil. USD)	19,189.68	20,605.44	15,041.56	19,172.10	13,054.08
Total Foreign Investment (no. of projects) <sup>1)</sup>	749	849	823	845	832
Total Foreign Investment Value (mil. USD)	8,979.47	14,590.88	8,998.77	14,695.30	8,700.26
- 100% Foreign (no. of projects)	334	426	421	461	458
- 100% Foreign (mil. USD)	3,206.41	3,838.96	3,780.00	6,844.98	4,074.38
- Joint-Venture (no. of projects) <sup>2)</sup>	415	423	402	384	374
- Joint-Venture (mil. USD)	5,773.06	10,751.92	5,218.78	7,587.07	4,625.88
100% Thai (no. of projects)	463	460	483	426	411
100% Thai (mil. USD)	8,865.05	5,023.84	5,455.66	3,853.47	4,004.30
Other Investment (no. of projects) <sup>3)</sup>	56	49	51	46	19
Other Investment (mil. USD)	1,345.16	990.73	587.13	623.34	349.52

Note: 1) Foreign investment projects refer to projects with foreign capital of at least 10%.

2) Joint-venture projects refer to joint projects between local Thai investors and foreign partners with foreign capital of at least 10%.

3) Other investment projects refer to joint-venture projects between local Thai investors and foreign partners with foreign capital of less than 10%.

Source: International Affairs Bureau, BOI as of 22 July 2009

Exchange rate: USD 1 = THB 34.19 (Bank of Thailand, as of 8 September 2009)

## Foreign Investment Projects Approved by BOI

	2004	2005	2006	2007	2008
Total investment (no. of projects)	1,227	1,254	1,220	1,342	1,253
Total Investment (mil. USD)	17,570.31	16,707.90	10,924.49	21,775.11	14,616.17
Total Foreign Investment (no. of projects) <sup>1)</sup>	734	782	751	836	838
Total Foreign Investment Value (mil. USD)	9,280.23	9,529.89	7,798.86	14,788.30	10,270.31
- 100% Foreign (no. of projects)	377	414	404	479	496
- 100% Foreign (mil. USD)	3,742.09	4,070.52	3,635.30	6,961.22	4,673.03
- Joint-Venture (no. of projects) <sup>2)</sup>	357	368	347	357	342
- Joint-Venture (mil. USD)	5,538.14	5,459.37	4,163.56	7,827.08	5,597.28
100% Thai (no. of projects)	444	431	436	452	400
100% Thai (mil. USD)	6,972.01	6,681.20	2,666.28	6,445.42	3,901.96
Other Investment (no. of projects) <sup>3)</sup>	49	41	33	54	15
Other Investment (mil. USD)	1,318.05	496.81	459.32	541.39	443.90

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Thailand's key industrial sectors are consistently growing and the country is proudly earning its position in the world arena:

- World's largest hard disk drive (HDD) producer
- World's largest natural rubber producer
- World's 12<sup>th</sup> largest automotive producer
- World's 18<sup>th</sup> largest tourist receipts
- World's 19<sup>th</sup> largest economy by purchasing power



### Foreign Investment Projects Applying for Promotion Classified by Sector

Sector \ Year	2004		2005		2006		2007		2008	
	No. of Projects	Investment	No. of Projects	Investment	No. of Projects	Investment	No. of Projects	Investment	No. of Projects	Investment
Agricultural Products	82	658.20	51	462.95	46	814.78	46	260.63	62	494.75
Minerals and Ceramics	18	1,885.56	21	3,670.63	32	752.65	27	805.89	30	570.90
Light Industries/Textiles	61	242.60	85	3,389.18	73	273.55	59	261.52	73	376.96
Metal Products and Machinery	223	1,504.59	250	4,134.00	220	1,515.74	228	4,490.52	214	2,051.95
Electric and Electronic Products	152	2,322.64	173	2,417.65	180	2,099.38	153	2,310.18	144	1,958.00
Chemicals and Paper	107	1,367.55	126	2,188.48	80	1,182.56	129	2,919.26	103	1,118.82
Services	106	998.29	143	1,368.82	192	2,447.89	203	3,650.31	206	2,128.87
<b>Total</b>	<b>749</b>	<b>8,979.46</b>	<b>849</b>	<b>17,632.71</b>	<b>823</b>	<b>8,271.78</b>	<b>845</b>	<b>14,695.29</b>	<b>832</b>	<b>8,700.25</b>

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Sector \ Year	2004		2005		2006		2007		2008	
	No. of Projects	Investment	No. of Projects	Investment	No. of Projects	Investment	No. of Projects	Investment	No. of Projects	Investment
Agricultural Products	82	675.13	45	334.30	39	326.17	43	684.84	54	282.94
Minerals and Ceramics	17	1,739.22	18	254.50	21	74.42	28	947.03	33	733.29
Light Industries/Textiles	63	377.99	76	282.08	75	272.03	58	276.17	67	303.34
Metal Products and Machinery	231	1,932.18	227	4,124.87	232	1,586.41	212	3,568.87	220	2,548.73
Electric and Electronic Products	146	2,616.74	162	2,510.10	166	1,694.59	175	2,933.59	141	1,758.79
Chemicals and Paper	103	1,484.77	129	1,044.34	81	2,945.20	114	2,821.04	117	1,220.73
Services	92	454.21	125	979.74	137	900.06	206	3,556.77	206	3,422.50
<b>Total</b>	<b>734</b>	<b>9,280.24</b>	<b>782</b>	<b>9,529.92</b>	<b>751</b>	<b>7,798.88</b>	<b>836</b>	<b>14,788.31</b>	<b>838</b>	<b>10,270.33</b>

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Apart from building the foundation for successful business operations, Thailand as an investment location is also backed by strong supporting industries. The Thai government has also taken vital steps in helping facilitate the setting up of businesses in Thailand by creating one-start-one-stop centres. In addition, human resources development and skills training are promoted to ensure that Thai workers are always attuned with modern technology.



The present government's economic stimulus package, worth over 1.5 trillion baht or around USD 45 billion over the next three years, offers potential investors, Thai and foreign alike, vast opportunities for investments in major infrastructure development schemes such as those concerning transport, logistics, education, telecommunications and energy.

