

Why Thailand ?

For more than two decades, Thai governments have understood that for Thailand to be attractive to foreign investors, there needs to be progressive investment promotion policies and sufficient infrastructure.

Thailand has had one of the fastest-growing economies in the world. This is in large part due to the Thai government's consistent commitment to the private sector as the engine of growth. With a consistently strong, market-oriented economy, a strategic location at the center of Asia, well-developed and modern infrastructure, a government that is responsive to investor needs and concerns, liberal investment policies, and social stability, it is easy to see why Thailand has long been one of the preferred destination for foreign direct investment. This trend continued in 2007, with the Board of Investment receiving a record number of applications for investment privileges.

It is little wonder then that in its Ease of Doing Business, the World Bank continued to move Thailand towards the top by ranking the Kingdom # 15 for 2008, just behind Sweden, Finland, Japan and Norway, and up three positions from the previous year. Moreover, Thailand ranks 4th in East Asia. This is an accomplishment that was achieved in the midst of political uncertainties and which clearly reflects the overall strength and stability of the country. The change in ranking was prompted by the improvements that Thailand has made in trading across borders.

Likewise, the United Nation Conference on Trade and Development in its World Investment Prospects Survey 2007-2209 gives Thailand good marks, coming in at # 11, behind Poland and Germany with shared tenth place and preceding France. UNCTAD's World Investment Report notes that the country seems poised to attract value-added FDI, which is something the BOI has been working towards to support Thailand's transition into a knowledge-based economy that offers a strategic gateway into ASEAN.

Opening a business takes less time than the world average, and overall licensing procedures are simple and transparent. Government spending is also low as a percentage of GDP. Thailand's labor market is highly flexible and firing a redundant worker is not difficult.

In addition to the high marks that Thailand receives continuously from multilateral organizations with regard to its business climate, the country also fares well when specific manufactured products are looked at.

Thailand's real estate market is a good reflection of the overall competitiveness of the country and the ability of expatriates to find centrally located and affordable housing. For expatriate families, the ability to combine an attractive investment location with a personal low cost environment the attraction of Thailand is obvious. In addition, when it comes to education, the International Herald Tribune reported that Thailand is leading the way in providing an international option. The country is home to over one hundred international schools, with classes in English, Japanese, French, German and Chinese as well as other languages.

With high scores at the national level for the business environment, costs and level of government support, investors find Thailand to be an excellent addition to an overall ASEAN investment portfolio. As Thailand strengthens its position as a strategic gateway into ASEAN, and further into Asia with its increasing FTA regime, investors will not only continue to find Thailand the best choice for investment, but also the most enjoyable and welcoming.

Let's take a look at why investors find Thailand a good place to do business.

Gateway to Asia.

Thailand serves as a gateway to Southeast Asia and the Greater Mekong sub-region, where newly emerging markets offer great business potential. Thailand, it is convenient to trade with China, India and the countries of the Association of Southeast Asian Nations(ASEAN), which has a cumulative population of more than 500 million.

Hub of Asian

Thailand was one of the founding members of Asian and has been instrumental to the formation and development of the ASEAN Free Trade Area a member of ASEAN, Thailand has forged closer economic cooperation with ASEAN member Nations, and Thai manufactures products and services to the markets of ASEAN, which includes all 10 ASEAN countries. ASEAN is home to more than half a billion people, GDP in excess of US\$ 700 billion, ASEAN trade of more than US\$ 1 trillion per year.

Social and political stability

Thailand is a welcoming Buddhist country. The country's form of government-constitutional monarchy-allows democratic process and reforms balanced by the Thai people's peace-loving nature, high reverence for the Thai Monarchy, and devotion to the teachings of Buddhism. While the vast of the people in Thailand are Buddhist, all religions are welcome, and His Majesty the King is the patron of all religions.

Growing economy

Economically, this country of 64 million people is characterized by steady growth. Abundant natural resources and skilled and cost-effective work attract foreign investment, enables them to prosper and help develop industry in Thailand.

FDI policies

The country's well defined investment policies focus on liberalization and encourage free trade. Foreign investments, especially those that contribute development of skills, technology and innovation are actively promoted by the government. Thailand consistently ranks among the most attractive locations in international surveys.

Government support and incentives

Numerous government agencies support investors. Through the Board of Investment, the government offers a range of tax incentives, support services, import duty concession available to an extensive list of businesses that are regarded as priority or promoted activities.

Through the Board of Investment, there are no foreign equity restriction in manufacturing sector, no local content requirements, no export requirement, as Thailand's investment regime is in total compliance with WTO regulations.

The Board of Investment also coordinate the activity of the One-Stop Service center for Visas and Work Permits, which enable foreign staff of BOI promoted companies to obtain work permits and long-term visas within 3 hours or less.

Other government organizations, like the Department of export Promotion, and International Chamber of Commerce, provide invaluable support and a host of other important services.

Long-established and newly emerging industries

With strong economic development and strong support industries, the country's industrial production has grown and diversified rapidly both in the established and newly emerging industries.

The government has placed emphasized on attracting investment in 6 key sectors that have been determined as key to the country's development objectives. These 6 target industries include : agriculture and agro-industry, alternative enrgy, automotive, electronics and ICT, fashion, and value services including entertainment, healthcare and tourism.

Friendly and rich culture

Thailand has gained a well-known reputation throughout the world for its gracious hospitality. The friendliness of its people and the diverse nature of Thai culture make visitors feel at home in Thailand.

Education and healthcare services

Thailand's educational standards are accepted by many international examining bodies, while its universities are outstanding in many fields. The government has recognized the need to promote the development of international schools, both to permit the offspring of foreign investors to international-standard education and to facilitate Thai students to prepare for tertiary education aboard. Accordingly, there are numerous schools and colleges that follow the American, British and Japanese educational system, and students from these schools are accepted at some of the world's finest universities.

In term of healthcare, the country has developed a good reputation globally, due to its internationally qualified doctors and medical staff, and modern facilities and equipment. It is so good that one of the fastest-rising tourism sectors is medical tourism, with international patients visiting Thailand to take advantage of Thailand's world-class and extremely affordable healthcare system.

Excellent Infrastructure

What remains one of the Kingdom's best selling features is the excellent state of infrastructure in the country, resulting from clear thinking and responsive government policies that have been initiated over many years. And the situation only continues to improve as Thailand's government embarks on new mega-projects and undertakes to reduce logistics costs even further. The growing strength of Thailand's modern infrastructure is already reflected in port expansion operations, road and rail work, and on Bangkok's modern mass transit systems.

International Airports

Thailand has developed an extensive air transport network that encompasses 28 commercial airports, meaning that all Thailand's regions are about an hour's flight from Bangkok.

In addition to Suvarnabhumi International airport, which currently handles in excess 45 million passengers, 6.4 million metric ton of cargo per year, also Thailand has international airports in Phuket, Chiang Mai, Chiang Rai, Hat Yai and Hoh Samui.

Road network

Thailand is widely acknowledged as having the most extensive road transportation network of more than 250,000 kilometers, more than 40% of which are international standard highways that provide links to every province.

There are more than 225 km of inter-city motorways creating links between Bangkok and other major regions of the Kingdom, and the government enhancing inter-city motorways, which are expected to stretch to 4,150 kilometers of 4 lane roads.

The signing of the Asian Highway Agreement on April 26, 2004 strengthens Thailand's connection to the rest of the world for land-based trade and transportation linking it to 32 countries in Europe and Asia. The importance of these interconnections will increase dramatically as Thailand's free trade agreements with the People's Republic of China, ASEAN and India kick in, making Thailand a crucial hub for international production and trade.

World Class Seaports

Laem Chabang, with its bustling seven container terminals, which will expand to 13 terminals by 2011, had 2007 traffic of approximately 4 million TEU. This vibrant port has been rated ninth in the world by Containerization International in terms of capacity to accommodate cargo services. Likewise, Map Ta Phut hosted 7 terminals that handle more than 21 million tons of cargo in 2007, and which also has tank farms and liquid jetties to accommodate the petrochemicals industry. A railway runs from Bangkok along the coastal region through to Map Ta Phut and a double track line runs to Chachoengsao, which is to become a link between the Eastern Seaboard region and central and northeast Thailand. Other important ports include Klong Toey in Bangkok, Ranong, Phuket and Songkla providing access to the Gulf of Thailand, Andaman Sea and beyond.

Rail and Mass Transit Systems

Thailand's rail transportation, which dated back more than century, is extensive, covering 4,000 km on three lines, intersecting in Bangkok. The system offers affordable transportation from the Malaysian border to northernmost provinces and Kanchanaburi in the west. The system connects with Malaysia's national system, providing direct linkages down to Singapore, and a railway link to across the Mekong is under construction at Nong Khai.

To help alleviate traffic in Bangkok, the government has been developing mass transit systems. In 1999, the first system, known as the Skytrain (BTS), opened on overhead tracks. The system covers 55 km, serving 23 stations on two lines, and carries approximately 300,000 passengers per working day.

In mid-2004, the Bangkok Subway (MRT) opened, providing service at 18 stations over a 20 km distance. The system, which intersects with the Skytrain, can carry 50,000 passengers an hour in each direction. The government plans to expand the system to 297 km and 82 stations next six years.

Telecommunications

Reflecting Thailand's drive to move from a labor intensive economy towards one that is knowledge-based, the country is making considerable inroads in building an ICT infrastructure, including broadband and WIFI service and extensive telecommunications. In fact, mobile phone market penetration now exceed 65% with more than 8 million users. With an IT market experience double digit growth, the infrastructure just gets better and better.