

Investment Mission Report

1. Project Name

Thai Press and Organization Investment Mission to Northeastern Part of Thailand

2. Implementation venue, period:

Bangkok, Korat, Kong Kaen, Thailand, January 31 – February 6, 2010.

3. Observations and reports

- The objective of this investment mission is to visit northeastern part of Thailand and to update investment related information for press and investment related local economic organization. Thailand is recently laying emphasis of investment missions on participation of both, to strengthen its public relation activities, and local economic organization which assists local companies' foreign direct investment. This mission was dispatched along the line.



- We visited Nakornrachasima or Korat which is located to the northeast of Bangkok and about 2.5 hours through highway, though it took more than four hours by bus. Also, it takes 3 hours to Laemchaban Port, 2 hours to East-West Economic Corridor and 7 hours to Vientiane. The time to Bangkok will be only 1.5 hours in the future by using the planned new highway. The population is 2.6 million which is in the second place after Bangkok in Thailand.

● The second place of visit was Khon Kaen which has the population of 700 thousand and is the center of northeaster region even though the population is not large, because Bangkok is too far from many parts of the region. There are 3 universities with 40 thousand students including more than 100 students returned from study in Japan, is one of the best medical schools in Thailand and an international school. The number of Japanese who work with Japanese companies is only about 10, though the share of Japanese companies' investment is the largest among foreign direct investment.

- Thai BOI has set this northeastern area as BOI zone-3 which is given the biggest benefit such as corporative income tax exemption for 8 years, import tax reduction for machineries and raw materials for export products to promote investment to create jobs for abundant labor force in the area.

- Thai BOI is expecting Japanese companies to invest in Thailand in industries including service such as public services, alternative energy, Electric and electronics and agro based industry. Also, Thai government intends to promote automobile industry of Thailand so that the country becomes the center of automobile production in ASEAN.



In that sense, Japanese companies' role is significant and actually about 70 % of goods used in daily life are Japanese, from motorcycles to processed foods.

- Thai BOI opened the center named OSOS (One Stop One Service) on November 23, 2009, under the leadership of PM Abhisit. Representatives of 21 organizations of 10 ministries



work at the Centre for giving advises, doing consultations, business and tax registration, arrangements of VISA and working permit, etc. During 39 working days from the opening until January 20, 404 groups of investors visited the Center. The number of Thai visitors is larger than the number of foreign visitors, but the number of Japanese is the largest among foreign visitors.

- According to the senior advisor in JETRO, Thai economy is now recovering strongly,

owing to the recovery of exports of hard disk drive, whose export from Thailand is the largest among the world overtaking Malaysia, and automobiles. GDP of 2009 would decrease by 2.8% and the GDP growth rate for 2010 will be about 3-5%. Many Japanese companies still are seeking opportunities for investing in Thailand which looks like capital of ASEAN. About 70 % of Japanese SMEs in Thailand are profitable, and many of them have grown to be larger than parent company in Japan. Japanese companies are real investors to contribute to local economy because they lay importance on human resources development.