

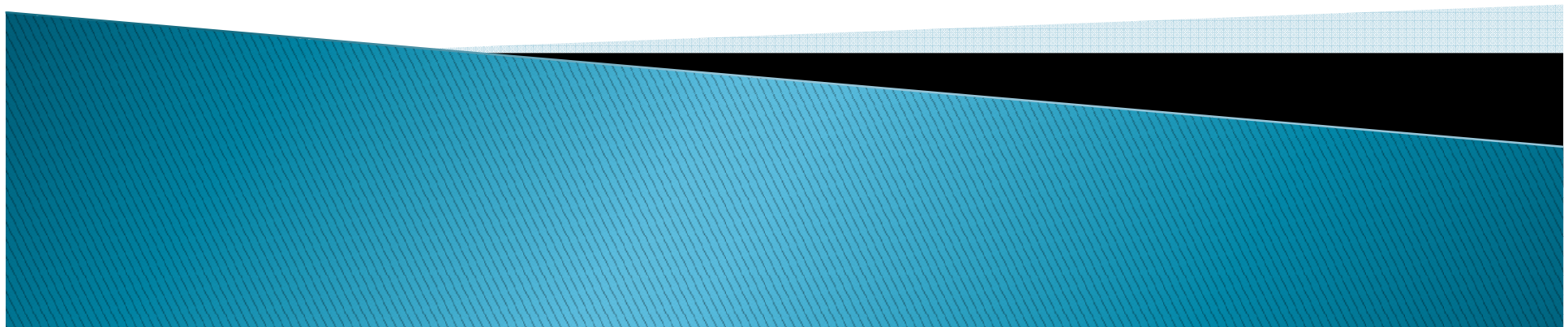


## Joint Foreign Chambers of Commerce in Thailand

# Thailand's Investment Environment: Looking Forward Opening remarks

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Chairman, JFCCT

**15 July 2009**





# Where we are

Some economic indicators show both progress and confidence building:

- ▶ Exports
- ▶ Local consumption

BUT : overall Thailand is slipping in a number of areas –

Tax and other incentives are part of it, but:  
Reforms (including structural reforms) of key sectors are needed.



# **Manufacturing worked – now services?**

**Manufacturing sector liberalisation – good for that sector and economy overall.**

**Services liberalisation has stalled**

**Near 100% of applications under list 3 are approved, why not open up?**

**Use FBA list 3 mechanism to open up and leave only a smaller target list of protected industries for future review**



# AFAS Target Foreign equity levels

	Air Transport. e ASEAN. Healthcare. Tourism.	Logistics	All remaining Service sectors
2008	51%	49%	49%
2010	70%	51%	51%
2013		70%	51%
2015			70%

-----Priority sectors-----

## Competition for skills and capital !



# Enablement over handouts

## Enablement

- ▶ Access to capital
- ▶ Education
- ▶ Structural reforms of sectors for greater efficiency and contribution to the economy



# Key sectors

## ICT

Telecoms sector needs reform – evolution of SOEs to reduce protections and rebuild them

Avoid creating new monopolies

Proposed 3G rules are unattractive and almost unworkable – need concession conversion first before 3G.

## Finance & Banking

Access by SMEs and start ups

## Property:

Is it well used as a competitive enabler?



# Investment Success in Thailand

## *Needs today*

- ▶ Key sector reforms, not just incentives
- ▶ Opening up services sector
- ▶ Review Foreign Business Act Lists
- ▶ Liberalization of services
  - Implement reforms and changes
- ▶ Reform & liberalise telecoms
- ▶ Avoid creating new state-owned monopolies
- ▶ Education
- ▶ Finance & banking – capital for SMEs and start ups
- ▶ Enablement rather than handouts
- ▶ Streamline Labour and Immigration
- ▶ Revise Property law