

Synopsis of Dr Giuseppe Busini opening remarks

Seminar on Foreign Investment and Foreign Business Act – a deep dive into understanding Thailand's foreign investment regime, histories and priorities

26 February 2019

Dr Busini welcomed guests and thanked the European Association for Business and Commerce (EABC) for organizing the event. Dr Busini opened by giving an overview of trade and investment between the European Union and Thailand. In 2017, the European Union was the third largest trading partner of Thailand, accounting for nearly 10 per cent of Thailand's total trade in goods, after only China and Japan. In 2016, the EU imported 6.3 billion euros of services from Thailand and exported 3.2 billion euros of services to Thailand. For investment, the European Union accounted for 14.9 per cent of the FDI stock in Thailand. EU ranked second as the investment destination from Thailand, with approximately 13% of Thailand's total investment abroad.

The services sector plays an increasingly important role in the global economy and the growth and development of countries. It took centuries for the world's economy to shift from agriculture to manufacturing but the rise of the services sector is occurring more quickly. The share of world GDP accounted for by services is experiencing sharp increases, both high-income and middle-income countries.

In this respect, Thailand has embarked on economic reforms and developed a national economic strategy to overcome economic challenges. Thailand 4.0 policy is established to unlock the country. The Eastern Economic Corridor is a flagship strategic economic project in that context. The policy also aims to promote strategic services sectors which are identified in the S-curve industries.

It is important to note that services very often are not a standalone mechanism, but complement the manufacturing sector. Nowadays, manufacturing activities and their competitiveness increasingly depend on services. Foreign investors are looking forward to, and welcome, the implementation of the economic development strategy of Thailand, notably in services sectors and a further opening for services investment in Thailand. This will help attract foreign investment and transfer of technology. Responsible and quality investment in Thailand would definitely bring about a better economy as a whole.