

THAILAND

Brief Overview

THAILAND

Key Facts:

Capital: Bangkok

Surface Area: 513,000 km²

Official Language: Thai

Population: 67 million (2013)

Government: Constitutional Monarchy

Head of State: HM King Bhumibhol Adulyadej

Head of Government: PM Prayuth Chan-ocha

Exchange Rate: €1=approx. 37 THB (Feb 23 2015)

Country Overview



THAILAND

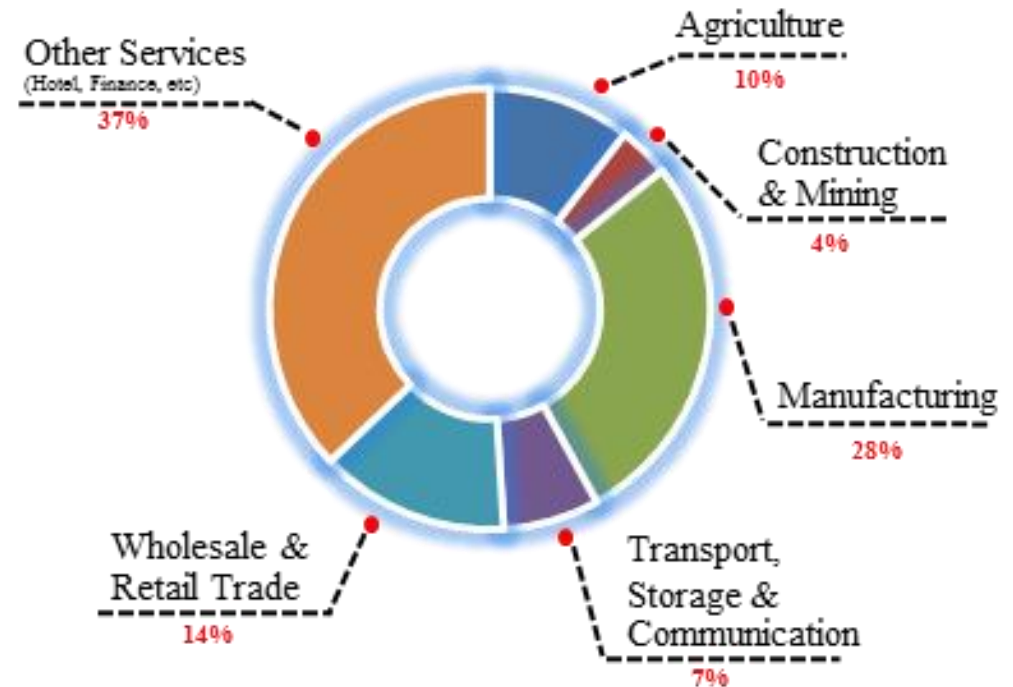
Economic Overview

Key Facts:

Indicators	units	2012	2013	2014
Population	Millions	66.8	67.0	68.2
GDP	Billions of EUR	284.8	291.6	281.1
GDP per Capita	EUR	4,265	4,351	4,121
Real GDP Growth	%	7.7	1.8	0.9
Inflation Rate	%	3.0	2.2	1.9
Current Account Balance	% of GDP	-0.4	-0.6	3.8

Source: NESDB, Bank of Thailand, IMF, EC DG Trade

Composition of Thai Economy 2014 (% of GDP by Sector)



Source: National Office of Statistics

THAILAND

Economic Overview

Key Facts:

Indicators	2012	2013	2014	Average Growth Rate
Total Exports	€177.4 B	€172.4 B	€171.2 B	10.20%
Total Imports	€195.7 B	€191.4 B	€171.5 B	13.74%

Thailand Major Exports 2014	Share of Total Exports	Thailand Major Imports 2014	Share of Total Imports
Electronics	14.82%	Machinery & Equipment	19.43%
Automotive	14.07%	Crude Oil	14.57%
Agro-Manufacturing Products	12.07%	Electronics and Electrical Appliances (parts)	11.61%

Source: Bank of Thailand

THAILAND

Trade Overview (Thailand – EU)

Key Facts:

Indicators	2012	2013	2014	Average Growth Rate
Total EU Imports from Thailand	€17.0 B	€17.1 B	€18.5 B	1.6%
Total EU Exports to Thailand	€14.8 B	€15.0 B	€12.4 B	4.4%

Source: Eurostat, EC DG Trade

THAILAND

Key Facts:

Major EU exports to Thailand 2014

- **Machinery Transport Equipment: € 5,647M**
(45.4% of total EU to Thailand export value)
- **Manufactured Goods: € 2,191 M**
(17.6% of total EU to Thailand export value)
- **Chemicals: € 2,007 M**
(16.1% of total EU to Thailand export value)

Trade Overview (Thailand – EU)

Major EU imports from Thailand 2014

- **Machinery and Transport Equipment: € 8,838 M**
(47.7% of total value of EU imports from Thailand)
- **Misc. Manufactured Articles: € 3,354 M**
(18.1% of total value of EU imports from Thailand)
- **Food and Live Animals: € 2,564 M**
(13.8% of total value of EU imports from Thailand)

THAILAND

Doing Business in Thailand

Reasons to do Business in Thailand!

- World Bank Ease of Doing Business Rank: 26 (2015)
- WEF Global Competitiveness Rank: 31 (2014-2015)
- Member of the WTO
- Competitive Corporate Income Tax Rate – 20% (2015)
- Strategic Geographic Location (Heart of South East Asia)
- Strong Transport and Logistics Infrastructure

Source: World Bank, WEF, Thailand Revenue Department

THAILAND

Doing Business in Thailand

Strategic Advantages for Investors/SMEs

- Thailand EU FTA – on the Horizon
- ASEAN Economic Community – December 31st 2015
- Various Free Trade Agreements and Regional Trade Agreements
 - ❖ FTAs:
 - Thailand-Peru
 - Thailand-New Zealand
 - Thailand-India
 - Thailand –Australia
 - Thailand-Japan
 - Thailand - Chile
 - ❖ RTAs:
 - ATIGA (Intra ASEAN)
 - ASEAN-China
 - ASEAN-India
 - ASEAN-Japan
 - ASEAN-Korea
 - BIMSTEC
 - ASEAN-Australia-New-Zealand

Source: Dept. of Trade Negotiations Thailand

THE THAI MARKET

Legal Tips on Risk Mitigation of Doing Business in Thailand

Attractiveness of Thai Market

- Low capital requirement for company establishment at 55,000 EUR
- Short time required to start a business at 28 days in 2013
- Low minimum wage
- Availability of financial credit with domestic credit provided by financial sectors accounted for 173% of GDP in 2013
- Increased Export value at 224.8 and 225 Billions US in 2013, 2014 respectively
- Increased Import value at 200.2 and 218.7 Billions US in 2013 and 2014 respectively
- Diverse incentives for SMEs provided by Thai Board of Investment

Source: International Trade Centre and Bank of Thailand

THE THAI MARKET

Legal Tips on Risk Mitigation of Doing Business in Thailand

Challenges and Potential Risks

- Lack of transparency, and corruption
- Poor regulatory environment
- Organized crime, money laundering, trafficking (humans, drugs)
- Conflicts of interest
- Fraud
- Counterfeiting/Infringement of property rights
- Industrial disputes

THE THAI MARKET

Legal Tips on Risk Mitigation of Doing Business in Thailand

A) Protect Your Assets and Property

- Human Resources
- Intellectual Property
- Information Technology
- Social Accountability
- Regulatory Compliance

THE THAI MARKET

Legal Tips on Risk Mitigation of Doing Business in Thailand

B) Due Diligence

1. Good Corporate Standing
2. Financial Verification
3. Assets Verification
 - Fixed and Tangible Assets
 - Intellectual Property Rights
 - Employees and their Benefits thereof

THE THAI MARKET

Legal Tips on Risk Mitigation of Doing Business in Thailand

B) Due Diligence (cont'd)

4. Regulatory Compliance
 - License and Permits
 - Environmental Issues
5. Taxes
6. Materials Contracts and Obligations
7. Litigation
8. Publicity/Visibility Value and Perceptions

THE THAI MARKET

Legal Tips on Risk Mitigation of Doing Business in Thailand

B) Due Diligence (cont'd)

- **Foreign Business Act**

The Foreign Business Act 1999 (FBA) reserves certain business activities for Thai nationals. Under the FBA, a company is considered “foreign” if half or more of its shares are held by non-Thai natural or juristic persons. Businesses that are reserved under Lists 1, 2, and 3 of the FBA are subject to foreign ownership limitations imposed by law.

- **Antitrust Laws**

- **Business License and Government Approval**

Foreigners wishing to engage in business reserved for Thai nationals under List 2 or 3 of the FBA must apply for a Foreign Business License from the concerned authorities. It usually takes about 60 days from submission of the application to learn the outcome of the application. Government fees range from THB 20,000 to THB 500,000, depending on the business.

- **Insurance and Technical Standards (environmental, safety)**

- **Visa and Work Permit**

BILATERAL TRADE

Investment Potential

Sectors with Potential to Attract Investment - Thailand

Industry	Export	Share in World	Import	Tariff
Electrical and electronic equipment	46,167.0	1.9%	42,429.4	6.9%
Chemicals and chemical products	23,628.4	1.2%	26,531.1	4.6%
Rubber and plastic products	12,775.7	2.8%	5,334.5	8.9%
Mining and quarrying	513.8	0.1%	2,116.9	4.2%
Food, beverages and tobacco	27,954.2	2.8%	9,873.7	16.5%
Wood and wood products	3,609.3	1.1%	2,891.6	7.4%
Agriculture and hunting	11,535.6	2.3%	3,994.1	10.9%
Coke, petroleum products and nuclear fuel	11,976.0	1.1%	5,825.6	4.6%

BILATERAL TRADE

Thai-Croatia Trade Overview

Croatia Exports to Thailand - 2014

Item	USD	Annual Value growth 2010-2014
Machinery	4.98M	90%
Electrical, electronic equipment	0.45M	77%
Articles of iron or steel	0.34M	N/A
Salt, sulphur, earth, stone, plaster, lime and cement	0.25M	12%
Ships, boats and other floating structures	0.21M	N/A

- Export - Value of Croatian Exports to Thailand in 2014 was more than 6.406 Million USD
- 62% Annual growth in value for Croatian Exports to Thailand between 2010-2014

Source: International Trade Centre

BILATERAL TRADE

Thai-Croatia Trade Overview

Croatia Imports from Thailand - 2014

Item	USD	Annual Value growth 2010-2014
Machinery	10.22M	-19%
Meat, fish and seafood food preparations	6.11M	-1%
Rubber and articles thereof	2.74M	-24%
Plastics and articles thereof	2.30M	38%
Vehicles other than railway, tramway	0.79M	-32%

- Imports - Total Croatia imports from Thailand was valued at more than 26.01 Million USD in 2014

BILATERAL TRADE

Thai-Croatia Trade Overview

Opportunities for Croatian Companies

- **Thailand Machinery/Manufacturing Industry**
 - Thailand's machinery sector is dependent on Foreign Industrial Machinery Imports for domestic use
 - Industry/Sectors: Metal Manufacturing, Clothes and Apparel Manufacturing, Printing, Recycling, Food Industry
 - Thailand's machinery imports in 2013 were USD 31.80 billion
- **Thailand's Electrical and Electronics Industry**
 - Electrical appliance imports reached USD 18 Billion in 2011
 - Thailand is ASEAN's largest production base
 - 13% of exports go to the EU



THE EUROPEAN ASSOCIATION FOR BUSINESS AND COMMERCE

An Introduction

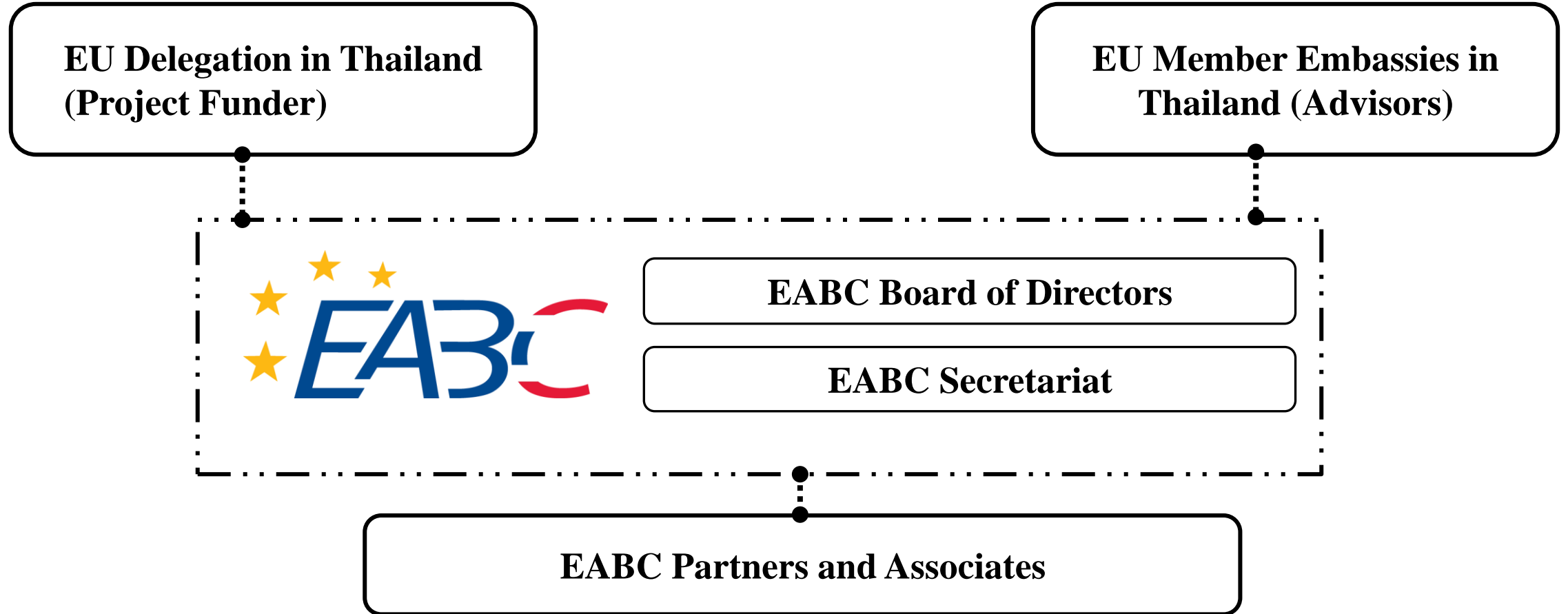
WHO WE ARE

Brief Overview

- **The EABC is a European Trade Organization situated in Bangkok**
Initiated and supported by the EU, various European Chambers in Thailand and Business Organizations in Europe
- **“Interact as the Voice of European Businesses” and perform the role of a “European Chamber of Commerce” in Thailand**
Promote, advocate and defend common European policy interests
- **Contribute to the Development of Promoting Thailand as a Market Destination for European Companies, as well as a Gateway into ASEAN**
Perform various outreach activities, serve as Information Contact Point and provide Business Support for companies in Europe looking to Internationalize to Thailand

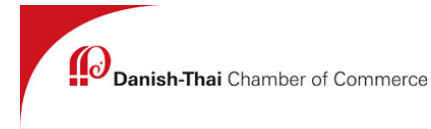
WHO WE ARE

Organization Structure



WHO WE ARE

Consortium Partners & Associates



WHAT WE DO

BUSINESS HELPDESK



Market Entry Information
Business Support Services

EUROPEAN OUTREACH



Roadshows in Members States
Thailand Trade Fairs & Networking
Events

Our Activities

POLICY ADVOCACY



Business Briefings
Policy Dialogue with Thai Authorities

ASEAN COORDINATION



Coordination with EU-ASEAN Business
Networks
ASEAN Market Entry

WHAT WE DO

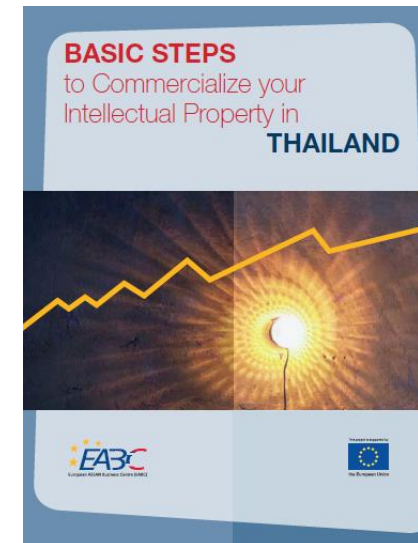
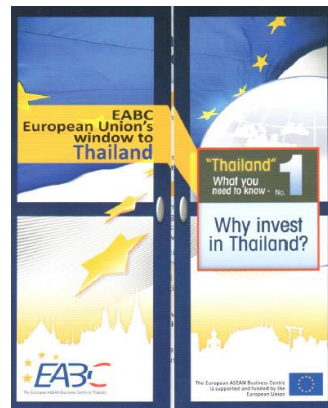
BUSINESS HELPDESK



Market Entry Information

- Free of charge Business Enquiries
- Trade & Investment Information

- Sectoral Guidebooks



DOING BUSINESS IN THAILAND
2013



EABC MAZARS



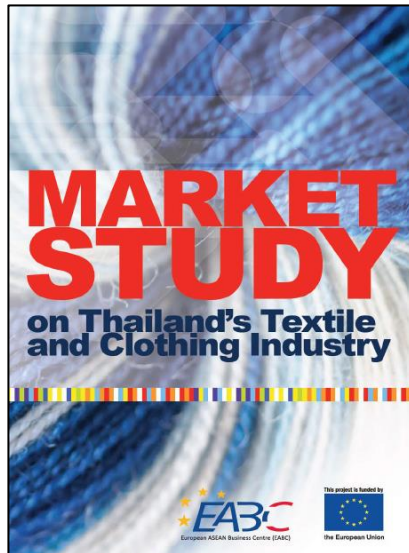
WHAT WE DO

BUSINESS HELPDESK



Business Support Services

- Tailor Made Market Studies



- Business Matchmaking
- Technical & Regulatory Advisory Services
- Business Diagnosis Test

WHAT WE DO

POLICY ADVOCACY



Policy Dialogue with Thai Authorities

- Promote meetings between the European Business Community and Thai Officials
- Policy discussions on legal and regulatory issues from an advocacy standpoint to promote business development
- EABC European Business Position Paper



Business Briefings

- Business Luncheons



Lunch with EU Ambassador to Thailand –2014

WHAT WE DO

EUROPEAN OUTREACH



Roadshows in Europe

- Thailand Investment Seminars in collaboration with Thailand Board of Investment
- ASEAN Themed Business Seminars in collaboration other EU-ASEAN Business Networks
- Doing Business in Thailand Seminars



Thailand Investment Seminar in Germany – Sep 2014



EABC Outreach in Slovenia – May 2015

WHAT WE DO

EUROPEAN OUTREACH



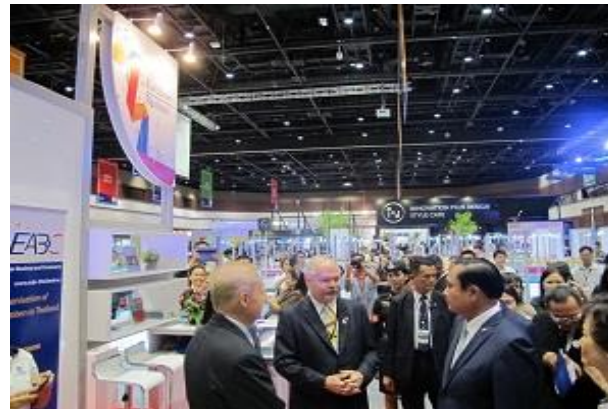
Events in Thailand

Business Networking Events



EABC Networking Social Night - Dec 2014

Trade Fairs



Thailand Innovation & Design Expo - Sep 2015

Business Delegations



EABC Exclusive Luncheon- Nov 2013

WHAT WE DO

ASEAN COORDINATION



Coordination with EU-ASEAN Business Networks



- Coordinating outreach activities
- Facilitating ASEAN Market Entry
- Quarterly EU-ASEAN Business Newsletter



WHAT WE DO

Upcoming Events

What's Next in 2015!

- EABC Import Export Guidebook Launch – 26th Nov 2015
- EABC European Networking Events – Nov 2015
- 4th Issue EU-ASEAN Business Newsletter – 15th Dec 2015
- EABC European Business Position Paper Launch March 2016
- EABC Outreach to EU (Ireland, Portugal, Spain, Poland, Czech Republic, Hungary) – 1st half 2016

THANK YOU

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