



Thai Gems and Jewelry Industry Mix of History, Innovation

Combining a deep ancient tradition, excellent craftsmanship and sophisticated modern technology, Thailand’s gems and jewelry industry sparkles among the world’s finest. With natural resources and superior production capability, the country is a leader in cutting and polishing, innovative design and quality control.

Thailand has a rich history in gems and jewelry. Hundreds of years ago, the Thai people drew from their natural artistic flair and started incorporating rubies, sapphires and other local gem resources into jewelry. Gold- and silversmiths also began honing their skills. Boomtowns sprouted up, such as Chantaburi, famous for its rubies and sapphires. The dazzling red “Siamese rubies” hail from there. Kanchanaburi Province is likewise known for extensive deposits of blue sapphires.

As practitioners applied skills handed down through generations, a cottage industry formed in various provinces, with the business aspects gradually coalescing in Bangkok. Over time, modern advancements in manufacturing techniques helped the country gear up as a global production and trade center.

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NEWS BITES

Thailand's PM Attends World Economic Forum

Thailand's Prime Minister Abhisit Vejjajiva attended the World Economic Forum in Jakarta Indonesia, where he spoke about Thailand working toward a true transformation to a greener and cleaner economy, which is reflected in the country's investment policy for sustainable development.

Thailand offers maximum incentives for investment in energy conservation, alternative energy-related activities, and the manufacturing of eco-friendly materials and products. The country also aims to use renewable energy as 20 percent of its total energy use by the year 2022.

In May 2012, Thailand will host the World Economic Forum on East Asia in Bangkok.

Thai Exports Rise Again

The Bank of Thailand reported that the economy in May 2011 continued to expand on the back of robust consumption and investment, as well as strong external demand upholding export and tourism sectors. The export value in May amounted to 19,284 million US dollars, increasing by 17.3 percent (yoy) from both quantity and price (or 25.9 percent (yoy) when excluding gold). In particular, exports of agricultural products grew from a new record high of rice export following the government's destocking. Likewise, exports of manufacturing products grew notably from plastic products, chemicals, and electrical appliances. The number of foreign tourist arrivals during May in Thailand totaled 1.4 million people, expanding by 66.5 percent (yoy).

Bangkok World Book Capital

UNESCO reports that Bangkok has been designated World Book Capital 2013. The city was selected by a committee made up of representatives from the three main branches of the publishing world and UNESCO, which met at the Organization's Paris Headquarters on 27 June.

The Committee selected Bangkok "for its willingness to bring together all the various stakeholders in the book supply chain and beyond, actors involved in the publication chain for a range of projects proposed, for its community-focused and the high level of its commitment through the proposed activities."

BOI NET APPLICATIONS

	2009 (US\$ = 31.68THB)		2010 (Jan-May) (US\$ = 32.34THB)		2011 (Jan-May) (US\$ = 30.24THB)	
	Number of projects	Value	Number of projects	Value	Number of projects	Value
Total Investment	1,591	14,122	480	5,123	725	6,861
Total Foreign Investment	866	7,451	306	2,668	432	4,676
By Sector						
Agricultural Products	73	501	33	203	32	205
Minerals / Ceramics	18	834	7	759	17	232
Light Industries / Textiles	67	276	16	73	31	221
Automotive / Metal Processing	244	1,852	82	586	151	2,015
Electrical / Electronics	155	1,966	61	366	88	894
Chemicals / Paper	118	729	39	274	44	469
Services	191	1,293	68	407	69	639
By Economy						
Japan	364	3,297	120	1,022	221	1,901
Europe	123	1,215	48	822	69	224
Taiwan	39	117	14	58	23	157
USA	42	231	15	40	14	118
Hong Kong	26	133	11	83	11	334
Singapore	66	362	32	238	28	588
By Zone						
Zone 1	241	860	100	465	112	534
Zone 2	432	4,466	150	1,887	238	3,372
Zone 3	193	2,126	56	315	82	770

Unit: US\$ Million

Note: Investment projects with foreign equity participation from more than one country are reported in the figures for both countries.

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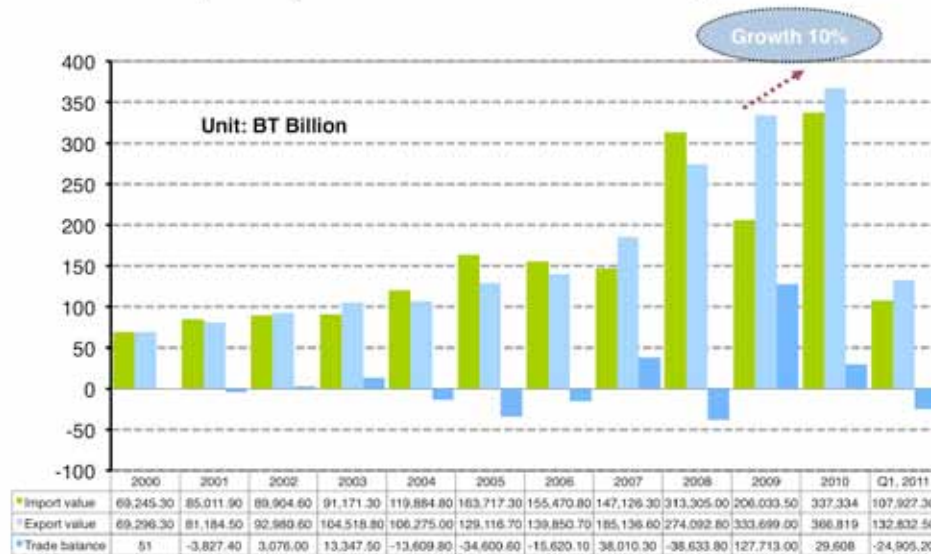
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START BUSINESS

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Thailand Export-Import Value of Gems and Jewelry, 2000 – Q1, 2011



Among jewelry in particular, exports of platinum jewelry expanded by 61.31% in 2010, silver jewelry rose 36.45% and gold jewelry grew 16.67%. Of diamonds, the polished variety makes up the bulk of outbound shipments. As for colored stones, Thailand exports polished precious stones such as rubies, sapphires and emeralds, and polished semi-precious stones.

The top export destinations of Thai gems and jewelry continue to be Switzerland, Hong Kong and Australia. These markets in 2010 accounted for 29.58%, 22.18% and 13.10% of outbound shipments value, respectively. Demonstrating the global esteem of the Thai industry, export growth at most markets remains robust. Shipments to

Today, Thailand's gems and jewelry industry features more than 1,600 enterprises and boasts many top rankings. The country is the world's No. 1 producer of silver jewelry and the fifth-largest center of diamond cutting. Thailand is also one of the top five jewelry polishing centers along with Israel, Belgium, the United States and India. It ranks 12th worldwide for colored stones.

Denmark soared 81.99%, those to India shot up 69.90% and exports to Japan rose 60.79%. Market growth was 35.14% in Hong Kong, 30.75% in Switzerland and 30.32% in the United States.

Imports in 2010 reached US\$10.44 billion, with raw materials

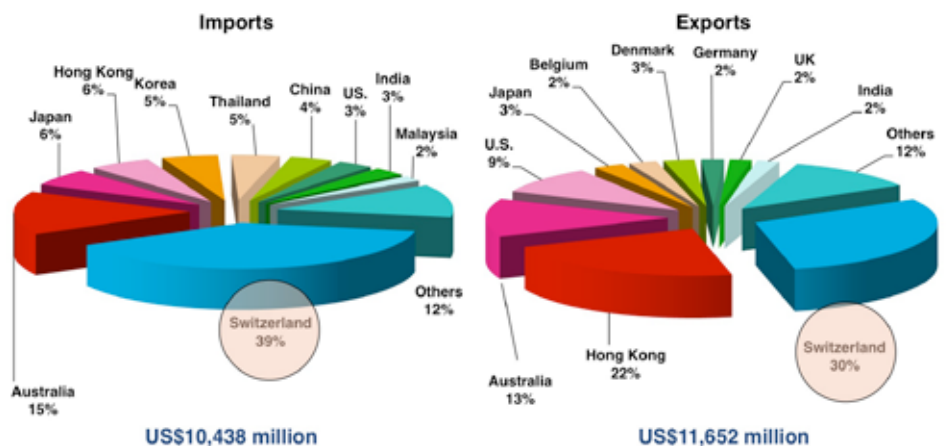
In Bangkok, the jewelry district offers a high concentration of makers, wholesalers and retailers. Among the district's major areas, Mahesak is known for attracting foreign wholesalers seeking gemstones and semi-precious colored stones, Charoen Krung specializes in designs of silver jewelry, Yaowarat or Bangkok's Chinatown teems with centuries-old gold shops, and Silom glitters from its diamond businesses. Jewelers around the world prize the "Bangkok cut" on diamonds.

Billions in Exports and Imports

Overall trade in Thailand's gems and jewelry industry reached US\$22.09 billion in 2010, with unwrought or semi-manufactured gold as the main category of both exports and imports. While export value showed solid growth of 19.37% from the previous year, import value rocketed to a 74.01% y-o-y increase. The industry in 2010 reaped a trade surplus of US\$1.21 billion, according to data from the Gem and Jewelry Institute of Thailand (GJIT).

The gems and jewelry industry is a powerful export earner for the country, progressing to third in this regard among all local industries. In 2010, outbound shipments totaled US\$11.65 billion. Unwrought or semi-manufactured gold is by far the largest export product by value at US\$6.49 billion, more than double jewelry at US\$3.12 billion. Diamonds follow with US\$1.10 billion, then colored stones at US\$473.05 million, imitation jewelry at US\$288.27 million and synthetic stones at US\$82.21 million.

2010 Thailand's Gems & Jewelry Imports & Exports



Source: The Gem and Jewelry Institute of Thailand with collaboration of Thai Customs Dept, as of Jan 31, 2011.

representing 93% of the total. Unwrought or semi-manufactured gold also led the incoming shipments with a value of US\$7.85 billion. Diamonds, at US\$773.42 million, constituted the second-biggest import product. Other major categories are silver at US\$758.23 million, jewelry with US\$547.57 million, colored stones with US\$273.16 million and synthetic stones at US\$70.18 million.

Switzerland is the biggest source of Thailand's gem and jewelry imports, with a 39.06% share of total inbound shipments in 2010. Australia, Japan, Hong Kong and South Korea follow at 15.38%, 6.01%, 5.83% and 5.23%, respectively. Among the top five for import value, Australia enjoyed the strongest annual growth at 65.81%.

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Skilled Craftsmen Pride of Industry

“The core strength of the Thai gems and jewelry industry has always been the expert skills of the Thai craftsmen,” said Khun Somchai Phornchindarak, vice president of the Thai Gem and Jewelry Traders Association (TGJTA).

Thailand’s expertise in cutting and polishing precious stones and diamonds indeed is praised worldwide. Because of the high standard of workmanship, international gem and jewelry merchants send vast amounts of gemstones to the country for these precision processes.

Besides stressing perfection, the local industry is also an innovator. Thai designers are continuously coming up with special looks and breakthroughs in the use of materials, whether for costume or fine jewelry. In recent releases, everything from wood and coconut shell to silk and leather can be seen combined with gold, silver and jewels.

From materials to production, the Thai industry is serious about the promise of utmost quality, even at reasonable pricing. Compliance with all international requirements on the use of certain gems and labor is ensured. The quality of the gems and jewelry is examined stringently and guaranteed by the Asian Institute of Gemological Science, International Gemological Institute, GJIT and other internationally accepted local bodies.

The industry receives strong support from the government of Thailand. In particular, to attract new projects for sustainable growth, the Board of Investment and the Industrial Estate Authority of Thailand grant comprehensive benefits and privileges to gem and jewelry investors. The Department of Export Promotion under the Ministry of Commerce also pushes the industry’s development.

The local industry’s big event is the biannual Bangkok Gems & Jewelry Fair, which ranks among the top five such fairs in the world. For more than two decades, it has served as a grand showcase promoting Thailand as a gems and jewelry trendsetter.

With over 3,500 booths, more than 1,200 exhibitors from 35 countries and 30,000 international buyers, this world-class fair is a vibrant trade negotiation platform. Held at the Impact Exhibition & Convention Center outside Bangkok, the event generates large sums for the Thai economy annually. The 48th edition is scheduled for 14 September 2011.

Expanding to Even Greater Heights

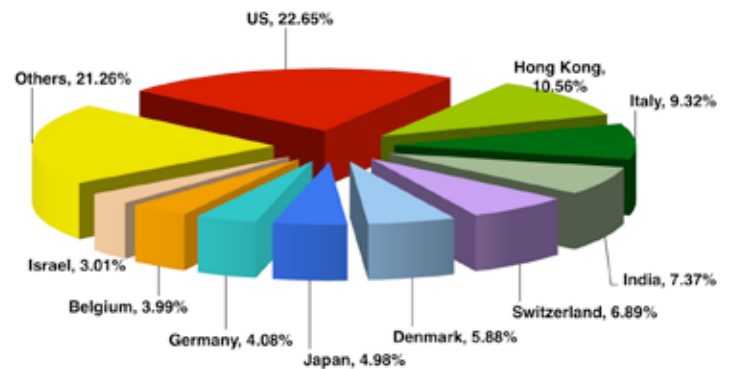
Building on its solid foundation, the Thai industry continues to grow with new developments. In December 2010, the TGJTA opened the local industry’s first overseas distribution center, in Mumbai, India. As there is high demand for Thailand’s products, the ultramodern 200sqm facility will help expedite trade between Thai suppliers and Indian gem and jewelry wholesalers, retailers and consumers.

In another forward step, the Gemopolis Industrial Estate has opened its expansion phase. Known as the Gemopolis Free Zone Complex, the 300 million baht extension in the estate provides more office and factory space to meet demand from

entrepreneurs. Established in 1990, Gemopolis is a specialized industrial estate for diamonds, gems and jewelry, uniquely integrating production and trading in one compound. More than 120 companies from 24 countries operate production bases or trade offices in the estate. Gemopolis’ prime location just eight minutes from Suvaranbhum International Airport in Bangkok is particularly attractive to foreign companies, which constitute 90% of makers in the estate.

Even as the Thai gems and jewelry industry continues to shine,

Thailand’s Gems & Jewelry Export Destinations, (Jan 2011)

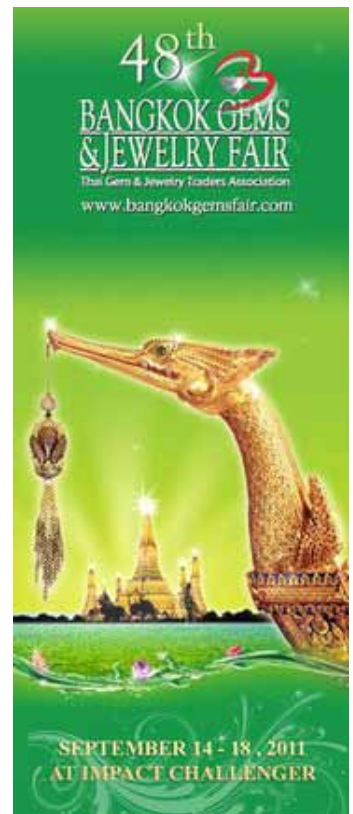


Source: The Gem and Jewelry Institute of Thailand with collaboration of Thai Customs Dept, as of Jan 31, 2011.

there are challenges that could dim performance. Makers must be vigilant of the fluctuating price of gold and silver, as a spike in raw material costs can dampen global jewelry demand. Another concern is whether the economic recoveries of major trading partners will continue gaining strength or bog down, affecting purchase orders.

To maintain competitiveness, Thai entrepreneurs are encouraged to increase their launches of value-added products and cultivate emerging markets.

The BOI works with investors to promote the gem and jewelry industry and offers attractive incentives for investment, as well as the benefit of locating in an investor friendly country with a large consumer market.



SubCon 2011 Soars



The number of companies attended increased along with the number of booths displaying products. Also encouraging was the increase in the number of registered local buyers, which increased from last year by about 50% to 276 companies, and likewise the number of overseas buyers which reached 100 companies, from 14 countries.

What really made SubCon 2011 a resounding success was the 3,109 business matching deals that were made at the event, having a 76% potential for actual purchases in the amount of THB5,481 million.

One of the many interesting aspects of any SubCon event is the Buyer's Village and Buyer's Presentations, which offer insight to providers on requirements, as well as the in-

house seminars that offer potential investors a wide array of information on Thailand as a sourcing center.



There were 15 different seminar topics covered at SubCon2011, which ranged from talks by the National Institute of Metrology on stopwatch and tachometer calibration, the Thai Logistics and Production Society on Green Transport and Logistic Cost Reduction, to a talk by the Purchasing Supply and Chain Management Association of Thailand on the AEC. In similar fashion, the Association for the Promotion of Small and Medium Entrepreneurs led a seminar on the adaptation of Thai SMEs in the ASEAN Economic Community.

The Investor Club Association talk on BOI Incentives for the importation of machinery drew one of the larger attendances at 91 persons, and the BOI Investment Development Assistance Bureau was also on hand giving a talk on how to invest in Thailand and acquire tax incentives.

Thailand's SubCon 2011 has continued to build on the past success of previous sourcing events, making this the best year ever in terms of satisfaction, value and exposure. For half a decade now, SubCon has secured a reputation as the place to showcase products and services, and for executives from the region and internationally to build relationships that will prove to be mutually beneficial.

This year's event was held once again at the Bangkok International Trade and Convention Center, BITEC, over the three day period from 19 to 21 May. The average number of people attending per day was about 8,200, which is well above the 2010 average daily attendance of about 6,000 people and a healthy increase over 2009 when there were 4,600 attendees per day.

In responding to a survey taken at the event, a full 90% expressed satisfaction, with many respondents saying that they expect their company to get clients through SubCon.

In addition to the success in the numbers of those attending and the expressions of interest in Thailand shown by attendance levels at seminars, this year's event was also marked by the near 100% increase in the number of deals made for research and development (R&D).

With another successful SubCon year, Thailand is clearly headed to become a logistics investment hub within the region, built on the strength of its parts and components industries. Those investors not fortunate enough to attend can still take advantage of the assistance of the BOI Unit for Industrial Linkage Development (BUILD), while they look forward to next year's event.



Thailand's Improving Logistics

On 20 June 2011, the BOI cooperated with King Mongkut Institute of Technology to organize a seminar on Thailand-China Logistics. The seminar was opened by Ms. Hirunya Suchinai, BOI Senior Executive Investment Advisor, and presentations were given by Director Peerapol Thavornsubhajaroen, Office of Transport and Traffic Policy and Planning, Ministry of Transport, along with Associate Professor Dr. Ruth Banomyong, PhD., of Thammasat University.

The two spoke about Thailand's opportunity to be an investment hub along this logistics network, and current rail & link construction to support future trade and investment in the ASEAN Economic Community, which will come about in 2015. This also includes the economic opportunity for Thailand and other countries to trade and connect to each other, with no boundaries, such as those in the Greater Mekong Subregion (GMS).

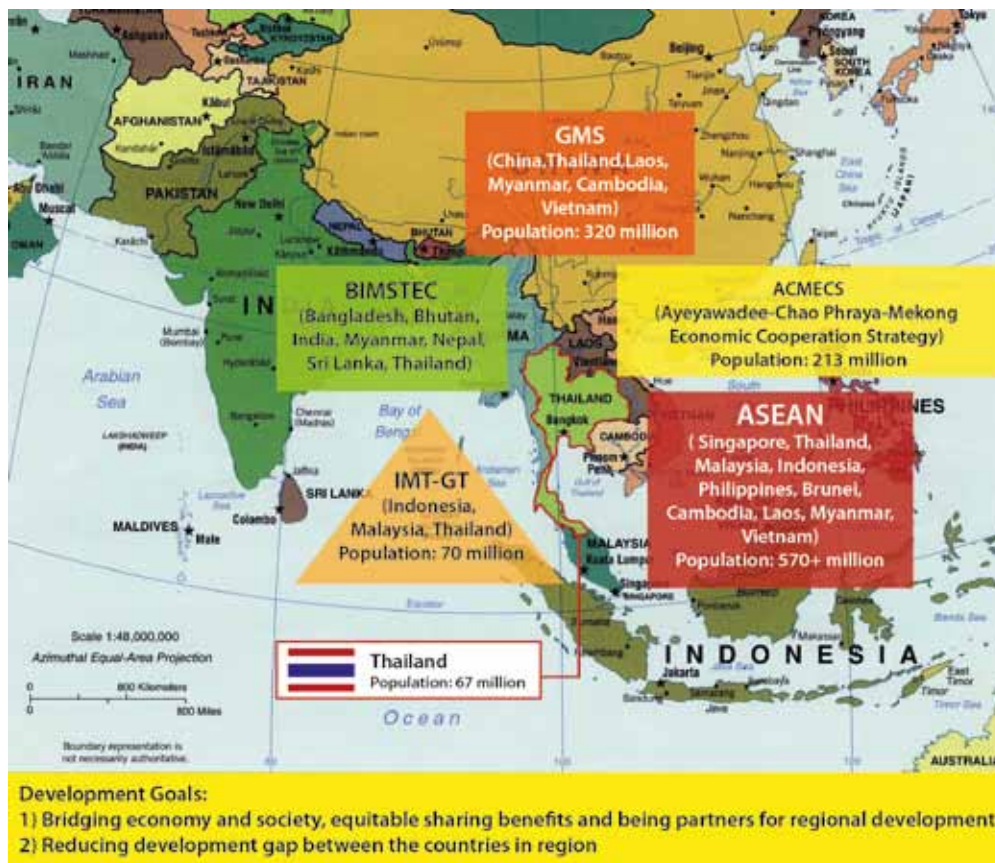


Speaking about the development of a Thai-China high-speed railway, which could run from Southern of China down to Padangbesar, Malaysia, the director explained that although the cabinet approved the draft Memorandum of Understanding (MOU) on 7 Sept 2010, the timeframe of construction and a finish date has yet to be made clear. This will depend on the new government's policy.

According to the plan, the first two routes has to be expedited are:

- 1) Nong Khai-Bkk (615 km), for an investment: Bt170 billion, and
- 2) Bkk-Padangbaesar (982 km), for an investment: Bt230 billion.

China-Laos rail link construction in Laos is still pending as that country has just elected a new leader, which might delay construction in Laos. Since the high-speed rail link in Laos has not yet been started, Thailand can do nothing.



It is not yet clear if there is any potential route or rail link that the government plans to connect the Eastern Seaboard (ESB) to Davoy Port, Myanmar. However, there is a definite plan for double track railway construction to support the logistics in the ESB area. There are 2 phases:

1st phase (Chachongsao-Siracha-Laem Chabang) – total distance: 78 km - is now under the construction and should be completed in August this year.

2nd phase (Chachoengsao-Klongsibkiao-Kang Koi) – total distance: 106 km - is under consideration of its environmental impact.

This 184-km-double railway development is expected to increase capacity and competitiveness of logistics in the ESB area.

SPOTLIGHT ON BOI FAIR

Regarding any potential route to connect Davoy port to the ESB, it was noted at the seminar that a Thai private company Italian-Thai Development Plc. was granted the concession to construct the Davoy port project, and that the company is asking for support from the government to build a link from Thailand to the port. However, the Ministry of Transport has already planned to construct a motorway during 2012-2016, for a total distance of 707 km, and a budget of Bt157,420 million. Among the five routes, one of them (from Bangkok to Karnchanaburi), would provide a road connection to the port. Transportation of goods and passengers to and from Davoy port to locations in Thailand could be made via this route.

The seminar also addressed other port development, as follows:

1. Chiang Saen port II, (Chiang Rai) – to increase cargos and transportation, which will be completed by end of this year under a budget of Bt1,546.4 million.
2. Pak Bara port – Ministry of Transport acknowledged and approved construction for the first phase; however, the construction cannot start until it receives endorsement from the new government, following the election. The major goods transported from this port
3. Songkla port II – First, as a feeder port in support of Laem Chabang port, it can accommodate 20,000-30,000 DWT and second, it can support goods from the Land Bridge connecting the Thai Gulf to Pak Bara port. Now, the project is under the consideration of the environmental committee.
4. Laem Chabang port phase 3 is currently under the design process; construction begins next year and should be finished in 2017 and operational in 2019. When phase 3 is completed, the Laem Chabang will be able to handle 18.8 million TEUs per year (containers), 2.57 million metric tons per year (general cargo), and 1.95 million units of vehicles per year.
5. Single Rail Transfer Operator: Ministry of Transport is doing a feasibility study and plans to submit its proposal to cabinet. The purpose is to develop a center for rail transfer in Laem Chabang by increasing the capacity to handle the increasing cargo to around 2 million TEUs per year, which currently can handle only 300,000-400,000 TEUs per year.

Suvarnabhumi airport phase 2 (2011-2016), Bt62.50 billion: On 24 August 2010, the cabinet approved construction of the Midfield Satellite, an expansion of the passenger terminal and other utilities such as a high-voltage electrical system and cooling water system for air conditioning. This is expected to accommodate more passengers, with a capacity of around 60 million passengers per year, up from 45 million passengers per year, and will be able to handle more cargo of around 3 million tons per year, up from current 1.2 million tons per year.

Thailand continues to offer investors a sound economy, liberal investment policies and a good and improving infrastructure that will secure its place as the gateway to Asia.

BOI Launches a BOI Fair Website

The BOI Secretary General has informed that both indoor and outdoor trade fair sites have been fully booked. BOI has also launched a BOI Fair 2011 website in order to broadcast information on the BOI Fair, its background, the progress of the exhibition preparation, and to provide information about transportation, entertainment and seminar activities. The site can be accessed at www.boifair2011.com.

Building Pavilions for the BOI Fair2011



Ms. Ajarin Pattanapanachai, senior executive investment advisor, stated that over 30 leading private companies and over 150 corporate representatives participated in a meeting on the preparation and readiness of the BOI Fair 2011 "Going Green for the Future". In the beginning of July 2011, development will begin at the area beside the lake at Muang Thong Thani, as well as for some infrastructure. Development of all infrastructure for BOI Fair 2011, such as electricity and light and water systems will begin in August 2011.

Companies will be able to start their pavilions' construction located nearby the lake in September 2011. The area will cover 166,000 square meters.

Joint companies have agreed to use their press and public relations to promote and broadcast the BOI Fair 2011. Mass transportation companies in Bangkok such as the BTS and MRT have agreed to broadcast the BOI Fair 2011 on their stations and on TV commercial advertisement in the sky train.

BOI Fair 2011: 10- 25 November 2011

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PRANDA JEWELRY PUBLIC COMPANY LIMITED

Pranda Jewelry Puts Emphasis on Excellence, Stability and Quality

Pranda Jewelry Public Company Limited is a glittering example of how excellence always prospers. A leading manufacturer of midrange and high-end quality jewelry, the Thailand-based company has thriving operations around the globe, with growth accelerating.

Since its establishment nearly four decades ago, Pranda has developed a reputation for business integrity, splendid product craftsmanship and determined social concern. With 3,500 employees in Thailand and a total of 5,000 worldwide, the company remains on a strong growth path and sees a bright future in the manufacture of its own brands and licensed brands of silver, gold and costume jewelry.

“We are expanding all the time,” said Mrs. Prapee Sorakraikitikul, chairman of Pranda’s Executive Board of Directors.

Expansion is being fueled by a steady increase in the number of customers recognizing Pranda as a world-class enterprise. Even though demand in the United States, one of its traditional markets, is weaker due the economic downturn there, the company has compensated with successful efforts to boost sales particularly in Europe, India and the Middle East over the past three years.

“Our sales are going up not down,” Prapee said. The statistics support that impressively, as the company posted revenue of 4,056 million baht in 2010, up 9% from the previous year, and a 10% sales jump is projected for 2011. “At major jewelry shows in Bangkok and Las Vegas this year, the response indicates that our customer base is increasing from 2010,” she indicated.

Mr. Prida Tiasuwan, chairman of the Board of Directors, echoed this optimism in Pranda’s 2010 Annual Report. “The company is confident that it can move forward,” he said.

To help meet growing demand in main and emerging markets, Pranda opened its fifth Thailand factory in January 2011. The new plant in Nakhon Ratchasima Province boosts the company’s total annual production capacity to more than 9 million pieces for its nine factories in five different countries. Its overseas plants are in Indonesia, Vietnam, China and Germany.

The new production facility and another one in Nakhon Ratchasima that has been operating 17 years are both currently



receiving promotion incentives from the Thailand Board of Investment (BOI). “The BOI measures definitely make us more competitive,” Prapee said.

Pranda sources raw materials from countries such as South Africa, Australia and India, and imports production machinery from Germany, Italy and the United States. The tax breaks and exemption on machinery import duties granted by the BOI help the company cut costs to compete more effectively against the rival production centers of India, China and Vietnam, Prapee explained.

Thai Workmanship a Big Advantage

Founded in 1973 and listed on the Stock Exchange of Thailand in 1990, Pranda has

its group headquarters at Bangna in the outskirts of Bangkok. Besides strong government support, it sees Thailand as an ideal operating base because of the outstanding local workmanship. “Thailand is a major jewelry center, particularly for its high capability in stone cutting,” Prapee said.

“The Thai people are hardworking, reliable and stable. Such qualities are important because this enables us to have stability in the workforce as we train our employees to ensure quality and a high standard. Stability and quality are why our customers are increasing,” she emphasized.

Pranda’s own brands are internationally renowned, including Prima Gold 24K sophisticated jewelry, the Prima Diamond brand, the H. Gringoire collection that follows French traditions, its esse handcrafted “marcasite” silver jewelry, and the Merii silver jewelry women’s fashion brand. Besides jewelry featuring precious and semi-precious stones, Pranda manufacturers costume jewelry and commemorative products such as gold-sheet images of Buddha.

The company’s brand portfolio also includes distribution of joint-venture jewelry and licensed brands. These are JVs with Kroll for classic wedding bands and caí Jewels, a fashion brand featuring sterling silver with luxurious stones and freshwater pearls. Licensed products produced by Pranda include Baldessarini’s high-end luxury men’s fashion line, Pompöö’s luxury designer collection emphasizing the European Rococo and Baroque ages, and V&A’s collection inspired by historical museum pieces.

Two-thirds of Pranda's production is for its customers' brands, with its own brands accounting for 35%. Currently, silver jewelry makes up about 80% and gold pieces around 20% of total output.



The company, which launched exports as far back as 1979, currently distributes its products worldwide. The main overseas markets are the United States, the United Kingdom, Germany, France, Italy, Spain, Indonesia, Japan, China, Vietnam and India. Sales channels include distributors, traders, retailers, franchise businesses and Pranda's own retail shops.

Besides magnificent workmanship, extensive in-house R&D work is another of Pranda's competitive advantages. At the company's high-security Design and Product Development Center in Thailand, the 200 designers and technicians are constantly exploring new creative concepts. Moreover, Pranda's far-reaching distribution network via its subsidiaries in key markets such as the United States, Europe and Asia helps to keep the R&D team abreast of the latest needs and trends.

Prapee sees two major trends unfolding in the global jewelry industry. With the price of gold soaring, more consumers and manufacturers are looking to other metals, including silver and even brass. "Some companies are setting diamonds in brass," she noted.

Another trend is the consumer preference for jewelry that matches stylish fashions. "In the past, buyers were mostly interested in jewelry as gifts. Today, we see more women and even men purchasing jewelry that will go together with their clothing. Nowadays the highest value is not always the most important factor for buyers," Prapee noted.

Leader in Business and Social Care

Numerous awards have come Pranda's way in praise of its commitment to excellence and social concerns. These include the Thai prime minister's Best Own Design Exporter and Best Exporter awards for sustained robust growth and a shield of honor for professional support to the disabled. The Ministry of Commerce granted the company the "Buy with Confidence" quality standard certificate. The Department of Labor Protection and Welfare recognized Pranda for promoting labor welfare by establishing a standardized child care center on a continuous basis. In addition, the government has acknowledged the company's work in aids and tuberculosis management.

A highly respected enterprise, Pranda will also be among the top Thai companies presenting their quality products and technologies at BOI Fair 2011, which runs from 10-25 November at Impact Exhibition and Convention Center in Muang Tong Thani near Bangkok. Part of nationwide celebrations marking the auspicious



occasion of His Majesty King Bhumibol Adulyadej's 84th birthday, the fair will showcase Thailand's industrial products and services as one of the biggest international exhibitions in Southeast Asia.

Corporate social responsibility (CSR) and protection of the environment are among the core values of Pranda, others being quality, confidentiality and service. The company organizes and takes part in many CSR activities. These include flood relief, blood donation drives and development of local schools. It has also set up a Child Development Center that is in its 24th year and savings co-operatives for its employees.



To help foster educational opportunity for students in rural areas, Pranda is partnering with the Golden Jubilee Royal Goldsmith College and the Bangkok Arts and Crafts College under a major vocational education program.

Pranda is also very active in promoting careers for the disabled. "Currently, we have 32 such employees in various departments but we do not see them as disabled. Instead, we call them 'inconvenienced persons,'" Prapee said. These employees range from deaf artisans making molds to a front-desk receptionist who is blind.

"She is very proud of her work," Prapee said warmly of the receptionist. When speaking of this worker, the chairman's sincere smile shows that the company truly takes social contribution to heart.



Thailand remains a top tourist destination

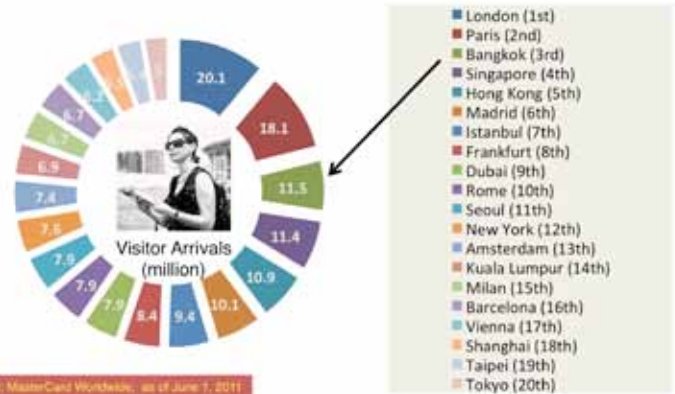
MasterCard Worldwide has recently issued the MasterCard Index of Global Destination Cities: Cross-Border Travel and Expenditures 2Q 2011. The report notes that “While growth rates by visitor arrivals and expenditures are high overall, regardless of whether the destination cities are in the developed or emerging markets, many emerging market destinations are showing both high visitor arrival and expenditure growth. This kind of growth pattern strongly suggests that destination cities in emerging markets worldwide will continue to grow in importance in the new global economy.”

The report covers 132 destination countries and how they are connected through cross-border air travel and related expenses, covering the period 2009-2011, ranking arrivals and spending. Bangkok ranks third for international arrivals, and first in Asia, and comes in fourth for international visitor spending, and first in Asia, which is estimated to be US\$14.4 billion. Bangkok is also estimated in the report to have a 2011 expenditure growth rate of 18.6%



2011 Global Top 20 Destination Cities by International Arrivals

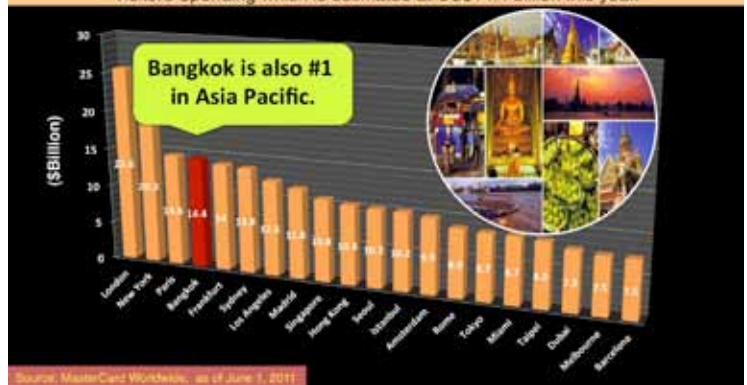
Bangkok ranked 3rd of the top twenty cities by International Arrivals which is projected to have 11.5 million visitors this year.



Source: MasterCard Worldwide, as of June 1, 2011

2011 Global Top 20 Destination Cities by International Visitors Spending

Bangkok ranked 4th of the top twenty cities by International Visitors Spending which is estimated at US\$14.4 billion this year.



Source: MasterCard Worldwide, as of June 1, 2011

Thai Labor Cooperation



On 26 May 2011 Office of the Board of Investment together with Japan External Trade Organization (JETRO, Bangkok) and the Japan Chamber of Commerce, Bangkok (JCC, Bangkok) organized a seminar for Japanese investors on “Labor Relations Management: Tips for Japanese Investors”, at the Centara Grand Mirage Beach Resort, Pattaya, Chonburi. Japanese managers in the eastern region attended the seminar, which offered information on Thai labor law, tips for establishing a good labor relations and labor management case studies. Speakers addressed labor law, and included labor relations experts from the Department of Protection and Welfare, a Japanese Legal Consultant, and from the Leamchabung Human Resource Management Club.



BOI INVESTMENT MISSIONS



On 8 June 2011, BOI Secretary General Dr. Atchaka Sibunruang attended a seminar held by the Thailand Board of Investment, together with the Asia Institute, Chulalongkorn University, on "Thai Investment Overseas, Opportunities and Successful Path," at the Miracle Grande Hotel, Bangkok.



From 12-16 June 2011 BOI Secretary General Dr. Atchaka Sibunruang led an investment mission to Osaka, Hiroshima and Kita Kyushu, Japan. During the trip she met with several representatives from the private sector, including the president of Mishima Kosan Co.,Ltd, a company involved in various businesses such as steel and engineering, on 15 June 2011.



From 19 to 21 June 2011, BOI Secretary General Dr. Atchaka Sibunruang led an investment mission to Bangladesh where the team met with several chambers of commerce, the Board of Investment of Bangladesh, as well as participated in Business Matching events with several Thai and Bangladesh companies.



From 4 to 6 June 2011 Deputy Secretary General Duangjai Asawachintachit led an investment mission to Finland, where she met with members of the private sector in Helsinki, Tampere and Oulu and spoke with them about BOI incentives relevant to their industries and about Thailand's growing economy.



From 8 to 10 June 2011 Deputy Secretary General Duangjai Asawachintachit led an investment mission to Norway, where she met with members of the private sector in Bergen and Oslo, speaking with them about the economic and investment situation in Thailand.



From 28 May to 4 June 2011, Director Vasana Mututanont led an investment mission to Angola and Mauritius where she met with representatives of several investment related government ministries and a chamber of commerce.

THAILAND ECONOMY-AT-A-GLANCE

Facts about Thailand

Population (2009) 67 million
 ASEAN Population 584 million
 Literacy Rate 96%
 Minimum Wage (1 Jan 11, Bangkok) 215 Baht/day

GDP (2010) US\$ 317.8 billion
 GDP per Capita (2010) US\$ 4,720.7
 GDP Growth (2010) 7.8%
 GDP Growth (2011, projected) 3.5 - 4.5%
 Export Growth (2010) 28.5%
 Export Growth (2011, projected) 12.5%

Trade Balance (2010) US\$ 14 billion
 Current Account Balance (2010) US\$ 14.8 billion
 International Reserves (2010) US\$ 172.13 billion
 Capacity Utilization (2010) 63.42%
 Manufacturing Production Index (2010) 190.1
 Customer Price Index (May 2011) (2007 = 100) 112.39

Corporate Income Tax 10-30%
 Withholding Tax 10-15%
 Value Added Tax 7%

May Average Exchange Rates

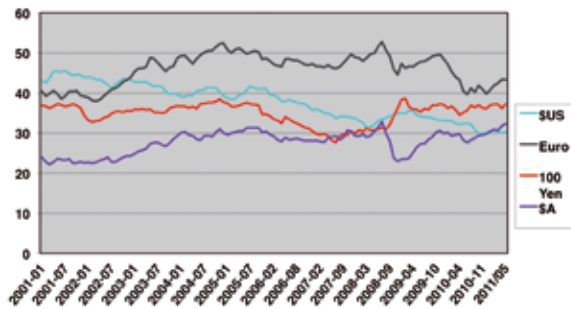
US\$1 = 30.24 baht
 €1 = 43.30 baht
 £1 = 49.42 baht
 100 ¥ = 37.26 baht
 CNY1 = 4.67 baht

Top 10 Exports 2011 (Jan-May)

Product	Share	Value (US\$ bn)
1 Automatic data processing machines and accessories	7.92	7.44
2 Motor cars, parts and accessories	7.61	7.15
3 Precious stones and jewellery	5.90	5.54
4 Rubber	5.84	5.48
5 Polymers of ethylene, propylene, etc in primary forms	3.93	3.69
6 Chemical products	3.63	3.41
7 Electronic integrated circuits	3.55	3.34
8 Rubber products	3.47	3.26
9 Refine fuels	3.40	3.19
10 Rice	3.07	2.88
Total		93.90

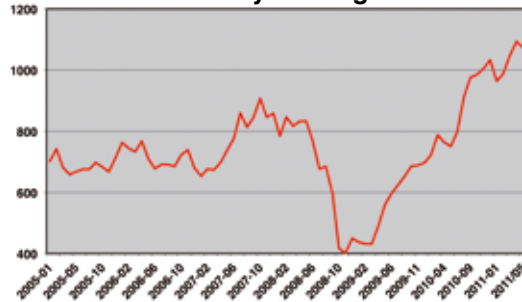
Source: Ministry of Commerce

Exchange Rate Trends



Source: Bank of Thailand

SET Monthly Closing Values



Source: Stock Exchange of Thailand

Industrial Capacity Utilization (%)



Source: Bank of Thailand

International Reserves / Short-term Debt (%)



Source: Bank of Thailand



BOI Fair 2011

BOI

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