With the world growing more health-conscious, demand for pharmaceuticals made in Thailand is on the rise. Investment opportunities, as a result, are ripening across the local industry, which offers a cost-effective research and production location.

Research and development in particular is a wide-open opportunity. While Thailand does produce 25 active ingredients such as sodium chloride, camphor and menthol, local drug companies pour less than 1% of total costs into R&D. As such, most active ingredients have to be imported from manufacturers overseas, mainly in the United States, Germany and Switzerland, leaving much room for new pharmaceutical investors.

With upstream, intermediate and downstream sectors, Thailand’s pharmaceuticals infrastructure supports R&D of new drugs to meet medical demand or cure emerging illnesses. Joint ventures play a major role in the industry, especially with the midstream companies where active ingredients can be produced as this requires significant technology and investment.

Continued on P. 3
Strategic Plan to Drive Thailand’s Tourism Growth

Thailand is expected to host between 18 and 18.3 million visitors this year, with tourism earnings of 700 billion baht. Last year, it hosted 15.8 million foreign visitors, who brought in 585 billion baht.

As for next year, Thailand has set a target of 19.5 million tourism arrivals, generating 760 billion baht in tourism income. In order to achieve the set target, the Tourism Authority of Thailand (TAT) has launched a marketing action plan to drive the country’s tourism growth for 2012.

Thailand’s Halal Success

The Director of Chulalongkorn University’s Halal Science Center, Associate Professor Winai Dahla, said that Thai halal food exports in 2011 are expected to grow by at least 10 percent to more than five billion US dollars. The higher growth is a result of rapid economic expansion in several Muslim countries. The migration of a number of Muslims into the European Union and the United States is another reason.

Major markets for Thai halal food include Indonesia, Malaysia, Nigeria, Oman, and other countries in the ASEAN region. Today Thailand is the sixth largest halal food exporter in the world. Dr. Winai believes that Thailand will come third in the future, after Brazil and the United States. The domestic halal food market in Thailand grows around 20 percent a year. Out of 30,000 food factories in Thailand now, 8,000 are involved in halal food production, but only 200 factories export halal food products. He cited high logistics costs as a problem faced by Thai halal food producers.

Bangkok, Still #1

Travel + Leisure magazine has released its 2011 “World’s Best” list, with Bangkok voted as the top city in the world, in the annual poll voted on by the American luxury travel magazine’s readers. Bangkok Governor M.R. Sukhumthand Paribatra traveled to New York to receive the award himself on July 14. The city retains its number one ranking in the world for a second consecutive year after it was voted to Best City in 2008 and 2010. Known for its fantastic tropical settings, historical venues, rich culture, and wondrous architecture, Bangkok has grown in popularity for tourists and world travelers over the years.
Thailand’s pharmaceuticals market is currently valued at about 129 billion baht, with sales absorbed 78% by hospitals and 12% by drugstores. Strong growth prospects are expected to push value above 255 billion baht by 2019.

The strategic direction in the local industry is for value-added products. This includes encouragement for R&D on enhanced influenza and hepatitis C vaccines, blood pressure and anti-HIV drugs, herbal antiviral and anti-cancer treatments, and supplementary products such as for weight loss. Amid the upgrade to added value, governing agencies continue to achieve progress in GMP and WHO standards compliance, stamping out counterfeiting and unethical practices, speeding up the patent approval process, and opening the local market wider.

As an indication of Thailand’s advancement in health care, the country has been chosen to host the 74th International Congress of the International Pharmaceutical Federation (FIP) in 2014. A federation of national associations representing 2 million pharmaceutical scientists around the world, the FIP said it is bringing the event to Thailand because the country’s vibrant pharmaceuticals industry is driven by high standards, competition and innovation. To take place at Bangkok International Trade and Exhibition Center (BITEC), the world congress is expected to attract 2,500 international delegates and generate more than 210 million baht for the country.

Deep History of Healing

Thailand’s health care sector offers a deep history of healing, uniquely combining the best of traditional practices and modern techniques. With its strategic geographic location at the heart of Asia, world-class technology infrastructure, and quality care at a fraction of the cost in developed countries, Thailand is a recognized leader in the provision of medical services.

As Thailand develops rapidly toward becoming the medical hub of Asia, the country’s pharmaceuticals industry is riding the coattails of that success. Pharmaceutical businesses are seeing heightened demand resulting from expanded care services, more medical facilities, and the increase of medical tourists. The Kingdom’s number of public and private hospitals is approaching 1,400, and each year 2 million foreign patients visit for everything from routine check-ups to bypass surgery. With incomes and health awareness on the rise throughout the region, opportunities for pharmaceutical companies operating in Thailand will continue to expand.

Moreover, member countries of the Association of Southeast Asian Nations (ASEAN) are growing in economic power and becoming more interconnected as trade barriers are knocked to the wayside. A key center of production and business, Thailand's pharmaceuticals industry will see great expansion as the region forms a massive single market of 600 million consumers called the ASEAN Economic Community by 2015.

Pharmaceuticals trade in Thailand at present leans heavily on imports. Bolstered by the country’s robust chemicals industry and movement toward greater biodiversity, Thailand imports more than US$1 billion worth of pharmaceutical products each year. The major source countries are France, the United States, Germany and Switzerland. Together they account for 45% of inbound shipments. Annual exports are about US$268 million. The main destinations are Vietnam, Myanmar, Belgium, Cambodia and Malaysia, which absorb around 57% of Thailand’s pharmaceutical exports.

The Thai pharmaceuticals industry has seen exports rise robustly by 66% and imports by 65% since 2006.

Thailand’s Imports & Exports of Pharmaceuticals, 2006 – 2011 (Jan-May)

<table>
<thead>
<tr>
<th>Year</th>
<th>Import (Bt Billion)</th>
<th>Export (Bt Billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>22.12</td>
<td>6.37</td>
</tr>
<tr>
<td>2007</td>
<td>34.79</td>
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</tr>
<tr>
<td>2008</td>
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<tr>
<td>2009</td>
<td>46.34</td>
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</tr>
<tr>
<td>2010</td>
<td>49.26</td>
<td>10.52</td>
</tr>
<tr>
<td>2011</td>
<td>19.92</td>
<td>4.30</td>
</tr>
</tbody>
</table>

Source: MOC as of July 188, 2011

Major international pharmaceutical companies either have manufacturing facilities in Thailand or source products from Thai drug manufacturers. The local industry produces a wide range of drugs for the human and veterinary sectors, spanning the entire pharmaceuticals alphabet, from antibiotics, epinephrine and interferon to nitroglycerine, vitamins and zinc methionine.

Thailand’s production and business advantages so far have attracted 714 local and foreign pharmaceutical corporations to establish operations in the country. Of these companies, 79.4% are Thai-owned. Switzerland accounts for 7.3% of investors, and significant representation also comes from Japan, France, the United States, the United Kingdom, the Netherlands and Denmark. Among the major enterprises in the Thai industry are Hitachi, Greater Pharma, Inova, Siam Pharmaceutical, Biolab, Thai Meiji, Pfizer, Sanofi-Aventis, GlaxoSmithKline, Merck, and Novartis.

Founded in 1966, the Government Pharmaceutical Organization (GPO), which is under Thailand’s Ministry of Public Health, also manufactures about 300 pharmaceutical, biological and natural products to help meet domestic and export demand. Currently, a GPO focus area is the formulation of antiviral and cardiovascular drugs, as related diseases are among the top causes of death in the country.
Promoting Investment and Health

To achieve sustainable development of the industry and promote good health generally, the Thailand Board of Investment (BOI) grants incentives to pharmaceutical investors. Companies engaged in the manufacture of pharmaceutical products or active ingredients are eligible for generous tax holidays and a range of non-tax benefits, including privileges on imported equipment duties.

Consistent support of the industry also comes from the Food and Drug Administration of the Public Health Ministry, the 82-year-old Pharmaceutical Association of Thailand under Royal Patronage, Thailand Science Park, National Center for Genetic Engineering and Biotechnology, National Science and Technology Development Agency, Ministry of Science and Technology, National Innovation Agency, Health Systems Research Institute, and Thailand Center of Excellence for Life Sciences. A fleet of research schools are also doing their part. These include the pharmaceutical science faculties at Chiang Mai, Hauchiew Chalermprakiet, Khon Kaen, Mahidol, Naresuan, Prince of Songkla, Rangsit, Silpakorn, and Srinakharinwirot universities.

Thailand’s numerous intellectual property-related laws, led by the Copyrights, Patent, Traditional Medicine and Practice, and Trade Secret acts, also help entrepreneurs and scientists protect hard-earned pharmaceutical laboratory breakthroughs.

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Production Structure of Pharmaceuticals

- **Upstream Industry**: Research and Development for new drugs
- **Intermediate Industry**: Production of Active Ingredients
- **Downstream Industry**: Formulation and Production of Finished Medicines
OBG Report: Thailand Remains Attractive Location for Investors

With its excellent location, growing economy, rock-solid industrial sector and creative opportunities, Thailand remains very attractive to overseas investors, according to “The Report: Thailand 2011” released in June by the Oxford Business Group (OBG).

The report describes the country’s economic and investment picture as “an impressive display of resilience.” A global publishing and research consultancy, the OBG said Thailand is “a magnet for foreign direct investment” because of its strong industrial sector with specialized estates, master plans by the government, and incentives granted by the Thailand Board of Investment (BOI).

Supporting this, the report noted that UNCTAD’s World Investment Prospects Survey lists Thailand among the top 15 most attractive investment destinations globally. The OBG also drew attention to the BOI’s current efforts to promote Thailand as an ideal regional operating headquarters.

A deep assessment updating Thailand’s business climate, the 2011 publication serves as a valuable source of information for investors. The 264-page guide offers detailed sections on the country’s economy, industry, politics, capital markets, information technology, real estate, tourism, transportation, agriculture, R&D, education, retail, media and legislation, among other areas.

The Thai manufacturing sector was given high marks, especially across the export sector from automotive to electronics to food. “Indeed, it is the bedrock of manufacturing and industry that has kept Thailand’s economy ahead of its peers in recent years, and which has also helped to rapidly reestablish the country’s economic prosperity,” the report said. It also called Thailand’s banking system “resilient and virtually unaffected by the global financial crisis.”

Performance in various other sectors was also recognized, including the country’s vibrant petrochemicals and energy industries. Thailand is a net exporter of many energy products and a major energy importer, with current government policy highlighting alternative energy to help meet demand. The report praised Thailand’s agriculture industry for being one of only five net exporters of food worldwide. Through enhanced R&D, food processing is seen as moving up the value chain. In addition, the tourism industry has rebounded as 2011 arrivals are projected to reach 16.5 million, higher than a year earlier. China, South Korea, India and Russia are perceived as fast-growing tourist source markets.

But even as the economy and investment in Thailand whirr along, the report acknowledged there are some challenges to continued strong growth. It emphasized domestic political stability and the global economic recovery as main factors in investor confidence. To boost the country’s competitiveness, the government was encouraged to increase investment in science and technology, education and infrastructure. Such progress would strengthen Thailand’s competitive position as the region removes trade barriers upon creation of the massive ASEAN Economic Community single market by 2015.

Sustainable and Green Development

The 2011 edition of the report features interviews with Thailand’s most prominent economic and business leaders, who provide their special insight. Moreover, it includes commentaries about Thailand and the global situation by distinguished personages ranging from His Majesty King Bhumibol Adulyadej of Thailand to UN Secretary General Ban Ki-Moon to US President Barack Obama.

In the interview with BOI Secretary General Dr. Atchaka Sibunruang, she emphasized that economic development is the goal of the Thai government. “The government’s policy is in line with a global trend of sustainable development and is supportive of environment-friendly investments, including green energy, recycling and related activities,” Atchaka said.

Another important strategy is to invest in the future through human resources development and R&D. Atchaka said now that large companies in Thailand have recognized the importance of investing in R&D, the hope is that small and medium enterprises will spearhead the trend going forward.

The OBG report also noted that the BOI is promoting the creative economy concept in many sectors, from software to the media to wellness.

The increasing attractiveness of Thailand as an investment location is evident in the latest figures released by the BOI. In the first six months of 2011, the number of applications for investment promotion filed at the BOI grew by 43% y-o-y to 882 new projects worth 247 billion baht. That already exceeds half of the Board’s initial target for the whole of 2011. Investment value climbed 36 percent in the January to June period.

The OBG publishes economic and political intelligence on nearly 30 countries across Asia, the Middle East, Eastern Europe, and North and South Africa. Its country publications such as “The Report: Thailand 2011” have a diverse readership. The audience includes international policymakers, donor organizations, journalists, embassies, multinational companies and business leaders. The reports are deemed especially useful as a business tool for potential investors who need more information about an area before making decisions.
Is Thailand Really Short of Labor?

On 22 July 2011, the Board of Investment invited representatives from both private and public sectors to join in a discussion on the “Current Thai Labor Situation: Is Thailand Really Short of Labor?” The seminar was opened by Ms.Hirianya Suchinai, BOI Senior Executive Investment Advisor, with presentations given by Director Boonlert Theeratrakul of the Labor Market Research Division at the Department of Employment, Ministry of Labor, and by Khun Ekaporn Kosakanchit, the representative from the private sector and executive member of The Federation of Thai Industries.

The meeting addressed the current Thai labor market and ended with solutions to help investors and entrepreneurs to handle any immediate needs for labor. According to the speakers, labor shortages may arise from the fact that the society is ageing, while Thailand’s economy has improved recently and continues to expand every year, but also from such problems as inefficient and insufficient communication on job opportunities available to the unemployed.

To address such problems, the Ministry of Labor supports the private sector in many ways. For example, the Department of Employment supports experts to help entrepreneurs train their unskilled workers as on the job training. For some skilled workers whose field of study does not match the employer’s requirement, the department of employment is also willing to provide the necessary training course for them to bring the right skill to factories.

On 26 May 2011, the committee for labor shortage problem solving, Ministry of Labor, approved guidelines to solve labor shortage problems for the agricultural, manufacturing and service sectors, comprised of two main strategies:

1) Promoting better understanding to new graduates about their qualifications in order to match the employee’s requirement, improving communication for better job information distribution to the unemployed, providing more jobs to older workers.

2) To increase labor productivity:
   a. Enhance worker’s skills (training), improve worker morale by providing accommodation or nursery for children of staff, motivate by increasing wage and welfare, and promote better attitude and appropriate behavior among labor.
   b. Promote using new technology to replace labor.
   c. Promote the development of efficient internal management and logistics systems.

As Thailand is going forward to be a part of ASEAN Economic Community, labor shortages will not be an issue if the right adjustments are made and skills are improved to compete in a changing economy and a more competitive environment in near future.

The Federation of Thai Industries is now working with the Ministry of Labor and the Office of Vocational Education Commission to initiate several projects regarding employment and human resources development. For example, the creation of a website where entrepreneurs can search for new graduates whose qualification meet their requirements, a training program in which entrepreneurs invite both teachers and students to study and learn the process in their factory, such as in garment factory. Students can learn and understand the work process while the entrepreneur can screen potential workers after graduation. This is a win-win situation, as the factory gets skilled people, the students can learn by doing real work and then get a job right away after they finish school.

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BOI Improves Sustainable Development Promotion

In response to the world financial crisis that began in 2008, the BOI announced its Thailand Investment Year 2008-2009 campaign that would promote investment and energy efficiency and protect the environment all at the same time.

Among the special incentives offered to several groups of activities were energy conservation and alternative energy, such as for the manufacture of alcohol or fuel from agricultural products, including scrap, garbage and waste; manufacture of energy-conserving machinery or equipment that uses alternative energy; manufacture of fuel cells; manufacture of solar cells; production of electricity or steam power from alternative energy (e.g. wind/biomass/agricultural materials/gas).

Another group which could enjoy the special incentives is manufacturing groups related to eco-friendly material and products, namely eco-friendly chemicals and eco-friendly products.

Although the TIY campaign ended at the close of 2009, the BOI, realizing the success of the program and the large numbers of applications to produce electricity from alternative energy, decided to introduce in 2010 its Investment Promotion Policy for Sustainable Development, 2010-2012. This policy continues to give special incentives to activities related to energy conservation and alternative energy, as well as activities related to eco-friendly materials and products. Incentives under this policy include such offerings as import duty exemption on machinery, 8-year corporate income tax exemptions, 50% reduction of CIT for 5 years after expiry of tax holiday, and deductions for transportation, electricity, water and infrastructure installation costs.

Under its Sustainable Development policy, the BOI introduced additional measures to promote energy conservation, alternative energy utilization or reduction of environmental impacts for existing projects by offering exemption of import duty for machinery brought in for existing production lines to help save energy of to change from fossil energy to alternative energy, or to reduce impacts on the environment. 3-year CIT exemption on revenues of existing projects is allowed, accounting for 70% of the investment value of improvement under this measure, excluding the cost of land and working capital.

Earlier this year, BOI revised the existing benefit offered under the above measure, on the improvement to reduce environmental impacts. The BOI now offers an 8-year CIT exemption, accounting for 100% of the investment, excluding the cost of land and working capital for improvement. (Incentives for improvement to save energy or to use alternative energy remain the same.)

BOI-promoted projects can apply for this measure when the tax exemption or reduction period expires, or in the case the projects

Continued on P.10
Vigorous healthy growth is the guiding principle at Mead Johnson Nutrition Co. (MJN), both in providing nutritional products to give children the best start in life and in developing the company.

With headquarters in the US state of Illinois near Chicago, MJN is truly a global company as two-thirds of its revenue now comes from Asia and Latin America. Thailand is already one of the company’s top 10 markets. MJN also carries out production here through the subsidiary Mead Johnson Nutrition (Thailand) Ltd. Sales in the country started in 1972, early compared with many American companies in terms of cultivating emerging markets, and production in Thailand commenced in November 2001. MJN also operates its Asia regional headquarters out of Bangkok.

MJN’s roots go way back to 1895 when Edward Mead Johnson, one of the brothers who founded Johnson & Johnson, created his own business in 1895. Renamed Mead Johnson in 1905, the enterprise was acquired by Bristol-Myers Squibb in 1967 and ultimately split off as an independent public company in 2009 and now trades on the NYSE.

“We have really been in one business for 105 years, which is nourishing children through developing, manufacturing and marketing science-based pediatric nutrition products,” said Mr. Stephen W. Golsby, president and chief executive officer of MJN.

The company’s “Enfa” series is the world’s leading brand in nutrition products for infants and children. The line features Enfapro containing nutrients found naturally in breast milk for infant’s balanced nutrition and brain and eye development, Enfagrow for toddlers transitioning from infant formula or breast milk, and Enfakid to strengthen the immune system of children 3 to 6 years of age. Other popular products are Nutramigen for children with food allergies or colic, Lactum children’s nutrition supplement providing 100% of required daily nutrients, Sustagen as a nutritionally balanced milk supplement, and the Choco Milk supplement blending 23 vitamins and minerals.

Competition in this industry is fierce, as the world’s top five pediatric nutrition companies are all household names: Mead Johnson, Nestle, Danone, Abbott and Pfizer. But while others have diversified for scale into product lines such as water, ice cream or pet food, MJN is the only company among the top players that is focused entirely on infant and children’s nutrition. Besides running deep with a century of experience developing nutritional science for children, the company also has an unwavering commitment to quality. “Our history and focus give us a huge edge,” Golsby said.

The trend across the pediatric nutrition industry is toward premium brands as more regulators and parents are demanding leading-edge science and highest-quality products. MJN is well-positioned at the forefront of this. Although it is certainly an industry poised for strong and long growth worldwide, especially in developing markets with favorable demographics, the road ahead is not without obstacles to progress. “The biggest challenge to competitiveness will be finding ways to offset rising costs while continuing to improve productivity and efficiency,” the CEO noted.

Experience and Insight

Golsby was recently named an Honorary Investment Advisor (HIA) of the Thailand Board of Investment (BOI). “I am very flattered by this. I see the HIA opportunity as a way to share insight and information regarding Thailand, both from my positive personal experience living and working in the country and from Mead Johnson’s success in doing business here,” he said.

Being married to a Thai, having lived in the country for 10 years, and with MJN’s operations here, Golsby certainly possesses strong links to Thailand. “As CEO of an S&P 500 company that is fast-growing and which has extensive international operations, I can help position Thailand to potential foreign investors in a way that can support the BOI’s mission,” he said.

His deep expertise in consumer product companies and emerging markets includes previous management positions at Unilever, one of the world’s largest conglomerates. After joining MJN in 1997 and moving up the ranks to the top job, Golsby has steered the company to a several-fold increase of its sales in Asia.

Golsby will also be participating in the CEO Forum of BOI Fair 2011. Running from 10-25 November, the fair in Bangkok will be part of nationwide celebrations marking the auspicious occasion of His Majesty King Bhumibol Adulyadej’s 84th birthday. One of the biggest international exhibitions in Southeast Asia, BOI Fair 2011 will showcase Thailand’s industrial capacity, modern technology and knack for innovation. The event’s CEO Forum
brings together top corporate leaders from around the world to discuss Thailand’s investment future and business opportunities.

Golsby said MJN sees Thailand as an excellent operating base for many reasons. These include the country’s welcoming culture, competitive costs and ease of doing business, strong investment environment, good infrastructure and strategic business location at the heart of Asia.

Situated in the Amatanakorn Industrial Estate of Chonburi Province, the Thailand plant is one of seven MJN manufacturing facilities around the world, with two others in the United States, and one each in Mexico, the Netherlands, China and the Philippines. The Chonburi factory accounts for 10% of total output.

Production at the Thailand facility, which in July 2011 received OHSAS 18001:2007 certification for workplace health and safety systems, is split almost 50-50 between exports and the domestic market. The main overseas markets supplied by the plant are Malaysia, Singapore, Vietnam, India and Sri Lanka.

With 6,500 employees globally, MJN has 500 full-time staff and several hundred temporary workers in Thailand. Along with this are the 400 nutritional consultants who work in the country’s supermarkets to educate consumers to the science of MJN’s products.

“Our ability to attract workers with the appropriate skills to support our operations in Thailand has always been strong,” Golsby said. “As ours is a high science business, we also encourage the government to continue building capabilities in science and engineering. When providing nutrition for precious infants, you can always benefit from a bigger supply of microbiologists, chemists and experts in quality.”

He also sees Thailand as an excellent place for conducting R&D. In fact, most of the scientists at the company’s Bangkok and Chonburi facilities are Thai. They develop infant formulas and supplements, and prenatal nutrition products that pregnant and lactating women take. Their breakthroughs serve markets in Thailand and countries across Asia.

**Strong Growth for Company, Industry**

MJN is in an impressive growth trajectory. Its global sales last year topped US$3 billion and are projected to exceed US$3.5 billion in 2011, with first-half sales already showing a strong 20 percent increase and earnings up by 16 percent.

The pediatric nutrition industry, while not immune from a global economic downturn, is somewhat protected from it. “This is because parents will compromise just about everything else before compromising the nutrition they provide to their children,” Golsby noted.

China is currently MJN’s single-largest market, having overtaken US sales. The one-child policy in China is actually a great boon to the company. Golsby explained: “That one child has two parents and four grandparents, all of whom are funneling money down to the child to give him or her an edge over peers. They equate the highest-quality international nutrition products with an advantage. Because of our leading science and quality, Mead Johnson is seeing real benefits from that.”

The whole of Asia, including Thailand, is at the very core of MJN’s growth strategy as more babies are being born into middle-class families in the region. “Parents now able to buy premium nutritional products want to give their children a better start in life than they had,” Golsby noted.

MJN is at a point where further investment needs to be made to support its strong sales growth. As part of this, the company plans to initiate the move of the manufacturing of its products for Indonesia to Thailand within the next year. Reasons for the move include the Thai plant being modern and efficient, Thailand’s logistical advantages to regional markets, and MJN’s cost-effective skilled workforce in the country.

Social care and concern for the environment are very important to MJN. To give back to the local communities where it operates, the company carries out numerous such projects. Among these is the “Helping Hands for Special Kids” program, together with the Chaiapattana Foundation and Srinakarinwirrote University, through which underprivileged children in Thailand receive medication at no cost. The company also provides metabolic product donations and lactating rooms at government hospitals. Its “Green Dream” project involves planting 1,365 trees in Chonburi Province.

“We are very proud of our history in Thailand,” Golsby said.
The Japan External Trade Organization (JETRO) has once again completed its comparative survey of investment-related costs, looking at 31 major cities and regions in Asia and Oceania. This is the twenty-first such survey issued by JETRO since it began the survey in 1995, and was done by JETRO’s overseas offices in cooperation with Japanese chambers of commerce and industry, local government agencies, and relevant companies in each country. As in previous years, the survey looks at wages, land prices, office rents, telecommunications expenses, utility rates, and other investment-related costs.

Attention was given to the impact of the global financial crisis, finding that in the majority of cities and regions wages are showing an upward trend. In that regard, Malaysia, Thailand and Singapore were the countries among ASEAN that exhibited increased wages, with Malaysia increasing by 33.8% for general workers, Thailand by 15.2% and Singapore between 6.5 and 14.1%. The report notes that “…the increase in wages in India is particularly striking. The actual annual costs of general workers in Mumbai, Bangalore, and New Delhi rose by 53.3, 48.6, and 21.7%, respectively. In nearby Sri Lanka, wages of general workers and engineers increased approximately 60% over the previous year.”

China is also among those countries with wage increases, with strikes and labor disputes aimed at higher wages, particularly from May 2010 onward.

Looking closer at the data reported in the survey, the average monthly salary for general workers in Bangkok was US$263, for an engineer’s position it was US$588 and for a manager at the department chief level it was US$1,423. By comparison, the same rate for these positions in Kuala Lumpur was US$298, $878 and $1,684, respectively, and in New Delhi it was $294, $681 and $2,343, respectively. So it seems Thailand remains competitive, despite the recent wage increases.

Across the board Thailand remains competitive with countries in the region and in many cases surpasses the average. Certainly with its skilled labor force, strong supply chains and infrastructure and an excellent location, combined with a business friendly government, Thailand continues to be a great place for investment, lifestyle, safety and satisfaction.

Sustainable Development Promotion, Continued on P.7

do not receive the corporate income tax exemption. Non-BOI promoted companies can also apply for this measure if their projects are under the BOI List of Activities Eligible for Promotion and Conditions. The measure expires at the end of 2012.

The BOI continues to support clean and efficient uses of energy and leading technologies that will help industrial output while protecting the environment, which is why the theme of BOI Fair 2011 is Going Green for the Future!
From 25 to 28 June, BOI Secretary General Dr. Atchaka Sibunruang led an investment mission to Zurich, Switzerland, where the team engaged in networking activities with private sector companies and spoke at a seminar on “Thailand: Land of Business Opportunities”, which was co-organized by the Swiss-Asian Chamber of Commerce.

From 28 June to 2 July, BOI Secretary General Dr. Atchaka Sibunruang led an investment mission to Edinburgh, Scotland, and London, England, where the team met with executives from Triumph Motorcycle and with other private sector executives in the steel industry, as well as participated in an investment seminar.

On 5 July 2010 BOI Secretary General Dr. Atchaka Sibunruang led an investment mission to Myanmar, where she attended an investment seminar in Yangon, jointly organized by the Thailand BOI and Chulalongkorn University at the Union of Myanmar Federation of Chambers of Commerce and Industry, and facilitated business matching with Thai and Myanmar business leaders.

From 14 to 19 July, BOI Secretary General Dr. Atchaka Sibunruang led an investment mission to Jordan, where she held meetings on investment with the Jordan Special Economic Zone Authority, the Jordan Investment Board, and the country’s Natural Resource Authority and its Chamber of Commerce.

From 26 to 30 July BOI Secretary General Dr. Atchaka Sibunruang led a mission to Xian, China to discuss investment opportunities with representatives from the private sector, including those from the aerospace industry.

From 18 to 22 July, Director, Thai Overseas Investment (ASEAN Division), Ms. Pannee Chensutthana of the International Affairs Bureau, accompanies an investment mission to Cambodia, which included meetings with government officials, factory visits and business matching, as well as meeting with the Cambodia Chamber of Commerce.
Facts about Thailand

Population (2009) 67 million
ASEAN Population 584 million
Literacy Rate 96%
Minimum Wage (1 Jan 11, Bangkok) 215 Bath/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) 28.3%
Export Growth (2011, projected) 12.5%
Trade Balance (2010) US$ 14 billion
Current Account Balance (2010) US$ 17.2 billion
International Reserves (2010) 63.42%
Manufacturing Production Index (2010) 190.1
Capacity Utilization (2010) 112.54%
Corporate Income Tax 10-30%
Value Added Tax 7%
Withholding Tax 10-15%
June Average Exchange Rates
US$1 = 30.51 baht
€1 = 49.52 baht
£1 = 43.91 baht
CN¥1 = 4.72 baht

Top 10 Exports 2011 (Jan-Jun)

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<th>Product</th>
<th>Share</th>
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<td>1. Automatic data processing machines and accessories</td>
<td>7.92</td>
<td>9.11</td>
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<tr>
<td>2. Motor cars, parts and accessories</td>
<td>7.60</td>
<td>8.74</td>
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<tr>
<td>3. Precious stones and jewellery</td>
<td>5.69</td>
<td>6.55</td>
</tr>
<tr>
<td>4. Rubber</td>
<td>5.61</td>
<td>6.45</td>
</tr>
<tr>
<td>5. Polymers of ethylene, propylene, etc in primary forms</td>
<td>3.89</td>
<td>4.47</td>
</tr>
<tr>
<td>6. Chemical products</td>
<td>3.60</td>
<td>4.13</td>
</tr>
<tr>
<td>7. Electronic integrated circuits</td>
<td>3.59</td>
<td>4.13</td>
</tr>
<tr>
<td>8. Rubber products</td>
<td>3.48</td>
<td>4.00</td>
</tr>
<tr>
<td>9. Refine fuels</td>
<td>3.40</td>
<td>3.91</td>
</tr>
<tr>
<td>10. Rice</td>
<td>3.04</td>
<td>3.50</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>114.98</strong></td>
</tr>
</tbody>
</table>

Source: Ministry of Commerce