

# THAILAND: PARTNERSHIP FOR GROWTH IN ASIA

H.E. M.R. Pongsvas Svasti  
Minister of Industry, THAILAND

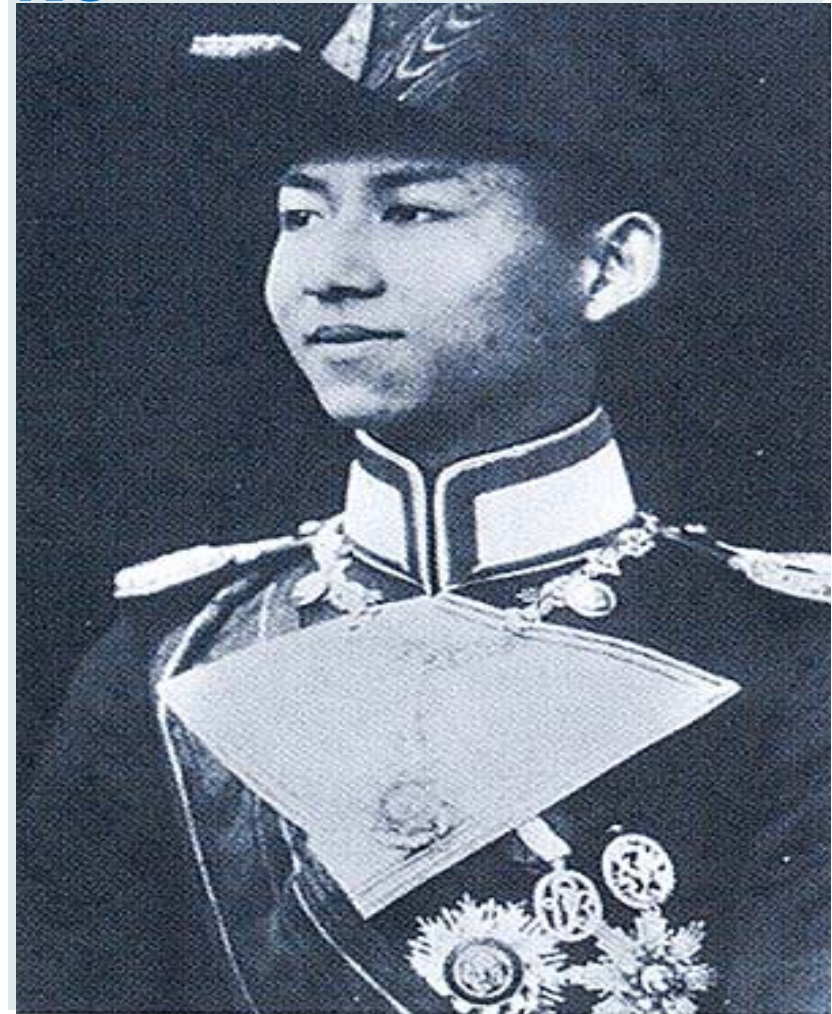
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Berlin, Germany

# THAILAND: PARTNERSHIP FOR GROWTH IN ASIA



# 150<sup>TH</sup> ANNIVERSARY THAILAND AND GERMAN RELATIONS



Thai-German Institute  
สถาบันไทย-เยอรมัน

  
Unbeatable Thailand,  
Unparalleled Opportunities



# THAILAND'S ECONOMIC PROJECTION YEAR 2012

(% YoY)	2010	2011	2012	
			Average	Range
Real GDP	7.8	0.1	5.7	5.2-6.2
- Real Private Consumption (Cp)	4.8	1.3	5.2	4.7-5.7
- Real Public Consumption (Cg)	6.0	1.1	4.5	4.0-5.0
- Real Private Investment (Ip)	13.8	7.2	13.5	12.5-14.5
- Real Public Investment (Ig)	-2.2	-8.7	9.7	8.7-10.7
- Real Export of goods and services (Xgs)	14.7	9.5	8.0	7.0-9.0
- Real Import of goods and services (Mgs)	21.5	13.7	13.4	12.4-14.4
- Trade Balance	31.8	23.5	7.4	6.4-8.4
- Export of goods in \$ term	28.4	16.4	12.8	11.8-13.8
- Import of goods in \$ term	37.0	24.7	22.3	21.4-23.4
- Current Account (Bill.\$)	13.2	12.3	-1.3	(-3.3)-(-0.4)
- Current Account (%GDP)	4.1	3.4	-0.4	(-0.9)-(-0.1)
Headline Inflation	3.3	3.8	3.5	3.0-4.0
Core Inflation	1.0	2.4	2.3	1.8-2.8

Source: Fiscal Policy Office, June 2012



# THAILAND'S AUTOMOTIVE INDUSTRY

## OVERVIEW

**Thailand:**  
14<sup>th</sup> Largest  
automobile  
producer in  
the world in  
2011 (OICA)

**Target:**  
Top 10 by  
2014, when  
local capacity  
projected at  
**2.43 million**  
units

**Output:**  
16 assemblers  
with a  
combined  
production of  
**1,457,795**  
units in 2011  
(50.46% for export)

**High local  
content :**  
**80-90%** for  
pick-up and  
**30-70%** for  
passenger car

# THAILAND'S TOP FOOD EXPORT RANKING (2010)

RICE	Value (A\$ Mil.)	% share
World	16,284	100
<b>1. Thailand</b>	<b>5,175</b>	<b>31.8</b>
2. Vietnam	3,130	19.2
3. India	2,227	13.7
4. US	2,265	13.9
5. Italy	630	3.9

FISHERY PRODUCT	Value (A\$ Mil.)	% share
World	92,060	100
1.China	12,370	13.44
2.Norway	8,371	9.1
<b>3. Thailand</b>	<b>6,741</b>	<b>7.3</b>
4.Vietnam	4,879	5.3
5.US	4,298	4.67

MEAT	Value (A\$ Mil.)	% share
World	109,116	100
1.Brazil	12,916	11.83
2.US	12,855	11.78
3.Germany	10,360	9.5
4.Netherlands	9,217	8.45
5.Australia	5,990	5.48
<b>18. Thailand</b>	<b>1,888</b>	<b>1.73</b>



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Note: Exchange rate: US\$1=Bt30.49 and A\$1=Bt31.46 in 2011

(Source: www.nfi.or.th as of Nov 29, 2011)

# High Speed Train



Route	From	To	Distance	Budget ( Million US\$)
North	Bang Sue	Chiang Mai	745 km.	7,300
North-East	Bang Sue	Nong Khai	615 km.	3,100
East	Makkasan	Rayong	330 km.	2,300
South	Bang Sue	Hua Hin	225 km.	2,600



Source: NESDB, as of March 25, 2011

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# AEC SNAPSHOT



## Macro-Economic Basics

- GDP (2011): US\$2,112.4 Bn\*
- GDP per capita: US\$3,376
- GDP Growth: 5.7% and 6.4% in 2011-2012
- Population: 600 million people
- Area: 4.46 million km<sup>2</sup>

\* IMF Forecast

Source: Tilleke and Gibbins & IMF Forecast as of April 23, 2012

  
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THAILAND  
BOARD OF  
INVESTMENT



# DAWEI PORT AND INDUSTRIAL ESTATE



## 4 POTENTIAL ROUTES CONNECTING GMS RAILWAY DEVELOPMENT 2025



- Route 1: Bangkok-Phnom Penh-Ho Chi Minh City-Kunming
- Route 2: Bangkok-Vientiane-Kunming (via Boten/Mohan)-Hanoi/HCMC
- Route 3: Bangkok-Vientiane-Hanoi/HCMC (via Tha Khaek-Mu Gia-Vung Ang)-Kunming
- Route 4: Bangkok-Kunming (via Chiang Rai-Boten-Mohan)-Hanoi/HCMC

Existing lines  
 Missing links

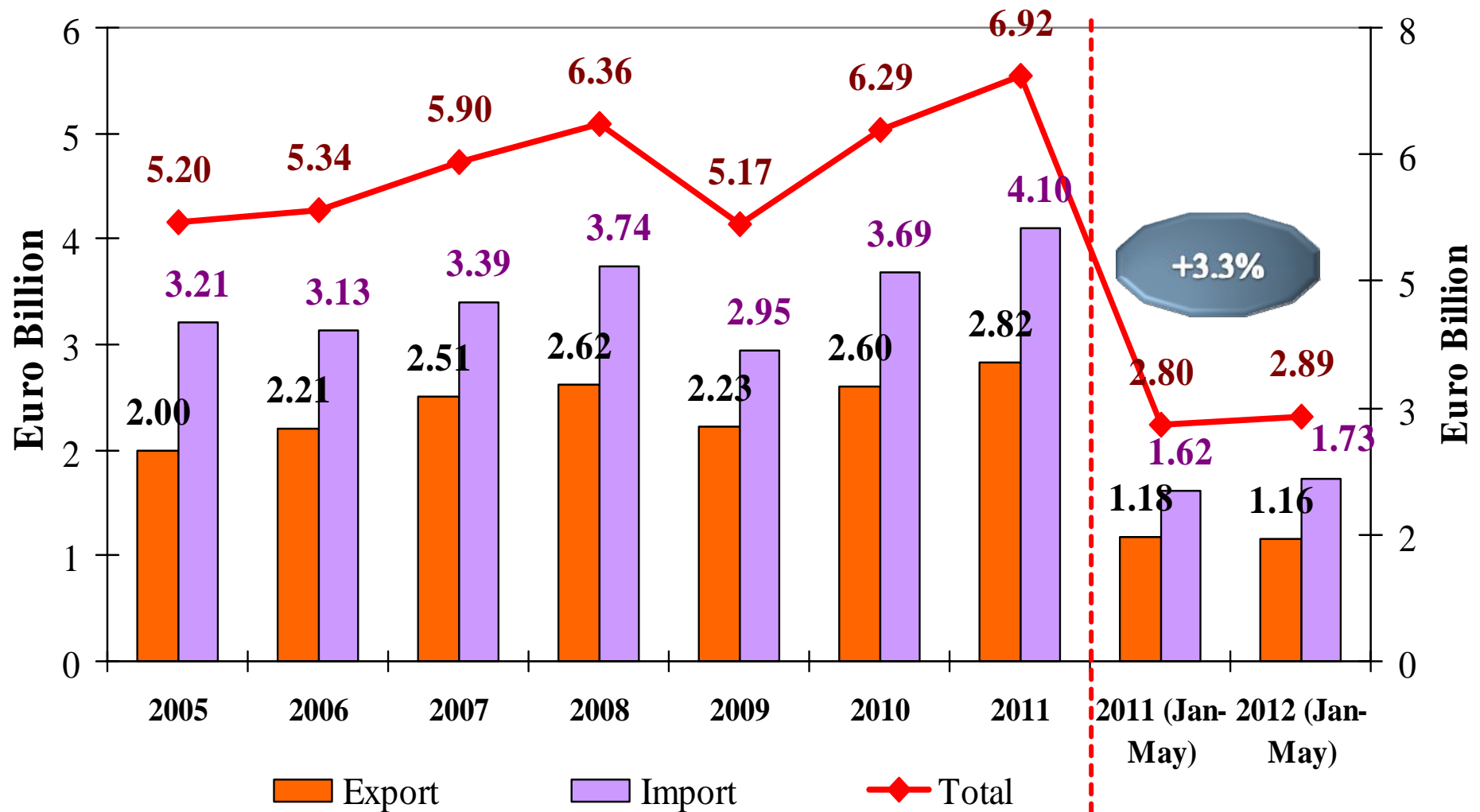
### GMS Rail traffic projections (tons) in 2025

Bulk	11,220,630
Containers	8,250,902
Liquid	6,258,056
Reefer	4,173,152
Special	68,553
<b>TOTAL</b>	<b>29,971,293</b>

- ① **Route 1:** Bangkok-Phnom Penh-Ho Chi Minh City-Kunming
  - ② **Route 2:** Bangkok-Vientiane-Kunming (via Boten/Mohan)-Hanoi/Ho Chi Minh City
  - ③ **Route 3:** Bangkok-Vientiane-Hanoi/Ho Chi Minh City (via Tha Khaek-Mu Gia-Vung Ang)-Kunming
  - ④ **Route 4:** Bangkok-Kunming (via Chiang Rai-Boten-Mohan)-Hanoi/Ho Chi Minh City
- Existing lines  
 Missing links

**Source: 2010 Year-end Economic Review & NESDB, as of Jun 17, 2011**

# TRADE SUMMARY THAILAND/GERMANY



Source: MOC, as of July 12, 2012 Exchange rate: €1 = Bt40.16 in Q2, 2012



# German Investment Applications by Sector 2007-June 2012

Sector	Investment (Mil Baht)	No. of Projects
Agricultural Products	1,447.0	13
Minerals and Ceramics	893.4	3
Light Industries/Textiles	829.8	10
<b>Metal Products and Machinery (including automotive)</b>	<b>37,401.4</b>	<b>37</b>
Electrical and Electronic Products	6,801.7	32
Chemicals and Paper	2,972.8	13
Services	21,879.0	74
<b>Total</b>	<b>72,225.1</b>	<b>182</b>

Source: BOI



# THAILAND AS FUTURE INVESTMENT

Thailand as a center of ASEAN with strong supply chain

Liberal investment policy and financial policy

Several major infrastructure investment projects

Competitive Business Environment

# Ease of Doing Business Index 2012

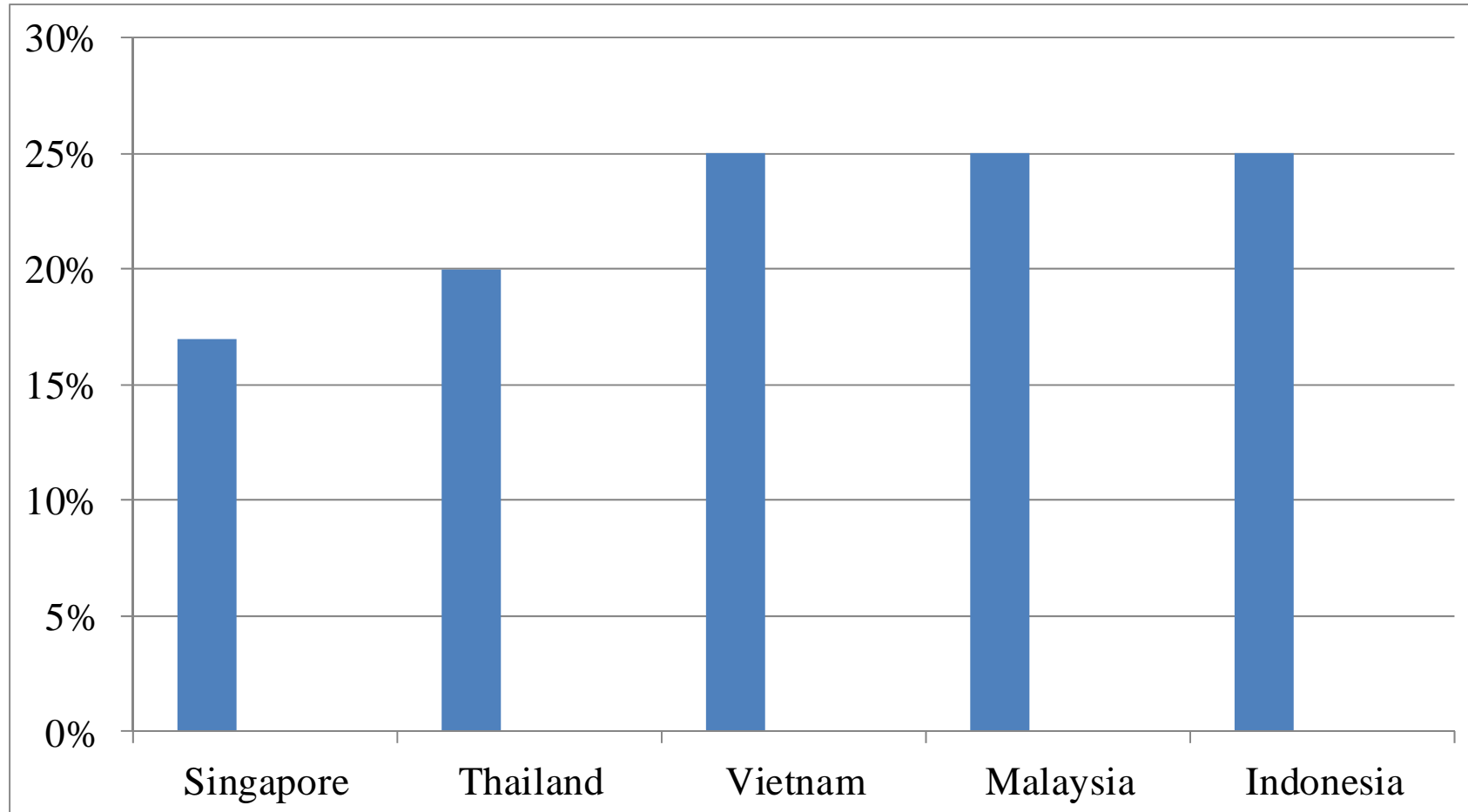
1	Singapore
17	<b>THAILAND</b>
18	Malaysia
83	Brunei Darussalam
98	Vietnam
129	Indonesia
136	Philippines
138	Cambodia
165	Laos PDR

Thailand is ranked among the easiest places to do business;

**17<sup>th</sup> in the world**  
**3<sup>rd</sup> in East Asia and Pacific**  
**2<sup>nd</sup> in ASEAN**



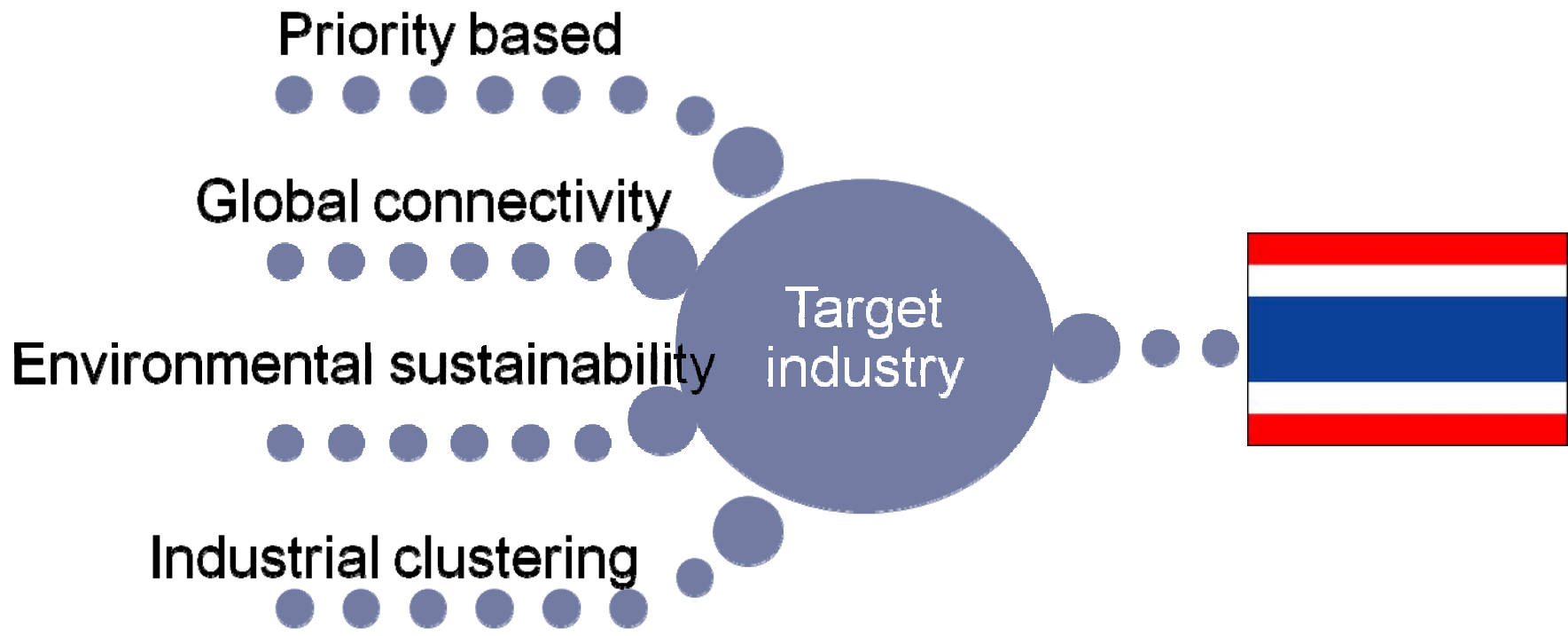
# ASEAN CORPORATE INCOME TAX 2013



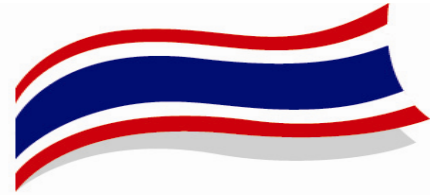
Source: KPMG



# THAILAND'S INVESTMENT STRATEGY







# Unbeatable Thailand, Unparalleled Opportunities

**THANK YOU**