



THAILAND BOARD OF INVESTMENT

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## **Thailand and Japan strengthen investment ties at recent investment roadshow in Fukuoka**

Thailand and Japan have had close diplomatic relations for 130 years. The two countries are good partners in many ways, especially trade and investment. The Thailand Board of Investment (BOI) took the country's relations with Japanese investors to another level during the recent investment roadshow to Fukuoka, one of Japan's most active business hubs.

Japan has been the largest foreign investor in Thailand for more than five decades and has contributed greatly to the rapid development of the Thai industrial sector. In 2017 alone the total investment value from Japan in Thailand reached 133 billion baht (approximately US\$4 billion)\*, a significant increase over 53.6 billion baht (US\$1.67 billion)\* in 2016. Japanese investment in Thailand accounts for a larger share in foreign direct investments (FDI) in Thailand year on year. In 2017, investments from Japan accounted for 47 per cent of the total FDI compared to 21.3 per cent in 2016.

Thailand aims to transform itself into a country with an advanced economy according to the Thailand 4.0 model. As a result, the country deems it important to restructure its economy by promoting investment in the industries of the future such as robotics, digital businesses, next-generation automotive industry, agriculture and biotechnology, as well as aviation and logistics. Japan has long been known for its leadership in those industries and technologies.

Located on Kyushu Island, Japan's the third largest island, Fukuoka is a major economic hub with the largest number of startups in Japan and one of the world's largest automotive manufacturing bases with a production capacity of 1.54 vehicle units per annum. Other major industries centered in this prefecture are biotechnology, environmental technology, hydrogen energy, nanotechnology and robotics.

During the recent investment promotion roadshow to Fukuoka Prefecture, the Thai government mission – led by Deputy Prime Minister Dr. Somkid Jatusripitak, Minister Attached to the Office of the Prime Minister Dr. Korbsak Pootrakool, Deputy Foreign Affairs Minister Veerasak Futrakul, Deputy Industry Minister Dr. Somchai Harnhirun, and BOI executives – met with Fukuoka Governor and over 900 local business people and investors.

At the seminar titled "Opportunity Thailand, Be a Part of It", the Deputy Prime Minister delivered a keynote speech on "Thailand as a Key Driver of Regional Economic Growth". It was followed by a presentation by Dr. Pootrakul on "Current Measures to Facilitate Investment in Thailand".

\* At the exchange rate of US\$1 = 32 baht



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Ms. Duangjai Asawachintachit, BOI's Secretary General, said: "The positive response from over 900 Japanese business people attending the roadshow is remarkable. We hope this event will inspire Japanese investors to invest more in Thailand and vice versa. As Fukuoka is known as a very important industrial hub, more investment activities from investors in Fukuoka will help play a significant role in transforming Thailand into an advanced economy in the future."

During the roadshow, the Thai government mission also announced the opening of a Royal Thai Consulate in Fukuoka, which showed Thailand's strong commitment to promote business relationships with the Japanese prefecture.

The Thai representatives also shared with local participants updates of major projects in the Eastern Economic Corridor (EEC), Thailand's latest economic hub, during a panel discussion on "Thailand, a Regional Hub of Opportunity" by BOI executives and current Japanese investors in Thailand.

The Thai delegates also met with local business people in targeted industries, especially those using IT in production controls as well as at smart factories, in smart farming and in smart healthcare services. They also visited the "Robot Village" of the Yaskawa Electric Corporation and encouraged its executives to invest more in Thailand.

"Trade and investment relationships at the national level between Thailand and Japan are very strong. We are now looking to strengthen local-to-local relationships, starting with Fukuoka. There will be more roadshows to Japan throughout this year. We hope these roadshows will be a starting point to draw more investment in the targeted industries from Japan into Thailand," said Ms. Asawachintachit.

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