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**PRESS RELEASE**

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No. 57/2018 (O.26)  
30 May 2018

## **New Thai-Korean trade and investment opportunities shine**

Thailand and South Korea are working closely to increase bilateral trade and investment. While Thailand is moving along the path to achieve its Thailand 4.0 model, tremendous opportunities are available, which match well with South Korea's intention to expand investment in Southeast Asia.

At the recent seminar "Korea-Thailand 60<sup>th</sup> Anniversary of Diplomatic Relations: Maekyung Thailand Forum", over 180 representatives from leading South Korea corporations and over a hundred representatives from Thai public and private sectors, led by Thailand Board of Investment, Ministry of Industry and Ministry of Digital Economy, were exchanging information and discussing investment opportunities between the two countries.

"Plenty of opportunities are lying ahead for both countries," said Deputy Prime Minister Dr. Somkid Jatusripitak. "This is the right time for Thailand and South Korea to tighten their relationship and become trade partners considering improved economic development trend in Thailand, and many infrastructure project developments in the country. Thailand is transforming into an advanced economy driven by digital technology and we need help. South Korea has had great experience in turning its country into an advanced economy. We hope that Korea's expertise in technology, innovations, research and development is crucial to support this transformation. There is a lot that we can learn from South Korea. At the same time, there are plenty opportunities for South Korean investors to invest in development projects and advanced industries in Thailand."

Mr. Paik Un-gyu, Minister of Trade, Industry and Energy of Korea, echoed this idea. He said at the seminar that the South Korea and Thailand have great opportunity to become trade partners. South Korea's strength in many industries identified as targeted industries by the Thai government, including automation, smart automotive, energy, digital technology, etc. can help Thailand to achieve its 4.0 goal.

Mr. Kwon Pyung-oh, President and CEO of Korea Trade-Investment Promotion Agency (KOTRA), added that Korea has been making full-scale efforts to cooperate with ASEAN through its "New Southern Policy" while reducing its trade dependence on the US and China. In this respect, South Korea has shifted its focus to ASEAN. With Thailand being an economic

and logistic hubs of ASEAN, South Korea views Thailand as an interesting investment destination.

In an attempt to attract more investment, the Thai government has made a number of improvement both in terms of infrastructure and ease of doing business.

In terms of infrastructure and investment magnets, the government has invested heavily in the construction of dual track and high speed train system, development of sea ports and airport on the eastern coasts, the development of the Eastern Economic Corridor (EEC) which will become a new investment and manufacturing hub of the region, and the promotion of human resource development to ensure sufficient skilled labor to meet the challenge of increasing demand.

In terms of ease of doing business, many improvements have been achieved. Dr. Kobsak Pootrakul, Minister Attached to the Prime Minister's Office, explained, "In the past four years, the government has made significant improvement in four major areas. We have reformed the way the government works. We have tried to reduce legal limitations. We have simplified application process for permission and licenses. And, we have significantly improved the logistics system."

He added that the government has successfully shortened time spent on new company registration process from 27 working days earlier to only four working days at the moment. The number of doing business manuals have been reduced from 700,000 issues to 60,000 manuals. The government has introduced "SMART VISA, which combines visa and work permit together, and significantly reduced the number of required document for SMART VISA application. Many outdated laws were amended to support new way of doing business. At the same time, digital infrastructure and related laws have been improved to ensure more convenient and efficient digital transaction and business process.

In addition, Thailand Board of Investment has continuously improved its promotion incentives. The most recent improvement includes the extension of maximum tax holiday period from eight years to 13 years on investment projects in targeted industries, 50% corporate income tax reduction for up to five years (only in special investment promotion zones), exemption of import duties on materials for research and development purposes, etc.

Thai government's efforts to transform the country into the digital economy has received warm welcome by attending Korean business people. The seminar also discussed investment opportunity in various industries, such as petrochemicals, aviation, transport and services.

Mr. Kim Young-ju, CEO of Korean International Trade Association, said, "We appreciate the long-term relationship between Thailand and South Korea. Today, it's a good opportunity that we share our concerned with the Thai government and at the same time explore together more investment opportunities. A lot of Thais love Korean culture. We have seen more Korean language schools in Thailand. This mean good news to us. Now, we can expect more human resource exchange in the future and, of course, more business and mutual growth."

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