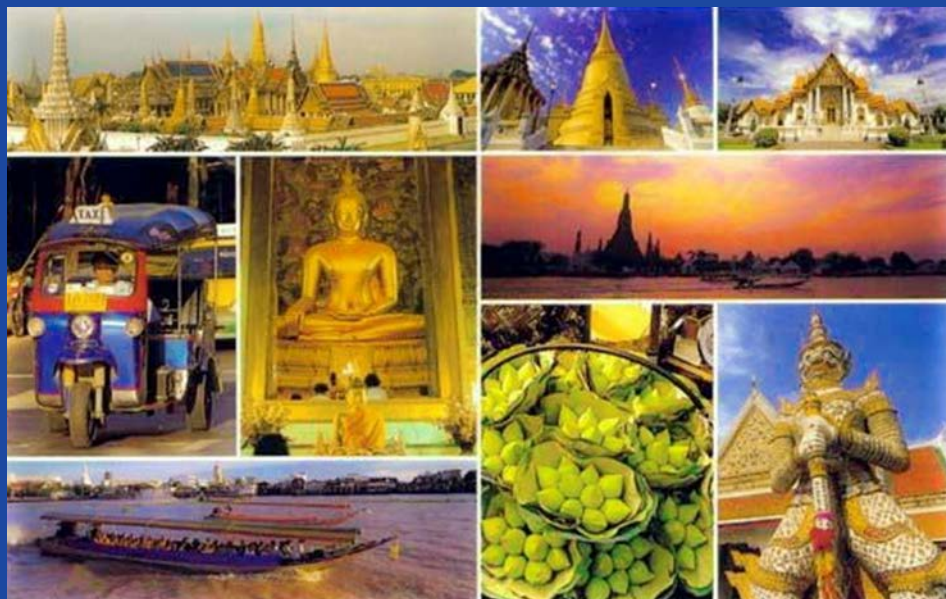




# Thailand Country Outlook



Two Nations. One Friendship.

สองชาติร่วมใจ ไทย-สหรัฐ

180  Years

Michael McGee  
Commercial Counselor  
U.S. Commercial Service, Bangkok



# Thailand at a Glance

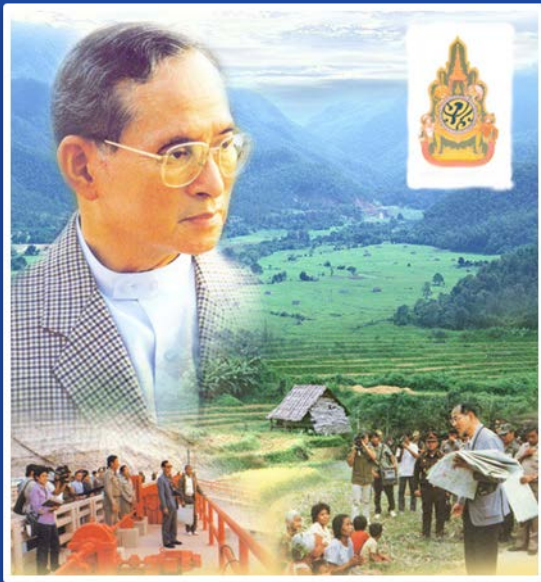
- ❑ About the size of Texas
- ❑ 67 million people
  - ❑ Bangkok 8-10 million
  - ❑ Chiang Mai 1.8 million
- ❑ Infrastructure
  - ❑ Suvarnabhumi Airport
  - ❑ Laem Chabang Port (20<sup>th</sup> in the world)
  - ❑ Eastern Seaboard – Industrial Zone





# Political Overview

- ❑ Type of politics: constitutional monarchy
- ❑ Head of state: King Rama IX
- ❑ Prime Minister: Yingluck Shinawatra



King Bhumibol Adulyadej



PM Yingluck Shinawatra



Democracy Monument



# Thailand: The Heart of ASEAN

The Association of Southeast Asian Nations is a 10 member countries with 580 million consumers (9% World Population)



## Hub of ASEAN for:

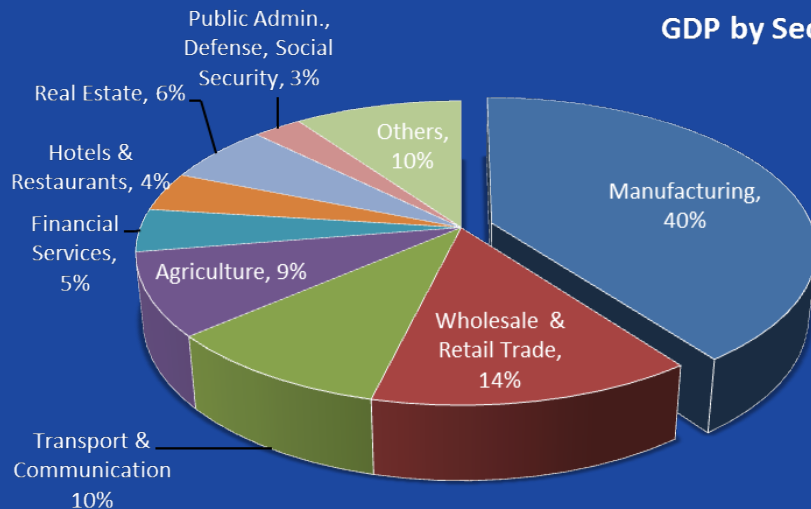
- ❑ Tourism
- ❑ Medical tourism
- ❑ World-class healthcare service
- ❑ Automobile manufacturing
- ❑ Fashion & jewelry
- ❑ Agro-business



# Thailand Economic Outlook

- ❑ GDP: \$365.5 billion
- ❑ GDP per capita: \$ 10,000
- ❑ 2012 GDP growth: 6.4%
- ❑ 2013 GDP forecast at around 4.5-5.5%
- ❑ Inflation rate: 3.5-4.0%
- ❑ Unemployment rate: 0.6 %
- ❑ Export Driven Economy: \$250.9 billion
- ❑ Export Growth: 17.2%

GDP by Sector



## Key industries

Tourism industry, food processing, agro-industry, automotive, electrical & electronics, gems & jewelry, services.

*\*Figures for 2012*



# Thailand's Infrastructure Investment

A Baht 4 trillion (\$133 billion) plan over 7 years

- ❑ 82% for rail-based mass transit projects
- ❑ 14% for highways
- ❑ 6% water transport network and border checkpoints



Water Management and Flood Prevention  
of Baht 340 billion (\$11 billion)



# Ease of Doing Business - Thailand

## 18 out of 183

Source: World Bank 2012

TOPIC RANKINGS	DB 2012 Rank	DB 2011 Rank	Change in Rank
Starting a Business	78	97	↑ 19
Dealing with Construction Permits	14	14	No change
Getting Electricity	9	8	↓ -1
Registering Property	28	18	↓ -10
Getting Credit	67	64	↓ -3
Protecting Investors	13	12	↓ -1
Paying Taxes	100	94	↓ -6
Trading Across Borders	17	19	↑ 2
Enforcing Contracts	24	24	No change
Resolving Insolvency	51	47	↓ -4



# Thailand's Market Strengths

- ❑ Strategic location in the heart of Southeast Asia
- ❑ Free market economy
- ❑ Educated workforce
- ❑ Inexpensive property for investment & rental
- ❑ Developed infrastructure
- ❑ Excellent healthcare & international schools
- ❑ Quality of life for expatriates
- ❑ Friendly local people
- ❑ Level playing field for U.S. Companies







# Bilateral Economic Engagement

- ❑ Under a Trade and Investment Framework Agreement (TIFA) signed in 2002, U.S. and Thai officials engage on trade and investment issues such as:
  - ❑ intellectual property rights
  - ❑ customs issues
  - ❑ the WTO Doha negotiations
  - ❑ our APEC and ASEAN agendas
  - ❑ Thailand's interest in the Trans-Pacific Partnership Agreement (TPP)
  
- ❑ The United States and Thailand launched Free Trade Agreement negotiations in 2004 but suspended them in 2006 following the dissolution of the Thai Parliament and the subsequent military-led coup.





# USA–Thai Treaty of Amity

*Signed in 1833 & Amended in 1966*

- ❑ Allows American citizens & businesses incorporated in the US or in Thailand to engage in business on the same basis as would a Thai national.
  - ❑ Maintain a majority shareholding or to wholly own its company in Thailand
  - ❑ Exempt from most of the restrictions on foreign investment imposed by the Foreign Business Act of 1999.
- ❑ Restrictions only in fields of communications, transport, fiduciary functions, banking involving depository functions, the exploitation of land / natural resources, & domestic trade in agricultural products.



# U.S. Investment in Thailand

- ❑ USA is the second largest investor in Thailand, after Japan – investment was \$600 million in 2012
- ❑ Key areas for US investment:
  - ❑ Petro Chemicals
  - ❑ Electrical and Electronic
  - ❑ Metal products and Machinery
  - ❑ Automobile production





# Challenges in Thailand

- ❑ Political situation
- ❑ Flood recovery planning
- ❑ Corruption/transparency
- ❑ Weak IPR protection
- ❑ Currency/strong Thai Baht
- ❑ Customs/tariffs issues
- ❑ Labor shortage
- ❑ Unrest in Southern provinces





# USA-Thai Trade Facts

- ❑ Thailand is the USA's 27th largest export destination,
- ❑ and the 10th in Asia.
- ❑ USA is Thailand's 3rd largest export destination after
- ❑ Japan and China
- ❑ The total U.S. trade in goods with Thailand in 2012:
  - ❑ Export: \$11 Million
  - ❑ Import: \$26 Million
- ❑ USA is Thailand's 4th largest supplier

(after Japan, China & UAE)





# U.S. Exports to Thailand: Priority Sectors



- ❑ Agriculture
- ❑ Aviation
- ❑ Clean technology
- ❑ Construction
- ❑ Defense
- ❑ Education services
- ❑ Information communication technology
- ❑ Medical devices
- ❑ Oil & gas machinery and services
- ❑ Tourism



# Cambodia Country Outlook



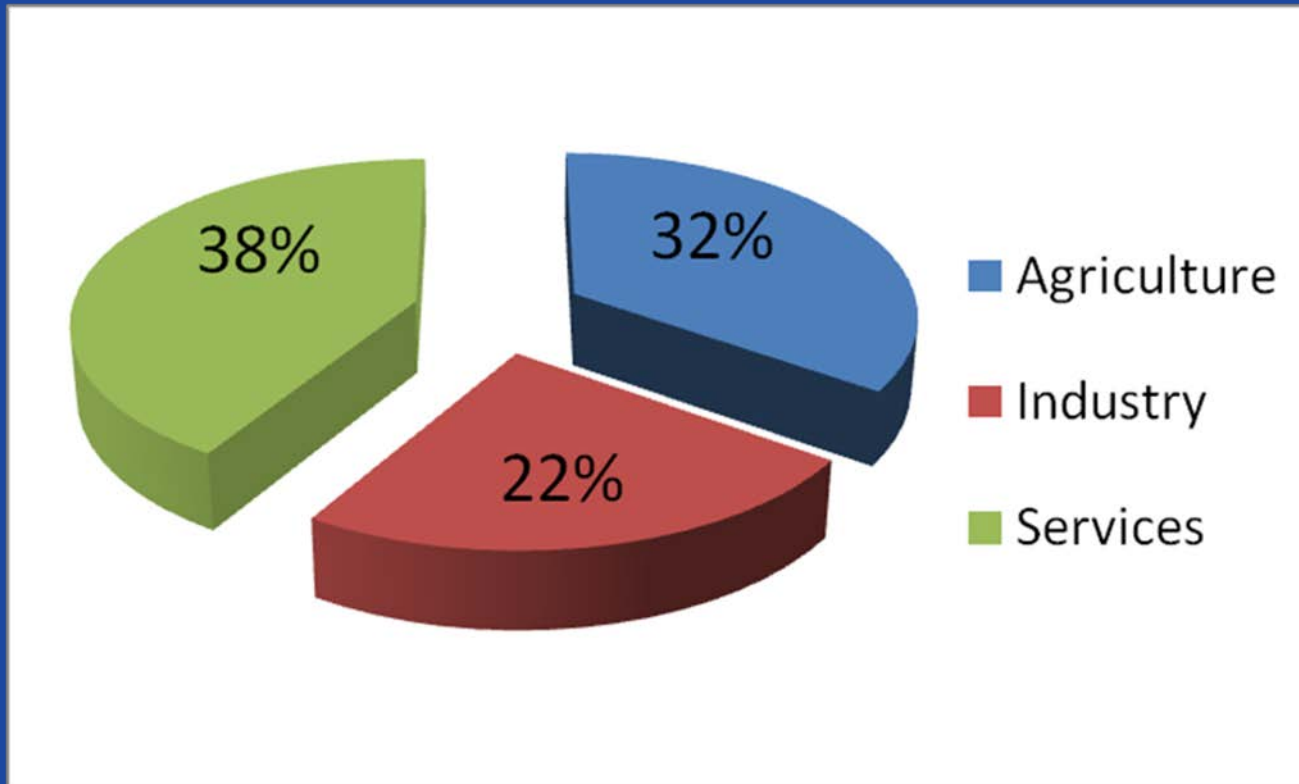


# Cambodia at a Glance



- Population: About 14.5 million
- GDP per capita : \$ 909 (2011 estimate)

## GDP by Sectors (2011)





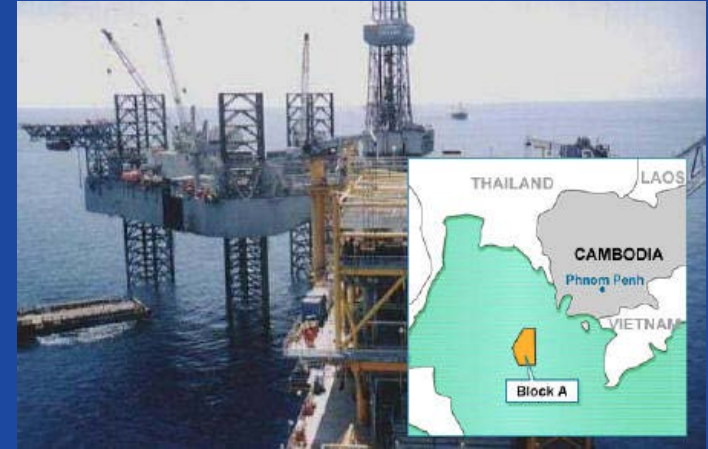


# Cambodia Market - Opportunity



## Advantages:

- ❑ Pro-business, pro-growth policy
- ❑ Low labor & business costs
- ❑ Abundant natural resources, especially oil & gas
- ❑ Liberal policy towards foreign worker inflow
- ❑ Investors can set up 100% foreign-owned investment projects
- ❑ Largely dollarized economy & absence of capital & exchange controls





# Cambodia Market - Challenges



## Challenges

- ❑ Corruption, under-the-table costs add 50% to cost of doing business
- ❑ Inefficient government bureaucracy
- ❑ Inadequately educated, skilled workforce
- ❑ Inadequate transport & communications infrastructure
- ❑ Undeveloped financial & banking system
- ❑ Ineffective legal system





# Myanmar Country Outlook





# Myanmar at a Glance



- ❑ Population: About 62.4 million\*
- ❑ GDP per capita : \$ 804.3\*
- ❑ Government: Nominally Civilian Parliamentary

\*(IMF estimate)



# Myanmar

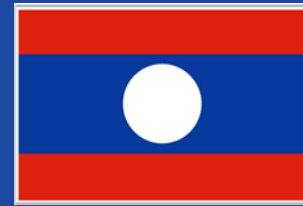


- Political Stability
- Sanction
- US Government Commercial Program





# Laos Market - Opportunity & Challenges



**Population:** less than 6 million

## Advantages:

- ❑ Political stability
- ❑ Low costs of land, labor & energy
- ❑ Plentiful land & water resources
- ❑ Abundant mineral resources

## Challenges

- ❑ Small market, with low purchasing power
- ❑ Undeveloped basic infrastructures & logistics, scarce skilled labor
- ❑ Unstable currency, difficult for investment plan
- ❑ Protective regulation, rather than investment promotion oriented





# Thailand Best Prospects



# Agriculture - I - Cultivation

## Best Prospects:

- ❑ Agricultural chemicals
  - ❑ Insecticides, fungicide, growth regulators
- ❑ Agricultural machinery
  - ❑ Tractor, harvesting machine, cultivating and planting machine
- ❑ Poultry-related equipment







# Agriculture -II

## - Ago Business

### Best Prospects:

- ❑ Food processing & packaging equipment
  - ❑ Fish & seafood processing equipment
  - ❑ Fruit & vegetable processing equipment
  - ❑ Sugar processing equipment
  - ❑ Packaging & labeling equipment
  
- ❑ Pet food & supplies
- ❑ Food products





# Aviation

## Best Prospects:

- Aircraft and parts
- Airport and ground support equipment
- Air traffic management systems
- Aviation services

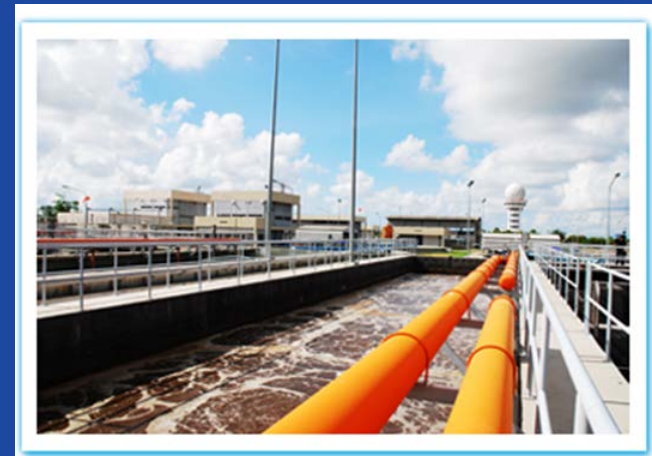




# Clean Technology-I

## Best Prospects:

- Environmental & pollution control equipment
  - Water treatment & water resources equipment
  - Solid waste treatment equipment
  - Emissions control equipment





# Clean Technology-II

## Best Prospects:

- Energy efficiency equipment & smart grid technologies
  
- Renewable energy equipment
  - Solar
  - Biomass
  - Biogas
  - Waste-to-energy





# Construction

## Best Prospects:

- ❑ Construction machinery
  - ❑ Road construction equipment
  - ❑ Shovel loaders
  - ❑ Used machinery of leading U.S. brands
- ❑ Building products
  - ❑ Quality & innovative design
  - ❑ Leed-certified products & systems
- ❑ Architectural/construction/engineering services
  - ❑ Environmental-friendly design & engineers
  - ❑ Specialized engineering know-how
  - ❑ Project management





# Defense

## Best Prospects:

- Defense electronics
- Munitions
- Helicopters
- Mid-Range Artillery
- UAVs and Air Defense Systems





# Education-I

- ❑ The 7,626 Thai students studying in the United States are enrolled in over 616 different universities. The Academy of Art University, San Francisco, California, with 255 (3%) has the largest number of Thai students of any university in the U.S.
- ❑ From Open Door 2011 record, California is by far the most popular state with Thai students, attracting 1,482 (18%). States following in order of popularity with Thais are:
  - ❑ Texas (517 or 6%)
  - ❑ New York (507 or 6%)
  - ❑ Massachusetts (500 or 6%)
  - ❑ and Illinois (404 or 5%)





# Education-II

## Best Prospects:

- ❑ Graduate degree programs, especially MBA
- ❑ Business, Engineering, Computer science
- ❑ One-year exchange programs
- ❑ Community colleges
- ❑ 50% of all Thais are studying at the graduate level. 32% are enrolled in undergraduate programs. 8% are listed as non-degree programs, while 10% are on Optional Practical Training (OPT).







# Food and Nutritional Supplement

## Best Prospects:

- ❑ Blood Circulation Supplements
- ❑ Antioxidant and Anti-Aging Supplements
- ❑ Multi Vitamin
- ❑ Supplement for sport applications





# Information & Communication Technology (ICT)

## Best Prospects:

- ❑ Mobility
- ❑ Cloud computing
- ❑ Telecom infrastructure
- ❑ Converged technology for voice, data, video & social media
- ❑ Network management
- ❑ Security equipment & solutions
- ❑ Disaster warning solutions





# Medical Devices

## Best Prospects:

- ❑ Dental equipment
- ❑ Orthopedic & implants
- ❑ Heart valve
- ❑ Rehabilitation equipment
- ❑ Respiratory devices
- ❑ Neurological & surgical devices
- ❑ Dermatological devices





# Oil & Gas Machinery/Services

## Best Prospects:

- ❑ Exploration and production services
- ❑ Natural gas equipment
- ❑ Offshore exploration equipment
- ❑ Oilfield equipment & tools
- ❑ Refinery & petrochemical equipment
- ❑ Underground piping for oil & gas transmission





# Tourism



- ❑ Thai visitors spent approximately \$246 million in USA in 2010
- ❑ Approximately 73,000 Thai travelers visiting the USA last year.
- ❑ Most Thais travel to the USA mainly to:
  - Study abroad
  - Sightseeing tours
  - Shop at factory outlets
  - Visit Casinos and Theme Parks
  - Visit National Parks and Ski Resorts





# Thank You

**Michael L. McGee**  
**Commercial Counselor**  
**Bangkok, Thailand**

Tel: +66 2 205 5280

E-mail: [michael.mcgee@trade.gov](mailto:michael.mcgee@trade.gov)

[Http://export.gov/thailand](http://export.gov/thailand)

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