

Investment Ties between Taiwan and Thailand

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1. Why Thailand (in Taiwanese investor vision), country competitiveness and where to improve?

➤ Demand (Market) aspect

- Explore the third markets : ex. US & EU
- Thailand Population: 66 million — past
- Asean Population: 583 million — now
- Asean + 6 Population: 3.28 billion — future

➤ Supply (Manufacturing) aspect

- Geography: Center of Asean
- Land: acceptable cost
- Labor: relatively skilled labors, but cost is growing

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➤ Government aspect

- Thailand's BOI incentives
- Thailand's relatively developed infrastructure
- Restrictions in Thailand's Foreign Business Act
- Taiwan government's "go south" policy to diversify risk from other markets

➤ Other

- Successful networking and connections among Taiwanese investors and overseas Chinese.

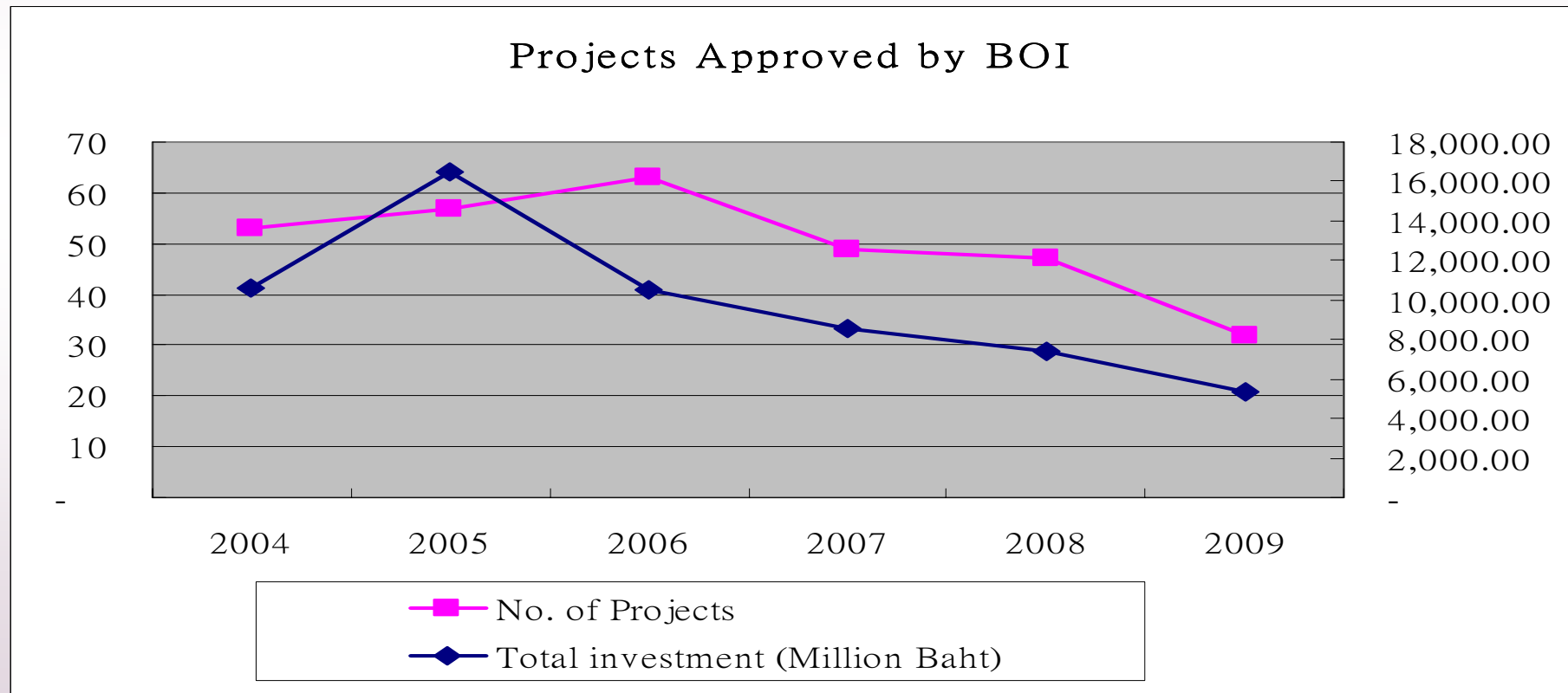
1. Why Thailand (in Taiwanese investor vision), country competitiveness and where to improve?

➤ Major Concerns

- Due to strong competition from other countries, investment from Taiwan has been decreasing in recent years. Hope trade and investment barriers to be removed, ex. restriction in service sectors listed in Foreign Business Act.
- Many Taiwanese investors' major trading partners are in Taiwan, and desire a FTA between Thailand and Taiwan to boost trade and increase competitiveness in the third markets.

2. Current situation of Taiwanese investors in Thailand

➤ BOI statistics of investors from Taiwan (Application Approved)



2. Current situation of Taiwanese investors in Thailand

➤ Taiwan and Thailand Trade and Investment Relation

- In 2009, Thailand ranks the 13th trade partner, 12th export market, and 12th import source of Taiwan. Taiwan ranks the 11th trade partner, 18th export market, and 8th import source of Thailand.
- Investors from Taiwan have accumulatively invested in Thailand for more than 12.5 billion USD.
- Major investment projects: Electric and Electronic Products; Metal Products and Machinery; Chemicals and Paper

2. Current situation of Taiwanese investors in Thailand

➤ Future

- Thailand remains a strong potential market for Taiwanese investors .
- Thai government takes aggressive campaign and road shows on focused sectors.
- To ensure investment certainty and confidence.
- To address bilateral investment concerns. i.e. double taxation agreement and to forge closer economic partnership.

2. Current situation of Taiwanese investors in Thailand

- **How Recent Political Unrest Affected Taiwanese Investors in Thailand**
 - Central World, Pantip Plaza, and Rajprasong area, IT retails plumped. (ex. Some IT products in Pantip drop 30% in sales in March and April)
 - Some foreign buyers and exhibitors cancelled trips. Orders for quarters 3 and 4 postponed.
 - Newly approved investment in Thailand postponed. (ex. Solar energy).
 - A well know restaurant delays its grand opening.



To forge closer partnership between Thailand and Taiwan

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