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THAILAND
RISING

Having secured political and economic stability and overcome severe flooding, Thailand's ability to bounce back is appealing to investors. With solid growth, supportive policies, extensive infrastructure and perfect location at the heart of ASEAN and East Asia, Thailand is primed for an era of economic advancement. Inspired by a wise monarch and emboldened by a democratically elected leadership, the future looks bright for the Kingdom of Thailand.



EXPERIENCE
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A MONARCH FOR MODERN THAILAND

King Bhumibol Adulyadej's development work has prepared his nation for the future.

On December 5, 2012, Thais in all parts of the country will express their joy and reverence for His Majesty King Bhumibol Adulyadej, who turns 85 on that day. Respect for age and royalty is part of Thai culture. But the people's feelings for their King run deeper than that. Thais are well aware that King Bhumibol has played a vital role in laying the groundwork for what is now a modern nation prepared for the future.

With 66 years on the throne, King Bhumibol is the world's longest-reigning monarch. A constitutional monarch, he is above politics. Over the decades, he has contributed to national advancement in public health, education, agricultural research, irrigation and environmental protection. His work has helped to uplift the poor, include the marginalized, and ready Thailand for an era of globalization and change in a sustainable manner.

King Bhumibol has accomplished all this through innovative ideas and development projects. Educated in constitutional law, science and engineering, he holds 20 patents for various inventions. His "New Theory" on agriculture has been praised by the United Nations. His philosophy is based on inclusion, sustainability, moderation and equity. These qualities have contributed greatly to building Thailand's resilience.

During the 1960s, King Bhumibol, Queen Sirikit and the Royal Family began traveling the Kingdom to learn about villagers' problems and propose solutions. As a result, the King's Chaipattana Foundation has launched over 4,360 Royal Development Projects. Not every idea was implemented. "His Majesty's approach relies on democratic values and community participation," says Sumet Tantivejkul, director of the Chaipattana Foundation. "If villagers feel a project is not appropriate for them, we don't do it."

The projects that went forward have improved people's lives. Visionary in approach, they cover four general areas.

Public Health The King's Village Doctors Program trained health volunteers in hundreds of communities. He contributed to the eradication of leprosy; funded dozens of hospitals and health centers; coordinated disaster preparation and response; and improved nutrition through the promotion of dairy and iodine consumption.

Education The King and his foundation have established education centers for development, granted royal scholarships to produce a corps of national talent, built schools in remote border areas, promoted life-long learning and published Thai-language encyclopedias.



A SELECTION OF HONORS AND ACCOLADES

- **WIPO Global Leader Award (2009)**
For extraordinary commitment to promoting intellectual property and important contributions to society as a prolific inventor.
- **TIME Asian Hero (2006)**
For shaping the Asia of our times.
- **UNDP Human Development Lifetime Achievement Award (2006)**
For extraordinary contributions to human development at the national and global level.
- **Berkeley Medal (University of California, Berkeley – 2000)**
For devotion to the Thai people and great contributions toward the country's stability and economic vitality.
- **WHO Plaque (2000)**
For unstinting and powerful moral leadership and example in public health.

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Your Majesty has made an extraordinary contribution to human development. As the world's 'Development King,' Your Majesty has reached out to the poorest and the most vulnerable people of Thailand... As a visionary thinker, Your Majesty has played an invaluable role in shaping the global development dialogue.

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Kofi Annan,

then Secretary-General of the United Nations, presenting UNDP's first ever Human Development Lifetime Achievement Award to His Majesty King Bhumibol Adulyadej on May 26, 2006

Agriculture Through irrigation projects, the King has brought water to farmers. He developed new strains of rice, encouraged crop diversification and advocated for less use of chemical fertilizers and pesticides. He was instrumental in ending narcotics production in Thailand by guiding people to grow cash crops instead of opium.

His Majesty's Royal Rain Project has experimented extensively with cloud-seeding and rainmaking technologies. Delegations from countries in Africa and the Middle East have visited Thailand to study and learn from the project's experience.

- Sandford Medal (Yale University - 2000)
For preservation of the musical culture of Thailand through education and performance.
- TeleFood Medal (FAO – 1999)
For dedication to Thailand's agricultural development, with the aim of raising farmers' standard of living and establishing food security.
- Award of Appreciation (United Nations International Drug Control Programme – 1994)
For outstanding contributions to drug control efforts in Thailand.
- UNEP Gold Medal of Distinction (1992)
For long, dedicated, exemplary and eminent contributions to the improvement of the environment and nature conservation.
- Philae Medal (UNESCO – 1991)
For outstanding contributions in rural development and quality of life promotion.

Environment The King has launched reforestation projects and campaigns to protect watersheds. He has been involved in the creation of national parks and wildlife reserves where several endangered species are now thriving.

"I do whatever I think is useful," King Bhumibol once said in describing his role. "My objective was to improve people's lives without destroying their equilibrium, their traditional values, their identity." Wisdom and decades of hard work are why King Bhumibol has been called Thailand's "Guiding Light." As His Majesty celebrates his 85th birthday, it is clear that "long live the King" is more than a slogan to the people of Thailand.



Thailand's Queen Works In Support Of The King And The Thai People

On August 12, 2012, the Thai people marked a special occasion as their beloved Queen Sirikit Kitiyakara celebrated her 80th birthday anniversary. More than longevity, they were celebrating her decades of work improving the lives of the people. She works in support of His Majesty King Bhumibol – traveling every corner of the Kingdom with him – and through her individual projects and efforts.

The Queen's SUPPORT Foundation improves livelihoods for people, especially women, by reviving and promoting Thai folk arts and handicrafts, including silk and fabric weaving, gold and silverware crafts, and traditional basketry. Women and children have also benefitted from her support of access to education and healthcare. Equally important are her contributions to forest preservation and environmental protection. In her travels abroad, Queen Sirikit has served as a graceful and charming ambassador for Thailand. Thais hold their Queen in such deep respect and affection that they celebrate her birthday as Mother's Day and refer to her as "Mother of the Land."

THAILAND TODAY

Stable, Stronger and Sustainable

Solid fundamentals and resilience are important reasons why investors continue to choose Thailand. Events of recent years certainly captured headlines. Here is a brief look at where Thailand stands today.

Politically Stable Thailand is enjoying political stability following periods of political unrest. The country held free and fair elections in 2011, and all sides accepted the results. The government is working to sustain political stability by fostering national reconciliation through dialogue and implementing recommendations of the Truth for Reconciliation Commission of Thailand.

More Disaster-Resistant Thailand has made a remarkably rapid recovery from late 2011 when it suffered its worst floods in half a century. Nearly every affected factory has now resumed operations. The future looks more secure as the government has begun work on an \$11 billion flood prevention and water management system that focuses on preparation, protection, response and recovery.

Economically Resilient Thailand's experiences in the 1997 Asian meltdown spurred it to adopt financial, economic and governance reforms that added layers of strength to its solid fundamentals. Consequently, the Kingdom weathered the global economic and financial crises with minimal impact. The Thai economy is still growing by over 5 percent, trade and current account balances are positive, and the country is financially secure with \$180 billion in foreign reserves.

INVESTING FOR THE FUTURE

Thailand provides a winning combination of reasons to invest as it seeks partners to build a higher-technology future

Thailand's ability to attract foreign investment has been a key driver of its economic success. The Kingdom is among the top ten global destinations for foreign direct investment, according to a survey by the United Nations Conference on Trade and Development (UNCTAD). Foreign investment is increasing, up 130 percent year-on-year through the first nine months of 2012.

Thailand is well-established as a manufacturing powerhouse in Asia. But now, Thailand is working on its next stage of development, building an advanced, knowledge-based and creative economy. Its Board of Investment (BOI) is offering its most generous incentives to those helping to increase the country's capacities in research and development and green industries, while placing special emphasis on those who invest in Thailand's growing higher-technology and creative industries such as biotechnology, alternative energy, eco-cars, fashion design and film production.

But Thailand also welcomes investments in all industries and is a great place to invest for any type of business. Investors continue to choose Thailand because it offers a winning combination of competitive advantages.

Solid Fundamentals Thailand's economic stability is underpinned by ample foreign reserves, low inflation, low unemployment, low public debt and strong domestic consumption. All of this places Thailand's economy in a position of strength to withstand external shocks.

Strategic Location Thailand sits strategically midway between India and China and in the heart of Southeast Asia, making it ideal for businesses to capture a huge market. The fast growing Association of Southeast Asian Nations (ASEAN)





region alone is home to more than 600 million consumers. Moreover, Thailand's preferential market access to the major Asian economies of China and India means businesses based in Thailand can reach billions of consumers.

Extensive Infrastructure Thailand's infrastructure is world-class in standard. Well-planned and plentiful infrastructure has led to the development of industrial clusters that allow businesses to achieve cost-effective operations. Six deep-sea ports, 28 commercial airports, and comprehensive highway and rail networks ensure logistical support for every region of the country and nearly 60 industrial estates. To further enhance Thailand's domestic and international connectivity, \$74 billion worth of infrastructure mega-projects are in the pipeline. Multi-billion dollar flood prevention and water management programs are also underway to ensure that supply chain networks are never disrupted.

WHERE THAILAND STANDS

GLOBAL

- Largest hard disk drive producer and exporter
- Largest natural rubber producer and exporter
- 2nd largest sugar exporter
- Top 5 net food exporter
- 8th top host economy for FDI (UNCTAD)
- 11th top tourist destination by receipts (UN World Tourism Organization)
- 13th largest automotive manufacturer

REGIONAL

- 2nd largest economy in ASEAN
- 4th in Asia for ease of doing business (World Bank)
- 10th in Asia for economic freedom (Heritage Foundation)

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Investors are looking to Southeast Asia, and Thailand has advantages in infrastructure that investors are keen on.

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Minoru Furusawa
President of the Japanese Chamber
of Commerce in Thailand

Supportive Policies Thailand competes for investment by offering attractive tax and non-tax incentives, and by providing legal frameworks that facilitate investment and afford high levels of protection for investors. These reflect the country's long-standing openness to foreign investment and innovation.

Skilled Workforce Thailand has talent and plenty of it. The government promotes human resources development, particularly for IT professionals, to ensure that the workforce keeps pace with modern technology. The country's high literacy rate underpins a large pool of cost-competitive, skilled workers capable of handling manufacturing jobs in computers, electronics, software, automotive and other modern industries.

Lastly, the Kingdom's quality of life makes it easy to attract top-flight expertise from around the world. Modern healthcare, international schools, cosmopolitan cities and the warmth of the Thai people make living and working in Thailand a rich and memorable experience. In its 2011 Expat Experience Report, HSBC ranked Thailand number one globally in terms of best overall expat experience and quality of life.

Couple that with the abundant and unparalleled opportunities for business success, and it is easy to see why, through good times and tough times, Thailand remains one of the most attractive havens for investment in Asia and beyond.

www.boi.go.th

ECONOMY FACTS

- 2012 GDP (projection): USD 373.3 billion
- 2012 GDP Growth (projection): 5.5%
- Foreign Reserves (November 2012): USD 180.5 billion
- Unemployment Rate (November 2012): 0.7 %
- 2011 Foreign Direct Investment (FDI): USD 12.7 billion, a 68 % growth from 2010


**PARLIAMENT
AT WORK**

POLITICAL STABILITY RESTORED

Thailand's first female prime minister, Yingluck Shinawatra, opens a new chapter in Thai politics.

Since 1932, Thailand has been a parliamentary democracy with a constitutional monarchy. Democratic governance today extends from parliament all the way down to the village level where headmen are elected by those they serve. Independent organizations, such as the National Anti-Corruption Commission and the National Human Rights Commission, serve as checks on government power, as does the country's free and vibrant press and media. Thailand's civil society is strong, and a thriving community of non-governmental organizations has helped raise political awareness and foster inclusion for marginalized groups and minorities.

Democracy, however, isn't always smooth. In recent years, Thailand has seen its fair share of political unrest. Yet one simple truth remains clear: the country's commitment to democracy is strong and resolute. National elections in July 2011 marked the beginning of a new chapter in the Kingdom's efforts to achieve greater democratization and reconciliation. The enthusiasm shown by the Thai people, who registered the highest voter turnout in the country's history, is evidence that democracy will continue to mature in Thailand.

The Yingluck Shinawatra government – backed by a firm mandate – has been sustaining democratic progress by promoting good governance, human rights, transparency, accountability and the rule of law. Meanwhile, national

reconciliation remains a priority, and the government is studying recommendations in the final report of the Truth for Reconciliation Commission of Thailand. Several of the Commission's earlier recommendations have already been adopted.

The return of political stability in Thailand is welcome news to the international community. Prime Minister Yingluck Shinawatra has made official visits to more than twenty countries, and a number of leaders have paid official visits to Thailand. Several countries such as China, Japan and the United Kingdom have upgraded relations with the Kingdom to the level of strategic dialogue or partnerships, attesting to their confidence that Thailand's achievements will endure.

Around the world, democracy and representative government are clearly on the rise. Thailand's successes will serve as a useful reminder that a nation's unwavering commitment to democracy can bear fruit despite setbacks and challenges that at times may seem overwhelming.

Q&A WITH PRIME MINISTER YINGLUCK SHINAWATRA



When Thailand elected Yingluck Shinawatra, a 44-year-old businesswoman and newcomer to the political scene, as its first woman Prime Minister in 2011, some predicted her term would be brief. But having governed through the worst floods in 50 years, Prime Minister Yingluck seems to have confounded her skeptics by remaining popular with the majority of the public, according to every opinion poll. In an exclusive interview she details Thailand's progress during her time in office.

1. You made history by becoming Thailand's first woman Prime Minister. How has that impacted Thailand?

Women have always played an important role in Thai society. Their contribution to the economy has been significant, both in the informal and corporate sectors. In fact, Thai women hold 39 percent of senior management positions, one of the highest percentages globally. So it is not surprising that Thai voters have confidence in a woman to lead the country.

As a woman and mother, promoting the welfare of women and children is close to my heart. We have implemented several policies to improve the welfare of women and children, including improved access to affordable healthcare. We have also launched a Women's Development Fund to support women's advancement. Ultimately, women and men must work in partnership for society to advance.

2. Some investors view Thailand as risky because in recent years its politics have been volatile. Is Thailand politically stable now?

Yes, we are. My government came into office through free and fair elections that saw the highest voter turnout in Thailand's history. Moreover, I think people of all political views have learned some lessons over the past few years. There may still be occasional demonstrations, but these are normal in a democracy. We are now working hard with all sides to achieve national reconciliation. It may take time, but I am certain we will get there. Our achievements have not gone unnoticed. In a show of confidence, leaders of many countries have made official visits to Thailand seeking to strengthen bilateral relations, while I have made official visits to over twenty countries myself. We also have strategic dialogue and partnerships with key friends, from the United States to China, and the United Kingdom to Japan.

3. Why do you think the monarchy retains such importance for Thais in this modern era?

We Thais are forward-looking people, but we also value our traditions. His Majesty the King and the Royal Family have worked hard and done so much for our nation. The Royal Development Projects have improved the lives of countless Thais. His Majesty has earned the love, respect and devotion of the people, and demonstrated how valuable the institution of the monarchy is to Thailand.

4. For three decades Thailand was the world's largest rice exporter. This year, it looks like you will be number three. What happened?

Overall, our food exports are still rising. We are the largest food exporter in Asia because of the quality, safety and delicious taste of our products. Our rice, in particular Thai jasmine rice, is regarded as the best in the world, but prices have gone up because we want to raise incomes for our farmers. If by losing some market share we can create a more equitable society, then it is worth it. Moreover, as Thai rice focuses more on high-end markets, its higher prices should generate as much revenue as before.

5. Most countries in Asia are competing for investment. Why should investors choose Thailand?

We are located at the center of the ASEAN Community, a market of 600 million consumers. Our fundamentals are strong, as is our domestic market. Our infrastructure is developed, and we are investing some \$74 billion to enhance our connectivity with the region. Our economy is diverse, and our workers highly productive. Investors can achieve high returns in Thailand. And Thailand is a great place to be, because the people are friendly and the quality of life is exceptional.

6. Thailand has announced its candidacy for a non-permanent membership in the United Nations Security Council for the term 2017-2018. Is Thailand looking to have a more prominent role in international affairs?

Absolutely. We are a medium-sized country that enjoys good relations with everyone, including all major powers, and so I think we can play a greater role in fostering global partnership for peace, security and prosperity by lending our neutral, fair and honest voice in international affairs.

THE GOLDEN KINGDOM GOES GREEN

Every region of Thailand has something to offer those seeking a green adventure.

Modern tourists are active and adventurous, yet care about the environment and the future of the planet. Thailand, with its rich natural bio-diversity and cultural heritage, shares that concern. Consequently, Thailand's tourism industry is growing greener by the year. Thai Airways International, for example, became the first airline in Asia to start using algae-based biofuels to lessen damage to the atmosphere.

Thailand offers a cornucopia of adventurous and enjoyable activities for eco-tourists. Whether it is trekking, nature tours, bicycle tours, agrotourism or cultural homestays, every corner of the Kingdom can accommodate those seeking a unique and green experience.

With 102 national parks, Thailand is a virtual paradise for trekkers. Mountaintop views in the far north are breathtaking on peaks such as Doi Inthanon and Phu Chi Fa, not far from the borders of Myanmar and Laos. The cascading waterfalls of Erawan National Park in western Kanchanaburi province, and the 4,000-year-old cave paintings of Pha Taem National Park in eastern Ubol Ratchathani province, are some of the tantalizing discoveries found on Thailand's trails.



COLORFUL YET GREEN

Pedal through paradise, or fall for pristine islands, parks and villages

From left to right:

- Cyclists at Mae Hong Son Province
- Thee Lor Sue Waterfall in Tak Province
- Similan islands in Phang Nga Province (top)
- Traditional homestays available at Amphawa Floating Market (bottom)



Thailand's national parks are also an extensive network of wildlife sanctuaries. Two parks, Thungyai-Huay Khaeng in the west and Khao Yai in the northeast, are so abundant in bio-diversity that they have been designated UNESCO World Heritage Sites. They are the perfect place for studying nature while on holiday.

If walking takes too long, pedal your way to adventure on one of the Kingdom's countless bicycle tours. Take a lap around the glorious Grand Palace in Bangkok or the ancient temples of Sukhothai. Longer cycling tours are available, and can stretch from the plains of central Thailand down to the tropical beaches of the south.

If you have ever marveled at the mighty elephant, learn how to handle one at the Thai Elephant Conservation Center in Lampang province. Agrotourism is an excellent way to experience traditional Thailand, and a delicious one for tourists who farm for strawberries at the Phu Rua Highland Agricultural Research Station in Loei province or at hilltribe plantations in the far north.

If hotels are not your thing, try a homestay in a traditional Thai house on stilts above water. Baan Hua Raeng in central Thailand's Trat province is a community of artisans and craftspeople who live along coffee-colored canals and fruit orchards, much as the people of ancient Siam did, and welcome visitors to their homes.

Thailand is a country that is truly blessed with gifts from nature that are cherished by all. Thailand's tourism industry is committed to preserving these treasures for a green and sustainable future.

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