

# Foreign firms 'still attracted to Thailand'

## Revision of outdated regulations urged

**NOP TEPHALAV**

Thailand remains an attractive investment destination for foreign investors despite undergoing political and economic reforms, say analysts.

Surakiart Sathirathai, a former deputy prime minister and chairman of the Asian Peace and Reconciliation Council, said the National Council for Peace and Order had tackled key issues including payments of rice farmers, factory permits and pending Board of Investment projects.

However, tourism numbers, weak exports, access to finance for small and medium-sized enterprises and transparency are urgent needs that must be addressed.

"International communities are still looking at the political roadmap to see how the country will move forward from the crisis," Mr Surakiart told a forum yesterday entitled "Thailand Is Back", hosted by the Federation of Thai Industries (FTI).

"International business communities can engage with us by providing more economic opportunities for everyone and contributing best practices such as good governance, checks and balances, and corruption prevention."

Kan Trakulhoon, president and chief

executive of Siam Cement Group, said if the political situation had deteriorated, it could have affected Thailand's position as an investment hub of the Asean Economic Community.

"But since violence has been avoided and business sentiment has improved, the political changes have not affected investment," he said.

"Thailand's advantages in Asean are its close proximity to Cambodia, Laos, Myanmar and Vietnam as a centre for Indochinese logistics, established infrastructure and industrial clusters such as the largest regional automobile and petrochemical hubs."

FTI chairman Supant Mongkolsuthree said his group and the Thai Chamber of Commerce had worked together to regain business confidence through talks with foreign chambers of commerce.

"The private sector needs to push for revision of outdated business laws and regulations such as those regarding customs, investments and labour to match the current business climate," he said.

Derek Kidley, chief executive of PwC Asia-Pacific, said foreign investors remained excited about Thailand.

Mr Kan said income tax should be cut to be competitive with Singapore and Hong Kong and persuade more foreign companies to set up regional headquarters here. Thailand should produce value-added products, as it can no longer compete in terms of cheap labour.



**Surakiart: Thailand  
under scrutiny**