

B) Branch Office. The company would be able to carry out in Thailand full business activities of its headquarters. This form of business is desirable only when headquarters wishes to retain its identity and have full control of the company's policy. However, under Thai Business Act, headquarters has to be fully responsible for any liability that occurs as a result of its branch office's operation in Thailand. And as a branch office is normally 100 per cent foreign owned, it is not being considered as a Thai business entity and, therefore, its business access may be restricted in some sectors of the economy under the Alien Business Act.

C) Local Agent. Canadian company should go through careful study of several potential agents before selecting one, taking into consideration its market knowledge and experience, technical capability and financial strength. A Canadian company will have the least involvement and risk in this form of representation. However, it is recommended that a representative from the company should visit the agent and its clients at least once or twice a year.

D) Joint-Venture. This form of business should be considered when there is already a large market for the company's products. A joint-venture may also be set up in anticipation of a coming project; i.e., to vie for a power plant construction project. A Canadian company has to be more careful in selecting its joint-venture partner than in selecting a local agent as in joint-venture, equity participation is involved. A good local partner will bring along to the joint-venture its market knowledge, valuable contacts in both the private and public sectors and political influences, if there are any.

8.3 Opportunities for Canadian Companies

Opportunities for Canadian products and technologies exist in the areas where local manufacturers lack knowledge and experiences. Manufacturers in Thailand are able to supply various kinds of basic electrical equipment required in the low to high voltage installations; i.e., insulators, hardwares, transformers up to 20 MVA, aluminum conductors, transmission line towers etc. There are also approximately 10 local civil, mechanical, and electrical engineering companies that are capable of undertaking large projects either independently or in joint-venture with foreign counterparts.

Opportunities for Canadian companies, therefore, would possibly be in the areas involving hi-tech manufacturing process and sophisticated engineering expertise; i.e.,