

OPPORTUNITIES IN THAILAND

A recent Organization for Economic Co-operation and Development study has predicted that as a result of its dramatic economic changes over the last 25 years, Thailand will rank among the 10 largest economies in the world by 2010. Thailand now boasts one of the highest growth rates in the Asia-Pacific region — 8.5 per cent in 1995 — and is among the world's newly industrialized countries.

In 1986, Thailand turned its economy around through sound macroeconomic management. This included the promotion of a competitive exchange rate policy and a large influx of foreign investment in export sectors. Growing trade with Asian partners, which increased by 23 per cent from 1986 to 1989, contributed to a more mature, diversified market structure. Thailand began to experience economic development, with GDP growth averaging 10 per cent per year, reaching 13.2 per cent by 1989.

Thailand's annual per capita GNP grew on average by 8.2 per cent between 1985 and 1994, making it the world's number one economy during that period. Currently, Thailand's inflation rate is showing a downward trend, with the most recent figures at 4.3 per cent. Annual GDP growth is expected to continue at approximately 7 to 8 per cent for the next few years. As a result, Thailand should continue to be one of the highest growth performers on the economic stage.

Trade and investment

Thailand is an attractive business partner for Canada. It has a robust economy, is rich in natural resources and has an investment climate protected by a bilateral Foreign Investment Protection Agreement, signed during the Team Canada 1997 mission. Joint ventures and other long-term commercial possibilities open the door for Canadian firms to establish themselves. Thailand is Canada's second-largest export market in Southeast Asia. Two-way trade reached \$1.6 billion in 1995, up from \$1.3 billion in 1994. The 300-member Thai-Canadian Chamber of Commerce in Bangkok and the Thailand Business-Council of Canada (TBAC) in Canada attest to the strong commercial interest between the two countries.

Thailand is undergoing liberalization of several of its sectors, including banking and financial services, power generation, transportation and education. Major projects are planned in the transportation, energy and telecommunications sectors to meet Thailand's development targets. Canadian capabilities can play a role in the country's development plans as it seeks to become a strategic regional hub.

Numerous opportunities between Canadian and Thai businesses exist in waste management, human resources development, advanced technology and telecommunications, urban transit systems and equipment, and airport expansion, aircraft and avionics, as well as port and railway expansion, power generation and oil and gas exploration.

Transportation equipment and services

Thailand is planning to invest US\$77 billion in transportation infrastructure over the next decade. Construction and development of the infrastructure are expected to proceed unabated. Consumer demand for transportation-related products, including commercial vehicles, motorcycles and automobile tires, is expected to remain high. Canadian transportation firms may find opportunities in the automotive, heavy and light rail, aerospace and shipping sectors.

The Thai government's ongoing and broad-based airport development plan should generate significant sales prospects for Canadian companies, particularly for airport and ground support equipment. The Thai government is also upgrading and expanding its port facility's infrastructure, which will create good opportunities for Canadian companies, particularly for engineering and other consulting services.

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