

BOI-JCC Consultative Meeting

28th January 2010

One Start One Stop Investment Centre, 18th Floor
Chang Office Tower, Bangkok



BOI Examines Business Issues With Japanese Investors

In a gathering of long-time friends and forward-looking business leaders, Thai government officials and Japanese investors aired concerns and shared ideas on continued development. The meeting on 28 January, which brought together representatives of the Thailand Board of Investment (BOI) and the Japanese Chamber of Commerce, Bangkok (JCC), looked at business topics ranging from the government's latest investment measures to progress on the situation in Map Ta Phut.

Speaking to the packed conference room at the One Start One Stop Investment Center (OSOS) in Bangkok, Thai Industry Minister Chanchai Chairungruang thanked Japanese investors for their lengthy friendship and trust in the country. He noted that Japan remains the top single-country investor in Thailand, with projects totaling 77.38 billion baht in 2009.

The chairman of the JCC, Yo Jitsukata, responded with equal optimism. "The JCC now has 1,314 member companies. That is 12 more than last year, so we are increasing not decreasing. I expect to see more Japanese investment in Thailand in the years ahead," he said.

The warm Thai-Japanese relations were evident even before the proceedings started, as the industry minister had gone around the room to greet each Japanese investor individually, even bear-hugging one member heartily.

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NEWS BITES



13-15 MAY 2010
BITEC BANGKOK THAILAND

SubCon Thailand is scheduled to be held once again at the Bangkok International Trade and Exhibition Center (BITEC), from 13 to 15 May 2010. This regional event is anticipated to attract more than 20,000 investors from 15 countries, offering access to the world's industrial leaders. The event will feature about 250 industrial subcontractors, offering the opportunity to view locally manufactured parts and components from metal parts, plastic and rubber parts, electrical and electronic components, to manufacturers of mold & die, tooling, jig & fixture, motion technology, and other related supporting industries, such as logistics service providers.

Thailand Aims for Sustainable Economy

The Board of Investment moves forward with investment promotion policy for a sustainable economy. The BOI seeks opportunities to develop the nation's industries into knowledge-based industries. This includes the development of Eco town or Eco Industrial Estates that will lead to a better environment and a higher standard of living, and also the creative and healthcare industries, which exploit Thailand's cultural and biological diversity. This will give the nation great advantage and provide investors a more stable, sustainable and profitable investment environment.

Join with Thai, Maximize Benefits

In 1992, Thailand intended to promote SMEs and established the BOI Unit for Industrial Linkage Development (BUILD) to help them connect with large-scale enterprises through various programs, such as the Vendors Meet Customers Program. Various policies, programs and activities have been launched and the result is satisfactory; however, to encourage more small and medium size investments, Thailand announced a new investment promotion policy for SMEs. The new policy makes it much easier to gain BOI maximum tax incentives, including an 8-year tax holiday without cap, regardless of location.

BOI NET APPLICATIONS

	2008 (US\$ = 33.23 THB)		2009 (US\$ = 34.86 THB)		2010 (Jan) (US\$ = 32.98 THB)	
	Number of projects	Value	Number of projects	Value	Number of projects	Value
Total Investment	1,262	1,343	1,573	2,075	94	1,710
Total Foreign Investment	788	10,555	46	288	61	1,467
By Sector						
Agricultural Products	79	1,148	3	28	3	35
Minerals / Ceramics	14	1,012	1	37	2	7
Light Industries / Textiles	54	116	5	10	2	40
Automotive / Metal Processing	176	1,502	11	40	11	135
Electrical / Electronics	164	2,954	9	22	14	105
Chemicals / Paper	72	498	3	18	8	55
Services	229	3,626	14	135	21	1,090
By Economy						
Japan	266	2,329	15	127	31	1,343
Europe	153	2,417	8	4	10	50
Taiwan	73	610	3	10	3	9
United States	56	1,042	3	3	-	-
Hong Kong	20	416	-	-	1	1
Singapore	70	1,031	2	1	8	83
By Zone						
Zone 1	252	1,664	17	36	20	224
Zone 2	357	5,899	19	2,490	31	1,215
Zone 3	179	2,993	12	85	10	27

Unit: US\$ Million

Note: Investment projects with foreign equity participation from more than one country are reported in the figures for both countries.

One Start One Stop Investment Center
The OSOS is Open for Business

10 ministries, one location

BOI promoted or not, come enjoy the convenience of the OSOS

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The leading categories of Japanese investment in Thailand are electrical and electronic products, auto and metal processing, services and infrastructure, chemicals, paper and agricultural goods. In the 2004-2009 period, the BOI approved nearly 750 billion baht worth of projects by Japanese investors.

New BOI measures

As more than a year had passed since the last meeting between the two sides, BOI Secretary General Atchaka Sibunruang gave JCC members an update on the Board's policies and measures. She announced that on 25 January the BOI approved new policies to encourage sustainable investment and development in Thailand. One such move is to carry over certain measures of the 2008-2009 Thailand Investment Year package that have expired, but are still deemed useful to sustainable development. Steps to promote development of human resources, science and technology, eco-towns and eco-industrial estates, creative businesses and the healthcare industry have also been given the green light.

Dr. Atchaka said the BOI recently added four new activities for investment promotion. These are the manufacture of nano materials and products from nano materials, the production of musical instruments, construction of CBU and CKD houses, and development of service industrial estates. Moreover, greater privileges have been extended to investment projects involving ready-to-eat or semi-ready-to-eat food that use high-tech processing.

Over past months, the secretary general continued, the BOI has improved services to foreign experts through a substantial reduction of the number of documents and the time required for visa and work permit applications. The period for first-time position approval of a foreign expert, for example, has been slashed from 40 to just five days.

Looking at Map Ta Phut

The Map Ta Phut situation was also addressed at the meeting. In December 2009, the Supreme Administrative Court upheld a lower court's suspension of numerous projects at the Map Ta Phut Industrial Estate and nearby Rayong in eastern Thailand. Sixty-four large industrial projects have been delayed over procedures involving environmental requirements under Section 67 of the Constitution.

JCC Chairman Jitsukata urged a quick resolution to the situation, noting that chamber members have been affected by the court rulings. These are mainly in the chemical, steel, construction and financial sectors. He added, however, that the majority of JCC member companies still see Thailand as an attractive investment site.

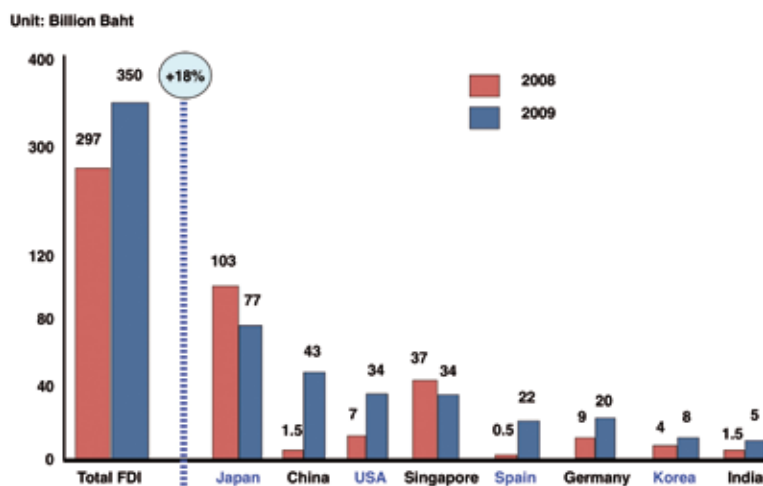
In bringing the Japanese business leaders up to date on what the government is doing to resolve the situation, Industry Minister Chanchai said the Cabinet on 26 January

approved the establishment of a task force to assist companies in processes they must follow to comply with Section 67 and get off the suspended list. "The government is committed to doing its best to break the deadlock," he said.

Mr. Chanchai informed investors that an advisory center has been set up at the OSOS to provide support information to manufacturers that want to comply with constitutional requirements so their projects can continue.

Moreover, the minister said he will help JCC member companies that are facing a financial crunch due to suspended projects by sending an official letter to their banks in Thailand and Japan requesting relaxed interest payments on related loans.

Japanese Investment Remains No. 1



Investments Application Surge Shows Confidence in Thailand Business

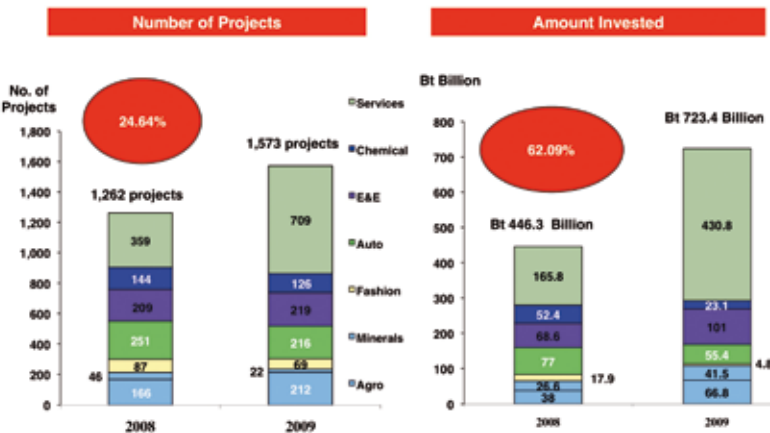
Thailand's investment picture continues to be one of bright prospects and favorable confidence as 2010 builds on impressive reports.

The number of projects that applied for incentives from the Thailand Board of Investment (BOI) in 2009 exceeded the target set for the year by a whopping 80%, coloring the local business environment with much optimism. Some 1,573 investment promotion applications were submitted to the BOI last year, representing a potential value of 723.4 billion baht. That is the highest annual figure ever, according to the Board's announcement on 20 January.

parts sectors. Constituting the biggest category, the 709 projects in services and public utilities have a potential investment value of 430.8 billion baht. Many of these are in alternative energy, including the production of electricity from wind and solar power and natural gas.

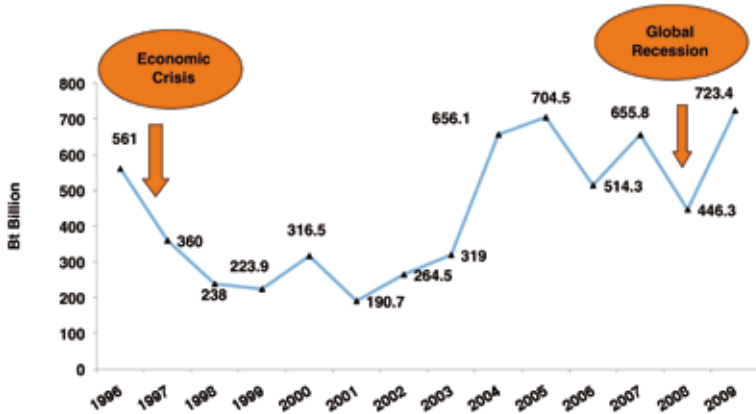
Comparison of Net Applications for Investment Promotion 2009 vs. 2008

(Includes Foreign and Domestic Projects)



Source: BOI, as of Jan13, 2010

Value of Net Applications Submitted 1996-2009



Source: BOI's Database

The big leap was attributed to the success of the Thailand Investment Year 2008-2009 campaign, which ended 31 December last year. The program focused on stimulating continuous investment and strengthening already competitive sectors in the country. At the height of the global crisis in the early months of 2009, the BOI added to the list of activities eligible for Investment Year benefits as a means of spurring economic growth in Thailand. Among the beneficiaries were high-tech businesses engaged in the manufacture of telecommunication parts, semiconductors, hard disk drives (HDDs) and automotive electronics.

BOI Secretary General Atchaka Sibunruang said the applications surge indicates that Thailand remains a favorable destination in the eyes of foreign investors. This comes despite hurdles such as the global economic slowdown and court-ordered delays to industrial projects at Map Ta Phut in the eastern part of the country.

A breakdown of applications shows that in 2009 foreign investors were most attracted to Thailand's services and public utilities, electronics and electrical appliances, agriculture and agricultural products, and automobiles and

Some 219 electronics and electrical appliance projects worth 101.0 billion baht applied for investment incentives from the BOI last year. These were concentrated in the manufacturing of HDDs, memory storage equipment, digital camera parts, car electronics, and air-conditioners and refrigerators.

Agriculture drew in 212 projects totaling 66.8 billion baht in potential investment. Significant among these was the manufacture of fuel from agricultural products such as ethanol. In the automobiles and parts sector, applications were made for 216 projects worth 55.4 billion baht, including the production of parts for natural gas vehicles.

While most of 2009's investment-benefit applications were midsize projects, 106 of them can be considered large projects with a minimum investment capital of 1 billion baht each.

To foster an environment for sustainable development, BOI Secretary General Atchaka revealed that the Board has approved a proposal to carry over certain measures of the 2008-2009 Thailand Investment Year package that have expired but are still useful.

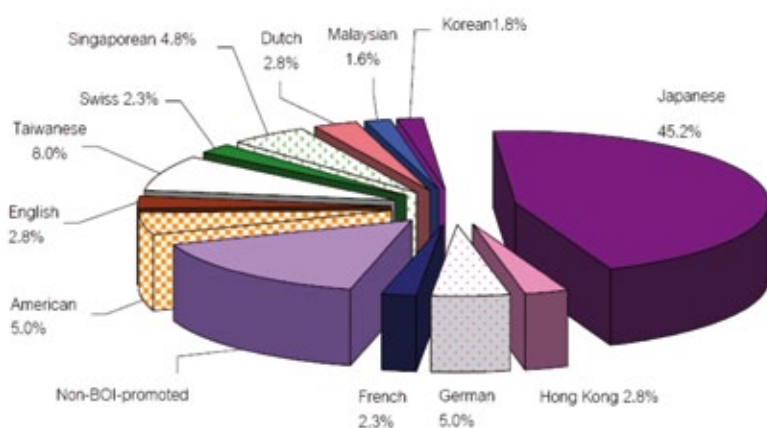
Foreign Investors Staying Put

Other recently publicized figures also point to continued interest in Thailand's business environment. The BOI's 2009 Foreign Investor Confidence Survey found it very

good news for Thailand that none of the responding companies plan to withdraw their base from Thailand, 30% are even planning expansion, and 59% intend to maintain their current level of investment. About 30% are even planning expansion. Only 11% aim to scale down their investment in Thailand.

The findings stemmed from questionnaire responses by 576 businesses with foreign investors holding not less than 20% of shares.

Foreign Investor Survey Pool by Shareholding



Source: BOI, 2009 Foreign Investor Confidence Survey Report

Surveyed companies also expressed that Thailand's land and labor costs, workforce quality and government incentives remain factors that make investment in the country attractive. Even so, some respondents called for greater government transparency and a more flexible monetary policies.

Thailand has a better infrastructure than other nations in Southeast Asia, foreign investors said. The majority opinion was also that market demand in Thailand is stronger than in the competing countries of Vietnam, the Philippines, Malaysia and Indonesia.

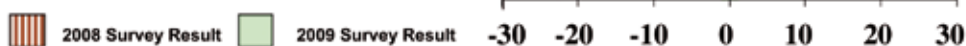
In addition, the confidence survey found 94% of respondents satisfied with services obtained from the BOI.

As for the overall viewpoint on the government's various policies, the majority of investors said most measures being implemented have the potential to improve Thailand's business environment. Still, they suggested sharper clarity on key policies.

Foreign investors also recommended closer coordination between government agencies, and even suggested an increased use of e-mails and newsletters as channels for communicating policy measures and new investment opportunities.

Thailand's Overall Business Environment (2008 vs. 2009)

- Appropriateness of the Foreign Business Act
- Effectiveness of Thailand's tax system
- Attractiveness of BOI investment incentives
- Attractiveness of gov't policy in other areas
- Appropriate domestic inflation rate
- Attractiveness of domestic interest rate
- Stability of the foreign exchange rate
- Effect of oil prices
- Suitability of location for business operation
- Sufficiency of transportation infrastructure
- Sufficiency of public utilities
- Sufficiency of communication service
- Attractiveness of the living environment for expatriate
- Overall investment factors



Source: BOI, 2009 Foreign Investor Confidence Survey Report

Momentum of Chemical Industry to Continue Amid Demand Growth

With a well-developed infrastructure from production to logistics, the trillion-baht chemical industry is one of Thailand's most vibrant business sectors. The country's foreign trade in chemicals hit 463 billion baht in 2009, and domestic sales were nearly triple that as makers also play a strong supporting role for other sectors such as food processing, plastics, detergents, textiles, automotives, furniture, pharmaceuticals and water purification.

Whether homegrown or foreign-invested, many of the world's major providers are operating in Thailand. These include PTT, SCG, Rayong Olefins, Thai Tank Terminal, Dow, Mitsubishi, TPI, ExxonMobil and the world's largest chemical manufacturer, BASF, which has been in Thailand for more than 40 years. Among the local leaders, PTT Chemical Plc is the country's top petrochemical and plastic resins producer and SCG Chemical Co., Ltd. is the largest maker of polyolefins in Thailand and Southeast Asia.

860,000tpa of polyethylene terephthalate, 785,000tpa of ethylene dichloride, 545,000tpa of styrene and 295,000tpa of butadiene.

Structured growth

The industry structure is dominated by companies in the end-product sector, where manufacturing costs are much lower than in the basic-chemicals sector, which requires a heftier amount of energy use and raw materials. In fact, end-product manufacture accounts for 75% of Thailand's chemical output, according to the Office of Industrial Economics (OIE).

The OIE gives the basic-chemicals example of sodium hydroxide production, where energy use makes up 50% and raw materials 45% of costs. The energy cost is substantial because factories in this sector generally operate 24 hours a day, and the raw materials expenditure is high as these are mostly imported.

Basic chemicals are led by the chloralkali sector with annual production of 850,000 metric tons, chlorine with 750,000 and sulfuric acid at 650,000.

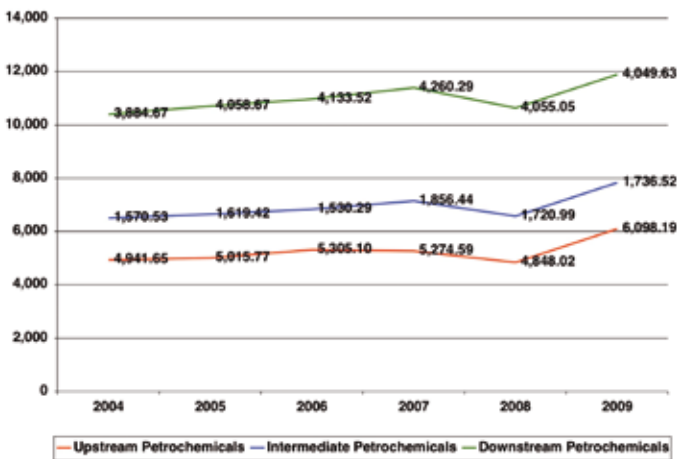
Over the years, the Thai government has played a vital role in the development of the chemical industry. The Thailand Board of Investment (BOI) in particular continues to offer non-tax and zone-based tax incentives to foreign enterprises that wish to locate operations in the country. These include land ownership rights, corporate tax holidays and reduced machinery import duties.

While the government regulates and supports the industry, private-sector organizations such as the Federation of Thai Industries (FTI) also promote the interests of local enterprises. The FTI's Chemical Industry Club was established more than 30 years ago, and with nearly 150 members is the second biggest group of the federation. Its five subgroups are basic chemicals, dyestuffs and paint, soaps and detergents, agro-chemicals, and other types. The FTI promotes the petrochemical and plastic industries as a separate group under its Petroleum Industry Club.

During a robust period of several years, new projects were launched continually in Thailand's chemical industry to increase capacity at a steady pace. The industry experienced a slowdown in 2009, however, amid the global economic crisis. Thailand's imports of chemical products last year fell 9.78% y-o-y to 349 billion baht. Exports totaled 114 billion baht, 8.14% lower than in 2008.

Chemical Products Production (2004 –2009)

Thousands of metric tons



Source: BOT

Thailand's manufacture runs the full alphabet of chemical products, from acrylonitrile butadiene styrene to zirconium silicate. The country makes adhesives, dyestuffs, fertilizers, film products, acid, paint, UV coatings, and a superabundance of other substances.

Among the profusion, the country's 2009 production capacity was 3.06 million tonnes per annum (mn tpa) for xylene, 2.53mn tpa for ethylene, 1.87mn tpa for benzene, 1.58mn tpa for polypropylene, 1.28mn tpa for high-density polyethylene and 1.26mn tpa for propylene. Thailand in a year is able to make 960,000tpa of polyvinylchloride,



Trade in the country's chemical industry should accelerate again, however, because of a demand increase anticipated from the government's Thai Khem Kaeng or Thailand From Strength to Strength stimulus package, the OIE said. The massive program will pour 1.43 trillion baht into economic development through 2012.

Business Monitor International also projects a revival of momentum for Thailand's chemical businesses starting in 2010. In particular, market analysts see new capacities of ethylene, propylene and benzene coming on-stream this year.

Petrochemical businesses have experienced especially rapid expansion, with the Thai government currently in the third wave of its 2004-2018 development plan for this particular sector. The OIE puts the country's petrochemical sales at 435.4 billion baht in 2008, with exports accounting for more than half as Thailand makers benefit from proximity to China's huge petrochemical market and the ASEAN Free Trade Area or AFTA.

Most of the country's petrochemical suppliers now carry out production in the Map Ta Phut Industrial Estate of Rayong Province on the Eastern Seaboard, although the national capital Bangkok at 220 kilometers away by road remains a significant hub. Historically, the petrochemical sector took off when large reserves of natural gas were discovered in the Gulf of Thailand during the 1970s and the government launched the Eastern Seaboard Development Program to maximize growth potential. The Industrial Estate Authority of Thailand (IEAT) supervises the program.

Within Map Ta Phut, the Eastern Industrial Estate is a cluster area for many heavy industry companies, including petrochemical and chemical makers. Its infrastructure, utility provision, water capacity, waste-water treatment capability and location just 2 kilometers from the Map Ta Phut Deep-Sea Port are well suited to such manufacture. The country's eastern region is also home to other large industrial estates.

Thailand's chemical product suppliers anticipate a mostly smooth road ahead, with some challenges to navigate. While global economic reinvigoration and free trade agreements with various countries will promote opportunities for increased business, companies will also need to deal with tougher environmental regulations in Asia, the European Union and other markets.

Thailand's Chemical Imports

Basic Chemicals	Value Billion Baht				% Change 09/08
	2006	2007	2008	2009**	
Inorganic	39.18	46.84	65.12	60.12	-7.68
Organic*	87.71	90.75	94.76	89.25	-5.81
End-Products					
Fertilizers	35.37	45.90	79.76	70.99	-10.98
Paints	32.69	34.71	34.84	30.21	-13.27
Cosmetics	17.40	18.92	19.88	17.24	-13.24
Tight Surface Reduction Substance	15.24	15.37	16.18	10.21	-36.89
Miscellaneous Chemical Products	60.13	63.86	76.38	71.02	-7.01
Total	287.73	316.39	386.95	349.08	-9.78

Source: Customs Department

* Organic chemicals excludes upstream and midstream petrochemical products

** Estimated figures

Thailand's Chemical Exports

Basic Chemicals	Value Billion Baht				% Change 09/08
	2006	2007	2008	2009**	
Inorganic	9.12	11.35	12.38	12.25	-1.04
Organic*	17.84	21.80	21.24	20.03	-5.69
End-Products					
Fertilizers	2.07	1.89	2.504	2.14	-14.41
Paints	8.89	9.09	9.17	9.02	-1.63
Cosmetics	27.67	32.06	29.93	25.54	-14.67
Tight Surface Reduction Substance	11.13	12.18	31.99	30.22	-5.51
Miscellaneous Chemical Products	12.34	15.54	17.36	15.22	-12.30
Total	89.09	103.94	124.59	114.45	-8.14

Source: Customs Department

* Organic chemicals excludes upstream and midstream petrochemical products

** Estimated figures

Volclay Siam Ltd.

Bentonite supplier grows, diversifies with help from BOI incentives



With impressive growth accomplished and bright prospects still ahead, Volclay Siam Ltd. sees itself well positioned in Thailand.

“We started construction here in 1997 and have since tripled our footprint to 30,000sqm,” said Hugh Parker, managing director of the company. “Originally we opened the facility to use one raw material and make two products. Today we use 14 raw materials and have a hundred products.”

Volclay Siam supplies sodium bentonite and related products, with sales hitting US\$12 million in 2009. Expansion to US\$20 million is anticipated for 2012. “We are diversifying with the expectation to nearly double our Thai sales and double our regional business in the next three years,” Parker said.

Located in the Siam Eastern Industrial Park of Rayong Province, the company currently operates four bentonite projects approved by the Thailand Board of Investment (BOI). Bentonite is a clay mineral with properties that make it a high-performance viscosifier, sealant, binder, lubricant and absorbent. Volclay Siam supplies “the clay of a thousand uses” to the foundry and metal casting, paper, detergent, bleaching earth, construction, face cream, latex and other industries in Thailand, Vietnam, Indonesia, Malaysia, Singapore, the Philippines, China and elsewhere in Asia.

The state-of-the-art plant in Rayong features a world-class laboratory and 50-inch Raymond roller mills that produce various consistencies of bentonite powder. All but two of the 56 employees are Thais.

ISO 9002-certified Volclay Siam is a subsidiary of AMCOL International, a nearly \$900 million company. Listed on the New York stock exchange, the Illinois-based parent firm has been in the specialty minerals business for 85 years, with exports going to Europe and Asia for three decades. “We have an enormous brand name with regard to our foundry product,” Parker explained. “Consumers know the Kleenexes and the Colgates. Well, in the foundry industry, our name is as big as that.”

Growing With the BOI

Various factors encouraged Volclay Siam to invest in Thailand as a manufacturing location in the late 1990s, with BOI incentives chief among them. Initial provisions included tax holidays, duty-free import of equipment, and substantial tax breaks on bringing in bentonite raw materials.

“Thailand has proved to be a wonderful place for investment largely because of our relationship with the BOI,” Parker said.

Right from the start, local sales potential was also an attraction. As the conglomerate had been profitably exporting bentonite products from the United States into Thailand, the decision was made to set up production in the country for better marketplace positioning. “That brought us here to Thailand,” Parker said. “We found a significant foundry business here for us 13 years ago and that foundry business has pretty much tripled.”

The quality local workforce played a role in convincing the company to invest as well. “The Thai workers are great. We have some really good middle and senior managers. We treat our people well and have been fortunate to see very low turnover,” Parker noted.

Of the company’s four BOI-approved projects, 1998 saw the opening of the first plant for processing bentonite, with the manufacture of paper-grade bentonite gearing up in 2001. Granulation for detergent applications started in 2006 with a capacity of 1 metric ton per hour. Described as enormous, Project No. 4 involves activated clay chemical reaction and takes all of the other operations up a notch, including boosting detergent granulation to 5 MT/hr. Among the detergent-grade bentonite customers are several Japanese, U.S. and European multinationals.

Value-added production under the US\$13 million fourth project has been running for nearly a year already. One aspect of this will be exporting of the company’s Additrol product in 2010. A blend of bentonite clays, Additrol is customized to meet the needs of both ferrous and nonferrous casting producers. “Mining to the customer is our biggest competitive advantage,” the managing director revealed.

Speaking specifically on the Rayong plant's highly successful detergent-granulation business, Parker described it as "a shot in the dark" initially. "We knew that we had some interesting technology on this with our business done successfully in Europe. So, we decided to do a detergent granulation pilot for Asia in Thailand and it went gangbusters. Honestly, we probably would not have done it if not for the BOI approvals."

As for the machinery it uses, Volclay Siam tends to rely on local producers these days. At the outset, the company brought in most of the necessary equipment for installation from its U.S. and European operations. That has reversed because of what Parker calls excellent fabrication capability in Thailand now. "Compared with our original facility 13 years ago when the bulk was imported, today about 85% of our equipment is domestically sourced or fabricated," he noted. "Thailand has made massive leaps in engineering, quality and service in regard to the manufacturing sector."

All of its bentonite raw material is imported. "The clay is from our own mining operations overseas," Parker said. "We mine clay in the US, China, India, Australia, the Mediterranean region, Russia and many other areas."

Logistics and economics are factors in deciding on which types of clay to source. The color shades and physical properties are also determinants. "The properties of the bentonite can be quite different from one location to another, even within the same mine. We could be pulling out five different types of product all within the space of half a mile," Parker said.

Eco-Friendly Diversification

Volclay Siam's output is currently split almost evenly between the domestic and export markets. But during the first five months of 2009, the company sold more overseas than locally and Parker sees this as the trend. "With our BOI approvals, we have been able to invest in equipment that has made us more technologically advanced," he explained. "This has positioned us to create more sophisticated products, including materials safer for the environment."

With the inclination to diversify its offerings, the company sees tremendous growth potential in eco-friendly products for export to countries in the region. One example would be sales to builders seeking detergents that are more environmentally appealing. "As Asia develops with a growing middle class, more and more people want cleaner surroundings, better clothes, better books. There are opportunities out there for green products that we would like to pursue," Parker said.

Other potential new markets for bentonite, he added, are medical products and animal feeds as a microtoxin binder.

Volclay Siam's relationship with the BOI is mutually beneficial. "A couple of years ago there was the lending crisis and it looked like we might have trouble finding some financing for our big project. The BOI went out of its way to introduce us to some Thai banks for consideration," Parker pointed out.



For its part, Volclay Siam is investing in the Skills Technology and Innovation (STI) program offered by the BOI to improve the technological sophistication of the Thai workforce. "From both our activated clays and foundry businesses, we are setting aside about 3% of sales for education of Thai staff and R&D on new products," Parker said.

The company's STI project is being carried out in cooperation with Thammasat University through the National Metal and Materials Technology Center. The R&D work emphasizes new environment-friendly products to reduce benzene emissions.

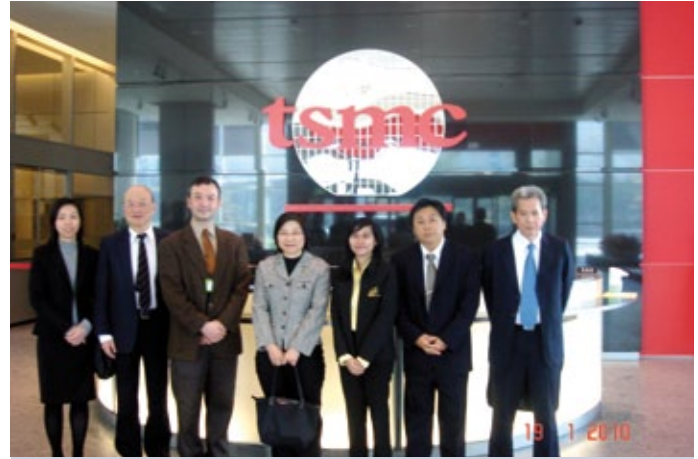
Volclay Siam looks forward to further growth in its Thailand operations. Parker acknowledged that a lot of investors are focusing on China while including places like Vietnam and Indonesia in expansion plans. "As for China, it's not good to put all your eggs in one basket," he said. "As for Southeast Asia, I still see Thailand as the most business-friendly country in which to operate."



BOI INVESTMENT MISSIONS



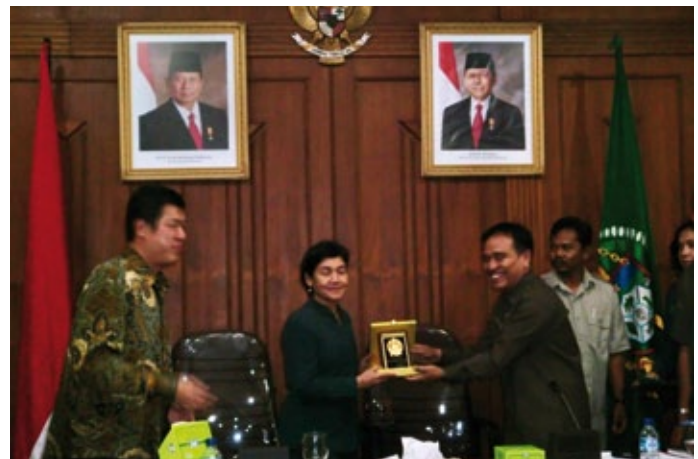
From 8 to 11 February 2010, Secretary General Dr. Atchaka Sibunruang led an investment mission to Busan, South Korea, to discuss new investment opportunities in Thailand, attending a seminar on 10 February hosted by the ASEAN-Korea Center



From 18 to 21 January 2010, BOI Assistant Secretary General Duangjai Asawachintachit led a delegation to Taiwan to discuss new business opportunities.



From 25 to 29 January, Mr. Salil Wisalswadi, BOI Director, led an investment mission to meet with potential investors in Malmo and Gothenburg, in southern Sweden.



From 26 to 29 January 2010, Mrs. Watcharee Tintani, BOI Director, Investment Development Assistance Bureau, led a delegation to the Republic of Indonesia to discuss potential new trade and investment opportunities.

Relaxation on procedures for granting visas and work permits

A subcommittee has been established under the chairmanship of Deputy Finance Minister Prasit Pataraprasit to consider measures aimed at improving the Regional Operating Headquarters incentives and regulations. Already, the Japanese Chamber of Commerce Bangkok (JCC) has proposed several measures to enhance Thailand's ROH attractiveness, including the relaxation of the procedures for approving and bringing-in foreign experts.

For example, the approval of these positions is currently granted only to a company with foreign shareholding of more than 50%, which have a minimum investment of 20 million baht, or is a wholly foreign owned company or a company with foreign shareholding of less than 50% with registered capital of no less than 50 million baht. Proposed changes will be revealed in due course, but are expected to benefit SMEs. Other changes involve facilitation for obtaining 2-year work permits, which are

INSIDE THE BOI



On 1 February 2010, Secretary General Dr. Atchaka Sibunruang met with the Japan-Thailand Business Forum (JTBF) at the One Start One Stop Investment Center to discuss issues of concern to Japanese and Thai investors.



On 19 January 2010, Deputy Secretary General Ajarin Pattanapanchai attended the “Halal: Best Opportunities for Malaysia and Thailand” seminar, held in Had Yai, to discuss ways to enhance the halal food processing industries in each country.



On 8 February, Deputy Secretary General Duangjai Asawachintachit met with members of the Swiss Asian Chamber of Commerce (SACC) at the One Start One Stop Investment Center to discuss investment in Thailand.

BOI Calendar of Events

Thursday 4 March 2010
Suizhou, Hubei Province, People’s Republic of China
Organized by BOI Office, Shanghai

Tuesday 23 March 2010
Seminar on “Investment Opportunities in Thailand”
8.00 – 12.00 hrs.
The Pearl Room, 2nd fl., The Fairmont Pacific Rim, Vancouver, Canada
Organized by BOI Office, New York

Wednesday 24 – Saturday 27 March 2010
Business delegations to participate in INAPA 2010 (The Indonesia International Auto Parts and Accessories & Equip Exhibition 2010) Jakarta International Expo (JIExpo), Jakarta, Indonesia
Organized by BUILD, BOI Unit for Industrial Linkage Development

now granted only after a company obtains an operation start-up permit from BOI.

Last March, the Board of Investment had, in fact, already reduced the submission of documents and the time required for each investment application procedure. The result has been that the time has been shortened by more than 50% for each application.

The BOI will continue to respond to investor concerns and to work towards providing effective and efficient service to the business community in Thailand. Further review of documentation will be made, with the goal to make the process for filing required documents more streamlined and expeditious.

Type of service	Current time scope (working days)	New time scope (working days)
1. The approval of position		
• 1 - 2 positions	40	5
• 3 - 10 positions	40	15
• more than 10 positions	40	20
2. Bringing in	10	5
3. Time extension for the approved positions	40	15
4. Time extension for the stay of alien and his/her family	40	15
5. Permission to work for a subsidiary	40	15

THAILAND ECONOMY-AT-A-GLANCE

Facts about Thailand

Population (2009) 67 million
 ASEAN Population 206 million
 Literacy Rate 96%
 Minimum Wage (1 Jan 10, Bangkok) 206 Baht/day

GDP (2008) US \$273.4 billion
 GDP per Capita (2008) US \$4,081
 GDP Growth (2008) 2.6%
 Export Growth (2008) 16.8%

Trade Balance (2008) US \$0.2 billion
 Current Account Balance (2008) US \$-0.2 billion
 International Reserves (2008) US \$111.01 billion
 Capacity Utilization (2008) 67.65%
 Manufacturing Production Index (2008) 190.23
 Customer Price Index (Jan 2010) 106.29
 (2007 = 100)

Corporate Income Tax 10-30%
 Withholding Tax 10-15%
 Value Added Tax 7%

January Average Exchange Rates

US\$ 1 = 32.99 Baht
 €1 = 47.14 Baht
 £1 = 53.34 Baht
 100¥ = 36.17 Baht

Top 10 Exports 2009

Product	Share	Value (US\$ bn)
1 Automatic data processing machines and accessories	10.50	16.02
2 Motor cars, parts and accessories	7.29	11.12
3 Precious stones and jewellery	6.40	9.76
4 Electronic integrated circuits	4.23	6.44
5 Refine fuels	3.56	5.43
6 Rice	3.31	5.05
7 Iron and steel and their products	3.25	4.95
8 Rubber products	2.94	4.49
9 Chemical products	2.93	4.47
10 Polymers of ethylene, propylene, etc in primary forms	2.92	4.46
Total		152.50

Source: Ministry of Commerce

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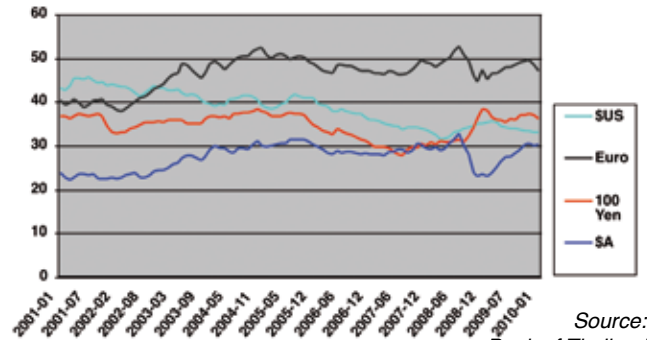
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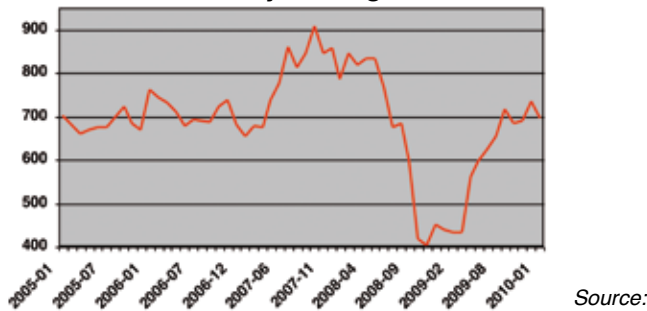
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Exchange Rate Trends



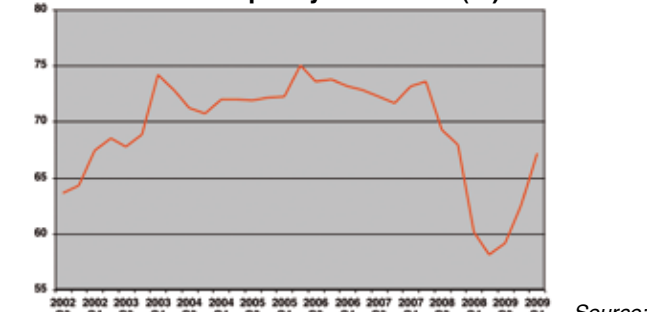
Source: Bank of Thailand

SET Monthly Closing Values



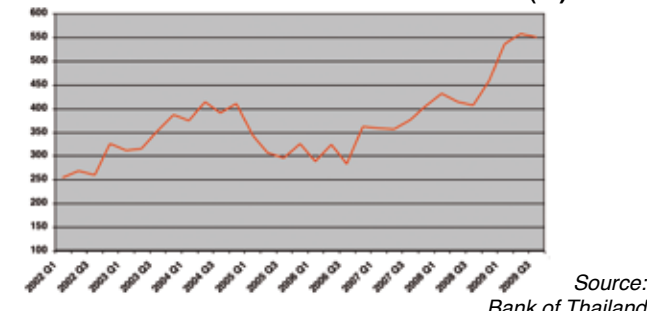
Source: Stock Exchange of Thailand

Industrial Capacity Utilization (%)



Source: Bank of Thailand

International Reserves / Short-term Debt (%)



Source: Bank of Thailand