



**Aster Lion**  
Employer of Record

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# WHY INVEST IN **THAILAND?**



# Introduction

Known for its friendliness, Thailand enjoys a long-standing reputation as a fun place to visit. Modern-day Thailand isn't just for tourists, however. These days, more and more people are realizing that Thailand is also a favorable nation for doing business.

The second-largest economy in the Association of Southeast Asian Nations (ASEAN) after Indonesia, Thailand is an upper-middle-income country with pro-investment policies and well-developed infrastructure. The Board of Investment (BOI), Thailand's principal investment promotion authority, offers business support to domestic and foreign investors alike. The BOI actively works to keep bureaucratic red tape to a minimum to make foreign investment as pain-free as possible.

Thailand boasts a stable government, a young, well-trained workforce, and a strategic location. Also, setting up and registering a business in Thailand is more convenient and profitable than in many parts of the world.

**Here are some reasons why:**



# Location, location, location!



Centrally located in the heart of ASEAN (Association of Southeast Asian Nations), Thailand is an ideal venue to debut new businesses as well as invest in established ones. The emerging market of Thailand's fellow ASEAN members of Cambodia, Laos, Myanmar, and Vietnam (known by the acronym CLMV) represents exciting new opportunities.

In addition to intra-ASEAN opportunities, Thailand is uniquely positioned to benefit from its proximity and easy access to India and China's populous economic powerhouses. Investing in Thailand allows comparatively easy access to nearly half of the world's population.

## Leadership



Thailand has a long history of initiating inter-regional cooperation. In 1967, Thailand was one of the founding members of the Association of Southeast Asian Nations (ASEAN). ASEAN's goals include accelerating economic growth, social progress, and cultural development in the region, and promoting regional peace, collaboration, and mutual assistance on matters of common interest.

The present-day ASEAN includes ten countries. To foster further regional cooperation, ASEAN countries reached out to other neighbors and now works more closely with China, South Korea, Japan, Australia, New Zealand, and India.

With its worldwide network of alliances and dialogue partners, ASEAN is considered a global powerhouse. By many accounts, it is the go-to organization for Asia-Pacific cooperation.



# Economic growth



Since 2014, Thailand's GDP has risen substantially. According to The Office of the National Economic and Social Development Council, growth reached 4.5% in 2019. Although 2020 figures will undoubtedly reflect the dampening effects of the Coronavirus pandemic, the long-term upward GDP trend is expected to continue.

Consumer spending, increasing tourism, and an upsurge in private investments make Thailand a wise choice for business opportunities.

## A leader in Foreign Direct Investment



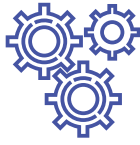
In 2008, Foreign Direct Investment (FDI) in Thailand stood at an impressive \$95 billion US. Less than a decade later, FDI stock more than doubled to \$219 billion, representing a compound annual growth rate (CAGR) of over 10%. Those figures underscore how valuable Thailand is to corporations' global strategy.

In recent years, Thailand has become increasingly reliant on exports. Its top five trading partners are China, the US, EU, Japan, and Malaysia at 11, 10.5, 10.3, 9.6, and 5.6% of total exports, respectively.

The historical growth in FDI, CAGR, and other key metrics compel investors to focus on Thailand as a base of trade across industries. The long-term upward trend will draw on existing momentum to fuel future interest.



# Thailand 4.0



The Third Industrial Revolution, also known as the digital revolution, used electronics and information technology to automate production. Building on the digital revolution, we are now living in the age of the Fourth Industrial Revolution. This latest revolution is characterized by a fusion of technologies that blurs the lines between biological, digital, and physical realms. The Fourth Industrial Revolution is evolving at exponential speed, and is exemplified by artificial intelligence, the Internet of Things, 3-D printing, biotechnology, and energy storage.

Thailand's government has stepped up to take part in the Fourth Industrial Revolution with an initiative called Thailand 4.0. The Thailand 4.0 model was designed to enhance the limitations of the past. It focuses on technology, science, innovation, and creativity through targeting new industries and business ideals.

Under Thailand 4.0, Thailand plans to renew its focus on established industries, including biotechnology, smart electronics, and tourism. At the same time, Thailand is also promoting emerging industries such as robotics, cutting-edge medical research and care, and biofuels. These sectors, which Thailand calls "New Engines of Growth," play to Thailand's strengths in driving future technical and economic expansion.

## Science and Technology



As is readily apparent from the 4.0 initiative, Thailand offers a competitive advantage to new and existing businesses due to its focus on scientific and technological power. One of the major thrusts for the implementation of science and technology is the establishment of Regional Science Parks (RSPs). The RSPs are expected to play an important role in university research commercialization through the innovation or incubator ecosystem.

The most recent RSP is the Thailand Science Park (TSP), which includes universities and business support personnel for nearby companies. The TSP has 2000 skilled, highly educated workers. Expansion plans are in progress to make the TSP the largest of Thailand's RSPs.

Existing RSPs include Khon Kaen's Northeastern Science Park, Chiang Mai's Northern Science Park, and Songkla's Southern Science Park. Two other parks—another one for the northeast and one for the northwest—are in development.



# Free Trade Agreements and International Cooperation



As a founding member of the premier regional cooperation network ASEAN, Thailand participates in bilateral Free Trade Agreements (FTAs) and the ASEAN Free Trade Agreement (AFTA). Trades with the ASEAN Plus Six countries—China, India, Japan, Australia, New Zealand, and South Korea—can be made without the need to pay excess tariffs.

A key advantage of doing business in Thailand is that it plays by internationally respected rules such as the Paris Conventions and the Patent Cooperation Treaty. The government follows the rules and enforces them, such as aggressively working to protect the global brands registered within its borders.

# Streamlined Applications and Regulations



The Thai government has long been respected for its consistently transparent, fair dealings with foreign investors. According to a 2009 World Bank report, Thailand ranked 13th of 181 countries in ease of doing business. That positive trend, of course, shows no signs of abating.

Thailand's interest in attracting international investors and boosting its industrial economy has led to scores of business initiatives. Through its Board of Investment (BOI), Thailand's primary investment promotion authority, the government offers various tax incentives.

As much as possible, Thais have eliminated hindrances to foreigners owning, operating, or expanding businesses. The streamlined processes make investing in Thailand relatively stress-free now and in the foreseeable future.



# Robust Infrastructure



Thailand boasts abundant natural resources and improved IT networks. The comfortable living and working conditions and developed infrastructure help investors feel comfortable with deploying their funds in Thailand.

Under its National Digital Economy Master Plan, Thailand has expanded wi-fi hotspot coverage to 25,000 villages and medical centers and has connected every school in the country. This expansion of Internet access is a boon for businesses that want to access the global market from a Thai vantage point.

## Why Aster Lion

When initially expanding to a new market, it is imperative to focus on your core business activities and not be distracted with any administrative burdens. Let Aster Lion look after the complexities of your initial and ongoing administrative, payroll and statutory requirements while you focus on growing your business.

Aster Lion is as an Employer of Record Service Provider based in Thailand providing the following services:

- Employer Contractor Management
- Visa & Work Permit Applications
- Payroll Solutions
- Recruitment Process Outsourcing

We're here to help you focus on your core activities so you can scale.

# Conclusion



As investors seek new, profitable horizons, they would do well to look to the Asia-Pacific region, home of half of the world's population. Of all the countries in that region, Thailand is one of the most attractive business-wise. No longer just a place to shop, tour, or have fun, Thailand is focusing on growing its economy. It welcomes foreigners to buy, build, or expand businesses.

Located in the heart of Southeast Asia, Thailand's centrist, cooperative, pro-investment policies allow open, profitable trade with countries near and far. The country is positioning itself to capitalize on the Fourth Industrial Revolution through a concentration on science and technology. Moreover, Thailand has expanded wi-fi hotspot coverage to 25,000 villages plus medical centers and schools.

In short, there are many compelling reasons to do business in Thailand. The up-and-coming Thai market is worth a look for any serious global investor or businessperson.





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