

- **STCC President's word**

Dear Members,

Compared to when I wrote my last report, the perception of the overall situation in Thailand now seems more encouraging.

Elections have been confirmed by Royal Decree for December 23<sup>rd</sup>, 2007 and political parties are scrambling for position in what looks likely to be a hotly contested poll. In this connection on October 5<sup>th</sup> the leader of the Democrat party, Khun Abhisit Vejjajiva, invited all Presidents of the Foreign Chambers of Commerce in Thailand for lunch in order to outline the party's economic policies which are seen as investor friendly and committed to global trade. Several other parties have also announced that they will promote more foreign investment.

A further sign of improvement is that the World Bank's "Doing Business 2008" report ranked Thailand 15<sup>th</sup> out of 178 economies in the ease of doing business. This rise in the rankings was among other things due to the adoption of more efficient procedures, including E-Custom, by the Thai Customs Department. The interim Government has also seemingly put on hold the changes proposed to the "Foreign Business" and "Retail" Acts. In spite of the strong Baht and a slowdown in the U.S. economy, Thailand's exports reached US \$ 110.59 billion for the first nine months, thereby surpassing the expected target and ensuring the year-end figure will reach US \$ 145 billion or a growth of 12.5% over last year (source: Ministry of Commerce).

On the downside, the domestic market remains sluggish and tourism growth is uncertain, partly due to the situation in neighboring Myanmar. The visa and work permit procedures for foreign businessmen have yet to be streamlined.

The STCC has recently joined the Greater Mekong Subregion forum to observe and participate in regional economic growth activities. Interested members are requested to contact me for details. A useful meeting also took place with the Swiss Business Hub Singapore.

As the year is drawing to a close our host country is preparing to mark the 80<sup>th</sup> birthday celebrations of H.M. King Bhumibol. The Swiss Thai Chamber has decided to participate in a small way by donating 4 water-aerators to the Chaipattana Foundation (see [www.chaipat.or.th](http://www.chaipat.or.th))

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under His Majesty's patronage. These will be used to treat stagnant water in rural and urban areas in several parts of the country. We are still short of funds for this project so any donations from members are most welcome. I look forward to your participation at a number of events before the year-end and thank you for your continued interest in STCC activities.

Sincerely yours,  
Niti Meyer  
President, STCC  
[president@swissthai.com](mailto:president@swissthai.com)

- **Business / Economy News**

Domestic consumption slowed down further but investments posted slightly gains, as the 2<sup>nd</sup> quarter economic data released by the Bangkok of Thailand showed somehow mixed signals about a sustainable recovery. In the 2<sup>nd</sup> quarter of 2007, the Thai economy expanded by 4.4%, slightly higher than the growth rate of 4.3% for the 1<sup>st</sup> quarter. Export of goods and services were the main growth contributors and remain the key growth engine for the economy this year. Year-on-year car sales rose 4.8% in July, the first month of gains after steady declines throughout the first half of this year; whereas private investment showed mixed signals, with year-on-year declines in cement sales, commercial vehicle sales and capital goods.

The Bank of Thailand kept policy interest rates unchanged, mainly due to concerns over the prospect of rising inflation. The decision to keep rates unchanged suggests that the Bank of Thailand believe the sub-prime mortgage crisis will have only a minor impact on the Thai economy. The overall exposure by Thai financial institutions to sub-prime debt is relatively small and there are four banks which had US\$ 715 million in investments in collateralised debt obligations, or just 0.1% of total assets, according to the Bank of Thailand. But swings in the currency and equity markets over the last couple of months were not just the consequence of the sub-prime mortgage fall out, but also reflect the "flight to quality" by foreign investors. The financial markets are expected to remain volatile as investors continue to remain nervous about further negative developments in the US sub-prime mortgage market.

The shift in asset classes has helped push bond yields on US Treasuries downwards and help the dollar to strengthen against emerging-market currencies, such as the Thai baht. However, capital outflows from the region have helped to ease pressure on the Bank of Thailand to intervene in the market to further control the baht's appreciation, but longer-term trends remain in favor to a stronger baht, given projections for a trade and currency account surplus.

Political uncertainties, a key contributor to the lower than expected private consumption this year, have eased with the passage of the new constitution and the government's firm

commitment to hold elections on the 23<sup>rd</sup> December. Domestic consumption should recover and higher fiscal spending as well as eased monetary policy will help to boost economy activity going forward.

The government's decision to increase the civil servants' salaries by 4%, the passage of the 2008 budget and a clearer outlook on the new Bangkok mass transit system are other positive factors to be considered.

The Bank of Thailand most recently increased its 2007 economic forecast to between 4.3% and 4.8% from earlier projections of 4% to 4.5%. However, oil prices, which have jumped sharply in October, remain a key risk factor for growth in the 4<sup>th</sup> quarter and next year. Economic growth could drop to 4.4% if oil prices averaged US\$ 75 per barrel for the remainder of this year, and decline to 4.3% if prices average at US\$ 80. Give those risk factors and the prevailing volatility of the financial markets, the economic outlook remains rather uncertain.

Bruno Odermatt, Bangkok, 21. October 2007

- **Legal Matters**

**How to explain the technology transfer plan in order to obtain a representative office license (3)**

Apart from (i) the conclusion of a technology transfer contract (ii) research and development projects and (iii) training of in-house personnel which was discussed in our last publication, the following items shall also be included in the technology transfer plan form:-

(iv) The appointment of a Thai national to perform work in a position in lieu of foreigners. The position and characteristics of foreign personnel in whose place Thai nationals will be appointed as well as the period of appointment shall be specified.

(v) Educational sponsorship expenses. The approximate contemplated budgetary appropriations for educational sponsorship of educational institutions on matters relating to technology shall be specified.

(vi) The placement of foreign experts as speakers for educating in-house personnel. Details on training programs as well as qualifications of the speakers and the budget shall be specified.

(vii) Other activities. If the intended activity for technology transfer does not fall within the scope of any activities herein stated, the applicant can explain such issue under the "other activities" in the prescribed form.

We will discuss about meaning of technology transfer as outlined by the Foreign Business Committee in our next publication.

[dhira@hutterdhira.com](mailto:dhira@hutterdhira.com)

- **Joint Foreign Chambers**

No news.

[info@swissthai.com](mailto:info@swissthai.com)

- **Swiss Embassy News**

### **Lao Swiss Business Forum, Vientiane**

Last 4th October 2007, the 1st Lao Swiss Business Forum took place in the conference hall of the Lao Plaza Hotel in Vientiane, Lao PDR. More than 70 business people and guests of both countries had the chance to enhance their business connections.

The event was organized by Laos (Ministry of Foreign Affairs, Ministry of Industry and Commerce) and Switzerland (Embassy of Switzerland in Thailand, Swiss Business Hub ASEAN, Swiss Honorary Consulate in Laos).

Lao Minister of Industry and Commerce, H.E. Mr. Nam Viyaketh, and Swiss Ambassador, H.E. Mr. Rodolphe Imhoof, opened the joint forum emphasizing the need to know each other better.

During the first part, the audience was informed about facts and figures about Laos and Switzerland. The second part of the forum was dedicated to practical insights of both markets. After lunch, a match making and B2B session gave the opportunity of more in-depth meetings among several interested companies.

Director-General Mr. Houmpheng Saralay of the Lao Investment Promotion gave key informations about investment opportunities in Laos. Mr. Rolf Frei, Head of the Swiss Business Hub ASEAN, gave insights of the Swiss market.

Mr. Guido Käppeli, Honorary Consul of Laos in Switzerland, presented through practical showcases Swiss development and construction projects in the Lao energy sector and opportunities of investment in both countries.

The Lao Swiss Business Forum was embedded in the 50th anniversary of the establishment of bilateral diplomatic relations between Laos and Switzerland. It was part of several successful joint events, like a press conference, a reception with more than 200 honored guests, a seminar on international humanitarian law and a tree planting ceremony.

The results of the Lao Swiss Business Forum are for example that an energy company has discussed business opportunities with a construction company in Laos. A company for detailed and commented satellite maps had talks with land owners. Two industrial parks have presented their services. Two silk companies came together. An international school in Laos could speak with a potential agent. A lawyer could present himself for the Swiss PoolOfExpert. For the Swiss Trade Office very resourceful contacts were made which will be helpful for future trade related requests.



Left: Mr. Rodolphe Imhoof, Ambassador, Embassy of Switzerland, Center: Mr. Nam Viyaketh, Minister, Ministry of Industry and Commerce, Lao PDR, Right: Mr. Bounmy Manivong, Director General, Dep. of Production and Trade Promotion, Lao PDR.



*Parts of the revenue after deduction of expenses will be given to Chaipattana Foundation for Poor Children in Southern Part of Thailand*

At Swatch Shops: Siam Center, Gaysorn, Central World, Central Ladprao, Central Pinklao, Siam CenterPoint, Surin (Arples Book Plaza), Pattaya (Central Festival), Samui (Tesco), Surathani (Tesco) and at all Siam Commercial Bank Branches (more than 800 Branches nationwide)

For more information, please contact  
Swatch 02-654-3238 or  
SCB Easy Call Center 02-777-7777



[Christian.Cohn@eda.admin.ch](mailto:Christian.Cohn@eda.admin.ch)

Trade Officer  
Embassy of Switzerland

## Swatch Special Limited Edition "Happy 80<sup>th</sup> Birthday"

**Whilst Stock Lasts !!!....**

In honor of the 80<sup>th</sup> birthday of His Majesty King Bhumibol Adulyadej, Swatch has received the gracious of HRH Princess Siriwannavari Nariratana to design this special limited edition and name this watch as

"Happy 80<sup>th</sup> Birthday"

**Price : 3,200 baht ... With Special Package!!!**

### • Events Calendar

- Up coming STAMM

Date: Thursday, November 8, 2007

Time: 18:00 ongoing

Location: **Mingles Pub & Restaurant, Amari Atrium Hotel**, 1880, New Petchburi Road, Huay Kwang, Bangkok

For more information please see Events at [www.swissthai.com](http://www.swissthai.com)

- **Miscellaneous**

- **Manpower:**

Please go to our website [www.swissthai.com](http://www.swissthai.com) > "Members" > "Classifieds" where you will find interesting manpower offers to be contacted directly. Direct link:  
[http://www.swissthai.com/upshow\\_classifieds.asp](http://www.swissthai.com/upshow_classifieds.asp)

- **Trade Fairs**

Please visit the following sites for detailed info:  
[www.cmpthailand.com](http://www.cmpthailand.com)  
[www.impact.co.th](http://www.impact.co.th)  
[www.bitec.net](http://www.bitec.net)  
[www.tradefairs.ch](http://www.tradefairs.ch)

- **Secretary**

Please be so kind and inform us about any **changes in your contact information**.

**Member List**

If you need a hard copy of our member list please contact the secretary at [secretary@swissthai.com](mailto:secretary@swissthai.com).

- **Membership fee 2007**

The invoice regarding the membership fee for the year 2007 was sent out. We thank you in advance or a **prompt** settlement.  
[secretary@swissthai.com](mailto:secretary@swissthai.com)

- **Comments from our Members**

This place is reserved **for our members!**

If you have any suggestions, a wish or you want to bring us closer to your business, please do it here. Thank you.  
[secretary@swissthai.com](mailto:secretary@swissthai.com)

- **Swiss Society Bangkok**

For social activities, please check the following address: [www.ssb.or.th](http://www.ssb.or.th)

- **Useful Links**

- Swiss Trade Promotion Office  
[www.osec.ch](http://www.osec.ch) and [www.osec.ch/newsletter](http://www.osec.ch/newsletter)

- CH Foreign Trade  
[www.swisstrade.com](http://www.swisstrade.com)

- CH News Paper NZZ  
[www.nzz.ch](http://www.nzz.ch)

- Swiss Embassy Bangkok  
[www.eda.admin.ch/bangkok](http://www.eda.admin.ch/bangkok)

- State Secretariat for Economic Affairs  
[www.seco-admin.ch](http://www.seco-admin.ch)

- World Economic Forum  
[www.weforum.org](http://www.weforum.org)

- Swiss Business Federation  
[www.economiesuisse.ch](http://www.economiesuisse.ch)

- Swissinfo  
[www.swissinfo.org](http://www.swissinfo.org)

- The Federal Authorities  
of the Swiss Confederation

**New outfit please have a look.**  
[www.admin.ch](http://www.admin.ch)

- EU launches on-line helpdesk to foster developing country access to EU markets  
<http://europa.eu/int/comm/trade/issues/global/development/thd-en.htm>

- Interesting links in Thailand

[www.yellowpages.co.th](http://www.yellowpages.co.th)  
[www.thailandexportguide.com](http://www.thailandexportguide.com)  
[www.eguide.co.th](http://www.eguide.co.th)  
[www.tradepointthailand.com](http://www.tradepointthailand.com)  
[www.bankok.com](http://www.bankok.com)  
[www.thailand.com](http://www.thailand.com)  
[www.thaiwebsites.com](http://www.thaiwebsites.com)

- Department of Export Promotion's websites:  
[www.deptahai.go.th](http://www.deptahai.go.th) and [www.thaitrade.com](http://www.thaitrade.com)

**Swiss Business Associations and Swiss Chambers in the Region**

**Vietnam**

**Swiss Business Association Vietnam**  
c/o Consulate General of Switzerland  
Nam An Building 124 Dien Bien Phu  
District 1 Ho Chi Minh City, Vietnam

Tel: +84 8 820 5402  
Fax: +84 8 820 4856  
Web: [www.swissvietnam.com](http://www.swissvietnam.com)  
E-mail: [sba@hcm.vnn.vn](mailto:sba@hcm.vnn.vn)

President: Mr. Alexander Gruber  
Tel: +84 8 827 70 68  
Email: [agruber@ecomtrading.com](mailto:agruber@ecomtrading.com)

**Malaysia**

**Swiss Malaysian Business Association**  
c/o Embassy of Switzerland  
16 Persiaran Madge,  
55000 Kuala Lumpur, Malaysia

Tel: +60 3 2162 9889  
Fax: +60 3 2162 8410  
Email: [myswiss@streamyx.com](mailto:myswiss@streamyx.com)  
Website: [www.myswiss.org](http://www.myswiss.org)  
Chairman: Dr. Magdi Batato

**Singapore**

**Swiss Business Association**  
c/o Embassy of Switzerland  
1 Swiss Club Link  
Singapore 288 162

Tel: +65- 62922842  
Fax: +65- 62984133  
E-mail [info@swissbusiness.org.sg](mailto:info@swissbusiness.org.sg)  
Web: [www.swissbusiness.org.sg](http://www.swissbusiness.org.sg)  
Chairman: Mr. Pius Eberhard

**Indonesia** (below – the new address as of 25.5.07)

**Swiss Business Forum**  
c/o  
PT Zurich Insurance Indonesia  
Sudirman Plaza  
8th floor - Indofood Tower  
Jl. Jend. Sudirman Kav. 76-78  
Jakarta 12910

Tel: +62 21- 579 367 70  
Fax: +62 21- 2554-3670  
E-mail: [hansr.kunz@persens.org](mailto:hansr.kunz@persens.org)  
Chairman: Mr. Hermann Lischer CEO Zurich  
Insurance Indonesia,

**Phillippines**

**Philippine-Swiss Business Council (PSBC)**  
9/F SGV Bldg.II, 6758 Ayala Avenue  
1226 Makati City, Philippines

Tel: +63 2 894 8177  
Fax: +63 2 892 8275  
Mobile: +63 918 994 8177  
Secretariat: Ms. Leonora Doringo  
E-mail: [Leonora.doringo@philippinechamber.com](mailto:Leonora.doringo@philippinechamber.com)  
Chairman: Mr. Joel C. Valdes

**Hong Kong**

Swiss Chamber of Commerce in Hong Kong  
GPO Box 9501 Hong Kong

Tel: +852 2524 0590  
Fax: +852 2522 6959  
website: <http://www.swisschamhk.org>  
Email: [admin@swisschamhk.org](mailto:admin@swisschamhk.org)

President: Mr. Hans Rudolf Kunz  
E-mail: [hansr.kunz@persen.org](mailto:hansr.kunz@persen.org)

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**Swiss Thai Chamber of Commerce**

36/9-10 Chaengwattana Road  
Kwaeng Thungsonghong  
Khet Laksi  
Bangkok 10210  
Tel: +66 (0) 2982 4896  
Fax: +66 (0) 2982 4897  
E-mail: [secretary@swissthai.com](mailto:secretary@swissthai.com)  
Web page: [www.swissthai.com](http://www.swissthai.com)

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**Next Newsletter: January 2008**  
**For all comments please contact**  
**[secretary@swissthai.com](mailto:secretary@swissthai.com) or**  
**[president@swissthai.com](mailto:president@swissthai.com)**