

## **Thailand Approves 16.76 Bn Baht Investments From Malaysia**

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BANGKOK -- Malaysian-based companies have emerged as one of the top investors in Thailand, with 25 projects worth 16.763 billion baht (100 baht = RM9.26) being approved in the first eight months of this year.

It surpassed last year's figure of 10.077 billion baht for 19 projects during the same period, and is only second to the kingdom's traditional top investor Japan which got approval for 193 projects worth about 44.93 billion baht this year.

Last year, Malaysian companies invested 11.57 billion baht in 33 projects.

Overall, Thailand, which is facing political crisis after its Prime Minister's Office at the Government House was seized by anti-government protesters on Aug 26 and premier Samak Sundaravej was forced to resign by the Constitution Court, approved 496 projects worth 174.91 billion baht from January to August this year.

Of this, 305 projects, valued at 87.21 billion baht, were 100 percent foreign-owned.

Hirunya Suchinai, senior executive investment advisor at Board of Investment (BOI), said Malaysia's investments this year were largely in sectors like electric and electronic, agriculture, mineral and ceramics, light industries/textiles, metal products and machinery, chemicals and paper.

"Malaysian investment projects refer to projects with Malaysian capital of at least 10 percent. That is why we have companies like Western Digital listed as investments from Malaysia," she said in an interview here.

Western Digital invested 15.260 billion baht for its expansion plan at the Phra Nakhon Sri Ayudaya factory which produces hard disk drive and head stack assembly.

Hirunya said other key investors were Ingress Autoventures, which added another 442 million baht for its door sash production, Eco-Tech Industries (petroleum oil from used tyres), ThaiIndo Palm Oil Factory Co Ltd (electricity power from bio gas) and several software firms.

The BOI had approved investments totalling US\$1.6 billion from over 160 Malaysian companies in the past five years, mostly in the electric and electronics, metal products and machinery sectors, while Thailand's investments in Malaysia amounted to over US\$200 million (US\$1=RM3.39).

Among the biggest Malaysian investors in Thailand are Petroliam Nasional Bhd, Aapico Hitech plc, Sime Darby Bhd, Trans Thai-Malaysia Ltd, Century Logistics and Bina Puri while other companies operating here include RHB Bank and CIMB.

In terms of trade, Malaysia is Thailand's fourth largest trading partner, with total trade increasing from RM50.11 billion in 2006 to RM55.13 billion last year.

Hirunya said Thailand was seeking more Malaysian investors in the machinery, automotive parts, agro products like palm oil and rubber, biotechnology and halal food manufacturing, especially in the southern provinces.

She said there were big potential in the automotive sector as there were 17 world-class manufacturers who had set up their assembly plants in the kingdom, churning out more than one million vehicles, of which 53 percent were exported in 2007.

Hirunya said despite the ongoing political crisis, investors should not be worried with the investment climate in the country as government business policies were always maintained, citing Thailand's 13th position in the latest World Bank's 'Ease of Doing Business', as well as the relative low cost.

Thailand, which has a population of 64.8 million, is the world's number one producer of rubber and hard disk drives, second top exporter of sugar, world's largest rice exporter and 14th largest producer of motor vehicles.

**Source: Bernama**