

Preface

Thailand has had a remarkable economic development trajectory over the past 60 years and foreign direct investment (FDI) has been pivotal in this success. A pioneer in building its development strategy around FDI and integration in global value chains, Thailand is now a net outward investor, with rapidly growing presence in neighbouring countries. Its success in investment attraction was enabled by a combination of its early liberalisation of inward FDI for the manufacturing sector, on the one hand, and proactive investment promotion and facilitation policies under a strong Board of Investment, on the other.

Along with economic growth and integration into the global economy, Thailand has also made considerable strides in the area of inclusive and sustainable development. Poverty rates have dropped to less than 10% of the population. Efforts to improve the quality of education and to equip the workforce with skills that meet the emerging needs of the services economy are starting to bear fruit. While challenges remain in some areas of responsible business conduct (RBC), there is strong political will to address them. A regional leader in RBC; Thailand became the first country in Asia to adopt a standalone National Action Plan on Business and Human Rights in 2019.

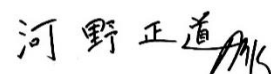
Thailand aspires to transition from upper middle-income to high-income economy by 2037, as outlined in its 20-year national strategy. The government aims to achieve this objective by upgrading to a value-based green economy, as made evident by the recently introduced Thailand 4.0 vision and Bio-Circular-Green (BCG) economy model. This ambitious plan relies heavily on inward FDI and will therefore require a continued and concerted effort to reform and improve the investment climate. New challenges related to the ongoing COVID-19 pandemic could delay progress toward this objective, as the crisis interrupts Thailand's long period of growth. The economy is predicted to contract by approximately 7% in 2020, and exports and FDI are likely to decline even more.

This first *OECD Investment Policy Review of Thailand* identifies potential priority areas for investment climate reform in support of a green, inclusive and sustainable recovery from the COVID-19 crisis, and the fulfilment of Thailand's development ambitions. It covers recommendations for improving the domestic and international legal framework for investment, suggestions for institutional reforms as well as directions for implementing policy frameworks in the area of RBC and green growth. The Government of Thailand and the OECD are very pleased to have joined forces in producing this *OECD Investment Policy Review of Thailand*, as part of the OECD-Thailand Country Programme. This report is one of the deliverables of this Country Programme.

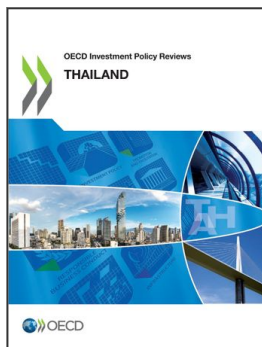
We thank all government agencies in Thailand and the OECD Secretariat who have contributed to this Review. We hope it will help improve the investment climate in Thailand, and the achievement of its sustainable development goals.



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