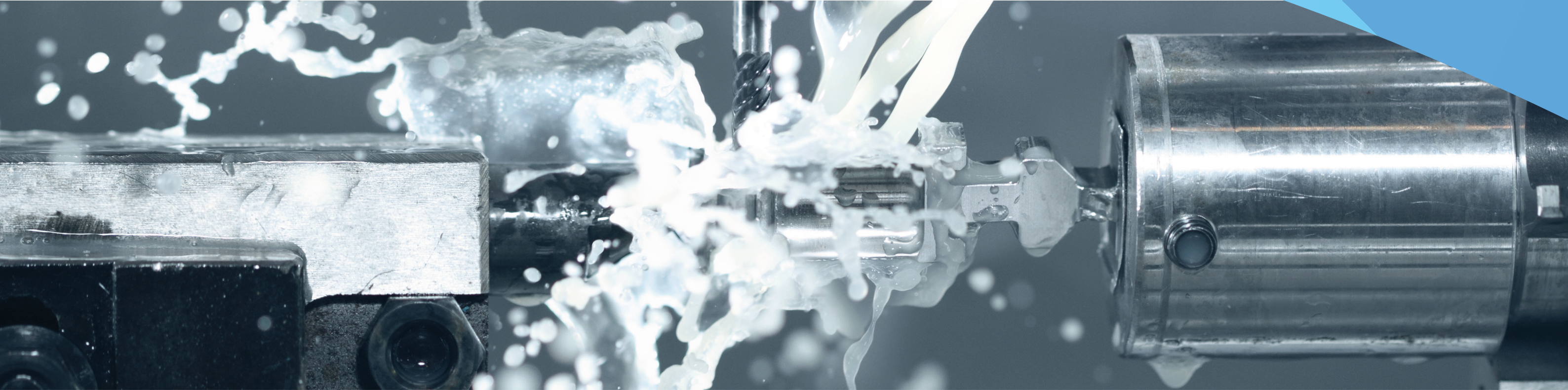


Machinery

*Thailand, the leading regional hub
for the machinery and metalworking industry*

Thailand CONNECT





50,000
enterprises



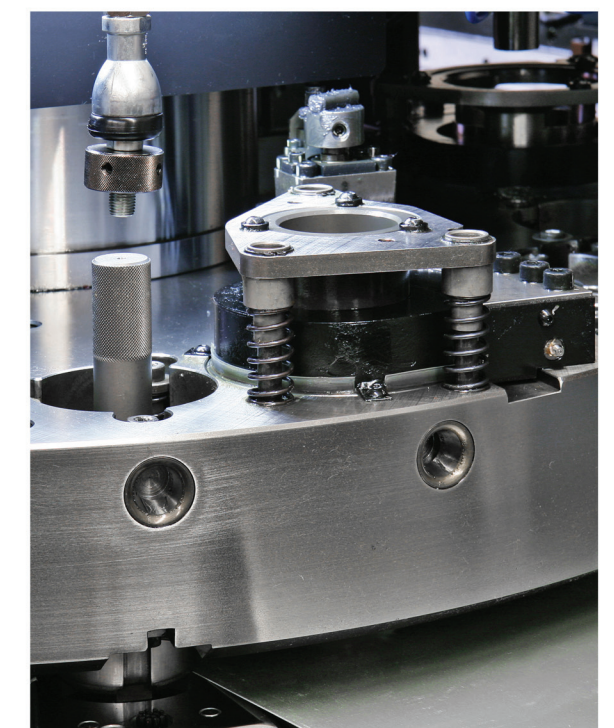
400,000
workers

Thailand's machinery and metalworking industry is bustling. Already boasting 50,000 enterprises and 400,000 workers, the industry continues to expand. Demand for more sophisticated machinery is growing, especially among domestic downstream industries, creating attractive opportunities for visitors. This is because even with its extensive size, local industry offers only a limited supply of high-end machinery and parts, leaving many companies looking for imports. In fact, machinery and parts rank among Thailand's top five most imported goods, with inbound shipments totaling US\$19.84 billion in 2011.

Japan is the primary source, responsible for 24.6% of imports, followed by China at 21.3% and the United States at 9.4%. With US\$1.50 billion in imports in 2011, air or vacuum pumps and air or gas compressors along with fans are the leading imports. Other top machinery and parts imports that year were electrical machines and apparatuses, machines and mechanical appliances, and printing machinery.

Thailand's status as a regional export hub also allows local machinery and parts suppliers to benefit from the economic growth of Thailand's neighbors. The country's exports of these products have grown 63% since 2004 to nearly US\$12.56 billion. Favorable trade relations since the signing of the ASEAN Free Trade Agreement (AFTA) is adding momentum to Thai machinery and parts exports.

Growth looks likely to continue as demand from developing nations such as Vietnam, Malaysia and Indonesia strengthens. With its strategic location at the center of the region Thailand is the regional hub for this industry. Thailand will become even more attractive as an investment location when the 10 member countries of the Association of Southeast Asian Nations fuse into a massive single market called the ASEAN Economic Community (AEC) in 2015.



There are many reasons to choose Thailand as a machinery and metalworking production base. Thailand boasts a strong business climate. Thailand's dynamic manufacturing industries are expanding, and urban development and infrastructure projects are driving construction. Robust activity in the automotive, electrical appliances, food processing and construction industry is spurring demand for machinery and metalworking support.

Apart from its expanding industry, Thailand has great infrastructure and state-of-the-art facilities. Thailand's extensive road network, deep-sea ports such as Laem Chabang, and numerous international airports make exporting easy and efficient. The kingdom's competitive workforce is another important factor. Thailand boasts a well-educated workforce. Each year, there are up to 100,000 Thai graduates in science, technology and engineering.

The Thai government imposes no export requirements, no local content requirements, and no foreign equity restrictions on manufacturers. In addition, local industry also has excellent institutional support. The Thailand Board of Investment (BOI) offers a host of fiscal and non-fiscal incentives for manufacturers of machinery, equipment and parts that ranges from corporate tax exemptions to assistance with work permits and product sourcing.



Thailand has great infrastructure and state-of-the-art facilities.



The Thai government is also aware of the need to support the continued development of the workforce's technological capabilities. There are many R&D and technical training programs available nationwide to boost the quality of research and strengthen the skills of the workers in the country.



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