

## **STIMULATING FDI/SUPPORTING BUSINESS CONTINUITY – ESSENTIAL FOR COVID 19 ECONOMIC RECOVERY**

The European Association for Business and Commerce (EABC) acts as the European Chamber of Commerce in Thailand, as the leading voice of European business in Thailand, supporting Thailand-Europe trade and investment and strengthening the Thai economy. [www.eabc-thailand.org](http://www.eabc-thailand.org),

### **Background and Reasons for the need for action**

The Royal Thai Government is admired for containing COVID 19 and keeping people safe. There are also many measures to support economic recovery (a shared responsibility). But we are facing the biggest economic crisis in living memory. The Foreign Business Act can play a role in economic recovery. List 3 has been changed four times (2013, 2016, 217, 2019) only. While removing the currently proposed three activities is a positive step, they will have minimal impact on economic recovery. A bold step is needed.

### **Proposal**

EABC proposes suspending List 3 for three years (roughly the expected period for return to pre COVID 19 levels of growth), and in that period effect permanent removals in three stages over that time. The suspension would cease after three years, a revised List 3 reflecting certain permanent removals would result. Investments made in the three years would have investor protection/grandfather status.

The proposal recognises the reality that in almost every case, sectors are ready to compete; continuing the restrictions holds back innovation, competition and weakens Thai companies and the economy.

### **Advantages**

- i) Flexibility will support business continuity- companies can take in new investment, new partners, restructure
- ii) Stimulates FDI – new investments
- iii) Enhances competitiveness, ease of doing business
- iv) Saves Thai jobs
- v) Alleviates pressure on use of economic recovery budget.

EABC  
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