

# Newsweek®

PROMOTIONAL NEWS

## THAILAND: A RECORD OF RESILIENCE

How will Thailand come back from one of the greatest natural disasters it has ever experienced? In short, quickly. Strong economic fundamentals, newfound political stability, an unsurpassed tourism industry, and the example of its revered King mean that the resilient Southeast Asian nation has a ready-made formula for a speedy recovery.



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# THE SOUL OF A NATION

**In December 2011, the King of Thailand celebrates his 84th birthday. As recent events have shown, his ideas and vision for the country are as relevant today as ever.**

In Thailand, the completion of a 12-year “cycle” of one’s life is considered an auspicious event. When His Majesty King Bhumibol Adulyadej celebrates the completion of his 7th cycle on his 84th birthday this December 5, the whole country will celebrate.

The King, who acceded to the throne of Thailand in 1946, has witnessed the transformation of the country into a prosperous, modern state, and earned both the respect of his people and worldwide acclaim for his leadership. Often referred to as a “working” monarch, the King has played an influential role over his 65-year reign in ensuring this progress. A constant source of ideas and motivation for the people, and preoccupied with improving their well-being, he has passionately engaged the challenges confronting the country, from public health threats to floods and drought.

## AN EARLY ENVIRONMENTALIST

Since the beginning of his reign, the King has been concerned about how to manage the cycle of flood and drought that hampers the agricultural sector. Thousands of small and medium-scale development projects across the country, initiated by the King, have helped farmers effectively mitigate this threat. Earthen

dams, canals and reservoirs, for example, have provided more efficient harnessing of the rainfall during the monsoon. The King has constantly advocated the protection of watersheds and encouraged reforestation, knowing that the preservation of the environment is key to ensuring the livelihoods of farmers and others dependent on agriculture.

Today, his “Living Museums”—education and development centres

**By following the King’s vision, companies, entrepreneurs and farmers can minimize their exposure to risk and debt.**



located in six different regions of the country—disseminate local knowledge about farming techniques and information that are sensitive to the geo-social conditions of the area, thereby respecting both the environment and community values.

## SAFEGUARDING THE ECONOMY

In 1997, after Thailand’s economy was rocked by a financial crisis that bankrupted thousands of businesses, the country was guided by the King’s “Sufficiency Economy” philosophy, which calls on businesses and individuals to practice moderation and reasonableness and seek self-immunity from external factors in their pursuit of growth. By following the King’s vision, companies, entrepreneurs and farmers can minimize their exposure to risk and debt.

The government responded by adopting the philosophy as a cornerstone of its own five-year plans. Economists and financial analysts agree that Thailand’s economic fundamentals and banking sector are now a model of sound management, allowing the Thai economy to successfully ride out global economic storms such as the recent downturn. The



King’s advice on sustainable development has also been adopted by companies in the private sector. Importantly, the King was awarded the United Nations Development Programme’s first ever Human Development Lifetime Achievement Award in 2006 in recognition of his contributions to sustainable, human-centred development.

## CREATING POLITICAL STABILITY

When the King returned from his studies in Switzerland for his coronation in 1950, the Thai political system was still unsettled, and His Majesty was faced with defining the role of a constitutional monarch. In the decades that followed, he has always performed his duties as prescribed by the constitution, while at the same time acting as a moral example to the people.

During times of extreme political turmoil, the King’s moral authority has allowed him to intervene to right the ship and help put the country back on track. In general, his presence and royal prerogatives to advise, warn and encourage, continue to inspire integrity, prudence and compassion in society.

## A PUBLIC HEALTH ADVOCATE

The public health system in Thailand was in need of repair following the Second World War. Witnessing the suffering of the people firsthand during his tours



of the country, the King supported the establishment of several foundations and laboratories to eradicate or combat tropical scourges and diseases such as cholera, tuberculosis, small pox and leprosy. In addition, he created scholarship programs to advance the study of medicine in the country so that Thailand would not need to rely on foreign medical professionals.

Today, Thailand's public health system is considered one of the most advanced in Southeast Asia. Medical tourists from around the globe travel to the Kingdom to receive treatment in some of its private facilities.

#### « FACT FILE »

**Born 5 December, 1927 in Cambridge, Massachusetts, USA.**

**Acceded to the throne of Thailand on 9 June, 1946 at the age of 18.**

**Initiated more than 4,000 development projects throughout the country.**

**Became the longest-reigning monarch in Thai history in 1988.**

**Became the longest-reigning monarch in the world in 1989.**

**Holds several patents for engineering innovations.**

## THE KING IN PROFILE

**HEAD OF STATE** His Majesty King Bhumibol Adulyadej is Thailand's head of state, the longest-serving monarch in the world today and one of the longest-serving monarchs in world history. Though his powers are prescribed by the constitution, the King, as head of state, is seen as the pillar of the country, a stabilizing influence, and the country's moral leader.

**LONG-TERM VISION** The King's ideas have frequently proven prescient. Since the 1950s, he has shown particular concern for protecting the environment and improving the livelihoods of the country's farmers. In the 1960s and 1970s, he developed an opium crop substitution program that allowed hilltribe people in the Golden Triangle area to leave the drug trade forever and grow other cash crops instead. In the 1980s, he created plans to combat flooding in risk prone areas including the capital of Bangkok. In the 1990s, the country was guided by the King's "Sufficiency Economy" philosophy, which encourages an economic agenda guided by moderation instead of the pursuit of overconsumption in order to help people become more immune to systematic global shocks.

**WISE WORDS** In annual speeches, the King has served as a moral compass for the nation by dispensing advice to his countrymen regarding the challenges they face. These "fireside chats", given on the eve of his birthday of December 5, are listened to by millions and serve to inspire the people to work for the benefit of each other and the nation. A constant theme of these speeches is the importance of unity among the people.

**COMPASSIONATE HEART** The King has shown compassion for his subjects in innumerable ways. In the 1950s and 1960s, he helped established hospitals and schools in remote areas of the country. Several foundations initiated by the King are focused on aiding the people in times of emergency such as during natural disasters like the 2011 floods.

**BACKBONE OF THE NATION** As monarch, the King embodies and sustains cultural and religious traditions that date back to the 13th century. He is the protector of Buddhism but also all other faiths. As a Buddhist monarch, he is expected to be industrious, righteous and moral in order to lead his people toward prosperity and happiness.

**HANDS-ON** The King is a scientist and engineer at heart who loves to work with his hands. He holds several patents and is also an accomplished painter and musician. This creativity has inspired his people and earned him the first Global Leaders Award from the World Intellectual Property Organization of the United Nations in 2009 for his "remarkable contribution to intellectual property both as an inventor and as an active proponent of intellectual property as a tool for development". He also tends to engage with problems directly, doing research into water management issues, for example, himself. The King is famous for his making his own maps and personally undertaking surveys for development work.

**FEET FIRMLY GROUNDED** The King has traveled far and wide in his country. Establishing residences in remote provincial areas has allowed him to interact with a great diversity of Thai people on a personal level. His visits to all corners of the country have resulted in the establishment of more than 4,000 small and medium-size development projects to address the real needs of the people and improve their security and welfare.

## A ROCK-SOLID

# ECONOMY

**Thailand's consistent growth rate and high foreign reserves make it one of the region's best investment prospects.**

With Asia set to power the world economy in the coming decades, investors need to look no further than Thailand to capitalize on the region's growth. High foreign reserves, low inflation, manageable debt levels, a stable currency, robust exports and a strategic location as the gateway to southern China and Southeast Asia provide solid fundamentals for the economy to take off.

The turnaround from a decade ago is nothing short of remarkable, revealing a resilience that Thailand has displayed time and again over the years, regardless of political discord and natural disasters like the 2004 tsunami and 2011 floods.

In 1997, high levels of foreign debt triggered a financial crisis that caused the baht to lose half its value, pushing hundreds of companies into bankruptcy as they defaulted on dollar loans. Rather than succumbing to defeat, the experience only galvanized policy makers to rebuild the nation's financial foundation to ensure sustainable growth.

The results speak for themselves. Since 1997, foreign reserves have climbed six times to \$190 billion currently. The current account has recorded a surplus in all but one of those years. Moody's, Fitch and Standard & Poor's all give Thailand investment-grade credit ratings.

Average growth rates of nearly 5 percent over the past decade have boosted Thailand's gross domestic product to \$320 billion, making it the second-largest economy in Southeast Asia. That has doubled the average income of Thailand's 67 million people to \$4,720, prompting the World Bank to upgrade the country to an upper-middle income economy.

Financial investors have taken note. Thailand's benchmark stock index gained 41 percent in 2010, putting it among the



top 10 best performers in the world. The baht also strengthened in line with other regional currencies, reflecting a shift in capital to Asia.

In many ways, Thailand's recent success owes itself to a long history of investor-friendly policies. Thai governments in the 1970s and 1980s offered tax privileges and

### **The policies have transformed Thailand from an agrarian society to a manufacturing hub.**

built highways, railroads and a deep-sea port to attract manufacturers. Industrial estates popped up around Bangkok and along the Eastern Seaboard, with factories pumping out everything from petrochemicals and automobiles to electronics and computer chips.

The policies transformed Thailand from a primarily agrarian society to a manufacturing hub for multinational companies from Japan and elsewhere. The industrial sector, now contributing about 40 percent of GDP,

is one of the most competitive in the region. In addition to being the world's top exporter of rice and rubber and second-biggest producer of sugar, Thailand is also the biggest exporter of hard-disk drives.

The World Bank ranks Thailand as the second-easiest place to do business in Southeast Asia on the back of strong protection for investors and ease in trading across borders. It takes only 14 days to process export shipments in Thailand, which is faster than most other countries in the region.

Those advantages will prove crucial for investors in the coming years as the 10-country Association of Southeast Asian Nations (ASEAN) eliminates tariffs and investment barriers by 2015, joining nearly 600 million people in a single market. To top it off, ASEAN's trade agreements with China, India, South Korea, Japan, New Zealand and Australia give Thai-based companies preferential treatment in reaching billions of consumers.

Back at home, a growing services industry centered on financial services and tourism accounts for about half of GDP





Picturesque beaches, ancient temples and a culture renowned for its impeccable service drew nearly 16 million tourists to Thailand in 2010. It is therefore no surprise that Thailand, its cities and tourist hotspots come top place in various rankings year after year. For instance, Scandinavia's *Travel News* magazine has recognized Thailand as being the "World's Best Tourist Country" for eight consecutive years.

Just as holidaymakers fall in love with Thailand, so do foreigners who live here year round. In its 2010 Expat Experience Report, HSBC ranked Thailand number

one in the world in terms of lifestyle. Criteria included food, accommodation, health care and education—all of which Thailand has in abundance at the right quality and cost.

Now the government is looking to build on past success to take the country to the next level. Defying the critics with a smooth election in 2011, Thai policy makers are drawing up plans for new railways, highways and ports to greater connect with the region. As Thailand moves forward in reasserting itself on the global stage, now is the time for investors to act: The Land of Smiles beckons.



## 2011 FLOODS: QUICK ACTION MEANS A FAST RECOVERY

As with all natural disasters, crisis also brings opportunity. Thailand's worst floods in several decades left hundreds of thousands displaced and swamped thousands of factories in seven industrial estates north of Bangkok, providing a baptism by fire for Prime Minister Yingluck Shinawatra's two-month-old government.

With floodwaters inundating large swathes of land north of Bangkok, her Cabinet proved up to the challenge, meeting quickly to mitigate the damage and jumpstart plans for the recovery. Officials worked with the military and civil society organisations to shore up levees, install water pumps, rescue flood victims and secure bottled water and other scarce goods that had disappeared from shelves.

Even before the waters receded, the Cabinet began work on a comprehensive, multi-billion US dollar relief and recovery plan. Soft loans will be provided to affected businesses in the private sector, while individuals whose livelihoods have been damaged have been provided with relief supplies and job training. The government has offered those displaced by the floods with food, consumer goods and vocational guidance to help them quickly return to work. It secured drinking water supplies, dispatched mobile medical teams, cleaned up schools and monitored prices so everyone could purchase affordable goods.

For companies impacted by the floods, measures were

quickly taken to get them back up and running. Officials moved to drain water from industrial estates as soon as possible, offered help moving both equipment and raw materials, and waived tariffs on machinery needed to replace damaged parts. Moreover, the government undertook negotiations with banks to relax repayments on outstanding debt owed by those companies affected by the floods.

It will also expedite insurance payments, facilitate visa processing for foreign experts, add locations to process imports and exports and consider extending investment benefits for affected investors.

The government's rehabilitation strategy includes plans to develop a master plan that would break the vicious cycle of natural disasters and rebuilding once and for all, leading to an economy

that is more productive, efficient and secure.

Two high-level committees have been formed to ensure that rehabilitation measures will result in the building of confidence, regaining of trust and restoration of the country's prosperity and stability. Development of the water management system, new infrastructure, implementation of comprehensive land-use planning and revision of laws and regulations on water resource management will show investors that Thailand is committed to do what it takes to remain the region's premier investment location.



# INTERVIEW WITH THE PRIME MINISTER



**Thailand's first female prime minister, Yingluck Shinawatra took office in August 2011. In an exclusive interview, she discusses how Thailand continues to show resilience and progress in the face of adversity.**

*How does His Majesty King Bhumibol Adulyadej continue to contribute to the progress of the nation and its development?*

His Majesty the King has devoted his life to aiding the development of the Kingdom and the improvement of the Thai people's livelihood, placing people at the centre of all developmental endeavors. This is reflected in over 4,000 royally initiated projects throughout the country, ranging from irrigation to flood alleviation and from public health to distance learning. Therefore, whether it is His Majesty's advice for people to live within their means or suggestions on how to deal with the current floods, the Thai government and people continue to be inspired by and defer to them.

*How have the recent floods affected Thailand, its economy and people, and how quickly will the country be able to recover?*

The recent floods in Thailand are the most severe in fifty years and have brought much human suffering. The effect on production has been substantial. GDP growth for 2011 is expected to fall slightly from a previous projection of 4.1 per cent and will be re-examined once the floods recede. Nevertheless, there is great resiliency on the part of the Thai people and the economy whose fundamentals remain strong. From this ecologi-

cal crisis is an opportunity to restructure and re-engineer Thailand's economy. To this end, a comprehensive Master Plan is being developed to relieve, restore and rebuild, with billions of US dollars earmarked. It will speed up recovery and put in place an effective water management system to prevent such flooding in the future.

*Given the scale of the flooding and political turmoil in recent years, why should business leaders continue to invest in Thailand?*

Thailand's attractiveness as an investment destination is based on several solid fundamentals which remain unaffected by political turmoil and natural disasters. This includes our sound macroeconomic management, strong domestic market, service-oriented culture, a stable and reliable work force and forward-looking policies that promote people-centered growth.

Equally important is Thailand's strategic location at the nexus of the East-West, North-South Economic Corridors that provide access to ASEAN's market of 570 million people and other East Asian countries, particularly China and India. Moreover, Thailand's business-friendly environment earned it the status of being the second easiest place to do business in Southeast Asia according to the World Bank.

*The ASEAN Community is due to kick into gear in 2015. What does this mean for Thailand and investors in the region?*

The establishment of the ASEAN Community would mean greater integration and coordination amongst ten Southeast Asian countries including Thailand in the political-security, economic and socio-cultural spheres, and single market and

production base. Enhanced connectivity with appropriate safeguards, mobility of skilled labour and the ASEAN Single Window to facilitate customs and other procedures will help facilitate trade and investment. Thailand's strategic location at the heart of this Community is a big plus for investors who will benefit from the increase in competitiveness and productivity whilst enjoying better access to ASEAN's combined market of 570 million people and also to external markets through FTAs that ASEAN currently has with China, Japan, the Republic of Korea, Australia, New Zealand and India.

*Thailand's political situation has caused concern over recent years, but peaceful elections in 2011 have given many causes for optimism. How can the country continue to maintain political stability?*

The people of Thailand have expressed their views clearly at the recent election. They want sound democratic ideals, the



rule of law and a responsive democracy. This government will pursue these goals as well as promote reconciliation through the efforts of the Truth and Reconciliation Commission. Remedies for those affected by political violence would also help heal the wounds of divisiveness and pave the way for enduring political stability.



*Thailand has recently been designated by the World Bank as an upper middle income country. As Thailand becomes more developed, will it play a more active role in the international community?*

Thailand has always played a constructive role in international relations as a responsible member of the international community. Thai officials have served in various UN peacekeeping missions around the world for several decades and have engaged in combating piracy in the Gulf of Aden recently. Thailand has also been providing assistance to other developing countries to bridge the development gap. As Thailand plays a more proactive role in the ASEAN Community, APEC and the UN, I am certain that it can more actively contribute to dealing with regional and global challenges, whether in the area of peace and security, development, humanitarian affairs or human rights. With the support of the international community, Thailand hopes to serve on the United Nations Human Rights Council for the term 2015-2017 and on the United Nations Security Council for the term 2017-2018.

*What challenges does Thailand face and how is your government addressing them?*

Consolidating democracy and the rule of law is an important priority as is achieving political reconciliation. The government will use democratic means to foster common understanding among Thais and bridge differences, with due respect for the people's rights and freedoms under the Constitution. It has also extended support to the Truth and Reconciliation Commission and to its recommendations. Economic restructuring and re-engineering in order to create a more productive economy geared towards people-centered development is another priority. The devastating floods have provided an opportunity to pursue this restructuring while making the infrastructure safer from natural disasters.

## A PEOPLE COMMITTED TO DEMOCRACY

Thailand's democracy continues to mature with the Kingdom taking steps to ensure a stable political system for decades to come by increasing public participation, promoting the rule of law and devolving power to local authorities.

Since 1932, when Thailand became a parliamentary democracy with a constitutional monarchy, the path to full democracy has been riddled with numerous constitutions and military interventions. Yet for every step backward, Thailand has taken two steps forward.

During the recent period, Thailand has seen its people and civil society organizations become more active in making their voices heard. Political awareness reached new heights, and people became more assertive in exercising their rights and freedoms that are part of democracy and guaranteed by the constitution. Independent organizations such as the Election Commission, the National Anti-Corruption Commission and the National Human Rights Commission have firmly established their roles as independent agencies to ensure oversight of state powers.

The national elections of 2011 served to cement gains in Thailand's political maturation, with millions of citizens peacefully heading to the polls and all sides accepting the results. Voter turnout of 75 percent, the highest in the Kingdom's recent history reflects the growing participatory nature of the country's democracy. More than anything, the elections showed that Thais want a system where elections are respected and freedoms are guaranteed.

Prime Minister Yingluck Shinawatra's government is now focused on maintaining momentum on democratic reforms based on good governance, the rule of law, human rights, transparency and accountability. Steps to reconcile the country after years of political discord are already underway. As a sign of its intention to heal political rifts, the government has thrown its support behind the Truth for Reconciliation Commission of Thailand established under the previous administration. A new committee has also been formed to study ways to ensure that the exercise of political power and governmental authority is based on the rule of law and accountable to the people.

At the same time, the government is committed to giving more power to local administrations, particularly in the Muslim-majority south, where efforts are ongoing to bring a lasting peace.

To address economic inequalities that have fuelled the political divide, the government has unveiled an ambitious agenda. Already the Cabinet is implementing plans to raise the minimum wage for laborers, guarantee high prices for rice farmers and give tablet computers to students.

All in all, the recent gains in increasing both prosperity and political expression put Thailand well on its way to reclaiming its place as a champion of democracy in Southeast Asia.





# A TOP DESTINATION

This year, over 16 million people are expected to visit Thailand from all parts of the globe. Here are a few reasons why:

## A VIBRANT CAPITAL

Bangkok, a city of over 11 million, has steadily transformed into a premier urban destination. Its streets spill over with dynamism and excitement. Look more closely and you'll also find oases of tranquility: temples, parks, and spas designed to sooth the mind, body and soul. In the last two years, an expansion of Bangkok's public transportation system has made it easier than ever to navigate the capital. A new Bus Rapid Transit system has been established and a number of new "skytrain" stations extend the reach of that already-popular network.

## A FLOWING HEART

When Thais say that someone has *nam jai*, it means that they're generous to their friends and welcoming to strangers. This generosity of spirit flows through every aspect of Thai life, and helps to explain why Thailand is renowned for the quality of service not only in its hotels, spas, and restaurants, but in its banks, hospitals, and other businesses as well. It's the foundation of a service sector that has grown at about ten percent per year over the last two decades, and which accounts

for nearly half of GDP and a third of employment in the Kingdom.

## NATURAL WONDERS

From its northern mountains to its southern shores, Thailand is blessed with a varied and stunning landscape. Dramatic limestone cliffs bookend long stretches of white-sand beach, palm trees lean over azure shores, and forested mountains stand ripe for adventure. With a reliable tourism and transportation network and a wide range of accommodation, the natural beauty of every one of the Kingdom's 77 provinces is accessible to individuals and families alike. The country's beautiful weather can also be enjoyed year-round.

## A FEAST FOR THE SENSES

A kingdom at the crossroads of Asia, Thailand has long welcomed a steady stream of visitors from other parts of the globe, all the while refining new ideas and influences and making them particularly

"Thai." Nowhere is this more evident—or enjoyable—than in Thailand's cuisine. Eating in Thailand is not so much a necessity as a non-stop passion. From restaurants with sky-high views to street food that will stop you in your tracks, Thais are

always nibbling. Each region has its own specialties, but all Thai food is characterized by fresh ingredients and bold, balanced flavors. Shopping in Thailand's markets and boutiques offers something for every one, from traditional handicrafts to the finest in fabrics, fashion and furniture.



## TOURISM MEETS BUSINESS

Thailand is fast emerging as a hub for MICE (meetings, incentives, conventions, events) tourism, owing to its world-class venues and state-of-the-art facilities. Bangkok, Chiang Mai, Phuket and Pattaya are leading the way as prime locations for large-scale meetings and events, where delegates can also enjoy the many attractions from beaches to temples, and authentic Thai cuisine.

## A PARADE OF ACCOLADES

- \* From *Travel + Leisure* magazine:
  - World's Best City:** Bangkok (two years in a row)
  - Top City Hotel in Asia:** Mandarin Oriental (1st, 2011); Peninsula (1st, 2010)
  - Top Resorts in Asia 2011:** Mandarin Oriental Dhara Devi Chiang Mai (2nd); Four Seasons Resort Chiang Mai (7th)
- \* An HSBC survey of expatriates in more than 100 countries found that Thailand is the **best place in the world to live after retirement.**
- \* Norwegian Grand Travel Awards:
  - World's Best Tourist Country 2010** (seven years in a row)
  - Best Intercontinental Airline:** Thai Airways (six years in a row)
- \* SmartTravel.com:
  - Best Places to do Business:** Bangkok (4th)
- \* *Lonely Planet:*
  - World's Best Value Destination:** Thailand (2nd)
  - Top 10 Airport:** Suvarnabhumi International
  - Top 10 Cities to Visit in 2011:** Chiang Mai