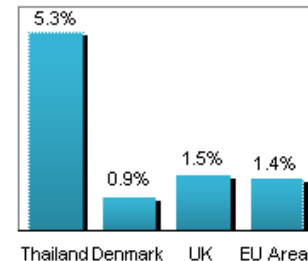


Thailand Investment Outlook

With all the negative economic news from the US and Europe, the outlook here in Thailand remains very positive. As a result, many investors concerned about Europe and the US are turning their attention to investment opportunities in Thailand.

Thai economy continues to enjoy strong growth

Thailand's economy continues to grow at a very healthy rate of 5.3% per year, 4 – 6 times faster than Europe (see graph). This current rate of growth is only marginally lower than the 5.6% average rate achieved between 2003 and 2007.



Overlending in the property sector is not a problem in Thailand

The main cause of the economic problems, particularly in the US and UK, is excessive lending to property buyers. Buyers borrowed so much that they couldn't pay back their loans when interest rates increased.

In Thailand, the story is very different. Most Thais still live on farms owned by their families for generations. Thais buying their first home are often assisted by their family with much less reliance on bank loans. In resort areas like Hua Hin, foreign buyers almost always pay cash.

High rice prices benefit Thailand – the world's largest rice exporter

Another important reason for Thailand's continued strong economy is high rice prices. Over the past year, world rice prices have more than doubled. As the world's largest rice exporter, this has been a huge benefit to Thailand.

Thailand's auto industry continues to grow

Thailand's auto industry, which specializes in small fuel efficient vehicles, also continues to enjoy strong growth. Over the past year, major new investments have been announced by Toyota, Honda, GM, Nissan and Suzuki.

Although many don't think of Thailand as a major auto producer, the industry has undergone a major transformation over the past decade. Up until the mid-1990s, Thailand's auto industry produced mainly to meet local demand. However, the industry has been increasingly reoriented toward producing for export.

Thailand is the largest producer of 1 tonne pickup trucks in the world. It is the second largest producer of pickup trucks overall, second only to the US.

Find out more – To find out more about more about Thailand's economy and investment opportunities in the country, [contact us today](#).