



## **STIMULATING FDI – AN ESSENTIAL FOR COVID 19 ECONOMIC RECOVERY A TIMELY REVIEW OF FBA PRIORITIES**

The Joint Foreign Chambers of Commerce in Thailand (JFCCT) is the umbrella body for some 34 foreign chambers of commerce, serving the community and economy for 44 years. [www.jfcct.org](http://www.jfcct.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. Foreign Business Act List 3 can play a key role in supporting economic recovery. List 3 has been changed four times (2013, 2016, 217, 2019) only. Removing the currently proposed three activities are a positive step and would enhance ease of doing business as they are covered by other regulation, but would not fully address the fundamental needs.

### **Proposal**

JFCCT proposes suspending List 3 for three years (roughly the expected period for return to pre COVID 19 levels of growth), and in that period working on permanent removals in three stages over that time. The suspension would cease after three years, with a revised List 3 reflecting certain permanent removals. 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 and the strengthening of Thai companies; it holds back FDI and the business continuity advantages.

### **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.

JFCCT  
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