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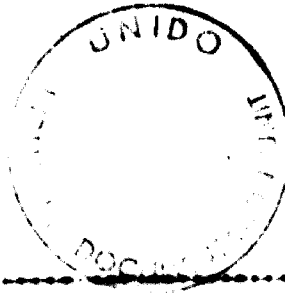
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UNITED NATIONS INDUSTRIAL
DEVELOPMENT ORGANIZATION

Distr.
RESTRICTED
UNIDO/IPPD.132
22 November 1973
ENGLISH

05530

REPORT ON EXPLORATORY MISSION TO
THAILAND

by

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Interregional Adviser

(19 - 23 February 1973)

14.73-7705

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General Comments

Because of the news received recently from UNIDO HQ Vienna by myself as well as UNDP Bangkok, that, contrary to original expectations, there will be a Third Asian Regional Investment Promotion Meeting, most likely at the end of November 1973 in Kuala Lumpur, the contents of the discussions with the various Government organizations and institutions in Thailand were somewhat modified as compared with the original terms of reference of my mission.

We discussed in some more detail the forthcoming Third Asian Investment Promotion Meeting in Kuala Lumpur. Mr. Chira assured us that Thailand would be glad to participate. SIS request for three weeks mission to Thailand of a UNIDO Staff/Expert will be turned in by BOI (Mr. Ramm-Ericson will assist in the preparation). Tentatively, it was envisaged that the proper time for this mission would be June 1973.

The question was discussed whether BOI or Ministry of Industry will be instrumental this time to prepare the projects from Thailand for the Meeting. (In 1971, it was the Ministry of Industry which co-operated closest with the expert and assisted in the identification and preparation of projects for the Singapore Meeting).

Further discussion on the necessary publicity for the Kuala Lumpur Meeting. It would be most helpful if UNIDO HQ would prepare soonest a Press Release draft on the Meeting. Later a second Press Release could follow indicating that a UNIDO expert be in Thailand to assist in the identification of projects. One should appear preferably not later than one month prior to the experts arrival. Mr. Ramm-Ericson would appreciate to receive the drafts for further handling here.

Mr. Ghara expressed his interest in UNIDO's coming seminar on Tariff Protection Questions (Mr. R. Line). Detailed information will be appreciated as soon as possible.

Obviously, the discussion was fruitful and appreciated by the officers of AOI. They expressed their interest in the closer co-operation with UNIDO in the field of investment promotion. They feel that our services offered will be of great assistance.

Economic Commission for Asia and the Far East - ECAFE

Mr. Ramn-Ericson and I visited Mr. Dikshit, Liaison Officer, UNIDO, Mr. Menon, Director, Industrial Division, and Mr. Subramani, Deputy Director, Industrial Division.

I outlined our programme of services to institutions in developing countries on industrial investment promotion and follow-up. We advised the officials of the forthcoming Third Asian Regional Investment Promotion Meeting. They were very interested and assured us of their co-operation in preparing the Meeting and their interest to participate therein. ECAFE will be glad to co-operate closely with the expert who comes to Thailand to assist in the identification of projects.

It was agreed to keep in close contact during the time prior to the Meeting. When discussing the inter-regional Asian industrial development projects involving several countries and the possibility of their individual promotion at the Kuala Lumpur Meeting, we touched upon the question to arrange individual interviews or possibly panel discussions on these projects. Mr. Menon thought that it would be premature and suggested instead a special meeting at a suitable time later.

Ministry of Industry

Jointly with Mr. Ramn-Ericson, I visited Mr. Somsak Chulkratana. (Mr. Vichitvong was unexpectedly called into a meeting so that we could not see him at this time).

I advised Mr. Sanna of the Programme of Services concerning industrial investment promotion and follow-up. We discussed in detail Thailand's participation in the forthcoming Third Asian Industrial Investment Promotion Meeting. Mr. Sanna intimated that the Ministry will be glad to avail itself of the services of a short or medium term UNIDO expert on our programme. As far as the investment promotional activities of the Ministry are concerned, it appears that no strong unit is available as yet which is concentrated on investment promotional activities. Therefore, the assistance of the expert to the Ministry appears to be useful.

As far as the preparation of Thailand's participation in the Third Asian Investment Promotion Meeting is concerned, the Ministry will be glad to write the private sector industry in Thailand to interest them in presenting projects. The press release, as mentioned under BOI, is considered useful. Review of Thai projects at Manila and Singapore: The Ministry was during the past years instrumental in identifying the projects. Mr. Sanna agreed to write detailed information on such projects which have not yet been implemented and are still interested in UNIDO's promotional assistance. I emphasized that it will be necessary to have for each project a local proponent. Mr. Rasm-Ericson agreed to share his information on the projects from Manila and Singapore with the Ministry. The Ministry will propose which projects should be further promoted and UNIDO should advise the Ministry on which projects additional information is required. Mr. Sanna is interested in the Tariff Protection seminar and asked to send him information. Dr. Vichitvong will be informed about the subjects discussed.

Industrial Finance Corporation of Thailand

Mr. Rasm-Ericson, Mr. van Eindhoven, and myself visited Mr. Tos Puntumasa, Managing Director, and Mr. Gupta, UNIDO Financial Adviser.

Discussion of the investment promotional activities. Advised of the fact that there will be another Asian Investment Promotion Meeting. We solicited IFIC's interest in contributing projects from Thailand to be presented at the Meeting. Mr. Tos suggested that we

should consider as a basis for new projects the report on the Chemical Industries in Thailand by Dr. Groll (available at Mr. Watson's section). Furthermore, the report on the electronic industry, which is a pre-investment study prepared by Mr. Skrumal, Mr. Ramm-Fricson suggested to follow up this report. It was stated that Mr. Skrumal was expected to come back to Thailand to prepare on the basis of his pre-investment study a feasibility study. Mr. Tos gave us the names of two companies which have visited him recently, and expressed an interest in investing in Thailand.

They are:

Mr. R.M. Gage,
Managing Director
Sprague World Trade Corporation (subsidiary of
Sprague Electric Company)

North Adams, Massachusetts, USA
(Mr. Gage has his office in Hong Kong).

(The company is interested as investors in the electronics line.)

Mr. Fred W. Mitchell
Vice President, International,
Dana Corporation
Toledo, Ohio

(The company is interested in investment in the automotive transmission industry).

It will be advisable to the UNIDO/Staff/Expert coming to Thailand to help in the identification of projects for the Kuala Lumpur Meeting to keep in close contact with Mr. Tos and Mr. Gupta in order to assure that the resources of IFCT potential projects will be tapped.

IFCT is also interested in the investment promotion co-operative scheme. Services are believed to be useful. The expert eventually to be requested by BOI should also be at the disposal of the Bank.

Training and advisory programme of Development Banks: It appears that IFCT has no own training programme. Therefore, our training and advisory programme would be helpful. Detailed discussion of the individual subjects which should be carefully discussed in advance.

Vegetable Oils

(a) Caster Oil

1. Siam Thanatip Co.) refer to BOI for recipients of Promotion
2. Thai Caster Oil Co.) Certificates.

(b) Rubber Seed Oil

3. City Paint Co. Ltd., 3/10 Dejo Rd. (35255-Mr. Sant Pangjetpong)

Chemicals

Glycerine

Nguan Hunt Industry Co.Ltd., P.O. Box 11-250, BK. (917999, Mr. Prachit Bunsirithun, M.D.)

Menthol

T. Unichem. Ltd., Partnership, 39 Chakrawad Rd., BK. (Mr. Prasert Tangtrongsakdi)

Building Materials

Construction Material Marketing Co.Ltd., 1043 Phyalayothin Rd., BK. (7-2030, Mr. Ayus, Managing Director)(for all cement products - cover CPAC also).

Food and Beverages

1. Thai Seri Cold Storage Co.Ltd., 1575 Charoennakorn (68-1111 Mr. Pairoj Chaiyaporn, M.D.) - pet food?
2. Siam Food Products Co.Ltd., 283 Silom Rd., BK. (Mr. Udon Vidhayanirinn)
3. Universal Food Co.Ltd., 72-78 Sarn Chow Chet Lane, New Rd., BK. (30941, Mr. Buring Bandabhiwat, M.D.)

United Nations Development Programme

The meetings in Thailand were conducted in close co-operation with UNDP. Mr. Rasm-Eriksen and Mr. van Binnhoven participated in most of them. My mission was preceded by briefings received from Mr. Rasm-Eriksen.

We visited Mr. Wali Shah Wali, Deputy Representative. We informed him about the purpose of my mission. Extended exchange of views on the different aspects of the UNIDO Investment Promotion Programme and the forthcoming Kuala Lumpur Meeting. Mr. Ramm-Ericson will during the next time follow up on all discussion points which were raised during our meetings. He will also keep in touch regarding the preparation of the Meeting with the Thai Chamber of Industry. A suggestion that was made during the course of the mission by several partners was to include this time Australian investors into UNIDO activities to solicit the interest in the projects to be presented at the Kuala Lumpur Meeting. Mr. Ramm-Ericson suggested that perhaps Mr. Kostengren, Djakarta, could cover Australia.

I met briefly with Mr. Thomas F. Power, Jr., UNDP Regional Resident Representative.

To Mr. Ramm-Ericson, I explained the reasons why it was advised in Manila not to attend the CACCI Meeting. Mr. Ramm-Ericson was originally the one who initiated the contacts.

Board of Investments


Jointly with Mr. Ramm-Ericson, I visited Mr. Chira Panupong, Economist, as well as Mrs. Vance, Section Chief. We presented the Aide Mémoire on the Programme of Services offered by UNIDO to Institutions in developing countries concerning industrial investment follow-up and promotion and I outlined the programme in some more detail. A lively discussion followed on the various aspects of BOI making use in the future of these services.

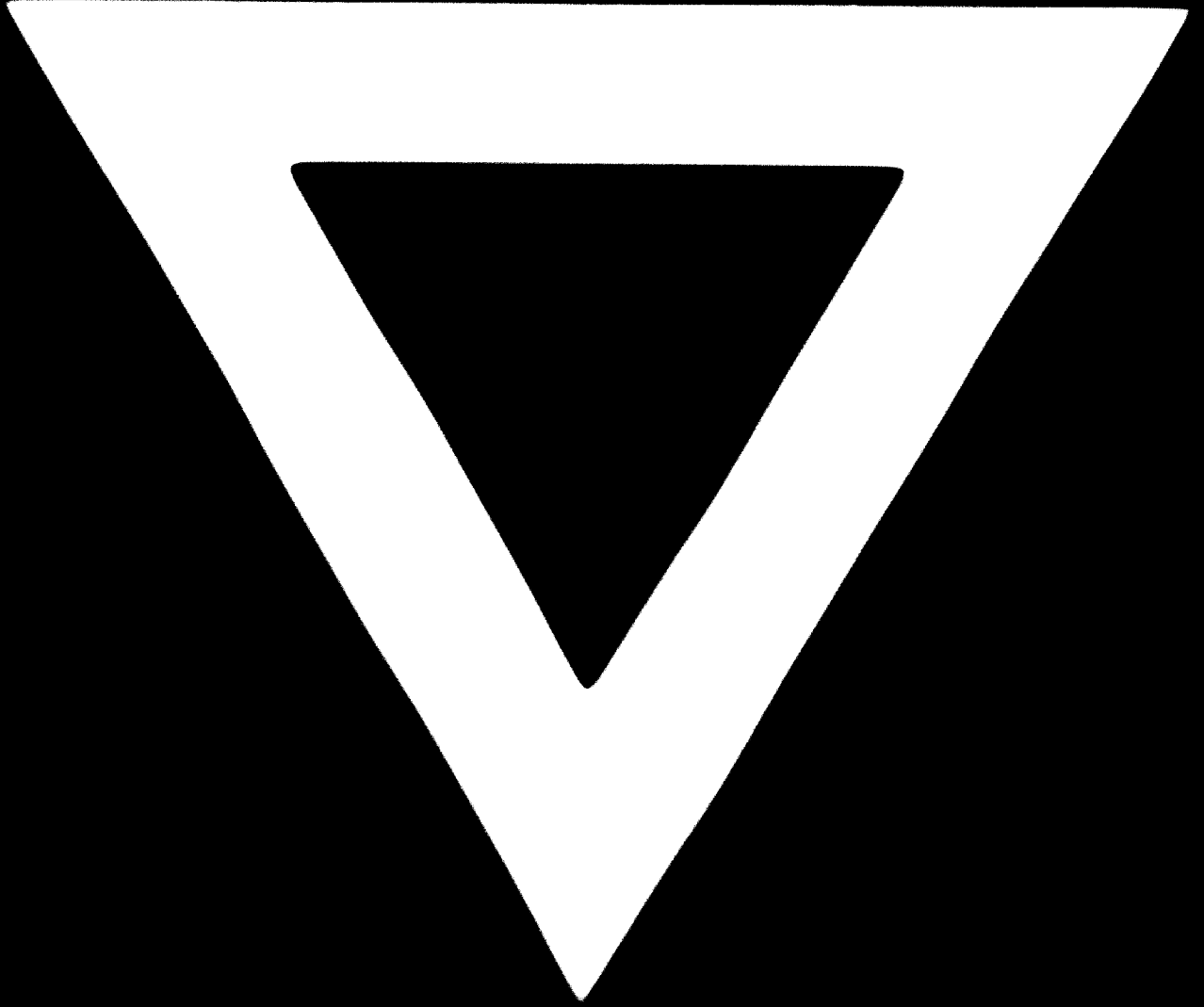
The organization of the Board of Investment is well known at UNIDO Headquarters. It is very actively engaged in Thailand's investment promotional activities. It appears that there is no industrial investment promotion center or unit in existence, centralising the functions of industrial investment promotion. These tasks are undertaken by the different officers in their lines of responsibility. (The same appears to be true at other Thai organisations, such as Ministry of Industry, Industrial Finance Corporation of Thailand,

Applied Scientific Research Corporation of Thailand. See separate report).

According to Mr. Chira, BOI is prepared to consider making use of the services of a UNIDO expert in Investment Promotion, possibly for a period of six months. Mr. Ramz-Ericson suggested that UNIDO should draft a Project Data Sheet to be used by BOI for this expert's services. The Project Data Sheet should contain some information as to what services BOI has received in the line of industrial investment promotion from other organizations, such as US:AID, Asian Development Bank and presently from German Consultants on Investment Promotion Operations as far as investments from West Germany are concerned.

The UNIDO expert should make available his services as outlined in the Aide Mémoire not only to BOI but to the other institutions concerned with investment promotion in Thailand. It may be one of his tasks to discuss and consider the possibilities of concentrating investment promotional functions of the different organizations and to make suggestions as to this item.





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