

MEDIA SYNOPSIS

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Political unrest fails to deflate the Thai economy

Thailand has been beset by continuous political tension since 2008. And now, anti-government protestors vow to "shut down" Bangkok. But the protests have not derailed foreign direct investment or economic growth. Leon Perera, Chief Executive Officer of Spire Research and Consulting, shared his thoughts on the outlook for Thailand's economy in China Daily – Asia Weekly.

Despite the on-going political unrest, Thailand's economy continues to grow steadily. One of the drivers of this growth is foreign direct investment. The Thai Board of Investment, one of the region's most respected investment boards, has managed to maintain investor confidence thus far.

However, adverse impacts have been felt on Thailand's stock market, currency and inbound tourism during this period of intense political strife. Perera shared that the Thai tourist industry has been hit by flight and tour cancellations. Having said that, other key sectors such as chemicals, automotives, information and communications technology and agriculture will face minimal or no impact at all.

Of special interest is the automotive industry in Thailand, which has grown tremendously over the last three decades, and has emerged as the 7th

biggest automobile center globally. Many auto heavyweights have relocated their manufacturing bases to Thailand to take advantage of the skilled and low-cost labor, as well as the easy access to emerging Asian markets. Perera shared that many investors are drawn to Thailand for its sound infrastructure and the opportunities that permit foreign firms to own the land they constructed their factories on.

However, investors are also eyeing Indonesia as an emerging manufacturing hub due to its domestic market size, gradual improvement in administrative environment as well as the advent of the ASEAN Economic Community in 2015. Thai exports have also slowed due to global export market weakness in some sectors, which is unrelated to the domestic political crisis.

It remains to be seen if Thailand will be able to sustain brisk economic growth amidst the growing competition from other economies and the prevailing uncertainties in global export markets.

Click [here](#) for the official coverage on China Daily's Asia website.

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