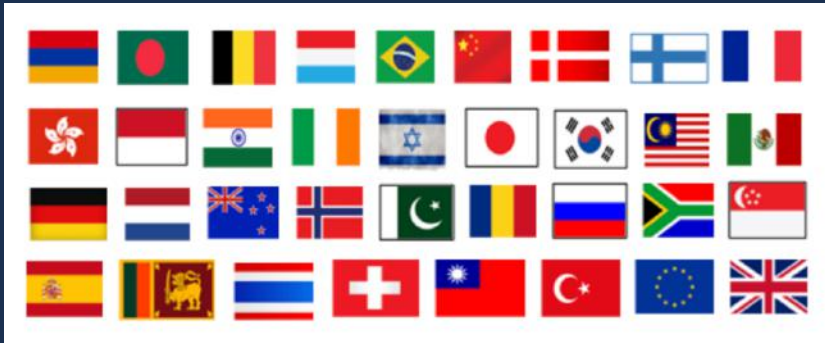




Thai-Swedish  
Chamber of Commerce

# ADVOCACY WHITE PAPER



A SweCham Mission in co-operation with  
Joint Foreign Chambers of Commerce (JFCCT) and  
European Association for Business and Commerce (EABC)



## What is advocacy?

The dictionary defines as 'active support of an idea, especially the act of arguing for something' i.e. arguing for improvement or change of something that can benefit the arguer. Another word to describe advocacy is lobbying.

Why do we have a Swedish Chamber of Commerce in Thailand?

The first and foremost reason is to assist and facilitate Swedish business interests in the country representing Swedish companies ranging from global corporations to locally operating SME's. Even as SweCham is a relatively small chamber we represent a wide range of well-known global brands disproportionately to the size of our country. The Swedish Embassy representatives and the associated organisation Business Sweden naturally have the mission to promote the same but also have other wider tasks on their agendas.

Swedish industries are well known as leading in areas of sustainable development of products and services, renewable energy, transportation systems, road safety, etc. and has proven that a green environmental approach increases job opportunities while maintaining or increasing competitiveness and profitability based on inclusiveness and diversity in their workforces. This experience and knowledge are something Swedish industries can share with Thailand through strong advocacy work and successful business partnerships.

Consequently, one of SweCham's most important objectives and priorities is to influence the Thai Government and the country's institutions on important matters that levels the playing field in all aspects for foreign companies doing business in Thailand. Such influence will, when successful, benefit all actors in the market not only SweCham members. Some of the topics will also benefit us as Swedish individuals working, living or visiting Thailand.

In order to maximise our influence, SweCham is an active member in the Joint Foreign Chamber of Commerce (JFCCT) and cooperates closely with the European Association for Business and Commerce (EABC).



It is imperative that employees of SweCham member companies participate in the committees to further strengthen the message to the Thai Government and Agencies on subjects directly concerning their respective area of business activities in the country.

Advocacy work is highly beneficial not only for foreign companies operating in Thailand but also for the development of Thailand as a country with potential to grow its economic and technical ability strengthening its export industry not relying heavily on agriculture and tourism sectors.

The joint objective of JFCCT and EABC's is to initiate strong collaboration and mutual support among its members and provide support to contribute to members success and growth.

With the aim to ultimately promote the long-term competitiveness and enhance Thailand's attractiveness as the investment destination of choice and the potential gateway to ASEAN markets for European businesses. The effort aims to leverage the international business know-how and expertise towards identifying as well as making strategic recommendations to improve trade and investment climate in Thailand and to for further improvement of the Government policies affecting foreign business players.

JFCCT and EABC cooperates on overlapping issues although JFCCT addresses issues more policy oriented and EABC more direct practical industrial related issues.

# Joint Foreign Chambers of Commerce (JFCCT)

JFCCT is an umbrella organisation consisting of multinational chambers from 33 countries representing 59% of the world population and over 9,000 companies active in Thailand. With members from several continents with a variety of interests, JFCCT operates on a high political level by aiming to contribute to the economic development of Thailand across all sectors of the economy. Through education, discourse and collaboration, JFCCT aims to build consensus amongst its constituent members and work with all others in the economy on proposing solutions and through collaborating on problem solving. JFCCT thus do and will continue to propose and recommend positive developments and oppose threats which would undermine in the long-term Thailand's economic development. JFCCT draws on the experience and expertise of its members in making contributions and see joint chambers as champions for the best ways to help make Thailand a leader in being attractive for foreign investment and in attracting the most valuable kinds of foreign investment.

Focus areas for JFCCT are:



**Digital Economy/  
ICT**



**Education  
and Skills**



**International  
Trade**



**Sustainability**



**Small Medium  
Enterprises  
(SME's)**



**Tourism**

SweCham has been instrumental in setting up and managing a JFCCT Sustainability working group under the leadership of a SweCham representative.

# European Association for Business and Commerce (EABC)

EABC is an umbrella organisation consisting of individual member companies from 13 European countries and interact as the voice of European businesses in Thailand towards the development of a favourable business climate to improve investment and market opportunities of European companies in Thailand. Furthermore, the EABC objective is to specifically promote Thailand and ASEAN as high-potential trade and investment markets for European businesses. EABC provides a point of exchange and coordination of efforts to improve business conditions and opportunities for European businesses with active working groups that cover a broad range of policy areas and sectoral aspects of European commercial and industrial activity in Thailand.

These sectoral working groups are considered the backbone of EABC advocacy activities serving as a forum for discussing common issues as well as for taking initiatives and actions when communicating with the Thai Government and its various ministries and agencies to facilitate the conduct of business in Thailand by EABC stakeholders and members. Furthermore, EABC provides industry inputs for the formulation of EC positions and suggesting priorities for trade policy negotiations with Thailand and ASEAN members.



EABC's active working groups are covering the following sectors:



**Digital Economy/ICT**



**Energy**



**Food & Beverage**



**Healthcare & Pharmaceuticals**



**Insurance**



**Intellectual Property Rights**



**Rail & Road Infrastructure**



**Small & Medium Enterprises (SME's)**



**Tourism**



**Transport & Logistics**



**Cross Sector Issues**

Advocacy work is long term-based effort with the aim to achieve changes in current regulations as well as preventing new regulations to be introduced that in the future will prevent ease of doing business in Thailand.

Some examples are:

- In 2011, the Thai Government intended to introduce restrictions in the Foreign Domination Act aiming specifically to the Telecom Operator Industry that would automatically affect all companies regulated under the Foreign Business Act. Continuous advocacy efforts made it possible to prevent this from coming into force.
- In 2015, Thai Government attempted to introduce laws that mandated majority board composition of Thai nationals as well as preventing foreign owner's efforts to, by different means, circumvent the requirement of 51% Thai ownership of legal entities without BOI status. Currently only 2 % of foreign part owned businesses in Thailand today have obtained such status. A joint advocacy effort managed to prevent introduction of such laws avoiding and complicating the ease of operations in companies with foreign ownership or involvement.

- Collaborative endeavours are underway within the Foreign Business Act domain to exert influence on the Thai Government. The goal is to advocate for the implementation of regulations permitting 100 percent foreign ownership in the Service Industry, mirroring the existing framework applicable to the Manufacturing Industry. The latter has proven to be the base for success in the Thai Automotive industry and would provide an opportunity for Thailand to become equally successful in the Service Sector.
- Latest achievement in the Foreign Business Act area is 100% foreign ownership of software development companies that could be a precursor for the entire Service Sector.
- The Guillotine Project is a fast track way reviewing laws and regulations and removing or revising unnecessary or unwanted laws and regulations. The aim is to eliminate or revise more than a thousand laws, regulations and/or licenses across a variety of business areas that today constitutes limitations for some products and services offered on the Thai market.
- A large joint effort is under way to assist the Thai Government intending to introduce a Personal Data Protection Act (PDPA) similar to the current GDPR regulations in Europe. The advocacy work aims at harmonising PDPA with GDPR as much as possible to avoid irregularities and complications between the regulations preventing an ease in future rights and obligations in handling personal data transactions.

- The Thai – EU Foreign Trade Agreement (FTA) has been restarted as of March 2023 where EABC plays a significant role in channelling questions of importance for EU's all industrial sectors.

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## Conclusion

Thai export in 2022 to the JFCCT member countries amount to 158,64 Billion USD per annum or 54% of Thailand's total export. The EU is one of Thailand's largest trading partners. Thailand exported goods worth 22,7 BUSD to the EU and the EU exported goods worth 18,2 BUSD to Thailand in 2022.

Thailand is one of the most important destinations of European foreign direct investments (FDI) within ASEAN and EU is the third largest investor in Thailand after Japan and USA.



JFCCT and EABC country representative

This gives JFCCT and EABC a significant weight when speaking as one voice on matters that affect foreign investments and ease of doing business in the various sectors of the country.

Active members of the associated chambers of commerce and participating corporate members in the various working groups of JFCCT and EABC contributes 'pro bono' a considerable amount of time to these tasks, not only benefitting all members of the Chambers but also non-members.

As a matter of fact, representatives of JFCCT and EABC meets regularly with officials on Minister level and other high-ranking public officers than the Ambassadors of the member countries.

Even the largest global corporations operating in Thailand cannot individually muster the same kind of influence in general and on high level issues as the joint effort of the Chambers. In fact, such corporate individual lobbying efforts might result in unwanted propositions, difficult to avoid and ignore.

# Thailand and Sweden

Thailand is the largest trading partner with Sweden in Southeast Asia. Thai export to Sweden 2022 was 618,75 MUSD and Swedish export to Thailand 714,97 MUSD. Major Swedish export sectors are defence and security, telecommunication equipment, power generation and transmission equipment, vehicles and parts, packaging, steel and forestry products. Swedish multinational companies such as SAAB, Ericsson, Volvo, Electrolux, ABB and Tetra Pak dominate Swedish exports.

Thai exports to Sweden are more diversified. Machinery, electronics, vehicles and food are some of the important items. Some Swedish companies have invested in production facilities in Thailand. A few examples are ABB, Mölnlycke Health Care, Electrolux, Eka Chemicals, Perstorp and Volvo.



# Thai-Swedish Chamber of Commerce (SweCham)

The Thai-Swedish Chamber of Commerce, SweCham, has placed a significant focus on advocacy, recognising its paramount importance within the chamber's activities. We are financially dependent on our members and their membership fees to continue this important task facilitating a more levelled playing field for doing business successfully in Thailand for Swedish-owned or otherwise related businesses.

Being a member of SweCham is being a member of a strong united force that leads to a business environment equal to all actors on the Thai market, foreign as well as domestic. Therefore, your membership and active participation in SweCham's advocacy effort is important, not only to our member companies, but to achieve a levelled playing field in all aspects that Thailand as nation will undoubtedly benefit from over time.

