

INVESTMENT IN THAILAND: THE ASIAN HUB

The Luxembourg Chamber of Commerce in close cooperation with the Thailand Board of Investment and the European Investment Bank recently invited the Luxembourg business community to a seminar on investment opportunities in Thailand. In his opening remarks, H.E. Mr Pisan Manawapat, Ambassador of the Kingdom of Thailand to Belgium, Luxembourg and the European Union traced the long history of his country and illustrated the cultural diversity for which Thailand is known. Economic activities in Thailand have grown exponentially over recent decades, making it one of the Tiger states in Asia. Located in the very heart of South-East Asia, Thailand has become a strategic hub for doing business in Asia. Thailand is in the process of investing heavily in infrastructure projects and linking Thailand directly to China via Laos. "If you want to do business in Asia, do it out of Thailand" was the conclusion of H.E. the Ambassador.

Looking at the trade-relations between Thailand and Luxembourg, we see two very distinct periods: the first one being the 90s where Luxembourg's exports to Thailand far exceeded our imports from Thailand. That was the period where South-East Asia was

not yet self-sufficient in steel and 80% of our exports were for steel or steel related products. Since the end of the 90s, our imports from Thailand grew steadily and in 2007 are likely to be eight times higher than at the end of the last decade.

The Foreign Business Act, implemented by the Thai government in 1999, recently gave some cause for concern to the international business community, as the current government intended to include some restrictive measures for foreign based investment. These measures though were never implemented and according to H.E. the Ambassador will not be in the future.

Seminar on business opportunities in Chile and Brazil

The Chamber of Commerce had the privilege of inviting the participants of the forthcoming State Visit to Chile and Brazil to a seminar about how to do business with Chile and Brazil. Held on 4th October, the list of speakers included such experienced people as the Ambassador of Chile to Luxembourg and Belgium H.E. Juan Arturo Salazar Sparks,

Mr Leonardo Sotero Caio, Councillor at the Embassy of Brazil, Mr Juan Angulo, Consul at the Embassy of Chile and Representative of Prochile, Mr Jean Marie De Backer, President of Chamber of Commerce Belgium-Luxembourg-Brazil, who explained legal practices and Mrs Sylvianne Vanbocquestal of AWEX, who informed the audience about cultural issues.

Chile offers privileged access to the Asia-Pacific market with excellent infrastructure, telecommunication, banking, health, housing and services having encouraged many companies to choose Chile as their regional hub. Within the region, Chile offers the highest rate of service exports per capita in the world, demonstrating that the country offers much more than industries such as copper, fruit, wine and sea-food. Currently Chile has free trade and commercial agreements with 59 countries, representing access to 3.5 billion people and more than 80% of world GDP.

Brazil's GDP is the highest in Latin America with large and developed agricultural, mining, manufacturing and service sectors, as well as a large labour pool. The country has been expanding its presence in international financial and commodities markets, and is regarded as one of the group of four emerging economies called BRIC. Major export products include aircraft, coffee, automobiles, soybean, iron ore, orange juice, steel, ethanol, textiles, footwear, corned beef and electrical equipment.

The Program for the Acceleration of Growth (PAC), announced in January, calls for a total of 504 billion real (USD 235bn) through 2010 to be invested in building and repairing highways, airports and ports nationwide, boosting energy development in the north, and providing housing, water and sewage systems that will benefit poor Brazilians. The program also consists of measures to boost low interest rate credit, improve the investment environment and cut down taxes to stimulate some sectors. About USD 205bn is



This is a regular feature by the Luxembourg Chamber of Commerce and the Ministry of the Economy and Foreign Trade. Business Review is distributed each month to embassies, honorary consuls and trade delegations in over 150 countries to inform them and potential trade partners of the wide range of opportunities that exist in the Grand Duchy.

provided by state-owned companies and the private sector, while the rest come from the federal government.

Brazil has a diverse and sophisticated service industry as well. During the early 1990s, the banking sector amounted to as much as 16% of GDP, and has attracted foreign financial institutions and firms by issuing and trading Brazilian Depositary Receipts. One of the issues the Brazilian central bank is currently dealing with is the excess of speculative short-term capital inflows to the country in the past few months, which might explain in part the recent downfall of the U.S. dollar against the real in the period. Nonetheless, foreign direct investment, related to long-term, less speculative investment in production, is estimated to be USD 193.8bn for 2007.



The Greater Region is the "Region of Honour" at the Plovdiv International Technical Fair

The annual Plovdiv International Technical Fair is the principal international shop window for all Bulgarian economic sectors. The 60th edition was held from 24-29 September 2007 and, as usual, attracted business people from across the globe, with this year 3,600

exhibitors coming from more than 50 countries. The fair specialises in equipment from the following sectors: industrial goods; ICT; electrics and electronics; construction and architecture; chemicals; transport; energy; environment; security.

The Greater Region stand featured 35 organisations from in and around Luxembourg and was the first time all four neighbouring regions were represented at a fair along with the Grand Duchy. The Luxembourgish exhibitors were: ArcelorMittal; Astron Buildings; Ceodeux; Gtec (Groupe Rotarex); Matilux (Groupe Agrilux); Luxembourg et Grande Région, Capitale européenne de la Culture 2007.

Given that the Greater Region was named "Region of Honour" the stand was officially opened by Sergej Stanisjev, the Bulgarian Prime Minister, with the region represented by Rudy Demotte, Minister-President of the Walloon government. There was also a "Greater Region Day" on 25th during which a seminar was held in the fair conference centre to promote the cross-border grouping. This event was opened by Mr Demotte, who explained the region's slogan: "European

success story of cross-border co-operation". He spoke about the European economic co-operation programmes in the Greater Region as well as the unique qualities of each of the five member entities. The Grand Duchy and its exhibitors were show cased by Chamber of Commerce director Pierre Gramegna. Finally, the seminar ended with an official reception and a press conference.

The Greater Region

This collective stand is not the only activity which has brought together members of the Greater Region. For example, for many years the respective Chambers of Commerce have engaged in collective activities such as joint stands, accompanied visits and economic missions. This cooperation will continue to be part of the work of the Luxembourg Chamber of Commerce's International Department and will enable them to offer a much wider programme of activities to Luxembourg's businesses. Moreover, these Greater Region activities will constitute an ideal platform for cross-border exchange between business. The region could also serve as an example of "good practice" for other EU member states.

