



to the EU and EU exports about half that to Thailand. These negotiations, however, have stalled, so we are now pursuing the possibility of opening negotiations for bilateral agreements with Thailand, Vietnam, Singapore and Brunei, which we hope to then expand to Asean as a whole.

"The future is bright for trade and investment between Sweden and Thailand as the Thai market is sizable and there is only sixty Swedish companies operating here. Just in between 2007 and 2008 there was a thirty percent increase in Swedish export to Thailand and although there is currently a downturn, in the long term trade will strengthen."

The ambassador outlined the major points of future development as:

- more companies will come here;
- people to people contacts will grow because tourism will almost certainly continue to grow and Swedes will stay longer;
- closer cooperation in the environmental area, due to activities such as those of the Swedish Environmental Secretariat for South East Asia (SENSA) and Stockholm Environmental Institute at Chulalongkorn University premises;
- co-operation in defence will increase;

- there will be more political co-operation on such issues as Myanmar, especially from 1 July to 31 December this year when Sweden will take up presidency of the EU at the same time as Thailand will be holding the Asean chairmanship;
- as Thailand and Asean continue to develop and living standards here rise, so too will the expansion of trade.

"Importantly, Thai authorities are establishing an office of the Board of Investment in Sweden, which will cover all of Scandinavia, at the end of September. The plan is that it will be opened by the Thai Minister of Industry Mr Chanchai Chairngruang – a clear sign of the increasing importance of our bilateral relationship," said Mr Linnér.

### Breaks on increased bilateral development

"The major concern we have is the Foreign Business Act, it is a real discouragement for international investors. At least it seems that some previous proposals to make the FBA even more protectionist

have not been pursued and we hope the new government of Abhisit Vejjajiva will adopt a more friendly business environment. Another law which may affect some of our companies is the Retail Act. As we have not seen any draft of the Act yet it is too early to assess the impact of this law. I hope the law is accurately drafted so as only to relate to the sectors which are intended to be covered by the law."

"What we at the embassy and the Thai-Swedish Chamber of Commerce would like to see is foreigners be able to own land up to a rai or half a rai, extending the current 30 year lease hold on land to 90 years, raising the limit of foreign ownership of condominiums from the forty-nine percent limit to a hundred percent, and increasing the length of visas to a year or six months," said the ambassador.

"If this could be achieved, the chamber estimates that the second home market could treble in as little as three years, not only in regards to direct foreign investment by Swedish buyers, but also Germans and British, generating an added 150 billion Baht in direct revenue for Thailand."

### Resolving the berry picker issue

"The food industry is benefiting from the Thai berry pickers who travel to Sweden seasonally as much as the Thai workers that go there do. The problems have been that many Thais have been going to Sweden with the hidden purpose to pick berries on tourist visas, although a work permit is required.

"To address this issue we have allocated more personnel to the duty of handling applications for work permits for berry pickers in order to be able to handle an increased annual number of work permits from three thousand eight hundred last year to five thousand four hundred this year. This gives more Thai persons the opportunity to go to pick berries within the legal framework of immigration.

"We work closely with the Thai Department of Employment, the Swedish Migration Board and the Swedish Forrest Berries Association to more properly organise the application and approval system. This we're doing for both the Swedish food industry and agriculture but also to protect the Thai workers," concluded Mr Linnér.



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