



Foreign ownership restrictions do not apply to US corporations

# Legalese made easy

## The country's laws broken down

**FOREIGN INVESTMENT LAW:** The most important law governing foreign direct investment in business in Thailand is the Foreign Business Act (FBA) of 1999, which reserves certain business activities for Thais. Under the FBA, the definition of "alien" includes, among other things, foreign nationals, foreign corporations and companies incorporated in Thailand with at least half of their shares held by foreigners. Basically, alien ownership in businesses, which are reserved under Lists 1, 2 and 3 of the FBA, is limited at 49%. Business activities in List 1 of the FBA such as farming, forestry, antiques trading and broadcasting are closed to aliens.

Aliens wishing to exceed the ownership limit in business activities indicated in List 2 of the FBA, which involve national safety, arts and culture, natural resources and environment, must obtain an alien business licence (ABL) from the Minister of Commerce with the approval of the Cabinet. Business activities indicated in List 3 of the FBA, which include professional services, construction, wholesale, retail, hotel and restaurant, and any kind of service, can be 100% owned by aliens if an ABL is granted by the director-general of the Department of Business Development with the approval of the Foreign Business Committee. An ABL application is a time-consuming process with an unpredictable outcome and is normally granted only to the extent necessary.

The foreign ownership restrictions under the FBA do not apply to US nationals and US corporations. The Treaty of Amity and Economic Relations between the US and Thailand allows Americans to own and operate almost all reserved businesses in Thailand except for businesses reserved under the treaty, which, among other things are land, inland transportation and communication, provided that the Ministry of Commerce is notified and a certificate is applied for. The FBA provides for substantial penalties for violations, including large fines and imprisonment.

**INVESTMENT PROMOTION AND PRIVILEGES:** The Board of Investment (BOI) is the government agency responsible for providing incentives to stimulate invest-

ment in Thailand. It is empowered to give both tax and non-tax incentives to qualified investors. Each category of activities eligible for investment promotion from the BOI will receive different benefits and incentives depending on location, production for export, or industries identified as priority activities. In accordance with the investment decentralisation policy, the BOI basically provides different levels of incentives to projects located in three geographical areas (Zones 1, 2, and 3).

Tax incentives consist of import duty reduction/exemption on machinery and raw or essential materials; corporate income tax exemption for one to eight years; double deduction from taxable income of transportation, electricity and water costs; tax exemption for dividends paid out of the exempted profits during the tax exemption period; tax exemption for fees for goodwill, copyright or other rights received from a promoted activity, etc.

One of the attractive non-tax incentives is that investors granted investment promotion by the BOI who are regarded as aliens under the FBA may have 100% ownership in business activities specified in Lists 2 and 3 of the FBA in accordance with the conditions prescribed by such authorities. They shall be exempted from obtaining an ABL but still need to notify the Ministry of Commerce and apply for a certificate. Other non-tax incentives include permission for foreigners to own land and visa and work permit privileges for expatriates.

The BOI prescribes certain general criteria for application for investment promotion such as a minimum BT1m (\$30,600) investment, minimum value added of 20%, maximum 3:1 debt-to-equity ratio, industrial standard of ISO 9000 level, new or certified used machinery only, modern production technology, adequate environment protection and others.

The investor must submit an application form along with supporting documentation to the BOI to be considered for incentives. In most cases, the processing of an application takes about two to three months.

The Industrial Estate Authority of Thailand (IEAT) is another agency that grants incentives to investment projects located in industrial estates nationwide. In addition to benefits from the industrial environment and ready infrastructure, promoted investors are also granted special incentives and privileges including the right to own land in the industrial estate area, to obtain work permits for foreign technicians and experts who work for the industrial operator, and to take or remit foreign currency abroad. Industrial operators within the export processing zone are granted additional tax-based incentives and privileges.

**FORMS OF BUSINESS ORGANISATION:** Under Thai law, the principal forms of business organisation are sole proprietorship, partnership (unregistered ordinary partnership, registered ordinary partnership and limited partnership), branch office of a foreign corporation, representative office, regional office, limited company (private company limited and public company limited), or joint venture.

**SOLE PROPRIETORSHIP:** With a sole proprietorship, all of a proprietor's assets, business and personal, are subject to attachment or any other legal action, whether connected to the business or not. The sole proprietor must acquire a taxpayer number and a value-added tax (VAT) certificate if applicable. Certain businesses will require some sole proprietorships to obtain a commercial registration certificate at the Ministry of Commerce. A foreign individual doing business as sole proprietor is classified as alien and thus is not permitted to engage in businesses reserved under the FBA unless an ABL is granted.

**PARTNERSHIP:** In Thailand, three forms of partnership are permitted:

- An unregistered ordinary partnership;
- A registered ordinary partnership; and
- A limited partnership.

Such types of partnership differ primarily in the liability of the partners in each form thereof. Partnerships which have a foreigner as the managing partner or as the manager, or in which foreigners' investments amount to half or more of the total capital, shall be regarded as alien and thus are not permitted to engage in businesses reserved under the FBA unless granted an ABL.

An unregistered ordinary partnership is one in which all partners are jointly liable for all the obligations and debts of the partnership. It is not registered with the Ministry of Commerce. Each partner must contribute either money, property, or services to the partnership. This type of partnership, therefore, is not a legal entity (juristic person), and the partnership must obtain an income taxpayer ID card from the Revenue Department and pay personal income tax at the progressive rates which range from 5% to 37%. Under the Revenue Code, an unregistered partnership, although not a juristic person, is considered a separate entity for tax purposes. After-tax profits when distributed to partners are not their taxable income.

A registered ordinary partnership is registered with the Ministry of Commerce, which makes it a juristic entity with a separate and distinct personality from

each of the partners. As in unregistered ordinary partnerships, all the partners are jointly and unlimitedly liable for all the obligations of the partnership. A registered ordinary partnership partner may pursue any claim of, or any right acquired by, the partnership against third persons, even if he/she did not actually participate in the transaction. A registered ordinary partnership pays corporate income tax at a fixed rate of 30% on the net profit.

A limited partnership is registered with the Ministry of Commerce, which makes it a juristic entity with a separate and distinct personality from each of the partners. A limited partnership is one in which the individual liabilities of one or more partners (called "limited partner/s") are limited to their respective contributions, and one or more partners (called "general partner/s") are jointly liable without any limitation for all the obligations of the partnership. The contributions of the partners with limited liability must be in cash or other valued properties. As a general rule, a limited partnership may only be managed by the partners with unlimited liability. A partner with limited liability who participates actively in the management of the partnership becomes jointly liable, without any limitation, for the partnership's obligations. A limited partnership pays corporate income tax at a fixed rate of 30% on the net profit.

This form of business organisation is common among the Thais, but not among overseas investors, as it is based on individual rather than corporate status. None of the three forms of partnership allowed under Thai law conforms to the needs of most foreign investors.

**BRANCH OFFICE:** A foreign company that plans to conduct business on its own in Thailand such as a contract project usually establishes a branch office to undertake the project. The foreign head office must appoint at least one branch office manager to be in charge of operations in Thailand. A branch office is subject to Thai corporate income tax at the regular 30% rate on income derived from its business operations in Thailand. Therefore, for tax purposes, a branch office is required to apply for a taxpayer identification card and VAT certificate (if applicable) and to file annual corporate income tax returns with the Revenue Department. A branch office of a foreign entity is regarded as an alien under the FBA, thus it cannot carry out any reserved business without an ABL. Having a branch office in Thailand, the foreign corporation could be exposed to civil, criminal and tax liability if the branch office violates any law in Thailand.

**REGIONAL OFFICE AND REPRESENTATIVE OFFICE:** A regional office or representative office is technically a branch office of a foreign corporation which carries on permissible non-income-generating service activities on behalf of the head office in a foreign country. They are strictly prohibited from accepting a purchase order or making a sales offer and negotiating and entering into any business arrangement with any customer, sales agent, or party in Thailand. The operations of these offices can be financed only by the head office. Even though their income is nil and thus

pay no income tax, these offices still have the duty to file audited financial statements with the Thai authority annually. The only distinction between regional office and representative office is the scope of their respective permissible activities enumerated below.

**Regional Office:**

- To contact, coordinate and supervise on behalf of the head office the activities of branches and/or subsidiary companies located in the same region as the regional office; and
- To provide services to the head office's branches and subsidiary companies, such services being advisory services, management services, training and personnel development services, financial management services, marketing control and sales promotion planning, product development, and research and research and development services.

**Representative Office:**

- To find sources for the purchase of goods or services in Thailand for the head office or affiliates or subsidiaries of the head office;
- To check and control the quality and quantity of goods purchased or manufactured in Thailand by the head office;
- To provide advice and assistance concerning goods of the head office sold to agents or consumers in Thailand;
- To disseminate information concerning goods or new services of the head office; and
- To report on business developments in Thailand to the head office.

**LIMITED COMPANY:** A limited company is generally the form of business establishment most preferred by foreigners because, among other things, shareholders' liability is limited (to the remaining amount unpaid, if any, of the registered capital due on the shares respectively held by them). The incorporation of a limited company must be registered with the Department of Business Development (DBD) of the Ministry of Commerce. The process includes reservation of a company name and filing and registration of (1) the company's signed memorandum of association, and (2) incorporation documents. The company registration fee is BT5500 (\$168.30) per BT1m (\$30,600) registered capital, with a maximum fee of BT275,000 (\$8415). A limited company is managed by a board of directors (consisting of at least one director) under the control of the general meeting of shareholders. Capital of a limited company is divided into shares each having equal value of BT5 (\$0.15).

The amended Civil and Commercial Code BE 2551, which came into effect on July 1, 2008, reduced the minimum number of shareholders required to be maintained while the company is in operation from seven to three. In addition, incorporation of a limited company within one day was enabled, subject to conditions stipulated under the law.

Publicly held companies are subject to a different law, that is, the Public Limited Company Act BE 2535 (1992). A public limited company is a company established for the purpose of offering the sale of shares to the pub-



Visas, entry permits or border passes are required of all non-Thai nationals entering the country

lic. A private limited company cannot do so. The regulatory distinctions between closely and publicly held companies involve the number of promoters and the number of shareholders (private companies have a minimum of three shareholders, while public companies have a minimum of 15 shareholders). The board of directors of a public limited company must consist of at least five directors, the majority of whom must reside in Thailand, whereas a private limited company can have only one director.

**JOINT VENTURE:** Joint ventures are permitted under Thai law. There are two forms of joint ventures:

- A joint venture in the form of a partnership established by contract between one company and another company or juristic partnership or individual that exists only for a particular project. Even if it is not registered as a legal entity, the so-called "unincorporated joint venture" is, however, treated as a juristic company by the Revenue Department for purposes of tax liability. The joint venture must, therefore, apply for a taxpayer identification card and VAT, if applicable;
- A joint venture registered as a legal entity, that is, a limited company wherein the joint venture partners hold shares in the agreed proportion.

The registration process and fees are similar to those for the formation of an ordinary limited company.

**VISA AND WORK PERMIT:** Visas, entry permits, or border passes are required of all non-Thai nationals entering the country. A residence permit is only required for an investor who wants to become a permanent resident of Thailand and can be applied for after staying in Thailand for at least three consecutive years on non-immigrant one-year visas.

A foreigner wishing to work in Thailand should apply for a non-immigrant business (B) visa at a Thai embassy or consulate before entering Thailand. Regardless of the length of the visa obtained, a holder of a non-immigrant visa will be permitted to stay in Thailand for not more than 90 days per entry as stamped in his/her passport upon arrival. A foreigner may not start working until



The Labour Protection Act provides the legal framework necessary to enact minimum standards for workers

he/she receives a work permit from the Ministry of Labour (MOL) in Thailand. To apply for a work permit, the MOL requires various corporate and tax documents from the employing company certified by its authorised director as well as personal documents from the expatriate such as photo, passport copy and degree/diploma. A work permit is normally issued within two weeks from submission of complete application and is valid for up to two years.

**LABOUR LAWS AND REGULATIONS:** The main laws that govern employment matters in Thailand are the Civil and Commercial Code (CCC) and the Labour Protection Act (LPA). Other important laws include the:

- Labour Relations Act;
- Act Establishing the Labour Courts and Labour Court Procedures;
- Provident Fund Act;
- Social Security Act;
- Workmen's Compensation Fund Act; and
- Alien Employment Act.

The CCC, forming the basis for contracts in Thailand, sets out the principles of contractual relationships between an employer and an employee. Employment contracts are not required to be made in writing. Indeed, the terms of an employment relationship are not always memorialised in a written contract signed by the parties. In many less formal situations, employers simply stipulate the employee's working conditions, duties and responsibilities.

Similarly, the LPA provides the legal framework necessary to enact minimum standards, for instance, the establishment of minimum wages, administration procedures for disputes, and employment conditions such as working hours and working days, holidays and types of leave, overtime work and overtime pay, holiday work and holiday work pay, statutory severance for termination without cause and notice of termination with reference to such relationships.

The provisions set forth in the LPA apply to most businesses, with the exception of those engaging in cer-

tain specific activities such as petrochemical manufacturing and sea fishing. For businesses engaging in such specific activities, the LPA provides special working regulations which may differ when compared to those applicable to "normal" businesses.

The LPA underwent significant amendment in 2008. As of May 27, 2008, several new changes and provisions became effective. Though the vast majority of the changes relate to internal government matters, several of the changes are of relevance to employers. One such relevant change to the LPA this year concerns working hours. To reflect modern labour practices, the LPA now specifically authorises work arrangements by implementing a new provision that allows an employer and employees to agree that employees who work less than their regular scheduled hours on a particular day may make up for the missing hours by working extra time on other normal working days.

Other notable changes include an expanded definition of "security deposit" to include not only money, but also things of value and personal guarantees, which employers are prohibited from taking from employees (except those who handle property or money); the provision of a notice period of at least three days and greater compensation amount (75%, up from 50%) in the event of temporary cessation of the employer's business operations for any cause other than force majeure; and increased severance pay (100%, up from 50%) in the event the employer relocates its place of business and such relocation would have an important effect on the employee's or his/her family's way of life.

Work rules and regulations (WRR) are one of the most important documents in an employment relationship. They set out, among other things, the terms and conditions of employment and the rights and obligations of both the employer and employee, in addition to certain other benefits and rules which should be obeyed by both parties. WRR are given force and effect under the LPA. Employers with 10 or more employees are required to have their WRR written in the Thai language and the WRR must be announced to employees and posted at the workplace within 15 days from the date on which the employer has 10 or more employees. The employer must submit the WRR to the Office of Labour Protection and Welfare governing the area in which the employer's office is located within seven days from the date such WRR become effective.

When employers have WRR which provide lesser benefits to employees than those mandated in the LPA, the provisions of the LPA shall prevail. However, the law also gives force and effect to such higher standards to which employers and employees may choose to agree.

The Labour Relations Act authorises employees to establish labour unions, so long as they do not pose a threat to national security. Establishment requires at least 10 principals of Thai nationality. Upon registration with the relevant government office, unions are permitted to negotiate settlements of employment disputes, acknowledge arbitral awards and call and assist in employee strikes. To the extent of their otherwise lawful participation in such lawful activities,

unions and their members are exempt from criminal prosecution and civil liability. The Labour Relations Act contains detailed provisions relevant to collective bargaining and the resolution of labour disputes.

The Act Establishing the Labour Courts and Labour Court Procedures sets up specialised courts to adjudicate employment issues as well as relevant procedures. More importantly, the act provides recourse for employees subject to unfair termination.

After termination, even if the employer provides statutory severance pay together with all other amounts due upon termination, the terminated employee may still choose to bring suit against the employer for unfair termination. The employee may claim for any damages caused by termination, in addition to statutory severance pay, notice pay, or any other monies due. Such claims are heard before the Labour Court. If the court deems such termination to be unfair or unjustified, it may order reinstatement of employment. When the parties can no longer work together, or if reinstatement is otherwise impractical, the court may order the employer to pay damages. Damages for unfair termination will be based on the court's discretion, but the court is to consider such factors as the reasons for termination, age of the employee, length of the employee's service and hardship suffered due to termination.

The Provident Fund Act authorises employers and employees to jointly establish provident funds which have the objective of providing security to employees in case of death, retirement, or resignation. The Provident Fund Act requires that provident funds be managed by a professional manager licensed for this purpose. Upon termination of employment or membership in the fund, employees are to receive their contributions and a portion of the employer's contribution according to the terms and conditions in the relevant fund regulations.

The Workmen's Compensation Act requires employers and employees to contribute to a workmen's compensation fund at the rates specified by the minister of labour specific to the type of business. The fund is meant to compensate employees or their heirs in the event of injury, illness, disappearance, or death related to work. The fund may be used for such things as applicable medical expenses, work rehabilitation and related funeral costs.

Under the Social Security Fund Act, employers and employees are required to contribute to the Social Security Fund. At present, both employer and employee are each required to contribute 5% of the employee's salary per month, with a maximum monthly contribution of BT750 (\$22.95). The fund is meant to compensate the employee or the employee's heirs in the event of injury, illness, or death unrelated to work, childbirth, or disability. Benefits are also available for maternity, child welfare, old age and unemployment.

The Alien Employment Act requires that foreigners obtain work permits from the Ministry of Labour prior to engaging in work in Thailand. Related immigration law requires such individuals to maintain valid visas while staying in Thailand. The term "work" is defined

very broadly, i.e. "working by exerting one's physical energy or employing one's knowledge, whether or not for wages or other benefits". Thus, aliens also require work permits to engage in volunteer or charity work. An individual work permit is tied to a particular occupation, particular employer and particular locality. When any of these particulars change, employees must notify the competent authority to obtain new work permits or amend necessary information thereto.

Under current regulations, companies applying for work permits must have a registered capital of at least BT2m (\$61,200) per expatriate for whom a work permit is sought. There are minimum salary requirements which employers are required to follow in order to apply for a work permit. These requirements will depend on the nationality of the expatriate employee.

#### **PROPERTY LAW IN THAILAND:**

**Land Ownership:** Land ownership in Thailand may be individual or shared. Any Thai national may purchase land in the country. There are, however, restrictions on foreign ownership. Under present Thai law, foreign individuals and foreign companies (including companies established under Thai law with foreign shareholding of more than 49% of the total issued shares) are prohibited from owning land in Thailand. Companies incorporated in Thailand which are at least 51% Thai owned may legally own land. If a company has significant foreign equity, it will be investigated by the land department to determine whether or not there is any use of Thai shareholders as nominees on behalf of minority alien shareholders for the purpose of owning land before the company is allowed to register the purchase of the land. However, there are no regulations that prohibit aliens from owning a building.

An exception to the foreign ownership rule applies to projects promoted by the BOI and IEAT. Under these projects, special privileges are given to foreign-owned companies to own land for business operations and for residential purposes of management and employees. Foreign oil companies which meet the requirements of the Petroleum Act may also own land.

An alien juristic person may obtain rights to land under the following laws:

- Investment Promotion Act BE 2520 (1977), Section 27, under which:
  - A promoted entity is permitted to own land required for the promoted business in such size as the BOI may prescribe, even though it exceeds the limit prescribed under other laws; and
  - If a promoted entity that is an alien under the Land Code dissolves or transfers the promoted business, the promoted entity shall dispose of the land which it has been permitted to own within one year from the date of the dissolution or transfer. Otherwise the director-general of the Land Department shall have the power to dispose of said land under the Land Code.
- Industrial Estate Authority of Thailand Act BE 2522 (1979), Section 44:
  - Industrial operators and operators of trading for export may be permitted to hold land ownership



Land, houses, condos and other buildings can be leased to foreigners for 30 years with possible renewal

- in an industrial estate or an export industrial zone for the operation of business in a size deemed reasonable by the IEAT Board, even though it may exceed the limit fixed under other laws;
- In the event an industrial operator or an operator of trading for export that is an alien dissolves its business or transfers the business to other persons, such operator shall sell the land which it was permitted to own, as well as the appurtenances on the land, to the IEAT or the transferee within three years from the date of dissolution or transfer of business. Otherwise the director-general of the Land Department shall sell the land and its appurtenances to the IEAT or any other person under the Land Code.
  - Financial Institution Business Act B.E. 2551 (2008). Under Section 80 of the Act, no financial institution (commercial bank, finance business, or specialised financial institution) shall purchase or permanently hold immovable properties except:
    - For use as premises for the business of the commercial bank or as facilities for its officers and employees, with the approval of the Bank of Thailand (BOT). Such approval may be granted with any condition;
    - Those acquired as a result of a debt settlement or a guarantee in respect of credit granted or as a result of the purchase of an immovable property mortgaged to the financial institution at an auction conducted pursuant to an order of a court or an official receiver. However, such immovable property must be sold within five years from the date of acquisition of such immovable property by the financial institution. In necessary cases, the BOT may extend the period for selling such immovable property with any condition; and
    - Immovable property that a housing finance business or a credit foncier business purchases or holds for engaging in business according to the regulations prescribed by the BOT.

Laws regarding lease of property or buildings fall under the Hire of Property General Provisions of the Civil and Commercial Code. Land, houses, condominium units and other buildings may be leased to aliens for up to 30 years, with possible renewal for another 30 years. It should be noted that the renewal option might not be enforceable against someone who purchases the property from the lessor. A lease contract of any immovable property for three years or less is not enforceable unless made in writing and signed. Leases of more than three years need to be registered with the Land Office. Otherwise they will be valid for only three years.

**Condominium Ownership:** The Condominium Act BE 2522 (1979) allows certain groups of aliens (both individuals and juristic persons) to acquire condominium units in Thailand provided that foreign ownership in a given condominium project does not exceed, in aggregate, 49% of the total area of all condominium units in the building. Aliens must be able to present correct and complete documentation and evidence as required by the Land Department. Aliens who are eligible to own condominium units include:

- Individual aliens permitted to reside in Thailand under the Immigration Act. The documents required include a passport, residence permit, and house registration, or alien book;
- Individual aliens permitted to enter Thailand under the Investment Promotion Act. The documents required are a passport plus a letter from the BOI granting permission to bring aliens into Thailand under the Investment Promotion Act;
- Juristic persons specified under Sections 97 and 98 of the Land Code which are registered as juristic persons under Thai law (i.e., juristic persons with foreign shareholding of more than 49% of the total issued shares or with foreign majority shareholders, including juristic persons with the aforesaid juristic person holding more than 49% of the total issued shares). The documents required include the certificate of registration issued by the Ministry of Commerce and other corporate documents such as the minutes of the board of directors' meeting approving the purchase of such condominium;
- Juristic persons specified as aliens under the National Executive Council Announcement No. 281 and promoted by the BOI. A promotion certificate issued by the BOI will be required, among other things; and
- Individual aliens or foreign juristic persons who bring foreign currency into Thailand to pay for the purchase of a condominium unit, or withdraw money from a Thai baht bank account of a non-resident, or withdraw money from a foreign currency account.

**LAND DOCUMENTS:** There are various documents pertaining to land title/claim. These documents include land title deed, certificate of use, certificate of possession, to a mere notice of possession of land. A condominium unit title deed is evidence of ownership of a condo and has similar significance to a land title deed.

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David Lyman

## Still a paradise?

David Lyman, Chairman and Chief Values Officer, Tilleke & Gibbins, on political stability in Thailand

The world financial problems since mid-2007; fluctuating petroleum and agricultural prices; political turmoil; four successive prime ministers in 2008 alone; government house and Bangkok's airports terminal buildings occupied in the latter part of 2008 by political protesters; major Thai political parties ordered to disband; April 2009 political skirmishes suppressed by the government with remarkable restraint; and continued unrest by separatists in the south all sound like bad news for Thailand. However, to those of us who live and work in this wonderful country, with its 66m inhabitants, somehow, in spite of its inept governments, Thailand always survives. The rule of law generally prevails, the currency has remained relatively stable, and there is still plenty of food to feed the populace. In the economic and investment arenas Thailand once thrived and now has slowed down. Will it thrive again? When?

I used to refer to Bangkok as an "outpost in the greater business world of Asia". So much focus then and for so long was on other countries in the region leaving Thailand, the calm and relatively peaceful eye of the political-military typhoon which was swirling around it. And here we fortunate few grew and prospered. Not outlandishly, but comfortably.

These days, the judiciary, particularly in the Supreme Court, the Constitutional Court and the Administrative Court systems are free of political interference, do not bow to threats and are well equipped to decide on modern issues which did not exist or were overlooked in years past. They are working with the independent agencies established under the 1997 and 2007 Constitutions to reduce corruption and abuses of power.

In 2007 and through August 15, 2008, we have listed some 44 major parliamentary Acts, such as the law relating to human trafficking; amendments to public company law; the computer crimes act; a products liability law; revisions to the building control laws; creation of trusts in capital market transactions; deposit protection insurance; credit data business operations; money laundering amendments; condominium act major

revisions; escrow agents law, and so forth. The business of government and governing this large country continues. The national parliament remains in operation; provincial, municipal and local assemblies and councils function; and the national and other civil services keep the country running. The military for the most part remains in barracks. The courts, prosecutors, private bar, police and other law enforcement agencies are active and doing their jobs within the rule of law.

Is Thailand still a paradise? In my opinion, the answer is "yes". Despite all, Thailand is an incredibly lucky country. It always seems to eventually land on its feet after dealing with adversity piled upon adversity. I have been quoted before as saying, "Thais will eventually do the right thing after they have exhausted all other possibilities." Though it appears to the contrary and except for a detour here and there, Thai politics are certainly heading towards doing the right thing in regards to addressing the country's ills and misfortunes and healing its wounds. Just because the former prime minister went off track does not mean that many of his new policy ideas were not sound. Even blatant, grand corruption, though ignored or covered up in the past, is being exposed and addressed. As for the private sector, the Thai domestic corporate and business worlds are beginning to embrace corporate social responsibility, good governance and responsible environmental practices.

If the political infighting is repressed and those now in the seats of power finally begin to look outside themselves to what is in the best interests of the nation, then Thailand can and will return to its development. It is no longer just an outpost – one look at the 2008 national multi-lane highway networks, electricity grids, modern seaports and airports, cell phone networks, internet coverage, Bangkok's expressways, skytrains, underground subway systems and the skyscraper skyline of this capital city from my office window shows Bangkok today, now a city of about 14m inhabitants having transformed itself far beyond the imagination of my parents when they came here 60 years ago.