

Hotspot Guide

Thailand

A Sample of what's on Offer

Hot Spot

Introduction



Fast Facts:

- **Location:** Thailand is a Southeast Asian, predominantly Buddhist kingdom almost equidistant between India and China.
- **Capital City:** Bangkok
- **Climate:** Thailand has a warm tropical climate affected by an annual monsoon season from June-October. Dry season the rest of the year
- **Average Temperature:** 75 to 92 degrees Fahrenheit
- **Total Land Area:** 198455 sq mi
- **Official Language:** Thai
- **Total Population:** 61.5 million
- **Population Density:** 126 people per sq km
- **Major Religion:** Buddhism
- **Currency:** 1 Thai baht = 0.029351 U.S. dollars
- **GDP:** \$245.7 Billion
- **GNI per capita:** 7 450PPP\$
- **Inflation:** 2.2%
- **Annual Growth:** 0.68%
- **Main Exports:** Textiles, computer & components, integrated circuits and parts, gems and jewellery, footwear
- **Main Sources of Income:** : Taxes and Tourism
- **Unemployment:** 1.4%
- **Population Below Poverty Line:** 10%
- **Literacy:** : 92.6%
- **Life Expectancy:** 71
- **Time Zone:** GMT+7
- **Internet Domain:** .th
- **International Dialling Code:** 0066
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Geography

Geographically speaking, Thailand is divided into six major regions:

- **The mountainous north -**
 Parallel North-South mountains and fertile valleys, it boasts the country's highest peak, Doi Inthanon, at 2565m (8415 ft). Main rivers in the north are the Ping, Wang, Yom and Nan, which are the major tributaries of Chao Phraya. Where elephants work forests and winter temperatures are sufficiently cool to permit cultivation of temperate fruits such as strawberries and peaches.
- **The sprawling northeast plateau -**
 Largely bordered by the Mekong River, where the world's oldest Bronze Age civilisation flourished some 5,000 years ago. Occupies the semi-arid Khorat plateau, which is now largely deforested and prone to floods and droughts.
- **The central plain -**
 One of the world's most fertile rice and fruits-growing areas. Comprising the flood plain of the Chao Phraya river, the country's principal waterway.

- **The Eastern Coastal Plain -**
where fine sandy beaches support the growth of summer resorts. It has many forested offshore islands.
- **The Western Mountains and Valleys -**
a region of saw-tooth mountains suitable for the development of hydro-electric power.
- **The Peninsular South -**
where arresting scenic beauty complements economically vital tin mining, rubber cultivation and fishing. Rich in tropical rainforests, and long coastline of beautiful fine beaches



Economy

- The economy of Thailand is an emerging economy which is heavily export-dependent, with exports accounting for more than two thirds of gross domestic product (GDP) The exchange rate is Baht 33.00/USD.
- Thailand has a GDP worth 8.5 trillion Baht (on a purchasing power parity (PPP) basis), or US\$627 billion (PPP).
- This classifies Thailand as the 2nd largest economy in Southeast Asia after Indonesia.
- Despite this, Thailand ranks midway in the wealth spreading

Southeast Asia as it is the 4th richest nation according to GDP per capita, after Singapore, Brunei and Malaysia.

- It functions as an anchor economy for the neighboring developing economies of Laos, Burma, and Cambodia.
- Thailand's recovery from the 1997–1998 Asian financial crisis depended mainly on exports, among various other factors.
- Thailand ranks high among the world's automotive export industries along with manufacturing of electronic goods.
- Most of Thailand's labor force is working in agriculture.
- However, the relative contribution of agriculture to GDP has declined while exports of goods and services have increased.¹



Politics

The politics of Thailand are currently conducted within the framework of a constitutional democratic monarchy, whereby the Prime Minister is the head of government and a hereditary monarch is head of state.

The judiciary is independent of the executive and the legislative branches. Thai kingdoms and late Kingdom of Siam were under the absolute rule of the kings.

However, after the 'democratic revolution' in 1932, the country officially became under a constitutional democratic monarchy with a prime minister as the head of government.

The first written constitution was issued. Since then Thailand has had seventeen charters and constitutions, reflecting the high degree of political instability and frequency of military coups faced by the nation.

Why Invest in Thailand?

- 1) Thailand boasts the largest growth market in Asia.
- 2) Thailand has recently attracted a great deal of foreign investment.
- 3) It is one of the Asian economic leaders and is one of the fastest-growing economies in the area.
- 4) Thailand is one of the least expensive places to fly to in Asia.
- 5) The country has strong business ties with China and has an excellent infrastructure as well as world-class facilities in many resort towns
- 6) Property is far cheaper in Thailand than other countries and an increase in overseas interest in property purchase has helped to create an economic recovery in Thailand.
- 7) Rental potential is great, due to increased government spending luring growing numbers of tourists.
- 8) No capital gains tax for private investors, and low ongoing taxes.
- 9) Today foreigners are regarded by the government as a big investment opportunity in Thailand

A Brief Guide to Purchasing Property in Thailand

- The only restriction is that the foreigner cannot own more than 49% of a development and funds must be bought in from abroad.
- The owner of each condominium is issued with a certificate of unit ownership.
- The certificate also has a statement saying exactly what percentage of rights over the common areas of the building each owner has.
- Foreigners are legally prohibited from owning land in Thailand; although you can get around this perfectly legally by setting up and purchasing through a Limited Liability Company.
- The foreigner can own a maximum 39% of the company shares, but can



easily and legally organise to be the only director of the company who can commit or bind the company in any contractual dealings.

- This effectively allows the buyer total and secure control of the company and its assets.

Property Market

- The bloodless military coup of September 2006 contributed to a slowdown in property price rises in Thailand.
- The new regime clamped down very firmly on some of the loopholes in Thai law regarding foreign ownership of property in Thailand.
- Though they did not introduce any new laws, they began to scrutinise property transactions involving overseas property buyers, who are not allowed to own land, though within certain limitations they are legally able to own property in Thailand.
- The somewhat arbitrary nature of periodic clampdowns since has undermined confidence in some potential overseas property buyers and property price appreciation in Thailand has slowed as demand has diminished.

Fees and taxes

There are no land property taxes (such as council taxes) in Thailand, However, the most comparable taxes on properties in Thailand are the land tax.

It is levied on land and is so miniscule, that in practice the body charged to collect it, rarely bothers to do so, and if they do, they usually wait several years until the amount accumulates.

On all purchase/sale of property in Thailand there is a stamp duty of 0.5% and a transfer fee of 0.01%.

There is no capital gains tax in Thailand but an income tax is levied if possession is less than 5 years and this tax is between 1-3% and is negotiable between and buyer and seller



Hotspots

Khao Ran: A great view of Phuket Town, the southern part of the island, and some of the offshore islands, can be obtained by going to the top of Kao Rang Hill, on the city's northwest. There are also several restaurants featuring spectacular views of the city, a health park for exercise.

Kathu: famous for the amazing waterfalls

Toni Sang: famous for Toni Say waterfall

Talang : famous for Sarasin bridge

