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PLUS: CLIENTS PICK THE BEST OFFSHORE LAWYERS / NORTH ASIAN INVESTMENT POURS INTO INDONESIA / WHAT TO MAKE OF THAILAND'S RECENT ELECTION? / THE WINNERS AND THE PHOTOS FROM THE MALAYSIA LAW AWARDS



STAYING THE COURSE

The outcome of Thailand's first national election since a 2014 military coup might be still unclear, with final results only due on May 9. However, lawyers say that despite the uncertainty, little should change for foreign investors in the country. BY ELIZABETH BEATTIE



■ The first election to follow Thailand's 2014 military coup took place on March 24, but official results aren't expected to be released until May 9. But while the election outcome remains uncertain, lawyers feel that when it comes to business and investor confidence, there should be very little impact, if any.

This is the view held by Bangkok-based Chandler MHM, which has a long history in the country. Having followed the impact of politics on client outlook

in the past, they don't expect the March 24 election to diminish investor appetite.

"This is not the first general election after a military coup as there have been eight military coups in Thailand since we started our firm in 1974," explains Jessada Sawatdipong, senior partner at the firm. "Experience tells us that military coups and general elections have had little impact on private sector business and the investment landscape here. Despite these events, for the private

sector, it's business as usual." In the firm's experience, this is due, in part, to fact that solid investment and business mechanisms are already in place, which play a role in helping to alleviate client concerns and support continued investment flows.

"We believe business operators and investors look more to the long-standing legal system as a solid platform for starting and advancing operations with confidence, plus the country's track record of continuing growth for decades with little impact from political changes," Jessada says.

INFRASTRUCTURE ON TRACK

While the lack of political certainty may not have stimulated a great deal of change when it comes to client concern or enthusiasm, upcoming connectivity projects are paving the way for easier investment in the future. One big game-changer piquing excitement is Thailand's ambitious infrastructure plan, which includes four significant projects, developed with the goal of promoting the nation's cache as an important Asia trade hub.

These major works, which have gained approval under the Eastern Economic Corridor Project Implementation (EEC) programme, are being keenly watched as significant developments in this area.

Among the early promising indicators, Jessada notes, is that the Board of Investment has already approved over 150 EEC regional projects, while the Eastern Economic Corridor Office of Thailand (EECO) has successfully invited 40 EEC potential investors to participate in development projects in targeted markets.

But there are also other projects on the horizon, which will help to ensure the country's infrastructure is up to date. "In addition to the ongoing EEC Project Implementation, large infrastructure projects continue, for example, the 200 billion baht [\$6.2 billion] high-speed railway linking three major airports: Don Mueang, Suvarnabhumi and U-tapao, U-tapao Airport 'aerotropolis,' and expansion of some of Thailand's largest industrial estates," Jessada says.

BRIGHT FUTURE FOR ENERGY

While infrastructure enables better connectivity and provides peripheral support to investment, there are other opportunities which continue to grow. One particularly hot area in Thailand is the energy space. Having spent three years revising its updated power development plan, the country has pushed to embrace renewable energy on a large scale. Last year a partnership between an Australian blockchain company and Thai renewable energy business launched a peer to peer renewable energy trading trail in Bangkok. While this arrangement hints at the ambition of local players in the market, the government has also eased the way for similar types of investment, although the specifics are, as yet, unknown. Yet for investors, there are a few developments to continue to monitor going forward.

"A new Power Development Plan (PDP) was approved in early 2019, although it has not yet been officially

announced. The contents that have been made public indicate that Thailand will continue to explore alternative, renewable energy sources, in an ongoing attempt to lessen reliance on fossil fuels, particularly natural gas," Jessada says. "After the previous PDP was announced in 2014, there was a concerted effort to push through a significant number of projects. This could also be the case once the new PDP is made official. We view future energy development in Thailand as very positive."

INVESTOR MOOD

It's not just energy which is putting investors in an optimistic mood. Ongoing developments, including the aforementioned infrastructure work has kept the mood buoyant – particularly as they remain secure long-term projects in light of political uncertainty.

"On the topic of future infrastructure projects, we sense a positive outlook. All political parties favour infrastructure

development, so progress on particularly, EEC projects, many of which are already approved, is likely to continue without interruption," Jessada notes.

Offering advice for and investors, including in areas of "interpretation of Thailand's Foreign Business Act; potential impact of the new PDP program; PPP matters; merger control under the Trade Competition Act, new BOI promotions," and others, continue as normal.

"One ongoing incentive for infrastructure investors in Thailand has been the PPP Fast Track program, a government initiative that aims to eliminate red tape and bottlenecks commonly associated with the approval and development of major infrastructure projects. It can be anticipated that the new government, when confirmed in May, is likely to continue to support implementation of the infrastructure projects highlighted above – and, similar projects in the future," Jessada says. 



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