DEAR FRIENDS AND MEMBERS OF THE STCC

NANDOR VON DER LUEHE, DIRECTOR, VICE CHAIRMAN OF THE BOARD OF TRADE

Our President has been very busy and therefore he has assigned me the privilege to write this month’s newsletter.

The year we started out with calls for political reforms that finally led to the military takeover in May. The political division has hindered Thailand to move forward and instead of seeing that politics is supporting the economy we have seen in the past the contrary.

Luckily Thailand has shown her resilience and every time bounced back in a rather strong way but opportunities were lost.

Nevertheless the calls for reforms have to be heard and are important for Thailand to move forward – not only political reforms – but economic reforms which include some structural reforms. The political reforms have to be discussed and decided by the people of Thailand – as foreigners we might have an opinion but stay out of politics.

Political reforms are necessary and we have to get away from the patronage system enshrined in money politics and to move to a real democratic system. Even though chambers are not involved in politics we have to realize that some political practices and economics in many ways go hand in hand. Corruption and money politics – for example paybacks for political favors – have created monopolies and oligopolies and have distorted many
areas of the economy and are a hindrance to a level playing field. Politicians often behave like business people who are looking for their company’s or personal benefit – instead they should behave like economists who look out for the overall benefit and well-being of the economy, the country and citizens through encouraging competition and other actions.

Another area that needs reforms is corruption and the NCPO has announced to fight corruption as policy. An ABAC poll in 2011 showed that 64% of the respondents accept corruption as long as it benefits them too. Some other more recent researches have shown even higher acceptance rates. Corruption is undermining Thailand’s competitiveness and increases the cost of doing business. In 2013 Thailand was ranked 88th in the Corruption Perception Index (CPI) compiled by Transparency International (TI). Thailand was ranked the same as Malawi, Morocco, Suriname, Swaziland and Zambia – not necessarily a grouping that Thailand can be proud of. In 2014 Thailand slipped 14 positions and is presently ranked 102 – same as Ecuador, Moldova and Panama. Thailand has been very successful in developing the manufacturing sector and to set up a factory, Thailand is one of the easiest in the region. Thailand has managed to become the “Detroit of the East” and no matter what kind of political turbulences we undergo – it is a must for participants in the automotive sector to be a part in the value chain and to set up office in Thailand.

Unfortunately the services sector has not followed this success story and is underperforming. The most recent data from the World Bank “Ease of Doing Business” only underlines that we are slipping in our competitiveness. Thailand’s overall rating of 18th out of 189 economies is strong. Nevertheless we have to look at the weaknesses to realize where reforms are needed. Despite the fact that to set up a factory in Thailand is very easy and the BOI is a strong supporter to do so – the World Bank report of “Ease of Doing Business” highlights that starting a business in Thailand is ranked this year 91 down from 86 for 2013. The same trend is seen in access to finance and Thailand dropped from 71 to 73. We are moving in the wrong direction and Thailand’s competitiveness is at risk. This is mainly because the services sector remains protected and foreign participation under the FBA or any other related laws remains very restricted. In developed economies the biggest contributor to growth comes from the services sector and for Thailand to get

THE PRESIDENT’S MESSAGE

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MEMBER DETAIL UPDATES

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out of the middle income trap an opening up of the services sector is a must.

Thailand spends presently 0.37% of GDP on R&D whereas the OECD countries spend between 2 – 2.5% on R&D. The lack of innovation has been recognized by the NCPO and it is policy to boost R&D spending. The World Bank has conducted a study and the biggest impediment on the low R&D spending is lack of enough talents and access to finance.

Obviously Thailand experienced a crises and the military stepped in – we should keep in mind that we should not waste a good crises but look at the positive developments that can be achieved in this limited window of opportunities.

Some results have already been seen. In the old days the Board of Investment was under the Prime Minister’s office and the Secretary General had the same ranking as the Permanent Secretaries in the Ministries. This allowed the BOI to be on equal footing with the ministries and to make things happen. Unfortunately the BOI was moved during the government of Prime Minister Thaksin Shinawatra to the Ministry of Industry and the SG position was lowered. Consequently the BOI lost some of its influence and clout. The JFCCT under my leadership proposed to move the BOI back to the PM’s office but for political reasons it did not happen. This proposal was again mentioned to General Prayuth and the BOI is back to the PM’s office – very positive and fast decision taken by the General. Not to look for voters or to have to pay back political favors makes some decisions much easier. Other issues that are discussed e.g. to combine the Ministry of Commerce and Industry as it is the case in most countries would be another positive step of reform.

Thailand is among the very few countries where these two ministries are separate.

The foreign business community under the umbrella of the Joint Foreign Chambers of Commerce in Thailand has 30 member chambers representing about 9000 companies and is a significant stakeholder in the economy. The JFCCT has been engaged for many years on these issues and has recently submitted recommendations in twelve chapters which have been pro-
Provided to Prime Minister General Prayuth, Ministries, Departments and Agencies. Changes in customs, banking and financial services, infrastructure, good business principles and practices, tourism, ICT, aviation and other areas are included. For detailed information please use the link below.

--> Link

The Swiss Thai Chamber of Commerce as well as the Joint Foreign Chambers of Commerce are always looking for talents and contributions to participate in committees and to develop position and policy papers to move Thailand forward. The link below shows that Switzerland has many talents – unfortunately the interview is in Swiss German – nevertheless worthwhile to look at it.

--> Link

Herewith I would like to tap into the pool of talents of the STCC and invite members to actively participate in the STCC and the JFCCT and to contact our President to get involved in the many areas of concern for the business community.

With best wishes
Nandor von der Luehe

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INTERN

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Fax: 038 656 050
e-mail: paul.sharp@advaltech.com and sales.thailand@advaltech.com
website: www.advaltech.com

Representatives:
Mr. Paul E. Sharp, General Manager, British, in Thailand, and Mrs. Valeria Poretti, Head HR + Corporate Communication, Swiss, in Switzerland

Activity:
Adding value through innovation – that’s what Adval Tech stands for. We are a globally active industrial partner for components and for high-performance mold-sand production systems. We manufacture metal and plastic high-volume components. In the components business, we focus on the automotive market and on applications that are comparable with those in the automotive industry in terms of quantities, quality requirements, life time and production processes.

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Underground Cargo Freight
Singapore
ECONOMY REPORT BY DEUTSCHE BANK

IS THIS TIME DIFFERENT?

• Economic outlook:
  Growth may bottom in Q3, but the outlook for 2014 remains grim with a myriad of domestic and external headwinds.

• Main risks:
  Political transition may not be smooth; investment recovery may run into administrative hurdles, fiscal situation could continue to worsen as the cost of price control and other supporting measures mount.

The stabilization of the security situation and quelling of political unrest since late May have provided much needed breathing room to the economy. Consumer sentiment has recovered, investor sentiment has been revived, and flows have returned. With the new regime keen to get investment going and inflation and rates remaining in comfortable territory, one can see the makings of a bottoming-out of the economy. Thailand’s longstanding economic anchors--tourism, manufacturing, trade, and regional demand--have the potential to provide traction for a broad-based short-term recovery.

Efforts to stabilize and revive the real economy

With the military leadership receiving royal endorsement to form a cabinet, consisting of a large number of active or retired members of armed forces and some bureaucrats, there is now clarity about the make-up of the government. Some of the more well-known technocrats, who some might view as necessary to chart the course of the envisaged investment revival, are not part of the new cabinet. We nevertheless recognize the value of at least filling a governance vacuum that had been persisting in recent months.

The state of the economy remains precarious but there are some tentative signs of a bottom. First, we focus on the positives. Markets have rallied and confidence readings (both consumer and business) have improved since May. Some parts of the industrial sector (such as hard drive, integrated circuit, and rubber/plastics) have undergone production acceleration. Electricity consumption is up, the private consumption index is no longer in negative territory, and financial market conditions (rates, liquidity, inflation and exchange rate) remain in comfortable territory.

On the negatives, the list is
still long. Data through July show poor exports, investment, and tourism, and it remains to be seen how much improvement takes place in the coming months. On trade, Thailand’s poor exports figures (both value and volume in negative territory through July) reflect weak demand from the US and China, with no clear sign of a turnaround. On investment, while the government is trying to expedite project approvals, it will take a while before execution begins and private sector participation is cemented. It also remains to be seen if the new cabinet is skilled at dealing with the complexity of large scale investment projects (e.g. dual tracking, high speed railway, and port renovation). Tourism is likely to remain hampered by caution expressed by travelers about the political situation, notwithstanding the authorities’ efforts to ease travel related logistics.

Against this backdrop, we see no more than 1.5% real GDP growth rate this year. Base effect and a cyclical recovery in consumption and investment could pave the way for 5% growth next year. Inflation will be around 2% this year and 2.5% next even as the economy picks up, reflecting price controls and a subdued global commodity price dynamic. Assuming exports and imports recover, the current account would hover around a surplus of 2% of GDP. We however see risks of fiscal slippage (perhaps 3% of GDP this year and 2.5% of GDP next) as the government boosts spending and eases taxes to get the economy going.

**Fiscal**

With weak economic growth persisting through this year, we see considerable fiscal slippage risk with the deficit likely to exceed the budget target by THB100bn. We may see efforts to ensure fiscal discipline, but the government will face the difficulty of needing to spend to support the economy.

Further fiscal stimulus is likely in the coming years if the economy doesn’t show signs of picking up. We won’t rule out further support for consumption and investment, although it remains to be seen if such measures would come with further risk of fiscal slippage. While we don’t expect another car buying tax credit scheme, support for the rural population through cash transfers may well be on the cards. On the revenue side, the authorities may revisit land taxes, which could help local government finance and may be astute from a political economy angle. VAT increase could be another option that may be needed for restoring fiscal discipline. Some reform is critically need-
ECONOMY REPORT BY DEUTSCHE BANK

Trade

Trade, for decades an anchor of the Thai economy, is facing cyclical and structural challenges. Weak prices for rice, seafood, and rubber are hurting exporters, while the electronics sector is facing weak demand, stiff competition, and shifts in industry trends. Many electronics products that have supported exports in recent decades (disk drives, for instance) are seeing waning structural demand, necessitating reorientation of production.

One bright outlook for trade is the fact that the immediate neighbors (Myanmar, Cambodia, Laos, and Vietnam) have rising demand for goods and services produced in Thailand. With proper infrastructure development, Thai exporters could gain substantially in becoming the key supplier of the fast growing Mekong delta region.

Monetary and financial sector

Persistence of a wide output gap, weak commodity prices, and a number of price control measures have made the inflation situation benign for the time being, and we see little upside risk through 2014 and 2015. Since May, price controls have become rather aggressive; notwithstanding the adverse fiscal implication, we expect inflation to be restrained from these measures.

There are three areas of consideration for the medium term inflation outlook: (i) timing and magnitude of fuel price adjustment (especially die-
ECONOMY REPORT BY DEUTSCHE BANK

Sel and LPG), (ii) VAT increase (perhaps in late 2015), and (iii) civil service wage increase. In all cases we don’t see the current path of inflation (2-2.5%) changing materially until 2016. On the direction of the baht, the BoT may well allow the exchange rate to depreciate if inflation remains benign. Recent years’ wage increases and lack of productivity growth have caused competitiveness to wane, which could be ameliorated to some extent by a weaker baht. With the current account likely to remain in surplus territory, the scope for exchange rate depreciation however may be limited. Beyond inflation and FX, there are lingering concerns about the financial sector. Thai

### Thailand: Deutsche Bank Forecasts

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<td><strong>Real GDP (YoY %)</strong></td>
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<td>Private consumption</td>
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<td>Government consumption</td>
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<td>Gross fixed investment</td>
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<td><strong>Prices, Money and Banking</strong></td>
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<td>CPI (YoY %) ep</td>
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<td>1.8</td>
<td>2.7</td>
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<td>CPI (YoY %) ann avg</td>
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<td>Bank credit (YoY %)</td>
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<td><strong>Fiscal Accounts</strong></td>
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<td>Central government surplus</td>
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<td>Primary surplus</td>
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<td>Merchandise exports</td>
<td>225.9</td>
<td>225.4</td>
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<td>245.0</td>
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<td>228.4</td>
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<td>19.5</td>
<td>15.6</td>
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<tr>
<td>% of GDP</td>
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<td>1.8</td>
<td>5.1</td>
<td>3.8</td>
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<td>Current account balance</td>
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<td>-2.5</td>
<td>7.0</td>
<td>5.0</td>
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<tr>
<td>% of GDP</td>
<td>-0.4</td>
<td>-0.7</td>
<td>1.8</td>
<td>1.2</td>
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<tr>
<td>FDI (net)</td>
<td>10.7</td>
<td>12.8</td>
<td>12.0</td>
<td>15.0</td>
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<td>FX reserves (USDbn)</td>
<td>181.6</td>
<td>187.3</td>
<td>172.0</td>
<td>180.0</td>
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<td>FX rate (eop) THB/USD</td>
<td>30.7</td>
<td>32.4</td>
<td>32.0</td>
<td>32.5</td>
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</table>

### Debt Indicators (% of GDP)

- Government debt: 45.4, 45.3, 46.6, 46.7
- Domestic: 43.3, 43.4, 45.6, 45.7
- External: 2.2, 1.9, 1.0, 1.0
- Total external debt: 35.3, 36.7, 36.4, 35.6
  - in USDbn: 130.7, 135.0, 140.0, 145.0
- Short-term (% of total): 44.5, 45.0, 45.0, 45.5

### General

- Industrial production (YoY %): 2.5, 2.6, 1.0, 5.0
- Unemployment (%): 0.8, 0.8, 0.9, 1.0

### Financial Markets

- BoT 12m repo rate: 2.00, 2.00, 2.00, 2.25
- 3-month Bibor: 2.20, 2.15, 2.30, 2.60
- 10-year yield (%): 3.48, 3.55, 3.66, 3.85
- THB/USD (5-year): 32.1, 32.0, 32.3, 32.5
banks and non-banks have lent heavily to households in recent years, raising question about their exposure to rising global interest rates. Even if rates don’t rise soon, household income may struggle to keep pace with debt service requirements. If the economic cycle does not improve considerably for a number of years, banks may remain under pressure, in our view. Loan growth is no longer robust, which means banks may not be adding risk, but how they deal with legacy loans (options include write-off, restructuring, roll-over) would be critical for the economy in the coming quarters.

**Looking beyond the near-term**

While the near-term outlook has improved, there are considerable medium term concerns, not least of which is the challenge of transitioning to an accountable, sustainable, and stable political system. Efforts to control inflation through price controls are bound to have distortionary effects and adverse fiscal implications. Push for a cyclical turnaround could delay addressing critical structural issues such as aging, productivity, and competitiveness. High household debt and the risk of a possible rise in global interest rates could slow the recovery, eliciting possible policy stimulus measures from the authorities who may keen to produce quick dividends.

Thailand has unfortunately been at this juncture of political uncertainty followed by periods of military rule many times in recent years, which makes it a challenge to be optimistic about the direction of the political economy. We remain concerned that the ongoing relief rally and economic recovery due to the arrival of the military junta could fade if long-term challenges are not addressed expeditiously.
This month, our article focuses on the various legal issues involved in the civil union of two people under Thai law. This article serves as our first part in a three part series on marriage where we cover how one gets engaged, married and divorced under Thai law.

It is not uncommon in Thailand for foreign men to seek Thai wives to be their life partners and vice versa; be it in Thailand’s beach resorts, restaurants, online dating websites and (alas) bars, men and women take part in a treasure hunt to find their soul mate. This month we look to lay out the relevant Thai law which governs the relationship between man and woman in the preparation of their marriage. Unlike many foreign countries, there are two forms of marriage in Thailand – civil marriages and traditional marriages. These days it is common for couples to do both; a generation ago many couples favored traditional ceremonies without ever having entered into a civil marriage. The differences matter. A marriage by way of a traditional ceremony may have profound moral, emotional and religious meaning for the lucky couple, their families and their God, but it has no legal import. Only a civil marriage, registered at a district office in Thailand, has legal effect. This is comparable to other cultures in which a couple may choose to wed before a pastor in a church to fulfill their religious duties, but must have before or subsequently registered the marriage to achieve the intended legal effect.

As with tradition in other countries, a wedding in Thailand, irrespective of being a civil ceremony or traditional ceremony, is done in 3 stages: the betrothal (i.e. engagement proposal), the marriage and the reception. For the purposes of this article we will be dealing with the betrothal stage and the marriage itself.
Interestingly, the betrothal (i.e. engagement) is treated by the Civil and Commercial Code (the “Code”) as a contract between the fiancés; though the betrothal does not give rise to an action for compulsory performance of the marriage, the parties may claim compensation in situations where there has been a breach of the betrothal agreement.

First it is important to consider whether the couple is legally permitted to get married. In order to legally enter into a betrothal agreement both man and woman must be at least 17 years of age. Generally any betrothal made when either party is under this age is void, unless made after obtaining consent from his/her parents or guardians.

The Code states that the betrothal is not valid until the man gives the woman property (known as the “Khongman”) as evidence that the marriage will take place. In addition to the Khongman, the man is also required to give a “Sinsod” to the wife’s parents in return for their daughter’s hand in marriage. Despite essentially being a “dowry” in this modern age; the Sinsod is often then given by the recipients – the wife’s parents – to the new couple as founding assets for the marriage. Unlike dowries in other cultures such as India, the Sinsod is negotiable and the amount given to the woman’s family is reflective of the woman’s education, status and any previous marriage/children she may have.

As the betrothal itself is considered to be an agreement, the Code provides guidance as to when the Khongman or the Sinsod should be returned, and when they can be retained in the event of a breach of a betrothal agreement. For example, if a woman commits a breach of the betrothal agreement and the marriage is subsequently called off, the Khongman is to be returned to the man and the Sinsod is probably also repayable. In certain situations, should either party commit a breach of the betrothal agreement, such party shall be liable to compensate the other.

The Marriage

Civil marriages in Thailand, whether between Thai nationals, foreign nationals or one of each, are governed by the Code. The civil ceremony involves a trip to the local “Amphur” or “Khet” (district) office, where the couple stands in line and submits the relevant paperwork and fees. The Amphur or Khet office then issues a marriage certificate and the couple is then deemed to be married for the purposes of Thai law. As with the requirements on betrothals, the Code requires that the man and woman: (i) both have attained 17 years of age (or have parental consent); (ii) be of sound mind; (iii) not be related to one another; and (iv) not have a spouse at the time of marriage. Should the couple meet these criteria they are permitted to give a declaration of their union before the registrar. The declaration is given by both parties consenting to take one another as husband and wife; legal consent to marriage is given by affixing a signature in the marriage register.

Historically, Thai wives in a civil marriage had to change their last name to demonstrate to society their union with their husband. A 2005 amendment to the Personal Name Act B.E. 2505 (1962) removed this requirement, but the practice remains common.
NEWS BY DFDL

In a civil marriage husband and wife are in many ways treated as a single legal entity, such as in relation to medical decision making, taxes, survivorship and property rights. The rules regarding property are particularly complex, and to avoid these common property rules some Thai couples still eschew civil marriages.

Society’s bellwether, the Oxford Dictionary, recently revised its definition of marriage to include same sex couples. Yet despite the great tolerance in Thai society for same-sex couples, Thailand’s Civil and Commercial Code still restricts marriage to a union of a man and a woman. However, same-sex couples are still able to get married in Thailand by way of a traditional ceremony and may live and reside together in their matrimonial home as married in the eyes of (most of) society, but not the law. Similarly, though some jurisdictions like Australia have made it possible for two individuals to get married without ever having to attend a traditional or civil ceremony, these “de facto relationships” or “domestic partnerships” are not recognized by Thai law.

Now that we have dealt with the “how” of marriage, next month we will look to continue our series on marriage to delve into some of the related issues that come with the institution of marriage. Stay tuned!

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Anti Corruption day “Hand in Hand against Corruption”, organized by ACT, the Anti Corruption Organization of Thailand: All Foreign Chambers of Commerce have been invited to join the Anti Corruption event on September 6th at the Centara Grand Hotel, beside of Nandor von der Lühe I have not seen many foreigners. Nevertheless it was worth to participate.

Some time ago I wrote a little article concerning the so called “Military-Coup” in Thailand, citing the old Chinese book “Art of War”: The Book states, that the best of all Generals is not the one who wins all battles, but the one who avoids them; the danger in Thailand that Red - and Yellow Shirts would start a civil war was rising at the beginning of this year. General Prayuth Chan-Ocha acted according the old advice. Before taking over, the General tried to bring the two parties together hoping they would find a workable solution for the country. However the two movements could not find a way out of the crisis, they have not been able to overcome their mutual problems, so the army had to take over to maintain peace and order in Thailand.

Since the Military takes care of the country, peace and order is re-established. The National economy, hotel and tourist businesses are recovering.

General Prayuth Chan-Ocha is actually officially approved by the King as prime Minister. He mentioned during his speech at the Centara Hotel that he and his Government have not to care for votes, their goal is to work for the country and not for whatever political colour. It is worth to mention that he and his government are supported by more than 70% of Thai citizens. He can be regarded, not de jure but de facto, as a democratically elected leader of the Nation. General Chan-Ocha has promised that his government regard the fight against corruption as a national agenda assignment and a key element of national reform. The target of the government is to become a corruption free Country. That will not be easy, but 44% against 41% of Thai citizens believe, according to “The Nation” (September 6th, 2012), that the fight against corruption will continue even after General Prayuth will step down.

ACT chairman Khun Pramon Su-tivong informed that, during the past years, Thailand dropped in the scale of corrupted countries.
from place around 75 to 103 (CPI) in the year 2013. It was mentioned that over the four past years the social attitude towards corruption has shifted from the realisation of considerable damage caused by corruption to an absolutely intolerable situation in the country. The worsening corruption has led to political unrest, a division between people in the country, social inequality, and a bad image of Thailand in the eyes of many foreigners and almost all foreign Nations.

The secretary-general of the National Security Council said that human greed was beyond anyone’s imagination, however I think a bit is of course as well due to human nature. “Under the table money” seems to account for 20 – 60% of the cost of projects! National Security Council states that it is time to come to kill of the poisonous snake of corruption.

Commerce Ministry permanent secretary Khun Chutima said to prevent corruption in the long run is vital. Corrupted jobs are not optional. It was said: “Every citizen of Thailand has the duty to help to clean up the country so that it becomes free of corruption.”

Thai Chamber commerce president Khun Issara said the agency was determined to build a corruption-free society and instil Thai people with honesty and integrity, and the Federation of Thai Industries President Khun Supan states corruption would not be wiped out if not attacked at the root and, additionally, without harsh punishments being imposed.

At noon time we were invited to a buffet lunch. After the really excellent lunch we started discussing the problems in groups. I joined a group looking for measures to fight corruption.

Some thoughts and ideas based on our discussion: I believe that the sign of the two fists and the slogan Hand in Hand is somehow contradictory, even if one fist stands for the fight of government corruption and the other fist for corruption in private industries: “It could be more effective to offer a hand helping our sisters and brothers out of the mud of corruption”. A reason for corruption might be the rather low salaries of government employees; it is maybe too easy to seduce people who have financial problems. It might be important as well to mention the quite low salaries of teachers, a lot of them quit due to a much higher salary they can get in private sectors. Well educated and well paid teachers would improve education; well educated citizens of Thailand would maybe become less corrupt. Last but not least: somebody mentioned that it is intolerable and shameful for a Buddhist to accept “under table money”.

The event was accompanied by performances of schoolgirls and schoolboys singing anti-corruption-songs, and it was said many times how important the fight against corruption is for the future generations.

Coming to an end I like to quote “The Nation”: “Some 78% of respondents in a recent poll said they believe corruption will gradually be reduced now that Prime Minister Prayuth Chan-Ocha has taken over running the country.” I hope the trend will sustain, even after the next democratic elections. I wish it for the country I love so much!

Markus Ruprecht
**MARKUS RUPRECHT**

**Name or Alias**
Markus P. Ruprecht (P stands for Papasaro, the name I got during my 9-week-sabbatical at Wat Glang in Chanthaburi, it was a wonderful experience to life as a Buddhist monk).

**Occupation / Employer**
Basically retired, still working for PPP Switzerland, and still taking care of my little publication company.

**Languages**
German, French, English, Thai

**Family & Home**
My wife and my daughter with her family are living in Switzerland, my son with his family in Chanthaburi, South East of Thailand. I am living with my ALP in Bangkok.

**Years in Thailand**
In 1978 I started making business with a Swiss-Thai company. 1992 I moved to Thailand and became a partner of my business friend.

**Favorite restaurants in Thailand**
I like to cook Swiss and French food myself, and my ALP makes very good Thai food. However I like the excellent “Stammt”-Buffet at Amari and Rafael’s “Grottino”.

**How do you spend your free time?**
I am reading and writing, playing Golf enjoying the beautiful Golf courses in this beautiful country.

**Which book or movie would you recommend to your friends and why?**
I read many hundreds of books, however there is only one on top: The “Tao Te King” written by Laotse. Movies: I created for myself a top ten list of movies, beginning with four Charlie Chaplin movies: “Gold rush”, “Modern times”, “City lights” and the “Great dictator”.

**If you had a million dollars, how would you spend it?**
I would not change my lifestyle; even if I had 100 million dollars.

**If you had the power to change something in Thailand, what would it be?**
It is not up to me to change whatever thing in whatever Nation except in Switzerland. But I would like to change the World, praying for Love, for Peace and for Wisdom.
RIS SWISS SECTION DEUTSCHSPRACHIGE SCHULE BANGKOK

CHARITY ACTION – DONATION TO THE SPARROW HOME

On Tuesday, 2nd September 2014, we handed over an amazing donation amount of THB 26,142 from the auction of pictures by the famous German children’s book author Helme Heine to the Sparrow Home children’s home. Mrs. Monika Dettmann from the board of Sparrow Home visited our 5th and 6th graders and informed them about the daily routine at the children’s home. Every baht donated is needed to cover the running costs. The students had prepared questions and listened carefully to Mrs. Dettmann.

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VISIT OF SWISS AUTHOR — A POETIC MORNING WITH ZOË JENNY

On 18.09.2014, RIS Swiss Section – Deutschsprachige Schule Bangkok hosted Swiss author Zoë Jenny. Visiting authors and journalists are not uncommon for the school and are a great opportunity for the students to meet creative and innovative people in person.

During her visit, Zoë Jenny read from her latest collection of short stories and shared her tips for starting a career as a professional author with the attending students from grades 10 to 12.

Zoë Jenny was born in 1974 in Basel, Switzerland and spent parts of her childhood in Greece and Ticino. Her first novel, The “Pollen Room” (1997), won her global critical acclaim and is the all-time best-selling debut novel by a Swiss author. Translated into 27 languages, the novel propelled her across the globe for readings and talks in schools and universities as far away as Japan, China and the USA. Zoë Jenny has published several highly acclaimed novels. “The Sky is Changing” was Zoë’s first novel written in English - seeing her become one of the first authors to write and publish novels in different languages in original form. She lived in many different places, among them New York, Berlin, London and Florence, and now resides with her partner and daughter mainly in Zurich, Switzerland.

Zoë Jenny was reading from her new oeuvre „Spätestens morgen“, a collection of short stories. Through her authentic reading and the open-minded was in which she answered students’ questions, she created an inspiring and insightful morning for the audience. RIS Swiss Section – Deutschsprachige Schule Bangkok was able to host Zoë Jenny with the generous help and support of the Swiss Embassy in Bangkok.

Important events in the first semester of the new school year:

- 14. 10. 2014 Annual General Meeting SEA
- 29. 10. 2014 Open House Day
- 06. 11. 2014 Loy Krathong Day
- 14. 11. 2014 Lantern Parade (KG - Grade 3 - evening)
- 09. 12. 2014 Sports Day
- 18. 12. 2014 Christmas Party

Please visit our website www.ris-swiss-section.org and get more information about our upcoming events.
The story of the development from France to Thailand of a scientific service business: A pioneer road made of lessons, flexibility, and lot of energy and thinking!

Just closing my mails after answering few questions from a potential customer, I just realize that explaining the job of my company InS Thai Ltd to Thai industry requires always lot of time and explanations.

Not because our offer is complex, but mainly because we are often compared to standard analytical service providers. This happens up to the time our potential customers start working with us. Then they discover something else.

It just gave me the feeling that I had to share my story. Maybe it would be better to start by asking: “Who are we?”. And this story started 13 years ago.

Being Hi School diploma engineer in chemistry and occupying various jobs from R&D up to operation Direction, passing through some marketing and commercial management stages, I always kept in my heart my passion for Science and research and developments. I passed my career seeing the powerful evolution of scientific tools offering more and more capabilities to.

Always, I suffered a lot, in many situations to see the inability of the product or technologies supplied by specialized companies to answer fully to the crucial demands from their customers. Just simply, because their laboratories and technical facilities were dedicated only to serve their range of product.

I saw so many company managers, in charge of production quality or R&D, trying to solve development issues or painful and costly quality issues or unexplained production problems, failures, non-conformities etc.

In fact, most of my customer had problems and the only thing I could do were trying to answer through better performance products. How could it make sense when the real problem was linked with the material itself or its surface on which the product is applied?

Then the only possibilities for my customer was to work through a full network of partners, private or institutional entities and universities to collect a wide set of important data that he had to later synchronise, synthetize for elaborating solutions. Complex, time consuming, major risk of mistakes, misleading, possibility of ignoring project killers in addition of unpredictable long answer delays. What a nightmare!

That was the root for an idea growing in my mind: creating a scientific and technical private entity, with my own equipment and specialised scientist staff, aiming to make the life of all these engineers and managers a lot easier and more efficient, and why not enhancing their product image and help their marketing. And this meant for the concerned industries, saving a lot of money.

For being their partner, I would have to build a set of laboratories covering all needed sciences and technologies with all the needed staff to cover so many different sort of industries.

At that stage, I must precise that the company cannot cover “All” sort of issues by saying that we work in the sector of material science (Polymers, metals, elastomers, glass, enamels, ceramics, composites, fabrics, etc.), surface that we call the “evil” part of the material with its complexity of structure, morphology and composition, and all phenomenon happening between these materials that we call the mechanics of contact.

Whatever is the problem, friction, breaking, lubrication,
wear, wetting, adhesion, conductivity etc., we should be in the position to answer industrial needs.

Having said that, I would have then to offer to the industry an easy way to approach their problems and projects: “Have only one person to take in charge the overall project, as a one stop scientific service, and coordinate efficiently our own comprehensive set of labs, our multidisciplinary labs with own designed methodology as a key of success”.

Good Slogan, but when I provide in an offer the details of our solution finding program, people come back to ask about the cost of our analysis!

Oops, obviously, I missed one basic point in my communication: I need to explain them that I sell a full answer to their problems and that if it requires one two or 10 or 20 analysis and testing, it should not be their worry, and that our quote is not depending on that factor but on our estimation on the full work and approach, defining the tests volumes and nature, with our unique methodology. We sell understanding, know-how building and solutions.

We are definitely not test and analysis providers, many very good companies are existing and do that job. We do not compete with them. We are developers, not researchers but finders, we are problem solvers.

13 years ago, this lead to the creation of a Scientific holding company Crescent which exists only to serve the industry for their problems and projects realization. This company is managing InS France, InS Thai Ltd and EMTT (France), the last one being more specialized in metallurgy and thermal treatment.

Which private company, working independently from any product or technology production and offer can be such partner? Nobody, and this is what makes InS unique in the world. We are here to find fast the best solutions, understand the reasons for issues, curing the problems for long term, innovating, building the needed products or technologies or selecting and benchmarking them on the market at the best conditions of price and excellence.

By the way, what does it mean: problem solving, what does it refer to?

InS is composed by a multitude of expert scientists organized in project mode, who just understand the industry and its constraints. They have most sophisticated equipment resources to go to details up to the atomic size level and find what causes the troubles or what can make the performance of a component exceeding expectations. Two sets of labs in France and on in Thailand for covering Asean, has gained a definitive interest from most famous groups such as Zodiac, Valeo, Vallourec etc.
After many years developing our offer in Europe, we covered so many cases, met so many different industries, that we have now quite a large set of realized solutions. It means troubleshooting in partnership with the client, finding why he has a corrosion in a brazing area and find a solution, identify super small vanishing particles polluting huge bulk quantities of shampoo, finding which mechanical part were getting wear through quite sophisticated analysis which allow them to identify it and replace, or expertizing why and find solution for cancelling the premature break or a noise issue of a polymer gear system in an automotive component.

It means particularly developing solutions for our client using innovative or creative approach up to disruptive technology. This can apply to aeronautical or air power generating bearing system, solving problem of wear and friction through treatment of the material, the surface treatment and building the interface solution, or working on developing fluids and coatings used in oil drilling technology in order to meet the latest hi performance constraints. In our development activity, our company produces 3 to 4 patents per annum for our customers.

There can be so many situations, but, respecting one of our key rules, everything is kept confidential. After having obtained a quite powerful growth of this concept with associated success in large companies from aeronautical industry, automotive, component manufacturers, oil and gas, optical, chemical industries, I felt that I needed to strengthen our business by being positioned outside Europe, particularly in geographical sectors that had a quite high rate investment and economic growth level.

Five years ago, I chose to start this project in South East Asia, more particularly in Thailand. That was the start of a second, long and interesting story, like a pioneer who wants to develop a concept absolutely unknown in a country where the population culture, work customs and company cultures are completely different from what he is used to.

Not only a challenge, it was a real road of humility, mind opening and patience that I entered by creating InS Thai Ltd 5 years ago.

Many persons ask me “why Thailand?”. When they ask me that, I wonder if at the same time they think about the lovely beach and resorts, the palm trees, the nice and reach culture full of beauties and colours. My answer is quite simple when I describe how huge are the industrial estates, that are developing on several hundreds of kilometres and in all direction, also now in country big cities. I worked already in Thailand for about twenty year in my previous jobs, and I was impressed by the level of equipment and volumes existing, the level of growth of the country, including the fantastic opening of the companies, always ready to listen to your offers and your services.

Starting was easy, through the French Embassy and its Economy Mission, the Thai French chamber of commerce, the Thai French innovation Institute, a lawyer, an expert accountant.

I just underestimated two points: the specificity of the human resources, and the way the industry would understand our offer and evaluate it.

What to say when you discover the staff turnover can exceed 50%? How to build stability? How to recruit the right persons, when the education system does not provide the same profile than what we can get in
MEMBER CONTRIBUTION

Europe. I do not and will not start a critical analysis on this subject, there are enough papers and books on this matter. I just want to say that we need to understand that it is different and have to setup our organization by taking it into consideration. There are a lot of brilliant candidates for many specialties but getting it compatible with our usual needs and serving our so peculiar business models has been quite complex. The solution was to adapt to it, training the staff sometimes in France to our model, getting Thai candidates having their degree in Europe, setting up an organization and conditions being a real value for them and maintaining them inside the company. Stabilizing staff and reducing its turnover is not only a question of level of wages particularly in a country where unemployment is very low. It is a mix of several parameters and from what I know from other companies including big groups, we were not the only one to experience it. We maintain a good spirit, good employment conditions, high respect of Thai persons and their culture, but the recipe is quite more complex and we had to learn with time.

The second issue was: was the industry really ready to receive our sort of offer? The situation is not as drastic as in Russian Federation when we started our activity and where the industry just do not accept to pay a consulting company for problem solving. In Thailand we met the situation where people understand our laboratory as to be similar to those they are using for analysis. Actually there are lot labs in Thailand, mostly financed by the government and with really high tech equipment, but they give just test or analysis results with no guidance of advice on the accuracy of the choice of analysis, and mainly they do not provide recommendations. What to say when sometimes we have to repeat an analysis 10 times with different parameters in order to get a solution?

We can also answer that we may decide to analyse as many time and with as many ways we want during a project, up to the time we understand their problem: This is in our quote and there is no surprise. Despite they have a predicted opinion, we often tell them not to do certain analysis and propose what they really need. In other words, when they ask to analyse a certain problem, we ask first: what do you want to know?

We also face also a company organization problem where the budget for exceptional expenses is quite locked despite sometimes huge waste of money due to a long lasting issue (The priority for them is to solve their problem using their internal resources). Therefore we often need to deal at decision level, general managers, quality management, production, R&D man-
agreement because they know and evaluate what is the cost of not finding, or doing wrong, or not solving or improperly solving problems. Then they can make decision that are keys of success for them.

We also had to face these issues by building proper communication media, training our lab and sales staff to our methodology, adapt our communication and approach. Fortunately, the experience shows that after tasting success, our clients keep loyal because they measured directly their benefits and this is particularly true in Thailand.

This adventure in Thailand, which is quite successful now, had a very positive impact on our group as we learned a lot about how to make our services better, understandable and clear. At this stage on our road of development, we have still many things to learn, but we know now that there is a room for a successful development of our concept of “Unique Scientific Partner for the industry” at an international level.

Thailand is a fantastic, open country for a large number of activities. Getting success is just a question of attention, patience, open mind, humility, tolerance and, be sure, loads of energy. And it is all worth it.

InS is now entering Vietnam. This will be another story to be followed soon.

Eric GARD
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ขนาด 18.9 ลิตร