

Abstract

The study of "Chinese Foreign Direct Investment in Thailand and its Impact on Sino-Thai Relations" aims to examine the motivation of Chinese foreign direct investment in Thailand, and to investigate to what extent that Chinese foreign direct investment factors in Thailand partially supplement the Chinese investment in Thailand, and to study the impact of foreign direct investment on Sino-Thai relations. This study is conducted by qualitative method by employing documentary research and in-depth interview. Three major results include:

Firstly, Thailand and China have established strong connection in economic, political, and socio-cultural aspects for a long time. Both countries started their diplomatic relations in 1975 and have sustained their relations until recently. During 1975-2002, Chinese investment in Thailand was the fifth-largest of the world and the first-largest investment in ASEAN. Since Thailand is advantageous over other ASEAN countries in political, economical and socio-cultural perspectives. The two countries have close relations with strongly bound connection and assimilated with each other in resolute in terms of socio-cultural aspects rather than any others. Chinese foreign direct investment (FDI) in Thailand is determined by diverse strategies, namely, "Go Out Strategy", the investment in the foreign countries, economic cooperation between China and ASEAN, and Sino-Thai cooperation within Greater Mekong Subregion Framework. These are China's significant mechanisms in expanding the investments. Thailand is highly potential in geo-strategic, geo-political and geo-economic aspects as investment base facilitating the distribution of merchandise to ASEAN and world market.

Secondly, Chinese foreign direct investment in Thailand has significant growth rate after China has become the member of the WTO in 2001. Since their China has played an important economic and political role. China's reserve has the most international reserve in the world with continuously economic growth. Moreover, it has many potential corporations, capital, technology and experience as well as Foreign Direct Investment policy. Motives behind her investment in Thailand are to find market in

Thailand and ASEAN, resource and materials such as rubber, oil and natural gas, and cereals. Thailand's location is advantageous in term of geo-strategy in the region. In addition, China has been supported with the policy and the privilege by Thailand and ASEAN members.

Thirdly, Chinese Foreign Direct Investment in Thailand has many advantages in political, economic, and socio-cultural factors since both countries have close political relationship due to mutual political interest and national security in 1980s as strategic partnership. After the 1990s, Thailand and China economy had shared some interest. At that time, Thailand had supported China in establishing her relation with the ASEAN country members as economic partnerships. The socio-cultural factors are that there are a large number of overseas Chinese in Thai society, who can link economic relations between Thailand and China. In regard to the impacts on Sino-Thai relations, after the investments Chinese brands, arts, language and culture are distributed throughout Thailand. It can be concluded that there will be an increasing number of Chinese Foreign Direct Investment in Thailand with an implementation of Sino-Thai relation policy based on shared interests in security, politics, and economy.