Karri Kivela – Executive Director, European Association for Business and Commerce (EABC), Thailand



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Karri Kivela, executive director of the European Association for Business and Commerce (EABC) in Thailand outlines the organization's mains activities, the ease of doing business for European companies in Thailand, and how Thai-European trade has evolved.

Could you please provide us with a snapshot of the EABC along with some of the initiatives you are the proudest of?

The EABC is representing the interests of the European business community in Thailand. The EABC work is unified in 12 working groups through which we do advocacy for our members – our members being European companies operating here in Thailand. We understand Europe as the countries in the European Economic Area (EEA). Some of the Eastern European countries are not included, but we do include Switzerland and Norway, for example. We are not a political entity like the EU. Whereas the bilateral chambers here work with their members and in bilateral trade, helping Thai companies to go to Europe, we more or less only conduct advocacy work for the European companies with the Thai government.

Our advocacy work starts by publishing position papers. But we want to go a step further. After we have done this, we want to organize meetings, hearings, or roundtables, and then we want to have Thai counterparts, maybe not the ministers, but the executive people attend.

What are the 2019 priorities for Thailand?

Education is one of the top priorities in Thailand. There need to be greater levels of education in order for Thailand to be able to better face the upcoming challenges and for Thais to get hired by companies operating in fields such as AI or robotics. That is what the ‘Thailand 4.0’ plan is aiming for. But it all comes down to the fact that Thais do not speak English well enough. One of the biggest problems is the lack of knowledge of the English language. Native or fluently English-speaking teachers are needed from the early stages. Now the big companies are providing vocational education themselves. German companies have done it for a long time. International companies have opened their training centres. Often, these companies work with universities. Thai universities working with European and global universities would help a lot in developing this country, starting with university cooperation. It is happening all the time, but it should be happening much more.

Thailand is now the second-largest economy in ASEAN and climbed to number 26 on the World Bank’s most recent Doing Business index. What makes Thailand an attractive investment destination?

First of all, the country is well located geographically. Then, it is peaceful compared to other countries in the region such as Myanmar and the Philippines and doing business here is relatively straightforward. Furthermore, Thailand is an enjoyable and safe place to live in.

However, it is not without competition in ASEAN. Vietnam is enjoying an investment wave at the moment and studies suggest that that the region’s automotive industry is shifting from Thailand to Vietnam, partly due to cheaper labour. Malaysia is also a serious competitor with a more developed economy than Thailand.

How does the EABC fit within the landscape of chambers of commerce in Thailand?

We welcome companies as our members. Most of our members are companies from Europe.

The Joint Foreign Chambers of Commerce in Thailand (JFCCT) on the other hand has chambers of commerce all around the world that operate in Thailand as their members. We are the Voice of the European companies in Thailand. We provide membership discounts to those European companies

that are already members of any of the bilateral European chambers in Thailand.

Which sector seems to be the most promising in Thailand at the moment?

I think the health sector is one of the most promising at the moment, we have a working group focused on “Healthcare and Pharmaceuticals”. We are trying to provide a better understanding of the sector to the European companies who would like to come into the market. Thailand stands to benefit from the changing business model of innovation in the 21st Century. Thailand aims to become a regional leader in healthcare services and medical research and development. Improvements should be done, such as fostering investment attractiveness for innovation and research collaboration or enhancing regulatory ecosystem and removal of technical barriers to support ease of doing business. Thailand should also put in place an appropriate Intellectual Property ecosystem and enabling market environment and sustainable healthcare financing approaches to support innovation.

How do you see Thai-European trade evolving?

Now after the newly elected Government in Thailand the Free Trade Agreement talks will start again with EU. At the moment, the EU has a Free Trade Agreement with Singapore and Vietnam.

But the FTA between Thailand and the EU might take a long time. EABC is constantly working for the benefit of the European companies in Thailand and naturally, we also provide assistance for the Thai organizations and companies in the development of the bilateral trade.

What would your advice to a company that is setting up a business here?

My advice would be the same as a company investing in any new market. If there was a European company coming here, I would ask the company to contact its Chamber of Commerce first, and also contact the Embassy. The Chamber and the Embassy are also able to suggest a reliable market entry consultant to provide essential help for the market entry.

In most cases, it is important to find a reliable local partner. It is foolhardy for a company to assume it can come to Thailand and enjoy success simply because its product or service is of good quality.

As the new executive director of the EABC, what would you like to achieve?

From my part I would like to continue building EABC an even stronger advocacy organization that is acknowledged and trusted by Thai Government, our member companies, the EU-delegation in Thailand, the bilateral European chambers of commerce and by our advocacy partners (eg. Other large chambers of commerce outside Europe).

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