

**According to information provided by the US Embassy in Bangkok and the US State Department web site, the following is the current status of the US–Thai Treaty of Amity and Economic Relations:**

**TREATY OF AMITY:**

The U.S.-Thai Treaty of Amity and Economic Relations (AER) was originally signed in 1833. The 1966 reiteration of the Treaty allows U.S. citizens and businesses incorporated in the U.S., or in Thailand that are majority-owned by U.S. citizens, to engage in business on the same basis as Thais, exempting them from most of the restrictions on foreign investment imposed by the Alien Business Law of 1972 and its successor, the Alien Business Act of 1999. Under the Treaty, Thailand restricts American investment only in the fields of communications, transport, fiduciary functions, banking involving depository functions, the exploitation of land or other natural resources, and domestic trade in agricultural products. Notwithstanding their treaty rights, many Americans choose to form joint ventures with Thai partners, allowing them to hold the majority stake because of their familiarity with the Thai economy and local regulations.

In the Uruguay Round trade negotiations, all parties agreed that the privileges provided by the Treaty of Amity to U.S. investors in the service sector would be exempted from “Most Favored Nation” (MFN) requirements for ten years, beginning with the establishment of the World Trade Organization in January 1995. During this ten-year period, Thailand was expected to liberalize its investment regime to provide roughly equivalent treatment to all foreign investors in the service sector. This has not yet been the case. ***Both the U.S. and Thailand anticipate that the rights granted investors under the AER will be replicated in the bilateral FTA currently under negotiation.***

In October 2002, a Ministry of Commerce regulation stipulated that all foreign investors would be subject to a minimum investment threshold when making new investments in Thailand. In response to concerns expressed by the Embassy and the American business community that this regulation was not consistent with the national treatment provision of the AER, the RTG Ministry of Commerce has proposed a draft regulation that would exempt AER investment domiciled outside Thailand from the minimum investment requirement through December 31, 2004, when the MFN exemption is set to expire. As of July 2003, the draft regulation is still being considered by the Council of State and has not yet been adopted.

For AER investment domiciled in Thailand, the RTG has indicated that it would amend the Alien Business Law."

See more from the report by U.S. Department of State, Bureau of Economic Affairs:

**2005 INVESTMENT CLIMATE STATEMENT -- THAILAND:**

<http://www.state.gov/e/eb/ifd/2005/42188.htm>

**Related Articles:**

- ▶ [U.S. - Thailand Treaty of Amity and Economic Relations 2005](#)
- ▶ [U.S. - Thailand Treaty of Amity and Economic Relations 1966](#)  
[U.S.-Thailand Treaty of Amity and Economic Relations 1966 \(Thai Version\)](#)
- ▶ [สนธิสัญญาทางไมตรีและความสัมพันธ์ทางเศรษฐกิจระหว่างราชอาณาจักรไทยกับสหรัฐอเมริกา พ.ศ.๒๕๐๙](#)  
[15 May 2006 Circular Letter from the Ministry of Interior Re: Land Acquisition by Juristic Persons with Foreign Shareholders](#)  
[Accession of the States of Johore, Kedah, Perlis, Kelantan, and Trengganu to the Extradition Treaty between Great Britain and Siam](#)
- ▶ [Treaty of Extradition between Thailand and Great Britain](#)
- ▶ [Supplementary Article to the Treaty between Great Britain and Siam](#)
- ▶ [Treaty owinsgan Extradition between The Kingdom of Thailand and The Republic of Korea](#)
- ▶ [Treaty of Extradition between Thailand and United States of America](#)  
[Treaty between The Kingdom of Thailand and The People's Republic of Bangladesh Relating to Extradition](#)
- ▶ [Treaty between The Kingdom of Thailand and The People's Republic of China on Extradition](#)  
[Treaty between The Government of The Kingdom of Thailand and The Government of The Republic of The Philippines Relating to Extradition](#)
- ▶ [Thai-Malaysian Exchange of Notes Regarding Extradition Treaty](#)  
[Treaty between The Government of The Kingdom of Thailand and The Government of The-Republic of Indonesia Relating to Extradition](#)

Thailand Law Forum