
Thailand Focus 2018

Welcome Address

Dr. Pakorn Peetathawatchai

President, The Stock Exchange of Thailand

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This flagship investment conference will provide the unique insights about Thailand's strategic direction, policy implementation and emerging opportunities in Thailand and Greater Mekong Sub-region.

- Emphasize on “**strengths**” of Thai capital market and what we have achieved so far. Followed by the second part, pointing out “**resilience**” and potential of Thai listed companies. The last part will focus on building “**partnership with all stakeholders**” to create a new era of growth for Thailand and the region.

[Section 1: “Strengths” - A decade of growth for the Thai capital market]

- In the first part, Thai capital market has advanced significantly in both quantitative and qualitative aspects. Thailand is an investment venue of choice and has become a leading capital market in ASEAN.
 - The market capitalization of SET is growing annually at a rate of 15% since 2009 and is now approximately 530 billion dollars. Resulting from the strong performance and robustness of listed companies through business expansion and restructuring, mainly in leading sectors such as energy, health care and infrastructure. Some of the fund raisings were also for infrastructure investments in neighboring countries, such as Laos and Vietnam.
 - SET has become the most liquid exchange in ASEAN since 2012, with the current average trading value of more than 2 billion dollars per day, contributed by diversified and well-balanced composition of investor types. The Thai capital market has proven itself to be resilient amid domestic and global uncertainties.
 - In terms of quality, 17 Thai listed companies have been included in Dow Jones Sustainability indices, the highest number in ASEAN. Moreover, SET is the only Asian exchange in the top 10 globally for sustainability report disclosure, rising from the 40th place in 2013.
 - In summary, Thailand is now a leading high-quality emerging capital market in Asia, ready to offer attractive investment opportunities to investors worldwide.

[Section 2: “Resilience” - Robustness and new opportunities of Thai listed companies, and Trends towards a well-being society]

- With the rapidly changing environment, not only have the Thai listed companies adjusted to domestic demand, but they have also expanded business regionally and globally. You might be surprised that you can now invest in many global-scale firms listed on SET. Let me share with you some examples.
 - During the past 10 years, many Thai listed companies have become global players. Some of our industry leaders are in the global top 20, such our airport operator, health care service providers, retailers and hospitality operators. Thai listed companies are also leading several strategic clusters in ASEAN, especially in hospitality, oil and gas, infrastructure and petrochemical sectors.
 - These companies have grown by leaps and bounds, both organically and inorganically. They sought new opportunities to create synergy and become global players. To prove the point, for those companies that report their sources of earning destinations, revenue contribution from abroad of these Thai listed companies has increased from 35% to 46% during the past 10 years. Besides, over 200 listed companies are investing globally, including 140 companies investing in CLMV.
 - Since 2008 to the middle of 2018, during the period that crises and shocks took place both domestically and internationally, profits of Thai listed companies have grown annually at 13% during the period, the highest rate in ASEAN. Commerce, health care and petrochemical sectors have performed exceptionally well. Their profit growth rate was almost 3 times of Thailand’s GDP growth.
- To highlight our strength as a **“Market of well-being”** which is underpinned by tourism and hospitality, strong domestic consumption and continued investment in infrastructure projects.
- Given our positioning as a market of well-being will definitely benefit from seamless coordination throughout the entire business value chain. Upon **4 key industries** that have been the engines of growth both now and the future. Together, they will make Thailand one of your best investment destinations that offer you **“a portfolio of wide-ranging opportunities”**.
 - First, the tourism industry has been one of the main driver for Thailand’s economic growth. Last year, Thailand welcomed 35 million tourists. This placed Thailand in the top 10 globally in terms of number of tourist arrivals, only second to China in Asia.
 - In addition to traditional tourism, Thailand has reached the new frontier to offer value added tourism services. Medical care leveraging innovative solutions and artificial intelligence for surgical procedure will help transform Thailand into medical hub of Asia. The wellness clinic for preventive medicine is another great example of Thai medical industry taking care of people locally and abroad.
 - The second sector, energy and petrochemical cluster has been the main development area for Eastern Seaboard project. The cluster has spearheaded the transformation of Thailand from agriculture to

manufacturing based economy. Built on the Eastern Seaboard development, Eastern Economic Corridor initiated by the current administration will further elevate Thailand to the next level.

- The energy and petrochemical business covers across the entire value chain from upstream to downstream. The sector's strong financial performance and emphasis on Environment, Social and Governance have also empowered the sector to venture in research and development with high integrity.
 - In the third sector, Thailand is well-known as the kitchen of the world. With the goal to create high value-added and innovative agricultural products. Thailand will maximize the potential of sector and will continue to remain competitive in the global landscape.
 - Finally, with the number of mobile subscribers in Thailand of nearly 120 million, double the size of total population, digital services will drastically create the opportunities that have never been easily captured by the underserved; to get access to various services "anytime and anywhere to anyone".
- A market of well-being consisting of these four industries – tourism, food, value-added agriculture, and digital service is a good combination for a foundation for growth.
 - In addition, the EEC will help to boost productivity, increase inclusivity and distribute wealth across the country and throughout the region. It is worth noting that Eastern Seaboard has made Rayong, the regional industrial hub, the highest GPP per capita province in Thailand. We are hopeful that all infrastructures that will be completed in the near future will propel growth and prosperity not only for Thailand but also to the entire Greater Mekong Sub-region.
 - Combining with these EEC initiative, we are confident that Thailand will grow exponentially at a rate higher than many people might have envisioned.

[Section 3: Partnership role - Thai financial and capital market as a platform to support stakeholders]

- Strategic fund raising activities that the Thai capital market had served the country during the **3 key periods**.
 - First, in 1970s, the original Eastern Seaboard investment had drawn a total investment of 150 billion dollars, of which more than 30 billion from the government and around 120 billion from private sector.
 - Second, the amount to recapitalize the banking sector after the Asian Financial in 1997 crisis was more than 25 billion dollars.
 - And third, the Thai business expansion to overseas after Global Financial Crisis in 2008 raised around 70 billion dollars.
- To prepare for the future, the EEC and upcoming various mega projects that will follow will need much more funding than in the past because the government encourages public and private partnership. SET firmly believe that the capital market will be a main source of fund for Thailand's strategic growth as Thailand enters the new era.

- To start with, SET will take part in supporting the setup of Thailand Future Fund, which will be a landmark deal to finance a transport-infrastructure project. The fund will be launched by the end of third quarter this year. It is expected that this fund will serve as an example for effective government's financial management in all economic situation.
- Apart from supporting domestic fund raising, the Thai capital market has also been a funding platform for the region. We have seen over 6 billion dollars from Laos's fund raising through bonds in Thailand. Looking ahead, Thailand will co-found the fund under the Ayeyarwady (อิรวดี) - Chao Phraya - Mekong Economic Cooperation Strategy or an ACMECS Fund. The ACMECS Infrastructure Fund will be a vehicle to raise fund regionally through equity and bond. This will certainly help to uplift infrastructure for the well-being of people across the region.
- Furthermore, we will also venture into a new challenge next year by facilitating Cambodian listed companies to dual-list on SET. This will be the very first foreign company to be listed on SET. Other initiatives include cross-border products with other CLMV exchanges that will expand investor base, increase liquidity and connect the regional investments to the world.
- To emphasize that the strengths of Thailand's real sectors, strong support from the government, a deep liquidity pool and world standard of Thai capital market and continued foreign direct investment flow into Thailand are together the success formula for Thailand to offer **a portfolio of opportunities** to you, investors worldwide.
- Take this opportunity to extend invitation to our long-time friends to take part in building a **partnership platform** to reach the new frontier and uplift the well-being across the region.