

### Keynote Speech

**His Excellency Dr. Somkid Jatusripitak, Deputy Prime Minister of Thailand**

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- The inauguration of the first Thailand Focus, 14 years ago in 2004, was so that investors and stakeholders from around the world could obtain correct information on Thailand's economic recovery and capital market in the wake of the 1997 financial crisis which severely affected the economy.
- In the past decade, Thailand was confronted with strong social tensions and political unrest which led to the political changes. In that time of a national crisis, the government transformed it into an opportunity for national reform.
- There are currently 2 major missions on the economic front:
  - To restore investors' confidence
  - To accelerate economic structural reform for Thailand to become more competitive, balanced, and in line with future global developments.
- The Thai economy has grown with consistency and stability from 0.9% in 2014 to 2.9%, 3.2% and 3.9% over the last three years respectively until reaching 4.8% in the first half of this year.
- In 2018, it is expected that the annual economic growth will be higher than prediction. Other economic indicators are also reflecting economic strength, whether it be consumers' confidence or industrial sector confidence that have reached a historical high. The forecast for this year will need to be revised again, as we see improvement in all aspects.
- Domestic consumption has also increased in line with consumer confidence and economic recovery. Investment has expanded steadily.
- Growth did not come from exports but from domestic consumption, reflecting consumer confidence and enhanced economic stability.
- Investment promotion requests submitted to the Board of Investment (BOI) jumped from a mere 6 billion USD in 2015 to 19 billion USD in 2017 and are expected to expand skywards. Furthermore, the Thai economy has also benefited a big boost from tourism.
- What is important is that this growth is stable, accompanied by an inflation rate of just 1%, international reserve of 200 billion USD, and a public debt to GDP ratio of approximately only 40%.
- Inequality is an issue that we will still need to resolve in the future to come.
- There are at least 2 major components that reinforce confidence that this is Thailand's time and that Thailand can utilize its strengths to step ahead to a better future:
  - Geopolitical shift:
    - The center of gravity has shifted towards ASEAN and the Continental South East Asia (CLMVT) in particular.
    - This, in conjunction with regression of the European economies and the U.S.A.'s "America First" policy, has shaken the old global economic structure.
    - Asia has become a key "engine of growth" and new hope where all roads lead. The incredible level of development and economic growth is not only driven by major economies such as those of China, India, and Japan, but also by ASEAN and its rising star, CLMVT, whose economies grew at an average of 6-8% for the past decade.
    - CLMVT countries are not only an important market of over 200 million people but are also home to abundant workforce and an important regional supply chain. Moreover, at the time when China is driving the Belt and Road Initiative, whose route will pass through Thailand southbound, the CPTPP is being spearheaded by Japan, as well as the Indo-Pacific Partnership driven by the United States, India, and Japan, together with the soon to be completed RCEP which comprises ASEAN+6, with more than half of the world's population are significant developments.
  - Master Plan for joint development:
    - At the latest ACMECS Summit hosted by Thailand a few months ago, the 5 leaders announced the first ever Master Plan for joint development. It means that the countries will have 1) seamless connectivity 2) strategic connectivity

- (especially in tourism, transport and trade), and 3) collaborative human resource development.
- With this master plan, all will move in the same direction. China is looking forward to connecting with ACMECS via China's Mekong Lanchang Cooperation.
  - Thailand is a natural center for all to move forward together without leaving anyone behind. Many businesses also already use Thailand as a hub for doing business in the region.
- To move forward with the master plan, there are three strategic implementations:
    1. Infrastructure development:
      - Over the past 2 years, the government has pushed forward infrastructure projects worth trillions of baht, (after a halt in investment for nearly a decade) to name just a few, the transport sector which includes over 10 mass rapid transit trains both at the central and the regional level.
      - The Thailand-China high-speed train project has proceeded to the construction phase which will soon begin.
      - The 10 double-track railway projects will better link the whole country together. Other projects include the sea port projects, and the construction of high-speed rail linking all 3 airports.
      - All these projects will be available for bidding by the end of this year or early next year.
    2. Value and innovation-based production:
      - The country has long been producing low-value products and agriculture but are striving to gear towards high-value and innovation-based production.
      - If Thailand wants to escape from the middle-income trap, to raise the income level of the majority of the population within the country, and to be able to compete at the global level in the future, it is imperative that we increase the value of products in our manufacturing sectors, and to build innovation within existing industries. The agricultural and industrial reform policy was thus formulated to focus on.
      - Under the BOI, the government has also established the Eastern Economic Corridor project (EEC) with 3 Eastern provinces (Chonburi, Rayong, Chachoengsao) to house these industries. The government has also invested in comprehensive infrastructure projects to link sea ports, and airports.
      - EEC is to become a Transshipment Port to CLMVT and to the rest of the world.
      - Investment in the targeted industries within the EEC is satisfactory. In just 2 years since the launching of the EEC, investment applications through the BOI amounted to nearly 700 billion baht or approximately 21 billion USD.
      - Main funding sources will be from the Government, PPP, and infrastructure funds. The 3 sources will balance the country's debt to GDP (to remain at 40-50% of GDP).
      - International investors have shown great interest in the EEC projects, some of which are Fortune500 companies.
    3. Transformation to Digital Economy through Thailand 4.0 policy:
      - The country is undergoing a transformation from analog to digital (e-government will be complete in the next year).
      - We have been upgraded in many rankings such as competitiveness, and ease in doing business.
- The Stock Exchange of Thailand (SET) was set up 40 years ago. Back then the stock market index was at an average of 1,400 points. Now, we are at 1,700 points with a market valuation well above 500 billion USD or at 116% of our GDP. Today's market value, compared with 4 years ago, has increased more than 4 trillion baht or 120 billion USD. It is a capital market in which listed companies have been utilizing opportunities and reaping benefits from investing within the region, where economic growth is at the highest rate, particularly in CLMVT and ASEAN. Among the 200 multinational listed companies in the market, 140 of which have been investing in CLMVT and 190 of which in ASEAN.
  - Join us and invest in Thailand for a better future of all. There could not be a better time than now.
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