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**EEC in Action**  
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**[Introduction]**

- EEC (Eastern Economic Corridor) is designed to follow the government's strategy on industrial development (Industry 4.0 policy) and urbanization.
- The main contents will be emphasized on updating EEC progress on both investors and business sides, continuing from the last year's introduction of EEC concepts, goals and initiatives.
- The key point is that the EEC project is on schedule and gradually earning investors' confidence.
- Stability and economic growth are our key strengths. Specifically all-time high on capital utilization growth of 70% in exports including automotive, electronics and manufacturing sectors.
- Under the value-based economic transformation, "Thailand 4.0" is being driven by innovation and intensive high-level technology, making opportunities for human resource development to enhance competitiveness as well as foster innovation, dynamism, and creativity.
- Additionally, economic transformation is aimed to promote connectivity and together with growth with neighboring countries.

**[Main contents: Key progresses]**

**Infrastructure development:**

- Upgrading infrastructure is critical to economic transformation and reforms.
- The main objective is to make Thailand as a leading in regional connectivity.

Highlighted significant progress on key projects:

*The urban mass transit system*

- The extension transportation networks for improving Bangkok velocity.
- 480 km. expansion: 4 lines in service (110 km.), 9 lines under constructions and 6 lines in detailed design.
- The construction is advancing as planned.

*The high-speed railway system*

- 253 km. linking Bangkok and Nakhon Ratchasima (Korat) province, worth 5.5 billion USD, is aimed to shift the center of gravity to the northeastern (the largest region) of Thailand.
- It is on schedule and expected to enter the bidding stage in the Q4 of this year (in service by 2020).

*Digitally-enabled economy:*

- Connected 70,000 villages (60%) with fiber optic nationwide internet network.
- The project is slightly delayed but still on track (will be completed early next year).

**Industry 4.0 Transformation:**

- Responding to the main objective of more balance, stronger competitiveness and more resilience economy.
- We can leverage our competitiveness with the key traditional strengths including real investment on the next-generation automobile (i.e. EV), smart electronics, food processing and tourism together with the new high-value-added industries such as robotics, aviation components, healthcare, medical devices and bio-economy.

*Next-generation Automobile:*

- BOI is working on a new incentive package for EV producers with more than 1 billion USD for 3 years investment towards EV vehicles.

*Bio-economy:*

- Since Thailand is an agricultural based country, it is a great opportunity to capitalize on leveraging competitiveness.

- There have been a total investment of about 4.2 billion USD in key agricultural areas such as north-east
- The project roadmap is cleared and designed by all key stakeholders including private sectors, government, education (i.e. university) and R&D sectors. Moreover, every roadmap contains all necessary information includes demand stimulation, supply, infrastructure, R&D and human resource development that ready for execution.

**EEC in Action** - EEC is not an isolated designed, but a groundbreaking area-based development initiative to serve economic wide transformation.

**1) Three main EEC principles:**

*1.1 Enabler of connectivity and growth*

- The massive development of infrastructure, priority industries and urbanization initiatives will foster inclusive and tangible social development and enable connectivity and collaboration in the region and other regions of the world.
- The project success depends on the long-term win-win benefits of all stakeholders including the international community.

*1.2 Inclusivity of key stakeholders*

- Involving relevant stakeholders in all key projects and ensuring community base interests as it is vital for the continuity and success of the project.

*1.3 Safeguarding the environment*

- Emphasize on the quality of environment that is a key for overall sustainable progress.
- Regulate under environmental procedures and the latest required standard and also providing appropriate measures and safeguard environment for the community.

**2) Five core areas of EEC development:**

*2.1 Integrated Infrastructure:*

- Consisting of key projects such as high-speed trains for connecting three main airports (U-Tapao, Suvannaphum, and Donmuang) and two main deep sea ports (Laem Chabang and Map Ta Phut)

*2.2 Target Industries:*

- Eastern Seaboard (35 years ago), the beginning of Thailand industrialization that located all key industries such as automotive, electronics and petrochemicals.

*2.3 Innovation and Technology:*

*a) EEC of Innovation (EECi):*

- Developed in Rayong
- To promote high technology research and development, foster and incubate startups as well as human resource development that would directly response to the industry's needs.
- To adapt Hong Kong Cyber Port incubator model and raise funds through The Stock Exchange of Thailand (SET).
- It has received the budget from the government, expecting investment from private sectors.

*b) EEC Digital park (EECd):*

- To form a partnership with a Chinese startup, Touch Holdings Ltd in order to build a center of digital innovation.
- The construction will be starting next year

*2.4 Human Resource Development (HRD) and Education:*

*2.5 Regional Tourism:*

- For example, healthcare for aging society which is the high potential cluster for not just Thailand, but also other countries that facing similar aging society problem (i.e. Japan).

**3) Three major corridors** - for both transformation and commercial developments

- *N-S (North-South):* from Kunming (China) to EEC
- *E-W (East-West)- Lower:* from Dawei (Myanmar) via EEC to Ho Chi Minh (Vietnam)

- *E-W (East-West)-Upper*: from Mawlamyine (Myanmar) to Hue port (Vietnam)

**4) Sustainable South Economic Corridor (SEC):**

- To implement sustainable development, EEC is also focusing on western development, not just essentially concentrate on northern and eastern areas.
- Ranong, a location with not fully utilized deep sea ports with over 100 km. of rail system connecting Chomphon(southern gateway) to Ranong, is a great potential for implementing a gateway to western markets such as India, Bangladesh, and Myanmar.
- Aim to make SEC as potential supports for agriculture, food processing, and tourism industries.

**5) Comparison between SEC and Existing Routes (Bangkok to Chennai)**

Three comparative aspects: distance, duration, and logistics expense:

- Shorter distance: from 4,600 km. to 2,650 km.
- Shorter duration: from 15-20 days to 7-9 days.
- Cheaper expense: from 920 USD to 720 USD on average (by rail).

**6) Key progress on EEC projects:**

The high-speed train (the primary infrastructure linking 3 airports):

- To cut down traveling time between Bangkok and U-Tapao from 2.5 hours by road to just 45 minutes.
- It has been requested for proposal (RFP) by 31 companies, expecting contract signing in early 2019 and targeting operation in 2023.

U-Tapao airport (the 3<sup>rd</sup> main international airport):

- To become a regional aviation hub, Eastern Aerotropolis, with capacity expansion to support 16 million tourists a year.
- Also upgrading other major airports such as Chiang Mai
- Plan to have a full operation in 2023.

Maintenance, Repair, and Overhaul (MRO):

- To promote aviation and logistic industrials, still in the bidding process and targeting to operate in 2011.
- The main objective is to allow not only Airbus but also other manufacturers and airlines (including low cost) to participate in MRO project.
- In conjunction with MRO, we also have the capacity to build another industry of aircraft parts manufacturers.
- To promote new urbanization in this area.

Map Ta Phut Industrial Port-Phase III:

- To expand harbor transportation system and petrochemical capacity.
- Plan to operate in 2024.

Laem Chabang Deep Seaport (will operate in 2025):

- To build a logistics hub and gateway to Indo-China
- TOR is expected later this year (similar to Map Ta Phut project)

**7) Industrial estates in EEC** - these estates are mostly owned by private companies, having certain privileges and permissions to operate in EEC areas.

**8) Investment in EEC** – approximately 50 billion USD from both public and private investments and having a private-public partnership as the main mechanism.

**9) Law revisions:**

- To improve the ease of doing business by enacting 300 new laws and revising unprecedented 288 laws.
- To make a level playing field for everyone, attract competitive companies to invest in Thailand and give comfort to investors.

**10) Speedier PPP Process** - EEC track process is cut down to just only 8-10 months from 40 months of a normal track, applying for all key projects, where all sub-processes remain the same to meet international standard.

**[Conclusion]**

The following reasons giving confidence and comfortable for EEC continuation:

- EEC is gaining the confidence from investors since it has been realized that the main initiatives are moving forward and key progress have been achieved as planned.
- EEC will have solid and good support from all sectors of Thailand regardless of the next year general election results.

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