

Daily reaction essay

This Monday had a guest lecturer from International Department, Bank of Thailand. The lecture started by letting me know about CLMV. CLMV was the frontier market with highest growth in the world. Vietnam was the largest country in CLMV in term of GDP even though it did not share any border with Thailand. It also was the largest in population, while Lao PDR was the smallest one. The policy development was stable because CLMV countries had political stability due to the one-party regime. Except Vietnam, the other three's growth depended on export with high degree of openness. However, the data of CLMV was very limited, so there was a limitation in Macroeconomic analysis. CLMV were popular for Thai investors. The investment kept rising since 2015. China still had influence in CLMV. It played soft power by investing in infrastructure projects. Thailand had common factors to tighten the relationship with CLMV such as physical connectivity, history, and religion. Bank of Thailand or BOT had a 3-year Strategic Plan. The mission of this Strategic Plan was to promote a stable financial environment to achieve sustainable and inclusive economic development. The main point was connectivity. BOT wanted to provide infrastructure for CLMV, asked to relax about regulations from CLMV, shared the BOT's current projects with CLMV, and CHINDASEAN Strategy which was the corporation of China, India, and ASEAN. Thailand's real sector got benefits from lower transaction cost, more convenient payment methods, and more opportunities to invest in other ASEAN countries. BOT provided an important role in financial sector development to facilitate trade and investment. For example, BOT could enhance efficiency such as relax in regulations and lower cost of financial services. BOT could also improve liquidity by promoting local importers and exporters to use their local currency instead of US dollar. There were many benefits from using local currency. For example, it reduced the exposure to major currencies' volatility, encouraged making transaction through

formal channel, especially for border trade and remittances, which in turn increased data for policy purpose, and Supported the development of the domestic financial market by increasing demand and supply of local currencies and progressively supported the direct quotation.

The lecture still promoted how great Vietnam had been compared to other CLMV countries. The data limitation was a huge obstacle for everyone who interested in CLMV. I firmly agreed with only the ideas of BOT Strategic Plan, but, for some reasons, I thought it was unlikely to perfectly be done. The plan kept talking about the cooperation. Long story short, the plan was about going forward together such that no one was left behind. ASEAN did exist for half century, but cooperation was very rare. Many countries in ASEAN wanted to compete with each other rather than cooperate unlike European Union, EU, that had central institutions, which distributed the funds collected from all EU members to the lesser developed countries in EU, and used the same currency. Moreover, the latest ASEAN summit did not have anything shocking the world. Singapore had always been listed in the top tier, while Cambodia, Myanmar, and Laos struggled moving from poverty and were well known for corruption. In addition, Cambodia, Myanmar, and Laos had political stability as of one party ruling the countries which did not happen in the first world countries. This political regime eased the corruption of government agency, confirmed by inequality index ranking these three countries in the downside hill, so it led to inequality in the long run. The intra trade of ASEAN was relatively small when compared to extra trade. Therefore, the lecturer focused only on the upside potential of CLMV and ASEAN, while she ignored the negative facts in ASEAN. She should talk more about what really happened at ASEAN summit and how it affected the future of Thailand except the summit being nothing but the collusion of those top tier ASEAN leaders.

Finishing the presentation yesterday, this Wednesday was the topic of SDGs or Sustainable Development Goals. The class started with the question of why sustainable. Sustainability did not include only for environment, but for many aspects: poverty, inequality, conflict, gender inequality, food security, and mass extinction. Nowadays, I saw many sustainability issues like deforestation, plastics, and problems in local areas. Next, I studied about the concept of sustainability. There were two types of sustainability. The first one was the weak sustainability and the other was the strong sustainability. The latter was the extreme refusal for anything creating negative externalities. Sustainability had three pillars which were economy, environment, and society. The first sustainability began in 1948 and kept increasing its popularity. Agenda 2030 was about global SDGs operated to 2030. The Agenda was adopted by 193 UN member states on September 25, 2015. It also was a set of UN's development goals. There were 17 goals of SDGs which put on 5 categories which were people, prosperity, planet, peace, and partnership. Next, I studied about principles underlying the SDGs. The first principle was inclusive development of 3 sectors which were society, environment, and rationale. The second principle was universal development. The third was integrated development which was to improve the well-being of the poor people. The last principle was technology-driven development. Coming back to Thailand and CLMV, Thailand and Vietnam did well in SDGs, while Cambodia, Lao PDR, and Myanmar were not impressive for SDGs.

This lecture was easy and hard to understand at the same time. On the one hand, nobody could deny about sustainable development such as reducing global warming. On the other hand, it was quite unlikely, in practice, to reach the sustainable development goal without the sacrifice. I agreed only half of the lecture.

I disagree with the lecture due to many reasons. The first reason was about the sacrifice from SDGs. The businesses might need to sacrifice the productivity such as the cost for carbon reduction. This could decrease their profitability and encourage them searching for new countries relaxing in SDGs. This lowered the competitiveness of the country and decreased the government revenue. The second reason was waste imports or carbon imports. Many undeveloped countries imported waste like plastic from developed countries. Although the particular country did better in SDGs, it sent the waste to other poor countries. Therefore, the world remained unchanged by doing this. The third reason was the switching cost. The strong sustainability people skipped the cost of switching. For example, personally, I suffered a lot from that no plastic bag policy of many supermarkets since it forced me to carry big baggy cotton bags with me when just buying the product like foods for a couple days or bath products. Moving to the SMEs, if government forced them not using plastic bags, this forced them to change their product line and disrupted cost control.

Still, I agreed with some parts of the lecture. The first part was the next generation concern. Every country needed SDGs otherwise they might have problems in the long run for the next generation like poverty kept the country trapped in the low-income level. Many developing countries rapidly used their natural resources to increase their wealth when discovered. If those countries remained unchanged and did not develop in economic health, the next generation would not have any resource left and suffer in poverty again. The second part was the wildlife concern. Government should not spend too much to keep the wildlife or alien species in place. Global warming affected directly to wildlife such that they relocated their territory to urban area. This invasion disrupted people, especially farmers. Therefore, government needed to take action otherwise the farmers could not grow their agricultural products.

The Thursday before field trip to Chonburi was the class of East-West economic corridor. The guest lecturer was our BE alumni from CIMB. The first topic was East-West Economic Corridors from Thailand to Savannakhet and Central Vietnam. I studied about economic zones in CLMV countries. The first country was Lao PDR. Lao PRD had only 10 Special Economic Zones or SEZs. Its main FDIs were from China, Vietnam, and Thailand. Lao PDR had many business opportunities. Its construction was improved a lot. It also had cultural heritage for tourism business. Lao PDR was considered to be the energy of Asia. The next country was Vietnam. It had SEZs of 313 which was highest in ASEAN. Majority of FDIs in Vietnam were in processing and manufacturing industries. The following topic was Thai exports to the neighboring countries. Thailand had an advantage to export petroleum products to CLMV, while Myanmar and Indonesia advantages in natural gas. 25% of Thailand exports went to ASEAN, while its majority still went to China. Thai Plastic Polymer Export kept increasing over time. The third topic was Thai investment to the neighboring countries. There were some keys influencing the outward FDI and pattern of Thai productions such as labor scarcity and the minimum wage measure, more business opportunities in neighbor countries, and a change in development course of CLMV. Thailand Outward FDI amounted 7.6 billion USD in 2016. Investment destinations included Cambodia especially in food industry and finance & insurance; Laos in construction and electricity industry; Myanmar in mining and Vietnam in food industry, computers, electronics and equipment. There were many opportunities and Potential Investments in Vietnam. Vietnam had infrastructure development, new Free Trade Agreements with EU, fast growing economy, low labor cost, and large workforce. The last topic was Trade Opportunities and Aging Population. Share of exports to ASEAN had not changed much in the past but there is a divergent trend of falling share of exports to ASEAN-5 and rising share of exports to CLMV; excluding oil, exports to CLMV

remained positive growth. In 2015, Thailand, Vietnam, and Singapore had 10% to 17% of aging population. It forecasted that in 2050 Malaysia and Brunei would also have aging population problem and the first three aging population countries would have more than 30% of aging population. Business opportunities benefiting from an aging society still existed. Real estate would be beneficial from reverse mortgage. Healthcare businesses were obvious beneficial from aging society. Financial services could sell more products like insurance and saving funds. Lastly, the lecturer reminded me that the Trade War was not over yet. It was like what we learned in Game Theory that they needed to compromise. Moreover, in Thailand, dying market was silently disrupted and technology would replace workers very soon.

This lecture was very easy to understand. The lecturer gave us the picture of micro level like businesses rather than the macro level like the whole countries. Moreover, he also asked and encouraged the class to think what should be done in the particular country. There is no part that I disagree with this lecture. Potential Investment in Vietnam gave me the wider picture of how Vietnam looked like as I also had studied about Vietnam in other lecture and the information was very clear and useful. The aging population raised my concern. It could directly decrease the competitiveness of the country. The businesses that get benefits from this issue were interesting. It gave my point of view of how businesses shifted towards aging society. Bringing me back to Game Theory class by mentioning the Trade War was very impressive since I usually discussed Trade War with my friends. The silent extinction of dying market made me be excited imagining what would replace the dying markets in my area since I never visited those markets.

Waking up earliest as ever, this Friday was the field trip to Chonburi. In the morning, I visited the TGI or Thai-German Institute. This institute was created by industry ministry. It was first about technology trading from Germany. However, the trade stopped for some times because Germany had said that Thailand was not the poor country anymore. The tour of institute began. I walked to many rooms. Majority of them were common machineries for a factory. This institute also had the courses and the communication between machine to machine course was the most popular. The one that stunned me was the room of 3D printing machine. Throughout my life, I had known about 3D printing machine such that it could print the product by plastic material. This 3D printing machine was different. It was imported directly from Germany and it printed the product with metal material. This metal printing machine could be used to create metallic stuffs like cars, weapons, or drones. The room was not allowed to take the picture since it was full of prototype products of customers. However, the machine was the first generation while there had fifth generation in Germany.

In the afternoon, I visited VISTEC or Vidyasirimedhi Institute of Science and Technology. This institute was founded by PTT group. It was graduate research-intensive university. It had aggressive goal of being the world leading research institute. The early part was the lecture about how it was founded, such as how to be lecturer here, which was quite boring and far from me. Next, I had a tour around VISTEC. The environment was the best for university I have ever seen in Thailand. I saw many projects, which were about technological innovations, here and many of them related to machine learning. The most interesting innovation was the drone research. However, my biggest impression on this research institute was not the innovations nor

environment. It was the VISTEC students. They were very friendly and talked clearly that it was very easy to understand their projects. In addition, one of them was BE alumni.

I learned many things from this field trip. TGI gave me a huge picture about industry. Automation was on the way to replace factory workforce. It might be able to communicate with other machines. This disruption technology needed to be concerned at all levels before many workers lost their jobs. VISTEC reminded me of the importance of innovations. PTT group put a large funds on VISTEC. Clearly, machine learning was the key education to future innovation. VISTEC environment was so good that it was very suitable for learning. A student life did not mean sitting in the square room reading textbooks all days.