

Essay 22/7/19

The guest today talked about CLMVT strategy. The growth rate in CLMV countries, Cina, and India have around 6-7 percent which attractive for foreign investors. In the CLMV countries, Vietnam is the most attractive country especially in manufacturing sector. In Laos, the attractive one are energy sectors and the construction. Themining is the outstanding one in Myanmar and it's financial sector in Cambodia. The FDI in Thailand has Japan as the largest investors because they come in as a group. Not only the factory but also the financial system, insurance company, and the transportation system.

The interesting new FDI trends will be the joint venture and merge and acquisition model but in the merge and acquisition model, the foreign investors will gain more power to control since in the joint venture, foreigners can only invest for 49% of the shares. In the future, there will be no employment and technology will substitute people. The FDI will come as a whole supply chain like Japan that I have stated. The government will make the policy to support the investment to boost the country economies.

The future challenge are the geopolitical stability and regional relationship like the BREXIT, US-TH and so on. There will be new business model and the concern issue that Thailand is facing in the sooner years will be the changing in demographics which is the aging society. it can cause the decrease in welfare, the consumption and the labor force. The inclusive growth and sustainable development will be another issue that people concern. Everybody should get on board and grow together especially the SME company. In addition, the customers in the EU region concern on the development on welfare for labor and the caring for environment. Another challenge is the regional digital economy for instance the smart city in the big picture like how the country manage the wasted area. The on-going issue

is the industry 4.0 for example IOT platform, location detection technologies, 3D printing, smart sensor and so on. How people prepare for these technologies should be concern.

For Thailand strategy that attract investors to invest in Thailand, Thailand has a strategic location since we're not a landlocked country and we're at the center of the Southeast Asian region and it's more convenient to travel but there some problem which is the political issue, Thai political situation is not that stable due to the coupe and the new election. The economic policies for foreign investors support the business even though it may have some extra envelope. The infrastructure has a good condition in most of the area. In addition, the skilled labor in Thailand is enough for the business.

In my opinion, CLMV still need to take time to develop the country by applying the policies that's suitable for each region and the suggest policy that I suggest is the government should expand the power into rural area or SOE so the time spending on the process can reduce and the head of the state have a power to have a decision making. That will attract the foreign investment and let the foreigners come to train the citizen which will increase the human capital in the long-run.

Essay 23/7/19

Today the guest came and talked about Myanmar but he's an expert in politics not economics so it's quite boring since it was almost the history at all. In the past, Myanmar is not a democracy country then they started to change the system to be more democrats by having Aung San Suu Kyi as a leader to assemble all of the people. Myanmar has seven regions and seven states and one of them is the Rakhine states where there are plenty of Rohingya people and it's a big conflict and can be in a scope of civil war. There are four big types of recent reforms in Myanmar. First is the political reform which is quite a big issue

that over the world catch an eye on it. Elected government, the continuous release of political prisoners, legislations expanding the rights of political and civic association, and a process toward ceasefires with several ethnic armed groups, full participation of the parliament for the country's reform. Second is economic reforms. They reform new foreign direct investment law, social and economic development plan and the implementation of anti-corruption law. Third, social reform, they reform the signatory to human rights international standards and censorship abolished. Last is foreign actors. They ease the sanction, reform the electoral observers, extension of foreign aids and assistance and international reports on economic development.

There is an important global issue which is the Rohingya refugee. According to the OHCHR report, more than 1,000 died and 69,000 Rohingya Muslims fled during the recent crackdown in Arakan State. Rohingya women interviewed said security forces raped or sexually assaulted them. 50% of them reported that security forces burnt or destroyed their property. Several of them reported that security forces killed a family member, a family member disappeared and security forces beat them.

I think the problem of the Rohingya in Arakan state is a big issue that people over the world put an eye on since not only it's an image of the country but it also impact the trust from foreign investment. Even though the government try to apply the policy that attract the FDI by increasing the allowance of foreign share to 100%, the ignorance of solving the situation makes some of the foreign company shut down and I don't really think that Myanmar will become a democracy country. Hence I think Myanmar should clear this big problem as soon as possible to make the country walk though the future.

Essay 25/7/19

In the morning, the topic was the ASEAN integration and border trade. The theme for today is categorized into two dimensions, AEC from above by the policy maker view and AEC from below which is the reality. There are five areas of ASEAN integration, goods, services, investment, labor, and capital. In the view from above, the goods in the region become more mobility because of the cut tariff but still have some obstacle because of the non-tariff barriers. Although there are the reduction on tax but the quota still limit the amount of goods. The services and investment are more difficult than the goods because ASEAN 's ambitious liberalization goals which lead to slow progress. The members liberalize only to the extent their domestic laws, e.g. Thailand's foreign business act which prohibits or restricts foreigners to invest in land acquisition, farming, ect. The labor commitments in skilled professional labor though most labor movements are non-skilled or semi-skilled labor. The capital is "freer" flows because members are at different stage of liberalization but no plans for a single currency.

For another perspective from below, the cross border trade in goods still has a barrier which is the fees collected by checkpoints and the bad condition of roads and also the quota that each country face as a non-tariff barrier. The service and investment is hard and easy at the same time in each country because of the shades of grey shadow economy. The movement of people is more flexibility for instance the villager up on the mountain can cross the border by not having the passport but they have to go to Myanmar by one-day trip. The movement of capital for labors in Thailand is still hard because if they send the money back to their country by bank, they will face the fee so they move to the informal agency to send their money but it's risky despite the low fee hence the government is trying to solve this problem.

In my point of view, the guest provide good information like the real situation that people face not only the positive side. Knowing the dark side from the below view can help investor to do things in the easier way. I didn't tell that you should do the illegal ways but it's hard for Thailand to change the corruption system in the short-run so it'll be easier when knowing their culture.

In the afternoon, still quite interesting topic since it's ASEAN with China. In the modern China era, they had the economic reformation after 1970s. The main reformations are restoring education after cultural revolution, one-child policy and the employment structure which is the reduction of SOE. Another interesting thing is the upcoming of the business in China that involve the technologies. In the case of mobile payment, the two main market leaders are Alipay and Tencent but the problem is the transaction is not transparent so it's hard to control by the government. So government build third party payment policy to control the transaction. In the current, China become more cashless society even the beggar has qr code for people to give them money. The next generation of networking technology is the 5G infrastructure. The advantages are for keeping a big data, military purpose, business development and efficiency, network security, AI and Fin-tech. Actually, internet controls everything.

In my point of view, China is already the leader country due to the rich of resources in term of natural resources and human resources. The US-China trade war become an issue and have consequences to all over the world. Some countries get bad consequences some get good. From my experiences, in this recent time, when doing business with foreigners, I have to quote the price in USD but the problem is not only the Thai baht is appreciated but also our competitor, VND, is depreciated. That makes export in Thailand decrease and I'm sure that Thailand GDP this year will drop.

Essay 26/7/19

Today, we studied about urbanization in CLMV. There five drivers of urban growth which are, first, government policies and strategies means the government has the country plan or blueprint that can be measured by the development plans, laws and regulations indicators. The master plan can create an incentive for people to invest in the country. Second, the regional cooperation that can be indicated by the agreement, joint activities and the volume of investment. It can attract the trade flow and tourism. Third, the infrastructure, when the roads, power, water, drainage, ports are in a bad condition, it drives people to migrate into the city and when it's in a good condition, it creates an incentive for the investors since the productivity will be higher. Forth is the foreign investment that can be indicated by the volume of investments. Last, the rural-urban migration because the wage and living standard in the city is higher so it can imply that the employment rate will be higher and more population in the city.

In Cambodia, the poverty fell from 50% in 2007 to below 20% in 2016 because of the increase in FDI, particularly from China, Korea and Japan but the challenges for Cambodia are the economy remains vulnerable to external shocks such as climate change, natural disasters, political situation, greater diversification of economy needed to sustain economic growth. In Laos, the location strategy is quite bad due to the landlocked but the advantage that they gain is they are in the central so they do the transportation business so well providing the services. The major goal is transforming Lao PDR from land-locked to land-linked country. Their limitation are the low human resource capacity, little infrastructure investment in small and medium towns. In Myanmar, the main issue is the transitioning from the military rule to a democracy so that's one of the challenges especially the ongoing conflicts with ethnic and minority groups. Moreover, the human resources capacity and

infrastructure needed for economic growth are also the challenges. For Vietnam, after the Doi Moi reformation, which is the way of shifting away from central planning or means decentralization of authority to provincial people's committees. Vietnam currently experiences a rapid economic growth and considered one of Asia's most dynamic economies; surge in foreign investments. The challenges are the widening socio-economic gaps and inclusive development or pockets of poor ethnic communities.

In my perspective, the urbanization is good for country's economy and make the country more attractive to investment but at the same time I think it increases the gap between urban and rural areas but it's two-way perspective since if the government can find the suitable policy, the country will develop equally both in rural and urban area. The country that we should keep an eye on is Vietnam due to the new booming country. How will they going to develop the country. The good strategy for Vietnam is they have a long sea coast, not only the tourist attraction but also the sea port that's reachable from the North to the South means that Vietnam has the potential to develop the most of the area in the country.