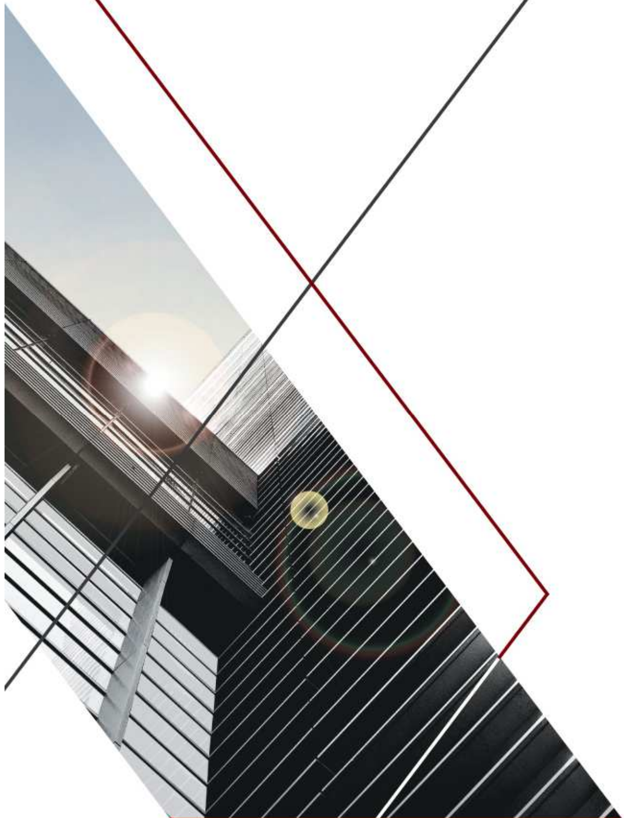


FAST FORWARD

CIMB THAI

East-West Economic Corridor

Amonthep Chawla, Ph.D.

4 July 2019

FORWARD ASEAN

Thammasat University
BE Program

Public

Agendas

I. East-West Economic Corridors from Thailand to Savannakhet and Central Vietnam

II. Thai exports to the neighboring countries

III. Thai investment to the neighboring countries

IV. Look beyond 2019: Trade Opportunities, Aging Population and disruption

I. East-West Economic Corridors from Thailand to Savannakhet and Central Vietnam

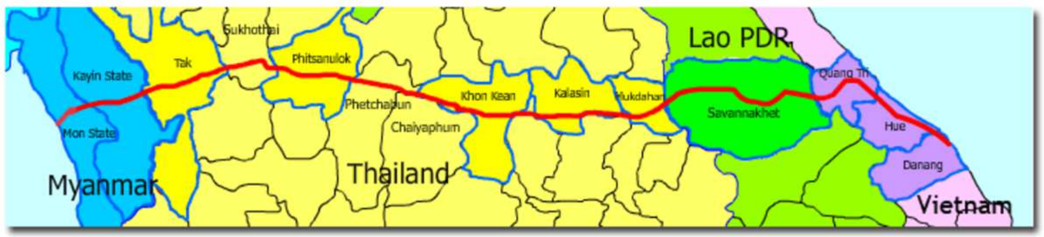
Overview Economic indicators of Cambodia, Laos, Myanmar, Vietnam, Indonesia and Thailand as of 2017

							Most vulnerable
I Population and Growth							
Population (million) as of 2016	15.5	6.5	51.8	91.7	255	68.8	N.A.
GDP (USD bn) current price as of 2016	18.3	14.5	63.1	189	895	407	N.A.
GDP per capita (USD) as of 2016	1,175	2,231	1,218	2,057	3,502	5,908	N.A.
Real GDP growth (% yoy)	7.0	6.8	7.0	6.8	5.1	3.9	< -3%
Export Growth (%)	16.4	10.0	8.3	21.4	16.3	9.7	< -3%
II Fiscal Policy Indicators							
Fiscal Balance (% GDP)	-3.0	-5.5	-4.0	-5.5	-2.6	-2.7	< -3%
Public Debt (% GDP) as of 2016	35.5	58.0	33.7	61.5	26.9	42.3	> 60%
III Domestic Vulnerability Indicators							
Inflation rate (%)	2.9	0.8	6.5	3.5	3.8	0.7	> 8%
Unemployment rate (%)	0.3	1.5	3.8	3.2	5.5	1.2	> 8%
Interest rate Policy (%)	1.53	4.25	10.0	6.25	4.25	1.5	N.A.
IV External Vulnerability Indicators							
Current account balance (% GDP)	-7.6	-9.1	-5.8	2.4	-1.7	10.8	< -3%
External Debt (% GDP)	50.5	87.7	10.3	40.9	34.7	31.7	> 45%
International reserves (months of imports)	9.5	3.0	3.6	2.5	10.0	11.7	< 3

Source : IMF , Focus economics, World Bank
Remark: most vulnerable indicators are threshold indicators set by IMF and World Bank

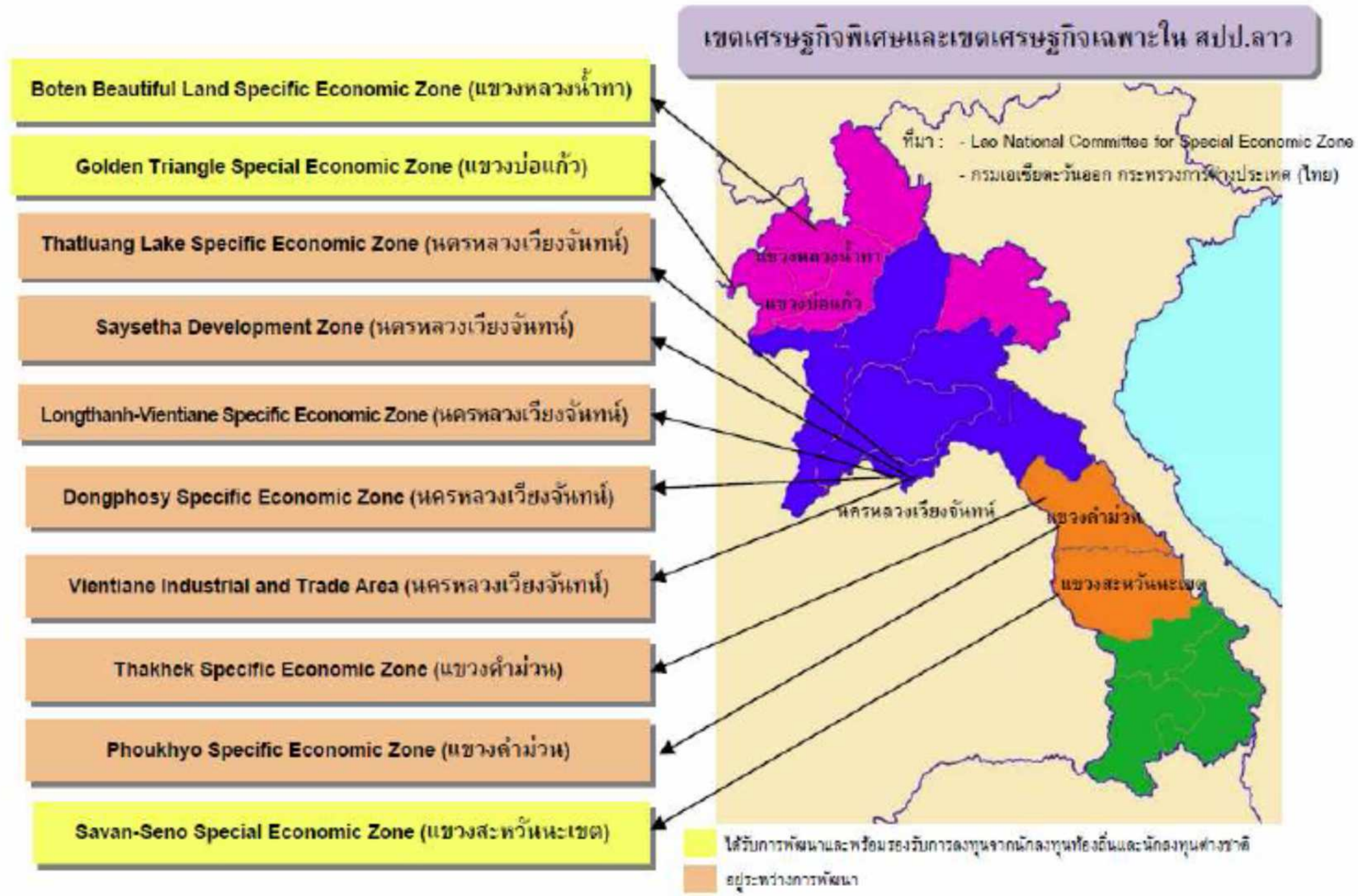
Connectivity and GMS

Economic Corridors – EWEC



Savan-Seno Special Economic Zone : SASEZ

สปป.ลาวมีเขตเศรษฐกิจพิเศษ (Special Economic Zones: SEZs) 10 แห่ง



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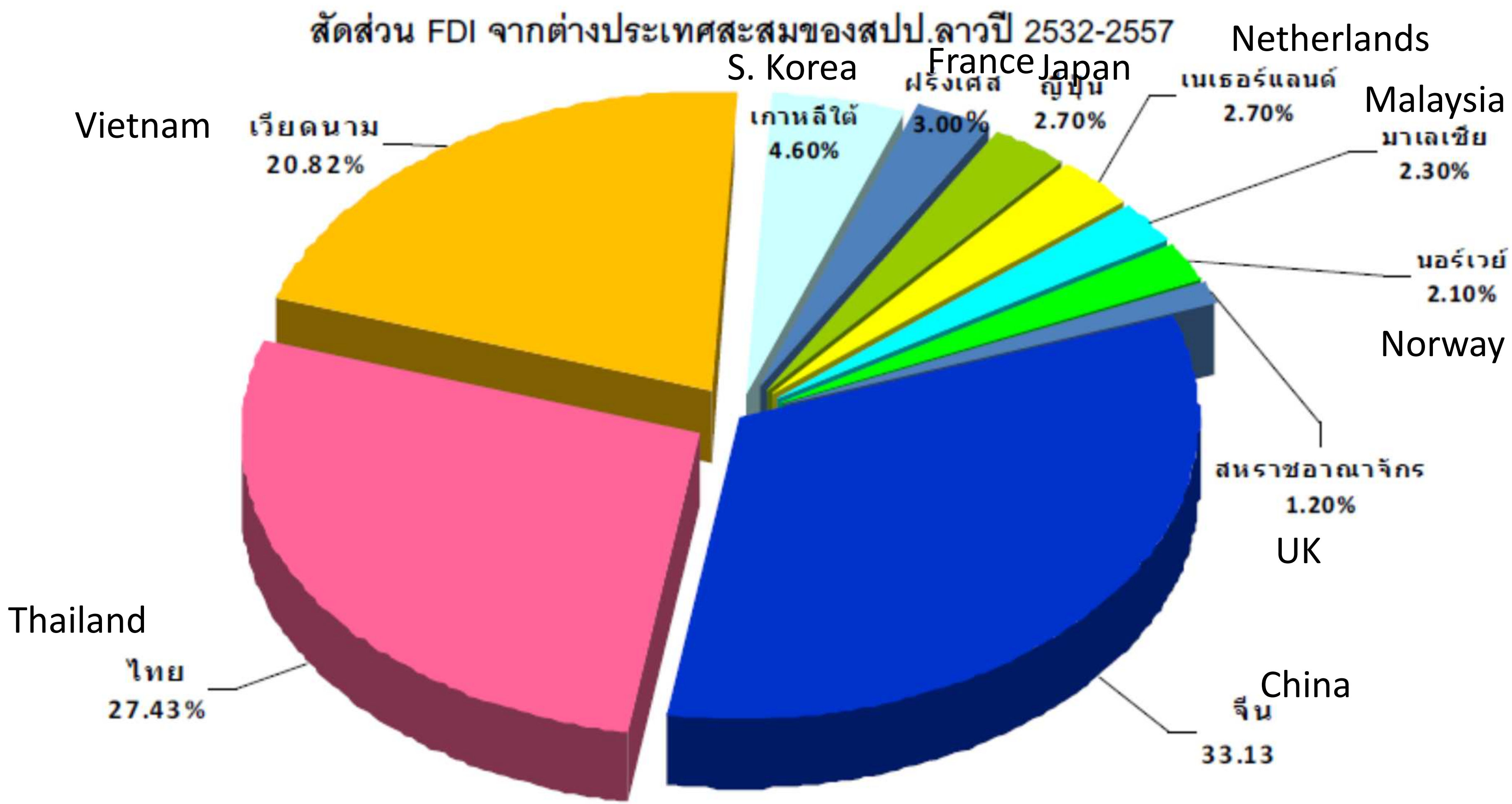
Savan-Seno Special Economic Zone : SASEZ

FDI in LAOS from 1989-2014



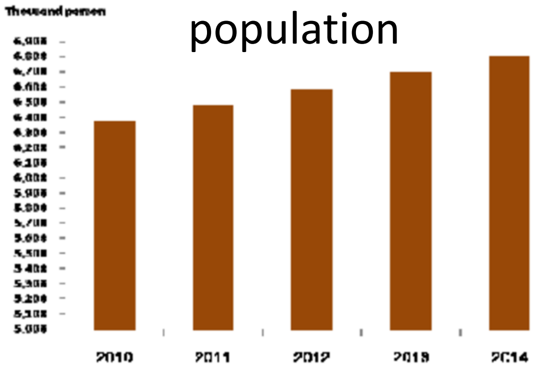
ที่มา : Investment Promotion Department, Lao PDR (2015)

Business opportunities in LAOS

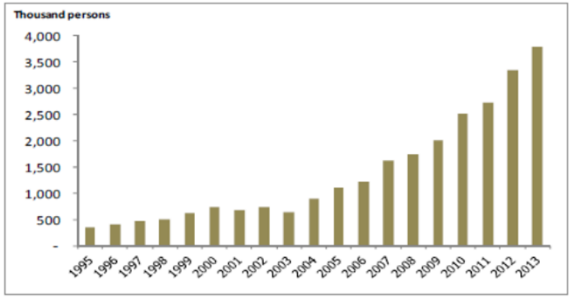
1. Construction

2. Tourism: Food and restaurants

population



# of tourists



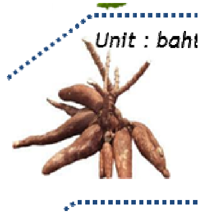
Business opportunities in LAOS

3. Energy

4. Retail

Business opportunities in LAOS

5. Food and agriculture

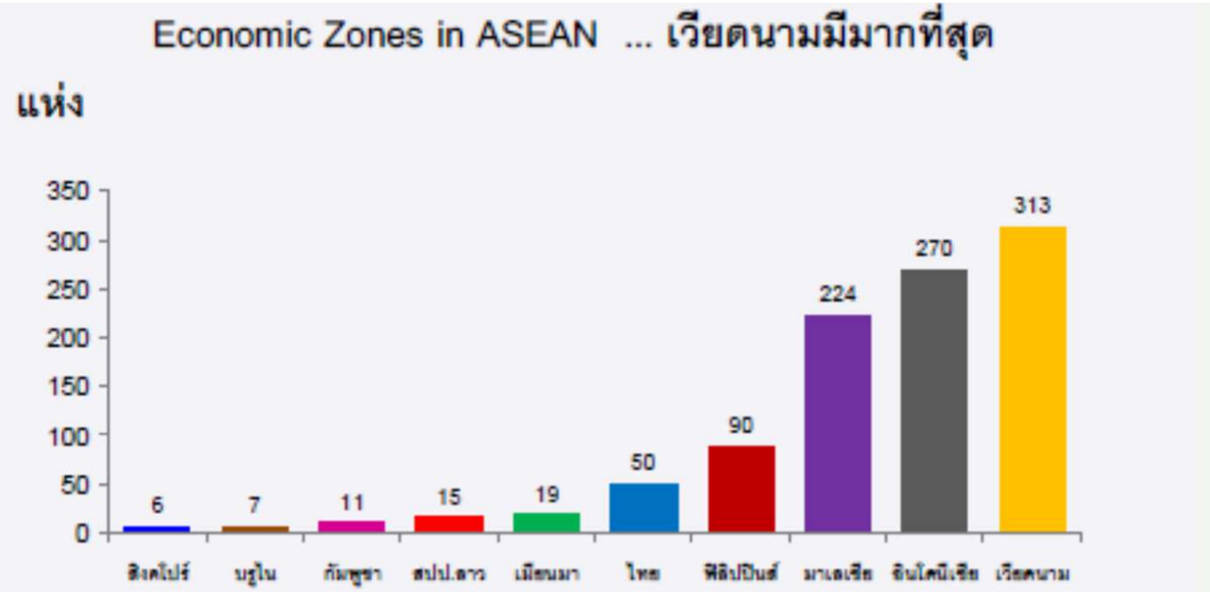


6. Manufacturing for Export

7. Logistics

8. Beauty

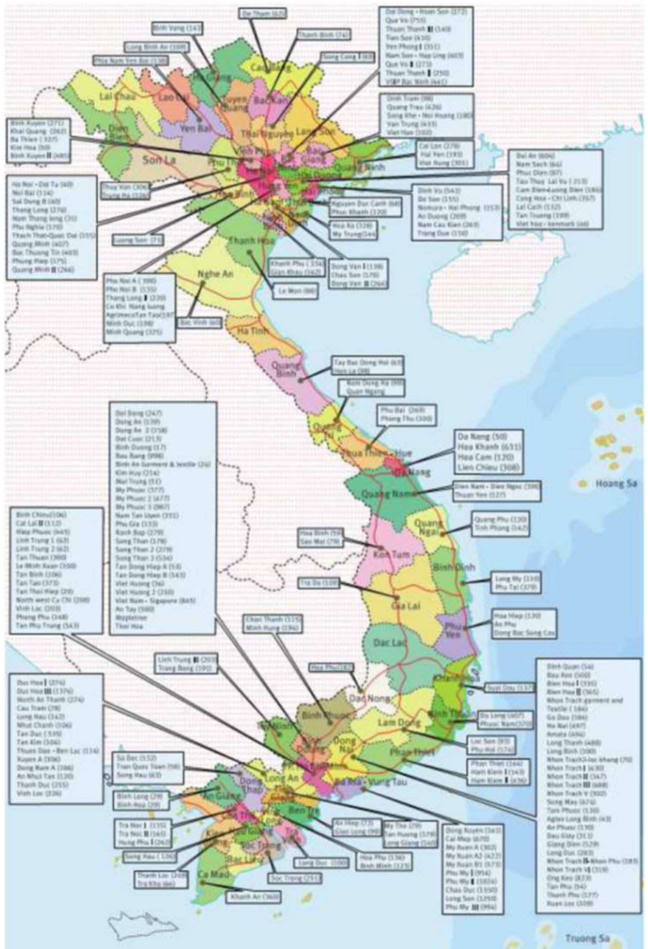
Economic Zones in ASEAN – Vietnam has the highest number of SEZz



ที่มา: United Nations Industrial Development Organization, (as of May 2015) หมายเหตุ: UNIDO จะรวม Industrial Parks, SEZs, Eco-Industrial Parks, Hi-Technology Parks

Vietnam has SEZs all over the country

เวียดนามมีเขตเศรษฐกิจพิเศษ (Special Economic Zone: SEZ) 18 แห่ง แต่ถ้ารวมนิคมอุตสาหกรรม (Industrial Park) ตามนิยามของ UNIDO จะมีประมาณ 313 แห่งทั่วประเทศ



ที่มา : United Nations Industrial Development Organization, (as of May 2015)

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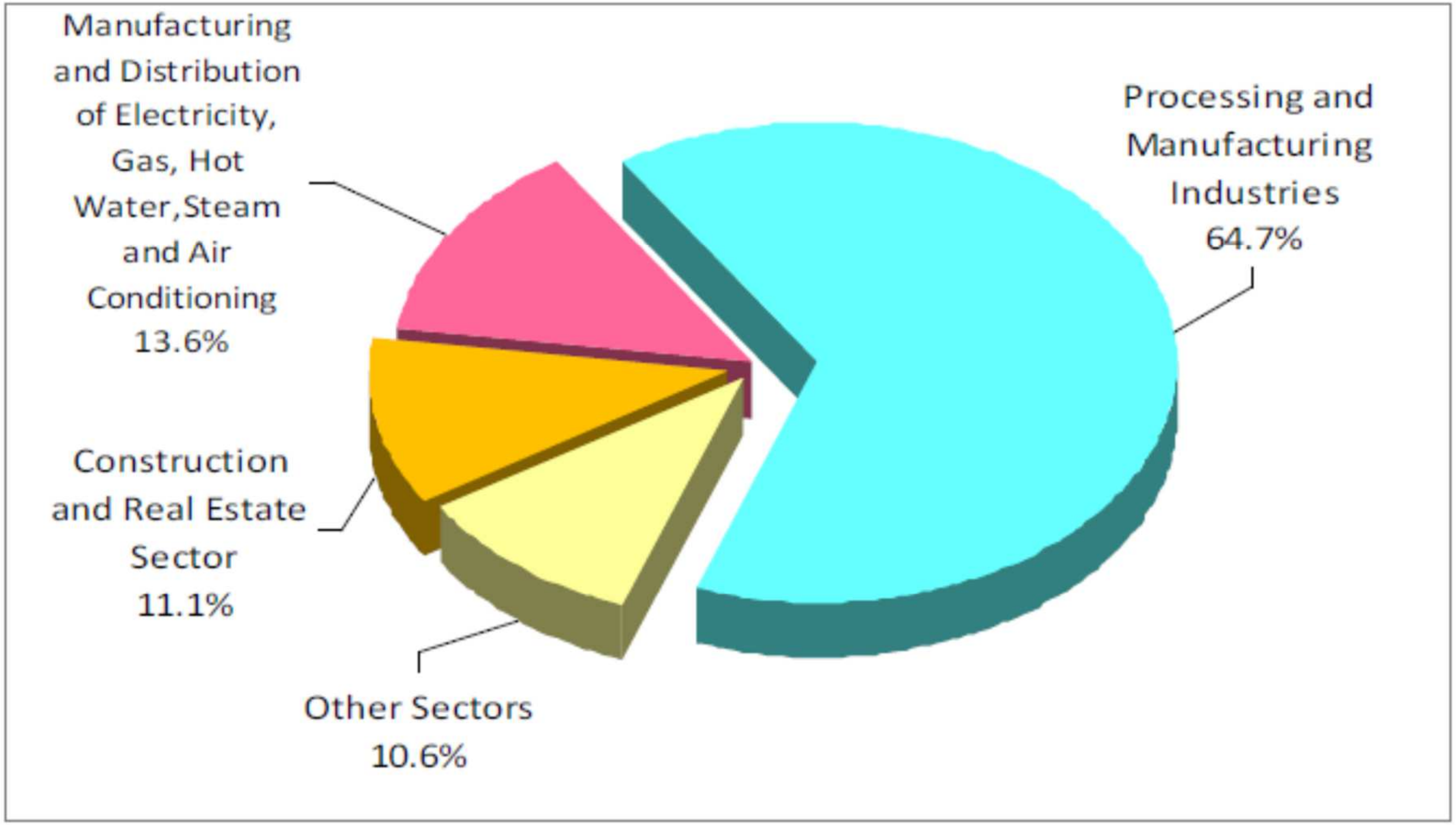
FDI of Vietnam in major sectors

FDI ของเวียดนามในช่วง 10 เดือนแรกของปี 2558



ที่มา : General Statistics Office of Vietnam, ANT Consulting, Ltd Vietnam

II. Thai exports to the neighboring countries

Share of exports and imports from Thailand to 15 major trading countries (Cambodia, Laos, Myanmar, Vietnam, Malaysia, Indonesia, Philippines, Singapore, Brunei, Taiwan, Japan, South Korea, China, Hong Kong, India and World)

Export Growth by Countries

(percentage change, year-on-year)

Countries	Share (%)	Export Growth (% y-o-y)	
		Mar - 18	Jan - Mar 2018
World	100.00	7.06	11.29
Cambodia	2.65	29.84	23.33
Laos	1.77	12.30	12.11
Myanmar	1.86	1.30	-1.99
Vietnam	4.65	12.41	18.59
Malaysia	4.46	13.13	15.48
Indonesia	3.93	16.13	20.43
Philippines	3.00	5.02	14.00
Singapore	3.54	49.34	12.12
Brunei	0.05	85.41	60.25
Taiwan	1.59	8.58	11.45
Japan	10.35	5.66	23.40
South Korea	1.96	7.70	4.20
China	11.46	-8.71	0.64
Hongkong	5.06	-2.63	1.34
India	3.15	21.66	30.95

Sourec : Ministry of Commerce

Import Growth by Countries

(percentage change, year-on-year)

Countries	Share (%)	Import Growth (% y-o-y)	
		Mar - 18	Jan - Mar 2018
World	100.00	9.47	16.16
Cambodia	0.49	-14.70	5.37
Laos	1.06	20.68	48.10
Myanmar	1.11	23.91	63.33
Vietnam	2.42	21.77	31.54
Malaysia	5.42	-1.01	11.55
Indonesia	3.53	-9.02	12.50
Philippines	1.41	1.87	11.29
Singapore	2.98	-17.59	-3.20
Brunei	0.25	-24.09	-19.69
Taiwan	3.42	-3.13	7.62
Japan	14.02	8.97	14.05
South Korea	3.65	-3.74	18.64
China	19.26	-4.84	16.41
Hongkong	1.85	187.24	120.39
India	1.86	17.24	20.44

Sourec : Ministry of Commerce

TOP 20 Export Products in March 2018

(percentage change, year-on-year)

Products	Share (%)	Export Growth (% y-o-y)	
		Mar - 18	Jan - Mar 2018
Total	100.00	7.06	11.29
Motor cars, parts and accessories	11.55	3.42	12.36
Automatic data processing machines and parts thereof	7.94	18.15	18.76
Precious stones and jewellery	5.18	-2.43	-12.74
Rubber products	4.12	-8.88	5.26
Polymers of ethylene, propylene, etc in primary forms	3.94	15.80	20.48
Chemical products	3.51	18.88	27.10
Electronic integrated circuits	3.29	18.96	7.38
Refine fuels	3.23	48.96	39.30
Machinery and parts thereof	3.12	-3.15	9.58
Air conditioning machine and parts thereof	2.61	11.93	12.16
Iron and steel and their products	2.44	7.54	16.39
Spark-ignition reciprocating internal combustion piston engines and parts thereof	2.38	20.32	48.66
Rice	2.21	8.54	21.14
Rubber	1.87	-50.24	-34.84
Plastic products	1.66	8.06	11.08
Tapioca products	1.46	24.48	26.22
Other electrical equipment and parts thereof	1.43	-6.89	-1.45
Prepared or preserved fish, crustaceans, molluscs in airtight containers	1.41	2.01	5.23
Teleprinters, telephone sets and parts thereof	1.27	47.19	36.11
Woods and wood products	1.18	11.61	18.22

Sourec : Ministry of Commerce

TOP 20 Import Products in March 2018

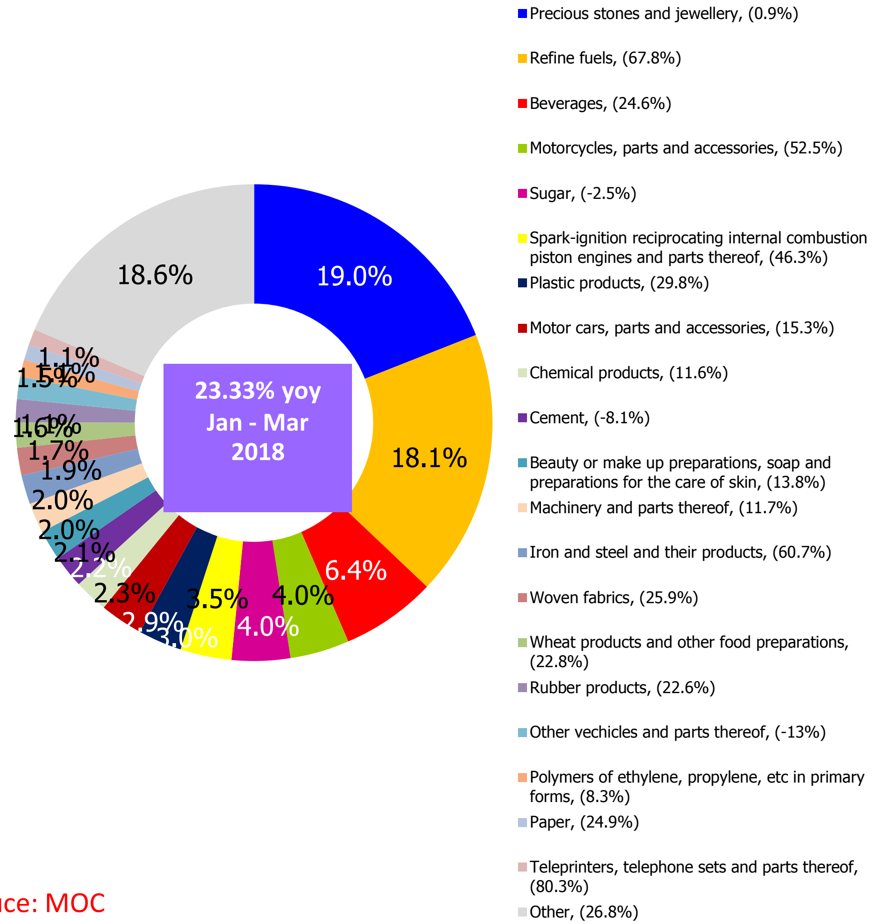
(percentage change, year-on-year)

Products	Share (%)	Import Growth (% y-o-y)	
		Mar - 18	Jan - Mar 2018
Total	100.00	9.47	16.16
Crude oil	10.16	27.31	30.04
Machinery and parts	8.29	-1.56	14.32
Electrical machinery and parts	7.19	-3.32	11.08
Chemicals	6.82	4.63	15.35
Jewellery including silver bars and gold	6.51	74.31	19.97
Iron, steel and products	5.29	2.96	20.15
Parts and accessories of vehicles	4.79	10.28	16.31
Electronic integrated circuites	4.65	6.18	10.82
Other metal ores, metal waste scrap, and products	4.12	7.53	25.45
Computers, parts and accessories	3.52	18.84	25.49
Electrical household appliances	2.88	-8.50	-7.53
Aeroplanes, gliders, instruments and parts	2.79	77.18	64.46
Vegetables and vegetable products	2.61	7.30	3.63
Finished oils	1.90	-29.20	11.70
Plastic products	1.79	3.34	16.95
Scientific, medical, testing appliances and instruments	1.73	-3.57	13.10
Metal manufactures	1.69	2.42	-30.83
Natural gas	1.59	-2.74	18.51
Medicinal and pharmaceutical products	1.50	12.99	22.09
Fresh aquatic animals, chilled, frozen, processed and instant	1.29	27.09	30.96

Sourec : Ministry of Commerce

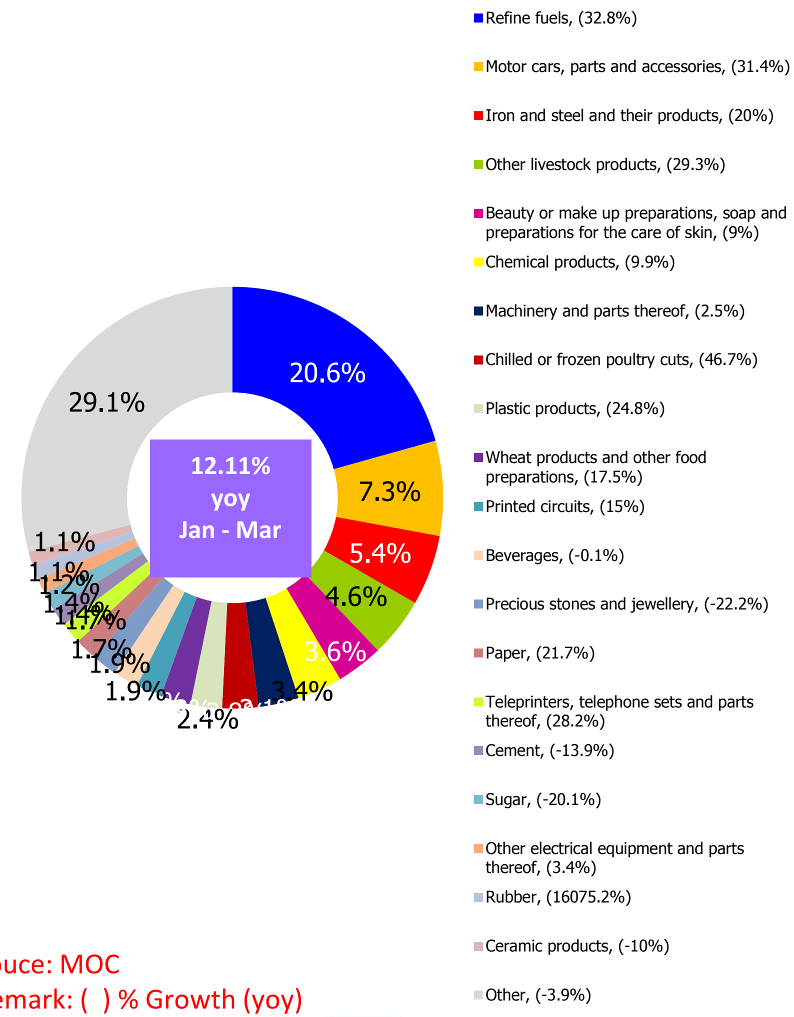
Thai exports to CLMV

Share of Exports Thailand to Cambodia



Souce: MOC
Remark: ( ) % Growth (yoy)

Share of Exports Thailand to Laos



Souce: MOC
Remark: ( ) % Growth (yoy)

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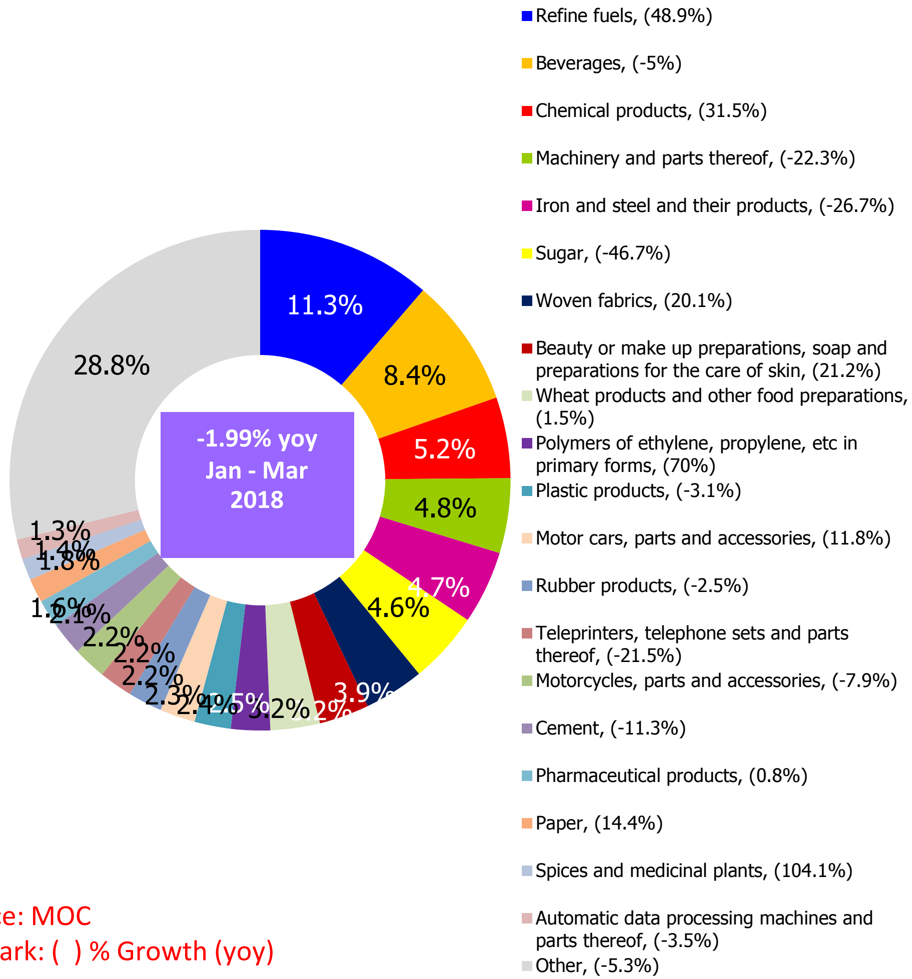
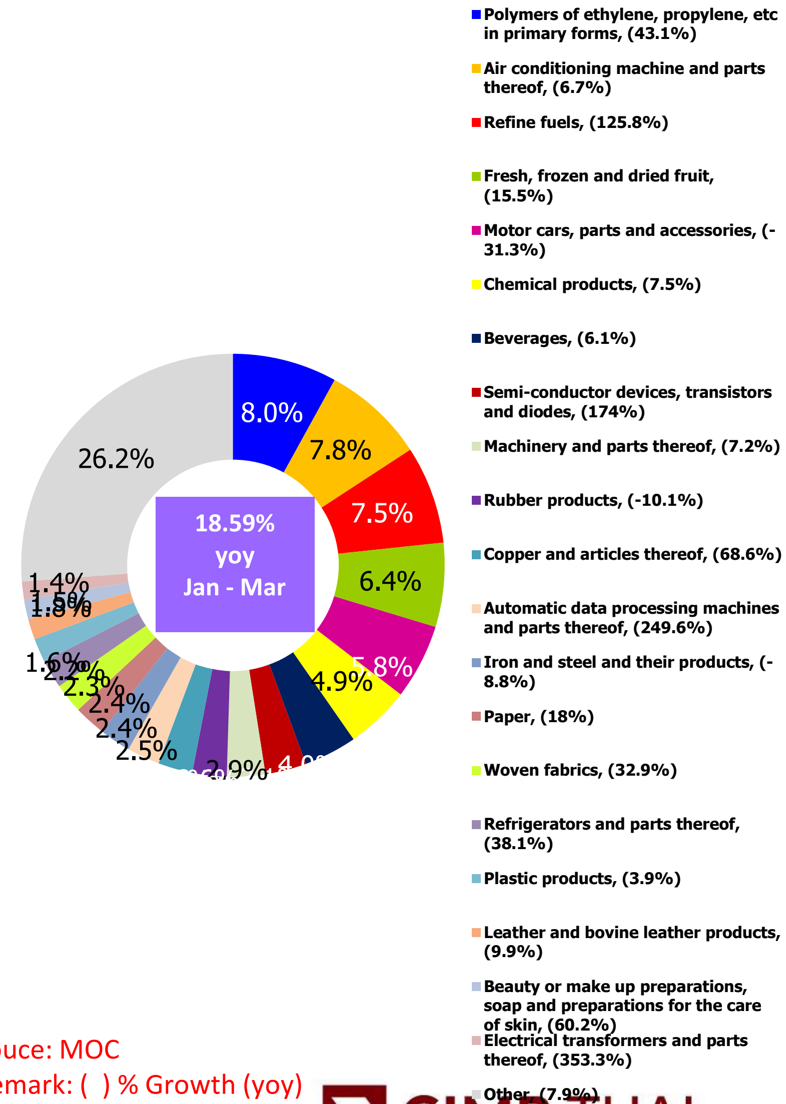
Thai exports to CLMV (cont.)

Share of Exports Thailand to Myanmar



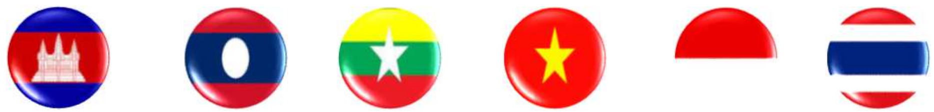
Souce: MOC
Remark: ( ) % Growth (yoy)

Share of Exports Thailand to Vietnam



Souce: MOC
Remark: ( ) % Growth (yoy)

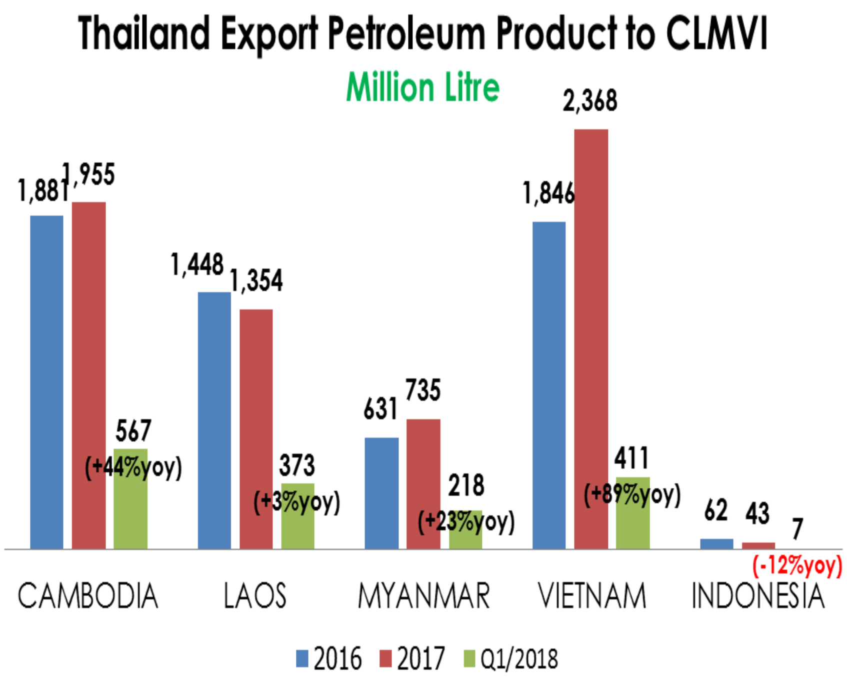
Thailand has an advantage to export petroleum products to CLMV, while Myanmar and Indonesia advantages in natural gas



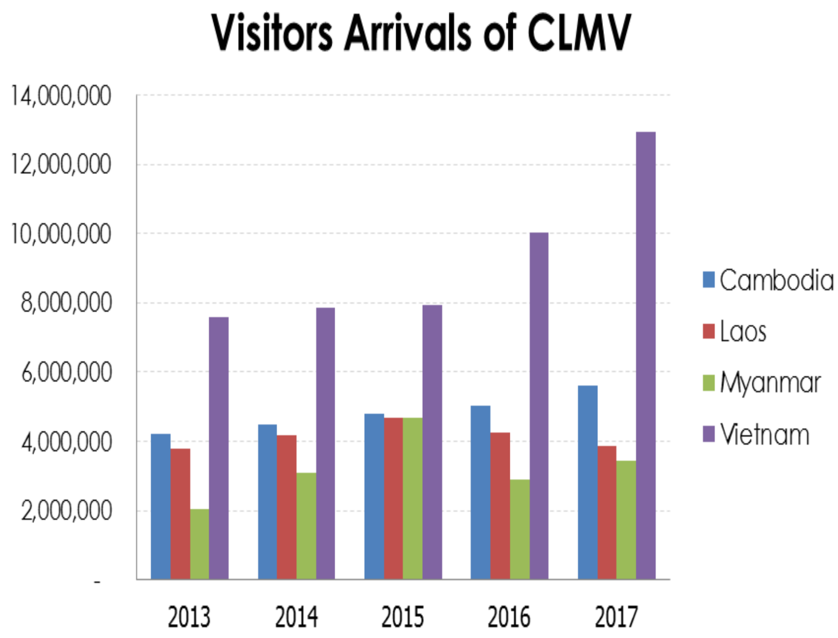
		Cambodia	Laos	Myanmar	Vietnam	Indonesia	Thailand
	Unit/ data as of	2015	2015	2014, 2015	2014, 2015	2014, 2015	2017
Crude Oil							
- Production	bbl/day	-	-	15,000	301,800	831,100	239,820
- Export	bbl/day	-	-	2,814	183,600	289,300	32,684
- Import	bbl/day	-	-	28.5	-	507,900	982,635
Refined Petroleum Products							
- Production	bbl/day	-	-	15,870	156,900	990,700	1,516,484
- Consumption	bbl/day	39,000	3,500	91,000	422,000	1,708,000	1,117,808
- Export	bbl/day	-	-	-	28,860	98,780	260,682
- Import	bbl/day	37,930	3,480	73,260	256,600	668,500	184,952
Natural Gas							
- Production	billion cu m	-	-	17.5	9.1	72.8	36.9
- Consumption	billion cu m	-	-	4.8	15.5	53.2	47.7
- Export	billion cu m	-	-	13.9	-	30.3	-
- Import	billion cu m	-	-	-	-	1.8	13.8

Source: The World Factbook and EPPO

Thailand : Opportunities on petroleum product export to CLMV from increasing foreign tourists and economic expansion



Source: MOC



Source: CEIC

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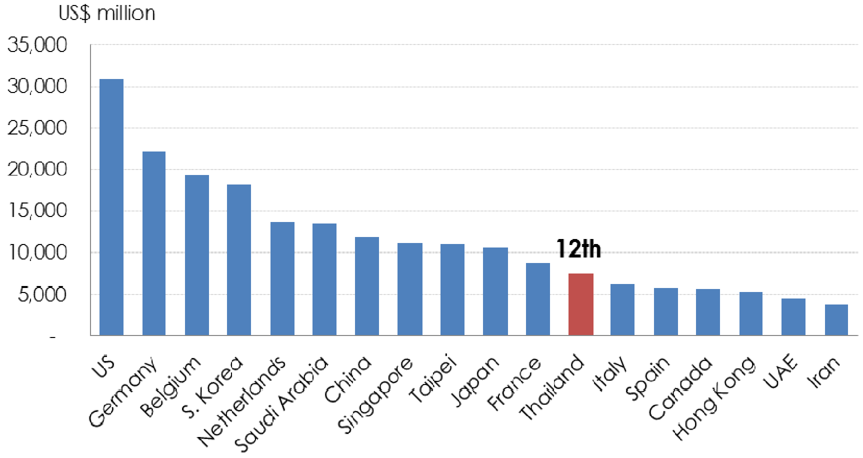
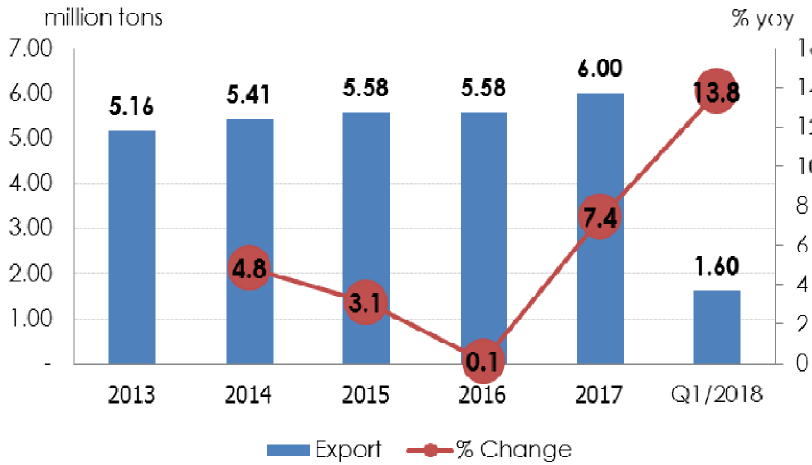
Plastic Polymer/Resin Trade in CLMVI Likely to High Growth

Ranking of Plastic Poymers/Resins Export



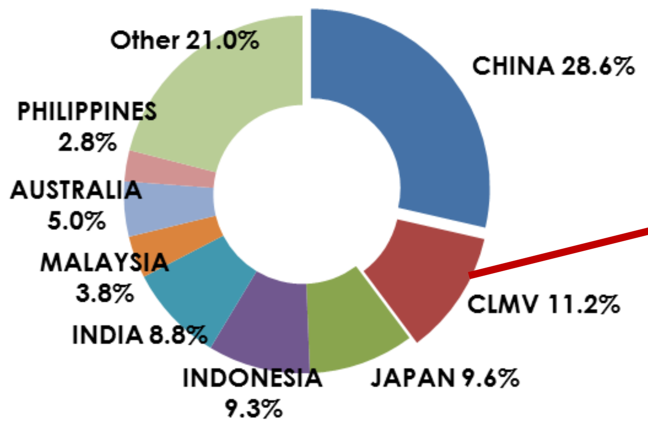
Source: Trademap

Thai Plastic Polymers/Resins Export

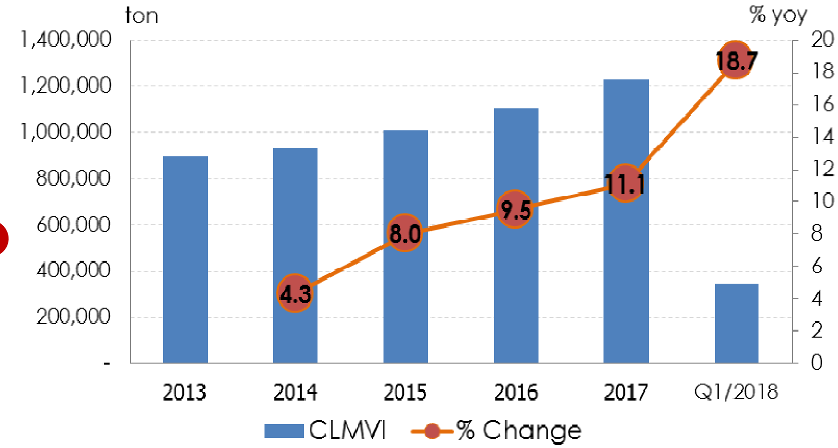


Source: MOC

Export of Thai Plastic Polymer



Thai Plastic Polymer Export to CLMVI



Source: MOC

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Outlook for Thailand's Exports to CLMV markets

Cambodia

- 58 percent of Thailand's exports to Cambodia occurred through border trade, with Aranyaprathet border area making up about 60 percent of total Thai exports to Cambodia. Exports through border areas increased in line with the expansion of land transport , strong economic growth and rising in foreign investment.
- Main exports products are refined fuels, beverages, sugar, precious stones and jewelry, and motorcycle & parts. Since 2010 Thailand's products exports to Cambodia continued to grow; however, the exports decreased in H1, 2016 YOY especially refined fuels from oil prices decline and precious stones and jewelry

Medium-High Exports Potential	Low-Medium Exports Potential
- Beauty or Make up preparation	- Sugar
- Refined fuels	- Chemical products (Fertilizers)
- Motorcycles, parts and accessories	- Agricultural machinery
- Cement	- Woven Fabric
- Beverage	
- Paper (Packaging)	

Laos

- 96 percent of Thai exports to Laos occurred through border trade with Nong Khai border area making up 41 per cent of total border exports to Lao. However, the share of exports through Nong Khai border area is expected to decrease because other borders have become more popular.
- Since 2010 Thailand's products exports to Laos continued to grow. However, export values during the years of 2013-2015 was increased less than 10% and main products are refined fuels, automobile and parts, steel products and chemical products etc.
- Thai exports to Laos is expected to increase due to Laos economic growth, increasing of foreign tourists, higher purchasing power of population, the expansion of the construction of large infrastructure projects and high Thai product standards and recognition in the market.

Medium-High Exports Potential	Low-Medium Exports Potential
- Refined fuels	- Chemical products(Fertilizers)
- Automobile and parts	- Agricultural machinery
- Structural steel	- Industrial machinery and Parts
- Beauty Products	
- Plastic products	
- Beverage	
- Consumer products	

Outlook for Thailand's Exports to CLMV markets (cont.)

Myanmar

- 74 % of Thailand exports to Myanmar is exported through border trade. Most of the exports occurred through Mae Sot border,Tak, makes up about 70 per cent of total border exports from Thailand-Myanmar , followed by the exports through Ranong border. Exports through Mae Sot border area in the future would be supported by Mae Sot - Myawaddy – Kawkareik-Mottamaม creating better connectivity.
- Exports to Myanmar is likely to increase because the economy is expected to grow, higher domestic demand and strong investment

Medium-High Exports Potential		Low-Medium Exports Potential
- Automobile and parts	- Sugar	- Chemical products(Fertilizers)
- Beauty Products	- Rubber products	- Agricultural machinery
- Plastic products	- Paper products	- Machinery and Parts
- Refine fuels	- Cement	- Steel
- Beverage		
- Processing foods		
- Woven Fabric		
- Resin		
- Motorcycle and parts		

Vietnam

- Vietnam's FDI in 2015 was $22.8 billion with strong inflows going to the manufacturing sector, a key driver for the country's economic growth
- Thailand's exports to Vietnam have increased since 2013. Main products are motor cars and parts, Air conditioning machine and parts, beverages, refined fuels and plastic resin, etc.

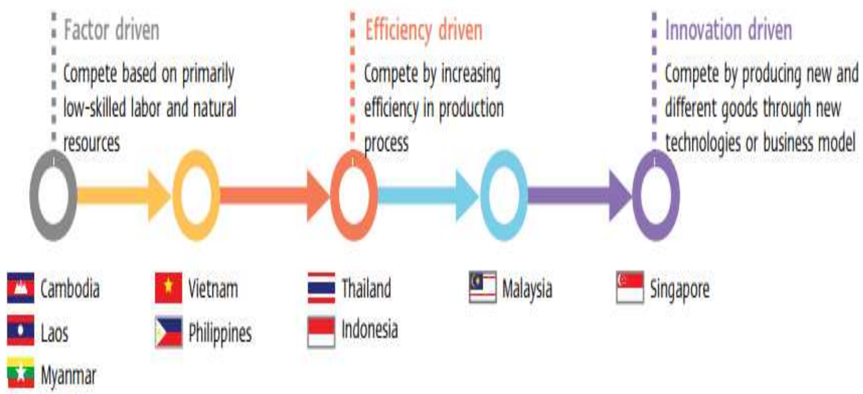
Medium-High Exports Potential	Low-Medium Exports Potential
- Refined fuels	- Iron and steel and their product
- Motor cars, parts and accessories	- Fabrics
- Plastic resin and plastic packaging	- Sugar
- Chemical products (excluding fertilizer)	
- Spare part of electric appliances and electronics	
- Beverages	
- Air conditioning machine and parts	
- Refrigerator and parts	

III. Thai investment to the neighboring countries

Key factors influencing the outward FDI and pattern of Thai productions

- Labor scarcity and the minimum wage measure
- Some products have reached their mature stage of product cycle
- Expiration of GSP
- More business opportunities in neighbor countries
- Deficient labor supply and aging population
- Maturing stage of labor intensive products
- The minimum wage measure
- Liberalization of foreign investment regulation of CLMV
- ASEAN connectivity
- A change in development course of CLMV

Stages of Economic Development



FAST FORWARD Source: Research Office, CIMB Thai

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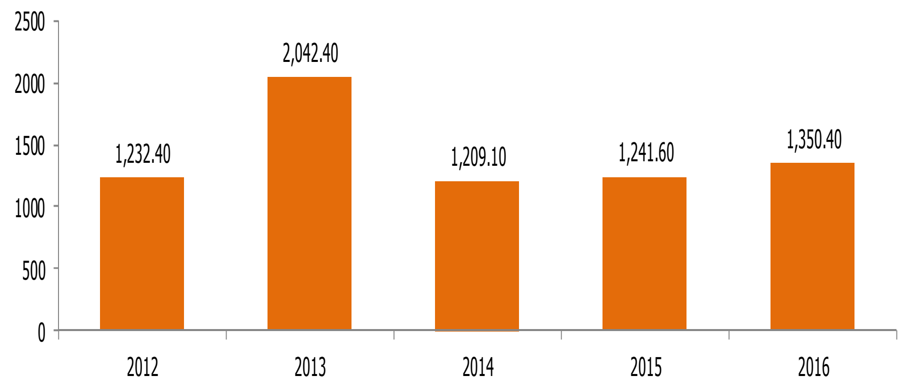
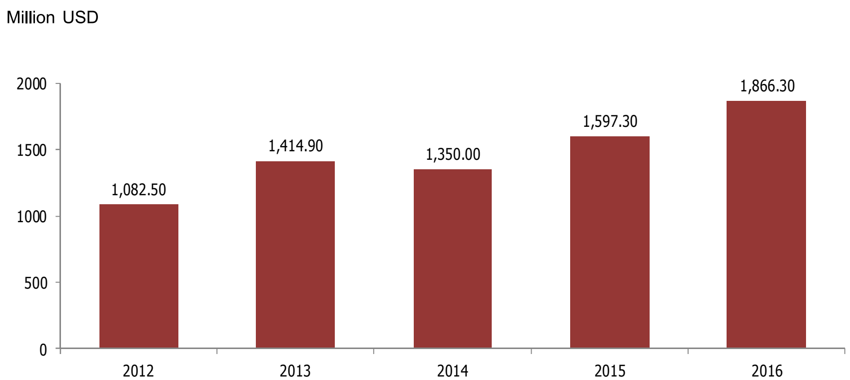
Thailand Outward FDI amounted 7.6 billion USD in 2016. Investment destinations included Cambodia especially in food industry and finance & insurance; Laos in construction and electricity industry: Myanmar in mining and Vietnam in food industry, computers, electronics and equipment

Thailand Direct Investment in Cambodia in five years



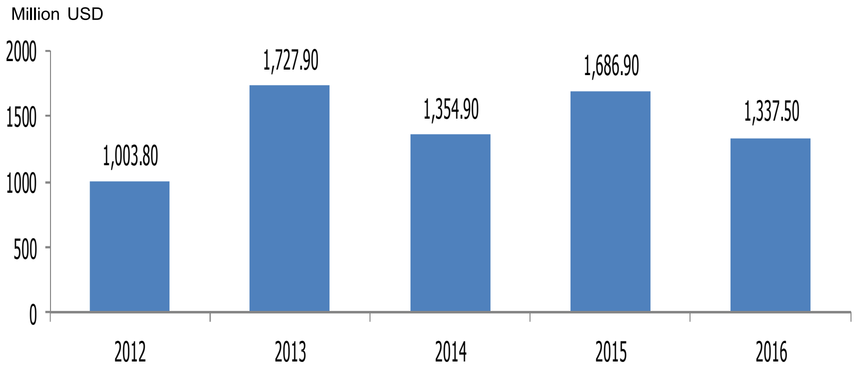
Source : BOT as of June 2017

Thailand Direct Investment in Laos in five years



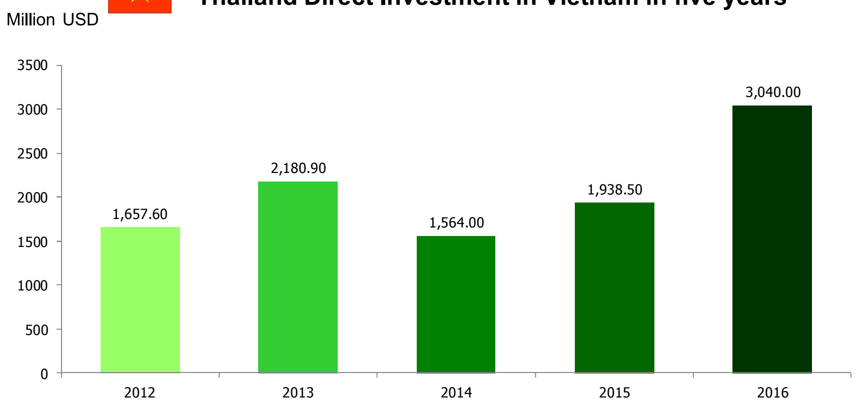
Source : BOT as of June 2017

Thailand Direct Investment in Myanmar in five years



Source : BOT as of June 2017

Thailand Direct Investment in Vietnam in five years



Source : BOT as of June 2017

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Research Office views that there are substantial opportunities for investors to invest in Cambodia, Laos, Myanmar, and Vietnam (CLMV)

Country	Investment Opportunities	The reason for the overall
Cambodia	business organics; agricultural processing; rice mill; energy industry; garment; vehicle and parts; beauty; tourism and other services such as hotel and restaurant	Cambodia policy is geared towards organic farming and has a rich ground and appropriate temperature for agricultural production of many kinds especially rice mill industry in Cambodia has been increasingly but Cambodia is lacked of fund and technology. For food processing due to more investors and tourists while Cambodian has more purchasing power
Laos	construction business, tourism and other services such as hotel and restaurant, spa, oil station; energy industry; retail business; agricultural processing	Laos has permitted to launch its "Vientiane New World" program which is to build a new area in Vientiane city with services that would bring out advancement and supportive to high-profile residential.
Myanmar	agricultural processing; energy industry such as oil, natural gas, basic infrastructure; beauty; consumer goods; tourism agency	Myanmar, after allowing the country to be more open to trading and foreign investments, many investors have been interested in Myanmar especially tourism and manufacturing industry.
Vietnam	vehicle and parts; agricultural processing, garment; tourism and other services such as hotel and restaurant; construction business; transportation and logistics	Vietnam, with rapid growth , the advantage of a young workforce and low labor cost, is believed to become "new tiger" of ASEAN.

Source : Compiled by Research Office, CIMB Thai

Research Office focuses opportunities on major sectors for investors to invest in ASEAN especially Cambodia, Laos, Myanmar, and Vietnam (CLMV)

Lao PDR

Laos has permitted to launch its "Vientiane New World" program which is to build a new area in Vientiane city with services that would bring out advancement and supportive to high-profile residential.

Myanmar

Myanmar, after allowing the country to be more open to trading and foreign investments, many investors have been interested in Myanmar

Cambodia

Cambodia policy is geared towards organic farming and has a rich ground and appropriate temperature for agricultural production of many kinds especially rice mill industry

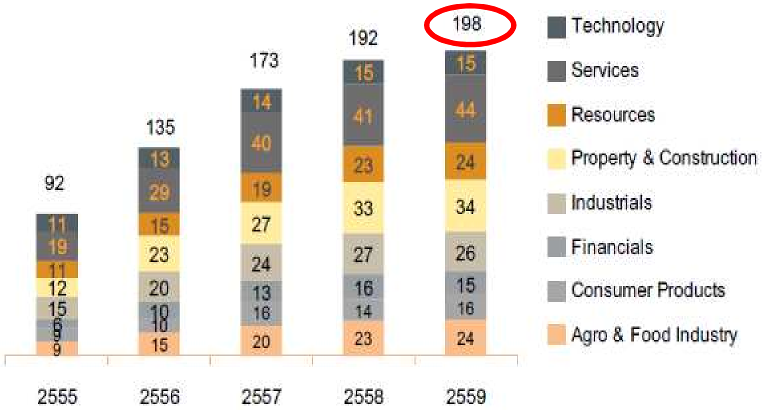
Vietnam

Vietnam, with rapid growth , the advantage of a young workforce and low labor cost, is believed to become "new tiger" of ASEAN

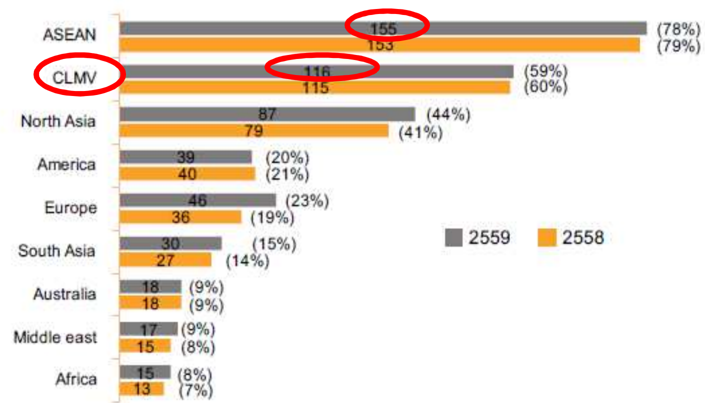
Source : Compiled by Research Office, CIMB Thai

Outward Foreign Direct Investment of Thai listed firms: The number of Thai listed firms undertaking outward foreign direct investment (OFDI) has continuously increased. At the end of 2016, there are 198 firms investing abroad, up from 192 firms at the end of 2015.

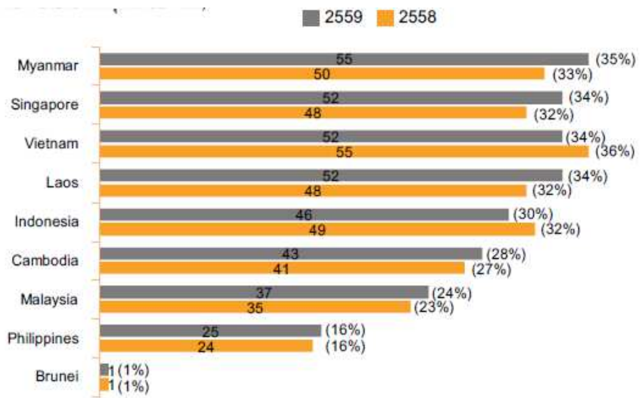
Number of Thai listed firms undertaking OFDI classified by industry



Number of Thai listed firms undertaking OFDI classified by region



Number of Thai listed firms undertaking OFDI classified by ASEAN Countries



Thai Listed Firms in CLMV

Agro & Food Industry	Consumer Products	Financials	Industrials	Property & Construction	Resources	Services		Technology
CBG	BTNC	AEONTS	AMC	AMATA	AKR	AAV	MAKRO	DELTA
CM	L&E	BAY	CTW	AMATAV	BANPU	BA	MC	FORTH
CPF	PRANDA	BBL	EASON	CK	BPP	BDMS	MEGA	HANA
KSL	SUC	BKI	IRC	DRT	CKP	BEAUTY	MIDA	INTUCH
LEE	TOG	CIMBT	IVL	EPG	DEMCO	BEC	MONO	PT
M	TR	FNS	MILL	GEL	EGCO	BH	MPIC	SAMART
MINT	WACOAL	FSS	PMTA	ITD	GLOW	BIGC	NOK	SIM
OISHI		GL	PTTGC	NWR	GPSC	BJC	PRAKIT	SVI
SNP		KBANK	SAM	PSH	GUNKUL	CENTEL	RCL	THCOM
STA		KTB	SITHAI	SCC	IFEC	CPALL	ROBINS	
TF		SAWAD	SLP	SCCC	MDX	GLOBAL	SHANG	
TLUXE		SCB	SPG	SEAFCO	PDI	JWD	SPC	
TRUBB		TK	SSSC	SQ	PTT	KAMART	SPI	
TU		TMB	STANLY	STEC	PTTEP	LOXLEY	SVH	
TWPC		ZMICO	SUTHA	TASCO	RATCH	MAJOR	THAI	
			TOPP	TTCL	SCI		TTA	
			WG	WHA	SGP			
					SUSCO			
					TOP			

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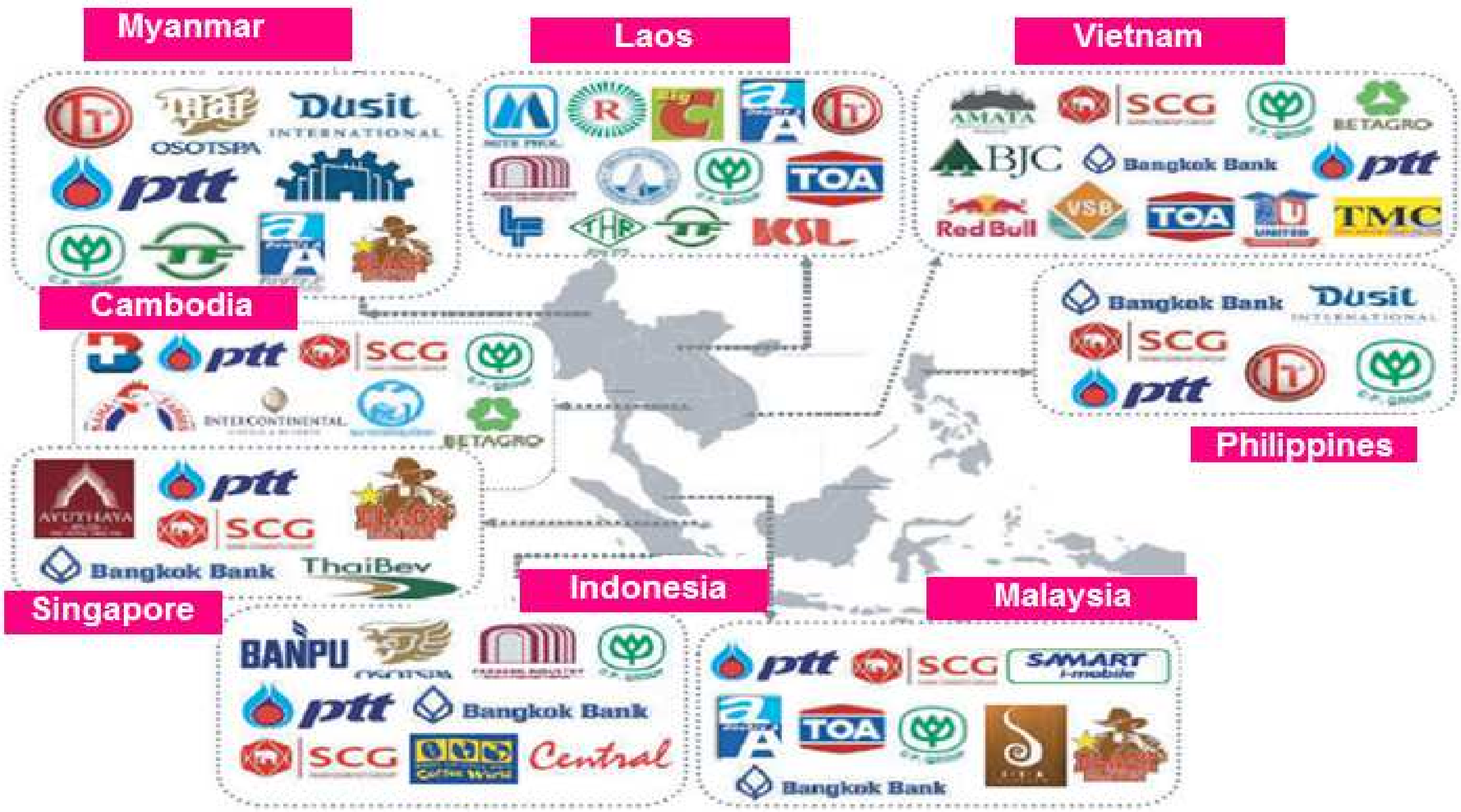
Source : The Stock Exchange of Thailand as of May 2017

Who have been investing in ASEAN?

Thailand's Brand Investment to ASEAN



Source: Department of International Trade Promotion, 2013-2016

Opportunities and Potential Investments in Vietnam

Major drivers will enhance opportunities for Thai investors in Vietnam

Nearly 100 million people, over 60% of them are of working age

Infrastructure development

New free trade agreements with many countries and receive preferential tariff treatment under GSP such as EU

Fast growing economy

Low labor costs and many labor force

Politically stable countries which invested in Vietnam

Key success factors for foreign investors

- Partnering with local businesses
- Comprehending Vietnam business law and regulations
- Understanding consumer behavior
- Invest in relationship such as CSR activities
- Connecting with large companies in Thailand

Doing Industries/Businesses in Vietnam

Industry

- Frozen seafood (medium-large operators)
- Paper packaging (large operators and high technology)
- Plastic products (large operators)
- Plastic Resin

Service

- Logistics (large operators)
- Tourism sector in Hanoi Hojimin Danang
- Renewable Energy

Trading and others

- Import Thai consumer goods and/or distributors
- Import Thai home appliance & parts and/or distributors such as air conditioning
- Import Thai auto parts and/or distributors
- Department store (large operators)
- Import Thai plastic products and resin
- Import Thai refined petroleum products

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IV. Look beyond 2018: Trade Opportunities and Aging Population

Look beyond 2018 : Trade Opportunities and Aging Population

- Share of exports to ASEAN has 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
- Majority of trading activities within the CLMV comes in a form of border trade and this is expected to grow in line with the rolling out of the One Belt One Road initiative
- Stronger globalization leading more trade liberalization of goods and services, as well as culture exchange leading to eroding trade and investment obstructions
- More ASEAN and East Asia connectivity through infrastructure development enhancing trade and investment in ASEAN
- CLMV reduced tariff of most of their imports to zero and they are likely to liberalize trade and investment further, thus in turn attracting more investment into the countries
- Due to a relatively early stage of development, economies of CLMV are likely to perform much better than their peers in the region
- For ASEAN aging population: Singapore, Thailand and Vietnam are now defined as having an aging population where 10% of total population is now over 60 years old due to structural changes in age. Within the ASEAN region (632.3 million persons), We found that Singapore, Thailand and Vietnam were now defined as having an aging population where 10% of the total population is now over 60 years old according to the UN definition.
- The statistic below shows the estimated median age of the population in selected countries in 2015 and 2050. Median Age has been increasing and all in 2050 would be greater than 30 years.
- Amidst challenging, we look for business opportunities benefiting from an aging society

Within the ASEAN region (632.3 million persons), We found that Singapore, Thailand and Vietnam were now defined as having an aging population where 10% of the total population is now over 60 years old according to the UN definition.

Share of Population Groups in the ASEAN Region in 2015

	Population (millions)	Age 0-14 (%)	Age 15-59 (%)	Age 60+ (%)
Brunei	0.42	23.1	69.3	7.6
Cambodia	15.58	31.6	61.6	6.8
Indonesia	257.56	27.6	64.1	8.2
Laos	6.8	34.8	59.2	6.0
Malaysia	30.33	24.5	66.3	9.2
Myanmar	53.9	27.6	63.6	8.9
Philippines	100.7	31.9	60.8	7.3
Singapore	5.6	15.5	66.6	17.9
Thailand	67.96	17.7	66.5	15.8
Vietnam	93.45	23.1	66.6	10.3

Source : United Nations : World Population Prospects 2015

Percentage distribution of the population in Aged group by country in 2050

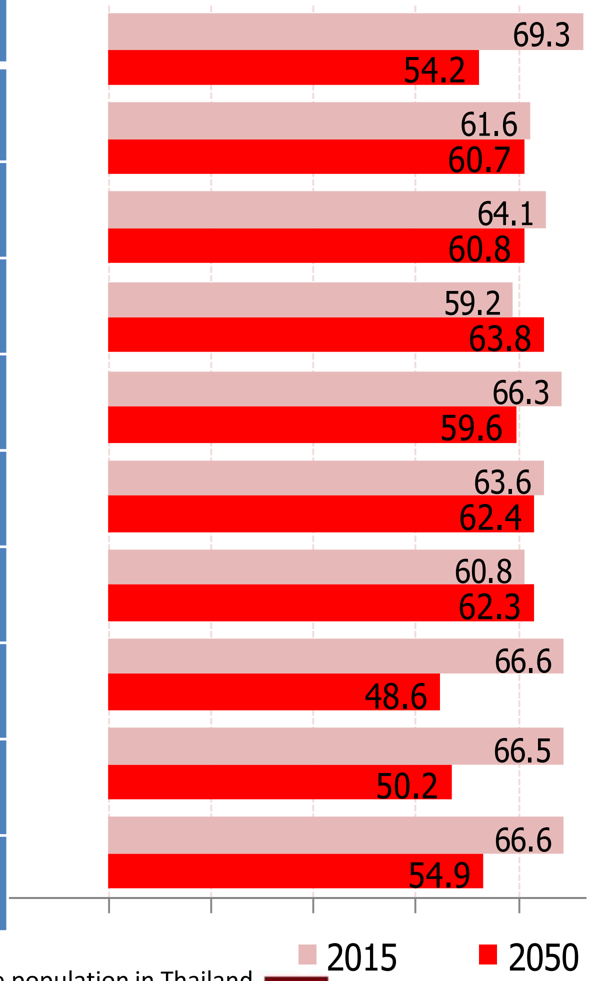
Share of Population Groups in the ASEAN Region in 2050

	Population (millions)	Age 0-14 (%)	Age 15-59 (%)	Age 60+ (%)
Brunei	0.55	14.9	54.2	30.9
Cambodia	22.54	21.7	60.7	17.6
Indonesia	322.24	20.0	60.8	19.2
Laos	10.17	21.6	63.8	14.6
Malaysia	40.73	16.9	59.6	23.5
Myanmar	63.58	18.8	62.4	18.8
Philippines	148.26	23.7	62.3	14.0
Singapore	6.68	11.0	48.6	40.4
Thailand	72.45	12.7	50.2	37.1
Vietnam	112.78	17.2	54.9	27.9

Source : United Nations : World Population Prospects 2015

The statistic below shows the estimated median age of the population in selected countries in 2015 and 2050. Median Age has been increasing and all in 2050 would be greater than 30 years.

Country	Median age (years) 2015	Median age (years) 2050	Life Expectancy at birth (years)	Percentage of working population (15-59 years) in 2050: 2015	Percentage of working population (15-59 years) in 2050: 2050
Brunei	30.6	45.4	79.5	69.3	54.2
Cambodia	23.9	34.5	69.9	61.6	60.7
Indonesia	28.4	36.5	69.5	64.1	60.8
Laos	21.9	33.7	67.6	59.2	63.8
Malaysia	28.5	40.5	75.3	66.3	59.6
Myanmar	27.9	38.0	66.5	63.6	62.4
Philippines	24.2	32.0	68.7	60.8	62.3
Singapore	40.0	53.0	83.7	66.6	48.6
Thailand	38.0	50.6	75.1	66.5	50.2
Vietnam	30.4	41.9	76.3	66.6	54.9



Source: World Population Prospects, United Nations 2015

Remark : The median age is the age that divides a population into two numerically equal groups; that is, half the people are younger than the threshold and half are older. The median age of the population in Thailand in 2015 is estimated to be 38 years.

Amidst challenging, we look for business opportunities benefiting from an aging society

Goods and Services

Health care goods and services

- Health foods such as organic foods and grains
- Organic cosmetics
- Medical equipment
- Elderly and senior care products
- Communication equipment for the elderly
- Food and grocery delivery
- Hospital
- Nursery
- Health care services for senior citizens (health clubs)

Financial services

- Elders' savings such as life insurance and funds

Real estate

- New financial products such as reverse mortgage
- The need for convenience such as housing design customization and technological innovations for the elderly

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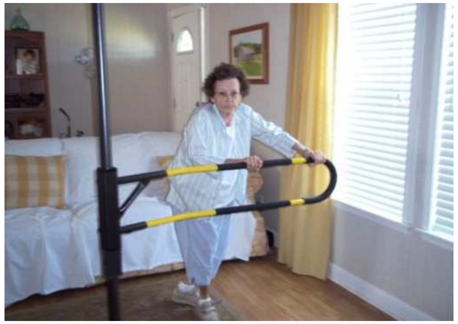
Medical equipment for the home is the primary opportunity within the senior care industry especially when everyday tasks like bathing and eating turn into challenges.

Oxygen Machine

Self Assist Walk-Around

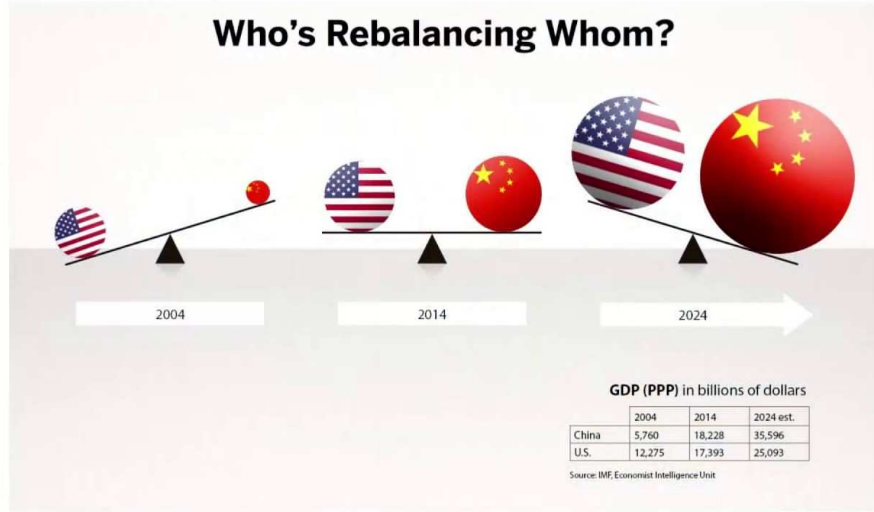


Hand Exercise

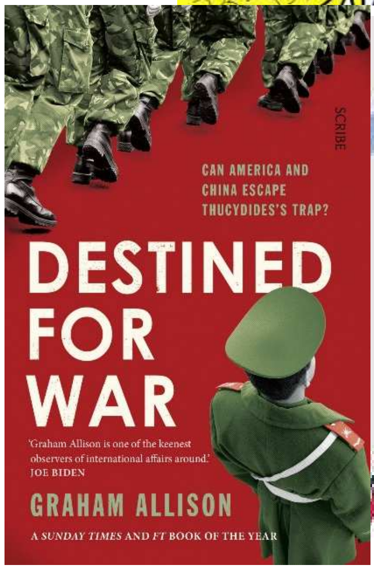
Grand Care Systems

Chairmaster

Trade war is not over!



	2004	2014	2024 est.
China	5,760	18,228	35,596
U.S.	12,275	17,393	25,093



We need Thailand 4.0 to upgrade productivity of labor

$$Y = Y/L * L$$

$$\ln(Y) = \ln(Y/L) + \ln(L)$$

$$\frac{d\ln(Y)}{dt} = \frac{d\ln(Y/L)}{dt} + \frac{d\ln(L)}{dt}$$

Growth rate of

$$Y = Y/L + L$$

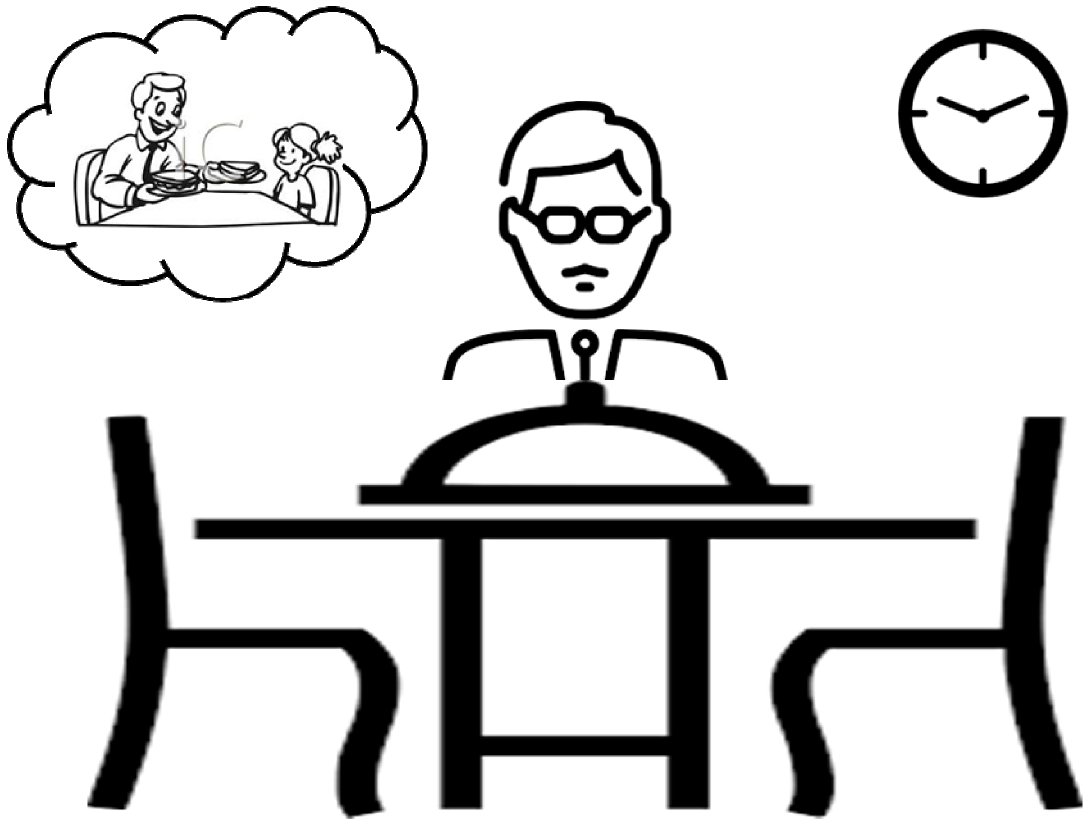
Growth rate of **GDP** = Growth rate of **Labor Productivity** + growth rate of **Labor**

Growth rate of

	GDP	Labor force	Productivity
2000-2007	5.3	1.1	4.1
2008-2012	3.3	0.7	2.6
2013-2016	2.4	0.2	2.2
2017-2020*	4.0	-0.1	4.1
2021-2030*	5.0	-0.6	5.6

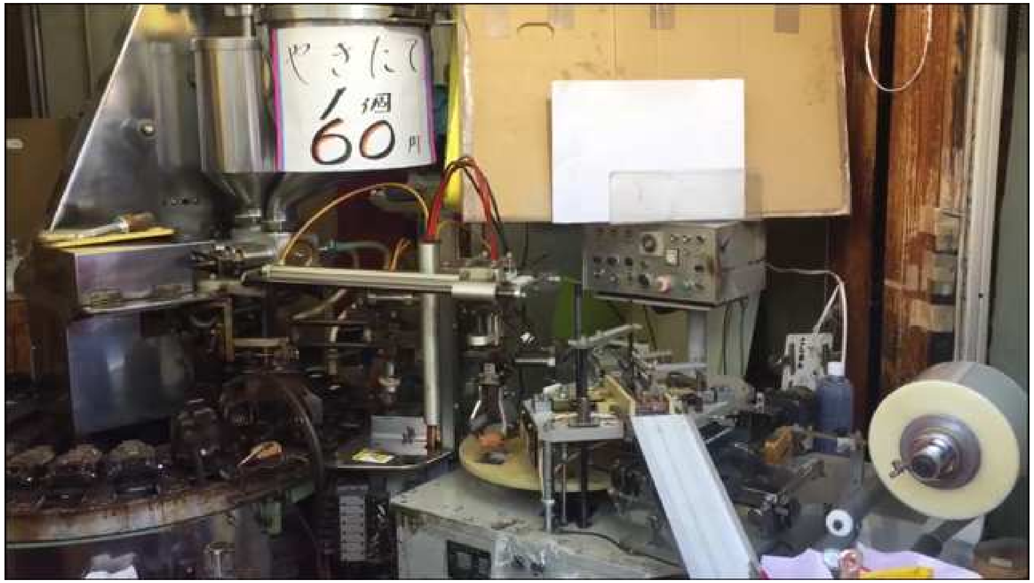
Sources: NESDB and calculated by CIMB Thai Research Office
*Projection

Behavioral economics: Private investors will not invest in Thailand unless there is a government after the election…just like a father won't have dinner unless his kid comes home!



Dying market…are we being disrupted?

Technology will replace workers



Thank YOU

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