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## **BOT and CLMV connectivity (July 2)**

The class started with some facts about CLMV countries and Thailand. One similar point of CLMV is that all of them have obtained high economic growth rate around 5%-7% and are growing as Thai investors' destination although they have high uncertainty in many aspects. They are very important to Thailand because CLM countries share borders with Thailand resulting in high economic values crossing from country to country; also Vietnam are much related to Thailand by trade in other channels despite no shared border. Moreover, as statistics suggest we can see that Vietnam, Myanmar, Cambodia, Laos are ranked respectively in terms of GDP and total population. Their economic development policy is also stable by the help of political stability in which Laos and Vietnam are ruled in socialist regime; as for Myanmar, it is military that holds the power in ruling; and Cambodia has Hun Sen as prime minister for a long time. These factors give them more decision making power in national level. All of them are export-led growth and have obtained some degree on trade openness especially Vietnam whose products are more diversified and advanced than the others. In the aspect of data limitation, all but Laos participate in IMF's data collection program, the lecturer also added that Myanmar has just recently opened its country to trade thus it is trying to bind with international standard and Cambodia's data cannot be exactly collected because its society is still cash-based and people in power do not release the information. There are also Thai commercial banks' branches and representative offices in these countries to service and give consultation to Thai investors. While CLMV are growing, China also tries to expand its power through soft power such as rail road linkage project. The lecture then continued to the role of BOT in CLMVT connectivity as it is one of the objectives in BOT short term strategic plan. It includes policy to make Thailand the springboard to CLMV meaning to collaborate with each other to benefit CLMVT equally, convenient and cost-competitive financial services with CLMV, CLMV one voice policy and compatibility, and CHINDASEAN strategy. BOT

flexibly regulates financial services and sectors in Thailand in order to support the border and international trade, portfolio investment, and foreign workers; for example, enhancing efficiency by flexible regulation, promoting formal financial services and charging lower costs in each service, and educating them about financial regulations and how they can get access to the services. The rules made by BOT cover the payment and other financial services across countries of financial institutions and technical cooperation in different sides for each country (Thailand with Cambodia, Laos, and Vietnam cooperated in similar fields which are promotion of local currency usage, cross-border retail payment and Fintech, and improvement on exchange information in banking for supervision, while Myanmar is requested for unilateral liberalization for Thai banks to be able to use Thai currency in Myanmar for Thai investors). The usage of local currency is important as it reduces the exposure to volatility of major currencies such as USD, lower transaction and conversion costs, encourages formal channel transaction, reduce usage of cash, and support domestic financial market development through more currencies demand and supply. Moreover, the latest ASEAN financial cooperation focused on advancing partnership for sustainability which aims to help each other by cooperation in financial management, access to financial services and literacy, and safety net among countries.

In my opinion, I have never known about financial connectivity before, so this is the first time I learned about what it is and how it is important for better performance and equitable development of the region. Moreover, when the lecturer mentioned about the project to use QR code to pay for any fees among countries and it is just newly introduced to the region, it is interesting and I think that it will boost up Thai tourists to CLMV countries in the future because the idea of QR code payment has been used in our society for some time, thus as the payment methods are much easier among different currencies, it is easier to do things without having to carry cash around and get harmed by pickpocketing which is still an issue in CLMV. ✓



### **Sustainable Development Goals (July 3)**

Nowadays, there are many sustainability issues and they can be classified into global, regional, and local levels. The global level includes many problems such as poverty, waste, inequality, war and conflict, gender inequality, food security, climate change, etc. The problems considered as local level in Thailand are poverty, food safety, quality of education, gender inequality, and environment. Moreover, some of the global, regional, and local problems are linked to each other. Thus sustainable development, development that meets the needs of people in the present without compromising ability of future generation to meet their own needs, is very important. Furthermore, sustainability itself can be grouped into weak form (believing that people can sustain their consumption pattern and natural capital and resources can be substituted by technology and financial capital) and strong form (believing in steady state so people should get rid of all activities that create negative externalities thus no capital degradation). However, both form of sustainability are debatable in policy making process. Basically, sustainability can be classified into economic, social, and environmental aspects, and they are interlinked to each other so policymakers need to analyze how a policy aiming to achieve one aspect does not suppress the others. The lecture then moved to brief history of sustainability goals before SDGs in 2030 agenda was formed. It started the first time in 1948 when UN was created as it believed that to prevent WWII, everyone should be able to live with dignity. After that, there were many other movement such as silent spring book to test effects of pesticide, UNEP to organize meeting for international countries' leaders, our common future book giving the 1<sup>st</sup> definition of sustainability development, CBD or UN's climate change concern, MDGs or Millennium Development Goals, IPCC on climate change issues, and RIO+20 to draft goals of SDGs. As for SDGs, it is the development goals with shared development terminology (to ease communication about the goals) and action framework which are the results the 3 pillars mentioned above. It contains 17 goals which are

no poverty, zero hunger, good health and wellbeing, quality education, gender equality, clean water and sanitation, affordable and clean energy, decent work and economic growth, industry innovation and infrastructure, reduced inequalities, sustainable cities and communities, responsible consumption and production, climate action, life below water, life on land, peace justice and strong institutions, and partnerships for the goals. It also contains 169 sub-goals, 244 indicators (which can be classified into tier 1, 2, and 3 according to data availability and regularity of data collection), and means of implementation as well. It mainly cares about 5Ps: people, prosperity, planet, peace, and partnership. Inclusive and integrated development are very important to SDGs as it aims to cover all countries and each goal is interlinked with one another. As for CLMV countries in SDG status, only Vietnam can manage to climb up to the 54<sup>th</sup> rank of that has developed according to SDGs while others still have quite a long way to go. Moreover, in ASEAN countries, the main focuses that need to be solved to meet SDGs standard are poverty reduction, infrastructure and connectivity development, sustainable natural resource management, sustainable consumption and production, and resilience. In Thailand, we include SDGs in the national goals as they are classified and assigned as sub-goals of different groups both public and private sectors.

In my opinion, sustainability is still a very trending idea as it tries to cover all aspects of our lives which is economic, social, and environment. Moreover, it is never out of date to think and apply it in a country's policy, especially when the world's natural resources are overexploited which then affect other aspects of people's life and the country's prosperity. However, as all sustainability aspects are linked to each other, I think that it is challenging to come up with a national policy that can improve all of them while the policymakers have to include the stakeholders of each problem as many as possible. Therefore, I think that it may help if some sustainability policies can be localized in order to response to what is important to the local people while are still able to answer the questions of sustainability.

### **East-West Economic Corridor (July 4)**

The lecture started with some indicators of CLMV region, to be specific Savannakhet in the Lao PDR and Central Vietnam, and it shows that all countries have obtained high growth rate because they are in early stage of development meaning that there are many opportunities to improve their countries, and the total population of Laos is much lower than other countries in the region while Vietnam has the highest. Moreover, one common key risk of the region is the volatility of currency as their currencies are weakened against US dollar. The connectivity is also important to not just CLMV countries but the whole region such as connectivity with China. For example, currently Thailand has East and West economic corridor with other CLMV and 2 important connectivity routes to CLMV in Thailand are Phitsanulok (intersection of north, south, east, west region) and Sa Kaeo (many business activities as it is next to Poipet). As for Laos, there are many special economic zones to attract investment from foreign sources which come mostly from China. Although small population and poor country, foreigners still choose to invest in Laos for its low wage, natural resources, connectivity to China, EU/US tariff negotiation, stable government, and investment tax benefit. They come to invest in many industries such as construction including infrastructure investment, tourism and tourist-related business, energy as Laos has electricity-generating dams, retail business targeting local middle income customers and tourists, food and agriculture such as sugar, manufacturing for export, and beauty business influenced Laotians by Thai drama. As for Vietnam, it has the highest special economic zones in CLMV; however, the population are concentrated in the southern part as the north is not so fertile and there are a lot of hills in the central part. Inflow FDI in Vietnam mostly goes to processing and manufacturing industries especially, electronic parts. Note that their well-known skills for technology are from the spillover of technology that foreign investors directly invested in it. As for Thailand exports to neighboring countries, 25% goes to within ASEAN region. To be more specific, different kinds of products are exported to

CLMV; for example, Cambodia imports jewelries, processed fuel, and beverages especially energy drink; Laos imports processed fuel, and motor car parts and accessories; Myanmar imports processed fuel, and beverages; and Vietnam imports polymers and air conditioning machine. Moreover, Thailand still has an advantage to export petroleum products to CLMV and natural gas to Myanmar and Indonesia due to foreign tourists and economic expansion. There is also high growth in plastic polymer and resin export from Thailand to CLMVI as well. In aspect of Thai outward FDI to CLMV countries, there are many internal factors supporting the investment activity such as mature stage of product cycle for labor-intensive products, labor scarcity due to high minimum wage and ageing population, expiration of GSP, CLMV's investment liberalization, connectivity, and development of CLMV. With investment opportunities in Cambodia (to bring in fund and technology in agribusiness), Laos (in construction to build a new area in Vientiane project), Myanmar (which just opened the country), and Vietnam (believed as the new tiger of ASEAN, and investing opportunities in vehicle and parts, transportation and logistics, etc.), Thai investors are investing in ASEAN, CLMV to be specific, and changing their investment destination from Myanmar to Vietnam (but both are still 2 main destinations for them). Some future outlook for the region includes rising share of exports from CLMV, growing border trade partly helped by One Belt One Road policy, more trade and cultural liberalization, more within-region investment, tariff reduction, better economic performances, growing ageing society in Singapore, Thailand, and Vietnam.

When the lecturer mentioned about beauty business in Laos and Vietnam, it is very interesting to know that they got influenced through Thai TV dramas. I think that this is the soft power from Thailand (which in general, can be used in positive or negative ways) as it is modern cultural products which can influence people's behavior in the neighboring countries, though it may not be so strong. Thus, to me this product (as positive soft power) creates opportunity for Thailand in investing beauty business and maybe other businesses related to it.



### **Chon Buri – Rayong trip (July 5)**

In the morning, we went to TGI or Thai-German Institute, which was established from the collaboration among Thai and German government and private sectors to boost up Thai labors' capability and manufacturing sector among the growing international competition and digital society. Germany supported Thailand in the terms of sending their machines and personnel to Thailand to train Thai labors to have real experiences and feel familiar with real factory environment. Another reason behind the establishment of the institute is because, though Thai vocational education has more linked to the real sectors, in the past it was not successful in training the students for manufacturing sectors as they taught just theory and practical lessons cannot cover all the operations. This is important because nowadays, there are many foreign investors in Thailand, so it is needed to ensure them that Thai labors are well-prepared to work for them. Currently, there are about 200 modules covering main operations in factories which can be classified into 3 main types which are molding (very important as Thailand produce electronic parts and related products), automation, and maintenance. And each course, the price is around 7000-12000 THB and there are 2 sessions in the courses: theoretical and practical lessons. Moreover, they limit the participants up to 12 people at most, so they can get fully trained by the experts responsible for the courses and up-to-date technology. After finishing the courses, the participants get the institute certificate to confirm that they already attended the courses for further credibility and higher income rate. Nowadays, the institute found that most of the participants are sent by their mother companies especially the middle and large ones. Currently, as Thailand is embracing Thailand 4.0 policy to be able to compete in the global level and escape middle-income trap, technological modernization is important and in this aspect it gets the help from the big companies in Thailand that it partners up with to send new machines to teach the participants. Later, we are accompanied to visit the training rooms and there are many kinds of curriculums that they showed us such as PLC (the

heart of automation systems for the machines to communicate with one another), 3D printing, and micro plastic injection.

In my opinion, when the lecturer mentioned the part that actually the manufacturing sectors do not require degree of the labors, but they value the experiences, thus those who graduated with high degree are just considered overqualified. I totally agree with him as Thai people want themselves and their children to work as white-collar workers as there is a value in Thai society to become 'Jao Kon Nai Kon.' Thus, they try to study in higher degree to have more opportunities than others and compete against each other causing education bubble in Thailand. Moreover, in terms of the connection with CLMV, Thailand is one of the countries being the working destination of its neighbor countries. This make Thai people leave all the 3D jobs that they consider undesirable: dirty, dangerous, and difficult, including factory work, to the immigrants. And while Thai manufacturing sector plays a big part in economic growth, it means that we are heavily relying on these CLM immigrants.

In the afternoon, we visited VISTEC Wang Chan valley sponsored by PTT in Rayong. It is an institute for education and scientific frontier research (research based on the ground of the knowing and the unknown to improve further knowledge focusing on real problems) for post graduate degrees aiming to develop human capital for Thailand. It aims towards a world-leading university with exact framework (2020 aiming to become leading research university in Thailand, 2025 aiming to become top 10 research university in ASEAN, and 2035 aiming to become top 50 university in the world). It provides many updated advanced equipment and laboratories for research. According to its framework, it then tries to attract skilled teachers and students by giving what they need such as much time for research, less time lecturing, high income and full scholarship without conditions, etc. It currently opens 4 available faculties which are digital (robots and AI), biotechnologies, energy and environment (very important as fuel energy is becoming less important), and advanced material (such as Nano materials);

moreover, it plans to open the faculty of liberal art and science management as it believes that the complete life comprises of science and art. As mentioned above, the research are initiated by linking the problems faced in manufacturing industries in order to solve their problems and extend the area of knowledge. In accordance with EEC of Eastern Economic Corridor policy, basically, different provinces are responsible for different sides of modernization; for VISTEC which is located on Rayong, it focuses on innovation and area-based development (in aspect of manufacturing sectors in the region) while embracing Thailand 4.0 policy. It also aims to make the area a smart city having many clean sources energy, EV buses and cars, intelligent security system, and eco-friendly lifestyles. After listening to the moderator, we are accompanied to observe the area. And there are many projects presented to us such as radar for human assistance, and health examination by detecting brain waves.

In my opinion, the place is very beautiful and I can see that they value sustainability as compared to the previous day's lecture about 3 pillars of sustainability. It is reflected thorough the presentation and the tour around the place that they are trying to develop innovation which can response to the needs of the manufacturing sectors in the area and Thailand as a whole to boost up their productivity and capability (economic aspect), also there are a lot of trees and geese and pathways that support small animals' pattern of living there as the guide said that it was developed by concerning the environment as one the first priorities (environmental aspect), and they are trying to create smart city both for the people who live in the place such as teachers, students, and other personnel, and people who live near it as they are trying to lift up the quality of life through cleanliness, good organization, and security such as intelligent security system.