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Week 3

1/7/19

Mrs. Punpilas Ruangwisut delivered a presentation on the Bank of Thailand and CLMV connectivity. She began by sharing some general facts about CLMV economy. One of the important aspects of CLMV pertaining to trade with Thailand is that they are bordering countries, which makes cross-border exchanges easier, cheaper, and more appealing. Vietnam has the highest GDP and population among the four, while Laos has the smallest. A commonality between CLMV is political stability, which may be a key factor in the continuous economic developmental growth and stability. There is a narrow diversification of products in Cambodia, Laos, and Myanmar, and also, there are limitations of data in CLMV, both in frequency and quality. Growing interconnectedness between Thailand and CLMV can be attributed to physical connectivity, economic relationships, historical and cultural exchange, and religion (Buddhism).

For the Bank of Thailand, regional connectivity plays a significant role in bringing together Thailand and CLMV. Bank of Thailand's three-year strategic plan (2017-2019) emphasizes three main ideas: stability, development, and internal excellence. The plan stems from the idea that Thailand's real sector benefits from lower transaction costs, more convenient payment methods, and more opportunities to invest in other ASEAN countries. The Bank of Thailand makes a large contribution in the development of the financial sector to facilitate trade and investment. In order to do this, the bank focuses on enhancing efficiency by enforcing more relaxed regulation, promoting formal financial services, and lowering costs of financial services. Also, increasing financial literacy and syncing regulations helps with the facilitation as well.

One concept mentioned that caught my attention was this idea of creating a more universal currency. For example, by paying with QR code, there is greater efficiency and comfort for people as they do not have to go through the process of converting their own currency into the local currency of the place they have traveled to. I would think that this would also greatly encourage trade among other countries because it is one less thing to worry about. Accessibility, comfort, and effortlessness generally help improve people's satisfaction, and keeping people satisfied is a major part of human to human interactions. In the United States, we have a mobile method of paying one another through Venmo. Based on personal experience, it is actually a quite popular application among my generation. Similar to paying with QR code, Venmo is quick and easy, and more and more stores are allowing payment through Venmo. Since we are an increasingly technologically forward society, I could see Venmo and similar applications rising in popularity, maybe even expanding to place throughout the whole globe.

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3/7/19

Ajarn Chol's lecture today was an introduction to sustainable development goals, or SDGs. He began by explaining why our world needs sustainability in the first place. I always appreciate this style and approach of lecturing because it makes sense to start with the problem before diving into what is being done to solve the issue. There are many global sustainability issues, but the main ones include poverty, inequality, war/conflict, gender equality, food security, climate change, mass extinction of species, and deforestation. These are general, very broad scale issues that impact our whole world, but there are also local/regional sustainability issues. These include but are not limited to: poverty, food safety, education, gender equality in leadership, equality for the LGBT community, and air pollution. Local and regional issues are sometimes grouped under the same category because local issues are also very likely to affect other surrounding areas. One clear example of this occurrence would be local problems in ASEAN also spreading to others in ASEAN. Air pollution in Thailand does not just stay isolated in Thailand, and it does in fact negatively affect the neighboring countries.

When looking at sustainability, two questions must be asked. First, can we have better quality of life? And second, what world are we leaving for our children? One commonly used definition of sustainable development is the development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Also, there are two types of sustainability, weak and strong. The main idea of weak sustainability is that natural capital can be substituted, while strong sustainability aims to eliminate all negative externalities, completely changing the ways that we are living today. Ajarn Chol asked us to choose which side we agree with more, and I chose weak sustainability because it is honestly more realistic in my opinion.

The Agenda 2030, adopted by 193 UN member states in September 2015, is the plan of action that has solidified and actualized the current 17 goals set in place. The creation of these goals was influenced by improving the "5 P's": people, prosperity, peace, planet, and partnership. Finally, towards the end of class, he went over the three pillars of sustainability: economy, investment, and society. He urged us to look at the linkages between these three ideas, as all problems are often related to not just one of these topics, but pertain to even all of them at the same time.

I quite enjoyed learning more in depth about the problems that our planet is facing. It is an interesting fact that despite all the different places there are in this world, these problems can be seen anywhere you go. Although each country or region has varying degrees of struggles in all these areas, there is no perfect country out there. In knowing this, it is even more imperative that we all cooperate together in order to make the world a better place. In my opinion, the development of the sustainable development goals shows great progress for our world in that we have now defined what problems there are. Following this step is deciding how to take action of actually implementing suitable policies that will produce positive results.

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4/7/19

Today's workshop hosted by Amonthep Chawla really reminded me that learning is meant to be a fun and positive experience. He structured the workshop into four different parts. The first part was titled "East-West Economic Corridors," in which he talked about the different economic zones. He began this section by saying that developing countries have a lot of room to grow, which gives them greater potential for rapid economic growth. Despite this, something that investors must be careful about is the volatility of currency in these countries. Ironically though, the thing that can remedy this issue is having a trade surplus because when money is coming in, there is an increase in confidence in the currency (strengthens it). In the case of Laos, the currency is very volatile and the government does not have many of its own funds, proven by the fact that most government projects are funded by foreign aid. Laos currently has ten special economic zones, which has benefitted the connectivity within the country and also with other surrounding countries. This is just one of the many factors that have increased Laos' attractiveness to foreign investors, creating eight main business opportunities in construction, tourism, energy, retail, food and agriculture, manufacturing for export, logistics, and beauty. In terms of special economic zones in ASEAN, Vietnam actually has the highest number of them

In the next two parts of class, Mr. Chawla focused on Thailand's exports and investments to its neighboring countries. He stated that 25% of Thai exports go to ASEAN countries, and of this, about 50% goes to CLMV. Furthermore, Thailand has shifted to investing in other countries because investing in Thailand has lost its competitiveness in the global market due to reasons such as shortage of labor, expiration of GSP, disadvantages in minimum wage, and the Thai aging population. The last part of class focused on the future of Thailand, including trade opportunities and what must be done due to the aging population. It is predicted that technology will begin to replace workers because of the shortage of labor.

This class was probably one of the most engaging sessions that we have had so far. I really enjoyed the interactive nature of the class, not just from the debate style activity at the second half of class, but also from the way that speaker asked questions to keep out attention. Mr. Chawla gave us facts, but he also asked us to apply our knowledge of facts to real life situations. I think being able to hone in on this skill is very important in working with future clients who possibly would invest in your business. As a business person, you must be able to convince someone why choose you? What are the benefits of investment in your product, and equally as important, what are the fallouts? One observation I would like to point out is that Vietnam has the highest number of SEZs and also the highest number of FDIs out of all of CLMV. There may be a relationship between these two things because better connectivity and linkage provides better reason for a country to be invested in. I wonder if the high amount of SEZs came before the FDIs or vice versa, or perhaps both have affected and influenced each other at the same time?

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5/7/19

Today was a class field trip to Chonburi. We made two company visits, the first one to the Thai-German institute. The Thai-German institute is a joint project between the governments of the two countries in order to bring advanced technology in manufacturing to Thailand. Its original goal was to provide support to Thai workers by helping them learn more advanced skills mostly in the manufacturing sector. It operates under the Ministry of Industry and is under the supervision of the Foundation for Industrial Development. Some of their main missions include wanting to become a government mechanism that will increase competitiveness in worker ability by enhancement of automation systems and machinery and wanting to become a center of excellence for these areas.

The second place we visited was VISTEC, which is a research institute that is driven by the goal of becoming renown as an internationally competitive world class university. Their mission is the become a leading research university by becoming a place where people from all around the globe can further their studies in a PhD program. By actively conducting new research that stays on par with the rest of the best, it will in turn increase the competitiveness of the nation of Thailand as a whole in the research and development field.

Being able to get out of Bangkok was a new and exciting experience. Even just the drive to Chonburi and back was nice because I got to see a different side of Thailand. I remember one thing that stood out to me as I was looking outside of the bus was the many areas in which there would be an extremely nice-looking house next to a worn-down building. It really proved to me that there is a large gap in income. The inequality of income in Thailand is very much present and increasing. As for the time that we spent at the institutes, I thought the facilities were very nice, especially at VISTEC. Being able to see the new technologies up close was an unforgettable experience. However, it was a bit difficult to grasp the full concepts of things that were being explained to us because of the language barrier. The trip made my desire to learn more Thai grow even stronger.