

EE551&EE561 : Daily reaction essay | July 1, 2019

The information about BOT and CLMV countries connectivity of this lesson is from Bank of Thailand. The period starts with getting to know CLMV countries by using 10 facts information. Firstly, CLMV countries have high GDP growth around 6-7% in 2018. Secondly, Vietnam is the largest country in CLMV in term of GDP and population while Laos is the smallest country. For information in 2017, GDP of Vietnam and Laos is 175.3 billion and 11.9 billion respectively. Population of Vietnam and Laos is 95.5 million and 6.9 million respectively. Thirdly, CLMV's economic is stable because of their political stability. For example, Myanmar still have high power of military. Cambodia has the same prime minister more than 20 years. Laos and Vietnam are socialist countries which they are more decision making power in national level. Fourthly, Vietnam is export-led growth country with the highest degree of openness in CLMV countries. Major exporting product of Vietnam is electronics. Fifthly, Cambodia, Laos, and Myanmar are narrow economic diversification. Sixthly, data system of CLMV countries is limited and not good enough to record since they are no collecting mechanism especially in Myanmar. Seventhly, 50 percent of border trade of Cambodia, Laos, and Myanmar is trade with Thailand because they are next to Thailand. It is easy for transportation. For Vietnam, it has to pass Laos to connect the transportation. Eighthly, CLMV countries are popular destinations for Thai investors, such as CP, PTT, SCG, and so on. Ninthly, Thai commercial banks which are Bangkok Bank (BBL), Krungthai Bank (KTB), Siam Commercial Bank (SCB), Kasikorn Bank (KBank), and TMB open branches in CLMV countries and also in ASEAN. Bangkok Bank is the highest presence of Thai commercial banks in ASEAN (9 out of 10 countries; excepted Brunei). Tenthly, China maintains its soft power in CLMV countries by investing in infrastructure projects. For example, China's ASIAN link railway project is the transportation project that start from Kunming (China) to Vientiane (Laos), Bangkok

(Thailand), Malaysia, and Singapore. It looks like “One Belt One Road” project that it connects eastern and western continental.

For financial sector, Bank of Thailand aims to regulate and make policy on foreign exchange rate to facilitate trade and investment. BOT tries to promote the connectivity of financial sector with CLMV countries to use local currency, and improve on cooperation and exchange of information in banking for supervision. Benefits of using local currency is to reduce the transaction costs and the exposure to major currencies’ volatility. So, the local currency will be increasing demand and supply.

In my opinion, the 10 fact informations that I have learnt today are important things that investors have to know before they invest something in CLMV countries. Moreover, I think CLMV countries should have more effectively collecting data system before we open AEC or ASEAN Economic Community in many year ago. So, the countries can use the information to improve the countries. 50 percent of this slide are the information that I have learnt from the previous class. The interesting part of this lecture is in part of role of financial sector that provides financial services to investors such as trade financing, fund raising, borrowing and lending, payment linkages, and remittances.

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Today's topic is sustainable development goals. The sustainability issues are separated into 2 parts : global sustainability issues and local sustainability issues. The example of the global sustainability issues are garbage, poverty, slam VS city, inequality, conflict war in Syria, gender equality, food security, climate change problem, mass extinction from human and expanding city, forest, plastic issue and so on. The example of the local sustainability issues are poverty, agriculture, food safety from chemical, education quality, gender, environment (water, air, traffic, and garbage), and so on. The standard definition of sustainable development that mentioned in the slide is "the development that meets the needs of the present without compromising the ability of future generations to meet their own needs". There are 17 goals. 1-6 are about people. 7-11 are about economic. 12-15 are about environment. 16 is about peace. 17 is about trade cooperation. The functions of sustainable development goals are a set of UN's development goals, a set of indicators to review state of sustainability of the world&countries, an action framework, tools for cooperation and partnership, and bargaining power.

Two shades of green shows weak and strong sustainability. For the weak sustainability, today is equal to tomorrow. No change. Natural capital can be substituted by technological and financial capitals. For strong sustainability, it likes environmentalist that want to eliminate all negative externalities to be zero externalities. No degradation in the capitals especially natural capital. So, the Earth will enter a steady-state. For me, I think I am in weak sustainability because I will use many capitals to live in the society.

Three pillars of sustainability is the linkage of three dimensions which are economy, environment, and society. When I see three intersected circle, I realize that it looks like the three circle of the sufficient economy of King Rama IX of Thailand but the meaning is not the same.

For the interesting point, the lecturer gives website (www.sdindex.org) to know sustainable development goals status of each countries. The website provides SDGs global rank, global index score, regional average score, GDP, and current assessment to be information that I realize they can be used to in our project.

In my opinion, everyone have to aware to the sustainable development goals and look at their own countries to know trends and problems in the countries. Then, they should help each other to save the world and solve the problems. Lastly, I realize some active trends in Thailand that are agriculture, forest conservation, renewable energy, women rights, LGBT, and innovative industries. These topics will be waiting Thais to solve them together in the future. For example in LGBT topic, I can treat them as well as other people since they are human as everybody without limitation anymore.

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The lesson is workshop for Laos and Vietnam. Lecturer is also BE alumni in 4th class. Class begins with the overview economic indicators of Cambodia, Laos, Myanmar, Vietnam, Indonesia, and Thailand in 2017. The fact that I found in this topic is poor countries have high GDP growth but it does not mean they are rich countries. The reason is rich countries mean that GDP per capita (GDP divided by population) is high not only GDP is high. In the table, the highest percentage of GDP in external debt of Laos because Laos has a lot of foreign direct investment. The attractive things to invest in Laos are natural resources, cheap labor costs, connecting to China, stable government, and tax negotiation that provides personal and cooperative tax benefit. The proportion of FDI in Laos is China which is around 33.13% (information from 1989 to 2014). Mostly, foreign countries invest in construction (1st opportunity to develop country), tourism (to be well known), energy (Laos's nickname is the energy of Asia), retail (to offer the services to middle class customers), food and agriculture, manufacturing for export (to be an investment hub of shoes, textile, and so on and export to other countries), logistic (Laos connects to 5 countries which are Thailand, Myanmar, Vietnam, Cambodia, and China), and beauty. At this point, the lecturer mentioned why Laos's people are interested in beauty. I answered that Laos's people watch Thai TV drama since our language are quite similar. So, they want to look pretty or handsome as well as Thai's actors and actresses.

On the other hands, FDI of Vietnam focuses on processing and manufacturing industries. In the the highest industry is footwear, textile, and fabric. Nowadays, the highest proportion is electronic which is phone and parts. The reason for the foreign investment in Vietnam is the advantage of young workforce and low labor cost. With rapid growth, the lecturer believed that Vietnam will become new tiger in ASEAN.

For population situation, Singapore, Vietnam, and Thailand seem to be aging society which is group of people who are more than 60 years old from the data in 2015. Private sectors will look for benefits of business opportunities from aging society. Three types of goods and services that they are designed for elder people and have high opportunity are health care, real estate, and financial services.

Moreover, I agree with the lecturer that Thailand has around 68 million people and 38 million of population are in labor age. But, Thailand does not have enough labors. For example, there are a lot of foreign labors in Samutsakhorn province since this province has many factories. The lecturer asked us that if we are motorbike company, we will sell the products to Thais or foreign workers. In my opinion, Thais have more credit to get loan from the financial sector because they have the address and Thailand is their own country. For foreigners, they might escape or go back to their country. But, the lecturer mentioned that, in fact, when foreigners want to buy motorbike, they will pay cash for the full price. No need to use the credit.

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This is field trip day at Chonburi and Rayong. In the morning, we go to Thai-Germany Institute or TGI at Amata city, Chonburi. In the past, Thailand started to have investment from foreign. One problem is the skills of labor that decreases confidence of foreign direct investment in the country. So, the objective of this institution is to improve ability of labor in Thailand industry. There is more than 200 modules to learn techniques and machines that are supported by Germany in first ten years because Thailand was poor country. At the beginning, they sent agents from Thailand to Germany to exchange the knowledge. Now, Thailand is middle income country so they do not support us anymore. The course of the institution focuses on learning with the machines in the real industry. There are 4 types of services : training, consulting company, service industry, research and development. Most of students are sent from the companies as human capital investment. The company will support the institution by sending new version of machines and technologies to teach their employees. For example, Mitsubishi Electric, the Japan's electronic products company, set the office department in the institution to contract with employees, the institution and the headquarter easily. At last, Thai-German Institute provides 2 types of certificate. The first one is for attendance. Another one is for achievement that it refers to pass the test of the institution.

During the presentation in the lecture room, I agree with the question from my friend who ask the lecturer that "Thailand government promotes Industry 4.0. What is our ranking of industry now?" The answer is industry 4.0 is using robot instead of human. For we are industry 2.0-3.0 since industry 4.0 uses a lot of investment.

In my opinion, Thai-German Institute is located in appropriate place because it is in Amata city where is the center of industry in Chonburi province. It is easy to send employees to learn the knowledge from basic until advance level. The institution should have cooperation with vocational

education institution to improve the education system and labor skills in other provinces to attract foreign direct investment.

In the afternoon, we go to Wangchan district at Rayong province to visit VISTEC or Vidyasirimedhi Institute of Science and Technology. It is located at Wangchan valley where is the Eastern Economic Corridor of Innovation (EECi) that PTT, a Thai state-owned SET-listed oil and gas company, develop the area to foster innovation capability as innovation hub in the Eastern Economic Corridor (EEC) that is established by Thailand government. Wangchan valley includes community market, international school, service apartment, hotel, recreation center, health center, commercial zone, Kamnoetvidya Science Academy (KVIS), VISTEC, Wangchan forest project, utility center, solar farm, and research and innovation center.

The goal of VISTEC is to be hub of science that lead the world in 2035 by being Thailand's top research university in 2020. VISTEC opens the academic only for master degree and PhD in 4 schools which are Energy Science & Engineer (ESE), Molecular Science & Engineer (MSE), Bimolecular Science & Engineer (BSE), and Information Science & Technology (IST).

In my opinion, this institution is very nice place to study because it has beautiful design and a lot of nature. The most interesting is everything is free in the institution for students. The institution provides everything for them. Students just come with body and clothes. If I prefer to study in innovation field, this institution will be on my mind.