

Thailand Opportunities

Ministry of Commerce

2017



Thailand Policy Update

Thailand Policy Update

- Thailand 4.0
- New Connectivity
- Massive Infrastructure Investment
- SEZs
- New S-Curves
- Thailand Eastern Economic Corridor: EEC
- Thailand Digital Transformation
- From Sufficiency Economy Philosophy (SEP) to Sustainable Development Goals (SDG)

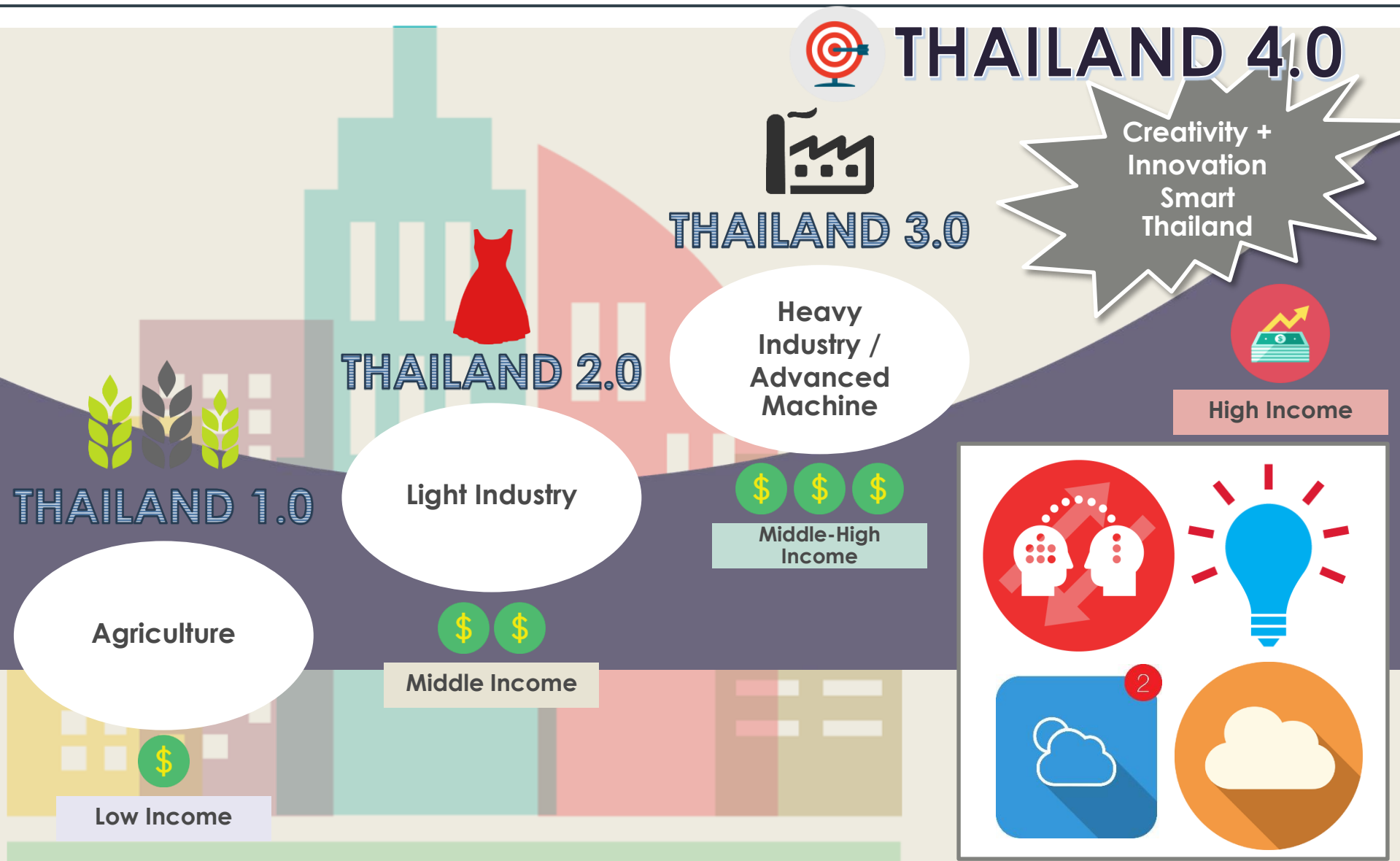
Progress and Economic Strengths

- Reform efforts: 227 acts passed, 127 more to come
- PPP (Public Private Partnership) approval process significantly shorten
- High Value (Organic, GI, Super Food)
- Improvement on Competitiveness / EoDB/ IUU/ TIP
- Strong Macro Economic Indicators
- World Leader in Export Performance

Building on our Strengths

- Strategic Location and our unique position in CLMVT
- Inno-Agri: Key Driver for economic Growth
- Value Creation: Enhancement of Post Harvest-GI-Organic-Branding-Creativity-Premium OTOP
- Unleashing and Unlocking manufacturing related services and non-tourism related export in services
- Enterprise Economy: from Start to Smart
- Public-Private-People-Partnership: *Pracharat* movement key to





Thailand's National 20-year Plan

Stability

Prosperity

Sustainability

6 Areas, 6 Primary Strategies, and 4 Supporting Strategies

Area

1. Security
2. Competitiveness enhancement
3. Human resource development
4. Social equality
5. Green Growth
6. Rebalancing and public sector development

Primaries **S**trategies

1. Enhance and develop the potential of human capital
2. Ensure justice and reduce social disparities
3. Strengthen the economy and enhance competitiveness on sustainable basis
4. Promote green growth for sustainable development
5. Bring about national security for national development toward prosperity and sustainability
6. Enhance the efficiency of public sector management and promote good governance

Supporting **S**trategies

1. Infrastructure development and the logistics system
2. Science and technology, research, and innovation
3. Urban, regional, and economic zone development
4. International cooperation for development



Thailand 4.0 =

New People + New Industries + New Entrepreneurs + New Local Economy + New Infrastructure + New Laws

4 Dimensions

Economic Wealth

Social Well-beings

Human Centric

Environmental Wellness

6 4.0 Models

Society 4.0

Thais 4.0

Industry 4.0

SME 4.0

Agriculture 4.0

Region and Province 4.0

5 Drivers

HR Capacity
Building

Clusters
Development

Incubating Innovation-
based SME

Enhancing
Domestic Economy

Integrated ASEAN and
the World

- Reform Education

- Create Career

Development Program

- Refill and Reform

Citizens Strategy

- Develop the First New
S-Curves Industry

- Next Generation Automotive
- Smart Electronics
- Affluent Medical & Wellness
- Agriculture & Biotechnology
- Food for the Future

Develop the New S-
Curves

- Robotics
- Aviation & Logistics
- Biofuels & Biochemical
- Digital
- Medical Hub

- Smart Farmers –

Develop good ecology for
supporting smart farmers

- Leverage SMEs’

Capacity

- Develop high-value

services industry

- Create good ecology

for Startups

- Reviews

Infrastructure, market,
and trade rules

- Set economic strategy
of 18 provincial cluster

- Establish Regional
Innovation Hub

- Support 4.0 Provincial
Strategy

- Support Thailand to become
a trading nation and
business center in ASIA

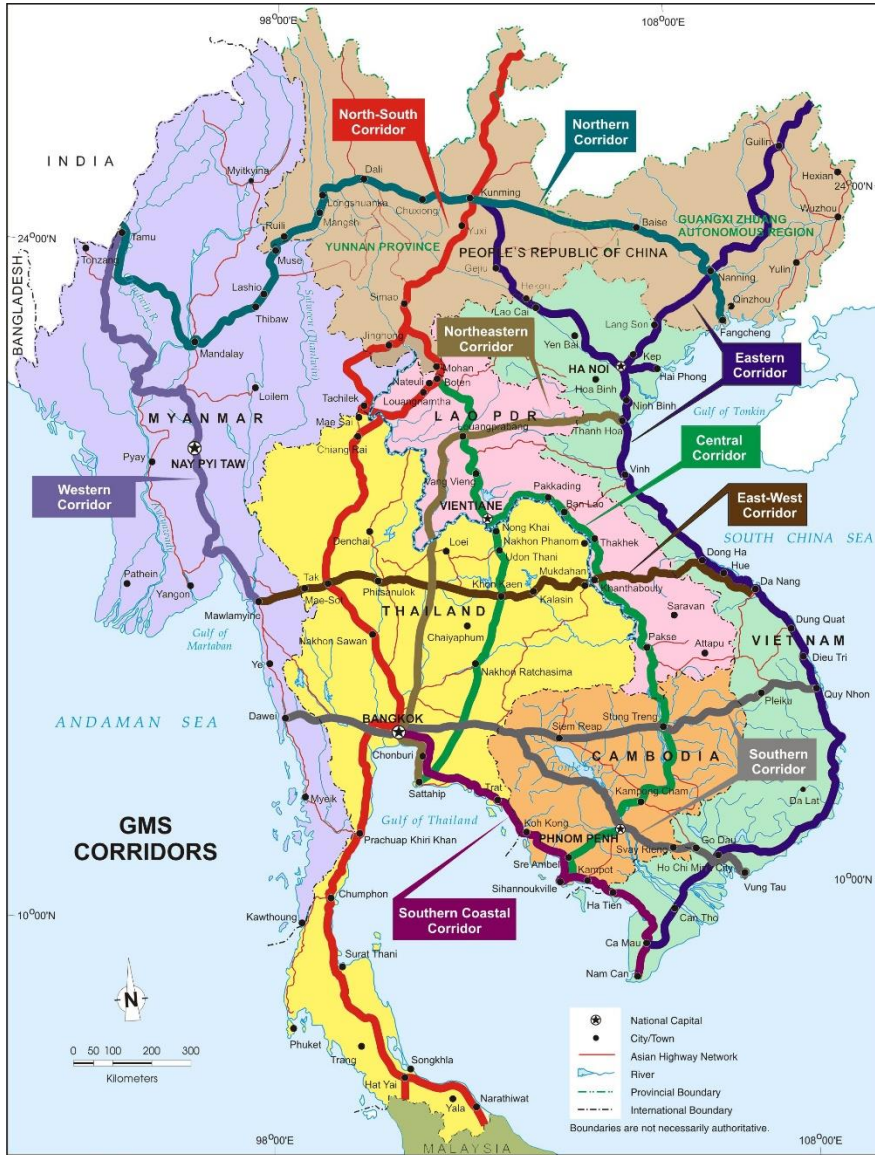
- Drive economy in ASEAN
especially, CLMVT context

- Develop 21st century
international business

model: Services & Outward
Investment



New Infrastructure Investment and Planning for New Connectivity



- **NSEC: North-South Corridor**

Connecting Thailand with China's Kunming in Yunnan, and Nanning in Guangxi

via MaeSai-Tachilek (Thai-Myanmar)

via ChiangKhong–Boten (Thai-Laos)

- **East-West Economic Corridor**

Connecting Vietnam's Da Nang via Thailand Khon Kean Pitsanulok with Myanmar's Mawlamyine

via MaeSot-Myawaddy (Thai-Myanmar)

And will connect with India using Western corridor

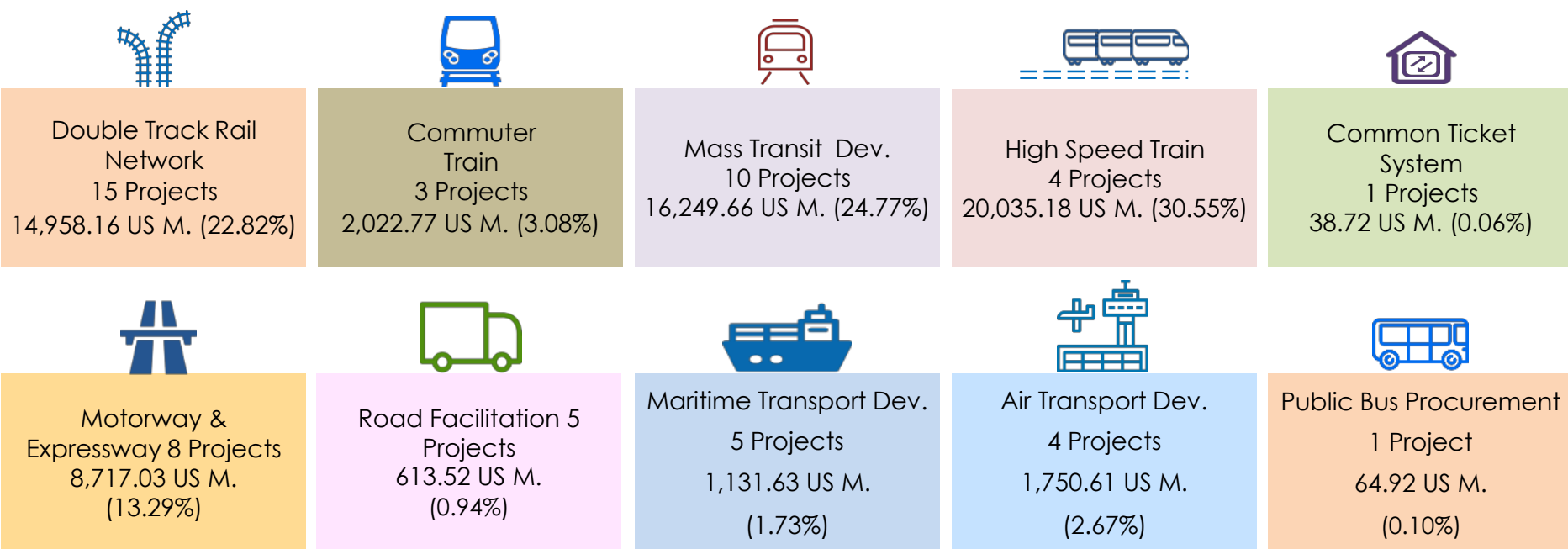
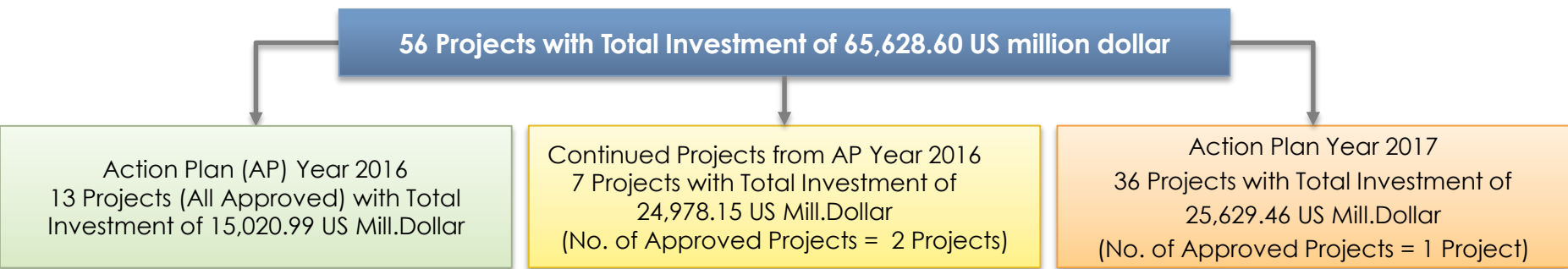
■ Western Corridor

Connecting Mawlamyine via Mandalay toward India's Moreh

■ Southern Corridor

Connecting Vietnam and Cambodia with Thailand EEC project
and toward Dawai Port in Myanmar

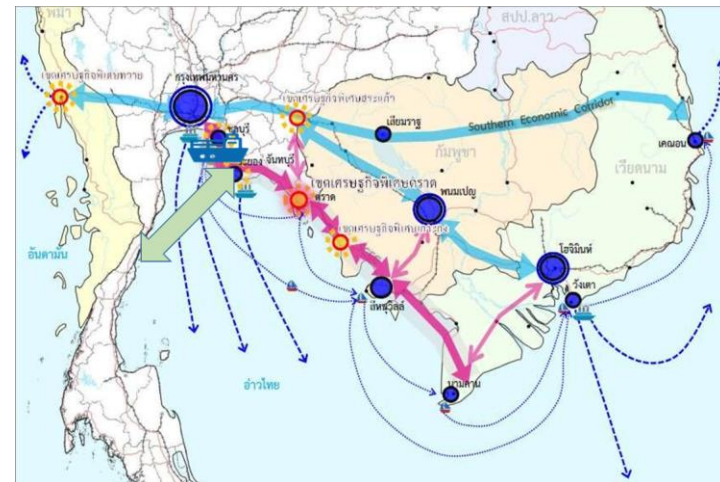
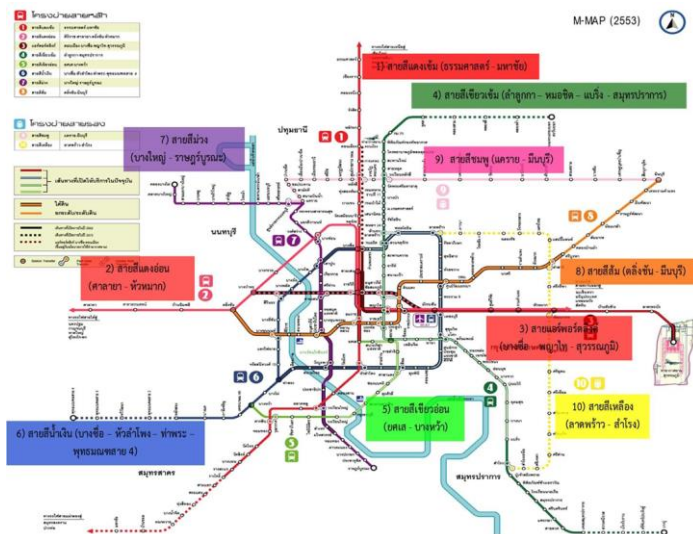
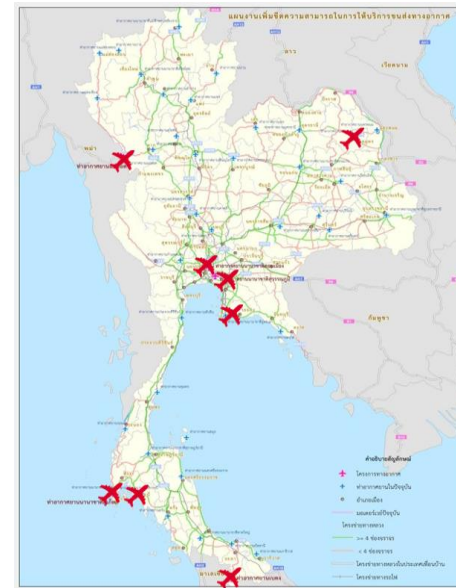
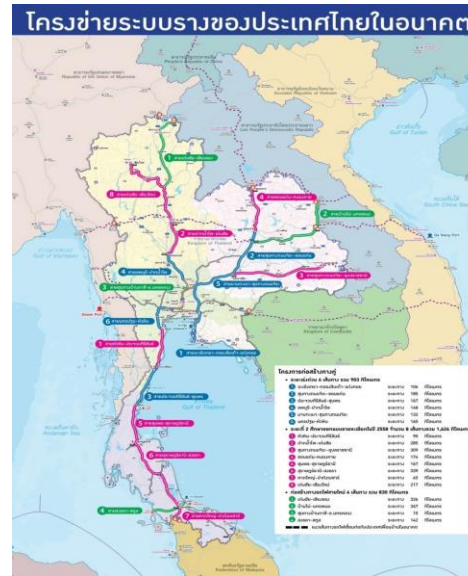
Massive Transport Infrastructure Investment Year 2016 and 2017



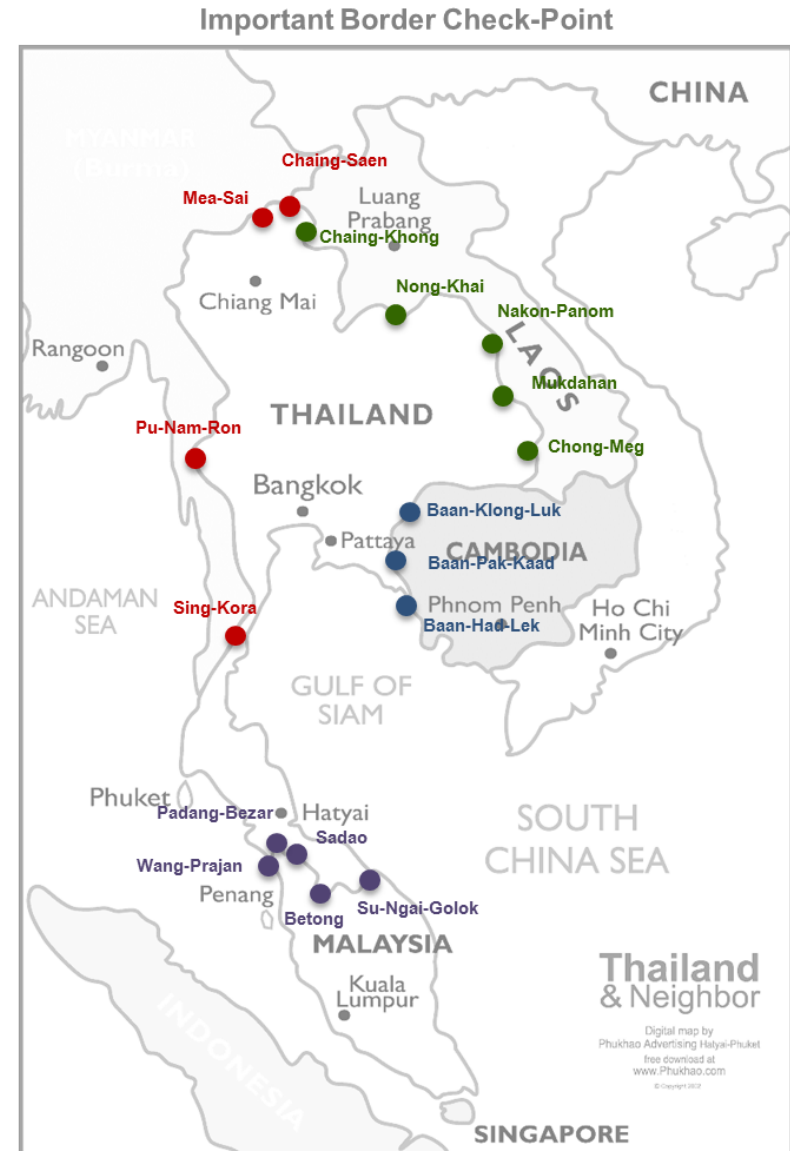
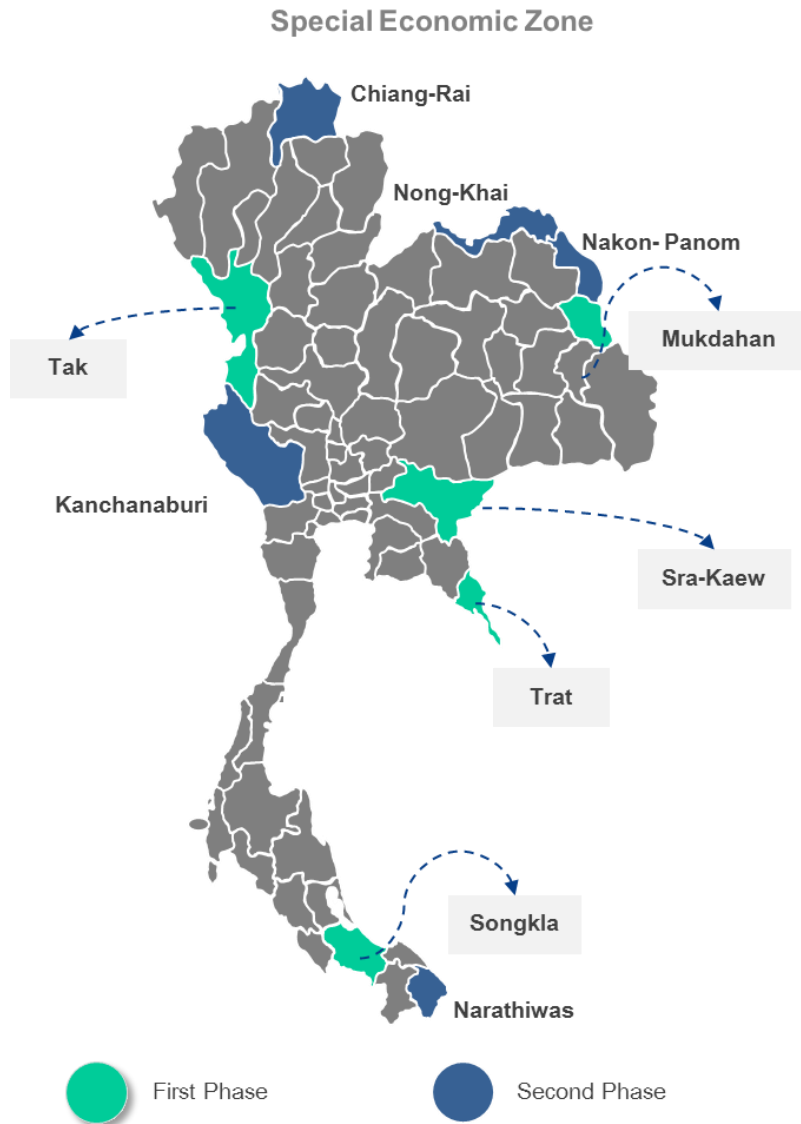
Source : Ministry of Transport / Remark : FX 1 US Dollar = 35 Baht and US M. = US Million Dollar



Infrastructure Investment and Planning for New Connectivity



Special Economics Zones and Border Check-Point Upgrades for New Connectivity



Continued Projects from AP Year 2016 and Transport Action Plan (Priority Project) Year 2017 : 43 Projects (Back-up)



Double Track Rail Network 12 Projects / 12,953.86 US M. (25.62%)

1. Nakhon Pathom – Hua Hin 572.75 US M.*/**
2. Lopburi - Paknampho. 706.35 US M.*/**
3. Huahin- Prachuap Khiri Khan 292.56 US M.**
4. Chumporn – Surat Thani 668.14 US M.
5. Surat Thani-Songkha 1,480.67 US M.
6. Hat Yai-Padang Beza 226.91 US M.
7. Paknampho- DenChai 1,601.89 US M.
8. DenChai-Chiang Mai 1,712.12 US M.
9. DenChai-Chiang Rai- ChiangKhong 2,199.39 US M.
10. Khonkaen-Nong Khai 744.74 US M.
11. Jira – Ubonratchathani 1,023.99 US M.
12. Ban Pai – Nakorn Phanom 1,721.43 US M.



Commuter Train 2 Projects / 4,777.79 US M. (1.51%)

1. Dark Red : Rangsit-TU Rangsit 217.06 US M.
2. Light Red Extension : Taling Chan-Siriraj and Taling Chan-Saraya 544.06 US M.



Mass Transit Dev. 7 Projects / 9,982.38 US M. (19.74%)

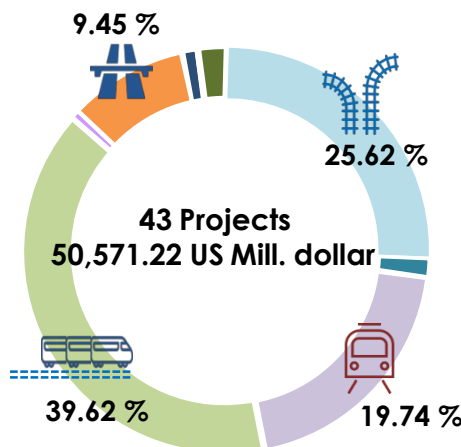
1. MRT Southern Purple Line (Civil Work) 3,663.86 US M.*
2. Blue Line : Bang kae- Sai 4 605.63 US M.
3. Orange Line : West Side 3,524.40 US M.
4. Dark Green : Samutprakarn - Bang Pu 347.03 US M.
5. Dark Green : Kukot – Lumluka 280.09 US M.
6. Airport Rail Link Extension (ARL) 889.98 US M.
7. Mass Transit in Phuket 671.40 US M.



High Speed Train 4 Projects / 20,035.18 US M. (39.62%)

1. Bangkok-Hua Hin Route (PPP) 2,704.95 US M.*
2. Bangkok-Rayong Route (PPP) 4,357.94 US M.*
3. TH-CH : Bangkok-Kaeng Koi and Kaeng Koi-Korat Route (First Phase Dev.) 6,560.41 US M.*
4. TH-JP (Bangkok-Chiang Mai Route) 6,411.89 US M.*

Remark (**) Project which Cabinet has approved



Continued Projects from
AP Year 2016*

**7 Projects 24,978.15 US
Mill.Dollar**

Transport Action Plan
(Priority Project)
Year 2017 : **36 Projects**
25,593.07 US Mill.Dollar



Motorway & Expressway 5 Projects / 4,777.79 US M. (9.45%)

1. Nakorn Phatom – Cha Am 2,302.86 US M.
2. Hat Yat-TH-Malaysia Border 871.43 US M.
3. Rama 3 – Dao Kanong-Outer Ring (West) 892.69 US M.
4. Northern Route N2 and E-W Corridor 410.91 US M.
5. Exp. Kratu – Patong 299.90 US M.



Road Facilitation 5 Projects / 613.52 US M. (1.21%)

1. Truck Rest Area on the main routes 15.71 US M.
2. Intermodal Facility – Chiang Khong 67.59 US M.
3. Cross-border Logistics Center 30.10 US M.
4. Regional Logistics Center (9 border provinces) 230.45 US M.
5. Regional Logistics Center (8 regional cities) 269.66 US M.



Public Bus Procurement 1 Project / 64.92 US M. (0.13%)

1. Public Bus Procurement and Stations 64.92 US M.



Common Ticket System 1 Project / 38.72 US M. (0.08%)

1. Common ticket system 38.72 US M.



Maritime Transport Dev. 3 Projects / 1,030.89 US M. (2.04%)

1. Ferry Service across Gulf of Thailand - US M.
2. Dev. of Ferry Terminal 28.05 US M.
3. Lam Cha Bang Phase 3 1,002.84 US M.



Air Transport Dev. 3 Projects / 312.83 US M. (0.62%)

1. Regional airport development 219.59 US M.
2. Baggage System Upgrade at BKK Airport 93.25 US M.
3. MRO Dev. at U-Tapao Airport - US M.

Source : Ministry of Transport / Remark : FX 1 US Dollar = 35 Baht



New S-Curve: New Engine of Growth for Thailand

The First S-Curve is to invest in existing industries to enhance efficiency of production factors

Update current competitive industries to the next generation growth



The New S-curve will be the country's New Growth Engines, which is expected to increase people's income

Develop new high-growth industries

- Next Generation Automotive
 - Smart Electronics
 - Medical and Wellness Tourism
 - Agriculture and Bio-technology
 - Food for the Future
- Robotics
 - Aviation and Logistics
 - Medical Hub
 - Biofuels and Bio-chemicals
 - Digital



Thailand's Eastern Economic Corridor (EEC)

The Special Economic Zone (SEZ) for the Thailand new S-Curve Industries

Designate to Accommodate the **10 Targeted Industries** (New S-Curve)

FIVE FUTURE SECTORS



FIVE UPLIFTING EXISTING SECTORS

CURRENT STATUS

Megaprojects are *being planned and implemented* in transport infrastructure, including air, land, rail and water links and city planning.

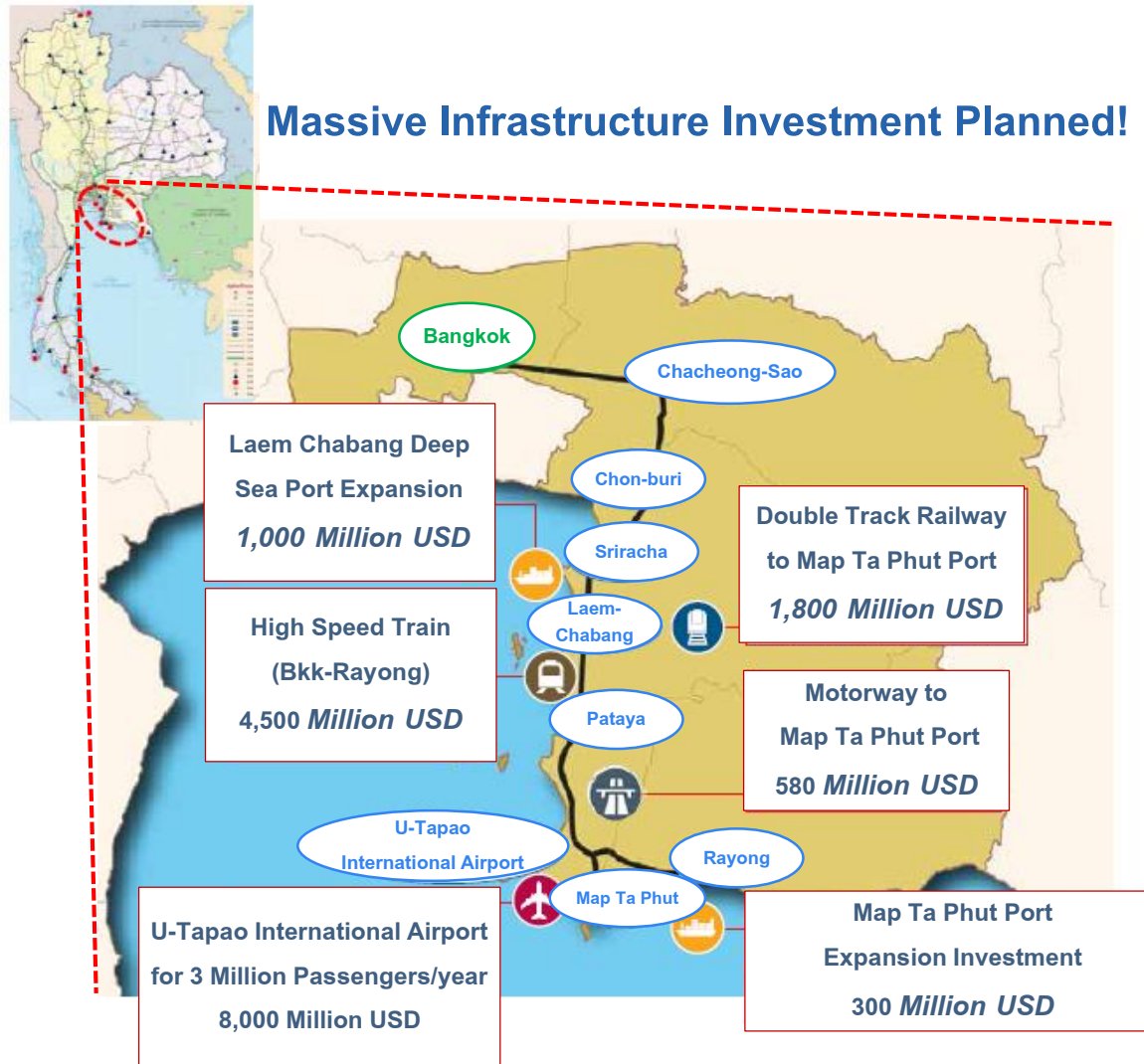


EEC is also set to become an **“ASEAN Water Transport Hub”**, linking the Dawei Deep-Sea Port in Myanmar with Sihanoukville in Cambodia and Vung Tau Port in Vietnam



Thailand's Eastern Economic Corridor (EEC): Unique Investment Opportunities!

Massive Infrastructure Investment Planned!



A Production Base Success Story



Establishment of 29 Industrial Estates

Production based of 3,786 factories with more than 50,500 M. US\$ invested



Automobile Production Hub:

Parts & Material Suppliers for Auto and Aviation Industries with more than 12,500 Mil. US\$ invested



Top Asia Petrochemical Complex:

Plastics, Rubbers & Polymer industries with more than 13,000 Mil. US\$ invested

Potential Areas for Investment



21 Industrial Estates: Ready for Investment

2,345 Hectares (14,660 Rai)



6 Industrial Estates: Under Development

2,431 Hactares (15,190 Rai)



U-Tapao: New International Airport: Aviation Maintenance Hub & New Airport Town



THAILAND BOARD OF INVESTMENT

THAILAND AIRCRAFT SERVICE & MAINTENANCE



Maintenance, Repair, and Overhaul (MRO)

Largely Untapped Maintenance, Repair, and Overhaul (MRO) Sector

An increase in overall air traffic and the population's increasing use of low-cost airlines signify the fiscal promise that exists in Thailand, not only in aviation but also in its multi-billion dollar aircraft service maintenance, repair, and overhaul (MRO) sector.

Commercial airlines' MRO expenses are estimated to reach USD 12 billion by 2024 in the Asia-Pacific region, and approximately 6.3% of that expenditure is forecast to occur in Thailand¹. Hence, Thailand welcomes numerous foreign investors in the MRO business as this fast-growing business still has immense opportunity for growth.

Total Thailand's MRO Expenditure Forecast in 2015-2024¹



Source:
¹ Office of Transport and Traffic Policy and Planning (OTTP), Ministry of Transport
Note: *Compound Annual Growth Rate 2015-2024

In 2015, the total MRO expenditure in Thailand was USD 771.9 million or only around 40% of the total Thai MRO expenditure is spent in Thailand. The opportunity on investment in services such as engine, line airframes and core parts maintenance are still high.

Top 5 Total Component MRO Spending Forecast, Thailand 2015-2024²



Source:
² Frost & Sullivan

Thailand's MRO Spending, 2015¹



Source:
¹ Office of Transport and Traffic Policy and Planning (OTTP), Ministry of Transport
² Geo-Information and Space Technology Development Agency (GISDA)
³ Frost & Sullivan

Thailand's present MRO focus is on components, engines, and line maintenance; the top five components that are expected to bring in the most capital to Thailand MRO market includes LG wheels & brakes, APU, IFE components, engine-fuel and control, and landing gear. These five components have been forecasted to generate more than USD 1.7 billion over the next 10 years (2015-2024).



The 3 EEC Provinces (Chachoengsao - Chon Buri - Rayong):

Perfect Settings for Work-Life Harmony

60 km 1hr drive
From Bangkok

50 km
1 hr drive

30 km
1/2 hr drive

25 km
1/2 hr drive

40 km
1 hr drive

50 km
1 hr drive

Bangkok

Chachoengsao

Chon Buri

Sri Racha-Laem Chabang

Pattaya-Sattahip

U-Tapao

Rayong



New Bangkok's Urban Development Area

- Modern lifestyle residential area of Bangkok
- Future hub for rail and high-speed train linking east-west and north-south corridors
- Future town for central government offices



Educational & Human Resource Development Center

- Currently home of 3 universities and 6 technical colleges
- Future for education and workforce training and development center to support industry's needs



Center of Work-Life Harmony

- The great combination between urban and local ways of life that can provide both modern facilities, health park, leading hospitals, school and natural places make it a dream place for living.
- Laem Chabang: Deep-sea port and main export gateway to AEC and the world



World-Famous Tourist Destination

- Pattaya as world's destination and investment opportunity to support industrial development.
- Sattahip: Home of Royal Thai Navy and future development for Pattaya



Home of Future ASEAN's Aviation & Marine Service Center

- Currently home of U-Tapao International Airport to support Pattaya tourism industry.
- Future area for aviation and marine service and maintenance center to support ASEAN growth
- Linkage with future highway and high-speed rail systems



Home of Petrochemicals & Energy Industries

- Map Ta Phut: Current Asia's top-5 petrochemical complex and major hub of Thailand's refineries and power.
- Future bio-chemical, bio-energy and bio-plastic industry



Maximum incentives for qualified investment projects

- **Exemption of corporate income tax for up to 15 years**
- **Exemption of import duties**
on machinery/ raw or essential materials imported for use in production for export/goods for R&D
- **Matching Grants**
for investment/ R&D/ innovation/ Human Resources Development for Targeted Industries
- **Permission to own land for BOI promoted projects**
- **Rights to state's land lease for 50 years**
renewable upon approval for a further 49 years
- **15% personal income tax rate the lowest rate in ASEAN**
for foreign executives working for regional headquarters or international trading companies treasury centers along with regional R&D centers
- **One-stop service center to facilitate foreign investors**
provide useful information, and issue permits for trading export and import all in one location
- **Five-year work visa issuance**
to attract investors, experts and scientists from around the world



The Digital Transformation Plan for Thailand: 4th Industrial Revolution

1

Raising the Country's Competitiveness with Digital Innovation

- Make full use of digital technology to innovate, create new businesses, and compete in a global market
- Nourish the digital industry in the Thai economy
- Strengthen the Thailand economy by digitally equipped SMEs.

2

Creating Equal Opportunities with Information and Digital Services

- Equal access to digital technology and information
- Inclusive access to information and essential public services

3

Developing Human Capital for the Digital Era

- Skills to access and use information effectively and ethically
- Digitally competent by international standards

4

Revolutionizing Government Operations for Better Transparency and Effectiveness

- Digital technology at all stages of government operations – to ensure efficiency, transparency, and good governance.

Case Study: the Digital Community Centers Project

- In 2016, the Government of Thailand has launched the Digital Community Center project in 600 communities nationwide.
- The goal of this project is to increase technology adoption among the local communities in order to digitalize socioeconomics development.
- Community level e-commerce and digital farmer are the key examples of our targeted achievements.

Task Ahead



Challenges



- Increasing ICT adoption rate in government
- Business Opportunities: Commercialization, Servitization
- Resolving issue or security and privacy
- Raising awareness in government digital services among citizens

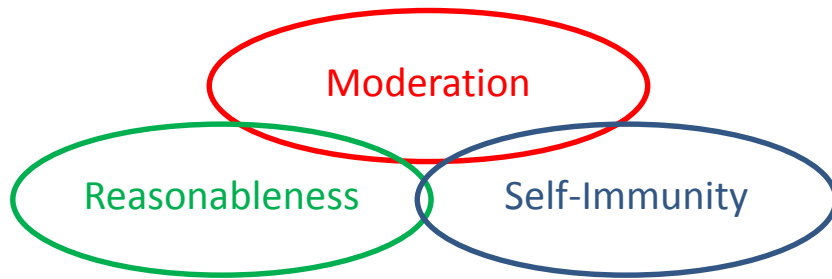
- Exploded demand for digital infrastructure
- Digital accessibility
- ICT skill development
- Data keeping and standardization
- The rise of the Giants



From Sufficiency Economy Philosophy (SEP) to Sustainable Development Goals (SDGs):



Sufficiency Economy Philosophy

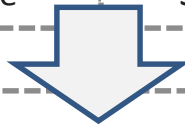


Knowledge Condition

Know, Prudence, Care

Integrity Condition

Honesty, Diligent, Conscious,
Sharing, Perseverance



Life/ Economy/ Social/ Environment
*to progress in balance, stable, and
sustainable manner*

SUSTAINABLE DEVELOPMENT GOALS



Thailand is committed towards sustainable development

4,447 Royal Development Projects in 8 dimensions



Sustainable production in Thailand

- **Sufficiency Economy Philosophy:**
Moderation, Reasonableness, Prudence, Knowledge, and Virtue
- **Focuses on concepts of sustainability:**
circular production/ zero pollution/ optimize use of energy
- **Examples:** Charcoal production from paddy husk, ethanol production from sugar cane



Thailand is looking forward to adopt international standards regarding sustainable development in the following areas:

- Remanufactured products
- Industrial waste management and recycling
- Environmental Goods Agreement



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- Enterprise Economy: from Start to Smart
- Public-Private-People-Partnership: *Pracharat* movement key to



Ensure the unity in driving Thailand's towards "Stability, Prosperity, and Sustainability"

Thailand's current government is committed to improving laws and regulations to meet international standards, promoting trade facilitation and consistency.



Since its establishment in 22 July 2014, the National Legislation Assembly has passed

243

acts

to ensure that Thailand laws and regulations are up to the international standards.



Another revision of

120

acts

is also in the pipeline.



All revisions and new acts are to put Thailand on track of achieving international standards, accession to various international treaties and protocols, increase transparency and public participation, and promote good governance. The legislators took the stakeholders' opinion into account.

as of April 25th 2017



Shorten Public-Private Partnership (PPP) approval process from 25 to 9 months

1

Authorities assigned by the PPP committee (including the delegates from project-supervising authority, the Bureau of the Budget, Office of the Attorney General, and the State Enterprise Policy Office) are responsible for drafting tendering invitation letters, project definition document, and joint venture agreements. The committee also has to appoint the minister in charge, before the project gets an approval from the cabinet.

PPP Procedure	PPP Fast Track	Normal PPP	Period of Time Shortened
Project Preparation	2.5 months*	6 – 8 months	3.5 – 5.5 months
Approval from the Minister (depends on each project)	1 month	2 months	1 month
Consideration of the PPP Committee	3 months	5 – 7 months	1.5 – 3.5 months
Consideration of the Cabinet	1 month	1 month	-
Drafting the Tendering Invitation Letter	0 – 0.5 month	3 – 5 months	3 – 5 months
Approval of the Tendering Invitation Letter by the PPP Committee	1.5 months	2 months	0.5 month
Total	9 – 9.5 months	19 – 25 months	10 – 16 months

* Such projects need to conduct the Feasibility Study report and the Energy Information Report EIA (If required)

2

The government authority, which mainly supervises the project, sets up the selection committee. The project-supervising authority also has to revise the drafted tendering invitation letter, the drafted project definition document, and the drafted joint venture agreement (as mentioned in [1]), to conform with the cabinet's approval, within 15 days after the date of approval.

3

The PPP Committee evaluates the drafted tendering invitation letter, the drafted project definition document, and the drafted joint venture agreement, within 45 days from the date of project approval by the cabinet.



New Laws from MOC: Improvement for EoDB, IP Laws, and Competition Law

Ease of Doing Business

One Person Company Act

- Allow one-person business incorporation
- Simplified BoD process
- Audit waiver for small company

DRAFT

Business Security Act

- Expanding the types of assets usable as collateral

Foreign Business Act

- *Revising and adding* types of foreign business not requiring license

DRAFT

Intellectual Property

The New Trademark Act

- Allowing registration of sound marks
- Preparation for the Madrid Protocol

The New Patent Act

DRAFT

- Streamlining registration procedures for patent and utility patent
- Complying with the Protocol Amending the TRIPS Agreement
- Preparing for Thailand's accession to the Hague Agreement (1925)

The New Copyright Act

- Enabling protection for technological protection measures (TPMs) and right management information (RMI)
- Preparing for Thailand's accession to the Marakesh Treaty (2013)

DRAFT

The New Trade Secret Act

- Reorganizing the Trade Secret Board

Competition

The New Competition Act

- New provision on administrative fines and criminal punishment.
- Redefining the definition of a company group, which has evolved over time
- State-owned enterprises are exempted only if their conducts are for the public interest.
- New structure of the Competition Authority, lessening political interference

DRAFT

Legal Revisions Pave Way for Easier Business

Limitation Under Current Legal Provision

- *Unregistered* SMEs lack access to capital
 - Model Law tends to encourage incorporation by one person.
-
- There are several types of property that can be used as financing collateral such as inventory, receivable, IP, etc.
 - Current laws limit the use of those assets as collateral.
-
- Commercial bank, bank representative office, life insurance and non-life insurance are currently the four types of foreign business not obliged to obtain business licenses from the MOC

Proposed Revisions

One Person Company Act

DRAFT

- **Allow one-person incorporation**, operation and management
- Simplified BoD process
- Small companies are **waived from balance sheet audit**.

Business Security Act

Effective 4th July 2016

- **Expanding the types of assets** usable as collateral

Foreign Business Act

DRAFT

- The revision to this list will **include** (1) services related to commercial bank (banking agent, private repo, insourcing, cash management etc.) (2) representative office business (3) regional office business (4) services under the government contract and (5) services under the state owed enterprise contract as businesses not obliged to obtain business licenses from the MOC

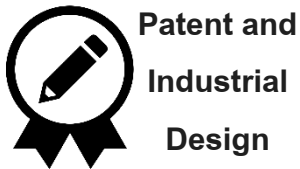


Advancing the Protection of Intellectual Property



The New Trademark Act

- Streamlining registration procedures, hence **faster process of trademark granting**
- Allowing registration of **sound marks**
- Establishing an offense for unauthorized refilling of genuine packages or containers
- Preparing for Thailand's accession to the Madrid Protocol (1989) by the end of 2017



The New Patent Act

DRAFT

- Streamlining registration procedures for patent and petty patent
- Complying with the **Protocol Amending the TRIPS Agreement**
- Preparing for Thailand's accession to the Hague Agreement (1925)



The New Copyright Act

- Enabling protection for technological protection measures (**TPMs**) and right management information (**RMI**)
- Establishing new provision on ISP's liability limitation in order to enhance copyright protection in digital environment
- Facilitating access to copyright works for disabled persons
- Preparing for Thailand's accession to the Marakesh Treaty (2013)

DRAFT



The New Trade Secret Act

- Reorganizing the **Trade Secret Board**
- Adjusting penalty on officials who unlawfully disclose trade secret



The New Competition Act



- Coexistence between small, medium-sized and giant players in a fair business environment under the rule of law
- Consumer protection: fair-priced high quality goods and services
- Service of public interest

Limitation Under Current Legal Provision

Enforcement

- Several limitations: insufficient legal consequences and punishments; power-limited and lagging investigatory process; limited off-jurisdiction power; and complicated process of appeal

Coverage

- Need Modernization to catch up with new business models
- Unequal application on state-owned enterprises

Supervision and Oversight

- Political interference
- Inefficient and unjust protocol
- Conflicting goal between legal obligation and executive policy

Proposed Revisions

Better Enforcement

- New provisions on cease and desist orders to stop conducts which is likely violate the law.
- New provisions on administrative fines and criminal punishment.

More Coverage

- Redefining the definition of conglomerates, which has evolved over time
- Internationalizing provision on industry monopoly
- State-owned enterprises are exempted only if their conducts are for the public interest.

Enhanced Supervision and Oversight

- New structure of the Competition Authority, lessening political interference



Strong Macro Economic Indicators

Thailand Overall Competitiveness Ranking has improved from 30th to 28th in 2017

Thailand Ranked in 13th in IMD's Macro Economic Performance Competitiveness Index



Domestic Economy

37th



International Trade

6th



**International
Investment**

28th



Employment

3th



Public Finance

10th



Fiscal Policy Soundness

5th



Basic Infrastructure

35th

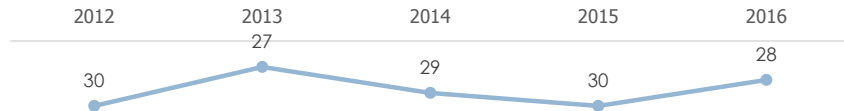


Thailand's Improvement on Competitiveness / EoDB/ IUU/ TIP

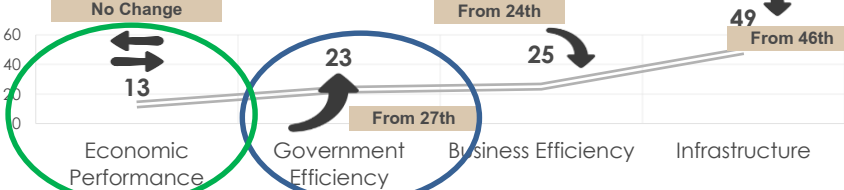
IMD World Competitiveness Index



Thailand's World Competitiveness Overall Ranking



COMPETITIVENESS LANDSCAPE IN 2016



EU Satisfied with

Thailand's IUU Solutions Progressed by 70-80%

- Thailand has adopted the Roadmap or Implementation Plan on Eliminating an IUU Fishing to eliminate an IUU fishing and to withdraw the yellow card issued by the EU.
- Currently, EU was satisfied with Thailand's performance to combat with illegal fishing problems.



World Bank's EoDB Improvement



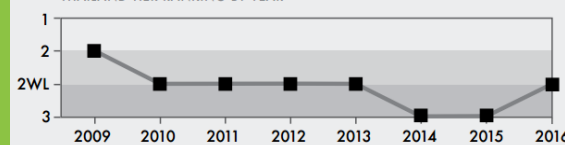
Thailand Removed from

the Worst Human Trafficking Offenders

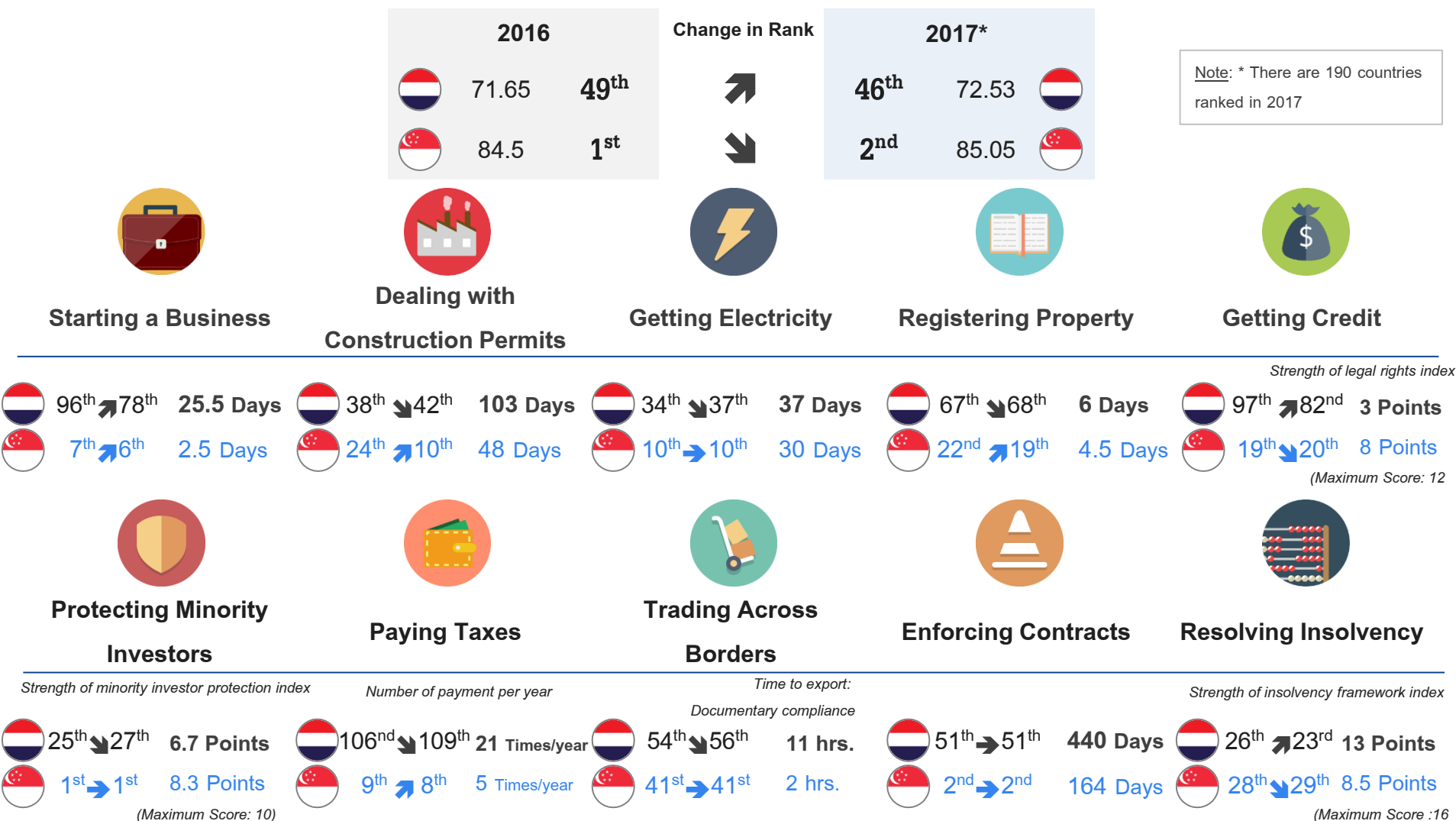
Tier 3 → Tier 2

- The United States has removed Thailand from its list of the worst human trafficking offenders.
- The upgrade would put Thailand on a so-called "Tier 2 Watch List" and remove it from the rating for countries with the worst human-trafficking records known as "Tier 3"

THAILAND TIER RANKING BY YEAR



Thailand's EoDB Ranking has improved but more work can be done



Thailand Policy Update

Thailand Policy Update

- Thailand 4.0
- New Connectivity
- Massive Infrastructure Investment
- SEZs
- New S-Curves
- Thailand Eastern Economic Corridor: EEC
- Thailand Digital Transformation
- From Sufficiency Economy Philosophy (SEP) to Sustainable Development Goals (SDG)

Progress and Economic Strengths

- Reform efforts: 227 acts passed, 127 more to come
- PPP (Public Private Partnership) approval process significantly shorten
- High Value (Organic, GI, Super Food)
- Improvement on Competitiveness / EoDB/ IUU/ TIP
- Strong Macro Economic Indicators
- World Leader in Export Performance

Building on our Strengths

- Strategic Location and our unique position in CLMVT
- Inno-Agri: Key Driver for economic Growth
- Value Creation: Enhancement of Post Harvest-GI-Organic-Branding-Creativity-Premium OTOP
- Unleashing and Unlocking manufacturing related services and non-tourism related export in services
- Enterprise Economy: from Start to Smart
- Public-Private-People-Partnership: *Pracharat* movement key to

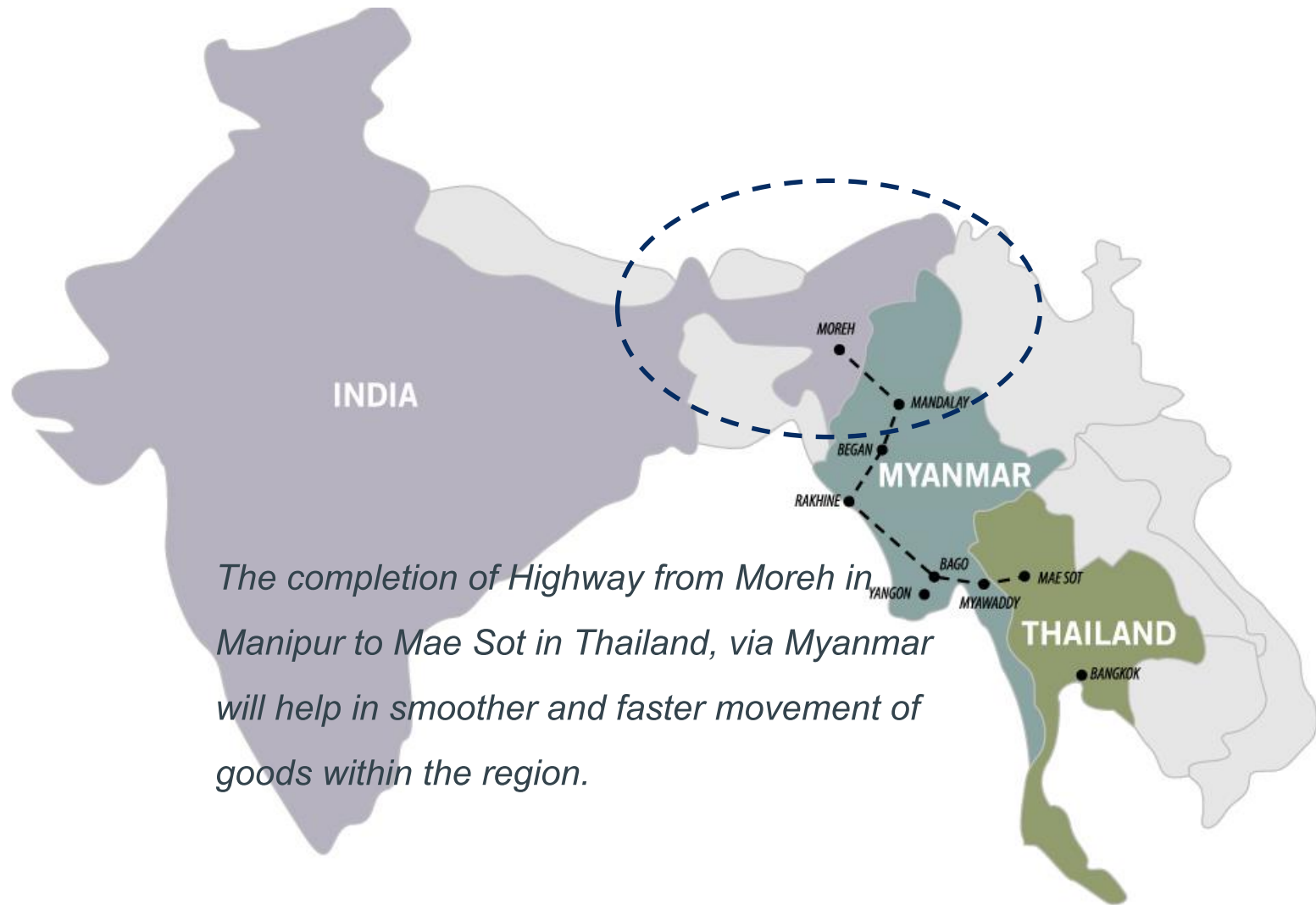


Thailand is ready to be an important catalyst for CLMVT region



Strategic Geographical Location: Potential land link with India

Example of Trilateral Highway will greatly enhance the connectivity between the Mekong sub-region and India



Construction by Thailand side in Myanmar is Completed

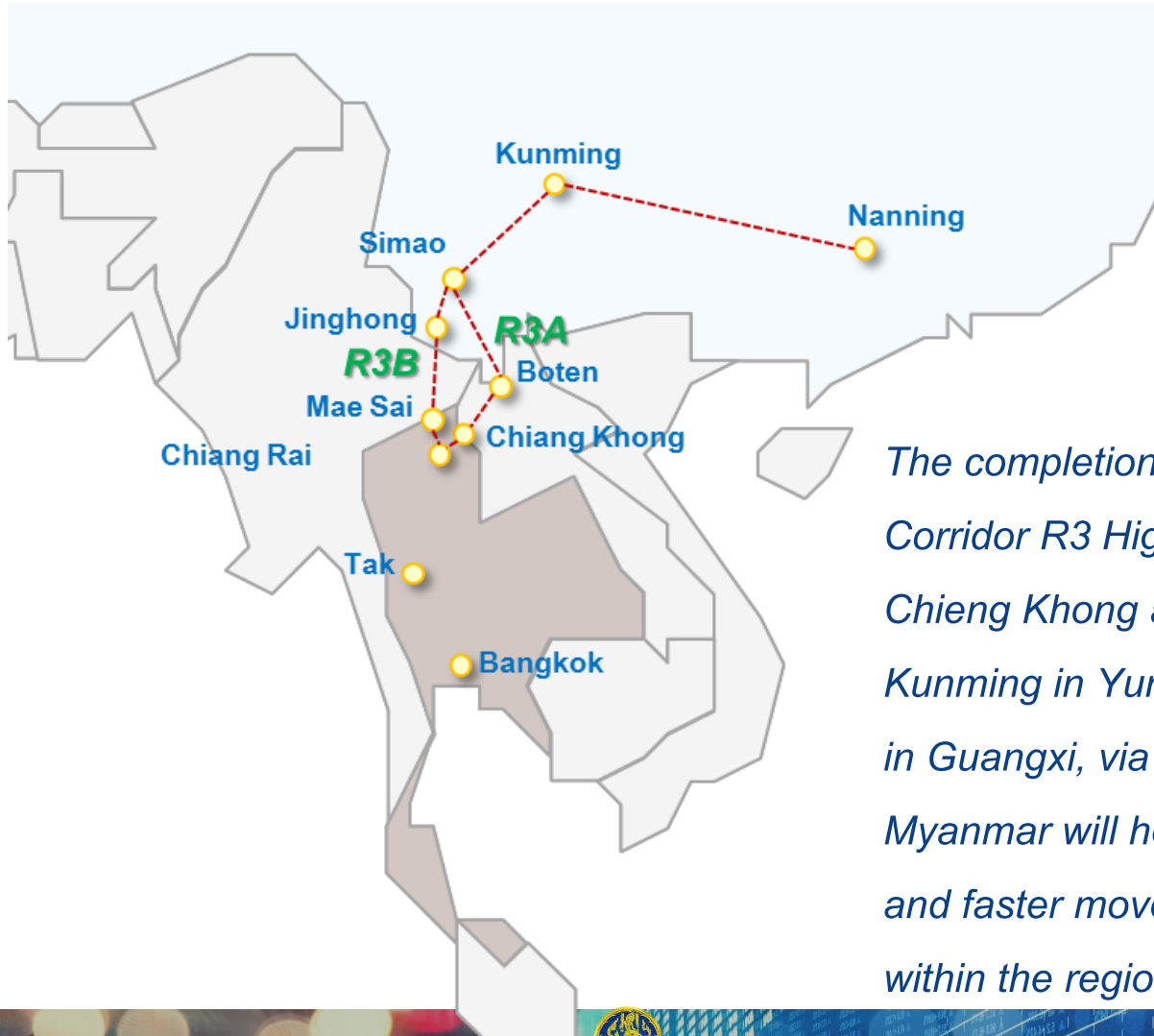


- Road construction from Mae Sot district of Thailand via Myawaddy to Kaw Kareik in Myanmar has finished in July 2015. Commutes between the two points had already improved markedly
- Construction has begun for the second Thai-Myanmar bridge across the Moei River, linking Mae Sot district in northern Tak province and Myawaddy town in Myanmar, expected to complete in three years at the soonest and relieve congestion on the first and two-lane Mae Sot-Myawaddy bridge that cannot serve heavy truck



Strategic Geographical Location: Land link with China

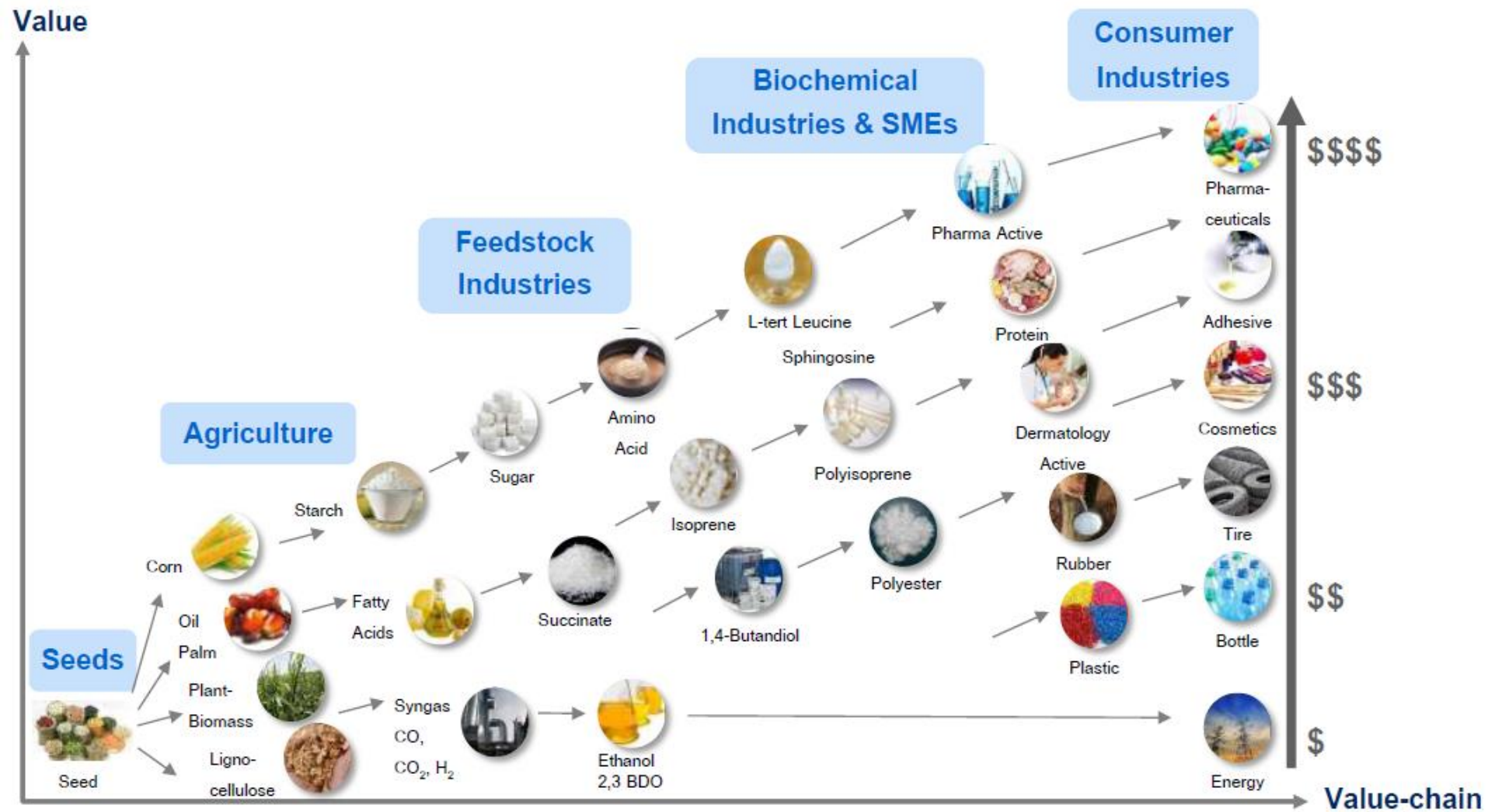
Example of North-South Corridor R3 Highway will greatly enhance the connectivity between China, the Mekong sub-region and Thailand



The completion of North-South Corridor R3 Highway from Chieng Khong and Mae Sai to Kunming in Yunnan and Nanning in Guangxi, via Laos and Myanmar will help in smoother and faster movement of goods within the region.

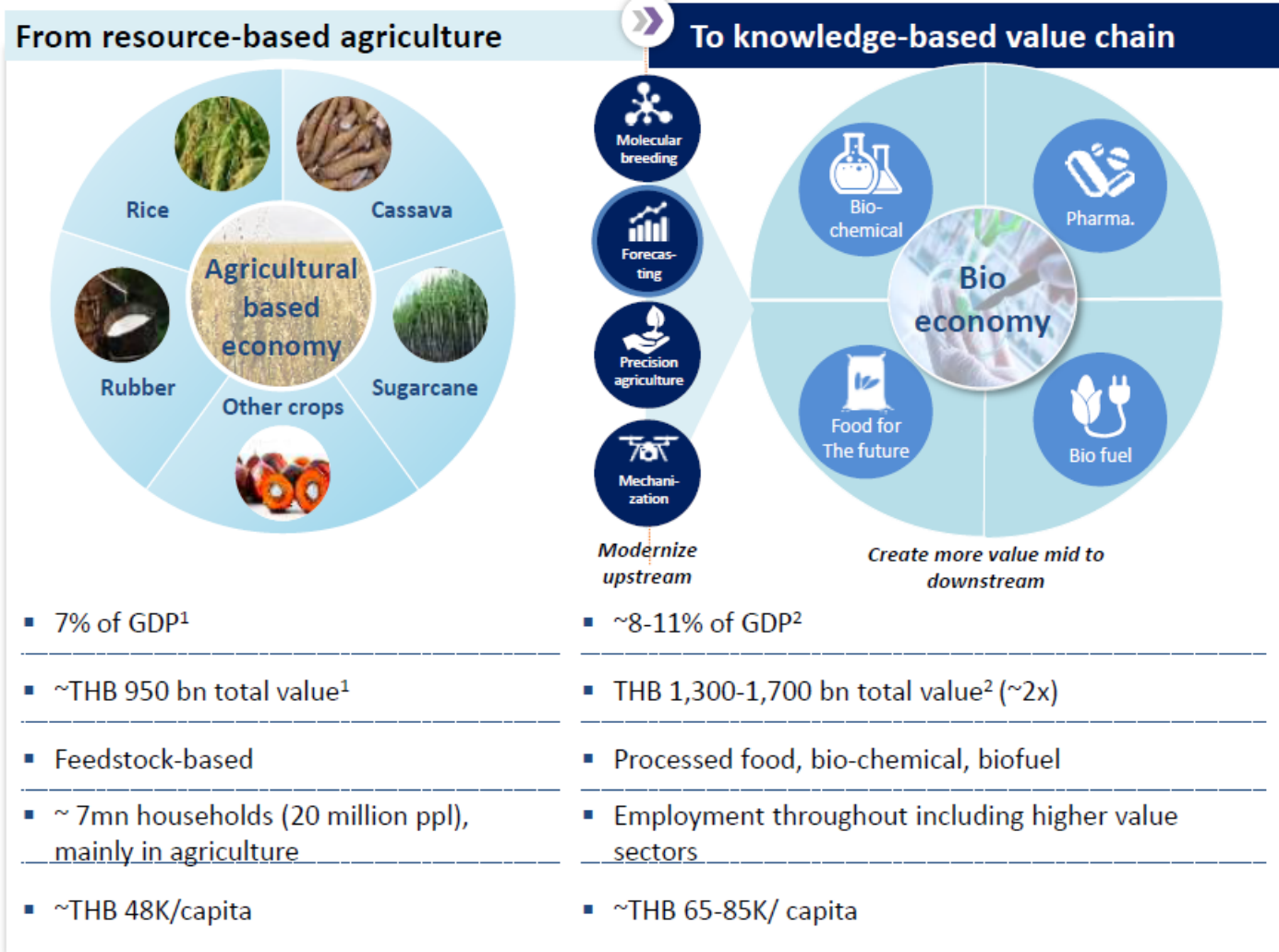


Inno-Agri is expected to be a main driver of countries economic value creation



SOURCE: © 2012 Society of Chemical Industry and John Wiley & Sons, Ltd | Biofuels, Bioprod. Bioref. 6:240–245 (2012); DOI: 10.1002

Size of Agricultural Sector in Thailand can almost Double



¹ 2014 GDP contribution from cereal and other crops

² 2020 GDP contribution from rice, cassava, sugarcane, rubber and processed food only

Transforming Commodity with Biotechnology

From Commodity ...

Transform via *Biotechnology*

... To high value-based products

RICE



11-12 THB/Kg

Paddy rice

Cassava



2-3 THB/Kg

Fresh cassava

Sugarcane



0.8-0.9 THB/Kg

Sugarcane

Soybean



17 THB/Kg

Soybean

30-40 Times



14-18 Times



Biotech

176 Times



350-450 THB/Kg

Gluten-free
rice flour



62 THB/Kg¹

Biochemical,
e.g., PLA



3,000 THB/Kg²

Lecithin



Value Creation: Post Harvest-GI-Organic-Branding-Creativity-Premium OTOP

Focus on the Utilization of IP & GI



Raise the Bar of Thai Products



Branding Thailand



THINK WORLD'S BEST RICE



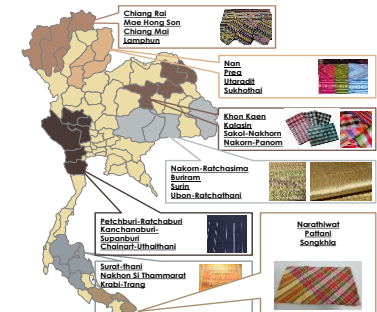
From Organic to Fair Trade



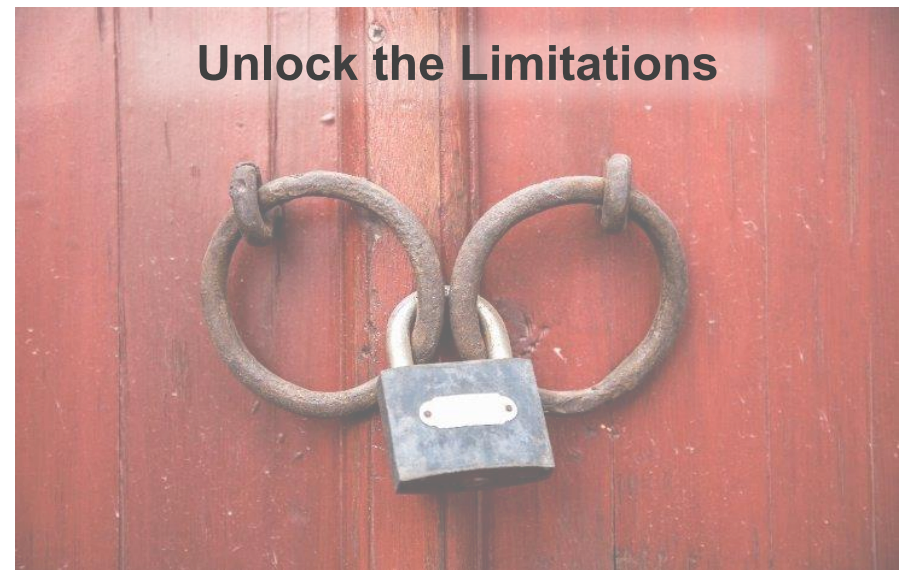
Storytelling & Creative Economy



Premium OTOP



Service Sector Development in Thailand as an Engine of Growth



SME Development : From START to SMART



Public-Private-People Partnership

3 Objectives

Civil State

Reduce Inequality

Develop
Human Capital

Enhance
Competitiveness

Good Governance



Innovation and
Productivity



Enhancing Human
Capital



Participation in
Wealth Distribution



4 Shared Values

12 Joint Working Groups

D1: Enhance Innovation
and Productivity

E2: Attract
Investment and
Develop
Infrastructure

D3: Promote SMEs
& Start-Up

E4: Foster
Profession

E5: Develop Grassroots and
Civil State Economy

D6: Promote Tourism
and MICE

D7: Expand Export and
Investment in Overseas

D8: Progress
Industrial Clusters
(New S-Curve)

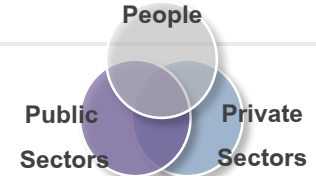
E9: Revise Laws and
Regulations, and
Government
Mechanisms

D10: Create New Method
of Agriculture

E11: Basic Education
and Leadership
Development

D12: Raise Revenue
and Encourage
Government Spending

Civil State



Key Visions

