



## **“OUR ECONOMY: BUILDING FOR THE FUTURE”**

**Address by Mr Stanley Kang, Chairman, Joint Foreign Chambers of  
Commerce in Thailand (JFCCT [www.jfcct.org](http://www.jfcct.org))**

**Luncheon event for His Excellency the Prime Minister of the Kingdom of  
Thailand, 25 November 2015**

Your Excellency Prime Minister General Prayuth Chan-ocha

Excellencies, Ministers and Ambassadors

Government Department Heads and Officials

Leaders of Business Organizations

Members of the Joint Foreign Chambers of Commerce in Thailand, other  
chambers, and guests

---

The economy responds to those who nurture, enhance and develop it. The Thai economy belongs to the citizens of Thailand and the companies, organisations and individuals who invest in it, build it and strengthen it through positive contribution. The economy would not belong to those who through wrong conduct, weaken it, or do not respect the Rule of Law.

No major change is possible overnight. It is about building for the future, a future which we cannot always predict, where economics, political structures and ways of doing business will be different. Change is something to be embraced as we continue to invest, positively, in the future. Change can come for example in the form of identifying the importance of the Digital Economy (as your government has done, Sir) and in the form of identifying ten ‘future’ areas of growth (as your Government has also recently done). Change can also come through some fundamental reforms.



On behalf of the Joint Foreign Chambers of Commerce in Thailand, I would like to thank Your Excellency for having accepted our invitation and we are very much honored that you, General Prayuth, are with us here today. Next year – 2016 – will be 40 years since JFCCT's founding, and this event is timely because we see the major legislative programme undertaken and also this history of what we believe has been positive contribution by the foreign business community in Thailand.

As committed participants in the economy of Thailand, the JFCCT has had the privilege of holding many courtesy dialogues with government for many years, and has provided recommendations and suggestions towards economy strengthening and competitiveness.

These can be built into something of a vision with four themes:

### ***1. An Open Trading Nation***

Being an open trading nation is not only about FTAs and fostering good relations, but it is about ease of doing business and supporting in-bound and out-bound investment, in strengthening the know-how of investing and trading. In spite of several highly regarded advances and changes, unfortunately Thailand has slipped again in the World Bank 'Doing Business' Ranking and for 2016 is ranked 49<sup>th</sup>, down three places from 2015. Changes to support ease of doing business are needed.

We have engaged in dialogue recommending major changes to work permit and visa law, faster take up for eGov (putting applications and processes on line) and other areas.

In welcoming trade and investment, liberalising the services sector (a long-standing point of interest of the JFCCT) has been key. Using the List 3 mechanism in the FBA is a good starting point for this, but service liberalisation



is not just about foreign equity limits but also about freer access to skilled labour, and reforms in certain sectors to make them more attractive and workable and have more level playing fields.

**Corruption** increases the cost of doing business and harms competitiveness. It is encouraging to see the policies and actions of your government in the fight against corruption. The foreign business community very much supports these measures through our own policies and actions, greatly welcomes the steps your Government has taken, and looks forward to positive outcomes.

## ***2. Innovative manufacturing and services***

Investment in R&D continues to be lower than in comparable economies. Skills infusion from PhDs into the private sector through programmes supporting direct engagement are also important. Some service sectors are strategic – eg logistics, banking and financial services and ICT/Digital Economy, each of which supports manufacturing. A well-functioning, innovative competitive sector in each area will have multiplier effects on the economy overall. Thus manufacturing greatly benefits from logistics and supply chain innovation, innovation in production processes etc. Manufacturing development has been a great success story for Thailand; services liberalisation – especially those in strategic areas – should be the next big thing.

In **education** we see a need for producing probing minds and the ability to think critically and capitalize on our strengths of creativity. Often it is the 'soft skills' which are in short supply.

## ***3. A stable environment for investment***

History has shown that the Thai economy is resilient, and with the right incentive and impetus can grow. Some poor policies in the past have had negative impacts. The Rule of Law will always be paramount and thus the strengthening



of institutions will be. We believe also to be important is the concept of independence of decision-making to reach intended outcomes based on general policy objectives. Investors need to see and believe in predictable and fair decisions and outcomes. Thus we see a major need for reforms in some key areas –eg telecoms (including SOE reform that area); in banking and financial services (the removal from List 3 being a good start) and generally markets functioning where government is more a policy maker and facilitator than operator. Tourism will be positively impacted by stability and perceptions of safety. Thailand has the potential to be the centre of excellence in tourism and hospitality by building on strengths.

#### ***4. Good relations with trading partners.***

Removing barriers to trade in goods is very advanced now, trade in services not so. It is the fundamental changes to local laws and policies to support free movement of skilled labour, of services, of investment and freer movement of capital which will make us stand out as a really attractive trading partner. These changes will surely complement your Government's relationship-building with trading partners.

Your Excellency, thank you again for honouring us with your presence. I invite you to deliver your address.

Thank you