

2016 JFCCT FORUM – MODERATOR’S NOTES – FIRST SESSION

“Why Services? A deep dive into service sector liberalization”

Introduction

Thank you Khun Linda for the introduction. Good afternoon distinguished guests, ladies and gentlemen. I am Marc Spiegel, VC of JFCCT, and I will be serving as the moderator for the First Topic Session of this afternoon’s forum – “Why Services? A deep dive into service sector liberalization”. If you take a look at your FORUM BOOKLETS, we are now on p.2. Some notes and charts are relevant to what we will be covering.

For a long time, many economists, some government leaders and many business people have remarked on how manufacturing here in Thailand was liberalized some decades ago. A great example of this is the automotive sector. Unfortunately, the same never quite happened for services. Today we will see the percentage of the economy represented by services and how labor productivity needs to be enhanced in order for Thailand to move the country forward exponentially.

The Forum Booklet provides some background on the modes of engagement in terms of trade in services and also an analysis developed by the JFCCT containing the elements of service sector liberalization – it is not just about raising foreign equity levels, but about allowing fair access in several ways.

Work permit and visa reform, for example, would allow freer movement of skilled labor. A change to the definition of ‘work’ would allow for business to be done as it is intended to be under the everyday definition, in a variety of ways, without having to obtain a work permit.

There are challenges to liberalization and some resistance as well. This session will explore how these can be overcome.

I am pleased and honored that distinguished speakers have graciously agreed to be here. Joining us today will be:

- *Dr Kirida Bhaopichitr, Research Director, TDRI – AFAS 9th package, services liberalization*
- *Mr Shabih Ali Mohib, World Bank Group – how services accelerate the economy*
- *Mr Kalin Sarasin, Director SCG. Vice Chairman TCC/ Board of Trade of Thailand. Why services are good for business, why we need more innovation and investment in services; ‘doing business’ advances.*

Each speaker will have the floor for ten minutes and then will join me on the Platform to probe some of these issues further.

As a reminder, a full bio for each speaker can be found in your Forum booklet.

Introduce Dr Kirida

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Thank you, Dr Kirida, for that inspiring vision of what could be

Introduce Shabih

Next, I would like to welcome Mr Shabih Ali Mohib

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Thanks Mr Shabih;

Introduce Mr Kalin Sarasin

I now would like to introduce Khun Kalin Sarasin, who needs no introduction

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Platform Discussion

Thank you Khun Kalin. Could I ask you to please remain on stage and ask for Dr Kirida and Mr. Shabih to join us for a brief platform discussion

(everyone gets organized)

1. Mr. Shabih, thank you for your talk. I was intrigued by your statement about trends in services globally; what are the top two conditions you see globally for an acceptance to significant improvements in innovation in any economy, which services could bring?
2. Thank you, Mr Shabih. Dr Kirida let's look closely at AFAS regarding the commitments – this does not seem to be a wholesome opening. One can understand in goods that there is arguably a quid pro quo, but services on the other hand bring skills and talent. Why are more AMS / economies not saying 'send me your intellectual capital?'; why isn't there a competition to attract capital and skills?

Follow up further: The AEC scorecard uses the word 'implementation' to mean a law is in place; however, it does not mean full operational readiness. Isn't that a little misleading? How far along are countries really ready in terms of embracing the AEC charter as it was envisaged?

Dr Kirida you talked of the opportunity to use AEC to and mentioned AFAS. As a framework agreement how do you see the appetite to make better specific commitments?

Follow up further: so where do you see the resistance? As today is a deep dive and we are examining root cause issues, are there really too many existing ways of doing things to protect?

Follow up or come back to after Kalin: where are the positives?

3. Thank you, Dr. Kirida. Allow me to seek the insights of Khun Kalin. K Kalin – we hear from economists and many business people about the need for opening up of services. Understandably some existing businesses may possibly see this as a threat. Is it really? If so, what do you see as areas that some will want to protect? How can we overcome these obstacles or impediments to liberalization?
4. Mr. Shabih – reflecting on world experience, what would be two critical success factors to allow for benefits from service sector development / liberalization? Do the ingredients exist in Thailand?
5. Let me ask each: if the ingredients exist, what is holding us back? A quick response from each please.
6. Regarding the FBA – recently some finance – related areas were indicated as not being considered to be part of List 3 [*note: not 'removed' as they*

weren't there in the first place – they were only in item 21 the catch all in List 3] as they had sector specific regulations. Can we look forward to more, and how do you think that could come to fruition?

7. [close with] As a wrap up I'd like a quick answer from all three of our guest on this. Do you think policymakers are getting the message about services and the importance of liberalization in the service sector?

I'd like to once again thank Dr Kirida, Mr Shabih and Khun Kalin for their insightful presentations and candid remarks. As a small token (present each with a gift – K Pui of JFCCT office will provide the gifts).

I will now hand the microphone back to our MC Linda to explain more about the next session.

Thank you very much and I hope you enjoy the rest of today's Forum.