



หอการค้าไทย  
สภาหอการค้าแห่งประเทศไทย

THAILAND  
TRADE & SERVICES

4.0

**Kalin Sarasin**

**June 2, 2017**

## **Present Positions**

- **Chairman, the Thai Chamber of Commerce & Board of Trade of Thailand**
  - **Chairman of the Tourism Authority of Thailand Board of Directors**
  - **Director–Government Liaison & Public Affairs, SCG**
- 

## **Social Status**

- **Member of Public–Private Collaborative Committee**
- **National Reform Steering Assembly Member**
- **Board of the Council of Thai Red Cross Society**
- **President, Thai-Japanese Association**
- **Board of Directors, Kasikorn Bank**
- **National Innovation Board Member**
- **Chairman of Pol. Gen. Pow Sarasin Foundation**



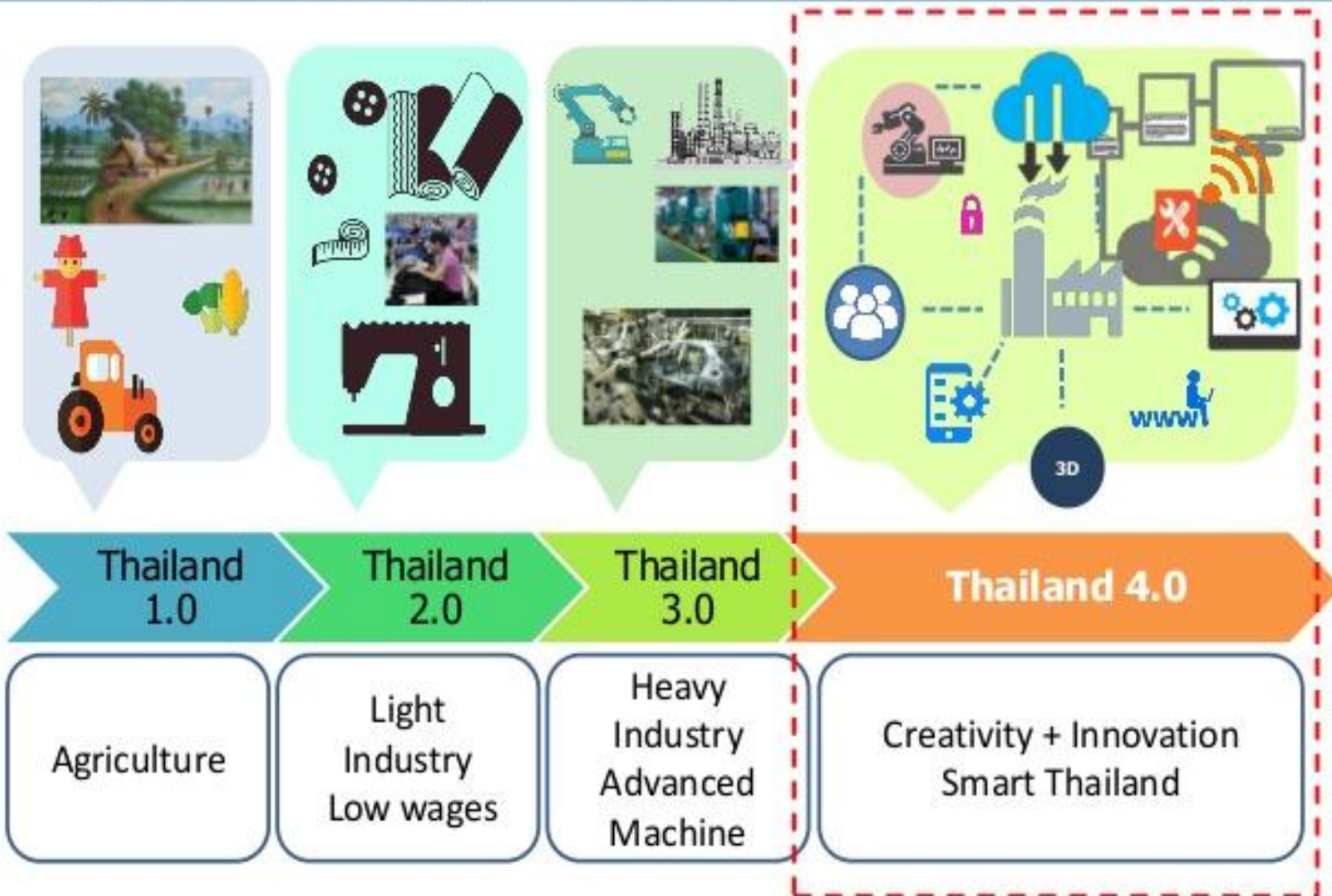
# Discussion in next 30 Minutes

- **Impact on Thai Business with Thailand 4.0**
- **TCC & BoT**
  - **What is Trade & Services 4.0?**
  - **Our Focus Value Chain**
- **Future of Thailand**
- **Need voice from foreign friends**

# Thailand 4.0

## Thailand 4.0

(Smart Industry + Smart City + Smart People)



### Thailand 1.0

Emphasis was placed on the agriculture sector

During this stage, Thais had made a living out of farmland and livestock. They had grown rice and various other plants to support themselves. They had also raised pigs, ducks and chicken to generate income

### Thailand 2.0

Focused on light industries

Thais started using tools in their economic activities. The country started manufacturing clothes, bags, beverages, stationery, ornaments, etc. On the overall, Thailand's potential had soared.

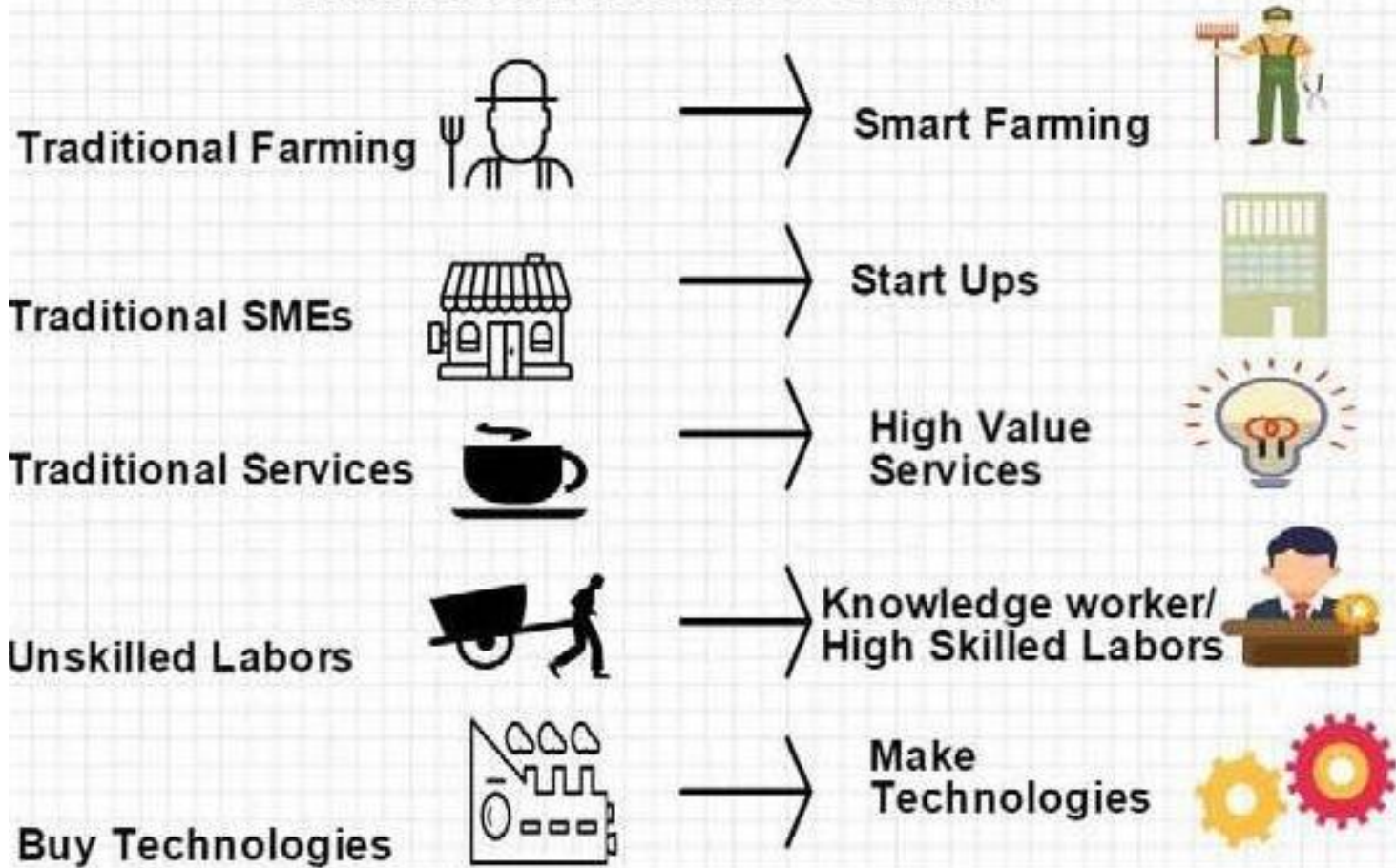
### Thailand 3.0

Is about heavy industries

At present, Thailand has manufactured and exported steel, automobiles, natural gases and more. The country, so far, has still relied on foreign technologies in driving its exports.



# Transformative Shift



## Agricultural sector

needs to move away from a conventional mode to the modern style. Smart Farming should spread over Thailand. Leveraging technologies, farmers can become entrepreneurs and get richer.

## Small and medium enterprises (SMEs)

must transform themselves into Smart Enterprises or Startups with high potential.

## Service sector

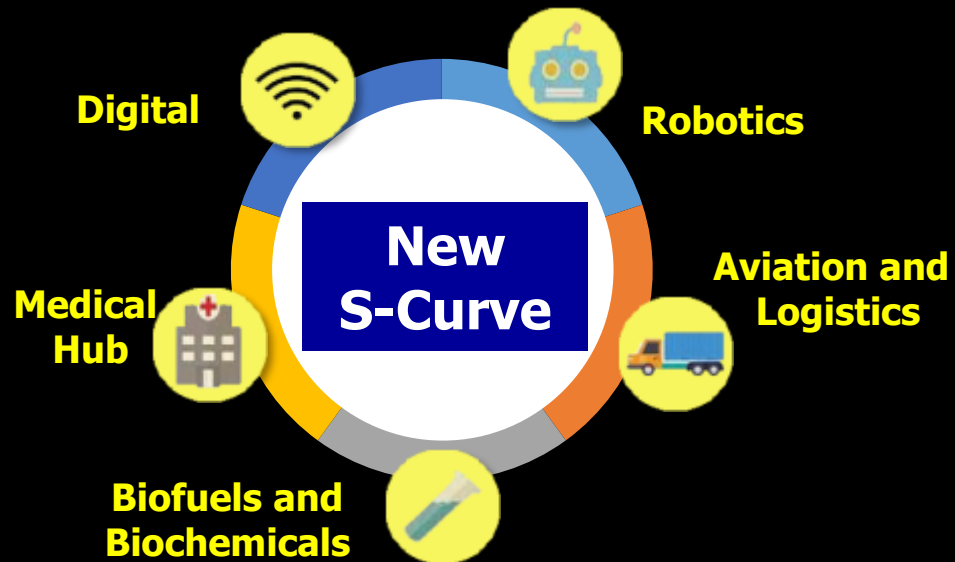
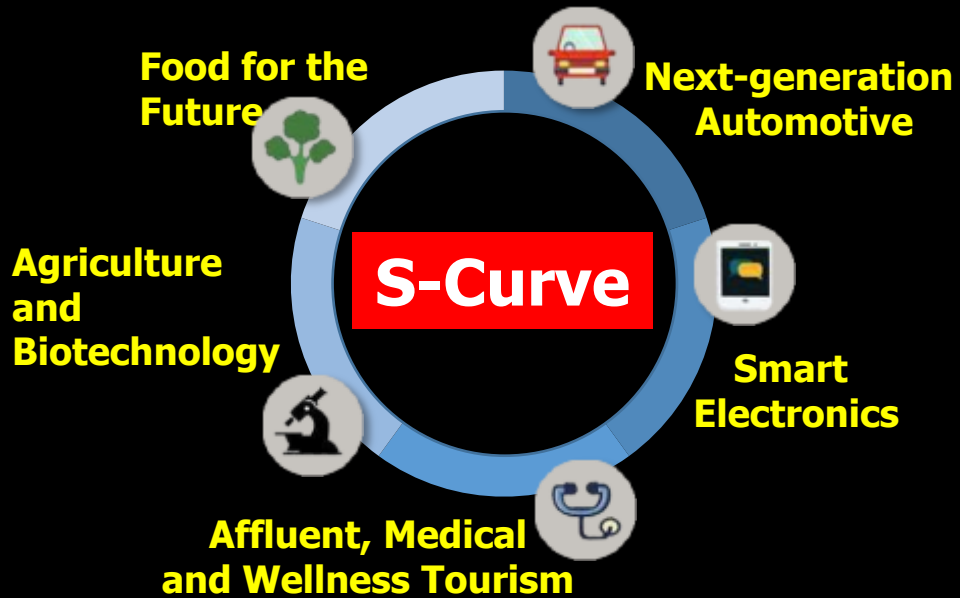
must change. Instead of sticking to services with rather low value, it must shift towards the high-value services.

## Labor skills and knowledge

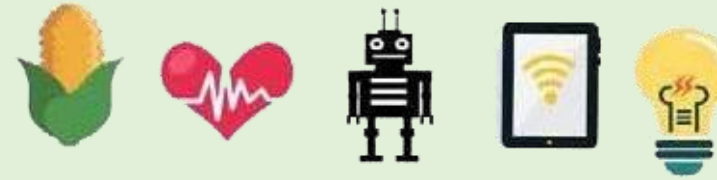
must be high. It is time to make little-skilled workers a thing of the past.

**Thailand 4.0 model pursues Security, Prosperity and Sustainability.**

# New Engine of Growth



# Clusters for Innovation & Start Ups



- Food Agriculture & Bio-Tech
- Health, Wellness & Bio-med
- Smart Devices, Robotics & Mechatronics
- Digital, IoT & Embedded Technology
- Creative, Culture & High Value Services

# Priorities for Innovation



- Smart City
- Medical Hub
- Low-carbon Society
- Food Innopolis
- Water Management & Technology



# **The Thai Chamber of Commerce and Board of Trade of Thailand**

# 3 Core Value Chains

Trade & Investment



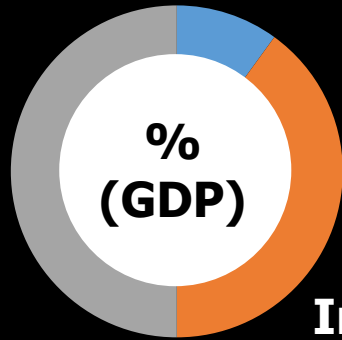
Agriculture & Food



Tourism & Services



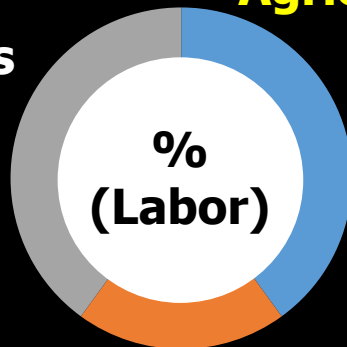
Services  
50%



Agriculture  
10%

Industry  
40%

Services  
40%



Agriculture  
40%

Industry  
20%

## Stakeholders - Network

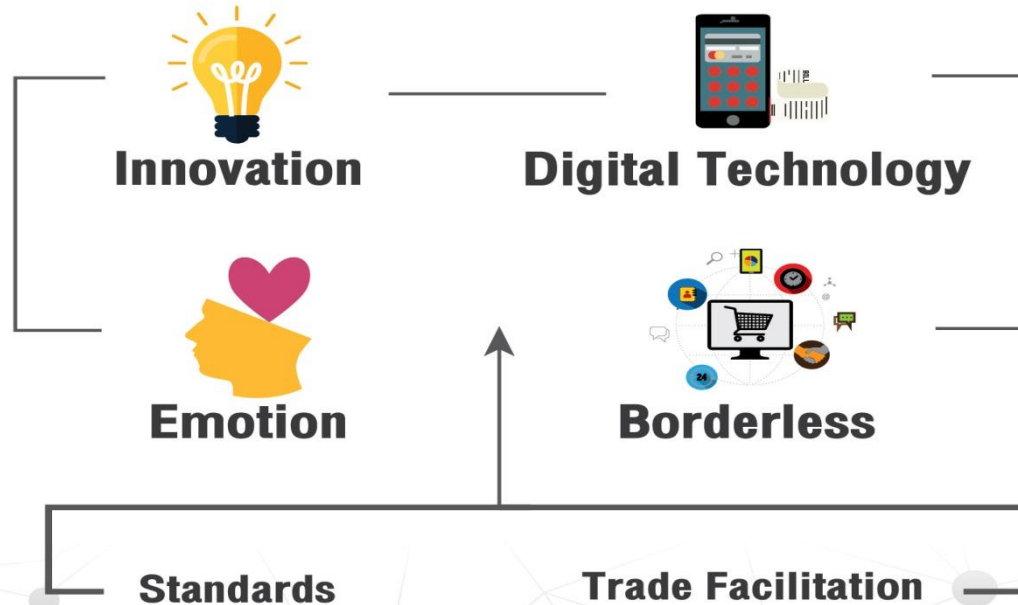
- Trade Associations
- Provincial Chambers of Commerce
- Foreign Chambers of Commerce
- Specialists / Members
- Government Sector / Academic
- Public-Private Collaboration



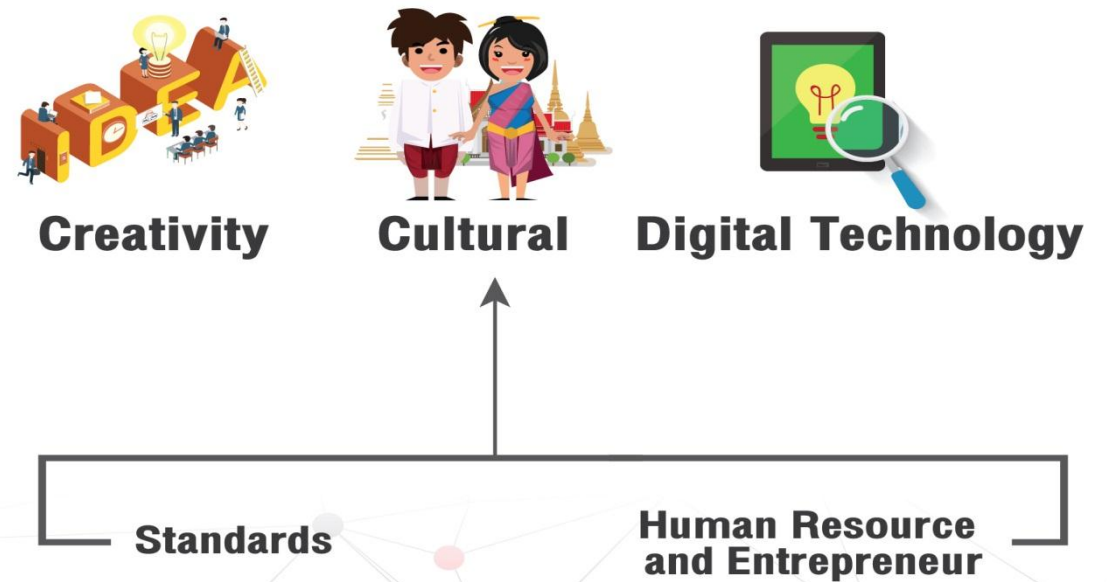


# THAILAND TRADE & SERVICES 4.0

## Trade 4.0 Smart Trade Platform



## Services 4.0 Innovative on Thai Services

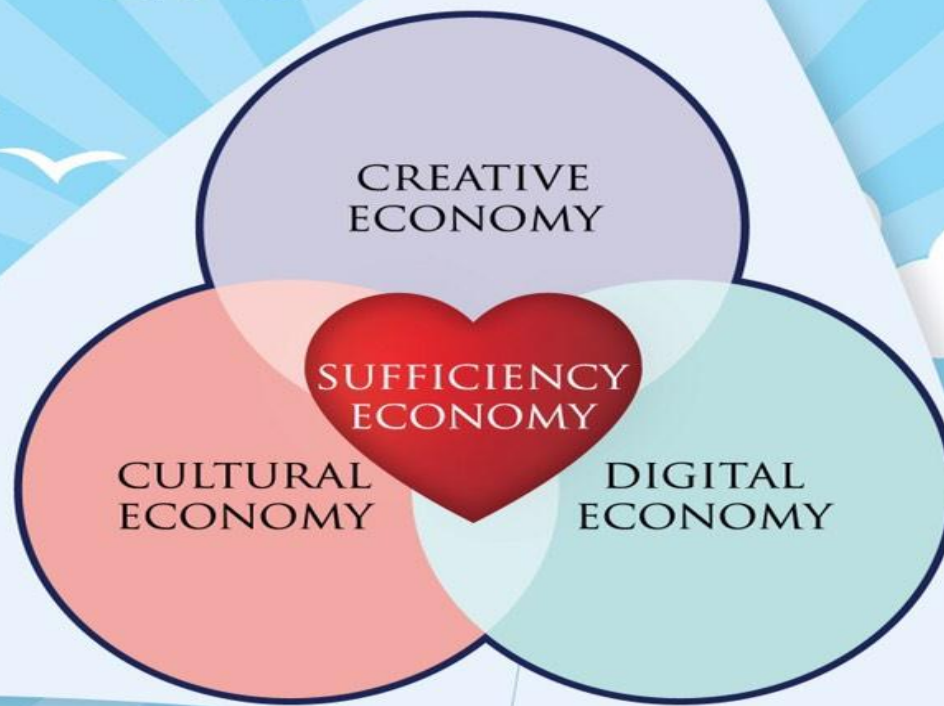


**Important things to move Thailand to Trade & Services 4.0**

**Sufficiency Economy**

**Inclusive**

# การขับเคลื่อน TRADE & SERVICES 4.0



TRADE & SERVICES 4.0



# Services 4.0

Services will be more significantly important in the 4.0 era

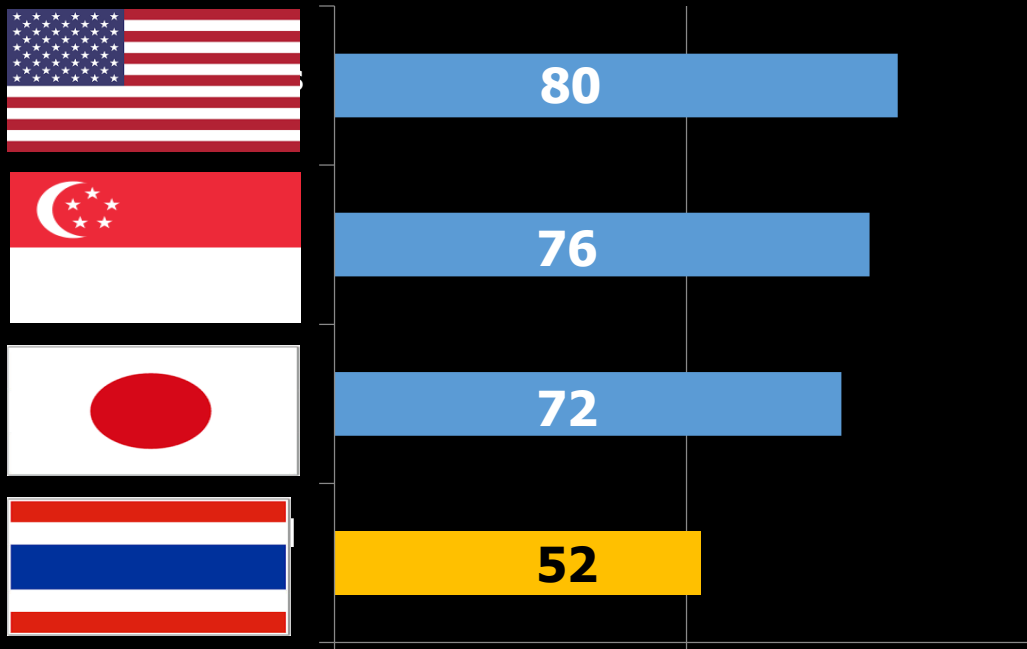
In developed countries, the proportion of service sector around 70 to 80% of GDP

The advancement of Technology

- + Information Technology
- + Information and Knowledge
- + Design

>> Create a “Creative Service” or “New Business Model”

## Services sector contribution to GDP (%)



## Services 4.0

- Has specific style (Customized / Personalized)
- Able to respond in a timely manner (Interactive / Responsive)
- Self-service through various devices





**(Public-Private Steering Committee)**

**Reducing Inequality**

**Enhancing  
Competitiveness Workforce**

**Enhancing Competitiveness**

## **Grand Strategy 4 Pillars**

- 1. Governance**
- 2. Innovation and Productivity**
- 3. Talent & Human Capital Development**
- 4. Inclusiveness**

## **6 Value Drivers**

- D1 : Innovation and Digitalization**
- D2 : SMEs and Productivity**
- D3 : Tourism & MICE Promotion**
- D4 : Trade & Services Business & Outward Investment Promotion**
- D5 : New S-curve Development**
- D6 : Modern Agriculture/Farming Promotion**

## **6 Enable Driven**

- E1 : FDI & Infrastructure Development**
- E2 : Upgrading Professional and Technician**
- E3 : Local Economy Development & Pracha Rath Scheme**
- E4 : Law & Regulation Reforms**
- E5 : Basic Education & Human Capital Development**
- E6 : Social Development**



## Value Driver (6D)

หัวหน้าทีมภาครัฐ

หัวหน้าทีมภาครัฐ 2

หัวหน้าทีมภาคเอกชน



นายพิเชฐ ดุรงคเวโรจน์  
Minister of DE

นางอรรชกา สีบุญเรือง  
Minister of Science  
and Technology

นายกันต์ ตระกูลสุน  
บมจ.ปูนซิเมนต์ไทย

**D1 : Innovation and Digitalization**

หัวหน้าทีมภาครัฐ

หัวหน้าทีมภาคเอกชน



นางกอบกาญจน์ วัฒนวรางกร  
Minister of Tourism and Sports

นายชนินทร์ โทณวัฒน์  
บมจ.ดุสิตธานี

**D3 : Tourism & MICE  
Promotion**

หัวหน้าทีมภาครัฐ

หัวหน้าทีมภาคเอกชน



นายอุตตม สาวนายน  
Minister of Industry

นายประเสริฐ บุญสัมพันธ์  
บมจ.พีทีที โกลบอล เคมิคอล

**D5 : New S-curve  
Development**

หัวหน้าทีมภาครัฐ

หัวหน้าทีมภาคเอกชน

หัวหน้าทีมภาคเอกชน



นายอุตตม สาวนายน  
Minister of Industry

นายเจน นำชัยศิริ  
Chairman of FTI

นายกสินท์ สารสิน  
Vice Chairman of  
TCC

**D2 : SMEs and Productivity**

หัวหน้าทีมภาครัฐ

หัวหน้าทีมภาคเอกชน

หัวหน้าทีมภาคเอกชน



นางอภิรดี ตันตราภรณ์  
Minister of Commerce

นายสนั่น อังอุบลกุล  
บมจ. ศรีไทยซูเปอร์แวร์

นายทศ จิราธิวัฒน์  
บจก. กลุ่มเซ็นทรัล

**D4 : Trade & Services Business**

หัวหน้าทีมภาครัฐ

หัวหน้าทีมภาคเอกชน



พลเอกฉัตรชัย สาริกัลยะ  
Minister of Agriculture  
and Cooperative

นายอิสระ ว่องกุศลกิจ  
บจก.น้ำตาลมิตรผล

**D6 : Modern Agriculture/  
Farming Promotion**

## Enable Driven (6E)

หัวหน้าทีมภาครัฐ    หัวหน้าทีมภาคเอกชน    หัวหน้าทีมภาคเอกชน



Minister of Finance

นายชาติศิริ โสภณพนิช  
บมจ.ธนาคาร กรุงเทพ

**E1 : FDI & Infrastructure  
Development**

หัวหน้าทีมภาครัฐ



พลเอก อุดมพงษ์ เฝ้าจิณา  
Minister of Interior

หัวหน้าทีมภาคเอกชน



นายฐานันท์ สิริวัฒนภักดี  
บมจ.ไทยเบฟวอเรจ

**E3 : Local Economy Development  
and Pracha Rath Scheme**

หัวหน้าทีมภาครัฐ



นายธีระเกียรติ เจริญเศรษฐศิลป์  
Minister of Education

หัวหน้าทีมภาคเอกชน



นายศุภชัย เจียรนวนท์  
บมจ.เครือเจริญโภคภัณฑ์

**E5 : Basic Education & Human  
Capital Development**

หัวหน้าทีมภาครัฐ



นายธีระเกียรติ เจริญเศรษฐศิลป์  
Minister of Education

หัวหน้าทีมภาคเอกชน



นายรุ่งโรจน์ รังสิโยภาส  
บมจ. ปูนซิเมนต์ไทย

**E2 : Upgrading Professional  
and Technician**

หัวหน้าทีมภาครัฐ



นายวิชญ์ เครื่องงาม  
DPM for Legal Affairs

หัวหน้าทีมภาคเอกชน



นายกานต์ ตระกูลฮุน  
บมจ. ปูนซิเมนต์ไทย

**E4 : Law & Regulation  
Reforms**

หัวหน้าทีมภาครัฐ



Minister of Social  
Development and Human  
Security

หัวหน้าทีม  
ภาคประชาสังคม



ทพ.ดร.สุปรีดา  
อดุลยานนท์

หัวหน้าทีมภาคเอกชน



คุณอิสระ  
ว่องกุลสลกิจ

**E6 : Social Development**

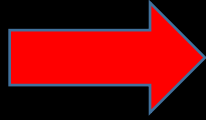
# **Future of Thailand**

# Vision of Thailand : Hubs?

## How can you capture this opportunity?

### Now

- Logistic Hub
- Tourism Hub
- Medical & Wellness Hub
- Automotive Hub
- Petrochemical Hub
- Food: Kitchen of the World Hub



### Future

- Animation Hub
- Electric Vehicle
- Connectivity improve facilities like airport, rails (High Speed Train & Under ground train), road & highways
- Mass Transit Rapid System



# TRANSPORTATION GRID IN 2020

Under the grand plan, a total of 55 projects worth US\$66.29 billion (฿2.2 trillion) would be completed by 2020. Following the modal shift from road to rail, the country's logistics costs are expected to fall by 15%, while greater convenience for commuters is promised.

## INFRASTRUCTURE DEVELOPMENT PROGRAMMES

Total:  
**US\$66.29 bn**  
55 projects

**Rail transport:**  
**US\$42.93 bn**  
31 projects

High-speed train	
Bangkok-Nong Khai (Laos-Kunming)	615 km
Bangkok-Padang Besar (Malaysia)	982 km
Bangkok-Rayong	221 km
Bangkok-Chiang Mai	745 km
<b>Total</b>	<b>2,563 km</b>
Railway improvements cover 47 provinces	
Single-track	3,755 km
Double-track	173 km
Triple-track	107 km
<b>Total</b>	<b>4,035 km</b>

**Road transport:**  
**US\$15.97 bn**  
13 projects  
6,669 km

**Water transport:** US\$4.26 bn 7 projects

**Air transport:** US\$3.13 bn 4 projects

Key airports:  
Phuket, Chiang Mai, Khon Kaen, Suvarnabhumi Airport

64%

24%

6.48%

4.75%

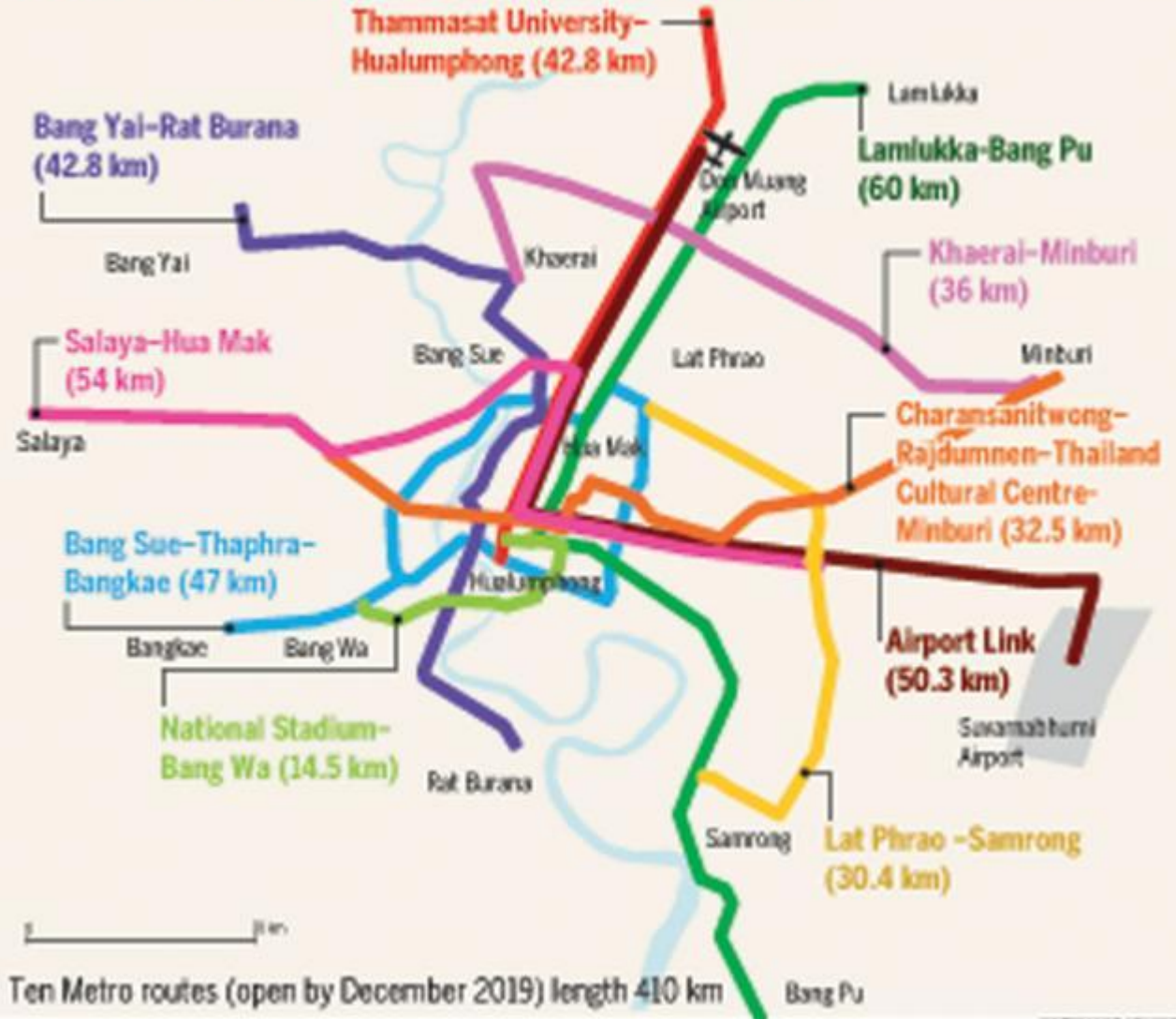
- Four-lane highway Phase II
- Motorway (pay toll)
- Railway
- - - - Double-track railway/ High-speed train
- - - - Double-track railway
- Port
- Airport
- Inland container depot
- Container yard service



Source: Report on Investment Plan for Transport Sector (Year 2013-2020), OTP

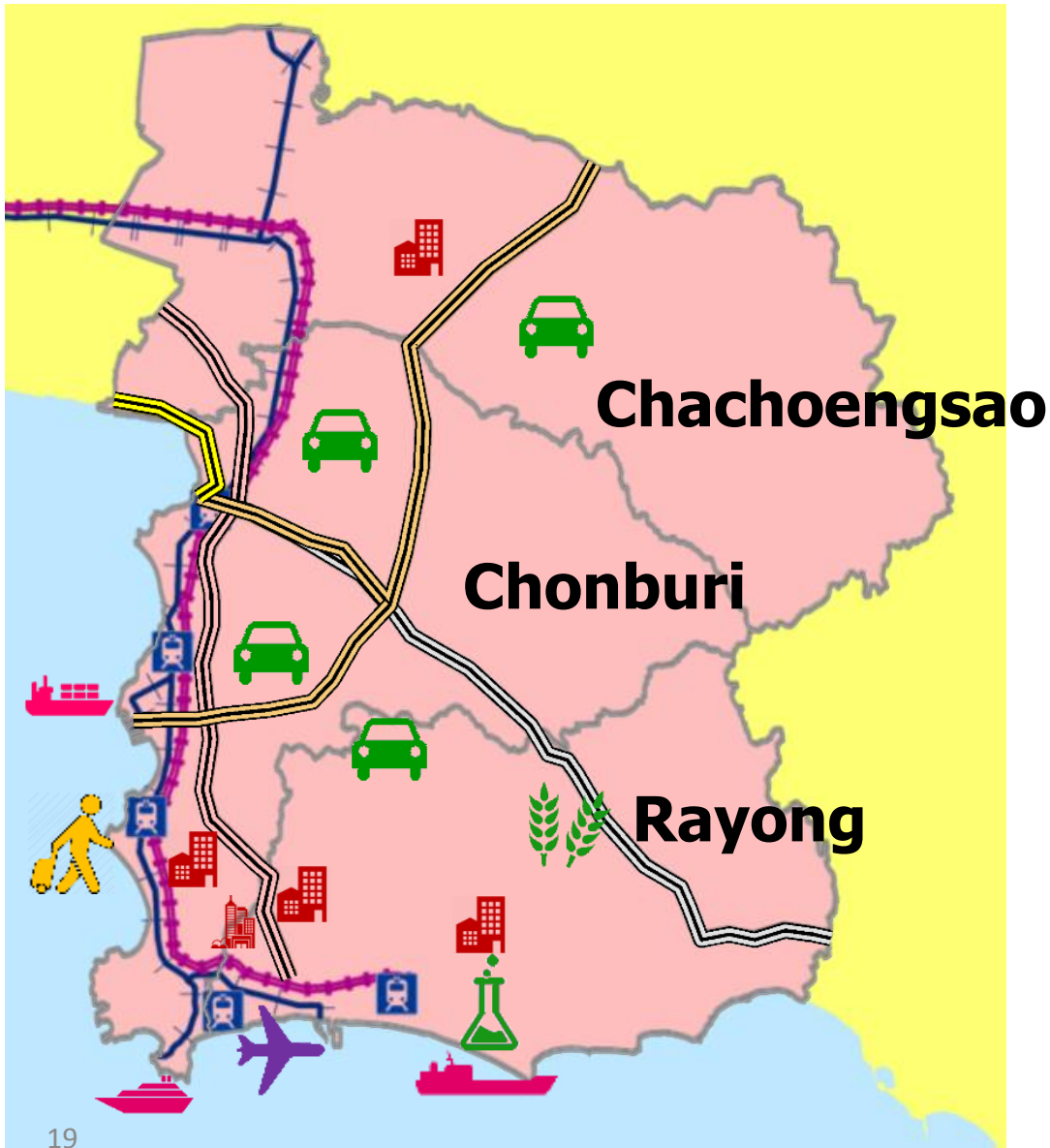
NATION GRAPHICS

# GREATER BANGKOK REGION: MASS RAPID TRANSIT SYSTEM



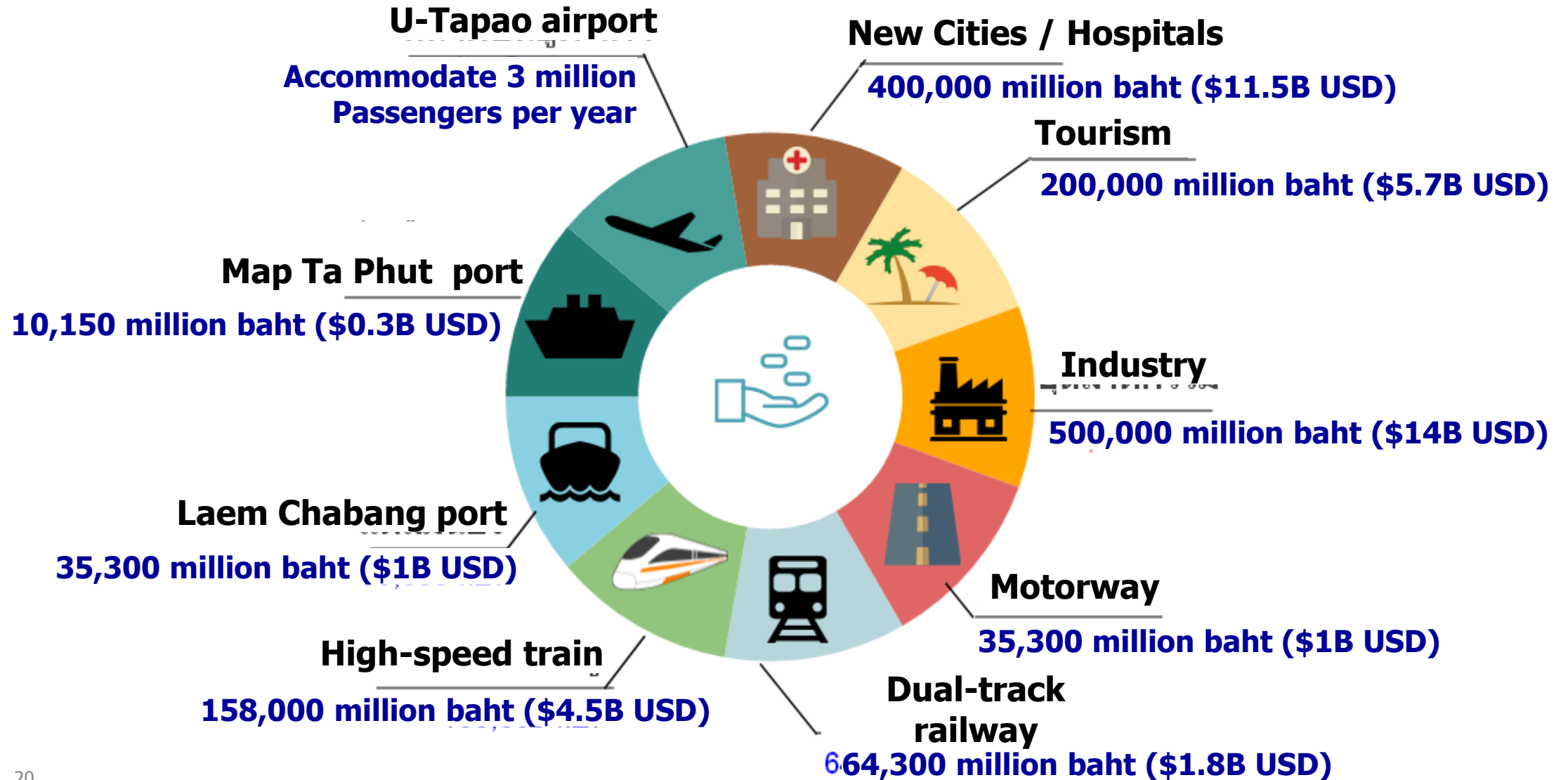


# Major Investments in EEC



- 1 U-Tapao airport and aircraft maintenance
- 2 Sattahip commercial seaport
- 3 Laem Chabang port phase#3
- 4 Map Ta Phut port phase#3
- 5 High-speed train – east route 
- 6 Double-track railway 
- 7 Highways and motorway 
- 8 Aviation industry
- 9 Advanced petrochemical and biotechnology industries
- 10 Smart automobile, electronics, and robotics
- 11 Agriculture processing
- 12 Tourism
- 13 Global Business Hub / Free Economic Zone
- 14 New Cities
- 15 Public Utilities

# Public and Private Investments target 1.5 trillion baht (\$43B USD) in the first 5 years



# **“How Thai Government can support Thailand 4.0”**

- ✓ **Government Roles**
- ✓ **Must Change out of date rules & regulation**

# Government Roles

From **Regulator** .... to

**Facilitator, Promoter, Supporter**

# Change Roles of Government Service



- **Some operations have been outsourced** to private sectors i.e. Passport
- **More Future Outsourced Operation** : certify products or process, registered, approval, .... ???



# BMA Express Service (Bangkok Metropolitan Administration)



- **Services** : ID, House Certificate, Change Name, BKK Tourist Info
- **Operation**: 7 Days a week

# “Regulatory Reform Project” by Public–Private Collaborative Committee

## Target

Competitiveness

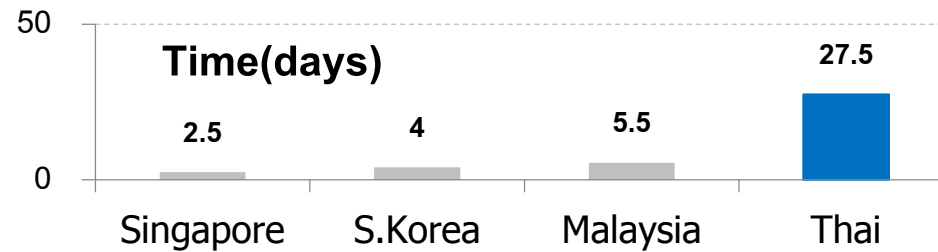
Ease Of Doing Business

Efficiency

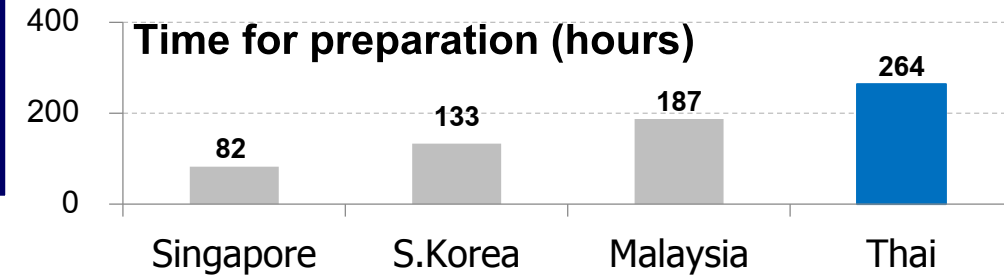


# Revise Rules & Regulations – “Ease of Doing Business” to increase country competitiveness

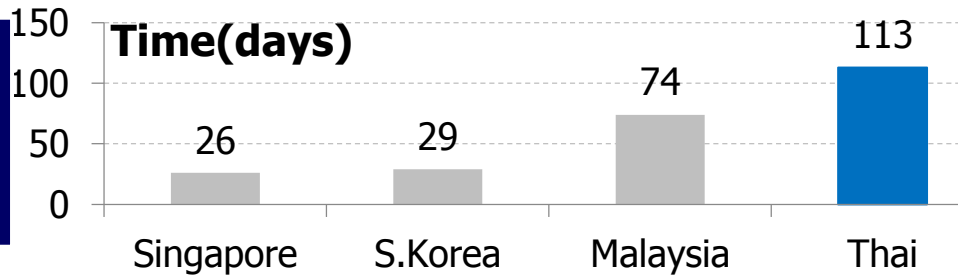
**Set up  
new  
business**



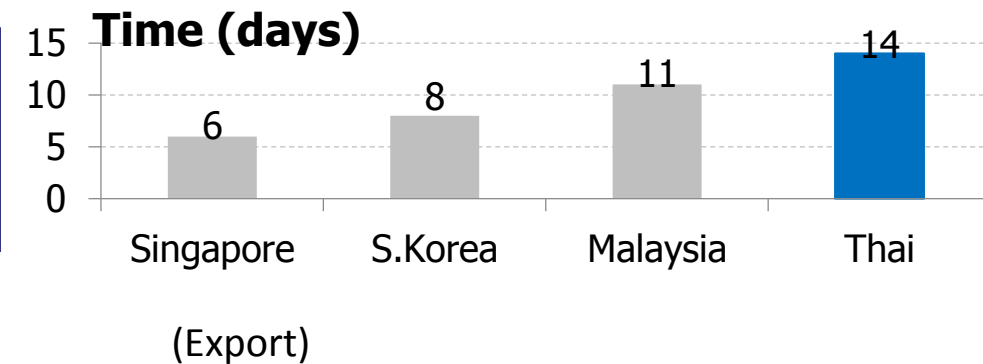
**Tax  
preparation**



**Construction  
Permit**



**Int'l  
Trade**



# Ease Of Doing Business Ranking





## 2015

- 1 Singapore 
- 2 New Zealand 
- 3 Hong Kong 
- 4 Denmark 
- 5 South Korea 
  
- 17 Malaysia 

**46 Thailand** 

## 2016

- 1 Singapore 
- 2 New Zealand 
- 3 Denmark 
- 4 South Korea 
- 5 Hong Kong 
  
- 18 Malaysia 

**49 Thailand** 

**Target**  
**2018**

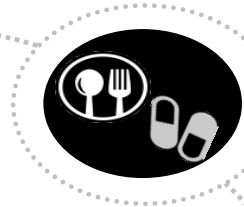
**Thailand**  
to be  
**the Top 20**



# 5 Quick Wins



**1. Custom**



**2. Food & Drugs**



**3. Immigration**



**5. City Plan**



**4. EIA/EHIA**

**5 Quick Wins**



Thailand needs to **enhance its competitiveness** in the field of **R&D and targeted industries** in order to propel the economy and overcome the middle income trap by **attracting investment with advanced technology** as well as professional workers, researchers and skilled labors from foreign country to work and share knowledge to Thailand.

## Current Situation

- **Visa & Work Permits procedures are separated**
- **There is only one type of work permit regardless of skill**
- **No privileges for professionals, researchers or any young talent**

# The comparison of work passes & permit in Thailand, Singapore, Australia and USA

<u>Thailand</u>	Singapore	Australia	USA
<ul style="list-style-type: none"> <li>• <b>Separating between Visa &amp; Work permit</b></li> <li>• <b>No privileges</b></li> <li>• <b>Having only one type of work permit</b></li> </ul> <p><b>Work Permit</b></p>	<ul style="list-style-type: none"> <li>• Separating between Visa and Work permit</li> <li>• Privileges</li> <li>• Having 5 types of work permits depending on skills</li> </ul> <p><b>Work Permit</b></p> <p><b>S PASS</b></p> <p><b>Employment Pass</b></p> <p><b>Personalized Employment Pass</b></p> <p><b>Entre Pass</b></p>	<ul style="list-style-type: none"> <li>• Combining Visa and Work permit into Work Visa</li> <li>• Privileges</li> <li>• Having 3 types of Work Visa depending on skill</li> </ul> <p><b>approved by eligible employer</b></p> <p><b>Invited person</b></p> <p><b>Temporary Employment Visa</b></p>	<ul style="list-style-type: none"> <li>• Combining Visa and Work permit into Work Visa</li> <li>• Privileges</li> <li>• Having 3 types of Work Visa depending on skill</li> </ul> <p><b>Permanent Employment Visa</b></p> <p><b>Temporary Employment Visa</b></p> <p><b>Person who having Work Visa</b></p>

## 1. VISA and Work Permit

- Using **“Work Visa system”** instead of work permit
- **Work Visa classified by skill level** which are:

Type 1	Work Visa for “Low level-skilled foreign workers”
Type 2	Work Visa for “Mid level-skilled foreign workers”
Type 3	Work Visa for “High level-skilled foreign workers”
Type 4	A Person who has been invited
- **“Privileges” to attract talented workers** and for a person who has been invited to work in the country (Type 4) would have privileges in specific field such as **NEW S-CURVE**



## 2. Ease of Doing Business

- To set up **“One Stop Service Center”** for work permits
- To **abolish the TM.6 and WP-10** to promote business activities
- To extend the **long stay** in Thailand in order to promote Medical Hub and Wellness

## 3. Establishment the “Public-Private Ad-Hoc Committee”

To amend concerned laws to attract experts, researchers and skilled-labors from abroad.

# Regulatory Reform



- Hire **Scott Jacobs (Jacobs, Cordova & Associates)** to consult about Regulatory Reform
- Scott Jacobs used to do Regulatory Reform for OECD and be Regulatory Reform Consultants for several Countries

## Regulatory Reform in some countries



### South Korea

Total 11,125 Laws

**Abrogation 48.8%**

Revised 21.7%

Increase Job Hiring >1 Mil Positions,  
GDP increase 4.4%

FDI increase 36,500 Mil USD



### Vietnam

Total 5,500 Laws

**Abrogation 8.8%**

Revised 77%

Reduce Business Operating Costs =  
1.45 Thousand Mil USD/Year








### Mexico

Total 2,038 Laws


**Abrogation 54%**

Revised 27%

# IMD ASEAN Competitiveness

	Overall Performance 2017	Overall Performance 2016	Overall Performance 2015
 Singapore	<b>3</b>	<b>4</b>	<b>3</b>
 Malaysia	<b>24</b>	<b>19</b>	<b>14</b>
 Thailand	<b>27</b>	<b>28</b>	<b>30</b>
 Indonesia	<b>42</b>	<b>48</b>	<b>42</b>
 Philippines	<b>41</b>	<b>42</b>	<b>41</b>

## 4 Competitiveness Factors

 Thailand	2017	2016
<b>Economic Performance</b>	<b>10</b>	<b>13</b>
<b>Government Efficiency</b>	<b>20</b>	<b>23</b>
<b>Business Efficiency</b>	<b>25</b>	<b>25</b>
<b>Infrastructure</b>	<b>49</b>	<b>49</b>



# How can our **Foreign Friends** **can add value to Thailand ?**

## Example

- How you can support our 3 Core Value Chains?
- Connectivity?



หอการค้าไทย  
สภาหอการค้าแห่งประเทศไทย

# THAILAND 4.0 TRADE & SERVICES

**Thank you**