

Talking Points: Panel Discussion

“Economic Aspects of New Southern Policy: Achievement and Challenges”

- President Moon Jae-In’s **New Southern Policy** is so profound, and significant not only to Korea but also to the ASEAN Region. This policy reflects how Korea places an increasing importance to the Southeast Asian Region.
- **Presently Korea’s value of investment in Thailand ranks number 8.** During the past 3 years, there are 89 investment promotion applications from Korea at the total investment amount of 15,000 million baht, most of which are in the industries of electronics and electric appliances; steel and metal products, and machinery equipment. I believe this value will certainly be increased in the future.
- I can see that Thailand and Korea can complement each other in many aspects, especially on the investment. Both the Thai government and the Thailand Board of Investment have at least 3 investment factors that are responsive to the New Southern Policy.
- **First, Strategic Location.** Thailand has a strategic location favorable in both the commercial and investment facets as it is situated in the heart of the Greater Maekong Sub-region and the ASEAN that enjoy a constant economic growth. Our Government focuses on the development of transport network to ensure locally and regionally connectivity, and the development of digital infrastructure to serve as the international gateway. In consequent, Thailand plays an important role of connecting the region both on the transport infrastructure e.g. road, rail, and air; and in being the agricultural and industrial manufacturing base, as well as being the hub of qualified labors. Multi-national companies of all sizes from large to SMEs and startups enjoy the privileges from this strategic location. This has led to the **Thailand+1** investment scheme where Thailand is a manufacturing base of the region from which products and investment are distributed to other countries.
- **Second, Targeted Area.** The Thai Government has designated the Eastern Economic Corridor or EEC, with its 13,000 square kilometer boundary covering 3 eastern provinces of Chachoengsao, Chon Buri, and Rayong, as the key driver of Thai economic transformation. Located in the heart of Thailand and the Region, the EEC can perfectly facilitate the investment from Korean companies wishing to base in Thailand under the New Southern Policy.
- **The EEC** has not started from zero as it is the extension of the Eastern Seaboard, a highly potential and successful economic and investment project which has been developed for over 30 years.

Currently the EEC is the cluster of important industries, such as petrochemicals, automobiles, and electronics, and is facilitated with deep-sea ports at Laem Chabang and Map Ta Phut, plus over 30 standard industrial parks. During the past 3 years (2016-2018), the EEC saw up to 1.16 trillion baht value of applications for promotion, which is more than 50 percent of the overall value of applications.

- The Government anticipates in promoting the EEC to be the Region's center of commerce, investment, and tourism, and to facilitate future industries. Under the PPP scheme, a large budget is allocated to develop transport and logistics infrastructures to meet world class standard in projects such as the High-speed Rail Connecting Three Airports (Don Mueang-Suvarnabhumi-U-Tapao); the Capacity Expansion of Laem Chabang and Mab Ta Phut ports, the U-Tapao Airport City, and EEC's Smart City Development, in a bid to better the people's quality of life.
- Apart from the EEC, **many other locations are planned to be developed to facilitate different types of investment.** For examples, the special economic zones in 10 bordering provinces to facilitate labor-intensive industries or border trade; the research and development and digital industry zones such as science park, digital park, and Food Innopolis; and the smart city development in major cities nationwide. Investment in these targeted areas will be eligible for additional privileges from the BOI.
- **Third, Targeted Industries and Technologies.** Korea's 4th Industrial Revolution is in line with Thailand's 4.0 Policy which will transform the Thai industrial sector into an innovative- and advanced technological-based manufacture. Twelve industries are targeted for development by the Thai Government. These include boosting of 5 existing industries, namely automotive industry, electronic industry, petrochemical and chemical industry, agricultural and food industry, and tourism industry; and building of 7 new industries, namely biological industry, robotics industry, aviation industry, comprehensive healthcare industry, digital industry, defense industry, and educational industry.
- In addition to the targeted industries, the Thai Government also promotes the development of 4 technologies including biotechnology, nanotechnology, advanced material technology, and digital technology. With outstanding experienced in technological and innovative development in many of these industries and technologies, Korea can join hands with Thailand and enjoys benefits from our policy.
- I invite you all to **partner with Thailand** by using your strength to find new opportunities. With Thailand as your base, not only will your investment bear fruit here, but your opportunities will also be extended into the CLMVT countries and the surrounding regions.

- **Honorary guests, as a representative from Thailand which, this year, chairs the ASEAN, I am glad that Korea implements its New Southern Policy** that will expedite and tighten the cooperation among Korea, Thailand and the ASEAN in various facets from economics, social, education, and culture, to many others. This will yield prosperity for both Korea and the Southeast Asian Region. Thailand is ready to provide closer cooperation for Korea for mutual benefits and achievement of our two nations.
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