

Thailand Embraces Positive Change

At the center of Southeast Asia's beating heart, a change is stirring. Across Thailand, a series of policies and plans have been put in place to pilot the country towards the new digital era. Behind the steering wheel is a proactive government with big goals. Since taking office in 2014, the Thai government led by Prime Minister General Prayut Chan-ocha has returned peace and economic stability to a nation plagued with political unrest for over a decade, pledging further economic reforms that aim to bridge the inequality gap and restore happiness among the people.

With cheap labor and the "screwdriver" economy becoming a thing of the past, the time has come for Thailand to seize the opportunities of the new millennium through an all-inclusive national scheme that can cater to the aging population and bring about both improved wealth distribution and greater efficiency in the utilization of resources. One such initiative is "Thailand 4.0", a comprehensive master plan to propel Thailand towards a high-income, value-added economy and to break free from the shackles of stagnating income and inequality. The policy aims to enhance Thailand's global competitiveness through future-proofing its existing strengths in agriculture, food, bioenergy, tourism and culture, coupled with a transition to the "New S-Curve" next generation industries that are driven by science, technology and innovation. Towards that end, a series of measures have been taken in full scale to promote the growth of technology startups which are seen as the new engine of growth, with a substantial USD 570 million venture fund allocated to inject new vitality into smart SMEs. Meanwhile, Food Innopolis, R&D Centers, Science and Innovation Parks, as incubators of startup ecosystems, have all surfaced, bringing Thailand up to par with the global technological advancement. Along the border towns, Special Economic Zones are established to promote employment and development across borders, and create a win-win situation for Thailand to tap into the fast-growing economies of CLMV (Cambodia, Laos, Myanmar and Vietnam) through cross-border trade and the sharing of wealth. Already, promising signs are beginning to emerge. Thailand's economy has responded positively in the second quarter of 2017, exhibiting a solid performance of 3.7%, the highest in over four years, while foreign tourists stood well over 18 million expecting to reach 37 million this December, and the government pocketed a staggering THB 141 billion in foreign direct investment within the first half of this year. Just this September, investors regaled when the SET benchmark index soared to the highest level in 23 years with a prediction of further upward momentum- an encouraging sign of progressive change.

Nevertheless, changes must come from the people and ultimately be made by the people. The government-initiated Pracharat Public-Private Partnership works to foster cohesive and inclusive participation from all stakeholders towards a knowledge-based society that tends to the social welfare and well-being of the people. Educational reform has been enacted to rebrand the public's image towards vocational and technical schools, promote Open Universities and instill a new culture of mindful learning, which in time will create high potential human capital for the next generation industries. Meanwhile, internet communities have sprung up across rural areas, enabling the promotion of online information sharing. With this comes smart farmers, precision farming and higher yields on agricultural productivity. Fueled by a two-digit growth rate and attractive privileges in the forms of duty exemptions and non-tax incentives, the rise of e-commerce has facilitated the seamless flow of local products to the global market, enabling wealth to be distributed all the way to the grass-root level. As such, the cutting

edge aspects of a digital economy are keenly felt, paving way for further development in the fields of fintech and e-payment, and ultimately an imminent cashless society in the not too distant future.

Capitalizing on its strategic location as the nexus of East Asia, Southeast Asia and South Asia, Thailand is forging ahead to expand its infrastructure network and take regional connectivity to new heights. A 265-kilometer long Sino-Thai high-speed railway network linking China's southern provinces to Bangkok has been approved. Meanwhile, plans are afoot for a Japanese high-speed rail joint-venture linking Thailand East-West Corridors together, and an oil land bridge stretching from Gulf of Thailand and Andaman Sea is under way. At the heart of it all is the Eastern Economic Corridor (EEC), a mega infrastructure project worth over USD 43 billion which builds on the existing Eastern Seaboard's Laem Chabang and Maptaphut industrial zones, with expansion of U-Tapao international airport and improved deep-sea ports to enhance rail, sea, and air accessibility, making it an ideal logistics, aviation and manufacturing hub. EEC has paved way for a free flow of products, services, capital, and skilled labor as Thailand advances its regional integration and Free Trade Area networks from ASEAN to RCEP (Regional Comprehensive Economic Partnership) and the rest of Asia, which is shaping up to be the next global economic powerhouse of the century.

All across Thailand, a new leaf has been turned, and the stage has been set for a new dawn of egalitarianism and prosperity. Yet, looking to the future may not be enough. If anything, the Asian Financial Crisis that struck exactly 20 years ago has made Thailand more cautious and the present government is keen to draw lessons from all of its past so that a positive future can be achieved and embraced. With enhancement of the physical and digital infrastructure, coupled with the empowerment of human capital, the groundwork has been laid to prepare the country for economic advancement, better living standards and an equitable distribution of wealth. Based on early indications, Thailand is currently on its way to reap the fruits of those changes.

Devawongse Varopakarn Institute of Foreign Affairs