



ASEAN ECONOMIC INTEGRATION FORUM 2017
“50 YEARS, AND BEYOND: FORGING AN INCLUSIVE ASEAN”



EUROPEAN ASSOCIATION FOR BUSINESS AND COMMERCE

ASEAN ECONOMIC INTEGRATION FORUM 2017
14-15 September 2017

A supported initiative of
the European Union



THE VOICE OF EUROPEAN BUSINESS IN THAILAND



Who we are

The **EABC** is the **European Chamber of Commerce** in Thailand, the VOICE OF ALL European companies and Chambers in Thailand, and official dialogue partner to the European Union and the Royal Thai Government. EABC is the only official representative of Thailand authorized by EBO WVN, Brussel based European Chamber of Commerce worldwide.

The EABC has 12 Working Groups with hundreds of senior managers making suggestions to the Government for a more competitive Thai economy.



What we do

We have a close relationship with the **Royal Thai Government**. Through our Working Groups, EABC members may submit their concerns and suggestions directly to Ministers and Senior Officials.

EABC Position in ASEAN

EABC help European businesses in Thailand resolve trade related issues on **ASEAN** level. EABC members are granted access to the EU-ASEAN Business Council which is the primary voice for European Business within the ASEAN region.



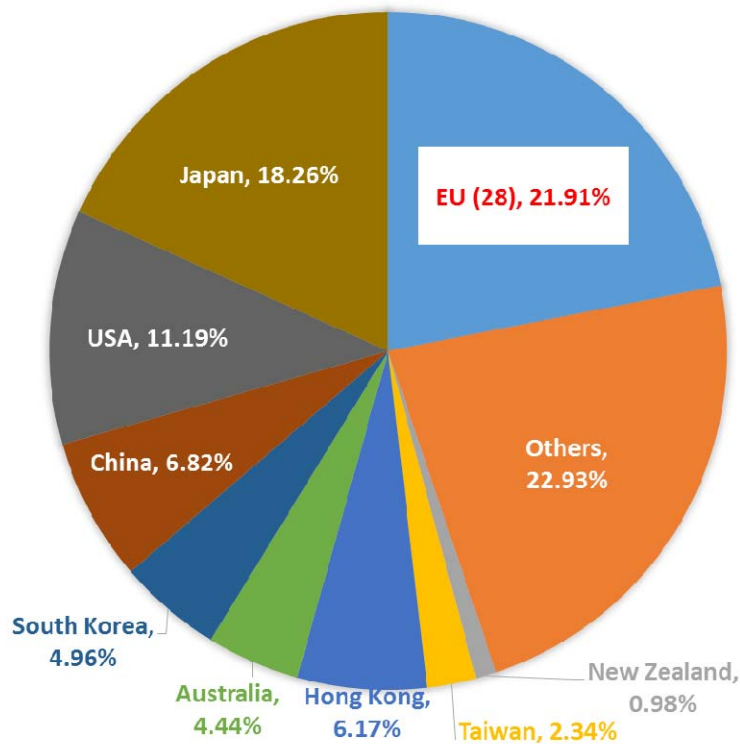
THE EU POSITION IN ASEAN MARKET



EU is the largest source of FDI for ASEAN, EUR 23.3 Billion, +57% yoy

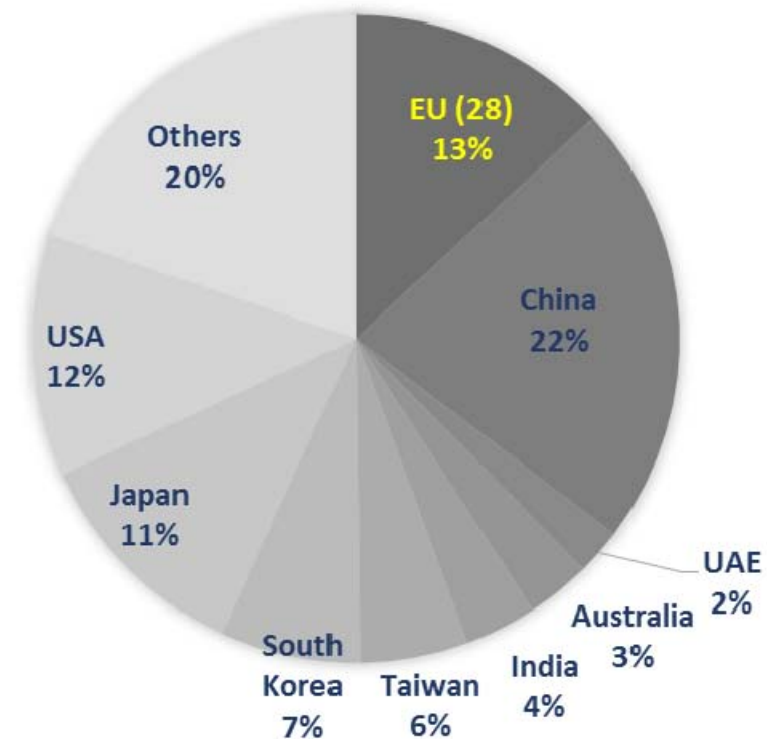
And ASEAN's Second largest Trading Partner.

FDI Flows into ASEAN 2015



Significant investors in ASEAN by stock

ASEAN TOP 10 Trading Partner 2016



Trade in Goods 122 Bio EUR, +54% in 10 years
Trade in Services 79 Bio EUR, +300% in 10 years



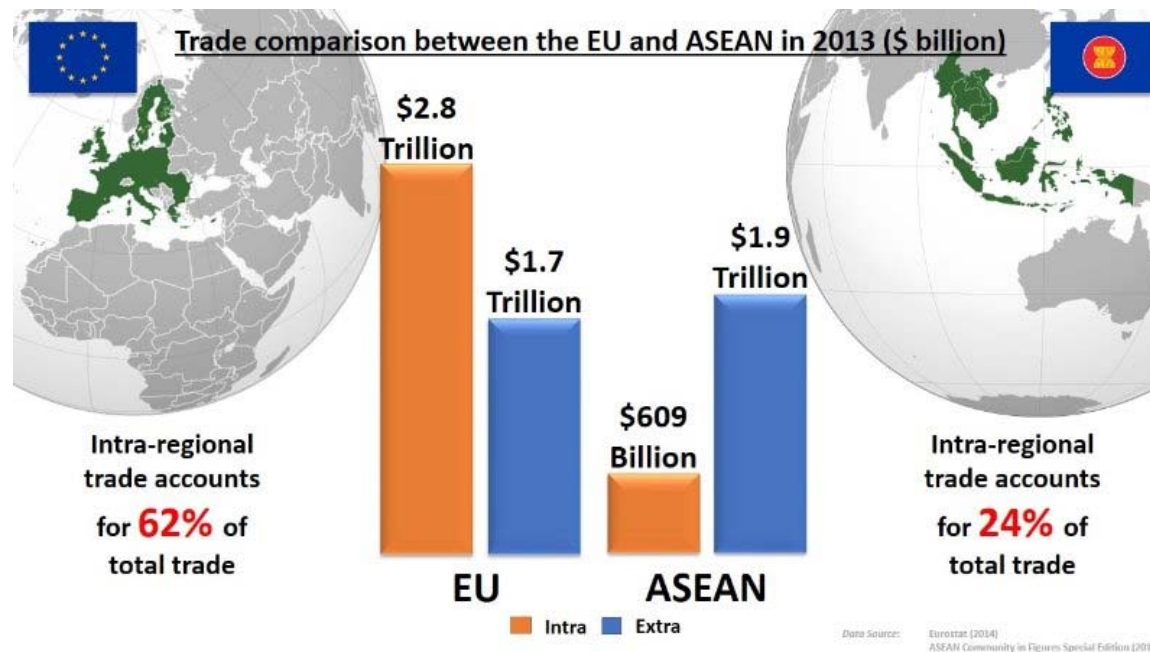
THE EU POSITION IN ASEAN MARKET



ASEAN Economic Bloc: Single Market and Production Base

- Free flow of goods
- Free flow of services
- Free flow of investment
- Free flow of capital
- Free flow of skilled labour

...has yet to realized as of today



- Intra-trade is key to prosperity for any country due to its high efficiency
- EU-ASEAN FTA will provide economic boost



1. STRENGTHEN ASEAN CONNECTIVITY FOR AEC SUCCESS



Infrastructure

- International System for ASEAN railway network to improve efficiency.
- Example of Efficiency of Train in Europe - Trains are generally on time, 90% arrive within five minutes of schedule
- EU tracks are more 210,000 kilometers and pass 28 countries connecting seamlessly



Logistics Challenge

- Transportation of goods between countries requires multiple trucks, increases costs to businesses
- EU has solved this problem by using TIR System for logistics, which is international standard and part of UNECE, and is being used by 70+ nations including China and India

ASEAN Single Window

- It will work on paperless system.
- The problem exists some government agencies still require to use paper document



2. HUMAN CAPITAL



New business requirement in ASEAN

- ASEAN was an investment destination for intensive workforce
- Shift in global economic landscape – ASEAN becomes regional headquarters to many international companies including design and development centers
- However, a significant technology and expertise gap remains, a hindrance to ASEAN development

Enhance Technology Transfer

- Improve education may take very long time
- Create an enabling environment to attract foreign experts – improve ease of doing business for foreign investors and liberalise services sector



Simple Manufacturing



ECONOMY 4.0
RESEARCH, DESIGN, SERVICES

Innovation-Driven Economy



3. THRIVING ENVIRONMENT FOR ASEAN SMES



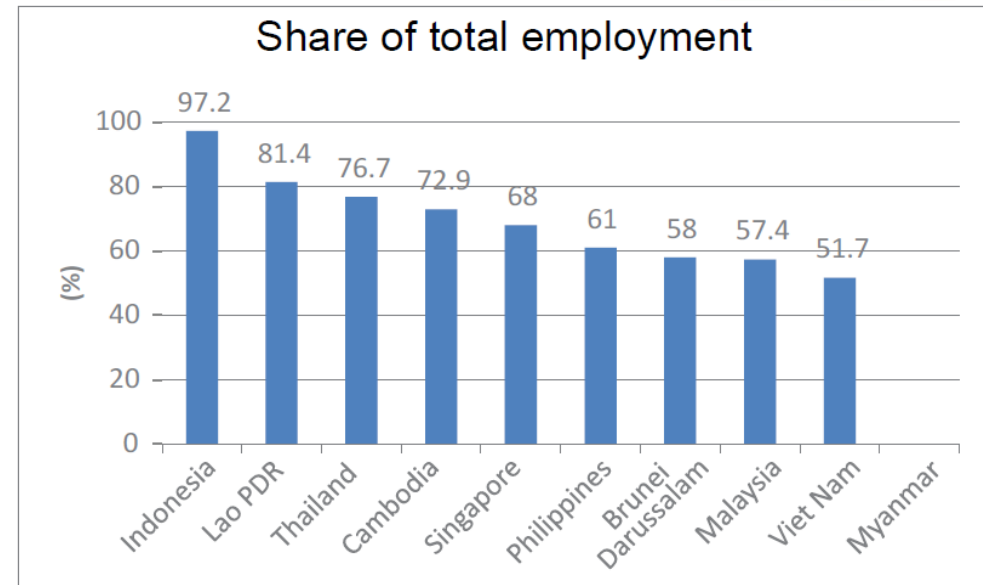
SMEs are leaders in their niches, contributing both as innovators and the adoption of new technologies. Moving towards new S-Curve will be less achievable without SMEs

However, they have many constraints

- Lack of manpower. Ex. Salesforce
- Lack of extended capital (ability to suffer losses)
- High production / service costs due to scale

Policies to attract SMEs to the region

- Enhance intellectual property protection and enforcement
- Cluster or network for SMEs to work and co-operate with other firms.
- Access to Finance
- Non-tax break policy



ASEAN SME Policy Index (2014)





Thank you for your attention!

The EABC is in prime position when it comes to government policy recommendations.

The EABC has achieved a strong position by acting together with **ONE** European voice, rather than with 28 separate trade strategies.

**EABC OFFERS SUPPORT TO ESTABLISH SUCCESSFUL
AEC PROMOTION TO EUROPEAN COMPANIES**

