

THAILAND 4.0 AND ECONOMIC COOPERATION WITH CHINA

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Outline

- Introduction
- Thailand 4.0
- China's Belt and Road Initiative
- Thailand-China Economic Relations
- How Cooperation with China Can Contribute to Thailand 4.0
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Thailand 4.0

- **Objectives:**

Security, Prosperity, Sustainability

- **Policy:**

Move towards value and innovation-based economy

Thailand 1.0 Before 1960

- Agriculture and cottage industries

Thailand 2.0 Since 1960

- Industrialization based mainly on import-substitution and light industries

Thailand 3.0 Around 1980 - Present

- Export-oriented and machinery-related industries

Thailand 4.0

- New model for economic development to gear the country towards long-term growth and prosperity, well-being and sustainability. Transforming all sectors of the economy to innovative- and value-based industries.

Thailand 4.0

- **Agriculture:**
 - From traditional farming to smart farming
- **Manufacturing:**
 - "Smart factories" utilizing modern technology
- **Services:**
 - High value-added services

Thailand 4.0 : Target Industries

First S-curve:

1. Next generation automotive
2. Smart electronics
3. Affluent, medical and wellness tourism
4. Agriculture and biotechnology
5. Food for the future

New S-curve:

1. Robotics
2. Aviation and logistics
3. Biofuel and petrochemicals
4. Digital industries
5. Medical hub

Thailand 4.0 : Policy Measures

- Promotion of R&D and innovation
- Promotion of domestic and foreign investment
- Creation of special economic zones (SEZs)
- Enhancing technological and human-resource capabilities
- Taking advantage of Thailand's geographical location to connect with other countries and regions of the world

Thailand 4.0 : Policy Measures

- Special Economic Zones (SEZs)
 - SEZs along the border
 - Eastern Economic Corridor(EEC): Extension of the Eastern Seaboard Development Program implemented in the 1980s
- EEC Development Plan
 - Promoting investment in industries with advanced technology
 - Upgrading infrastructures: airport, deep-sea port, railways, highways, industrial estates, etc.

Thailand 4.0 : Policy Measures

- Parallel Plans
 - 20 years National Strategic Plan (2017-2036)
 - 12th National Economic and Social Development Plan (2017-2021)
- Thailand 4.0 policies are commendable, but much effort is needed for successful implementation

Thailand 4.0 : Constraints and Challenges

- Limitations on technology and manpower capabilities
- Existence of large numbers of small enterprises and farms with low technology and innovation capabilities
- Past experiences: lack of concrete measures, continuity, and coordination in policy implementation

China's Belt and Road Initiative (BRI)

- Two major segments:
 - Silk Road Economic Belt
 - 21st Century Maritime Silk Road
- Benefits:
 - Promotion of economic growth, trade and investment, infrastructures building, connectivity and cultural exchange; enhancing better policy cooperation and coordination among countries in different parts of the world

Other Related Initiatives by China

- Asian Infrastructure Investment Bank(AIIB)
- Silk Road Fund
- New Development Bank by BRICS States
- All these initiatives are helpful in promoting world economic growth and development

BRI : Benefits to China

- More productive utilization of accumulated foreign-exchange reserves to build infrastructures, railways and other construction projects overseas
- Help to secure raw materials and to find market outlets for China's products, while also benefit other countries' economic development

BRI and the Marshall Plan

- There are differences, but
- Both are programs for win-win international cooperation
- Nonetheless, suspicions and criticisms on BRI are not lacking

Thailand-China Economic Relations

- China is Thailand's major trade and investment partner and the largest source of tourist arrivals
- There are numerous official cooperation projects, some through ASEAN, GMS platforms

How Cooperation with China Can Contribute to Thailand 4.0

- Trade, investment, tourism and economic growth
- Industrial upgrading and technology transfer
- Enhanced connectivity

How Cooperation with China Can Contribute to Thailand 4.0

- Learn from China
 - Study China's economic reform experiences e.g. rural and urban development, upgrading industrial structure
- Cooperation in science and technology, human resource development, alternative energy development, and environment protection
- China 13th Five-Year Plan and Made in China 2025 policies are worth particular attention

Concluding Remarks

- How to study China?
 - Learn from China's experiences
 - More in depth analysis of Thailand-China relations
 - Study China by province and region
 - Following China's development trends
 - Thailand needs to create more China experts and better coordinate studies on China.
 - NRCT can play a role

Thank You For Your Attention!

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