



## Prime Minister urges use of digital technologies to create business opportunities and promote inclusive economy at CLMVT Forum 2018

Bangkok – Prime Minister General Prayut Chan-o-cha presided over the opening ceremony of the CLMVT Forum 2018 organized by the Ministry of Commerce in collaboration with many partner organizations with the theme of “CLMVT Taking-Off Through Technology”, to take place from 16-17 August 2018 on the 22<sup>nd</sup> floor of Centara Grand and Bangkok Convention Center at Central World Bangkok. The Forum aims to strengthen economic ties of the CLMVT region, which comprises Cambodia, Lao PDR, Myanmar, Vietnam and Thailand; and to facilitate networking between prominent business leaders, young entrepreneurs, key policy makers, and renowned academics from the CLMVT and beyond to promote a shared prosperity in accordance with sustainable development principles amid an era of technological disruption.

Delivering the keynote speech on the topic of “CLMVT Taking-Off Through Technology”, General Prayut said the CLMVT is seen by major world economies as a key destination for investment and trade as evidenced by ‘Look East’ policy of the European Union and India as well as ‘Look South’ policy of China, Japan, and Republic of Korea. In order for the region to reap the benefits, the CLMVT Forum is organized to jointly determine ways to promote seamless connectivity within the region and increase cooperation with other countries under the context of the new economy that is principally led by the private sector and academia. This is to collectively promote equitable economic development of the region and a truly single market and production base that is closely integrated into the global economy. The private sector and academia will have significant roles to play as key drivers of innovation creation and commercialization and to foster collaboration among related partners.

The Prime Minister said the world is entering the era of the Fourth Industrial Revolution, the age of amalgamation of multiple types of advanced technologies, namely digital technology, physical technology, and biological technology. This major turning point will change



our way of life and business operation in all sectors, be it agriculture, manufacturing, or services. Therefore, it is crucial for the CLMVT to help each other upgrade technological capabilities as soon as possible.

Technology determines competitiveness both in pre- and post-production. This means businesses would have to rely increasingly on value creation based on technology and creativity rather than cost-cutting and mass production which have now become obsolete. In particular, digital technologies enable businesses to instantly respond to new and existing customers' demand and to adjust the customization with greater precision and speed. In the CLMVT context, technologies can be used to enhance its strengths in agricultural and agro-based industries, thereby uplifting the standard of living of millions of farmers along the value chain.

Digital technology should be integrated in all areas of business in order to upgrade and increase efficiency of how business operates and delivers value to customers throughout the value chain. Digital technologies can improve product development to better meets customers' needs, production of goods and services to be faster and more efficient, distribution and marketing to reach the right customers at the right time, and after-sales services to provide better customer experiences. The adoption of digital technology is a much-needed forward step for CLMVT businesses if they want to remain competitive in the new economic environment.

Digital transformation has led to a rapid rise of digital trade, therefore necessitating a revamp of business ecosystem to be conducive to the growth of digital trade. This includes creating fast and secured e-logistics and e-payment system, developing cross-country digital connectivity and interoperability, and promoting consumer confidence in online marketplace. The public sector should proceed to unlock regulatory obstacles for implementing new business ideas.

The service sector will also be fundamentally altered, as what has already happened in the financial service sector with the advent of the fintech industry. Other service sectors have

also been undertaking a serious digital transformation which has led to innovative new business models. Consumers will benefit as well from cheaper yet faster and more customized products and services. Given the considerable gains to the economy, the private sector should promptly adopt new technologies into their production and business operation. Meanwhile, the public sector itself must fully embrace the digital change in order to provide better services to the public and to promote these new types of businesses.

As for creative economy, it has long been recognized for its potential contribution to the CLMVT economy as the region is well-known for its unique creativity and cultural diversity. A key challenge is how to utilize the cultural capital and try to incorporate digital technology into the production and distribution of creative products and services, thereby realizing the full potential of the creative economy in driving economic development of the region.

The Prime Minister emphasized that digital economy must grow alongside local economy and increasing participation of small businesses and entrepreneurs. Digital technology can be leveraged to increase access to new business opportunities, new market channels, and new business intelligence for small businesses. All this will help upgrade their business operation to the next level. Furthermore, new business opportunities must be created for new generation of entrepreneurs whose development will revolutionize the business landscape throughout the whole value chain.

The immediate challenge for the CLMVT in the context of new economy is to find out how to utilize the new technology for the shared prosperity. From now on, capacity building for entrepreneurial development focusing on preparation for the new economy should be provided for all CLMVT entrepreneurs. Region-wide digital trade ecosystem for CLMVT should be developed and nurtured. This includes the region's own e-commerce platform, efficient cross-border transport and logistics, payment systems as well as common standards and

interoperability. Not only will this help expand the role of e-commerce platforms, but it can also serve as a bridge that can connect products and services to various global E-marketplaces.

Apart from growing together in the new economy and digital economy, the CLMVT must seek strategic partnerships with more technologically advanced non-CLMVT countries, notably China, Japan, the United States, and the European Union, to name a few. These non-CLMVT countries can complement the region's strengths and offer best practices for linking "local to global" and promoting "balanced growth" that lie at the heart of inclusive growth where no one is left behind.

General Prayut stressed that Thailand is committed to the "Stronger Together" principle of mutual benefits, mutual respect, and win-win outcomes and inclusiveness. A good balance between competition and cooperation will bear fruits for the people and finally lead to a shared prosperity among the CLMVT.

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