



THE EUROPEAN ASSOCIATION FOR BUSINESS AND COMMERCE (EABC)

2016 EUROPEAN BUSINESS POSITION PAPER

30 March 2016

Ballroom, Anantara Siam Bangkok Hotel on Rajdamri Road

EABC

EABC Executive Director

Mr. Peter Bjork



Presentation of EABC Position Paper 2016

EABC

About EABC

The European Association for Business and Commerce **EABC** was established in 2011 as a platform representing interests of the European business community in Thailand

EABC

About EABC

- The EABC is a European Trade Organization situated in Bangkok
Initiated and supported by the EU, various European Chambers in Thailand and Business Organizations in Europe
- “Interact as the Voice of European Businesses” and perform the role of a “European Chamber of Commerce” in Thailand
- Contribute to the Development of Promoting Thailand as a Market Destination for European Companies, especially SMEs as well as a Gateway into ASEAN

EABC

About EABC

- 200 Members and Partners in Thailand
- 13 Bilateral Chambers in Thailand
- EUD
- MS Embassies
- Partners in EU
- Regional Organisations / Network

EABC

EABC Consortium Partners



EABC Advocacy

Advocacy Activities

- Our main activities include carrying out policy and advocacy dialogues, providing support to European businesses with trade related information
- 10 Working Groups with 100 members (senior executives)
- > 80 meetings / year
- High level dialogue meetings with the Thai Government
- Advocacy Events
- Annual Position Paper

EABC Advocacy

EABC 10 Working Groups

1. Automotive
2. Food & Beverages
3. Healthcare & Pharmaceuticals
4. Cross Sectoral Issues
 - Customs
 - Legal and Employment
5. Information & Communication Technology (ICT)
6. Insurance
7. Intellectual Property Rights (IPR)
8. Transport & Logistics
9. Energy & Energy Efficiency
10. Rail & Road Infrastructure

EABC Position Paper 2016

Thailand-EU Trade

Despite Thailand's internal challenges, in 2015, total trade was amounted to **35 billion Euro**. EU imported goods from Thailand were valued at **19.5 billion Euro**, while EU exports to Thailand were valued at **16.2 billion Euro**, resulting in a positive trade balance for Thailand of more than **3 billion Euro**. The EU is also the **second largest** source of foreign direct investment (FDI) to Thailand

EABC Position Paper 2016

EABC Recommendations

- Significance of Thailand-EU Free Trade Agreement (FTA)
- Ease of doing business, trade facilitation and further liberalization of the Service Sector
- Ensuring technology transfer and supporting an innovative economy
- ASEAN connectivity and world-class destination for investment

EABC Position Paper 2016

Thailand's Competitiveness

➤ World Bank Ease of Doing Business Rank:

49 (2015)

46 (2014)

➤ WEF Global Competitiveness Rank:

32 (2015-2016)

31 (2014- 2015)

37 (2013-2014)



INTRODUCTION OF EABC WORKING GROUPS

Automotive

EABC Chairman, Automotive Working Group

Mr. Michael Grewe
นายไมเคิล เกรเว่



Automotive

1. Manufacturing Recommendations

- Resume EU-Thailand FTA negotiations for the technical levels
- Ensure transparency and monitor effectiveness of the licensing granting process to improve the ease of doing business
- Raise standards for safety and environmental requirements for the automotive sector to support green technology and new investment
- Develop mid and long-term strategies to raise availability of labour

Automotive

2. Automotive Recommendations

Technical Regulations

- Fully adopt UN standards and international certificates
- Actively engage in developing and implementing ASEAN MRA for automotive products
- Set a clear timeline for improving emissions standards and fuel quality

Taxation

- Simplify the CO2 approval process and recognize UN standards and certificates
- Safeguard existing investment in CFZ and promote foreign investment
- Create a level of playing field between the grey market operators and brand owners

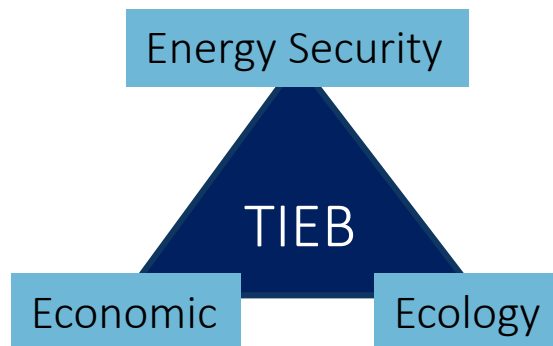
Energy

EABC Chairman, Energy & Energy
Efficiency Working Group

Mr. Choochai Eiamrungsroj
นายชูชัย เอี่ยมรุ่งโรจน์



Thailand Integrated Energy Blueprint – TIEB 2015-2036



PDP

- Diversification of power generation fuel
- Maintain appropriate level of reserve margin 15%

EEP

- Reduce energy intensity 30%

AEDP

- Increase the overall proportion of renewable energy 30%

GAS

- Develop natural gas facility and Enhance competition in LNG business
- Maintain domestic production for longer period
- Accelerated petroleum exploration and production

OIL

- Manage fuel type
- Restructure fuel price
- Promote use of biofuel
- Support oil infrastructure investment

Energy Security

- Renew license of current concessionaires
- Resolutions to the OCA (Overlapping Claimed Areas)
- Further diversify the energy mix – to include alternatives, develop renewable energy sources
- Make use of import to enhance market competition
- Speed up investment in the infrastructure of power transmission & distribution (T&D) e.g. open up to T&D for private
- Decision on responsible party of country strategic stock

Energy Efficiency

- Promote efficient lighting products e.g. LED
- Develop and implement country lighting master plan to support tourist industry
- Promote energy efficiency in building, industrial sectors, transports and power generating

ICT

EABC Chairman, ICT Working
Group

Mr. Robert Fox
นายโรเบิร์ต ฟอกซ์



ICT

Information and Communication Technology Digital Economy

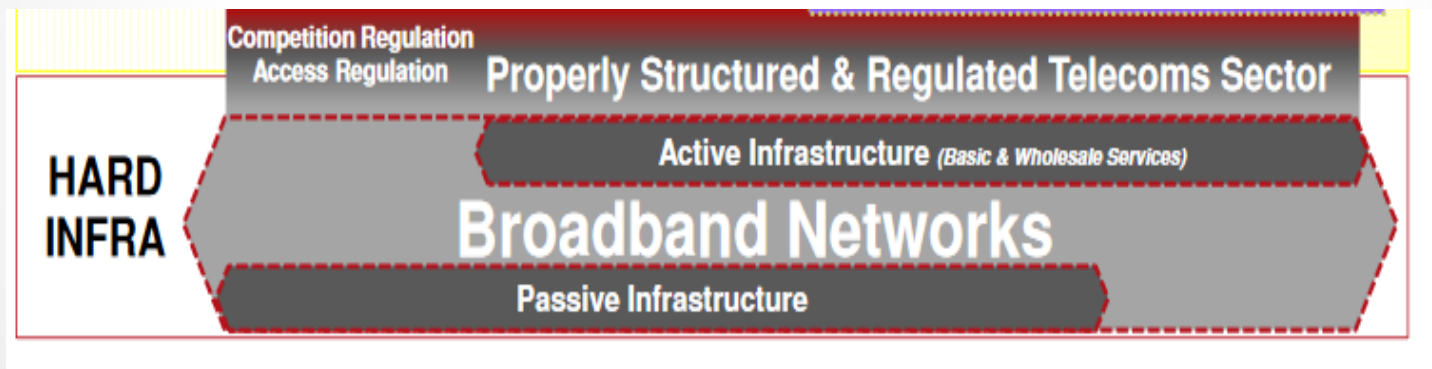
Digital Economy works in layers / building blocks.

A definition in Position Paper

ICT

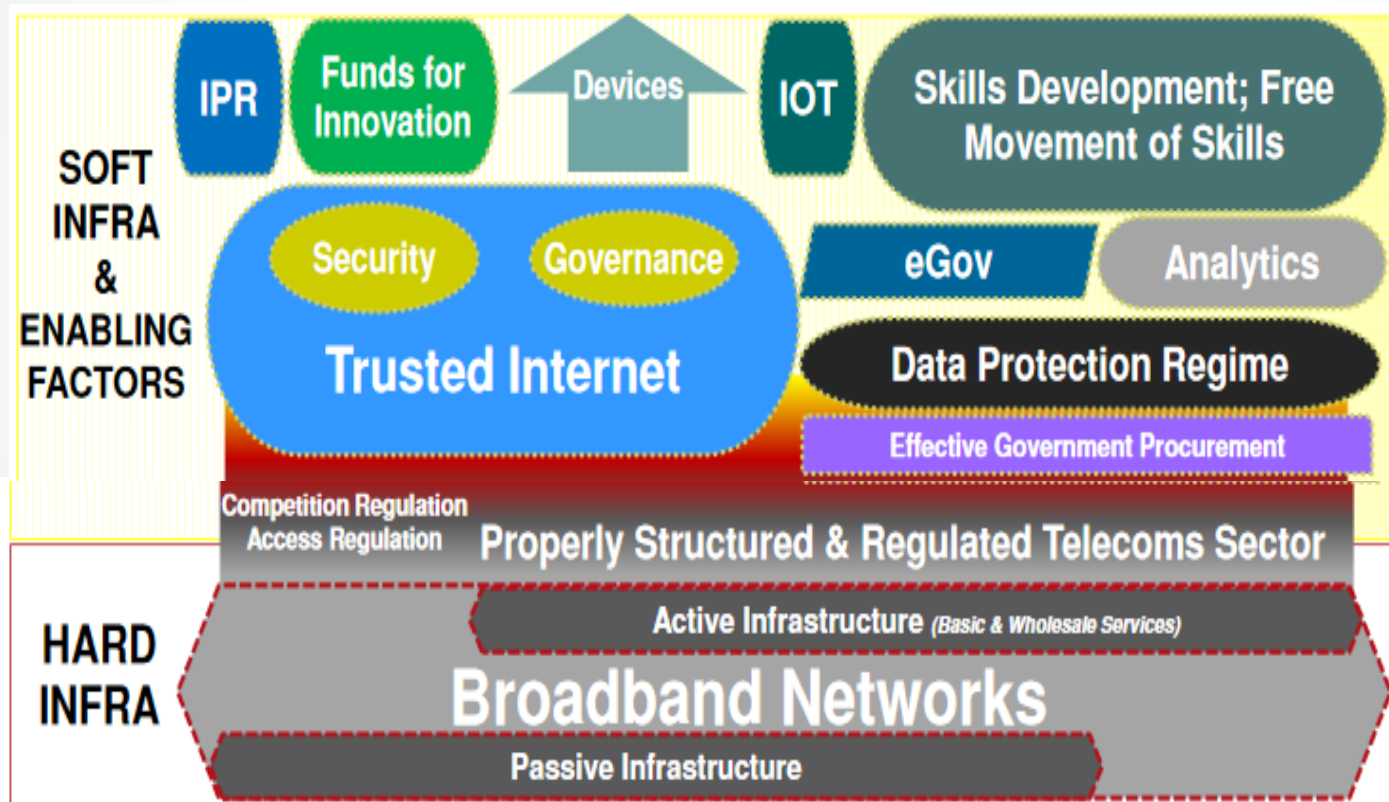
Information and Communication Technology Digital Economy

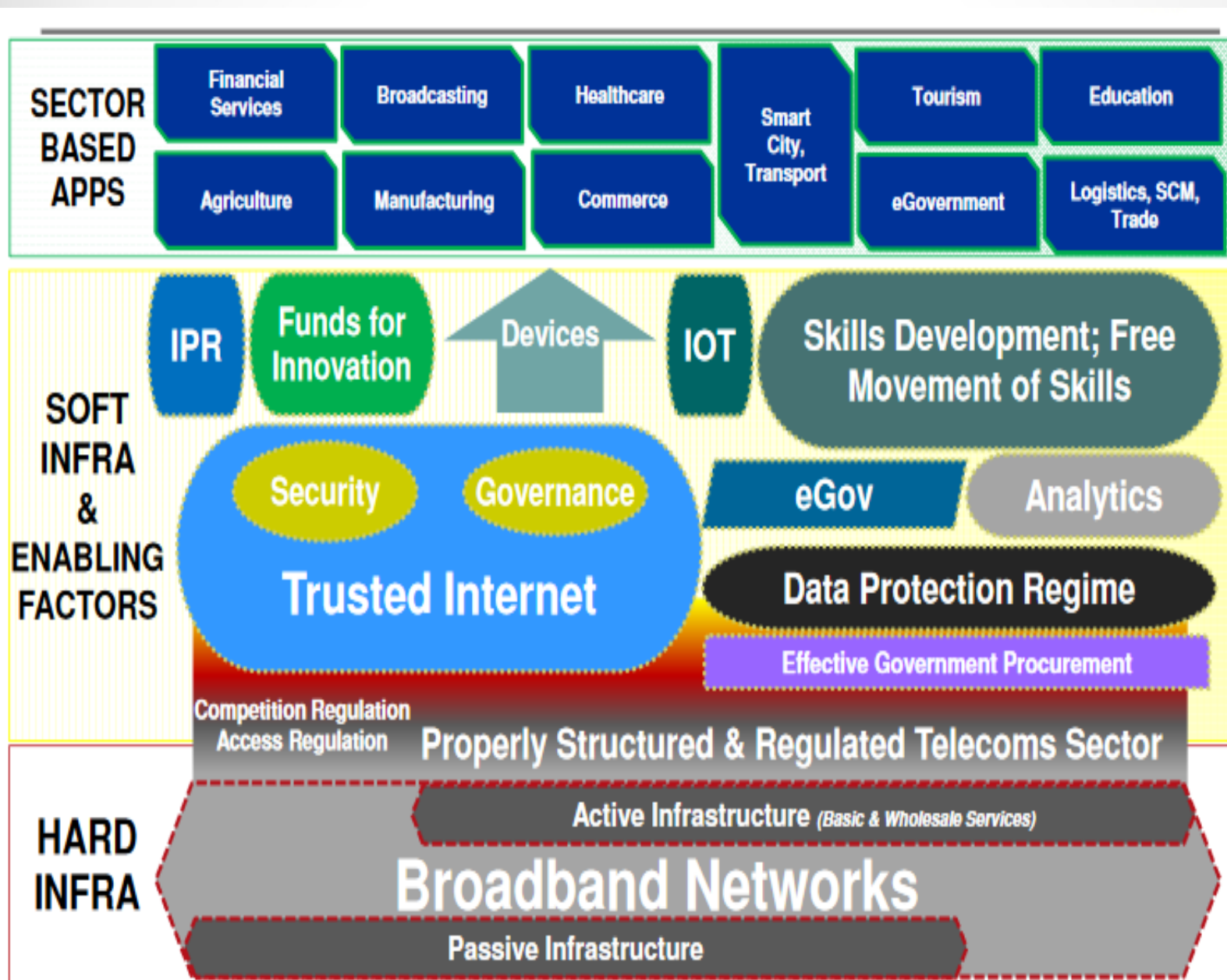
The Digital Economy works in layers / building blocks



ICT

Information and Communication Technology Digital Economy





ICT

Information and Communication Technology Digital Economy

Some Critical success factors for a Digital Economy

- Underpinned by telecoms networks – real reforms – SOEs, wholesale, broadband backbone
- Trust is essential. National security should be run according to law (cybersecurity and revised CCA) . We need a Trusted Internet.
- Multi-stakeholder model of internet governance- includes civil society governance and multi-party responsibilities for security and effectiveness.
- Security starts with network/operational. National security is an overlay
- Free movement of skills, education change and re-skilling
- Other enabling factors such as the personal data protection law, eGov penetration, better standards for eCommerce; ePayments

IPR

EABC Chairman, IPR Working
Group

Dr. Kittipong
Jangkamolkulchai

ดร. กิตติพงษ์ แจ่มกมลกุลชัย



IPR

Intellectual Property Rights

Amendments to IP-related legislation

- Amendment of Trademark Act on accession to the Madrid Protocol and illegal refilling practices and amendments to Trademark Act on protection of scent and sound marks
- Challenges of Thailand accessing the Madrid Protocol (International Trademark Registration System)
- Amendment of the Patent Act to facilitate accelerated registration process
 - Request for clearer instructions and flexibility from the Thai Government in the submission process
- Amendment of the Geographical Indicators Act B.E. 2546 (2003)
 - Comply with all the requirements of Article 22 and 23 of the TRIPS Agreement (protection of GIs and prohibition on the use of GIs in any means that indicates/suggests/ translates the GIs).

IPR

Intellectual Property Rights

IP Policies

- Trademark elimination via Plain Packaging policy and excessive measures restricting normal use of trademarks
 - Comply with WTO's TRIPS to improve IP protection for foreign investment and innovation
 - Consider alternative social policy to address consumption of alcohol beverages and tobacco
 - Encourage regular consultation with the EABC prior to the formation of policies related to IPs.
- Patent and Trademark registration procedures via Licensing Facilitation Act (LFA)
 - Request for clearer instructions and flexibility from the Thai Government in the submission process
- Software Piracy can be eliminated through non - tolerance of the use of pirated software

Rail & Road

EABC Chairman, Rail and Road
Infrastructure Working Group

Mr. Georg Wolff
นายจอร์จ โวล์ฟฟ์



RAILWAY INVESTMENTS

- Significant investments in transports
- Thai government's infrastructure development plan seems to be utmost importance for the country
- EABC RAIL & ROAD INFRASTRUCTURE working group is concentrating in this topic.



READY TO
SUPPORT

RAILWAY INVESTMENTS

- Railway investments in Thailand are utmost importance for passengers and cargo.
- Transport costs are too high at the moment compared to other nations.
- Thai railway systems ranks 78th of 140 nations worldwide.



READY TO
SUPPORT

EUROPE HAS DECADES OF EXPERIENCE WITH MODERN RAILWAY SYSTEMS



**READY TO
SUPPORT**

EUROPE HAS DECADES OF EXPERIENCE WITH MODERN RAILWAY SYSTEMS

- (China few years only)
- Experience is international (EU has 28 member states)
- Know-how is published in European Standards (EN and ISO standards)
- European experts ready to support Thailand



**READY TO
SUPPORT**

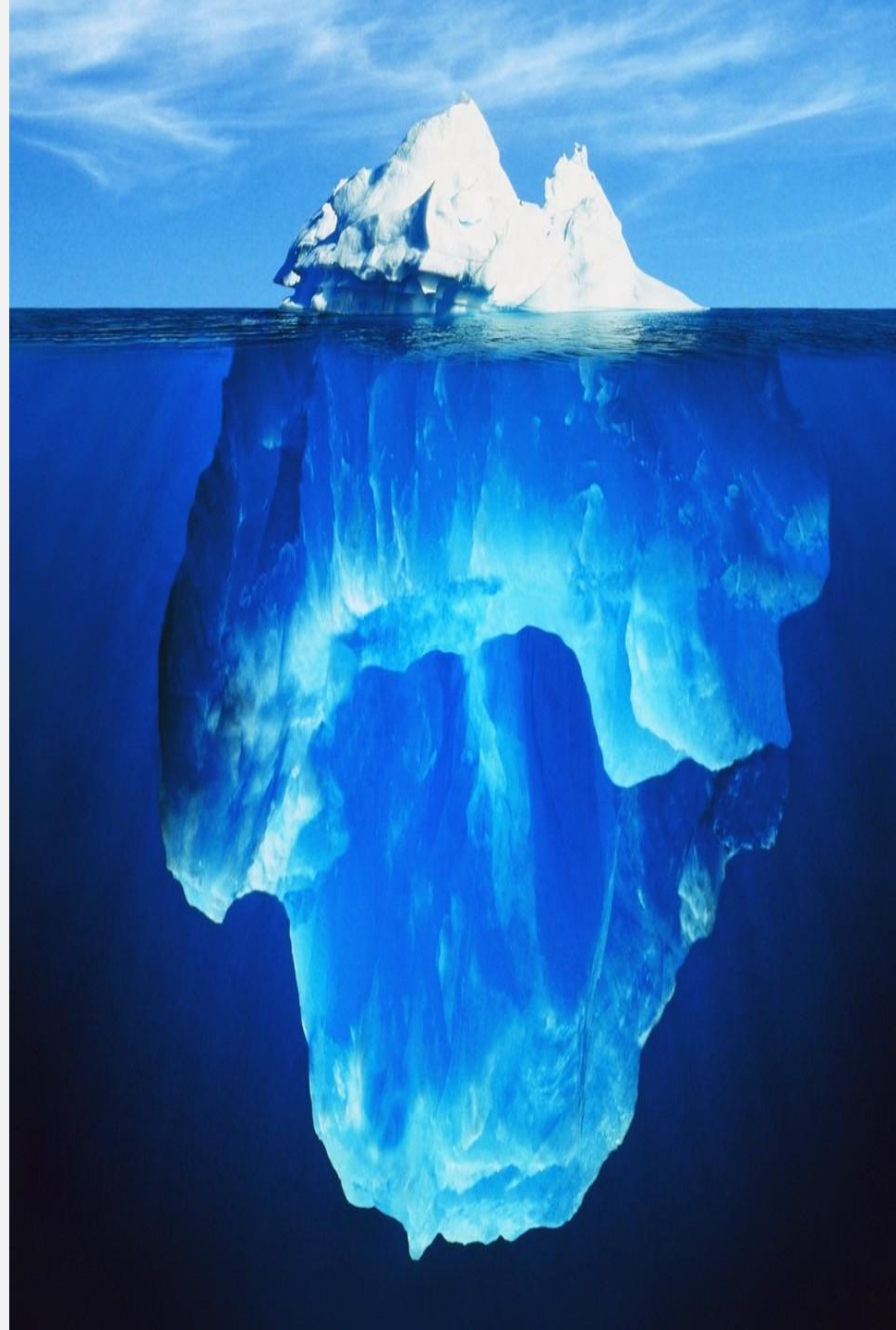
RAILWAY
INVESTMENTS
LIFE CYCLE COST

You clearly see the tip of the
ICEBERG = INVESTMENT

But the main cost may be
“under water“

**OPERATION and
MAINTENANCE**

in 30 years can be
between 160% and 500%
of original investment!!!



WHAT LESSONS EUROPE RAIL OPERATORS LEARNED

- **LIFE CYCLE COSTS**

Life Cycle Costs have to be checked and integrated in planning and tenders not to create a burden for future generations.



**READY TO
SUPPORT**

WHAT LESSONS EUROPE RAIL OPERATORS LEARNED

- **SUPERVISION**

For planning and tender supervision by independent experts with proven experience at comparable projects to get state-of-the art solution is a must.



**READY TO
SUPPORT**

WHAT LESSONS EUROPE RAIL OPERATORS LEARNED

- **RAMS**

The international standard on **R**eliability, **A**vailability, **M**aintainability and **S**afety must be taken as legal basis of all investments. Systematic preventive maintenance is needed!



**READY TO
SUPPORT**

WHAT LESSONS EUROPE RAIL OPERATORS LEARNED

- **INTERNATIONAL STANDARDS**

Only the use of international standards ensure **interoperability** to neighbours and within the country.

And this is a foundation for a competitive market of supply and service. European Standards are already used in 42 nations. US, Chinese and Japanese standards are national standards, incompatible and made to promote national systems.



**READY TO
SUPPORT**

WHAT LESSONS EUROPE RAIL OPERATORS LEARNED

- **CENTRAL RAILWAY AUTHORITY**

Any country urgently needs a central railway authority to manage public transport.

- Approvals, regulations and standards need to be administrated same way for all train operators.



READY TO
SUPPORT

WHAT LESSONS EUROPE RAIL OPERATORS LEARNED

- **EDUCATION and RESEARCH**

For the future of transport a big number of railway experts will be needed.

- Education and research continues to gain in importance. International cooperation is the key for the future.



**READY TO
SUPPORT**



SUPPORTS

- Introduction of European Standards leading to life cycle management
- Contacts to globally recognized railway experts
- Setup of Central Railway Authority - Working Group with MoT/OTP
- Academic Know - How transfer



KURAIL





AVOID FUTURE FINANCIAL TRAP & BURDEN FOR
NEXT GENERATIONS!

TAKE THE HELPING HAND OF EUROPEAN
EXPERTS!

Food & Beverages

Healthcare

Mr. Chaladbum Temkasem

นายฉลาดภูมิ เต็มเกษม

EABC Policy Manager



Food & Beverages

Food and Beverages

Excise Tax

- New Excise tax shall not increase tax burden.
- Tax system shall be simplified and transparent.
- Liquor tax changes should be consistent with international best practices and shift towards greater use of specific tax based solely on alcohol content.
- Adequate and consistent enforcement

Labelling Notification, Trademarks and GIs on Alcohol

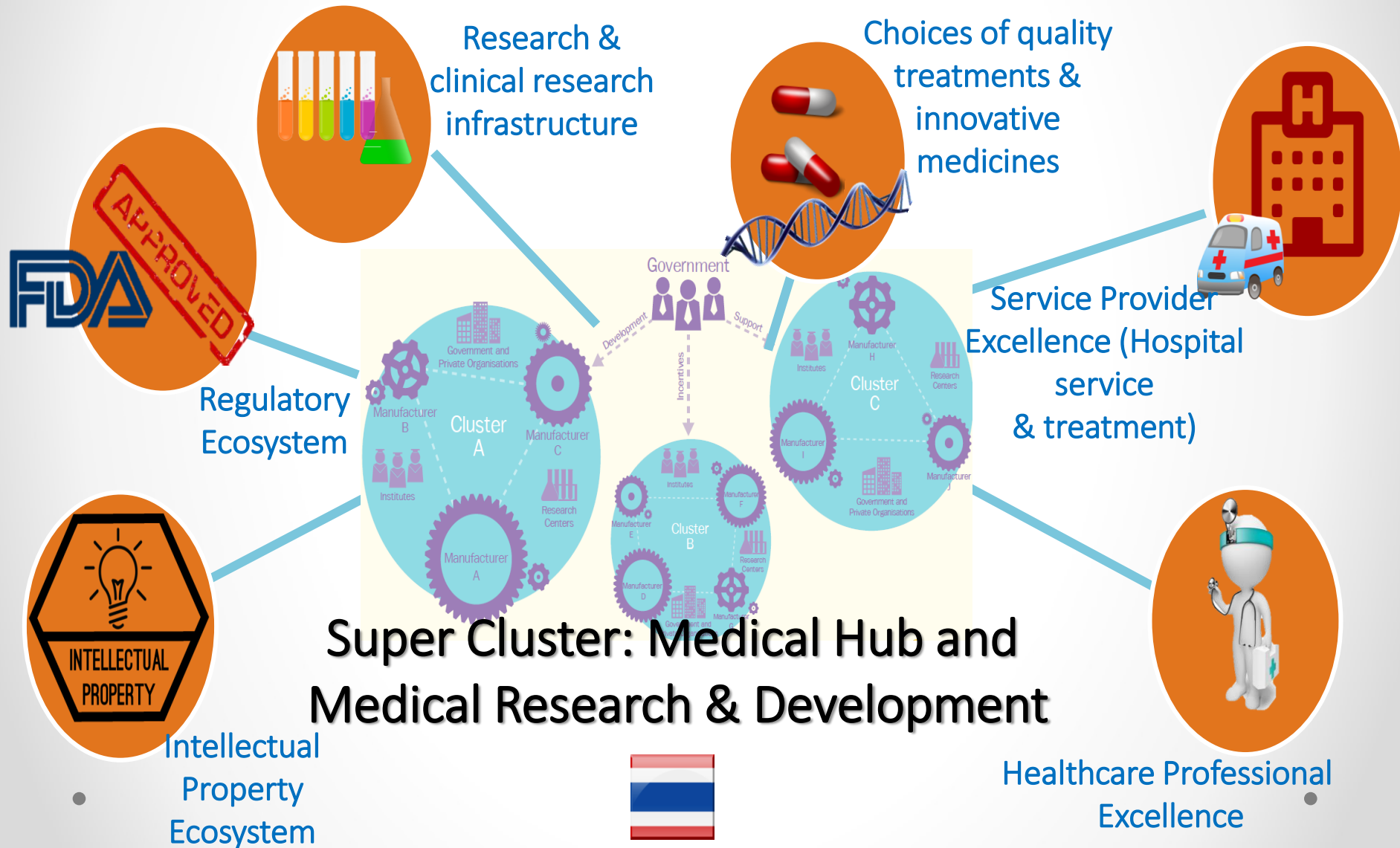
Products

- Comply with WTO Article 22 TRIPs with respect to indirect indication to the GI
- Notify WTO TBT to ensure that technical regulations, standards and conformity assessment procedures are non - discriminatory and do not create unnecessary obstacles to trade

Lack of Industry Participation and Consultation in Policy Development

- Consult with industry in early policy development
- Respect for and comply with WTO regulations
- Explore alternative methods and effective strategies to reduce harmful use of alcohol
- Explore pragmatic solutions to labelling through dialogue with Alcohol Policy Board

Moving Thailand Economy Ahead with Healthcare Development



Thailand attractiveness for Medical Hub & R&D investment in pharmaceuticals

1. Fostering investment Attractiveness for Innovation and Research Collaboration	2. Enhancing Regulatory Ecosystem and Removal of Technical Barriers to Support Ease of Doing Business	3. Appropriate Intellectual Property Ecosystem as a Key to Enabling Pharmaceutical Innovation	4. Enabling Market Environment and Sustainable Healthcare Financing Approaches to Support Innovation
<ul style="list-style-type: none"> • Attractive and competitive tax and non – tax incentive schemes for innovation for research investors and enhance research collaboration • Ensure viable and accessible local market with available researchers/ skilled workers 	<ul style="list-style-type: none"> • Streamline regulatory process efficiently in order to facilitate business operations and drive Thailand competitive position in medical hub through choices of treatment excellency • Multi-stakeholder consultation for regulatory development should be established to enhance transparency and stakeholder involvement especially on Drug Bill • Development of Law & Regulations should be in alignment with international standards and requirement to support Thailand trade and investment position 	<ul style="list-style-type: none"> • Effective streamline patent registration to ensure investment promotion and enhance innovation development in alignment with international standards and practice • Ensure systematic intellectual property enforcement • Resource allocation of competent patent examiners in high technology research especially in chemicals and pharmaceuticals to support government agenda as well as capacity building 	<ul style="list-style-type: none"> • Multi-stakeholder approaches and public and private collaboration for sustainable long term solution of access to medicine • Encourage improvement and transparency in pharmaceutical listing, pricing and tendering process; consider the value of innovation to therapeutic outcomes and clinical needs rather than cost savings • Review legislation in procurement and regulatory frameworks and Trade Competition Law to allow a level playing field and fair competition

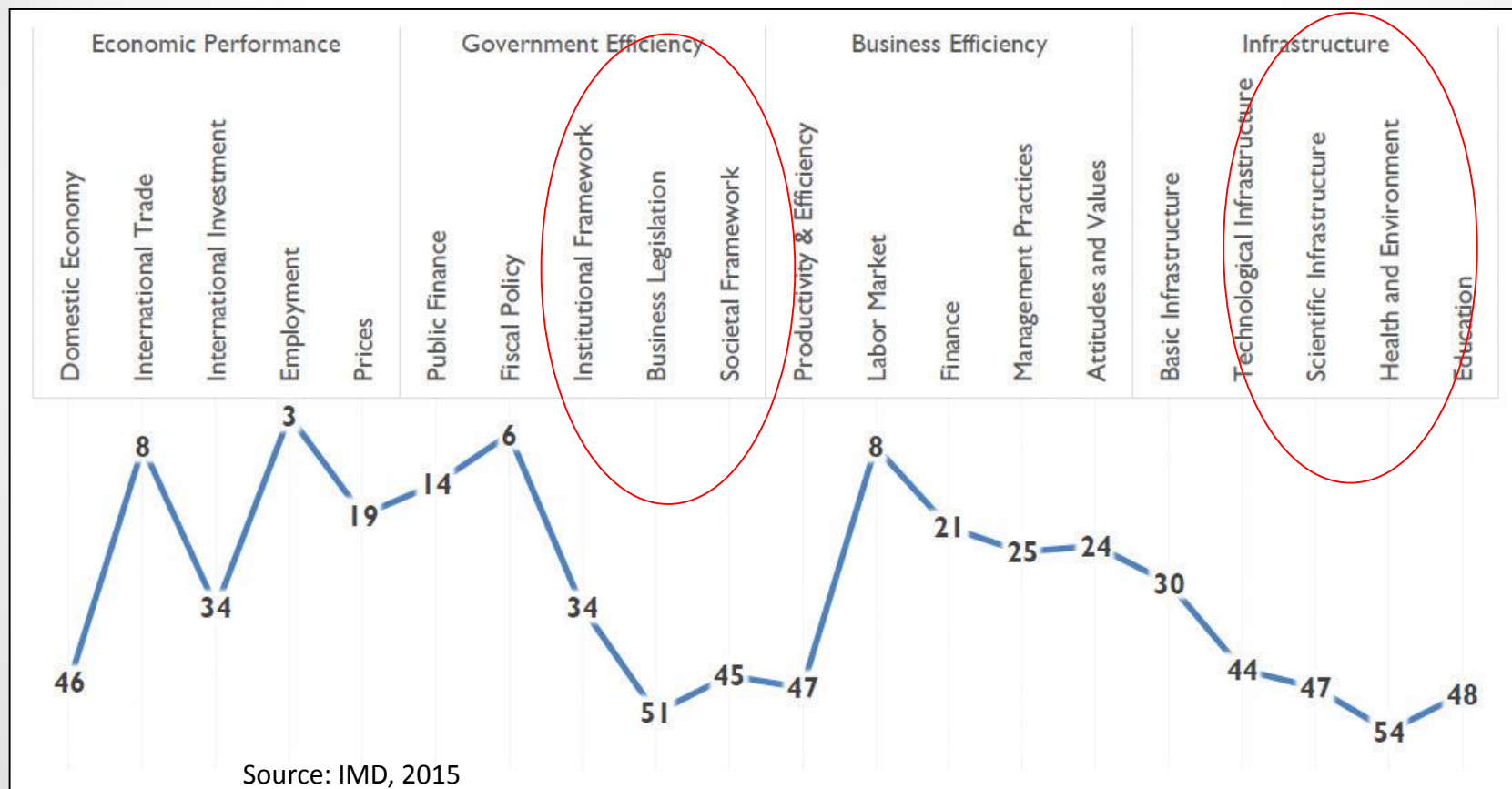
Panel Discussion

Improve Economic Relations

Strengthening Thai – European Economic Relations towards a More Competitive Thai Economy

Panel Discussion

Thailand's Competitiveness



Q&A

Open Questions



Feel Free to ask Questions
About our Discussion