BUSINESS MISSION TO THAILAND
(13 – 15 SEPTEMBER 2017)

Programme:

Wednesday, 13 September 2017

- Welcome dinner and participants briefing

Thursday, 14 September 2017

- Courtesy call on **Deputy Prime Minister, H.E. Somkid Jatusripitak**
- Networking lunch, hosted by **Thai Beverage PCL**
- **Business Forum** organised by Malaysia-Thailand Business Council and Thailand-Malaysia Business Council, themed 'Expanding Malaysia-Thailand Trade Ties', attended by by **Vice Minister for Commerce, Thailand Winichai Chaemchaeng,** hosted by Thai Beverage PCL
- Courtesy call on **Minister of Finance, H.E. Apisak Tantivorawong**

Friday, 15 September 2017

- Courtesy call on **Prime Minister of Thailand, H.E. Prayuth Chan-ocha**
- Courtesy call on **Director-General, Department of Industry Promotion, Mr Pasu Loharnchun**
- Lunch hosted by **B. Grimm Group**
- Visit to **Stock Exchange of Thailand** and tour of the **Investory**, the first Investment Discovery Museum in Thailand

Kuala Lumpur Business Club ("KLBC") marked the 60th anniversary of diplomatic relations between Malaysia and Thailand by organizing a business mission to Bangkok, Thailand from 13 to 15 September 2017. The mission was led by the **Minister of Finance II, Malaysia, His Honourable Datuk Seri Johari Abdul Ghani** ("Minister Johari") and the highlight of the trip was a courtesy call on the **Prime Minister of Thailand, His Excellency Prayuth Chan-ocha**.

The programme kicked off with a welcome dinner, where the President of KLBC, Tengku Dato' Sri Zafrul Tengku Abdul Aziz ("Tengku Zafrul") welcomed Minister Johari, H.E. Damrong Kraikuan, Ambassador, Royal Thai Embassy of Malaysia and Encik Mohd Faizal Razali, Deputy Chief, Embassy of Malaysia, Thailand and all 27 delegates from Malaysia, Hong Kong and Thailand.

Over the course of dinner, Minister Johari shared some history behind the close and friendly relations between the two countries in strengthening security, promoting trade, investment and tourism, improving education as well as accelerating infrastructure development. He also added that Thailand and Malaysia have both remained in each other's top 5 export destinations in the past few years.

Group photo with Minister of Finance II, Malaysia, His Honourable Datuk Seri Johari Abdul Ghani, H.E. Damrong Kraikuan, Ambassador, Royal Thai Embassy of Malaysia, Encik Mohd Faizal Razali, Deputy Chief, Embassy of Malaysia, Thailand

The participants were also given an overview of the economy and capital markets of Thailand by Mr Sutasthumkul Suchai, CEO of CIMB Securities Thailand and Dr Chua Hak Bin, Senior Economist of Maybank Kim Eng. Macro challenges as well as key areas of opportunities were also discussed.

The following day began with a **courtesy call on the Deputy Prime Minister of Thailand, H.E. Somkid Jatusripitak ("DPM").**

At the Government House, Thailand where the delegation paid courtesy calls on Prime Minister of Thailand, H.E. Prayuth Chan-ocha and Deputy Prime Minister of Thailand, H.E. Somkid Jatusripitak

Tengku Zafrul began the courtesy call by introducing the club and its mission to assist and encourage businesses in Malaysia grow and network beyond its borders. In addition, as Group CEO of CIMB Group, he added that CIMB's subsidiary in Thailand, CIMB Thai has been successful in helping Thai companies set up operations across ASEAN, particularly in Indonesia.

Minister Johari advocated expanding bilateral trade between the two countries significantly beyond the current figure of USD20 billion. He proposed the development of an inland port that would bridge Songkhla and Penang Ports. This development, across only 260 kilometres would facilitate transfer of goods between the two ports potentially saving five days in travel time which is the current norm through the Straits of Malacca. Such a development would bring both countries substantial economic benefits, help stabilize the region as well as internationalise both Songkhla and Penang ports ("Songkhla-Penang Ports Proposal").

The DPM's enthusiasm for Minister Johari's proposal was evident as he suggested both sides set up joint high level committees immediately to work out the details for presentation to the respective governments. Dato' Sri Che Khalib Mohd Noh, Group Managing Director of MMC Corporation Bhd presented a visual concept of the proposed logistics hub.

The DPM expressed his support to expand trade between the two countries and cited Malaysians as making up the second largest visitorship (3.5 million annually) to Thailand, after the mainland Chinese.

The DPM complimented Malaysian corporates as he noted that they had grown much stronger in the last 15 years. Apart from the activities of CIMB Group, he was also aware of Maybank's presence in Thailand. He was keen to see deeper ties between the two private sectors similar to the success of Japanese and Chinese private sector investments in Thailand. He also encouraged Malaysian companies to invest in the Eastern Economic Corridor ("EEC") and in other sectors such as palm oil and rubber.

The DPM was very jovial and expressed his love for Malaysian food as well as his fondness for Malaysia especially some favorite places like Malacca. The DPM was also looking forward to one day travelling on a high speed rail between KL and Bangkok.

Courtesy call on Deputy Prime Minister of Thailand, H.E. Somkid Jatusripitak

After the courtesy call, delegates attended a **networking lunch hosted by Thai Beverage PCL** at SO Asean Café and Restaurant.

The delegates then participated in the **Malaysia-Thailand Business Council ("MTBC") and Thailand-Malaysia Business Council ("TMBC") Business Forum**, hosted by Thai Beverage PCL at their inspiring, ultra-modern office at C Asean, Cyber World Tower.

The attendees of the TMBC-MTBC Business Forum at C Asean

The Vice Minister for Commerce, Thailand, Winichai Chaemchaeng delivered the opening address while Minister Johari delivered a special address. Minister Johari expressed his views on a range of topics including working together to achieve USD30 billion in bilateral trade between both countries by next year by intensifying cross-border trade under the EEC and through some key projects in the northern region of Malaysia. He also touched on tourism, where Malaysia is the second largest group of tourist coming into Thailand, after the Chinese visitors. Minister Johari also elaborated on his vision to see the ASEAN region prosper and with the establishment of the ASEAN Economic Community; more opportunities will be created for all 10 nations to work together cohesively.

The business forum continued with a **CEO Roundtable, themed "Expanding Malaysia-Thailand Trade Ties: Challenges, Prospects and Trends"** where Tengku Zafrul and Board member Fad'l Mohamed participated in.

Minister Johari (5th from left), Vice Minister Winnichai (5th from right), H.E. Damrong Kraikuan, Ambassador, Royal Thai Embassy of Malaysia (4th from left) with the Board Members of KLBC, MTBC and TMBC at the Business Forum

The last programme of the day was a **courtesy visit on the Minister of Finance, H.E. Apisak Tantivorawong ("MoF").**

The meeting began with Minister Johari, thanking his counterpart for taking time to meet the KLBC delegation. Thereafter, Tengku Zafrul introduced the members of the delegation to MoF.

The meeting was presented with an update on the outcome of the TMBC-MTBC Business Forum, where both Malaysian Thailand business councils agreed that there should be a greater level of collaboration and focus on execution.

On future collaborations, Minister Johari presented the Songkhla-Penang Ports Proposal which will benefit both countries tremendously. MoF agreed that it would be a great initiative for both countries, and advised Minister Johari to present the proposal to the Minister of Transport of Thailand, who will assess and lead the initiative.

MoF also briefed the delegation on Thailand's EEC development project, a special investment zone covering three eastern provinces (Chonburi, Rayong and Chachoengsao), targeted to be an important center for trade, investment, regional transportation, and a strategic gateway to Asia.

Other notable discussions include treaties on the accounting practice and the impact of digital disruption on the economy. MoF also advised the delegation to consider opportunities in the Islamic Banking sector in Thailand and to explore investment in the Islamic Bank of Thailand (iBank), Thailand's sole and state-owned full-fledged Shariah-compliant financial institution.

Group photo with Minister of Finance, H.E. Apisak Tantivorawong

Bright and early the next day, the delegates paid a courtesy visit on the **Prime Minister of Thailand, H.E. Prayuth Chan-ocha ("PM").**

The PM welcomed the delegation and he noted that KLBC's last visit to Thailand was in 2009 and he was very happy to receive the delegation this time around.

He commented that Malaysia and Thailand have a common land border and had had a long history of trade and relationships. He suggested that both countries should work together as both had sustainable growth and inclusivity as their broad goals. He also suggested that KLBC should work more closely with the TMBC.

He raised two other areas to consider which was improving the connectivity between the two countries by air, sea and land, and improving the cross-border custom processes.

Minister Johari thanked him for his hospitality and expressed our desire to work more closely with Thailand. Malaysia would like to help to promote stability and security in South Thailand which would be of mutual benefit to both countries. This would also help to encourage investment in Rubber City in Songkhla. He commented that our current cross trading level was about USD 20 billion which was very small compared to a total combined trade of USD 700 billion of both countries.

Minister Johari brought up the Songkhla-Penang Ports Proposal which would facilitate trade and reduce shipping times for Thai companies by up to four days. He also agreed to look into the customs issues. In addition, Minister Johari stated Malaysia's intention to learn from Thailand about their smart farming initiative, to improve our own food sector.

The PM said in response his government was willing to collaborate with Malaysia on the matters raised and would consider the inland port request. He suggested we should look at investing in their EEC as well.

The meeting ended with the PM hoping that the mission went well and inviting us to visit Thailand more frequently.

Delegates posing with the Prime Minister of Thailand, H.E. Prayuth Chan-ocha

Next was the courtesy call on Director-General, Department of Industry Promotion, Mr Pasu Loharnchun, who, together with his team, presented to the delegation in detail, the EEC and Rubber City projects.

Delegates after the meeting with senior representatives of the Ministry of Industry, Thailand

After the courtesy call, delegates were taken back to the Anantara Siam Bangkok hotel for a **luncheon hosted by B. Grimm Group.** The luncheon provided an excellent platform for networking between KLBC delegates, B Grimm Group senior executives and high profile guest which included senior executives from Central Group, Dusit Thani Group and Minor Group.

Group photograph of KLBC delegates with B Grimm senior executives and guests

The business mission ended with a visit to the **Stock Exchange of Thailand** ("SET") where members were briefed on Thailand's economic resilience and global uncertainties by Mr Pakorn Peetathawatchai, Senior Executive Vice President of the SET. Finally, the participants went on a tour of the Investory, the first Investment Discovery Museum in Thailand, which focused on teaching financial literacy in a simple to understand manner.

At the SET's museum, Investory

In each of the courtesy calls/meetings, our hosts expressed condolences over the passing of the late Sultan of Kedah, Tuanku Abdul Halim Mu'adzam Shah and also on the recent fire tragedy that claimed the lives of 21 students and two wardens at a private Islamic school in Minister Johari's constituency.

On behalf of the Board of Directors and members of KLBC, we would like to express our deepest appreciation to the Minister of Finance II, Malaysia, His Honourable Datuk Seri Johari Abdul Ghani, H.E. Damrong Kraikuan, Ambassador, Royal Thai Embassy of Malaysia, Encik Mohd Faizal Razali, Deputy Chief, Embassy of Malaysia, Thailand Royal and their respective teams for all the guidance and support in enabling us to execute such a successful business mission. A note of thanks to the Board of Directors of MTBC and TMBC for organizing the Business Forum; and to our hosts, Thai Beverage PCL and B. Grimm Group, thank you for the warm hospitality.

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