

# Trade Digest

Vol. 5 Issue 17

24 October 2018

## Thailand rises two places in latest Global Competitiveness Rankings

Covering 140 economies, the World Economic Forum's Global Competitiveness Report 2018 identifies the world's most competitive economies through its competitiveness rankings. In this edition, the assessment adopts a new methodology, the so-called Global Competitiveness Index 4.0, which focuses on the 12 main pillars of productivity in order to better understand the full impact of the 4th industrial revolution. These 12 pillars are: institutions, infrastructure, technological readiness, macroeconomic context, health, education and skills, product market, labor market, financial system, market size, business dynamism, and innovation.

This year, the most competitive economy has been identified as the United States, followed by Singapore and Germany, while Switzerland, which has long been on top of the rankings, fell to 4th spot under the new assessment methodology.

Meanwhile, Thailand moves up two places, from 40th to 38th, placing it third among the ASEAN countries, behind Singapore (2nd) and Malaysia (25rd). Overall, Thailand scored 67.5 out of 100, higher than its 2017 score of 66.2 and the world average of 60. Looking at the assessment on more detail, Thailand performed best in Financial System (84.2), Market Size (74.9), and Business Dynamism (71.0), ranking in the top 25 for each of those pillars. The country also scored highly for its Macroeconomic Stability (89.9) and Health (87.3), placing above the average for the East Asia and the Pacific region.

Despite the positivity, there are also several areas in which Thailand has to do more. Thailand's score for Product Market (53.4) was its lowest among the 12 pillars, putting it in 92nd place, while Skills (63.0), ICT Adoption (56.6), Infrastructure (69.7), Institution (55.1), Innovation Capability (42.1), and Labor Market (63.3) also require close attention as the scores for these pillars fall below the regional average.

On a final note, this year's report has highlighted a correlation between competitiveness and income level. With this in mind, the results are interesting in that, together with Malaysia (25th) and China (28th), Thailand (38th) is one of only three non-high-income economies ranked in the top 40.

## New Vision for ASEAN-China Strategic Partnership

Organized by the Institute of East Asian Studies, Thammasat University, in cooperation with the Embassy of the PRC in the Kingdom of Thailand and the Ministry of Foreign Affairs of the Kingdom of Thailand on 22 October 2018, the international seminar on "ASEAN-China Strategic Partnership: New Era, New Vision" was attended by Dr. Suriya Chindawongse, Director-General of the Department of ASEAN Affairs, Ministry of Foreign Affairs of Thailand; H.E. Mr. Lyu Jian, Ambassador of the PRC to the Kingdom of Thailand; and H.E. Mr. Chen Dehai, Secretary-General of ASEAN-China Centre, along with 200 leading scholars and participants from both China and ASEAN member states. The seminar served as a platform for ASEAN and Chinese specialists to contribute their knowledge collectively with the aim of building mutual understanding in the ASEAN-China Strategic Partnership and achieving a better future for ASEAN-China relations.

Over the past fifteen years, the ASEAN-China Strategic Partnership has further expanded its cooperation agenda, thereby gaining strength and contributing significantly to regional peace, stability, and prosperity. With the realization of the ASEAN Community in 2015 and ASEAN's development over the past 5 decades as well as the achievements of China's reform and its opening up over the last 4 decades, ASEAN-China relations have entered into an exciting new era. During the opening session, referring to ASEAN-China relations over recent times, which have



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achieved fruitful results by adhering to the principles of equality, mutual respect, openness, inclusiveness, and win-win cooperation, Lyu noted how the ASEAN-China relationship has become the most successful example of cooperation in the Asia-Pacific region. The expansion of cooperation between China and ASEAN in all areas since the Belt and Road initiative was introduced was emphasized as a prospect for synergizing the Master Plan on ASEAN Connectivity (MPAC) 2025 and the Belt and Road initiative.

A stronger ASEAN-China strategic partnership with mutually beneficial cooperation in all aspects will be conducive to the respective development of ASEAN and China, narrowing the development gap in the region and enhancing the capacity of the region in dealing with global challenges. Both parties recently settled on the vision for the ASEAN-China Strategic Partnership 2030 which will be presented at the 33rd ASEAN Summit in November 2018. Moreover, Thailand will take over the chairmanship of ASEAN in 2019 and is determined to drive ASEAN forward in a direction that will most benefit the people of Thailand and of the whole region by focusing on sustainable development, regional interconnection, cybersecurity, and disaster prevention efforts. All in all, it is the peoples of ASEAN and China who will receive the greatest benefits from the all-round strategic partnership.

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If you have any comments or questions regarding Trade Digest or any matters discussed herein, or if you are interested in finding out more about Bolliger & Company (Thailand) services, please contact any of the persons below:

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