



Keynote Address

by

Mr. Chaikasem Nitisiri

Chairman of the Securities and Exchange Commission, Thailand

at

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Good morning guests, panelists and organizers of Euromoney Greater Mekong Investment Forum.

It is an honor and my great pleasure to be here today at this idea-stimulating and timely event which is taking place when the global momentum is shifting to Asia.

As we now realize, global investors are paying more attention to the ASEAN region and the Greater Mekong Subregion or GMS.

Given increasing efforts of each country to strengthen its market and the advent of the ASEAN Economic Community or AEC in 2015, we can expect to see more improvements and a stronger cooperation within the ASEAN and the GMS.

This is, in fact, a main reason why we are gathering here – to discuss growth potential of GMS economies.

Cambodia, the Lao People's Democratic Republic, Myanmar and Thailand are all on the road to political, social and economic improvement and together they can build a strong bridge that will connect economies on both sides of the continent.

This is where capital markets come in as a key driver of economic development in the GMS, especially in the area of fundraising for mega-projects of public and private sectors.

It is thus good news that Lao's PDR and Cambodia have recently inaugurated their capital markets, which sent a clear signal that both countries are stepping up efforts to strengthen their economic development and increasing their roles in the region.

We are also seeing positive outlooks in Myanmar as the overall environment is conducive to social and economic developments. The "Road Map for the Development of Capital Market," which has been drawn up in accordance with the timeframe for the development of the ASEAN Integrated Capital Market is also progressing well in terms of its implementation. I will follow up with great interest the progress of Myanmar in establishing the Myanmar securities commission in the near future.

However, no matter how efficient we are as an individual country, a group effort is imperative and more effective in the long run in the globalized economy.

Thus, the GMS countries must strengthen our inter-cooperation. We must team up to develop our region on all fronts, making the most out of our business interconnection, logistics systems and infrastructure linkage.

To build a robust foundation for our regional cooperation, we must encourage sharing of experiences. The SEC Thailand has been working with our fellow regulators to develop our respective capital markets so that together we can achieve the long-term objective of developing the competitive ASEAN market.

For example, The SEC Thailand has been fostering cooperation with the Securities and Exchange Commission of both Lao's PDR and Cambodia. We truly hope that in the near future we will be able to build a stronger cooperation with Myanmar.

Similarly, the AEC must create competitive edge, and one of the very first things to do is for our GMS capital markets to facilitate cost-effective fund mobilization and long-term investment within this region.

In a broader perspective, the ASEAN regulators through the forum called "the ASEAN Capital Markets Forum or ACMF" are synergizing our energy to pursue the ASEAN Capital Market Integration Plan.

The plan aims to enhance potential of regional markets. To date, the ACMF have proposed many initiatives to achieve the ASEAN Integration objectives.

This includes:

1. Facilitating cross-border fundraising of businesses in the ASEAN region. This means allowing businesses in an ASEAN country to tap funds from savings of another peer country, and at the same time stimulate economic growth within the region.
2. Allowing financial instruments that are issued in an ASEAN country to be offered for sale to neighboring ASEAN countries to increase investment choices for ASEAN investors.
3. Creating ASEAN asset class for the global market. The ASEAN stock exchanges initiatives to link up its trading system which will make cross-border trading of ASEAN stocks more easily is among the key initiatives that will certainly make our products an interesting asset class.

In addition to this, the ACMF has initiated the ASEAN corporate governance initiative comprising the ASEAN Corporate Governance Scorecard (Scorecard) and the ranking of corporate governance of ASEAN publicly listed companies (PLCs). This project will complement the work of ASEAN stock exchanges by showcasing ASEAN top PLCs not just in terms of successful financial performance, but also in the context of good corporate governance.

While the ASEAN is moving toward removing barriers against capital market integration, we are also working to enhance the tools for investor protection in cross-border environment. We are aiming to make sure the cross-border dispute resolution mechanisms are accessible by retail investors without letting them bear heavy cost.

The ACMF has established a working group, comprising legal experts from the Ministry of Justice or Attorney General's Chambers and ACMF members to work towards establishing an effective cross-border alternative dispute resolution by leveraging off existing international protocol, e.g., New York Convention to protect investors engaging in cross-border investment.

In the last part of my address this morning, I wish to share with you some of the key work that SEC Thailand has accomplished over the past year in terms of creating tools for capital mobilization.

Some of the highlights are:

1. The promotion of holding companies: The SEC is drafting rules governing establishment of holding companies to facilitate fund mobilization for business expansion. This tool will also help companies group their businesses strategically and investors choose their products of preference. By extension, holding companies will help Thailand prepare for the role of Gateway for Regional Investment.

2. The introduction of infrastructure fund: This financial tool will help to raise funds and investment in infrastructure projects while easing the government's budgeting burdens and public debts. The SEC Thailand has put in place necessary regulations to facilitate establishment and management of infrastructure fund which is allowed to invest in such projects as rail transportation, toll way, electricity, water supply, airport, deep seaport, telecommunication and alternative energy, while obtaining certain tax benefits.

3. The promotion of private equity fund: The SEC Thailand is studying the possibility for creation of private equity fund to help budding businesses, especially incubators of innovations, raise fund for research and development. Initially, we might consider allowing such fund to be established under the Trust for Transactions in Capital Market Act of 2007.

Ladies and gentlemen:

The SEC Thailand is driving forward a market mechanism not only for the sake of local businesses within the Thai economy. We aim to promote more investments moving toward our neighboring markets.

To make this happen, the SEC Thailand is developing measures and initiatives such as those three mentioned above which could be implemented to support investment in the GMS in the future.

This year, the SEC Thailand is celebrating our 20th anniversary. We have gone through increasingly complicated times, earning useful experiences and invaluable lessons for further developing the Thai capital market.

The next chapter, if I may, will be more challenging as the world economy is evolving faster than ever. Therefore, we must strengthen mutual cooperation with regulatory bodies and stakeholders in our neighboring countries to move forward our GMS markets in support of the continuing development of our ASEAN economies.

Lastly, I would like to take this opportunity to thank Euromoney organizers for holding yet another important event that will further enhance public and private cooperation, and inspire creative approaches to build a stronger Greater Mekong Subregion.

Thank you.
