



**Keynote Address**

by

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**at the Thailand Investment Conference**

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**Hosted by the Securities and Exchange Commission, Thailand,  
the CFA Institute and the CFA Society of Thailand**

Your Excellency Prime Minister Yingluck Shinawatra

*Your Excellency Deputy Prime Minister and Minister of Finance Kittiratt*

*Na Ranong*

Managing Director for Asia-Pacific Operations, the CFA Institute

Distinguished guests,

Ladies and Gentlemen:

First of all, I wish to specially thank Her Excellency Prime Minister Yingluck Shinawatra and His Excellency Deputy Prime Minister and Minister of Finance Kittiratt Na Ranong.

Having the honor to welcome *both* the Prime Minister and the Deputy Prime Minister to preside over the Thailand Investment Conference today truly sends a strong signal to the global investment community that the Thai Government recognizes the importance of the Greater Mekong Subregion or GMS and how the capital market and people in this industry can help enhancing economic growth.

The Securities and Exchange Commission, Thailand is celebrating our 20<sup>th</sup> anniversary this year. It is such an auspicious coincidence that this year also marks 20 years of the GMS economic cooperation. The first meeting of the GMS officials took place in 1992 at the Asian Development Bank (ADB) office in Manila and that was when the 1<sup>st</sup> framework for the GMS cooperation was endorsed.

Prior to taking up position at the SEC, I had been following the development of the GMS closely and with great interest. Why? Because I knew that the GMS would one day be a key to the success of the Southeast Asia. The question was “when.”

The answer, as I believe you would agree, is that **the time is now!** Taking into account several key developments that we have witnessed recently, one can see the GMS is ready to grow and prosper. And the sky is only the limit.

Here are the grounds for the positive outlook. First of all, our friends in the West have been caught in the global financial crisis and subsequently economic downturns. As we have seen, the GDP growth rate of each GMS country surpasses that of the world's and many times higher than the US's and the EU's.

Secondly, it is the rise of two key emerging economic giants, China and India, whose combined markets of 2.5 billion people take up a sizable portion of the world's population. The GMS is strategically located in the middle of these two titans.

Thirdly, the ASEAN vision and collective efforts to build the ASEAN Economic Community or AEC by 2015 will be of benefit to the GMS as well, given that the GMS is located at the heart of mainland ASEAN, thus enjoying physical connectivity with the region.

Last but not least is the much more open market environment putting in place recently by the GMS governments themselves. *As Prime Minister Yingluck pointed out earlier, the geo-political landscape is changing and the GMS countries are opening up further to trade, investment and economic cooperation with other countries.*

So, the sky is now open for the GMS. The question is: "How can capital markets contribute to the developmental process?"

Well, ladies and gentlemen, this is getting into the area of my purview.

Capital market can do a lot and play a key role to promote the growth and prosperity of GMS.

Capital market can help allocating and distributing economic resources more efficiently to ensure businesses that have potential and need capital can have access to it regardless of their profiles and developmental stages. Also, the capital market can generate a greater variety of investment opportunities for various types of investors, offer equitable distribution of wealth, and ultimately bring about sustainability of long-term local, national and regional economic growth.

When I took up this role at the SEC last year, I had a clear vision. One of my first policies was to include the GMS cooperation in the SEC's capital market

development master plan. I visualized closer relationship with our neighboring capital markets. The goal is to turn the Thai capital market into a key connector to the economic development of GMS. The SEC will create a “platform” that can channel investment to everywhere in the Greater Mekong region. Building on the shared history and culture, we wish to extend what we have to fulfill what our neighbors need so that together we can foster sustainable growth of the region.

If you visit the GMS countries, you will see substantial investment opportunities. The GMS market’s growth prospects are high and the real sectors in the GMS need more capital flows to develop and expand their production capacities. For example, Lao’s power sector, and Cambodia’s tourism and textile industry. Even a country in transition like Myanmar possesses vast resources and is opening up for trade.

These potentials, coupled with the master plan for GMS connectivity through north-south, east-west, and southern economic corridors, we can only say that the GMS has great potential to grow exponentially within the next decades.

So, how does the SEC Thailand create a “platform” for investment in GMS?

For starters, we are introducing vehicles that will offer diverse opportunities for investors in the GMS and will become instrumental for this region’s economic growth.

I am talking about five specific financial instruments. They are Infrastructure Fund, Listed Holding Company, Private Equity Fund, Real Estate Investment Trust or REIT and Securitization.

The SEC Thailand has introduced **infrastructure fund** to finance physical infrastructures connecting Thailand to our GMS neighbors and enabling the region to become more competitive.

**Listed holding company** and **Private equity fund** can be used to channel public and private investment towards growth opportunities in the GMS market.

**REIT** will be particularly useful for property development in the GMS.

**Our Securitization rules** have now been amended to accommodate securitization of receivables originated in other countries.

These instruments will not only promote investment and growth possibilities in the GMS but also support Thailand’s roles as Gateway for Regional Investment.

In addition to enabling the Thai capital market to channel investment in the GMS, the SEC Thailand emphasizes the cooperation and dialogue with our counterparties in the GMS. For instance, we have long been cooperating with the Securities and Exchange Commission of Vietnam.

I believe you are aware that Laos and Cambodia have launched their stock exchanges. As mentioned earlier, there are significant numbers of high growth companies waiting to be listed on their respective stock exchanges. The SEC Thailand has been cooperating with Laos and Cambodia regarding their capital market development by sharing our knowledge and experience on capital market supervision and expansion.

The SEC Thailand also renders support through conducting the capacity building program. I believe this support would yield concrete results to enhance the ability of the regulators in these countries in the long run. We are looking forward to working with the Central Bank of Myanmar to render similar assistance.

We are also working with the Kunming Municipal Authority to discuss the possibility for future cooperation to promote economic growth and regional connectivity. I believe that these efforts are going to become key foundations for capital market cooperation in the GMS and will ultimately contribute to an even greater economic success of the region as a whole.

Ladies and Gentlemen,

It has been a pleasure working with the CFA Institute and the CFA Society of Thailand on organizing this event. I am very excited to see experienced speakers assembled for this very special event, especially the two panelists in this afternoon session. This is one of the very rare opportunities to hear top executives of key institutions and Thai PLCs who have found investment opportunities, overcome the challenges, and successfully established their names in the GMS discuss and share their first-hand experiences.

I hope you have an enjoyable conference. Thank you very much.

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