

ACMECS Joint Business Council ExCom Meeting

On 11 October 2018, ACMECS Joint Business Council (JBC) ExCom meeting took place at 13:30 hrs., at Pan Pacific Hotel Yangon. The meeting was attended by 20 people from Thailand, Lao People's Democratic Republic (Lao PDR), and Myanmar business associations and Chambers of Commerce and Industry. U Thaung Tin, Vice President, Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI) and Mr. Sanan Angubolkul, Chairman of ACMECS JBC delivered the welcome remarks.

U Thaung Tin welcomed all delegations and highlighted that UMFCCI has cooperated and communicated with all chambers in ACMECS member countries to support close regional cooperation.

Mr. Sanan Angubolkul expressed his appreciation to all the private sector in ACMECS member countries for working closely together to promote business cooperation. During the 8th ACMECS Summit in June 2018, private sector from ACMECS member countries had the opportunity to provide recommendations to government leaders and is now following up on the implementation of those recommendations, to resolve the problems and challenges raised.

Subsequently, Ms. Kanchana Thaicon, Executive Director of the Thai Chamber of Commerce, Board of Trade Thailand, presented the report from the CLMVT Trade & Investment Consultative Meeting, which was held on 17 August 2018 in Bangkok, in connection to the CLMVT Forum 2018. The said meeting was chaired by Mr. Sanan Angubolkul, Chair of ACMECS JBC, and attended by representatives from Cambodia, Lao PDR, Myanmar, Vietnam, and Thailand. The objective of the meeting was to update and follow up on the recommendations by the private sector to ACMECS leaders, which includes 28 points in line with the three pillars of the ACMECS Master Plan (2019-2023). The meeting also agreed to incorporate the "ACMECS Fund" into the list of recommendations to follow up on its implementation. A "One Page Summary of ACMECS Business Recommendations to the 8th ACMECS Summit" is to be monitored by each ACMECS member country, with each country proposing activities to put the recommendations into action and to propose a platform for collaboration.

The CLMVT Trade & Investment Consultative Meeting also added internet security to the list of business recommendations, and a proposal to government to expedite the development of digital systems at border checkpoints, to facilitate cross border transportation. In addition, the meeting also advised commercial banks in each country to promote cross border payment transactions in local currency to facilitate trade and investment among CLMVT. Infrastructure development is the most crucial part in developing CLMVT connectivity, especially digital infrastructure development. Thus, government authorities have to concentrate on infrastructure development in the first phase.

The Thai public and private sector have conducted some activities with regard to the business recommendations, such as a seminar on the use of local currencies and business networking among banks at the CLMVT banking program. The CLMVT Trade & Investment Consultative Meeting also pointed out that ACMECS JBC may wish to initiate additional projects for implementation. According to comments from the CLMVT Meeting, the dashboard approach was adopted to monitor and update progress on the 29 point business recommendations. Each ACMECS Business Council (BC) was requested to appoint a representative to follow up and update activities on the business recommendations dashboard.

The One Page Summary of ACMECS Business Recommendations to the 8th ACMECS Summit for the ACMECS Master Plan (2019-2023) includes (1) Seamless Connectivity (Hardware Infrastructure); (2) Synchronized ACMECS Economies (Soft Infrastructure), such as trade, investment, industry, and financial cooperation; (3) Smart and Sustainable ACMECS, such as human resource development, the application of modern technology, environmental cooperation, sustainable agriculture and tourism. ACMECS JBC will hold the next Executive Committee Meeting in conjunction with the launching of the ACMECS Fund in November 2018 in Bangkok, Thailand, to discuss the modalities and terms of reference (TOR) for the fund. Development Partners are also invited to the said meeting.

U Moe Kyaw, Founder of Myanmar Research & Marketing Development (MMRD) presented five points on the proposed use of local currency for cross border trade. He mentioned that if there are 3 million Myanmar workers who transfer 90,000 Kyats (1,850 Baht) a month, over 5.56 billion Baht could be changed every month. Most, if not all, of this money is now being remitted through the informal sector. If most of these remittances can be done formally, the advantages to workers and trade will be much more beneficial. Currently, Baht and Kyat are tied to the USD exchange rate. As such, a detailed study to produce recommendations needs to be undertaken to understand and promote the use of local currency for cross border transactions. A formal remittance system would facilitate the transfer of credit by workers, while formal transactions in Kyat and Baht could be developed by banks.

U Moe Kyaw highlighted that the government and private sector should push for Baht and Kyat to be the official currencies for bilateral trade. He stated that the countries' leaders have approved this agenda and that a study on this issue would have the support of ACMECS BC. The study group would be formed of UMFCCI, Thai Chamber of Commerce, Thai Business Association of Myanmar (TBAM), and related banking associations. ACMECS BC Myanmar and TBAM could take the lead on this study and publish a report following the approval from the ACMECS JBC ExCom to promote a formal remittance system for workers' benefit.

Future Work Plan Involving Thailand and Myanmar

ACMECS member countries plan to have a meeting to discuss the ACMECS Fund around the end of November 2018 in Thailand to support the enhancement of transport, digital, and energy connectivity, as well as to expedite the connection of missing links in the

connectivity plan. The Ministry of Digital Economy and Society of Thailand proposed a submarine cable link project and digital ACMECS project during the 8th ACMECS Summit in June 2018. The Ministry of Energy of Thailand also proposed four transmission interconnection projects, which include regional energy grid connectivity and efficiency.

With regard to trade, Myanmar is still developing the ASEAN Single Window (ASW) system. In addition, from 28 April to 3 May 2018, the Ministry of Commerce of Thailand organized a training course to develop the potential of SMEs from CLMVT countries in Bangkok and Chonburi province, by sharing experiences to increase ACMECS SMEs' competitiveness in the region. The Ministry of Commerce of Thailand also recommended conducting a study on supply chain linkages among the Special Economic Zones (SEZs) in ACMECS.

With regard to financial cooperation, the Bank of Thailand and national banks of each ACMECS member country is negotiating on the use of local currencies for cross border trade and investment development. However, there is no specific time-frame for the negotiations to be completed. In addition, there is a joint project between the Foundation for Development Cooperation (FDC), the Office of the Joint Standing Committee on Commerce, Industry, and Banking (JSCCIB), organized by the Mekong Inclusive Growth Forum to achieve regional connectivity in the digital era, organized in Bangkok to share knowledge on finance among the CLMVT countries.

There is also an ACMECS vocational training program, which will cover digital innovation, e-commerce, and fintech. With the joint partnership between the public and private sector from ACMECS member countries, there will be a model school, and standard and certification program to enhance vocational education, as well as exceptional vocational qualification standard, and a concise study on how to improve the working environment for migrant workers.

Last but not least, the business recommendations include cooperation on tourism. For example, an ACMECS single visa, under the concept of five countries one destination. To promote tourism in the region, the Tourism Authority of Thailand and Myanmar Tourism Marketing organized the cross-border rally between Thailand and Myanmar (Dawei-Kanchanaburi- Nakhon Sawan- Phisanulok- Sukhothai- Tak- Myawaddy) under the concept of two countries, one destination. Thailand and Myanmar are also discussing a bilateral agreement on road transport for the IICBTA for personal cars and buses. At the end of the meeting, the Chairman urged all ACMECS BC members to update the dashboard on implementation of business recommendations.

