

TRANSCRIPT OF THE INTERVIEW WITH

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UNITED WORLD: Apart from being Chairman of Thailand Privilege Card, you are also the Executive Director of the International Institute for Trade and Development. Thailand as a much globalized economy - 40% of the GDP comes from export – and the country faces tougher competition from countries such as Vietnam, China and India. How would you assess the competitiveness of Thailand in the globalized world today?

DR. SORAJAK KASEMSUVAN: We have so many things that the other countries do not have and we have to concentrate on these things. We are good with services. We are a country that has good hands on anything that needs delicacy. If you go around Thailand, you will find that we are artistic people even in our cuisine, costume and other designs. If we can use these things to our advantage and use it for export materials, then we can win in many areas of export. At the same time, we do not see our self as competition to India or China because we cannot compete with them. As for Vietnam, although we can see that investment has poured there, the basis of Thai economy is definitely stronger despite of the undesirable incidents that happened in the past. Investment in Thailand is equipped with a firmer foundation than in Vietnam. We are very experienced traders in the free market. We have at least 4 to 6 FTAs and the market has been working so well. In areas such as automobile, we have been the center for assembly for a very long time. We have not lost confidence in the automobile industry at all and it is something that we can use as our strength to win over other countries. For me, I hate the word competing. In the case of rice growing, some people say that we have to compete with Vietnam for this. If we are sure that our rice has certain quality that no one else has, then we can concentrate on that. We concentrate on things that are better. The only thing that Thailand needs to improve on is to strengthen education especially the vocational education. Education has not been so strong and Vietnam is doing a lot better compared to us. We need to produce more qualified technicians in the future. It gives me a little worry because if we are not tripping over each other then we do not have to worry about competition at all. ASEAN has seen Thailand as a strong partner. However, we need to prove to them that we are not only a strong but we also reliable partner to the ASEAN in the future. We have even graduated from being a receiving country to a donor country. We are giving aid to neighboring countries a lot now. Even ITD has provided special training classes for Laotian people to prepare themselves to WTO. We have also organized research projects to improve rice growing and rice export mechanism for Laos and other organizations and agencies in Thailand are doing the same for Laos and Cambodia, Vietnam and Myanmar. We even went as far as giving aid African countries but in the last couple of years, our government has not been stable and we do not have the policy that is stable enough to go to Africa. If we put our hearts in all that we do, I am sure that we can be the heart of ASEAN and be one of the strongest economies like India.

UNITED WORLD: Thailand has been in the international spotlight for the wrong reasons. However, the economy is still growing well. We are expecting a 5% growth in its GDP in 2008 and it is the private sector who is driving the country forward. How would you assess the business and investment climate in Thailand?

DR. SORAJAK KASEMSUVAN: It has always been like that. You have to appreciate that we've had quite a dozen coups since 1932. It is part of our lives. Most of them are peaceful. For that reason, the business sector have to look after themselves and they are doing that well. They have themselves on very strong footing to continue their enterprise. The only problem is that they need confidence to grow their business especially for investors. Media can help in projecting the idea that we have not had a situation in Thai politics where there was an abrupt change from black to white at all. The coups in 1973, 1976, 1992, and 2006 changed nothing as far as business and economic life is concerned. It can be an assurance that whatever happens in politics in Thailand, the business can move on. It is very important to communicate that Thailand is a safe investment destination. Another thing that we can also add is that because of the firm foundation that we have on our business sector, now is the time to invest in the Thai Stock Exchange. As we talk today, it is 496 baht but it may go down this afternoon and the day after that. In January, we will definitely not be much higher than 600 baht. This is a much lower price than the normal value of stock exchange in Thailand. The Food and Service, Health and Energy industries are growing very strong. I may not be good in stock exchange forecast but I am very sure that these sectors are always worth investing in.

UNITED WORLD: His Majesty the King came up with various theories on developments and his “self-sufficiency” theory has been adapted by the Thai people, Thai companies and even the government with the “sufficiency economy”. However, this concept might be misunderstood from abroad. How would you explain the “sufficiency economy” to our international audience? How can you adapt this philosophy to a globalized country like Thailand?

DR. SORAJAK KASEMSUVAN: The “sufficiency economy” simply means don't overdo things. If you have calculated that you can invest X amount in order to make Y profit and you are capable of doing it, then do it. However, if you calculated X amount in order to earn Y profit but you are greedy and want to earn Y times Z, you invested X times Z and then you get bankrupt. Where now is the benefit? Self-sufficiency economy does not mean that you live within your means, just don't overdo things especially those that you cannot do. You can live beyond your means but only to the extent that you can still cover it in the near future. That is the idea behind the philosophy. At the same time, it also means that if you think you are good at doing something like agriculture then continue doing it. You can improve on agriculture, improve on the techniques. You can invest more if you like to improve your productivity. If you cannot change from growing crops to something else, then don't change. This theory is also concentrating on encouraging agriculture and farmers to stay on with what they are doing and improve. It does not mean that changing is good for you and you are capable of doing it. Thailand is a very open country. We have nothing against investments.

UNITED WORLD: We already had the chance to meet Dr. Satit from BOI, as well as Dr. Charn from FTI. They gave us a clear insight on the investment climate and the different incentives offered in Thailand. Dr. Charn told us that we should definitely meet you to talk about the Elite Card, the world's first country membership. What does this Elite Card stands for?

DR. SORAJAK KASEMSUVAN: Thailand has been running the Elite Card membership for the past 5 years now. This is the first in the world although other countries are also doing it now. To my knowledge, this is still the only program that is still owned and operated by the government. The idea is to have those people who have purchasing power and those who fell in love with the country to fall more in love with the country and to repeat their trips to the country as often as they can. The more they come, the more they spend. We only look at those who are in high positions and those who have power. We encourage them to come to Thailand with all these privileges and services and with a VIP hospitality that we render to them. The more they come, the more they will love the country. The idea is to attract these people to Thailand and spend their money here. They come here for leisure and we have concentrated on lifestyle which consists of things like golf courses (in the beginning, the members were given unlimited golf rounds but we have now limited it to 24 rounds per year) on the top grasses in the country, and members are entitled to 24 spa treatments a year. Members who joined us prior to 2008 are still entitled to unlimited golf courses and spa treatments. They are entitled to 1 medical check up from top hospitals in Thailand. As you know, we are encouraging health services for tourists. They are also entitled to a 5-year multiple entry visa and this is very useful to businessmen. Once they enter the country and they need to extend their stay, they can go to Immigration and extend their visa. We know that hospitality is important and so are first impressions. As soon as our member arrives at the airport, they are met at the aircraft gate and driven from the gate of the aircraft to the Immigration desk where they have a special immigration desk so they don't have to queue up because the Immigration line is always an unwelcoming site anywhere in the world. After that, they will be led to a lounge where they can have coffee or tea or whatever while waiting for the luggage to be collected for them. Once the luggage is collected, they will be driven in a limousine (we are using a BMW 7 series) to their destination wherever it is. This service is not only available in Bangkok but also in the Phuket and Chiang Mai airports. The same service is given when they are leaving the country. This is very convenient especially when you are not traveling by Thai International (Thai International passengers have a special Immigration desk). When you check on the website, you see a number of services offered all over Thailand.

UNITED WORLD: Who can apply for membership?

DR. SORAJAK KASEMSUVAN: Anyone who is not Thai. You can even live in this country or an expat as long as you are not a resident. When you apply for membership, we will send your application to Immigration to check that you are not blacklisted. The payment

is around 1.5 million baht (US\$50 thousand) per membership which lasts a lifetime. Those who bought it 5 years ago have a profit already because it used to be US\$5 thousand. It can be transferred (at the moment, we allow 1 transfer) but once the membership has been transferred, the expiration of the card becomes 30 years from the date of transfer. The second owner of the card does not have the lifetime membership privilege. We charge a certain fee for the transfer of course. It is an investment especially if you bought the card 5 years ago at US\$ 5 thousand and sell it for US\$ 25 thousand. In 5 years time, the price will not be US\$ 50 thousand anymore. We also have a promotion for a family package. You can buy the membership as a family or for you and your wife at a special family price (about US\$ 88 thousand for 2 persons). You can add more members of the family at 1 million baht for each member. We are also introducing the Corporate Card at the end of this year. This card will enable companies to buy under the company name and you can claim against your expenses. Once the company buys it, it can nominate 2 persons to use the card. The privileges we give are 24 rounds of golf courses but the difference is that you can bring 3 more persons to use up the 24 rounds available to you. This is good when you are trying to entertain clients. Once you have used up the 24 rounds, we offer extra rounds at a special price at selected golf courses.

UNITED WORLD: For the past 5 years, over two thousands six hundred cards have been sold. The target for this year had been 800 cards, but after a price increase to 1.5 million BAHT a card for people and 2 million BAHT for companies, the sales have fallen to 40 cards so far. According to Verasak, the Minister of Tourism, the card will be revamped to make it more attractive. As Chairman, how do you see the Elite Card revamp itself to become more attractive?

DR. SORAJAK KASEMSUVAN: I think I have to tell you more about what we have done before going to the question. So far, I have been talking about the leisure side of it. We feel that most of those who have the money to buy this card have businesses. Many of them might have a business in Thailand or might want to explore the idea of having a business opportunity here. Investment is part of it that is why we look at possibilities on how we can expand the opportunities for our members. The first thing we did was to sign the Memorandum of Understanding (MOU) with the Stock Exchange Thailand (SET) so that we can hold functions in conjunction with the Stock Exchange. Our members who are top CEOs in the Stock Exchange can also come to the same function to meet and start working because some people forget that the members of the Elite Card are non-Thai and they will not have a chance to meet fellow members that are Thai at all. The second part is being able to get around the rule that Thai people are not allowed as members. We believe that is important that our Thai businessman should meet our members. This is why we are starting the Elite Investors Club. The members of the Elite Investors Club are not members of the Elite Card because this club is only for Thai people. They will pay both upfront membership fee and annual membership fee to enjoy certain privileges although not exactly as the Elite Card. For example, we would like our Elite Card members and Investors Club members to play golf together. This is by invite only. We will invite selected top businessmen in Thailand to

become members. We hope that by joining with the Stock Exchange Thailand (SET), and setting up this Investors Club, we will be able to expand investment opportunities for both our Thai and non-Thai members. This will be good for the economy at large. We are trying to make the Card an indispensable companion both for leisure and business when you travel to Thailand. If we can achieve that then the future of the Card is even better. We hope that next year, we can sell another 500 or 600 cards. Our optimum is only 800 cards but for the club, we only want it to be exclusive. If few can sell 800 cards a year, we will reach a point where we would be able to redeem some loss. We need at least 5 thousand cards to reach the optimum level and we still have a few years to reach that. Since we are going to provide a lifetime service for the members, we cannot live on what we are doing that is why the Board has approved for us to look for investments to have an earning. We are turning to 24-hour call in service and other services like flight booking, holiday booking and other exclusive arrangements. We do appreciate that some members of our club are really top businessmen in our country. We are also looking to having a private jet terminal for members who have private jets so that they do not have to undergo the usual procedures. We also plan to invest in other services as well to generate more services and income. We are thinking of doing the Super Elite in the future. People may think that 1.5 million Baht is expensive but for a lifetime, a modest manager in Tokyo and Seoul can buy this easily. We realize that we have to create a product for the real Super Elite. We will start on looking at the feasibility of doing that. We like to look at the top 500 of the Forbes list. It would be great if we can have 100 of them. The Super Elite does not need more than 200 members around the world. The treatment for them is really something money cannot buy. We will have to exploit our position as a government agency to serve the Super Elite. For example, if they arrive, they will be treated the same way we treat a Prime Minister. If they want to meet someone, then we try to fix the meeting for them. If they want to meet the Minister for Industry or Trade, we should be able to do it for them as well.

UNITED WORLD: What has brought you the greatest satisfaction in your career?

DR. SORAJAK KASEMSUVAN: If you look at my CV, I have been through so many things in my life. My training is as an international lawyer. I teach international law, aviation law, space law, and international law for resources but I have been involved with the entertainment business for quite a long time. I was involved in the Thai Cinema for about 20 years. I was Head of the Mass Communications Association of Thailand for 2.5 years. Many people are surprised to learn that my training is in law. I also like my part in foreign affairs. All in all, what I like to do best is to be able to bring out the most of Thai culture to benefit Thailand. I like to see Thai culture to be well represented and make an earning out of it. With the Elite Card, I always tell the members to appreciate more the Thai culture. I think that the Tourism Authority has done a lot of things to show off the so many beautiful parts of the country. We have the 3 world heritage on historical sites almost adjacent to each other. 3 years ago, the Sukhotai received 5 to 6 thousand tourists. From what I have done so far, between ITD and the Elite Card, it is very hard to tell because ITD is the job that I applied for (I lost my job after the coup), but for the Elite Card, I was requested by the Minister of

Tourism to come and have a look as to how I could help revamp the organization. Not many people in this country have been through as many organizations as I have. I have been in the government both as a civil servant and as a politician. I was made Head of the state enterprise. I have been Head of a private company and now I am Head of a public organization.

UNITED WORLD: What final message would you like to convey to our international audience?

DR. SORAJAK KASEMSUVAN: I think Thailand has been well renowned for its hospitality, and kindness, but I think the best way to really experience that best hospitality is by becoming a member of the Elite Card. At US\$ 50 thousand for a lifetime it is value for money.

UNITED WORLD: Thank you very much for your comments.

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