

EXIM Thailand Holds “EXIM BANK Overseas Investment Forum 2017” Seminar to Stimulate Thai Entrepreneurs’ Investment in ASEAN While Lessening their Concerns over Political Risks

EXIM Thailand together with Marsh PB a leading global insurance brokerage and risk advisory firm, organized a seminar titled “EXIM BANK Overseas Investment Forum 2017,” portraying ample investment opportunities in ASEAN, CLMV in particular, for Thai investors who can manage investment risks utilizing hedging tools to address potential adverse effects from political instability and shifts in policies of the countries hosting investment project sites.

Mr. Pisit Serewiwattana, President of Export-Import Bank of Thailand (EXIM Thailand), delivered a speech at the “EXIM BANK Overseas Investment Forum 2017” seminar held by EXIM Thailand in collaboration with Marsh PB Co., Ltd. for 150 Thai entrepreneurs at Siam Kempinski Hotel Bangkok on September 21, 2017. He indicated that CLMV has recorded the world’s highest economic growth of 7-8% over the past few years. With a combined population of more than 170 million and the rapidly expanding middle class, hence a frog-leap growth of purchasing power, as well as moderate trade protectionism and budding manufacturing sector, CLMV is still in great demand for goods from abroad, which should help drive Thai export growth further. Thai export to CLMV in the first 6 months of 2017 jumped 13.5% in value, compared with Thailand’s 7.8% overall export growth. Therefore, Thai entrepreneurs are encouraged to make a decisive move and penetrate CLMV market ahead of their competitors to expand their customer base and diversify risks arising from market fluctuations. Given the Thai product popularity in CLMV market and cultural familiarity among its peoples, there should be no difficulty in CLMV market penetration by Thai entrepreneurs as they can leverage on existing advantages.

To fully tap into international trade markets, Thai entrepreneurs need to make investment or expand production bases overseas in order to learn about consumer behaviors, lower production costs, and access labor sources as well as tax benefits for exports to such major markets as the USA and Europe. EXIM Thailand stands ready to support Thai enterprises’ investment and export of goods to serve consumers and manufacturers in the countries of their investment or for re-export. EXIM Thailand’s facilities include direct and syndicated loans, financial advisory service, investment insurance service, export credit insurance service, and negotiations with public and private sectors overseas to explore business opportunities for Thai entrepreneurs with potential who aspire to expand investment beyond Thailand.

Investment insurance, globally known as political risk insurance, is an important safeguard for boosting business enterprises' confidence in making investment or expanding production bases abroad while alleviating their concerns in the case where revenues could not be brought back home due to political uncertainties in the countries of their investment. In 2015, global investment insurance amounted to USD 8.1 billion or approximately THB 267.3 billion, rising every year in terms of both business and claim values. In 2016, insurers around the world recorded new businesses under political risk insurance in the value of as high as USD 112,812 million, of which around 17% or USD 19,178 million came from ASEAN, followed by 15% from the Commonwealth of Independent States (CIS) and 12% from Latin American countries.

“Thai businesses have great potential to make further investments abroad, especially in neighboring countries where there is a high demand for consumer goods and services, as well as needs for development in public utilities and infrastructure. We are ready to provide export credit facilities and investment risk hedging tools to facilitate Thai entrepreneurs' new investment and expansion beyond their borders. This will in turn bring in foreign exchange earning and enhance economic and social development processes in both Thailand and ASEAN as a whole,” added Mr. Pisit.

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