

## **Thailand and ASEAN economies have substantial trade growth potential, according to Standard Chartered report**

- **Thailand, Indonesia, and Vietnam featured in Standard Chartered's new Trade20 Index, which identifies the 20 economies with the greatest potential for trade growth**

**1 October 2019, Bangkok** – Thailand has been ranked eighth in Standard Chartered Bank's new Trade20 Index which identifies economies with strong trade growth potential, thanks to its improving trade readiness and substantial e-commerce growth.

The Trade20 study by Standard Chartered Bank, which examined 66 economies across the globe, determined each market's potential for trade growth by analysing changes across 12 equally-weighted metrics under three pillars: economic dynamism, trade readiness and export diversity.

### **The ASEAN accelerators**

Our index points to accelerated Asian trade growth potential, particularly in Thailand, Indonesia and Vietnam, which performed well in the trade readiness pillar – defined as a market's foundation for future trade growth.

These three economies are being propelled forward by export-oriented manufacturing, growing intra-ASEAN trade, strong domestic demand, close trading ties with China and healthy job markets. While they all face challenges from heightened global uncertainty, they are well placed to benefit if multinationals consider moving their supply chains due to trade tensions elsewhere. Regional trade deals, infrastructure improvements, and legislative reforms are also promoting increased openness.

According to Thailand's Board of Investment (BOI), the number of project applications for Foreign Direct Investment (FDI) increased by 7% to 758 projects worth THB232.61 billion during the first half of 2019. The FDI value in BOI's five targeted industries, including the biotechnology industry and robotics and automation, jumped 58% to THB23.84 billion during the January-June period from a year earlier.

### **Thailand scores well in trade readiness, ranking at 9 out of the top 20**

Thailand has also been focusing on digitising processes and increasing efficiency across industries and activities, particularly international trade and exports. Working together with its regional neighbours, Thailand should be able to adopt trade digitisation relatively quickly, helping to accelerate Asian trade growth.

**Room for further growth for Thailand : Export Diversity**

Thailand is ranked outside of the top 20 for export diversity as the index weighs on a market's progress in its breadth of exports. Export diversity is measured by the variety of products exported and how export revenue is spread across that product range. The markets that rank highly in this category have made the most progress in terms of diversifying their exports, which should open new prospects for trade growth and make them less vulnerable to market pressures.

**Plakorn Wanglee, President & CEO of Standard Chartered Bank (Thai) said,** “the Trade20 Index maps the rising stars of trade, identifying the markets where the trade environment – and trade growth potential – has been improving most rapidly over the past decade.”

“Thailand is not only a trade and investment destination for foreign countries, but also a growing number of Thai companies have strongly expanded overseas,” added Plakorn.

According to the Stock Exchange of Thailand, the 2018 net outward foreign direct investment by Thai firms listed on the Thai bourse hit an 8-year high at THB199 billion. This excluded their domestic investment in 2018, which increased by 15% to THB818 billion from 2017.

“There is a huge opportunity in cross border trading. Standard Chartered Bank (Thai) has leveraged our global network and innovation and has been increasingly applying automation systems to serve our clients better,” said Plakorn. “Apart from joining the Bank of Thailand in its Project Inthanon and running the issuance of a bank guarantee on blockchain (eGuarantee), we recently succeeded in executing the first cross-border Letter of Credit issued over the Voltron blockchain platform in the oil industry.”

“In the face of rising protectionism and slow global growth, the markets that are demonstrating this impressive pace of progress may represent interesting opportunities for corporates seeking new investments, imports and supply chain partners.”

To view the Trade20 report visit: [www.sc.com/trade20](http://www.sc.com/trade20)

**ENDS**

## About Trade20 Index

Trade20 examines 12 metrics across 66 global markets — the major global economies plus the major economies in each region — to reveal the 20 that are most rapidly improving their potential for trade to grow.

The Trade20 Index			
1. Côte d'Ivoire	6. Vietnam	11. Hong Kong	16. Singapore
2. India	7. Indonesia	12. Russia	17. Switzerland
3. Kenya	8. Thailand	13. Ghana	18. Chile
4. China	9. Oman	14. Sri Lanka	19. Turkey
5. Ireland	10. UAE	15. Bahrain	20. Philippines

These markets are identified by measuring changes in 12 metrics under three pillars:

<b>Economic dynamism –</b> The current momentum in trade growth potential, as measured by:	<b>Trade readiness –</b> The extent to which a market has the foundations to support future trade growth, as measured by:	<b>Export diversity –</b> A market's progress in its breadth of export diversity, as measured by:
1. Inward stock of FDI ----- <b>Growth</b> 2. Export volume growth 3. GDP growth	4. Quality of trade and transport infrastructure ----- <b>Quality of digital infrastructure</b> 5. Proportion of population with access to broadband 6. Secure internet serves per million people ----- <b>E-commerce</b> 7. Proportion of population who have made digital payments in the past year 8. Integrated Index for Postal Development 9. Proportion of population that is using the internet	11. Export count ----- 12. Export diversity

	----- 10. Ease of Doing Business score	
--	--	--

While most traditional trade indices are based on a market's present performance, our index captures changes over time to reveal the markets that have seen the most improvement over the past decade. This enables us to identify the economies where recent positive developments may point to an acceleration in **trade growth potential**. Higher exports are strongly correlated with higher imports, of both capital and consumer goods, offering opportunities for companies worldwide. A high ranking also suggests a market that is improving as a possible outsourcing location.

It is important to note that some countries are progressing fast from a low starting point, while others are moving quickly from an already-high starting point. The study does not look at the trade growth potential of each market in absolute terms, but at its individual potential for trade growth relative to its size. In absolute terms, large economies will, of course, offer greater potential and opportunity overall than smaller ones.

#### About Standard Chartered Bank

We are a leading international banking group, with a presence in 60 of the world's most dynamic markets and serving clients in a further 85. Our purpose is to drive commerce and prosperity through our unique diversity, and our heritage and values are expressed in our brand promise, Here for good.

Standard Chartered PLC is listed on the London and Hong Kong Stock Exchanges as well as the Bombay and National Stock Exchanges in India.

For more stories and expert opinions please visit Insights at [sc.com](http://sc.com). Follow Standard Chartered on Twitter, LinkedIn and Facebook.

#### Media Contact

Standard Chartered Bank (Thai)

Corporate Affairs and Brand & Marketing

Hassaya Hasitabhan Email: [hassaya.hasitabhan@sc.com](mailto:hassaya.hasitabhan@sc.com)

Tel: +662-724-8071, +66 6552 61317

Piyarat Setthasiriphaiboon Email: [piyarat.setthasiriphaiboon@sc.com](mailto:piyarat.setthasiriphaiboon@sc.com)

Tel: +662-724-8024, +66 9449 55992