

EXIM Thailand Opens Fourth Representative Office in Ho Chi Minh City in Response to Ministry of Finance's Policy to Support Thai Investment in BCG Businesses in CLMV

Mr. Arkhom Termpittayapaisith, Minister of Finance, presided over the opening ceremony of Export-Import Bank of Thailand (EXIM Thailand)'s Ho Chi Minh City Representative Office in the Socialist Republic of Vietnam, via the online channel. The ceremony was attended and witnessed by Mr. Nikorndej Balankura, Ambassador of Thailand to Vietnam; Ms. Wiraka Moodhitaporn, Consul-General of Royal Thai Consulate-General in Ho Chi Minh City; Dr. Pasu Loharjun, EXIM Thailand Chairman of the Board of Director; and Dr. Rak Vorrakitpokatorn, EXIM Thailand President; together with EXIM Thailand directors, representatives from Thai and Vietnamese public and private agencies, clients, entrepreneurs and mass media at Intercontinental Saigon Hotel, Ho Chi Minh City of Vietnam on June 10, 2022.

The Minister of Finance said that the Thai government by the Ministry of Finance attaches high priority to elimination of social and economic woes in order to enable sustainable recovery post COVID-19 pandemic alongside promotion of Bio-Circular-Green Economy (BCG Economy) economy to sustainably solve economic, social and environmental problems, with creation of value-added job opportunities and economic growth, as well as concrete cooperation for sustainable development according to the United Nations (UN)'s Sustainable Development Goals (SDGs) so that all sectors would be able to brave any emerging problems and challenges and embrace fresh opportunities that come with the Next Normal wave.

Mr. Arkhom further said that in view of sustainable development, Vietnam is an ASEAN member country which has a clear strategy to promote the use of renewable energy to bring about energy security and lessen dependence on fossil fuel in electric power generation with a view to control of pollution by relaxing investment rules and regulations and granting investment privileges, particularly taxation schemes, to attract foreign direct investment. Thai entrepreneurs' potential can well respond to demand under such circumstances with investment in development of renewable energy projects in Vietnam under supports from such a specialized financial institution as EXIM Thailand. EXIM Thailand is well positioned to proactively work in support for Thai entities to increasingly 'spread their wings' overseas leveraging on the Bank's expertise and knowledge base in development of financial innovations that can serve BCG businesses in Vietnam to a greater extent.

Dr. Rak Vorrakitpokatorn, EXIM Thailand President, said that amid the uncertainties and challenges of the Next Normal era, there are still ample business opportunities lying ahead. EXIM Thailand is fully ready to take risks by supporting Thai entrepreneurs in terms of both credit and insurance facilities for international trade and investment, covering foreign exchange risk, trade risk and political risk, and 'giving birth' to industries of the future including BCG ones, as well as supporting Thai investors with aspiration to 'go global.' EXIM Thailand has thus officially opened its representative office in Ho Chi Minh City in order to collaborate with both the public and private sectors under Thailand Team and to take part as EXIM Thailand Team under the Bank's role as "Thailand Development Bank" in conjunction with "One Stop Trading Facilitator for SMEs" with the mission to "reboot, restructure, rebalance and resynergize" as a joint development mechanism between Thailand and ASEAN on a sustainable basis in the backdrop of the ever-changing and challenging Next Normal environment.

EXIM Thailand President pointed out that Vietnam is one of the destination countries for the Bank's establishment of representative offices. EXIM Thailand has played a pivotal role in supporting origination of Thai trade and investment in Vietnam for over the past two decades. Investment projects under its supports covered a diverse range of businesses, such as clean-energy power plants, petrochemicals, wholesaling and retailing. In the first quarter of 2022, for the CLMV (Cambodia, Lao PDR, Myanmar and Vietnam) market, EXIM Thailand recorded the highest growth of loan approvals to Vietnam with outstanding loans amounting to 13,843 million baht, constituting a 65.65% year-on-year growth, out of total outstanding loans to the CLMV and new frontier markets of 51,554 million baht. Vietnam ranks no. 2 in the list of Thailand's major trade partners in ASEAN. Thai export to Vietnam is mainly to serve its industrial sectors' demand for raw materials and intermediate goods. Principal export goods to Vietnam are automobiles, parts and accessories, plastic resin, chemicals, air conditioners and components, and finished oils, while Thai investment in Vietnam is in diverse businesses, such as energy, industrial estates, manufacturing and processing, agriculture and fishery, banking, construction, wholesaling, retailing, hotels, restaurants, beauty clinics, transportation, logistics, and advertising. Thailand is the eighth largest foreign direct investor in Vietnam.

Dr. Rak further said that there are still plenty of new opportunities in Vietnam for Thai entrepreneurs in view of its large population of almost 100 million and average economic growth prospect nearing 7% per year, as well as the almost 3% economic growth even amid the COVID-19 crisis at present. Thailand and Vietnam have long been trade partners as both countries are situated in close proximity. This has attracted Thai SMEs to export their products with penetration of consumers by age range, of whom behavior and demand are in diversity. Vietnamese consumers are today increasingly health conscious, and those of working age have high purchasing power and prefer online shopping which has driven e-commerce market growth of as high as 35% per year. Meanwhile, with abundance of natural resources in Vietnam, the Vietnamese government has a policy to promote free trade and foreign direct investment. Vietnam has currently become a major country of destination for foreign investors, including Thai investors. Ho Chi Minh city is the main economic city, being the center of trade, services, finance and banking, technology, manufacturing and tourism, as well as the center of communication and location of modern industrial estates and Saigon Port which is the largest port in Vietnam. The city's economy of scale ranks among the top of the country and the economic growth is higher than the country average.

On this occasion, EXIM Thailand signed a credit facility agreement with the Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV), worth USD 100 million, for BIDV's use as working capital, support of Thai export of goods to Vietnam and sharing of information beneficial to enhancement of opportunities for expansion of Thai-Vietnamese trade and investment, along with exchange of business operation experiences between Thai and Vietnamese entrepreneurs.

"EXIM Thailand has completely opened four representative offices in the CLMV. This has reflected the priority we have given to Thailand's neighboring and Greater Mekong Subregion countries so that we would be able to join hands with one another in coping with global changes and bringing about fresh opportunities. This aims to pave way for mutual sustainable development in economic dimension in linkage with social and environmental dimensions, and enable assistance to and relief for troubled businesses, creation of industries of the future and 'brand-new' economic warriors, arming of entrepreneurs of all sizes including small manufacturers and exporters with necessary know-how and facilities, and resynergizing Thailand and alliances to ensure their long-term resilience and firm and sustainable growth," added Dr. Rak.

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Corporate Branding and Communication Department