

A Vision for Thailand: Toward the Year 2000
A keynote Address by Mr. Anand Panyarachun
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Khunying Thongthip, Dr. Edger, Mr. Vanderloo, our Friends from the University of Calgary, and Participants:

Normally, when a speaker comes up to the podium and delivers an address, he or she, whatever the case may be, would normally thank the hosts for having invited him and accorded the honour to be a guest speaker. Well, I must confess that I cannot honestly say that I'm too delighted to be here, in a sense that there comes a time in your life when you try to keep a rather low profile. But with the feminine charm and the friendly persuasion from Khunying Thongthip, I found it practically impossible to resist the approach, and as a result, I stand here before you. Now that I am up here, I cannot help but be reminded of a remark made by Zsa-Zsa Gabor's sixth husband, when on the eve of his wedding to Zsa-Zsa Gabor, he was asked by a reporter how he felt about the wedding the next day. "Well, I think I know what is expected of me. The problem is how to make it interesting!"

You may have noticed that in recent months, the whole nation of Thailand is in a sort of euphoric mood. Not a week passes by without someone standing up and saying that we are going to become a NIC in three years time or five years time. I think only last week, there was another seminar, and a number of distinguished speakers emphasized the same theme. They talked about the future of Thailand toward the year 2000. They listed the problems that we would be facing, but they're all very bullish about our country. A couple of years ago, I think that people were still a little uncertain. The recognition given to Thailand mostly by outsiders, by foreigners, has helped to convince the Thai people and particularly the government, that yes, perhaps there is something about this prediction of the future of Thailand. If you look back at the development in the past two decades, one must admit that we have come a long way. I still remember the time in the 60's when we were still not quite sure whether we would survive internally. We were facing frequent numbers of coup d'états, military takeovers, and political in-fightings. Externally, the environment was very uncertain, with the Vietnam War and the communication of Laos and Kampuchea in the 70's. So, the periods in the 60's and 70's were decades of grave concern for Thailand. Somehow we managed to survive. We plodded along. The government, perhaps in its own style, did a few good things intentionally or otherwise. The economy was diversified. Political stability was gradually - brought in. The financial stability was, of course, the order of the day. There was no self-indulgence. The Thais were not particularly prone to creating "white elephants". We did not - overspend.

Cynically, we might say that, yes, we did not over-spend because we could not make quick decisions to undertake big projects in the 70's or in the early 80's. As a result, because of that rather fortunate in-action, we did not build up the debts that many developing countries did in the early 80's. We're now starting on a grand scale: the Eastern Seaboard development, the National Petrochemical Complex Phase I is coming up. The NPC II is on the way.

The economy of Thailand has been transformed rather drastically from an agrarian society in the early 50's into import-substitutions, into processing, into agro-industry and into light manufacturing. In the 90's, we can look forward to much larger projects, more complex projects and considerably much larger capital-intensive projects. The question is "Are we really convinced of this future of Thailand?" It's not for me to answer the question. I have long believed, that somehow or other, the fact that Thailand has been able to survive as an independent nation for nearly 800 years, against all odds, against the major colonial powers, must be due to something that we did right in past centuries. Perhaps some of the inherent assets that we possess are not even realized by the Thai people themselves, or otherwise, how could one explain that we have been able to survive and to prosper moderately for several hundred years.

I happen to believe that in Thailand, within our society, there is a fundamental strength. You can talk about the importance of the monarchy; you can talk about the homogeneity of our society. You can talk about the soothing effect and the tolerance of our religious teachings. You can talk about the absence of racial strife or religious conflicts. You can talk about the good fortune that we have: the natural resources, the human resources, the fact that we are not affected by major natural disasters like earthquakes, cyclones, typhoons, and what-not. You can talk about a country with a relatively large land area with plenty of water, with plenty of forests (I beg your pardon!). We can talk about the adaptability of the Thai people, the pragmatism and the ability to improvise. I think the Thais have somehow demonstrated these capabilities without having to go through MBA courses or business schools abroad. The pragmatic approach, the ability of the Thais to roll with the punches, to adapt to new circumstances and to respond to the changes that take places everyday. I call it "the improvisation." Some people may say "the advocacy". To me, that is also an asset, because, without having been colonized, we did not inherit any proven system of a former colonial master. We built up our own civil service system. We built up our own business system. We try to build up our own trade union system. We are not bound or constrained by past practices or past systems. We can afford to be innovative; we can afford to be a little bit more daring. So it's a combination of pragmatism and systematic approach that one has to look for in the future, and the reason is very simple, because of the rate that Thailand is going.

I still remember a few years ago when there was a down-turn, in the world economy and all the commodity prices were going down as a whole, and when the global trading volume expanded less than one percent. Even countries of

such sophisticated system and systematic approach like Singapore, with all the scientists and engineers and managers that they had, and still have, registered a negative growth in 1984. That year, Thailand somehow managed a 2.8 % annual growth. That was the year that the world started to look at Thailand seriously, and began to ask the same question that I alluded to in the beginning: "What was it that made Thailand "tick"? I think the Thais had not that reputation of being good planners like the Koreans. The Thais not be as productive as the Japanese or the Taiwanese. The Thais not have the reputation for working things out systematically. But somehow we got through. That was the turning point.

Since then, the prediction that Thailand was going to be "the dark horse" of this decade. Now the prediction that after the four newly-industrialized economies, Thailand is going to be the next one. I personally am not too concerned whether we're going to be a newly industrialized economy, or not, because after all, what is the yardstick? Is it per capita income? Is it a percentage share of the manufacturing sector to the total GDP? Is it the rate of export growth? No, I don't think figures mean very much. Winston Churchill once said that there were three kinds of lies, "Lies, damn lies and statistics". So I don't think that the Thai should be so overly concerned whether to become a NIC or not. I think, rather, we have to, we need to, create a new scenario, a scenario which will take into account the quality of life of the people, the more equitable distribution of income among people, the combination of agriculture and industries, a way to develop a new democratic system which would suit its own genius. Look around, the four NICs, Taiwan, Hong Kong, Korea, and Singapore. I had a choice, I would not volunteer to be one of them. I think in our case, we have a much larger stake. We have assets, which do not exist, in those four countries. Of course, we have problems, which do not exist in those four countries either. But problems are created to be solved here we have a large domestic market, one which is larger than Singapore, Taiwan or Hong Kong. In Thailand, a food-surplus country, something, which cannot be, claimed by the other four. It will remain a food-surplus and a food-exporting country. It is essential that the agricultural sector not be neglected.

Now for the first time in the region, a "wind of change is blowing". I'm using the words of our Prime Minister. Things are moving very rapidly around the world. It is no longer the free world versus communism. Ideological conflict is gradually decreasing. Yes, ideological rivalry is still there. The communist system has a built-in destructive process. It is just not working, it is not functioning politically and economically, so out of necessity it has to turn to other alternatives. In recent years, the words most frequently used are "Perestroika" and "Glasnost". These two words are becoming fashionable in every communist country. Naturally, each country has its own problems. The pace of change of those countries towards a more open society, towards a market-oriented economy is going to be different. We wish them well, we wish them success. Whatever the case may be, the trend is irreversible because war is no longer a valid or a viable alternative to peace.

Governments, whatever their systems, whatever their preferences, have now realized that the most important thing in life for their own survival as a system, is to try to furnish the needs of their people. I think for the first time in many decades there is hardly any fighting war going on. I am talking about fighting war in the classical sense of the word, trying to acquire territory or trying to overthrow a certain system. Even though areas of conflict are still there, the Middle East, South Africa, Central America, and a few other places. Now people talk about economics and development. People talk about consumer goods. People talk about infrastructure. People talk about industries and factories. So here we have a new environment, an environment which exists now in 1989 and is likely to remain up to the year 2000 and beyond. One that economics has taken over politics. External environment is becoming more and more conducive to faster growth, to expanding economy, to expanding global trade volume, and also to the inter-dependency of all nations.

What about in Thailand? Here again, either by design or otherwise, we have been able to maintain this political stability, and that political stability is going to continue in spite of the fact that you will hear more and more constructive criticisms in parliament or outside parliament. These are part and parcel of the democratic process. Here, we are moving into a new era, an era which needs a more thorough preparation than what we had in the past. From now on, we are not going to deal with industries or with projects of 20 million Baht or 40 million Baht. We are not going to deal with projects, which employ thousands of people using relatively cheap, but productive work force. We are not going to deal with projects, which are unsophisticated. Instead we are going to deal with projects using up thousands of millions of Baht or tens of thousands of millions of Baht. The question is, if you are confronted with that kind of situation, and in order to sustain that kind of development, can we in Thailand afford to make use of only the past practices and past systems? To me, the answer is "No", we cannot. I think we have to think bigger, we have to dream bigger, and we have to prepare ourselves. We have to prepare ourselves because these large projects need careful preparation, be it in terms of feasibility study, be it in terms of planning, of execution of the projects or commissioning of the projects. These projects are not exclusively tied down to the domestic market, so we also have to know more about the world outside Thailand. I refer to inter-dependence. That word was used when I was stationed in New York, in the United Nations, twenty years ago. We were all paying lip-service to that concept. Inter-dependence is no longer a concept. It is now a reality, a reality which will be the governing force in future decades. In our region, with the domestic market of 60 million people, if peace should return to this area, then you have Vietnam with a population of 70 million people. We have Burma with 40 million people. We have Laos. We have Kamnpuchea. The location of Thailand is just right, as the centre for manufacturing as a regional centre for trading activities, and as a regional centre for service industries because Thailand provides the gateway to all these countries.

I referred earlier to the transformation of our economy. I have talked about the very rapid development and modernisation of our country. I have also mentioned that, along the way, there would be problems. We are all familiar with the problems that we are now facing and some of the problems that are going to be worse in the next few years. The inadequacy of the infrastructure, the shortage of technical personnel, and “what-not”. These problems can be resolved. I’m certain of that. The main thing is that, with the new economy that we’re going into, there is a need to prepare ourselves psychologically, because the problems that businessmen or government people may be facing in the future years will be more complex, will be more involved, and perhaps need a slightly different approach to tackle them. The name of the game is management.

We in Thailand, while we must not lose sight of the assets that we have, we must also open up our minds to new systems. It has to be a combination of the old and the new in the area of management of our economy, of our finance. We did not do too badly on the management of our democratic process. We did rather badly, and we’re still doing rather badly, on the question of management of resources, of natural resources and human resources. We have not been doing too well in the area of management of the environment, and waste. We have to learn now, the new are of management of technology. We have to learn to manage the quality of technology and level of our productivity. We have to learn to manage the quality of life of our people. In one simple term, what we have to try to learn is how to **manage change**.

We’re living now in a very exciting and challenging period. Political developments, outside and inside Thailand, are moving very fast. The inter-action between politics and economics will also be an essential feature in the thinking of businessmen of the future. We have to cope not only with the economic changes, but also with the changes in the trading systems and trading practices. We also have to cope with the political changes, economic growth and informatics. Are we in Thailand sufficiently equipped to take up this opportunity and challenge? Yes, I think we are. The seminar provides one example of this kind of preparation. It is the beginning of the process. With vision, commitment, and determination, we the Thais can rise to the occasion. We can strive to become truly and effectively a part of this exciting and challenging time. So without further ado, let’s get on with our immediate task, the beginning of the process, to transform this vision into a reality.

Thank you very much.