



Thai Institute of Directors

*Enterprise with Integrity*



# Thailand 4.0 : Doing Business with Integrity

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**7 March 2017**

- **Economy driven by technological change and innovation**
- **Effects of technology are economy-wide**
- **The challenge is to manage the opportunities and the disruptions that come with technology change**
- **This entails adjustment and reform**

## 1. Knowledge and Capabilities

- Education
- Access to Opportunities
- Freedom of Speech

## 2. Productivity-Enhancing

- Property Rights
- Efficient Market
- Equality and Inclusiveness

## 3. Governance

- Effective Rule of Law
- Transparency in Government
- Responsible Businesses

# How to Strive for Better Governance?



## Legislative Amendments

- **Enactment of the Class Action Act**  
effective December 4 , 2015, facilitating minority shareholders to launch lawsuit against company/directors
- **Securities and Exchange Act (SEA) amendment** - civil-sanctioning powers & provisions on market misconduct
- **Strengthen Anti-Corruption Law** to take action against companies that paid bribes



## Launching New Code

***Corporate Governance Code  
(CG Code)***

***Investment Governance Code  
(I Code)***

## Knowledge

### Director Programs

- Directors Certification Program
- Risk Management for Corporate Leader
- Driving Company Success with IT Governance
- Strategic Board Master Class

### Independent Director

- Chartered Directors Program

### Forum & Conference

- Chairman/Director/Audit Committee Forum
- National Directors Conference

### Best Practices/Survey

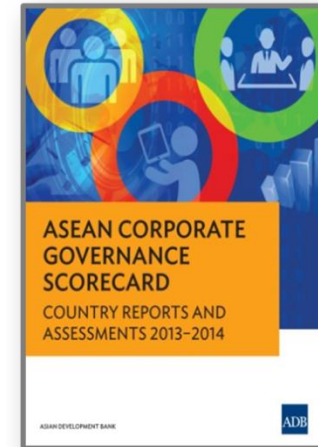
- Director Nomination/Compensation Best Practices
- Director Compensation Survey



## CG Assessment



CGR



ASEAN CG Scorecard

## Board of the Year Awards



## The Thai Investors Association (TIA)

- AGM Evaluation Checklist – Develop AGM Checklist System
- Statement on CG Concern of Listed Companies’ practices
- Send qualified volunteers to attend all listed companies’ annual general meetings and ask about CG and anti-corruption policy and practices.

## Thai Institutional Investor



Fourteen asset management firms will separately launch mutual funds to invest in companies that comply with good corporate governance (CG) and are on the CG list (SET Sustainability Awards).



26 asset management companies and 27 insurance companies announcing the intention to bring “I Code” into practice



# Better Governance through Collective Action



*“To put good CG into practice through companies adopting clean business policy and high compliance standard”*

## Collective Action Coalition of the Private Sector against Corruption (CAC)

- Anti-Corruption training Programs
- National Conference on Collective Action Against Corruption
- Anti-Corruption business Survey
- Advocacy for improvements in government’s policy and processes



## CAC Companies

**807** Companies - Signatory Companies\*



**373** Listed Companies

**434** Non-Listed Companies

**200** Companies-Certified Companies\*

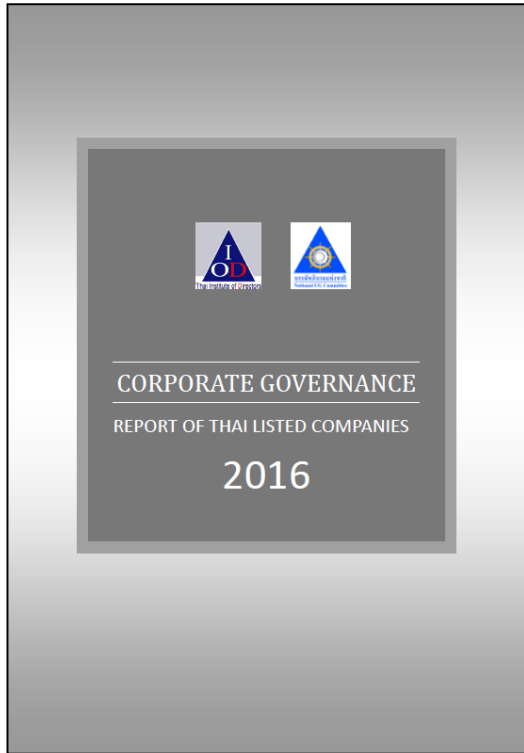


**121** Listed Companies

**79** Non-Listed Companies

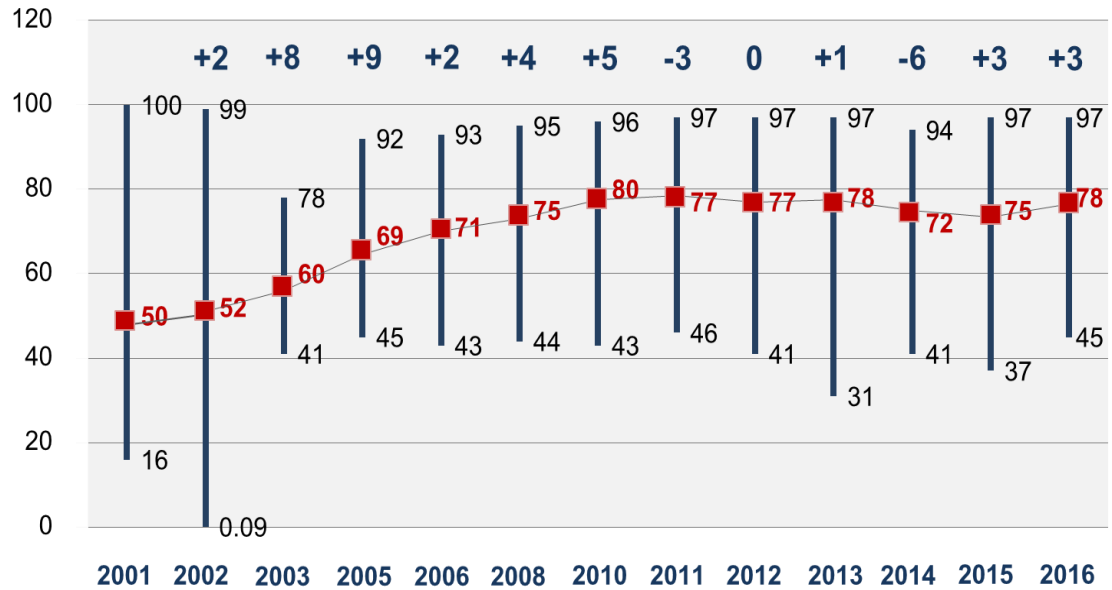
\* As of 15 Feb 2017

## Thai Institute of Directors (IOD) CGR Scores



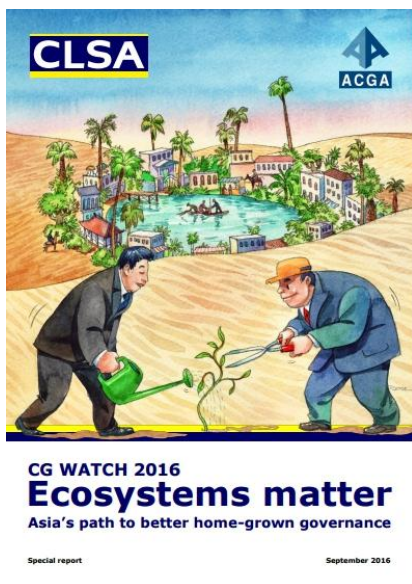
CG Score by Category

■ = Average



Source: CGR 2001-2016, Thai IOD

## CG Watch - Asian Corporate Governance Association (ACGN) - CLSA Asia-Pacific Markets



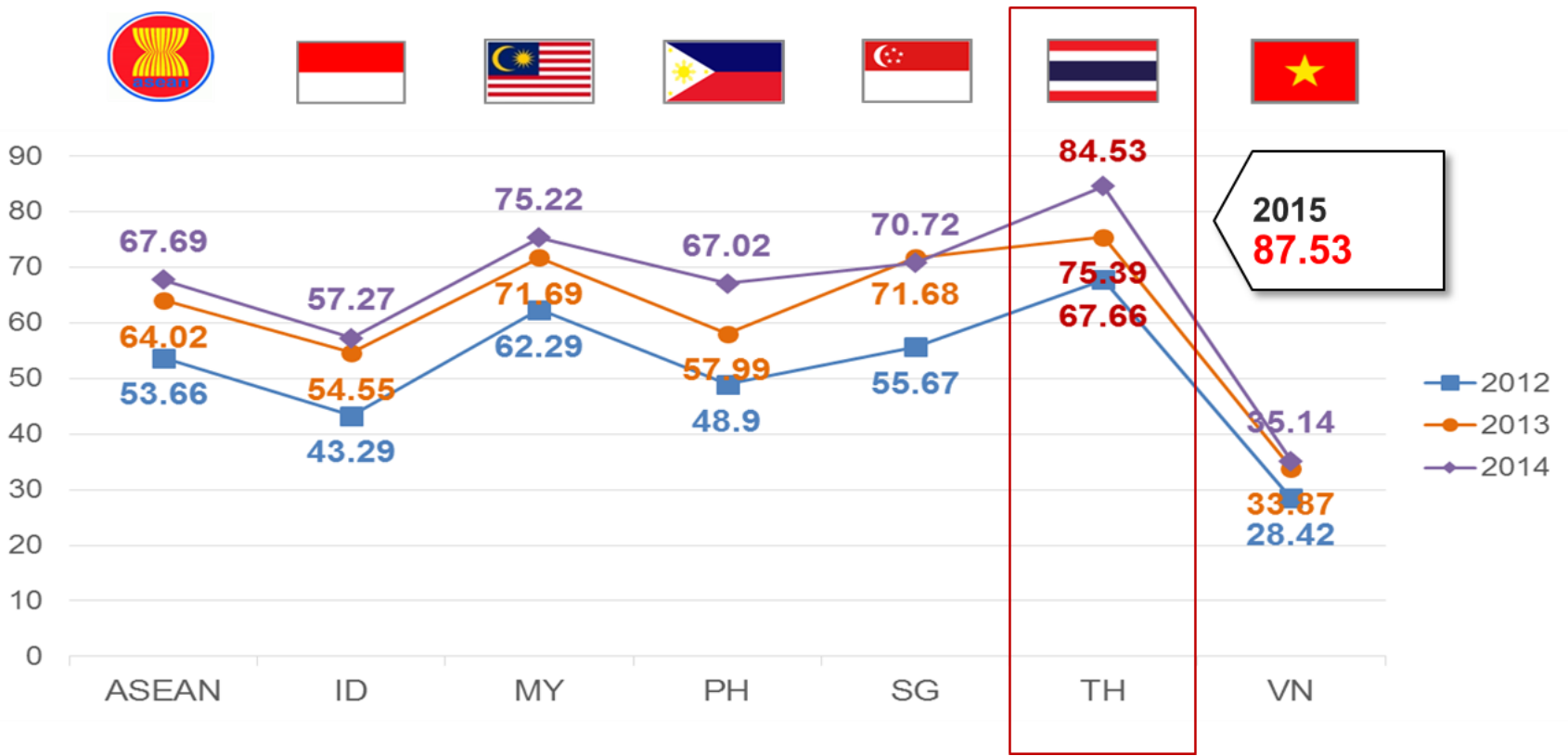
CG Watch market scores : 2007 to 2016				
2007	2010	2012	2014	2016
1. Hong Kong (67)	1. Hong Kong (67)	1. Singapore (69)	1. Hong Kong (65)	1. Singapore (67)
2. Singapore (65)	2. Singapore (65)	2. Hong Kong (66)	2. Singapore (64)	2. Hong Kong (65)
3. India (56)	3. Japan (57)	<b>3. Thailand (58)</b>	3. Japan (60)	3. Japan (63)
4. Taiwan (54)	<b>4. Thailand (55)</b>	4. Japan (55)	<b>4. Thailand (58)</b>	4. Taiwan (60)
5. Japan (52)	5. Taiwan (55)	5. Malaysia (55)	5. Malaysia (58)	<b>5. Thailand (58)</b>
6. Korea (49)	6. Malaysia (52)	6. Taiwan (53)	6. Taiwan (56)	6. Malaysia (56)
7. Malaysia (49)	7. India (49)	7. India (51)	7. India (54)	7. India (55)
<b>8. Thailand (47)</b>	8. China (49)	8. Korea (49)	8. Korea (49)	8. Korea (52)
9. China (45)	9. Korea (45)	9. China (45)	9. China (45)	9. China (43)
10. Philippines (41)	10. Indonesia (40)	10. Philippines (41)	10. Philippines (40)	10. Philippines (38)
11. Indonesia (37)	11. Philippines (37)	11. Indonesia (37)	11. Indonesia (39)	11. Indonesia (36)

Source: CG Watch 2007-2016, ACGA

# ASEAN CG Scorecard: Thailand



## ASEAN CG Scorecard - ASEAN Capital Markets Forum (ACMF) - Asian Development Bank (ADB)

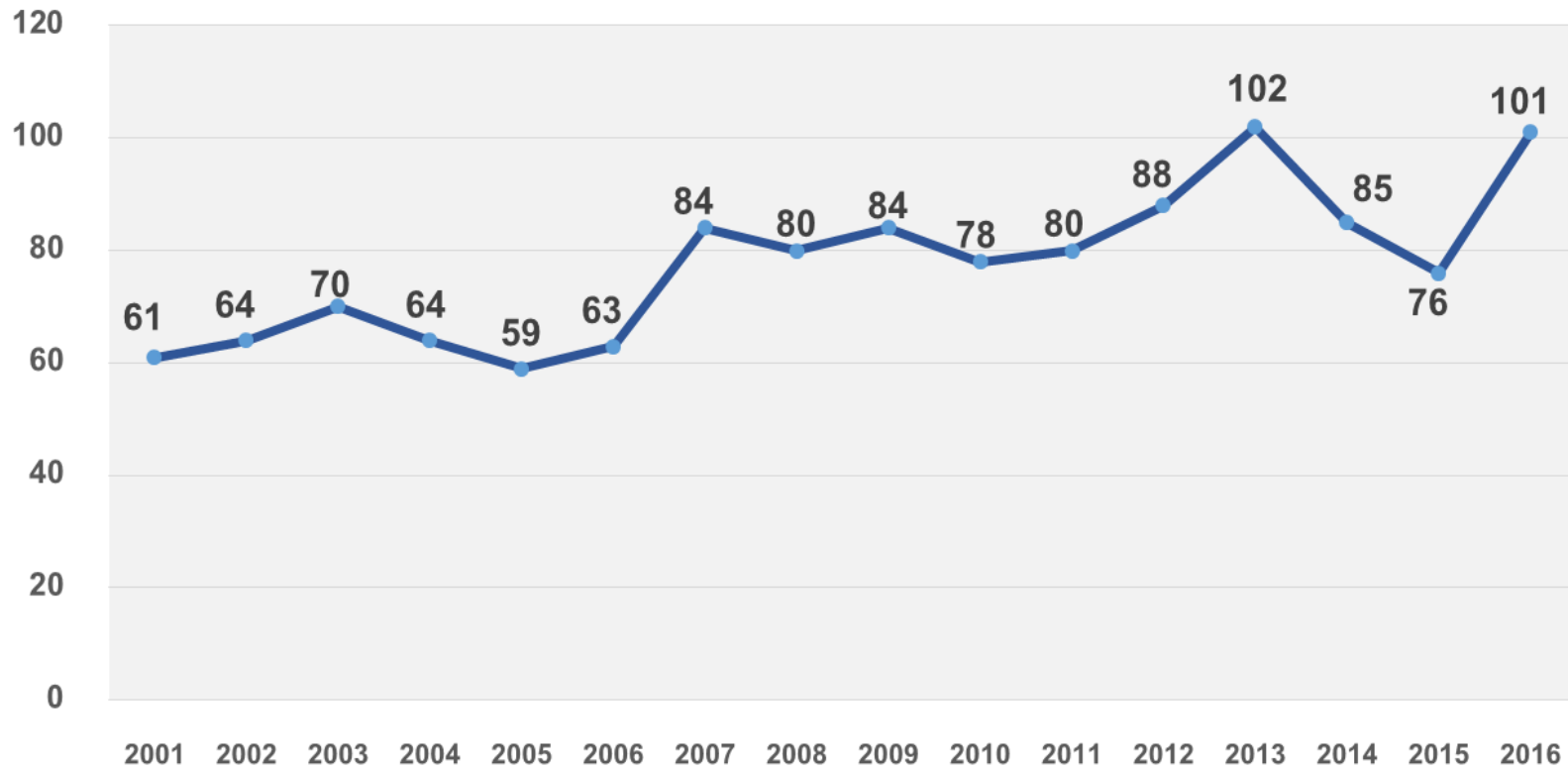


Source : ASEAN CG Scorecard 2015, ADB



## CPI - Thailand

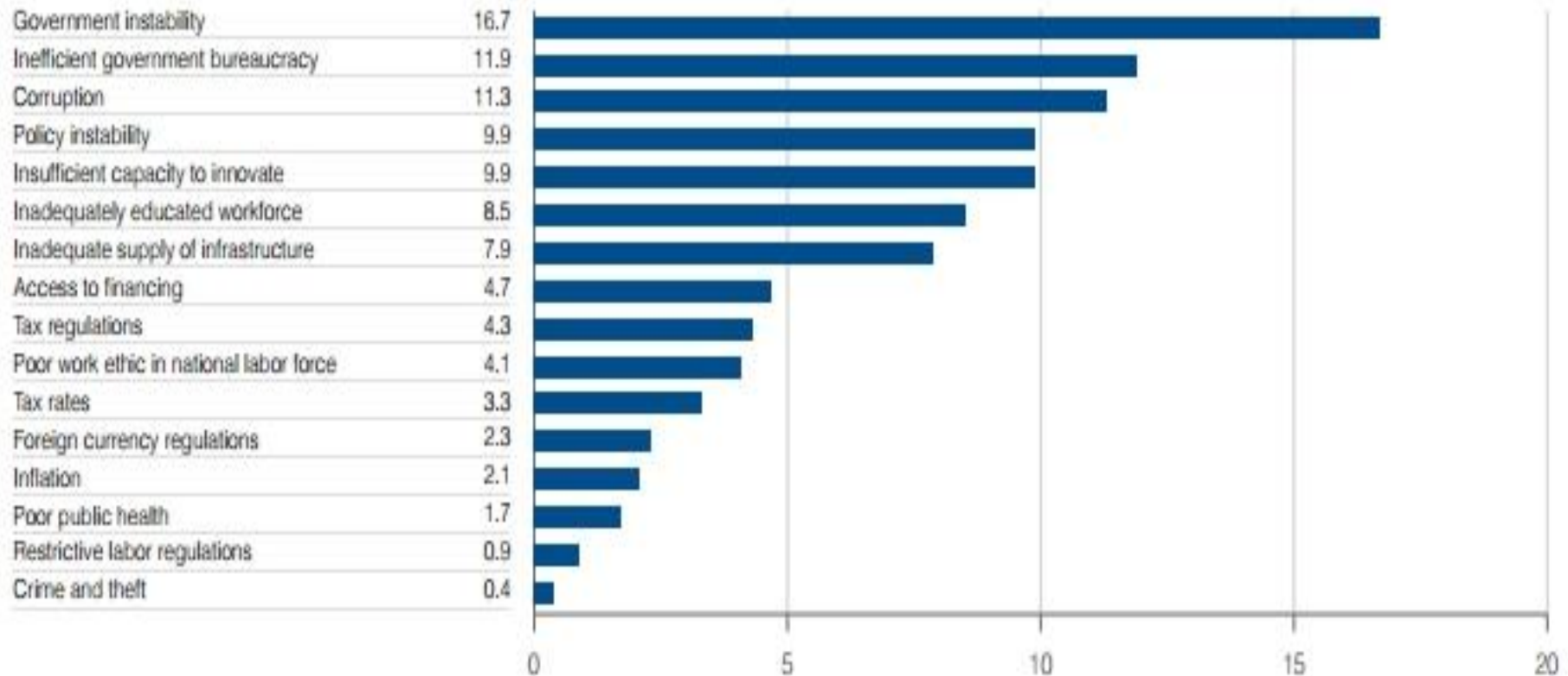
*(Higher number = more corruptions)*



*Note: Transparency International Corruption Perception Index, surveyed from business people and country analysts*

## Most problematic factors for doing business

Source: World Economic Forum, Executive Opinion Survey 2016



Source: The Global Competitiveness Report 2015-2016

@ 2016 World Economic Forum

- **Thailand has made a steady progress in corporate governance since the 1990s, but more remains to be done.**
- **Continued problem of corruption reflects ongoing weaknesses in the country's governance.**
- **The task ahead is to rebuild governance, which must be done at private and public sector levels, through effective rule of law, greater transparency, and bureaucratic reform.**
- **The private sector must be part of the solution, supported by an active civil society.**



# Q&A