



Thailand Direction to AEC

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President & CEO of SCG

เส้นทางประเทศไทย...สู่ประชาคมอาเซียน จัดโดย สำนักงานคณะกรรมการพัฒนาการเศรษฐกิจ และสังคมแห่งชาติ
16 กันยายน 2556, 10.00 – 12.00 น.



SCG Regional Expansion

Thailand... Getting Ready for AEC

AEC & Beyond ...

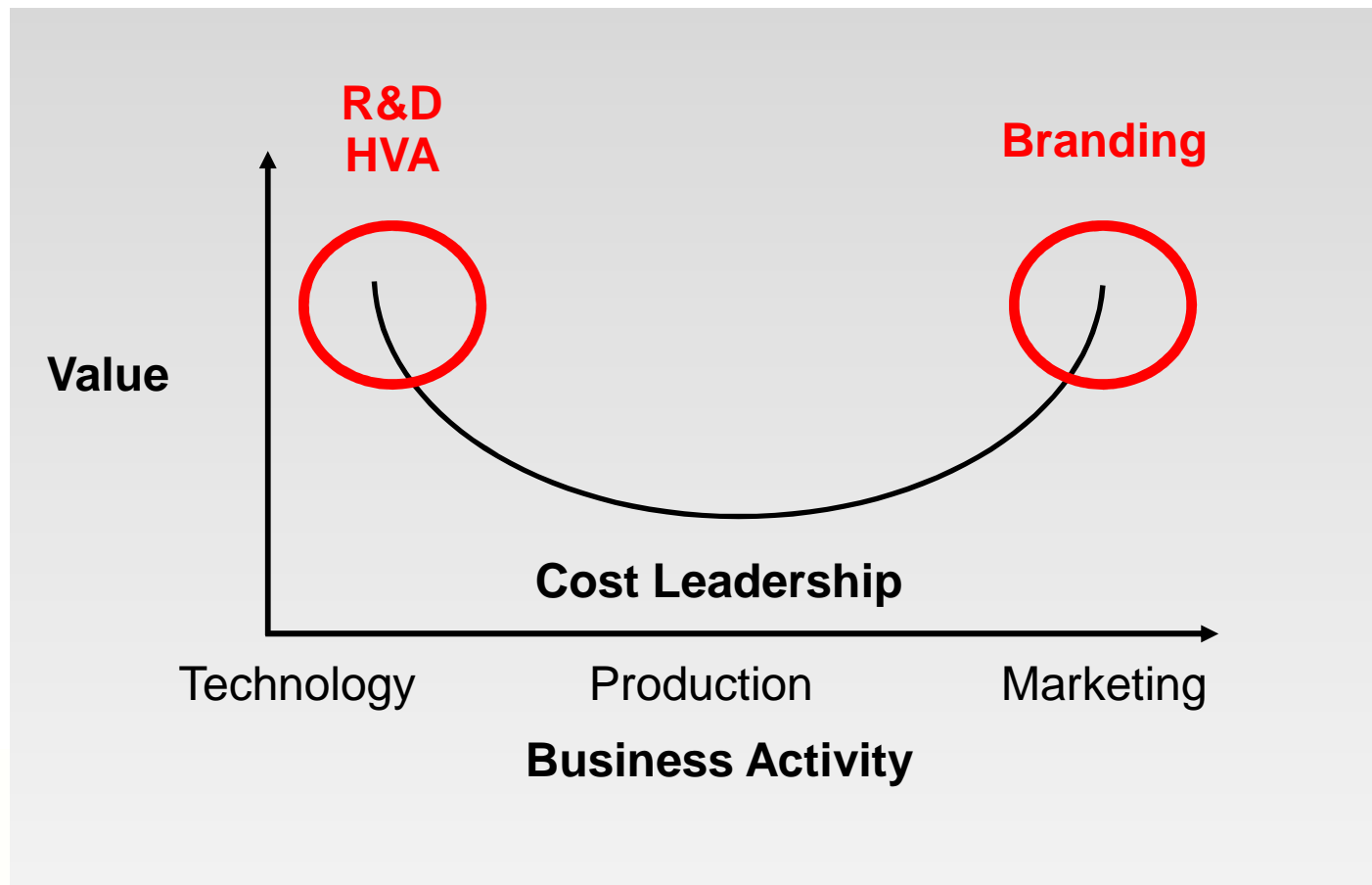
SCG

Regional expansion



Sources of Competitiveness

Marketing & Technology will play increasingly important roles,
compared to production.



SCG Competitive Landscape

	The Old Playing Field	The New Playing Field
Territory	 <p>Domestic</p>	
Product	 <p>Commodity-based</p>	 <p>HVA Products & Services</p>
Focus	 <p>Cost Leadership</p>	 <p>Innovation & Technology, Brand, Social Media, Green Initiatives</p>

GoRegional

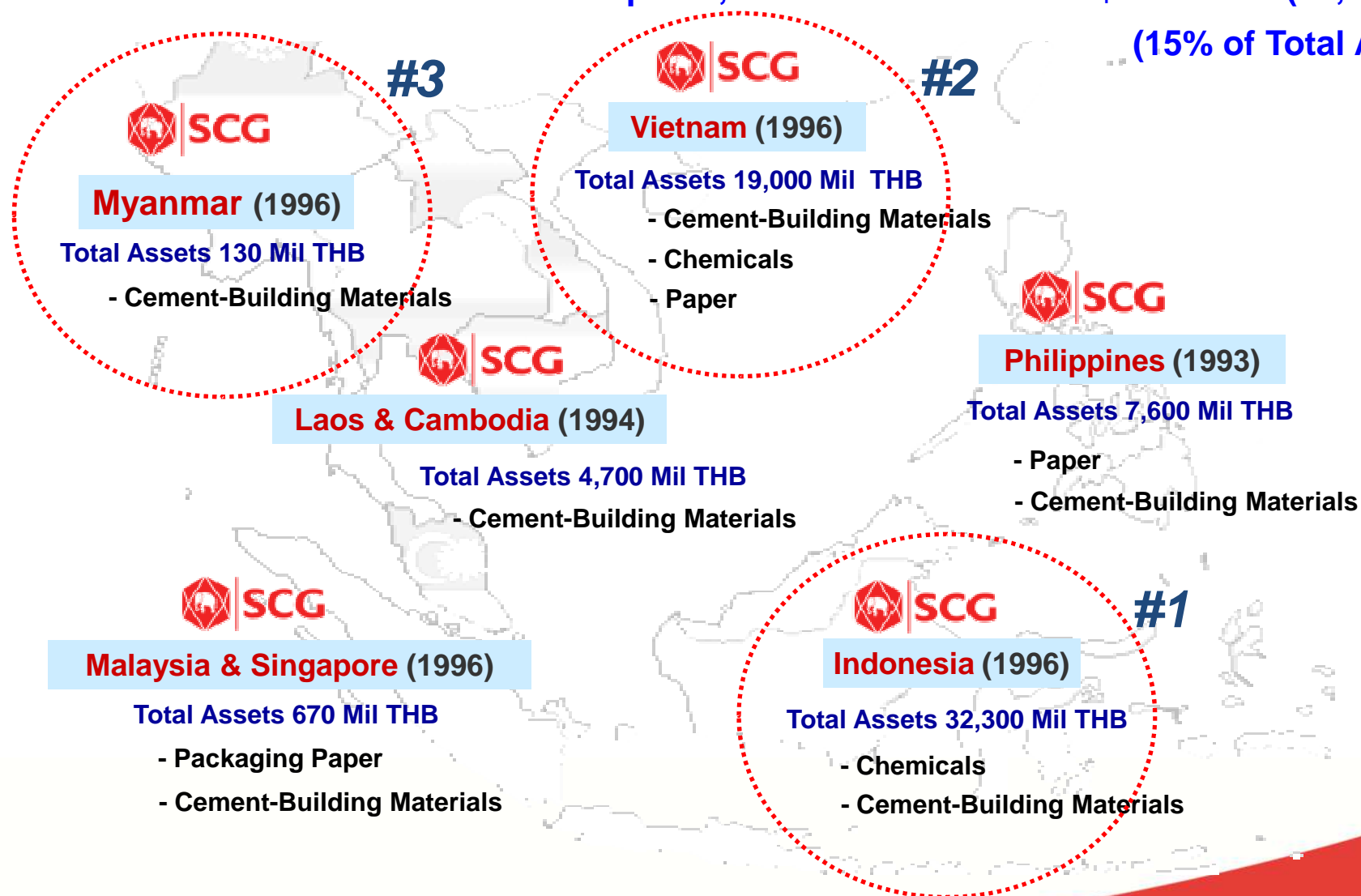


ASEAN

- ✓ Population of 600 M
- ✓ GDP growth 5-6%
- ✓ Familiar market
- ✓ Low capita consumption of basic products

Regional Operations - Assets in ASEAN

Latest update, total ASEAN assets = \$2.1 billion (64,400 MB)
(15% of Total Assets)



SCG Manpower: 47,673 persons

Regional staff: 31% of total staff



SCG International Staff: 291 persons



SCG Staff in Overseas Operations: 14,611 persons

Indonesia	6,091	Philippines	1,152	Myanmar	123
Vietnam	6,458	Cambodia	442	Others	345



“R&D related job for HVA” Staff: 1,274 persons



PhD: 72 persons



*As of June 2013
* Consolidated basis*



Thailand... Getting Ready for AEC

Thailand...Getting Ready for AEC

Dissemination Strategy for Sustainable Success

Human Resource (HR)

Economy

Society

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Human Resource Development

Preparing to Capture Opportunities from AEC

- Adjusting mindset towards international perspectives
- Developing training programs in
 - Professional skills &
 - **Language** skills i.e. English and Third languages
- Increasing workforce in science & technology, tourism, and hospitality management



SCG Practice for Regional Expansion: HR

HR Challenge 1

**Cross-cultural diversity
& How to prepare and encourage
Thai staff to go overseas**

What we do

- **Training and development**
- **New HR practice & mindset**
- **Attractive compensation package**

SCG Practice for Regional Expansion: HR

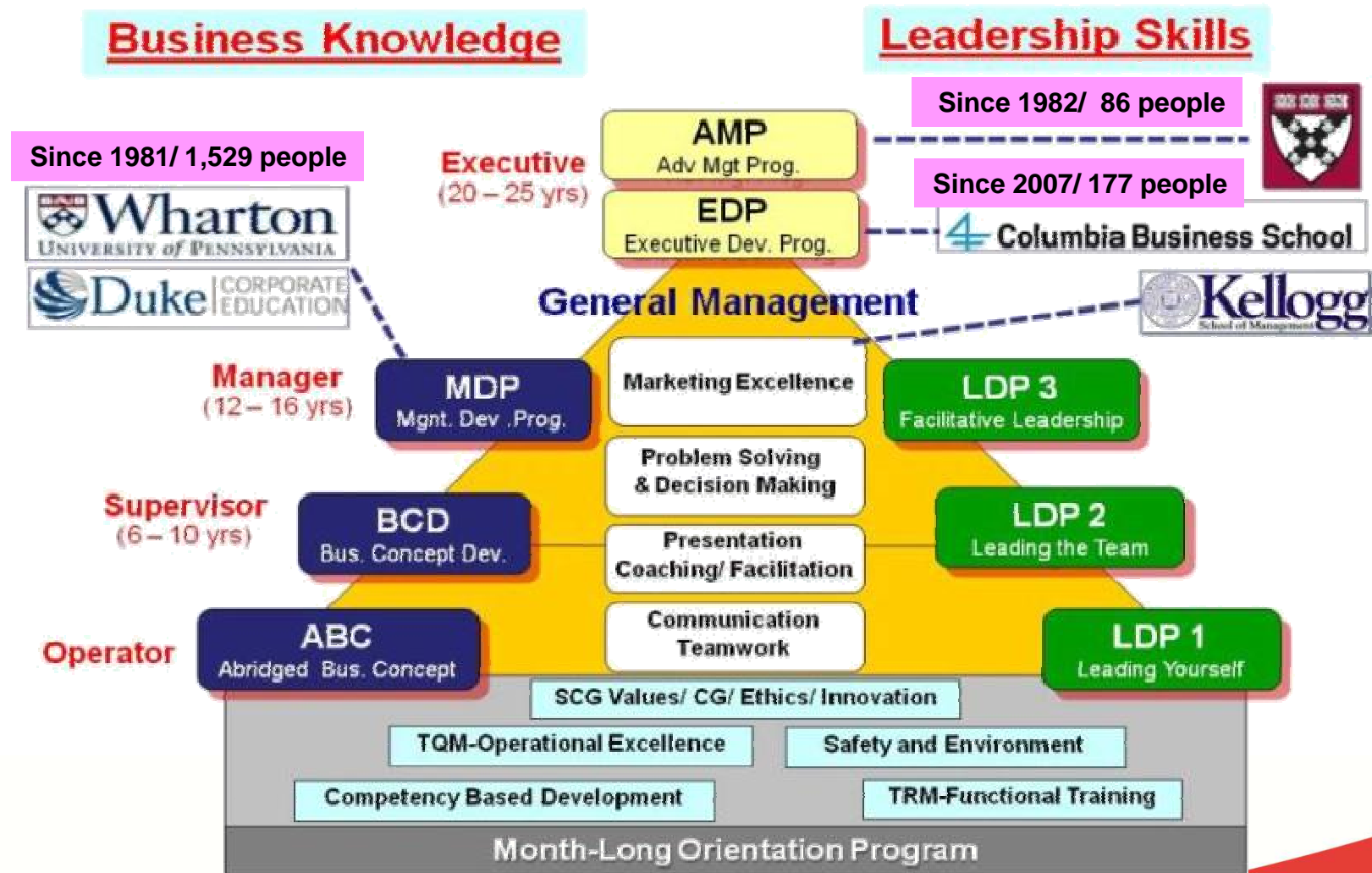
HR Challenge 2

Local Staff Engagement

What we do

- **Training and development**
- **Country HR Committee**
- **Career advancement**

Learning and Development Practices



SCG Scholarship: Total 456 scholarships granted since 1973

MBA						Engineering and Specialist														
US		'09	'10	'11	'12	'13	US		'09	'10	'11	'12	'13	EU		'09	'10	'11	'12	'13
	Harvard	-	-	-	-	-		MIT	1	-	-	-	-		Oxford	1	-	-	-	-
	Chicago	-	-	-	-	-		Stanford	-	-	-	-	-		Imperial College	1	1	1	-	1
	Stanford	-	-	-	-	-		UC Berkeley	-	-	-	-	-		RWTH Aachen	1	-	-	-	-
	Wharton	1	1	-	1	1		Alfred U	-	-	-	1	2		U of Loughborough	-	-	-	2	-
	MIT	2	2	1	-	1		Illinois	-	-	-	-	-		U. of London	-	1	-	-	-
	Columbia	-	-	2	2	-		Cal Tech	-	-	-	-	-		CU-Warwick	-	1	4	-	1
	UC Berkeley	-	-	-	-	-		Georgia Tech	3	1	-	-	-		Queen Mary (UK)	-	1	-	-	1
	NYU Stern	-	-	-	-	1		Carnegie Mellon	-	2	2	-	-		Queen's U. Belfast (UK)	-	1	-	-	-
	Kellogg	2	3	-	1	-		Michigan	1	-	-	-	-		U. Of Southampton (UK)	-	1	-	-	1
	Dartmouth	-	-	-	-	-		NYU	-	-	1	-	-		U. Of Stirling (UK)	-	-	-	-	1
	Michigan	1	1	-	2	-		Northwestern	-	-	1	-	-		Brunel U. (UK)	1	-	-	-	-
	Duke	-	1	1	-	1		Southern Calif	1	-	-	1	-		UEC, Birmingham (UK)	1	-	-	-	-
EU	IMD	-	-	-	-	1		Penn State	1	1	-	-	-		U. Manchester (UK)	-	-	-	1	-
	LBS	1	-	-	1	-		Texas A&M	-	-	-	1	-		Cranfield (UK)	-	-	1	-	3
	INSEAD	-	1	-	1	-		Tennessee	-	-	1	-	-		U. Aberdeen (Scotland)	1	-	-	-	-
	ISB (India)	-	-	-	-	-		Washington	-	1	-	-	-		U. Dundee (Scotland)	1	-	-	-	1
	Tsinghua	-	-	-	-	-		W. Michigan	1	-	-	-	-		IFP School (FR)	-	1	-	2	1
ASIA	CEIBS	-	-	-	-	-		U Mass Lowell	1	-	-	-	-		Domus Academy (Italy)	1	-	-	-	1
	HK UST	-	-	1	-	1		Wisconsin-Madison	1	-	-	-	-		Royal Institute of Tech (SWE)	-	-	1	-	-
	Sasin	1	2	-	-	1		North Carolina	-	-	-	-	-		Tech U. Munchen (Ger)	-	-	-	-	1
	Total	8	11	5	8	7		Portland State	-	-	-	-	-		Adelaide (AUS)	-	-	-	-	1
								Purdue	-	-	-	-	-		Tokyo Int.	-	-	-	1	-
								Clemson (SC)	-	-	1	-	-		UEC (JAP)	-	-	1	-	-
															Waseda U. (JAP)	1	-	1	-	-
															U. Tsukuba (JAP)	-	-	1	-	-
															Ceramics Tech. (JAP)	-	1	-	-	-
															Japan Advanced Int.	-	-	-	1	-
															Int. Supply Chain Innovation (Malaysia)	-	-	-	-	1
															AIT	-	1	-	-	-
															Total	19	14	16	10	16
Note: 341 scholarships are active, others have mostly retired																				

Note: 341 scholarships are active, others have mostly retired
Current 60 students (59 overseas): MBA 14, Engineering 38, Specialist 8

Note: as of Aug13

Thailand...Getting Ready for AEC

Dissemination Strategy for Sustainable Success

Human Resource (HR)

Economy

Society

SCG Practice for Regional Expansion: Economy

Economy Challenge

- **FX / Currencies**
- **Region security & stability**
- **Collaboration & *ASEAN SPIRIT***

What we do

- **FX Committee**
- **Hedging**
- **Risk Management**
- **Strengthen Good Relationship
with Local Stakeholders**

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Society

SCG Practice for Regional Expansion: Society

**Society
Challenge**

Local Community Concerns

What we do

- **Corporate Social Responsibility**
- **“SCG Sharing the Dream”**
 - More than 1,000 scholarships per year
 - Vietnam, Philippines, Indonesia, Myanmar

We are a part of community



- **SCG Sharing the Dream Project**

- ✓ **Scholarships**

- in Vietnam and Philippines since 2007
- more than 2,500 scholarships granted

Vietnam 2007-2010 = 350 per year

2011 = 400

Philippines 2007-2011 = 100 per year

Indonesia 2012 = 200

Myanmar 2012 = 99

- ✓ **Playground**

- Hong Van Thu Park, in HCMC, Vietnam

- **Disable Children's School Renovation**
in Baria Vong Tau, Vietnam



AEC & Beyond...

Thailand Direction to AEC

Moving towards becoming...



Branded HVA Country

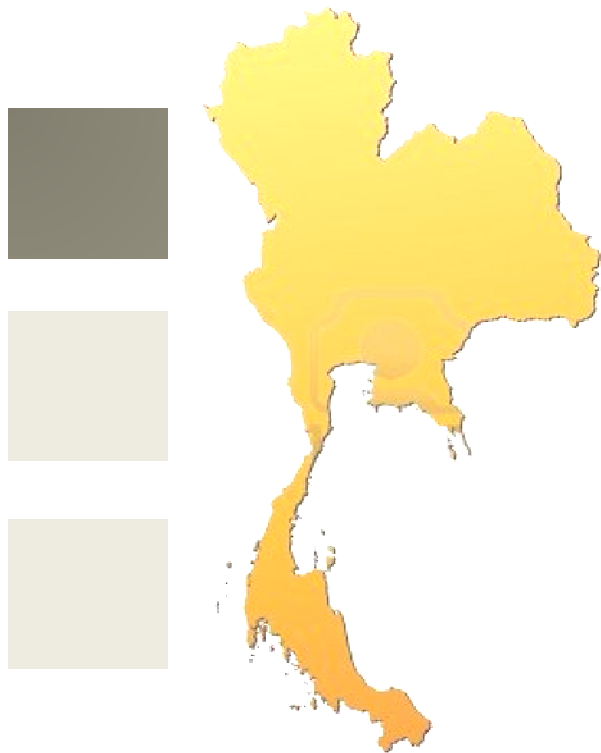
R&D, Innovation and IT

Sustainable Development

*To be **Sustainable Thailand**, together we can.*

Thailand Direction to AEC

Moving towards becoming...



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Sustainable Development

To be Sustainable Thailand, together we can.

Country Level

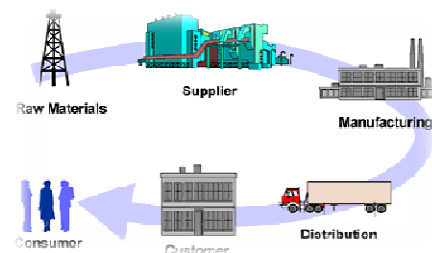
Brand of Thailand

- **Innovative & Creative**
- Welcoming & Collaborative
 - **Fairness**
- Superb Services & Hospitality



HVA Sector Focus

- Food
- Tourism & Hospitality
- Medical service
- Manufacturing clusters & Supply chain
- **Global/ Regional hub**



Organization Level

- **Innovative & Adaptive** organization
 - Sustainable organization with
- Corporate Governance & Ethics**



Products & Services Level

- **Innovative & Creative** products & services
- **Green** products & services, **Environmentally friendly**
- **Excellent quality and value for money**

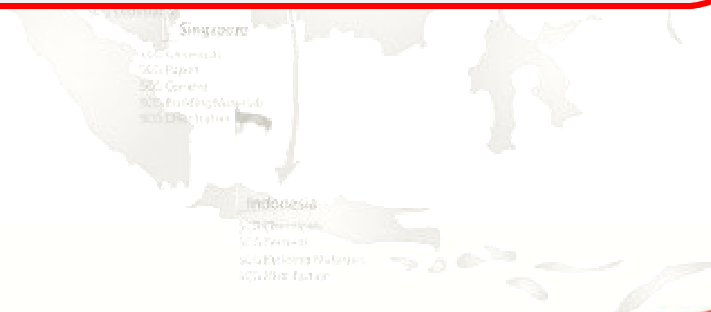






***Branding is a must
for all Thai corporate & for the country.***

COTTO



Thailand Direction to AEC

Moving towards becoming...



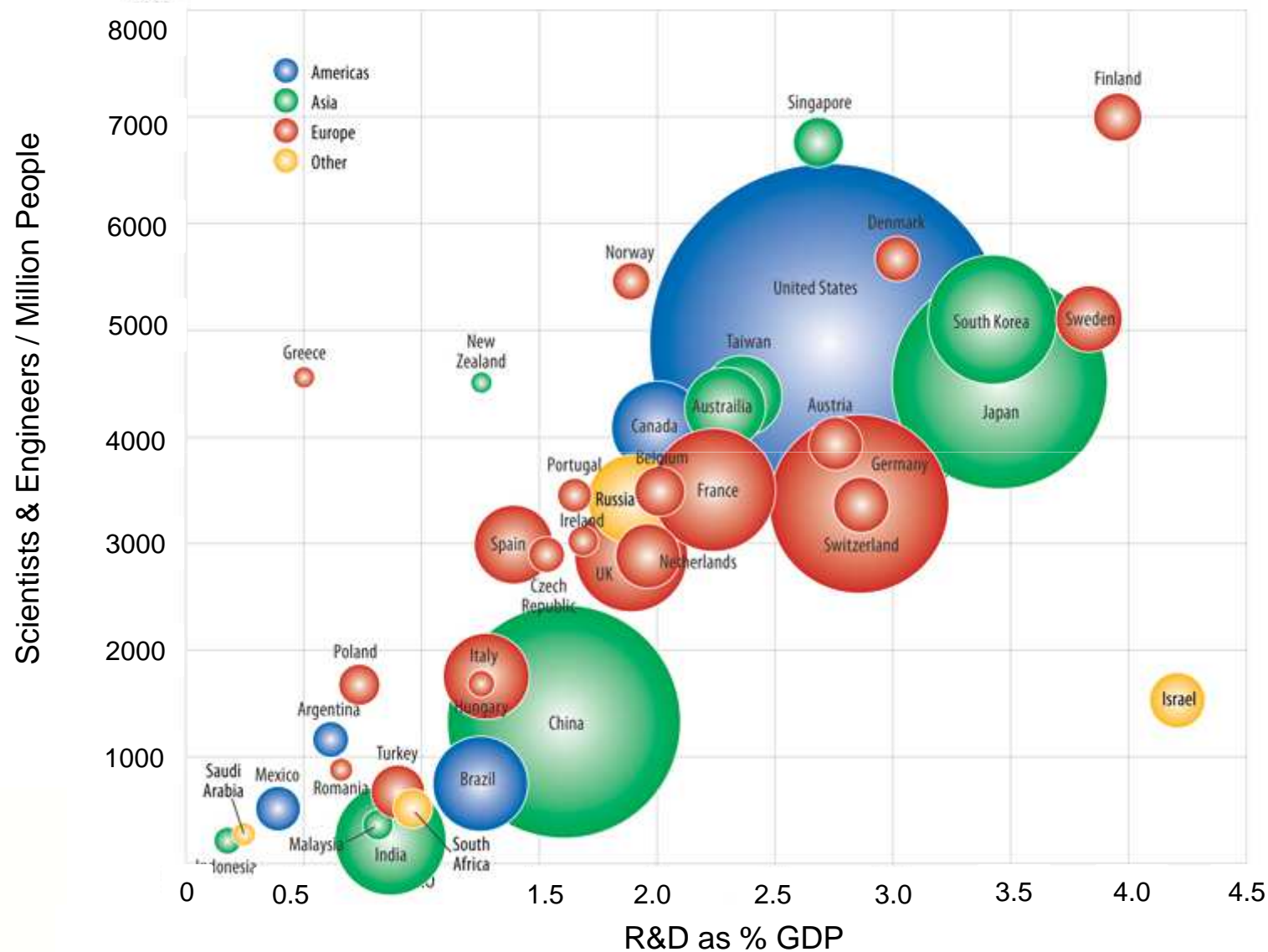
Branded HVA Country

R&D, Innovation and IT

Sustainable Development

To be Sustainable Thailand, together we can.

R&D and Innovation: Country-by-Country Annual Spending



Source: Battelle, *R&D Magazine*, International Monetary Fund, World Bank, CIA World Factbook, OECD

High **Value** Added

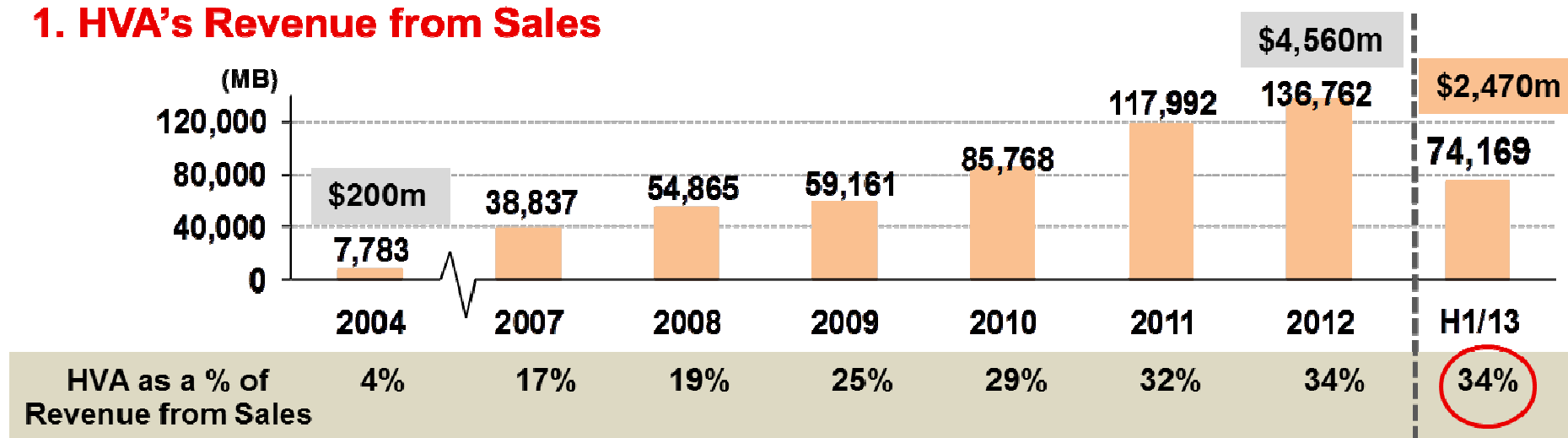
HVA Products & Services

Commitment in R&D

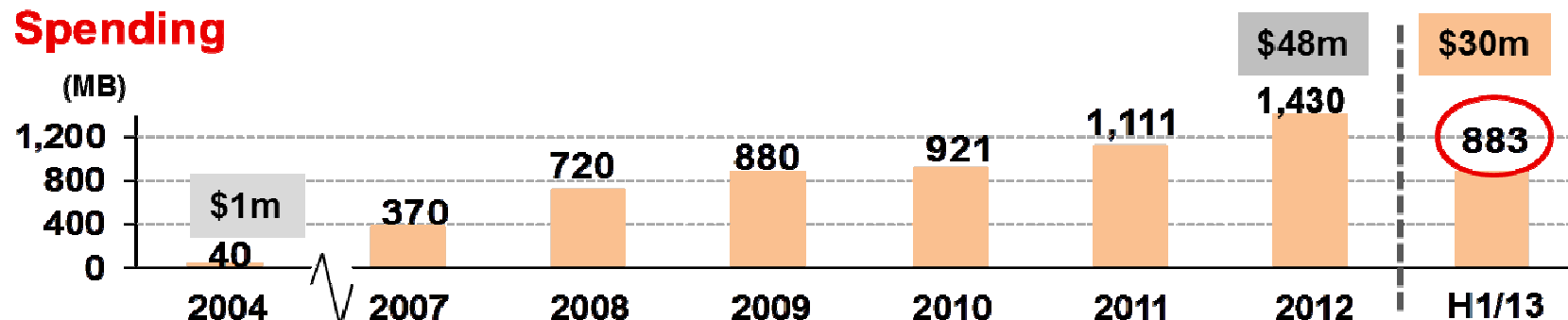
- ✓ Increase customer satisfaction
- ✓ Differentiate from the competitors
- ✓ Compete on Value to Customers, not price
- ✓ **Focus on commercialization**

HVA Progress

1. HVA's Revenue from Sales



2. R&D Spending



3. R&D and Product Design Team

(staffs / Jun/13)

364 (Ph.D. 9)



1,274 (Ph.D. 72)

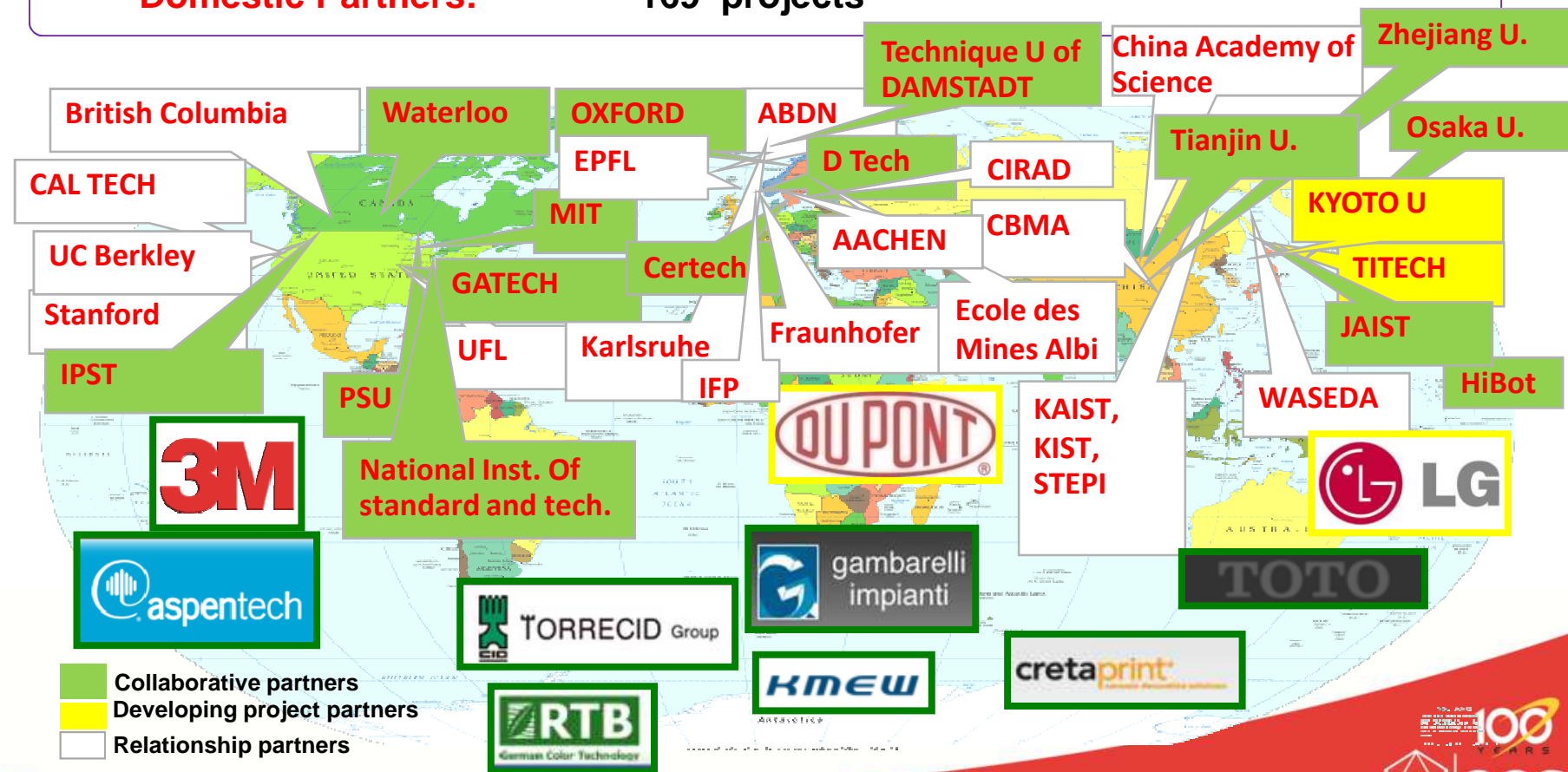
SCG's Collaborative Network:

International and Domestic

Build relationships and collaborate with all stakeholders - "Win-Win strategy"

International Partners: 78 projects

Domestic Partners: 169 projects



Source: R&D report 2009 – 2012 included both completed & ongoing projects

HVA Examples – **Cement**



Tiger Mortar - Color Render Cement



CPAC Belt Conveyor



Silo Services



Mortar Spraying



Small Truck Delivery

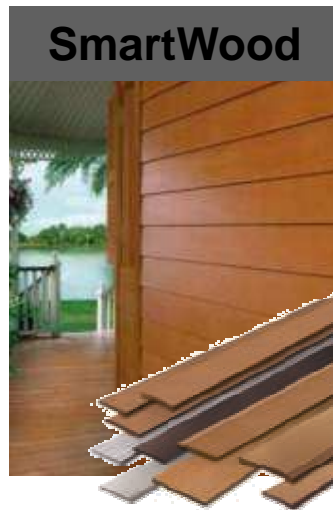


Convenient Store Payment

HVA Examples – *Building Materials*



Cool Roof System



Fiber Cement Non-Asbestos & Termite-Free



Modular Home

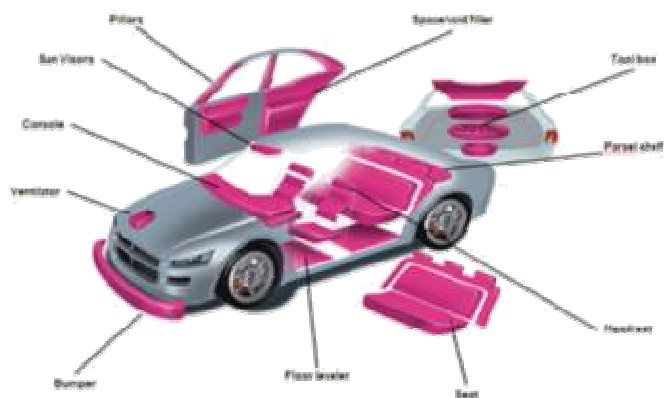


Tetragon Series (Edge design with Hygienic + Water saving)



Home Solution

HVA Examples – Chemicals



Automotive Parts (PP Compound)



Window frames from PVC



Medical Devices (PP)



Paint (MMA)



Rotomolding Tanks (PE)



Plastic film (T.U.X™)

HVA Examples – *Paper*



Idea Work Idea Max Idea Green



Securities



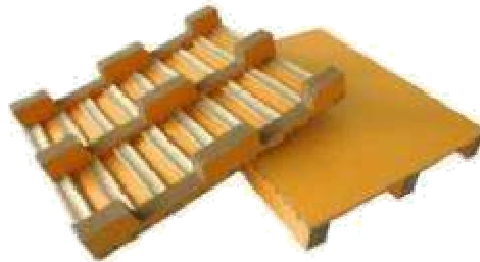
Stamps



Mira board



Multi Wall Bag



Paper Pallet

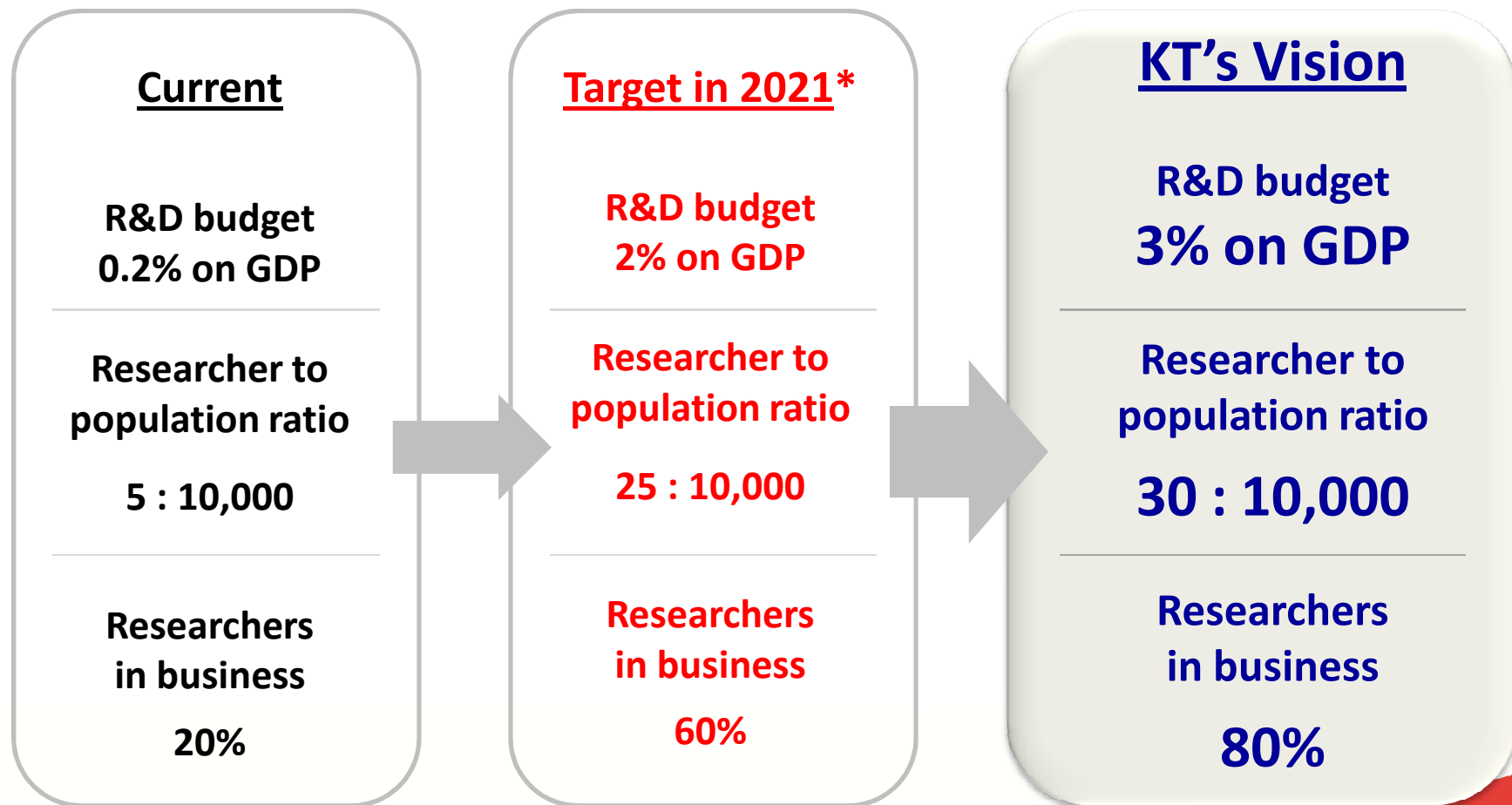


Machine Glazed for Food & Medical



R&D and Innovation: Thailand's Targets for Innovation

R&D for long-term wealth creation



*ที่มา: นโยบายวิทยาศาสตร์ เทคโนโลยีและนวัตกรรมแห่งชาติ ฉบับที่ 1 (2555-2564)

R&D and Innovation: Thailand's Targets for Innovation

R&D for long-term wealth creation



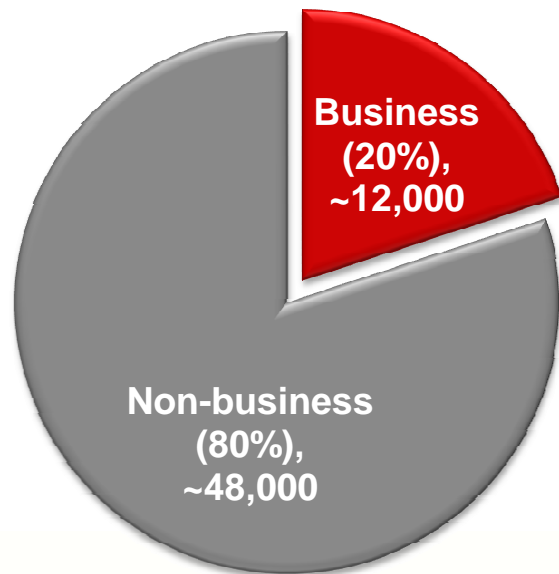
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R&D and Innovation: Mobility of Researchers

Encourage mobility of researchers

(from non-business to business)

(e.g. Ph.D. to intern in corporate before pursuing a frontier research)



Thailand Researchers

Researchers per 10,000 people	9.5:10,000
Total population:	67.6 million
Researchers:	~ 60,000 people
Researchers in business:	~ 12,000 people

Noted: The ratio 80:20, business and non-business was reported since 2007 by IMD

To drive Thailand to be a Branded and Innovative country,

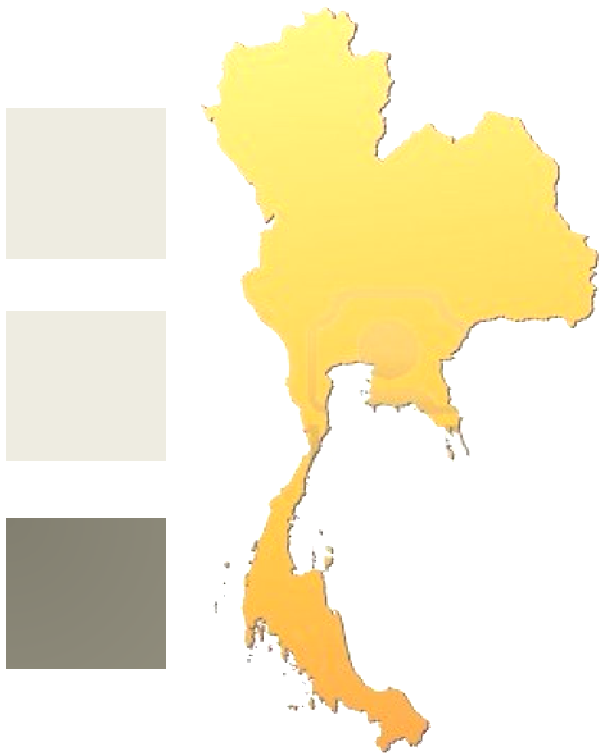
Private sector has to be strong and focus on commercialized R&D.

Collaboration is one of the keys for company's success in the fast-moving environment.



The Next Move of Thai Business

Moving towards becoming...



Branded HVA Country

R&D, Innovation and IT

Sustainable Development

To be Sustainable Thailand, together we can.

Commitment in Sustainable Development



**Dow Jones
Sustainability Indexes**

**2012 & 2011: A Global Sector Leader
in Building Materials & Fixtures by ROBECOSAM**

2008-2012: Ranked in the “Gold Class”

A member of the DJSI since 2004



Our Commitment in Sustainable Development

SUSTAINABILITY LEADERS

As of September 13, 2012



**Dow Jones
Sustainability Indexes**

Company	Country	Industry Leader	DJSI World		DJSI Europe		DJSI North America		DJSI Asia Pacific	
			Universe	Member	Universe	Member	Universe	Member	Universe	Member
# of Companies			42	8	11	3	2	0	10	3
ASAHI GLASS	Japan		✓	✓					✓	✓
BORAL	Australia		✓						✓	✓
CRH PLC	Ireland		✓	✓	✓	✓				
Duratex SA	Brazil		✓	✓						
HOLCIM	Switzerland		✓	✓	✓	✓				
LAFARGE	France		✓	✓	✓	✓				
OWENS CORNING	USA		✓	✓						
SCG	Thailand	✓	✓	✓						
TOTO	Japan		✓	✓					✓	✓

Direction for Thailand's Sustainable Growth

Be A Good ASEAN's Citizen in everywhere we invest



**Infrastructure &
Human resource
development**



**Branding,
R&D and Innovation**



**Sustainable
Development**