



Opening Address:

Dr. Somkid Jatusripitak, Deputy Prime Minister

I would like to thank SCG for hosting this event as thousands of people from all sectors appear to show interest in this matter, which is a good thing. It shows the power of Thai society that the society and the international community are willing to take action for the greater good. Thai people do not stand still.

The Circular Economy is vital not only for companies, the society or the country but also for the world as a whole. Looking back, since we were born, every society in every country we've been to has attempted to enhance the standard of living by primarily focusing on economic growth and often ignoring the impact on production and consumption processes. We rarely pay attention to many aspects, particularly when the environment is becoming visibly bizarre. We produce and overlook pollution problems. We began to see changes that we would never have thought of seeing before. If we don't change today, we will never know how the future is going to be.

I am glad that SCG is taking proactive steps to push the society forward. Although the Circular economy isn't entirely new since it has been implementing in some European and Scandinavian countries and Japan; but recently, we began to see large producing countries adopting it. However, there are still several limitations.

Firstly, it's about raising awareness, which is highly crucial. Most people don't think it's mattering or even possible. However, it is inevitable for humanity to survive in the long run. We all know that creating awareness is not easy since the issue is distant from the people. Some people push this task to others. In Thailand, if we don't raise this awareness, it will never happen.

Secondly, it's about economic growth. GDP is really a big deal at the national level. Many countries are struggling just fill the stomach of their citizens. Once that is a focal point, other missions will become secondary, and Thailand is one of them. Only some countries can develop themselves to that point and think beyond the capabilities of other nations to launch action. This is our limitation.

Thirdly, the private sector also plays a vital role. I recalled what I learned while I was studying overseas 30 years ago. We have two key schools of thought.

One is how would the company be able to survive in this position in the highly competitive environment. This is the concept coined by Michael Porter 30 years ago. The concept influences the way the countries and the private sectors in the world to focus solely on seeking competitive advantages in the value chains. Therefore, the idea is to create the best competitive advantages, build and launch it. Almost all companies in Thailand, many MBA graduates are all influenced by this school of thought.

Two. Another school of thought suggests ways to go beyond cutthroat competition to explore new markets or Blue Ocean, to discover new space that no one thinks of.

These two schools of thought have contributed to the way most people conduct businesses. Don't forget that once we proceed this way of business operations, fish will soon be gone and so do the natural resources. It's time to think of how to rectify the flaws of these schools of thought. Anyhow, these responsibilities are not only tied to the government or private sector alone but the public as well. If the people aren't interested in it, it will be hard to motivate private companies to embrace it. I would like to use the word "paradigm shift" since it is not easy to change the way the organizations re-designing production processes or replacing current practices they are accustomed to with the more complicated ones. Without discipline, it will be hard to change their mindsets.

Speaking from the marketing perspective, I have to tell you that it is about the management of innovation. People will rely more on innovations. And to achieve it, you need to create awareness and point out benefits to mobilize enough power to lead behavioral changes. This is not an easy task. I have to praise SCG's bravery that drives mission.

In Thailand, we have to admit that we are one of those countries moving toward this at a slow rate. We wait until we see a dead whale on the beach and found massive plastic waste. We will not believe it if it's not before our eyes. But the consequences of seeing this incident is more striking. Our country has been struggling in the past 20 years since Tom Yum Kung crisis. No one has ever thought of the circular economy. But today, we are improving. It is an excellent opportunity to think forward. The government says that it will launch economic reform toward sustainability. It is not to modernize or defeat others. We need to change our economic structure and create value-added based on productivity or value. But the circular economy will promote the productivity and value. But it's too distant, and Thai people don't see it yet. The government articulately understands it. The Prime Minister put this agenda in the national strategies. It has an operational framework and initiatives asserting that the country

development must be converged toward sustainability and preserving the environment for future generations.

The cabinet meeting last time discussed the disintegration of waste management. At the BOI meeting last week, we were proposed to shift the tax relief given on a project by project basis to agenda approach. If this approach is practical, we are willing to help. Also, the circular economy was also part of the discussion to make the country become one of the global patrons. The government must offer good guidance in facilitating good infrastructure to allow everyone to work on it, especially the tax measures and incentives. It will be a holistic approach that requires all ministries to discuss it. You'll see it soon.

For the private sector, today is a kick-off. However, I think it's not easy as we need to speak this with companies that share the same values. Most people did it and gave up because the concept doesn't turn up more revenue in sight. So, they didn't want to do it. However, the private sector currently has this mindset and want to collaborate and launch a social movement. You need to make the Stock Exchange market, the Thai Chamber of Commerce and the Federation of Thai Industries to join your campaign so you can launch a forceful action to create awareness.

At first, it might appear to be tough to adopt it due to the increased cost. But in the long term, it will be worthwhile. We need to encourage the media to create examples and spread the words to drive the movement. This is to educate people and work side by side with the private sectors. Thai people still lack good education on this which is a key barrier. The private sector should take this opportunity to spark debate. Importantly, the public must stand up and join the campaign and do an easy movement like banning crocodile skin bags. The public pressure is the most effective tool. Hence, you can no longer use non-recycling bags. You must use the public to create pressure.

The collaboration today is not just from within the same industries. Others outside the industries are also important. The waste from one industry can become useful materials for another industry. We need to cultivate these mindsets in the entrepreneur. If we can build new startups based on the circular economy principles, it may outperform old concepts. For example, startups may have the ability to convert waste into valuable products. New generations are equally important as old generations.

If we can achieve this, anything else can be possible regardless of economic or political discipline. We will develop a positive circular economy with the guidance of experts. I am delighted to see over 40 CEOs will be joining afternoon sessions to help make it happen.