Geopolitics to Profit: Which Thai Sectors Will Win from Global Realignment?

Ms. Paweena Jariyathitipong, President, Airports of Thailand

Dr. Kobsak Pootrakool, Director and Senior Executive Vice President, Bangkok Bank

Mr. Aloke Lohia, Group CEO, Indorama Ventures

Mr. Thammasak Sethaudom, President and CEO of The Siam Cement

Moderator: Mr. Samir Kogar, Thailand Country Head, CLSA Securities

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Executive Summary

This panel discussion highlighted strategic roadmaps for Thailand to leverage global geopolitical realignment, drive industrial transformation, and position key economic sectors for long-term profit. As global supply chains shift from pure cost optimization to supply chain resilience, business leaders outlined initiatives to capitalize on Thailand's geopolitical neutrality, regional connectivity, and established core competitive advantages, including integrated petrochemical clusters, agribusiness, manufacturing supply chains, healthcare, and capital markets.

To capture expanding Foreign Direct Investment (FDI) and sustain competitiveness, priorities are centered on transitioning from low-cost assembly to high-value tech integration by adopting artificial intelligence, robotics, and sustainable practices. Simultaneously, Thailand's strategic location within mainland Southeast Asia (CLMV) serves as a springboard to access a regional consumer base of over 680 million people, cementing the country's role as a resilient digital, capital, aviation, and logistics hub.

Building on these shared regional priorities and economic dynamics, the industry representatives detailed their specific insights and strategic initiatives across four key operational areas

Thailand's Position in the Current Geopolitical Environment

Mr. Thammasak Sethaudom, President and CEO of The Siam Cement

- Foreign Direct Investment (FDI) applications remain strong despite global uncertainty, reaching around THB1.8 trillion last year, with close to THB1 trillion recorded so far this year.
- The majority of FDI is in non-data center sectors such as biotech, decarbonization, green economy, and recycling.
- Four government sub-committees are actively driving Thailand's new economic engine by focusing on free trade agreements (FTAs), human capital, digital technology diffusion, and government efficiency (e.g., implementing "super-licensing" to improve the ease of doing business).

Mr. Aloke Lohia, Group CEO, Indorama Ventures

- Over the past 30 - 40 years, global trade optimized strictly for cost efficiency; however, trade wars, tariffs, sanctions, and Red Sea/Strait of Hormuz supply chain disruptions have made resilience and local-for-local manufacturing equally critical.
- Thailand possesses deep, established economic moats built over decades that are difficult to replicate, including food processing/agribusiness, automotive manufacturing ecosystem, and integrated petrochemical clusters, such as Map Ta Phut.
- Thailand benefits from geopolitical neutrality and a strategic location connected to the Lower Mekong/CLMV region, providing road access to an immediate market of 250 million consumers.
- High-quality healthcare, international schools, and overall quality of life make Thailand a key competitive destination for attracting global talent and corporate/regional headquarters.
- Thailand must ensure predictable and competitive energy costs, as structural energy disadvantages will drive long-term capital elsewhere regardless of infrastructure.
- National success should be measured by the reinvestment rate of existing investors, serving as the true vote of confidence, rather than solely by attracting new FDI, and Thailand should establish itself as the capital market gateway and hub for the Lower Mekong region to foster homegrown multinationals.

Aviation, Tourism, and Geopolitical Disruptions

Ms. Paweena Jariyathitipong, President, Airports of Thailand

- Geopolitical conflicts such as in the Middle East cause short-term flight disruptions, global aircraft shortages, higher Jet A-1 fuel prices, and temporary drops in total arrivals.
- Shifts in tourist behavior have been observed, while Middle Eastern passenger counts dipped during initial conflicts, those visiting Thailand are staying longer, offsetting volume drops with higher local spending. Middle East flights have since resumed 100%, with passenger counts running approximately 4% higher YoY.
- During the China-Japan political conflict, AOT actively negotiated with Chinese and Japanese carriers to reroute fleet capacity to Thailand, boosting passengers from those markets by 30%.
- Passenger demographics are diversifying, with a noticeable surge in arrivals from Southeast Asia following recent Middle Eastern disruptions.
- AOT, holding a 95% market share of international air passengers in Thailand, is actively negotiating with Middle Eastern carriers to leverage air freedom rights and establish direct long-haul routes connecting Bangkok to North America.

New Industries, Banking, and Investment Opportunities

Dr. Kobsak Pootrakool, Director and Senior Executive Vice President, Bangkok Bank

- ASEAN and Thailand are net beneficiaries of global realignment, with ASEAN's share of global FDI rising from approximately 4% a decade ago to 20 - 25% recently.
- Key emerging growth sectors in Thailand include printed circuit boards (PCBs), where Thailand reached top 5 globally in three years, semiconductors, robotics, AI, data centers, electric vehicles (EVs), smart agriculture, and regional headquarters.
- Thai exports to the US grew 40% YoY despite tariffs because 72% of exported products, especially tech components like HDDs from Seagate and Western Digital, are critical to the global AI supply chain and exempted from tariffs.
- Incoming foreign investments heavily utilize local Thai supply chains and workforces (e.g., BYD employing 6,600 staff, 95.5% of whom are Thai).
- Thailand's automotive sector is undergoing a structural transition, while annual production dipped to 1.5 million units, long-term projections see output scaling to 2.5 million units as EV adoption replaces legacy ICE production.
- Commercial bank growth is driven by corporate transformation lending, which helps clients upgrade technology and automation to compete against new entrants, as well as regional expansion across ASEAN.

China+1 Strategy and Structural Economic Transformation

Mr. Thammasak Sethaudom, President and CEO of The Siam Cement

- China+1 and supply chain diversification represent a permanent structural shift rather than a temporary trend.
- Severe manufacturing overcapacity in mainland China has flooded ASEAN with low-cost goods, forcing domestic companies to upgrade and adopt an ASEAN scale strategy, accessing a 680 million consumer market, to remain competitive.
- SCG is responding structurally by shutting down smaller, older factories across ASEAN and building larger, centralized facilities equipped with AI, physical robotics, and automation.
- To build long-term competitiveness, companies must move beyond low-cost assembly by investing in supply chain depth, physical AI, and industrial robotics/automation to drastically lower energy costs, reduce waste, and improve product quality.