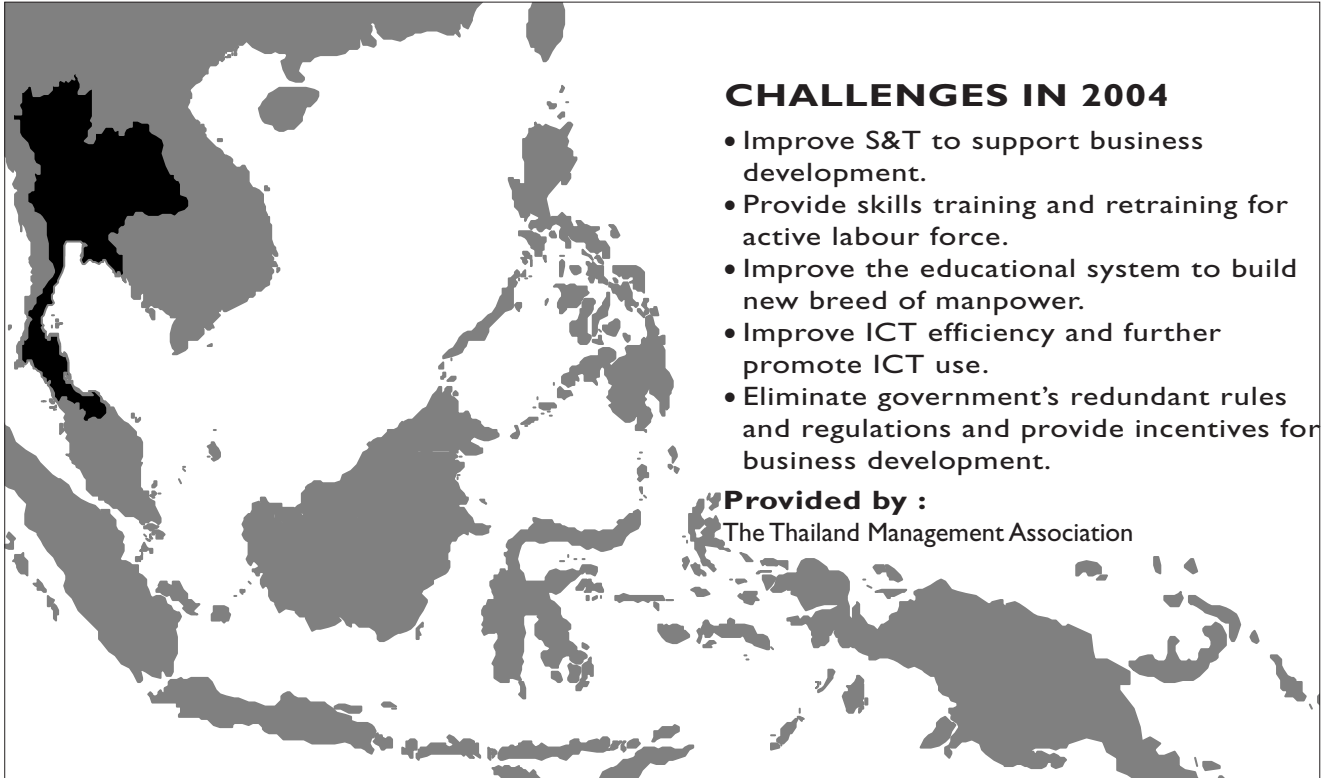


THAILAND



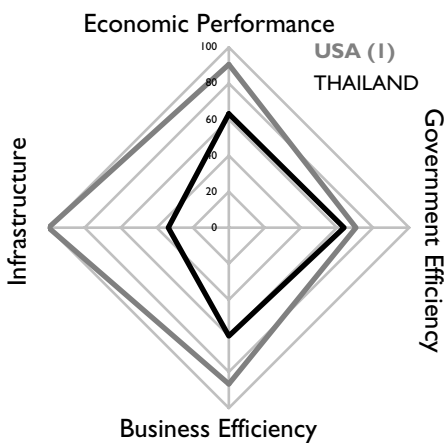
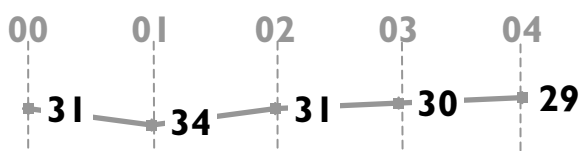
CHALLENGES IN 2004

- Improve S&T to support business development.
- Provide skills training and retraining for active labour force.
- Improve the educational system to build new breed of manpower.
- Improve ICT efficiency and further promote ICT use.
- Eliminate government's redundant rules and regulations and provide incentives for business development.

Provided by :

The Thailand Management Association

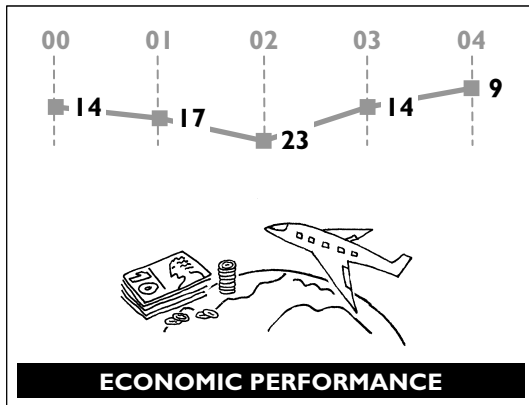
OVERALL PERFORMANCE



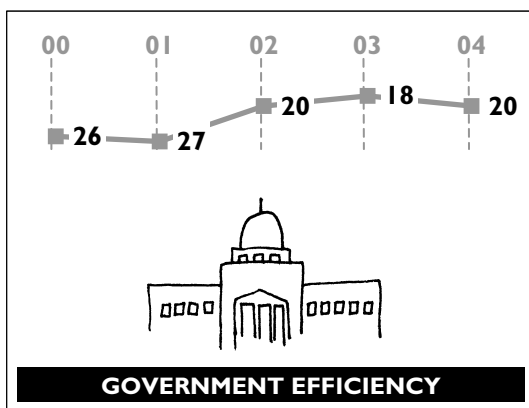
BASIC FACTS

Capital	Bangkok
Population (millions)	64.01 (2003)
Land area (km² '000)	513.0 (2003)
Exchange rate (per \$)	41.49 (2003)
GDP (\$ billions)	143.2 (2003)
GDP per capita (\$)	2,237 (2003)
Real GDP growth (%)	6.7 (2003)
Consumer Price Inflation (%)	1.8 (2003)
Unemployment rate (%)	2.02 (2003)
Labor force (millions)	34.85 (2003)
Current Account Balance (\$ bn)	8.0 (2003)
Direct Investment	
Stocks Inward (\$ billions)	30.23 (2002)
Flows Inward (% of GDP)	0.71 (2002)

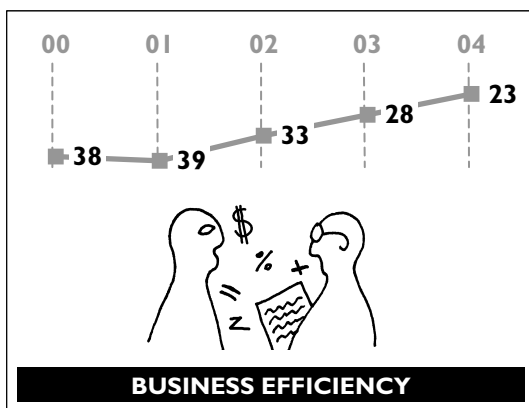
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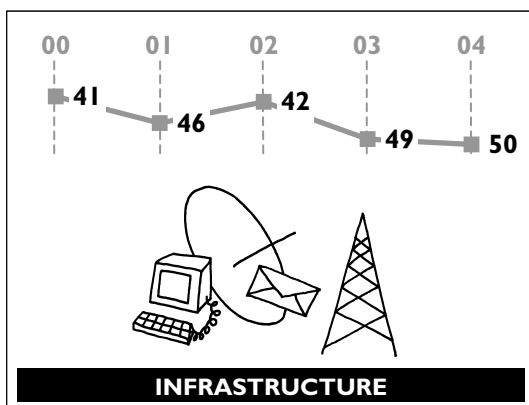
	2004
Domestic Economy	26
International Trade	18
International Investment	53
Employment	3
Prices	4



	2004
Public Finance	33
Fiscal Policy	9
Institutional Framework	13
Business Legislation	29
Societal Framework	27



	2004
Productivity	48
Labor Market	5
Finance	36
Management Practices	24
Attitudes and Values	12



	2004
Basic Infrastructure	41
Technological Infrastructure	45
Scientific Infrastructure	55
Health and Environment	48
Education	48

THAILAND

These criteria are the 10 Strongest Criteria by Factor identified by taking the biggest value differences from the averages of the 60 economies.

	Rank
1 Economic Performance	
1.4.07 Unemployment rate Percentage of labor force	1
1.4.09 Youth unemployment Percentage of labor force	3
1.4.02 Employment Percentage of population	6
1.1.12 Real GDP Growth Percentage change, based on national currency in constant prices	7
1.1.13 Real GDP Growth per capita Percentage change, based on national currency in constant prices	7
1.2.12 Exports of commercial services - real growth Percentage change based on US\$ values	8
1.2.08 Exports of goods Percentage of GDP	8
1.5.02 Cost-of-living index Index of basket of goods & services in major cities, excluding housing (New York City = 100)	10
1.1.21 Resilience of the economy to economic cycles is strong (Survey)	10
1.2.18 Trade to GDP ratio (Exports + Imports) / (2 x GDP)	12
2 Government Efficiency	
2.3.11 Adaptability of government policy to changes in the economy is high (Survey)	1
2.3.13 Political parties do understand today's economic challenges (Survey)	3
2.3.12 Government decisions are effectively implemented (Survey)	3
2.2.12 Collected capital and property taxes Percentage of GDP	4
2.1.09 Management of public finances over the next two years is likely to improve (Survey)	6
2.3.07 Exchange rate stability Parity change from national currency to SDR, 2003/2001	6
2.2.02 Effective personal income tax rate Percentage of an income equal to GDP per capita	7
2.3.05 Central bank policy of your economy has a positive impact on economic development (Survey)	7
2.3.10 New legislation encourages the competitiveness of enterprises (Survey)	8
2.2.01 Collected total tax revenues Percentage of GDP	9
3 Business Efficiency	
3.3.16 Stock market index percentage change on index	5
3.5.03 National culture is open to foreign ideas (Survey)	5
3.2.11 Labor force Percentage of population	6
3.2.03 Remuneration in services professions Gross annual income including supplements such as bonuses, in US\$	7
3.1.03 Overall productivity - real growth Estimates: Percentage change of real GDP per person employed	8
3.2.05 Working hours Average number of working hours per year	9
3.2.01 Compensation levels Estimates: Total hourly compensation for manufacturing workers (wages + supplementary benefits), US\$	9
3.3.11 Stock markets provide adequate financing to companies (Survey)	10
3.2.04 Remuneration of management Total base salary plus bonuses and long-term incentives, US\$	14
3.5.01 Attitudes toward globalization are generally positive in your economy (Survey)	15
4 Infrastructure	
4.2.10 Internet costs Cost for 20 hours dial-up use per month, (US\$)	2
4.3.21 Patent productivity Patents granted to residents / R&D personnel in business ('000s)	5
4.4.13 Ecological footprint Area units per person, hectares of biologically productive space	6
4.2.17 High-tech exports Percentage of manufactured exports	9
4.2.05 Mobile telephone costs US\$ per 3 minutes in peak hours (local)	13
4.1.07 Dependency ratio Population under 15 and over 64 years old, divided by active population (15 to 64 years)	14
4.1.14 Maintenance and development of infrastructure are adequately planned and financed (Survey)	26
4.4.06 Health infrastructure meets the needs of society (Survey)	27
4.1.24 Electricity costs for industrial clients US\$ per kwh	28
4.1.15 Energy infrastructure is adequate and efficient in your economy (Survey)	28

These criteria are the 10 Weakest Criteria by Factor identified by taking the biggest value differences from the averages of the 60 economies.

	Rank
I Economic Performance	
1.1.22 GDP per capita US\$ per capita	53
1.3.02 Direct investment flows abroad Percentage of GDP	53
1.2.19 Terms of trade index Unit value of exports over unit value of imports (1995 = 100)	52
1.3.01 Direct investment flows abroad US\$ billions	51
1.1.23 GDP per capita (PPP) Estimates; US\$ per capita at purchasing power parity	50
1.3.17 Portfolio investments liabilities US\$ billions	50
1.3.04 Direct investment stocks abroad - real growth Percentage change based on US\$ values	47
1.3.03 Direct investment stocks abroad US\$ billions	47
1.3.05 Direct investment flows inward US\$ billions	45
1.3.06 Direct investment flows inward Percentage of GDP	45
2 Government Efficiency	
2.4.19 Foreign investors are not free to acquire control in domestic companies (Survey)	56
2.5.10 Females in parliament Percentage of total seats in Parliament	49
2.1.07 Central government total debt - real growth Percentage change, based on national currency in constant prices	48
2.4.07 Competition legislation in your economy is not efficient in preventing unfair competition (Survey)	47
2.4.01 Customs' authorities do not facilitate the efficient transit of goods (Survey)	47
2.4.09 Price controls affect pricing of products in most industries (Survey)	47
2.3.04 Country credit rating Rating on a scale of 0-100 assessed by the Institutional Investor Magazine ranking	46
2.5.03 Protection of the private sphere is not enforced in your economy (Survey)	43
2.3.17 Bribing and corruption exist in the economy (Survey)	41
2.4.18 Cross border transactions cannot be freely negotiated with foreign partners (Survey)	41
3 Business Efficiency	
3.3.19 Insider trading is common in the stock market (Survey)	55
3.1.01 Overall productivity (PPP) Estimates: GDP (PPP) per person employed, US\$	54
3.3.04 Number of credit cards issued Per capita	52
3.3.22 Factoring Percentage of merchandise exports	49
3.3.06 Investment Risk Euromoney country credit-worthiness scale from 0-100	46
3.3.13 Stock market capitalization Percentage of GDP	45
3.2.16 Finance skills are not readily available (Survey)	43
3.2.15 Skilled labor is not readily available (Survey)	43
3.3.12 Stock market capitalization US\$ billions	39
3.3.17 Rights and responsibilities of shareholders are not well-defined (Survey)	39
4 Infrastructure	
4.4.01 Total health expenditure Percentage of GDP	58
4.4.05 Medical assistance Number of inhabitants per physician and per nurse	57
4.5.04 Secondary school enrollment Percentage of relevant age group receiving full-time education	57
4.3.03 Total expenditure on R&D Percentage of GDP	57
4.3.02 Total expenditure on R&D per capita US\$ per capita	55
4.2.02 Fixed telephone lines Number of main lines per 1000 inhabitants	54
4.5.03 Pupil-teacher ratio (secondary education) Ratio of students to teaching staff	54
4.4.03 Life expectancy at birth Average estimate	54
4.3.05 Business expenditure on R&D per capita US\$ per capita	53
4.2.11 Broadband subscribers Number of subscribers per 1000 inhabitants	53

THAILAND

This section highlights the economy's 20 strongest criteria, that is those with the highest standardized values (STD values).*

* STD Values = [(economy's value) - (average of 60 economies)] / standard deviation

20 Strongest Criteria

Number	Name	Economy's Value	Economy's Rank	Average Value
3.3.16	STOCK MARKET INDEX percentage change on index	127.90	5	50.55
4.2.10	INTERNET COSTS Cost for 20 hours dial-up use per month, (US\$)	6.98	2	18.94
1.1.12	REAL GDP GROWTH Percentage change, based on national currency in constant prices	6.7	7	2.7
2.2.01	COLLECTED TOTAL TAX REVENUES Percentage of GDP	14.41	9	29.47
2.2.12	COLLECTED CAPITAL AND PROPERTY TAXES Percentage of GDP	0.24	4	1.66
1.1.13	REAL GDP GROWTH PER CAPITA Percentage change, based on national currency in constant prices	5.83	7	1.88
1.4.07	UNEMPLOYMENT RATE Percentage of labor force	2.02	1	8.36
4.4.13	ECOLOGICAL FOOTPRINT Area units per person, hectares of biologically productive space	1.5	6	4.4
3.2.05	WORKING HOURS Average number of working hours per year	2,184	9	1,921
1.2.12	EXPORTS OF COMMERCIAL SERVICES - REAL GROWTH Percentage change based on US\$ values	17.79	8	5.47
2.2.02	EFFECTIVE PERSONAL INCOME TAX RATE Percentage of an income equal to GDP per capita	3.99	7	15.88
1.4.02	EMPLOYMENT Percentage of population	52.83	6	44.21
3.2.03	REMUNERATION IN SERVICES PROFESSIONS Gross annual income including supplements such as bonuses, in US\$	-	7	-
2.3.11	ADAPTABILITY OF GOVERNMENT POLICY (Survey) Adaptability of government policy to changes in the economy is high	7.64	1	4.56
2.3.13	POLITICAL PARTIES (Survey) Political parties do understand today's economic challenges	7.19	3	4.32
2.3.12	GOVERNMENT DECISIONS (Survey) Government decisions are effectively implemented	7.03	3	4.63
3.5.03	NATIONAL CULTURE (Survey) National culture is open to foreign ideas	8.43	5	7.02
2.1.09	MANAGEMENT OF PUBLIC FINANCES (Survey) Management of public finances over the next two years is likely to improve	7.10	6	5.64
2.4.14	LABOR REGULATIONS (Survey) Labor regulations (hiring/firing practices, minimum wages, etc.) do not hinder business activities	6.61	9	4.53
1.1.21	RESILIENCE OF THE ECONOMY (Survey) Resilience of the economy to economic cycles is strong	6.57	10	5.33

THAILAND

What if ?

Competitiveness Simulations help policy makers focus on and prioritize the key competitiveness issues facing their economies. We replace the economy's 20 weakest values with the average values of the 60 economies to compute a simulated overall competitiveness ranking. However, this is a theoretical exercise and should not be perceived as policy advice. Consideration must be given to each economy's development level, political constraints and social value system.

Simulated Ranking Changes

From **29** To **22**

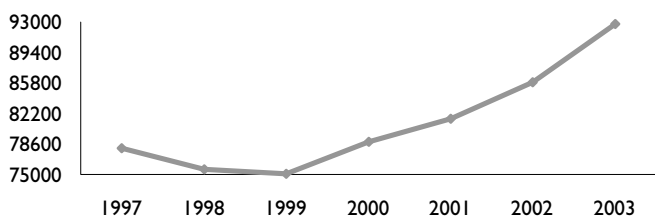
20 Weakest Criteria

Number	Name	Economy's Value	Economy's Rank	Average Value
4.4.05	MEDICAL ASSISTANCE Number of inhabitants per physician and per nurse	-	57	-
4.5.04	SECONDARY SCHOOL ENROLLMENT Percentage of relevant age group receiving full-time education	55.4	57	82.6
4.4.01	TOTAL HEALTH EXPENDITURE Percentage of GDP	3.7	58	7.4
1.2.19	TERMS OF TRADE INDEX Unit value of exports over unit value of imports (1995 = 100)	77.2	52	100.8
4.5.03	PUPIL-TEACHER RATIO (SECONDARY EDUCATION) Ratio of students to teaching staff	25.40	54	16.42
3.1.01	OVERALL PRODUCTIVITY (PPP) Estimates: GDP (PPP) per person employed, US\$	13,627	54	44,214
4.3.03	TOTAL EXPENDITURE ON R&D Percentage of GDP	0.258	57	1.517
4.2.09	INTERNET USERS Number of internet users per 1000 people / Source: Computer Industry Almanac	95.54	49	341.71
4.2.08	COMPUTERS PER CAPITA Number of computers per 1000 people / Source: Computer Industry Almanac	50	52	327
4.3.07	TOTAL R&D PERSONNEL NATIONWIDE PER CAPITA Full-time work equivalent (FTE) per 1000 people	0.509	47	3.863
1.1.23	GDP PER CAPITA (PPP) Estimates; US\$ per capita at purchasing power parity	7,199	50	19,964
4.3.09	TOTAL R&D PERSONNEL IN BUSINESS PER CAPITA Full-time work equivalent (FTE) per 1000 people	0.114	47	2.319
1.1.22	GDP PER CAPITA US\$ per capita	2,237	53	18,080
2.4.19	FOREIGN INVESTORS (Survey) Foreign investors are not free to acquire control in domestic companies	5.44	56	7.35
3.3.19	INSIDER TRADING (Survey) Insider trading is common in the stock market	4.11	55	5.84
4.2.12	INFORMATION TECHNOLOGY SKILLS (Survey) Information technology skills are not readily available	6.13	55	7.49
4.2.18	CYBER SECURITY (Survey) Cyber security is not being adequately addressed by corporations	4.90	52	5.76
4.4.09	ALCOHOL AND DRUG ABUSE (Survey) Alcohol and drug abuse pose problems at the work place	5.73	48	6.71
2.4.07	COMPETITION LEGISLATION (Survey) Competition legislation in your economy is not efficient in preventing unfair competition	4.58	47	5.52
3.2.16	FINANCE SKILLS (Survey) Finance skills are not readily available	5.93	43	6.77

THAILAND

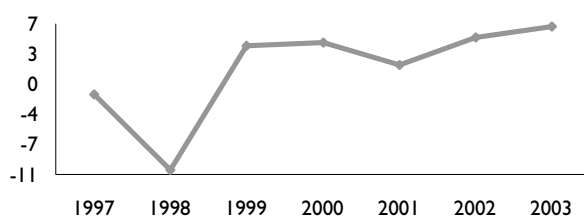
GDP PER CAPITA

National currency per capita



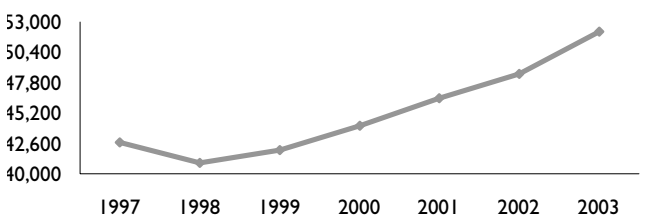
REAL GDP GROWTH

Percentage change, based on national currency in constant prices



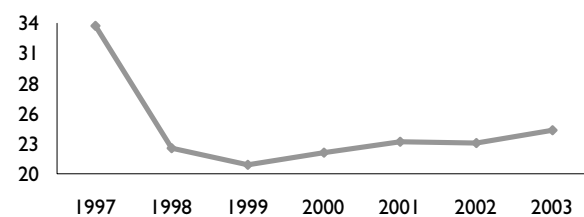
PRIVATE FINAL CONSUMPTION EXPENDITURE

National currency per capita



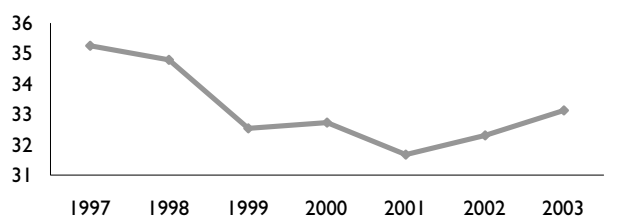
GROSS DOMESTIC INVESTMENT

Percentage of GDP



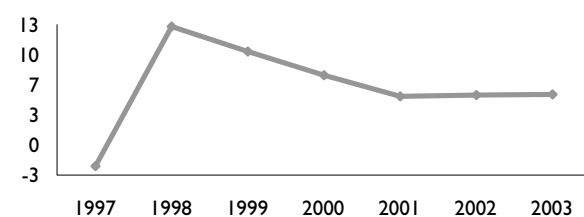
GROSS DOMESTIC SAVINGS

Percentage of GDP



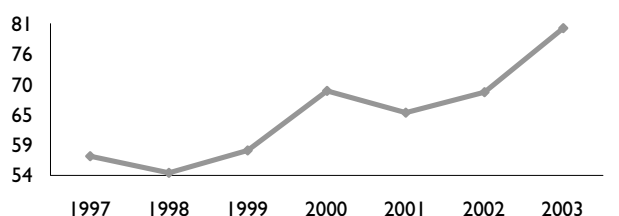
CURRENT ACCOUNT BALANCE

Percentage of GDP



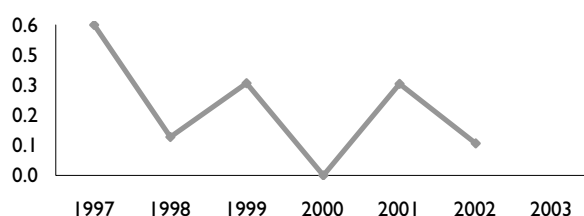
EXPORTS OF GOODS

US\$ billions



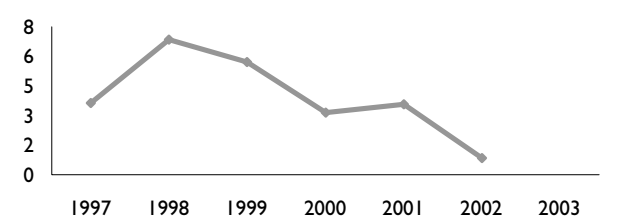
DIRECT INVESTMENT FLOWS ABROAD

US\$ billions



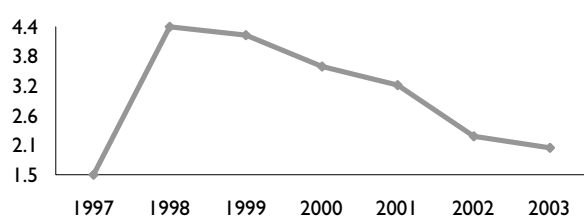
DIRECT INVESTMENT FLOWS INWARD

US\$ billions



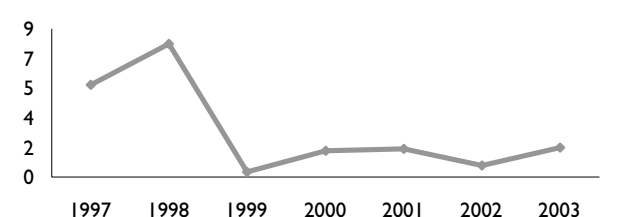
UNEMPLOYMENT RATE

Percentage of labor force



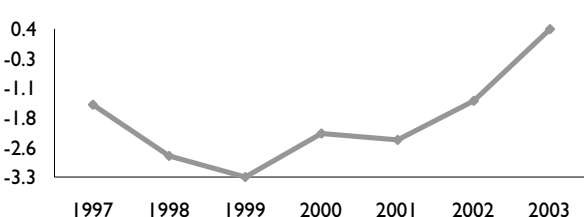
CONSUMER PRICE INFLATION

Average annual rate



GOVERNMENT BUDGET SURPLUS/DEFICIT

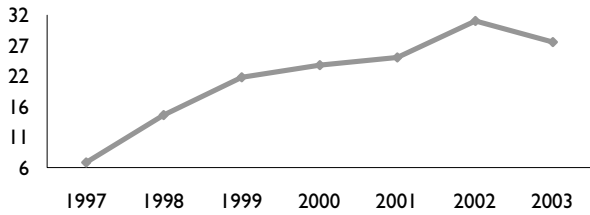
Percentage of GDP



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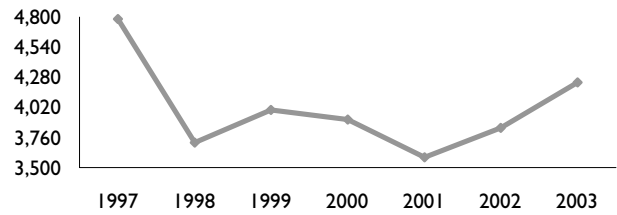
CENTRAL GOVERNMENT TOTAL DEBT

Percentage of GDP



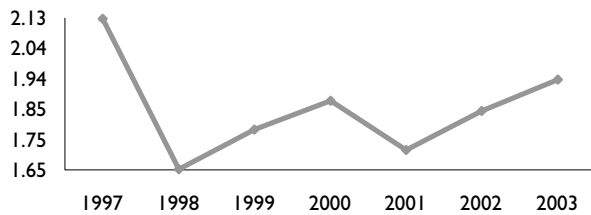
OVERALL PRODUCTIVITY

GDP per person employed, US\$



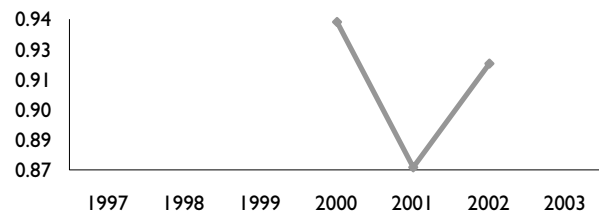
LABOR PRODUCTIVITY

GDP per person employed per hour, US\$



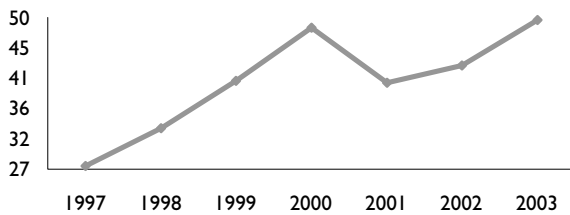
COMPENSATION LEVELS

Estimates: Total hourly compensation for manufacturing workers, US\$



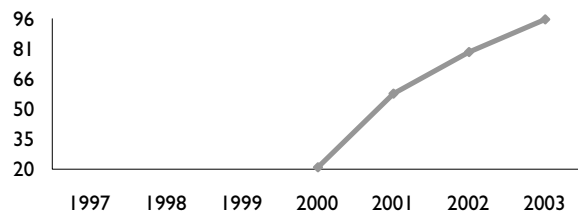
COMPUTERS PER CAPITA

Number of computers per 1000 people / Source: Computer Industry Almanac



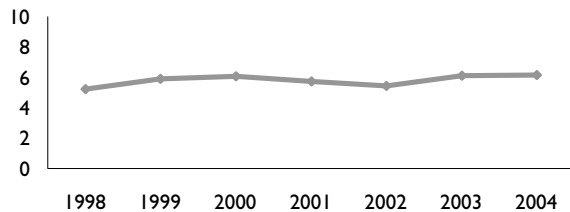
INTERNET USERS

No. of internet users per 1000 people / Source: Computer Industry Almanac



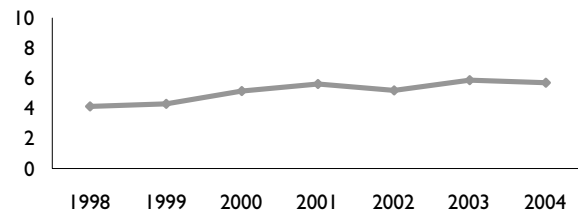
CREDIBILITY OF MANAGERS

Executive Opinion Survey



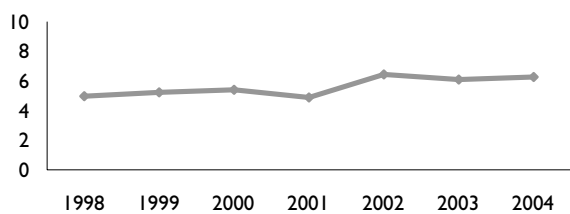
CORPORATE BOARDS

Executive Opinion Survey



ENTREPRENEURSHIP

Executive Opinion Survey



SOCIAL RESPONSIBILITY

Executive Opinion Survey

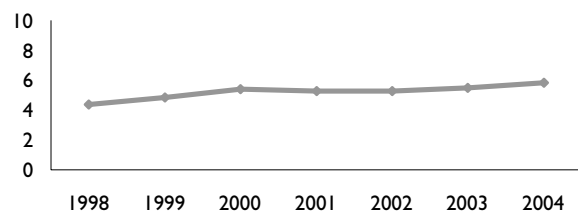


IMAGE ABROAD

Executive Opinion Survey



FLEXIBILITY AND ADAPTABILITY

Executive Opinion Survey

