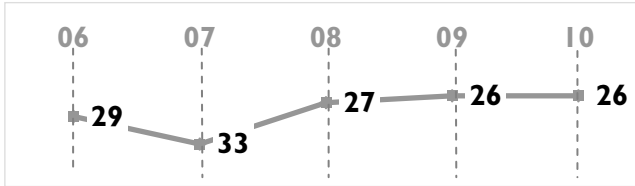


# THAILAND

## OVERALL PERFORMANCE



## CHALLENGES IN 2010

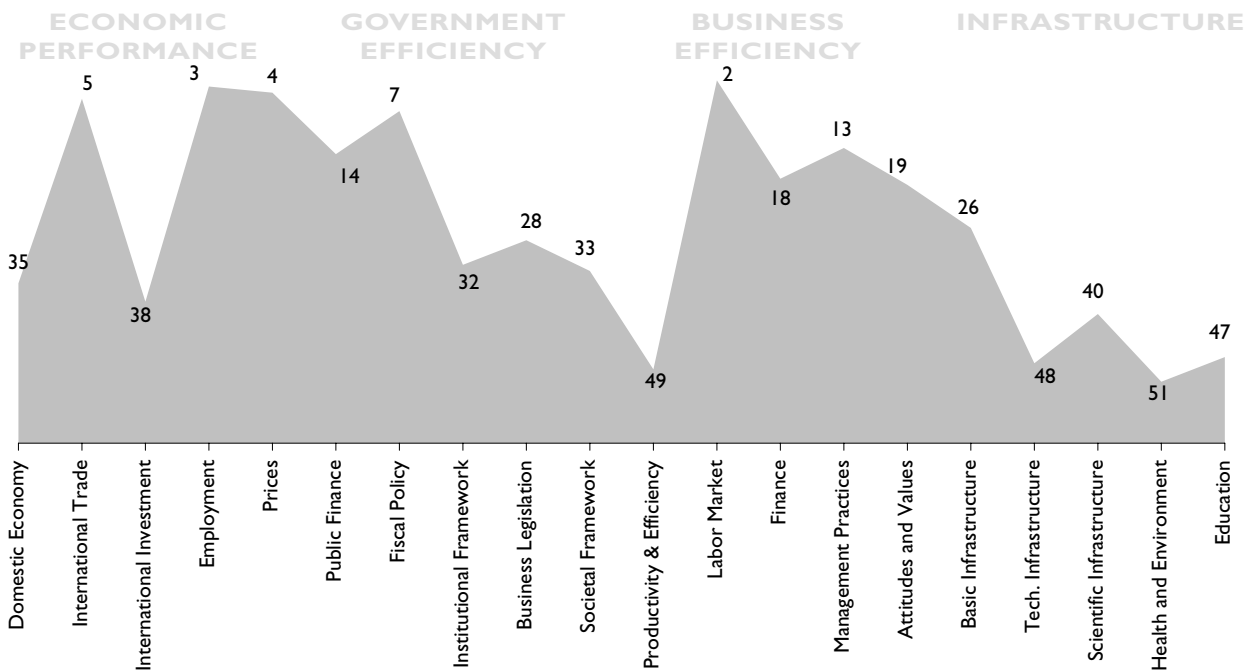
- Implementation of the infrastructure investment plan.
- Reform environmental laws and procedures.
- Improve technology and innovation.
- Solve political problem and unrest in the southern region.
- Fight against corruption.

**Provided by :**  
The Thailand Management Association

## BASIC FACTS

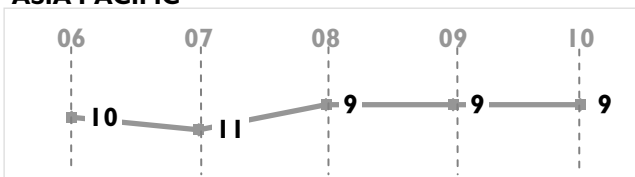
		Rank
Capital	Bangkok	
Land area (km <sup>2</sup> '000)	513.1 (2008)	-
Exchange rate (per \$)	34.34 (2009)	-
Population (millions)	66.88 (2009)	12
GDP (\$ billions)	263.5 (2009)	30
GDP (PPP) per capita (\$)	7,954 (2009)	52
Real GDP growth (%)	-2.3 (2009)	26
Consumer Price Inflation (%)	-0.9 (2009)	5
Unemployment rate (%)	1.5 (2009)	2
Labor force (millions)	38.43 (2009)	11
Current Account Balance (%)	7.7 (2009)	8
<b>Direct Investment</b>		
Stocks Inward (\$ billions)	104.8 (2008)	28
Flows Inward (% of GDP)	2.3 (2009)	24

## COMPETITIVENESS LANDSCAPE

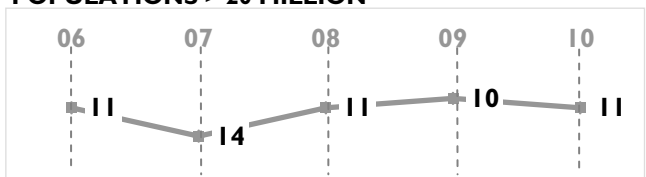


## PEER GROUP RANKINGS

### ASIA PACIFIC



### POPULATIONS > 20 MILLION



The criteria below highlight the 15 biggest Improvements and the 15 biggest Declines in the overall performance of the economy. They are determined by the largest percentage changes in the value of each criterion from one year to the next.

## IMPROVEMENTS

		WCY 2009	WCY 2010
1.2.02	<b>Current account balance</b> % of GDP	0.60	7.70
1.5.01	<b>Consumer price inflation</b> Average annual rate	5.5	-0.9
1.3.02	<b>Direct investment flows abroad</b> % of GDP	0.94	1.45
1.3.01	<b>Direct investment flows abroad</b> US\$ billions	2.57	3.81
2.4.21	<b>Labor market flexibility</b> Index on rigidity of employment (index 0-100)	18	11
1.3.03	<b>Direct investment stocks abroad</b> US\$ billions	8.02	10.86
4.5.06	<b>Higher education achievement</b> % of population that has attained at least tertiary education for persons 25-34	14.0	18.0
2.1.09	<b>Management of public finances over the next two years is likely to</b> improve (Survey)	5.04	6.37
2.3.06	<b>Foreign currency reserves</b> US\$ billions	111.01	138.42
1.3.04	<b>Direct investment stocks abroad</b> % of GDP	3.25	3.99
1.1.19	<b>Resilience of the economy to economic cycles is</b> strong (Survey)	4.36	5.33
3.3.17	<b>Venture capital</b> is easily available for businesses. (Survey)	4.09	4.91
2.1.11	<b>Pension funding</b> is adequately addressed for the future (Survey)	3.76	4.48
2.4.12	<b>Parallel (black-market, unrecorded) economy</b> does not impair economic development (Survey)	4.12	4.91
4.2.10	<b>Internet users</b> Number of internet users per 1000 people / Source: Computer Industry Almanac	178	209

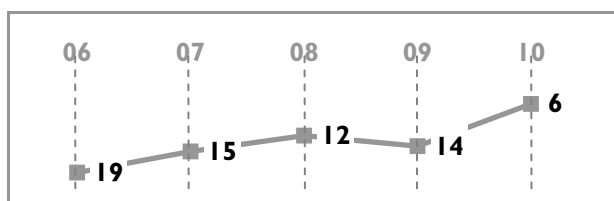
## DECLINES

		WCY 2009	WCY 2010
1.1.15	<b>Real GDP Growth per capita</b> % change, based on national currency in constant prices	1.57	-3.09
2.1.02	<b>Government budget surplus/deficit</b> % of GDP	-1.11	-3.98
1.1.14	<b>Real GDP Growth</b> % change, based on national currency in constant prices	2.5	-2.3
2.4.08	<b>Government subsidies</b> To private and public companies as a % of GDP	0.39	0.77
3.3.11	<b>Stock market capitalization</b> % of GDP	79.44	37.72
2.5.04	<b>The risk of political instability is very</b> low (Survey)	2.76	1.75
2.1.07	<b>Central government foreign debt</b> % of GDP	0.83	1.09
1.3.05	<b>Direct investment flows inward</b> US\$ billions	8.57	6.15
1.3.06	<b>Direct investment flows inward</b> % of GDP	3.15	2.33
2.1.04	<b>Total general government debt</b> % of GDP	23.54	29.06
4.4.25	<b>Environmental laws and compliance</b> do not hinder the competitiveness of businesses. (Survey)	6.24	4.90
4.3.05	<b>Business expenditure on R&amp;D</b> % of GDP	0.10	0.08
1.4.07	<b>Long-term unemployment</b> % of labor force	0.25	0.29
2.3.09	<b>Adaptability of government policy to changes in the economy is</b> high (Survey)	4.94	4.11
4.3.16	<b>Number of patents in force</b> Per 100,000 inhabitants	12.3	10.3

# THAILAND



## ECONOMIC PERFORMANCE



Sub-Factor Rankings :	2010
Domestic Economy	35
International Trade	5
International Investment	38
Employment	3
Prices	4

### Strengths

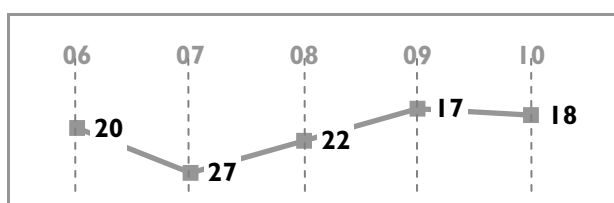
1.4.06	<b>Unemployment rate</b> Percentage of labor force	2
1.4.08	<b>Youth unemployment</b> Percentage of youth labor force (under the age of 25)	3
1.5.01	<b>Consumer price inflation</b> Average annual rate	5
1.4.02	<b>Employment</b> Percentage of population	6
1.4.07	<b>Long-term unemployment</b> Percentage of labor force	6

### Weaknesses

1.1.20	<b>GDP per capita</b> US\$ per capita	52
1.1.21	<b>GDP (PPP) per capita</b> Estimates; US\$ per capita at purchasing power parity	52
1.3.04	<b>Direct investment stocks abroad</b> Percentage of GDP	48
1.3.13	<b>Relocation of production</b> is not a threat to the future of your economy (Survey)	46
1.3.03	<b>Direct investment stocks abroad</b> US\$ billions	43



## GOVERNMENT EFFICIENCY



Sub-Factor Rankings :	2010
Public Finance	14
Fiscal Policy	7
Institutional Framework	32
Business Legislation	28
Societal Framework	33

### Strengths

2.2.07	<b>Effective personal income tax rate</b> Percentage of an income equal to GDP per capita	4
2.4.18	<b>Unemployment legislation</b> provides an incentive to look for work (Survey)	6
2.4.17	<b>Labor regulations (hiring/firing practices, minimum wages, etc.)</b> do not hinder business activities (Survey)	6
2.2.09	<b>Consumption tax rate</b> Standard rate of VAT / GST	8
2.2.11	<b>Employer's social security contribution rate</b> Compulsory contribution as a percentage of an income equal to GDP per capita	10

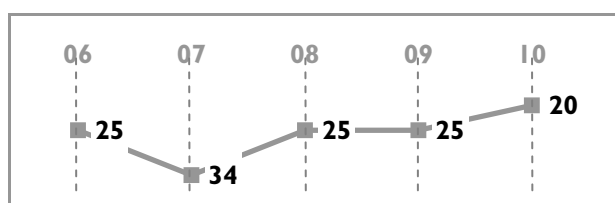
### Weaknesses

2.5.04	<b>The risk of political instability is very low</b> (Survey)	56
2.4.05	<b>Foreign investors</b> are free to acquire control in domestic companies (Survey)	51
2.4.15	<b>Start-up days</b> Number of days to start a business	49
2.4.01	<b>Tariff barriers</b> Tariffs on imports: Most favored nation simple average rate	49
2.3.01	<b>Real short-term interest rate</b> Real discount / bank rate	43

## THAILAND



## BUSINESS EFFICIENCY



Sub-Factor Rankings :	2010
Productivity & Efficiency	49
Labor Market	2
Finance	18
Management Practices	13
Attitudes and Values	19

## Strengths

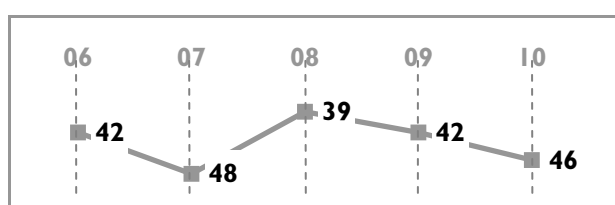
3.4.06	<b>Customer satisfaction</b> is emphasized in companies. (Survey)	6
3.3.06	<b>Financial institutions' transparency</b> is sufficiently implemented. (Survey)	6
3.2.11	<b>Labor force</b> Percentage of population	6
3.3.05	<b>Banking and financial services</b> do support business activities efficiently. (Survey)	7
3.5.03	<b>The national culture</b> is open to foreign ideas. (Survey)	8

## Weaknesses

3.1.04	<b>Labor productivity (PPP)</b> Estimates: GDP (PPP) per person employed per hour, US\$	54
3.1.01	<b>Overall productivity (PPP)</b> Estimates: GDP (PPP) per person employed, US\$	54
3.3.04	<b>Investment risk</b> Euromoney country credit-worthiness scale from 0-100	42
3.1.10	<b>Small and medium-size enterprises</b> are efficient by international standards (Survey)	39
3.2.17	<b>Finance skills</b> are readily available (Survey)	36



## INFRASTRUCTURE



Sub-Factor Rankings :	2010
Basic Infrastructure	26
Technological Infrastructure	48
Scientific Infrastructure	40
Health and Environment	51
Education	47

## Strengths

4.2.05	<b>Mobile telephone costs</b> Mobile cellular tariffs - US\$ per minute local call, off-net (peak)	3
4.1.10	<b>Dependency ratio</b> Population under 15 and over 64 years old, divided by active population (15 to 64 years)	9
4.2.22	<b>High-tech exports</b> Percentage of manufactured exports	10
4.1.24	<b>Electricity costs for industrial clients</b> US\$ per kwh	15
4.4.23	<b>Sustainable development</b> is a priority in companies. (Survey)	16

## Weaknesses

4.4.08	<b>Medical assistance</b> Number of inhabitants per physician and per nurse	55
4.2.12	<b>Broadband subscribers</b> Number of subscribers per 1000 inhabitants	54
4.5.04	<b>Pupil-teacher ratio (secondary education)</b> Ratio of students to teaching staff	53
4.4.01	<b>Total health expenditure</b> Percentage of GDP	53
4.2.10	<b>Internet users</b> Number of internet users per 1000 people / Source: Computer Industry Almanac	53