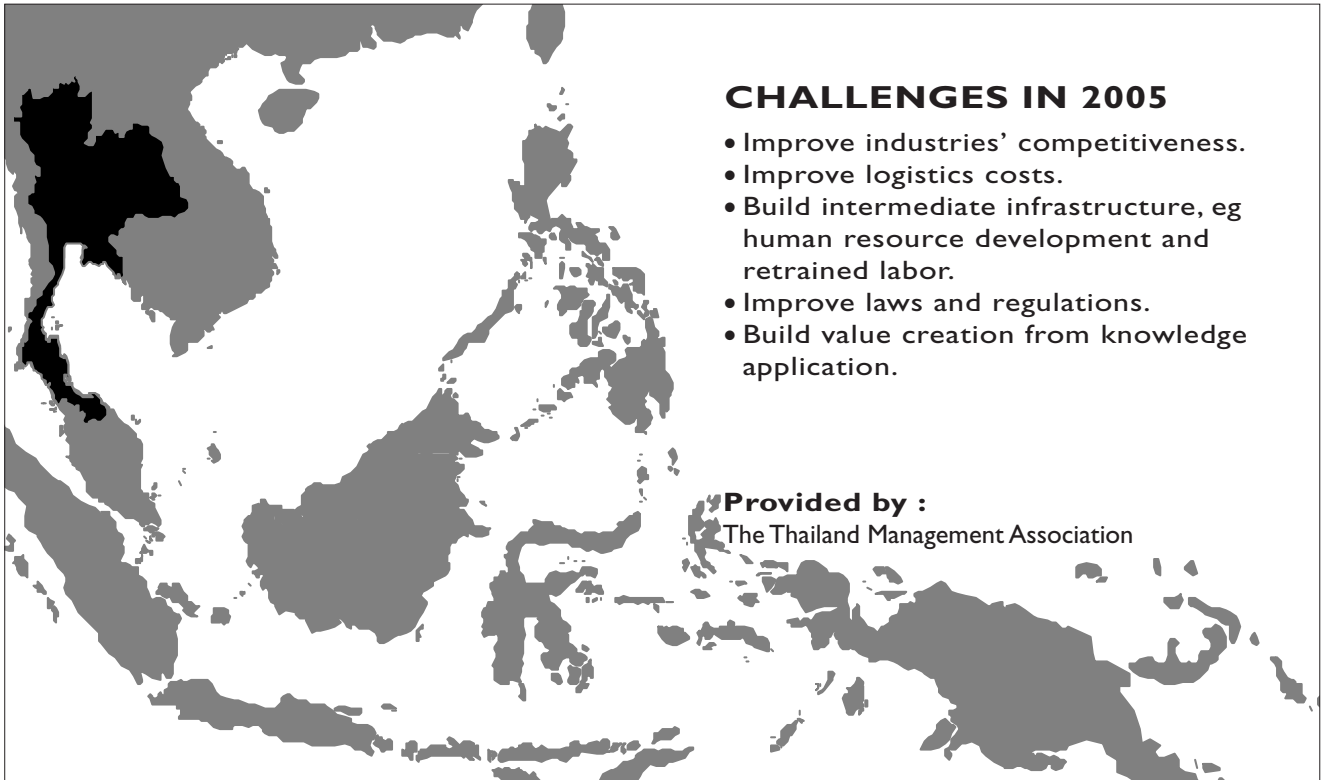
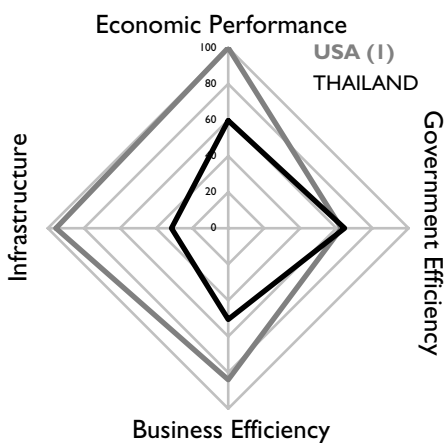
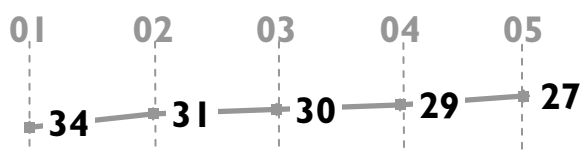


THAILAND



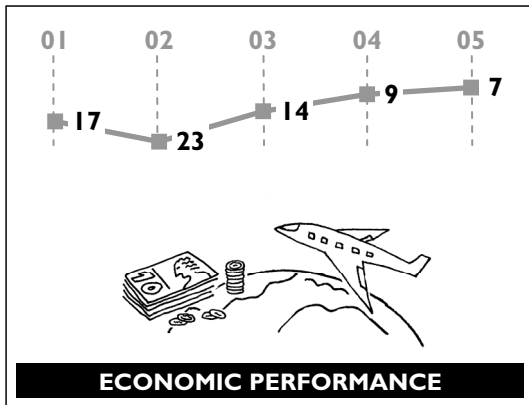
OVERALL PERFORMANCE



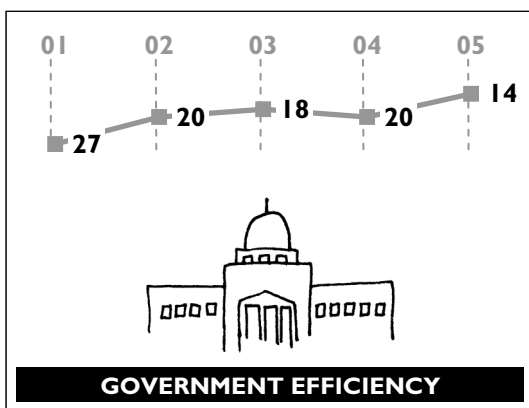
BASIC FACTS

| | |
|--|--------------|
| Capital | Bangkok |
| Population (millions) | 65.08 (2004) |
| Land area (km² '000) | 513.0 (2004) |
| Exchange rate (per \$) | 40.27 (2004) |
| GDP (\$ billions) | 163.3 (2004) |
| GDP per capita (\$) | 2,509 (2004) |
| Real GDP growth (%) | 6.1 (2004) |
| Consumer Price Inflation (%) | 2.7 (2004) |
| Unemployment rate (%) | 1.98 (2004) |
| Labor force (millions) | 35.82 (2004) |
| Current Account Balance (\$ bn) | 7.3 (2004) |
| Direct Investment | |
| Stocks Inward (\$ billions) | 47.53 (2003) |
| Flows Inward (% of GDP) | 0.61 (2004) |

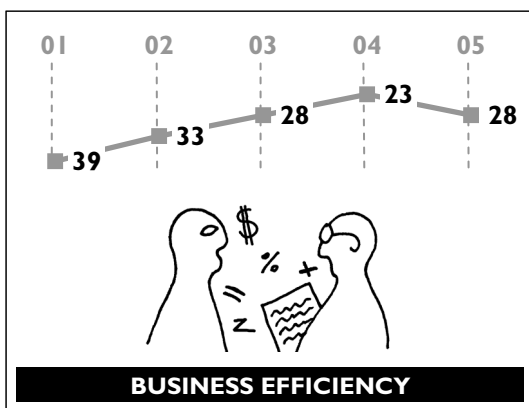
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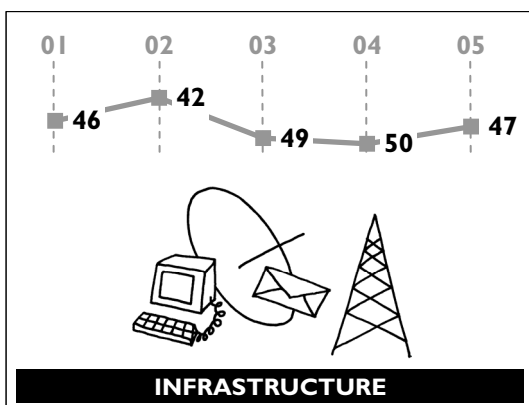
| | 2005 |
|--------------------------|------|
| Domestic Economy | 44 |
| International Trade | 18 |
| International Investment | 45 |
| Employment | 2 |
| Prices | 7 |



| | 2005 |
|-------------------------|------|
| Public Finance | 18 |
| Fiscal Policy | 2 |
| Institutional Framework | 11 |
| Business Legislation | 27 |
| Societal Framework | 30 |



| | 2005 |
|---------------------------|------|
| Productivity & Efficiency | 56 |
| Labor Market | 5 |
| Finance | 46 |
| Management Practices | 27 |
| Attitudes and Values | 16 |



| | 2005 |
|------------------------------|------|
| Basic Infrastructure | 38 |
| Technological Infrastructure | 45 |
| Scientific Infrastructure | 56 |
| Health and Environment | 46 |
| Education | 46 |

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 |
|---|------|
| I Economic Performance | |
| 1.4.06 Unemployment rate Percentage of labor force | 1 |
| 1.4.08 Youth unemployment Percentage of labor force | 1 |
| 1.4.02 Employment Percentage of population | 5 |
| 1.4.03 Employment - growth Estimates: percentage change | 7 |
| 1.2.08 Exports of goods Percentage of GDP | 8 |
| 1.2.20 Tourism receipts International tourism receipts as a percentage of GDP | 10 |
| 1.2.18 Trade to GDP ratio (Exports + Imports) / (2 x GDP) | 10 |
| 1.5.02 Cost-of-living index Index of basket of goods & services in major cities, excluding housing (New York City = 100) | 11 |
| 1.1.18 Resilience of the economy to economic cycles is strong (Survey) | 12 |
| 1.3.14 Relocation of R&D facilities is not a threat to the future of your economy (Survey) | 12 |
| 2 Government Efficiency | |
| 2.2.10 Consumption tax rate Standard rate of VAT / GST | 2 |
| 2.3.10 Adaptability of government policy to changes in the economy is high (Survey) | 2 |
| 2.3.12 Political parties do understand today's economic challenges (Survey) | 2 |
| 2.3.11 Government decisions are effectively implemented (Survey) | 5 |
| 2.4.19 Unemployment legislation provides an incentive to look for work (Survey) | 5 |
| 2.4.18 Labor regulations (hiring/firing practices, minimum wages, etc.) do not hinder business activities (Survey) | 6 |
| 2.5.07 Discrimination (race, gender, etc.) does not pose a handicap in society (Survey) | 6 |
| 2.3.07 Exchange rate stability Parity change from national currency to SDR, 2004/2002 | 7 |
| 2.2.08 Effective personal income tax rate Percentage of an income equal to GDP per capita | 8 |
| 2.3.08 Policy direction of the government is consistent (Survey) | 8 |
| 3 Business Efficiency | |
| 3.2.11 Labor force Percentage of population | 5 |
| 3.2.12 Labor force growth Percentage change | 7 |
| 3.2.03 Remuneration in services professions Gross annual income including supplements such as bonuses, in US\$ | 7 |
| 3.2.01 Compensation levels Estimates: Total hourly compensation for manufacturing workers (wages + supplementary benefits), US\$ | 8 |
| 3.2.05 Working hours Average number of working hours per year | 9 |
| 3.5.01 Attitudes toward globalization are generally positive in your economy (Survey) | 9 |
| 3.5.03 National culture is open to foreign ideas (Survey) | 10 |
| 3.2.04 Remuneration of management Total base salary plus bonuses and long-term incentives, US\$ | 13 |
| 3.4.09 Marketing is conducted efficiently by enterprises in your economy (Survey) | 14 |
| 3.2.20 International experience of senior managers is generally significant (Survey) | 14 |
| 4 Infrastructure | |
| 4.2.10 Internet costs Cost for 20 hours dial-up per month, US\$ | 2 |
| 4.4.13 Ecological footprint Area units per person, hectares of biologically productive space | 8 |
| 4.2.05 Mobile telephone costs US\$ per 3 minutes in peak hours (local) | 8 |
| 4.2.19 High-tech exports Percentage of manufactured exports | 11 |
| 4.1.07 Dependency ratio Population under 15 and over 64 years old, divided by active population (15 to 64 years) | 16 |
| 4.1.22 Electricity costs for industrial clients US\$ per kwh | 23 |
| 4.4.16 Environmental laws and compliance do not hinder the competitiveness of businesses (Survey) | 28 |
| 4.1.14 Maintenance and development of infrastructure are adequately planned and financed (Survey) | 29 |
| 4.4.14 Sustainable development is a priority in your economy (Survey) | 30 |
| 4.4.06 Health infrastructure meets the needs of society (Survey) | 30 |

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 | |
| 1.1.19 GDP per capita US\$ per capita | 53 |
| 1.1.20 GDP (PPP) per capita Estimates; US\$ per capita at purchasing power parity | 51 |
| 1.3.17 Portfolio investment liabilities US\$ billions | 51 |
| 1.2.12 Exports of commercial services - real growth Percentage change based on US\$ values | 50 |
| 1.3.06 Direct investment flows inward Percentage of GDP | 48 |
| 1.3.03 Direct investment stocks abroad US\$ billions | 47 |
| 1.3.05 Direct investment flows inward US\$ billions | 46 |
| 1.2.19 Terms of trade index Unit value of exports over unit value of imports (2000 = 100) | 45 |
| 1.3.02 Direct investment flows abroad Percentage of GDP | 45 |
| 1.3.01 Direct investment flows abroad US\$ billions | 43 |
| 2 Government Efficiency | |
| 2.4.05 Foreign investors are not free to acquire control in domestic companies (Survey) | 53 |
| 2.5.08 Females in parliament Percentage of total seats in Parliament | 49 |
| 2.4.01 Customs' authorities do not facilitate the efficient transit of goods (Survey) | 47 |
| 2.4.10 Competition legislation in your economy is not efficient in preventing unfair competition (Survey) | 47 |
| 2.3.04 Country credit rating Rating on a scale of 0-100 assessed by the Institutional Investor Magazine ranking | 46 |
| 2.3.16 Bribing and corruption exist in the economy (Survey) | 44 |
| 2.4.12 Price controls affect pricing of products in most industries (Survey) | 44 |
| 2.5.04 Social cohesion is not a priority for the government (Survey) | 44 |
| 2.4.02 Protectionism in your economy impairs the conduct of your business (Survey) | 42 |
| 2.4.04 International transactions cannot be freely negotiated with foreign partners (Survey) | 42 |
| 3 Business Efficiency | |
| 3.3.16 Stock market index Percentage change on index in national currency | 58 |
| 3.1.01 Overall productivity (PPP) Estimates: GDP (PPP) per person employed, US\$ | 55 |
| 3.3.04 Number of credit cards issued Per capita | 53 |
| 3.3.21 Factoring Percentage of merchandise exports | 50 |
| 3.1.09 Small and medium-size enterprises in your economy are not efficient by international standards (Survey) | 48 |
| 3.3.06 Investment risk Euromoney country credit-worthiness scale from 0-100 | 46 |
| 3.2.17 Finance skills are not readily available (Survey) | 44 |
| 3.4.05 Auditing and accounting practices are not adequately implemented in business (Survey) | 42 |
| 3.2.09 Employee training is not a high priority in companies (Survey) | 41 |
| 3.3.17 Shareholders' rights are not sufficiently protected (Survey) | 39 |
| 4 Infrastructure | |
| 4.3.03 Total expenditure on R&D Percentage of GDP | 58 |
| 4.4.05 Medical assistance Number of inhabitants per physician and per nurse | 57 |
| 4.4.01 Total health expenditure Percentage of GDP | 56 |
| 4.2.02 Fixed telephone lines Number of main lines per 1000 inhabitants | 56 |
| 4.3.02 Total expenditure on R&D per capita US\$ per capita | 56 |
| 4.2.08 Computers per capita Number of computers per 1000 people / Source: Computer Industry Almanac | 53 |
| 4.3.05 Business expenditure on R&D per capita US\$ per capita | 53 |
| 4.2.03 International fixed telephone costs US\$ per 3 minutes in peak hours to USA (for USA to Europe) | 52 |
| 4.2.11 Broadband subscribers Number of subscribers per 1000 inhabitants | 52 |
| 4.4.03 Life expectancy at birth Average estimate | 51 |

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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 |
|---------------|---|-----------------|----------------|---------------|
| 2.2.10 | CONSUMPTION TAX RATE Standard rate of VAT / GST | 7.00 | 2 | 17.17 |
| 4.2.10 | INTERNET COSTS Cost for 20 hours dial-up per month, US\$ | 6.98 | 2 | 18.94 |
| 1.4.06 | UNEMPLOYMENT RATE Percentage of labor force | 1.98 | 1 | 8.08 |
| 4.4.13 | ECOLOGICAL FOOTPRINT Area units per person, hectares of biologically productive space | 1.6 | 8 | 4.2 |
| 3.2.12 | LABOR FORCE GROWTH Percentage change | 2.81 | 7 | 1.21 |
| 1.4.08 | YOUTH UNEMPLOYMENT Percentage of labor force | 5.83 | 1 | 17.58 |
| 1.4.03 | EMPLOYMENT - GROWTH Estimates: percentage change | 3.06 | 7 | 1.32 |
| 3.2.05 | WORKING HOURS Average number of working hours per year | 2,184 | 9 | 1,922 |
| 1.4.02 | EMPLOYMENT Percentage of population | 53.55 | 5 | 44.26 |
| 1.2.20 | TOURISM RECEIPTS International tourism receipts as a percentage of GDP | 5.49 | 10 | 2.78 |
| 2.2.08 | EFFECTIVE PERSONAL INCOME TAX RATE Percentage of an income equal to GDP per capita | 5.01 | 8 | 16.71 |
| 2.2.01 | COLLECTED TOTAL TAX REVENUES Percentage of GDP | 15.22 | 13 | 29.12 |
| 3.2.03 | REMUNERATION IN SERVICES PROFESSIONS Gross annual income including supplements such as bonuses, in US\$ | - | 7 | - |
| 2.3.10 | ADAPTABILITY OF GOVERNMENT POLICY (Survey) Adaptability of government policy to changes in the economy is high | 7.00 | 2 | 4.24 |
| 2.3.12 | POLITICAL PARTIES (Survey) Political parties do understand today's economic challenges | 6.79 | 2 | 4.23 |
| 2.3.11 | GOVERNMENT DECISIONS (Survey) Government decisions are effectively implemented | 6.66 | 5 | 4.56 |
| 2.4.18 | LABOR REGULATIONS (Survey) Labor regulations (hiring/firing practices, minimum wages, etc.) do not hinder business activities | 6.90 | 6 | 4.56 |
| 2.4.19 | UNEMPLOYMENT LEGISLATION (Survey) Unemployment legislation provides an incentive to look for work | 6.32 | 5 | 4.61 |
| 2.5.07 | DISCRIMINATION (Survey) Discrimination (race, gender, etc.) does not pose a handicap in society | 7.69 | 6 | 6.36 |
| 2.3.08 | POLICY DIRECTION OF THE GOVERNMENT (Survey) Policy direction of the government is consistent | 6.79 | 8 | 5.05 |

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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 **27**  To **20**

20 Weakest Criteria

| Number | Name | Economy's Value | Economy's Rank | Average Value |
|---------------|---|-----------------|----------------|---------------|
| 3.3.16 | STOCK MARKET INDEX Percentage change on index in national currency | -13.48 | 58 | 23.21 |
| 4.4.05 | MEDICAL ASSISTANCE Number of inhabitants per physician and per nurse | - | 57 | - |
| 4.4.01 | TOTAL HEALTH EXPENDITURE Percentage of GDP | 4.4 | 56 | 7.6 |
| 4.2.02 | FIXED TELEPHONE LINES Number of main lines per 1000 inhabitants | 105 | 56 | 406 |
| 3.1.01 | OVERALL PRODUCTIVITY (PPP) Estimates: GDP (PPP) per person employed, US\$ | 14,333 | 55 | 46,410 |
| 4.2.09 | INTERNET USERS Number of internet users per 1000 people / Source: Computer Industry Almanac | 116.70 | 49 | 382.68 |
| 4.3.03 | TOTAL EXPENDITURE ON R&D Percentage of GDP | 0.26 | 58 | 1.52 |
| 4.3.07 | TOTAL R&D PERSONNEL NATIONWIDE PER CAPITA Full-time work equivalent (FTE) per 1000 people | 0.38 | 47 | 4.10 |
| 4.2.08 | COMPUTERS PER CAPITA Number of computers per 1000 people / Source: Computer Industry Almanac | 57 | 53 | 361 |
| 4.2.03 | INTERNATIONAL FIXED TELEPHONE COSTS US\$ per 3 minutes in peak hours to USA (for USA to Europe) | 1.64 | 52 | 0.92 |
| 4.3.09 | TOTAL R&D PERSONNEL IN BUSINESS PER CAPITA Full-time work equivalent (FTE) per 1000 people | 0.11 | 48 | 2.40 |
| 1.1.20 | GDP (PPP) PER CAPITA Estimates; US\$ per capita at purchasing power parity | 7,675 | 51 | 21,061 |
| 1.1.19 | GDP PER CAPITA US\$ per capita | 2,509 | 53 | 20,985 |
| 4.2.13 | INFORMATION TECHNOLOGY SKILLS (Survey) Information technology skills are not readily available | 6.04 | 54 | 7.43 |
| 2.4.05 | FOREIGN INVESTORS (Survey) Foreign investors are not free to acquire control in domestic companies | 5.55 | 53 | 7.31 |
| 3.1.09 | SMALL AND MEDIUM-SIZE ENTERPRISES (Survey) Small and medium-size enterprises in your economy are not efficient by international standards | 4.66 | 48 | 5.91 |
| 4.2.17 | TECHNOLOGICAL REGULATION (Survey) Technological regulation hinders the development of business | 5.19 | 49 | 6.17 |
| 4.2.20 | CYBER SECURITY (Survey) Cyber security is not being adequately addressed by corporations | 4.91 | 51 | 5.82 |
| 4.3.22 | LEGAL ENVIRONMENT (Survey) The legal environment hinders scientific research | 5.00 | 45 | 5.96 |
| 2.3.16 | BRIBING AND CORRUPTION (Survey) Bribing and corruption exist in the economy | 2.69 | 44 | 4.71 |