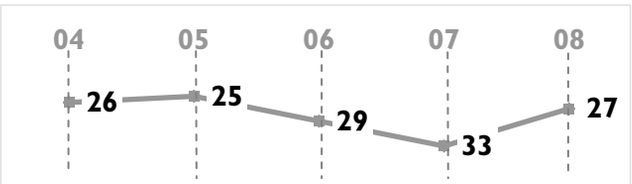
THAILAND

OVERALL PERFORMANCE



CHALLENGES IN 2008

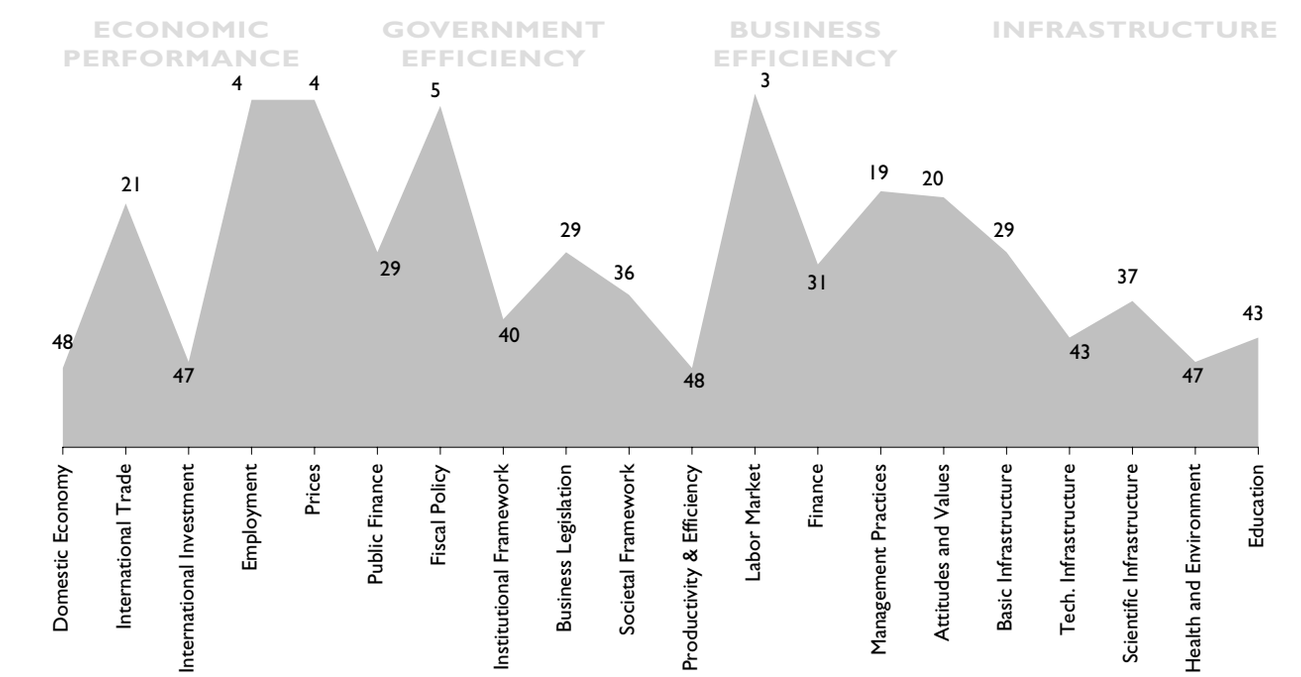
- Tackle the problems of inflation.
- Build up investors' confidence by speeding up public investment projects to improve infrastructure.
- Drive measures to improve energy efficiency.
- Improve industries' competitiveness.
- Establish mechanisms to support business adjustment in various sectors including SMEs.

Provided by :
The Thailand Management Association

BASIC FACTS

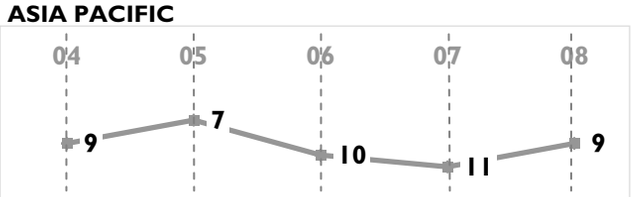
		Rank
Capital	Bangkok	
Land area (km^2 '000)	513.1 (2007)	-
Exchange rate (per $)	34.56 (2007)	-
Population (millions)	65.74 (2007)	12
GDP ($ billions)	245.5 (2007)	31
GDP (PPP) per capita ($)	7,685 (2007)	47
Real GDP growth (%)	4.8 (2007)	32
Consumer Price Inflation (%)	2.3 (2007)	17
Unemployment rate (%)	1.4 (2007)	1
Labor force (millions)	36.94 (2007)	10
Current Account Balance (%)	6.1 (2007)	13
Direct Investment		
Stocks Inward ($ billions)	71.3 (2006)	32
Flows Inward (% of GDP)	4.1 (2007)	24

COMPETITIVENESS LANDSCAPE

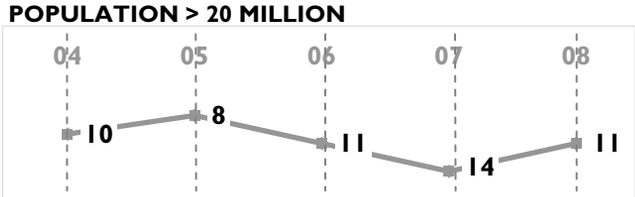


PEER GROUP RANKINGS

ASIA PACIFIC



POPULATION > 20 MILLION



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The criteria below highlight the 15 greatest 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 2007	WCY 2008
1.2.02	**Current account balance** % of GDP	1.05	6.08
1.3.01	**Direct investment flows abroad** US$ billions	1.03	1.89
2.4.08	**Government subsidies** To private and public companies as a % of GDP	1.25	0.34
1.3.02	**Direct investment flows abroad** % of GDP	0.50	0.77
1.5.01	**Consumer price inflation** Average annual rate	4.6	2.3
4.2.04	**Mobile telephone subscribers** Number of subscribers per 1000 inhabitants	429.8	630.2
2.1.07	**Central government foreign debt** % of GDP	2.00	1.12
2.4.05	**Foreign investors** are free to acquire control in domestic companies (Survey)	3.91	5.33
4.3.19	**Intellectual property rights** are adequately enforced (Survey)	3.49	4.58
2.3.09	**Adaptability of government policy to changes in the economy is** high (Survey)	3.38	4.34
4.5.06	**Higher education achievement** % of population that has attained at least tertiary education for persons 25-34	14.0	18.0
4.5.11	**The educational system** meets the needs of a competitive economy (Survey)	3.83	4.83
1.4.07	**Long-term unemployment** % of labor force	0.37	0.28
2.1.11	**Total reserves** Gold and official reserves (gold = SDR 35 per ounce), SDR billions	43.50	54.02
4.1.17	**Energy infrastructure** is adequate and efficient (Survey)	5.33	6.58

DECLINES

		WCY 2007	WCY 2008
2.1.02	**Government budget surplus/deficit** % of GDP	1.21	-2.33
2.3.12	**Transparency of government policy is** satisfactory (Survey)	3.92	2.70
2.4.13	**Price controls** do not affect pricing of products in most industries (Survey)	6.30	4.82
3.2.20	**Foreign high-skilled people** are attracted to your country's business environment (Survey)	6.38	5.28
2.1.09	**Management of public finances over the next two years is likely to** improve (Survey)	5.57	4.61
1.1.14	**Real GDP Growth per capita** % change, based on national currency in constant prices	4.83	4.02
2.5.05	**Social cohesion** is a priority for the government (Survey)	6.17	5.21
1.5.02	**Cost-of-living index** Index of a basket of goods & services in major cities, including housing (NY City = 100)	64.90	74.90
2.5.08	**Equal opportunity legislation in your country** encourages economic development (Survey)	6.72	5.78
2.3.02	**Cost of capital** encourages business development (Survey)	5.63	4.90
2.3.13	**The public service** is independent from political interference (Survey)	2.96	2.58
2.2.11	**Employer's social security contribution rate** Compulsory contribution	4.98	5.61
2.4.12	**Product and service legislation** does not deter business activity (Survey)	5.70	5.28
2.4.20	**Unemployment legislation** provides an incentive to look for work (Survey)	5.83	5.41

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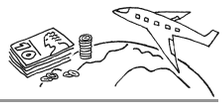
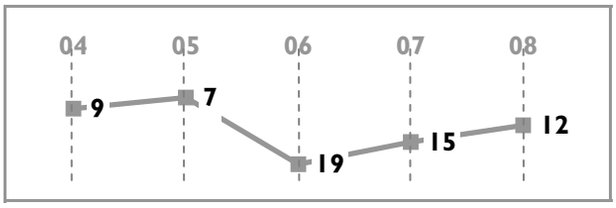


ECONOMIC PERFORMANCE



Sub-Factor Rankings :	2008
Domestic Economy	48
International Trade	21
International Investment	47
Employment	4
Prices	4

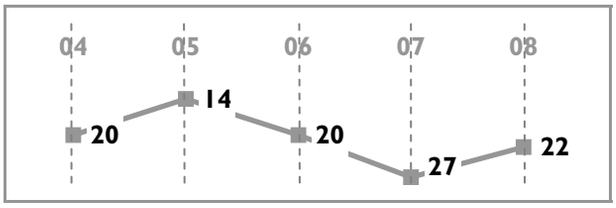
Strengths

1.4.06	**Unemployment rate** Percentage of labor force	1
1.4.08	**Youth unemployment** Percentage of youth labor force (under the age of 25)	2
1.4.07	**Long-term unemployment** Percentage of labor force	4
1.4.02	**Employment** Percentage of population	5
1.2.20	**Tourism receipts** International tourism receipts as a percentage of GDP	8

Weaknesses

1.1.19	**GDP per capita** US$ per capita	49
1.1.20	**GDP (PPP) per capita** Estimates; US$ per capita at purchasing power parity	47
1.2.21	**Exchange rates** support the competitiveness of enterprises (Survey)	47
1.3.04	**Direct investment stocks abroad** Percentage of GDP	45
1.3.03	**Direct investment stocks abroad** US$ billions	41

GOVERNMENT EFFICIENCY



Sub-Factor Rankings :	2008
Public Finance	29
Fiscal Policy	5
Institutional Framework	40
Business Legislation	29
Societal Framework	36

Strengths

2.2.07	**Effective personal income tax rate** Percentage of an income equal to GDP per capita	3
2.2.09	**Consumption tax rate** Standard rate of VAT / GST	5
2.4.19	**Labor regulations (hiring/firing practices, minimum wages, etc.)** do not hinder business activities (Survey)	6
2.2.11	**Employer's social security contribution rate** Compulsory contribution as a percentage of an income equal to GDP per capita	8
2.5.03	**Ageing of society** is not a burden for economic development (Survey)	9

Weaknesses

2.5.04	**The risk of political instability is very** low (Survey)	52
2.3.05	**Central bank policy has a** positive impact on economic development (Survey)	51
2.4.13	**Price controls** do not affect pricing of products in most industries (Survey)	50
2.3.07	**Policy direction of the government** is consistent (Survey)	49
2.4.05	**Foreign investors** are free to acquire control in domestic companies (Survey)	48

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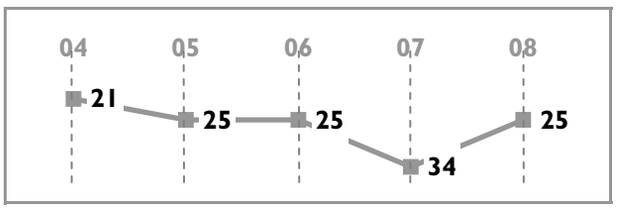
BUSINESS EFFICIENCY



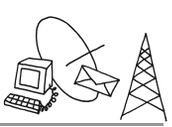
Sub-Factor Rankings :	2008
Productivity & Efficiency	48
Labor Market	3
Finance	31
Management Practices	19
Attitudes and Values	20

Strengths

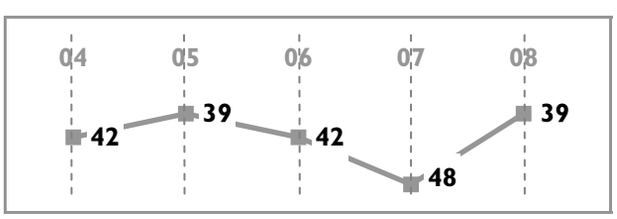
3.2.14	**Female labor force** Percentage of total labor force	1
3.2.01	**Compensation levels** Estimates: Total hourly compensation for manufacturing workers (wages + supplementary benefits), US$	5
3.2.11	**Labor force** Percentage of population	6
3.2.03	**Remuneration in services professions** Gross annual income including supplements such as bonuses, in US$	7
3.4.07	**Customer satisfaction** is emphasized in companies (Survey)	8

Weaknesses

3.1.01	**Overall productivity (PPP)** Estimates: GDP (PPP) per person employed, US$	50
3.1.04	**Labor productivity (PPP)** Estimates: GDP (PPP) per person employed per hour, US$	50
3.1.10	**Small and medium-size enterprises** are efficient by international standards (Survey)	46
3.3.05	**Investment risk** Euromoney country credit-worthiness scale from 0-100	44
3.3.14	**Value traded on stock markets** US$ per capita	35



INFRASTRUCTURE



Sub-Factor Rankings :	2008
Basic Infrastructure	29
Technological Infrastructure	43
Scientific Infrastructure	37
Health and Environment	47
Education	43

Strengths

4.2.10	**Internet costs** Cost for 20 hours dial-up per month, US$	4
4.2.05	**Mobile telephone costs** Mobile cellular tariffs - US$ per 1 minute (local)	5
4.1.09	**Dependency ratio** Population under 15 and over 64 years old, divided by active population (15 to 64 years)	10
4.2.20	**High-tech exports** Percentage of manufactured exports	11
4.1.24	**Electricity costs for industrial clients** US$ per kwh	15

Weaknesses

4.4.01	**Total health expenditure** Percentage of GDP	53
4.2.11	**Broadband subscribers** Number of subscribers per 1000 inhabitants	52
4.4.08	**Medical assistance** Number of inhabitants per physician and per nurse	51
4.3.02	**Total expenditure on R&D** Percentage of GDP	51
4.2.09	**Internet users** Number of internet users per 1000 people / Source: Computer Industry Almanac	50