THAILAND
IN THE 2010'S



THAILAND
IN THE 2010's




INDIA
MYITKYINA
BAOSHAN
DARI
KUNMING
CHENGGONG
JINNING
CHINA
LIUZHO
TAMU
MYANMAR
LASHIO
NUMTU
BUDA LIN
ANGLADESH
GREATER MEKHONG BASIN DEVELOPMENT INITIATIVE
MOHEI
GAULAN BA
SIMAO POL
SIMAO
PU-ER
GUANXI
HEKOU
LAO CAI
NANNING
VIETNAM
PINGXIANG
NUIBONG
LANG SON
NA DUONG
LUUXA
MADAYA
NAUNGCHO
WETWUN
MANDALAY
MYINGYAN
BAN JAI
JING-HONG (Xiaoang Banna)
DALNO
YEN BAI
KYAUKPADAUNG
CHAUK
MEIKTILA
THAZI
TAUNGGYI
NAYPYIDAW
PYINMANA
YWATHIT
TAUNGOO
PYAY
MYANAUNG
KAUKHNYAT
HINTHADA
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PHAUN
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PATHEIN
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MAWLAMYINE
MYAWADI
MAE SOT
KENGTUNG
MONG PAHLYO
TACHILEIK
MAE SAI
MONG HAN
MONG YAWNG
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ANSHUN
DIEN-BIEN-PHU
HANOI
BAI CHAY
HAIPHONG
LOUANG NAMTHA
PAK MONG
INTERNATIONAL
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CHIANG SAEN
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BAN PHUANG
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HUAI KHON
BO KLUAI
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CHOM PHET
LOUANG PHRABANG
XIENG KHOUANG
LAO PDR
GULF OF TONKIN
LINGAO
CHANG-CHIANG
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MUANG PAK-LAY
VANG VIENG
VIENTIANE
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SISOPHON
CAMBODIA
STOENG TRENG
RATCHABURI
ARANYA PRATHET
BATTAMBANG
SIEMREAP
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LAEM CHABANG
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Tonle Sap
KOMPONG THOM
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MYEIK, MARID
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Ko Chang
KOMPONG CHAM
LOC NINH
DA LAT
PHAN RA
Kathaya Island
PRACHUAP KHIRI KHAN
ANLOC
PHNOM PENH
KOH KONG
KOMPONG SPEU
Langi Island
GULF OF THAILAND
KAMPOT
HO CHI MINH
KAYATHUYI
KOMPONGSOM
SIHANOUKVILLE
VUNG-TAU
KRA BURI
CHUMPHON
HON CHONG
RANONG
VICTORIA POINT
Ko Phangan
Ko Samui
TA CA MOU
SURAT THANI
PHANGNGA
BAN THANUN
NAKHON SI THAMMARAT
KRABI
THUNG SONG
PHUKET
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Kohuna
KAN TANG
SONGKHLA
HAT YAI
SATUN
PATTANI
SARATHIWAT
TAK BAI
Ko Tarutao
SADAO
PADANG BESAR
Langkawi Island
ALOR SETAR
SUNGAI KOLOK
KOTA BHARU
BETONG
WARING
BANDA ACEH
SIGLI
INDONESIA-MALAYSIA-THAILAND GROWTH TRIANGLE DEVELOPMENT PROJECT
BUTTER WORTH
KUALA TERENG GANU
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LHOKSEUMAWE
TAIPING
MALAYSIA
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MARAN
MEDAN
KUALA LUMPUR
TANDJUN GBALAI
PEMATAN GSIANTAR
KELANG
SELEMBAN
SEGAMAT
MERSING
RANTA UPARAPAT
MALAKA
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SIBOLGA
JOHOR BAHARU
INDONESIA
SINGAPORE
1. BANGKOK
2. SAMUT SAKHON
3. SAMUT PRAKAN
4. SAMUT SONGKHRAM
5. NAKHON PATHOM
6. NONTHABURI
7. PATHUM THANI
8. NAKHON NAYOK
9. PHRA NAKHON SI AYUTTHAYA
10. SARABURI
11. ANG THONG
12. SING BURI
KILOMETRES 0 50 100 200
SCALE 1:13,000,000
LEGEND
CAPITAL CITY
PROVINCIAL TOWN
BORDER TOWN & ANCHOR TO
INTERNATIONAL AIRPORT
DOMESTIC AIRPORT
MAIN HIGHWAY
RAILWAY
FRIENDSHIP BRIDGE
DEEP SEA PORT
COASTAL PORT
RIVER PORT
RIVER
HAILAND'S TOPOQRAPHICAL POSITION IN MAINLAND SOUTHEAST ASIA
THAILAND
SOUTHEAST ASIA

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Foreword

For almost eight centuries, Thailand's royal institution has endured under the aegis of the Royal House of Chakri. Today, stewardship of the royal institution abides and prevails under the wise counsel of His Majesty King Bhumibol Adulyadej, who also holds the distinction of being the world's longest-serving monarch.

Revered and loved by everyone in the Kingdom, His Majesty, in 2011, celebrated his 7th cycle, 84th birthday; a year later, Her Majesty Queen Sirikit celebrated her 80th birthday; both occasions affording splendid opportunities for Thai people to demonstrate their deep gratitude for the selflessness, concern and compassion shown by Their Majesties over the years, by commemorating these auspicious milestones in the spirit of joy and happiness.

To further celebrate Thailand's progress and development, ten years into the 21st century, the Royal Thai Government, through the collaborative efforts of the National Identity Board, takes great pride in presenting this exclusive publication that showcases Thailand as it navigates a steady course into the second decade.

The first decade saw great changes in socioeconomic terms with the country striving to uphold the principles of a "sufficiency economy", as envisioned by His Majesty, in the development of agriculture, industries,



services and tourism within an increasingly globalised world. In response, successive governments have developed strategies to drive forward education, social security, justice, defence, environmental protection and natural resources conservation. Ministerial edicts to this effect are detailed in this publication. Accordingly, readers will learn that great efforts are underway in terms of capacity building related, for example, to social areas such as public health and sports, and in developing the labour force to strengthen efforts in science and technology to transform the country, as Thailand is moving fast towards becoming a cyber-based society.

To meet the need to innovate to provide infrastructure development, energy reform, and technological improvements in transport and communications, more public-private-partnerships are designated at national level all with a view to instilling good corporate governance into the process. In addition, every facet of development, as explained in this publication, follows His Majesty's "Sufficiency Economy Philosophy" which has been successfully demonstrated over the years in the form of royal development projects and through international cooperation.

As we journey through the second decade of the 21st century, the Royal Thai Government and National Identity Board sincerely hope that readers will find "Thailand in the 2010's" of some value in understanding the socioeconomic plans and their implementation designed to secure the future of Thailand in a sustainable manner.

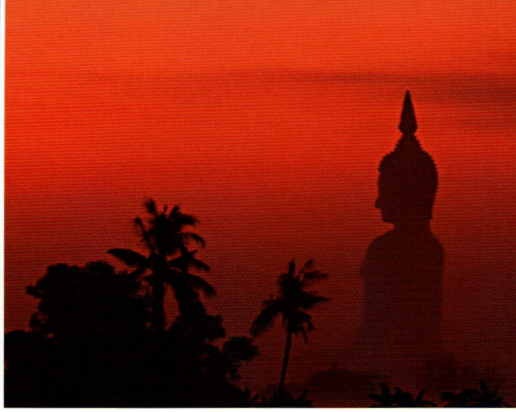






HISTORICAL BACKGROUND





Historical Background

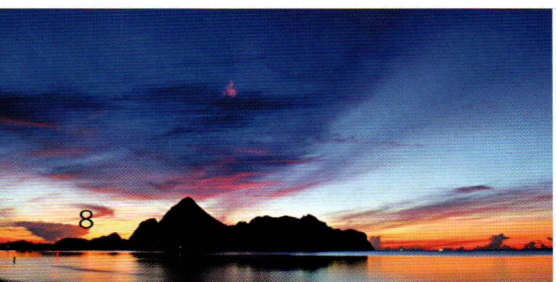
As revealed through archeological discoveries made in various locations in the territory of present-day Thailand, these are sites where, during the evolution of homo erectus primordial hunters, trappers and gatherers had lived, and some of the first settlements evolved of people who had worked the soil, grown crops, created tools, utensils, and artifacts, and venerated guardian spirits, beginning several thousand years ago. Early in history, both Mon - and Khmer-speaking people occupied large areas of what is modern Thailand; the former established several city states known collectively as *Dvaravati*, the name depicting their culture and arts; the latter ruled over extensive territory from their capital of Angkor in present-day Cambodia. The Thai gradually migrated southward from river basins in present-day south-western China and settled in sufficient numbers to establish their small states in the north of present-day Thailand, well before the 13th century.



Until 1949 the country was known to the world as "Siam". On May 11 of that year, and by official proclamation, its name was finally changed to *"Prathet Thai,"* or Thailand in English. The word "Thai" means free and therefore "Thailand" means "Land of the Free."

Geography

Situated in the heart of the South-east Asian mainland, the Kingdom of Thailand covers 513,115 sq.km, not including its maritime economic zone. Its extreme latitudinal co-ordinates are 20°28'N and 5°36'S, and its extreme longitudinal co-ordinates are 105°38'E and 97°22'W. To the north, Thailand





borders the Lao People's Democratic Republic (Lao PDR) and the Union of Myanmar; to the east it borders the Lao PDR and the Kingdom of Cambodia; to the south it borders Malaysia; and to the west it borders the Union of Myanmar. The country's land-based maximum north-south extent is approximately 1,600 km, and its maximum east-west extent measures approximately 870 km. The country's coastline along the Gulf of Thailand is 1,875 km long, compared to 740 km along the Andaman Sea; not included are the coastlines of some 400 islands, most of them in the Andaman Sea.



Topography

By and large, four regions are distinguishable: the North; the Central Plains with the Chao Phraya River Basin and some other, smaller river basins; the North-east, also known as the Khorat Plateau; and the South on the northern half of the Malay Peninsula.

The North is a mountainous region with narrow valleys. Hence, its landscape is dotted with forests, rivers, paddy fields and orchards. Located in its northern part are the historical centres of Chiang Saen, Phayao, Nan, Phrae, Lampang, Lamphun, Chiang Mai and Mae Hong Son. The centre of its southern part is the historical capital of Sukhothai, flanked by Si Satchanalai and Kamphaeng Phet.

The Central Region is a vast area of alluvial, lush and fertile plains. It is the leading rice-producing area and has often been called the "Rice Bowl of Asia". Siam's historical capital Ayutthaya, as well as Lop Buri, the country's official second capital since the middle of the 19th century, and Bangkok, the capital of Thailand since 1782, are located in this region. Its eastern and western flanks are covered by some of the country's outstanding nature reserves.

The North-east of Khorat Plateau forms the largest region, covering one-third of the country. It is bordered by two high mountain ranges and has in its interior mountains and undulating hills. Harsh climatic conditions either cause floods or droughts, the latter frequently in the region's southern semi-arid part. Yet the premium rice variety, *Khao Hom Mali* or Jasmine Rice, is grown there. Magnificent historical monuments dot the landscape.







The South ranges from hilly to mountainous, with dense virgin forests and rich deposits of minerals and ores. Historically, this was the Golden Chersonese; the peninsula where East and West met to trade at its thriving coastal entrepôts. Traditionally, this region is also known for the production of agricultural commodities such as rubber, palm oil, coffee and fruits. It became a tourism hub in the recent past thanks to its fabulous beaches and reefs.

Climate

Thailand is a warm and rather humid country situated across three climate zones. The North, North-east and Central Plains, by far the largest part, lies in the savannah climate zone with moderate rainfall and long dry periods. Its lower south-eastern part, and almost the entire northern peninsula between Hua Hin and Satun, except for a stretch of its east coast from Nakhon Si Thammarat southward to Narathiwat, falls into the seasonal rainforest climate zone with frequent convection rainfall and short dry periods. This stretch alongside the peninsular east coast belongs to the tropical rainforest climate zone with steady convection rainfall throughout the year. The winds that influence the climate are the summer monsoon from the south-west across the Indian Ocean, during May through October, resulting in a pronounced rainy season, and the winter monsoon from the north-north-east between November and May, commonly called the dry season. Countrywide, average temperatures range between a minimum of 23.7°C and a maximum of 37.5°C.





Population

The population of Thailand is approximately 64.1 million, with an annual growth rate of about 0.3 per cent. In addition to Thai, it includes ethnic Chinese, Malay, Khmer, Lao, Vietnamese, and Indians, among others.

Religions

Buddhism is the professed faith of 95 per cent of the population. Islam, Christianity, Hinduism or other religions are embraced by minorities. The King of Thailand, under the constitution and in practice, is the patron of all major religions embraced by the people.

Languages

The official national language is Thai. It is a tonal language, uninflected and predominantly monosyllabic. Many polysyllabic words are "borrowed," mainly from Khmer, Pali, or Sanskrit. Dialects are spoken in rural regions. Other languages spoken include Chinese and Malay. English, a mandatory subject in public schools, is widely spoken and understood, particularly in Bangkok and other major cities.

Government

A constitutional monarchy with a bicameral legislature, the parliament and the senate, form the system of government. The country comprises 76 provinces, called *changwat* in Thai, which are subdivided into districts or *amphoe,* sub-districts or *tambon,* and villages or *mu ban.* Metropolitan Bangkok is administered by an elected governor; it is subdivided into 50 districts called *khet* in Thai.

Royal Anthem

The royal anthem, whose lyrics acclaim the realm embodied in His Majesty the King, is played on occasions such as state ceremonies and functions graced by Their Majesties and members of the royal family, as well as at events where people gather such as concerts, theatre performances, cinema shows, and sports events. The sentiments expressed through the lyrical and musical rendition mirror the people's sentiments of adoration and respect for their monarch.

National Flag



Thailand's national flag is composed of five horizontal bands of red, white and blue. The central blue band represents the monarchy and occupies one-third. It is flanked by two narrow bands of white which represent religion and *in toto* equal one-third. They are flanked by two narrow, outer bands in red which represent the nation and *in toto* equal one-third. This tricolour was introduced by royal command of King Vajiravudh (Rama VI, 1910-1925) in 1917. It replaced a flag in which a white elephant was depicted against a red background.

National Anthem

The national anthem is played on all ceremonial occasions of national importance, and daily while the national flag is being hoisted at eight o'clock in the morning and lowered at six o'clock in the evening. The literal translation of its text reads as follows:

The nation is made up of the Thai;
It is a nation of Thai in every part of the land;
It has maintained its rule because the Thai have always been united;
The Thai people are peace-loving, but they are not cowards in times of war;
They shall not allow others to take away their freedom;
The Thai are ready to sacrifice every drop of their blood for the nation;

Government Emblem



The government emblem is the *Garuda*, a mythical figure, half bird, half human, that adorns many items associated with the monarchy. All government offices have the *Garuda* incorporated into their insignia. Moreover, the Garuda symbol is awarded at the personal discretion of His Majesty the King to business enterprises that rendered outstanding charitable services to the country's society and strengthened its economy. Such honorific award is rarely bestowed and, hence, held in high esteem.

National Day

December 5, the date when His Majesty King Bhumibol Adulyadej was born, is also celebrated as the Thai national day.

Economy

GNP (2010) at current prices was approximately 4,396.21 billion baht or US$ 138.56 billion. Total merchandise exports in 2010 amounted to the approximate value of 6,113.34 billion baht or US$ 193.30 billion, and merchandise imports were valued at approximately 5,856.59 billion baht of US$ 182.93 billion.

Traditional Attire

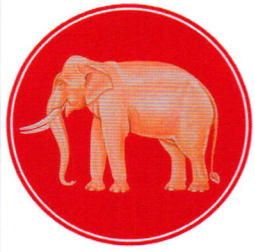
Although there is no official national attire, certain features of traditional attire were adopted and can be seen on both formal and informal occasions. For women, it is a full-length *pha sin*, a rectangular piece of cloth worn like a skirt or sarong, mostly made of silk. The *pha sin* may be of any colour and usually has a contrasting, ornamental border above the hem. It is complemented by a long-sleeved silk blouse. On formal occasions a sash may be worn across the chest from the left shoulder to the right edge of the waist. For men, the traditional attire consists of trousers and a *suea phra ratchathan,* either a short-sleeved shirt as casual attire or a shirt with long sleeves for formal occasions, both with a stand-up collar. On formal occasions, a cummerbund is tied around the waist.

National Symbols of Thailand

The *Sala Thai* (Thai pavilion) is the country's architectural symbol and represents the skills of Thai craftsmen. *Chang Thai* (Thai elephant or *Elephas maximus*) is a symbol historically and traditionally associated with Thailand. The national plant is the *Rachaphruek* (*Cassia fistula* Linn.), in English known as the Golden Shower Tree or Indian Laburnum.



Sala Thai



Chang Thai



Rachaphruek





HISTORICAL SETTING





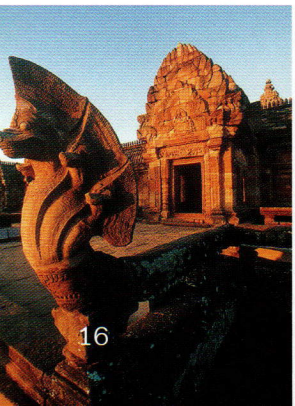
Earliest Inhabitants

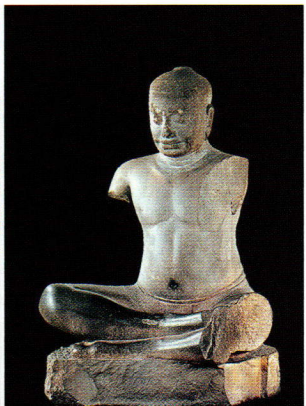
The area which is now Thailand has been populated ever since the dawn of civilization. The first humans in this region of Asia lived by hunting wild animals and gathering whatever grew in their natural environment. Later on, men and women learnt to modify nature, growing cereals such as rice, and breeding livestock. Rice growing communities sprang up. Metal casting and pottery making also became highly developed skills as prehistoric settlements prospered. Cast-bronze technology in the north-eastern area of Thailand dates from around 2000 B.C., resulting in prehistoric achievements at sites in Thailand just as advanced as at those of modern India and China.

The spectacular finds at Ban Chiang, situated in Thailand's Udon Thani Province, include bronze utensils and ornaments, painted pottery, and bimetallic (bronze and iron) weapons. Ban Chiang was apparently settled as far back as 6,000 years ago, and was continually inhabited for some 4,000 years. It was an agricultural community, with skilled metal workers and potters. Artistically, the glory of Ban Chiang can be found in the large amount of painted pottery; the most graceful shapes and intricate designs appear on pottery dating back to the period from 300 B.C. until 200 A.D.

Mon and Khmer Dominance

From the 7th to the 11th centuries, a large area of what is now central and western Thailand was occupied by a Mon civilization know as Dvaravati. The ethnic groups of the Mon, who share the same linguistic lineage as the Khmer, were later to settle in southern Myanmar. Little is known about the political and social "empire" of Dvaravati. But is seems quite likely that there were several Mon states sharing a common culture, rather than a monolithic "empire" with a single capital city. Important





ancient Dvaravati sites in Thailand include Nakhon Pathom, Khu Bua, Phong Tuk, and Lawo (Lop Buri). Some superb sculptures, bas-reliefs, and other archaeological remains survive from this obscure period of history

Dvaravati was an "Indianised" culture, with Theravada Buddhism as the dominant religion. Theravada Buddhism was to remain the major religion in this area for the next millennium, co-existing with animism, Hinduism, and Mahayana Buddhism. Its ideas and philosophy inspired much of the Dvaravati art and sculpture, whose forms were also based on Indian prototypes.



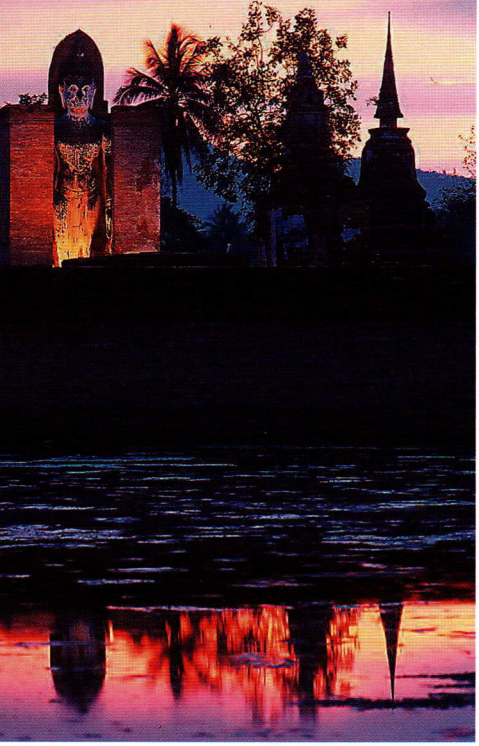


Throughout the 11th-12th centuries, Mon dominance over Central Thailand had been reduced by the power of the ever-expanding Khmer empire to the east. The capital of this empire was the great city of Angkor, and the Khmer rulers were masters of a tightly-organised society with remarkable capacities for territorial and cultural expansion. The Khmer also controlled most of the trade routes in the region of present-day Thailand, Cambodia, the Lao PDR, and Vietnam. Khmer territories stretched well into the area that is present-day Thailand, covering its north-eastern region, much of its central region, and reaching as far west as Kanchanaburi Province. The Khmer built stone temples in the northeast, some of which have been restored to their former glory, notably those at Phimai and Phanom Rung. Stone sculptures and lintels depicting Hindu deities, stone Buddha images in the distinctive Khmer style, and bronze statuary, some of great beauty, are other vestiges of Khmer cultural dominance. Politically, however, the Khmers probably did not control the whole of this area directly but exerted power through vassals and governors.

The fertile Chao Phraya River basin had always been an area with an ethnic mix of Mon, Khmer, and Lawa. Towards the end of the 13th century, Khmer power in this area waned and new kingdoms, dominated by the ethnic group of the Thai emerged. These had been influenced by Khmer rule and culture, but they brought other spectacular legacies, the origins of which are still a matter of historical dispute.

Arrival of the Thai

Based on research done in the southern Chinese provinces of Guangdong, Guangxi, and Yunnan, where the Thai language is still spoken, it is assumed that the Thai migrated southward from these provinces. By the 13th century, the Thai had become a force to be reckoned with in mainland Southeast Asia, and Thai princes ruled over states as far apart as Lan Na in the far north, Suphannaphum (around present-day Suphan Buri) in the central region, and Nakhon Si Thammarat in the south, yet most importantly in the river plains around Sukhothai in the North.



Sukhothai (13th–15th Centuries)

The state that is still regarded by Thai historical tradition as the "first Thai kingdom" was Sukhothai. There were, in fact, other contemporaneous Thai states such as Lan Na and Phayao, both in present-day northern Thailand, but the Thai historical imagination has been most stirred by Sukhothai. Even today, the evocative ruins of Sukhothai and its twin city of Si Satchanalai conjure up images of material prosperity, artistic greatness, and Buddhist piety. Indeed, Sukhothai is remembered as much for its art and architecture as for its political achievements.

Sukhothai was originally a principality under the sway of the Khmer empire; the oldest monuments in the city were built in the Khmer style, or else show clear Khmer influence. During the first half of the 13th century the Thai rulers of Sukhothai threw off the Khmer yoke and set up an independent Thai kingdom. One of the victorious Thai chieftains became the first king of Sukhothai, with the name of Si Intharathit (Sri Indraditya). Sukhothai's power and influence expanded in all directions through conquest, as the Khmer were driven southwards, by a far-sighted network of marriage alliances with the ruling families of other Thai states, and by the use of a common religion, Theravada Buddhism, to cement relations with other states.

Si Intharathit's son and successor was King Ramkhamhaeng, undoubtedly the most famous and dynamic monarch ever to rule the Sukhothai Kingdom. Much of what we know about Sukhothai in the 13th century derives from a 1292 stone inscription attributed to King Ramkhamhaeng. It is considered a seminal source of Sukhothai history, as well as a masterpiece of Thai literature. It eloquently extols the benevolence of King Ramkhamhaeng's rule, as well as the power and prosperity of Sukhothai. The King was accessible to his people, having had a bell hung in front of the palace gate so that any subject with a grievance could ring it and ask for justice:

> "King Ramkhamhaeng, the ruler of the kingdom,
> Hears the call; he goes and questions the man,
> Examines the case, and decides it justly for him.
> So the people of… Sukhothai praise him."







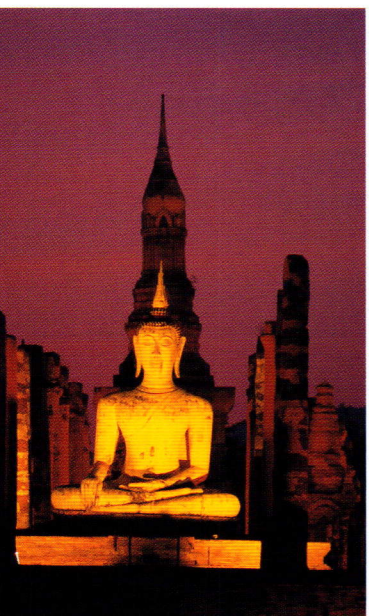
According to this inscription, the King did not levy road tolls or taxes on merchandise, nor did he tax his subjects' inheritance at all. Such a paternalistic and benevolent style of kingship has caused posterity to regard the Sukhothai Kingdom's heyday as a "golden age" in Thai history.

Even allowing for some hyperbole in King Ramkhamhaeng's inscription, it is probably true that Sukhothai was prosperous and well-governed. Its economy was self-sufficient. The Thai people's basic diet was the same as that of many other people in Southeast Asia, consisting of rice and fish as staple foods, both of which were plentiful according to the inscription:

"In the time of King Ramkhamhaeng this land of Sukhothai is thriving.
There are fish in the water And rice in the fields."

This historically first Thai inscription has been recognized by the United Nations Educational, Scientific and Cultural Organization (UNESCO) as a "Memory of the World". The statement in the inscription that "There is always fish in the water and rice in the field" indicates that the kingdom was well endowed with natural resources that sustained its people.

Sukhothai may well have been self-sufficient as far as food was concerned, but its prosperity also depended on commerce. During the Sukhothai period glazed ceramic wares known as "sangkhalok" were produced in great quantities at kilns in Sukhothai and Si Satchanalai, and exported regularly to other countries bordering the South China Sea. Specimens were found in Indonesia and the Philippines. Sukhothai also traded with China through the traditional Chinese tributary system: the Thai king was content to send tribute to the Chinese emperor and be classified as a vassal, for permission to sell Thai goods and buy Chinese products, in return.



Although animistic beliefs remained potent in Sukhothai, King Ramkhamhaeng and his successors were all devout Buddhist rulers who made merit on a large scale. The major cities of the Kingdom were, therefore, endowed with monasteries, many of which were splendid examples of Thai Buddhist architecture. Sukhothai adopted the Singhalese School of Theravada Buddhism, beginning with King Ramkhamhaeng's invitation to Singhalese monks to

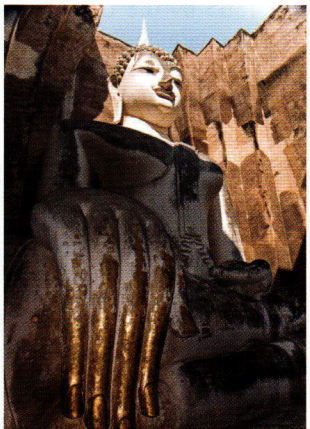
come and purify Buddhism in his kingdom. This Singhalese influence manifested itself not only in matters of doctrine but also in religious architecture. The bell-shaped *stupa*, so familiar in Thai Buddhist architecture, was derived from Singhalese models. Sukhothai-style Buddha images are distinctive for their elegance and stylised beauty, and Sukhothai artists introduced the graceful form of the "walking Buddha" to Buddhist sculpture.

Sukhothai's cultural importance in Thai history also derives from the fact that the Thai script evolved into a definite form during King Ramkhamhaeng's time, taking as its models the ancient Mon and Khmer scripts. Indeed, this remarkable king is credited with having invented the Thai script.

King Si Intharathit and King Ramkhamhaeng were both warrior kings who extended their territories far and wide. Their successors, however, could not maintain such a far-flung empire. Some of these later kings were more remarkable for their religious piety and extensive building activities than for their warlike exploits. An example of this type of Buddhist ruler was King Mahathammaracha Lithai, believed to have been the compiler of the Tribhumikatha, an early Thai book on the Buddhist universe or cosmos. The political decline of Sukhothai was, however, not wholly due to deficiencies in leadership. It resulted rather from the emergence of strong Thai states further south, whose political and economic power began to challenge Sukhothai during the latter half of the 14th century. These southern states, especially Ayutthaya, were able to deny Sukhothai access to the southern region.

The Sukhothai Kingdom did not vanish at once. Its decline occurred from the mid-14th until the 15th century. In 1378, the Ayutthaya King Borommaracha I subdued Sukhothai's frontier city of Chakangrao (present-day Kamphaeng Phet), whereupon Sukhothai became a tributary state of Ayutthaya. Sukhothai attempted to break loose from Ayutthaya but with no real success. In the 15th century it was incorporated into the territory of the Ayutthaya Kingdom. By then, the focus of Thai history and politics had shifted to the central plains of present-day Thailand, where Ayutthaya was establishing itself as a centralised state, its power outstripping not only Sukhothai but also other neighbouring states such as Suphannaphum and Lawo (present-day Lop Buri).











Ayutthaya (1350–1767)

For 417 years, the Ayutthaya Kingdom was the dominant power in the fertile Chao Phraya River Basin. Its capital city, after which the kingdom is named, was situated at the confluence of three rivers, the Chao Phraya, the Pa Sak, and the Lop Buri, as well as a canal connecting the Chao Phraya and Lop Buri rivers, thus creating an island which grew into one of Asia's most renowned metropolises, inviting comparison with such great European cities as Paris. The city must indeed have looked majestic, filled as it was with hundreds of monasteries and crisscrossed by canals which served as arteries and thoroughfares.

An ancient community had existed in the Ayutthaya area well before 1350, the year of its official founding by King Rammathibodi I (also known as U Thong).The huge Buddha image at Wat Phanan Choeng, just outside the island city, had been cast over twenty years before King Ramathibodi I moved his residence to the city. The site offered a variety of geographical and economic advantages. The rivers and waterways offered not only easy access to the countryside but also to the Gulf of Thailand, which stimulated maritime trade. The surrounding rice fields were flooded each year during the rainy season, making the city virtually impregnable for several months annually. These fields, of course, served the even more vital function of feeding a relatively large population in the kingdom, as well as yielding a surplus large enough for export to various countries in Asia.

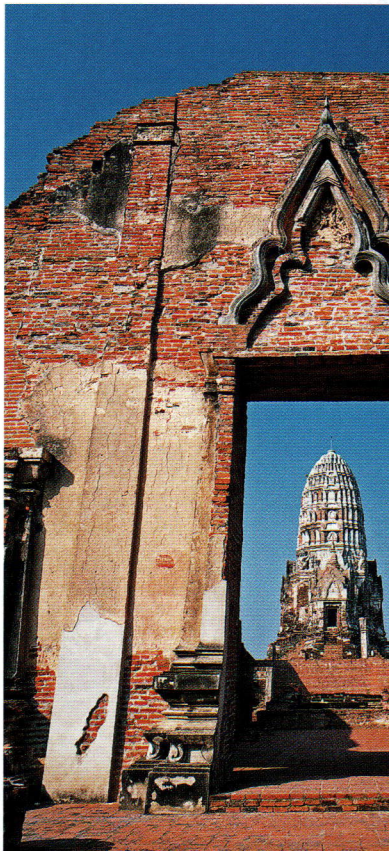
Ramathibodi I, Ayutthaya's first king, was both a warrior and a lawmaker. Some old laws codified in 1805 by the first Bangkok king date from this much earlier reign. King Ramathibodi I and his immediate successors expanded Ayutthaya's territory, especially northward towards Sukhothai and eastward towards the Khmer capital of Angkor. By the 15th century, Ayutthaya had established a firm hegemony over most of the northern and central Thai states, though it failed in attempts to conquer Lan Na. It also captured Angkor on at least one occasion but was unable to hold on to it for long. The Ayutthaya Kingdom thus changed during the 15th century from being one of several similar small states in central Thailand into an increasingly centralised kingdom wielding tight control over a core

area of territory, as well as having looser authority over a string of tributary states.

The greater size of Ayutthaya's territory, compared with that of Sukhothai, meant that the method of government could not remain the same as during the days of King Ramkhamhaeng. The paternalistic and benevolent Buddhist kingship of Sukhothai would not have worked in Ayutthaya. The rulers of the latter, therefore, created a complex administrative system, beginning in the reign of King Trailok, also known as Boromma-trailokanat (1448-1488), which was to evolve into the modern Thai bureaucracy. It contained a hierarchy of ranked and titled officials, all of whom had varying amounts of "honour marks" *(sakdina)*.

Thai society during the Ayutthaya Period also became strictly hierarchical. There were roughly three classes of people, with the king at the very apex of the structure. At the bottom of the social scale, and most numerous, were the officials or nobles *(khun nang)*; while at the top of the scale were the princes *(chao)*. The one classless section of Thai society was the Buddhist monkhood, or sangha, into which all classes of Thai men could be ordained. The monkhood was the one institution which could weld together all the different social classes, the Buddhist monasteries being the centre of all Thai communities, both urban and rural.

The Ayutthaya kings were not only Buddhist monarchs who ruled according to the *dhamma*; they were also *devaraja*, god-kings whose sacred power was associated with the Hindu deities Indra and Vishnu. To many Western observers, they seemed to be treated as if they were gods. The French Abbe de Choisy, who came to Ayutthaya in 1685, wrote that "the king has absolute power. He is the only god of the Siamese: no one dares to utter his name." Another 17th century writer, the Dutchman Jan van Vliet, remarked that the king of Siam was "honoured and worshipped by his subjects more than a god."



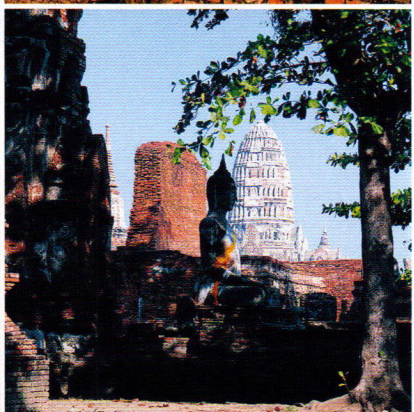
The Ayutthaya Period was early Thai history's great era of international trade. The port of Ayutthaya became an entrepôt; an international marketplace where goods from the Far East could be bought or bartered in exchange for merchandise from the Malay-Indonesian archipelago, India, or Persia, not to mention local wares or produce from Ayutthaya's vast hinterland. The trading world of the Indian Ocean was accessible to Ayutthaya through its possession, for much of its long history, of the seaport of Mergui in the Bay of Bengal, which was linked to the capital by an ancient and frequently used overland trade route.

Throughout its history, Ayutthaya had a thriving commerce in "forest produce," principally sappanwood (*Caesalpinia sappan (Leguminosae)* from which a reddish dye was extracted), eaglewood (an aromatic wood), benzoin (*Styrax ssp.* with balsamic resin used as frankincense), gum lac (used in wax), and deer hides (much in demand in Japan). Elephant tusks and rhinoceros horns were also highly valued export commodities, though the former was strictly a royal monopoly and the latter relatively rare, especially when compared with deer hides. Ayutthaya also sold provisions such as rice and dried fish to other Southeast Asian states. The range of minerals found in the kingdom was limited. Tin from Phuket ("*Junkceylon*") and Nakhon Si Thammarat ("*Ligor*") was much sought after by both Asian and European traders.

The Chinese, with their large and versatile junks, were the traders who had the most regular and sustained contact with Ayutthaya. In order to conduct a steady and profitable trade with the Ming and Manchu China, from the 14th to the 18th centuries, the Ayutthaya kings entered willingly into a tributary relationship with the Chinese emperors. Muslim merchants came from India and farther west to sell their highly-prized textiles to both Thai and foreign traders. So dominant were Chinese and Muslim merchants in Ayutthaya that an old Thai law dating back to the 15th century divides the Thai king's foreign trade department into two sections, one for each. Chinese, Indians, and later on Japanese and Persians all settled in Ayutthaya, the Thai kings welcoming their presence and granting them complete freedom of worship. Several of these foreigners became important court officials.







Containing merchandise from all corners of Asia, the thriving markets of Ayutthaya attracted traders from Europe. The Portuguese were the first to arrive, in 1511, at the time when Albuquerque was attempting to conquer Melaka (Malacca). They concluded their first treaty with Ayutthaya in 1516, receiving permission to settle in the city and other Thai ports in return for supplying guns and ammunition to the Thai king. Portugal's powerful neighbour Spain was the next European nation to arrive, toward the end of the 16th century. The early 17th century saw the arrival of two northern European East India Companies, the Dutch (V.O.C.) and

the British. The Dutch East India Company played a vital role in Ayutthaya's foreign trade from 1605 until 1765, succeeding in obtaining from Thai monarchs a deer hide export monopoly as well as one on all the tin sold at Nakhon Si Thammarat. The Dutch sold Thai sappanwood and deer hides for good profit in Japan during its exclusion period, from 1635 onward.

The French first arrived in 1662, during the reign of Ayutthaya's most outward-looking and cosmopolitan ruler, King Narai (1656-1688). French missionaries and merchants came to the capital, and during the 1680s splendid embassies were exchanged between King Narai and King Louis XIV. The French tried to convert King Narai to Christianity and also attempted to gain a military foothold in the Thai kingdom when, in 1685, they sent troops to garrison Bangkok and Mergui. When a succession conflict broke out in 1688, an anti-French official seized power, drove out the French troops, and executed King Narai's Greek favourite Constantine Phaulkon, who had been championing the French cause. After 1688, Ayutthaya had less contact with Western nations, but there was no policy of national exclusion. Indeed, there was increased trade with the Dutch, the Indians, and various other neighbouring countries.



Ayutthaya's relations with its neighbours were not always cordial. Wars were fought against Cambodia, Lan Chang (based in the present-day Lao PDR), Pattani and, above all, Burma. Burmese power waxed and waned in cycles according to their administrative efficiency in the control of manpower. Whenever Burma was in an expansionist phase, Ayutthaya suffered. In 1569, King Bayinnaung captured Ayutthaya, thus initiating over a decade's subjection to the Burmese. One of the greatest Thai military leaders, Prince (later King) Naresuan, then emerged to declare Ayutthaya's independence and to defeat the Burmese in several battles and skirmishes, culminating in the victory of Nong Sarai, when he killed the Burmese Crown Prince in combat on elephant back.

During the 18th century, Burma again adopted an expansionist policy. The kings of the Alaungphaya Dynasty were intent on subduing the Ayutthaya Kingdom, then in its cultural and artistic prime. In the 1760s, Burmese armies inflicted severe defeats on the Thai, who had become somewhat complacent after almost one century of peace. In April 1767, after a 15-month siege, Ayutthaya finally succumbed to the Burmese, who sacked and burnt the city, thus putting an end to one of the politically most glorious and culturally influential epochs in Thailand's history.



King Taksin : Warfare and National Revival (1767–1782)

After the shattering defeat and destruction of Ayutthaya, the death or capture of thousands of Thai by the victorious Burmese, and the dispersal of several potential Thai leaders, the situation seemed hopeless. It was a time of darkness for the Thai nation. Members of the old royal family of Ayutthaya had died, escaped, or been captured, and many rival claimants for the throne emerged, based in different areas of the country. But out of this catastrophe emerged yet another saviour of the Thai state: the half-Chinese general Phraya Taksin, former governor of Tak. Within a few years this determined warrior had defeated not only all his rivals but also the Burmese invaders and had set himself up as king.

Since Ayutthaya had been so completely devastated, King Taksin chose to establish his capital at Thon Buri, across the river from present-day Bangkok. Although a small town, Thon Buri was strategically situated near the mouth of the Chao Phraya River and therefore suitable as a seaport. The Thai needed weapons, and one way of acquiring them was through trade. Moreover, foreign trade was also needed to bolster the Thai economy, which had suffered extensively during the war with Burma. Chinese and Chinese-Thai traders helped revive the economy by engaging in maritime trade with neighbouring states, with China, and with some European nations.

King Taksin's prowess as a general and as an inspirational leader defeated Burmese attempts to reconquer Siam. The rallying of the Thai nation during a time of crisis was his greatest achievement. However, he was also interested in cultural revival, in literature and the arts. He was deeply religious and studied meditation to an advanced level. The stress and strain of so much fighting took their toll on the King, and following an internal political conflict in 1782 his fellow general, Chao Phraya Chakri, was chosen king. King Taksin's achievements have caused posterity to bestow on him the epithet "the Great."

King Rama I (1782–1809) And the Reconstruction of the Thai State

The ensuing king, Phra Buddha Yot Fa Chulalok, or Rama I, was also a great general. In addition, he was an accomplished statesman, a lawmaker, a poet, and a devout Buddhist, His reign has been called the "reconstruction" of the Thai state and Thai culture, using Ayutthaya as the model, though not slavishly resurrecting all aspects of the old capital. He was the ruler who established Bangkok as the capital and was also the founder of the Royal House of Chakri, of which the present monarch King Bhumibol Adulyadej is



King Rama I

the ninth monarch. The significance of his reign in Thai history is therefore manifold.

King Rama I was intent on the firm re-establishment of the Buddhist monkhood, unifying religious order and state, and purifying the doctrine. The *Tripitaka*, or Buddhist scriptures, were re-edited in a definitive text by a grand council of learned men convened by the King in 1788-9. This concern with codification and textual accuracy was also apparent and new, which resulted in one of the major achievements of his reign, the "Three Seals Code" or *Kotmai tra sam duang*. This, too, was the work of a panel of experts assembled by the King.

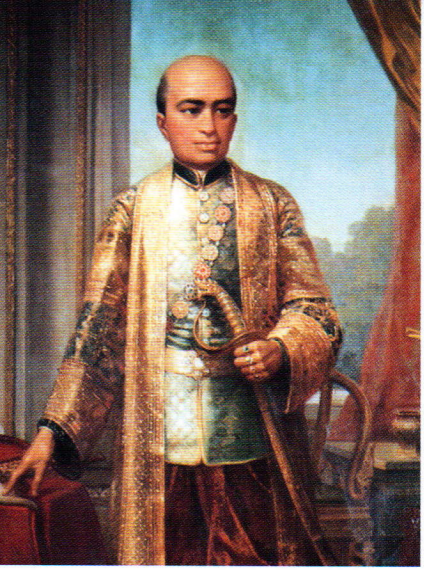
King Rama I consistently explained all his reforms and actions in a rational manner. This aspect of his reign has been interpreted as a major change in the intellectual outlook of the Thai elite, or a re-orientation of the Thai world view.

The organization of Thai society during the early Bangkok Period was not fundamentally different from that of the late Ayutthaya Period. Emphasis was still placed on manpower and on an extensive system of political and social privileges. The officials' main concern was still to provide the Crown with corvée labour and to provide patronage to the commoners.

The Burmese remained a threat to the Thai kingdom during this reign, launching several attacks on Thai territory. King Rama I was ably assisted by his brother and other generals in defeating the Burmese in 1785 and 1786. King Rama I not only drove out these invading armies but also launched a bold counter-attack in retaliation, invading Tavoy in Lower Burma. During this reign, Chiang Mai was added to the Thai kingdom, and the Malay states of Kedah, Perlis, Kelantan, and Terengganu all sent tribute to the Thai king. The recovery of the Thai state's place and prestige in the region was one of the major achievements of King Rama I.

His most obvious, long-lasting creation was perhaps the city of Bangkok ("*Rattanakosin*"). Before 1782, it had only been a small trading community. The first Chakri King transformed it into a thriving, cosmopolitan city based on Ayutthaya's example. He had a canal dug to make it an island-city, which encompassed Mon, Lao, Chinese, and Thai communities, similar to Ayutthaya. Several Ayutthaya-style monasteries were also built in and around the city.

King Rama I endeavoured to model his new palace closely on the royal palace at Ayutthaya, and in doing so helped create one of Bangkok's enduring accomplishments comprising the Grand Palace and its resplendent chapel royal, the Temple of the Emerald Buddha. He also completely rebuilt an old monastery, Wat Photharam, and renamed it Wat Phra Chetuphon,



King Rama II

which became not only an exemplar of classical Thai architecture but also a famous place of learning.

The cosmopolitan outlook of the Thai during the reign of King Rama I is also reflected in the arts of that period. Both painting and literature during the early Bangkok period reflect a keen awareness of other cultures, though traditional Thai forms and conventions were adhered to, especially in art. The King and his court poets composed new versions of the *Ramakian* (the Thai version of the Indian *Ramayana* epic) and the *Inao* (based on the Javanese *Panji* story).

King Rama II and His Sons

Phra Buddha Loet La Naphalai or Rama II, a son of King Rama I, acceded to the throne peacefully, fortunate to have inherited the throne during a time of stability. His reign was especially notable for the heights attained by Thai poetry, particularly in the works of the King himself and of Sunthon Phu, one of the court poets. King Rama II also had other artistic talents; he had a hand in the carving of the door-panels of the *viharn* at Wat Suthat, considered to be the supreme masterpiece of Thai woodcarving.

Upon the demise of King Rama II, two princes were in contention for the succession. Prince Chetsadabodin was lesser in rank than Prince Mongkut but was older, had greater experience in government affairs, and relied on a wider power base. In a celebrated example of Thai crisis power management, Prince Mongkut (who had just entered the monkhood) remained a monk for the whole duration of his half-brother's reign (1824-1851). Avoiding an open struggle worked out well for both the country and for the Royal House of Chakri. While King Nang Klao Chao Yu Hua or Rama III ruled firmly and with wisdom, his half-brother was accumulating experience which was to prove invaluable to him during his years as king. The priest-prince Mongkut was able to travel extensively to see for himself how the ordinary Thai lived and to lay the foundations for a reform of the Buddhist clergy. In the late 1830s he set up what was to become the Thammayut sect (*dhammayutika nikaya*), an order of monks which became stronger under royal patronage. To this day the royal family of Thailand remains closely associated with the Thammayut Order, though others also remain strong within the faith.

The Growing Challenge Posed by the West

The major characteristic of Thai history during the 19th and 20th centuries may be summed up by the phrase "the challenge by the West". The reigns of King Rama II and his two sons, Rama III and Rama IV, marked the



King Rama III



King Rama IV

first stage in the Thai Kingdom's dealings with the West during the era of colonial imperialism.

In the Ayutthaya Period the Thai had more often than not chosen just how they wanted to deal with foreign countries, European states included. By the 19th century this freedom of choice had become more and more constricted. The West had undergone a momentous change during the Industrial Revolution, and western technology as well as economic modes had begun to outstrip those of Asian and African nations. This fact was not readily apparent to the Asians of the early 19th century, but it became alarmingly obvious as the century wore on and several once-proud kingdoms fell under the sway of Western powers. Once the British had gained victory in Europe in the Napoleonic Wars, they resumed their quest for additional commerce and territory in Asia.

King Rama III may have been conservative in outlook, striving hard to uphold Buddhism, also by having numerous monasteries built or repaired, and refusing to acknowledge the claims of Western powers to increased shares in the Thai trade, but he was above all a prudent ruler. He was justifiably wary of Western ambitions in Southeast Asia, but he was tolerant enough to come to an agreement with the British emissary Henry Burney, as well as to allow Christian missionaries to work in his kingdom.

One of the men intellectually most stimulated by Western missionaries was Prince Mongkut. The priest-prince had an inquiring mind, a philosophical disposition, and a voracious appetite for knowledge. He learnt Latin from the French Catholic Bishop Jean-Baptiste Pallegoix and English from the American Protestant missionary Jesse Caswell. His intellectual interests were wide-ranging: not only did he study the Buddhist Pali scriptures but also Western astronomy, mathematics, science, geography, and culture. His wide knowledge of the West helped him to deal with Britain, France, and other powers when he reigned as king of Siam (1851-1868).

King Mongkut was the first Chakri King to embark seriously on reforms

based on Western models. This did not mean any wholesale structural change, since he did not wish to undermine his own status as a traditional and absolute ruler. He concentrated, instead, on the technological and organisational aspects of reform. His reign saw road-building, canal-digging, ship-building, a reorganisation of the Thai armed forces in administration, as well as the minting of coins to meet the demand of a growing monetary economy. He employed Western experts and advisers at the court and in the administration. One of his employees was the English teacher Anna Leonowens, whose books on her time in Siam caused some misrepresentation of King Mongkut's personality and reign. Far from being the "noble savage" figure portrayed in the musical "The King and I," King Mongkut was a scholarly, conscientious, and humane monarch who ruled at a difficult time in Thai history.

The Reign and Reforms of King Chulalongkorn (1868–1910)

The reforms and foreign policy of King Mongkut were carried on by his son and successor, King Chulalongkorn (Rama V), who came to the throne as a frail youth aged 16 years and died one of Siam's most loved and revered monarchs after a remarkable reign of 42 years. Indeed, modern Thailand may be said to be a product of the comprehensive and progressive reforms of his reign, as these touched almost every aspect of Thai life.



King Rama V

King Chulalongkorn faced the western world with a positive attitude, eager to learn about Western ideas and inventions, working towards Western-style "progress" while at the same time resisting Western rule. He was the first Thai king to travel abroad. He visited Dutch and British colonial territories in Java, Malaya, Burma, and India, and also made two extended trips to Europe, in the third and fourth decades of his reign. He did not just travel as an observer or visitor but worked hard during his sojourns to further Thai interests. For instance, during his first European sojourn he obtained support from Tsar Nicholas II of Russia and the German Emperor (*Kaiser*) Wilhelm II to put Siam in a stronger international position, no longer dominated by Britain and France.

The King also travelled widely in his own country. He was passionately interested in his subjects' welfare and was intent on the monarchy assuming a more visible role in society. His progressive outlook led him, in what was

his first official act, to forbid prostration in the royal presence, considering that the practice was humiliating to his subjects and apt to engender arrogance in the ruler. Influenced by Buddhist morality and Western examples, he gradually abolished both the corvée system of unpaid labour and the institution of slavery, a momentous and positive change for Thai society.



During his reign, Siam's communication systems were revolutionised. Post and telegraph services were introduced, and a railway network was built. Such advances enabled the central government to improve its control over outlying provinces. One of the central issues of King Chulalongkorn's reign was the imposition of central authority over the more remote parts of the kingdom. He initiated extensive reforms of the administration, both in Bangkok and in the provinces. Western-style ministries were set up, replacing older, traditional administrative bodies. Old units which were remodelled according to the Western pattern included those of the Interior, Warfare, Foreign Affairs, Finance, Agriculture, the Palace, and Local Administration. Completely new ministries were also created, such as the ministries of Justice, Public Instruction, and Public Works. This new ministerial system of government was inaugurated in 1892.

King Chulalongkorn's contribution to education was also to prove of great significance to modern Thailand. During his reign, "public instruction" became more secular than ever before in Thai history. Secular schools were established in the 1880s designated to produce educated men necessary for the smooth functioning of a centralised administration. One of the pressing issues of the reign was the necessity to prove to Western colonial powers that Siam had become a "modern" and "progressive" country. The problem, however, was that the King and his advisers had too little time for comprehensive implementation.

The King was eager to send Thai students abroad for advanced education, partly because the country needed skills and knowledge from the West, and partly because Thai students abroad could come into contact with Europe's elite. Moreover, the King also hired several Westerners to act as advisers to the Thai government in various fields, among them the Belgian Rolin-Jacquemyns (a "General Adviser" whose special knowledge was in jurisprudence) and the British financial advisers H. Rivett-Carnac and W.J.F. Williamson. Such policies were deemed to be essential for Siam's survival as a sovereign state and its progress to modernity.

Thai foreign policy during King Chulalongkorn's reign was a series of delicate balancing acts, playing off one Western power against another, and trying to maintain both sovereignty and territorial integrity. The heartland of Siam had to be preserved at all costs, even to the extent of conceding to Britain and France some peripheral territories whenever the pressure became too intense.

Even Siam's subtle and supple foreign policy did not always suffice to offset the colonial powers' appetite for territory. In 1893, Siam ceded all territories on the east bank of the Mekong River to France, then building up its Indochinese Empire. In 1904, it also had to cede some territories on the northwest bank of the Mekong River to France.

The Siamese government wanted to put an end to the clauses concerning extraterritoriality, land taxation, and trade duties in the treaties concluded with Western countries during King Mongkut's reign. In return for the mitigation of treaty disadvantages, several territories had to be ceded. For example, in 1907 the Khmer provinces of Siem Reap, Battambang and Sisophon were ceded to France in return for the French withdrawal from the south-eastern region around Chanthaburi and the abandonment of French extraterritorial claims over their "protected persons" (mostly Asians from French colonies or protectorates and, therefore, not properly French at all). In 1909, Siam gave up its claims to the Malay states of Kedah, Perlis, Kelantan, and Terengganu, all of which became British protectorates.

This cession of territory was again agreed to in return for a lessening of certain treaty disadvantages. It was fortunate, indeed, for the kingdom that Britain and France agreed in 1896 to keep Siam as a "buffer state" between British and French territorial possessions in Southeast Asia. King Chulalongkorn kept Siam an independent sovereign state in spite of all these crises, and all the while he strove to uphold Thai cultural, artistic, and religious values. When he died in 1910, a new Siam had come into being.

The Thai kingdom had become a centralised bureaucratic state partly modelled on Western examples. It was also a society without slaves, with a ruling class that was partly westernised in outlook and much more aware of what was going on in Europe and America. Technologically, too, there had been many advances, among them railroads and trams, postal services and telegraph lines.



King Rama VI

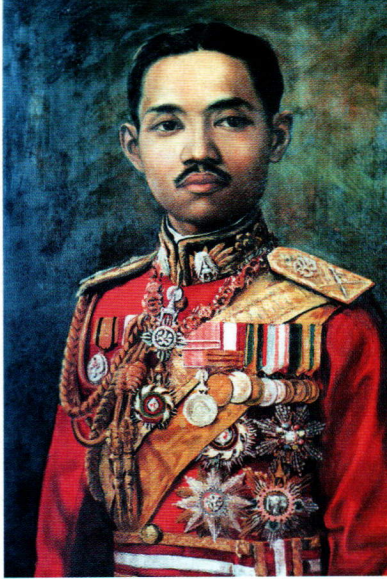
With so many achievements to the King's credit, and a charisma that was enhanced by his longevity, it was no wonder that the Thai people genuinely grieved his passing. The date of his demise, 23 October, is a national commemoration day in honour of one of Siam's greatest and most beloved monarchs.

Nationalism and the Constitution (1910–1932)

King Chulalongkorn's son and successor Vajiravudh (Rama VI) was the first Thai king to be educated abroad at Harrow School and Oxford University in England. King Vajiravudh (r.1910-1925) was noted for his accomplishments as a poet and dramatist, writing in both English and Thai, and as a

polemicist. He was a convinced nationalist and was the first person to try to instil a western-style nationalistic fervour in his subjects. Like his father he was determined to modernise Siam while still upholding traditional Thai values and royal authority.

King Vajiravudh chose to work on issues and problems which appealed to his personal interests, largely in the literary, educational, and ideological fields. He was also keenly interested in military affairs and formed his own paramilitary organisation, the "Wild Tiger Corps", to inculcate national pride.



King Rama VII

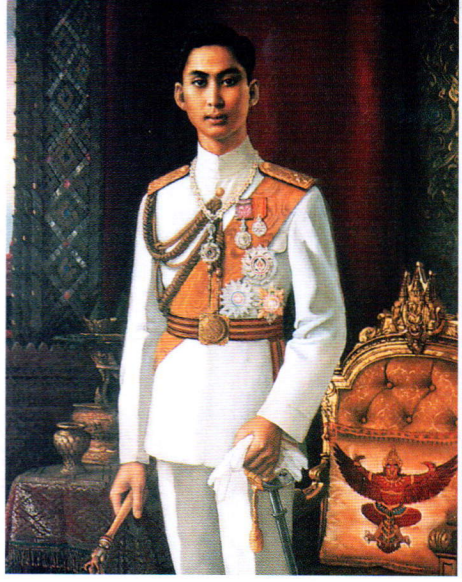
After 1932 : Democratic Government under the Constitutional Monarchy

Modern Thai government, demarcated by 24 June 1932, is recognized as the starting point that ushered in democracy. It is perceived as the opening of a new chapter in Thai politics because of the creation of the political process, characterised by such democratic features as a constitution, and a cabinet of politicians.

King Prajadhipok, also known as Rama VII (r. 1925-1935) abdicated, reasoning that he could no longer concur with the People's Party in the constructive way he desired. His successor, King Ananda, also known as Rama VIII (r. 1935-1946), was the ten-year-old son of Prince Mahidol of Songkla, one of King Chulalongkorn's sons. The King's youthfulness and his absence from the country while pursuing his studies in Switzerland left the People's Party with a relatively free hand in shaping the destiny of the Kingdom.

During the 1940s, leading figures of the People's Party dominated Thai politics. Two men in particular stood out: Dr. Pridi Banomyong and a young officer by the name of Luang Pibulsonggram (later Field Marshal Plaek Pibulsonggram). While the country experimented with various forms and degrees of democracy and several constitutions were promulgated, the two groups which held power were alternately the military and the civilian bureaucratic elite. Dr. Pridi Banomyong tried to lay the foundation for a socialistic society with his economic plan of 1933 which, however, was considered too radical. In effect, it was proposed to nationalise all land and labour resources and to have most people working for the state as government employees. These ideas were unacceptable to the conservative elements, both within the People's Party and also in the elite as a whole, spurning any sweeping structural change in Thai society. Dr. Pridi was forced into temporary exile, and the National Assembly was deferred.

Government of the post-1932 era sought to keep a balance between civilian and military elements so as not to alienate any important group. For instance, in 1934 the exiled Dr. Pridi Banomyong was brought back into the administration as Interior Minister, largely because the then Prime Minister, General Phraya Phahol Pholphayuhasena, was eager to retain civilian support for his government. Phraya Phahol also appointed Luang Pibulsonggram to a



King Rama VIII



King Rama IX

ministerial post. During the period 1934-38, both Dr. Pridi and Luang Pibulsonggram strove hard to consolidate their political power, the former through the Thai intelligentsia and the latter through influence over the armed forces. When Phraya Phahol resigned in 1938, Luang Pibulsonggram succeeded him as Prime Minister, signifying that the military had gained a decisive advantage in the struggle for dominance in Thai politics.

After 1933, Siam entered a period of military ascendancy. Some officers in the army wanted to see Siam progress into modernity, in terms of politics and government. Following a royalist revolt, army officers decided to involve themselves in politics and by acclamation chose the already prominent Field Marshal Plaek Pibulsonggram as their leader. Hence, it was inevitable that the military became the dominant force.

In 1941, the Pibulsonggram Government acceded to demands of overwhelming Japanese forces to cross over to neighbouring Burma. The policy saved the country from the devastation that would that would have undoubtedly followed had the government decided to continue with the initial resistance by the air force on the southern shores of Thailand. Dr. Pridi Banomyong and Mom Rajawongse Seni Pramoj (later also Prime Minister), however, were sympathetic to the Allies and worked with Thailand's underground resistance movement at home and abroad.

Towards the end of World War II, Field Marshal Pibulsonggram and his government resigned and Mr. Khuang Abhaiwongse, founder of the oldest political party, the Democrat Party, became the Prime Minister in 1944. In the following year, King Ananda Mahidol (Rama VIII) returned from Switzerland and Dr. Pridi became Prime Minister in 1946. The unexpected death of the young King generated popular dissatisfaction and once again the tide turned. Dr. Pridi Banomyong was forced into exile and Field Marshal Pibulsonggram again became Prime Minister.

The year 1946 marks the beginning of the present reign with the accession to the throne of His Majesty King Bhumibol Adulyadej (Rama IX).





MODERN MONARCHY





Modern Monarchy

The institution of Thailand's monarchy is in several ways unique and often difficult for outsiders to fully comprehend. Not only does it have a history going back more than seven hundred years, it continues to function with extraordinary relevance and vitality in the contemporary world. Indeed, although the Revolution of 1932 brought an end to the monarchy in its absolute form, the institution has remained powerful in the sense of providing a unifying element for the country, a focal point that brings together people from all backgrounds and shades of political thought and gives them an intense awareness of being Thai. This was clearly shown by the unprecedented outpouring of public pride and personal affection that greeted such occasions as His Majesty King Bhumibol Adulyadej's Golden Jubilee in 1996; the celebration of His Majesty's Sixth Cycle Birthday in 1999; the 60th anniversary of His Majesty's accession to the throne in 2006, and His Majesty's Seventh Cycle Birthday in 2011. It is abundantly apparent in countless other ways, large and small.

The intensity of respect felt by the Thai people for their King stems in large part from the distinctive form the modern monarchy has taken, one that involves a remarkable degree of personal contact. Also, it is rooted in attitudes that can be traced to the earliest day of Thailand as a nation and in past rulers who continue to serve as models of kingship.

Background to the Modern Kingship

Thai concepts of the monarchy have their origins in Sukhothai, founded in the early part of the 13th century and generally regarded as the first truly independent Thai kingdom. There and then, particularly during the reign of King Ramkhamhaeng the Great (1275-1317), was born the ideal of a paternalistic ruler alert to the needs of his people and committed to guiding them; a stance markedly different from the divine kingship practiced by the contemporary Khmer rulers.

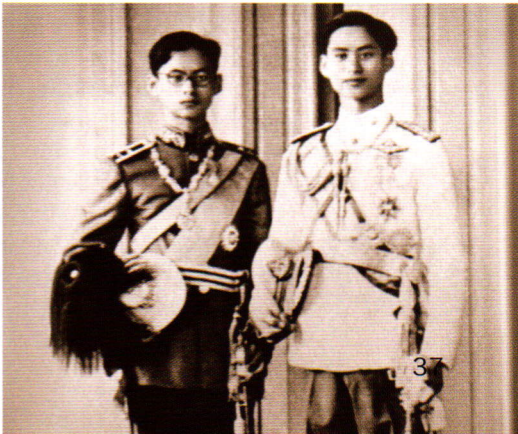
This paternalistic ideal was, at times, lost during the long Ayutthaya Period, when Khmer influence regarding kingship reappeared, and the monarch became a divine, inaccessible figure, rarely ever seen by the majority of the population. The four-century period witnessed the reigns of some remarkable rulers, whose achievements were far-reaching. With the founding of the Royal House of Chakri in 1782 and the establishment of Bangkok as the capital of Siam, kingship was based primarily on adherence to the Buddhist concept of virtue. The Rattanakosin or Bangkok Period produced a succession of highly gifted rulers capable of meeting a variety of challenges to both the country and the monarchy itself.

Though it had lasted longer than most others in the world, largely due to the wise rule by kings of the Royal House of Chakri, the country's absolute monarchy finally came to an end on 24 June 1932, when a group of military officers and civil servants staged a bloodless coup to demand a Constitution. King Prajadhipok (Rama VII, 1925-1935), who had already been thinking along such lines himself, and drafted a constitution which had been debated in the Supreme Council of State, agreed and thus became the first constitutional monarch. Three years later, unhappy with some of the results, he decided to abdicate. Prince Ananda Mahidol, his nephew, then a 10-year-old student in Switzerland, was chosen to succeed him as the eighth monarch of the Royal House of Chakri, as King Ananda (Rama VIII, 1935-1946).

The Forging of the Modern Monarchy

King Bhumibol Adulyadej was born in 1927, in Cambridge, Massachusetts, United States of America, where his father, Prince Mahidol of Songkla, was studying medicine. After his father's death, he lived mostly in Switzerland with his mother, sister, and elder brother. After one official visit to Siam accompanying King Ananda, in 1938, the family remained cut off from their homeland during World War II. Prince Bhumibol had a relatively ordinary youth, displaying notable talents both in music and engineering, and obtaining fluency in three European languages, French, German, and English, as well as being at ease in different cultures. During the royal family's first post-war visit, in 1946, his brother, King Ananda, died, and Prince Bhumibol suddenly found himself in accession to the throne as the ninth Chakri King, Rama IX.









King Bhumibol Adulyadej returned to Switzerland to complete his education, changing from engineering to political science and law in recognition of his new role. During the course of this visit he met the beautiful, young Mom Rajawongse Sirikit Kitiyakara, daughter of the Thai ambassador to France. They were married in Bangkok on 28 April 1950, and seven days later His Majesty was officially crowned in ancient ceremonies held at the Grand Palace.

In his Oath of Accession to the Throne, King Bhumibol Adulyadej pledged to "reign with righteousness for the benefit and happiness of the Siamese people." But what sort of reign would it be? After fifteen years of tumultuous change, during most of which the monarch had been merely a name to most Thai, was there still a place for the monarchy? If so, what form would it take?

Doubts, if any, about popular acceptance of the monarchy were quickly dispelled. Vast crowds in Bangkok had already shown their enthusiasm in the course of the ceremonies that accompanied the royal wedding and the coronation, which members of the younger generation were witnessing for the first time. In 1955, the King and Queen went on a pioneering journey to the impoverished northeast, then a remote region that has never seen a ruling monarch in person. Its population had, with some reason, felt neglected by the central government. For 22 arduous days, the royal couple toured the region, visiting remote villages as well as towns, talking to ordinary people as well as monks and local officials. The response was overwhelming. Hundreds of thousands of people, some of whom walked for days from remote hamlets, turned out for even a fleeting glimpse of their King and Queen. The warmth of their greeting was unmistakable; so, too, was the extent of their needs as revealed in the conversations His Majesty had with those he met.

The decision to bring the monarchy into direct contact with the rural population was perhaps one of the most important of all those taken by His Majesty. Subsequently, the King and members of the royal family would spend a large part of the year in one or another of the royal residences far away from Bangkok: in Chiang Mai in the north, Sakon Nakhon in the northeast, Hua Hin on the west coast of the Gulf of Thailand, and Narathiwat in the Deep South. When residing at these "regional" palaces, His Majesty set out to eventually visit every province in the kingdom, defying discomfort and inconvenience when travelling by helicopter, jeep, train, boat, or, on

occasion, on foot to do field reconnaissance and assess local conditions by himself. In the process, he became the most travelled monarch in Thai history, as well as the best informed about a wide range of constraints and difficulties as well as potential and prospects for development especially in remote rural areas.

Often assisted by members of the royal family -- Her Majesty the Queen, His Royal Highness Crown Prince Maha Vajiralongkorn, and Their Royal Highnesses Princess Maha Chakri Sirindhorn and Princess Chulabhorn -- the King made copious notes on reconnaissance trips. Using his notes, His Majesty initiated action to provide assistance, working through the appropriate government agencies or sometimes using his own funds, the latter salutary intervention particularly at the early stage. His Majesty established the Chaipattana Foundation to provide initial financial support in cases of emergency, in preparation of subsequent development projects. A royal directive is never simply issued; the impetus comes from the local population, who must concur with the royal proposal and be able to cooperate on its implementation.

More than 4,000 royal-initiated projects were launched in this manner. Covering a broad range, encompassing agriculture, water resources, conservation of the environment and its natural resources, occupational promotion, public health, public welfare, and communication, all were aimed at raising the standard of rural life to help farmers to become self-reliant.

Some royal-initiated projects are fundamental in nature, like water conservation schemes and irrigation in the semi-arid Lower Northeast, or drainage and land reclamation in the South, which faces the problem of floods. In others, imaginative solutions were applied. His Majesty was the guiding force behind an artificial rain-making project which started in the late 1950s and took about ten years of experiments and refinement; the first field operations began in 1969 above Khao Yai National Park straddling the provinces of Nakhon Ratchasima, Prachin Buri, Nakhon Nayok and Saraburi. Since then, methods and techniques have been successfully applied countless times throughout the kingdom, whenever conditions were suitable. Neighbouring countries also called on Thai teams to assist in times of drought.





Another early endeavour was His Majesty's Hilltribe Development Project in the North, now known as the Royal Project and encompassing lowland areas as well. Migratory tribal people living in the mountainous region near Thailand's borders with the Lao PDR and Myanmar had caused serious problems, partly due to their destructive slash-and-burn technique of clearing land, and partly owing to their traditional cultivation of opium poppy. Under His Majesty's Project a wide variety of new crops were introduced to replace poppy cultivation, and educational as well as medical facilities were set up at newly created permanent hill-tribe settlements. International recognition of the Royal Project's effectiveness has come in many forms, including financial grants and expert assistance by several foreign governments. In 1988 the prestigious Ramon Magsaysay Award for International Understanding was bestowed upon the Royal Project. In short, it may be said that through this project, His Majesty has given the tribal people a sense of belonging to Thai society and, in effect, prevented them from falling prey to communist influence, which would have cost the government vast sums of money for security expenses and might have entailed the loss of many lives. As it was, resources could instead be channelled for the development of the country's socioeconomic infrastructure.

Two other important projects may also serve as examples: On His Majesty's many visits to rural areas he observed how water shortages adversely affected rice cultivation. In 1992, he outlined a "New Theory" of water conservation using small reservoirs and diversifying crop production. Tests proved the concept to be practical and effective, with the result that it was adopted by farmers in all parts of the country. Another project concerned flood control, a problem not only in Bangkok but also in other areas. His Majesty suggested that various methods be employed according to local conditions; these included water diversion ditches, watercourse improvement, and reservoirs to retain water that would otherwise run off and be wasted. One programme is devised specifically for the low-lying Central Region and Bangkok; it has helped significantly in preventing serious flooding that was once commonplace in the capital





Implementation of royal-initiated projects takes into consideration the following major principles:

Tackling the immediate problems

His Majesty always emphasises that projects should aim to solve immediate problems, especially in emergencies. Examples are the development work in Buri Ram Province on the Thai-Cambodian border which was backward and under communist control. Once royal-initiated projects had been launched there, security was restored and problems were resolved. More recent cases of this type of approach include the solving of traffic congestion and flood control in the Bangkok Metropolitan Administration area.



Development according to steps, necessity, and economy

His Majesty emphasises development work which aims to strengthen the community up to the self-supporting level, in order to equip it with a strong foundation prior to future progress. He uses the expression "explosion from within", which means the community or village must be empowered and strengthened before being exposed to the outside world.

Mobilising self-supporting synergies

According to this principle, Thai people should be encouraged to become self-reliant and build productive communities as pillars of society. Examples include the Rice Bank Project, the Cattle Bank Project, and the Hup Krapong Land Management and Development Project in Cha-Am District, Phetchaburi Province. All of these are geared to provide farmers with means of production such as land on which to live and cultivate, by encouraging them to form cooperatives in order to solve occupational and other problems.

Promotion of modern and appropriate knowledge and technology

His Majesty stresses the necessity of having "a demonstration model of success" to allow farmers the opportunity to observe the model of success and apply it to their own occupation. Six Royal Development Study Centres were established in five regions to conduct research and experimentation on applications of modern knowledge and technology, which farmers can apply in earning their livelihood. Moreover, the methodology employed in these centres is inexpensive and suitable to the environment and occupation of the local people.

Conservation and development of natural resources

His Majesty is immensely interested in the conservation of natural resources, because the recent, rapid modernisation rendered evidence of how sheer economic growth resulted in overuse or misuse of such resources. To safeguard against such detrimental side-effects, His Majesty favours the conservation and development of natural resources as the foundation of the country's overall development. Examples of this concern include the Watershed Conservation Project, the Forest Loves Water Project, the Wildlife Conservation Project, and the Land Development Project.

Promotion and improvement of environmental conditions

Thai society has become increasingly urbanised, which leads to economic progress chiefly in major cities of the various regions and in the Bangkok Metropolitan Administration area. At the same time, the country's environment has deteriorated. Therefore, many royal-initiated development projects are aimed at solving environmental problems especially in regard to water pollution through wastewater treatment, in Bangkok as well as in urban regional growth centres.



Modern Monarchy

Besides bringing obvious benefits to the country, such activities have yielded other results, less tangible but no less important. They have made the monarchy a potent moral force in Thai society and reinforced His Majesty's paternal image that inspires both respect and deep affection.

During a student-led uprising in 1973, both sides tuned to the King for advice that eased tensions and prevented more bloodshed. His Majesty provided equally wise counsel during Thailand's struggle against the communist insurgency, suggesting solutions aimed at alleviating rural poverty and inspiring confidence in the government's constructive efforts. It can be said that, following the end of the conflict in Indochina, Thailand did not become "the next domino to fall to communism", as has been feared in some quarters of world. This was due, to a great extent, to His Majesty's leadership and wisdom. In May 1992, violence once again broke out between prodemocracy activists and military units. Television audiences around the world viewed the scene when the leaders of the conflicting factions were granted an audience by His Majesty, whose advice ended the confrontation. His Majesty the King similarly provided a unifying role in 2006 when he granted royal assent to the formation of an interim government, thereby avoiding any violent conflict.



In recent decades, His Majesty has tended to devote himself mainly to his developmental projects and the exigencies germane to his status and role as monarchical head of state, both clearly focused on the Kingdom of Thailand. In earlier years, however, His Majesty paid state visits to more than 30 countries. He frequently receives and entertains visiting monarchs and heads of state, and by meeting with nearly all the leaders of the contemporary world, has kept abreast of current international affairs.

In June 1988, King Bhumibol Adulyadej became the longest-reigning monarch in Thai history, surpassing the 42-year reign of his grandfather, King Chulalongkorn (Rama V, 1868-1910). In 1996, His Majesty celebrated his Golden Jubilee, an even more notable landmark. In 1999, he observed his 72nd birthday, a milestone accompanied by an outpouring of affection from his people. With equal affection, in 2006 celebrations were held on the auspicious occasion of the 60th anniversary of His Majesty's accession to the throne. That made him the longest-reigning monarch in today's world. It culminated in the grand reception attended by monarchs or representatives of 25 of the contemporary world's 28 monarchies, as a show of congratulatory tribute to His Majesty's dedication, foresight, and wisdom, reflected in Thailand's economic growth, the well-being of its people, and the security of the nation. Another auspicious milestone was reached in 2011 when His Majesty celebrated his 7th cycle, 84th birthday with the full support and admiration of a grateful nation.

Traditional Royal Prerogatives

His Majesty presides over numerous official functions, many of them deeply rooted in Thai tradition. Three times a year, at the beginning of each season, he ritually changes the robes of the sacred Emerald Buddha image. Moreover, as a devout Buddhist, he participates in numerous merit-making ceremonies at temples all over the country. He is regarded as the Upholder of all Religions, indeed, and as such has actively promoted better understanding between Thai Buddhists and other religious groups such as the Muslims in

the southernmost provinces. All newly-arrived ambassadors present their credentials to His Majesty, and he grants audiences to foreign heads of state, diplomats, and officials of international organizations. As Head of State, he convenes the National Assembly at the beginning of each session, and every draft law is submitted to him for his signature before promulgation.

Early in his reign, His Majesty began to attend graduation ceremonies, personally handing out degrees to graduates of Thai universities and military academies. The recent growth in the number of such institutions has made it necessary to delegate this responsibility to members of the royal family, though in certain cases His Majesty still presides over the ceremonies at Chulalongkorn and Thammasat universities.



To coordinate his active schedule, His Majesty relies on a special category of civil servants classified as belonging to the Court. The Office of His Majesty's Principal Private Secretary and the Bureau of the Royal Household are domiciled at the Grand Palace. The Chitralada Villa in the grounds of the Dusit Palace serves as the royal residence. Officials maintain the royal appointment calendar, arrange ceremonial functions, manage royal finances, supervise royal housekeeping, and perform a wide range of related administrative duties. Many members of the staff regularly accompany members of the royal family on travels throughout the country.

The King personally appoints the members of his Privy Council, a body composed of distinguished advisers noted for their exceptional experience and knowledge of state affairs. The Privy Council reviews all draft laws and makes germane recommendations to His Majesty. It meets twice weekly to deliberate particular or complex issues, such as appeals for royal clemency or a request without precedent, before forwarding recommendations for His Majesty's consideration.



Her Majesty Queen Sirikit

The dedication to public service exemplified by King Bhumibol Adulyadej is also found in other members of the royal family. Like His Majesty, all members of the royal family work untiringly for the benefit of the country, sometimes participating in projects initiated by the King and sometimes in others of their own. In doing so, all have contributed significantly to the creation of Thailand's modern monarchy.

Her Majesty Queen Sirikit spends as much time travelling as does her husband, equally indifferent to discomfort and long hours, and her interest in the welfare of rural people closely parallels those of His Majesty. An area in which she has taken a particularly deep interest involves finding sources of supplementary income for farmers in the off-season, or when crops are destroyed by droughts or floods. It was to solve such problems that the Foundation for the Promotion of Supplementary Occupations and Techniques, widely known by its acronym "SUPPORT", was established in 1976 under Her Majesty's patronage, partly through funds supplied by Her Majesty and partly with donations by the public.

SUPPORT has as its primary objective the formation of women's groups and to provide them with training, equipment, and materials to set up and operate cottage industries especially in rural areas. Among the traditional crafts deemed worthy of being promoted in both local and world markets are embroidery and weaving in the North; producing a kind of silk fabric with woven *ikat* or *rhombic* patterns called *mudmee* in the Northeast; making dolls and rattan ware in the Central region, and weaving *yan lipao*, a basketry using the fibre of a strong vine that grows in the South. Most of the crafts are indigenous to the areas where the projects have been set up and generate income to meet basic necessities, particularly when emergencies arise.

Besides individual projects in various parts of the country, SUPPORT established two multi-craft training centres. One is situated in the premises of Chitralada Villa on the grounds of the Dusit Palace, where around 200 trainees attend courses and workshops conducted by masters of particular crafts. The other is the Bang Sai Arts and Crafts Centre, located on the Chao Phraya River downstream of the historical capital city of Ayutthaya, which has an enrolment of around 300 persons. Trainees receive a daily allowance,





Her Majesty Queen Sirikit works urtiringly for rural communities.



travelling expenses, and remuneration for the crafts they produce. Upon completion of their training, they return to their home area where they act as "multipliers" by passing on their newly acquired skills to local men and women. In this vein, Her Majesty's royal projects provide vocational training to people in rural areas, as well as opportunities to develop and market their products. Training enables the villagers to gain extra skills, earn additional income and, thus, improve their livelihood.

The Queen has personally undertaken the promotion of these crafts through travels abroad to meet potential buyers and also by using them prominently in her own wardrobe; *mudmee,* for example, which was once hardly known outside the region where it was made, is now regarded as one of the most fashionable dress materials made in Thailand. The Queen's interest in handicraft development led to the celebration of the Thai Arts and Crafts Year in 1989, which featured a wide variety of exhibitions, skill demonstration fairs, and promotional events under the auspices of the Tourism Authority of Thailand.

For her work among rural women, Her Majesty Queen Sirikit was awarded the prestigious Ceres Medal by the Food and Agriculture Organization of the United Nations. In 1988 the Queen was awarded an Honorary Fellowship by Great Britain's Royal College of Physicians for Her Majesty's "deep concern for the health and welfare of the people of Thailand". Established in the 16th century, it is the highest honour the college confers.



The Queen's efforts on behalf of the less fortunate members of society were also extended to refugees from Cambodia, the Lao PDR, and Vietnam who came to Thailand in large numbers, in the late 1970s. Members of the northern hill tribes also benefit, with many of them attending SUPPORT centre training programmes, where they are given new ideas to use in practising such traditional skills as embroidery and jewellery making.

Sharing the King's concern about the degradation of the natural environment, the Queen is an active member of the Thailand Chapter of the Worldwide Fund for Nature (WWF Thailand). For many years, she has lent her support to the conservation of forests as core areas of watershed development and habitat in which to preserve wild animals, especially those in danger of extinction. To this end, she has effectively facilitated a reforestation project in the North-east and worked closely with concerned people in protecting wildlife habitats.





Other members of the Royal Family often accompanied HM the King on field trips.

The Royal Family

Their Majesties' only son, His Royal Highness Crown Prince Maha Vajiralongkorn, was born in Bangkok in 1952. Prince Vajiralongkorn was invested as Crown Prince in 1972. After completing his primary education in Thailand, His Royal Highness attended secondary school in England, and then enrolled at Australia's King's School and University of New South Wales, in the Faculty of Military Studies. Upon his return to Thailand, the Crown Prince took up his duties which, besides serving in the Royal Thai Armed Forces, include frequent provincial tours and representing His Majesty the King at a wide variety of official functions and ceremonies. Of particular interest to His Royal Highness are the hospitals which were set up in the provinces with funds donated by the public. On several occasions, His Royal Highness made state visits to foreign countries as His Majesty's representative.

Their Royal Highnesses Princess Maha Chakri Sirindhorn and Princess Chulabhorn were born in Bangkok in 1955 and 1957, respectively. Both princesses received their education in Thailand, from primary school through university education.

Her Royal Highness Princess Maha Chakri Sirindhorn, the first of the royal children to attend a local institution of higher learning, received her B.A. degree from the Faculty of Arts of Chulalongkorn University, where she majored in History. She also holds M.A. degrees in Oriental Epigraphy from Silpakorn University as well as in Pali-Sanskrit from Chulalongkorn University, and a doctorate in Development Education from Srinakharinwirot University. A gifted performer on traditional Thai musical instruments, she regularly accompanies her royal father on his visits to His Majesty's rural development projects and assists the King in collecting information relevant to their operations.



Her Royal Highness Princess Chulabhorn graduated with a B.Sc. degree from Kasetsart University. A gifted scientist who was awarded the coveted Einstein Gold Medal in 1986, she also holds a doctorate in Organic Chemistry from Mahidol University. In 1987, she set up the Chulabhorn Research Institute to promote scientific research in Thailand. She lectured on a number of occasions at academic institutions abroad.

Members of the Royal Family have always carried out their duties with great efficiency and dedication, lending valuable support to His Majesty in many areas of national development. In 1978, Her Royal Highness Princess Sirindhorn was bestowed with a new title and rank in recognition of her services to the throne and to the nation, henceforth known as Princess Maha Chakri Sirindhorn.

Royal Residences

There are two building complexes today associated with the monarchy: the Grand Palace, over 200 years old, and Chitralada Villa in the grounds of Dusit Palace, the much smaller and less ornate residence which King Bhumibol Adulyadej chose as his family's residence in Bangkok.

The resplendent Grand Palace, an enclosure covering 24.3 hectares on the east bank of the Chao Phraya River, is one of Thailand's best known landmarks. Today it houses the offices of His Majesty's Principal Private Secretary, the Bureau of the Royal Household, and some offices of the Treasury Department. The earliest buildings in the palace compound, regarded as masterpieces of classic Thai architecture, were constructed in the reign of King Rama I (1782-1809), founder of the Royal House of Chakri. Extensive additions in both Thai and Western styles were made by subsequent rulers. Though the King no longer makes his home in the Grand Palace, its historic buildings are still used for most of the important ceremonies associated with the Thai monarchy.

Coronations, for example, took place in the Phra Thinang Phaisan Thaksin, one of a group of early structures of royal edifices including the throne hall known as the Phra Maha Monthian. This magnificently decorated hall contains, among other things, the Octagonal Throne, from which the King formally received the invitation from representatives of the people to rule over the kingdom, and the Phatthrabit Throne, on which he was presented with the Royal Regalia, the Royal Utensils, and the Royal Weapons of Sovereignty. The adjoining Amarin Winitchai Throne Hall originally served as the Principal Audience Hall. It is still used for the grand



audience on His Majesty's birthday anniversary and for royal religious ceremonies throughout the year.

The Dusit Maha Prasat Throne Hall, also built by King Rama I, provides the setting for the annual Buddhist and Brahmin Coronation Day anniversary rites. It is also the customary place where to repose the remains of deceased kings, queens, and senior members of the royal family, prior to their cremation.

The Chakri Maha Prasat Throne Hall, a large western-style throne hall built by His Majesty's grandfather, King Chulalongkorn (Rama V, 1868-1910), between 1876 and 1882, is used for royal receptions and banquets it is also the venue where King Bhumibol Adulyadej receives the credentials of newly arrived foreign ambassadors to Thailand.

Wat Phra Si Rattana Satsadaram, commonly known as Wat Phra Kaeo, or the Temple of the Emerald Buddha, which occupies one section of the palace compound, serves as the Chapel Royal and houses Thailand's most revered Buddha image. His Majesty performs certain important religious ceremonies there during the year, among them the ritual changing of the image's jewel-encrusted regalia at the beginning of the hot, cool, and rainy seasons.

Chitralada Villa on the grounds of the Dusit Palace serves not only as the Royal Residence in Bangkok, but also serves several other functions. There is also a hospital which serves the royal staff and needy people; a school, and assorted experimental agricultural facilities open to students from various schools.

In addition, four other royal palaces are maintained at Hua Hin, Prachuap Khiri Khan Province, on the west coast of the Gulf of Thailand;

above the northern city of Chiang Mai; in Sakon Nakhon Province of the Northeast; and in Narathiwat, a southern province.

Over the years, Their Majesties the King and Queen, together with members of the royal family, have used these palaces as regional bases from which to set out on daily working visits to care for the needy people in rural areas.

Various Distinctive Characteristics of the Monarchy

One of King Bhumibol Adulyadej's most spectacular legacies passed down from his ancestors is his fleet of ornately carved royal barges. Largely gold and scarlet, these vessels were mostly constructed during the reigns of early Chakri kings and resemble the barges that were used by Ayutthaya kings in battle and for transport. Powered by brilliantly-costumed, chanting oarsmen, they have been used to carry His Majesty to the riverside Wat Arun, the "Temple of Dawn", to present monks with robes after the annual Rainy Season Retreat.

Another royal prerogative ensures that all "white" elephants found in Thailand, esteemed as "auspiciously significant elephants", become the King's exclusive property. The discovery of any one of these animals is considered a good omen, and those elephants are presented to the monarch so that his reign may prosper. Regarded as an honorary human being, each "auspiciously significant elephant" is awarded a lordly title and thereafter leads a befittingly lordly life. King Bhumibol Adulyadej has had seventeen white elephants (eleven still alive), the highest number any Thai king ever owned, which is regarded as an exceptionally auspicious sign that augurs well for his reign.



The King inspects an "auspiciously significant elephant".

The *garuda*, a mythical half-bird, half-human figure which, in Hindu legend, served as the mount for the god Vishnu, adorns King Bhumibol Adulyadej's sceptre and royal standard, as in former times the king was considered an incarnation of Vishnu. Thus, it is used as the emblem on government stationary and as badges on caps for civil service officials, since technically government affairs are conducted in the service of His Majesty the King. Moreover, the *garuda* signifies the concept of "Purveyor to the Court by Royal Appointment". It is awarded at His Majesty's personal discretion as a sign of royal appreciation to business companies that render outstanding economic and charitable services to Thailand. Such an award is rarely bestowed and considered a great honour by its recipient.

In line with other monarchs, King Bhumibol Adulyadej bestows awards and honours on government employees and ordinary citizens who have served the country with civic, administrative, or diplomatic distinction, and to individuals who have rendered great service to the Crown.

One distinctive feature of Thai royalty is that royal titles are not inherited in perpetuity but lapse gradually over five generations. Thai royal titles descend through the ranks of Chao Fa, Phra Ong Chao, Mom Chao, Mom Rajawongse, and Mom Luang. The children of one rank inherit the next lower rank on the father's side, so that a male Mom Chao's son or daughter is a Mom Rajawongse, while a male Mom Luang's child is a commoner addressed as Mister or Miss. Once titles have lapsed, families of royal descent may add to their family name the suffix "na Ayutthaya", meaning "of Ayutthaya", thus indicating royal ancestry.

A Monarchy for the Times

Adhering to the traditionally close relationship between king and people, yet daring to be innovative, Thailand's modern monarchy meets needs that are at once old and new. This makes it the central element in the traditional Thai triad of nation, king, and religion, binding the diverse elements of the country in a literal as well as symbolic way. Much of its extraordinary success is due to the dedication and personal example set by the ninth monarch of the Royal House of Chakri who, in 1987, was popularly acclaimed as *"Maharaj"*, or King Bhumibol Adulyadej the Great, by his loyal and loving subjects.







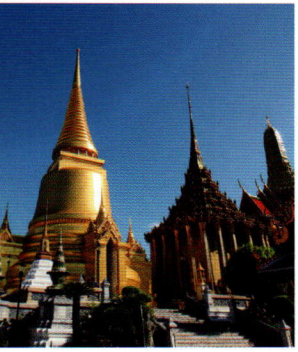
THE LAND AND ITS PEOPLE





The Land and Its People

Most of the people of this country call themselves Thai, which means "free," and their country Mueang Thai, "the Land of the Free." In this free nation, the people love fun (*rak sanuk*), have cool hearts (*chai yen*), and good hearts (*chai di*). By nature, Thais always welcome all foreigners who come to their country. Historically, elements of Oriental and Western civilizations have selectively been adopted to suit the country's evolution and modernization.



Thailand, a long country measuring about 1,500 kilometres from north to south, is shaped like an ancient axe stretching from south to north, and turning its "blade" to the east, invoking the image of the country as a golden axe (*khwan thong*).

The topography is varied, with an alluvial flatland intersected by winding rivers and streams in the central plain; a plateau in the northeast; forest-covered mountains and hills in the north, and mostly hills in the south. The Central Region, heartland of the country, encompasses the basin of the Chao Phraya River. It is a major producer of rice, and also the most densely populated region with the capital city, Bangkok at its southern rim. The Northern Region comprises a series of parallel mountain ranges with an average elevation of 1,200 metres above sea level, incised by steep valleys of the Ping, Wang, Yom, and Nan rivers that jointly give birth to the Chao Phraya River. A large expanse of the mountains is covered with forests. Doi Inthanon, the highest point in the country with an elevation of 2,595 metres, is located in the extreme northwest of the region whose centre is Chiang Mai, the second largest city.





The North-eastern Region principally consists of a saucer-shaped terrain known as Khorat Plateau with average elevations of 200 metres. The Eastern Region, along the Gulf of Thailand, with Chon Buri as its centre, is distinguished from the northeast in that it is far wealthier owing to its well-established industrial and tourism infrastructures, making it the second most affluent region after the Central Region. The Southern Region, straddling the northern half of the Malay Peninsula, has a rolling mountainous topography with little flat land. The countryside is often breathtaking; an attribute increasingly tapped for the development of tourism. Traditionally, the region's relative wealth stems from its most important natural resources of tin and rubber.



Thailand has a number of minority groups that, historically, have lived together in harmony. This is what gives the Thai citizenry its strong sense of identity, or rather its culture, with various vernaculars and diversity. Though the Thai language is spoken quite differently in parts of the country, its written form is standardized. The monarchy is the unifying element, for decades personalized by His Majesty King Bhumibol Adulyadej.

Family Order

The Kingdom of Thailand is a country of diverse cultures and religious beliefs. Almost 95% of its population are Buddhists, 4% are Muslims, and the remaining 1% Taoists, Confucians, Hindus, Christians and Sikhs mostly living together amicably. Throughout the year, many traditional festivals, seasonal events, and religious ceremonies bring the people together in a single-minded joy.

Thai society's basic unit is the family, reflected in the lifestyle of its villagers. In general, this is an extended family, with several generations living under one roof, or at least under several roofs within the same compound. This is where Thai children learn codes of behaviour that guide them throughout their life, whether spent in the village or beyond.

A village house builds a strong sense of social harmony, generating compromise and tolerance. The father is regarded as the leader, while the mother also plays a dominant role, especially concerning financial matters. A sense of responsibility or accountability is also generated in early childhood. Each child must assume duties in accordance with age and ability – feeding livestock, leading buffaloes to graze on nearby pastures, and taking care of younger siblings while parents are at work in the fields. As children grow older, responsibilities grow and they join family discussions and participate in crucial decisions. One inviolate rule of the Thai concept of family is that children must take good care of their parents in old age. But caring for aged

parents is no inconvenience at all; they are accorded an honoured place in the house. This sense of duty and grace will be handed down to their grandchildren and great-grandchildren in days to come.



Village Code of Conduct

A typical Thai village comprises a group of houses and other buildings, such as a *wat* (temples and monasteries), schools, government organizations, and some shops. And typically, a villager has a role in the mosaic of village life. Routine village life begins early in the morning; all family members rise at first light with the songs of the birds. The wife prepares the family's breakfast and packed lunch, and offers food to local monks who walk past their house on their alms round early in the morning. Father prepares his tools for the fields, while the children get ready for school. Village folk wear loose fitting clothes; men wear shorts, a simple shirt, and their versatile *pha khaoma* – a chequered, rectangular piece of cloth loosely worn around the waist which, at any moment, can double as a turban for protection from the sun.

Village Organisation and Leadership

A typical village has 100 to 150 households and 500 to 700 inhabitants. These days, most villages have electric power, but water for washing and cooking is drawn from canals, rivers or ponds. In the drier North-east it may be drawn from communal wells. Found on the village outskirts are the local schools and the *wat*, or Buddhist monasteries, sometimes adjacent to one another, sometimes at opposite ends of the village.

Each village is self-governing, led by an elected headman, or *phuyaiban* who, until the early 1980s, was always a male. Since 1983, however, women have also been elected to the position. The *phuyaiban* preserves social harmony, valued so highly by all Thais, by skilfully settling minor disputes, taking care to ensure that neither party feels cheated or loses face. In addition, he or she maintains the birth and death records for the village and acts as a spokesman for the community in negotiations with government bureaucrats.

A *phuyaiban* chairs the village committee, a local body which comprises around 16 members including the village chief, his or her assistant, members of the local government council, representatives of villagers, and senior villagers. The village committee appointed by the District Chief Officer helps implement and support the work of government agencies as well as local governments. All *phuyaiban* within each sub district (*tambon*) elects one among them to be *kamnan*, or community head-person. Thailand has 7,255 *tambon*.

The focal point of a village is the *wat* (temple), which symbolises Buddhism and acts as the major unifying element, particularly during festivals and merit-making ceremonies when it also becomes a social centre for young and old alike. Within the *wat* the abbot has administrative, clerical, custodial, disciplinary, and spiritual responsibilities, which determine the monastery's relationship with the village.

Social Values

Buddhist teachings are taught at school, and most males will at sometime in their lives ordain as a monk (*bhikkhu*) for a few days, three months, or even a year. Males enter the monkhood aiming to reciprocate their parents' sacrifices and kindness, and sometimes their grandparents as well. Many Thai males do this as a preparatory step before entering marriage and family life.

Family bonds across generations play a significant role. And within such a behavioural framework, Thais share very definite views on what constitutes friendship and enjoyment. Sincere friendship is extremely intense; the language is rich in expressions which reflect the degree of involvement and willing self-sacrifice. Such relationships are found particularly among men. A "*phuean tai*" – literally, "death friend" -- is a companion for whom to die would be an honour. Should a friend get into difficulties, his friend feels it is an obligation to help him, regardless of the danger to himself, because "*tong chuai phuean*" -- "one must help one's friend".

On the level of acquaintanceship, politeness predominates. When greeting people, Thais will usually show their concern for another's health by remarking how "thin" or "fat" he or she has become. Such remarks are gestures of friendship.

Individual Life Cycle

Children are given their individual nicknames at birth. Their given names are then recorded in the official household register. Childhood is a carefree and cosseted time: Boys play games, fly kites, plough imaginary fields, or catch insects and harmless reptiles; girls nurse make-shift dolls, play games, and look after younger siblings.

Gradually, the children are drawn into work patterns. Girls increasingly help with the household chores, and boys assume greater responsibilities such as feeding and guarding livestock as they graze or wallow in mud-holes in the fields.

Children attend the local primary government school where they acquire various degrees of formal education and study Buddhist ethics as well as Thai history. Children experience a broadening of social interaction by making contacts with neighbouring villages and from visits to the district and provincial centres on school trips. As they grow up, they are assigned more tasks and given greater responsibilities. A girl's adolescence is a gentle episode, and marriage alliances are oft times forged within one's own village. Before getting married, many males become ordained into the monkhood at

their local monastery.

According to Buddhist belief, married life should begin with merit-making. In this spirit, the bride and groom offer alms to the monks of their local monastery and present them with small gifts. Monks will then bless the couple and the home where they will live together. The marriage ceremony is a public proclamation that the groom and bride will live together and raise a family.

Leisure Activities

A penchant for pleasure, or *khwam sanuk*, is a trait of the gregariousness that makes both spontaneous and formal leisure activities vital events of a village's social life.

Rice cultivation demands consistent hard work, but the communal gatherings that ensue set the stage for all types of group activities from feasting to courting. Some evenings, after a hard day's work, many villagers gather around bonfires to chat. Throughout the year, villagers share a common interest in gambling, travelling (*pai thieo*), and sports. Takraw and kite flying are popular traditional sports and, during temple fairs, another popular sport is Thai boxing, a form of martial art developed since ancient times.



A large measure of Thai cuisine is hot, thanks to the addition of a variety of chillies, large and small, some more potent than others. However, food varies from region to region, with modifications of standard dishes and also local specialties. In Chiang Mai, for example, the food is generally milder than that of the central region; *naem*, a spicy pork sausage, *larb*, spicy meat salads, *som tam*, a salad of green papaya mixed up with tomatoes, shallots, peanuts, dried shrimp, garlic, sugar, fish sauce, lime, and chillies, *kai yang* (roast chicken) and *khao niao* (sticky rice), constitute a northern delicacy. North-eastern food is famous for its explosive salads and broiled minced meat dishes mined with miniature, high-voltage green chillies. Southern cuisine is even hotter with its fiery yellow curries. Of these food items, by far the best known internationally is *tom yam kung*, a delicious and aromatic broth flavoured with fish sauce, lemongrass, kaffir lime leaves, mushrooms, chillies, vegetables and shrimps, or king prawns, which can be found in every region. Dishes of foreign origin have also found a place in Thai food. Some of these go far back in history, like the egg-based Portuguese sweets and cakes which were introduced in the Ayutthaya period.







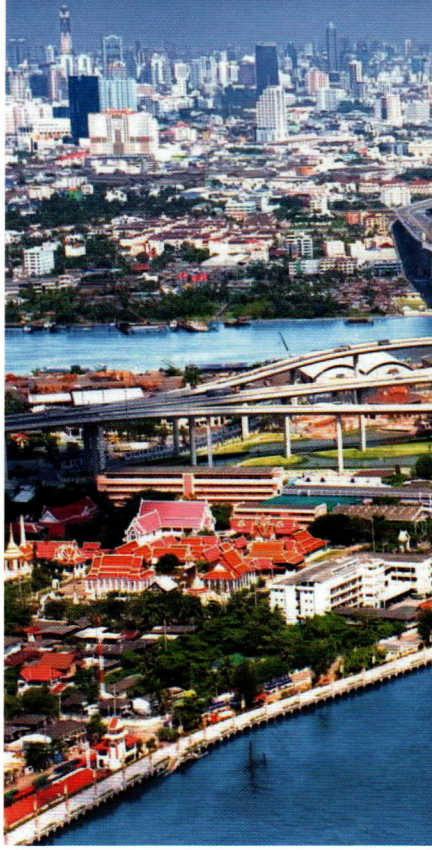


Sufficiency Economy Villages: Eradicating poverty for sustainable development

His Majesty King Bhumibol Adulyadej has advocated a sufficiency economy since 1974. It is a concept derived from extensive royal experience gained from visiting villages and seeing what works and what does not work, since the 1950s. After 1997, when facing a severe economic crisis, the term "Sufficiency Economy" was officially introduced. The basic principle of this philosophy is that in a village or sub-district there should be a reasonable amount of "sufficiency". If villagers grow or produce surplus, they can sell that extra produce. Rather than having to sell it very far away; they can sell it in nearby places without having to pay high transport costs. Pilot projects were launched in many areas of Thailand to apply the principles of the "Sufficiency Economy" to farming for self-reliant agriculture.

The main objective is to promote the "Sufficiency Economy" concept in farming. A target has been set for one million farming families to join the agriculture network under the Sufficiency Economy approach by 2013. It is worth noting that the philosophy of Sufficiency Economy is commended as a new theory for agriculture. The Sufficiency Economy approach, defined in the broad sense, means getting at the root causes of trouble, while helping to alleviate poverty, create new employment opportunities, and generating additional income by farmers.

Sufficiency Economy is a philosophy that stresses the middle path comprising of three rings and two conditions. Within the Sufficiency Economy framework, the three rings represent the three principles of **moderation**, **reasonableness** and **self-immunity**. The knowledge and morality contents are two necessary conditions to achieve the three main principles. The knowledge condition requires thorough study of all available information and experience in order to make prudent decisions. The morality condition stresses integrity, trustworthiness, honesty and the hard-work of individuals. By practicing Sufficiency Economy, people would live in harmony and with security in a sustainable society and environment; and they would be able to tolerate and cope with all kinds of impacts of globalization.



Success in applying the Sufficiency Economy concept is evident from the pilot projects, including some economic ventures particularly in the agricultural sector, raising people's awareness of the concept, placing more emphasis on teaching and instilling the concept at a young age whilst preserving indigenous culture.

Exemplary Sufficiency Economy villages and activities are operational in locations such as *Na Fai* Sub district, Mueang Chaiyaphum District, Chaiyaphum Province, in the *Ban Pa Miang* Eco-tourism Village of Lampang Province, and the Sustainable Household Sufficiency Economy of Farmer Using Effective Indigenous Management Skill on His Rehabilitated Forest-Food Bank in Semi-arid Zone of Waeng Noi District, Khon Kaen Province, to name just a few.

The Sufficiency Economy approach is vital to the success of self-sustaining villages especially in remote areas.

Urban Life

Regarding urban life, the focus is on Bangkok, whose metropolitan area covers 1,568 square kilometres on both sides of the Chao Phraya River. The surrounding area with nearby provinces comprises plains and estuaries bordering the Bight of Bangkok, about 30 km south of the city centre which lies about two metres above sea level with an area of 7,761.50 km^2. The urban sprawl of the Greater Bangkok region extends beyond the borders of the Bangkok Metropolitan Area, encompassing the neighbouring provinces of Nonthaburi, Samut Prakan, Pathum Thani, Nakhon Pathom and Samut Sakhon.

Bangkok : "City of Angels"

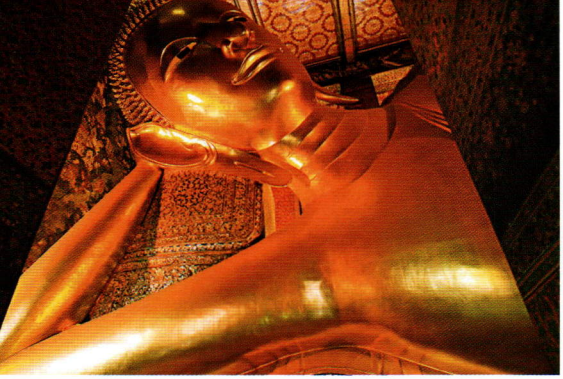
Bangkok, the capital city of Thailand, derives its name from either *Bang Kok*, *kok,* being the Thai name for the Java plum (*makok*), one of several trees bearing olive-like fruits; or *Bang Koh*, *koh* meaning "island," a reference to the area's landscape which is dissected by rivers and canals. The full ceremonial name of the city given by King Buddha Yodfa Chulaloke, and later edited by King Mongkut, is: *Krung Thep Mahanakhon Amon Rattanakosin Mahinthara Yuthaya Mahadilok Phop Noppharat Ratchathani Burirom Udomratchaniwet Mahasathan Amon Phiman Awatan Sathit Sakkathattiya Witsanukam Prasit*. It translates roughly as "The city of angels, the great city, the eternal jewel city, the impregnable city of God Indra, the grand capital of the world endowed with nine precious gems, the



happy city, abounding in an enormous Royal Palace that resembles the heavenly abode where reigns the reincarnated god, a city given by Indra and built by Vishnukarm". The full name is listed in the Guinness Book of Records as the world's longest place name. Its Thai name in brief is Krung Thep. Since its founding as the capital city in 1782, Bangkok has grown to become an important political, social and economic centre of Southeast Asia. Its influence in the arts, politics, fashion, education and entertainment as well as its role as a business, financial and cultural centre has made Bangkok a global city.

The city has a registered population of 5,710,883 (as of 31 December 2008), excluding a great number of unregistered people. Bangkok is one of the country's two special administrative areas, the other being Pattaya, where citizens elect their governor or mayor, unlike in the 75 provinces (*changwat*). In 2009, M.R. Sukhumbhand Paribatra won the gubernatorial election.

Bangkok's central business district includes Silom, Bangrak, Pinklao, Sathon, Phra Ram 2, Phetchaburi, Phra Nakhon, Pathumwan, Chatuchak, and Phra Ram 3. As the city expands on the outskirts, the inner city has nowhere to grow but vertically. It has some 1,000 skyscrapers and ranks 17th as the world's tallest city. Bangkok's north and eastern areas are primarily residential areas. The inner city often has small apartments and low-rises for poor immigrants. The west of Bangkok, Thon Buri, is another growing area. Suvarnabhumi Airport in the east has further pushed the eastern expansion of the city.





The city is home to all major domestic and foreign companies as well as government ministries and most of the country's leading education, sporting, and cultural facilities. Most imports and exports are transported via Bangkok, the hub of Thailand's aviation, railroad and communication networks. Bangkok acts as a magnet for people from all parts of the country who come to be educated at its schools, colleges, and universities, to find employment, or simply to see its monuments and enjoy a variety of entertainment.

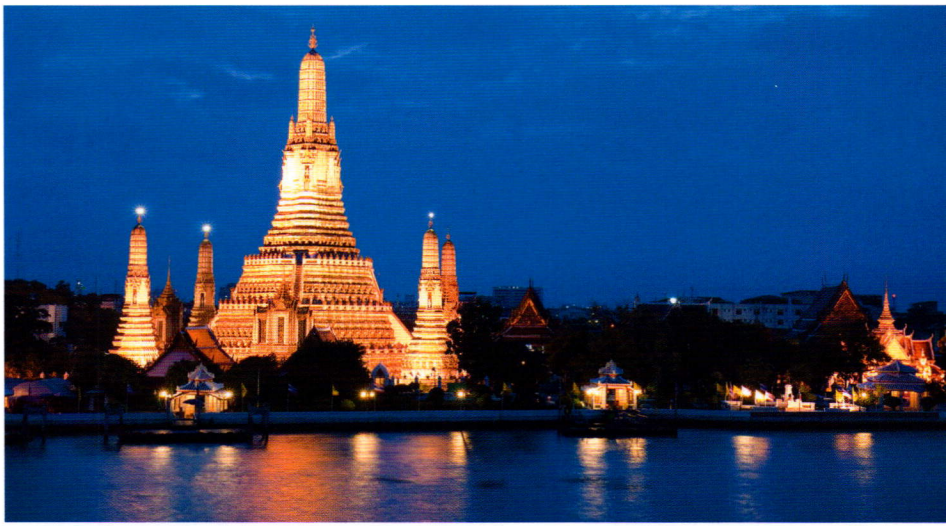
Leisure in the City

Most Bangkokians have to face the stresses of city life and have a limited amount of leisure time even though Bangkok is abundant in leisure facilities. Sporting events draw large crowds, whether they are of purely local interest or involve foreign footballers, boxers, or gymnasts. Many museums, art galleries, and a cultural centre serve to instruct as well as relax. There are dozens of modern cinemas screening Thai and Western movies. Numerous restaurants and clubs offer delicious Thai, Chinese, Japanese, Korean, and Western food of the highest international standard. Several amusement parks are located on Bangkok's outskirts, with carousels, Ferris wheels, roller coasters, shooting galleries, and ice cream stalls. Lumpini Park, in the heart of the city, is crowded on weekends with footballers and strollers, as well as joggers and others in search of physical fitness. Chatuchak Park to the north of the city is the site of the famous Weekend Market featuring several acres of stalls selling a remarkable assortment of goods. Bangkok's Old City, covering Bang Lamphu to the north and Thon Buri to the west, is full of amazing sights, such as the Grand Palace, Wat Pho (Temple of the Reclining Buddha) and other ancient temples, which are major tourist attractions.





Bangkok boasts some of the most varied nightlife in the Orient. Visiting ballet, operatic and folk dance troupes from Europe, the U.S., and various Asian countries are frequent visitors, and there are frequent international film festivals. Patrons of nightclubs and supper clubs, many of them in the city's leading hotels, are entertained by international as well as local performers. Discotheques with the latest gadgetry flash and throb to the incessant beat of music played at top volume. Some people say that Paris is the city of lights, while Bangkok is the city of sleepless nights!



Urban Values

Buddhism is at the heart of the Thai perspective of life, shaping the foundation for most people's state of mind in cities as well as in villages. In the village, the *wat* is the core of social and religious life. While urban surroundings may rob many monasteries of the tranquil atmosphere that characterises their upcountry counterparts, monks continue to practice their vocation undeterred by the noise outside. Meanwhile, Bangkok residents go there to pray and meditate.

Astrology also retains its ancient influence by determining auspicious dates for major engagements. Buddhist monks, Brahmans and professional astrologers all cast horoscopes recommending the day and time to embark on a trip, or to purchase land, or start a new business, or open a shop. In truth, few couples would agree to be married without first determining the suitability of their union, and the most auspicious day and minute for the ceremony.

Many Thais fear that change at too rapid a pace, or modernisation directed towards Western lifestyles, introduced into the country by various ways and means, is eroding the country's traditional values that will overshadow Buddhist teachings. But, in spite of these concerns, Buddhism continues to play a dominant role in the national psyche.





CULTURE





Culture

"*...Our nation has maintained independence, unique language, art, and cultural traditions for centuries. Our ancestors have devoted and sacrificed their life and force, both physical and spiritual, to save and protect all these good old assets. It is therefore most important for us to permanently preserve and sustain them as our cultural heritage for the next generations...*"

Royal speech by His Majesty King Bhumibol Adulyadej given at the Opening Ceremony of the Ramkhamhaeng National Museum, Sukhothai Province, January 25, 1964.

Throughout time, art and culture have reflected Thai identity and ways of life intricately woven in harmony with rich diversity of natural and environmental settings, apparent in the invention of regionally distinctive arts and crafts.

It should be highlighted that Thai art and culture have continued to receive close attention and gracious support from the royal institution, especially from Their Majesties the King and Queen of Thailand who have always been interested in the promotion, conservation and preservation of cultural heritage for the benefit of all Thai people in and outside the kingdom.

Royal Barge Procession

The royal barge procession is a ceremonial manoeuvre of the royal barge fleet for royal or religious events such as a coronation or *Kathin* robe presentation. The ceremonial royal barge procession originated during the Ayutthaya period, performed by the King travelling in the royal barge procession on the occasions of *Asayucha* in the eleventh lunar month and of *Chong Priang* in the twelfth lunar month. The King's participation in the royal barge processions at events such as the coronation and the *Kathin* robe presentation continued in the Rattanakosin Era. His Majesty King Bhumibol Adulyadej revived the procession in performing the royal *Kathin*, in 1959, for which he ordered the construction of new



barges over the years such as Ekachai Hoen Hao, Ekachai Lao Thong, Krabi Prap Mueang Man, Krut Hoen Het, Thong Khwan Fa, Thong Babin and the Narai Song Suban HM Rama IX. Many royal barge processions have since been organised for important occasions in His Majesty's reign. The royal barge procession is a unique cultural heritage offering exquisite craftsmanship, classic poetry for the chanted boat songs, and the ancient system of barge formation on religious events such as the coronation or *Kathin* robe presentation.

Cultural Heritage

Thai cultural heritage represents a unique amalgamation of the different ways of life, beliefs and wisdom of many ethnic groups in Suvarnabhumi. Proud of their art and cultural identities, created by their forefathers and handed down through various ages, Thai people take care to preserve and polish these cultural gems. The rich heritage of Thai art, culture, and other kinds of knowledge, is a result of continuous preservation efforts to ensure that later generations can always understand and appreciate the value of being Thai.

Historical Roots

Tracing the cultural traits of present-day Thailand leads back to archaeological evidence of the earliest human occupation, dating to approximately 60,000 - 40,000 years ago. A more complex prehistoric subsistence pattern existed as long as 4,300 years ago. People settled in different ecological habitats, colonised such previously unoccupied areas as coastal plains, mineral-rich uplands, and swampy lowlands. Finds include chipped and polished stone tools, ceramic vessels, and human burials. Early metallurgy, bronze and iron, signifies the origins of agriculture. Trade led to the development of large settlements, and their number increased between 500 BC and AD 500, and small state-level societies developed. Inscriptions dating to the first millennium AD mention the name "Suvarnabhumi" which means "The Land of Gold".

Early historical cultures are known by the names of Dvaravati, Srivijaya, and Lop Buri.

Dvaravati town plans are oval or circular, most of them moated and walled, with such monuments and artefacts as monastic buildings, Buddha images, religious objects and household utensils.





Like Dvaravati culture, Srivijaya art and culture were strongly influenced by the Gupta, Post-Gupta, and Pala-Sena Indian art styles, as evident from architectural and material remains, among them a large number of objects related to Mahayana Buddhism.

Lop Buri culture, also known as Khmer style, incorporated both Hindu and Mahayana Buddhism, spread across present-day Thailand's lower northeast and east.

In the Suphan Buri River Basin, Suvarnabhumi culture grew out of Dvaravati culture; it is famous for its production of ceramic storage jars.

The powerful maritime trading centre of Nakhon Si Thammarat with its Mahayana Buddhist culture had twelve vassal states based at ports along the Malay Peninsula.

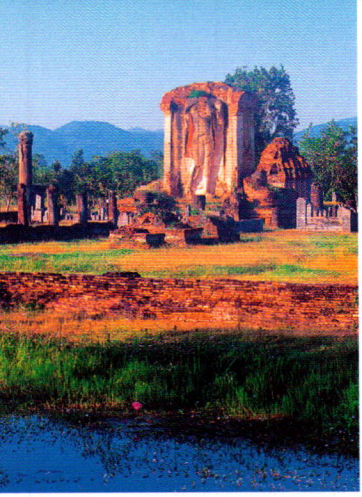
Lan Na was the most powerful and important northern Thai state which received a Hinayana Buddhist tradition from Pegu, an ancient neighbouring kingdom, and was also culturally influenced by Sukhothai culture.

Sukhothai art and culture were influenced by a variety of artistic styles from other ancient kingdoms including India, Lanka, Burma, Cambodia, Srivijaya, and Lan Na.

An abundance of natural resources and strategic locations was a key factor in the social, cultural, and economic success and stability of the Ayutthaya Kingdom over the course of four centuries (1350-1767), making its capital Ayutthaya one of the largest and wealthiest cities in Asia. Its location on an island surrounded by the Chao Phraya, Pa Sak, Lopburi, and Noi rivers was important in several ways. First, the rivers and their flood plains served as a natural barrier. Secondly, fertile deltas formed by alluvial deposits brought by the rivers made the area ideal for cultivation. Thirdly, the rivers were navigable for the transportation of raw products. This turned Ayutthaya into a major trade and cultural centre where people and products from various regions would meet. Ayutthaya was not far from the Gulf of Siam, therefore, it was the gateway to the outside world, welcoming international traders and visitors.

Upon the destruction of the city of Ayutthaya, Thon Buri, on the west bank of the Chao Phraya River, became the new capital of the kingdom.

The relocation of the capital to the river's east bank signified the birth of the Rattanakosin Kingdom with its capital "Krungthep Mahanakhon" or "Bangkok". As Western culture gradually entered the Kingdom, and an intensive educational development program provided western knowledge, the country was modernised.

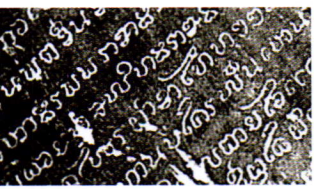


World Cultural Heritage Sites

Well endowed with archaeological sites and historic monuments, since 1991, two historical parks and, since 1992, one archaeological site have been registered on the UNESCO World Cultural Heritage List. The Sukhothai - Si Satchanalai - Kamphaeng Phet Historical Park comprises three major locations: the Sukhothai Historical Park with the heart of old Sukhothai that existed between 13th to 15th century; the Si Satchanalai Historical Park, a sister city of Sukhothai, and the Kamphaeng Phet Historical Park with its expansive forest monasteries that were contemporary with Sukhothai monuments. The Ayutthaya Historical Park preserves the capital area, a major centre of arts and culture for over four centuries. The Ban Chiang Archaeological Site, renowned as Southeast Asia's prime prehistoric site, is also one of the world's most important prehistoric communities. Evidence of settlements and cultures at Ban Chiang dates back 5,000 years.

Ethnic Groups by Linguistic Grouping

Despite considerable linguistic and ethnic diversity, people in Thailand are closely related culturally and socially; they are descendants of the same ancestors. There are approximately 60 ethnic groups that can be distinguished by five major linguistic groups: Austro-Asiatic, Tai-Kadai, Sino-Tibetan, Austronesia or Malayo-Polynesian, and Hmong-Mien. The Austro-Asiatic group includes Mon, Khmer, Kui, Khamu (Kha), Sakai, Semang, Chong, Khmer, Mon, Lua (Htin), Palaung, Chaobon, Mlabri, and So. The Tai-Kadai group comprises the majority ethnic groups (approximately 94%), including Tai Yai, Tai Lue, Tai Khoen, Tai Yor, Tai Mao, Phuan, Yoy, Phu Tai, Tai Dam, Tai Yuan, Lao, Lao Ngaew, Saek, and Lao Krang. The Sino-Tibetan group is a collection of ethnic groups mainly in the north and west, including the Karen (or Kariang), the Lisu (or Lisaw), the Akha (or Ekaw), and Haw. The Austronesia or Malayo–Polynesian groups are found in southern Thailand, where the Moklen are an example. The Hmong-Mien group includes the Hmong (or Meo) and Yao (or Mien).



Thai Language

Thai people have long had their own languages and scripts. Southeast Asian languages are diverse and spread over different geographical settings. The first Thai inscription of King Ramkhamhaeng of the Sukhothai Kingdom is dated 1283. Genuine Thai words are mostly monosyllabic, while multisyllabic words of Thai are often the results of lenition, assimilation or syllable addition. They do not make use of the consonant cancellation mark (*thanthakhat)*, rarely use consonant clusters, and always use the simplest form of alphabets as ending consonants. They make use

of specific pitches, even when no tone mark is given. Syntactic function is determined by the word's position in a sentence; hence words juxtaposed differently have different meanings. Of the three forms of the "ai" diphthong, Thai words use only the explicit single stroke forms and never the a-i combination.

The King Ramkhamhaeng Inscription is engraved on a 35.5×35.5×114.5 cm. monolith whose four sides are covered with Sukhothai period Thai script. Sides one and two each contain 35 lines of text, while sides three and four each contain 27 lines of text. When King Rama IV was still a monk, on a pilgrimage through the ruins of old Sukhothai city the prince-monk found the inscription, now housed in the National Museum. The inscribed alphabets, believed to be King Ramkhamhaeng's invention, are distinct from other alphabets from the same period. The texts contain King Ramkhamhaeng's biography and descriptions of Sukhothai — its geography, administration, society, customs and faith. UNESCO added the King Ramkhamhaeng Inscription to the Memory of the World Register in 2003. Also recognised as such treasure are the Epigraphic Archives of Wat Phra Chetuphon Vimolmangklaram (Wat Pho) engraved on marble plates – more than 1,360 in eight categories, namely, Buddhism, literature, directories, tradition, history of Wat Pho, proverbs, hygiene and medicine – at the order of King Rama III. It could be said that Wat Pho was the first university in Thailand.



Distinguished Thai personalities celebrated by the United Nations Educational, Scientific and Cultural Organization (UNESCO)

In chronological order of distinction by UNESCO, the learned personages are:

- Prince Damrong Rajanubhab commemorated as archaeologist;
- King Rama VI commemorated as benefactor;
- Phraya Anuman Rajadhon commemorated as scholar in cultural studies;
- Major General Prince Naradhip Bongsprabandh commemorated as eminent diplomat;
- Prince of Songkhla, commemorated as pioneer in the development of medical and public health services;
- H.M. King Bhumibol Adulyadej as initiator of improvements of the lives of all Thais;
- Princess Srinagarindra, the Princess Mother, commemorated for devotion to improving the lives of Thai people;
- Professor Dr. Pridi Banomyong commemorated as Head of the Free Thai Movement, a resistance movement against Japanese occupation of Thailand during World War II;
- King Rama V commemorated for having brought unprecedented progress to Thailand;
- Mom Luang Pin Malakul commemorated as educator and founder of Southeast Asian Ministers of Education Organization (SEAMEO); and
- Kulap Saipradit (Sri Burapha) commemorated as author whose thinking influenced the development of political concepts.

Traditions

Three categories of traditions are discernible, all encapsulating codes of conduct and symbolising elements of national identity.

Rituals (*khanop prapheni*), flexible and adjustable within limits, mark important milestones in life, hence *rites de passage*, including birth, ordination, weddings, death, as well as house-blessing, paying homage to teachers, or the inauguration of festivities.

Conventions (*thamniam prapheni*) guide social graces such as walking, standing, sitting and lying, as well as everyday life etiquettes such as paying respect, greeting, encountering senior persons, speaking, dressing, and eating. Two gestures are deemed essential. *Krap* is the gesture of respect towards a person of high status performed sitting down with hands pressed together, fingertips touching, raising to one's forehead, bending one's head down to touch the ground. The *krap* towards elders is performed similarly, though with the side of the hands touching the ground once. A religious *krap* (*benchang kha pradit*) is done kneeling, with one's palms and head touching the ground three times. As these are not prescriptive, non-compliance is not considered right or wrong, though deemed uncivilised behaviour.

Customs (*charit prapheni*) define morality and obligations. Lack of compliance is tantamount to violating social norms and, hence, in some localities sanctioned as unbecoming towards or offending benefactors (*phit heet*), or else as going against tradition (*phit phi*). *Wai* is a gesture of respect used in day-to-day greetings by pressing hands together, fingertips touching, arms raised and bowing.



Among the numerous events and practices common throughout the country, the following are deserving of a brief mention:

Engagement (*man*) and wedding (*taeng ngan*) ceremonies evolve in stages meaning that consent ought to be established with proper decorum, auspicious dates determined, homage paid, a home be made ready, sponsors requested, guests invited, alms offered to monks, gifts exchanged, blessings received through sprinkling the couple with holy water, and festive celebrations held.

Mutual assistance (*long khaek*, also known as *kho raeng* or *au raeng*) has been used to mobilise labour forces for tasks requiring speedy completion such as harvesting paddy, and for the execution of public works through local population groups.

Death triggers an outpouring of sympathy, assistance and active participation in the last rites and funeral (*tham sop*) by numerous persons, even entire rural communities, engaged up to seven days and nights, in many instances.

In some locations of the central and eastern regions, particular traditions have been upheld such as a rice collection (*kong khao*) ritual, a soothing the rice goddess (*tham khwan khao*) ritual, ancestral or house spirit offering rituals, or various spirit communication rituals.





next, which mostly happens in April. For several decades, the date to celebrate Songkran has been fixed on 13 April, also Thailand's National Family Day. The day starts with visits to temples to make merit, paying respect to ancestors, sprinkling scented water on Buddha images, and pouring scented water on one's elders' hands to obtain their blessing. The afternoon is the time for fun by splashing water. Birds and fish are released, and sand pagodas are built in the compounds of monasteries. *Loy Krathong* festival falls on the full moon night of the twelfth lunar month, usually in November. Its celebration is associated with various objectives such venerating *Ganga*, the river goddess, worshipping the Buddha's Footprint or the Buddha's relics. Beautifully decorated vessels made from banana stems and leaves called *krathong* are floated, (*loy)*, on rivers or other bodies of water, after having paid respect, repented or made wishes.



Festivals

Four categories are distinguishable. Events staged for economic reasons fall into the harvesting seasons, such as the Chiang Rai Lychee, Lam Phun Longan, Uttaradit Lansat, Chiang Mai Flower and Khon Kaen Silk festivals. Events combining folk rituals with religious beliefs are the Ubon Ratchathani Candle Procession, Barge Races at Nan, Phichit and Phitsanulok, Narathiwat *Kolae* Boat Race, Surin Elephant Shows, Bangkok Kite Contest, and the Nakhon Si Thammarat Tenth Lunar Month, Phuket and Trang Vegetarian, Chiang Mai *Yi Peng*, Sukhothai Candle, Nakhon Phanom Fireboat, and Yasothon Rocket festivals. Examples of historic relevance are the Kanchanaburi Bridge over the River Kwae Week and Phra Nakhon Si Ayutthaya World Heritage Sound and Light as well as Kamphaeng Phet *Nop Phra Len Phleng* festivals. Unique events include the Loei *Phi Ta Khon*, Nakhon Sawan *Bun Kam Fa*, Pathum Thani as well as Samut Prakan Lotus, and the Phuket, as well as Phang-nga, Hatched Turtle Release festivals.

Vernacular House Types by Regions

Diversity in topography, climatic conditions, economic mainstay and social norms resulted in a variation of housing style, as briefly described below.





Central Region House

Houses are built on raised stilts above the seasonal flood level to allow air to circulate during the hot season and prevent predators or thieves from entering. The space below is used to store tools, keep livestock, or convert into a workshop during the dry season. Very steep gables allow for fast rain water drainage, and wide eaves protect from rain or sunlight. The gable ends are curved for air cross-circulation and to prevent the roof from being blown off. A spacious veranda is the space where everyday life and communal activities take place during the flood season.

Northern Region House

Given the cool climate, the interior is partitioned, and small windows allow little wind to enter. Side walls that incline outward from the base, to support the greatly extended eaves, add draught protection. Built on stilts, the area underneath is space reserved for water storage, "*khan nam*", with jars and a dipper for use by the household and all passers-by. Barn and stable positioned just outside the eaves often have separate roofs. The kitchen is mostly near the bedroom accessible through a corridor. Exclusively in the upper Ping River valley, houses have gables with wide eaves topped by carved crosses called "*kalae*".

North-eastern Region House

Owing to the vast expanse of the country's largest region, its varied physical conditions and diversity of traditions, it is hardly possible to discern any ubiquitous characteristics. Mostly structures of a compound are detached units built on stilts, walled by wooden planks with small windows. The relatively flat-gable roofs – covered with tiles, wooden shingles or *faek* leaves – have wide and low-reaching eaves. Recently, traces of authentic architecture have become rare, leaving the housing culture at risk of oblivion.

Southern Region Houses

Owing to the variation in physical conditions between the land facing the east coast and that facing the west coast, either by the seaside or in the interior, several types are distinguishable. Houses on the east side of the peninsula have tall-gable roofs. Fishermen's dwellings are made with braided bamboo strips and thatched with palm leaves. Sturdier dwellings are wooden with tiled roofs. On the west side, there are both small huts and wooden houses. All are built close to the ground resting on foundation piles, with wide eaves for protection against rainstorms. Seaside houses are built on high stilts for space to serve as a boatshed. Muslims prefer houses on high stilts, traditionally with 4-to-6-sided hip roofs, rooms divided by folding partitions, walls with wooden lattice for ventilation and doorframes topped by decorated panels.



Contemporary Artistic Scenario – Creativity in Manifold Pursuits

Painting, sculpture, literature in prose and poetry, drama, music, design, theatre, opera, still photography and film production, folk art, handicrafts such as fabric weaving, silverwork or woodwork, and cuisine are based on traditional concepts and values. Contemporary creations are appreciated domestically, regionally and worldwide. They have altogether proven to be of economic value for providing employment opportunities for men and women with artistic talents and as sources of income. This is becoming ever more significant with a view to the building of a strong, creative economy. Traditional arts and crafts are currently recreated as produced by artists and artisans in various disciplines. Thai craftsmanship is highly appreciated in many countries because of its traditional and universal values as well as its distinctive designs.

Under the Royal Patronage of Her Majesty the Queen, since 1986 the SUPPORT Foundation and Bangsai Arts and Crafts Centre have created new types of employment to improve income and to sustain arts and crafts nationwide. These include weaving, basketry, silverware and nielloware. The periodical exhibition "Arts of the Kingdom" is organised to commemorate Her Majesty Queen Sirikit, founder and patron of the SUPPORT Foundation. It first took place in 1989.

The Mae Fah Luang Foundation, set up and placed originally under the patronage of Her Royal Highness the Princess Mother, and based in Doi Tung, northern Thailand, develops local people's skills in the sustainable management of natural resources in place of growing opium poppies. It has been proclaimed by UNODC (United Nation Office on Drugs and Crime) as a model for the world's sustainable development. The foundation produces and distributes various handicrafts for home decoration.

Thai Fabric & Fashion

Each region in Thailand uses different techniques for dyeing and weaving, expressing people's cultural identity. Thanks to the royal patronage of the late Princess Mother and Her Majesty the Queen, who promoted handicraft co-operatives, the art and craft of weaving tradition textiles have come alive again. Weavers from the North weave gold and





silver threads into complex brocaded designs. Tribal women living on highlands are skilful in producing colourful, embroidered cloths of cotton and hemp. North-eastern people are renowned for their skill in tying and dyeing cotton and silk yarns into traditional motifs and symbols before weaving the yarns into patterned fabric called *mudmee*. The South is also recognised for its gold brocades. Some communities in the central area weave their legendary designs by adding supplementary yarns into the weft.



The Designer Princess

Her Royal Highness Princess Sirivannavari Nariratana, daughter of HRH Crown Prince Mahavajiralongkorn, was the first Thai designer invited by the fashion house of Balmain to display her spring and summer collection, which featured a blend of European and Thai Rattanakosin styles, at the 2008 Paris Fashion Week. Other well-known Thai designers include Pichitra Boonyarataphan with her "PICHITA" brand and Chamnan Pakdeesuk who presents his work under the brand "Fly Now".

Film Production & Cinematography

Not solely a medium to publicise Thai art and culture worldwide, the film industry provides continuous and great economic value exporting films such as *Plae Kao* (1977), *The Overture* (2004) and *The Tropical Malady* (2004). Thailand has also provided shooting locations for Hollywood movies such as *The Bridge on the River Kwai* (1957) and *The Beach* (2000). In 2003, Prachya Pinkaeo released an outstanding film *Ong-Bak (Muay Thai Warrior),* which became popular worldwide for its depiction of traditional Thai martial art.

Animation has become an important vehicle for presenting Thai cultural identity and Thai artistic expression. For example, *Kan Kluay* (2006), whose theme is the heroic action of King Naresuan the Great, facing the Crown Prince of Burma on a vicious black elephant in a critical battle in defence of Ayutthaya, reflects the relationship between human beings and elephants in a Thai ecosystem. Another animated film *The Life of Buddha*, divided into four parts, has been released in Thai, English, Chinese, Korean, Japanese, and German.



Performing Arts

There are many types of performing arts, traditional as well as contemporary, at either governmental or private cultural centres. The national theatre was built for classical dance performances, especially *khon, lakhon and likay.* Thai classical music and Westernised Thai music (*Pheng Thai Sakon*), ballet and other shows are performed there regularly. The Cultural Centre of Thailand built to celebrate His Majesty the King's 60th Birthday Anniversary, is an immensely popular venue for international cultural troupes, symphony orchestras, and Thai grand performances for the Thai and international audience of Bangkok.

Traditional Thai Puppet Theatre (Joe Louis)

Sakorn Yangkhieosot, a National Artist of 1996, founded the Hun Lakorn Lek puppet troupe; the only remaining "Hun Lakorn Lek" puppet theatre, and winner of many national and international awards. The Nattayasala puppet performing group has received invitations to perform abroad many times and was awarded "The Best Performance Award" at the World Festival of Puppet Art held in Prague, Czech Republic, in 2006.

Chalermkrung Royal Theatre is famous for *khon* and other contemporary arts such as music. Siam Niramit Theatre focuses on applied Thai performing arts with lavish, modern lighting and sound techniques. Patravadi Theatre is on the banks of the Chao Phraya River, where the annual Bangkok Fringe Festival is organised, presenting Thai performing arts in a contemporary style.

Museums – Galleries – Festivals – Exhibitions

The first public museum in Thailand was founded in 1874 by King Rama V. It was relocated to a palace formerly known as Wang Na, now known officially as the Bangkok National Museum. Government art museums, such as the National Art Gallery, Silpa Bhirasri National Museum, The Queen's Gallery, and Bangkok Art and Culture Centre (BACC), exhibit traditional and contemporary art works.





Contemporary Music

Traditional music is non-harmonic and has a melodic or linear progression. Western classical and popular music were welcomed in the Kingdom and the influential band of Suntaraporn combined Thai melodies with Western popular music which became known as Luk Krung. His Majesty King Bhumibol is an accomplished jazz musician and composer. Also, Their Royal Highnesses Princess Maha Chakri Sirindhorn and Princess Chulabhorn Valailak are both outstanding musicians in their own rights. Other famous musicians and composers include Thanphuying M.L. Puangroi Abhaiwongse, Karnjanaphalin, Sa-nga Arampi, Payong Mukda, and Phaiboon Buttakhan. In an effort to revitalise classical Thai music, and make it appeal to the younger Thai as well as international audience, master musician Boonyong Ketkhong and his brilliant American student, Bruce Gaston, founded in 1983 the Fong Nam ensemble which was named after the first traditional song the group performed in public. Current, popular musicians and composers include Rear Admiral M.L. Assani Pramoj (National Artist 1994), Prasit Silpabanleng, Katetaran Leatpipat, Chiraphan Angsvanon, Sinnapa Sarasas and Danu Hantrakul. These artists endeavour to present an amalgamation of classical Thai and Western music. Thai professional symphony orchestras are the Bangkok Symphony Orchestra and the Thailand Philharmonic Orchestra.



Contemporary Painting and Sculpture

From the reigns of King Rama IV to King Rama V, the influence of Western art began to merge into Thai traditional art through concept, form and techniques of creation. Examples are composition, dimension, light and shadow, and colour. Krua In Kong was the pioneering artist who got inspiration from Western printed material. The Western style of sculpture shed light on Thai art from the reign of King Rama IV onwards. Consequently, earlier sculptors of idealised Buddha images changed to heroic human form, with knowledge of human anatomy as in Western art.

Examples of modern art are the works by twelve artists who created paintings, sculptures, designs of monuments, and installations – some among them working in more than one field and with mixed media. They are, in chronological order by their year of birth:





Silpa Bhirasri [*Corrado Feroci*] (1892-1962), whose monuments, secular themes and styles were adopted from the Western Impressionist, Postimpressionist and Cubist movements;

Misiem Yipinsoi (1906-1988), whose works are based on people and things around her. Misiem's unique sculptures are simple in form, with no details, rough texture, plain position and powerful movements;

Fua Haripitak (1910-1993), a "Distinguished Artist in Painting" in the Impressionist and Expressionist styles and creator of sculptures, who was also bestowed the Magsaysay Award 1983 for community service;

Chamrat Kietkong (1916-1966), well-known for his realistic and naturalistic portrait paintings;

Sitthidet Saenghiran (1916-1957), sculptor who worked with Silpa Bhirasri to create some important statues in Thailand such as those of King Naresuan the Great at Suphan Buri and the statue of King Taksin the Great; he also crafted some of the bas-reliefs at the base of the Democracy Monument;

Sanan Silakorn (1919-1986) whose important statues are those of Thao Thep Kasattri and Thao Sri Sunthorn in Phuket, King Pinklao and HRH Prince Chandaburi Narunarth at the Ministry of Commerce;

Paitoon Muangsomboon (1922-1999) whose works include life-like sculptures of animals and people such as an old monk, Professor Silpa Bhirasri, a calf, baby horse, and giraffe. His style distinguished him from other contemporary sculptors. Some of his creations were in the form of memorial monuments such as the initial mould for the monument of King Rama I;

Khien Yimsiri (1922-1971), the "Best Artist for Sculpture" in 1953, whose style is a combination of conventional Thai and Western traditions; it reflects simple forms and free frames with powerful life;

Tawee Nandakwang (1925-1991), whose oil paintings combine realistic expressions with surrealism such as his paintings of the Golden Mountain, a scene, pond, lotus, blue environment, and Hua Hin;

Twelve artists are named below as markers in the broad, varied and rich contemporary scenario, with random emphasis on oil painting, watercolour painting, mural painting, woodblock printing, mixed media and sculpture, among many others. They, too, are called up in chronological order of the year of their birth:

Chalerm Nakeerak (1917) is a National Artist in Visual Art. He uses watercolours to paint scenes, still life, and portraits, which depict colours and shadows with sharp contrast. Beside this, he also creates some oil paintings using unique techniques to portray colours, shapes and proportions of people as well as facial expressions;

Sawasdi Tantisuk (1925-deceased) a pioneer of modern art who created watercolour paintings of fishing villages and coastal areas with approaching storms;

Angkarn Kalayanapong (1926) is considered one of the first modern artists to adapt traditional styles and themes, characterised by the fusion of the elegant, two-dimensional styles of Ayutthaya mural paintings with a surrealistic, dreamlike quality;

Chalood Nimsamer (1929) is a very talented sculptor whose wide range of works includes painting, sculpting, printing, and mixed media. All the various types of visual arts he created were intended to reflect the core of Thai culture and society such as *Lokutara* at The Queen Sirikit National Convention Centre and *Phra Boromasomparn* at Hua Chiew Chaloemprakiat University;

Chamruang Vichienkhet (1931) shows, through his visual art in both realistic and abstract styles, change and continuity with modern forms and philosophy of life;

Prayat Pongdam (1934) whose works of wood prints including gecko, mother and baby bats, cats, nocturnal birds, dawn, and brother and sister, were matched with paintings depicting nature, atmosphere, rural spirits, beliefs, mystery and serenity;

Pratuang Emjaroen (1935) is probably most famous for his social commentary, as epitomised by his huge and powerful canvas *Dharma and Adharma*; he creates art with inspiration from nature and rural life through composition of colours, light and shadow;

Pichai Nirand (1936) applies traditional Thai arts to create contemporary crafts, rejecting the traditional mural style and making more selective choices of Buddhist imagery, appropriating religious objects and icons and reinterpreting their significance;

Thawan Duchanee (1939) has tended to examine the spiritual tensions of modern life with his juxtaposition of religious icons with fantastical Bosch-like characters and explicitly sexual images, interpretations of the Ramayana, the Jataka and the Tribhumi;





Kamol Tasananchalee (1944) strives to lead Thai art into the international arena. He has devoted himself to creating different forms of mixed media, using new types of materials to reflect the blend between Western and Eastern cultures. This technique has become internationally acclaimed;

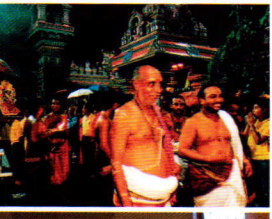
Nonthwat Chandhanaphalin (1946) explores the essence of art as well as the means of searching his inner self. The artist uses abstract ideas to create concrete forms to bring back beauteous nature through his sculptures. Most of his art products show simple forms, firm structures and plain texture with a philosophy of life;

Preecha Thaothong (1948) uses natural light and shadow in his paintings to expressing the uniquely tranquil Thai character. All his works depend on light and shadow or golden colour. As of late, Preecha has begun to use glittering surfaces to convey an idea of being Thai. His works combine traditional Thai techniques with Western modes of painting, creating the artist's own unique style.

Religions in Thailand

Thailand is a land where a variety of religions have been practiced with great tolerance. The followings are current major religions in Thailand:







Buddhism

Buddhism is the religion observed by the majority of the population in Thailand. Several lines of evidence suggests that it was introduced into the country approximately around the first century AD and flourished during the Dvaravati period (6th–11th century), and continues to the present. Recently, an animation film titled The Life of Buddha was produced divided into four parts: the coming of Buddha, the birth of Gautama Buddha, the Buddha's enlightenment, and his teaching until the end of his life. The film is also available in English, Chinese, Korean, Japanese and German languages.

Hinduism

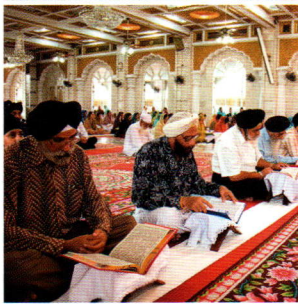
Hinduism was introduced to the area of modern-day Thailand before Buddhism by Indian merchants and priests, as evidenced by iconographic items found in southern Thailand dating between the 1st and the 6th century. In addition, Hindu temples and monuments are also found scattered across the country. Hindu influences can be found in almost all of forms of Thai art including painting, sculpture, literature, etc.

Christianity

Christianity was introduced to Thailand by Portuguese missionaries, who were the first Europeans to enter the Kingdom of Ayudhya in 1511. After that there were more Christian missionaries continuing to visit the kingdom, and

they also introduced Western technology and knowledge into Thai society, including printing, astronomy, medical science, and an educational system among others.





Islam

According to archaeological evidence found in southern Thailand, Islam was introduced to Thailand by Arab merchants around the first century. During the Ayutthaya period, Islam was well established in the kingdom. Nowadays the majority of Muslim communities in Thailand are concentrated in the border provinces of southern Thailand and in the lower Chao Phraya river basin.

Sikhism

Indians from Punjab province introduced Sikhism into Thailand in the reign of King Rama V. Most of Sikh families specialise in commerce, and their settlements are congregated in the Pahurat area of Bangkok.

Relations with Indigenous Beliefs and Other Religions

Thailand is home to people of diverse cultural and ethnic backgrounds, who live their unique lifestyles and follow their own traditions. Living in a multicultural society, Thai people have learned how to live among diversity and what unites them as Thais is their faith and respect of the monarchy; kings have been patrons of their religions. Kings have also been a spiritual pillar for Thai people of all faiths, making Thailand a society where diverse beliefs and cultures have been practiced peacefully and happily.

As culture has a considerable value and meaning, and its religious dimensions are especially valued, the majority of Thailand's population, having adopted Buddhism, reason that it can help purify the mind. Belief in *karma* helps mitigate tension in society where there are social differences. The concept of *devaraja* or divine kingship adopted from Hinduism and the *phuttaraja* or Buddhist kingship have played a vital role in state stability for kings were divine beings and also represented a form of Bodhisattva who protected their people with mercy.

Buddhists believe in *karma* (the belief that actions today affect not only this life, but the next life) and superstition. They use the concept of *karma* to explain social differences.

Traditions



Food offering for monks (*Tham Bun Tak Bat*) is the most convenient way to make merit for followers of Buddhism. Monks make their rounds every morning. Merit makers wait in front of their homes with bowls of cooked rice and all kinds of food, flowers, joss-sticks and candles. Passing monks, invited to stop by, open their bowls to receive rice and food. Other accessories are put on the flipped-up bowl cover. With no required number of

monks or quantity of food to offer, this tradition is truly a convenient way to make merit for everyone.

House warming (*Khuen Ban Mai*) is a popular tradition among Thais. The "new house" in this context also includes a new office. The purpose of this ceremony is to secure happiness, prosperity and to be free from trouble or danger. Generally, an auspicious date and time is determined, followed by an invitation to monks. On the day, the monks will perform chanting and receive food and other offerings. The ceremony concludes with the monk's blessing before a feast for all guests.



Ordination (*Buat Nak*). Every Thai man reaching twenty years of age is expected to ordain as a Buddhist monk for a certain period to learn compassion and conscience. One or two weeks before ordination day, the man and his parents will visit the abbot of the temple of choice to announce their wish. The abbot then assigns a monk to instruct the man on *Khan Nak-Pali* conversation needed for ordination. A day or two before the event, the man will visit his ordination master to confirm his appointment and finalise other arrangements. The day before ordination the monk-to-be will have his head shaved and dress in white, becoming a *Nak* (*Naga*). The dressing ceremony is usually followed by listening to a *Tham Khwan Nak* (soothing the spirit) chant. On the ordination day, the *Nak* gets taken to the temple in a procession which circles the temple three times before entering the ordination hall. The formal Buddhist ordination ceremony then begins.

There are local traditions in all parts of the country, each with its own identity.

Local Traditions of the North-east

The North-eastern traditions strictly follow the *Hit Sipsong Khong Sipsi* principle. *Hit Sip Song* is the twelve merit-making customs for the twelve lunar months. For each lunar month: the first has *Ngan Bun Khao Kam*; the second has *Ngan Bun Khun Lan*; the third has *Ngan Bun Khao Chi*; the fourth has *Ngan Bun Phra Wet*; the fifth has *Ngan Bun Song Nam* or *Song Kran*; the sixth has *Ngan Bun Bang Fai*; the seventh has *Ngan Bun Sam Ha*; the eighth has *Ngan Bun Khao Phansa*; the ninth has *Ngan Bun Khao Pradap Din*; the tenth has *Ngan Bun Khao Sak* or *Kraya Sat*; the eleventh has *Ngan Bun Ok Phansa*; the twelfth has *Ngan Bun Kathin. Khong Sip Si* and *Hit Ban Khong Mueang* mean the 14 principles, e.g., washing one's feet before entering a house, offering food to monks in the morning, avoiding stepping on a monk's shadow, paying respect to parents, worshiping the Buddha and listening to the Buddha's teachings, and so forth. *Khong Mueang* are laws by which rulers abide to ensure administrative justice.

Local Traditions of the South

Distinctive traditions are often religious, such as Nakhon Si Thammarat's Relic Robes Procession (*Hae Pha Khuen That*) and the tenth lunar month ritual (*Sat Duean Sip*); Phatthalung's Drum and Buddha Towing ritual (*Khaeng Phon Lak Phra*); the Boat Floating ritual of Satun's Li Pe islanders and many other rites in Phuket, Phang-nga and Krabi provinces.

Southern Region Festivals

Ethnically there are many groups of people from different cultural background in the South. The famous festivals that attract most tourists are *Sart* Festival and *Hae Pha Khuen That*, which take place in Nakhon Si Thammarat in the tenth month. In October, Surat Thani arranges *Chak Phra* festival; its aim is to memorise the event when Lord Buddha paid a visit to his mother in Tavatimsa Heaven. There is an ethnic group called Sea Gypsies in the provinces of Satun, Phuket, Phang-nga and Krabi. This indigenous group performs a boat-floating ceremony twice a year.





Local Traditions of the North

Poi Luang is one of the most important traditions of the northern region, literally "a grand celebration". *Poi Luang* are temple celebrations for a new monk's quarters, a new communal hall, or a newly renovated pagoda, for example. Moreover, there are the boys' ordinations — *Poi Sang Long* or *Buat Luk Kaeo* — tradition of the Shan ethnic group of Mae Hong Son and *Tan Kuai Salak*, one of the most popular ways for northern Buddhists to make offerings to the monks.

Festivals

Festivals and traditional celebrations are related. Festivals are specifically held at times of religious, spiritual or seasonal significance. Activities during festivals may be merit making or celebratory. Religious festivals include Ubon Ratchathani's Candle Procession, Nakhon Si Thammarat's Festival of the Tenth lunar month, Vegetarian Festivals of Phuket and Trang and so forth.

The Lent Candle Procession festival is held during the three-month Buddhist Rainy Season Retreat, in Thailand known as *phansa* or *vassa*, which coincides with the rainy season, monks cannot leave their temples for overnight visits. The Buddha forbade travelling to prevent monks from treading on newly cultivated grounds. Accordingly, Lent is the time for merit-making at temples, starting by offering of candles on the first day of Lent, the new moon day of the eighth lunar month. Beautifully decorated candles, made very large to last the season, are transported to the temples in festive processions.



EDUCATION





Education

Education is the most potent mechanism for the advancement of human beings and is fundamental to human rights. Thailand's Constitution ensures that all people will have both the rights and duties to receive education and training as well as academic freedom.

The transformation of the education system through a strategy based on enhancing moral and ethical values, together with a core programme of enhancing quality, is underpinned by His Majesty's Philosophy of the Sufficiency Economy that promotes moderation and harmony amongst local communities in order to meet their needs in a sustainable manner.



A free, basic education of twelve years is currently guaranteed by the Constitution, and a minimum of nine years' school attendance is mandatory. The education reform also ensures that all boys and girls, regardless of their economic, ethnic, social and cultural backgrounds, shall have access to and complete free and compulsory education of good quality. Issues of quality, equity and sustainability drive the educational development in all areas of policy and planning. The role of the private sector in the provision of education at all levels is explicitly emphasised.



1. Types of Education

All types of education can be provided by educational institutions as well as learning centres. Approaches to education are classified as formal, non-formal, and informal. The objective of learning is the holistic development of learners in four aspects: physical, intellectual, social capacity, and emotional as well as mental development.

1.1 Formal Education

Formal education services are offered at both basic and higher education levels and in both general and vocational streams. These services are provided in various formats for several target groups, including:





(1) Mainstream education for children and young people in regular schools;

(2) Special education for students with disabilities at special schools, special centres and inclusive schools; and welfare education for disadvantaged students at Welfare Schools and Border Patrol Police Schools;

(3) Education for monks at several temples;

(4) Specialised education through specific agencies other than the Ministry of Education; and,

(5) International education in languages other than Thai (generally English) as the medium of instruction.

(A) Mainstream Education for Children in Regular Schools

Mainstream education is provided for students in regular schools in both general and vocational streams. Formal, general education is provided at all levels, from pre-primary to higher education, while the formal vocational education is provided only at some levels, from upper secondary to higher education.

The 2003 curriculum for pre-primary education focuses on preparing children aged three to five in terms of their physical, intellectual, emotional/mental and social readiness.

The 2001 curriculum for basic education covers twelve years (Grades 1-12), and is divided into four, three-year stages, grouped into eight subject areas: Thai language; mathematics; science; social studies and religion and culture; health and physical education; arts; career and technology-related education; and foreign languages.

The teaching and learning of English and increasingly Chinese has been given priority in Thailand's drive towards a learning society. Activities that focus on responding to the learner's specific interests are also included.

In the general stream of basic education, career and technology-related

education is offered at both the primary and secondary levels to provide work experience and basic knowledge for career preparation and technological applications.

Formal technical and vocational education and training (TVET), is conducted at three levels: upper secondary, leading to the lower certificate of vocational education; post-secondary, leading to a diploma or the associate's degree in vocational education; and at university level, leading to an academic degree.

The curriculum covers nine fields, comprising 1) trade and industry, 2) commerce/business administration, 3) arts, 4) home economics, 5) agriculture, 6) fisheries, 7) tourism, 8) textiles, and 9) ICTs.

With an emphasis on competency building to meet specified standards of knowledge, skills, attitudes and personal attributes required for future careers, TVET provide hands-on training with industry partners for at least one semester. To expand opportunities for students, a number of entrepreneurs and educational institutions are offering dual-vocational training (DVT) programmes, where students engage in on-the-job training for half of their total study period. Technical and vocational education and training is provided by public and private educational institutions, enterprises, or those organised through cooperation between educational institutions and enterprises. In summary, vocational education is provided through three programmes: the normal programme (theoretical knowledge in schools), the dual-vocational training (DVT) programmes, which offer a mix of on-the-job training in selected workplaces and theoretical knowledge in schools, and the credit accumulative programme.

In addition, special vocational education is offered in Sports Schools under the supervision of the Ministry of Tourism and Sports, and in Dramatic Arts and Fine Arts Colleges under the supervision of the Ministry of Culture.

(B) Special Education for Children with Special Education Needs

Inclusive education, or the provision of education for disadvantaged students and students with disabilities at regular schools, is included in the mainstream education. Those who are not able to study at regular schools attend special schools for children with special education needs.

In line with the goals of UNESCO's "Education for All" (EFA) initiative and the 1999 National Education Act, greater attention has been focused on special education. Efforts are also geared to the development of education for the disadvantaged, the disabled and the gifted. The Ministry of Education has announced criteria and procedures for providing facilities, media, services and other forms of educational aid, as well as for budget allocations in these areas.





Special Education for Disadvantaged Students

Several government agencies are providing education for those who are socially and/or culturally disadvantaged. These include the Ministry of Education, the Border Patrol Police Bureau and Department of Social Development and Public Welfare. In addition, non-governmental organisations, such as the Rajprachasamasai Foundation under Royal Patronage of His Majesty the King, and the Foundation for Children, play a very important role in providing education for disadvantaged children.

The inclusive education policy allows most disadvantaged students to study at regular public schools, while others study at Welfare Schools or Border Patrol Police Schools. The Welfare Schools offer education for disadvantaged students who are deprived of the opportunity to attend regular schools. Free education, food, clothing, equipment, textbooks and other necessities are provided, in most cases also including accommodation. Special vocational training relevant for future employment in the locality of a particular school is usually offered.

The Office of the Basic Education Commission distinguishes ten categories of disadvantaged children as follows:

(1) Children forced to enter the labour market;
(2) Children who are sex workers;
(3) Deserted children;
(4) Children at Observation and Protection Centres;
(5) Street children;
(6) Children affected by HIV/AIDS;
(7) Children of ethnic minorities;
(8) Physically abused children;
(9) Impoverished children; and
(10) Children affected by narcotic drugs.



Special Education for Students with Disabilities

People with disabilities are entitled to receive all levels of education, according to their special needs owing to their impairment falling into anyone of the following nine groups:

(1) Hearing impairments;
(2) Mental impairment;
(3) Visual impairments,
(4) Physical impairments or health-related impairments;
(5) Learning disabilities (LD);
(6) Autism;
(7) Emotional and behavioural disorders;
(8) Speech and language disorders; and
(9) Multiple disabilities.

Formal education for students with disabilities is provided by regular schools as well as special schools.





Regular Schools are obliged to accept children with disabilities in their inclusive education programme. These schools are assisted by Special Centres and Special Schools in terms of teachers, training, materials and facilities and coordination with concerned agencies;

Special Schools are essential for students with disabilities who need accommodation. Education for students with disabilities focuses on the potential of each student in line with the Individualised Education Programme. Special Schools are classified into four types:

(1) Special Schools for those with Mental Impairments;
(2) Special Schools for those with Hearing Impairments;
(3) Special Schools for those with Visual Impairments and
(4) Special Schools for those with Physical Impairments.

Special Education for Gifted and Talented Students

Education for specially gifted persons is provided in appropriate forms in accordance with their competencies through suitable curricula.

Special schools, special classes, specific curricula, special activities, tuition sessions were set up, and the teaching-learning process, complete with assessment procedures, have been revised for gifted persons in various fields, including language, science and mathematics, sports and music. National and international competitions are conducted by several public and private agencies, including 1) The Promotion of Academic Olympiads and Development of Science Education Foundation under the Patronage of Her Royal Highness Princess Galyani Vadhana Krom Luang Naradhiwas Rajanagarindra; 2) The Institute for the Promotion of Teaching Science and Technology (IPST); and 3) the National Science and Technology Development Agency (NSTDA). They conduct special activities, tuition sessions and competitions for gifted persons, such as the Academic Olympiad Camps, science camps, and competitions in science or mathematics.

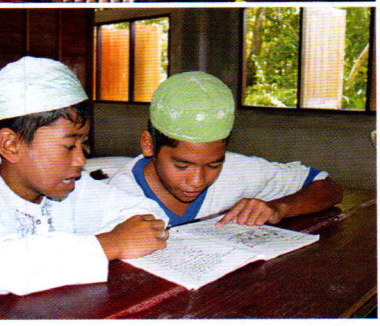
Special programmes, including the Advanced Placement Programme, are organised to allow secondary students to take courses delivered for first-year university students and receive credits which can be accumulated with a view to further studies at the bachelor degree level. Specific curricula, centres and research and development (R&D) institutes for gifted persons have been set up by some universities.





Scholarships for studies in Thailand and foreign countries are provided, including the "Development and Promotion of the Scientific and Technologically Talented Project"; the "National Science and Technology Development Agency (NSTDA) Project"; the "Academic Olympiads Project"; and other scholarships offered by several public and private agencies.





1.2 Non-Formal Education

Lifelong education integrates formal, non-formal, and informal education. Non-formal education services have expanded significantly to secondary and vocational levels. Strategies include developing a range of life skills through distance learning, establishing workplace and community learning centres, and promoting the joint sharing of resources with the formal school sector.

Provided by the Office of Non-formal and Informal Education and other public and private bodies, non-formal and informal education services are offered to various target groups through traditional methods as well as through e-Book, e-Library and e-Learning. The services primarily target those outside the school system, i.e. infants and pre-school children, members of the school-age population who have missed out on formal schooling, and the above-school-age population. Currently, such services have been expanded to cover specific target groups, including prison inmates, unskilled labour, disabled, conscripts, agriculturists, the elderly, hill tribe people, local leaders, slum dwellers, Thai Muslims, religious practitioners, those having no opportunity to further their studies in formal schooling after compulsory education, Thai people in foreign countries, and other special groups, as well as students in the formal school system.

The three main types of non-formal technical and vocational training programmes are:

1) Non-Formal Programme for Certificate in Vocational Education;
2) Short-Course Vocational Training Programme; and
3) Interest Group Programme.

Altogether 76 special centres in 76 provinces render services which they also extend to inclusive schools, private homes and hospitals. These centres organise meetings and seminars to provide knowledge for parents of the disabled and relevant agencies, conduct research, and formulate curricula for short-term training of the disabled.

Non-formal education is also specially arranged for children with disabilities. Moreover, some hospitals organise classes for children with disabilities caused by chronic ailments.

1.3 Informal Education

The vision of developing a learning society recognises the need to promote learning outside the formal space of the classroom. Support for informal learning is reinforced by a network of libraries nationwide, at district and provincial levels, together with a network of science museums. Educational television and radio programmes providing direct teaching, as

well as instruction on enrichment activities, are broadcast nationwide through seven satellite transmitted channels sourcing programmes from the Royally Sponsored Project and the Ministry of Education.

At present, several ministries are involved in providing informal education to promote lifelong learning through information dissemination, educational activities, or academic and professional programmes for different target groups relating to the responsibilities of each organisation. Efforts have been made to enable individuals to learn at all times and in all places through several sources, including public libraries, museums, art galleries, zoological gardens, public parks, botanical gardens, science and technology parks, sports and recreation centres, national parks, and other sources of learning.

Relevant agencies and educational institutions are therefore working to create links between formal, non-formal and informal education systems. It is expected that access to education will be increased through the transfer of learning outcomes to and from all types of education. In so doing, credits can be accumulated and transferred from the same or different educational institutions and within the same type or between different types of educational approaches and learning, including non-formal or informal education, vocational training and work experience. A more flexible educational system will help increase access to and create links between all types of education. This will not only attract future generations of Thai people toward lifelong learning but also eventually lead to a learning and knowledge-based society and economy.

2. Levels of Education

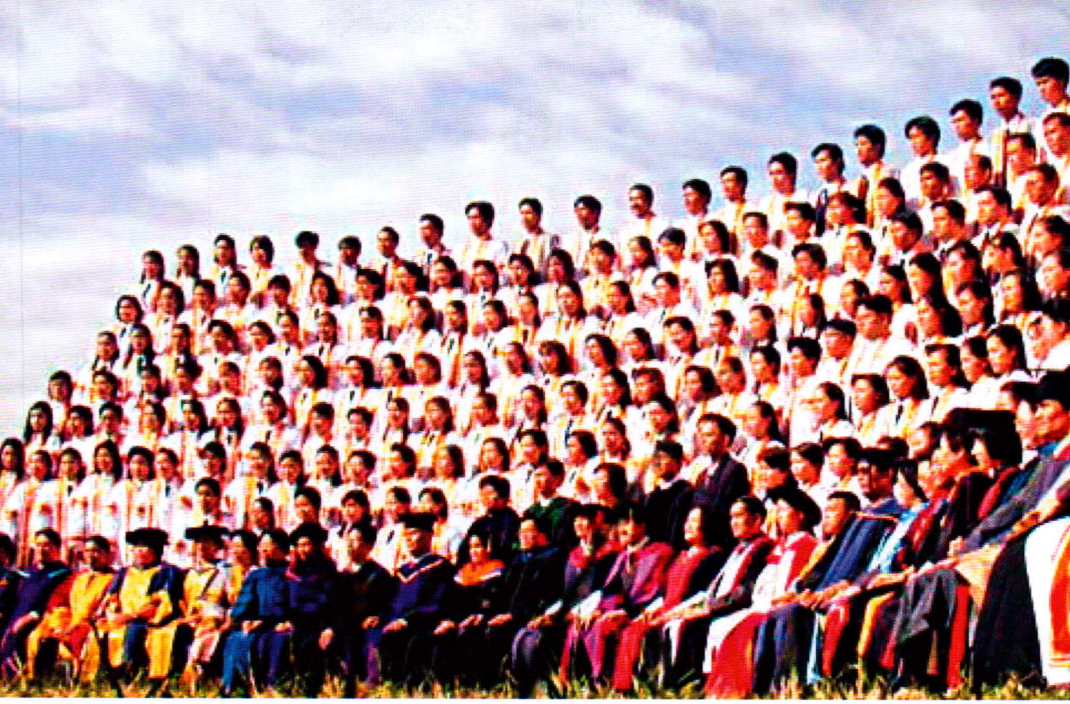
2.1 Basic Education

Twelve-year basic education in Thailand is divided into six years of primary schooling (Prathom 1 to 6), followed by three years of lower secondary (Mattayom 1 to 3) and three years of upper secondary schooling (Mattayom 4 to 6). In 2003, compulsory education was extended to nine years. Eight core subjects form the National Curriculum, as follows:

Thai language,
Mathematics,
Science,
Social studies and religion and culture,
Health and physical education,
Arts,
Careers and technology, and
Foreign languages.



Flexibility is built into the curriculum in order to integrate local wisdom and culture, so that it is consistent with set learning standards in each of the core subject groups. The promotion of thinking skills, self-learning strategies and moral development is at the heart of teaching and learning in the Thai National Curriculum.



2.2. Higher Education

Higher education is predominantly provided by universities and colleges. The two distinct levels of educational attainment are the diploma level and graduate degrees. Higher education focuses on promoting a knowledge-based society by trying to create a new body of knowledge and transfer it to the community, strengthening R&D activities, promoting lifelong learning, and utilising ICT in continuing education programmes.

At present, there are 78 public higher education institutions, 69 private higher education institutions, and 19 community colleges. Each public university or institute has its own Act empowering the University Council to function as its governing body.

Higher education at the diploma and degree levels is provided by universities, educational institutions, colleges, community colleges, and other types of institutions.



A) Diploma Level

Higher education at the diploma level requires two years of study. It is offered by Rajabhat Universities, the Rajamangala University of Technology, state and private vocational colleges, as well as colleges of physical education, dramatic arts and fine arts. The majority of courses offered are related to vocational and teacher education.

B) Degree Level

Programmes leading to a degree require two years of study beyond the diploma level, and four-to-six years of study for those completing upper secondary education or the equivalent.

The first professional qualification is a baccalaureate, normally attained after four years of study.

Five years of study are required in the fields of architecture, painting, sculpture, graphic arts, and pharmacy, with six years required for medicine, dentistry, and veterinary science. In some of these fields, additional study is required to allow for an internship or a practicum before professional qualifications are attained.

Advanced study of at least one but generally two years, combined with a thesis, leads to the award of a master's degree.

A doctorate, requiring an additional three years of study following the master's degree, is awarded in several fields, while an advanced diploma or certificate, designed for students already possessing a degree or professional qualification, may be obtained after one or two years of course work.

Community colleges were set up in provinces where other opportunities for higher education were not available, to offer education and training necessary for local economic and social development through two-year comprehensive technical and vocational programmes.

International Network for the Internationalisation of Education

Over the years, the Ministry of Education has benefited greatly from interaction and collaboration with a number of key international and regional organisations in order to enhance educational development and keep pace with the current technological advancements. This has resulted in the launch of a range of projects and programmes in cooperation with international organisations and agencies such as UNESCO, SEAMEO, UNDP, USAID, ASEAN, UNICEF and the World Bank, among others.

Thailand has joined hands with the world community under the framework of the United Nations in working towards the achievement of the UN Millennium Development Goals (MDGs), specifically to provide universal primary education by the target date of 2015. Moreover, as a member of UNESCO, Thailand has committed itself to the World Declaration on "Education for All" which states that everyone should have the chance to acquire the basic education that serves as a foundation for further learning enabling full participation in society. Under the framework of ASEAN, Thailand is committed to promoting educational cooperation and lifelong learning in the region to support the establishment of the ASEAN Economic Community by the year 2015. In this regard, English language and languages of the ASEAN countries will be promoted, along with the exchange of cooperation, knowledge and experience between ASEAN, SEAMEO and the ASEAN University Network (AUN).



In addition, by working with SEAMEO and its regional centres, Thailand is playing

an active role in promoting quality and equity in education throughout Southeast Asia. In cooperation with ASEAN, Thailand's Ministry of Education organised the East Asia Youth Leadership Forum in 2009. Members of the young generation in ASEAN countries, as well as Korea, Japan and China, gathered in Thailand to share their experiences, recognising that they will become a key driving force towards the realisation of an East Asia community. In 2010, Thailand hosted a secondary student exchange programme.

Aware of the urgent need for many countries to become globally competent, Thailand has focused its educational policy to expand international cooperation to cope with these challenges. One of the priority areas is to improve the quality of education at all levels so that Thai education can compete in the international arena. According to the Office of the Higher Education Commission, public and private universities in Thailand in 2008 offered 884 international programmes using English as the medium of instruction.

Moreover, Thailand's liberalisation of trade in educational services within the framework of the World Trade Organization and through free-trade agreements inevitably results in the increased expansion of education services between Thailand and its partner countries. During the past decades of globalisation, international education has become a growing business in Thailand given the free flow of cross-border education. Thousands of Thai students study abroad, especially at the university level. At the same time, Thailand also welcomes foreign students and offers strong support for foreign universities wishing to establish campuses and branches in Thailand. The broad aim is to create a knowledge-based society and economy where all citizens are able to cope with change, especially the technological advances in a rapidly changing world. The National Economic and Social Development Plan is at the centre of Thailand's efforts to strengthen Thailand's economy and to create an enabling environment for sustainable development.

Thailand is also home to the Asian Institute of Technology (AIT). The AIT has been serving the region through human resources development and institutional capacity building for 51 years, as of 2010. Moreover, the establishment of the Thailand Cyber University in 2005 has served as a knowledge and education centre by using latest technologies to provide further education for all, for both formal and informal learners.





An effective educational system should prepare Thai people with the necessary knowledge and skills so that they are able to thrive in the knowledge-based society and economy to pursue promising careers. With this in mind, Thailand has begun the Second Decade of the Education Reform.

Numerous projects have been introduced in order to translate the reform policy into tangible results. "The Fifteen-Year Free Quality Education Programme", for example, has been launched to help all families, but most importantly lower-income families, and to target students from kindergarten to the uppermost secondary level. Additional budgets were directly allocated to schools to cover all tuition fees as well as expenses for listed textbooks, uniforms and educational material. The government has continuously invested in improving the overall quality of learning among its people so as to meet the needs of the 21st century learner. The role of technologies in increasing learning opportunities for students in the changing world is also recognised. A budget of 1,623,711,400 baht or around 54,123,713 US dollars has been allocated to provide tablet computers to first-graders.

The National Education Plan (2002-2016), embraces a vision of all-round and balanced human-centred development that will help the country promote lifelong learning aimed at increasing the quality of life.





LABOUR



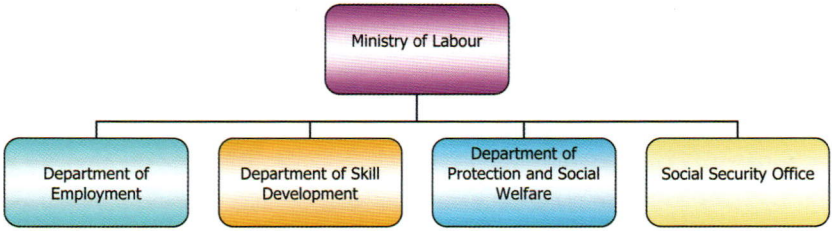


Labour

Recognition of the importance of human resources for the industry sector of the national economy by the government dates back to 1932, when a labour law was first promulgated.

Ever since, measures have been taken to support workers to attain stability in life coupled with the legal social security system.

Figure 1: Ministry of Labour.



Labour Policy

With the impact of the economic crisis of 2008-2009 that caused various labour issues such as lay-offs and unemployment, aggravated by the lack of employment opportunities for newly qualified workers, a labour policy with guidelines for labour management and development was launched. Emphasis centred on solving urgent labour issues by providing assistance to relieve workers' burdens and also enable enterprises to recover.



Priorities set to relieve workers' burdens included a reduction in the cost of living; increases in employment choices by conducting training on new occupations; reduction of internal labour mobility by providing urgently required employment; improvements in workers' skills through training; dissemination of occupational knowledge, and adjustment of labour skill standards in response to the changing needs of technological advancement and labour market requirements.

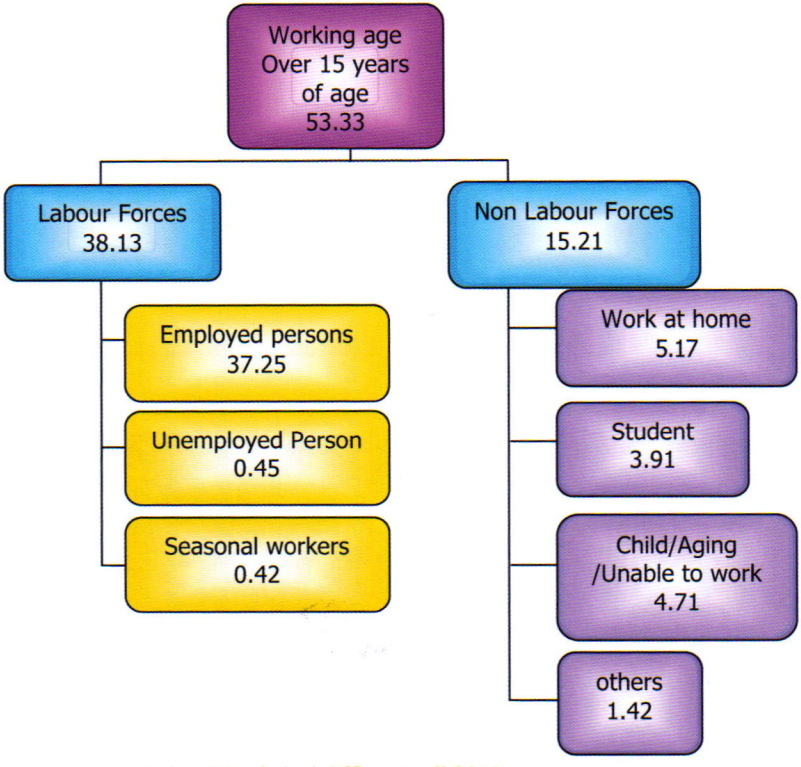
These measures contributed to the growth of Thailand's economy by 12%, at the end of the first quarter of 2010, compared with 5.9% in the preceding quarter. THE FOLLOWING INFORMATION IS MACROECONOMICS -- IT IS NOT PERTINENT TO THE TOPIC "LABOUR ADMINISTRATION".

Labour force

Labour force: As of the year 2010, the population above 15 years of age numbered 53.33 million, of whom 38.13 million constituted the labour force, with 37.25 million or 97.7% employed, 451,000 unemployed, and 420,000 seasonally employed.

Figure 2: Employment Estimates, as of April 2010.

Unit : Millions of people



Source: National Statistical Office, April 2010

Employment: By 2001, of the total active labour force, 33.49% worked in the agricultural sector and 66.51% in the non-agricultural sector. Regarding the latter, 25.55% worked in the fields of wholesale and retail trade, or automobile and motorcycle repair, followed by 23.58% in manufacturing.

Table 1 : Population Classified by Labour Status.

Labour Status	April 2009	March 2010	April 2010
Population 15 years and above [millions]	52.68	53.28	53.34
Labour Force [millions]	38.41	38.29	38.13
- employed persons [millions]	37.06	37.60	37.26
- unemployed persons [million]	0.82	0.37	0.45
- seasonal workers [million]	0.26	0.32	0.42
Non-labour Force [millions]	14.54	15.00	15.21
- domestic workers [millions]	4.76	4.96	5.17
- students [millions]	3.84	4.22	3.91
- children/elderly/unable to work [millions]	4.60	4.59	4.71
- others [million]	1.35	1.22	1.42
Employment rate [percentage]	97.17	98.21	97.72
Unemployment rate [percentage]	2.14	1.00	1.18

Source: National Statistical Office.



Unemployment: The recent unemployment rate nationwide was approximately 1.18%.

Informal Workers: Latest statistics in the year 2009 show that 24.32 million people worked in the informal sector, an increase of 0.88% over the year 2008. Most informal workers were in the North-eastern region. Informal workers in the agricultural sector equalled 60.69%, compared with 39.31% in the non-agricultural sector. In the latter sector, the highest proportion are workers in the wholesale and retail trade and automobile repair, amounting to 40.38%, with workers in hotels and restaurants accounting for 19.74%. Occupations that had the highest combined proportion of informal workers were skilled workers in agriculture and fishery, totalling 57.12%.

Domestic Employment Services: During the 2nd quarter of 2010, employers/establishments reported 106,027 vacancies, a decline of 26.14% compared to the preceding quarter. Job applicants numbered 152,560, an increase of 2.13% compared to the preceding quarter. The Central Region had the highest number of vacancies, equalling 35.42%, whereas the city of Bangkok had 19% of the total of job vacancies. Total recruitment filled 77.87% of all vacancies. The Southern Region had the highest recruitment rate of 94.86%, followed by the Central Region at 86.71%, the North-eastern Region at 83.78%, and the Northern Region at 77.10%. Regarding vacancies by educational level, the demand for workers with Vocational / High Vocational Diploma was highest at 38.22%, followed by high-school diplomas at 31.63%, and primary education or lower at15.36%. Vacancies were highest in basic occupations numbering 33,176, followed by clerical staff numbering 16,505. The biggest number of vacancies was in the manufacturing industry at a proportion of 46.03%.



Employment in the Private Sector: During the 2nd quarter of the year 2010, 331 business establishments had invited applications for 5,186 positions, a substantial decrease from the 1st quarter of 2010 with 14,222 positions to be filled, according to a survey covering eight newspapers, including *Bangkok Post*, *Post Today*, *Matichon*, *Prachachart Thurakit*, *Than Sethakit*, *Manager Weekly Magazine* and *Job Siam*. Occupations for which demand was highest included service staff and salespersons in shops and markets amounting to 1,013 positions, or 72.03%. As for workers, those with Vocational/High Vocational Diploma were required for 1,942 positions, or 37.45% of all positions to be filled.

Table 2 : Recruitment rate per job applicants and job applicants per vacancies classified by educational level 2nd Quarter 2010

Educational Level	Job Placement Rate for Vacancies	Job Placement Rate for Applicants	Job Applicant Rate for Vacancies
* Primary Education and lower	71.74	32.44	221.16
* High School	98.82	59.06	167.33
* Vocational / High Vocational Diploma / Undergraduate Degree	41.58	67.70	61.42
* bachelor degree	135.13	59.97	225.35
* master degree and higher	48.75	17.43	279.67
Total	77.87	54.12	143.89

Source: National Statistical Office.
Labour Economic Information Centre, Office of the Permanent Secretary

Migrant Workers: From statistics as of June 2010, legal migrant workers numbered 169,442, classified by type of work permit granted as follows: 39.66% were temporary work permit holders under section 9 (previously section 7); 32.13% were proven citizenship migrant workers holding a work permit; 13.22% were investment promotion work permit holders, and 6.31 % were permitted to work under specific Memoranda of Understanding (MOU). The smallest number was 14,423 legal migrant workers classified as lifelong work permit holders. Regarding temporary work permit holders and investment promotion work permit holders, the nationality occupying the highest number of positions was Japanese, at 23.56%.

As for non-legal migrant workers, two main groups are permitted to work: (1) members of minority groups at a proportion of 1.74%, and (2) migrant workers of three nationalities, namely Burmese, Laotian and Cambodian, who are granted permission to work temporarily to substitute labour shortages in Thailand, with work permits extended in 2010, at a proportion of 98.25%, as of June 2010.

Overseas Thai Workers: As at the 2nd quarter of year 2010, 26,304 workers notified their requirement to work abroad. The majority of 63.12% hailed from the North-eastern Region, with 45.65% having finished high-school. The number of re-entry workers was 49.34%, and 35.40% were recruited through employment agencies. The main overseas work destination region was East Asia, at 63.43%, followed by the Middle East, at 20.55%.

Table 3 : Overseas Thai workers classified by mode of recruitment, 1st and 2nd quarters of 2010

Mode of Recruitment	1st quarter of year 2010		2nd quarter of year 2010		Rate of Change %
	Number (workers)	%	Number (workers)	%	
1. Agencies	11,531	34.25	13,453	35.40	16.66
2. Re-Entry	16,657	49.47	18,752	49.34	12.57
3. Individual independent arrangement	2,049	6.08	2,338	6.15	14.10
4. Sent by employer to get trained	1,001	2.97	1,222	3.22	22.17
5. Sent by employer	2,239	6.65	1,293	3.40	-42.25
6.Sent by Department of Employment	194	0.58	944	2.48	386.59
Total	**33,671**	**100.0**	**38,002**	**100.0**	**12.86**

Source: Department of Employment

Skill Competency Development: By the 2nd quarter of 2010, 3,334 persons had undergone pre-employment training, an increase of 1,333 persons over the preceding quarter. Highest was the proportion of trainees in mechanics at 30.47%, followed by electrics, electronics and computer applications at 26.36%, and business operations and services at 25.44 %.



Regarding upgrading, as of 12 July, 2010 23,824 persons had earned qualifications in various occupations with the highest proportion in business operations and services (60.39%), followed by electrics, electronics and computer applications (10.75%). As for skill standard testing, 4,946 persons qualified, compared with 15,182 persons in the preceding quarter. The large majority (96.95%) passed the National Skill Standard Test, followed by testing for working overseas (2.44%) and Skill Standard Testing designed to meet specific workplace requirements (0.61%).

Table 4: Pre-employment/upgrading/skill supplementary trainees classified by region As of the 2nd Quarter of 2009 and the 1st and the 2nd Quarter of 2010

Region	2nd quarter of year 2009 (persons)			1st quarter of year 2010 (persons)			2nd quarter of year 2010 (persons)		
	Pre-employment Training	Upgrading Training	Skill Training	Pre-eeployment Training	Upgrading Training	Skill Training	Pre-employment Training	Upgrading Training	Skill Training
Bangkok	0	563	526	0	398	0	0	218	0
Central	869	8,509	2,527	606	12,254	6,882	637	9,397	3,719
North	1,087	4,092	2,812	606	7,855	6,239	510	4,229	3,461
Northeast	1,878	5,219	3,411	671	6,824	8,408	1,930	5,779	3,571
South	241	5,178	2,361	118	7,526	4,437	221	4,201	2,054
Total	4,075	23,561	11,637	2,001	34,857	25,966	3,334	23,824	12,805

Source: Department of Skill Development
Note: Quarter 2/2009 as of July 16, 2009/Quarter 1 / 2010 as of April 9, 2010.
Quarter 2 / 2010 as of July 12, 2010.

Labour Protection: In accordance with the Labour Protection Act 1998, its Amendments Nos. 2 and 3, and the Act 2008, employees/workers are protected from being exploited by employers; are assured of opportunities for a better quality of life; are entitled to earning sufficient income, and to be covered by social welfare, so as to ensure fair treatment in employment upholding a just attitude toward the employer; in short, to avoid being biased on either side.

In the event that an establishment fails to comply with labour laws, certain actions are implemented in order to ensure that such establishments do justice to employees, such as obliging the supervising employer to adhere to legally correct practices; issuing an invitation letter to a meeting, issuing orders to take action; imposing a fine, or initiating litigation. The approach to action shall be determined by the severity of the problem. In recent times, approaches taken were mostly to advise an establishment owner to strictly follow the labour law.

Welfare: Promoting legally specified labour welfare, in addition, covered 2,294 workplaces benefiting 219,510 employees, to date, supplemented by operating two Child Development Centres of the Sirindhorn College under Royal Patronage, caring for 1,443 infants.

Table 5 : Welfare measures taken in the 1st and 2nd quarters of 2010

Promotion Activities	Q1/2010		Q2/2010	
	places	people	places	people
1. Welfare Support	3,709	436,271	2,294	219,510
2. Providing Labour Loan Fund	2	3,701	1	2,581
3. Child Development Centres, Sirindhorn College under Royal Patronage	2	1,115	2	1,443
4. Enterprises participating in the campaign for a drug-free workplace	308	5,818	681	4,181
Total	**4,021**	**446,905**	**2,978**	**227,715**

Source: Department of Labour Protection and Welfare.
Quarter 1 / 2010 as of April 22, 2010 / Quarter 2 / 2010 as of July 22, 2010.



Social Security: According to statistics as of March 2010, a total of 391,450 establishments had registered their participation in the social security system with 8,744,795 insured persons. As of the 2nd quarter of 2010, there were 151 public hospitals, or 62.14% of the total, and nine private hospitals, or 37.86% of the total, fully participating in the social security system, with another 2,313 hospitals affiliated.

The financial status of the Social Security Fund, as of May 2010, showed a total amount of 738,112 million baht available to support a total number of 2,005,989 beneficiaries. The fund is earmarked to benefit workers through the provision of financial assistance in cases of need such as sickness, maternity, disability, death, child allowance, old age, and unemployment. Recently, disbursements in cases of sickness including dental care accounted for the highest proportion.

Beyond 2019

Recognising the importance of labour as one of the key factors for social and economic development, it is deemed mandatory to continue to ensure and secure the wellbeing of workers; develop their potential; promote their employability; widen and strengthen the social safety net, and make provisions for sharing benefits within an inclusive economy.

Government policies and strategies conceptualised in the aftermath of recent economic crises will continue to strengthen the labour force in terms of lifelong learning, occupational qualification, employability, and social standing, so that workers' talents will be fostered and tapped for greater flexibility in adjusting individually to labour demand triggered by technological advancement, and for the sake of overall improvement in productivity. In this manner, the government shall continue to promote and sustain employment as a cornerstone of an ever stronger economic foundation.

The Ministry of Labour will continue to develop labour policies to ensure the protection of workers rights and benefits as well as to enhance industrial co-operation and ensure industrial peace, on the whole, as follows:

1. Develop and train workers at all levels through the dissemination of knowledge, training on continually changing required skills, and setting standards in response to the advancement of technologies and corresponding labour market demand. These objectives are encapsulated in the amendment of the law on "Skill development promotion".

2. Develop a labour data base and information system, in short called Labour Bank by networking in order to access and retrieve up-to-date information required for strategic planning through:

- The development of one consolidated labour data base and information system, so as to replace many incompatible systems;
- The incorporation of data on overseas job seekers for knowledge management, geared to make more effective use of the expertise and experience of overseas workers for the national economy.





3. Emphasise public relations internally as well as externally: internally by establishing and operating an integrated public relations system for rapid connection and consultation to ensure unanimity, accuracy, and systematic dissemination among all government agencies; externally by providing updated, coherent and consistent information to clients.

4. Support and assist workers in both the formal and informal economy, particularly on occupational safety and health and environment at work by

- ensuring decent working conditions for workers in both the formal and informal economy;
- conceptualising and implementing "proactive industrial relations" with the objectives of solving labour disputes, at the earliest opportunity, and promoting industrial relations in both private-sector and public enterprises;
- developing the system of labour standard management in compliance with the Thai Labour Standard (TLS 8001-2546).

5. Integration and streamlining of migrant workers' employment in response to the demands of the manufacturing sector, without adversely affecting employment opportunities for Thai workers, and without compromising national security.

6. Employment promotion for the elderly and disabled.

7. Reforming and strengthening the social security system.



Envisaged support of both the labour force and enterprises

The Ministry of Labour is well prepared to improve workers' qualifications so as to supply a semi-skilled and increasingly skilled labour force, thus meeting changing demands by:

1. cooperating with enterprises using high technology to strengthen readiness and upgrade skills and improve qualifications required to meet standard criteria;

2. cooperating with the Ministry of Education in human resource development in fields of acute shortage; to date, such as science and technology, with corresponding skill development to be accelerated in response to the ever-changing labour demand;

3. cooperating with the Board of Investment in supporting the business operators, who import technology to improve productivity, increase production, raise efficiency and strengthen effectiveness, by encouraging technology transfer to Thai workers as the vital mechanism to be used in parallel with research and development (R&D) to increase value-adding to products and, thus, become more competitive in the world market;

4. supporting and promoting the private sector to heighten awareness of the significance of human resources development, and to play an active role, so as to strengthen competitiveness of the particular enterprise and of the country as a whole; and by

5. advocating capacity building throughout the workforce in line with the strategic target adopted by the ASEAN Economic Community for 2015.





HEALTH



Health

1 Evolution of Thai Health Care and Health Policy

• Stages of the evolution since the 13th century AD are distinguished by the practice of indigenous medicine until early in the 19th century, followed by the adoption of Western medicine, and the nationwide development and expansion of the health care infrastructure, to date.

The first modern hospital, Siriraj Hospital, was established in 1888 where a medical school of Western medicine was set up in the following year.

Health Care Infrastructure Expansion (1889-2010)

The Nursing Department was established under the Ministry of Education, and the Midwifery School was established in 1896.

During the present reign (1946 onwards), His Majesty King Bhumibol Adulyadej (Rama IX) has continually attached high priority to extending and improving medical care to people in need particularly in remote areas. With the active support of Her Majesty Queen Sirikit, Their Majesties set up numerous units specialising in health care and medical care, including stationary and mobile units. Over time, all members of the Royal Family have become involved in medical and health care activities. Royal initiatives

also comprise research on preventing rabies, filariasis, AIDS and cancer, as well as educational programmes on healthy nutrition and food preparation. Two examples are the royally initiated "National Programme towards Sustainable Elimination of Iodine Deficiency Disorders", resulting in several projects especially for the benefit of children and adolescents, and the campaign for the elimination of stimulants and narcotic drug abuse.

By 1950, each province in Thailand had a hospital. As of the year 2010, there are over 3,000 public hospitals at provincial, district and *tambon* (sub-district) levels. Recently, 2,000 health centres were upgraded to *Tambon* Health Promotion Hospitals.

2. Health Care Provision prior to the Constitution Promulgated in 1997 and the Universal Health Care Coverage Policy

In 1990, the Social Security Act was enacted, and Social Security Health Insurance started providing medical benefits. Since December, 2005, it has covered all workers as well as the self-employed. Hence, before the implementation of the Universal Coverage of Health Care (UC) Policy, most people were covered by the Health Welfare Scheme.

3. Health care provision in accordance with the Constitution promulgated in 1997

In the Constitution of 1997, the provision of health care is defined to the effect that:

"*A person shall enjoy an equal right to receive standard public health services, and the indigent shall have the right to receive free medical treatment from public health facilities of the state, as provided by laws. The public health services by the state shall be provided thoroughly and efficiently and, for this purpose, participation by local government organisations and the private sector shall be promoted insofar as it is possible. The state shall prevent and eradicate harmful contagious diseases for the public without charge, as provided by law.*"

Furthermore, it is warranted that:

"*The state shall thoroughly provide and promote standard and efficient public health services.*"



Since 2001, the universal health care policy has been implemented.

Objectives of the Universal Health Care Policy

The health insurance coverage for the entire population comprises a health service benefit package that includes in-patient/outpatient treatment at registered primary care facilities and referral to secondary and tertiary care facilities (except emergency cases), dental care, health promotion/prevention services, and drug prescriptions.

4. Overview of Current Status and Trends

Health Status of Thailand's Population

Over the past 30 years, Thailand has achieved remarkable progress in basic health care, with significant declines in infant and maternal mortality rates, to the effect that the country is projected to meet specific Millennium Development Goals (MDGs). As of 2010, life expectancy at birth for females was 76.3 years and for males 69.5 years. The infant mortality rate declined to 12.8 per 1,000 live births, by 2010 (see Table 1 and Figure 1). The five major causes of death among people of all ages, as of the year 2009, were malignant neoplasm of all forms, accidents including poisoning, diseases of the heart, hypertension and cerebrovascular disease, and pneumonia as well as other lung diseases.

Table 1: Characteristics of Thailand's Population, 1960-2020.

Characteristics	1960	1970	1980	1990	2000	**2010**	*2020[P]*
Total population ('000)	26,260	34,397	44,825	54,548	62,056	**63,776**	*72,500*
-male	13,154	17,124	22,329	27,062	30,885	**31,408**	
-female	13,104	17,274	22,496	27,487	31,171	**32,368**	
Dependency ratio	92.0	85.0	75.0	57.7	53.3	**48.2**	*54.0*
Population under 5 years of age (%)	10.2	16.4	12.1	8.2	8.3	**6.3**	*6.1*
Population aged 15-60 years (%)	52.2	49.8	56.4	63.4	60.0	**67.4**	*64.9*
Population over 60 years of age (%)	4.5	5.1	5.3	7.4	9.2	**11.8**	*15.9*
Population in urban areas (%)	12.5	13.2	17.0	18.7	35.0	**36.0**	*40.0*
Population per km^2	51	70	87	106	121	**124**	*134*
Life expectancy at birth (years)							
-male	53.64	57.73	60.25	63.50	70.00	**69.50**	*72.20*
-female	58.74	61.57	66.25	68.75	75.00	**76.30**	*76.50*
Infant mortality rate per 1,000 live births	84.3	56.3	48.0	35.0	22.0	**12.8**	*7.5*

Source: Updated Health Policy in Thailand 2009, Bureau of Policy and Strategy, MOPH.

The societal trends and perspective that are suggested by marriage statistics are further verified by observed trends in fertility and family size. Fertility has dropped to 15.0 births per 1,000 women in 2010.

Like fertility, family size has also been decreasing. The proportions have grown of both young men and women, who enter marriage upon attainment of certain educational and professional accomplishments. As a consequence, in recent years family size has been decreasing to an average of 3.5 in 2010. Projections yield the estimate that as much as 15.9% of the population will be above the age of 60 by the year 2020. It shows that Thailand will quickly have an aging population. This highlights the need for getting prepared to care for ever more citizens who will live longer, by making advances in health and medical care.

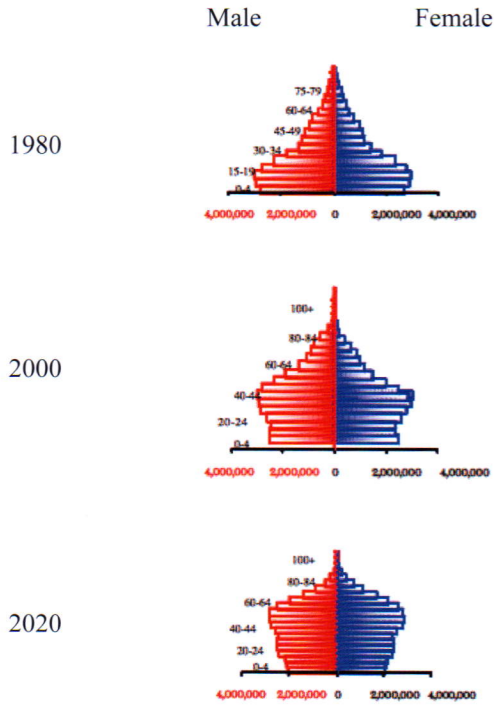


Figure 1 Population Pyramids (1980-2020)

Current Health Care System

The Ministry of Public Health (MOPH) is the principal agency responsible for promoting, supporting, controlling, and coordinating all health service activities. In addition, there are several other agencies and private-sector enterprises which operate health facilities including hospitals that provide primary, secondary and tertiary medical services. During the last ten years, private hospitals and clinics have been expanding rapidly in Bangkok and provincial cities.

In 2009, public-sector and private-sector health care facilities were categorised as follows:

• In Bangkok, there were five medical-school hospitals, 29 general hospitals, 19 specialised hospitals and institutions, as well as 61 health centres and 82 health centre branches.

• Throughout the country, beyond the city of Bangkok, public health facilities included four regional-level medical-school hospitals, 25 regional-level hospitals, 40 specialised hospitals, 70 provincial-level general hospitals under the auspices of the MOPH, and 56 hospitals operated by the Ministry of Defence. These medical facilities were underpinned by 737 community hospitals at district level as well as 214 municipal health centres. At the sub-district (*tambon*) level, there were 9,765 health centres, of which 2,000 health centres were recently upgraded to Tambon Health Promotion Hospitals, and 66,223 rural and 2,470 urban primary health care centres. The last two types of health facilities were managed by village health volunteers (close to one million village health volunteers in 2010) under the supervision of health workers at sub-district health centres.

The private sector has also played a significant role in providing curative care. In 2009, there was one private medical school in Bangkok, 322 private hospitals (96 in Bangkok and 226 in other provinces), 17,651 clinics, 15,404 drugstores (1st and 2nd class) and 2,020 traditional medicine drugstores.

In 2009, the overall ratio of hospital beds to population was 1:312 in Bangkok, compared to the ratio of 1:502 in all provinces, and 1:779 for the North-eastern Region. The ratio of physicians to population was 1:2,931 for the whole country, ranging from 1:955 for Bangkok and 1:5,028 for the North-eastern Region.





Health Care Financing

Thailand's health care system reflects the entrepreneurial, market-driven nature of its economy. It is a cross-over system of public-sector and private-sector interfacing in both health-care financing and provision. The total health expenditure has increased gradually, at a faster rate than the growth of the gross domestic product (GDP). In 2008, the total health expenditure equalled 4% of GDP, of which a higher proportion (75%) was covered by the public sector than by the private sector (25%).

Table 2 Health Financing Indicators in 2008

Finance	Qty
General Government expenditure on health as % of total expenditure on health	75
General Ministry of Public Health and other Ministries as % of total expenditure on health	20
Universal Health Care Coverage Scheme as % of total expenditure on health	24
Civil Servant Medical Benefit Scheme as % of total expenditure on health	19
Household health expenditure as % of total expenditure on health	18
Social security expenditure on health as % of total expenditure on health	7
Local government health expenditure	5
Per capita total expenditure on health at average exchange rate (US$)	171
Total expenditure on health as % of GDP	4.0

Source: National Health Accounts of Thailand 2002-2008.

5. Current Government Health-related Policies

The Government Health-related Policies from 2001 onward

Promotion, Disease Prevention and Control, and Consumer Protection

The incumbent government set the national agenda on "Health Promotion, Disease Prevention and Control, and Consumer Protection". Each individual is encouraged to adopt healthy practices such as exercising at least three times a week, eating nutritious and safe food, and staying away from unsafe sex and drugs.

Thailand has employed the principles of good manufacturing practice (GMP) for drug, food and cosmetic products and, recently, for toxic substances in due course to raise the standards to international level. As of December 2009, 94% of drug producing industrial enterprises had obtained the GMP certification.

Promotion of Thai Traditional & Herbal Medicine and Alternative Medicine

The period 1994 to 2000 was designated as the "Decade of Thai Traditional Medicine Development" focusing on the research and development (R&D) of health-related products and health technologies, resulting in an increased capacity for producing traditional medicines and training in Thai traditional massage.

In 2002, the Department of Thai Traditional Medicine and Alternative Medicine was established to develop the whole system of indigenous medicine, in continuation of the National Institute of Thai Traditional Medicine, founded in 1993. Traditional cures and herbal medications have been integrated into primary health care. Accordingly, all herbal traditional prescriptions have become subject to regulation.

Knowledge of the therapeutic potency and usage of herbal medicinal products has become a valuable "heritage of local wisdom". Use of herbal medicinal products has increased remarkably, along with the global trend of resorting to therapies using natural substances deemed superior to modern medication. Holding a large natural resource of medicinal plants, Thailand is attuned to this global trend. Indigenous knowledge has become increasingly recognised as a valuable inheritance. Research on the potency of medicinal plants has been geared to extracting and purifying their principal substances and active components. New manufacturing technology has been applied to produce herbal remedies of high efficacy and in appropriate dosages.





Strengthening the Country's Health Related Capability for Income Generation and Export

In recent years, the "One Tambon One Product (OTOP) Project" also ventured into advising villagers how to produce health-related goods such as preserved food, herbal concoctions, and Thai traditional remedies, as well as training in skills required to practice massage. This is of increasing significance for health resorts and spas providing traditional cures and health care.

6. Universal Health Care Coverage Policy (UC Policy)

The main objectives and characteristics of the Universal Health Care Policy are universal coverage, a single standard, and a sustainable system. To ensure the effectiveness of the system, strong emphasis has been placed on both resource and technology efficiencies, underpinned by an adequate and stable budget allocation to secure the system's financial affordability. A pertinent law, the National Health Security Act, was enacted in November 2002.

Implementation of the Universal Health Care Policy

As projected, by December, 2010, a total of 47 million people are covered by this scheme. The remainder comprises eight million people including civil servants and their dependents (spouses, parents, and children), and eight million workers covered under the Civil Servant Medical Benefit Scheme (CSMBS) or the Social Security Health Insurance Scheme (SSS).

As a funding mechanism, a capitation grant was chosen to finance the UC scheme. A capitation grant based on a rate of 1,202 baht per registered capita per year was prepaid to the health care facility to cover the benefit package during the first two years. The budget under the Universal Coverage Policy was allocated to provinces according to the registered population. The payment mechanism was applied to both public-sector and private-sector facilities. Highest priority was given to channelling allocations to the primary care units based on the registered population figure. Secondary and tertiary hospitals were funded from the budget of and through primary care units for inpatient care, commensurate with their services as determined by the number and type of referred cases. The capitation grant rate increased to 2,546.48 baht for the fiscal year 2011 starting from 1 October 2010. Moreover, under the E-Government project, Thailand has already started to use only one ID card called SMART CARD to gain access to any health facilities.

Future Challenges for the Thirty-baht Policy

Thailand might have made headway towards accomplishing universal coverage of health care during the recent economic slowdown period. Nationwide coverage was achieved within one year, and the policy is heading in a sound direction, given the accumulated experience and knowledge. The challenge remains as to how to keep the system sustainable while meeting people's expectations of health care services.

Thailand's Universal Health Care Policy is an example of how a middle-income country manages to pursue equity in health-care with remarkable achievements. It is obvious that this policy is welcomed by the public and is fully supported by politicians, thus ensuring a "governmental commitment" in paving the way to increase investment in health-care and treating public health as a core concern of development.



7. From Primary Health Care to "Thailand Healthy Lifestyle Strategic Plan"

Thailand participated in the shift of health promotion paradigms, starting with a conventional paradigm that focused on health promotion services such as maternal and child health care, nutrition, and family planning. It was followed by the paradigm of "Health for All by the Year 2000" and the emerging concept of primary health care. Then, Thailand, as a member of the World Health Organization (WHO), adopted the WHO guidelines in implementing the national health policy. In November 2004, the government launched the "Healthy Thailand" Policy as one component of the National Agenda, with a view to meeting targets defined by MDG indicators. In due course, the WHO chose Thailand to host the 6th Global Conference on Health Promotion in August 2005, which was concluded with the adoption of the "Bangkok Charter on Health Promotion".

"Healthy Thailand"

"Healthy Thailand" depicts the vision that encapsulates the strategic goal; gives direction and serves as a guideline in efforts to reduce behavioural health risks and solve major health problems. "Healthy Thailand" directs all health care staff and health-related agencies to reinforce specific efforts toward attaining the goal within the staggered time frame set for each year. Annual targets and indicators were defined to solve particular health problems. For example, in the year 2004 the five target areas were exercise, diet, emotional development, disease reduction, and environmental health.

Of particular relevance are environmental health and occupational health. Concerning environmental health, exposure to Persistent Organic Pollutants (POP) necessitates medical and health care interventions, in the short run, and disease prevention and control, in the long run. Occupational health is of equally vital importance, given the rapid diversification of the national economy and the challenge of competitiveness in the global market.

At present, the Thailand Healthy Lifestyle Strategic Plan is a national agenda which engages an alliance of agencies in charge of health promotion and disease prevention. The programme is focused on five non-communicable diseases: cancer, hypertension, diabetes, heart disease, and strokes.

8. International Cooperation on Preventing Pandemics



Two major challenges of trans-boundary nature shall be addressed. On the global scale, spreading communicable diseases needs to be prevented and controlled. Of current and constant concern are HIV infections as well as AIDS diseases, SARS, re-emerging tuberculosis, avian flu, and Influenza H1N1. The other

challenge is posed by disasters which typically necessitate rapid medical and health-care interventions.

To avert pandemic threats population-wide, behavioural changes are required that must start with the youngest members of society to ensure that they develop healthy and safe habits from early childhood onward. Any pandemic is an avoidable crisis, provided there is heightened awareness and rigorous, individual precautions are taken.

Globalisation is opportunity for strengthening collaboration in health among national governments. The implications of an emerging international health policy are very complex as global health problems have expanded beyond health issues. Thailand is well-positioned to perform the role of an active partner in regions such as ASEAN, APEC, GMS and BIMSTEC as well as beyond Asia in support of development initiatives and cooperation.

9. Thailand: Centre of Excellent Health of Asia

The Wellness Capital of Asia

Thailand's wealth of health-care expertise and know-how is embodied in her culture, indigenous wisdom, and adherence to the tenets of religious faith. These qualities have attracted visitors from all over the world, who appreciate not only the excellent medical and health care but also enjoy the experience of Thai spas and traditional Thai massage, as well as the salutary effects of Thai herbal products. Many visitors have chosen Thailand as their destination for the combination of the health-care and spa experience with leisure activities such as golfing, diving, and nature trekking. "Thailand: Wellness Capital of Asia" is a component of the national strategy to become the "Medical Hub of Asia".





Thai Herbal Products

Thailand is rich in natural resources, and the use of traditional herbal medicine has been a part of life since ancient times. These resources include medicinal herbs, traditional medicine, native cuisine, salutary beverages, and cosmetics.

Treatment of illnesses, caused by any unbalanced lifestyle such as deficient nutrition or strains caused by imbalance of body and mind, using herbal products in one's diet, both solid and liquid food, are steeped in Thai tradition. Moreover, plants containing medicinal substances have long been used to spice a great variety of dishes.

Thailand has begun to export Thai herbal products to the global market. Examples are health and beauty products containing turmeric, a potent anti-oxidant. Applying modern technologies, substances are extracted from Thai herbs that have successfully been tested for their salutary efficacy and safety, warranted by quality control of products. Mulberry leaves cured to brew a cup or pot of tea are a source of vitamin C. Thai fruit and herbs suitable for skincare and therapeutic benefits are used for cosmetics and products for body-hygiene such as soaps and lotions.

Medical Hub of Asia

Modern facilities and equipment as well as internationally qualified medical doctors, nurses, and technical staff have enabled Thailand to promote itself as a first-class destination for those who are seeking top quality medical treatment at reasonable cost, comparable to anywhere else in the world.





Excellent medical facilities have enabled Thailand's hospitals to perform and provide world-standard medical services, and to meet rapidly growing demand in the global market. To date, many Thai hospitals have been recognised and approved as meeting the standards set for Hospital Accreditation of Thailand and international standards such as ISO.

Hospitals at all levels nationwide are now in the process of emulating international standards of general and special health services such as dental care, elective surgery (hip or knee replacement), and plastic surgery. In 2002, the province of Phuket was designated not merely as an Asian hub of tourism but explicitly as a health-tourism hub of Asia.

Tertiary medical care and specialised services are provided by hospitals in major cities, staffed by specialists capable of providing medical services that meet top international standards. To ensure consumer protection, medical services are regulated by the Ministry of Public Health and the Medical Council of Thailand.

Excellent hospitals are located throughout the Kingdom, ready to provide twenty-four-hour emergency services. Fast and reliable ambulance services are available to transport patients to tertiary care centres, as and if necessary. In addition, helicopters and fixed-wing air ambulances are provided for long-distance transportation between provinces, or from and to other countries.

Thai physicians are capable of providing excellent services and treatment covering every medical field. The majority have received their medical education in Thailand and undergone further, clinical training at renowned international medical schools and institutes in countries such as the United Kingdom, the United States, Canada, Germany, Australia, and Japan. In many private-sector hospitals, foreign patients can be assisted by interpreters/coordinators whenever there is the need for any such services. By 2008, the number of foreigners availing of medical services in Thailand had grown to two million patients.

10. Vision and future challenges

In today's changing world, Thailand is inevitably linked with the world economy and society. In this vein, its health care system will be further strengthened.

Vision

Thailand's health development will contribute to achieve the highest attainable quality of life -- "Healthy Thailand." Every person in Thai society has equal access to quality health services and lives in a healthy environment. Thailand will be a world class "Medical Hub."

Goals

1. The health care system shall be strengthened so as to ensure equal and immediate access to high-quality health care services for all.
2. Resources for health care, including human, physical, and technological resources, shall be increased, enlarged and expanded to meet changing requirements, not merely by the sheer amount of each resource but also by their distribution across the country's different regions.
3. Health risk factors being core determinants of mortality and disease burden, corresponding risk reduction interventions shall be incorporated into long-term plans for future health care provision and delivery of medical services.

With regard to regional as well as international cooperation, Thailand shall continue to pursue a proactive health policy, in conjunction with its domestic health policy. The plan titled "Modernising Health Care Systems in Thailand" encapsulates the most recent strategy to enhance the development of e-health, excellent medical services, and health research centres.





SPORTS



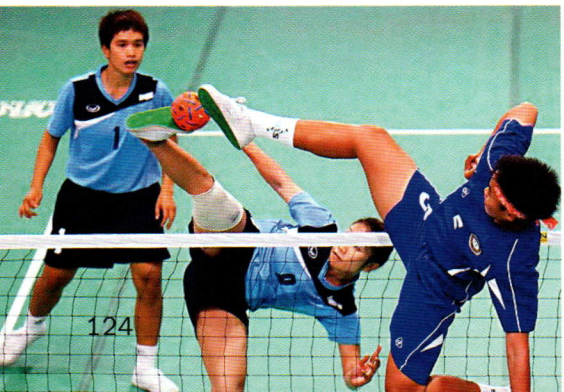


Sports

From the introduction of international sports activities in Thailand during the reign of King Chulalongkorn (Rama V) sports events have been promoted widely and received great attention from the Thai public. The same can be said for folk games or traditional games. At that time the *Royal Gazette on Sports Promotion* was issued as a guideline for supporting and promoting sports competitions, and even recruiting foreign experts to help develop sports activities in Thailand, the Ministry of Education was entrusted with handling this matter.

Throughout time, the Thai government has attached great importance to the development and promotion of national sports, realising that the country's progress benefits from the quality of people, which means their all-round potential must be developed on a consistent basis. Exercising and playing sports on a regular basis are effective ways to develop citizens by keeping them physically fit, along with a self-disciplined approach and a sense of sportsmanship, dedication, and unity.

Subsequently, the Sports Authority of Thailand (SAT) was established in 1964 as a state enterprise under the Prime Minister's Office to oversee the performance of national sports. Following administrative reform, the Ministry of Tourism and Sports was established in October 2002 with SAT under its purview. The ministry assigned SAT to be responsible for supporting and promoting sports strategically through sports development for excellence, and sports development for professionalism, with the application of sports science and technology.





SAT formulated a strategic plan in line with the 10th National Economic and Social Development Plan (2007-2011). This focused on a holistic, "people-centred development", striving to become a "green and happiness society", slowing the rise of preventable sicknesses, thus enhancing labour productivity resulting in reductions in medical expenditure. In effect, Thai people were urged to exercise to promote health – both physical and mental. Moreover, SAT's approach to sports development accords with the Fourth National Sports Development Plan (2007-2011), which envisages being a major organisation in sports development for excellence, and in professional sports, so that Thailand becomes one of the leading sports nations of Asia. It has set four strategies for sports development:

Sports development for excellence;
Sports development at the professional level;
Sports science and technology development;
Sports services development.



Sports Development for Excellence

SAT intends to promote national sports and unity for national development to encourage young people to play sports for a healthy lifestyle and promote self-discipline, because playing sports will prevent them from being deluded by unsavoury characters to spend time in unproductive ways. It also aims to achieve sports development for excellence in response to the goal of "Asia Sports Best in Class". Apart from providing training and developing sports personnel at every level, SAT also promotes sports competitions, which are important for developing the potential of athletes aspiring for excellence. The following projects have been implemented:

Construction of the Sports Organisations Administrative Centre

In 2008, the Cabinet allocated a budget allowing SAT to construct a 25-storey building for the Sports Organisations Administrative Centre (Sports Training and Competition Centre) at the Hua Mak Sports Complex in Bangkok. The objective was to enhance the efficiency of SAT operations by bringing various related organisations, including the Sports Association of Thailand, to be located in the same compound, which would facilitate travel and contact. The centre comprises the offices of SAT and 60 sports associations and exercise and training rooms for athletes, as well as for seminars, meetings, and multi-purpose use. The project was constructed between December 2008 and 2010.

Construction of the National Sports Training Centre in Muak Lek District, Saraburi Province

Again in 2008, the Cabinet approved SAT's budget for construction of the National Sports Training Centre in Muak Lek district, Saraburi province. The centre serves as the training venue for athletes in preparation for international

sports events. It consists of a central administrative building, sports medicine centre, multi-purpose gymnasium, multi-purpose building, multi-purpose training platform, large food centre, and accommodations for athletes.



Accommodation for athletes, the central administrative building and the multi-purpose gym was worked on between 2008 and 2009 with the entire project completed in 2011.

Future plans for the National Sports Training Centre in Muak Lek will promote training in two Thai sports: *Muay Thai* (Thai-style boxing) and *takraw* with the centre open to the general public including interested foreigners. SAT also intends to develop the area in front of the centre as a health park for local residents and other people living nearby to use for exercising and playing sports.

Support for Preparing and Organising Sports Competitions at the National Level

The Sports Authority has offered funds to various provinces to prepare and organise sports competitions at the national level.

Thailand National Games

Recognising that organised sports competitions offer a way to select athletes for the national team, SAT holds the Thailand National Games annually, the first was in 1967. Various provinces offer to host the National Games, and competitive sports include compulsory events (athletics and swimming), international sports, and "preservation" sports (Thai sports).

National Youth Games

Aware of the importance of youth as a valuable human resource and major force for national development, the Cabinet approved the National Youth Games to be held on an annual basis from 1985. Objectives include the countrywide promotion of sports for good health, instilling good sportsmanship and self-discipline in the under 20s to encourage them to shun narcotic drugs. Most importantly, these games complement the plan of the National Games by developing athletes for the Thai national team.





National Disabled Games

SAT initiated the National Disabled Games in order to promote health among people with disabilities, improve their quality of life, and achieve excellence in sports. These games also help build and select capable athletes to represent the Thai national team at international sports events for the disabled, such as the ASEAN Para Games, Asian Para Games, and the Paralympic Games. Any province selected to host the National Games is also required to host the National Disabled Games. The classification for disabilities accepted at the games includes brain, vision, hearing, intellectual, physical, and spinal cord disabilities, and poliomyelitis.

Thailand Masters Games

Although the average age of Thailand's citizens is on the rise, sports promotion among older persons is still minimal. However, each year SAT organises the Thailand Masters Games to encourage older people to take up sports and exercise to keep fit and prepare for international sports events. There are ten competitive events: athletics, tennis, golf, badminton, basketball, football, social dance, *sepak takraw*, swimming, and pétanque. More sports may be added in other games at the international level.

Building and Developing Sports Heroes

Since 2005, SAT has conducted the Sports Hero project; the aim being to find capable athletes and coaches from Bangkok and other regions of the country to enhance their potential through sports science.

The project enables selected athletes to develop as members of the national team to participate in international tournaments and professional sports. Some 1,200 winners of gold and silver medals from the Thailand National Games and the National Youth Games have been selected from 15 sports: athletics, golf, cycling, *sepak takraw*, taekwondo, tennis, table tennis, badminton, wrestling, boxing, weightlifting, gymnastics, judo, swimming, and snooker. During their training, they receive a monthly allowance, based on their ability, which is graded A, B, or C. Many participants in the project have been successful in joining international tournaments.

Support for Preparing and Sending Athletes to Join International Tournaments

Funds have been allocated by SAT to operate various sports associations and networks and to prepare and send athletes to join various competitions at the international level. These include the SEA Games, Asian Games, Olympic Games, Asian Indoor Games, Youth Olympic Games, ASEAN Para Games, Asian Para Games, and Paralympic Games.



Sports Development at the Professional Level





In order to develop professional sports as activities for sports entertainment contributing to national development and value creation, SAT has introduced a number of initiatives:

Setting up Professional Sports Systems

Six systems to mobilise sports development to help Thai athletes become professional have been set up by SAT. These systems, which include management; organising professional sports competitions; a database for professional sports; public relations and the creations of a fan club; finance and privileges, and welfare for athletes and sports personnel, are meant as guidelines for the success of professional sports to generate a stable income for athletes and sports personnel.

Support for the Organisation of Professional Sports Competitions

Support has been provided by SAT for sports associations to organise competitions for 12 professional sports: football, tennis, golf, snooker, *takraw*, badminton, volleyball, bowling, table tennis, loop *takraw*, motorcycling, and motor car racing. It has also mapped out the National Football Development Strategic Plan, comprising the National Football Strategic Plan, the Professional Football Tournament Strategic Plan, and the Professional Football League Strategic Plan. In addition, SAT has produced a guidebook on the standards and assessment criteria of a professional football league, including how to follow up on the assessment, in line with the set standard.

Publicising Professional Sports Competitions

A fund has been allocated by SAT to publicise professional sports competitions through various media channels, such as live broadcasts on professional football, professional snooker, and professional loop *takraw* tournaments. Public relations campaigns covering professional sports have been conducted through T Sports Channel, and a campaign to raise awareness of professional football tournaments has been carried out on a continual basis.

Development of Professional Sports Networks

Funds have been provided by SAT for the development of professional sports networks to three organisations: the Professional Golf Association of Thailand, the Professional Boxing Association of Thailand, and the International Takraw Academy. It has also organised workshops to map out strategic plans to develop professional *takraw*, so that professional sports networks would have efficient management systems.

Development of Professional Athletes

Athletes participating in professional snooker, bowling, golf, and tennis events have been allocated funds by SAT.

Development of Professional Sports Personnel

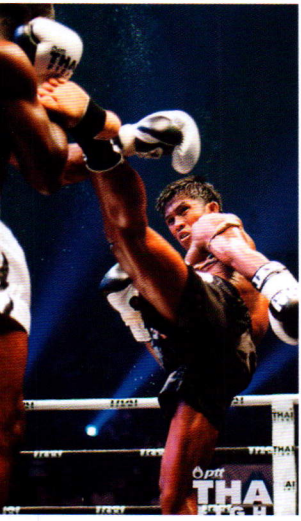
SAT has organised technical training in sports for coaches and professional sports referees to enhance the potential of professional sports personnel, so that they will be able to perform their duties more effectively. It has also provided training on the formulation of development strategies for professional football, volleyball, *takraw*, golf, and motorcar racing. In addition, it has sent professional sports personnel to attend international sports executive training courses, organised by the United States Sports Academy (USSA).

Professional Sports Management

Funds were received by SAT for professional sports management to equip professional sports personnel with more knowledge and understanding about sports management to improve their operations.

Study for Professional Sports Development

Workshops have been arranged for eight professional sports associations to study guidelines to develop professional sports. The eight associations are related to volleyball, *takraw*, motorcycling, bowling, badminton, table tennis, golf, and motorcar racing. The workshops will equip sports executives with better knowledge and understanding about the professional sports management system, in terms of sports business, sports organisation management, professional sports competitions, and public relations and the creation of a fan club.



Promotion and Preservation of *Muay Thai*

Muay Thai (Thai-style boxing) is an ancient martial art. Aware of the importance of this the Thai government established a policy to promote, preserve, and develop the sport. Following the enactment of the Boxing Act of 1999, the Office of the Boxing Board was established under the supervision of the Sports Authority. Responsibilities include promoting, developing, preserving, and publicising boxing, as well as ensuring that people and organisations involved perform in accordance with the Act. The Office of the Boxing Board has so far provided welfare, protection, and training for *Muay Thai* coaches, referees, and personnel, and it has also promoted this sport both in Thailand and overseas.

Sports Science and Technology Development

Conscious that sports science and technology development is essential for improving the health and potential of athletes, SAT set up sports science and technology development centres at Hua Mak Sports Complex in Bangkok and other venues in all regions of the country. These centres provide knowledge about sports science, physical fitness tests, fitness promotion, and sports nutrition for athletes. Also, they can be used as training venues for athletes prior to competitions. Sports science and technology development embraces the following:







• Science and technology study, research, and analysis have been conducted with sports associations in various tournaments, such as professional *takraw*, the 12th Asian Women's Handball Championship, the 1st Asian Martial Arts Games, the Toyota Motor Sport Festival 2009, and the National Games. Sports science services have been offered to athletes and the general public to help them develop physical and mental health systematically and on a full-cycle basis through various sports activities, such as Thailand Health & Wellness 2010 at IMPACT arena, Muang Thong Thani, where a sports science mobile unit, equipped with testing devices, was arranged to offer physical fitness tests and counselling services on effective exercises.

• Physical fitness testing services have been provided to athletes on the Thai national team participating in various international tournaments, such as the 25th SEA Games in Laos, the 1st Asian Youth Games in Singapore, the 1st Asian Martial Arts Games in Thailand, the 5th ASEAN Para Games in Malaysia, and the 3rd Asian Indoor Games in Vietnam. Other services include physical rehabilitation for national athletes, with doctors, nurses, and physiotherapists posted at sports venues and sports associations to take care of and rehabilitate athletes injured during tournaments and training.

• Doping controls have been imposed in sports competitions, organised or certified by SAT, at both national and international levels. The objective is to prevent intentional or unintentional doping, in line with the standards of the World Anti-Doping Agency. Moreover, officials have been sent to attend seminars and training in doping control to help develop their expertise in this field.

• Research studies were undertaken in 2009 to create a body of knowledge on sports science by collecting data from national and international athletes. These studies produced 15 reports featuring sports physiology, sports biomechanics, sports medicine, sports psychology, and sports science and technology. Results of the studies have been applied by sports associations, presented at local and international meetings, and publicised in sports journals. In addition, a database on sports science has been created through the e-learning system to advance sports development towards achieving excellence.

Sports Services Development

To achieve the goal of becoming the major sports supporter of Thailand, SAT has established an Express Call Centre on 0-2186-7111 to serve as a coordination and information centre to answer questions about sports.

The SAT sports services are categorised into three categories:

Venue and Sport Gear Services: SAT provides support in terms of sports venues and gear for local, national, and international competitions,

such as the Thailand National Games, the National Youth Games, and the Asian Martial Arts Games. Public and private organisations, as well as the general public, may also rent sports venues and gear from SAT in organising sports competitions, trade fairs, and other activities.

Technical Services: In providing technical knowledge covering all kinds of sports in various dimensions, SAT has provided learning media and channels for accessing accurate and up-to-date information. The services may be accessed at its sports library, museum, e-library, sports science database, and registrations of athletes, coaches, and referees. SAT has also produced video tapes providing knowledge about various kinds of sports and has disseminated news and information about sports and related issues on its website <www.sat.or.th>.

Information Services: Information services are offered in several forms. There is a software report system detailing results of sport competitions, training for volunteers, and supervision of the report system to ensure quick, updated and reliable reports on the results of sport competitions. In addition, SAT also provides services on sports database, such as statistics on international sports tournaments, sports science, and various activities carried out by the Sports Association of Thailand through the website < www.sat.or.th>.

SAT has conducted surveys since 2007 on the satisfaction of service users in order to improve its services. Results of the survey in the 2007 fiscal year showed that 72.3% of the respondents to the survey were satisfied with SAT services. The percentage rose to 79.04% in the 2008 fiscal year and 86.83% in the 2009 fiscal year. These surveys indicate that the satisfaction of service users is on the increase, which has encouraged SAT to strive for further development of its services.

Activities for Social Services

The Sports Authority upholds the principles of good governance and corporate social responsibility (CSR) in its operations. In line with its policy to promote sustainable social development in tandem with non-profit missions, SAT has introduced special and public service activities corresponding to its operations; particularly sports activities in response to the demands of the people. These activities will help promote good physical and mental health among people in varied and far-reaching ways.

Sports behind Bars

Participating in sports is considered an important activity contributing to human development in terms of physical fitness, good mental health, and emotional stability. Sports activities also help people to changing situations, develop their intellect, and promote morality and ethics.

In a Memorandum of Understanding (MOU) signed with the Department of Corrections, Ministry of Justice, SAT agreed to support sports activities for detainees in Bangkok and other regions of the country. It joined the department in setting policies, work plans, and goals for organising sports events for inmates, in both the short term and long term, to develop sports personnel. Under the terms of the MOU, "Sports behind Bars" was launched in 2004, with the aim of selecting talented inmates to become athletes at

local and national levels. Both entities cooperated to organise Sports behind Bars events to promote unity and raise the awareness of the value of playing sports. Several inmates who joined this programme achieved success in sports events. For instance, *Muay Thai* boxer Samson Sor Siriporn won the female World Boxing Council (WBC) championship light fly-weight title, while Amnat Ruenroeng became an amateur boxer on the national team.

Football Tournament Programme for Harmonisation in the Five Southern Border Provinces

To foster harmonisation in the five, southern border provinces of Narathiwat, Yala, Pattani, Songkhla, and Satun, SAT arranged a football event. The intention was to promote physical and mental health as well as promote social harmony among young people in these border provinces. It also provided an opportunity for participants to play a role in easing tensions caused by unrest in the region. Poor and underprivileged footballers showing exceptional talent were given scholarships to continue studies at university level and participate in football tournaments at the professional level in Bangkok. The tournament spanned a five-year period from 2007 to 2011.

Sports Gear Bank Project

Aware of the importance of national sports development, SAT has encouraged people to exercise on a regular basis. It purchased standard sports gear for 11 sports: football, volleyball, basketball, *takraw,* pétanque, tennis, badminton, weightlifting, amateur boxing, taekwondo, and golf, to offer services for athletes, youth, and the general public in sports and exercise activities. The aim is to encourage people in all provinces to take an interest in playing sports and urge athletes to train seriously in order to achieve sports development for excellence and help Thai athletes become professional.

Activities to Promote Exercising

Activities promoting exercises have been organised for the general public. For example, sports personnel have been assigned to lead aerobic exercises at the plaza in front of the Indoor Stadium, Hua Mak Sports Complex, everyday, between 6:00 and 7:00 p.m. Five exercise clubs have been set up inside health parks to provide opportunities for people to gather for sports, exercising, and running to improve their health. These include *taikek, qigong*, dance sport, *ram tabong*, and *yoga dhamma* clubs, which will help promote good physical and mental health, bringing about an improved wellbeing of the people.

Technical Information Services

SAT has provided technical information services, comprising guidebooks, sports rules, and video tapes on various types of sports, so that people will have accurate information about disciplinary rules of the International Sports Federations. It has also issued sports science newsletters, sports research reports, and guidebooks on sports science to provide proper knowledge and updated information about sports science for those interested.



SOCIAL DEVELOPMENT AND HUMAN SECURITY





Social Development and Human Security

In line with the principles of the philosophy of the Sufficiency Economy conceptualised by His Majesty King Bhumibol Adulyadej, it is the objective of the Community Based Welfare Project to improve the quality of life by providing human security. The core of the project is to promote self-reliance and help build a caring society based on religious beliefs, local tradition, and wisdom, by adopting a broad-based participatory approach. Under this project, the Community Welfare Fund was established. It is managed by the communities with partial funding and consultative support from the government and local administrative organizations. As of the year 2010, there were 2,917 local welfare funds comprising almost 900 thousand members.

Social Development

Committed to working with all sectors to provide a foundation of sustainable development and security, the government's role has shifted from merely providing social welfare services to integrating the various sectors of civil society to participate in the process.

Strategies include: improving social welfare and stability in life; ensuring social protection and solving social problems; empowering local communities and strengthening their participation, and practicing good governance in administration.

Progress towards development in support of vulnerable groups

Various target groups, and corresponding major areas where progress has been made up to 2010, can be summarised as follows:

Children and Youth

Great importance is attached to the promotion and protection of children and youth from all forms of abuse, exploitation, violence and gross negligence through legislation.

By declaring the 2007 national agenda for children, youth, and the family, emphasis was placed on the participation of children and youth in solving

social problems; the formulation of strategies to promote capabilities; the production of media programmes, and the establishment of child development centres.

Children and Youth Councils were established at national, provincial, district and *tambon* levels to allow their voices to be aired and requirements to be integrated into the Children and Youth Development Plan, from the local administrative organisation level upward. The project to establish Creative Areas for Children and Youth aims to promote their participation and enhance their role in useful social activities; strengthen networking among relevant organisations and agencies, and increase capabilities and protect the rights of children and youth through building immunity and promoting participation by all stakeholders.





In 1992 Thailand became a party to the United Nations Convention on the Rights of the Child, whose principles were adopted as guidelines in mapping out the Children and Youth Development Plan. Fully committed to accomplishing the collective vision of "A World Fit for Children", this will ensure that children will grow up in a safe, promising environment and become productive members in society.

Persons with Disabilities

Development in support of Persons with Disabilities (PWDs) was shifted from a charity-based approach to a rights-based approach with a view to enable them to fully participate in society. Priorities constituting the framework for the protection of persons with disabilities and their promotion include: protection against discrimination; rights advocacy; promotion at full capability; elimination of barriers in society in terms of positive social attitude and access to information as well as public areas, facilities and buildings, and acceptance of PWDs with regard to full and equal participation in the social mainstream.

Certain laws and policies conducive to achieving equal opportunities for persons with disabilities were put in place, with some more under review for amendments to eliminate remaining elements of discrimination against PWDs. In this spirit, the 3rd Five-Year National Plan for the Empowerment of Persons with Disabilities (2007-2011) was designed to strengthen positive attitudes of families and society towards PWDs as well as to create a barrier-free environment for PWDs' full participation.

Recent achievements in support of PWDs are:

1. Broadening of the definition of "Persons with Disabilities" through inclusion of individual impairment and social barriers such as negative attitudes, environments and information perspective;

2. Establishment of the National Commission on the Promotion and Development of Life Quality of Disabled Persons, as well as upgrading the National Office for Empowerment of Persons with Disabilities;

3. Provision of a 500 baht monthly allowance for PWDs across the country, with registration opened nationwide from December 2009 to January 2010;

4. Provision of an interest-free loan, with a ceiling of 40,000 baht with a loan term of five years, for more than 50,000 individuals keen to start their own businesses.

Moreover, rehabilitation centres were established nationwide to rehabilitate, empower and provide necessary social and medical services for PWDs. Regarding public participation, the Community Based Rehabilitation (CBR) and Group Home programmes were implemented to promote community participation in providing rehabilitation services to the PWDs, thus enabling them to comprehensively access public services and properly integrate into society.

Thailand had actively been involved in the drafting of the Convention on the Rights of the Persons with Disabilities (CRPD) and was among its first signatories. The Sub-Committee on the Promotion and Support of the CRPD was set up to formulate and evaluate policies and programmes to comply with the CRPD mandate, while awareness of the CRPD was enhanced to protect human rights and fundamental freedoms of PWDs. The United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) guideline, called the Biwako Millennium Framework (BMF) towards an Inclusive, Barrier-free and Rights-based Society for Persons with Disabilities in the Asia and Pacific Region, was taken into consideration for formulating national policies in support of PWDs.

Older Persons – Senior Citizens

Thailand's population has continually been aging, given the proportion of persons aged over 60 years accounting for 10.7% of the total population, according to the 2007 survey. This is forecast to increase to more than 20% by the year 2021. To respond to imminent challenges accelerated by this trend, with ever more older persons, also referred to as senior citizens, likely living by themselves, policies were implemented and some more will be initiated.



Measures at policy level

The Older Persons Act of 2003 aims to protect, promote and support rights and benefits, including social welfare, medical services, education, occupation or occupational training, social activities, facilitation, assistance and subsistence allowances. The National Older Persons Commission (NOPC) was set up to evaluate the implementation of long-term strategies and guidelines spelled out in the 2nd National Older Persons' Development Plan (2002-2012) to ensure good quality of life with self-reliance, security and dignity. In addition, it encourages families, communities, as well as relevant public and private organisations to participate and share responsibility in development programmes for the elderly.





Measures at community level

The community-based Multi-purpose Senior Citizen Centres (MPSC) enhance collaboration between local and central government agencies, improve social services for older persons, promote their participation in social activities, and compile valuable data derived from older persons' wisdom. The Standards of the Elderly Welfare Promotion and Rights Protection (SEWPRP) give clear direction, offer protection and devise care practices for local agencies and networks to ensure that policies and practices are in line with the main national framework and goals. The SEWPRP are to fulfil four requirements: life security, education and training, economic opportunity and development, and social promotion.

Urgent protective measures during global financial and economic crises

For the benefit of older persons affected by the global financial and economic downturn, a universal monthly subsistence allowance for those over 60 years of age without any pension plan was implemented in 2009,with around 3.5 million beneficiaries receiving a monthly allowance of 500 baht. Also, the amount of free-interest loans was increased to generate employment and income for older persons.

Women's Development towards Gender Equality

Gender equality and empowerment of women are recognised as integral components of the full and effective realisation of human rights principles. The pledge to the global and regional human rights agreements concerning

women's advancement and gender equality are obvious in the firm commitment to the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW); the Beijing Declaration and Platform for Action (BFPA); the Millennium Development Goals (MDGs); the Vientiane Action Program (VAP), and the ASEAN Declaration on the Elimination of Violence against Women (DeVAW).

GDI Plus to assess gender equality

With support from the United Nations Development Programme (UNDP) the new Gender-related Development Index Plus, known as GDI Plus, was constructed to measure gender equality at regional and provincial levels. GDI Plus serves as a tool to assess any gaps between men and women as well as between regional and provincial levels. It also depicts the status of gender equality in development opportunities. GDI Plus is the first such tool in ASEAN which comprises indicators at national and provincial levels; indicators of achieved equality between men and women pertaining to the committed international obligations and agreements; indicators relevant to women's development, and indicators required for formulating policies.





GDI Plus consists of six components:
Health Equality Index,
Education Equality Index,
Employment Equality Index,
Income Equality Index,
Participation Equality Index,
Leadership Equality Index.

Thailand GDI Plus 2007

The GDI Plus assessment of gender equality at provincial and regional levels revealed that the overall level of development between men and women differed moderately.

A small inequality was found in health development due to the population mortality rate among those less than five years of age. The morbidity rates between men and women among the handicapped were about the same.

In contrast, there was quite a large gap in terms of education, with women's education attainment at upper high school and vocational school levels being higher than that of their male counterparts.

The largest gap between men and women was in public participation; men significantly outnumbered women in terms of representation in the Upper House and the Lower House.

The Report on Gender Development: Similarities and Differences

A 2008 report presents gender data gaps in both coverage and relevance, based on its analysis of gender-disaggregated data on the role and development of women and men in seven aspects: health, education, employment, income and poverty, family life and reproductive health, violence and leadership.

Select key statistics are:

- Life expectancy, as of 2005: on average, 75.4 years for women as compared to 68.4 years for men; in 2007, out of seven million elderly persons, or 10.7% of the population of 65.4 million, 55.6% were women and 44 % were men;
- Employment: men's labour participation rate was higher in every region. In 2007, men's rate was 81.7 %, compared with 66.0% of women;
- Income and poverty: fewer women were poor compared to men; in 2007, poverty incidence was lower among women in most regions, except for Bangkok;
- Domestic violence continued to rise, as recorded by the One-Stop Crisis Centre (OSCC) at 297 state hospitals, where 19 victims had received services per day, in 2004; this number increased to 52 victims per day in 2007; most cases concerned domestic violence inflicted by husbands, parents, step-parents, or other family members;
- Leadership by Thai women was still limited to certain roles in the private sector and administration. Although women were represented in private-sector roles and outnumbered men in public administration, only a small proportion managed to reach the executive or top levels. In the private sector, there were only 22% female directors in 218 companies listed at the Stock Exchange of Thailand. Their proportion was much lower in public administration. Overall, women made up less than one-fourth of the number of executives. On the positive side, however, women constituted 55% of the executives in independent organisations, as of 2007.

The National Women Development Plan

The issue of women's development had first been integrated into the 3rd National Economic and Social Development Plan (1972-1976). Later, the first long-term Women's Development Plan (1983-2001) was drawn up. Currently, the Five-year National Women's Development Plan is being implemented, in the context of the 10th National Economic and Social Development Plan (2007-2011). The main objectives are to equip both women and men with knowledge about human dignity and gender equality; to instil the perception of equal roles of men and women in national development; to ensure social justice equally for men and women, and to ensure that women will have greater opportunity in developing their



potential and participation in national social, economic, and cultural activities.

Five objectives were specified in the current National Women's Development Plan:

- to shape the attitude of gender equality and strengthen the family institution;
- to provide greater opportunities for women in making decisions in politics and administration;
- to improve the health status and strengthen women's rights in regard of reproductive health;
- to ensure life security and physical safety of women, and
- to foster women's participation in the economy.

It is also expected that incidents of violence against women will decline and their physical safety will be ensured.

Amendment of laws that are against the principles of gender equality

Listed below are matters governed by laws that were amended and are currently enforced:

- Equal rights regarding divorce and compensation;
- A choice for married women to take their husband's surname, or to retain their original surname;
- A choice for married or divorced women to prefer being addressed as "Miss" or "Mrs";
- A modified definition of rape to cover the rape of people of either gender, all types of sexual perpetration, and criminalisation of marital rape, with more severe penalties to be imposed on offenders who engage in all forms of rape and sexual abuses;
- Suspended sentencing for an offender who is pregnant or who is raising a child under the age of three, and confinement of pregnant offenders or offenders with children under the age of three in a suitable correction facility other than a prison, during the period of suspension.

Proposed legislations to protect women and ensure gender equality

Examples of novel legislation are geared to:

- Defining domestic violence; the provision of compensation; the rehabilitation of victims and protection from future domestic violence;
- Eliminating any discrimination on the grounds of sexual orientation.

Human Security

Definition of Human Security

This is defined as "assurances of rights, security and basic needs so that any persons can live in dignity, and receive equal rights enabling them to develop their human capacities". The requirements to set human security standards and devise methods of measurements are embodied in ten indicators: access to housing; access to healthcare; access to education; employment and income; personal security; family security; social security; socio-cultural security; access to rights and justice, and political participation.

Development of Human Security

Thailand has been a member of the Human Security Network (HSN) since its inception by Norway and Canada, in 1999. At present, there are twelve member countries, including Chile, Greece, Ireland, Jordan, Canada, Mali, Norway, Austria, Switzerland, Slovenia, Costa Rica and Thailand. The HSN vision is to create a world in which people can live in security and dignity, with emphasis on people-centred development in a democratic society. Later, UNDP conceptualised human security as freedom from fear and want.

More than ten years on, mostly Western member countries were more concerned about freedom from fear than freedom from want, as issues such as armed conflict were pushed for discussion at HSN meetings. Thailand has advocated a balanced agenda of both "freedom from fear" and "freedom from want" which, at the 8th HSN Ministerial Meeting chaired by Thailand (2005-2006), led to cooperation on themes such as HIV/AIDS, SARS, anti- personnel landmines, and human trafficking.



Besides HSN, Thailand also plays an active role in promoting human security through the Friends of Human Security founded by Japan, the Organization for Security and Cooperation in Europe (OSCE), the Asia-Pacific Economic Cooperation (APEC), the Association of Southeast Asian Nations (ASEAN), and the Friends of Helsinki Process. At home, Thailand also cooperates with the United Nations Development Programme (UNDP) and the United Nations Educational, Scientific and Cultural Organization (UNESCO) in the field of human development and human security.

Human Trafficking

Trafficking of persons is a form of violation of human rights. In particular, women and children are the most vulnerable groups, easily trapped by organised crime syndicates. Recognising the increasing severity of human trafficking and its links to other forms of transnational crimes, several policies and mechanisms were adopted to fight against trafficking of persons.

- Since August 2004, combating human trafficking was declared a national effort. Major policies include capacity building for officials; an intelligence exchange system among origin, transit and destination countries; improvement and amendment of laws relating to human trafficking; campaigns to increase public awareness of the problem and eliminate the stigmatisation of the trafficked victims; provision of assistance, remedy and rehabilitation, and allocation of initial funds to assist victims of trafficking.
- In 2005, operation centres on human trafficking were established at the provincial, national and international levels to put in place a coordinating mechanism for anti-trafficking actions. These include the integration of

information, mobilisation of services and support from different ministries; setting-up an information support system, and assistance in decision-making by policymakers on addressing and preventing human trafficking.

- The Anti-Trafficking in Persons Act (2008) was enacted for the more comprehensive and effective fight against traffickers. Its major components are: heavier penalties on all persons involved in human trafficking; compensation that victims may claim from the offender or for any damages caused by human trafficking; shelter and other necessities including physical, psycho-social, legal, educational and healthcare assistance provided to victims, protective measures for both men and women, boys and girls, regardless of their nationalities.
- The Anti-Trafficking-in-Persons Committee and the Coordinating and Monitoring of Anti-Trafficking in Persons Performance Committee are in charge of formulating and implementing policies.
- Repatriation and reintegration measures are coordinated with relevant government agencies, non-government organisations, international organisations and Thai embassies to provide shelter and appropriate physical, psycho-social, legal, educational, and health-care assistance to victims
- Cooperation against human trafficking through bilateral and multilateral agreements in the Mekong Sub-region, as well as among ASEAN, the Friends of Helsinki Process (FHP), Bali Process, UN agencies working for combating human trafficking and the International Organization for Migration (IOM) has been strengthened.
- The National Policy, Strategy, and Measures for the Prevention and Suppression of Human Trafficking (2011-2016) will promote and employ a participatory process from all relevant sectors. All public voices from nationwide seminars were assimilated and recorded to reflect stakeholders' points of view. The objectives are (1) to state the main principles for prevention, prosecution, protection, policy development and implementation, complete with a database for managing; and (2) to enhance cooperation from all relevant sectors in implementing policies, strategies, and prevention as well as protection measures.

Acknowledging that children and youth have been the prime target victims of human trafficking due to poverty, lack of education and consumerism, child prostitution and exploitation of child beggars have become more complex problems. The Royal Thai government proclaimed human trafficking a matter on the national agenda and enforced the Anti-Trafficking in Persons Act. These efforts aim to protect and rescue victims, and to facilitate their rehabilitation through legal proceedings.

What has been done?

There has been a major effort to shift from narrow economic growth and national security orientation to a broad range of human development goals by adopting a people-centred approach. In the Tenth National Economic and Social Development Plan (2007-2011), emphasis was put on wellbeing, development and moral values by providing education, universal healthcare,

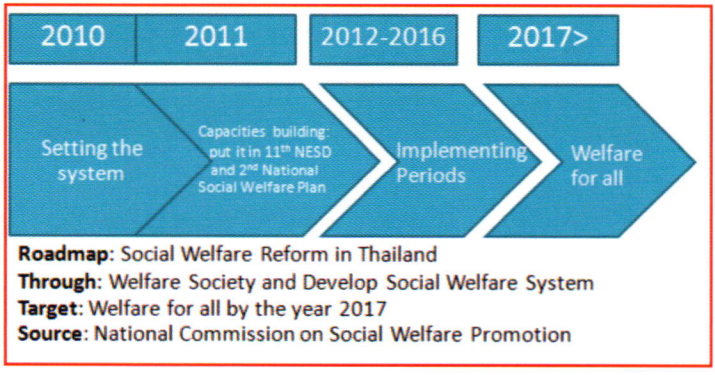
environment and biodiversity conservation, and protection of vulnerable groups by creating social safety nets.

After setting-up the Ministry of Social Development and Human Security (MSDHS) in 2002, its First National Strategic Plan of Action on Human Security was drafted in 2008, using a participatory process through nationwide seminars and workshops. It was focused on three major strategic points: strengthening self-reliance; strengthening social services, and local participation in environment protection. Consideration and approval of the draft plan by the cabinet were scheduled late in 2010.

In 2010, Thailand's first Human Development Report was published, the fourth of its kind prepared in partnership by the MSDHS as the government line agency, and the UNDP. Its theme of human security was chosen by respected scholars as well as civil society leaders, covering the entire spectrum of human development, drawing attention to old risks and threats, as well as pinpointing new risks and looming threats. Also, it short-lists actions geared toward more secure and sustainable development. Six dimensions of human security are addressed: economic security; food security; environment security; health security; personal security, and political security. Added are human development and human achievement indexes. The most critical issues highlighted are water management, the future of farmers, climate change, and inequality. A short-list of urgent matters for consideration includes the need for strengthening the security of the informal sector, ensuring adequate support for older persons, and putting the goal of an equitable society on the national agenda.

Vision

In January 2010, social welfare was incorporated into the national agenda to turn Thailand into a Welfare Society by 2017, as outlined in the chart below.



Source: The above roadmap is a translated version of the document tabled for the meeting of the National Commission on Social Welfare Promotion, Ministry of Social Development and Human Security, Meeting No.1/2010, 22 January 2010.

The year 2017 is the final year covered by the Eleventh National Economic and Social Development Plan and also the Second Social Welfare Plan. A welfare society agenda will be integrated into these two plans.

A welfare state in this context means that each individual in the country will benefit from social welfare services, pertaining to the remedy, development and promotion of social stability by fulfilling basic needs, so as to ensure good quality of life and self-dependency. It is a system which is extensive, appropriate, fair and in accordance with standards pertaining to education, health, housing, occupation, income, leisure, judicial processes and general social services. These will lead to meeting the need for human dignity as well as entitlement to rights and participation in the provision of social welfare, at every level.

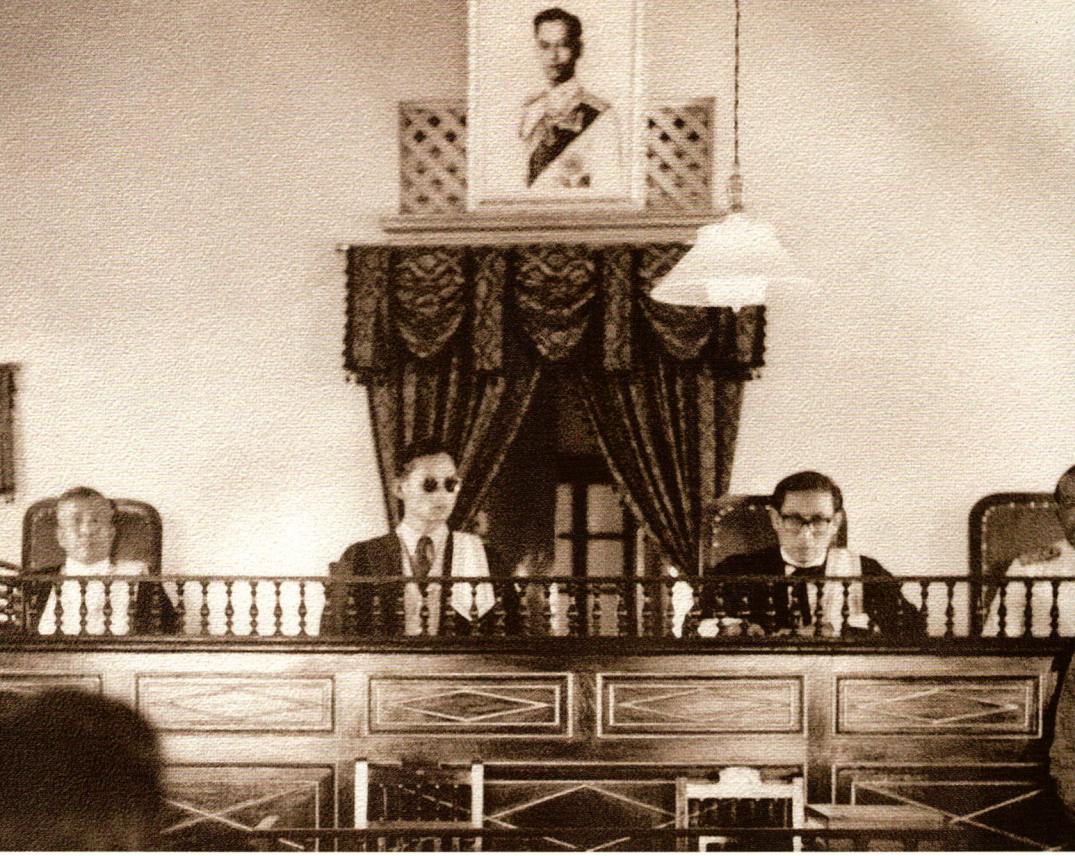
By the year 2017, four welfare systems will be developed and put in place for all people in Thailand. The plan includes four pillars as shown in the table hereunder.

<table>
<tr><td>4'th pillar
Social Promotion</td><td colspan="4">Promote giving and philanthropy , donation, the role of volunteers, civil society, corporate social responsibility , social enterprise, family, religious, local organization. Tax system for social welfare and fund allocation to support Social welfare system and social welfare fund</td></tr>
<tr><td rowspan="6">3'rd pillar
Social Services</td><td colspan="4">There is a constitution and law to support basic welfare rights for people. Monitor the law for welfare rights for people to be a practical one. and publicize the welfare rights and accessibility to public</td></tr>
<tr><td colspan="3"></td><td>15years Free for compulsory education (12 mil.)</td></tr>
<tr><td colspan="2"></td><td colspan="2">Health Security Fund (48 mil.)</td></tr>
<tr><td colspan="4">Reduce the cost of living measures</td></tr>
<tr><td colspan="3"></td><td>Free milk for elementary Students/ Old aged monthly allowance (3.5 mil.)/cremation allowance for old aged (.02 mil.) / Disabled monthly allowance (1.9 mil.)</td></tr>
<tr><td colspan="4"></td></tr>
<tr><td rowspan="6">2'nd pillar
Social Insurance</td><td colspan="4">Private Insurance (10.3 mil.)</td></tr>
<tr><td colspan="4">Third party insurance</td></tr>
<tr><td colspan="4">Community Welfare Fund (coverage 10 % of population 6.6 mil.)</td></tr>
<tr><td rowspan="3">Public officers pensions
(2.72 mil.)</td><td>Provident Fund
(2 mil.)</td><td colspan="2">Farmer Welfare Fund</td></tr>
<tr><td colspan="3">National Pension (20 mil.)</td></tr>
<tr><td>Minimum wage</td><td colspan="2">Farmer Insurance Income</td></tr>
<tr><td colspan="2">Social Insurance Fund/Workmen's Compensation Fund (9.4 mil.)</td><td colspan="2">Expand Social Insurance Fund coverage to self employed (24 mil.)/extend benefit rights to spouse and children of the insurers (5.88 mil.)</td></tr>
<tr><td>1'st pillar
Social
Assistance</td><td colspan="4">There is social assistance provided for the needy as an individual or as a group. However the relief can be met only in some area of needs and urgency. To develop social assistance system in order to allow recipients to help themselves throughly by reviewing laws and regulations for relief in line with their live style and work with professionals and case management for processing the system</td></tr>
<tr><td>Thailand's population 66.68 mil.</td><td>Employed (public officers) 2.72 mil.</td><td>Employed 9.4 mil.</td><td>Self-employed 24 mil.</td><td>Non – economic 30.56 mil.</td></tr>
</table>

The first pillar is the provision of social assistance for the needy, either as individuals or as a group. However, relief will be meted out only in some areas of needs and urgency. The second pillar is the provision of social insurance. This includes private insurance, third-party insurance, community welfare fund, pensions, provident fund, minimum wage, and others. The third pillar is to make social services available for all, in accordance with people's basic welfare rights. The fourth pillar is the promotion of giving and philanthropy. This includes donations, the role of volunteers, civil society, corporate social responsibility, social enterprise, family, religious and local organisations, tax system for social welfare, and fund allocation to support the social welfare system.



JUSTICE FOR THE PEOPLE AND THE PROTECTION OF HUMAN RIGHTS



Justice for the People and the Protection of Human Rights

His Majesty King Bhumibol Adulyadej's accession oath "*...We shall reign with righteousness for the benefit and happiness of the Siamese people*", was the King's firm commitment, unreservedly relegating His Majesty's happiness below that of his subjects.

In the judicial process, the King remains impartial by adopting a position of non-interference. Nevertheless, His Majesty has graciously advocated righteousness in the application of the law to render justice for the people regardless of age, gender, race, faith and local cultures. This is reflected in the royal speech of His Majesty addressing barristers-at-law on October 28, 1981: *"Law is by no means justice in itself, but merely a tool for maintaining and rendering justice. The application of law must be aimed at upholding justice, not the legal provisions. Hence, the upholding of justice is not restricted only to the upholding of law but of moral and ethical principles as well as the truth."* The indisputable fact is that in order to ensure public access to true justice, the development of the judicial process must be extended beyond the scope of legal provisions.

Development of the Judicial System

The modern judiciary and legal systems in Thailand originated in the reign of King Chulalongkorn the Great (Rama V, 1868-1910), the fifth monarch of the Royal House of Chakri, with the establishment of the Ministry of Justice in 1892. It entailed the centralisation of all courts, previously under the supervision of several ministries, into a single entity. During the same reign, the first Thai Criminal Code was derived from the written form of "The Law of the Three Seals". The Civil Code and the Commercial Code were also drafted at the same time and finalised in the reign of King Vajiravudh (Rama VI, 1910-1925). Since then, the Ministry of Justice has been responsible for all aspects of judicial administration and legal affairs. Later, justice affairs were divided into two main bodies: the Ministry of Justice took charge of administration, while the Courts of Justice assumed responsibility for judiciary affairs and adjudication. The Revolution of 1932 had an important effect on the Thai legal and judiciary systems since it changed the form of government from an absolute to a constitutional monarchy. The Constitution vested the judiciary power in the Courts. Judges were assured of their independence and remained guided by impartiality in adjudicating cases according to the law and in the name of His Majesty the King who, in all aspects, is above politics. The judges themselves are protected from political interference, and carry out their duties in the name of His Majesty the King. In the year 2000, the judiciary and justice administration entered into a new phase that separated the Ministry of Justice and the Courts of Justice. Since then, they have operated as independent entities in order to guarantee that the Thai judiciary is free from political interference. Courts of Justice are duty-bound to uphold adjudication, while the Ministry of Justice is responsible for and performs the role of protecting rights and liberties as well as developing all aspects of the justice system, except adjudication.

The justice system targets the integration of related agencies to reach the same goal: an equitable, peaceful and secure society. Given that this goal cannot be achieved solely on the part of government, justice agencies seek cooperation from all sections of society including the private sector, international organisations, plus cooperation from Thai people in general.

Thai judicial procedures place emphasis on protecting the rights and liberties of all segments of society. All people in Thailand, and those entering the country, are assured of equality and security. One current issue proposed for the national agenda is to develop legal and social measures to prevent and suppress crimes such as unlawful drug use, transnational and cyber crimes, sexual exploitation and abuse of children, and to set up a safe and secure society by initiating several projects such as the legal empowerment for people project, and the project to support conciliation in society.



International Human Rights Obligation

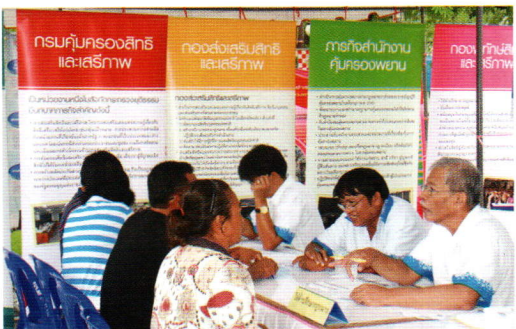
Human Rights are a basic freedom that all people are entitled to regardless of nationality, sex, national or ethnic origin, race, religion, language, or status. Human Rights are conceived as universal and egalitarian; all people have equal rights by virtue of being human. These rights may exist as national rights or as legal rights, both nationally and internationally. After establishing the non-binding Universal Declaration of Human Rights (UDHR), many global and regional human rights agreements were concluded. Internationally, this can promote respect for human rights in national parties, particularly in the more democratic countries, or countries with a strong civil society devoted to human rights and with transnational links. And in Thailand, improved human rights is typically more likely as the country becomes more democratic; or through increased participation by citizens in non-public sector organisations. This is especially true in nongovernmental organisations which are principal players in an ongoing struggle over the role the international community should play in promoting and protecting human rights. The idea that protecting human rights knows no boundaries, and the international community has an obligation to ensure governments guarantee and protect human rights, has captured the imagination of mankind.

Protecting Rights and Liberties in the Judicial Process

Over past years, the Thai government and local officials have worked tirelessly to ensure a rights and liberties protection process is robustly integrated into fusion centre policies and the justice process. The goal is to establish a comprehensive framework for protecting rights and liberties in the judicial process by:

- dealing with people's rights and liberties as recognised by law;
- developing administrative systems for the promotion and protection of people's rights and liberties by raising public awareness of their own rights and liberties;
- developing systems and measures for assisting victims of crimes;
- providing financial assistance for innocent, injured persons and victims in criminal cases as provided by the governing law;
- promoting and developing a mechanism for settling disputes in society;





- protecting witnesses in criminal cases in accordance with the Witness Protection Act;

- coordinating with the public and private sectors at both national and international levels for the protection of rights and liberties; and

- following-up, and evaluating efforts to protect rights and liberties.

In fact, protecting rights and liberties in the justice process derives from the guiding principal in Thailand's Constitution (2007) that entrusts officials to safeguard rights and liberties to serve justice. Certain legislation is required to strengthen the judicial process including dealing with restorative justice in Thailand's social and cultural setting based on indigenous laws and innovative conciliation, mediation, and dispute resolution in a modern, dual-tract justice process system.



Suppression of Transnational Organised Crime

Concerned about the seriousness of transnational crime, Thailand has incorporated as part of its national security policy a framework for relevant agencies to coordinate a systematic and integrated process of prevention, suppression and resolution of problems. These agencies include the National Security Council, Ministry of Interior, Ministry of Justice, Ministry of Defense, Ministry of Foreign Affairs, the Royal Thai Police, the Office of the Attorney General, the National Intelligence Agency, Office of Narcotics Control Board, Anti-Money Laundering Office, Bank of Thailand and the Thai Customs Department.

To combat organised crime, Thailand has employed several measures both preventative and suppressive. In crime prevention, the country has conducted several measures such as developing a people database system and building links for information sharing between organisations. Measures have been implemented to cut off the vicious cycle of organised crimes according to the Anti-Money Laundering Act. Collaboration also takes place on a national and international level in law enforcement and the exchange of information. The final measure is to develop the professional capabilities of all concerned.

These measures are intended to prevent and suppress transnational, organised crimes such as human trafficking, drugs trafficking, money laundering, arms trafficking, economic and cyber crimes, and terrorism. In addition, Thailand has remedied six of thirteen protocols/conventions on antiterrorism and established a centre for combating human trafficking at the provincial level and nationally to support mechanisms driving operational aspects and information exchange. The country is also a party to the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (CAT). In so doing, Thailand has developed and implemented related laws and legal measures to be consistent with this convention.

With regard to the aspect of suppression, additional (or particular) measures are utilised to suppress these types of crimes (more so than suppressing general crimes) by empowering officials with investigative, and interrogative techniques in the search for evidence to enable officials to uncover and reach the key figures involved in crimes. Examples of such measures include access to information and/or evidence through communications technology and electronic devices to be used only under three conditions: to maintain public order; uphold public morals; and to support national security.

Moreover, Thailand developed its national policy to enhance international cooperation with other nations, groups of countries, and international organisations in bilateral and multilateral frameworks as partners such as Interpol, ASEAN countries, the USA, Canada, France, Norway, Ireland and Peru culminating, for example, in the Mutual Legal Assistance Treaty and Extradition Treaty. What is more, Thailand cooperates internationally to prevent and suppress crimes, transnational crimes, and terrorism.

Forensic Science in Criminal Cases

Today, forensic science plays an important role in the judicial procedure by collecting and examining forensic evidence from "normal cases" and cases related to national security. Forensic evidence supports intelligence efforts in criminal cases. Two agencies in Thailand are responsible for forensic matters: the Office of Forensic Science of the Royal Thai Police, and the Central Institute of Forensic Science at the Ministry of Justice. These agencies assume responsibilities in different areas. Forensic science is also used to reaffirm the efficacy of evidence in a case and in building up trust for the parties involved in a case and other people in general.

The development and improvement of Thailand's forensic work must emphasise certain aspects to interlock with international standards. Firstly, emphasis should be placed on the development of human resources to meet future responsibilities. Secondly, greater prominence should be applied in developing equipment, tools and laboratories for collecting and examining forensic evidence. Lastly, emphasis must be placed on developing a database and managing evidence such as unidentified bodies, a missing persons' database, and a prison inmates' DNA database to support investigations into criminal records. In due course, Thailand aims to introduce a bill covering forensic science standards in line with international standards.





Enhancing Criminal Justice Administration

Thailand applies the alternative justice and restorative justice approach in parallel with mainstream justice concepts, under the ideal that *"the punishment of the offenders for the purpose of changing them to be society's good persons may not be the best way to resolve social problems. So, settling of social problems and criminal violation can not be concentrated or considered only in a punishment dimension but rather extend to the remedy dimension; to every party related that is affected from that crime such as the victim, the offender, their family and the community at large".*





Expanding this idea, the best solution should come through collaboration among related sectors of society. Such resolution, which is better than punishment, will lead to conflict resolution and social restoration. Moreover, it will result in a reduction in cases brought to court, thereby relieving overcrowded prisons and overburdened courts. The best example of this approach, applied to the mainstream justice system, is a community justice model that allows society to settle or resolve conflicts and disputes by a community's own members.

In dispensing justice for juveniles, one concrete output of ADR (adverse drug reaction) measures has been to divert cases from the justice system while enhancing community participation and responsibility in the judicial process by setting up informal meetings called Family and Community Group Conferencing (FCGC) that allows offenders to meet their victims. The offender meets the victim to see how the victim has suffered and learns and understands the effect of his actions thereby encouraging repentance of his own volition. Additionally, this process involves parents and other relatives of the offender and community members to take part in problem-solving.

In addition to those sentenced to terms of detention, other groups, such as first-timers and those with petty offences, probationary measures such as serving time in social services are applied instead of detention. For those sentenced to be detained, restorative justice is applied to make them concerned about their responsibilities to society, to resume their normal lives, and reintegrate back in society. At the same time, it encourages society to accept them back. Restorative justice, therefore, is the way to settle conflicts and disputes in society as well as restore social harmony.

Promoting Transparency and Anti-Corruption Principles

Recognising that corruption is a security problem, Thailand became a party to the United Nations Convention against Corruption and established important agencies to eliminate corruption. The Office of the National Anti-Corruption Commission (NACC) is responsible for cases at a national level, while the Office of Public Sector Anti-Corruption Commission (PACC) is

responsible for cases related to corruption and conflicts of interest among government officials. Apart from this, good governance principles such as transparency and accountability, and a checks and balance process, are applied to prevent corruption in government at all levels.

Beyond legal measures, Thailand gives priority to social, economic and cultural measures involved in combating corruption. This is done by campaigning to raise the level of recognition and public concern of the value of honesty so everyone believes in the principal that "merit must be seen" to upgrade Thailand's transparency and confidence level on the world stage.

Five-Defensive "Fences" Strategies to Overcome Drug Abuse

Drug abuse is an important problem that has confronted Thailand for some time, in part because measures used to solve the problem were geared to suppression rather than prevention. Solving this problem, which is a threat to society and security, requires both preventative and suppressive measures administered in parallel with the rule of law. Accordingly Thailand outlined policies including both approaches to contain drug abuse by involving a wide spectrum of the community in building "fences".

The Five-Defensive Fences Strategy consists of:

- Border Fence;
- Community Fence;
- Social Fence;
- School Fence.
- Family Fence;





Each "fence" is a barrier to control drug abusers, traffickers, and groups of people open to drug abuse (potential users) in order to form a frontline to prevent and control drug abuse. These measures are implemented in accordance with the rule of law and recognise the need to protect human rights.

Thailand is acknowledged in the Mekong sub-region and world community for applying "best practices" in solving drug-related problems, especially through reducing opium growing areas by advocating sustainable development. This led to a drastic decrease in poppy cultivation areas. The model "Alternative Development", which has improved the quality of life of those who used to grow opium poppies, is recognised as a model of good practice for other countries to follow including Myanmar, Indonesia, Afghanistan and Peru.

In terms of rehabilitating drug abusers, a number of measures have been developed among related agencies in both a voluntary and compulsory treatment system. Drug prevention and suppression policies were highlighted for top-priority action under the concept of *"prevention over suppression: drug addicts to be treated and drug traffickers to be punished"*.

Parallel to this is the decriminalisation of drug addicts previously treated as criminals. Recognising that addicts are not perpetrators of narcotic crimes, but rather victims of drug trafficking, the emphasis shifted to classify them as patients in need of therapy and rehabilitation.




HRH Princess Maha Chakri Sirindhorn inspects the Prom Panya Library.

Rehabilitating Delinquents

"...Taking the wrong path may not be the end of life..."

In the past, when a person was sentenced to be punished under the judicial system, it was logical that he or she should bear the consequences of their actions. The Thai justice system today recognises that a person cannot be sentenced to "die" because of their antisocial behavior, and has navigated away from mainstream justice that focused on the punitive solution in favour of retribution for those who intentionally or unintentionally took the wrong path.

Several measures have been implemented to correct and adjust the attitude and behaviour of someone who has committed a petty offence using ADR measures such as probation along with a conditional caution, in effect diverting such cases away from the mainstream justice process. The priority for rehabilitation agencies is to "return decent citizens to society", and "return a decent child to the family".

Detention in restricted areas like prisons and correctional centres need not inhibit inmates from learning. Supporting this view, HRH Princess Maha Chakri Sirindhorn's intention of promoting literacy has resulted in the Prom Panya Library (library full of wisdom) being established in prisons as learning centre for inmates. Indeed, a large number of detainees have graduated in the recent past because of this educational support.

In addition to education, inmates' training includes religious doctrine, vocational training, recreational activities, music, sports, arts, and plays, to help the rehabilitation process. Such activities help prepare detainees for reintegration into society along with moral support and encouragement from relatives and others in the community.

Inspire Project (Kamlangjai Project)

"Kamlangjai" or "Inspire" is a powerful word that refers to good wishes and generosity human beings should have for one another..."

The Inspire Project (Kamlangjai Project), under HRH Princess Bajrakitiyabha's royal initiation, stemmed from the princess's intention to develop the legal affairs and justice process. With a particular interest in the lives of female inmates, Her Royal Highness concentrated initially on pregnant inmates and children attached to female detainees. The Inspire Project aims to extend help and give encouragement to those who made mistakes in their lives and were brought to justice, and those groups of people who lack opportunity and need help to return to society as decent citizens. It is important that people should help provide opportunities for others, in a timely fashion, especially to those who need courage to reintegrate into society.



HRH Princess Bajrakitiyabha

Founded in 2006, the project offers a helping hand to those in need of opportunities in Thai society by carrying out activities that support government agencies without overlapping government programmes.

This way, the project finds the right target groups and chooses the most beneficial activities to contribute or improve what government agencies are unable to fulfil due to lack of resources. The target groups consist of female detainees, detainees' babies, juvenile delinquents and other groups of needy persons who are part of the justice process. The end result is a marked improvement in their skill set through education and vocational training to improve their quality of life.

Apart from encouraging and providing opportunities for these target groups, the project campaigns to encourage Thai society to offer opportunities to those who took the wrong path but have now learned to be good citizens.

Another important activity under the project is the use of play and acting skills to help the process of rehabilitation. This novel idea helps reshape the behaviour of juvenile delinquents in observation and protection centres to help them learn and realise the truth from playacting. This method was first introduced at Ban Kanjanapisek Training School after which the inmates held their first performance at the Pathum Thani International Theatre Festival in February 2009.



In April 2009, at the 17th Commission on Crime Prevention and Criminal Justice (CCPCJ) held in Vienna, Austria, HRH Princess Bajrakitiyabha, leading the Thai delegation, tabled the topic Enhancing Lives of Female Inmates (ELFI).

ELFI is Thailand's draft proposal "United Nations Rules for the Treatment of Women Prisoners and Non-custodial Measures for Women Offenders" (the Bangkok Rules) to draw the world's attention to the specific needs of women prisoners. Their needs are different from male prisoners enshrined under the 1955 United Nations Standard Minimum Rules for the Treatment of Prisoners which are deemed inadequate for women.

Her Royal Highness is determined to support this particular group of people as reflected in the speech the princess gave at the 11th International Corrections and Prisons Association conference at which she received the President's Award from the International Corrections and Prisons Association (ICAP): *"I am very certain that with our collective effort at the end of the day we will inspire women prisoners worldwide with the flame of hope for better lives tomorrow"*.

Law Reform

Reformation of the law and justice process was introduced under the National Commission for Justice Administration Development by implementing the Master Plan for National Justice Administration. The supporting plans are Justice Personal Development Plan; Master Plan for Legal Research in the Justice System, and the Master Plan for Justice Information Technology as the directional and operational framework for the integration of strategic plans for agencies to move in the same direction.

For legal reform and development, Thailand has reviewed and revised laws at all levels to bring them up to date; reducing delays and complications in the practical process, and executing them with appropriate efficiency to make law enforcement consistent with the principle of the rule of law.

Public Participation and Distribution of Justice

The new trend pertaining to Thailand's judicial process is to place emphasis on public participation and cooperation from all sectors, both in the acceleration of judicial affairs and the management of justice in the community. It is not sufficient for government representatives and officials to solely receive or listen to facts concerning people's problems. Related agencies must seek collaboration from other sectors in society to participate by forming volunteer networks to work with the government sector in managing justice for the public benefit in order to solve community problems.

Regarding the administration of justice, Provincial Justice Officers are established in every province in the country as centres to link with agencies in the Ministry of Justice and other related agencies in the judicial process, along with private and pubic sectors, to achieve sustainable development and a self-reliant social justice system with the idea of extending justice to everyone.

Integration and networking among justice-related agencies is the way to allow people to participate and gain access to planning, public hearings and the operational process giving the public opportunities to take part in planning, implementing and assessing government policies in a "by the people, for the people" model. The aim is for all operational projects to be consistent with local culture which should easily gain acceptance from the public as the ultimate goal in the judicial process is society's last resort.





GOVERNMENT AND POLICY / ADMINSTRATION
PUBLIC SECTOR REFORM



Government and Policy/Administration Public Sector Reform

In the midst of current global change, economics, society, politics, technology, free trade and environmentalism have flown more freely. Advances in communications within a borderless global network, and the progress of democratisation, have led to a greater respect of human rights. Every nation, including Thailand, has been affected by globalisation. This will offer great opportunities as well as pose real threats to sustainable development. The context of change mentioned has required a serious commitment to develop competitiveness capacity in order to gain more benefits.

In responding to change in the global context, the Thai government has realised the importance of public sector reform for competitive capacity of the country toward change; government policy and political stability; festering deficiencies of the governmental system requiring urgent and determined action, and demands by academics and the public for modernisation of the system to bring about greater relevancy to the current situations and increased responsiveness to the needs of the people.

Comprehensive reform to overhaul administrative processes and public sector structure has been implemented since 2002. Consequently, various laws and regulations pertaining to public administration and laws required for the transformation of the bureaucratic structure have been amended and put into effect.

The Public Administration Act of 2002 has been enforced and prescribed a vital principle in Section 3/1, stating that public administration must be carried out for the benefit and wellbeing of the people. Additionally, the Royal Decree on Criteria and Procedure for Good Governance was enacted in 2003 to set management guidelines and directions for all government agencies in order to respond to the needs of all citizens. The decree incorporated the following principles:

- Responsiveness in public administration with a view to foster happiness and improve living conditions, and to maintain public order and safety as well as maximise national benefit;
- Results-based management according to performance plan targets;
- Effectiveness and value-for-money administration in terms of meeting targets specified in action plans by due dates, within the work or project budgets, and with cost accounting of public service work;
- Elimination of unnecessary steps of work so as to deliver public services expeditiously;
- Review of mission to meet changing situations and adjust priorities;
- Provision of convenient and favourable services by specifying the due date of each task and make it known to both the public and officials; and
- Regular evaluation in terms of mission accomplishment, quality of service, customer satisfaction, and value for money.



After efforts to fulfil the intent of Section 3/1 of the Act and the Good Governance principles, the Thai Government proposed the Public Sector Development Strategic Plan which aims to systematically prescribe an implementation framework, objectives, strategies and measurement in order to ensure our reform plan that focused on (1) excellent service quality; (2) rightsizing public sector; (3) high performance, and (4) open bureaucracy.

The Thai Bureaucratic System plays an encouraging role by supporting state administration under the democratic system of His Majesty, especially with the implementation of government policies and strategies and good delivery of public service together with law enforcement with the final aims of the citizens' wellbeing and the nation's interests. Strategy of Thai Public Sector Development Plan 2008 – 2012 can be divided into four categories:

1. Leveraging service and performance in response to sophisticated, diversified and changing expectation and needs of the citizens;

2. Reengineering work processes to achieve an integrated approach, coordination and networks with public participation;

3. Building a high performance organisation with capable manpower ready to learn to create and to adjust to versatile situations;

4. Creating an effective self-monitoring system to ensure transparency, confidence and conscience of accountability.

Thai public sector development which has continually been implemented resulted in the achievement of the following objectives: increased public satisfaction and trust in the bureaucratic system, public sector roles and responsibilities, rightsizing as reflected in the decrease of the ratio of state fiscal budget to the National Growth and reduction of human resources according to the target goals; capacities and work standards at an international level, and, finally, a democratic governance of the public sector that provides more opportunities for people to participate and to express their opinions and to monitor through various channels.

By translating the reform concept based on the principle of the Royal Decree on Good Governance into concrete actions, the Thai government has installed the following reform initiatives:

Results-Based Management (RBM)

The Results-Based Management (RBM) system emphasises change to processes or patterns of the public work. The use of Balanced Scorecard (BSC) will measure the organisation's performance in four dimensions: Strategic Effectiveness, Quality of Services, Efficiency of Work Process and Organisational Development. It was deemed necessary to transform top-level management posts and the posts of provincial governors into posts of change-management leaders who are capable of generating and managing innovation. The change leaders were challenged to implement a business-like approach to public administration for effective management in integrated strategically-driven systems complete with follow-up evaluation and reward systems.

Public agencies are expected to function under the principles of good governance, in particular focusing on accountability for endorsements promotion public participation, disclosing information, as well as monitoring and evaluating performance. The specific focus of different agencies will vary according to the functional nature of each agency.

Customer-first Strategies

The government has launched several programs to streamline the work process for faster action and higher customer satisfaction. For example, all government agencies were expected to reduce their work processes and achieved cycle-time reduction by 30-50%. In addition, one-stop services called Service Links were established in all ministries and provinces. The Government Counter Services (GCS) further increases convenience by locating service counters of public agencies that provide basic services (such





as identification cards, household certificates, name change certificates, birth and death certificates, and passports) in populated areas. Thus, all citizens should be able to contact, request information, and apply for permission or approval at a one-stop service centre or through modern e-service facilities.

In order to ensure the public service quality for business operations, the government has supported and pushed forward government agencies to shorten service delivery time, streamline processes, reduce burden costs, and enhance the business climate. From such accomplishments, Thailand was ranked 17th of 183 countries in 2012 by The World Bank, in a report ranking countries in terms of the degree of ease of doing business.

Thai government agencies have successfully developed services quality systems and have achieved good results in the international arena. For instance, Thailand was a finalist in the UN Public Service Award in 2011. The Revenue Department received a Public Service Quality Award and was declared the winner of the United Nations Public Service Award for advancing government Knowledge Management. Moreover the Royal Irrigation Department was declared the runner-up for fostering participation in policy-making decisions through innovative mechanisms.

Thai public sector development has been improved continually in many aspects such as rightsizing, work processes and time reduction in public service and this led to increased public satisfaction. The vast majority of the public perceives, understands and is satisfied with overall public sector development with more trust and is more confident of transparency and public service quality.

Enhancing People Participation

The Thai Bureaucratic System plays an encouraging role by supporting state administration under the democratic system of His Majesty, especially with the implementation of government policies and strategies and good delivery of public service together with law enforcement with the final aims of the citizens' wellbeing and the nation's interests.





Opening up the bureaucratic process has been laid out to provide opportunities for public participation. Citizen engagement is seen as an appropriate and necessary part of policy implementation in the democratic system. Public administrators are held ethically responsible for encouraging the participation of the citizenry in the process of planning and providing public goods and services. Therefore, people are able to monitor and evaluate public performance in order to increase transparency. Concurrently, the public sector seeks better incorporation of citizens into participatory governance through a mechanism called people's audit.

Government agencies laid out measures and activities to provide opportunities for public participation to create trust in transparency for service quality in the Thai Public Sector. All government agencies implemented every preventive measure to provide more opportunities for public participation so that the public can express opinions and audit public sector performance and activities in accordance with performance agreements. The primary step was to create understanding among government officials on public participatory governance.

Then, raising awareness of participative public administration as organisation culture was encouraged. As such, pilot projects were set at the Ministry of Public Health, Ministry of Social Development and Social Security and Public Relations Department to create a model for people's participation in the key policies that will effect total organisations' administration.

At a provincial level, knowledge and understanding of participative management will be extended to government officials within the provinces; also mechanisms for such deeds will be strengthened. Key participative management issues are elected by provinces and academic consultants will advise on implementation plans and the operation of pilot projects as well.

Leveraging of the Public Sector and Local Government Services

A project on the leverage of the Public Sector and Local Government Service through People's Audit for Thailand (PATH program) has been undertaken. Its key emphasis is based on the awareness that people's participation in public service will bring about understanding, satisfaction, real needs and partnership-building entailing trust, efficiency and effectiveness in line with the actual needs of people.

Networking establishment to up-level public service of the government sector and local government in Thailand was accomplished. Components are from representatives of various organisations: citizens, public sector, NGOs and academic institutes. Their roles encompassed the founding of a task force which would build up a curriculum and manuals about PATH, train



instructors and trainers to further systematically train a person to help up-level public service standards in the local areas and other areas which were ready. Emphasis is placed on practical and tangible problem-solving policies such as public health, social welfare, and community development.

Additionally, the new public administration enhances the decentralisation from central government to provinces. Provincial governments have been authorised to manage their own budgets, human resources and also enforce laws. In this regard, the mechanism to promote good governance and accountability is required to protect against any non-transparency management.

Effectively, section 55/1 of the Public Administration Act (No.7) of 2007, (new revised version) outlines the set up of the Good Governance Promotion Committee, which is responsible for submitting and revising policies for promoting Good Governance in government organisations, monitoring implementation aligned to Good Governance principles, consulting with heads of departments in implementing Good Governance, providing recommendations, disseminating information, approving plans/ measurements/ proposals on Good Governance for four years and one-year durations and performing other tasks concerning the promotion of Good Governance in the public sector .





Concreting Relationship between Central, Regional and Local Governance

In accordance with The Public Administration Act 2007 and The Royal Decree of Provincial Administration and Provincial Cluster Integration, an operational plan will be formulated in order to push forward provincial administration and provincial integration. The Governance Model creates the "Collaborative Governance" between the vertical and horizontal relationship. The objective of this model is to decrease the overlapping of state budgets and utilise scarce resources effectively. Basically, the Governance Model encompasses two vital relationships:

A Vertical Relationship is the relationship among central, regional and local governments. Each organisation will be assigned duties recognising their strategies and work on "intergovernmental relations". Representatives of each organisation shall negotiate and sign contracts with each other in order to create a "Join-Up Government".

A Horizontal Relationship is the relationship among the public sector, private sector, communities, and people. To strengthen this relationship, Regional Governors provide a vital link in order to create the collaboration of all parties. Moreover, the Royal Decree of Provincial Administration and Provincial Cluster Integration have mechanisms to achieve the collaboration of all parties from the beginning of the provincial plan process until it is fully

implemented. According to an effective provincial plan, the private sector should perform as an investor in aligning with their strategies and supporting their budgets. Simultaneously, communities and people should collaborate in terms of driving their strategies through public hearings.

Changing Role of State

Currently, examined and revised roles and obligations in response to current global changes make the public administration more flexible, adaptive and responsive to the needs of citizens, including:

- Positioning must be laid out in an appropriate way;
- Decentralisation must be supported to achieve balance;
- Reengineering the public sector structure;
- Building a proper administrative procedure, according to roles and obligations which are still under implementation;
- Organising relationships between the public sector, central, regional and local, private sector, sociological and communities to be appropriate and balanced;
- Creating management tools and other mechanisms to encourage other organisations' participation to carry out their duties in accordance with new roles and obligations such as passing laws, laying out tax measures and funding and enhancing collaborative working.

New Vision of the Thai Public Sector

The Public Sector Development Strategic Plan has to be revised in response to current global changes. Public administration must be more flexible, adaptive and responsive to the needs of the citizens. Strengthening the capability of the public sector is one of the key elements to increase national competitiveness, reduce poverty problems, and to achieve sustainable, social and economic development.

The challenges extend beyond improving performance, but also to maintaining and restoring public confidence and trustworthiness across the whole public sector. To ensure transparency and accountability, create opportunities for all sectors to participate in public policy processes as well as to improve abilities and effectiveness of the public management, the Thai public sector will emphasise the following principles:

- Focusing on a "citizen-centred approach", improving public services and delivering high value outcomes to the citizens;
- Revising the roles of the public sector to those of a supporter and facilitator, cutting unnecessary functions, and streamlining work processes with better utilisation of public resources;
- Maintaining proper relationships with political administrators, providing neutral and impartial advice based on professional standards;
- Building networks and cooperating with other sectors in society as well as integrating or linking government activities in all levels;
- Enhancing managerial capabilities and abilities to execute major programs, becoming more creative to cope with new challenges and

responding more quickly to unexpected changes;

- Putting good internal control systems in place, complying with legal requirements and keeping bureaucratic discretions within boundaries, as well as becoming more proactive in social responsibilities and environmental concerns;
- Striving for performance excellence, ensuring high quality standards, and applying advanced technology to deliver a world-class public service; and
- Seeking new, talented, knowledgeable, and competent staff, promoting ethical behaviour and fighting against corruption as well as encouraging a paradigm shift in the attitudes of existing public servants.

The Thai public sector system has moved towards Good Governance as prescribed in Article 3/1 of The Public Administration Act (No.5) B.E. 2545 (2002) followed by the Royal Decree of Criteria and Procedure of Good Governance B.E. 2546 (2003). Such progress was enthusiastically supported by the government.

The impact is that all public agencies have become strategically-focused organisations. More encouragement has also been made towards integrating innovation, information and communication technology to ensure accessibility, speedy and accurate response to service needs and to achieve international standards. Decentralisation and participatory governance allowing the formation of more effective regional and local governments with greater flexibility and more timely responses when addressing citizens' needs at the local level, as well as the role of state, will also be revised so the Thai Public Sector will be adaptive to approaching changes, sustainability and the ultimate goal of trust.







DEFENCE





National Defence Policy

Thailand pursues a national defence policy that emphasises preventative measures and cooperation with other state authorities, including friendly nations. The policy comprises six key elements:

1) To maintain solidarity and support for national interests amongst all Thais;
2) To enhance defence capacity by integrating all forces and resources to develop effective monitoring and early warning capacities;
3) To develop science and technology to enhance national capacities to confront threats and protect national interests from the negative effects of information technology;
4) To create trust and understanding with neighbouring countries;
5) To cooperate with major powers and countries in the Asia–Pacific region for stability in the region; and
6) To develop cooperation networks of intelligence to counter terrorism and other kinds of transnational crime.

Defence Strategic Concepts

In order to cope with the current strategic environment, and be prepared for future threats and challenges, the Armed Forces must meet its national defence objectives by committing to three strategic defence concepts: Security Cooperation, United Defence, and Active Defence. Moreover, the Armed Forces must fully support and provide their resources to solve urgent national security issues in every instance and fulfil their obligations as a key national institution and important national power.



Roles of the Armed Forces

The roles of the Royal Thai Armed Forces have been defined to focus on tasks other than preparations for defending the country in cases of armed conflict. The adjusted roles include missions in support of government policies such as assistance in implementation of the royally initiated projects, elimination of drug trafficking, conservation of the environment and natural resources, and other civic action programmes, all of which contribute towards enhancing human security in the region.



Domestic Roles of the Armed Forces

Within the scope of responsibilities and authorities of the Armed Forces stated in the Kingdom's Constitution, the Ministry of Defence Administration Act, the Internal Security Act and the State of Emergency Decree, as well as other relevant policies at every level, the Royal Thai Armed Forces' tasks or roles can be classified into two groups: military operations and military operations other than war.

Military operations encompass protecting the country from both internal and external threats and maintaining the international security and order, while military operations, other than warfare, include developing the country, safeguarding the Monarch, protecting and maintaining national interests, and other security-related operations. The latter also includes participation in the government's development activities.

Military Operations

Protection of the Country from External Threats

In response to the three defence strategic concepts mentioned above, the Royal Thai Armed Forces formulated the National Defence Plan to ensure that the Army, Navy and Air Force are capable of performing their functions correctly, according to the written plan and consistent with current situations by deploying forces since the time of normal circumstances, and having the Royal Thai Armed Forces' Military Commanders Council and those of other branches to closely monitor situations in order to immediately respond to any emergency incident of sovereignty violation.

Maintaining Internal Security

The Internal Security Act B.E. 2551 (2008) states that the Armed Forces shall have roles and responsibilities to safeguard the internal security since the time of normal circumstances. Accordingly, the Armed Forces delegate this authority to the Internal Security Operations Command (ISOC) directed by the political sector and having the Army as its main operative unit.

The government, with the full support of the Armed Forces, has applied

His Majesty the King's concept of "Understanding, Reaching and Development" as well as peaceful resolution as a key strategy and main policy guideline in dealing with the southern border province situation. At the same time more attention has been placed on local development, people's way of life, beliefs and customs, public participation at all levels, and transparency of law enforcement. The Armed Forces help uphold public safety and control unrest by supporting all activities of the ISOC. In addition, the Armed Forces also play a big role in the promotion of local development in various fields to enhance the strength of local communities, for example regarding education, economic conditions, social development, sports and so forth.

Maintaining Internal Peace and Order

The State of Emergency Decree B.E.2548 (2005) states that the Armed Forces has a role and responsibilities in maintaining internal security both in normal and emergency situations. In normal situations, the Armed Force shall assist and support government officials and police which are the main forces in the initial operation of deterring and suppressing unrest. Once a situation has severely escalated and a state of emergency declared, the Armed Forces shall use military operations as authorised by the Cabinet, to return the situation back to normal as soon as possible, before returning operations back to government officials.

Military Operations Other Than Warfare

Participation in the Government's Development Activities

The roles of the Royal Thai Armed Forces in the development of the country include the process of promoting development in politics, economy, socio-psychology, science and technology, energy and the environment. These can be described as:

1. Helping and supporting government activities in developing national politics by enhancing and providing education to the people to understand their rights and duties as citizens in a democracy under a Constitutional Monarchy. This also includes encouraging expressions of opinion and taking part in political activities;
2. Using their potential to develop economic strength in order to expedite national progress by supporting royally initiated projects under His Majesty the King's philosophy of "Sufficiency Economy";
3. Taking part in activities to prevent, relieve and resolve important





social issues of the nation that need to be addressed, such as illegal drug trafficking, national epidemics, and national reconciliation;

4. Joining hands with other government agencies, the private sector and allied countries in research and development to promote science and technology capabilities for national development. For example, the Armed Forces have participated in the Royal Rain Making Project and the use of alternative energy such as biodiesel for reducing energy dependence from other sources;
5. Playing an important role in addressing environmental crises arising from the careless use of national resources. The Armed Forces cooperate with other government and private agencies in campaigning for the protection and rehabilitation of the natural environment, such as the Reforestation Project in Doi Mae-salong, Forest Rehabilitation Project of Nam-Nhao Head Water, Sea Turtles Conservation Project, the Mangrove Reforestation Project, and so forth.





Public Disaster Relief

Public Disaster Centres have been established in the Ministry of Defence, the Royal Thai Armed Forces Command, and every single service in order to assist people affected by natural and manmade catastrophes. Related assistance includes drought relief by cloud seeding operations, renovating ponds, constructing village waterworks and underground water wells, relief from wintery difficulties, and flooding.

Counterterrorism

Operations are conducted by the International Counter-Terrorist Operation Centre (ICTOC) which works as a tool for international terrorism resolution. There are two levels of responsibility: at the policy level (Policy and Direction Committee for International Terrorism Resolution and Sub-Directing Committee for International Terrorism Resolution) and at the operational level (ICTOC is assigned to planning, directing, cooperating with and supervising the activities of special operations teams and other concerned public agencies).

Prevention and Suppression of Illegal Drugs

The Armed Forces established the Administration Centre for Defeating Illegal Drugs to conduct operations to defeat drug trafficking and illegal drug use. The tasks of the centre are campaigning, prevention, suppression, and the rehabilitation of drug addicts.

Land Mine Clearance for Humanitarian Operations

Under the Ottawa Treaty on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-personnel Mines and their Destruction, Thailand established the Thailand Mine Action Center (TMAC) which functions as the operations centre for all activities involving land mine clearance and humanitarian work. The Royal Thai Armed Forces are the key organisations in the structure of TMAC.

Prevention and Obstruction of Illegal Work Force Immigration

The government has set up an Administration Committee for Illegal Work Force Immigration in which the Prime Minister, or a person assigned by the PM, is the chairman responsible for resolving problems. The Royal Thai Army and the Royal Thai Navy have been given the mission of preventing Illegal work force immigration since 2001.

Regional and Global Roles of the Armed Forces

Thailand has undertaken many activities at national, regional and global levels in order to contribute to peace, security and stability in the Asia–Pacific region. These regional efforts are perceived as supplementing national and bilateral efforts to promote peace, security and stability, complementing multilateral efforts under the United Nations or other entities.

Contributions to Peace, Security and Stability in the Region

Implicitly, the ASEAN Charter identifies as one of the organisation's purposes "to respond effectively, in accordance with the principle of comprehensive security, to all forms of threats, transnational crimes and transboundary challenges". Within the region, Thailand's approach has been to strengthen the code of conduct that promotes the peaceful settlement of disputes and to reinforce ASEAN-led and other regional arrangements and processes that promote enhanced cooperation on issues of shared interests and common concerns and address various common challenges to regional peace, security and stability.

In view of the ASEAN Political Security Community Council identifying regional cooperation in peacekeeping as a priority area and the importance of this issue as identified in the ASEAN Defence Ministers' Meeting (ADMM) Three-Year Work Programme, networking is the first step to establish



regional arrangements for maintaining peace and stability as called for in the ASEAN Political-Security Community (APSC) Blueprint.

In the wake of the 3rd ADMM in February 2009, held in Pattaya, Thailand, the Royal Thai Armed Forces together with other ASEAN defence establishments have recognised the useful and proactive roles that they could play in addressing both national and regional non-traditional security challenges as part of an integrated approach and through collective efforts so that their undertakings are result-oriented. Convening the event also gave Thailand the opportunity to work with fellow ASEAN member states to enhance cooperation on Humanitarian Assistance and Disaster Relief (HADR) by exploring and identifying possible ways and means for the use of ASEAN military assets and capacities to conduct HADR operations.

Thailand also realised the engagement of various sectors of society including civil society organisations was key to building an effective front to counter non-traditional security threats. In this connection, an ADMM workshop was organised in Bangkok in June 2009 to open a dialogue with CSOs in the region on how they can cooperate with defence establishments to address non-traditional security threats.

Cooperation with Neighbouring Countries

The Armed Forces play a key role on joint committees between neighbouring countries and Thailand, both at the policymaking and operational levels. These committees typically are comprised of representatives from the Armed Forces as well as the Ministry of Foreign Affairs, Ministry of Interior and Office of National Security Council. They work to carry out national security policy on Myanmar, the Lao PDR, Cambodia and Malaysia for the enhancement of security along the border areas.

Regarding the promotion of regional maritime security, Thailand's defence doctrine has always given top priority to security in the Gulf of Thailand due to its fundamental strategic value, rich marine resources, and overlapping claims. Thailand joined in the Malacca Straits Coordinated Patrols and the Eyes in the Sky programme in September 2008. The combined operation by Indonesia, Malaysia, Singapore and Thailand provides full surveillance and protection of territorial waters as well as ensuring the safety of nearby international sea lanes. Maritime security cooperation in the Straits heralds a particular regional security mindset in Thailand's defence strategic thinking. It has now seriously incorporated maritime transnational threats that go beyond piracy or refugees to include non-traditional security such as maritime terrorism, protecting energy routes, transnational criminal trafficking operations as well as maritime conservation.



Asia–Pacific Region

Thailand seeks to promote security cooperation with all countries at bilateral and multilateral levels on the basis of mutual respect and mutual benefits in order to create amity, maintain neutrality, consolidate strength and prevent conflict. Promoting further trust and confidence as well as enhancing capabilities for joint operations, including responses to disasters and providing humanitarian assistance, were some of the main goals of the Cobra Gold multinational defence exercise in Thailand. To ensure transparency, there were numerous observers from countries in the Asia–Pacific region.

Contributions to Peace, Security and Stability Worldwide

Another area where the Royal Thai Armed Forces aim to enhance capabilities, based on their past experience, is in peacekeeping operations. This is commensurate with Thailand's policy to "promote Thailand's role in international peacekeeping under the framework of the United Nations", as emphasised in the Royal Thai Government's Policy Statement to the National Assembly in December 2008. Thailand's past experience in UN peacekeeping and observer missions worldwide include, among others:





The United Nations Transitional Authority in Cambodia (UNTAC);

The United Nations Transitional Administration in East Timor (UNTAET);

The United Nations Operations in Burundi (ONUB);

The Aceh Monitoring Mission.

With the establishment of a national peacekeeping centre, Thailand hopes it will help contribute to the development of regional capacities for peace-building and, in this connection, see the development of enhanced links and networks among peacekeeping centres in the region in areas such as joint planning, training and sharing experiences.

Confidence Building

The Armed Forces have attached high importance to transparency and confidence at the regional and global levels. This can be described as follows:

1) Publishing "The Defence of Thailand" White Paper;

2) Participating in international meetings in bilateral and multilateral arenas;

3) Developing networks of international cooperation for preventing and



countering terrorism and transnational crimes, especially in the Southeast Asian region;

4) Improving the level of cooperation on information exchange;
5) Establishing channels of communication;
6) Exchange visits of Armed Forces leaders and other personnel at various levels; and
7) Developing respective laws.

Cooperation with Allies

The Armed Forces continue to have a close relationship with many countries, comply with international commitments, and support many United Nations operations. They carry on relations with the major powers through a selection of opportunities, places and issues in appropriate roles and approaches based on the national interest.

In the modern era, the world has become increasingly integrated, particularly in economic, political and military affairs, and states have found it necessary to work together to manage transnational threats and security challenges. The Royal Thai Armed Forces are Thailand's primary institutions for managing and carrying out the roles and responsibilities necessary for ensuring the Kingdom's national interest. Besides the main mission to protect the country and maintain national sovereignty, the Royal Thai Armed Forces continue to play a crucial role in time of peace and joins hands with other organisations to help develop the country. Thailand will also rely on cooperative endeavours at regional and multilateral levels, with countries inside and outside the region as well as with relevant international and regional organisations. Thailand will also continue to contribute to the emerging regional security architecture, based on cooperation and joint action to face common threats and challenges and emergency situations that arise in the region, and in respect for diversity. Such regional processes, however, should also be based on mutually beneficial partnerships with countries and organisations outside Southeast Asia. What is important is that the evolving regional architecture is inclusive, responsive, builds on shared interests, is not directed against any country or group of countries and respects the diversity of the Asia–Pacific region.



INTERNATIONAL RELATIONS



Early Conduct of Foreign Affairs

Documented evidence shows that Thailand's relations with foreign countries began in the 13th century, at the time of the Sukhothai Kingdom. During the reign of King Ramkhamhaeng the Great (1278-1320) the Sukhothai Kingdom began what was to become one of Thailand's longest external relations. Many goodwill missions bearing gifts were sent back and forth between King Ramkhamhaeng the Great and the Emperor of China. Through these cordial relations began Thai trade with China, neighbouring kingdoms, and beyond.

The subsequent period saw the rise of international trade, with Ayutthaya, and later on Bangkok, becoming thriving markets for goods from the Far East to be exchanged for merchandise from other parts of the world. It was this "trading post" role that attracted traders from Europe beginning an era of international relations with the West. In 1516, Siam (as the country was referred to before the 20th century) concluded a commercial agreement with Portugal, the first of its kind between Siam and a European country. This was followed by similar agreements with other European countries such as Spain, the Netherlands, England and France.

What began as foreign trade quickly extended to other areas of international relations. The year 1684 saw the first diplomatic mission from Siam to France before the signing of the first Treaty of Friendship between Siam and another country the following year. This tradition continued into the Bangkok era, from 1782 onwards, when foreign affairs became an increasingly prominent feature in the Kingdom's activities.

Diplomacy since the End of the 19th Century

At the height of European imperialism in the second half of the 19th century, preservation of its sovereignty and survival as an independent nation was the preoccupation of Siam's foreign policy.

During that time, Thai kings forged friendly relations with as many countries as possible while making all conceivable efforts to avoid confrontation with European powers by accommodating their demands. These included the signing of a number of treaties, albeit unequal, the granting of extraterritorial rights to European citizens, and with great reluctance, the ceding of territories to

Great Britain and France. Painful as the sacrifices were at that time, Thai diplomacy led to the country's survival as the only independent country in the region.

The ensuing post World War II era created fault lines dividing the world into two camps, with the US and the Soviet Union leading opposing political ideologies. During this period, Thailand pursued a policy of peace and freedom through international cooperation. Diplomatic efforts were focused on securing membership of the United Nations (UN), which was achieved in December 1946 when Thailand became the 55th member.

During this period, recognition emerged that lasting peace and stability in Southeast Asia could best be guaranteed by the efforts of the regional countries themselves through the spirit of regionalisation. Formation of the Association of Southeast Asia (ASA) in Bangkok, in 1961, by the Federation of Malaya, the Philippines, and Thailand was the first notable attempt to promote meaningful regional cooperation. While this effort was stifled in September 1963 by certain regional disputes, the philosophy underlying ASA found a new expression on 8 August 1967 when the Foreign Ministers of Indonesia, Malaysia, the Philippines, Singapore and Thailand signed the Bangkok Declaration at the Ministry of Foreign Affairs in Thailand, thus marking the beginning of the Association of Southeast Asian Nations (ASEAN), which was conceived with the aim to promote peace and accelerate economic growth, social progress and cultural development in the region through joint endeavours in a spirit of equality and partnership. ASEAN evolved to become the main driving force for the region and later on expanded to include all other countries in the region.



Changing Realities in the Twentieth Century

The advent of the 1970s marked drastic changes in regional and global political configurations which brought about new challenges for Thailand's policymakers. On the international front, world politics was transformed from bipolarisation toward multi-polarisation with the return of China to the world arena, and with Japan and Western Europe increasingly asserting their political and economic roles. The withdrawal of the United States from Vietnam created a vacuum of power as well as a sense of uncertainty and anxiety over the United States' commitments in the region. The change of regime in the three Indochinese states and talk of falling dominoes represented danger to the security of the other nations in the region, and to Thailand in particular.

To keep pace with the changing international environment, Thai foreign policy underwent a major metamorphosis which continues to provide the basis for the conduct of present-day Thai diplomacy.

First, it adopted an omnidirectional policy by seeking diplomatic, commercial, and cultural relations with all nations, regardless of their political



ideology and economic systems. Secondly, regionalisation came to play an increasingly significant role in Thai foreign policy. The first ASEAN Summit in 1976 in Bali further advanced the process of regional cooperation in Southeast Asia, particularly with the signing of the Treaty of Amity and Cooperation in Southeast Asia (TAC) which constitutes a code of conduct based on peaceful coexistence and relations among the nations of the region. The Bali Summit marked a major watershed in that it further solidified political and economic cooperation among ASEAN states. Thirdly, Thailand adopted a more flexible foreign policy. With regard to its relations with major powers, it sought to forge an "equidistant" policy based on balanced interests.

In the 1980s, Thailand's foreign policy was focused mostly on the conflict in Cambodia, which posed a high degree of uncertainty to peace and stability in Southeast Asia and the wider region. As a neighbouring state, which was affected most, Thailand was compelled to take a leading role in finding a comprehensive political settlement to the Cambodian problem. The strategy that Thailand pursued was to work with its ASEAN partners to mobilise international support for peace in Cambodia through the United Nations. ASEAN-sponsored resolutions on the Cambodian issue received overwhelming support in the United Nations General Assembly, leaving no doubt as to the legitimacy of the ASEAN position. Eventually, Thailand's and ASEAN's determination paved the way for a negotiated settlement among the Cambodian parties, culminating in the Paris Peace Accord of 1991.

The final decade of the 20th century saw unprecedented peace and prosperity not only in Southeast Asia, but also throughout the world. Countries began turning their attention away from confrontation towards cooperation in economic development and improvement of the wellbeing of their peoples. The Cold War that dominated international affairs throughout the post World War II era was replaced by a new interconnected era. In this new era of globalisation, nations became interwoven and intertwined with peoples, goods, capital, technology, knowledge and ideas flowing freely across borders.

In 1991, Thailand announced to the world its policy to transform the battlefield in Southeast Asia into a marketplace. The most important vehicle for achieving this would be ASEAN, which had become the main pillar of Thai foreign policy. To build collective economic strength based upon the individual achievements of ASEAN members, Thailand proposed an ASEAN

Free Trade Area which is transforming the entire ASEAN region into one huge market.

However, after decades of high growth and expanding trade in Asia, in 1997 a financial crisis erupted in Thailand and swiftly spread to other economies throughout the region. While the Asian financial crisis dealt a serious blow to her meteoric economic growth, Thailand remained firm in its determination to contribute to the wellbeing of the region and the international community.

Entering the 21st Century

Following the devastating effect of the Asian financial crisis of 1997, Thailand began the new millennium with mixed sentiments. There was a sense of optimism and hope for the vast opportunities to be gained in the future. However, the renewed sense of confidence was tempered with the realities of the lessons learnt from the crisis. Gradually, the Asian countries recovered. Thailand, which was first hit by the financial crisis, recovered faster than many had anticipated, and its success was repeated by others throughout the region.

The 21st Century, once again, began to look bright for Asia with the rise of China and India as new major economic players. China's entry into the World Trade Organization (WTO) ushered in an era of even greater opportunities for the world.

Yet while these phenomena were occurring worldwide, the global community was shaken by unprecedented upheavals with the rise of terrorism, spread of infectious diseases such as SARS, avian influenza (bird flu), and more recently the Influenza A/H1N1; and devastation by natural disasters such as the 26 December 2004 tsunami, the 2008 Cyclone Nargis, the 2009 Typhoon Ketsana, and more recently the earthquake in Haiti, as well as challenges posed by climate change. The terrorist attacks on 9/11 in 2001 prompted the United States to lead a global campaign against terrorism which saw the removal of the Taliban regime in Afghanistan and continuing military operations against terrorist groups throughout the world. This was followed by the war in Iraq beginning in 2003.

Against the backdrop of these global challenges, Thailand's peace and prosperity depend on her ability to conduct effective diplomacy based on a combination of pragmatism in the face of constantly evolving international and regional environment. Flexibility and agility in Thailand's foreign policy will remain essential qualities into the millennium.



Century of Private Sector

Having learnt a valuable lesson from its 1997 financial crisis, Thailand realised that in order to thrive in this rapidly changing world, Thailand would have to strengthen its domestic economic and social policies while remaining fully engaged internationally.

In doing so, a sound foreign policy is one based on maximum promotion and protection of the interests of all parties. To sustain and enhance a level of national economic prosperity in the context of today's world, the private sector, as an essential engine of growth, can no longer aim for business prosperity within the confines of the domestic market alone. With the rising number of Free Trade Areas (FTAs), both bilaterally and regionally, the global business landscape has been gradually transformed. In this new economic environment, the Thai private sector has been readjusting its policies and trade strategies in order to thrive. Despite the new challenges, this new economic alignment offers new opportunities to the private sector. Emerging markets worldwide are there to be explored, and opportunities are up for grabs to those who possess updated and accurate information.

Being well aware of these challenges, the government is helping to equip our private sector with necessary tools such as market information and relevant rules and regulations. Apart from issuing visas, looking after Thais and Thai businesses abroad, and promoting Thai interests overseas, Thailand's embassies and consulates-general have been increasingly tasked to promote the economic interests of Thailand and the Thai private sector – the so-called Economic Diplomacy by, among others, exploring new ways and means to promote bilateral economic activities at various levels, gathering necessary information and providing policy recommendations to the capital on emerging opportunities. In doing this, various communication channels have been utilised, including websites which is one of the most effective means to disseminate information to interested members of the public with a view to assisting in the making of their business plan. The outward looking policies have culminated in such concepts as Thai Kitchen to the World, One Tambon One Product (OTOP), Halal Hub, medical tourism, as well as cooperation in the area of energy security and SMEs.

In the wake of the new economic and financial crisis that started to take its toll on the global economy since early 2008, national governments are particularly called upon to keep the economy moving forward without succumbing to the domino effects of the crisis. The Thai government has played a vital role in keeping domestic consumption vibrant by, *inter alia*, injecting money into the hands of the people, especially the most underprivileged in society, to relieve them of the effect of the economic downturn while issuing successive economic stimulus measures to sustain economic growth. After two consecutive quarters of registered minus growth, it is agreed now that the Thai economy had bottomed out from the crisis and was heading towards real growth for the first time from the 4th quarter of 2009. Consumers and investors' confidence have been fully restored and industrial sector confidence index is on the increase.

On the international front, the outward looking policies have played a vital role that contributed to the economic recovery. Intense efforts were made in every possible channel to convince partners of the strong fundamentals of the Thai economy and the government's commitment to free and fair trade. This was accomplished through numerous road shows, headed by the Prime Minister as well as many high-ranking representatives of the government, to provide firsthand information to government officials and potential investors and business partners and assure them of the strong fundamentals that have helped Thailand through a quick recovery. Prominent members of the Thai private sector were also invited to join the entourage to complement the government's efforts. With the Thai economy back on track, business plans discussed during the economic road shows started to take off as seen in all the positive economic indicators that we are now witnessing.

Strengthening the Fabric of an Asian Community

With the rise of China and India, attention has been directed to Asia as the engine of growth for the foreseeable future. Many have said, the 21st Century is the century of Asia and the Pacific while regional cooperation centred around Asian nations, and ASEAN in particular, has gained momentum in recent years. Thailand has been at the forefront of this new wave, having proposed the establishment of the Asia Cooperation Dialogue (ACD) in 2002 to be the first continent-wide forum—the missing link of Asia—with its key principle resting on a collective effort to consolidate Asia's diverse strengths and fortify the continent's competitiveness.



Since then, the ACD has continued to grow in size and importance. From 18 founding members, the ACD now encompasses 31 member countries from every sub-region of the Asian continent. Thailand continues to advance progress in the ACD, in its capacity as ACD Coordinator.

Promoting Partnership for Development

The full realisation of an Asian community will never be attainable as long as there continue to exist economic disparities in the region. Globalisation, which opened up the window of opportunities and advantages, also accentuated the gaps, as well as disparities, and raised new barriers. Despite the vast opportunities and benefits from globalisation, many countries still struggle with the problems of poverty and underdevelopment.

Thailand recognises that its development as well as the development of the region as a whole cannot be sustainable if other countries were left behind. In ASEAN itself, the existence of economic and development disparities between old and new members is clearly visible. Realising this dilemma, Thailand adheres to a policy based on the principles of "prosper thy neighbours". Promoting prosperity in the region in a sustainable manner will not only add



value to ASEAN, but will also strengthen Asia as a whole.

This principle, coupled with her economic success and growing confidence, allows Thailand to play a more proactive role in international affairs. At one time a net recipient of foreign aid, Thailand has gradually become a donor country to the region and beyond. Several initiatives have been implemented to facilitate sustainable development in the region as well as in particular sub-regions. Under the Greater Mekong Sub-region (GMS) initiative, which comprises Cambodia, the Lao PDR, Myanmar, Thailand, Vietnam, and the provinces of Yunnan and Guang Xi of the People's Republic of China, programmes to promote economic development in the Mekong sub-region have been implemented. The GMS programmes, supported by the Asian Development Bank (ADB) and other donors, seek to enhance connectivity, increase competitiveness and a greater sense of community not only in the Mekong Sub-region, but also the region as a whole. Thailand is determined to push for substantial progress of the Greater Mekong Sub-region and has been actively involved with several infrastructure development projects, such as the North-South, East-West and Southern Economic Corridors that will pave the way for a freer flow of trade, investments and people throughout the sub-region.

Recognising the importance of human resource development, Thailand organises a number of training courses for personnel from the Greater Mekong Sub-region countries, including training for development managers, in support of the Phnom Penh Plan, at the Mekong Institute in Khon Kaen, and training for trade officials at the Institute for Trade and Development in Bangkok.

A fast-track economic cooperation strategy, known as the Ayeyawady–Chao Phraya–Mekong Economic Co-operation Strategy (ACMECS), is another initiative from 2003 to help reduce economic disparities in the region. Linking Cambodia, the Lao PDR, Myanmar and Vietnam to Thailand, ACMECS builds on existing regional cooperation as well as complements existing bilateral frameworks with a view to transform the border areas of the ACMECS member countries into efficient zones for economic growth, social progress and prosperity; at the same time, it is intended to blend local, national and regional interests for common benefits, shared prosperity, enhanced solidarity, peace, and stability of the Greater Mekong Sub-region.

Thailand is committed to providing greater assistance to its neighbours through a number of joint and bilateral projects with Cambodia, the Lao PDR, and Myanmar under the strategic framework of ACMECS. Through transport links and the establishment of special border economic zones, Thailand supports the development of sister cities along the border areas, namely between Koh Kong, Cambodia, and Trat, Thailand, Savannakhet, Lao PDR,

and Mukdahan, Thailand, and Myawaddy, Myanmar, and Mae Sot, Thailand.

Recent developments in the Mekong Sub-region have given rise to the Mekong-Japan Cooperation, bringing together the countries of the Mekong Sub-Region and Japan in a collective enterprise based on shared goals and aspirations to advance sustainable development in the sub-region. Such enhanced engagement by Japan is natural, given Japan's long history of relations with the countries in the region and its vibrant economic presence in the region's economies. During the 1st Mekong-Japan Summit which was held in Tokyo from 6-7 November 2009, Thailand reaffirmed its commitment to the development of the sub-region as a co-donor and co-sponsor, especially in the area of human development.

Also, with recognition that tourism can be an effective instrument for socioeconomic development, Thailand, Cambodia and the Lao PDR formed the Emerald Triangle Co-operation with the aim to utilise the combined tourism resources of the sub-region for the mutual benefits of the participating countries. Members adopted a Plan of Action in 2003 to conduct joint research and joint marketing exchanges as well as the development of human resources, transport and tourism facilities, and improvement of border checkpoints.

A New Chapter for ASEAN

On 24 July 2008, Thailand was entrusted with the duty of the ASEAN Chairmanship. An important fact that made the Thai Chairmanship exceptional was that the ASEAN Charter, the guiding principles for the new ASEAN, came into force on 15 December 2008, 5 months into Thailand's ASEAN Chairmanship.

From the very beginning, Thailand as the ASEAN Chair, set three objectives or the "3Rs" as its priorities:

1. Realising the commitment under the ASEAN Charter;
2. Revitalising a people-centred ASEAN Community;
3. Reinforcing human development and human security for all.

In accordance with Thailand's intention to realise the "3Rs", the 14th ASEAN Summit in Cha-Am Hua Hin, 27 February–1 March 2009 was convened under the theme of "ASEAN Charter for ASEAN Peoples" to further reinforce Thailand's aspiration to deliver the benefits to all the Peoples of ASEAN.

An important aspect and one of ASEAN's aspirations for the new ASEAN is for ASEAN to become a Community by 2015. The new face of ASEAN will see the bloc as an interconnected, people-centred regional cooperation based on the three pillars of ASEAN, namely the political and security pillar, the economic pillar, and the socio-cultural pillar. To lay a solid foundation for a coordinated strategy in realising an ASEAN Community by 2015, ASEAN Leaders signed the Cha-Am Hua Hin Declaration on the Roadmap for an ASEAN Community (2009-2015) during the 14th ASEAN Summit. The Roadmap is a document which combines the three Community Blueprints of the three respective pillars into one unified guideline for the creation of an ASEAN Community.



Realising that peoples' awareness and sense of ownership is crucial to the creation of a true ASEAN Community, Thailand as the Chair of ASEAN organised the ASEAN Youth Summit to get people of the next generation more involved with ASEAN, and initiated formal engagement with the ASEAN Inter-Parliamentary Assembly (AIPA) and representatives of Civil Society Organisations within the region. Having set in motion the process to foster greater awareness and greater participation with major stakeholders of ASEAN, Thailand sincerely hopes that the momentum would be carried forward and become a permanent feature of ASEAN.

Another important milestone for realising an ASEAN Community was the establishment of the ASEAN Intergovernmental Commission on Human Rights (AICHR) which was officially inaugurated at the 15th ASEAN Summit and Related Summits in Cha-Am Hua Hin on 23-25 October 2009. The establishment of AICHR was the first step for ASEAN to ensure that ASEAN will have at its core the interests of its peoples, and that the ASEAN Community which we are now building will develop into a caring and sharing community where the rights of the people will be ensured. The road ahead for AICHR will be long and trying, but Thailand is prepared to work closely with all concerned parties to ensure that AICHR will be a strong pillar for human rights development in ASEAN.

Thailand's ambition to build an ASEAN Community is also reflected in the theme that was chosen for the 15th ASEAN Summit – "Enhancing Connectivity, Empowering Peoples" which echoes Thailand's vision that in moving forward with the creation of an ASEAN Community, it should focus its efforts in three areas: creating a Community that is action oriented, fostering a Community that is interconnected both physically and through mutual understanding and realising the goal of a Community that truly belongs to the peoples of ASEAN.

The new ASEAN is also one that is open and outward-looking, with close cooperation with Dialogue Partners and other strategic alliances. The 16th ASEAN Regional Forum (ARF) Meeting held in July 2009 was especially important because, after much discussion, all 27 ARF participating

countries were able to agree on the ARF Vision Statement which provides a broad guideline for future ARF development. In addition, the ARF's importance was further enhanced when the United States acceded to the Treaty of Amity and Cooperation (TAC), signalling its Asian reengagement and underlining a new trajectory of its foreign policy. ASEAN has also been active in enhancing cooperation with the ASEAN Plus Three countries, namely the People's Republic of China, Japan, and the Republic of Korea, resulting in a number of initiatives such as the Chiang Mai Initiative Multilateralisation, which provides a pool of funds to help create financial stability within the region as well as to prevent a repeat of the 1997 Asian financial crisis.

Enhancing Thailand's Relations under its "Look West" Policy

Recognising the potential of newly emerging markets and changing economic trends in this era of globalisation, Thailand's "Look West" Policy seeks to build closer partnerships and economic ties with countries to the west of Thailand, such as those in South Asia, Africa, and Latin America. Thailand played a leading role in initiating this framework of cooperation in 1997 and also hosted the first BIMSTEC Summit in Bangkok in 2004. Thailand is confident that BIMSTEC, formally known as Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Co-operation, will continue to be the main driving force linking the countries in the two sub-regions of South and Southeast Asia.

BIMSTEC, which brings together Bangladesh, Bhutan, India, Nepal, Sri Lanka and Thailand, is aimed at facilitating greater opportunities for economic synergies between South and Southeast Asia.

To achieve concrete results, BIMSTEC identified six main areas of cooperation: (1) trade and investment; (2) technology; (3) energy; (4) transport and communications; (5) tourism; and (6) fisheries. As each area of cooperation was designated a lead country, Thailand agreed to lead cooperation on fisheries. A major milestone in BIMSTEC cooperation was the agreement on the establishment of the "Framework Agreement on BIMSTEC Free Trade Area", which was endorsed during the sixth BIMSTEC Ministerial Meeting in Phuket, Thailand, in February 2004. The agreement paved the way for greater flows of trade and investment between its members on the basis of equitable economic benefit.





As part of its "Look West" Policy, Thailand became an observer to the Organization of American States (OAS) and a member of the Indian Ocean Rim Association for Regional Co-operation (IOR-ARC) in 1999. Thailand

aims to foster closer relations with the developing world, in general, such as through the Non-Aligned Movement (NAM), to which Thailand gained membership in 1993, and the Organization of the Islamic Conference (OIC), to which Thailand became an observer in 1998.

Fostering Old Ties

While forging new ties under the "Look West" policy, Thailand also continues to maintain close and fruitful cooperation with key strategic partners and alliances. The United States, one of Thailand's oldest allies with a long history of cooperation in a number of areas, continues to play an important role in the region and remains an integral part of Thailand's foreign policy. Thailand's successful roles in international relations are underpinned by the strong, treaty alliance with the United States, which was first established in 1833, the first formal tie between the US and an Asian country. In 1954, Thailand and the United States joined other signatories to create the Southeast Asian Treaty Organization (SEATO), marking a new era of defence alliance between the two countries. The enduring alliance with the U.S., which has evolved into partnerships in areas other than military and defence, has contributed significantly to Thailand's regional and multilateral involvement.



More than 300,000 Thais now reside in the U.S., particularly in Los Angeles and San Francisco. These Thai communities set-up clubs, associations, and groups to carry out social, religious, educational, and cultural activities. The two countries also enjoy and benefit from a long history of socio-cultural and educational cooperation in both public and private sectors. The Fulbright Scholarship program, for example, has seen the exchange of Thai and American students since 1950. The U.S. is also one of the top destinations for Thai students, contributing to the close cooperation that stems from the closely knit network of alumni.

As the Chair of ASEAN in 2009, Thailand witnessed a new milestone in ASEAN-U.S. relations with the first ASEAN-U.S. Summit held under Thai-US chairmanship in Singapore in November that year when the U.S. President met for the first time with leaders of the ten Southeast Asian nations. The U.S. also signed the Treaty of Amity and Cooperation (TAC) in July 2009 during the Thai Chairmanship, heralding a new era of Pan Pacific cooperation. This is in line with Thailand's views of both China and the United States as strategic world and regional players whose active roles are important to the stability and prosperity of the region.

Promoting International Liberalisation and a Multilateral Trading System

Looking at the world today, Thailand recognises the vast opportunities and advantages created through the free flow of trade and investment within an integrated global economy. Thailand hopes to further harvest these benefits by actively involving itself in the process of regional, international, and global economic liberalisation and integration.

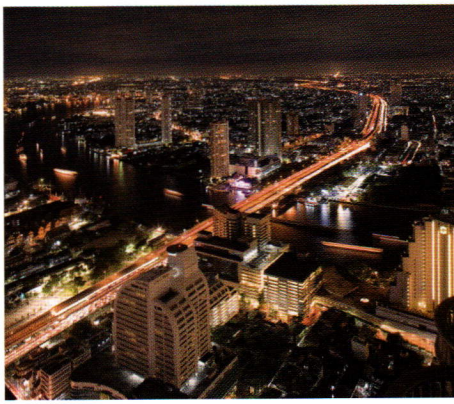
Since the establishment of Asia Pacific Economic Co-operation (APEC) in 1989, Thailand has been a significant player. Its foreign policy today remains committed to actively contributing to APEC and its goals, as enunciated during the Bogor Summit in 1994, of free and open trade and investment in the Asia-Pacific by 2010 for developed member economies, and by 2020 for developing member economies.

The dynamism of Asia together with the expansion of the European Union opens up new opportunities for further enhancing partnerships between Asia and Europe under the ASEM (Asia-Europe Meeting) process, founded in 1996. In 2002, the ASEM Leaders' Meeting in Copenhagen established an action-oriented Task Force to study the modalities of economic cooperation between Asia and Europe, which includes financial linkages established between the Asian Bond and Euro Bond markets.

Thailand is also fully committed to the successful outcome of the WTO Doha Development Round, convinced that the conclusion of this round would be a major step forward for free and fair trade generating enormous benefits for both developed and developing countries. At the same time, Thailand has pursued a proactive international economic policy over the years by fostering greater economic cooperation to promote free trade. Thailand has concluded free trade agreements both bilaterally and multilaterally as part of the ASEAN bloc.

Addressing Global Challenges

With the rapid pace of globalisation, transnational issues, such as terrorism, human security, international crime, environment, and infectious diseases increasingly have devastating effects on the global community. Thailand is committed to enhancing international partnership and cooperation as effective means of addressing these threats.



Thailand condemns terrorism in all forms and manifestations. Such condemnation is not directed against any religion, race, or country. It is a fight against terrorists. Thailand is determined to work actively with the world community to combat terrorism and supports all actions against terrorism within the framework of the United Nations and on the basis of relevant resolutions of the United Nations Security Council and the General Assembly.

Thailand is also working closely with many countries on a bilateral and regional basis, such as the ARF and APEC, to prevent international terrorism in all aspects, e.g. suppressing terrorist organisations and networks, cracking down on money laundering and illicit financing of terrorist activities, and enhancing immigration, civil aviation and trade security. Thailand also recognises the importance of dealing with the root causes of terrorism, e.g. poverty, social injustice, religious intolerance, and the existence of regional and international conflicts.

Thailand is mindful of the necessity to propagate the message of peace, tolerance and harmony. Thailand's foreign policy promotes the voice of moderation to bring better understanding among the peoples of the world. Terrorism and hostility must be eradicated through understanding, friendship and cooperation. To this end, Thailand supports interfaith dialogues, such as the ASEM Interfaith Dialogue and the Asia–Middle East Dialogue (AMED).

Human security and human rights are among the pillars of Thailand's policy. Thailand is a pro-active party to international human rights instruments and has already acceded to most of them. Seeking to play an active and constructive role in promoting human rights, Thailand was elected as a member of the, then, United Nations Commission on Human Rights for the period of 2001-2003, and again in May 2010, she was elected a member of the Human Rights Council (HRC) for the years 2010-2013. Thailand is also a founding member of the Human Security Network (HSN), an informal network of 14 like-minded countries from all continents of the world. Since its establishment in 1999, the HSN has taken a proactive stance in advancing different issues relating to security and wellbeing of all people. As Chair of the HSN from May 2005 to May 2006, Thailand advocated a balanced approach to human security – one that aimed at striking a balance between a pursuit of freedom from want and a pursuit of freedom from fear, while taking into account perspectives from both developing and developed countries.



Thailand's Commitment to the United Nations

Given the growing interdependence among nations and the global nature of security challenges, Thailand is strongly committed to multilateralism under the United Nations as a main pillar of its foreign policy and as an effective approach to addressing global challenges. Since Thailand's entry into the UN, Thailand has been an active partner of the UN and has worked in cooperation with all UN agencies both in Thailand and Southeast Asia, and in other parts of the world. As a responsible member of the international community, Thailand has played an active role in peace keeping operations around the world, such as in East Timor, Burundi, and Darfur, as well as works to foster international partnership to attain the UN Millennium Development Goals.



The 2005 World Summit in New York demonstrated closer cooperation between Thailand and the UN as well as reflecting active roles played by Thai nationals in world affairs, such as chairing the High-level Panel on Threats, Challenges and Change (HLP).

In September 2005, Thailand also led the way for the establishment of a tsunami early warning system in the Indian Ocean and Southeast Asia by contributing ten million US dollars to the trust fund under the UN. The fund, administered by UNESCAP as part of the broader UN response provided for capacity building of experts, serves to improve technologies as a means to avoid a recurrence of the December 2004 tsunami devastation that struck the Asian region at large. This contribution is yet another example of Thailand's commitment to the UN and the international community as a whole.

Vision for the Future

Looking to the future, Thailand perceives the country's progress and wellbeing as being intertwined with that of the region and the global community. Thailand's foreign policy places priority on partnership with its immediate neighbours, ASEAN and the Asian region as a whole. Thailand envisages an Asian community that would build strength from its diversity for a world of peace, harmony, and sustainable development. To realise the full potential of such an Asian community, economic disparity between the would-be members of the community must be overcome. Under the "prosper thy neighbour" policy, Thailand continues to assist neighbours as they grapple with challenges of economic development, which is essential for the realisation of the ASEAN community.

At the same time, with the changing global landscape, Thailand will also concentrate on broadening its horizon. While recognising the importance of consolidating its ties with existing partners, Thailand will further strengthen and enhance partnerships that would embrace countries in other parts of the world, South Asia, the Middle East, Africa and Latin America.

With rising threats and challenges of terrorism, transnational crimes, pandemics, natural disasters and other threats posed by climate change, Thailand is committed to continue playing an active role in working with countries in the region and with the international community in addressing these global challenges.

Thailand also recognises the importance of public diplomacy in this new dynamic era and seeks to build bridges across different cultures and religions to draw strength from diversity. Thailand envisages a globalised world of diversity and harmony, in which differences in culture and religion become a basis for combining strengths through partnerships and multilateralism to build a world of peace, progress and prosperity for all.



AGRICULTURE





Agriculture

Agriculture is considered a mainstay of Thailand's socioeconomic foundation because most Thais are engaged in agricultural work. Therefore, the need to nurture sectors related to agricultural development in order to strengthen farmers' livelihoods is crucially important for national prosperity.

Agriculture is not only a major source of export earnings, but a way of life for the majority of people in Thailand by means of occupation, culture, traditions and values pursued by rural people who have long existed in harmony with nature. Whatever changes occur in the agricultural sector, they are likely to affect the rest of the country in one way or another. The ability of Thai farmers to adapt to changing market conditions has contributed to the country's agricultural success; but even more important is the national factor of land endowment for cultivation purposes. In Thailand, agricultural pursuits vary from region to region.

His Majesty King Bhumibol Adulyadej: Royal Mentor of Agriculture Development

Thai people, especially farmers, take pride in His Majesty King Bhumibol Adulyadej who is regarded as the "agriculture king". Since His Majesty's accession to the throne, the King has used his strength and wisdom in royal duties including advising on agricultural matters. Throughout, His Majesty has shown determination to sustain the agricultural future of the country to support the wellbeing of the farming con munity.

Under the wise stewardship of His Majesty, in a reign of over six decades, Thailand has progressed from a relatively poor and predominantly agricultural society to a leading, robust economy among ASEAN member states.

At all times, the King has placed people and their livelihoods at the crux of development and has remained concerned about land ownership grievances expressed by Thai citizens most of whom either had outright title to own land, or could claim legitimate possession. To obtain firsthand information about the hardship the people had to endure, His Majesty visited localities nationwide, especially impoverished and remote local communities. The King's purpose was to gather information that would later be used in royal initiated projects.

Royal initiated projects encompass different aspects of agriculture including irrigation, soil fertility, research and development into crop productivity, and livestock farming in addition to royal rainmaking activities. His Majesty also articulated his "Sufficiency Economy" philosophy advocating self-reliance among families and communities as well as at national level to keep abreast of the forces of globalisation.



Awards Presented to His Majesty

His Majesty the King's meritorious deeds in support of environmental conservation, soil conservation, erosion control and other worthy causes, have earned worldwide recognition resulting in many awards from different organisations:

Philae Medal, in recognition of His Majesty's devotion to rural development and people's wellbeing, presented by UNESCO, Paris on 2 December 1991;

UNEP Gold Medal of Distinction, in recognition of long, dedicated, exemplary and eminent contributions to the improvement of the environment and nature conservation, presented by UNEP, Nairobi, Kenya on 4 November 1992;

Natura Pro Futura Medal for the conservation of biodiversity, presented by the International Society of Chemical Ecology (ISCE) on 26 January 1993;

International Merit Award, in recognition of His Majesty's contribution to the use of vetiver for soil conservation and environmental improvement, presented by the International Erosion Control Association on 25 February 1993;

Award of Recognition of technical and development accomplishment in the promotion of the vetiver technology international, presented by World Bank on 30 October 1993;

Agricola Medal, in recognition of His Majesty's devotion to the wellbeing and happiness of all people in Thailand, particularly those who till the soil, tend the waters and nurture the forests, presented by FAO on 6 December 1995;

International Rice Award Medal, in recognition of His Majesty's passionate and personal interest in and devotion to the wellbeing of rice farmers and consumers, presented by International Rice Research Institute

(IRRI) on 5 June 1996;

Award of recognition for His Majesty's strong support for meteorology and operational hydrology, presented by World Meteorological Organization on 18 February 1997;

Telefood Medal, in recognition of His Majesty's dedication to Thailand's agricultural development, with the aim of raising the farmers' standard of living and establishing food security, presented by FAO on 8 December 1999;

49th World Exhibition of Innovation, Research and New Technology presented by the Organizing Committee of Brussels Eureka 2000, on 16 February 2001;

Golden Ear of Paddy, commemorating the outstanding leadership in Rural Development of His Majesty the King, presented by Asia-Pacific Rural and Agricultural, Credit Association Bangkok on 23 May 2005;

UNDP Human Development Lifetime Achievement Award in recognition of the global relevance of his call for a sufficiency approach to development, presented by United Nations Development Programme on 26 May 2006;

The first Dr. Norman E. Borlaug Medallion in recognition of His Majesty's outstanding humanitarian service in alleviating starvation and poverty, presented by the World Food Prize Foundation on July 23, 2007.

From the New Theory of Agriculture to the Sufficiency Economy Philosophy

Concerned about rural poverty, and the degradation of natural resources, His Majesty became involved in projects to rehabilitate and conserve the environment. The King also introduced projects to improve the living conditions of poor people in rural areas through agricultural development emphasising sufficiency and sustainability.

The King made numerous visits to rural areas nationwide to listen to local people as they related the challenging conditions they had to endure. His Majesty quickly realised that insufficient water resources was a crucial problem facing farmers. From these visits, the King advocated a system of integrated and sustainable agriculture known as the New Theory, which encourages self-reliance and tackles issues of food security. In summation, the New Theory is a combination of His Majesty's efforts in water resource development and conservation, soil rehabilitation and conservation, and the development of sustainable agriculture in a self-reliant community.









Applied at household level, the New Theory system advocates dividing farmland into four, well-defined plots in the ratio 30:30:30:10 of the farmer's total land area. The first (30) plot is for water storage; the second (30) for cultivating rice to ensure households have a year's supply; the third (30) to grow vegetables, fruits and herbal plants for household consumption with surpluses sold to raise additional money. The last and smallest plot (10) contains the family dwellings and outbuildings for raising livestock. Dividing land in these proportions enables farmers to optimise agricultural activities in an efficient manner.

In effect, the New Theory system offers a foundation of self-reliance and a means to gradually improve farmers' standards of living while providing immunity against price fluctuations in markets or unpredictable natural disasters. However, implementation requires patience and perseverance to overcome any problems that may emerge. New Theory is also designed to provide food security and a reasonable quality of life for farming communities. It is considered an important step under His Majesty's philosophy of "sufficiency economy."

In Thailand's agricultural society, the philosophy of "sufficiency economy" has, for a long time, formed a part of indigenous knowledge in the simple way of life. One way to associate the application of the New Theory of Agriculture to the Sufficiency Economy philosophy is to overlay essential elements, or principles, such as "moderation", "due consideration", and "self-immunity" to the practice of farming. Adopting the principle of "moderation" will lead farmers to forgo focusing all of their resources on a single crop by, instead, favouring crop diversification. If they exercise "due consideration" based on knowledge of historical price fluctuations for agricultural commodities they can see how risky it is to concentrate their entire resources in a single product for the sake of anticipating a huge profit. If they adopt the principle of "self-immunity" they can factor in market price volatility and profit by selling any surplus produce.

To achieve self-reliance under the Sufficiency Economy, families are advised to switch from mono-crop or cash-crop farming to integrated farming. A combination of plants, especially food crops such as rice, vegetables and fruits are recommended for planting on farms. Each family in the community needs to have sufficient produce, fish and livestock products for personal consumption before putting surpluses up for sale. This is how families and communities become self-reliant.

"Sustainable agriculture", which adopts the philosophy of the Sufficiency Economy, is one prominent scheme that addresses environmental degradation and the depletion of natural resources in the sense that one needs to be "moderate", "reasonable" and "self-immune", as well as hardworking and able to absorb knowledge. Sustainable agriculture includes organic farming that eliminates the use of chemical fertilisers and pesticides. Chemical fertiliser is a prime cause of soil degradation, promoting acidic soil that reduces crop productivity. Chemical pesticides not only kill insects but also endanger the environment which, in turn, harms humans. Natural materials that can be found locally to make organic fertilisers and insecticides should be used to replace chemically-based products.

A strong sense of community-mindedness would see farmers engaged in providing mutual help, which would further strengthen community ties. Most people think "Sufficiency Economy" relates solely to farmers in remote areas but people in other occupations including businesspeople, civil servants, and office workers can equally apply the concept in their own working environments.

The Royal Development Study Centres

Besides the New Theory on land and water management, more than 3,000 development projects and six study centres initiated by His Majesty the King are also based on the "Sufficiency Economy Philosophy". The Royal Development Projects are mainly divided into eight categories, water sources, agriculture, occupational promotion, public health, public welfare, environment, communications and others. In occupational promotion, especially for farmers, His Majesty emphasises self-reliance and integrated farming to lessen risks of having to depend solely on a single crop.

In order to facilitate the implementation of the Royal Development Projects, His Majesty initiated the establishment of six Royal Development Study Centres in various regions of the country to serve as places for conducting studies, research and experimentation in search of development guidelines and methods suitable to the different conditions of each area and the occupations of the local people. The results of such studies, research and experimentation is disseminated to local people. The centres are also intended to serve as "Living Natural Museums" where interested people can come to observe and gain knowledge from the real thing. The six centres are



located in Chiang Mai in the North, Chachoengsao, Phetchaburi and Chanthaburi in the Central Plains, Sakon Nakhon in the Northeast and Narathiwat in the South. Each centre represents the region's local characteristics and faces different problems according to each geographical condition. Once a centre proves to be a successful operation it then undertakes to disseminate knowledge to farmers living in surrounding villages for application on their own land.





Functions of the Royal Development Study Centres

1. **Khao Hin Sorn Royal Development Study Centre-Central Region (Soil rehabilitation and reforestation)**

This centre was established on 8 August 1979 and has the distinction of being the first Royal Development Study Centre. The centre covers an area of 1,869 rai and is located in Phanom Sarakarm District, Chachoengsao Province. This area previously suffered from forest encroachment and the soil nutrients were depleted as a result of over-cultivation of field crops making it impossible for farmers to attain food security and enjoy sustainable livelihoods. Soil rehabilitation has been a major task of the centre using green manure and legume crops and soil conservation has been successfully conducted using vetiver grass hedgerows. Reforestation has also been carried out.

2. **Pikun Thong Royal Development Study Centre-Southern Region (Land valued added)**

This centre was initiated on 6 January 1982 after His Majesty had spent some time at Taksin Palace in Narathiwat Province and discovered that local people had a poor standard of living. It includes 400,000 rai of swampy areas in Narathiwat (a predominantly Muslim province) and nearby provinces. One of the main problems is the problem of peat soil. Eleven villages surrounding the centre have been assisted by an agricultural development plan and occupational training to support various occupations consistent with culture and local conditions to enable the villagers to become self-reliant.

The production of biodiesel from palm oil, cultivation of good varieties of para rubber and the planting of crops planted in the para rubber plantation area are among the important activities of this centre. Fish farming in ponds with acidic soil and fish farming in baskets was also carried out in the centre and taught to local people.





Royal Rainmaking

As the majority of the Thai people depend on agriculture, so they need a large amount of water for farming activities. Formerly, they had to wait for seasonal rain to grow crops. As a result, crop production usually suffered from drought as there was not enough rainfall during the long dry season. Accepting this problem, and the need to help people, His Majesty devoted time to study and research artificial rainmaking techniques donating private funds to launch the Royal Rainmaking project.

The project has proved successful since the first experiment in 1969. In 1971, the government established the Artificial Rainmaking Research and Development Project within the Ministry of Agriculture and Cooperatives. Since demand for artificial rain has increased over the years, the project has been continuously upgraded and developed.

In 1999, His Majesty discovered a new technique to gain more cloud density to increase the amount and extent of rainfall. He named the new cloud-seeding technique "Super Sandwich". New techniques are being discovered and introduced to the people involved. His Majesty's ingenuity for inventing the rainmaking technology has been widely recognised and has made Thailand the centre for tropical rainmaking activities in this region.

Among the awards His Majesty received is a gold medal for the Royal Rainmaking project with mention from the Brussels Eureka 2001 as an invention that is beneficial to the public.

With royal approval, documents and textbooks about rainmaking have been produced in accordance with the King's guidelines to serve as a reference for rainmaking operations. His Majesty has always given advice on rainmaking techniques and Royal Rainmaking operations have greatly benefited farmers throughout Thailand by solving water shortage problems and, to a considerable extent, increasing agricultural output. Fittingly, therefore, the King is eulogised as Father of Royal Rainmaking.

Royal Ploughing Ceremony

The annual Royal Ploughing Ceremony is a longstanding tradition in Thailand designed to provide an auspicious start to the new planting season and to boost farmers' morale and spirits.

The Royal Ploughing Ceremony (*Phra Ratchaphiti Phuetchamongkhon Jarod Phra Nangkhan Raek Na Khwan*) is a major state function consisting of two ceremonies: *Phra Ratchaphiti Phuetchamongkhon* or the Cultivating Ceremony, and *Jarod Phra Nangkhan Raek Na Khwan* or the Ploughing Ceremony.

The Cultivating Ceremony, which is a Buddhist ceremony, was initiated during the reign of King Rama IV of the Royal House of Chakri. The Ploughing Ceremony is an ancient Brahmanic rite that can be traced back to

the Sukhothai Period (more than 700 years ago). The two royal ceremonies are related to each other. They are aimed at bringing propitiousness to the production of the nation's crops, and boosting morale among farmers as well as heralding the start of the rice-growing season. In addition, these ceremonies provide foreigners with an opportunity to appreciate the country's fine culture and traditions.

Phraya Raek Na, or the Lord of the Royal Ploughing Ceremony, is represented by the permanent secretary of the Ministry of Agriculture and Cooperatives, while four Celestial Maidens, who carry silver and golden baskets containing rice seeds to be scattered during the ceremony, are deliberately chosen from single ladies working at the Ministry of Agriculture and Cooperatives.

At the beginning of the ceremony, *Phraya Raek Na* performs a rite by selecting one of the three pieces of cloth, worn by *Phraya Raek Na*, that are in different length, namely, 4 *kueb*, 5 *kueb* and 6 *kueb* ("kueb" is a Thai unit of linear measurement) to predict the amount of rainfall during the coming season. After the arrival of Their Majesties, *Phraya Raek Na*, together with his entourage, leaves the ceremonial pavilion in a procession to start the Royal Ploughing Ceremony.



When the ploughing ends, the bulls are unyoked and presented with seven different types of fodder and liquid. Depending on what they feed on, court soothsayers make a prediction on whether the coming planting season will be bountiful or not.

Agriculture in Thailand

The agricultural sector has played an important role in the growth of the economy throughout Thai history, from traditional ways to becoming increasingly commercialised. Out of some 20.4 million hectares (50.4 million acres) of farm land, about 10 million hectares (24.7 million acres) are under rice cultivation. Thailand is the world's leading exporter of rice and a major exporter of shrimp. Other agricultural commodities produced in significant amounts include livestock and fishery products, tapioca, rubber, grain, and sugar. Processed foods such as canned tuna, pineapples, and frozen shrimp are also the major export products. In recent years agriculture, forestry, and fishing contributed only 8.4 percent to GDP.

Forty one percent or 21,196,571 hectares of the total area of the country is devoted to agriculture. The latest survey shows that land under cultivation includes 51% for rice production, 24% for field crops, and 17% for fruit trees and perennial crops. Over the last four decades, agricultural production has increased significantly. However, increased production was due largely to the expansion of cultivated land through forest encroachment rather than by increasing yields per unit area. The soil has been repeatedly cultivated

without giving proper attention to improving conditions, resulting in a decline in fertility. Currently, land encroachment is unacceptable if severe damage to the environment is to be avoided. In addition, existing arable land has been partly shifted to non-farm use in response to urbanisation and industrialisation. Land development policies therefore, are placing increased emphasis on the need for improvements in soil productivity, soil conservation, and land reform.

Major Agricultural Commodities

The production of commercial crops is highly diversified including cereal crops, field crops, perennials, fruit trees, vegetables, herbs, cut flowers, and ornamental plants. Many crops do not originate in Thailand but have become big income earners for Thai farmers, such as cassava, rubber trees, corn, and temperate fruits.

Although Thailand has a rich biodiversity, the climate is best suited for growing tropical and subtropical crops. Nonetheless, some temperate crops, such as wheat, barley, apples, and many kinds of stone fruit, have been introduced and grown in highland areas, in an attempt to substitute for imports.







Rice: This has always been the most important crop and is grown in every region of Thailand. Its importance is not only in terms of economic value, it is also the staple food of the Thai people, and subsistence farmers regard growing rice as their food security. Thailand is the world's largest exporter of rice, with a market share of 40% in volume. The Khao Dok Mali rice variety, which is often described as being the best quality rice in the world, is known to the world market by the name of Jasmine Fragrant Rice, or Thai Hom Mali Rice.

Para Rubber: Thailand is one of the world's leading exporters of natural rubber products. The rubber yield has been increasing steadily due to the replanting programme of new, improved varieties and improved tapping methods. It can be said that rubber production in Thailand is a well-developed industry.

Sugarcane: Planting areas and sugar mills are concentrated in the central region, accounting for more than 42% of total production. The average yield was 56.5 tonnes per hectare, which is low when compared to the world standard. Thailand lies third behind Cuba and Australia as the world's largest sugar exporter.

Cassava: This is a drought tolerant cash crop grown mainly in the North-east and accounts for 53.6% of the total area in production. At present, Thailand is the world's largest exporter of cassava products, supplying 95% of the world market, mainly in the form of pellets used as livestock feed in countries in the European Union.

Fruits and vegetables: These are products that have become increasingly important to the Thai economy. Besides pineapple, durian, and longan that are included in the strategic plan, there are many other fruit and vegetable products of high export value such as mangoes, bananas, pomelos, mandarins, mangosteens, rambutans, lychees, coconuts, tomatoes, asparagus, young ear corn, bamboo shoots, among others. Recent developments in post-harvest technology have opened up ways to increase exports of these produces in minimum processing forms.

Herbs and spices: These have been, and continue to be, important to the life and economy of the Thai people. Since ancient times, Thais have used native herbs and spices in their everyday lives. Thailand exports these commodities at a value of around 700-800 million baht each year. Nevertheless, this is less than 1% of the total amount of herbs and spices imported by USA, Europe, and Japan. The present trend in health awareness has resulted in a worldwide, increased use of natural products in forms of food supplements and herbal remedies, rather than chemical and synthetic medicines. The situation provides a good opportunity for Thailand to increase its market share in this sector, being situated in a suitable growing region with favourable climate conditions, and having a large biodiversity.

Cut flowers and ornamental plants: These also have become increasingly important export commodities. Thailand is one of the world's biggest suppliers of orchids.

Kitchen to the World





Thailand has become one of the world's largest and most advanced producers and exporters of processed food products and is going to present Thai food to consumers worldwide under the theme "Kitchen to the World". Because of rich agricultural roots and resources, combined with its investments in international quality standards, technology, and research and development (R&D) for food safety, Thailand is the sole net food exporter in Asia and one of the top five net food exporters in the world.

The industry has improved hygienic conditions of the production process, developed value-added products, reduced production costs and adheres to environmental and safety regulations. Expertise in product development, food processing and agriculture is growing and contributing to Thailand's position as one of the most dynamic food centres in the world helping maintain its position as a world leader in

the food processing industry by drawing on this natural wealth and leveraging new technologies and improved standards in efficiency, production, safety and hygiene.

Having the most developed food processing industry in South East Asia, Thailand has led international exports in several processed products.

Thai food processors are increasingly developing frozen food products to keep up with changing consumer preferences, and as Thai ready-to-eat (RTE) food gains popularity overseas. According to the Thai Food Processors' Association, Thailand's major processed food export value, which grew significantly, will continue to grow.

Food Safety and Food Standards

Great importance is attached to food security issues. The current economic crisis has emerged as a mounting challenge to the agriculture sector and food security. Thailand is ready to share its responsibility, in the spirit of regional and international cooperation, to tackle this problem and ensure its aim to supply food to feed the world.

Food manufacturers are aware of the critical importance of food safety and quality and Thailand is home to a number of authorised food safety certifying bodies.

Thai standards are drawn from and adhere to international standards such as Codex, Office International des Epizooties (OIE) Standards and the International Plant Protection Convention. Quality assurance systems such as GMP, Total Quality Management (TQM), HACCP and the International Organization for Standardization (ISO) are mandatory for certain products, including canned foods. All of the standards of food industries have been accepted by the members of the Asia-Pacific Economic Cooperation (APEC), and the Ministry of Agriculture and Cooperatives is accelerating its standards and certification project to ensure that they meet other international standards.

The Agricultural Standards Act involves mainly food safety through the registration of products and an inspection and certification standard. The Act will benefit all relevant sectors, including farmers, manufacturers, and exporters, as well as government agencies, who have to upgrade the standards of Thai agricultural goods to be recognised by both local and international consumers. It calls for stringent quality controls starting from production in farms to export procedures.

Food Traceability System in Enhancing Food Safety

With a global food supply chain that crosses international borders, consumers lack a source of reliable information about the conditions under which their food was grown and shipped thereby prompting governments around the world to impose more stringent regulations to better protect consumers from food-borne illnesses.

The Ministry of Agriculture and Cooperatives (MOAC) and the Communications Authority of Thailand (CAT) together with IBM and FXA

Group have formed a strategic alliance to enable farmers, exporters and retailers to improve global food safety by making agricultural products traceable from farms to store shelves.

Thailand's Ministry of Agriculture and Cooperatives is launching an initiative that uses smart sensor technology and traceability software from IBM and IBM business partner, FXA, to enable all participants in the food supply chain including farmers, distributors and retailers, to access critical information on agricultural exports including the farm of origin, date of harvest, and temperatures during shipping. This will enable the country to help ensure the freshness of food exported from Thailand upon its arrival in global markets and, in return, create a safer food supply chain for consumers.

In this respect, Thailand becomes the first country in the world to adopt the Electronic Product Code Information Service (EPCIS) standard for food traceability. This is a significant step in ensuring the safety of consumers around the globe, because there is no quick or easy way for retailers and governments to determine where a contaminated product came from. As a result of the use of IBM technology, if a consumer fall sick, retailers and authorities can immediately pinpoint the exact farm on which the tainted food was grown and quickly announce a targeted recall to minimise the number of people affected.

By using effective food traceability technology, Thailand's agricultural producers can collect all relevant information about each batch of agricultural and meat products produced in the country, including which farm it came from, where it was processed and its current location and temperature.

As evident in the recent past, agriculture acts as a social safety net for the country, providing food security and employment. Thai farmers, especially the small-scale farmers who are among the poorest group, are therefore recommended to adopt farming systems under what is termed "sustainable agriculture". There is evidence that sustainable agriculture is economically viable, in terms of providing financial benefits to farmers.

Thailand has adopted the "self-sufficient economy" as a basic part of its development plan. Sustainable agriculture is based on this philosophy, since environmental conservation is definitely a key ingredient in the quality of life. Not only should this be of benefit to the natural environment, but also the social environment, if sustainable agriculture is taken into account.



Agricultural development policy, as the framework of resource and environmental management, as well as research and development, therefore, should promote sustainable agriculture as an alternative for farmers, especially those operating small farms. Economic incentives, as well as subsidies, should be offered to help spur the growth of sustainable agriculture. Promoting this will not only bring about sustainability among Thai farmers, but also to the country's resources and environment thus benefiting Thai society in general.



INDUSTRY



Industry

The industrial sector has been an engine of economic growth, with its share in gross domestic product (GDP) having increased to nearly 40% in the year 2009. Development focused on creating economic value through heavy and export-oriented industries, which are extremely sensitive to global demand. As for exports, the manufacturing sector experienced spectacular growth, reflected in its value equal to about 76% of total export value, in 2009. In part, this was due to success in adding value to the traditional sector of agriculture. The manufacturing sector also contributed substantially to the economy as a solidly growing income source for more than 5.7 million employees, in 2009.



Facing ever more changes and emerging trends, competitiveness will necessitate exploring new development approaches. Past comparative advantages underlying the strategy to strengthen the country's competitiveness are reaching their limits. Also, the demographic change began to affect the social system, the scope of trade, and the investment scenario. The time-honoured mode of managing business, which was heavily focused on the economy of scale, posed a risk for lack of diversification if any economic crisis should occur.

Among competitiveness factors, according to a study by the International Institute for Management Development (IMD), it is "Business Efficiency" in terms of performance in an innovative, profitable and responsible manner that matters. Two of its indices are "Productivity" and "Efficiency". Based on IMD findings, there is a dire need for improvements in labour productivity and efficiency of small and medium enterprises to shore up competitiveness.

The core requirements are likened to three threats that ought to be turned into opportunities. The first opportunity is offered by global financial markets with their increasing inter-country flows of capital, goods, services and

people. Globalisation will continue to entail rules and restrictions that, in effect, become trade barriers which lead to higher production costs. Moreover, the advent of the "Asian Century", with China and India as the major engines driving the world economy, means that the Thai industrial sector has to adopt an approach of both expanding markets and improving its competitiveness, in short, economic integration. Secondly, the social dimension necessitates leapfrogging so as to keep pace with advances in technologies suitable for countries with ageing societies and declining population growth. The demographic trend will be reflected in consumer behaviour and change target markets. Hence, industrial products must comply with new trends and emerging market demand. Third but not least, the need for the conservation of natural resources and the protection of the environment, evident from deterioration worldwide, is enhanced by ongoing increases in oil prices, climate change and natural disasters. Therefore it is necessary that Thailand's industrial sector prepares itself to cope with the challenges of this scenario.

Accordingly, one of the key factors on which success hinges in improving manufacturing efficiency and productivity are public-private partnerships. In this regard, the private sector will have to recognise its significance and become the key player, while the public sector will develop external efficiency to facilitate said improvements and oblige the private sector to assume the lead role, in collaboration with the government. Success at the micro-level will eventually raise productivity at the macro-level.

According to policy statements and the Tenth National Economic and Social Development Plan (2007–2011), the currently implemented strategies for national development strengthen domestic structures underpinning competitiveness, build a knowledge base for resilience in the face of change, create sustainable growth of the industrial sector so as to hold its ground in the global market, broaden equitable development, promote the equality of groups in society, strengthen local communities, and rehabilitate and conserve natural resources and the quality of the environment as a foundation for secure development, and as the basis of livelihood for communities and society.





For industrial sector development, six main policies are spelt out:

1. Promote inbound and outbound investment to drive development of main industries for future expansion by developing high-capacity industries, i.e. food, metals, automobiles and petrochemicals as well as establishing a fund for building competitiveness by stimulating industrial adjustment. In this regard, investment cooperation shall be promoted with neighbouring countries under sub-regional frameworks, namely the Ayeyawady–Chao Phraya–Mekong Economic Co-operation Strategy (ACMECS) and the development of the Greater Mekong Sub-region (GMS);



2. Develop efficiency and productivity of the industrial sector by upgrading labour skills, management skills and product standards; improving the efficiency of machinery; establishing an industrial logistics system; creating mechanisms to support the adjustment of entrepreneurs; and generating benefits through free trade agreements (FTAs);

3. Add value and quality to industrial goods to meet international standards in the era of global trade, gain access to new markets and satisfy consumer requirements by creating linkages with agro-industry to add value to agricultural commodities; enhance labour skills; apply modern technology to improve product quality; and establish a centre for industrial product development and design. In addition, the government will promote the commercial utilisation of knowledge and innovation by fostering research and development (R&D);

4. Develop small and medium enterprises (SMEs) as the "grassroots" of manufacturing sector development through the formation and strengthening of SME entrepreneurs; encourage cluster formation to improve product value and competitiveness; promote utilisation of knowledge and innovation, good governance and corporate social responsibility; and also expand business incubation centres for high-value products;

5. Upgrade quality and standards of community products through adding value derived from the intellectual capital of Thai local wisdom by extending credit for investment and creation of income opportunities; strengthening



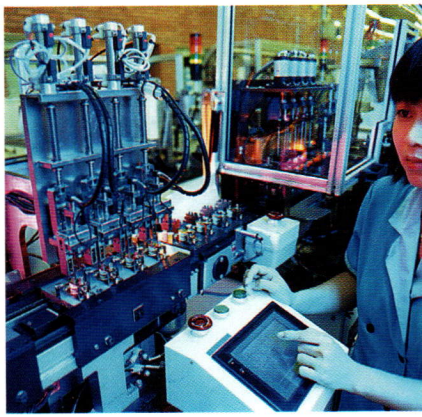
local entrepreneurs; increasing management efficiency to enable communities to utilise resources and local wisdom in product development; supporting communities to access modern knowledge capital resources; and training on managing and marketing capabilities;

6. Develop the industrial sector with concern for environmental, safety and sanitary issues by expediting control of pollution from manufactures; encouraging the public and private sectors to research and develop appropriate technology for energy conservation; and strengthening environmental management through production of biodegradable materials, recycling of raw materials, use of cleaner technology as well as applying the "polluter pays" principle to reduce pollution and social impact, in accordance with good environmental governance.

To enable the Thai industrial sector to handle dynamic change and prepare for fluctuations as a result of both internal and external factors, a strategic plan is being drawn up on how to restructure the industrial sector, and map out the directions and strategic positions for both short-term and long-term development in order to transform Thailand's industrial sector from one propelling a value-added economy into one leading the transition to a value-creation economy, by strengthening competitiveness and stability as well as ensuring sustainable wealth.

Instead of focusing on the development of industries which have potential and are supported by the availability of natural resources found within the country, the state-of-the-art business operation shall shift from products and services based on factor-driven growth to products and services based on creativity-driven growth by making use of intangible assets or intellectual property for value creation as the new driving force.

The "Creative Economy" will avail of the opportunity to tap the potential of the unique characteristics of Thai culture. An integral part of the future industrial development will be to completely cover the manufacturing sector and connect the agricultural, industrial and service sectors on the basis of potential and core competency. This shall be coupled with drawing from culture, local wisdom, knowledge and innovation. The development must steer the industrial sector towards a creative and green economy. The industrial sector must become more responsible towards society and committed to sustainability.



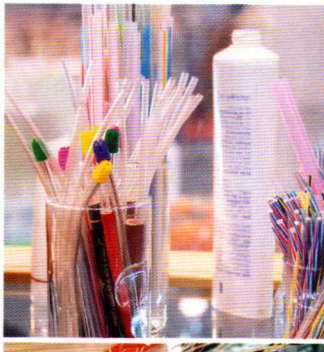
Based on the above concept, the strategic direction for an industrial development framework covering the next 20 years was formulated, with the key factors defined for specific periods. The timeline is divided into three periods, namely the start-up period of short range between the years 2010-2011, the intermediate

period of medium range between the years 2010-2017, and the ultimate period of long range between the years 2010-2029. From 2012 onward, priority will be given to climate change, especially the reduction of CO_2 emissions. By 2015, the ASEAN Economic Community (AEC) will be fully established as a driving force for economic integration, with emphases on fiscal policy, investment and trade. For the period beginning in 2020, the key factors will be the East-West Corridor, aging society, energy, and food security. By 2037, as forecast, the BRIC countries (Brazil, Russia, India and China) will play an important role in the world economy as emerging markets which have the same size as G7.

A composite example of innovation are the projects under the "Intellectual Infrastructure Master Plan (2008 - 2012)" to promote knowledge creation, dissemination and innovation by upgrading technological capability and conducting R&D for manufacturing as well as promoting its utilisation at commercial level. Projects implemented during 2008–2010 include:

- new textile products by utilising new technology in the bleaching, dyeing and finishing industry as well as the development of functional and technical textile products;
- ABS plastics using natural dye from plants;
- using coal as an alternative source of energy in fuelling ceramics furnaces;
- multipurpose lathe and milling instruments coupled with processing software;
- COD measurement device complete with online system for the bleaching, dyeing and finishing as well as for food industries.







In the start-up period of short range, Thailand's industry shall be transformed into a "Knowledge-based Industry" throughout the value chain in order to build a strong foundation for further development. This shall comprise three prongs:

(1) Creating core-industry value by, for example, strengthening the production factor; improving production efficiency; and upgrading products on the basis of knowledge, innovation and creativity.

(2) Marketing within ASEAN as the new domestic market and cooperating with neighbouring countries in trade, investment and production chains especially in agriculture and food processing as well as communication, transport and logistics, with Thailand serving as the gateway.

(3) Drawing up plans for the establishment of strategic industrial zones with the objectives of mitigating adverse social effects caused by international labour migration and resources movement; zoning appropriate industrial areas for efficient transport; improving raw material management; enhancing corporate social responsibility; and protecting the environment.

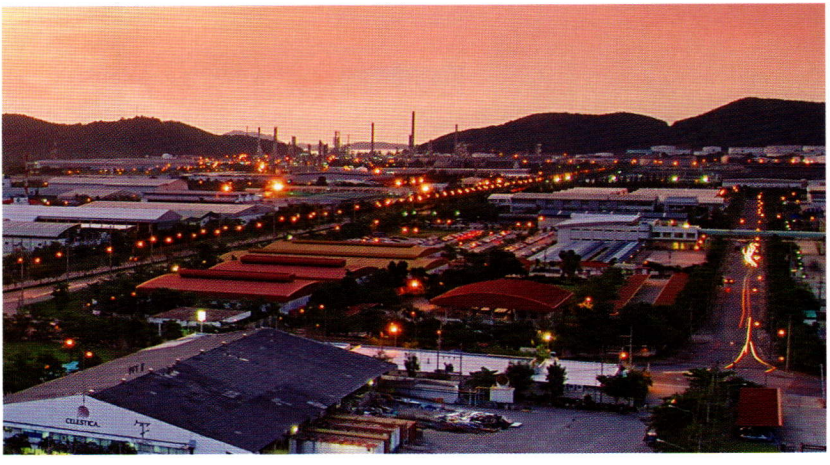
For the intermediate period of medium range the emphasis is on "Innovative Industry" that shall entail structural change to improve the manufacturing sector by introducing new technology and fostering innovation to meet market demand and strengthen competitiveness. This shall comprise four prongs:

(1) Promoting resource-based value creation;

(2) Setting-up agro-based industrial zones geared to advance R&D based on national resources and indigenous knowledge for the manufacturing of local-content products;

(3) Establishing an ASEAN production chain through facilitating investment and trade;

(4) Upgrading the East-West Corridor to become a hub of an ASEAN industrial zone.



During the ultimate period of long range, the conversion to the status of "Sustainable Industry" shall be completed. The resulting creative and green economy will be in keeping with the current global trend. Attention shall be focused on preventing or mitigating, as it were, any untoward adverse impacts by the industrial sector on society and environment. This shall comprise three prongs.:

(1) Developing new, environment friendly industries with high growth potential such as the generation of energy using alternative sources;
(2) Extending investment and trade to encompass ASEAN+6 in such potential growth sectors as food, automotive and electronics industries;
(3) Promoting social and ECO industrial zones with clusters of community-based industries for social and environmental benefits and high standard of living.

The directions for development at each stage in the various periods are intertwined and support one another in order to push for a completely integrated development of the industrial sector, geared to strengthen the value chain and competitiveness to meet the overall objective of sustainable development.

To lay the foundation for the restructuring of industry, connections and convergence shall be promoted with the agriculture and service sectors, in particular, so as to further develop Thailand's economy overall. This will be instrumental in adding value to commodities such as rubber, rice and palm oil, among other cash crops, and also help build the transport hub so as to upgrade as well as expand services essential for tourism.

To redirect the outlined macro industrial development within the next 20 years, targets are set for 13 key industries of high potential.



The rubber industry relies on abundant raw materials, experienced entrepreneurs and skilled labour, medium and small-scale enterprises attractive to interested foreign investors in joint ventures, and capability to make technology transfer work. The directions for developing this industry are improving raw materials and product quality; giving support to SMEs by securing access to technology; training human resources on research and development (R&D), processing and marketing, thus adding value to products.

Food processing industries avail of abundant raw materials locally, are operated by experienced entrepreneurs, have perfected their own technology, employ skilled workers, adhere to hygiene standards, and largely are globally recognised for quality. The directions for developing this industry are offering products that match consumers' changing lifestyles, such as ready-made meals that are nutritious and healthy, emulating the popularity of GABA rice assumed to be beneficial for brain cells by effecting relaxation and sound sleep.



The furniture industry makes use of local materials including naturally grown wood, bamboo, rattan, reeds, scrap wood, and increasingly of wood of unproductive rubber trees, which is renewable, widely available and an environmentally friendly material. An alternative, environmentally friendly raw material is biodegradable plastic. Moreover, the workforce is highly skilled. Further R&D shall be conducted on improving energy efficiency and developing more environmentally-friendly production processes, coupled with designs fitting consumers' ever changing lifestyle.

The shipbuilding industry has good prospects of achieving sustainable development, as it has high potential to develop linkages with steel, machinery and auto parts industries, among others. It shall support agriculture, fishery, transport, tourism and related services. Developing this industry is geared toward advancing technologies to meet demand particularly for sea and rail transport. Ship docks shall install systems to reduce importation and to mitigate the industry's impact on the environment and communities.

The biofuel and bio-products industry has high potential owing to the availability of raw materials such as palm oil for biodiesel, and sugary and starchy plants, including sugar cane, cassava and corn for ethanol. The bio-plastic industry is equipped with technology, machinery and skilled labour. It supplies local and foreign markets. Developing this industry shall be guided by R&D for the exploration of ways and means to produce a variety of bio-fuels and their utilisation in manners that are appropriate for the economic conditions and not harmful to the physical environment and natural resources, at each manufacturing location. The development of bio-products as alternative raw materials shall also be promoted. Moreover, studies on appropriate land allocation to meet demand for energy and raw materials shall be undertaken in due course of increasing the size of land to be used for the cultivation of bio-products.

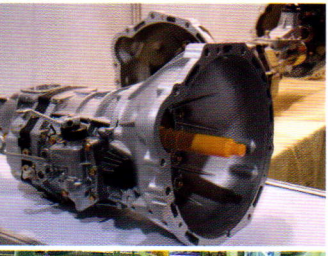
Textile and garment industries already operate integrated production systems. However, there is need for further strengthening. Developing these industries shall encompass the forging of linkages between textile and garment producers; cooperation in research, product development and design; training of a skilled labour force including designers, production engineers and technicians with specialised know-how; diversification; original brand manufacturing (OBM); and improved marketing strategy. Also in focus shall be the expanding of investment into neighbouring countries endowed with appropriate raw materials.





Pharmaceutical and dietary supplement industries comprise two categories, modern and traditional. The production of modern drugs lacks medium-efficiency, systematic research and product development. It relies partially on imported raw materials. In contrast, the production of traditional drugs avails of abundant local raw materials such as herbs. The directions for developing these industries shall be focused on R&D, inclusive of establishing laboratories that meet international standards, geared to produce new modern as well as herbal drugs and dietary supplements for senior citizens whose number will keep growing. Priorities shall be given to regulating the production process and quality control, as herbs have varying medicinal properties. Herbal drugs and products that utilise local raw materials and local wisdom shall be promoted as both local and foreign markets are likely to expand.

Automobile and auto parts industries have high production capacity and are strategically located in the centre of mainland Southeast Asia, well connected to South Asia, making Thailand an ideal production hub in the region. Some of the world's leading manufacturers have chosen Thailand as their production base. Moreover, the government's policy promotes free trade and attracts local and foreign investors, resulting in a clear cluster system more than any other industry. To develop this industry, the government sector shall promote investment to maintain Thailand's position as an ideal production base for foreign investors. Alongside, R&D shall be supported in order to produce high-quality materials to meet increasing demand. The industries shall make the necessary adjustments in anticipation of evolving technologies and link up to supplier industries so as to reduce importation.





Electrical appliances and electronics industries include production plants operated by companies based in Japan, Singapore and the US. Their labour force is particularly skilful and meticulous. The development directions will depend on the government's policy of promoting investment to maintain Thailand's position as an ideal production base for foreign investors. It shall support R&D geared to produce high-quality materials; build linkages with support industries; and improve efficiency in supply chain management and logistics. The industries shall make the necessary adjustments in anticipation of evolving technologies and link up to supplier industries so as to reduce importation. In parallel, they shall align themselves with the global trend of becoming conscious about adverse effects on the environment. To stem a possible influx of goods rejected

elsewhere from flooding Thailand, local manufacturers shall strengthen their competitiveness by improving their products in terms of unique design, environmental friendliness, and energy conserving properties, all of which shall be superior to imported products.

The machinery industry, with enterprises dotting the country linked to other industries, has proven potential to further develop its labour force that is skilled and knowledgeable in operating different types of machinery. The directions for development cover a broad spectrum. They shall target SMEs which form the bulk of enterprises by supporting R&D through funding and seconding personnel with expertise; assist in establishing linkages with support industries to reduce imports; develop machinery to be used in highly specialised applications; share expertise with support industries especially in the agriculture based industry; and expand into markets of neighbouring countries.



The iron and steel industry is an important base industry. The directions for development are promoting the quality of iron to fulfil future needs of industries, such as the automobile, electronics and home appliances industries. Iron production shall be promoted to pave the way for Thailand to become the centre of high-quality steel production in the ASEAN region. Support measures shall include investment promotion in R&D, product development, technology advancement and pollution control to create a green industry; introduction of a system to promote and regulate the responsible use of energy; and improvement of the production process to become energy efficient.

Petrochemical and plastic industries are exceptionally technology-based and require big capital investment. They are closely connected with other industries. The Thai petrochemical industry is equipped with an efficient system for the entire production process, putting the country at an advantage in terms of production cost. While crude oil needs to be imported, it will remain the government's policy to promote Thailand as the centre for oil refinery and shipment within the region. The plastic industry forms a linkage for the petrochemical industry and is an important support industry that is integral in the expansion of many industries such as the automobile and auto parts, electrical and electronics, construction material and packaging industries. The potential of the Thai plastic industry is in its capability to use various production processes to make a variety of products according to market demand that will continue to expand globally, ensuring a steady growth of the plastics industry.

The directions for development of the petrochemical industry shall be to improve energy efficiency and to reduce production costs; promote the conscious use of public utilities; and promote maintenance programmes for machinery; and supply linkage industries with new products. The directions for development of the plastic industry shall be to introduce new technology and designs for quality improvement and value-adding; in particular, to promote bio-plastic production by making use of large quantities of high-quality biomass and agricultural raw materials; to highlight local brands; and to expand the market for Thai plastic ware.

Success in developing Thailand's industrial sector upon implementation of the above strategic directions will eventually lead to sustainable development in economic, social and environmental aspects. To achieve that goal, collaboration and partnership of the integrated private and public sectors shall become of integral significance, as the private sector is the key player whilst the public sector is the facilitator. Even though the Ministry of Industry is the main driving force behind the promotion and development of the industrial sector, cooperation will be required with other government units such as Commerce, Agriculture and Co-operatives, Labour, and Science and Technology ministries to achieve the set goals.

In developing Thailand's industrial sector in partnership around the world, global trends shall be taken into account such as energy, pollution, and standards, all of which will require R&D, advancements in technologies and development such as, research & development of human resources.

As for cooperation with neighbouring countries, new opportunities for the industrial sector shall be explored to develop products and meet demand of new markets especially in China. In this regard, the focus will be on remote industrial production base development for competitiveness enhancement.

Negotiations will be intensified in forums at bilateral and multilateral levels such as ASEAN, World Trade Organization (WTO), Asia-Pacific Economic Council (APEC) and UNIDO. The emphasis will be on trade liberalisation by reducing tariffs among negotiating parties expeditiously, giving due consideration, indeed, to avoiding any negative impacts in cases where the private sector still needs time to adjust itself to cope with new challenges.





THAILAND BOARD OF INVESTMENT



Thailand Board of Investment

1. Investment Promotion Policy for Sustainable Development

The Thailand Board of Investment (BOI) approved the direction of its future investment promotion policy, focusing on economic, social, and environmental sustainable development, as well as science and technology, creative industries, production efficiency, human resources, and environmental safety.

Balance of Three Aspects in Sustainable Development



To promote sustainable development, enhance the country's competitiveness in science and technology, encourage the improvement of manufacturing quality as well as reduce environmental impact, the Board of Investment also offers special tax incentives under the Investment Policy for Sustainable Development campaign.

Investment promotion policy for sustainable development consists of:

- **Investment policy in three targeted groups:**
  - **Energy conservation and alternative-energy utilisation,** such as the manufacture of fuel cells; production of electricity or steam power using alternative energy; and manufacture of energy conservation machinery or equipment;
  - **Environment-friendly businesses,** such as the manufacture of eco-friendly chemicals and products;
  - **High technology activities,** such as the manufacture of medical food, advanced ceramics, nano materials, and manufacturing or repairing of aircraft.
- **Measure to promote energy conservation, alternative energy utilisation or reduction of environmental impacts,** which focuses on upgrading the machinery and improving technology to save energy and reduce environmental impacts.
- **Measure to promote production efficiency improvement by technology upgrade for manufacturing of new products.** This measure aims to encourage investors to make efficient use of their machinery as well as to be able to expand to a higher value product line while increasing revenue and maintaining employment.
- **Measure to solve environmental problems.** This measure is designed to promote and encourage industrial plants to give priority to the environmental management.
- **Measure to build competitiveness in science and technology,** which approved the extension of visas and work permits for researchers from two years to four years. The measure is also in the middle of reviewing privileges to researchers and allowing researchers from the public sector to work for the private sector.

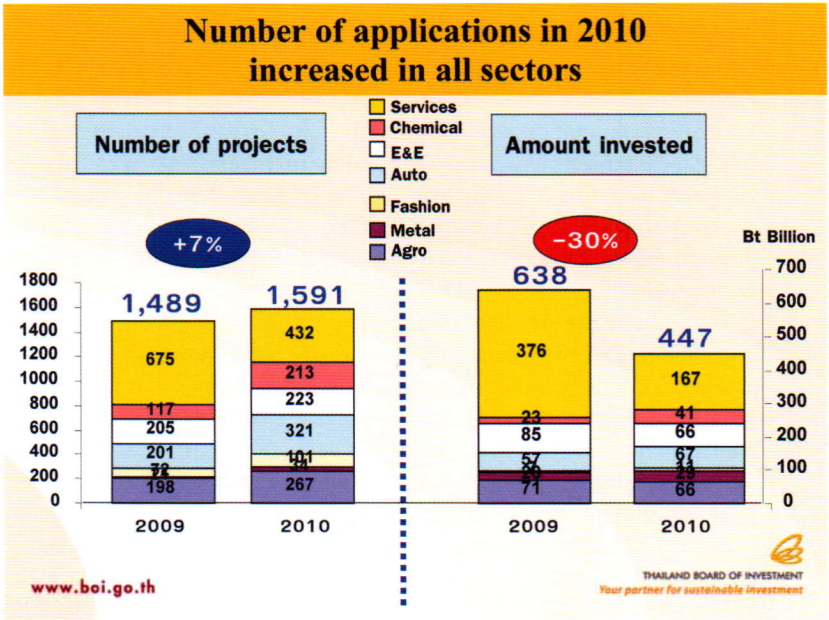
2. Investment promotion in 2010

- Investment promotion has continued to grow, particularly foreign investment, indicating investors' confidence in Thailand. Some 865 projects applied for investment promotion, with a value of 236 billion baht, in 2010. A total of 1,591 projects filed their applications in 2010, with an investment value of 447 billion baht.



2.1 The investment value reached 447 billion baht in 2010

- In 2010, the investment value reached 447 billion baht. The number of projects grew 7%, from 1,489 to 1,591 projects due to increased applications from small-scale projects. A total of 1,218 projects filed for SME investment promotion in 2010.



- The number of applications filed for investment promotion in 2010 increased in every sector.
- The sector with the highest investment value was services and public utilities, with a total value of 167 billion baht. The main activities that caused services and public utilities to be ranked number one were the production of electricity from natural gas, biomass fuel, wind and solar power, valued higher than 107 billion baht.
- The average number of projects applying for promotion in 2010 was 132 projects per month, higher than the same period a year earlier (79 projects). Most projects invested in production of electricity from natural gas and alternative energy, automobile parts, and electronics.
- Reviewing the number of projects and investment value, investors believe in Thailand's economy and have confidence to continue investing in Thailand, as 60% of the total applications were from existing operators filing to increase their investments.

3. Investment trends in 2011

- BOI expects to target 400 billion baht of investments in 2011. The investment atmosphere in 2011 will be positive and expected to improve next year as the global economy has shown brighter signs of recovery and also the improving domestic political situation, and lessened concerns regarding the Map Ta Phut Industrial Estate in the eastern province of Rayong, as well as more investment confidence by foreign investors in the petrochemical and iron industries.
- Other industries with a positive investment trend are electronics, home electric appliances, hard disk drive production, health, tourism, agriculture, automobiles and automotive spare parts, especially after five eco-car projects have been approved for investments in the country.
- BOI is considering adjusting the number of projects in the general category to be granted investment promotions. It will cancel promotions for labour intensive projects, for Thailand aims to develop higher technology.
- BOI will have to work hard during the next year to attract more investment. The BOI plans a series of road-shows in the USA, European Union, China, Japan, India, and Russia.
- India is selected because of its impressive economic growth. Russia is another targeted location where BOI is seeking to appoint an investment adviser to provide us with more information in the country.
- BOI will outline specific investment promotion policies for each individual country and specific targeted industries, such as in China and Japan, focus on automotive, machinery, electronics and electrical, pharmaceutical, processed-food and alternative energy businesses. For those in North America, more focus on aviation parts, biotechnology and automotive.
- BOI will plan to restructure itself to cope with greater responsibilities to promote Thai investments overseas and the One Stop One Start Service (OSOS) centre to provide better support for businesses in Thailand.



TRADE AND SERVICES





Trade and Services

The Way forward towards a "Green Economy"

Sustainable development based on the Sufficiency Economy philosophy of His Majesty the King is, indeed, deemed an essential component of "green growth".

Environmental concerns and considerations play a significant role in formulating the trade policy for the coming decade. The relationship between trade and environment is becoming increasingly important. Recently, Thailand's position on trade in relation to environment has become increasingly proactive. As stated in its Tenth National Economic and Social Development Plan, great importance is attached to the promotion of the "green economy". With regard to environmental concerns such as climate change and global warming, the government has implemented numerous initiatives such as cleaner production; capacity building for entrepreneurs; development and transfer of technology of resource and energy efficiency; promotion of investment and financing in low-carbon and resource-efficient manufacturing industries; granting of tax incentives to facilitate business start-ups; and intensification of corporate social responsibility (CSR) in the business sector.

The government's role is critical in raising awareness about carbon credit opportunities and helping consolidate greenhouse gas emission reduction through its Clean Development Mechanism (CDM) project - an arrangement under the Kyoto Protocol allowing industrialised countries with a greenhouse gas reduction commitment to invest in ventures that reduce emissions in developing countries as an alternative to more expensive emission reductions in their own countries. Moreover, the government promotes alternative energy generation, given the great potential by using renewable domestic inputs to produce biofuels such as ethanol from either cassava roots or sugar cane molasses.



Aftermath of the 2008 Global Economic Crisis

The 2008 crisis affected the emerging markets of Asia. It led developed and emerging economies alike into recession. For Thailand, the slowdown of trade, investment and consumption caused its export-based economy to plummet, capital outflows to surge, and inevitably the rate of unemployment to rise. Overall, the economy receded by 2.6 % in 2008 and contracted by 2.3% in 2009, when it was considered to have reached the bottom during the third quarter of 2009, upon the positive signal of export growth by 12% in the last quarter of 2009. Thailand's economy has been forecast to expand in the range of 3.5% to 7.5% in the year 2010.





Trade Promotion: Policy and Direction

Both short and long terms measures were implemented to enhance trade competitiveness and balance national and international aspects by developing a robust domestic economy with solid international links, aimed to create one of Asia's leading trade hubs. Emphasis is placed on the importance of trade liberalisation which must be carried out fairly to yield the greatest benefit to both consumers and manufacturers.

Trade policy is focused on export which remains the cornerstone of the economy. The new market penetration, targeting China, India, Russia and Commonwealth of Independent States (CIS), Latin America, Middle East and Africa, has been highlighted in parallel with maintaining market shares in the four major export markets, namely US, EU, Japan and ASEAN. In addition to promoting potential export products the development of a globally competitive service sector is prioritised by branding, raising quality standards and thereby enhancing the value.

To move towards establishing the ASEAN Economic Community (AEC) by 2015, the government encourages exploring business opportunities and eliminating trade barriers. The goal of AEC is to create a stable, prosperous and highly competitive economic region with free flow of goods, services, investment, and capital, as well as equitable economic development and reduced poverty and socioeconomic disparities, by the year 2020. This will establish ASEAN as a single market and production base, turning the diversity that characterises the region into opportunities for business complementation and making ASEAN a stronger and more dynamic segment of the global supply chain. In this regard, entrepreneur competitiveness needs to be built by enhancing knowledge on AEC as well as analysing and identifying impacts of key sectors in order to draw up a strategic plan to maximise benefits of ASEAN Free Trade Area (AFTA) and AEC for the coming decade.

On the domestic track, the many layers of the economy will be strengthened, namely the grass-roots economy, the small and medium-sized enterprises, and the large-scale domestic industry. The agricultural sector has played a significant role in that more than 40% of the total population depend on the agricultural sector. To stimulate higher income generation by farmers and sustainable agriculture development, improvements in competitiveness are stressed in terms of productivity, product quality, standardisation, infrastructure, and market development. To strengthen the agricultural market mechanism, the government started to adopt the income guarantee scheme for farmers to replace long practiced crop-mortgaging schemes. The newly adopted income guarantee scheme requires no auction, no storage facilities to stock and sell crops, while the government does not have to shoulder any losses and altogether safeguards against corruption for the benefit of farmers. Moreover, many initiatives have been launched to strengthen and empower the grassroots especially with regard to capacity building and promoting wider access to capital.

One distinctive strategy for boosting economic competitiveness is the upgrading of the trade and business logistics system through efficient logistics management, enabling the delivery of goods and services at lower cost. To this end, five important factors were refined and improved: [1] efficient laws and regulations, [2] excellent gateway and network infrastructures, [3] adequate information technology to support logistics activities, [4] sufficient human resource and training system logistics, and [5] capable and proficient logistics service providers.

To move towards a "creative economy", value was added by applying knowledge and innovation, together with tapping the potential of the diversity of natural resources, culture, and local wisdom. Rather than competing on price-based models of mass production, Thailand is exploring its own individual "global niche" by creating distinctive and unique products, new brands, and differentiating products based on cultural identity given the wealth of artistic and aesthetic traditions. As a result, a creative economy hub in the ASEAN region will increase the country's proportion of creative economy value from 12% to 20% of GDP by the year 2012. Upon identifying, first, comparative advantages and then adding intellectual value and skills will create the pricing power for products and services in world markets. Inevitably, the creation and protection of intellectual property will become increasingly important. Meanwhile the educational reform necessary to stimulate future economic potential continues.

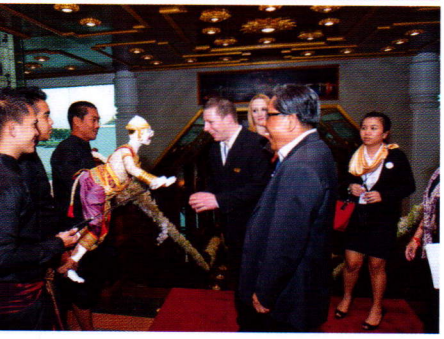
Trade Liberalisation

To expand the global marketing network bilateral trade agreements were concluded and regional economic cooperation launched in the ASEAN and Asia-Pacific Economic Cooperation (APEC) regions as well as under the umbrella of the World Trade Organization. In the year 2010, the tariffs in ASEAN-6 (Thailand, Malaysia, Singapore, Brunei, Indonesia and Philippines) were eliminated. Thailand will assist the CLMV countries (Cambodia, Laos,

Myanmar and Vietnam) to smoothen their transition to membership of the AEC to become a single market and production base, by the year 2015.

With Thailand having chaired ASEAN in 2009, several agreements were signed such as ASEAN Trade in Goods Agreement (ATIGA), ASEAN Comprehensive Investment Agreement (ACIA), Protocol on Services, and ASEAN Mutual Recognition Arrangements in areas such as medical care, healthcare, and other professional services. In addition, various trade agreements were signed by ASEAN with several countries including India, China, Australia and New Zealand. Efforts were made and progress accelerated towards the ASEAN Single Window to facilitate trade and enhance ASEAN's competitiveness.





Export Promotion Strategy

Export promotion of goods and services under the Creative Economy Scheme, one of the key strategies, already generated more than one trillion baht annual income. This results from product design, quality of products, branding and packaging, in line with the promotion of Thai entrepreneurs' business internationalisation to promote competitiveness competency.

In terms of market oriented measures, emphasis was placed in parallel on expanding into new markets while catering to the main market, the latter especially in China, Hong Kong, Vietnam, Lao PDR, Cambodia, Myanmar, India, Middle East, East Europe and Africa. This main market accounted for 53% of the total export value of the country; its target was set at 55%, by the year 2010. Meanwhile, the main market was secured through the "Thailand Best Friend" (TBF) project under the Customer Relationship Management (CRM) strategy to reinforce foreign importers' goodwill towards Thailand and Thai products by inviting potential importers worldwide to visit Thailand.

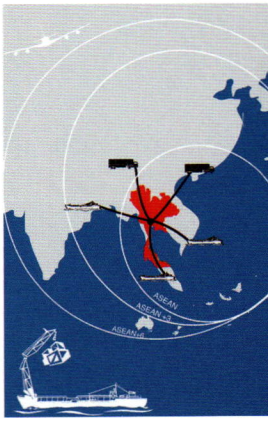


Important initiatives to pave the way and open new markets for exporters of high-opportunity groups were focused on participation in the International Product Exhibition, Thailand Exhibition & Outlet, Business Matching Project and New Market for Exporters (NME).



For the year 2010, export promotion measures in support of economic recovery and sustainable export value are focussed on the strong export promotion of agricultural products and foods, so far accounting for 17% of the total export value and targeted at 19% through product development by value creation.

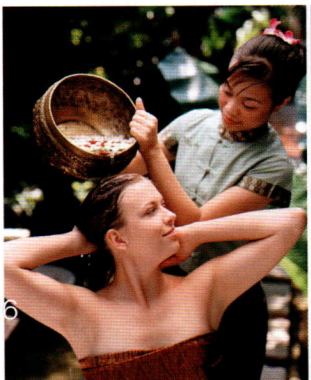
A further reduction of capital cost in the trade logistics system was geared to lift up the export competitive competencies for entrepreneurs by extending the One Stop Export Service to all regions of the country. In this regard networks will be developed and the potential of logistics service providers strengthened, so as to reach international standards. Measures include the hosting of training programmes for exporters on logistic capital cost reduction, the developing of distribution channels for export commodities, such as relying on ports of destinations that are close to the export countries, and establishing distribution centres worldwide, complete with integrates supply chain management to cut capital cost, as for example by introducing new logistic routes in the East–West Economic Corridor under the Greater Mekong Sub-region (GMS) initiatives as well as regional marine ports.



Service Business Promotion

Deemed potent to extend to international markets are creative services businesses such as Thai restaurants, entertainment, education, spas and hospitals. Promotion is focussed on personnel development, product development and international marketing activities. Targeted is new service business development such as designing, construction, car repair service, tailor-made attire via internet, all these including franchising as well.

The success of the tourism industry introduced the world not only to Thailand, but to the country's best kept secret – its wonderful service industries. At first, there were the simple pleasures of Thai cuisine and traditional Thai massage. With the expansion of the economy, the service sector did, indeed, prove its high potential also on the international stage.





The Services Promotion towards international markets

Services	Business Promotion
1.Thai Restaurants	The government monitors gastronomic operations to ensure their authenticity by offering training for Thai chefs, helping with the creation of recipes, ingredients and menus, and awarding "Thai Select" certificates to restaurants whose food, hospitality, atmosphere and efficient operations are of the required standards. The "Thai Select" logo assures guests of an authentic Thai dining experience.
2. Spas 	For all manner of spa services – traditional, pampering, ayurvedic and herbal – Thailand is the Asian leader. Demand around the world is triggered by the embodiment of hospitality, grace and attentive service. Spa prototypes and business manuals were developed to serve as guidelines and tools for Thai and foreign investors. Covered are market and financial analysis, marketing plans, facility planning, spa programmes, operation and management, and interior decoration that may be incorporated in accordance with local regulations, technical requirements and cultural considerations.
3. Health 	Medical services of international standards, a result of the government's collaboration with the private sector, established the country as a hub of medical excellence in Asia and the "wellness" capital of the region. Medical, dental and cosmetic treatments earned global renown for the high quality of its major hospital and clinics, which have become a preferred healthcare destination for patients from neighbouring countries and overseas.
4. International Education 	As of 2010, more than 100 international schools and pre-schools offering tuition in UK and US curricula, from kindergarten to high-school levels, and several Thai universities as well as foreign or international universities offer degree and post-graduate study programmes, primarily though not exclusively in the medium of English
5. Entertainment : Form & Content	Thailand is becoming a software and particularly animation centre where foreign companies outsource work for high-quality software and animation at economical prices. Opportunities abound within the entertainment and content industries, from music (karaoke and recording), television (programs and production), animation and CG, advertising and a host of support services.

5. Entertainment : Form & Content	The government encourages foreign investors to become involved in diverse entertainment and content industries, particularly the prolific film industry. The country is a popular location for shooting international movies; both Western and Asian with supporting film studios, editing labs, as well as pre and post production.
6. Construction Design	Government support to the Federation of Design and Construction of Thailand (FEDCON) increased opportunities for the Thai design and construction industry overseas. A fine example is the Hamad Medical City Hospital in Qatar, built to the latest international standards.

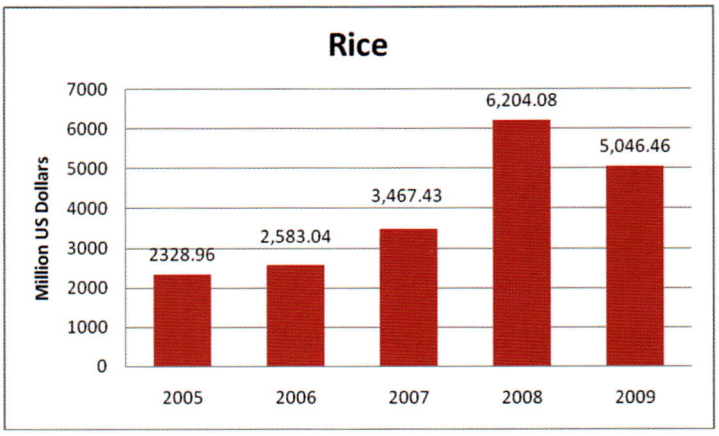
Key Export Products

Product Business	Promotion
1. Rice 	Of this most significant crop, almost half (48%) of the total production was exported, with more than 50% of the high-grade quality of long-grain rice. Thailand held a 30% market share and was the world's largest rice exporter in 2009; its markets with highest potential for growth are Africa, China, Philippines, Indonesia, East Asia and the Middle East. Thailand aims to play a significant role in the high-end market by promoting long-grain fragrant rice branded Thai Hom Mali Rice. The government has launched programmes encouraging entrepreneurs to develop distinctive brands under corporate identity through branding, labelling and packaging, to secure legal protection in the world market. The Government Quality Certification Mark guarantees buyers that the rice is genuine top grade fragrant Thai Hom Mali Rice.
2. Cassava (Tapioca, Manioc) 	Thailand is ranked the world's biggest producer and exporter of cassava of varied consistency and substance as half or end products. Cassava roots suitable for production of biofuel and pellets largely used in producing livestock fodder were exported principally to the EU, China, Korea, Japan, Taiwan, ASEAN and India. Thailand also was the world's biggest producer and exporter of tapioca flour, in 2009, processed as starch that is generally used as a substitute for corn or potato starch, for the production of sago pearls, and also required as raw material in food, paper, textiles, pharmaceutical and cosmetic industries. The government designated

2. Cassava (Tapioca, Manioc)	cassava and its products standardised commodities by setting the standards for cassava chips or pellets and for tapioca flour or starch.
3. Rubber 	In 2009, Thailand was the world's largest producer and exporter of natural rubber, with about 90% of it exported to China and Japan. Thailand's rubber production accounts for one third of total world production.
4. Fruit 	Major crops are durian, longan, mangosteen, rambutan, mango and lychee. Most fruits are exported in the form of processed and canned fruit and a small quantity for export as fresh and frozen fruit. The prominent export markets for fresh fruits are China, Vietnam, Hong Kong and Indonesia. Meanwhile, EU, US, Canada and Japan are still the major importing countries of processed and canned fruits.
5. Shrimp 	Thailand was the leading shrimp exporter with a global market share of more than 25%. Recent difficulties encountered were higher tariffs and non-tariff barriers such as compliance with sanitary and phytosanitary requirements with regard to enforcement of contaminant and food standards. To respond to these challenges, market penetration and expansion must be accelerated by focusing on individual consumer behaviour and demand in each market. Moreover, new markets were being sought in Canada, Australia, South Korea and the Middle East.
6. Poultry 	Thailand's broiler meat production was forecast to grow by 4% in 2010 in anticipation of higher demand both internationally and domestically. Export of cooked chicken meat was forecast to grow by 7-8% in 2010, with the EU and Japan remaining major markets, accounting for 85-90%.

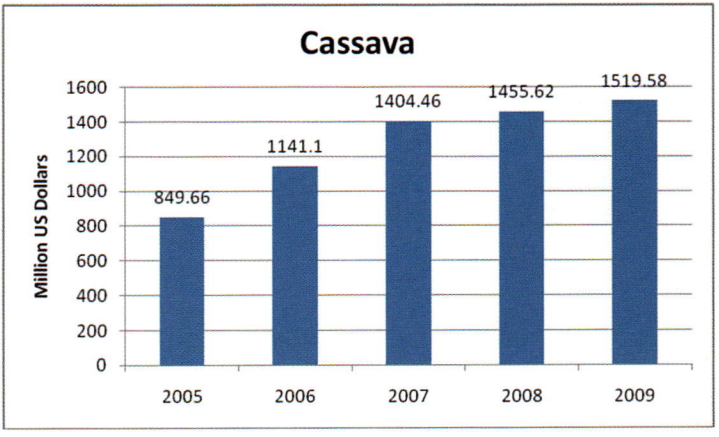


Figure 1 : Export value of rice products during 2005 – 2009



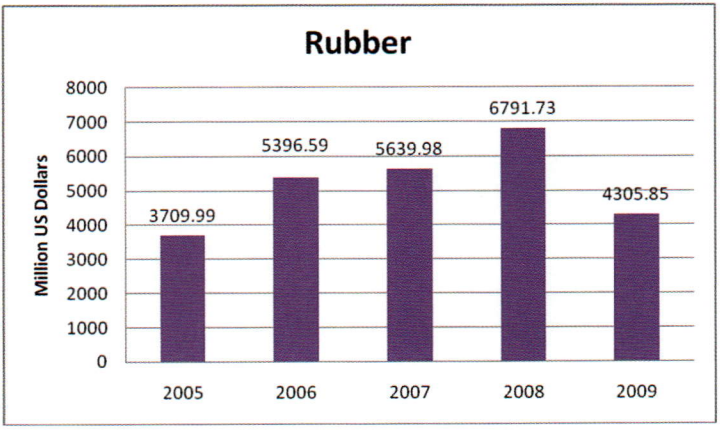
Source : Ministry of Commerce with cooperation of the Customs Department

Figure 2 : Export value of cassava products during 2005 – 2009



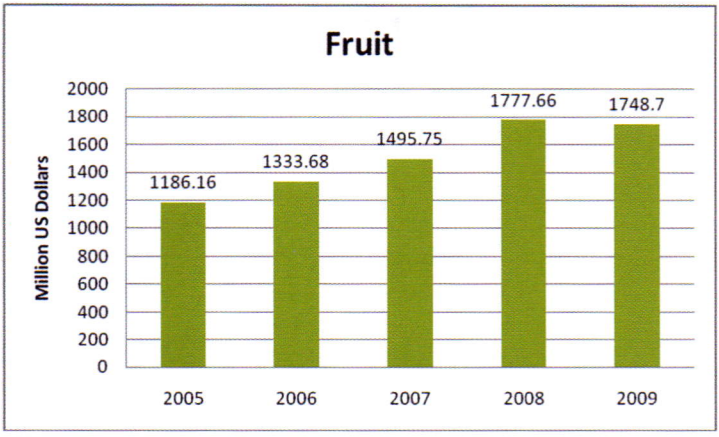
Source : Ministry of Commerce with cooperation of the Customs Department

Figure 3 : Export value of rubber products during 2005 – 2009



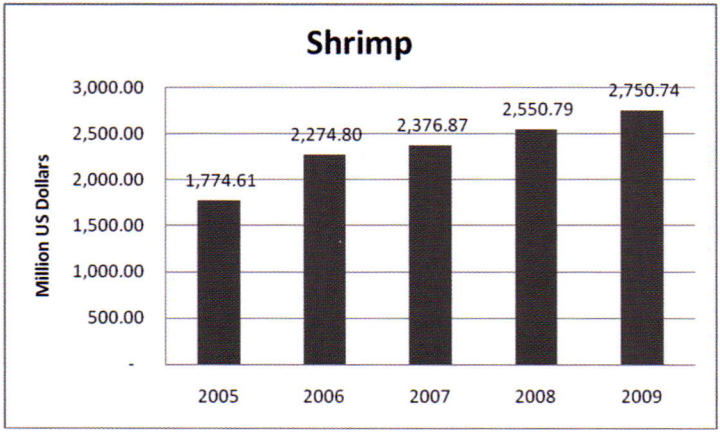
Source : Ministry of Commerce with cooperation of the Customs Department

Figure 4 : Export value of fruit products during 2005 – 2009



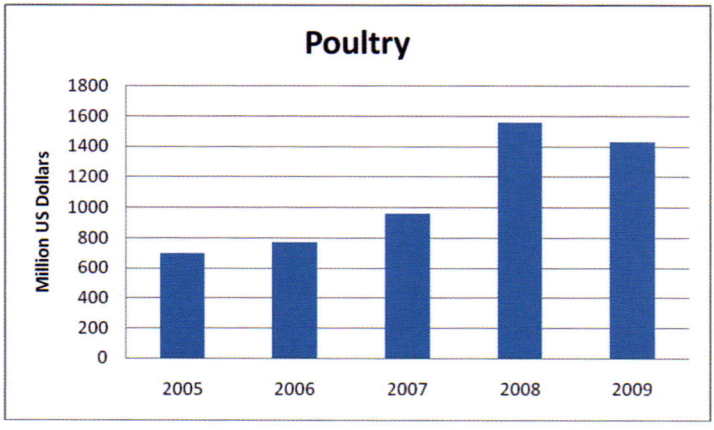
Source : Ministry of Commerce with cooperation of the Customs Department

Figure 5 : Export value of shrimp products during 2005 – 2009



Source : Ministry of Commerce with cooperation of the Customs Department

Figure 6 : Export value of poultry products during 2005 – 2009



Source : Ministry of Commerce with cooperation of the Customs Department

Creative Thailand and Intellectual Property Enhancement

Government policy has been aimed at developing and promoting creativity by utilising Thai intellectual property to increase the value of products and services. This is part of the master plan to achieve the status of ASEAN's "Creative Industries Hub". Committed to the development of the infrastructure essential for building "Creative Thailand" the requirements are to lay the foundation for creative thinking through education, raise awareness of every sector of the creative economy, and promote the relevant industry and business sectors. Heading toward a knowledge-based society while gaining a competitive edge in the world market, the matching objectives are the restructuring of the economy relevant to the promotion, creation and commercial use of intellectual property (IP); the development of an intellectual property right protection system; and the suppression of intellectual property right infringements.



Thailand recognised the importance of promoting and commercialising intellectual property by providing an Intellectual Property Central Market wherein inventors and rights-holders can negotiate with businesspersons and investors for licensing, leasing or sale of intellectual property. This will also provide a forum for contrasting innovative works and to establish cooperative networks with vocational schools and higher education institutes promoting innovative works at all levels of society.

Thailand will develop intellectual property rights protection by facilitating inventor access to the protection system at both the domestic and international levels. IP registration services were improved and outsourced to shorten procedures and time taken. Mobile units were set up to receive applications and extend registration services. Moreover, the government amended various intellectual property laws and regulations, such as the Copyright Act, the Trademark Act, the Patent Act, the Customs Act, and the Radio and Television Broadcast Operation Act, in line with international standards to cooperate and strengthen relationships with trading partners and international organisations in preventing infringement of Thai intellectual property rights overseas.

In an effort to increase the effectiveness and efficiency of the overall prevention and suppression of intellectual property violation in Thailand, the authorities introduced IP legislation to protect both local and foreign owners of intellectual property rights as well as inspecting venues where large volumes of counterfeit goods had previously been found. Furthermore, equipment used to duplicate copyrighted materials is subject to import licensing. Thailand intensified its efforts to raise and enhance awareness of the importance of intellectual property protection.

To promote the administration of intellectual property rights, the government will establish The Intellectual Property Centre as a one-stop focal point providing information and advice, as a tool for developing and refining Thai knowledge, to the right-holders and as a means to create trade opportunities and enhance competitive capacity.

Enterprise Development through Dynamic Entrepreneurs

To create value and move up the value chain, creativity of the business sector ought to be more innovative, entrepreneurial and dynamic. The government provides respective services such as business registration, certified business documentation, accounting and consulting. Moreover, Small and Medium Enterprises (SMEs) are seen as the future of the country's economic strength. Many programmes were focussed on capacity building in terms of world-class management, marketing, IT applications and good corporate governance. For knowledge-based enterprises, these programmes provide innovation support such as IP promotion, collaboration among government agencies, academic institutions and private-sector units, and assistance to franchisers in registering intellectual property and expanding into the global market as well.

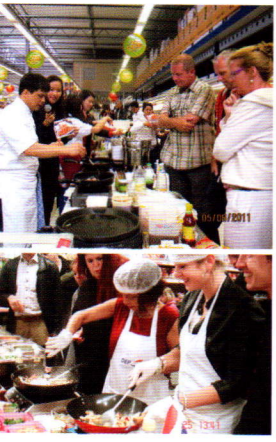


Key Dynamic Sectors	
Sector	**Business Promotion**
1. Food 	Given a great diversity of food for domestic consumption, Thailand's food processing industry manufactures a variety of food and beverage products for export. This includes *halal* and vegetarian food products, finger snack and ready-made Thai meals. Best practices in the food chain from farm to table, incorporating hygienic processing and adhering to international standards in production and packaging ensure the highest level of food safety and quality that are in line with import regulations around the world. In addition, organic food is grown to international standards, ensuring a range of healthy fruits and vegetables for export.
2. Health and beauty products	Inspired by the success of the rapidly expanding spa industry, Thai entrepreneurs have developed intriguing ranges of spa products that incorporate health-giving Thai herbs and traditional remedies.

3. Gifts and decorative items	The range is enormous, including wooden photo frames, wooden sculptures, artificial flowers and trees, as well as lamps.
4. Housewares products 	Industry of creative pottery, particular in the northern provinces, combined modern production techniques with the skills of Thai craftsmen to create beautiful plates, bowls, cups, vases and other tableware, both in ceramics and porcelain, as well as glass, metal, plastic and wooden artefacts.
5. Furniture 	Manufacturers utilise a wide range of environmentally friendly materials such as para-wood cut in aging rubber tree plantations, bamboo, wicker and water hyacinth in conjunction with rich home-produced cottons and silks, to create quality furniture with attractive designs.
6. OTOP Products 	The One Tambon One Product (OTOP) programme encourages communities to develop their own unique hand-made products, utilising local materials and knowledge. These include clothing, wickerwork, gifts & decorative items, furniture and food products. OTOP products found favour in international markets appreciative of their creative designs and distinctive Thai touch.
7. Gems and Jewellery 	Owing to craftsmen's fine reputation for high quality cutting and setting, Bangkok became an outstanding gems and jewellery centre. Also, Thailand is one of the world's largest traders in coloured stones, and is renowned for cutting and polishing diamonds.
8. Textile and Garments 	The comprehensive textile industry – especially its rich range of Thai silks – is famous for quality and design. Many young talented designers helped create Bangkok's high-flying fashion image, with their best works showcased annually in the Bangkok International Fashion Fair.
9. Hi-tech industry products 	High-profile companies set up manufacturing operations, bringing with them international technology and training of a highly skilled workforce. For example, the automobile industry is the major production base of many world-class brands produced for the domestic market and for export to ASEAN countries. Also, international companies in the electric and electronic industry set up manufacturing operations, particularly for the production of computer components, meeting over 20% of the world market demand for hard disk drives and other computer components.

Market Channel Enhancement and Value of Agricultural Products Creation

In terms of agricultural trade, the government acted as a trade facilitator by providing services such as silo and storage, grading products and market information whilst supporting private-sector initiatives and managing the central agricultural markets. Moreover, to reduce the risk of price and quantity fluctuation of agricultural products, the contract market has been set up for perishable goods, complicated produce processing (tobacco, tea, etc.), production of processed or high-end processed products (i.e. palm oil, sugar cane and rubber) and specific types or quality products (such as Basmati rice, grain seeds, etc.). In addition, the Agricultural Futures Exchange of Thailand (AFET) will serve as the marketplace to trade agricultural futures with established rules and regulations to ensure fairness for all buyers and sellers.



Thailand's ambition to be the "Kitchen to the World" has resulted from the strong reputation of Thai cuisine, recognised worldwide as healthy, tasty, exotic and refined food. Emphasis is placed on promoting food safety and standardising the overseas Thai restaurant business in terms of sanitary and hygienic conditions. As the world's leading exporter of food products, Thailand earns approximately US$16.2 billion annually from both primary agricultural food and products. Thus, the project aims to further increase the popularity of Thai food and stimulate its agricultural exports in the world market, and to position Thailand among the world's top five food exporters.

Cost of Living Alleviation to Boost Thai Domestic Consumption

Thong Fa
Department of Internal Trade

The Government initiated the "Blue Sky Smile Thailand", aiming to stimulate the economy as well as to reduce the cost of living for citizens and to increase the outlets of agricultural products. It includes encouraging Thai people to use Thai products by selling a variety of products and services below the market price, comprising four sub-projects as follows:

- Blue Shop selling basic necessities and consumer products, at not over 60 baht per item, in selected communities. In 2009, its target was to open ten stores in Bangkok and the metropolitan area;
- Blue Farm serving as a centre to distribute agricultural products and agro-industry goods to communities that are in over-supply and will be distributed by producers directly to consumers;
- Blue Outlet offering export products or manufactured goods at factory prices, thus absorbing the excess stocks of export commodities at times of global economic crisis. This offers an opportunity for consumers to avail of high-quality products at affordable prices;
- Blue Service aiming to support service businesses and related private-sector organisations to offer affordable prices and benefits to consumers, covering a wide range of services such as taxi and hotel accommodation.




TOURISM



Tourism

Thailand embodies a glorious centuries-old culture and rich natural heritage with a way of life that preserves a sense of calm and hospitality. People are friendly and still living happily in harmony with nature. There always is a helping hand to assist, guide and make visitors feel as if Thailand were their home away from home.



Overview of Tourism Industry

The Tourism Authority of Thailand (TAT) is responsible for the promotion and marketing of sustainable tourism. As the TAT celebrated its 50th anniversary in 2010, looking back how the travel industry has grown by high-tech leaps and jet-age bounds. In 1960, when the national tourism board was first set up, the number of visitor arrivals was 81,000. In 2010, the number of visitors hit 15.9 million. To put this statistic into perspective, the 2010 total garnered Thailand the 16th spot of the most visited countries in the World Tourism Ranking.

As a result, tourism now accounts for about 9.85% of the kingdom's GDP, employing either directly or indirectly some three million people, and bringing in around US$18.7 million per year. These figures are projected to grow substantially in the next decade. Despite downturns caused by pandemics like SARS and the bird flu, as well as natural disasters like the Asian tsunami of 2004, Thailand's tourism industry has always bounced back.

In terms of international arrivals, more than 52% of the arrivals in 2010 came from East Asia. That same year saw close to four million visitors





coming from Europe, accounting for a little more than 28% of the total. The number of arrivals from the United States and Canada was smaller still, with Australian nationals notching up some 788,229 arrivals.

Thailand boasts one of the highest numbers of repeat visitors in the world: 67% for 2010. Part of this trend stems from the backpackers who first came here in the '80s and '90s, and now return with their families. It's also due to the fact that Thailand has become a safe and mainstream, family-friendly destination.



However, the fastest-growing segment of new arrivals comes from the rapidly expanding economies of India and China - a trend that is certain to accelerate in the decade to come. Indian arrivals totalled more than 700,000 in 2010. Bollywood filmmakers and TV producers shooting movies and commercials swelled the ranks. Another reason for this trend is the number of direct flights from major Indian cities to Thailand: 124 per week.

Awards for Thai Tourism

Thailand has won an astounding array of awards for its tourism products, services and cuisine over the years. In 2010, Thailand won top honours in Condé Nast Traveler: 2010 Readers' Choice Awards in the Top Cities – Asia Category for Bangkok and Chiang Mai. Thailand won the Go Asia Award for Best Destination in Asia for five consecutive years from 2005 and also received four other awards honouring best service providers for travel to Asia at ITB Berlin 2010. Perennially popular with Scandinavians, the Kingdom took the Swedish Grand Travel Award for the best tourism destination 2010, and the Norwegian Grand Travel Award for the best tourism country for the seventh consecutive year in 2010.

Tourism Strategies

As a result of the economic downturn of 2008-9, the TAT launched the "Amazing Thailand, Amazing Value" campaign to reposition the country as a value-for-money destination. This strategy is in line with the surging number of "boutique travellers" in the mid-range of the market. Amid a glut of five-star properties, the budget hotel chains have shown steady growth. The "Amazing Thailand, Always Amazes You" campaign was launched in 2011

to strengthen Thailand's positioning as a value destination that offers a unique culture and an array of travel experiences to visitors.

Increasingly important are the markets of South Asia, the Middle East, China, Russia, and ASEAN countries. Through road shows, collaborating with tour operators, and the use of social media, the TAT has been reaching out to these markets, all of which are expected to grow in the next decade.

As a leading ecotourism destination in the Asia Pacific region, the government is forging environmental policies to stave off ecological damage and promote this form of travel.

The TAT also promotes environmental awareness among tourism stakeholders by initiating the "Seven Green concept: Green Hearts, Green Logistics, Green Attraction, Green Community, Green Activity, Green Service, and Green Plus". In addition, the Thailand Tourism Awards are bestowed every other year by the TAT to enterprises that make outstanding contributions to the conservation of natural and cultural resources and tourism products.

Regional Urban Centres

Several urban areas have been gaining ground. Chiang Mai Province, now boasts a population of over 1.5 million, and Chiang Mai City is increasingly in demand among travellers as a base to launch trekking tours of the nearby mountains and as the kingdom's "handicraft capital".

In the North-east, the city of Nakhon Ratchasima is also booming. It is the gateway for launching trips in northeast Thailand. Down south, the city of Hat Yai boasts a population of two hundred thousand and is visited by many day-trippers from Malaysia.

The Air Hub of Southeast Asia

Since Suvarnabhumi International Airport opened in 2006, Thailand has been the main air hub in Southeast Asia. In total, some 90 local and international airlines fly in and out of the airport. The country's other international airports are in Phuket, Chiang Mai, Chiang Rai, Ubon Ratchathani, Khon Kaen, and Hat Yai.





Thainess

The true nature of "Thainess" represents cultural heritage, traditions, the beauty of hospitality, lifestyle and friendliness of the Thai people. Each region of the country has variations in its way of life, sometimes with influences from neighbouring cultures. One thing that remains consistent throughout the country though is the gracious character of its people.

The traditional way of life of rural Thailand is to grow rice, vegetables and fruits for their own consumption and as a source of income. Visitors can learn about the Thai way of life through observation and participation in local activities relating to rice farming, elephant training or even by learning how to cook Thai food.

Treasures

Every region displays uniqueness, based on its own culture, customs and dialects as well as distinctive tourism attractions. Throughout the Kingdom, ancient capital cities with once-revered royal palaces, historic temples, preserved historical sites, some UNESCO World Heritage Sites and numerous archaeological sites are testimony to its rich history.

Culturally significant architectural attractions include more than 30,000 Buddhist monasteries, 3,000 mosques, 1,000 Christian churches, 600 Hindu temples, and several hundred Chinese shrines that are still in use today. Thailand also has hundreds of thousands of sites of archaeological and historical significance scattered all over the country. Some of their treasures may be found in over 600 museums and art galleries that attract legions of interested visitors.





Beaches and Islands

With a 2,500-km. coastline, Thailand offers such a profusion of sandy beaches, sheltered bays, quiet coves and idyllic islands that the choices for a holiday in the sun are near limitless. From the southern islands of Phuket and Ko Samui, internationally renowned resorts boasting some of the world's finest beaches and most luxurious accommodation, to a fun playground like Pattaya or a classic family retreat such as Hua Hin, visitors will find their kind of beach.

A huge contingent of visitors comes every year to escape colder climes. This ensures that December and January are the peak season for travel and island hopping. With a balmy climate, tropical flora, aquamarine water and colourful coral reefs, the islands make for great getaways in the midst of a northern winter.





Nature

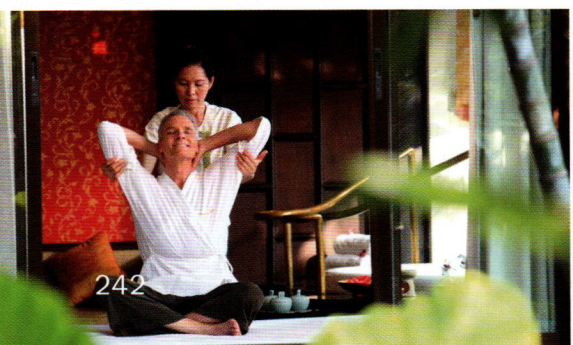
Among rising awareness for environmental concerns worldwide, Thailand's tourism industry is attuned to protecting the natural environment. Ecotourism is ideally suited to Thailand's diverse topography and cornucopia of flora and fauna. A variety of tourism activities are environment-friendly. Choices include adventure sports, forest treks, bird-watching tours, nature-based itineraries, sustainable travel, community-based tourism, and agro-tourism.

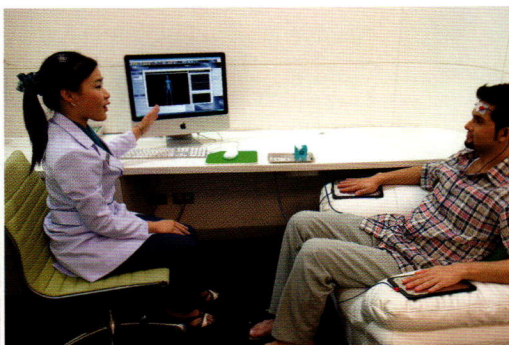
Among sports enthusiasts, scuba diving remains in pole position, with Ko Tao certifying more rookie divers every year. Up north, trekking, mountain biking and white-water rafting are mainstays, while rock-climbing reigns supreme on the limestone-studded cliffs of Krabi Province in the south. On the islands, fishing, parasailing, bungee jumping and jet skiing are welcome diversions.

In this segment of the tourism trade, Thailand is doubly blessed, not only for its biodiversity, but because most of the adventure sports are available for beginners all the way up to experts. Sure to grow in the next decade are niche markets like the "zip-line rainforest canopy adventures," caving, hang-gliding, and extreme sports.

Health and Wellness

The combination of unique local wisdom, Thai hospitality, impeccable service, and modern Western efficiency and technology entitles Thailand to be a fully integrated health and wellness hub. A growth driver in new arrivals and repeat visitors, health tourism attracted some two million visitors in 2009. Every year this sector grows by about 10%. Many foreigners come for cutting edge dental-care treatment, reconstructed surgery, saving enough to pay for their holidays. Those undergoing operations at the state-of-the-art





facilities in Bangkok are able to spend their recovery time lounging on the beach. Different facets of cosmetology and alternative treatments like stem cell therapy or Hyperbaric Oxygen Therapy (HBOT) are also available.

As one of the spa hubs of Asia, the wellness business has extended its spokes all over the country, while experiencing some very healthy returns. Most upper-end hotels have spas attached to them. In the tourist areas, small centres offering reflexology, and the chance to get bent into shape with a vigorous and invigorating traditional Thai massage, are also prevalent.

Given the burgeoning interest in healthy holidays, many wellness centres on the islands offer weeklong detox and colonics programmes, with five-star comfort and amenities. These sanctuaries also offer plenty of options from yoga to New Age treatments in addition to special programmes for stressed-out executives, and organic produce.

An Abundance of Accommodation

Thailand's appeal to such a broad demographic of visitors, hospitality and safety aside, has a lot to do with affordability. Nowhere is this more apparent than in its range of accommodation. Even the luxury end of the market is a bargain compared to many other parts of the region. Growing in popularity are the many mid-range and boutique hotels, whereas backpackers tend to opt for guesthouses or dorms.





With an upsurge in responsible, or sustainable, travel, and with many repeat visitors wanting more immersion in real Thai culture and ways of life, home-stays are experiencing a small boom. What this means is that visitors lodge with local families, usually in smaller or more remote towns. These all-in-one packages usually include meals and a variety of sightseeing options, or chances to plant rice, make handicrafts, and observe village life.

Shopping

Thailand is a world-class shopping destination. From numerous street stalls to one of the world's biggest bazaars, the Weekend Market, and the mega-malls of Bangkok, laden with all the glitziest designer names, there is a shopping spree for every income bracket.

Thai silk, woodcarvings and myriad handicrafts have become internationally renowned, and many items, such as sterling silver, are as famous for their quality as their affordability. Thanks to the government's promotion known





as OTOP, many craftspeople from rural parts of the country have been able to set up cottage industries to revive dying arts and crafts, which are then sold to tourists.

Festivals Galore

Every month brings a major festival to the fore, with the Thai New Year "Songkran" in mid-April and the "Loi Krathong" festival in the full-moon night of the 12th lunar month, usually in November, being two of the biggest. Buddhist holy days also loom large on the Thai calendar. They are celebrated with piety and candlelight processions across the country.

Each region has its own quirky festivals. These events, often accompanied with plenty of food, traditional performances and much merriment, reveal the distinctly Thai, and proudly rural, spirit of the kingdom.

A Feast of Food

Thai cuisine is world-renowned for its flavour, nutrition and refined presentation. It is always healthy because of the use of fresh ingredients including vegetable, herbs and spices. Dishes such as Tom Yam Kung (spicy shrimp soup), Kaeng Khiao Wan (green curry) and Phat Thai (fried noodles) have made Thai food famous and a preferred cuisine.

In Thailand, food is the spice of life, and in urban centres it's a 24/7 moveable feast with everything from street stalls to rooftop restaurants crowning five-star hotels. Not only that, there is a mouth-watering array of choices – particularly in the bigger cities and islands – of Japanese, Italian, Chinese, Indian, European, Halal food and many other cuisines, something for every taste and budget.

Now that Thai fare has become such a global palate-pleaser, gourmands

flock to the kingdom for the real deal on meals. A growing number of big hotels, and private homes, offer cooking classes in Thai cuisine.

Modes of Transport

As a thoroughly modern country, Thailand has a range of transportation options. Low-cost carriers, trains and buses serve all the country's major hotspots, and many out-of-the way destinations. Getting around the main beaches often requires renting a car or motorcycle, which can be done cheaply, or hopping a ride in a pickup truck known as a songthaeo, named after the two seats for passengers in the back. The ubiquitous three-wheeled taxis known as tuk-tuks are another good way to get around. Between islands, express boats, catamarans and long-tail boats ferry passengers to and fro.



Bangkok has the widest range of transport options, with the quick and economical Skytrain (BTS) and the subway (MRT) linking many attractions with tourist areas. Metered taxis and tuk-tuks fill in the gaps, while the river taxi links downtown with many outlying districts.

Travel Safety

One of the reasons Thailand entertains so many repeat visitors, families and female travellers is the level of safety. Established some three decades ago, the Tourist Police have offices in all of the major tourist centres across the country. Assistance is available 24 hours a day via the Tourist Police by calling the toll-free line: 1155. As it is the land of amazing diversity where tourists can discover the fascinating natural and cultural sites, enjoy Thai cuisine, be pampered in the healthcare and so on, any further tourism information can be obtained by calling the TAT Tourist Hotline 1672 for assistance.

Furthermore, tourists can access the websites of others organisations related to the tourism industry for alternative information:

* Association of Thai Travel Agents
* Thai Hotel Association
* The Association of Domestic Travel
* Thai Ecotourism and Adventure Travel Association



NATURAL RESOURCES AND ENVIRONMENT





Natural Resources and Environment

Vegetation

The monsoon climate with a markedly dry season of three to five months, except in the southeast and on the peninsula where rains are more or less prevalent throughout the year, determines the vegetation. Overall, humid subtropical and tropical climates characterise large parts of the country.



Recently, natural forest cover was an estimated 25% of the total land area. Its vegetation can be classified into evergreen and deciduous forest types based on varying moisture gradients, temperatures and altitudes. Further distinguished are tropical evergreen rain forests, seasonal evergreen forests (or dry evergreen forests), montane forests, mangrove forests, peat swamp forests, strand vegetation, mixed deciduous forests, deciduous dipterocarp forests, and pine forests.

Botanically, Thailand is included in a continental Southeast Asian subdivision, and phytogeographically it is situated between two floristic regions: Malaysia and Indochinese including Myanmar and southern China. Thailand is considered as a collective centre of botanic diversity designated by three floristic regions: Indo-Burmese, Indo-Chinese, and Malaysia. As a result, Thailand shares its flora with the neighbouring countries. The number of endemic species is, therefore, not high. However, the richness of its flora is estimated at 10,000 vascular plant species, represented by 275 families of spermatophytes and 36 families of pteridophytes. In deciduous forests, plant diversity is rather poor. Dominant among the canopy trees are dipterocarp and leguminous species.



The Royal Forest Department (RFD) and the Department of National Parks, Wildlife and Plant Conservation are the main agencies for forest and wildlife conservation and sustainable management of the forest resources. Records attest to Thailand having 147 national parks, 108 forest parks, 57 wildlife sanctuaries, 49 non-hunting areas, 16 botanical gardens and 55 arboreta covering over 60% of the remaining forest areas and containing most of the natural resources of ecological importance.

Wildlife

Thailand is situated in the Indochinese and Sundaic sub-regions of the Oriental biogeographical region. This has resulted in highly diverse ecosystems and an amazingly rich and varied native fauna including 302 species of mammals, 982 species of birds, 350 species of reptiles, 137 species of amphibians and 2,720 species of fish. Of these vertebrate groups, 133 species are native to Thailand. Habitat destruction, coupled with direct maltreatment has resulted in the extinction of numerous species and a dramatic decline in the populations of others.

The Wild Animals Reservation and Protection Act (1992) includes a provision for species protection legislation and the establishment of wildlife sanctuaries and non-hunting areas to protect wildlife habitat. To date, fifteen species of wild fauna have been identified as reserved wild animals and the trade of live specimens and carcasses prohibited.

More than 15 species of reserved wild animals include the tiger, an example of endangered species with its habitat mainly in Huai Kha Khaeng and Thung Yai Narasuan Wildlife Sanctuaries in the western part of Thailand, and the tiny animal named Kitti's hog-nosed bumblebee bat, the smallest mammal, also one of the world's most endangered species. Discovered in 1973 by Kitti Thonglonaya, a Thai biologist, it is found only in a few caves in Kanchanaburi Province. To achieve our goal in wildlife conservation, the National Park, Wildlife and Plant Conservation Department has conducted many research projects and implemented various conservation measures in order to gain more knowledge, and information and achievement in the conservation of endangered wildlife.







Climate Change

After signing the UNFCCC in 1992, climate change policies and issues have been integrated into economic and social development since the 7th National Economic and Social Development Plan (1992-1996). In October 2002 the Ministry of Natural Resources and Environment (MNRE) was established and assigned the mandate of natural resources and environmental protection. The Office of Natural Resources and Environmental Policy and Planning (ONEP) was assigned by MNRE to be a National Focal Point of UNFCCC and a focal point for climate change implementation in Thailand, whereas the Thailand Greenhouse Gas Management Organization, or TGO, was established to be a Designated National Authority (DNA) for CDM and the implementing agency to promote greenhouse gas (GHG) emission reduction in Thailand.

ONEP formulated and launched Thailand's Strategic Plan on Climate Change (2008-2012), approved by the Cabinet on 22 January 2008. The main objectives of the Strategy are 1) to create readiness for the country to cope with the impacts of Climate Change and to enable it to adapt itself accordingly; 2) to cooperate with the world community to reduce GHG emissions by implementing measures on the basis of sustainable development, and the principle of common but differentiated responsibilities, and 3) to promote integration from all sectors concerned in the planning and operational processes to systematically address problems resulting from the country's climate change.

There are six strategies in Thailand's Strategic Plan on Climate Change (2008- 2012):

Strategy 1: Building capacity to adapt and reduce vulnerabilities to climate change impacts. The objectives are to protect, conserve, and add value to the natural resource base, and improve environmental quality and the quality of living;

Strategy 2: Promoting greenhouse gas mitigation activities based on sustainable development. The purposes are to reduce greenhouse gas emissions and promote clean technologies focusing on reducing GHG from various sectors and also increasing amounts of GHG absorbed by forest areas;

Strategy 3: Support research and development to better understand climate change, its impacts and adaptation and mitigation options. The objectives are climate change knowledge management and development of a climate change knowledge base to support decision-making;

Strategy 4: Raising awareness and promoting public participation;

Strategy 5: Building capacity of relevant personnel and institutions and establishing a framework of coordination and integration. The purposes are academic, planning, operation, and evaluation;

Strategy 6: Supporting international cooperation to achieve the common goal of climate change mitigation and sustainable development.

Based on the national strategic plan, the MNRE is now developing a ten-year master plan on climate change focusing on four priority areas: agriculture, industry and energy, health and infrastructure, and tourism. A three-year action plan will be developed.

Biological Diversity

Biodiversity is the source of food, medicine, energy, housing facilities, musical instruments, other tools and equipment, as well as for aesthetic and recreational purposes. Tradition and culture reflect biodiversity in various ways of life and ceremonies. For example, the royal ploughing ceremony or Rag Na Khwan, a royal rite held to mark the traditional beginning of the rice growing season. In this ceremony, several plant varieties, including selected rice seeds, corn, green beans, sesame seeds, fresh-cut grass and rice whisky are offered to Phra Khoe, or the sacred oxen, to choose and eat, and make a prediction on the coming growing season.

Thailand's biodiversity is decreasing at an alarming rate. Major human-induced threats are: land conversion from forests to residential areas, and from mountainous areas to agricultural farms/fields; widespread use of chemicals and modern technology which have threatened the survival of pollinators'; illegal harvesting and trade in wild flora and fauna; overexploitation of natural resources; introduction of invasive alien species that threaten domestic and endemic species; and the impact from pollutions and climate change. In order to protect and minimise the negative impacts arising from ongoing biodiversity loss in April, 2002, parties to the Convention on Biological Diversity, which include more than 180 countries around the world, has adopted a target for 2010. The objective was to significantly reduce the rate of biodiversity loss, at the national, regional and global level, by the year 2010.

Thailand has committed to join globally in protecting and safeguarding biodiversity resources, which include forest conversation, marine and coastal areas protection through the designation of protected areas, and wildlife sanctuaries. Furthermore, the ongoing reforestation initiatives include restoration of forest ecosystems both inside and outside the conservation areas.





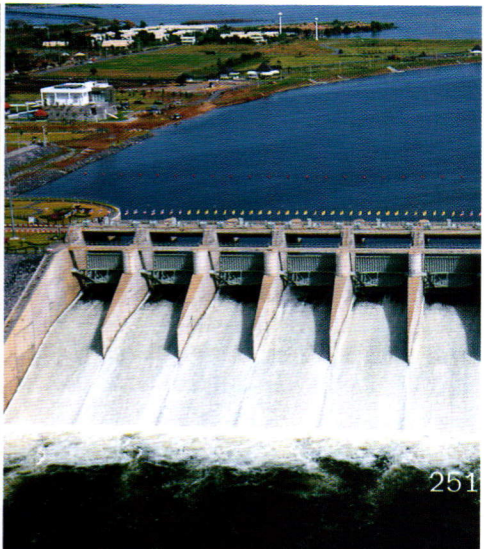
An outstanding example of the country's protected areas is the Huai Kha Khaeng Thung Yai Naresuan Wildlife Sanctuary, recognised as a World Natural Heritage Site. Of similar significance is the Dong Phayayen Khao Yai Forest Range, stretching over 230 kilometres from the Ta Phraya National Park on the border with Cambodia in the east, to the Khao Yai National Park in the west covering 6,155sq.km. Its subtropical forest ecosystems are globally important for the conservation of vulnerable and endangered animals, and one critically endangered animal, plus species of mammals, birds and reptiles.

Initiatives and work regarding biodiversity conservation and reducing biodiversity loss to achieve the 2010 biodiversity target required close cooperation, especially in local communities that largely depend on natural resources and have valuable traditional knowledge concerning natural resources and their usage.

Water Resources in Thailand

"Water is life... The main principle is that there must be water for consumption and for agriculture because life is there. If there is water, man can survive; without water, man cannot survive. Without electricity, man can survive; with electricity, but no water, man cannot survive... " This excerpt comes from a royal speech which clearly indicates the recognition of the importance of water to life. His Majesty King Bhumibol Adulyadej, who is honoured as the Father of Water Resources Management, has long been involved in water resources development and management in Thailand. Since His Majesty's accession to the throne in 1946, the King has worked to improve the standard of living of Thai people particularly farmers whose lives depend greatly on having adequate supplies of water for their farming. His Majesty initiated many projects to develop water resources for agricultural and other purposes. Each year, Thailand faces water–related problems ranging from floods to water shortages as well as water quality which, each year, harm people and cause damage.





The water issue forms a part of Thailand's national agenda. The Ministry of Natural Resources and Environment has developed strategies, plans and guidelines for integrated water resources management, development, rehabilitation, utilisation and solutions for water–related problems. In addition, Thailand has taken the holistic approach for sustainable water resources management at a river basin level. The river basin committees have been established for all 25 river basins in Thailand. Each river basin committee comprises all stakeholders in the basin including representative of agencies concerned, water user groups, water resource and environmental experts and local non-governmental organisations.



Pollution Control and Elimination

Air and water quality control, as well as pollution control and elimination, have been consolidated to protect the nation's environment.

Water Pollution

The overall quality of surface water resources throughout the country between 1998 and 2008 changed slightly. Water quality over eleven years in the "fair" level appeared to be on the increase, while deteriorated water quality appeared on the decrease. Coastal marine water quality levels also appeared to be improving with water quality in the "good" and "very good" levels increasing.

Air Pollution

Critical air pollutants, comprising carbon monoxide, nitrogen dioxide, sulphur dioxide, ozone and particulate matters, have been continuously monitored since 1996 throughout Thailand. In addition, toxic volatile organic compounds (VOCs) have been monitored. The latest data in 2009 showed that carbon monoxide, nitrogen dioxide and sulphur dioxide only rarely exceeded the National Ambient Air Quality Standards (NAQQS) in cities with heavy traffic. Pollutants which are major concerns are ground-level ozone and fine particulate matter (PM10: particles with aerodynamic diameter less than 10 micron).

Ground-level ozone is most problematic in suburban Bangkok and surrounding provinces. Although ozone was found to decrease during the past ten years, it began to slightly increase from 2004. The cause could be the shift in automobiles' fuel consumption to natural gases and biofuel.

Fine particulate matter is found concentrated in areas with cement industries, stone and quarrying industries, in the north of Thailand during wildfire seasons, and also near roadsides during heavy traffic.

Control measures focus on emission mitigation at the sources of pollutants. For automotive emission sources, stricter standards on emissions

from engines of new vehicles were issued, along with improving fuel quality. Currently Thailand is working towards gasoline reformulation for benzene and sulphur contents to be equivalent to the the Euro IV standard by 2012. Diesel reformulation is now within the Euro III standard, and will achieve the same level of Euro IV by 2012. Emission standards for new vehicles are now comparable to Euro III for both gasoline and light duty diesel vehicles. The heavy duty ones remained within Euro II standards, but achieved Euro III standards in 2009; same with motorcycles.



To control emissions from industrial sources industries must report their emissions annually and comply with the National Emission Standards notifications. In case of large emission sources, they must report to the Office of Natural Resources and Environmental Policy and Planning, as a part of their Environmental Impact Assessment (EIA) reports.

Open-burning is a major source of air pollution. The National Master Plan for Open Burning Control identified open-burning as three key sources; burning of agricultural residue, burning of community solid waste, and wildfires. Stricter measures to control wildfires were issued by the Department of National Parks, Wildlife and Plant Conservation. The eight provinces in northern Thailand, where haze pollution has been most severe, have issued provincial plans requiring local authorities to set up proper solid waste management systems, promote burning-free organic agriculture, and reorganise traditional open-burning events.

All the control measures must be implemented with the support and the understanding of the public. The central authorities are working with the communities and local authorities to publicise knowledge about pollutants and their impact on people's health, and to build networks of environmental volunteers. Public participation in pollution controls includes the "Exhaust Clinic" programme and Thailand's Air Pollution Centre of Excellence (TAPCE); industrial sectors "Star Awards for Mill and Quarry Industry", and a recently initiated reward programme "EIA Awards".

Waste Management

Policy for pollution control and management based on the resource conservation and recovery principle addresses "...prevention of deterioration or extinction of natural resources by incorporation of all stakeholders including government, private sector, and NGOs in conservation and recovery of resources as fundamental and equilibrium for sustainable socio-economic development."

Several waste management practices were implemented, such as governmental green procurement, and a waste exchange programme and voluntary take back schemes. However, the waste recovery rate is only 22% due to unsystematic practices. Accordingly, the Pollution Control Department has introduced the "3Rs" principle (Reduce Reuse and Recycle) to control and reduce waste at source, increasing effectiveness of waste separation, recovery and utilisation as well as the proper disposal of waste residues.

It is anticipated the application of the 3Rs principle will lead to a systematic and effective water management approach for a source reduction, recovery, reuse and recycling waste success rate of 30%, achieving the target in the 10th National Economic and Social Development Plan.

Pollution management

Public awareness on pollution reduction and elimination should be promoted through public participation and information sharing among all stakeholders.

Sustainable concept

To protect the environment, a sustainable concept such as pollution prevention, cleaner production and green procurement should be implemented.

Geological Resources

Thailand was one of the biggest tin export countries in earlier decades. Lead and zinc and non-metallic minerals are also abundant and construction materials are available and sustainably exploited in every part of the country. Apart from rocks and minerals, Thailand is also rich in geoheritages which have been taken care of for future generations.

Rocks

Limestones with a variety of quality are mined in every part of Thailand as raw material for cement and construction material. Rockery stone, cobbles and boulders, granitic rocks, sandstone, slate and marble, dimension stones are quarried in different colours and styles.



Minerals

The "green mining" method is promoted and higher technology is applied to safeguard the environment and maintain productivity.

Cement Industry

Limestone, shale, laterite and gypsum are the main components for the cement industry. Ordovician, Permian and Triassic limestones are used by cement factories. Shale and

lateritic soils are commonly found in the vicinity. There are four gypsum deposits with huge reserves sufficient for cement and household industries, and for export.

Ceramic Industry

Raw materials for ceramics include kaolinite, ball clay, feldspars and silica sand.

Base Metals

Copper, tin-tungsten, lead-zinc, and stibnite are Thailand's economic base metals. Also found are tin and tungsten, lead and zinc, and stibnite.

Precious Metals

Gold is found everywhere, especially in Loei, Kabin Buri, Tub Sakae, Sukirin and Pichit-Petchabun areas. Today, gold is mined in the Pichit-Petchabun area by Akara Mining Company. Silver is found associated about five times more than gold and in Kanchanaburi Province silver is found as 0.12% associate with lead.



Gemstones

Ruby and sapphires are mainly mined from residual basaltic soil.

Geoheritage

Thailand is located in an area where a collision of two micro-continents, namely Shan-Thai Terrane and Indochina Terrane, caused three fold-belts between the two terranes. This geological setting led to geodiversity and geoheritages such as hot-springs, caves, water-falls and fossil sites.

Hot-springs are found along the three granitic belts, caves in limestone hills, and sharp topographic reliefs where there are waterfalls. Geoheritage protection is afforded as most of these geoheritages are located in conservation areas under the responsibility of the Ministry of Natural Resources and Environment.

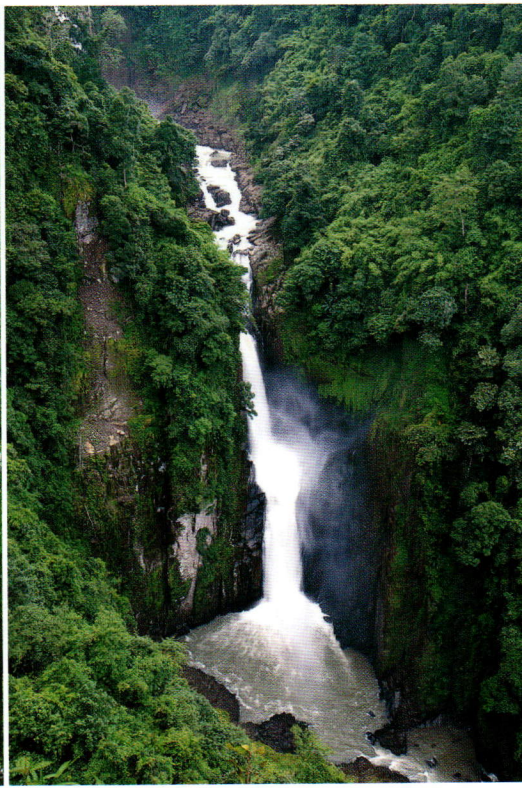
The first piece of dinosaur bone fossil was found in Phu Wiang District, Khon Kaen Province and the most complete sauropod fossils were found in Phu Kum Khao, Kalasin Province.

Forestry

Recently, conservation, recreation and tourism have featured as major aspects of forestry in Thailand. Virtually all the natural forests are owned by the state and managed by the RFD, Department of National Park, Wildlife and Plant Conservation (DNP) and Department of Marine and Coastal resources.

Forest resources have formed an integral part of Thailand's rural life, involving all aspects of local people's activities. In addition to some 1.2-2 million people living in and around the protected areas, another 20 to 25 million people live nearby national forest reserves and use them for forest products, especially non-timber forest products. Therefore, community forestry has been tried as a strategy for sustainable forest management. Some 11,400 villages are involved in managing community forests with support from the RFD. They cover 200,000 ha or 1.2% of the total forest areas. Community forestry is an alternative forest management bringing sustainability to Thailand's forest resources.





Environmental Awareness in the Public Arena

The law encourages people participation at all levels in particular through the current Constitution (2007) dealing with Community Rights. In Article 66, local communities may participate in the management, maintenance, preservation and exploitation of natural resources, the environment, and the biological diversity, in a balanced and sustainable manner. Also, Article 67 of the Constitution states that any projects or activities which may seriously affect the community in terms of the quality of the environment, natural resources, and public health, need to be processed by way of a public hearing.

A World Environment Day project is held each year under the guidelines of the United Nations Environment Programme. In 2009 the topic was "Your Planet Needs You! Unite to Combat Climate Change" held in June of that year. Every year, on December 4, the Department of Environmental Quality Promotion (DEQP) holds an exhibition on the environment under the theme "Green Heart of Thai People" to celebrate the birthday anniversary of His Majesty the King's birthday on December 5.

The Eco-School project aims to develop the project of the Provincial Environmental Education Centre (1995-2005) with four missions: environmental education policy and structure of administration, processing knowledge management, the system of natural resources and the environment, and participation and networking of environmental education. In addition, there are environmental activities by boy and girl scouts.

Garbage management and activities to separate garbage have been held such as the artificial recycling of garbage contest in 2009. Also, Princess Srirasmi, consort of Crown Prince Maha Vajiralongkorn, established "Project of Saiyairak" under the royal activities of the Crown Prince to help disaster victims in six central provinces affected by flooding. The princess also aims to expand household garbage recycling activity.

A project to collect and recycle waste electrical and electronic equipment (WEEE), by setting up recycling banks to reduce hazardous electronic waste, was established in honour of the birthday anniversary of Her Majesty Queen Sirikit.

In terms of cooperation between the government and the private sector a campaign took place to reduce the use of plastic bags to combat global warming in conjunction with Earth Day. The project started on April 22, 2009 and finished on June 5 -- World Environment Day.





ENERGY





Energy: Challenges & Opportunities

I. Energy Policy

Ever greater attention is being paid to the development of alternative energy and efficient use of energy resources, with due consideration of environmental sustainability, geared to make the transition to the "Energy Sufficiency Society," in accordance with the Sufficiency Economy philosophy of His Majesty King Bhumibol Adulyadej. In the field of energy, the focus is on the principle of "morality-led knowledge," food and energy security, and economic linkages in the spirit of peace, cooperation and development.



In the energy sector, the Government will undertake its actions based on five basic guiding principles:

(1) Promote and enhance the energy industry to generate income for the country. As a strategic industry, investment in energy infrastructure will be increased to make Thailand the hub of regional energy business, building upon its strategic location advantage;

(2) Reinforce energy security through exploration and development of energy sources and power grid systems, both domestic and abroad. Energy sources and types will also be diversified so that Thailand's energy supply sources would be well proportioned and sustainable. Promotion of electricity production using renewable sources of energy will continue, particularly through Small Power Producers (SPPs) and Very Small Power Producers (VSPPs) and provision of "Adder" as well as other incentive measures. Nuclear energy can be a fuel option for electricity generation in the future;





(3) Regulate energy prices to ensure fairness and to reflect actual costs by adjusting the role of the Oil Fund to be a source of funding to ensure price stability. Subsidies will be available for vulnerable groups. The use of natural gas in the transport sector will also be promoted, while the use of gasohol and biodiesel will be promoted in the household sector;

(4) Support the production, use, research and development of renewable and alternative energy sources, with a target of replacing at least 25% of fossil fuels within ten years. Comprehensive development of related industry will also be promoted;

(5) Promote and drive energy conservation through reduction of energy intensity by 25% within 20 years and promotion of comprehensive development and improvement. The use of high energy-efficiency equipment and buildings will be promoted, while Clean Development Mechanisms (CDM) will be used to reduce greenhouse gas emissions and to tackle global warming. Consumer awareness of economical and efficient use of energy will be raised systematically and continuously in order to save energy in the manufacturing, transport and household sectors.



II. Energy Policy: Impacts on Climate Change

In the recent past, ever higher levels of greenhouse gas (GHG) emissions affected Thailand as well, and a steady increase is expected, in the foreseeable future. The necessary drive towards a decrease in GHG emissions will likely be the main cause of objection to the continued use of fossil energy which could trigger a catastrophic climate change. Pressure to drastically reduce carbon emissions will likely grow stronger, to the effect of penalisation of goods produced for the export market, which are not carbon-free.

In Thailand, the Energy Conservation Promotion Act has been in force since 3 April 1992. Under the Act, the *Energy Conservation Promotion Fund* (or the so-called "ENCON Fund") was established to provide financial support for a great variety of projects, relating to both renewable and alternative energy, e.g. wind, solar, biomass and other clean renewable energy sources, and improvement of energy efficiency, as well as human resources development and raising public awareness on energy conservation. The Energy Conservation Program has been developed since 1995 as a guideline for the utilisation of the ENCON Fund. The work plan has been revised regularly, and its third phase (2005-2011) has been completed.

Given the highly volatile oil prices in 2007-2008, Thailand's 15-year Renewable Energy Development Plan (REDP) was devised to intensively boost renewable energy development in order to reduce dependency on imported oil as well as energy price volatility. The target was "to increase the renewable energy share to 20% of final energy consumption of the country in 2022." However, pursuant to the new government policy delivered on 23 August 2011 to support the production and utilisation of renewable and alternative energy sources, with a target "to replace at least 25% of fossil fuels within 10 years," the REDP was reviewed and renamed "the 10-year Alternative Energy Development Plan (AEDP 2012-2021)."

Also set in motion is Thailand's 20-year Energy Efficiency Development Plan (EEDP 2011-2030), as revised and approved by the National Energy Policy Council (NEPC) on 30 November 2011, to put into action government policy promoting energy conservation, targeting to reduce the country's energy intensity (EI) by 25%, compared with the 2010 level, within 20 years. This is also to respond to the declaration of APEC Leaders at the APEC Summit in Hawaii in November 2011, to promote energy conservation with a target to meet a new APEC-wide regional goal of reducing EI of APEC economies by at least 45% by 2035, using 2005 as a base year.

Energy security will be attained by reducing energy imports and tapping domestic energy resources, building a competitive energy market, and reducing greenhouse gas emissions, in the long run.



Renewable/alternative energy policies serve to boost security through utilisation of solid waste and biomass including agricultural residue and energy crops as sources of alternative energy, such as biofuel and gasohol (E10, E20 and E85), biodiesel (B5), and natural gas for vehicles (NGV). In parallel, campaigns will be continued urging efficient use of energy. R&D of all forms of renewable energy will be expanded, encompassing as well community-scale generation of energy using alternative sources. Overall implementation is to meet the target of achieving a share of the 25% of energy demand by the year 2021.



Priority will be given to the promotion of ethanol and biodiesel to become the "energy for Thai people." E85 and other biofuels types will be important energy options. The balance between the use of agricultural products for energy production and that for food production will be carefully evaluated. With respect to the positive impact on Thailand's carbon footprint,

it is anticipated that with broad-based policy measures, renewable fuel for road transport will be one of the high-impact solutions. Land use management has been investigated, and it can be ensured that energy cropping will not encroach on virgin forest reserves. As a matter of fact, the utilisation of idle and marginal lands for the cultivation of perennial energy crops will actually act as a green carbon sink which will open up an array of opportunities to help improve both the environmental conditions and the livelihoods of rural people in the semi-arid or problematic soil areas.

With regard to natural gas for vehicles (NGV), the implementation will bring progress through improvement of the administration and management of NGV service stations, including acceleration of mother station construction, increase in the number of NGV transport tank-trucks and investment in the construction of main pipelines.

To help find certain solutions to fight against the huge complexity of climate change and oil crises, a new initiative is needed to integrate the issues as named "low carbon town". Thailand emphasises this initiative because it illustrates the one single location to work together on combined energy and infrastructure management. As such "Praluay Green Island Project" under the new green town philosophy has been implemented by DEDE since 2010 and will be handed over to the community soon. Another similar idea goes to the low carbon model town study in Samui Island which started in May 2012.

Promoting power generation using such renewable sources of energy as solar, wind and biomass will be flanked by incentives, in addition and beyond the existing "Adder" measure, in order to induce greater investment.

Table 1: Adder for RE power production sorted by type and capacity

Fuel Type/Capacity	Adder @2010 (Baht/kWh)	Special Adder for Diesel Replacement (Baht/kWh)	Special Adder for 3 Southernmost Provinces & 4 Districts in Songkhla Province* (Baht/kWh)	Duration (Years from COD)
1. Biomass				
- Installed capacity ≤ 1 MW	**0.50** (US¢ 1.61)**	**1.00** (US¢ 3.22)	**1.00** (US¢ 3.22)	**7**
- Installed capacity >1 MW	**0.30** (US¢ 0.97)	**1.00**	**1.00**	**7**
2. Biogas				
- Installed capacity ≤ 1 MW	**0.50** (US¢ 1.61)	**1.00**	**1.00**	**7**
- Installed capacity >1 MW	**0.30** (US¢ 0.97)	**1.00**	**1.00**	**7**
3. MSW				
- Landfill or Digestion Process	**2.50** (US¢ 8.06)	**1.00**	**1.00**	**7**
- Thermal Process	**3.50** (US¢ 11.29)	**1.00**	**1.00**	**7**
4. Wind				
- Installed capacity ≤ 50 kW	**4.50** (US¢ 14.52)	**1.50**	**1.50**	**10**
- Installed capacity > 50 kW	**3.50** (US¢ 11.29)	**1.50**	**1.50**	**10**
5. Mini-hydro				
- Installed capacity 50 - <200 kW	**0.80** (US¢ 2.58)	**1.00**	**1.00**	**7**
- Installed capacity < 50 kW	**1.50** (US¢ 4.84)	**1.00**	**1.00**	**7**
6. Solar	**6.50** (US¢ 20.97)	**1.50**	**1.50**	**10**

* 4 Districts: Chana, Teipa, Sayayoi and Na Tawee
** FX = 31 Baht/USD

Source: EPPO

Prototype energy villages and "Green Islands" have been established under local management, with the objective to showcase a "sufficiency community," in line with the principles of the Sufficiency Economy philosophy of His Majesty the King. For instance, as mentioned earlier, "Phaluay Green Island," lying to the west of Samui Island in southern Thailand, is the first prototype of "Green Island," launched in early 2011 to be the prototype of green development on remote islands via the generation and use of alternative energy sources, e.g. cooking by using a solar energy oven or a biomass stove, as well as backyard garden (home-grown vegetable) cultivation, environmental management and ecotourism. The project materialised through collaboration of the public and private sectors as well as the local community. The concept will be expanded to other islands. In addition, further planning and study will be undertaken on the application of NGV to car ferries, together with promotion of the use of NGV as main fuel, or in combination with biodiesel (B100).



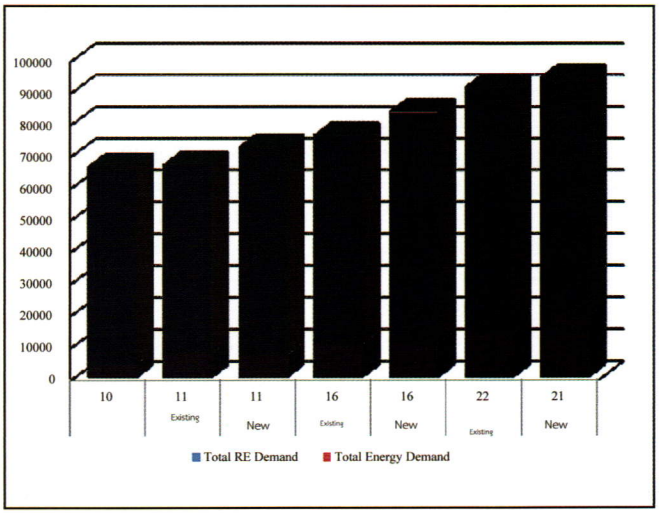
III. Thailand's 10-Year Alternative Energy Development Plan (AEDP 2012-2021)

AE Roadmap for Thailand 2012–2021

For sustainable economic development to be accomplished, it is mandatory to build energy security in parallel. Given this scenario, renewable energy (RE) development is one of the most important strategies.

In 2011, about 60% of the primary energy consumption in the commercial sector was from imported energy - particularly oil, the portion of which is as high as 80% of the total oil consumption in the country. The imported oil consumption tends to be continuously increasing due to insufficient domestic petroleum production to serve the country's demand. It is only with the strong commitment in alternative energy development that dependency of imported fossil fuels and the like can be relaxed. Such development would support more alternative energy sources to generate electricity which currently

depends on approximately 70% of natural gas, therefore, helping reduce risk for power generation. At present, an increasing demand in alternative energy is obviously the vital target to substitute natural gas in power generation; among these are solar, wind turbine farm, small hydro, biomass, biogas and waste.



Source: AEDP of 25% targeting within 2021

Previously Thailand utilised the 15 Year Renewable Energy Development Plan or REDP which aimed to increase renewable energy consumption to 20.3% of the total energy consumption by 2022 which would reduce dependency on imported energy sources and, at the same time, reduce greenhouse gas emissions. However, with the Cabinet's aggressive goal, the Ministry of Energy has recently put together a new Alternative Energy Development Plan (2012-2021) with a revision of renewable energy consumption target to 25% share within 10 years. The plan, which has the target of 9,201 MW from various types of energy such as solar, wind, hydro, bio-energy and new energy types, and of 44% of oil replacement from biofuel, emphasises its activities on community-scale renewable energy development and adds up of some new sources of alternative energy such as new bio-energy to replace diesel and other renewable mixes etc.

Under the 10-Year Alternative Energy Development Plan or AEDP 2012-2021, the benefits are obvious in terms of energy uses, economic growth, environment and innovation, especially on reduction of imported oil which is expected to be 574 billion baht with co_2 reduction up to 76 million tons/year, and the income generated from carbon credit will be approximately 23 billion baht by the year 2021. More significantly, private investment will increase as high as 442 billion baht by the year 2021.

Expected Benefits from AEDP

	15 Year REDP	AEDP -25% in 10 Years
Energy Sector		
• % of fossil substitution	12% (20% including NGV)	25% (excluding NGV)
• Electricity (MW) from the alternative energy	5,604 MW	9,201 MW
• Heat (ktoe)	7,433	9,335
• Biofuels (mL/day)	13.5	39.97
• % of fossil fuels replacement	14%	44%
Economic Sector		
• Oil import reduction	460,000 mBaht/year	574,000 mBaht
• Investment promotion in private sector	382,240 mBaht/year	442,000 mBaht
Environmental Sector		
• CO_2 reduction	42 mton/year in 2565	76 mton/year in 2021
• Carbon credit selling income	14,000 mBaht/year	23,000 mBaht
Innovation and Technological Development Sector		
• Research planning	None	Clear action plan (12-16)

In order to achieve AEDP, crucial strategies have been focused such as:
- Promotion of community participation across the country;
- Improvement of incentive measures to promote more private investment;
- Amendment of laws and regulations that are constraints to alternative energy development;
- Improvement of energy infrastructure such as transmission and distribution systems and smart grids;
- Public awareness and knowledge enhancement;
- Promotion of research and development in the alternative energy industry.



RE Development under Alternative Energy Development Plan

Financial Support for R&D

Alternative Energy Development Plan (AEDP: 2012-2021)

Investment Support by private sector and community

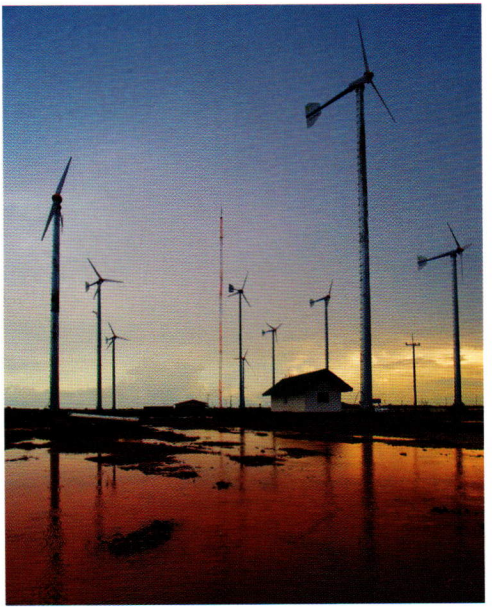
Alternative Energy Consumption by 25% within 2021

New Energy Type	
Wave	Geo thermal
2 MW	1 MW
3 MW	

Solar	Wind
2,000 MW	1,200 MW
3,200 MW	

Hydro		
small	Pico	Reversible Pump-turbine
324 MW		1,284 MW
1,608 MW		

Bio Energy		
Biomass	Biogas	MSW
3,630 MW	600 MW	160 MW
4,390 MW		



Biofuel		
Ethanol	Bio-diesel	New biofuel
9 mL/d	5.97 mL/d	25 mL/d
Oil Substitution 44%		

AEDP for Electricity Generation

AEDP has clearly set the goal to promote and support the use of renewable energy in electricity generation such as solar for 2,000 MW, wind for 1,200 MW, hydropower for 1,608 MW, waste-to-energy for 160 WM, biomass for 3,630 MW, biogas for 600 MW. Besides, new alternative energy targets for power generation are also included in the AEDP such as geo-thermal for 1 MW, tidal and current energy for 2 MW.

The Target of Installed Generating Capacity from Alterative Energy

Type	The installed capacity target in 2021	The storage installed capacity in 2021
	GW-hr	MW
1. Wind	1,283	1,200
2. Solar	2,484	2,000
3. Hydro	5,604	1,608 • EGAT Pump storage 1,284 MW • Small-Hydro 324 MW
4. Biomass	14,008	3,630
5. Biogas	1,050	600
6. MSW	518	160
7.New Energy	10	3 • Geothermal 1 MW • Tidal or Current 2 MW
Total	24,956	9,201

AEDP for Transport Sector

With regard to the development of AEDP for the transport sector, the target is focused on:

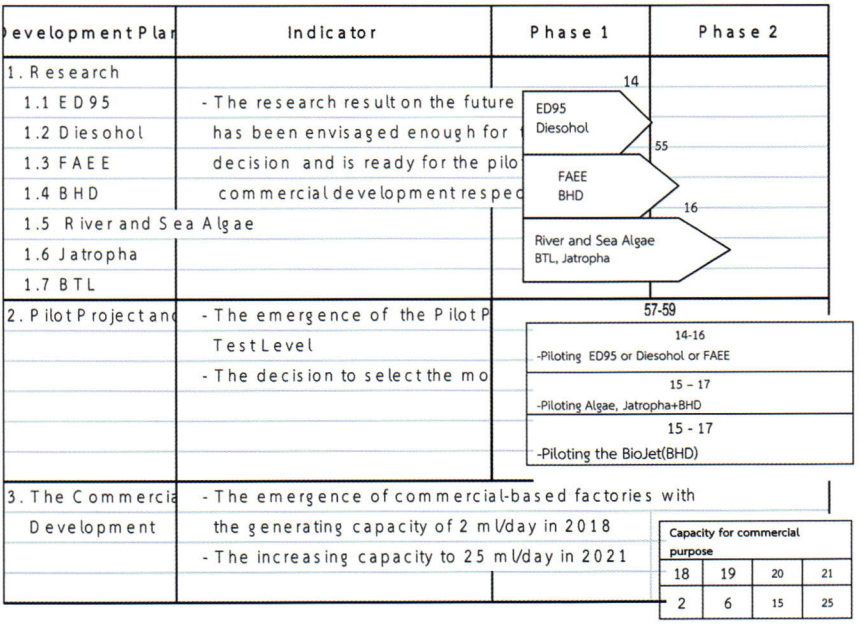
- *ethanol* which will increase the capacity to 9ml/day through implementing both demand and supply sides such as increasing cassava and sugar cane production, promoting other crops such as sweet sorghum, gasoline 91 cancellation plan to be expected within October 2012, pricing management for E20 and gasohol etc.

Raw Materials	Lan (MRAI)	Productivity/ton/rai	Output (mton/yr.)
cassava	7	5	35
sugar cane	7	15	105

- *Biodiesel* to replace diesel which will increase the production capacity to 5.97ml/day through essential measures such as promoting palm plantation, developing the standard of FAME biodiesel model to be able to contain 7% biodiesel mixed portion (B7)

- *New fuels for future diesel substitution* will be targeted at 25 ml/day. This can be increased through research and development on new fuels such as the development of two energy crops (Jatophra and Algae), three types of blended ethanol to substitute biodiesel (FAEE, ED95 and Diesohol), and two types of petroleum processing technologies (BHD and BTL).

New Fuels Development Plan for Future Diesel Substitution



AEDP for renewable energy heat

AEDP also set the target in terms of renewable heat which will be derived from solar for 100 ktoe, biogas for 1,000 ktoe, and biomass for 3,286 ktoe.

Table 3: Expected Benefits from the AEDP 2012-2021

Aspect	10-year AEDP
Energy:	
• % fossil fuel replacement	25% (excluding NGV)
• Power generation (MW) from alternative energy	9,201 MW
• Thermal (Heat) (ktoe)	9,335
• Biofuel (million litres/day)	39.97
• % oil replacement	44%
Economic:	
• Reduce oil import	574 Billion Baht
• Promote private sector investment	442 Billion Baht
Environment:	
• CO_2 emission reduction	76 Million Tons in 2021
• Income from carbon credit trade	23 Billion Baht
Innovative and Technology Development:	
• Research Program	Explicit action plan (2012-2016)

IV. Thailand's 20-year Energy Efficiency Development Plan (EEDP 2011-2030)

The objective of the 20-year EEDP is to set the targets, strategies and approaches for energy conservation promotion of the country in both short term (five years) and long term (20 years), at national level and by energy-intensive economic sectors, i.e. transportation, industry, commercial and residential sectors.

Initially, the target of the plan was to reduce the national energy intensity by 25% in 2030, compared with the 2005 base year, accounting for energy demand reduction by at least 30,000 ktoe in 2030. However, to comply with the present government policy as well as the APEC target as mentioned earlier, the target of energy consumption reduction has been revised to 38,200 ktoe of the total final energy consumption in 2030.

Table 4: Revised Target of the 20-Year EEDP (2011-2030) by Major Economic Sector

Economic Sector	Technical Potential (ktoe)	Initial Target (ktoe)	Revised Target (ktoe)	% of Overall Target
Transportation	16,293	13,300	15,100	40
Industry	17,350	11,300	16,100	42
Large Commercial Building	3,878	2,200	3,600	9
Small Commercial Building & Residential	3,670	3,200	3,400	9
Total	**41,191**	**30,000**	**38,200**	**100**

Assumptions: (1) annual average GDP growth rate at 4.3%; (2) annual average population growth rate at 0.3%; and (3) energy modeling based on the past 20 years' statistics (1990-2010), using 2010 as a base year.

In implementing the 20-year EEDP, the following six governing strategies will be applied:

Diagram _: Revised 20-year EEDP (2011-2030)

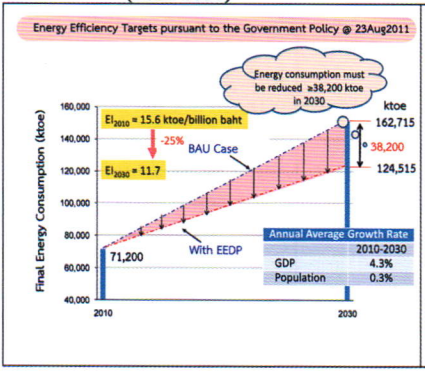
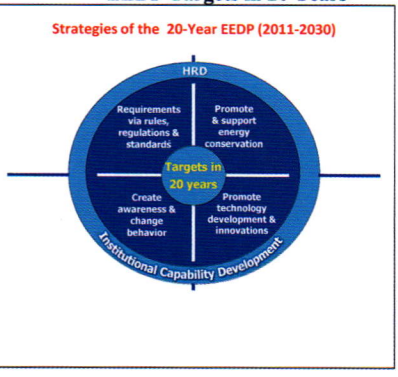


Diagram _: Strategies to Achieve the EEDP Targets in 20 Years



(1) Mandatory Requirements via Rules, Regulations and Standards, the measures will be carried out by enforcing:

- the Energy Conservation Promotion Act so that energy management through energy consumption reporting and verification imposed on designated buildings and factories would effectively materialise;
- the Minimum Energy Performance Standards (MEPS) for equipment/appliances, buildings and vehicles, including manufacturing processes to remove low energy-efficient products from the market. Product manufacturers and sellers will be given an appropriate lead time prior to the enforcement of MEPS for each product;
- energy performance labelling for equipment/appliances, buildings and vehicles; and,
- determination of the Energy Efficiency Resource Standards (EERS), or the minimum standards for large energy businesses to implement energy conservation measures encouraging their customers to use energy efficiently.

(2) Energy Conservation Promotion & Support, major measures will be, for example:

- Support and incentive provisions to encourage voluntary energy-performance labelling for highly energy-efficient equipment/appliances, buildings and vehicles;
- Promoting travelling by mass transit systems and goods transportation via highly energy-efficient logistics systems;
- Providing subsidies for the amount of energy saved and/or reduction of peak load that can be verified for SMEs, under the Standard Offer Program (SOP) scheme, which requires no bidding; and Support for the operation of ESCO companies.

(3) Next, Public Awareness (PA) Creation and Behavioural Change, by:

- Awareness raising campaigns and provision of knowledge about energy conservation to the general public, aiming to create energy-saving habits of the people;
- The concept and promoting activities contributing to low carbon society and low carbon economy will be put forth; and
- Energy prices will be set to reflect actual costs, and application of tax measures to promote awareness and to change energy consumption behaviour.

(4) Promotion of Technology Development and Innovations

- R&D will be promoted to improve energy efficiency and reduce technological costs (particularly those related to equipment & appliances with large markets and having their manufacturing bases in Thailand).
- Demonstrations of high energy-efficiency technology will also be promoted.

(5) Human Resources Development; and

(6) Institutional Capability Development.

The last two are supportive strategies which will be carried out, among others, by:

- Supporting the development of professionals in energy conservation, including persons responsible for energy management and operation, verification and monitoring, consultancy and engineering services provision, and planning; and
- Supporting the development of institutional capability of agencies and organisations in both public and private sectors, responsible for the planning, supervision and promotion of the implementation of energy conservation measures.

The implementation of the 20-year EEDP 2011-2030 is divided into three major phases, with specified target groups, target of energy saving and CO_2 reduction, and major projects or work plans under each phase as shown in Table 5.

Table 5: Preliminary Action Plan of the 20-Year EEDP (2011-2030)

Phase	Target Group	Target		Some Major Projects/Work Plans
		Energy Saving (ktoe/yr)	CO_2 Reduction (M tons/yr)	
Short Term: 2011-2016	• Existing buildings/ residential • Old industrial factories • Transportation (transport efficiency) • Public services (street lighting/ billboards)	7,980	27	▪ Keep implementing successful measures (e.g. ESCO/DSM Bidding) ▪ Promote high efficiency equipment, via tax/financial measures ▪ Strictly enforce laws on designated buildings/factories ▪ Push ahead with "Voluntary Agreement" to participate in energy conservation ▪ Speed up creation of energy conservation knowledge and consciousness raising to change energy consumption behavior ▪ Speed up research study on EE measures to accommodate future work plan, e.g. SOP and EERS
Medium Term: 2011-2022	• Transportation sector • Commercial buildings (new ones) • Industry	21,058	72	▪ Apply MEP and HEP[a)] Standards & Labeling for equipment/engines ▪ Develop SEC[b)] and Energy Footprint to save energy and reduce CO_2 ▪ Promote implementation of energy-saving measures and CO_2 emission in new buildings ▪ Promote energy efficiency improvement in manufacturing process ▪ Implement SOP and EERS measures ▪ Promote the use of high-efficiency vehicles
Long Term: 2011-2030	• Power generation sector • Transportation (Technology) • Industry (structural level)	38,200	130	▪ Reform the transportation structure, using high efficiency transportation systems, e.g. high-speed electric trains, double-track railway ▪ Exercise Travel Demand Management (TDM), e.g. road pricing, prohibition of driving into downtown areas ▪ Improve efficiency of power plants and distribution system ▪ Support the development of "Smart Grid" ▪ Promote "Zero Energy Building" for new designated buildings

[a)] HEPS: High Energy Performance Standard

[b)] SEC: Specific Energy Consumption (of each industrial cluster)

Expected Benefits: The investment in energy conservation under this 20-year EEDP is expected to yield cumulative final energy saving up to the year 2030 of 38,200 ktoe and help reduce CO_2 emissions by about 130 million tons. In financial terms, the cumulative savings in energy expenditure will be approximately 707.7 billion baht.

V. Energy Future

1. In the future, we cannot rely on existing alternative sources of energy but to look for new substitutions. We are taking steps to the second generation of oil crops which are jatropha, algae and biomass to liquid. Furthermore, to improve existing biodiesel efficiency, more research will be focused on developing fatty acid ethyl ester or FAEE, which uses ethanol instead of methanol in the production, and also focus on bio-hydrogenated diesel or BHD. Because of much higher diesel use compared to gasoline, we will also focus on replacing diesel with other substitutes such as ED95 and Diesohol.

2. Clean Coal Technology

Thailand's energy plans indicate the rapid growth of coal utilisation for power generation. This presents a challenge and an opportunity as well to promote and increase clean coal technology (CCTs) and cleaner coal use.

Facing ever stricter environmental controls, more coal power projects will be fitted with clean coal technologies through collective action and cooperative partnerships among government, the private sector and NGOs.

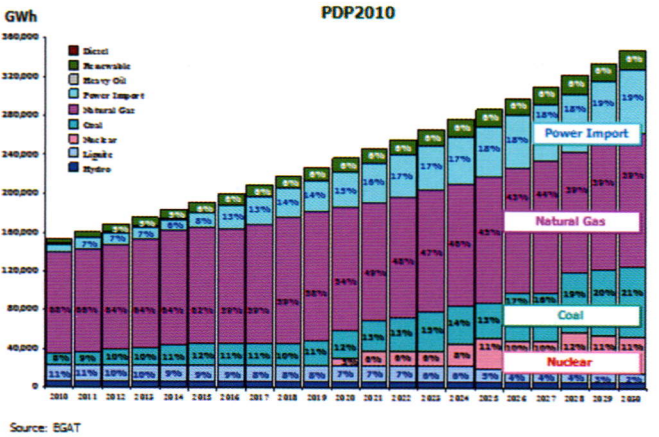
For the sake of long-term energy security the use of clean coal technologies is mandatory so as to promote collaborative image-building for coal and CCTs in the light of global environmental concerns. Studies shall be conducted on upgrading brown coal, coal liquefaction and integrated coal gasification. In parallel, the potential for carbon capture and storage (CCS) technology will be explored. Private-sector investment and participation will be solicited. Environmental impact assessments (EIA) shall be enhanced in the planning and appraisal of coal projects, to meet the objectives of harmonising emission standards and securing minimum efficiency requirements for coal-fired power plants.



3. Nuclear Power Development

As part of the effort to diversify fuels used for power generation to enhance power supply security concurrently with environmental protection, in Thailand Power Development Plan 2010-2030 (PDP 2010), as approved by the National Energy Policy Council (NEPC) on 12 March 2010 and endorsed by the Cabinet on 23 March 2010, greater use of renewable energy for power generation is reflected. In addition, five 1,000-MW nuclear power plants (NPP) were envisaged, with the first NPP to be on stream in 2020, which can be shown in the following diagram:

Diagram : PDP 2010: Generation Mix

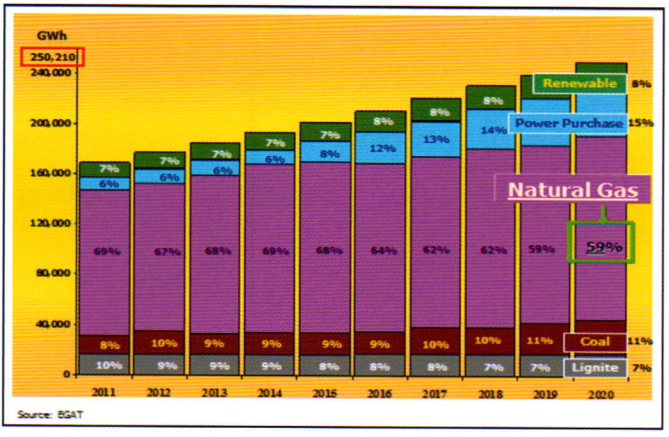


Source: EGAT

Minor revisions were made to the PDP 2010 in late November 2010 as the peak demand was higher than forecast coupled with a long period of hot weather in that year. However, the impact of Fukushima Nuclear Power Plant incident in Japan in early 2011 was so immense that public confidence and acceptance of nuclear power programme development in many countries, including Thailand, was shattered. Thailand's PDP 2010 was then revised again, as approved by the NEPC on 27 April 2011 and endorsed by the Cabinet on 3 May 2011, to postpone NPP development for three years, from 2020 to 2023, to allow time to review relevant nuclear safety measures and to be better prepared in various aspects, such as the legislative framework, regulatory framework and stakeholder involvement, including the formulation of additional emergency preparedness plans.

Due to the NPP postponement, the scheduled supply from combined cycle (CC) power plants, using natural gas as fuel, will be advanced from initially scheduled in 2022 to 2020 to replace the NPPs. Also, power purchase from SPPs will be increased.

Diagram : PDP2010 Minor Revision: Fuel Mix
(with Postponement of Nuclear Power Plants for 3 years)



Source: EGAT

VI. Challenges, Opportunities and the Way Forward

Thailand aims to keep the momentum of its energy policy implementation in force, but with greater emphasis on energy diversification, development of alternative energy, energy efficiency improvement, and mitigation of environmental impact.

Though fossil fuels still continue to play a major role in fulfilling Thailand's energy needs, cooperation, including joint research and development, deployment and transfer of low and zero emission technologies for the cleaner use of fossil fuels, will remain essential. As domestic fossil fuel resources are limited and will be depleted if no significant new resources are developed, the country's dependency on fossil fuels, which have to be imported, should be or rather ***must be*** reduced. For Thailand to achieve "energy self-reliance," promotional efforts will continue and support will be provided for renewable energy and energy efficiency technology transfer and development. R&D on renewable energy and alternative fuels and energy efficiency will be intensified with a view to reducing production costs and hence become commercially viable.

GHG emissions are posing a serious challenge for Thailand, it being both a contributor to and a victim of the effects of climate change. Any prolonged dominance of fossil fuels entails the risk of becoming one of the big contributors to global warming. Capability and capacity to cope with its effects need to be strengthened so as to eliminate costs associated with climate change mitigation and adaptation, in the foreseeable future.

One way forward is to meet demand while preventing irreversible damage to the environment, i.e. to remain *Open to All Options for Thailand's Energy Mix*. Diversification of energy resources and supply sources shall figure high on the policy agenda. An abundance of renewable energy sources will place the country on a better footing to spur its development. Indeed, the target of Thailand's ten-year AEDP to increase alternative/renewable energy share to 25% of the total energy demand and that of the 20-year EEDP to reduce energy intensity by 25% in 2030 will greater contribute to the mitigation of environmental impact.

At the forefront of bio-energy developments are multifaceted policy packages for the generation of both power and heat, the production of liquid transport fuels and biogas from waste as well as co-products of the agro-industry. Mobilised are scientific institutions, research and development organisations, the armed forces and private-sector enterprises to actively and collectively adopt the new "bio-energy concept" which originated from royal initiatives of His Majesty King Bhumibol Adulyadej, as demonstrated through the Royal Chitralada projects. It can be said that "energy self-reliance" is embodied in the principles of a "Sufficiency Economy."



TRANSPORT





Transport

Introduction

It has been predicted that there would be changes affecting the development of the transport system triggered by globalisation and severe financial crises. As trade opportunities have rapidly expanded, land, air, water, and rail transport network linkages between Thailand and other countries are significant factors for securing competitive advantages.

Growing cities in the East-West and North-South Economic Corridors require their planning and development as hubs of transport networks and nodes of linkages with neighbouring countries. Transport and traffic planning should be focused on the development of mass rapid transit systems both for Bangkok and its fringe area, harbour construction, doubling railroad tracks, all of which should be connected to facilitate movements of passengers and goods. Cost effectiveness in investment and logistics would potentially enhance the country's competitiveness.

Under the impact of high-priced oil, transport policy and strategies promote efficient public transport networks. Targeted is more mass rapid train system investment in Bangkok and its periphery, including the development of feeder bus services.

This strategic foundation has been laid to encourage trade and stimulate investment. Its implementation serves the idea that "the future development is not merely characterised as the supply of barely sufficient infrastructure yet lacking clearly beneficial performance but served to meet demand and fulfil the needs of those who use transport services for the ultimate national profit." This implies integrated and efficient utilisation of the future intermodal transport system.

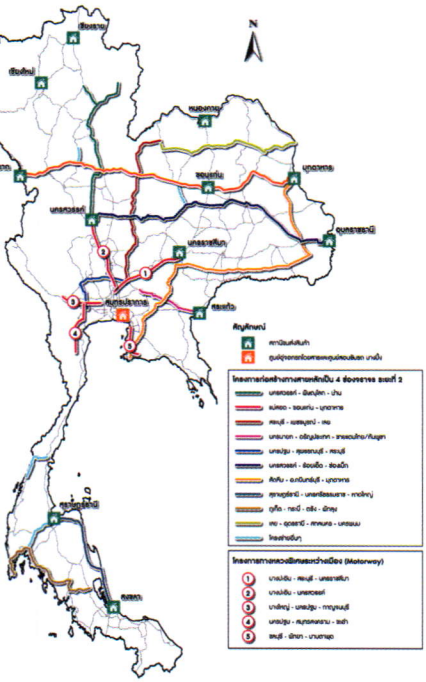


1. Land Transport Network

1.1 Road Transport Network

Of late, 82% of all transport was moved on more than 204,000 kilometres of roads, with 90% paved and connecting all districts nationwide.

The Intercity motorway system includes route 7 Bangkok–Chon Buri and route 9 the East Bangkok Outer Ring road. The Action Plan 2007–2013 covers five intercity motorways within a radius of 250 km (see road map), linking Bangkok with Nakhon Ratchasima (199 km); Kanchanaburi (98 km); Map Ta Phut (89 km); Cha-am (118 km); and Nakhon Sawan (206 km).



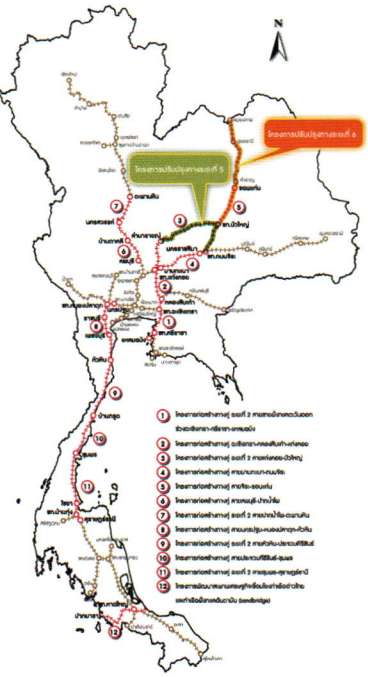
The recent extension of eight expressways, totalling 207.9 km in length, into Bangkok's fringe area will continuously be implemented.

Emphasis is placed on extending primary highway routes connecting trade gateways to enhance multimodal transport, which also offers convenience for tourism and commuting into, as well as within, the metropolitan area. Implementation plans include:

- The four-lane road construction project (Phase II) comprising 31 projects with a total length of 650 km, of which 15 projects are pending implementation;
- Of the11highway construction projects of the multimodal transport network one each serves the inland trading gateways of Chiang Khong Harbour and Chieng Saen Harbour, and the maritime Ranong Harbour. Targeted for tourism development are the Eastern Coastal Road (112 km) with 70.5 km completed or under construction, and 41.5 km projected, and likewise the Western Coastal Road (615 km) project 2009-2015;
- Included in the government's stimulus package plan is the upgrading of rural dustless roads project with a length of 7,200 km;
- The Chao Phraya Bridge at Nonthaburi 1 to ease traffic congestion;
- Special expressway development projects such as traffic monitoring and links to connect existing routes.







1.2. Rail Transport

1.2.1 Interregional Rail Transport Network

Up till now the rail transport network totalled 4,042 km, linking 46 provinces and reaching to the international borders, with short of 7% either double-track or triple-track routes.

Current emphasis varies, as follows:

- Track rehabilitation 2009-2012 over a total length of 813 km;
- Ongoing double-track construction Chachoengsao–Laem Chabang (78 km);
- Feasibility study on the route Chachoengsao–Kaeng Khoi;
- Additional seven diesel locomotives under consideration.

1.2.2 Mass Rapid Transit System Development in the Bangkok Metropolitan Area

Two mass rapid transit systems serve Bangkok: the sky train on elevated routes by the BTS and the underground system operated by the MRT. Three interchange stations each facilitate connections. The extension to Soi Bearing of the elevated route named "Sukhumvit Line" will soon become operational.

The airport rail link connecting Suvarnabhumi Airport and the downtown passenger terminus Makkasan/Asok is operational, with an extension connecting it to the inner-city elevated train system at Phayathai Station.

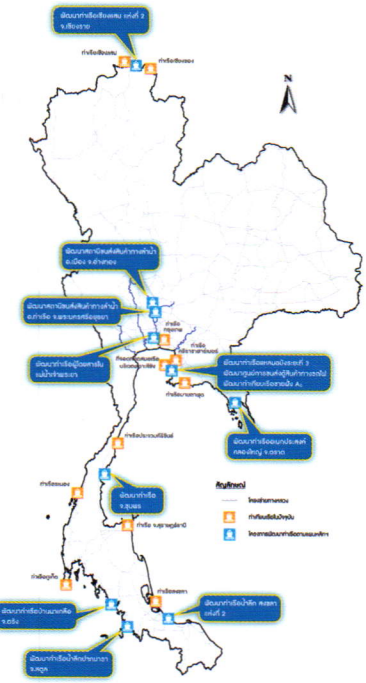
The envisaged backbone of the future mass rapid transit system will be the Red Line connecting Rangsit-Bang Sue-Taling Chan in a north–south direction, and Bang Sue–Makkasan–Hua Mak in a west–east direction, with interchanges at the Makkasan city terminus and an elevated train station along Paholyothin Road.

Similarly, a planned high-speed train system will operate four routes: Bang Yai–Bang Sue (Purple Line); Hua Lamphong–Bang Khae (Blue Line); Moh Chit–Sapan Mai (Dark-Green Line); and Bearing–Samut Prakan (Light-Green Line) serving passengers travelling between the city's fringe and its central business district.

The policy of mass transit and mass rapid transit systems is documented in the Transport Master Plan. Its phased operationalisation and time frame for implementation are indicated in the chart below.







2. Waterway Transport

Rivers, lakes, canals and coastal waters as well as the open sea are used for transporting goods and, to a lesser extent, for boat travel.

2.1 Inland Waterway Transport

Of relatively greatest importance for commodity transport are the Chao Phraya, Pa Sak, Bang Pakong, Mekhlong and Tha Chin rivers.

Harbours on the banks of the Chao Phraya River, mostly privately owned, serving barges of up to 500 ton gross size and handling agricultural produce, construction materials as well as industrial products, are shown in the map (aside).

The Marine Department, Ministry of Transport, operates energy-saving depots of waterway transport in the midstream and downstream sections of the Chao Phraya River. The potential is tapped through developing shipping channels in the Chao Phraya and Pa Sak rivers to ensure navigation all year round; dredging waterways in the provinces of Samut Prakan and Samut Sakhon, of Pattani and Narathiwat, and of Nakhon Si Thammarat and Surat Thani; checking river basin erosion; such ventures as the construction of a public harbour at Tha Ruea in Ayutthaya Province; and amending laws and regulations that govern ship registration and facilitate barge construction.

2.2 International Inland Waterway Transport

Ports are in operation at Chiang Khong and Chiang Saen on the north-western banks of the lower Mekong River in Chiang Rai Province. The second port construction project at Chieng Saen was approved and is under consideration for implementation.









2.3 Domestic Coastal Transport

Domestic coastal and sea transport is concentrated on the coasts and the sea of the Gulf of Thailand plying routes between the ports of Songkhla, Surat Thani, Prachuap Khiri Khan and Laem Chabang. Domestic coastal transportation is being promoted by developing roll on/roll off facilities to save energy; by improving container terminal 2 in the Bangkok Port; by protecting more coastal key areas, in Chon Buri and Chanthaburi provinces, from wave and wind erosion through constructed embankments.

2.4 International Maritime Transport

The present ten essential ports in operation include the privately owned Sri Racha Harbour and Siam Sea Port.

At Laem Chabang, envisaged as the trading gateway of landlocked mainland Southeast Asia, with port sites A, B and C in service, development will continue upon the introduction of IT systems to ease procedures, and of electronic data interchange (EDI) to improve the customs and duties system, coupled with radio frequency identification for import and export processing. Control and mitigation mechanisms are in place for environmental protection, prevention of seawater contamination, and occupational safety as well as sanitation and health management.

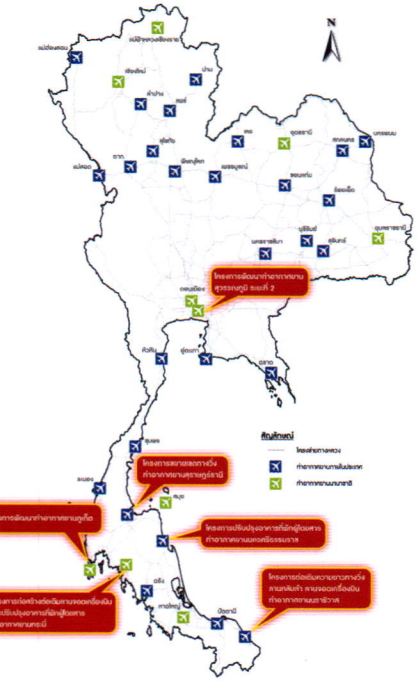
Priority in planning is given to logistics development with emphasis on rail and road networks for the modal shift to Laem Chabang as the regional logistics centre and "transhipment hub" of freight distribution and collection by linking Laem Chabang with Songkhla Port and through coastal domestic transport.

Phuket Port will act as the centre of shipment of seafood products and rubber, as well as a centre for tourism boat services. Mab Taphut Port will serve as the gateway for petrochemical products. Other related businesses such as ship construction as well as maintenance of dock yards and container services will be expanded.

The master plan for the development of the deep-sea port at Pak Bara in Satun Province on the Andaman Sea coast encompasses infrastructure development, including depots, industrial estates, railway links and road connections required for the "land bridge" to Songkhla Port on the coast of the Gulf of Thailand.



With a view to the extension and development of marine transport, it is essential that personnel be developed. The Merchant Marine Training Centre (MMTC) will assume the lead role in training ships crews at all levels and to international standard, as stipulated in the STCW Convention 1987 revised in 1991.

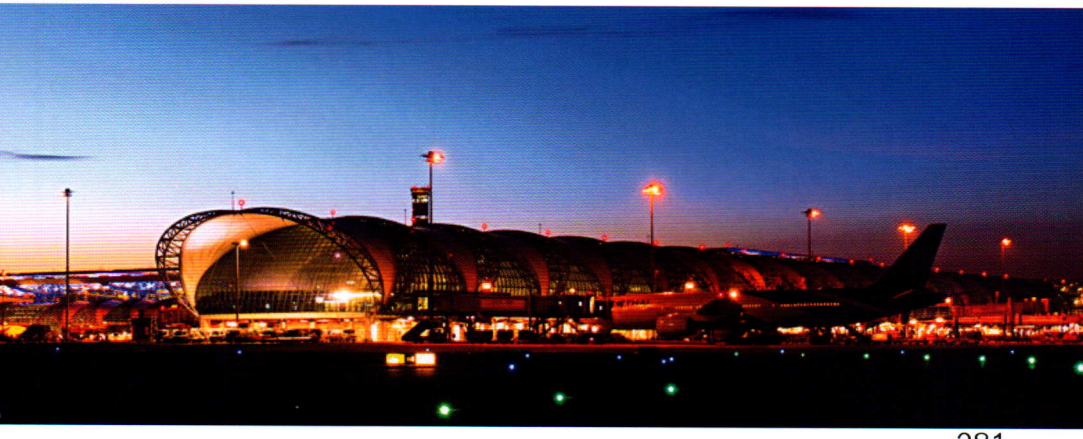


3.Air Transport

Of Thailand's 36 commercial airports, seven are international. Bangkok's Suvarnabhumi International Airport and U Tapao Airport are equipped to handle large aircraft such as Boeing 747s and Airbus 380s. To meet such demand, Suvarnabhumi Airport has two designated aircraft maintenance plants. The expansion of Suvarnabhumi Airport is planned for fiscal years 2010-2014, including a new domestic terminal to accommodate up to 20 million passengers per year, raising the total capacity to 65 million by the year 2019, including a third runway to cope with increased air traffic.

Thai International Airways (THAI) is the national airline an a member of Star Alliance. Other airlines include Bangkok Airways and low-cost carriers such as PB Air, Phuket Air, Thai Air Asia and Nok Air, all operating domestic routes and some routes throughout mainland Southeast Asia. THAI operates THAI CARGO in close cooperation with other international airlines, particularly those of the Star Alliance group, hence serving 772 destinations in 133 countries on all continents. THAI provides air cargo and passenger services operating state-of-the-art systems. It also caters for in-flight meals for more than 50 airlines and offers technical services for aircraft maintenance and repair facilities in its own technical centres.

The Aviation Training Centre run under the Ministry of Transport has produced and developed human resources in the aviation sector by continually improving its syllabus and courses. Air transport carriers in more than 70 countries are expected to avail of the centre's programmes for the training of their aviation personnel.



4. Significant Transportation Links in Thailand

KEW's suggestion : **Domestic Transport Nodes and Links**

The seven key nodes or links are:

- Truck Terminals in Bangkok's fringe area to the east, north and west;
- Off-Dock Container Freight Stations (CFS) for loading export commodities at the Bangkok Port and 17 other locations near Bangkok;
- Inland Container Depots (ICD) in Bangkok (2) and others near Bangkok;
- Container Yards (CY) in the provinces of Uttaradit, Khon Kaen, Nakhon Ratchasima, Surat Thani, among others;
- Warehouses, Silos and Chill Rooms, most of them located in Bangkok, Samut Prakan, Chon Buri and Ayutthaya;
- Five Air Cargo Centres located at Suvarnabhumi Airport, Bangkok, and at the airports of Chiang Mai, Chiang Rai, Phuket and Hat Yai;
- Rail Links facilitating the export and import of commodities through Bangkok Port, Laem Chabang Port and Lad Krabang ICD.

5. Strategic Plan for the Transport Modal Shift

Five bulk commodities selected were rice, cassava, sugar, rubber and fertilizer with points of origin in the north-eastern, northern, southern and central region with Laem Cha Bang Port/Ko Si Chang as the focal point. Factors appraised include the widening of the rail gauge; increase in the numbers of locomotives; improvements in train management; container yard development; harbour construction for container barges in Ayutthaya Province; operations through private-sector services. The salient results of the feasibility study are summarised below:

Operational Costs: The modal shift from road to rail and waterways can save costs of up to 53 million baht/year by 2012 and up to 64 million baht/year by 2017. The greatest benefit would accrue from linking the central region.

Energy Costs: The modal shift from road to rail and waterways can save up to 2.6 million litres/year of fuel by 2012 and up to 3.0 million litres/year by 2017, valued at 53 and 61 million baht/year, respectively. The biggest energy saving would be made through linking the north-eastern region.



Accident Costs: The modal shift from road to rail and waterways can reduce accident costs by up to seven million baht/year by 2012 and up to 4.8 million baht/year by 2017. The highest reduction of accident costs would be obtained through linking the north-eastern region.

Environmental Costs: The modal shift from road to rail and waterways would reduce pollution resulting from carbon monoxide and hydrogen oxide, across the board.

Implementation Essentials: Focus should be on staggered planning of projects of :

- highest priority, including:
  - double-tracking the eastern rail route from Chachoengsao to Kaeng Khoi;
  - increasing capacities of container yards in Nakhon Ratchasima, Uttaradit and Nakhon Si Thammarat provinces;
  - constructing a container yard in Udon Thani Province;
  - expanding the container depot at Lat Krabang, Bangkok;
  - constructing inland harbours in Ayutthaya and Ang Thong provinces;
- second priority, including:
  - double-tracking in the northern, north-eastern and southern regions;
  - reconstruction of the Don Sak Multipurpose Harbour, Surat Thani Province, and Khlong Yai Harbour, Trat Province;
- construction of container yards in Nakhon Sawan and Chumphorn provinces.

Investment Guidelines

The government is responsible for overall investment costs of civil work infrastructure. The private sector will possibly be invited to invest in electrical work and signalling systems with the operation of services to be strictly executed according to the Private Participation in State Undertaking Act B.E 2535 (1992).



6. Strategic Plan for Transport Network Development to Stimulate Investment and Serve the Expansion of Trading Gateways and Lanes

To meet the requirements of economic growth in the region the development framework envisaged includes a plan to close the gap in the link between southern China via Lao PDR and northern Thailand to Laem Chabang Port and onwards to the coast of the Andaman Sea. This will set in place the backbone network and improve the efficiency of logistics management of the North-South Economic Corridor, a new segment of the global economy.

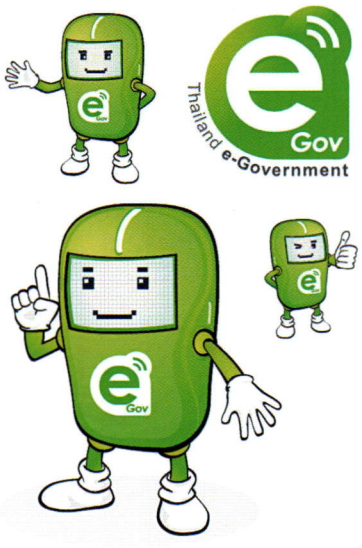
Essential components are:

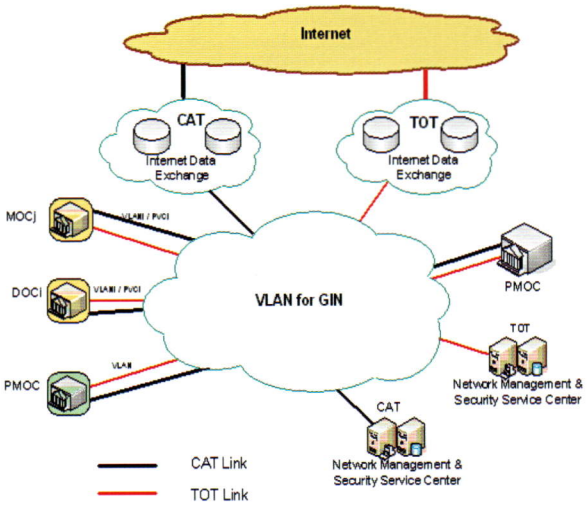
- The development of a transportation management system with a customs checkpoint, container yard and depot for multimodal transport as well as the installation of bulk-handling equipment at Chiang Kong Harbour;
- transport network system development in the East–West Corridor, including intercity motorway construction; widening of primary roads to four lanes such as the Chiang Kong–Si La Art road (250 km in length); widening of the railway gauge for the bulk transport of commodities; putting-in-service of matching locomotives; and allocation of projected budgets for staggered project implementation between 2010 and 2024, covering the estimated total cost of 380 billion baht.

7. Significance of Transport Reflected in the Economic Recovery Plan (Stimulus Package II)

All action plans/projects as documented in accordance with the rules and regulations under the Stimulus Package II, approved by the Cabinet on 6 May 2009, cover [1] development of transport and logistics network of international standard, [2] infrastructure development to support tourism, and [3] community investment in the five southern-most provinces. The required budget will be derived from internal financial institutions and foreign loans, totalling approximately 539.8 billion baht within the four years from 2009 until 2012.


ICT





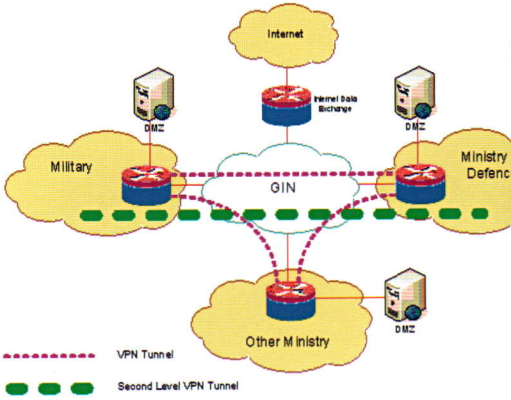
Government Infrastructure Network

Development of ICT for Smart Thailand / ICT Advance for Smart Thailand

ICT is a tool to increase national competitiveness that can help the country achieve the development goals as set out in the economic and social development plan.

1. ICT has been progressively developed

Government Information Network (GIN) under the e-Government project : One of the strategies to improve the utilisation of ICT services is to reduce the gap and to build access to government services equitably and widely. GIN is a high speed network with high efficiency, quality and security. As a result, re-engineering of overall government administration will take place. Accordingly, ICT will be used as a new way of supervising, coordinating and monitoring not less than 6,000 government agencies in the provincial, district and sub-district levels.



2. Cyber Security Operation Centre (CSOC)

Accessing the internet is a double-edged sword with tremendous benefits if used in the correct way. Used wrongly, it has a negative impact for users and spreads problems ranging from social issues to national security. The Cyber Security Operation Centre (CSOC) was established by the Ministry of Information and Communication Technology (MICT) as an initiative to mitigate cyber crime against Thailand's national security. The CSOC is responsible for monitoring, protecting and preventing inappropriate content on the internet such as pornographic sites, online gambling, money laundering and fraud, particularly in online social networks.

3. Establishment of a Community Telecentre

The Community Telecentre in government agencies, religious places and communities is to provied training to develop people's potential in computer technology to narrow the digital divide. Set up in all sub-districts, the centres develop community information leaders equipped with ICT knowledge. The centres will be the place where people are able to share their knowledge and experience in various topics, such as health, food, occupations, agriculture, law, and so on. They are also sources for distributing community products, such as under OTOP, or for exchanging goods among communities. This will help increase market channels and build up opportunities to promote culture and tourism via websites, such as home-stay, restaurants and shops that can reduce the role of middlemen. It is also a place for people to access the government's e-Services for information such as household registration, health or services such as tax payments, registration of legal entities. The benefit for the country as a whole is that even grassroots people become knowledgeable, able to utilise ICT. In effect, the government has more channels to provide services, and reduce energy consumption due to more options in accessing services.











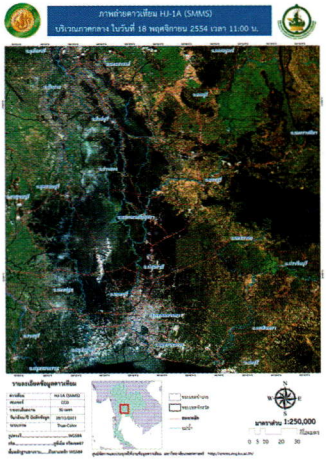

4. Development of the Universal Service Obligation: USO

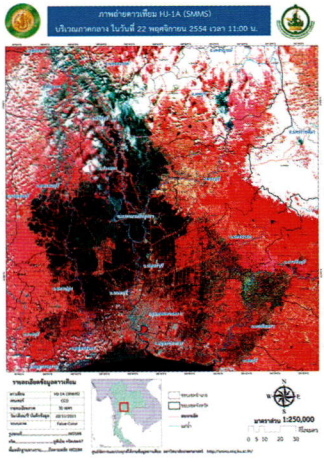
This addresses the provision of basic telecommunications services to villages, health centres and low income communities in remote areas.

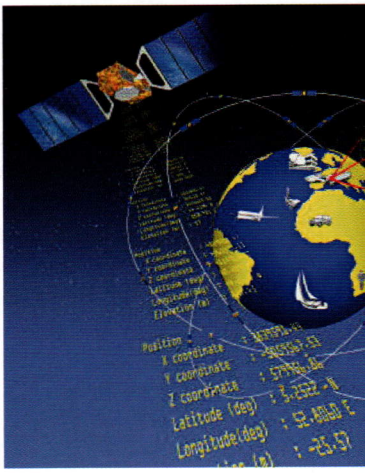
By providing basic telecommunications services to villages, health centres, and low-income communities in remote areas people with disabilities, seniors, and vulnerable groups will have more opportunities for using basic services such as public telephones or fixed-line telephones in health centres including computers for the disabled and vulnerable.

5. Supporting the research project for Small Multi–Mission Satellite: SMMS and related activities

Thailand, under the Asia-Pacific multilateral cooperation on space technology and utilisation under the Asia Pacific Space Cooperation Organization (APSCO), built the Small Multi-Mission Satellite (SMMS) and related activities. The satellite was launched on September 6, 2008. There is also support for the study on types and an application of the SMMS' satellite photographs that are effective and suitable for supporting the government agencies' missions, such as coastal area management/disaster surveillance, natural resources and environment management, agriculture, irrigation, fishery, mapping survey and development.







6. Driving the country into creative economy by using software technology and IT-oriented human resources.

Software will be used to create economic value of social capital by developing the special curriculum, so-called Creativity Science Engineering Management or (CSEM) with the aim to produce multidisciplinary personnel in fields such as science, engineering and management. This will move forward creative goods and services for example software and digital contents, and exports. Three cities are to be developed as ICT cities: Chiang Mai, Khon Kaen and Phuket, all equipped with infrastructure to facilitate investors in software industry and digital content.



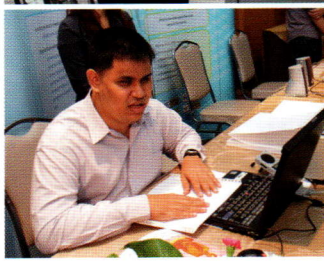


The vision of ICT development, under the second Thailand Information and Communication Technology Master Plan (2009–2013), is to advance the country into "Smart Thailand" by using ICT under the concept of a sufficiency economy, where people use ICT ethically, morally and wisely. "Smart Thailand" aims to achieve these important goals:

- developing adequate quality and quantity ICT personnel at all levels so that they are able to effectively use ICT to drive the country into sustainable economic and social development under a knowledge-based and innovative environment;
- develop at least 50% of the population to become knowledgeable, able to gain access to, and utilise ICT beneficially as a learning process, at work and in leading their lives;
- develop a widely spread, high speed ICT network with high quality services at a reasonable price;
- place emphasis on development focusing on good governance in the country's administration and by using ICT in government services;
- apply the philosophy of the sufficiency economy, focusing on balanced development and building up strength from within. The development of highly capable human resources will be accelerated so that advanced goods and services are produced domestically and domestic industries are strengthened by promoting research and development, and supporting entrepreneurs so that they become self-reliant in the long run, while being aware of their resource capacity and reasonable spending;
- put the emphasis on ICT development and utilisation to strengthen and gain the competitive advantage of high potential production and service sectors, in particular agriculture, tourism and health services by using local wisdom, Thai culture and identity.

The second Thailand Information and Communication Technology Master Plan has set out six strategies. All sectors, government, the private sector and the public are expected to participate in the implementation of the plan so that ICT will be utilised to build Thailand's competitive capacity in the global arena. The six strategies include:





Strategy 1: Development of ICT-related personnel and the general public to be able to use information with careful thought, to produce more quality personnel in order to move the country towards a knowledge-based and innovative society. Such personnel include ICT professionals; other professionals; and the youth, the disadvantaged, the elderly, the disabled, and people at all levels. It is expected that people will have the ability to create, produce and use information technology in an effective, ethical, and discretionary manner.





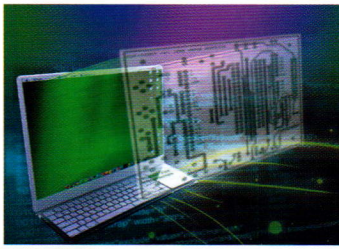
Strategy 2: Management of national ICT governance by improving the management and monitoring system, by emphasising unity, effectively utilising resources and mobilising participation of all sectors in the society.

Strategy 3: Development and management of ICT infrastructure to cover all people. Entrepreneurs will be encouraged to acquire necessary infrastructure that keeps up with innovative technology to provide multimedia services, e-Commerce and other services that are useful for modern lifestyles in a knowledge-based society. This strategy also focuses on narrowing the digital divide which will then lead to a peaceful and happy society where people enjoy a better quality of life.

Strategy 4: Using ICT to support e-Governance by encouraging government agencies to use ICT to provide citizen-centric services in an effective, efficient, transparent and ethical manner, while encouraging the participation of all sectors in society.



Strategy 5: Upgrading ICT competitive capacity to add economic value and income by promoting the national research, development and innovation in government agencies, academic institutions, and the private sector so that more technologies are created upstream. Technology transfer from the research to entrepreneurs will be promoted, giving high priority to the development of software industry and digital contents in order to create more economic value and bring more income to the country. For those with high potential, such as electronic industry (embedded system or advanced electronic design) and telecommunication equipment, emphasis will be placed on research and development for increasing competitiveness.



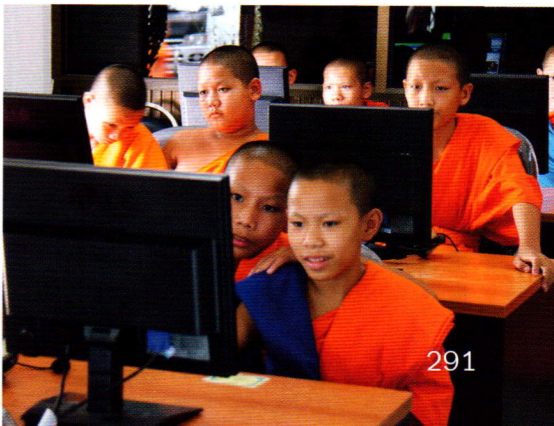


Strategy 6: Using ICT to promote sustainable competitiveness by encouraging the country's production sector to get access to and utilise ICT for the production of goods and services using knowledge and innovation, with environmental friendly focus in the world of free trade. Those industries to receive special attention include agriculture, health services and tourism. Small and medium enterprises (SMEs) as well as community enterprises will also be targeted for development.

One of the key missions of the government is to improve ICT capacity and potential of people both in urban and rural areas with the aim to lessen the digital divide and effectively respond to the need of ICT among people, private sectors and government agencies, to increase capacity and efficiency in using ICT, and to systematically establish an ICT network. Aware of the misuse of ICT, the Ministry of Information and Communication Technology has initiated projects such as the Cyber Care project, ICT Housekeeper, and Cyber Security Operation Centre (CSOC) to campaign and promote the appropriate use of ICT.

The above strategies have been formulated to maximise the benefits of ICT while minimising threats in order to truly develop the country to become "Smart Thailand".





Applications

It is appropriate to highlight some exemplary ICT applications in support of national development. Two good examples have already been explained earlier: Development of Operation System for the Surveillance of ICT crime, and Establishment of Community Telecentres. There are other, exemplary initiatives including:

Building up knowledge and awareness of using ICT for children, youth and people has been carried out;

Life-long learning will also be promoted in order to build up the knowledge-based and learning society, stimulate domestic economy and reduce labour migration into cities;

Based on His Majesty the King's strategic vision, the live broadcast of a secondary-level curriculum via satellite from Wang Klai Kangwol School, His Majesty's private school, is designed to provide education opportunities countrywide by making the same exact-quality-standard teaching and learning contents available to all, at the same time, regardless of their physical location. Therefore, it is truly another form of community education that gives far-flung homes and villages the opportunity to enhance their academic and vocational potential for the benefit of their quality of life through better qualifications and higher income;

The availability of the 24-hour live broadcast of the curriculum for six secondary classes through six education channels to more than 3,000 schools, inclusive of those privately run and those under the jurisdiction of the Department of General Education, along with a similar educational broadcast to rural communities and Thailand's four neighbouring countries including Cambodia, the Lao PDR, Myanmar and Vietnam, where satellite-based distance learning equipment was donated by His Majesty, means that the King of Thailand is giving people universal access to distance learning via satellite, thus promoting education both within and outside the system, covering academic, vocational, quality, moral and life-long learning.

Another example is:

Distance Learning via Satellite

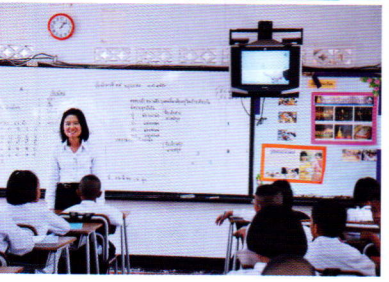
His Majesty King Bhumibol Adulyadej has, time and again over the past five decades, stressed the importance of education saying *"the way to make people morally upright is through education, a heart of compassion, and self-reliance"*.

The rationale of royal concern and the significance of broad-based education are encapsulated in His Majesty's words:

"In general, education is important for its foundation of national security and wellbeing. But for the country to become stable, everyone has to lend a helping hand although not everyone is a teacher. Still, everyone is associated with education and has a role to help keep the country stable."

This royal initiative is based on the application of advanced technology in combination with the principle of specifying individual requirements. It is widely recognised as an essential, complementary strategy for human resource development, with the objective to further education for national sustainable





development and ensure the country's social and economic stability, well into the future.

The Distance Learning via Live Satellite Broadcast was started on December 5, 1995, coinciding with the establishment of the Distance Learning Foundation (DLF), responsible for the transmission of the curriculum for secondary-level formal education via satellite to some 3,000 schools nationwide. With the cooperation of international agencies, education institutions, public and private sectors and embassies of partnering states, educational programmes in the medium of English have been made available to several interested parties, including Thailand's neighbouring countries and expatriates in Thailand. The service has also proven helpful to students enrolled in local schools with online access, and altogether offers a fast and convenient medium for Thailand's neighbouring countries. All users have found it cost-effective and conducive to their respective research requirements, as the DLF programmes help save time and money, particularly if recorded using modern electronic equipment for data storage.

His Majesty also offered practical advice on the technical installation of the various distance learning devices at destination schools. In support of technicalities, His Majesty conceptualised the special daily *Suksathat* or "Quest for Knowledge" programme.

Recognising the potential of satellite-based distance learning for e-learning, the Telecommunications Association of Thailand collaborated with various agencies in setting up the e-Learning system for the DLF in early 2002 as a tribute to His Majesty the King. The new system allows online access to computer users both at home and abroad to avail of the academic content of satellite-based distance learning programmes.

Known as the *DLF eSchool*, it is the prototype of distance learning, developed as an e-school and based on a virtual campus to cater to the needs of basic and adult education. Teaching and learning, therefore, are facilitated through networking via the internet.

This fourth example is of great significance in the context of globalisation.

Logistics and Supply Chain Management

Vision

In summation, the focus of ICT development is to encourage the wise use of ICT in a smart manner adhering to the principles of the sufficiency economy philosophy. People at all levels of society should be smart and information literate. This leads to benefits for themselves and society as a whole. ICT should be managed with smart governance in order to support the development of a knowledge and innovation-based society and economy that are sustainable and stable.



SCIENCE, TECHNOLOGY AND INNOVATION



Science, Technology and Innovation

Thailand's science can be dated back to King Mongkut (Rama IV, r1851-1868), whose intellectual interests included Western astronomy, mathematics and science. During his reign, the country's development was set in motion by introducing and adopting universal scientific principles and methodologies, marking the start of the science and technology era in Thailand. The Thai government honoured King Mongkut as the "Father of Science of Thailand".

The country's modernisation has been continuously and intensely pursued by successive reigns. At present, the leadership of His Majesty King Bhumibol Adulyadej in self-sufficient and sustainable development especially through water resource management and integrated agricultural land use are recognised not only within the country but worldwide. The Royal Thai Government honoured His Majesty as "Father of Technology of Thailand" and "Father of Thai Innovation" as well.

Adopting science as one of the priorities on the national agenda, the government set out policies based on strategic plans and started to implement the national research and development (R&D) agenda, thus ensuring its operative efficiency and substantive effectiveness. To meet these objectives, concerted efforts and cooperative mechanisms are orchestrated among all sectors of society and economy so as to ensure the generation of economic benefits and improvement of quality of life. By stimulating and enriching the intellect of Thai society, human resources will be fully mobilised in support of socioeconomic development and sustainable competitiveness.

1. Thailand's Competitiveness

In 2010, the World Competitiveness Yearbook, an annual report published by The International Institute for Management Development (IMD), ranked Thailand 26th among 58 countries, up from 27th in 2008. In the Asia Pacific Region, Thailand was ranked 9th and 3rd among ASEAN countries.

2. The National Science, Technology and Innovation Strategic Plan

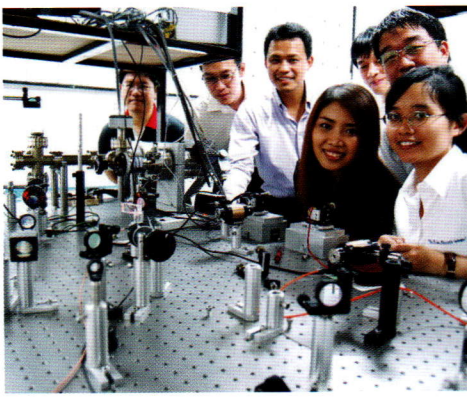
To accelerate the process of strengthening Thailand's competitiveness in science and technology, the National Science Technology and Innovation Strategic Plan and corresponding Policy were drawn up. Four fundamental development goals are emphasised: (1) improving the national innovation system, (2) strengthening the development of human resources, (3) creating an environment conducive to science development, and (4) increasing the capability of the four core future technologies, i.e. information and communication technology, biotechnology, material technology, and nanotechnology.

Six strategies were formulated:

1. Intensive human resources development;
2. Heightening awareness of and strengthening education in science, technology and innovation;
3. Supporting advanced R&D for uplifting productivity to create a knowledge-based economy;
4. Building incrementally a R&D infrastructure and management system;
5. Improving the existing R&D infrastructure and management system;
6. Continually revising and updating an astute science, technology and innovation policy development strategy.

The government set out three national agendas, comprising (1) support for royally initiated research projects and R&D projects focused on technology that contribute to improvement of the quality of life and development of new industries; (2) acceleration of human resources development in science and technology; and (3) improvement of the R&D system.

A public-private-partnership (PPP) R&D budget will be allocated, complemented by the provision of low-interest loans and reduced taxation, to encourage investment in R&D especially by small-scale and medium-scale enterprises (SME). Science & Technology (S&T) facilities such as science parks, software parks and incubation centres were established. On an equal footing, high importance is attached to the exposure of children and the public to new S&T discoveries through various media and programmes.



3. Science and Technology Manpower

To effectively meet the future demand triggered by technological advancements, the development of well trained S&T professional resources, particularly researchers, is given high priority. The targets were set to obtain ten patents per 10,000-population and to increase the spending on S&T human resources to two million baht per person per year. These goals are set to prepare Thailand to become the centre of scientific and technological education in Southeast Asia.

In 2008, the S&T labour force numbered 2.93 million. Engineering graduates accounted for 55%, followed by 17% trained on public health, and only 0.1% qualified in mathematics and statistics. Categorised by the level of education, bachelor's degree holders accounted for 58%, while the remainder had obtained higher degrees.

Initiatives include science programmes for talented students, promotion and advancement of science education through science teachers, and scholarships for S&T studies at master's and doctoral degree levels. Over the last ten years, more than 1,500 S&T professionals played key roles in moving Thailand's science, technology and innovation competitively forward. Most advanced degree holders were recruited to work at universities, research institutions, and centres of excellence in various fields, including materials science/technology, biotechnology, nanotechnology, electronics and computer science.

4. Science and Technology Infrastructures

To stimulate and support the development of science, technology and innovation, the following are examples of some major infrastructure facilities provided to entrepreneurs with easy access:

4.1 Thailand Science Park

With the mission to build scientific capacity and competitiveness, the Science Park was established to serve as the R&D hub with first-rate S&T infrastructure and highly qualified human resources. To bridge the gap between research and marketplace, the National Science and Technology Development Agency (NSTDA) struck alliances with universities, industries and various government agencies, targeting the food, medical, energy, computer, electronics, automobile and textile industries.

NSTDA and its four national research centres, the National Centre for Genetic Engineering and Biotechnology (BIOTEC), the National Metal and Materials Technology Centre (MTEC), the National Electronics and Computer Technology Centre (NECTEC) and the National Nanotechnology Centre (NANOTEC) are all located in the Thailand Science Park along with 60 private companies, which is run by NSTDA's Technology Management Centre (TMC).





Engagement with the private sector is realised through joint R&D, knowledge and technology transfer, and S&T related services, geared to stimulate the growth of knowledge-based businesses.

With such a critical S&T mass located right in the Thailand Science Park, NSTDA and its centres are moving research and innovation forward, in collaboration with technology-driven private companies.

4.2 Thailand Earth Observation Satellite (THEOS)

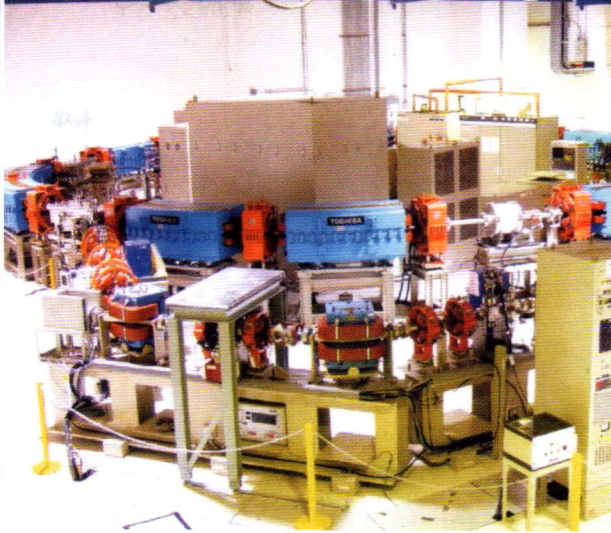
Thailand has been involved in satellite remote sensing since 1971, mostly for the management of natural resources and the conservation of the environment.

The Geo-Informatics and Space Technology Development Agency (GISTDA) initiated the project named Thailand Earth Observation Satellite (THEOS). THEOS was developed by EADS Astrium and GISTDA through cooperation between the government of the Kingdom of Thailand and the government of France. THEOS was successfully launched into orbit from the Yasny launch base on1October 2008. Upon successful implementation of this joint venture, and with THEOS' services being operational, the distribution and utilisation of THEOS' data have become feasible to meet both domestic and worldwide requirements.

THEOS observes the earth from the same orbit as the French SPOT-5 satellite at an altitude of 820 km at local time of 10:00 am (descending). Its lifetime is expected to be more than five years. THEOS provides Thailand with worldwide geo-referenced imagery and offers image capabilities as well for applications in cartography, land-use surveillance, agricultural production monitoring, forestry management, coastal zone monitoring, disaster monitoring and assessment, military strategy, oceanography and fisheries. THEOS provides access to any part of Thailand within two days.







4.3 Synchrotron Light Research Facility

The Synchrotron Light Research Institute (SLRI), one of the main research facilities for various academic and industrial research ventures, was established to provide a 1.2 GeV synchrotron light source for researchers affiliated with government agencies, the private sector, academic institutes, and international visiting scientists to conduct basic and applied research in physics, chemistry, materials science and medical science as well as for industrial purposes. The (SLRI) is located at the Technopolis of Suranaree University of Technology, Nakhon Ratchasima Province.

4.4 **National Observatory**

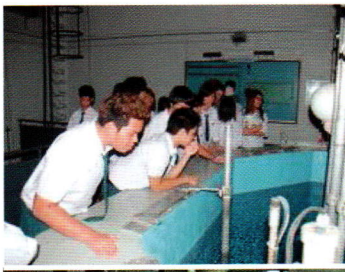
Located on top of Doi Inthanon Mountain in Chiang Mai Province, the observatory was slated for service in the middle of 2011. It will house a 2.4-metre reflecting telescope with an alt-azimuth drive system. The main objectives are to provide advanced facilities for cutting-edge research, to promote astronomy education, and to intensify international collaboration. The facility is run by the National Astronomical Research Institute of Thailand (NARIT).

In addition, construction of observatories in five geographical zones was committed. They will be situated in the provinces of Nakhon Ratchasima, Khon Kaen, Chachoengsao, Phitsanulok and Songkhla. Each will be equipped with a 0.5-metre telescope, a CCD camera, and a spectrograph. Most of them are expected to be in operation by 2015.





4.5 **Thai Irradiation Centre**





Treatment of infestation by fruit flies using irradiation guarantees the prevention of penetrating organisms. The Thai Irradiation Centre operated by the Thailand Institute of Nuclear Technology, located at the Technopolis, Klong Luang District, Pathum Thani Province, plays an important role by providing gamma irradiation at an industrial scale in support of fruit export so as to comply with US, EU and international standards. In 2007, Thailand started exporting six varieties of irradiated fruit to the US, including mango, longan, lychee, mangosteen, rambutan and pineapple. More kinds of fruit are now being irradiated for export. Other irradiation services include the treatment of foods, gems (thus adding value) and medical supplies.

Safety of radiation and in handling nuclear material used by the Irradiation Centre and other facilities such as industries, hospitals and research institutes, among others, comply with regulations laid down by the International Atomic Energy Agency (IAEA), and their the enforcement is monitored by the Office of Atomic Energy for Peace.



4.6 **Calibration, Reference Laboratories and Accreditation Services**

In order to enhance production potential and strengthen competitiveness in the international market, Thailand developed its national metrology system and calibration services. The calibration of laboratories and industrial plants ensures that their measuring equipment complies with national and international standards and is traceable. The services provided by the National Institute of Metrology cover the calibration of length, electrical power, time and frequency, pressure and vacuum, mass, force and torque, density, volume and flow, acoustics and vibration, thermometry and chemical properties.

Reference laboratory services including biological, chemical and physical science as well as accreditation services commensurate with international standards of ISO 9000, ISO/IEC 17025 and ISO 14000 are provided by locally and internationally recognised Department of Science Services.

4.7 **DNA Technology Laboratory**

DNA technology, or technology related to nucleic acids of living organisms, has become one essential tool for unlocking the mystery of living things. The DNA Technology Laboratory (DNA Tec) is utilised to support and sustain the credibility of agriculture/food traders and exporters. DNA

Tec performs the role of the quality control body in verifying the agriculture/ food products for importing countries, while ensuring the credibility of Thai exporters. DNA Tec equipped with advanced tools and staffed with well-trained genetic experts also offers R&D services to both the public and private sectors.

DNA Tec also has expertise in genetic identification. It is well equipped to provide accurate DNA testing services to determine any genetically modified organisms (GMO) such as seeds / plants. These services help traders overcome technical barriers impeding exports. The services offered by DNA Tec include:

- certification of canned tuna not derived from endangered species protected by the European Union;
- proof of export products not derived from GMOs to help restore confidence of importing partners;
- examination for contamination of Thai Jasmine Rice (*Hom Mali* Rice), with DNA Tec appointed the official agency responsible for the standard examination of Thai Jasmine Rice exports.

4.8 Amata Science City

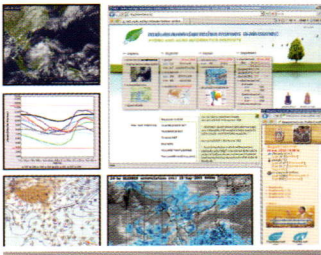
The Ministry of Science and Technology and the Amata Corporation Public Company Limited jointly established Thailand's first public-private science city named Amata Science City where R&D will be performed to increase the industry's competitive advantage.

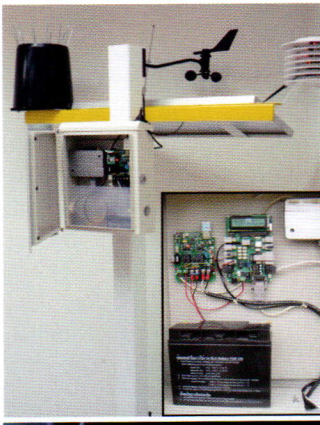
The Amata Science City is located next to Amata Nakorn in Chon Buri Province, an industrial estate that houses 700 multinational companies from 30 countries. With the ultimate goal to become the hub of R&D in ASEAN, Amata Science City will recruit its residents from the Amata Nakorn Industrial Estate and new companies interested in doing research and development. It will also host a university, with already eight universities collaborating. They are Chulalongkorn University, Kasetsart University, Srinakharinwirot University, Burapha University, King Mongkut's Institute of Technology North Bangkok, King Mongkut's University of Technology Thonburi, King Mongkut's Institute of Technology Ladkrabang, and Asian Institute of Technology.



4.9 Thailand's Innovation Park

To enhance capabilities for innovation, to continually and closely work with both the public and private sectors, and to foster inventions, a suitable infrastructure facility is being established named Innovation Park. It will serve as a leading organisation for incubation, promoting international exposure and creating linkages for local start-up innovative businesses, targeted at approximately 100 per year, in a wide range of industries. Innovation Park, initiated and managed by the National Innovation Agency (NIA), is located in the Bangkok Metropolitan Area.







5. Hydro and Agro Informatics Institute

Derived from royal advice granted by His Majesty King Bhumibol Adulyadej the Hydro and Agro Informatics Institute was established with support from the Massachusetts Institute of Technology (MIT). Its objective is to help develop a coherent plan to improve water resource management in Thailand. This collaboration entails data gathering through mobile telemetering to determine physical, chemical and biological parameters, among others. This will lead to forming a R&D network among various organisations to collectively contribute to all aspects of water resource and agricultural land use management.

The ultimate objective is to successfully tackle and solve water-related problems with which Thailand has been beset since long, such as scarcity, drought, flooding and pollution in its regions, which interfere perniciously with the social advancement and economic growth of the country. With agriculture remaining a pillar of the economy, the proper management of water resources is undeniably critical, especially when facing the challenges of global climate change.

6. R&D Services

A state enterprise named Thailand Institute of Scientific and Technological Research (TISTR) was established in 1963. TISTR has been actively involved in R&D ventures and rendered scientific and technological support as well as services to industries in the public and private sectors. Over the years, TISTR was instrumental in enabling enterprises to increase productivity and develop export potential by training researchers and facilitating technology transfer especially to small and medium enterprises. The scope of services covers food technology; pharmaceutical and natural remedies; post-harvest technology; agricultural technology; biotechnology; micro-biological resources; environment, ecology and energy; and material technology and engineering. Main purposes will remain to conduct programmes that help solve problems encountered by industries and rural communities alike.

7. Public Awareness of Science and Technology (S&T)

S&T applications are demonstrated at Community Learning Centres along with dissemination through the S&T media. Public figures such as famous scientists and politicians will play a key role in boosting interest, publicising knowledge, and presenting S&T achievements.

Mainly the National Science Museum is mandated to implement several outreach activities to raise and maintain public awareness. A good example is



the opportunity to play science games at the Science Avenue on the annual Thai National Children's Day. The Science Museum in Pathum Thani Province displays information and disseminates knowledge on the evolution of life and diversity of living creatures. The "edutaining" programme of educational activities lists events such as science show, drama-science-culture camp, science laboratory, science walk a rally, and science competition. Recently, roaming science exhibitions toured throughout Thailand and neighbouring countries.

7.1 Thailand National Science Technology Fairs

Since 1986, 18 August is "National Science Day" in commemoration of His Majesty King Mongkut (Rama IV), the "Father of Thai Science". In 2001, 19 October was declared "Thai Technology Day" in honour of His Majesty King Bhumibol, the "Father of Thai Technology". Since then, an annual National Science Week and an annual Thai Technology Day were organised in August and October, respectively.

Thailand's biggest science and technology annual event, "Thailand National Science and Technology Fair", offers an exhibition, "edutaining" experience, and S&T seminars. In 2009, the exhibition and activities were jointly conducted by seven ministries, 34 agencies, 21 universities, three major science societies, and more than ten international agencies.

7.2 Atom Junior Camp

The Atom Junior Camp is an activity to promote nuclear science and its safety, in addition to inducing an interest in the study of nuclear engineering and the exploration of nuclear technology as one of the sustainable power generation technologies. In 2008, 91 students from 28 schools participated in the training on physics of nuclear reaction to gain experience in science through "edutaining", held in Nakhon Nayok Province.

8. Joint Public/Private Sector Consultative Committee in Science and Technology

Public and private sector cooperation in science and technology is geared to enhance Thailand's competitiveness through the Joint Public-Private Sector Consultative Committee in Science and Technology, at the national and provincial levels. Its mission is to help develop SMEs by enabling them to add value to their production at reduced cost.

Collaboration ventures between local administration units and educational institutions were formed. In Fiscal Year 2010, the Joint Public-Private Sector Consultative Committee launched its plan at provincial level. This marks the first time in Thailand when such a public-private joint committee was formed with the academic sector to help drive research conducted within the universities for the benefit of the nation.

9. R&D for the Creation of a Knowledge-Based Economy

In 2007, Thailand's gross expenditure on R&D (GERD) per gross domestic product (GDP) was recorded at 0.21, with 45% of the R&D expenditures coming from the private sector. It is planned to raise Thailand's GERD/GDP ratio to 1.05% and to increase the R&D expenditures from the private sector to 50%, by 2016.

Thailand's total R&D expenditures in 2007 were 18.2 billion baht. The average cost of R&D expenditures per granted patents of Thailand was 23.3 million baht, decreased 32% from those in 2006.

Expenditure on R&D in the food industry was highest at almost 2 billion baht, while that in the office machinery industry was lowest at 0.2 million baht. In the service sector, the highest R&D expenditure was recorded for assorted business services at 628 million baht and the lowest at 45 million baht for the computer industry.

Among Thai industries, the chemical industry took the lead in numbers of R&D personnel with 1,714 employees, followed by food, rubber and plastics, machinery, radio, TV and motor industries.

9.1 Greenhouse plastic covering that helps farmers mitigate global warming while boosting productivity



The National Metals and Materials Technology Centre (MTEC) of the National Science and Technology Development Agency (NSTDA) developed a new plastic covering for greenhouses that reduces heat up to three degrees Celsius, thereby mitigating the effects of global warming. In addition, it reduces ultraviolet rays. Branded "PolyTech Plastic", the new greenhouse covering helps increase crop yields. It was developed in partnership with Naresuan University and the Royal Project Foundation. Locally produced, it is 75% less expensive than the imported version. This permits access for hundreds of thousands of Thai farmers to the new technology and offers an option to plant a wider range of crops and vegetables which may give higher returns. Hence, this new technology has the potential to increase the value of Thailand's agricultural output to 10 billion baht.

9.2 Development of plant varieties tolerant of adverse environment

The National Centre for Genetic Engineering and Biotechnology (BIOTEC) of the National Science and Technology Development Agency (NSTDA) made use of organic biodiversity resources such as plants, herbs

and micro-organisms in the restoration and recovery of saline and heavy-metal contaminated soils for agricultural use. One important example is the use of phytoremediation to recover the saline soil in the north-east of Thailand for cultivation of food crops (salinity-tolerant rice), paper-fibre plants (eucalyptus) and energy crops (sugar cane) through collaborative efforts among research agencies, business enterprises and the community of farmers.

In a collaborative project, the Ministry of Science and Technology has worked with the Pimai Salt Company in Nakhon Ratchasima Province to expand the acreage on which salinity-tolerant rice is cultivated on land that used to be a salt mine, where the salinity has now been sufficiently reduced. Another collaborative project is with the Siam Cement Group, one of the largest manufacturers in the pulp, paper and packaging business. The reduction of soil salinity in Sakhon Nakhon Province is for the cultivation of rapid-growth plants such as eucalyptus for energy and pulp production. Similarly, the Mitr Phol Sugar Group successfully cultivated an energy crop (sugar cane) on once saline land in Chaiyaphum Province.

9.3 Environmentally friendly formulation for fresh rubber latex

New chemicals that substitute sulphuric acid and ammonia in the processing of fresh rubber latex were recently discovered and developed by a team of scientists from the National Science and Technology Development Agency (NSTDA), Mahidol University, Prince of Songkla University and the Federation of Thai Industries.

The new substance is friendly to the environment. If adopted nationwide, it will eliminate the use of 6,400 tons of sulphuric acid per year. The impact will be tremendous as it will reduce effluents of poisonous hydrogen sulphide by up to 2,220 tons a year, while eliminating a great volume of sulphate-contaminated water caused by the current latex producing process. A patent application was filed for this discovery.

10. Outlook

By the year 2010, dynamic progress created employment, generated income and improved the quality of life in a creative economy, having adopted sustainable ways by following advice graciously granted by His Majesty King Bhumibol Adulyadej, "Father of Technology" and "Father of Thai Innovation", as implemented both in terms of scientific infrastructure and technological advancements.

The economic policy drive is clearly directed toward making ever more intensive and frequent use of S&T in industrial and commercial development. Science infrastructure will be expanded in full recognition of its great significance for Thailand's economic development in the years to come.



FINANCIAL SYSTEM : STATUS AND DEVELOPMENT



Financial System : Status and Development

Although liberalised long since, with both domestic and foreign investors trading freely, without obtrusive regulations and restrictions, much progress has been made to eliminate whatever obstacles remain against financial trading, to promote efficiency, and to ensure transparency. Further developments are envisaged to foster effectiveness. The government continues to support financial liberalisation. Recently the capital and financial master plan was put in place to ensure efficiency and effectiveness, for the immediate future. The status of and prospects for Thailand's financial market — namely, equity and bond markets as well as the banking sector markets — as well as their medium-term development are outlined below:

Equity Market

1.1 Current Status

This section addresses market conditions in 2009, market outlook in 2010, and the strategic direction of The Stock Exchange of Thailand (SET) from 2010 onwards.

Market conditions in 2009

The overall performance improved significantly when compared to that of 2008. Indices, market capitalisation and trading value all increased, as a result of the economic recovery and better operating performance of listed firms since both had bottomed out in Q4/2008. This can be demonstrated by two major indexes of the Thai stock market: The SET Index rose by 63.25% over its level at the end of 2008 levels; The Market for Alternative Investment (MAI) Index rose by 32.14% over its end of 2008 level. In 2009, SET and MAI total trading values increased respectively by 10.68% and 47.55% from 2008, with the daily average trading value up by 13.08%.

Table 1: Trading value of SET and MAI 2005–2009

Trading value (THB millions)	2005	2006	2007	2008	2009
SET	4,031,240.02	3,956,262.03	4,188,776.73	3,919,874.31	4,338,479.27
Change (%Y-o-Y)	-19.77	-1.86	5.88	-6.42	10.68
MAI	35,940.95	27,413.75	83,043.19	61,355.69	90,499.92
Change (%Y-o-Y)	5.03	-23.73	202.93	-26.12	47.50
Total	4,067,180.97	3,983,675.78	4,271,819.92	3,981,230.00	4,428,979.19
Change (%Y-o-Y)	-19.59	-2.05	7.23	-6.80	11.25
Daily average trading value (SET and MAI)	16,600.74	16,393.73	17,436.00	16,118.34	18,226.25
Change (%Y-o-Y)	-19.6	-1.25	6.36	-7.56	13.08

Source: SETSMART

The combined market capitalisation of SET and MAI at end-2009 was up by 64.67% over end-2008, which was in line with the increase in the SET and MAI indexes. The main driver for such increase is attributed to the SET forward P/E ratio at end-2009 which had increased to 12.7 from 7.0 as of end-2008. Meanwhile, the proportion of the SET forward P/E ratio to the Morgan Stanley Capital International (MSCI) Asia ex-Japan forward P/E ratio increased continually, from 64.2% at end-2008 to 89.9% at end-2009.

Operating performances of listed firms

In 2009, companies listed on the SET and MAI posted aggregate net profits at a composite increase of 42%. The top three industry groups in terms of absolute amounts and in descending order were "Resources", "Financials", and "Property and Construction Industry" groups. The top five firms, in descending order of profitability in absolute amounts, were Petroleum Authority of Thailand (PTT), Siam Cement Public Company (SCC), Petroleum Authority of Thailand Exploration and Production Public Company Limited (PTTEP), Bangkok Bank Public Company Limited (BBL), and Siam Commercial Bank (SCB). As of March 3, 2010, a total of 291 listed firms had announced their dividend payments, with a high average rate of 4% (as of December 31, 2009).

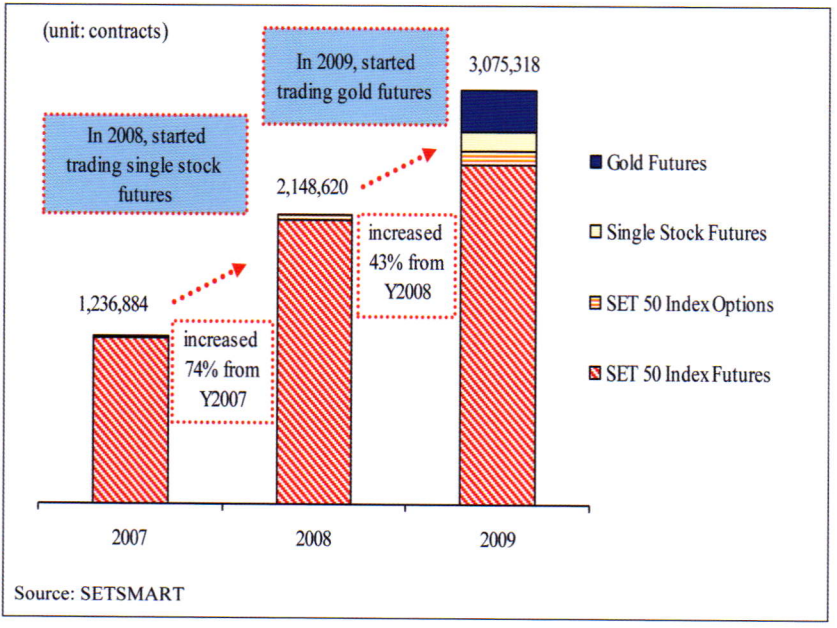
Of the 561 firms listed on the SET or MAI, 96%, including 26 property funds, had reported their operating results as of December 31, 2009, with aggregate net profits increased by 42% from the previous year. Of 501 SET-listed organisations, 482 firms (including the Non-compliance and Non-performing Groups) had reported in their financial statements, as of December 31, 2009, recorded profits at an overall increase of 43% over 2008, even though total sales had dropped by 14% drop as compared to 2008.

Derivatives market

In 2009, trading of derivatives products grew consistently; they increased by 43% over 2008, reflecting a 14-fold rise from 2006, the year in which the

Thailand Futures Exchange (TFEX) Public Company Limited (PCL) started trading. In 2009, most of the trading was accounted by the trading in the SET50 Index Futures, which increased in volumes due to capital market fluctuations. Moreover, in 2009, TFEX started trading gold futures, which received great interest from investors as a result of rising global gold prices. TFEX also increased the number of underlying assets for single-stock futures, which also received a warm welcome from investors.

Figure 1: Trading volume of the Thailand Futures Exchange (TFEX) PCL during 2007 – 2009



1.2 Development

Capital Market Development Master Plan 2010-2014

The Thai capital market is the primary mechanism for aggregating, channelling and monitoring economic resources. The goal of the capital market is to perform these tasks efficiently to increase Thailand's overall competitiveness. In so doing, The Stock Exchange Commission (SEC) formulated the Capital Market Development Master Plan with inputs and opinions from all stakeholders.

The mission of the Capital Market Development Master Plan has six primary objectives:

1. The Capital Market must be easily accessible to investors seeking investment opportunities and corporations seeking funds;
2. To increase quality and variety of products and services;
3. To reduce the cost of funds to issuers and any intermediaries and

transaction costs to investors to enable Thai companies to become more competitive;

4. To develop efficient infrastructure framework in legal, regulations, accounting, tax, information, technology and enforcement;

5 To educate investors and ensure that adequate protection mechanisms are in place;

6. To promote competition in the Thai capital market and build links with the global market system.

Moreover, the Master Plan encompasses eight important reform measures that will affect the course of development and bring about major changes in the system.

Measure 1: Abolish the Monopoly and Improve SET Competitiveness

Liberalisation of capital flows and competitive pressure aggravate the threat of the SET becoming marginalised. To make the SET responsive to a fast-changing business environment, its business structure must be transformed to increase efficiency and promote competitiveness. First step is to demutualise the SET; convert it into a public company ("The Exchange Company"); separate the exchange business from capital market development work, and establish a Capital Market Development Fund (CMDF) with the mission of long-term capital market development. The SET monopoly on exchange businesses will also end. Therefore, there may be other trading platforms permitted to trade listed stocks. "The Exchange Company" will be allowed to permit persons other than securities firms incorporated in Thailand to have direct access, if it so desires, in order to increase liquidity and expand the investment base to promote linkages with the global capital market, and to decrease limitations which currently obstruct the growth of the Thai capital market.

Measure 2: Liberalise Securities Business to Promote Market Efficiency

This measure, while in line with recent trends of liberalisation in the financial system, also aims to increase competitiveness of the Thai capital market and enable it to withstand any impact of fast capital flows. Liberalisation of licenses will foster market competition. Securities firms will have to adjust by forming alliances with strategic partners to increase efficiency by offering new products and services. Deregulation of commissions will reduce transaction costs and increase market activities, in the long run.

Measure 3: Reform Legal Framework

Currently, there are draft laws related to the capital market being proposed to the House of Representatives: (1) Amendment Act to Royal Enactment on Special Purpose Juristic Persons for Securitization; (2) The Draft of Commercial Collateral Act: and (3) Amendment Act to the Civil and Commercial Code. The government is expected to keep pushing for passage of these laws. The committee also resolved to propose further reforms, including (1) laws to facilitate mergers and acquisitions activities, (2) adoption of civil penalty, and (3) amendment of the Civil Procedure Code to include class action lawsuits, all of which would help make enforcement of the Securities and Exchange Act more efficient.

Measure 4: Streamline Tax System

This measure aims to make the tax system more efficient regarding transactions, improve fairness, and provide tax incentives for transactions that the state would like to promote for the development of the capital market. Taxation areas earmarked for streamlining include those related to mergers and acquisitions, investments in debentures, elimination of double taxation on dividends, equalised tax incentives on direct investment and investment through intermediaries, transfer of investments in provident funds, public savings funds, life insurance premiums, Islamic bonds, securities borrowing and lending of the Bank of Thailand, and venture capital.

Measure 5: Develop Financial Products

Currently, the Thai capital market has few financial products to choose from, which do not meet investors' diverse needs, thus making the market comparatively unattractive. This measure aims to push for the development of new products which would help increase the variety of instruments and consequently help develop the market. Examples of new products is an infrastructure fund to promote investments by the private sector, life annuities, interest rate derivatives, inflation-indexed government bonds, Islamic bonds, venture capital, and divestiture of Ministry of Finance shares of publicly traded companies.

Measure 6: Establish a National Savings Fund

The Ministry of Finance had proposed a National Savings Fund Act, and the Cabinet, in its meeting on October 20, 2009, vetted the first draft. The National Savings Fund will cover workers outside the formal system, comprising approximately 70% of the total labour force in Thailand. The objective is to institutionalise savings for retirement, create equality of opportunity, and ensure that these informal sector workers are provided with some income after retirement. The National Savings Fund will become a major source of savings and investments in Thailand and will contribute to the development of Thai capital markets. It will help lessen the volatility of capital movements and indirectly promote new financial products.

Measure 7: Develop a Culture of Savings and Investments

This measure aims to provide choices when investing in provident funds and the Government Pension Fund, so that investors' needs are met. It will also encourage investors to be proactive about acquiring new knowledge on financial products, so that investors can truly determine what types of products suit them.

Measure 8: Develop the Domestic Bond Market

This measure aims to develop the government's cash management methods and study alternatives for amending laws relating to treasury reserves, so that the government can issue treasury bills efficiently. The government should also be able to manage treasury reserves for yield by such means as depositing the reserves with other institutions instead of the Bank of Thailand. This will help decrease the cost of funds that the government faces. Moreover, the Bank of Thailand will take the lead in developing and promoting the private repossession and securities borrowing

and lending markets, providing the bond market with another tool to manage liquidity efficiently with low risks. Overall, this would lead to further growth in the market.

Aside from these eight reform measures, the Master Plan consists of 34 further measures that should be implemented. These measures are important in changing the basic framework and developing new infrastructures, in the long run, which would lead to the fulfilment of the Master Plan's main objectives. After the Master Plan has been approved, the drafting subcommittee will be transformed into the Implementation and Oversight Committee charged with overseeing, monitoring, and assessing the implementation of the Master Plan. The new committee will use KPIs to assess progress and efficiency of the implementation. Success in implementing the Master Plan, aside from directly benefiting the capital market, will have far-ranging benefits to society and economy as a whole. It will improve competitiveness, promote savings and retirement planning, improve linkages between Thai and global capital markets, and benefit all sectors of society. The results will be reflected and noticeable in the capital market structure itself. Thai capital markets will grow larger with increased liquidity which will strengthen balance and stability of the financial market. It will become a key driver in economic development, which will become evident in the prosperity of Thai people, in the long run.

SET long-term strategic plan

SET is committed to work with all stakeholders in long-term market development, which is essential for the sustainability of the capital market, through the operation of the Capital Market Development Fund.

Listed company development

SET will promote corporate governance practice to listed companies, especially those that are yet to adopt it, in order to enhance the quality of listed companies and the overall Thai market. Moreover, listed companies will be encouraged to employ investor relations as a means to communicate with investors effectively. SET will collaborate with the Thai Investor Association in investor activism, thus strengthening roles of shareholders in corporate governance.

Investment and capital market education

On the investor front, SET will offer educational programmes to the general public. A series of new programmes will occasionally be launched, targeting managers at branches of commercial banks, since commercial banks offer extensive reach to potential investors. Once trained, these managers will not only be equipped with knowledge about the capital market but also be capable of introducing additional investment choices to their customers. The Thai Financial Planner Association will also participate in the program.

Marketing professionals of securities companies are also a constituent group that can positively influence market quality. They give advice regularly

and directly to investors. In response to the changing business landscape affected by the diversification of investor needs, the liberalisation of brokerage commission fees, and the liberalisation of the brokerage business, the SET will develop a modern marketing curriculum and compile a record of good practices. Finally, the SET will cooperate with the Association of Securities Companies so that all securities companies will define their roadmaps to increase both the quality and quantity of marketing professionals.

The Capital Market Academy (CMA) plans to expand its programme offerings to top executives of leading organisations to meet their growing needs for knowledge about advancements in the capital market. CMA alumni will host activities geared toward advocating capital market development agendas that trigger a far-reaching impact.

Capital market research

The Capital Market Research Institute (CMRI) will conduct in-depth capital market research that will lead to decision-making at the policy level. Opportunities and hindrances in the Thai capital market will be explored. CMRI also supports researchers through research grants. It will continue to organise forums that serve as platforms where ideas and views of researchers and market practitioners are exchanged. These activities will collectively build a knowledge base of the capital market in Thailand.

In addition, CMRI collaborated with authorities and stakeholders in drafting the Capital Market Development Plan 2009-2013, endorsed by the Thai government in November 2009. The plan envisages the Thai capital market to function as the key mechanism that collects, allocates and monitors the utilisation of economic resources to contribute the greatest benefit for the country's competitiveness. CMRI continues to work closely with other bodies in monitoring the progress of initiatives.

Stock Exchange Commission's Strategic Plan 2010-2012

To strengthen the competitiveness of the Thai capital market emphasis is placed on five additional measures, in the medium run (2010- 2012), in order to enhance investors' access to investment products and risk diversification tools, facilitate fund mobilisation, and increase effectiveness of market supervision and enforcement. The plan takes into account external factors as well as the Thai market's strengths and weaknesses so as to promote market growth while maintaining investor confidence locally and internationally.

The five measures:

Integration with foreign markets: Within the Association of South-East Asian Nations (ASEAN), the ASEAN Capital Market Forum (ACMF) Implementation Plan for ASEAN capital markets integration, endorsed by the ASEAN Finance Ministers to integrate capital markets by 2015, as targeted by the ASEAN Economic Blueprint, was launched. Key initiatives include promoting ASEAN as an asset class including the launch of the ASEAN FTSE index, ASEAN scale credit rating (providing ratings comparable

to the global rating scale), and mutual recognition and harmonisation of rules and regulations to streamline cross-border transactions. The common ASEAN Disclosure Standards were adopted to facilitate multi-jurisdiction offering of plain debt and equity securities in ASEAN. The ASEAN Common Exchange (ACE) Gateway will link ASEAN exchanges and allow global investors to access ASEAN capital markets through a single point of entry, with the SET and *Bursa Malaysia* expected to be the first pair to link. As for integration beyond ASEAN markets, there are plans to expand the scheme, thus allowing local investors to invest in foreign products overseas, foreign financial products to be offered in Thailand, and foreign intermediaries to provide cross-border services to local non-retail investors.

Promoting competition/abolishing monopolies: The scheme involves liberalisation of securities business licensing by 2012 and brokerage commission at full scale. In addition, SEC proposed an amendment to the Securities and Exchange Act to end the official monopoly status of the SET, to allow entities other than securities firms incorporated in Thailand to have direct access and to allow alternative trading platforms to compete with the exchange. Also, the proposed amendment will enable demutualisation of the SET in order to unlock control and governance dominated by brokers and induce pressure to reduce costs and increase efficiency of the exchange business, and to establish a fund with the purpose of long-term development of the Thai capital market.

Facilitating product innovation: New financial products will be developed that serve as funding and risk management tools for both private and public sectors, and match investors' varied, changing risk profiles. New products proposed in the Capital Market Development Master Plan (CMDMP) include an infrastructure fund, life annuities, interest rate derivatives, inflation-indexed government bonds, *Sukuk* Islamic bonds, and venture capital.

Increasing effectiveness of market supervision and enforcement: In setting up an efficient and timely monitoring system of systemic risk, regulatory amendments highlight such areas as capital adequacy, risk management, internal control, information disclosure, complexity-based risk and product classification, and assessment of clients' risk tolerance prior to offering investment advice.

The SEC's proposed civil sanction and amendment to the Civil Procedure Code aims to include class action lawsuits to enhance enforcement efficiency. The SEC also promoted the investor advocate role of the Thai Investors Association (TIA) in proxy voting and representing minor shareholders in the exercise of their rights.

In addition, the SEC encouraged market practitioners to form a self-regulatory organisation (SRO) overseeing the implementation of professional codes of conduct and disciplinary actions. Stronger emphasis on outcome-focused supervision will enhance business flexibility and facilitate market innovation. In preparation for regulatory reforms, SEC set up the Change Management Team.

Promoting investor education: Educational forums were designed to

reach different groups with emphasis on investor rights protection and awareness of investment risks.

The SEC Strategic Plan is set out to maximise capital market potentials and competitiveness in line with the objectives of the CMDMP, as approved by the Cabinet.

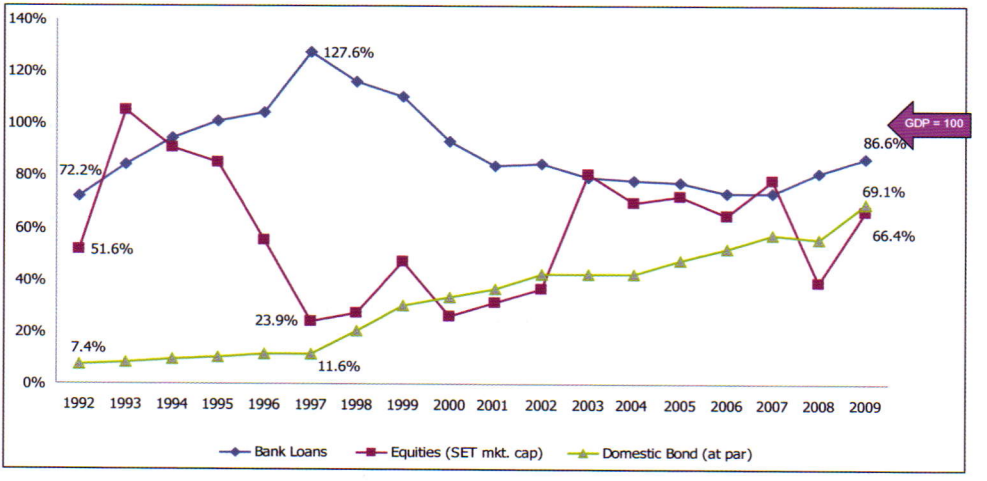
Bond Market

2.1 Current Status

Background of Bond Market and Financial System

The imbalances among the three pillars of the financial system, namely, bonds, bank loans and equities, were caused by the overreliance on commercial banks as the main source of funding and overinvestment in the equities market as investment options were restricted. This imbalance aggravated the financial crisis, thereby highlighting the need to reform and implement initiatives to balance the financial system. The Public Debt Management Office (PDMO) has been developing the domestic bond market to be an alternative funding and investment source for both the public and private sectors. This led to the rapid growth of the bond market from 7.4 % in 1997 to 69.1% in 2009.

Figure 2: Comparison of Sources of Funding in Thailand (1992-2009)



Source: SETSMART, ThaiBMA, NESDB

The PDMO took the leading role in the implementation of the following measures to develop the domestic bond market:

Benchmark bonds issuance

The domestic bond market did not advance as rapidly as it could have because the government bonds issued were small, too frequent and very fragmented. Over the recent-most years, however, there was a complete overhaul of the government bond issuance programme. Benchmark bonds

with maturities of 5, 10, 15 and 20 years were introduced to establish the benchmark yield curve that serves as a reliable reference for corporate bonds. Moreover, the government also significantly increased the volume of each bond and reduced the frequency of auctions to encourage competition in the primary market as well as to enhance liquidity in the secondary market.

Diversify investor base

In recent years, the PDMO initiated measures to broaden the investor base mainly through the introduction of new products and by enhancing features of current products, including issuance of the 30-year bond to serve demand by long-term investors such as pension funds and insurance companies; the Floating Rate Bond (FRB) to meet demand of investors looking to manage interest risks; alteration of key features of saving bonds including the introduction of "step-up" interest rates; and initiatives to ensure that distribution is geographically diversified.

PDMO established the Public Debt Restructuring and Domestic Bond market development Fund ("The Fund") to support the development of the domestic bond market. "The Fund" will act as an investment arm to manage proceeds from debt restructuring and facilitate issuance for bond market development, as follows:

Debt Restructuring: "The Fund" can significantly reduce refinancing risks by enabling the government to pre-fund maturing debt, one year in advance.

Issuance for Bond Market Development: In accordance with the Public Debt Law, in direct support of the domestic bond market development, the proceeds are managed by "The Fund". This assures the market that supply of government bonds will always be available, even in a scenario where the government no longer requires borrowings to finance any budget deficit.

Transparency and communication with market participants

PDMO conducts market dialogues frequently to share information on the government's funding requirements as well as obtain information about demand by investors and current market conditions. In addition, PDMO conducts its bond auctions in a transparent manner by announcing its bond auction calendar on an annual basis as well as limiting deviations from the initial calendar.

The bond market did not only grow to over 60% of GDP but more importantly, it has allowed the government to meet its growing borrowing requirements while keeping cost at a manageable level. As Table 2 indicates, the Bid-Coverage Ratio (BCR) for government bonds is generally at around 1.6-2, reflecting high degrees of demand and sufficient competition for government bonds. Furthermore, the 5-year and 10-year benchmark bonds are very popular and actively traded in the secondary market.

Table 2: Government Bonds Performance Indices

Index	FY2008		FY2009	
	LB133A (5 yrs)	LB183B (10 yrs)	LB 145B (5 yrs)	LB 183B (10 yrs)
Primary market				
BCR	2.20	1.69	2.03	1.63
Issue size	10,000-15,000	5,000-10,000	10,000-15,000	10,000-12,000
Outstanding (million baht)	99,000	52,632	121,035	86,632
Secondary Market				
Rank of total trading in secondary market	1	2	1	2
Turnover Ratio (times)	3.08	2.50	2.39	2.18
Market Share (%)	27.30	11.80	20.40	13.32
Outright Trading Value (million baht)	305,194	131,790	288,897	188,634

Source: PDMO

In addition to the above schedules of government bond issuing, the government recently issued government bonds to finance the *"Thai Khem Khaeng"* project or "Strong Thailand Project." In response to the economic crisis in 2008, the government fiscal stimulus packages labelled "Thai Khem Khaeng" was launched as a public infrastructure investment plan for the years 2010 to 2012, with financing partially through government bonds.

In 2009, the government issued government bonds valued at 80 billion baht, with 50 billion baht earmarked for investment in projects and the remainder for compensation of the fiscal deficit. In 2010 another 1,000-billion baht bond was brought to the market; a 82.23 billion baht one was sold. Issuing risk-free government bonds under the "*Thai Khem Khaeng*" programme has further strengthened the development of Thailand's bond market.

2.2 Development

Apart from continuing to enhance current initiatives, the government identified the following issues to be addressed, in order to achieve sustained development:

Cash Management

Currently, government cash is kept in a non-interest paying account at the Bank of Thailand (BOT). Also, the law prohibits any investment of outstanding cash balances. In order to minimise costs, the government is currently working towards amending the relevant Act to allow government to manage its cash balance through investment in low-risk instruments.

Product Diversification

Product diversification acts as an alternative source of funding for the government, in particular during periods where funding needs are large. For example, PDMO is currently preparing to issue Inflation-Linked Debt instruments to meet growing demand by investors.

Banking System

3.1 Current Status

The commercial banking sector comprises 14 Thai banks, two retail banks, 15 foreign bank branches, and one foreign bank subsidiary, with total assets of about 10.3 trillion baht, as of December 2009. It constitutes a key part of the financial system, as the size of bank assets remains larger than the SET market capitalisation. Capital market growth has accelerated in the past decade, partly due to the progress in development of the bond market, with banks continuing to be key players in the capital market, due to the universal banking model which allows banks to form a financial conglomerate, with financial subsidiaries within the financial groups. The Bank of Thailand regulates and supervises banks and financial conglomerate by risk-based consolidated supervision, meeting the Basel II standards.

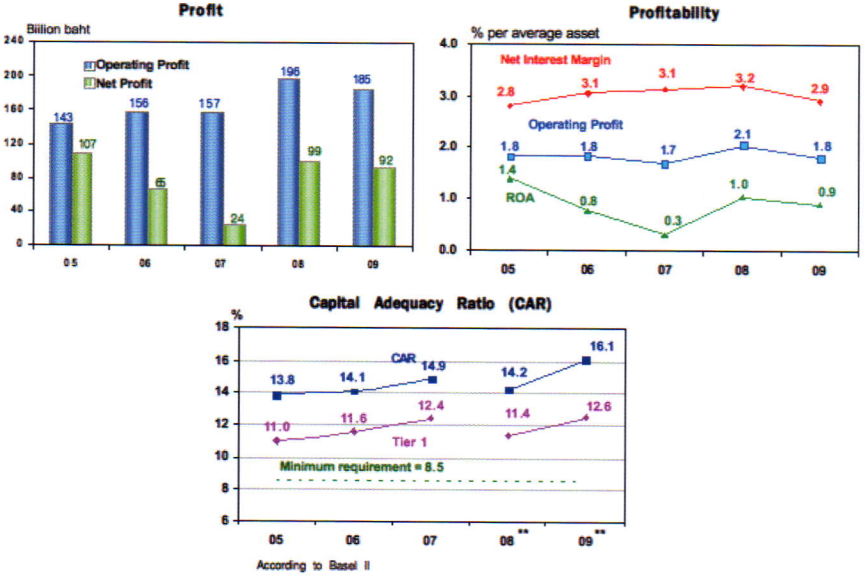
The banking sector has been profitable and resilient throughout the global financial crisis. In 2009, it recorded its ninth consecutive year of profit, with its capital base strengthening further, and the Capital Adequacy Ratio (CAR) of capital to risk-asset was not only in accordance with Bank for International Settlements (BIS) standards but rising further to 16.1%, well above the regulatory minimum requirement. Caution by banks and borrowers, corporate and household, prior to the global crisis, helped keep bank asset quality strong. Non-performing loans declined further in 2009, with the ratio of NPL net of provision to total loan declining further to 2.7%. No banks failed in Thailand during the global crisis, and the stability and profitability of the banking sector attracted some new entries in terms of acquisition of Thai banks by foreign shareholders, as well as some domestic mergers and acquisitions to reap benefit from economy of scale and scope.

Strength and resiliency of the banking sector, against the background of the current global crisis, stem from three key reasons: Firstly, Thai banks are modern but uncomplicated, thus there is no gap between their risk profile and the risk management ability of banks or supervision by the regulator. In this respect, Thai banks' main funding is from stable local deposits, and lending to local businesses and household forms a key asset. Sound management of asset quality has allowed return-on-asset (ROA) to be profitable at around 1%, thus there is no need to undertake complex products, foreign asset, or proprietary trading, which together forms a very insignificant part of their business. Secondly, continued improved risk management of the banking sector since the Asian financial crisis, as confirmed by the positive assessment in the Financial Sector Assessment Program (FSAP) of the International Monetary Fund and the World Bank in 2007, whereby the overall banking sector was assessed to be robust even in the face of simulated stress-test scenarios. FSAP assessment also confirmed that the banking regulatory framework meets international practices stipulated in the core principles in banking supervision of the Bank for International Settlements (BIS). Thirdly, the new Financial Institutions Businesses Act, which came into effect in August 2008, also strengthened the Bank of Thailand's legal power to implement consolidated supervision, prompt

corrective action, and strengthen governance of boards of directors and senior management of banks.

Figure 3

Performance of the Thai Banking Sector



Source: Bank of Thailand

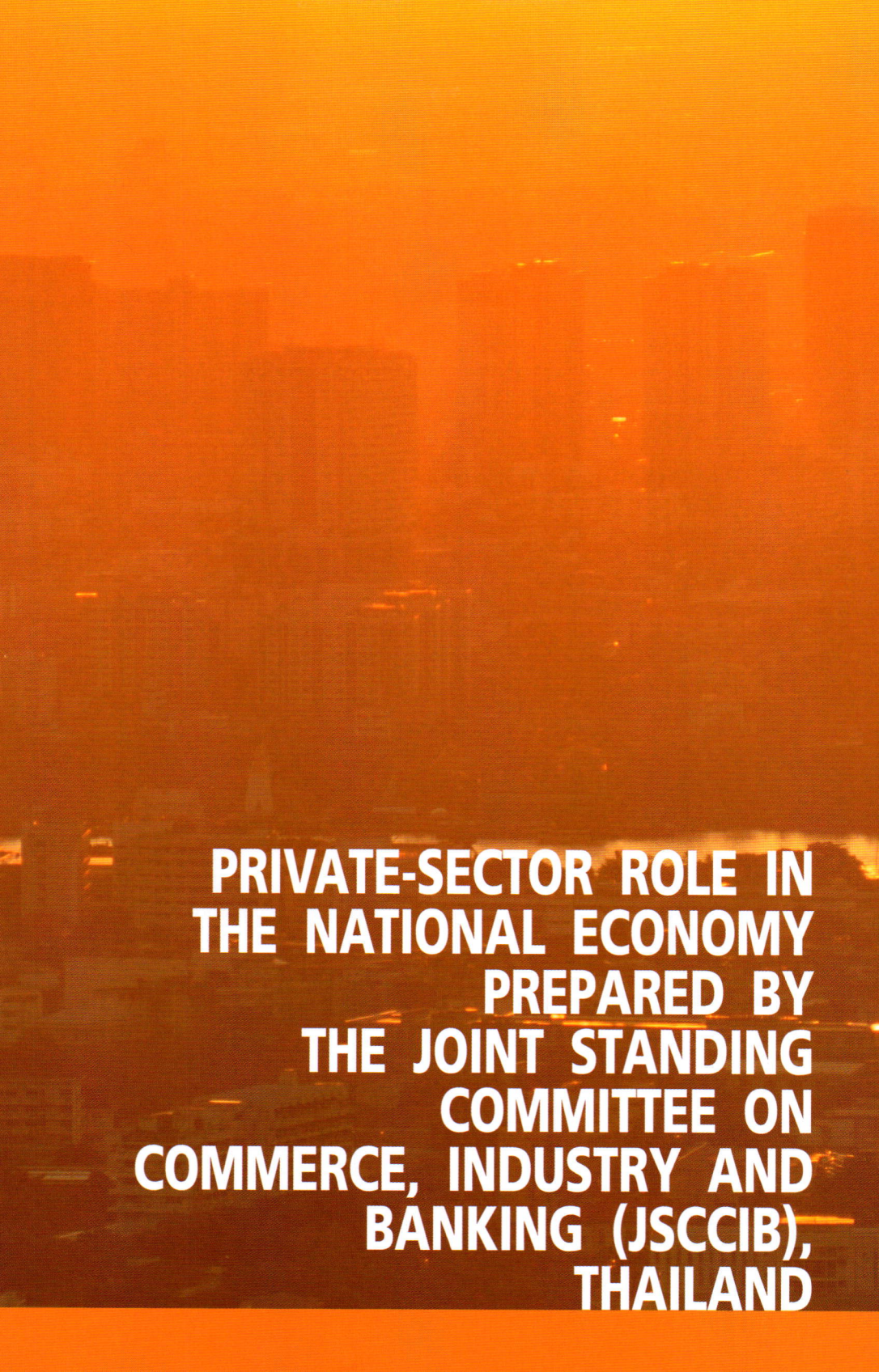
Given the continued uncertainty with regard to the global economic recovery, the banking sector and the Bank of Thailand remain vigilant as to risk management as well as to the lessons learnt from the global financial crisis. The Bank of Thailand plays an active role in global efforts to reform the global supervisory framework through its membership in the working groups of the Basel Committee, such as the Standard Implementation Group (SIG) and Basel Consultative Group (BCG), as well as through the bimonthly BIS Governors meeting.

3.2 Development

With a view to the emerging global economic recovery, the banking sector, with its strong capital base and comfortable liquidity, is ready to facilitate sustainable economic growth. In fact, bank credit has begun to pick up since the second half of 2009. Going forward, the Ministry of Finance and the Bank of Thailand jointly drafted a medium-term plan to further develop the financial system, the core part of which is the Financial Sector Master Plan Phase II (FSMP II) set for 2010-2014. The FSMP II, endorsed by the Cabinet, aims to strengthen the efficiency of the banking system, so that it contributes to upgrading Thailand's international competitiveness and

growth potential. The FSMP II has three core pillars. Pillar I aims to reduce costs. Pillar II aims to increase efficiency by enhancing competition and financial access, including new entry of banks and restructured banks, allowing foreign banks to have a wider branch network and facilitating microfinance models. Pillar III aims to strengthen financial infrastructure, including modernisation of financial laws; improving information and markets to serve risk management; enhancing human resource in the financial sector; and facilitating the efficient and safe use of IT platforms

Thus far, in accordance with the FSMP II, the Bank of Thailand already granted permission for existing foreign banks to open two new branch offices each. By the second half of the year 2010, announcements will be made regarding the optional upgrading of foreign bank branches to subsidiary status, with up to 20 branches and 20 ATMs each, to be supplemented by new restricted bank licenses such as for microfinance, investment bank, Islamic bank, and custodial bank or "Trust Bank", inviting applications by 2012. The FSMP II will result in upgrading the efficiency of the Thai banking sector, providing better financial access, and facilitating Thailand's role in an increasingly global economic environment with its rapid progress in regional investment and trade.



PRIVATE-SECTOR ROLE IN THE NATIONAL ECONOMY PREPARED BY THE JOINT STANDING COMMITTEE ON COMMERCE, INDUSTRY AND BANKING (JSCCIB), THAILAND

Private-sector Role in the National Economy Prepared by the Joint Standing Committee on Commerce, Industry and Banking (JSCCIB), Thailand

The private sector plays a significant role in the Thai economy. It has been continuously regarded as the "engine of growth" to drive the economic growth for many decades. In order to strengthen their roles and activities, both Thai and foreign business communities in Thailand have grouped themselves into various forms, i.e. chambers of commerce, boards, federations, associations, and trade associations. To facilitate the establishment of these various forms of business groupings, the Thai government legislated the Chamber of Commerce Act B.E. 2509 (1964), the Association Act B.E. 2509 (1964), and the Federation of Thai Industries Act B.E. 2530 (1987), as the legal framework.

The Board of Trade of Thailand (BOT) was transformed from "Trade Council" which was registered as an association under the Civil and Commercial Code in 1955. Currently, the BOT is under the Chamber of Commerce Act B.E. 2509 (1964), comprising the Thai Chamber of Commerce,75 provincial chambers of commerce, 30 foreign chambers of commerce, and 85 trade associations. The main objective is to be the central organisation of Thai and foreign merchants in Thailand to promote and organise trading as well as to provide advice and to report facts to the government regarding the economy, trade, industry, transportation, manufacturing, treasury and finance.

The Federation of Thai Industry (FTI) was founded in 1967 as the Association of Thai Industries, representing industrial communities in Thailand. Since the enactment of the Federation of Thai Industries Act B.E. 2530 (1987), the Association of Thai Industries has become the FTI. Currently, the FTI comprises more than 6,750 members in 40 industry clubs and 74 provincial chapters throughout Thailand. The main objective is to promote and support the industry sector by focusing on developing and strengthening the Thai industrial sector for the sustainable growth of the country.

The Thai Bankers' Association (TBA) was founded in 1958, serving as a forum for Thai commercial banks. The main objectives are to exchange and share experiences and know-how in banking practices through its various clubs, e.g., Payment Club, and to serve as a formal link between the commercial banking sector and the government.

As the apex body of the three core private organisations of the Thai business sector, namely the BOT, the FTI and the TBA, **the Joint Standing Committee on Commerce, Industry and Banking (JSCCIB),** equivalent to the chamber of commerce and industry in other countries, was established in 1977 to serve as a central coordinating body in providing recommendations

and advice to the Joint Public-Private Consultative Committee (JPPCC) which is chaired by the Prime Minister, as well as the concerned authorities directly. The JSCCIB has actively participated and made contributions to the JPPCC in addressing issues and recommendations arising from and/or affecting business practices in all areas, including trade, industry, environment, tourism, finance, banking and others.

The chairmanship of the JSCCIB has alternately rotated among the heads of the BOT, the FTI and the TBA on a four-monthly basis. The office of the JSCCIB was set up and located at the Board of Trade of Thailand building to conduct activities and to serve as a permanent secretariat.

Since its establishment, the JSCCIB has advocated and voiced the collective opinions, recommendations, concerns and aspirations of the private sector to the government in its efforts to promote exports and imports, encourage foreign investment and stimulate economic activity in the country. The JSCCIB has a firm belief that close cooperation between the public and private sectors in the economic development will ultimately enhance the prosperity and economic stability of the country as a whole.

The JSCCIB, representing the Thai private sector, is also actively involved in bilateral, regional and sub-regional economic integration and free trade areas arrangements. To achieve this goal, the JSCCIB has appointed its representatives to take part in various activities including APEC Business Advisory Council (ABAC), ASEAN Business Advisory Council (ASEAN BAC), East Asia Business Council (EABC), Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS), Greater Mekong Sub-region (GMS), Mekong-Japan Industry and Government Dialogue (MJ), Malaysia-Indonesia-Thailand Growth Triangle (IMT-GT), and so on. This is to provide an opportunity for the Thai private sector to explore business cooperation and express its views and concerns over the development and implementation of relevant bilateral, regional and sub-regional economic cooperation and integration.

The JSCCIB has also set up a number of business councils to promote bilateral trade, investment and economic cooperation with its counterparts, such as the Thailand-China Business Council, Thailand-Russia Business Council, Thailand-India Business Council, Thailand-Indonesia Business Council, Thailand-Turkey Business Council, Thailand-Lao Business Council, and so forth.

This working mechanism, as mentioned earlier, would enhance the role of the Thai private sector in economic development at both national and regional levels.



EMERGING FROM THE GLOBAL DOWNTURN



Emerging from the Global Downturn

Thailand has emerged stronger from the impact of the global financial downturn, despite the daunting challenges of the past few years. When the world economy plunged into a deep recession following a global financial meltdown in October 2008, the impact on Thailand was immediate and severe. Thai exports fell more than 20% in the fourth quarter and there were fears that the sharp contraction would extend into 2009, and that with production cutbacks, rising unemployment would quickly follow.

As a member and Chair of ASEAN at that time, Thailand reacted quickly. Representing ASEAN in G-20 meetings, Thailand actively participated in global policy coordination efforts that helped avert what could have been a severe and protracted global recession. Domestically, the government implemented timely counter-cyclical policies that helped to stabilise the Thai economy and restore confidence. Thailand never lost its competitive footing in the depth of the global recession, the baht appreciated against the US dollar, inflation remained subdued and with continued confidence in Thailand's economic fundamentals, capital continued to flow in to the country.

National policies helped put Thailand in a position to make the best of the global economic recovery in 2010. GDP grew 7.8 % in 2010 confirming Thailand's competitiveness and economic resilience. The unemployment rate sank to less than one percent and a strong upturn in the capital investment cycle, verified by rising capacity utilisation, indicates that this upturn has strong and enduring prospects for Thailand. Thai households have maintained low debt levels and strong spending power. Moreover, farm incomes are generally rising quickly.

The Government and competitiveness

In promoting Thailand's economic growth and development over the longer term, given the challenges, the government is overhauling Thailand's public-private-partnership legislation to encourage more joint-venture initiatives for large infrastructure projects. Specifically, the amendments are intended to streamline the approval process and enhance transparency, ensuring investor confidence, fairness and accountability ahead of future transnational projects.

Expanding Thailand's rail transportation network remains a priority, both in terms of Bangkok's mass transit system and a Southeast Asia rail network, strengthening ASEAN connectivity, in which Thailand would be a key hub. These will require considerable investment, expertise and will require the close collaboration of government and the private sector.

The role of the private sector

Foreign direct investment (FDI) has always been a key driver of growth in Thailand and notwithstanding the political turmoil since 2006, the country has maintained FDI of US$6 billion a year. Continued interest in Thailand's automobile and electronics sectors, among others, combined with wider rising capacity utilisation, is expected to support an upturn in further investment over the coming years and, in turn, sustained economic growth. Significant increases in investment in energy and petrochemicals, automobiles and parts, electronics and various agricultural industries are expected. The potential to sustain high growth in private investment over the medium term would help guarantee that Thailand's annual economic growth will not be less than 5% in the current decade.

The government welcomes the private sector's continued interest in Thailand's equity market through the Stock Exchange of Thailand.

Competitiveness, Resiliency and Human Resource Development

Thailand's political turmoil in 2010, and subsequent uprisings in the Middle East and North Africa, has reinforced the need to balance GDP growth with the economic inclusion of all social groups. Growth that leaves large groups of people behind and fails to address disenfranchisement of a majority is inadequate and unacceptable. In light of this, the government is tackling the structural imbalance in society, including raising the minimum wage, education reform, with its focus on the quality of teachers, upgraded IT facilities and science curriculums, and the promotion of vocational studies to match labour market demands. To materially enhance labour productivity, worker training has been expanded, whilst preserving Thailand's competitive labour costs and productivity.





The fact remains, however, that ambitious plans to further expand Thailand's manufacturing sector means that a shortage of skilled labour remains a challenge and could restrict medium-term economic advances. Accordingly, the Thai government is working closely with entrepreneurs to design and implement training programmes to ensure that there are sufficient technicians and skilled workers to satisfy growing industrial demand. Recently, the Professional Educational Quality Institute and Thailand Vocational Qualification System were established to ensure the quality of the Thai workforce.

In society, Thailand has achieved most of the Millennium Development Goals, and conditions continue to improve. The poverty rate has declined and the welfare safety net continues to expand, covering the majority of the population.

National Development Strategy and Planning

In 2010, the Office of the National Economic and Social Development Board (NESDB) conceptualised the directives for **The Eleventh National Economic and Social Development Plan (2012-2016)** with the participation of all stakeholders at community, regional and national levels.

For the Eleventh Plan the "Philosophy of Sufficiency Economy" was adopted, which had become the guiding light of the country's development since the Ninth Plan, beginning in 2006. Even though the philosophy has been enshrined in the 2007 Constitution, it takes time for all segments of society to embrace its tenets and further encouragement is required.

In the process of preparing the Eleventh Plan, changes in external and internal environments were analysed. As a result, seven major changes were addressed, principally: changing global rules and regulations; the shift toward a global economy in a multi-polar world; an ageing society; climate change; the need to ensure food and energy security; keeping pace with technological advancements; and safeguarding against international terrorism.

Guided by the Philosophy of the Sufficiency Economy, the framework of the Eleventh National Development Plan is geared to foster a balanced, integrated and holistic development by pursuing the shared vision of "a happy society with equity, fairness and resilience". Accordingly, six development strategies were prioritised:

Promoting a just society

The objectives of this strategy are to create fair access for all, including ethnic minorities, to funding, resources, and income; to increase income and social security; to assist the poor, the underprivileged, foreign and informal sector labour. The strategy will also support the efficient participation of all concerned development partners in inequality alleviation and conflict resolution process. Key measures include:

1) Enhance socioeconomic security for all citizens so that they are capable of managing risks and creating opportunities in life by (i) strengthening





the grass-roots economy and building strong economic foundations, (ii) expanding coverage of the social protection system, (iii) promoting a fair allocation of resources, and (iv) promoting the use of IT in career development and (v) improving living standards.

2) Ensure social inclusion to generate wider access to social services according to one's own entitlement, encourage and employ a participatory approach to national development by (i) providing access to social services for the underprivileged, (ii) enabling lower-income levels of society to manage crises effectively, and (iii) promoting the formation of a welfare society.

3) Empower the free and dignified participation of all citizens in social, economic and political activities by (i) encouraging freedom of speech, (ii) empowering communities to efficiently manage risks and obstacles together and to be resilient to domestic and external changes in a timely manner, (iii) promoting creative medias in creating new values, (iv) supporting the role of the private sector in social development, (v) reinforcing the capacity of the public sector, (vi) eradicating corruption, and (vii) initiating political reform to strengthen democracy,

4) Enhance social cohesion by (i) promoting acceptance, trust and mutual support, (ii) promoting good governance in politics, and (iii) building trust and confidence in society.

Developing human resources to build a lifelong learning society

The strategy is intended to increase national potential by encouraging mental discipline, critical thinking, creativity, respect, ethical values and to develop a family, community and social environment conducive to human development in keeping with economic and social changes. Key measures include:

1) Maintaining optimal fertility rates, assisting internal migration, housing and settlement in accordance with available regional capacities and natural resources,

2) Developing human resilience to future changes by (i) increasing the quality of life at all ages, (ii) promoting higher learning, (iii) strengthening social family, educational and religious institutions to foster a benevolent society with integrity,

3) Promoting lifelong learning by (i) providing diverse educational opportunities at all ages, (ii) fostering and reinforcing a culture of learning from an early age in life (iii) promoting the use of all media as a source of creative learning, (iv) providing alternative educational management systems to generate high-quality educational opportunities in the formal and informal sectors, according to individual's choices and preferences.

4) Encourage good cultural values as a driving force for national economic and social development by (i) reinforcing and integrating the role of social institutions at all levels of society (ii) integrating the performance of all social units at the family, community, regional, national, and global levels in a holistic manner, and (3) promoting corporate engagement in community development.

Balance food and energy security

This strategy aims to strengthen the agricultural sector to provide quality food for domestic consumption, to secure farmers' incomes and to balance the production of foodstuffs with alternative biofuels. Key measures are as follows:

1) To develop natural resources in order to strengthen the agricultural base by conserving highly productive arable lands and promoting smallholder land ownership through land reform laws, including land redistribution to landless farmers and integrated efficient water resource management.

2) To enhance agricultural productivity and value creation by supporting eco-friendly research and development in flora and fauna (non-genetically modified), enhancing regional potential through collaborative agricultural production, and improving management of natural resources affected by climate change. International agricultural production standards, including the development of organic farming and comprehensive logistics systems, will be supported. Collaboration between the private sector and communities on agricultural commodity management will follow a cluster approach, encouraging communities to adopt value-added production methods.

3) To promote employment and income security by developing an income and crop insurance scheme covering all farmers, coupled with improved productivity, systematic registration of farmers' commodities and enforcing fairness in the contract farming system covering all stakeholders. In addition, a systematic social welfare programme for farmers and non-registered workers will be implemented in order to sustain agricultural development and encourage younger generations to adopt or remain in the farming industries. Furthermore, farmer organisations and smallholding farmers will be enabled to become self-reliant and competitive in the context of the ASEAN Free Trade Area (AFTA).





4) To enhance food and fuel security at household and community levels by promoting sustainable agricultural practices, crop diversification, healthy living and competitiveness. Production and consumption networks need to be created, while natural resources preservation should be encouraged at the community level, alongside the use of agricultural by-products as sources of renewable energy at household and community levels.

5) To build energy security to support national development by promoting research and development on bio-energy productivity to reduce energy imports and pollution, and by encouraging the use of alternative and clean energies and technologies at the community level.

6) To improve agricultural management to balance food and energy supplies by supporting the participation of farming communities in agricultural planning, monitoring and decision-making. The private sector will be encouraged to provide research and development services. Laws and regulations related to the protection of plants, herbs and local practices will be reinforced alongside international cooperation on agriculture, food and energy.



Creating a knowledge-based economy and enabling economic environment

Thailand will be promoted as a regional hub of creative and innovative products, with associated technology and initiative being crucial factors driving the country's future growth. Value-added practices will be embedded in every stage of the goods and services supply chain and a free-market environment supported to encourage efficient trade and investment, and entrepreneurial initiatives. Infrastructure and logistics networks will be improved and strengthened with economic risk management planning to:

1) Develop long-term competitiveness and value of the agro-industry through increased productivity, exploring new market opportunities, supporting R&D in production processes, and improving public services whilst maintaining environmentally friendly and efficient resource utilisation.

2) Strengthen the manufacturing sector by boosting competitiveness, creating resilience, and responding to the global market environment. Accordingly, the government will (i) improve human capital through better education and vocational training systems, (ii) support good governance with transparent and accountable rules and regulations, (iii) promote linkages between large companies and SMEs, and the relocation of industrial bases to the regions, (iv) support innovation and productivity in order to attain a "creative and low-carbon" economy, (v) develop eco-industrial towns in strategic economic areas, (vi) undertake environmental restoration in major

industrial areas, and (vii) develop new high-potential clusters in advantageous locations based on collaborative platforms with local communities.

3) Develop the service sector to provide new opportunities for prospective businesses, to be a key engine of inclusive growth. In order to do so, several measures are required, including (i) increasing business potential and competitiveness based on intrinsic Thai values, innovation and cutting-edge knowledge, (ii) broadening and deepening production bases and market opportunities to support high-potential businesses to operate at the international level, (iii) strengthening and providing inducements for investors in the service sector, (iv) rehabilitating and applying an area-based approach to tourism locations in line with market opportunities and community needs, (v) administering the tourism sector in a balanced and sustainable fashion, and (vi) supporting capacity-building in the private sector and community enterprises.

4) Develop creative products and services to generate employment opportunities and income that the country may be proud of, by (i) encouraging R&D on high-potential creative products, (ii) applying value-added creativity to goods and services, (iii) developing enabling factors to foster the creative economy, and (iv) ensuring human resources can meet market demands.

5) Develop trade, investment and market diversification to reduce dependence on major export industries and markets, as well as to help resolve national labour and raw materials shortages. Together with this, required measures are (i) enhancing the efficiency of marketing and distribution networks, (ii) developing entrepreneurial knowledge and skills, and (iii) promoting and effectively utilising Free Trade Agreements.

6) Develop science and technology, research, and innovation as driving forces to foster sustainable Thai economic growth. The government needs to encourage investment in R&D and facilitate knowledge creation, diffusion, and utilisation for both commercial and civil purposes by (i) creating an enabling environment that facilitates the development and application of science and technology, research, and innovation in the most effective manner, and (ii) developing adequate infrastructure and facilities on science and technology, research, and innovation via collaboration between the government and the private sector.





7) Develop infrastructure and logistics systems through Public-Private-Partnerships (PPP). The government will encourage infrastructure development, improve logistics management, and develop modern information and communication technology systems.

8) Reform business laws, rules and regulations to promote fair business practices by (i) setting standards for fair enforcement, (ii) increasing and improving training for personnel and officials, (iii) enacting new laws for trade liberalisation, (iv) revising existing laws and regulations to facilitate the "creative economy" and protect intellectual property rights (IPR), and (v) by enforcing laws and regulations relevant to IPR violations, and agreements concerning international trade and the environment.

Strengthening regional economic and security cooperation

This strategy will prepare Thailand for global and regional challenges, particularly in the ASEAN Community, promote competitive economic advantages and encourage international engagement, under the following guidelines:

1) Expand cooperation through international trade partnerships and frameworks;

2) Strengthen regional development mechanisms and strategies at the provincial cluster levels, reinforcing local administration organisations in order to create bilateral national linkages;

3) Promote investment opportunities to increase the country's regional competitiveness and bilateral cooperation to facilitate the expansion of production bases along economic corridors by (i) developing regional links to Southeast Asian countries, (ii) enhancing physical and human resource capacities of border towns and special economic zones, (iii) integrating the spatial development plan connected to neighbouring countries;

4) Prevent terrorism, crime, drugs, disasters and communicable diseases affecting the security of life, economic stability and society in the region by (i) enhancing capacities and readiness to prevent and mitigate problems arising from transboundary terrorism, drugs and human trafficking, (ii) supporting regional disaster and state of emergency preparedness plans, (iii) collaborating in the prevention of epidemics and diseases.



5) Integrate and strengthen international cooperation to devise policies and strategies to protect Thailand's national interests, and building capacities of the armed forces and other units responsible for supporting national development.





Sustainable management of natural resources and the environment

This strategy is focused on conserving and restoring natural resources, encouraging environmentally friendly production and consumption practices, and climate change adaptation. The development guidelines are:

1) Conserve, restore and secure natural resources and environmental bases by (i) developing geographical information system (GIS) databases, (ii) reforming land ownership management systems to ensure efficiency, fairness, and security for poor farmers, (iii) promoting efficient water management through close collaboration between local administration organisations and communities, and (iv) conserving, utilising and sharing the benefits of biodiversity;

2) Shift the development paradigm and consumption behaviour toward an environmentally friendly society by (i) raising public awareness through formal and informal channels to encourage sustainable consumption practices, supported by research and development, and (ii) reinforcing consumer protection mechanisms;

3) Improve ecological efficiency of the production and service sectors as part of an environmentally friendly society by (i) modernising industrial processes and efficient supply-chain management practices, (ii) promoting sustainable agricultural practices; (iii) fostering the service sector as a driver for sustainable growth, and (iv) providing favourable market opportunities for eco-friendly products and services;

4) Reinforce urban environment and infrastructure management by (i) ensuring that urban planning takes into account social, cultural, and ecological aspects, and (ii) investing in sustainable infrastructure, emphasising rational resource use and minimal impact to the environment and communities;

5) Enhance adaptation capacities to encourage a climate-resilient society by (i) accumulating advanced knowledge and developing databases of climate change impacts, (ii) initiating new management tools to cope with climate change, (iii) implementing disaster preparedness and response plans at all levels of society, and (iv) leveraging the country's role in the global forums;

6) Enhance good governance in natural resource management by (i)

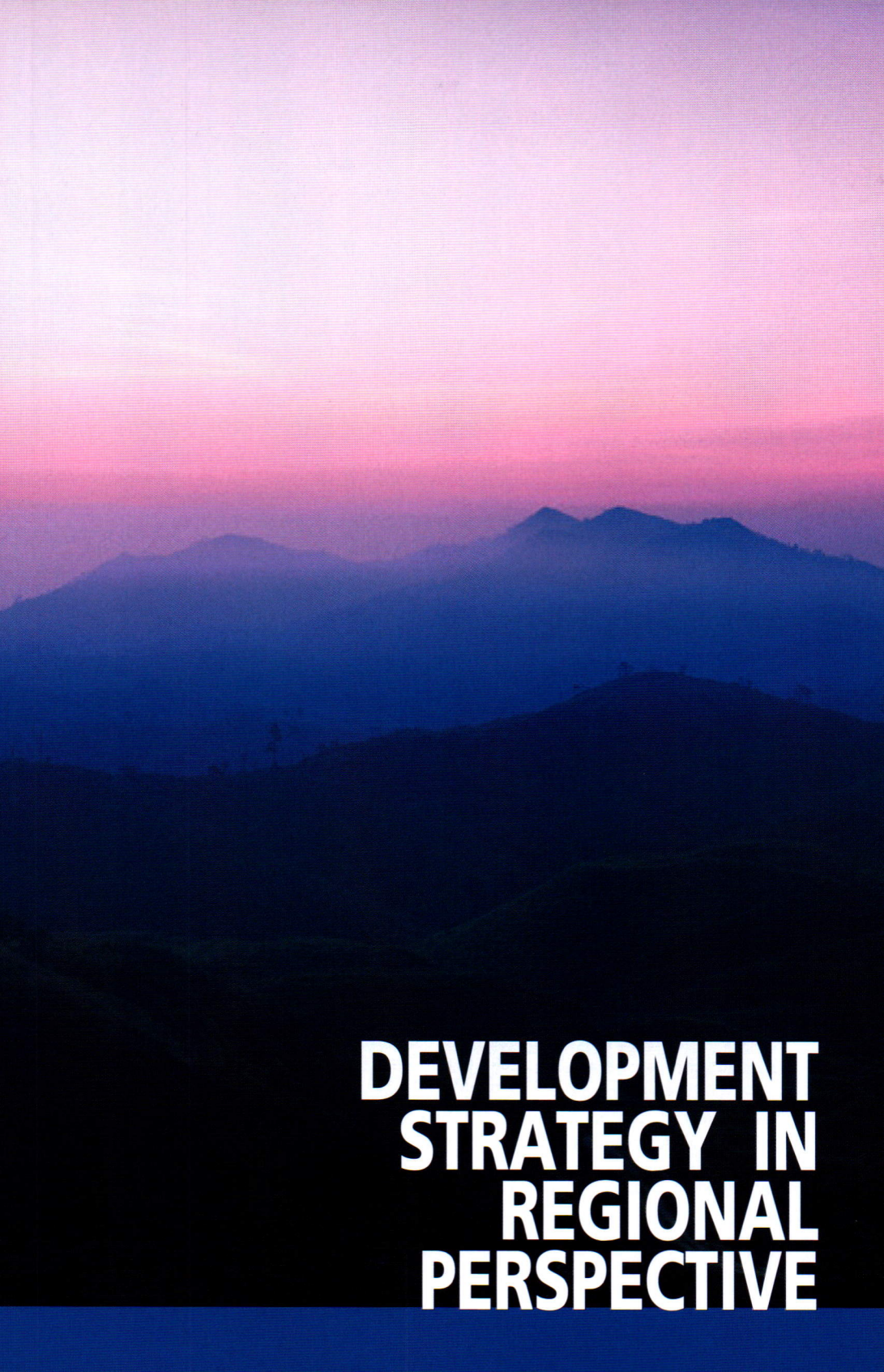
empowering communities and advocating their rights to access and utilise natural resources, (ii) facilitating and encouraging public participation, and establishing joint management mechanisms comprised of all development partners, (iii) amending relevant legislation and equitably enforcing laws and regulations to reduce conflict and disparity amongst communities concerning access to and use of natural resources, and (iv) ensuring government investments are in line with policies of natural resource conservation and restoration.

Translating the Eleventh Plan into Action

With emphasis on creating a common understanding of the plan's objectives, implementation of the Eleventh National Economic and Social Development Plan will be conducted by relevant development partners, including mass media, citizen dialogues, meetings, and other civil channels. Agencies at provincial and local levels are key players in formulating operational plans in line with national development guidelines and coordination amongst stakeholders will be monitored closely at every step, to provide an effective means of evaluating progress.

The Eleventh Plan will be implemented in a step by step process, beginning with the development of operational plans at all levels -- namely the National Government Administration and Four-year Governmental Operation plans, the Annual Operation Plan of Ministries and Departments, the Provincial/Cluster Development Plan, the Local Development Plan, and the Community Plan -- based on the stated strategic directions. Emphasis will be placed on promoting stakeholders' roles and supporting cooperative frameworks. Restructured Community organisations will be integral in local administration, facilitated by government agencies. The private sector and the mass media will be asked to assume a greater responsibility in collaborating with communities and civil organisations to create and disseminate information and ideas.





DEVELOPMENT STRATEGY IN REGIONAL PERSPECTIVE



Development Strategy in Regional Perspective

This deliberation has direct linkages with Thailand's Eleventh National Economic and Social Development Plan (2011-2016) incorporating policy guidelines and strategies, coordination and monitoring of their implementation, and evaluation of accomplishments that strategically respond to greater impacts of regional and global economic dynamics and restructuring.

With higher dynamic nature of the world as well as changes in polarisation of economic powers after the latest world economic crisis, Thailand's foreign policies equation is shifting subsequently. From merely taking into account the existing main international forum as framework on international relations, Thailand's foreign policies have been gradually reshaped to possess greater momentum with neighbouring countries and new polars in Asia as well as to look forward to engaging with newly initiated forums.

The centre of interest of Thailand presently and in the next five years at least is repositioned from the conventional hierarchy from leading world level down to sub-regional cooperation, namely trade negotiation under the World Trade Organization, Asia-Pacific Economic Cooperation (APEC), the Association of Southeast Asian Nations (ASEAN) and ASEAN plus, Sub-regional Cooperation under ASEAN, to be an upside down ranking.

This is indeed a response to the mutual need among countries in sub-regions for greater interdependence in the areas of transportation and logistic linkages, co-production and co-investment in sub-regional production lines as well as co-marketing in order to uplift the sub-regional competitiveness. At the same time, with shrinking resources of energy and food, Thailand and

her neighbours also need more efficient systems in allocating natural resources and endowments as well as human resources, as almost all countries have reached the same phenomena of aging societies.

Cooperation with neighbouring regions in sub-regional cooperation under ASEAN and beyond to South Asia and East Asia is essential in opening up access to greater and secure markets. In addition, there is a crucial need for greener cooperation to secure sustainable development, mutual interest of all countries, be it infrastructure development such as mega hydroelectricity generated dams, high speed train and industrial zones.

Corporate social responsibility will be introduced as a common practice enforced in all areas alike. An atmosphere of mutual development as sincere and meaningful development partners among countries in the sub-region is also vital. Exchanging of capacity building activities among the SMEs and rural public sectors between neighbouring countries as well as cluster development across borders could be perceived as the main focus.

Thailand has also placed strong emphasis and played significant roles in promoting and implementing regional cooperation such as ASEAN, Asian Cooperation Dialogue (ACD) and Initiative for ASEAN Integration (IAI). The main objectives are to strengthen ASEAN competitiveness and ability to complement other regional economies, by utilising the comparative advantages and the diversity of abundant resources so as to maximise ASEAN benefits, as well as to narrow development gaps among member countries.

As well, cooperation with greater ASEAN such as East Asia Summit (EAS), ASEAN Plus and Asia-Pacific area and beyond for instance Asia-Middle East Economic Dialogue (AMED), Trans-Pacific Partnership (TPP) are also essential in creating opportunities in utilising more diplomatic tools in the international arena as well as in creating sufficient financial liquidity for Thailand's investment sector, securing the country's sustainability of development.

Future Roles of Thailand in Sub-Regional Forums (under ASEAN and non ASEAN)

In order to assist the goal of ASEAN to become a single market and production base by 2015, Thailand has played a proactive role in advancing cooperation with neighbouring countries particularly at sub-regional level, consistent with ASEAN goals, notably, to help the lower-income members catch up with the development pace of ASEAN. A policy of "prospering thy neighbour" was launched in the early 1990s and helped in strengthening economic cooperation among ASEAN.

Thailand's neighbouring countries, including the Lao People's Democratic Republic (Lao PDR), Cambodia, and Myanmar, with the addition of the south-western region of the People's Republic of China (PRC) form an important potential market. For these reasons Thailand launched policies to promote cooperation to accelerate regional development towards higher economic growth and greater prosperity. It is envisaged that the Greater

Mekong Sub-region Economic Cooperation (GMS), initiated in 1992, will become a hub of investment, manufacturing, and consumption.

Thailand has taken a leading role and will continue to help the Mekong countries in capacity building, especially to improve productivity and to encourage participation from the private-sector as well as other development partners. Likewise, Thailand will continue to help neighbouring countries synchronise domestic rural development plans with international cooperative development programmes and build economic networks in the region to narrow development gaps. Transportation and logistic connectivity can be a starting point to further networking so that the region can be developed into a single hub thus creating more opportunities for adding value to the sub-region's rich endowment and supply chains, be it agricultural products, energy, human resources and business capacity. This could be done through connecting economic corridors with the sub-region hinterland as well as various co-production schemes.

Presently, there are three sub-regional cooperation ventures in which Thailand has played an active role. These groups could be categorised by their different nature. The first group is formed by neighbouring ASEAN countries (sub-regional cooperation in ASEAN) from the lower-income area covering GMS and Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS). The second category comprises the higher-income countries made up of IMT-GT partner countries with the JDS bilateral cooperation inside IMT-GT. The third category is formed by somewhat distant countries in South Asia, some of which share a maritime economic zone bordering with Thailand, known as Bay of Bengal Initiatives on Multi-Sectoral Technical and Economic Cooperation (BIMSTEC).

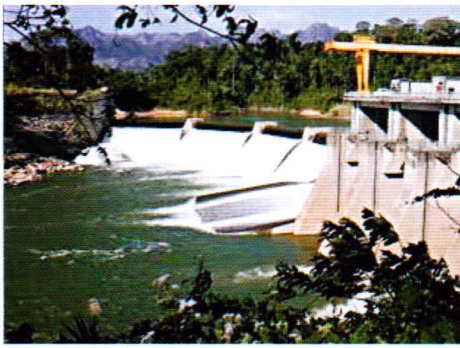




Greater Mekong Sub-region Economic Cooperation (GMS)

GMS, initiated in 1992 comprises six member countries in the Lower Mekong Region, namely Cambodia, PRC (only Yunnan Province and the autonomous region of Guangxi), Lao PDR, Myanmar, Thailand and Vietnam. With the assistance of the Asian Development Bank (ADB), as the secretariat to the GMS program, the NESDB serves as Thailand's GMS national coordinator in collaboration with other member countries' national coordinators. The main objectives are economic and social enhancement through multidimensional development along GMS economic corridors or the so-called 3Cs strategy aiming to build Connectivity, enhance Competitiveness, and strengthen Community





development. The nine sectors of cooperation are agriculture, energy, environment, human resources development, investment, telecommunications, tourism, trade facilitation, and transport.

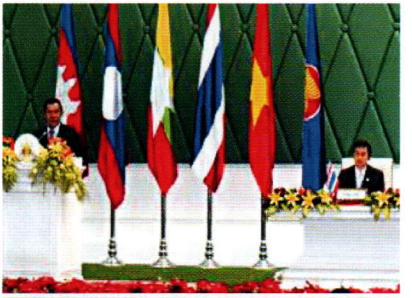
The corridor concept is indeed the main thrust of GMS implementation. The basic idea is to stimulate economic activities along the major routes or transport corridors. Concrete examples include the establishment of industrial estates on the borders, and the construction of telecommunication and electricity transmission lines and natural gas pipelines, and the promotion of tourism activities along the corridors.

Three main transport corridors have been developed, with the future plan to expand to cover all nine corridors. The East-West Corridor extends from Danang in Vietnam, on the coast of the Pacific Ocean, to Mawlamyine in Myanmar, on the Indian Ocean coast. The North-South Corridor is a corridor connecting Bangkok with Kunming comprising two routes, one through the Lao PDR and another through Myanmar. The Southern Corridor comprises three routes connecting Thailand through Cambodia to the southern part of Vietnam. At present, the three GMS economic corridors are considered transport corridors as most of the key infrastructure was upgraded to the common regional standard that will facilitate cross-border traffic. A regional rail network has also been prepared for future development.

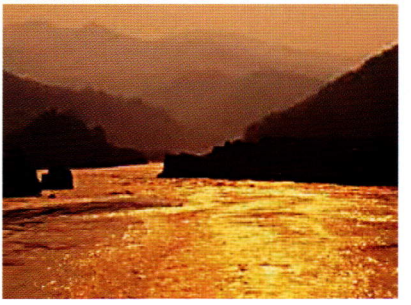
To maximise benefits of sub-regional transport connectivity, GMS member countries will put more effort into transforming the three transport corridors into logistics corridors and, at the later stage, economic corridors. The Cross-Border Transport Agreement (CBTA), one of the major policies of GMS, will serve as regional trade and transport facilitation framework for expediting the improvement on the cross-border procedures and other related software. CBTA is an agreement on facilitation of cross-border movement of goods and vehicles. It has been approved by the six member countries of GMS and is in the ratification process. Recently, the Economic Corridor Forum (ECF) was established representing various stakeholders, especially at the provincial level, to voice their concerns, address key issues and formulate proposals for corridor development.

Thailand is in a position to act as a centre for technical assistance in terms of equitable economic and social development planning to integrate the hinterland with the main GMS economic corridors.

Ayeyawadi–Chao Phraya–Mekong Economic Cooperation Strategy (ACMECS)







Covering some areas overlapping with GMS, ACMECS was established in 2003 with five member countries, namely Cambodia, Lao PDR, Myanmar, Vietnam and Thailand.

The focus is on economic and social partnerships aimed to narrow economic and social development disparities between Thailand and neighbouring countries, with emphasis on integrated development along the border areas by promoting the development of "sister cities", together with co-production activities in agriculture, contract farming and industry. Eight cooperation sectors include trade and investment facilitation, agriculture, energy and industry, tourism, transportation, human resources development, public health and environment.

Under the ACMECS initiative, Thailand continually utilises the policy of building strategic partnerships, based on the principle of comparative advantages and mutual benefits, committed to providing both financial support and technical assistance to alleviate social problems and increase economic activities, thus bringing about prosperity and stability in the region as a whole.

To enhance the cooperation under GMS and ACMECS, Thailand has authorised two main agencies, namely the Thailand International Development Cooperation Agency (TICA) and Neighbouring Countries Economic Development Cooperation Agency (NEDA). TICA is presently under the Ministry of Foreign Affairs and continues its active role in providing training and annual technical assistances to Cambodia, Lao PDR, Myanmar and Vietnam (CLMV) as well as other countries. NEDA, a public organisation, will provide soft loans and related grants. At present, NEDA supports ten projects in CLMV, accounting for more than seven billion baht. Apart from financial assistance provided by NEDA, Thailand also gives grant aids to neighbouring countries for the purpose of infrastructure development. To date, overall financial assistance to CLMV for 19 projects accounts for 12 billion baht.

Thailand's roles in assisting the development of partner countries will be especially in capacity building activities together with financial assistance to eliminate key bottlenecks of entrepreneurial skills in the private sector.

Indonesia–Malaysia–Thailand Growth Triangle (IMT-GT) and Thailand–Malaysia Committee on Joint Development Strategy for Border Areas (JDS)

IMT-GT launched in 1993, currently comprises 14 provinces in Southern Thailand (Chumphon, Krabi, Nakhon Si Thammarat, Narathiwat, Pattani, Phang-nga, Phattalung, Phuket, Ranong, Satun, Songkhla, Surat Thani, Trang, Yala), eight states in Peninsular Malaysia (Kedah, Kelantan, Melaka, Negeri Sembilan, Penang, Perak, Perlis and Selangor) and ten provinces on the island of Sumatra in Indonesia (Bangka-Belitung, Bengkulu, Jambi, Lampung, Nanggroe Aceh Darussalam, North Sumatra, Riau, Riau Islands, South Sumatra, and West Sumatra). The IMT-GT sub-region is a promising growth triangle, with a land area covering 602,293.9 square kilometres and a total population of more than 72 million constituting a huge market. The IMT-GT envisages a seamless, progressive, prosperous and peaceful sub-region with improved quality of life.

To realise this vision, IMT-GT aims to accelerate private sector-led economic growth and help facilitate the sub-regional development as a whole. Its objective, as stated in the Roadmap for Development 2007-2011, is to increase intra- and inter-IMT-GT trade and investment. Substantial improvement in physical connectivity of IMT-GT is expected by 2011, with road, airport and port projects under completion through collaboration between the public and private sectors.





After three years of implementation of the present IMT-GT Roadmap (2007-2011), in 2009 the IMT-GT leaders agreed to push for a new orientation. Further areas of cooperation have been explored especially in energy security, food safety and food security as well as natural disaster relief to add to existing areas of cooperation in infrastructure development and transportation linkages, trade and investment, tourism, halal products and services, human resources development and agriculture, agro-industries and environment.

For example, with regard to halal products and services, a Halal Superhighway designed to support halal logistics business, or HOGISTICS, as well as a halal IMT-GT laboratory network were successfully implemented, along with initiatives such as IMT-GT halal branding. As for infrastructure development, road connections were improved such as Thailand's highway number 4184 linking Satun Province with Perlis State, and expansion of container ports along the Andaman Coast of Thailand such as Pak Bara and Tammalang ports in Satun as well as Kantang and Naklua ports in Trang Province. Customs, Immigration and Quarantine (CIQ) offices

along Thailand and Malaysia border had also been expanded or newly established.



When the IMT-GT Roadmap (2007-2011) is complete, the member countries plan to issue an Implementation Blueprint (2012-2016) to guide future cooperation. Among others, Priority Connectivity Projects suggested by the Asian Development Bank and new projects initiated to accommodate connectivity in ASEAN as stated in the Master Plan on ASEAN connectivity will be the backbone projects for cooperation in 2012-2016. For instance, the toll road linking Hat Yai and Sadao district connecting with the international-level upgraded Sadao-Bukit Kayu Hitam Custom house at the border of Thailand and Malaysia; integrated development projects between Thailand's Southern Development Plan, and Northern Corridor Economic Region (NCER)/East Coast Economic Region (ECER) of Malaysia.

Furthermore, new initiatives in the Implementation Blueprint (2012-2016) would be proposed through new schemes authorised by chief ministers and governors in the sub-region to work side by side along with the private sectors and development partners as a bottom-up basis in order to create a sense of belonging among all sectors and eventually bring up atmosphere of sustainable development.

Along with IMT-GT, another bilateral cooperation namely the Thailand-Malaysia Committee on Joint Development Strategy for the Border Areas (JDS), initiated in 2004, will be the main force to further strengthen the economic stability of the Southern Region.

Under JDS, bilateral cooperation within a smaller area within IMT-GT, the JDS Action Plan has covered nine joint objectives, including development of infrastructure and transportation linkages; human resources development including education; tourism; culture and promotion of people-to-people relations; trade and investment; agriculture including fisheries, livestock and irrigation; monetary matters and finance, particularly development of Islamic banks in Southern Thailand; energy, and disaster relief.

Among others, concrete development under JDS which showcases real progress are the construction of a new bridge linking Narathiwat and Kalantan at Buketa-Bukit Bunga, where further development on Customs houses and related activity complexes (for Customs, Immigration and Quarantine activities or CIQ complex) and township are underway; progress on the construction of a new CIQ complex at Ban Prakob-Durian Burong, Sadao-Bukit Kayu Hitam; as well as cooperation programmes on development of 3Es, comprising Education, Employment and Entrepreneurship.

In the period of Thailand's 11th National Economic and Social Development Plan (2011-2015) and the 10th Malaysia Plan (2012-2016), more progress could be achieved especially in the development of an integrated

development area at the border of Thailand and Malaysia for instance joint township development at Sadao-Bukit Kayu Hitam, Ban Prakob-Durian Burong, Betong-Pengkalan Hulu, Beketa-Bukit Bunga, Sungai Golok-Rantau Panjang and Tak Bai-Pengkalan Kubor.

Malaysia has initiated various projects under integrated plans to develop in the northern region under the Northern Corridor Economic Region (NCER) development programme, and the east coast region under the East Coast Economic Region (ECER) development programme in linkages with Thailand's five southernmost provinces. On the Thailand side, the area is presently under a special development plan to raise people's income, and to bring back peace and security along the border areas of Thailand and Malaysia. Among others, potential projects initiated by Malaysia which could lead to joint activities during 2012-2016 covered a co-production scheme in establishing a rubber belt, Edu-and Eco-tourism, university networking, halal co-production as well as infrastructure development in CIQ upgrading, road linkages, rail linkage at Sungai Golok-Rantau Panjang and two new bridges across Golok River.

In the near future, the Southern Region would be a new economic base, and a major gateway to countries in other regions. The region could take advantage of the strategic location as it could access both the Andaman Sea on the west and the Gulf of Thailand on the east. Hence, the Southern Region could link with Myanmar, Cambodia, India and other countries in South Asia by sea and could also link with East Asian countries via Songkhla Port. The increase in the volume of imports and exports of the Southern Region, as well as future traffic congestion in the Malacca Straits, will have positive impacts on the development of a regional sea transportation network. The initiated network would help the region to gain greater access to countries in other regions of the world. Therefore, it is possible that the Southern Region could be positioned as Thailand's future economic gateway.

Key challenges identified and to be tackled in the immediate future are urgently required advancements in software development in support of the standardisation of rules and regulations in transport, logistics, investment, movements of labour and CIQ procedures, so as to keep pace with infrastructure development. Select fields elsewhere in ASEAN showing greater progress may be utilised for replication.



Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC)

As non ASEAN sub-regional cooperation, BIMSTEC, initiated in 1997, comprises seven countries, namely Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand. The objectives are to create and promote a favourable climate for economic and social growth of the sub-region, to provide assistance of common benefits, and to provide technical assistance in training and research based on equitable economic, social and technological objectives.

Currently, concrete successful endeavours so far are, among others, the framework agreement on a Free Trade Area, the establishment of the BIMSTEC Chamber of Commerce, the establishment of a BIMSTEC-EC Centre in Bangkok, and a biomass gasifier plant in Myanmar. Further areas of cooperation have been continually explored such as poverty reduction, public health including HIV/Aids prevention, protection of biodiversity and traditional knowledge, weather and climate research, natural disaster mitigation, and management as well as financing facilities.

The strategic focuses of Thailand's participation in BIMSTEC are:

1) Cooperation on investment, transport and trade facilitation by enhancing the development of infrastructure and logistics systems. This includes the harmonisation of rules and regulations to reduce the production cost, and to create efficient production systems by developing agriculture, livestock production, fisheries, irrigation and agro-related industries coupled with research and development (R&D). Cooperation is also envisaged on sustainable development in tourism, economic stability and securitisation, e.g. energy development such as power trading, renewable and alternative energy development, as well as cooperation on public health to prevent animal-to-animal diseases, animal-to-human and human-to-human diseases to maintain labour productivity, public disaster protection and preparation such as in cases of a tsunami or earthquake.

2) To achieve the social development goal by cooperating in environmental protection for sustainable development, human resource development, education and labour skill development to upgrade life quality, attain equitable living conditions, develop competitiveness, facilitate labour mobility and mutual recognition of labour standards, promote people-to-people contacts, strengthen social and cultural ties, preserve local wisdom, uphold cultural-based knowledge, and maintain local uniqueness.

3) To achieve stability and security goals by promoting regional sustainable development cooperation, e.g. cooperation to prevent piracy in the Straits of Malacca, safeguard against international and regional terrorism, create development opportunities and ensure equitable opportunities in accessing public services in order to attain equality in society.

4) To achieve other specific objectives, namely the coordination of the 'Look East Strategy' of India with the 'Look West Strategy' of Thailand.

In the foreseeable future, Thailand will explore opportunities to link trade routes with BIMSTEC, be it maritime trade through coastal shipment to GMS and IMT-GT, or land link through the southern corridor of GMS.

Future Roles of Thailand in Regional Forums

At the ASEAN level, launching the Master Plan on ASEAN Connectivity (MPAC) required Thailand to take a proactive stance in preparing the relevant national agenda, with a view to establishing the ASEAN Community (AC) by the year 2015, based on existing linkages in each and among sub-regional cooperation be it the Greater Mekong Sub-regional Economic Cooperation (GMS), or the Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT). With this linkage, together with all ASEAN countries, it is necessary for Thailand to prepare various domestic sectors in dealing with future open markets and fierce competition namely, upgrading cooperation with the private sectors especially on the utilisation of Public-Private-Partnerships in mega project investments, conduct familiarisation processes among stakeholders, upgrade skilled labour to accommodate relevant investment schemes, and actively promote innovation and a creative economy as well as creating measures to support private sectors affected by restructuring in production sectors.

Moving toward Regionalism

Significant changes attributed to the importance of the Asian region are, first and foremost, initiated by ASEAN members aiming to form the ASEAN Economic Community (AEC) along with the ASEAN Socio-Cultural Community and the ASEAN Political-Security Community within the period leading up to 2015. In ASEAN, it is also envisaged that success in forming the ASEAN Community is highly dependent on efficiency in integration between ASEAN and also sub-regional cooperation.

While ASEAN is growing, the momentum of world polarisation moves vividly to the east after the recent world economic crisis as the new powers in Asia were more capable than the West in economic restructuring. New powers in Asia, namely the PRC, Japan, India and South Korea are all interested in the size of the ASEAN market as well as its potential strategic, regional position as a sub-centre of the world trade line. This interest, reflected in a strengthening of these new powers' roles in the ASEAN plus arena, indicates direct competition with the power of the West. The power-plays in the ASEAN plus forum such as ASEAN+3, ASEAN+6, East Asia Forum and ASEAN-US are sophisticated but at the same time create opportunities for Thailand and ASEAN to gain interest from this scenario by maintaining appropriate distances with each power as well as utilising tactics to preserve mutual interest and fairness among all players.



Thailand's Future Roles in Global Forums

As globalisation brings all communities closer together, Thailand has realised the need to expand market opportunities abroad and comprehensively open up domestic markets for competition from foreign countries. The role of the NESDB has been geared towards responding to significant impacts of global, economic and social changes as criteria for the framework in formulating policy recommendations and strategies and in drawing up suitable national plans that are compatible with the ever more dynamic nature of world affairs. Since the recent global economic crisis has constrained the growth of major developed economies for years to come, dwindling demand for goods and services from these markets must be compensated by the Asian region as the engine of world economic growth by reducing global imbalances.

Restructuring of the world economy has enhanced linkages between economic groups such as EU, ASEAN, APEC and NAFTA and resulted in the growing importance of regional economic integration. It has increasingly been recognised that higher growth rates in China, India and East Asia have strengthened the role and potential of the Asian economy towards becoming a new economic centre.

Through various channels of international cooperation and the commitment to continuing liberalisation, Thailand has increasingly gained access to potential, large-scale markets, such as the People's Republic of China, India, Japan and the US, as well as to new markets such as South Africa.

Envisaged vitally needed strategies

Apart from implementing the stated, four main strategic focuses, there are recent initiatives, for instance, to emphasise ownership of relevant parties in determining the direction for cooperation on sustainable development that must be beneficial to peoples residing in the cooperation areas, to focus on cooperation, to eliminate non-tariff barriers (NTBs) as a crucial measure for trade facilitation, to focus on strategic goals of regional stability and security in order to eliminate security problems, and to set trust and confidence building as an essential condition for effectively and efficiently building cooperation with neighbouring countries, in the long term.

NESDB, as the main agency tasked with integrating opinions among all stakeholders in the country for the final output, the National Economic and Social Development Plan, has recognised the rapidly growing significance of the repositioning of global superpowers and newly emerging powers as well as the need for rapidly mobilising regional mechanisms, especially ASEAN. NESDB also recognises that it is vital to exchange views with all stakeholders on the future relevant national strategies to cope with this changing scenario, be it grass-roots people, academia, entrepreneurs or civil societies. In preparation of the Eleventh National Economic and Social Development Plan (2011-2015), NESDB has addressed deep concerns on the impact of these undercurrents repositioning Thailand and its immediate region aimed at reaching consensus on national strategies specifically designed to cope with the new patterns of power-sharing and securing the country's sustainable coexistence.

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