



# Joint-Chambers Lunch Talk

## Thailand's Transformation Roadmap

Dr. Poramettee Vimolsiri  
Secretary-General  
National Economic and Social Development Board

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# Outline

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- Getting to know the NESDB: roles & mission
- The 5-years plans: from past to present
- Paradigm changes, conditions, challenges in the future (SWOT)
- Thailand 20 years from now in NESDB's vision
- The 12th Plan: theme and focuses
- Key Initiatives





# INTRODUCTION TO THE NESDB

# Getting to know the **NESDB**

The Office of the National Economic and Social Development Board



## Establish

since February 15<sup>th</sup> 1950 under supervision of the Office of the Prime Minister

## Act

15 board members : 1 chairperson 9 appointed by cabinet 5 appointed by positions

The main organization for planning and strategic formulations towards balanced and sustainable country development

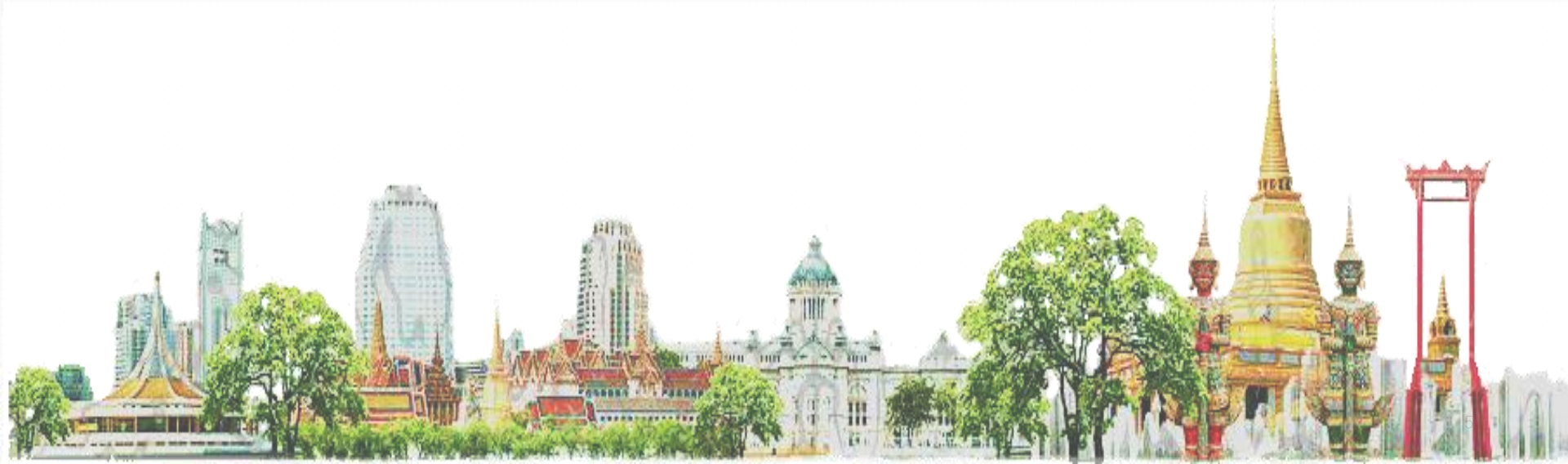
## Existing Roles and Responsibilities

- Formulating the National Economic and Social Development plan in every 5 year
- Performing investment plan analysis for state-owned enterprises.
- Collecting and systemizing data for planning such as GDP
- Monitoring and evaluating development plans and key performance indicators
- Formulating strategies according to government policies as well as urgent and special missions such as energy strategy, industrial restructuring, and tourism

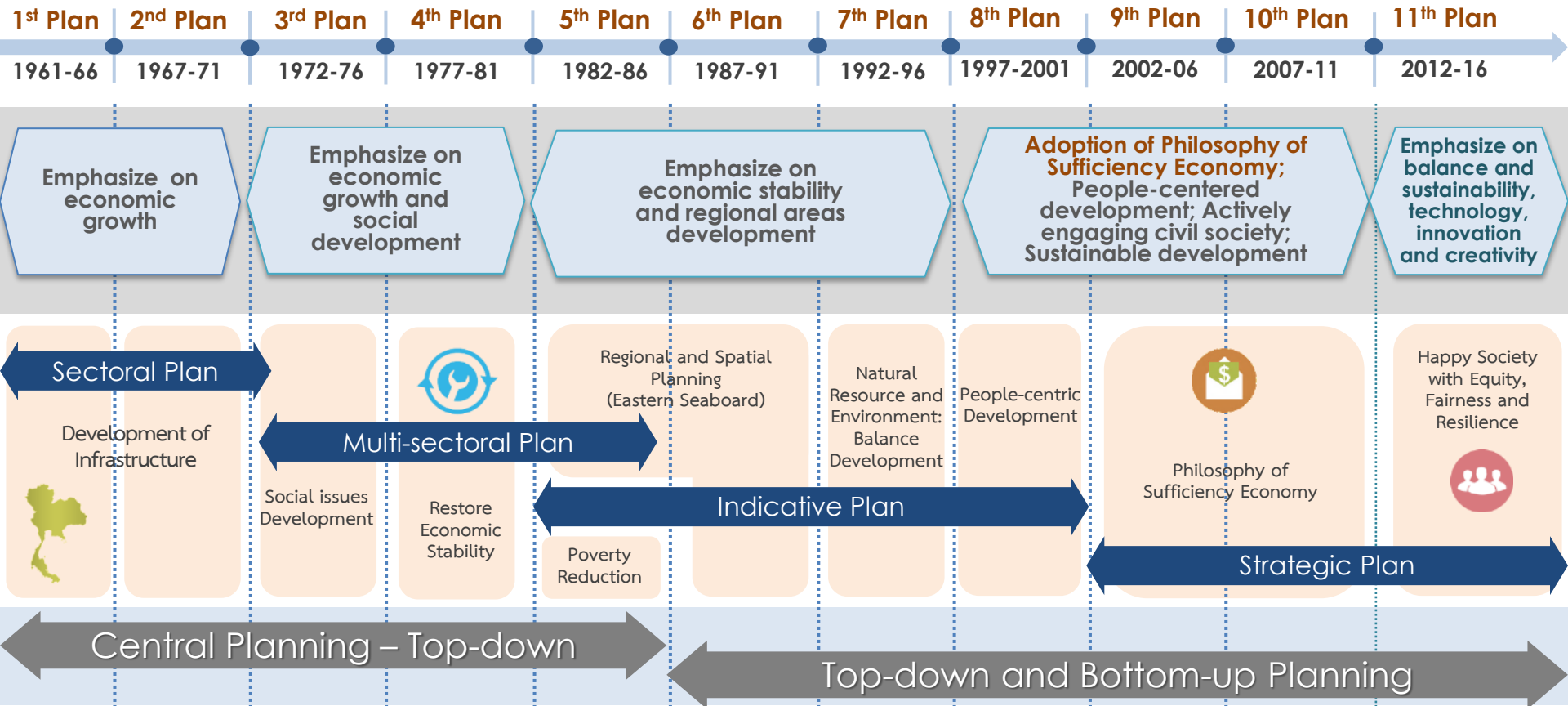
## Core Competency

- **A Strategic unit** : Being a strategic development agency capable of integrating plans at all levels
- **An Intelligence Unit** : Being an organization possessing in-depth domestic and international economic and social information
- **A Knowledge organization** : Being a knowledge-based organization

# 5-YEAR PLAN: FROM PAST TO PRESENT



# Thailand Development Agendas: From Past to Present



# CONDITIONS & CHALLENGES THAT THAILAND IS FACING



# Context Analysis at the beginning of the 12<sup>th</sup> Plan (2016)

## External Factors and Trend

- Emerging markets with a greater role
- Global financial market with no borders
- More liberalization in post-2015 ASEAN
- Fast R&D in science and technology



- Transition into aging society globally
- Spread of the global culture mingling with local cultures
- Technology Disruption



- Sustainable Development Goals (SDGs) 2030
- International agreement on climate change
- Climate change and more severe natural disasters

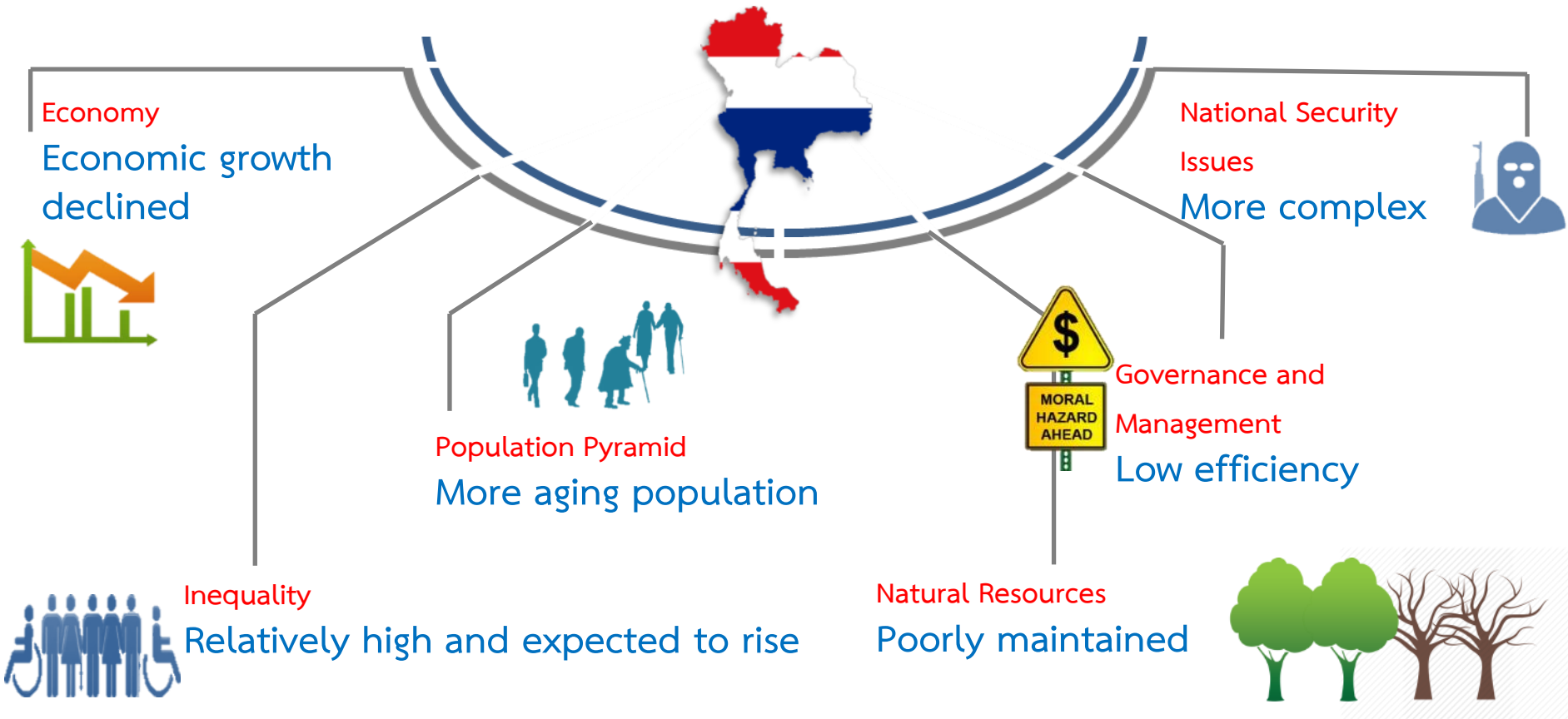


- Expansion of great powers with a greater role around the world
- Territorial dispute between states
- Multinational crime to rise and become out of control



# Context Analysis at the beginning of the 12<sup>th</sup> Plan (2016)

## Internal Factors and Trend



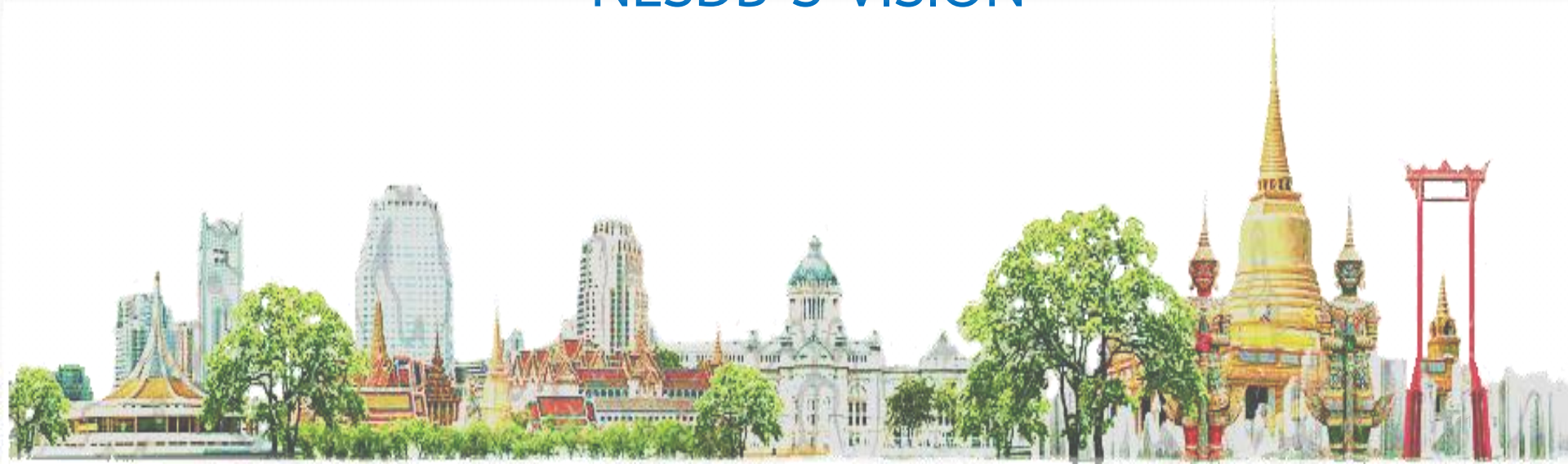
# Thailand's Development Model: Paradigm Change

“Innovation-driven economy”



# THE 20-YEAR TRANSFORMATION ROADMAP

## NESDB'S VISION



*“the 20-year national strategy... is expected to help the country to achieve sustainable development. It is crucial for Thailand to have **clear directions for long-term development.**”*

*“the **National Economic and Social Development Plan** would be mapped out in line with the national strategy.*

*Gen Prayut Chan-O-Cha, Prime Minister of Thailand*

*2 August 2016*

*Credit: [www.prd.go.th](http://www.prd.go.th)*



To achieve  
“Stability, prosperity, and sustainability with  
sufficiency economy philosophy”

Thai people become happier,  
and benefit from  
the national interest.



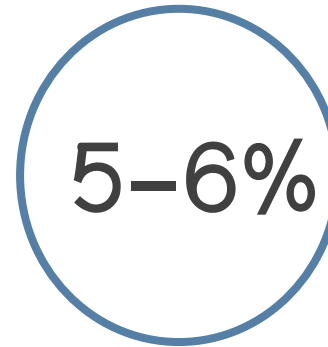


## Competitiveness

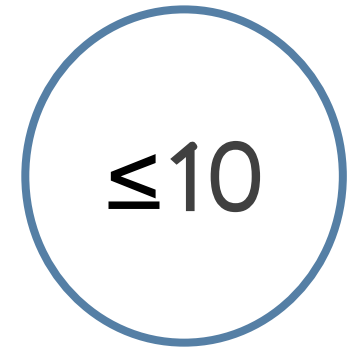
High-income  
country



GDP growth



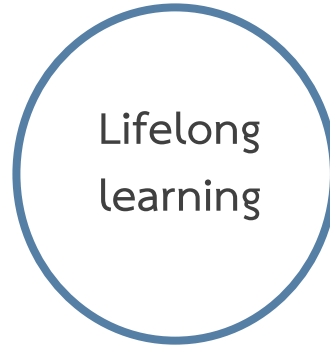
Competitiveness  
index



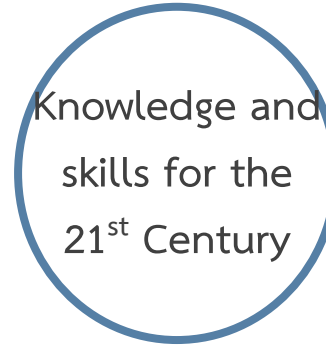


## Human Capital Development

All age groups



Quality education



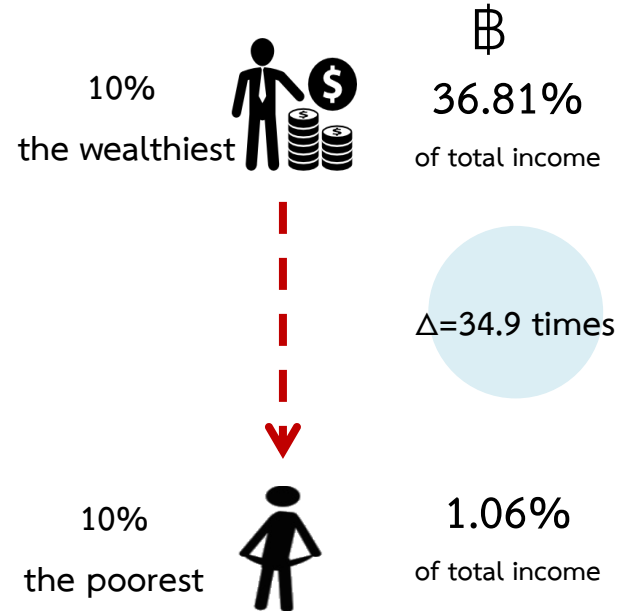
The elderly





## Opportunity and Social Equality

Reduced social inequality

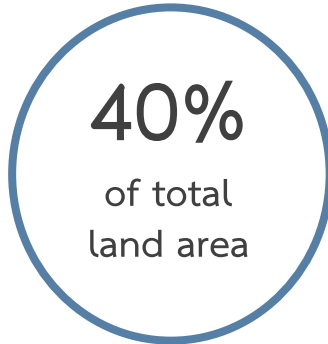






Eco-friendly Growth

Forest area



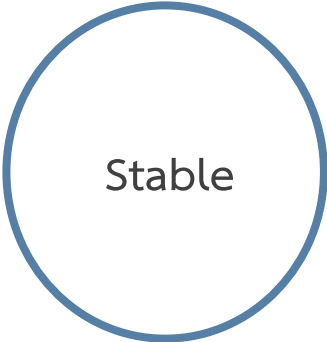
Greenhouse gas emission





Stability

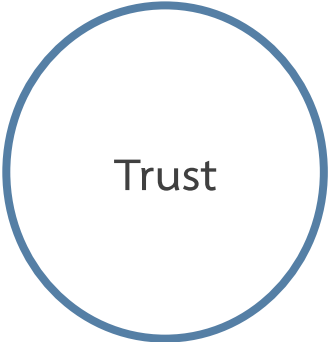
Politics



International  
threats



ASEAN  
and the world



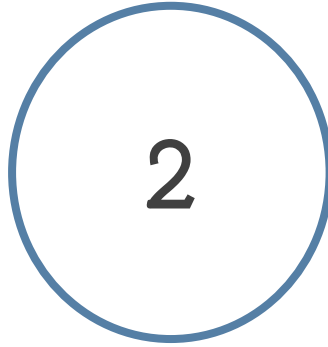


## Balance and Public Sector Management

Public service



Corruption index in ASEAN



Laws, rules and regulations



# Thailand's 20 years Transformation Roadmap – NESDB's Vision

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12<sup>th</sup> NESDB Plan – Laying the Foundation

Y 5

Milestone

Trading Nation & Entrepreneurial Society

Y 10

Thailand as an Outstanding Developed Country

Y 20

**Culture Change:** for better work ethics, more creativity, more consideration for ability than certificates, more respects for intellectual property, reinforced learning culture, more social harmony and order and more participation in public activities

6. Life-long Human Competency Development

7. Quality infrastructure for business and quality of life design and development

8. City Competitiveness and Special Zone Development and organization

4. Government services improvement

“Efficiency & Value Creation”

Farmers



Smart Farmers

1. Strengthening Agriculture Value Chain

OTOP



High-value Services

2. Adding value to Services sector

SME



Innovative and automated Manufacturing

3. Improve supporting mechanisms for the industry

9. Regional Value Chain development



• Multi-skill & Self-dependable Thais



• Model Cities



• Fair, automated and digitized business



• Facilitator Government

• 21<sup>st</sup> century Thais

• Competitive & Livable Cities

• Modern & Sustainable Business

• Small Smart Transparent and Efficient Government

Boosting factors

- Advanced Science studies
- New Education Model
- New Investment in city infrastructure
- Talent Pool Expansion

- TOP 20 IMD Competitiveness Ranking
- Health Economy
- Major Regional Investor
- Maximum automation in agriculture and manufacturing
- Top Wellness Tourism Destination
- Clean, green and health technology producer
- R&D Hubs (Food, Medical, Bio, etc)
- Eco-town, Hi-tech and Hi-touch Livable Cities, Zero-waste, zero carbon cities
- Equal Society

Basic Science (Physics, Chemistry, Math, ICT, Bio)

5. Reinforcing the STI Foundation

Cognitive Sciences + Nano, Material, Bio, Digital Next Gen/ Frontier technology

# THE 12<sup>TH</sup> ECONOMIC AND SOCIAL DEVELOPMENT PLAN (2017-2021)



# Major Development Issues of the 12<sup>th</sup> Plan



- Advance science, technology and innovation
- Prepare human resources supply and capability
- Ensure fairness and reduce inequality
- Improve the economy
- Ensure natural resources and environmental security
- Bring back security to support economic and social development

- Manage public sector governance
- Advance infrastructure and logistics
- Develop cities, regions and economic zones
- Strengthen international cooperation
- Accelerate macroeconomics



# Goals and Objectives



# 10 Strategies of the 12<sup>th</sup> Plan



**Strategy 1** Human Capital Development



**Strategy 2** Social Fairness and Reduced Inequality



**Strategy 3** Economic Strength and Competitiveness



**Strategy 4** Eco-friendly Growth for Sustainable Development



**Strategy 5** National Security to Achieve Prosperity and Sustainability

**Strategy 6** Public Sector Management, Anti-Corruption and Good Governance



**Strategy 7** Infrastructure and Logistics



**Strategy 8** Science, Technology, Research and Innovation



**Strategy 9** Regional, Urban and Economic Area Development



**Strategy 10** International Cooperation for Development



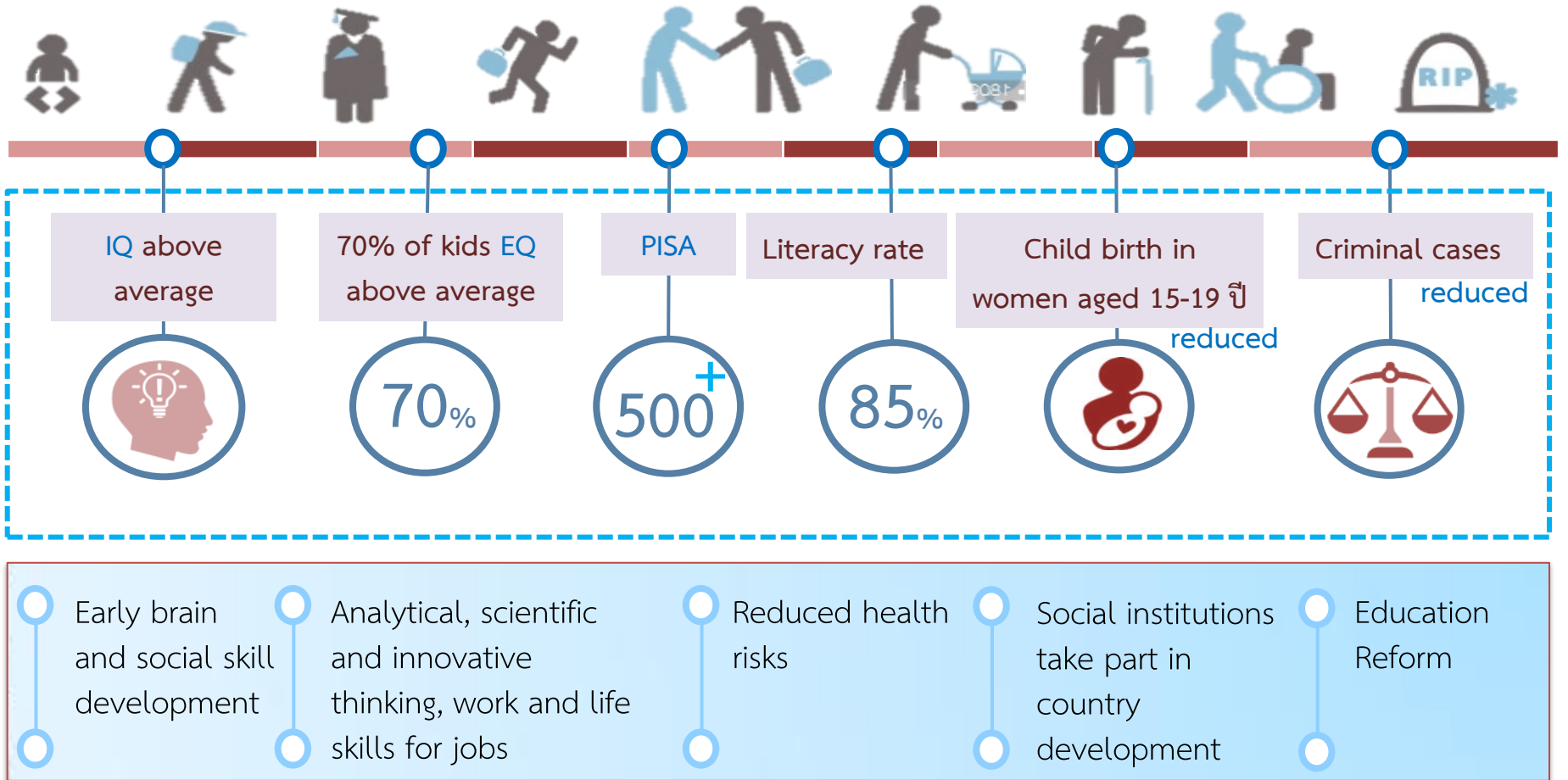


# THE 12<sup>TH</sup> PLAN KEY INITIATIVES

- Human Competency Development
- Infrastructure Development
- Eastern Economic Corridor
- Smart and Livable Cities
- Business-driven innovation ecosystem promotion
- Business environment improvement



# Life-long Human Competency Development: Productivity Improvement



# Flagship Project in the 12<sup>th</sup> Plan: Quality Infrastructure for business and people

## 1. Inter-city rail network



## 2. Capacity enhancement for highway network



## 3. Public transportation network development plan for Bangkok Metropolitan Region



## 4. Air transport capacity enhancement



## 5. Maritime transport development



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- Upgrade rail infrastructure and overall system
- Build double-track in 6 main rails (phase 1) with extensions to respective borders
- Develop 4 lane-road networks linking Thailand's key economic regions and borders areas
- Construct new motorways (No. 6 Bangpa-in – Saraburi - Nakornrachasima)
- Develop facilities along the main roads such as container yards
- Extend mass transit railway system in Bangkok and vicinity
- Procure 3,183 NGV buses
- Improve quality of service, safety environmental standard of mass transit
- Enhance airports capacity to be the regional center of air transportation
- Establish aviation industrial estates
- Improve seaport on both Thai gulf and Andaman sea

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- ↑ Freight transportation by rail from 2.5% to 5%
- ↑ Average operating speed for rail from 39 to 60 km./hr for freight and from 60 to 100 km./hr for passenger.
- ↑ Number of rail passengers from 45 to 75 million passenger trips/year
- ↑ Mass transit passenger proportion from 5% to 30%
- ↑ Suvarnabhumi and Don Mueng Airports' capacities from 63 M to 90 M passengers by 2016
- ↑ U-Tapao Airport's capacity from 800,000 to 3 M passengers by 2017
- ↑ Air transportation's management capability from 600,000 to 1.4 M trips/ year by 2024
- ↑ Proportion of water freight transportation from 15% to 19%

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More than  
-2% national  
logistics cost  
per GDP  
(14.2% at  
present)

Not less than  
-100,000  
MB/year in  
fuel waste

At least +5%  
imports and  
exports at  
main border  
checkpoints

# Flagship Project in the 12<sup>th</sup> Plan: New Growth Engine

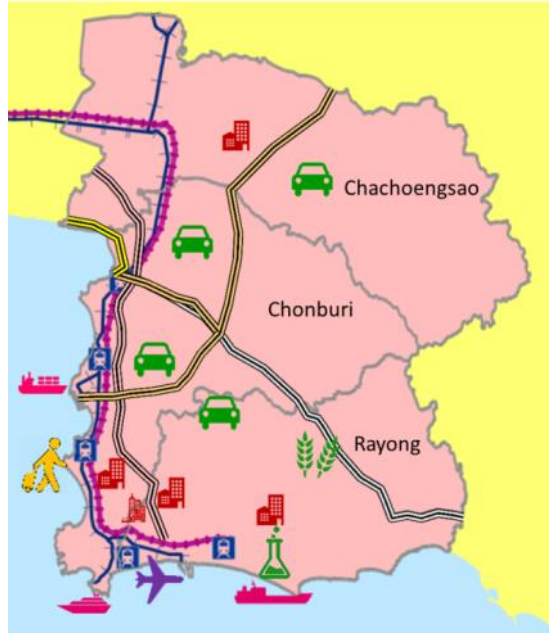


The Eastern Economic Corridor (EEC): **The next major economic zone of ASEAN**



Investment Budget over **43,000 million USD** for 5 years

- Strategic location
- World's Destination
- Professional Service
- Future prosperity
- Work-life Harmony



 + EECi  
Innovation Hub

 + EECd  
Digital Park

## Major investments in EEC

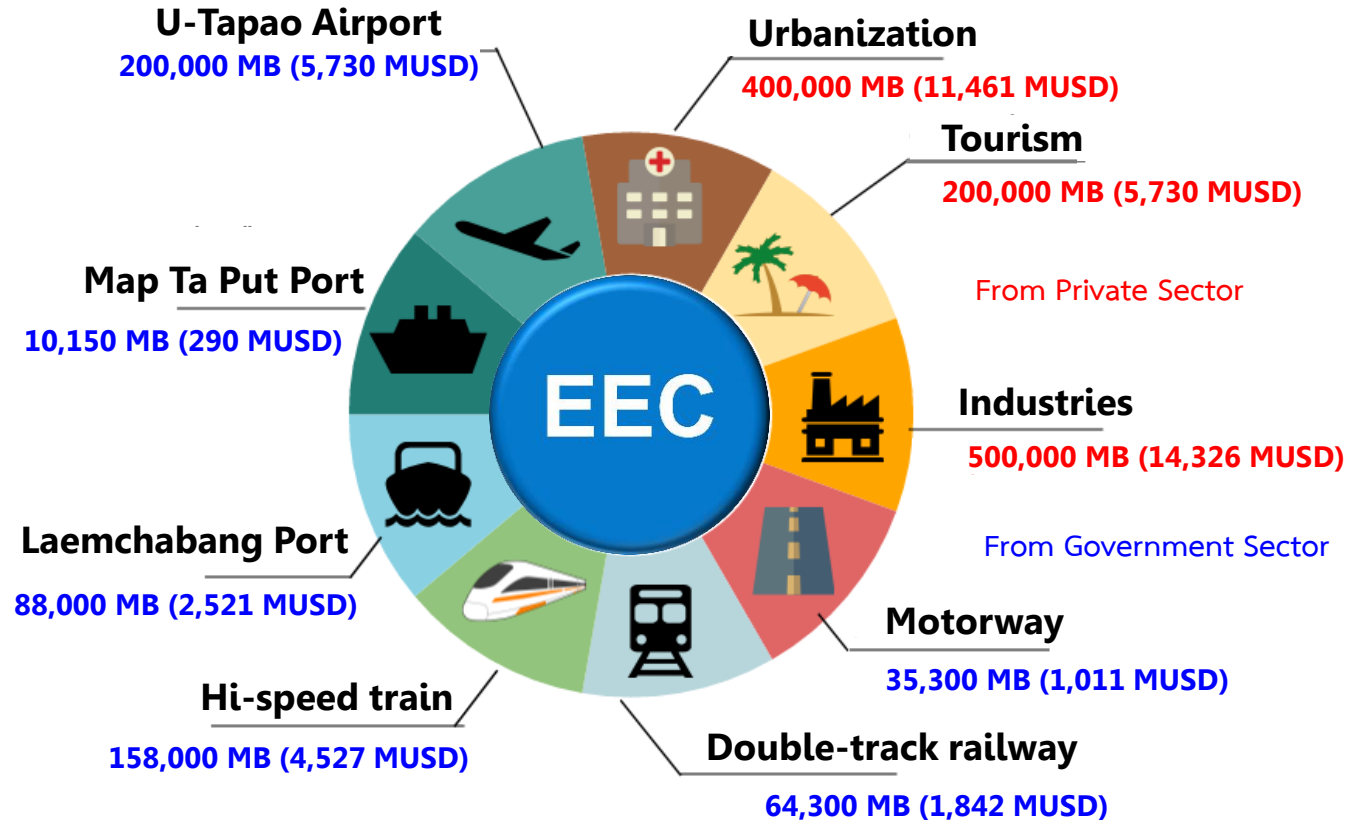
- |                             |  |       |
|-----------------------------|--|-------|
| 1                           | U-tapao and maintenance center                   |       |
| 2                           | Commercial Sattahip port                         |       |
| 3                           | Laemchabang port (Phase III)                     |       |
| 4                           | Map Ta Phut port (Phase III)                     |       |
| 5                           | Hi-speed train to the East                       | ##### |
| 6                           | Double-track railway                             | +++++ |
| 7                           | Extended Motorway                                | ===== |
| <b>Infrastructure</b>       |  |       |
| 8                           | Aviation Industry                                |       |
| 9                           | Advanced petrochemical and biological industries |       |
| 10                          | Smart automotive and electronics                 |       |
| 11                          | Agro-processed                                   |       |
| 12                          | Tourism  |       |
| <b>Key Sectors</b>          |  |       |
| 13                          | Global Business Hub / Free Economic Zone         |       |
| 14                          | Urbanization                                     |       |
| 15                          | Infrastructure                                   |       |
| <b>Area Competitiveness</b> |  |       |

# Flagship Project in the 12<sup>th</sup> Plan: New Growth Engine



## The Eastern Economic Corridor (EEC): Key Investments

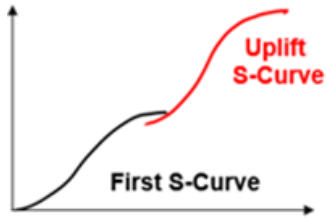
Investment plan  
**1.5 trillion Baht/**  
**43,000 million USD**  
within the first 5 years



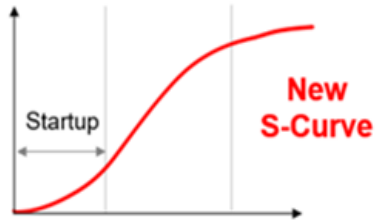
# Flagship Project in the 12<sup>th</sup> Plan: Move Up Value Chain

Develop Future Industries from Current Industries with High growth potential/Trade value

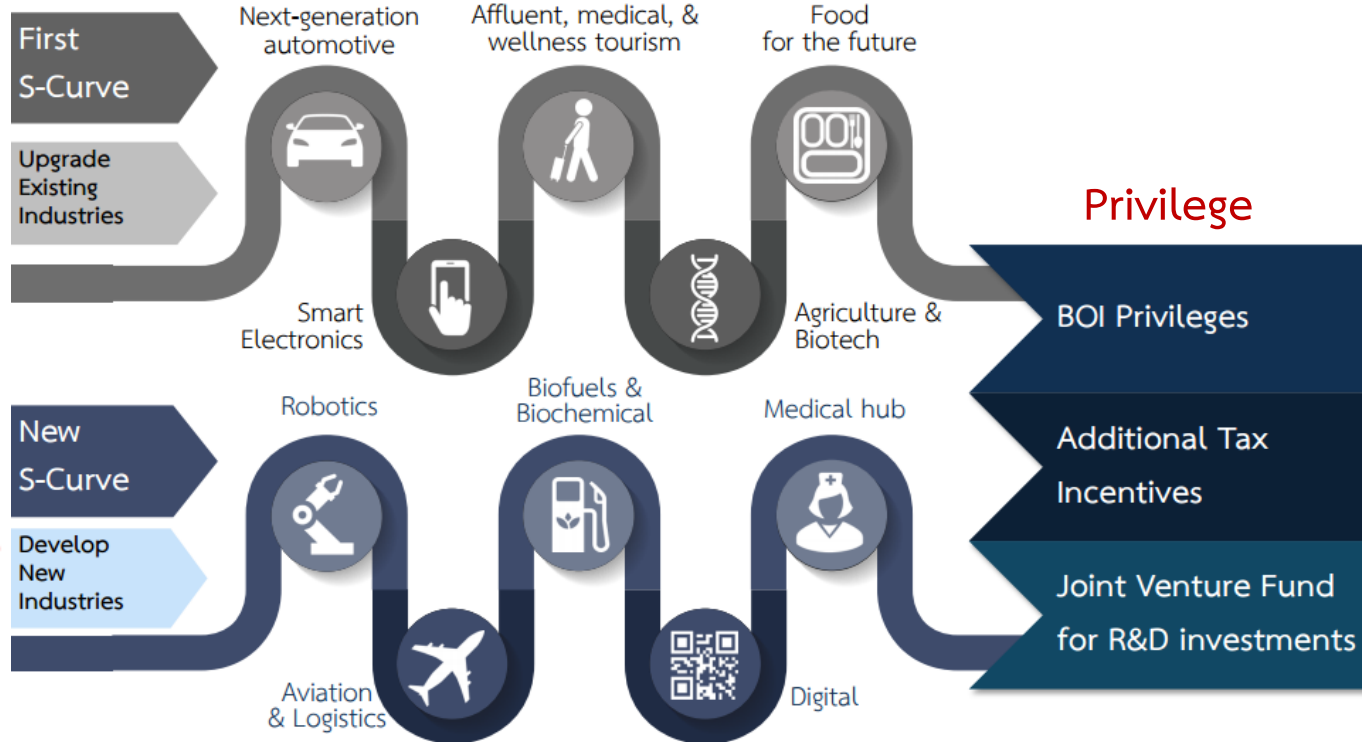
## S- Curve



short/mid term



long term



# Flagship Project in the 12<sup>th</sup> Plan: Competitive Cities

## Smart and Livable Cities

Chiang Mai is launching smart city partnerships this year with a budget of \$1 million. **Kon Kaen** will follow next year with an initial budget of around half a million dollars. As part of a long term government strategy **Phuket** and Chiang Mai are being highlighted as investment centers for technology.



## Promoting business-driven innovation ecosystem



- Innovators, inventors and students
- Researchers
- Startups
- SMEs

	Financial support	Tax deduction	Access to Public Procurement	Infrastructure
	Thai Invention Account Fund	<ul style="list-style-type: none"> <li>• 300% deduction</li> <li>• BOI Incentives</li> <li>• SMEs Tax Incentives</li> </ul>	Thai Invention Account	<ul style="list-style-type: none"> <li>• Excellence Center</li> <li>• Incubation Center</li> <li>• Co-working Space (Open in 27 universities)</li> </ul>
	Startup Voucher		Thai Innovation Account	<ul style="list-style-type: none"> <li>• National and Regional Science Parks</li> <li>• Innovation Park</li> <li>• Food Innopolis (33 companies hosted)</li> </ul>
	Innovation Coupon			



# Flagship Project in the 12<sup>th</sup> Plan: Government Services Enhancement

The government is accelerating the improvement of the business environment in accordance with the Doing Business Indicators of the World Bank group

Starting a Business



Dealing with Construction Permits



Getting Electricity



Registering Property



Getting Credit



Protecting Minority Investors



Paying Taxes



Trading Across Borders



Enforcing Contracts

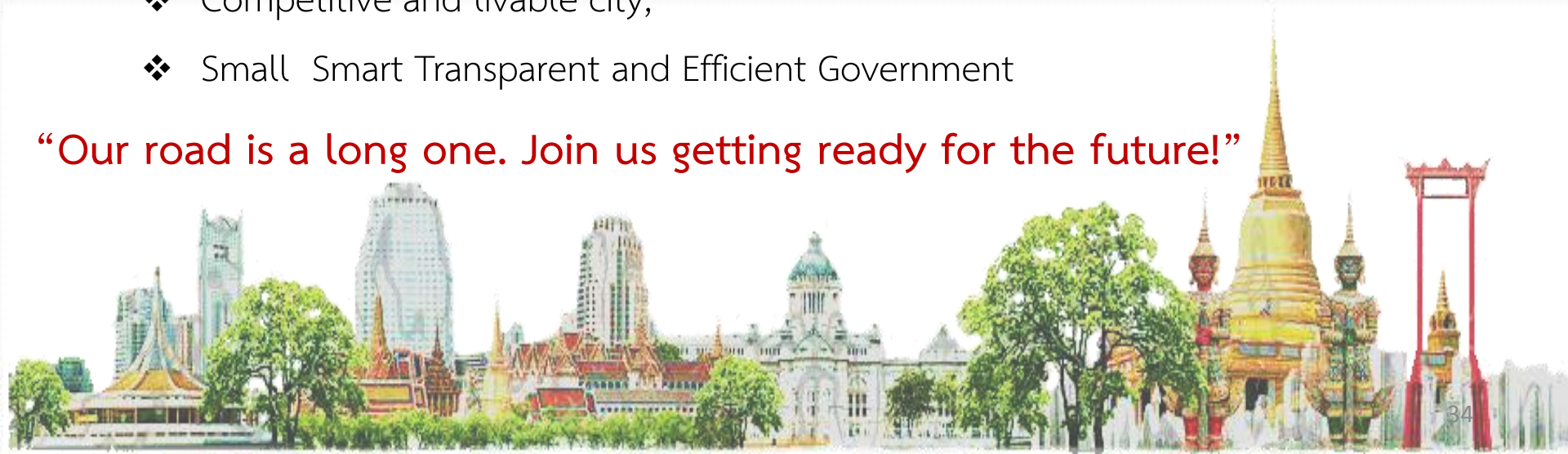


Resolving Insolvency

# Partnership is key to our next stage of development

- In conclusion, Thailand is on its way to develop:
  - ❖ Very Business-friendly environment;
  - ❖ High Quality of Infrastructures;
  - ❖ High-skill human resources
  - ❖ Competitive and livable city;
  - ❖ Small Smart Transparent and Efficient Government

**“Our road is a long one. Join us getting ready for the future!”**





Thank you

Q&A

