THAILAND

IN BRIEF 2005

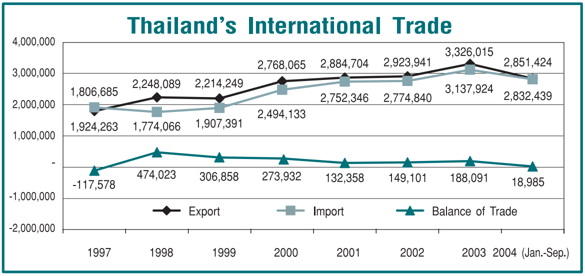
Office of the National Economic and Social Development Board

Forward

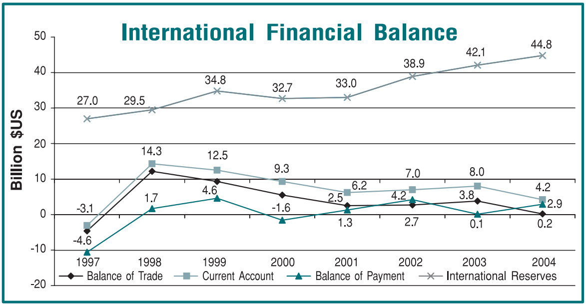
The Office of the National Economic and Social Development Board has published the Thailand In Brief 2003 and Thailand in Brief 2004 in the fiscal year of 2003 and 2004 to disseminate interesting information on Thailand's idea and direction on country development. This Thailand In Brief was highly recognized and demanded by the public, which is over NESDB's expectation. Therefore the NESDB has planned to publish this book on yearly basis.

In the fiscal year of 2005, the NESDB has published the Thailand in Brief 2005 in both Thai and English versions for the third consecutive year. The NESDB aims to provide domestic and international communities highlighted information on economic and social situations, statistical trends, and strategic issues facing the country development as well as roles of the NESDB toward development direction. This mission aims to encourage full-scale participation from all sectors in the country development process. The NESDB hopes that Thailand in Brief would be useful for interesting domestic and international organizations and individuals. The NESDB would like to take this opportunity to thank all agencies for providing information and to all NESDB staffs for their dedication and cooperation.

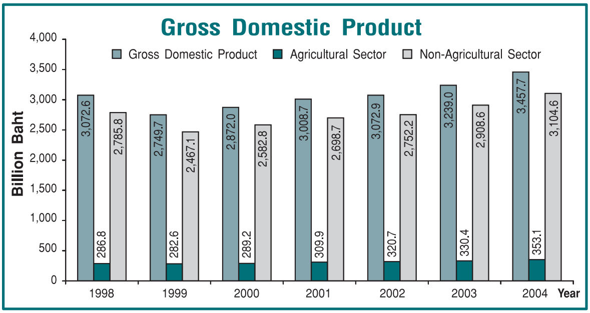
Office of the National Economic and Social Development Board
January 2005



Thailand's International Trade
4,000,000
3,000,000
2,000,000
1,000,000
-
-1,000,000
-2,000,000
1,806,685
2,248,089
2,214,249
2,768,065
2,884,704
2,923,941
3,326,015
2,851,424
1,924,263
1,774,066
1,907,391
2,494,133
2,752,346
2,774,840
3,137,924
2,832,439
-117,578
474,023
306,858
273,932
132,358
149,101
188,091
18,985
Export
Import
Balance of Trade
1997
1998
1999
2000
2001
2002
2003
2004 (Jan.-Sep.)



International Financial Balance
Billion $US
50
40
30
20
10
0
-10
-20
27.0
29.5
34.8
32.7
33.0
38.9
42.1
44.8
14.3
12.5
9.3
6.2
7.0
8.0
4.2
-3.1
1.7
4.6
-1.6
2.5
4.2
3.8
2.9
-4.6
1.3
2.7
0.1
0.2
1997
1998
1999
2000
2001
2002
2003
2004
Balance of Trade
Current Account
Balance of Payment
International Reserves



Gross Domestic Product
Billion Baht
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
0
Gross Domestic Product
Agricultural Sector
Non-Agricultural Sector
3,072.6
286.8
2,785.8
2,749.7
282.6
2,467.1
2,872.0
289.2
2,582.8
3,008.7
309.9
2,698.7
3,072.9
320.7
2,752.2
3,239.0
330.4
2,908.6
3,457.7
353.1
3,104.6
1998
1999
2000
2001
2002
2003
2004
Year

Typical Costs of Starting a Business in Thailand

	Cost	
	Baht	US $
1. Visas		
Work permit (new), 14 days	750/1,500/3,000	19/38/75
One year visa, 30 days	1,900	48
One year visa, 30 days	1,000*/3,800*	25*/95*
2. Registration (Official Government Fee)		
Company registration, 21 days	5,500/1 million(*) (275,000 maximum)	138/US$25,000(*) (US$6,875 maximum)
List 2 Alien business license, 60 days	40,000-500,000	1,006-12,581
List 3 Alien business license, 60 days	20,000-250,000	503-6,291
Factory license, 30 days	500-60,000	13-1,500
2. 2a. Registration (Typical fee charged a law firm to process)(1)		
Company registration, 15 days	40,000	1,006
Alien business license	200,000	5,032
Factory license, 30 days	100,000	2,516
Note: (*) = registered capital		
3. Accounting		
Tax returns and VAT	20,000 yearly	503
Translation, per page	1,400	35
Review/draft contracts and agreements	35,000 up	880
4. Office achieved rents (2)	**CBD)**	**Non-CBD**
(As of Q2, 2003) (Baht/sq.m/mth)		
Grade A	477 (US$ 12.18)	400 (US$10.21)
Grade B	346 (US$ 8.83)	293 (US$ 7.48)

Source : Board of Investment

Notes : 1. CBD = Central Business District
2. These rents are inclusive of management fees and air-conditioning.
3. The rent-free period ranges between three to six months.
4. The data as of August 2004
5. Grade A indicates superior premises, Grade B somewhat less so.

Minimum Daily Wage Rates

	Baht	US $
Bangkok, Nakorn Pathom, Nonthaburi, Pathum Thani, **Samut Prakan,** and Samut Sakorn	170	4.28
Phuket	168	4.23
Chon Buri	153	3.85
Saraburi	151	3.80
Chaing Mai, Nakhon Ratchasima, Phangnga	145	3.65
Ranong and Rayong	143	3.60
Phra Nakorn Sri Ayutthaya	142	3.57
Chachoengsao and Krabi	140	3.52
Ang Thong, Chanthaburi, Kanchanaburi, Phetchaburi, Ratchaburi and Samut Songkram	138	3.47
Chumphon, Lamphun, Sa Kaeo and Sukhothai	137	3.45
Buri Ram, Kamphaeng Phet, Khon Kaen, Lop Buri,	136	3.42
Prachin Buri, Sing Buri, Suphan Buri and Trang Amnat Charoen, Chai Nat, Chaiyaphom, Kalasin, Lampang, Loei, Mukdahan, Nakorn Phanom, Nakorn Sawan, Nakorn si thammarat, Narathiwat, Nong Bua Lomphu, Nong Khai, Pattani, Phattalung, Phetchabun, Phitsanulok, Prachuap Khiri Khan, Roi Et, Sakhon Nakorn, Satun, Songkla, Srisaket, Surat thani, Tak, Trat and Udon Thani, Uttaradit and Yala	135	3.40
Nakorn Nayok and Phichit	134	3.37
Chiang Rai, Mae Hong Son, Maha Sarakham, Nan, Phrae, Phayao, Surin, Ubon Ratchathani and Yasothon	133	3.35

Source : Ministry of Labor
Note : As of July 2004

Telephone Facilities

Installation fee	3,585-3,959	90-99
Rental per month	100, 200	2.52-5.03
Local rate per call	3 baht per call	0.75

Source : Telephone Organization of Thailand
Note : As of August 2004

Monthly Internet Rates

Provider	Startup	Hrs/mth	Cost/mth
Telephone Mainline			
CS Loxinfo	270	35	440 baht
	270	70	720 baht
	270	100	900 baht
ADSL	**Hrs/Mth**		**Service fee**
True 256/128	Unlimitted		690 baht
Pacific Internet 256/128	100 hours		3,600 baht
Loxinfo 256/128	Unlimitted		3,600 baht

Sources : Board of Investment
Note : As of July 2004

CONTENTS

Section 1: General Information

1. Historical Background

Thailand had been known as "Siam." The country was renamed "Thailand", on May 11, 1939. "Thai" means "Freedom". Therefore, "Thailand" means "Land of Freedom."

2. Geographical Profile

1. Geographical Location

Geographically located slightly over the equator, Thailand is in the Southeastern Asia region. Total area is 513,115 Sq.Km. Length from north to south is 1,620

Km. Length from east to west is 775 Km. Northern boarder is next to Lao PDR., and Myanmar. Eastern boarder is next to Cambodia and Thai Gulf. Western boarder is next to Myanmar and Indian Ocean. Southern boarder is next to Malaysia. Thailand comprises of four regions; Northern region, Central plain, Northeastern region, and Southeastern region.

Northern Region: The Northeastern regions comprises of 17 provinces covering areas of 169,600 Sq.Km. As the significant water origin of the country, 80 percent of the area in the Northern Region are mountainous. While Chiang Mai province is the center for the Upper Northern region, Phitsanuloke province is a center for Lower Northern region.

Northeastern Region: The Northeastern region consists of 19 provinces covering area of 168,854 Sq.Km or equvalent to one third of the country. Nongkai Province, Mukdaharn Province, and Nakorn Phanom Province are gateways to Indochina.

Central Region: The Central Plain region consists of 26 provinces covering land of 103,946 Sq.Km. This abundant region is divided physically and socio-economically into four sub-regions: Bangkok Metropolis and Perimeter, Eastern sub-region, Upper Central Plain subregion, and Lower Central Plain sub-region. Bangkok, the capital, locates in Central Plain region.

Southern Region: Both sides of the region are connected to sea, covering area of 70, 715 Sq.Km. The Southern region consists of 14 provinces. Major provinces on Andaman Sea includes Phuket, Phan Nga and Krabi provinces. Major provinces on Thai Gulf includes Surat Thani Provice and Songkla Province.

2. Capital City

Bangkok Metropolis

3. Climate

Climate is warm and humid as the country is influenced by monsoon. Average temperature is 29 Degree Celsius. In Bangkok, temperature ranges from 35 Degree Celsius in April to 17 Degree Celsius in December. There are three seasons including winter (November to February), summer (March to May) and rain season (June to October).

4. Local time

GMT + 7

3. Demography

1. Population Statistics

Population in Thailand totaled 63.1 million, divided into 31.3 million men and 31.8 million women. Majority of population is Thais. Other ethnic groups are Chinese and Indian. Although Thai is the official language, services in English are available in major cities. While 90 percent of the populations are Buddhism, 10 percent is Christian, Islam and Hindu. Average age of Thais is 71 years (67.58 years for male population and for 75.08 years female population).

2. Per Capita Income

Per Capita Income by Regions

Unit: million baht

Regions	2001 Per Capita Income	2002 Per Capita Income
Bangkok Metropolis	212,371	208,856
Bangkok and Perimeter	210,438	208,680
Central Plain region	119,220	130,838
Northeastern region	25,173	27,752
Northern region	39,643	43,987
Western region	62,498	68,827
Eastern region	168,408	187,264
Southern region	56,019	60,299
Total	81,601	85,951

Source: National Accounts Office (NAO), The Office of National Economic and Social Development Board.

Remark: 1. At constant price of 1988 (B.E. 2531)

4. Political System and Public Administration System

The country political system is Constitutional Monarchy. Legislation power belongs to the Parliament. Administration power belongs to the cabinet. Juridical power belongs to the Court.

Reigned since 1946, King Bhumibhol Adulyadej head of state, is the 9th King of the Chakkri Dynasty. King Bhumibhol is the beloved King so most of Thai people decorate the King and Queen Pictures in their houses or public space.

Thailand Prime Minister is elected from members of the House of Representatives through one-fifth supporting votes. After elected, the parliament then purposes the candidate to the King for approval. Consequently, the Prime Minister may appoint his cabinet of not over 35 members. General election is organized once every four years, at least. At present, Thai Prime Minister is Dr. Thaksin Shinawatra chief of Thai Rak Thai Party, who won 2001 election.

The parliament comprises of 500 members of the House of Representatives and 200 members of the Senate. For the House of Representatives, while 400 members are from general election, 100 representatives are from party lists.

Thai law has been developed from between Thai tradition and western laws. Supreme Court is the highest court. Judges sentence cases in the name of the King.

Thailand is divided into 76 provinces governed by governors. Each province is divided in to District, Quasi-district, Sub-district, and village. At present there are totaled 795 districts, 81 quasi-districts, 7,255 sub-districts, and 73,467 villages. Metropolis Bangkok is divided into 50 municipal limits and governed by directly elected governor.

Members of the House of Representatives by Parties

Party	Directly Elected	Party-listed	Total
Thai Rak Thai	260	60	320
Democrat	79	32	111
Chartthai	17	6	23
New Aspiration	-	1	1
Total	**356**	**99**	**455**

Source: General Election Board Office

Remark: 1. Data as of October 11, 2004

2. Currently members of the House are less than 500 members because some members have resigned. According to the law, because the balance term is less than 180 days (February 6, 2005), it is not necessary to initiate the reelection.

5. Finances and Businesses

1. **Currency:** Thai baht (1 baht = 100 Stang)
2. **Major Currency Exchange rates:**

Country	Currency	Exchange Rates	
		Buying Rates	Selling Rates
USA	US Dollar	40.8684	41.1605
United Kingdom	British Pound	74.9034	75.7688
European Union	Euro	52.0901	52.8047
Japan	Yen (100)	38.3454	38.9378
Hong Kong	Hong Kong Dollar	5.2353	5.3014
Singapore	Singapore Dollar	24.4629	24.8514
Switzerland	France Swiss	34.0440	34.5387
Australia	Australian Dollar	30.3940	30.9685
Republic of China	Yuan Renminbi	4.9188	4.9907
Canada	Canadian Dollar	33.3521	33.8488

Remark: Currency exchange rates of the Bank of Thailand as of November 1, 2003.

3. Business Hours

Government agencies	08.30 am. - 04.30 pm.	Mon-Fri
Private corporate	08.30 am. - 05.00 pm.	Mon-Fri
Bank	08.30 am. - 03.30 pm.	Mon-Fri
Department Store	10.00 am. - 09.00 pm.	Sun-Sat.

Remark: Some banks provide services during non-business hours and in holidays. Exchange rate services are available every day.

6. Utilities and infrastructures

1. Transportation

Transportation systems in Thailand are divided into five categories.

In-land Transportation: Networks in Thailand, there are totaled 160,000 Km. of roads consisting of Highway networks and roads liking among regions, among provinces and in provinces. These networks comprise of inter-region highways and inter-province highways of 52,665 Km., Motorway of 397 Km., Expressway of 170 Km., and rural roads of 100,000 Km.. Railway network consists of 4,580 Km. of railways covering 47 provinces nationwide.

Navigation: There are totaled pubic and private 47 harbors including 21 international harbors and 26 seaboard harbors. Major international harbors include Laem Chabang, Bangkok (Klong Toei), Phuket, and Songkla harbors.

Air transportation: Out of 36 airports, there are 7 international airports including Don Muang, Chiang Mai, Chiang Rai, Had Yai, Utaphao, and Suwannabhumi international airports (to be opened in September 2005). There are totaled 29 local airports including 8 airports at Northern region, 9 airports at Northeastern region, 1 airports at Central Plain region, and 8 airports at Southern region. There are three private airports including those at Samui Island, Sukhothai province, and Trad Province. There are 80 permanent airlines of 53 countries stationed in Thailand. Weekly, 772 flights arrive Thailand, while 616 flights depart from Thailand.

Pipeline Transportation: At present 32 million liters of oil have been transported through pipelines daily, of 2,000 million cubic feet of natural gas through pipeline daily from the Gulf of Thailand. Inland and sea networks of natural gas transportation total 2,652 Km.

Public Transportation: Three types of public transportation exist in Bangkok Metropolis. The first is the underground train system liking Hua Lumpohong and Bang Sue with 20 Km. and 18 stations. The second is two lines of sky trains of BTS Public Company Limited servicing Sukhumvit line (Onnuj-Mor Chit with 16.8 Km and 17 Stations) and Silom line (National Stadium-Taksin Bridge with 6.3 Km and 6 stations). The third is public bus services of the Bangkok Mass Transportation System with 106 bus lines in Bangkok Metropolis. Joint public-private bus services as well as variety of private boat services are also available.

2. Communication and Telecommunication:

At present, there are three types of services:

- **Fixed Line Service:** In Thailand, there are totaled 8.48 million fixed lines including 4.44 million lines in Bangkok and Perimeter, 4.04 million lines for regions. Proportion of basic telephone subscription per capita is 12.8 percent.

• **Cellular Mobile Service:** Cellular Mobile Service has experienced high growth rate during the past five years. As evidenced, new subscribers increased from 2.8 million lines in 1999 to 22.4 million lines in 2003, with growth rate of 68 percent per annum. At that period, there were 30 mobile phones per 100 persons.

• **Internet Service:** There are totaled 18 service providers, five of which are major players. Number of subscribers increased from 1.5 million in 1999 to 6 million in 2003 with the annual growth rate of 58.3 percent.

3. Energy

Energy is divided into three categories:

• **Electricity:** Capacity of the Electricity Generating Authority of Thailand at December 2003 was 25,705 MW, with distribution system of 28,331 Circuit-KM and 196 high-Voltage Stations. Electricity generated is sold to the Metropolis Electricity Authority (Bangkok, Nonthaburi, and Samutprakarn with 2.38 million clients) and Provincial Electricity Authority. There were 12.5 million clients of both citizens and businesses in 73 provinces nationwide.

• **Petroleum:** Thailand has seven petroleum refinery plants with capacity of 1.037 million barrel per day. Oil storage tanks locate nationwide with storage capacity of 7,240.3 million liters.

- **Natural Gas:** Capacity of natural gas production is 2,725 million cubic foot per day. There are four natural gas refinery plants with capacity of 1,180 million cubic foot per day. Five natural gas stations locate in Bangkok.

4. Public Waterworks

Public water supplied in the country are provided by three major authorities:

- **Metropolitan Waterworks Authority:** With capacity of 1,516.1 million cubic meters in 2003, the Metropolitan Waterworks Authority supplies water in Bangkok Metropolis, Nonthaburi and Samutprakarn to 1.54 million clients or 7.7 million citizens.
- **Provincial Waterworks Authority:** With capacity of 778.1 million cubic meters in 2003, the Provincial Waterworks Authority supplies water to provinces nationwide except those supplied by the Metropolitan Public Water Supply Authority for 1.97 million clients or 11 million citizens.
- Other organizations for example, some municipalities, private enterprises with concession from the government, and East Water Company which supplies raw water to industries in Eastern seaboard.

5. Education

Literacy rate (14-50 years old) in 2003 was at 96.6 percent. An average year in education was 7.8 years. Mandatory education is 9 years (from Grade 1 to Grade 9). The government provides free education to all

Thai people until Grade 12. Children of ages between 3-6 years are financially supported for their pre-school education.

Number of Schools Classified by Education Category

Year	Preschool	Primary School	Secondary School	High School	Vocational	College	Bachelor	Higher Education	Total Schools
2000	45,398	33,488	10,384	2,799	896	638	195	61	50,306
2001	45,250	33,905	10,554	2,837	898	650	203	62	50,908
2002	44,760	33,043	10,490	2,837	889	646	208	66	50,089

Source: Secretary Office of Education Board, Ministry of Education
Remark: Some institutions offer education services of more than one category.

6. Public Health

Thai people have public social insurance coverage by 96 percent of population in 2003. It is expected that in 2004, all of Thai citizens would have public health insurance. In 2001, there were totaled 1,293 public and private hospitals and public healthcare facilities. Proportion of patient beds per population is 1:465.

Health Resources

Year	Physicians	Dentists	Pharmacists	Specialist Nurses	Technical Nurses
2001	1:3,238	1:15,184	1:9,878	1:887	1:2,141
2002	1:3,277	1:14,384	1:9,054	1:794	1:2,080
2003	1:3,569	1:17,606	1:9,948	1:733	1:2,233

Source: Policy and Strategy Office, Office of Permanent Secretary, Ministry of Public Health

7. Tourism

1. Tourism industry

Tourism industry has played significant roles toward social and economic developments. People all around the world recognize Thai people's hospitality, old traditions and cultures, and magnificent Thai cuisine. These unique characters of the country consistently attract more tourists. Thailand has variety of services available to tourists including tourist polices and tourist information centers.

Number of Tourists visiting Thailand

	2001	2002	2003	2004
Tourists (Million)	10.06	10.80	10.00	12.00
Days in Thailand by average (Days)	7.93	7.98	8.19	8.00
Revenue (Million Baht)	299,047	323,484	309,269	384,000

Source: Tourism Authority of Thailand
Remark: 2004 Data is based on estimation.

2. Rules and regulations for international tourists

All of international tourists visiting Thailand must hold passports and valid visas. Tourists from some countries can stay in Thailand without visa for 30 days or less whereas others must hold visas. Transit-visa holders may stay in the country for 30 days or less. Tourist-visa holders may stay in Thailand for 60 days or less. Non-immigrant Visa holders and Diplomatic Visa holders may stay in Thailand for 90 days or less.

3. Tourist Attraction Sites

Sun Sand and Sea: Pattaya, Phuket, Samui, Koh Chang, and beautiful islands in Phang Nga and Krabi provinces and so on.

Nature: Phu Kradueng at Loei Province, Doi Inthanont at Chaingmai Province, and Kaoyai at Nakhornratchasima Province.

Culture and Heritage: Lanna Culture at Chiangrai Province, Phayao Province, Phrae Province, and Nan Province. Isan-style cuisine at Nongkai Province, Udornthani Province, Khon Kaen Province, and Kalasin Province. Old traditions and cultures and festivities in Nakhornratchasima Province, Burirum Province, Surin Province, Srisaket Province, and Ubol-ratchathani Province and so on.

Niche Market (Adventures, Healthcare, and Agriculture): Long Stay, navigation,

marriage/ honeymoon, Eco-tourism, and famous festivities (for instance, Songkran festivity and Loy-krathong Festivity)

Manmade Tourist Attraction Site: Rattanakosin Island, Bangkok Metropolis, Elephant Training Center, and Amusement Parks and so on. More information is available at www.tat.go.th

8. Trade

During January and August of 2004, exported goods and services totaled 2,493,680.9 million baht increased from the same period in 2003 by 15.4 percent. Imported goods and services totaled 2,492,261.7 million baht increased form the same period in 2003 by 22.6 percent. Consequently the surplus was 1,419.2 million baht decreased from same period in 2003 by 98.9 percent.

Top Ten Exports to ASEAN

Unit : million baht

No.	Items	2002	2003	2004 (Jan.-Aug.)
1.	Automatic data processing machines and thereof	89,028.6	93,106.9	59,671.6
2.	Motor cars, parts and accessories	15,102.0	33,452.5	36,015.6
3.	Electronic integrated circuits	29,527.5	38,168.9	29,752.3
4.	Refine fuels	30,275.0	29,199.3	28,931.2
5.	Chemical products	22,866.1	29,989.8	22,263.5
6.	Iron and steel and their products	15,744.5	23,472.7	20,587.9
7.	Polymers of ethylene, propylene, etc. in primary forms	18,409.2	20,766.7	17,575.1
8.	International-combustion cylinder engines and components	7,372.9	10,886.8	17,245.9
9.	Rubber	12,802.4	19,632.8	15,926.0
10.	Sugar	13,971.7	14,686.4	12,183.0
Total 10 items		255,092.8	313,362.8	260,152.2
Others		327,037.5	371,584.9	285,996.0
Grand Total		582,130.3	684,947.7	546,148.2

Source: Office of the Permanent Secretary Ministry of Commerce

Top Ten Exports to APEC

Unit : million baht

No.	Items	2002	2003	2004 (Jan.-Aug.)
1.	Automatic data processing machines and thereof	254,826.8	269,804.3	178,746.8
2.	Electronic integrated circuits	110,786.6	151,400.6	108,807.0
3.	Motor cars, parts and accessories	59,911.4	97,019.8	80,274.4
4.	Rubber	61,714.5	95,620.5	71,725.3
5.	Polymers of ethylene, propylene, etc. in primary forms	62,967.1	73,431.1	61,308.6
6.	Radio-broadcast receivers, television receivers and parts thereof	70,678.5	78,443.5	59,714.2
7.	Garments	80,201.4	77,567.4	52,064.8
8.	Iron and steel and their products	43,562.3	57,516.0	47,276.6
9.	Prepared or preserved fish, crustaceans, molluscs in airtight containers	67,749.9	67,427.3	40,331.8
10.	Chemical products	40,783.6	52,460.6	40,053.6
Total 10 items		853,179.8	1,020,691.0	740,302.9
Others		1,284,846.8	1,398,468.8	1,040,371.6
Grand Total		2,138,026.7	2,419,159.8	1,780,674.5

Source: Office of the Permanent Secretary Ministry of Commerce

Section 2: Situations and Trends on Economics, Socials, Natural Resources and Environment

1. Economic Situation and Trend

Six years after economic crisis, Thai economy has been gradually improved, especially during the recent three years (2002-2004). This is evidenced by economic growth of 5.4 percent in 2002 and 6.8 percent in 2003. It is expected that in 2004, the economy would expand by 6.0-6.5 percent. In term of economic stability several indicators suggest improved economy, for instance, improved treasury status and decreased public debt against GDP. International volatility was more stable, which was resulted from surplus current account. Surplus current account made international reserve increased whereas short-term foreign debt decreased. Financial sector was more stable because non-performing loan problem was resolved. Meanwhile banks had raised capitals, which resulted in more sufficient capital. Financial performances of financial sectors had been improved as non-performing loan had been resolved and loans had expanded. International rating agencies have increased the creditability of debt instruments issued through foreign currencies by Thai financial institutions.

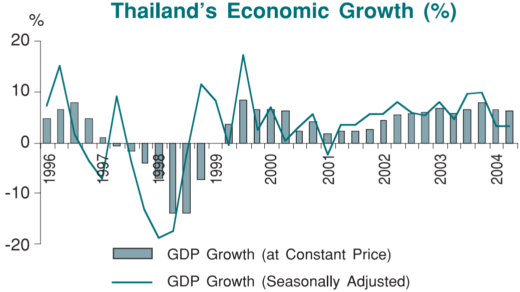
1. Thai Economy in 2004

Thai economy had expanded by 6.4 percent during the first half of 2004, by 6.6 percent during the first quarter and 6.3 percent during the second quarter. Impacted by avian flu and drought, Agricultural sector shrunk by 4.8 percent. Nonetheless, prices of agricultural products were relatively high. Accordingly, farmers' incomes still grew. Meanwhile industrial sectors expanded at decelerating rate. Banking sector released more loans. Consumptions and investments of private sectors still moderately grew as compared to that in the same period of the recent year. Nonetheless, there was signal suggesting that the economy was decelerating into more stable level had been observed.

Monthly economic indicators in the third quarter of 2004 suggested that the economy grew at decelerating rate, mainly from slowdowns of household spending and investment. Nonetheless, exports still moderately expanded. Economy still moderately grew. In fact, increasing exports resulted in higher imports.

Trends on the last quarter of 2004 include the increase of interest rates by the Bank of Thailand, upward trend of oil price movement, violence at three boarder Southern provinces and outbreak of avian flu again since July. These three influential factors would impact and thus would slowdown consumption and investment of private sectors in the third quarter. Nonetheless, general election campaign would stimulate private sector's spending in a certain degree. Therefore, in overall, it is expected that Thai economy in 2004 would expand by 6.0-6.5 percent. Inflation rate would be at 2.7 percent.

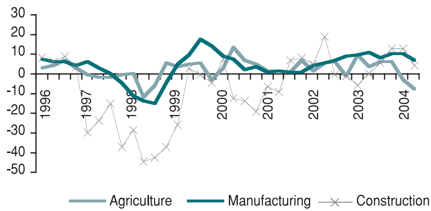
Thailand's Economic Growth (%)



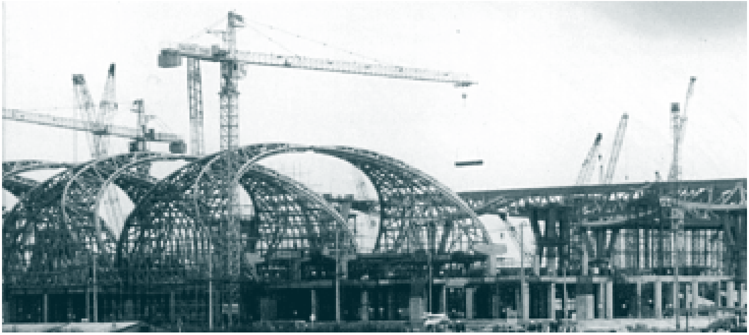
2. Economic Conditions by Sectors

2.1 Manufacturing Sector: Agricultural sector shrunk whereas non-agricultural sector expanded. Impacted by the outbreak of avian flue, drought and dump of exported shrimps, agricultural outputs of the first half of 2004 shrunk by 4.8 percent . Non-agriculture expanded by 7.7 percent especially hotels and restaurants. This is because the economy had been recovered from SARS outbreak at the first half of 2003. Net interest incomes and fee-based incomes of banking and financial sectors increased. Capital and technology sectors, for instance, electronics circuits greatly expanded as purchase orders from global market increased.

GDP Growth (Production Side) (%)



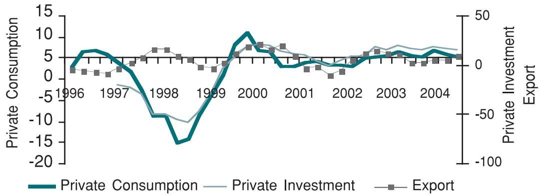
2.2 Private Sector spending: Private sector spending had been slightly down but it was still the main engine of economic growth.



Private Consumption: Growth rate was 5.8 percent per annum in the first half of 2004 slowing down from the same period in 2003. Major drivers included the increse of government employees' salaries since April 1, 2004, and moderate increase of farmers' incomes. Nonetheless, the increase of benzene oil's price in May resulted in consumers' loss of confidence and slowing down of consumption.

Private Investment: Expansion rate was as highly as 17.0 percent for the first half of the year slowing down from 18.3 percent of the same period of 2003. Major drivers were upward trends in construction material prices. Investment in public sector increased by 5.0 percent shrunk by 13.8 percent of the same period of 2003. This is because investment of state enterprise increases, for instance, construction of low-cost housing, and Suvarnnabhumi airport and so on.

GDP Growth (Demand Side) (%)



Growth rate of GDP

% Y-O-Y	2002	2003	2003				2004		
			Q1	Q2	Q3	Q4	Q1	Q2	H1
Expenditures									
Private Consumption	4.9	6.3	6.8	5.7	5.4	7.1	6.1	5.5	5.8
Government Spending	2.5	1.1	-10.0	2.8	3.2	9.5	8.2	4.3	6.2
Investment	6.5	11.7	7.5	9.1	10.8	19.8	16.2	12.1	14.1
Private	13.2	17.9	19.8	16.8	16.5	18.5	17.8	16.2	17.0
Public	-5.8	-2.3	-20.2	-7.9	1.7	24.3	10.8	0.3	5.0
Production									
Agriculture	3.0	6.9	10.0	4.2	6.6	6.5	-2.6	-7.5	-4.8
Industry	6.8	10.3	10.3	11.1	8.9	10.9	10.3	7.5	8.9
Construction	5.7	3.4	-5.2	0.7	6.1	13.6	13.4	4.6	8.7
Finances	9.0	12.4	9.3	10.1	12.7	17.8	11.7	16.3	14.1
Services and others	4.6	3.8	3.7	2.2	4.3	5.1	5.0	7.5	6.2
GDP	**5.4**	**6.8**	**6.7**	**5.8**	**6.6**	**7.8**	**6.6**	**6.3**	**6.4**

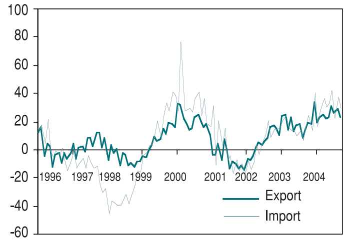
Source: Office of the National Economic and Social Development Board

2.3 Foreign Sector: Surplus Current Account in 2004

Export: During the first nine months of 2004, exports totaled 70.1 billion USD, increased by 24.0 percent of the same period of 2003. Major contribution was the increase of exported price by 16.3 percent, whereas export volume is 6.7 percent.

Import: Import was greater than export. During the first nine month of 2004, total import was 69.8 billion Dollar increased by 30.5 percent from that in the same period of 2003. As the major contribution, imports of oil and products increased by 48.6 percent from the same period of 2003.

Export and Import Value Growth (%)



Balance of Payment: Trade Surplus was only 0.2 billion USD for the first nine months whereas services, income, and transfers registered relative high surplus. This situation resulted in surplus current account of 4.2 billion USD. Combined with deficit on net capital movement, balance of payment still registered the surplus of 2.9 billion USD during the first nine months of 2004.

International reserve: At end-September 2004, international reserve was as highly as 44.8 billion USD, or equivalent of 5.5 months of imports or 3.8 times of short-term foreign debts. At end-August 2004, balance of foreign debt totaled 49.8 billion USD, decreased from end-2003 by 1.9 billion USD. Balance public debt at end-August 2004 totaled 2,984.5 billion baht or 46.23 percent of GDP, slightly decreased from 48.93 percent at end-2003.

Balance of payments

(Unit: Billion USD)

	2003	2004			Jan.-Sept.	
		Q1	Q2	Q3	2546	2547
Exports	78.11	21.96	23.40	24.71	56.49	70.07
- Value (%)	18.18	21.91	24.64	25.40	16.49	24.03
- Volume (%)	9.55	3.93	6.92	9.03	9.66	6.65
- Unit Value (%)	7.87	17.30	16.57	15.02	6.29	16.28
Imports	74.35	21.73	23.58	24.54	53.53	69.84
- Value (%)	17.35	4.36	8.54	4.06	14.48	30.48
- Volome (%)	9.48	-0.01	5.69	1.72	6.89	15.86
- Unit Value (%)	7.19	10.73	12.74	14.23	7.06	12.58
Trade balance	3.76	0.24	-0.18	0.17	2.97	0.23
Services income & transfers	4.21	1.92	0.82	1.23	2.54	3.97
Current account balance	7.97	2.16	0.64	1.40	5.50	4.20
Net Capital Movement	-8.00	-1.61	0.56	-0.58*	-5.95	-1.63*
- Private	-10.06	-3.61	1.91	0.41*	-5.72	-1.29*
- Government	-0.61	-0.26	-0.34	-0.43*	-0.75	-1.03*
- BOT	2.67	2.26	-1.01	-0.55*	0.52	0.69*
Balance of payments	0.14	1.00	0.85	1.08	-0.32	2.93

Source : Bank of Thailand
Remarks : As of August 2004

2.4 Treasury: Cash surplus in the 2004 fiscal year by 13,077 billion baht. The government collected revenues totaled 1,123.8 billion baht, increased by 17.0 percent due to tax collection effectiveness enhanced by tax-base extension and introduction of new information system applied at each Tax collection unit. For expenditure, the government had total expenditure of 1,105.9 billion baht increased by 17.9 percent resulting in budget surplus of 17.9 billion baht.

Combined with deficit from non-budgeting category of 4.8 billion baht, cash balance surplus was then 13.1 billion baht.

National Government Finance

(Units : Millions of Baht)

Fiscal Year	2003	2004				Total Year
		Q1	Q2	Q3	Q4p	
1. Budgetary Revenue [1/]	960,623	256,805	246,952	325,651	294,415	1,123,823
(% change)	13.6	25.4	9.0	15.9	18.6	17.0
2. Budgetary Expenditures [2/]	938,379	298,265	249,869	272,509	285,301	1,105,944
(% change)	-3.5	24.0	20.5	9.0	18.6	17.9
2.1 Regular expenditures	775,166	260,919	197,993	226,504	135,392*	820,808*
(% change)	1.8	24.9	15.3	5.8	19.9*	16.0*
2.2 Investment	163,213	37,346	51,876	46,005	42,828*	178,055*
(% change)	-22.5	18.3	45.3	28.6	16.0*	27.2*
3. Budgetary balance	22,244	-41,460	-2,917	53,142	9,114	17,879
4. Non-budgetary balance	12,085	3,957	12,284	-13,239	-7,804	-4,802
5. Cash balance	34,329	-37,503	9,367	39,903	1,310	13,077
6. Compensation for cash balance	0					0
7. Net domestic borrowings	45,033	-33,091	-20,205	17,253	69,113	33,070
7.1 Bank of Thailand [3/]	5,899	1,173	4,769	-777	5,872	11,037
7.2 Commercial banks	-38,518	-49,781	-4,609	4,193	32,956	-17,241
7.3 Government Savings Bank	18,883	-2,628	-2,772	2,693	2,765	58
7.4 Others	58,769	18,145	-17,593	11,144	27,520	39,216
8. Net foreign borrowings [4/]	-38,854	-2,989	-8,781	-3,497	-8,841	-24,108
9. Government bond for FIDF and financial institutions [5/]	21,401	0	30,000	25,000	114,688	169,688
10.Lending to FIDF and financial institutions [6/]	-21,401	0	-30,000	-25,000	-114,688	-169,688
11. Use of treasury cash balances	-40,508	73,583	19,619	-53,659	-61,582	-22,039

Sources : Comptroller-General's Department, Bank of Thailand

* The data as of August

[1/] Excluding grant.

[2/] Excluding expenditure from external loan and grant. As from March 1997, this category includes Government Pension Fund (capital transfers to financial institution) which is, according to the Government Finance Statistics (GFS) framework, reclassified as part of government expenses.

[3/] Including Financial Institutions Development Fund and Exchange Equalization Fund.

[4/] Excluding external disbursement to finance project loans.

[5/] Refers to government bonds which were firstly issued in June 1998 to cover shortfalls in the FIDF. Bonds to strengthen stability of financial institutions according to the Measure on August 14, 1998 firstly issued in January 1999. September to October 2002, bonds were issued to recover loss from financial-institution recovery by FDIF fund.

[6/] Contra entry item to line 8 because it was transaction in the same day.

2.5 Employment: Employment in general increased according employment and unemployment survey by the National Statistical Office. By average of three quarters, employment was 34.53 million persons, increased by 2.8 percent of that in the same period of the previous year. Average unemployment rate was 2.15 percent.

Employment Situation

(Unit: Percentage)

	2002	2003					2004*			
			Feb	May	Aug	Nov		Feb	May	Aug
Employed	2.6	2.5	3.0	3.2	1.6	2.2	2.8	2.8	2.3	3.3
Agriculture	1.1	-1.4	0.8	-2.0	-1.0	-3.0	-2.6	-1.5	-4.8	-1.6
Non-agriculture	3.6	5.2	4.2	6.5	3.9	6.3	6.3	5.3	6.5	7.3
Unemployment rate	2.24	2.02	2.30	2.73	1.54	1.53	2.15	2.37	2.60	1.49

Source: National Statistical Office
Remarks: * Three quarter average

2.6 Finances: Short-term interest rates in money market were relatively stable at low level but upward trend was forecasted.

Interest rates: Interest rate in money market was relatively low and stable but upward trend was forecasted. This is because the Bank of Thailand had adjusted 14-day interest rate in R/P market where, according to the policy, interest rate was increased twice or 0.25 percent each, up to 1.5 percent and 1.75 percent respectively on August 25 and October 20 correspondingly.

Short-term Interest Rates in Money Market

End of Period Unit : %per annum	2002	2003				2004		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3
14-day R/P	1.98	1.74	1.73	1.25	1.25	1.25	1.25	1.35
1-day R/P	1.65	1.50	1.66	1.11	1.06	0.97	0.98	1.20
Interbank rate	1.76	1.49	1.59	1.07	1.09	1.04	1.01	1.22
MLR	7.04	6.71	6.46	5.63	5.63	5.63	5.63	5.63
3-month deposit rate	1.96	1.67	1.42	1.13	1.00	1.00	1.00	1.00

Source: Bank of Thailand

Savings and loans of Commercial Banks: Savings increased at decelerating rates whereas loans increased at accelerated rate. This increased loans per savings to 96.2 percent in the third quarter of 2004 reflecting gradually decreasing liquidity whereas Thai economy had continuously expanded. In addition, demand for loans increased.

Savings and Loans of Commercial Banks

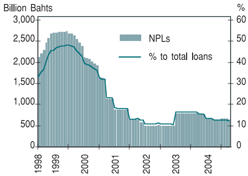
End of Period Unit: Billion Baht	2001	2002	2003	2004		
				Q1	Q2	Q3
Commercial Bank Deposits	5,009.1	5,132.0	5,358.1	5,458.1	5,445.1	5,506.5[e]
% Change	4.0	2.5	4.4	4.9	3.5	3.8
Commercial Bank Loans[1/]	4,447.9	4,779.9	4,954.3	5,052.6	5,123.8	5,296.5[e]
% Change	-5.8	7.5	3.6	4.4	6.9	9.6
Non Performing Loans (% per net loans)	10.41	15.65*	12.70	11.94	12.18	11.38

Source: Bank of Thailand

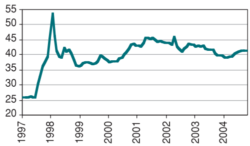
Remarks: * Starting from data at the end of December 2002 onwards, NPLs data will be reported by the BOT under new definition as follows: Previous definition : Loan which is more than 3 months overdue, excluding doubtful of loss loan with full provisioning. New definition : Loan classified as substandard, doubtful, doubtful of loss and loss

1/ Adding back debts write-offs and those transferred to Asset Management Companies (AMCs)

NPLs Outstanding



Exchange Rate Movement (Baht/US$)



Non-performing Loans (NPLs): The balance of non-performing loan in financial institutions not including international banking facilities of foreign corporate and Credit Foncie Company at end-September 2004 totaled 628,041 million baht or 11.38 percent of total loans, decreased by 12.7 percent at end-2003.

Exchange Rates: In 2004, interest rates had downward trend in the latter half of the year as affected by domestic risk factors. Average baht against USD during the first ten Months of 2004 was 40.37 baht/USD depreciated from the average 39.78 baht/USD during the last quarter of 2003.

Average exchange rate

(Baht/USD)	2002	2003	2003				2004			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	ต.ค.
Exchange rate	43.00	41.53	42.80	42.23	41.31	39.78	39.21	40.27	41.30	41.31

Source: Office of National Economic and Social Development Board

3. 2005 Economic Trends

Global economy is likely to experience downward trend in 2005 especially those of the USA., China and Japan. This downward trend would result in the slowdown of global trade and impact imports in Asia and Thailand. Financial and treasury policies would be more stringent. This is because of continuous economy recovery during recent years. Meanwhile the economy tended to expand at the rate higher than medium-term production capacity until price pressures was clear. It is expected that Thai economy would expand by 6.0 percent in 2005. Consumer price index would increase by 3.0 percent because of oil price base had been increased.

Major 2004-2005 Economic Indicators

	2002	2003p	2004f	2005f
GDP (at current prices, Billion Baht)	5,451.9	5,938.9	6,455.6	7,067.6
GDP Growth (at constant price, %)	**5.4**	**6.8**	**6.0**	**6.0**
Gross Investment (at constant price, %)	6.5	11.7	13.8	14.5
Public sector (at constant price, %)	13.2	17.9	16.0	16.0
Private sector (at constant price, %)	-5.8	-2.3	7.0	8.0
Gross Consumption (at constant price, %)	4.6	5.5	5.9	5.6
Public Sector (at constant price, %)	4.9	6.3	5.6	5.6
Private Sector (at constant price, %)	2.5	1.1	8.0	6.5
Exports (Billion USD)	66.1	78.4	94.9	111.0
Growth Rate (%)	4.6	18.6	21.0	17.0
Growth Rate (Volume, %)	12.2	8.8	6.0	6.0
Imports (Billion USD)	63.4	74.2	93.2	112.0
Growth Rate (%)	4.4	17.0	25.6	20.2
Growth Rate (Volume, %)	13.1	8.8	13.0	10.2
Trade balance (Billion USD)	2.7	4.2	1.7	-1.0
Current account balance (Billion USD)	7.0	8.0	6.0	2.8
Current account per GDP (%)	5.5	5.6	3.8	1.6
Inflation Rate (%)				
Consumer Price Index	0.7	1.8	2.7	3.0
GDP Deflator	0.7	2.0	2.7	3.5

Source: Office of National Economic and Social Development Board, September 20, 2004

Remarks: p = preliminary data

f = forcast data

4. Measures to Promote Sustainable Economic Recovery

4.1 Measures to Create Economic Stability: Interest rate adjustment by the Bank of Thailand and target set for balanced budget as fiscal policy were more stringent to prevent overheated economy. Nonetheless, oil prices in world market had been increased continuously. As a result, the government had gradually lessened financial support to retail prices of Benzene 95 and 91 down by 0.60 baht/liter since May 7, 2004. This support officially ended on October 21, 2004 onward. Nonetheless the government still has fixed Diesel oil price at 14.59 baht/liter. To date, the government has spent 45,800 million baht to intervene oil price since October 31, 2004.

4.2 Financial Measures: The government had a resolution on January 6, 2004 to approve the Financial Sector Master Plan, proposed by the Ministry of Finances and the Bank of Thailand. The major objective is to develop effective and stable financial institutions system in highly competitive environment. Another objective is to widen public accessibilities to financial services evenly nationwide. In addition, this measure aims to provide consumers' protection and fairness. This can be summarized as follows:

• **Core Banking System:** To promote core-banking systems, the government has restructured and reclassified Thai financial institutions into two categories. The first is the full-scale commercial banks providing services to clients of all segments. These banks are capable of managing most of financial transactions except underwriting insurance or life insurance, underwriting capital instruments, brokers. The second is commercial banks for small-scale clients providing financial services, housing loans and commercial loans to SME clients as well as low-income clients.

• **Community Financial Facilities:** Community financial facilities are widely supported through development agencies to increase financial accesses of grassroots citizen nationwide.

• **Rules and Regulation Improvements:** This is to promote and enhance effectiveness in financial institutions, for instance, setting consolidated supervision, promoting risk management systems, alleviating loan approval process regulations and promoting effective market mechanism as well as increasing alternatives for the public to financial accesses.

• **Effective Consumer Protection Mechanism:** Effective consumer protection mechanisms including disclosure of information and grievance has been promoted.

4.3 Treasury Measures: The government has requested additional expenditure for 2004 by 135,000 million baht for policy deployment, measure implementations, development of human resources system, and welfare and benefits of government employees. Details are as follows:

- Gratuity, and pension totaled 33,040 million baht;
- Expenses incurred from human resources development and management on change management totaled 14,590 million baht;
- Expenses incurred from adjustment of government employees' salary and fringe benefits totaled 16,570 million baht.
- Expenses incurred from capacity building and sustainability developments totaled 59,000 million baht.
- Financial supports to local administration organizations for implementation of provincial strategic plans totaled 12,300 million baht.

4.4 Measures to Stop Avian flue Outbreak : Since the government announced that avian flue had been redetected in Thailand on January 23, 2004 at laying-hen farms in Suphanaburi Provnce. As the outbreak begun, the government had initiated epidemic watches in 41 provinces, 84 districts, and 181 points for 21 days before those being announced as avian flue-free zone. At that period totaling 32 million animals had been destroyed.

The government has approved financial packages to compensate farmers' animals destroyed during the first phase by 5,322.4 million baht. Totaled 5,284.8 million baht had been transferred to provincial authorities, which later totaled 5,190.51 million baht were disbursed.

Nonetheless, avian flue had been redetected on July 2004. At this time, the government had established the taskforce committee. Its roles and responsibilities are to resolve avian flue and implement measures to increase public confidence. This is to have the public to control and eliminate disease, for instance, eliminating poultry at doubtful sources immediately, supervising transportation and quarantine, and implementing stringent monitor and so on. The cabinet had the resolution on October 12, 2004 to approve budget totaled 1,004.7 million baht for integrated avian flue elimination campaign, especially impact activities. These impact activities include dissemination of correct information and understanding to develop epidemic watching networks, capacity building for primary examination, and autopsy techniques, vaccine researches and developments and so on.

2. Social Situation and Trend

Thailand features unique societies, heritages, and cultures as well as wisdoms. Thais are peaceful, opened, and adaptive to diverse cultures. The King is a symbolic figure of all Thais. Religions are mixed and in harmony. Thais possess hospitality and live on strong ties of family institutions, and communities, which are the strong foundation of sustainable Thai society.

Rapid social changes are affected by external and internal factors, for instance, globalization, influences of information technology, and borderless information streams. These factors make Thais and Thai society subject to continuous adaptations and preparedness.

1. Social Situations Compared to Those of International Environments

Thailand development compared to Millennium Development Goals: MDGs, agreed upon by 189 countries was satisfied and would be able to achieve most of MDGs before 2015. It was found that the poor is down by one third. Children of weight lower than average were reduced by fifty percent. In the next years to come, Thai children will have equal opportunity to acquire secondary education. New HIV-infected patients will decrease by 80 percent. Malaria will be no longer threat to Thais.

2. Overview of Social Situations and Trends

Quality of life of the Thais has been improved because 96.5 percent of populations are able to access to social insurance coverage. Nonetheless preventable diseases, especially, cardiovascular disease, stress, and accidents from inland traffics tend to increase. For education, more Thais access to educational opportunities quantitatively but not qualitatively. Nonetheless quality is still the problem. In fact conventional educational processes have not encouraged children's thinking, and analysis leading to proper behavior modifications.

Social safety nets have been highly developed. Protections of employees in workplace with one employee or more and in case of unemployment have been developed. At this moment, Thai social security system covers populations of 20 percent of workforce, but not for 70 percent working out of the mainstream labor market.

3. Populations

In 2003, Thai population would reach 63.08 million. Dependency rate was at 50.31 percent. Reproductive rate during 2000-2005 is 1.81 percent. The United Nation has estimated that life expectancy rate during 2000-2005 would be 73.8 years for females and 67.9 years for males. Based on the forecast of population growth by the NESDB, for middle reproductive stage, it was found that children population decreased from 23.25 percent to 22.96 in 2004 and 2005 respectively to 17.95 percent in 2025. On contrarily, senior citizens would increase from 10.11 percent and 10.30 percent in 2004 and 2005 to 19.99 percent in 2025. Population at working stage will decrease from 66.63 percent and 66.71 percent to 62.05 percent in the same period. Although population structure of children is enlarged and senior citizens shrink, worker population is still relatively high. This population structure is suitable for country development.

In addition, it is expected that in 2020, senior citizens of 60 years or over of ages would be 11 million or over. If productively per head does not increase, this situation would affect the economy in general because more budgets would be allocated to this group people. Preparedness to senior citizen society is therefore an urgent national agenda. The government has prepared to increase more security for senior citizens. Thai senior citizens would get protections and supports in various services including medical service, residences, and financial support. In addition, in 2005, the NESDB has formulated the strategy on preparedness of senior citizens, which will be proposed to the cabinet for future policy formulation.

4. Labor

As population of labor age increased, population entering to labor markets therefore increased. During the second quarter of 2004, employment was increased to 33,747 million compared to 32,988 in the same period of 2003. Labor in agricultural sector decreased from 37.3 percent in the second round (May) of 2003 to 34.7 percent of the same period of 2004. For industrial sector, labor grew from 62.7 percent to 65.3 percent of the same period. Labors increased in various sectors including handicraft, construction, and transportation, trading and banking. This resulted from government economic stimulations at both grassroots and national levels. Educational level of those in workforce increased from 9.7 percent in 2002 to 10.6 percent in 2003.

In addition, as educational levels of workforce population were higher as evidenced by primary graduates of 61.9 percent in the second quarter of 2003 decreased to 61.1 percent of the same period in 2004. This is because the government has launched measures to accelerate educational upgrade of workforce population. Such measures include extension of mandatory education to 12 years, promoting educations in workplace and factories and long distance learning.

5. Education

The government has deployed the policy to provide continuous educations including those in school systems, long-distance learning, and desired educations, promoting

equal educational opportunity. This results in more developed Thailand educations. Years in educations of Thai people with 15 years or over of ages increased from 7.1 years in 1999 to 7.8 years in 2003. Literacy rates increased from 53.0 percent in 1999 to 58.7 percent in 2003. Obviously, gaps between urban and local communities still exist. This is evidenced by literacy rates in urban community recorded was 70 percent whereas those of rural community was 52.9 percent. Moreover, literacy rates in Bangkok Metropolis and perimeter were 75.5 percent.

Thai Literacy Rate

Regions	1999	2000	2001	2002	2003
Urban	65.4	66.4	67.5	68.6	70.0
Rural	46.9	48.1	49.4	50.8	52.9
Central plains	52.1	54.1	52.4	53.2	58.6
North	43.5	45.0	46.6	48.2	49.9
Northeast	51.1	51.7	54.8	55.7	56.5
South	53.8	54.3	56.3	58.7	58.7
Bangkok Metropolitan	72.1	72.6	73.1	73.7	75.5
Total	**53.0**	**54.1**	**55.3**	**56.6**	**58.7**
Average years in education	7.1	7.2	7.4	7.6	7.8

Source: Office of the National Economic and Social Development Board
Data processed from 3rd round survey by the National Statistical Office.
The National Educational Board

Remarks: Function Literacy as defined by the UNESCO is literacy and basic calculation skill applied to resolve daily basic problem. This would be generated of only those people are educated in schools or equivalent by 5-6 years.

5.1 Equal Opportunity in Education

As the government has accelerated implementation of free 12 year-mandatory educations. This policy resulted in increase of children aging 3-21 years attending school system. All children of 6-11 years of ages have been in schools since 1997. Children of 12-17 years of age having been in secondary and high schools increased from 68.7 percent in 1999 to 72.01 percent in 2003. Students enrolling colleges or higher educations increased to 35.8 percent of population as compared to 22.7 percent in 1999.

Students per Population

Education	Ages (Years)	1999	2000	2001	2002	2003
Preschool	3-5	96.8	98.5	93.1	90.6	85.0
Primary school	6-11	102.5	103.2	103.8	104.8	104.4
Middle School	12-17	68.7	69.7	70.6	71.2	72.0
Secondary school	12-14	83.5	82.8	82.2	82.2	84.6
High school	15-17	55.3	57.3	59.3	60.1	59.0
• Mainstream	15-17	33.2	36.6	38.9	39.3	37.5
• Vocational	15-17	22.1	20.7	20.4	20.2	21.5
Higher Education*	18-21	22.7	24.9	26.1	26.5	35.8
Total	**3-21**	**72.4**	**73.5**	**74.1**	**75.7**	**74.9**

Source: Secretary Office of Education Senate, Ministry of Commerce
*Not including new students enrolling open universities.

5.2 Promoting Lifelong Learning

Student-center learning processes have been enforced through self-learning and lifelong learning focusing on thinking, creativity, and reading habits. Community libraries, community learning centers have been constructed. Educational media have been distributed to communities uniformly. Educational medias and information networks linked learning resources covering 76 provinces have been developed.

5.3 Development of Educational Quality

• **Restructure Production and Development of Teachers:** Trainings for teachers and management were organized and geared toward education restructure. Development of new 5-year curriculum to produce new-breed teachers motivated. This project aims to attract, through scholarships and employment guarantees, talent students to choose teaching careers. In addition, aiming to upgrade teacher standard and professions, the Teacher and Educational Personnel Senate Bill of 2003 has come into force.

- **Development of New Breed Schools:** This is to enhance academic and management effectiveness. New breed schools comprise of 2,500 prototype schools, 19 autonomous schools, 80 Buddhism Schools, 53 Bilingual Schools, 75 Gift-children development schools, and 921 One-District-One Dream Schools.

- **Development of community colleges:** In provinces without higher education institutes, populations may not access to higher educations. Established in such provinces including ten newly established provinces and boarder provinces. Community colleges offer both college degrees and short courses. These community colleges also offer educational consultation services and organize educational networks. Curriculums offered are custom designed based upon diverse and changed community needs, occupational problems, and quality of life.

- **Promoting Thailand as the Educational Hub for Neighbor Countries:** The government has executed this mission by promoting international schools and bilingual schools for basic educations. Currently there are totaling 70 private international schools. Totaling 520 international curriculums are available in mainstream universities including those of 176 Bachelor-degree levels, 217 Master Degree, and 127 Doctoral Degree. Educational cooperation and activities with neighbor countries including Thai-Cambodia Education Cooperation Programs, Higher-education Cooperation Network in Mekong Regional Sub-region have been formed. Educational liberalizations are in progress through obligations set on higher-degree educational services under free trade agreements.

5.4 Human Resources Development:

- **Middle-level Human Resources Development:** Competency-based Skill Training has been introduced for standard training throughout the nation. Private sectors are now able to provide labor skill training services.
- **Developing Networks Between Educational Instiutions and Workpes :** Bilateral vocational institutions have been established through cooperation among educational institutions and workplaces. Credits may be transferred for works or educations through accumulated educational system.
- **Developing Vocational Certification Institute:** This institute's mission is to formulate policy and monitor vocational qualification reflecting actual competency. This is to promote lifelong learning and enhance competitiveness of Thai workforce in mainstream industries.

6. Public Health

Development of public health through public health system restructures during recent years results in more healthy Thais and better quality of life. This is evidenced by improvement of performance indicator of quality of life, for instance, longer average life expectancies of 67.58 years and 75.08 years for female and male populations respectively, and decreased mortality rates from sickness and infectious diseases. Nonetheless illnesses by improper behaviors or by preventable causes increase, for instance, cardiovascular patients, the highest among all patients. Second are high blood pressure and diabetes. Therefore the government still maintains its focus on healthcare restructure to provide Thais with quality and standard services through following measures:

6.1 Health Promotion/Disease Prevention

The government will promote local government organizations, community organizations and publics to form health promotion networks in communities, workplaces and schools. This mission aims to quip community with health dependency. Most importantly, this mission aims to systematically create awareness among the public to have appropriate healthcare behaviors.

6.2 Social Insurance Coverage

In 2003, 96.53 percent of population or 60.62 million accessed to social insurance coverage compared 95.78 percent in 2002 or increased by 0.95 million. Out of this, 45.97 million accessed to 30 Baht public social insurance coverage. Secondly, 7.35 million and 7.30 million accessed to social security, and to welfare of civil servants and state enterprises employees respectively. Nonetheless, 2.18 million persons are not able to access to any type of public social insurance coverage. The government is surveying this group of people for further actions. It is expected that in 2006, the last year of the 9th Development Plan, the government would be able to create the complete public social insurance coverage.

6.3 Development of Public Health Service Standard

The mission aims to standardize public health services for quality service in public health facilities ranging from primary hospitals and public health facilities, public health service networks, and community health services. In the fiscal year of 2003, there were totaling 3.9 percent out of 981 contracted public health facilities certified by Hospital Accreditation nationwide. Out of this amount, most of hospitals or 68.4 percent were in the process of service developments as the first stage and second stage. 14.9 percent of hospitals were in the process to develop service quality of the third stage.

6.4 Development of Thai Traditional Medicine and Alternative Medicine

At present, Thais have more awareness on health and realized importance of Thai traditional medicine. In 2003, there were totaling registered 36,777 Thai traditional physicians as compared to those of 35,569 in 2002. In addition, it was found that 2,311 out of 11,687 or 19.78 percent of state healthcare facilities have integrated Thai traditional medicine and alternative medicine as well as herbs. This figure increased from those of 2002 where there were only 1,627 public health facilities or 13.93 percent.

In addition, the government has formulated the policy to positioning Thailand as the Center of Excellent Care of Asia. Three healthcare products and services including healthcare services, health promotion services, and health and Thai herb products were set as main sources to attract foreign currencies. This mission aims to promote both public and private organizations to internationalize their products and services especially dental cares, annual physical checkup, spa, Thai traditional massage services, and long-range healthcares. Foods, medicines and cosmetics are also included.

7. Human Security

7.1 Live and Property Security

At present the government has launched many measures to create life and property security, for instance, reengineering concerned agencies through introduction of technologies and restructuring management systems to integrate more public participation.

2001-2003 Crime Records

Case	2001	2002	2003
1. Cases/populations			
Crime case/1,000 populations	1.6	1.7	2.0
2. Total cases (persons)	101,486	107,264	126,150
2.1 Cases impacting public morale (persons)	7,981	7,938	11,077
2.2 Case threatening lives, physical and sexual assaults (person)	30,296	33,461	48,193
2.3 Property assaults (person)	63,212	65,865	66,880

Source : Crimes Statistics throughout the Kingdom, National Police Bureau.

7.2 Narcotics:

The government has launched anti-drug wars through serious suppression and law enforcement as well as treatment and recovery of drug addicts. This campaign has continuously lessened drug lawsuits per population from 4.3 cases in 2001 to 2.1 cases in 2003. Nonetheless, narcotics demand continuous actions. Therefore the government has announced the second anti-drug war from October 2004 to September 2005. This is to permanently to have drugs to be no longer threats to the nation.

2001-2003 Narcotic Lawsuits

Case	2001	2002	2003
1. Narcotic cases/1,000 populations	4.3	4.4	2.1
2. Total narcotic cases (persons)	285,035	274,478	130,176

Source: Crimes Statistics throughout the Kingdom, National Police Bureau.

7.3 Social Security Management

The government has extended the Social Security System to cover population of 20 percent of workforce population. In 2002, the government extended coverage for workplaces with one or more employees. This coverage includes illnesses and accidents, disability, death, birth, child support, retirement. Therefore, in 2003 there were totaling 7.7 million people covered by Thai Social Security System participated by 331,000 work-places. The Social Security System extended its coverage for unemployment and additional the contributions have been collected since January 1, 2004. Coverage has been effective since July 1, 2004 onward. Nonetheless, such coverage is for labors in mainstream system only. It does not apply to 70 percent of labors working out of mainstream labor markets.

7.4 Labor Protection

The Labor Protection Act B.E. 2541 (1998) has improved labors' quality of life and internationalized labor standards, for instance, extending child labor's age limit from 13 years to 15 years, establishing the fund to assist labors facing unemployment or death, increasing compensation for labors with 10 or more working years.

In addition, the government is in the process to extend coverage for non-systematic labors and labors in agricultural sectors. There will be registration of homework labors and issuance of Ministerial Regulation on Homework Assignments.

7.5 Assistance to the Underprivileged

The Ministry of Social Development and Human Security is a major agency responsible for assisting and supporting the underprivileged through collaborating with non-government agencies and communities in diverse forms. These includes, for instance, establishing orphanages and senior citizen houses, providing financial supports for disable and senior citizens, scholarship to the poor, loans for the poor, and capacity building for long term sustainability and so on. In addition, the Social Welfare Management Act B.E. 2546 (2003) determined the government to systematically oversee and develop all underprivileged in Thailand. The Children Protection Act B.E. 2547 (2004) has provided clear protection and development of children.

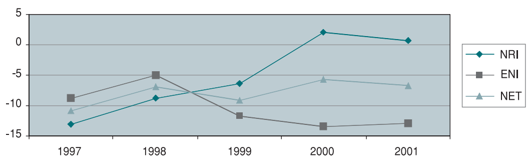
3. Natural Resource and Environment Situation and Trend

1. Indices on Natural Resources and Environment

Indices on natural resources and environments during 1997-2002 reflected unsuccessful, in general, management of natural resource and

environment. Indices have been negative. Intermittently, natural resources have shown some positive trend. Nonetheless, more improvement for environment is needed. Major issues are community wastewater, hazardous materials, and air quality.

Natural Resource and Environment Indices



Source : Data and Index for Natural Resource and Environment Planning Development Project 2004

NRI : Natural Resource Index

ENI : Environmental Index

NET : Natural Resource and Environment Index

2. Forest

GIS survey in 2000 suggested that forest in Thailand increased from 25.3 percent in 1998 to 33.5 percent or 107.5 million rai (2.5 rai = 1 acre) in 2000. Nonetheless, this data has not been validated by field surveys yet. Conserved forests totaled 17 percent or 91 million rai lower than the target or 25 percent set in the 9th Plan.

However, intrusion especially in national parks, public land, and swamps still existed. It was reported that in the latter half of 2003, there were 129,000 rai of forests intruded in 11 provinces. The major issue concerning forest management is the Community Forest Act not approved by the House of Representative yet.

3. Biodiversity

Biodiversity in Thailand has been ranked as top twenty countries in the world with more diverse 15,000 plants, 1,000 medicinal herbs, and 3,978 wild animals. There are totaled 684 endangered animals, and 13,900 mollusks and invertebrates as well as 3,800 microorganisms. Loss of biodiversity is mainly caused by deforestation and deteriorated ecosystem.

Genetics have been developed for million years. Unrevealed sources of knowledge and database, Genetics are useful for advances in medicine, industry, and agriculture. Therefore,

biodiversity is the most critical resources for the country both at present and in the future.

Thailand has ratified to the Biodiversity Convention No. 188 on January 29, 2004. Conceptual framework for biodiversity conservation and sustainable uilization have been set, especially on accessibility and benefit sharing between the country owning natural resources and the country owning technology. Issues include cost/benefit analysis for stakeholders, and protections of community rights and wisdom. In fact, this strategic issue is complicated and need attention.

4. Water Quality

Pollution in major waterways has continually increased for the past ten years. Mainly wastewater are discharged from communities, agricultural sector, and industrial sector including pulp/paper, chemistry, food and beverages, iron and steel. Communities discharge wastewater 14 million Cu.M. a day but treated for only 2.8 million Cu.M. a day. Four major rivers includes the lower Chao Phraya River, lower Ta-chine River, lower Lum-taklong River, and Songkla Lake. The government has spent 67,000 million baht to construct 87 wastewater treatment plants nationwide. But management problems still exist. At current, the government is not able to collect, by the law, wastewater treatment charges from the public. Technically, systems have not been fully utilized. Breakeven has not been met yet. It was expected that pollution incurs expenses per annum by 0.6-1.0 percent of GDP.

5. Waste

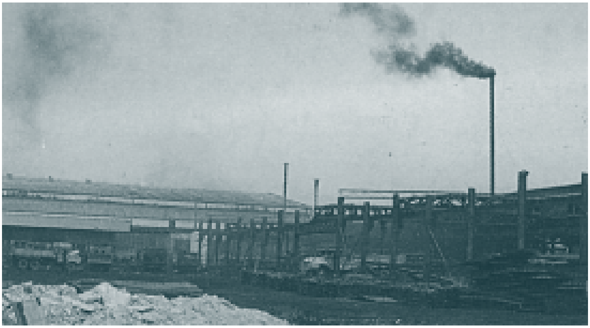
Waste management has persistently been one of major issue facing the country. Year to year, amount of wastes increase as long as communities and business sectors expand. In 2003, Thailand generated 22 million tons of waste consisting of 14.4 million tons of community wastes, 5.9 million tons of industrial wastes, and 1.36 million tons of hazardous wastes. The expansion rate of community wastes is 1 percent per annum. Nonetheless waste recycled comprises of only 15 percent.

Indices	Amount
Community waste	14.4 million tons
Industrial wastes	5.89 million tons
Community hazardous wastes	0.38 million tons
Industrial hazardous wastes	0.96 million tons
Infected wastes	21,000 tons
Waster Elimination Sources nationwide	
• Sanitary landfill	104
• Open dump	> 1,000

Source: World Bank: Thailand Environment Monitor 2003

6. Hazardous Materials

Currently, Thailand imports more than ten thousand items of hazardous materials for applications in agricultural sectors and public health. Regulated by the Hazardous Material Act, there are totaling 1,308 hazardous materials imported to Thailand. Out of this amount, some items have already been banned by some



developed countries including the US, Canada, Germany, United Kingdom. In addition, some items have been smuggled to Thailand. At present, the Hazrdous Material Board is in the process of reviewing the measure to ban 13 hazardous materials including Acrylonitrite, ANTU, Atrazin, Bromacil, Carbaryl, Carbon Tetrachloride, Chloroform, Chloropicrin, Ethylene Dichloride, Ethylene Oxide, Maleic Hydrazide, Sodium Arsenite, and Carbon Disulfide.

7. Budget Allocated for Environment Management

Budget	1997	1998	1999	2000	2001	2002	2003
Annual Expense	984,000	982,000	825,000	860,000	910,000	1,023,000	999,900
Expense incurred from management of natural resources and environment	21,141	20,355	13,114	14,509	12,633	15,257	14,722
Proportion of budget allocated	2.15	2.07	1.59	1.69	1.39	1.49	1.47

Source: Bureau of the Budget (1997-2003)

Section 3 : Major Development Direction

1. Toward Good Governance

Government management system was geared toward good management practices aiming to develop Thai government system of optimal size and structure, efficient system and mechanism, transparency, and accountability, and well as full participation from the public. This vision aims to effectively prevent and suppress corruption.

Past performance suggests that Thai government have been transformed to be modern organization with effective and qualified operation and service to meet public demands. Overall progresses are as follows:

(1) Forming Integrated Foundation and Restructuring of New Ministries and Departments: The Government has restructured government agencies by integrating missions dispersed in fifteen former ministries to form new twenty ministries. The Public Sector Development Commission has been established as a mechanism steering development of government agencies at policy level. At this moment, the PSDC has already formulated the Public Sector Development Strategy (2003- 2007) as the framework for effective, responsive and flexible government system developments meeting more public demand.

(2) Developing Transparent Performance-based Budgeting System: The new budgeting system implemented in the fiscal year of 2003 defining scopes of responsibilities of management tiers, and directions as well as performances. This management practice would lead to transparent and effective budgeting and maximize effectiveness of resource management.

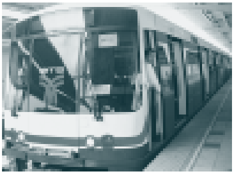
(3) Restructuring Administration Processes and Management Practices Toward Good Governance: The government has issued the Royal Decree on Good Management Practices B.E. 2546 (2003). This Royal Decree directs all government agencies to develop their good governance system geared toward public interests, output and outcome, effectiveness, value, time and process reductions. In addition, appropriate control and evaluation of works have been enforced through written agreement.

Section 22 of the Good Management Practice Standard B.E. 2546 (2003) prescribing that the National Economic and Social Development Board and the National Budgeting Office shall evaluate worthiness of missions being executed by all government agencies. Evaluation results will be used by the cabinet to make decision whether such missions should be continued and be used as guidelines for budgeting in the next year. It is expected that the Evaluation Manual would be introduced for experiment with government agencies in 2005 onward.

(4) Government Downsizing: During end-2003, the cabinet has approved the strategy plan to downsize government workforces. This strategy was implemented for two times. On September 2003, the Government has approved the first short-term plan of two years aiming to reduce government workforce by not increasing new positions and terminating positions whose government employees already retired. In addition on November 29, 2003, the measures for government human resources development for change management, consisting of three special measures to down size government workforce by 10 percent, has been implemented. The first and second measures were implemented on voluntary basis, which successfully reduced totaled 52,000 government employees. The third measure is based on performance appraisals. According to this measure, the lowest 5 percent of government workforce are allowed to resign form the government on voluntary basis. If not, they must be retrained and re-qualified.

2. Infrastructure Development Strategy

1. Infrastructure Development Project Strategy



The cabinet has a resolution on October 19, 2004 to approve the "Infrastructure Development Project Strategy", consisting of three strategies as follows:

1.1 Enhancement of Country Competitiveness:

(1) Developing Bangkok Metropolis as the Regional Business Hub: This strategy aims to create motivations among business sectors to utilize Bangkok Metropolis as the business hub. Thereupon it is necessary to develop modern and convenient business infrastructures as follows:

- Accelerating development of mass railway system in potential lines and linking them to other public transportation systems. This mission aims to facilitate traffic congestion problem solving. According to this strategy, the government will consider consolidation of public bus system and mass railway systems to be under a single management.
- Relocating business activities affecting traffic congestion notably container

transportation at Klong Toey harbor. According to this plan, the government will conduct the feasibility study to relocate all sea transportation activities to form Bangkok Port to Laem Chabang harbor. Former Bangkok Harbor will be developed as the new Financial District and waterfront business center.

• Expanding capacity of the new airport in the next development phase to sustain the Suvarnnabhumi airport as the regional air transportation hub.

(2) Transshipment Corridor Development: This strategy aims to develop infrastructures and facilities linking inland transportation between Bangkok Metropolis and laem Chabang Harbour.

(3) Developing Highway Networks:

• Developing Motorway networks linking Laem Chabang Harbor and northeastern region, northern region and border trading gates linking northbound to southbound and eastbound to westbound. This strategy will be implemented in line with development of logistics hub on motorway networks.

• Developing and standardizing rural highways and networks linked to logistics hubs to gather agricultural products, community industrial products, and OTOP goods. The mission aims to add more value to goods before being exported at Laem Chabang Harbor.

1.2 Promoting Sustainable Development

(1) Railway Network: The strategy aims to increase capacity of critical railway networks, to develop facilities, and to improve effectiveness of transportation linkage of passengers and goods and other forms of transportation. In addition, the strategy includes feasibility study to develop railroad of standard gauge to enhance effectiveness of goods and passenger transportation in the future.

(2) Telecommunication Networks: The strategy aims to increase capital investment on fixed lines in regions to enable the public in rural area access to universal services. The strategy aims to utilize the fixed line as marketing channel linking rural communities to internal and external markets through Internet.

(3) Energy: The government aims to create country energy stability and introduce alternative energy to reduce country dependency on a single energy source. The strategy also aims to increase investment on alternative energy to reduce oil import in the long run. Energy conservation measures will be launched continuously to create public awareness.

(4) Public Water Supply:

- Accelerating development of urban and rural water supply systems especially those areas of no public water supplies of 128 municipality areas and of 14,875 villages. In addition, the strategy aims to develop additional water capital to meet economic and household demands in the future.

• Accelerating water resource development in eastern seaboard to meet demand arisen from economic activity expansion in the area. In short-term, there should be allocation of water to economic sectors in various areas as appropriate. The rationale is to maintain water as supporting factors promoting sustainable growth in the area.

(5) Developing Water Capital: Due to limitation on domestic water supply and upward trend of water shortage particularly in urban areas, industrial areas as well as rural areas, concerned agencies are expected to carry out following missions:

• Considering reversing excessive water from major waterways in the country and international waterways to areas with water shortage and areas with economic potentials but experiencing water shortage. In addition, potential natural waterways should be developed as natural waterway grid to reverse water to other problem areas.

• Developing management structure on water resources management as a single organization governing systematic water resource management. This organization governs policymaking on supply-side water resource management, allocation, and water grid management. This organization is also responsible for crafting the Master Plan on long-range water resource management.

1.3 Good governance on infrastructure development: The strategy aims to develop effective mega-project management through good governance systems as follows:

(1) Good practice improvement: This mission would be achieved through public participation meeting nature of the project, situation, culture and way of life. This alternative does not only public hearings, but also following-up and evaluating the project either before construction or after construction.

(2) Paradigm shift of civil servants: Civil servants' attitudes toward their public services will be improved. Communications to all stakeholders including the local, NGOs, academics, investors or source of borrower of projects are more emphasized.

(3) Project preparations will be more emphasized through feasibility studies, environmental impact assessment (EIA), and social and way of life impact assessments. To constitute transparency, concerned rules and regulations are carefully reviewed and strictly followed.

(4) Thailand's infrastructure service has been established to provide information concerning infrastructure development at overall pictures and at specific area through Geographical Information System (GIS), investment policy, rule/legislation, and infrastructure development process. This mission aims to provide the public update and correct information.

2. Major Infrastructure Development Project

2.1 Suvarnabhumi Airport

The Subvarnabhumi Airport development project is the first step of new millenium for airport development in Thailand. The Suvarnabhumi Airport will be the driving force developing the country competitiveness and promoting economic and social developments. This airport will position Thailand as the air transportation hub of the Southeast Asia region.

(1) General Information: Total area is 20,000 rai or 32 Sq.Km. or larger than that of Don Muang Airport by six times. The airport locates at Samutprakarn Province, 25 Kilometers east of Bangkok Metropolis.

In the event that it is operated at the first phase, the Suvarnabhumi Airport can secure 45 million passengers and airfreight of 3 million tons per annum. Its major components are as follows:

- **Two runways** feature 60 meters of width, eastern runway with 4,000 meters of length, and western runway with 3,700 meters of length. Distance between two runways is 2,200 meters facilitating taking off or landing simultaneously.
- **120 airplane pits** features 51 fixed airplane pits, five of which supports large-scale airplanes, and 69 separated pits.
- **Passenger Terminal** features structures with steel and glass as main construction materials and with aluminum rooftop. Service area is 182,000 Sq.M. The passenger terminal features seven floors with 360 departure ticket checkpoints, 72 departure passport checkpoints and 124 arrival passport checkpoints. The airport is equipped with the baggage-belt capable of loading 9,000 baggage per hour and with state-of-the-art security baggage checks. Express underground trains are under the passenger terminal linked to the parking building serving 5,000 cars. In addition, a parking area outside the passenger terminal services parking 10,000 cars.
- **Terminal** features main steel structures with special glass rooftop alternated with synthetic fiber with Teflon coat. Service area is 381,000 Sq. M. The terminal features four

stories with 51 concourses, five of which are for A280, the large-scale airplane.

- **Flight Control Tower,** the highest of its kind in the world, features height of 132 meters and equipped with the modern flight navigation system.

There are five accesses to the Suvarnabhumi Airport. The northern access is linked to Bangkok-Cholburi Road (New). The northeastern access is linked to Romklao Road and Kingkaew Road. The southern access is linked to Bangna-Trad Road and Buraphavithi Expressway. The northeastern access is linked to Onnuj road. The western access is linked to Kingkaew road. In addition, there is a Makkasan-Suvarnabhumi express railway of 160 kilometer/hour with passengers and load checkpoints at Makkasan Station.

Suvarnabhumi Airport Development during the first phase requires initial investment of 155,000 million baht. Sources of capitals are 125,000 million baht contributed by the government and 30,000 million baht contributed by joint venture.

Suvarnabhumi Airport development concerns many stakeholders including government agencies, state enterprises, and private corporate. The cabinet has established the Suvarnabhumi Airport Policy Management chaired by Prime Minister to manage policy and development of the Suvarnabhumi Airport. The organization is expected to enhance systematic and effective development of Suvarnabhumi Airport, telecommunication/infrastructures and related activities.

(2) Development Progress (as of August 2004) includes development projects under responsibility of the New International Airport Co. Ltd, state-own enterprise governed by the Ministry of Transportation, which have been already completed by 68 percent. Development projects under other government agencies and state-owned enterprises have been already completed by 49 percent.

2.2 Underground Train System:

At present Thailand has the first underground train line, "Chalerm-Ratchamonkol Mahanakorn Line," linking Hualumphonge, Sirikitti National Convention Center, and Bangsue. This line features all 20-km long underground railway with 18 stations. The country's first underground train has been operated since July 3, 2004.

In addition, the cabinet has a resolution on March 3, 2004 to approve the Inland Transportation Management Board's resolution dated February 23, 2004. This resolution regards overall networks of mass railway transportation system in Bangkok Metropolis and perimeter. The master plan includes 6-year framework (2004-2009) and with total distance of 291 Km. (43.7 Km of existing network and 247.3 Km. of extended network). The cabinet has approved the investment of, at current price level, 446,677 million baht. There will be three lines including blue line, orange line and purple line, two lines of the Railway Authority of Thailand (Red line) and two lines of Bangkok Metropolis (Green line).

2.3 Building Energy Sustainability

The cabinet has the resolution on October 28, 2003 to acknowledge three directions according to the Strategy to transform Thailand as the Regional Energy Hub as proposed by the Ministry of Energy.

Consequently, the cabinet has a resolution on July 16, 2004 on approval of the Strategic Energy Landbridge as proposed by the Ministry of Energy. In addition, the cabinet has a resolution to establish the Sriracha Hub as the Tax-Free zone and the Strategic Energy Landbridge: SELB). Implementation plans are:

(1) Establishing the Free-tax Zone at Sriracha District: Progresses to date include amendm ents of 18 rules and regulations to facilitate petroleum export. There are three, at this moment, licensed traders in the free-tax zone. As the next step, the government has to devise measures to facilitate three licensees and other petroleum exporters to conduct their businesses in tax-free zone. Implementation plans thus include: 1) development of oil tanks facilitating transactions conducted in the tax-free zone; 2) development of blending facilities and services; 3) constituting tax and accounting system facilitating petroleum transactions; and 4) development of financial system facilitating petroleum transaction.

(2) Strategic Energy Landbridge (SLEB): Overall pictures can be summarized as follows:

- **Objectives:** To constitute stability on petroleum sourcing and inventory, to add alternatives for conventional oil transpiration through Malacca Strait, to develop oil market and petroleum industries in the region as well as to stimulate domestic and southern economy.

- **Project Location:** The project locates on western seaboard. The oil pipe terminal locates at Tai Muang District of Phang Nga Province. This area is under environmental impact assessments for three potential locations including (1) Ban Thung Maphrao; 2) Ban Bor Darn; 3) and Ban Harn Hak. For eastern seaboard, oil pipe terminal locates at Ban Thung Sai, Sichol District, Nakorn Srithammaraj Province.

- **Target groups:** China, Korea, Japan and other eastern Asia country. Total consumption is 14.5 million Barrel/day.

- **Project detail:** The project features oil pipe of capacity 1.5 million Barrel/day. The oil pipe diameter is 48 inch laid for 250 Kilometers. Initial investment is 880 million USD. Oil tanks locate at both sides with capacity of 16 million Barrel/day. SPMs on western side facilitate oil transportation ship of 300,000-400,000 tons. Eastern SPMs facilitate oil transportation ships of 100,000-300,000 tons.

- **Pipe Transportation or SELB:** SELB is competitive as compared to direct oil shipment from Middle East to East Asia by 80,000-135,000 transportation ships (estimated 786 ships in 2003 and 930 ships in 2004). Cost of pipe transportation is higher than that of oil transportation directly from Middle East to East Asia by average 0.33 USD.

- **Next steps:**

Ministry of Energy is negotiating with China, Korea, and Japan Governments to find out exact amounts of oil three countries will transport through SELB.

The Ministry of Energy and the Ministry of Foreign Affairs are to establish joint committee of these three countries (Thailand, China and Japan) at policy levels and technical levels. These committees are to discuss in details and directions on formulating operational and financial plans led to proportion of shareholders.

The Ministry of Energy is to conduct technical designs for terminals and pipelines and locations of oil tanks, as well as continuous industries led to complete design and construction within 2008.

3. Science and Technology

1. Biotechnology and Genetically Modified Organism: GMO

Scientific breakthrough on genetics is comparatively the new revolution driving growths of knowledge, patents, and trades. At this time, Biotechnology notably genetically modified crops generate more yields. Progresses in many countries are observed. GMO goods, for instance,

soybean, corn, tomato, and potato goods have been introduced to global markets since 1993. United States of America is the global leader in this technology.

GMO foods are still resisted by many stakeholders because they are not sure about their quality on consumption. Thailand has regulated GMO goods applicable to soybeans and corns. Standards are as those of Japan. NGOs are requesting the government to change packaging label stating of GMO content of not over 5 percent down to less than 1 percent.

GMOs are issues between both pro and con leading scientists around the world. The con believes that GMO plant would affect ecosystem. It is uncontrolled and not safe for consumers. Thailand has not possessed GMO technology, which might cause the country dependent upon international seed trading companies. Therefore Thailand is needed to develop this technology and build up her own GMO knowledge.

Currently, there are 16 GMO crop research projects in Thailand. Thailand is the first country in ASEAN permitting field researches. But the government still restricts GMO widespread to the environment and does not allow breeding for production or trading. On August 2004, the National Biotechnology Board proposes liberalization and experimentation of GMO crops in the field. But the cabinet suggests revision of this policy because Thailand has not yet implemented biological safety measures.

It is crucial for Thailand to develop more restricted and effective biological safety management practices. This management practice aims to control relocations of GMO animals and plants. The practice should cover major areas including permitting and certifying all activities and produces. There must be risk assessments and complete data as well as maintaining balance public right to learn about GMO goods' risk and rights of trade protection.

2. Thailand and Nanotechnology

Nanotechnology is crucial for global competition including information technology, electronics, biotechnology, environment and energy. Capacity of molecular design now exists in Thailand. Many laboratories and research units in Thai universities have formed loose networks on nanotechnology and biotech researches. Thailand may focus on nanotechnology developments in her main industries, for instance, agriculture, nano-fiber development for textile industry, development of thin-film food wrap and so on. It was believed at in years to come, nanotechnology goods developed by Thais would generate revenues of over 120,000 million baht.

The cabinet has a resolution on August 13, 2003 to establish the National Nanotechnology Center governed by the National Office of Science and Technology Development. Its mission is to designate development direction for nanotechnology in Thailand. The roadmap for nanotechnology material developments has classified five categories of researches including nano particles, composite materials, nano fiber, nano carbon structure and nano cavity, and nano thin film.

Additionally, there are variety of nano technology researches under laboratory experiments covering electronics and biotechnology.

Actual capacity development and success of nanotechnology are up to cooperation and nurturing of mechanism integrating multi-disciplinary knowledge, and mainstream scientific paradigm. Innovations of nano devices or materials demands multi-disciplinary researchers and specialists including physics, chemistry, molecular chemistry, electrical engineering, chemical engineering and computer engineering and so on. This process is hardly established and may not fully functioned. In addition, there must be valid mechanism linking laboratory and industry. In Thailand, linking basic researches to applied researches toward patents and successful and sustainable trades are rare cases.

4. International Economic Cooperation

1. Free Trade and Bilateral Agreements with Other Countries:

Thailand has emphasized on extending of free trade agreements at multilateral, regional, and bilateral levels to reduce tariff and non-tariff trade barriers, and extend trading and investment bases, distribution of export and import sources, as well as forming business alliances.

During recent years, the current government has deployed, "the Dual Track Development Policy." This policy aims to strengthen economic and social foundations and to reduce volatility influenced by external

factors. This policy would be achieved through increasing household incomes, decreasing expenses, and extending opportunity. One development perspective aims to promote foreign investment and export sectors, whereas another development perspective focuses on domestic economic development at grassroots level.

Therefore, to link Thai economy to global economy, the government has formed free trade areas with other countries bilaterally and multilaterally. Frameworks include negotiation to create free trade areas covering economic relations in every field (closer economic partnership). Trades either services and goods and investment are liberalized. Exist cooperation is extended and new cooperation is sought in accordance with WTO regulations.

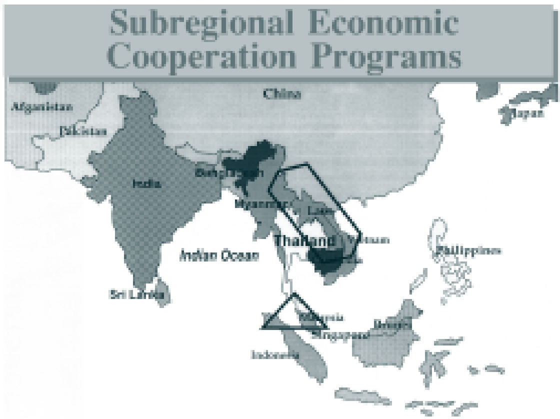
At this moment, Thailand is forming free trade areas with 5 countries and one economic zone including Australia, China, Bahrain, India, Peru, and BIMSTEC. Japan and the US are being negotiated. Korea, New Zealand, and South Africa are being studied.

Latest status on negotiations to form free-trade areas of Thailand

Country	Latest Status	Negotiation Frameworks
Australia	Agreement was cosigned on July 5, 2004. Effective date is on January 1, 2005.	Covering on all economic relations in two perspectives: 1. Liberalization on trading goods and services as well as investments. 2. Economic cooperation.
Bahrain	- Cosigned on mutual statement declaring establishment of Thailand-Bahrain Free Trade Area on June 11, 2002 - Cosigned on the framework agreement of economic alliances on December 29, 2002.	Three points were highlighted in framework agreements: 1) Early harvest of tariff exemption: 2) Free-trade agreement covering liberalization of goods and services, as well as investments. 3) Extension of economic cooperation.
China	- Cosigned on the agreement to accelerate tariff exemptions for vegetable and fruits between Thailand and China on June 18, 2003.	Scheduled to initiate free-trade area on fruits and vegetable on October 1, 2003.
India	Cosigned on the framework to form Thailand-India free trade area on October 9, 2003.	Covering goods, services, and investments. Immediate tariff exemption in some items. Economic, trade, and investment in the field generating mutual cooperation.

Country	Latest Status	Negotiation Frameworks
Japan	Cosigned to declare negotiation to form Japan-Thailand Economic Partnership (JTEP) on December 11, 2003.	Covering economic cooperation in all perspectives by liberalizing goods, services and investments as well as cooperation in all perspective.
Korea	Cooperating to conduct the feasibility study to form the free trade area on November 2, 1999.	Mechanism to expand opportunity on trade and investment.
New Zealand	Initiating feasibility study on agreement to form Close Economic Partnership (CEP) on October 20, 2002.	Covering trading of good and services, investments as well as other concerned regulations, for instance, heath, technical barrier toward trade.
	Cosigned in the framework of close economic partnership on October 17, 2002.	Covering trading of good and services, investments and aiming to establish complete free trade area in 2015 except sensitive items which will be considered case by case.
South Africa	Initiating negotiation for FTA on June 29, 2004.	
	Initiating FTA negotiation on October 19, 2003.	Covering more extensive perspectives and aiming to expand trades including trading, non-tariff measures, for instance, health, source of manufacturing, textiles, trade, service, finances, banking, telecommunication, investment, government procurement, competition policy, intellectual property, and e-commerce.
BIMSTEC	Cosigned on the cooperation framework of BIMSTEC on February 8, 2004.	Covering trading of good and services, investments as well as other economic cooperation.

Latest update: October 1, 2004
Source: The Office of National Economic and Social Development Board



2. Sub-Regional Economic Cooperation

2.1 The Greater Mekong Subregion Economic Cooperation (GMS)

Established since 1992, the Greater Mekong Subregion (GMS) Program is economic cooperation and integration among Cambodia, Lao PDR, Myanmar, Thailand, Vietnam, and Yunnan Province of the People's Republic of China. The Asian Development Bank (ADB) financially and technically supports the program. The objective of the GMS program is to promote subregional economic growth, to create more job opportunities and incomes, and to reduce poverty. In addition, the program's mission aims to create opportunities for the subregion to achieve improvements in competitiveness whereas strengthening the sense of community among the people of the region.

The concept of Economic Corridors is to integrate economic activities to geographic space along three major transportation networks including North-South, the East-West and the Southern Corridors. Development of Economic Corridors is based on the 3Cs concept, **Connectivity, Competitiveness,** and greater sense of **Community.** Greater connectivity will integrate the GMS through a development of transport, power and telecommunication networks. All countries in the region will cooperate together to enhance Competitiveness through cost reduction, standardization, and development of transportation network and market accesses as well as social capital. Community promotes economic clustering to develop quality of life the pubic.

GMS has utilized meetings of working groups of senior government employees, and ministers as well as leaders of six GMS countries as a major driver. While ADB is a secretariat, the NESDB is a national coordinator for related agencies in nine cooperation fields including transportation, telecommunication, energy, tourism, trades, investments, agricultures, human resources development, and environment.

Recent Performance (1992-2003): The NESDB has formulated the Strategy and translated it into actions to link infrastructure, particularly, telecommunication and energy.

Next step: The NESDB plans to accelerate valid development in various perspectives and to seek alliances for joint investment by forming partners with ADB and China. This mission aims to develop this subregion financially and academically because Thailand and China have experienced economic growths higher than those of neighbors.

2.2 Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT)

The Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT) plan was initiated in 1993 by three ASEAN leaders for tripartite economic cooperation among five border provinces in Thailand, northern and western regions of Malaysia, northern and western regions of Sumatra Island, Indonesia. To develop competitiveness, IMT-GT aims to accelerate economic and social development and promote cooperation on trade, investment, technology transfer, and co-production.

In 2000, IMT-GT direction was adjusted to focus development along the Economic Corridor of Songkla-

Penang-Medan linked to the rest area designated as IMT-GT. Six development perspectives including infrastructure and trade developments and continuous development based on initial development outcomes. This continuous development based on initial development outcomes comprise of specific development areas including tourism, FTA, and special telecommunication zone, and multidisciplinary areas including human resources development and development of areas connected to the economic and corridor and domestic trades.

At present IMT-GT has extended as Thailand has added Trang, Pattalung, and Nachorn Srithammarat provinces. Malaysia has added Salung Ngor State, and Klantan State. Indonesia has added Northern Sumarttra, Western Sumarttra, Arche, Reo, Jumbee, and Bengguru. Other potential provinces of Sumarttra Island are being added. Major development of IMT-GT at present include developments of in-land transportation, navigation and air transportation networks, barter trades, special package of telecommunication services, IMT-GT package tours, Islam Bank, Halal food, sea fishery and livestock.

Later Thai and Malaysia Prime Ministers have initiated the idea to push forward development of their two countries. As the Malaysia Prime Minister had officially visited Thailand on January 16, 2004, two countries agreed to establish the Thailand-Malaysia Committee on Joint Development Strategy for Boarder Areas-JDS). Cooperation has been made in nine fields including development infrastructure and transportation networks, human resources development, education, tourism, culture, reinforcement of relationships, trade and investment, agricultures including fishery, livestock, and irrigation, finance and treasury. Development of Islam bank in Thai Southern region, energy, and alleviation of public disaster are also included.

JDS development areas covers five Thai southern boarder provinces including Songkla, Satul, Pattani, Yala and Nara Thivas provinces and northern Malaysia states including Klantan, Keda, Perak (Perngkalankuru District only) and Palis States. Two countries have already formulated and consigned for approval of the JDS action plans on August 5, 2004. Two country leaders have attended the Auspicious Inauguration at the construction site of the second Kolok Bridge linking Bukehta Village of Narathivas Province and Bukit-bunga District, Klantan State. This first JDS project has been developed since October 14, 2004

2.3 The Ayeyawaddy-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS)

Initiated since 2003, The Ayeyawaddy-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS) consists of five riparian country members namely, Cambodia, Lao PDR, Myanmar, Thailand and Vietnam. The program aims to lessen gaps of economic developments among the member countries through the development of border areas. Moreover, the ACMECS also advocates the idea of relocating of agricultural and industrial production bases to potential border areas. At the beginning, NESDB was assigned by the Prime Minister to draft a conceptual framework for the development of an economic cooperation strategy. Approved by Leaders Summit at Bagan, Myanmar in November 2003, action plans in five sectors were attached as an annex to the Bagan Declaration,

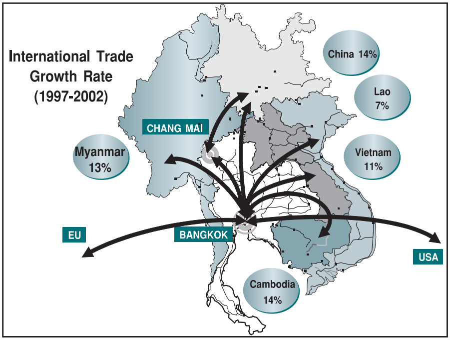
ACMECS aims to promote an area development particularly Sister Cities along borders by establishing co-production area and mazximixing comparative advantages of member countries. This cooperation aims to decrease exports, to reduce production costs, to increase competitiveness, and to enhance sustainability in member countries. To accomplish this mission, more developed countries are to provide assistance covering academic, financial, and technology, to reduce barriers on trades and immigrations, and to widen market accessibility. All of cooperation aims to have less developed counties self-sustained.

ACMECS cooperation concentrates on development of sister cities and the five areas of cooperation namely, trade facilitation, cooperation on agriculture and Industry, transport linkages, cooperation on tourism and human resources development. Under five perspectives of cooperation, Thailand pledges to provide both financial and technical assistances to neighboring countries including granting exemption of tariff to items imported to Thailand under AISP framework, establishment of One Stop Service in border Check Point, establishment of ACMECS business councils, preparation for the investment on contract farming in parallel with an agricultural assistance, an F/S on establishment of industrial estate in border areas/inner areas of neighboring countries, the development of transport linkages in border areas particularly Sister Cities areas and other potential areas, facilitation of travel such as Single Visa scheme / waive of trans-border fees / extension of access areas of temporary border pass holders, human resource development in border areas etc.

The next stage of cooperation is to establish a development partnership from other countries including developed countries as well as donor agencies in order to establish a clear-cut coordination as to implement common projects/programs and bilateral projects/programs among member countries.

5. The Strategy to Upgrade Thailand as the Regional Logistics Hub

Compared to those of developed nations, Thailand's logistics is at initial stage. Plenty of issues are waiting for developments. Nonetheless, Thailand̃s competitive advantage is its geographic location, the center of Indochina region. In addition, each country in this region (except LAO PDR) has experienced significant economic growth



and trade expansions. Furthermore, more and more free trade agreements are being formed in many countries including Thailand. This is a driving force creating linkage of economic activities especially on logistics, which causes mutual benefits in the region.

Therefore, Thailand should exploit this strategic advantage to set the target aiming to develop Thailand as the Indochina Logistics Hub. To accomplish this vision, effectiveness and quality logistics activities of both entrepreneurs and service users of domestic logistics must be enhanced. The strategy also covers attraction of regional shipment and services to Thailand as their logistics hub. Effective logistics hub demands strong management by the government formulating and driving policies. Entrepreneurs must deeply comprehend logistics. All infrastructures must be linked one another effectively and flexibly as well as internationally. New information system and innovation for management must be introduced. In addition, strong service providers must be developed.

To achieve this goal, the National Competitiveness Development Bureau has formulated the Logistics Development Roadmap. The strategy covers comparative study of developments in other countries (as discussed above) including strategic formulation, management, strategic steering agency and so on. In addition, the strategy includes public hearings from stakeholders. All study results and feedback will be incorporated to Thailand context and major strategic issues for integrated logistics development.

Strategic issue summary has been approved by the National Competitiveness Development Board on December 18, 2003.

5.1 Infrastructures and Law: This is the direct role of the government to accelerate developments especially on utilization of existing infrastructures including: 1) improvement of management of major transportation, for instance, railway transportation and waterway transportation; 2) development of linkages between modes of transportation to allow effective interchanges. This would result in more utilization of transportation through existing capacity; 3) development of transportation system customized to strategic industries. In addition, vision on infrastructure investment to promote the regional logistics hub should be nurtured.

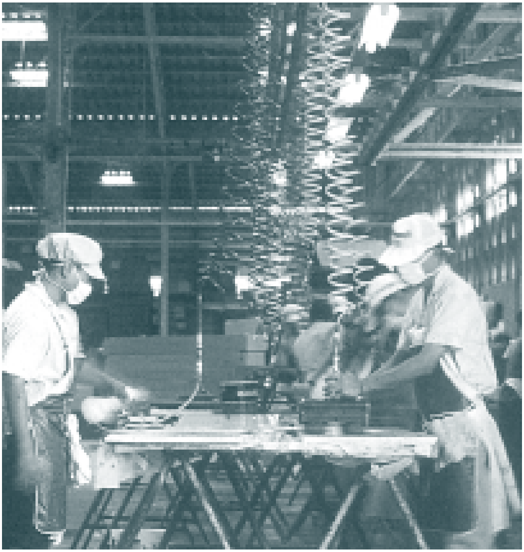
Improvement of concerned rules and regulations (for example, truck load) to support logistics process being developed in the near future (for instance, various forms of transportation-related law, electronic-document related law) should be an urgent national agenda because of its time-consuming nature and involvement with various stakeholders. Law enforcement should be vigorously implemented.

5.2 Technology and Information System: This strategic issue concerns deployment of logistics-related technology as mechanisms to enhance effectiveness and lower overall costs. This is especially data linkage to facilitate effective communication and coordination. Information system linkage should cover organizational level including government agencies and private corporate, as well as international agencies. It also must take data format and linkage protocol into consideration. In addition, stimulation of innovation and technology applications for logistics, for instance, RFID and so on should be maintained.

5.3 Human Resources and Knowledge: This strategic issue includes human resources development to equip them with knowledge on logistics so that they will be capable of supporting and driving logistics. Target groups include personnel being recruited to industrial sectors, personnel being in industrial sector, logistics service providers and public personnel.

In addition, it is necessary to stimulate researches in various perspectives to develop logistics knowledge in Thailand context. This is to create awareness on international development. Researches would result in transfer of idea and innovation to entrepreneurs on continuous basis.

5.4 SME Entrepreneurs: This strategic issue covers upgrading competitiveness of entrepreneurs to develop effective logistics activities and logistics service provider as well as effective driving mechanism.



6. Evaluation of Millennium Goals

On September 2000, leaders from 189 countries attended the millennium summit at the United Nations, New York, USA., to endorse the Millennium Declaration. This Millennium Declaration defines the agenda to promote human capital development and to decrease development gaps.

The Millennium Declaration is the origin of the Millennium Development Goals (MDG) defining the achievement timeframe in 2015. Eight major goals are formulated as follows:

Goal # 1: Eliminating poverty and hunger

Goal # 2: All children will be educated for at least primary schools.

Goal # 3: Promoting sexual equality.

Goal # 4: Decreasing motility rate in children.

Goal # 5: Developing health of pregnant women.

Goal # 6: Fighting AIDs, Malaria, and others.

Goal # 7: Conserving and managing sustainable environment.

Goal # 8: Promoting partnerships for development among global communities.

The NESDB has realized that this issue is so vital. Therefore the NESDB cooperated with the United Nation Development Program (UNDP) and World Bank to make the MDGs Report for the first time in Thailand. Approved by the cabinet on July 27, 2004, the MDGs Report is currently demonstrated at Santimaitree Building, the Government House.

The 2004 MDGs presents evaluations of developments, progresses, successes, and challenges to MDGs of Thailand. From evaluation, it was found that Thailand would achieve all or part of targets before 2015. This is evidenced by reduction of the poor for two third since 1990. Proportion of children with weight lower than average reduces by one second. All of Thai children will access to educational opportunity equally in next years to come. Thai women will be able to acquire education based on equal opportunity. For public health, malaria will be no longer threat to Thais. In addition, there are positive trends toward tuberculosis. Furthermore since 1991, the period of highest HIV infections, proportion of new HIV infected patients have been reduced by 80 percent, the most admirable success.

From evaluation as mentioned above, Thailand would be able to achieve most of targets set. Therefore, there is an initiative to set development targets fit to developmental context of Thailand, which is more challenging. The target set is MDG Plus (or MDG+ Target). The strategy to achieve such target was also proposed. Most of MDG+ are from those already set in current national development and strategy. For

instance, Thailand has already achieved the MDG where the proportion of the poor was reduced by one second. Therefore the new MDG+ has been set to reduce the proportion of the poor down to 4 percent or less within 2015. In addition, Thailand has been in progress to reduce sexual disparity in education. Therefore the government aims to increase proportion of women in the Parliament, Local Administration Organizations, top management by twice during 2002-2006.

MDGs are not only implemented at the national level, but also at the provincial level. As the pilot study, the MDGs task force committee has chosen Maehongsorn Province and Nakorn Phanom Province to carry out missions according to MDGs. The mission aims to integrate information and improve appropriate performance indicators suitable for provincial context. For implementation, all primary information concerning target setting and development evaluation under the framework of MDGs have been compiled.

Reporting procedure of MDGs includes discussions on various issues including data, methodology, and trend analysis, as well as priority setting. MDG meeting has been gradually transformed to be the forum for idea exchanges and cooperation for Thailand development. Outputs from MDG reporting process are as follows:

- Progress report according to the Millennium Development Goals of Thailand.
- Baseline data according to the Millennium Development Goals-details and databases for development evaluation.

- Citizen-version Millennium Development Goals Report.
- Report on development outcomes according to MDGs at provincial level of two pilot provinces, including Maehongsorn Province, and Nakornphanom province.
- Website on MDGs Report providing updated information.
- MDGs Report: AIDs Fighting in Thailand: Development and Challenge - to be presented to the 15th World Forum on AIDS, July 2004.
- Paper on the Global Development Alliance Policy-to present on Thailand development according to the 8th MDGs.

Please find more information at http://ie.nesdb.go.th/mdg/ and http://www.undp.or.th

Section 4: Four National Agendas

1. Alleviation of Poverty and Income Distribution Problems

Thai government has realized poverty as "the national agenda" and demands all sectors to resolve this problem seriously. The cabinet has approved the **"Sustainable Strategy to resolve poverty and improve quality of life of the underprivileged"** as the tool to resolve poverty.

1. Solving Poverty and Income-Distribution Problems:

Implementation of the national agenda on solving poverty and income-distribution problems focusing on opportunity and capacity building for the poor is considered acceptably successful. This is evidenced, due to economic expansion, by improvement of household income. Grassroots economic stimulation packages include debt suspension for farmers, village and urban community fund and ministries' activities resulted in increased incomes and decreased expenses as well as widened opportunity for the poor. In addition, the policy also resulted in more capacity building and improvement of quality of life for the poor. Consequently, the proportion of the poor in 2003 decreased to 12 percent or lower which was faster than that planned in the 9th Plan set to achieve such figure within 2006. In addition, development outcome results in less income gaps between the poor and other groups of people. Income distribution has been slightly improved. Nonetheless, problems still exist, demanding the government to put more efforts.

2. Strategic Implementation:

Strategic Implementations in recent years results in development of minor strategies and implementation plans continuously. This strategy aims to resolve poverty and to achieve the cabinet intent aiming to completely eradicate poverty within 2008. Therefore in 2004, highlights of formulated strategies and implementation plans are:

2.1 Development of Poor and Underprivileged children: The strategy focuses on problem solving of poor and underprivileged children in every aspect. Programs range from potential development programs for children, preparation to life and career, and creating environment, which is providing then access to public services, especially, education. Eventually, all of children would be able to build up their own future and be self-sufficient. Target groups consist of poor and underprivileged children including disable children, aimless children, orphans, and HIV-impact children.

Development of strategic execution focuses on driving mechanisms and steering valid implementation. Therefore the cabinet has found "the Steering Committee on Development of Strategy to Resolve Problems of Poor and Underprivileged Children". This steering committee's role and responsibility are to determine criteria for project approval, framework of activity and development priority, as well as management practice and strategy development. Other three subcommittees coordinate and monitor projects to resolve problems of aimless children, disable children, HIV-infected children, and HIV-impacted children, and to carry on public relations.

Strategic management and development are financed by the excess revenue of the Government Lottery Office. The investment capital is spent to alleviate troubles of poor and underprivileged children.

Since the cabinet has a resolution and approved the idea to finance the project by the excess revenue of the Government Lottery Office on July 8, 2003. To date totaled 1,725.8 million baht of fund were approved for investment in many projects.

2.2 Frameworks of the Operational Plans for 10 Basic Indices to Upgrade Thai people's Quality of Life in the Next 6 Years (2004-2009):

Ten indicators are minimum requirement where Thais have to achieve within next six years to upgrade Thais' quality of life. This would resolve poverty problems more sustainable. Such basic indices were derived from three concepts. The first concept is constitutional fit. According to the Constitution, all Thais must be educated for 12 years at least. All Thais must be able to acquire lifelong learning, knowledge and skill developments vital for living. All Thais will get standard social insurance coverage. All Thais with 60 years old of ages with no incomes will have pension and security. The second concept was originated from five basic needs: sufficient foods, security in residences, 5 liters of drinking water a day and 45 liters of consumption water a day, electricity wired to all households, accessibility to information necessary for career development. The third concept was originated from security in life of two criteria. First, every people have opportunity to access to resources and capitals for their professions. Second, all households must have security in lives and properties.

The cabinet has a resolution on March 9, 2004 to approve the scope and definition, indicators, operational mechanisms, and champions. The champion will be a leading organization collaborating with concerned agencies to formulate the primary five operational plans. Such plans would be a mechanism driving successful outcomes within specific timeframe.

2.3 Resolving Social and Poverty Problems in Integrative Approaches.

The cabinet has the policy to resolve social and poverty problem on integrative approaches. The cabinet has set goals to resolve poverty problems within five years (within 2008) through increase of household incomes, reduction of expenses, and extending opportunity. This is to resolve poverty and upgrade quality of life on sustainable basis under the Sufficiency Economy Philosophy.

To resolve problems experienced by the public, the government has formulate following directions:

(1) Emergency Plan:

- Providing occupations/training for those facing debt problem in the system (for both registered to access to systematic debt process and those not registered) and those who wants to earn more incomes.
- Surveying lands for allocation to the public.
- Validating needs of residences.
- Other emerging issues.

(2) Operational Plan Review: Operational plans will be reviewed every four years for budget approval.

(3) Formulating the plan to resolve community problems on sustainable basis.

- To resolve problems for the poor on sustainable basis, for instance, restructuring production process for sustainable agriculture and for increasing of savings.
- To managing resources to increase opportunities of the poor, for instance, recovery of natural resources, water resource management, land allocation.
- To implement community welfare system.

Analysis of registered citizens updated as October 4, 2004 suggests that there were totaled 12,198,598 problems. The first dominant problem was over-indebtedness of totaled 4,680,936 problems or 38.37 percent. The second dominant problem was land ownerships of totaled 3,986,155 problems or 32.53 percent. The third and fourth problems were residential problems and others of totaled 1,892,139 and 1,321,599 problems or 15.51 and 10.83 percent respectively. Resolving registered problems will begin on July 1, 2004 onward according to the set direction.

2. Enhancement of the National Competitiveness

As the government has determined the country competitiveness as the national agenda and established the National Competitiveness Development Board chaired by Prime Minister in May 20, 2002. The meeting to have all participants set Thailand visions or “Seven Dreams of Thailand” on January 20, 2003 had been organized. The strategic framework to upgrade the national competitiveness on three perspectives including production and service development, macroeconomic infrastructure development, and development supporting factor has been developed. The board has pushed forward missions as follows:

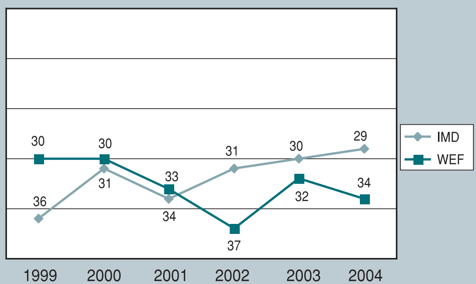
- **Cluster Development:** Major missions include determining clusters based on developmental phase, signing MOU with ten concerned government agencies and private organizations, and implementing mobile cluster projects in regions to create public awareness and to stimulate clustering.
- **Development of National Logistics System:** The committee has formed the vision to establish Thailand as the Indochina Logistics Hub. The committee has proposed strategy to develop logistics system on four perspectives including information, infrastructure, human resources and government information linkage.
- **Human Resources Development to Upgrade Competitiveness of Main Industries and Services:** The mission includes researches on strategic industries. Strategic industries include foods, automobiles, and auto parts, fashion, software, and tourism. Other potential industries comprise of electric and electronics industries, ceramic, wooden furniture, rubber wood furniture. Basic industries consist of petrochemical, iron and steel, mold, and logistics industries. Strategic directions on production improvement and human resources development will be formulated.
- **Integrated Incubator System:** This mission aims to promote small and medium enterprises.

- **The Office of Knowledge Management and Development:** The government has established the Office of Knowledge Management and Development (Public Organization) on May 5, 2004.

2.1 Toward Upgrading Thailand Competitiveness:

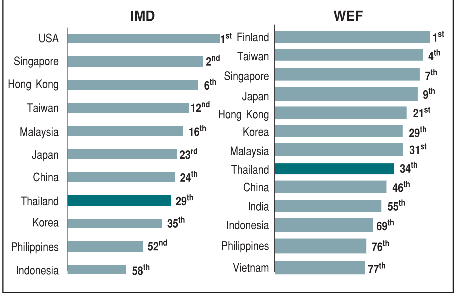
All of strategic formulations and implementation would result in more competitiveness. From country competitiveness around the world ranked by IMD (Institute for Management Development) in 2004, Thailand was ranked 29th out of 60 countries around the world, which is better than 30th ranked in 2003.

Thailand's Rank in Competitiveness



Remarks : In 2001, WEF ranking was among 75 countries
In 2004, WEF ranking was among 104 countries
In 2004, IMD ranking was among 60 countries

IMD and WEF's Competitiveness of Selected Country in 2004



Ranked by the World Economic Forum (WEF)[1], out of 104 countries worldwide in 2004, Thailand was at 34th, reduced by two places from the previous year. This is because there were additional two countries[2]. Based on current

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[1] WEF has classified competitiveness of countries into two categories based on innovation and technology development. WEF has set different weights on factors incorporated for evaluation based on technology advancement of each group. In core-innovator countries, WEF has given more weights on technology advancement more than that of economic and government institution factors. On contrarily, in the country, which is non-core innovator, weights on these three factors are equal.

[2] In 2004, there are additional five countries ranked, including Untied Arab Emirates, Bahrain, Cyprus, Bosnia and Herzegovina, and Georgia. Meanwhile three countries including Cameroon, Haiti, and Senegal have withdrawn from competitiveness ranking in this year.

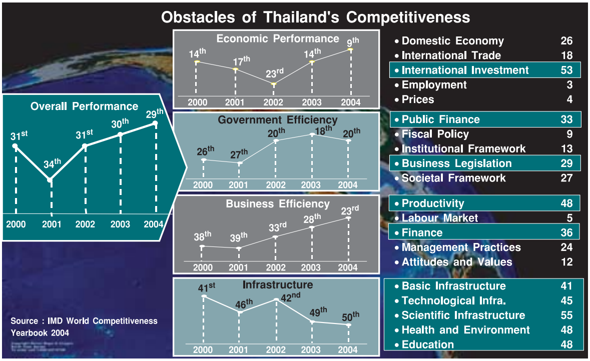
competitiveness, Thailand is still behind those of Asian countries including Hong Kong, Singapore, Taiwan, Malaysia, Japan and China. Nonetheless, in this year, Thailand has performed better than Korea previously ranked ahead Thailand. Nonetheless, WEF ranking providing more weights on technology advancement and innovation, Thailand was ranked lower than Korea by five places.

2.2 Future Development Challenge

Nonetheless, IMD ranking suggests that Thailand is facing challenging problems on competitiveness notably enabling factors. These enabling factors comprises of physical, science and technology infrastructures, human resources researches and developments, and environmental issues, as well as macroeconomic infrastructures, for instance, business law and regulations, public finances, and foreign investment. These factors influence private competitiveness affecting productivity and financial potentials.

2.3 Next Steps on Country Competitiveness Development

The NESDB as a secretariat to the National Competitiveness Development Board, has realized this problem and thus formulate competitiveness development strategy. Logistics system will be developed systematically through formulation of the Master Plan for Logistics Development with concerned agencies. The plan aims to develop Logistics providers and standardizes logistics countrywide. This strategy will be implemented in 2005.



For cluster development, the National Competitiveness Development Board will complete the Cluster Mapping within 2005. This Cluster Mapping will locate geographical clusters and their development. This information will be used as the baseline to formulate tailor-made policy in the future. In addition, the government aims to develop the Cluster Development Agent or CDA as the driving mechanism for effective development. This agent will collaborate with concerned agencies, for instance, Ministry of Industry, Ministry of Education, Ministry of Science and Technology, and other private organizations.

Meanwhile, NESDB will push forward all parties concerned to upgrade human resources knowledge in Thailand. The mission aims to build up competitiveness of manufacturing and service sectors, for instance, collaborating with other agencies to formulate human resources development plan for industrial and service sectors. Actions include pressing on implementation of pilot projects for competent industries and formulating and pushing forward strategic implementation to enhance innovation capacity of the country aiming to commercialize more researches.

3. Social Capital Development

NESDB has determined the social capital as the national agenda. This is because past developments have extended gaps of income distribution, deterioration of natural resources, environment, and social problems. This suggests that past development lacks of balance and sustainability because existing social resources have not been fully utilized. On contrarily, if Thailand could develop and utilize social capital appropriately, it would be driving factors enhancing Thai competitiveness, solving poverty problem, constituting good governance system, and sustainable social development eventually.

NESDB therefore has organized public participation from every social sector to create knowledge, understanding, and utilization of social capitals suitable to social context and radically changing environment.

1. Definition of Social Capital:

Social capital means the power embedded in communities and societies emerged from people living and working together based on trust, hospitality, tie and culture. Social capital consists of three supporting factors comprising of Human capital, Institutional capital, and Wisdom and culture capital. First, Human capital includes people in general and social leaders living with passion, trust, and integrity to create advantages to society. Second, institutional capital includes main national institutes, for instance, family institute, religious institute, royal institute, and other institutes such as educational institutes, political institute, and established organizations, for example, NGOs, community organizations, private business sector, mass media and so on. These institutional institutes play significant roles on building community power, legislation and regulations. Third, wisdom and culture capital is, for instance, Thai and local wisdom, art and culture, tradition, architectural sites, historical sites, archeological site and others. To create social capital, integration process based on trust and relation should be initiated.

2. Past Performances

2.1 Social Capital Development Strategy for Sustainable Development was formulated through researches and knowledge synthesis, brainstorming experts, workshops organized in five regions, and national conference. This mission aims to create knowledge, understanding, and cooperation networks as well as point of views brainstormed from social partners including government, private organizations, communities and the public. These points of views will be used as basic information for crafting the Social Capital Development Strategy. This strategy is currently proposed to the cabinet for approval. Major development strategy includes promoting development of social capitals, stretching social capital, promoting management and exchange of social capital knowledge, developing social capital immunity and developing evaluation mechanism.

2.2 Specific Strategic Formulation: This includes the Integrated Family Institution Development Strategy, which has been approved by the cabinet on April 20, 2004. The Ministry of Social Development and Human Security has been assigned by the cabinet to use the Strategy as the framework to craft the Family Institution Development Strategy as of 2004-2013 and its implementation plans.

2.3 The Pilot Project to Reinforce Social Capital for Strong Communities: The NESDB has assigned Srinagarintharawiroj Prasarnmitra University to study the linkage between social capital and strong communities in three pilot provinces including Chachoengsao Provicne, Surin Province, and Chiangmai Province.

2.4 The Study of Performance Indicators for Social Capital: The NESDB as assigned the Research and Consultant Institute of Thammasart University to conduct the research on Social Capital Indicators. This project is currently in research phase. Research outcomes will be used as the baseline to form the direction.

3. Operational Plans in the Next Phase

3.1 Pushing Forward Social Capital Development: The mission aims to implement the strategy through main events, for instance, public relations through variety of mass media, coordination with concerned organizations and agencies, evaluation of social capital development as overview case and specific cases, group discussions with concerned communities as well as national conferences.

3.2 Promoting Transformation of Private Sectors as Social Capital: Strategy formulation to promote private sectors and develop the pilot project has been carried out as the guideline to get supports from the government and communities and to promote private sectors as the driving mechanism for country development.

3.3 Developing the Pilot Project on Social Capital Mapping: This project will be started up in pilot area. Outcomes will be used as the guideline for evaluations and making social capital mapping at national level.

4. Sustainable Development

1. National Agenda on Sustainable Development

Sustainable development has emerged as the national agenda since 2003. Its frameworks fit to 21 operational plans. This plan is the global sustainable development plan aiming to maintain balance, linking economic, social and ecosystem context as the vital base for sustainable country development without causing irrevocable damages and negative impact to the next generation. The government is, in 2004, focusing on Green Productivity and integrated water resource management.

The National Competitiveness and Sustainable Development Board, in the meeting on September 2004, approved the strategic direction to develop green productivity through reducing non-tariff effects, and promoting market expansion for environmental-friendly

goods and services. The board has proposed the government to be the market leader through the government procurement, development of small and medium enterprises to enhance green productivity in electrical and electronics industries. In addition, proactive measures have been initiated to cushion trade barriers and to control quality of imported goods.

The cabinet has approved the integrated strategy on water resource management to supply the country with sufficient and quality water for production, consumption and flood protection. This management must not cause negative impact toward environment and quality of life. The sustainable water resource management must be accounted for ecosystem, economic and social dimensions. Major strategy is to conserve and recover water resources. Water capital must be handed over to societies to have them effectively and economically utilize for consumption and production. Water resource must be shared and distributed to shortage areas. Management will be based on full and strong participation from all stakeholders.

2. Sustainable Development Index

Office of the Nation Economic and Social Development Board in cooperation with the Thailand Environmental Institute, and the Kenan Institute of Asia have developed the sustainable development index version one covering three dimensions:

2.1 Economic Dimension: The economic dimension consists of development through quality; stability; and wealth distribution.

2.2 Social Dimension: The social dimension consists of capacity building and modification through knowledge-based society; living standard and security development; development of value, intellectual and culture as social immunity; and building equality, and participation.

2.3 Environmental Dimension: The environmental dimension consists of conservation; and maintenance of quality environment; and building public participation and fair resource utilization.

Sustainable development index consists of 23 indices, including 9 economic indicators, 7 social indicators, and 7 environmental indicators. Performance of sustainable development according to the Eight and Ninth Plans measured by aforementioned indices are as in the table below:

Calculation Outcomes for Sustainable Development Indices and Sustainable Development Levels

Sustainable Development Indices	Index (percent)					Developmental Level				
	8th Plan			9th Plan		8th Plan			9th Plan	
	1999	2000	2001	2002	2003	1999	2000	2001	2002	2003
Economic Dimension	70.2	69.8	66.7	76.4	79.1	3.02	2.98	2.67	3.64	3.91
Social Dimension	61.9	61.1	62.5	62.8	65.4	2.19	2.11	2.25	2.28	2.54
Environmental Dimension	40.8	39.1	44.3	48.6	48.6	0.82	0.78	0.89	0.97	0.97
Sustainable Index	57.7	56.7	57.8	62.6	64.3	1.77	1.67	1.78	2.26	2.43

Remark:

Level	**Meaning**	**percentage**
5	Highly improved	90.00-100.00
4	Slightly improved	80.00-89.90
3	Moderate	70.00-79.90
2	To be improved	70 or less

Source: The National Economic and Social Development Board

For the next step, the NESDB and the Thailand Environmental Institute plan to develop the 2nd version of sustainable development indices including regional indices to link the national indices down to regional indices. This development will incorporate local pubic participation to have local sustainable development indices reflecting local characteristics.

Section 5: Major Events in Thailand in 2005

1. NESDB's Annual Conference 2005

1. Previous NESDB Annual Conference :

Office of the National Economic and Social Development Board (NESDB) has organized the first annual conference on **"Well-being of Thais: 5 Years After Economic Crisis,"** in 2002. The conference aimed to report current situations on economic and social situations affecting Thais' well-being during five years after the economic crisis. Totaling 1,200 participants attended the event. Subsequently in 2003, the NESDB had organized its annual conference on **"the Sustainable Develop- ment."** Totaling 1,619 participants attended this event. This latter conference generated four major suggestions on sustainable developments: (1) sustainable natural resources and environment developments; (2) sustainable economic development; (3) social development for sustainable development; and (4) development of sustainable development indices for Thailand. NESDB has incorporated suggestions from conferences to promote and implement sustainable development.

In 2004, NESDB has organized the conference on "Underground Economies and Public Good Governance System." Totaling 1,370 participants attended this event. The conference aimed to report outcomes of economic and social developments in accordance with the 9th National Economic and Social Development Plan. Analysis bases upon three sets of performance indicators comprising of Well-being Indicators, Economic Strength Indicators, and Sustainable Development Indicators. The conference includes the report on the outcome of implementations according to the 9th Economic and Social Development Plan based on four national agendas. The report on implementations according to the grassroots policies and social security was also presented in this event. 92.3 percent of participants expressed positive attitudes toward NESDB's conference. Meanwhile they provided invaluable recommendations toward three underground economic strategies: (1) The strategy to promote and develop underground economies as Thai economy base; (2) the risk management strategy to socially protect those who are in underground economies; (3) the strategy to manage underground economies affecting mainstream economy. At this moment, the NESDB is in the process of aligning strategic implementations and of assigning strategic champions. This recommendation will be proposed to the cabinet for approval.

2. NESDB's Annual Conference 2005

In 2005, the NESDB has planned to organize the conference on **"Thailand Development Strategy : 5 Years of the 10th Economic and Social Development Plan."** This is because the 9th Development Plan will be expired in 2006. In addition, the cabinet has approved, on July 20, 2004, the NESDB to draft the 10th Development Plan (2007-2011), which will be effective on October 1, 2006. The plan must cover in-depth information and grassroots levels. The NESDB has then prepared the framework for development and guideline for country development strategy according to the 10th Plan. This plan focuses on implementation stages to effectively achieve goals and visions. This aims to have concerned parties accept the plan and able to implement the plan. The NESDB plans to organize the 2005 annual conference as the forum for brainstorming on development direction of the 10th development plan. The NESDB has then invited 1,500 participants from every part of the society to join the event. The conference will have two sessions as follows:

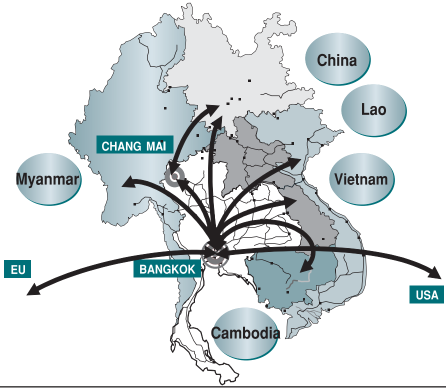
Morning Session: The session consists of reporting outcomes from national economic and social developments based on well-being indicators, economic strength indicator, and sustainable development indicator. Evaluations of three-year development outcomes of the 9th plan and of policy deployment outcomes of the current government whose four-year term will end in 2004 will be included. The NESDB has followed-up major government policies, and evaluated grassroots economy policy as well as social security.

Afternoon Session: There will be a brainstorm session on "Thailand Development Strategies: 5 Years of the 10th Plan." This is to have all participants and NESDB understand framework and brainstorm all participants regarding framework, directions, and development strategies on the 10th Plan. All information from brainstorming session will be used as guidelines for determining country development strategy in the future.

2. International Conference to Develop Thailand as the Indochina Logistics Hub

At present logistics management has played significant roles as the way to develop country

Thailand's Geological Superior in Being the Center of Indo-China Region



competitive advantage. This is because Thailand highly dependents on exports as a major economic driver. Therefore effective logistics management would lower cost, enhance service effectiveness and create economy of speed as well as facilitate trades and transportation. Effective logistics management would attract regional transportation and logistics service to the country. This strategy would be a driving factor enhancing the country competitive advantage, as the country is developed into the Indochina Logistics Hub. The 2005 International Conference to develop Thailand as the Indochina Logistics Hub would enhance understanding and exchange experiences and development in this field. In addition, networks on knowledge creation and business alliances would be expanded and strengthened to drive the country economy and transform the country as the Indochina Logistics Hub. In this conference, it is expected that there would be totaled 300 participants, who are international and domestic policymakers,management, business owners, academics and media, attending the event.

1. Conference Proceeding:

Conference activities consist of planetary session and focus-issue sessions. The planetary session will be chaired by international and domestic experts to discuss on emerging issues of enhancement of competitiveness and development of domestic and regional logistics hubs. The focus-issue sessions concerns four issues: infrastructures and related regulations to maximize utilization of transportation linkage; technological development to reduce time and transaction costs; human resources development to produce more quality and standard personnel meeting industry's demand; SMEs development to promote and increase Logistics entrepreneurs. This conference will be on the second quarter of 2005.

2. Expected outcomes:

The conference would generate new knowledge and ideas, as well as guidelines to develop effective logistics management and system. The mission aims to position Thailand as the Indochina Logistics hubs.

3. General Election in 2005

1. Recent General Election for Members of the House of Representatives:

The Thai Constitution B.E. 2540 (1997) stipulates that general election for 500 members of the House of Representatives is divided in two forms: Zoning election requiring one member per one zone totaled 400 members and Party List requiring 100 members. Party obtaining public votes less than 5 percent of total votes nationwide will have no Party List members.

The Constitutional Intent on this election system is: members of the House of Representatives from Zoning Election are expected to be those who oversee people in their areas; and Party List members are expected to be representatives of overall country.

General election for members of the House of Representatives under the Thai Constitution B.E. 2540 (1997) was held for the first time on January 6, 2001. At that time, totaled 248 members of Thai Rak Thai Party won the election or 49.60 percent of total members elected from two systems. Meantime, Democrat Party won 128 seats or 25.60 percent. As a result, Thai Rak Thai was a leading party to set up the cabinet. Dr.Thaksin Shinawatra is the Thai Prime Minister. Democrat Party is an opposition party.

2. 2005 General Election

Term of the House of Representatives is four years since election, which will end on January 5, 2005. The government has to organize the general election within 45 days since the expiry date of the House of Representatives. Election date will be the same date nationwide. In this time the Election Committee has scheduled the General Election Date on February 6, 2005. Budget available for this election is 2,100 million baht.

In addition, the Constitution has determined that the parliament must call MPs for general meeting within 30 days after the election.

Section 6: The NESDB and Related Agencies

1. Background

The Office of the National Economic and Social Development Board (NESDB) was initially named the National Economic Board (NEB). The NEB was established in February 1950 to advise and recommend appropriate measures to the Royal Thai Government on general economic matters.

Latter, following the World Bank recommendation, the NEB was restructured and its roles were enhanced to be a central planning agency in order to formulate plans for national development. In 1959, the NEB was renamed as the Office of the National Economic Development Board or the NEDB. The First National Economic Development Plan was launched in 1961, two years later. Then, social development has been integrated to the planning process to have it consistent with economic development. Consequently, the NEDB was renamed as the NESDB since 1972. Nowadays, the NESDB is an office governed by the Prime Minister's Office.

2. Operational Mechanisms

In compliance with the National Economic and Social Development Board Act of 1978, NESDB operations are divided into two levels, namely the NESDB Board and the Office of NESDB.

2.1 The National Economic and Social Development Board comprises of 15 distinguished professionals, including a chairman and 9 competent experts from development fields. There are five ex-officio members, namely Secretary-General of the Civil Service Commission, Director of the Bureau of the Budget, Director-General of the Fiscal Policy Office, and Governor of the Bank of Thailand. The NESDB Secretary-General serves as a member and secretary. The committee works for a four-years term. Responsibilities of the NESDB Board are:

(1) Providing comments and recommendations on national economic and social development to the cabinet.

(2) Reviewing the National Economic and Social Development Plan and considering proposals of other NESDB proposals, then proposed them to the cabinet for approval.

(3) Providing recommendations to the Prime Minister on economic and social development issues as requested.

(4) Coordinating between the NESDB and related government agencies and state enterprises to formulate plan, development projects, and implementation.

2.2 The Office of the National Economic and Social Development Board

The Office of the National Economic and Social Development Board is adjusting its role to accommodate key development variables, notably the move towards a knowledge-based economy, civil service reforms and good governance principles. Its vision statement is: “to become a key agency on planning and formulation of development strategies based on balanced and sustainable development, public participation, and flexibility meeting changing environment and needs of Thai people.”

3. Key Functions

1. Existing functions, as stipulated under the National Economic and Social Development Board Act B.E. 2521 (1978):

(1) Legitimate Roles and Responsibilities

- Formulating the National Economic and Social Development Plan, and translating this plan into action within a five-year timeframe.
- Analyzing budget proposals by state enterprises, and those of development programs and projects of government agencies and of state enterprises. (The National Economic and Social Development Board Act B.E. 2521 (1978), the Act on Private Sector Participation in Government Operations B.E. 2535 (1992), the

Act on State Enterprise Budgets B.E. 2522 (1979), and the Act on Debt Regulations B.E. 2528 (1983)).

- Creating a database for planning, especially on GDP data.
- Monitoring and evaluating national development plan and developing development indicators.

(2) Roles and Responsibilities under Key Policies

- Making four national agendas: (1) alleviation of poverty and income distribution problems, (2) enhancing Thailand's competitiveness, (3) promoting social capital development and (4) promoting sustainable development.
- Formulating strategies for key government policies and major development projects: (1) economic cooperation strategies (ECS), (2) the development of the Suvarnabhumi Airport, (3) the revamping of the Government Service Center, (4) the development of Ratchadamnoen Avenue; (5) the Brain Bank; and (6) the Sufficiency Economy.

3.2 New Missions: Based on internal and external factors during the past ten years, the NESDB has to restructure its roles and responsibilities. The NESDB has positioned itself as the development agency aiming toward balanced and sustainable development through effective data and performance appraisal. Missions of NESDB are:

(1) Formulation and implementation of both short and long-term strategies, including the national investment plan. The Office of the NESDB will also act as a consulting agency for the government. It will serve as a central coordinating agency for policy, program and project development with other government agencies.

(2) Formulating a four-year government administration plan. This plan will come into effect 90 days after the government delivers its policy statement to Parliament. NESDB will also assess the cost-effectiveness of government operations at all levels.

(3) Evaluating and monitoring government policies and development strategies.

(4) Developing database and social and economic development indicators. This mission aims to equip NESDB with capability to predict potential social and economic threats against national development and to offer preventive solutions.

(5) Developing of the transparent and effective NESDB management system which meets international-recognized standards

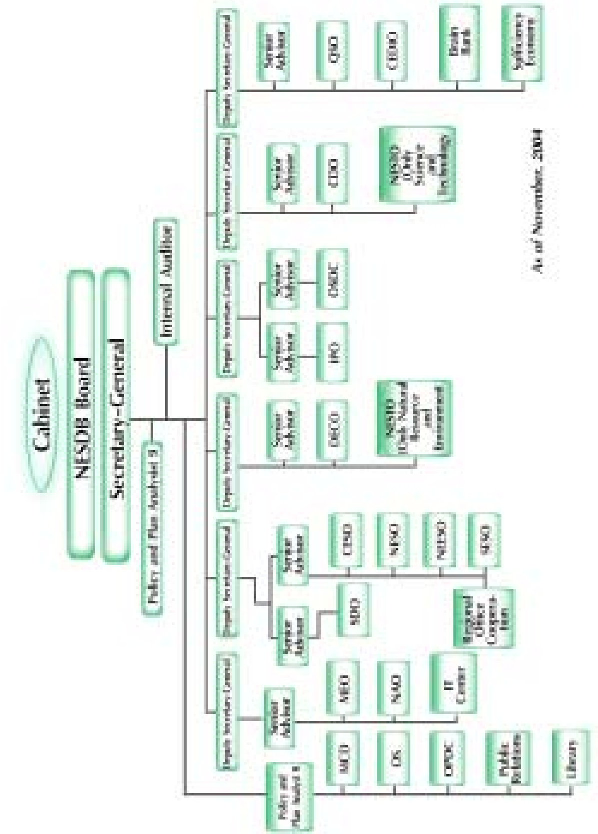
4. Organization Structure

The Office of NESDB has divided its administrative structures into 13 offices and 2 divisions, namely:

Offices	Contact Information
1. Office of the Secretary (OS)	Tel : 0-2281-5342, 0-2628-2853 Fax : 0-2280-0892 E-mail : os@nesdb.go.th
2. Management Coordination Division (MCD)	Tel : 0-2281-6326 Fax : 0-2281-6637 E-mail : mcd@nesdb.go.th
3. National Accounts Office (NAO)	Tel : 0-2216-5430 Fax : 0-2216-5425 E-mail : nao@nesdb.go.th
4. Development Evaluation and Communication Office (DECO)	Tel : 0-2282-4840-2 Fax : 0-2282-2559 E-mail : deco@nesdb.go.th
5. Competitiveness Development Office (CDO)	Tel : 0-2282-0181-3 Fax : 0-2281-9269 E-mail : cdo@nesdb.go.th
6. Spatial Development Office (SDO)	Tel : 0-2253-3116 Fax : 0-2253-3258 E-mail : sdo.nesdb.go.th
7. Community Economic Development and Income Distribution Office (CEDIO)	Tel : 0-2628-2855, 0-2280-1421 Fax : 0-2280-1420 E-mail : cedio@nesdb.go.th
8. Central Region Economic and Social Development Office (CESO)	Tel : 0-2281-6632, 0-2281-9840 Fax : 0-2281-5241 E-mail : ceso@nesdb.go.th

Offices	Contact Information
9. Northeastern Region Economic and Social Development Office (NEESO)	Tel : 0-4323-6784 Fax : 0-4323-9912 E-mail : neeso@nesdb.go.th
10. Southern Region Economic and Social Development Office (SESO)	Tel : 0-7431-2702 Fax : 0-7431-1594 E-mail : seso@nesdb.go.th
11. Northern Region Economic and Social Development Office (NESO)	Tel : 0-5389-2115, 0-5322-1155 Fax : 0-5389-2110 E-mail : neso@nesdb.go.th
12. Quality of Life and Social Development Office (QSO)	Tel : 0-2281-6329 Fax : 0-2282-9158 E-mail : qso@nesdb.go.th
13. Natural Resource, Environment, Science and Technology Office (NESTO)	Tel : 0-2281-6634 Fax : 0-2280-2747 E-mail : nesto@nesdb.go.th
14. Macro Economic Office (MEO)	Tel : 0-2628-2837 Fax : 0-2281-9882 E-mail : meo@nesdb.go.th
15. Infrastructure Project Office (IPO)	Tel : 0-2281-0992 Fax : 0-2280-1860 E-mail : ipo@nesdb.go.th

5. Organization Chart



6. Related link

Organization	Telephone	E-mail
1. Office of the Prime Minister	0-2280-3000	www.thaigov.go.th
2. Bank of Thailand	0-2226-3114	www.mod.go.th
3. Board of Investment	0-2273-9021	www.mof.go.th
4. National Statistical Office	0-2225-8411	www.moc.go.th
5. Ministry of Finance	0-2202-3000	www.industry go.th
6. Ministry of Commerce	0-2643-5000	www.mfa.go.th
7. Ministry of Industry	0-2590-1000	www.moph.go.th
8. Ministry of Foreign Affairs	0-2246-8106	www.most.go.th
9. Ministry of Public Health	0-2628-5600	www.moe.go.th
10. Ministry of Science and Technology	0-2245-5801	www.mol.go.th
11. Ministry of Education	0-2222-1141-55	www.moi.go.th
12. Ministry of Labor	0-2281-3959	www.motc.go.th
13. Ministry of Interior	0-2226-1857	www.energy.go.th
14. Ministry of Transport	0-2502-6500	www.moj.go.th
15. Ministry of Energy	0-2281-5884	www.moac.go.th
16. Ministry of Justice	0-2298-2114	www.monre.go.th
17. Ministry of Agriculture and Cooperatives	0-2612-8888	www.m-society.go.th
18. Ministry of Natural Resource and Environment	0-2238-5421-6	www.ict.go.th
19. Ministry of Social Development and Human Security	0-2214-0120	www.mts.go.th
20. Ministry of Information and Communication Technology	0-2250-5500	www.tat.or.th

Organization	Telephone	E-mail
21. Ministry of Tourism and Sports	0-2883-5355	www.culture.go.th
22. Tourism Authority of Thailand	0-2283-5353	www.bot.or.th
23. Ministry of Culture	0-2537-8111	www.boi.go.th
24. Thai Chamber of Commerce	0-2281-0333	www.nso.go.th
25. Federation of Thai Industries	0-2622-1111	www.thaiechamber.com
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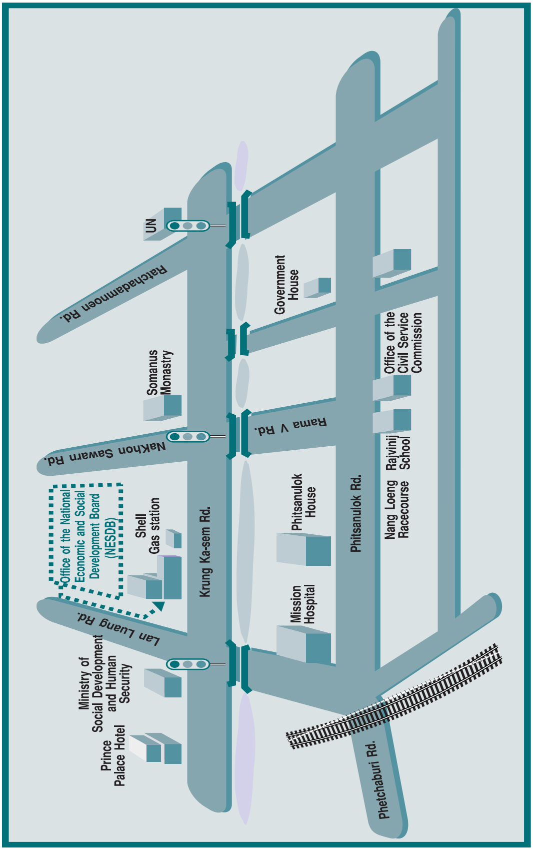
27. Foreign Embassies in Thailand	0-2264-0883-6	www.tba.or.th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