Thailand

IN BRIEF 2004

Office of the National Economic and Social Development Board

Preface

The Office of the National Economic and Social Development Board (NESDB) first published the “Thailand in Brief 2003” Handbook in the year 2003, to disseminate key data on Thailand’s development concepts. The response from the public was so widespread and beyond expectations that the Office decided to answer the public demand for an update.

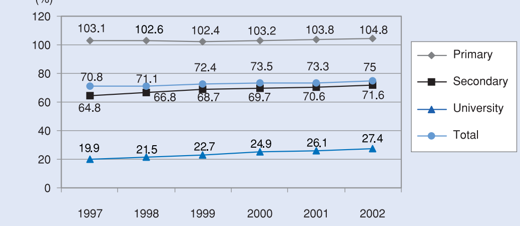
Now, “Thailand in Brief 2004” for the year 2004 is ready for distribution. Like its predecessor, this handbook provides readers both at home and abroad with information on all aspects of Thailand’s economic and social development. It also explains the role of the Office of the NESDB in Thailand’s development process. The NESDB takes a participatory approach to development, which includes contributions from all agencies and institutions concerned with the betterment of the Kingdom.

The Office of the NESDB fully hopes that the “Thailand in Brief 2004” Handbook will be of use to both the public and private sectors. It also wishes to express sincere thanks and appreciation to everyone who contributed information, as well as the time, commitment, and co-operation that made the publication of this handbook possible.

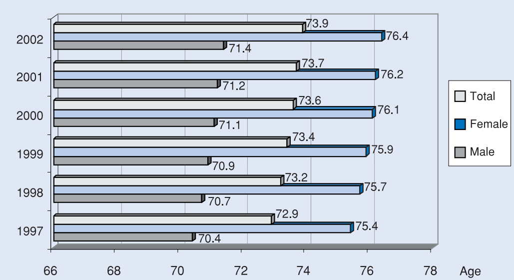
Office of the National Economic and Social Development Board

January 2004

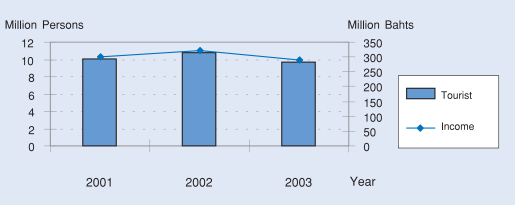
School Enrollment Rate



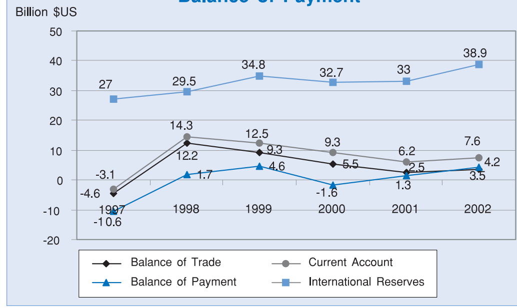
Life Expectancy at Birth



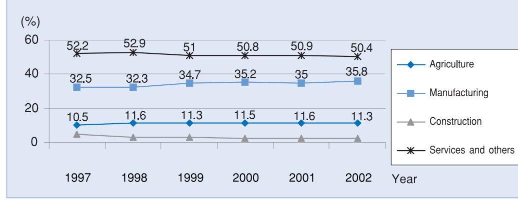
Foreign Tourist Arrival



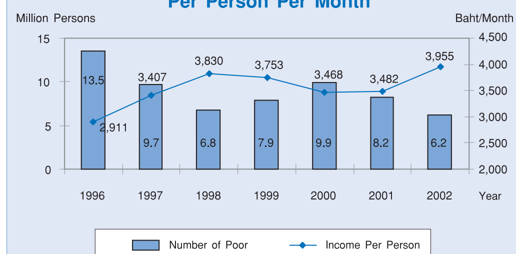
Balance of Payment



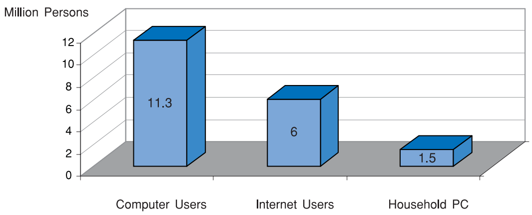
GDP Structure by Production Sector



Number of Poor and Average Income Per Person Per Month

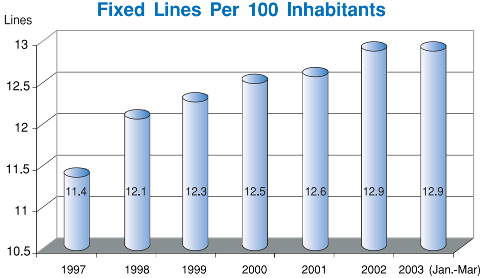


Computer Users, Internet Users, and PC in Household (2003)



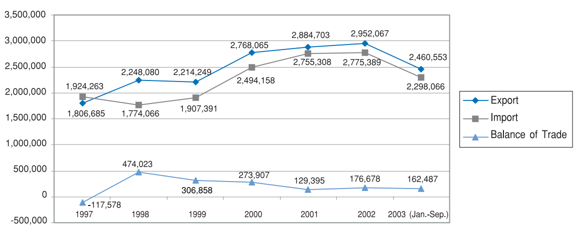
Source : National Statistical Office

Fixed Lines Per 100 Inhabitants



Source : TOT Corporation Public Company Limited

Thailand's International Trade



Source : Information and Communication Technology Center,
Ministry of Commerce, and The Custom Department

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Section 1: General Information

1. Historical Background

Siam is the name by which the country was known to the world until May 11, 1939, when an official proclamation changed the name to "Prathet Thai", or Thailand. The word "thai" means free, so the word Thailand means the "land of the free".

2. Geography

2.1 Location

Thailand is situated in the heart of the Southeast Asian Mainland, covering an area of 513,115 square kilometers, extending about 1,620 kilometers from north to south and 775 kilometers from east to west, at the broadest point. Thailand borders the Lao People's

Democratic Republic and the Union of Myanmar to the North, the Kingdom of Cambodia and the Gulf of Thailand to the East, the Union of Myanmar and the Indian Ocean to the West, and Malaysia to the South. There are four natural regions: the mountainous North, the fertile Central plains, the semi-arid plateaus of the Northeast and the coasts of the peninsular South.

Northern Region: The Northern Region consists of 17 provinces, and covers 169,600 square kilometers. Almost 80 percent of the land is either mountainous or hilly, and the Northern region is also the source of most of Thailand's water. Chiang Mai is the center of growth in the Upper North, and Phitsanulok, is the center of the Lower North.

Northeastern Region: Northeastern Region has 19 provinces and an area of 168,854 square kilometers, which is about one-third of the country. Nong Khai, Mukdahan and Nakhon Phanom are the major gateways to neighboring countries.

Central Region: The Central Region consists of 26 provinces, across 103,946 square kilometers of lush, fertile plains. Four sub-regions are defined according to specific physical and socio-economic characteristics: the Bangkok Metropolitan Region (BMR), and the Eastern, Upper Central and Western regions. Bangkok is both the regional hub of the Central Region and Thailand's capital city.

Southern Region: Both sides of the Southern Region open onto the sea covering 70,715 square kilometers. There are 14 provinces. The major provinces bordering the Andaman Sea are Phuket, Phang-nga and Krabi, while Surat Thani and Songkhla are the major coastal provinces on the Gulf of Thailand.

2.2 Capital: Bangkok

2.3 Climate: Thailand is a humid tropical country, with a monsoon climate. Temperatures average 29 degrees Celsius, ranging from a high of 35 degrees Celsius in April to 17 degrees Celsius in December. There are three main seasons: the cool season (November to February), the hot season (March to May), and the rainy season (June to October).

2.4 Local Time: GMT + 7 hours

3. Population

3.1 Population: Thailand has a population of 62.8 million, of which approximately six million live in Bangkok. The major ethnic group is Thai, along with sizable communities whose ethnic origins are Chinese and Indian or from neighboring countries. Thai is the official language. More than 90 percent of the population is Buddhist. Other religious groups include Muslims, Christians and Hindus.

3.2 Per Capita Income
Income per head by Region

Million of Baht

Resions	Per Capita Incom of 2000	Per Capita Incom of 2001
Bangkok	234,398	239,207
BMR	208,631	213,565
Central	75,075	78,588
Northeast	26,755	27,381
North	39,402	40,352
West	59,021	63,937
East	166,916	175,292
South	53,966	54,176
Total	**78,783**	**81,435**

Source : National Accounts Office, Office of the National Economic and Social Development Board

4. Political and Administrative System

The Kingdom of Thailand is a constitutional monarchy. The King is the Head of State. Legislative power is exercised through the Parliament, executive power through the Cabinet, and judicial power through the Courts.

The current monarch, His Majesty King Bhumibol Adulyadej, ascended to the throne in 1946. He is the ninth monarch of the Chakri Dynasty and he is revered throughout the country. Portraits of Their Majesties the King and Queen are proudly displayed in public places as well as in private homes.

Members of the House of Representatives usually appoint the Prime Minister. At least one-fifth of the members must support the nomination. When a candidate is chosen, the nomination is presented to the King for Royal Approval. The Prime Minister will then appoint a Cabinet of no more than 35 members. General elections are held at least every four years. The current Prime Minister is Dr. Thaksin Shinawatra, leader of the Thai Rak Thai Party, which won the general election in 2001.

The House of Representative consists of 500 members. The public elect 400 members and the remaining one hundred are selected according to a political party list system. The senate has 200 senators who are publicly elected.

Thailand's legal system is a unique blend of traditional Thai and Western law. The Supreme Court is the highest court of appeal, and judges act on behalf of His Majesty the King.

The administration of metropolitan Bangkok falls under an elected governor and the Bangkok Metropolitan Administration (BMA) is divided into 50 districts. Thailand has 76 provinces administered by governors who are appointed by the Ministry of Interior. The provinces are divided into 795 districts, 81 sub-districts, 7,255 tambon (Groups of Villages), and 72,577 villages.

5. Finance and Business

5.1 Currency: The Baht is the national currency unit. There are 100 Satang in one Baht.

5.2 Major Exchange Rate:

Countries	Currencies	Exchange Rates	
		Buying Rates	Selling Rates
USA	US Dollar	39.6836	39.9881
UK	Pound Sterling	66.0391	66.8766
EU	Euro	45.3732	46.0312
Japan	Yen (100)	36.3153	36.9032
Hong Kong	HK Dollar	5.1034	5.1737
Singapore	Singaporean Dollar	22.7611	23.1449
Switzerland	Swiss Franc	28.8312	29.2395
Australia	Australian Dollar	28.2198	28.7822
China	Yuan	4.7723	4.8454
Canada	Canadian Dollar	30.1275	30.5862

Source : Bank of Thailand
As of November 11, 2003

5.3 Office Hours

Government	8.30 a.m. - 4.30 p.m.	Monday-Friday
Private Business	8.30 a.m. - 5.00 p.m.	Monday-Friday
Banks	9.30 a.m. - 3.30 p.m.	Monday-Friday
Department Stores	10.00 a.m. - 9.00 p.m.	Daily

Remark : Some banks operate beyond normal business hours, and during holidays. Foreign currency exchange services are open daily, closing long after banking hours.

6. Public Facilities

6.1 Roads

Thailand's national road network covers 90 percent of the country's total area, or approximately 25,000 kilometers. Within the capital city of Bangkok, there is an expressway system, connecting traffic in the inner city areas, with average toll fees of 25-40 Baht. Other transportation services available in towns throughout Thailand include buses, mini-buses, taxis, car rentals, motorcycles for hire, "Sam Lor" (Tricycles with passenger car) and "Tuk-Tuk" (three wheeled motorized taxi). The initial base fare for an air-conditioned metered taxi is 35 Baht.

6.2 Mass Transit System

There is an elevated mass transit rail service in Bangkok. The Bangkok Mass transit System (BTS) runs across 23.5 kilometers along two lines. The "Sukhumvit" Line stretches from On Nut station on Sukhumvit Road to Mo Chit. The "Silom" Line starts from the National Stadium and ends at the Saphan Thaksin station on Sathorn Road.

6.3 Rails

The State Railway of Thailand (SRT) operates a 4,000 kilometer rail service from Bangkok's Hua Lamphong central station to all regions of the country. Services include First Class cars (Air-conditioned), Second Class cars (Air-conditioned / Non Air-conditioned), and Economy Class cars. Traveling by train is popular and economical.

6.4 Airports

Thailand now has five international airports: Bangkok International Airport, able to accommodate 35 million passengers a year, 0.9 million tons of cargo per year, and 60 flights per hour. Other international airports are at Chiang Mai, Chiang Rai, Hat Yai and Phuket. These include 29 domestic airports, 26 regional airports, two private airports (Ko Samui and Sukhothai), and the U-Tapao Air Base on the Eastern Seaboard.

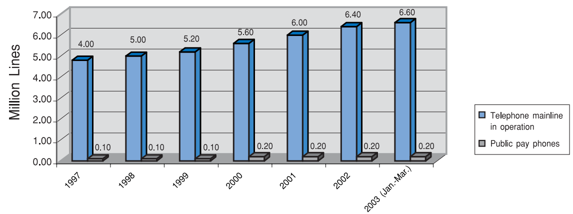
6.5 Electric Supply

Thailand uses 220 volts, 50 Hertz, and a two-prong plug.

6.6 Telephone

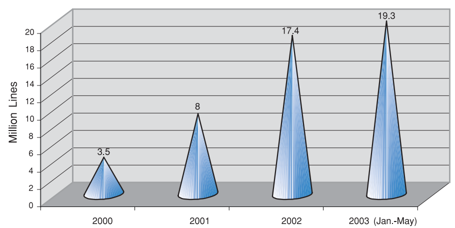
Telephone service continues to expand but landline use is falling, as cellular phones become increasingly popular. In the first quarter of 2003, 13.1 per cent of the households in Thailand had a registered landline telephone. In the last 2-3 years, increasing rate of landline telephone droped, due to the expansion of mobile phone user.

Telephone Availability



Source : TOT Corporation Public Company Limited

Mobile Users

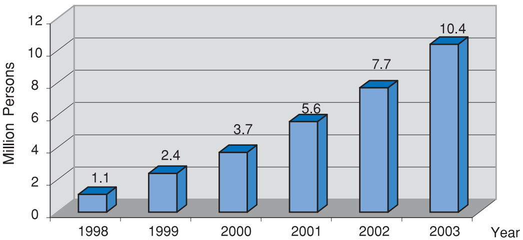


Source : TOT Corporation Public Company Limited and CAT Telecomm Public Company Ltd.

6.7 Internet

Thailand started using the Internet in 1987. Internet use increased dramatically between 1999 and 2003, at a rate of 58.3 percent a year.

Internet Users



6.8 Education

Thailand's literacy rate is 92 percent. Nine years of education are compulsory, from the Prathom Suksa 1 to the Mathayom Suksa 3. The government provides free education to all Thai children until they finish high school, at Mathayom Suksa 6.

Amount of School and University, Divided by Level of Educaiton

Year	Pre-School	Primary	Secondary Education			Universities			Total Schools
			Low	High	Vocational	Dipioma	BA	>BA	
1999	45,577	33,840	10,109	2,563	854	573	178	51	50,402
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

Source : Office of the National Education Council
Note : One educational institution could provides more than one educational levels.

6.9 Public Health

In 2000, there were 424 public and private hospitals in Thailand. Each hospital treated an average of 76,813 patients. The average number of patient beds is 90, and the average number of patients per bed is 857.

Medical and Public Health Personnel

Year	Physicians	Dentists	Pharmacists	Perfessional Nurse	Technical Nurses
1998	1:3,406	1:15,613	1:10,346	1:960	1:1,806
1999	1:3,395	1:15,295	1:10,158	1:905	1:1,952
2000	1:3,238	1:15,184	1:9,878	1:887	1:2,141

Source : Office of the Permanent Secretary, Ministry of Public Health

7. Tourism

7.1 Tourism Industry: The tourism industry plays a major role in the economic and social development of the Kingdom. Thailand is known around the world for its cuisine, the hospitality of its people and its ancient cultures. The number of international arrivals continues to increase each year. Specialized tourism facilities include the Tourist Police Force and Tourist Service Centers.

International Arrivals to Thailand

	1999	2000	2001
Number of Tourists	8,580,332	9,508,623	10,061,950
Average Length of Stay (Days)	7.96	7.77	7.93
Revenue (Million of Baht)	253,018	285,272	299,047

Source : Tourism Authority of Thailand

7.2 Regulations for Foreign Visitors to Thailand: Foreign nationals visiting Thailand must possess valid passports or accepted traveling documents and appropriate visas before entering the country. Visitors from certain countries do not need visas but most foreign visitors require at the very least, a visa-on arrival, which is valid for 30 days. Tourist visas are available at Royal Thai embassies and consulates and are valid for 60 days. Non-immigrant, diplomatic and official visas are valid for 90 days.

7.3 Major Tourist Attractions

Beaches include Pattaya, Phuket, Samui, Ko Chang, Phang-nga and Krabi.

Nature Reserves and National Parks, such as Phu Kradueng in Loei, Doi Inthanon in Chiang Mai, Khao Yai in Nakhon Ratchasima.

Cultural Heritage, such as the serene Lanna Culture of Chiang Rai, Phayao, Phrae and Nan, the spicy I-san cuisine of Nong Khai, Udon Thani, Khon Kaen and Kalasin, and traditional festivals throughout the country.

Niche Market tourism includes long stay programs, cruises, wedding / honeymoon packages, eco-tourism and soft adventure packages and specialized events for certain festivals such as the Songkran Festival (traditional Thai New Year festival) or the Loy Krathong Festival.

Manmade, such as Rattanakosin Island, Bangkok, Elephant Nature Centers and Amusement Parks, etc.

For more information, see www.tat.go.th

8. Trade

During January-September 2003, total exports from Thailand equaled 2,460,552.9 million Baht, up 14.1 percent from the corresponding period in 2002. Imports totaled 2,298,065.9 million Baht, up 12.3 percent from the same period last year. Thailand recorded a trade surplus of 162,486.9 million Baht, up 46.8 percent from the same period in 2002.

Top 10 Thai Export Products to ASEAN

Million of Baht

No.	Items	2000	2001	2002	2003 (Jan.-Sep.)
1.	Automatic data processing machines and parts thereof	96,584.4	95,355.6	89,028.6	89,028.6
2.	Electronic integrated circuits	31,031.3	29,483.8	29,527.5	29,527.5
3.	Motor cars, parts and accessories	10,515.7	12,238.6	15,102.0	15,102.0
4.	Chemicals	21,374.7	21,997.1	22,866.1	22,866.1
5.	Refined fuels	33,179.1	32,681.4	30,275.0	30,275.0
6.	Iron, steel and products	13,908.5	14,517.3	15,744.5	15,744.5
7.	Polymers of ethylene, propylene, etc., in primary forms	16,772.7	16,695.6	18,409.2	18,409.2
8.	Rubber	8,696.2	9,397.1	12,802.4	12,802.4
9.	Radio-broadcast receivers, Television recivers and parts thereof	12,163.2	10,922.9	13,819.4	13,819.4
10.	Rice	11,057.2	12,483.9	13,681.6	11,836.6
Total 10 Items		255,283.0	255,773.3	261,256.3	261,256.3
Ohter		281,626.7	302,028.4	320,891.6	320,891.6
Total Value		536,909.7	557,801.7	582,147.9	582,147.9

Top Ten Thai Export Products to APEC

Million of Baht

No.	Items	2000	2001	2002	2003 (Jan.-Sep.)
1.	Automatic data processing machines and parts thereof	278,410.1	272,744.9	254,826.8	195,225.5
2.	Electronic integrated circuits	140,646.1	122,160.4	110,786.6	103,514.1
3.	Motor cars, parts and accessories	48,509.0	50,093.2	59,911.4	71,937.7
4.	Rubber	50,830.1	48,391.1	61,714.5	69,429.0
5.	Garments	83,255.9	88,278.4	80,201.4	59,637.7
6.	Radio-broadcast receivers, Television receivers and parts thereof	55,294.9	58,157.4	70,678.5	57,339.1
7.	Polymers of ethylene, propylene, etc., in primary forms	63,325.8	58,141.2	62,967.1	53,444.2
8.	Prepared or preserved fish, crustaceans, molluscs in airtight containers	67,950.6	69,859.2	67,749.9	49,615.3
9.	Iron, steel and products	41,359.1	36,614.9	43,562.3	43,556.7
10.	Semi-conductor devices, transistors and diodes	38,311.3	37,326.2	60,137.2	43,430.2
Total 10 Items		867,893.0	841,767.6	872,535.7	747,129.5
Others		1,143,804.2	1,229,135.3	1,265,496.9	1,038,896.5
Total Value		2,011,697.1	2,070,902.9	2,138,032.6	1,786,025.9

Top Ten Thai Export Products to EU

Million of Baht

No.	Items	2000	2001	2002	2003 (Jan.-Sep.)
1.	Automatic data processing machines and parts thereof	61,664.5	70,049.7	58,753.9	42,997.1
2.	Motor cars, parts and accessories	27,661.3	45,471.6	41,965.9	29,231.0
3.	Electronic integrated circuits	37,690.9	31,609.1	30,143.8	26,270.0
4.	Garments	27,592.4	27,113.5	24,942.9	19,464.1
5.	Precious stones and jewelry	20,750.0	23,182.5	23,981.7	19,247.4
6.	Air conditioning machine and parts thereof	15,214.1	15,427.3	14,016.3	16,929.8
7.	Radio-broadcast receivers, Television receivers and parts thereof	16,121.9	10,931.7	13,674.0	12,290.6
8.	Footwear and parts thereof	11,987.5	14,233.7	12,410.7	9,007.3
9.	Rubber products	7,731.4	9,039.9	9,607.4	8,636.9
10.	Rubber	6,261.6	6,233.8	7,522.7	7,572.6
Total 10 Items		232,675.7	253,292.9	237,019.2	191,646.6
Others		204,423.9	213,141.8	201,351.4	170,652.7
Total Value		437,099.6	466,434.7	438,370.6	362,299.2

Source : Ministry of Commerce

Section 2: Economic, Social and Environmental Situation and Outlook

1. Economic Situation and Outlook

Introduction

After experiencing the economic crisis which triggered economic contraction of 1.4 and 10.5 percent in 1997 and 1998 respectively, the Thai economy recovered in 1999 with the growth rate of 4.4 percent. Contributing factors included government measures, stabilization and stimulus packages, and the world economic expansion, particularly the peak of the US economy, which significantly benefited Thai exports during 1999 and 2000. Strong exports performance, as a result, was the main driving force of the economy.

By the end of 2000, however, the global economy experienced a slowdown, which adversely affected exports and led to only 2.1 percent growth rate of the economy. The Thai economy remained sluggish throughout 2001, reflecting a vulnerability to external environment. The government, therefore, responded by introducing development strategies which aimed at more balanced economic development. These included policies emphasizing on strengthening the "Grassroots Economy" as well as supporting the small and medium-scale enterprises (SMEs). Meanwhile, external sector was also strengthened further and economic stability was maintained. This approach became known as the "Dual Track Plus Development Strategies".

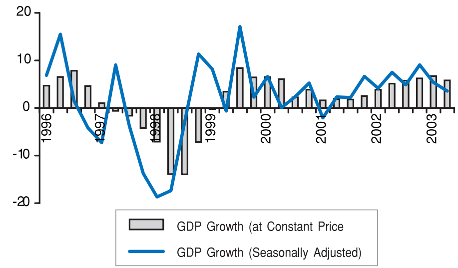
Under supportive macroeconomic policy management and favorable external conditions, the Thai economy in 2002 expanded satisfactorily by 5.4 percent, owing primarily to domestic demand which had played an increasing role to the economy. Economic stability also showed significant improvement.

1. Economic performance in 2003

Thailand entered 2003 with a strong growth momentum and stability from 2002. The growth was primarily underpinned by strong domestic demand, both private consumption and private investment, as well as robust export performance. Supporting factors included lower interest rates, better employment conditions, government stimulus packages and the global economic recovery. Despite the effects of the US-Iraq War and the outbreak of the Severe Acute Respiratory Syndrome (SARS), the Thai economy still showed satisfactory growth rate.

Concurrently, economic stability remained favorable, accompanied by subdued inflation rate, stable exchange rate, a current account surplus, ample international reserves, and declining trends of short-term external debts. Non-performing loans also substantially declined.

Thailand's Economic Growth (%)



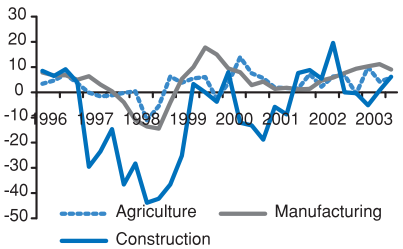
Thailand achieved an economic growth rate at 6.3 percent in the first nine months of 2003. Pro-growth government policies, higher consumer and investor confidence, low interest rates and the global economic recovery contributed to a stronger economy.

Economic growth in 2003 is, thus, expected to continue at a rate of 6.3 percent, with the inflation rate of 1.9 percent and the current account surplus of 5.6 percent to GDP.

2. Economic Performance by Sector

2.1 Real sector: Both domestic and external demand continued to grow. In particular, production in the manufacturing, financial and trade sectors expanded, while production in the construction and service sectors, such as hotels and restaurants, experienced some contraction in the first half, due to the US-Iraq War and the SARS outbreak. They recovered in the second half. Farm production improved thanks to increasing major crop yields.

GDP Growth (Production Side) (%)

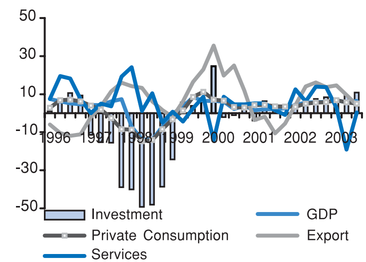


2.2 Private spending spurred growth:

Private consumption grew 5.8 percent in the first nine months of 2003, in line with rising incomes, higher prices for agricultural products, better employment conditions, and lower interest rates. Higher consumer confidence led to increased private consumption on durable goods such as vehicles, motorcycles and electrical appliances. Most of the key indicators continued to be favorable in the first nine months, setting the stage for continued expansion through the last quarter of the year.

Private Investment expanded robustly by 17.7 percent in the first nine months of 2003, picking up from the pace set at the end of 2002, when private sector investment soared, both in machinery and equipment as well as in construction sector. Investment in machinery and equipment grew in line with increased exports and a greater domestic demand for both goods and services. Factories were working at full capacity in various sectors. Increased demand was attributed to lower interest rates and government stimulus packages, which were still in place in the second half of 2003.

GDP Growth (Demand Side) (%)



Growth Rate of GDP

% Y-O-Y	2001	2002	2002				2003		
			Q1	Q2	Q3	Q4	Q1	Q2	H1
Expenditure									
Private Consumption Expenditure	3.9	4.9	3.3	5.1	5.5	5.8	6.8	5.7	5.0
Government Consumpsion Expenditure	2.8	2.5	12.3	-0.3	0.0	-1.3	-10.0	2.8	2.3
Gross Fixed Capital Formation	1.2	6.5	3.0	7.4	7.5	8.4	7.5	9.1	10.8
Private Investment	4.9	13.2	8.4	9.3	19.3	16.3	19.8	16.8	16.5
Public Investment	-5.2	-5.8	-7.3	3.2	-7.1	-13.0	-20.2	-7.9	1.7
Production									
Argriculture	3.5	3.0	2.2	6.2	6.8	-0.6	10.0	4.2	5.8
Manufacturing	1.4	6.8	4.6	5.8	7.6	9.3	10.3	11.1	9.0
Construction	0.3	5.7	5.4	19.6	0.0	-0.4	-5.2	0.7	6.1
Financial	1.9	9.0	6.4	7.7	9.0	13.3	9.3	10.1	10.2
Services and Others	2.5	4.6	4.5	4.3	4.4	5.3	3.7	2.2	4.4
GDP	**2.1**	**5.4**	**4.4**	**5.5**	**5.8**	**6.0**	**6.7**	**5.8**	**6.5**

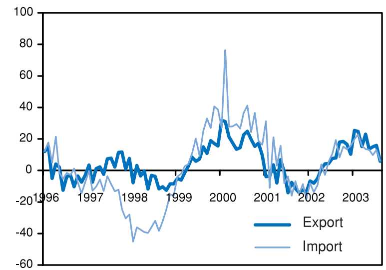
Source: NESDB

2.3 External sector: The current account was still in surplus in 2003, thanks primarily to a trade account surplus and export growth that exceeded imports.

- **Export** earnings totaled USD 71.2 billion in the first eleven months of 2003, a 16.1 percent increase from the same period of 2002. The price of export commodities rose in 2003, especially in the agricultural sector.

- **Imports**, during the same period, reached a total value of USD 67.1 billion, or an average growth rate of 15.2 percent from the same period in 2002. Both the volume and value of imports grew by 6.9 and 7.6 percent, respectively, and increases were reported in almost all product categories.

Export and Import Value Growth (%)



- **The Balance of Payments** (BOP): Trade balance registered a substantial surplus of USD 4.1 billion in the first eleven months of 2003. The balance of services, income and transfers was also in surplus, thereby resulting in the current account surplus of over USD 7.2 billion in the same period. The capital account, however, was in a deficit during the first eleven months of the year, due chiefly to higher capital outflows for holding overseas securities among commercial banks, and the prepayment of International Monetary Fund (IMF) loans by the BOT (Bank of Thailand). The BOP, therefore, recorded a small surplus of USD 0.37 billion in the first eleven months of the year.

Balance of Payment

(Unit:Billion $US)	2002	2003			Jan.-Sep. (9 months)	
		Q1	Q2	Q3	2002	2003
Export	66.80	18.17	18.87	19.74	48.91	56.77
- Value (%)	5.7	21.3	16.8	11.0	2.6	16.1
- Volume (%)	13.9	14.6	9.6	4.3	13.5	9.3
- Price (%)	-7.2	5.8	6.7	6.4	-9.8	6.3
Import	-63.36	-17.07	-17.43	-18.90	-46.76	-53.40
- Value (%)	4.4	19.2	12.1	11.8	1.3	14.2
- Volume (%)	10.8	13.2	3.3	4.1	9.9	6.6
- Price (%)	-5.7	5.3	8.5	7.3	-7.9	7.1
Trade Balance	3.44	1.10	1.44	0.84	2.15	3.38
Net Services, Income and Transfer	4.21	1.43	-0.24	na	2.58	2.16
Current Account Balance	7.65	2.53	1.20	1.85	4.73	5.58
Capital and Financial Balance	-3.15	-4.43	-0.89	na	-2.09	-6.8
- Private	-4.74	-2.68	-2.32	na	-3.33	-5.0
- Public	-2.44	-0.21	-0.22	na	-2.18	-2.3
- BOT	4.03	-1.53	1.65	na	3.42	0.5
Balance of Payment	4.23	-2.07	1.02	0.73	3.05	-0.32

Source: Bank of Thailand

- **International Reserves** remained strong at the end of September, equal to USD 40.3 billion, or 6.4 months worth of import values, or three times the amount of short-term foreign debts, showing sustained stability of the entire economy. The BOT prepaid all IMF loans in July 2003.

- **External Debts:** By the end of October 2003, the total values of external debts were worth USD 52.3 billion, dropping by approximately USD 6.5 billion from the record at the end of 2002. Most long-term debts declined as a result of the IMF loan payment and prepayment of state-owned enterprises and other government agencies.

2.4 Fiscal Conditions

With higher revenue collection and lower expenditures, the government achieved a budget surplus in FY 2003 for the first time sine 1997. It reached 56.4 billion Baht, as against a budget deficit of 109.9 billion Baht in FY 2002.

Statement of Government Operations (Billions Baht)

Fiscal Year	2002	2003^P				
		Q1	Q2	Q3	Q4	Total
1. Revenue	958,357.66	235,418.84	259,321.51	323,060.17	278,583.82	1,096,384.32
(% change)		(13.1)	(20.4)	(12.7)	(12.2)	(14.4)
2. Expenditure (2.1+2.2)	1,038,975.34	245,599.25	228,648.36	257,635.02	266,159.73	998,042.36
(% change)		(-13.0)	(-11.7)	(5.3)	(5.1)	(-3.9)
2.1 Expense	884,969.61	218,903.04	201,462.30	232,482.44	210,859.50	863,707.28
(% change)		(-11.2)	(-7.6)	(12.9)	(-1.7)	(-2.4)
2.2 Net acquisition of nonfinancial assets	154,005.73	26,696.21	27,186.06	25,152.58	55,300.23	134,335.08
(% change)		(-24.8)	(-33.7)	(-35.0)	(42.6)	(-12.8)
3. Gross Operating Balance (1-2.1)	73,388.05	16,515.80	57,859.21	90,577.73	67,724.32	232,677.04
4. Net Lending/Borrowing (1-2)	-80,617.68	-10,180.42	30,673.15	65,425.15	12,424.09	98,341.96
5. Net Lending/Borrowing (including extrabudgetary funds) (4-5) or (8-9)	-80,617.68	-10,180.42	30,673.15	65,425.15	12,424.09	98,341.96
6. Overall Fiscal Balance	-105,168.88	-20,916.42	27,074.75	59,848.95	5,376.69	71,383.96

Source: Ministry of Finance

Remarks: Data from GFS 2001 system

Government Revenue: Government revenue totaled 1,135.4 billion Baht in FY 2003, up 16.0 percent from FY2002, thanks in large part to higher consumption and income tax bases. This was the first time that the government collected tax revenue worth more than 1 trillion Baht.

Government Expenditure: Total government spending was 1,052 billion Baht in FY 2003, down 1.2 percent from the fiscal year before. The expenditure disbursement rate was 89.94 percent, compared with the target of 92 percent of a total budget of 999,900 million Baht.

Public Debts: The total outstanding of public debts at the end of September 2003 was 2,918 billion Baht, or 49.34 percent of GDP, compared with 53.94 percent last year end.

2.5 Employment: There was a marked increase in the number people employed in the non-agricultural sectors. The National Statistical Office reported the number of employed people at 33.81 million, up 2.5 percent from 2002. There were 703,800 people registered as unemployed, or 2.0 percent of the labor force, a slight drop from the 2.2 percent recorded in 2002.

Employment Situation

(Unit: Percent)	2001	2002					2003*			
			Feb.	May	Aug.	Nov.		Feb.	May	Aug.
Employment	2.8	2.6	3.9	4.3	0.7	1.7	2.6	3.0	3.2	1.6
Agriculture	-2.2	1.1	2.9	5.4	-0.2	-2.1	-0.8	0.9	-2.0	-1.0
Non-Agriculture	6.8	3.6	4.5	3.6	1.6	4.7	4.9	4.2	6.5	3.9
Unemployment	-8.2	-30.1	-33.6	-29.2	-16.7	-37.4	-10.9	-16.5	-5.9	3.9
Unemployment Rate	3.23	2.24	2.79	2.96	1.75	1.49	2.19	2.30	2.73	1.54

Source : National Statistical Office
Remarks: *Average of 3 Quarters

2.6 Monetary Conditions: Short-term interest rates in the local money market remained low, due to the continued excess liquidity from 2002.

Interest Rates: Interest rates in the money market continued to fall, when the BOT cut the 14-day RP rate -a benchmark rate- by 50 basis points on June 27 to a mere 1.25 p.a. The 1-day RP and interbank rates averaged at 1.10 percent p.a., at the end of the third quarter.

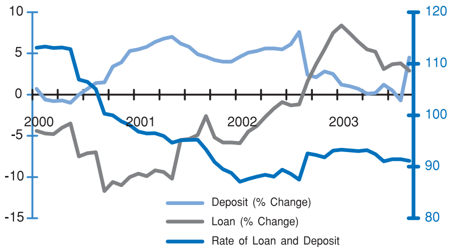
Short Term Interest Rate in Financial Market

As of	2001	2002				2003			
Unit: Percent per Year		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Oct.
R/P 14 Days	2.50	2.00	2.00	1.99	1.75	1.74	1.70	1.25	1.25
R/P 1 Days	2.12	1.65	1.60	1.69	1.52	1.58	1.60	1.10	1.10
Interbank Interest Rate	2.14	1.80	1.70	1.84	1.59	1.57	1.56	1.10	1.11
MLR Interest Rate	7.25	7.125	7.125	7.125	6.75	6.625	6.125	5.625	5.625
Interest Rate (3 months Deposit)	2.25	2.0	2.0	2.0	1.75	1.50	1.25	1.125	1.00

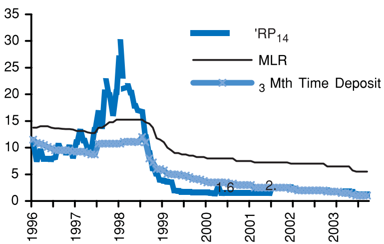
Source : Bank of Thailand

Commercial Bank Deposits and Loans: Commercial bank deposits kept growing, while lending rates fell. High excess liquidity continued, resulting in lower lending and deposit rates.

Loan tends to increase continuously, but the liquidity is still high



Interest Rate (%)



Commercial Bank Deposits and Credits

As of	2000	2001	2002	2003		
Unit: Billion of Baht				Q1	Q2	Q3
Commercial Bank Deposits	4,816.0	5,009.1	5,132.0	5,204.7	5,262.9	5,303.3
(% change)	(5.3)	(4.0)	(2.5)	(0.7)	(1.2)	(4.5)
Commercial Bank Private Credits[1/]	4,723.7	4,447.9	4,779.9	4,841.0	4,792.6	4,834.2
(% change)	(-10.0)	(-5.8)	(7.5)	(6.4)	(3.1)	(2.9)
Non Performing Loans (% of total credit)	17.90	10.46	15.67*	15.74	15.69	15.33

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:

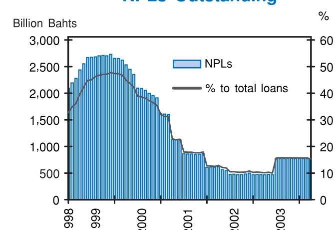
Previous definition: Loan which is more than 3 months overdue, excluding doubtful of loss loan with full provisioning.

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)

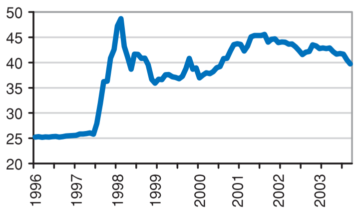
Non-Performing Loans: Total outstanding non-performing loans (NPLs) were 750,298 million Baht by the end of September 2003. This included loans with local financial institutions, excluding IBF Offices of overseas banks and credit foncier companies. This was equivalent to 15.33 percent of total loans.

NPLs Outstanding



Exchange Rate: The average value of the Thai Baht against the US dollar was 41.88 during the first ten months of 2003, appreciated compared to the average 42.95 Baht per US dollar during the corresponding period in 2002. This was attributed to stronger economic fundamentals and the appreciation of Japanese Yen.

Exchange Rate Movement



Exchange Rate

	2001	2002	2002				2003			
(Baht per $US)			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Oct.
Exchange Rate	44.48	43.00	43.74	42.79	42.07	43.42	42.80	42.23	41.31	39.73

2.7 Price Level: Headline inflation in the third quarter averaged 1.9 percent compared to 1.9 percent and 1.7 percent in the first and second quarters respectively. This was due to higher prices for agricultural product and fuel.

3. Economic Outlook for 2004

The Thai economy is expected to continue expanding in 2004, thanks to strong domestic demand, a global economic recovery, and Thai government stimulus packages. Continued expansion, however, should be underlined by quality and sustainability which can be characterized by conditions of moderate growth rate of private consumption and economic growth contributed mainly by exports and private investment. Moreover, economic expansion should also not jeopardize economic stability.

Economic Projection for 2003-2004

	2001	2002	Preliminary		Projection 2004	
			Sep.15, 2003	Dec.15, 2003	Trend	Target
GDP (at current prices, Billion Baht)	5,133.8	5,451.9	5,868.0	5,904.4	6,465.3	6,542.0
GDP growth rate (at constant prices, %)	**2.1**	**5.4**	**5.8-6.2**	**6.3**	**7.0**	**8.0**
Investment (at constant prices, %)	1.2	6.5	9.1	9.6	13.1	15.4
Private (at constant prices, %)	4.9	13.2	16.0	16.5	17.0	20.0
Public (at constant prices, %)	-5.2	-5.8	-6.5	-6.0	2.2	2.2
Consumption (at constant prices, %)	3.8	4.6	4.7	4.7	5.3	5.5
Private (at constant prices, %)	3.9	4.9	5.8	5.7	5.7	5.9
Public (at constant prices, %)	2.8	2.5	-2.0	-1.2	2.8	2.8
Export (Billion US dollars)	63.2	66.9	75.0	77.6	88.5	89.2
Growth rate (%)	-6.9	5.7	12.1	16.0	14.0	15.0
Growth rate (Volume, %)	-5.6	11.3	8.5	10.0	9.0	10.0
Import (Billion US dollars)	60.7	63.4	71.3	72.6	83.5	84.2
Growth rate (%)	-2.8	4.6	12.4	14.5	15.0	16.0
Growth rate (Volume, %)	-6.3	11.1	7.0	8.0	9.0	10.0
Trade Account (Billion US dollars)	2.5	3.5	3.7	5.0	5.0	5.0
Current Account (Billion US dollars)	6.2	7.7	7.6	7.9	8.7	8.9
Current Account to GDP (%)	5.4	6.1	5.4	5.6	5.3	5.4
Inflation (%)						
Consumer Price Index (CPI)	1.6	0.7	1.9	1.9	2.4	2.6
GDP Deflator	2.2	0.7	2.0	2.0	2.5	2.8

Source: Office of National Economic and Social Development Board, December 15, 2003

4. Sustainable Development Measures

The government introduced "The Dual Track Plus Development Strategies" as the framework for the economic policies. The focus is on economic stabilization at the grassroots level, the promotion of Small and Medium Sized Enterprises (SMEs) and the improvement of international competitiveness. Expansionary fiscal and monetary policies will also continue to be key factors, until supply-side measures can fully function.

4.1 Economic Stimulus Measures

(1) Strengthening of the Grassroots Economy: This involves projects that began in 2001, which target the rural economy and the smaller economies within both rural and urban areas. The aim is to generate income for Thai people as well as to attain a more equitable income distribution across the country. These projects include the One Tambon One Product (OTOP) Project, the establishment of village funds, debt moratorium for farmers, additional low-cost housing program for the poor or so-called "Ua-Arthorn" scheme, as well as the asset capitalization scheme.

(2) SMEs will be promoted to better support larger businesses and corporations. This involves technical assistance programs as well as training in marketing and venture capital projects.

(3) The government will continue to focus on improving competitiveness as a national agenda. A recent workshop came up with strategies for each sector. The next step is to integrate these new targets into the national strategic framework.

(4) Income generation programs for the service sector and the tourism industry are also a key focus. Measures target the promotion of domestic tourism such as the Tourism of Thailand's Unseen Thailand campaign, and the VIP Privilege Card for foreigner visitors.

4.2 Management of Macroeconomic Policies to Maintain Long-term Stability

(1) Economic stabilization measures include the stabilization of the Baht, the restructuring and strengthening of local financial institutions, the monitoring of market liquidity and capital movement, the management of foreign reserves and the reduction of NPLs. On the fiscal side, an emphasis will be placed on prudent management of government spending, debt creation, and more efficiency in revenue collection.

(2) Monetary Measures: Once economic recovery is stable, the government focused on long-term monetary policies including reserve management, currency stabilization as well as strengthening of financial institutions. In brief:

- The Asia Bond Market Development is currently on target. It will be implemented in line with regional agreements through APEC, ASEAN plus 3 and the ASEM.

In this regard, the Ministry of Finance has undertaken feasibility studies and other details of bond issuance. Regarding the establishment of Asia Bond Fund, the first Asia Bond Fund, or ABF 1, has been established under the framework designated at the Executives' Meeting of East Asia-Pacific Central Banks (EMEAP).

• The Vayuphak Mutual Fund 1 focuses on increasing investment by offering options with higher returns on public savings. It also promotes the development of the local capital market, and the more effective management of government bonds and securities.

It is a mutual fund flexible portfolio and a close-end fund, holding a 10-year maturity period, and initial capital of 100,000 million Baht.

(3) Fiscal Measures: In 2003, budgets were set up to fund many social welfare programs including various low-cost product projects for the poor, such as housing and computer sales projects. These also include other tax measures, such as the two-year maintenance of the 7-percent Value Added Tax (V.A.T.), increases in tax deductible items, and upgrading of income-levels eligible for waiver of personal income tax. Corporate tax cuts will also help businesses increase liquidity, the tariff system will be restructured and more incentives measures will be launched to promote private investment.

2. Social Situation and Outlook

Thai society has unique characteristics, the product of an ancient culture that values peace and independence. It is an open society that adjusts easily to new cultural influences and is able to assimilate foreign cultures and religions. There is religious freedom and the monarchy is at the core of the Thai spirit. It is a caring and kind society based on strong family and community values.

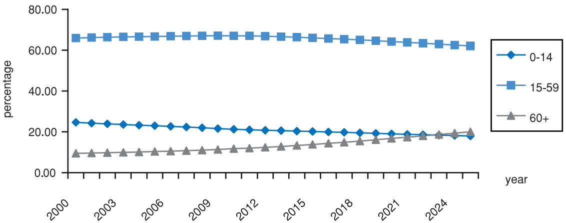
However, Thai society is undergoing rapid change in response to influences from both within the country and beyond its borders, through globalization. Modern information technology has also created a world without borders that can be accessed in an instant from even the most remote parts of the country. The impact of this technology has been revolutionary, and while there have been many benefits, there have also been many negative social repercussions.

1. Population

Thailand's population was 62.24 million in 2000. The fertility rate was 1.82 percent and the dependency rate was 51.7 percent. The United Nations predicts that Thailand's average life expectancy will rise by 2005 to 73.8 years for women and 67.9 years for men.

The NESDB studied the fertility rate of middle-aged population and found that the number of children will drop from 23.88 percent in 2002 to 17.95 percent in 2025. The proportion of the elderly is expected to leap from 9.74 to 19.99 percent, while the proportion of people of working age will drop from 66.38 to 62.05 percent. (As in chart 1)

Chart 1: Proportion of Population by Age Group (Medium Fertility Assumption)



Source: Population Projections for Thailand 2000-2025, NESDB

Thailand is now experiencing what is known as the benefit of **"demographic dividends"**. This means that national development strategies can take advantage of a large labor force with a declining dependency rate, which can support an aging population.

Demographers warn that this situation is rare and the demographic benefits will begin to drop off in 2020, **when the population of people more than 60 years of age will reach 11 million. The labor force is expected to drop off by 2020, from 66.38 percent to 62.05 percent.** At the moment, the demographic variables are ideal for national development. As long as the economy can maintain full and productive employment, savings and private investment will increase. But if full advantage of this opportunity is not taken, national development will stagnate since the labor force will not be able to support a rapidly growing elderly population. The government has taken preventive measures through the Act for the Elderly B.E. 2546 (2003) which ensures the adequate provision of services to meet the needs of people over 60 years of age who can no longer work. Services include medical care, subsidized housing and pension programs. The budget for these services will come from the Welfare Fund for the Elderly. The preparation for an aging society has become a critical priority for Thailand.

2. Labor Force

The number of people of working age has increased and more people have entered the workforce. In 1996, 30,977 people were working and by 2002 the figure increased to 32,997. Less than half the Thai population is involved in agricultural production and the numbers are falling. In 1996, 45.3 percent of the population worked in farming, and by 2002, the proportion dropped to 41.6 percent. In the non-agricultural sectors, the numbers increased from 54.7 percent in 1996 to 58.4 percent in 2002. This increase is attributed to more jobs in the handicraft and service industries in response to an expanding tourism sector. Employment in the construction sector recovered from a rate of 4.6 percent in 1999, to 5.2 percent in 2002, as a result of government stimulus programs in the real estate sector.

At least 64.4 percent of people of working age are under-educated, with only an elementary school education, or lower. This is one of Thailand's weaknesses. If Thailand wants to improve international competitiveness in the world market, it will have to make education a priority. The government is addressing this issue by encouraging employers to provide training for employees, by promoting non-formal education opportunities includ-

ing the Thai Vocation Qualification (TVQ) program. In addition, younger people are encouraged to enroll in vocational training programs to boost the manufacturing sector, still in high demand for skilled workers.

3. Education

The government now aims to provide continuing education programs, not only in formal education but also in nonformal and informal systems. This includes the promotion of independent learning through self-study, correspondence and distance learning programs. The goal is to give as many people as possible access to education. The schooling years of people over 15 years averaged at 7.0 years in 1998 and this increased to 7.6 years by 2002. Levels of functional literacy increased continuously from 51.8 to 56.6 percent in 1998 and 2002, respectively. Education levels, however, differed between regions. The urban rate amounted to 68.8 percent, compared with 50.8 percent in rural areas and jumping up to 73.7 percent in the Bangkok Metropolitan Region (BMR).

Table 1 : Levels of Education

Region	1998	1999	2000	2001	2002
Literacy Rate (%)	51.8	53.0	54.1	55.3	56.6
• Urban	65.2	65.4	66.4	67.5	68.6
• Rural	45.3	46.9	48.1	49.4	50.8
Central	50.9	52.1	54.1	56.3	58.7
Northern	43.3	43.5	45.0	46.6	48.2
Northeastern	48.6	41.0	51.7	52.4	53.2
South	52.6	53.8	54.3	54.8	55.7
Bangkok and Metropolitant	72.5	72.1	72.6	73.1	73.7
Mean years of Schooling* (Year)	7.0	7.1	7.2	7.4	7.6

Source : NESDB
* Office of the National Education Commission

3.1 Equal Access to Education

Since 1997, the government has provided free 12-year education to children, providing greater opportunities for children to study in schools. All children between 6 and 11 years of age are expected to enroll in either public or private schools. The number of youth enrolled in secondary school rose from 51.9 percent in 1998 to 60.1 percent in 2002. University enrollment grew from 21.5 percent in 1998 to 26.5 percent in 2002.

Table 2 : Gross Enrollment Ratios

Level of Education	Range of Age	1998	1999	2000	2001	2002
Pre Primary	3-5	94.5	96.8	95.8	93.1	96.5
Primary	6-11	102.6	102.4	103.2	103.8	104.1
Secondary	12-17	66.8	68.7	69.7	70.6	72.3
Lower Secondary	12-14	83.4	83.5	82.8	82.2	84.6
Upper Secondary	15-17	51.9	55.3	57.3	59.3	60.1
• Annual	15-17	29.8	33.2	36.6	38.9	39.3
• Vocational	15-17	22.1	22.1	20.7	20.4	20.2
Higher Education*	18-21	21.5	22.7	24.9	26.1	26.5
Total	3-21	65.0	72.4	73.5	74.1	75.7

Source : Office of the National Education Commission
* Freshmen in public universities are not included

3.2 Promoting Life-long Learning

Measures to promote independent learning include improving Thailand's 386 public libraries, and creating more museums and science centers, village-based newspaper reading centers and community learning centers.

3.3 Improvement of the Quality of Education

- **Reform of teacher training** will be achieved under ten-year strategies (2004-2013). These include training for regular teachers and executives and the development of a 5-year curriculum for bachelor's degree in education. Scholarships and employment guaranty will be provided as incentives for good and capable persons to work as teachers.

- **New teaching approaches with a wider variety of study materials and subjects** were introduced in 2002 in several pilot programs. There are now 2,175 schools involved with the program and special programs are also targeted towards disabled students to broaden accessibility to education and career opportunities.

- **The One-Ideal-District-and-One-Ideal-School-Policy** emphasizes cooperation between the private sector and state enterprises. This includes cooperation between local universities and Rajabhat Institutes (teacher training institutes) to help set up education programs similar to those programs adopted among demonstration schools attached to various public universities.

3.4 Worker Development for International Competition

- **Training to Improve Efficiency for Semi-Skilled Workers.** This involves cooperation between the private sector and educational institutions. In 2003, there were 354 institutions registered with the Vocation Education Board and 8,795 private enterprises participating in training programs on entrepreneurial initiatives and other necessary skills.

- **The Thai Vocational Qualification (TVQ)** program is evaluating efficiency standards in five pilot areas: the electronics and electricity sector, automotive industry, plastics processing, the retail sector, as well as automation and industrial maintenance.

- **Training Researchers:** There are several ongoing projects, including research scholarships for university lecturers, the promotion of research and technology transfers and the Industrial Research Assistance Program (IRAP).

- **International Education Programs:** Sixty nine public and private schools and universities (24 public and 45 private) are providing 387 international education programs at both the undergraduate and graduate levels. Sixty-one international schools offer elementary and secondary school education. Thirty-nine of these are in Bangkok and twenty-two are located throughout Thailand.

4. Public Health

Life expectancy in Thailand increased in 2002. Men now live up to an average of 69.9 years and women live an average of 74.9 years. This compares favorably with the global average of 64 years for men and 68 years for women. However, people are still contacting preventable diseases. Both heart disease and death from accidents are on the rise. The same is true for mental and behavioral disorders. Government spending in public health increases every year. In 2003, the public health budget soared to 107,806 million Baht from 90,504 Baht in 2000. This entails a **health care reform program**, to make health care more accessible to the poor. Key measures are:

4.1 Health Promotion / Disease Prevention

There are at least 4,166 Community Health Centers in Thailand, which offer primary health care services. These clinics also serve as coordinating centers for medical volunteers. The government has also introduced a universal health care program that charges a base fee of 30 Baht for a hospital visit. Local administrative organizations are also promoting public exercise programs through 8,172 community athletic and exercise clubs in municipalities throughout the country. These programs are often held at public schools and 29,387 schools have been officially designated as community health promotion centers.

4.2 Promotion of Health Insurance

In 2002, 95.7 percent of total population accessed to the public health insurance system, provided in three schemes, i.e., health welfare for government officials and state employees, health services under Social Security Fund, and the 30 Baht Universal Health Care Program. These cover the proportion of population of 11.2, 10.8 and 72.88 percent, respectively. It is expected that, in 2006, the final year of the Ninth Economic and Social Development Plan, health insurance for all will be achieved as planned.

4.3 Development of Quality Health Care

Many public health facilities in Thailand have been accredited through the Hospital Accreditation (HA) and ISO quality assessment agencies. These include 236 primary health care clinics (32.82 percent), 64 district and provincial hospitals (95.45 percent) and 25 tertiary care hospitals (100 percent). These include health networks in 75 provinces, and no less than 2,000 community health centers to enter the quality improvement programs as said, in order to assure all people of sound service quality.

4.4 Promotion of Traditional Thai and Alternative Medicine

Thai people are becoming increasingly aware of local wisdom specially traditional Thai medicine. There are now more than 2,500 traditional Thai medical practitioners in Thailand. They are committed to preserving traditional medical knowledge and their network extends across the country. In particular, current research is focused on six specific plants known for their healing properties. The Ministry of Public Health has introduced legislation to protect medicinal plants and promote their use.

5. Crime Prevention and Social Security Programs

5.1 Crime Prevention:

The Royal Thai police records cite a rapid increase in crime rates over the last ten years. The average number of reported crimes per 100,000 people increased from 169.32 cases in 1992 to 259.55 cases in 2002. The highest number of reports involved property crime, followed by murder physical assaults and rape.

The government has responded by computerizing police departments including the Forensic Science Institute to ensure the efficiency and effectiveness of law enforcement. Other measures include tighter gun control laws and tougher laws against organized crime.

Table 3 : Ratio of Crimes per One Hundred Thousand People in 2001-2002

Type of Crime	2001	2002
1. Violent Crime	11.91	12.74
2. Crime concerning life bodily harm and sex	57.11	60.98
3. Crime concerning property	106.43	110.59

Source : Statistics of Reported Interesting Crimes by Type of Crime : Royal Thai Police

5.2 Narcotics

The National Drug Suppression Center has developed a three-pronged framework to stop the use and trafficking of narcotics. The first goal focuses on the seizure and destruction of illegal drugs. The second phase involves rehabilitating drug addicts and criminals by re-integrating them into their communities. The third goal involves a preventive approach through government-initiated programs that bring law enforcement officials together with community leaders to raise awareness of the risks of drug abuse. The government launched a major crackdown against the illegal drug trade in February 2003. By April 2003, more than 43,000 drug traffickers had been arrested-including 92 percent of people already known to police.

Table 4 Statistics of the Comperhensive Three - Month Campaign "War on Drugs" (February-April 2003)

Schemes	Number (Persons)	%
1. Drug suppression - Drug producers, drug traffickers and drugs smugglers arrested	43,049	92.53
2. Reported themselves - Drug pushers reported themselves to government authority	42,372	-
- Drug addicts reported themselves to government authority	287,379	-
3. Phisical and mental rehabilitation of drug addicts	235,627	81.99
4. Strengthened villages/communities (Places)	81,025	98.64
5. Significant drug producers, drug traffickers arrested (Cases)	1,819	-
Asset Forfeiture (Million Baht)	3,011.81	-
6. Government officials who are involved in drug trafficking (Case)	1,191	-

Source : Royal Thai Police

5.3 Social Insurance

The government has introduced a social insurance plan to protect workers in the private sector, including businesses with just one employee. The health care insurance protects workers both during and after working hours and covers a range of medical care, from accidents to disabilities, pre and postnatal care. Medical care is also available to dependents. Other aspects of the social security plan include retirement benefits and an unemployment insurance scheme is due to take effect on January 1, 2004.

As of August 2003, these programs insured workers in 301,518 registered companies in the private sector, which represents over 6.9 million workers, or 20.50 percent of the total labor force. This includes 581 Provident Funds, which offer long-term savings plans for workers. As of June 2003, 1.36 million workers had subscribed to this savings scheme. The government is now working on a plan to set up a retirement savings fund program.

5.4 Labor Protection

The Labor Protection Act B.E. 2541 (1998) improved the quality of life for employees by ensuring that Thailand's labor laws meet international standards. The minimum working age is now 15 years old, up from 13 years of age. Funds are now available to protect workers from unemployment, sickness and work-related injuries. Workers who have worked with a company for at least 10 years, will now receive ten times the amount of compensation they were promised under previous laws if they are laid off. The government plans to extend coverage to the self-employed and farm workers.

5.5 Welfare for the Underprivileged

The Ministry of Social Development and Human Security is responsible for the welfare of the underprivileged. The ministry works with private and community organizations by launching programs such as subsidized shelters for orphans and abandoned children, the elderly, funds for the handicapped and the elderly, scholarships for poor students, loans for the poor and occupational training for the handicapped. The new Social Welfare Provision Act B.E. 2546 (2003) is the latest government initiative to ensure the more equitable distribution of income and educational opportunities for the underprivileged.

3. Natural Resources and Environmental Situation and Outlook

1. Natural Resources

1.1 Forests

Deforestation has destroyed over half of Thailand's forests. In 1961 forests covered 53.3 percent of the country (171 million rai) but by 1998 they accounted for only 25.28 percent of the country (81 million rai). This was due to logging concessions, illegal logging, increasing demand for the expansion of cultivated land, fire and infrastructure projects such as dams, reservoirs, and roads.

Since 1989, the government has banned logging concessions in Thailand and expedited the demarcation of forest reserves. By 2002, the government had designated exclusive areas for conservation and recreational land use. As a result, the deforestation rate was curbed to just a million rai a year between 1989 and 1998.

1.2 Wildlife

Wildlife throughout Thailand has come under increasing threat. Some species have already become extinct and many species are now endangered. Preventive government measures include wildlife sanctuaries, the preservation of wildlife habitat, and the tighter enforcement of anti-poaching laws and the illegal trade of wildlife. The Wildlife Protection and Conservation Act B.E. 2535 (1992) took effect in 2003. It encourages the registration of endangered species by allowing properly managed breeding programs including exotic pets and private zoos. There are 1.05 million wildlife legally registered in Thailand.

1.3 Land Use

Soil quality has deteriorated in Thailand, due to a combination of natural causes and the improper use of land. Problems include soil erosion, depletion of soil layers, loss of organic nutrients and increased soil acidity and salinity. In 1989, these problems affected 182.1

million rai and by 2001, problems had spread to 192.8 million rai. The most serious soil problems affect provinces in the North.

1.4 Water Resources

The average annual rainfall between 1952 and 2001 was 1,560 mm. Only 34 percent of total capacity of Thailand's river basins (68,000 cubic meters) stayed in Thailand. The rest returns to the sea. This problem with water retention results in periodic drought and floods. Various government agencies under the Ministry of Natural Resources and Environment and related ministries are now drafting policies to address the problem.

1.5 Mineral resources

The consumption of mineral resources in five major mineral groups amounted to 21,272 million Baht (1995 prices), up from 2001 by 10.4 percent. Tin and gypsum export is on the rise.

1.6 Energy

Thailand imports an unsustainable amount of natural gas, crude oil and refined oil. Consumption was worth 11.9 percent of GDP in 1998 and shot up to 14.31 percent in 2002. The government has introduced various energy conservation programs, such as the promotion of renewable energy sources to address this. Oil and gas exploration is also underway.

1.7 Coastal Resources

Thailand's mangrove forests are disappearing. In 1961 they covered 2.5 million rai but by 2000 they had shrunk to only 1.5 million rai. Many coral reefs 3,000 meters from the coast have been depleted as a result of destructive fishing practices. Other detrimental practices include the use of dynamite and cyanide. Marine tourism is endangered as a result of the excessive dumping of waste, uncontrolled tourism and coral damage from anchored cruise ships.

1.8 Fishing Resources

Fresh water fishing has declined dramatically, as a result of lower yields in both volume and the variety of species caught. Seafood yields increased to 2.77 million tons in 2000, while the accepted minimum limit from Thailand's salt-water sources is only 2.5 million tons. The higher yield accounts for legal fishing outside Thai territorial waters through agreements with neighboring governments.

2. Pollution

2.1 Water Pollution

Analysis of fresh water sources in 2002 revealed that only 40 percent of test results were of an acceptable quality, while 25 percent was deemed unsafe for human consumption, 32 percent showed levels of increased contamination and 3 percent showed evidence of serious contamination. Although Thailand has constructed 87 wastewater treatment plants, the daily treatment capacity stood at only 28 million cubic meters, still far away from full capacity.

2.2 Air Pollution

Thailand's major air pollution problems are due to microdust, ozone gas, Nitrogen Oxide and Carbon Monoxide. Emissions from all these sources remain too high in some places. Bangkok is of particular concern because emissions in congested streets far exceed acceptable standards as well as Samut Prakan in the Central Region and Mae Moh District of Lampang province in the North.

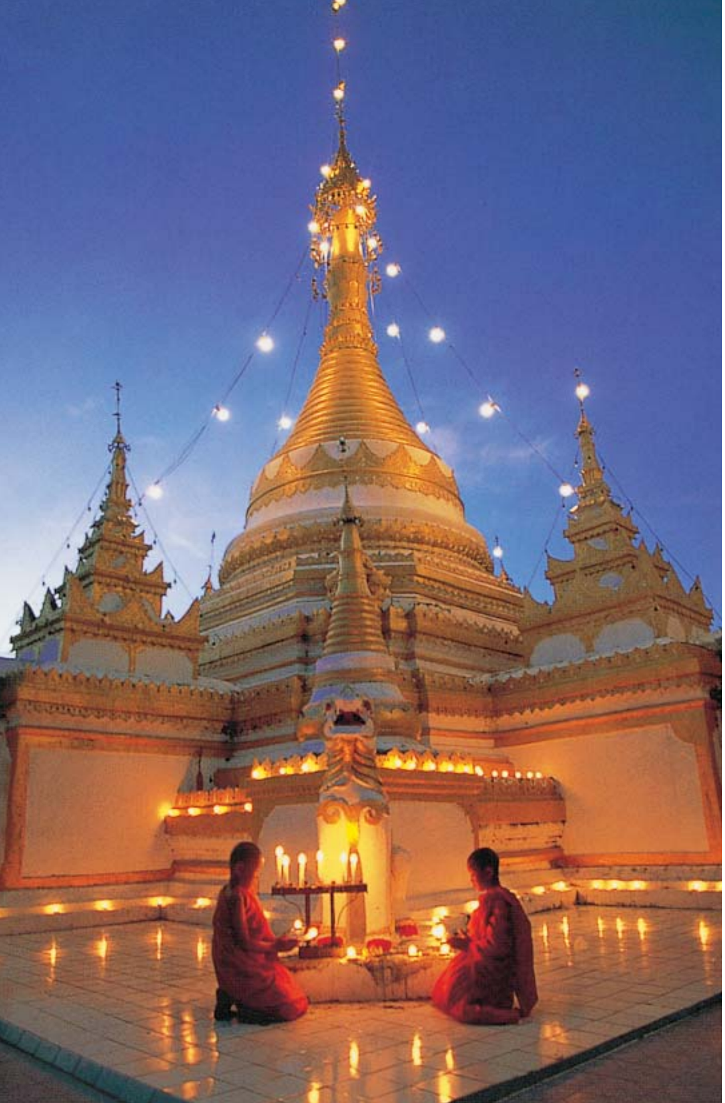
2.3 Noise Pollution

Parts of Bangkok still exceed accepted standards (70 decibels: dB(A)). Of particular concern are: the Bamrungmuang, Thaksin and Suksawat roads, at Pracha Uthit Intersection.

2.4 Waste Disposal

In 2002, Thailand produced an average of 39,220 tons of waste per day, which amounts to 14.3 million tons. Bangkok produced 25 percent of this amount, 30 percent came from other municipalities and 45 percent came from the remaining areas.

The Bangkok Metropolitan Administration (BMA) was able to dispose of over 99 percent of its waste but waste disposal in other parts of the country remains a serious problem: only 35 percent of the total amount of waste produced was processed. In 2003 Waste Disposal Plan was introduced but it is not yet in place nationwide.



Section 3: Major National Development Directions

1 Public Administration Reform

The current government led by Prime Minister Dr. Thaksin Shinawatra remains committed to restructuring the government administrative system. This began on October 3, 2002, through the Act on Reform of Ministries and Departments. Twenty new ministries were established, resulting in an adjustment of the mission and role of each ministry. The government also introduced the following statutes: the Act on Government Administrative Regulations (5th Edition) B.E. 2545 (2002), the Plan for Thai Civil Service Development Strategies

(2003-2007), and the Royal Decree for the Criteria and Methodologies for Good Governance B.E. 2546 (2003). This legislation prompted all government sectors to begin the reform process, by making the shift towards good governance policies.

1. Development Strategies for the Thai Civil Service (2003-2007)

1.1 Thai Civil Service Vision

"The Thai civil service is committed to excellence and efficiency, and to the principles of good governance, to ensure that all Thai people benefit from national development and globalization."

1.2 Objectives

There are four main objectives:

- Better Quality of Public Services
- Right-sizing (adjust size of ministries to meet needs)
- High Performance
- Democratic Governance

1.3 Strategies for Thai Civil Service Development

Strategy 1: ***Reform of Operational Process and Procedures***

The civil service must improve the management of its public service delivery in line with the principles of good governance, in order to effectively respond to the needs of the general public.

Strategy 2: ***Reform of Civil Service Administrative Structure***

A new mode of government administration emphasizes organizational restructuring to improve productivity and flexibility. The restructuring process involves a holistic approach, integrating both strategic planning and implementation.

Strategy 3: ***Re-engineering of Financial and Budget Procedures***

This will involve delegating decision-making authority to encourage greater flexibility. Incentives to improve service delivery will also motivate staff.

Strategy 4: ***Creation of new Personnel Management and Remuneration Systems***

Civil servant salaries will be evaluated based on performance, increased productivity and initiative.

Strategy 5: ***Paradigm Shift***

The new government paradigm for the civil service emphasizes personal initiative, independent learning, practical training, and the creation of a work environment that encourages these changes.

Strategy 6: ***Modernization***

Information technology will be increasingly adopted to modernize the Thai civil service to promote efficiency.

Strategy 7: ***Promotion of Popular Participation in Government Service***

The Thai civil service is entering a new era, which will embrace greater participation from general public.

2. Royal Decree on Criteria and Procedures for Good Governance B.E. 2546 (2003).

It was proclaimed on October 9, 2003, and aims to improve the following:

(1) Public benefits
(2) Effectiveness of government missions
(3) Efficiency and Cost-Effectiveness
(4) Streamlining to avoid redundancies
(5) Appropriate time management
(6) Facilities and responsiveness to public demand
(7) Regular evaluation of civil servant performance

The above decree will determine the planning direction, implementation and evaluation of the civil service.

1. Planning and evaluation in government service: Each government department will devise a plan before any action is taken. The plan should contain details of operational procedures, the time period and budget required at each stage of the process, specify targets, and provide indicators for success. Evaluations will be made for all completed projects. (Article 9).

2. Formulation of administrative plan: The Cabinet will devise an administrative plan for its full term of Office, which will be the responsibility of the Secretariat of the Cabinet, the Office of the Secretariat of the Prime Minister, the Office of the NESDB, and the Budget Bureau. Each Office will submit a plan for Cabinet approval. The final plan will commit all Cabinet members and government officials to the plan's missions. (Articles 13 and 16).

3. Information Provision for New Prime Minister: When the Prime Minister leaves Office, all heads of government agencies are responsible for briefing the new Prime Minister on government procedures and policies. (Article 19).

4. Evaluation of Worthiness of Government Operations: The Royal Decree stipulates that the Office of the NESDB and the Budget Bureau are responsible for evaluating the cost-effectiveness of ongoing government programs. The evaluation results will be used by the Cabinet to determine which projects should continue and which ones should be terminated for the next fiscal year budget. (Article 22).

2. Holistic Approach to Provincial Administration

2.1 Background

Prime Minister Dr. Thaksin Shinawatra initiated the holistic approach to provincial administration. This involves a team effort led by the Provincial Administrative Committee, which comprises the heads of government agencies in the province. The Provincial Governor will act as Chairman of the Committee, in his capacity as Chief Executive Officer, or CEO Governor. The Governor will act like a Prime Minister for the province and the Provincial Executive Committee will act as the Provincial Cabinet. At national level, the CEO Governor is an assistant to the Prime Minister for a specific province.

2.2 Progress

(1) Pilot Projects in Five Provinces

The Ministry of Interior was assigned the responsibility of implementing pilot projects in five provinces on August 7, 2001. Five provinces from each region were selected, based on their location, economic condition and level of prosperity. Five more provinces were selected which had comparable levels of growth to the first group in order to have a base for comparison. This was a one-year project (October 2001-September 2002). Five public educational institutions were assigned to evaluate the results. They found that the local administrations in the five pilot provinces (Lampang, Chai Nat, Si Sa Ket, Phuket and Narathiwat) were more effective, and the people living there were happier than the local administrations and people from the latter group (Phitsanulok, Ang Thong, Surin, Phang-nga and Pattani).

(2) Roll-out of Actions

The Cabinet, on April 28, 2003, assigned all provinces (except Bangkok) to adopt a holistic approach to local administration. The new plan went into effect on October 1, 2003.

The Prime Minister's proposals were approved by the Cabinet on May 6, 2003:

- All Provincial Governors, and Ambassadors of the Kingdom of Thailand posted to foreign countries, will begin taking a holistic approach in their work on an experimental basis for one year, effective from October 1, 2003.

• All local agencies should report to the Provincial Governor. The Provincial Governor will report to the Ministry of Interior and the Office of the Prime Minister, as well as relevant central agencies when applicable.

• The Deputy Prime Minister in charge of local administration supervision should monitor the readiness and progress of each province under his jurisdiction.

• The Budget Bureau should consider setting criteria and guidelines for budget administration at a provincial level to ensure greater flexibility. These guidelines will include, for example, a central budget over which the Provincial Governor will have access and control.

• Deputy Prime Minister (Mr. Wissanu Krua-ngam) will be assigned to work with the Office of the Public Sector Development Commission (OPDC), and other involved agencies to decide how power will be delegated.

The Cabinet, on July 22, 2003, approved these guidelines for provincial administration:

• **Recruitment and appointment of the CEO Provincial Governor** will be carried out openly. The position of CEO Provincial Governor will go to a qualified candidate selected from either within or from outside the Ministry of Interior.

• **Delegation of power to Provincial Governor in three main areas:** These are (1) deliberation, directing, approving and permitting, (2) personnel management, and (3) budget administration. The new regulations of the Office of the Prime Minister will be issued, stipulating that all government agencies follow regulations for the sake of greater procedural flexibility. Each province will be encouraged to solve problems at the local level as often as possible.

• **Holistic administration as a cluster of provinces:** There will be 20 clusters of provinces, in order to ensure effective communication and development links within and between clusters.

• **Supervision of regional government operations by Deputy Prime Ministers:** The supervision will be known as “the Supervisory Committee for Regional Government Operations”.

2.3 Conditions of Success

The planning stage is crucial and involves attention to detail and a holistic approach. The target areas are: public relations, personnel management and organizations in the local areas, IT development, strategic plans of each province/cluster, participation of local people and authorities, and a coordinating system which would include supervision and evaluation at all levels.

3. Major Infrastructure Projects

Major infrastructure projects with high investment outlays designed to improve international competitiveness, the alleviation of traffic congestion, and the promotion of energy conservation:

3.1 Master Plan for Mass Transit Rail System in Bangkok and Connected Areas

To ease travel time for commuters, feasibility studies were conducted for the development of a mass transit rail system in Bangkok and its suburban areas. Construction would occur over a 20 year-period (2002-2021) and would cover a distance of 255.89 kilometers. Total investment is estimated at 386,561 million Baht (2000 Prices), excluding the cost of rail cars. The total budget for infrastructure development and land ownership arrangements is estimated at 235,800 million Baht, and private investment at 150,761 million Baht, excluding the cost of rail cars. The final phase will cover a total distance of 375.8 kilometers, which will be divided into three construction periods:

Period 1 (2001-2011) comprises:

Red Line is 64.8 kilometers long, i.e., the Phaya Thai-Suvarnabhumi Airport Line, of 34.6 km long, and the Rangsit-Hua Lamphong-Phaya Thai Line, of 30.2 km.

Blue Line is 34.6 km long, divided into the Hua Lamphong-Queen Sirikit National Convention Center (QSNCC)-Bang Su Line, of 20.8 km., the Hua Lamphong-Bang Wa Line, of 9.1 km., and the Bang Wa-Bang Khae Line, of 4.7 km.

Green Line is 42.4 km long, divided into the Mo Chit-On Nut Line, of 16.9 km, the Rama 1-Saphan Thaksin Line, of 6.8 km, the On Nut-Samrong Line, of 9.0 km, the Saphan Thaksin-Mae Khlong Line Transit-Thanon Phetchakasem (BSTC), of 6.8 km, and the Mo Chit-Ratchayothin Line, of 2.9 km.

Period 2 (2011-2021) include the following projects:

Red Line is 64.4 km long, i.e., the Hua Lamphong-Southern BSTC Station-Maha Chai, of 34.8 km., the Bang Su-Taling Chan Line of 14.9 km., and the Bang Su-Don Muang Line, of 14.7 km.

Blue Line is 42.2 km., i.e., The Bang Su-Phra Nang Khlao Bridge Line, of 11.6 km., the Bang Su-Tha Phra Line, of 13.1 km., and the Tha Phra-Khlong Toei Line, of 17.5 km.

Green Line is 20.3 km., i.e., the Samrong-Samut Prakan Line, of 7.9 km., the Ratchayothin-Don Muang, of 7.8 km., and the National Stadium-Phra Pinklao Bridge Line, of 4.6 km.

Orange Line is 31.8 km., i.e., the Min Buri-Huai Khwang BSTC Station, of 19.9 km., the Min Buri-Huai Khwang BSTC Station-Wang Burapha, of 11.9 km.

Period 3 (After 2021) include the following projects:

Blue Line, (Phra Nang Khlao Bridge-Bang Bua Thong), of 8.1 km

Green Line, (Don Muang - Lam Luk Ka), of 14.0 km.,

Orange Line, (Wang Burapha-Samrong), of 21.5 km.,

Yellow Line, (Lat Phrao-Bang Kapi-Samrong), of 31.7 km

3.2 Suvarnabhumi Airport

The new Bangkok International Airport, or the ***"Suvarnabhumi Airport"***, is in Samut Prakan Province, to the East of Bangkok, or about 25 kilometers from Bangkok's Victory Monument. It is located on 20,000 rai (32 square kilometers, or 4 km. wide and 8 km. long), or six times the size of the Don Muang Airport (total areas of 3,486 rai).

The Suvarnabhumi Airport will allow Thailand to become an aviation hub for Southeast Asia. The government has made the development of the Suvarnabhumi Airport a priority of the national agenda and is determined to meet the deadline for the official opening on September 29, 2005.

Airport Capacity

In the first year (2005), the new airport will be able to accommodate 45 million passengers a year, or 76 flights per hour, and 3 million tons of airfreight. It will also feature:

- **Two 60-meter wide runways:** The eastern runway will be 4,000 meters long, and the western runway 3,700 meters long. The distance between the two runways will be 2,200 meters.
- **There will be 120 aircraft parking bays,** 51 contact gates and 69 outlying parking bays.
- **Passenger Terminals** will be in metal and glass structures with a service area of 182,000 square meters. There will be seven stories of office space, and separate terminals for domestic and international passengers.
- **The Concourse** will be a steel building, with a glass roof, 381,000 square meters of service space, four stories and 51 contact gates.
- **The Air Traffic Control Tower** will be 132 meters high, with modern air navigation facilities.

When it is completed, the Suvarnabhumi Airport will have four runways with a capacity for 112 flights per hour, a total of 100 million passengers a year, and 6.4 million tons of cargo a year.

Budget

The first development phase requires a total investment budget of approximately 155,000 million Baht:

(1) **Government Investment:** 125,000 million Baht

(2) **Private Investment in Commercial Activities:** 30,000 million Baht.

Progress

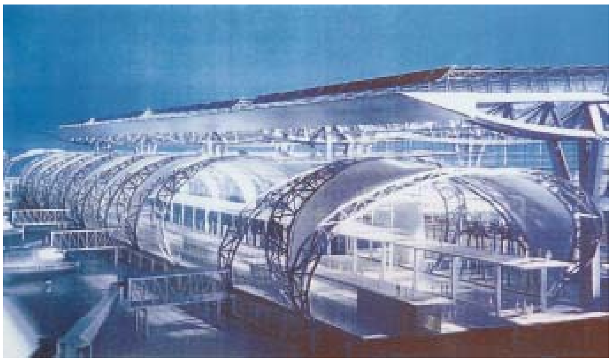
Development of the Suvarnabhumi Airport as of September 25, 2003:

The New Bangkok International Airport Co., Ltd., has completed 36 percent of the construction of passenger and boarding terminals, runways, public facilities, roads, the fire fighting station and maintenance centers.

Management

Since the construction of the new airport will involve both the public and private sectors, the Cabinet set up the Office of the Prime Minister's Regulations Governing the Development of the Suvarnabhumi Airport B.E. 2545 (2002), which stipulates the establishment of the Suvarnabhumi Airport Executive Board, chaired by the Prime Minister. The Board will supervise development policies and management in order to ensure the systematic and efficient development of all facilities, communications and other related businesses at the new airport.

Focus should be on the economic development of the area surrounding the airport, in order to increase potential of modern business, for example, to develop an industrial park for aviation-related businesses. Other possibilities for industrial parks could cater to the hi-tech industry, the fashion industry, and other service-oriented industries, such as offices, hotels, residential units or convention centers. To support this expansion, Thailand has set up the Suvarnabhumi Aerotropolis Development Plan.



3.3 M.R.T. Chaloem Ratchamongkhon Line

This is the first underground mass transit system in Thailand. It won Cabinet approval on September 12, 1995. The Mass Rapid Transit Authority of Thailand has been assigned public administration responsibility, while the private sector will invest in a heavy electric rail system.

Route	Hua Lamphong Railways Station-Sam Yan-Silom-QSNCC-Asok-Huai Khwang-Sutthisan-Lat Phrao-Northern Bus Terminal-Bang Su Railway Station
Distance	Approx. 20 kilometers
Rail Structure	Horizontal underground tunnels layered vertically Tunnels are 15-25 meters from surface Emergency exit of 0.6 meters wide
Stations	18 stations
Rail System	Standard gauge of 1.435 meters wide, with third rail running in parallel for power generation
Locomotive System	Heavy rail, air-conditioned rail car, of 3.2 meters wide, 20-24 meters long, 3.7 meters high, with capacity for 320 passengers, or 3-6 cars per trip, using electricity of 750 volts, maximum speed at 80 km./hr.
Facilities	Lifts, escalators, toilets, stores, and facilities for the handicapped
Parking Facilities for Passengers	One parking garage at Lat Phrao to accommodate no less than 2,000 units of cars and motorcycles, with shuttle bus services at different stations

Project Value

Construction Expenses	Million Baht
- Land expropriation	24,527
- Consulting, studies, design and control	3,087
- Blueprints and civil works	63,635[1]
- Electric train system (mechanical works)	24,563[2]
Total	**115,812[3]**

Note 1) Exchange rate as stipulated in contracts
2) Inclusive of pre-operation stages and interests during construction
3) Exclusive of interest rates during construction and VAT

Services

The service covers 20 kilometers, beginning from the Hua Lamphong Railway Station, through to Silom Road, the Queen Sirikit National Convention Center (QSNCC), Huai Khwang, Lat Phrao, Suan Chatuchak, and ending at the Bang Su Railways Station. The Official opening is scheduled by August 2004. Connections with the BTS lines are available at Silom, Asok and Chatuchak. There will be parking to accommodate 2,000 cars at the Lat Phrao Station. Service will be available from 5.00 a.m. to 12.00 p.m., every 5 minutes during rush hours, and every 10 minutes during normal hours. This should ease traffic congestion in the inner Bangkok areas.

4. Energy Strategies: For Thailand's International Competitiveness

The Ministry of Energy is responsible for ensuring Thailand's energy stability and for developing Thailand's potential as an international competitor in the energy sector. Energy consumption is projected to fall from 1.4: to 1:1, within five years, or by 2007.

(1) Efficient Energy Consumption

Energy consumption in Thailand comes mainly from the transportation and manufacturing sectors, or about 37 and 36 percent, respectively. Key strategies for both sectors are:

- ***To shift the transportation of passengers and cargo from small vehicle units to a rail system,*** with efficient integration with a multi-modal system, in order to reduce energy expenditures in transportation by at least 40 percent (2.5 trillion Baht) in ten years (2007-2017).

- ***To restructure industrial development strategies,*** taking into account the causes of low economic returns and high-energy intensive outlays, and focusing more on non-energy intensive industries, uses of highly efficient machinery / equipment and management practices, together with improved international competitiveness and efficient uses of energy.

(2) Development of Alternative Energy Sources

Thailand has set a target to increase the use of alternative energy sources from 0.5 to 8 percent in the next ten years, with a condition that new power plants apply alternative energy sources to 3-5 percent of full capacity. Special funding is also planned as well as tax incentives, and support for research and development.

(3) Strengthening of Energy Security

- **Electricity** should be sufficient for domestic consumption in order to avoid temporary power failures and blackouts and/or excessive reserves, adverse affects on pricing, and in order to improve international competitiveness. Due attention should be given to improving the quality of life, society and the community.

- **Security** in Energy Provision: Relevant parties will have to increase domestic energy reserves in order to meet the needs for domestic consumption from 30 to 50 years through: domestic oil and gas exploration, the expedition of agreements in overlapped zones, regional cooperation in the energy sector, the ASEAN Gas Pipeline Project, and promotion for PTTEP International Co., Ltd. and other potential private sectors in Thailand for overseas investment projects.

(4) Promotion for Thailand as Regional Energy Center

Thailand is shifting from an over-reliance on imports to an energy producing and trading economy.

- **Revamped tax and tariff structures:** These aim to eliminate the duplication of taxes and obstacles to energy trading. An Export Processing Zone (EPZ) will be established, in order to standardize oil trading procedures for both domestic and external markets, which can be implemented promptly at Map Ta Phut and Ko Si Chang Island.

- **Development of power transmission system:** Included in the move are pipeline systems for gas and other types of energy, as well as international cooperation, either between governments, and between government and the private sector, for investment in natural resources, and the joint use of infrastructure for production and distribution.

- **Full Utilization of Existing Infrastructure:** Measures include promoting the greater use of existing oil pipelines, and connections of oil pipeline systems in the North and the Northeast. These include the development of road-rail-and water transportation networks, connected throughout the region and Southern China, in order to expand energy markets to cover the neighboring economies.

- **Development of Strategic Energy Land Bridge:** Thailand wants to provide access to oil transportation from the Middle East, South Asia and East Asia, under a joint investment program between oil importing and exporting countries, including Japan, China and India. This would strengthen regional energy stability. A main goal is to terminate the FAREAST Premium Collection.

- **Integration/Merger & Acquisition/Synergy** among local producers to develop world-scale producers in the petrochemical industry

5. International Economic Cooperation

5.1 Progress of Thailand's Free Trade Agreement (FTA)

Free Trade Agreement (FTA) deems an international contract covering a wide range of issues : economy, trade, governance, legislation, diplomacy, culture and security. Considering the benefits of this comprehensive contract, the Royal Thai Government formulates FTA policy as an International Economic Cooperation which aims to expand trade and investment as well as diversifying both export and import markets. FTA will also enhance mutual co-operation among allied economies. Consequently, Thailand will become a center of Asia, constructive linkages within Asia and throughout the rest of the world.

Thailand has already successfully established FTA with the following countries : Chaina, India, Bahrain, Japan, Australia, U.S.A. and Peru. It is now on the process of negotiation with many countries especially with Mexico, South Africa, the EU and BIMST-EC.

FTA Partners with Thailand	Progress
1. China - Thailand-China	- **Both parties signed agreement to expedite tariff reduction for fruits and vegetables** to zero percent, starting from October 1, 2003
- Asean-China	- **All parties signed Framework Agreement on Comprehensive Economic Cooperation,** through zero percent tariff under the Early Harvest Program (Customs tariff items # 01-08), which includes living animals, meat, fish and marine products, dairy products, vegetable and animal products. (starting from January 1, 2004) - Ongoing negotiations include tariff reduction on other groups of products, market access services and investment, and Rules of Origin, likely to be completed by 2004.

FTA Partners with Thailand	Progress
2. Thailand-India	- Both parties signed Framework Agreement on Thailand-India FTA, encompassing trade in goods liberalization. (Negotiation are scheduled to begin by January 2004 and to continue until March 2005), trade in services and investment liberlization. (Negotiation are scheduled by January 2004, and to continue until January 2006)
3. Thailand-Bahrain	- Both parties signed Framework Agreement on Economic Partnership, effective on December 29, 2002, through 0-3 percent tariff reduction for 626 items of primary products. - More negotiation on trade in services and investment liberlization will be held by the end of 2004.
4. Thailand-Japan	- Japan-Thailand Economic Partnership Agreement Task Force has studied and discussed sensitive issues, in particular agricultural product. The negotiation between two countries announced during an official visit of Thai Prime Minister (H.E. Thaksin Shinawatra) in December 2003.
5. Thailand-Australia	- Complete version of Thai-Australian FTA is being drafted. Main points cover tariff reduction, market access for trade, services and investment, likely to be completed by early of 2004.
6. Thailand-USA	Both parties agreed on **Trade and Investment Framework Agreement (TIFA)**, in October 2002, and further negotiation is expected by early of 2004.
7. Thailand-Peru	**Both parties signed a framework on closer economic partnership**, and further negotiation is expected in January 2004.

5.2 Sub-regional Economic Cooperation

(1) Greater Mekong Sub-region Economic Cooperation

Background

The Greater Mekong Sub-region (GMS) Economic Cooperation Project was launched in 1993, with technical and financial assistance from the Asian Development Bank (ADB). It serves as a framework for strategic cooperation in nine potential sectors: transportation, energy, telecommunications, tourism, trade facilitation, investment, agriculture, human resources development, environment and natural resource management.

The GMS Project takes a four-tier approach with working groups for nine sectors, senior officials meeting, ministerial meeting and the summit meeting of six member economies. The first summit meeting was held in Phnom Penh, Cambodia on 3 November 2002 and the 12th Meeting was held during September 17-19, 2003, at Tali, China.

Progress has been ongoing since 1993. The first decade of development was focus on setting up a strategic master plan, prioritizing of projects, searching for fund, designing and constructing road linkages and initiating of economic corridor srategy. The development for the next decade will focus on streamlining procedures and regulations for facilitation of trade and investment and other economic activities, building capacity for the private sector as well as attracting investment to the subregion.

Subregional Economic Cooperation Programs

Progress on Sectoral Cooperation ;

(1) Transportation

- **East-West Economic Corridor (linking Myanmar-Thailand-LaoPDR-Vietnam):** The route from Myawaddy (Myanmar)-MaeSot-Mukdahan (Thailand)-Savannakhet (LaoPDR)-Danang (Vietnam) will be completed in 2004. The second Mekong Bridge will be constructed during 2004-2006. Thailand will help Myamar construct a western part from Mae Sot to Thaton via Pa-an in 2004.

- **North-South Economic Corridor (linking Thailand-LaoPDR/Myanmar-PRC) :** The construction of the road via Myanmar, from Mae Sai (Thailand)-Kengtung (Myanmar)-Mongla-Kunming(PRC) was completed. The road via LaoPDR, from Chiang Khong

(Thailand)-Houay Xay-Laoung Numtha- Boten(LaoPDR) -Jinghong-Kunming (PRC) will be constructed during 2004-2007.

- **Southern Economic Corridor (linking Thailand-Cambodia-Vietnam) :** The central corridor will be finished in 2006 by the financial assistance from ADB. Thailand help develop the development of the coastal route from Trat (Thailand)-Koh Kong-Sre Amble (Cambodia) which will complete in 2006.

- **Cross Border Transport Agreement :** All 6 GMS countries has signed the agreement that help facilitate cross border movement of goods and people among them. The agreement will be fully enforced in 2005.

- **Agreement on the Commercial Navigation Channel :** The agreement was signed on April 20, 2000. PRC has conducted an EIA (Environmental Impact Assessment) and the improvement of navigation are underway.

(2) Telecommunications : The construction of the eastern telecommunication loop from Bangkok-Vientiane-Hochi Minh City-Phnom Penh-Bangkok is now completed. The construction of western and northern loop will be expedited especially the section in Myanmar, Cambodia, Laos and Vietnam. They also cooperate on capacity building and streamlining procedures to facilitate private sector investment.

(3) Energy : Six member countries expedited the establishment of the Regional Power Trade Coordinating Committee (RPTCC), the formulation of Regional Power Trade Operating Agreement (PTOA), and implementation of joint power interconnection through the development of 500KV transmission line connecting Roi Et (Thailand) - Nam Thoen2(LaoPDR) - Ha tinh (Vietnam)

(4) Tourism

They launched a marketing campaign, "Six Countries, One Destination" for the joint tourism development, with a package tour in six countries and also start the study of GMS VISA.

(5) Trade Facilitation : They started a study of Single-Stop Customs Inspection at four pilot border checkpoints among Thailand, LaoPDR, Cambodia and Vietnam along the major transportation route. They also start to gather and exchange the cross border trade and investment data.

(6) Investment : They promoted border economic zone in each country, for example, Chiang Rai Border Economic Zone in Thailand. GMS Business Forum has been established since October 2000 to serve as a mechanism for capital mobilization and as a coordinating channel between public and private sector.

(7) Human Resources : The Phnom Penh Plan was implemented for middle manager training at the sub-regional level, and the promotion of cooperation in labor, public health and education.

(8) Environment : The member economies agreed on a Strategic Environmental Framework to ensure environmental impact of various investment projects to the least degree. This include cooperation on launching GMS Atlas, risk identification and environmental indicators in the sub-region as well as preparing national sustainable development strategy in each country.

Other projects include the Economic Cooperation Strategies (ECS), which involves Cambodia, LaoPDR, Myanmar, and Thailand and targets five key areas: trade facilitation, agricultural and industrial cooperation, transportation linkages, tourism and human resources development. These areas involve 44 common programs/projects, and 224 bilateral programs/projects. Leaders of these four countries signed the Bagan Declaration in Myanmar, on November 12, 2003.

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

Background

Initiated by Malaysia's Prime Minister in 1993, the Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT) Project was a tripartite agreement among the three countries that targeted co-operation in the following areas: the five southernmost provinces of Thailand, northern and western provinces of Malaysia, and the northern and western parts of Sumatra Islands. The three members agreed on a proposal by the Asian Development Bank (ADB), which aimed towards leveraging the development levels of the selected areas, maximizing of joint use of economic resources, strengthening cooperation in trade, investment, technology transfers and manufacturing co-production, in order to boost international competitiveness of the entire sub-region.

Development of IMT-GT Project

From the initial setup until 2000, the members agreed to cooperate in ten major sectors: trade and customs, finance, investment, industry, agriculture and fisheries, land and transportation, aviation, telecommunications, tourism, human resources and labor mobility and energy. Cooperation was already well underway when the 1997 economic crisis disrupted regional economies. Border trade and investment was interrupted, and only a few projects got off the ground.

Adjustments to the IMT-GT Project were made to adapt to the new economic conditions. It was revamped as the Indonesia-Malaysia-Thailand Growth Triangle in Post Crisis Southeast Asia. The result was a strategic approach to reposition the region, by first, developing the Songkhla-Penang-Medan Economic Corridor, which would later be extended to include other parts of the IMT-GT Project.

Project implementation areas continued to expand. Thailand is preparing to include more southern provinces, while Malaysia wanted to include Kelantan. The implementation areas in Indonesia will soon include Lampung.

Progress

After procedural adjustment and IMT-GT action plans, related Implementing Technical Groups organized meetings to preview project proposals submitted by the private sector, such as the extension of working hours at some Thai-Malaysian border checkpoints, cooperation among the ports of the three member countries (the so-called "Sister Ports"), Common Border Wholesale Market, Common Call Center, and a Common Calling Card. Members also discussed package tours that would include the three members in order to promote tourism to the sub-region, under the campaign slogan: "The Charm of Southeast Asia's Triangle". Other proposed partnerships included training for Islamic bank, the standardization of "Halal" food products, and IMG-GT Branding.

At the 10th Tripartite Meeting, last April in Kangar, Perlis, Malaysia, the meeting approved a proposal raised by Thailand's Deputy Prime Minister to emphasize sub-regional cooperation in high potential areas, such as rubber and palm oil production, tourism, "Halal" food production and the energy sector. After the Tripatite Meeting, Thailand hosted a meeting of private sector participants in last June in Pattani that addressed proposals for the government of each member country on four important sectors namely, rubber wood, oil palm, halal production and tourism.

5.3 Success in the APEC Economic Leader's Meeting

Success at the APEC Economic Leaders' Meeting reflected a move towards future partnership, with sustain economic, security and political connections. These include the tendency for security issues to play a greater role in the regional debate. Thailand also played a greater role by cooperating the draft of the Bangkok Declaration.

Under Thailand's theme for APEC 2003, **"A World of Difference : Partnership for the Future"** Ministers discussed how to reinvigorate the World Trade Organization (WTO) Doha Development Agenda Negotiations as well as how to address the challenge to regional security and prosperity posed by transnational terrorism and infections deseases. It also endorsed a joint declaration, to be used as a framework for APEC meeting in the coming year. The main points of the joint declaration can be summarized as:

- **The WTO and the Multilateral Trading System :** Ministers agreed to build on Chairman Derbez's text of 13 September, 2003, as the basis to move the WTO Doha Development Agenda forward.

- **Trade and Investment Liberlization and Facilitation :** Ministers urged all economies to prepare for the mid-term review and expanded dialoque on trade facilitation with the aim to reduce business transactioin cost by the targeted 5 percent by 2006. Ministers also agreed to recommend that leaders endorse the transparency strategy by 2005

- **Structural Reform:** Ministers endorsed the "APEC Structural Reform Action Plan" as a unified framework for helping build economis' capacity to meet changing market demands and enhance their competitiveness.

- **Capacity Building for Shared Prosperity:** Ministers endorsed a shortlist of priorities designed to focus APEC's work on Economic and Technical cooperation (ECOTECH). The four ECOTECH priorities are :

  - Integration into the Global Economy.
  - Promotion the development of Knowledge-Based.
  - Addressing the Social Dimension of Globalization.
  - Counter-Terrorism Capacity Building.

- **Knowledge-Based Economy for All :** Minister endorsed the establishment of Intellectual Property Rights (IPR) Service Center and the Comprehensive Strategy on IPR in APEC, both of which will improve IPR facilitation, protection and enforcement in the region.

- **Counter-Terrorism and Secure Trade :** Ministers recognized the need for enhancing legal financial transactions in order to minimize the potential abuse of alternative remittance systems for terrorist financial purposes. Also, they agreed to strenthen domestic controls on production, stockpiles, transfer and brokering of Man-Portable Air Defense Systems (MANPADS). They will implement advance passenger information systems to increase the security of travel and endorsed the Energy Security Initiative Implementation Plan. In addition, Ministers endorsed the Health Security Initiative and welcomed the establishemnt of an ad-hoc APEC Health Task Force.

- **Creating a New Financial Architecture of APEC :** Minister recognized the importance of establishing a sound and resilient financial system in the region through the development of the Region's bond market.

Bangkok Declaration on Partnership the Future

Leaders of member economies acknowledged the Bangkok Declaration that strong partnership is vital in order to achieve the goals set out in Bogor. Industrialized economies will have to achieve free and open trade and investment by 2010, and developing economies by 2020. The Members also agreed to strengthen partnership not only to liberalize and facilitate regional trade and investment, but also to protect our people's societies against threats to their security, while preparing them to benefit fully from free and open trade. This includes strong support to advance the DDA, counter-terrorism and protect infections disease, regional cooperation in the standardization of goods to minimize future trade protectionism, promote human security, using APEC to help people and societies benefit from globalization, creating a new financial architecture, and APEC reform in order to achieve free and fair trade.

Business Sector ready to invest in Thailand

Fruitful results of other fora during the Meetings, especially from the APEC Business Advisory Council (ABAC) and the APEC CEO Summit 2003 reaffirmed the success of the cooperation between the public and private sectors. The same was true for the APEC Investment Mart 2003, jointly organized by Thailand's office of the Board of Investment and the Ministry of Industry, with more than 100,000 participants. This included the successful launch of OTOP products, which recorded sales of 500 million Baht during the Meetings. Over ten business conglomerates agreed to cooperate in many industrial production ventures in the automobile, electrical and electronic sectors.

Thailand and China agree to broaden their FTA to other product items

Thailand also held bilateral negotiations with many member economies. Thailand and China, for instance, signed a bilateral free trade arrangment on two sectors : fruits and vegetables, which will provide greater opportunities for Thailand's exports to China. Chinese President Hu Jintao also witnessed the signing of five Memoranda of Understanding (MOU):

- Agreement for the establishment of the committee on trade, investment and economic cooperation
- Agreement for setting discussion criteria between foreign ministers of the two countries
- A protocol for the amendment of agreement between Thai and Chinese governments for exemption of visa requirements for holders of diplomatic and government passports.

- MOU for promotion of trade, investment and economic cooperation.

- MOU between PTT Plc., and China National Chemicals Import & Export Corporation (Sinochem) for their joint venture, and the establishment of a working group to undertake the feasibility studies for their cooperation in exploration and transportation of oil and natural gas.

USA announce to start negotiate FTA with Thailand

President George W. Bush honored Thailand with major non-NATO Ally status. Privileges will include security and economic cooperation, including military assistance. The USA also announced the beginning of FTA negotiations with Thailand.

Four MOUs signed between Thailand and the Russian Federation

President Vladimir Putin held several bilateral negotiations with Thailand's Prime Minister Thaksin Shinawatra. Both parties agreed to set up a joint business council to facilitate trade negotiation between the two countries. They also agreed to strengthen cooperation in science and technology, education, energy, culture, tourism and the military. Four MOUs were signed:

- Agreement on debt suspension

- Protocol for cooperation between Thailand's Ministry of Culture and the Russian Federation

- MOU on military logistic support to strengthen cooperation of the military in both countries
- Agreement for cooperation between the Federation of Thai Industries and the Russian Union of Industrialists and Entrepreneurs

Closer Trade Cooperation between Mexico and Thailand

Mexico, also expressed keen interest in strengthening trade relations with Thailand. Both countries signed agreements on cooperation in culture and education.

Thailand and Australia to sign FTA next year

Both countries announced that the FTA negotiations between the two countries had been accomplished, and expect to sign the FTA within May 2004.

Section 4: The Sufficiency Economy Philosophy and Four Main National Agenda

1. Sufficiency Economy Philosoghy

1.1 What is sufficient economy?

"Sufficient economy is like a life foundation, a foundation for a stability of the country. It is also like a pile of houses and buildings. Those houses and buildings are able to remain stable because of the pile. Most people do not see the importance of the pile or even forget its existence."

(A speech made by his Majesty of the King; from Chaipattana Journal)

"Sufficient economy" is a philosophy recommended by his Majesty of the King. He has suggested it as a living guideline for his subjects for more than 25 years, even before the economic crisis recently occurred. After the crisis, he stressed the importance of this guideline detailing about how to solve the problem in order to live stably and sustainably under the pressure of globalization and various transformations.[1]

1.2 Philosophy of Sufficient Economy

Sufficient economy is a philosophy pointing to living and practical guidelines of people at all levels starting from the family unit, the community, to the government levels. To develop the country's economy updating to this globalization era, the government must develop and administer the country by means of "the middle way." Sufficiency means moderation (of consumption), rationalization and a necessity to have enough and good self-immunity against any impacts caused by internal and external transformations. We need to use enormous discernment, heed, and carefulness in applying knowledge for planning and implementation to the country at every step. At the same time, we must establish basic conscience about virtue, honesty, and proper discernment in people especially government officials, theoreticians, and businessmen at all levels. They should live with patience, perseverance, mindfulness, wisdom

[1] *Collected and selected from speeches about sufficient economy and related subjects made by his Majesty of the King from several occasions. These were publicly distributed on November 21, 2002 as a practical guideline for all sectors and general public with a royal permission.*

and heed in order to be able to be in good balance and ready to any sudden and vast changes of objects, society, environment and culture from the external.

1.3 Concept of Sufficient Economy

Development according to sufficient economy is a development that is based on a concept of "the middle way" and "heed" with a consideration of moderation (of consumption), rationalization, good self-immunity. In addition, knowledge, carefulness and virtue are needed to use in any decision and act.

1.4 Five compositions of the philosophy of sufficient economy

1. **Frame of thought:** Sufficient economy is a guideline pointing to how to live and practice properly. It is based on an old Thai way of living that can be used at all time. It is a dynamic and systematic way of "seeing" the world, emphasizing on how to survive disasters and crisis. As a result, the country becomes stable and develops with sustainability.

2. **Characteristics:** Sufficient economy is a guideline about how to live and practice properly. It can be used for self-practicing at all levels according to a concept of "the middle way."

3. **Definition:** Sufficiency is composed of 3 components.

- Moderation: meaning a balance, not too much and not too little for example production and consumption at the moderate level.

- Rationalization: meaning that any decision about sufficiency must be based on sound rationale and considered from all factors associated and expected results with carefulness.

- Good self-immunity: meaning preparedness to any impacts and changes that may take place with a consideration of possible situations expected to occur in the near and far future.

4. **Conditions:** To make any decision and activity with sufficiency, one needs to have both knowledge and morality, classified as follows.

- **Condition of knowledge** is composed of discernment about

- **Condition of morality needed to be cultivated** is composed of realization of morality including honesty, patience, perseverance, mindfulness, wisdom and heed in spending life.

5. **Practical guideline/expected results:** An application of the philosophy of sufficient economy is a balanced practice and preparedness to any changes including of economy, society, environment and knowledge and technology.

1.5 Sufficient economy and the New Theory recommended by His Majesty of the King

Sufficient economy and a practical guideline of "the New Theory" is a guideline that will lead to a step-by-step self-dependent development. By applying factors including moderation, rationalization, good self-immunity, perseverance and patience, mindfulness and wisdom, helping out each other, and unity, this

development will be carefree of any natural changes or other causes of changes that may occur.

The meaning of sufficient development encompasses "the New Theory." Sufficient economy is a frame of thought pointing to the principle and a practical guideline of "the New Theory." "The New Theory" of his Majesty of the King, as also known as the New Theory of Agriculture, suggests a guideline for a step-by-step agricultural development, a practical example of how to apply sufficient economy to appropriate communities. "The New Theory" can compare the concept of sufficient economy by 2 levels: the basic and advanced levels.

The basic level of sufficient economy, equivalent to the New Theory step 1, includes individual and family sufficiency especially of farmers living in barren areas. These farmers have a risk that there may not be enough water resource for rice cultivation even for their own need within families. There is an assumption that these people may get enough water from drilled wells in their own property. Then, they will have enough rice for their own need and do not have to buy rice. They can also use the rest of the property for other basic necessities and can generate the income by selling leftover of rice. Then, they will be able to buy other things unable to produce by themselves. All the above respect is a way to create self-immunity.

Collectively, with an implementation of the New Theory step 1, farmers remain seeking helps from the government, foundation and the private sector.

The advanced level of sufficient economy, equivalent to the New Theory step 2, is a sufficiency within the community. This concept can be reached by encouraging farmers to form an organization or cooperation. When each family has sufficient basic needs, the members will get together for benefits of the community on a basis of sustainability and helping out each other as much as one can. These will turn the community sufficient in livelihood and be generating true balanced life.

Sufficiency of the country is also the advanced level of sufficient economy, equivalent to the New Theory step 3. This concept can be reached by encouraging the community to cooperate with national organizations such as large firms and banks. Generation of this network will be beneficial for exchanges of knowledge, local wisdom, and lessons learnt from the development.

1.6 Establishment of driven process of sufficient economy

It is suggested by NESDB that the establishment of a driven process of sufficient economy be implemented in order to expand the concept and interconnect the results caused by the application of the philosophy of sufficient economy as well as to sparkle the right understanding among people. These will lead to acceptance and earnestly practice in every unit of the society.

Because of the economic crisis in 1997, Thai people had a better understanding about the importance of the development according to the concept of sufficient economy recommended by his Majesty of the King.

NESDB has invited several knowledgeable persons of the country to carefully define the philosophy of sufficient economy and used it as a philosophical theme in making “The Developmental Plan # 9” so as to promote people at all levels to have a better understanding and apply it to their daily life.

The main aim of the drive of sufficient economy is to stimulate the social current to use the concept of sufficient economy as a frame of thought and implement it as a living path of all Thai people. The specific objectives are (1) to create the right knowledge and understanding about the concept of sufficient economy so that people at all levels can properly use the philosophy, (2) to cultivate or shift the paradigm of living to be on a ground of sufficient economy, and (3) to change a guideline of development according to sufficient economy.

The strategy of the drive will clearly be implemented step-by-step. There will be 4 components accompanying each other; (1) interconnection of the learning network, (2) development of knowledge and research, (3) making of the educational course, and (4) distribution of the information to the public.

Generation of the driven process of sufficient economy will strengthen the government policy about how to develop the country at a steady pace under the current of globalization. This development concept also emphasizes the importance of strengthening the grass-root economy and supporting stability of the country at the international level. Moreover, the country should be adaptable, selective in bringing in only useful things and prepared to any changes that may occur. Ultimately, these will lead to well being of Thai people as a whole.

All in all, development on the ground of sufficient economy is a strategy and method that will lead the country to sustainable development.

The drive is characterized by networking and collecting cooperation from all sectors. There are 3 components of the drive; (1) the committee of knowledgeable consultants, (2) the subcommittee of the drive of sufficient economy, and (3) section of sufficient economy of NESDB. The final results of these operations will be handed to his Majesty of the King on his 80th birthday anniversary in December 2007.

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"If we are content in our own needs, we will be less greedy. When we have less greed, we will do less harm to others. If every country has this very same concept, a concept of sufficiency, Moderation, no extreme and less greed, people will live happily together."

(A speech given by his Majesty of the King on the cerebration of his birthday, 4 December 1998)

2 Alleviation of Poverty and Income Distribution Problems

The Ninth Plan (2002-2006) cites poverty eradication as a national priority, and a major focus throughout the five-year period. The goal is to reduce the number of poor people from 15.9 percent of the population in 1999, to 12 percent by 2006. Measures include widening access to public services, strengthening the "Grass-roots Economy", and capacity building programs for the poor to develop confidence and self-reliance. At the same time, public administration will be revamped, and government regulations will be streamlined to meet the needs of the poor.

The government has put poverty eradication on the national agenda. Success will require cooperation from all segments of society, at the national, local and community levels. The Cabinet has approved five strategies for the sustainable alleviation of poverty:

(1) Promotion of macroeconomic policies that contribute to poverty eradication

(2) Increased opportunities for the poor to develop to their full potential

(3) Development of a social safety net for the underprivileged

(4) Natural resource management

(5) Improvement of public administration for poverty eradication.

Progress

The previous five strategies will be implemented in the following ways:

(1) Macroeconomic policies that contribute to poverty eradication have been implemented.

- The government proclaimed the "Office of the Prime Minister's Regulations on Assets Capitalization B.E. 2546 (2003)", on April 22, 2003. A supervisory committee was then established to implement the regulations.

- A statute for the establishment of the Assets Capitalization Bureau (as public organization), was proclaimed on May 26, 2003. The Office serves as a coordinating agency for strategic planning in compliance with the Assets Capitalization Policy.

- Government-run specialized banks, such as the Bank for Agriculture and Agricultural Cooperatives (BAAC), the Krung Thai Bank (KTB) and the Government Savings Bank (GSB), have also been assigned to serve as the focal points for credit extension.

(2) Increased opportunities for the poor to develop to their full potential: Projects and programs will be implemented by government agencies, the private sector, non-government organizations (NGOs) and civic societies.

- **Strengthening of community organizations and networks** through a holistic approach to improve the quality of life, economy, society, natural resources and the environment.

- **Village and urban community funds** have been set up to provide revolving credit programs with low interest rates for both the urban and rural poor. As of July 2003, 74,907 funds were established in 99.15 percent of target villages and communities (a total of 75,547). More than 98.64 percent of these funds (74,549) were provided with funding assistance. They have allocated funds to 8,612,051 members, amounting to a total of 123,976.40 million Baht.

- **Establishment of People's Bank:** This is a move towards the distribution of access to financial sources for low-income earners. The Government Savings Bank (GSB) began the **People's Bank** Project on June 25, 2001. By August 15, 2003, there were 613,416 members. Credit was allocated to 656,527 members (including those applying for first to fourth loans), and total credit lines extended to members equaled 12,659.24 million Baht.

- **The One-Tambon-One-Product (OTOP) Project:** The Project is aimed at maximizing the benefits of local wisdom and for the production of goods and services. The government has provided support to develop high quality standards for both the production and packaging of high-end products, together with assistance for market search, both domestically and internationally. Total sales of OTOP products in 2002 were 23,950.6 million Baht. This includes a program that promotes 461 outstanding OTOP products from 450 Tambons nationwide.

(3) Natural Resources Management: Major issues concerning natural resource management include:

- **Management of Land:** Ownership of land and land use patterns have been reformed in order to protect depleted forests. It is now illegal to encroach on forest reserves and farmers were given new plots of land. Since August 31, 2003, authorities have been reviewing ownership and land occupation rights to government property for 1.84 million recipients, covering a total area of 22.68 million rai. These include the issue of 1.70 million land use certificates, (known as Sor. Por. Kor. 401), to 1.41 million recipients.

- **Management of Water:** This includes new regulations to ensure the sustainable use of irrigation by farmers. Local administrative organizations have also created 2,096 fishponds throughout Thailand.

(4) Development of a social safety net for the underprivileged:

- **Creation of universal health care** would reduce expenses for the poor. A plan is underway that would require a minimal payment of 30 Baht for a hospital visit. As of June 2003, health insurance cards had been issued to 45.68 million people, or 73.32 percent of the population (62.3 million).

(5) Improvement of public administration for poverty eradication: Popular participation is a priority in order to give local communities a greater role in solving local problems.

- **Integration of action plans, projects and budgeting:** The Ministry of Interior is responsible for the 2004 Poverty Eradication Budget. The budget includes the provision of programs for the poor to develop their full potential, basic facilities, social welfare, programs to solve land-use problems and debt, and improved employment conditions. The total budget amounts to 11,135,364,592 Baht.

- **Developing target areas for poverty eradication:** There are now 16,735 target villages, or 23.0 percent of total villages nationwide.

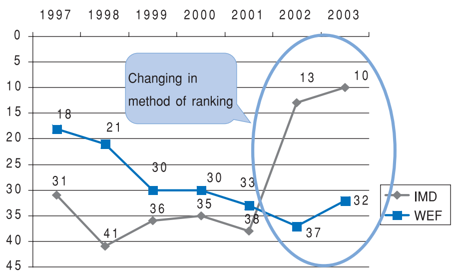
- **Plan for community empowerment and poverty eradication:** All Tambons (group of villages) will be encouraged to draft their community plans by 2005.

3. Enhancing Thailand's Competitiveness

This has been a key policy issue for the government since the 1997 economic crisis. Many businesses collapsed and the business sector now recognizes that over-dependence on real sectors for economic growth will not lead to sustainable prosperity. The "Grass-roots Economy" is perceived as the main impetus for economic growth, and plays an important role in laying the groundwork required for Thailand to compete successfully and internationally. From 1997 until 2002, The International Institute for Management Development (IMD) and the World Economic Forum (WEF) reported a decline in Thailand's ability to compete on the international market. (Chart 1)[2]. In 2003, Thailand's international competitiveness improved compared to many other economies in the region (Chart 2). However, The IMD and WEF reports still cite Thailand's weaknesses in the following areas: human resources, science and technology, infrastructure and management.

Chart 1

Thailand's Rank in Competitiveness



2 A comparison cannot be made for rating before 2002 because, in 2003, the IMD revised its rating criteria, classifying countries into two main groups: those having total population exceeding 20 million, and those having total population below 20 million. Thailand is in the first group, consisting of 30 countries. WWF also adjusted its rating criteria in 2003. The number of countries entering the rating system went up from 80 to 102 countries in 2003, thus showing impressive improvement in Thailand's rating.

Chart 2

IMD and WEF's Competitiveness of Selected Country in 2003, Divided by Factor Group

Factor Group	South Korea	Taiwan	Malay-sia	Philip-pines	Indo-nesia	Thai-land
IMD (Total)	**15 (10)**	**6 (7)**	**4 (6)**	**22 (18)**	**28 (25)**	**10 (13)**
Economic Capacity	18 (11)	11 (17)	8 (8)	19 (14)	24 (19)	7 (9)
Govenment Efficiency	18 (11)	6 (9)	3 (4)	21 (15)	27 (23)	5 (7)
Business Efficiency	20 (10)	4 (4)	5 (7)	23 (19)	30 (26)	9 (14)
Infrastucture	11 (9)	7 (7)	9 (10)	26 (22)	30 (26)	16 (17)
WEF (Total)	**18 (25)**	**5 (6)**	**29 (30)**	**66 (63)**	**72 (69)**	**32 (37)**
Economic Surrounding Factors	23 (30)	18 (20)	27 (28)	60 (55)	64 (65)	26 (34)
Government Institutions	36 (32)	21 (27)	34 (33)	85 (70)	76 (77)	37 (39)
Technology Progress	6 (18)	3 (2)	20 (26)	56 (52)	78 (65)	39 (41)

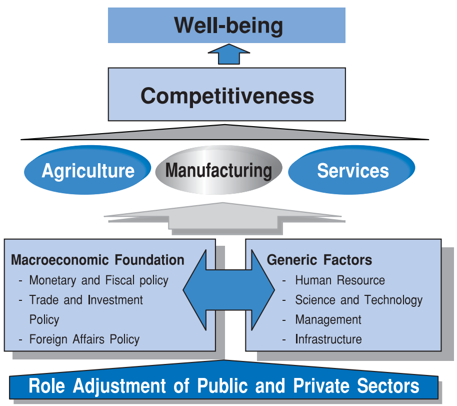
Remarks : Ranks in ( ) are the ranks in 2002

In 2002, the government declared increased international competitiveness a national priority. On May 20, 2003, the National Committee for Competitiveness Development, headed by the Prime Minister, was established. Members included representatives from the private sector and specialist consultants. The NESDB Secretary-General acted as the Secretary. The Office of the National Committee for Competitiveness Development is attached to the Office of the NESDB. A budget of 16,600 million Baht was allocated for projects that focus on sectoral restructuring, the strengthening of enabling factors, the creation of pro-active marketing plans, and a more efficient delivery of public services.

The Office of the National Committee for Competitiveness Development focuses on the following factors to develop the 'Grass-roots Economy'': fiscal policies, trade and investment measures, foreign policies. Other components include the development of human resources, science and technology, and infrastructure.

Chart 3

Conceptual Framework of Thailand's Competitiveness Development



The goals are summarized in the following "Seven Dreams for Thailand's National Development".

Chart 4

Thailand's Seven Dreams

The first dream is to achieve a stable economic development platform. A stable growth pattern is expected, with a low unemployment rate, strong agricultural sector, a sustainable tourism industry, Small and Medium Enterprises (SMEs), as well as a solid grassroots for education, infrastructure development and public health.

The second dream is to be an active international player. Thailand should take a lead in the region, in order to protect its economy.

The third dream is to become a world leader in niche markets. Focus will be on certain sectors. Examples include being known as the Kitchen of the World, the Detroit of Asia, Asia's Tourism Capital, Asia's Tropical Fashion Center, and World Center for Graphic Design and Animation.

The fourth dream is to recognized as an innovative society. Skills-development will focus on sectors such as technology, natural resources and a more general approach to education as a way of life.

The fifth dream is to become an entrepreneurial society. SMEs have the flexibility and potential to be more creative and innovative in their use of technology. They also need to learn how to adopt efficient management policies to meet international standards.

The sixth dream is of a proud Thai culture with a global sensibility: While it is crucial to encourage pride in traditional Thai culture and practices, it is also important to be flexible enough to integrate appropriate international methods and approaches. This encourages adaptability and international competitiveness.

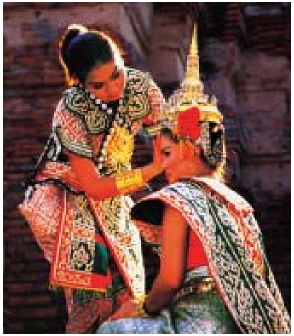
The seventh dream is a country of decent environment of living. A decent living environment meets the basic material and cultural needs of its population without harming the natural environment. This includes accepted codes of behavior, ethics and responsibilities.

Chart 5

The following plans aim to make these dreams a reality: Bangkok: City of Fashion Project, Food Safety, Kitchen of the World, Industrial Technology Program (ITAP), SME Cluster Development, and the promotion of public awareness to improve Thailand's International competitiveness. Particular attention must emphasize productivity and mutual cooperation is vital for success.

4. Social Capital Development

4.1 Introduction



The Office of the NESDB has designated social capital as another key item for the national agenda. Although the idea of social capital is widely recognized as a key component to economic and social development, more work needs to be done to implement appropriate policies. There is still confusion about what social capital entails and many people still take a narrow view by considering only the link between social capital and community empowerment.

4.2 Past Development

During 2003, the Office of the NESDB targeted the following aspects of social capital:

(1) Defining composition

The NESDB is of the view that social capital is an integral part of many different development issues and must be defined within the Thai social context.

1. Human Capital: People need specific skills, information, and education in order to develop the discipline and responsibility required of a healthy society.

2. Institutional Capital: This includes family, educational institutions, religion, and political institutions, such as NGOs, community organizations, professional groups and the media.

3. Intellectual and Cultural Capital: This includes ethics, discipline, public awareness, Thai culture and local wisdom, historical and archaeological sites, etc.

(2) Primary Propositions is a framework to develop social capital for sustainable development:

1) Main Theme: To develop social capital, it is necessary to adjust conceptual frameworks, set strategies, and promote effective implementation, taking into account the following issues:

- **Connections:** Social capital should be regarded as a central concept to support Thailand's International competitiveness, poverty eradication, sustainable development and good governance.

- **Variety:** A holistic approach should take into account the unique conditions of each area and target group and the ongoing changes within both the domestic and international situation. Focusing on only one management style should be avoided.

- **Complete Development:** Focus should be on sustaining and developing existing social capital. The integration of modern technology and other inputs should be implemented at an appropriate pace to avoid negative impacts on social values and behaviors.

2) Focus on Development for each Type of Social Capital

- **Human Capital:** Focus should be on improving skills for conceptual thinking, based on rational analysis. These skills should be adapted to both the work place and to daily life to help people cope with change. People should also be encouraged to form groups or networks to solicit mutual support and co-operation.

- **Institutional Capital:** Institutional capital should be properly applied to stimulate the development of social capital. This integration will improve the quality of life.

- **Intellectual and Cultural Capital:** People need to adopt appropriate information, technology and cultural values in order for society to reach its full potential.

(3) Brainstorming sessions between consultants and related public agencies have set up frameworks for the sustainable development of social capital and social capital indicators.

(4) Establishment of Social Capital Development Sub-Committee: The sub-committee was established under the NESDB, to design a conceptual framework for government policies.

(5) Public dissemination of information will come via NESDB Web-site, or from the Social Capital Development Section, Quality of Life and Social Development Office. Tel. 0-2280-4085 Ext. 2308, and Fax. 0-2282-9158, or at e-mail addresses: sombat-s@nesdb.go.th., or socap@nesdb.go.th.

4.3 Future Action

The Office of the NESDB has designated future process to expedite social capital in every segment, through the following measures:

(1) Creation of common understanding through brainstorming among key development partners in five regions, at Phra Nakhon Si Ayutthaya, Rayong, Songkhla, Chiang Mai and Khon Kaen.

(2) Thailand's Social Capital Indicators: The Office of the NESDB has commissioned Thammasat University to develop a framework for Thailand's social capital indicators, to be used as a guideline for Social Capital Mapping throughout Thailand.

(3) Pilot project to enhance social capital for community empowerment: Pilot feasibility studies will focus on three provinces: Surin, Chiang Mai and Chachoengsao. Later, the projects will be extended to other areas.

The Office of the NESDB hopes that the movement towards social capital development will become much clearer and more effectively implemented. The goal is to empower local communities to become self-reliant and better able to contribute to the wider society and economy.

5. Sustainable Development

5.1 Background

Many countries have recognized the importance of ***"sustainable development"*** and recognize that imbalanced patterns of growth have generated significant negative impacts on natural resources and the environment. Many countries joined forces in Rio de Janeiro to sign the United Nations initiated agreement known as Agenda 21. This is the world's master plan for "sustainable development", which integrates economic, social and ecological dimensions into one holistic framework.

Thailand established the **Sustainable Development Committee**, headed by the Prime Minister, to design sustainable development policies. The committee includes government ministers, specialist consultants, and the NESDB Secretary-General.

5.2 Progress

The ultimate goal of the NESDB's approach to sustainable development is to ***"promote balanced development in the economy, society, natural resources and the environment for the continued betterment for all".*** Several brainstorming sessions have been held, including the annual meeting of the NESDB on "sustainable development", in June 2003. The meeting produced a resolution on sustainable development which highlights the following:

(1) Economic Dimension: Attention to balanced economic growth, economic stability and a more balanced and equal distribution of wealth.

- **Growth with quality:** Emphasis will be placed on quality and efficiency under these principal forces: innovation, technology, skilled labor force, and good governance. These factors will be intertwined at the micro, macro, national and regional levels.

- **Stable Growth:** Economic stability will be maintained under the "Dual Track Economy"concept. The Thai economy will be self-reliant, with a solid economic grassroots at both the macro and micro levels. Emphasis is on the sustainability of natural resources, which represent long-term production inputs. There will be sound balance between production and conservation management.

- **Distribution of wealth** will focus on access to economic activities, natural resources and public services for national economic expansion. The benefits of economic growth will be evenly distributed.

(2) The Social Dimension refers to the connection between social and human development within the development of the economy, natural resources and the environment. An appropriate evolution should be maintained with the individual and the community as the focal point.

(3) Natural Resources and the Environmental Dimension refers to the sustainable use of natural resources. This includes acceptable levels of pollution from the use of natural resources that allows the ecosystem to absorb and dispose of pollution.

At the annual NESDB meeting, participants proposed policy recommendations for consideration by the Sustainable Development Committee which would be forwarded on to the Cabinet for consideration. These consist of (1) sustainability in the Thai context; (2) sustainable development strategies for the economy; (3) sustainable development strategies for society; (4) sustainable development strategies for natural resources and the environment; and (5) creation of sustainable development indicators for Thailand.

The NESDB has hired consulting companies to undertake research on "Sustainable Development Indicators of Thailand". The initial results of this research will be announced at the NESDB's Annual Conference in June 2004.

Section 5: Major Events in Thailand in 2004

1. NESDB's Annual Comference 2003

NESDB's Annual Conference in the Past

Twelve hundred representatives attended last year's conference, which has topic on "Well-Being of the Thai People : Five Years after the 1997 Economic Crisis. The NESDB later released the meeting's conclusions to the Cabinet. The Cabinet then assigned the NESDB to work with the public and private sectors to realize the following four goals: (1) the eradication of poverty, (2) the improvement of social conditions such as the social security program, (3) the strengthening of the Thai economy and (4) the more effective management of natural resources and environmental protection.

The NESDB focused on sustainable development as the theme for the Annual Meeting on June 30, 2003, which included 1,619 delegates. Four key issues recommended for special consideration were (1) sustainable development of the environment and natural resources, (2) economic development sustainability (3) social development sustainability and (4) the formulation of indicators for sustainable development. Policy recommendations are now under review by the Sustainable Development Committee.

NESDB's Annual Conference:

The theme for NESDB's Annual Conference 2004 will be: "The Informal Economy and Good Governance". Fifteen hundred participants are expected to discuss the following:

(1) Report on National Economic and Social Development Results, based on quality of life indicators, economic performance indicators, and sustainable development indicators. This includes the evaluation of Mid-Plan progress of the Ninth Development Plan. The realization of the four priorities of the national agenda will be evaluated.

(2) Evaluation of Government Policy Implementation: Progress reports for projects such as the debt moratorium for small farmers, Village and Urban Community Funds, the OTOP Project; the People's Bank Project, the 30-Baht Universal Health Care Program, and the subsidized housing program.

A brainstorming session is scheduled for the afternoon, which will explore strategies to develop the "Grassroots Economy" and other aspects of the informal

economy, and good governance principles. The topic is "Informal Economy and Good Governance in Public Sector" The aim is to define a development framework for the informal economy. This will involve defining the indicators that will measure progress and the clarification of the role of the informal economy within the broader development model for national and social development.

2. Meetings under Sub-Regional Economic Cooperation Schemes

(1) The Greater Mekong Sub-regional Economic Cooperation Project (GMS) Meeting

Meetings	Dates	Locations
1. Public Private Consultation Meeting	To be announced	Thailand
2. Second Agricultural Taskforce Meeting	To be announced	Thailand

(2) The Indonesia-Malaysia-Thailand Growth Triangle Project (IMT-GT) Meeting

Meetings	Dates	Locations
1. The Second Meeting of Sub Implementing Technical Group on Halal Food Hub, Implementing Technical Group on Development of Hinterland and Intra trade	January 2004	Bangkok
2. The First Meeting of Sub Implementing Technical Group on Rubber Wood and Oil Palm, Implementing Technical Group on Development of Hinterland and Intra trade	February 2004	Songkhla
3. The 11th Ministerial and Senior Officials' Tripartite Meeting of the IMT-GT	April 2004	Pattani

Section 6: The NESDB and Related Agencies

The Office of the NESDB 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 for the planning and formulation of development strategies that emphasize balanced and sustainable development, public participation, and the flexibility to respond effectively to change and to the needs of the Thai people."

1. Key Functions

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

(1) Legitimate Roles and Responsibilities

- To formulate the National Economic and Social Development Plan, and translate the Plan into action within a five-year period.
- To analyze the budget proposals for state enterprises, as well as development programs and projects of government agencies and state enterprises. This will be accomplished through 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).
- To create a database for planning, especially for GDP data.
- To monitor and evaluate national development progress and to create development indicators.

(2) Roles and Responsibilities under Key Policies

- To focus on national agenda priorities: (1) alleviation of poverty and income distribution problems, (2) enhancing Thailand's competitiveness, (3) social capital development and (4) sustainable development.
- To devise strategies for key government policies and major development projects. These would include (1) assets capitalization programs, (2) economic cooperation strategies (ECS), (3) the development of the Suvarnabhumi Airport, (4) the revamping of the Government Service Center, (5) the development of Ratchadamnoen Avenue; (6) the Brain Bank; (7) the Sufficiency Economy; and (8) the creation of livable cities.

1.2 New Missions: The Office of the NESDB has had to adjust its role over the last ten years, to respond more effectively to both domestic and international changes.

The Office of the NESDB is taking an increasing leadership role as a planning agency to ensure balanced and sustainable national development. This process involves devising effective evaluation and monitoring procedures. The NESDB's responsibilities include:

(1) The formulation and implementation of both short and long-term strategies, including the formulation of a 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) The formulation of a four-year government administration plan. This will go into effect 90 days after the government delivers its policy statement to Parliament. It will also assess the cost-effectiveness of government operations at all levels.

(3) The evaluation and monitoring of government policies and development strategies.

(4) The development of a database and the formulation of both social and economic development indicators. The goal is for the NESDB to be able to predict potential social and economic threats to national development and offer preventive solutions.

(5) To develop an NESDB management system that is both transparent and efficient and meets international standards.

2. Organization Structure

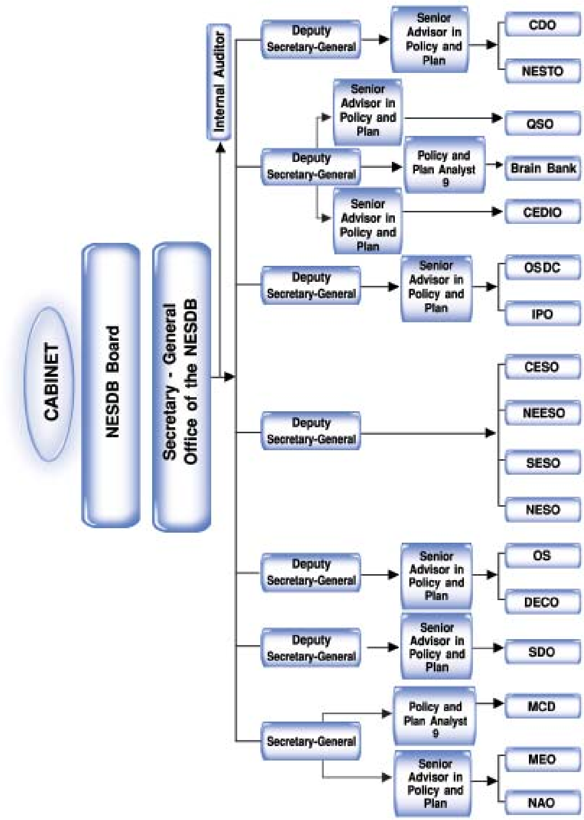
The Office of NESDB has divided its administrative structures into 13 offices and 2 divisions, namely;

Our Office	Contact Us
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

Our Office	Contact Us
4. Development Evaluation and Communication Office (DECO)	Tel : 0-2282-4841-2 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
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

Our Office	Contact Us
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

3. Organization Chart

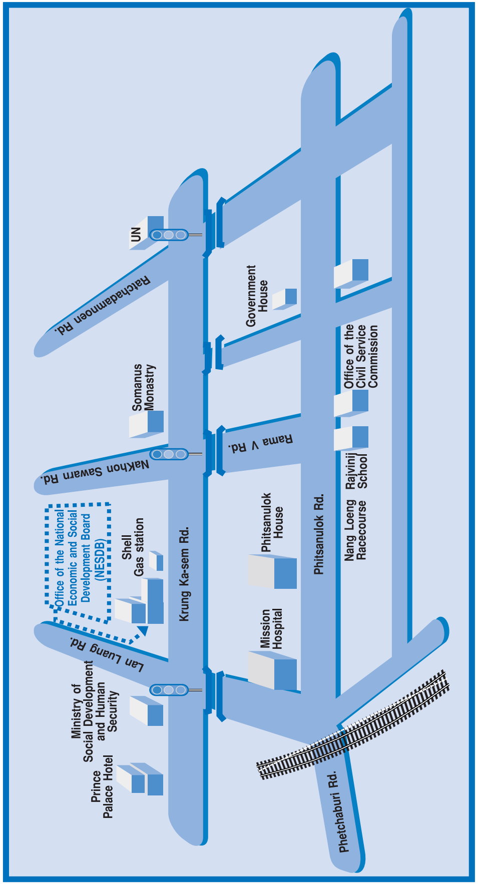


4. Related Links

Organization	Tel.	E-Mail
1. Office of the Prime Minister	0-2280-3000	www.thaigov.go.th
2. Bank of Thailand	0-2283-5353	www.bot.or.th
3. Board of Investment	0-2537-8111	www.boi.go.th
4. National Statistical Office	0-2281-0333	www.nso.go.th
5. Ministry of Finance	0-2273-9021	www.mof.go.th
6. Ministry of Commerce	0-2507-8000	www.moc.go.th
7. Ministry of Industry	0-2202-3000	www.industry go.th
8. Ministry of Foreign Affairs	0-2643-5000	www.mfa.go.th
9. Ministry of Public Health	0-2590-1000	www.moph.go.th
10. Ministry of Science and Technology	0-2640-9600	www.moste.go.th
11. Ministry of Education	0-2628-5600	www.moe.go.th
12. Ministry of Labor	0-2248-5558	www.mol.go.th
13. Ministry of Interior	0-2222-1141-55	www.moi.go.th
14. Ministry of Transport	0-2283-3000	www.motc.go.th
15. Ministry of Energy	0-2226-4772	www.energy.go.th

Organization	Tel.	E-Mail
16. Ministry of Justice	0-2502-6500	www.moj.go.th
17. Ministry of Argriculture and Cooperatives	0-2281-5884	www.moac.go.th
18. Ministry of Natural Resource and Environment	0-2298-2049	www.monre.go.th
19. Ministry of Social Development and Human Security	0-2659-6228-9	www.social.go.th
20. Ministry of Information and Communication Technology	0-2238-5422, 0-2238-5424-6	www.ict.go.th
21. Ministry of Tourism and Sports	0-2214-4642, 0-2214-0120	www.mots.go.th
22. Toursim Authority of Thailand	0-2250-5500	www.tat.or.th
23. Ministry of Culture	0-2883-5355	www.culture.go.th
24. Thai Chamber of Commerce	0-2622-1111	www.thaiechamber.com
25. Federation of Thai Industries	0-2229-4255	www.fti.or.th
26. Thai Banker's Association	0-2264-0883-6	www.tba.or.th
27. Foreign Embassies in Thailand		www.mfa.go.th/Foreign Missions in Thailand

Our Location



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