



Thailand's Labor, Infrastructure Capacity and Dawei Development Project

Mr. Arkhom Termpittayapaisith

Secretary-General

National Economic and Social Development Board

28 June 2012

Outline :

Thailand's Investment Climate

Infrastructure Capacity

Labor and Human Resources Development

Dawei Development Project: The Biggest Regional Co-production Linkage

In 2012, Thailand ranks **17th** among 183 countries for the **ease of doing business** (ranks **1st** among 8 comparator economies in the region)



- | | |
|---------------------|-------------------|
| 1. Singapore | 16. Georgia |
| 2. Hong Kong, China | 17. Thailand |
| 3. New Zealand | 18. Malaysia |
| 4. United States | 19. Germany |
| 5. Denmark | 20. Japan |
| 6. Norway | 21. Latvia |
| 7. United Kingdom | 22. Macedonia |
| 8. Korea, Rep. | 23. Mauritius |
| 9. Iceland | 24. Estonia |
| 10. Ireland | 25. Taiwan, China |
| 11. Finland | 26. Switzerland |
| 12. Saudi Arabia | 27. Lithuania |
| 13. Canada | 28. Belgium |
| 14. Sweden | 29. France |
| 15. Australia | 30. Portugal |

Thailand's Investment Climate in terms of doing business demonstrates the continuously improving level of competitiveness in several criteria

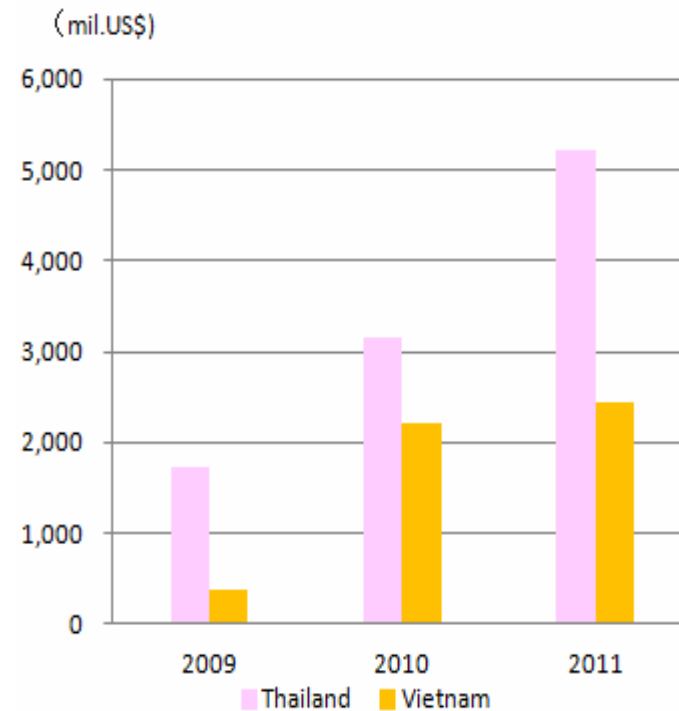
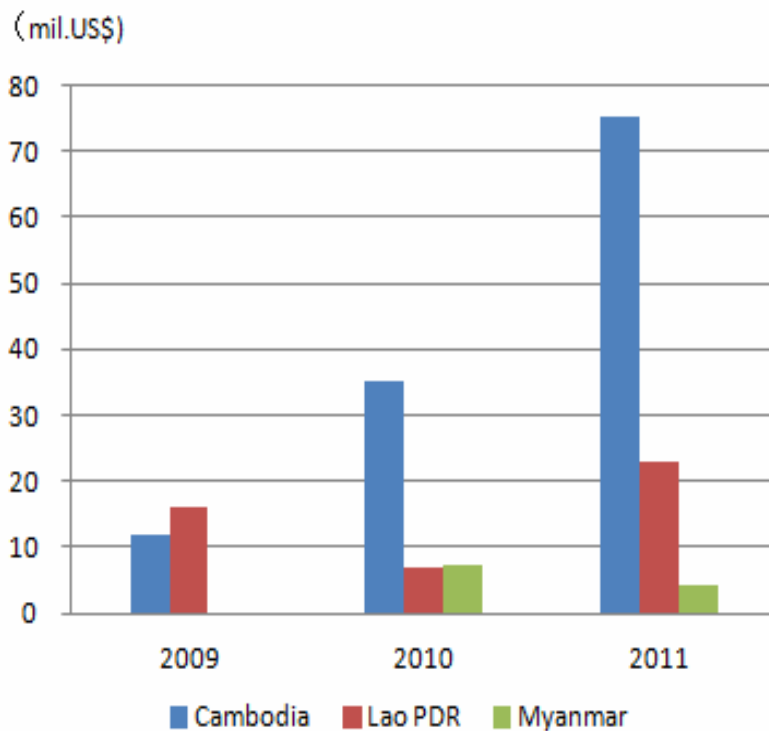
Thailand is outstandingly in the leading rank	Rank among 8 comparator economies in the region	Rank among 183 countries	Regional Average (East Asia & Pacific)
Overall Business Environment	1	17	86
Getting Electricity	1	9	75
Dealing with Construction	1	14	34
Trading Across Border	1	17	76
Enforcing Contracts	1	24	46
Registering Property	1	28	31
Protecting Investors	2	13	83

GDP (2011) \$351.34 billion
 country comparison to the world: 25
 GDP per capita \$9,700 (2011 est.)
 Manufacturing sector account to 38% valued \$113,574 million, second to Services sector. (52.7%)
 Labor Force 39.62 million (2011 est.)
 country comparison to the world: 16

Thailand's economic and financial conditions are favorable for foreign investment.
 With a well-developed infrastructure, generally pro-investment policies, and strong export industries, Thailand is prompt to welcome businesses and industries to be a part of our solid economic growth.

Thailand's Investment Climate

Drastic Growth of Japan's FDI in the Mekong sub-region



Source of Data: Cambodian Investment Board(CIB), Ministry of Planning and Investment(MPI) of Lao PDR, Myanmar Directorate of Investment and Company Administration (DICA) of Myanmar, Board of Investment of Thailand, Ministry of Planning & Investment (MPI) of Vietnam,

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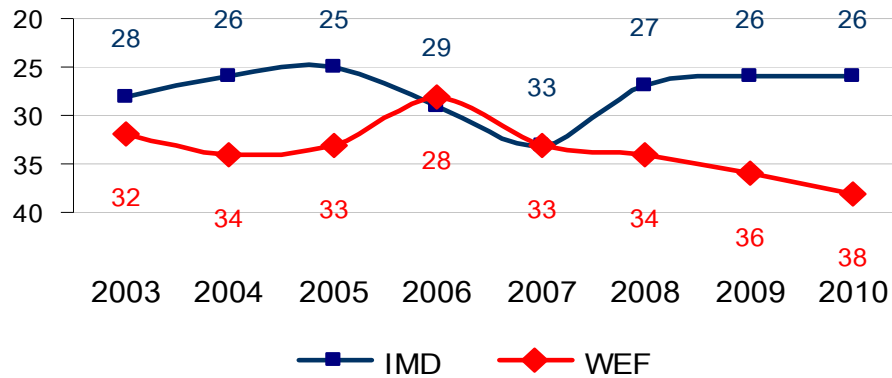
Infrastructure Capacity

Labor and Human Resources Development

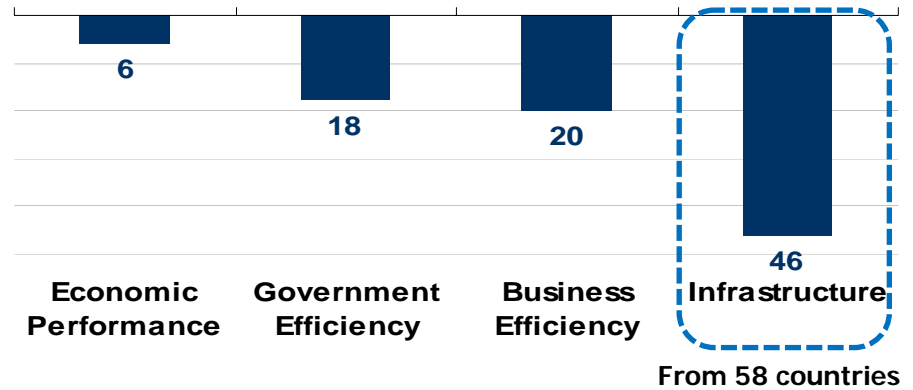
Dawei Development Project: The Biggest Regional Co-production Linkage

Overview of Thailand's Infrastructure Capacity

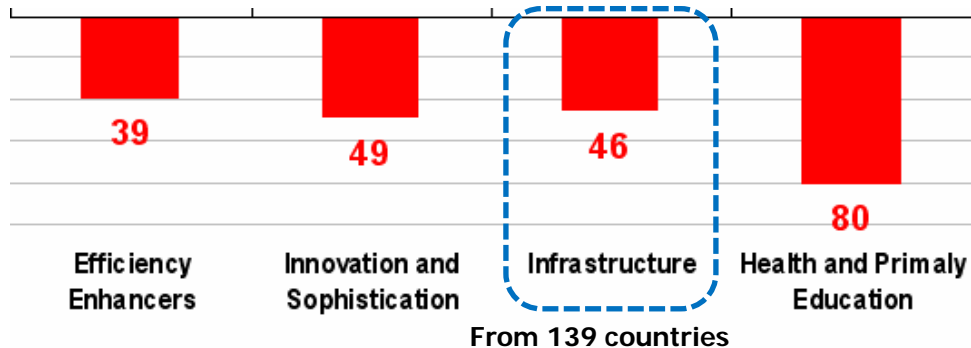
Competitiveness Ranking



IMD 2010 Ranking by Factors



WEF 2010 Ranking by Selected Factors



WEF Infrastructure Quality Ranking Comparison

Countries	2008	2009	2010
Hong Kong	3	8	2
Singapore	2	2	3
Korea	20	18	12
Taiwan	19	22	19
Malaysia	27	19	27
Thailand	41	35	46

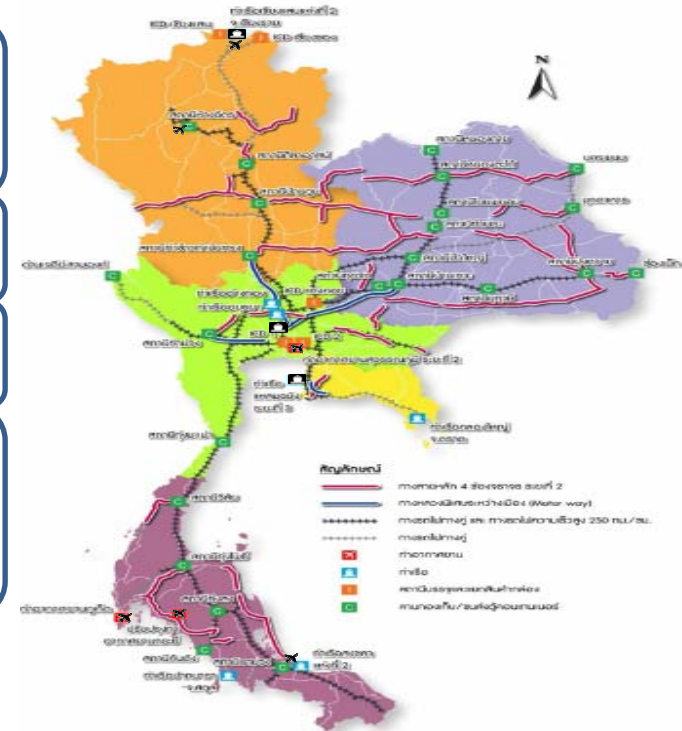
Sources: 1) The Global Competitiveness Report, World Economic Forum 2) IMD World Competitiveness Center



Thailand's Infrastructure : Transportation Sector

Overview

	Road	National Highway	63,100 km.
		Motorway & Expressway	226 km.
		Rural road	39,254 km.
		Local road	101,845 km.
	Water	Total International Deep Sea Port	6
		- Laem Chabang Port	7.7 M TEU/year
	Rail	Single Track	3,885 km.
		Double and Third Track	234 km.
	Air	Airports	36
		- Suvarnabhumi Airport	45 M ppl/y
		- Don Mueang Airport	36 M ppl/y
		- Phuket Airport	6.5 M ppl/y
		- Chiang Mai Airport	8 M ppl/y





Thailand's Infrastructure

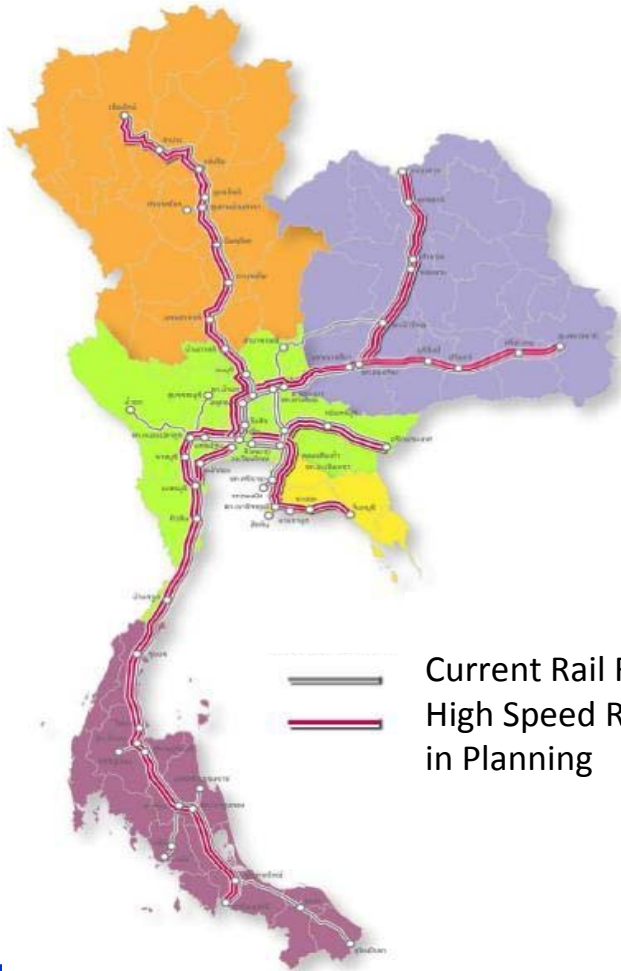
Investment Plan for Infrastructure Development (2012-2020)

Sector	Amount (million USD)	Share (%)
1. Land Transport	46,662	65
2. Air and Marine Transport	4,714	6
3. Energy	15,855	22
4. Telecommunication	1,117	2
5. Utility	3,716	5
Total	72,064	100

Financing source	Amount (million USD)	Share (%)
1. SOEs and Loan	22,905	32
2. PPP	13,124	18
3. Government	36,035	50
Total	72,064	100

Key Infrastructure Projects:

High Speed Train



Route	From	To	Distance (KM)	Amount (Mill. USD)
North	Bangkok	Chiang Mai	745	7,300
North-East	Bangkok	Nong Khai	615	3,100
East	Bangkok	Rayong	330	2,300
South	Bangkok	Huahin	225	2,600



Key Infrastructure Projects:

Dual Track Train

From - To	Distance (KM)	Amount (Mill. USD)
Chachoengsao – Kaeng Khoi	106	360
Lop Buri - Nakhonsawan	118	420
Map Kabao – Thanon Chira Junction	132	370
Thanon Chira Junction - Khonkaen	185	410
Nakhonpathom - Hauhin	165	530
Prachuap Khiri Khan - Chumphon	167	500

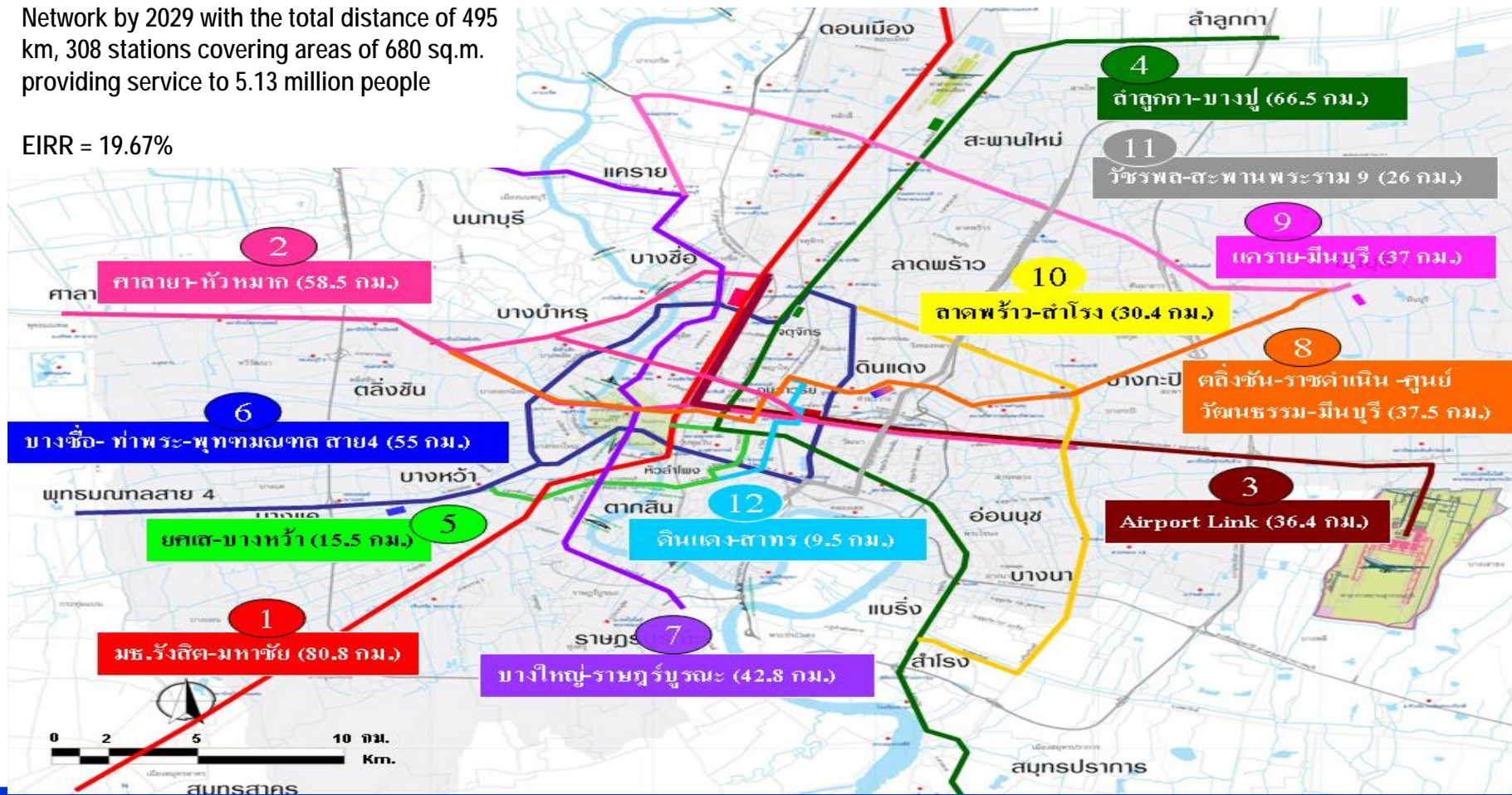


Key Infrastructure Projects:

Metropolitan Rail System

Network by 2029 with the total distance of 495 km, 308 stations covering areas of 680 sq.m. providing service to 5.13 million people

EIRR = 19.67%




Key Infrastructure Projects:

Energy Security



“New sources of energy, both domestic and international, need to be sought and developed, especially through the collaborations in the area of energy resource development with potential neighboring countries on the west of Thailand (Dawei), aiming at strengthening the nation’s energy security.”


Key Initiatives for Regional Connectivity



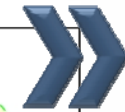
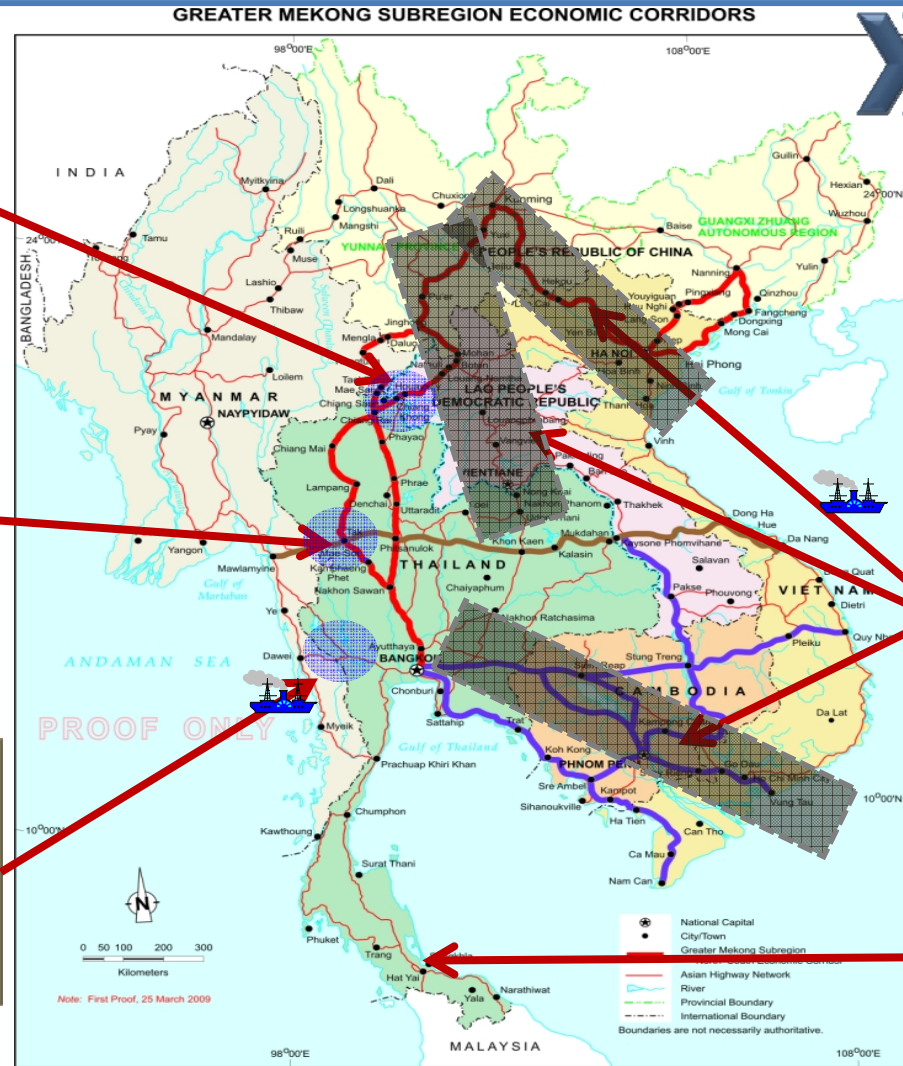
Trilateral Exchange in Traffic Right between Thailand – Laos PDR – China and 4th Mekong River Crossover Bridge



Border Economy Development



Deep Sea Port and Dawei Industrial Estate Development




- Thai – Laos – China High-speed Train
- Train connecting sub-region Singapore - Kunming



Hat Yai – Sadao Motorway

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Thailand's Labor: overview

Demographic in Thailand

Current Situation

- Child Age(0-14 years old) tends to decrease
- Working Age(15-59 years old) has decreased after 2010
- Old Age(60+) continue increasing

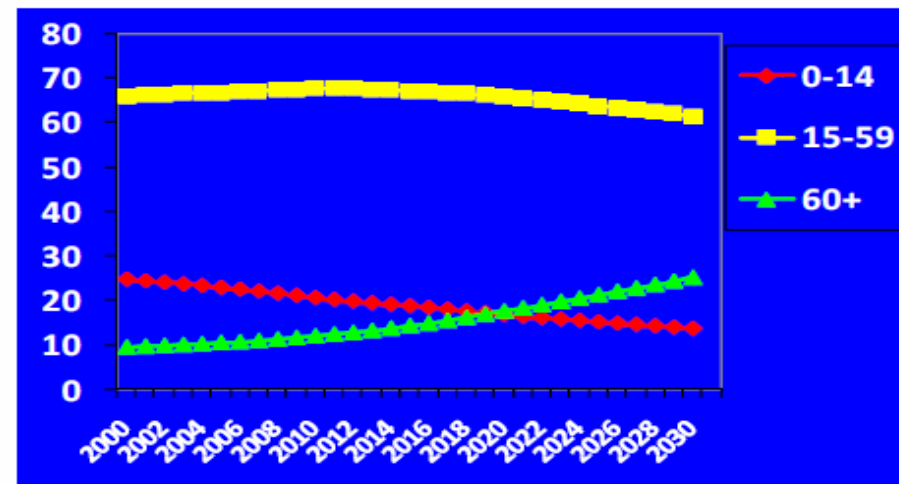
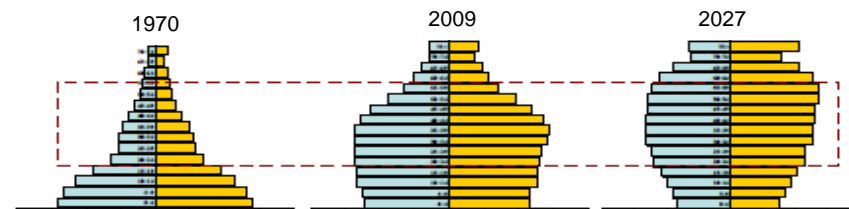
	1969	2011	2030
Child Age	45.12	20.07	13.50
Working Age	49.99	67.63	61.38
Old Age	4.89	12.26	25.12

Increasing in Dependency Ratio

⇒ Increasing number of elderly that working age has to responsible for

	2000	2011	2030
Old Age :Working Age	7 : 1	5 : 1	2 : 1

Thailand is passing the period of taking advantage from population dividend. In the future, population structure shows that working age will have more burden in taking care of elderly.



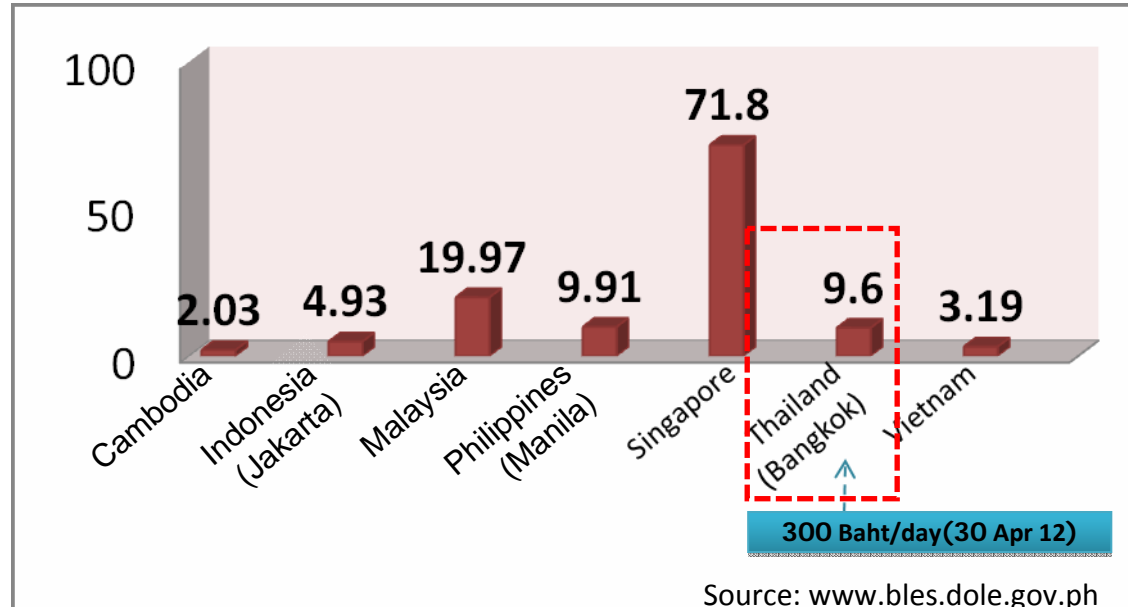


Thailand's Labor: overview

Minimum Wage in ASEAN Countries



ASEAN minimum wage rates (US\$/day)



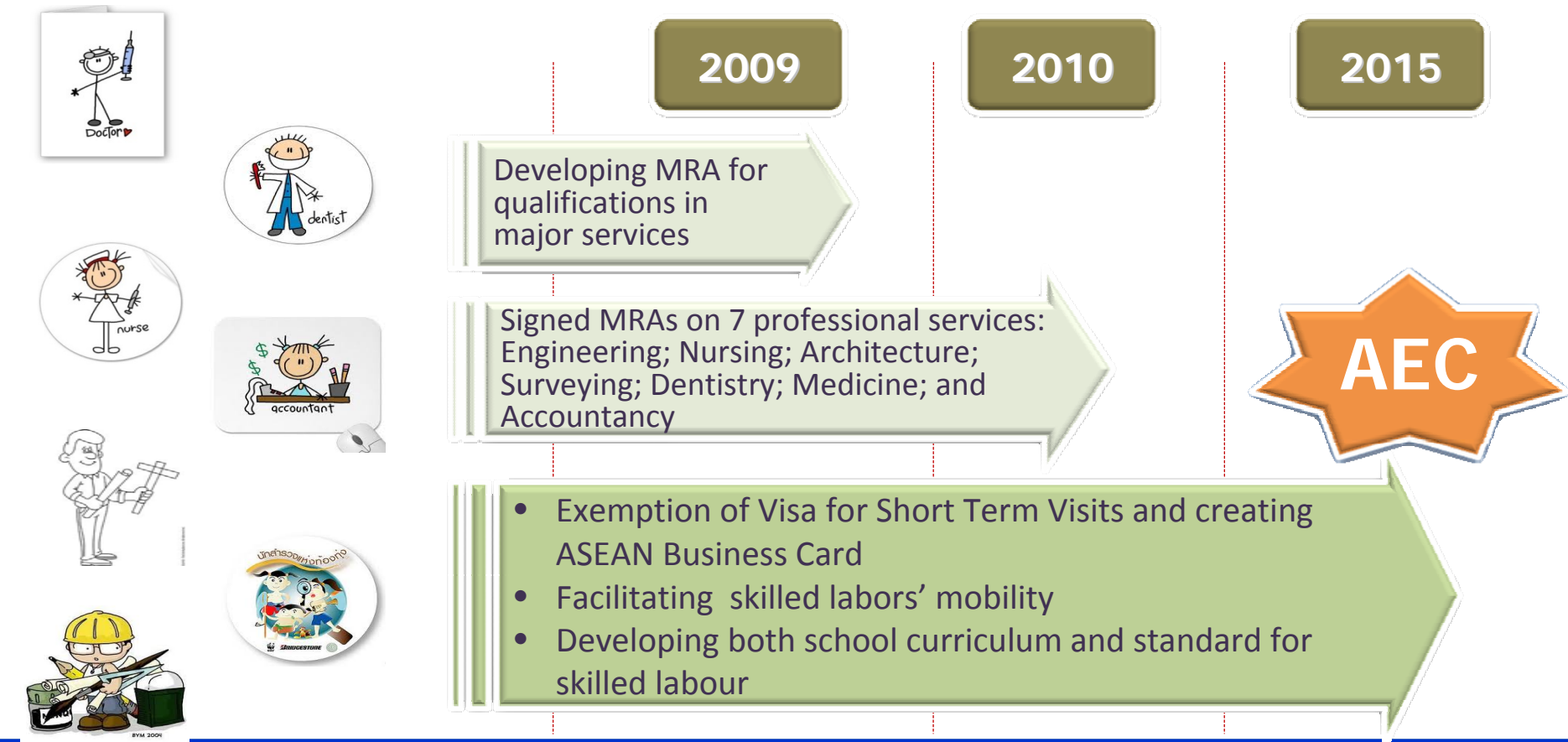
Employment Rate in Thailand

Employment	Year	2009				2010		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3
Unemployment (hundred thousand)	5.7	7.8	6.7	4.6	3.8	4.3	5.0	3.5
Unemployment rate (%)	1.5	2.1	1.8	1.2	1.0	1.1	1.3	0.9



Cross-border Labor Mobility : Measures for **Skilled Labour**

1. Facilitating cross-border working and accommodation, with recognising the education or experience obtained, or licenses or certifications granted in another Member State, according to *ASEAN Framework Agreement on Services*
2. Developing **Mutual Recognition Agreement (MRAs) in 7 major services**





Cross-border Labor Mobility : Measures for **Skilled Labor**

Some project implementations of human resources development as preparation for AEC community



- **Developing labors' skill**

Undertaken by Ministry of Labor, the training courses include pre-employment training; improving the professional skills; skill standard testing; as well as setting Wage of Skill Standard in 22 professional fields.



- **Creating Vocational Qualifications as personal competency assessment set by professional associations**

The notable progress includes creating **Thai Vocational Qualifications Institute - TVQI (Public Organisation)** working under the Prime Minister; the appointment of the Administrative Committee of TVQI and; customising labour competencies in 9 target industrial sectors.



- **Initiating a National Qualification Framework (work in progress)**

to ensure consistency in both standards and award titles for higher education and to provide employees a clear career path in preparation for the free flow of labor within the ASEAN community.



- **Other work progresses in human resources development**

i.e. **AEC Support Network** by Ministry of Commerce,
Training Courses by Ministry of Foreign Affairs,
Strategic Planning for Preparedness and Driving towards AEC Community by Ministry of Education

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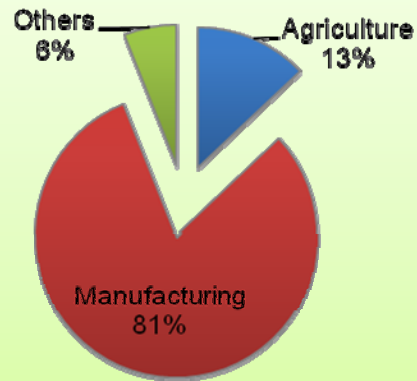
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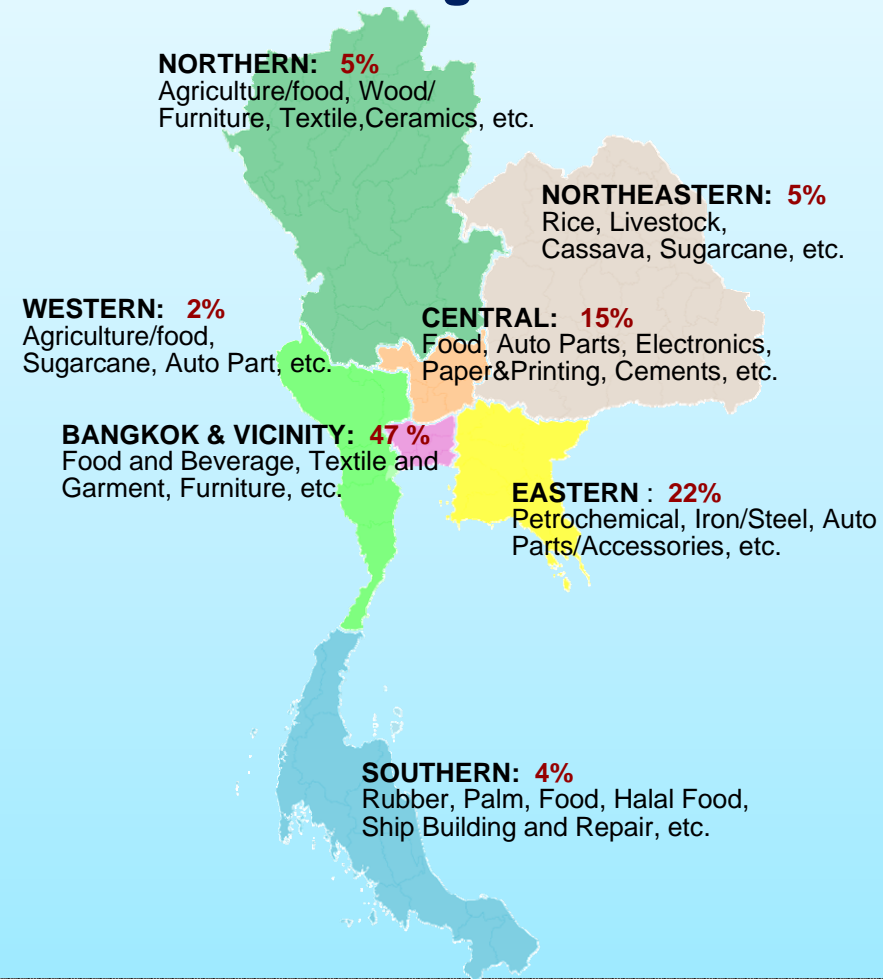
Thailand Manufacturing Outlook

Thailand Export in 2011

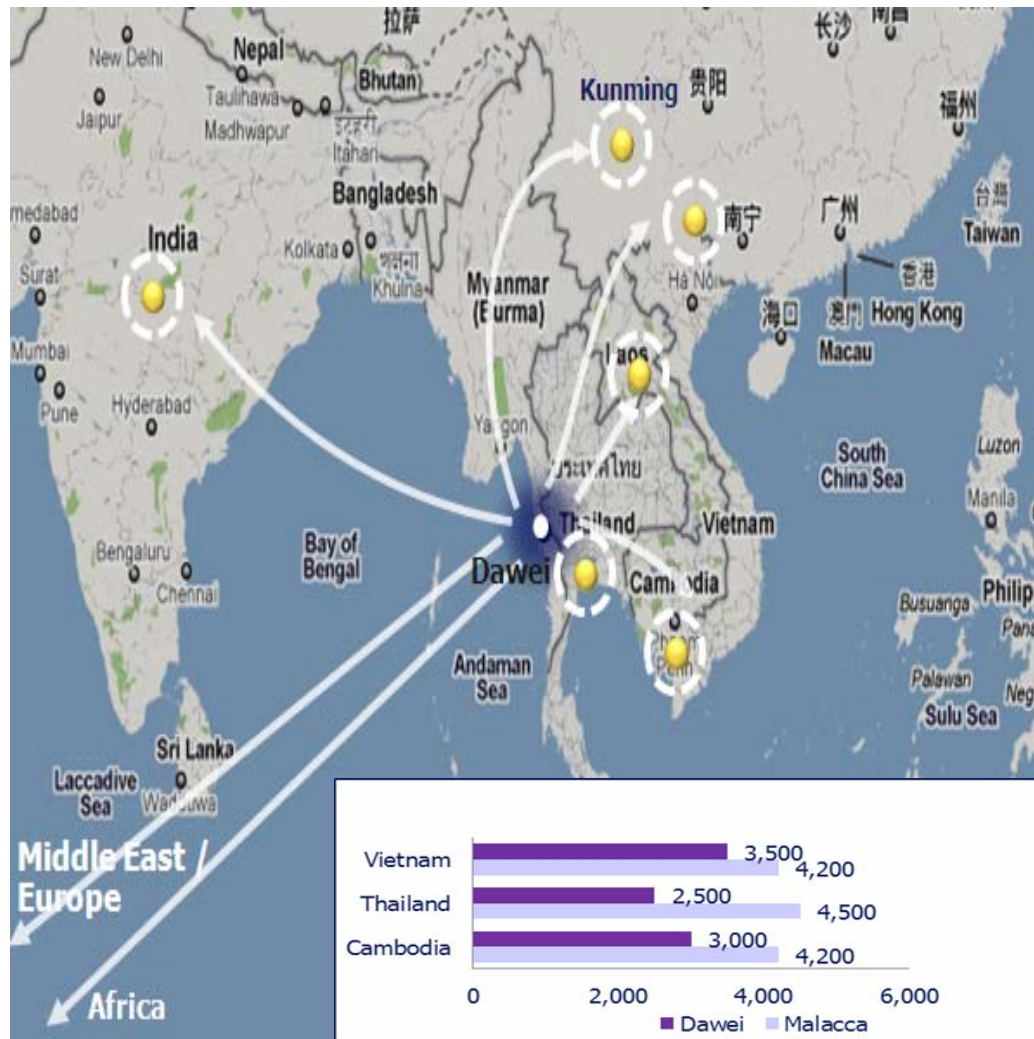


- ❑ In 2011 Thailand's GDP was US\$ 351,338 million (10.54 trillion baht). Manufacturing sector account to 38% valued US\$ 113,574 million (3.40 trillion baht), second to Services sector.
- ❑ Manufacturing export account to 81% of total Thailand export in 2011 and valued US\$ 186,268 million (5.59 trillion baht). The most exported products in 2011 are Computer Products and Parts, Auto Parts and Accessories, and Jewelry and Related Articles.
- ❑ Bangkok and its vicinities has the most share of manufacturing distribution in Thailand, which is account to 47%. The first 3 manufacturing sectors are (1) Food and Beverage (2) Textile and Garments (3) Furniture.

Manufacturing Distribution



Advantages of Dawei - Laem Chabang linkage



“Effective Link for ASEAN Connectivity”

- ✓ The linkage will be an effective link within the region corresponding to "ASEAN Connectivity"
- ✓ Power up investment opportunities along GMS Southern Economic Corridor
- ✓ Build up a strong connection between ASEAN countries.

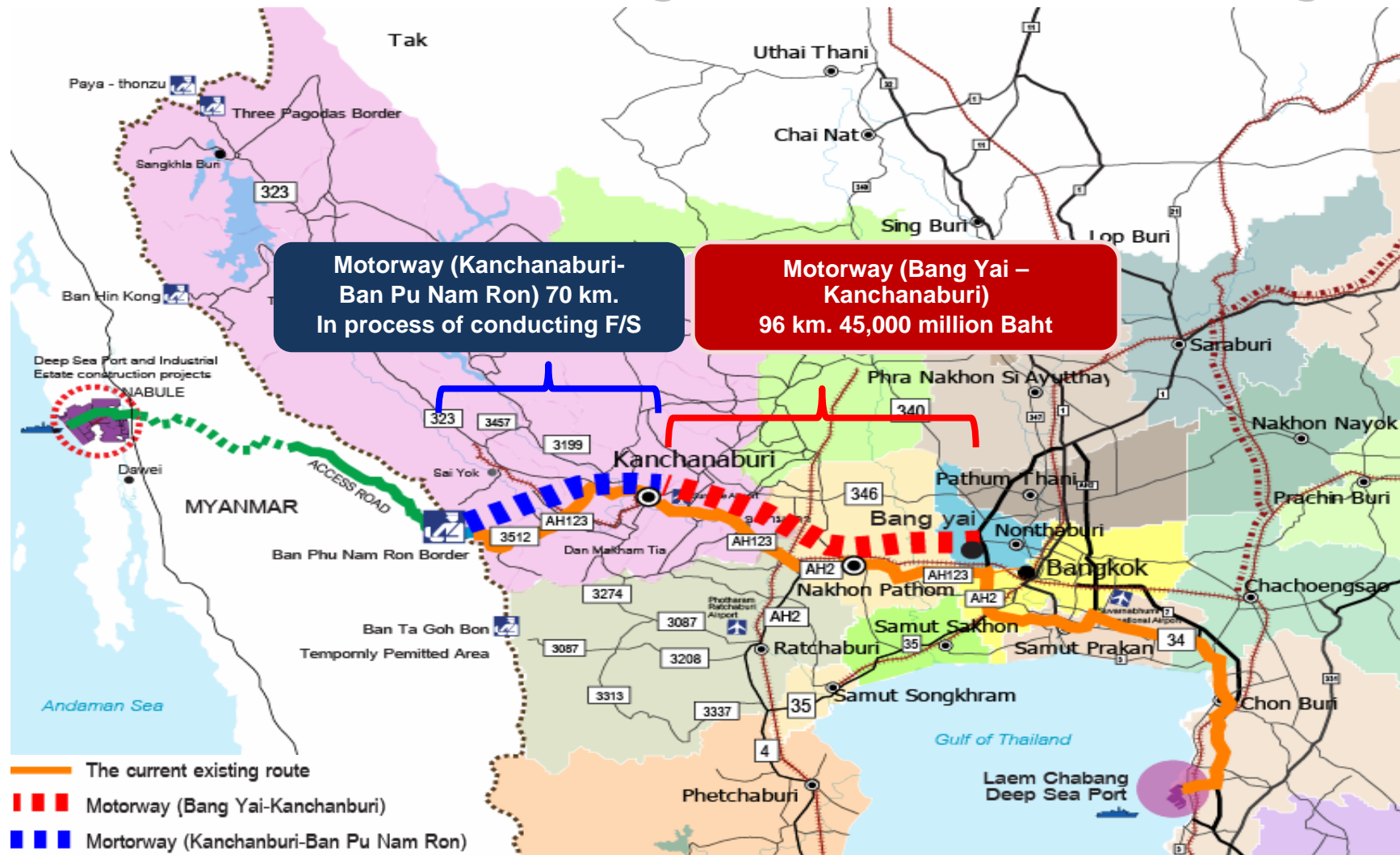
New “Logistics Short Cut” of the Region

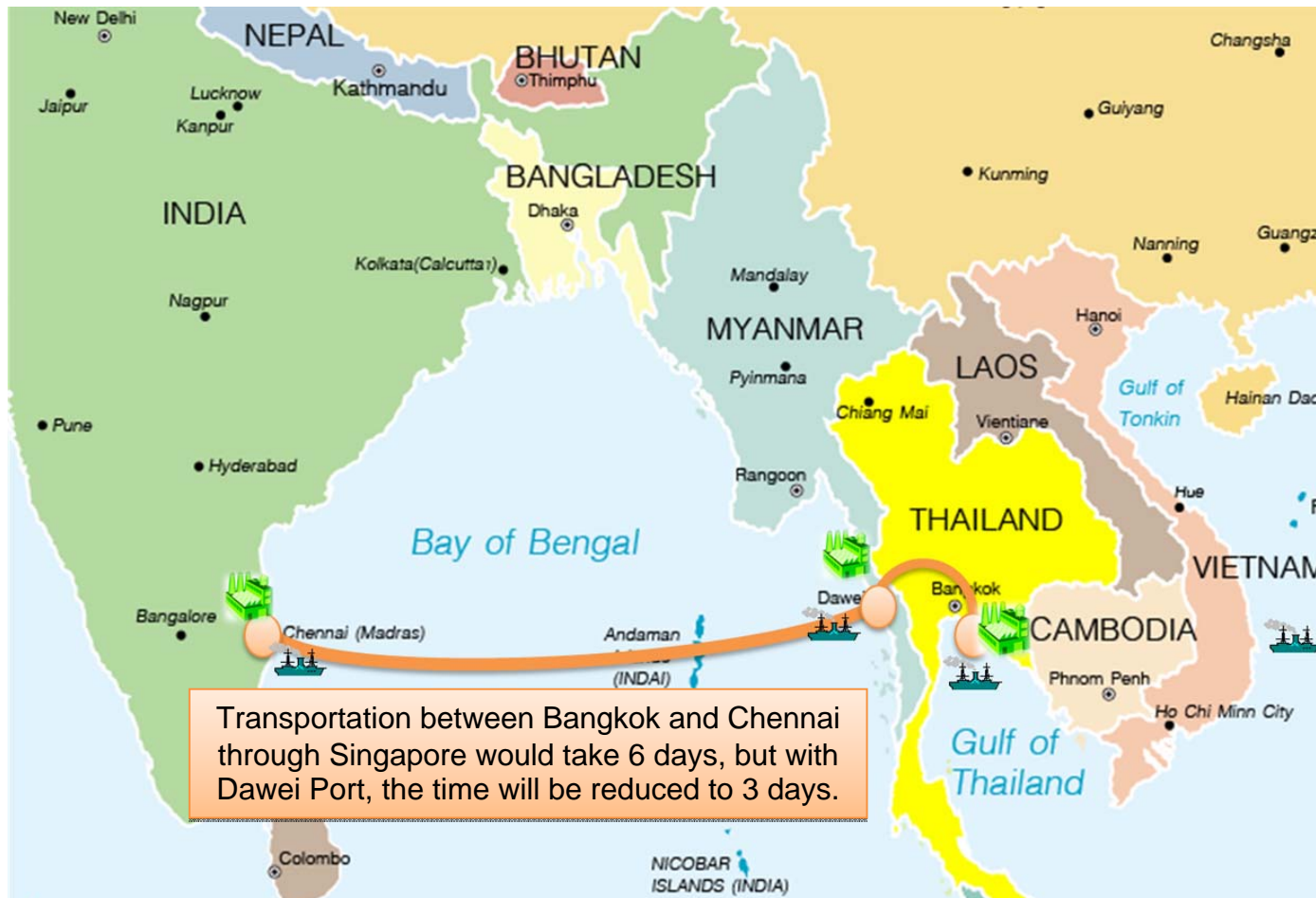
- ✓ The linkage will shorten sea freight and voyage distance for nations in ASEAN;
- ✓ Distance to India from Vietnam, Thailand and Cambodia through Dawei port could be shortened to 3,500, 2,500 and 3,000 km. reduce from distance through the Strait of Malacca: 4,200, 4,500 and 4,200 km.

“Distribution Center & Production Base”

- ✓ The linkage will profit traders both from Myanmar and Thailand;
- ✓ Because of the link to ASEAN highway system, Dawei could emerge as a trading hub linking Southeast Asia with the Indian Ocean, the Middle East, Europe and Africa, spurring growth in ASEAN region.
- ✓ The linkage will attract rising FDI flow into the region and create the most complementary production bases in the region.

Road Network Linkage Dawei - Laem Chabang





The linkage between Thailand's ESB and Myanmar's Dawei will provide immense business opportunities as the emerging *Economic Driver* in the region.

With high potential to open the Western gateway for the existing production bases in East Asia, the new trade and transportation route will create "*Logistics Shortcut*" for the region and the supersized co-production base will be an important *Growth Nodes* linking the GMS region to global market.

Invest in Thailand



and join the key benefits such as

- **Operational Stability** with ease of doing business, well-developed infrastructures, skilled workforce and pro-investment policies.
- **Growth Potential for advanced and green industries** with readiness to diverge to value-added petrochemical related industries.
- **Economic Expansion** by utilizing the existing infrastructures and being **Strategic Location for AEC market network** distribution.



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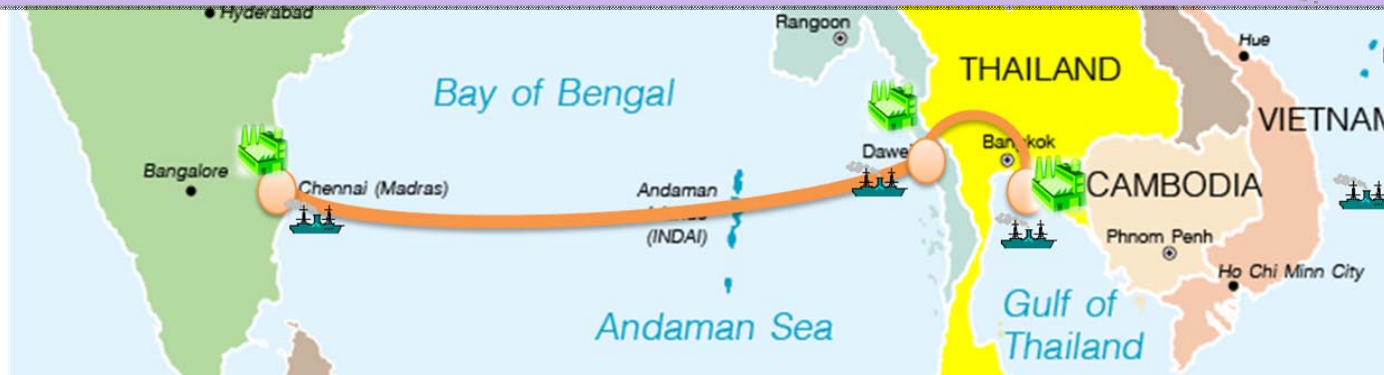
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The emerging *Co-Production Base* of the region will increase the overall output by
Additional benefits from Dawei Development as

- **Extended base** for crude trading and primary operation.
- **Increased distribution** via the new Western gateway for exports.
- **Lowered transport costs** by less dependency on the high-priced Malacca Straits.
- **Divergence of labor intensive industry.**
- **Regional economic expansion** – greater demand & more connected supply-chain.
- **Logistic Network Expansion** by synergizing with the new trade & transportation route



Thank You for Your Kind Attention

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