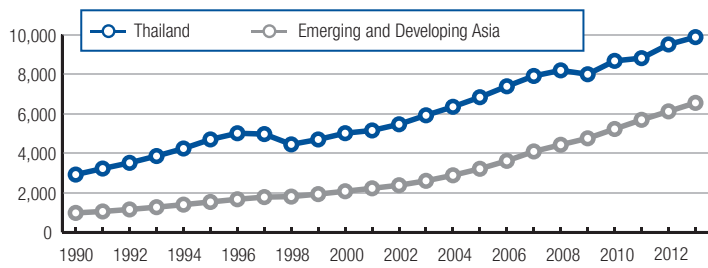


# Thailand

## Key indicators, 2013

Population (millions).....	68.2
GDP (US\$ billions).....	387.2
GDP per capita (US\$).....	5,674
GDP (PPP) as share (%) of world total.....	0.77

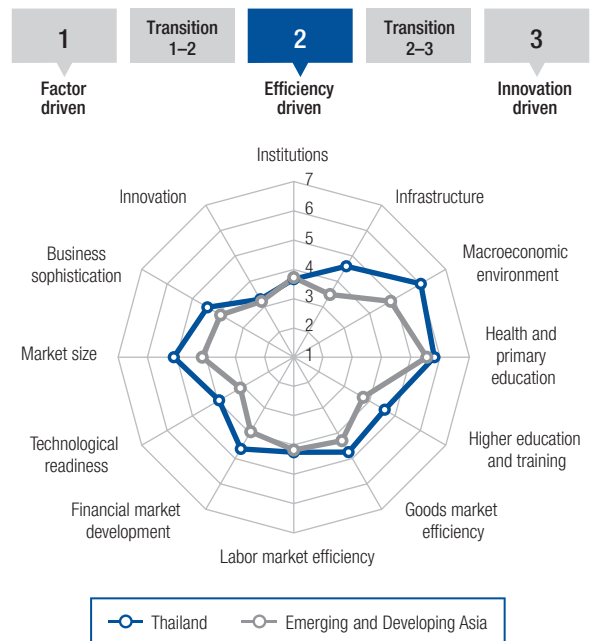
GDP (PPP) per capita (int'l \$), 1990–2013



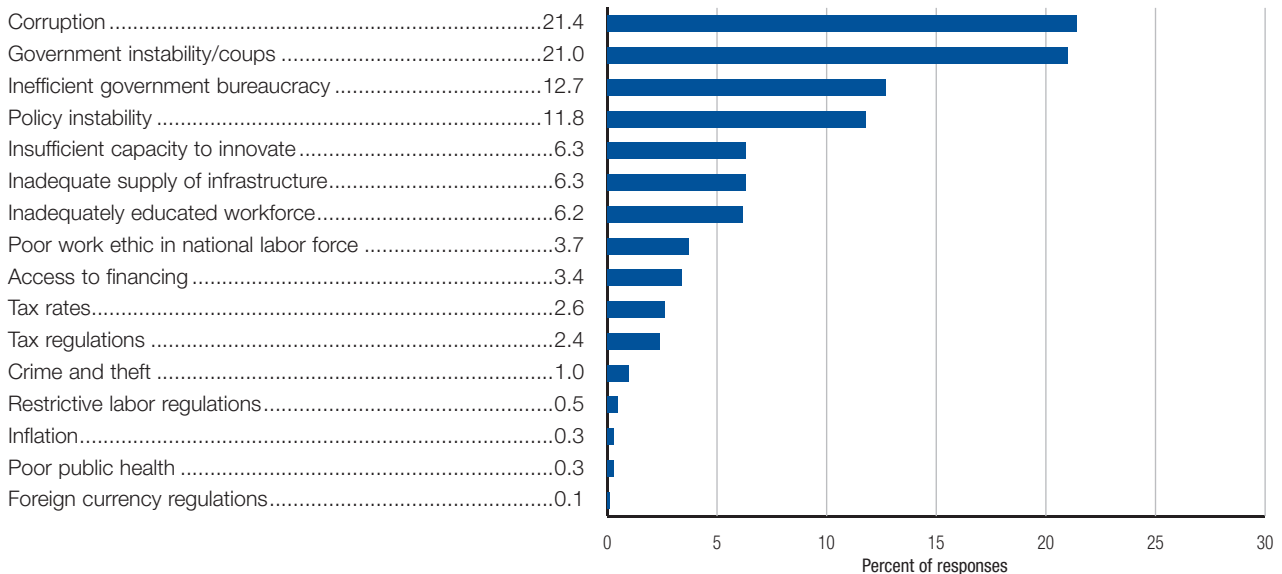
## Global Competitiveness Index

	Rank (out of 144)	Score (1–7)
<b>GCI 2014–2015</b> .....	<b>31</b>	<b>4.7</b>
GCI 2013–2014 (out of 148).....	37	4.5
GCI 2012–2013 (out of 144).....	38	4.5
GCI 2011–2012 (out of 142).....	39	4.5
<b>Basic requirements (40.0%)</b> .....	<b>40</b>	<b>5.0</b>
Institutions.....	84	3.7
Infrastructure.....	48	4.6
Macroeconomic environment.....	19	6.0
Health and primary education.....	66	5.8
<b>Efficiency enhancers (50.0%)</b> .....	<b>39</b>	<b>4.5</b>
Higher education and training.....	59	4.6
Goods market efficiency.....	30	4.7
Labor market efficiency.....	66	4.2
Financial market development.....	34	4.6
Technological readiness.....	65	3.9
Market size.....	22	5.1
<b>Innovation and sophistication factors (10.0%)</b> .....	<b>54</b>	<b>3.8</b>
Business sophistication.....	41	4.4
Innovation.....	67	3.3

### Stage of development



## The most problematic factors for doing business



**Note:** From the list of factors above, respondents were asked to select the five most problematic for doing business in their country and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

# Thailand

## The Global Competitiveness Index in detail

INDICATOR	VALUE	RANK/144	INDICATOR	VALUE	RANK/144		
<b>1st pillar: Institutions</b>			<b>6th pillar: Goods market efficiency (cont'd.)</b>				
1.01	Property rights	4.1	72	6.06	No. procedures to start a business*	4	22
1.02	Intellectual property protection	3.1	104	6.07	No. days to start a business*	27.5	108
1.03	Diversion of public funds	2.6	108	6.08	Agricultural policy costs	3.1	124
1.04	Public trust in politicians	1.9	129	6.09	Prevalence of trade barriers	4.5	55
1.05	Irregular payments and bribes	3.7	84	6.10	Trade tariffs, % duty*	6.8	84
1.06	Judicial independence	3.8	68	6.11	Prevalence of foreign ownership	4.5	70
1.07	Favoritism in decisions of government officials	2.8	88	6.12	Business impact of rules on FDI	5.1	22
1.08	Wastefulness of government spending	2.5	115	6.13	Burden of customs procedures	3.9	74
1.09	Burden of government regulation	3.3	89	6.14	Imports as a percentage of GDP*	78.9	25
1.10	Efficiency of legal framework in settling disputes	3.8	62	6.15	Degree of customer orientation	5.4	17
1.11	Efficiency of legal framework in challenging regs.	3.3	72	6.16	Buyer sophistication	4.1	23
1.12	Transparency of government policymaking	3.7	100	<b>7th pillar: Labor market efficiency</b>			
1.13	Business costs of terrorism	4.1	121	7.01	Cooperation in labor-employer relations	4.9	32
1.14	Business costs of crime and violence	4.2	84	7.02	Flexibility of wage determination	4.3	116
1.15	Organized crime	4.5	89	7.03	Hiring and firing practices	4.4	23
1.16	Reliability of police services	3.2	113	7.04	Redundancy costs, weeks of salary*	36.0	133
1.17	Ethical behavior of firms	3.7	92	7.05	Effect of taxation on incentives to work	3.8	60
1.18	Strength of auditing and reporting standards	5.1	47	7.06	Pay and productivity	4.2	50
1.19	Efficacy of corporate boards	4.7	60	7.07	Reliance on professional management	4.5	51
1.20	Protection of minority shareholders' interests	4.9	25	7.08	Country capacity to retain talent	4.1	33
1.21	Strength of investor protection, 0–10 (best)*	7.7	12	7.09	Country capacity to attract talent	3.9	36
<b>2nd pillar: Infrastructure</b>			7.10	Women in labor force, ratio to men*	0.83	67	
2.01	Quality of overall infrastructure	4.1	76	<b>8th pillar: Financial market development</b>			
2.02	Quality of roads	4.5	50	8.01	Availability of financial services	5.3	28
2.03	Quality of railroad infrastructure	2.4	74	8.02	Affordability of financial services	5.0	35
2.04	Quality of port infrastructure	4.5	54	8.03	Financing through local equity market	4.6	18
2.05	Quality of air transport infrastructure	5.3	37	8.04	Ease of access to loans	3.6	23
2.06	Available airline seat km/week, millions*	2,575.3	15	8.05	Venture capital availability	3.0	44
2.07	Quality of electricity supply	5.1	58	8.06	Soundness of banks	5.7	37
2.08	Mobile telephone subscriptions/100 pop.*	138.0	34	8.07	Regulation of securities exchanges	5.0	27
2.09	Fixed telephone lines/100 pop.*	9.0	91	8.08	Legal rights index, 0–10 (best)*	5	85
<b>3rd pillar: Macroeconomic environment</b>			<b>9th pillar: Technological readiness</b>				
3.01	Government budget balance, % GDP*	-0.2	27	9.01	Availability of latest technologies	4.7	74
3.02	Gross national savings, % GDP*	28.5	27	9.02	Firm-level technology absorption	4.9	55
3.03	Inflation, annual % change*	2.2	1	9.03	FDI and technology transfer	5.2	15
3.04	General government debt, % GDP*	45.3	78	9.04	Individuals using Internet, %	28.9	96
3.05	Country credit rating, 0–100 (best)*	63.5	43	9.05	Fixed broadband Internet subscriptions/100 pop.*	7.4	72
<b>4th pillar: Health and primary education</b>			9.06	Int'l Internet bandwidth, kb/s per user*	37.4	65	
4.01	Malaria cases/100,000 pop.*	209.6	39	9.07	Mobile broadband subscriptions/100 pop.*	52.3	38
4.02	Business impact of malaria	5.4	24	<b>10th pillar: Market size</b>			
4.03	Tuberculosis cases/100,000 pop.*	119.0	99	10.01	Domestic market size index, 1–7 (best)*	4.8	23
4.04	Business impact of tuberculosis	4.7	99	10.02	Foreign market size index, 1–7 (best)*	5.9	16
4.05	HIV prevalence, % adult pop.*	1.1	110	10.03	GDP (PPP\$ billions)*	673.7	24
4.06	Business impact of HIV/AIDS	4.6	105	10.04	Exports as a percentage of GDP*	74.2	22
4.07	Infant mortality, deaths/1,000 live births*	11.4	61	<b>11th pillar: Business sophistication</b>			
4.08	Life expectancy, years*	74.2	70	11.01	Local supplier quantity	5.0	25
4.09	Quality of primary education	3.6	90	11.02	Local supplier quality	4.5	62
4.10	Primary education enrollment, net %*	95.6	58	11.03	State of cluster development	4.2	40
<b>5th pillar: Higher education and training</b>			11.04	Nature of competitive advantage	4.2	33	
5.01	Secondary education enrollment, gross %*	87.0	79	11.05	Value chain breadth	4.3	38
5.02	Tertiary education enrollment, gross %*	51.2	54	11.06	Control of international distribution	4.4	41
5.03	Quality of the education system	3.4	87	11.07	Production process sophistication	4.2	51
5.04	Quality of math and science education	3.9	81	11.08	Extent of marketing	4.6	43
5.05	Quality of management schools	4.1	81	11.09	Willingness to delegate authority	4.2	36
5.06	Internet access in schools	4.6	61	<b>12th pillar: Innovation</b>			
5.07	Availability of research and training services	4.2	69	12.01	Capacity for innovation	3.7	70
5.08	Extent of staff training	4.4	37	12.02	Quality of scientific research institutions	3.9	61
<b>6th pillar: Goods market efficiency</b>			12.03	Company spending on R&D	3.2	56	
6.01	Intensity of local competition	5.4	38	12.04	University-industry collaboration in R&D	4.0	46
6.02	Extent of market dominance	3.8	67	12.05	Gov't procurement of advanced tech products	2.9	114
6.03	Effectiveness of anti-monopoly policy	4.1	67	12.06	Availability of scientists and engineers	4.3	54
6.04	Effect of taxation on incentives to invest	3.9	54	12.07	PCT patents, applications/million pop.*	1.2	67
6.05	Total tax rate, % profits*	29.8	37				

**Notes:** Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (\*). For further details and explanation, please refer to the section "How to Read the Country/Economy Profiles" on page 101.

deficit has been reduced; and public debt-to-GDP ratio, at 22.4 percent, is among the lowest in the world. Gross savings rate amounts to a staggering 50 percent of GDP. This rate is probably too high in light of the need for China to rebalance its economy away from investment and toward more consumption. Despite the persistence of bottlenecks, the country also boasts good transport infrastructure and connectivity (21st), thanks to decades of massive investments. Trends are largely positive, but now is not the time for China to be complacent. The country is no longer an inexpensive location for labor-intensive activities and is losing manufacturing jobs to less-developed countries and even to some more advanced economies. China must now create the high-value jobs that will sustain the increasing standards of living.

Despite its prolonged political crisis, **Thailand** advances six places to 31st position. The country moves up 12 places in the macroeconomic environment pillar and now ranks 19th, its best showing among the 12 pillars. In 2013, Thailand almost balanced its budget and reduced inflation to 2 percent. Public debt remained stable and the savings rate was high. Thailand continues to do well in the financial development (34th) and improves its already strong showing in the market efficiency pillar (30th, up four). However, market competition remains limited by a number of barriers to entry, especially those affecting foreign investments. Considerable challenges remain in other areas: first and foremost these relate to governance. Political and policy instability, excessive red tape, pervasive corruption, security concerns, and high uncertainty around property rights protection seriously undermine the institutional framework (93rd in the public institutions subpillar, down eight). In most of these areas, Thailand ranks below the 100th mark. In particular, the level of trust in politicians is among the lowest in the world (129th). Another concern is the mediocre quality of education at all levels (87th, down nine) and the still low level of technological readiness pillar (65th), although Thailand shows marked improvement in this area (up 13). It must be noted that all the data used in our assessment were collected before the most recent developments—including the military coup of May 2014—took place.

Up four notches to 34th place, **Indonesia**, Southeast Asia's largest country, continues its progression in the overall rankings. This improvement in competitiveness will probably contribute to sustaining the country's impressive momentum—its GDP grew by 5.8 percent annually since 2004—under the new leadership. That said, Indonesia's overall performance remains uneven. Infrastructure and connectivity continue to improve: up five places from last year and 20 places since 2011, Indonesia now ranks 56th in the related GCI pillar. The quality of public and private governance is strengthening: Indonesia is up 14 places to 53rd

as a result of improvement in 18 of the 21 indicators composing this pillar. In particular, Indonesia ranks a remarkable 36th place for government efficiency. Corruption remains prevalent (87th) but has been receding for several years. The macroeconomic situation deteriorated between 2012 and 2013 on the back of a higher deficit, but remains satisfactory (34th, down eight). The situation of its labor market (110th, down seven) remains by far the weakest aspect, owing to rigidities in terms of wage setting and hiring and firing procedures—for instance, the World Bank estimates that, on average, the cost associated with making a worker redundant is equivalent to 58 weeks of salary (139th). Furthermore, the participation of women in the workforce remains low (112th). Another area of concern is public health (99th). The incidence of communicable diseases and the infant mortality rate are among the highest outside sub-Saharan Africa. Turning to the more sophisticated drivers of competitiveness, Indonesia's technological readiness is lagging (77th). In particular, the use of ICTs by the population at large remains comparatively low (94th, down 10).

Up seven places, the **Philippines** (52nd) continues its upward trend. The country's gain of 33 places since 2010 is the largest over that period among all countries studied. The results suggest that the reforms of the past four years have bolstered the country's economic fundamentals. The trends across most of the 12 pillars are positive, and in some cases truly remarkable. In the institutions pillar (67th), the Philippines has leapfrogged some 50 places since 2010. In particular, there are signs that the efforts made against corruption have started bearing fruit: in terms of ethics and corruption, the country has moved from 135th in 2010 to 81st this year. The recent success of the government in tackling some of the most pressing structural issues provides evidence that bold reforms can yield positive results relatively quickly. A similar pattern is observed in terms of government efficiency (69th) and the protection of property rights (63rd). Finally, the Philippines has made significant strides in terms of technological adoption (69th, up eight). The country is one of the best digitally connected developing Asian nations, close behind Malaysia (60th) and Thailand (65th). The same cannot be said of infrastructure, however, which remains poor (91st), especially with respect to airport (108th) and seaport (101st) infrastructure. The situation is just as worrisome in the labor market, which suffers from rigidities and inefficiencies: the Philippines ranks a mediocre 91st in this dimension and almost no progress has been made since 2010. Finally, security remains an issue (89th), in particular in terms of costs that the threat of terrorism imposes on businesses (110th).

Continuing on its downward trend and losing 11 places, **India** ranks 71st. The country's new government faces the challenge of improving competitiveness and