

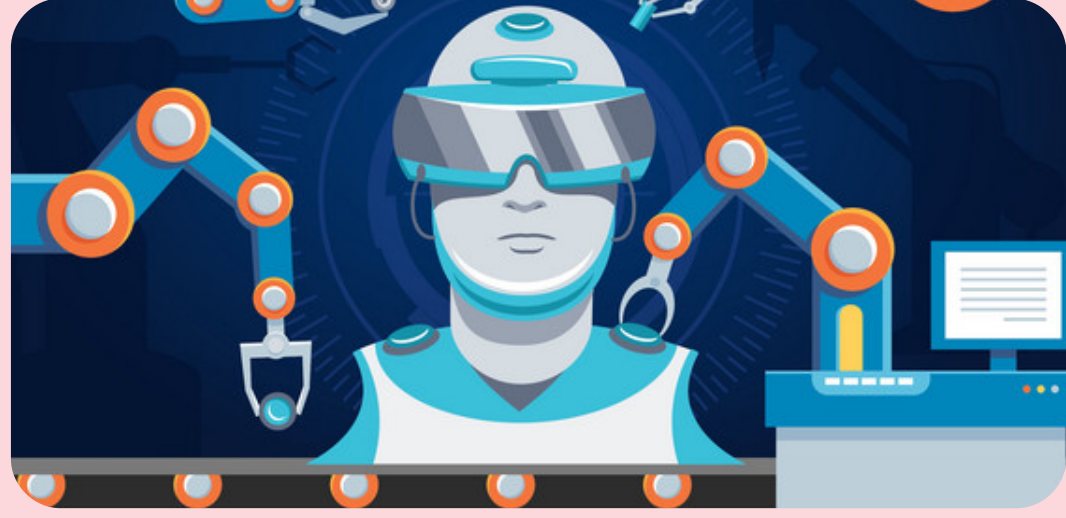



Thailand 2035: Horizon Scanning Overview

An assessment of critical factors impacting Thailand's development prospects to 2035

Factors	Where we are?	What we know?	What we don't know?	Critical uncertainties for Thailand
1 Ageing and new ways of work 	<ul style="list-style-type: none"> • Low fertility rate and ageing population 	<ul style="list-style-type: none"> • Impact on the country's workforce, healthcare costs, and family dynamics • Limited resources and welfare for aged group yet pro-natalist policy with financial and tax incentives 	<ul style="list-style-type: none"> • Unclear if pro-natalist policy helps reverse population decline • Lack of comprehensive policy for ageing workforce transition 	<ul style="list-style-type: none"> • Turning aged society into opportunities • Incentivising private sector participation in the elderly's demands on housing • Creating employment market for the elderly
2 Biotech 	<ul style="list-style-type: none"> • Upper-middle-income health profile with public sector as major spender • Agricultural powerhouse and the world's leading food exporter 	<ul style="list-style-type: none"> • Agriculture and biotechnology as future growth engines • Thailand 4.0 economic model with incentives and tax exemptions to attract advanced investment • Attractive medical tourism 	<ul style="list-style-type: none"> • Unclear direction of biotechnology development • Impact on regulatory development and Thailand's position as regional biotech hub 	<ul style="list-style-type: none"> • Leveraging biotech advances to increase agricultural productivity • Attracting and identifying key talents to boost biotech sector • Becoming a global biotech hub through a combination of start-up acquisitions and investment from global incumbents
3 Changing geopolitics 	<ul style="list-style-type: none"> • Thriving China's foreign policy and its growing economic footprint • Incumbent powers' engagement and a "free and open Indo-Pacific" concept • ASEAN's role in RCEP and CPTPP 	<ul style="list-style-type: none"> • The Belt and Road Initiative (BRI) as a priority for the Chinese leader • Economic and political power and debt-trap diplomacy in BRI markets • Warmer tie with US which remains engaged in SEA 	<ul style="list-style-type: none"> • China's intentions and its new geostrategic network of expanding its global firms, values and governance model • Shifting US foreign policies and Japan's domestic debate over its national identity and military role • ASEAN's collective economy and further political integration as weights to balance China's power 	<ul style="list-style-type: none"> • Risks and rewards of Thailand's acquiescence to China's growing role in international standard-setting bodies and leadership in 5G, AI and cybersecurity • Most effected sectors if ASEAN are forced to choose side • Political and economic implications for Asia if ASEAN become a great power
4 Disaster risk and urban sustainability 	<ul style="list-style-type: none"> • Thailand as one of the most vulnerable countries to disaster risk with rising sea levels and climate change 	<ul style="list-style-type: none"> • Economic growth and rapid urbanisation undermine climate resilience • The elderly are most vulnerable group to disasters 	<ul style="list-style-type: none"> • Unforeseen speed and severity of climate change • Unpredictable future climate policies, CO2 emission, complex socioeconomic feedback loops, economic and political factors, and impact of new tech 	<ul style="list-style-type: none"> • Fast urbanisation and lack of land in BKK • Leveraging private sector through zoning laws, tax credits and investment policy to make BKK leading green megacity in 2035 • Maintaining tourism industry in which environmental tourism is no longer a growth industry

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5 Fourth Industrial Revolution (4IR) and 21st century skills 	<ul style="list-style-type: none"> Lags behind in quality labour market, infrastructure, tax regime and access to finance Facing challenges on skill quality (Thailand ranks 73rd out of 141 countries) and competition to be a regional innovation hub 	<ul style="list-style-type: none"> Risk of automation job displacement Education is key to 21st century skills 	<ul style="list-style-type: none"> New job mystery Speed of tech disruption 	<ul style="list-style-type: none"> Job elimination in crop farmers, sales attendance, food service counter due to automation Positioning the education system that complements 4IR and big data Upshot of smart logistics and 5G Digital Technology as business attraction and leverage with regional rivals
6 Inequality 	<ul style="list-style-type: none"> Upper-middle-income country with strong fiscal stance, low public debt and inflation 1% of population owning more than 2/3 of national wealth Existence of urban-rural disparities (BKK accounts for 30% of GDP with only 15% of country's population) 	<ul style="list-style-type: none"> Inequality affects economic growth, social tensions, political instability, crime rate, and uneven advanced technological distribution Progressive taxation, universal quality education and healthcare help bridge inequality 	<ul style="list-style-type: none"> Unclear if technological advancement may displace or create more jobs 	<ul style="list-style-type: none"> Increasing happiness or reducing inequality Empowering rural households by providing state job scheme Leveraging the success of BKK's best schools to develop a national education framework that eliminates distance or financial constraints Tackling inequality without raising taxes that could make Thailand a less attractive regional business hub
7 Migration 	<ul style="list-style-type: none"> 10% of labour force is migration workers Segmentation within labour market due to economic disparity and seasonal dynamics 	<ul style="list-style-type: none"> Shrinking labour force due to ageing demographic More open immigration policy for Thai workers abroad 	<ul style="list-style-type: none"> Unknown economic shocks and its effect on the direction of migration flows 	<ul style="list-style-type: none"> Lack of data on irregular migration and its effect on immigration policy decisions Ageing society; crisis and opportunity on a more ambitious immigration policy
8 Technology and politics 	<ul style="list-style-type: none"> Internet disparity (39.1 m people offline) despite top ranks in social media use Government's action against online misinformation under its Anti-Fake News Center 	<ul style="list-style-type: none"> Growing in cybersecurity spending and high demand on cybersecurity specialists More obvious concerns on internet privacy, trust and safety by the vast majority of users by 2035 	<ul style="list-style-type: none"> Unclear form of technology regulation More government control over citizens enabling by advanced tech like AI 	<ul style="list-style-type: none"> Role of AI and blockchain in elections and its transparency in the results Balancing the law-and-order benefits of emerging technology while preserving public trust Adopting digital literacy initiatives to fight misinformation