

COUNTRY PROFILE



Thailand

GLOBAL RANK: 35th of 104



Thailand's export-led success story is reflected in its 35th rank overall. It scores a consistent 38th position in Economic Competitiveness and 40th in Comparative Liveability. Like many countries, Thailand is hindered by weaknesses in a couple of key areas: education is poor and equality of opportunity is low.

● BACKGROUND

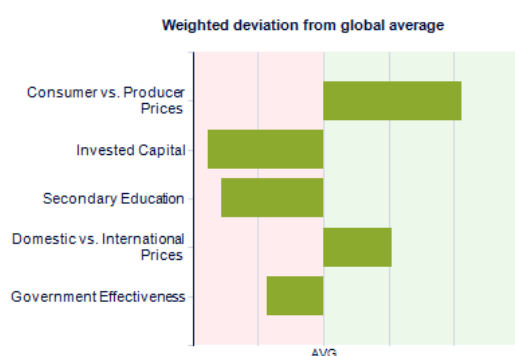
This newly-industrialised Southeast Asian economy has overcome both the Asian financial crisis of 1997-98 and the devastating tsunami of 2004, achieving growth of 4.5% in 2007. However, consumer and investor confidence is weakened by tempestuous politics, with eighteen military coups since the foundation of the modern Thai state in 1932. Separatists continue to carry out attacks in the Muslim-majority south, and Thai police are widely viewed as highly corrupt. Thailand's HIV infection rate is estimated at over half a million, although effective government awareness programmes have averted a pandemic.

FAST FACTS

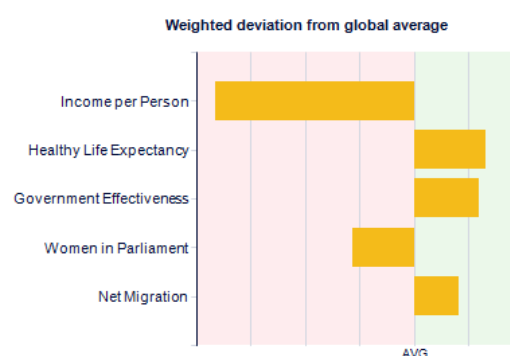
Population:	65.5 million (2008 est.)	FDI (net inflow):	3.69% (2006 est.)
Life Today	5.8 (2007 est.)	Exports	63.39% (2006 est.)
GDP (PPP)	\$519.4 billion (2007 est.)	Imports	62.38% (2006 est.)
GDP (Growth)	4.8% (2007 est.)	Unemployment:	1.4% (2007 est.)
GDP (per Capita)	\$7,900 (2007 est.)	Life Expectancy	72.83 years (2008 est.)
Political System:	Constitutional Monarchy		
Foreign Aid:	-0.17% (2006 est.)		

● KEY SCORE DRIVERS

ECONOMIC COMPETITIVENESS



COMPARATIVE LIVEABILITY



Despite regular, if relatively peaceful, political upheavals, Thailand has managed to achieve rapid economic growth. Thailand's much-respected monarch helps mediate political conflicts, and its governance scores are moderate but improving. Thailand was the fastest growing country in the world from 1985-96. The 1997-8 Asian financial crisis ended years of excellent growth and forced the flotation of the country's currency, the baht.

Despite this success, mass education levels in Thailand are remarkably low, considering its levels of income. This could act as a major impediment to attempts to diversify the economy towards higher value-added activities. For instance, despite a large volume of

For most Thais, quality of life has improved although incomes remain low. The rural poor majority were not equal beneficiaries of the pre-1997 boom. The introduction of rural development programmes and universal healthcare were extremely popular, but critics point to rigid rural-urban income disparities and ambiguous evidence on whether health standards have improved.

More positively, the high level of charitable giving points to civic involvement and community spirit, and satisfaction with the environment is high. Thailand's warm climate helps improve overall life satisfaction, and reduces the cost of home heating and insulation.

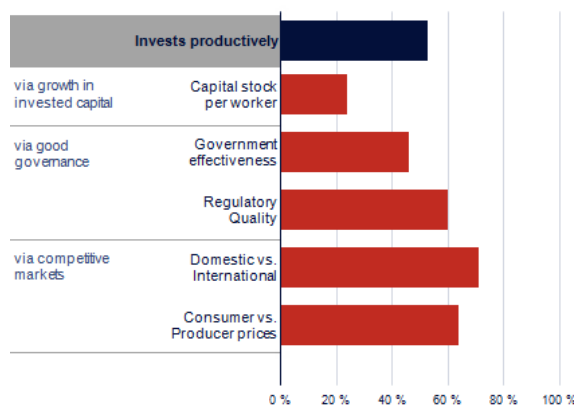
high-tech exports, the low proportion of highly skilled researchers in the labour market leads to a poor score for commercialisation of innovation. Thailand risks losing its competitive edge to cheaper labour markets in Bangladesh, Cambodia and Vietnam. Although Thailand has plans to promote itself as a services hub for China, it must first address its low foreign language skills and poor infrastructure.

Thailand has a large but inefficient agricultural sector that employs 56% of the workforce but produces only 11% of GDP. It avoids dependence on commodity exports. 88% of the value of exports comes from manufactured goods, which usually add value to imported raw materials in labour-intensive industries. Thailand's dynamism has been supported by the low costs of starting a business, creating economic opportunities that many Thais have seized. This good business environment also promotes competitiveness, as measured by movements in the consumer/producer price ratio.

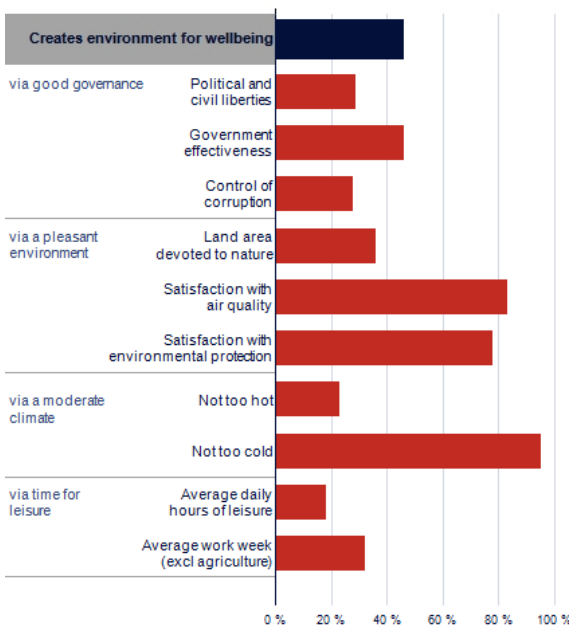
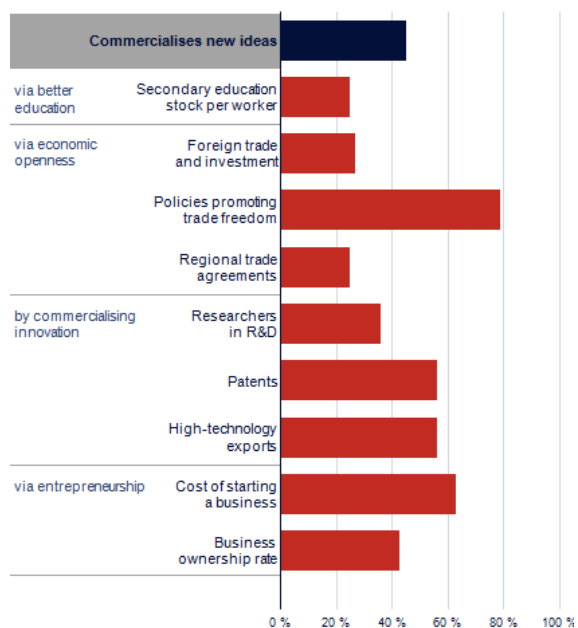
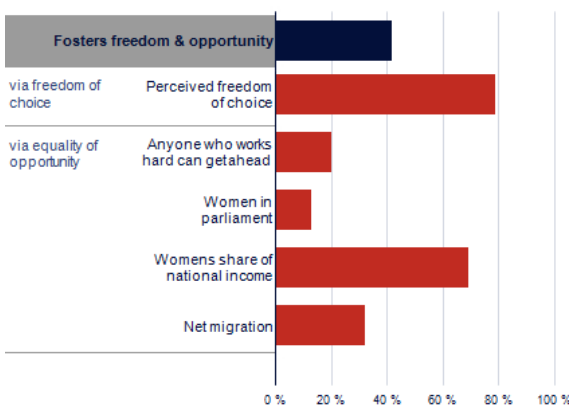
Regional disparities in quality of life are exacerbated by Muslim secessionism in the south and drug-funded organised crime in the north. Thailand's security forces have drawn criticism for infringing human rights in both areas. Despite high official employment figures, a large proportion of the approximately one million migrant workers from neighbouring countries are unregistered, who exist in a large black economy without equal legal protection. This may contribute to the pessimism about the ability to get ahead through hard work reported in the Gallup World Poll.

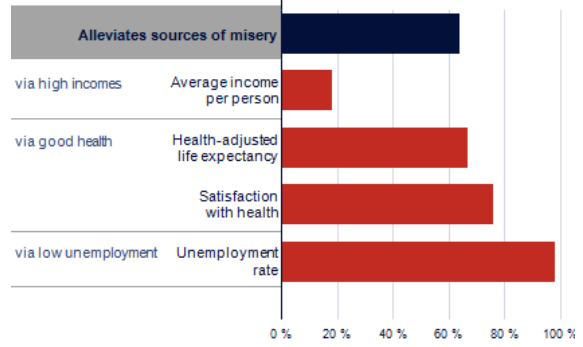
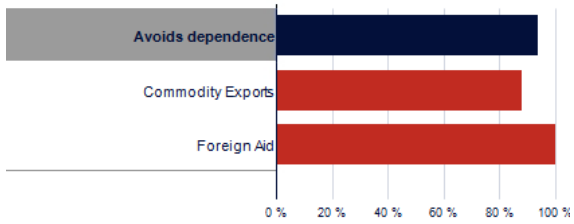
Progress has been made in lifting health standards but the scale of HIV infections -- approximately one million out of a population of 66 million, according to the Ministry of Health -- is impeding the rise in health-adjusted life expectancy. The government has recently responded robustly to the threat of HIV, with an extensive programme of anti-retroviral drugs, but social attitudes to contraception and to sufferers remain slow to change.

ECONOMIC COMPETITIVENESS: SCORECARD

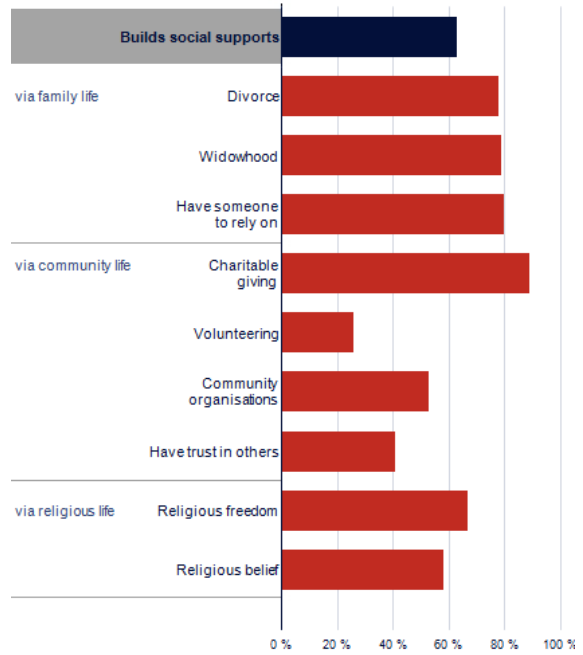


COMPARATIVE LIVEABILITY: SCORECARD





All subindicator scores in the Index are shown unweighted, expressed as a percentage of the score for the best-performing country in the Index. Indicator scores (in dark blue) are derived from the weighted average of relevant subindicators. For more information on how the subindicator scores are weighted to produce indicator scores and an overall Index score and ranking, see Chapter Two of this report.



References:

^{9, w} See www.prosperity.com/references.aspx for further details including date of survey, sample size, and margin of error.