



# Executive Summary **One-Year** Performance Report of the Government of General Prayut Chan-o-cha

12 September 2014 - 12 September 2015



**Stability • Prosperity • Sustainability**



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The National Economic and Social Development Council (NESDC) has prepared this report to provide an overview of the government's performance during the first year of General Prayut Chan-o-cha's administration. The report highlights the government's commitment to maintaining macroeconomic stability, reducing the deficit, and promoting growth, while also addressing social and environmental issues. The government's policies have focused on strengthening the country's ability to withstand global challenges, such as the impact of the COVID-19 pandemic, and ensuring that the benefits of economic growth are shared by all citizens. The report also discusses the government's efforts to improve public services, enhance transparency, and address the needs of the most vulnerable members of society. The government's performance has been characterized by a focus on long-term development and a commitment to the well-being of the Thai people.

## 1. The Situation after the Government Took Office

Continuation of the Policy from the Previous Administration. The government has continued the policy of maintaining macroeconomic stability, reducing the deficit, and promoting growth. The government has also continued to address social and environmental issues, and has focused on strengthening the country's ability to withstand global challenges. The government's performance has been characterized by a focus on long-term development and a commitment to the well-being of the Thai people.

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**1. The Situation before the Government Took Office**

Before the current Government under the leadership of General Prayut Chan-o-cha took office, Thailand was facing a political crisis due to demonstrations against the government at the time, and the people were divided. The then government had dissolved Parliament and called for new elections. However, attempts were made to obstruct the elections, resulting in violence that led to injuries and casualties. Both the government and Parliament were unable to run the country, affecting the confidence of the household, business and tourism sectors. The administration by the public sector was disrupted, while approval of investment projects stagnated. Disbursement of the national budget could not proceed as normal. This situation, coupled with the negative effects of the slowdown in the global economy that depressed Thai exports, caused the Thai economy as a whole during the last quarter of 2013 to decelerate sharply. The GDP grew by only 0.7 per cent that year, before contracting by 0.4 per cent in the first quarter of 2014. Meanwhile, violent divisions continued to plague the country until May 2014.

The National Council for Peace and Order (NCPO) therefore decided to intervene on 22 May 2014 with the aim of maintaining domestic peace and stability, reducing the conflict and resolving pressing and urgent problems, while also setting guidelines for reform to address the many structural issues facing the country. These issues are long-standing and have hindered the country's ability to achieve stability, prosperity and long-term sustainability. Hence, priority is being given to laying a solid foundation for a stable economy in order to benefit all sectors of society and provide them with more economic and social opportunities, higher income and better standard of living. At the same time, natural resource depletion and environmental degradation that has long festered will be truly tackled and resolved to ensure sustainable development in the long run.

**2. The Situation after the Government Took Office**

**Continuation of the Work from the NCPO**

Since taking office on 12 September 2014, the present Government has carried on the work and mission to address the problems facing the country set out by the NCPO in its three-stage Roadmap. **Stage I** (May - September 2014) was the period when the NCPO focused on healing the deep rifts in the Thai society, addressing the impact from the inability of the previous government to

function, as well as tackling the country's most pressing issues, so as to ensure that normal administration of the country resume and to bring back happiness and peace to the country. **Stage II** (September 2014 - September 2015) saw the promulgation of the Interim Constitution and the appointment of the Cabinet on 30 August 2014. Main mechanisms were set up to fully administer the country. These comprise the **Government**, tasked with running the country and formulating policies to fix the problems of economy, society and the environment; the **National Legislative Assembly (NLA)**, tasked with reviewing, screening, and amending laws; and the **National Reform Council (NRC)**, tasked with working on long-term strategies to solve problems for the nation. Already, the NRC submitted its recommendations to the Cabinet on 37 reform agendas and 6 development agendas, encompassing the 11 key reform objectives laid out earlier by the NCPO, which the Cabinet subsequently decreed that relevant agencies consider how to bring them into implementation. In parallel, the Constitution Drafting Committee (CDC), an organ under the NRC, proceeded with the process of drafting a new Constitution to serve as the nation's charter for future administration. **Stage III** was initially proposed for October 2015. However, due to the NRC's decision on 6 September 2015 to reject the draft Constitution submitted by the CDC, which resulted in the dissolution of the NRC, both the second and third stages of the Roadmap had to be extended. The Government thus proposed a new timeline for the Roadmap. The National Reform Steering Assembly (NRSA) and a new CDC were set up on 5 October 2015, and the revised timeline for the new Constitution now consists of 4 phases: 1) Drafting; 2) Referendum; 3) Legislating organic laws; and 4) Holding of national elections and formation of the new Government during March - July 2017.

### **Policy Direction of the Government**

The Government attaches great importance to implementing reforms in various areas, bringing order to society, and promoting unity and reconciliation among the people, in accordance with the slogan **“act fast, act real, act now, achieve sustainable outcomes”**. The Government also adopts His Majesty the King's Philosophy of Sufficiency Economy as guidance towards **“stable, prosperous and sustainable”** development. The Government is determined to make the society stable and orderly, united and in harmony, in accordance with the laws, while also improving and updating laws and regulations to best fit with the current environment. The economy will be made robust and competitive, with the necessary infrastructure. The environment will also be reinvigorated. The monarchy is the centre binding all Thais together. The people live moral and virtuous lives, guided by the Sufficiency Economy Philosophy, and Thailand stands tall with dignity in the world community.

In working towards the above goals, the Government has formulated 11 core policies, which were presented to the NLA on 12 September 2014.

These include: (1) Protecting and upholding the Institution of the Monarchy; (2) Maintaining national security, and foreign affairs; (3) Reducing social inequality and creating opportunities to access public services; (4) Education and learning, supporting religion, arts and culture; (5) Upgrading public health services and the health of the people; (6) Enhancing the country's economic potential; (7) Promoting Thailand's role and utilization of opportunities in the ASEAN Community; (8) Developing and promoting the application of science, technology, research and development, and innovation; (9) Maintaining the security of the resources base and balancing conservation and sustainable usage; (10) Promoting good governance, and preventing and suppressing corruption and malfeasance in the public sector; and (11) Improving laws and the judicial process. The Government has also divided its work into 5 administrative clusters, namely, national security, economic affairs, social affairs, foreign affairs, state administration, and law and the judicial process.

### **Mechanisms to Implement Government Policy**

The Government has set up mechanisms at the national level to ensure that government policies are carried out and their objectives realized. These take the form of committees which are tasked with overseeing and supporting priority development areas and ensure integrated and coordinated implementation as well as proper follow-up and oversight. Examples include: **(1) NCPO Strategies Steering Committee; (2) Steering Committee on the Implementation of Government Policies**, which is tasked with following up on and driving the work of government agencies in accordance with government policies and the Prime Minister's instructions; **(3) Steering Committee on the Implementation of Priority and Urgent Government Policies**, which is tasked with driving the implementation of priority and urgent policies through public and private sectors' mechanisms; and **(4) Audit Committee** to monitor and ensure proper and transparent use of the budget by the public sector. The Government has also established other committees to push forward development policies encompassing economic, social and environmental matters. These are, for example, the Committee of Economic Ministers, National Competitiveness Committee, Joint Public-Private Sector Consultative Committee, Government Economic Stimulus Measures and Investment Steering Committee, Policy Committee on Special Economic Zone Development, National Logistics Committee, Board of Investment, Eastern Seaboard Development Committee, National Committee for Sustainable Development, Small and Medium Enterprises Promotion Committee, and Education Policy and Development Committee.

The achievements made by the Government during the past year are divided into 2 parts. The **first part** describes key achievements in solving

priority and urgent national issues, and the **second part** contains achievements in accordance with the 11 core policies. All of these are summarized below.

### **3. Key Achievements in Solving Priority and Urgent National Issues**

The Government took office when the country was under grave pressure from factors within as well as those from outside. It has therefore been determined and committed, as well as mobilizing necessary resources, to resolve urgent problems facing the country in 4 main areas, namely: **(1) Promoting economic recovery and sustaining economic expansion** by rebuilding confidence amongst households, tourists, and foreign investors, injecting public funds into the economic system and implementing economic stimulus measures to alleviate the plights of farmers, low-income earners, and SMEs; **(2) Solving long-festering problems** which have hindered national development and need to be urgently addressed, such as corruption and malfeasance, Illegal, Unreported, and Unregulated Fishing (IUU Fishing), human trafficking, supervision of international aviation safety standards, narcotic drugs, illegal forest encroachment, illegal ivory trade, and violence in the Southern Border Provinces; **(3) Solving pressing issues**, especially the plights of farmers suffering from declining product prices and productivity, SMEs, those affected by the severe drought in 2015, and those affected by the explosion incident at Ratchaprasong Intersection; and **(4) Laying a foundation for long-term national development**, such as development of transportation infrastructure and logistics, development of special economic zones, along with enhancing industrial clusters, development of the digital economy, water resources management, agricultural land management, and education reform and skills development for workers to build human capital, as well as updating laws and regulations to be in line with current conditions. All these have been undertaken to ensure a secure and stable foundation for the Thai society and economy in the long run.

#### **3.1 Promoting Economic Recovery and Sustaining Economic Expansion**

Before the current Government took office, the Thai economy was severely affected by four major problems. **First**, the adverse effects of the country's unstable political situation had caused the household and business sectors' confidence indices to drop to the lowest levels in 12 years and 2 years respectively. The number of tourists decreased for the first time in 5 years from 26.5 million people in 2013 to 24.8 million people in 2014. This led to a decline of 34,620 million baht in tourism revenue. The efficiency in disbursing government expenditure was also affected, dropping to a low rate, while authorization of investment promotion was delayed, leaving investment projects worth 600 billion baht awaiting approval. **Second**, exports had declined due to

the global economic slowdown and foreign currency depreciation which made it difficult for Thailand to compete in terms of prices. Furthermore, there was a decrease in manufacturing cost competitiveness as a result of the policy on wage increase, launched by the previous government, which outpaced economic fundamentals, while labour skills and manpower development could not yet match market demands. There was also a delay in the production restructuring and improvement of the competitiveness. **Third**, prices of agricultural products and primary commodities in the global market declined, causing negative impact on prices of agricultural products in domestic markets and hence the income base of those in the agricultural sector at the time when household debts were high. **Fourth**, the first-car buyer programme caused household debts to rise, limiting people's purchasing power in the economic system as well as lowering the number of automobiles produced and distributed during 2014 when the programme expired to 23.5 per cent and 33.7 per cent respectively. These factors caused a gradual economic slowdown, which was further aggravated by Thailand's domestic political violence. During the second half of 2013, the Thai economy expanded by 1.6 per cent, decreasing from 4 per cent registered during the first half of 2013. Then, during the first quarter of 2014, the economy registered a mere 0.2 per cent growth. Private sector consumption, overall investment, volume of service exports and volume of imports of goods and services also shrank during the same period.

In the midst of the severe economic slowdown that has been affecting people's well-being and business operations in the industrial, tourism, export, retail and agricultural sectors, the Government prioritized four urgent economic recovery measures, as follows:

### **3.1.1 Restoring confidence in the household sector and with tourists and foreign investors**

Progress from the implementation of the Roadmap in stabilizing the political situation and from the efforts to clarify and promote understanding among the international community has restored the confidence of the household, business and investment sectors as well as that of foreign tourists and in the international arena. For the **household sector's confidence**, the overall consumer confidence index (CCI) improved after the NCPO's intervention from 57.7 in April 2014 to 61.5 in September 2015. Meanwhile, **the business confidence index (BCI)** increased from 44.3 in April 2014 to 46.4 in September 2015. Similarly, **tourists' confidence** rose, with the number of international tourists improving from the 12.5 per cent and 10 per cent decline during the first half and the third quarter of 2014, respectively, to an upswing of 7.3 per cent in the last quarter of the year. During the first and second quarters of 2015, the number of tourists grew by 23.1 and 37.6 per cent, respectively. Regarding **the international community's confidence**, many countries now have better understanding about Thailand's political situation and the necessity of the NCPO's intervention as well as about the Government's efforts in solving

problems at home and common issues facing the international community. This was reflected at the United Nations Summit for adoption of the post-2015 development agenda and the 70<sup>th</sup> session of the United Nations General Assembly where Thailand was selected as Chair of the Group of 77. The Group of 77, also known as G77, is the UN's largest intergovernmental organization comprising of 134 developing countries. This is the first time for Thailand to serve as Chair of the Group since co-founding it in 1964.

### **3.1.2 Injecting the public sector's funds into the economic system through fiscal expenditures, state enterprises' budgets and economic stimulus measures, while also expediting approval of investment promotion projects**

These approaches comprised measures to accelerate annual expenditures, the budget pending from the previous fiscal year and the budget under the Thai Khem Kaeng Project, as well as measures to expedite disbursement of state enterprises' budgets and the annual government budget for FY 2015, approval of investment promotion projects, and preparations of FY 2016 expenditures. Highlights of the progress made are **acceleration of the disbursement of annual expenditures** with the disbursement ratio improving from 89 per cent in FY 2014 to 92.4 per cent in FY 2015, and particularly, the rate of fixed expenditure disbursement improving from 93.7 per cent in FY 2014 to 97.6 per cent in FY 2015; increase in **disbursement rate of state enterprises' budget** from 64.3 per cent in FY 2014 to 65.1 in FY 2015; reduction in **the number and value of projects pending investment promotion** from 2,081 projects (equivalent to 1.426 trillion baht) in December 2014 to 119 projects (equivalent to 34 billion baht) in July 2015; and a **budget framework for FY 2016** with an increase of the projected budget deficit from 250 billion baht in FY 2014 to 390 billion baht in FY 2016 to support economic recovery.

**3.1.3 Implementing additional measures to boost the economy** based on the principles that economic stimulus packages and measures to assist farmers and low-income earners shall be at a necessary and appropriate level so as to avoid fiscal burden and prevent the economy from getting stagnated once the stimulus packages ends, and that they must not distort market mechanisms and long-term economic competitiveness.

The measures are as follows:

**(1) Measures to alleviate the plights of farmers, low-income earners and small and medium enterprises (SMEs):** The total budget for these measures is 496,117 million baht. Within that amount, 179,570 million baht had been spent on the following measures: **measures to raise the incomes for low-income earners** with the total budget of 53,454 million baht, 47,154 baht of which had already been disbursed; **agricultural credit measures** (Rice Collection Credit, Credit for delaying sales of paddy rice from crop year 2014/2015, Credit for rubber processing groups, Credit for manufacturers of

rubber products, and Credit for small-scaled rubber farmers), with the total amount of no less than 291,500 million baht, 121,971 million baht of which had already been authorized; **measures to assist farmers affected by drought in 2014/2015**, with 2,988 million baht out of 3,051 million baht having been disbursed; **measures to assist small and medium enterprises** by SME Bank and Thai Credit Guarantee Corporation (TCG), with 3,606 million baht out of a total of 140,000 million baht having been approved.

**(2) Additional measures to boost the economy in Phase 2** to support economic recovery: These include **the second phase of economic stimulus measures**, budgeted at 77,096 million baht and comprising urgent water management plans/projects for FY 2015 (additional) totalling 37,603 baht, and urgent ground transportation development plans totalling 39,493 million baht. 5,236 million baht of the total had already been spent.

**3.1.4 Accelerating key investments by the public sector** in both projects under the government budget framework and those under the investment framework of state enterprises

There has been progress in enhancing economic expansion prompted by public sector investment. After declining by 10.1 per cent in the first half of 2014, investment by the public sector expanded by 0.3 per cent in the second half of 2014 and then rapidly grew by 30.9 per cent during the first half of 2015. The sharp rise of the public sector investment in the first half of 2015 was generated by the following projects: the on-going MRT project that contains five new routes (Purple Line between Bang Yai – Bang Sue, Red Line between Bang Sue – Rangsit, Green Line between Bearing – Samut Prakan, and Blue Line between Bang Sue – Tha Phra); the International Highway Network Development Project; and the on-going Major Port Development Projects including construction of a coastal terminal (Laem Chabang Port) and construction of Single Rail Transfer Operator at Laem Chabang Port (Phase 1). Acceleration of the projects, which are being prepared for bidding, is also among the factors that increases the investment by the public sector. In 2015, six projects totalling 249,541 million baht are ready for bidding, while 12 more projects, valued at 1.52 billion baht, are expected for bidding during 2016-2017.

As a result of the above-mentioned measures, the Thai economy showed positive signs of recovery during the second quarter of 2014 and steadily improved. The economic growth rate increased from 0.2 per cent in the first half of 2014 to 1.6 per cent in the second half of the year, and to 2.9 per cent during the first 9 months of 2015. In contrast, the Thai economy grew by only 0.4 per cent during the first 9 months of 2014. Meanwhile, the main components of the economy which had experienced contraction during the period of political instability started to grow again. **In the second quarter of 2014**, private sector consumption and the retail sector grew for the first time after continuously dropping in the previous three quarters. **In the third quarter of 2014**, investment by private and public sectors started to increase after

declining for 3 and 4 quarters respectively.. At the same time, the number of tourists increased for the first time after being severely affected by the political situation for three consecutive quarters. Consequently, the service exports as well as the hotel and restaurant sectors started to recover. In general, the main economic drivers were back on the path of expansion by the fourth quarter of 2014 and the first quarter of 2015.

### **3.2 Solving Long-Festering Problems**

The Government is well aware of and attaches importance to resolving Thailand's problems which had been left to fester and thus needed to be addressed urgently and continuously. These include corruption and malfeasance, trafficking in persons, illegal labour in the fishing industry, migrant workers, forest encroachment, illegal ivory trade, international aviation safety standards, energy issues, disposal of solid and hazardous waste, narcotic drugs, and violence in the Southern Border Provinces. For the Government, it is imperative to expeditiously resolve and achieve tangible results on these issues.

#### **3.2.1 Prevention and elimination of corruption and malfeasance**

The Government has moved ahead with determination on this matter, particularly on **curbing corruption in the public sector**. 3,667 cases have been scrutinized and 945 cases further investigated. At the same time, a system has been established to prevent corruption in important projects implemented in accordance with the Government's policy and to coordinate the work to assist the people. Examples include measures to monitor payments for low-income farmers<sup>1</sup> by drafting the appropriate Prime Minister's Office Regulations and by conducting random inspections to ensure low-income farmers receive such payments. Furthermore, there are measures to prevent budgetary fraud and examine the procurement in projects such as the Life and Property Safety Project, the Solar Cell Project and the Futsal Stadium Construction Project from the FY 2012 budget. **The Government also promotes and supports private organizations and networks in looking out for and fighting corruption and malfeasance** through monitoring of provincial authorities via respective provincial Good Governance Committees. Administrative agencies are also encouraged to integrate their anti-corruption networks to better monitor corruption, and to build networks of people's advisory inspectors and enhance the capacity of public health volunteers in villages in order to prevent and suppress corruption at the community level.

In the area of **legislative improvements and anti-corruption mechanisms** to increase the credibility of government agencies, substantial progress has been made on the following: **(1) Establishing mechanisms to**

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<sup>1</sup> According to the Cabinet Resolution approved on 1 October 2014 on payment for farmers registered with the Ministry of Agriculture and Cooperatives and opening bank accounts with the Bank of Agriculture and Agricultural Co-Operatives at the average of 1,000 baht/rai.

**prevent and suppress corruption in the public sector** such as the National Anti-Corruption Administrative Committee, National Administrative Centre for Anti-Corruption (NACAC) and Anti-Corruption Cooperation Committee; **(2) Creating tools to assess the integrity and transparency of government agencies** at the end of every fiscal year by working closely with the National Anti-Corruption Commission (NACC) to develop Thailand's Corruption Perception Index (CPI); **(3) Instituting Virtue Agreements** between government agencies and the private sector wishing to participate in the procurement under government investment projects, in which they pledge to work with honesty and transparency, with external observers monitoring the procurement process from the project scoping stage through to project completion. Presently, 17 projects have been selected to have such agreements, and the government agencies concerned have been working closely with the private sector and relevant organizations to come up with a list of observers and organize training programmes to ensure professionalism. A Coordination Centre for Virtue Agreements is also being set up to monitor and coordinate the overall operations of the anti-corruption projects; **(4) Improving the procurement system by applying Electronic Market (e-market) and Electronic Bidding (e-bidding)**: On 25 November 2014, the Cabinet approved the guidelines for procurement using e-market and e-bidding methods. The Cabinet also gave approval on 27 January 2015 for the Ministry of Finance to proceed with pilot projects using the said guidelines after its announcement in the Royal Gazette in line with the Prime Minister's Office Announcement on the Guidelines for Procurement Using e-Market and e-Bidding, which have already included a list of pilot organizations.

The measures taken to prevent and suppress corruption and malfeasance have led to a decline in corruption. Thailand's Anti-Corruption Index in June 2015, done by the Centre for Economic and Business Forecasting, University of the Thai Chamber of Commerce, **registered a score of 55, an improvement from 49 in December 2014.** Meanwhile, an assessment of damages from corruption to the Government's procurement budget revealed that whereas 2 years ago, the private sector had to pay kickbacks of up to 30 per cent of the project's costs, **the average has now decreased to 10 per cent, the lowest in 6 years, owing to the determination of the Government and relevant agencies to solve this problem.** After the Government came into power, the bribery rate has dropped, reducing the budgetary losses by 150,000 – 180,000 million baht.

### **3.2.2 Efforts to prevent and tackle Illegal, Unreported and Unregulated Fishing (IUU Fishing) and Trafficking in Persons**

#### **(1) Preventing and tackling Illegal, Unreported and Unregulated Fishing (IUU Fishing)**

The Government has implemented the following measures to combat IUU Fishing: **(1) Fishing vessel registration and fishing**

**licensing**, in which 38,013 fishing vessels have now been properly registered, after the revocation of fishing licenses; **(2) Monitor, Control and Surveillance (MCS) of illegal fishing** via monitoring of fishing licenses, with 563 operations conducted at sea on 5,778 vessels, of which 4,946 have been found to possess legal fishing licenses while 832 are unlicensed, and arrests have been made in 501 cases. With regard to Port in – Port out control, a total of 113,019 trips have been reported by fishing vessels; **(3) Installing Vessel Monitoring System (VMS)**, which have seen 2,747 fishing vessels included in the system. The VMS Control Room has been activated since 3 August 2015 and the e-logbook system has also been installed; **(4) Improving the traceability system** by improving the fishing logbook and Marine Catch Purchasing Document (MCPD), training observers on board and developing an operation manual on examination of inspection reports so as to be in line with international standards; **(5) Improving the Fishery Act and its secondary legislation** in accordance with international laws and norms and in accordance with the recommendations from the European Union. The new Fishery Act was announced in the Royal Gazette on 28 April 2015; **(6) Drafting Thailand’s National Plan of Action to Prevent, Defer and Eliminate IUU Fishing (NPOA-IUU)**; **(7) Establishing a National Task Force to lay down measures on conservation and management of the country’s fisheries** and propose new improved draft policy on Thailand’s fishery management to the Command Centre for Combatting Illegal Fishing and the Fisheries and IUU Subcommittee; **(8) Negotiating with, and providing constant updates for, the European Union, on progress in combatting IUU Fishing, which the EU has given Thailand** a 6 months’ extension to achieve tangible results in 3 areas, namely: promulgation of new laws, announcement of a Fisheries Management Plan and implementation of the NPOA-IUU.

### **(2) Preventing and tackling Trafficking in Persons**

The Government announced that combating human trafficking is a national agenda. It has set up mechanisms to tackle the issue at both national and provincial levels, improved relevant laws and regulations, and stringently enforced the laws. The Government has cracked down on major human trafficking networks and has been able to arrest, prosecute and convict high-ranking officials involved in human trafficking.

In terms of **mechanisms**, mechanisms have been set up at the national and provincial levels to **more effectively coordinate between directives and actions**. This includes the National Anti-Trafficking in Persons Committee, Coordination and Supervision Committee for the Prevention and Suppression of Human Trafficking, Subcommittee on the Provincial Anti-Human Trafficking Operation Centres, and Administrative Centre for Combating Trafficking in Women and Children. Furthermore, subcommittees have been set up under the national level committees, such as the Subcommittee on Suppression of Human Trafficking, Subcommittee on Women Issues,

Subcommittee on Child Labour, Forced Labour and Migrant Workers, and Subcommittee on Public Relations and Legal Affairs.

In terms of **implementation and actions**, significant progress has been made, namely: **(1) Reducing risks of human trafficking** by monitoring and providing protection for workers from child labour and forced labour in 2,311 at-risk businesses, while integrated inspection teams have been sent to monitor 6,003 establishments ; **(2) Developing skills for homeless youths** in order to prevent them from becoming victims of human trafficking; **(3) Building understanding among target groups** and authorities concerned in accordance with the Anti-Human Trafficking in Persons Act B.E. 2551 (2008); **(4) Providing knowledge on prevention and suppression of human trafficking** to 5,537 employers and workers and to 1,015,934 workers seeking employment abroad in order to prevent them from falling prey to deception. Inspections have also been conducted on licensed inbound and outbound employment agencies; **(5) Enhancing and developing labour protection network** through the hotline number 1694, which is used to disseminate information, receive complaints and address inquiries regarding human trafficking. The hotline received 97,366 calls; **(6) Convening meetings to expedite and follow up progress in the implementation of the Anti-Human Trafficking Action Plan** for FY 2015 with reports on 77 projects issued.

The Government's consistent and determined efforts to tackle human trafficking have achieved meaningful progress which has been acknowledged in the international arena. This was reflected in the United States Department of Labour's Report on Findings on the Worst Forms of Child Labour 2014, which upgraded Thailand from the category of countries with "Moderate Advancement" to the category of countries with "Significant Advancement", which is the highest level in the report.

### **3.2.3 Prevention of forest encroachment and wildlife and plants conservation:**

During the past 5 years, forest areas in Thailand decreased from 107 million rai (171,200 square kilometres) in 2009 to 102 million rai (163,200 square kilometres) in 2013, or an average decrease of one million rai (1,600 square kilometres) per year. The NCPO has set the suppression and prevention of forest encroachment as an urgent agenda and worked in accordance with the Master Plan on Prevention of Forest Encroachment and Trespassing of Public Lands. The Government has continuously and seriously been dealing with this issue by categorizing forest lands into 4 Areas of Operation (AO), namely:

- **AO1** (encroached forest areas regarding which the wrongdoer(s) have been prosecuted and the case finalized), with work done covering 38,120 rai (61 square kilometres) or 45.4 per cent of the total;

- **AO2** (encroached forest areas regarding which illegal acts have been reported to the authorities), with actions taken covering 71,709 rai (114.7 square kilometres) or 44.8 per cent;

- **AO3**, which are encroached forest areas the rights and ownerships of which are being verified, totalling 4.6 million rai (7,360 square kilometres), 863,165 rai (1,381 square kilometres) or 18.7 per cent of which have been settled;

**AO4**, which encompasses the remaining forest lands which must be protected by forestry officials in cooperation with local communities) totalling 101.86 million rai (162,976 square kilometres), all of which has been managed.

In taking back the encroached forest lands, the authorities have reclaimed 119,660 rai (191.45 square kilometres) of the total of 5.5 million rai (8,800 square kilometres) which had been illegally used for rubber plantation, and made arrests in 5,473 cases under forest land encroachment charges and 5,703 cases under illegal logging charges.

### **3.2.4 Fighting against illegal ivory trade under the National Ivory Action Plan in accordance with the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)**

With a strong determination to combat the illegal ivory trade, the Government has made significant progress in resolving this issue taking into account the fact that Thailand was previously designated by the CITES Committee as having to undertake corrective measures to deal with domestic ivory trade. The absence of such action on the matter would have negatively impacted upon the export of wild fauna and flora worth approximately 10,000 million baht per annum. The Government expedited the enactment of the Ivory Trade Act B.E. 2558 (2015). It has adopted and implemented the National Ivory Action Plan, which has led to arrests in two notorious ivory trafficking cases and the destruction of 2,155.17 kilogramme of ivory confiscated. These efforts have been recognized by the CITES Committee which sent a letter congratulating on the progress and success made by the Government. Nonetheless, Thailand remains on CITES list of countries of primary concern and, therefore, needs to continue the efforts on this matter.

### **3.2.5 Solving Thailand's civil aviation issues in compliance with the Standards of the International Civil Aviation Organization (ICAO)**

The Government has dealt with civil aviation shortcomings in accordance with the ICAO's Universal Safety Oversight Audit Program (USOAP) as follows:

(1) With regard to **Significant Safety Concerns (SSC)**, important measures include: (1) **Improvement of the certification of Transportation of Dangerous Goods by Air** by setting up a special unit responsible for issuing rules and regulations concerning transportation of dangerous goods as well as drafting a Dangerous Goods Manual and a Dangerous Goods Inspector Manual; (2) **Issuance of Air Operator Certifications (AOC)** by coordinating with experts and inspectors from foreign

institutes, such as the Civil Aviation Safety Authority (CASA) in Australia, and sending specialists in the area of aviation inspection to be trained on Type Rating for Inspector of A380, B777 and B787 aircrafts; and **(3) Air Operator Certificate Re-certification** by preparing regulations as well as drafting an operation plan for new air operators to service 28 Thai airlines which operate on international routes.

**(2) Regarding the restructuring of civil aviation organizations**, the Royal Decree B.E. 2558 (2015) on the Amendment of the Air Navigation Act B.E. 2497 (1954) and the Royal Decree B.E. 2558 (2015) on Thailand's Civil Aviation have been enacted in order to improve the structures and authorities of relevant civil aviation organizations in Thailand to be in compliance with international standards. The Civil Aviation Authority of Thailand (CAAT) has been established with a particular purpose of regulating civil aviation. Furthermore, the Government has set up the Command Centre for Resolving Civil Aviation Issues (CRCA) as an *ad hoc* unit under the direct supervision of the Chief of the NCPO, with the Air Force Commander-in-Chief as Head of the CRCA. This *ad hoc* unit has been established to follow up on actions to efficiently address the findings made by the ICAO and the Federal Aviation Administration (FAA), as well as to make preparations for the safety assessment by the European Aviation Safety Agency (EASA).

### **3.2.6 Addressing the energy issues:**

The Government has restructured energy prices to be at appropriate levels and to gradually reflect the genuine costs. This policy has helped alleviate the financial burden of the Oil Fund and increase the efficiency of energy consumption in the various sectors. The state of the Oil Fund has been adjusted from having a negative balance of almost 7 billion baht in mid-2014 to having approximately 400 billion baht in reserve. In addition, the Government has also addressed hurdles to the promotion of alternative and renewable energy by revising relevant regulations and processes so as to facilitate the issuance of permits. This policy has enabled the Ministry of Energy to approve 269 pending projects on electricity generation from renewable energy, which constitute the total amount of 1,597.02 megawatts of electrical power.

### **3.2.7 Solid waste and hazardous waste management:**

In 2014, there were almost 26.19 million tons of municipal solid wastes (new wastes) per year. Around 12.7 million tons (48.49 per cent) of these were properly managed in accordance with academic guidelines, whereas the remaining 13.5 million tons were not. Furthermore, there were approximately 0.58 million tons of hazardous waste per year (65 per cent of which was disposed electronic appliances and electronics, and 35 per cent was hazardous waste generated by communities. In this regard, the Government has undertaken key actions pursuant to the Roadmap on Waste and Hazardous Waste Management approved by the NCPO on 26 August 2014, according to which four major steps have been implemented:

**(1) Disposal of accumulated waste**

19 million tons out of 30 million tons of accumulated waste was successfully disposed of by encouraging the private sector to transform such waste into fuel or electricity;

**(2) Management of new solid waste and hazardous waste**

Communities and municipal authorities are encouraged to reduce waste, implement waste sorting at source and dispose of waste in an appropriate manner. In this regard, the Government has established 88 model areas, set up 83 provincial hazardous waste collecting centres, closed down those centres without proper waste management, identified 246 areas appropriate for setting up waste disposal centres in each province and 60 areas for waste transfer stations, and developed 118 projects to request budget for implementation during FY 2016. In addition, the Government supports 55 areas with potential to conduct waste-to-fuel conversion, two of which have already been in operation, while four others are under construction and 49 more are in the pipeline with Memoranda of Understanding concluded with the private sector.

**(3) Rules and regulations regarding solid waste and hazardous waste management**

The National Waste Management Master Plan has been drafted. The Announcement of the Policy Committee on Private Investments in State Undertakings was issued and entered into force on 11 February 2015, which increases the rate of feed-in tariff from the use of solid waste as fuel. Moreover, 2 bills have been drafted, namely, the Bill on Disposed Electronic Appliances and Electronics Management B.E. ... (currently under consideration of the Office of the Council of State) and the Bill on National Waste Management B.E.... In addition, two draft Ministerial Regulations will also be issued, namely, the draft Ministerial Regulation on Hygienic Practice in Solid Waste Disposal B.E.... (currently under consideration of the Office of the Council of State) and the draft Ministerial Regulation on Fees for Waste Collection and Disposal. In addition, the Ministry of Public Health's Announcement is in the process of being issued in order to regulate waste relocation and disposal in all municipalities in accordance with the Public Health Act B.E. 2535 (1992) and to appoint Provincial Waste Management Committees in all 77 provinces.

**(4) Promotion of discipline in waste management among the public**

The Government has implemented the "Clean City and Happy People" Project in celebration of His Majesty the King's 87<sup>th</sup> birthday anniversary, held exhibitions, raised public consciousness on environmental quality management, set up 9 community learning centres and 9 'waste-free' schools, campaigned for reduction in the use of plastic bags, launched the Green Card Mobile Application, provided advice on waste management in schools, as

well as conducted public relations activities via various media, such as newspapers, newsletters and journals. In the next phase, the focus will be on monitoring, expediting and ensuring that relevant authorities implement the Roadmap on Waste and Hazardous Waste Management towards achieving the specified goals. This includes campaigning to raise public awareness about the importance of waste reduction and waste sorting, promoting the use of environment-friendly products, enhancing capabilities of municipal authorities in the management of solid waste and hazardous waste, promoting the production of refuse-derived fuel (RDF), setting up a working group to study relevant legal provisions, as well as appointing a sub-committee to consider and review the overall suitability of construction of waste/RDF generated power plants.

### **3.2.8 Fighting against narcotic drugs**

Important measures are as follows:

#### **(1) Prevention of narcotic drug problems**

The Government has implemented campaigns to prevent and tackle the narcotic drugs problems **among children and adolescents in schools**, for example, by promoting life skills learning and implementing activities to build up long-term immunity against narcotic drugs for students in 32,000 elementary schools, promoting the prevention and solution of the narcotic drug problems in 11,800 high schools, vocational schools and universities across the country, and implementing the “To Be Number One” Campaign to create model white classrooms which will lead to “drug-free and vice-free” White Schools. Preventive measures also focus on educational campaigns and awareness raising **among workers in business enterprises**. For example, 776 business enterprises have attained the Standard on Prevention and Solution of Drug Problems in the Workplace, while 2,399 factories have met the ‘drug-free’ White Factory criteria. In addition, support has been rendered to 21,271 businesses to implement a drug-use preventive system in the workplace (106.36 per cent of the annual target of 20,000 enterprises), encompassing 1,741,662 employees (145.14 per cent of the annual target of 1,200,000 employees);

#### **(2) Elimination of narcotic drugs**

In FY 2015 (1 October 2014 – 20 August 2015), 242,874 arrests were made in narcotic drug cases with 260,368 offenders. These include 57,437 cases on five serious charges (namely, possessing narcotic drugs to distribute, produce, import and export narcotic drugs), involving 68,913 offenders and seizure of a large amount of narcotic drugs, namely, 71.38 million amphetamine pills, 64.04 kilogrammes of heroin, 1,144.47 kilogrammes of methamphetamines, and 20,119.35 kilogrammes of marijuana. Furthermore, the examination and inspection on risk areas, factories and business premises have been undertaken. Interception (outside prison), raids and prison searches have been conducted. In light of these actions, the financial system of narcotic-drug

businesses, especially drug-trading networks in prisons, have been curbed. Assets of the offenders arrested with drug charges have been confiscated. Activities have also been continuously carried out through 16,898 villages/communities under the Mother of the Land Fund, while actions to solve the narcotic drug problems have been taken in 69,701 target villages/communities;

### **(3) Rehabilitation of drug addicts**

184,242 drug addicts have undergone rehabilitation (83.74 per cent of the target of 220,000 drug addicts), comprising 84,144 drug addicts under voluntary rehabilitation (82.65 per cent of the target of 101,800 drug addicts), 83,362 drug addicts under mandatory rehabilitation (83.36 per cent of the target of 100,000 drug addicts), and 16,736 convicted drug addicts (91.95 per cent of the target 18,200 convicted drug addicts). As for the monitoring, follow-up and assistance, 175,210 of the rehabilitated drug addicts have been followed up on. Assistance and support have been given to approximately 6,725 persons requesting for help. Furthermore, rehabilitation and capacity building have been carried out for 128 persons who completed the rehabilitation programmes.

#### **3.2.9 Reduction of social disparity**

The Government has placed importance on **urgently creating job opportunities and ensuring steady income for people, especially for those in the disadvantaged groups**. Employment services have been provided for 1,031,930 job seekers (which accounts for 147.42 per cent of the entire year's target of 700,000 people), and 573,930 people gained employment. Smart Job Centres have been established to drive the "All Thais Have Jobs" policy. Eight such centres have been set up, with 21,790 people registering to apply for jobs and 11,548 having gained jobs. The Government has also **enhanced protection for workers in the informal sector**. On 3 March 2015, the Cabinet approved the implementation of the National Savings Fund (NSF), which began receiving applicants on 20 August 2015.

In addition, the Government has placed importance on **caring for the elderly, children, women, people with disabilities, and those in disadvantaged groups**. It has implemented measures including the following: (1) The Newborn Child Support Grant, which aims to provide basic benefits and create a system of social security so newborn infants receive quality care. This grant provides a payment of 400 baht per child per month to poor families and those facing risk of poverty which have newborn infants until the infants are one year old; (2) Promotion of a Quality Aging Society by raising awareness about preparedness for transition into an aging society, as well as providing non-formal and informal learning for targeted groups of the elderly; (3) Increasing the Disabilities Allowance from 500 baht per person per month to 800 baht per person per month; (4) Making readjustments to environmental conditions and public transportation in order to accommodate the

needs of the elderly, children, and persons with disabilities, by reconditioning spaces to accommodate 50 low-floor buses, repairing 11 bridges, renovating 90 bus stops, ramps, and sidewalks.

Furthermore, the Government has emphasized **enhancement of social order and moral and ethical standards** through, for example: (1) public transport management by setting quality standards of taxi services registered in Bangkok, registering motorcycle taxis with yellow license plates, designating spots for public vans to pick up and drop off passengers, as well as setting terms and conditions for their operations, and (2) reorganization of public spaces for street vendors and peddlers in order to return the sidewalks to pedestrians, which was completed in 35 areas in 21 districts of Bangkok.

### **3.2.10 Tackling the violence in the Southern Border Provinces (SBPs)**

This has been given high priority. In addressing issues and problems related to the SBPs, the Government has adopted a strategy guided by His Majesty the King's advice on **“Understand, Reach out, and Develop”** and the **“Sufficiency Economy Philosophy”**. The Government is also committed to **“peaceful approach”** at both policy and local levels by supporting peaceful dialogue as a way to reduce the use of violent means by groups which have different opinions or ideologies from the state. At the policy level, the Government has established the Steering Committee to Resolve the Issues of the Southern Border Provinces as a mechanism to drive the resolution process. As for policy implementation, the Internal Security Operations Command (ISOC) is the main government agency responsible for integrating security and development efforts, working in accordance with the Action Plan for the Resolution of the Issues and the Development of the Southern Border Provinces 2015-2017 to put in place plans and activities that would contribute to resolving problems in the area and correspond with the needs of the local population. In the past year, many key outcomes were achieved, including maintaining the safety of the lives and properties of citizens, with a focus on ensuring safety of the 7 economically important cities from risks of violent incidents so that people may lead normal life; and constructing and improving roads within 37 districts of the SBPs, using prototype rubber roads to support the use of rubber and assist farmers affected by falling world rubber prices.

**The serious efforts of the Government in tending to the long-festering problems have been recognized and brought about more positive responses from foreign countries.** This is reflected in **Thailand being elected as Chair of the Group of 77 (G-77) for the first time since Thailand co-founded the Group in 1964** and in the country receiving a higher ranking by the United States' Department of Labour in its 2014 Findings on the Worst Forms of Child Labour Report, in which Thailand has been upgraded **from having Moderate Advancement to having Significant Advancement, which is the highest level.**

### 3.3 Solving Pressing Issues

During its first year of administration, the Government faced many pressing issues that had affected the economy and the peace and order of the country. **The first issue was the global economic downturn and the drop in world prices of various commodities.** The global economy slowed down due to slow recovery experienced by major economies like the United States, the Eurozone and Japan. The Chinese economy had also decelerated, while the economies of Russia, Brazil, and other large countries had shrunk, causing the world economy in the first half of 2015 to decline from the level seen during the second half of 2014. As a result, oil prices and prices of agricultural products dropped continuously and many countries' export sector, including Thailand's, contracted. **The second issue was drought.** The situation in 2015 was much more severe than in previous years as the water volume in the 4 major dams on the Chao Phraya River basin (Bhumibol, Sirikit, Khwae Noi Bamrung Dan, and Pasak Cholasit Dams) in April, the month before the beginning of the planting season, was at 2,029 million cubic metres, which was 1.1 per cent less than the level during the same period in 2014. The rainfall from April to August of 2015 was also 25 per cent less than that of the previous year, further aggravating the woes of farmers, low-income earners as well as agriculture-related businesses who were already affected by falling world commodity prices. **The third pressing issue was the explosion incident at Ratchaprasong Intersection on 17 August 2015,** which resulted in the loss of lives of 14 Thai citizens and foreign tourists, as well as the injuries of many people. The incident affected the tourism sector and foreign confidence in Thailand's political situation.

The Government has implemented the following measures to resolve and mitigate the impact of the afore-mentioned pressing issues:

#### 3.3.1 Addressing the plights of farmers, low-income earners, and micro, small and medium enterprises

##### (1) Addressing the plights of farmers and citizens with low income

The Government has developed strategies for each of the four key economic crops, namely, corn as animal feed, cassava, oil palm, and sugarcane, and pursued proactive management for major agricultural products, namely, rice, oil palm, cassava, fruits, and rubber. The Government has also promoted and developed Farm Outlets as venues for selling agricultural products grown by local communities. To help rice farmers, the full-scale Rice Farmer Assistance Programme was implemented, with income-generating measures put in place to help low-income farmers, in addition to credit support measures, a rice insurance programme, and a government rice stock management system. To assist rubber farmers, the Government has provided compensation for rubber farmers, maintained stability of the rubber price, and extended credit support to smallholder farmers, proprietors, and farmers' institutions. Furthermore, it has employed measures to control rubber

productivity in both immediate and long terms and provided assistance to sugarcane farmers during the 2014/2015 growing season.

Moreover, the Government has also placed importance on developing quality standards for agricultural products and cutting expenditures/production costs by providing assistance in agricultural machinery procurement and lowering and controlling farmland rental rates. To help provide debt relief, the Government has carried out debt support measures for members of agricultural co-operatives/groups affected by the 2011 floods; created debt moratorium programmes to help smallholder farmers and low-income earners with a total debt of less than 500,000 baht; conducted studies on farmers' debts and methods to enhance the efficacy of the funds under the Ministry of Agriculture and Cooperatives and the revolving loan fund for farmers and the poor. It has also organized agricultural markets, allocated land to farmers for cultivation, and rehabilitated and developed soil quality.

**(2) Alleviating the difficulties faced by proprietors of small and medium enterprises (SMEs)**

The Government has employed measures to support and promote SMEs, such as **increasing competitiveness of SME proprietors through Business Incubators**, which from May 2014 – April 2015 incubated 248 start-up businesses. These Business Incubators have also provided training to cultivate and develop proprietors, with 3,895 proprietors having participated. **Market development measures, including product development to boost product value**, have also been introduced, for instance: (1) “The Giving Society” by OTOP programme to add value of OTOP products, (2) development and promotion of value-added products and brand creation, and (3) the Preparation Programmes for the AEC Market, which brings leading proprietors to enter markets, such as organization of Thailand Week for a total of 10 times, and participation in the “Cambodia Import-Export & OTOP” trade exhibition and the Tak Border Province Fair.

The Government has also implemented **urgent financial and fiscal measures** such as the low interest Policy Loan programme, **the establishment of the SMEs Private Equity Trust Fund** via a joint investment fund between public and private sectors worth 10-25 billion baht, and **the Nano-Finance Credit** to support access to credit by individuals, which allows corporate entities that meet specific requirements to extend loans to smallholder proprietors. It also organized **the Government Bank for People Expo** to connect people with smallholder proprietors, government financial institutions, and Nano-finance credit providers to offer financial product services, encourage fiscal discipline, and provide financial knowledge. Other measures the Government has put in place include **lowering corporate income tax for SMEs** and **promotion of and laying the foundation for the digital economy**, such as IT for SMEs. The Government has also **developed proprietors in target business sectors to help prepare them for the AEC**

**market liberalization** by providing training on effective industrial management for market expansion to 3,588 SME entrepreneurs thus far.

**(3) Announcing additional economic stimulus measures in September and October 2015**, namely:

**(3.1) Measures to improve living standards of low-income earners and to boost government's small-scale investments across the country** (Cabinet Resolution dated 1 September 2015) at the budgeted amount of 136.275 billion baht. These measures comprise 3 sub-measures:

**(1) Measure to improve living standards at the village level**, with a budget of 60 billion baht: The Government Savings Bank and the Bank for Agriculture and Agricultural Co-operatives (BAAC) offer loans of no more than 60 billion baht to village and urban community funds (Village Fund) ranked at A and B levels, with no more than 1 million baht for each village fund (with contracts to be signed by 31 December 2015). As of 19 October 2015, the Government Savings Bank and the BAAC already approved 33.903 billion baht in loans (for 33,972 villages);

**(2) Measure to improve living standards at the tambon or sub-district level (5 million baht per sub-district)**, with a budget of 36.275 billion baht to be distributed to 7,255 sub-districts across the country. Subsequently, on 8 September 2015 and 6 October 2015, the Cabinet approved additional budget allocation of 1.639 billion baht and 1.830 billion baht respectively, raising **the total budget for this measure to 39,743.8 million baht**, all of which must be paid out by 31 January 2016. On 27 October 2015, there were 114,573 projects, under the 36.275 billion-baht budget, which the Provincial Project Screening Committees had approved and notified the Budget Offices of Districts 1-18 of their approval. The Budget Offices of Districts 1-18 then approved 7,050 projects at a total budget of approximately 2,572.9427 million baht. There are still many projects awaiting consideration by the National Budget Office. It is estimated that 10 per cent of the budget could be paid out by November 2015, 50 per cent by December 2015, and 100 per cent by January 2016;

**(3) Measure to boost government small-scale investments across the country**, with a budget of 40 billion baht. This measure is aimed at boosting employment and fostering investment by both the central government and provincial authorities, and must be paid out by 31 December 2015. On 22 September 2015, the Cabinet gave approval for government agencies, state enterprises and other organizations to implement this measure, using a budget of 19,267.5 million baht to boost government small-scale investments across the country through, for example, construction or renovation of basic infrastructure, buildings, public assistance systems, and water management, as well as investment for the economy and society.

**(3.2) Financial and fiscal measures for immediate support of SME proprietors** (Cabinet Resolution dated 8 September 2015). These include:

(1) **Low interest loans programme as a revolving fund for SME proprietors.** The Government Savings Bank facilitates low-interest loans (with an interest rate at 0.1 per cent per year) to commercial banks and *ad hoc* financial institutions taking part in the programme in order to help SME proprietors by offering new loans with an interest rate at 4 per cent per year for no more than 7 years (not applying to loans for debt repayment), with a total programme budget of 100 billion baht. The Government Savings Bank has already approved 7.418 billion baht loans to 1,743 SMEs;

(2) **Improvement of credit guarantee criteria and conditions in accordance with Phase 5 of the Government's Portfolio Guarantee Scheme (PGS)** with a set guarantee amount of 100 billion baht. At present, the Thai Credit Guarantee Corporation (TCG) has guaranteed 2.256 billion baht in credit for 401 SMEs;

(3) **SMEs support measure through mutual investment.** The Government Savings Bank, the Small and Medium Enterprise Development Bank of Thailand, and Krung Thai Bank Public Co., Ltd. have put in 2 billion baht each to establish a mutual fund of 6 billion baht to provide capital investment assistance to target SMEs, namely, start-up SMEs with potential for high growth or success, SMEs in the sectors that facilitate economic expansion, or are suppliers for large public and private corporations, or are members of the Board of Trade of Thailand or other public organizations. Also, each of the financial institutions may offer loans to SMEs in addition to the amount it has invested in the fund;

(4) **Reduction of corporate income tax for SME proprietors** with a net profit of over 300,001 baht from 15-20 per cent to 10 per cent of the net profit for a period of 2 years;

(5) **Tax measure to support New Start-ups** which provides corporate income tax exemption for 5 accounting periods to SME proprietors that register their businesses during 1 October to 31 December 2016.

**(3.3) Financial and fiscal measures to boost the real estate sector** (Cabinet Resolution dated 13 October 2015). Measures include the lowering of criteria for home loans for low- and middle-income earners in order to increase their access to credit lines for purchasing land with buildings or condominiums, as well as reducing land registration fees by lowering land transfer fees and registration fees for real estate and condominium mortgages from 2 per cent of the capital cost estimate for land transfers and 1 per cent of the mortgage but no more than 200,000 baht to just 0.01 per cent for 6 months.

### **3.3.2 Drought disaster management**

#### **Providing assistance to areas affected by rain shortage/dry spell**

In 2015, the Government has instructed farmers to delay yearly rice production in the Chao Phraya River basin and urged all concerned sectors to conduct campaigns on water conservation in a bid to help mitigate farmers' risk in the yearly rice production during the cultivation season 2015/2016, which is prone to be affected by drought. Measures and assistance provided are as follows:

(1) Measure to prepare for reduction in water release: Watergates which receive water flows from three main rivers – Ping, Nan and Chao Phraya – are allowed to open to receive water for consumption from time to time. Waterways or irrigation canals in need of water to maintain stable river banks are allowed to receive a minimum level of water. For those areas needing to pump in water for consumption and agricultural purposes, written requests have to be submitted to the local irrigation authorities in order to seek permission for water pumping from time to time;

(2) Water management for agricultural use: Assistance has been provided to 1.183 million rai (1892.8 square kilometres) of crop fields, particularly in the specific affected areas, by pumping water from other water sources (private water reservoirs and Rama 9 reservoir) into the crop fields in order to help areas at the end of irrigation canals where rice is going to be matured for harvest;

(3) Assistance measures for farmers by hiring them to work. The plan has been to employ 8,019 farmers within a budget of 106.62 million baht. In addition, water reservoirs have been prepared for the dry season in 2015/2016. 8 reservoirs in 8 areas in Nakhon Sawan, Ang Thong, Sing Buri, and Chai Nat provinces have been dredged in order to increase water conservation capacity. 7,133 groundwater ponds have been dug outside the irrigation areas in the Chao Phraya River basin, and 37 water resources have been developed to conserve soil and water.

#### **Development of groundwater reservoirs for drought mitigation**

The Government has earmarked a budget of over 1.5 billion baht for 2,375 groundwater projects with the aim of mitigating shortage of water for consumption, supplying clean water for schools nationwide, providing water sources for agricultural uses in the drought-hit areas, as well as supporting the Royal Projects. So far, 2,662 projects, or 96 per cent of the total number of groundwater projects, have been completed.

#### **Preparations of assistance measures for farmers during the dry season 2015/2016**

The Government has informed farmers about the water supply situation, particularly in the Chao Phraya River basin. It was estimated

that as of 1 November 2015, the amount of water stored by the 4 major dams (Bhumibhol, Sirikit, Kwae Noi Bumrung Dan, and Pa Sak Jolasid) would be only 3,677 million cubic metres, which would not be sufficient for agricultural uses. The Government has therefore prepared measures to provide assistance to those affected by the drought in 2015/2016 so that they have sufficient income to maintain their livelihood and are able to reduce their household expenses so that they can be self-reliant. The Government has also worked to ensure efficient water management and help reduce adverse effects of drought on farmers.

### **3.3.3 Explosion incident at Rachaprasong Intersection**

The Government quickly extended assistance to foreign tourists affected by the explosion at Rachaprasong Intersection on 17 August 2015. The Ministry of Tourism and Sports offered assistance and remedies to all 129 injured foreigners, using the Foreign Tourist Assistance Fund. Private corporations in the tourism industry also provided financial support as compensation for family members of the deceased. Emergency situation command centres were set up to provide timely information as well as facilitate the victims and their families in terms of accommodation, transportation, and flights back home. All these undertakings were to restore the image and confidence in the nation's tourism industry.

## **3.4 Laying a Foundation for Long-Term National Development**

The Government has laid a foundation for long-term stable and sustainable economic and social development for the country, focusing on improving and restructuring key basic factors, including human capital, infrastructure and logistics, science, technology and innovation. It has also put emphasis on reform of laws, regulations and administration to ensure efficiency, transparency and accountability. Important works undertaken are as follows:

**3.4.1 Development of transportation infrastructure** with the aim of enhancing competitiveness, providing foundation for long-term national development, and promoting connectivity so as to make Thailand a regional hub

Significant projects are:

(1) **Follow-up on progress of the mass rapid transit system under construction to ensure the start of service by the targeted date:** The Purple Line (Bang Yai-Bang Sue), which is in the process of system installation, was expected to see delivery of the first 3 cars in September 2015 and would be able to begin the test run by the end of 2016. The Blue Line extension of Hua Lampong – Bang Khae and Bang Sue-Tha Phra, the Green Line extension of Mo Chit-Saphan Mai – Khu Khot and Bearing – Samut Prakan, and the Red Line extension of Bang Sue – Rangsit are all expected to be completed by 2019;

(2) **Procurement of natural gas vehicles (NGV) public buses:** All of the 489 NGV public buses would be continuously delivered until completion by early 2016;

(3) **Development of intercity motorway networks:** 3 motorway projects, namely, Pattaya – Map Ta Phut, Bang Pa-In – Nakhon Ratchasima, and Bang Yai – Kanchanaburi, would soon be undergoing the bidding process. Participation of the private sector in the operation and maintenance of these projects in accordance with the Cabinet Resolution is under consideration;

(4) **Capacity building of air and sea transportation:** The projects include Thailand Yacht Festival to be held during January – February 2016; development of a coastal terminal (Terminal A); development of the rail freight centre at Laem Chabang seaport, which is expected to be open for bidding within 2015; the work plan to develop U-Tapao Airport as the third commercial airport for submission to the Cabinet for consideration in 2015; and the 2<sup>nd</sup> phase of the development of Suvarnabhumi International Airport, which is currently under the bidding process and expected to be completed in 2019;

(5) **Development of the rail system:** The Government has approved a **dual-track railways project Chumthang Thanon Jira and speed up construction of the dual-track railways Chachoengsao – Klong Sip Kao – Kaeng Khoi**. These projects are under the immediate phase of the dual-track train construction plan. The remaining 6 routes under the plan are undergoing preparations for submission for the Cabinet's consideration. Studies and detailed planning for the next phase of the dual-track railway development involving 8 more routes are also underway;

(6) **Development of the rail system to link Thailand and other countries in the region:** Negotiations are ongoing with the governments of interested countries on investment modalities, funding sources and other administrative matters. The project includes:

**Thai-Chinese railway development project:** China has completed feasibility studies for the construction of standard gauge double-track railways along two routes, namely, Bangkok – Nong Khai and Kaeng Khoi – Map Ta Phut. The projects are under the Framework of Cooperation between the Government of the Kingdom of Thailand and the Government of the People's Republic of China on Further Deepening Cooperation in the Development of the Railway Infrastructure under the Strategic Framework for Development of Thailand's Transportation Infrastructure 2015-2022. They are under consideration by the Thai side (the Ministry of Transport and other concerned agencies) and are expected to be submitted to the Cabinet by 2016.

**Thai-Japanese railway development project:** The Japanese government is currently carrying out a feasibility study of the high speed train project along the Bangkok – Chiang Mai route; studies on railways development along the Southern Economic Corridor for the Kanchanaburi – Bangkok – Laem Chabang and Bangkok – Aranyaprathet routes and along the East-West

Economic Corridor for the Mae Sot – Mukdahan route; studies on improvement of the old railways (one-metre gauge); as well as the development of cargo technology. The cooperation framework is expected to have more details within 2016.

Furthermore, to promote biking, the Government has implemented projects on **development of bicycle lanes in all provinces and all areas** with a view to encouraging healthy lifestyle, supporting environmental conservation tourism and providing travel alternatives. A total of 566.12 kilometres of bicycle lanes have already been built, while 715.39 kilometres are under construction. Another 1,071.1-kilometre route would be built in the future. Furthermore, relevant laws and regulations in relation to bicycle riding are under consideration to ensure that biking is convenient, meets safety standards and is covered by well-defined laws and regulations.

### **3.4.2 Special Economic Zones along the border**

Progress has been made in many aspects. The Policy Committee on Special Economic Zone Development has approved **the designation of Special Economic Zones (SEZ)**, which is divided into **Phase 1 and Phase 2**, comprising **10 zones**. Phase 1 covers 5 zones in Tak, Sa Kaeo, Mukdahan, Trat, and Songkhla provinces. Phase 2 covers another 5 special economic zones in Nong Khai, Narathiwat, Chiang Rai, Nakhon Phanom, and Kanchanaburi provinces. **Investment promotion measures** have been set, as announced by the Office of the Board of Investment, including **a policy to promote investment in the SEZs**, which provides incentives to investments in 2 categories, namely, general cases and investments in target industries in the SEZs, and **investment promotion policy for investment in the SEZs in Trat, Tak, Mukdahan, Songkhla, and Sa Kaeo**, where the private sector can lodge requests for investment incentives, such as exemption of corporate income tax for additional 3 years longer than investments in other areas. In the case of target activities which are located in the SEZs, corporate income tax is exempted for a period of 8 years. Regarding SEZs under Phase 2 (Kanchanaburi, Chiang Rai, Nakhon Phanom, Narathiwat, and Nong Khai), targeted activities remain to be determined. There are also **investment promotion measures for SMEs in the SEZs**, which provide support and incentives for SME operators in the SEZs. Moreover, for projects which do not meet criteria of the Board of Investment's investment incentives, the Revenue Department has reduced **corporate income tax from 20 per cent to 10 per cent** for 10 accounting periods, effective since 10 September 2015. **Investment One Stop Service Centre (OSS)** has also been set up in all 5 SEZs under Phase 1 (Tak, Mukdahan, Sa Kaeo, Trat, and Songkhla).

Furthermore, both **seasonal and daily migrant workers** (who cross the border to work in Thailand and return to their homes on the same day) are managed by the Ministry of Interior's Announcement regarding **exemption of the prohibition of migrant workers of Myanmar, Lao and**

**Cambodian nationals** to enter Thailand and **the amendment of the MOUs on border crossing between Thailand and neighbouring countries**. As of now, Thailand has already signed the MOU with Cambodia, and is awaiting consideration by Myanmar and the Lao PDR to sign the MOUs. Meanwhile, the Office of the Prime Minister issued an announcement to **specify areas, nationals, types or nature of job, period or season, or conditions in which foreign workers may request work permits in accordance with Article 14 of the Alien Working Act**. Information handbooks on issuing work permits for seasonal and daily migrant workers within one day have also been published. Furthermore, **One Stop Service Centres for foreign workers** have been established, in cooperation with the Ministry of Public Health, in 5 provinces, namely: (1) Tak province, at Tak's SEZ Office and Mae Sod Hospital; (2) Mukdahan province, at Mukdahan City Hall; (3) Sa Kaeo province, at Rong Kluea Market Administration Office and Immigration Office; (4) Trat province, at the Ban Hard Lek Border Government Centre; and (5) Songkhla province, at Hat Yai District Office.

Regarding **land acquisition and management**, the Government has issued an announcement to withdraw the use of degraded forests and unused areas with the intention to acquire those lands as state properties and reallocate the areas for the development of the SEZs in Tak, Mukdahan, Sa kaeo, Trat, and Nong Khai provinces. Moreover, the private sector and the Industrial Estate Authority of Thailand are allowed to rent such lands in the SEZs in Tak, Mukdahan, Sa kaeo, Trat, Songkhla and Nong Khai provinces. The Government has endorsed the rental period, criteria and conditions for such rental lands. The Treasury Department is currently adjusting the state property rental fees to be business attractive.

With regard to **basic infrastructure and customs control points supporting the SEZs**, the Government has endorsed, in principle, the 2014-2022 Work Plan on Infrastructure and Customs Checkpoints, which serves 6 zones (7 points) of the SEZs under Phase 1 in Tak, Sa Kaeo, Trat, Mukdahan, Songkhla (Sadao and Padang Besar), and Nong Khai provinces. There are 52 projects, with a budget of 2,642.880 million baht, in the immediate period of 2015. The Department of Highways has been approved to carry out construction of Mae Sot Bypass and the 2<sup>nd</sup> Thailand – Myanmar Friendship Bridge crossing Moei/Thaungyin River, with a budget of 3.9 billion baht. The construction is underway and is expected to be completed in September 2017. Meanwhile, the construction of Phase 3 of Highway No. 12 (Tak – Mae Sot route) is also under way and is expected to be completed in August 2017.

### **3.4.3 Dawei Special Economic Zone (DSEZ)**

This project will promote economic opportunities for Thailand under ASEAN Connectivity, create opportunities to diversify and expand industrial sectors linking with the Eastern Seaboard, and develop the country's western area. Key actions undertaken include the following:

**The Joint High-Level Committee (JHC) and Joint Coordinating Committee (JCC) were established in November 2014**, tasked with the development of the DSEZ and related areas. The JHC has approved the Conceptual Master Plan for DSEZ Full Phase Development. It has also been agreed that Thai baht would be the main currency in all business transactions in special economic zones in Myanmar.

**The Concession Contract for the first phase of Dawei Special Economic Zones was signed** between DSEZ Committee and the Thai business group comprising Italian-Thai Development PLC., Rojana Industrial Park Public Co., Ltd., and LNG Plus International Co., Ltd. Furthermore, the Government is pursuing **trilateral cooperation among Myanmar, Thailand and Japan. The three countries signed a Memorandum of Intent (MoI)** regarding cooperation on development of the DSEZ. Japan will join the project in its full phase and provide technical assistance. It is also ready to invest in the Special-Purpose Vehicle (SPV).

#### **3.4.4 Industrial cluster development**

The Government is aware of the importance of advancing the economy through industrial development. On 22 September 2015, the Cabinet approved the Cluster-based Special Economic Development Zones Policy. The aim is to strengthen the industrial value chain, enhance Thailand's investment potential by introducing attractive measures and incentives for current and potential investors, and prepare a foundation for the country's future economic growth. The policy will also contribute to regional development as well as offer investment opportunities to small and medium enterprises. **Six targeted industrial clusters have been identified**, which can be categorized into 2 types. These are: (1) Super Clusters, which encompass clusters of businesses using advanced technology and future industries, namely: Automotive and Parts Cluster, Electrical Appliances Cluster, Electronics and Telecommunications Equipment Cluster, Eco-friendly Petrochemicals and Chemicals Cluster, and Digital Cluster; and (2) other targeted clusters, which are the Agro-processing Products Cluster and Textiles and Garment Cluster.

The **incentives under the Cluster-based Special Economic Development Zones Policy** include a 3-8 years' corporate income tax exemption or up to 15 years' exemption for highly important future industries and an additional 5 years of 50% tax reduction, machinery import duty exemption, personal income tax exemption for leading international specialists working in specified locations, consideration to grant the permanent residence status in Thailand to leading international specialists, and permission for foreigners to own land to operate in the promoted industries.

Furthermore, the Government attaches importance to supporting businesses that will contribute to the development of the specified industrial clusters, such as knowledge-based and logistics businesses. It also emphasizes development of other supporting factors for cluster development,

such as human resources and labour development, technological and innovation promotion, infrastructure development, and city planning improvement.

With regard to the **mechanism to move this policy forward**, the Cabinet has assigned the Ministry of Industry to be the responsible agency and focal point to ensure integrated, coherent and tangible policy implementation in every cluster so as to achieve the cluster development goals in an efficient and effective manner.

#### **3.4.5 Digital economy development**

The development of the digital economy is one of the Government's important policies to enhance Thailand's economic potential. During the past year, the Government has undertaken many steps in this regard. Among others, the Preparation Committee for Digital Economy and Society has been established to serve as an interim mechanism to set directions for the country's national digital economy development until the National Digital Economy and Society Committee Bill is passed and comes into effect. Currently, the Office of the Council of State and the Ministry of Information and Communication Technology are also revising 3 groups of laws to drive the digital economy, namely, laws regarding the promotion and development of digital economy, laws on the facilitation of digital economy development, and laws related to security.

At the same time, the Government is drafting a digital economy and society development plan to replace Thailand's Information and Communication Technology (ICT) Master Plan. The development plan will consist of five main strategies, which are the development of hard infrastructure, the development of soft infrastructure, the development of service infrastructure, digital economy promotion, and digital society promotion. In addition, the plan also aims at enhancing national competency and competitiveness through improvement of the local ICT learning centres, announcing Regulations on the Permission to Utilize Foreign Satellite Channels B.E. 2558 (2015), cyber threat monitoring and alerting, confidence building in electronic transactions, improving database management, confidence building in conducting electronic transactions, establishing an ICT Law Centre, and building a Government Access Channel.

#### **3.4.6 Tourism cluster development**

The Government has given priority to increasing national income from the tourism sector, focusing on area-based development of different segments, namely, nature tourism, heritage tourism, cultural tourism, local tourism, and medical tourism. The goal is to develop quality and sustainable growth that encompasses all aspects from tourism product and service development to tourism management and marketing. This will lay a foundation for balanced and sustainable tourism development and promotion to make Thailand a quality tourism destination. In the immediate term, the Government has designated 8 tourism development clusters and devised a

tourism development action plan for these clusters as a mechanism to connect and move the tourism industry forward at all levels.

### **3.4.7 Water management**

Important achievements are as follows:

**(1) Implementation of water management in accordance with the water resource management strategy to resolve flood and drought issues** as well as to ensure water quality, development and management for consumption, agricultural use, ecological system, and industrial use

The Government had implemented the strategic plan for water resource management, and on 7 May 2015, the Cabinet approved the new Water Resource Management Strategy (2015-2026). The strategy comprises 6 areas: 1) water consumption management; 2) water security for production sectors (agriculture and industry); 3) flood and drought management; 4) water quality management; 5) water source rehabilitation and soil erosion prevention; and 6) strategy management. The strategy was publicized during July-August 2015. In addition, on 17 March 2015, the Cabinet approved a Master Plan on Drought Mitigation and Prevention as a framework for preventing, resolving and managing drought, along with the Supporting Plan for the National Disaster Prevention and Mitigation Plan B.E. 2558 (2015), to be implemented in parallel with the Water Resource Management Strategy.

**(2) Water source conservation and water consumption management** with the aim to provide and improve both surface water and groundwater sources, and develop water supply systems for villages and rural areas.

Progress made is as follows:

(1) **Water supply:** In 2014-2015, the Government completed the development of water supply for 1,878 villages out of the target of 2,246 villages, which is equivalent to 84 per cent;

(2) **Surface water sources:** The Government has rehabilitated natural water sources, repaired and improved water infrastructures, and constructed 36,016 reservoirs with a total volume of more than 2 million cubic metres of water;

(3) **Groundwater sources:** The Government has implemented 6 main projects to increase access to groundwater. These are:

(3.1) Groundwater development project to resolve shortage of water for consumption in 70 provinces: 672 artesian wells (from a target of 683) have been dug, providing a total volume of 22.7 million cubic metres of water and benefiting 129,600 people;

(3.2) Groundwater development project for clean drinking water in schools countrywide: 698 artesian wells (from a target of 700) have been dug, providing a total volume of 27,920 cubic metre of water per day and benefiting 249,400 people;

(3.3) Groundwater development project for agriculture use in drought areas: The project was implemented in two formats, namely, systematic groundwater for agriculture (area of 100 rai or 160,000 square metres) and immediate groundwater for agriculture (area of 30 rai or 48,000 square metres), and covered 1,220 areas (from a target of 1,285 areas) with an extraction rate of 13,250 cubic metre per hour. The project benefited people living in a total area of 66,250 rai;

(3.4) Groundwater development project to support Royal Projects in 72 areas (from a target of 97 areas);

(3.5) Groundwater monitoring network project for 1,458 artesian wells/805 stations: The project was divided into inspecting and monitoring the quantity and quality of the existing 1,408 wells/775 stations under observation and building additional observation wells with a total of 50 wells/30 stations;

(3.6) Monitoring and regulating project for water-related activities and groundwater operation: The Government granted licenses for 8,420 artesian wells and completed inspections of 16,567 artesian wells (from a target of 28,380).

### **(3) Disaster crisis management (droughts and floods)**

Important achievements are as follows: (1) Water pumping for agricultural use and water supply system in 34 provinces, with a total water volume of 50,352,788 cubic metre in 137 areas, benefiting 94,646 households; (2) Completion of groundwater development projects in 1,321 areas, equivalent to 56,068,000 litres of water supply per day, which benefited 264,200 households; (3) Groundwater well drilling project, which saw 511 artesian wells dug, and 211 pumping machines installed, extracting a total water volume of 43.66 million cubic metres per year.

#### **3.4.8 Agricultural zoning**

The Government has announced zoning of agricultural areas for 20 agricultural products, including crops, livestock and fisheries. A management plan for the zoning has also been set for short-, medium-, and long-term goals. At the initial stage, lands unsuitable for rice growing was transformed into sugarcane growing fields. The area-based information has been updated, and large-scale agriculture promoted as part of the agricultural land management. This is aimed at facilitating small-scale farmers to form a group, with a plot manager, so as to reduce the production costs, build bargaining power, enhance productivity through product quality and standards control, as well as provide links to the market. As a result of the zoning, 28 products and 263 plots of mixed farming have been selected, covering 520,065 rai (832,104 square meters) and under the supervision of 252 plot managers.

## **4. Progress on the Implementation of the Government's 11 Core Policies**

The Government, in addition to undertaking measures to address urgent issues, solving long-neglected problems, and focusing attention on key agendas to build a foundation for long-term development, has been implementing its 11 core policies. Highlights of the progress on each of the policies are as follows:

#### **4.1 Policy 1: Protecting and Upholding the Institution of Monarchy**

The Government places top priority on **protecting and upholding the Monarchy and on disseminating accurate knowledge and understanding about the Institution of Monarchy and royal duties for the people**, including publicizing and further expanding on the works of royal development projects. Various activities were organized throughout the country, for example: production and broadcast of short films under the theme “12 Core Values”; documentary production projects for teachers and students from schools throughout the country in honour of His Majesty the King with a view to engendering the love and respect for the Monarchy among children and young people; organization of vocational and employment fairs in honour of His Majesty; establishment of Standard Testing Centres for skilled labour in recognition of His Majesty as Father of Thai Skill Standards; and organization of countrywide cycling events “Bike for Mom” to mark Her Majesty the Queen’s 83<sup>rd</sup> Birthday Anniversary on 12 August 2015, led by His Royal Highness Crown Prince Maha Vajiralongkorn and Her Royal Highness Princess Bajra Kitiyabha. The event was recorded as the largest ever bicycle parade by the Guinness Book of World Records, with 136,411 participants.

##### **Activities in honour of His Majesty the King, Her Majesty the Queen, and the Royal Family**

The Government has continuously organized various activities, for example: the campaign to encourage “Doing Good Deeds during the Auspicious Year”; vocational and employment fairs in honour of His Majesty; establishment of Standard Testing Centres for skilled labour in recognition of His Majesty as Father of Thai Skill Standards; and publication of books on the work ethics and multifarious duties of His Majesty the King, Her Majesty the Queen, and members of the Royal Family.

##### **The celebrations on the auspicious occasion of His Royal Highness Crown Prince Maha Vajiralongkorn’s 63<sup>rd</sup> Birthday Anniversary on 28 July 2015**

Activities organized included the ceremonies to present the royally-bestowed monk robes to 76 Provincial Cultural Offices and 83 temples across the country to give to monks during the Buddhist Pirith chanting ceremonies for HRH the Crown Prince; exhibition on HRH Crown Prince’s Activities on Arts; concerts in celebration of HRH the Crown Prince’s 63<sup>rd</sup> Birthday Anniversary; and the quality and standard improvement project for medical laboratories in

Crown Prince Hospitals, with all targeted 21 Crown Prince Hospitals across the country achieving ISO 15189: 2012 certification

**The celebrations on the auspicious occasion of Her Royal Highness Princess Maha Chakri Sirindhorn's 5<sup>th</sup> Cycle Birthday Anniversary on 2 April 2015**

Activities included Thai masked dance (Khon) and classical dance performance in Beijing, China; "Very Thai" Festival in the United Kingdom to celebrate the 160<sup>th</sup> anniversary of diplomatic relations between the Kingdom of Thailand and the United Kingdom; Thai Film Festival at the British Academy of Film and Television Arts (BAFTA); and other activities to further HRH the Princess' initiatives in 5 areas, namely: (1) the development of national museums; (2) the improvement of the National Library of Thailand; (3) the improvement of the National Archives of Thailand; (4) the campaigns to promote Thai dance, music, and folk music; and (5) the public health promotion campaigns to administer diphtheria and measles vaccines nationwide and to establish health stations in Border Patrol Police Academics countrywide.

**Dissemination of accurate knowledge and understanding on the Institution of Monarchy**

The authorities have resorted to legal measures under the Computer Crime Act relating to royal defamation to conduct 24-hour monitoring on those individuals charged for having shared offensive information, images, or inappropriate advertisements on websites and other social media outlets. Steps would be taken against such illegal acts in accordance with the Computer Crimes Act B.E. 2550 (2007).

**Dissemination of knowledge on the Sufficiency Economy Philosophy and other Royal Development Projects**

The Government has presented His Majesty the King's Philosophy of Sufficiency Economy at international forums, including at the United Nations Summit to adopt the Post-2015 Development Agenda, as a set of important principles and a key model for sustainable development. Experts have been invited to give lectures and talk to different sectors and the Thai communities overseas in targeted foreign countries, such as the Kingdom of Belgium, the Federal Republic of Germany, and the Swiss Confederation, about the works of Their Majesties the King and Queen to improve the livelihoods of the Thai people in accordance with the Sufficiency Economy Philosophy.

The Government has also supported the establishment of Learning Centres for Sustainable Highland Development through Royal Projects, which have already trained 112,757 farmers. Furthermore, the Royal Park Rajapruek in Chiangmai has also been developed as an important centre to disseminate knowledge on His Majesty the King's agricultural work. Examples of projects exemplifying the Philosophy of Sufficiency Economy and in support of the Royal Development Projects include soil analysis and recommendations on how to use fertilizers; the establishment of 2,400 Centres for the Transfer of

Land Development Technology; trainings on cost accounting; workshops on Sufficiency Economy network building; and trainings for farmers on Agricultural Development under His Majesty's New Theory in accordance with the Sufficiency Economy Philosophy; supporting the implementation of Sufficiency Economy principles in the industrial sector as guidelines that would lead to tangible, effective and efficient outcomes and integration of works among networks through organization of various seminars for industrial entrepreneurs, which attracted 1,065 participants, and capacity building for industrial entrepreneurs on organizational development; improving industrial energy management for sustainability so as to help reduce production costs; fostering the idea of "Sufficient Living" guided by His Majesty's philosophy among children, young people and the public; establishment of the Centre for Promotion of Sufficiency Economy Philosophy in the Education Sector by incorporating the Philosophy in school curriculums at all levels, providing trainings for academic and educational staff including executives, teachers, and supervisors on how to pass on the knowledge about, as well as the implementation of, the Philosophy to students, and evaluating 14,852 model schools on their Sufficiency Economy-based activities and management, or Sufficiency Economy Schools", during 2007-2013; support for royal initiative projects by allocating a budget of 2,502,833,360 baht to **171 royal development projects** in 2015; and promotion of "**Brain Banks**" by advocating the Sufficiency Economy Philosophy through senior volunteers through such activities as the workshops on "promotion and communication about Brain Bank activities" and sessions for exchange and discussion to support promotional channels, which were organized in 4 regions during August-September 2015, as well as follow-up activities at the community level and publication of Brain Bank newsletters to disseminate knowledge on various useful topics to the public.

#### **4.2 Policy 2: Maintaining National Security, and Foreign Affairs**

There has been progress on many areas, including tackling issues of human trafficking, foreign workers, illegal migrants, and violence in the Southern Border Provinces, fostering international relations, and preventing and suppressing narcotic drugs. Highlights of key achievements are as follows:

##### **Tackling issues of human trafficking, foreign workers and illegal migrants**

The Government has taken actions to prevent and address these issues, resulting in 6,034 arrests with 35,120 illegal migrant culprits, comprising 24,406 Cambodians, 8,462 Myanmar people, 30 North Koreans and 222 Laotians. With regard to **foreign workers of 3 nationalities (Myanmar, Laotian and Cambodian)**, whose work permits had expired or who do not have work permits, the Government has provided service at Visa and Work Permit Centre, with 240,035 migrant workers of these 3 nationalities being

granted visas and work permits. As for **foreign workers who have not yet received work permits**, the Foreign Worker Registration Centre has registered 1,626,235 people (1,533,675 workers and 92,560 family members of workers). Moreover, the authorities have coordinated with the countries of origin to verify the nationalities of 582,273 foreign workers, whose names have been provided by the employers. The authorities have also issued temporary stay and work permits to 1,049,326 foreign workers from 187,977 employers.

At the same time, the Government has set up systems for employing foreign workers in the Special Economic Zones (SEZs) by regulating workers of Myanmar, Lao and Cambodian nationalities who cross border to work on a daily basis or are seasonal workers in accordance with Section 14 of the Alien Workers Act B.E. 2551 (2008). It is therefore in the process of establishing One-Stop Service Centres as well as arranging for workers' skill developments to support the labour demand in the SEZs. Workshops have been organized on labour rights protection, labour relations and networking among agencies in the SEZs in Tak, Mukdahan, Trat, Sa-kaeo and Songkhla provinces. The measures under Section 14 of the Alien Workers Act B.E. 2551 were publicly announced by the Office of the Prime Minister in the Royal Gazette on 18 June 2015.

#### **Addressing illegal, Unreported, and Unregulated Fishing (IUU Fishing)**

The Government has established the Command Centre for Combatting Illegal Fishing (CCCIF) and enforced the Fishery Act B.E. 2558 (2015), while also preparing and implementing additional legislations and measures to tackle this issue in a holistic manner. These include: revision of the national plan; expediting the installation of the Vessel Monitoring System (VMS); inspection of the fishery industry's workplaces and processing plants; establishment of the Port in - Port out (IPPO) Centre to prohibit illegal fishing vessels from leaving the coast; revision of the Anti-Human Trafficking Act to prevent foreign workers from being trafficked. The Government has **informed and explained measures to tackle IUU fishing and human trafficking** to fishermen, entrepreneurs in the fishery businesses as well as the general public so as to ensure public understanding of the necessity of invoking Section 44 of the Provisional Constitution of the Kingdom of Thailand B.E. 2557 (2014) to regulate and upgrade Thailand's fishery industry to meet international standards and to take concrete actions against IUU fishing, in line with the Government declaring this issue as a national agenda in order to conserve and increase the marine natural resources for the long-term benefits of Thai fisheries.

Furthermore, to address the IUU fishing in the long run, the government agencies concerned (the Royal Thai Navy, Royal Thai Police, Marine Department, Department of Provincial Administration, Department of Employment, Department of Labour Protection and Welfare, Department of Fisheries) have **signed a Memorandum of Cooperation to share and**

**integrate information on fishing vessels and workers as a central database.**

This would enable all agencies to work in the same direction and ensure more effective control of Port in - Port out reporting in accordance with the Anti-IUU Fishing Action Plan. The Government has also continuously published reports on commitments to resolve the IUU fishing problems and implement anti-IUU fishing measures, and urged local fishermen to cooperate with the CCCIF in strictly implementing the CCCIF's measures so that Thailand can overcome concerns and be removed from the European Union's IUU fishing watch list.

**Resolving violence in the Southern Border Provinces**

This is another top priority issue of the Government, and progress has been made continuously. The Government has introduced a policy proposal on Administration and Development of the Southern Border Provinces 2016-2018, which was drafted through an inclusive consultation process involving all key stakeholders. The proposal emphasizes resolution of the situation based on His Majesty the King's advice of "Understand, Reach out and Develop", and the "peaceful approach", attaching importance to creating unity and integration among government agencies in translating the policy into practice, enhancing capacity of government officials on the ground, and working through the mechanism set up to move forward the peace dialogue. This approach has so far led to a decrease in the number of violent incidents and losses in the area.

**Promoting international relations**

The Prime Minister has visited several countries, including the Republic of the Union of Myanmar, the Kingdom of Cambodia, the Lao People's Democratic Republic, Malaysia, the Socialist Republic of Vietnam, Japan, Brunei Darussalam, the Republic of Singapore, and the People's Republic of China. In addition, the Prime Minister or high level representatives from the country attended the 10<sup>th</sup> ASEAN - EU Informal Leaders Meeting in Milan, Italy, the APEC 22<sup>nd</sup> Economic Leaders' Meeting in Beijing, China, the 69<sup>th</sup> session of the United Nations General Assembly in New York, USA, the Organization for Security Cooperation in Europe (OSCE) Ministerial Council in Basel, Switzerland, the 3<sup>rd</sup> UN World Conference on Disaster Risk Reduction in Sendai, Japan, the 4<sup>th</sup> Global Conference on Cyberspace in the Hague, Netherlands, the 25<sup>th</sup> and 26<sup>th</sup> ASEAN Summits in Nay Pyi Taw, Myanmar, and in Kuala Lumpur, Malaysia, and the Asian - African Conference Summit 2015 in Bandung, Indonesia.

Thailand hosted 2 important international summits, namely, the 5<sup>th</sup> Greater Mekong Subregion (GMS) Summit during 17-20 December 2014 and the 2<sup>nd</sup> Thailand - Pacific Countries Forum (TPIF) on 30 May 2015. The country also played a pivotal role in initiating and hosting the Special Meeting on Irregular Migration in the Indian Ocean on 29 May 2015, which was attended by high-level representatives from over 20 countries, underscoring Thailand's role in promoting humanitarian operations and advocating concrete actions to solve the problem of irregular migration in a sustainable manner on

the basis of international burden sharing and shared responsibility. It has been evident that the international community has recognized Thailand's important role as a strategic country in steering the ASEAN Community forward, and has been continually expanded cooperation with Thailand.

### **4.3 Policy 3: Reducing Social Inequality and Creating Opportunities to Access Public Services**

The Government accords importance to creating opportunities, jobs and income security. It has provided employment services for 1,031,930 job seekers (147.42 per cent of the target of 700,000 for the whole year), and 573,563 of them have been employed. **Employment centres for Thai people, or Smart Job Centres, are being established**, utilizing technology and modern media to drive the "All Thais Have Jobs" policy. Eight such centres have been in operation, registering 61,091 jobs openings by employers, while a total of 21,790 job seekers have registered themselves to apply for jobs within the country and 11,548 of them have been employed.

The Government has also **developed protection mechanism for unregistered workers**. In this regard, the Cabinet adopted a resolution on 3 March 2015 to put into operation the National Savings Fund (NSF). The NSF has been open for membership registration since 20 August 2015. As of 15 September 2558, the NSF had a total of 268,289 members with collective savings of 249.10 million baht, with a steady increase over time from the first day of registration (153,750 members). Furthermore, a centre for coordination and assistance of unregistered workers has been established in every province to enable better coverage for unregistered workers to receive protection and care from the government.

The Government attaches importance to the **welfare of the elderly, children, women, persons with disabilities and those in disadvantaged groups**. Measures taken in this respect include, for example:

#### **(1) Childcare Financial Support Project**

This is aimed at providing basic welfare and creating a social protection system for newborns so that they have quality upbringing and proper development commensurate with their age. It also allows access to government services and guarantees the right to survival in accordance with the Convention on the Rights of the Child. Financial support is given to approximate 170,000 children from birth up to 1 year of age in families facing or at risk of poverty at the rate of 400 baht per child per month. Registration for receiving this benefit is open from 15 September 2015 to 30 March 2016;

#### **(2) Enhancing a quality aging society**

Awareness-raising campaigns have been conducted to prepare the population for transition into an aging society by implementing measures such as producing 40,155 sets of media kits, producing animations, as

well as organizing extra-curricular activities and life-long education for the targeted elderly groups to improve the quality of life and raise the awareness of self-worth. Such activities have been organized for 277,968 elderly persons;

(3) **Increasing allowance for persons with disabilities** from 500 baht per month per person to 800 baht per month per person, successfully reaching the target of 1,352,322 persons;

(4) **Improving the infrastructures and public transportation** to better accommodate the daily lives of the elderly, children and persons with disabilities

The Ministry of Transport has made preparations to accommodate natural gas-powered public busses equipped with lowered platforms for easy access. Survey was completed for the routes where necessary adjustments would be made to accommodate 50 such wheel-chair friendly busses that would be acquired in November 2015. Modifications have also been made to 11 bridges and 90 bus stops with inclined ramps and foot paths.

The Government also gives importance to **enhancing social order and moral and ethical standards** by: (1) **Re-organizing public transportation system** by setting service standards for registered metred taxis in Bangkok; enforcing the registration of yellow plated motorcycle taxis and issuing identification licenses and motorcycle taxi jackets, which was completed in April 2015; and improving pick-up locations, routes and operating conditions of public van services within the Bangkok Metropolitan Area covering 148 service routes; and (2) **Re-organizing public spaces used by street vendors** in order to free up footpaths for the general public. This was already completed in 35 areas spanning 21 districts in Bangkok, such as the space along the banks of the old city's canal, areas around the Supreme Court, Asdang Road, areas around the Victory Monument, Rachatewi District, Chatchuchak Market, the space along the banks of Padung Krungkasem Canal, and the Khlong Thom Market area. This greatly satisfied the general public and tourists. The Government aims to continue to organize other areas further.

#### **4.4 Policy 4: Education and Learning, Supporting Religion, Arts and Culture**

The Government has taken a number of important steps, including the appointment of the Education Policy Development Committee to propose measures to drive the development and improvement of the quality of education and to coordinate with all agencies working on education policy and implementation so as to achieve a coherent and common direction; and the appointment of 7 Steering Committees and Sub-Committees to work with the National Legislative Assembly and the National Reform Council. At the same time, the 5-Year Vision and Framework for Education Development (2016-2020) has been drafted, stipulating the vision and goals to be achieved by the

year 2020 as well as the vision and direction for education development with short-term targets to be achieved within a timeframe of 1 year. Furthermore, preparations have been made for the “Empower Reform Province” projects. Classroom sizes of pre-school, primary and secondary levels have been adjusted. Evaluation tests are to be administered for Grade 3 of primary schools to assess the quality of national primary education, while evaluation under the local assessment system (LAS) has been dropped. Class schedules have been adjusted for greater flexibility. The subjects of history and civic responsibility became mandatory on school curriculums. Improvement has been made to the national standardized test (O-NET) by reducing the number of subjects required for testing from 8 to 5. Attempts have also been made to improve the literacy level and communication ability so that Grade 1 students will be able to read and write at that stage. Students at junior high school level are required to take optional vocational education classes. Problems concerning teachers who focus their time and efforts in tutoring schools are being addressed. Time spent in classrooms would also be reduced to allow for other forms of learning in accordance with the “Moderate Class – More Knowledge” concept, with 4,100 schools ready to proceed.

The Government has prioritized **improvement of opportunities and equality in education for the poor and disadvantaged groups**. Budget has been allocated to support the costs of education from kindergarten up to the basic level of education in schools under the jurisdiction of the Ministry of Education and local administrative organizations. Educational services have been provided to individuals without civil registration documents including children of migrant workers, children living in border areas and children who are unregistered, poor, or homeless. Vocational education has also been offered with a view to promoting employment. With regard to **participation in education management**, projects to reform learning for learners have been implemented to promote the distribution of power in management and administration of education, while subsidy schemes for all types of private schools have been undergoing restructuring in a sustainable manner. On **promotion of life-long learning**, education services have been provided to 772,101 persons. Non-formal and informal education have also been provided to 321,262 elderly persons. Activities and projects on area-based vocational training have been organized to promote learning for children and young people, while pilot projects on vocational education for children with special needs have been launched in education facilities in Bangkok.

On **promotion and repositioning of vocational studies to produce and develop human resources for national development**, projects to coordinate joint vocational and senior high school curriculums (dual education) have been pursued with the Office of the Non-formal and Informal Education (NFE) and the Vocational Education Commission (VEC) working together to set up 11 areas of vocational courses. Efforts have also been undertaken to

reposition and improve the image of vocational education students. An event titled “Private Vocational Education: Building People, Building the Nation” was organized. To produce vocational workforce that corresponds with the needs for national development, projects on international standard vocational education for enhancement of the country’s competitiveness have been implemented. Meanwhile, 50 per cent of the educational institutions under the Vocational Education Commission have been encouraged to fully adopt the dual education system.

With regard to **production and development of teachers and education personnel**, the Government has adopted a strategic plan to produce and develop teachers in vocational education areas with insufficient number of teachers by allowing for submission of requests for teachers to teach without teaching permits for 90 days in 98 subject areas. As for the Office of Basic Education Commission (OBEC), 10 subject areas have been granted temporary permits under the same regulations. Teacher’s debt problems are also being addressed. **Promotion of information technology for educational purposes** has been pursued. Results from the Distance Learning Television (DLTV) projects have been built upon to address the problems faced by 15,369 small schools which lacks teaching staff as well as 25 private schools. The quality of the Distance Learning Information Technology (DLIT) programme has also been upgraded through using qualified teachers from highly competitive schools with the capacity to serve as live broadcasting points. At the same time, teachers and educational personnel are being developed by using the Teachers and Educational Personnel Enhancement Based on Mission and Functional Areas as Majors (TEPE Online) system.

**In supporting religious organizations to play an important role in instilling moral and ethics, promoting sustainable peace and reconciliation within the Thai society, and promoting participation in social development**, the Government has taken a number of initiatives, such as the “5 Precept Retaining Village” Project, activities organized in cooperation with the National Council for Peace and Order to return happiness to the Thai people, the exhibition on the occasion of the Thai Heritage Conservation Day, renovation of important historical sites, mobile museums for persons with disabilities, and the project to develop the National Library as a centre for life-long learning.

Moreover, the Government has promoted Thai culture in the areas of performing arts, music and handicrafts both in Thailand and overseas, developed cultural learning centres, and organized various projects to spread knowledge about local wisdoms and works of national artists, to promote culture and arts in learning facilities, to teach arts to persons with disabilities and disadvantaged groups, as well as to provide summer training for young people and others who are interested in performing arts. The Government has returned 16 historical artefacts to Cambodia. It has also organized the Art Market activities under the project to promote contemporary creative arts and

culture for tourism, supported the development of cultural creative economy (Thai fabric designs), launched – in cooperation with the Ministry of Interior – the “cultural roads” in the provinces with potential, supported creative culture villages, organized folk festivals and projects to promote creative Thai cultural products, and established the Centre of Thai Inspiration to provide services and business consulting for the development of creative cultural industry.

With regard to the **development of information and communication technologies towards a digital economy**, the Government has developed a National Single Window system for electronic data linkage, import and export of historical artefacts and arts, as well as intelligent tour guide systems at the National Museum and Virtual Museum.

To mark auspicious and important occasions, the Government organized commemorative events on the occasions of the 63<sup>rd</sup> Birthday Anniversary of His Royal Highness the Crown Prince on 28 July 2015, and “Bike for Mom” Event on Her Majesty the Queen’s 83<sup>rd</sup> Birthday Anniversary on 12 August 2015, as well as activities to showcase Thai culture under the “Bringing Thai Culture to International Stages” and “Opening Doors to the ASEAN Socio-Cultural Community” projects, and the international seminar on “Cultural Heritage and Common Identities within ASEAN”. The ASEAN Cultural Centre has also been opened on the 3<sup>rd</sup> floor of the Contemporary Arts Gallery.

The Government has promoted the country’s core values and values of Thai-ness, for example, by composing contemporary patriotic music pieces and “12 Core Values” song; producing television programmes and creative television series to promote compassion and the 12 core values; designating 4 pilot provinces, namely, Pichit, Phatthalung, Buriram and Ratchaburi provinces as “areas of morals”; producing a show called “Building a Transparent Nation, Creating an Honest Thailand” programme; organizing a forum on culture for children; honouring educational institutions with outstanding performance on Thai and local traditional music; promoting the use of Thai language and local dialects, and the use of Thai fabric dresses; and organizing the 7<sup>th</sup> Moral Assembly of Thailand under the theme of “Collectively Pushing Forward Morals towards Reformation of Thailand”

#### **4.5 Policy 5: Upgrading the Quality of Public Health Services and the Health of the People**

The Government has taken steps towards **building a health security system**, with 99.92 per cent of the population having access to healthcare under the policy of universal healthcare coverage. This policy also covers HIV/AIDS patients by continuously providing them with anti-viral medication according to set targets, as well as patients with chronic kidney failures and diabetes/high blood pressure reaching 130.85 and 92.84 per cent of the targets respectively. At the same time, the healthcare system has been

divided into 12 service areas and the Bangkok area in order to decentralize management of health resources to involve all stakeholders. A proactive approach in providing healthcare has also been adopted by having 66,492 Family Care Teams of doctors working in various sub-district-level health promotion hospitals and urban healthcare centres and linking with more advanced healthcare services. Furthermore, support has been given to 973 hospitals at different levels enabling them to pass the Hospital Accreditation for quality assurance. Traditional medicine and alternative healthcare have also been upgraded to provide services in parallel with modern medicine.

The Government's efforts at **health promotion** prioritize management of risk factors in all age groups which would lead to reduction of risks of chronic non-communicable diseases and lessen dependency during old age. This includes addressing obesity, improvement in hygiene, reproductive health, teenage pregnancy, measures to control alcohol and tobacco consumption, organizing sports and recreational activities at both national and regional levels, and providing long-term healthcare for the elderly.

All these have been undertaken in tandem with the **improvement of the efficiency of communicable disease surveillance system**, which focuses on developing a system to control serious communicable disease and health hazards occurring in specific areas or targeted population groups, such as MERS and Ebola. Priority has been given to monitoring and updating information about epidemics in an integrated manner. Furthermore, 188 networks of mobile teams of disease inspection specialists have been developed. Measures have also been taken to prevent injury and death from road accidents by preparing emergency health services, such as the referral service units and medical staff in emergency rooms. The rate of death from road accidents is at 13.98 per 100,000 people.

Priority has also been given to **development and research in the field of medical technology**. Currently, there are 22 hospitals with a Designated Receiving Area to make diagnosis and give prognosis of diseases as well as conduct research covering both health service and protection and the development of medicines.

#### **4.6 Policy 6: Enhancing the Country's Economic Potential**

The Government has implemented measures to revive the economy and support private sector adjustment. It has also launched various plans and projects to build foundation for a secure and competitive economy that can grow in a sustainable manner in the long run, so as to ensure that the people more broadly can reap the benefits and enjoy economic opportunities. The economic enhancement measures can be divided into 2 phases. The **immediate phase** includes, among others, expediting government spending, mitigating economic impact, and restoring investors' confidence. **The intermediate to**

**long-term phase** would focus on building the country's economic foundation. Highlights of the progress made in this regard are as follows:

#### **4.6.1 Immediate Phase**

**(1) Expediting government spending** by improving the efficiency of budget disbursement for FY 2015

Government agencies, state enterprises and other organizations that have investment spending of over 50 million baht have to expedite their budget disbursement in a more concrete manner, such as expediting the contract signing process by preparing draft contracts in advance and shortening the time needed for inspection of the work upon completion of the contracts.

**(2) Expediting the consideration of projects applying for investment promotion from the Board of Investment**, which had been pending from the period prior to 22 May 2014 and issuance of the Board of Investment's Announcement No. 2/2557 on Policy and Criteria for Investment Promotion on 3 December 2014

The Announcement stipulates the investment benefits in line with the government policy which emphasizes promotion of value creation businesses. This resulted in submission of applications for the BOI's incentives for 629 projects with a total value of 119,415 million baht during January-August 2015.

**(3) Providing relief for farmers, both rice growers and growers of other crops**

For **rice farmers**, the Government has carried out several projects to assist them, including income generating measures for low-income farmers, credit measures, and insurance. On government rice stock management, the Government has implemented such projects as the Rice Insurance Scheme for production years 2014/2015. In particular, for the Rice Insurance Scheme for production year 2015, a total of 92,033 farmers have applied, with a total area of 1,511,990.75 rai, or 75.59 per cent of the total target area for this project. For the income generating measure for low-income earners, a budget of 45 billion baht has been allocated with 3,617,816 persons receiving the benefit. The project on rice collection and value creation by farmers' groups has been given a budget of 20 billion baht, 10,774.32 million baht of which has been dispensed. The agricultural credit for delaying paddy rice trade for production years 2014/2015 has received a budget of 34,788 million baht, with a total number of 79,444 farmers joining. The interest rate reduction project for rice farmers for production years 2014/2015 has helped relieve interest payment burden of 1,420,843 farmers, resulting in a 305.22 million-baht reduction from the principals of 90,536.46 million baht. The interest reimbursement project for rice traders to maintain stock (3 per cent) of off-season rice in 2015 saw 140 traders applying, with a total loan of 39 billion baht, a total stock of 4.3 million tons and interest reimbursement of 582 million

baht. The Government has also organized trading markets for paddy rice stock from production years 2014/2015 to maintain domestic price stability for rice, resulting in an increase of 100-800 baht per ton of the price of paddy purchased at rice mills. The Government was able to sell 11.18 million tons of rice in the government stock from production years 2014 and 2015 (as of 30 September 2015).

For **farmers growing other crops**, the Government has implemented measures to repay debts for tapioca growers totalling 245 million baht from 2,081 contracts, and to reimburse interest payment for tapioca processors at 3 per cent for 24 months. In addition, the project to compensate income for rubber farmers with the budget of 8,453.99 million baht have been joined by 801,234 families, while the credit support project for rubber processing businesses, which was allocated the budget of 20,450.15 million baht, has been joined by 19 companies. Under the project to support credit for small-scale rubber farmers to pursue other ventures for supplementary income, the Bank for Agriculture and Agriculture Co-operatives has approved loans of 6,678.10 million baht for 75,315 families of such rubber farmers. Furthermore, assistance has been extended to sugarcane farmers in the form of revolving funds totalling 16,953.45 million baht (as of 30 September 2015).

Apart from the above, the Government has been working on a number of other measures. These include:

**(1) Income generating measures**

Focus has been placed on enhancing the quality of agricultural products up to standard, such as certification of the place of origin for fruits and vegetables through the implementation of Good Agricultural Practice (GAP), inspection of aquaculture farms and aqua product processing plants, analysis and inspection of seafood products, and development of assessors for the rice production process according to the GAP and assessors of rice mills according to the Good Manufacturing Practice and Hazard Analysis Critical Control Point (GMP/HACCP);

**(2) Measures to reduce the expenses and production costs for farmers**

There are, for example, the project to provide farming equipment and machinery, which benefitted 218,397 persons in a total area of 2,810,878 rai and reduced the production costs by 945,058,304 baht; decrease and control of rice field rental rates which resulted in an average rental reduction of 631-22,238 baht per farmer with the total amount of rental reduction of 342,139,308 baht; setting up of marketplaces for farm products by engaging the private sector in each province in organizing such events at least once a week; and allocation of land for farmers, which saw 80,000 farmers already obtaining a total area of 600,000 rai; and

**(3) Debt relief for farmers**, especially with regard to debts of agricultural cooperative members whose farms had been flooded in

2011 (3<sup>rd</sup> year). Debt payments by these farmers have been suspended for a period of 3 years, while the Government pays the interests according to the rate being charged to cooperative members during the suspension period. In this regard, the Government has paid up the entire sum by paying the reimbursement for the interests for 26,059 members of the agricultural cooperatives/groups in the amount of 199.22 million baht. In addition, the Government has implemented a project to suspend debt payment for smallholder farmers and low-income earners who have debts of less than 500,000 baht through agricultural cooperatives/groups. Under this project, the Government would pay the interests of 3 per cent for a period of 3 years. For pending debts, it would pay the interests of 4 per cent for 3 years, as well as make payments from the revolving fund for vocational rehabilitation. As of now, interest payments have been made for 200,291 members totalling 85.27 million baht. The Government has also set up a revolving fund which has already approved loans totalling 448.87 million baht to 1,190 farmers and low-income earners.

#### **(4) Cost of living support for low-income earners**

Measures include organizing 1,900 Blue Flag fairs nationwide which helped relieve the costs of living burden for 7 million people by a total value of approximately 700 million baht; selling rice packs to low-income earners at 20 per cent lower than the market price through 124 cooperatives in 58 provinces; maintaining or slowing down adjustment of prices of goods until November 2015; and extending the measure to reduce the costs of living with respect to transportation until 30 April 2016.

#### **(5) Measures to support economic recovery**

For example, **the provision of tax incentives to support domestic tourism and in-country seminar organization** would remain effective until 31 December 2015. **Credit measures to support access to capital for small-scale borrowers (Nano-Finance)** have also been implemented with a total credit of not exceeding 100,000 baht per person, and so far, 24 companies have applied for the Nano-Finance Permits, 15 of which have passed the requirements and received the permits to operate. **Phase 2 of the economic stimulus measures** have been adopted comprising the loan programme to develop water resources management and immediate-term road transport systems with a total budget of 77,095.56 million baht, 67,876.82 million baht of which have been allocated and 5,235.63 million baht disbursed.

The Government announced additional measures to stimulate the economy in September and October 2015. There are **measures to improve the standard of living for low-income earners and measures to stimulate the Government's small-scale investments nationwide** with the budget of 136,275 million baht. These consist of 60 billion baht for measures to improve the standard of living at the village level, 39,743.80 million baht for measures to promote the standard of living at the tambon or sub-district level (5 million baht per sub-district), and 40 billion baht for measures to stimulate the

Government's small-scale investments throughout the country. **Immediate fiscal measures to support small and medium enterprises** (SMEs) encompass provision of soft loans to be used as revolving funds for SMEs, improvement of criteria and conditions of project loan guarantees under Portfolio Guarantee Scheme Phase 5 (PGS5), and support for SMEs by way of joint investment, corporate income tax reduction and tax incentives for new start-ups. **Fiscal stimulus measures for the real estate sector** includes easing of the housing loan approval requirements for middle- to low-income homebuyers so as to allow them to buy land with buildings or condominiums, coupled with the lowered registration and transfer fees from 2 per cent of the assessed value of the properties being transferred and 1 per cent of mortgage fees but not exceeding 200,000 baht, down to 0.01 per cent for 6 months.

#### **(6) Reducing barriers to export**

The Government has expedited implementation of a strategy to drive exports, including **expediting strategic marketing by promoting comprehensive product clusters** for agro-food products/processed food/manufacturing and others as well as expanding trade in ASEAN through promotional activities, which resulted in expanded market in ASEAN for over 1,000 businesses and generated over 1,100 million baht worth of purchasing orders; and **export restructuring to lay the foundation for the economy in the long term** by developing and promoting Thai industries that have potentials through the Product and Service Champion Project along with business matching activities which led to the matching of 1,000 pairs covering buyers from over 30 countries.

The Government has also pursued **proactive negotiations to open up markets and reduce trade barriers at the multilateral, regional, and bilateral levels** with Free Trade Agreements (FTAs) already concluded with 16 countries, in the process towards implementation with 2 countries (Chile and Peru), and under negotiations with 2 others. Furthermore, Thailand has given special treatments to 48 least developed countries (LDCs) by abolishing import taxes and quotas, which would allow access to raw materials and expand trading relationships with LDCs in Africa and South Asia. The Government has been **promoting trade with new potential markets** such as Russia, China, Hong Kong, Iran, India, as well as countries in the Middle East, Latin America and Africa. Over 9,400 Thai entrepreneurs have received support to expand to new markets, resulting in over 138 billion baht worth of purchasing orders.

#### **4.6.2 Intermediate- to Long-Term Phase**

##### **(1) Improving tax collection process to collect taxes in full**

Measures implemented include **tax collection to minimize social disparity** by putting into effect the Inheritance Tax Act B.E. 2558 (2015) and Amendment of the Revenue Code (No. 40) B.E. 2558 (2015) (Gift Tax) which were announced in the Royal Gazette on 5 August 2015;

**expanding new tax base** by revising the details of the Land and Building Tax Bill to replace the current property and land tax and local development tax; **improving tax structure to enhance economic competitiveness** including (1) tax measures to promote the establishment of International Headquarters (IHQ) and tax measures to promote the establishment of International Trade Centre (ITC) which were announced in the Royal Gazette on 1 May 2015; (2) improving customs structure to increase production efficiency, with issuance of the Ministry of Finance’s Announcement on the reduction of tariffs and customs exemption pursuant to Article 12 of the Customs Act B.E. 2530 (1987) (No. 11) which was announced in the Royal Gazette on 29 December 2014; (3) measures to extend the reduction of value added tax, which was announced by the Royal Decree pursuant to the Revenue Code on the Reduction of Value Added Tax (No. 592) B.E. 2558 (2015), which was announced in the Royal Gazette on 26 September 2015 and came into effect on 1 October 2015; (4) draft Royal Decree pursuant to the Revenue Code on Tax Exemption (No. ...) B.E. ... (Measures on individuals’ income tax exemption for the expenses on research and development of technology and innovation), which the Cabinet approved in principle on 11 October 2015; and (5) draft Royal Decree pursuant to the Revenue Code on Tax Exemption (No. ...) B.E. ... (Tax measures to promote sports), which the Cabinet approved in principle on 11 October 2015.

Moreover, **improvements have been made to laws, regulations and procedures regarding tax avoiding goods** by revising the excise tax law to improve the excise tax calculation base, and reforming tax collection on liquor and cigarettes. On 19 May 2015, the Cabinet approved in principle 2 draft laws, namely, the Excise Tax Bill B.E. ... and the draft Excise Tax Code. The Government has also revised **tax collection for partnerships and groups of individuals who do not constitute juristic persons**. The Amendment to the Revenue Code (No. 39) B.E. 2557 (2014) was published in the Royal Gazette on 26 December 2014. With regard to **improvement of tax collection on private schools and tutorial schools**, the Royal Decree pursuant to the Revenue Code on Tax Exemption (No. 589) B.E. 2558 (2015) was announced in the Royal Gazette on 10 July 2015 and came into effect on 11 July 2015.

## **(2) Domestic tourism promotion**

The Government has adopted a plan of action to develop 156 tourist attractions and the plan to develop national parks for eco-tourism in line with international standards in 4 pilot national parks, namely, Khaoyai National Park, Doi Inthanon National Park, Erawan National Park, and Than Bok Khorani National Park. It has also developed the **Thai Tourism Strategy 2015-2017** with a view to sustainably reforming tourism in Thailand with the vision “**to lay a foundation for developing and promoting tourism in Thailand towards balanced and sustainable quality destination**”. The Government has continuously organized **activities to promote tourism**, for

example, Thai-style Floating Market at Khlong Phadung Krung Kasem, agro-tourism promotion such as the 12 Cities...You Shouldn't Miss Project, and designation of 8 tourism development clusters covering every region in Thailand by 2017. The Government has also organized night-time activities which integrate tourism with cultural heritage, such as performing arts by the Fine Arts Department, paying respect to the Reclining Buddha at Wat Pho, and visiting ancient remains and architecture of Rattanakosin Island at the National Museum. It hosted the 3<sup>rd</sup> International Film Festival, organized the Clean Train Toilet for Tourism Project, as well as the "Touring Localities...Touring Thai Way of Living" Project to develop the network of Sufficiency Economy Villages. Furthermore, the Government has signed the agreement on the establishment of the Regional Secretariat Office for the implementation of the ASEAN Mutual Recognition Arrangement on Tourism Professionals.

In order to **ensure safety and security for tourists**, the Government has implemented the Tourist Information and Awareness Project (4<sup>th</sup> year) to inform and advise tourists through various types of media about safe tourism, channels to receive complaints, as well as assistance and compensation for foreign tourists who encountered dangers while in the country. It has also worked to suppress tourist scammers.

Regarding **promotion of sports**, the Government has continuously implemented Thailand's Sports Strategic Plan, and participated in and hosted competitions and international sports meetings, such as hosting of the 4<sup>th</sup> Asian Beach Games in Phuket and the 2014 National Olympic Committee Meeting, and participating in the 17<sup>th</sup> Asian Games (19 September - 4 October 2014), the 11<sup>th</sup> Para-Asian Games (18-24 October 2014) in Incheon, Republic of Korea, and the 6<sup>th</sup> ASEAN School Games B.E. 2557 in Marikina, Philippines.

### **(3) Promotion of energy management**

The Government has set forth the **Comprehensive Framework for Energy Planning** by integrating the Power Development Plan (PDP), the Alternative Energy Development Plan (AEDP), and the Energy Efficiency Development Plan (EEDP) together as one. It has also developed the Gas Plan as well as the Oil Plan. The aim of these energy frameworks is to promote energy security and efficient energy usage both in the areas of the security of the electrical system, production costs and environmental impact from electrical energy production, as well as in those of enhancing the security and efficiency of natural gas and fossil fuel management.

In 2015, the Government **expedited domestic petroleum exploration** which resulted in the discovery of an inland natural gas source at Dongmun in Kalasin province. The Government also increased petroleum production at Wassana Oil Field and extended concessions of the operators at Erawan and nearby natural gas fields and the Bongkot group of natural gas fields. The Government has delayed the submission of requests for

the exploration and production of potential petroleum fields (21<sup>st</sup> Round). In addition, the Energy Policy Committee approved the 2 long-term contracts to purchase Liquefied Natural Gas (LNG) and approved investment plans to build gas pipeline networks in 2 phases (2015-2019 and 2015-2021). Additionally, the Committee has tasked relevant agencies to conduct studies on the feasibility of additional imports of LNG and approved the expansion of petroleum pipelines to cover the Northern and Northeastern regions of the country. The Government has developed energy contingency plans in the case where natural gas deliveries from sources outside the country are abruptly ceased. It also opened a centre to monitor energy consumption levels during the Songkran Festival (Thai New Year).

The Government has moved forward with the **development of electricity power plants and grids in accordance with the Power Development Plan** and concluded an offshore power purchasing agreement with the Lao PDR for 5,427 Megawatts of electricity. It is in the process of pursuing an electrical power project for energy security with Myanmar, while an MOU has been signed between the governments of Thailand, Myanmar, Russia, and the International Energy Agency (IEA). Thailand also took part in the development of the ASEAN Plan of Action for Energy Cooperation 2016-2025. In the area of energy prices, the Government has revised the pricing schemes for petroleum, Liquefied Petroleum Gas (LPG), Natural Gas Vehicles (NGV), and electricity to ensure fairness and to truly reflect the production costs. To lessen monopoly in natural gas and oil refinery businesses, the Government announced in the Royal Gazette the Third Party Access Regime (2<sup>nd</sup> Draft) which entered into force on 9 May 2015.

To promote **alternative energy**, the Government has improved measures to promote production of electricity from renewable energy by switching from the Adder system to the Feed-in Tariff (FiT) system to reflect the production costs of renewable energy in various categories, create long-term incentives, and ensure fair prices for both producers and consumers. Furthermore, the Energy Policy Committee concluded an MOU with the Ministry of Industry in late 2014 to develop a “One Stop Service” to facilitate the issuance of licenses for producers of renewable energy. The Ministry of Energy has also implemented projects to encourage energy conservation and efficient energy consumption, and has worked with local administrative organizations to enhance communities’ energy capacity.

#### **(4) Development of transportation infrastructure**

Highlights of the progress made are as follows:

**(4.1) Land transportation: (1) The Bicycle Lane Development Project:** This is being implemented to enable the public to ride bicycles for exercise, eco-tourism, and everyday use. 566.12 kilometres of bike lanes have already been completed and ready to use, while 715.39 kilometres more are under construction and another 1071.1 kilometres will be constructed

in the future; (2) **The Dual-track Railway Project covering 6 routes: 2 of the 6 routes are currently undergoing the bidding process**, namely, Gang-Khoy – Chachoengsao Route and Jira Junction – Khon Kaen Route, while **one route**, namely, the Prachuap Khiri Khan – Chumphon Route, **is in the process of awaiting the Cabinet’s approval for the construction permission**, and **2 more routes** – the Lop Buri – Pak Nampho Route and Prachuap Nakhon Pathom – Hua Hin Route – **are in the process of consideration of the Environmental Impact Assessment (EIA) reports**; (3) **The Light Red Line (Bang Sue – Phayathai – Makkasan – Huamark) and the Red Line (Bang Sue – Hua Lumphong) Commuter Rail Projects**: These two projects are pending the Cabinet’s approval; (4) **The Airport Rail Link Project (Phayathai – Don Mueang)**: This project is under review before being submitted to the Cabinet; (5) **The Electrical Train Project**: The projects contains 4 routes, namely: the **Pink Line (Khae Rai – Minburi) and the Yellow Line (Ladphrao – Samrong)**, the feasibility studies for both of which would be submitted by the Mass Rapid Transit Authority of Thailand (MRTA) for review by the Public Private Partnership Committee, the **Orange Line (Thailand Cultural Centre – Minburi (Suwintawong))**, which is in the approval process from the Cabinet, and the **Purple Line (Southern Line, Tao Poon- Rat Burana)**, which is pending submission of the study and analysis report in accordance with the Private Investments in State Undertakings Act B.E. 2556 (2013) for the MRTA’s consideration before presenting for the Cabinet’s approval; (6) **Intercity Motorway Projects**: This project has 3 routes, namely: **Pattaya – Map Ta Phut Route**, a contract for which is expected to be signed by January 2016 and ready for service by 2019, **Bang Pa In – Nakhon Ratchasima Routes**, a contract for which is expected to be signed by May 2016 and ready for use by 2019, and **Bang Yhai – Kanchanaburi Route**, the contract for which is expected to be signed by July 2016; and (7) **The Natural Gas Vehicles (NGV) Bus Procurement Project**: all the 489 buses procured would be gradually delivered until completion in early 2016.

**(4.2) Water transportation:** (1) **The Rail Transfer Terminal Project at Laem Chabang Port (Phase 1)**: The Cabinet has endorsed the launching of the project on 22 September 2015. This project will enable the port to accommodate 2.0 million TEUs of containers per year; (2) **The Coastal Terminal Development Project (Port A) at Laem Chabang Port**: This will enable the port to accommodate as many as 100,000 TEUs of containers per year. The signing of contract is expected to take place in December 2015, and the project is expected to be completed by 2018; and (3) **Yachts and Marinas Festival**: The Cabinet approved this project on 15 September 2015 in order to promote Thailand as ASEAN Marina Hub. The official launch took place on 16 September 2015.

**(4.3) Air transportation:** (1) **The U-Tapao International Airport Project:** The project's work plan is divided into 3 phases. **Phase 1 (2016-2017)** is aiming at increasing the capacities of the airport to accommodate 3 million visitors per year. **Phase 2 (2018-2020)** will target increasing of the capacities of the airport accommodate 5 million visitors per year. **Phase 3 (Post 2020)** will focus on enhancing overall capacities. Currently, a plan of action has been developed to upgrade U-tapao Airport to be the 3<sup>rd</sup> commercial airport in Thailand and will be proposed to the Cabinet for approval; (2) **The Air Transport Project at Suvarnabhumi International Airport consisting of 2 projects.** The first project is the development of the 2<sup>nd</sup> Phase of Suvarnabhumi Airport set to begin in March 2016 and is expected to be completed by 2019. The second project is **the construction of the 3<sup>rd</sup> and 4<sup>th</sup> taxiways** with the budget of 20,243 million baht. This project is expected to proceed within the beginning of 2017 and will be completed by 2019.

Additionally, the Government supports and promotes **Public Private Partnerships (PPP)**. It has developed the PPP Strategic Plan, approved the implementation of pipeline projects under the Strategic Plan, and drafted legislations to support the operations under the Private Investments in State Undertakings Act B.E. 2556 (2013) so as to produce concrete results. **The Department of Rail Transportation will also be created** in order to administer Thailand's rail system. The Government has already approved in principle the establishment of the said department, and the Rail Transportation Bill B.E. ... is currently being drafted.

#### **(5) Development of the manufacturing industry**

(1) **Expediting consideration and approval processes** by reducing steps and time required for the issuance of permits: For example, the consideration for issuance of factory operation and factory expansion permits, which used to take 90 working days, has been reduced to 30 working days; that of the Mining and Fishing Licenses now takes no longer than 45 working days; and that of the Industrial Standards Certification has been reduced from 46 working days to 26 working days;

(2) **Amending laws and facilitation for entrepreneurs:** The Ministerial Regulation on the Exemption of Annual Fees for Entrepreneurs B.E. 2557 (2014) was issued and would be in effect for 3 years (2015-2017). The Machinery Registration Act (No. 3) B.E. 2558 (2015) was announced in the Royal Gazette on 27 August 2015 and came into effect 90 days thereafter, or on 25 November 2015. The Industrial Products Standards Act (No. 7) B.E. 2558 (2015) was announced in the Royal Gazette on 27 August 2015 and entered into force 30 days thereafter, or on 26 September 2015;

(3) **Industrial development and environmental management:** The Government has designated **“Community and Industrial Waste Management” as a national agenda.** Workshops to raise awareness on “Industrial Waste Management” have been organized for 52,346 entrepreneurs

who had not yet complied with relevant laws concerning disposal of waste or unused materials. Those entrepreneurs who passed the workshop would then be registered in the Industrial Waste System. In addition, the Industrial Estate Authority of Thailand (IEAT) is studying the possibilities of establishing **the Industrial Estate to Manage Industrial Waste**;

(4) **Promoting eco industrial cities**: The blueprint for eco industrial cities has been adopted for 15 provinces, namely, Rayong, Prajinburi, Chachoengsao, Samut Prakarn, Samut Sakhon, Nakhon Ratchasima, Khon Kaen, Ayutthaya, Saraburi, Songkhla, Surat Thani, Pathumthani, Chonburi, Nakhon Pathom, and Ratchaburi;

(5) **Capacity building to increase industrial competitiveness** by promoting the use of the Internet, and promoting and developing business potential of Halal goods and services; and

(6) **Promoting development of community product standards** by setting 83 community product standards, certifying 6,728 community products, and monitoring the quality consistency of 2,070 products.

(6) **Promotion of and building the foundations for digital economy**

The Digital Economic Development plan is being drafted. **Digital usage for the economy and society** has been promoted through such measures as the establishment of 1,980 ICT Community Learning Centres (during FY 2007-2015), undertaking cyberspace security in order to monitor and alert government agencies of threats and points of weakness in their systems. **The development of Interoperability Transaction ID Management System (ITIMS)** has been conducted to synchronize messaging respiratory data collecting systems in different government agencies, such as the **Central Standard E-Payment System Version 2** which has been used by the Bank of Thailand and other agencies in the banking sector, and **the Standard System for the Healthcare Sector**, namely, the standardized National List of Essential Medicine and Medicine Codes which has been used by the Thai Health Information Standards Development Centre. **Confidence building on E-Business** is being pursued with a view to developing capacity and opportunities for SMEs and OTOP businesses. 420 businesses have been selected and are slated to work with Thaiemarket.com. A channel has also been created to receive online complaints through website [www.occ.thaiemarket.com](http://www.occ.thaiemarket.com) since 29 June 2015. So far, 308 complaints have been registered. **Development of access to government information and services** focuses on the development of Government e-Service by compiling 97 applications under 12 categories and put them on the Government Application Centre (GAC). So far, 7 applications are fully operational. Additional applications have been developed, namely, the land map application by the Department of Lands, disability rights application, pharmacy locator application by the Food and Drug Administration, complaint

filing application by the Department of Forestry, and routes information application by the Bangkok Mass Transit Authority.

#### **4.7 Policy 7: Promoting Thailand's Role and Utilization of Opportunities in the ASEAN Community**

The Government has prepared for the realization of the ASEAN Community by establishing the Administrative Committee for ASEAN Community Preparation in 2015 as well as developing the 5-year strategies and plans of action in order to prepare for the 3 pillars of the ASEAN Community. On the **Political – Security side**, the Government has set up: (1) the ASEAN Centre of the Royal Thai Police in order to integrate data on entry – exit of people and vehicles; (2) the ASEAN Narcotics Cooperation Centre (ASEAN-NARCO) to carry out cooperation on prevention of narcotic drugs; and (3) the ASEAN Centre of Military Medicine (ACMM) to act as a central hub for military medicine in ASEAN. On the **Economics side**, a number of measures have been implemented to fulfil ASEAN commitments, including free trade in goods and services in 5 areas (telecommunications, computers, transport logistics and construction, finance and insurance, and education); connectivity in transport, communications and energy; providing impetus for the digital economy by developing relevant infrastructure; and improving standards of electronics products, automobiles and auto parts, and tyre products to comply with the ASEAN standards, as well as establishing a National Vehicle and Tyre Testing Centre. On the **Socio – Cultural side**, the 5-year plan has been mandated under 5 core principles, namely, participation and social responsibility, equality and promotion and protection of human rights, striking a balance between social development and the environment, dealing with new and emerging challenges, and constructive innovation and membership of the international community. In addition, Southeast Asia's first ASEAN Cultural Centre was established at the Ratchadamnoen Contemporary Art Centre.

In order to enable different sectors to be ready for entry into the ASEAN Community, the Government has implemented a number of measures geared towards various groups, as follows:

(1) **General public:** Activities have been organized to raise awareness about the ASEAN Community, for example, the ASEAN Community Roadshow, the ASEAN Library Project, and the project on youth empowerment and capacity-building for women in order to prepare for the ASEAN Community;

(2) **Entrepreneurs:** Efforts have been made to develop potentials in **trade and investment in the mining and primary industries** by developing capabilities of entrepreneurs and encouraging them to invest in mines or source raw materials from ASEAN in order to be ready for the opening up of the ASEAN free market on mining; **capacity-building for Thai food entrepreneurs** in order to develop and standardize Thai food menus (with

7,506 people, or 110.38 per cent of the target group of 6,800 people, participating in the training); **development of target businesses** by providing advice on business planning and business models (attended by participants from 600 companies), organizing training courses for SME entrepreneurs on business industrial management and market expansion (attended by 3,588 participants), providing training for employees in the auto parts sector (attended by 100 participants), giving in-depth advice to enterprises in the auto parts industry in terms of monitoring systems and efficiency of machinery (with participants from 25 enterprises attending);

(3) **Industrial sector workforce**: Activities have been organized to develop skills for the labour force, including **developing language skills**, particularly English (with participation of 23,890 people, or about 111.64 per cent of the target group of 21,480 people); **capacity and skills building for Thai labour in industries that lack skilled workers**, including in the automobile and auto parts industries, services and tourism, high-technology industries, and industries in the border economic zones, in order to alleviate the shortage of skilled labour (with 116,998 people, or about 124.40 per cent of the target group of 94,049 people participating in the training); monitoring of **workplaces to ensure that migrant workers are treated in accordance with labour standards** (with 711 businesses, or about 101.57 per cent of the target group of 700 undergoing inspection); and **educating employers and foreign workers on social security and compensation funds** (with 1,359 people attending).

In addition, the Government has accelerated **support for the development of economic, trade and investment connectivity in the ASEAN region, and expanded economic cooperation with neighbouring countries**, through (1) development of railways under Thailand – China and Thailand – Japan cooperation; and (2) development of areas along the East – West Economic Corridor (EWEC), such as repairs and construction of the Thai – Myanmar Friendship Bridge, and construction and maintenance of roads, such as the Myawaddy – Tanaosi route and the Tak – Mae Sot route.

The Government has **expedited the development of transport and logistics connectivity in the sub-region and the ASEAN region**, for example, by (1) facilitation of the cross-border transport of goods under the framework of ASEAN agreements; (2) implementation of projects under the IMT-GT framework, including conducting a feasibility study for the construction of the Hat Yai – Sadao motorway, construction of roads to connect the Thai – Malaysian border along the Ban Prakob – Na Thawi route, construction of the new port at Naklua in Trang province, preparing plans to renovate the Port of Phuket, planning for the construction of a bridge across Kolok River between Bai district – Pengkalan Kubur in Kelantan State, studying the possibility of opening the RORO Ferry service linking maritime transport between Balawan – Penang – Trang (Indonesia – Malaysia –

Thailand); (3) drafting of the ASEAN Framework Agreement on the Facilitation of Cross Border Transport of Passenger by Road Vehicles (CBTP), which is expected to be signed during the 22<sup>nd</sup> ASEAN Transport Ministers Meeting (ATM) in 2016; (4) development of dual-track railways in accordance with the plan to develop inter-city railway networks; (5) implementation of the project to build inter-city motorways along the Pattaya – Map Ta Phut, Bang Pa-In – Nakhon Ratchasima and Bang Yai – Kanchanaburi routes; (6) development of water transport projects by the Port Authority of Thailand, including the project on the development of Coastal Terminal (Terminal A), and that on the development of the Rail Transfer Terminal at Laem Chabang (Phase 1); and (7) support for the development of U-Tapao Airport to become Thailand's 3<sup>rd</sup> national commercial airport in order to support increased air traffic.

The Government has also been working on **linking transport routes and logistics networks from production centres in local communities to processing centres in order to increase domestic value added and ensure connectivity with ASEAN**. This includes: (1) construction of international highway networks, including Highway No. 212 for Phon Phisai – Bueng Kan in Nong Khai province route, Highway No. 12 for Tak – Mae Sot in Tak province route and Kalasin – Somdet district in Kalasin province route, and Highway No. 3 for Trat – Hat Lek in Trat province; (2) promoting maritime commerce by supporting investment sources with special interest rates for acquisition of vessels (with 12,961 million baht being allocated to businesses as of the end of June 2015); and (3) providing financial assistance to the Laos PDR for transport connectivity, including construction of the Thanaleng – Vientiane railway, renovation of Pakse International Airport (Phase 2), improvement and construction of roads linking Ban Huak in Phayao province – Muang Khop – Muang Xianghon and linking Muang Khop – Ban Pak Khop – Ban Kon Tuen.

The Government has implemented the **development of the Special Economic Zones (SEZs) beginning with development of border checkpoints for cross-border trade and of transportation networks in the vicinity of main trading gateways to accommodate the link between cross-border production processes and investment**. At the same time, the National Single Window (NSW) has been developed to facilitate information transfer between the public sector and businesses.

#### **4.8 Policy 8: Developing and Promoting the Application of Science, Technology, Research and Development, and Innovation**

Development of and support for the use of science and technology, research and development, and innovation has been implemented in order to promote research and development investment to reach the target goal of at least 1 per cent of GDP with the public-private ratio of 30:70 in accordance with the 11<sup>th</sup> National Economic and Social Development Plan. Highlights of measures undertaken are as follows:

**(1) Supporting increased spending in national research and development, and re-organizing the administration of work on science, technology, research and innovation to achieve unity and efficiency, with links to the private sector**

The Government has opened the Company R&D Centres (CRDC) to promote and strengthen R&D centres of the privates sector; provided One Stop Solution services for businesses of all sizes; supported SMEs by introducing science and technology to develop manufacturing technologies under the Industrial Technology Assistance Programme (iTAP); enhanced competitiveness of One Tambon One Product (OTOP) businesses in all 5 regions of the country through science, technology and innovation; promoted research and development in the processing of agricultural products (rubber); and promoted research and development in the agricultural sector by preparing a research strategy on agriculture and the agricultural industry (2015-2021) to develop and strengthen research and development in agriculture which focuses on holistic national development.

**(2) Supporting an innovative society**

The Government has promoted the education system that links science, technology, engineering and mathematics (STEM education); supported development of human resources to meet the needs of sectors with skill shortages; promoted Work-integrated Learning (WiL); allowed public sector research personnel to work with the private sector (Talent Mobility); and encouraged SMEs to acquire new technologies through cooperation between public sector agencies and academic institutions.

**(3) Reforming incentive schemes, regulations, and laws that hinder the use of research and development extensions for the benefit of the people, supporting the formulation of regional and provincial research and development plans to respond to unique needs of local communities, and promoting research and development outcome for commercial applications**

The Government has, for example, pushed for 300 per cent corporate tax exemption for research, technology development and innovation expenditures; promoted home-grown innovation through government procurement by creating a list of Thai innovations and inventions; organized business matching events to provide channels for matching customer needs with Thai innovations for further commercial applications; supported investment funding for SMEs to develop technologies and innovations that have commercial or societal benefits by implementing the 2<sup>nd</sup> phase of the Innovation Coupon Project (2015-2016) in order to enhance the potential of Thai SMEs for entry into the ASEAN Economic Community.

**(4) Encouraging national mega projects to make broad utilization of Thai research, development and innovation, as well as equipment and other products that are the results of research and development in Thailand**

The Government has pursued the development of high-speed railway technologies between Thailand and China, as well as building of knowledge on railway systems that can benefit the development of high-speed railway technologies both in terms of personnel and related industries in Thailand.

**(5) Improving and preparing infrastructure on science and technology, research and development, and innovation**

The Government has pursued the upgrading of the Metrology Standardization Testing Quality (MSTQ); provided a physical location and budget for the Thailand Science Park; developed the National Water Information and Weather Centre; supported utilization of aerial and satellite mapping and satellite technology; and pursued cooperation in science, technology and innovation between Thailand and the Lao PDR, Thailand and Japan, and Thailand and China.

**4.9 Policy 9: Maintaining the Security of the Resource Base and Balancing Conservation and Sustainable Use**

The protection and restoration of protected areas and stopping encroachment and destruction of forest resources is an important policy of the Government. A target for **reclamation of forest land** has been set at 1.5 million rai. 119,660 rai have already been reclaimed, primarily in watershed areas and national parks, wildlife sanctuaries and new areas in national parks which had been encroached upon by entrepreneurs and influential people, through strenuous enforcement of the law. In addition, the Government has managed **watershed areas** totalling 8.6 million rai **which had been encroached upon** 800,000 people, by preparing a strategy to restore watershed areas within 20 years (2015-2035), with implementation to be expedited in Nan and Chiang Mai provinces.

The problem of encroachment on forest resources is partly caused by different versions of maps being used by various agencies. The Government has ordered that all relevant agencies expedite the revision of maps in order to standardize the delineation of the boundaries of forest land and make it enforceable by law as soon as possible. At present, 1,351 forest areas have been inspected, divided into 1,099 national parks and 252 protected forests. An application has been developed to enable more efficient inspection of the boundaries of forests in order to solve the problem of destruction of forest resources and encroachment on forest land. With regard to the **development of a land management system** and tenure of forest land by impoverished people, the Government has resolved to adhere to His Majesty the King's guidance that people can live in harmony with the forest by **expediting implementation of the project to distribute arable land in accordance with the government policy**, with the aim to distribute land totalling 399,624 rai to 43,035

impoverished people by giving land entitlement as shared rights of the community.

The Government has **improved the system to manage both land and maritime national parks**, developed areas for eco-tourism with precaution, **solved the problem of shoreline erosion** in 20 provinces and 69 areas totalling 216.95 kilometres, and developed the information system for shoreline management. It is planning to plant bamboo to prevent further damage to 9 kilometres of muddy shoreline.

The Government has **supported the role of volunteers in the management of natural resources and the environment** by building volunteer networks of all agencies totalling 7 networks with 231,857 people, as well as developing databases to enhance work efficiency. The Government has **decentralized the authority to consider the Environment Impact Assessment (EIA)** to the provinces with readiness to do so, such as Bangkok, Chonburi, Phuket, Phetchaburi, Prachuap Kirikan, Surat Thani, Krabi and Phang Nga. It has also decentralized the authority to analyse the Environment Impact Assessment on the industrial sector and relevant supporting infrastructure in the Special Economic Zones under the first and second phases to 10 provinces, including Tak, Mukdahan, Sa Kaeo, Songkhla, Trat, Chiang Rai, Kanchanaburi, Nong Khai, Nakhon Phanom and Narathiwat.

On **disaster management**, the Government has developed maps and disaster warning systems in order to prepare for disasters such as earthquakes, landslides and flash floods, by installing seismometers, and carrying out geophysical survey through the analysis of shear wave velocity of soils in Kanchanaburi, Tak and Mae Hong Son provinces covering 166 areas. It has further enhanced the efficiency of earthquake warning systems and monitoring networks that cover upstream, midstream and downstream systems in 8 provinces, 32 districts, 55 sub-districts and 548 villages. Plans have also been developed regarding the protection and restoration of areas that have been affected by landslides, and during the period from 2005 to 2015, warning systems have been installed at 1,545 stations covering 4,791 villages.

**The Government has expedited the creation of good environmental quality for the people** by controlling air pollution, garbage and wastewater from industrial and consumer uses. It has worked to **solve the problem of forest fires and haze** in 10 Northern provinces where the amount of dust in the air exceeds safety standards and have negative health impact, by developing an action plan on the prevention and solution of haze problems in the northern part of Thailand. On 24 February 2015, the Cabinet approved the devolution of power to the local authorities at the provincial level in accordance with the Single Command system in order to solve problems at their root causes and ensure participation of all sectors. Work has also been undertaken to campaign, raise awareness, build a sense of responsibility, as well as prevent and reduce burning in open areas and haze. The Government has also

coordinated with neighbouring countries in order to expedite the control and reduction in burning of land in accordance with the ASEAN Agreement on Transboundary Haze Pollution.

#### **4.10 Policy 10: Promoting Good Governance, and Preventing and Suppressing Corruption and Malfeasance in the Public Sector**

The Government has taken a number of important steps, such as **proactive improvement of public services**. Thailand Public Service Awards are given to government agencies which are able to improve the quality of services in accordance with the prevailing standards. 78 prizes under the annual 2015 Thailand Public Service Awards were given. In addition, the Government has encouraged government agencies that have already won the Thailand Public Service Awards to further present their achievements in order to compete for the United Nations Public Service Awards. Two Thai government agencies received the United Nations Public Service Awards in 2015. The Queen Sirikit National Institute of Child Health won the first prize under the “Promoting Whole-of-Government Approaches in the Information Age” category for its Holistic School in Hospital (HSH) initiative. Similarly, Khon Kaen Hospital was awarded second place under the “Promoting Gender-Responsive Delivery of Public Services” category for implementing a Fast-track Service for High-risk Pregnancies. The Government has **promulgated the Licensing Facilitation Act B.E. 2558 (2015)**, which requires government agencies to prepare instruction manuals for the public and inform them of the methods, procedures, timeframes, as well as necessary documents and fees required to receive services from government agencies. This Act has been in effect since 21 July 2015, marking an important turning point for government approval procedures. Progress has been made on **decentralization in order to increase the accessibility of public services**. The Decentralization to Local Government Plan (No. 3) and the Action Plan on Procedures for Decentralization to Local Government (No. 3) have been drafted. The objectives are to transfer duties, budget and personnel to local administrative organizations so that people would be able to access public services in a more economical, convenient, efficient and standardized manner.

The Government has supported the establishment of **One Stop Service Centres** in order to provide convenience for the public by enabling them to seek public services at one single location. Examples are (1) **Ministry’s One Stop Service Centres** at 15 ministries; (2) **Provincial Service Centres/Damrongdhama Centres** in 76 provinces; (3) **Government Service Points (G-Points) in shopping malls**. A Memorandum of Understanding on cooperation to establish G-Points in shopping malls was signed on 29 January 2015 by the relevant agencies including Central Pattana Public Company Limited (CPN), the Bangkok Metropolitan Administration, the Social Security Office, the Department of Land Transport, the Department of Employment, the

Electronic Government Agency, and the Office of the Public Sector Development Commission. The first G-Point was opened at Central World Department Store on 14 February 2015. Other G-Points are located, for instance, at Central Plaza Salaya, Central Plaza Khon Kaen and Central Plaza Chiang Mai Airport. Services offered by government agencies include the issuance of national ID cards, unemployment registration, payment of automobile and property taxes, application for construction permission, and requests for the installation of water supplies. Services are open to the public every day. Furthermore, the scope of services offered will be expanded in the future in order to meet public demand in various areas across the country; and (4) **Specialized One Stop Service Centres** (which are established for specific groups) have been opened at 3 locations, namely, the One Start One Stop Investment Centre (OSOS), the One Stop Export Service Centre (OSEC), and the One Stop Service Centres for application for construction permission and installation of public utilities. In addition, measures have been taken concerning **methods for receiving public complaints**. Improvements have been made to the operation networks among government agencies at the ministries' and departments' levels as well as state enterprises and independent organizations in order to cultivate good working relations among officials from various government agencies. Complaints that are cross-agency can be handled and transferred with efficiency **through the Public One Stop Service Centre**. People can file complaints and opinions through channels provided by the Public One Stop Service Centre under the name 1111. (There are 4 methods, namely, the Government hotline 1111, [www.1111.go.th](http://www.1111.go.th) website, P.O. box 1111, and public service points 1111). The public can also file complaints through the National Council for Peace and Order (NCPO). Thus far, 148,106 complaints have been submitted, of which 134,873 cases were successfully resolved, while 13,233 cases are being processed. The **Damrongdhama Centre** has also received 77,291 complaints, 31,514 of which have already been acted upon, while 45,777 complaints are being processed. Additionally, many government agencies have established channels/systems for accepting public complaints in matters related to their duties. Examples include the Ministry of Public Health, the Ministry of Justice, the Ministry of Industry, the Ministry of Interior, the Ministry of Education (1579 hotline or [www.1579.moe.go.th](http://www.1579.moe.go.th)), and the Office of Consumer Protection Board, which has established the 1166 hotline.

Furthermore, the Government has sped up the **integration of the public sector databases**. The integration of water and meteorological data serves as a means to follow, monitor and predict water conditions in both normal and critical situations. It also allows for the analysis and forecast of water conditions. A database holding the individuals' personal information has been created to integrate biometric information in order to provide services that would help with investigating, identifying or verifying information, as the case

may be. In addition, employment and income data have been integrated so that every people would be incorporated into the tax system.

#### **4.11 Policy 11: Improving Laws and the Judicial Process**

The Government has **amended the code of laws that were outdated or unfair**. For example, with regard to **national security**, importance has been given to the management of protests in public places. Laws, which have been promulgated and already taken effect, include the Public Assembly Act B.E. 2558 (2015). **With regard to international affairs**, importance has been given to the promotion of Thailand's role and opportunities provided by the ASEAN Community. Important laws have been amended, including the Act B.E. 2558 (2015) amending the Protection of ASEAN Proceedings Act B.E. 2551 (2008), as well as the Amendment of the Protection of the Proceedings of ASEAN + 3 Macroeconomic Research Office Act B.E. 2558 (2015), both of which have already taken effect. **As for the economy**, the Government has attached importance to the promotion of and laying down the foundations for the digital economy, as well as dealing with issues such as civil aviation, illegal fishing, energy, access to financial resources, as well as the procedures of the excise and customs tax codes. Laws that have already taken effect include the Inheritance Tax Act B.E. 2558 (2015), the Amendment to the Government Revenue Act (No. 60) B.E. 2558 (2015), the Specialized Financial Institutions Development Fund Act B.E. 2558 (2015), and the Act B.E. 2558 (2015) amending the Specialized Juristic Entity Asset Transformation Act B.E. 2540 (1997). **On the social aspect**, the Government has prioritized reduction in social inequality, improving access to public services and public education, as well as improving the quality of medical and health services. Legislations that have already become effective include the Anti-Human Trafficking Act (No. 2) B.E. 2558 (2015) and the National Pensions Reserve Fund Act (No. 4) B.E. 2558 (2015). **Regarding the law and judicial process**, emphasis has been given to the improvement of laws deemed outdated or unjust. Outdated laws and those deemed no longer necessary, or those which overlap with other laws have been revoked.

Furthermore, improvements in the judicial process concerning civil and criminal laws have been undertaken. The processes evolving around bankruptcy cases have been updated and modernized. Improvements have also been made on how the Government provides legal support and financial help for the poor as well as disadvantaged groups who often do not have access to justice.

Important laws that have already taken effect include the Revocation of Outdated, Unnecessary and Overlapping Laws Act B.E. 2558 (2015), the Act B.E. 2558 (2015) on Revocation of the Public Irrigation Act B.E. 2482 (1939), and the Counter Terrorism Financing Act (No. 2) B.E. 2558 (2015).

Moreover, the Government has **increased the capabilities of agencies whose task is to provide legal opinions and draft legislations so that they can perform their work in a more expeditious manner**. This will also enable them to provide assistance to the private sector and the public in accordance with the criteria that would be made more open. Personnel of legal agencies would also be involved in educating and building capacity of other public officials regarding public law, procedures for administrative cases, legislation drafting, and legal interpretation. In this regard, 14 training courses on public law have been organized as collaboration among the Ministry of Interior, the Administrative Court, the Police College, Sukhothai Thammathirat Open University, the Office of the Council of State, and Chiang Mai University, with a total of 809 attendees. The Government has also been working on the **establishment of a body to work on reforming the judicial process that is free from government interference**. A framework and recommendations for anti-corruption reforms are currently in the process of being drafted.

**The use and integration of modern technology and forensic science into one inter-connected information network** has been implemented to enable the monitoring and further application to improve the effectiveness of public agencies and officials in the judicial process in order to enhance the administration of justice. Actions undertaken include verification and management of forensic information, conducting forensic investigations, DNA tests to verify and return nationality rights to citizens, and DNA tests for individuals without registration status, forensic investigations on missing persons, and concluding the Memorandum of Understanding on provision of DNA testing services in order to support civil registration work. **Handheld electronic devices have also been used with offenders in the probation system**. This enables offenders to live their lives normally with their families and in the society, while also reducing overcrowding in prisons.

The Government has implemented various measures **on improvement of legal support systems and the provision of financial support for people who did not receive justice so that they may have ease of access to justice**. These include **helping people to have access to justice** by opening channels to receive complaints and establishing the “Children and Family’s Advisory Clinic”. On the **development of alternative justice systems**, Community Justice Centres (CJC) have been established. On the **protection of witnesses**, 325 cases have been filed, 19 cases investigated, 90 cases revoked, 216 witnesses placed under protection, and witness protection for 12 individuals completed. Regarding **the improvement of enforcement system for civil and bankruptcy cases, and the rehabilitation of debtors’ businesses and that of offenders**, measures undertaken by the Government include rehabilitation of prisoners, children and young people, and offenders in communities, as well as prevention of recidivism.

In addition, financial, tax, and anti-money laundering policies and measures have been used to prevent and suppress wrongdoers. The Government has implemented actions, such as expanding on the confiscation of assets relating to narcotics, investigating assets, managing confiscated or frozen assets, monitoring and accepting cases where the court has ruled that the assets belong to the justice fund in accordance to Article 27 and Article 30 of the Narcotics Drug Act B.E. 2534 (1991), as well as conducting the auctioning of assets. The Government has also worked on enforcing the fine penalties towards confiscation, handling assets relating to any illegal narcotics act, conducting preliminary investigation of 5 transactions orders, and taking steps in accordance with the Anti-Money Laundering Act B.E. 2542 (1999).

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