

The OECD and Thailand



↑ Thailand's Minister Kobsak Pootrakool and the OECD Secretary-General Ángel Gurría at the MOU signing ceremony on Thailand Country Programme during the OECD Ministerial Council Meeting in Paris, in May 2018

Over the past 15 years, relations between OECD and Thailand have broadened and deepened. The OECD has increased country-specific engagement with Thailand through participation in OECD bodies, targeted policy reviews and adherence to OECD instruments.

Thailand has participated in the Programme for International Student Assessment (PISA) since 2000 and is a member of the Governing Board of the Development Centre, Global Forum on Transparency and Exchange of Information for Tax Purposes and the Inclusive Framework of the OECD's Base Erosion and Profit-Shifting (BEPS) initiative. In 2015, Thailand was among the first countries that achieved Associate status in the International Energy Agency (IEA). Currently, **Thailand is co-chairing the OECD Southeast Asia Regional Programme (SEARP) through 2021.**

Thailand is one of the first countries – and **the only country from Southeast Asia** – to benefit from an OECD Country Programme. The **Thailand Country Programme** was signed on 31 May 2018 by Thailand's Minister Attached to the Prime Minister's Office, Kobsak Pootrakool, and the OECD Secretary-General Ángel Gurría during the 2018 OECD Ministerial Council Meeting in Paris, France.

The Country Programme has been strategically designed and targeted, providing a **whole-of-government approach**. Its purpose is to bring Thailand closer to the OECD by **adopting OECD standards** while **supporting its domestic reform agenda**. The contents of the Programme are aligned with Thailand's 20-Year National Strategy (2018-2037), the 12th National Economic and Social Development Plan (NESDP 2017-2021), and supports Thailand's efforts to achieve more inclusive and sustainable development, including through the Sustainable Development Goals (SDGs).

The Country Programme comprises 15 projects drawing from four key strategic pillars: **i) Good governance and transparency, ii) Business climate and competitiveness, iii) "Thailand 4.0"** and **iv) Inclusive growth**. It comprises peer reviews, capacity-building activities, inclusion in the OECD's statistical databases, participation in eight OECD Committees or their subsidiary bodies and adherence to nine OECD legal instruments. The Thailand Country Programme takes place over a three-year period from May 2018- May 2021.

OECD Southeast Asia Regional Forum: Thailand hosted the OECD Southeast Asia Regional Forum and the third Steering Group Meeting of the OECD SEARP in August 2017 in Bangkok, Thailand. The Regional Forum was organised under the theme of "Opportunities and Policy Challenges of Digital Transformation in Southeast Asia". H.E. Mr Virasakdi Pootrakool, Deputy Minister of Foreign Affairs of Thailand opened the Regional Forum alongside OECD Secretary-General Angel Gurría, H.E. Mr Kazuyuki Nakane, State Minister for Foreign Affairs of Japan, and numerous High-level representative from Southeast Asian countries and OECD Members.

During the events, Secretary-General Gurría also met with Thailand's Prime-Minister Prayut Chan-ocha, two Deputy Prime-Ministers and a number of Thai cabinet Ministers and government officers to re-iterate the OECD's strong commitment to co-operating with Thailand, including through the Thailand Country Programme.



↑ Bilateral meeting between OECD Secretary-General Ángel Gurría and Thailand's Prime-Minister Prayut Chan-ocha, Bangkok, August 2017

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PILLAR I: GOOD GOVERNANCE AND TRANSPARENCY



“Thailand welcomes the guidance offered by the Review on how to bolster its integrity policies, in line with the 2017 OECD Recommendations on Public Integrity and based on good practices from OECD countries.”

Wissanu Krea-ngam, Deputy Prime Minister
OECD Global Anti-Corruption & Integrity Forum
March 2018, Paris

The OECD has been supporting Thailand’s effort to improve public governance institutions and transparency in the government. The OECD ***Integrity Review of Thailand*** was launched in March 2018 as an early harvest deliverable of the Country Programme. The Review provides strategic proposals to enhance the country’s integrity policy framework, based on a comprehensive analysis of its structures, instruments and processes to promote a more effective public sector. The follow-up phase of the Review is currently underway to support the implementation of key policy recommendations.

Moving toward “Government 4.0”: an open, high performing, and citizen-centric governance, the OECD ***Open and Connected Governance Review*** will provide an external assessment of key issues such as stakeholder engagement; innovation and digital government; centre of government co-ordination of reforms; and reform implementation at the local level. The Review will help define the country’s evidence-based debate on reform priorities, coherence and sustainability and provide an overview of Thailand’s progress in creating Government 4.0.

To support Thailand in advancing budget reform, the OECD, through the ***Budgetary Governance Review***, will analyse the process of formulating the annual budget, legislative approval, overseeing its implementation and ensuring its alignment with public goals. The Review will identify areas where further reform efforts may be required. In addition, building on the long-established relationship with the Thai Bureau of the Budget, the OECD is developing a ***Gender Budgeting Action Plan***, a particular application of gender-responsive policymaking to promote gender equality and ensure that the gender dimension is taken into consideration for budget allocations.

PILLAR II: BUSINESS CLIMATE AND COMPETITIVENESS

Building on the ***OECD Policy Framework for Investment***, the OECD ***Investment Policy Review of Thailand (IPR)*** will assess Thailand’s business environment, present best practices and provide policy guidance to improve framework conditions for a sound investment climate in the country. The IPR will focus on linkages between foreign investors and local firms, responsible business conduct and a solid policy framework for investment in green sectors. The IPR of Thailand will contribute to the effective implementation of the 7-year Investment Promotion Strategy (2015-21) and the 20-year National Strategy (2018-2037).



The OECD is currently conducting a ***Regulatory Reform Review of Thailand*** to help the country improve its competitiveness and enhance the efficiency of public sector management. The Review will provide the opportunity to explore specific regulatory challenges and opportunities focused on new businesses, e-commerce, financial technologies, and disruptive technologies. It aims to support Thai policymakers with the strategic foresight needed to address the gap between policy and technology and equip them with the tools and methods to proactively develop a whole-of-government approach.

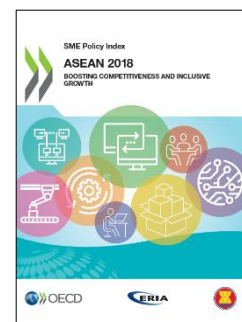


To help Thailand efficiently advance its new ***competition law***, the OECD is carrying out a series of activities such as capacity building workshops, a national competition day and a report on international best practices in competition policy. The project has supported Thailand in implementing sound competition policies, which helps improve the investment and business climate; and boost investor confidence.

The OECD, in close cooperation with Thailand, is currently conducting the ***Responsible Business Conduct (RBC)*** project, drawing on the ***OECD Guidelines for Multinational Enterprises*** and ***OECD Due Diligence Guidance for Responsible Business Conduct***. The project has supported Thailand’s ongoing efforts to develop and implement the new National Action Plan on Business and Human Rights that will promote sustainable and inclusive development in Thailand.

The OECD and Thailand

Following up on the recent OECD [SME Policy Index: ASEAN 2018](#), OECD is carrying out a capacity-building programme to support Thai policy makers in implementing relevant policy recommendations. The programme seeks to help Thailand improve its performance in selected SME-related policy areas and advance the implementation of the ASEAN Strategic Action Plan for SMEs 2016-2025. In addition, the OECD is working with Thailand to develop a **programme for strengthening the SME role in regional innovation clusters**, including assessment of conditions for start-ups and scale-ups, SME innovation, knowledge exchange with universities and firms and opportunities for industrial path development. This programme will focus on on the entrepreneurship ecosystem and emerging industry in the northern province of Thailand.



PILLAR III: THAILAND 4.0



↑ OECD SG Ángel Gurría and Thailand's Minister of Education Teerakiat Jareonsettasin, Bangkok, August 2017

Building on the analysis provided by the joint 2016 OECD-UNESCO [Education Policy Review of Thailand](#), the OECD has supported Thailand in overcoming policy and implementation gaps so that students from all backgrounds can develop the skills needed for success in today's fast-changing world. Furthermore, the OECD will undertake a **Review of Vocational Education and Training (VET) of Thailand**. The Review will provide a comprehensive mix of in-depth policy analyses on selected thematic topics to support Thailand to modernise education and skills policies and to help develop the skills needed for *Thailand 4.0*.

Thailand has increasingly engaged in OECD workstreams on science, technology and innovation, and the digital economy. Within the framework of its Country Programme, Thailand has been invited to participate in the

biennial flagship OECD publications: the [Digital Economy Outlook \(DEO\)](#) and the [Science, Technology and Innovation Outlook \(STIO\)](#). Both publications provide an overall assessment of recent policy developments and policies across OECD member and partner countries. In addition, the OECD is collaborating with Thailand to preparing a roadmap to support Thailand 4.0, in particular the bioeconomy. The report will provide a guideline for Thailand to develop an appropriate business model for small- to medium-sized firms in the biorefinery sector.

PILLAR IV: INCLUSIVE GROWTH



The initial assessment of the OECD [Multi-dimensional Country Review of Thailand \(MDCR\)](#) was launched in April 2018. The Review highlights how sustained, strong growth and a rapidly modernising economy have transformed Thailand into an upper-middle income country and provides recommendation to support the country's ambitions to attain high income status. Launched in February 2019 in Bangkok, the [MDCR Volume II: In-depth Analysis and Recommendations](#) looks at the overall policy transition and highlights three areas: regional development, multi-level governance and water management. Building on the first two volumes, the [MDCR Volume III: From Analysis to Action](#) focussing on northern Thailand, proposes a set of actions to support key transitions to move to the next level of development. These include 1) moving towards a more regionally balanced growth path; 2) simplifying multi-level governance; and 3) improving the management of water resource and risk management.

In addition, the OECD is undertaking an **OECD Economic Assessment of Thailand** in 2019-2020. In light of Thailand's aspiration in its 20-year National Strategy to achieve high-income country status by the mid-2030s, the Economic Assessment will offer useful policy recommendations on how best to boost productivity, foster inclusive growth, and promote sustainable development, based upon sound analysis of socio-economic developments in Thailand and best practices in OECD member countries. It will focus on the issues related to future of work and skills development and trade integration, notably the service sector.

Snapshot of Thailand's Engagement with the OECD

Participation in OECD bodies

- ♦ Associate in the Joint Meeting of the Chemicals Committee and Working Party on Chemicals, Pesticides and Biotechnology* (*Pending Acceptance*)
- ♦ Associate in the Working Group on National Co-ordinators of the Test Guidelines Programme* (*Pending Acceptance*)
- ♦ Associate in the Working Group on Good Laboratory Practices* (*Pending Acceptance*)
- ♦ Participant in the Committee on Digital Economy Policy
- ♦ Participant in the Committee for Scientific and Technological Policy
- ♦ Participant in the Working Party on SMEs and Entrepreneurship
- ♦ Participant in the Fisheries Committee

Participation in other programmes and activities

- ♦ OECD Southeast Asia Regional Programme (*Co-Chairs*)
- ♦ Governing Board of Programme for International Student Assessment (PISA) (*Associate*)
- ♦ Global Forum on Transparency and Exchange of Information for Tax Purposes (*Member*)
- ♦ Governing Board of the Development Centre (*Member*)
- ♦ International Energy Agency (IEA) (*Associate country*)
- ♦ OECD-Asian Senior Budget Officials network
- ♦ OECD-ADB Anti-Corruption Initiative for Asia-Pacific
- ♦ Inclusive Framework on BEPS
- ♦ Global Partnership for Effective Development Co-operation
- ♦ OECD-APEC Co-operative Initiative on Regulatory Reform
- ♦ OECD-APEC TEL Co-operation on Information and Communications Policy
- ♦ OECD-ASEAN Investment Programme
- ♦ OECD-ADBI Roundtable on Capital Market Reform in Asia; and Insurance and Retirement Saving in Asia
- ♦ OECD-Asia Roundtable on Corporate Governance
- ♦ OECD/Korea Policy Centre: Competition Programme; Tax Programme; and Health and Social Policy Programme
- ♦ Initiative on Employment and Skills Strategies in Southeast Asia
- ♦ Partner in the Bologna Process
- ♦ OECD Green Cities Programme
- ♦ LEED Trento Centre for Local Development
- ♦ OECD-AMRO Asian Regional Roundtable
- ♦ OECD-Asia Regional Seminars on Enhancing Transparency and Monitoring of Insurance Markets
- ♦ Health Care Quality Improvement Network in the Asia/Pacific Region

Adherence to OECD legal instruments

- ♦ Declaration on the Fight against Foreign Bribery – Towards a New Era of Enforcement
- ♦ Daejeon Declaration on Science, Technology, and Innovation Policies for the Global and Digital
- ♦ Decision-Recommendation of the Council on Compliance with Principles of Good Laboratory Practice* (*Full Adherent – Pending acceptance*)
- ♦ Decision of the Council on Mutual Acceptance of Data in the Assessment of Chemicals* (*Full Adherent – Pending acceptance*)
- ♦ Istanbul Ministerial Declaration on Fostering the Growth of Innovative and Internationally Competitive SMEs
- ♦ Paris Declaration on Aid Effectiveness
- ♦ International Understanding on Maritime Transport Principles

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