

The OECD and Thailand



↑ Thailand's Minister Kobsak Potrakool 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, specific 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)** along with Korea from 2018 and 2020.

Thailand is amongst 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 Potrakool, 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 will take place over a three-year period from 2018-2020.

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 Potrakool, 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. Most recently, 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 now being undertaken in order to support the implementation of key policy recommendations.

Moving toward "Government 4.0": an open and connected, smart and high performing, and citizen centric governance, 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.

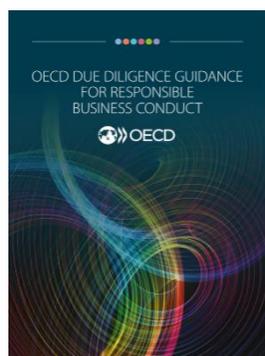
To support Thailand in advancing budget reform, the OECD, through the ***Budgetary Governance Review***, will analyse the process of formulating the annual budget, legislative approval, overseeing its implementation and ensuring its alignment with public goals. The Review will identify areas where further reform efforts may be required. In addition, building on the long established relation with the Thai Bureau of the Budget, OECD will develop a ***Gender Budgeting Action Plan***, a particular application of gender-responsive policy making to promote gender equality and ensure that gender equality aspect 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 an effective 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.

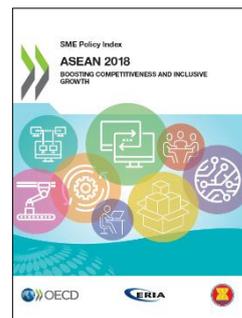


To help Thailand efficiently advance its new ***competition law***, the OECD will carry out a series of activities such as capacity building workshops, a national competition day and a report on international best practices in competition policy. The project aims to support Thailand in implementing sound 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 aims to support Thailand's ongoing efforts to develop and implement a National Action Plan on RBC 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 will carry out a capacity-building programme to support Thai policy makers to implement the policy recommendations on SME development. The Programme will help Thailand improve its performance in selected SME-related policy areas and support the implementation of the ASEAN Strategic Action Plan for SMEs 2016-2025. In addition, the OECD will support Thailand to develop a **programme for strengthening the SME role in regional innovation clusters**, based on international good practices in the development of linkages between foreign direct investors and domestic SMEs and targeted business development services in regional clusters.



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*** and the OECD's Future of Education and Skills: Education 2030 project, the OECD will support 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 and non-OECD member countries. In addition, the OECD will collaborate with Thailand to undertake a report to support Thailand 4.0, in particular the bioeconomy. The Report will identify emerging trends in the new technology sectors and provide policy recommendations.

PILLAR IV: INCLUSIVE GROWTH



The initial assessment of the OECD ***Multi-dimensional Country Review of Thailand (MDCR)*** was launched in April 2018. Guided by the Sustainable Development Goals, the Review offers a broad assessment of Thailand's development challenges, identifies key constraints, and provides initial high-level recommendations. The report identifies four key challenges Thailand must tackle to ensure sustainable and inclusive development: i) Pursue economic transformation to create higher quality jobs; ii) Reduce informality and improve the provision and funding of social protection; iii) Prioritise environmental conservation and disaster risk management; and iv) Improve public governance arrangements.

The OECD is currently conducting the ***MDCR of Thailand: Volume 2 – In-depth Analysis and Policy Recommendations***, which will delve deeper into some of these challenges. The Review will be published in the end of 2018. It will be followed by a ***Volume 3 - Analysis to Action***, to be released in 2019, focusing on how to put the recommendations into practice.

In addition, the OECD will undertake an ***OECD Economic Assessment of Thailand*** in 2019. In light of Thailand's aspiration in the 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.

Snapshot of Thailand's Engagement with the OECD

Participation in OECD bodies

- ♦ 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 Working Group on National Co-ordinators of the Test Guidelines Programme
- ♦ Participant in the Working Group on Good Laboratory Practices
- ♦ Participant in the Fisheries Committee

Participation in other programmes and activities

- ♦ OECD Southeast Asia Regional Programme (*Co-Chairs*)
- ♦ Global Forum on Transparency and Exchange of Information for Tax Purposes (*Member*)
- ♦ Governing Board of the Development Centre (*Member*)
- ♦ Programme for International Student Assessment (PISA)
- ♦ 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-ADB 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 (*Provisionally*)
- ♦ Decision of the Council on Mutual Acceptance of Data in the Assessment of Chemicals (*Provisionally*)
- ♦ Istanbul Ministerial Declaration on Fostering the Growth of Innovative and Internationally Competitive SMEs
- ♦ Paris Declaration on Aid Effectiveness
- ♦ International Understanding on Maritime Transport Principles

CONTACTS

Mr. Alexander Böhmer

Head
Southeast Asia Division
Global Relations, OECD
T : +33 1 45 24 19 12
E : Alexander.Bohmer@oecd.org

Ms. Malory Greene

Deputy Head
Southeast Asia Division
Global Relations, OECD
T : +33 1 45 24 17 32
E : Malory.Greene@oecd.org

Mr. Tiyyarat Niamkohphet-Cader

Junior Advisor
Southeast Asia Division
Global Relations, OECD
T : +33 1 85 55 68 08
E : Tiyyarat.Niamkohphet-Cader@oecd.org