

COUNTRY PRIVATE SECTOR DIAGNOSTIC

CREATING MARKETS IN THAILAND

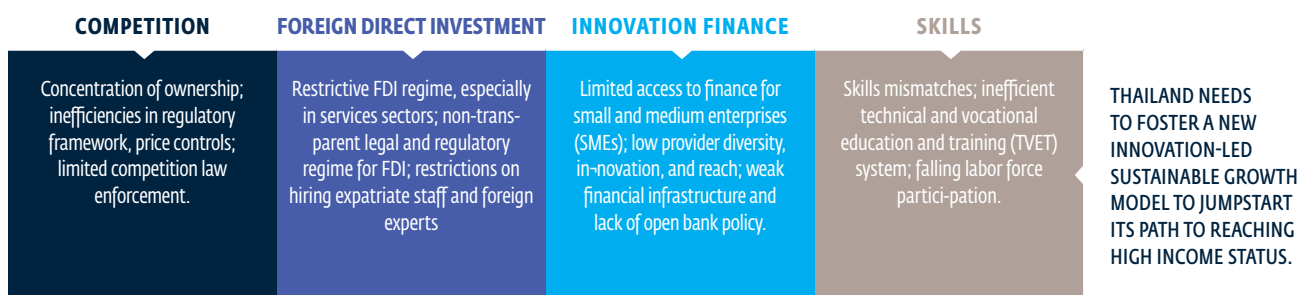
Rebooting Productivity for Resilient Growth



Thailand witnessed high growth in past decades, fuelled by productivity growth and structural transformation—but these drivers have stalled. Four key trends – technology and automation, global trade tensions and shifting global value chains (GVCs), climate change and the drive towards a low-carbon economy, and an aging population – will influence Thailand’s future growth prospects and competitiveness. To achieve and sustain high growth, Thailand’s growth engine needs to be fuelled by innovation and knowledge, in a sustainable manner.

CROSS-CUTTING CONSTRAINTS

Thailand has improved its business environment compared to regional and aspirational peers, but gaps remain. This CPSD highlights how unlocking opportunities will require addressing key cross-cutting issues and sector-specific challenges. Market distortions and missing complementarities are holding back private participation in markets.



DIGITAL AND DISRUPTIVE TECHNOLOGY

CIRCULAR ECONOMY



OPPORTUNITIES:

This CPSD identifies adoption of expanded Digital and Disruptive Technologies (DDT) and Circular Economy (CE) capabilities as two levers that can unleash innovation and knowledge across sectors, yielding both growth dividends and strengthened resilience.

Estimated \$1.8 billion of untapped potential across business-to-business (B2B) market segments, including mobility tech, entertainment tech, big data and analytics, and digital media; and business-to-consumer (B2C) markets, including health tech, e-commerce, fintech, food tech, and travel tech. Additional opportunities in digital subsectors such as software as a service (SaaS), artificial intelligence (AI), machine learning, and the Internet of Things (IoT).

Estimated \$1.6 billion in cumulative returns if firms adopt CE business models, mainly through reduced costs and increased revenues across sectors. CE opportunities in: Food and Agriculture, through regenerative farming, conversion of organic waste to products; Construction, via reuse of construction materials, shared and flexible spaces; and Electrical and Electronic Appliances, in device remanufacturing and device sharing.



RECOMMENDATIONS:

With the objective of unleashing sector-specific as well as general private sector growth opportunities highlighted in the diagnostic, the CPSD offers a list of key recommendations.

Build up deep-tech capabilities; amend the Thai Civil and Commercial Code to conform to international practices and standards; introduce industrial data protection policies; address lack of competition for spectrum allocation; establish coordination mechanisms for institutions engaged in digitalization policies.

Introduce a standard national definition of CE in the upcoming Circular Economy Action Plan; expand the monitoring and evaluation framework to cover more indicators; appoint a central agency to create, implement, and enforce CE policy; strengthen public-private mechanism for coordination to include SMEs; incentivize non-R&D based innovation, and transfer, diffusion of CE technology; invest in reverse logistics and enabling infrastructure at the subnational level.